

STATE OF ENTREPRENEURSHIP IN THE U.S.

2022 STUDY

OVERVIEW OF FINDINGS



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“

While the State of Entrepreneurship in 2022 is certainly concerning, there is a bright side as we are seeing more support for marginalized entrepreneurs than we have ever seen before. The report is an important reminder though that there are still support gaps to fill, especially now amid the converging challenges all entrepreneurs currently face.

— TODD KHOZEIN / CARRIE FREEMAN

STUDY OVERVIEW

Two years after launching the first State of Entrepreneurship study, amid a spate of new challenges, from inflation to a competitive job market, our new study found that more than three quarters (77%) of polled entrepreneurs do not think the U.S. economy is on the right track, up from 69% in 2020.

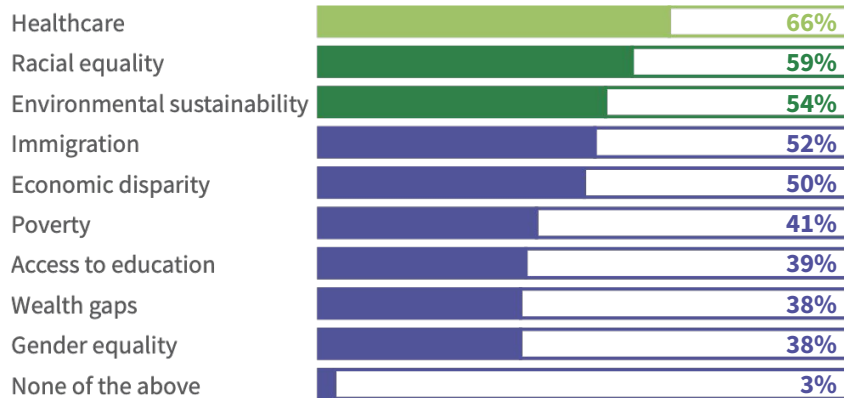
The data suggests that while certain economic indicators have improved since 2020, the current challenges entrepreneurs face are substantial enough to sour their outlook and to notably change their priorities.

While some entrepreneurs have shifted their priorities to focus on their bottom lines, the people most impacted by injustice and climate change are still laser-focused on social and environmental justice. This underscores the importance of supporting innovators and small business owners, especially those from historically marginalized backgrounds who have long faced the greatest barriers to entrepreneurship.

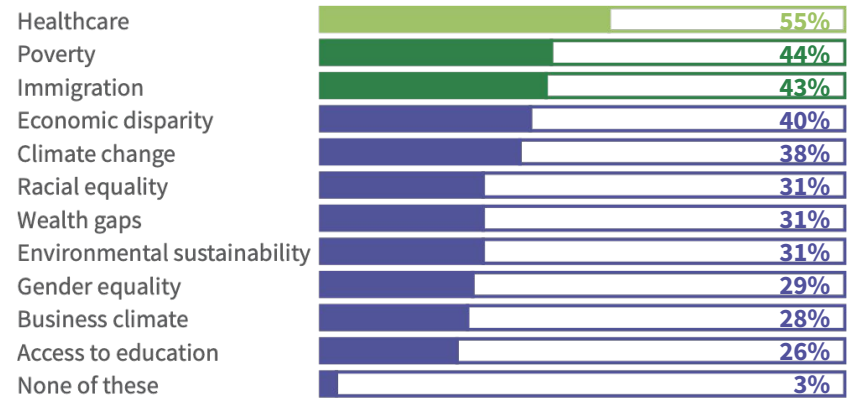


KEY ISSUES IN AMERICAN SOCIETY TODAY

2020 VS 2022



In 2020, **healthcare (66%)**, **racial equality (59%)**, and **environmental sustainability (54%)** were key issues for entrepreneurs.



In 2022, **55%** of the respondents state **healthcare** as the key issue, followed by **poverty (44%)**, and **immigration (43%)**.



KEY ISSUES IN AMERICAN SOCIETY TODAY

While most entrepreneurs have refocused on issues that directly impact their business, *women* are still concerned about *gender equality* and *Black entrepreneurs* are still concerned about *racial equality*.

**Note: number of Black respondents = 32.*

GENDER EQUALITY:



35% **Women** who say gender equality is a key issue

22% **Men** who say gender equality is a key issue

RACIAL EQUALITY:



56% **Black entrepreneurs** who say racial equality is a key issue

27% **White entrepreneurs** who say racial equality is a key issue

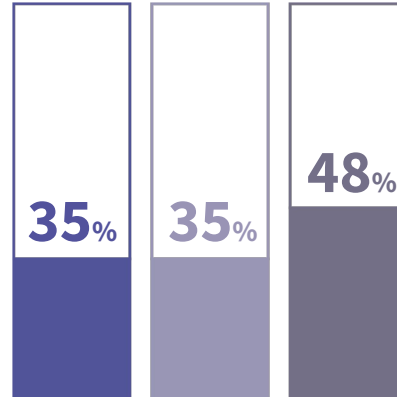


KEY INSIGHT 1

GENDER EQUALITY STILL IMPORTANT FOR WOMEN, BUT NOT MEN

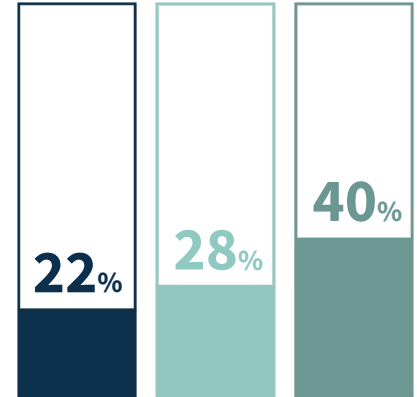
Women and men *do not agree* on the *severity of some of the key issues* facing America, with women more concerned than men on issues such as:

WOMEN RESPONDENTS:



- Gender equality
- Racial equality
- Poverty

MEN RESPONDENTS:



- Gender equality
- Racial equality
- Poverty



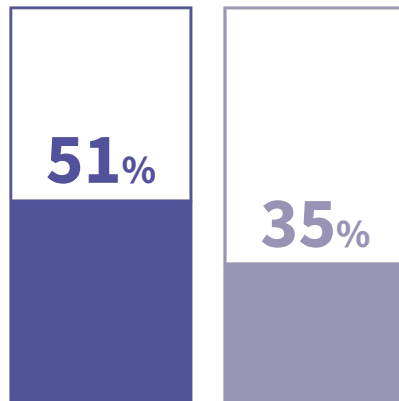
WOMEN VS MEN

KEY INSIGHT 1

A *woman's experience* of the economy is *different than a man's*.

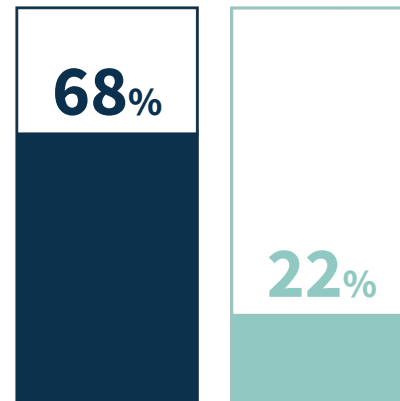
How inclusive, if at all, is the United States' economy in terms of providing entrepreneurial opportunities for everyone to thrive regardless of their background? →

WOMEN RESPONDENTS:



- Women who say it's **inclusive** (very - somewhat inclusive)
- Women who say **gender equality** is a key issue

MEN RESPONDENTS:



- Men who say it's **inclusive** (very - somewhat inclusive)
- Men who say **gender equality** is a key issue



WOMEN AND MEN SPLIT ON KEY ISSUES IN THE U.S.

	Women	Men
Gender equality	35	22
Racial equality	35	28
Poverty	48	40
Economic disparity	41	40
Wealth gaps	33	28
Immigration	39	47
Environmental sustainability	33	28
Climate change	38	38
Access to education	28	25
Healthcare	60	50
Business climate	19	37
None of these	2	4



By almost 2:1, women and men do not agree on the severity of key issues facing America, with women more concerned than men on things like gender equality, racial equality, and poverty, etc.

“

Things are getting worse during the pandemic. Progress has not been sufficient in addressing the inequity for entrepreneurs from underrepresented groups as an offshoot of people struggling to stay afloat while being locked up and contained. During this time, **families and particularly women have faced a greater burden** as caregivers for children.

CAROL DAHL

THE LEMELSON FOUNDATION

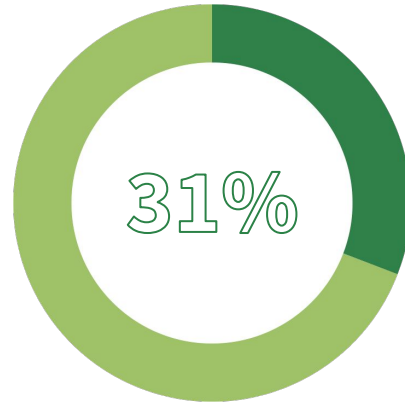


KEY INSIGHT 2

BLACK ENTREPRENEURS STAY FOCUSED ON RACIAL EQUALITY

Black respondents are twice as likely to say that racial equality is a key issue compared to white respondents.

**Note: number of Black respondents = 32.*



of entrepreneurs see **racial equality** as a **key** issue in **2022**, dropping from 59% in 2020.

Black entrepreneurs also say that the following things are **top key issues** facing American society today:



POVERTY



ECONOMIC DISPARITY

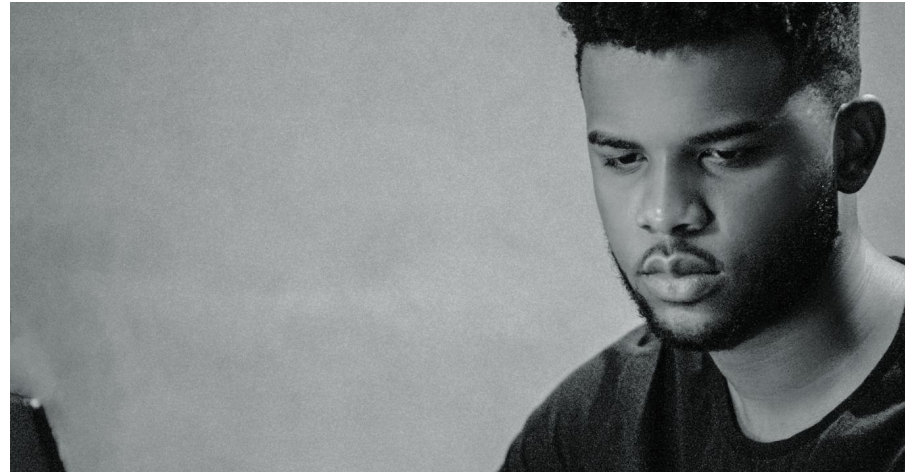


CLIMATE CHANGE



BLACK ENTREPRENEURS SAY RACIAL EQUALITY IS A KEY ISSUE

	Black	White
Gender equality	38	28
Racial equality	56	27
Poverty	50	41
Economic disparity	50	29
Wealth gaps	44	49
Immigration	28	49
Environmental sustainability	38	30
Climate change	47	37
Access to education	28	25
Healthcare	41	58
Business climate	28	27
None of these	-	3



Black entrepreneurs are twice as likely to perceive racial equality as a key issue in America compared to white entrepreneurs (56% vs 27%).

“

The reality is that Black entrepreneurs are bearing the brunt of these issues, and when it comes to climate change, they are already facing the consequences. We see that **entrepreneurs from marginalized communities are better positioned to create solutions that protect the planet because of their first-hand experiences.**”

CHANTE HARRIS

SECONDMUSE





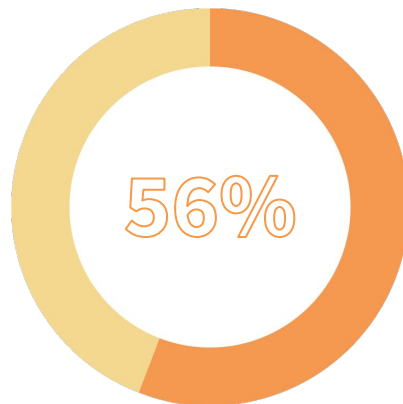
KEY INSIGHT 3

THOSE WITH NO GENERATIONAL WEALTH SAY THE ECONOMY ISN'T INCLUSIVE

Respondents with no generational wealth are 2.5x more likely to say the economy is not inclusive compared to those with past generational wealth.

GENERATIONAL WEALTH DEFINITION:

Must have inherited/expect to inherit money/real estate/investments from family.



More than half of entrepreneurs without past generational wealth say **access to capital** is the most important thing for starting a business.

Entrepreneurs without past generational wealth think these **three things** will make it **less difficult to be an enterprising entrepreneur**.



**NO
DISCRIMINATION**



**ACCESS TO
GRANTS/CAPITAL**



**BETTER
EDUCATION**



PAST GENERATIONAL WEALTH

KEY INSIGHT 3

Past generational wealth is a strong lens from which entrepreneurs see the economy.

Respondents with no generational wealth are less likely to see the economy as inclusive than those with past generational wealth.

What did our respondents think of the U.S. economy's inclusivity, in terms of providing entrepreneurial opportunities for everyone to thrive regardless of their background? →

GENERATIONAL WEALTH DEFINITION:

Must have inherited/expect to inherit money/real estate/investments from family.

RESPONDENTS WITH NO GENERATIONAL WEALTH:



48% Say it's **inclusive** (very - somewhat inclusive)

37% Say it's **not inclusive** (not at all - not very inclusive)

RESPONDENTS WITH GENERATIONAL WEALTH:



77% Say it's **inclusive** (very - somewhat inclusive)

18% Say it's **not inclusive** (not at all - not very inclusive)

“

If you have generational wealth you're not impacted by the challenges facing those without. You may feel the challenges in your heart, but **you don't financially feel the hardship**”

JUAN PABLO RIVADENEIRA JIJÓN

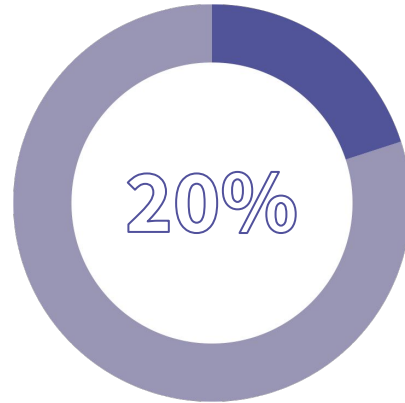
SILVER LINING LTD.



KEY INSIGHT 4

ACCESS TO CAPITAL IS NOT EVENLY DISTRIBUTED

Women are 25% less likely to think that access to capital is evenly distributed.



People of color are **20% less likely** to say that access to **capital is evenly distributed** compared to white respondents.

Top **reasons** entrepreneurs say access to capital is **not evenly distributed**:



RACE



FAMILY WEALTH



RELATIONSHIPS



ACCESS TO CAPITAL AND RESOURCES

ACCESS TO CAPITAL



35%

Evenly distributed

50%

Unevenly distributed

15%

Don't know

ACCESS TO GOVERNMENT RESOURCES:



39%

Evenly distributed

46%

Unevenly distributed

16%

Don't know

- In 2022, almost half (46%) state access to **government resources** are unevenly distributed.

“

There's often a disconnect between the people who work in banking and federal policymaking versus people on the ground. The former group often doesn't think racial discrimination in banking is a pervasive issue. However, **racism is there one layer deeper. It's in how products are designed, which communities are served and not served, and how banks account (or fail to account) for the ways in which the inputs to their models are shaped by our nation's history of racial discrimination.**

ELENA BOTELLA

THE OMIKYAR NETWORK



WHAT CAN THE US ECONOMY DO TO MAKE IT LESS DIFFICULT TO BE AN ENTERPRISING ENTREPRENEUR IF YOU ARE...

1

LESS EDUCATED:

14% of the respondents with no generational wealth identify free college/loans/encourage higher education as a way to make the economy less difficult for people with less education; only 8% of respondents with generational wealth agree with this statement.

2

AN IMMIGRANT:

33% of the hispanic entrepreneurs state access to grants can make the economy less difficult for immigrants, while 43% of Black entrepreneurs state no discrimination.

3

LESS WEALTHY:

To make it less difficult for the less wealthy, 37% of the respondents state the US economy should provide access to grants, loans, credit, and capital.

4

ASIAN:

Women respondents are less likely to identify access to loans, grants, capital, and education as ways to make the economy less difficult for Asian entrepreneurs compared to men (6% vs 13%).

5

HISPANIC:

29% of the Hispanic respondents identify support or help from the U.S. economy as a way to make the it less difficult for Hispanic entrepreneurs.

**Note: number of Black respondents = 32 and number of Hispanic respondents = 20*



WE CANNOT DO THIS ALONE.

Recessions hit marginalized communities the hardest.

Unfortunately, the 2022 State of Entrepreneurship study showed the needs of entrepreneurs from these communities being deprioritized, despite their struggles persisting. This report is yet another reminder from underrepresented entrepreneurs that they need equitable access to the resources all businesses need to survive.

Join us in:



Investing in diverse entrepreneurs through equitable access to **loans, grants, capital, and education.**



Enabling people of color to take the same risks that those with generational wealth are able to take.



Elevating the experiences of **women** and surround them with community **to drive deep, relational outcomes that grow their businesses and promote social justice.**

Let's work together in supporting all entrepreneurs to pursue their passions, grow thriving businesses, and create a more resilient economy that benefits people and protects the planet.



ABOUT SECONDMUSE

SecondMuse is an impact and innovation company that builds resilient economies by supporting entrepreneurs and the ecosystems around them. We do this by designing, developing, and implementing a mix of innovation programming and investing capital.

From Singapore to San Francisco, SecondMuse programs define inspiring visions, build lasting businesses, and unite people across the globe. Over the last decade, they've designed and implemented programs on 7 continents with 600+ organizations such as NASA, The World Bank, and Nike.

To find out more about how SecondMuse is positively shaping the world, visit:

www.secondmuse.com



2022 METHODOLOGY

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 275 Entrepreneurs 18+ years old. Fieldwork was undertaken between 22nd March - 12th April 2022. The survey was carried out online. Entrepreneurs for this study were defined as employed (including self-employed) American adults and identifying with at least 3 of the statements below:

- My work environment is innovative
- I would call myself an entrepreneur
- I work in a small business
- I am working to create a business one day
- My work is focused on creating change
- My work environment is entrepreneurial

2020 METHODOLOGY

Ipsos conducted a 10-minute online device agnostic survey with SecondMuse-supplied contacts (n = 595 total contacts) and Ipsos panels with open quotas.

Ipsos panels defined US entrepreneurs as:

- 18 years old
- Employed full time, part time, or self-employed
- Working in an organization with less than 250 employees
- Working in an innovative environment or small business
- Organizational decision maker

ADDITIONAL INSIGHTS



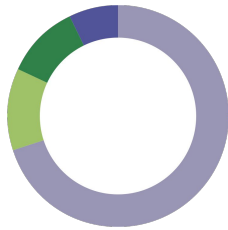
OVERVIEW OF THE RESPONDENTS

ENTREPRENEUR LEVEL DATA



GENDER

Women:	51%
Men:	49%



RACE

White:	70%
Black:	12%
Other (NET):	11%
Hispanic:	7%



REGION

South:	33%
West:	24%
Northeast:	23%
Midwest:	20%



EDUCATION

No HS & HS:	38%
College, 2-year:	32%
College, 4-year:	20%
Post Grad:	11%



PARENT / GUARDIAN

NET: Any age: 18 or over:	64%
Neither / nor	35%
Younger than 18:	31%
Don't know / prefer not to say:	1%



INCOME

\$80k+:	34%
\$40k - \$79.9k:	32%
Under \$40k:	25%
Don't know / prefer not to say:	9%



HEALTHCARE

In a complex environment, *entrepreneurs of all backgrounds cite healthcare as top issue.*

Entrepreneurs often cite universal/free access to healthcare as something that would make it easier for people to be an entrepreneur.



55%

of entrepreneurs cite **healthcare as a key issue** 2022.



KEY ISSUES IN AMERICAN SOCIETY TODAY

BY GENDER

	Women	Men	All
Healthcare	60	50	55
Poverty	48	40	44
Immigration	39	47	43
Economic disparity	41	40	40
Climate change	38	38	38
Racial equality	35	28	31
Wealth gaps	33	28	31
Environmental sustainability	33	28	31
Gender equality	35	22	29
Business climate (i.e., ease of doing business)	19	37	28
Access to education	28	25	26
None of these	2	4	3



In 2022, women respondents are more likely to identify gender equality as a key issue in American society today.



KEY ISSUES IN AMERICAN SOCIETY TODAY

BY SECTOR



54%

of the respondents working in the **manufacturing industry** identify **climate change as one of the top key issues** in U.S.

**Note: number of respondents working in the manufacturing industry = 28.*



57%

of those respondents working on **local economies** identify **economic disparity as the top key issue.**

**Note: number of respondents working on local economies = 21.*



ACCESS TO EDUCATION



WEALTH GAPS



RACIAL EQUALITY

were identified as top **key issues** among **those working on circular economy** in the U.S., with 40% selecting for each issue.

**Note: number of respondents working on circular economies = 15.*



KEY ISSUES IN AMERICAN SOCIETY TODAY

BY RACE



56%

In 2022, **respondents who are black** identify **racial equality** as the **top key issue** in the U.S.

**Note: number of Black respondents = 32.*



27%

of **white respondents in 2022** identified **racial equality** as a **key issue** in the U.S. compared to 54.9% in 2020.



35% 28%

Women entrepreneurs were more likely to **identify racial equality** as a **key issue** compared to men in 2020 (66.2% vs 55.6%) and 2022.



KEY ISSUES IN AMERICAN SOCIETY TODAY

BY RACE



40%

In 2022, **respondents who are non-white** identify **racial equality** as the **top key issue** in the U.S.



27%

of **white respondents in 2022** identified **racial equality** as a **key issue** in the U.S. compared to 54.9% in 2020.



35%

28%

Women entrepreneurs were more likely to **identify racial equality** as a **key issue** compared to men in 2020 (66.2% vs 55.6%) and 2022.



IS THE UNITED STATES ECONOMY ON THE RIGHT TRACK?

2020 VS 2022



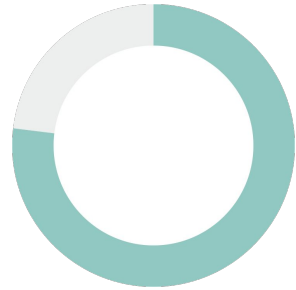
2020

- Right track: 31%
- Neither: 16%
- Wrong track: 53%



2022

- Right track: 23%
- Neither: 39%
- Wrong track: 38%



77%

of the respondents **didn't think the U.S. economy was on the right track in 2022**. This figure has risen from 69% in 2020.

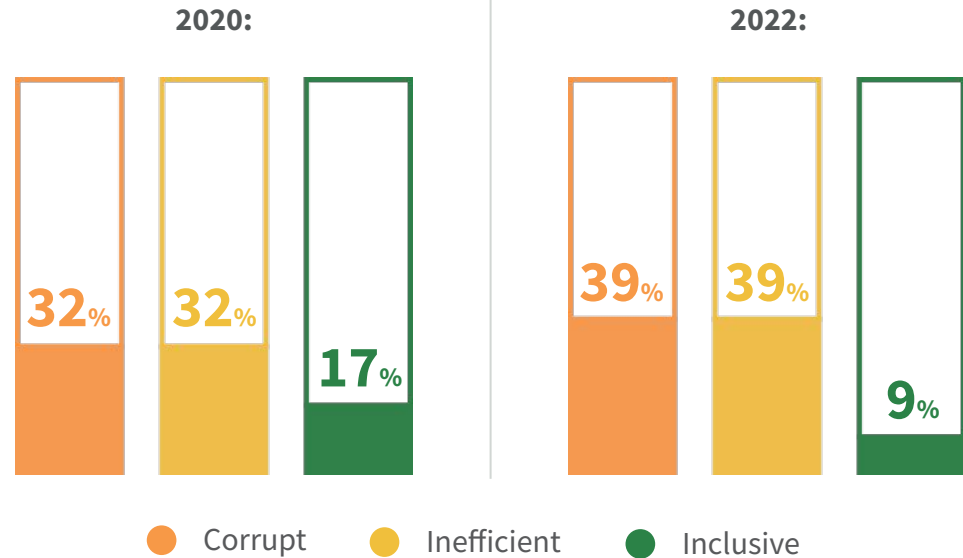


QUESTION

Which of the following words do you think *describes our U.S economy* with respect to *how we manage the country's resources and capital*?

Entrepreneurial, innovative, efficient, resilient, open, free, inclusive, stable, fair,

Privileged, corrupt, outdated, inefficient, unfair, racist, unethical, sexist.





THE UNITED STATES ECONOMY AS SEEN BY DIFFERENT GROUPS

● Women
 ● Men
 ● Black*
 ● White
 ● Hispanic*

**Note: Number of Black respondents = 32
 Number of Hispanic respondents = 20*

INNOVATIVE



Women respondents are **two times less likely** to describe US economy as **innovative (8%)** as **men respondents (19%)**.

INEFFICIENT



Black respondents are least likely to describe the **economy as inefficient (13%)** when compared to respondents who are **white (44%)** and **Hispanic (35%)**.

RACIST



A third (34%) of the respondents who are **Black** describe the **economy as racist** compared to **14% of white** and **15% of Hispanic** respondents.

CORRUPT



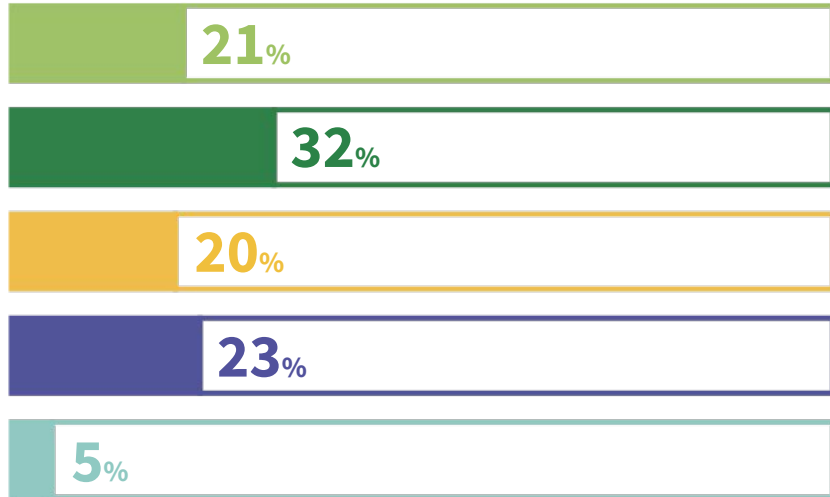
Only **22%** of the **Black respondents** described the **economy as corrupt**, compared to **42% of white** and **30% of Hispanic** respondents.



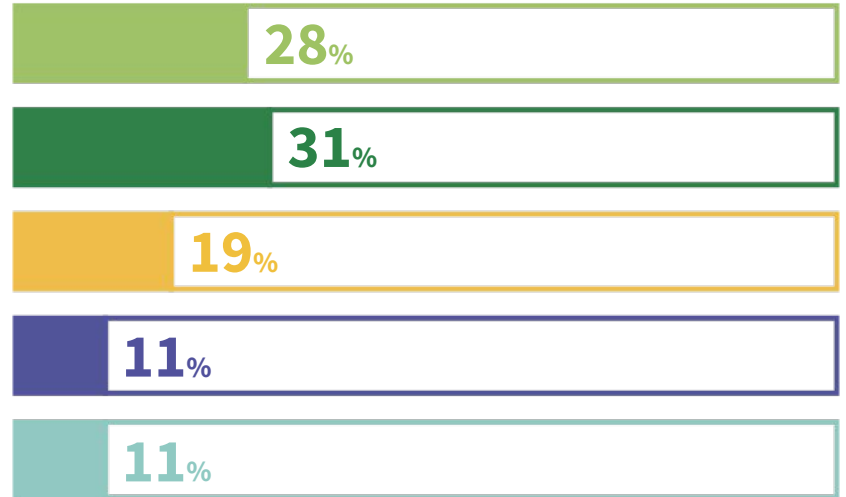
HOW INCLUSIVE IS THE UNITED STATES ECONOMY?

● Very inclusive ● Somewhat inclusive ● Not very inclusive ● Not at all inclusive ● I don't know

2020



2022





HOW INCLUSIVE IS THE UNITED STATES ECONOMY?

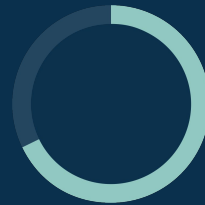
	Have past generational wealth	Does not have past generational wealth	All
Very	34	24	28
Somewhat	43	24	31
Not very	15	22	19
Not at all	3	15	11
Don't know	6	14	11

	Men	Women	All
Very	35	21	28
Somewhat	33	30	31
Not very	16	23	19
Not at all	9	12	11
Don't know	7	14	11



48% vs 77%

Respondents with **no generational wealth** aren't as likely to describe the economy as **inclusive** compared to respondents **with past generational wealth**.



68%

of the **men respondents** state the economy is **inclusive** (very-somewhat inclusive).



37%

of respondents with **no generational wealth** state the economy is **not inclusive** compared to **18%** of respondents **with past generational wealth**.



STATE OF ENTREPRENEURSHIP FOR VARIOUS DEMOGRAPHICS

WHAT MAKES IT MORE DIFFICULT TO BE AN ENTERPRISING ENTREPRENEUR?

2020: In 2020, it's generally perceived more difficult to be an enterprising entrepreneur if you are **less educated, located in a certain geographical area, and less wealthy.**

2022: In 2022, being **less educated** is still perceived as adding difficulty to being an enterprising entrepreneur, followed by **being less wealthy** and being a **Black**.

	Much more difficult	Somewhat more difficult	Neither more nor less difficult	Somewhat less difficult	Much less difficult
A woman	15	38	30	15	2
Less educated	28	37	26	6	4
Less wealthy	27	32	34	5	1
An immigrant	22	35	30	8	6
Black	27	30	29	11	4
Asian	8	26	42	18	5
Hispanic	18	30	38	12	2
A man	6	12	31	18	33
White / Caucasian	9	13	29	18	31
In a certain demographic area	17	36	36	11	0



WOMEN PERCEIVE MORE CHALLENGES THAN MEN

	Women (%)	Men (%)
Sexist	18	14
Inefficient	41	37
Unfair	28	23
Unethical	23	28
Corrupt	39	38
Racist	14	19
Outdated	26	22
Privileged	21	25
Under resourced / under served	23	16
Entrepreneurial	10	17
Free	12	13
Open	6	17
Efficient	10	10
Fair	7	12
Resilient	13	10
Inclusive	9	9
Stable	8	10
Innovative	8	19
Adequately resourced / plenty of resources	7	9
None of these	1	4



Women perceive significantly higher amounts of sexism, inefficiency, and racism than men. Women also think the country's management of its resources and capital is less entrepreneurial, free, open, efficient, or fair.

Women are less likely to describe the economy in a positive light compared to men.



STATE OF ENTREPRENEURSHIP FOR VARIOUS DEMOGRAPHICS

WHAT MAKES IT MORE DIFFICULT TO BE AN ENTERPRISING ENTREPRENEUR?

Entrepreneurs that state it's much more/somewhat more difficult
IF YOU ARE LESS EDUCATED:



71%

White

67%

Black

33%

Hispanic

Entrepreneurs that state it's much more/somewhat more difficult
IF YOU ARE BLACK:



53%

White

53%

Hispanic

78%

Black

**Note: number of Black respondents = 32 and number of Hispanic respondents = 20*

“

On the issue of racial discrimination in banking and lending, there's often a disconnect between the people who work in banking and federal policymaking versus people on the ground -- small business owners, consumers, and community leaders. The former group often doesn't think racial discrimination in banking is a pervasive issue, because they can see that race isn't a formal part of bank decision-making processes, and that it's not a variable in the models or algorithms that banks use. But people on the ground often perceive a problem -- and they're usually right. Racism is there one layer deeper, in how products are designed, which communities are served and not served, and how banks account (or fail to account) for the ways in which the inputs to their models are shaped by our nation's history of racial discrimination.

ELENA BOTELLA**PRINCIPAL, THE OMIKYAR NETWORK**

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