

RESEARCH IN ACTION:

Wharton's [Tiantian Yang](#) Explains How Intrapreneurship Can Help Close the Racial Wealth Gap

THE PROBLEM:

Black founders have long struggled for their place in the entrepreneurial ecosystem, but a co-authored [study](#) by management professor [Tiantian Yang](#) finds that they are thriving in intrapreneurship because there are fewer discriminatory barriers. Her research suggests that intrapreneurship -- the launching of new ventures within existing firms -- can help close the racial wealth gap and boost inclusion in a segment of the economy with a track record of inequality. Black-owned businesses accounted for a slim 3% of all employer firms in the U.S. in 2021.



THE RESEARCH:

In the paper, “The Racial Gap in Entrepreneurship and Opportunities Inside Established Firms,” Yang analyzed survey data collected on American entrepreneurs from 2005 to 2011. She found that Black entrepreneurs are half as likely as their white counterparts to achieve financial success, but intrapreneurship narrows that gap to 3%.

“Creating a new business inside an established organization is not only a more attractive option to racial minorities, but also a more viable option in terms of outcomes,” Yang said.

She offered two explanations for why Black intrapreneurs are more successful than Black entrepreneurs. First, employers know their employees personally, and that proximity creates a level of comfort that can reduce discrimination. By contrast, investors may have only superficial knowledge of a potential Black founder, which may allow biases to creep into their decision-making.

Second, Black intrapreneurs have an insider perspective that helps them anticipate and mitigate any discriminatory barriers they may encounter when launching a venture in-house.

THE SOLUTION:

Yang said the findings suggest that supporting more intrapreneurship among Black employees could be an effective way to grow their participation in the economy and raise their wealth. In the U.S., Black families on average own 24 cents for every \$1 of white family wealth.

“The biggest takeaway for me is that policy interventions to promote racial minority entrepreneurship should be directed toward conditions within workplaces, rather than solely targeting investors,” Yang said.

She emphasized that a strong organizational structure with adequate support is key to helping Black intrapreneurs succeed, and companies have good reason to want that success.

“Firms benefit from having a more broad and diverse spectrum of innovative minds,” she said.



THE SCHOLAR: *TIAN TIAN YANG*

Tiantian Yang's research combines her background in sociology and statistics with her interest in gender and race issues in business. Her research makes principal contributions to the study of entrepreneurship, career mobility, and social inequality. She examines the entrepreneurial process to understand how founders can be successful, the consequences of entrepreneurial mobility, and the roles that discrimination play in career attainment for women and minorities.

"This research is profoundly significant to me because it offers pragmatic solutions to a critical and persistent issue: the racial wealth gap," she said. "By examining intrapreneurship as a viable pathway for Black entrepreneurs, who face systemic barriers in the traditional entrepreneurial ecosystem, my research not only highlights the challenges but also proposes actionable strategies within existing organizations."

Yang holds a bachelor's degree in sociology from Lanzhou University, a master's degree in sociology from Peking University, a master's in statistics from the University of North Carolina at Chapel Hill, and a doctorate in sociology from UNC. Prior to joining Wharton's marketing department in 2020, she was an assistant professor of sociology at Duke University. Her research has been published in top management and sociology journals, and she was honored with the prestigious Kauffman Dissertation Fellowship in 2012, and the Kauffman Junior Faculty Fellowship in 2017.

The Wharton Coalition for Equity and Opportunity (CEO) creates research-driven solutions to help current and future leaders ensure equity in business relationships and leadership. Dean Erika James, who is Wharton's first Black and first female dean, is emblematic of a paradigm shift in executive leadership. She has launched the Wharton Coalition for Equity and Opportunity as the hallmark of her leadership commitment to diversity, equity, and inclusion. The initiative is being led by Kenneth L. Shropshire, Wharton emeritus professor of legal studies and business ethics. Shropshire is the former director of the Wharton Sports Business Initiative and former CEO of the Global Sport Institute.