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Latino/a business owners in Ames, Iowa

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Latino/a business owners in Ames, Iowa

by

Mario A. Iñiguez

A thesis submitted to the graduate faculty
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Iowa State University
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DEDICATION

I would like to dedicate this thesis to my grandparents, Mariano and Guadalupe Iñiguez. Between us we bridge 3 generations. I see my academic journey as a true blessing, and they will always be the benchmark to which I hold myself accountable.
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The Latino population in the United States is unquestionably growing, at such a rate that by the year 2025, Latino/as will share about 25 percent of the total U.S. population (Gonzalez 188). Latinos/as business owners along with the overall population are also increasing in number. More specifically, research has documented a growing trend of Latinos/as moving to the Midwest. As an increasing number of Latinos/as settle in the heartland of America, they are impacting the towns in which they live. As a result Latinos/as as entrepreneurs are also increasing in number in rural America, by providing goods and services not only to other Latinos/as but also to their general communities. The private sector alone in the United States is almost solely responsible for the creation of new jobs. As more Latino/as become employers, their economic vitality will grow further, and assume a stronger position in the U.S. economy. In this study I have focused on the city of Ames, Iowa, and the personal stories of its Latino/a business owners. From their individual stories, insight can be gained into what if any common themes they have in starting, and maintaining their businesses, how much family plays a role, and how connected the owners are to the business community. In sum, the purpose of this study is to document the story of each Latino/a owner. Each story is an opportunity to listen to the voices of those who are shaping the future of the Midwest.
“Paradoxically, however it is only in our attempts to understand the culture of others that we come to understand our own culture (Trueba 11).”

Latino/as are the largest minority group in the United States. The 2000 census lists 35.3 million Latinos in the United States (Guzmán 1). Latinos make up 12.5 percent of the nation’s population (Acuña 2). How do these numbers affect the U.S.? More specifically, how does this growing Latino population impact Midwest communities like Ames? Latinos make up the fastest growing minority group in the U.S. and also are statistically the youngest demographic. From 1990 to 2000 the U.S. Hispanic population increased by more than 50 percent (Guzmán 2). Moreover, Latinos are a young demographic; for example, in 2000, 35 percent of Hispanics were less than 18 years of age (Guzmán 7).

Latinos in this crucial demographic are looking for stable employment and ultimately an environment in which they can raise a family. The search for employment is often pursued by cheaper costs of living, and the attractive appeal of established ethnic enclaves. Traditionally, Latinos can be found in three locations according to origin: those of Mexican descent in the southwest, Puerto Ricans in the northeast, and Cubans in the state of Florida.

An increasing number of U.S. Latinos and immigrants are finding a home in the Midwest. There are various reasons to why they are coming to the Midwest: to find employment, become an entrepreneur, to rejoin with family members or friends, to flee economic instability in their home country, and also to seek a better education for their children. Whatever their reason in deciding to move to the Midwest, their impact is being felt in the communities in which they settle.

In the state of Iowa Latinos have increased their numbers significantly since 1990, when
there were approximately 33,000 (www.census.gov). Current estimates taken by the 2005 American Community Survey, suggest that there are 106,502 Latinos living in Iowa (Fact Sheet Iowa at www.census.gov). As in several other midwestern states Iowa’s population has been subject to limited growth, if any growth at all; meanwhile, Latino immigrants have helped to fill low-paying jobs that might otherwise go unfilled. For example, from the 2000 census only two other states, Florida (17.6) and Pennsylvania (15.6), have a higher percentage of people from the 65 and older demographic (www.census.gov). Iowa’s near-stagnant population growth is most noticeable from the fact that 58 of 99 Iowa counties experienced a decrease in population from April 1st 2000 to July 1st 2005 (www.census.gov).

Furthermore, Iowa is experiencing an exodus of young people leaving the state, that in turn leaves a void to be filled within communities, including among other things employment, and vanishing enterprise. Iowa’s continual exodus can be exemplified through the decreased population rate of -12.1 from 1995 to 2000 (Perry 9). What does this mean for Latinos living in Iowa? More whites and blacks left Iowa during this period than migrated to Iowa. However, more Latinos migrated to Iowa than left (Schachter 6). The majority of Latinos can be found in Iowa’s capital, Des Moines, where an estimate of 18,952 Latinos reside (www.census.gov).

The Latino/a population has room to make an economic impact in the state Iowa. Pockets of Latino communities are spawning new businesses and as a result, revitalizing towns and cities. These new Latino/a business owners are both native and foreign born. Their individual stories give insight as to how this minority group may differ in it’s approach to business, and face unique barriers to full participation in the economic life of the state. Knowing their stories in turn will help to better understand future Latino/a business owners.
CHAPTER 2. REVIEW OF LITERATURE

2.1 Introduction

First, I discuss the diversity of the Latino group. I then move on to a historical overview of the relationship between Mexican Americans and the U.S. This information is imperative to understanding the established roots of Mexican Americans in the United States as well as their increasing ties to the Midwest. I then pin-point some of the basic factors of Latino immigration. In this section I discuss the factors that account for the shifting trends of immigration and the emigration of Latinos leaving traditional gateway states for the Midwest. I then discuss how Latinos have contributed economically, specifically through labor, and how their contribution is closely identified with changing markets and political policy. In this section I also focus on the historical relationship of Latinos and Midwestern states, because of the agricultural market and its pull for employment. I then shift the topic directly to Latino/a business owners by outlining characteristics of both their businesses as well as the owners themselves. I conclude by outlining several questions that have motivated me to research Latino/a business owners.

2.2 A Heterogeneous Group

The Latino group as a whole is heterogeneous, consisting of 23\footnote{This number includes the country of Belize, which is sometimes not considered as a Latin country. However, Belize borders Mexico, Guatemala, and Honduras and has a mestizo population that represents about half the country’s population (CIA World Factbook)} different nations each with their own distinct culture. This massive group extends from the border between the U.S. and Mexico, to the neighboring islands just off the Gulf of Mexico, to the southern tip of South America and even crossing the Atlantic ocean to the country of Spain. Representatives from all these nations inhabit the U.S. Scholars mainly pinpoint the top three groups by largest
population: Mexicans, Puerto Ricans, Cubans. As diverse as these groups are, each has a
definitive history with the U.S., and include U.S.-born Latinos as well as those immigrating
from their respective countries. Often the various groups are viewed as one indistinguishable
group. For example, Salvadorans and Hondurans are often called Mexicans even though they
originate from different countries. Thus, this culturally diverse group of Spanish-speaking
individuals in the U.S. are often lumped together under the title, “Latino.” According to
the 2005 American Community Survey, the Latino population makes up about 14.5 percent
of the total U.S. population. Of the total Latino population, Mexican Americans are the
largest group with a population of about 27 million or 64 percent of Latinos. The next three
largest groups are Puerto Ricans with 9 percent, Cubans with 3.5 percent, and Dominicans
with 2.7 percent. Moreover, Mexicans are counted as high as two out of every three Latinos
in the United States (Gonzalez 96). As a result of the Mexican American population being so
dominant numerically, many other Latino sub-groups are erroneously referred to as Mexicans.
In part, this is due to the shared cultural elements such as the Spanish language and common
held traditions and customs. Unfortunately, this flawed perception also includes how the skin
color of Latinos is viewed, for if someone has “brown skin” then “they too must be Mexican”.

Apart from the U.S.-born Latino population there is an additional group, the undocu-
mented. According to the Pew Hispanic Center there are an estimated 11.1 million undocu-
mented persons living in the U.S. (Passel i). This population does not have authorization to
be living in the U.S. However, besides their legal status many undocumented immigrants have
settled in the U.S. to have families and work. Of this group, 7.2 million worked in March of
2005, (Passel 10). Although the U.S. undocumented population includes representatives from
countries all over the world, it is primarily made up of Latinos accounting for a total of 78 per-
cent coming from either Mexico or Latin America. An estimated 56 percent of undocumented
residents or 6.2 million is believed to be Mexican (Passel 4). An additional 2.5 million come
from Latin America (Passel 4). This group includes everyone from those who have overstayed

2I calculated this percentage from the data totals. I took the total Latino population of 41,870,703 and
divided it by the total U.S. population of 288,378,137.

3Again, I took the given Mexican population of 26,781,547 and divided it by the total Latino population to
get 63.96 percent.
their visas to those who have entered the U.S. without inspection \(^4\) and without authorization.

### 2.3 History of Mexican Americans and the United States: A Brief Outline

As a group, Mexican Americans living in the U.S. are recovering from political disenfranchisement with a history of being historically under-represented and discriminated against. Mexicans have also been socially restricted from reaching self empowerment. School segregation and other obstacles have limited Latinos from moving up the social ladder. An outline of key events in Latino American history provides insight into their current political, economic, and social state. In this section I will concentrate on Latinos of Mexican ancestry. Of the three main Latino groups Mexicans have had the closest and longest political, economic, and social relationship with the U.S. Throughout U.S. history Mexican Americans have experienced an aggressive disenfranchisement that has included the denial of full citizenship rights, loss of land rights, and also forcible deportation from the U.S.

Well before U.S. settlers expanded westward, Mexican nationals were significantly populated in what is now the American Southwest, under Mexican rule. Mexicans had come to populate these areas long before the American expansion westward. The Louisiana Purchase in 1803 brought the first Mexicans under American rule (Gonzalez 35). This added to U.S. territory along the Gulf Coast all the way to the towns of Natchez and Baton Rouge (Gonzalez 35). The Treaty of Guadalupe Hidalgo ended the Mexican American war in 1848, and also allowed the U.S. to annex half of Mexico’s territory (Gonzalez 44). This stretch of land is comprised mainly of states from the Southwest, including California, Arizona, New Mexico, Texas, Nevada, Utah and parts of Colorado. The provisions of the treaty permitted Mexicans to continue living in the Southwest. As a result, literally overnight Mexicans became inhabitants of a new country. Furthermore, the acquisition of these territories directly reduced Mexico’s quantity of arable farm land and natural resources such as gold and oil. Much of the acquired land was symbolic because it perpetuated U.S. expansion westward and further solidified what would widely become known and culturally accepted as Manifest Destiny.

\(^4\)EWI=Entry Without Inspection
Although Mexicans living during the acquisition of these territories were permitted to remain in the U.S., many of them eventually lost their land, despite the guarantee of land rights under articles VIII and IX of the treaty (Griswold 86). According to Griswold del Castillo Mexicans lost their land due to laws, force, foreclosure, and litigation (Griswold 86). Nevertheless, Latinos were quickly incorporated into the U.S. economy, by filling the demand for low-wage, low-skilled labor, ironically often working the very land they used to own. The majority of Latinos are still filling this demand today, occupying more jobs related to farming, machine operators, handlers and laborers than whites.

Articles VII and IX of the treaty were never fully enforced and as a result, “Within a generation the Mexican Americans who had been under the ostensible protection of the treaty became disenfranchised, poverty-stricken minority” (Griswold 86). Mexicans quickly filled a second class citizen role and endured many obstacles in the pursuit of exercising basic citizenship rights. Some of the obstacles included poll taxes, all-white primaries, and English-only ballot boxes, which in turn severely limited voting participation among Mexicans. Some laws enforced even required Mexicans to own property and even be English-literate to vote.

The Mexican migrant worker increasingly became a staple in U.S. employment in the Southwest. However, Mexicans were viewed as an exploitable and expendable labor pool coinciding with economic boom and bust periods. Through the turn of the century Mexicans freely crossed the U.S.-Mexico border looking for work and also building familial ties. Moreover, the Immigration Act of 1917 specifically exempted Mexicans, placing no restrictions on Mexicans immigrating to the U.S.; as a result, employers started to fill the labor demand with Mexican nationals (McConnell 29). It is during this time that politicians and employers of the Southwest heavily lobbied for Mexicans to be guest workers. However, the onset of the Great Depression turned sentiment against Mexican workers as they were viewed as taking jobs away from Anglos. Anti-Mexican sentiment hardened during this time, with many eugenicists proclaiming that Anglo-Saxons were racially superior. Despite anti-Latino sentiment, the U.S. once again encouraged both native and foreign-born Latinos to fill labor shortages during war time. During the first World War the U.S. strengthened their labor dependence on Mexico by
specifically recruiting Mexican migrant workers to fill agricultural and factory demands.

Latinos during the early twentieth century found themselves in an insurmountable situation of being stuck in low-wage, low-skill jobs. During the late 1800’s and early 1900’s Mexican American children were segregated from white children and received less than an elementary education. Labeled peon schools or “Mexican schools,” these schools didn’t provide an adequate education, severely hindering the ability of young Mexican Americans to compete for higher skilled jobs. As a result, Mexican children were often subjected to learning basic education fundamentals over and over again from year to year. This type of education was especially poignant with migrant families that sent their children to school. Schools often put migrant children of different ages together regardless of education level. Another philosophy and practice of early “Mexican schools” is called subtractive schooling, and emphasized the need to strip Mexican culture and language from the children and replace it with American culture. This early type of “Americanization” forced English to be spoken at all times during class and restricted Spanish to be mainly spoken in the household.

2.4 Immigration factors for Latinos/as

Mexicans immigration is only partly explained by the U.S. filling labor demands during times of war and peace. Many other factors contribute to Latinos’ choice to immigrate to the U.S. A general theory of Latino immigration to the U.S. has been presented by John Isbister. Isbister outlines his major points through an explanation of the push/pull method. Essentially, this method breaks down to a potential immigrant weighing the advantages and disadvantages of leaving his or her home country. Key factors such as wage differential, in both the home country as well as the potential destination are taken into consideration (Isbister 96). One example of a pull factor would be that an immigrant can make about ten times as much in the United States than in Mexico (Millard 56). A push factor can be economic or political instability in a country that essentially pushes an individual to leave their country. An example of this would be the Mexican revolution from 1910-1917 that caused many Mexicans to flee to the United States, because of the economic and political turmoil throughout the country.
(McConnell 28). Another economic example would be the debt crisis Mexico experienced in the 1980’s, as well as the devaluation of the peso in 1994 that spurred migration to the north for economic prosperity.

Moreover, U.S. Latinos/as are drawn or pulled by such factors as cost of living, jobs, and crime in choosing a region in which to live in. Traditionally the Midwest has been viewed as a source for continuing employment, especially when compared to other regions such as the Southwest (including California) and the Northeast. This sentiment is echoed in Dawn Taylor’s interviews with Latina women living in Des Moines, Iowa: “Many of the Latinas, but not all, were already in the United States and then moved to Des Moines because circumstances changed, such as better opportunities for work or a better life-style.” (Taylor 56). In the 1990’s Latinos began to break away even more from traditional Latino-populated states and began to emigrate towards non-traditional states like Iowa and Nebraska. The result has been a steady flow of Latinos settling into states that have more to offer:

The increase in Latinos in the rural Midwest also may be fueled by the affordability of the region compared to the Southwest. The rural Midwest has remained relatively inexpensive, and this, coupled with somewhat better pay and more stable jobs than other regions, makes the Midwest relatively attractive (McConnell 37).

For Latinos who are making the migration to Des Moines, Iowa, certain aspects may be appealing, “A lot of people do come here because of the cost of living, quality of life, and less crime. Lately, I think if I lived in California, I would have moved here because I hate Proposition 187, which was that law that passed there” (Taylor 57). From these statements made by a Latina who immigrated to Des Moines one can infer that no single factor is a driving force that causes immigration or emigration. To be able to find stable employment is not enough motivation to move, as other factors such as crime, cost of living, and social climate are also weighed heavily. Many Latinos immigrate to the U.S. for family reunification. Latinos living in the U.S. sometimes create a motive for their immediate family members who are still living in their native countries. Often times, Latinos with family members still living outside the U.S. will initiate the process of sponsoring them so they can immigrate with
authorized permission. An example of this is the 1986 IRCA legislation act which legalized resident status to more than 2.7 million undocumented Latinos (Cooper and O’Neil 3). In turn, the newly resident Latinos began to sponsor immediate family members, because of their changed status. Dislocation is another important push factor that can determine if someone becomes an immigrant. This explanation of immigration encapsulates the social order of one’s personal world: “When their community is altered, when the familiar social roles are taken from them, when their place in the world is uncertain, they may want to or may have to move” (Isbister 99). Isbister further mentions that other factors such as social, economic, political and military changes to a person’s community can amplify the need for someone to immigrate (Isbister 99).

2.5 Local Latino/a Economics

Although the 1990’s saw a spike in Latino immigration to the Midwest, Latinos have a history of immigrating to the Midwest mainly because of the supply of agricultural jobs. Moreover, as early as the 1900’s Mexican laborers had important political implications, “Sugar beet industry spokesmen labored to convince Congress that Mexicans were the perfect migrant labor force” (Mapes 73). In the Southwest the U.S. developed a relationship with Mexicans laborers as they filled the low-wage, low-skill jobs. Farmers exploited the proximity of the Mexican border to recruit laborers. During the early 20th century Mexicans crossed the border freely looking for work. Agricultural employers came to depend on Mexican laborers and even advocated for policy to secure Mexican migrant workers’ right to immigrate, in contrast to restrictionists, who were in favor of tightening immigration laws. L.J. Dickinson, an Iowa congressman (1919-1921), was an advocate for growers, and stated: “I would like to see the two conflicting views worked out on a line where we may preserve that which is necessary in the restriction of immigration, and at the same time help out a labor situation that is very critical” (Mapes 70). During times of labor shortage like World War II, farm growers sought Mexicans for low-wage employment. Mexicans were lobbied heavily to come and work in the U.S. but were viewed only as workers not as permanent settlers. However, during economic bust
periods such as the Great Depression, Mexicans experienced stricter policy and discrimination. One example of this strict policy is Operation Wetback (1954-1955), which forcibly deported between 1 and 2 million people, many of whom were born in the U.S. but looked “Mexican” (Gonzalez 203).

From as early as the 20th century Mexicans were brought to the United States because of enacted government policy that was aimed at filling low-wage low-skill jobs. An example of this is the Bracero program (1942-1964), which in total brought about 4.5 million migrant workers from Mexico to the U.S. to work in fields, thus strengthening the relationship of the U.S. agriculture and Mexican recruitment networks (Gouveia 3). The Bracero Program brought laborers to fill the cyclical agricultural demands throughout the year. Migrants laborers became perpetual wanderers following the year’s different harvests, from Texas in the winter months to the Midwest in the spring and summer. The constant movement to find work often made it difficult for children of migrants to focus on academics. Consequently, even children of migrant workers remained unskilled. The increasing demand for low-wage laborers and eventual dependence on Mexican migrants has led Mexican immigrants to develop roots in the U.S., including having children, establishing residence, and pursuing permanent employment. Gouveia points out, “Despite the incontrovertible historical presence of Latinos in rural America, policy-makers and the public at large know relatively little about the lives and aspirations of this population” (Gouveia 6).

As the needs of the U.S. agricultural industry have changed, so have the economic contributions of Latinos/as. The 1990’s saw the relationship between Latinos and the Midwest strengthen largely because of the high demand for low-skill, low-wage employment. The restructuring of the meat packing and processing plants of the 1980’s and 1990’s transformed the industry. The industry eliminated high-paying wages for skilled workers such as butchers (Benson 173). Processing plants turned to the use of cut lines with the use of added machinery to lower wages and skill requirements and increase profits. This allowed workers to be trained on site and also widened the pool of possible candidates to fill labor demand. Janet Benson points out, “Immigrant workers are attractive labor sources for packing plants, as they are
for certain other employers. Initially at least, immigrants will tolerate low wages and poor working conditions because they have relatively few options” (Benson 174). The low-wage skilled jobs at processing plants often are physically demanding. Due to the difficult nature of these jobs, a high turnover of employment occurs, leaving a perpetual demand for new labor. Latinos make up between 75 percent and 90 percent of any one plant’s current employment (Gouveia 11). According to Gouveia, “Undocumented Latinos are less likely to organize, to file workers’ compensation claims, or to quit unless conditions become unbearable (Gouveia 11). This makes them especially valuable to the exploitative industry.

2.6 Familiar goods and services

The increase in Iowa’s Latino population in the 1990’s has resulted in a demand for goods and services geared towards Latino clients. Mexicans accounted for about 75 percent of the immigration to the state of Iowa from 1990 - 2000 (Grey 1). This growing population has lead to tightly formed immigrant communities aspiring to retain elements of their homeland, while trying to make a home for themselves in a new country. It is no accident that supermarkets stock their shelves with an increasing number of Latino related items. As a result of the influx of Latinos on local communities a demand has been created for food items that once could only be found in the native homeland. There has been little or no recognition of the role Latino/a owned businesses now play in local economies. According to Grey, “For the most part, established-resident Anglo small business developers, economic developers, and chambers of commerce have underestimated the size and economic contribution of immigrant-owned businesses (Grey 2).

Furthermore, local Latino/a businesses are multi-faceted, in that in addition to the services and goods they provide for their clients many Latinos use these establishments for a number of different reasons: (1) providing credit (2) cashing checks (3) providing community-related news and information (5) counseling customers in distress (6) providing information about and referral to social services agencies; (7) assisting in filling out or interpreting government forms, and (8) providing cultural connectedness to the homeland through the selling of videotapes,
publications, and so forth (Delgado 447). This further explains how new Latino immigrants are using local Latino businesses to settle in their new community. The additional services provide insight into the unassuming cultural power of Latino/a business owners as they serve as pillars of strength and stability within a population. Delgado points out that in providing these “non-traditional social services” Latino/a business owners take on a role that is motivated by a “social responsibility” (Delgado 447).

2.7 Latinos/as as entrepreneurs

Looking at Latino/as business owners as a whole, there are few general themes that bind them to all other businesses. For example, Latino/a owners contribute to the state and federal government in many of the same ways as non-Latino/a business owners. Latino/a owners contribute to state and federal coffers through a number of taxes including property tax, income tax, licenses, and permits. Moreover, the contribution of Latino/a business are growing, “From 1982-1992, the number of Latino-owned businesses grew by 607 percent” (Lopez-Aqueres 3). Moreover, their business activities combined with the amount of public revenue they generate are revitalizing older Midwestern towns.

Where Latinos/as have similar characteristics with non-Latino/a owners there are still notable distinctions. On the whole Latinos/as have less business experience, less education, and are less likely to borrow money from traditional sources for the start up of their business. Latinos/as are also “pushed” and “pulled” into owning their own business for a myriad of reasons that include being their own boss, having a main source of income, providing for their family, supplementing their income and advancing their profession (Lopez-Aqueres 5). Conclusions from Lopez-Aqueres’s policy brief, indicates that Latinos/as are motivated by a lack of work, and/or earnings, just as much as they are seeking personal professional advancement. Also, the businesses of Latinos/as tend to be more dependent on familial relationships. Mark Grey discusses how Latino/as tend to generally use immediate family members to help gather funds in starting their businesses. This information is further reinforced by the Lopez-Aqueres’s policy brief, which shows that Latinos/as use personal accounts, personal credit cards, loans from
other family members, and home mortgage loans rather than sources such as commercial banks (Lopez-Aqueres 8). Not only do they use family for financial resources, but family members also often take on integral roles in running the business. Generally Latino/a businesses are small and take less capital to be started. Moreover, businesses are more likely to be retail and service industry oriented. Lopez-Aqueres points out that, “Historically, Latinos have exploited these opportunities in these particular industries because they are labor intensive, require the least amount of capital to start operations, and demand, at least initially, the owners’s full involvement in the management of the business” (Lopez-Aqueres 6).

2.8 Objective of study

The purpose of this study is to uncover the individual stories of Latino/a business owners in Ames, IA, as well as to help future Latino/a business owners overcome obstacles. It is my hope that by interviewing Latino/a business owners, their individual stories will uncover thematic truths for the group as a whole. However, as similar as one owner to another might be, their differences hold valuable characteristics that will lead to a deeper understanding. I hope that this research will lead to more unlocked truths that will inspire other scholars to research different facets of Latinos/as in the Midwest.

2.9 First Research Question: General Themes

What if any general themes exist among Latino/a business owners?

From Grey we learned that having prior business experience was not a requisite among the Latino/a business owners he studied. From his work it is found that many Latinos/as come to the U.S. without any prior business experience. Although this may be the case, where do established business owners get their initial experience and motivation? Moreover, what has motivated them to live and have a business in Ames, Iowa?

2.10 Second Research Question: The Role of the Family

How large a role does family have in the business?
One particular question that needs further exploration is the role played by Latinas: i.e. those who are owners themselves and those who might be deeply connected to a business because of a spouse or family connection.

From Phyllis Baker’s work we learned that Latinas can break away from “traditional notions” of their assumed roles in the culture. This transgression of traditional behavior as identified by Baker is largely motivated by Latinas wanting to provide for their children and family. Causes for this are when the husband is unable to work or when there is no other provider. Thus, Latinas have come to the U.S. seeking better economic conditions despite having to conquer and overcome obstacles such as fear of deportation, living in a new country, and not speaking English.

2.11 Third Research Question: Connection to the Community

How connected are Ames Latino/a business owners to the business community?

Grey points out that Latino/a business owners use immediate family resources for financial and labor help. This combined with the necessary time needed to start and maintain the business may isolate Latino/a owners from their city’s business community. But, how connected are they to the other Latino/a owners business owners?
CHAPTER 3. METHODS AND PROCEDURES

3.1 Data

Data collected for this study came from one-on-one personal interviews. Participants were sampled from Ames, Iowa. My sample tried to include participation from all existing Latino/a business establishments. A Latino in this study is defined as an individual who has immigrated from a Spanish speaking country or is a citizen of the U.S. and has family roots in Spanish speaking countries. Also, a Latino business owner is defined as providing a service or product for the community. Notedly, this extends to individuals who might offer a service that is offered “out of their home” and does not necessarily come from an establishment. An example of this would be a salsa dance instructor who teaches classes in various locations throughout the community. Each interview entailed the same set of questions, which were geared to letting participants share their stories of how they became business owners. I was motivated to find out why they had chosen Ames, Iowa. Furthermore, I wanted to find out what obstacles they have had in opening and running their businesses.

3.2 Process of Selection

I selected participants who had business establishments in the Ames community. I even attempted to include those Latinos/as who provide services and may not necessarily have a place of business, but rather may work out of their homes. I initially sought out businesses that I knew and then expanded my sample by asking for referrals.
3.3 Interviews

Potential participants were encouraged to take part in the study, but were afforded no monetary compensation for their participation. Each interview lasted roughly an hour, and each owner was allowed to add additional comments or questions after the formal interview was over. Interview information was gathered using an MP3 recorder and handwritten field notes.

3.4 Confidentiality

Strict measures were taken to ensure that each participant was comfortable with the measures of the study. Initially the research proposal for this study was approved by the Institutional Review Board at Iowa State University. Informed consent was given by each potential participant and each was allowed ample time to ask questions before committing to the study. Participants were also encourage to contact myself or my supervising professor with any further questions and/or comments after the interview.

3.5 Coding

The names of the participants and their businesses were not identified in any of the interviews taped recordings or field notes used in the study. Instead, proper coding was used to separate each participant in all recorded notes. Throughout the study I will refer to each Latino business owner as either participant, interviewee, business owner, and owner. Two of the Latino business owners in my sample have a partnered business with their families, but I interviewed the owner who is most tied to the business. As a result, the data concerning age, years of business experience in Ames or ancestry is only about one owner and not the partner’s.
CHAPTER 4. Common themes

What if any general themes exist among Latino/a business owners?

The number of business owners that participated in this study were 7, but through my research I found that there were at least 10 existing Latino/a businesses at the time of the study. Also, at least 2 of the 10 existing business owners were Latinas, but they declined to be a part of the study. In addition, there were two Latino businesses that had recently closed at the beginning of the study. The city of Ames has a small Latino/a population of 633, which makes up 2.1 percent of the 29,541 total population (2000 U.S. Census). The size of this study’s sample compared to the overall Latino/a population does not indicate any direct correlation. One point stated from the Tomás Rivera Institute Policy Brief in 2000 was that a larger degree of ethnic concentration does not necessarily guarantee more Latino/a owned businesses.

4.1 Age

Below is a table that gives the age of each participant from least to greatest.

| Age of Participants at Time of Interviews |
|-------------------|---|---|---|---|---|---|---|
| 26 | 32 | 34 | 41 | 46 | 59 | 65 |

As noted from the table there is no trend in terms of age. The mean for the table of ages is 43.28 and the standard deviation is 13.32. The ages suggest that Latino business owners represent all different ages of life.
4.2 Ancestry

The following is a breakdown of the participant’s dominant ancestry.

The ancestry of the participants represents one owner each from Peru, Colombia, Puerto Rico, and three from Mexico. All but one Puerto Rican and one Mexican owner were born in the U.S., with the other participants being immigrants.

4.3 New to Ames

None of the participants were originally from Ames, Iowa. Six of the 7 participants were emigrants to the state of Iowa. Only one was born in Iowa, but had lived abroad in South America before coming back to Iowa to settle in the Ames area. Four of the 7 were motivated to immigrate to the state of Iowa to get a post-secondary education. Only 2 of the 7 participants specifically came to Ames to start a business. Of these 2, both had prior businesses in other parts of the U.S. The other 5 Latino business owners found themselves originally pursuing
other endeavors, both in other careers and/or academically before taking on the role of being a business owner.

All the owners expressed that they had found favorable business conditions in Ames. One commonality among these participants is that an opportunity presented itself that provoked the idea to start a business. A prime example is one owner said that his spouse had the idea to start a bed and breakfast, but the idea wasn’t generated until a friend of the couple insisted that they buy part of his land to create the business. The Latino business owner recounts the day he and his wife were having brunch with their friend, when they were asked about their business plans.

Then the next week we were doing the same thing [having brunch], he [their friend] was opening the champagne bottle and he asked where are the plans? Are you really serious I asked? Yes, I’m serious you can buy all the land that you want from me, I don’t have any problem. You can pay me when you have money, you write the contract, you write the interest rate, you write the monthly payment, and just tell me how much time that you want. If you don’t have any money to pay, pay me when you get money. You don’t find people like that. So we hesitated, but made a [resortion?]. With the sale terms how can you refuse? We proceeded and did all the paperwork and hired a lawyer and did all the contracting, and everything, and bought the land.

The most common theme of capitalizing on an opportunity was the availability of a location that was business-ready. This is also the main reason why the participants chose Ames to start their business. For example, 3 of the participants mentioned that a location was available that previously had been a bar or restaurant. A business ready location signifies that a Latino business owner used some of the existing elements of the previous business so he didn’t have to start from scratch. The use of an already existing building and its resources such as cooking equipment, plates, and other left-behind items from the previous owners helps facilitate the opening of a new restaurant or bar.

One owner commented on how he found a location that was ideal to start his business.
The other thing too is when we moved into that building, the restaurant that was in there before ditched out on their rent. Five months worth. They just straight up fled for Malaysia. The owner of the building said that we could have anything, and that’s why our plates look Asian. We’re getting new ones soon though. All of our tables. We got new tables and chairs, but all the old ones we used up until two months ago, they were from the Fortune House it was called. A dishwasher, most of our appliances, silverware was all from them. I would say that was kind of a loan, we just paid off all of it, but our landlord he didn’t ask us any for money for a year. He just gave it to us. I mean everything was hand me down from that restaurant. We have slowly gotten rid of some of it because it was crap. As soon as we got our liquor license we haven’t really put towards any money.

Another owner specifically mentioned that the reason for opening up his bar was motivated by what was needed or missing in the campus town by Iowa State University.

We started that with the purpose, not the purpose but with the reason that there was a demand for another location. The location number one is the best you can have. Second, we saw a demand that people wanted to relax and not go to a crazy place and not get all rowdy. So these were the two key elements that drove us into that particular location.

4.4 This is what we do...

Only 2 of the 7 participants stated that they had always wanted to be business owners. One owner expressed that his native city of Cuautla, Mexico has a history of having Latino business owners migrate to the U.S.

This is what we do, all the people from Cuautla that’s what they do. They work to get their own restaurants. They came to the United States and opened their own businesses in Seattle, Washington. Well, we learn and then we start. We came here [Ames, Iowa] because we met someone in Pullman, Washington, who
went to Pullman University and he said, “Why not try Ames, in Ames there is a big town and no Mexican restaurants?” So we came here the same time [Omitted Name of Business] came looking for places. And that’s the way we started...

I always wanted to start my own business, after I was working over there [Cuautla] I wanted to start my business and I was going to open a taqueria in Washington, but I got this opportunity so you know I decided to come.

The other owner who stated he always has had business aspirations spoke about what it meant for him to be an entrepreneur.

I think every person as a whole has that entrepreneurial drive in them. Now it’s whether you want to do something with that or not. My family, my dad who’s my best buddy, by nature is an entrepreneur. He likes doing things just a little bit more radical sometimes than I like to do sometimes. [To his dad] I do like your ideas, I do want to do them, but let’s really think about it. And as a whole it’s, you’re on your own, I mean you decide what you want to do, the pay offs sometimes depending on how you’re set up, are going to be very good or your pretty much working because you love it and you’re not making that much money.

4.5 Partners

What is curious is that 4 of the 7 participants have a partnered business. Two of the 4 participants are partnered with immediate family members, while the other 2 are partnered with colleagues. ¹

4.6 Business experience

Below is a table that presents the years of experience of each participant from least to greatest.

¹Neither of the Latino business partners that were colleagues are Latinos/as.
Business experience varies quite a bit from participant to participant. Some owners are relatively new to the business scene in Ames, where others have been in the community working for a longer period of time. The degree of variance in business experience shows how Latinos have been a steadily increasing part of the Ames community. The Latino business owners in my sample did not come all at once or during one particular period of time; instead, their arrival in the Ames community has been continual.

### 4.7 Financing the business

Four of the 7 participants responded that the original financing of their business had been an obstacle. Reinforcing Grey’s findings about how Latino/a business owners finance the start up of their business, 4 of the 7 owners did not use any financial assistance from banks. Those who did use loans from banks to finance their business stated they relied more on personal financial resources such as savings, retirement, credit cards, and also the funds of immediate family members. Moreover, one owner commented on how he used a bank loan only to add finishing touches to the business, which suggests that the loan amount was substantially less then the personal capital used to open the business. This same owner commented on the positive help he felt he and his partner received when he used the assistance of a bank.

Yes, we did actually, the Ames community bank was a great help. When we moved the old restaurant to here, we had a base, we were established for 16 years in the old place, so when we moved we were all right, we were good. We needed to have the final touch up so that’s why we went and talked to the bank from the time we wanted to.

Another owner stated that he used assistance from a bank to open his first business.
We got a loan from the bank and *pumb* everything was in the restaurant. That other one was very easy [the second business] because everything was already there and we just opened. This one no, we spent a lot more money here in Ames.

One owner pointed out that bank service in Ames has changed since he started his business in 1977.

I borrowed some money from the bank, fortunately I knew a guy at the bank so I never had a problem with to him to borrow money. He used to own University bank which is now U.S. bank. He was a good friend that always trusted me, I never had to fill out an application for loans, I used to tell him I need so much money and he put it into my bank account. He asked how I was going to pay it and I told him I pay this much every month and if I can pay more I would pay more, he said okay.

Now it’s a different situation from the period when I came here, Ames was a very unique town in that you could go to any store, like a Hy-Vee and pick a piece of paper and sign it with your number and sign the check [to purchase goods], the honest people in this town. I bought a bicycle downtown this way. It was too expensive for me and I had no money. The guy said take it and give me five dollars a week and I said are you sure and he said yes. The town was so friendly, but you start seeing how things have changed.

One owner is part of a family business that includes 3 establishments in Ames. As a result of this family network the participant mentioned he had the financial support from his family to start the business.

Financially we put all our money into it. We had no loans. Family-wise I could always count on my brother. My brother is more creative, the design the layout was his idea. The building part, I like to build things. We compensate each other in that sense, where we save quite a bit of money. For if we are going to contract it out for 50,000 dollars, I’ll just do it for 5,000 dollars. So the start up wasn’t; I
had no loans, the family was very supportive with me. They have always respected
my decision from day one, till now at whatever decision it is, but I also again fall
back and ask whatever questions to me, my brother, my dad, my sister, my mom,
whoever.

This particular response also exemplifies the important role of utilizing the family. The
different skills and abilities within the family become renewable resources that the owner can
count on more than once to maintain and improve his business. However, some of the owners
in this study had to exhaust their personal financial resources and as a result, fell into debt.

En primer lugar cuando empecé el negocio, empecé con lo básico, no más. Y
los sacrificios fueron que...pues... que invertí lo poco que tenía en mi negocio. Al
principio no salía muy bien, me endeudé con tarjetas de crédito, me endeudé con
varías personas que me hicieron el favor de prestarme dinero.

[In the first place when I started the business, I did so with no more than
the very basic. And the sacrifices were well...invest the little money I had in the
business. In the beginning it didn’t go very well. I got myself in debt with credit
cards and with various people who did me the favor of loaning me money.]

Furthermore, one Latino owner mentioned how his partner’s dad financially helped the
business during the start-up of the business.

My partner’s dad, he was more available when we needed him the first year.
There were times when we couldn’t make ends meet. We needed a little help.

4.8 One size fits all

A couple of the business owners mentioned how the Ames community and the state of Iowa
could help out Latinos/as more.

One owner talked about how something needs to be created to assist new Latino business
owners in the community.
We need to have something for everyone, to have a Latino group. To know all the ropes about business about support of the Latino community so they can provide the assistance, because we can not depend on the Small Business Administration they are one size fit all. The Latino people are different.

Another owner commented on how his experience when he was applying for a state business loan.

With the Small Business Administration, it took too many papers and by the end it wasted time because it came out with nothing.

4.9 The promised land

One of the questions from the interviews pertained to what the participants knew or thought about Iowa before settling in Ames. Almost all the participants responded to the question by including in their response not only Iowa, but the overall United States too.

Moreover, some of the participants knew very little about Iowa, but some had a general perception about the U.S. “I knew the states in general, that dream country, but I didn’t even know what Iowa was,” said one.

Many of the participants did not originally intend on settling in the Ames community, but chose to do so because of finding ideal conditions to start their business. Now several years removed from originally settling in Ames, several of the participants pointed out how they viewed Ames as having other advantages. For instance, they attributed Ames with having a quality education to provide for their children. One owner commented, “I like Iowa especially for my kids to grow up, it’s the best part, that’s the best part for me.”

One interviewee stated that he originally didn’t like having to settle in Ames, but grew to like the city.

Iowa, como te digo al principio yo empecé a buscar negocio, nunca pensé en Iowa, nunca pensé porque no lo conocía. No conocía Iowa. Y llegue aquí por coincidencia y como te expliqué anteriormente yo empecé buscar en Minnesota
que era donde estaba y agoté todos los recursos buscando lugares allá, pero como te digo por falta de dinero no encontré, y habían áreas buenas, pero necesitaba dinero para poder empezar yo en Minnesota. Y como no tenía dinero entonces seguí buscando en el estado de Iowa hasta donde encontrar un lugar que tuviera un poco de equipo que no fuera tan caro, que se basara a mis presupuesto. Y cuando llegué al estado de Iowa, sinceramente no me gustó, pero no tenía opciones porque yo ya estaba desesperado por encontrar un negocio y ponerme a trabajar y empecé en Ames sin gustarme al principio pero ya con el tiempo ya me fui adaptando y ya estamos muy agusto, muy contentos aquí.

[Entrevistador] ¿Qué tanto ha cambiado su idea de Iowa?

¿Pues ha cambiado mucho no? del principio porque ya entre más tiempo que está pasando, más estoy conociendo el estado me gusta por la tranquilidad que existe en este estado, es muy bueno especialmente la ciudad de Ames, para que tus hijos crezcan, hay buenas escuelas, pienso que aquí en Iowa especialmente la ciudad de Ames es un lugar bueno para empezar un futuro para la familia.

[Iowa, like I told you in the beginning I began to look for a business. I never thought of Iowa because I didn’t know Iowa. I arrived here by coincidence. I started to look in Minnesota where I exhausted my resources looking for places, but because of not having enough money I didn’t encounter a place, and there were good places, but I needed money to be able to start a business in Minnesota, and since I didn’t have enough money I then began looking in the state of Iowa until I’d find a place that could have a little bit of equipment that wasn’t so expensive using the money that I had. And when I finally arrived to the state of Iowa, I sincerely didn’t like it, but I didn’t have options because I was desperate for not being able to find a place for business to put me to work. I started in Ames without liking it in the beginning, but with time and adapting, we are now content.

[Interviewer] How much has your perspective of Iowa changed?

Much has changed since the beginning because with time passing and all that’s
happened, I’ve had more time to get to know the state, I like Iowa for the peacefulness that exists in the state. It’s especially good here in the city of Ames for the raising of my children, there are good schools, I think especially here in the city of Ames it’s a good place to start a future for a family.]

For one owner who was born in the U.S. but raised in Puerto Rico, the transition to Iowa entailed opportunity and adjustment.

I was scared first of all. I had friends who were here. I was used to the cold weather, but I wasn’t that used to it. I was born in New York so I was kind of used to Christmas and the transition I was kind of used to, but I used to live there for a long time. I think I was kind of nervous, but I was ready for the challenge. I was ready to move from Puerto Rico to somewhere because Puerto Rico wasn’t good for me by the time I had been there. I was more being intimidated of not ever having been there before.

The owners that had lived abroad before either immigrating or returning to the U.S. also shared their responses to what they had heard or known before coming. Several of them viewed the U.S. as a “dream country” or the “promised land.” Another owner who had lived abroad recounted how his parents had taught him about the U.S.

When I was growing up, I was always told about Iowa, or that the United States is the promised land. This is where you were born, you’re very lucky, this is where you are going to get your education, the opportunities here are endless and again after I came through high school here, I moved back to Peru to do my import/export business. I do realize now that I’m living in one of the better states in America. I mean hands down, I lived in New York, I don’t feel safe [there]. [When I’m there] I have to come back quick and if I go somewhere to look for a job on the road, I want to stay in Iowa. I want to stay in the Midwest.

For one owner this “dream perspective” was met with a darker reality when he immigrated to the U.S.
I was surprised because everything that we think about America is the other side, we thought everyone was living in a fancy house, everybody had car, there were no poor people, no hungry people, like it was a perfect society, but then I started to find out that probably we had a better perfect society than they do here, because there were too many religions, too many [half a grade people?], I was shocked to find out because in South America we trust people, yes we thought down there that American people were the nicest people, but when I came here you trust people then you find surprises. Then you find surprises in the religious, and the education system and food and then you find out that everybody doesn’t have the money like they portray to be, everyone being rich in this country.

4.10 Goals

Expanding is the major key for all of the Latino business owners. Many of the owners stated that growth was essential for their business. Growth was defined as opening another location of the business as well as expanding existing business to include different types of services, such as food or enhancing the atmosphere. One Latino business owner commented on how he would like to add a cultural dimension to his business that would attract those interested in learning more about Latino culture.

Besides making a living we wanted to create a forum of understanding of the Latino culture, and just last year we incorporated what we call the Institute of Latino Culture of the Midwest. We have a corporation and the purposes of the Institute of Latino Culture of the Midwest is to promote and create programs of understanding and to bring people of all cultures to the Midwest and to create a mecca. A Latino Mecca so that the Latino people in Iowa and the Midwest will come to this place, because this is their place. This is the place where we bring them close to their roots.
4.11 Iowa as home

One participant responded to the question of why he decided to have a business in Ames by replying, “We are from Ames.” This particular business owner stated his home is Ames despite being born and raised in Mexico. This participant has been an Ames resident since 1970. This evidence demonstrates how Latino business owners have settled in Ames with the intention of carving out a home for themselves.
CHAPTER 5. Family

How much does family play a role in the business?

All the participants mentioned that family played a crucial role in their business. To varying degrees all participants had help from their family members. This help takes various forms. For example, immediate family members help out by giving their time in helping with the initial start of the business. This may include cleaning, working as an employee, helping to run the business when the owner must leave to visit family in another country, and also providing funding for the business. One owner commented on the importance of his wife being close to the business: “It is best when my wife is here,” he said. This statement was echoed in the responses of many of the participants who stated the help of family as workers for the business was crucial. Six of the 7 participants have had family members working in their business.

For one interviewee, family was a source of dependable help that had been constant throughout the entire time of his business. This same owner described a situation where he had problems with the booths he ordered for his restaurant. He spoke of how his family could be there to help him with the problem.

Whenever they come down, they come to work. I told you about those booths. It might come down to because of legalities, me being responsible for it, which sucks. I might have to strip them and sand them and re-stain them. My mom called me up the day she found out and said she might come down for a few days, my little brother has done the same. My little brother has helped me to clean it out, since it started out at the beginning, I mean at a cost. Especially just talking, because it gets stressful, especially at the beginning. Just having someone to talk
to, having free help, free advice.

One owner specifically commented on the integral role his wife has in the business.

El papel de mi esposa es grande aquí, porque ella no está de tiempo completo aquí ayudandome porque tiene cosas que hacer en la casa y con mis niños y todo, pero todo el tiempo está ella aquí, ayudandome con los lanches, aquí esta los fines de semanas cuando necesito, aquí está, cuando yo no puedo estar ella aquí está, ella me apoya mucho, inclusive mis niños también cuando hay algo que hacer ellos me vienen a ayudar. La importancia de mi esposa aquí es grande y el papel de ella es grande, es parte del negocio de los dos. Todo la familia tienen que apoyarse y el papel que ella desempeña aquí es importante.

[The role of my wife is large here, because she is not at full time here, she helps me with things in the house and with my children and all, but all the time she is here helping with the lunches, she’s here weekends when I need her, when I can’t be here she’s here, she helps me a lot, also my children come to help when there is something to do. The importance of my wife here is large and the role she has is large, she’s part of the business. The whole family have to support one another and the role my wife fulfills here is important.]

The one owner who didn’t have family working for him, shared his view about mixing family and business.

The main thing for anybody is you have to have a family; the only way to make a business is to have a family, have a family business. In other words you can keep working and all the profit goes to wages and food for the employees, and insurance, but if you have a [family] business then the things will be easier and you won’t have too many losses. You also get the chance to enjoy the family the same time you get the chance to run a business. As an individual it’s very difficult.

Although many of the owners stated that family is a necessary part of their business, one
owner commented that he doesn’t approach his business with family in mind, and prefers to keep friends out of it.

Well, I haven’t approached it like that. I had my sister come here for awhile and work for me, but I guess that was for me to help her, and she was helping me. I guess I was just trying to help her. Most of my friends, I’ve tried in the past to help them out and stuff, and it’s not a good thing to recommend to have your friends work for you. My family, my sister, are the only ones who help me out. And every other friend that has worked for me in the past I don’t think I would do that again. Just keep friends and family out of the business.

5.1 Remittances

Five of the 7 participants stated that they send remittances to family members in their home country. Only one participant stated that no financial assistance is given to his family. Many of these participants stated that helping family members in their home country was a deeply held obligation.

Dependen mi mamá ahorita porque ella ya ahorita se quedó sola, de mi mamá, mi esposa, mis hijos, y a mis hermanas cuando también necesitan de mi. De vez en cuando necesitan de mi...tengo que ayudarlas, pero en si, los que más tengo obligaciones es mi madre, mis hijos, y mi esposa...

La verdad, con la que tengo la más obligación es mi mamá. Mis hermanas están casadas, pero yo me siento con la obligación cuando puedo, ayudarlas en algo.

[My mom depends on me right now because she’s a widow, also my wife, my kids, and my sister when they need me. Once in a while they need me...I have to help them, but the ones that depend completely on me is my mom, my kids, and my wife...

The truth is, the one I’m most obligated to is my mom. My sisters are married, but I feel the obligation to help them when I can.]
5.2 Married to your business

“If you want to be in the business, you got to be in the business.” - Ames Latino business owner

All owners stated that their workload is intense from week to week. Especially during the initial stages of the business they all stated that it was necessary to put in a 60 to 80 hour work-week. It is also noted that during these particularly stressful times immediate family resources became ever more important, assisting in the necessary duties associated with the business. One respondent spoke about the amount of work hours he put in initially with the start-up of his business compared to the amount of time he puts in now.

I'm always available, pretty much available 24/7, unless I go away, I'm actually going to Costa Rica in March. When we first opened I was putting consistent 14, 15, 16 hour days. Whether it’s just being opened or trying to get a refrigerator going or whatever it was at the beginning. Now, it just kind of depends, the average week, we’re talking about 80 hours in.

One owner expressed how much sacrifice was involved as he made the transition from student to business owner.

I think the main thing was not having the experience I had before because when I started in the restaurant business I didn’t have the knowledge I have right now, so obviously that involved the sacrifice of graduating from Iowa State with a different major and then putting myself in this kind of business and you have 45 employees, you’re the owner, you’re open 7 days a week. So you know it involves a lot of stress, a lot of responsibility, I was 22 by the time. I mean it’s just quite a challenge that I put myself through and just kind of leave that college life aside and focus on the business.

For those owners who have a partner in the business, the stress and workload was still comparable to those of the owners who don’t. What is curious is that not all the owners
expressed satisfaction with their profession. One owner in particular expressed how he would like his children to have the opportunity to pursue their own career ambition, instead of being limited like he felt he did.

Yo creo que es el papel principal. El papel principal es mi familia los desempeña en mi negocio por eso yo trabajo para mi familia, para darle pues lo que mejor que pueda tener la familia mía especialmente mis hijos que no sufran como yo cuando estaba chico. Que tengan estudios, que tengan una carrera mejor que la yo tuve. Que no tengan la carrera que yo tengo por ejemplo de correr un negocio restaurante, porque un negocio restaurante es algo duro. Yo creo que toda la gente lo sabe es algo duro. No quiero eso para mis hijos, entonces mi familia desempeña, puedo decir el primer lugar.

[I think that family has a major role. My family has a major role in my business, therefore I work for my family, to give them the best that they can have, so they don’t suffer how I did when I was a boy. That they have an education, that they have a career better than what I had. That they don’t have same the career that I have now, like running a restaurant because owning a restaurant is something hard. I think that everyone knows this is hard work. I don’t want this for my children, therefore my family fulfills me and takes first place.]

One owner stressed how running his business has affected his familial relationships.

Oh that’s a difference, they affect tremendously, because you get married to your business there’s no time to go home, no time to especially spend with your family unless you close your door for a while.

That’s tough on me you have to be on top of the business, by experience, if you let someone else run the business then you start losing money, you start losing products, and a lot of things go free, by the time you wake up you are in debt 3 or 4 thousand dollars.
Because of the heavy work schedule many of the participants specified that the hours put into their business took time away from seeing family members that live outside the country.

Los sacrificios eran de que no podía dar a mi familia lo que yo quería darles, ¡estábamos privados de muchas cosas no! No quiero decirte de comida, porque [entre ellas sanas?], pero sí en cosas de las vacaciones para mis hijos salir a un paseo por una semana o semana no podía porque yo tenía que estar al pendiente del negocio. Mi esposa también ha trabajado muchas horas aquí a ayudarnos, inclusive mis niños han venido a ayudarnos mucho. Ahorita gracias a dios después de tres años ya las cosas están mejor y este... pues los sacrificios han sido esos de lo apretado que estábamos al principio. Ver a mi familia, por ejemplo yo anteriormente iba cada año a ver a mi familia y las últimas veces ya cuando me vení aquí duré tres años sin ir a ver a mis hermanas. Tres años sin ver a mis hermanas, a mis padres los veía porque ellos venían aquí pero mis hermanas y el resto de la familia...¿para mí son sacrificios no de aguantar de ver a mis seres queridos, no?

[The sacrifices were that I wasn’t able to provide for my family, of what I wanted to give them, we were sacrificing many things! I don’t want to say food, [because my family was healthy?], but things like a vacation for my kids, for my kids to go on a trip for one or two weeks. I wasn’t able to do this because I had to be watchful of the restaurant. My wife has worked many hours in the restaurant and my kids also. Right now thanks to God after three years, things are much better and the sacrifices have not been so big as they were in the beginning. For example, in the beginning I used to see my family once a year, but since I’ve been here, it’s been three years without seeing my sisters. Three years without seeing my sisters, and I used to see my parents because they came here, but not my three sisters and the rest of the family...for me these are sacrifices, to bear not being able see my loved ones.]

Another interviewee expressed how becoming a business owner forced him to limit how much he could visit his family in Puerto Rico.
I used to go to Puerto Rico twice a year, now I get the chance to go once a year, if I get the chance. It’s really hard, but you know you got to keep life in a balance sometimes. Just try to keep in touch when you get the chance. It’s kind of hard.

5.3 Americanization

Americanization or assimilation into the United States is a crucial subject for some of the Latino business owners interviewed. To varying degrees each participant provided insight into how moving to Ames has affected their own identity. Moreover, the business itself sometimes faces the question of how much it should adapt to U.S. culture and more specifically to the community of Ames.

Adjusting to the culture was mentioned by all those participants who had immigrated to the U.S. Moving to Ames had impacted each participant differently. This period of adjustment was met with varying sentiment. For one owner, the advantage of coming to the U.S. after receiving a master’s degree in his native country shaped how he experienced his first encounters with Americans.

But we want to do our part to create programs where we provide the tools for the Latino community and especially the young people to take advantage of the opportunities to be equal. To just get rid of that thing about being Latino, because I’ve been here, the advantage that I had of a higher education, I always saw everybody eye to eye. I had more education than most 90 percent of my peers. So I never saw myself as the underdog and that’s why you want to create with the younger people that they are equal in every way, to anyone, and to pursue education, to pursue better jobs, to pursue better social living and at the same time to do the same for those who are behind them.

One participant mentioned how having a business has resulted in making sacrifices that compromise his identity.
I say one of the biggest ones [sacrifices] is trying to maintain my personal identity, but also trying not to lose the business. I know from when we originally opened what our plan was as a business versus what we slowly turned into. It definitely jeopardizes a few of your own beliefs.

[Interviewer] What do you mean?

Well, like I don’t want to say it’s just Ames, because Campus town and Ames are two different places. Campus town, I’ll even admit that I think [Omitted Name of Business] has some very good Mexican food, but trying to maintain business and stay open there, is a lot different than what we do now. That is more appealing to taste versus, what really is Mexican food. Do you know what I mean? For example, as much as I believe that little corn tortillas with just onion and cilantro tacos are delicious and really, really good. I believe that you can’t convince people of that in campus town America. It’s little sacrifices like that on Welch Avenue, would they rather celebrate Day of the Dead or Halloween. It’s 90 percent won’t know what Day of the Dead is, or 50-80 percent wouldn’t know what it was. But if Miller Lite wants to bring in the Halloween party there at the beginning of the Halloween with a pub crawl, people will come. I don’t want to say it’s selling out, because if I sold out by making crappy food or cutting corners... like I still think I do my job well, but as far as my identity as what was founded to and started as it’s not the same. It’s a sacrifice...

I kind of jokingly told my dad, but to a point I believe it. With some decisions, do you want to make money or do you want to bring culture, influence food to a different culture. I think it’s one thing if you say to the city of Ames to campus town, I don’t think that’s what people want. It’s hard to say, it’s campus town, not just Ames.
CHAPTER 6. Relationship with community and state

How connected are Ames Latino/a business owners to their city’s business community?

6.1 Latino/a clientele

Among the owners it was consistently stressed to have good relations with all their clientele. One reoccurring theme was the importance of having diversity and the cultural awareness of other cultures.

One owner stated that one of the objectives of his business was to be able to bring different cultures together and create an environment where non Latinos could convene to learn more about Latino culture.

To make sure we spread the word on “Latino Nights.” To have an excuse to have the community to get together and socialize. And help other, not only Latino but other Americans that come in here and practice their Spanish, interact and to have people socialize, because you never know who you are going to meet in these kind of events. You never know where you future is going.

One owner commented that he has personal relationships with Latinos through his business. This owner shared how he tries to please different groups of Latinos by preparing them food that is from their native country.

Most of them, pretty good, some of them we carry friendship based on a very personal level, people come and say they want to eat something and if I can make it, they wait for it...

The Mexicans that come here ask for gorditas, they know I don’t have the food ready made, so they have to wait for it because I have to make it from scratch
and they don’t mind. After they drink a couple of beers I’ve made the food and they’re happy. They feel special that I made it, even though they were hungry for something I don’t sell.

One Latino business owner’s attempts to build relationships with the Latino/a community are highly motivated, but sometimes collide with the tough reality of Latino Culture.

In my business I’m there from open to close, six days out of the week. Sometimes I will take a couple of days off or whatever for homework or tests. But I interact with a lot of people from Mexico, Bolivia, Uruguay, and as a whole I get a very good, positive response, where they say, I’m glad that there is a Spanish, or Hispanic, Latino, Peruvian owner in this establishment. Now it gives me a reason to come here a little bit more. Then there is the other side where in the culture where we have that envy or that hate or whatever have you, where I’m not going to go there [a business] because whatever. If I did something wrong somewhere in the back [past], I can’t take it back, I’m a person out interacting with a lot of people and sometimes I’ll do something wrong or I’ll say something wrong, all I can say to those individuals is I’m sorry, I wish I could do it different, I can’t take it back, I can try to make it better for you. That’s all I can say as a general, and Hispanics or Latinos as a whole, they are a little bit more resentful, they hold onto that grudge a little bit longer than Americans would do.

6.2 Los conozco de vista

The majority of the owners stated that they had not developed close relationships with other Latino business owners. Many of the owners stated that they had no relationship or at best they would be able to spot them if they saw them. One owner spoke about how non-existent his relationship is with other Latino owners:

La relación entre ellos no hay, porque no los conozco. Los conozco de vista pero puedo decir que mientras no hay problemas con ellos y yo, la relación es buena.
[There is no relationship between them and me, because I don’t know them. I know them by sight, but I would say that since there are no problems between them and I, the relationship is good.]

Another interviewee shared the same sentiment among Latino business owners.

Most of the people are very isolated. Most of the people don’t want to talk, don’t want to socialize. I don’t know why the reasons are, but I only have a few relationships with business men.

One owner did talk about his friendly relationship with another Latino business owner.

I have a very good friend his name is [Omitted Name], from [Omitted Name of Business]. And we have a very good relationship, in that we have a great relationship because we are in different markets to start off, he’s in the restaurant, now he’s venturing a little bit into the bar as well on the weekends. We collaborate with one another, he asks me a few things to how I could do my restaurant when he moved from his original location to his new location and you know we exchanged ideas about that.

6.3 Recycling clientele

Four of the 7 participants mentioned how having a university affects their business. Having a constant or steady flow of clientele was important for all the owners, but these particular participants they mentioned how the calendar school year of Iowa State University affects their revenues as well as how they market and advertise to different demographics. One owner mentioned how the influx of new students each year as well as the returning students affects how he approaches his business:

One of the major obstacles is that we recycle clientele every semester, you know you have clientele that are graduating, a number of them that could be our regular customers, at the end of the semester, well now that 7 or 8 weeks from now a bunch
of could be leaving, that are my regulars, that I could literally tell you I have 20 people that pay for my utility bill. Out of those 20 people, I know at least 11 are leaving, so now I have to go out, interact, network with people. Not just with all of them as a whole, but I can specifically in a bar or in a night I'll pick out so that individual is networking with those guys, so I'll pick him, and not as an interest but as a way to make sure he is having a good time you know, hey what’s your name? “my name is...” I’m the manager of the place, is there anything I can do for you etc. Then that relationship builds on and we keep on building all that clientele again, trying to recuperate again those 11 regular customers that were coming every week to pay for my bill. A lot of it has to do with having to be there [in the restaurant], hands on, networking with everybody.

Having a business in a college town especially affected the businesses in this study that are located in campus town. Certain aspects like being able to sustain a desired level of excitement among the students attending Iowa State University was stressed as important. Moreover, relying on the students for business presented a challenge in the summer months when the bulk of the students leave Ames.

Well because we are in campus town we go by the school year, so when the school year finishes, any profit I have, I have to put it back in the business.

[Interviewer] So your talking about those 3, 4 months when students have left?

You have to put the money back because people left already it’s not good enough to maintain the business as profitable. That’s the biggest problem I always had before...

Before in the 80’s this problem didn’t exist because when school was out, the students used to stay here, so for them they probably went for the weekend to Minneapolis and then they come back, but they were always were here so they never left.
CHAPTER 7. SUMMARY, DISCUSSION, CONCLUSIONS

7.1 Summary

The objective of the study was to learn more about the Latino/a business owners of Ames, Iowa. This study made an effort to hear the different stories of each owner. Their experiences have added another element to the Ames community and through each of their stories, it was my intention to reveal that element and give it the attention it deserves. In addition I wanted to bring insight to the obstacles of future Latino/a business owners that may come to Ames.

The study consisted of 7 interviews over a 4-month period. Each interview had the intention of discovering information that would relate to my 3 objective questions:

1. What if any general themes exist among Latino/a business owners?
2. How large a role does family have in the business?
3. How connected are Ames Latino/a business owners to their community and state?

7.2 Discussion

1. Latino/a business owners come to Ames more by chance, but stay the long term because of the benefits that the city brings to the family.

Four of the 7 participants originally came to Ames, for either a different career or to get an education. The other 3 were looking specifically for a place to start a restaurant. What does this mean? It may mean that the younger Latinos who come to study in the state of Iowa decide to settle because opportunities arise to become an entrepreneur. Also, it could mean that there are Latinos that are finding business opportunities in aging Iowan cities that are prompting them to immigrate. As businesses close up, causing the main streets of towns
to look more barren and vacant, this in turn may spark opportunity among Latinos who are looking for a location where they don’t have to start completely from scratch.

Moreover, the participants mentioned several times that Ames has attractive qualities for families. Two of the participants mentioned how they like the education that their children can have in Ames. A benefit like education helps ease the transition for young families of Latino business owners settling in a city like Ames.

Latinos/as are a transient group that are breaking away from traditional gateway states and finding new homes in states like Iowa. Two of the 7 participants mentioned how they had worked in previous business in different regions of the U.S.; in fact, both had worked in California. Out of my sample one participant was born in Iowa, and another was from Minnesota. Ames is not a notable city for having a large Latino/a population, but has several Latino/as businesses. Ten Latino/a businesses were counted in Ames at the beginning of the study.

*Latino business owners predominately use personal funds and immediate resources to start their business*

All of the participants commented that they used their personal finances to start their business. This further solidifies Mark Grey’s similar findings. Only two participants noted that they used loans from banks to help finance their business. A couple of the owners talked about being in debt at the beginning of their business, which may suggest why several of the participants commented that the first couple of years were especially grueling in terms of both finances and the number of hours worked. The use of family as a renewable resource provides funds, workers, and also emotional support.

2. *Family is the most important factor in having a business.*

Family is pivotal for Latino business owners. Family can be found in almost every facet of the business, from working as a co-owner, an employee, to giving financial assistance. There is a strong reciprocal relationship with in a family to help out the business. This relationship between the Latino business owner and the family is on-going and is a deeply held, personal obligation. Moreover, families living in another country receive remittances.
Furthermore, Latinas played a pivotal role in the daily operations of several businesses. Three of the 7 participants had spouses working within different levels of the business. Two of three were Latinas. The spouse may help to run the business when her husband can’t be in the restaurant or must leave for an extended period of time. Furthermore, the spouse assists in all different levels of the business, working a variety of positions such as restaurant server, hostess, waitress and accountant. The level business involvement by Latina spouses in this study suggests that they are breaking out of traditional gender roles to help provide for their families. This would seem to correlate with Baker’s findings, but further research could target how they view themselves within the business and what is their motivation.

3. *Latino business owners in Ames, Iowa mostly live in isolation from each other.*

Despite a few exceptions from the study where owners mentioned they were good friends, the study found that most owners are isolated, not only from other Latino/a business owners, but also from the rest of the business community.

This maybe partly explained by the heavy workload necessary to be a business owner, which takes time away from building relationships with the business community. Moreover, the diverse sample of the study in respect to age and years of business experience in Ames further divides the demographic and leaves only the umbrella title of “Latino” binding the participants together. Simply because they are Latino owners with in a community does not mean there is a strong affiliation or bond between them.

### 7.3 Conclusion

I was surprised to find out how randomly some of the participants came to find Ames as a home. Many variables determined the business owner’s choice to settle in Ames; for example, the amount of available funds to spend, word of mouth, changing of a profession, and receiving an education in the state of Iowa.

However, as random as the Latino business owners came to find Ames as a home, many of them were drawn to Ames in looking for a business ready location. Iowa’s aging population is causing towns across the state to become more vacant and barren. As a result, I believe this
will continue to attract future Latino/a business owners who are looking for locations that are vacant and suitable to their needs.

Moreover, I was unaware of the vital roles spouses have in helping their husbands run the business. Often times the spouse assumed almost a equivalent role to that of her husband. The data suggests that not only is the family important in maintaining the business, but that the wife takes on a partner-like status that is irreplaceable and essential.

Furthermore, the amount of time spent by the owners tending to their business was eye opening. To start up and maintain a business requires almost twenty-four hour a day attention. Also, despite the emphasis of family being an integral part of the business, the busy nature of being an owner works against spending time with family members that live outside the country. Although the profession may be demanding, the benefits of being able to provide for a family as well as possibly supporting family members outside the country is a strong motivator.

Ultimately the opportunity outweighs the risk and the chance of being able to provide for one’s self and one’s family is the decision maker. It was noted that only one owner felt he would move back to his home state of Minnesota because he felt his business would be more profitable.
APPENDIX A. Interview Questions

English questions

During the interview you may skip any question that you do not wish to answer or that makes you feel uncomfortable.

1. Why have you chosen to have a business in Ames, Iowa?
2. Why did you decide to start your business?
3. What goals do you have with your business?
4. If the starting of your business included moving to Ames, how has this affected your familial relationships?
5. What if any sacrifices have you made to start and maintain your business?
6. How many people depend on you for financial support?
7. How important is your family in running your business?
8. How do you view your relationship with other Latino/a business owners in the Ames community?
9. How do you view your relationship with all other Latino/a in the Ames community?
10. What has and/or continue to be the most difficult obstacles to running your business?
11. What if any assistance have you received to start your business?
12. What is your level of participation in local and state politics?
13. How much interaction do you have with the local and state business community?
14. What if any recommendations should me made available to help welcome new Latino business owners to the Ames area?
15. What if any preconceived notions did you have about Iowa before arriving?
16. How much has your perspective of Iowa changed and why?
18. Where do you see your business five years from now?

19. What advice would you give to Latinos/as who are planning on starting a business in Iowa?

20. Is there any question or comment that you would like to add?

Spanish questions

Durante la entrevista esta permitido no contestar cualquier pregunta que le pueden incomodar.

1. ¿Porque decidió abrir un negocio en Ames?
2. ¿Porqué decidió iniciar un negocio?
3. ¿Cuales son sus metas con su negocio?
4. ¿Si abrir su negocio implicó cambiarse a Ames, como ha afectado sus relaciones familiares?
5. ¿Que tipo de sacrificios usted considera ha hecho para abrir y mantener su negocio?
6. ¿A cuantos personas dependen de usted?
7. ¿Qué papel desempeña su familia en su negocio?
8. ¿Como usted ve su relación con otros latinos dueños de negocios en la comunidad de Ames?
9. ¿Como es su relación con la comunidad latina en Ames?
10. ¿Cuáles han sido sus mayores obstáculos al mantener su negocio?
11. ¿Qué tipo de asistencia ha recibido al abrir su negocio?
12. ¿Qué tipo de asistencia ha recibido del gobierno local y estatal?
13. ¿Cuál es tu nivel de participación en la política local y estatal?
14. ¿Qué tanta interacción tiene con la comunidad de negocios local y estatal?
15. ¿Qué tipo de recomendaciones sugiriría para facilitar la apertura de un negocio a latinos en el área de Ames?
16. ¿Qué pensaba de Iowa antes de cambiarse a Ames?
17. ¿Qué tanto a ha cambiado su idea y porque?
18. ¿Cual es la visión de su negocio en cinco años?

19. ¿Que consejo le daría a latinos que piensan abrir algún negocio en la comunidad de Ames?

20. ¿Tienes alguna pregunta o comentario que desea añadir a esta entrevista?

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