An Inclusive Entrepreneurial Support Framework

A trauma-informed care approach to supporting entrepreneurs



ECONOMIC GROWTH INSTITUTE
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A collaborative report led by

University of Michigan Economic Growth Institute

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Trauma and Entrepreneurship.

Personal experiences with trauma profoundly impact well-being.[1] Ongoing studies show that life events that cause extremely high-stress responses (traumatic stress) and pervasive and ongoing experiences of elevated stress throughout life (toxic stress) are associated with decreased well-being across the eight dimensions of wellness: emotional, spiritual, social, intellectual, physical, environmental, financial, and occupational.[2] While traumatic stress resulting from events such as abuse, death, wartime conflict, and/or personal injury, are commonly associated with trauma,[3] a more comprehensive definition of trauma looks also includes systemic sources and toxic environments.[4]

Understanding how experiences of trauma can impact entrepreneurs has been relatively unstudied. This report seeks to identify the previlience of trauma within entrepreneurs in Michigan and also create a toolkit to implement trauma-informed care practices within entrepreneurial support organizations (ESOs).

1 Substance Abuse and Mental Health Services Administration. SAMHSA's Concept of Trauma and Guidance for a Trauma-Informed Approach. HHS Publication No. (SMA) 14-4884. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2014.
2 ibid.
3 Center on the Developing Child at Harvard University (2024). Toxic Stress. https://developingchild.harvard.edu/science/key-concepts/toxic-stress/
4 See the following pages for a deeper discussion.

Trauma Sources

Trauma can result from both traumatic stress and toxic stress. How events impact people is individualized (meaning some events are traumatic for some, but not others, based on social, cultural, physical factors). Below are some examples of both:

- Traumatic stress can be caused by abuse, an car accident, war-related events, experiences with violence and more.
- Toxic stress can be caused by work environment, long-term exposure to poverty, racism, and more.

Trauma & Its Impacts.

Experiences of trauma (toxic or traumatic stress) are varied and diverse. The same event can be experienced differently by each person and may have a varying degree of impact on well-being.

Responses to trauma can be impacted by a complex combination of factors such as a history of trauma exposure, having a strong support network of friends or family, or the availability of physical or mental health professionals to help with healing and recovery. Ultimately, a person's lived experience of a harmful event, the level of stress it causes for them, and how it continues to impact well-being is what is most important to consider when determining if someone might be impacted by trauma.[1]

1 The authors do not intend to imply here that the specific traumatic event or series of events does not matter and are not absolving individuals or institutions who have caused harm or trauma from their responsibility to be accountable. Rather, this is intended to show how we need to move away from trying to understand what events are considered traumatic (which has historically created invisibility for systems trauma) and shift our understanding to how trauma impacts wellness.

While the impact of trauma on physical and mental health has been well-established by trauma researchers, recent longitudinal studies from the Center for Disease Control (CDC) show that experiences of trauma, especially in childhood, are significantly associated with heart disease, stroke, asthma, pulmonary disease, cancer, kidney disease, diabetes, depression, obesity, smoking, and heavy drinking.[2] Traumatic stress exposure is more far-reaching than health or mental health outcomes and has been shown to impact one's connection to systems known to be essential for well-being and opportunity, like school and employment. Individuals with high levels of childhood trauma exposure are more likely to drop out of high school, have more inconsistent work histories, are more likely to be unemployed, and are more likely to experience poverty.

2 Metzler, M., Merrick, M. T., Klevens, J., Ports, K. A., & Ford, D. C. (2017). Adverse childhood experiences and life opportunities: Shifting the narrative. Children and Youth Services Review, 72, 141–149. https://doi.org/10.1016/j.childyouth.2016.10.021.
Stevens, A.L., Herrenkohl, T.I., Mason, W.A., Smith, G.L., Klevens, J., & Merrick, M.T. (2018). Developmental effects of childhood household adversity, transitions, and relationship quality on adult outcomes of socioeconomic status: Effects of substantiated child maltreatment. Child Abuse & Neglect, 79: 42- 50.

Types of Stress.

Traumatic Stress/PTSD

Mental health diagnoses characterized by a reaction to experiencing extreme stress that causes interference with daily life and activities

Toxic Stress

Strong, frequent, ongoing adversity that creates prolonged stress responses that are unhealthy and disruptive

Tolerable Stress

On higher alert response to a longer-lasting challenge or adversity. May cause temporary disruption, but recovery occurs quickly

Positive Stress

Healthy stress that can be motivating and is normal

INCREASING SEVERITY

INCREASING QUANTITY

Types of Trauma.

Collective Trauma

Psychological reaction to trauma that impacts society; tragedy becomes part of collective memory

Complex / Developmental Trauma

Severe multiple trauma exposures that are chronic, severe, and occur throughout the life course

Chronic Trauma

Series of traumatic events that occur over a period of time

Acute Trauma

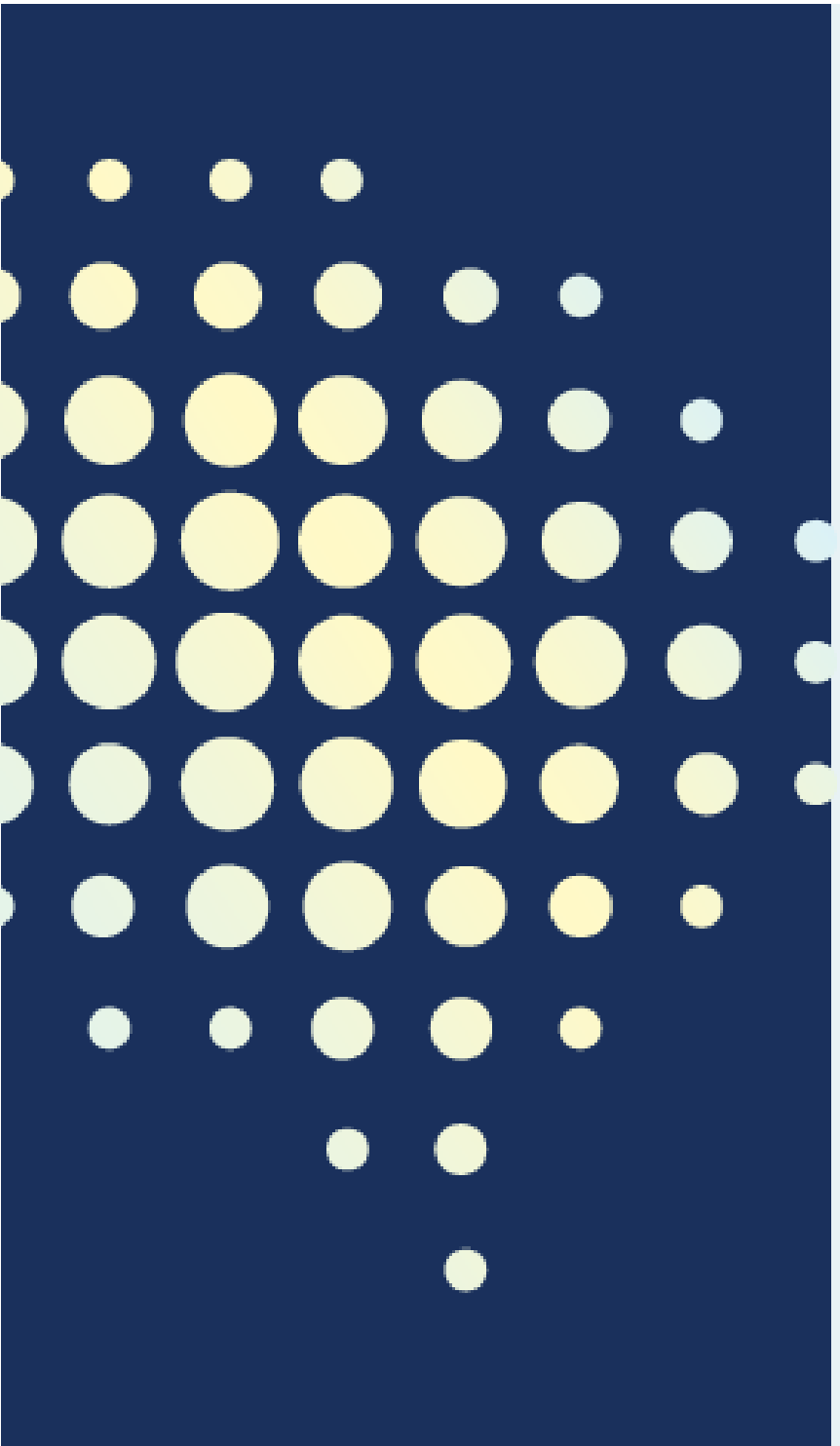
Single traumatic event that lasts for a limited time

Secondary Trauma

Trauma that occurs when hearing about or working with traumatic events experienced by others

Organizational Trauma

Reactions to working in high stress and high trauma environments impacts organizational and work culture in dysfunctional and harmful ways



Trauma=Disconnection

Trauma weakens connection with well-being, and therefore increases the chances of becoming involved with systems of social control, which often produce greater stress and harm. As identified by Camp et al., "conceptualizing toxic stress as a force of disconnection from systems may be too simplistic since, as relationships with school and work are weakened, involvement with criminal justice, foster care, and child protective services increase... a cross-systems approach to implementing trauma-informed interventions is needed to support programs, organizations, and communities."[3]

Ultimately, addressing harm from traumatic stress exposure

requires a multi- and cross-systems response that includes all human-serving organizations,

especially those that foster connection to opportunity, like workforce development, small business support centers, and entrepreneurship support organizations (ESOs).

3 Camp J.K., Hall T.S., Chua J.C., Ralston K.G., Leroux D.F., Belgrade A., and Shattuck S. (2022) Toxic stress and disconnection from work and school among youth in Detroit. Journal of Community Psychology, 50(2):876-895. doi: 10.1002/jcop.22688.

Trauma: A National Perspective

Rates of trauma exposure in the United States are relatively high for all adults. National estimates in 2023 show that about 63.9% of individuals have experienced at least one traumatic event in childhood. Although anyone can experience traumatic or toxic stress, and most of us will at some point, the amount and severity of the stress we experience are connected to the community, social, political, and economic systems that surround us. Race, gender, (dis)ability, socioeconomic status, educational degree, sexual orientation, religious affiliation, and other identity and social positionalities are known to impact the chances of experiencing trauma and the chances we will have access to resources and supports that can aid with recovery.[4,5]

When examining gender and trauma exposure, for example, men are slightly more likely to have a single trauma exposure (24.2%) than women (22.1%) but women generally experience a greater number of trauma exposures with 19.2% reporting four or more traumatic events compared to men (15.2%). Racial and ethnic differences in traumatic stress exposure are generally greater than those observed when examining gender. Individuals who report having no traumatic experiences are more likely to identify as white (37.1%) and Asian

4 Shanks, T.R. and Robinson, C. (2013). Assets, economic opportunity and toxic stress: A framework for understanding child and educational outcomes. *Economics of Education Review*, 33, 154-170.
5 Bradley, A.S., Adeleke, I.O, and Esime, S.R. (2022). Healthcare disparities in trauma: Why they exist and what we can do. *Current Opinion in Anaesthesiology*, 35 (2), 150-153. DOI: 10.1097/ACO.0000000000001094

“Race, gender, (dis) ability, socioeconomic status, educational degree, sexual orientation, religious affiliation, and other identity and social positionalities are known to impact the chances of experiencing trauma”

American (49.8%). Alternatively, Native or Indigenous Americans report the highest rates of trauma exposure and the most trauma exposure with 74.6% reporting at least one experience of trauma and 32.4% experiencing four or more traumatic events. Black or African American respondents are almost as equally likely to experience trauma with 70.2% reporting at least one traumatic event but are comparatively less likely to report having four or more events (18.1%).[6]

6 Swedo, E.A., Aslam, M.V., Dahlberg, L.L., Niolon, P.H., Guinn, A.S., Simon, T.R. and Mercy, J.A. (2023). Prevalence of Adverse Childhood Experiences among U.S. adults- Behavioral Risk Factor Surveillance System, 2011-2020. https://www.cdc.gov/mmwr/volumes/72/wr/mm7226a2.htm#T1_down

Trauma Exposure Nationally

24.2% Men

22.1% Women

Rates of Trauma Exposure Nationally

37.1% White

49.8% Asian American

74.6% Native American

70.2% Black

Trauma Informed Care.

With evidence showing that rates of trauma are increasing annually, a growing number of human-serving systems have begun to implement interventions to improve their organizational responsiveness internally and externally to improve their impact on the lives of the clients, customers, and communities they serve.[7] One popular evidence-based model that underpins most of these interventions is called **Trauma-Informed Care (TIC)** and was created by the Substance Abuse and Mental Health Services Administration (SAMHSA) in 2014 from a report they generated showing what types of practices were having the greatest positive impact for clients receiving health, mental health, or clinical services the United States. Subsequently, their report published extensive guidelines and resources to help organizations implement TIC.[8] TIC has been widely adopted within correctional settings, educational institutions, and social service organizations.[9] Additionally, exploratory work has begun in workforce development.[10]

7 Hartwell, M., Hendrix-Dicken, A., Terry, R., Schiffmacher, S. Conway, L., and Croff, J.M. (2023) Trends and forecasted rates of adverse childhood experiences among adults in the United States: An analysis of teh Behavioral Risk Factor Surveillance System. *Journal of Osteopathic Medicine*, 123 (7), 357-363. https://doi.org/10.1515/jom-2022-0221.

8 Merrick,M.T., Ford, D.C., Ports, K.A., Guinn, A.S., Chen, J., Klevens, J. Metzler, M., Jones, C.M., Simon, T.R., Daniel, V.M. Ottley, P., Mercy, J.A. (2019). Vital Signs: Estimated proportion of adult health problems attributable to Adverse Childhood Experiences and implications for prevention- 25 States, 2015-2017.https://www.cdc.gov/mmwr/volumes/68/wr/mm6844e1.htm.

9 Koury,S.P. and Green, S.A. (2022). *Trauma-informed organizational change manual*. Buffalo Center of Social Research at the School of Social Work. Retrieved from https://socialwork.buffalo.edu/social-research/institutes-centers/institute-on-trauma-and-trauma-informed-care.html

10 Choitz, V. and Wagner, S. A trauma-informed approach to workforce: An introductory guide for employers and workforce development organizations. National Fund for Workforce Solutions. https://doi.org/10.1515/jom-2022-0221.

This Report Provides

a first look at documenting the intersection of TIC and entrepreneurial support services. As human-serving organizations, **entrepreneurial support organizations (ESOs) are optimal environments** to implement principles of TIC, especially as they seek to continue to develop more inclusive services.

The vital need for TIC in ESOs is two-fold:

01 Trauma impacts how people interact and connect with others and organizations, therefore must be considered for ESOs that serve broad populations; and

02 Those organizations seeking specifically to serve historically underserved populations must recognize the higher levels of trauma broadly experienced by these populations and therefore have an even greater need to understand how to incorporate trauma-informed care into their services.

As ESOs seek to serve a broad and diverse population, these principles can lay the foundation for more inclusive and responsive service delivery.

TIC Framework.

A TIC framework is traditionally based on the 4Rs: Realize, Recognize, Respond, and Resist. In this report, we adopt this framework while inserting one additional “R”: Reset. This addition aims to provide traditional economic development programs more context and room to ‘reset’ their approach – responding to trauma necessitates some fundamental changes in what is valued within their organizations and this stage offers actionable steps for this process.



01 Realize

02 Recognize

03 Reset

04 Respond

05 Resist

TIC Stage Definitions.

This resource guide is not intended to offer clinical guidelines, but rather to

introduce how trauma can affect entrepreneurs and help ESOs develop more inclusive approaches and responses for all populations.

The following pages walk through the 5 Rs and provide data, insights, and actionable resources.

Trauma-Informed Care Stage	Definition
Realize	Understand the widespread impact of trauma within entrepreneurs
Recognize	Identify the signs and symptoms of trauma in entrepreneurs
Reset	Evaluate if your organization is ready to begin a culture shift required to collectively consider how trauma impacts your entrepreneur clients
Respond	Develop programming and policies that incorporate an understanding of trauma and seeks to provide a restorative approach.
Resist	Actively working to avoid triggering or exacerbating trauma and continuing to institutionalize approaches of empowerment and restoration

Realize.

The “Realize” stage involves understanding the widespread impact of trauma within entrepreneurs.

Although research on entrepreneurship has examined the impacts of trauma on starting businesses (such as refugee businesses and need-based entrepreneurship) and the role of mental health in entrepreneurship,[11] there have been very few studies that have explored the intersection of trauma and entrepreneurship. Through this section, we begin to fill this gap and provide data on entrepreneurs and trauma.[12]

01
Survey Data Breakdown

02
Survey Data

03
Impacts & Resilience

04
Identity and Trauma

05
Lived Experiences and Trauma

11 Kiefle, S., S. Fischer, & J. Schmitt. “Self-employed and stressed out? The impact of stress and stress management on entrepreneurs’ mental health and performance.” Frontiers in Psychology, January 2024, doi:10.3389/fpsyg.2024.1365489
Freeman, M. et al. “The prevalence and co-occurrence of psychiatric conditions among entrepreneurs and their families.” Small Bus Econ, 2019, doi: 10.1007/s11187-018-0059-8
12 Please see the appendix for a detail overview of the validated measures utilized in our survey.

Survey Data Breakdown.

In a survey of Michigan-based entrepreneurs, our team assessed their exposure to toxic stress and trauma. With our partners (most based in Southeast Michigan), we received **353 valid responses.**

Below is a breakdown of participant descriptors.

Racial/Ethnic Background*		Gender Identity**		Income	
Black	**77.1%**	Feminine	**56.5%**	≤$24,999	**16.6%**
White	**21.8%**	Masculine	**41.7%**	$25,000 - $39,999	**11.7%**
American Indian or Alaskan Native	**1.4%**	Other (non-binary, agender)	**0.9%**	$40,000 - $59,999	**14.8%**
Asian	**0.8%**	Prefer not to say	**0.9%**	$60,000 - $99,999	**21.7%**
Hispanic or Latino	**11.2%**			$100,000 - $149,999	**19.6%**
				$150,000 - $249,999	**10.5%**
				≥$250,000	**5.1%**

*This table may sum to more than 100% since participants could select more than one racial, ethnic, or gender identity.



Entrepreneurs & Trauma: The Data.

Trauma Experience.

Utilizing Substance Abuse and Mental Health Services Administration's definition of trauma, we asked entrepreneurs if they had experienced

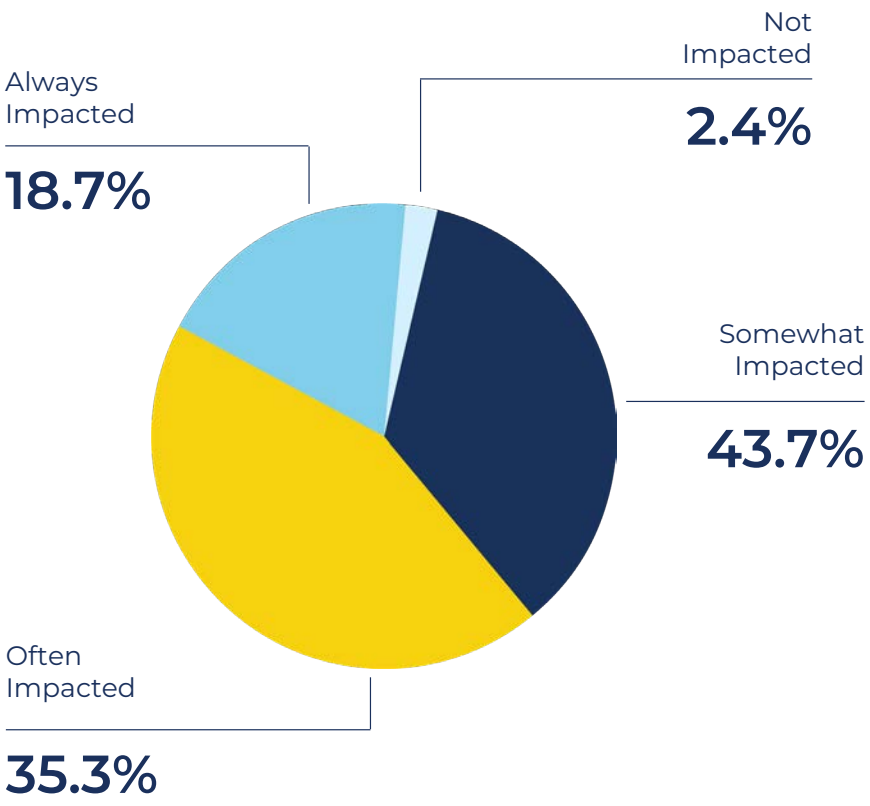
"an event, series of events, or set of circumstances that can be experienced by an individual as physically or emotionally harmful or threatening and has lasting adverse effects on functioning and physical, social, emotional, or spiritual well-being".

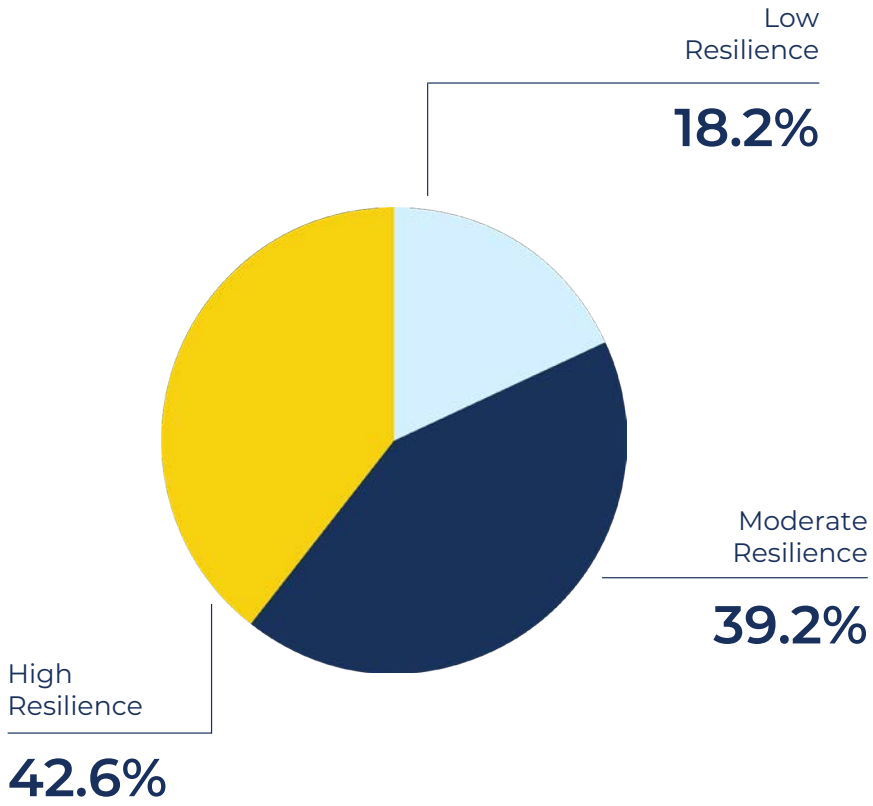
Yes: 76.4%

No: 17.0% Unsure: 6.7%

Impact of Trauma on Entrepreneur's Daily Life

For those responding "yes" to an experience with trauma, the entrepreneurs reported varying degrees to which they felt like this event or series of events continued to impact them on a day-to-day basis.





Entrepreneur's Resilience

Despite the high levels of trauma and its impact on the lives of Michigan entrepreneurs, they were also highly resilient. Resilience, or the ability to withstand or recover after experiencing a stressful life event or adversity, is the first line of defense when someone experiences potentially harmful levels of stress. Higher resilience is equated with better health and mental health outcomes and a more positive outlook following a high-stress experience.

Resilience Explained.

Although resilience is often mistakenly discussed as a fixed part of an individual's personality, it isn't.

Resilience can be bolstered by strengthening coping skills, improving self-care habits, understanding more about personal responses to stress, having social or family supports to lean on, or experiencing an extended period of time with lowered amounts of stress exposure.



For Example.

Resilience is often built by ESOs through relational approaches, including both formal mentorship programs and informal connections between entrepreneurs. These connections foster a sense of community, trust, and shared experience, which are crucial for overcoming challenges.

For example, one ESO shared that a book club helped develop strong connections between entrepreneurs. This club provided a platform for members to share personal struggles and find support, creating a robust network of mutual encouragement and assistance. The shared experiences and insights gained from such gatherings can be invaluable for individual and collective growth.

Identity and Trauma.

As we have seen from national data exploring the health and mental health impacts of trauma and toxic exposure, the following pages explore how identity and social positionalities might impact their experiences with toxic and traumatic levels of stress.



01

Gender Identity and Trauma

02

Racial and Ethnic Identity and Trauma

03

Experiences of Discrimination and Stress

04

Intersectionality and Entrepreneurship

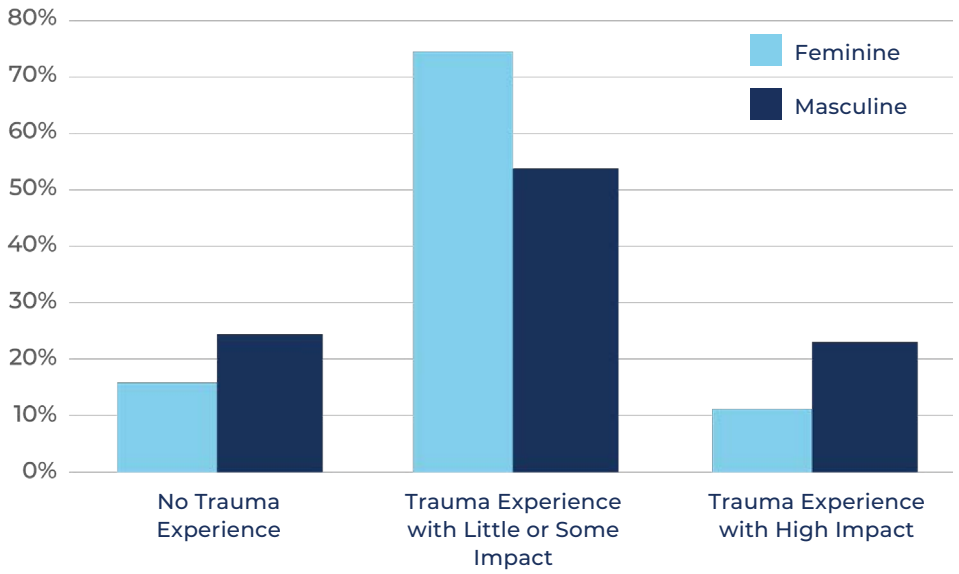
Gender Identity and Trauma.

To explore the impact of gender on traumatic stress exposure among entrepreneurs, gender identity was explored. Gender identity responses included masculine, feminine, transgender, non-binary, agender, gender-fluid, and prefer not to say. Respondents could choose multiple selections to best reflect the gender that they felt was closest to their identity. Categories chosen by less than three respondents are not reflected below to ensure participant anonymity.

Gender Identity

Masculine	**41.7%**
Feminine	**56.5%**
Non-Binary	**0.9%**
Transgender	**0.9%**

Gender identity was associated with having an experience of trauma. Individuals who identified as transgender or non-binary also reported that they had experienced a traumatic event or events in their lives 100% of the time. Individuals who identified as feminine experienced trauma 83.5% of the time, and masculine 76.6% of the time. Gender identity also informed differences in how impacted entrepreneurs were by experiences of trauma. Although individuals who identified as feminine were more likely to experience trauma that continued to have little or some impact in their day-to-day lives, they were less likely to report that they were often or always impacted by trauma.



Note: Only categories with more than 10 individuals are reported in tables and charts to protect respondent anonymity.

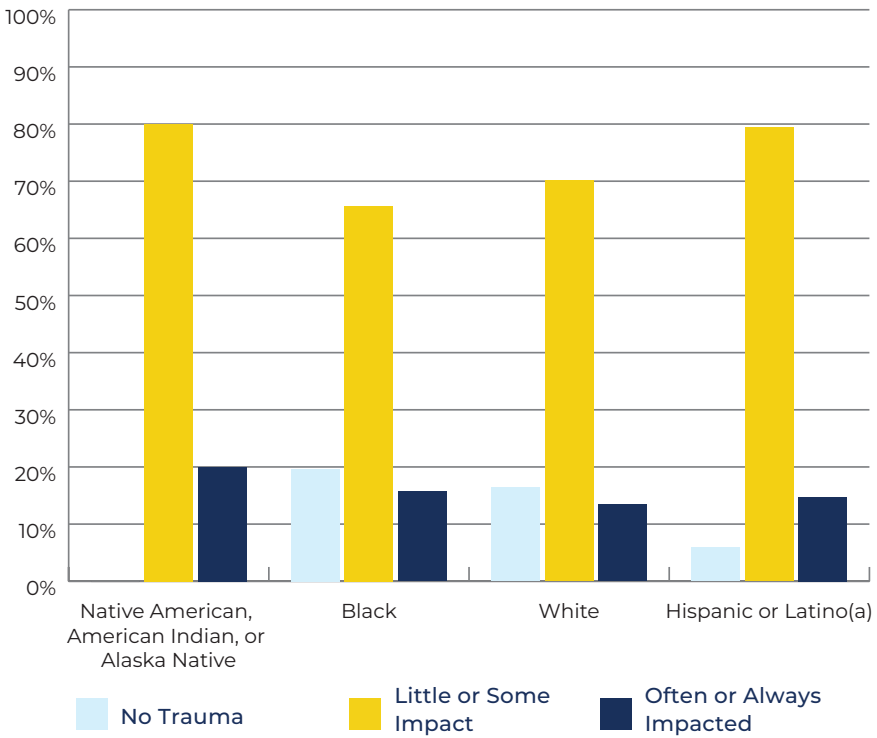
Racial and Ethnic Identity & Trauma.

Like with gender, race and ethnicity survey questions allowed respondents to choose multiple responses in ways that best reflected their identity. Once racial identities were selected, respondents were given the ability to specify what ethnic identities best described them. Representation of the racial identities of entrepreneur respondents are included in the table to the right. Identities with less than two selections are excluded to protect participant anonymity.

Traumatic stress exposure showed differences by racial identity with Native American respondents and Asian American reporting that they all (100%) experienced an event or series of events that were traumatic. Individuals who identified as Hispanic or Latino(a) reported that 94.6% had experienced at least one traumatic event. Lastly, although still elevated, Black and White participants both had comparatively lower rates of trauma exposure with 80.9% and 83.8%, respectively, having experienced trauma.

Racial Ethnic Identity Category*	Portion of Sample	Respondents Experienced Trauma
Native American, American Indian, or Alaska Native	**1.4%**	**100%**
Other	0.8%	
Asian American	**0.8%**	**100%**
Black *(including African American, African, Sub-Saharan African, and Afro-Caribbean)*	**77.1%**	**80.9%**
African American	72.8%	
Afro-Latino(a)	2.3%	
Caribbean	1.1%	
Other	1.9%	
White *(including Hispanic, Middle Eastern and North African)*	**21.8%**	**83.8%**
European American	18.4%	
Middle Eastern / North African	1.4%	
Other	2.3%	
Hispanic	**11.2%**	**94.6%**
Cuban	1.7%	
Mexican	3.4%	
Spanish	0.8%	
Central American	2.8%	
South American	2.8%	

Note: This table may represent more than 100% of participants since multiple racial identities could be selected.



Only categories with more than 10 individuals are reported to protect respondent anonymity.

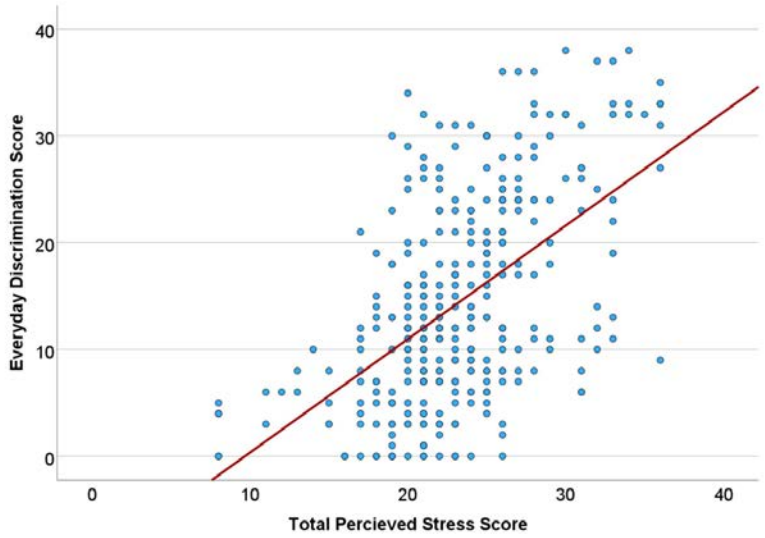
Racial Identity and Impacts of Trauma.

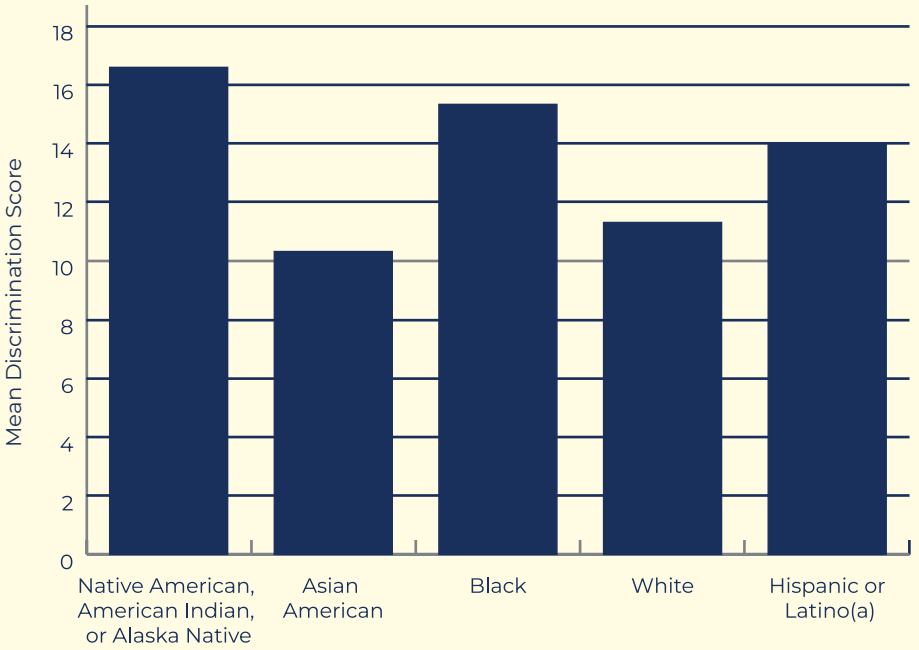
Although most entrepreneurs impacted by trauma were most likely to report that they experienced little or no impact in their day-to-day life, there were some racial differences among entrepreneurs. Individuals who identified as Native American, American Indian, or Alaskan Native were more likely to continue to often or always be impacted by trauma and least likely to report no traumatic experiences. Black and African American entrepreneurs were most likely to report having no trauma, but, when they did, were second most likely to report that they continued to be often or always impacted. The chart to the left highlights additional racial differences in trauma exposure and impact.

Discrimination and Stress.

A larger driver of the racial differences in stress is likely discrimination. An examination of day-to-day experiences of discrimination was significantly correlated with higher degrees of stress.

Every point higher an entrepreneur's daily exposure to discrimination was equated with a nearly two points increase in their perceived stress score.



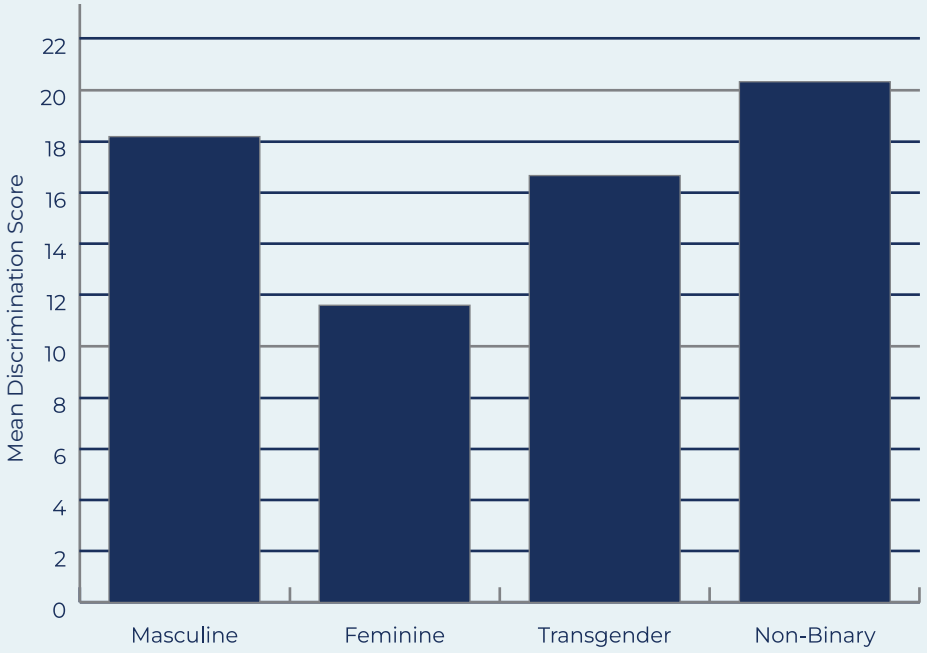


On average,

Native American, American Indian, or Alaska Native entrepreneurs reported the highest levels of everyday discrimination followed by Black entrepreneurs and Hispanic or Latino(a) entrepreneurs. White and Asian American entrepreneurs reported lower levels of day-to-day discrimination.

Gender and Stress.

Discrimination was also experienced differently by gender with feminine respondents reporting the lowest discrimination scores and non-binary and masculine identifying entrepreneurs having the greatest discrimination scores. This finding is not aligned with the literature, which tends to show that women experience more discrimination. The difference in this study is likely caused by the underlying racial differences in the data, as the majority of the masculine identifying individuals in this study also identified as Black or African American indicating the importance of examining both racial and gender identity in tandem when exploring entrepreneur wellbeing.

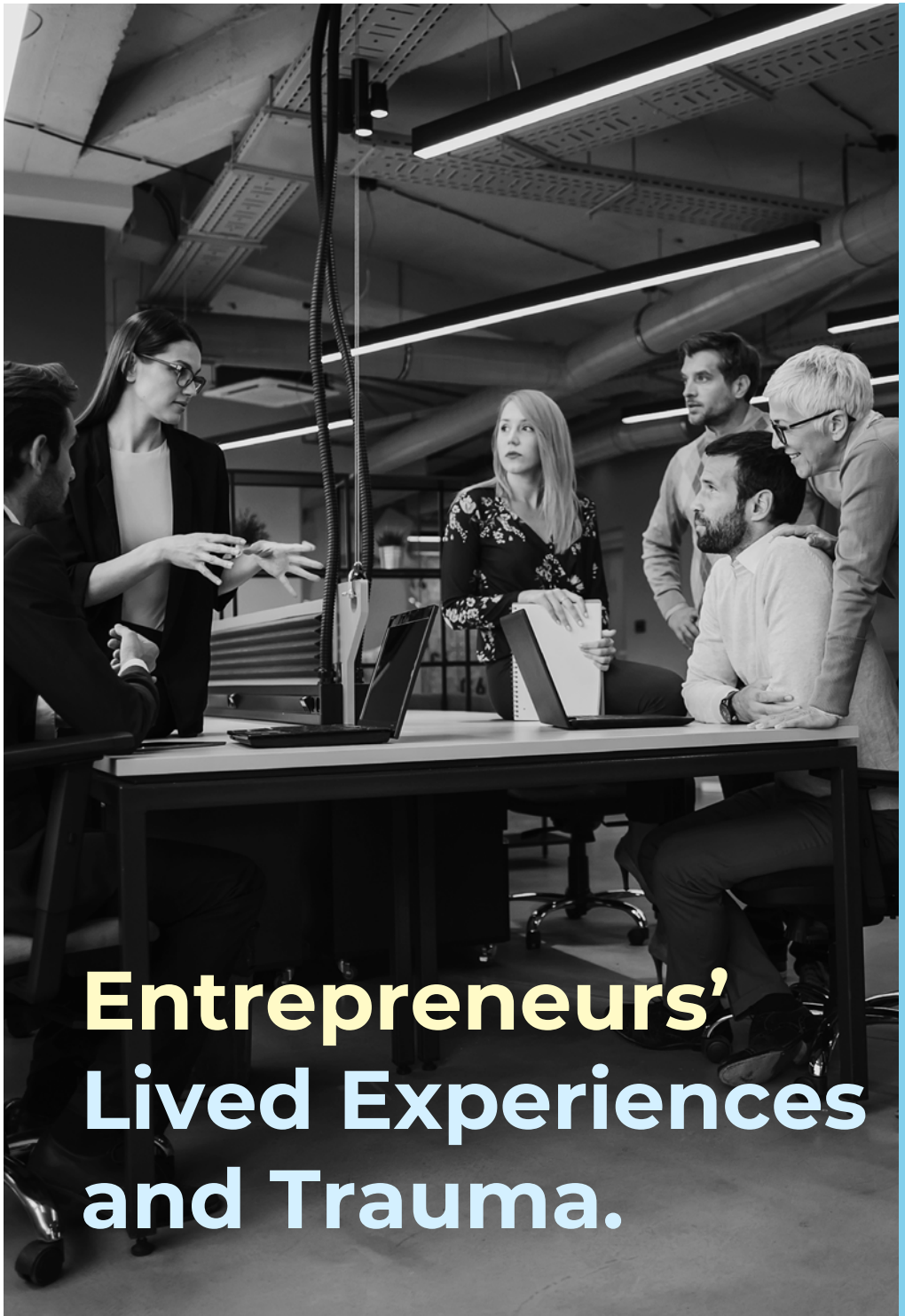


Intersectionality & Entrepreneurship

As theorized by entrepreneurship researchers,[13] our study showed that experiences of stress, trauma, discrimination, and resilience intersect with an entrepreneur's social position, power, resources, and agency to make change.[14] These social positions encompass a kaleidoscope of identities, from race to skin tone to gender to sexuality to disability status. With every intersection of identities, new hierarchies of power and privilege emerge.

Using a TIC lens, it is important to recognize positionality as a key factor in who experiences the most harm from traumatic stress but, also, not falsely homogenize or globalize this harm by condensing identities into a few simple categories. Although our findings show that recognizing stress, trauma, and discrimination are a critical part of providing supporting services to startups, ultimately, a TIC approach creates spaces that prioritize physical, psychological, and emotional safety and belonging for all identities. This cannot be done by one person or program alone, but requires the implementation of supportive processes and policies that can respond to new voices and values alignment in the larger workforce development and economic systems where ESOs operate.

13 Dy, A.M. (2020). Not all entrepreneurship is created equal: Theorising entrepreneurial disadvantage through social positionality. European Management Review, 17: 687-699. https://doi.org/10.1111/emre.12390
Dy, A.M. & MacNeil, H. (2023). "Doing inequality, doing intersectionality": Intersectionality as threshold concept for studying inequalities in entrepreneurial activity. International Journal of Entrepreneurial Behavior & Research, 1355-2554. https://doi.org/10.1108/IJEBR-12-2022-1113.
14 Crenshaw, Kimberlè, "Demarginalizing the Intersection of Race and Sex: A Black Feminist Critique of Antidiscrimination Doctrine, Feminist Theory and Antiracist Politics," *University of Chicago Legal Forum*: Issue 1, 139-67 (1989); reprinted in *The Politics of Law: A Progressive Critique* 195-217 (2nd ed., edited by David Kairys, New York: Pantheon Books, 1990), *Feminist Legal Theory* (Bartlett & Kennedy, ed., 1992), *Critical Race Feminism*, (edited by Adrien Wing, NYU Press, 2003), and *Framing Intersectionality* (edited by Helma Lutz, Maria Teresa Herrera Vivar, and Linda Supik, Ashgate Publishing, 2011).



Entrepreneurs' Lived Experiences and Trauma.

Alongside the quantitative assessment, our team also conducted interviews with entrepreneurs to better understand their experiences with trauma and resilience.

We interviewed 34 entrepreneurs who had a direct connection with an ESO.

The interviews aimed to explore both stress sources that might lead to toxic stress and support sources that underpin resilience. Interviews ranged from 30 - 60 minutes and were conducted by licensed social workers. However, due to the short engagement of the interviews, trauma was only referenced once to ensure the interviews were not harmful or triggering.

Descriptives.

Overall, our interview participants identified as feminine, with large portions identifying as **White** or **Black**. The majority of interview participants reported experiencing at least one traumatic event and faced medium levels of discrimination and stress in their everyday lives.

Trauma

Yes	**79%**
No	**12%**
Unsure/NA	**9%**

Stress

Low	**3%**
Medium	**91%**
High	**0%**
Not reported	**6%**

Discrimination

Low	**12%**
Medium	**79%**
Not reported	**9%**

Resilience

Low	**44%**
Medium	**41%**
High	**16%**
Not reported	**6%**

Demographics

White	**44%**
Black	**41%**
Another racial identify	**16%**

Masculine	**26%**
Feminine	**56%**
Non-binary	**3%**
Not disclosed	**15%**

The largest portion of entrepreneurs have run a **single business for over a year** and work on their business **daily or several days** a week.

Types of Businesses

We interviewed entrepreneurs from a variety of industries, with at least one from each 2-digit NAICS code. From our participants, 22% were in Professional, Scientific, and Technical Services, 15% in Manufacturing, 12% in Educational Services, and 10% in retail trade. The remaining were spread across with other NAICS sectors: Arts, Entertainment, and Recreation; Health Care and Social Assistance' Agriculture, Forestry, Fishing and Hunting; Educational Services; Information; Finance and Insurance; Utilities; Administrative and Support and Waste Management and Remediation Services; Real Estate and Rental and Leasing; Other Services (except Public Administration); Accommodation and Food Services

Time Spent on Business

Started & Run Several Business for over a year **19%**

About to Start First Business **3%**

About to Start Another New Business **9%**

Single Business for Over a Year **44%**

Started First Business within last Year **22%**

Started a New Business in the last Year **3%**

Time in Business

Less than a Month **6%**

A Few Times a Week **22%**

A Few Times a Month **3%**

At least Once per Week **6%**

Everyday **63%**



Sources of Stress

In our interviews with entrepreneurs, we sought to understand the sources of traumatic and/or toxic stress. Interview transcripts were analyzed to identify key themes and then grouped to identify patterns. The tables in the pages below, we provide an overview of the top themes as well as the keywords entrepreneurs mentioned associated with that theme.

The Startup.

Although entrepreneurs were plagued by myriad kinds of startup business stressors, common themes did emerge.

Startup Stressors	Example Key Words	% of Entrepreneurs
Financial Viability	cash flow, budgeting, marketing, business development, staff salaries, growth	85%
Business Acumen	knowledge (legal, marketing, HR), skillsets, decision making	71%
Relationships	Internal relationships (staff, co-founders), finding staff, clients	29%

Many expressed anxiety over the *financial viability* of their business, some even going so far as to categorize the financial stress itself as traumatic: “Financial stresses, that’s not a discreet trauma, but that is something that a lot of entrepreneurs deal with, and I think that has been something that has affected me in a business capacity. When I look back, it’s like the fear and the uncertainty and all of that when you’re starting out.”

Similarly, many entrepreneurs mentioned their fear over not having the *business acumen* for all aspects of their business. For example, one entrepreneur expressed: “The amount of self-sufficiency that you had to find is extraordinary because it’s like someone will be like, ‘Oh, did you file your annual LLC doc?’ I’m like, ‘The hell is an annual LLC?’” Another emphasized that while they enjoyed the creative side of their work, the nuts and bolts did not come easily: “I never pictured myself being a business person. I can definitely do the artwork side of it, the creative part of it, but I’m definitely the other side of the brain, the creative side.”

The *relationships*, both internal and external, that come with starting your own business can also present issues: “So clients can be a stressor too, especially if they’re not getting what they want, or if they carry the mentality of, the customer is always right. Sometimes it’s hard to get through to them.” Dealing with hiring and firing staff also brings stress, with one entrepreneur sharing, “Firing people is always challenging, but firing people who are entitled is especially toxic. That specific aspect of us losing a client and a team member along with it was really toxic.”

“The amount of self-sufficiency that you had to find is extraordinary because it’s like someone will be like, ‘Oh, did you file your annual LLC doc?’ I’m like, ‘What the hell is an annual LLC?’”

The Entrepreneurial Ecosystem. Moving from a mezze to macro level, the broader ecosystem through which entrepreneurs must navigate present their own sets of stressors. The issue of *resource mismatch* was a common one for the entrepreneurs interviewed when they expressed a disconnect between the resources available to them and what they needed. One person expressed frustration with the lack of infrastructure in place to find needed resources by saying "I don't think we have the infrastructure for that as a society. I think it's more just the pull yourself up by your bootstraps kind of thing, and get it yourself. And there is a lot available if you seek it out and if you have the resources, but those are big ifs."

A *lack of connection* was another issue that arose. One entrepreneur said, "It felt very lonely at the beginning to be like, 'Who do I talk to about these problems?' Or, 'I have success, and who do I talk to about this?' I have no one to celebrate it with, no one to commiserate with." While we only interviewed 4 participants who reported "No" to the question about experiences with trauma, one key difference was evident in the reported "connection" to others through the entrepreneurial journey. For those reporting "no" experiences with trauma, none of them reported struggles with connecting with others or resources; however, for those who had experiences with trauma, 52% did experience stress with lack of connection. Entrepreneurs reported stress with "lack of connection" through sharing examples such as the disconnect between moral support and the need for concrete financial support, the need for a community of entrepreneurs who are farther down the line and can offer encouragement, and investors only caring about the bottomline and not a more holistic picture of the business.

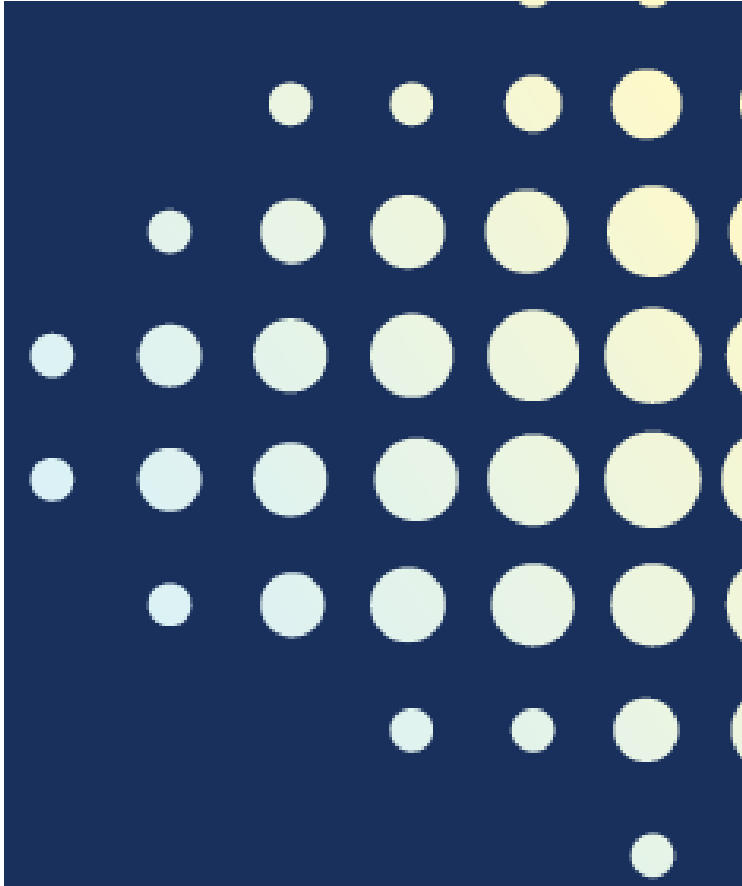
Ecosystem Stressors	Example Key Words	% of Entrepreneurs
Resource Mismatch	Lack of industry specific details, lack of strong connection with ESO staff, expectations of how ESO can help, challenge in navigating all the resources	56%
Lack of Connection	knowledge (legal, marketing, HR), skillsets, decision making	71%
Scarcity of Time	lack of time to navigate the ecosystem and apply for resources (often due to full time jobs), needing full-time work to support getting their startup off the ground, unsupportive employers	29%
Discrimination	gender, racial, ethnic	21%

In analyzing this theme based on racial and gender differences, 77% of Black entrepreneurs report "lack of

connection" as a source of stress, while only 29% of white entrepreneurs reported this. However, white entrepreneurs were more likely to highlight lack of appropriate resources versus general lack of connection. Alongside this, 58% of feminine entrepreneurs reported stress over lack of connection, while only 11% of masculine entrepreneurs did. While we recognize also the importance of the intersectional nature of race and gender, our initial data sample is too small to analyze these intersections. However, this early finding presents compelling evidence that trauma can influence an individual's ability to access resources within the system. It is crucial for ESOs to acknowledge the effects of trauma on entrepreneurs and take proactive measures to address them.

Many also felt that the current systems in place did not offer the *time* they needed to truly cultivate their businesses: "you need the money, but you don't have the bandwidth to do it. So, you're growing and have this opportunity to scale, but you don't have the foundational infrastructure to support that." Additionally, entrepreneurs reported stress with balancing current employment while also working on their startup and the challenges with employer expectations. One person sharing that their boss told them "You should be working on our company and you should close your startup."

Some individuals we spoke to were also candid about the *discrimination* they have come up against in their chosen fields. One woman expressed: "Me being a woman of color, I don't want to feel that rejection and I know I may run up against it. I mean there's always that thought, right?"



"This early finding presents compelling evidence that trauma can influence an individual's perception of their ability to access resources within the system."

Personal Life. On a micro level, the entrepreneurs we spoke to opened up about personal struggles that have hindered them. Relationships with *family and friends* were one of the highest sources of stress. Parenting presents significant struggles to many people: "So not that parenting is stressful because we have a good schedule, a good, structured schedule. It's just that I'm doing business full-time, parenting full-time. And then I also work a full-time job."

Personal Stressors	Example Key Words	% of Entrepreneurs
Friends & Family	Childcare: Demands from school, drop offs, pickups, etc, boundaries, understanding the entrepreneurship world, deaths, marriage, divorce, abuse	35%
Physical and Mental Health	weight gain, lack of sleep,, illness, COVID	35%
Doubt	Insecurities, imposter syndrome	26%

For many, their *physical and mental health* suffered as a side effect of starting their own businesses: "I think not knowing how to take care of myself and how to get basically out of a driven go-go-go sympathetic nervous system state into parasympathetic. I couldn't switch myself over. I feel like that has been all along a huge limitation." In a similar vein, numerous people discussed fighting *doubts* coming both from others in their lives as well as their own minds. One shared, "And there's almost a lack of being taken seriously. And especially as someone who was very much on a path to go to med school. When I said, I'm not going to med school, instead I'm going to take no paycheck and work out a startup. People are like, "What are you doing? What are you doing?" I think that was really stressful and complicated." Anohter echoed this stating, "So the most toxic stress is literally dealing with the everyday battle of doubts and fears that'll creep into your mind. That's the most toxic thing. It's battling your own mind."



Sources of Support

In our interviews with entrepreneurs, we sought to understand the sources of support, which provides a critical component of resilience. Interview transcripts were analyzed to identify key themes and then grouped to identify patterns. In addition to the variety of stressors discussed, entrepreneurs also spoke extensively of the support systems, both personal and public, that have made these entrepreneurial endeavors feasible and worth the struggles.

Ecosystem Supports.

The ecosystem provides a critical starting point for many entrepreneurs, and we interviewed entrepreneurs who had directly engaged with a local ESO.

Personal Stressors	Example Key Words	% of Entrepreneurs
Building the business	classes, programs, pitch programs, setting up an LLC, business plans, coaching/mentoring	79%
Networking	Business connections, personal support	62%
Access to capital	Grants, loans	44%

Many entrepreneurs expressed effusive appreciation for the ESOs who have provided organizational support in building their businesses along the way, with one entrepreneur saying, “If it wasn’t for the TechTown family, oh my gosh, I don’t even… One, I wouldn’t know where to start. And two, I would not have the resources or the capital to really build out this vision that I have.” Others spoke of the networking benefits that come along with being involved with an ESO: “So I need to force myself to cultivate this, and Cahoots has been my social and business network, so it’s been great. It was like a two-for-one.” Additionally, entrepreneurs report that infusions of capital from grants and pitch competitions provide essential support in the early stages of business-building.

Individual Supports.

Individual forms of support are just as vital as ecosystem. The social networks around entrepreneurs, both from other entrepreneurs and from friends and family, were an important buffer against stress (68% mention this) One entrepreneur expressed, “I’ve had multiple friends, multiple mentors. I’ve had multiple other business owners that I can ask for help with. Sometimes they will help me without asking.” Professional support networks, such as other business owners, were also critical with 56% mentioning this.

In addition to external social support systems, entrepreneurs also highlighted personal traits and habits that supported them on



“If it wasn’t for [the ESO], oh my gosh, I don’t even… One, I wouldn’t know where to start. And two, I would not have the resources or the capital to really build out this vision that I have.”

their journeys. Many people we interviewed referenced a sense of confidence and an absolute certainty in what they want to do that guides them along their way: "Yeah, I think that in terms of personality, I think the best way to exist as an entrepreneur is to have an inherent sense of confidence in what it is that you're putting out, because you're going to get a lot of, 'We don't care, this doesn't matter. I don't know why you're going this direction?' And I think also having sort of self conviction to stay with your plan despite the 'no'"

There were also a number of activities and hobbies the entrepreneurs mentioned as means to relieve stress, such as meditation, yoga, running, listening to music, reading, and spending time outdoors. Internal support through self-reflection and spirituality were also common themes in our conversations with the entrepreneurs. One individual discussed the solace they garner from their time spent contemplating the universe as a whole: "Sometimes I would have to look at the cosmos, like where they're set up, like astrology. I'm really big into astrology and my birth chart. So when those type of things happen, it's like a feeling like I'm not in control. And when you're not in control as a human, you kind of freak out. I have to talk myself down from freaking out and becoming overwhelmed about it. And then when I do that, the doors, the pathway light up for me and I have to know that this is the path that I have to take because I'm not in control."

Personal Supports	Example Key Words	% of Entrepreneurs
Social Network	Mentions of personal and professional networks	79%
Personal traits	Personal characteristics such as persistent, love learning, self confidence, promoter, asking for help, optimistic, a bit naive (self described), personal knowledge, skills, abilities, personal experience, history	76%
Activities and hobbies	Outdoors, walks, nature, music, reading, bike, running, yoga, exercise, swimming, disconnect activities (vacations, travel, disconnect, TV)	53%
Reflection and spirituality	Meditation, spirituality, prayers, journaling, therapy and related skills, boundaries, knowing self - how to motivate, how to best get stuff done, self talk	53%

Realize.

Summary. Trauma impacts entrepreneurs in a multi-faceted manner. Our initial data demonstrates that Michigan's entrepreneurial population is impacted by trauma but also highly resilient.

Given that traumatic stress is common among entrepreneurs and intersects with discrimination,

TIC approaches can be critical in removing barriers and leveling the path to successful business start-ups.

Inclusive pathways to entrepreneurship can be opened or widened through thoughtful approaches integrating TIC.

Recognize.

Recognizing potential trauma responses is a crucial first step in trauma-informed care practices. Toxic stress, traumatic stress and trauma manifest differently in individuals, however, medical and mental health professionals have recognized a typology of responses that are common when a person or animal feels that their survival or well-being is threatened. In general, these reactions are classified into five different types: fight, flight, freeze, fawn, and flop.[1]

01

Surviving versus Thriving

02

Five Trauma Responses

03

Responses in Entrepreneurial Support Settings

04

Unequal Opportunity, Unequal Stress

1 Cannon, W. B. (1927). The James-Lange theory of emotions: A critical examination and an alternative theory. The American journal of psychology, 39(1/4), 106-124.
Cannon, W. B. (1915). Bodily changes in pain, hunger, fear, and rage. D. Appleton and company.
Gallup Jr, G. G. (1977). Tonic immobility: The role of fear and predation. The Psychological Record, 27(Suppl 1), 41-61.

Thrive Mode

A brain and body that are not experiencing a threat is generally in “thrive” mode, a state of relative relaxation where one can fully engage in all areas of the outer cortex, particularly those in the front part of the brain that are responsible for helping us regulate and recognize emotions, make decisions, learn, remember, empathize with others, speak, and listen. However, even when in “thrive” mode the brain’s primary function is to keep us alive so it is also always aware of possible threats to our safety, well-being, and survival. When an event or series of events occur that threaten us, the “survival” system (aka., hypothalamic- pituitary- adrenal axis) activates.

Survive Mode

In “survive” mode the brain redirects resources from the outer portions of the brain to the middle and back portion where the “automatic” brain functions, like breathing, blood pressure, blood oxygenation, and sight are located. The brain tells the body to release chemicals (like cortisol, adrenalin, and endorphins) into the bloodstream which prepare the body to be able to run, fight, or hide from the impending danger.



Thrive & Survive.

Thrive

Relax, Focus, Connect, Learn, Emphasize, Remember, Interact, Speak, Listen, Regulate

Survive

Fight, Flight, Freeze, Fawn, Flop



When in crisis, people are actually able to run faster, see better, ignore pain, and even engage in feats of strength. There have been documented cases of hikers moving large boulders after getting caught in a landslide, tsunami survivors holding on to branches despite having broken bones in their arms, and even a woman who lifted a car to save her child. Although reactions like these are rare, ultimately,

all reactions to traumatic events are designed to help us live.

Reactions to trauma are largely involuntary and can not be controlled although some individuals (emergency responders, disaster relief workers, soldiers. etc.) train to do their best to control their natural physical and emotional responses and increase their ability to tolerate abnormally stressful events.

For most of us, we respond to toxic or traumatic stress in the following ways:

Fight

Physically or emotionally fight, become combative or use violence to try and control the source of harm. Outside of an emergency or crisis, it can sometimes be verbal combativeness, defensiveness, lack of agreeability, or non-compliance.

Flight

Running away from or avoiding the source of harm. This can be physically running away during an emergency, but usually is manifest through lack of engagement or attendance, emotional avoidance, complete absence.

Freeze

Attempt to hide, make one self smaller, go unnoticed, or disassociate from the traumatic experience. This can look like regularly struggling with indecision or lack of follow through.

Fawn

Sometimes thought to be similar to a combination of flight and freeze, fawn is about extreme compliance and people pleasing to attempt to go unnoticed . This can show up through having extreme difficulty with conflict, inability to stand up for oneself, or set healthy boundaries.

Flop

After experiencing prolonged exposure to trauma or toxic stress, physical and emotional exhaustion triggers a period of disengagement. During a traumatic event this can sometimes even be fainting in the face of extreme fear. Flop can be similar to freeze but is triggered by extended exposure to trauma whereby the individual becomes exhausted or overwhelmed and can no longer engage mentally, emotionally, or physically.

Fight.

Example from an ESO

"Some entrepreneurs have experiences of feeling like they are told 'no' all the time. It takes time to build trust. In one instance, we had a founder that was **extremely hostile to feedback**, but it was important to recognize what was happening. This requires listening and asking questions. **He had received so many 'no's' that he was used to "fighting" instead of engaging and learning**. The founder has now raised over a half a million dollars."

Definition.

Attack a threat or a perceived threat

How it Presents.

- Extreme defensiveness
- Strong distrust of organizations
- Snapping at people

Flight.

Example from an ESO

"We have experienced **entrepreneurs leaving the program for extended periods or having large lapses in communication.** Without strong relationships building, we may never hear from them again. However, most folks reach back out within a year or two. We've also implemented reach back methodology to ensure we're at least extending the hand to them to learn more."

Definition.

Run away or avoid threat

How it Presents.

- Leaving programs without discussions or notification
- Lack of responsiveness

Freeze.

Example from an ESO

"I've seen **entrepreneurs feel overwhelmed or paralyzed by the magnitude of challenges they face.** They might hesitate to seek help or engage in networking opportunities due to a sense of inadequacy or imposter syndrome. Sometimes in these spaces, **they might appear passive or hesitant to voice their concerns or seek supporting, fearing judgment or dismissal.**"

Definition.

Hide from a threat to move in the face of danger

How it Presents.

- Indecision
- Inability to move forward to the next step

Fawn.

Example from an ESO

"Founders who attend countless programs and every event are often attempting to reduce fear of failure at the expense of progress. **Programs are safe and provide the appearance of working on the business and taking advantage of the resources available**."

Definition.

Appease or comply to reduce the chances of experiencing a threat

How it Presents.

- Following suggestions without own thoughts
- Jumping into what is currently in vogue

Flop.

Example from an ESO

"I have observed **entrepreneurs completely ceasing to attend events and taking extended breaks to regroup**. The most common issues, in my experience, are a lack of response to emails, missed appointments, and failure to show up."

Definition.

Exhaustion from managing threats and stress

How it Presents.

- Indecision
- Burnout

Impacts of Survival System Activation.

Unfortunately, if the survival system is activated frequently, such as it might be with an individual who experiences a great number of traumatic life events, or is activated for an extended period of time, it increases the chance of having long-term adverse impacts to health and mental health.

When activated during a once-in-a-lifetime emergency the survival system is protective, adaptive, and helps prolong our life.

Stress, potentially harmful levels of stress, can both positively and negatively impact entrepreneurs. Some studies have shown that having at least one or two traumatic stress exposures in childhood might actually increase the chance that someone becomes an entrepreneur.[15]

Other studies have shown that entrepreneurs who were stressed tended to have higher incomes but also experienced more negative health impacts than non-entrepreneurs.[16] Undeniably, **taking on additional risk, uncertainty, and high workload demand is associated with increased stress exposure for entrepreneurs**. Although studies have not shown if this stress reaches levels that are toxic or traumatic, stress exposure is still an unquestionable part of the entrepreneurial process and is one that is rarely discussed.

15 Cheng, Zhiming ; Guo, Wei ; Hayward, Mathew ; Smyth, Russell ; Wang, Haining. (2021). Childhood adversity and the propensity for entrepreneurship: A quasi-experimental study of the Great Chinese Famine. Journal of business venturing. Elsevier Inc.
Yu, W., Zhu, F., Foo, M. D., & Wiklund, J. (2022). What does not kill you makes you stronger: Entrepreneurs' childhood adversity, resilience, and career success. Journal of Business Research, 151, 40–55. https://doi.org/10.1016/j.jbusres.2022.06.035
16 Cardon, M.S. & Patel, P.C. (2015). Is stress worth it? Stress-related health and wealth trade-offs for entrepreneurs. Applied Psychology, 64 (2), 281-472.
Williamson A. J., Gish J. J., Stephan U. (2021). Let's focus on solutions to entrepreneurial ill-being! Recovery interventions to enhance entrepreneurial well-being. Entrepreneurship Theory and Practice, 45(6), 1307–1338. https://doi.org/10.1177/10422587211006431.

Unequal Opportunity, Unequal Stress.

Just like there are differences in the chances of experiencing trauma, factors like race, gender, and regional economic well-being all impact the amount of additional stress exposure that is associated with entrepreneurship. The Association for Economic Opportunity (AEO) showed that entrepreneurs, especially Black entrepreneurs, are much more likely to experience discrimination and institutionalized racism. They are also much more likely to live in areas where the former use of redlining, racial segregation, and community divestment continue to impact regional economic opportunities. The AEO[17] showed that **there is a "trust gap" where Black entrepreneurs may be less able to rely on the economic infrastructure** that have historically reinforced racial inequality and may continue to have little regional investment or representation.

17 Maxwell, C., Nguyen, A., & Delgado-Medrano, M. (2022). Mending the Tapestry: Building Trust and Strengthening Black Business Ownership in America [Review of Mending the Tapestry: Building Trust and Strengthening Black Business Ownership in America]. Association for Enterprise Opportunity. https://research.aeoworks.org/wp-content/uploads/2022/11/Mending-the-Tapestry-August-2024.pdf



Furthermore, **the availability of resources for healing and recovery are highly disparate depending on where entrepreneurs live.** Rural and urban areas both are likely to have fewer mental health and medical professionals available should harmful levels of stress impact mental or physical health. In rural areas there are few resources and these resources can take a lot of personal resources to access. In urban areas, there may be more resources but there may not be enough of them so there can be incredibly long wait times, inconsistency in service availability, and lack of culturally competent/ culturally aligned services.



Women Entrepreneurs.

Gender and Stress

Gender of entrepreneurs can also cause differences in stress exposure as women may enter entrepreneurship for different reasons than men, seeking greater work-life balance for example. Still, especially in female dominated fields, such as care-based professions, women tend to earn less than their male counterparts[1] which fundamentally means taking on similar risks for less rewards. **Rigidity of social gender roles, availability of equitable resources for women, and the burden of family caretaking responsibilities all contribute to the wellbeing of women entrepreneurs.** Women who have greater access to education, have higher incomes, and live in areas where there is less gender inequality have greater well-being associated with being self-employed.

1 Love, I., Carranza, E., & Dhakal, C. (2023) "Female Entrepreneurship: A New Taxonomy of Drivers," Working Papers 202304, University of Hawaii at Manoa, Department of Economics.

Recognize.

SUMMARY.

This section provides an overview of trauma reactions as well as potential examples of how these responses might show up in entrepreneurial support settings.

It must be noted that these examples are not always trauma responses, however, responses such as these should cause ESO leaders to pause and recognize that a trauma response ***might*** be the root of the behavior or reaction they are experiencing.

The goal for ESO is not identify specifically which response someone is having (e.g. flop versus flight), but rather to recognize potential symptoms, gain awareness for what these are, and respond with greater awareness and sympathy.

Reset.

Resetting involves evaluating if your organization is ready to collectively consider how trauma impacts your entrepreneur clients.

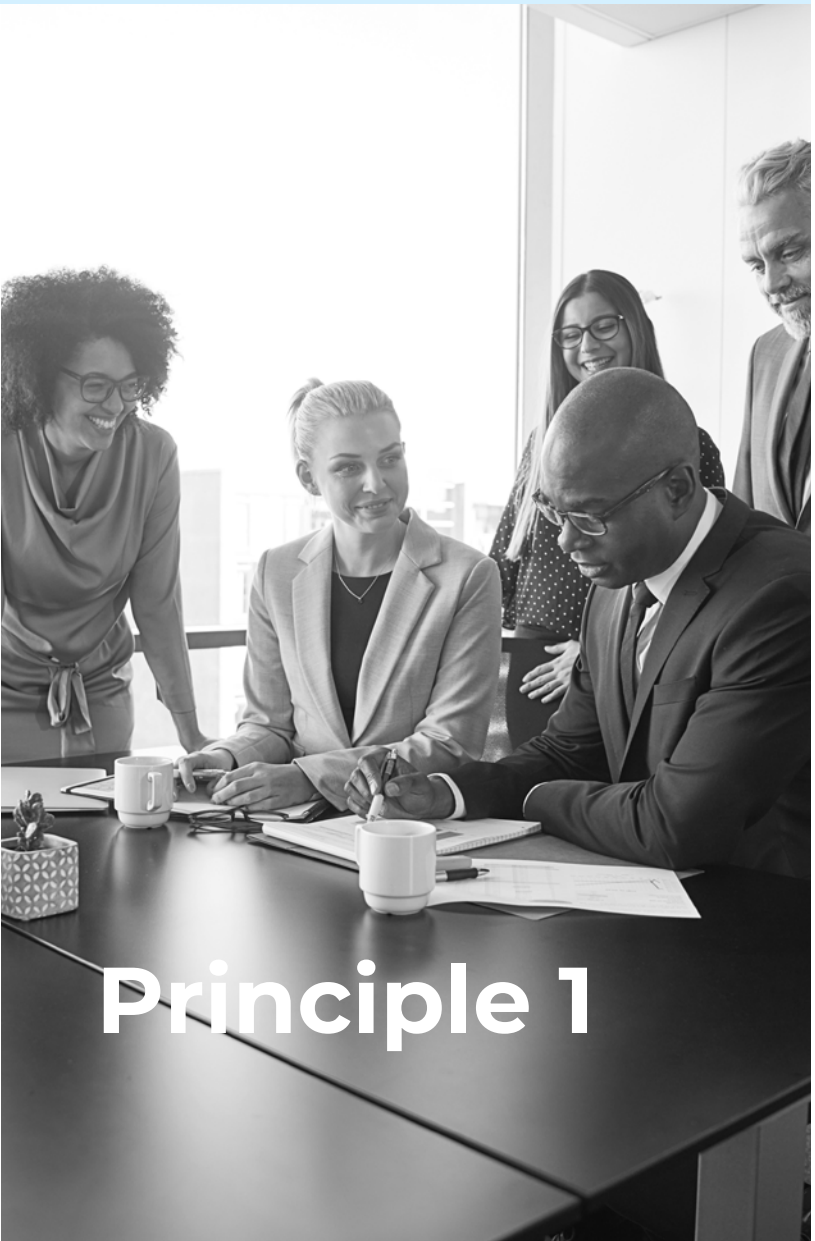
A mindful acknowledgment and response to trauma and toxic stress pushes outside the bounds of the typical mission and funded activities for ESOs. Many ESOs are required to fulfill specific deliverables and meet outcome metrics for long-term sustainability. However, ESOs also readily shared with us how an entrepreneur's personal life, both past and current experiences, impacted their ability to engage in programming. Similar to workforce development approaches supporting personal and professional development, entrepreneurs need a holistic approach recognizing their humanity and how their life's journey led them to entrepreneurship and can impact their outcomes and goals.

This approach requires a critical "reset" within the entrepreneurial support ecosystem. **This reset is not about shifting to becoming a human service organization, but instead infusing some key principles that will lay the groundwork for a more holistic engagement with entrepreneurs.**

This is not about providing services to entrepreneurs outside of the mission of an ESO, but instead identifying how programs and approaches can be trauma-informed and also how the development of strategic partnerships with mission-aligned organizations who can support entrepreneurs with needs outside of starting up a business.

01
Setting Norms

02
Multi-leveled Response



Principle 1

Setting Norms and Expectations

While many organizations have unspoken norms of behavior, formalizing and regularly highlighting these norms are critical groundwork for TIC. Norm setting is based on an organization's values, and provides a roadmap for how staff engage with entrepreneurs and how entrepreneurs are expected to engage with staff and the organization. These norms allow an ESO to provide clear insights into the expectations of program, including how staff can and cannot support them.

The work of setting clear expectations for both clients and staff helps to provide a safe atmosphere for both and lay the groundwork for healthy relationships. Developing these norms and expectations should be informed by both staff and entrepreneurs, with a careful interrogation and understanding of how privilege, class, or culture may have informed past and current programming. This intersectionality of factors, developed in 1989 by civil rights scholar Kimberlé Crenshaw, highlights how race, gender, and other identities intersect. Intersectionality underscores the complex and interconnected nature of identities, particularly in the context of discrimination and oppression. It recognizes that individuals occupy multiple social positions and belong to various groups, and these intersecting identities can lead to unique and compounded experiences of privilege or disadvantage.

Overall, the goal of norms and expectations are the foundational building blocks upon which the response to trauma can be built.



Multi-level Response

Many sectors (education, health care, correctional system, and more) have integrated trauma-informed care, however, its application within the entrepreneurial sector is still nascent. While approaches exist to integrate TIC, integrating within a new sector requires a framework to develop responses. The social-ecological model provides a helpful framework to structure responses and interventions to address harm at multiple levels. Since trauma is a "wicked problem," meaning that its sources and its solutions are both multifaceted and multi-leveled, the social ecological model[18] provides an effective structure for responses.[19]

The four levels of the model - individual, relational, organizational, and systemic (see next page) - provide the layers for which responses are necessary. ESO are uniquely situated to foster healing as they impact the individual, relational, and the organizational level. Additionally, as part of the system they can work to inform the policies and funding that impacts them and entrepreneurs. As an organization, it is critical to understand the forces that create disconnection and also how to foster healing. "Responses" in the next section are framed as connection – since trauma is a cause of disconnection, our response is rooted in re-connection at different levels.

While implementation of these approaches outlined in this report are deeply rewarding, they will not come without challenges and significant setbacks. The adoption of this approach is still in the early stages of adoption and therefore will require high levels of individual and organizational support.

18 One of the original theoretical articles on the social ecological model is: Bronfenbrenner, Urie. (1977). Toward an experimental ecology of human development. The American psychologist. Arlington, Va: American Psychological Association.
19 Rittel, H. W., & Webber, M. M. (1973). Dilemmas in a general theory of planning. Policy sciences, 4(2), 155-169.

Social Ecological Model

Social Ecological Model

This model provides the multi-level framework for developing responses to a wicked problems, such as trauma. The levels include:

- Individual
- Relational
- Organizational
- System

The ESO's mission distinctively empowers them to make an impact at every level. These levels are utilized below in each "respond" recommendation.

System

Connections to broader policies and culture

Organizational

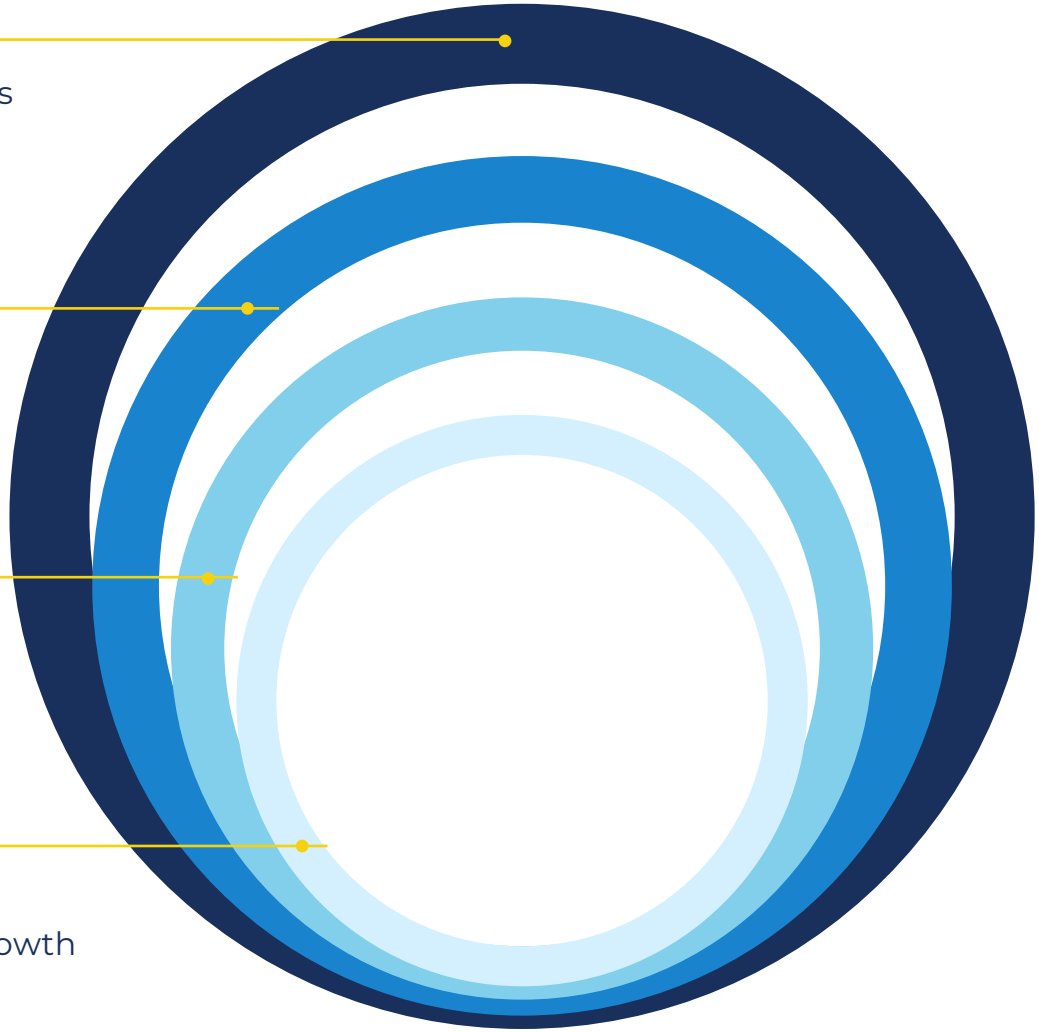
Connections to programs that provide support

Relational

Connections to others through work, family, and friends.

Individual

Connection to oneself, one's strengths, needs, goals, and growth



Respond.

Responding to trauma as an entrepreneurial support organization is not about clinical diagnoses and interventions. Instead,

the response is multi-leveled and focused on moving from approaches that could cause harm to healing connections and interactions for all entrepreneurs

Trauma, at its most fundamental level, is a source of disconnection. Thus, to respond we aim to move into more healing practices at all levels: (1) individual level, (2) relational level, (3) organizational level, and within the broader (4) systemic level. This section details responses at these four levels through TIC guiding principles, resources, and examples of implementation.

Levels of Responses

01

Individual

02

Relational

03

Organizational

04

Systemic



Principles of TIC.

(Trauma-Informed Care)

In each section, the approaches are founded in the six principles of trauma-informed care.

01 **Safety**

Ensuring physical and emotional safety for individuals

02 **Trustworthiness and Transparency**

Building and maintaining trust through transparent operations and decisions.

03 **Peer Support**

Utilizing peer support and mutual self-help as key vehicles for building trust and safety

04 **Collaboration and Mutuality**

Emphasizing partnership and leveling power differences

05 **Empowerment, Voice, and Choice**

Prioritizing individuals' empowerment and their voice in decision-making.

06 **Cultural, Historical, and Gender Issues**

Recognizing and addressing cultural, historical, and gender-related factors in trauma.

Restorative Practices Theory.

Social Control Window

The goal with a trauma-informed response is develop holistic engagement and support, within the boundaries of accountability and empowerment. To identify healthy support, we utilize the social-control window[20] for a framework to analyze a range of responses as organizations seek to ensure they are moving away from harmful behaviors towards those that are restorative and healing. This section details the approach of the social control window and then how it applies at all four levels from the social ecological model.



20 Wachtel, Ted. "Defining Restorative." International Institute for Restorative Practices, 2016. https://www.iirp.edu/images/pdf/Defining-Restorative_Nov-2016.pdf

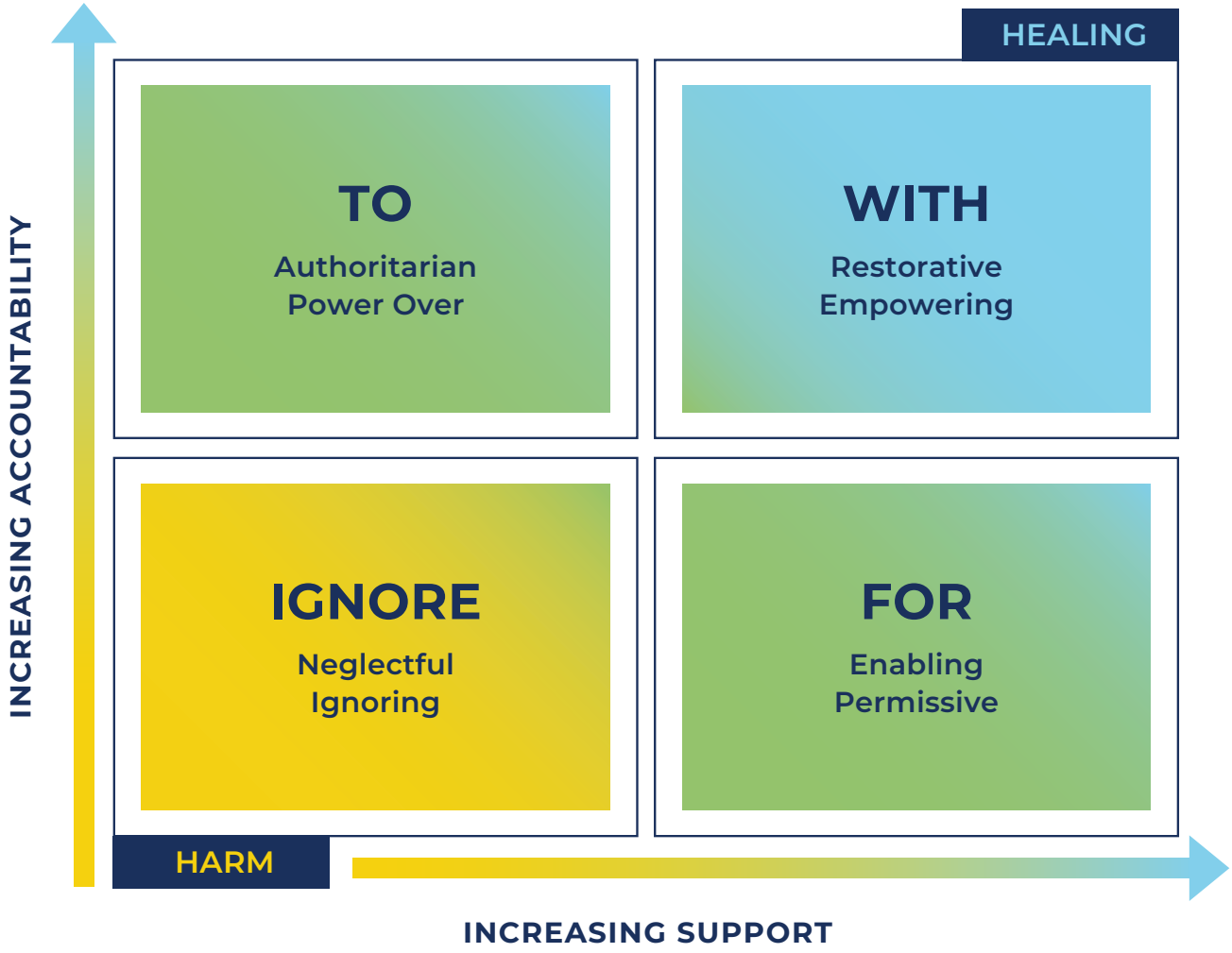
Entrepreneurs & Social Control Window

When working with entrepreneurs, there is a range of both accountability in helping them progress through the steps of starting a business and the support that is provided to them along the way. This is the social-control window.

The lower left quadrant is a stage of very little accountability for next steps along with very little support - also called "neglect," which is not a stage that most ESOs operate from.

Moving up the accountability axis to the top left quadrant, is "To" which is when an ESO might use an authoritarian approach to dictate to an entrepreneur what they must accomplish and when.

On the lower right-hand quadrant is "For," which is when an ESO provides a very high level of support, but very low accountability, often leading to staff enabling an entrepreneur or being permissive in allowing them to miss deadlines. At times, both "To" and "For" are well- intentioned, but neither empower the entrepreneur or are healthy for them or the ESO staff. Moving into "With," which is a stage of both high accountability and support, means there are clear expectations and also strong support. "With" is developed alongside entrepreneur and stakeholder feedback and should include a strong diversity of perspectives to develop the types of expectations and support.



WITH
Individual Level

Individual Level

Finding avenues for “with” at the individual level can take many forms. Some examples include:

- Developing self-care programs with entrepreneurs feedback
- Supporting the development of an entrepreneurs own goals (compared to solely focusing on startup stages and metrics)
- Using personal well-being strategies like breathing, yoga, meditation, hydrating, taking walks, breaks (especially to eat) to regularly support personal wellbeing at events or within co-working spaces

Examples from ESO leaders:

Breathing exercises: Starting meetings with grounding exercises such as breathing have been helpful for both staff and entrepreneurs. This provides a time of both re-centering and connection.

Goals Groups: An ESO leader developed “goals groups” which is an opportunity for entrepreneurs to set their own personal goals and also share these with other entrepreneurs and celebrate their progress with others.

Individual Level
with Entrepreneurs.

HEALING

TO
Authoritarian, Power Over

Requiring entrepreneurs to follow specific plans, which may include self-care, with minimal flexibility, space for choice or personalization to their own goals and needs.

WITH
Restorative, Empowering

ESO Staff and leaders emphasize and model sustainable wellness practices as key to successful business growth. Goals, plans, and self-care are co-created with staff and entrepreneurs. Sustainable wellness is regarded as essential to good business practices.

IGNORE
Neglectful, Ignoring

May not fully recognize the self-care needs of entrepreneurs or discuss self-care approaches as essential for a successful business startup.

FOR
Enabling, Permissive

ESO provides opportunities for self-care for entrepreneurs and implements outward-facing wellness policies, approaches, and statements. However, the wellness and stress reduction strategies tend to follow a standardized, “one size fits all” and often entrepreneurs are doing these to appease versus seeing value for themselves.

HARM

INCREASING ACCOUNTABILITY

INCREASING SUPPORT

WITH
Relational Level

Example from an ESO:

Check-in: Rose-Bud-Thorn: One ESO created a weekly check-in space for entrepreneurs to share their “rose” (positive), “bud” (developing), and thorn (challenge) from their week. Entrepreneurs shared both personal and professional successes through this exercise and now regularly check-in with each other. These check-ins have created a sense of community and belonging within the co-working space.

Relational Level

“With” at the relational level focuses on connecting entrepreneurs with others in informal, but meaningful, ways.

- Check-ins and Check-outs at meetings (for examples click here)
- ESO staff seeking to understanding an entrepreneur’s motivation for the startup
- Meetings or conversations that include the holistic experience of the entrepreneur, not just their startup journey

Relational Level
with Entrepreneurs.



HEALING

TO
Authoritarian, Power Over

Entrepreneurs are required to connect with multiple staff, other entrepreneurs and/or mentors. However, the focus of the conversations/meetings may be solely focused on pre-determined next steps in achieving success, with minimal attention to where an entrepreneur is at on their own journey, both personally and within their startup.

WITH
Restorative, Empowering

The ESO builds strong relationships between staff and entrepreneurs. Staff model healthy relationships and boundaries. The ESO develops and relies on its own relationships with community organizations to support entrepreneurs. Staff are responsive to the individualized needs of an entrepreneur, while also holding them accountable to moving forward with key milestones.

IGNORE
Neglectful, Ignoring

Limited time is dedicated to collaborative efforts with other entrepreneurs or staff, and instead efforts are pre-planned and entrepreneurs are expected to largely self-direct themselves to the next steps.

FOR
Enabling, Permissive

Staff may anticipate the needs of an entrepreneur or, instead of working through a process of co-identification, or sometimes perform next steps in “for” them.

INCREASING ACCOUNTABILITY

HARM

INCREASING SUPPORT

WITH
Organizational Level

Examples from ESOs:

Investor meetings: Often at these events, founders pitch their ideas to investors, creating a natural hierarchy where investors hold the decision-making power. One ESO recognized that for underrepresented founders, this format could exacerbate feelings of disparity and reinforce existing power dynamics. To foster a more equitable and inclusive environment, the event facilitated authentic, mutual exchanges between investors and founders through educational sessions and a dinner that both founders and investors attended. The goal was to create a space where both parties could engage meaningfully.

Wrap around supports: Through assisting in a business launch, staff often learn of additional needs of the entrepreneur. Developing strong community collaborations with other organizations and providing strong, warm handoffs can ensure they receive the best support possible and staff are also able to remain focused on their primary goals.

Organizational Level

"With" at the organizational level focuses on formal policies and programs within the organization that sustain and support TIC approaches. Often these policies and programs develop new ways of doing things to change power dynamics.

- Discussing collective values and norms often
- Transparency in data collection
- Flipping investor/entrepreneur meetups
- Partnering with wraparound services to support entrepreneurs, with reading, meals, and other needs.

Organizational Level
with Entrepreneurs.



WITH
Systems Level

Examples from an ESO:

Holistic support: One ESO shared their approach their work with the following guiding principles:

- Relationships: Entrepreneurs are everywhere, and trusted connectors are key to reaching them.
- Resilience: Area residents know their local needs, and successful businesses foster thriving communities.
- Resources: Overcoming business barriers requires comprehensive resources, including education, expert support, and capital.

Integration with funders and policymakers is still a long-term goal, as often emphasis is still on large numbers versus the thoughtful, intentional engagement.

Systems Level

"With" at the systems level focuses on vertical engagement and alignment from the entrepreneurs to ESOs to funders and policymakers. This can look like:

- Revamping metrics to include holistic support of entrepreneurs
- Slowing down the process of developing programming and funding available for collaborative efforts.
- Hosting events and meetings the include stakeholders from all levels (and compensating entrepreneurs for their time/ expertise when part of panels)

Systems Level
with ESOs and Entrepreneurs.



Resist

"Resisting" trauma as an ESO emerges as staff and leaders transform their language, approaches, and policies to be sensitive to traumatic experiences of entrepreneurs and seek to avoid any unintentional re-traumatization.

The goal is to move beyond the question of "what are we are doing?" and expanding to the question of "how are we doing this?"

This section provides insights into approaches that institutionalize TIC practices to promote long-term sustainability and wellness.

01

Values & Metrics Shifts

02

Trauma-informed care with staff

03

Inclusive Entrepreneurial Support Services

Values Shift.

Integrating trauma-informed care approaches into entrepreneurial support services requires a cultural shift of valuable support activities.

While the development and support of a startup remains the core purpose, ***how*** this support is provided needs to continue to evolve. As demonstrated above, when relational connection is the primary mechanism for service delivery, it shifts how staff approach entrepreneurs. Trauma is a source of disconnection, therefore valuing reconnection at all levels introduces a restorative process and interaction for them.

However, one of the key barriers for this work is that it is often unfunded, or seen as tangential to the core work of an organization.



Metrics Shift.

ESOs highlight the gap between activities valued by funders, and those needed by the entrepreneurs. Often the work of supporting entrepreneurs is slow and detailed, even with high accountability. The need for time in relational approaches, and related fundable-metrics, both with entrepreneurs and potential partner organizations, are key to the ability to “resist” re-traumatization long-term.



Trauma-Informed Care with Staff

While this report has focused on the intersection of trauma and entrepreneurs, we must also acknowledge the trauma potentially present within staff and leaders. While the data is beyond the scope of this project, we heard from several ESO leaders that their roles had often led to burnout and unhealthy work-life balance.

For long-term sustainability, a TIC approach requires an examination of how ESOs can also integrate a *With* approach with staff, and move from a *To* or *For* space.

A TIC approach is not about adding another item for the task list, but instead shifting how work is done.

For example, some ESO leaders reported changing management approaches, or refocused daily interactions with co-workers, using tools and assessments to better understand their staff, their strengths, areas of growth, and pain points. This holistic approach ensures long-term sustainability of the TIC approach.



Inclusive Entrepreneurial Support Services

Sustainable Support Services

Adopting a trauma-informed care approach not only enhances the quality of services for those affected by trauma but also fosters a more inclusive environment for all entrepreneurs. While ESOs are not tasked with diagnosing or treating trauma, the value of offering trauma-informed services lies in creating the most supportive and equitable interactions possible for every entrepreneur.

The ultimate goal of this work is both serve all entrepreneurs, no matter this past lived experience, to the fullest extent possible. By embracing a trauma-informed lens, we acknowledge the historical disinvestment in marginalized communities and the unique lived experiences of each entrepreneur. This report provides a roadmap for restorative and inclusive practices in startup business support, ensuring that all entrepreneurs have the opportunity to thrive.

Next Steps

Moving into a trauma-informed care approach is a journey, not a check-list.

01 This report provides a first glimpse into the depth of trauma-informed care and how integrating these principles are necessary and beneficial within the ESO space.

02 Consider joining an ESO-led community of practice. For more information, click here!

Appendix: Methodology

Survey

This study used various assessments to evaluate the impact of stress, trauma, discrimination, and resilience on Michigan entrepreneurs. The survey included demographic questions (gender identity, race/ethnicity, household income, highest educational degree) and study variables on stress, trauma, discrimination, resilience, and entrepreneurial capabilities. Specific areas assessed were:

Perceived Stress

Stress exposure was measured using the Perceived Stress Scale (PSS),[1] which evaluates psychological stress experienced in the past month.

Trauma

Traumatic stress exposure was measured based on the Substance Abuse and Mental Health Services Administration's[2] definition of trauma. Participants indicated if they had life experiences fitting this definition.

Trauma Impact

Affirmative respondents reported the ongoing impact of the traumatic event on their daily life (0=Not impacted, 1=Somewhat impacted, 2=Often impacted, 3=Always impacted). Responses were categorized into "No to Low Impact" and "High Impact."

Discrimination

Discrimination was assessed using the Everyday Discrimination Scale (EDS).[3] EDS scores were categorized as no/low, moderate, or high discrimination based on standard deviation scores.

Resiliency

Resilience was measured using the Brief Resilient Coping Scale (BRCS),[4] which assesses adaptive coping mechanisms. Scores were categorized as low, moderate, or high resilient coping.

Entrepreneurial Capabilities

Entreprenuerial capaitability (ability to connect to

1 Cohen, S., Kamarck, T., & Mermelstein, R. (1983). A global measure of perceived stress. Journal of health and social behavior, 385-396.
2 Substance Abuse and Mental Health Services Administration. SAMHSA's Concept of Trauma and Guidance for a Trauma-Informed Approach. HHS Publication No. (SMA) 14-4884. Rockville, MD: Substance Abuse and Mental Health Services Administration, 2014.

3 Williams, D. R. (1997). Measuring discrimination resource. Psychology, 2(3), 335-351
4 Sinclair, V. G., & Wallston, K. A. (2004). The development and psychometric evaluation of the Brief Resilient Coping Scale. Assessment, 11(1), 94-101.

individual and community resources)[5] was measured, though results from this assessment are not included in the initial study.

Entrepreneurial Functioning

Entrepreneurial functioning, or the degree to which an entrepreneur was able to engage in their business, was measured in three ways: the type of business they had and how long it had been in operation, how much time they spent on their business, and the North American Industry Classification System (NAICS) code for their business.

Survey Dissemination

The survey was administered from May to September 2023 through partnerships with entrepreneurship support organizations.

Results

Out of 541 survey attempts, 95 were removed for being incomplete, eight were duplicates, and 85 did not meet the inclusion criteria of residing in Michigan. The final analysis included 353 entrepreneurs.

5 Wilson, N., & Martin, L. (2015). Entrepreneurial opportunities for all? Entrepreneurial capability and the capabilities approach. The International Journal of Entrepreneurship and Innovation, 16(3), 159-169.

Lived Experiences Interviews

The objective of the live-experience interviews was to identify the sources of stress and support experienced by entrepreneurs, while ensuring that the interview process was conducted in a manner sensitive to potential re-traumatization. Conducted by licensed social workers, these interviews were 30 to 60 minutes. Between July 2023 and October 2023, the research team conducted 34 interviews with entrepreneurs who had engaged with a Michigan-based ESO. Participants received a $100 stipend for their participation.

The semi-structured interviews started with a standardized question list, with the interviewer asking more detailed questions based on the participants' responses. Each interview was recorded and transcribed. To analyze the qualitative data, the research team employed thematic analysis, a method involving the systematic coding of data to identify recurring themes and patterns. Initially, the codebook focused on broad categories of stressors and supports identified by the entrepreneurs. A second-level coding was then applied to provide more detailed descriptions within these broader categories. Following this, the codes were quantified and cross-tabulated to uncover overarching categories of findings. All percentages presented in this report are

based on the cohort of 34 entrepreneurs; thus, a finding indicating 67% would signify that 22 of the entrepreneurs reported experiencing a particular theme.

The research team comprises a diverse group of practitioners and scholars who acknowledge their privileged positions, including their academic backgrounds, organizational affiliations, and the acquisition of financial support for this research. The team is deeply grateful to all the entrepreneurs and ESO leaders for sharing their time and lived experiences to support this work. Moreover, the team recognizes that this research is underpinned by a wide array of theoretical frameworks, including Indigenous theory, feminist theory, economic theory, Critical Race Theory, intersectional theory, queer theory, Tribal Critical Systems Theory, standpoint theory, and other related scholarly traditions.



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