Research led and published by Huntsman marketing professor Sterling Bone was cited in the November 10, 2016 Wall Street Journal article, “Black-Owned Businesses Face Credit Gap.”

This article reports on disheartening trends regarding the disparate access to capital financing faced by Black-owned businesses. Bone’s research published in the August 2014 issue of the Journal of Consumer Research with his co-authors Glenn Christensen (Brigham Young University) and Jerome Williams (Rutgers University) is used to provide an
explanation for why Black-owned businesses are not seeking traditional small business loans compared to their White counterparts.

The research finds that minorities seeking bank loans are treated differently than their white counterparts, despite having identical qualifications on paper. Researchers recruited nine ‘mystery shoppers’ to seek loans in the study—three black, three Hispanic and three white small-business owners. The entrepreneurs wore the same clothes, asked for identical $60,000 loans to expand identical businesses and had nearly identical backgrounds. The mystery shoppers were simply told they were evaluating customer service.

The minority mystery shopper loan-seekers were given less information on loan terms, asked more questions about their personal finances, and offered less application help by loan officers. While discrimination in housing, employment and education is well documented, the study shows that minorities also face discrimination in the marketplace.

"Many consumers are driven to start their own business as part of their journey for the American Dream," Bone said. "They knock doors and they chase after this dream only to find that because they are a minority, their ability to lay hold of that dream for themselves and their families is frustrated."