

An American Story: Mexican American Entrepreneurship & Wealth Creation

Conference Hosted By:

The IC² Institute
&
The Ewing Marion Kauffman
Foundation

April 18, 2008

 ic² INSTITUTE
THE UNIVERSITY OF TEXAS AT AUSTIN
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American Story: Mexican American Entrepreneurship & Wealth Creation

Conference Summary

IC² Institute presents a one-day conference on Mexican American entrepreneurship. Scholars will make presentations on their book chapters, and successful Mexican American entrepreneurs will discuss their entrepreneurial experience. Institute Director John Sibley Butler will host and wrap up by placing recent developments in historical perspective.

PROGRAM

Date: April 18, 2008

UT Alumni Center – 2110 San Jacinto Blvd – Austin, TX 78712

- 8:30 a.m.** Registration & Coffee
- 8:50** IC² Institute Welcome, John Sibley Butler, Director
- 8:55** Welcome by Daryl Williams, Director Research & Policy, Kauffman Foundation
- 9:00** Keynote Speaker on Wealth Creation – Luis Medina, Director TechBA
- 9:30** Break
- 9:45** Author Presentations – Followed by Q&A
Douglas Thomas, UNM
Alberto Davila, UT Pan American
Magnus Lofstrom and Timothy Bates, Wayne State University
David Torres, Angelo State University
Alfonso Morales, University of Wisconsin
Mary Lopez and Dolores Trevizo, Occidental College
Maria Josefa Santos, UNAM
Zulema Valdez, Texas A&M University
- 12:00 p.m.** Lunch
- 1:00** Entrepreneurship Panel Discussion – Sara Van Zee, TechBA, Panel Moderator
Presenter 1 – Manny Flores, Latin Works - 30 min
Presenter 2 – Sylvia Acevedo - 30 min
Presenter 3 – Gabriel Diaz, RealLinx - 30 min
Moderated Q&A - 30 min
- 3:00** Break
- 3:15** Roy Lopez, Community Affairs Specialist, Federal Reserve Bank of Dallas
- 3:30** Wrap up – John Sibley Butler
- 4:00** Adjourn

John Sibley Butler

Conference Host & Co-sponsor



John Sibley Butler
Director, IC² Institute
The University of Texas at Austin

John Sibley Butler holds the Gale Chair in Entrepreneurship and Small Business in the Graduate School of Business (Department of Management). He is the Director of the Herb Kelleher Center for Entrepreneurship and the Director of the Institute for Innovation, Creativity and Capital (IC²). His research is in the areas of organizational behavior and new venture development. He has taught entrepreneurship around the globe, including Mexico and China. John is also a Distinguished Visiting Professor at Babson College. His work is in organizational science and entrepreneurship. Dr. Butler's books and monographs include *Framework for Research on Leadership, Cohesion, and Values*; *Entrepreneurship and Self-Help Among Black Americans: A Reconsideration of Race and Economics*; *All That We Can Be: Black Leadership and Racial Integration the Army Way* (with Charles C. Moskos - winner of the Washington Monthly Best Book Award); and *Immigrant and Minority Entrepreneurship: The Continuous Rebirth of American Communities* (with George Kozmetsky). Professor Butler is in his second appointment, by President George W. Bush, to the J. William Fulbright Foreign Scholarship Board of Directors. This Board oversees the appointment of over 900 scholars to countries around the globe.

Professor Butler received his undergraduate education from Louisiana State University in Baton Rouge and the Ph.D. from Northwestern University in Evanston, Illinois. He is a decorated Vietnam Veteran.

Daryl Williams

Conference Co-sponsor



Daryl Williams **Director, Research and Policy** **The Ewing Marion Kauffman Foundation**

Daryl Williams is Director of Research and Policy at the Kauffman Foundation in Kansas City. Williams' responsibilities include support for programs to advance minority entrepreneurship.

Daryl is also the National Executive Director of the Urban Entrepreneur Partnership, Inc. (UEP), a partnership with the National Economic Council at the White House, the Business Roundtable, the Ewing Marion Kauffman Foundation, and other national organizations designed to help grow minority entrepreneurs around the country.

Daryl has participated on numerous national panels on minority entrepreneurship including: The White House National Economic Council, Washington, DC; Department of the Treasury, "New Market Tax Credit," Washington, DC; The White House National Conference on Faith Based and Community Initiatives, "Forum: Bringing Minority Social Entrepreneurs and Corporate/Foundation Resources Together," Washington, DC.

Williams holds Bachelor's and Master's Degrees in Sociology and has done doctoral work in Sociology.

About the Ewing Marion Kauffman Foundation

The Ewing Marion Kauffman Foundation works with partners to encourage entrepreneurship across America and improve the education of children and youth. The Kauffman Foundation was established in the mid-1960s by the late entrepreneur and philanthropist Ewing Marion Kauffman. More information about the Kauffman Foundation is available at www.kauffman.org.

Luis M. Medina

Keynote Speaker



Luis Medina **CEO, TechBA**

Luis has a very extensive career in academia and industry, as an engineer, entrepreneur and manager both in Mexico and in USA. He graduated as a mechanical-electrical engineer specialized in control, communications and electronics; later he went on to obtain a PhD in Computer Science from CalTech. Initially, Luis worked in academia where he taught, did research and published. However, his main experience is in industry where he has worked for 27 years, first as an engineer, later as manager and finally as an entrepreneur. As such, he founded, organized, structured and negotiated and secured financing for two successful companies.

He is currently using this wide experience in the Technology Business Accelerator program – TechBA, where he helps technology companies from Mexico enter the US market.

Luis tiene una extensa y variada carrera en la academia y en la industria, como ingeniero, empresario y gerente tanto en México como en los EUA. Se graduó de la UNAM como ingeniero mecánico electricista especializado en control, comunicaciones y electrónica y continuó sus estudios en CalTech donde obtuvo el doctorado en ciencias de la computación. En un inicio, Luis trabajó en la academia donde enseñó, investigó y publicó extensamente. Sin embargo, su principal experiencia es en la industria en donde ha trabajado por 27 años primero como ingeniero, después como gerente y finalmente como empresario. Como tal, fundó, organizó, estructuró y, negoció y obtuvo financiamiento para dos compañías exitosas.

Actualmente está aplicando su amplia experiencia en la Aceleradora de Negocios Tecnológicos – TechBA en Austin, donde ayuda a empresas tecnológicas de México para que puedan entrar al mercado de EUA.

An American Story: Mexican American Entrepreneurship & Wealth Creation

Paper Presentations

Part 1: Introduction, Historical and Demographic Considerations

1 – Robert DelCampo and Douglas Thomas, UNM: *Mexican-American Entrepreneurship: A Review and Vision for the Future*

2 – Mary Ann Villarreal, University of Colorado at Boulder: *“Life on ‘The Hill’”: Entrepreneurial Strategies in 1940s Corpus Christi*

Part 2: National Data Set Studies of Mexican American Entrepreneurship

3 – Alberto Davila and Marie Mora, UT Pan American: *English Proficiency and the Entrepreneurial Income among Mexican Immigrant Men in the U.S. between 1990-2005*

4 – Magnus Lofstrom, Public Policy Institute of California and Timothy Bates, Wayne State University: *How Successful are Female Hispanic Entrepreneurs?*

5 – David Torres, Angelo State University: *Wealth Creation or Just Getting By: The Mexican American Self-employed Population in Context*

Part 3: State and Local Studies of Mexican American Entrepreneurship

6 – Leo Gemoets, UT El Paso, *Hi Tech in Texas: Mexican American Technology Based Entrepreneurs*

7 – Alfonso Morales, University of Wisconsin: *“Reserving Labor for Entrepreneurship: Business Formation and Wealth Creation among Mexican Immigrants”*

8 – Mary Lopez and Dolores Trevizo, Occidental College: *Latino Entrepreneurship in Los Angeles: An Analysis of the Determinants and Success Rates of Latino-Immigrant Business Owners*

9 – Maria Josefa Santos, UNAM: *Knowledge and Networks: Mexican-American Entrepreneurship in Southwestern Michigan*

10 – Zulema Valdez, Texas A&M University: *Mexican American Entrepreneurship in the Southwest*

1 – Robert DelCampo and Douglas Thomas, UNM: *Mexican-American Entrepreneurship: A Review and Vision for the Future*

Robert DelCampo

Robert (Rob) DelCampo is an Assistant Professor in the Department of Organization Studies at the University of New Mexico, holding the ASM Foundation Endowed Fellowship. His teaching interests lie in Organizational Behavior and Human Resource Management, while his research interests focus on the underrepresented members of the workforce (Hispanics in particular), turnover, and psychological contracts.

Rob has published or presented over 30 papers in his brief academic career. He currently serves as Associate Editor of The Business Journal of Hispanic Research. Rob earned a Ph.D. from the W. P. Carey School of Business at Arizona State University in Tempe, AZ in 2004, and holds MBA and undergraduate degrees from the University of New Mexico in Albuquerque. Robert DelCampo can be reached at delcampo@mgt.unm.edu.

Douglas Thomas

Doug Thomas is Associate Professor of Management at ASM (and holds the ASM Alumni Endowed Professorship) and earned his PhD in Strategic Management from Texas A&M University. He currently serves as Assistant Dean at ASM. He holds a BA in economics from BYU, where he also has served as a visiting lecturer at the Marriott School of Management. In addition, he has taught strategy and international business courses at Texas A&M University and the University of Texas at San Antonio. He is fluent in Spanish and previously worked as an internal consultant to American Express in Mexico City. He has published or forthcoming articles on strategy in *Management International Review*, *Journal of World Business*, *Journal of Business Research*, *International Journal of Management*, *Journal of International Management*, *Journal of Managerial Issues*, as well as several other outlets. While at ASM, he has consulted for a variety of organizations including start-ups, non-profits and governmental agencies. He is co-owner and co-founder of Pastorero Taco Grill a new Mexico City based quick casual taqueria with locations in 3 states. Douglas Thomas can be reached at Thomas@mgt.unm.edu.

Abstract

This project seeks to determine the relationship between immigration and engaging in entrepreneurial endeavors. Focusing on immigrants from Mexico into the US, we will explore the degree to which Mexican-American immigrants are more likely to engage in and succeed at entrepreneurship. This project builds on a stream of previous research that examines immigrant entrepreneurs. As immigration to the United States is in itself considered to be an “entrepreneurial act”, it lends itself to the reasoning that Mexican-American immigrants are more likely to engage in and achieve success with start-up businesses. We seek to demonstrate, through a thorough review of literature, why this occurs and its implications for both the U.S. and Mexican economies.

2 – Mary Ann Villarreal, University of Colorado at Boulder: “Life on ‘The Hill’”: Entrepreneurial Strategies in 1940s Corpus Christi

Mary Ann Villarreal

(Ph.D., Arizona State University, Assistant Professor)

Education: Ph.D., Arizona State University

Fields of study: American Southwest, Modern US, Latina History

Dr. Villarreal joined the department in Spring of 2008. Her research focuses on south Texas and the formation of a Texas Mexican identity through the lens of business. Her teaching areas include oral history, the American West, and Chicano/a History. She is currently working on her manuscript tentatively titled, *Con Ganas y Amor: Texas Mexican Women and Family Owned Businesses, 1930-1950*. An oral historian, Professor Villarreal published “Finding Our Place: Reconstructing Community through Oral History,” *The Oral Historian* (Vol. 33, Issue 2), 2006. The article focused on conducting interviews in rural south Texas and writing about women *cantantes* [singers] in South Texas. She has an article forthcoming, “Becoming San Antonio’s Own: Reinventing “Rosita,” *Journal of Women’s History*. She can be reached at maryann.villarreal@colorado.edu.

Abstract

During the first half of the twentieth century, Texas Mexicans experienced segregation in much of urban and rural south Texas. In Corpus Christi, for example, a reporter for the *Corpus Christi Caller* wrote that “Mexicans” totaled approximately 40 per cent of the population and most lived on “The Hill.” Though not legally segregated, *de facto* segregation dictated where Texas Mexicans lived, worked, and socialized. In the midst of political and labor activism to end discrimination and segregation, small businesses also arose in response to a demand of two niche markets, Spanish language speakers and the need for ethnic goods.

This manuscript explores the various strategies employed by Texas Mexicans with entrepreneurial vision and business sense. It pays particular attention to women and family owned businesses, illustrating how Texas Mexicans maneuvered around segregation practices along racial/ethnic/gender lines, employing their own family members and neighbors. The first group examined opted for social mobility, using strategies of “whiteness” but faced particular challenges of competing in larger market. The second group, non-traditional business owners, in particular women bar and dancehall owners, rely on the demand for space. The growth and success of these businesses lay in the building of a customer base that reflected their segregated place and their aspirations as Texas Mexican Americans.

3 – Alberto Davila and Marie Mora, UT Pan American: *English Proficiency and the Entrepreneurial Income among Mexican Immigrant Men in the U.S. between 1990-2005*

Alberto Dávila

Alberto Dávila is currently Professor of Economics and V.F. “Doc” and Gertrude Neuhaus Chair for Entrepreneurship at The University of Texas – Pan American. Since January 1997, he has also been serving as Department Chair for the Department of Economics and Finance at UTPA. Before joining UTPA in 1996, Dávila was a tenured faculty member at the University of New Mexico. He earned his Ph.D. degree in economics from Iowa State University in 1982; he also has an M.S. degree in economics from Iowa State, and a B.A. degree in economics from UTPA. Dávila’s research interests include Hispanic entrepreneurship and labor markets, the economics of the U.S.-Mexico border, and the economics of immigration. Alberto Dávila can be reached at adavila@utpa.edu.

Marie T. Mora

Marie T. Mora is Professor of Economics at The University of Texas – Pan American (UTPA), and she is currently the President of the American Society of Hispanic Economists (ASHE)—a position she has held since October 2006. Mora also serves on the Editorial Board of the *Social Science Quarterly*, and starting in November 2007, she became the MBA Program Director at UTPA. Prior to joining UTPA in 2002, Mora was a tenured faculty member at New Mexico State University. She obtained her Ph.D. in economics from Texas A&M University in 1996, after completing her B.A. and M.A. degrees (also in economics) from the University of New Mexico in her hometown of Albuquerque. Mora’s research interests include the economics of the U.S.-Mexico border, Hispanic labor-market outcomes, and the economics of language. Marie Mora can be reached at mtmora@utpa.edu.

Abstract

Employing U.S. census data, this study will analyze how English-language fluency affected the earnings of self-employed Mexican immigrant and Mexican-American men between 1990 and 2005. Our results will aim to address whether the English proficient among these two groups had higher earnings in 1990 vis-à-vis those of their counterparts who do not speak English well. In addition, we will explore whether this premium declined in 2000 and 2005. The empirical results will be presented both in unadjusted terms and adjusted for socio-economic characteristics. The results could point to the possibility that important socio-economic events during the 1990s and 2000s improved the relative position of these entrepreneurs who do not speak English well.

4 – Magnus Lofstrom, Public Policy Institute of California and Timothy Bates, Wayne State University: *How Successful are Female Hispanic Entrepreneurs?*

Magnus Lofstrom

Magnus Lofstrom is a Research Fellow at the Public Policy Institute of California (PPIC). His research interests include minority entrepreneurship, immigration and education. He received his Ph.D. in economics from the University of California, San Diego in 1999. Prior to joining PPIC, Magnus Lofstrom was an Assistant Professor of Economics at the University of Texas at Dallas. He has also served as a researcher and taught at the Institute for the Study of Labor (IZA) at the University of Bonn and at the University of California, Irvine. Magnus Lofstrom also holds appointments as research fellow at IZA and research associate at the Center for Comparative Immigration Studies at the University of California, San Diego. His work has been published in journals such as *Journal of Human Resources*, *Demography*, *Journal of Population Economics*, and *Research in Labor Economics*. Magnus Lofstrom can be reached at lofstrom@ppic.org.

Timothy Bates

Timothy Bates is Distinguished Professor of Economics at Wayne State University. Prior to his Wayne State appointment, he was Professor of Policy Analysis and chair of the graduate program of urban policy analysis at the New School for Social Research. Professor Bates is the author of five books on urban economic development issues, the most recent of which is *Race, Self-Employment, and Upward Mobility*, published by Johns Hopkins University Press. His recent articles have been published in the *Journal of the American Planning Association*, *Journal of Business Venturing*, *Economic Development Quarterly*, *Annals of the American Academy of Political and Social Sciences*, and *Journal of Money, Credit, and Banking*. Timothy Bates can be reached at tbates44@charter.net.

Abstract

This paper intends to analyze the success, or possibly lack thereof, of self-employed female Hispanics. Utilizing individual panel data from the 1996 and 2001 Survey of Income and Program Participation (SIPP), similar to Hamilton (2000), we aim to generate three measures of self-employment earnings; net profit, drawn salary and equity adjusted earnings. Self-employment earnings measures of female Hispanic business owners will be compared to earnings of their wage/salary counterparts as well as to non-Hispanic white female entrepreneurs. Given the relatively small sample size of female Hispanic entrepreneurs, the study will pool all female Hispanic entrepreneurs. However, recognizing possible heterogeneity across specific Hispanic groups, we will identify two Hispanic groups, Mexican-Americans and Other Hispanics, and test for differences in outcomes in our empirical models.

5 – David Torres, Angelo State University: *Wealth Creation or Just Getting By: The Mexican American Self-employed Population in Context*

David Torres

Associate Professor of Management, Angelo State University
Director, Commerce Department, University of Arizona South (Effective 8-2008)

David L. Torres specializes in the field of organization theory, entrepreneurship and small business growth. His publications have appeared in *Research in the Sociology of Organizations*, *American Sociological Review*, *Administrative Science Quarterly*, *Hispanic Journal of Behavior Sciences*, *Latino Studies Journal*, and others. Dr. Torres's consulting experience is geared to problem solving. His list of clients includes the Chicago Police Department, the Illinois Department of Transportation, the United Farm Workers of America, KXCI Radio in Tucson, Arizona, Pima Association of Governments and the Division Street Business Development Association in Chicago, Illinois.

Dr. Torres's has served as Associate Vice Chancellor for Academic Affairs at the University of Illinois at Chicago, Director of the Ph.D. Program in Management, and Co-Director of the Institute for Research on Race and Public Policy at the University of Illinois at Chicago. At the University of Arizona, he served as Coordinator of Research at the Mexican American Studies and Research Center. He was recognized as the 1997 Educator of the Year in Chicago by the Pilsen/Little Village Chamber of Commerce. In August 2008, he will assume duties as Director of the Commerce Department at the University of Arizona South. Dr. Torres can be reached at David.torres@angelo.edu, (w) 325-942-2383 x230, (h) 325-227-9629.

Abstract

The development of a capitalist class lies at the heart of political, social and economic power in free market societies. Mexican American self-employment has been rising at an impressive rate; however, the size and quality of these businesses are disproportionately lower than in the mainstream economy. In this paper, we examine characteristics of Mexican-ancestry business owners in three ways. First, we compare labor force characteristics of this group with other Latinos -- Cubans, Puerto Ricans and Central/South Americans. Second, we compare labor force characteristics of the self-employed with salaried workers in the public and private sectors. Finally, we analyze our findings for two time periods – 2000 and 2007. Our goal is to shed light on the following question –“Are there significant statistical patterns that shed light on the question of whether Mexican American participation in self-employment is likely to lead to substantial wealth creation for the group? An ancillary question is, “Where are the “best and brightest” Latinos finding the greatest number of professional and monetary rewards? This study is one of very few studies that consider the public, private and self-employed sectors, arguing that Latino participation in one sector of the economy has important implications for other sectors. The study also uses national data -- many studies of minority participation in the economy, especially those with a theoretical orientation, have tended to use smaller, proprietary samples.

6 – Leo Gemoets, UT El Paso, Hi Tech in Texas: Mexican American Technology Based Entrepreneurs

Leo Gemoets

Leopoldo Gemoets is an Associate Professor with the Information and Decision Sciences Department. He holds a Doctor of Science in Environmental Engineering from Saint Lucia Health Sciences University and a faculty fellow at California Institute of Technology. Dr. Gemoets is former director of CEDARS (Centers for Entrepreneurial Development, Advancement, Research and Support). He has served as principal investigator for a five hundred thousand dollar contract with Jet Propulsion Laboratories. He is also the Business College Coordinator for the Community Partnerships Program.

Leo Gemoets' research interests include information technology, international issues specifically multinational corporations in Mexico and enterprise resource planning applied to supply-chain management in the Maquiladora Industry. Leo Gemoets can be reached at Lgemoets@utep.edu.

Abstract

Entrepreneurship has been as an emerging area of research over the past 50 years. What was once looked upon as the trivial, uninteresting small business sector has been found to be a driving force in national economies, playing an important role in social stability as well. Early applications of traditional frameworks for the study of entrepreneurship have come from outside the discipline, particularly from economics, psychology and sociology. In recent years, mid-level theories have been developed to describe the phenomenon from both macro and micro levels.

Areas receiving attention in entrepreneurship research include the psychology of the individual, opportunity recognition, venture capital, feasibility analysis, networking, rapid growth, harvesting and exit strategies, corporate venturing, and others. Two areas that have received attention and resulted in significant and non-intuitive findings have been ethnic and immigrant studies. Surprisingly, very few of these studies have focused on Hispanic entrepreneurs, the largest minority group in the United States.

This paper will examine the largest sub-group within the Hispanic population, Mexican Americans. Specifically, we intend to investigate Mexican-American-owned technology-based ventures. For the past three years, the Center for Hispanic Entrepreneurship at the University of Texas at El Paso has been collecting articles and compiling databases on Hispanic entrepreneurs generally and Mexican-American entrepreneurs specifically. The data collected will form the basis for our analyses.

Additionally, a semi-structured interview will be conducted with twenty of the most successful Mexican American technology business founders in the state of Texas.

This study will make a major contribution to determining whether there are distinguishing characteristics of Mexican-American entrepreneurs. Prior research has reported that entrepreneurs are more alike across cultures than they are similar to others within their own cultures. We anticipate finding distinctions on such dimensions as attitude toward risk, individualism, the role of the patron, the language of technology, leadership, vision, image, visibility, access to capital, innovation, and alliances. The results will have implications both at the individual and societal levels.

7 – Alfonso Morales, University of Wisconsin: “Reserving Labor for Entrepreneurship: Business Formation and Wealth Creation among Mexican Immigrants”

Alfonso Morales

Alfonso Morales is originally from New Mexico and he has a Ph.D. from Northwestern University. His other graduate degrees are from the University of Chicago and the University of Texas at Dallas. He has been on the faculty at the University of Arizona and the University of Texas at El Paso before joining the University of Wisconsin at Madison. His research is about the linkage between rational thought and behavior and social institutions. Empirical cases include the organization of radio station programming, the structure of legal education, street markets and street merchants and other topics. His publications have appeared in *Economic Development Quarterly*, the *Law and Society Review*, the *Journal of Accounting, Ethics and Public Policy* and other scholarly journals. He is the editor of the book “*Renascent Pragmatism: Studies in Law and Social Science*” and coeditor of *Street Entrepreneurs*. His research has been supported by the Ford Foundation (twice), the American Bar Foundation and various government agencies. Alfonso Morales can be reached at morales1@wisc.edu.

Abstract

This article unites economic history, contemporary behavior and distinct socio-institutional contexts by examining how Mexican-American women become street vendors at Chicago’s Maxwell Street Market. By using archival research and ethnographic interviews we discover how women weave and reweave business and familial aspects of their lives in the course of pursuing business opportunities. We come to understand distinct approaches to family and business life, we discover what they value, but we also discern the contours of gender roles and employment expectations as institutional boundaries they face. We follow them as old and new ideas about business stimulate behavior that pierces institutional boundaries and how, over time, institutional boundaries are transformed. The fundamental question we answer is how women, especially minority women, shape their experiential and social contexts into new businesses. This involves understanding the social and social psychological process by which people become entrepreneurs. In this regard the approach is inductive, the data inform theory, the cases exemplify “ideal types” of behavior found in different demographic groups or social situations. The details of the cases show how people tie together, emotion, rationality and cognition in creating enterprises and wealth; as well as how they impart and transform values.

8 – Mary Lopez and Dolores Trevizo, Occidental College: Latino Entrepreneurship in Los Angeles: An Analysis of the Determinants and Success Rates of Latino-Immigrant Business Owners

Mary Lopez

Assistant Professor of Economics

B.A., University of California, Riverside, 1997

Ph.D., University of Notre Dame, 2003

Mary's primary field of interest is labor economics. Mary's teaching and research interests include immigration and immigration policy and gender and racial inequality. Her current research focuses on immigrant entrepreneurs, the intersections of gender, race/ethnicity, and nativity in the labor market, and the labor market experiences of Latinos.

In 2007-08, Mary will be teaching Principles of Economics II and Labor Economics. In the past, Mary has incorporated community-based learning projects and classroom experiments into her courses. Mary Lopez can be reached at mlopez@oxy.edu.

Dolores Trevizo

Dolores Trevizo is an Associate Professor in the Department of Sociology at Occidental College. She has published articles on various social movements in mid-20th century Mexico. Her current interests include the transition to democracy in Mexico, Mexican immigrants in the United States, and Latino immigrant entrepreneurs. Dolores Trevizo can be reached at dtrevizo@oxy.edu.

Abstract

Although Mexico has one of the highest rates of entrepreneurship in the world with a self-employment rate of 25 percent, Mexican immigrants in the United States exhibit one of the lowest rates of self-employment and one of the lowest levels of self-employment income relative to other immigrant groups (Toussaint-Comeau 2005, Batlova & Dixon 2005, Spener & Bean 1999, Waldinger, Aldrich & Ward 1990). Beyond noting low rates of entrepreneurship, only a handful of studies have examined the entrepreneurial experiences of Mexican immigrants in the U.S. (Fairlie & Woodruff 2005, Raijman & Tienda 2003, Raijman 2001).

Our project aims to contribute both to the literature on Mexican entrepreneurship and to the broader scholarship on Latino immigrant self-employment. First, unlike previous studies, we examine the extent to which the low rates of entrepreneurship among Mexican immigrants are attributed to economic status in the home country. Preliminary research by Trevizo (2005) suggests that Mexicans are less entrepreneurial than other immigrants because they come from more impoverished backgrounds, lack the familial tradition of business ownership, and are systematically isolated from business networks and, therefore, capital. Second, our project is unique in that we empirically measure the determinants of entrepreneurial success, as measured by firm receipts and longevity. We approach our study by looking both at intra-ethnic (Mexican immigrant) as well as inter-ethnic (Latino immigrants from various countries) differences and examine how levels of human and financial capital help to account for success with self-employment. Put differently, we carefully explore whether and to what degree source country differences among Latino immigrants account for the variation in the rates of entrepreneurial success identified by some scholars.

We will explore these issues by designing and conducting a survey—based on probability sampling—of Latino immigrant entrepreneurs in Los Angeles County. A survey is warranted given the limitations of the current Census data. The Decennial Census does not provide information about the characteristics of the firm, such as sales receipts, business longevity, the number of paid employees, and other information that is crucial for determining entrepreneurial success. Furthermore, the Census' 2002 Characteristics of Businesses and Characteristics of Business Owners surveys provide detailed information on the characteristics of businesses and business owners, but do not distinguish native and foreign-born business owners. In addition, the aforementioned data sources do not collect information on the labor market experiences prior to migration. Our survey will collect a random sample of data on the characteristics of both the entrepreneur and the firm. This will enable us to explore both the determinants of entrepreneurship (e.g., human and financial capital acquired in the source and host countries) and entrepreneurial success (as measured by firm receipts and longevity).

Los Angeles County is an ideal setting for such a survey because in 2002 Los Angeles boasted a 12.3 percent immigrant self-employment rate, the second highest in the country (Batalova & Dixon 2005). In addition, according to the 2000 Census, 36.2 percent of Los Angeles County residents are foreign-born, 44 percent of whom originate from Mexico.

This research has important policy implications. Examining the determinants of and impediments to entrepreneurial success encountered by Latino immigrants will allow us to propose policy recommendations aimed at improving their entrepreneurial experiences. Doing so is a priority given that research demonstrates that entrepreneurship is a historical pathway for upward economic mobility and community development (Light & Rosenstein 1995).

We are requesting a grant of \$12,000 to be distributed as follows; \$6,000 to pay research assistants to collect and assemble the survey data (600 hrs x \$10/hr) and \$6,000 to pay for two faculty research stipends (\$3,000 each).

9 – Maria Josefa Santos, UNAM: Knowledge and Networks: *Mexican-American Entrepreneurship in Southwestern Michigan*

Maria Josefa Santos

Doctor Maria Josefa Santos has a PhD in social anthropology at the Universidad Nacional Autónoma de México. She is a research at the Institute of Social Research at the UNAM, and member of The National Researcher System. She has participated at Editorial Board of different journals like *Nueva Antropología* and *Iztapalapa*. Her research interest are related with social studies of technology and and the relationships between technology and culture. In these topics she has 30 papers in specialized journals and four books. Maria Josefa Santos can be reached at mjsantos@servidor.unam.mx.

Abstract

This paper documents how social networks provide the mechanisms for accessing social and cultural capital and technical knowledge to Mexican migrants to start their own business in southwestern Michigan. The cases analyzed are part of what in the literature is known as “minority enterprises”. The main thesis is that knowledge provided by certain members of the network facilitated venturing into new business opportunities; opportunities traditionally unexplored by most of the members of this group despite the fact that most of these firms are not traditional ethnic ones. To show that we used the cases of owners of farms, stores and restaurants.

10 – Zulema Valdez, Texas A&M University: Mexican American Entrepreneurship in the Southwest

Zulema Valdez

Zulema Valdez (PhD UCLA) is an Assistant Professor in the Department of Sociology at Texas A&M University. Her research examines how group membership (e.g. race, class, gender) affects socioeconomic outcomes in advanced capitalism. Currently she is investigating how race, class, and gender affiliations differentially affect business owners' success in Houston, Texas. In a second project she is developing an agency-structure integration approach to explain the construction of difference and identity formation in the United States. She has been the recipient of grants from the Social Science Research Council, the Ford Foundation, and the National Science Foundation. Her work has been published or is forthcoming in *The Sociological Quarterly*, *the Journal of Ethnic and Migration Studies*, and *Race, Gender & Class: An Interdisciplinary Journal*. Zulema Valdez can be reached at zvaldez@libarts.tamu.edu.

Abstract

This paper investigates how nativity, skill and gender affect the self-employment outcomes of the Mexican-origin population in the Southwest. Using the 5 percent sample of the 2000 census and regression survey methods, findings reveal that self-employment participation is lower among high-skilled US-born men and women, and low-skilled US-born women, when compared to their foreign-born counterparts. Yet, self-employment participation is associated with increased earnings among high-skilled US-born men and decreased earnings among high-skilled US-born women. Moreover, self-employment is associated with lower earnings-returns among low-skilled women, regardless of nativity. Ultimately, this study reveals that entrepreneurial activity among Mexicans in the Southwest may indicate divergent trends: a strategy of economic mobility among high-skilled US-born Mexican men and a strategy of survival among high-skilled US-born women in particular and low-skilled women in general, as self-employment among women is associated with socioeconomic decline. Overall, this research suggests that differences in nativity, skill and gender affect the entrepreneurial outcomes of Mexicans in the Southwest.

Entrepreneurship Panel

Sara Patuel-Van Zee

In her present International Business Development role, Sara Patuel-Van Zee leads an initiative which pairs the University of Texas at Austin's IC² Institute with top-tier Mexican technology companies in a business accelerator program known as TechBA. Her successful track record includes having in her portfolio all top contracts for this program.

At TechBA, Ms. Patuel-Van Zee draws on previous experience as founder and CEO of Spice it Up Consulting that helped various minority small/medium business in the Austin community. Her experience also include a variety of positions at MCI, including Senior Project Manager for Latin America, and multiple high level roles for the US market. Her teams won the coveted Circle of Excellence award record times, setting high standards in management and program implementation.

Ms. Patuel-Van Zee graduated from St. Edwards University with a BA in Spanish International Business and Marketing.

Manny Flores

With a strong background in general and ethnic marketing, Manny Flores' experiences have molded his skills into a powerful mix of knowledge and intuition, giving him an edge in providing clients with superior brand development support. It is this edge that LatinWorks is leveraging to become the leading change agent for the marketing industry.

With 18 years of corporate marketing experience, Flores knows firsthand what companies are searching for in an agency and what it takes to develop and execute effective marketing plans. His instinct and proven ability to create leading marketing programs have won him recognition as one of the "corporate elite" among Fortune 100 companies by Hispanic Business and Hispanic Magazine. As founder of LatinWorks, Flores is able to lend his brand development and segment-marketing expertise to a variety of businesses. These include key agency clients such as Anheuser-Busch, Hyundai Motor America, U.S. Cellular, Domino's Pizza, NetSpend, ConAgra and ESPN Deportes.

As the former Vice President of Marketing Development for Anheuser-Busch, the world's largest brewer, Flores created innovative, progressive general market and ethnic marketing programs that continue to receive recognition today. His accomplishments included managing the company's National Entertainment Marketing Group, directing the innovative Beer School Program, and overseeing the Contemporary Marketing Group, one of Anheuser-Busch's most successful relationship marketing initiatives staffed with more than 350 employees.

As Chief Executive Officer at LatinWorks, Flores oversees agency operations, strategic direction, public relations initiatives and client relations. Flores, a San Antonio, Texas native, is a marketing and management graduate from The University of Texas.

Entrepreneurship Panel Cont.

Sylvia Acevedo

Sylvia Acevedo founded and is president and chief executive officer of CommuniCard LLC, which offers institutional strategies and licenses, publishes and produces visual aids designed to improve multicultural workforce productivity and communication. Before forming CommuniCard, she was a founder and vice president of sales and marketing at REBA Technologies. At Dell Computer, Sylvia directed the creation of the first Pan-American e-commerce Web site for Latin America. Earlier in her professional career, Sylvia worked as a rocket scientist at the Jet Propulsion Laboratory in Pasadena, California, and subsequently held executive positions at IBM, Apple Computers, and Autodesk Inc. Among her honors, Sylvia was named the 2007 *Austin Business Journal* "Profiles in Power" Award winner, 2007 Greater Austin Chamber Advocate Award winner, 2007 Hispanic Community Leader for AISD, 2006 YWCA Austin's Businesswoman of the Year, 2006 GEM National Entrepreneur of the Year, and 2004 U.S. Hispanic Chamber of Commerce Businesswoman of the Year.

Gabriel Diaz

Gabriel Diaz, a native of Mexico, spent his youth in El Paso and Brownsville Texas. He attended ITESM in Monterrey, Mexico where his studies focused on mechanical electrical engineering. Realizing this was not the direction he wanted to take at that time, Gabriel returned to Brownsville where he took the leap to become an entrepreneur and started a small business. This endeavor allowed him the finances to move to Austin and enroll in The University of Texas at Austin, where he graduated with a degree in Finance and International Business. While he was in school Gabriel worked at MCI as a telemarketer. At the time of his graduation, he was managing four to six sales teams. He assisted in development and execution of a multiple sales programs for MCI which included the first successful nationwide launch of telemarketing sales in Spanish.

In 2002, Gabriel founded Reallinx, Inc., a nationwide provider of data and voice services. Today the company has thousands of customers nationwide and employs 26 people in Austin and Dallas. Gabriel is happily married and has four children and a very busy wife.

Roy Lopez

Afternoon Keynote Speaker



Roy Lopez
Community Affairs Specialist
Federal Reserve Bank of Dallas

Roy currently is the community affairs specialist for the Federal Reserve Bank of Dallas. Roy writes for the Dallas Fed publication *Perspectives*, coordinates writings and provides technical assistance on the Community Reinvestment Act, banking the unbanked, asset building, community development, and affordable housing. Roy is currently writing a case study on a low-income neighborhood in El Paso for an in-depth publication on concentrated poverty with the Brooking Institution. He brings extensive experience from working in the public and non-profit sectors on policy and planning issues related to community and economic development. His past experience as a Project Development Coordinator for the City of Forth Worth Housing Department and prior to that in the Governmental Relations Division of the Texas Department of Housing and Community Affairs have served stakeholders well. Roy received a master's degree in urban administration from Trinity University in San Antonio and a bachelor's degree in political science from Texas A&M University in College Station.

master of science

SCIENCE & TECHNOLOGY COMMERCIALIZATION

LIKE NO OTHER

The University of Texas at Austin's IC² Institute offers a program like no other - the Master of Science in Science & Technology Commercialization. This elite graduate degree prepares individuals for successful entrepreneurship and for fields such as technology assessment, strategic planning, IP development, technology commercialization and licensing. Graduates earn their Master of Science degree in Science & Technology Commercialization (MSSTC) from The University of Texas at Austin.

ONE YEAR, 27 WEEKENDS

The program begins in April with a required 4-day orientation in Austin, Texas. Classes meet on alternate weekends, both Friday and Saturday, for 27 weekends. If applicable, candidates work with their employers to create a schedule that enables them to earn their MSSTC degree while continuing to work full time.

LIVE VIDEO WEBCAST

Participants may choose to attend classes in Austin, via video webcast, video archive or utilize a combination of all three. Candidates may complete their degree without ever attending class in Austin, as the MSSTC program does not have a residency requirement. All classes are online globally, so students may participate from anywhere in the world they can access a broadband connection. As classes are archived online after the live session, participants may watch the lectures later if they are unable to make the live class or desire review.

REAL TECHNOLOGIES

The MSSTC curriculum is about action-based learning. Instead of focusing on business case studies and hypothetical exercises, students work with actual technologies and innovations. Most assignments are completed in a small team of students who collaboratively develop market strategies and business plans for truly original technologies throughout the year. The program culminates when student teams formally present their final technology commercialization plan before a panel of faculty, industry leaders and venture capitalists. Several technologies have evolved into subsequent successful commercial ventures for MSSTC graduates.

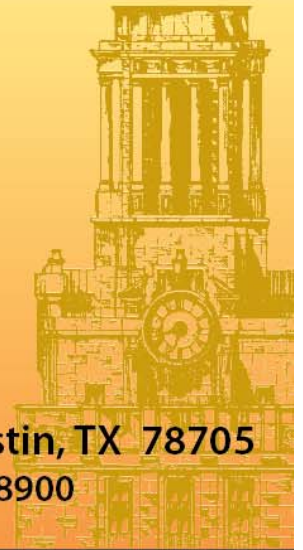
ONLY THE BEST

MSSTC faculty rank among the best worldwide in their respective fields. Faculty members are selected from the renowned IC² Institute Fellows and numerous Colleges within The University of Texas at Austin. MSSTC faculty carry on the vision of Dr. George Kozmetsky, former Dean of the McCombs School of Business, Michael Dell's mentor and co-founder of Teledyne. Using expertise culled from successful entrepreneurial ventures throughout the world, Dr. Kozmetsky founded the MSSTC degree to meet 21st century demands for accelerated commercialization of emerging technologies. As a result, Dr. Kozmetsky created the preeminent executive masters program in technology commercialization for the global economy.

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ic² INSTITUTE

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The **IC² Institute** is a globally recognized “think and do” component of The University of Texas at Austin whose mission is to engage in cutting-edge research to enhance the solving of unstructured problems related to market economies, wealth creation, growth, and prosperity through entrepreneurial activity and the commercialization of technological innovation. The Institute carries out this mission through its primary applied research laboratory at the Austin Technology Incubator as well as through the Bureau of Business Research, the Global Commercialization Program, the Digital Media Collaboratory, the IC² Fellows Network, Visiting Scholars, and the Master of Science in Science and Technology Commercialization degree program.

Austin Technology Incubator [ATI] – One of the most successful technology-focused business incubators in the U.S., ATI has graduated 65 companies that have generated \$1.2 billion in revenue and created 2,850 jobs in Central Texas. ATI supports the growth and development of emerging technology companies by providing targeted services that include strategic advice, access to financing, marketing and public relations support, mentoring, and turn-key infrastructure.

Bureau of Business Research [BBR] – The “first” business research unit at The University of Texas at Austin, BBR provides Texas businesspeople and policymakers with applied economic tools and data to strengthen the state’s business environment. Since its founding in 1926, BBR has developed a reputation for nonpartisan analysis of economic trends through publications, independent reports, and sponsored research.

Global Commercialization Programs – IC² Institute offers its 30 years of experience to regions and enterprises interested in increasing prosperity through technology commercialization. Services include training entrepreneurs and technology commercialization managers; launching and managing programs for venture incubation, global business acceleration, and lab-to-market technology licensing; and developing strategic plans for technology-based infrastructure and economic development.

Digital Media Collaboratory [DMC] – DMC is an initiative of the IC² Institute created to facilitate coordinated, inter-departmental research and development in digital and interactive media.

IC² Fellows – The IC² Institute’s Fellows Program is a global community of creative and innovative leaders from academia, business, and government. IC² founding director Dr. George Kozmetsky inducted the first fellows into this education, research, and know-how network in 1977. Over the years the network has grown to include more than 240 fellows from eighteen nations, of which two are Nobel Laureates.

IC² Visiting Scholars/Researchers – over the past 15 years the Institute has welcomed 140 scholars and researchers from 17 nations that have come to study research methods and substantive problems as well as develop professional relationships.

Master of Science in Science and Technology Commercialization [MSSTC] – This one-year degree program is dedicated to educating working professionals with specialized skills to accelerate the transfer of technology-based ideas into products and services in the marketplace. The program focuses on early stage wealth creation processes and related business practices for launching and sustaining a successful technology enterprise in a new or existing organization.

IC² Director

John Sibley Butler is the Director of the IC² Institute, and Director of the Herb Kelleher Center for Entrepreneurship Growth and Renewal at the Red McCombs School of Business (Department of Management), The University of Texas at Austin. His research in the areas of organizational behavior and entrepreneurship, new ventures, and immigrant and minority entrepreneurship appears in professional journals and books. Professor Butler has been a Distinguished Visiting Professor at universities in Japan and China during the last 15 years. Recently he has become affiliated with Babson College in Boston, where he will be engaged in teaching, the creation of an incubator/business accelerator, and the overall technology transfer effort for that region. He also teaches in the UT Executive MBA program in Mexico City.

Professor Butler has served as a consultant for many firms and the U.S. Military. He is one of the distinguished professors who served on the Advisory Team of Governor George Bush’s 2000 Presidential Campaign. In 2003 President George W. Bush nominated Dr. Butler to serve as a member of the J. William Fulbright Foreign Scholarship Board.

IC² Founder

Dr. George Kozmetsky (1917-2003) founded the IC² Institute at The University of Texas at Austin in 1977 when he was Dean of the College of Business Administration and the Graduate School of Business. Kozmetsky, a lifelong educator, was co-founder of Teledyne, Inc. He received the National Medal of Technology in 1993 as acknowledgement of his decades of exceptional contributions as a mentor and champion of high technology entrepreneurs, including Michael Dell, DELL Corporation, and Jim Truchard, National Instruments.

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