Forging Their Own Path to the Labor Market: Hispanic Women Business Owners in North Carolina

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Abstract
Hispanic women are an understudied entrepreneurial population with considerable potential for economic impact. Our study uses fieldwork and semi-structured interviews with entrepreneurs and community informants to understand the experiences of Latina business owners in North Carolina. We focus specifically on their entry into the formal economy as majority owners of for-profit ventures. Social location of owners is discussed to appreciate how the intersectional position of Hispanic women in the market economy shapes their entrepreneurial trajectories. Building on prior research on the “embedded market” and “gendered capital,” our study confirms that entrepreneurial succession and employment opportunities and constraints are strong motivators for Hispanic women to start businesses. However, we also identify a new catalyst for business entry that we call “social ventures and passions,” a finding that challenges the conventional assumption that immigrant and ethnic entrepreneurs open businesses primarily as an economic survival strategy or as an appeal to cultural norms (i.e., ethnic labor market approaches).

Keywords
labor and labor movements, Latino/a sociology, sex and gender, economic sociology

Introduction
As the United States slowly recovers from the recent economic recession, women’s entrepreneurship is on the rise, particularly among minority women. The U.S. Census Bureau (2016) reports that, between 2007 and 2012, the number of women-owned businesses (minority and nonminority-owned) increased by 26.8 percent, from 7.8 million to 9.9 million businesses; the greatest proportion of these businesses were started by racial and ethnic minority women. Despite these increases, advocates for women’s entrepreneurship question the growth potential of these firms, including those owned by minority women. According to the U.S. Women’s Chamber of Commerce (2016), gender inequality still persists in the market, with men-owned firms outnumbering women-owned firms in the highest-earning industries; and women entrepreneurs remain overrepresented in the lowest-earning industries. In fact, about 70 percent of all women-owned businesses in the United States have

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annual receipts of less than $25,000; and only 10 percent of these businesses can support paid employees (U.S. Women’s Chamber of Commerce 2016). Gendered revenue gaps are even greater for minorities, with black and Hispanic women entrepreneurs reporting much lower business revenues compared with their white counterparts (U.S. Women’s Chamber of Commerce 2016). These results highlight the disparity between women’s growing entrepreneurial ambition and their relative returns in the market. Coupled with uncertain economic times, what motivates women, especially minority women, to invest in new businesses?

This article seeks to answer this question by examining the unique experiences of an understudied population—Hispanic women—operating in the formal economy of North Carolina.1 This group has considerable potential for economic impact, especially in a state that has experienced significant increases in Hispanic immigration over the last two decades (Kasarda and Johnson 2006). Data from the U.S. Census Bureau’s Survey of Business Owners (SBO) suggest that Hispanic-owned firms in North Carolina increased by 64 percent between 2007 and 2012 (U.S. Small Business Administration) In 2012, about 43 percent of all Hispanic-owned businesses in North Carolina were owned by women (U.S. Census Bureau 2016).

In what follows, we begin by describing the unique context of entrepreneurship in North Carolina. Next, we position our research in the broader theoretical and empirical literatures on immigrant and ethnic minority entrepreneurship, as well as that on gendered capital. We then describe our data and method, and present our findings. We argue that Latinas’ intersectional position in the market economy creates a complex set of circumstances that shapes entrepreneurial decisions in ways that extend beyond simple economic necessity. Some women in our study, for instance, described being motivated to start a business because of their commitments to social justice or their passion for a particular hobby. Social location—or one’s position at the intersection of various social hierarchies, such as race, immigration status, gender, and so on—emerges as a key factor for understanding why Hispanic women pursue entrepreneurship.

**Background and Context**

Rapid growth in the Hispanic population in the rural South at the beginning of the twenty-first century was the direct result of an economic boom in food-processing plants and agroindustries (Marrow 2011; Zarrugh 2007). During the 1990s, national economic ties with growing food-processing sectors in México encouraged strong channels of Mexican migration to new (often nonmetropolitan) destinations in the United States (Sanderson and Painter 2011). In North Carolina, Hispanic newcomers took advantage of employment opportunities in the state’s expansive—and expanding—food-processing industry, while an economic “bust” in manufacturing and textile sectors resulted in mass layoffs of native workers (Marrow 2011). Economic restructuring in the 1990s in North Carolina led to the corporate buyout of small farms and other family-owned firms (Schulman and Anderson 1999), while new industries, such as information technology, pharmaceuticals, and national defense, replaced local and traditional manufacturing (North Carolina Department of Commerce 2009).

These changes in North Carolina illustrate some of the socioeconomic “push and pull” factors that facilitated Hispanic migration to nonmetropolitan areas in the United States, particularly from 2000 to 2006 (Kandel 2008; Kandel and Cromartie 2004). These demographic shifts and industrial transitions transformed the social and economic landscape of the state (Hossfeld, Legerton, and Keuster 2004). While food processing remains a profitable industry in North Carolina, the global financial crisis that struck in 2008 had major impacts on the broader economy of the state. Like most of the country, North Carolina was racked by corporate downsizing, the closing of small businesses, and marked increases in statewide unemployment. Despite these challenges, the rapid growth in the state’s Hispanic population stimulated demand for culturally specific food items, products, and social...
services (Griffith, Contreras, and Kissam 2009). This demand, in turn, created new markets for Hispanic business and consumerism. It is within this context—at the height of the economic recession—that we collected data on Latina entrepreneurs’ efforts to start new businesses or to maintain existing ones in North Carolina.

Theoretical Framework

Traditional labor market theories assume that ethnic minorities and immigrants turn to entrepreneurship as an economic survival strategy or as an appeal to cultural norms or dispositions (Bonacich 1972; Light 1972; Portes and Rumbaut 2006; Waldinger, Aldrich, Ward, and Associates 1990). However, studies that find within-group differences among co-ethnic entrepreneurs (Davies-Netzley 2000) underscore the need for intersectional analyses that consider entrepreneurs’ positionality in multiple social categories (Collins 1990; Crenshaw 1993; Harvey 2005; Kennelly 1999; Reskin and Roos 1990). Zavella (1991) used the term “social location” to refer to the ways in which one’s race/ethnicity, social class, gender, nativity, and so on combine to produce a range of identities and experiences for Chicana women. To understand more broadly how the particular social locations of Hispanic women shape their entrepreneurial experiences, this study adopts an intersectional approach and integrates Valdez’s (2008, 2011) theoretical work on the “embedded market” with Davies-Netzley’s (2000) conceptualization of “gendered capital.”

The Embedded Market

In The Great Transformation, Karl Polanyi (1944:7) emphasized that “the economy is not autonomous as it must be in economic theory, but subordinated to politics, religion, and social relations.” Valdez (2011) reformulated the ideas of Block and Polanyi to apply them to studies of contemporary ethnic entrepreneurship by using what is called the “embedded market” approach. This approach can be used to understand the economic activities of minorities by (1) highlighting the role of ethnicity in fostering entrepreneurship, and by (2) situating this role within the broader social context created by the intersections of race, class, and gender. In this way, the embedded market approach considers the unequal playing field within which entrepreneurs operate, while also acknowledging the specific benefits and drawbacks of ethnic group membership.

Valdez (2008:159–61; 2011:32–33) argued that the embedded market approach is more useful than other approaches because it does not emphasize ethnicity as the singular factor shaping the economic activities of entrepreneurs. Instead, it suggested that the relationship between group affiliation and economic action is “maintained and reproduced by the social structure in which it is embedded” and is shaped by other social forces, including race, gender, and class (Valdez 2011:32). Accordingly, Valdez (2011) argued that individual agency must be considered when using the embedded market approach, because people’s locations within and across social hierarchies vary. “It is this interdependence of the structure and agency,” Valdez (2011:21) contended, “that shapes and reproduces the entrepreneurial life chances of Latino/as.” Rath and Kloosterman (2000) similarly argued that research on the entrepreneurial behavior of immigrants and ethnic minorities tends to overemphasize the “ethnocultural” characteristics of entrepreneurs while downplaying the effects of the broader economic and institutional context. The embedded market approach resolves these problems by considering how one’s simultaneous position in multiple systems of inequality shapes entrepreneurial activities.
Gendered (and Raced) Capital

Recognizing that women and men are positioned unequally in the market, Davies-Netzley (2000) developed a theory of “gendered capital.” This perspective focuses attention on the ways in which women’s entrepreneurial pursuits are “structured by society’s differential distribution of capital” (p. 18). While men have historically enjoyed advantages in the labor market, women still face obstacles. Federal lending programs, for instance, overwhelmingly reward male applicants. The Women’s Business Council reports that in 2012, 24.7 Small Business Administration loans were issued per 10,000 men-owned businesses compared with 9.3 for women-owned businesses (U.S. Women’s Chamber of Commerce 2016).

Even at the federal level, gender-based discrimination by lending institutions is well documented (Goffee and Scase 1985; Hisrich and Brush 1984; U.S. Congress 1984, 1988). Scholars find that banks often see women-owned businesses as risky investments with low potential for production, growth, and earning power (Brindley 2005). Not surprisingly, women more often than men turn to informal funding sources (e.g., loans from family) or use their personal savings to start and maintain their businesses (Davies-Netzley 1998, 2000; Smith-Hunter 2003, 2006; U.S. Women’s Chamber of Commerce 2010a, 2010b). Research by Davies-Netzley (1998, 2000) and Valdez (2011) confirmed that Latina entrepreneurs follow this same gendered path and overwhelmingly rely on informal sources of financial capital to fund their business ventures. In her comparative study of white (non-Latina) and Latina women entrepreneurs, Davies-Netzley (2000) found that both groups primarily used personal savings as start-up capital. Latina entrepreneurs, however, were more likely to seek financial support from extended family members (i.e., those members outside of personal households) than non-Latina owners, who more often relied on support from their closest relatives. Similarly, Valdez (2011) found that Latina/o restaurant owners turned to their personal savings or to their extended family networks to secure capital resources. By merging the embedded market approach with the gendered capital approach, we can better understand the entrepreneurial experiences of Latinas, who occupy a unique social position at the intersection of gender and ethnicity.

Data and Methods

The data for this study derive from (1) semistructured interviews with Latina business owners operating in the formal economy and community informants, and (2) participant observation at community events for entrepreneurs in North Carolina. Between May 2010 and February 2011, interviews were conducted with 21 Hispanic women who owned a registered, for-profit enterprise in the state of North Carolina, regardless of ownership type (e.g., sole proprietorship, partnership, corporation, etc.). Interviews occurred across seven predominantly metropolitan counties in central North Carolina. (See Table 1).

Potential study participants were identified through Internet searches for registered business owners and publicly available lists provided by the Office for Historically Underutilized Businesses, through referrals from the Women’s Business Center of North Carolina, and through personal contacts. Invitations to participate in face-to-face interviews were sent via postal mail to business addresses and via e-mail to advertised business e-mail addresses. Criteria to participate included self-identification as “Hispanic” or “Latina” and ownership of a registered business in the state of North Carolina. A $20.00 gift card was offered as an honorarium for participation. Fieldwork and networking at community events for entrepreneurs also facilitated recruitment efforts. In some cases, business owners offered referrals to other business owners.

Interviews were semistructured to (1) ask about the women’s entry into business ownership and (2) to enable them to introduce topics they felt were relevant to their experiences. Interviews were conducted in participants’ homes, coffee shops, community business centers, and places of employment. They ranged from one to three-and-a-half hours in length. All interviews were audiotaped with the signed
After removing personally identifiable information and assigning pseudonyms, interview transcripts were imported into ATLAS.ti, a qualitative data analysis software program. 

Open coding was used to identify themes related to our research questions, such as entry into business ownership, access to financial capital, and the role of business networks. Additional themes that emerged during interviews, such as the value of mentorship, were added to the coding scheme. Later, focused coding was used to specify themes within these initial codes.

Finally, interview data were supplemented by 14 months of ethnographic fieldwork. Between January 2010 and February 2011, the first author attended several events pertaining to women’s and/or minority women’s entrepreneurship, including visits to the North Carolina Rural Economic Development Center, various branches of the Latino Community Credit Union, talks sponsored by the Women’s Business Center of North Carolina (WBC-NC), lectures by speakers on women’s entrepreneurship, professional conferences organized by the North Carolina Institute for Minority Economic Development, and social networking events organized by the National Association of Women Business Owners and the WBC-NC. The first author took notes discretely while in the field. Notes were analyzed in the same way as the interview data, using ATLAS.ti and multiple rounds of coding.

### Findings and Analysis

The Latina business owners in our study described a complex set of circumstances, goals, opportunities, and constraints as driving
their entrepreneurial pursuits—not the backdrop of high unemployment and economic recession in North Carolina. When asked why they started their own businesses, participants offered three main explanations: (1) entrepreneurial succession, (2) employment opportunities and constraints, and (3) social ventures and passions. In what follows, we will describe the entrepreneurial paths they followed and show how they sometimes affirmed the perspectives of Davies-Netzley (1998, 2000) and Valdez (2011) and other times refuted them. We will also suggest how their social location in the broader economic market shaped their entrepreneurial journeys.

Three Paths to Entrepreneurship

Entrepreneurial succession. The term entrepreneurial succession generally refers to the future management of a business established by succession planning (Business Dictionary 2012). The ability for a business to economically endure requires long-term planning and investment. For family-owned businesses, this may include passing down ownership or employment opportunities to family members; it may also include socialization into entrepreneurship through a family history of business ownership (Valdez 2011). These opportunities are critical to consider when investigating ethnic or immigrant entrepreneurship because families may play a “vital intermediary role” in the management and economic success of minority and immigrant-owned businesses (Light and Gold 2000).

During interviews with Latina owners, “family roots” in entrepreneurship was a popular and nostalgic topic of conversation. Five business owners (24 percent) reported a family history of business ownership and described how this facilitated their personal entrepreneurial endeavors. While none of these participants directly inherited a family business, acquisition of entrepreneurial cultural capital proved influential in later years.

Alma’s story reveals how entrepreneurial succession prepares family members for future entrepreneurial roles. Alma is a Colombian woman in her mid-30s. She has lived in the United States for more than a decade and co-owns a chic downtown Mexican restaurant with her uncle and her father-in-law, who have operated restaurants in North Carolina for more than 20 years. Alma reflected on the years she spent working in her family’s businesses and described how those experiences facilitated her own move toward entrepreneurship. As she explained,

I really worked with him [uncle] and apprenticed with him—basically, all that time that I’d been here [in North Carolina]. I went to school. I took a job with the city for a while. But I mostly worked with him. So, we knew that there was a possibility of us doing something together. I had my two kids, and it was the right time for us [to open a business] when this space came available.

Alma’s restaurant has been in business for about four years. Although she holds a degree in art history, she enjoys being in the restaurant industry because it allows her to be creative and foster community relationships. Alma also suggested that her choice to remain in food service was the natural outcome of her apprenticeship in her family’s business. As she put it,

I think I had been preparing all my life to do it, and I just didn’t know it. But, for me, just building personal relationships and community is what really brings me to have this kind of business. It’s a lot of work, but there is so much creativity that goes into it—not just by building these personal relationships, but in the kitchen.

Alma uses the entrepreneurial capital that she acquired growing up and her artistic sensibilities to run a successful and popular restaurant and to continue her family’s legacy of restaurant ownership.

Anita similarly noted the importance of her family members’ past and current experience with entrepreneurship in shaping her own entrepreneurial ambitions. Like Alma, Anita is Colombian and in her mid-30s. She has lived in the United States for more than 30 years and is the owner of an upscale wedding invitation business. Her entry into entrepreneurship was driven by her preference for a flexible work schedule and previous experience working in...
her family’s bridal salon. After completing college and working as a stay-at-home mother for 10 years, Anita needed a change. The idea to open an invitation business came to her on an annual family trip to a bridal stationary show. She explained,

It’s been a tradition. We do a family trip; my brother goes and I go. And we help my parents buy stuff for their store. My brother’s also in the business. He is the one that prints the seating scrolls for wedding businesses. He’s got a lot of retailers and stuff, so he goes to that show as well. And when I was there, I just said you know what? I’m going to go back and open up an invitation place.

Anita opened her invitation business in 2009 and felt that she was doing well despite the economic recession. Anita’s entrepreneurial capital has benefited her in dealing with clients and marketing her services to wealthy “Southern girls” who host large weddings. Anita recalled,

I like selling. . . . You know, my dad was a sales guy. And, I remember going to bridal shows with him when I was eight or nine, and passing out stuff at shows and watching my dad stand up in front of huge crowds, talking about motivating his sales groups and stuff. So, I think selling is in my blood.

Both Alma and Anita earned college degrees, started families, and opened businesses in the same industries they grew up with. As the children of successful ethnic entrepreneurs, they had access to critical forms of entrepreneurial capital that facilitated their relatively seamless transition into business ownership. As relatively privileged, English-speaking, middle-class immigrants with long histories in the United States, they also had the cultural capital to feel at ease doing business in mainstream American society.

The role of social location in shaping entrepreneurial pursuits becomes evident when comparing these women’s entrepreneurial succession with that of Vera. Like Alma and Anita, Vera had a family history of entrepreneurship. Her father was a farmer in rural México who sold vegetables. His work inspired the entrepreneurial spirit in Vera, but she knew that she did not want to follow in his agricultural footsteps. She said,

When I was little in México, my family owned a business. So, I saw the independence of being a business owner. Then, it’s kind of like both sides. It’s independent, and then it’s tired out, because you’re always struggling for everything. You can decide whether you like to do it or not. So, as a business daughter, I saw my family always, always run a business. It was like farmer’s work and I didn’t like that. As a farmer, I don’t think I will survive because I can’t go to the sun all day and work in the land and then wait for the vegetables to grow up so you can eat. That’s no way for me. And they [her parents] were okay because they grow up in that. I got the chance to see the other side of it, but I didn’t like it. There is another way to live than this.

When she was younger, Vera was a co-investor in two entrepreneurial ventures—a limousine service and a restaurant. Neither endeavor prospered, due to soured partnerships and a lack of revenue. Eventually, Vera decided to use her event planning skills to organize quinceañeras, events for which host families often spend thousands of dollars. She began slowly (and informally) marketing her services at a local flea market where her husband also sold “cowboy things for men.” Over time, her business grew, and she was able to rent a storefront and formalize her operations. However, at the time of our interview, Vera said that the physical demands of putting on quinceañeras had worn her out. Although she wanted to “slow down,” she felt that she could not afford it. “Right now,” she explained, “it’s about survival; it’s not about making nothing. It’s just about the day by day.”
When comparing these women’s motivations for opening formal businesses, important differences arise. While Alma, Anita, and Vera may share gender and Hispanic heritage, their social class backgrounds diverged. These differences shaped their experiences of entrepreneurial succession that, in turn, influenced their future business decisions and their success. Alma and Anita represent educated owners with favorable market positions. They attained entrepreneurial capital growing up in the United States, where their families owned and operated successful businesses serving the American mainstream. Their decisions to open formal businesses were guided by their previous experiences both in the industries and in the U.S. business culture their parents had already learned to navigate.

The role of social location in shaping entrepreneurial pursuits becomes evident when comparing these women’s entrepreneurial succession with that of Vera. Vera is a Mexican woman in her early 40s. She holds a GED and is married with three children and one grandchild. Growing up on her father’s farm in México, she did not acquire the same kinds of cultural capital as Alma and Anita. Yet, Vera valued the autonomy that entrepreneurship provided. Eventually, she combined her entrepreneurial ambitions with the working-class, ethnic minority cultural knowledge and skills that she already possessed to start a quinceañera planning business serving the local Latina/o community. While she began her business informally, she eventually migrated to the formal sector.

Comparatively, neither Alma nor Anita lacked the material or cultural resources to start businesses in the formal sector immediately, nor did they wish to serve only the Latina/o community. However, Vera’s customers are almost exclusively local Latina/o families whom she has been serving for multiple generations. Vera is aware of her weakened market position, and she worries about the future. Because many of her customers are undocumented, for instance, she is concerned about them fleeing the state to avoid increased surveillance or to pursue better economic opportunities elsewhere. She explained that in recent years, “The community has been a little bit more afraid of everything. And it’s about the recession also, because a lot of people have been moving out, getting out from the state and headed to somewhere else.” Vera’s business future depends on securing new clients from this less stable, more marginalized population. Meanwhile, Alma and Anita are positioned to serve diverse consumers in the mainstream market.

**Employment opportunities and constraints.** During conversations with Latina owners, the most frequently cited reasons for starting a business centered on their experiences as wage earners. In contrast with Davies-Netzley (1998, 2000) and Valdez (2011), we did not find profound worker dissatisfaction to be motivation for pursuing entrepreneurship. Instead, 12 Latina owners (57 percent) referenced a range of employment opportunities and constraints that influenced their decisions to open a formal business. For some owners, entrepreneurship represented a lucrative career move within their field of employment. For others, business ownership offered a solution to career constraints, reduced employment opportunities, or a desire to change professions.

In the midst of the economic recession in North Carolina, we expected that layoffs and/or unemployment would also be a driving force in women’s entrepreneurial pursuits. This was true for only one participant (4.8 percent). After being laid off from a successful career at a pharmaceutical company, Carla decided to follow her dream of becoming a photographer. Carla is single with no children, in her mid-30s, and holds a master’s degree in business administration. She stated,

> Just recently—for the last six months—I’ve been taking pictures, but I’ve been thinking about it for the last five years. But because of my layoff last year with corporate America, it made me want to say, “Okay, well that’s what you’re doing. So, let’s go ahead and do it.”

Carla is currently establishing her business and marketing herself as a local photographer. Her formal education in business administration
has proven to be a valuable resource in her transition from employee to owner. She is also taking advanced photography classes to refine her skills.

Like Carla, Paula’s path to entrepreneurship was shaped by unemployment, but of a different variety, one that reflected her more marginal position in the labor market. Paula is the mother of two young children and in her early 40s. Paula could not secure employment in the United States as a graphic designer due to insufficient credentials and limited proficiency in English. After settling in the United States more than a decade ago, Paula learned that her bachelor’s degree in graphic design from México was not recognized by U.S. employers. The steps needed to earn a U.S. degree were too time-consuming and costly. As a result, she began designing graphic materials in her home office for local Latina/o businesses while also working part-time as an interpreter to make ends meet.

Paula’s business filled a unique niche in the market for Spanish speakers who could not obtain design services due to language barriers. Paula says that many of her customers lack formal education, do not own computers, and need assistance creating basic materials such as signs, business cards, or menus. She explained, “When I am seeing their [business] cards, there’s a lot of mistakes. My own people who come here are my age. They don’t have any education, so their grammar and their vocabulary are very bad, very bad.” After seven years, Paula no longer needs to advertise her business in local newspapers, and her clients trust her. Even those who have moved out of state still use her services.

Other Latina entrepreneurs pursued business ownership as a means of advancing within their current field of employment. Ten business owners (48 percent) transitioned from worker to owner within the same (or a similar) industry. Luisa’s story reveals how prior employment led to ownership of a successful electrical contracting firm. Luisa is in her mid-40s, and she came to the United States from the Dominican Republic when she was 20 years old. She met her husband in North Carolina and began doing accounting for her father-in-law, whose business sold lighting fixtures to electrical contractors. Luisa’s husband also worked there as a salesperson. Through their collective experiences, they learned the business.

After several years, Luisa’s father-in-law sold his business, leaving Luisa and her husband unemployed and uncertain about their future. Luisa began to explore the possibility of entrepreneurship. She researched business options at her local business development center. The employees there gave her information about starting a business certified as minority-owned and woman-owned. They also provided her with a list of local businesses that were already certified. They explained to her that certification is a useful tool for securing business with government sources and private-sector firms.

After studying this list, Luisa saw an opportunity to create an electrical supply firm using her and her husband’s existing knowledge of her father-in-law’s business. She told me about a conversation that she had with her husband.

Luisa stated,

> We were trying to figure out what we’re going to do next with our lives. And, that’s how the idea came. And, so what I told him, I said . . . “You know, there is no electrical in here [list of minority-owned businesses]—really, only one company that is certified. I can see something here.” He said, “The only problem is if we’re going to do that, then it would take a tremendous amount of money than another type of a small business.”

Luisa’s education in business administration helped her navigate the cumbersome process of starting an electrical contracting business. After securing enough financial capital to build an inventory and rent the necessary office and retail space, she hired her husband to do sales. Next, they secured contracts with manufacturers to distribute electrical products. Today, they have been in business more than 19 years and employ two other full-time employees.6

Additional examples of transitions from worker to owner are Diane and Juana, who both own interpreting and translation businesses. They became entrepreneurs to capitalize on
emergent opportunities in their field of employment. Diane is in her early 40s and divorced. She was born in México but grew up in the United States. She attended college and earned a degree in marketing and communications. After working as a bilingual social worker in rural North Carolina, Diane discovered that many businesses did not know how to welcome Hispanic customers in culturally appropriate ways. She stated,

You cannot just put a sign up in your window that says, “We speak Spanish.” That is not sufficient. It’s bait and switch. It’s now a code for everybody in my community. When we see that, we laugh. We know it’s an American who’s done it. It’s not even proper Spanish. And when you go in, nine times out of ten, they say, “The Spanish speaker isn’t here today.” They do it just to get us to come in. So, what I’ll tell a company is . . . you can’t have that sign. If you are truly having a Spanish speaker, then every sign that you have on your door . . . need[s] to be in Spanish.

Diane saw an opportunity to bridge the cultural gap between U.S. businesses and the Latina/o community. She explained, “I wanted to help bring business together with Hispanics.” Using personal funds, Diane created a home-based business where she designs marketing strategies and translates materials for businesses seeking to attract Hispanic consumers. Diane uses a Web site to provide webinar trainings. She also does face-to-face consulting with clients, which requires state and nationwide travel. The convenience and reduced cost of webinars has benefited Diane’s business during the economic recession. She now has several part-time contractors who assist with accounting, graphic design, Web site maintenance, and other tasks. Despite the labor and added responsibilities of running a business, she prefers entrepreneurship to employment as a social worker. She stated, “You have to compare being a social worker to what I do [now]. This is a lot easier, a lot easier.”

Like Diane, Juana used her bilingual skills to transition from employee to entrepreneur. A Colombian woman in her mid-60s, Juana is divorced with two children and several grandchildren. Juana’s family settled in Miami before the Cuban exodus. She recalled, “When we got to Miami, we were the only Latinos.” She remained in Miami and completed a bachelor’s degree. For several years, she worked in the booming technology sector, marketing products to Latin American countries. But, in the early 1990s, Juana was laid off.

Instead of immediately looking for another job, Juana submitted an ambitious proposal to a large technology firm outlining a plan to sell its products to the Latin American market abroad. To her surprise, the company accepted her proposal. This collaboration provided the opportunity to establish a contracting firm. Juana attributed this to luck. As she put it, “I incorporated with one project in 1992. It was a fluke. It was being at the right place, at the right time, with the right idea.” Over time, Juana acquired additional clients, and her business succeeded until the dot-com industry collapsed. With few client prospects, she decided to begin a new life with her children in North Carolina. She brought her contracting business with her. She quickly acquired local clients and became certified as a courtroom translator.

A short time later, Juana started a second business. With the birth of her first granddaughter, Juana had trouble finding the traditional baptismal gowns that she grew up with in Colombia. As she explained, “They [baptismal dresses] were just beautiful, and so I had one made for my granddaughter in Colombia. . . I thought, maybe I should do this as a business because there is a need for the Latin American market.” Juana used her own funds to launch a second business selling handmade baptismal gowns and religious supplies to the Latin American community.

Juana hoped that this business would grow into a full-time venture with a storefront, but she encountered unexpected challenges, including a local competitor and class divisions among Hispanic consumers. Juana explained,

I realized there were two clearly defined markets here in North Carolina. There’s the Hispanic market, which I call the Latin American market: the people that came here legally and stayed.
Then there’s the Mexican market, which is completely different. In doing my second year, I had a choice to make. I either went with the large market—which is the Mexican market—and have a stand in the flea market and sell cheap, cheap, cheap stuff, or continue with my dream and sell the high-end [merchandise] to the high-end Latin American. And so that has been my goal and that’s what my customers are.

Juana chose the latter and promotes her business by visiting church craft shows, speaking at workshops, and advertising online. She meets with clients in their homes by appointment only and has had considerable success with her target group. As she explained,

In the Latin American market, one hundred percent sales. In the Mexican market, I have gone to their homes, and I would say it’s ten percent or one percent sales. It’s very low. So, sorry, no, I don’t really do the Mexican market because it’s not worth my time.

Today, Juana still runs both of her businesses while also maintaining a part-time position interpreting at a law firm. She says, “So, you see, I have three part-time jobs.”

The experiences of Carla, Paula, Luisa, Diane, and Juana reveal how a variety of employment issues (e.g., layoff, credentialing, market fluctuations, industry opportunities, etc.) can facilitate entrepreneurship among Hispanic women. Similarly to experience in a family business, wage-labor employment may give workers the knowledge and skills needed to start their own businesses. This was especially true for Luisa, Diane, and Juana who successfully transitioned from worker to owner within their own areas of employment.

At the same time, constraints on employment reveal how social location can mediate decisions to start businesses. We see that clearly in the experiences of Carla and Paula. Although both women turned to entrepreneurship when faced with unemployment, Carla had more socioeconomic advantages than Paula. Being laid off from a corporate job left Carla, a U.S. citizen with an MBA from a U.S. university, with a severance package and uninterrupted time to turn her photography hobby into a for-profit venture in the mainstream market. Paula had a much different experience. Arriving in the United States with dependent children and educational credentials that were not recognized in her new country, Paula had to figure out how to access the mainstream market without having direct, prior experience working in that market.

Social ventures and passions. During conversations with business owners, four owners (19 percent) indicated that their paths to entrepreneurship were driven by a personal passion and/or commitment to a social problem. This finding suggests a new catalyst driving entrepreneurship not previously identified in the sociological literature, including in the work of Davies-Netzley (1998, 2000) and Valdez (2011). Conversations with these four owners indicate that Latina entrepreneurs sometimes pursue business ownership for noneconomic reasons related to desires for personal fulfillment and/or social change.

Dora reveals how her passion for healthy eating inspired an entrepreneurial vision. She is a single, Puerto Rican woman in her mid-30s with no children and a master’s degree in public administration. Dora was employed in the nonprofit sector for several years and is well-traveled. She relates her decision to open a mobile organic juice truck in North Carolina to a prior experience residing in the Western United States. As she recalled,

When I moved to [a location in the Western United States] it was a life changing experience. It was my coming of age. One of the things I was exposed to was taking a real look at my eating habits. And, at the time, I just—you know, processed foods were a part of my diet just because I was raised in the United States. It wasn’t a part of my people’s [Puerto Rican] diet. . . . I met some folks who just knew more about whole foods and what that all meant. And, I started my own education—really, growing awareness. And, that’s when I started thinking about smoothies, really healthy juicing and trying out things that I had never tried out before. So, from there, it was just whenever I traveled to places that had juice bars, I would definitely be
in there, picking up menus and learning new things.

As a result of these experiences, Dora became devoted to healthy eating.

When Dora relocated to North Carolina, she became active in the local foods movement and began to consider how she could deliver healthy foods to her community. Her business plan materialized after a trip to South America. As she explained,

The original idea . . . was to start a juice bar but in a retail location—like, having a community gathering space. And, it’s because I wanted access to fresh-pressed juices, really healthy smoothies in my community, and there was nowhere for me to get [a retail location] at that time. It was a question of, you know, could I be the one to do it? I started the business plan writing process and talked myself out of it because I didn’t have the skills. I had never owned a business. I sure as heck didn’t have the money to do such a bold thing, and so I shelved it for a year. It was a year later . . . coming back from a solo journey to [South American country] that I decided that it was a good time in my life to do it. The idea was that I would pursue it until I could pursue it no more.

Because Dora could not afford a storefront location, she decided to purchase a mini-school bus and retrofit it into a mobile kitchen where she could make and sell organic juice and smoothies. She also modified the bus to run on biodiesel to reduce fuel costs and lessen environmental impacts. When Dora opened her business in July of 2009, she enjoyed significant community support. Unfortunately, the lingering effects of the economic recession and rising food costs have led to stagnated sales. Dora is currently in a “quiet phase” where she is brainstorming new directions for her business.

Like Dora, Cristina had a social vision for her business. Cristina is a Peruvian woman in her mid-30s. She has lived in the United States for more than 20 years and is currently single with no children. She holds a master’s degree in computer science while living in Panamá, but her true interest is the traditional food she grew up with. These foods represent a cultural fusion of Caribbean, African, and Panamanian culinary traditions. Growing up, Leticia was known as the “Saturday chef,” the person responsible for preparing food for all of the villagers on Saturdays. This title was a source of pride and cultural identity for Leticia. After meeting her husband, a U.S. soldier stationed in Panamá, Leticia moved to the United States, gave birth to a son, and became a stay-at-home mom. Cooking was a significant part of her life as a military spouse. Leticia enjoyed cooking for her husband’s unit and for other families when a parent was deployed. She prepared in-home meals and catered events within the military community.

Things changed for Leticia after she sold baked items to raise money for a condemned passion for multiculturalism and her parents’ bakery influenced her decision to start a brand of specialty baked goods with a business partner. Cristina’s baked goods blend Peruvian ingredients with other South American culinary traditions. Cristina hopes that these blends will generate conversation about multiculturalism and that her brand will improve the social perception of Latina/os. Cristina stated, “We are really creating a new category of product. In the specialty foods industry, there are no Latino pastries. You have the salsas. You have the chips. But, there are no gourmet baked goods, no Latino anything.”

At the time of the interview, Cristina had recently left a successful career in the private sector to begin building her business. She was in the process of securing investors. Cristina expressed many social and entrepreneurial goals. She and her business partner not only sought to change the underrepresentation of Latina/os in the baked goods industry, but aspired to direct profits toward developing outreach programs for Latina/o youth.

A passion for food and culture was also the inspiration that Leticia needed to start her mobile catering business. Leticia is a Panamanian woman in her late 30s. She has lived in the United States for more than 12 years. She earned a bachelor’s degree in computer science while living in Panamá, but her true interest is the traditional food she grew up with. These foods represent a cultural fusion of Caribbean, African, and Panamanian culinary traditions.
library in her hometown in Panamá. Even though she was now living in the United States, Leticia expressed strong attachments to this library and enormous pride that she was able to raise money to refurbish it. She explained,

They was going to just demolish the building. Each time I go home, we have too many kids in the community that need somewhere to go. So, I took it on myself. We had the building rebuilt, air-conditioning. That’s where I went to do my homework [when she was younger]. It was a little bit touching to me to see that it was going to go to waste. So, I did the best that I could with the support of all of my friends and customers. And, the library is now open.

The unique foods that Leticia prepared to raise money for the library were embraced by others, especially Panamanians living in North Carolina. Leticia explained their response,

It was a huge success within the Panamanian community because they have nothing here that represents our culture and the food that we love to eat. So, everybody demanded that once a month was too little, and [they] would like to have something regularly. And, it went on from there.

Although Leticia’s fundraising sales created demand for her food, she did not know how to start a formal business. One day, however, she stumbled on an article in the local paper about a women’s business expo sponsored by the business development center in her community. Leticia attended and eventually formed a relationship with the center. With their assistance, she was able to create and implement a business plan for a mobile catering truck. Leticia wanted to recreate the Panamanian experience of a fonda or small food truck, although her truck would feature professional-grade kitchen appliances. Today, her business caters a variety of events, from weddings to festivals. She hopes to continue growing her business and eventually market products based on her own recipes.

Social location—specifically, the intersections of ethnicity and class—figured prominently in the social ventures and passions of Dora, Cristina, and Leticia. With respect to ethnicity, Dora sought to promote healthy eating specifically among local Latina/os, whom she believed needed additional help. Cristina and Leticia similarly served foods from their culture as part of their broader strategy to uplift and honor their ethnic heritages. With respect to class, these women also had the economic means to invest in a socially conscious venture and to extend their entrepreneurial goals beyond personal profit. By contrast, none of the less class-privileged Latina entrepreneurs in our study reported social ventures and passions as catalysts for business ownership. Understandably, their decisions to start businesses were more closely tied to their immediate economic need.

**Discussion and Conclusion**

In this article, we examined the accounts Hispanic women gave about their decisions to open formal businesses in North Carolina. Latinas are not equally positioned in the labor market, and their entrepreneurial decisions are impacted by a complex set of circumstances tied to their unique social locations and personal histories. Building on prior research on “gendered capital” (Davies-Netzley 1998, 2000) and the “embedded market” (Valdez 2011), our study confirms that entrepreneurial succession and employment opportunities and constraints are strong motivators for Hispanic women to start businesses. However, we also identified a new catalyst for business entry that we call “social ventures and passions.” This finding challenges the conventional assumption that immigrant and ethnic entrepreneurs open businesses primarily as an economic survival strategy or as an appeal to cultural norms. Our research, thus, adds an additional pathway to the entrepreneurial trajectories identified by ethnic labor market approaches.

Consistent with the embedded market approach, the intersections of ethnicity, class, and gender shaped trends in business entry among our study participants and revealed how social location (particularly access to class resources) shapes entrepreneurial paths. Even though Latinas started businesses for different
reasons, some journeys to entrepreneurship were smoother than others. As our research showed, it helped if Latinas had enhanced language proficiency, higher education, U.S. employment experience, and family histories of entrepreneurship in the United States. Latinas who possessed these socioeconomic advantages could more easily enter and navigate the mainstream market economy. They also had more choices about when and how they started on an entrepreneurial path and about what kind of businesses to pursue. Some chose entrepreneurship because they wanted the convenience of a flexible schedule (Anita). Others were seeking lucrative opportunities within their current area of employment (Luisa, Diane, and Juana). Still others saw business ownership as an opportunity to promote a social cause (Dora, Cristina) or pursue a personal passion (Carla, Leticia).

Conversely, decisions to open formal businesses were more constrained for owners with weaker market positions and more limited economic resources. These women did not open formal businesses for altruistic reasons, to create flexible work schedules, or to capitalize on lucrative ventures in their field of employment. Their decisions were shaped by a combination of labor market obstacles and individual agency. They entered business ownership to capitalize on their existing skills in the face of reduced opportunities in the mainstream market. At the same time, owners such as Paula and Vera exercised considerable agency in choosing to open formal businesses in Spanish-dominant sectors. Vera’s decision, for example, to start a quinceañera business was motivated by her desire for autonomy and her personal interest in party planning.

Moreover, while the Hispanic women in our study shared a common ethnicity and gender, class mediated their entry into formal business ownership. Paula and Vera’s stories, in particular, reveal the market boundaries defined by class. Both women relied on co-ethnic resources (rather than class resources) to create businesses serving Latina/o clients in their local communities. While they turned a profit, their market position placed them outside of the more lucrative mainstream market. Their co-ethnic patrons were similarly restricted socially and geographically. Overall, their paths to business ownership were characterized by concerns about economic stability and a strong reliance on noneconomic resources including co-ethnic support and clientele.

Like the majority of women-owned firms in the United States, nearly all of the Latina-owned businesses in this study were situated in service and retail trade sectors. Seven owners (33.3 percent) operated businesses that conformed to traditional labor activities associated with “women’s work” and/or female-typed occupations. Two owners (9.5 percent) operated businesses that challenged these gendered associations. Twelve owners (57.1 percent) operated in service or retail sectors that did not clearly conform to or challenge traditional conceptions of women’s work. While these patterns reflect some degree of personal choice, our research suggests that the ability to resist gendered entrepreneurial pigeonholing in less-profitable sectors may also depend on Latinas’ unique social locations and positions in the market economy. Some owners, like Luisa, for instance, have the social, economic, and cultural resources to penetrate a lucrative, male-dominated industry such as electrical contracting; many other Latinas are not as well-positioned and face more limited entrepreneurial choices.

To conclude, our study provides deeper insight into trends in women’s entrepreneurship. We show how Latinas’ social location shapes their path to business ownership in an unequal market. Our research also highlights the role of agency in shaping entrepreneurial pursuits among a marginalized group. Despite the structural obstacles they faced as women and ethnic minorities, the Latinas in our study all made choices that enabled them to start their own businesses. Due to our small sample size and other methodological limitations, however, we were not able to examine the longer-term social and economic outcomes of their entrepreneurial pursuits. Future research should continue investigating Latina business owners’ financial outcomes, operational challenges, and definitions of success. With so
many Latinas mobilizing resources to invest in for-profit enterprises, it is important to know whether or not these investments prove successful, given the delicate balance between structural barriers and individual agency.

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Notes
1. In this article, “Hispanic women entrepreneurs” and “Latina entrepreneurs” refer to women who identify as “Hispanic” or “Latina” and who own or co-own a registered, for-profit enterprise in the state of North Carolina, regardless of ownership type (e.g., sole proprietorship, partnership, corporation, etc.). We use the terms “business owner” and “entrepreneur” interchangeably when referring to study participants. Scholarly debates concerning the definition of entrepreneur range across disciplines. See Gartner (1989) for a helpful review of definitional perspectives represented in business management literature.

2. There are many Hispanic women employed in the informal sector in North Carolina, particularly as entrepreneurs marketing their products through word-of-mouth and selling their products at church events and large warehouse flea markets. This study focuses solely on formal businesses operated by Hispanic women due to the political climate in North Carolina at the time of data collection. When this project began, there were local rumors and fears that Immigration and Customs Enforcement (ICE) were advertising monetary incentives for “research” to entrap undocumented immigrants and immigrants working illegally in North Carolina. Accordingly, we chose to focus on the contemporary entrepreneurial challenges of Hispanic women operating in the formal economy.

3. Prior to data collection, advice was solicited from local experts on how to connect with Latina business owners. The support offered by the Women’s Business Center of North Carolina (WBC-NC) proved invaluable to this project. The WBC-NC granted permission to attend their events for minority women business owners. They subsidized expenses to attend a statewide business networking conference and provided informative literature on women’s entrepreneurship. The WBC-NC also assisted in generating important contacts in the field at many statewide business development organizations. These contacts were used to network and gain referrals to business owners and other community informants.

4. Valdez (2011) uses the term “entrepreneurial succession” to refer more generally to a family history of business ownership.

5. Carla identified as Hispanic but did not report a specific ethnic heritage.

6. Luisa’s transition from worker to owner could be considered entrepreneurial succession. Yet, her circumstances do not resemble the traditional scenario (as experienced by Alma, Anita, and Vera), whereby children grow up working in a family business, apprentice in that business, and/or stand to inherit it in the future. Luisa did not report a history of entrepreneurship in her biological family.

7. Carla’s photography business was discussed in the previous section on employment issues. We do not discuss her passion for photography in this section due to space constraints.

References


