

6 Takeaways from Wharton's Discussion on 'Race and the Entrepreneur'

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Events like the May 2020 death of George Floyd, a Black man in Minneapolis, Minnesota, have led to heated race conversations around the U.S. – on social media, in rallies, next to lockers and on ball fields. People of all skin tones and backgrounds are talking with a new kind of energy about racism in America. Racism is when people are treated differently or don't have the same opportunities as other people because of their race or ethnicity.

The Wharton School of the University of Pennsylvania, a world leader in business education, is embracing this moment to explore the issues surrounding racism from a business point of view.

On Wednesday, October 21, Wharton debuted *Beyond Business*, a series of discussions that tackle the complex and pressing issues impacting individuals and organizations across the world.

The first three sessions in the series focus on how systemic racism impacts business and society as a whole, and ways it can be confronted. Systemic racism, also known as institutional racism or structural racism, is the idea that society accepts certain practices as normal, even though they may discriminate against people based upon their race or ethnicity. This way of operating becomes part of the "system," and is often accepted, rather than challenged.

Wharton Dean [Erika James](#) hosted the [first *Beyond Business* lecture](#), "Race and the Entrepreneur," and Karl Ulrich, Wharton's vice dean of entrepreneurship and innovation, served as moderator. The two panelists were Chris Bennett, a Wharton graduate who is the Black founder of [Wonderschool](#), a company that helps licensed educators and child care providers launch in-home preschools and day cares; and Josh Kopelman, a Wharton graduate who is managing partner at [First Round Capital](#), a venture fund that invests money in new companies.

Here are six takeaways from "Race and the Entrepreneur":

- 1. Chris Bennett is passionate about entrepreneurship.** Inspired by family entrepreneurs like his parents and uncle, Chris Bennett has been driven by his entrepreneurial spirit. He founded LiquidBooks in college at Wharton (netting \$50,000 annually), later co-founded the internet company Soldsie, then changed that business model to co-found Wonderschool. "When I think back to meeting Chris, he was fundraising for Soldsie," recalled Kopelman, who has invested money in Bennett's businesses. "What attracted us most to the opportunity was the depth to which Chris... understood the market landscape, he understood all the competitors. He's a very fact-based, product-first thinker, and we were really drawn to that."
- 2. Chris Bennett has a diverse point of view.** His family is from Honduras, he grew up in a diverse neighborhood of Miami, Florida and went to high school with students from "a ton of different cultures," he was the first generation in his family to go to college, and when he moved to Silicon Valley in California in 2011 to launch Soldsie, he started a nonprofit called Black Founders because he wanted to tap into that small, yet growing community. All of these life experiences have helped to shape his journey as a Black entrepreneur. "When I moved to Chicago [after college] I realized the deep segregation that happens in American society," he said. "The color of your skin plays a big role in the types of experiences you have from an economic standpoint and from a social mobility standpoint."

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3. **People of color and women often don't have the same access to investment capital that others do.** In order to launch businesses and grow them, entrepreneurs need money from outside investors. People of color often struggle to find that capital. The venture capital industry currently invests in startups with Black founders at a rate of less than 1%. "When it comes to racial equity, the venture industry has been a laggard, not a leader," said Kopelman. "We recently funded a company Naza Beauty, started by Natanya Montgomery. When Natanya first pitched the idea, I didn't get it. I let my ignorance and bias prevent me from doing the work that I should have done to learn about [the Black hair care market]. Fortunately, one of my partners was able to push back and challenge me. We all need to get comfortable recognizing that the way we make decisions is as a result of our past experiences."
 4. **Companies that invest money in entrepreneurs are taking action to change systemic racism in their industry.** Many firms, said Kopelman, are making sure their investment teams include more diverse decision makers and that they invest in more companies that are led by women and people of color. "So much of the industry is relationship-based, so the goal is to find ways to make more connections with and within the black indigenous people of color "BIPOP" community," he said. Added Bennett: In Silicon Valley, "the conversation around diversity and increasing access to [capital for] Black founders is happening." He hopes to soon see a Black founder take a company public on the stock market.
 5. **Not everyone has a financial safety net to catch them if a business fails.** Entrepreneurs from low-income families don't always have the same financial support network. "I also started a company at Wharton when I was an undergrad, but I was privileged in that I had a safety net," said Kopelman. "I knew that I was not graduating with student debt and I knew that if my company did not succeed, my family would be able to take care of me." Access to seed capital is all the more important for some entrepreneurs to help them take that start-up risk. Increasingly, entire funds investing only in startups run by people of color, such as Harlem Capital and Concrete Rose Capital.
 6. **We have the power to make change happen.** As we begin to understand how systemic racism impacts business and society, our awareness grows about our own mindset and choices. "The ultimate privilege that I and other white people have is that we don't have to think about race and racism every day," said Kopelman. "Whereas Chris and other black founders have to deal with this; it's their life. We shouldn't take advantage of that privilege [by] only checking in when it's convenient." Bennett's friend from high school, a white man on track to become a partner at a big law firm, asked Bennett how he, as someone who has enjoyed privilege, could help change the narrative around racism. "You can speak up for someone who doesn't look like you in the leadership meetings and...in hiring and promotions and mentoring," Bennett responded. "Use your power, and recognize that you have power."