Street Entrepreneurs

A case for diversity and equitable access

Entrepreneurship is a powerful way to create social impact; it creates wealth, jobs, and innovation. However, there is growing disparity in entrepreneurship. For instance, while 40% of new businesses in the U.S. had female founders and 40% of founders were people of color (Black, Latinx, Asian-American, and "Other"), only 5% of venture capital funding went to female founders, and 1% of venture capital funding went to black founders. This lack of support for women and people of color is creating greater racial and gender inequity; Street Entrepreneurs is committed to remedying this problem by creating access to human, social, and economic capital for under-served entrepreneurs. By mirroring the demographics of Washington D.C., we ensure our programming reaches underserved populations and addresses the current structural inequality of capital funding.

An independent study conducted by Deloitte in 2019 found that Street Entrepreneurs is supporting entrepreneurs from diverse backgrounds and having a powerful impact on society, specifically by imparting skills that help build better businesses, developing relationship networks, and providing both visibility and leadership opportunities.

First, the Deloitte study found that Street Entrepreneurs developed new skills which impacted individuals and their businesses. On average, people rated their skill improvement 4.0 out of 5 when it came to Management; HR; Leadership and Emotional Intelligence; Ideation and Design Thinking; and Business Planning and Storytelling. On average, people rated their skill improvement 3.7 out of 5 when it came to Gaining Access to Capital; Legal Resources; Accounting; Finance; Strategic Growth; Marketing and Sales.

A sample of the study responses by Street Entrepreneur participants:

- *"Helped me develop my professional and business skills. "*
- *"Improved my storytelling abilities."*
- *"Helped me develop my business and gain momentum."*
- *"Enabled me to become a better leader to my team."*
- *"I became more self-reliant, aware, disciplined. I learned how to build relationships with hardliners and overall businesspeople. I learned to budget in a way where my customers are happy, and my bottom line is covered. Most importantly Street Entrepreneurs is a dynamic way of sharpening your skills and having fun doing it."*
- *"Gave me new perspectives and insights."*

Second, Street Entrepreneur developed new networks which impacted individuals and the innovation ecosystem. The 2018 program enabled the entrepreneurs to find, on average, 2.4 new relationships:

- 108 (78%) found at least one new meaningful relationship
- 95 (68%) found coaches or mentors

- 13 (9%) found investors
- 74 (53%) made new friends
- 131 95% found the access to the accelerator network "valuable" or "extremely valuable"

As a result of their newfound networks, 14% of participants found suppliers in the program, 22% found tangible resources (financial or human capital), 83% found new marketing opportunities or opportunities to scale their business, and 41% increased their sense of wellbeing. As one participant shared, *"I developed partnerships with several other participants in our cohort. We currently have several high-potential projects that we are working on together."*

Third, Street Entrepreneurs leadership development gave founders the confidence they need to succeed. 84% of participants said their participation in the program made them a better leader. When participants were asked "how," the answers focused on: a) increased confidence and self-permission; b) being prepared for new types of relationships; c) access to a cohort of peers facing similar issues; d) becoming better businesspeople; e) new leadership opportunities. Participants said:

- *"The program has definitely made me a better leader. I decided to launch my dream company and will be eternally grateful for that."*
- *"The program gave me confidence and the ability to show my products to thousands."*
- *"Through the program, I found the Blue Ocean and we are going from competing in an overcrowded market to creating a market."*
- *"As a small business owner, you often believe that you are alone in the daily challenges. The program made me realize that many of my challenges are ones that all businesses go through and that there are solutions, as well as services and programs that are readily available to assist."*

Fourth, Street Entrepreneurs participants used their leadership to create a positive spillover effect into their community. 62% of participants said the program gave them access to new mentorship opportunities. Some examples:

- *"Yes, I was able to mentor D.C. youth students."*
- *"I was able to extend my services to community kids, which led to their involvement in sales and raising money after school to feed over well over 30 families!"*

55% of participants said their business is involved in community support activities.

- Charitable or in-kind contributions
- Mentoring young people or other entrepreneurs
- Community events
- Local sponsorship
- Employee volunteer programs
- Volunteer speaking opportunities

- Chamber of commerce membership

24% said the program gave them access to public speaking opportunities.

- Broadcasted pitches
- National media
- Local media
- Blogs and podcasts
- Local community events

Fifth, Street Entrepreneurs helped develop the local economy. The program created a 38% growth in jobs from 2017 to 2018 for companies within the cohort, with at least 80 full time and 180 part-time jobs created by our founding entrepreneurs. Further, 56% of companies are generating revenue (the remainder are gearing up or did not report), 50% experienced revenue growth from 2017 to 2018, and 26% Street Entrepreneurs companies have raised capital, while 12% said the program helped them raise funds:

- *"Visibility pitching at a national event helped with connecting with new investors."*
- *"Raising funds was not the initial intent of participating in the program. Getting grounded in my direction and exit strategy was my purpose."*
- *"The program provided me the confidence to shop for banking institutions and also made me aware of the significance of fostering a banking relationship."*

Sixth, the Street Entrepreneurs program engaged 274 businesses; 46% have half—or more—suppliers from the D.C. area, developing 134 local value chains in Washington D.C.

Lastly, the study also found that most founders in the Street Entrepreneurs 2018 accelerator program became entrepreneurs in order to make a difference in society. When asked, "Why did you decide to become an entrepreneur?" 60% of Street Entrepreneurs responded with variations of wanting to make a difference in the world: "helping a specific community," "working on a problem they were particularly passionate about," etc. Additionally, some participants spoke about wanting their work to align with their values, or doing it out of a sense of having a mission to fulfill.