Latino Businesses in Nebraska: A Preliminary Look

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Participation in Self-employment by Race and Ethnicity for the Civilian Population 25-64 years old, Nebraska 2001-2012

NH White, 92%
Hispanic, 4%
NH Black, 2%
NH Asian, 2%

86% 88% 90% 92% 94% 96% 98% 100%


Source: Own Calculations based on American Community Survey 2001-2012, through IPUMS

We're proud of our metro FAMILY OWNED businesses.
Small but mighty

Percent changes for the number of firms, annual sales, employment and annual payroll by owner’s race and ethnicity, Nebraska 2002-2007

Source: Own Calculations based on U.S. Census Bureau Survey of Business Owners 2002 and 2007 - Summary Tables A1
Latino-owned *establishments* 2002-2006

N=359

Survival rates compared

<table>
<thead>
<tr>
<th>Region</th>
<th>Asian</th>
<th>Black</th>
<th>White</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri</td>
<td>59%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kansas</td>
<td></td>
<td>63%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iowa</td>
<td></td>
<td></td>
<td>67%</td>
<td></td>
</tr>
<tr>
<td>Nebraska</td>
<td></td>
<td></td>
<td></td>
<td>63%</td>
</tr>
<tr>
<td>U.S.</td>
<td></td>
<td></td>
<td></td>
<td>66%</td>
</tr>
</tbody>
</table>

Job retention rates compared

<table>
<thead>
<tr>
<th>Region</th>
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<th>Black</th>
<th>White</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri</td>
<td>93%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kansas</td>
<td></td>
<td>80%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iowa</td>
<td></td>
<td></td>
<td>78%</td>
<td></td>
</tr>
<tr>
<td>Nebraska</td>
<td></td>
<td></td>
<td></td>
<td>95%</td>
</tr>
<tr>
<td>U.S.</td>
<td></td>
<td></td>
<td></td>
<td>92%</td>
</tr>
</tbody>
</table>

Source: Own Calculations based on Special Tabulations of the U.S. Census Bureau Survey of Business Owners 2002 and 1986-2006 Business Information Tracking Series - Summary Table 4
Strong job creation through few expansions

Expansion rates compared

- 32% of the jobs created in Latino firms during 2002-2006 were due to expansions
- Latino-owned business added 10 employees per expansion when the general average in the state was 6.

Source: Own Calculations based on Special Tabulations of the U.S. Census Bureau Survey of Business Owners 2002 and 1986-2006 Business Information Tracking Series - Summary Table 4
Some Characteristics of Latino-owned Firms in 2007

- Half opened between 2002-2007
- Low access to financial services
- Only 15% are employer firms. Two thirds of employer firms have between 1 to 9 employees
  - More likely to hire employees in non-standard work arrangements
- 54% home-based, 17% family-owned
- Concentrated in four industries:
  - Health Care and Social Assistance (22%)
  - Other services (14%)
  - Construction (13%)
  - Waste Management (10%)
- Cater to English and Spanish speaking communities
- Low use of technology

Source: “Latino Businesses in Nebraska: A Preliminary Look”
Some Characteristics of Latino-business Owners in 2007

- 35% had some level of education beyond high school
- 20% had some previous experience as self-employees
- 60% founded their businesses
- 56% provide services/produce goods in their business
- 45% had business as primary source of income
- 35% were foreign born
### Comparison of Personal Income Earnings by Class of Worker for Hispanic Civilian Employed Population 25-64, Nebraska 2000 and 2008-2012

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Self-employed</td>
<td>$28,071</td>
<td>$35,876</td>
<td>28%</td>
</tr>
<tr>
<td>Wage worker in Private Sector</td>
<td>$30,948</td>
<td>$28,533</td>
<td>-8%</td>
</tr>
</tbody>
</table>

Source: Own Calculations based on Census 2000 5% PUMS and American Community Survey 2008-2012 PUMS.

* Difference is statistically significant at 95% level.
Some Policy Recommendations

• More research!

• Strengthen partnerships between organizations working with business owners and community-based organizations serving the Latino community

• Increase bilingual and bicultural staff in relevant governmental offices

• Create channels to more stable migratory status for business owners and immigrant population overall
Latino participation in self-employment is becoming more prominent in metro areas.

Source: Own calculations based on ACS-PUMS 2008-2012 and ACS Summary Tables.