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## **A Cry for Inclusivity in the Institute for Innovation and Economic Development**

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A Cry for Inclusivity in the Institute for Innovation and Economic Development

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## **Abstract**

Many aspiring entrepreneurs in Monterey, San Benito, and Santa Cruz county are making the move to the Bay Area to pursue their careers as business owners, rather than creating jobs and businesses locally. The Institute for Innovation and Economic Development is a non-profit organization that provides entrepreneurial resources, services, and events that help individuals grow as aspiring business owners. The purpose of the program is to offer inclusivity, and encourage everyone in the tri-county area to utilize the resources they provide. The project implemented will be a plan to assist underrepresented individuals who are unaware of the resources iiED provides, and encouraging and researching different techniques other program's have implemented. Through the series of interview's, one can deduce the best course of action to take moving forward with outreach efforts. This will help solidify a marketing plan to coexist with the outreach plan that will target these underrepresented individuals in the future, which will serve as the next step.

*Keywords:* entrepreneurs, inclusivity, underrepresented individuals, outreach

## **Agency & Communities Served**

The Institute for Innovation and Economic Development (iiED) is an institute that is part of CSUMB's College of Business. The institute works collaboratively with organizations within the area to build and provide support to businesses and entrepreneurs, *promote inclusivity*, community, and ecology and create prosperity in Monterey, San Benito, and Santa Cruz counties (CSUMB, 2022). Services that are offered through the iiED include Startup Monterey Bay Connect, Startup Launchpad Monterey Bay, Startup Investment and Community Capital Expo, Startup Challenge Monterey Bay, and Startup Weekend Monterey Bay. All the events hosted by iiED help to encourage and provide support, guidance, and resources to those venturing in the entrepreneurial world, despite age, gender, culture, etc.

Due to the tri county region's (Monterey, San Benito, and Santa Cruz) scarce companies, the iiED's main goal is to increase the spread of entrepreneurship within these areas only. For instance, the Monterey county is primarily dominated by agriculture and hospitality positions. As important as these positions are, they do not offer as much diverse jobs within the region. With that being said, individuals with business ideas tend to overlook the Monterey Bay region and go straight to the Silicon Valley to find assistance on creating their desired company. The iiED would like to stop that assumption and offer the assistance local's deserve. With the help of the iiED programs, there will hopefully be a bigger variety of jobs and a better economy.

## **Problem Model Background and Literature Review**

### **Problem Statement**

Despite their mission to allow for inclusivity and representation in the Monterey Bay area, the Institute of Innovation and Economic Development (iiED) shows little to no diversity within the institute itself. Women make up about 48.9% of the U.S. population. Although this number is fairly high, there were only 1,331 women owned businesses in the United States in 2017 (U.S. Census Bureau, 2020). The iiED takes pride in increasing and catering to a wide range of underrepresented individuals, and yet the statistics show otherwise. Becoming an entrepreneur should be empowering, not a giant obstacle only the strongest have to face in order to achieve it.

Some of the major obstacles underrepresented individuals face include lack of representations towards minorities, sparse or ineffective outreach efforts, and a lack of awareness of financial resources. While the iiED has made some strides getting racial minorities to participate and utilize their entrepreneurial tools, there is still a vast majority of underrepresented individuals who are less willing to join because they do not feel a sense of belonging. Some individuals may not even be aware of these useful tools simply due to the iiED's sparse outreach efforts regarding tools, as well as capital.

### **Contributing Factors**

#### **No representation for the minority**

Although Monterey Bay primarily derives a high percentage of latino minority, the amount of latino business owners is still lacking. As for the rest of the country, rates of minority owned businesses are significantly low compared to their white counterparts. According to Nevel

(2017), the minority entrepreneur population still remains underrepresented among other US business owners. The lack of representation for the minority poses great concerns within the workforce and may slowly decrease at this rate. As reported by Fleisher (2019), a study by the Demographics of Innovation concluded that not only are people of color underrepresented, but also women as innovators. Over the years, the statistics have proven to show that women entrepreneurs are growing at a significant rate. That can all be torn down once realizing that they are not seen as “innovators”.

### **Sparse outreach efforts**

Outreach efforts and business connections are primarily made through word-of-mouth and like-minded individuals. With that being said, it is extremely important to network and build connections with other businesses. The only way that can be accomplished is through either finding people who have these resources, or to reach out to those who offer the resources. As stated by Stockton (2018), “The challenge for many veterans is the lack of a strong business or personal network with which to begin their new ventures.” Stockton claims that it is not necessarily a challenge coming up with a business idea, but the lack of network in order to start their business. This makes it difficult for veterans who have excellent ideas, but are unaware of how to execute them. Another issue that affects veteran entrepreneurs is gaining enough momentum and popularity to reach their desired audience. Pilcher launched her company MilitaryOneClick in 2012, but it never gained enough traction to make it profitable (Brown, 2018). Despite having the brilliant idea to create a military community and resources, the efforts offered were slim to none due to low outreach and marketing.

A huge problem that prevents entrepreneurial minded individuals from starting their business is the lack of awareness of financial resources. There have been wealth disparities

where most people assume they need an abundance of money starting in order to be successful, while other issues suffer with other barriers. According to, The College of Health and Human Development Magazine (2022), “The most significant barrier facing underrepresented entrepreneurs is access to capital”. These individuals are disproportionately both hurt by the cost or the lack of access to capital itself. A lack of access to capital may decrease our trying percentage of a diverse entrepreneur rate. As stated by Giudant (2022), “..., the top three challenges were changing operations in response to COVID-19 (32.14%), lack of capital/cash flow (31.57%), and administrative work (23.25%)”. This proves how much this issue must be addressed.

### **Consequences**

#### **No sense of comradery**

Individuals who are underrepresented are less willing to join programs if they do not feel a sense of comradery or belonging. In general, the likelihood of an individual to do something will often be encouraged if they relate to it or feel as if they are in a comfortable space. According to Karoub (2021), “I think that people from underrepresented groups don’t necessarily see themselves as people who could be entrepreneurs because when they read about entrepreneurs, those people are not like them”. Karoub expresses how misinformed the media and literature can be. Only seeing mostly male dominant figures in the media can skew your whole perception on whether you can become an entrepreneur or not. With the pure representation of males dominating the entrepreneurial world, it makes sense that female entrepreneurs would almost never get a chance to be seen. Studies have shown that female entrepreneurship students see lack of support, fear of failing, and lack of competence as a bigger barrier to pursuing a business career opposed to male students (Cochran, 2019). Male students

appear to be much more confident in entrepreneurship because they are constantly being put on a public pedestal.

### **Lack of awareness of financial resources**

With sparse outreach efforts brings a lack of job variation. As stated previously, businesses can not thrive without the help of outreach efforts and marketing. According to the U.S. Census (2017), there were only 91 veteran owned employee firms compared to 1,209 employee firms in the Monterey Bay region. The rate of veteran employee firms to veterans is extremely low in the Monterey Bay region. This could possibly be due to either being discouraged to start a business due to the low statistics, or simply by not having the resources to help keep the marketing side of the business afloat. As reported by Brown (2018), “Pilcher knew very few tech startup founders, and as a military spouse, she often hit roadblocks when it came to access to information and interaction”. There are not that many resources available or heard of after switching roles from veteran to business owners. With better outreach capabilities, this can no longer be an issue veterans have to face.

If an individual lacks knowledge on acquiring capital and financial resources, a lack of participation will happen indefinitely. One might imagine the distraught they would face having an excellent business proposal, but not having the capital funding to help get it started. As stated by Fleisher (2019), women as well as minorities have commonly won fewer grant money than other demographic groups. In most cases, women would be more likely to be embarrassed and discouraged to put financial needs out there for a business. Women and minorities are not the only ones suffering when it comes to capital funding. As stated by Kroeger (2021), “A robust body of research confirms that Black entrepreneurs continue to face severe racial discrimination in attempting to secure financing for their business, making the prospect of starting a successful



business even harder than it is for their white counterparts”. The potential to start and grow their own businesses has been stripped away simply due to their skin color. If they are not given the proper financial resources to start their own business, how will they ever succeed?

<b>Contributing Factors</b>	<b>Problem</b>	<b>Consequences</b>
Factor 1  No representation for the minority	Failure to include a diversified staff within the institute that can potentially increase outreach efforts of programs within the iiED.	Consequence 1  Less willing to join with no sense of comradery
Factor 2  Sparse outreach efforts		Consequence 2  Lack of job variation
Factor 3  Lack of awareness of financial resources		Consequence 3  Lack of participation by the underrepresented individuals

## **Project Description**

**Briefly describe the project and any components you will be responsible for developing.**

The project that will take place will be creating an outreach plan for the Institute for Innovation and Economic Development. Responsibilities included collaborating with a variety of underrepresented programs and mentors within the program, interviewing them on their perspective and approach to their own outreach efforts, as well as their preference on outreach towards their program. Interviews will not only consist of questions regarding outreach efforts, but will also include personal outreach to the designated programs. Altogether, outreach efforts will be made, as well as interviews regarding outreach to help build a structural outreach plan that will potentially coexist with a future marketing plan for the iiED.

## **Project Justification**

The contributing factor being addressed through this project will be learning more efficient outreach efforts for a range of underrepresented individuals, and to inspire the iiED to create a marketing plan that can encourage these individuals to get the help and resources they deserve. There is a variety of individuals in the tri-county area who aspire to be entrepreneurs, and are unaware of the resources and events being offered through the iiED. Not only will this benefit the iiED, but also the underrepresented individuals. Underrepresented individuals usually offer different perspectives, and are oftentimes inspired to solve issues within their own community (Wagner, 2022). When the iiED can offer these resources to underrepresented future

entrepreneurs, they shed some light on these problem areas and help give these individuals a voice. An outreach plan would be highly beneficial in order to reach a variety of audiences.

When thinking of underrepresented individuals, most people assume cultural and ethnic aspects come to mind. An outreach plan that is inclusive to veterans, handicap, and LGBT will be effective in engaging with a variety of people. This will significantly help legitimize the sole mission of the iiED's organization, and help solidify inclusivity within the iiED.

### **Benefits**

There are many benefits that can derive from extending inclusivity in all aspects of the iiED. Providing a framework of how the iiED can create effective outreach can improve inclusivity and expand diversity within it. With this outreach plan, the iiED can learn and create new ways to implement a solid plan of incorporating underrepresented individuals aspiring to be an entrepreneur in the tri county area (Monterey, San Benito, and Santa Cruz). Figuring out the best outreach for underrepresented individuals such as handicapped, veterans, and LGBT can make a huge impact on the iiED's mission of being inclusive and diverse in the entrepreneurial world.

### **Implementation Process**

The assessment plan will consist of the activities, deliverables, timeline and deadlines, and supported staff along the way. Deliverables, timelines, and deadlines will occur within Fall 2022 up until the date of Capstone Festival. Activities that will be implemented include setting up interviews with various programs (and mentors if possible) to provide outreach for the iiED, as well as interviews regarding outreach barriers, success stories, and recommendations with their program. After outreach and interviews, common responses and recommendations will be created in hopes to implement it into an outreach plan for the iiED program.

## **Assessment Plan & Expected Outcomes**

The purpose of this project was to help figure out the best course of action in terms of outreach for the iiED. Interviews and outreach efforts were made to help deduce whether the programs interviewed were aware of the iiED as a program, along with the resources and events they offered. Expected and successful outcomes will include the iiED's receiving the outreach suggestions, as well as implementing it to a future marketing strategies. The outreach suggestions and marketing strategies will go hand in hand on increasing inclusivity to underrepresented individuals.

## **Project Results**

The result that was expected from implementing the project was to get a better understanding of how other programs organize their outreach efforts, as well as recognizing what strategies and obstacles they had to overcome. Measurement's of success were not the main goal of this project, but simply to encourage and give guidance on how to improve the iiED's outreach. In turn, the outreach suggestions will become a counterpart to iiED's marketing strategy. By understanding and pulling research from other program's, a marketing plan that motivates underrepresented individuals to partake in iiED resources and events can be created. Due to the timing of the capstone project, a marketing plan was not successfully made. Instead of expecting outcomes, suggestions, research, and recommendations were made.

## **Conclusion & Recommendations**

Outreach efforts aided the progression of bringing inclusivity towards underrepresented individuals in the iiED. Although outreach efforts were successful, and encouraged

underrepresented individuals and programs to utilize the iiED's program, it did not address the issue of encouraging these individuals to participate on their own. In terms of addressing the problem, a suggested two way plan must be made and implemented in order to help these individuals feel as if they are welcome in the iiED's events.

Common recommendations suggested for the agency based off of the capstone interviews include outreach efforts in-person as opposed to networking online. Despite the switch to an online platform due to the repercussions of the COVID-19 pandemic, most small businesses still prefer outreach in-person. This can include having a member of the iiED do outreach in-person by presenting to classes or other programs, or passing out flyers to offices of programs to help spread the word on the events and resources they offer. Another recommendation suggested was to offer some sort of waivers for events hosted, and to join events hosted by the underrepresented individuals program. By doing so, it shows the genuine interest in helping the program. It also helps solidify connections with other members within the program, and give better opportunities to network.

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## Appendix A

### Project Implementation Plan

Activities	Deliverables	Timeline/Deadlines	Supporting Staff
Set up an interview mentor and student for Monterey county veterans affair office programs	Summary of research	Fall 2022	Mary Jo Zenk
Set up an interview with mentor, student, and others handicap program to discuss barriers, better outreach for handicapped individuals, etc	Summary of research	Fall 2022	Mary Jo Zenk
Finalize capstone project idea	meeting	September 19, 2022	Mary Jo Zenk
Weekly capstone meetings to discuss updates on project with mentor	Meetings weekly	Fall 2022	Mary Jo Zenk
Interview with veterans program to discuss barriers, better outreach for veterans, etc	Meeting	September 20, 2022	
Organize barriers, outreach efforts, etc	Summary of research	Fall 2022	
Create potential outline for outreach program for the iied	Outline for research	Fall 2022	Mary Jo Zenk
Create capstone presentation	Summary of research	Fall 2022	
Compile and compare data from interviews	Summary of research	Fall 2022	



to data found			