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Exploring Latina Entrepreneurship

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Center for Research on Latinos in a Global Society
University of California, Irvine

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ABOUT THE CENTER FOR RESEARCH ON LATINOS IN A GLOBAL SOCIETY

The goal of the Center for Research on Latinos in Global Society is two-fold: to examine the emerging role of Latinos as actors in global events (economic, political, and cultural) and to promote Latino scholarship, enhance the quality of research in Latino studies, provide a forum for intellectual exchange, facilitate the exchange of scholars, disseminate research findings, and promote the participation of graduate students in research on Latino issues. In addition, we anticipate that the research conducted by the Center's affiliated researchers will help guide policy makers in their decisions concerning a society with a growing Latino presence. California has become ethnically and linguistically more diverse than many countries in the world -- over a hundred languages are spoken in the public schools of Southern California alone. The research undertaken supported by the Center is expected to make a contribution towards the understanding of cultural, social, and political dimensions of demographic change such as that which has been occurring in California. Although this research will focus on the population of Latinos within California and the United States, it shall do so in the context of the U.S. in a global society.

The number of businesses owned by Latina women has increased significantly in recent years. Data from the National Foundation for Women Business Owners estimates that between 1987 and 1996 the number of Hispanic women-owned firms in the United States increased by about 200 percent, their employment grew by 487 percent, and their sales jumped by 534 percent. Why are Latina women choosing to enter business for themselves and what capital do they use to succeed in business? This paper focuses on Latina business owners and examines the dynamics behind their patterns of entrepreneurship in the U.S. economy.

Latina Entrepreneurship in the U.S.

The U.S. Bureau of the Census (1996a) indicates that the number of all businesses characterized as "Hispanic-owned" has been on the rise in the United States. From 1987 to 1992 Hispanic-owned firms, owned by men and women, increased 83 percent and their receipts increased 195 percent from \$24.7 billion to \$72.8 billion (U.S. Bureau of the Census 1996a). Comparable data for all businesses show a 26 percent increase in number, while receipts grew 67 percent for the same time period (Bureau of the Census 1996a). About one-third of Hispanic-owned firms are in California (Bureau of the Census 1996a). Like all U.S. firms, the majority of Hispanic-owned firms (45 percent) are concentrated in the service industries, and 51 percent of these Hispanic-owned service firms are in business and personal services (Bureau of the Census 1996a). Retail trade accounted for the next largest concentration of Hispanic-owned firms (Bureau of the Census 1996a).

Table 1. Distribution of All U.S. Firms and Hispanic-Owned Firms by Industrial Category, IM

	Hispanic-Owned Firms	All U.S. Firms
Total (Number)	771,708	17,253,143
Percent	100.0	100.0
Industrial Category		
Construction		10.612.6
Manufacturing		3.0 2.4
Wholesale Trade		3. 12.3
Retail Trade	14.4	14.0
Finance	11.3	6.4
Services	45. 1	45.0
Not Classified		5. 16.9

Source: U.S. Bureau of the Census, 1996a.

Table 2. Class of Worker, Hispanic and Non-Hispanic White Females Age 16 and Over, 1990

Class of Worker		Hispanic Women	Non-Hispanic White Women
Percentage Distribution			
Total Percent	100.0	100.0	
(thousands)	(3421)	(30612)	
Private Wage and Salary		80.3	78.6
Local Government		8.3	8.2
State Government		4.4	5. 1
Federal Government		2.8	2.6
Self-Employed	3.8	5. 1	
Unpaid Family	.4	.5	

Source: U.S. Bureau of the Census, 1993.

Latina women who establish businesses in the formal economy are, in large part, American-born or have migrated and permanently settled in the United States. Nationally, a lower proportion of Latina women are self-employed compared to white women (3.8 and 5.1 percent, respectively; see Table 2). However, the percentage of self-employed women who are of "Hispanic origin" nearly doubled from 1975 to 1990 in the United States (Devine 1994).

These figures do not accurately capture "under the table" positions commonly filled by ethnic and immigrant workers (Hondagneu-Sotelo 1997). While white women's entrepreneurship takes place largely in the formal economy, Latina women entrepreneurs are more active in the informal economy than their white counterparts. This is true of immigrant women, especially those who are new arrivals or undocumented. More often than white women, Latinas work as independent contractors in the informal economy, selling their labor "under the table" to meet their economic and social needs (Hondagneu-Sotelo 1994, 1997; Romero 1992; Ruiz 1987) .

There are several approaches to examining why ethnic minorities and immigrants form small scale business enterprises in the United States. Portes and Bach (1985) emphasize the benefits for immigrant co-ethnic employees working in ethnic enclaves, labor market niches in which immigrants' culture and internal solidarity are preserved. In such enclaves, like the Cuban community in Miami, Florida, ethnic or immigrant businesses often rely on customers and workers of a common culture and background. Ethnic enclaves act as economic buffer zones that

shield members of the same ethnic group from larger market forces and allow the survival and possible upward mobility of new immigrants who might not know the host culture and language. In their study of Mexican and Cuban immigrant women homeworkers, M. Patricia Fernandez-Kelly and Anna Garcia (1989) also suggest that an ethnic enclave allowed many Cuban men to become successful business owners.

The ethnic enclave perspective does not apply to all immigrant groups. The extent to which ethnic enclaves act as vehicles for upward social mobility has been challenged (Mar 1991; Sanders and Nee 1987). The emphasis placed on co-ethnic customers and workers for business success has been questioned, as in the case of Korean business owners in New York (Park 1997). In this study of Tucson's Hispanic business elite, David Torres (1990) argues that both mainstream and ethnic networks are important for Mexican American entrepreneurs in developing their businesses. Half of his sample used mainstream and ethnic networks, while the other half recognized the importance of penetrating the "white" network but stated that they could not do so; they relied on ethnic networks or "sheer experience" to develop their businesses (Torres 1990). Torres (1990) argues that non-ethnic networks are important to Mexican American entrepreneurs because they can be used to legitimate the business beyond the ethnic community, secure financial backing, and obtain skilled employees.

This paper focuses on the pathways to entrepreneurship for Latina women and the capital they use for entrepreneurial success in the American economy. First, I explore the family situations and work-related experiences of different generations of

Latina entrepreneurs prior to business ownership. Second, I examine their reasons for entering into business ownership. Third, I analyze the economic and social capital that is important to these women's success as entrepreneurs. It appears that some grant and ethnic business owners might benefit from ethnic social networks and ethnic solidarity, but is this the case for the Latina women entrepreneurs in my study?

Research Design and Sample

Data for this paper comes from my dissertation research on women entrepreneurs in San Diego County. In the County, there are over 67,000 women-owned firms, accounting for 8 percent of the total 800,000 women-owned firms in California (U.S. Bureau of the Census 1996b). There are over 6,200 minority women-owned firms in San Diego County, the greatest proportion of which are owned by Latinas (U.S. Bureau of the Census 1991).

My dissertation examines data from 22 Latina and 67 white women entrepreneurs who currently own and operate at least 50 percent of their businesses. These women are involved in the daily activities of running a business and have chosen business ownership as their primary form of employment. I completed a total of 18 face-to-face and 71 telephone interviews. I used a number of different avenues for contacting the women whom I initially interviewed. Through Small Business Administration functions, San Diego Minority Women Enterprise and Chamber of Commerce lists, and referrals, I found 10 women who followed through with an interview. I also selected study participants from the county-wide directory of fictitious business names for San Diego County, 1991-1997, which includes all sole

proprietorships and partnerships operating legally in the County. A total of 79 women from the fictitious business list agreed to be interviewed.

Table 3 compares sociodemographic information for the Latina and white women in my sample. Most of the Latina women were born in the United States. Five Latinas were born in other countries: four in Mexico and one in Japan due to her father's military service. All except for one, Eva Cruz, moved permanently to the United States when they were preschool age. Eva moved here permanently when she was married at age 20. Proportionally more of the Latina than white women are over age 45. A larger proportion of Latina women are married and a smaller proportion divorced compared to the white women. In my study, Latinas are two times more likely than white women to have earned only a high school diploma. While the proportion of Latina women who earned bachelors degrees is slightly higher, the white women are five times more likely to have earned a graduate degree than Latinas in my sample.

Most of the women in my sample (92 percent) were employed full-time in the labor market immediately before establishing their businesses. The highest percentage of white women had held executive or managerial positions, followed by sales and other service jobs. The highest percentage of Latina women came from sales jobs, followed by executive and managerial jobs, and other service positions. None of the Latina women in my sample had previously been employed in professional specialties; however, 18 percent of the white women had most recently held a professional position. Nationwide, Latinas are more likely to be in service occupations compared

Table 3. Sociodemographic Variables for Latina and White Women in My Sample, 1997

Variable	Latina (N=22)	White (N=67)	Total Sample (N=89)
Percent Distribution			
Born in the United States	77.3	94.0	89.9
Age			
25-34	18.2	14.9	15.7
35-44	13.6	40.3	33.7
45-54	54.5	35.8	40.4
55-64	9.1	7.5	7.9
65 and over	4.5	1.5	2.2
Marital Status			
Never Married	22.7	14.9	16.9
Married	68.2	58.2	60.7
Divorced	9.1	26.9	22.5
Of Married Women, Percent with Husband Integrated in Business Children (Currently)	46.7	23.0	29.6
None	27.3	47.8	42.7
Dependents (<18)	18.2	22.4	21.3
Adults (>18)	54.5	29.9	36.0
Education (Highest Level)			
High School Diploma	31.8	16.4	20.2
Some College	22.7	22.4	22.5
Bachelors Degree	40.9	38.8	39.3
Graduate Degree	4.5	22.4	18.0

Note: All women in my sample were full-time workers due to sample design.

Table 4 Business Characteristics for Latina and White Women in My Sample, 1997

Business Characteristic	Latina (N=22)	White	Total Sample (N=67) (N=89)
Percent Distribution			
Industrial Category			
Construction	4.5	0.0	1.1
Manufacturing	4.5	0.0	1.1
Wholesale Trade	0.0	1.5	1.1
Retail Trade	31.8	3.0	10.1
Finance, Insurance, Real Estate		4.5	11.9
Services	54.5	83.6	76.4
Personal	16.7	25.0	23.5
Business	75.0	64.3	66.2
Health		10.7	8.8
Age of Business			
Less than 5 Years	18.2	59.7	49.4
Five to Ten Years	36.4	17.9	22.5
More than Ten Years	45.5	22.4	28.1
Gross Receipts or Sales			
Less than \$25,000	4.5	12.1	10.2
\$25,000-\$99,999	54.5	59.1	58.0
\$100,000-\$499,999	27.3	18.2	20.5
\$500,000 and Over	13.6	10.6	11.4
Number of Employees			
None	50.0	68.7	64.0
Less than 10	45.5	20.9	27.0
Ten or More	4.5	10.4	9.0

Note: Percentages represent distributions within the next broader industrial category. For example, 76.4 percent of women-owned businesses were in services, and 23.5 percent of those in services are in personal services. Percentages in industrial subcategories do not sum up to 100 because only selected categories are included. I did not interview any women who had businesses in agriculture, transportation, or mining.

to white women and less likely to be in better-paying managerial and professional occupations. Latinas also tend to be overrepresented in low-paying jobs susceptible to seasonal fluctuations, like domestic work and garment factory work.

Most of the women in my study run businesses in the broad services industry (Table 4). Three-fourths, of the businesses in my study are service oriented, such as marketing or management consulting, computer services, domestic cleaning, beauty and massage services, and party planning. Of the Latina women, over half own service businesses; one-third own retail ventures. There are three Latinas in my sample who own businesses in male-dominated industries: One owns a construction business (special trade contracting); another owns a manufacturing firm. In both these cases, their husbands are highly integrated in the day-to-day functioning of the business. Another Latina owns an electrical company with a male business partner.

Half of my sample have been in business less than five years. Latina women tended to be in business the longest. Eighty seven percent of the businesses owned by women in my study are sole proprietorships or legal partnerships. Fifty percent of the Latina women in my sample have paid employees compared to 31 percent of white women. The largest proportion of women-owned businesses generate \$25,000 to \$100,000 in annual gross receipts or sales.

The Pathway to Entrepreneurship: Generational Differences

Denise Segura (1986) argues that Latinas in the labor force experience "triple oppression" defined as "the interplay among class, race, and gender, whose cumulative effects place women of color in a subordinate social and economic position

relative to men of color and the majority white population" (p. 48). Focusing on Chicanas and Mexican immigrant women in the United States, Segura (1994) argues that the labor market structure limits these women's employment and job mobility opportunities. Segura (1994) finds that Latina women's occupational segregation is often reinforced by a "channeling process" that includes: schooling that promotes women's place in the home; training programs that prompt women to enter jobs primarily occupied by women; and family dynamics, such as husband's dislike of wives working with men. "Schooling did not impart a sense of employment options outside those traditionally ascribed to women ... Family dynamics also upheld women's participation in female-dominated jobs" (Segura 1994:107). This intersection of macro and micro social dynamics poses significant barriers to Latina women's job attachment and advancement.

Were the Latina women entrepreneurs in my study subject to a similar channeling process?

There is a noticeable difference in terms of education and work patterns between different generations of the Latina women in my study. Sixteen of the 22 Latina women can be characterized as "women of the sixties," a term used to describe women who were born after World War II and into the early 1950s (Newman 1993). Many middle class Americans who grew up during this time spent their childhood years in homes relatively free of economic hardship, especially compared to their parents who grew up in the Depression (Newman 1988, 1993). Five Latina women in my sample can be identified "the Reagan generation," those who entered

Table 5. Selected Characteristics by Generation for the Latinas in My Sample, 1997.

	Sixties Generation (N = 16)	Reagan (N=5)	Total Generation(N =21)
Mean Age (years)	49	32	
Percentage Distribution			
Born Outside the United States	18.8	40.0	23.8 (5)
Mexico	66.7	100.0	
Japan	33.3		
Educational Attainment			
High School/Some College		56.3	40.0 52.4(11)
Bachelors/Graduate Degree	43.7	60.0	47.6(10)
Marital Status			
Never Married	18.8	40.0	23.8 (5)
Married	68.8	60.0	66.7(14)
Divorced	12.5		9.5 (2)
Children (Currently)			
None	18.8	60.0	28.6 (6)
Children < Age 18	12.5	40.0	19.0 (4)
Children > Age 18		68.8	52.4(11)

Note: One Latina is not represented in the table. I characterize one Latina, age 70, as postwar generation. Her highest level of educational attainment is a high school diploma. She is married with children over age 18. Table 3 includes sociodemographic data in percents for all Latina women in the sample.

adolescence and young adulthood during the 1980s during Ronald Reagan's presidency (Newman 1993). Similar career and family paths exist among the 16 Latinas who came of age in the 1960s. The channeling process that Segura describes begins at a young age. Like other women of the sixties generation, many of these Latinas spoke of never being encouraged to pursue college degrees or to seek professional or managerial jobs when they were growing up. Vicki Torres recalls that the expectation was for women to get married and have children. "My thinking in high school was that I would not work when I married," Vicki states. Despite the lack of encouragement to pursue advanced education when they were younger, seven of these 16 Latinas eventually earned bachelor degrees, three have taken some college courses, and six have high school diplomas only. Most of the sixties generation women were married in their twenties and worked in clerical positions until the birth of their first child, at which time they stopped working for several years.

Eva Cruz's experiences typify these patterns. Eva, now age 54, recalls her parent's hopes for her future while growing up in Mexico.

I came here [to San Diego] when I was 15 for school and then I went back... In Mexico a lot of kids come here. I graduated from a Catholic school here and then went back. My Dad wanted us to learn English. It was assumed that I would grow up, that I would get married and have children. That's the way it used to be in Mexico. But my father thought that women should have skills too. He felt that women should have skills to go to work. He never meant for us to have a college education, just basic skills, and we [me and my sisters] all had secretarial skills. My brother, he went to college and is now a surgeon.

In Eva's family, gender was clearly a factor in determining which children went to college. The family used a number of resources to send the children to high school in the U.S. But these resources were not used for advanced education in the case of the daughters. Eva followed a path like the one of her mother. She married young and used her secretarial skills for extra family income. Eva married at age 20 and moved to the U.S. with her husband, who planned to earn a university degree. Eva then applied her secretarial skills by working full-time in a number of offices. She has always worked full-time through her marriage, except for the first few years when her children were young. After years of working as a secretary, Eva became disillusioned with her advancement potential. I saw the type of people hired for administrative jobs, and I was more qualified than they were, " Eva explains. But, according to her boss, she couldn't be promoted without a college degree.

So I was talking about it for a while, going back to school. I was talking with my friends about it and one said, 'What do you want? To be 50 years old and a secretary or 50 years old and an attorney?' My husband said, 'I don't think you should be telling everybody that you are going back to school, because you're never going.' Despite her husband's lack of encouragement, Eva enrolled in business courses at a local college. Ironically, it was Eva's mother who offered her the most encouragement this time and gave her the money for college tuition. "By this time I was in my 30s and the whole family was so proud of me because I was the first female to get a degree." Once she graduated with a business degree, Eva was promoted to manager and remained in management positions until she opened her party planning business in 1991.

Like Eva, Aida Sandoval, now age 45, explains that when growing up, she was never encouraged to go to college, although her brothers were. Aida was born in the United States and grew up in a small town just north of the Mexican border. Aida had a stay-at-home mom and her dad was an accountant. Aida explains, "I wanted to get married, wanted to leave. I was always chaperoned and brought up in a very strict home...I married an American...not a Mexican. It was okay because he was related to a well-known family. " After Aida got married, she and her husband moved to San Diego where he took business courses at a local university, and she found a secretarial job to help pay for household expenses. "My ultimate goal was not to work, but to stay at home and be a mom We had our first child and I was a stay-at-home mom. I got pregnant again.

After seven years of marriage, Aida and her husband divorced, and Aida was faced with entering the work force with two young children. She went back to clerical work, but soon found this repetitive and unrewarding. Unlike Eva who returned to school, Aida never made it to college. In fact, she lied about her educational attainment, saying that she did earn a college degree, in order to get a promotion into sales. Wanting to be more available to her young children, Aida decided to establish a home-based business. She relied on several industry contacts and customers for initial work. "Some clients followed me when I went out on my own," Aida explains.

Gloria Morales, age 42, was born in the United States and grew up in a family that encouraged her to pursue a career in elementary school teaching. Teaching, like

nursing and social work, have been the more traditionally accepted semi-professions for women (Dunn 1997). Compared to professionals, such as lawyers and doctors, these semi-professions are lower in the occupational hierarchy and lack the power and rewards necessary to gain recognition as full professions (Dunn 1997).

Gloria started to take education courses in college when she met and married her husband. Soon after, they had a son and then separated. Gloria never finished her degree.

My husband and I separated, and I had an 8 month old son. So there was no way I could handle both. My own support network fell apart at that point because my childcare was predicated on both in-laws and my parents being able to take care of my son... From that point, I felt I had to primarily raise my son. And I was determined not to leave him for the next four years. So I stayed with my parents and raised my son and went back to work part time.

The most flexible kind of work Gloria could find involved secretarial and receptionist positions. Once her son was in elementary school, Gloria expanded her work hours to full time. In 1994, after being laid off at a human resources firm, Gloria opened a personnel agency. Unlike the Latina women of the sixties generation, the five Latinas who represent the Reagan Generation felt more encouragement to pursue advanced education when they were growing up. Two of the Reagan Generation women have bachelors degrees, two have taken some college courses, and one has a graduate degree. Three of these five women are married; two have young children. Anita Jordan, now age 29, was born in Mexico. Anita moved to the U.S. when she was 8 years old with her mom, who was a homemaker, and her father, who

was a businessman. Anita, her brothers, and her sister were all encouraged to go to college after high school. After earning an associates degree at a local community college, Anita married her husband and went to work as a real estate secretary. Anita explains that her dad made her transition from hourly-waged secretarial worker to business owner possible. "My dad knew I wanted to quit the other job, so he offered me a job at his bookstore, and then he offered it to us to buy," Anita explains. Anita now manages the bookstore, which she and her husband have owned since 1990. Anita and her husband have one school-age child, but pay for live-in child care help in order to balance work and family responsibilities.

Anita's father has been a constant source of financial and emotional support for her. Anita elaborates, "I get the most assistance from my dad. He has been in business all his life. He's the one I turn to when I have to make major decisions, like when we were moving to our new location. He gives me advice and then I make my own decisions. " This kind of business-related relationship with a father is completely absent from the lives of the Latina women of the sixties generation in my sample. Their fathers and mothers encouraged them to assume domestic roles and learn basic clerical skills in the event that the household needed additional income

Like Anita, Nora Ortiz, age 32, also was encouraged by her parents to pursue advanced education after high school. Both of her parents are Mexican American. Born in the United States, Nora grew up in New York and describes attending college as something that was expected of her.

It was very expected in my family. It was understood. It was so ingrained enough it didn't even feel like a choice, and I am not saying that in a negative way. I knew that my way would be paved and that this would be made possible for me. I totally accepted that, my family are great believers in education. Nora explains that her mother did not have an education beyond high school, and her father, who has a degree in biology, comes from a family of agricultural workers in California. "His family worked very hard in agriculture to provide for their children," explains Nora. Nora's father spent much of his career as a biologist and her mother was a homemaker when Nora was growing up. Once Nora and her sister were in high school, their mother took on some clerical jobs to increase the family income. Nora argues that her parents felt that education would be the means to a better life.

From my father's perspective, education would be the main frame in which I wouldn't have to do that difficult type of manual labor to support myself. So, my father has a college education and his parents worked very hard to put him through school. They wanted me to be sure I had the opportunity to go right out of high school onto college, and I was always told that they would do whatever it took to get me through. The belief that education is significant to opening doors and creating opportunities is ingrained in the minds of many Americans. In the case of Nora's family, this rings true. Her father's family has a history in manual work, and after obtaining a bachelors degree, her father entered a relatively high-paying position. Nora's father's salary allowed her to live in a middle-class neighborhood with well funded elementary and secondary schools. She grew up knowing that money was

being saved for her college tuition. Nora's bachelors degree in liberal studies led to several assistant-level public relations positions that allowed her to develop the skills and contacts necessary to open a public relations firm in 1996. Nora is married, but has no plans for children in the immediate future. Thirty-three-year-old Marie Lopez explains that her family also wanted her to be well-educated and self-sufficient as she got older. Marie was born in San Diego, and still lives in the same neighborhood.

My parents have always encouraged me to do just whatever I was happy at. My mom died .. [but] even before, they both were very, they pushed me to go to school, finish college. In the Latino community, family is very important. The tradition is you get married, have kids, and stay home and raise the kids. My parents never did that. They always encouraged me to buy your own car, go out and travel, because you never know. I guess they just realized that the times are changing and you can't necessarily fall into that traditional role. Marie describes the tradition for women to get married and stay home with their children. But, she also states that "you can't necessarily fall into that traditional role" because "the times are changing." It is significant that both Marie and her brother were both encouraged by their parents to go to college and expand their career opportunities. But, are younger Latina women being encouraged to pursue college degrees because ideologies about women's roles are changing? Or is it because the times are changing financially? The findings from my study suggest that both cultural and structural forces are crucial to women's work participation. Both generations of women were encouraged by their parents to learn skills that could be used in the labor market. But, for the

older women of the sixties, gender ideologies dictated that women learn secretarial and clerical skills. The older women in my sample developed these basic skills at a young age so that, in times of crisis, they could go to work. The younger women also were encouraged by their parents to develop work-related skills. However, these women were prompted to earn advanced educational degrees and enter higher-paying positions. This reflects a significant change in beliefs about women's roles that mirrors a nation-wide shift in gender ideology from the 1960s to the present.

Reasons for Becoming an Entrepreneur

In attempting to uncover the various reasons why these women entered business ownership, I asked several open-ended questions: What prompted you to go into business for yourself? Why did you establish a business in this particular industry? What was going on with your family life when you decided to open a business?

I find five primary reasons for women becoming entrepreneurs: responding to family related concerns, leaving inflexible bureaucracies, being laid off, reacting to workplace gender discrimination, and capitalizing on opportunities to buy out existing ventures (Table 6).

Over one third of my sample chose to enter business ownership due to family related concerns. These concerns include: starting a home-based business to have flexibility for the needs of young children, establishing a partnership with a family member, and beginning a business for income after a divorce. Latinas were more likely than white women to establish businesses due to family-related concerns

Table 6. Relationship between Primary Reason for Starting a Business and Ethnicity in My Sample, 1997

Reason	Ethnicity	Total Sample	
		Latina (N=89)	(N=22)
White (N=67)			
Percentage Distribution			
Family-Related Concerns Phi coefficient 0. 10	34.3	45.4	37.0
Homebased, Kids	16.4	18.2	16.9
Partnership with Family	13.4	22.7	15.7
Divorce	4. 5	4.5	4.5
Inflexible Bureaucracies Phi coefficient 0. 28*	32.8	4. 5	25.8
Layoff Phi coefficient 0. 19	17.9	36.4	22.5
Workplace Discrimination Phi coefficient 0. 17	10.4	0.0	7.9
Right Timing and Opportunity Phi coefficient 0. 16	4.5	13. 6	6.7

Note: * Fisher's exact test significant at 0. 01 level. Other tests not statistically significant.

(45 and 34 percent, respectively). Such is the case with Cynthia Valdes, who values the flexibility that comes with business ownership. Born in Japan, Cynthia, age 45, grew up in the United States. Cynthia's father was in the military service and her mother was a homemaker. When Cynthia's mother started to do clerical work for extra income, Cynthia recalls being cared for by her "traditional Hispanic" grandmother. Cynthia got married and started a home-based business in 1983 in order to stay at home and have flexibility with a family. I always wanted to be home for the children," states Cynthia who has three children under age 11. "That's what's so good about being a business owner at home - " For other women in my sample the decision to become business owners resulted from working in bureaucracies they felt were inflexible and constraining. A larger portion of white than Latina women started businesses in response to inflexible bureaucracies (32 and 4 percent, respectively). Further, more Latinas than white women became entrepreneurs after having been laid off from a previous job (36 and 18 percent, respectively). The experience of Gloria Morales, age 42, exemplifies some of the conditions surrounding Latina business ownership after losing a job. Gloria had worked as an employee at an employment agency before opening her own firm in 1994.

I started out basically as the receptionist and office coordinator and pretty much doing everything that needed to be done, and it quickly turned into staff meetings, and eventually I was made manager of the company. And so, I started in 1987 and he actually closed his doors and moved out of state in 1993.

Left without a job, Gloria sized up her employment options and decided that if

she was going to stay in the industry, she wanted to start her own business and have control over policy and procedure. The opportunity arose, indirectly, out of her former employer's company.

A gentleman in the office next to my old office happened to be one of the owners of the complex and they initially were leasing agents and had their own mortgage company...They wanted someone to help find people for their company, loan processors and people in the mortgage industry, so they asked me if I would do some placement work for them. That is how I got my start, and it just turned out that I used the office space and initially was interviewing people in restaurants. A small portion of my sample chose business ownership after experiencing workplace gender discrimination (8 percent) or taking advantage of an existing business opportunity (7 percent). All seven of the women who established businesses to escape gender discrimination in the workplace were white, and five had previously held high-status managerial or professional jobs with relatively high levels of reward. These women emphasized the isolation they felt from male-dominated networks, pay inequity, and sexual harassment.

Capital for Entrepreneurial Success Entrepreneurs

must locate the capital necessary to start and maintain successful businesses. But where do they find these resources? For entrepreneurs, obtaining economic capital is crucial for business ownership start-up, development, and success. Economic capital can be defined as resources that are directly convertible into money and that may be institutionalized in the form of property rights (Bourdieu 1986). Most of the women in my sample (83 percent) used their own personal savings or credit as their primary financial source when starting their businesses. A higher percentage of

white than Latina women used personal resources in my study (87 and 73 percent, respectively).

Ten women (11 percent) in my study primarily turned to family members outside their immediate household for start-up capital. Vicki Torres is one Latina woman in my study who asked her family members for economic assistance. Vicki turned to her brothers, dad, and sister for start-up money. "No formal loan, just family. And I knew I could pay them back. I just needed money quick, right then, Vicki explains. Vicki characterizes herself as growing up in a "working family" in which she and her siblings were integrated with income-generating activities -- selling balloons, novelties, and fireworks. She correctly assumed that her brothers, sister, and dad would be willing to assist her business venture.

When discussing economic capital received from family, it is important to develop the concept of social capital, valuable resources in the form of social connections of acquaintance, mutual trust, and recognition (Bourdieu 1984, 1986). Bourdieu (1986) characterizes social capital as durable networks of relationships that are not a "natural given" but the product of "investment strategies" designed to reproduce useful relationships that can secure material or symbolic profits.

In considering the nature and impact of social capital for women entrepreneurs, most Latina women (55 percent) did not identify themselves as having a mentor, someone who they could go to regularly for advice or assistance with their businesses. Although none of the Latina women in my sample identified a family member as a mentor, they still underscored the significance of familial assistance in their businesses, especially as a source of economic capital.

The spouse is especially important to some of these Latina women. A higher proportion of Latina compared to white women are married (68 and 58 percent, respectively). Of the 15 Latina women who are married, 47 percent characterize their husbands as highly integrated with business activities. This proportion is higher than the married white women, of whom only 23 percent state that their husbands were integrated. Having a husband in the same industry increases the likelihood that a business partnership will form. Also, having children out of the home increases the chances. However, for some Latina women, viewing the labor market as devoid of other employment options also acts as a catalyst for business partnership between husbands and wives. This was the case for Silvia Carrillo and Heather Reyes, whose husbands joined their businesses after being laid off from previous employment.

While seven Latina women characterized their husbands as integrated in their businesses, two of these seven women described their businesses as sole proprietorships in their own name; two have legal partnerships with their husbands; and three have incorporated businesses, in which both are employees of the company. In the cases where the business is a sole proprietorship in the woman's name, the husband works as an employee in the company. This is true of Silvia Carrillo's business. I asked her if there was any benefit to having the business in her name only. "I haven't felt one way or the other," Silvia responds, "Being a minority business enterprise, jobs under a certain amount, they don't have to comply with minority outreach so they go to whoever they want." Silvia explains that the business remains

in her name because she originally established the business, which her husband later joined.

Despite her sole proprietor status, it is interesting that she still states, "Both my husband and I are equal in business. "

In their study of immigrant entrepreneurs, Sanders and Nee (1996) argue that household composition impacts family-based social capital: The presence of spouses, related adults, and to a lesser degree teenagers, are potential sources of capital pooling and family labor. We know that some of the Latina women in my sample relied on the economic capital of family members to establish their businesses, but to what extent might these Latina business women benefit from family labor?

If we take a closer look at the Latina women in my sample who have employees, we find some evidence to suggest that they are using family labor, but not to the extent that immigrant small business owners use extended family members. Table 7 shows that 46 percent (or five) of the Latina-owned businesses with employees use family labor. In each case that family employee is the woman's husband. A much lower proportion of white women with employees (19 percent or four women) hired employees who were family members and, in each of these cases, the employee was the woman's husband. The other six Latina-owned businesses with employees used formal hiring channels, such as advertisements in newspapers or trade association publications, to hire employees unrelated to them.

Further, I find little evidence to support the idea that these Latina women are capitalizing on co-ethnic labor. In my sample, there are only two businesses in which all the employees are Latino (Table 7). One is Silvia Carrillo's translation business, in

Table 7. Profile of Employees of Latina- and White-Owned Businesses in My Sample, 1997

Characteristic	Latina-Owned Businesses with Employees (N=11)	White-Owned Businesses with Employees (N=21)
Percentage Distribution		
Relationship to Employee		
Family Member Present		45.5 19.0
No Relation to Any Employee	54.5	81.0
Racial/Ethnic Background of Employee		
White Employees Only	0.0	57.1
Latino Employees Only	18.2	0.0
More than One Ethnicity among Employees	81.8	42.9

which her Latino husband works as her employee; the other is Marie Lopez's publication business. Marie and her business partner have six employees, three male, three female. Because the publication targets the Latino community, Marie argues that it was important to establish a bilingual staff with connections to the local Latino community and Mexico. "They are very supportive of the magazine," Marie says of her employees, "They really want to get it off the ground." Marie plans to increase the number of employees, but for now, is being cautious about expanding too quickly. The remaining nine Latina-owned businesses with employees have ethnically diverse workplaces, including predominantly white and Latino employees. One of these has mostly Latino employees (greater than 50 percent). Many of the businesses owned by the white women (43 percent) also have ethnically diverse workplaces; however, interestingly, a high proportion of these have only white employees (57 percent) and none have only Latino employees.

I also find that frameworks emphasizing ethnic solidarity for entrepreneurial success do not fit with the entrepreneurial experiences of the Latina women in my study. In fact, the Latina women unanimously agree that ethnic support networks do not function to benefit their businesses. Their comments included:

I don't get that much business from the Hispanic community. It's mostly business that is around the area of the shop.

Hispanics are not a very united group. I find Hispanics don't help one another.

I don't find solidarity with Hispanic people in business.

I don't feel part of the Hispanic community.

I'm a member of the Hispanic Chamber but it hasn't gotten me any business.

Recall Gloria Morales, the owner of a personnel agency which has two employees: an Asian woman, who is the receptionist, and a Latino, who helps with personnel placement. Gloria elaborates on her experiences as a Latina business owner.

The Hispanic community is not very good about helping their own. The Asian is very, very good about helping their own and using their own companies and their own organizations that you go to, they will use them. But the Hispanic community, for some reason, and I have said this for years, they don't use their own. They don't really help each other and scratch each other's backs like some of the other groups do and I honestly don't know what's behind this. I find that is, they get to a point and it's everybody for themselves, and within the Hispanic Chamber, umm, they, as a far as actually using their business, I think they're getting better and I think they realize it themselves and are trying to do it. Gloria emphasizes that she has not generated business from organizations designed to develop connections between Hispanic business owners, like the Hispanic Chamber

Likewise, Elaine Rodriguez, owner of a computer consulting firm, has not generated business from the Hispanic organizational functions that she has attended. "I'll hand out cards and no one ever calls," Elaine explains. Elaine does not feel support from other Latino business owners or customers.

I find that other Latinos are not supportive. It's not about organization, it's about our culture. Our culture has a lot to learn. I'm not saying all are bad, but there are quite a few who don't want you to succeed. "If I'm down in the dumps, I want you there too. " Most of my contacts have been through Anglos. It hasn't been Hispanic. Elaine observes few Latinos in the computer consulting industry in San Diego, and even fewer Latinos use her services. It is interesting that class-related issues come up in Elaine's response. She refers to other Hispanics who are "down in the dumps" and unwilling to support her business. Elaine comes from a working class family in Texas where "the mayor was Hispanic, business people were Hispanic. " But, from Elaine's perspective, many more Latinos in San Diego are low-paid workers, she characterizes as "fast food chain" workers, who have neither the money nor the desire to support her business. Elaine's business currently does not have employees because, as Elaine puts it, "they cost too much." Eva Cruz agrees that there is little comaradrie or support from other Latinos. Eva has two Hispanic and three white employees in her catering business. "I don't see any special loyalty from Hispanic customers," Eva explains, "My customers come to me, and come back to me, because they are happy with me. " Other research also confirms that the entrepreneurial experiences of Latinos

may differ significantly from Asians and other minorities who use group strategies to achieve entrepreneurial success. Focusing on immigrant and native-born self employed persons of Mexican ancestry, David Torres (1988) finds that Chicanos are more successful than Mexican immigrants in nontraditional lines of business and that class resources are more important than ethnic resources (social features of the group) in predicting their increased income.

While both Mexican immigrants and Mexican-Americans may benefit from the presence of Hispanic markets and some degree of ethnic cooperation, quantitative evidence implies that, with the acquisition of class resources, a discernible number of Mexican-American entrepreneurs are venturing out of protected markets into the mainstream economy (Torres 1990:39). Torres' study in Tucson indicates that there is a market niche sustained by the Mexican-ancestry community. But within this niche, ethnic resources are abundant while class resources are limited. Torres (1990) argues that even though this niche acts as an important nurturing ground for many entrepreneurs, "its limited class resources are not enough to retain these ambitious entrepreneurs who ultimately turn to mainstream class resources" (p. 46). The women in my sample felt an unwillingness from other Latinos to support their businesses. This unwillingness may, in fact, result from a higher level of solidarity in the Latino working class community. Torres (1990) points out that Mexican-American entrepreneurs who have "assimilated" into the mainstream economy may be perceived in a negative light by those who identify strongly with the Mexican or Latin American culture. This makes it difficult for these entrepreneurs to optimize performance in any one sector: the mainstream or the ethnic niche. Even

though he emphasizes the importance of class resources and non-ethnic, networks for Mexican American entrepreneurial success, Torres points out that ethnic networks may still be important in the formative years of some Hispanic businesses. Torres emphasizes the significance of assistance by minority public sector officials and Hispanic social and business organizations.

Torres focuses primarily on male entrepreneurs without considering the significant role of gender. Lack of solidarity felt by the Latina women in my study also could relate, in part, to their gender. Three women in my sample commented that some Hispanic business organizations were "male-oriented" or "male-dominated. Construction company owner, Cynthia Valdes, suggests that Latina business women are particularly disadvantaged because of their ethnicity and gender. When discussing her relationships with other Latinos in business, she states, "There are many minority people in bureaucratic roles. I've had a lot of bad experiences with them. I don't find solidarity with Hispanic people in business. And being a woman they think you're a dummy." Cynthia's statement underscores the fact that her experiences as an entrepreneur are colored by her ethnic identity and gender. She continues, "So I don't find solidarity among Hispanic businesses. It might be different among men."

If Latina women aren't relying on ethnic social networks for their business success, where do they find clients and customers?

Eva Cruz finds that most of her customers come from word-of-mouth endorsements or the local Yellow Pages advertisements. These are typical avenues Latina women used for finding business. Ten of the 22 Latinas relied heavily on

yellow page advertising to bring in initial customers and then word-of-mouth endorsements.

They were in industries such as retail trade (bookstore, copy center, and an electrical shop) and services, like temporary personnel help, translation, and musical services. The remaining 12 Latina women used "mainstream" business connections from previous employment or professional associations to establish a customer base. These women owned businesses in high technology, construction, computer services, catalog sales, and publishing.

Conclusion

In the two decades after 1970, Latinas rapidly increased their labor market participation, while still clustering in technical, sales, administrative support, and services positions. Latinas in the U.S. continue to have lower median incomes compared to white women, and their families also have significantly higher poverty rates. The Latina women in my study are more affluent than most other Latino families in the United States. They have grown up in working or middle-class homes, have at least a high school diploma, and have been able to accumulate the capital necessary to establish a business. But, not all the women were encouraged to become active labor force participants when growing up.

Most of the sixties women were prompted by their parents to learn basic secretarial skills as a "back up plan" in case of financial emergency. In contrast, women from the Reagan era were encouraged by their parents to pursue advanced degrees and professional or managerial positions in the labor market. Adelaida Del Castillo (1996) has argued that we should understand that Chicano and Mexican

gendered behavior in families is more variable and complex than traditionally conceived.

Drawing on field research and studies from the 1970s and 1980s, Del Castillo contends that these families should not be characterized generally as male dominated, nor based on rigid gender roles that privilege "traditional" patriarchal domestic arrangements. I find that gendered behavior and expectations were varied among the families of the Latina women as they grew up, especially across generations of these women.

The Latina women in my sample are among a growing number of minority women entrepreneurs. I find that frameworks emphasizing ethnic solidarity for entrepreneurial success do not fit with the experiences of the Latinas in my study. In contrast to studies that concentrate on co-ethnic networks and solidarity as a source of support, I find that the family is an important institution used by Latina women. A higher percentage of Latina than white women used family sources of economic capital for business start-up. Proportionally, more Latina women characterize their husbands as integrated with business activities too. Some of these women use "family labor," but in all cases that family member is their husband. Further, little evidence supports the fact that these Latina women capitalize on co-ethnic labor; only two businesses employed Latinos only and most employed white and Latino workers.

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