

# **TOO BIG TO IGNORE:**

## **Latina Microbusiness Owners**

A Report from  
Hispanas Organized for Political Equality (HOPE)

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## Business Ownership:

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

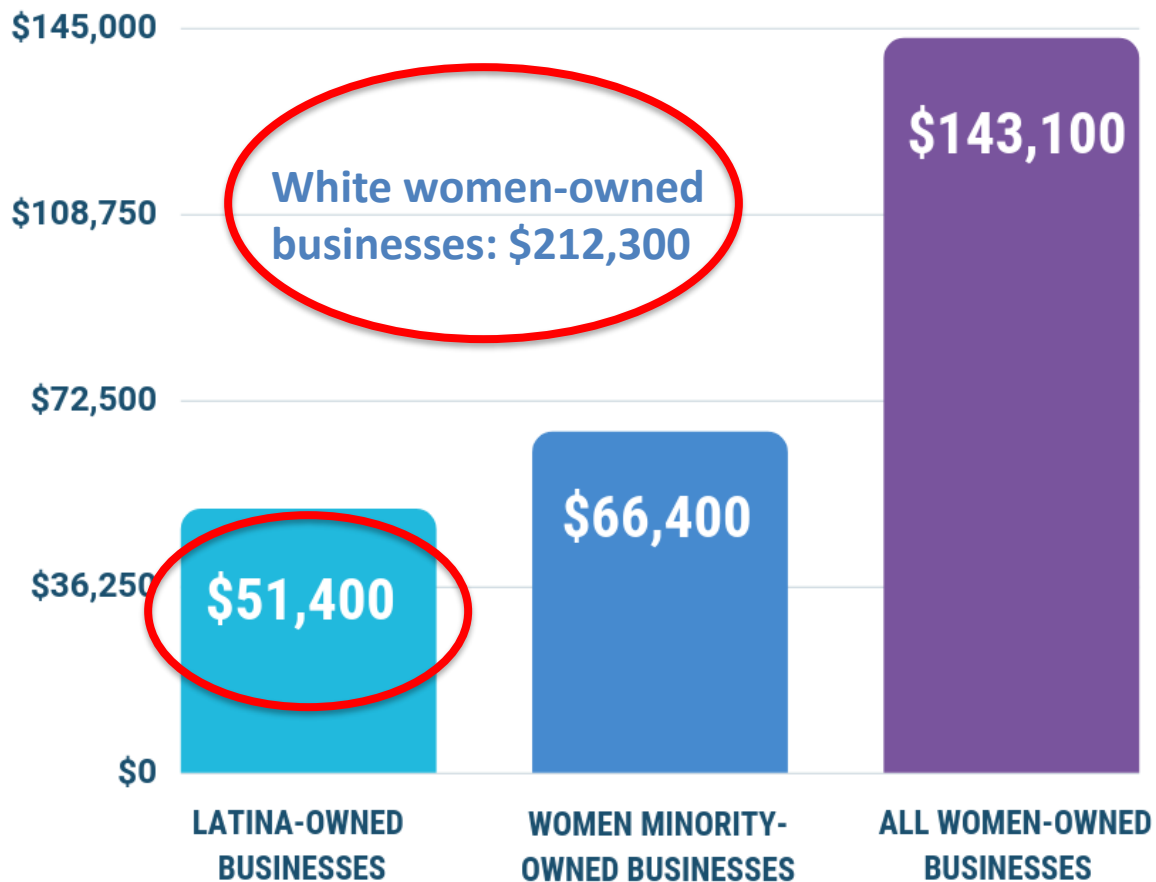
*89% of all businesses are micro businesses*

- 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



## **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.”*

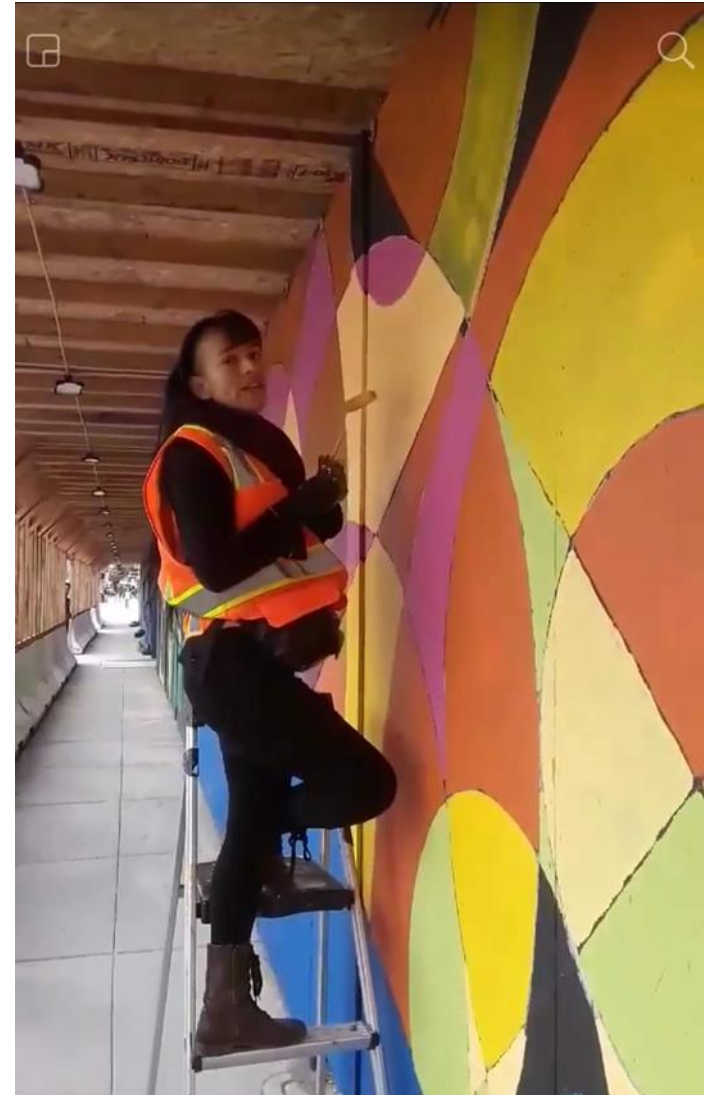
*“I felt boxed in. I had all these skills and experience and I couldn’t use them, so I [started] a business that also helps people.”*



## 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](http://www.latinas.org/latinamicrobiz)**

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