

# ICA IMPACT RESEARCH: PHASES 1-2

June 2023

## FINAL RESULTS



**I**

**C**

**A**

# Research Goals

## **This project set out to:**

Better understand the levers of wealth creation.

Investigate how ICA's work enables entrepreneurs to build wealth for themselves and for their communities over the long term.

## **Specific questions the project aimed to address include:**

1. Is there existing empirical evidence that small business advising and equity investment are associated with wealth creation or the factors that drive wealth creation?
2. What are the strengths/limitations of existing programs that aim to drive wealth creation among traditionally underrepresented entrepreneurs?
3. Have founders who have participated in ICA programs/received ICA investment shown better outcomes than other founders in the Bay Area/California?

# Methodology

## PHASE 1

### **Literature Review**

- High level analysis of news/social media
  - Review of existing literature and field material
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## PHASE 2

### **Qualitative Interviews**

- Qualitative interviews with ICA alumni and staff
  - Survey instrument drafting
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## PHASE 3

### **State & Alumni Survey**

- Survey instrument and messages finalized
  - Survey administered
  - Topline findings and raw data shared
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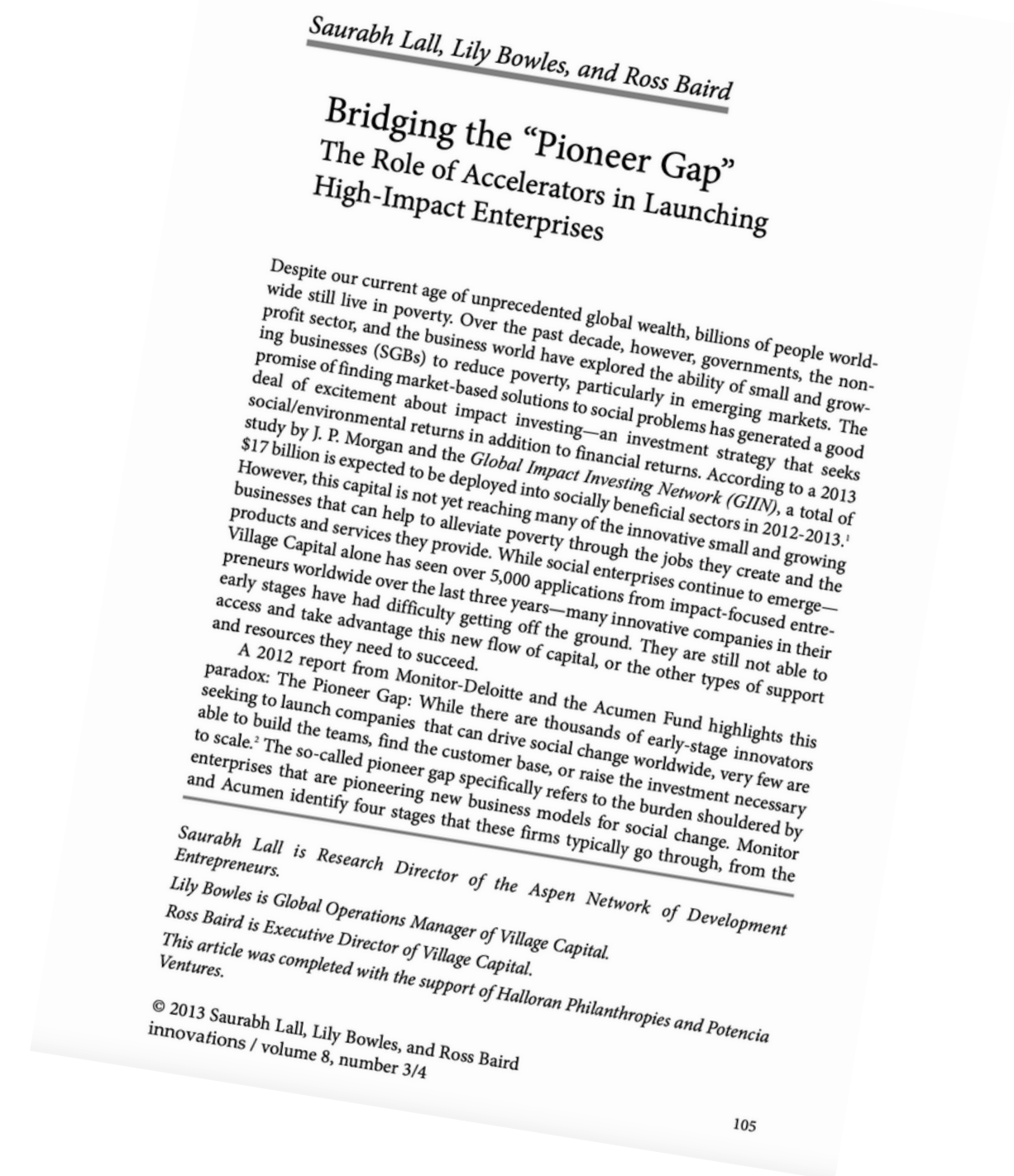
# **Phase 1: Literature Review**



# Methodology : Literature Review

## Overview

- Reviewed more than 50 sources, including peer-review journal articles, industry reports, dissertations, and policy papers.
- Primarily focused on insights from the United States, but also included literature from other developed economies, including Canada and Europe.
- Literature includes sources spanning several decades, but we focused primarily on sources published since 2015.



# Topline Findings

- Our review of the literature pointed to promising insights about the ability to identify and replicate the factors that result in success for emerging and existing firms led by people of color and women, including more recent research that reinforces the importance of informal support systems and sustained access to capital.
- At the same time, it appears that there are several gaps in literature where ICA's evaluation of the effectiveness related to closing the racial wealth gap can provide insights.





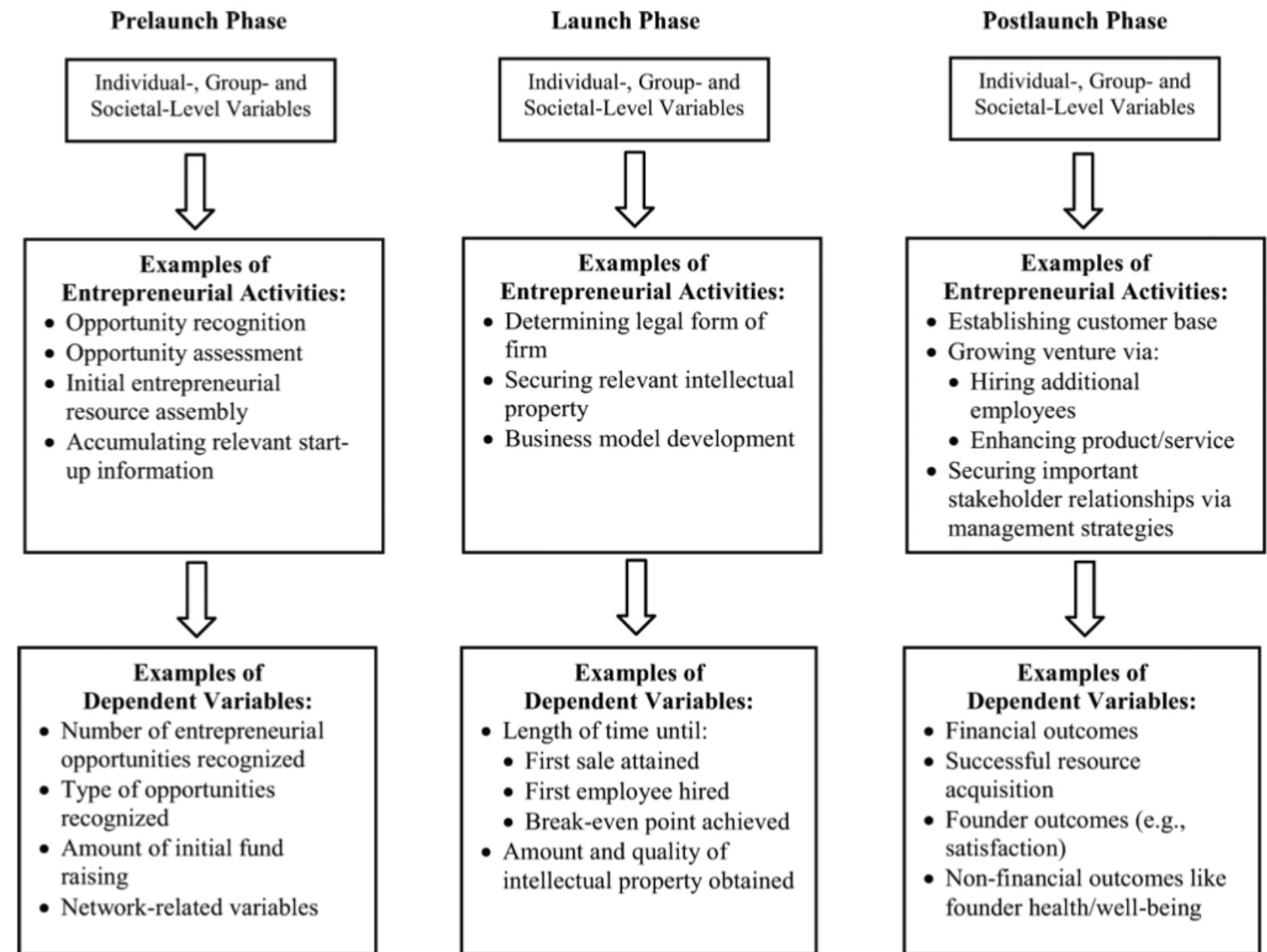
**What are the  
general trends in  
the literature?**



# The arch of existing research

Research has moved from a reliance on largely qualitative insights to more mixed method approaches, including the use of statistical techniques, such as propensity score matching and multivariate regression analysis to better examine the variables that impact growth.

Alongside more sophisticated methodologies, the tone and focus of research has shifted, with research published **since 2019 showing significantly more interest in examining factors unique to communities of color and women**, and also focused on a more expansive conceptualization of firm growth.



**The definition of success has evolved, but the majority of literature is still focused on the questions of "growth"**

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**Success has been operationalized and measured in several ways:**

- **Profitability**
- **The introduction of new products**
- **Positive return on investment**
- **Ability to expand the business**
- **New employees**
- **Survival of the business**
- **Satisfaction**
- **Flexibility**
- **Personal goals set by individual**

**While there is still debate about the concrete definition of success, particularly for small business, there is a general consensus in the literature that "growth" is the most reliable measure**

**Research  
confirms  
what we  
already know.**

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**POC and women founders face unique barriers in scaling businesses.**

**Access to capital is key and remains the strongest predictor of firm growth.**

**Firm growth is the most reliable predictor of wealth accumulation, but the factors influencing growth are varied.**

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**There is a general consensus in the literature that people of color, particularly Black and Hispanic/Latinx people, and women confront unique obstacles in their experiences launching and scaling businesses.**

**TABLE 3: Business Representation by Race/Ethnicity Group**

Race/Ethnicity Group	% Population	% Employer Businesses	% Nonemployer Businesses
White	75.3%	83.5%	77.2%
Black	14.0%	2.3%	11.8%
Asian	6.6%	10.1%	7.8%
Latino or Hispanic	18.0%	6.0%	14.7%
Other	7.6%	0.6%	0.5%

**Table 1: Business Ownership Rates by Racial Group**  
**Source: Brookings Institute, 2020**

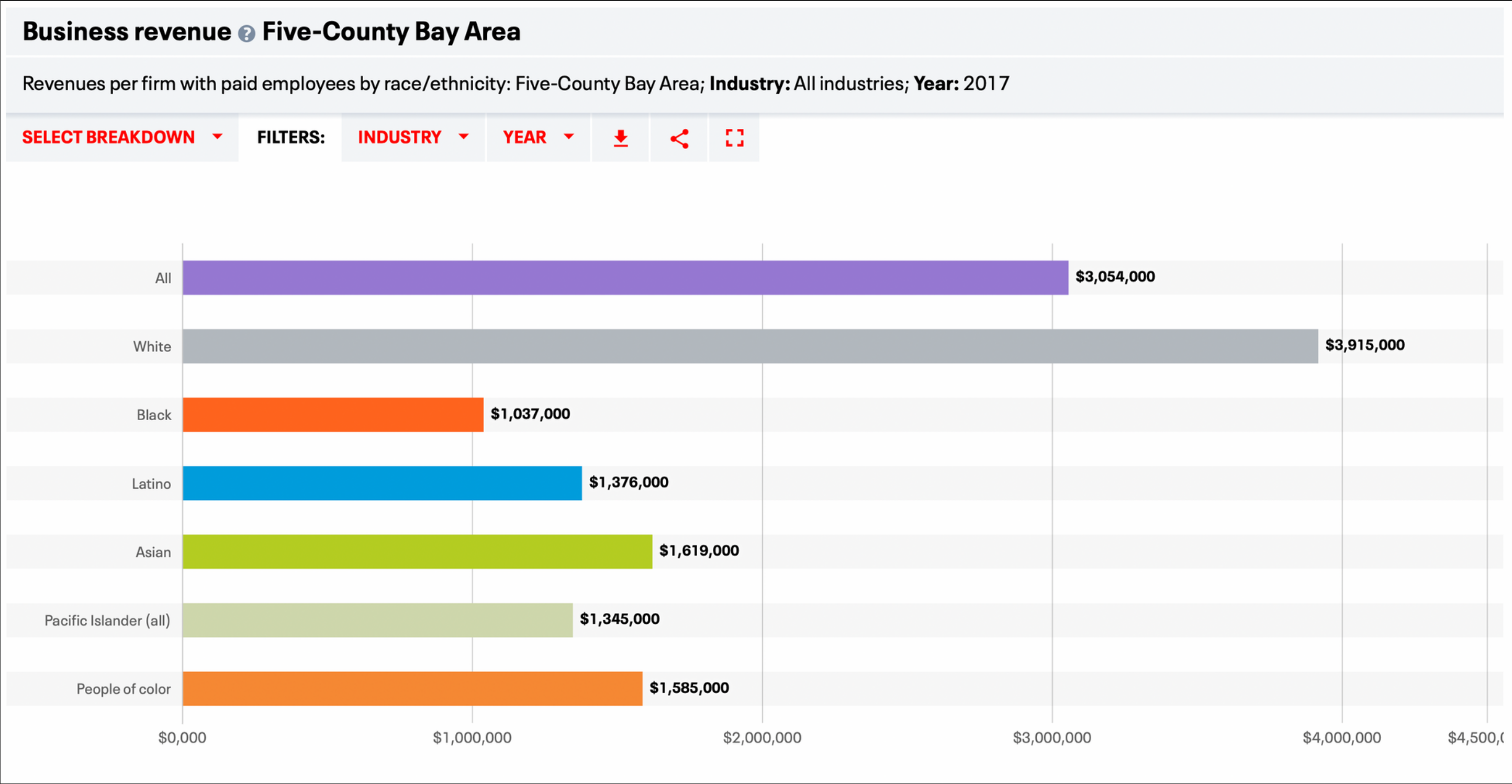


**POC and women entrepreneurs have less access to capital than their white and male counterparts, are more likely to use personal funds to start/grow their business, and are less likely to seek capital due to distrust of existing systems.**

<i>POC Entrepreneurs</i>	<i>Women Entrepreneurs</i>
<ul style="list-style-type: none"><li>-Less access to personal capital</li><li>-Underserved by banks and other financial institutions</li><li>-More likely to be rejected for bank loans due to discrimination and lower average credit score</li><li>-Less likely to receive funding from private institutions<ul style="list-style-type: none"><li>- Less likely to seek external capital due to negative experiences/perceptions<sup>65</sup></li></ul></li></ul>	<ul style="list-style-type: none"><li>- More likely to use their own capital to start and scale business</li><li>- Less likely to receive funding from private institutions</li><li>- Less likely to seek external capital due to negative experiences/perceptions<sup>66</sup></li></ul>

**Table 2: The Impact of Wealth Gap on POC & Women Entrepreneurs**

National level trends are reflected in the Bay Area – a Five-County Bay Area analysis found that among firms with paid employees, average annual revenue is 3.7 times higher for white-owned firms compared with Black-owned firms and 2.8 times higher compared with Latinx-owned firms.





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**What specific  
factors impact  
wealth creation  
& accumulation  
among  
entrepreneurs?**





**Wealth accumulation is strongly correlated with firm survival and growth, which in turn, impacts the long-term income and wealth of entrepreneurs.**






# What factors impact founders at each stage?

All Entrepreneurs: Key Dependent Variables Identified In Literature		
<b>Motivations: Motivational factors predicting the likelihood someone starts a business</b>	<b>Opportunity: Opportunity based factors that influence the likelihood a founder is able to grow and sustain their business</b>	<b>Acquisition: Acquisition or growth factors that influence the likelihood a founder/business is able to scale/sustain profit</b>
Independence	Access to information	Access to capital
Autonomy	Prior knowledge experience (education/previous work)	Financial resources
Passion	Characteristics of the individual founder (e.g.proactive)	Social capital Support/social network
Necessity	Network	Employees
Desire for wealth	Situational factors (government policy)	Number of founders

# What factors impact POC founders at each stage?

POC Entrepreneurs: Key Dependent Variables Identified In Literature		
<b>Motivations: Motivational factors predicting the likelihood someone starts a business</b>	<b>Opportunity: Opportunity based factors that influence the likelihood a founder is able to grow and sustain their business</b>	<b>Acquisition: Acquisition or growth factors that influence the likelihood a founder/business is able to scale/sustain profit</b>
Independence: circumvent discrimination	Education	Access to capital   
Autonomy	Prior knowledge experience (education/previous work)	Financial resources
Passion	Characteristics of the individual founder (e.g.proactive)	Social capital Support/social network: advocate
Necessity	Network	Employees
Desire for wealth	Situational factors (government policy)	Number of founders
		Discrimination/bias

# What factors impact women founders at each stage?

Women Entrepreneurs: Key Dependent Variables Identified In Literature		
<b>Motivations: Motivational factors predicting the likelihood someone starts a business</b>	<b>Opportunity: Opportunity based factors that influence the likelihood a founder is able to grow and sustain their business</b>	<b>Acquisition: Acquisition or growth factors that influence the likelihood a founder/business is able to scale/sustain profit</b>
Independence: circumvent discrimination	Education	Access to capital
Autonomy	Prior knowledge experience (education/previous work)	Financial resources: Spousal support
Passion	Characteristics of the individual founder (e.g.proactive)	Social capital Support/social network: Coaching/encouragement



# The type and source of capital is key

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**Equity vs. debt results in more growth for firms, however, this appears to be influenced by the source of the financing**

- **Research focused specifically on women entrepreneurs has also flagged important variations based on the type and source of funding. Specifically, “high-growth” women-led firms are observed to be less likely to utilize personal debt to fund their business growth.**
- **Firms that participated and received funding through accelerator programs were 20% more likely to survive than new businesses that did not participate in accelerators.**
- **Firms backed by venture capital have been found to show higher rates of survival, employment, financing, and even higher rates of website traffic compared to non-venture backed firms.**

**Venture capital backed firms show significantly higher growth than non-venture backed firms**

## Impact

- Surviving (define) venture-backed firms realize higher growth rates compared to surviving non-venture-backed firms.
- Venture capitalists are more able to push the firms to a faster and higher employment growth than other investors.
- Sapienza (1992) found that the provided services are positively related to the performance of venture-backed firms. Jain and Kini (1995) show that venture-backed firms publicly offered at stock- markets have a higher cash flow and sales growth.

# What interventions work ?



# More consensus about the positive impact of accelerator/incubator programs, but outcomes differ significantly between programs

- Accelerators have been found to be complementary to existing institutions such as angel groups
- **The arrival of an accelerator in a given region was associated with an increase in both the number and size (in dollars) of seed and early stage VC funding, as well as that of distinct investors in the region**
- This increased flow of funding was directed at both accelerated and non-accelerated ventures, suggesting that accelerators can have a spillover effect on a region's entrepreneurial ecosystem.

## Other Positive Outcomes

- Women founders who participated in accelerator programs reported highly levels of confidence and feelings of support
- Accelerators found to reduce the influence of lack of industry knowledge in some studies
- Outcomes have been found to differ significantly between programs, with the most successful programs having more stringent selection criteria for entrepreneurs.



# Literature has mixed results regarding the impact of coaching and mentorship independent of investment/capital

## Key Findings

- **Project GATE** analysis was one of the most promising studies to be published in recent years. The project examined the impact of free business counseling and/or classroom training, and other technical support to aid in the creation and growth of small businesses across 7 test sites
- The evaluation of Project GATE addressed three questions:
  - (1) Did Project GATE work?
  - (2) For whom did it work?
  - (3) Under what circumstances did it work?
- During the follow-up period, program group members earned more, on average, from businesses than control group members
- **There was significant variation across test sites, with those with higher rates of concentrated poverty showing lower returns**
- Having control group that is within the same region is useful strategy for measuring the impact of programs

# IMPLICATIONS & RECOMMENDATIONS



## Intervention works:

There is a vast body of research showing the impact of existing programs and products and their role in improving the outcomes of POC and women entrepreneurs. **Access to capital, in any form, has been shown to be a key predictor of the growth potential of firms,** while mentorship and technical assistance (particularly when paired with funding) have been shown to have a variety of positive impacts. That said, there is significant variation in both the quality of existing programs and product, and methods used to evaluate impact.







2

**Build trust and capital seeking behavior:** The impact of longstanding bias has resulted in POC and women entrepreneurs having less trust in existing financial systems and institutions, and in turn, being less likely to seek capital (even when they are likely to receive it) and/or requesting less capital than their male/white counterparts. **Existing research indicates that capital seeking behavior in and of itself, is a key predictor of longer term growth.**



3

**Bias exist in both the public & private sector:**

In both the private and public sector, there are clear biases against founders of color and women, particularly access to capital. As noted previously in this report, the barriers facing POC and women are systemic and therefore necessitate systematic remedies. **While initiatives like accelerator programs are important to prepare founders, placing more emphasis on changing investor behaviors might yield more ecosystem level changes.**

## **Minority & women-led investment is key:**

Insights from CDFIs and the private sector that minority and women-led investment can play a critical role in solving barriers to access to capital. That said, pre-existing wealth gaps mean that women and POC overall have less access to capital and therefore, less likely to have capital available to invest. It is clear, more alternative models are needed to grow the pool of potential investors.



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# Recommendations for Phase 2-3

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- While there are significant gaps in the research, findings also points to several strategies that can be adopted to gain a clearer understanding of the factors that increase success for POC and women founder
- Gain a clearer understanding of the situational factors impacting founders within the service area of ICA (including understanding of existing programs, policies, and structures with a similar mission)
- Determine the extent to which ICA alumni have or have not gained access to these other services
- Establish a control group of other POC and women founders who have not gone through ICA programming or received investment
- Methods: Targeted survey of alumni and Bay area wide survey



# **Phase 2: Interviews**

# **Methodology** : Qualitative Interviews



**Interviews held in  
January 2023**

**6 ICA Alumni  
participated**

**Posed series of  
questions about  
their general  
experiences/  
experience with ICA**

# Samples Questions

- What would you say was the biggest challenge to starting your business?
- Were there any opportunities or openings that you felt were key to your businesses' success?
- Are there people that played a major role in your decision to start a business? How about as you have continued your business?
- What role, if any, has coaching or mentoring played in your business journey?
- Is there anything that you could not survive without?
- How would you define success? What does it mean at a community level?
- What programming did you go through at ICA?
- What has been the impact of your participation in ICA programming?



# General Trends

- Lack of experience within their respective industries and knowledge gaps regarding the production process were flagged by all interviewees as key challenges they faced when trying to scale their businesses.
- Several founders noted that their parents or close family members were entrepreneurs. This played a major role in their decisions to become entrepreneurs themselves.
- Founders expressed appreciation for the support ICA has provided, particularly the model of pairing access to capital with mentoring and training.
- Several founders rely exclusively on ICA for external funding/sources of capital and express distrust in other funding sources and/or investment firms.

# Sample Quotes: Challenges

*"I borrowed against my house, which always makes me nervous"*

*""The investment world is intimidating and I do not trust any of them. I trust ICA.*

*But thinking about going after another round of funding is stressful and not something I have time to do . I just think about how strapped I am for time now and having to build relationship sounds like a massive undertaking"*

*"I do not have a mentor or go to adviser to talk to. I wish I had an ongoing adviser to talk to like I did during the accelerator programs"*

*"Ignorance is bliss - I had no idea what I was doing . But ignorance is what kept me going There is so much that you need to learn and I did not have the experience Manufacturing, packaging, sales"*

# Sample Quotes: Opportunities, Wins, Goals

*My first big win was finding someone who was building a facility who said they would manufacture for us, which really helped us with the scaling."*

*"We would have survived without advisement."*

*"The best thing I have learned and tried to pass on is negating the fallacy that entrepreneurship is jumping off a cliff. Entrepreneurship is a million different steps that slowly builds momentum*

*It is not one breakthrough."*

*"I've been lucky to have a really robust network. My business class teacher, we stayed in touch for about 6 years and they have been a great adviser. I have a business bestie, she is the person I call when sh\*t hits the fan. Our businesses used to be next door to each other, so we would share our bruises and different perspective on things. My current landlord is who we have had a 5 year relationship with is great."*

*"My goal in the coming year is to have more people on the regular payroll, be able to provide health benefits, and create more good jobs."*

# Sample Quotes: Experience with ICA

"One of the greatest things that came out of the accelerators and the convertible note ICA offered me was my first full time employee. I cannot believe I survived this long without an employee."

"ICA has given me access to lines of credit and short term loans. I borrow over a short period of time because my work is seasonal. Them [ICA] being a consistent presence has really changed my business."

ICA invested in my company, it was originally \$150K debt, well a convertible note. The terms of the convertible note can be stressful, but it will convert to equity. I would love if they would be investing straight equity"

"I would love to have continued advisement from ICA, like an open door policy. It would also be great to have a database or listserv on who is in their network. And maybe some sort of referral system."

*"ICA is committed to making a local impact – but I have struggled with that in terms of my own business. In terms of hiring and manufacturing, I had to go out of state and my factory is in LA"*

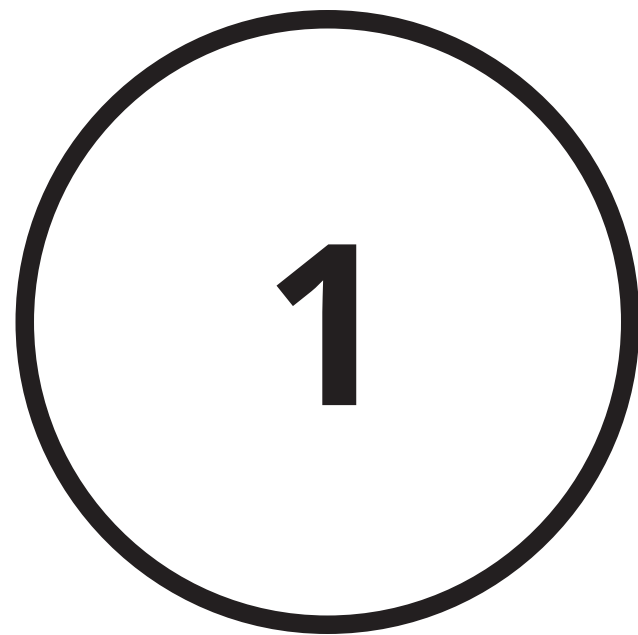
*"I wish ICA had slightly more explicit instructions on what is available or what they can ask us. I think I would benefit from more clear expectations around when I should talk to them about financing. Like, are their investment packages only open to new incoming cohorts? I am not sure."*



# **FINAL RECOMMENDATIONS**



# **Foster capital seeking behavior among women/women of color**



**Involvement in ICA appears to result in heightened capital seeking among men but not women participants. Findings from the research indicate that the simple act of seeking capital (even when not acquired) results in higher growth. Targeted support/programming is required to foster increased capital seeking behavior among women founders - who have been shown to have higher levels of distrust in existing financial systems.**

# Continued soft-touch engagement

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**Both ICA's most recent cohort and the broader network report stronger outcomes related to several key variables, including revenue and average wages. However, the broader alumni show lower performance than their ICA and Bay Area counterparts in several key areas, including capital raising. This might be a result of ICA refining its selection criteria/programming in recent years, or it could be an indicator that continued engagement and program support from ICA [or other sources] is key to a firm's continued growth.**



# **Explore "caring premium" among women**



**3**

**Both existing research and the survey results indicate that women, particularly women of color, continue to face a range of unique barriers as they attempt to scale their businesses. Despite these barriers, ICA women founders offer wages and benefits on par with their male counterparts. ICA should examine the extent to which, women founders are potentially paying a "premium for caring" and explore strategies to offset this additional burden.**



# **Phase 3: State & Alumni Survey**



# Survey Methodology



3 Survey Administered between **April 17th - May 5th 2023**

State-level = N730

State-level w/employees = N220

Bay Area = 47

ICA 2022 Cohort = N58

Broader ICA Alumni = N22

- Self-identified entrepreneurs
  - 18 and older
- Total sample includes residents of California and firms without employees
- Analysis focuses on firms with employees and Bay Area residents

# SUMMARY: TOPLINE FINDINGS

# How do ICA founders compare to other Bay Area founders?

- **ICA founders are more diverse than their Bay Area counterparts:** The profile of ICA entrepreneurs who participated in the survey reflect the mission of ICA Fund, specifically the organizations commitment to serving women and minority entrepreneurs. Just under 80% of the most recent ICA cohort who responded to the survey identified as a POC, while 61% self-identified as women. In comparison, less than 50% of Bay Area entrepreneurs surveyed self-identified as POC, while 42% identified as women.
- **Regional variations:** ICA founders are more likely to be situated in Alameda county compared to their Bay Area counterparts (58% vs. 17%).
- **Industry concentration:** ICA firms are more likely to be involved in Food & Beverage.



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- **Higher average revenues:** ICA firms show higher revenue, growth in terms of employees and revenue, and are significantly more likely to seek and acquire fundings than other firms with employees in the Bay Area.
  - **Higher wages:** ICA firms pay higher average wages for both full-time and part-time employees.
  - **Better outcomes for women:** Women-led and POC-led firms supported by ICA investment or programming show significantly higher average revenues than their Bay Area counterparts.

# How do ICA supported firms compare to other Bay Area firms?

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- **ICA investment firms report higher revenues:** ICA firms that received investment and/or participated in ICA programming show higher revenues and stronger growth than firms who did not receive investment. This is in-keeping with findings from the literature, which pointed to the importance of fundings paired with advisement.
  - **Gendered differences persist:** Gender variation persist in terms of firm revenue and growth for both ICA firms and the wider Bay Area.

# Do any variations exist?

# What was the impact of ICA programming/investment?

ICA is high performing program, however, the pre-existing characteristics of ICA founders likely plays a significant role: ICA firms show higher revenue, growth in terms of employees and revenue, and are significantly more likely to seek and acquire fundings than other firms with employees in the Bay Area. This is likely a feature of ICA's programming/investment, but also selection bias – that is, founders who are more likely to be high growth are more likely to engage with ICA. That said, variations between ICA's most recent cohort and the broader ICA network suggest recent engagement with ICA has a positive impact on earnings.

Increase in capital seeking among men, but not women: ICA's programming does appear to result in higher rates of capital seeking among men.

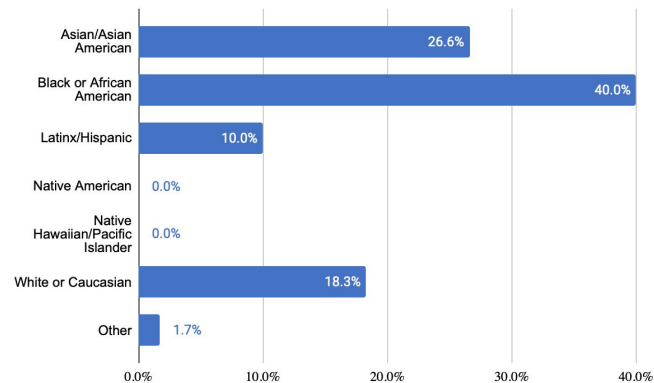
ICA Investment shows the strongest outcomes, but advisement alone also results in better outcomes compared to other Bay Area firms.

**How do the backgrounds of ICA entrepreneurs compare to other entrepreneurs in the Bay Area?**

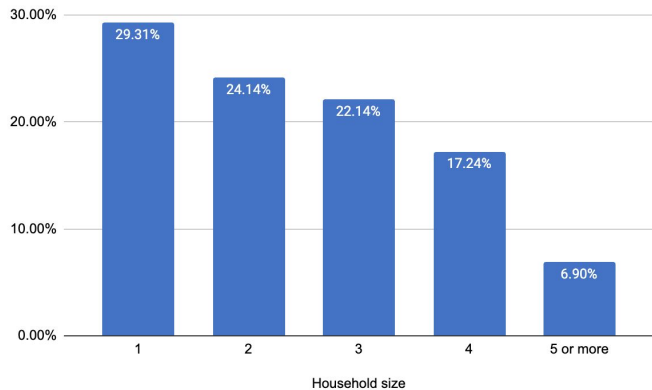


# Founder Demographics (1 of 1): ICA 2022 Cohort

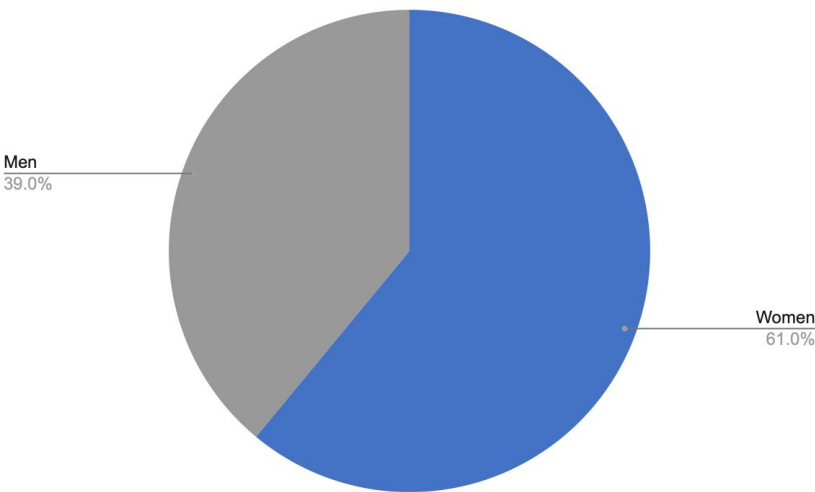
Racial/Ethnic  
Identity  
n = 58



Household Size  
n =



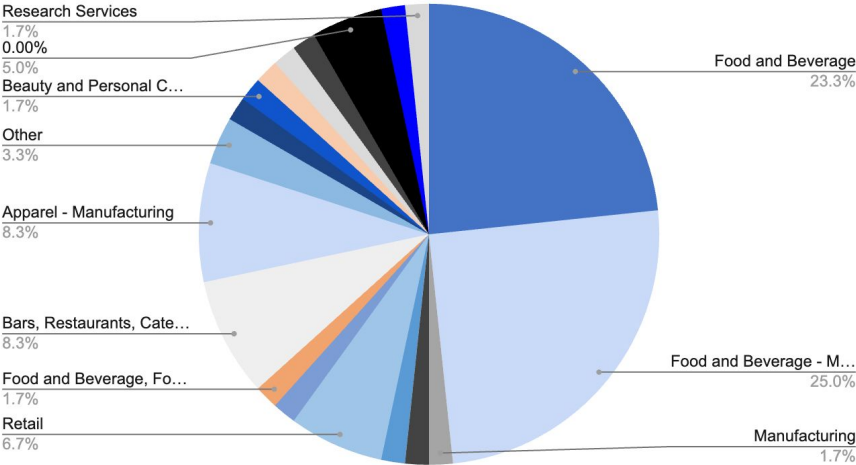
Gender  
Identity  
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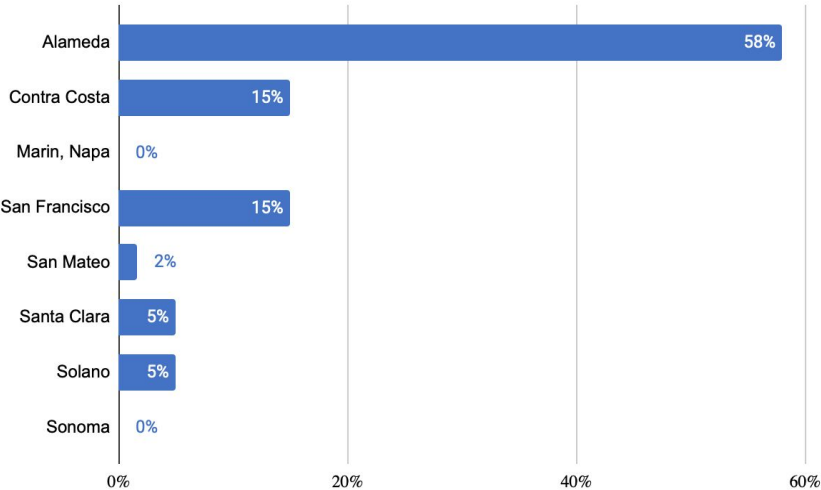
# Founder Demographics (1 of 2): ICA 2022 Cohort

Industry  
n = 58

ICA 2022 Cohort

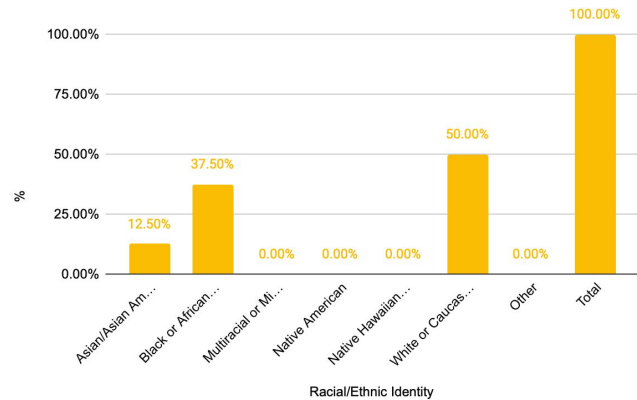


Bay Area  
County  
n = 58

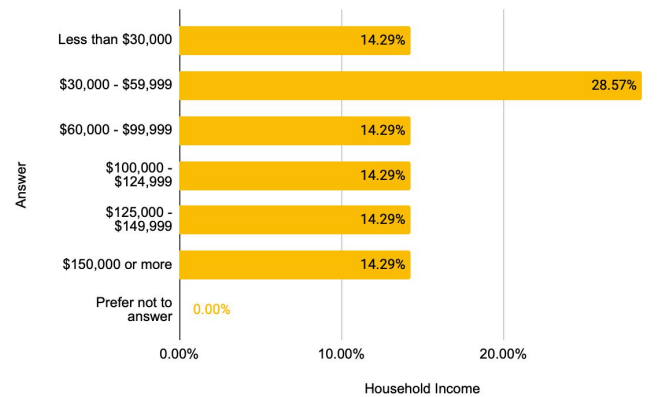


# Respondent Demographics (1 of 1): ICA Broader Alumni Network

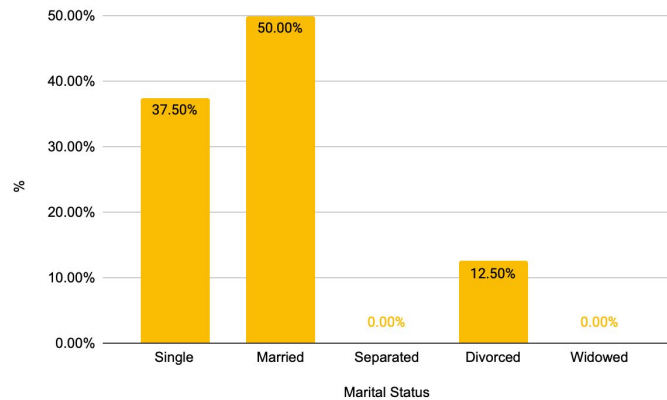
**Racial Ethnic Identity**  
n = 22



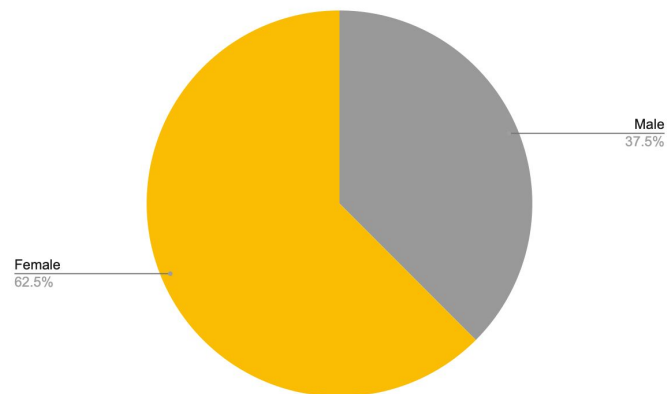
**Household Income**  
n = 22



**Marital Status**  
n = 22

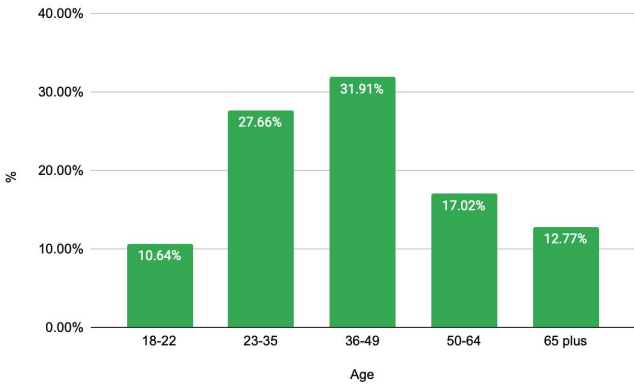


**Gender Identity**  
n = 22

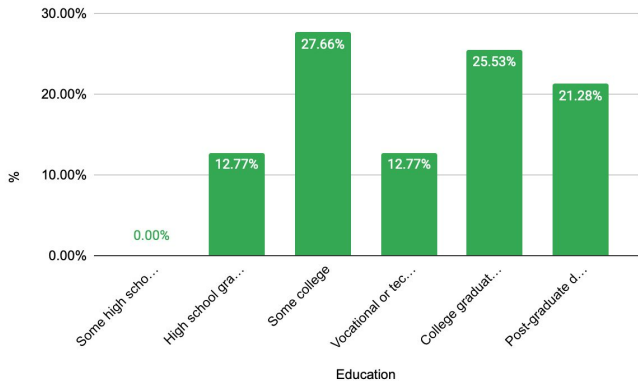


# Founder Demographics (1 of 3): Bay Area

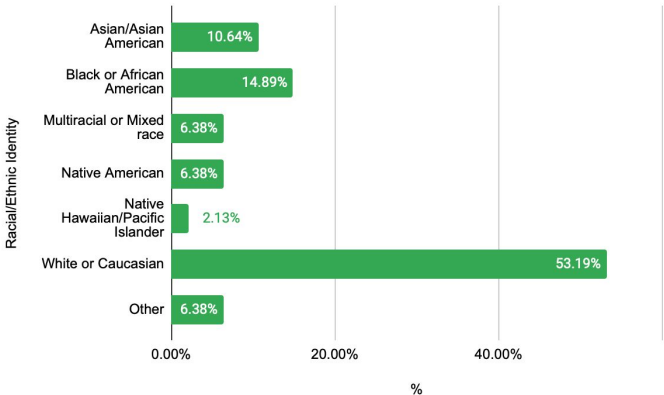
Age  
n = 47



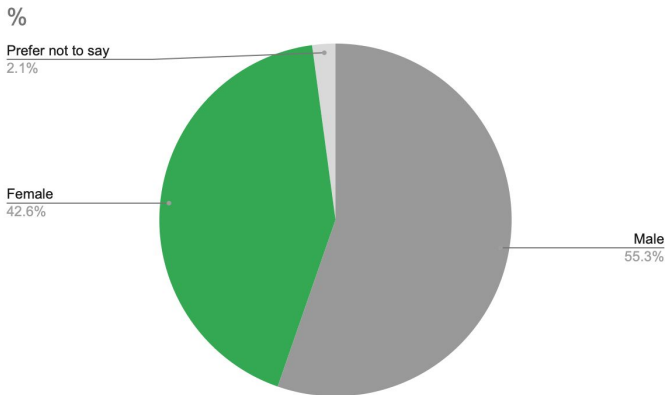
Education  
n = 47



Racial/Ethnic  
Identity  
n = 47



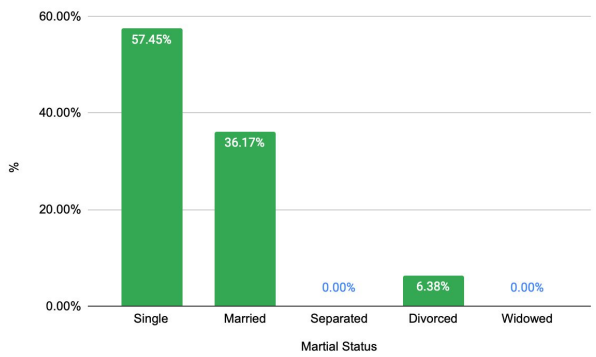
Gender  
Identity  
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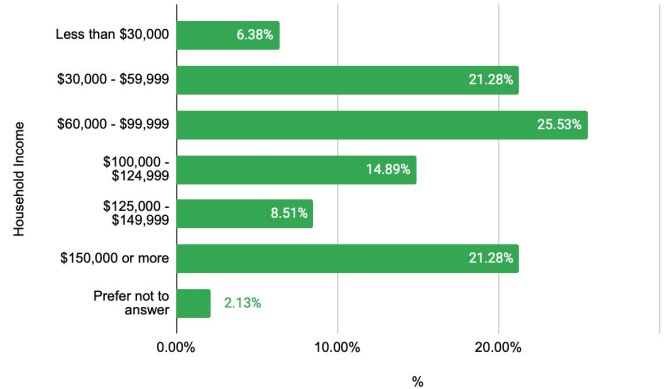


# Founder Demographics (2 of 3): Bay Area

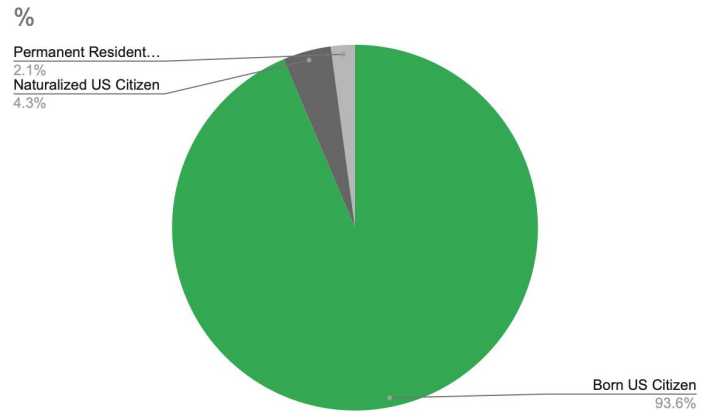
Marital Status  
n = 47



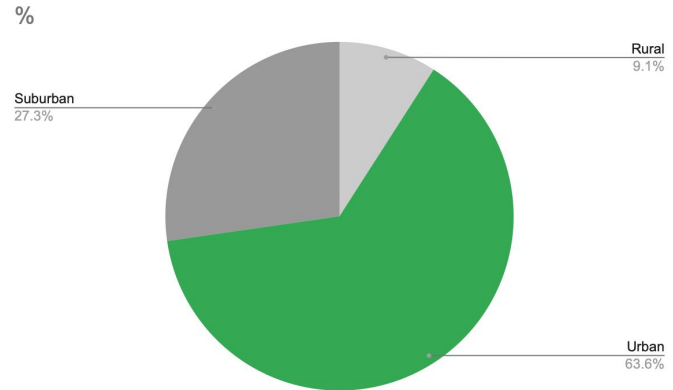
Household Income  
n = 47



Immigration status  
n = 47

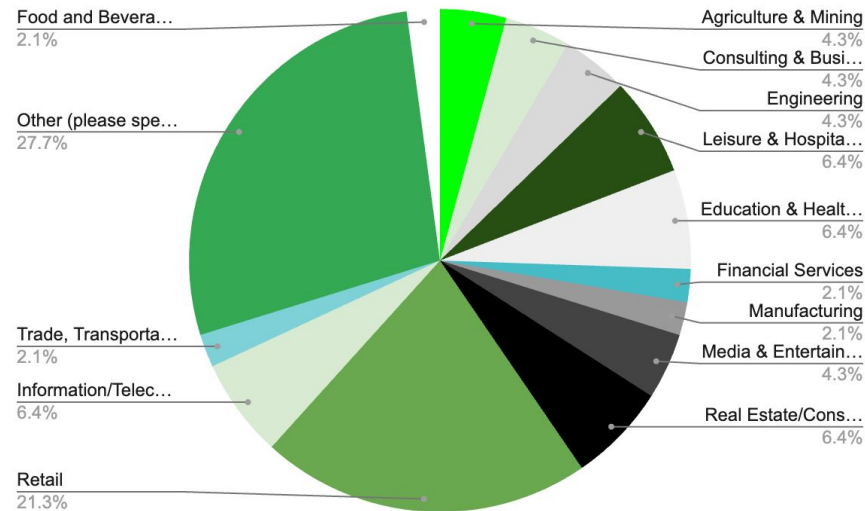


Urban/Rural/ Suburban  
n = 47



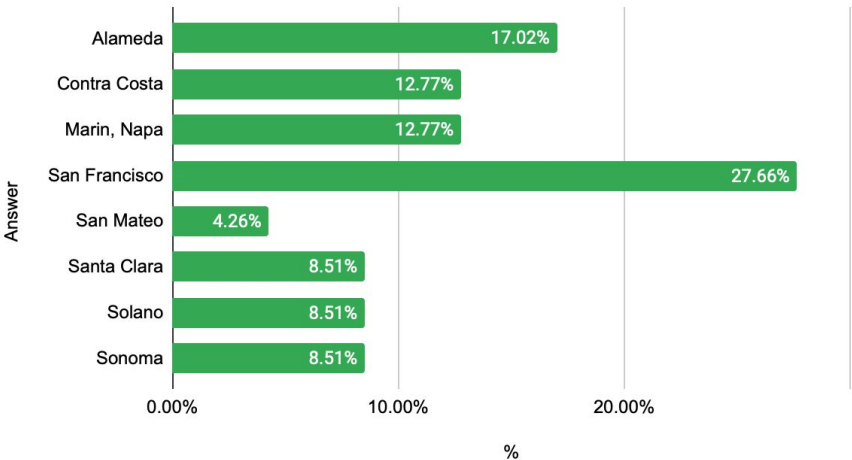
# Founder Demographics (3 OF 3): Bay Area

Industry  
n = 47



Bay Area  
Founders  
n = 47

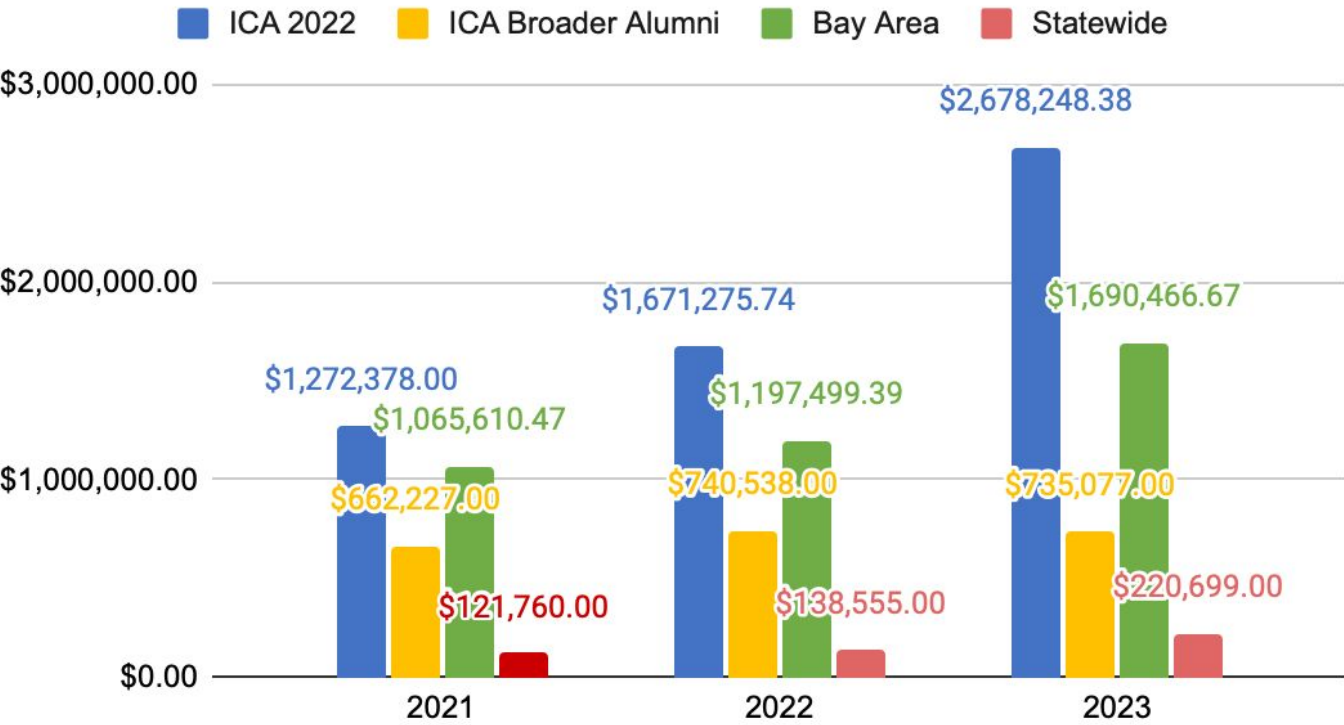
## Bay Area



**How do ICA firms compare in terms of revenue and capital raising?**

# ICA's 2022 cohort report significantly higher annual revenue over a 2 year period compared to other firms in the Bay Area and state as a whole

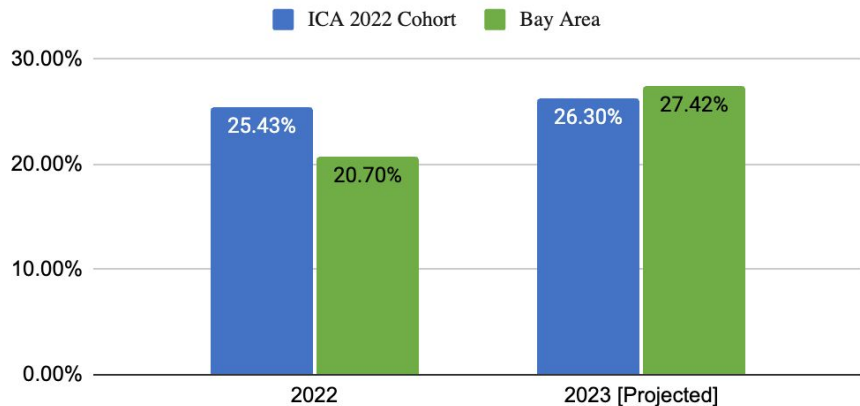
Firm Revenue: 2021, 2022 and 2023 [Projection]





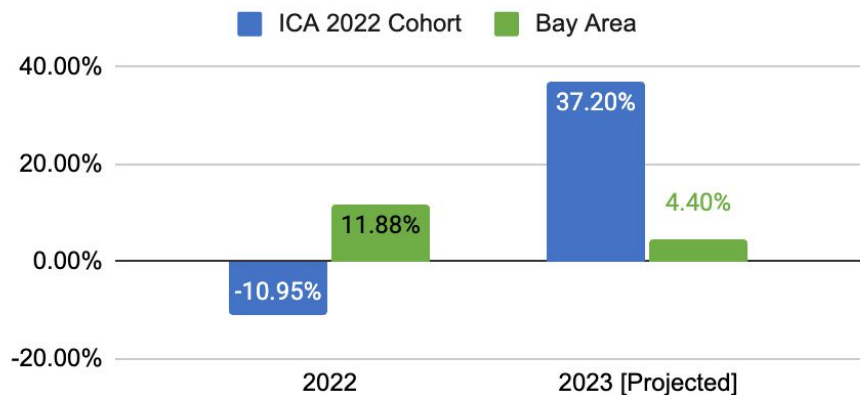
# However, ICA firms show more volatility in terms of job growth for part-time employees

## Annual Growth: Full-Time Jobs



How many full-time (35 hours+ per week) jobs did you have in the following years:

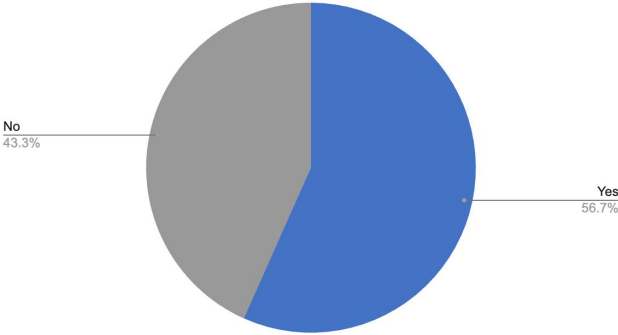
## Annual Job Growth: Part-Time Positions



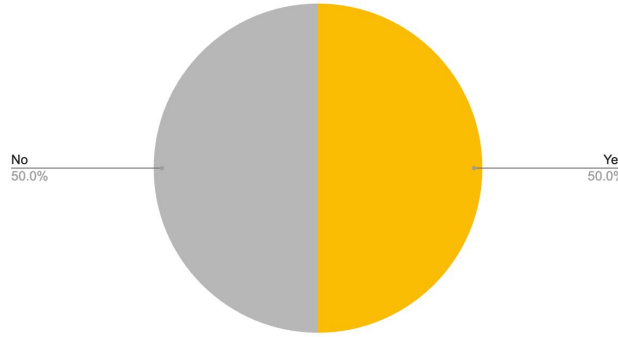
How many part-time (35 hours+ per week) jobs did you have in th...

Entrepreneurs who have gone through ICA programming and/or received investment from ICA are significantly more likely than other entrepreneurs in the state to seek capital. **Over 50% of ICA's 2022 cohort and broader alumni sought capital in 2022.** This compares to just **29.8%** of other self-reported entrepreneurs in the Bay Area.

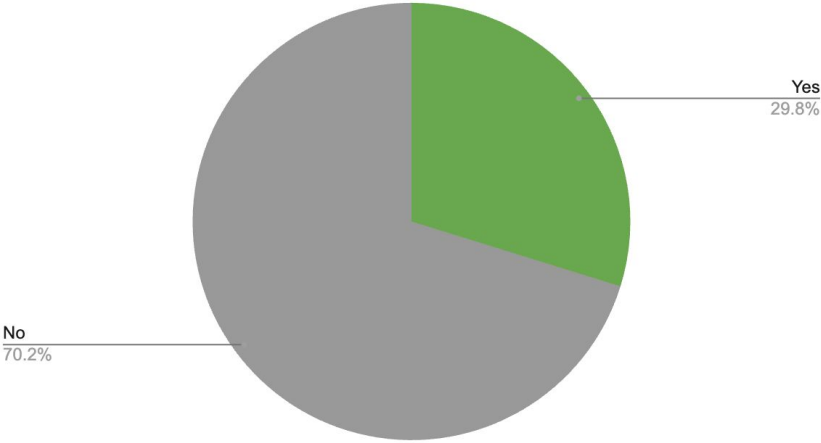
ICA 2022 Cohort



ICA Broader Alumni



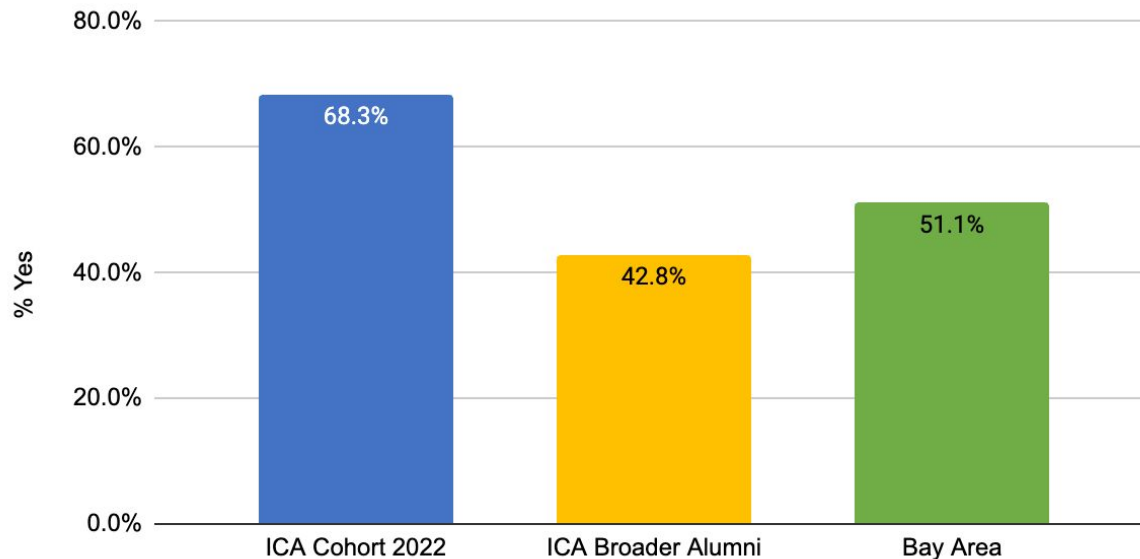
Bay Area



Did you seek capital in 2022?

# ICA's 2022 cohort is also more likely to report they intend to raise capital in the future

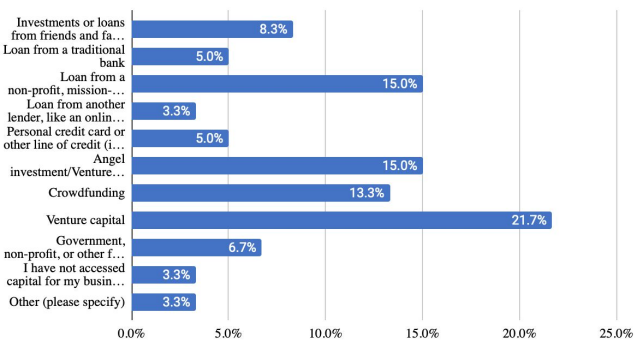
Do you plan to raise capital in 2023?



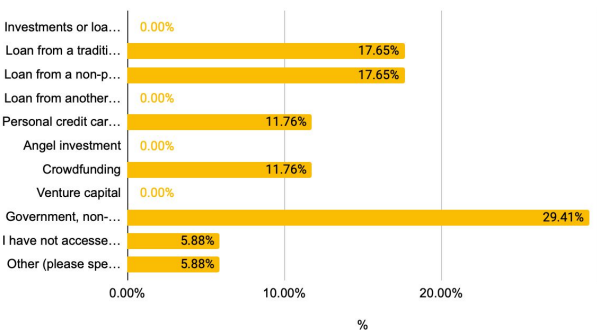
Q14 - Do you plan to raise capital in 2023?

In addition to being more likely to seek capital, both recent and longer-term **ICA Alumni are more likely to acquire capital from other sources**. The ICA 2022 cohort were significantly more likely to acquire investment from venture capital/private equity. All ICA Alumni are more likely to engage in crowdsourcing or seek government or non-profit grants.

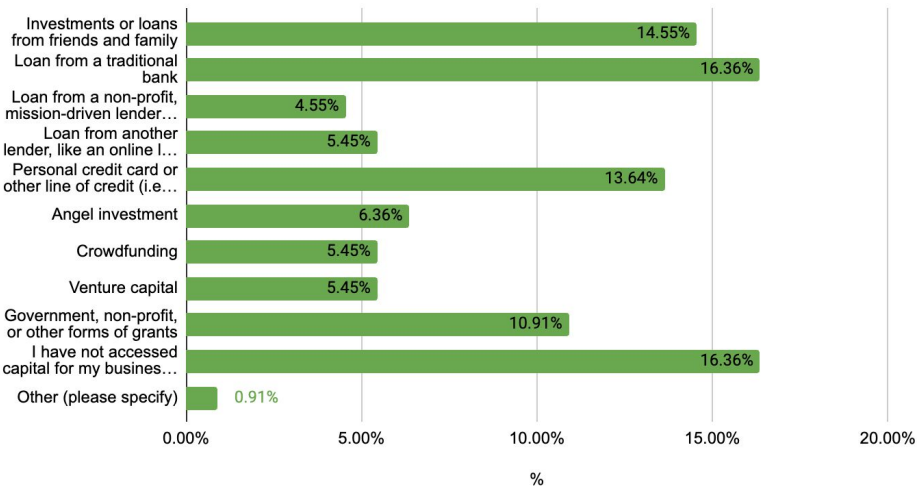
ICA 2022 Cohort



ICA Broader Alumni



Bay Area





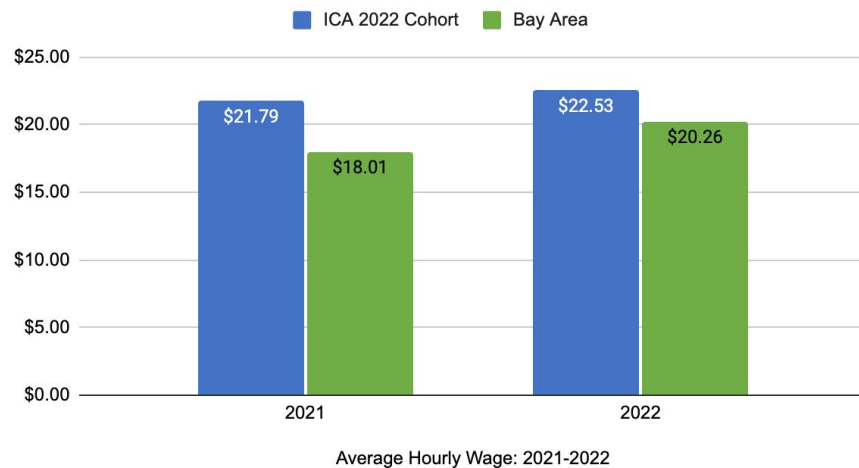
**How do ICA firms compare in terms of benefits and team structure?**

**ICA supported firms have higher full-time and part-time wages than other entrepreneurs in the Bay Area. In 2022, ICA firms paid \$5.43 more an hour on average to full-time employees and \$2.27 more on average to part-time employees**

Average Full-Time Hourly Wage

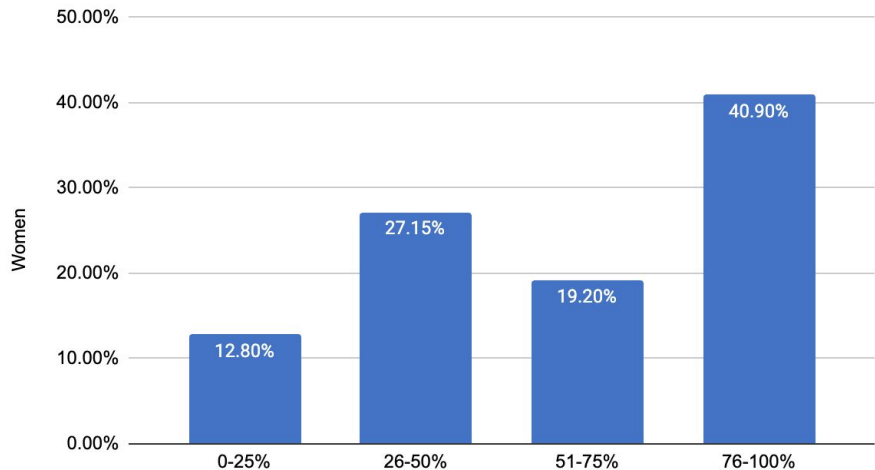


Average Part-Time Hourly Wages

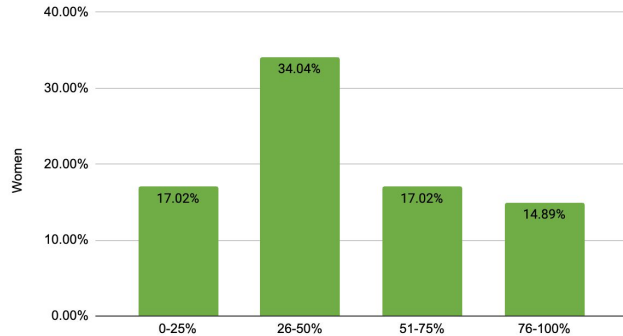


**ICA firms report having higher percentages of women employees/managers compared to other entrepreneurs in the Bay Area and California. Roughly 60% of ICA firms are comprised of majority women employees/managers. This compares to just 31% of other Bay Area firms**

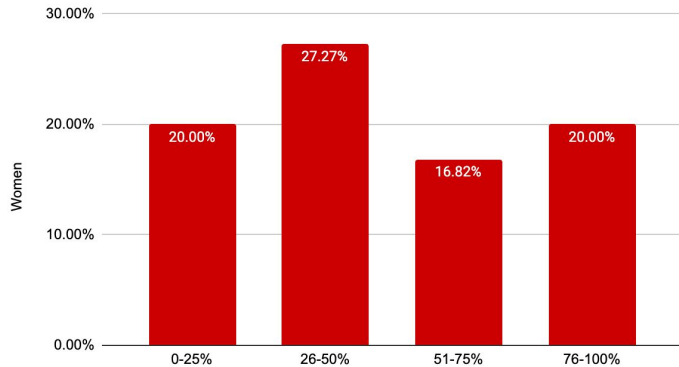
% Women Employees/Managers: ICA 2022 Cohort



% Women Employees/Managers: Bay Area

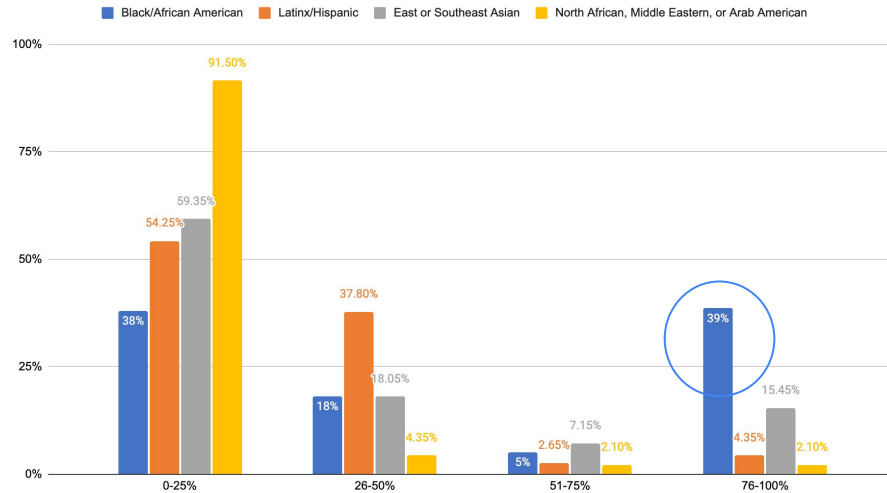


% Women Employees/Managers: Statewide

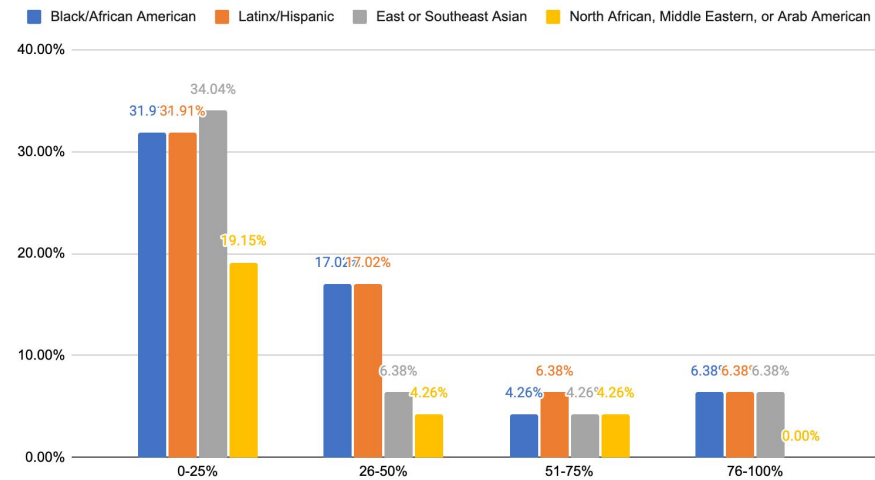


# ICA supported firms also report having higher percentages Black and East/Southwest Asian employees/managers than other Bay Area/California based firms.

% of Employees/Managers by Racial/Ethnic Group: ICA 2022 Cohort

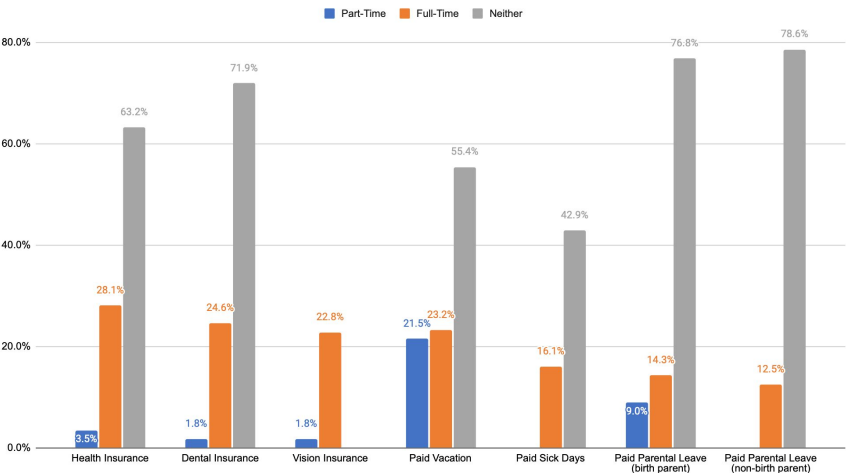


% Employees by Racial/Ethnic Group: Bay Area

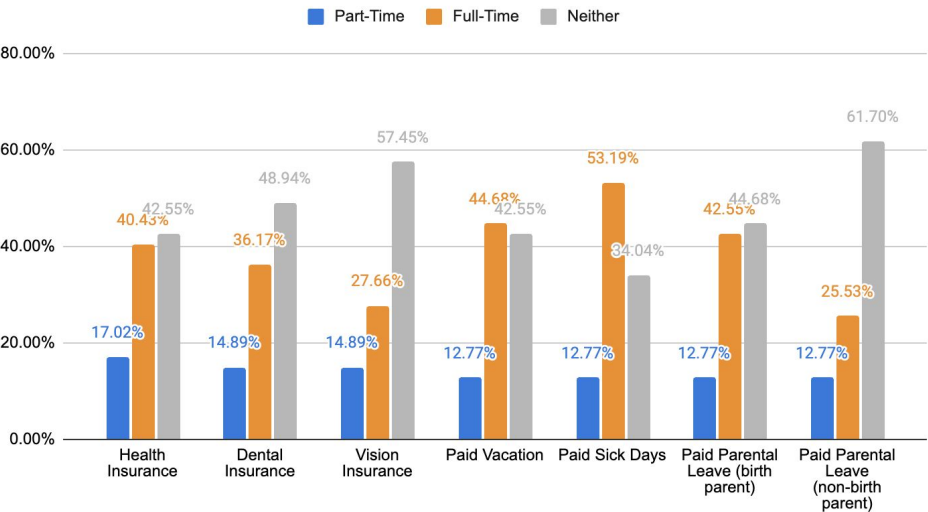


# ICA's 2022 cohort appear less likely than over firms in the Bay Area to offer health insurance and other benefits, however, this is strongly related to the age of the firm

ICA 2022 Cohort: Benefits: Part-Time, Full-Time and Neither



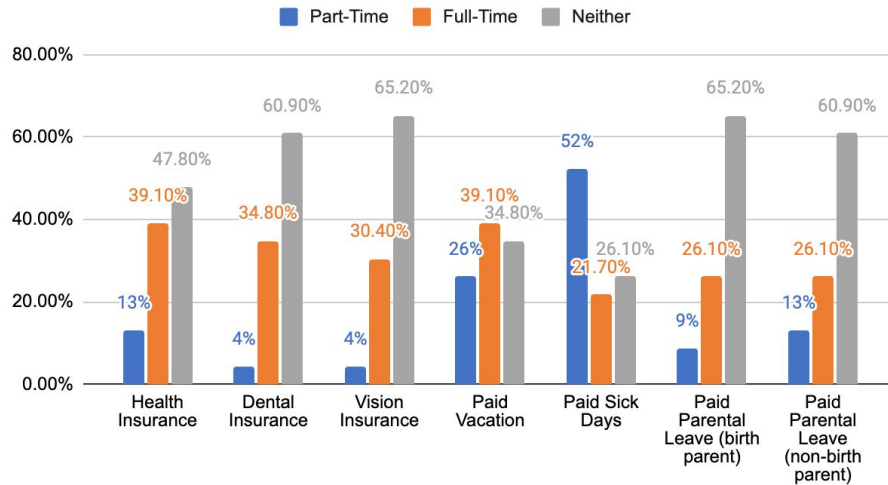
Bay Area: Benefits: Part-Time, Full-Time, Neither



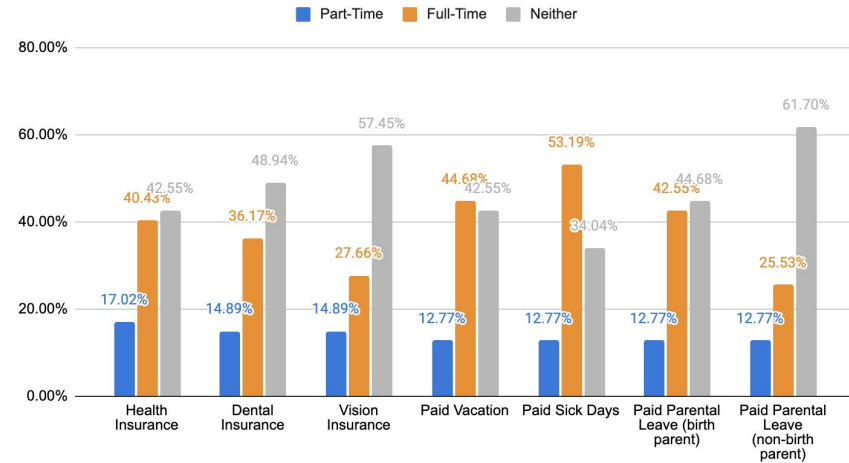


In addition, the rates varied significantly between the investment portfolio and non investment firms, with ICA investment firms more likely to offer paid sick leave to both part-time and full-time employees

ICA Investment Firms: Benefits: Part-Time, Full-Time and Neither

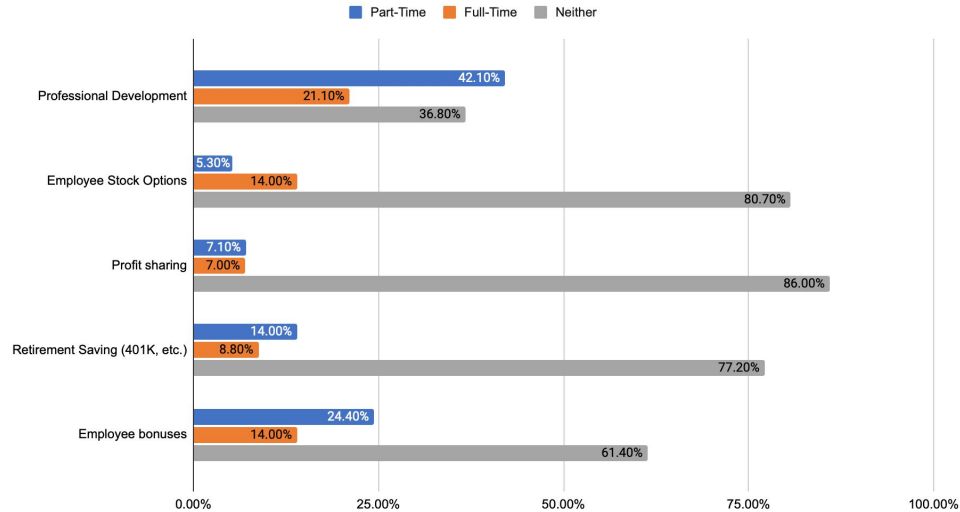


Bay Area: Benefits: Part-Time, Full-Time, Neither



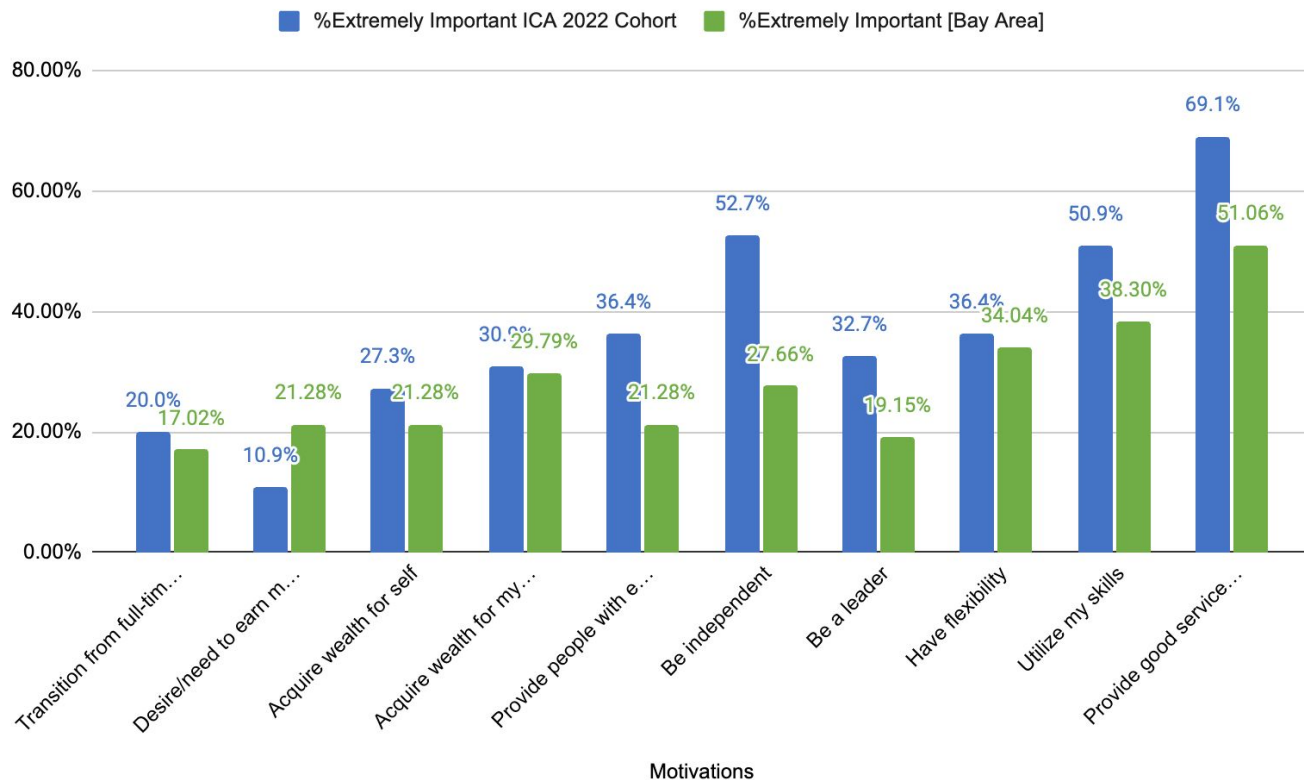
# However, ICA supported firms are more likely to offer professional development, retirement saving, and employee bonuses to part-time employees

ICA 2022 Cohort: Development/Retirement: Part-Time, Full-Time and Neither

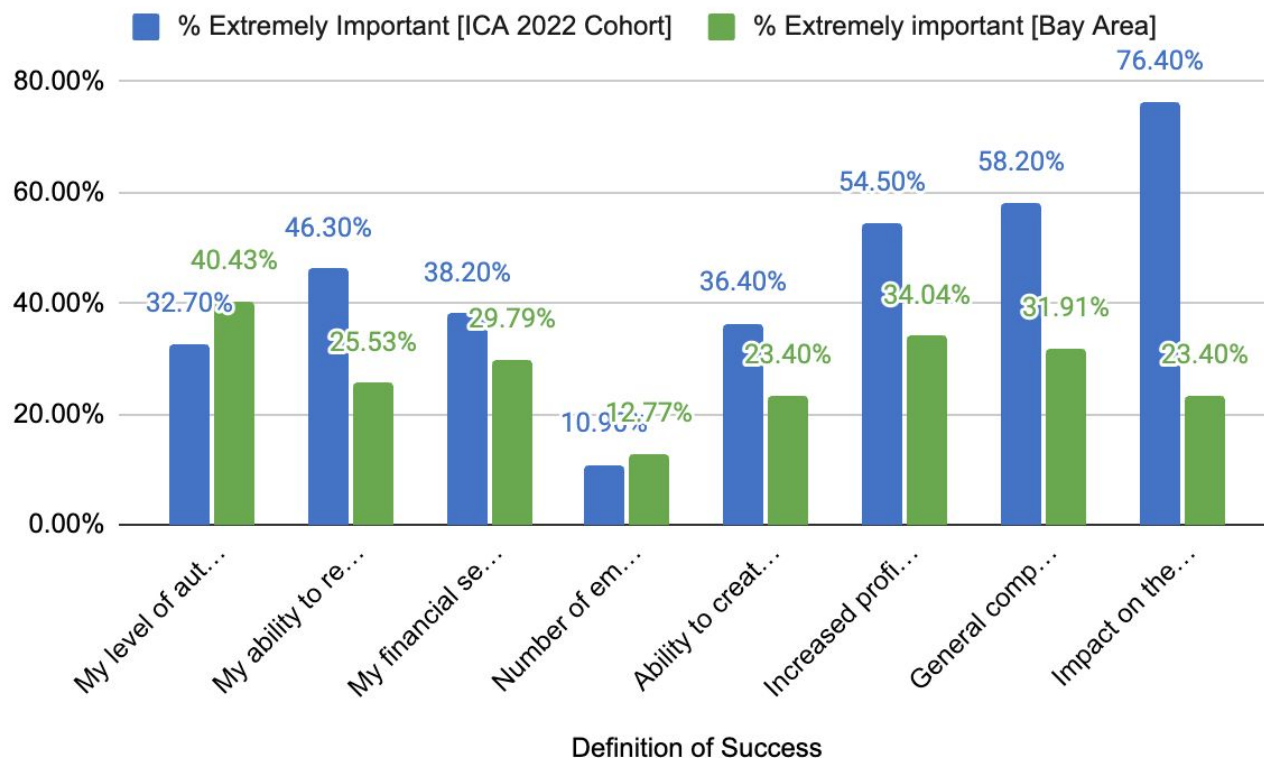


**What similarities or differences are there in terms of motivation and definitions of success?**

**ICA 2022 cohort members show distinct motivations compared to other entrepreneurs in the Bay Area. ICA founders are more likely to express that a **desire to be independent** and **create good jobs** were key factors influencing their decision to found a business.**



**The way ICA entrepreneurs define success also appears to be distinct compared to other entrepreneurs in the Bay Area. The most recent ICA cohort is significantly more likely to view “impact on the wider community” and “general company performance/growth” as central indicators of success**



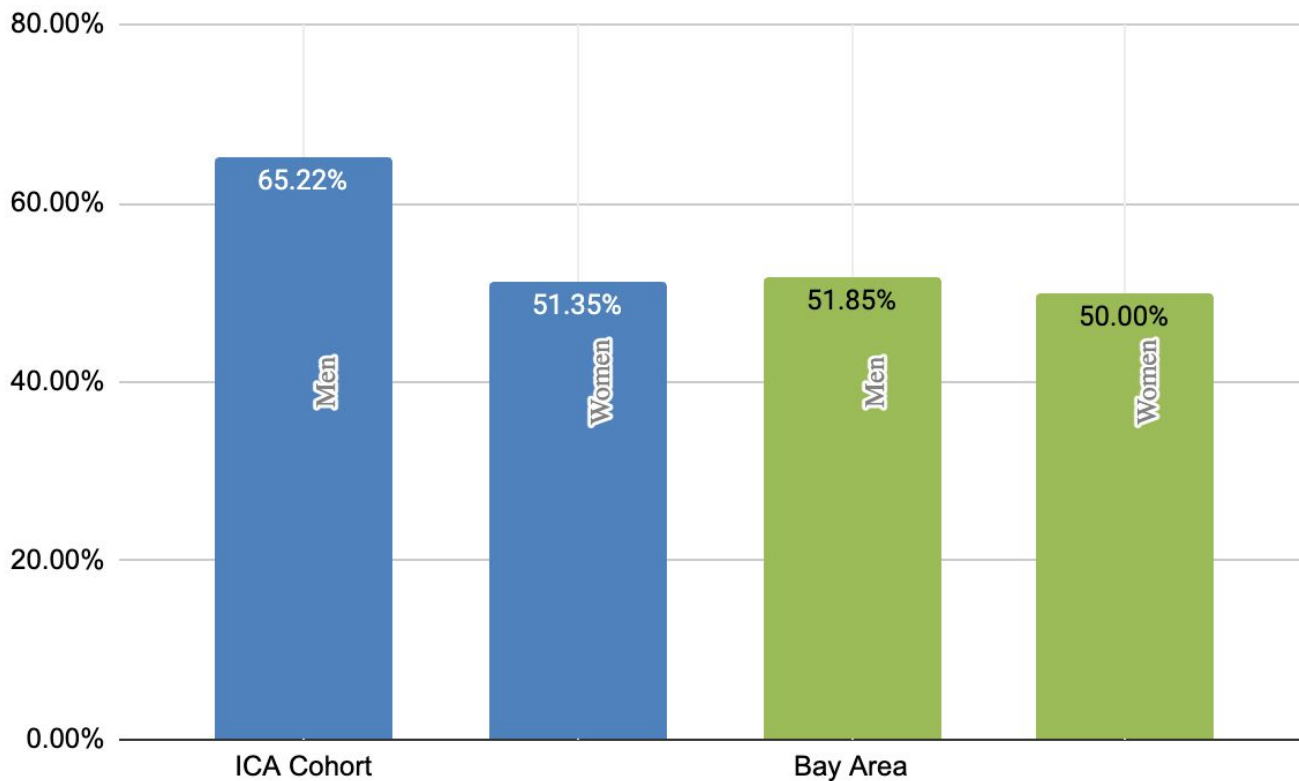


**Are there variations across gender identities and racial/ethnic groups?**

## Gendered variation in total revenues are present among ICA entrepreneurs and the broader Bay Area. However, ICA women-led firms report significantly higher revenue than their Bay Area counterparts

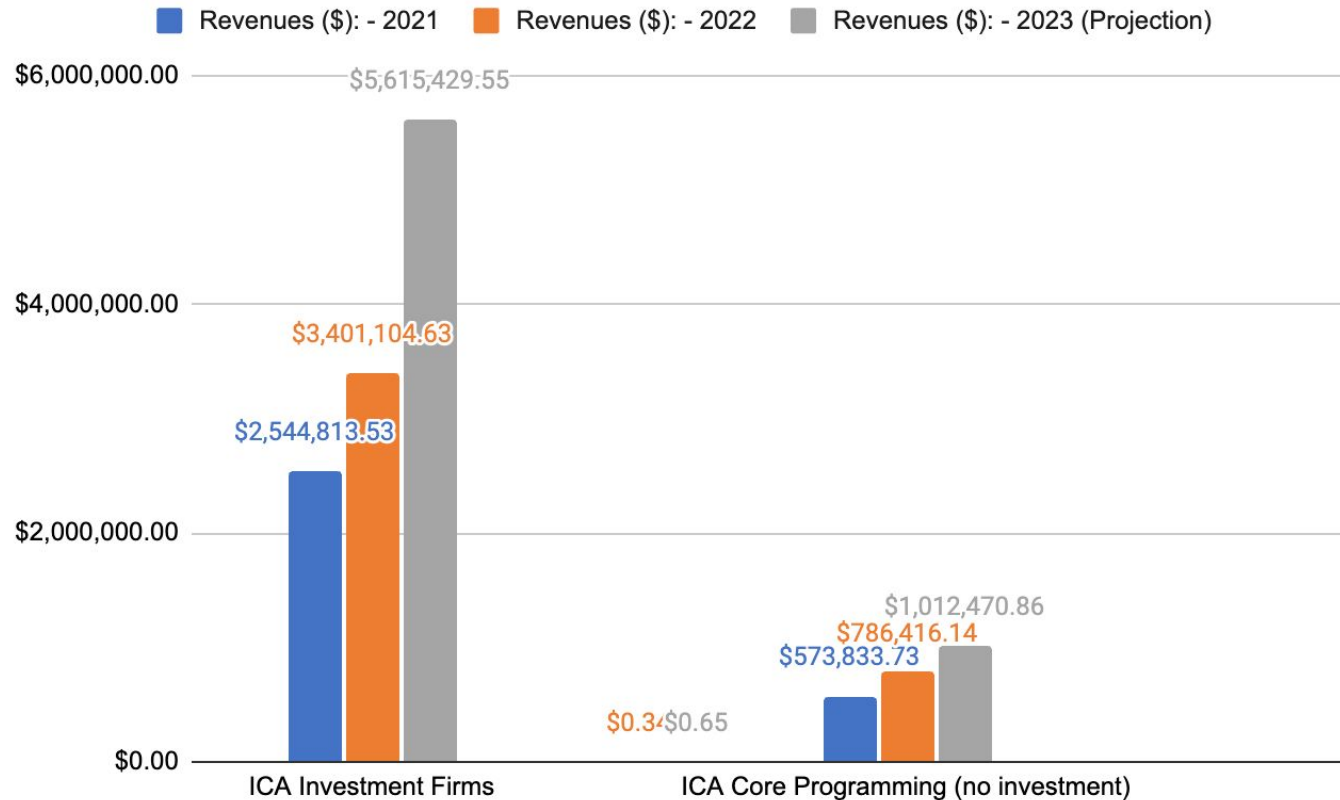
Bay Area	2021	2022	2023	Average Growth
Men	\$1,363,013.07	\$1,590,403.89	\$2,031,148.37	
		16.68%	27.71%	22.20%
Women	\$559,705.00	\$610,290.00	\$1,063,375.00	
		9.04%	74.24%	41.64%
ICA 2022	2021	2022	2023	Average Growth
Men	\$46,546,149.66	\$67,881,598.65	\$115,995,000.00	
		45.84%	70.88%	58.36%
Women	\$27,251,810.45	\$27,381,118.69	\$33,986,909.00	
		0.47%	24.13%	12.30%

# Men who have gone through ICA programming/received ICA investment show significantly higher rates of capital seeking behavior than women



**What is the impact of investment vs small advising?**

# ICA's investment firms report markedly higher revenue than non-investment firms who have only gone through ICA programming, a finding that is in-keeping with insights from the literature review

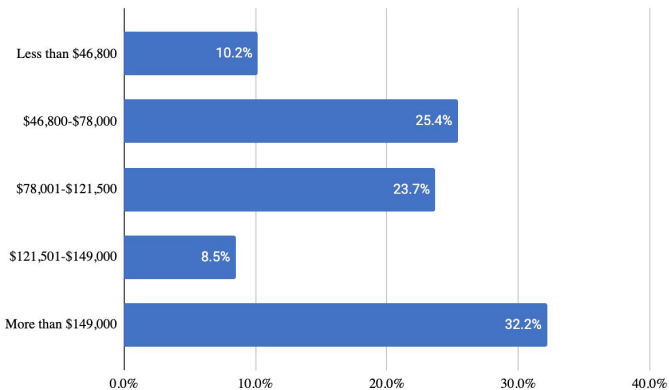




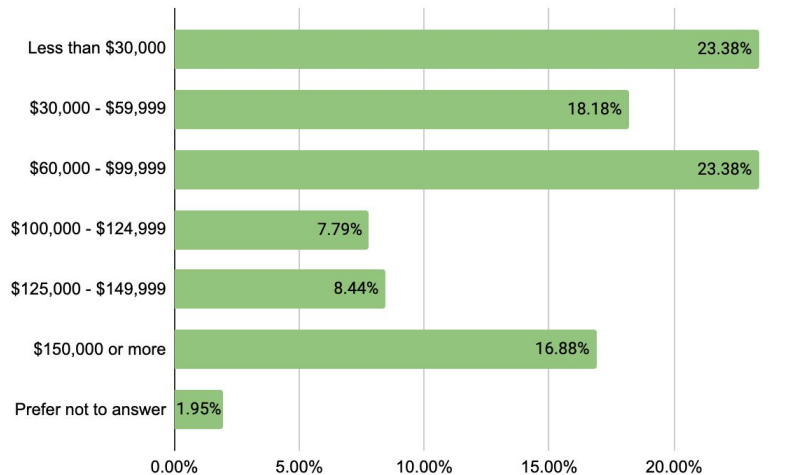
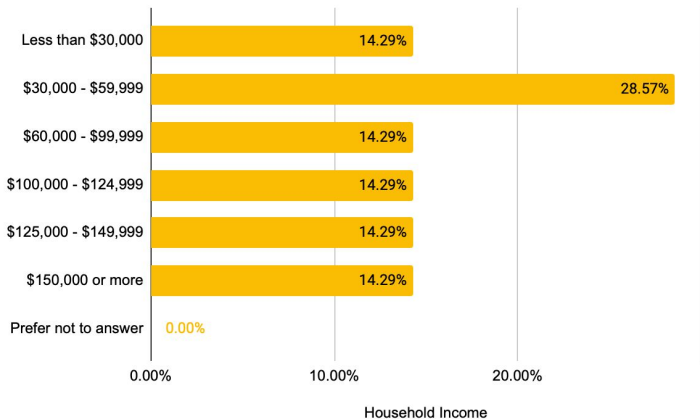
**What is the impact on founder's personal income and wealth?**

**ICA's 2022 cohort report higher household income on average. This remains consistent even when segmenting by racial and gender identity. While selection bias is likely a factor, the variation in household incomes between ICA's most recent cohort and the broader network indicates recent engagement with ICA results in an overall income boost.**

**ICA 2022 Cohort**



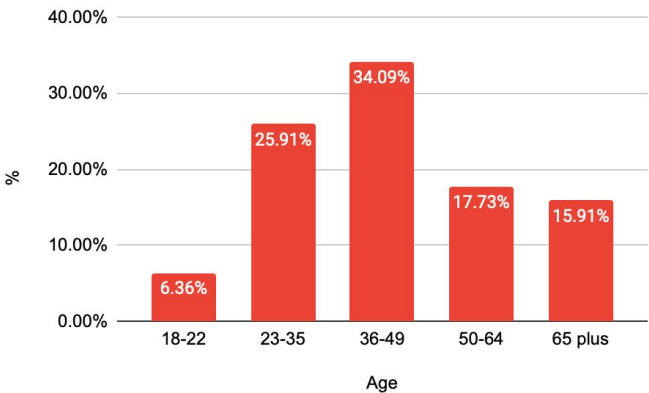
**ICA Broader Alumni**



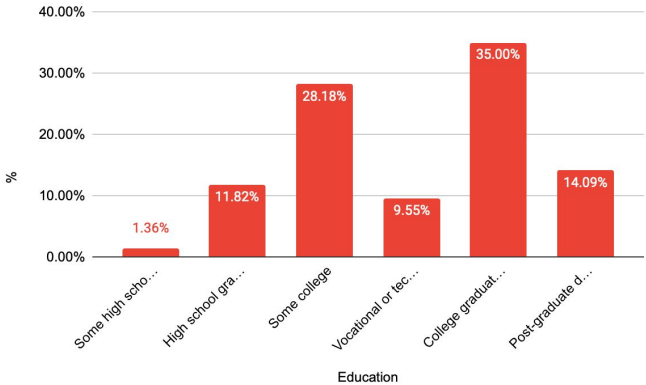
# APPENDIX

# Founder Demographics: State-wide

Age  
n = 220



Education  
n = 220



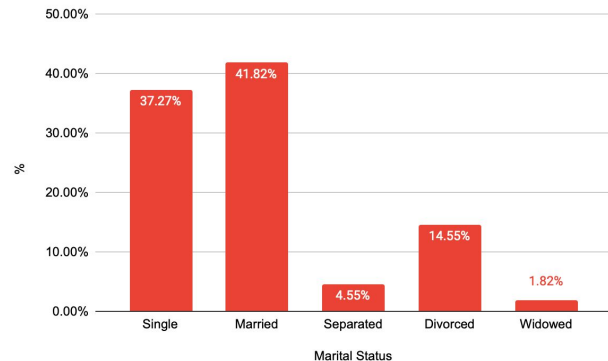
Racial/Ethnic  
Identity  
n = 220

Gender  
Identity  
n = 220

# Founder Demographics (2 of 3): State-Wide

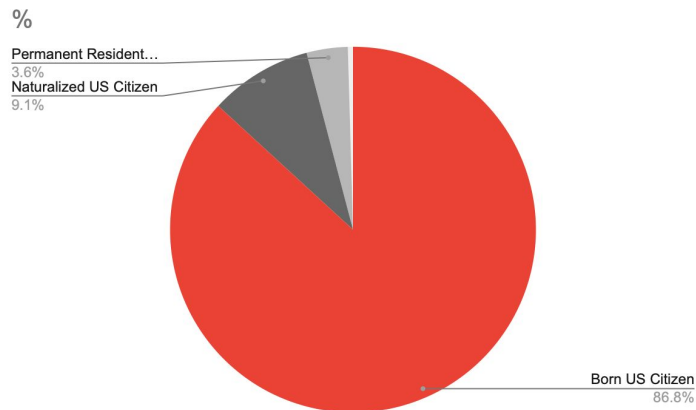
## Marital Status

n = 220



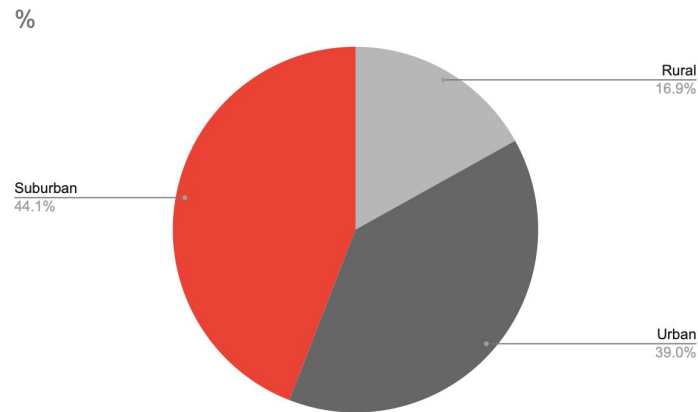
## Immigration status

n = 220



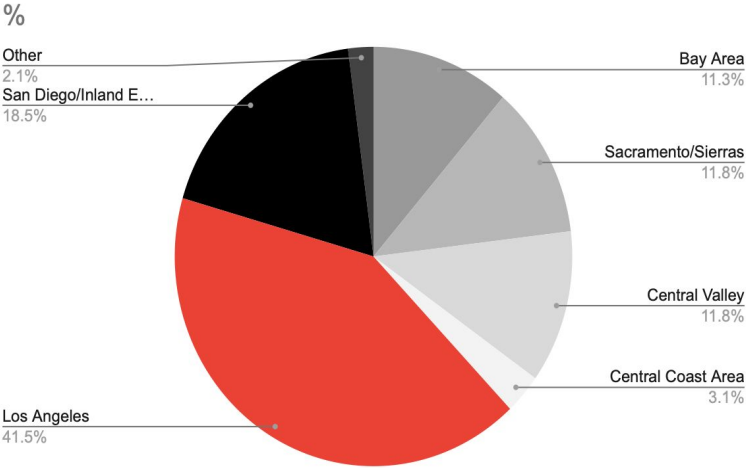
## Urban/Rural/ Suburban

n = 220



# Founder Demographics (3 OF 3): State-Wide

California: Region  
n = 220



Bay Area County  
n = 220

## Statewide

