

“Latino Business Entrepreneurs and Social Innovators in Four Iowa Communities”



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Purpose of paper

- ❑ Understand background and experiences of Latino businesspersons and social leaders in rural Iowa
- ❑ Examine different ways that social innovators and economic entrepreneurs use community capitals in rural communities of Iowa

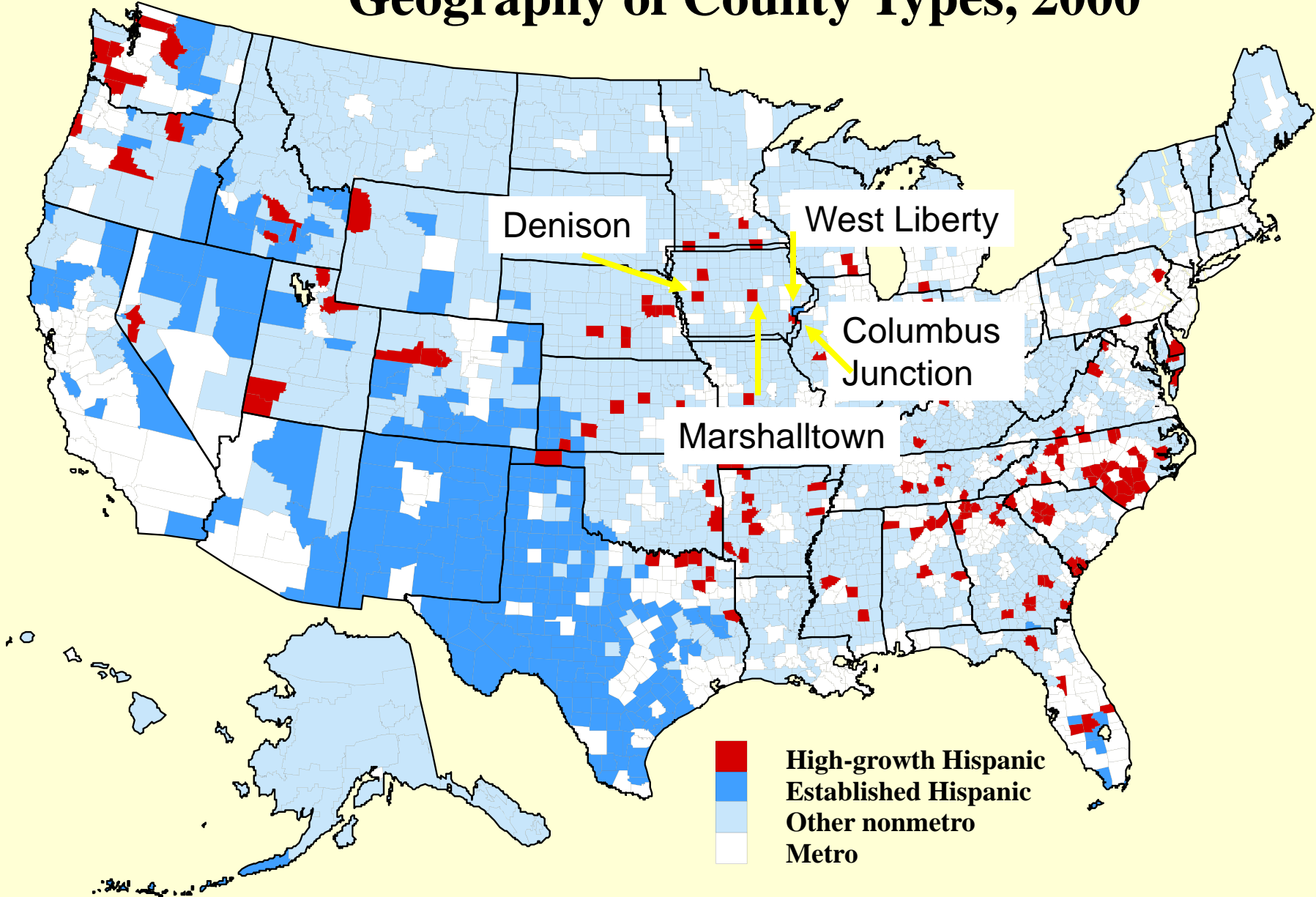


Definition of innovators/entrepreneurs

- ❑ Economic entrepreneur-In this case, a Latino business owner who uses innovations that are not standard for her/his reference group.
- ❑ Social innovator – An individual who is known by others as one who has contributed to the improvement of the condition of Latinos in this community.

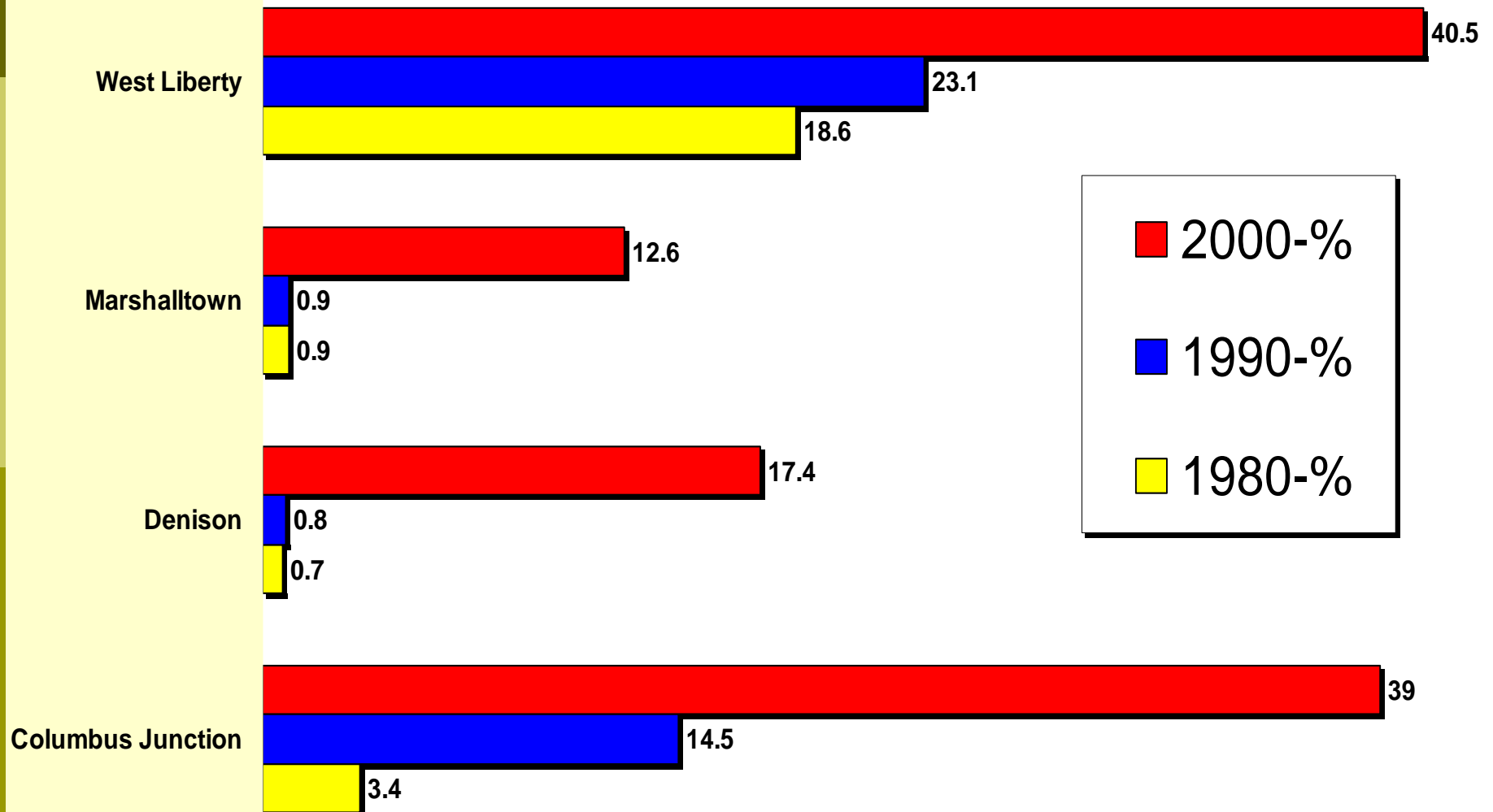


Geography of County Types, 2000



Source: Calculated by ERS using data from the U.S. Census Bureau.

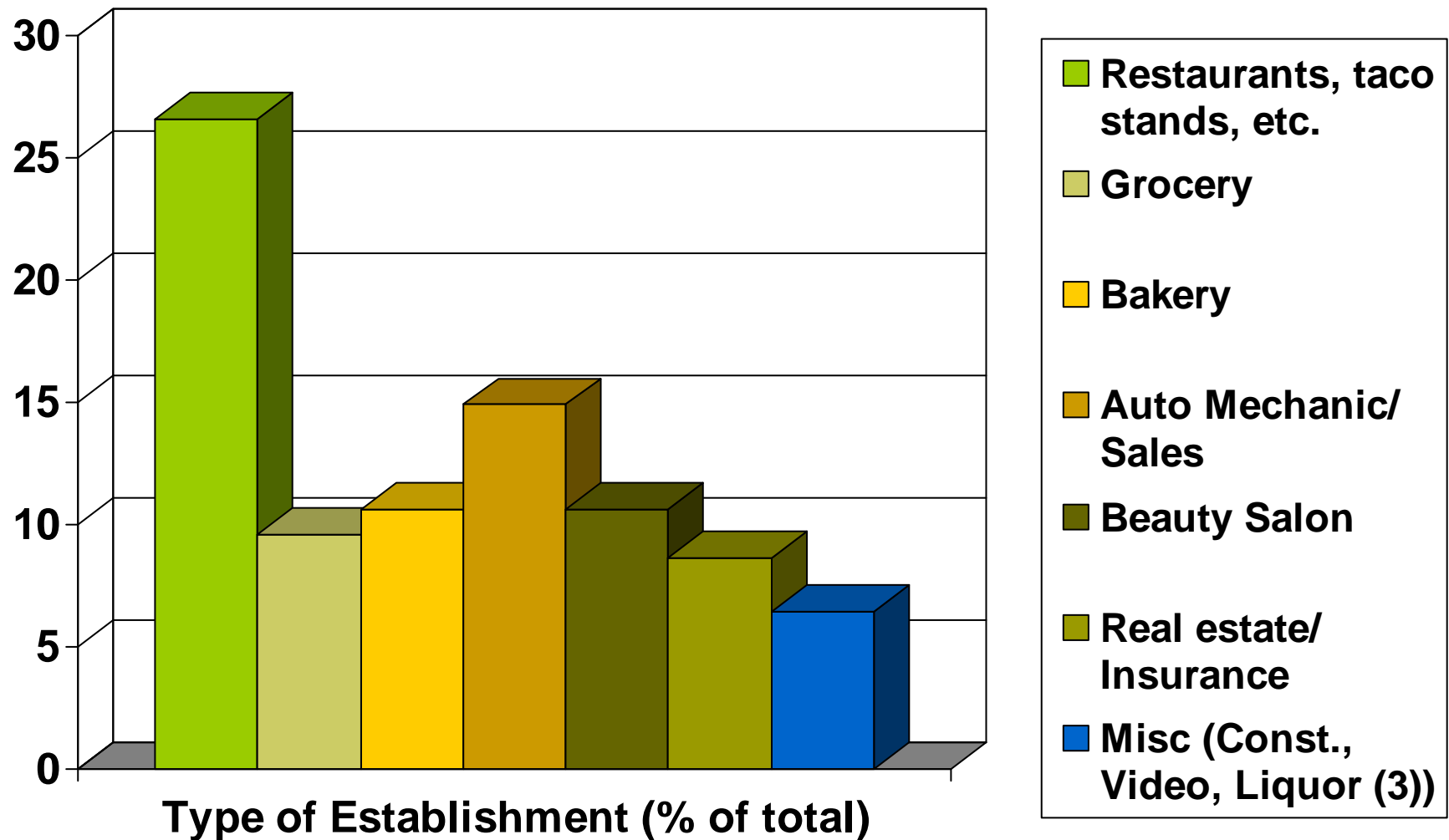
Hispanic Population- Percentages per City in 1980-90-2000



Iowa Communities where interviews were conducted

	Frequency	Percent
Columbus Junction	15	24.6
Denison	14	23.0
Marshalltown	13	21.3
West Liberty	19	31.1
Total	61	100.0

Business Establishments in Which Interviews were Conducted



Background characteristics of Entrepreneurs/Innovators

		Freq. (%)	# cases
Age	% under 35	18%	59
	35-50	53%	
	Over 50	29%	
Sex	% female	41%	61
Where born	Mexico	69	61
	Cent. Amer., Carib. Colombia	16	
	U.S.	15	

Characteristics of Businesses

		Freq. (%)	# cases
Year business began	1990s	15	47
	2000-04	38%	
	2005-07	34%	
	2008-09	13%	
Days/wk Business is open	One or two	6	47
	Five	4	
	Six or seven	89	
Business	in another comm.	9%	47

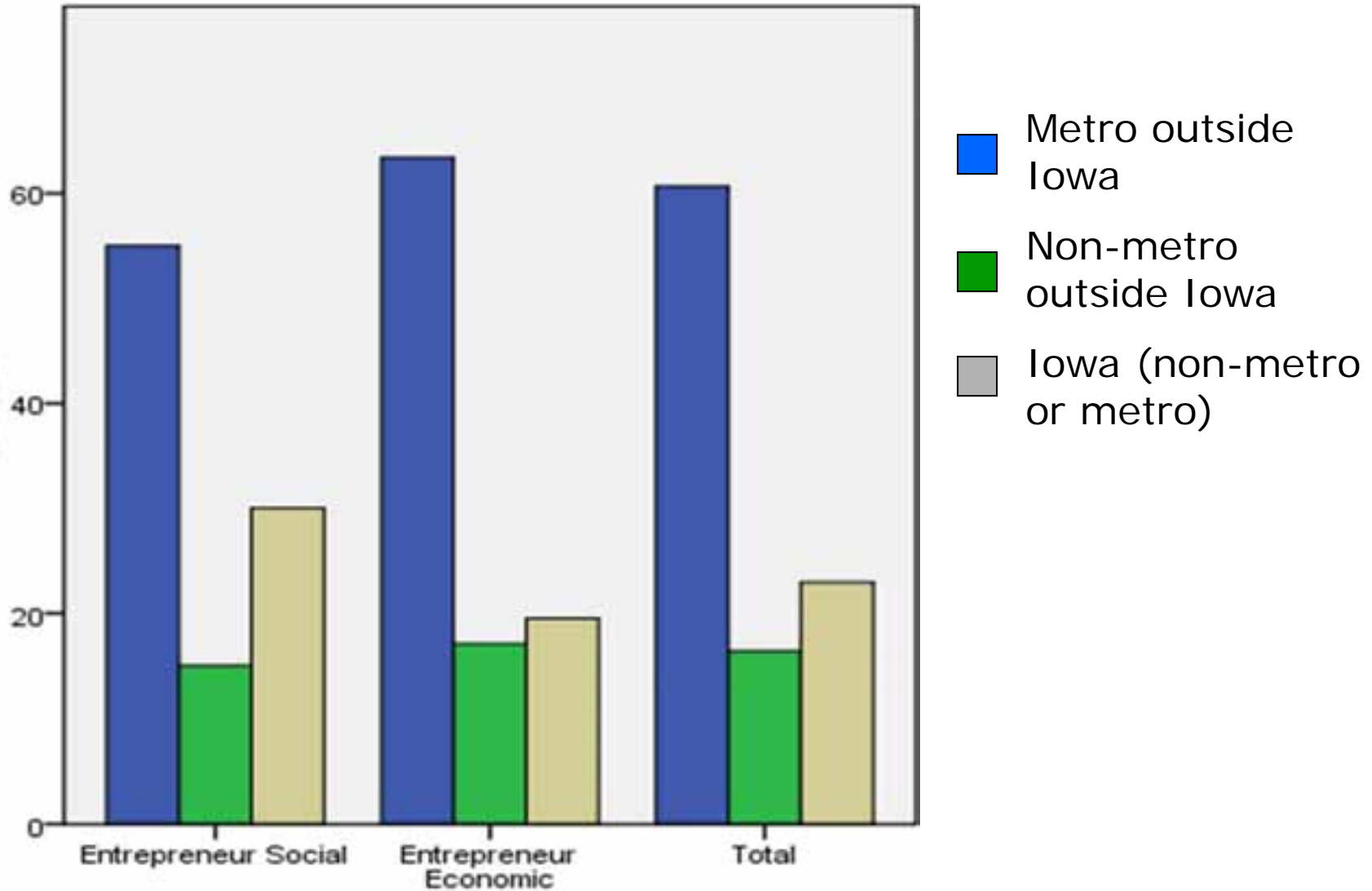
Labor Characteristics of Businesses

	Average # of workers	# of Cases
Avg. # of full-time workers per business (including owner)	2.9	47
Average # of paid workers per business	2.1	47
Avg. # of part-time workers per business	0.6	47
Avg # of family members working (besides owner)	1.02	47

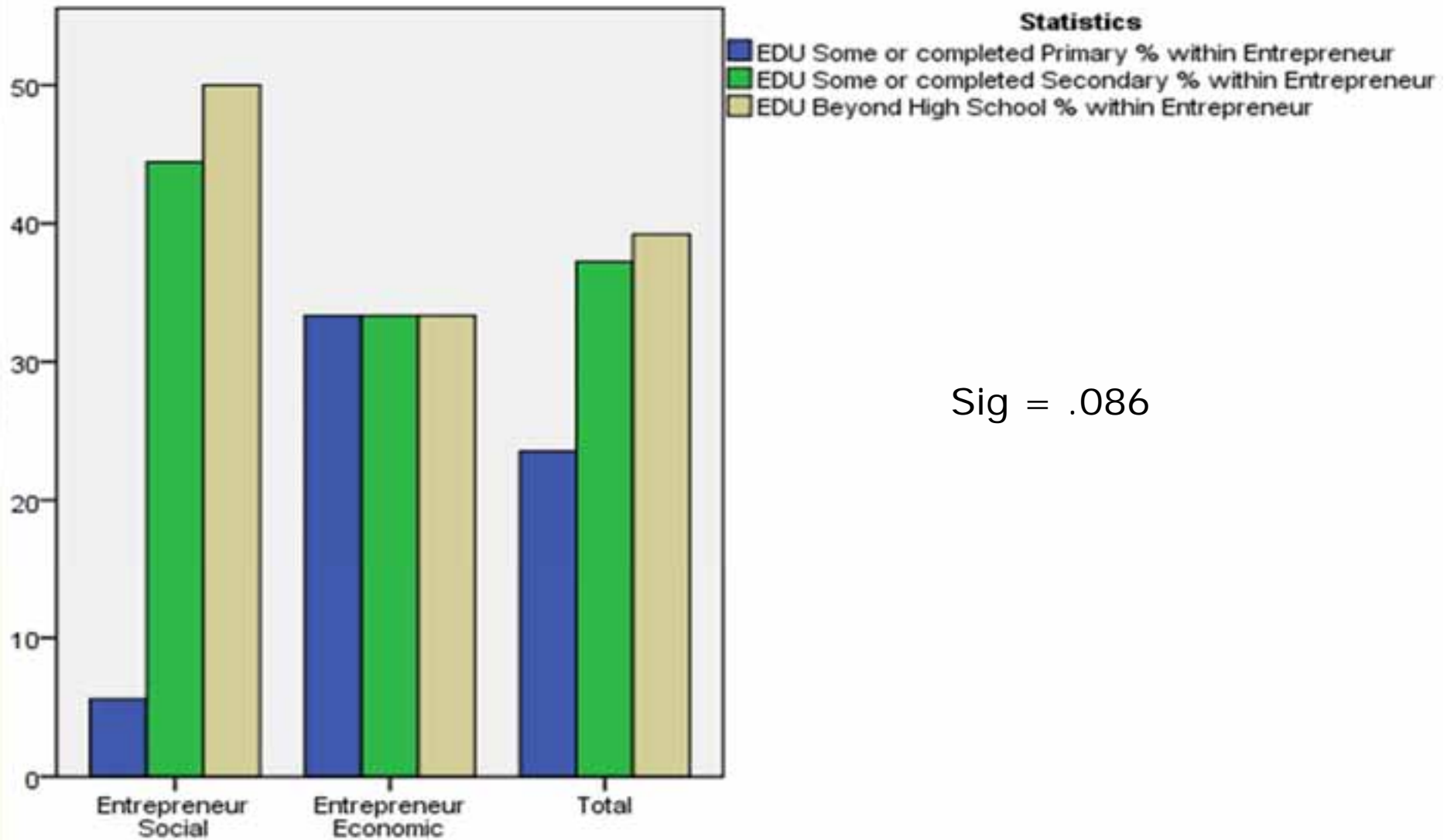
Where they grew up- Childhood mainly in:

Capital City	Social	Economic
	35.0%	9.8%
Regional city		
	45.0%	24.4%
Small town		
	15.0%	53.7%
Country side		
	5.0%	12.2%

First place they lived in U.S. – Human Capital

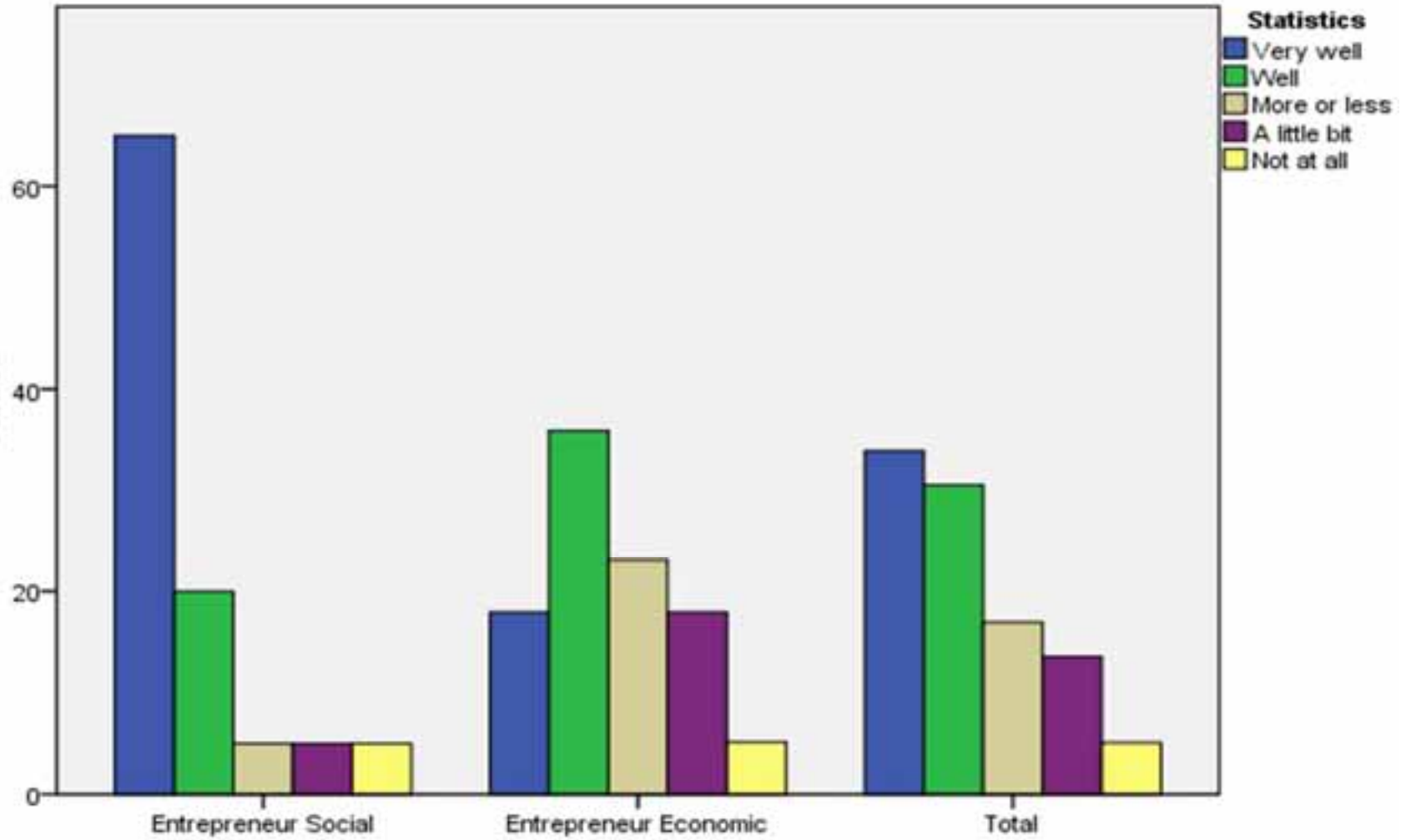


Human Capital- Level of Education Achieved



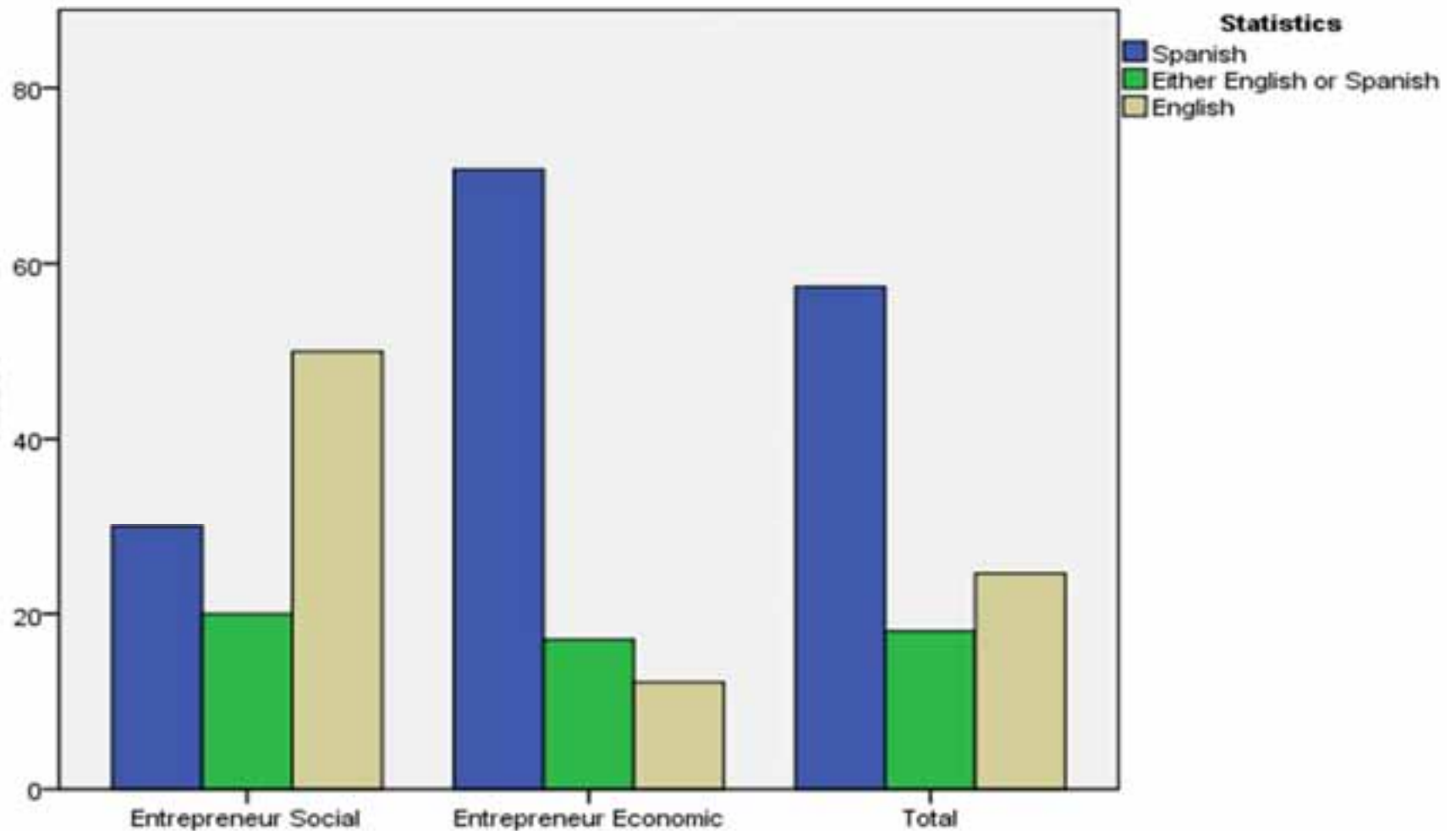
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Human Capital- Level of Spoken English

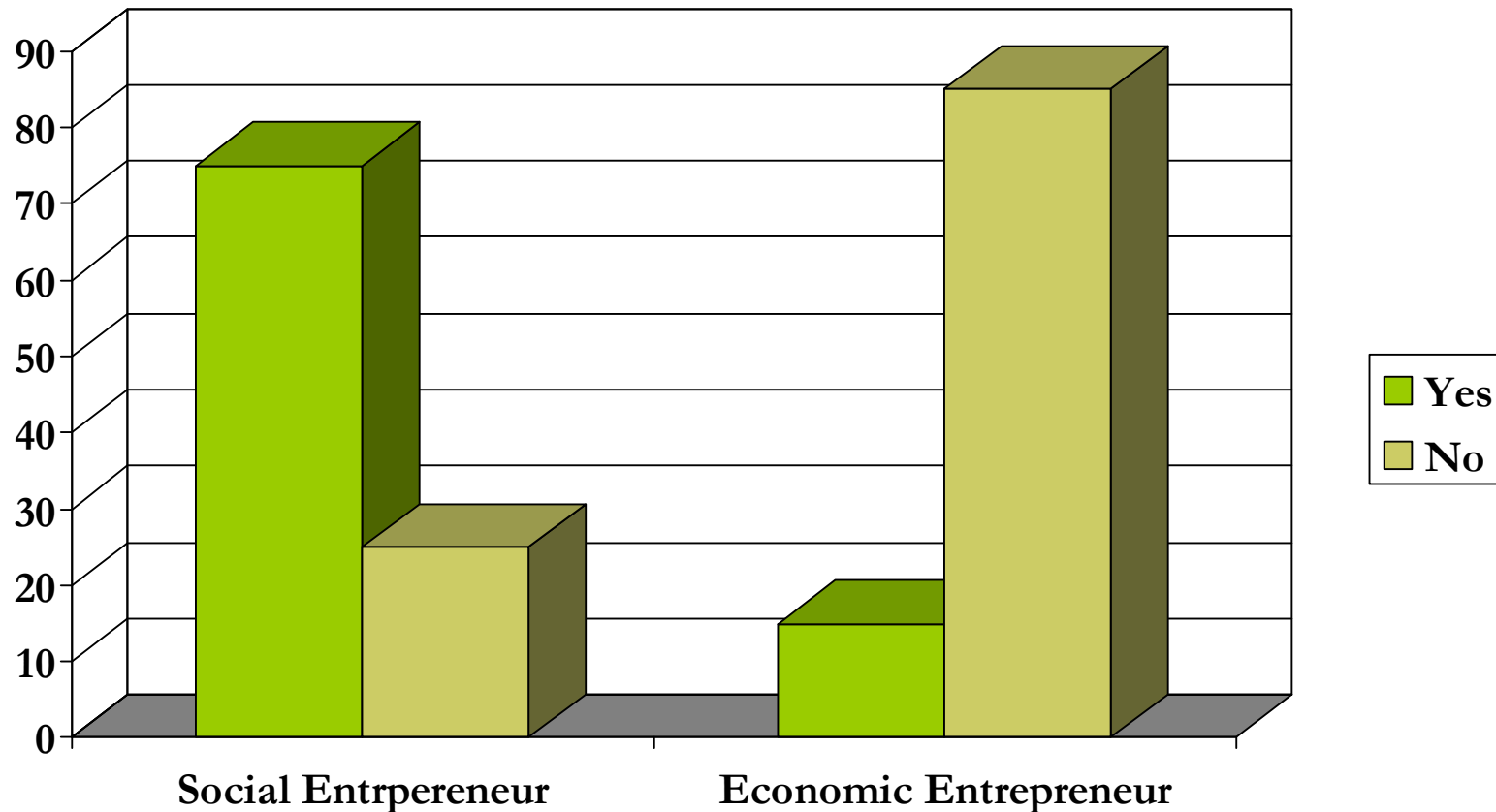


Human Capital- Language preference

Would you prefer to communicate in English or in Spanish?

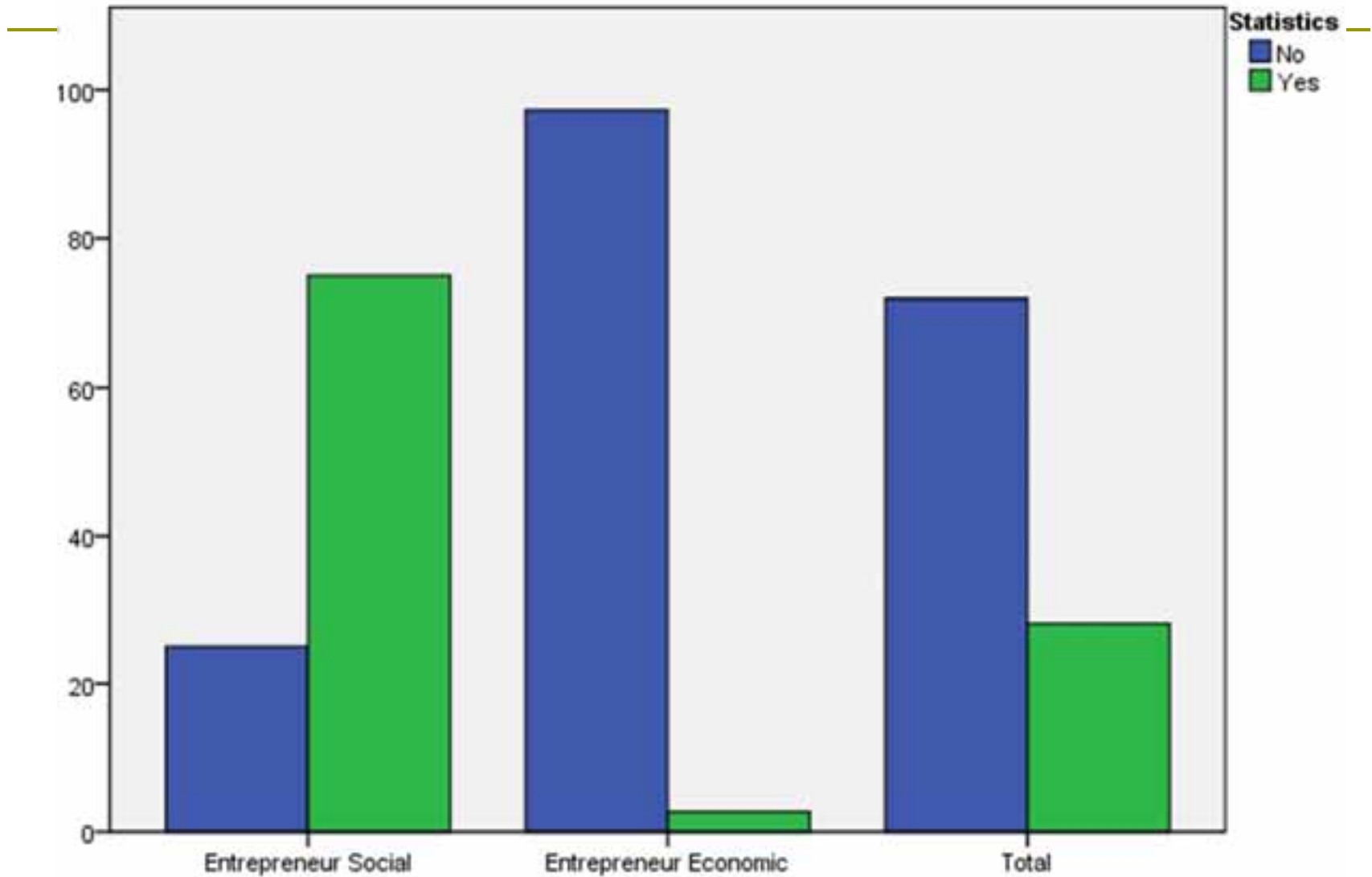


Linking Social Capital- Ties with Latino Organizations in Iowa and in the U.S.



No difference in proportion of close friends that are non Latinos; 80% of both groups had friends or relatives in the community before moving there.

Political Capital- Involvement in local political issues



Financial capital

- ❑ Often previous experience in business in Mexico or other parts of the U.S.
- ❑ Capital from business or home ownership in previous location used to purchase business in Iowa.
- ❑ Capital from savings obtained by working in packing plants
- ❑ Family capital is most frequent source of capital for businesses; rarely is bank credit used.
- ❑ Bring capital from outside – both urban U.S. and Mexico
- ❑ If they get a bank loan, bank recommends insurance agency and accountant.

Latino Street Front Business Conundrum

- ❑ Distrust of non-family (and some family)
- ❑ Stores all seek same market niche and thus compete by staying open longer hours
- ❑ Focus on customer loyalty results in duplication of inventory
- ❑ These factors leave little time for community engagement or business capacity building.



Conclusions

- ❑ Latino social innovators have more human social, and political capital than do economic entrepreneurs/businesspersons.
- ❑ The critical difference with respect to human capital is facility with spoken English.
- ❑ The two groups do not differ on cultural capital. Both seek to maintain their cultural heritage.
- ❑ Among Latinos, both social and economic leaders have acquired important capitals (assets) from their geographic mobility, and particularly from having lived in metropolitan cities prior to arriving to rural Iowa communities.
- ❑ For Latinos in small towns, it would appear that becoming a businessperson is a default response. It is chosen when other options are not at the ready.

That's all, folks!

