



WASHINGTON STATE
UNIVERSITY
EXTENSION



LATINO SMALL BUSINESS ASSISTANCE

BY THE NUMBERS

- Worked with 33 partners.
- Reached out and trained more than 275 participants.
- Provided more than 120 bilingual training hours (English and Spanish).
- Organized 2 peer-to-peer and mentor/mentee events.
- More than 25 Latino businesses received one-on-one assistance, and 2 of them successfully applied for loans.
- 83% of participants said they were better prepared to file their own taxes correctly.

2014

ISSUE

According to US Census Bureau data, from 2000 to 2010 the Hispanic population in Washington State grew by 71.2%, compared with 14.2% growth of the state's overall population, making Latinos not only the largest but also the fastest-growing minority group in the state. Many live in rural counties such as Franklin, Adams, and Yakima. Despite their increased visibility and contributions, Latino immigrants face significant and unique challenges such as educational attainment, small business and farm failures, discrimination, poverty, and cultural and linguistic barriers.

Latinos own the largest percentage of start-up businesses in Washington, almost 18,000 businesses, representing more than \$9.7 billion in sales in 2012. However, they show the highest failure rates; up to 50% fail in the first year of operation and another 35% by the fifth year. They face unique challenges including: limited access to capital; inadequate or no information on regulations; lack of trust in, or reluctance to use, formal small-business assistance programs; insufficient culturally appropriate and linguistically accessible training services; inexperience in business planning; and inadequate knowledge of business management practices.

RESPONSE

The WSU Latino Community Studies and Outreach Program (LCSO) began efforts to assist Latino small-business owners and those interested in becoming small-business owners. LCSO co-established, with WSU Horizons Project and SBDC funding, an effort called the Microenterprise Assistance Pilot Project (MAPP) whose goal was to reach out to small-business owners and potential small-business owners in Latino-populated counties in Washington. MAPP collaborated with various organizations and financial institutions to conduct 3 business planning workshops; experienced business owner/peer mentoring; one-on-one coaching; cultural competency training for small-business advisors and financial institutions; and interpretation and videotaping.

After MAPP, LCSO established a project with a longer perspective: "Assistance to the Financial Health of Latino and Minority Businesses" (ASFINLA). This program provided a series of targeted bilingual workshops, weekend entrepreneurship trainings, and local business forums and fairs, and engaged numerous local partners in counties with low self-employment, shortages of small businesses, and a large percentage of Latino residents.

ASFINLA also provided one-on-one technical assistance and referral services, as well as diversity training. ASFINLA's ingredients for success include trust, cultural sensitivity and appropriateness, empowerment, and ongoing support.



QUOTES

"Keep these programs going. They are indispensable."

"Thank you for caring about [Latino] small businesses."

"I enjoyed it a lot... We hope you continue supporting us."

Additionally, ASFINLA created a Resource and Advising Center (RAC) in Pasco, in partnership with the Tri-Cities Hispanic Chamber of Commerce. The RAC coordinator provided one-on-one assistance in the Tri-Cities area, ensuring access to loans, as well as individualized assistance.

A series of 5 workshops over 5 weeks conducted in Spanish covered a variety of important topics including book keeping, legal issues, licensing and regulations, insurance options for small businesses, and use of technology.

IMPACTS

Participants in the MAPP and ASFINLA projects greatly increased their understanding of how to operate a successful small business. Across all workshops, 70% to 90% of the participants indicated a "high" to "very high" increase in their:

- Understanding of a business plan, skills to manage a business, and ability to prepare their taxes;
- Ability to handle Department of Revenue audits;
- Understanding of the market and conducting market research, awareness of Department of Labor and Industries regulations, and readiness to start a business; and
- Use of technology for business.

Participants indicated they would change their business practices to improve efficiency, increase revenue, and obtain adequate insurance for their businesses. Twenty-five participants said due to the training, they are ready to start their own business in less than six months. Others noted that they use scheduling tools, the Internet, and business software more than they did before. Some indicated that they look at their accounting and budgeting system more frequently.

Anecdotal information suggests that ASFINLA working with partners generated more than \$1 million in cost savings, access to new loans, and avoidance of regulatory fines and penalties. Three Latino-owned businesses opened with the assistance of ASFINLA and local partners. ASFINLA was instrumental in establishing 2 new Hispanic Chambers of Commerce in Lynwood and Vancouver, Washington.

Finally, 15 Latino business owners have increased their ability to run their businesses more efficiently, and increased their sales and their compliance with regulations.