

How to Expand Corey's Opportunity Horizon

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Corey is a 24-year-old African American male who grew up and lives in Gary, Indiana. The City of Gary has experienced significant economic decline over the past few decades. Once a prosperous steel town, it suffers from high unemployment, decaying infrastructure, low literacy rates, high levels of crime, and lots of abandoned buildings. Corey has lived virtually all of his life within a mile of the house where he was born. His father moved away from the area when Corey was two years old and his mother is a nurse's aide. Since dropping out of school in the eleventh grade, he has held a string of low paying jobs (dishwasher, bagger, data entry clerk, warehouse worker) where there was little room for advancement or self-development, and no job security. Currently working part-time at a convenience store while also serving as an Uber driver, he is thinking about starting a business of his own.

The problem is that Corey cannot determine what sort of business to start. The people he knows that have businesses are involved with fairly basic activities, such as child care, car detailing, cleaning offices, hauling away junk, lawncare, selling arts and crafts, deejay services, hairdressing, and catering. Many of these are things Corey believes he could do, but he knows they tend to be extremely competitive, and he is unsure if he would be able to make enough money to support himself and his wife and son.

Corey recently attended a training program for potential entrepreneurs. The instructor encouraged those in attendance to focus on opportunities that were not being currently addressed (or adequately addressed) in the marketplace. She suggested they think about customer pain points, underserved markets and market niches, and patterns and trends in society that might create new customer needs. But Corey struggled to come up with anything.

When thinking of starting a business, we tend to consider the things we know. The possibilities tend to be limited to:

- a) needs we become familiar with in our daily lives as a mother, student, veteran, victim, shopper, person with a health ailment or disability, pet owner, hobbyist, and so forth;
- b) the skills we possess and work experiences we have had; and
- c) things we directly observe in our surroundings, particularly our immediate environment.

We are most influenced by that with which we are familiar. Like many people from poverty backgrounds, Corey has a very limited "opportunity horizon," defined as the range of possibilities a person is able to perceive. There are limits to every person's opportunity horizon, but these limits can be significantly greater when you are poor. In effect, poverty restricts a person's vision of what might be possible.

Consider an individual living in a low-income neighborhood. The person is surrounded by segregation, inequality, crime, gangs, violence, inadequate housing, lower quality schools, limited job opportunities, disorder, a lack of exposure to technology, and lots of families who struggle just to get by. When you spend an entire life in such an environment, you are exposed to in-group socialization (i.e., social ties and interactions with others from the same circumstances).

It is an environment that can limit the kinds of demographic, social, regulatory, technological, competitive, or other developments of which one is aware or to which one is exposed.

Opportunity horizons can be enhanced where the individual is exposed to new sources or types of information, influences, and experiences. For example, as a teenager from such a context pursues an internship out of the neighborhood, joins the military and travels abroad, takes on a hobby that leads them to pursue whole new sources of information and expertise, is able to attend college, engages in or expands their social network by connecting with people in different social and economic milieus, they can be stimulated by a different reality and their opportunity horizon expands. The social context is particularly important for expanding the individual's opportunity horizon. Similarly, the institutional context matters. Lack of support from formal institutions coupled with severe resource constraints can make the identification and exploitation of opportunities in the informal economy especially attractive.

Below is an attempt to graphically capture the opportunity horizon for someone in poverty. Here, factors at three levels influence one's opportunity horizon. At the core level, a person's horizon can be expanded by exposure to new knowledge, information, education and observation of other realities. At a second level, factors such as out-group socialization, connections with different neighborhoods and communities, and role models become important. At a third and more macro level, institutional support, government support, empowering programs, and active civic participation can promote the expansion of opportunity horizons among the poor.



Corey needs to expand his opportunity horizon and arrive at something that is more attractive. He does not have years to identify a good opportunity, and particularly one that he can realistically pursue. How do you suggest he should go about this?