Latino Business Owners In East Boston

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Latino Business Owners in
East Boston | March 2006

The Mauricio Gastón Institute for Latino Community Development and Public Policy, University of Massachusetts Boston

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The Ph.D. Public Policy Practicum, Ph.D. Program in Public Policy
John W. McCormack Graduate School of Policy Affairs
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The main objective of this research was to investigate the contribution of Latino immigrant business owners (or entrepreneurs) in East Boston. Twelve Latino business owners in East Boston were interviewed and supplementary interviews with public officials and other key informants served to further document the contribution of Latino entrepreneurs. The main finding of the report is that Latino business owners have made, and continue to make, extremely important contributions to East Boston’s economy and neighborhoods.

Latino immigrant entrepreneurs provide employment, neighborhood stability, and directly improve the physical quality of the buildings that house their businesses as well as the surrounding areas. More specifically, the research reached the following conclusions regarding the inner workings of Latino entrepreneurship and its contribution to East Boston neighborhoods and residents:

1) The experiences of these business owners suggest that their path to self-employment and ownership was not linear or necessarily planned but well interconnected with other aspects of the process of migration and settlement. Thus, the path to business ownership is a multi-staged process with distinct phases: (1) pre-ownership; (2) start-up; (3) consolidation; and (4) expansion.

2) Among the businesses there are multiple kinds of organizational structures that include: 1) Multiple establishments in East Boston, specialized in one kind of service (food); (2) Multiple establishments in East Boston, but diversified in the kind of product/service (food and laundry); (3) Multiple establishments inside and outside East Boston, specialized in one kind of service (food, insurance, tax preparation).

3) The business owners maintain fluid relationships with customers, politicians, and various kinds of local organizations.

4) The business owners seemed not to have confronted intractable barriers or problems.

5) The business owners feel strongly grounded in their community, and, for the most part, see their futures inevitably linked to it. Many business owners keep in close touch with their own countries of origin and some consider the possibility of returning to them in some distant future.

In addition, the report suggests that new policy avenues may be required to prevent economic and urban large-scale forces from undermining the achievements of Latino businesses. Latino business owners have no business support infrastructure to rely on in order to promote business expansion.

Moreover, these large-scale forces of growth may also endanger the stability of their customer base. Exploring these policy avenues implies, for instance, producing a better account of the inner workings of the ethnic economy and of its connection to the “mainstream economy.” It would be important to put these business owners in contact with the new kinds of instruments being used in urban economic development, these instruments seek to develop the financial infrastructure of communities, and networks to promote asset building, among other strategies. Due to East Boston’s peculiar environmental and geographic conditions, these strategies should be oriented by strong efforts at building sustainability and environmental citizenship and improving the quality of life of communities. The research has also generated a good number of other insights that merit further resources to investigate them in order to consolidate the contributions in areas of employment, community physical appearance, stability, and security.
Introduction: Latino Business Entrepreneurship in East Boston

The main objective of this research was to investigate the contribution of Latino immigrant business owners (or entrepreneurs) in East Boston. Immigrant entrepreneurship has received significant academic and policy attention during the last fifteen years, although the perception that immigrants are naturally entrepreneurial has been part of American folk wisdom for quite some time (Research Perspectives on Migration, 1997). There is a good deal of empirical accuracy in such a perception since self-employment is a very important route of economic incorporation for immigrants: “In every decennial census from 1880 to 1990, immigrants were significantly more likely to be self-employed than natives.”

But the academic interest has turned into a more practical policy-making pursuit because immigrants have become a dynamic force of revitalization in urban neighborhoods throughout the USA and Europe (Light, 2004; Pecoud, 2004). Likewise, immigrants are generating powerful capital streams in the form of chains of production and distribution of good and services connecting their countries and regions of origin with their communities in the adoptive countries (Guarnizo, 1992; Levitt, 2001). In the Americas, these capital streams, in the form of remittances, have become a significant share of national income, as in El Salvador, Guatemala, the Dominican Republic, and Jamaica (Levitt, 2001; Orozco, 2000; Orozco, 2004). The globalization of economic activities and market integration facilitated by technological modernization, along with the consolidation of immigrant enclave economies in major urban centers of the USA (and Europe), constitute the context and infrastructure of this immigrant entrepreneurial dynamism.

This complex scenario is best captured with mixed-method research approaches involving the gathering of both qualitative and quantitative data through various kinds of methods, ranging from surveys to ethnography. In this case, interviews with Latino business owners in East Boston were used as the medium to assess their contribution. The challenge, however, was to turn business development narratives by Latino entrepreneurs into a meaningful “mini-panel” of data. Twelve Latino business owners were interviewed.

Pushing beyond the human value of the “stories” implied reading the “data” against the backdrop of some of the major forces of social, political, and economic transformation mentioned above and the history of urban restructuring of the city of Boston during the last decade. In that regard, the information collected through the narratives is interpreted against the backdrop of two major sets of forces affecting East Boston and the City of Boston: (1) the accelerated demographic transition of East Boston, which came to have the largest concentration of Latinos in the city within two decades, during which time Boston has also become demographically a “majority/minority city,” and the mix of Latinos moving into the city has dramatically changed as well; (2) the forces that are shaping East Boston, which are part of the broad urban transformation the city has experienced during the last decade: the construction of Central Artery Tunnel (Big Dig); the cleaning of the harbor; the remodeling/expansion of Logan Airport; new economic relations between Boston’s urban core and its surrounding cities and suburbs; and urban economic revitalization around knowledge-based industries, among other forces (Bluestone & Stevenson, 2000).

The report also tries to connect the information about the activity of business owners to three bodies of literature in order to suggest policy avenues to promote or enhance the contribution of Latino business entrepreneurs in East Boston (and perhaps other cities.) These three bodies of literature relate to: (1) the development of ethnic economies and enclaves (Portes & Bach, 1984; Light 2004); (2) urban economic development (Fitzgerald & Leigh, 2002; Seidman, 2005; Williamson, Imbrosio & Alperovitz, 2002); and (3) quality of life issues in urban areas (Sagedy, 1997).

The point to emphasize is that in the midst of the large-scale transformation that East Boston is undergoing, Latino business owners do not have a business support infrastructure to promote business expansion. The economic development bureaucracy of the city recognizes these weaknesses. These large-scale forces of growth may also endanger the stability of their customer base. In such a context,

---

1 The terms business owners and entrepreneurs are used interchangeably.
new policy avenues may be required to prevent large-scale forces from undermining the achievements of Latino businesses.

In general, the main finding of the report is that Latino business owners have made and continue to make extremely important contributions to East Boston’s economy and neighborhoods. They provide employment, neighborhood stability, and directly improve the physical quality of the buildings in which they do business as well as the surrounding areas. Regarding the origin and path of development of these businesses, the research suggests a multi-staged process: (1) pre-ownership; (2) start-up; (3) consolidation; and (4) expansion. This is a somewhat artificial characterization since the business owners in their narratives clearly show that the road to self-employment and business ownership is a complex combination of hard work, mentorship, business savvy, and life events, as well as many twists and turns that defy linear predictions.

The report is divided into six sections. Section II describes the research protocol. Section III contains a brief account of the rapid process of demographic growth of Latinos in East Boston and shows some of their basic socioeconomic characteristics such as nativity, poverty, education, and self-employment. Section IV has a brief description of the large-scale forces of urban transformation affecting East Boston. Section V is a brief review of literature that is relevant to formulating policies to support the economic activity of Latino business owners. Section VI contains the findings of the interviews with the business owners divided in six subsections. Section VII presents conclusions.

II

Research Protocol

Assessing or measuring the contribution of immigrant entrepreneurs and their businesses to the development of urban environments represents a complex research task. The problem is multi-dimensional: it is difficult to define the unit of analysis; first, because workers and owners may perform overlapping tasks, the dimension and characteristics of the business unit are ambiguous; second, the managerial and financial practices of these units may be unconventional; third, for a variety of reasons, these businesses and entrepreneurs may decide to remain working within the less visible segments of the informal economy; and finally, additional intervening environmental forces may also play a very important role in magnifying or reducing the impact of these businesses, such as volatile real estate markets or large-scale urban renewal.

Various frameworks have been used to investigate immigrant and ethnic entrepreneurship. At one extreme is the literature on immigrant entrepreneurs that focuses on group sociological and cultural characteristics to explain performance, commercial positioning, economic behavior, or the kind of economic niches these entrepreneurs carve out for themselves in the urban economy, as well as other aspects of their group activity (Bonacich & Light, 1991; Light 2004.) For example, ethnic/immigrant entrepreneurs have been researched as “middlemen minority” whose economic energy or cultural capital is attributed to their belonging to “historically trading peoples of minority status” (Research Perspectives on Migration, 1997). At the other extreme, more structural explanations of performance and impact tend to focus on how these entrepreneurs adapt to intense environmental pressures, ranging from deep processes of de-industrialization that eliminate unskilled jobs and induce self-employment, to urban policies that cause real estate markets to tailspin against the opportunities of newcomers, further hindering communal consolidation or producing all sorts of forms of subordinate socio-economic incorporation (Portes & Min, 1996; Tienda 2001; Waldinger & et. al. 1990). Modestly, the intent of this research was to strike a middle ground between those two poles, while also trying to stay close to the perceptions that the business owners had about their impact on East Boston’s economic life and neighborhoods.

The primary data for this research was gathered in: (1) twelve interviews with Latino business owners from East Boston; and (2) sixteen supporting interviews with government officials at various levels, elected officials, and staff from community-based organizations of various kinds. A full list of the organizations is provided in an appendix, although not the names of the interviewees. The research also used secondary sources of data from: (1) numerous reports issued by different government agencies and academic institutions; and the (2) US Bureau of the Census.
The Latino business owners were selected by referral through various means: Main Streets Program-East Boston; local leaders; the interviewed business owners themselves who identified other key members of the Latino business community (snowball sampling); direct contact by researchers. The interviewees were selected also taking into consideration key areas of Latino economic activity such as retail, food, and restaurant and other services, and the geographic location of the businesses. At first glance, a significant number of Latino businesses seem to be concentrated in Maverick Square, Central Square, and Day Square, although numerous other business establishments are spread throughout the East Boston neighborhoods. The research team selected sixteen supporting interviews to obtain information about specific areas of interest, including the overall spatial changes taking place in East Boston; various governmental programs related to small business and economic development; and social and political relations in East Boston. All of these interviews, with permission of the interviewee, were recorded and transcribed. As a condition of the research protocol, all interviewees remain anonymous.

The interview questionnaire served as a flexible guide rather than as a rigid survey instrument. It was constructed to have maximum compatibility with parallel research that was already underway by the Institute for Asian American Studies and the Mauricio Gaston Institute for Latino Community Development and Public Policy in the Fields Corner area of Dorchester and in Allston/Brighton Village. This parallel research had the same objective of this investigation, yet the focus in Fields Corner was on the activity of Asian business owners and in Allston/Brighton it was the mix of various ethnic/racial business owners. The questionnaire was also in part modeled on the Little Village Small Business Survey carried out by the Federal Reserve Bank of Chicago and the University of Chicago in 1994. The full questionnaire used in the Little Village Survey is available online at: http://www.chicagofed.org/cedric/files/LV_business_survey.pdf.

The interview questionnaire/guide was divided into six sections:
1) Respondent Characteristics
2) Business History/Current Business
   2a: Business History
   2b: Credit
   2c: Employees
3) Business Relations
   3a: Professional Services
   3b: Suppliers
   3c: Institutional Services
   3d: Networks
4) Customers and Community
   4a: Customers
   4b: Community
   4c: Quality of Life of Location
5) Problems and Barriers
6) Future Plans

The interviews lasted for about one hour. They were carried out in English, Spanish, and Portuguese, often times alternating among all three languages during the interviewing. For example, a Brazilian business owner felt comfortable switching among all three.

III

The Growth and Brief Profile of Latinos in East Boston

Massachusetts’ Latinos increased from 2.5 percent of the total population in 1980 to 6.7 percent in 2000. For the same time period, Boston’s Latinos increased from 6.4 percent to 14.5 percent. In East Boston, the increase has been far more dramatic, from 2.9 percent in 1980 to almost 40 percent of the population in 2000 (see table 1). East Boston has come to have the largest concentration of Latinos in Boston. Such growth in the Latino population was experienced throughout East Boston, but it was more intense in certain census tracts. East Boston comprises eleven different census tracts (see Map of Census Tracts). In four tracts (502, 504, 506, 507), Latinos represented close to 50 percent or more of the population of the tract. These tracts are the neighborhoods in and around Maverick and Central Squares (see maps 1, 2, 3). In four other tracts (501, 503, 505, 509), Latinos represented between 40 percent and 50 percent of the population of the tract. In the remaining three tracts (510, 511, 512), the numbers were not negligible (see table 2). Almost all of the business owners interviewed emphasized how these population concentrations formed the core of their customer base.

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3 The historic undercount of the Latino population by the US Census can easily increase these figures depending on the geographic area of the country.
4 Census Tract 508 was eliminated in the 2000 census.
Table 1: Population, 1980-2000: Massachusetts, Boston, East Boston

<table>
<thead>
<tr>
<th>Year</th>
<th>1980</th>
<th>%</th>
<th>1990</th>
<th>%</th>
<th>2000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td></td>
<td>#</td>
<td></td>
<td>#</td>
<td></td>
</tr>
<tr>
<td><strong>Massachusetts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>5,737,037</td>
<td>92.3%</td>
<td>6,016,425</td>
<td>88.0%</td>
<td>6,349,097</td>
<td>81.9%</td>
</tr>
<tr>
<td>Black</td>
<td>213,615</td>
<td>3.7%</td>
<td>274,269</td>
<td>4.6%</td>
<td>314,472</td>
<td>5.0%</td>
</tr>
<tr>
<td>Asian</td>
<td>49,501</td>
<td>0.9%</td>
<td>1,038,431</td>
<td>2.3%</td>
<td>138,472</td>
<td>2.0%</td>
</tr>
<tr>
<td>Latinos</td>
<td>141,043</td>
<td>2.5%</td>
<td>275,859</td>
<td>4.6%</td>
<td>427,340</td>
<td>6.7%</td>
</tr>
<tr>
<td>Native Amer.</td>
<td>7,743</td>
<td>0.1%</td>
<td>10,941</td>
<td>0.2%</td>
<td>11,981</td>
<td>0.2%</td>
</tr>
<tr>
<td><strong>Boston</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>562,994</td>
<td>67.9%</td>
<td>574,838</td>
<td>69.0%</td>
<td>589,141</td>
<td>69.4%</td>
</tr>
<tr>
<td>Black</td>
<td>122,203</td>
<td>21.7%</td>
<td>136,887</td>
<td>23.8%</td>
<td>138,902</td>
<td>23.6%</td>
</tr>
<tr>
<td>Asian</td>
<td>14,910</td>
<td>2.6%</td>
<td>29,640</td>
<td>5.2%</td>
<td>44,084</td>
<td>7.5%</td>
</tr>
<tr>
<td>Latinos</td>
<td>36,068</td>
<td>6.4%</td>
<td>61,955</td>
<td>10.8%</td>
<td>85,199</td>
<td>14.5%</td>
</tr>
<tr>
<td>Native Amer.</td>
<td>n/a</td>
<td></td>
<td>n/a</td>
<td></td>
<td>1,666</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>East Boston</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>32,178</td>
<td>95.8%</td>
<td>32,941</td>
<td>95.8%</td>
<td>38,413</td>
<td>95.8%</td>
</tr>
<tr>
<td>Black</td>
<td>121</td>
<td>0.4%</td>
<td>702</td>
<td>2.1%</td>
<td>1,197</td>
<td>3.1%</td>
</tr>
<tr>
<td>Asian</td>
<td>108</td>
<td>0.3%</td>
<td>1,260</td>
<td>3.8%</td>
<td>1,510</td>
<td>3.9%</td>
</tr>
<tr>
<td>Latinos</td>
<td>942</td>
<td>2.9%</td>
<td>5,805</td>
<td>17.6%</td>
<td>14,970</td>
<td>39.0%</td>
</tr>
<tr>
<td>Native Amer.</td>
<td>n/a</td>
<td></td>
<td>n/a</td>
<td></td>
<td>92</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Source: Census 2000 analyzed by the Social Science Data Analysis Network (SSDAN).

Source: Center for Urban and Regional Policy, Northeastern University
http://www.curp.neu.edu/visualdata/tableschartsgraphs.htm#br

Table 2: Concentration of the Latino Population by Census Tract: East Boston, 1990-2000

<table>
<thead>
<tr>
<th>East Boston</th>
<th>Tract 501</th>
<th>Tract 502</th>
<th>Tract 503</th>
<th>Tract 504</th>
<th>Tract 505</th>
<th>Tract 506</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32,941</td>
<td>29,994</td>
<td>4,069</td>
<td>4,587</td>
<td>4,034</td>
<td>4,897</td>
</tr>
<tr>
<td></td>
<td>32,941</td>
<td>29,994</td>
<td>4,069</td>
<td>4,587</td>
<td>4,034</td>
<td>4,897</td>
</tr>
<tr>
<td></td>
<td>1,986</td>
<td>2,504</td>
<td>1,873</td>
<td>2,328</td>
<td>1,986</td>
<td>2,504</td>
</tr>
<tr>
<td></td>
<td>1,616</td>
<td>1,733</td>
<td>1,616</td>
<td>1,733</td>
<td>1,616</td>
<td>1,733</td>
</tr>
<tr>
<td></td>
<td>5,575</td>
<td>20,685</td>
<td>669</td>
<td>1,836</td>
<td>164</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>5,575</td>
<td>20,685</td>
<td>669</td>
<td>1,836</td>
<td>164</td>
<td>40.0</td>
</tr>
<tr>
<td></td>
<td>977</td>
<td>2,550</td>
<td>242</td>
<td>52.1</td>
<td>428</td>
<td>1,053</td>
</tr>
<tr>
<td></td>
<td>505</td>
<td>1,252</td>
<td>25.4</td>
<td>50.0</td>
<td>505</td>
<td>1,252</td>
</tr>
<tr>
<td></td>
<td>547</td>
<td>701</td>
<td>33.8</td>
<td>40.5</td>
<td>547</td>
<td>701</td>
</tr>
<tr>
<td></td>
<td>627</td>
<td>1,418</td>
<td>38.4</td>
<td>63.2</td>
<td>627</td>
<td>1,418</td>
</tr>
</tbody>
</table>

Note: Census Tract 508 was eliminated in 2000.
Note: Percentage Latino of the Total Population of the Tract
In contrast to other urban concentrations of Latinos statewide, East Boston’s Latinos are predominantly from Central American countries, especially El Salvador, and also from Colombia. Up until the mid-1980s, Latinos in Massachusetts were mainly from Puerto Rico, Cuba, and the Dominican Republic. The new Latino immigrants have been moving to Greater Boston in significant numbers since the mid-1980s, mainly as a result of the civil wars, violence, and poor socioeconomic conditions in the countries of origin. A recent report by the Mauricio Gaston for Latino Community Development and Public Policy (Uriarte, et al., 2003) provides an excellent historical and statistical account of this compositional shift, as well as very important changes in immigration policy that have been affecting new flows of immigrants. In 2000, about 70 percent of Latinos in Massachusetts from El Salvador, Guatemala, Honduras, and Colombia were immigrants. Further, about 50 percent of those immigrants have been in the US only since 1990. For example, 57 percent of Salvadorans and 58 percent of Colombians arrived in the US between 1990 and 2000.\(^8\) Large numbers of the new Latino immigrants have found their way to East Boston. Almost 75 percent of Salvadorans and about 52 percent of Colombians in Boston live in East Boston.\(^9\) Given their recent arrival, the Latino institutional infrastructure of the area is incipient, mostly comprised of institutions that did not originate in East Boston or have a broader community-based origin, like Centro Presente or the East Boston Ecumenical Community Council.

To a large extent, the new Latinos from El Salvador, Guatemala, Honduras, and Colombia, the main groups represented in East Boston, share the characteristics of the rest of the Latino population in the state and the city of Boston. They tend to be young, poor, and concentrated in low- or unskilled service occupations (Uriarte, et al., 2003). However, they have some differences. For example, in 2000 the median age for the new Latinos from El Salvador and Colombia was above the median age for Latinos as a whole. For Latinos, the median age was 24.7 whereas for Salvadorans and Colombians it was 27.1 and 29.6, respectively. The median age for the whole population was 36.6.\(^7\) Given the high concentration of Salvadorans and Colombians in East Boston, their demographic characteristics are comparable to the rest of those populations citywide and statewide.

Latinos experience significantly higher-level poverty compared with the rest of the population (Uriarte, et al., 2003). Among Latinos, there are some socioeconomic and geographic differences as well. For example, Latinos in East Boston were not as poor relative to Latinos in Boston and statewide. In East Boston in 1999, 17.5 percent of Latinos were below the federal poverty line while 29.8 percent and 30.5 percent of Latinos at the state level and in the city of Boston, respectively, were below the line. As a matter of fact, the white and Latino poverty rates in East Boston were comparable at 17.5 percent. These rates have declined since 1989 (see table 3).

The relatively lower rate of poverty for Latinos in 1999 in East Boston, however, hides a much tougher reality. In 1999, higher shares of Central American and Colombian workers, both worked more than the rest of the population.\(^5\) To highlight the point further, almost 90 percent of Salvadoran and Guatemalan men in 1999 declared to be working more than thirty-five hours per week while almost 72 percent of the total population were doing so. About 78 percent of Guatemalan women declared to be working above thirty-five hours per week when 66 percent of the general population was doing so (Uriarte, et al., 2003). Regarding the number of workers in families, the percentage of families declaring three or more workers in the household ranged between 18.3 percent for Colombians to 30.7 percent for Guatemalans, while 13.7 percent of families in the general population had three or more working members.\(^8\)

In 2000, Latinos in East Boston had lower rates of educational achievement than the rest of the population (table 4). Over a third of Latinos (36.7 percent) had less than a ninth grade education relative to 21 percent of the rest of the population. About a fourth (25.4 percent) of Latinos had a high school diploma compared with a third (33.3 percent) of the general population. Also, the rate of achievement beyond the high school diploma were lower for Latinos.

Regarding housing tenure, Latinos are predominantly renters (see table 5). In East Boston, they have ownership rates below the rest of the general population and whites. Only 20 percent of Latinos were owners compared with 29 percent and 35 percent of the general population and whites, respectively. The rates for Latino homeownership in East Boston were comparable to the Latino rate

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\(^7\) Ibid
\(^8\) Uriarte, et al., 2003, p. 19.
\(^9\) Uriarte, et al., 2003, p. 27.
**Table 3:** Percentage of Individuals by Race/Ethnicity below the Federal Poverty Line, 1989-1999

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>1989</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Massachusetts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>7.0%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Black</td>
<td>23.0%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Latino (Category “other” for 1989)</td>
<td>40.0%</td>
<td>29.8%</td>
</tr>
<tr>
<td>Asian (includes Pacific Islander for 1989)</td>
<td>19.7%</td>
<td>16.2%</td>
</tr>
<tr>
<td><strong>Boston</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>13.9%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Black</td>
<td>24.2%</td>
<td>22.6%</td>
</tr>
<tr>
<td>Latino (Category “other” for 1989)</td>
<td>34.1%</td>
<td>30.5%</td>
</tr>
<tr>
<td>Asian (includes Pacific Islander for 1989)</td>
<td>29.5%</td>
<td>30.0%</td>
</tr>
<tr>
<td><strong>East Boston</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>17.7%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Black</td>
<td>41.0%</td>
<td>42.8%</td>
</tr>
<tr>
<td>Latino (Category “other” for 1989)</td>
<td>21.9%</td>
<td>17.5%</td>
</tr>
<tr>
<td>Asian/Pacific Islander</td>
<td>32.8%</td>
<td>33.3%</td>
</tr>
</tbody>
</table>

Sources:
Massachusetts & Boston 1999 Data From: Census 2000 Summary File 3 (SF-3) Sample Data
East Boston 1999 Data From: 2000 Census of Population and Housing Summary File 3 (P159 A-1)
All 1989 Data From: Census 1990 Summary Tape File 3 (SF-3) Sample Data (P119)

**Table 4:** Education of the Latino and General Population East Boston, 2000

<table>
<thead>
<tr>
<th>Education Level</th>
<th>General</th>
<th>Latino</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td><strong>East Boston</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 9th Grade</td>
<td>5,232</td>
<td>3,873</td>
</tr>
<tr>
<td>9-12th No Diploma</td>
<td>4,777</td>
<td>2,423</td>
</tr>
<tr>
<td>High School</td>
<td>8,265</td>
<td>2,679</td>
</tr>
<tr>
<td>Some College</td>
<td>2,931</td>
<td>873</td>
</tr>
<tr>
<td>Associate Degree</td>
<td>1,023</td>
<td>251</td>
</tr>
<tr>
<td>Bachelors Degree</td>
<td>1,738</td>
<td>292</td>
</tr>
<tr>
<td>Graduate/Prof.</td>
<td>853</td>
<td>176</td>
</tr>
</tbody>
</table>

Table 5: Total Population in Occupied Housing Units by Tenure, 2000

<table>
<thead>
<tr>
<th></th>
<th>Boston*</th>
<th>East Boston</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Pop. in</strong></td>
<td>554,018</td>
<td>38,035</td>
</tr>
<tr>
<td><strong>Occupied Housing</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Units</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Owner Occupied</strong></td>
<td>199,691</td>
<td>11,108</td>
</tr>
<tr>
<td><strong>Renter Occupied</strong></td>
<td>354,327</td>
<td>26,927</td>
</tr>
<tr>
<td><strong>Latino Total</strong></td>
<td>81,713</td>
<td>15,337</td>
</tr>
<tr>
<td><strong>Owner Occupied</strong></td>
<td>15,874</td>
<td>3,073</td>
</tr>
<tr>
<td><strong>Renter Occupied</strong></td>
<td>65,839</td>
<td>12,264</td>
</tr>
<tr>
<td><strong>White</strong></td>
<td>297,580</td>
<td>25,219</td>
</tr>
<tr>
<td><strong>Owner Occupied</strong></td>
<td>123,665</td>
<td>8,873</td>
</tr>
<tr>
<td><strong>Renter Occupied</strong></td>
<td>173,915</td>
<td>16,346</td>
</tr>
</tbody>
</table>

* Figures for Boston City
Table 6: Self-Employment Income in 1999 for Households

<table>
<thead>
<tr>
<th></th>
<th>Massachusetts</th>
<th>Boston</th>
<th>East Boston</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Self-Employment Income</td>
<td>2,444,588</td>
<td>239,603</td>
<td>14,322</td>
</tr>
<tr>
<td>No Self-Employment Income</td>
<td>2,157,803</td>
<td>218,834</td>
<td>13,383</td>
</tr>
<tr>
<td>White</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Self-Employment Income</td>
<td>2,135,546</td>
<td>148,161</td>
<td>26,406</td>
</tr>
<tr>
<td>No Self-Employment Income</td>
<td>1,870,660</td>
<td>2,899</td>
<td>116</td>
</tr>
<tr>
<td>Black</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Self-Employment Income</td>
<td>115,736</td>
<td>116</td>
<td>0</td>
</tr>
<tr>
<td>No Self-Employment Income</td>
<td>108,900</td>
<td>116</td>
<td>0</td>
</tr>
<tr>
<td>Asian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Self-Employment Income</td>
<td>73,201</td>
<td>16,022</td>
<td>117</td>
</tr>
<tr>
<td>No Self-Employment Income</td>
<td>67,062</td>
<td>15,223</td>
<td>117</td>
</tr>
<tr>
<td>Latino</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Self-Employment Income</td>
<td>123,443</td>
<td>26,294</td>
<td>3,900</td>
</tr>
<tr>
<td>No Self-Employment Income</td>
<td>115,968</td>
<td>1,745</td>
<td>3,900</td>
</tr>
<tr>
<td>Salvadoran</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Self-Employment Income</td>
<td>4,508</td>
<td>1,526</td>
<td>876</td>
</tr>
<tr>
<td>No Self-Employment Income</td>
<td>2,128</td>
<td>117</td>
<td>876</td>
</tr>
<tr>
<td>Colombian</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With Self-Employment Income</td>
<td>4,176</td>
<td>1,471</td>
<td>267</td>
</tr>
<tr>
<td>No Self-Employment Income</td>
<td>2,539</td>
<td>1,409</td>
<td>249</td>
</tr>
</tbody>
</table>

Source: US Bureau of the Census. 2000. STF 4
Note: The population threshold on STF 4 is 100. In addition, there must be at least 50 or more unweighted cases of the population group. Thus, for some tracts data may be unavailable.
in Boston, but were below the general population and whites. Anecdotal evidence suggests, however, that Latinos in East Boston seem to have achieved greater penetration of the real estate market in recent years. Also, several Latino real estate agents seem to be well established within the local market.

Levels of self-employment can be an important piece of evidence about the dynamic role that Latino business owners are playing in East Boston. Although the data are somewhat sparse, because information is not available for all census tracts for confidentiality and for technical reasons due to the critical thresholds of population used for published data, the figures show that Latinos in East Boston have a larger share of households with income from self-employment compared with the general, white, and black population of the area.

Among Latino households in East Boston 8.2 percent report income from self-employment compared with 6.2 percent and 2.4 of the general population and whites, respectively (see table 6). The Latino percentage in East Boston is also higher than the city and statewide percentages for Latinos of 6.6 percent and 6.1 percent, respectively. Further, the Latino percentage in East Boston is just below the citywide percentage for the general population of 8.5 percent. Given the limitations mentioned above, data about self-employment by Latino subgroup are almost completely unavailable, except for Salvadoran and Colombians, which may attest to their strength as entrepreneurs. Even with the data constraints, Salvadoran household data on self-employment is reported in five census tracts and Colombian data is reported for two tracts. In both cases, the percentages are higher relative to the general population of East Boston: 7.4 percent for Salvadorans and 6.7 percent for Colombians, relative to 6.6 percent in the general population (and also whites and blacks) (see table 6).

This brief profile highlights the rapid growth and recent arrival of the Latino population and their settlement in East Boston, especially in the neighborhoods in and around Maverick and Central Squares (see maps 1, 2, 3). They are steadily spreading into other neighborhoods of East Boston. This Latino population does not show high levels of educational achievement but it is working very long hours to overcome its socioeconomic disadvantages. The figures on self-employment also speak strongly about the autonomy and efforts of the Latino community to carve out a niche in the economy of East Boston. These general characteristics match the characteristics of the Latino business owners that were interviewed: young, hard working, predominantly from Central America (El Salvador) and Colombia, not highly educated, but with a strong entrepreneurial drive.

IV

East Boston and Urban Restructuring

Three major spatial features enclose East Boston: (1) Logan International Airport; (2) the Sumner Tunnel; and (3) the inner Boston Harbor maritime infrastructure (Boston Redevelopment Authority, 2000). All three, which for the most part have generated negative externalities that have affected the quality of life in this section of the city, have undergone significant functional change during the last decade. The airport has expanded and modernized and at the same time has attempted to mitigate the impact of its activity upon East Boston. Significant landscaping around the airport has attempted to reconnect East Boston to the edge of the airport, although much remains to be done on this front. The use of the Sumner Tunnel has been reduced by the opening of the Ted Williams Tunnel, which is not immediately contiguous to East Boston, displacing some of the traffic in direction of the North Shore away from East Boston (BRA, 2000). The obsolete inner harbor infrastructure (shipyard, warehouses, cranes, and other industrial uses) is being slowly dismantled and replaced by newer mixed-use buildings, as a result of the cleaning of the harbor/waterfront and the indirect spatial restructuring induced by the construction of the Central Artery Project, the Big Dig (BRA, 2000).

The combined effects of these changes seem to be transforming East Boston and capturing the attention of private developers and state agencies that now recognize its economic potential. The East Boston Master Plan, elaborated by the Boston Redevelopment Authority in April 2000, enumerated some twenty five planning and development projects. Among the most significant are: the creation of several waterfront parks and greenways; MBTA Maverick Station improvements; the development of several large parcels of land with waterfront view

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10 Data for Blacks and Asians are reported for only one tract, thus the comparison is somewhat inappropriate. The Boston percentage of households reporting self-employment income is higher than the Asian citywide percentage and comparable to the statewide percentage. The Black percentage is negligible and the Asian percentage is higher than the Latino percentage.

11 BRA, 2000, p.12.
and access; the Chelsea Creek Bridge reconstruction (BRA, 2000.) Additional large projects include the revitalization of Maverick Gardens, near the MBTA Station, which originally had twelve buildings with some 430 public housing units sitting on a parcel of land valued at approximately $21.1 million. Many of the buildings are being torn down to be replaced by mixed-income housing and other amenities. The YMCA is also constructing a major fitness facility in East Boston.

Although these reconstruction and revitalization efforts are making East Boston a more attractive area, their impact on the Latino community and businesses that have settled there are almost completely unexplored. The East Boston Master Plan makes but marginal allusion to the issue, yet clearly warning that: “East Boston’s economy is also small in size, which creates a vulnerability to the fortunes of individual companies, property owners and industries.” This is the document’s only direct mention of the possible impact of the influx of Asians and Latinos on the character of retail services in the neighborhoods’ commercial centers (mainly Maverick and Central Squares.). It also warns that: “New development of residential units would most likely key a slight evolution in these commercial centers to reflect these [new] needs.” In other words, if these businesses are not prepared to adapt, there is not much that can be done to prevent their eventual demise.

Without any kind of adequate commercial planning and development framework to incorporate Latino businesses into the fabric of this transformation, their economic prospects seem threatened. Actually, several government officers and program directors in the economic development bureaucracy of the city and the state have recognized that the institutional infrastructure to promote and support small business development in East Boston is rather weak and disconnected from Latino business owners. Further, the small attempts at improving such a relationship have been met with skepticism on the part of owners, who are yet to see their value and usefulness.

Several institutional and business actors identified the more specific threats unfolding from the overall process of transformation:

1) Rapidly increasing commercial rents and shrinking supply of affordable retail space.
2) Rapidly increasing residential rents that can erode the Latino consumer base that these businesses have established in their neighborhoods and the city at large.
3) Accelerated appreciation of property values and of property taxes with little increase in income levels which might end up forcing Latino homeowners to sell their properties and move away from East Boston.
4) Little efforts at promoting environmental citizenship and education that works against efforts to improve the quality of life in neighborhoods, which are crucial to any new development strategy for the area.
5) Direct destruction of an important source of income for many community residents who are self-employed or who are employed in these businesses.
6) Uncoordinated or weak institutional activity representing Latino business interests.

The current and future contribution of Latino business owners is definitely connected to their capacity to remain as viable economic actors, which means to be prepared to resist some of the threats identified above. For example, business owners may receive support to develop stabilization strategies that could include diversifying their customer base to sell to non-Latinos, or to identify new business opportunities that might be opening in retail, personal services, hospitality, transportation, food service, and entertainment. Further development of these ideas requires a separate inquiry.

V

Latino Business:
The Ethnic Economy, Urban Economic Development and Quality of Life

Assessing the importance of ethnic business entrepreneurship in specific commercial strips and neighborhoods is a multi-dimensional task and difficult to measure. Notwithstanding, some of the spill-over and stabilization effects of ethnic business entrepreneurial activity can be grasped if examined through the lens of a growing body of work on ethnic economies and ethnic enclaves, urban economic development, and on the quality of life in urban areas.

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5.1 The Ethnic Economy and the Ethnic Enclave

In the standard formulation, “Ethnic economies consist of business firms owned and managed by immigrants as well as the co-ethnics they employ for wages and salaries. The firms of the ethnic economy have addresses, telephone and fax numbers and business licenses. They pay taxes. Firms of the ethnic economy are known to governments which subject them to regulation or, at least claim to do so. Often this regulation is lax but some regulation does occur so wages and working conditions in ethnic economies cannot lag too far behind those in the mainstream economy.”

The ethnic economy also has a second more informal sector outside the mainstream.

Under some specific circumstances, ethnic economies lead to the formation of ethnic enclaves. The ethnic enclave formulation further emphasizes that the immigrant groups can organize themselves to influence their spatial surroundings by forming a locational cluster of business firms whose owners and employees are co-ethnics (Portes & Bach, 1985). In the formation of the ethnic enclave, an initial beachhead of a handful of small businesses serving the local immigrant customer base expands and consolidates geographically and develops networks, supply chains, channels of capital circulation, a secondary labor market, connections to the mainstream economy and to an informal economy, banking and financial institutions, that could even have transnational reach. In the ethnic enclave, immigrant business activity and self-employment generate both a socioeconomic and a spatial platform, and perhaps political empowerment to the extent that spatial control can also translate into political control of a certain area. Some literature, however, has emphasized that the concentration of immigrant businesses alone does not constitute an enclave since the formation of social capital is an important characteristic of the process. The ethnic enclave does show internal organizational maturity and cohesion that permits consolidation and sustainability.

In East Boston in 2002, there were 682 business establishments. About 83 percent of those businesses had less than twenty employees. Between 1998 and 2002, most of the growth in this business segment occurred because of an increase in the number of establishments with less than five employees. In 1997, the Survey of Minority-Owned Businesses reported that although Latinos owned 2.4 percent of businesses, not even 1 percent of statewide business receipts went to Latino-owned firms.

Although the data does not allow us to further disaggregate business ownership patterns by race or ethnicity, a visual inspection of the most important neighborhood commercial areas in East Boston, excluding a local shopping mall, clearly shows an abundance of Latino businesses that have definitely contributed to this business expansion. Latino business owners are mostly concentrated in Maverick Square and along Meridian Street connecting into Central Square and further along Bennington Street connecting with Day Square (see maps 1, 2, 3).

All matters indicate that there is an ethnic economy in East Boston formed by legal, formal, and visible businesses that employ co-ethnics. Arguably, East Boston is difficult to categorize as an ethnic enclave, given the lack of systematic data on the characteristics and business relationships of the Latino entrepreneurial community. However, some interesting developments point to a spatially consolidated Latino business presence that is: (1) attracting businesses from outside the city to locate in East Boston; (2) having existing Latino business entrepreneurs incubating new Latino and non-Latino businesses; and (3) promoting general commercial stability. For instance, TACA, the Central American Airline, recently decided to locate its central business office in East Boston in a building in Central Square that had been rehabilitated by a Latino real estate entrepreneur, which also created commercial space for non-Latino businesses. In the same cluster, two Italian restaurants, one Latino restaurant, and a Latino hair salon comfortably co-exist as business neighbors. In such a context, it is possible to say that Latino business activity is creating positive business externalities. Similarly, the quadrangle enclosing the plaza in Maverick Square has several Latino businesses within, and has Latino businesses in three of its corners: a restaurant, a grocery market, and a bakery. Latino businesses definitely contribute to the commercial stability of the Square, which has other struggling non-Latino businesses and empty storefronts.

5.2 Urban Economic Development

Since the 1960s, the general literature on urban economic development has emphasized the importance of communities taking control of local assets (land, labor, and capital) to promote its internal and autonomous development (Fitzgerald and Leigh, 2002). Most recently, clustering strategies emphasizing the competitive advantage of inner cities highlight the importance of reconnecting communities to the opportunities (positive externalities and spillover effects) offered by financial, service, and knowledge-based economies through various kinds of growth-harnessing configurations—networks, compacts, joint partnerships among diverse groups of actors (Porter, 1998). Further, the field of economic development finance has greatly expanded to give planners a whole host of financial instruments to funnel capital investment into urban development and housing projects, including private capital markets, venture and equity capital funds, revolving loan funds, micro-enterprise finance, and community-based banking, among others (Seidman, 2005). The developmental thrust of this literature emphasizes the complementarity between traditional government- and nonprofit-driven instruments of community development, and the dynamic force of markets. In a different context, yet closely connected to this literature, other practitioners and academics are focusing on strategies that contribute to building individual and community assets. These strategies consist of promoting the creation of banking services for the “unbanked poor,” micro-credit, solidarity lending, and other ideas (Carlson, 2004; von Hofmann, 2001). The Latino Financial Issues Program of the University of Texas -Austin is a broad-based program that emphasizes some of these types of strategies. The Ford and Annie Casey Foundations have devoted good resources to such strategies (Carlson, 2004). Locally, Lawrence Works, Inc., in Lawrence, Massachusetts, has been building its programmatic base with such strategies in mind (Plastrik and Taylor, 2004).

It is important to notice that the transnationalization of capital flows mediated by the entrepreneurial activity of immigrant business owners has created the possibility of formulating strategies that will connect the economic activity of ethnic entrepreneurs in communities in the US with those in the country of origin as well as with other regions of the world. This has been observed in the transnationalization of the business activity of Colombian, Salvadoran, Dominicans, Turkish, and Indian immigrant entrepreneurs (Levitt, 2001; Light, 2004; Orozco, 2000; Orozco, 2004; Pecoud, 2004).

In East Boston, none of these financial or asset-building initiatives or strategies are in use, except for a small program by ACCION/USA that promotes micro-enterprise development through business start-up workshops and fairly expensive micro-loans of $500 at 12.5 percent annual rate. Perhaps, with some institutional support from academic centers, foundations, or nonprofits in the area, Latino business owners in East Boston could benefit from programmatic activity geared to strengthen both the financial infrastructure of the business community and its consumers.

5.3 Quality-of-Life Issues

A burgeoning body of work in urban planning and revitalization has been focusing on the importance of improving the quality of life in cities, especially in urban areas that have undergone the shock of economic restructuring in their shift from the old to the new economy, and even as they move from the old service economy to the new technologically-driven, knowledge-based service era. In this context, for example, traditional amenities like big highways or large shopping malls as well as highly invasive urban renewal are no longer attractive (Segedy, 1997). In some of this literature, urban sprawl, environmental equity and sustainability, and lack of cultural diversity are treated as policy problems that require a new planning practice that is inclusive and participatory (Williamson, et al., 2002). Urban environments and planners who are sensitive to these issues manage to attract new residents and resources, which often involves nurturing a diverse, small-business-driven retail sector, food and entertainment sectors, open spaces, cultural tolerance, and institutional support for local educational development and improved access to cultural goods (Florida, 2002).

The East Boston Master Plan produced by the Boston Redevelopment Authority promotes a harmonic “community sensitive” approach that incorporates many of these quality-of-life issues. However, programmatically speaking, few or no specific programs connecting the Latino commu-

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18 Promotional Brochure. Latino Financial Issues Program. College of Liberal Arts. The University of Texas at Austin.
19 Promotional Brochure. ACCION/USA. On file with the authors.
20 BRA, 2000, p. 7.
nity and business owners were identified by the interviewed business owners. The primacy of quality-of-life issues in East Boston, especially given its vulnerable exposure to the environmental hazards produced by the airport and the major transportation arteries, affect the business image of the area. In addition, there seems little or no work done to incorporate Latino businesses, or for that matter, any small business into a “green development agenda” that would also take advantage of the cultural diversity of the area.

VI

The Latino Business Owners

6.1 Business Owner Characteristics

The objective of Section I of the interview protocol was to collect basic information about the demographic and socioeconomic characteristics of the business owners, and to have a glimpse at their life experience prior to establishing their own businesses: age, place of birth, marital status and number of children, perceived language proficiency, family history, personal experience of migration, settlement, and work upon arrival to the US. Twelve business owners were interviewed in East Boston – eleven men and one woman between the ages of thirty and fifty-five. All of the business owners interviewed were originally from Central or South America. The countries of origin represented among this group were Columbia (7), El Salvador (2), Brazil (1), Venezuela (1), and Peru (1). Almost all of them considered themselves to have working-class backgrounds, often having experienced harsh economic times or poverty in their country of origin. In most cases, their parents had basic schooling and had not attended high school. The business owners have lived in the Boston area for ten to twenty years, with more than half of that time spent in East Boston. About two-thirds of the interviewees came to the US in the late teens or early twenties. Two of them came in their early thirties and one of them came to the US as a small child.

The interviewees originally came to the US for a variety of reasons, including tourism, pursuing an education, following family members, looking for better opportunities, and escaping political instability at home. East Boston was not always their original destination. In some cases, they stopped in other US cities, like Miami, Houston, or Chicago, to stay with relatives from their extended family or acquaintances. Prior to moving to East Boston, some lived in the Greater Boston area for some years and decided to move to East Boston to work, to find cheap housing, or to start their businesses there. Along that path of settlement some were accompanied by family: spouses, children, or siblings. Throughout the years, about three-quarters of them have assisted family members in moving to and settling in the US. They also expressed a strong feeling of belonging to their adopted country: for almost all of them the US is home. In three cases, the interviewees mentioned that throughout the last fifteen years their kinship networks have grown to include family (siblings) members settled in other cities of the US as well. Although regular contacts with and visits to the country of origin were mentioned in the interviews, circular migration was not apparent. In one case, however, members from the same family circulate between Colombia and the US at different intervals of time, rotating the management of the business in the US as a way to give a start to new members that want to spend time or try their luck in the US.

In all cases, family members have played some kind of role in the business, either as employees, partners, or as a more informal help-as-needed role. Curiously, however, full co-ownership was not strong. For the most part, one family member serves as prime manager, proprietor, or decision-maker. For example, one business owner who is the principal owner of a restaurant and of another personal service establishment brought his brother from Colombia to manage the latter. Another restaurant owner with two establishments in East Boston has his sister assisting in the management of one of the locales. Similarly, a real estate agent has incorporated his brother into the real estate business, and so has the insurance broker.

The business owners did not necessarily have entrepreneurial ideas when they migrated to the US, or moved to East Boston, with the exception of three who had some minor business experience in their country of origin. One Brazilian business owner had owned a variety store in Brazil, which he shut down in order to come to the US. Two Colombian business owners had some experience: one had an electronic lottery shop back home and the other had a small jewelry/clothing sales business.
Most of the business owners came as young adults, sometimes without appropriate working permits or visas, and worked entry-level service or manual labor jobs. Prior to starting their own businesses, they worked for some ten to twelve years and gained practical experience working in such establishments as restaurants, factories, nursing homes, and sales offices. They worked very long hours, sometimes working sixteen hours a day, including weekends, and had multiple jobs. They deemed this necessary, not just to secure a basic income, but to also build savings accounts and support family abroad.

Entrepreneurial ideas began to arise in the midst of such long work shifts. While mostly working at unskilled jobs, in these working environments they showed great capacity for learning the “inner workings of the business,” which in some cases attracted the attention of supervisors or owners. Hard work, reliability, and trustworthiness opened doors for advancement. The business owners described a variety of opportunities that became available to them as a result of their hard work. For instance, one of the interviewees learned the “restaurant business” from the “bottom-up,” starting in the kitchen of an Italian restaurant in Faneuil Hall, getting to learn about suppliers, permits, hiring, cooking, and inventories. Eventually, the owner of this particular establishment lent his worker the final $4,000 to make a bid on a food concession stand in East Boston. This small stand became the “seed business” of an enterprise that today includes three food establishments. Although not fully matching the pattern above, one business owner arrived in the Boston area as a child with her family. Prior to finishing high school, she began working for a Cuban lawyer who was also an insurance broker. Although she wanted to be a lawyer, for all sorts of reasons, she decided to pursue the insurance business; later taking related college courses — although not finishing a formal degree. With financial assistance from her family and a drive to serve the Latino community, she started her own insurance business. At first, she opened an office in Jamaica Plain (a Boston neighborhood) about fourteen years ago, and more recently, during the early 1990s, another one in East Boston. She worked hard the first three years before it really took off and today has one of the oldest Latino insurance agencies in the area. A real estate broker relates a similar story of mentorship and opportunity in his path from office help to office manager to real estate agent to become one of the most successful real estate brokers in East Boston and the North Shore. These stories of mentorship were common in the narratives of the immigrant business owners who were interviewed, in real estate, insurance, and construction. The new business owners benefited from the opportunities given to them by their employers, which sometimes were immigrants themselves or children of immigrants who had seen their parents struggling in the same way to build businesses.

Among the business owners interviewed there was a wide range of educational attainment – from those with an eighth grade education to those who had completed bachelor degrees and obtained professional certifications and licenses. Two of the business owners came to the US with some formal higher education in their home country. In the US, they obtained some further education in order to have better access to their areas of professional interest, such as journalism and accounting. Other business owners leveraged formal training in the US (accounting certificates and real estate licenses) to acquire skills, build confidence, and transition to self-employment. As with education, there was a range of language skills within this group of business owners, but all were bilingual (Spanish/English; Portuguese/English), and in one case a business owner spoke Spanish, English, and Italian, which he learned from working among Italians in his first factory job at a stitching shop in East Boston. A few described some formal training in English in community-based programs, but most found that busy work schedules and other demands made it easier to learn English or other languages through employment and other practical experiences. Three of the interviewees expressed strong desires to acquire more education (college work and executive education) either to simply accomplish a life-long dream of finishing college or to grow their businesses.

The path to self-employment of the business owners interviewed was characterized by a pre-ownership stage of some ten years of hard work. Their approach to life was carving opportunities out of very hard-waged labor. They do not describe themselves, however, as rugged individualists. Their decision to become self-employed is meshed with the regular life cycle of wanting and building a family and enhancing opportunities for other mem-
ness owners never did prepare a “business plan,” as some small enterprise developers would have us believe should be the first step of starting a business. In these business development narratives, daily life, moving into self-employment, and forming the first business were practically one. The effective differentiation between life and the business enterprise (or unit) took some time to happen.

### 6.2 Business History/Current Business

Section II of the interview with business owners inquired about their business history and their current business. More specifically, information was gathered on: (1) how they established their first enterprise; (2) what kinds of resources they used to finance the business and where they got them — capitalization, obtaining credit, real estate, etc.; (3) their employees and hiring practices; (4) their path to growth and expansion. Among the twelve people interviewed, they owned businesses in real estate, accounting, food service (both dine-in and take-out/delivery), laundry, amusement and recreation, retail (sporting goods), hair and beauty, grocery, print media, and insurance.

None of the interviewees relied on banking institutions or special government programs to start their first business; for that matter, none received any other kind of business development advising. In two cases, business owners benefited from small enterprise development funding provided by government (state and city) after they had established businesses, and about four of them received grants from the Main Streets program to improve the façade of their businesses. There are no stories of business owners using other informal organizations or arrangements to obtain capital, like lenders or ethnic-based rotating credit organizations. Proudly, business owners in their narratives told stories of saving every penny, and of raising funds among friends, employers, and family members who had confidence in the future success of the enterprises. Formal banking institutions would come into the picture some four to five years after opening their businesses, mainly to buy new equipment, remodel their locale, buy new commercial property, or to expand into a new business. All of the business owners spoke highly of the local banking institutions like the East Boston Savings Bank, and bigger ones like Sovereign Bank and Citizens’ Bank. About three-quarters of the business owners spoke of having developed a trusting working relationship with the banking and credit officers at these institutions.

The business development narratives unveil unique stories about business start-ups, and of the path to stabilization and further growth. The business owners spoke about assistance and encouragement from family, friends, and employers. Yet, they demonstrated creativity in their ability to get operations off the ground. One owner was able to start from a single leased hot-dog stand, to later owning three different eating establishments. The insurance broker spoke of persisting for three years borrowing from friends, families, credit cards, working “on the red,” until business stabilized. Another business owner evolved his failing first variety gift shop into a very successful specialized sporting goods store that now attracts customers from the Greater Boston area. This process included buying the building where the business is located and rehabilitating the upstairs apartments for himself and his son, his sister, and for rental purposes. Their start-ups pushed them to be more venturesome and to get involved in more complex business dealings, like the Colombian entrepreneur who has undertaken his first contracting job as a housing developer. He is developing four, brand new housing units, which has entailed leveraging over two million dollars in capital, difficult negotiations with neighbors, and adaptations to the initial architectural design. The owner of the tax-preparation business spoke of leaving his dead-end job with H&R Block to start working from home, to now having three establishments in East Boston, Chelsea, and Lawrence. Most others are no different in this regard, moving successfully along the path to stabilization and expansion.

Underlying these narratives of business savvy is the important function that real estate investment has played in practically all of these start-up and expansion stories. Whether or not it is the owner’s primary business, it has played an important role in the process of self-employment and economic achievement. Almost all of the people interviewed have built equity and created income through property ownership, which they have reinvested into their business, or have used as collateral to leverage more capital. Many of the business owners
also have invested in remodeling and rehabilitating buildings in the community and have made aesthetic improvements to their businesses that they are proud of. Five of them made their start in business through real estate, using personal savings for the first down payment, and began fixing up properties for either resale or rent. Six other business owners established their capital base through their operations and then used it to purchase real estate. Several of them described the changes taking place in the East Boston real estate market over the past twenty years, and are aware of the good timing. They saw second-generation Italian immigrants moving out of the area, looking to sell their homes at the same time a new wave of immigrants were coming from Central and South America. Establishing their businesses has coincided with the rapid appreciation of real estate values in East Boston, which has paid off well and has contributed to successful and sustainable business operations. This rapid appreciation in values might, however, become a double-edged sword in the future, driving property taxes and commercial rents too high, too fast, and thus forcing displacement of business and clients.

Business owners were also asked about their employees and how they find and choose them. Two of the business owners are not employers and one business is a more traditional family-run operation. The other nine owners each employ four to twenty-five people. It is possible to speculate that these business owners together provide more than ninety full-time/full-year positions and fifteen to twenty part-time or seasonal jobs. Four important employment patterns were detected that are worth mentioning. First, eight owners employ primarily Latino immigrants (not necessarily co-ethnics), although one mentioned hiring exclusively from the same ethnic group. To recruit new employees they rely heavily on word-of-mouth and internal reference from current employees, and occasionally use the local printed media. Given the sensitive issue of informal employment, it was decided not to probe on the matter. Second, two business owners emphasized tapping into supplies of labor from outside the Latino community, especially to perform high skill jobs in construction, electrical contracting, and other specialized services. For example, an upcoming Latino real estate agent and contractor has come to rely mostly on non-Latino construction contractors because they tend to finish jobs on time, are licensed, and are apt to be more accountable. Another Latino business owner, in order to broaden his market appeal to new clients, has hired several experienced non-Latino real estate agents that can reach out to non-Latino clients. Third, the female entrepreneur interviewed especially emphasized hiring Latino single mothers who need special support to get ahead. She has been especially pleased with their good work and strong work ethic. Finally, but not least important, family members working in various positions, ranging from partners and managers to actual workers, play an important role in the business operations. The story of family members holding extra jobs to co-finance the survival of the business was strong in two cases. At times, the extended family structure overlays several business establishments that are controlled by one main owner, but where other members are in charge of day-to-day management. In all cases, the employers have no resources to offer beyond on-the-job training and education.

The path from the business start-up phase to more consolidated businesses, to further expansion suggests business owners with a solid sense of autonomy and confidence that follows from understanding the ways of doing business within East Boston and the broader economy of the Greater Boston area. These business owners have been operating their current establishments for two to fifteen years, with an average establishment life of eight years. Their expansion has resulted into several kinds of business organizations, so to speak, that defy the conventional wisdom of the “mom and pop store” worked only by family members. Undeniably, many of these kinds of units exist in East Boston: two of the interviewees owned a single establishment under sole proprietorship. However, the interviews and research unveiled other important patterns. Seven of the interviewees own and operate more than one establishment. This group can be further disaggregated into: 1) Multiple establishments in East Boston, specialized in one kind of service (food); (2) Multiple establishments in East Boston, but diversified in the kind of product/service (food and laundry); (3) Multiple establishments inside and outside East Boston, specialized in one kind of service (food, insurance, tax preparation). Following this last pattern, four business owners have businesses in areas beyond East Boston: Chelsea, Lawrence, Everett, Jamaica Plain (Boston), and Central Falls (Rhode Island).
One business owner (real estate) holds a franchise, and the insurance broker is directly connected to other major insurance companies.

Latino entrepreneurs have established businesses and have become an important source of jobs, income, and stability in East Boston. Some of these general benefits are discussed further in the next section. In their narratives Latino entrepreneurs discuss that even as they moved from pre-ownership into self-employment and following their path to growth, they continue to uphold a deep work ethic combined with a strong feeling of connectedness to the community in which they have decided to locate their business. But they also want a piece of the American mobility dream, of moving into well-to-do suburbs or communities with good schools, nice gardens, and shopping malls. And actually a couple of them have done so. Many of them spoke of the geography of East Boston as a bit peculiar in the sense that it appears to be isolated, which initially attracted them since they knew that their customer base was right here in the immigrant enclave. This is changing, though, because improvements in transportation and in the housing market are attracting new people to East Boston, which is worth paying attention to, for both factors will have an impact on business dynamics. In the midst of these changes, how have business owners built relationship among themselves, with their customer base, and with other actors in East Boston and the city?

6.3 Business Relations, Support for Development, Networking and Customer Base

Section III of the interview with business owners focused on four areas: (1) the kinds of professional services used by the business owners; (2) the kinds of suppliers they use; (3) the kinds of institutional relations they maintain and, if so, the kinds of services these provide; and (4) the kinds of networking activities in which business owners participate. Section III partially overlapped with Section IV on issues of community relations between business owners and other actors, especially with their client base.

The questions asked regarding the use of suppliers did not intend to map or quantify the backward and forward linkages generated by the business activities of the interviewees. The questions simply intended to get a glimpse of such connections. A much more specialized inquiry would be required to make a more complete statement about the matter. That said, practically all of the business owners interviewed said that they use Latino suppliers and Latino professional services whenever possible. However, they also stressed that they would use other non-Latino suppliers and services, if prices, services, reliability, and quality were better. One restaurant owner reported using a diverse pool of suppliers, from a local Italian purveyor of vegetables and meat to a New England-wide Mexican supplier to a large supplier of restaurant equipment and materials. Two business owners said they use a local Latino financial professional to keep their books. The real estate entrepreneurs interviewed frequently required legal services in closings and other transactions. Throughout the years in the business, both have come to rely and trust non-Latino lawyers who have been very consistent with their quality work. The real estate entrepreneur/developer interviewed reported relying on two non-Latino local construction companies, and increasingly he is staying away from the Latino-owned construction companies/crews because they often do not have the appropriate licenses to complete the work for which they are contracted. A hair salon owner reports using a few local suppliers, but also others from outside the community, based simply on the products he prefers. One owner of a local shop that sells primarily Central American and Colombian products relies on a network of Colombian distributors in Rhode Island, New Jersey, New York, and locally in Lynn. One of the restaurant owners appears to tap into that same Colombian distribution network, though he claims only to do business with people he knows. The local newspaper owner generates profits through advertising revenue alone; the paper is free to readers. Even though it is a Spanish-language newspaper, most advertisers are American-owned businesses that are trying to capture the Latino market. One Brazilian business owner said he had no contacts with other local business owners, except for his Italian accountant and his suppliers, who are predominantly American and Italian. As a sporting goods retailer, he also negotiates directly with companies such as Nike. He claims that for some unknown reason he is left out of the informal Latino entrepreneurial networks.

A few of the entrepreneurs have established
relationships with formal financial institutions, with lines of credit or loans from major banks. One of the financial professionals said that many of the Latino entrepreneurs simply are not aware of the opportunities or qualifications for loans and other assistance. In fact, he offers workshops on taxes and other financial issues, including education on one’s rights and duties, to members of the community at his offices and out in the community. A real estate agent says he uses many different banks, making new professional contacts through closings, and he bases his decisions on the principles of good service and efficiency. Several reported financing their own start-up costs; one hair salon owner got support from former clients.

Supporting interviews with various city and state officials (BRA, MassPort, Mass Turnpike Authority) suggest awareness of the dynamic force that Latino entrepreneurs represent in the area. Yet those same officials also recognize the disconnect between the programs available to offer support to business owners and Latino business owners in East Boston. Among the owners interviewed, only two restaurant owners seemed aware of the citywide programs aimed at small business owners or local economic development (Back Streets Program). The roots of the disconnect, however, according to the business owners and officials, seem not to be deep-seated antagonisms, but rather are the result of programmatic deficiencies, like a poor institutional infrastructure to outreach and support these business owners. Perceiving this deficit, ACCION/USA in partnership with the Lawyers Committee for Civil Rights and the accounting firm Sánchez & Santiago, LLC, have been offering various kinds of workshops on tax preparation and incorporation for small Latino business owners in East Boston. The workshops are held in East Boston, at the office of the Main Streets Program. It is worth commenting that most requests to government agencies regarding this inquiry were well received, except in one instance in which the Boston Housing Authority insisted in that they had no relevant information to provide and did not accept a face-to-face interview.

The relationship between Latino business owners and local politicians seemed to be more fluid than it was between them and government offices. Half of the business owners interviewed said that they had some sort of regular to sporadic contacts with local political representatives (for example, Félix Arroyo and Paul Scapicchio of the city council; senator president Robert Travaglini; and state representative Anthony Petruccelli). This contact was varied in nature, with some business owners reporting ongoing personal communications with political representatives, attendance at community-based political events, or help in navigating the bureaucracies to obtain various sorts of business licenses or zoning permits (to serve beer and wine or have pool tables, for example). The remaining business owners reported no relationships with city hall, local or state political representatives outside the normal bureaucratic interactions required to obtain business permits, etc. The reasons behind this lack of interaction ranged from simply not having enough time to not being aware of opportunities to develop the relationships to being uninterested or even disaffected politically. In fact, one hair salon owner felt the city had abandoned the minority community. Another restaurant owner, however, had the opposite opinion regarding his experience with the Mayor’s Office, and had maintained good relations with the office after a long-awaited hearing for a zoning variance to allow pool tables in his establishment and during negotiations between the city and East Boston business owners regarding the expansion of Logan Airport. One of the politicians interviewed emphasized the importance of understanding and keeping in mind the strong feeling of autonomy evident among these business owners in their dealings with political forces. He found this to be quite a healthy attitude.

Relationships among businesses in East Boston reflect some of the tensions that the whole area is undergoing as it experiences the accelerated growth of the Latino community and the exit of the largely Italian and Irish population that preceded them. Almost all of the business owners interviewed claimed that relationships among Latino business owners in East Boston were good. They spoke highly of their fellow entrepreneurs, but complained that these relationships were weak and largely informal. In terms of access to formal business networks, only one business owner reported being an active member of the East Boston Chamber of Commerce. Another quit after belonging to the chamber for one year. Two others reported initially attending chamber meetings a couple of times, but said they soon came to the conclusion “that there was nothing for them” at the chamber. One of the business owners explained his view that the chamber is dominated by old business interests who had no
real intention of opening up to Latinos. To some extent, as a result of this lack of associational life, Latino business owners, mainly from El Salvador, organized the Salvadoran Chamber of Commerce of New England in 2004-05. The organization has a website (www.sccone.com) which lists its leadership and some thirty-six members in the Greater Boston area, with a solid representation from East Boston among its members. The remaining business owners did not report any involvement with the local chamber. Four interviewees did know about the Main Streets Program, two have benefited from it, and one entrepreneur reported past membership in it. An interview with the manager of the Main Streets Program indicated stronger contact with other Latino business owners that were not part of our sample.

When asked about their involvement with other networks, including the associations mentioned above, the entrepreneurs reported everything from “no involvement” to “some involvement” in one or more of the following networks:

- Informal networks around real estate opportunities, dubbed relationships of “convenience”
- Freemasons (Fraternal Organization)
- El Salvadoran Chamber of Commerce of New England
- Board of local Latino youth program
- Small Business Association
- Boston Better Business Association
- Real Estate Board
- East Boston Maynard Street Association
- Kiwanis Club
- Organizations working for better opportunities for immigrant students

Recognizably, the institutional infrastructure of networks and associations in East Boston reflects some of the tensions and fragmentation that characterize areas that are experiencing accelerated racial/ethnic succession, especially in this era of policy devolution. On the one hand, the old fraternal and ethnic-based organizations are disappearing or are slow to adapt to and accept the new immigrant populations. On the other hand, the new organizations are incipient and fragile for various reasons, including lack of resources, poor institutional support, inexperienced leadership, and political fears. In East Boston, the impasse is perhaps stronger than in other areas of the state, given the few opportunities available to new immigrant communities to strengthen their organizational base after the events of 9/11 and because of the retrenchment of the state from the community- and capacity-building activities that used to accompany the implementation of many social and urban policies. The business owners interviewed did not necessarily voice their concerns in exactly these terms, but they were certainly aware of the many factors affecting their community, which is also their customer base. Legal status along with work, educational, and housing opportunities have a strong impact on the consumption capacity and geographic stability of their clientele, which are critical to the survival of many of these businesses.

While these business owners draw their customers predominately from East Boston, their geographic scope reaches beyond East Boston to other Latino communities in the Greater Boston area. Business owners claimed that their client base is more than 70 percent Latino. While some businesses specifically identified Brazilians as a component of their customer base, most of them divided it between Latinos and Anglos. One salon owner identified people of Middle Eastern descent as a significant part of his customer base. The Brazilian owner of a sporting goods store said that many of his customers come from outside East Boston, from Framingham, Malden, and Somerville, cities with significant concentrations of Brazilians. In general, all of the business owners emphasized their expertise at catering to the Latino community, which in certain cases is a very important aspect of their business approach. This was not only true for the four restaurant owners, but also for the real estate and insurance brokers, as well as the owner of the tax preparation business who placed great emphasis on the trusting relationship they have with their clients. These last three business owners felt that trust and face-to-face interaction were highly valued by their Latino customers.

Business owners were also asked about their general perceptions of the immediate impact or contribution of their business activity on the quality of life of their neighborhoods. In the interview, the issue was framed to elicit open answers about the very amorphous and highly subjective problem of “measuring impact.” In this sense, the responses obtained were very specific; for example, one business owner gave the number of jobs his business activity generated. At the other extreme, the owners told illustrative stories of how their bus-
ness practices improved the general environment. In a previous section, their contribution regarding employment was already noted.

Regarding general changes in the community, the entrepreneurs who had been living in East Boston for a while all noted the significant changes that had taken place in the last ten to fifteen years. Most agreed that the Latino population in East Boston started expanding rapidly in the mid-1990s, and with that came the establishment of more Latino-owned businesses. The businesses revitalized the life of very specific areas, like Maverick Square, Day Square, and Central Square. Each of these areas has a considerable concentration of Latino businesses of all kinds: food, grocery shops, music stores, personal and beauty services, and travel and legal services. According to the owners interviewed, the human activity generated by these Latino businesses has dispelled much criminal and gang activity, a fact confirmed by the local liaison of the Police Department to the East Boston neighborhoods. The Police Department in East Boston is emphatic about the positive influence of Latino businesses on community security. Regarding the physical appearance of these areas, until recently, according to one of the business owners, many of the establishments located in Maverick or Central Squares looked very unwelcoming with their dirty and dark metal grates covering the facades of the businesses. He went on to talk about his efforts to change to rehabilitate the old building facades. He removed the grates, refurbished his street windows, and kept the lights in his office on at night, and encouraged his neighbors to do the same. As a result, the small commercial strip looks brighter and more appealing, and people feel safer. Beyond that, he claims to measure his business success in three ways: (1) making money, (2) helping the neighborhood, and (3) increasing the quality of the local housing stock. He tries to set an example and contribute to a more positive image of East Boston. Another restaurant owner, who owns one of the few establishments that are licensed to stay open twenty-four hours, has also encouraged greater security around the perimeter of his restaurant. A local employee of the city of Boston who works as a librarian in East Boston said, “immigrant businesses keep sidewalks extra clean in front of their stores.” Summarizing, the business owners claim important contributions in employment, physical improvement of buildings and local areas, and, to some extent, better security.

### 6.4 Problems and Barriers

Section V of the interview was designed to obtain information about the kinds of obstacles or barriers faced by the business owners in their business activity. In general, all twelve business owners claimed not to have confronted serious problems that hindered their economic activities. But that is not to say that they have not experienced difficulties. On the one hand, a few reported some problems with social ostracism. Three of them identified situations in which they had experienced the backlash resulting from the area rapidly becoming Latino. One restaurant owner described how his non-Latino neighbors blamed him for cracks in the walls of their adjacent building that had been presumably caused by the recent remodeling of the restaurant, and sued him for $15,000. He consulted a lawyer, his insurance company, and the city inspection services, and eventually the MBTA determined that the damaged was caused by the subway that runs underneath the buildings. The suit was dropped, yet the harassment continued through the filing of zoning grievances against the business owner by the same people, but these were rapidly dismissed since the city found the neighbors at fault for more grave violations. Two other restaurant owners mentioned incidents when they initially opened their businesses in which the customers of the older restaurants they replaced came in an insulted them for serving Latino foods; yet, they felt it was nothing major and it never happened again.

On the other hand, Latino business owners voiced problems that were largely related to the operational and financial viability of their businesses. First, even after many years of hard work and experience, some still continue to work very long hours. Although they are aware of ways to cut down their hours, like getting technical assistance or more education to modernize specific aspects of their businesses, they are caught in the dilemma of how to find time in their busy schedule to study or to find the right programs that might help. Second, although English-language and communication skills were not a tremendous obstacle, three of the business owners said they would very much like to improve them. One of these business owners has solved much of the problem by having his nineteen-year-old assist him in the business. According to some of the business owners, the levels of English necessary to complete a business transac-
tion in a familiar setting, with vocabulary learned through repetition of familiar transactions, differs greatly from the level of competency required to gain new information and skills. Third, one business owner has confronted significant problems with the “redlining” practices of large insurance corporations that offer more expensive premiums in Latino areas and for Latinos clients, especially in car, commercial, and residential insurance. This business owner wants to learn how to deal with these problems, as well as with other strategic problems related to expanding the business. Two other business owners voiced concerns about confronting some of those barriers in the future development of their business. Two real estate entrepreneurs said they would like to gain more expertise on how to franchise and on how to become a bigger and more experienced housing developer. Fourth, two business owners emphasized increasing difficulty with higher costs and fees for licenses and permits: restaurant and liquor licenses; hair salon and health licenses, and other permits. They also spoke about the negative effect that stricter laws governing driver’s licenses for immigrants will have on their employees. Finally, some of the business owners commented that the rapid changes affecting East Boston are making it more physically accessible and appealing and raising property values. They fear the rapid rate of appreciation might raise rents and property taxes too fast, displacing the Latino population, their customer base, and affecting the viability of many businesses, which would experience high rents for commercial space as a result. Government officers at the BRA and MassPort who are knowledgeable about these matters have confirmed these dynamics and the fact that East Boston is beginning to experience a shortage of retail space.

The business owners who were interviewed are somewhat “seasoned” and experienced in business dealings and activities. It is perhaps an important “bias” in the sample: the relative degree of “maturity” of the businesses. Thus, for the most part, they are beyond experiencing the kinds of problems faced by business “start-ups.” In this regard, they are seemingly facing obstacles related to their path to a higher plateau of economic activity: like lack of knowledge about business expansion; more sophisticated forms of tapping into capital markets and leveraging resources; specific ways to modernize and streamline their business operations; associational formulas for advancing their collective interests; or forms of connecting to other business structures in the more “mainstream economy.”

### 6.5 Future Plans

The final section of the interview tried to find about the outlook for the future of the business owners. The questions in the interview asked about plans and expectations for the next five to ten years, their retirement plans, and if they were planning to leave East Boston or return to their country of origin. Their answers were varied and showed an intermingling of business and life plans. Regarding business plans, five owners described plans that were already in place or in the making to grow and expand within or outside of East Boston. One business owner was assessing the feasibility of acquiring a Chinese restaurant, and whether to continue serving Chinese food rather than turning it into a Latino restaurant. After all, he said, East Boston is small and it cannot hold that many Latino restaurants. The two real estate business owners have big plans; one to expand into a franchise and the other to become a large property developer along the East Boston waterfront. The owner of the tax preparation business wants to become, in his words, “as big as H&R Block.” Two other restaurant owners also have plans; one is planning to move into the food manufacturing business, perhaps pulling out of the restaurant business. The other, who recently opened a restaurant in Everett, thinks that in the future he might want to consolidate all of his four businesses into a bigger restaurant catering to a diverse clientele. The insurance broker feels comfortable with the size and scope of her current business, although she is extremely interested in tapping into knowledge that would help her to grow the business and to do better with the big corporations in the insurance industry. The owner of the hair salon wants to buy the building in which he is located.

Regarding more personal plans, about ten of them framed their responses to emphasize that they have strong roots in the US and see themselves as full citizens of their community and the US. They see no major contradiction in keeping strong ties to their countries of origin and expressed that returning to their country of origin is not something that they think too much about nowadays, although they do not rule out returning to their countries at some point in the distant future. Two of the busi-
ness owners said they plan to retire and return to Colombia with their wives in five to ten years.

In closing the interviews, several of the business owners expressed concern with a few themes that they thought would greatly influence their outlook for the future. First, they want to be sure that their families and children would have better opportunities for education. The insurance broker was emphatic about conveying to her children the importance of pursuing a good education. A real estate business owner has been very active in supporting Latino students, organizing to advocate for immigrant students to pay in-state tuition rates. Second, about eight of the business owners felt their future as a business community will depend on getting better organized to voice their interests and having the broader non-Latino community acknowledge the very important contributions they make. Third, they show some mild awareness of the vast developmental transformation affecting East Boston, yet are for shaping a more strategic view of this big picture that includes understanding plans for the airport and other major transportation projects, cleaning of the shoreline, massive housing construction projects, rehabilitation of the Blue Line, among other projects.
Conclusions

Latino business owners have made and continue to make extremely important contributions to East Boston’s economy and neighborhoods. They provide employment, neighborhood stability, and directly improve the physical quality of the buildings in which they are located as well as the surrounding areas. During the 1990s, the rapid expansion of the Latino community in East Boston, and the delayed ripening of the area for redevelopment, which had taken place in other parts of the city, produced the conditions for Latino business to settle and expand. These conditions, however, can no longer be taken for granted.

As East Boston is brought aboard as a “late developer” relative to other areas of the city, the forces of large-scale transformation might undermine the economic prospects of businesses and their customer base. In such regard, it is critical to explore policy avenues that could mitigate the impact of such large-scale forces, and give this business community the tools to take advantage of the new structure of opportunity that is developing. Exploring these policy avenues implies, for instance, producing a better account of the inner workings of the ethnic economy and of its connection to the “mainstream economy.” In addition, it would be important to put these business owners in contact with the new kinds of instruments being used in urban economic development that seek to develop the financial infrastructure of communities and the networks to promote asset building, among other strategies. The strategies though, taking into consideration East Boston’s peculiar environmental and geographic conditions, should be oriented by strong efforts at building sustainability and environmental citizenship and improving the quality of life of communities.

The research reached more specific conclusions regarding the inner workings of Latino entrepreneurship and its contribution to East Boston neighborhoods and residents:

The experiences of these business owners suggest that their path to self-employment and ownership was not linear or necessarily planned but well interconnected with other aspects of the process of migration and settlement. Thus, the path to business ownership is a multi-staged process with distinct phases: (1) pre-ownership; (2) start-up; (3) consolidation; and (4) expansion.

Among the businesses studied, there are multiple kinds of organizational structures that include: 1) Multiple establishments in East Boston, specialized in one kind of service (food); (2) Multiple establishments in East Boston, but diversified in the kind of product/service (food and laundry); (3) Multiple establishments inside and outside East Boston, specialized in one kind of service (food, insurance, tax preparation).

The business owners maintain fluid relationships with customers, politicians, and various kinds of local organizations, although somewhat weaker relationships with local business and trade associations and government agencies.

The business owners seem not to have confronted intractable barriers or problems, although they identify sporadic situations of minor ostracism, and a broad array of other business operational problems.

The business owners feel strongly grounded in their community, and, for the most part, see their futures inevitably linked, although they do not see any major contradiction in keeping in close touch with their own countries or origin, and possibly returning to them in the distant future. For some business owners this horizon of returning might be shorter than it is for others.

This research has tried to illustrate the contribution that Latino business owners make in East Boston. That contribution is a very positive one. To a large extent, the research has also generated a good number of other insights that merit further resources to investigate them in order to further consolidate the contributions in areas of employment, community physical appearance, stability, and security.
Appendix - List of Supporting Interviews

Boston City Council
Boston Housing Authority
Boston Public Library/East Boston Branch
Boston Redevelopment Authority
East Boston Neighborhood Health Center
Main Streets Project- East Boston Office
MBTA
MassPort
MassTurnpike Authority
Massachusetts State Senate
East Boston CDC
NOAH (Neighborhood of Affordable Housing)
ACCI ON/USA
Boston Police Department
East Boston Ecumenical Council
Our Lady Of The Assumption/ East Boston
Centro Presente/ Cambridge
Bibliography


The Mauricio Gastón Institute for Latino Community Development and Public Policy was established at the University of Massachusetts Boston through the initiative of Latino community activists, academicians, and the Massachusetts State Legislature, in response to a need for improved understanding of Latino experiences and living conditions in Massachusetts. The task of the institute is to inform policy makers about issues vital to the Commonwealth’s growing Latino community and to provide this community with information and analysis necessary for effective participation in public policy development.

The Mauricio Gastón Institute for Latino Community Development and Public Policy, University of Massachusetts Boston

This research was funded by the The Immigrant Learning Center, Inc.