Advancing U.S. Latino Entrepreneurship

Orozco, Marlene, Morales, Alfonso, Pisani, Michael J., Porras, Jerry I.

Published by Purdue University Press

Orozco, Marlene, et al.
Advancing U.S. Latino Entrepreneurship: A New National Economic Imperative.
Purdue University Press, 2020.
Project MUSE. muse.jhu.edu/book/73839.

For additional information about this book
https://muse.jhu.edu/book/73839

For content related to this chapter
https://muse.jhu.edu/related_content?type=book&id=2542310

This work is licensed under a Creative Commons Attribution 4.0 International License.
CONCLUSION

A New National Economic Imperative

Marlene Orozco, Alfonso Morales,
Michael J. Pisani, and Jerry I. Porras

This volume has been the result of a desire by the Stanford Latino Entrepreneurship Initiative (SLEI)—a Latino Business Action Network (LBAN)/Stanford collaboration—to bring together a multidisciplinary group of scholars drawn from all over the country. The main focus of this group is the creation of a vibrant research community dedicated to generating knowledge about Latino entrepreneurship in the United States as well as expanding its impact by attracting others to join in the effort to create a substantial body of research literature on this topic. This volume is the first output of this nascent community. More will be said about the process of creating this group in later sections.

Advancing an integrative program that at the same time is accommodative of disciplinary assumptions, policy prescriptions, and educational opportunities would be a substantial feat, yet it is the goal we set for ourselves in producing this volume. Central to an integrative research program is a need to unite the existing projects and individual programs advanced by a variety of scholars doing research in this field. We make no pretensions that all scholars will coalesce under our banner; however, we do believe that at a minimum, many scholars can take advantage of the SLEI-Research program by leveraging its national reports (see Orozco, Oyer, and Porras 2017), informing its data collection process, accessing databases created by SLEI, and advancing research projects. To date, the SLEI-Research program has proven to be supportive of graduate students as well as providing training opportunities and publication possibilities for faculty of many disciplines and interests.
Conclusion: A New National Economic Imperative

This volume represents an initial appreciation for the ongoing work of individual scholars united in the service of greater understanding of Latino entrepreneurship. However, our vision does not stop there. We see how scholarly studies can help inform public policy, we see how scholarship can support and improve the education of Latino entrepreneurs and of society more generally, and we believe that a better understanding of Latino entrepreneurship is supportive of our society and economy, inclusive of existing and new perspectives and purposes.

While we do believe that scholarship can inform public purposes, we also acknowledge that our principal role is science—that is, science in the public service arena grounded in firm and robust methodologies and clear theory. In what follows, we review new questions that this book has helped raise and new products from ongoing discussions from our meeting in March 2018. We hope that the following discussion motivates new research, catalyzes new relationships, and helps identify new research opportunities.

RESEARCH QUESTIONS

One important class of entrepreneurial behavior that we feel is important to investigate is that associated with supply chain and procurement relationships. Such relationships lie within the invisible infrastructure of entrepreneurship. We need a clear understanding of how Latino entrepreneurs participate, both as suppliers and purchasers, in supply chains at the local, national, and international levels. We should point out that within the international realm, the Latino business global footprint has yet to be studied.

An important corollary of this question would be research to learn how it is Latino entrepreneurs seek and create mutually beneficial relationships. One important working hypothesis is that Latino entrepreneurs are competing within an industry but developing interindustry supply chains and partnerships. Here we think we have an important advantage to share, as we are in the process of developing panel data to help uncover supplier relationships over time.

Financing remains a vast and underexplored topic. While it is clear that ethnic entrepreneurs often lack access to formal financing, new research is finding otherwise. Furthermore, Latino businesses are producing financial
institutions, such as banks, as well as investment funds. The scope and impact of these latter efforts needs to be better understood.

Human resource questions loom large. We know that Latinos are an attractive workforce in agriculture, industry, and a host of other fields. We know that Latinos have formed or joined a variety of professional associations and organizations enhanced by social media platforms aside from chambers of commerce. We need a strong sense of how these professional organizations funnel resources to nascent entrepreneurs or become entrepreneurial themselves. A firmer understanding of the breadth of trajectories into entrepreneurship is still very important, as is whether or not and how Latinos exploit a variety of government programs, local, state, or federal.

Considerations of future research can explore whether and how Latinos engage in serial entrepreneurship by connecting multiple firms under one business model and self-consciously exiting from one ownership model and obtaining a different model. In short, we would not be surprised that Latinos are engaged in the same experiments that other entrepreneurs embrace. However, we also expect different trajectories to similar outcomes shaped by the legacies of discrimination and immigration as well as by experimentation born of different resources and relationships.

We believe that entrepreneurship is as important as classical scholars conceived, but it also takes importance from its broad connections to other intellectual problems that social scientists typically tackle. These include research questions of acculturation and assimilation, economic contribution, informality, language-use patterns, regional economic analysis, and questions related to gender and how women navigate household, professional, and other relationships on their way to entrepreneurship.

Like most entrepreneurial ventures, Latino entrepreneurs establish businesses in hopes of profitability and wealth creation. However, in the course of producing economic contributions (job creation, investment, etc.), Latino entrepreneurs are also engaged in many kinds of noneconomic activities such as service on boards, volunteering their time, and engaging in nonprofit work. Many Latinos are seeking to contribute to the improvement of the social environment and making important noneconomic contributions to society at large. In doing so, these entrepreneurs are helping to reconstruct stereotypes and establish the expectations we should all have of each other in improving our society. Important research questions here include whether or not and how much Latino entrepreneurs’
noneconomic activities and interests mirror those of the majority population. Are Latinos adopting the same memberships on boards and engaging in similar philanthropy? If so, does this constitute assimilation, or is it a form of a minority culture of mobility (Neckerman, Carter, and Lee 1999)? Further, business and entrepreneurship are changing, so what does it mean to assimilate? Family concerns are not absent from the literature of non-Latino business, so is there more in common here than scholars or policy makers might assume?

THE SLEI INFUSION

Beginning in 2016 at Stanford Graduate School of Business, SLEI sponsored meetings of scholars focused on Latino business, entrepreneurs, and wealth creation. These were scholars who had previously published many important books and articles in the field. Among those previously published titles there are two related books—An American Story: Mexican American Entrepreneurship and Wealth Creation (2009), edited by John Butler, Alfonso Morales (of this volume), and David Torres, and Hispanic Entrepreneurs in the 2000s: An Economic Profile and Policy Implications (2013), by Alberto Dávila and Marie Mora (also of this volume). The Butler et al. was the first of its kind focusing specifically on Mexican Americans and was well received for the variety of research methods as well as the variety of topics the authors considered. The Dávila and Mora volume was targeted to economists and academics and considered the variety of Hispanic groups.

Our volume is similar to these two in that its authors consider a variety of topical questions, yet it is distinct in that we also bring an important examination of historical processes. This allows the reader to maintain a historical perspective instead of being limited by our contemporary situation. Furthermore, our volume utilizes the unique SLEI data set that supports a comprehensive understanding of business success and what that means across Latino subgroups, between rural and urban settings, and with respect to sociohistorical contexts. Other contributors of this book have been prolific in the field of minority self-employment (Fairlie 2011; Fairlie and Robb 2008), Mexican American professionals and entrepreneurs (Agius Vallejo 2012), agricultural and informal economies (Pisani 2012; Pisani et al. 2017; Pisani and Guzman 2016; Richardson and Pisani,
2012), language patterns and Latino self-employment (Dávila and Mora 2000), Latina entrepreneurship (Robles 2002), public markets and Latinos (Morales 2009), and the intersection of race, class, and gender in entrepreneurship (Valdez 2011). Finally, the process through which this book was developed is fairly unique. Rarely have a group of scholars on Latino issues been gathered together over a two-year period to discuss the content of their work, relate that work to each other, and produce a book. Most importantly, the scholars represented here had the opportunity to think beyond their individual research programs to create a more integrated approach to their work.

In our 2017 meeting, three of the editors of this volume agreed to advance an effort at a more integrated approach to scholarship that could have application to society, reinforce the efforts of LBAN, and make a substantial contribution to knowledge. A more difficult task for notoriously individualistic researchers is hard to imagine. However, again with the exceptional support of the SLEI and LBAN, they made the effort, thankfully supported by a fourth editor (Orozco).

The 2018 meeting of the group included a visioning session to chart the future efforts, scholarly and otherwise, of SLEI and in relationship to LBAN. We decided to foster the individual spirit that characterizes the scholarly life but also to continue our meetings and seek joint opportunities to publish, build policy, and welcome other interested parties to the different parts of our effort. Collectively, we created a vision for the future of SLEI research.

The goal of SLEI research is to understand the state of Latino entrepreneurship by analyzing data and shaping research in this field. By leveraging large data sets and collecting unique national data, SLEI synthesizes trends and reports them out to wide audiences including business leaders, policy makers, academics, media, and capital providers. SLEI engages academic scholars through annual convenings to mobilize a larger network of interdisciplinary scholarship and increase the visibility of our research and impact regionally. It hopes to be the nucleus for an ever-expanding number of scholars researching Latino entrepreneurship and for developing and growing the literature in this field.

This work would not be possible without the national survey that SLEI administers with the fiscal support of LBAN. The SLEI Survey of U.S. Latino Business Owners is a nationally representative cross-sectional survey that has been fielded annually since 2015. SLEI hopes to construct
a nationally representative panel of Latino entrepreneurs in order to obtain year-over-year data about the changes within individual businesses. To date, SLEI has created a longitudinal panel of the participants of the SLEI–Education Scaling program, and although it is not representative of the average Latino entrepreneur, it does allow for a deeper exploration of the persistent growth challenges of scaled firms (i.e., firms generating at least $1 million in annual revenue or more).

In order to reach a vast array of Latino entrepreneurs across firm sizes, industries, geographies, and other defining characteristics, SLEI welcomes the efforts of strategically collaborating institutions in disseminating the survey to their membership and networks. SLEI is thankful to the work of Hispanic chambers of commerce such as the Chicago, Tucson, Houston, and Austin chambers. They have encouraged their members to take the survey as an expression of their shared desire for data and informed decision making. Additionally, SLEI is augmenting efforts to collaborate with other research institutions and nonprofit organizations. As one example, the Latino Community Fund in Georgia is working with faculty from Georgia universities and a statewide steering committee to provide input on the national survey instrument that addresses local needs. In this way, local leaders are forming regional arms to inform questions and collect data that can in turn be compared to other regions and national trends. Furthermore, these local efforts allow for on-the-ground outreach and local canvasing that can reach smaller and unincorporated businesses.

In light of these growing nationwide efforts to realize the many economic and noneconomic benefits of Latino entrepreneurship, the authors wish to remind readers that our specific focus on Latino entrepreneurship is urgent now for many of the same reasons scholars fostered the “scientific” study of business 100 years ago. Latino entrepreneurs are integrating newcomers into society through employment and integrating themselves into local, national, and international business networks. However, Latino business is not simply organized by and focused on Latinos, nor does it only use or produce Latino-related goods and services or serve only Latino customers, and Latino businesses are not located only in primarily Latino neighborhoods. Instead, Latino businesses are integrated into the mainstream of our economy and are leading the creation of a new mainstream for our country.

For Latinos and for business in general, the economy cannot be separated from society. The ongoing demographic changes we are witnessing
will continue to produce innovation among entrepreneurs along with social, economic, and political shifts. We will be among those following these developments and even fostering them. We hope that the scholarship in this volume and the attitude we take as professionals help transform the perception of participation in the economy by Latinos from subjects of charity to actors with objectives and capacities to be successful and impactful in a variety of economic activities in service to society.

REFERENCES


Conclusion: A New National Economic Imperative


