TOO BIG TO IGNORE:
Latina Microbusiness Owners

A Report from
Hispanas Organized for Political Equality (HOPE)

Elsa E. Macias, Ph.D.
**Business Ownership:**

Latina-owned businesses in CA increased by 111% between 2007 and 2016

*89% of all businesses are micro businesses*

- Sole proprietor
- Fewer than 4 employees

Latina-owned businesses:

- No employees
- Less than 5 years old
- Lower revenues per firm
ANNUAL AVERAGE REVENUE FOR LATINA-OWNED, WOMEN MINORITY-OWNED, AND WOMEN-OWNED BUSINESSES

- Latina-owned businesses: $51,400
- Women minority-owned businesses: $66,400
- All women-owned businesses: $143,100

White women-owned businesses: $212,300
Focus Groups: Fresno, Los Angeles, San Diego, San Jose

• Why do Latinas become micro business owners?
• How can Latinas be better supported to start, run and grow a micro business?
Findings:

Motivation:

• Increased independence and flexibility
• Determining the direction of their business
• Improving their financial security
• More time with family
• Accommodate personal and community values

“You make the rules, realize your ideas and be creative without having to run it by anyone.”

“I felt boxed in. I had all these skills and experience and I couldn’t use them, so I [started] a business that also helps people.”
Findings:

Latinas’ Top Goals:

▸ Grow their business
▸ Access capital
▸ Be more selective about clients
▸ Quit a full- or part-time job
▸ Donate to their community
▸ Hire employees who are paid a good salary
Findings:

• Need **more opportunities to improve business skills**, including accessing capital, creating business plans, outsourcing and determining the value of their services.

• Seek **greater support from mentors** and peers to learn skills, find resources, build confidence, counteract sense of isolation.

• **Language and culture** are an advantage, but they also regularly encounter **discrimination and sexism**.
Findings:

- Gender and ethnic/racial issues:
- Policy and regulatory challenges:
  - City and state regulations that are not business friendly
  - Uncertainty about taxes:
    - High business taxes and fees
    - Effect of import taxes on products
    - Federal tax code policies
  - Lack of affordable space
  - Discrimination in traditionally white business districts
  - Concern about the impact of uncertain immigration policies on their clients
Why Do These Findings Matter?

If CA Latina-owned businesses continue to grow at the current rate in 2019
52,000 new businesses would be created, generating $2.7 billion

If every Latina microbusiness owner in CA could employ one person, they would create 347,000 new jobs
Policy Recommendations

• Help Latinas increase their **awareness** /knowledge of business practices

• Ensure that Latinas are prepared to qualify to **access** capital

• **Simplify** business procedures and reduce fees to simplify entry to business

• Encourage **partnerships** between university business schools and Latina-serving organizations to create business **education** programs

• Invest in **research** on data and trends of the Latina microbusiness owner
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www.latinas.org/latinamicrobiz

For more information:

Maya Gomez-O’Cadiz: mocadiz@latinatas.org
Elsa Macias: emacias.phd@gmail.com