

Lessons learned from Latin American migrant business owners in a New Destination state

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Integrated Objectives

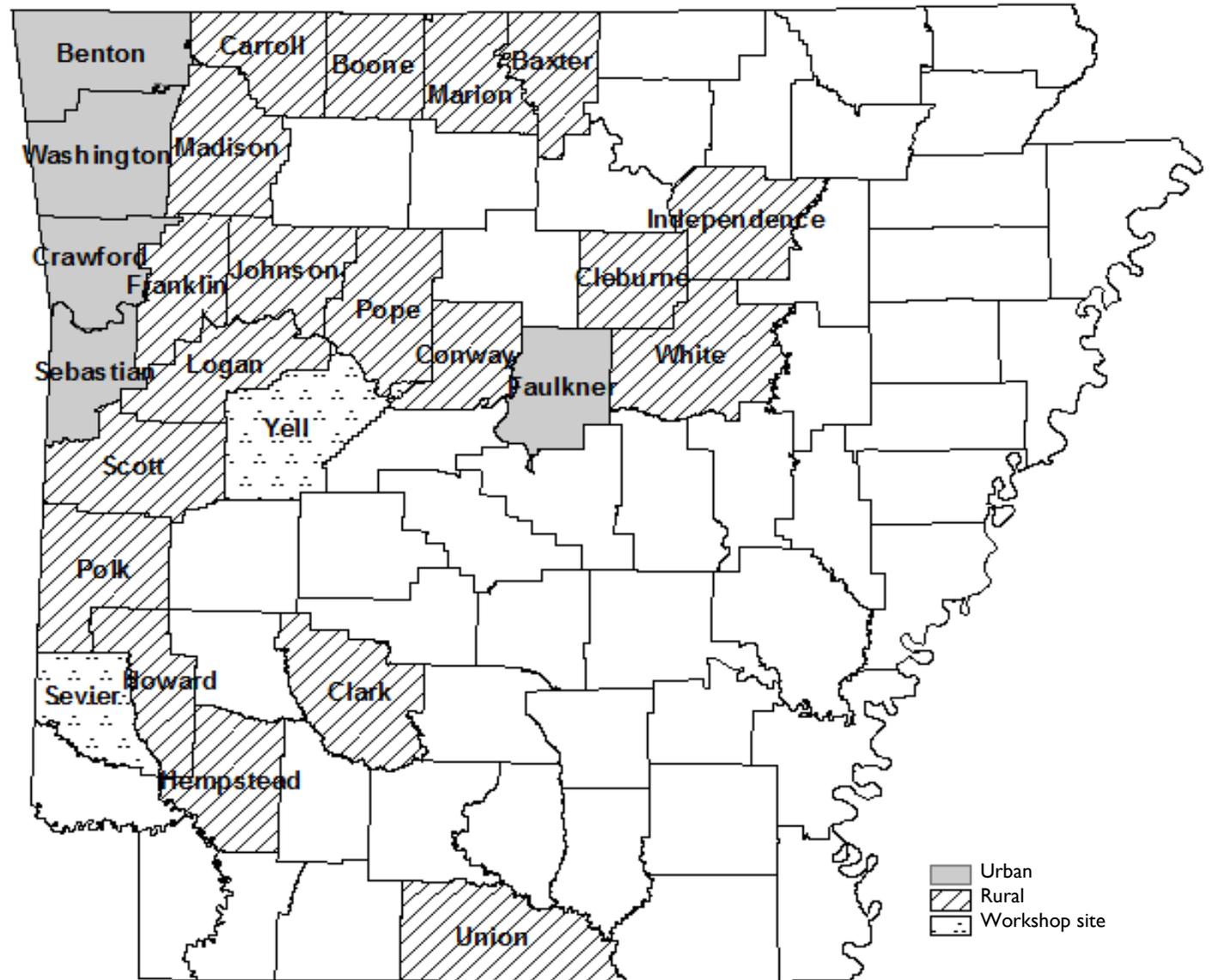
Research

- Basic demographic description of migrant entrepreneurs in rural and urban areas, including human, social, and migration capital
- Description of migrant owned businesses and business activities
- Identification of barriers to entrepreneurship among migrants
- Identification of community effects and interaction with other attributes of migrant entrepreneurs

Extension

- Develop an entrepreneurship roadmap for potential rural Latin American migrant entrepreneurs
- Develop a pilot entrepreneurial educational program in two rural Latin American migrant communities
- Evaluate effectiveness of pilot program, entrepreneurial guide and educational program in assisting entrepreneurs in the establishment of new businesses

Study area

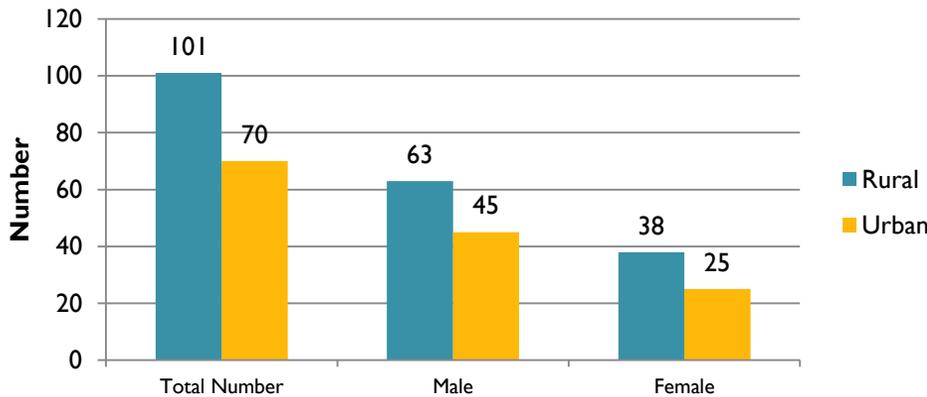


Survey Characteristics

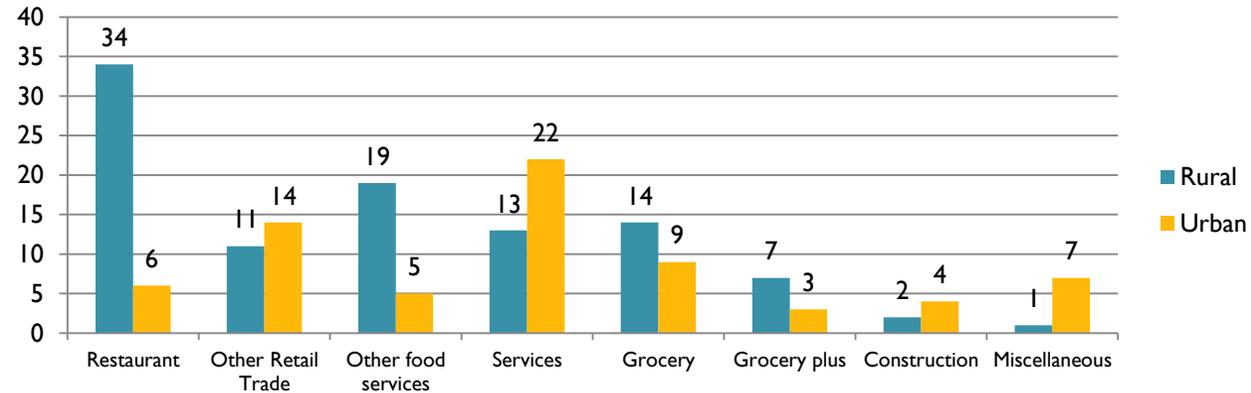
- Entrepreneurs and key informants (formal/informal leaders, local extension personnel, Chambers of Commerce, regulatory agencies)
- Survey created and pre-tested in English and Spanish
- Conducted in language of choice of participant (Spanish or English)
- Face-to-face interviews of current Latin American immigrant business owners
- 171 total responses – 101 from rural communities, 70 from urban
- 21 counties – 16 nonmetropolitan, 5 metropolitan
- 39 communities – 33 rural and 6 urban
- 28% female-owned, 33% male-owned, 22% couple owned, 16% other-owned

Survey Characteristics

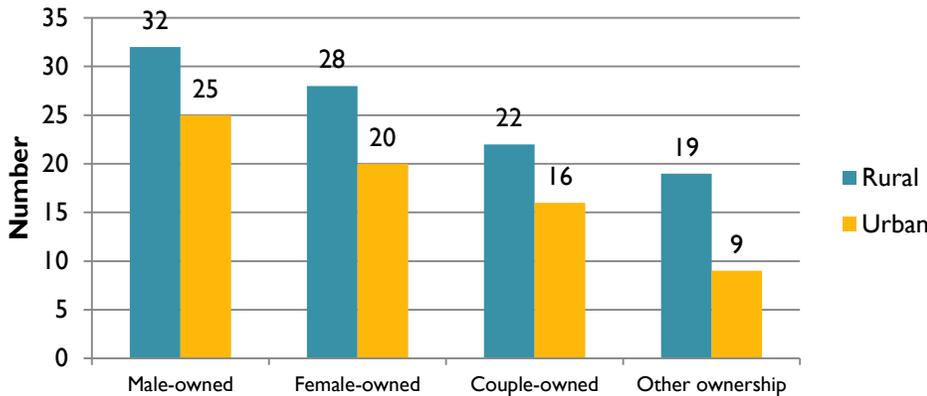
Respondents and Gender



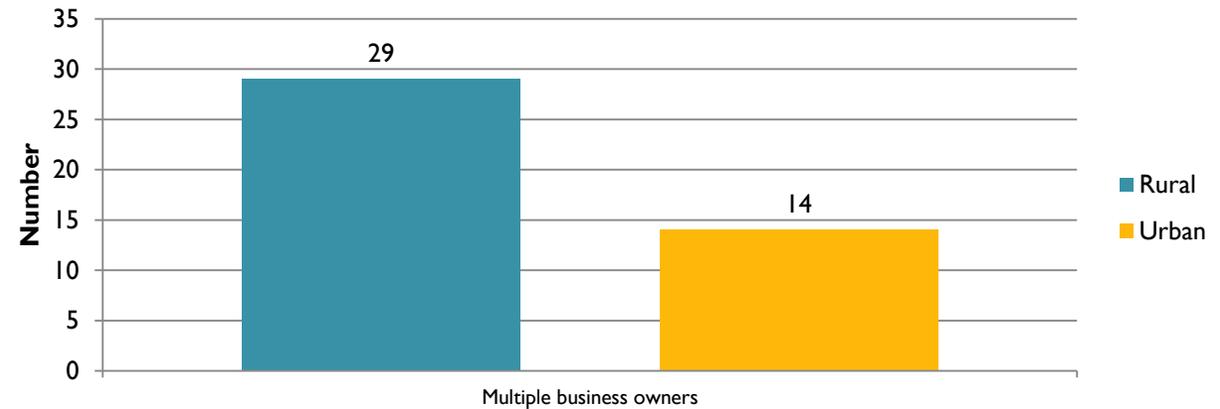
Types of Businesses*



Ownership Patterns



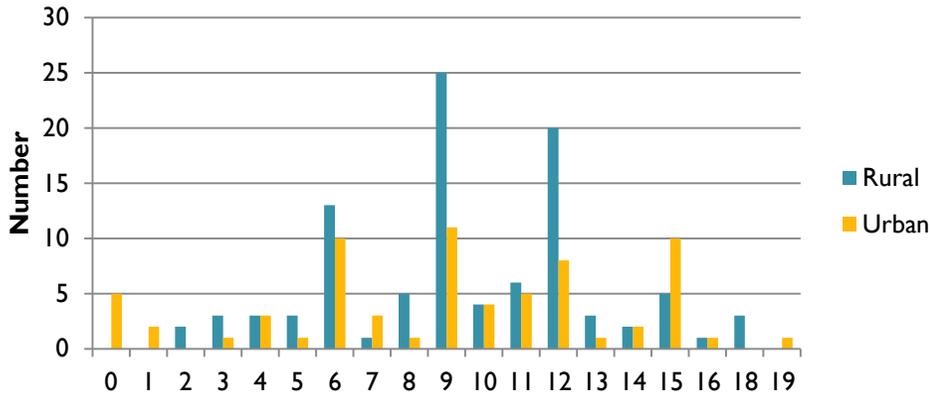
Owners with More than One Business



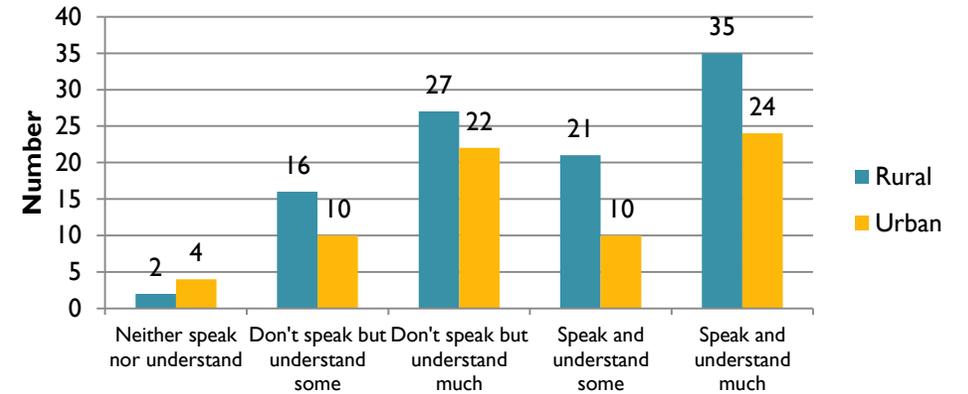
Communities defined as urban if designated "urban area", rural otherwise
 * Rural urban differences significant at $p < 0.05$

Respondent Characteristics

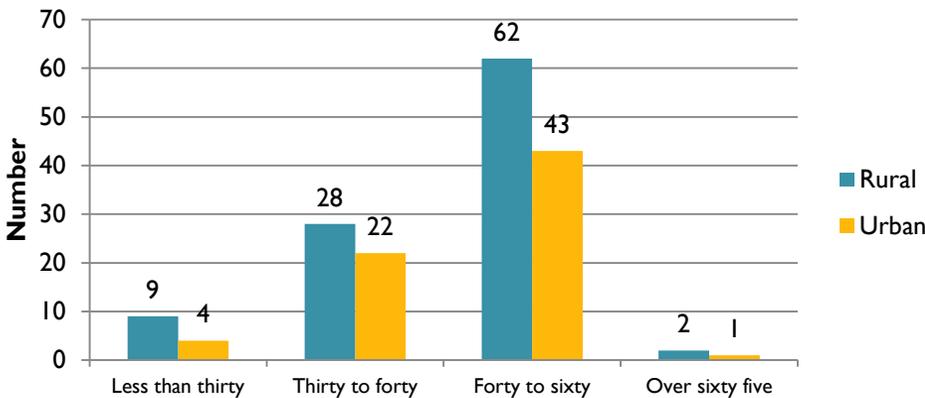
Years of Education



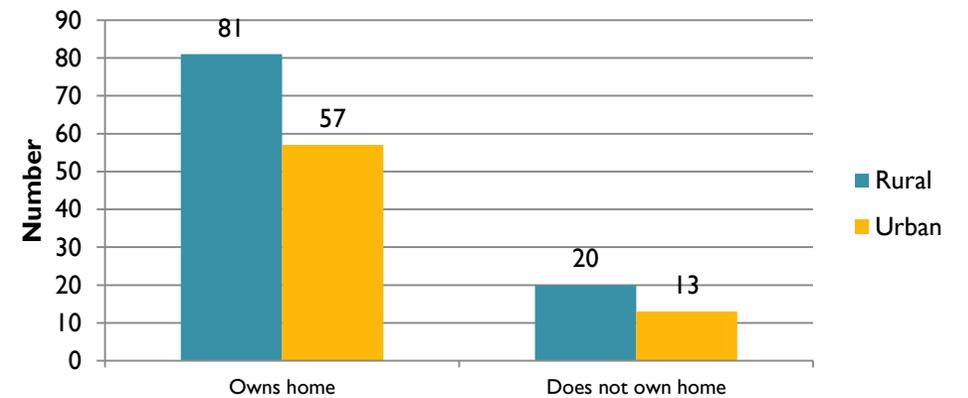
English Language



Age

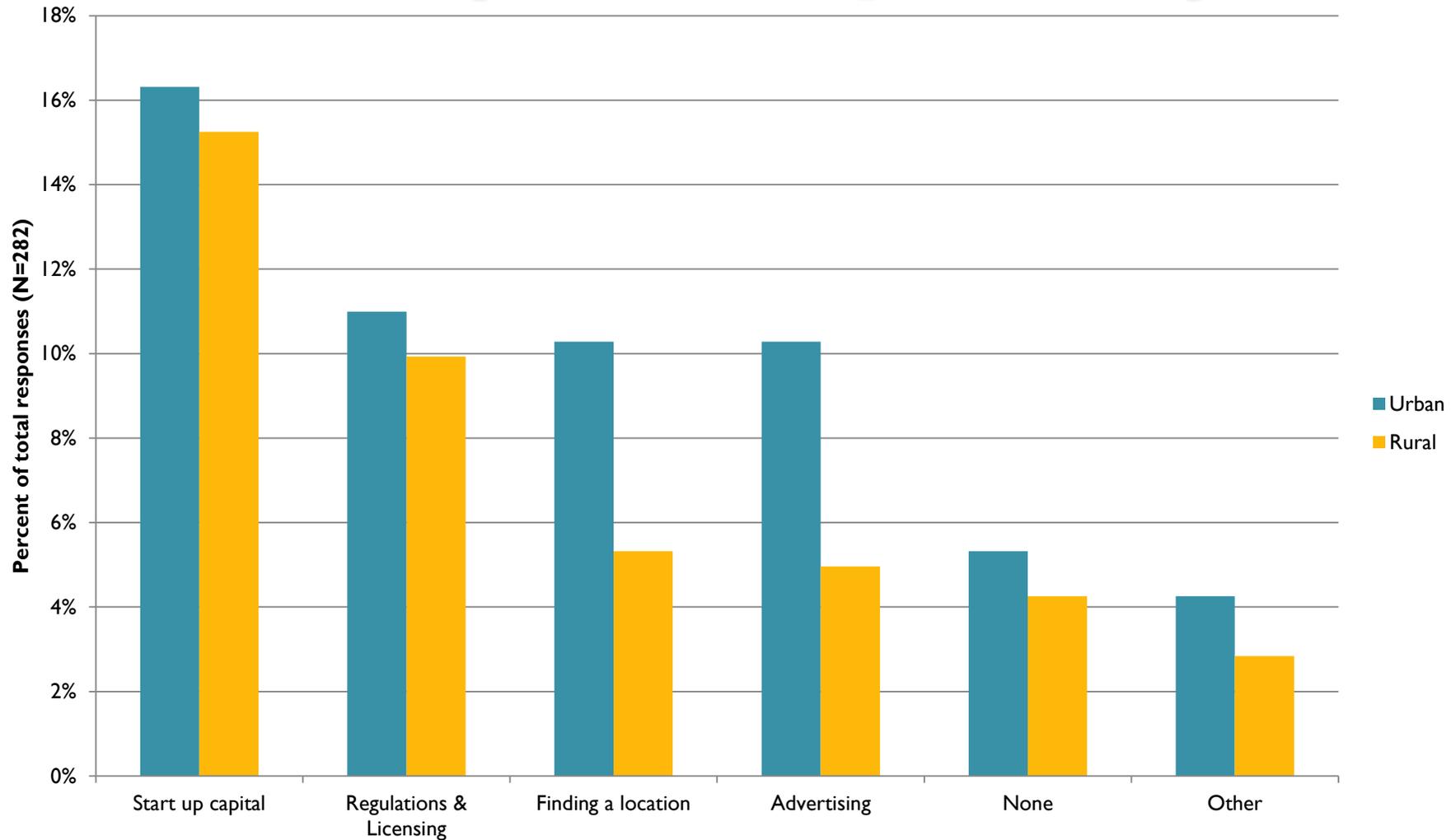


Home Ownership

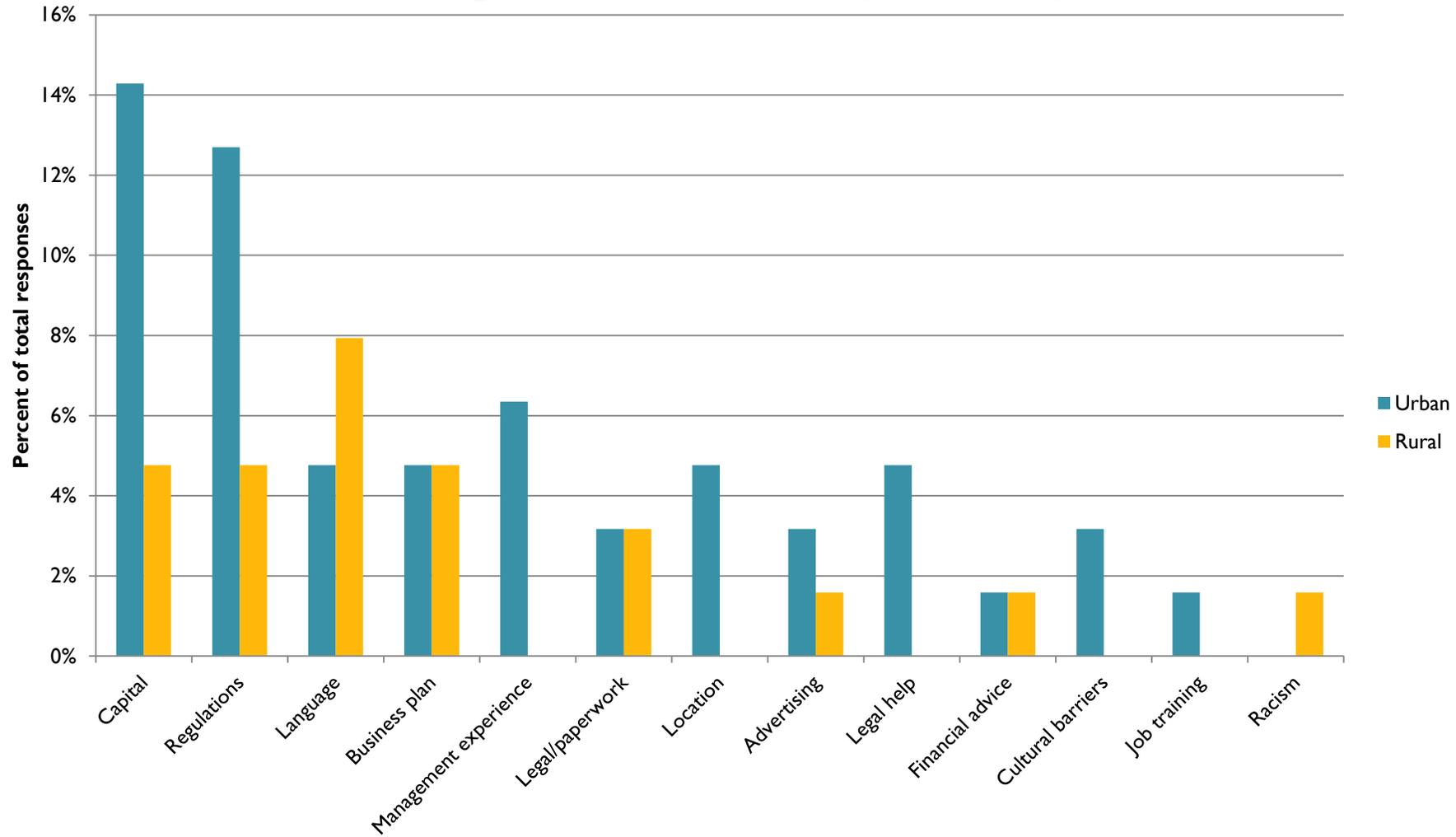


* Communities defined as urban if designated "urban area", rural otherwise

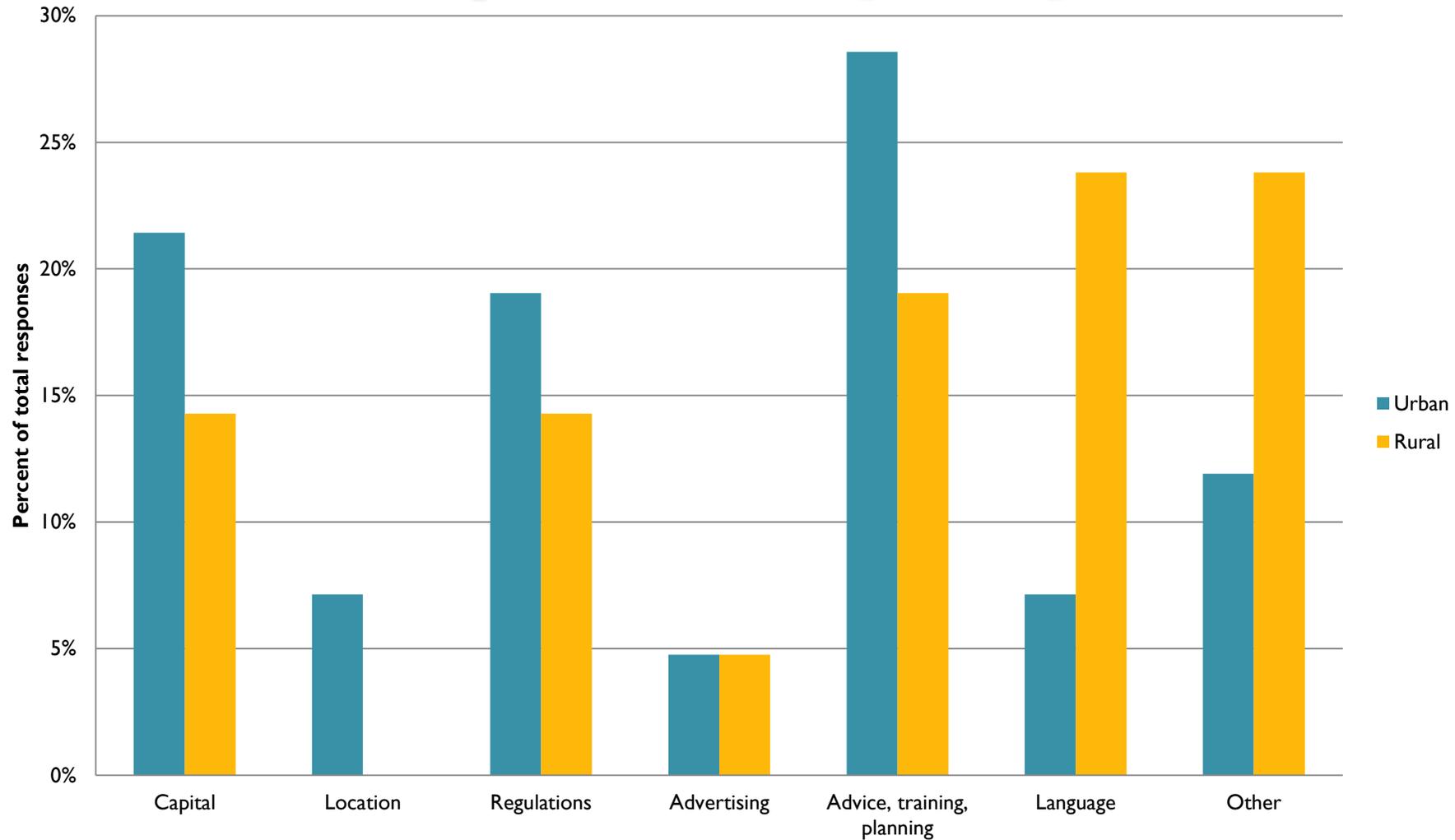
Barriers Reported by Entrepreneurs



Barriers Reported by Key Informants



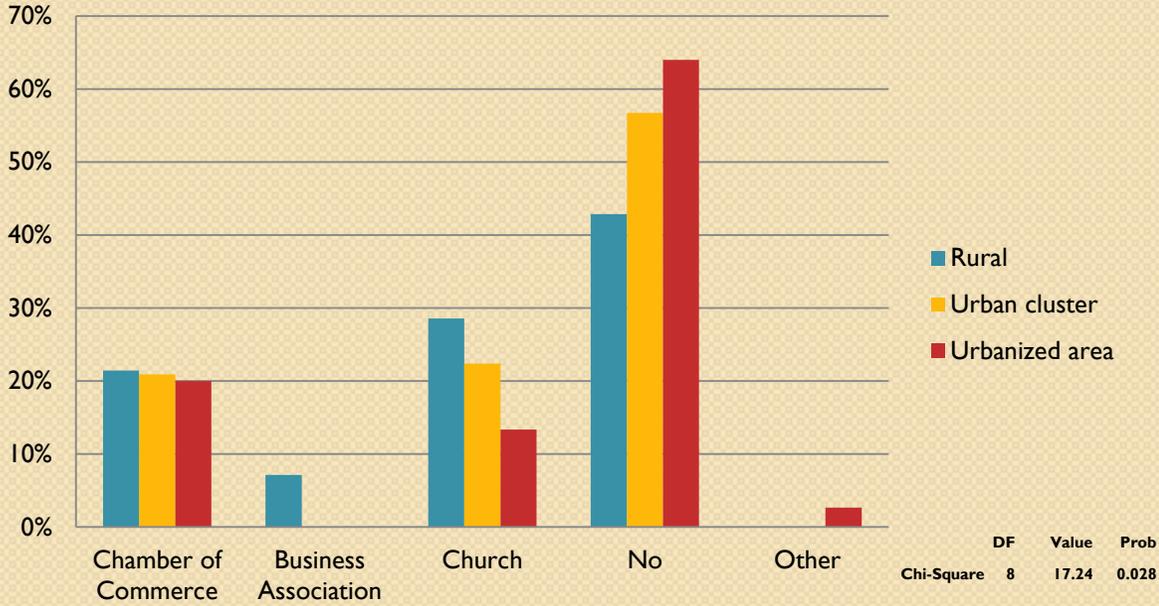
Barriers Reported by Key Informants



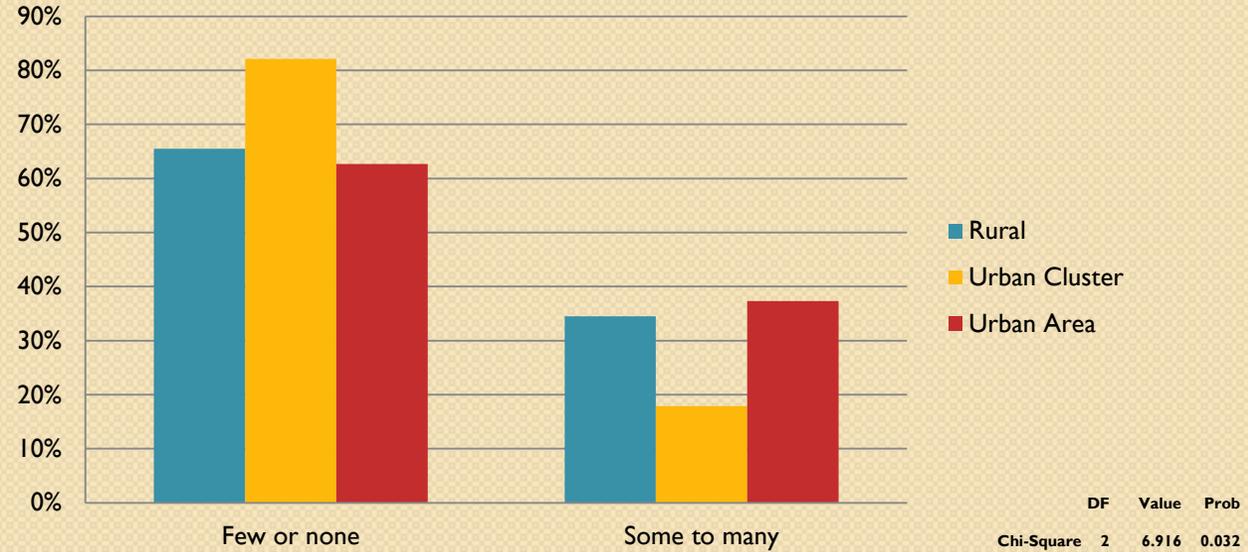
Entrepreneurs versus key informants

- Both agree start-up capital is biggest barrier but *urban key informants* reported much more often
- For *entrepreneurs*, understanding regulations, finding a location and advertising were essentially tied for second
- For *key informants*, understanding regulations, language and business plans are the next biggest barriers. Location and advertising are a much more distant 7th, 8th.
- Language, cultural barriers, and legal/documentation issues are reported by *key informants* but not by *entrepreneurs*
- For *key informants* lack of a business plan is an important barrier; for *entrepreneurs*, they have a plan for their business but **writing** the formal business plan is the barrier

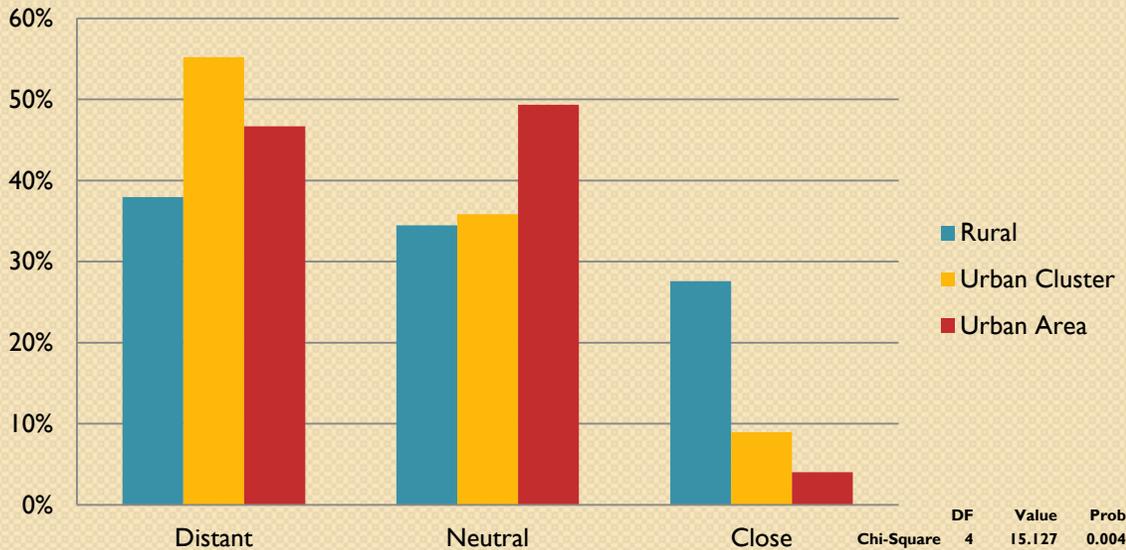
Do you belong to any of these?*



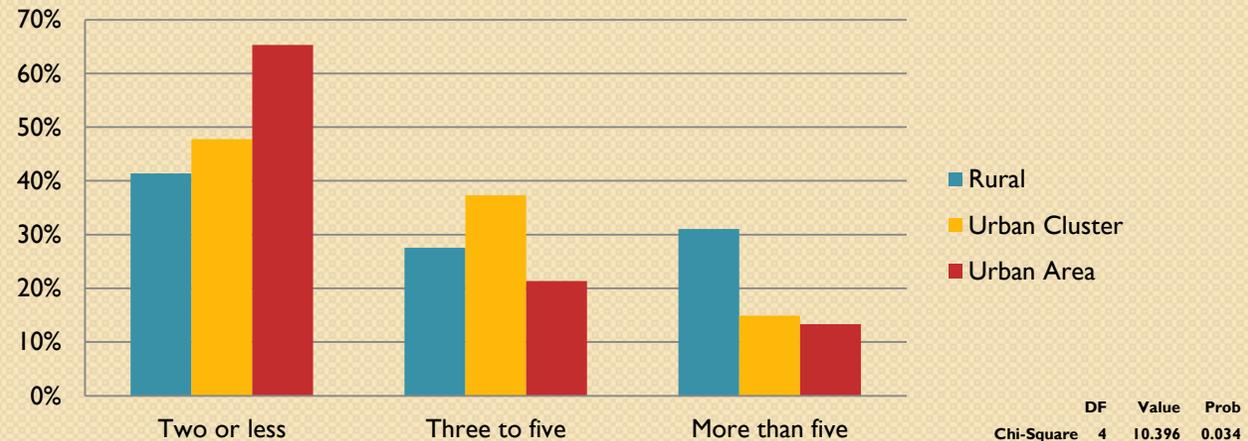
How many of your adult relatives live in your town?*



How would you describe your feelings towards your neighbors?*



Of the 10 houses closest to your home, how many adults who live in these houses do you know on a first name basis?*



Community Attachment

- In rural, smaller places entrepreneurs know more people, have more connections, belong more.
- In terms of family connections specifically, urban clusters (small towns) seem to differ from urban areas and rural areas
- Formal connections in the broader community (belonging to an organization) are weak overall though stronger for rural areas
- Informal connections more common than formal membership but do not vary by population size/density.

Women entrepreneurs

- Have fewer employees
- Are slightly more educated
- Have less participation in community organizations and activities
- Are more prevalent in a county with a higher percentage of women-owned businesses in the larger community
- No more disadvantage in access to capital than men
- No disadvantage in previous business experience (different from previous studies)
- Once other variables are controlled, the women-owned businesses also
 - Have been operating slightly longer
 - Are more likely found in larger communities

Key findings

Rural / urban entrepreneurs and key informants had different, nuanced understanding of specific barriers

- “understanding regulations”
 - **Urban entrepreneurs** more often linked this barrier (and licensing) to a frustration with multiple jurisdictions, sequencing of requirements and locating offices to visit
 - **Rural entrepreneurs** more often linked this barrier to lack of knowledge about regulations and requirements
 - **Rural entrepreneurs** reported fewer actual problems getting licensed (as required by regulation)
 - **Urban key informants** reported this barrier much more frequently than rural ones

Key findings

Rural / urban entrepreneurs and key informants had different, nuanced understanding of specific barriers

- “finding a location”
 - **Rural entrepreneurs** indicated barrier caused by a lack of spaces to rent/lease
 - **Rural key informants** did not even mention location as barrier
 - **Urban entrepreneurs** associated “location” with difficulty in negotiating rental/lease arrangements – *finding* the location wasn’t a problem so much as *dealing with* or *managing* the location physical attributes and rental/lease arrangements and responsibilities

Key findings

Rural / urban entrepreneurs and key informants had different, nuanced understanding of specific barriers

- “advertising”
 - **Rural entrepreneurs** reported the problem as lack of knowledge and availability of outlets
 - **Urban entrepreneurs** reported more usage of the media but problems with feeling relegated to Spanish only outlets
 - **Key informants** did not see as important a barrier as did entrepreneurs

Key findings

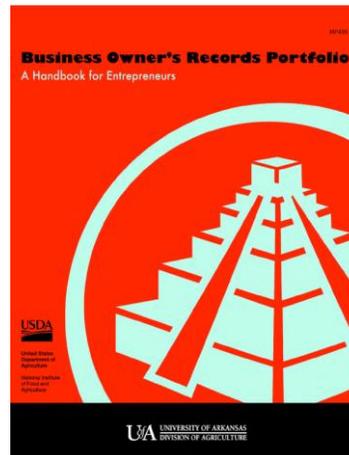
- Networking is a key factor in the success of small businesses in general and women-owned businesses in particular
- Participation in community organizations low generally and even lower for women-owned businesses
 - **57%** of all businesses surveyed do **not** belong to any organization (including “church”)
 - **69%** of female-owned businesses do **not** belong to any organization (including “church”)

Key findings

- Locally specific information and context is critically important
- Cookie-cutter, one-size-fits-all programs can meet some needs but cannot address substantive barriers that are part of the local community context
- This need was often expressed as desire for “a single piece of paper,” a specific idiomatic usage indicating the urgency of this problem
- Key informants and entrepreneurs have very different understandings of the barriers facing immigrant Latino entrepreneurs
- All entrepreneurs would benefit from more network connections in the community
 - Women especially would benefit, particularly from links with other women owners

Outreach for Entrepreneurs

- Latino Immigrant's Guide to Starting a Business in Arkansas: A Handbook for Entrepreneurs
- Business Owner's Records Portfolio
- "A Single Piece of Paper" checklist



Outreach for Extension, others

- Deliverables to Cooperative Extension Services staff and community support organizations
- A Needs Assessment Report of Latino Entrepreneurship
- A Resource Guide to Latino Entrepreneurship Training Materials
- Written report of identified barriers to Latino immigrant entrepreneurship in rural Arkansas



Lessons learned for outreach

- Building community partnerships
 - Build trust
 - Provide community engagement
 - Expand Extension's reach/capacity
- Foster Meaningful Participation
 - Include all project stakeholders in the planning process
 - Create linguistically and culturally appropriate training materials

Lessons learned for outreach

- Implementing workshops
 - Speak Spanish
 - Personal invitation
 - Use respected local individual acquainted with CES and the Latino community to do personal recruitment
 - Registration
 - Personally distribute forms and collect them a week later

Lessons learned for outreach

- Implementing workshops
 - Topics
 - Base them on input from participants on the registration form
 - Reminders
 - Call a week before and again the day of
 - Support
 - Child care including activities for youth on site
 - Food on site
 - Think in terms of family attendance and prepare accordingly

Summary

- Cookie-cutter, one-size-fits-all approach limited
 - Locally specific
 - Culturally and linguistically specific
 - Participant specific
- Extension has key role to play in “building bridges” between groups
- Entrepreneurship activities impact more than the financial capital of a community – can play pivotal role in improving social capital and community attachment

Contact information

- Dr. Zola Moon, University of Arkansas – Fayetteville
 - zmoon@uark.edu
- Dr. Wayne Miller, University of Arkansas Cooperative Extension Service – Little Rock
 - wmiller@uaex.edu
- Outreach materials found at <http://www.uaex.edu/business-communities/business-entrepreneurship/assistance/hispanic.aspx>