Profiles of Hispanic-owned small businesses in Urban New Jersey

by

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**Abstract:**

The purpose of this study is to investigate business practices, processes, decision-making and other characteristics of Hispanic-owned businesses in an urban area. Due to the fact that immigrant-owned businesses face unique challenges and may have differing approaches to small business management, a closer examination of these businesses is an important area of research. A qualitative survey method was administered in face-to-face interviews of a small sample of Hispanic-owned businesses in Elizabeth, NJ. The survey examined the country of origin, possible inheritance, location preferences, capital, marketing, networking, involvement in the local community, struggles within the businesses, and successes as well as failures. While the study only looked at a small sample of businesses, several findings from these Hispanic-owned business surveys were relevant and can be explored further in a wider sample of businesses. None of the businesses in the sample claimed high success rates, but they all reported earnings were sufficient to stay open and to at least cover their family and business expenses. Although breaking even was a common trend, no one reported plans of closing the business anytime soon, which is strong indicator of the cultural background. It is apparent that profit is not the principal motive for these Hispanic business owners, and that more complex cultural and family influences affect behavior and decision-making in many of these firms.
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Chapter 1: The impact of immigrant-owned businesses in the U.S. Economy

While immigrant-owned businesses have been around for a very long time in the United States, the impact they have in our economy seems to be larger now than ever before. Many countries such as the United Kingdom, Canada, Australia and the United States have higher levels of business ownership among foreigners than among the native born population. A recent study by the Small Business Administration found that immigrants in the United States were 30% more likely to start a new business than non-immigrants. The motivations and rationale for individuals and in particular immigrants starting their own businesses are numerous, and research in this field is very relevant to today’s economic environment. Some foreign-born individuals may be induced into entrepreneurship by government incentives, while others tend to start small ventures after exhausting job searches in already existing firms, indicating that some immigrants may have trouble accessing certain positions in the job market.

An example of government incentives aimed at increasing foreign investment in US-based small business occurred in 2007, when the Department of Homeland Security created a program that gives special admission to immigrants who will invest at least $1 million in a business that will create at least 10 full time jobs (www.uscis.gov). One fourth of the current engineering and technology companies in the country were started by foreign born entrepreneurs, who may have also been influenced by similar incentives. Yet for the many smaller less capital-intensive immigrant-owned businesses in the greater New York City area, including bakeries, dollar stores, cafes, restaurants, small retailers and others, the motivation, success factors and other issues may be very different, making it an interesting and relevant area of research.
According to the Small Business Administration Office of Advocacy, the socio-economic contributions of immigrant-owned businesses are significant and are especially important to certain economic sectors and geographical areas. In large states such as Florida, New York, and Texas, approximately 30% of all new businesses are started by immigrants. In addition, SBA statistics show that in 2008, immigrant businesses generated $67 billion, representing almost 12% of the business income in the United States. Immigrants also constitute 12.2 percent of the US work force, according to the 2000 US Census. With such promising figures documented by official sources on the successes of immigrant-owned business, this study seeks to determine if the experiences of actual business owners conform to these broader official observations. Through personal observation and experience in my community of Elizabeth, I selected this sample of businesses to try to identify how much the businesses are actually earning and contributing to these statistics. In addition, I wanted to try to gain some insight into whether the official recorded financial contributions of immigrant-owned businesses reflect the reality, or if the true numbers are much higher because of undocumented profits. The SBA used a probability formula that proved that immigrants are more likely to start a business at a marginal effect of 1.8% than US born individuals, taking factors such as gender, education, region, marital status, and racial and ethnic categories into account.

Due to these significant contributions of immigrant-owned businesses to this country’s economy and the especially important impact these businesses can have in smaller, urban neighborhoods that abound in the New York and New Jersey area, this study seeks to add to the body of knowledge on the topic. The organization of this thesis includes a very broad introduction to immigrant-owned businesses and their general characteristics. Chapter 2, which
is the Literature Review, assesses other published studies and articles related to this topic, and these previous findings helped to shape the methodology and specific survey questions of my study. The next chapters cover the methodology of the study and summaries of the findings gathered and analyzed from the fifteen Hispanic-owned businesses examined, drawing some inferences and generalizations from the research. The final chapters explore the various resources and technologies available to small businesses in the city of Elizabeth and nearby, and recommends some ways these businesses could improve some of their practices and processes.

Demographics of Immigrant Businesses

Across the United States, approximately 13% of small businesses are owned by immigrants, though in many states that percentage is much higher. The principal countries of origin of these owners are Mexico at 255,300, Korea 90,280, and India 60,210. This study’s focus will be only on Hispanic business ownership, since that is the dominant ethnic group in the area being studied. Other Hispanic countries with high levels of business ownership in the US include Cuba, El Salvador, Colombia, Dominican Republic, and Guatemala. Hispanic countries contribute 3.47% of the total small business ownership in the U.S. Many say that this contribution is based on the large Mexican population in the United States versus the Korean immigrants, among whom 22.6 percent own a business (www.census.gov). In addition, there are 1.6 million Hispanic-owned businesses in the nation, which employ 1.5 million people and earn approximately $220 billion in annual gross receipts (Essany, 2011). The expansion of Hispanic-owned small businesses has increased significantly over the past two decades, particularly in the last few years.
An important question that is often asked when examining success factors for small businesses, is whether the education level of business owners affect likelihood of success or failure or if it is correlated with any other variables, such as revenues, risk or growth. According to a study published by the SBA, the number of immigrant business owners in 2008 with less than a high school degree was 390,690, with high school degree 285,710, some college 310,100 and college graduate 449,920. These numbers show that the majority of immigrant entrepreneurs are either college graduates or have no high school degree at all. This data will be further analyzed and put in context in later chapters. We will see that there are immigrant owned businesses ranging from accounting firms to miscellaneous corner stores. These figures will be much more conclusive when we examine a specific area and sample it. One state that really reflects the enormous impact of immigrants is California, where almost 30% of registered small business are owned by immigrants (Fairlie, 2008).

Industries of Immigrant Ownership

The main industries with high levels of immigrant ownership range from agriculture, construction, retail trade, transportation, and professional services to even more complex services. Professional services, construction and retail are the dominant industries. If we take a closer at the construction business, it has been directly affected by economy and the present low market value of homes. People are not buying homes or properties or investing in home improvements like they were before the economic crisis, and sales are also generally down. The construction industry is also known for relying on undocumented immigrants for a lot of their labor needs. Many undocumented immigrants work as day laborers who wait to be picked up by
vans or trucks and often live on a meager income or go days or weeks without working. These undocumented immigrants are not counted in any official numbers or statistics, and most of the owners employing these individuals would probably not admit to it. In another sector, immigrants are a major contribution to professional services with an outstanding 15.3%. According to *Ethnic Entrepreneurs*, the level of proficiency in English directly affects the type of business that an immigrant will start. Proficiency in English was strongly associated with higher income, possibly reflecting the positive consequences of being orientated toward the non-ethnic market (Roger Waldinger, 1990).

Immigrants are starting new businesses in such rapid numbers, that one has to wonder what the reasoning behind that factor is. From all education levels there are approximately 81,100 new immigrant businesses per month with construction, retail, and professional services leading the top three (Fairlie, 2008).

**Reasoning behind Immigrant Entrepreneurs**

We have immigrants from different backgrounds ranging from various education levels to different religions. My research interest is the motivation, reasoning and aspirations that attract immigrants to consider starting businesses in a new country. The conditions that influence the self employment process can be separated into three categories: (1) pre migration characteristics, (2) the circumstances of migration and their evolution, and (3) post migration characteristics (R.Waldinger, 1990). The premigration characteristics refer to the skills, many immigrants may posses before even thinking of migrating to another country. Many of them may have a particular skill such as hair styling, sewing, carpentry and others. This is very important
because this may determine the type of business or job they might have in the future. The circumstances of migration refers to the reason behind them to another country. Some may be for the American Dream of opportunity, some may be for political asylum, and others may be to reconnect with other family. Another important factor is the circumstances of their migration. Some may come with a work visa, others may come already with residence, other may come illegally. The immigrant experience is extremely important because it can determine the motivation to succeed. The last factor of post migration characteristics refers to the situation the labor market may be when arriving to other country. As an immigrant you may skills, motivation, and flexibility to succeed but you may not find it as easy to find a job or to start a business. Some immigrants start a business because they can’t find a job in their field or do not want to work for anybody.

Small Businesses’ Contribution to the US Economy

As of 2008, the total business income for immigrants is roughly $67 billion. This represents almost 12% of the US business income. These figures do not reflect a high profit among these business, they reflect that these business are making an average of $46,614. This is $4000 less than per firm compared to those businesses owned by non immigrants. Hispanics constitute 2.1 of the total income for immigrants.
Chapter 2: Literature Review

Immigrant versus Non Immigrant Businesses

American entrepreneurs have always been praised for their innovation and ability to create something large out of one simple invention or idea. According to the article, *Entrepreneurial Melting Pot*, between 1997 and 2002, US businesses grew by 10%. Immigrant firms seem to be growing at a much faster pace. Asian owned firms increased 24%, Hispanic-owned businesses by 31%, and African-American-owned firms spiked 45% (Perman).

The Asian firms are growing twice as fast as American firms and produced approximately $326 billion in revenues in 2002 and that’s an 8% increase from 1997. Hispanic businesses produced $222 billion in revenue in 2002, a 19% increase from 1997. African-American businesses earned $89 billion in 2002, an increase of 25% compared to 1997 (Perman). Continuing with this article it explains that a lot of these statistics and increases were due to the availability of new programs like micro lending and also the instability of the economy, and insecurity and layoffs in many traditional industries.

In general entrepreneurs today are starting businesses because the instability of the economy and the lack of jobs available. People cannot fully state that they have a secure job position because there is so much uncertainty in the current environment. While the unemployment rate in the United States has decreased slightly to 8.3% (www.bls.gov), this is still very high and has a negative impact on consumer confidence and consumer spending. A lot of these new entrepreneurs both immigrant and non-immigrant, are choosing to start a business to create their own security. In President Obama’s American Jobs Act, the tax cuts and the
extension of the unemployment benefits will have a direct impact on minority-owned and specifically Hispanic-owned businesses (Castillo). This plan includes regulatory and legislative measures to help stimulate these businesses to expand in size and scale. Approximately 2 million Hispanic businesses will be affected. Years ago, many minorities were present in small retail businesses, but now they are present in IT companies, financial firms, consulting, and construction.

Both immigrant and non-immigrant small business owners will be faced with the question of how to grow both in size and in revenues and profits, especially with less access to capital in the tough economy. In California, both Hispanic and non-Hispanic investors announced the launch of a new bank, specifically for Hispanic entrepreneurs. It is a $20 million project targeted to businesses generating $1 million to $10 million in annual revenue, which leaves out many more common mom and pop type businesses, such as the ones interviewed for this study (Perman).

Advantages and Disadvantages of Immigrant-owned versus Non-Immigrant-owned businesses

For the American government it is extremely important to create a larger export base. Immigrant owned businesses have an opportunity in this area, since many times they share a lot of cultural similarities, language commonalities, family ties, and the ability to communicate with current and future places of export. Not only is this important for immigrant owned business but for the economy itself. Minority and Hispanic-owned businesses are twice as likely to export compared to non-minority businesses. This statistic is based on businesses who generate more than 20% of their sales on exports (Castillo). Looking at Hispanic businesses, they export to
Colombia and Brazil, which are currently a few of the fast growing markets. Immigrants have a higher rate of self-employment than US natives.

Some disadvantages that immigrant business owners may face are limited business experience, cultural barriers, poor to non-existent credit history, limited collateral, cash flow and equity, lack of management knowledge, and the poor real estate climate and increased cost of utilities (Moronta).

Non US-Born Hispanic owned business versus US-Born Hispanics Businesses

The experiences from non US born Hispanics may be very different from US born. There are certain sacrifices that non US born may have to experience before even getting to the level of US born Hispanics. Non US-born Hispanics are more likely to remove themselves from wider (that is, majority, here Anglo) social groupings and become more isolated (DelCampo). Some factors that may be present for Non US-born can be discrimination or even the perception that there is some sort of discrimination. In addition, analyzing these two groups through the lens of Hofstede’s cultural dimensions, Hispanic owners born in Mexico and other Latin American countries, tend to more collectivist, while US-born Hispanics are more individualistic as a result of being more Americanized. In addition, non US-born Hispanic owners tend to exhibit higher levels of uncertainty avoidance or aversion to risk, than those owners born and raised here in the U.S. These tendencies manifest themselves in the level and type of business risks owners are willing to take on, and also their long term strategies on growth and success.
Education Level’s Significance in Success of Small Businesses

A research study was done in Texas to understand whether there was any correlation between the owner’s level of education and the success of a business. In this research a sample of 1110 business were interviewed but only 228 were effective interviews to use for analysis. The questions asked ranged from demographics and educational backgrounds, to the current success of their business. Then it was put on scale with other factors such as sales volume, number of employees, education levels, and longevity. The influence of a college education on small business success was noticeable and reflects the continuing need for higher education to cope with technological advances, business competition, and the changing global economy (Al-Zubeidi 3). Continuing with the results of this study, the author found that education was a significant factor in terms of understanding business growth. Previous studies have already stated that we are seeing a new trend of younger entrepreneurs who although are more educated they are less experienced in the field of business. Although the number of small businesses being created has increased, the number of failures has also increased, detracting from those gains. No correlation between a specific major and business success were found, but there was a correlation between education itself and business success in terms of sustainability. What can be inferred from this study that education provides that connection with reality, long-term planning and the fast paced growing market. Technology plays an important role in business growth, and many times the lack knowledge of technology can have a negative impact on businesses.

Another relevant study, Impact of Level of Education and Business Experience on Business Success among Small Retail Owner Managers in Sri Lanka, found that two key demographic variables that influence entrepreneurial activities are level of education and
business experience (Wanigasekara & Surangi, 2010). Something interesting also discovered in this study was that for lenders it was easier to give out loans based on experience and education. This study only contained 33 owner managers from the retail sector. The results found that education was significant because it provided knowledge of modern managerial skills. The owners and managers in this study’s sample with formal education were more successful than those who did not have a formal education.

**Advertising using social networks negative and positive effects**

Another element of success that I discussed with owners is their advertising strategies. There are many success stories of a small business that was able to grow and expand nationwide with a creative advertising and promotional strategy that leverages the internet and social networks. There is a hamburger chain called Smash burger that started out with three locations that has now expanded to 150 now nationwide. None of this would have been possible without social media networks. The burger giant started to add coupons and trivia questions to its 67,000 followers on Facebook (Petrecca). Both its Twitter and Facebook followers write both positive and negative feedback about its new and current locations. This gives the chance to give those who really like their product coupons to continue to visit the locations, and instinctively giving the chance to spread the word-of-mouth.

"Social media is an opportunity for us to engage with consumers and have a conversation, which is different than paid media, when you're just shouting through a bullhorn." says Dan Galbraith, owner of marketing support company Solutionist and a National Small Business Association board member. He also states that it is crucial to promote brand awareness, improve
customer relations, garner market research, and even bolster sales. Social media networks may not be beneficial for everyone but at least it is a fairly inexpensive medium for potentially reaching a large number of customers or potential customers. Some companies are not realizing that laws need to be in place because of the growing social media networks sites. According to Negative Effects of Social Media on Business by Catherine Lovering, from Demand Media, there are five negative effects that can result from these networks. The first one is a Market Shift which means that businesses have to work much harder on cultivating and maintaining relationships with consumers and the public. The small business used to selling products from a one-sided relationship, may have to adapt to the new environment, taking advantage of this modern medium for advertising and communication. A second potential negative factor is Increased Customer Power, which is the customer’s ability to publicly and instantly publish negative feedback of a business. Not only does the product have to be effective but the customer service that comes with it also. This is very true because even large companies, who sell the same products rely on their customer service rather than the product itself. The third factor is tracking negative or misleading statements, which is due to rise of blogs and massive amounts of social sites, companies may have a hard time tracking negative or slanderous statements about their company. This study is focusing more small business, but this could happen to any business, unless you have someone hired to specifically make sure nothing false is out there about your company, this will have a direct negative effect. The next factor is accidental release of confidential information. This might happen with employees who speak about work-related issues through media networks, and they may disclose the company’s competitive advantage or something confidential by accident. The employee may not realize that competitors do look
sometimes at these sites, for those errors. The final factor mentioned in this article, also has to do with unauthorized employees speaking on company's behalf, which happens because sometimes companies cannot monitor their employees’ social media activity. Some businesses may have issues going on, even legal ones, and an employee may speak about it without the owner or manager’s knowledge, which can create publicity and public relations problems. In the businesses interviewed, I tried to determine how effective these media networks can be or if they are even used. Also what needs to be taken into consideration is in order to have or belong to one these sites you have to dedicate time to it, in order for it to be effective. It has to be consistent and updated daily, and many business owners have learned to use their phone for that because it is time consuming. If the business cannot plan ahead for such circumstances and the high pace of social media communication, there is no point in trying to advertise this way.

There are specific websites or apps for companies who simply want to offer discounts to attract consumers. Groupon is the newest and many companies are seeing how beneficial it can. Groupon is good, if your goal is not to offer that much or feedback. An article (Thammineni), describes some reasons why and why not to use Groupon. Some circumstances that would make Groupon a potentially effective tool are when you have excess inventory or excess capacity, or when your immediate strategy is staying open, attracting the newer generation, or to familiarize other segments with your product.

Although business is moving rapidly into the new millennium of networking, as stated before it could hurt a business as well. In the same article (Thammineni), it states that if a business is not ready for a larger crowd although it may be lacking sales then do not use these networking sites. Especially if coupons are to be redeemed on a certain date, people might wait
for the last minute, and a business may not be prepared for that. The second point this article makes is that as a business you have to make an analysis of whether the discounts you are giving will be enough so that you build a relationship with this potential new customer and come back again.

**Business within Business**

Entrepreneurs are facing a dilemma nowadays because they want to start a business but the rents are increasing so rapidly that they cannot afford it. Especially as upcoming entrepreneurs do not have the resources or many times the security that their business may flourish, they tend to move to the next best thing, which is office rental space or retail space, depending on the business that it is in. The businesses that were interviewed are located in an urban city called Elizabeth, where the leasing of office space may be very expensive, but not hard to find. There are actually a lot of vacancies available but not enough prospective renters. For a small office space of 700 square feet on a second floor, and on a main street it costs about $1,630 a month, with current listings. For a larger business, on the other side of town it costs $2,190 a month with 3,200 square feet. The second business is a bar/restaurant with a liquor license. The price does not sound bad, but the part town it is located is not the best and definitely not on a main street.

These prices may be very elevated for some entrepreneurs who may only need a desk, some visibility for potential clientele, a phone, and maybe a conference room. The new trend is to rent office space or retail space within an existing business. According to Simon Crisp, many people who have existing businesses from their homes, feel like they are ready to take that step forward and have some office or retail space but want to keep costs low. *The start-up guide to*
renting desk/office space by Crisp gives 5 reasons why if small business owners operating from their homes might be better off renting shared office space with other businesses. The first reason is that at home, there are many distractions, such as family, television and many other things, and also the business is growing you may need a space for actual meetings. The second reason is if you want to have potential employees and want to be established as an official business you need a base. Renting an office space close to a main street or even busy street can be possible. The third reason is basically the growth of the business if business has potential to grow in three years, saving the money on a large office space will be beneficial considering the possibility that profit may not be made in the first year or two. The fourth is to not waste unnecessary money on renting, when you can share with other businesses. The final is to take advantage of the space to network will the other businesses in it, and it clientele as well.

Another commonly used business arrangement that entrepreneurs can take advantage of are business incubators, which can house many types of businesses, but are particularly common in technology, service, and light manufacturing. In business incubators, the space is generally shared with 15 to 20 other startups that enter a business incubation program for a period of a few years (Clark). The business has to apply for admission and it is competitive because while in this program there will assistance in management, financing, technical services, and even network opportunities. The idea is to make these business successful from a long term perspective. The rates will depend on the location and program. The National Business Incubation Association is available to give an entrepreneur the rates.
Chapter 3: Methodology

This study is a qualitative study that used primary research gathered through unstructured personal interviews of business owners. The study was designed to examine several hypotheses. The first hypothesis is that many current Hispanic businesses do not have detailed business plans, which could be an impediment to success. The second hypothesis is that many of the businesses are not making a profit, but are not aware of how to remedy this. The third hypothesis is the businesses are not networking and taking advantage of many of the resources that are available to benefit them. Finally the owners of the businesses are not opened minded because of culture. All of these hypotheses were developed as a result of personal observations living and shopping in the area.

Selection of Businesses

Fifteen businesses were identified to participate in this study. A basic and simple survey was administered by me to the owners of these 15 small businesses. The questions asked were very similar (See Appendix), but there was no specific time limit to the interviews, so some individuals elaborated in more detail and therefore I was able to get more information on certain businesses. It was very difficult to get an interview with many of the businesses. The first idea was to walk in these establishments and explain to them that it was a research study for school and all that was needed was a consent and 15-minute interview. It was not as easy as that. The interviews first started with owners that I personally knew. Then it became the establishment that I am client of. There was no rejection in those places, and I believe this is because they did not...
want to lose a client. An individual may visit several places during the week but it does not necessarily mean the owners are Hispanic, and that is what I encountered.

The interviews that were planned to be 15 minutes, were minimum a half hour to 1 and a half hours each. The reason is some people felt that for the first time they could vent with someone about their success or failure. All the interviews were done in Spanish because the owners’ English was not sufficient enough to get conclusive answers. Some questions were not answered properly and some of the owners were not as open as others, but the fact that they were interviews conducted on a one on one basis was an excellent opportunity to see not only verbal responses but also facial responses. As an interviewer you understood the person that much more.

The findings were interesting and reflected some of the research conducted during the literature review process for this study. While it was not a big enough sample size for statistical generalizations, the findings from these businesses provide further evidence of some already existing studies and also some new insight into business decision making processes in Hispanic-owned businesses. I also learned that for future research, several visits should be made to establish a rapport and more trusting relationship with the business owners, since many individuals were reluctant to share specific information about profits and revenues, partly due to the lack of confidence.
Chapter 4: Results and Findings

In this sample, 6 of businesses were owned by Colombian immigrants which is not a surprise considering the high percentage of Colombian immigrants in the city of Elizabeth. They range from 22 years in this country to only 5 years. From the three Ecuadorian owned businesses, one of them has been in this country for 43 years, but the owner has not always owned a business. The other two were here for 28 and 30 years respectively. The next two Mexican owned businesses owners have been in the US for 20 and 13 years. Only one business owner was from Chile and has been here for 20 years. The Venezuelan owner has been in this country for 32 years but has owned the salon for only 2 years. The Dominican owner has been in this country for only seven years but has owned his store for 6 years. The other businesses will be explored more in detail, when discussing certain aspects discovered in the interviews. The basic data from each business is listed below in Table 1.

Table 1: Data on Small Businesses Interviewed

<table>
<thead>
<tr>
<th>Country of Origin</th>
<th>Years in the U.S.</th>
<th>Type of Business</th>
<th>Year Business Opened</th>
<th>College Degree Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>13</td>
<td>Restaurant</td>
<td>2008</td>
<td>N</td>
</tr>
<tr>
<td>Mexico</td>
<td>20</td>
<td>Tailor</td>
<td>2000</td>
<td>N</td>
</tr>
<tr>
<td>Ecuador</td>
<td>43</td>
<td>Jewelry</td>
<td>1998</td>
<td>N</td>
</tr>
<tr>
<td>Ecuador</td>
<td>30</td>
<td>Beauty Salon</td>
<td>2009/1993</td>
<td>N</td>
</tr>
<tr>
<td>Country</td>
<td>ID</td>
<td>Business Type</td>
<td>Year</td>
<td>Success</td>
</tr>
<tr>
<td>----------------</td>
<td>-----</td>
<td>-------------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>Colombia</td>
<td>16</td>
<td>Convenience Store</td>
<td>2006</td>
<td>N</td>
</tr>
<tr>
<td>Colombia</td>
<td>12</td>
<td>Fortune Telling</td>
<td>1992</td>
<td>N</td>
</tr>
<tr>
<td>Colombia</td>
<td>21</td>
<td>Tax Services</td>
<td>2004</td>
<td>Y</td>
</tr>
<tr>
<td>Colombia</td>
<td>22</td>
<td>Clothing</td>
<td>2009</td>
<td>N</td>
</tr>
<tr>
<td>Colombia</td>
<td>5</td>
<td>Clothing</td>
<td>2011</td>
<td>N</td>
</tr>
<tr>
<td>Colombia</td>
<td>19</td>
<td>Salon</td>
<td>2005</td>
<td>N</td>
</tr>
<tr>
<td>Venezuela</td>
<td>32</td>
<td>Salon</td>
<td>2010</td>
<td>N</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>10</td>
<td>Convenience Store</td>
<td>2008</td>
<td>N</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>7</td>
<td>Convenience Store</td>
<td>2006</td>
<td>Y</td>
</tr>
<tr>
<td>Chile</td>
<td>20</td>
<td>Perfume Store</td>
<td>2005/2009</td>
<td>N</td>
</tr>
</tbody>
</table>

**Proposed Capital Needed**

A small convenience store owned by a Dominican, started with a capital of approximately $40,000 in 2006 when it opened, yet claimed it was not nearly enough. It was all he can borrow, and just used it accordingly. It did not fill the store’s shelves but it was enough to open the store. This store owner claimed that the real capital needed is probably around $80,000 to fill the shelves considerably. Changing to a different type a business, a salon that opened it
2009, said it started the business with $25,000 but it was only because the rental agreement of
the establishment included most of the large equipment like chairs, desks, stations, and she had
to buy small hair appliances on her own and products. This owner had previously owned another
salon in 1993, in New York City, but went out of business. For a small restaurant that includes a
bar, the owner a Mexican immigrant said $100,000 was small estimate of what he actually
spent. The business bought from a previous owner who was failing and sold the business to
break even with the furniture and even existing alcohol. A miscellaneous store owned by
immigrant from Chile ,had products ranging from perfumes to makeup said that $10,000 was the
starting capital because she want to take out any loans. Other convenience stores ranged from
45,000 to even 90,000 but all claimed that it still was not enough to fill the business with
products. A Colombian business offering from tax preparation, to overseas package service,
started with a capital of $72,000 on an equity line and $80,000 on credit cards, but claims to have
made the wrong decision when deciding to use credit cards as part of her capital. She claims
that her credit cards after 8 years of business still have not been completely paid. Moving on to a
different type of business, a Mexican tailoring shop, that also sells imported jeans claimed that
only needed $20,000 to start the business in the year 2000, claiming that much equipment to run
the business it is more based on skills. The other businesses did not disclose the amount but in
brief summary they claimed that what they thought they need as a capital was no where enough
to reality, but because of the lack of resources they started with what they had and progressed as
time moved on. The next topic to be explored is the level of education; this could a play in the
decision making of the capital needed.
Level of Education

This question was not directly asked in the interviews but for many it was exposed. It was exposed because most people who have a degree or have particular achievements in education are proud of their achievements, especially in the Hispanic culture. For many, it was hard to tell whether they had post high school education, because the answers to some questions remained vague, while others felt the need to express their situation, whether good or bad. One of the Hispanic owners, is a lawyer in the Dominican Republic, and claims to use his knowledge to run his business, at least in terms of discipline. He claimed that he opens his businesses at 5:30 in the morning because it is a convenience store; people need him to be open. He leaves his store at 10:00 pm, on a regular basis, and he states that when studying law was very similar, so remains with same attitude and discipline. The owner of the tax preparation services firm said that she studied Accounting in Colombia and had to revalidate her degree here but she still does not feel that her business is progressing enough. Those were the only two that exposed their post high education, the others either did not mention it or claimed they only did high school in their home country. The text topic is what were these owners doing before owning these businesses.

Previous employers

All of these business owners had previous experience working for someone else, when arriving to the US. From all the businesses that I interviewed it seemed as if most of them worked in something related to the businesses they own, but a few worked in an unrelated area. The Accountant business owner, claimed to have cleaned houses to making food to survive but because of the lack of motivation in her previous jobs the motivation to revalidate her degree
became even stronger. Others reported previous experience in real estate, car sales, retail, working the same trade they do now. A conclusion can be made that most owners interviewed in this study decided to start a business because they did not like working for someone else and felt they could progress more on their own. The next is to understand how the businesses currently run and if technology is used.

Use of technology

Although we are in 2012, the internet does not seem to have entered in many of these small businesses. Maybe the age of the business owners plays an important role because they are used to old ways of doing commercial transactions. These businesses lack technological innovation and even the motivation to use it. One salon had great new equipment, new renovated establishment but no computer in sight. Another small perfume decided to upgrade in a month to the use of credit cards and emails as request from suppliers, but at the present time there is very little use of technology in this business. A tax preparation business uses email but does not use internet with her clients, only discusses in person and through phone. Only one bar used an internet website, but it really is irrelevant to the business because it seemed like it was created to attract more customers, but no one was updating the website, nor was it designed well. Considering the market segment they are trying attract, the use of the internet as a tool may be less important than in a neighborhood targeting customers in different socio-economic groups. This use of technology is important for the next topic because it affects the advertising.
Advertising

Advertising is extremely important to many of the businesses because of the amount of competition there is. The types of propaganda used range from church bulletins and flyers, local newspapers, business card, post cards that are handed down in the street or put in local places for people to grab. It seems that advertising is important to a certain extent. Many of these businesses are really trying to just get their name out there enough but expect it to be word of mouth that does the trick. Another way of advertising by a local jewelry store was by giving free jewelry cleaning with the purpose of attracting customers and traffic to their business. This jewelry store also does sales with certain earring and silver. Also it does layaway to accommodate those customers who would like to purchase something but cannot afford it at the time. The next factor that we want to look at is if there is any relationship between education and success of the business.

Relationship between Education Level and Business Success

It is hard to tell from these brief interviews whether education plays an important role in the success of business. One thing that can be said, is the lack of discipline and knowledge of certain trade is what is driving these business down more than the actual economy. An owner of a beauty salon claimed that she did not need to reduce her prices on her services because her services were so great, that it was not needed. The time I was there to conduct the interview not one person went in the salon. She even claimed that she barely broke even every month, that her boyfriend sometimes helped her pay the bills with his own money. Another small perfume store, opens at 12 pm, and closes maybe at 7 pm, but claims that they are not breaking even. Both of
these owners claimed to not have post high education, and seem to lack one discipline and others knowledge of their business. Since education data was not gathered on every owner, a more general conclusion cannot be drawn relevant to the study.

Primary Source of Income

This question seemed to be very straightforward, yet astonishing as results. Only 1 out of the 15 businesses said it was not their primary source of income. There is nothing wrong with that, but considering that more than half of these businesses are barely breaking even so it seems like a real issue. Are these businesses owners below the poverty line, in terms of profit, because if they are just breaking even does it count as profit? The business owner that stated that it was not their primary source of income, and that he worked for Snapple for last 17 years, and that this small business was operated by his wife until he arrives from his other job.

Family owned businesses or inheritance

None of these businesses were inheritances but they are family owned. The tailor business is a family owned operation and they own two more in other cities. He did not explain how profits are divided but said each brother just worried about their own location although it is under the same name. Some explained that they had owned a business previously but decided to expand or own a larger business.
Summary of Findings

As these interviews revealed, the intentions of these Hispanic business owners were to create a profitable business, but because of various circumstances and also the tough economic environment, they struggled with the process. Although the interviews were limited, the assumption that can be made is that there are not enough accessible resources for Hispanic business owners, particularly for the mom and pop-type businesses that are not employing large numbers of people and qualified for government incentives. Another issue is that the owners themselves are not researching enough to take advantage of the existing opportunities, and in addition, the owners are not networking and joining various groups and chambers of commerce that could benefit them. These owners are not exploiting the potential of their business because they are not looking with open mind at other possibilities and what they could do to improve in their business. Also some of these businesses may not have the potential to stay open with their current product offerings, which are not differentiated enough from competitors’ offerings. Only one business had a marketing plan, and many of them are running without any type of structure. Most of the businesses admitted that they were barely breaking even but that they were running their business fine. I think that part of the general inability to see the defects of the business is due to various cultural issues, such as self-reliance, closed mindedness, risk aversion, and a lack of networking. In the next section, we will explore the resources available in terms of financing for business, in terms of location, and studies of why these businesses may not be exploiting their full potential.
Chapter 5: Opportunities, Financing and Resources for Urban Small Businesses

Not only is the money important for these business, but also the knowledge they can possibly receive. In this research project, one hypothesis that is being examined is whether or not there are enough resources available for Hispanic businesses to be as successful as non Hispanic, or non immigrant-owned businesses. There are many local non-profit groups but there are also nationwide groups that give advice to uprising and current Hispanic business owners. According to the Small Business Administration, some of the programs available for Hispanics to receive mentoring are:

- **Minority Business Development Centers (MBDC)** local MBDC can connect you with loan programs, training courses, one-on-one assistance, and other services that help minority business owners succeed.

- **Small Business Development Centers (Centros de Desarrollo Empresarial)** SBDCs provide small business advice, training and networking opportunities in local communities across the country.

- **United States Hispanic Chamber of Commerce** This national body can connect you with over 200 local chapters; find a local Hispanic Chamber of Commerce.

Some of programs available for financing are the 7A loan programs, which are designed to provide financial help for businesses with special requirements. The loans available are for those firms that deal with exports to foreign countries, businesses that operate in rural areas, and for other very specific purposes. Microloans are different because there are more technicalities to be part of it. The purpose of loan is to be short term for small businesses and even child care centers.
that are non-profit. Also these microloans are given to intermediary lenders that exist in local communities to give out to small businesses. The maximum amount allowed to borrow is $50,000. The average is currently about $13,000.

This loan seems to be the most appropriate for the types of businesses that will be interviewed for this research. The funds of the microloan, maybe used for capital, supplies, equipment, fixtures, pay off existing debt relating to this, or to purchase more real estate. Before this is loan is considered in an application, the borrower must receive a training as to what the loan is about and what can be done with it. The interest varies as usual depending on the amount and even the requirements of the intermediary. The term of loan cannot exceed six years, collateral is needed, but all credit decisions are based locally.

Finally the CDC 504 loan program, which also as important, because it directly promotes economic development. The purpose of it is to allow small business to finance while creating jobs. As of February 15, 2012, the $50 Billion in 504 loans has created over 2 million jobs. This program is a proven success and win-win-win for the small business, the community and participating lenders (SBA). The 504 Loan Program provides approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. 504 loans are made available through Certified Development Companies (CDCs), SBA’s community based partners for providing 504 Loan(SBA).

Some additional resources available to name few are the IRS in Spanish, HispanicSMB.com, Latin Business Association, SCORE which offers a lot workshops and etc. In New Jersey there is an interesting program called the New Jersey Economic Development Program. Specifically for Union County, where Elizabeth is located, there is an office called the
City of Elizabeth Development Corporation /Urban Enterprise Zone. The programs it offers in terms of finance are commercial loans, micro-enterprise lending, signage, Grant Program, Façade Improvement Grant Program, and Graffiti Removal Grant Program.

In the Urban Enterprise Zone, Currently 1000 businesses participate in Elizabeth. It was established by the State of New Jersey to help promote redevelopment in its urban centers. The goal is to obtain sustainable growth. It was established 20 years ago in the city, and it has proven to be one of the largest success stories because of its economic development. No other city in the state has this much participation of the 1000 businesses. Elizabeth’s UEZ was also named the best in the United States by the National Association of State Development Agencies (edcnj.org).

One of the benefits for both consumers and business owners is 3½ percent reduced sales tax, compared to the 7% in New Jersey. The Urban Enterprise Zone states that this has created $50 million to reinvest in the businesses and therefore improve the city.

Elizabeth

The city of Elizabeth has a current population of 124,101, and the fourth most populated city in the state. It is part of the Urban Enterprise Zone, program for the businesses who qualify for 3 ½ percent sales tax break. According to the city of Elizabeth website, this city is extremely important to the state because of transportation, shipping, industrial and possible retail opportunities. It is approximately 20 minutes away from New York City on a train 30 -40 in car. This allows not only prosperous resident to consider living here but also because of its port, possible industrial to relocate here. According to the Elizabeth site, in the city one can find partners to settle a business such as the Elizabeth Development Company, designed to serve as a
"one-stop" shopping center for business (www.elizabethnj.org). Elizabeth is home to New Jersey's largest outlet mall and home to many factories such Schott & Schott NYC, which a coat factory that produces very high end leather jackets, as well as shoes to export to Europe.

This is perfect for this project because high Hispanic population and the diversity of the city to understand how businesses from different cultures manage to survive in place like this. Elizabeth currently has Hispanic population of almost 59%. This is important because what this means is that businesses will reflect this also. Besides English, the second most spoken language in the city is Spanish. Other facts about Elizabeth are that although it has a high level of citizens living below poverty line, it also contributes to the fact the cost of living index in 121% versus the national average of 100%.

**Resources available for Elizabeth Business**

Elizabeth belongs to the Union County Chamber of Commerce. Going to their website you can find many resources for businesses trying to relocate there or existing ones. For example ways to access capital in your business, whether its $500 or a million dollars to establish a business. As mentioned before in this article Small Business administration can help with the 7A loan program, CDC 504 Loan program, and the Microloan. The office is located in Newark,NJ for Elizabeth businesses. The next option is New Jersey Economic Development Authority, EDA, for up to a maximum 100 employees, and has to have been in business for 1-5 years. Here you can receive low interest bonds, loans guarantees, direct loans with both variable and fixed interest. What is great about this program is that it offers mentoring throughout the life of the loan.
According to Union County, NJ website, there is also the business growth fund. The UCEDC’s Business Growth Fund supports growing businesses in need of a mid-sized loan or gap financing as part of a larger loan package with other lenders. For established businesses with more than 36 months, and good operating history may borrow $20,000 to $150,000. There are also Child Care loans, for home and center child care operations. A non-profit could also take advantage of this loan, the minimum is $500 to a maximum of $150,000. Finally Union County offers a line of credit ranging from $5000 to $15,000 for new businesses as well as existing ones (UCNJ.com).

There are also resources offered for those who wish to sell their products to the government at local, state, municipal, or federal level. It is called the Procurement Technical Assistance Center or PTAC. There you can get the training and base to obtain this goal.

The county also has a partnership with Kean University located in Union, New Jersey, to train small business owners how to finance, market, and even manage their companies. This goes for both a new entrepreneur and existing ones. The other program mentioned earlier in this research was SCORE, that also offers mentoring and workshops. Union County College, offers an industry –business institute that provides training solutions to reduce cost, improve productivity, and help with competiveness.

Opportunities with local University

Kean University situated in Union, New Jersey borders Elizabeth, which has a high populations of people with Colombian ancestry. In 2010 local leaders in Elizabeth began to take a look at a section in Elizabeth, nicknamed Little Colombia (www.elizabeth.org) to assess ways
to stimulate more consumer traffic in the neighborhood. Local officials recognized the business potential of the area because of the nearby educational and transportation hubs of Kean University and NJ Transit. Nearby Kean University, which has about 20,000 students and about 2000 in-house residents who are potential consumers for businesses in Little Colombia is a potential strength of the business community, but after further assessing the situation, they found that many students do not shop or eat in the neighborhood because of safety concerns and not being familiar with the neighborhood. Other reasons cited for not frequenting the businesses in this area include that stores often close early and do not have free Wi-Fi that entices college students to frequent the establishments. These existing weaknesses are an area for improvement for both Hispanic-owned businesses and other businesses in the area trying to develop their customer base and attract new patrons.

Due to the Smartphone usage and Wi-Fi it is a must to attract customers. A lot of students would like to shop there more but fear public safety. There is not a heavy police presence mainly because the businesses to not stay open late. The city of Elizabeth hired Larisa Ortiz an Urban Planner to study the businesses and make recommendations to bring Kean student to the section of town and turn it to an area similar to that found in New Brunswick, New Jersey home of Rutgers University. This town caters to all the University students.

Some of the suggestion made to the businesses were offering student discount, so students can show University ids similar to those at Rutgers and Seton Hall in South Orange. Another suggestion was to hire more English speaking staff at the establishments. Offering more food on the go such as warps and other fast foods was also suggested. The Mayor of Elizabeth
suggested he would offer to block off the street one night a week so the restaurants could outdoor dining. The study was relevant to reason, that Hispanic Business could do better.
Chapter 6: Analysis of Results and Conclusion

While the sample of 15 businesses surveyed in this study may not be enough to apply the findings to all the urban businesses in New Jersey, these surveys provided many insights into general business practices and some of the real problems affecting that particular community. This study can serve as a perspective of the type of environment Hispanic businesses may be operating in. In the interviews, it was discovered that technology might not have entered so rapidly as we would think considering the era we are in. In this research it was found that Hispanic business, have a direct effect on the American economy because of the large presence it creates. Hispanic Business could be doing better if the owners would analyze their business and organize them better. I did not find enough evidence to say that because of high unemployment rate and downturn of economy that this has directly affected these businesses. It is not that it doesn’t have an effect it is just that it is not the only reason why many of them our failing. Culture plays an important role, in the running of these businesses and lack of organization.

In these 15 businesses, one of the reasons they may not be prospering as some other Hispanic businesses is because they do not use technology, for example a simple computer to keep their finances in order. They are also not taking advantage of the possible opportunities in free marketing they could do with social network sites such as Facebook, Groupon, FourSquare, Twitter, just to mention to most popular.
Social Networking /Business Networking

As mentioned in the literature review, there is not always a positive effect when using these sites, because if you are not prepared for large crowd, then you may lose potential customers and existing ones. Also these sites for a business may be very time consuming and if constant update is not done, then it will be pointless. I do consider that some of these businesses for example the salons would benefit greatly from these sites. A Bodega; which is a small convenience store usually owned by a Hispanic, may not need these sites. Small convenience stores, are exactly that, and are self-explanatory with their products, so networking through the Internet may not be useful. On the other hand, a salon offers many services and products. In Elizabeth, New Jersey, it is very common for a nail salon to have a hair salon as well, but as a client you will not know until you walk in. Some do this so they do not have to claim two businesses in one, on their taxes. I believe this is an issue if the advertising for that business is not done well.

In both hair and nail salons, would join Group on or Facebook, they can promote their products and services so that it boosts their awareness in the market. Also in Group on, they might able to offer discounts to those clients, who may assume that the salon is out of their price range, but the idea behind this, they can become loyal clientele, if this service or product given is above their expectations. Using these networking sites is not easy because they are time consuming and the businesses has to make sure that in these trial periods they offer nothing but the best or they will lose more than they had before.

Another factor found in this small sample, is that the owners tend to be from a different generation and are stuck in their ways of thinking. Some businesses do not network with other
businesses. In Elizabeth, there are meeting for small business owners, so that they have the ability to network and of course discuss issues within their businesses and the community. In this sample only 4, revealed they network with the businesses around the area. Some even admitted that they didn’t get along with some of them. In Elizabeth, many of the Hispanic Businesses are owned by Colombians in certain areas, and culture sometimes is what they compete versus the services or products they offer. Clearly all Hispanics will speak one language but it does not mean they are all one culture.

This is why these networking sites or networking itself with other business is important, because as a business you want to attract other segments in the market. By attracting other cultures it will help the sales. Some of the businesses interviewed only attract people from the same country. Some of them doing perfectly fine that way, but if they put more effort some of them wouldn’t be only breaking even.

**Possible Partnership Opportunities**

In today’s economy it is not as easy as it used to be to maintain a business, with only a couple of products. In Elizabeth particular, they are multiple businesses that offer the same products. Some of the businesses are failing miserably, not only the ones interviewed but as a resident you see it, when they put a sign up saying ‘Going out of Business”, something is wrong.

Partnership Opportunities could be an option for these businesses to flourish. Online there is a website called, [www.partnership.com](http://www.partnership.com), they business owners reach out to other businesses who may need a partner. They may be possible new entrepreneurs who do not have enough money to start a business but do enough to partner with someone else. This is important
because as mentioned in the literature review, you can rent small office space, shared space, a desk, or partner-up with someone that you believe has potential to create a long term profitable businesses.

Another possible opportunity is a partnership with the local universities. Around Elizabeth there is Union County College and Kean University is in Union, NJ not far from Elizabeth. As we learned, only two businesses had marketing plan, one of the reasons for that is the cost and lack of knowledge. Business students in college are looking for opportunities to understand the issues in the current market. It would not be a bad idea to use these students to analyze these businesses for free, gaining the opportunity to improve your business.

Learning the Language

Not knowing the language is a serious issue because some of these business are losing potential clientele. All the businesses were interviewed in Spanish because the level of sufficiency was not enough to do them in English. If they were able to communicate better in English, they would be a higher chance of understanding the needs of other members in the community besides the ones in a particular culture.

Curb Appeal

Elizabeth is definitely not a residential neighborhood, but it does not mean the neighborhood needs updating. The curb appeal on some of these businesses can be very intimidating and not so clean. Some of them do not bother to clean the front of their business or wash the curb. It is important because people do judge a book by its cover and the nicer the
business looks it may attract a walking civilian. People like to see something clean and attractive. Some of these business are very old, have old tiles, they do not update their curb appeal, and other competitors are doing it, this can affect them.

**Updating Unique Inventory**

Small businesses cannot be comparable to a Target or a Wal-Mart, but do offer great products and unique as well. Pricing will not compare to large business because of the quantity that is bought but if they manage to have unique products, then they will be successful. They need to more research when it comes to how to make their businesses unique from the others. As mentioned before, there are multiple businesses selling the same products but if you manage to have that one imported product that others do not have, already to can have loyal customers. Every move a business does should be calculated. Trying to attract customers, to your business for that one product may create a new relationship with these customers and they will not go to the competitors. Updating the inventory is important because people do not want to see the same things over and over. This is an interesting observation because it is harder for a small business to get rid of their inventory, but if they are having difficulties they should just break-even and sell it so it does take of space, which cost money and they will be able to buy new inventory. The perception many people have of these businesses is that they do not have new products or they just sell old stuff.
Use of Credit/Debit Cards

The newer generation is not use to paying cash anymore. It does cost money to have these debit/credit machines because they take a percentage of the usage but it is definitely worth it. People do not want to walk in a store, like something and have to pay money to get cash out of an ATM. They just want to pay and go. I have seen myself; customers leave these stores because they did not have cash. It is 2012, cash is not common anymore, most people have a debit card and prefer that as a form of payment. If this can be improved, more customers will become loyal.

Further Research

This study can be used for further research in Hispanic Business Culture. Further possible research can be done in areas such as the shopping trends of children of Hispanic immigrants because from this study it doesn’t seem like these businesses are attracting this demographic. Also possible partnerships with Universities, even Saint Peter’s College, to improve the quality of education of current businesses students, while helping the community at the same time. In the future more interviews will be done, to find more trends and ask different questions. Some questions that may have been missed can include, what they think of possible partnerships, more networking, education levels, and be more involved in the community. The main purpose of this research is to improve current Hispanic business practices and success because it will directly affect job opportunities for members of the community. We need more jobs and if these businesses become more successful, this can be possible.
Appendix A

Table 2
Comparison of Estimates of Number of U.S. Business Owners and Businesses

<table>
<thead>
<tr>
<th></th>
<th>Immigrants</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of self-employed business owners (Census 2000)</td>
<td>1,436,410</td>
<td>11,521,910</td>
</tr>
<tr>
<td>Total number of businesses (Survey of Business Owners 2002)</td>
<td>N/A</td>
<td>22,480,256</td>
</tr>
<tr>
<td>Total number of businesses (Characteristics of Business Owners 1992)</td>
<td>1,617,482</td>
<td>17,253,143</td>
</tr>
<tr>
<td>Total number of new business owners per month (Matched Current Population Survey 1996-2007)</td>
<td>81,100</td>
<td>484,864</td>
</tr>
<tr>
<td>Total number of employer firm births (Statistics of U.S. Businesses 2004-2005)</td>
<td>N/A</td>
<td>644,122</td>
</tr>
<tr>
<td>Total legal permanent residents, naturalizations and refugees (U.S. Department of Homeland Security 2007)</td>
<td>1,761,109</td>
<td>n/a</td>
</tr>
<tr>
<td>Total work force (Census 2000)</td>
<td>14,781,400</td>
<td>121,440,670</td>
</tr>
</tbody>
</table>

Notes: 1) The total number of self-employed business owners from the 2000 Census includes business owners with 15 or more hours worked per usual week. 2) The total number of businesses from the 2002 SBO is based on tax records and excludes publicly held, foreign-owned, not-for-profit, and other firms. 3) The total number of businesses from the 1992 CBO is based on tax records and does not include C corporations. 4) The total number of new business owners per month from the matched CPS 1996-2007 includes new business owners with 15 or more hours worked per week. 5) The total number of employer firm births from the SUSB includes only new employer firms. 6) The total work force from the 2000 Census includes all workers with 15 or more hours worked per usual week. Sources: Author's calculations based on 2000 Census microdata and 1996-2007 Matched CPS microdata, U.S. Census Bureau (1997), U.S. Census Bureau (2006), U.S. Department of Homeland Security (2007), Statistics of U.S. Businesses (2004-05), and Fairlie and Robb (2008).
Table 3: Number of Hispanic-Owned Firms in U.S. by Industry

<table>
<thead>
<tr>
<th>Hispanic-Owned Firms</th>
<th>Number of firms by Kind of Business: 2007</th>
<th>Total: 2,240,809</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and support and waste management and remediation services</td>
<td>36.9%</td>
<td></td>
</tr>
<tr>
<td>All other industries</td>
<td>15.1%</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>14.9%</td>
<td></td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>13.9%</td>
<td></td>
</tr>
<tr>
<td>Repair and maintenance, and personal and laundry services</td>
<td>10.4%</td>
<td></td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>8.9%</td>
<td></td>
</tr>
</tbody>
</table>

NAICS Sectors

Note: Firms with more than one domestic establishment are counted in each industry in which they operated but only once in the total for all sectors.

Source: U.S. Census Bureau, 2007 Survey of Business Owners - Released September 22, 2010
Appendix B

CONSENT TO PARTICIPATE IN HUMAN RESEARCH PROJECT

Research Team Copy

Saint Peter’s College/ Department of Sociology and Urban Studies

Small Business in N. New Jersey Study

You have been asked to participate in a study on Small Business in N. New Jersey. You will be asked to respond to a series of questions related to your business and the community.

Participation in this research is entirely voluntary. You may refuse to participate, you may refuse to answer any specific question(s) and you are welcome to stop the survey at any time.

All information you share is confidential. Your name will be removed from the survey and replaced with a unique ID number.

If at any time you have questions regarding this research, you should contact the investigators, Dr. Alex Trillo, or Dr. Mary Kate Naatus at 201-761-6157. They must answer all your questions.

You will be given a copy of this consent form.

I, ___________________________, consent to participate in the Second Generation in New Jersey Study.

________________________________________________________________________

Respondent Date

________________________________________________________________________

Interviewer Date

43
Questions for interviews

Year it was open?

Name of Business?

Country of origin of owner? Age? Gender?

1.) Did you inherit this business, if you did who manages this business if its family owned?

2.) Who helped you choose this type of business, location?

3.) What kind of capital do you need to start this type of business; how did you acquire it?

4.) Do you have a business plan?

5.) How do you record your financial information, including revenues, expenses, and profit?

6.) Before starting this current Business, did you work for someone else in a similar industry? Do you have any additional jobs in addition to running this business?

7.) What kind of advertising do you do for your business, to attract more customers?

8.) Do you pay employees or is it only run by family?

9.) Do you use the internet, emails or any networking sites to manage or advertise your business?

10.) Do you plan on expanding your business, or adding new products in it to stay open?

11.) Have you struggled to stay open?

12.) Is this your first business, or do you own more than one?

13.) Besides the financial crisis, what has been the biggest obstacle to stay open?

14.) Do you participate in any local events, or are you a member of any organization?

15.) Is your business the primary source of income?
BIBLIOGRAPHY


