

Understanding DIFFERENCES

is the key to helping Latino business owners find their place on state's landscape

By Sean M. Grady

Throughout Nevada, Latinos, many relative newcomers to the state, have been a swiftly growing part of the population.

Naturally, they also have been a small but growing presence in the state's business world: retail, medicine, construction, real estate and a host of other professions and services.

For many Latinos, though, starting a business and keeping it going can be harder than usual, especially for those who are new to the American way of commerce. It is not merely the language barrier, but a series of cultural assumptions that can interfere with their path to success.

A BURGEONING POPULATION

First, the good news: Latino business owners in the United States, and in Nevada specifically, have made great strides over the past decade or so.

Across the nation, close to 1.6 million Latino-owned businesses were identified by the U.S. Census Bureau's 2002 Economic Census — the results of which came out in 2006 — a jump of 31 percent from the economic census of 1997.

(The Economic Census is a survey of a sample of the nation's more than 23 million businesses that the Census Bureau conducts every five years, for years ending in "2" and "7." That growth rate was triple the national average for all businesses, the bureau's report showed.

Moreover, the nation's Latino-owned businesses brought in roughly \$222 billion in sales during 2002, a 19 percent increase from 1997's figure.

"The growth we see in Hispanic-owned businesses illustrates the changing fabric of America's business and industry," says Louis Kincannon, the bureau's director.

Nevada in particular was one of the best states for Latino businesses, which experienced a 48 percent growth rate, placing the Silver State among the five top states for such growth and the only top-ranking state not on the Eastern Seaboard.

More recently, a wide-ranging report on the Reno-Sparks area — produced in 2004 by the University of Nevada, Reno and the Hispanic Chamber of Commerce of Northern Nevada — identified 563 Latino-owned stores, restaurants, financial firms and other businesses.

That figure is for a group whose members — both those born in the United States and immigrants — are relative newcomers to the area.

"Most of the (Latino) people who are here have come here in the last 10 years," says Kate Berry, an associate professor in the University's Department of Geography who has studied the local Latino business community.

Before the mid-1990s, the best estimates assessed the Latino population as between 20 and 30 percent across the entire state.

Census Bureau demographics show the Latino population of Reno is about 22 percent and Las Vegas is about 27 percent, while rural towns post far higher percentages. For example, the Latino population in West Wendover, on the Nevada-Utah border in Elko County, is close to 60 percent.

And, surveys indicate there really is no such thing as a "typical" Latino-owned business.



Special publications, such as the two shown here, have helped Latino business owners in the state tell their story, and perhaps just as important, define their place in Nevada's economy.

"What we have found is there is a higher diversity in the number of businesses, from high-tech to landscaping," Berry says.

A TALE OF TWO CULTURES

Behind the statistics, though, is a story of acculturation somewhat different from that of most other ethnic groups in the United States.

Though the majority of local Latino businesses are less than five years old, their owners often come in with prior experience in their homelands, Berry says.

That, sadly, is where many of their troubles start.

Aside from the occasional savings and loan crash or government corruption scandal, most Americans have a sense that they can trust their national institutions on a day-to-day basis.

However, Latino emigrants come to the United States having learned much harder lessons: don't trust the banks, don't trust the government and, especially, don't trust the police.

"That is cultural, because the dynamics in

Continues on page 33

A helping hand way up

By Sean M. Grady

It's a typically American challenge. How do you help business owners in an ethnic group — some whose families have been in the United States for generations, others who came to this country only recently — succeed both in their communities and in society at large?

At the Nevada Small Business Development Center — a statewide business assistance program of the University of Nevada, Reno and the University of Nevada, Las Vegas — staff members help by getting as much information into business owner hands as possible, and by connecting them to other folks who want to help them succeed.

A case in point:

Ever since the 1990s, the most-frequented zone of Latino-owned businesses in the Truckee Meadows has been the Wells Avenue corridor from Shopper's Square on Plumb Lane to Second Street in Reno. Other business owners have set up shop on such streets as Reno's Peckham Lane or on Prater Way in Sparks.

However, when Jesus Gutierrez started up his restaurant, Fresh Mex, in 2005, he chose a prominent storefront in the Keystone Shopping Center, placing his business right next to the heavily trafficked intersection of Keystone Avenue and Fifth Street.

Fresh Mex is the embodiment of a plan he and his brother, Gerardo, put together during the years they worked at the Eldorado and Silver Legacy hotel-casinos in downtown Reno.

The brothers had their future plans in mind when they moved from Mexico to the United States in the early 1980s.

"We always thought about running our own restaurant," Jesus Gutierrez says. "It was part of the dream."

The Gutierrezes opened their business using their own savings, without taking a business loan. This practice is common among



Photos by Sean Grady

Nevada Small Business Development Center helped Jesus Gutierrez, owner of Fresh Mex, with a business plan and signage, key ingredients for business success.

Latino emigrant business owners: some distrust banks after seeing their homeland's money drastically devalued, while others simply do not know that such assistance is available.

However their savings could go only so far, and that distance did not include the large outdoor signage that Fresh Mex needed to draw attention to itself. Instead, the brothers resorted to less visible measures that did not catch the eye nearly as well.

Fortunately, the restaurateurs learned of the Nevada Small Business Development Center, where — thanks to a donation from Wells Fargo Bank — the center and the Hispanic Chamber of Commerce of Northern Nevada had a program in place to help Latino business owners.

In Fresh Mex's case, solving the main problem was simple. The center put the restaurant in touch with Signtronix, a California-based sign company specializing in affordable signage for small businesses.

Better still, when the sign company

learned the full extent of the brothers' story, it provided the new signage — a tall, post-mounted plastic sign and a set of banners for the restaurant's front and side walls — at no charge.

At the same time, the center helped Fresh Mex put together a formal business plan and took other steps to help improve the restaurant.

The extra help has turned out to be a boon, one that continues to improve how the restaurant does business.

"Any question you have, those folks up there have an answer for you," Jesus says.

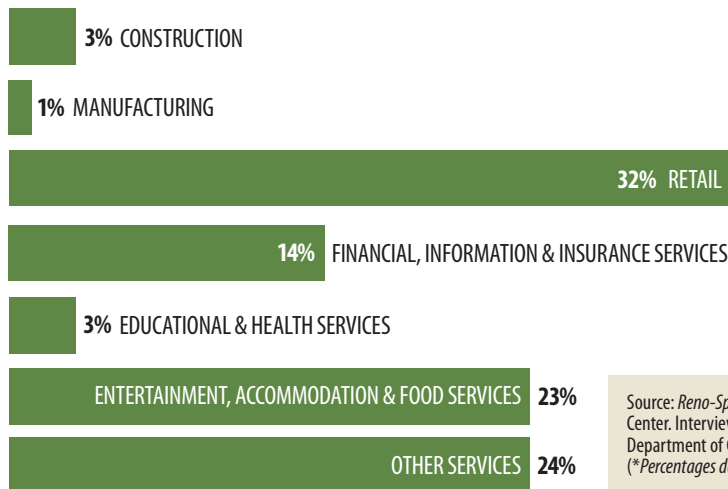
And what happened to the restaurant's business after the new signage was in place?

"It went up by about 300 percent," he says.

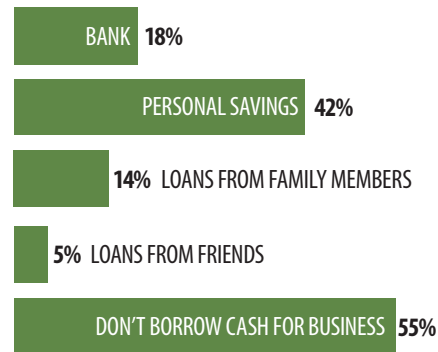
Jeremy Wingert '07 (accounting), a former counselor at the Nevada Small Business Development Center who now works at the California Franchise Tax Board, contributed to this article.

The Hispanic community is a very broad and diverse community. The Cubans in Miami, Puerto Ricans in New York, and Mexicans in the Southwest all have very different interests, cultural traditions, food preferences, and personal expenditures. In this light, the understanding of Hispanics is not complete if the various Latino cultures are grouped into a single Hispanic category. Unfortunately, the majority of U.S. Census data, federal expenditure surveys, state demographer estimates, and other demographic and economic statistics are not reported by specific Hispanic origins, but for Hispanics as a whole. Because the Hispanics in the Reno-Sparks region are 75 percent Mexican, a better understanding of the Mexican households and spending patterns is needed. (Excerpt from *The Hispanic Business Report*, 2004.)

Types of Hispanic-owned businesses



Business financing used*



Source: *Reno-Sparks Hispanic Business Report*, produced in 2004 by the Nevada Small Business Development Center. Interviews with locally-owned Hispanic business owners were done by the University of Nevada, Reno Department of Geography in conjunction with the Northern Nevada Hispanic Chamber of Commerce. (*Percentages don't add to 100% because many of the business owners use more than one source of financing.)

our home countries is that everything is so corrupted,” says Marcel Fernando Schaerer, a member of the Nevada Small Business Development Center’s Reno Advisory Board and president of International Professional Development Services, a business counseling firm.

(The Nevada Small Business Development Center is a statewide business assistance program of the University of Nevada, Reno and the University of Nevada, Las Vegas.)

In fact, the majority of Latinos start or expand their businesses with personal savings or loans from family members and friends, rather than taking out business loans, the 2004 University of Nevada, Reno/Hispanic Chamber of Commerce report found.

Then again, many business owners would be willing to tap into the available money supply. The problem is, they do not know how to go about doing so.

Maury Centeno, manager of U.S. Bank’s Vasar Street branch and president of the Hispanic Chamber of Commerce, says the problem often boils down to paperwork.

“As a banker, I notice that up to 90 percent of

these small-business owners have been rejected by a bank — not because the bank ‘didn’t like’ them, but because they didn’t put a business plan together, or because they put one together incorrectly,” she says.

On top of these cultural obstacles is the problem of illegal immigration, which intensifies the fear of apprehension and deportation of employees and family members even in businesses whose owners are citizens or legal residents.

All together, these obstacles slow down the success of individual businesses.

“They have a tendency not to open businesses that are integrated with the rest of society,” says Tom Cargill, a professor in the University’s Department of Economics.

As a result, while these businesses are not excluding non-Latino customers on purpose, neither are they pursuing these customers to any great extent, Cargill explains.

OUTSHINING THE CLOUDS

It would be a mistake, though, to take a gloomy view of Nevada’s Latino business world.

“When I look at the Latino population, I see

pluses all over the place,” Schaerer says.

One of the biggest pluses is *familia*, the sense of both the nuclear family and the extended family coming together in all aspects of life.

“The concept of *familia* is what brings the whole extended family to take care of the business,” Shaerer says.

This greater family involvement equals greater flexibility in running a business, and in providing employees emotional support and even baby-sitters when needed.

“There is also the flavor of the different products that come up around that culture,” Shaerer says. “It’s an enduring tapestry of different products and services.”

An equally big plus is the number of ways in which business owners can get financial and other forms of help from banks and counseling services to other businesses. (See the accompanying article, “A helping hand way up.”)

“There are a lot of people who want to help the Hispanic business community succeed,” says Winnie Dowling, deputy state director of the Nevada Small Business Development Center. [N](#)



University of Nevada, Reno
Foundation

Do you have a match?

Corporate matching gifts are a great way for Nevada alumni and friends to maximize personal contributions to the University and increase the impact of their gift.

Many corporations match the gifts their employees give to non-profit and charitable organizations. These matching programs have been made part of many corporate giving initiatives both to extend the reach of corporate giving and to encourage employees to be actively involved in supporting their communities. You may be able to double, or even triple, the amount of your gift at no additional cost to you!

To see if your employer has a matching gift program, follow the link below to the Council for the Advancement and Support of Education. CASE maintains a database of more than 7,500 companies that support matching gift programs.

If you have questions please contact Development and Alumni Relations at 775-784-1587. We can provide further matching gift information and assistance.

How do I get my gift matched?

Each company has its own guidelines for employees, spouses, retirees, and widows/widowers. Most corporate procedures are very simple:

- Request a Matching Gift Form from your company.
- Complete and submit the form to Nevada along with your gift.
- The University will verify the completed form and return it to the company.
- The company issues a matching gift contribution.

Completed forms can be sent with your personal gift to:

University of Nevada, Reno Foundation
Mail Stop 0162
Reno, NV 89557

To see if your company will match your gift, go to:

<http://giving.unr.edu/matchinggifts.aspx>