

[grepbeat.com /2020/08/20/diversity-series-hbcus-can-play-major-role-in-creating-a-more-equitable-pipeline/](https://grepbeat.com/2020/08/20/diversity-series-hbcus-can-play-major-role-in-creating-a-more-equitable-pipeline/)

Diversity Series: HBCUs Can Play Major Role In Creating A More Equitable Pipeline

About Elizabeth Moore 36 Articles

9-12 minutes

GrepBeat graphic by Ximena Colopy

[Editor's Note: This is the second part of a four-part series on diversity in the Triangle's tech ecosystem. You can find the first part on Access To Capital [here](#), and the Roadmap to the series [here](#).]

It's often the informal connections that can get a person the farthest. Having a similar interest or background to the decision-maker—like, for example, sharing an alma mater—can subtly skew favor toward one candidate and, therefore, against another.

More than just a comment in passing about where a person went to school, many universities have relationships with programs and companies that offer opportunities to students. If companies have good experiences with employees from a certain school, they are more likely to hire from the same school again. Thus a pipeline forms, placing some schools top of mind.

This can be an issue when unconscious bias comes into play, meaning that people in power, oftentimes not belonging to any minority groups, may favor people who look like them, further exacerbating the disparities in representation.

In June 2020, the [Ewing Marion Kauffman Foundation](#), a, entrepreneurial-focused nonprofit that offers grants and industry research, published a [report](#) on the previous year's data regarding "Early Stage Entrepreneurship in the United States."

The study looked at what it called "opportunity share," which distinguished between "opportunity entrepreneurs," who are entrepreneurs looking to start a new business while already in a relatively stable position such as having a fulltime job or being a student, vs. "necessity entrepreneurs" who are forced to find something new due to unemployment. The higher percentage of opportunity entrepreneurs, the higher the opportunity share.

The study found that while African Americans and Latinos experienced an increase in opportunity share over the past decade or so, they still lagged behind White and Asian entrepreneurs by this measure of opportunity.

What does that mean for talent sources where the racial population is majority African-American?

A seat at the table

HBCUs, or Historically Black Colleges and Universities, are places of higher education that primarily serve African Americans. The state of North Carolina has 10 of these institutions—the most of any state—and three of them are in the Triangle: [St. Augustine's University](#) and [Shaw University](#) in Raleigh, and [North Carolina Central University](#) in Durham.

Shaw is the oldest HBCU in the South, founded in 1865, while NC Central is the newest, founded in 1910. Each of the Triangle's HBCUs offer business and entrepreneurial programs.

Two HBCU entrepreneurial educators tell GrepBeat that it can be challenging to keep up with the Triangle's large research institutions in terms of resources and connections to employers.

Sheria D. Rowe, Assistant Dean in SAU's School of Business, Management, and Technology, has built out the entrepreneurship program from one class to two, which students can take as a concentration within their business major.

Henry McKoy, NCCU Professor and Director of the Eagle Angel Network

Henry McKoy, Director of Entrepreneurship and Faculty for NC Central's School of Business, says part of the challenge is that the local HBCUs are not always top of mind.

"I think part of it's just that, historically, there's a sense that, 'Oh, well, the Triangle universities mean UNC, NC State and Duke,'" McKoy said.

McKoy, who holds degrees from both UNC and Duke and worked in banking for about a decade, entered North Carolina's public sector and was appointed by the governor as Assistant Secretary for the NC Department of Commerce where he oversaw community economic development like affordable housing and small businesses. McKoy says he has served and continues to serve on dozens of public sector boards and commissions from the local to federal level.

"I often realized when I was in those rooms that NCCU wasn't represented, or even a minority voice wasn't represented," he said. "Part of my desire to come to NCCU was saying, 'I'm already in these rooms. Can I bring NCCU into these rooms with me?'"

Lack of resources

Another difference between HBCUs and other higher education institutions is the level of available funding. Resources can often determine the partnerships, or pipelines, an institution can facilitate for students.

St. Augustine's currently has partnerships with two co-working spaces, [LAUNCHRaleigh](#) and [The Loading Dock in Raleigh](#), as well as the [Arise Veteran Foundation](#).

Rowe herself facilitated partnerships with [Red Hat](#), the [Small Business Administration](#) and the [Wells Fargo Southeast Raleigh Urban Entrepreneur Growth Project](#). She says she's always looking for more networking events to meet people, tell them about her students' work and hopefully forge more partnerships.

Rowe says she tells her students about free resources in the area to help them "make it work." She tells them that the Triangle does have resources, but they have to go out and look for them.

"It's a sad conversation to have sometimes," she said, "because I've seen African American students who have great ideas. They're ready to launch, great business plan, business models, but it's a challenge when we don't have those resources or we don't have direct partnerships with the people who are providing it for them."

McKoy says NC Central has had similar experiences with not being able to on-ramp ideas as quickly as larger universities.

"Our process doesn't necessarily move as quickly and fast as the others," he said, "because we don't have the additional amount of private funds that the other universities have to kind of speed that up."

Data show that HBCUs rely much more heavily on federal, state, and local funding than their non-HBCU counterparts. A [January 2019](#) study by the [American Council on Education](#) shows that among sources of revenue, public HBCUs draw 54% from government funding while public PWIs (Predominately White Institutions) depend on 38%.

The study also highlights North Carolina as a state with a large disparity in public funding for HBCUs and non-HBCUs. In May 2019, [WRAL reported a push for parity funding](#) by some of the state's Black lawmakers.

Private donations and grants make up a large amount of the revenue disparity. The lack of private donations, which often come from alumni or people with close ties to the school, was part of why NC Central was not able to be as nimble as its counterparts when forming the [Triangle Venture Alliance](#).

In addition to being a professor at NC Central, [McKoy is Director of the Eagle Angel Network](#). The Eagle Angels formed in early 2016 with help from various grants it shared with the new angel networks at Duke, UNC and NC State. Each network was modeled after the Duke Angel Network, with the idea to join forces as the Triangle Venture Alliance.

[GrepBeat wrote about TVA](#) in June, a story that detailed the lack of communication and other issues—especially the differing ability of enough alumni able to repeatedly write five-figure checks—that led to a gradual decline in involvement by NCCU despite other members' growing activity.

McKoy says that some early conversations with the other schools included acknowledgments that NCCU, by nature of its predominately Black population, would be different than “just flipping on a light switch” compared to the other institutions.

“This is not rocket science,” he said, “but when you look at the broader context of the socioeconomic conditions of different communities, the other three universities had a much quicker on-ramp with alumni that were able to pay the fee that comes with joining the network.”

Adding to the classroom experience

Both professors say they make extra effort to enable their students’ success, not only in terms of lessons, but also when it comes to connections with the broader community.

“In terms of just kind of the pipeline that it takes to move forward,” McKoy said, “we’ve had to be very, I say, thoughtful and meticulous in terms of pulling that together.”

McKoy says his students want to use their intellect and talent to innovate and solve challenges in society. He reminds them that they can come up with market-ready ideas that also impact their families and broader communities.

“I know for me,” McKoy said, “I’ve been very thoughtful in wanting to meet the students where they are and say, ‘You can do well and do good at the same time.’”

Rowe also infuses real-world lessons in her entrepreneurship classes. She herself owns and runs two businesses—a boutique PR agency called DRowe Enterprise and the online publication Business Mogul.

Sheria Rowe, Assistant Dean for St. Augustine’s School of Business, Management and Technology

“I’m definitely big on teaching them practical tools in the classroom, of course as well as theory,” she said, “but because I’m an entrepreneur, I’m big on them getting the real, the bad and the ugly. They do appreciate that.”

That includes seeking outside funding as well as bootstrapping as a funding model.

Rowe says she also teaches topics like generational wealth, advising students to purchase property, life insurance and stocks. She says she doesn’t think that’s necessarily something all business schools do.

“I think it’s a personal thing for me,” she says. “Because I know our demographic of students that we have, and if they’ve never heard it or had those conversation at their dinner tables at home, we’re going to have it in the classroom.”

Rowe says she believes that knowledge will set her students apart from their counterparts and set them up for later success.

“Then, let’s go into how that coincides with entrepreneurship, and then how does that go into the type of career that you want?” Rowe said. “It’s definitely a conversation that I do have with my students.”