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Entrepreneurship Among Black Americans: A Theoretical Perspective on Modes of Adjustment and Entrepreneurial Education

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ABSTRACT In this paper Butler argues that despite a stronger, group-wide emphasis on new venture creation among black Americans in the past, entrepreneurship continues to be a means of economic security and wealth creation for this group. To frame his argument, Butler examines Modes of Adjustment theory and the decline of venture development among African Americans. His emphasis is on understanding the theory's implication for black entrepreneurship and for the entrepreneurial education of future generations. Using data from both the Survey of Minority-owned Business Enterprises and Characteristics of Business Owners, Butler highlights the present status of black entrepreneurship to explain patterns of business and educational participation of successive generations of black Americans, from slavery onward. Butler concludes that entrepreneurship as a mode of adjustment will continue to serve as a building block for economic security, value structures, and job creation within African-American communities.

In America, the principal source of economic security or wealth creation is entrepreneurship, or new venture creation. While most Americans will not become entrepreneurs, entrepreneurship is a building block for communities, value structures, and job creation within communities. Therefore, the study of entrepreneurship is more than the bottom line of financing, pricing, and profit—topics that should be addressed by the disciplines of Finance, Accounting, and Economics. The cities or countries that place entrepreneurship at the center of their policies are most prepared for the twenty-first century. America has done this in the past and today, China is emerging as an economic power because it has rediscovered the importance of entrepreneurship.

Since the inception of the country, black Americans of all racial descents have utilized entrepreneurship to secure some degree

of economic security and freedom. The emphasis on entrepreneurship was stronger during slavery among free blacks and during the decades following the Civil War among black southerners. The theoretical framework explains the decline in new venture development among black Americans and other Americans. This is because entrepreneurship is a newcomer's dream, with groups such as blacks coming out of slavery or immigrants coming to America creating the dream. In this paper, I consider these issues within the context of modes of adjustment to America. The first part of the paper presents the theory of modes of adjustment and its implication for understanding not only black entrepreneurship but one of its outcomes, the education of children. The second part discusses the present status of black entrepreneurship with data from the edition of *Entrepreneurship and Self-Help Among Black Americans: A Reconsideration of Race and Economics* (Butler 2005). The concluding section looks to the future.

The Theory of Modes of Adjustment and its Social Outcomes

With time, more data on black Americans have become available that allow the setting up of an experiment with modes of adaptation as the treatment. The importance of modes of incorporation into American society can be found in the works of scholars such as Booker T. Washington's *Up From Slavery* at the turn of the twentieth century (1901), Portes and Bach's (1980) *Latin Journey: Mexican and Cuban Adjustment*, Mein Zhou's (1992) *China Town*, and my own work, *Entrepreneurship and Self-Help Among Black Americans: A Reconsideration of Race and Economics* (Butler 1991). This research is centered on theories that stress entrepreneurship, ethnic solidarity, reactions to a hostile society, and economic stability. In the context of non-black immigrant groups, it presents a challenge to assimilation theory, which has dominated literature on race and ethnic relations. In the context of black Americans, it helps to explain patterns of business and educational success from generation to generation.

Simply put, the massive assimilation literature argues that economic stability accrues to new ethnic arrivals in America as they become more like the people of the host country. Research shows that discrimination can be the first experience of the new group. The

longer a group has been in America, the more likely it will gain economic stability. The assimilation perspective, developed systematically by Milton Gordon in his classic *Assimilation in American Life*, is thus a "climbing-the-ladder" approach to the economic stability of racial and ethnic groups (Gordon 1964). This literature concentrates on how the host society presents job opportunities to enhance the incorporation (especially economically) of new groups.

Ethnicity and entrepreneurship research, which anchors the modes of adjustment literature, moves from an emphasis on what economic stability the host society provides to immigrants to what immigrant groups should do for themselves. The emphasis is placed on self-employment, which brings with it a degree of economic stability. In light of traditional race relation theory this line of theoretical reasoning is distinctive in that the presence of hostility against a new group due to religion or race becomes a key variable in the explanation of the present and future success of members of organizations.

Some groups, that were less likely to be discriminated against in the developing industrial sector of America, found jobs in factories, joined unions, and followed the ebb and flow of the labor economy. Meanwhile, other groups turned to small shops, developed a sense of economic security, and educated their children. No one has explained this better than Alejandro Portes and John Bach, in an example of two different immigrant groups arriving on the shores of America:

Two immigrant groups arriving during the 1890-1914 period differed markedly from other minorities both in the way their labor was utilized and in their mode of adaptation. ...Both groups were non-Christian, but they were different in religion, language, and race. They disembarked at opposite ends of the continent and never met in sizable numbers at any point. Yet, Jew and Japanese developed patterns of economic and social adaptation that were remarkably similar. What both groups had in common was their collective resistance to serving as mere source of labor power. From the start, their economic conduct was oriented toward two goals:

(1) the acquisition of property, and (2) the search for entrepreneurial opportunities that would give them an “edge” in the American market (Portes and Bach 1980: 38).

Research has shown that these entrepreneurial adjustment groups launched future generations into good jobs because of their insistence on the education of their children (Bonacich 1973: 547-59). It is also apparent that in the tradition of America, Portes and Bach could have been paraphrasing Booker T. Washington, a person who believed that black Americans should concentrate on business enterprise and the acquisition of property (Pryor 1995).

The writings of Booker T. Washington were the first that demonstrated a keen understanding of the importance of modes of adjustment and entrepreneurial education, entrepreneurship, and organizations that would spread these ideas. As we move into the twenty-first century, we can imagine an experiment in order to look at how blacks adjusted to America at the turn of the century, and the impact of that adjustment on future generations. This experiment thus posits that regions and towns that concentrated on entrepreneurship at the turn of the century should be better off today in terms of business enterprise and the education of children. Present data points to the old southern confederate states, where racial hostility forced past generations to create their own institutions, whether they were business enterprises or educational institutions, creating a “self-help” tradition. This tradition of self-help was spearheaded by blacks in the southern states.

Quantifying Black Entrepreneurship

After more than thirty years of putting civil rights at the forefront of its agenda, data sets started to show black entrepreneurs returning to the tradition of business enterprises. When business enterprise was at the very center of communities during segregation and the economic detour, the collection of business data was also a focus of scholars and others in the black community. From W.E.B. Dubois' 1898 work, *The Negro in Business*, to Henry Minton's (1901) *Early History of Negroes in Business in Philadelphia*, to Joseph Pierce's (1947) *Negro Business and Business Education*, there was a strong

belief that business enterprise (which produced money for the education of children) was the shoulder on which to build for future generations (Dubois 1898; Minton 1901; Pierce 1947). Indeed, in 1929 black Americans were the only people of color or ethnic group in America to ask the Census Bureau to conduct a separate survey of their enterprises. A rare document in the archives in Washington notes, "In this chapter are presented data collected at the first nationwide census of retail stores conducted by Negro proprietors in the United States. At the request of a number of organizations of colored people, stores operated by Negro proprietors are classified separately. In all States in which there were enough such stores to justify analysis, the stores were classified by kinds of business" (U.S. Dept. of Commerce 1932: 494). In recent years, as the concern for civil rights replaced enterprise at the center of the black community, there was also a decrease in the interest of collecting business data on black America.

Perhaps the most systematic statistical data analysis on black enterprises around the turn of the twentieth century was done by Margaret Levenstein (2004). Her findings were major, especially given the treatment of Afro-American enterprise in the ethnic entrepreneurship literature, because she notes the rapid increase in the number of enterprises and compares them to other groups. Her research appears in an article entitled "African American Entrepreneurship: The View from the 1910 Census," and it is important to present her conclusions in full:

One of the most striking findings of this study is that in 1910 African-Americans were more likely than white Americans to be employers, and almost as likely as whites to be self-employed. This contrasts with the current period in which African-Americans are only a third as likely as whites to work in their own businesses. This raises questions about claims that African-American culture is unsupportive of entrepreneurial activity, or that cultural differences may explain black white differentials in self-employment. If cultural differences are to explain the twentieth century differentials in

self-employment, they must be a twentieth century development (Levenstein 2004: 107-8).

Levenstein shows how blacks, who were mostly from the south at the time, took advantage of the kind of agricultural market in which they found themselves. Although white entrepreneurs were concentrated in agriculture, Afro-American men were more concentrated in entrepreneurial endeavors.

Levenstein's analysis was done partly to challenge the idea that self-employment was not part of the cultural experiences of black America. She notes, "...in contrast to contemporary findings, entrepreneurship is significantly more common among both whites and African-Americans in 1910 than among Asians (those of Japanese, Chinese, or Hawaiian decent)" (Levenstein 2004: 108).

One of the more interesting American stories is how individual entrepreneurs became millionaires during this time of Booker T. Washington (Walker 1998). In *The History of Black Business in America*, Juliet Walker calls this time period the golden age of black business (Walker 1998). Entrepreneurs such as Jake Simmons Jr. created a company that made him the most successful black in the history of the oil business (Greenberg 1990). Turnbo-Amalone became America's first female millionaire by developing hair care products (Walker 1998). Madam C.J. Walker followed in her millionaire tracks in the hair care industry (Bundles 2001).

The Survey of Minority-owned Business Enterprises (SMOBE) is a standard data set, albeit imperfect, for the documentation of black-owned enterprises. Another data set is the Characteristics of Business Owners (U.S. Dept. of Commerce 1989). This data set is very expansive and adds much to our understanding of Afro-American enterprise. The magazine *Black Enterprise* provides snap shots of entrepreneurs and also ranks the top 100 businesses everyday. These data sets will be utilized to highlight the present status of black entrepreneurship.

For the year 1994, the SMOBE shows 620,912 black firms in America. This represented 3.6 percent of all firms in the country and accounted for 1 percent of all receipts. In a standard release by the Census Bureau, it was noted that

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The number of African-American-owned businesses in the United States increased 46 percent from 424,165 to 620,912 between 1982 and 1987. ...Receipts from these firms increased by 63 percent during the five-year span, from \$19.8 billion to \$32.2 billion. While the total number of black firms increased 46 percent, firms in America overall increased 26 percent from 13.7 million in 1987 to 17.3 million in 1992. For this category receipts grew from \$2 trillion to \$3 trillion (U.S. Dept. of Commerce 1989).

As noted above, the entrepreneurial boom in America has created an entrepreneurial economy. Getting back on Main Street is clearly the most distinctive trend of enterprises owned by black Americans over the past two decades (Butler 2005).

My work tries to make theoretical sense of these patterns. Prior to the Civil War, black entrepreneurship was strong in the northern part of America. After the Civil War, blacks responded to segregation by building business communities. In *Entrepreneurship and Self-Help Among Black Americans* (Butler 2005), I look at data from 1929, which was the height of the segregated business communities, and analyze where black enterprise was located. For comparative purposes, the data were divided by states. More specifically, categories consist of the states that formed the original Confederate States, those that seceded after the start of the war to join the Confederacy, slave states that were pro-union, free states, and territories.

Given data on the activity of the black population in the south, the patterns that emerge for the 1929 are expected; but population alone does not account for business development. One must understand the importance of business for the development of communities and the education of children. The data showed that in those states that withdrew from the Union to form the original Confederate states sixty years earlier (South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana and Texas), 42 percent of all blacks firms in America were accounted for; while the next highest percentage (22 percent) is found in states that withdrew from the union and joined the Confederacy after the conflict had begun (Vir-

ginia, North Carolina, Tennessee, Arkansas). When these two categories are combined, 62 percent of all black enterprises were found in areas that formed the old Confederate states.

Slave states that were pro-union (Maryland, West Virginia, Kentucky, Delaware and Missouri) accounted for 0.08 percent of all black enterprises in 1929. Those states that were considered free states (Maine, New Hampshire, Massachusetts, Kansas, Rhode Island, Connecticut, New Jersey, Pennsylvania New York, Vermont, Ohio, Indiana, Illinois, Michigan, Wisconsin, Iowa, Minnesota, Oregon, California) during the Civil War period accounted for 23 percent of black enterprise during this time period.

At the time of the Civil War areas that had not as yet become states (territories) consisted of North Dakota, South Dakota, Nebraska, Colorado, New Mexico, Utah, Nevada, Washington, Montana, Wyoming, Arizona, Oklahoma and Idaho. These territories accounted for 0.02 percent of all black enterprises in 1929.

By using the same categories for states during the Civil War period for 1992, interesting patterns emerge. Despite the passage of the decades, the states of the old Confederacy (combining original Confederate states with those that joined after the war started) house 45 percent of all black enterprises. This is compared to 62 percent in 1929. Total black enterprise in the free states increased from 23 percent in 1929 to 41 percent in 1992, reflecting the movement in the black population away from the Old South. The District of Columbia dropped from 0.02 percent in 1929 to 0.01 percent in 1992. The lessons of history during segregation and the continued ethos of self-help which was so much a part of the Old South are seeing an emergence of entrepreneurial behavior.

Entrepreneurship and Education

It is interesting to look at the effect of self-employment on the education of children. Since Dubois' landmark study, *The College Bred Negro*, research has shown that black college graduates are more likely to be southern in origin (Dubois 1911). Another excellent research example is Loren Schweningen's (1997) *Black Owners in the South 1790-1915*. Schweningen was surprised to find that free blacks placed a strong value on the education of their children, a

value that whites on the whole had not developed. He concluded that among 200 black families in one Louisiana parish, only one percent was illiterate. In the same parish, 20-25 percent of the white families were illiterate.

Table 1 reveals that the areas of the country where blacks make up the largest percentage of total enrollment in higher education, or college matriculation, are also the old Confederate States. In Mississippi, 27.9 percent of students enrolled in college were black, followed by Louisiana, Georgia, South Carolina, Alabama, Maryland, North Carolina, Virginia, Tennessee and Arkansas. The only states outside the Old South are Illinois, Delaware, and New York. Table 2 shows states where blacks make up the largest percentage of the total Bachelor's Degrees awarded in 1991. Again, southern states dominate the list. It should be pointed out that although historically black colleges and universities serve many students, southern traditional historical white schools have a high percentage of black students as well. These data point to the value structure of the south that was put in place when racial hostility was highest. Interestingly, blacks are involved in higher education wherever racial hostility and legal segregation were the worst. Returning to entrepreneurship, while the Survey of Minority-Owned Business Enterprises is the public workhorse for data on black entrepreneurship, it significantly underestimates the performance of these enterprises because it does not include subchapter C corporations (larger firms with shareholders) and concentrates only on smaller (S) corporations.

Research conducted by Thomas Boston (1999) shows that the SMOBE survey understates total employment in black-owned businesses by at least 27 percent and financial capacity by 23 percent. Significant growth that takes place among C corporations is not recorded by the census and therefore the performances of enterprises are underestimated.

The Rise of Scholarship on Black Entrepreneurship

When all enterprises are taken into consideration, the picture of entrepreneurship among black Americans differs from the era of the segregated racial enclaves. Independent research by Thomas Boston (1999) and Timothy Bates (1997) points to a trend that successful, highly educated, and talented black business owners are found in

Table 1. States With Highest Percentage of Black College Matriculation in 1992.

State	Percent Black Enrollment
Mississippi	27.9
Louisiana	24.6
Georgia	22.3
South Carolina	22.3
Alabama	20.1
Maryland	19
Virginia	14.9
Tennessee	14.9
Arkansas	14.4
Illinois	12.5
Delaware	12.1
New York	12

Source: U.S. Department of Education.

Table 2. States with the Highest Percentage of Total Bachelor's Degrees Awarded to Blacks in 1991.

State	Percent Degrees Earned by Blacks
Mississippi	20.5
Louisiana	19.3
North Carolina	14.4
Alabama	13.6
South Carolina	13.4
Maryland	12
Georgia	11.8
Virginia	10.5
Arkansas	9.5
Tennessee	8.7

Source: U.S. Department of Education.

what is called emerging enterprises. Indeed, the last five years has seen lively activity within academic literature as black and non-black enterprises increased in numbers and significance. One debate emerged when Timothy Bates (1996) published an article entitled

“Why are Firms Owned by Asian Immigrants Lagging Behind Black-Owned Businesses?” in the *National Journal of Sociology*.

Using firms operated by their present owner for less than ten years, Bates added a consideration of receipts when assessing their performance. With this additional analysis using receipts, he placed the performance of black enterprises in a different light:

Widely held perceptions about minority-owned enterprises are poorly grounded in facts. Paucity of empirical underpinnings coexists with numerous stylized facts about self-employment patterns, particularly regarding the experiences of Asian immigrants creating small businesses in the U.S. Asian immigrants, according to popular imagination, are successful; black Americans, in contrast, are unsuccessful in the self-employment realm. This study relies upon comprehensive small business data compiled by the U.S. Bureau of the Census: conventional financial measures of small business profitability are calculated for three owner groups—blacks, whites, and Asian immigrants. Using financial returns to owner’s investments of time and money into the applicable businesses as the success criterion, the Asian immigrants rank last, nonminority firms produce the highest returns, and black Americans are in the middle. Profitability criteria suggest that Asian immigrant owners collectively lag behind the black business community (Bates 1996: 27).

Bates’ analysis is concerned strictly with the business side of receipts, debt equity, and the death of firms. Although he considers race and ethnicity as a factor in business enterprise in his analysis, he concludes that those lacking the requisite skills and capital, whether immigrant or not, are likely to start small enterprises. Among those who choose self-employment without appropriate education, financial resources, and skills, business failure and the exit from self-employment are high. These patterns, notes Bates,

can be related to black, Asian, and white Americans, men and women, immigrants and the native born (Bates 1997: 1).

Bates' data show, as other research supports, that the present state of black enterprise is more in the tradition of getting "back on Main Street" and that education levels for entrepreneurs is very high. Getting back on Main Street means doing business wherever one can get the highest rate of return—not just in the traditional black enclave. In terms of the emergence of immigrant Asian enterprises in some inner-city communities, Bates argues that black entrepreneurs tend to avoid such enterprise. In his words, "College-educated African Americans tend to avoid such businesses because they can earn higher returns elsewhere. Running a small retail store in the ghetto, bluntly, is a waste of their time" (Bates 1997: 13).

Bates' analysis is more about black Americans being Americans than immigrants. Certainly the old black enclaves that formed after the Civil War and ended in the middle of the 1960s possess attributes of present day ethnic immigrant enclaves. Some of these enclaves are also changing and dying as immigration patterns change and immigrants assimilate into American society. As noted by Mein Zhou, immigrants foster and maintain ethnic enterprises over generations. Her work shows that the prosperity of New York City's Chinatown during this time in history is due to the increasing number of immigrants who revived the economic structure of that community (Zhou 1992).

Bates' analysis brings a business side to the study of entrepreneurship, with special emphasis on successful self-employment. In terms of the absolute number of enterprises started by Afro-Americans, he notes that they start fewer enterprises because they have less household wealth. Conversely, Asians start more enterprises than whites or blacks because they have more household wealth. Bates' data leads to the conclusion that the variation in ethnic racial enterprises is influenced greatly by household wealth. His analysis is an interesting and intriguing look into racial and ethnic enterprise in America.

Boston's Atlanta. Thomas Boston (1999) uses Atlanta as a case study to assess the present state of black enterprise. Like Bates, he found that business owners were highly educated. Because black enterprises are located in the greater Atlanta area, rather than being confined due to an economic detour caused by segregation, he com-

pared the educational rates in different areas of the city. He found that "The owners of business located in the city have a much higher educational attainment than do suburban owners. ...74.8 percent of owners with businesses located in the city have a college degree or better, as compared to 61.5 percent of owners in non-city locations" (Boston 1999). It is interesting to note that these educational levels are higher than white males who are business owners. As reported by *The Characteristics of Business Owners* (U.S. Dept. of Commerce (1989), only 35.1 percent of non-minority male business owners have a college education. Wherever they are located, education appears as a major variable in both Bates' and Boston's analysis.

Boston's analysis is historically rich because he takes Atlanta from its oldest business tradition of separate enclaves to the state of enterprises today. As noted earlier in this work, it is very important to understand that black entrepreneurship did not start in the 1970s. Boston shows that

By 1911 Atlanta had some two thousand black-owned establishments representing over a hundred types of businesses, including one bank, three insurance companies, 12 drugstores, 60 tailor shops, 83 barber shops, 85 groceries, 80 hack line, and 125 drayage places (Boston 1999:70).

In the "old Atlanta, before the passage of historical laws aimed at driving black contractors out of the local marketplace and the institution of what we called the economic detour, blacks were as competitive as whites in many areas of enterprise" (Boston 1999:63).

While the old black enclaves enriched the black community, Boston notes that 126 years passed before Atlanta offered a business contract to a black-owned enterprise. New opportunities in contracting with the city of Atlanta, coupled with strong educational private black institutions and the cultural value of just going to college at any institution, helped to launch a new prosperity for black entrepreneurs. The new opportunities were related to the development of laws, under the Secretary of Commerce, to develop and coordinate

activities aimed at promoting minority business development (Boston 1999: 10-16).

Once these opportunities were granted, enterprises that these entrepreneurs created were impressive. While trends were similar to other cities, there appears to be an “Atlanta effect” because of comparative figures—the enterprises he examines were those that were certified by the city’s minority business program. For example, in the entire country four percent of all black-owned businesses were corporations, standing alone as separate entities from one’s own personal wealth or other property. In Atlanta, however, 57.9 percent of the black-owned enterprises were listed as corporations. Also, while the average revenue of all black-owned enterprises in the Atlanta area in 1992 was \$44,668, the average revenue of firms registered with the city of Atlanta was \$606, 208 (Boston 1999:63). Boston’s study shows how difficult it is to estimate the actual performance of black-owned enterprises in America because his data shows a performance standard, as measured by income, which outperforms national data sets. While this is an issue for all business data, the important point is that black-owned enterprises in Atlanta re-kindled the tradition that was started at the turn of the century.

While scholarship points to the values of the old South as being significant in the rebirth of business enterprise, black Americans who ventured to northern cities in search of the “promised” land have different experiences. Although there are variation in those experiences, there is no doubt that the emphasis has been on the decline of the industrial sector, the loss of jobs, and the decline of well-established working class communities. This discussion dominates the literature on black America within popular discourse.

Wilson’s Chicago. One of the most prominent scholars researching the northern poor is sociologist William Julius Wilson. Wilson’s analysis focuses on the children and grandchildren whose parents and grandparents went to Chicago during the great migration of blacks from the south and found work during the heyday of industrialism within America. *When Work Disappears: The World of the New Urban Poor* extends Wilson’s analysis of dysfunctional families and communities in urban northern cities (Wilson 1996). Southern cities did not possess the great jobs of the north during the early part of the century. The book has been praised for its insightful

analysis of the "underclass" and its policy recommendations. In a country hungry for answers to a problem that seemingly will not go away, Wilson's book has stood center stage in the print and televised media. The pathologies and sad stories that emerge from his rich qualitative data and relevant quantitative tables jump from the pages and become as clear as a television documentary for readers.

The strength of Wilson's analysis does not lie in the generation of new knowledge about poverty itself, but rather in the documentation of the experiences and daily lives of people who live in impoverished situations. As such, the book is a complement to the volumes upon volumes of statistics assembled on this topic. Another strength, which has been overlooked by most commentaries, is that it documents social outcomes that can follow if a certain mode of incorporation into American society is followed by a group that has experienced hostility from the larger society. Perhaps the most valuable lesson of *When Work Disappears* is what black Americans should not do as we look to the start of a new century. Indeed, we now have rich data that allow us to look at the lives of blacks who chose another way of incorporation in American society. When modes of incorporation are wrapped around Wilson's analysis, understanding black success and black poverty are intertwined into one model that presents surprising lessons for the twenty-first century. Understanding the dynamics of modes of incorporation also provides a powerful comparative tool for other groups in America.

Wilson commences his analysis by recreating the history of a poverty neighborhood through the eyes of the people who live there. Once a stable community with thriving enterprises, busy streets, and safe pedestrians, it declined geometrically and now is a thing of the past. It was a community that received its economic life from the many factory jobs and spin-off enterprises that are part of communities when factory presence is strong. Retail stores, restaurants, service sectors, and other enterprises were abundant. This economic structure, strengthened by stable families, excellent role models, and avenues for upward mobility through good jobs, is now a thing of the past. Wilson's more mature respondents recall the days when one could look forward to an excellent workday, a safe community, shopping, and patronizing retail stores within walking distance of their homes.

Wilson's analysis comes alive through families and their strategy for obtaining a minimum of economic subsistence from the jaws of poverty and devastation resulting from the disappearance of jobs. Drug trafficking is a constant that emerges from Wilson's data. We are introduced to a 35-year-old male who sells cocaine because "I have to feed my family" (Wilson 1996:58). A 28-year-old welfare mother informs us that when money is short, one "turn tricks, sell drugs, anything-and everything. Mind you, everyone is not a stick-up man...but any and everything. Me myself I have sold marijuana, I'm not a drug pusher, but I'm just tryin' to make ends—I'm tryin' to keep bread on the table—I have two babies" (Wilson 1996:58).

Using situational analysis, Wilson notes that the urban poor are victims of forces beyond their control that deteriorate American society, such as the movement of factories from the central cities to the suburbs, the movement of all middleclass people to the suburbs, and the inability of the poor to move with these jobs. Although this trend is nationwide, figures for Wilson's laboratory, Chicago, are powerful. At the beginning of this decade, only one in twelve people in poor urban areas of that city held jobs. Wilson's situational analysis allows him to argue that the communities he has been studying have been overwhelmingly black for the last four decades, yet they only lost most of their residents between 1970 and 1990. Thus catchwords such as "segregated" neighborhood will not suffice to explain the movement of communities from "Institutions to Jobless Ghettos." Instead, other forces, such as the loss of jobs and problems in getting new jobs is the proper focus for analysis. In other words, if jobs reappear, the historic character and structure of the neighborhood will also reappear.

Wilson's analysis of "Ghetto Related Behavior and the Structure of Opportunity" (1996) is a reminder of how important the presentation of self is when seeking out job opportunities. His analysis is the opposite of the themes of books on dressing for success. Wilson provides an insight into a culture that has not been taught, or has been deprived of, cultural attributes important in the world of business. Ghetto related behavior is defined as behavior and attitudes that are found more frequently in ghetto neighborhoods than in neighborhoods that feature even modest levels of poverty and local employment. Although these behaviors are not necessarily ghetto specific, they occur more often in ghetto contexts.

Wilson introduces his reader to people who do not know how to dress, speak, and present themselves to prospective employees. Isolated from people who are savvy to distinctive business cultures, ghetto residents were less likely to learn these kinds of skills through association. Wilson notes that unemployed black men and women were less likely to participate in local institutions and have mainstream friends (friends who are employed, with some college education, and married) than people in other classes and ethnic groups.

Coupled with intense isolation, Wilson describes family problems in one Chicago neighborhood. Wilson takes us through the traditional issues of birth rates among unmarried women (which have shown a greater increase between 1980-1992 among whites than blacks), attitudes towards marriage and the family, single-adult households, the strengths and weakness of marriages themselves, and the battle of blame between men and women over social conditions. Wilson shows how welfare is related to these issues, and introduces the reader to people who find themselves in this situation.

A trademark of Wilson's analysis is the constant reminder that the problems of the inner city are related to what happens in larger society—that the structure of the situation impacts the quality of life and general trends found in his data. For example, he notes that

In the inner-city ghetto community, not only have the norms in support of husband-wife families and against out-of-wedlock births become weaker as a result of the general trend in society, they have also gradually disintegrated because of worsening economic conditions in the inner city, including the sharp rise in joblessness and decline real incomes (Wilson 1996: 97).

Wilson's analysis prompts a very important question: How do black Americans differ today based on how past generations incorporated themselves into American society? The question points to the fact that we must understand that following the dawn of freedom, black Americans followed different paths as they incorporated themselves into American society. An understanding of modes of

incorporation is essential to understand the hidden contributions of Wilson's work. Business history research has documented the relationship between business enterprise, quality of life, and education of children for black Americans. It is important to point out that self-employment for black Americans, like all other Americans, has always been a tool to accomplish other things, including preparing the next generation of children.

Conclusion

It has been over one hundred years since the end of slavery and the dawn of freedom. Rich databases are available to evaluate both success and failure within black America. As is true for all databases, we must ask not only questions, but the right questions. Answers to these questions can form the baseline for success within black America, as well as larger American society, as we move into a new century.

The greatest black generation in the history of America is the generation immediately following the Civil War. Building on the entrepreneurial tradition of free blacks, the Tuskegee Institute led the way in creating an entrepreneurial culture and creating communities that placed entrepreneurship at the very center of success. This generation helped to create, with other great merchants of America, educational institutions that have continuing effects. For those of us who came of age during the most recent civil rights movement, we saw people educated in this tradition make great contributions. Entrepreneurs in major cities such as Birmingham, Alabama, and New Orleans provided economic assistance. This movement was very successful in killing the symbols of Jim Crow because these early generations were not dreamers, but doers. At the center of this action, which was wrapped around private and public institutions of higher education, was the importance of new venture development, which created a sense of self-help, achievement, and value structure that continues to embrace black America.

As research moves into the twenty-first century, we create a tradition that focuses on inter-generational success. We need to know how the great-grandchildren of people who finished from

private institutions adjust to America. It is important to point out to future generations the importance of the mode of adjustment that is called entrepreneurship.

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