



# CENTER FOR COMMUNITY AND ORGANIZATIONAL RESEARCH

Penn State Lehigh Valley

## 2008 PORTRAIT OF LATINO BUSINESS OWNERS AND PROFESSIONALS IN THE LEHIGH VALLEY

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## Forward

The key finding of this report is that business ownership and education facilitate Latinos ability to climb the economic ladder and achieve success in the Lehigh Valley.

As business owners Latinos have made inroads into a wide cross section of industries in the Lehigh Valley. They are represented among some of our region's most prominent business members and are helping to lead the way in forging investments and business networks on a global scale. But Latinos also help account for the vast growth in small businesses in the region. This is a path out of poverty; an opportunity to earn a middle class standard of living, particularly for those who lack the kind of human capital (including education and training) needed to get a decent paying job in the labor market.

Significantly, starting wages in the Lehigh Valley for jobs that do not require college education or training are around \$7.00 per hour, a wage that places a family below the poverty threshold at full-time employment.<sup>1</sup> Latinos, in particular, have comparatively high rates of poverty and low levels of education.<sup>2</sup> As many of the business owners in this study said, business ownership has provided them the best avenue for climbing the economic ladder and achieving their goals in the United States.

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<sup>1</sup> The Pennsylvania minimum wage will be \$7.25 effective July 2009. (U.S. Department of Labor Employment Standards Administration. <http://www.dol.gov/esa/minwage/america.htm>). According to the U.S. Department of Labor statistics, average hourly wages for entry level jobs in some of the biggest growth sectors including retail and services, are in the \$7 to 8.00 range in the Lehigh Valley (U.S. Department of Labor; Bureau of Labor Statistics: Occupational Employment Statistics, Allentown-Bethlehem-Easton, PA-NJ. <http://www.bls.gov>). A family of four would need a household income of more than \$20,614 to be above the poverty threshold (U.S. Department of Health & Human Services, Computations for 2008 Annual Update of HHS Poverty Guidelines. <http://aspe.hhs.gov/poverty/08computations.shtml>). Working at the wage of \$7.25 per hour, 40 hours per week, 52 weeks of the year, totals \$15,080, below the poverty threshold for a family of four.

<sup>2</sup> Hispanics in the United States have a poverty rate of 21.7 (versus the overall U.S. poverty rate of 13.4). Only 60.4 percent of Hispanics have at least a high school degree or equivalency versus 84.1 percent of the entire U.S. population. (Pew Hispanic Center Tabulations of 2006 American Community Survey. <http://www.pewhispanic.org>). A 2005 report identified local statistics on poverty rates among Hispanics in the Lehigh Valley. "Latinos in the Lehigh Valley: The Dynamics and Impact of this Growing and Changing Population." Lehigh Valley Economic Development Corporation. September 2005.

These goals are motivated by the larger continuum of intergenerational mobility. Like most people, they desire to improve their standard of living and they place a strong emphasis on education. They aspire for their children to go to college and eventually join the professional community. Their positions as business owners place them in an advantageous position to move into middle class status, balance family and work lives, and pursue the best educational environments and opportunities for their children. Small business ownership, meanwhile, plays a crucial role in the growth and vitality of the Lehigh Valley's economy. Latino business owners account for more than 30% of all small business owners in Downtown Allentown and South Bethlehem, areas that have been center stage to the region's urban revitalization efforts focused on historic preservation, tourism, entertainment, cuisine, sports, and a casino project.

These urban centers are also areas that have high residential concentrations of Latinos and have been disproportionately burdened by poverty, crime, and failing schools. As this study shows, Latino business owners have helped to reverse the effects of urban blight: they provide jobs, generate more entrepreneurial opportunity, contribute their time and profits to community functions, make streets safer, and serve as role models. Encouraging and promoting small business ownership among Latinos, then, provides a path out of poverty in communities facing significant barriers to mobility and is important to the revitalization of the region's urban centers and, ultimately, economic development efforts in the Lehigh Valley as a whole. In this way, Latino business ownership has been a silent key to the region's economic growth strategies.

The professionals in our sample are indicative of the successful integration of college educated Latinos at the middle and upper rungs of the Lehigh Valley's occupational ladder. Latinos have achieved parity due to their higher education at both the bachelor and graduate degree levels and are making strides in gaining proportional representation in the professions. They are represented across the entire spectrum of professional occupations from surgeons and engineers to educators and architects. This report clearly shows that higher education pays off for Latinos; the higher their degree, the greater their

income, and reported levels of job satisfaction. They clearly benefit from the internal professional rewards system and rarely cited Latino status as a liability to climbing the occupational ladder. To the contrary, bilingual language skills and familiarity with the needs of the Latino community were cited as organizational assets by many of the professionals.

As this report indicates, business ownership and higher education are key to the economic mobility of Latinos in the Lehigh Valley. Promoting business ownership and educational opportunities should be among the Lehigh Valley's top priorities if its interests lie in elevating the status of a population that is disproportionately beset by poverty and low rates of educational attainment. It should be underscored that improving opportunities for Latinos is imperative to the health and growth of the regional economy as a whole.

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# 2 0 0 8 Portrait of Latino Business Owners and Professionals in the Lehigh Valley

## Executive Summary

The *2008 Portrait of Latino Business Owners and Professionals* is the result of a study conducted by CCOR (Center for Community and Organizational Research) of Penn State Lehigh Valley. It was commissioned by the Latino Economic Council (LEC) of the LVEDC (Lehigh Valley Economic Development Corporation) as part of a larger effort to increase the visibility and success of Latino business owners and professionals in the Lehigh Valley with financial contributions from WIB (Workforce Investment Board), Air Products Foundation, Sovereign Bank, LVEDC, PP&L, and GLVCC Foundation (Greater Lehigh Valley Chamber of Commerce Foundation).

In the Lehigh Valley, the Hispanic population grew by 392% between 1980 and 2000. Hispanics now account for about 10% of the Valley's population.<sup>3</sup> This mirrors national trends as Hispanics are the fastest-growing component in the

United States.<sup>4</sup> Also on a national scale, the percentage of minority-owned firms outpaced the national average by three-times between 1997 and 2002 and represent 18 percent of all firms.<sup>5</sup> But Hispanics' roles as business owners and professionals in the Lehigh Valley have been understudied leaving a gap in our knowledge about the economic mobility, success, and needs of this population.<sup>6</sup>

The goals of the study were two-fold: 1) provide a broad and enlightened picture of the Hispanic contribution to the Lehigh Valley's business and professional economy, 2) identify resources needed to meet Hispanics requirements for increased economic success and full participation in the economic development of the Lehigh Valley.

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<sup>3</sup> Source: The U.S. Department of Housing and Urban Development's (HUD's) Office of Policy Development and Research (PD&R), <http://socds.huduser.org/> and the Lehigh Valley Economic Development Corporation 2005 Report, "Latinos in the Lehigh Valley: The Dynamics and Impact of this Growing and Changing Population."

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<sup>4</sup> According to the U.S. Census Bureau, the Hispanic population has grown to more than 45 million people. It now represents 15 percent of the total population in the United States. U.S. Census Bureau, Population Estimates, 2007.

<sup>5</sup> Survey of Small Business Owners (SBO) 2002.

<sup>6</sup> A 2005 report alludes, anecdotally, to the growth of an Hispanic professional class in the Lehigh Valley rendered invisible by their blending in and movement to the suburbs. The report also points to an entrepreneurship tendency among Hispanics in the Lehigh Valley, helping to reflect the national trend toward increasing minority-owned firms. Lehigh Valley Economic Development Corporation, *Latinos in the Lehigh Valley: The Dynamics and Impact of this Growing and Changing Population*, 2005.

To meet these goals the study sought to identify business owners and professionals of Latino origins conducting business in or working in the Lehigh Valley, and, collect information that would be relevant to understanding their particular needs and goals as individuals and members of the Hispanic community. In order to most systematically and comprehensively handle two different populations the study was divided into two samples: 1) business owners and 2) professionals. Each sample employed a different method for data collection. Data was gathered on demographic characteristics, language acquisition and usage, financial profiles including wealth composition, employment practices and experiences, career and business needs, and family and household priorities. 106 people completed the professional survey. 103 people completed the business owner's survey, nearly all through personal interviews.

## SUMMARY OF RESULTS

### ***Latino business owners and professionals represent an economically empowered community.***

Their backgrounds and experiences are vastly diverse, ranging from small business owners just starting out to wealthy and established business people and top level professionals in numerous fields including medicine, law, finance, engineering, and education. Their educational backgrounds, earnings and assets, and capacity to give back to the Lehigh Valley region help demonstrate the extent of their empowerment.

- Nearly all business owners (92%) and all professionals (100%) have at least a high school degree.

- Two-thirds of the business owners and nearly all of the professionals (98%) have at least some college experience.
- Nearly half (46%) of the professionals in the sample have a graduate degree. Most professionals (76%) have a bachelor's degree.
- Three quarters (75%) of professionals reported net worth of \$100,000 or more. Four out of ten (40%) of the professionals with a graduate degree have a half million or more of assets. Significantly, this is well above the median net worth among Hispanics nationwide (\$7,932).<sup>7</sup>
- Nearly one-fifth (19%) of business owners have a net worth that exceeds \$1 million. This puts them in the top 10 percentile range in the nation's wealth spectrum. Latino business owners and professionals give back financially to the Lehigh Valley.
- The majority (57%) of Latino professionals, for instance, plan to make financial investments in the next five years. Likewise, most business owners (67%) made capital expenditures in the last five years and even more (72%) plan to make capital expenditures in the

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<sup>7</sup> This is above the median net worth in the United States at about \$93,000. This is well above the median net worth of Hispanic households which was \$7,932 (compared with \$88,651 for white households). (The Pew Hispanic Center "The Wealth of Hispanic Households: 1996 to 2002," <http://pewhispanic.org/files/reports/34.pdf>.)

next five years. Most spending (90%) will be in the Lehigh Valley.

- They help their own communities. Two-thirds (66%) of professionals and three quarters (78%) of business owners made financial contributions to their own communities in the past year.
- More than half of the professionals and 70% of business owners contribute their time getting involved in the community. Three quarters (73%) of those that get involved contribute their professional expertise to local community-based efforts.

***Latino business owners and professionals are socially and economically mobile.*** Five points make this clear:

- 1) Small business ownership may be a first step in an intergenerational path to professional status. There is a clear intergenerational trajectory from business ownership to professional status. A greater percentage of business owners (versus professional) are first generation immigrant. This may indicate that the longer you are here in this country then the more likely it is that you will move into the professional occupational sphere.
- 2) Most business owners reported that they did not hope for their children to go into business. Given the choices between “taking over the business”, “pursuing other business opportunities” or “having

a career in the professions”, the majority of business owners (60%) chose “having a career in the professions” as their primary career hope for their children.<sup>8</sup>

- 3) Both business owners and professionals report that education is their highest household priority. More than 90 percent of both business owners and professionals rated the education of their children as their highest household priority, a clear indication that intergenerational mobility is foremost in the minds of Latino business owners and professionals.
- 4) Higher education pays off among Latinos. There is an upward trajectory and reward system within the professions associated with higher education. Those with graduate degrees (versus bachelor’s) report higher salaries, higher net worths, and higher levels of satisfaction with employers.
- 5) Finally, business owners and professionals view themselves on a continuum of intergenerational upward mobility. Most view themselves as more successful than their parents. And most view their children as becoming more successful than they.

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<sup>8</sup> It is noteworthy that many business owners used to be professionals in their homelands. This study identified business owners who had been nurses, teachers, architects, in their countries of origin. With a degree that is not recognized many former professionals pursue business ownership. What is important is that these former professionals are well equipped with the kind of human capital that is valuable for cultivating professional opportunities for their children.

***Small business owners are crucial to the economic development of the Lehigh Valley. But while most appear to be prospering, a small percentage are facing significant challenges.***

Some of the smallest business owners are struggling to stay afloat and are at risk for closing down. Poor credit scores, low revenues and personal incomes, and a down-turned economy, all contribute to the challenging plight of a small percentage of business owners in our sample. The lack of English language skills by some of the owners contribute to the severity of the challenges they face. Addressing these challenges may not only help remedy the problems experienced by existing business owners, it may also widen the avenues of opportunity to business ownership for a greater segment of the Lehigh Valley's Latino population.

- About a quarter (27%) of business owners who applied for a bank loan in the past 5 years were turned down. Inability to access formal and stable lending sources may put small business owners at greater risk for falling victim to a downward cycle of predatory lending schemes, over reliance on credit cards, and poor credit.
- A small percentage of business owners are experiencing what could be described as severe financial strain. Three percent have annual business revenues \$10,000 or below (not including those that have been in business for less than a year). Sixteen percent report a decline in household income in the last five years. Eight percent predict worsening financial health of their

business. Seven percent are living around or below the poverty threshold with household incomes between \$10,000 and 25,000.

**Latinas are successful as business owners and professionals. But a gender gap persists in key areas.**

Women represent 25% of business owners and 61% of professionals. Latinas have achieved enormous success.

- Latinas are represented in a wide variety of businesses and professions.
- As a whole, Latina business owners and professionals are more educated than their male counterparts.
- Latinas are equally represented at the top rungs of both business and professional communities. Nearly a fifth of both male and female business owners earn annual revenues greater than \$500,000. More women than men have household incomes at this level.

On the other hand, women, as a whole, earn, spend, own less, and are less networked than their male counterparts, even when controlling for educational attainment.

Latina business owners and professionals are also disproportionately represented at the very bottom rungs of the income and revenue ladder.

- Among business owners earning revenues \$25,000 or less, most are women. Among professionals with

a bachelor's degree earning an annual salary of \$50,000 or less, the majority are women.

***Business Owner and Professional Concerns***

Business owners identified various aspects of their businesses that could be improved. The need expressed the most, by nearly half of all business owners (49%), was access to capital/loans. Keeping up with and acquiring new technologies was reported by more than a third (37%). About a third reported advertising/marketing and gaining respect as a Latino business owner as top concerns.

Professionals identified their current needs in terms of business community activities

and services. Professionals also rated the helpfulness of potential community activities in the Lehigh Valley. Current needs differed by professional subgroup. Professionals with bachelor degrees rated their need to leverage their identity as a Latino professional (43%) and professional networking (43%) as their most important needs. Professional development (41%) and mentoring (39%) were also important to this group.

In contrast, professionals with graduate degrees rated keeping up with technology their most important need (37%), followed by leveraging their Latino identity (33%) and professional networking (31%).

## Research Methodology

### **A multi-methodological design**

A multi-methodological design incorporating qualitative and quantitative methods was developed and employed to collect and analyze data for this project. First, a separate survey instrument was designed and developed for each sample. The business owners survey questionnaire was subsequently translated into Spanish and back-translated by Penn State faculty and students.

### **On-site face-to-face interviews with business owners**

On-site, face-to-face interviews were conducted with the majority of business owners. Some were self-administered. (24 surveys were self-administered, out of which, only 7 were usable and included in the sample). One interview was conducted by phone. Each face-to-face interview lasted between 25 minutes and 3½ hours and required, on average, 3 points of contact prior to the interview. The initial version of the survey was piloted for about three weeks. During the piloting phase, business owners were interviewed and were also asked for feedback about content and translation adequacy. Six Penn State students and recent graduates were involved in contacting potential respondents and carrying out the surveys. Two others provided office-related support. Most interviews were conducted in English. Nineteen were conducted in Spanish.

### **Contacts with business owners**

Contacts with business owners were established through a combination of strategies including phoning from pre-existing lists, snowball contacts, and door-

to-door outreach in three known areas of Latino business concentration: 1) Downtown Allentown, including 7<sup>th</sup> Street, 2) South Bethlehem, and 3) Downtown Easton.

### **Canvassing approach was employed**

A canvassing approach entailed identifying geographical parameters of the area and soliciting, door-to-door, each visible business where it was established whether or not they were “Latino” owned and the approach for pursuing an interview with the owner. In some cases an interview was granted immediately. In other cases it was required to return several times.

### **Professional Survey: On-line survey**

The professional survey was administered online. Potential respondents were initially contacted through a combination of phone calls and a mail recruitment letter. Once contacted, potential respondents were provided with the survey URL (website address) and a password to gain access.

The initial sample of professionals was compiled from a number of sources. Lehigh Valley community organizations, groups, and businesses were contacted to help generate referrals. They included a dozen Latino leadership and community organizations, human resource departments of the Lehigh Valley’s largest employers, various professional societies (e.g., Pennsylvania Society of Professional Engineers and the Greater Lehigh Valley Visiting Nurse Association), city agencies, and business organizations.

Additional professionals were identified from purchased lists. The largest source of lists came from the Pennsylvania Board of Licensing for a selected 15 different professional occupations that generated about 10,000 names with addresses but no phone numbers. The 10,000 names were filtered through to identify persons who were "possibly Latino." The next step entailed research on the names to help determine whether or not they self identified as Latino/a.

Professionals employed in schools and universities were also contacted about the study through websites and by phone as were various other occupations. In each contact further referrals were requested. Each point of contact (that was by email or direct mail to participate in the on-line survey) was followed up with a phone call (if a phone number was available).

# **Business Owner Sample**

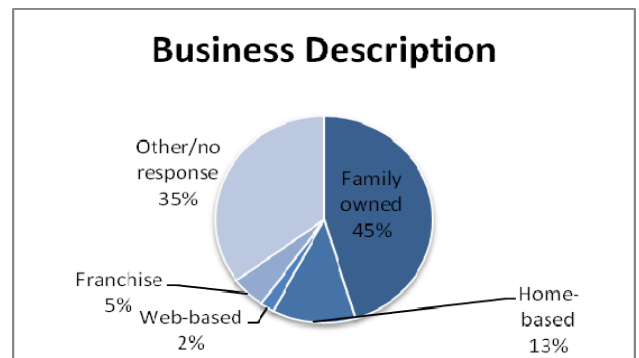
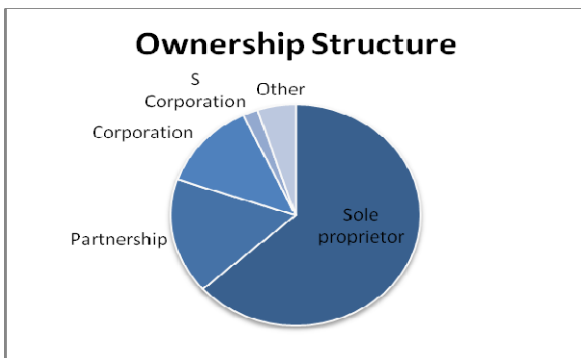
## Overview: Reflecting the profile of American businesses

Hispanic-owned businesses in the Lehigh Valley reflect the profile of American businesses. Most are small with annual revenues under \$200,000 and employ a handful of employees. Most (64%) of the business owners in the sample are sole proprietors and nearly half (44%) describe their businesses as “family-owned.”<sup>9</sup>

Most Latino-owned business are owned by men (75%). As the data indicates, significantly more Latinas than Latino men are in partnerships and describe their businesses as “family owned.”

Nearly all businesses (98%) in this study, irrespective of gender, conduct business within the state of Pennsylvania. Some (14%) do business nationally and a few (7%) internationally, having a presence in Canada, Mexico, Central America, South America, Europe, Asia, and Africa.

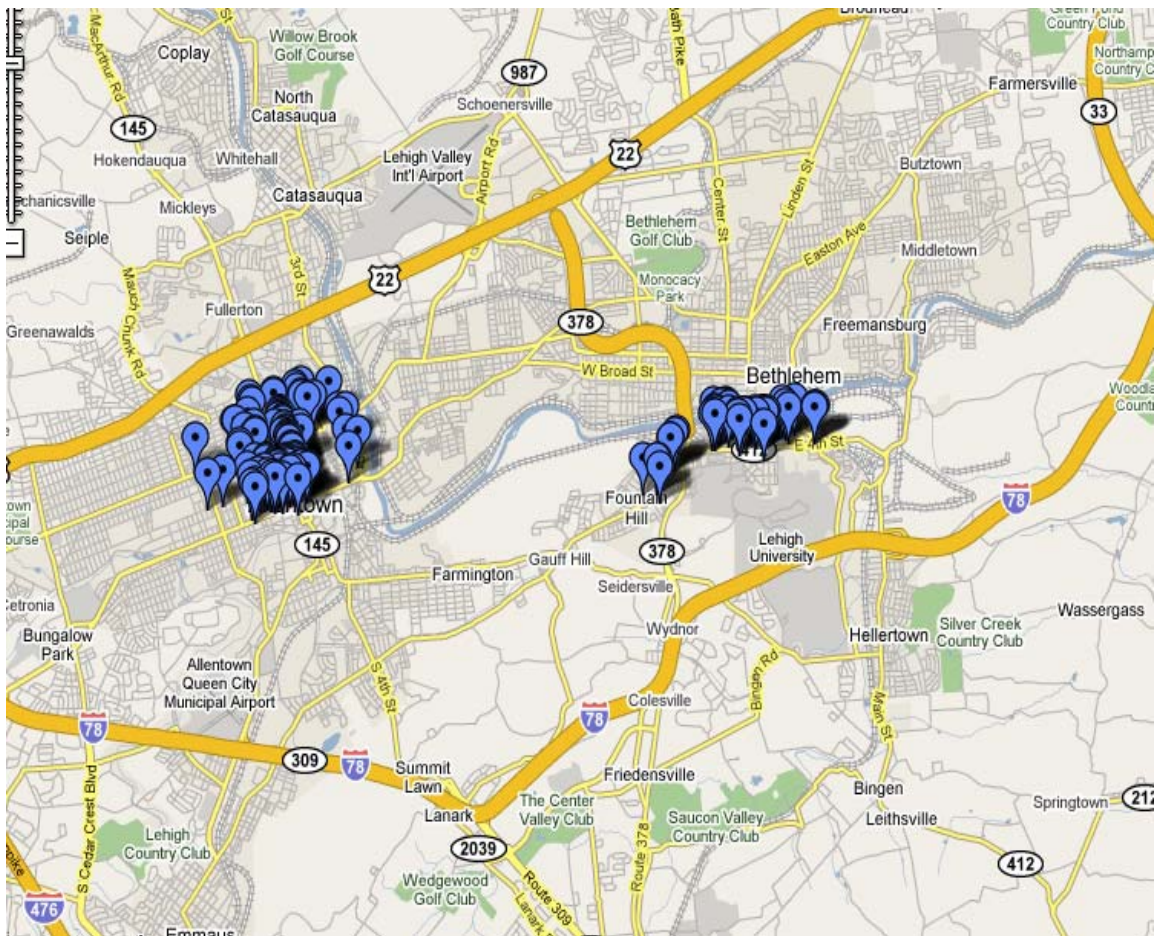
	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Ownership</b>			
<i>Sole proprietor</i>	64	68	50
<i>Partnership</i>	17	12	31
<i>Corporation</i>	13	12	15
<i>S Corporation</i>	2	3	0
<i>Other</i>	5	5	4
<b>Business Description</b>			
<i>Family owned</i>	44	42	50
<i>Home-based</i>	12	12	12
<i>Web-based</i>	2	1	4
<i>Franchise</i>	5	5	4
<i>Other/no response</i>	34	35	31
<b>Where Conduct Business</b>			
<i>Within PA</i>	98	99	96
<i>Nationally</i>	14	16	8
<i>Internationally</i>	7	5	12
<b>Annual Revenues \$200,000 and over</b>	34	36	25
<b>Median # of employees</b>	3	4	3



<sup>9</sup> About 50% of all businesses in the United States are considered “home-based” according to the Small Business Administration (SBA). Source: 2006 SRP Arizona Business Study: Hispanic Outlook. The percentage of “home-based” businesses in our sample is considerably lower than the national average (50%) and likely reflects the limitations of convenience sampling. This study’s methodology and reliance on convenience sampling limited contact with business owners operating out of their homes. A broad conceptualization of “family-owned” business was applied, referring to a business that operated with the support of family members.

## Geographical Location of Latino Owned Businesses

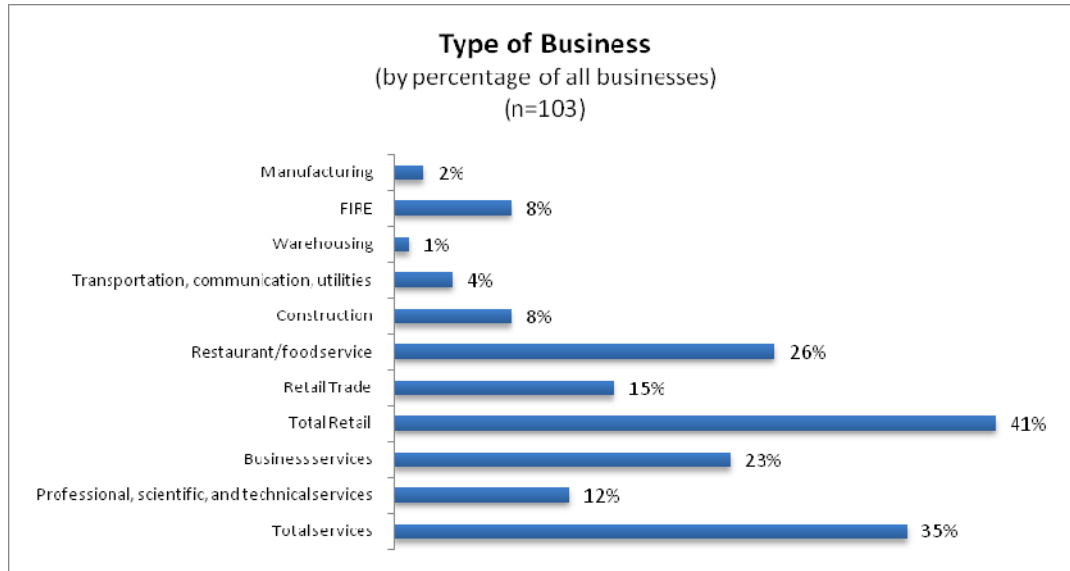
Latino owned businesses are geographically dispersed across the entire Lehigh Valley. There are also pockets of concentration of Latino owned firms, most notably in the region's urban downtowns. The map below shows the concentration of Latino owned businesses in downtown Allentown and South Bethlehem, areas that have been central to the region's urban revitalization efforts. Latino business owners account for more than 30% of all small business owners in these two areas.<sup>10</sup> These areas also have high residential concentrations of Latinos and have been disproportionately burdened by poverty, crime, and failing schools. Business owners have helped reverse the negative effects of urban blight by generating economic activity.



<sup>10</sup> The research methodology entailed in this study including canvassing of businesses determined that Latino owned businesses comprise at least a third of all businesses in Downtown Allentown and South Bethlehem. This figure was confirmed by the Community Action Development Corporation of both Bethlehem and Allentown.

## Latinos Own a Wide Variety of Businesses

Latino business owners are represented in a wide variety of businesses in the Lehigh Valley, including services, retail, construction, transportation, warehousing, finance, and manufacturing. Retail trade (including store and non-store retail and restaurant/food service) and services (including professional and business services) comprise the largest percentages among Hispanic businesses in this study. This is reflective of national level tendencies toward a retail, services- and information-driven economy.<sup>11</sup>



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### <sup>11</sup> Industry types and descriptions:

Services include all types of services in various fields of health, education, social, professional, personal, business, and legal.

Professional services: Services subtype-- includes legal, education, engineering, accounting, art institutions, research (advertising, PR, healthcare, law, day care, bookkeeping, etc.)

Business services: Services subtype--Hospitality such as hotels, personal, business, auto and other repair, parking services, entertainment and recreation (Beauty salon, barber, entertainment, various repairs, roofing, etc.)

Retail trade: All retail stores including grocery, restaurants, car dealerships, furniture, apparel, etc. (restaurant, flower shops, grocery, etc.)

Construction: Building, heavy, construction, contractors (Carpentry, contractor, etc.)

Finance, Real Estate, Insurance: Insurance brokers, real estate agents, depository and nondepository institutions (real estate agent, stockbroker, insurance agent, etc.)

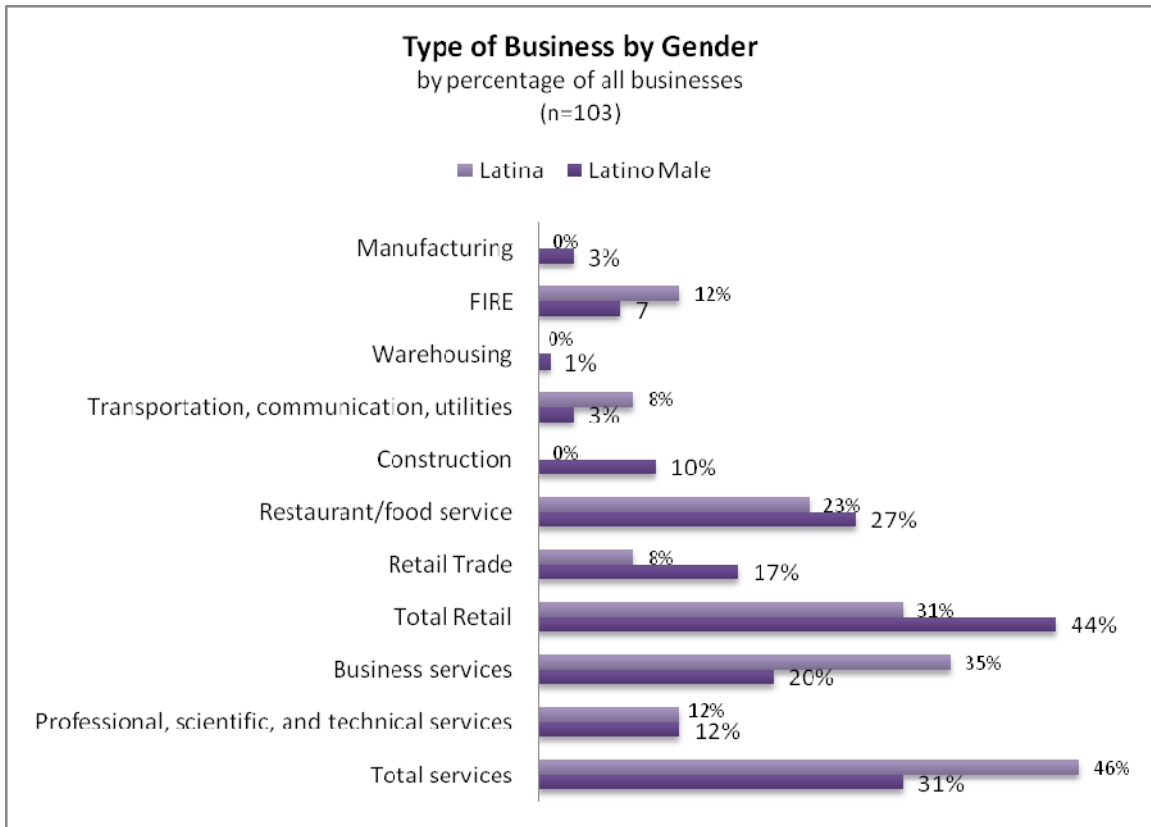
Manufacturing: Manufacturing of any durable or non-durable good.

Wholesale: Wholesale trade of any durable or non-durable good.

Transportation: Transportation services, telephone communications, radio and TV, gable, electric, gas, sanitary services.

## Business Type and Gender

There are both similarities and differences in the types of businesses owned by Latino men versus Latinas. The top category among Latino men is retail trade (including store and non-store retail and restaurant/food service) while Latinas find their greatest representation in services, especially business services. Nearly half (46%) of Latina-owned businesses are service based.



## Business Revenues

The median annual business revenue for a Latino owned business in the Lehigh Valley is \$50,000 to 100,000, with a range between \$1,000 to over \$1,000,000. About a third (34%) have annual revenues that exceed \$200,000. Nine percent of all business owners have annual revenues that exceed one million dollars.

Certain business types tend to have higher revenue earnings than others. At least half of all Latino owned businesses in

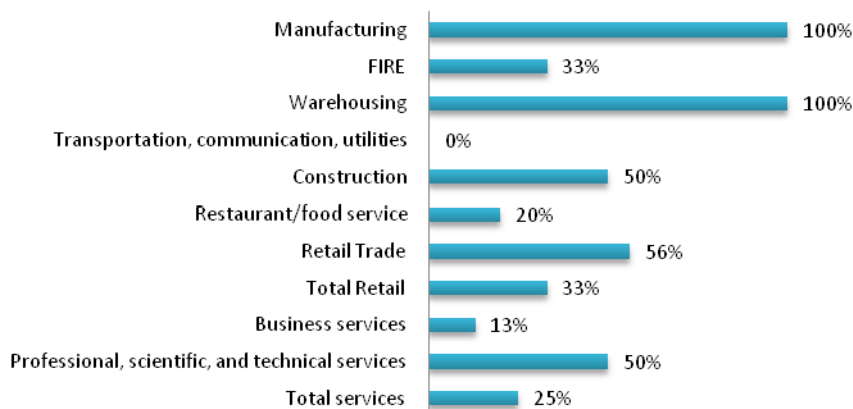
manufacturing, warehousing, construction, retail trade and professional and scientific services earn annual revenues above \$200,000.

Latina business owners earn less in revenues than Latino men. While 37% of Latino men report annual revenues over \$200,000, only 25% of Latinas report this amount. While 10% of Latino men have revenues exceeding one million dollars only six percent of all Latina-owned businesses have revenues this high.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Annual Business Revenues:</b>			
\$0 to 1000	0	0	0
\$1000 to 10,000	3	0	13
\$10,001-25,000	12	8	25
\$25,001-50,000	19	21	13
\$50,001 to 100,000	15	15	13
\$100,001 to 200,000	19	21	13
\$200,001 to 300,000	10	12	6
\$300,001 to 500,000	4	6	0
\$500,001 to 750,000	7	6	13
\$750,001 to 1,000,000	2	2	0
\$1,000,000 +	9	10	6

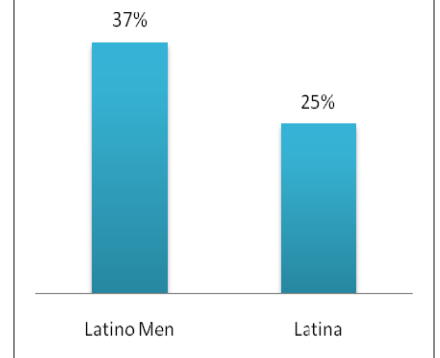
### Business Types and Revenues Businesses with Annual Revenues Exceeding \$200,000

(by percentage of each business type)



### Annual Revenues over \$200,000 by Gender

(by percentage of business owners)



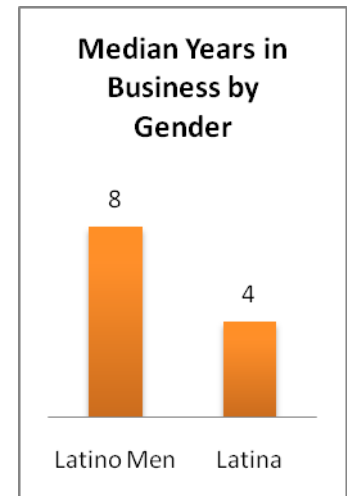
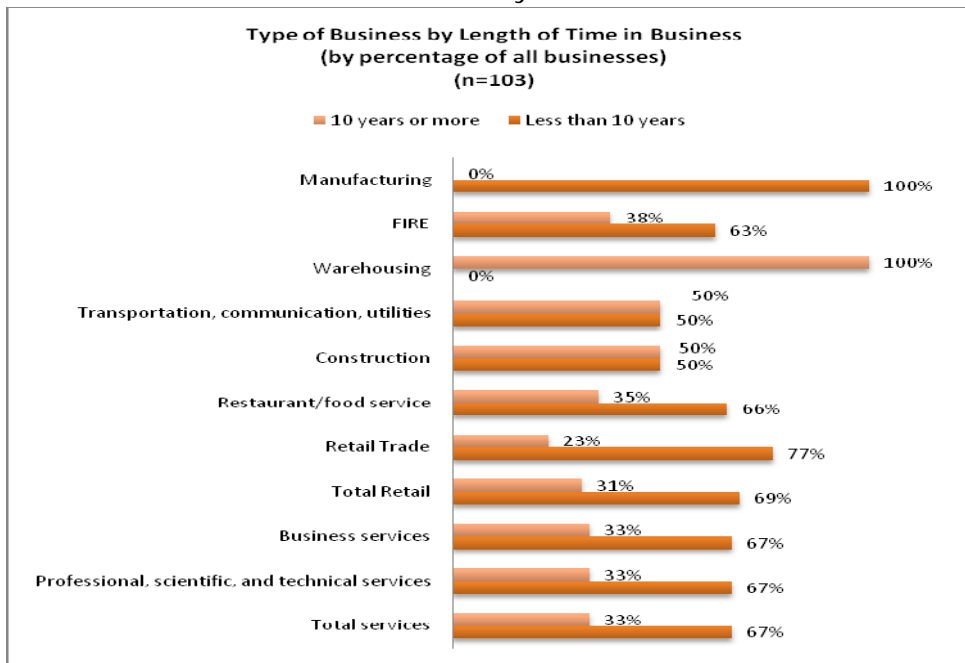
## Most Latino-owned businesses got their start within the last 10 years

Most Latino-owned businesses in the Lehigh Valley are relatively new having been in business ranging from four months to 50 years and for a median number of seven years. Close to two-thirds (65%) of the owners have been in business for less than 10 years.<sup>12</sup> Most (75%) have only one business while 25% have more than one.

There is notable difference by gender. Latino men have been in business longer, for a median number of 8 years versus 4 years for Latinas. More Latino men (32%) have multiple businesses compared with Latinas (22%).

There are also differences by type of business. Warehousing, transportation, communication, utilities and construction firms have the highest percentages of firms that have been in business for 10 years or more.

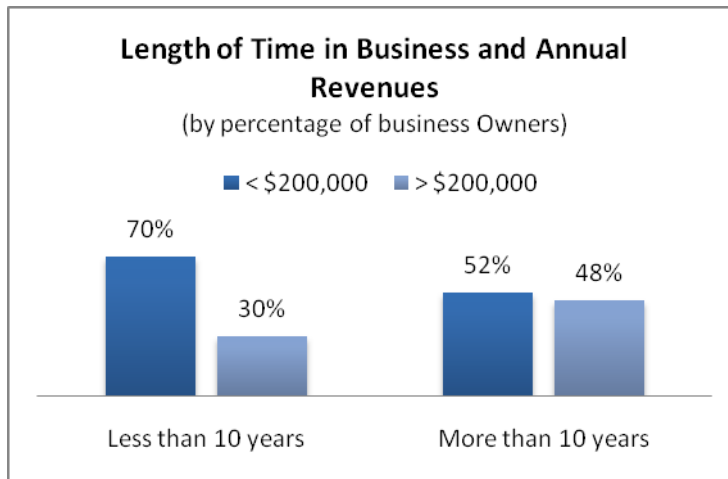
	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Median Years in Business:</b>	7		
Range:	4 months to 50 years	8	4
<b>Median Years in Current Business:</b>	5	5	4
Range:	4 months to 50 years		
<b>Number of Businesses:</b>			
One	75	68	78
More than one	25	32	22
Range:	1-7	1-7	1-5



<sup>12</sup> Their entrance into services and retail may reflect a strategy of starting out small (as measured by annual revenues). About two-thirds of all service firms and three-quarters of all retail firms are less than 10 years old. The vast majority of them have annual revenues of less than \$200,000. Length of time in business effects earnings. More than two-thirds (70%) of those in business for less than 10 years earn less than \$200,000 in annual revenues. In contrast, only about half (52%) of those who have been in business for more than 10 years earn more than \$200,000 in annual revenues. About 88 percent of business service firms, half of professional services, and 67 percent of retail firms in this study can be classified as small, having annual revenues of less than \$200,000.

## Length of Time in Business and Annual Revenues

Staying in business longer may have a positive effect on business revenues. Close to half (48%) of owners that have been in business for 10 years or more have annual revenues that exceed \$200,000 compared with only a third that have been in business for less than 10 years.



## The Norm of Long Working Hours: Some work over 100 hours per week

Latino business owners work long hours. They report working from 10 to 112 hours per week and for a median of 60 hours per week. Men work slightly more hours than do Latinas (65 versus 60 hours per week). More than one-third of all business owners (34%) work 70 hours or more per week.

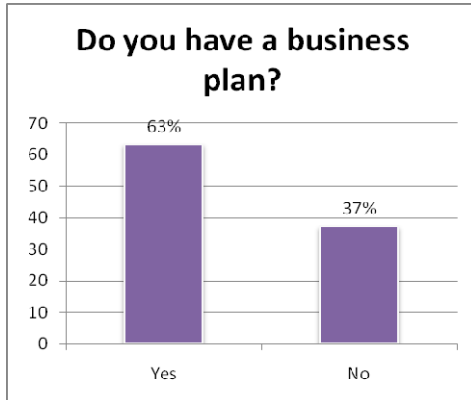
Some (22%) are employed in another job and 60 percent of them plan to be in this job on a long term basis.

Reasons for being in business vary. More than half (55%) reported that they are in business because "It is my dream" and 20 percent are in business due to lack of better opportunities. Most business owners explained that business ownership provided them the best means for achieving their goals in the U.S. economy, goals that centered around achieving a middle class standard of living and providing educational opportunities for their children.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Median Hours Worked/Week:</b>	60 (mean =63)	65	60
Range:	10 to 112		
<b>Reason for Being in Business:</b>			
It is my dream	55	56	50
Lack of better opportunities	20	21	17
Life progression	7	8	4
To be my own boss	7	4	17
Other	8	7	13
Not sure	3	4	0
<b>Work Another Job in Addition:</b>	22	25	13
	<i>60% plan to remain in this job on a long term basis</i>		

## Most Business Owners Have a Business Plan

About two-thirds of Latino business owners report having a business plan.<sup>13</sup> There is no significant difference by gender in the numbers reporting having a business plan.

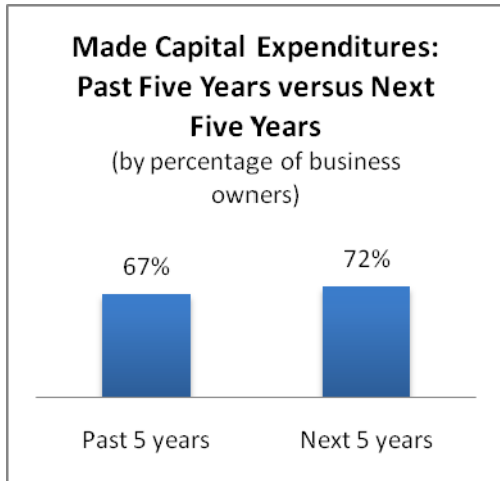


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<sup>13</sup> Several business owners said that their business plans were in their “head.” They were not included in the “yes” response.

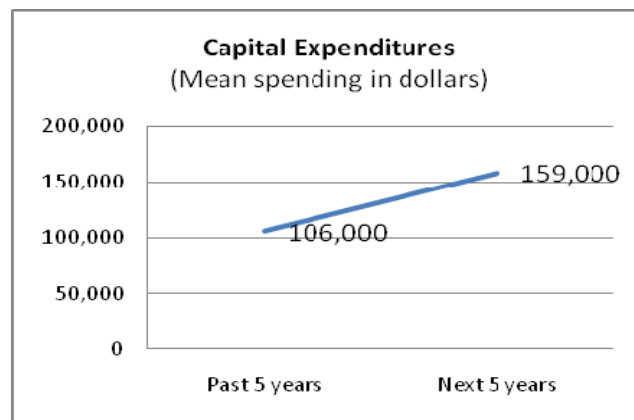
## Business Owners and Capital Expenditures

Most business owners (67%) made capital expenditures to improve their businesses in the past five years. The expenditures ranged from \$500 to \$700,000 with a median amount of \$40,000 and a mean amount of \$106,000.

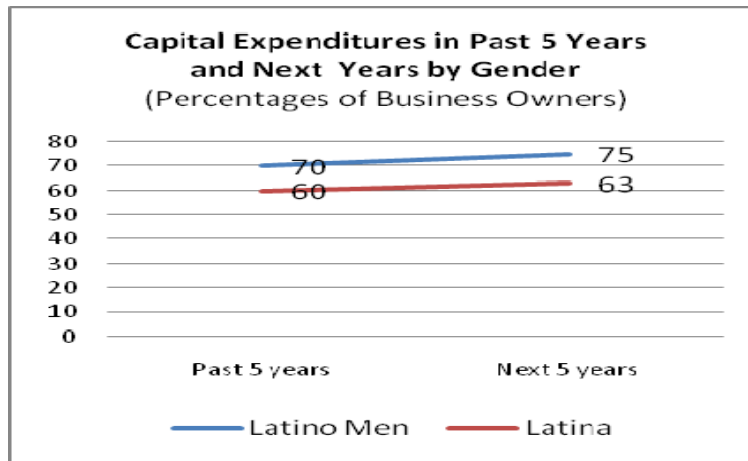


		Total (n=103)
<b>Made capital expenditures in past 5 years?</b>		
Yes		67
No		33
Mean expenditures		\$106,000
Median		40,000
Range		\$500-700,000
<b>Plan Capital expenditures in next 5 years?</b>		
Yes		72
No		28
Mean expenditures		159,000
Median		25,000
Range		4,000 – 3 million

Nearly three-quarters of Latino business owners plan to make further expenditures in the next five years, ranging from \$4,000 to \$3 million with a median amount of \$25,000 and a mean amount of \$159,000. Thus, mean spending is anticipated to increase by more than \$50,000 between the past five years and the next five years.



There is a slight gender difference in the percentages of business owners engaging in capital expenditure spending. A slightly greater percentage of Latino men made capital expenditures in the past five years (70 versus 60 percent). The gender gap is slightly wider in what business owners anticipate for the next five years. Seventy-five percent of Latino men (versus 63 percent of Latinas) plan to make capital expenditures in the next five years.<sup>14</sup> Business owners, both men and women, report strong optimism about achieving their investment plans.<sup>15</sup>

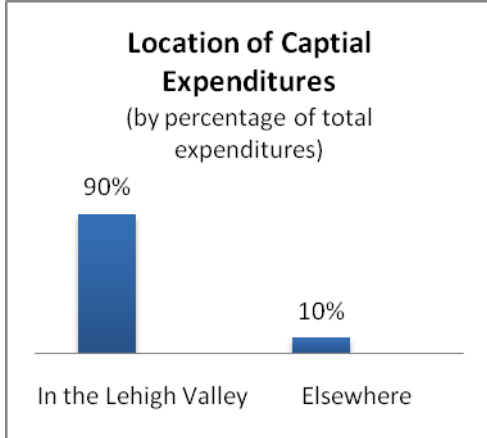


<sup>14</sup> There is also a gender difference in the amount of spending in capital expenditures. Latino men spent a median amount of \$40,000 in the past five years while Latinas spent a median amount of \$12,500. In the next five years Latino men plan to spend a median amount of \$30,000 while Latinas plan to spend a median amount of \$17,500.

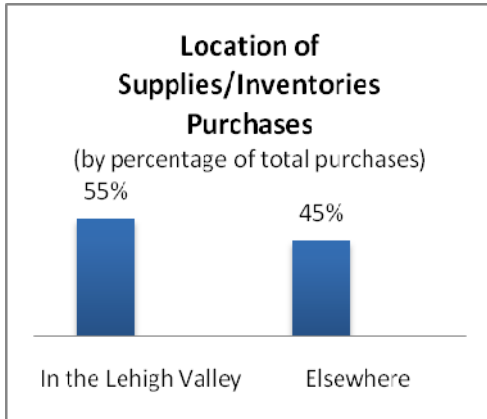
<sup>15</sup> Latino men rated their optimism a 4.4 on a scale of 1 (very pessimistic) to 5 (very optimistic). Latino men are slightly more optimistic than Latinas (with a rating of 4.5 versus 4.3).

## Most Spending is Local

More than 90 percent of capital expenditures (both in the past five years and in the next five years) has been and is predicted to be spent in the Lehigh Valley.



More than half (55%) of all inventory and supplies is also purchased in the Lehigh Valley. Another 23 percent is purchased in other parts of the state or in the New York/New Jersey corridor.



	Total % (n=103)
<b>Location of capital expenditures</b>	
Location of Expenditures in past 5 years	
Lehigh Valley	90
New Jersey/New York	3
Harrisburg	3
On-line	3
Location of Expenditures in the next 5 years	
Lehigh Valley	92
New Jersey/New York	4
China	2
Mexico	1
On-line	2
<b>Where inventory/supplies purchased</b>	<b>Distribution by Average % purchased</b>
Lehigh Valley	55
Other parts of PA	13
NY/NJ	10
Other states/territories of the U.S.	17
International	4

## Access to Capital: Most Business Owners Will Need to Borrow Money

In order to meet their future spending goals most Latino business owners (59%) reported the need to borrow money. Most (70%) reported knowing how to go about borrowing money. A lesser percentage of Latinas (61%) reported knowing how to go about borrowing money compared with Latino men (72%).

Most business owners (including men and women) relied on a combination of loans and savings to start their current business. Slightly more than half of them relied on loans while more than 70% utilized savings. Latinas relied on savings at a slightly lesser rate than men. Among those who relied on loans only 25% had a loan from a bank or financial institution. Almost an equal percentage borrowed from friends or family while 14 percent relied on credit cards to start their businesses. There are significant gender differences in the most important types of loans business owners rely on. Latinas rely significantly more on loans from friends/family than any other source while banks or financial institutions have been the most important loan source for Latino men. Credit cards are the third most important loan source for Latino men, while no Latinas reported using credit cards as their most important loan source.

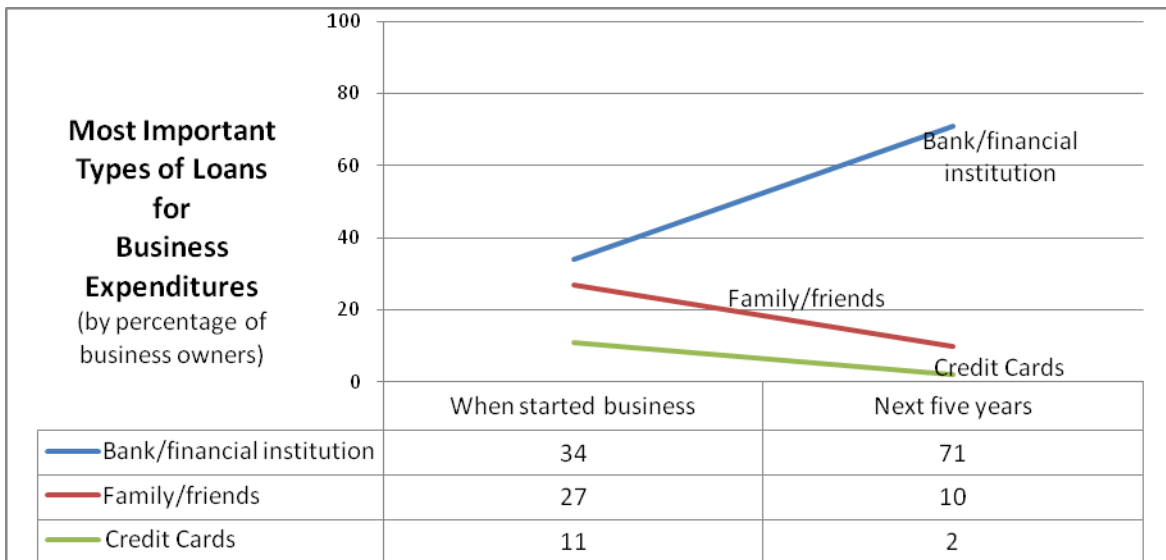
	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Need for borrowing money</b>			
Will you need to borrow money for spending/investment plans in the next 5 years?			
Yes	59	60	58
No	25	26	21
Not sure	16	15	21
<b>Do you know how to go about borrowing money?</b>			
Yes	70	72	61
No	19	16	30
Not sure	11	12	9
<b>Source of Initial Start-up capital</b>			
Loan	55	56	54
Savings	71	73	65
Other	10	8	15

Loan Sources				
	Start-up Sources	Most important Start-up source	Future sources	Most important future source
Bank/financial institution	25	34	67	71
Friends/family	23	27	15	10
Personal loans to business	9	9	6	2
Credit cards	14	11	9	2
Home equity loan	4	4	6	2
Grant			6	0
Small business administration loan	5	9	7	6
Other	3	5	5	2

Most Important Loan Sources by Gender				
	Most important Start-up Source		Most important future source	
	Male	Female	Male	Female
Bank/financial institution	37	27	75	57
Friends/family	20	47	7	19
Personal loans to business	10	7	3	0
Credit cards	15	0	3	0
Home equity loan	2	7	3	0
Grant	0	0	0	0
Small business administration loan	12	0	3	14
Other	2	13	1	5

## From Informal to Formal Lending Sources

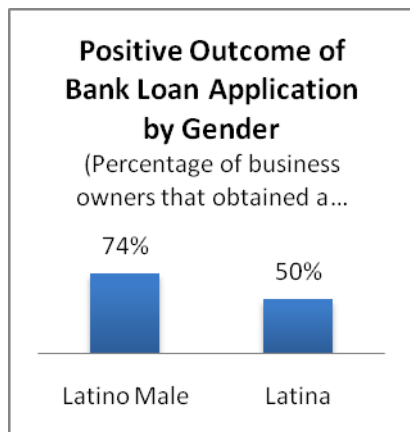
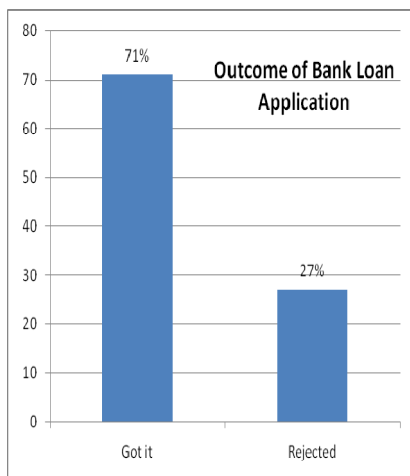
In the future there is likely to be a much heavier demand for formal lending, particularly bank loans, than in the past, for both men and women. The percentage of Latino business owners reporting a reliance on bank loans for the future (versus when they started their businesses) has more than doubled (from 25% to 67%). Likewise, their plans for the future include a much lesser reliance on credit cards and loans from family/friends.



## Success with Bank Loans

Latino business owners report a relatively successful history of accessing loans from banks and financial institutions. About half reported having applied for a bank loan in the past five years. Among those that did apply for a loan nearly three-quarters (71%) were approved. Those who were rejected commonly reported objective factors (rather than personal ones) such as bad credit history as reasons for being rejected. Ninety percent report having felt somewhat to definitely respected when applying for the loan.

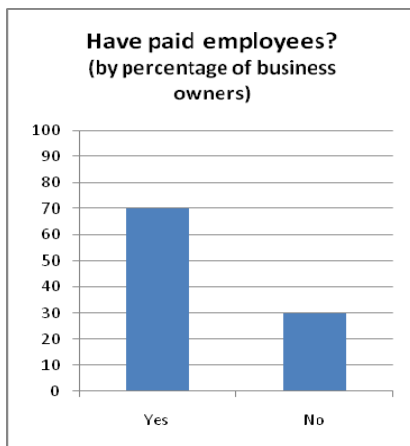
There are notable gender differences, though, in loan application and acceptance rates. Less than a quarter (24%) of the Latina respondents had applied for a bank loan in the past five years (compared to 55% of their male counterparts). Among the Latinas who did apply, only about half were successful in obtaining a loan (compared with 74% of the Latino males). Still, most Latina business owners (90%) reported having felt somewhat to definitely respected when going through the loan process.



	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Applied for a bank loan in past 5 years?</b>			
	Total	Male	Female
Yes	48	55	24
No	53	45	76
<b>Where?</b>			
Lehigh Valley	94	93	100
Other	6	7	0
<b>What happened?</b>			
Got it	71	74	50
Bank rejected application	27	24	50
Not sure	2	2	0
<b>Do you feel that you were treated with respect when applying for the loan?</b>			
Yes, Definitely	77	77	75
Somewhat	13	13	13
No, not at all	7	6	13
Not sure	4	4	0

## Business Owners Create Jobs

Most business owners (70%) reported employing people on a paid basis (besides themselves). Among them, the median number of employees is three with a range of 1 to 25 employees. An equal number are full-time and part-time. Nearly two-thirds report relying on family members to help run their businesses and among them they have a median of two family members on their payroll. Latina business owners, on average, employ one less employee than do male business owners.



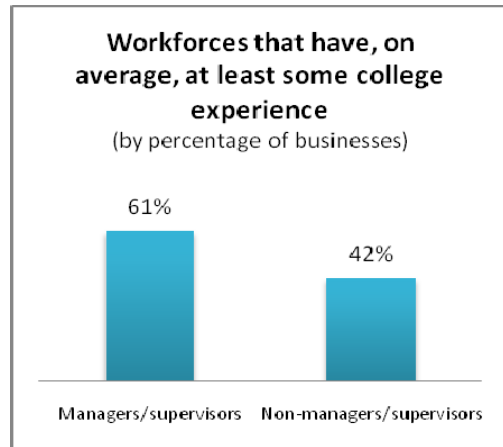
<b>Paid Employees</b>	Total % (n=103)	Male % (n=77)	Female % (n=26)
Yes	70%	71	66
<b>Number of paid employees</b>			
Mean	3.0	4	3
Median	3.0	3	2
Range	1-25		
<b>Number of Full-time employees</b>			
Mean	3	3	2
Median	2	2	1
Range	1-8		
<b>Number of Part-time employees</b>			
Mean	3.0	3	2
Median	1.0	2	1
Range	1-25		
<b>Number of Managers/supervisors</b>			
Mean	1	1	1
Median	1	1	1
Range	1-4		
<b>Number of non Managers/supervisors</b>			
Mean	3	3	2
Median	3	2	2
Range			
<b>Reliance on Family Members?</b>	60%	62	52
<b>Number of Family Members on Payroll</b>			
Mean	2	2	2
Median	2	1	2
Range	1-6		

## Employee Profile

### Educational Attainment

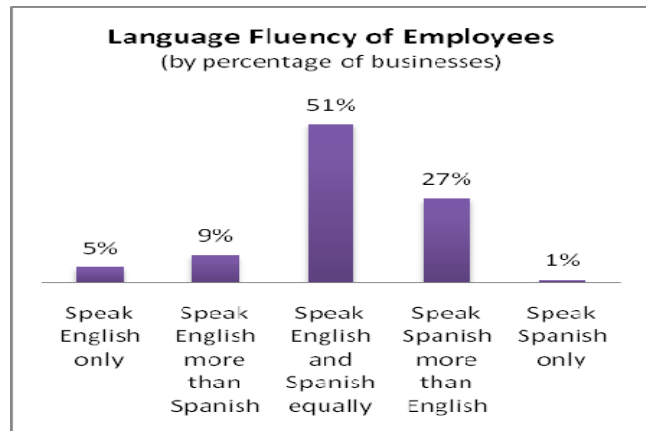
The vast majority of business owners (94%) employ workforces where the average educational attainment is at least a high school degree. In more than a third (42%) of the workforces the average educational attainment for non-managers/supervisors is at least some college. This percentage is higher among managers. In more than 60 percent of the cases, the average educational attainment for managers/supervisors is at least some college.

Average Educational Attainment Of Employees (n=103)	Managers/ Supervisors	Non manager/ supervisors
4-year college degree or more	24	11
Associate or vocational degree	15	6
Some college	22	25
High school	37	52
Less than high school	0	6



### Language Fluency: Most employees speak English *and* Spanish fluently

The vast majority of Latino business owners (99%) employ a majority English speaking workforce. More than half of the business owners employ a majority workforce that is equally fluent in English and Spanish. Fourteen percent have workforces that speak English more than Spanish. Only one business owner reported hiring people that speak Spanish only.<sup>16</sup> On the other hand, Latino business owners reported their need for bilingual employees.



More than 92 percent reported that the language needs of their business include both English and Spanish language fluency.

<sup>16</sup> This question read: “How would you characterize the language fluency of most of your employees?”

## Finding and Retaining Qualified Employees

Business owners find it relatively difficult to find and retain qualified employees. They most commonly cited the challenge of finding and retaining employees that have the necessary technical skills, training and educational attainments, combined with having bilingual language skills. On a scale of 1 (very difficult) to 5 (very easy) owners rated the ease in finding and retaining qualified employees at about a 3.0 in regard to both employees and supervisors.<sup>17</sup>

There are slight gender differences among business owners. Latina owners report a more difficult time finding qualified workers as well as those with adequate language skills. On the other hand, Latina business owners report an easier time finding and retaining qualified managers/supervisors.



<sup>17</sup> Adequate language skills refer to the question that read: “How well have you been able to find and retain employees who fulfill the language needs of your business?”

Qualified workers refers to the question that read: “How well have you been able to find and retain non-supervisory employees who fulfill the educational and skill requirements of your business?”

Qualified managers refers to the question that read: “How well have you been able to find and retain managers/supervisors who fulfill the educational and skill requirements of your business?”

## Salaries/Wages of Employees

Business owners pay their employees relatively well. Managers/supervisors are paid in the range of \$15,000 to 90,000 with a median amount of 30,000 or \$13. per hour. Non-managers/supervisors are paid in the range of \$12,000 to 70,000 with a median amount of \$27,000 or \$10 per hour. This is well above the minimum wage.

Latino male business owners tend to pay higher wages than Latinas.<sup>18</sup> The differences may be attributed to differences in types of businesses Latinas own as well as the fact that, on average, Latinas have been in business for less time than their male counterparts. Still, the amounts paid by both Latino and Latina business owners are well above minimum wage and competitive with the regional salary and wage structure.

<b>Salary/Wages paid Latina and Latino male owned businesses (n=103)</b>						
<b>Managers/ Supervisors</b>						
	<b>Total Annual</b>	Male	Female	<b>Total Hourly</b>	Male	Female
Mean	\$48,333	\$48,333	-	\$14	\$15	\$11
Median	30,000	30,000	-	13	14	10
Range	15,000-90,000			\$7.50- 30.00		
<b>Non-Managers/ Supervisors</b>						
	<b>Total Annual</b>	Male	Female	<b>Total Hourly</b>	Male	Female
Mean	\$27,282	\$33,400	\$18,700	\$9.94	\$10	\$8
Median	20,400	30,000	19,000	9	10	8
Range	12,000-70,000			5.75-28		

<sup>18</sup> There are notable gender differences. Latina owned firms tend to pay their employees less than their male counterparts. They pay their managers an hourly rate of \$10 versus \$14 that Hispanic men pay their employees, on average. Non-managers are paid a median salary of \$19,000 by their Latina employers versus 30,000 by male employers.

## Marketing and Promotional Activities

More than three-quarters (77%) of Latino business owners currently advertise and promote their businesses. They cater to a diversity of clients on a socioeconomic level.

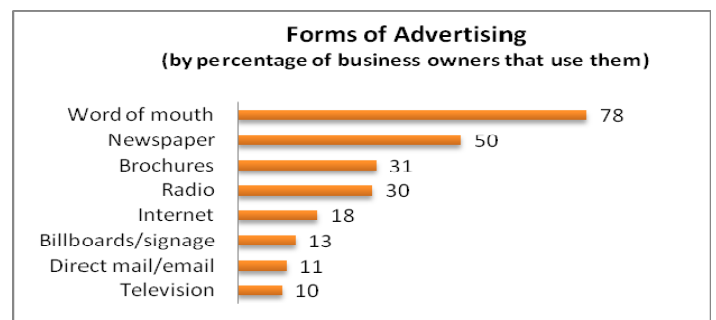
The primary form of promotion is word of mouth. The newspaper is another widely used source (50 percent). During interviews business owners commented on their tendency to advertise primarily in the Spanish language press because of the cost effectiveness.<sup>19</sup> Another 30 percent advertise on the radio (mostly Spanish radio) and use brochures to promote their businesses. Nearly a fifth (18%) use the internet.

There are few notable gender differences in advertising venues. Latina business owners, like men, rely on word of mouth the most for promoting their businesses. Latinas, though, rely more heavily on television and direct mail than their male counterparts. Latinas, in general, tend to promote their businesses as Latino owned more than men. More than half (57%) advertise/promote their business as Latino owned compared with 45 percent among men.<sup>20</sup>

Among those who spend money on promotion, the median amount spent annually is \$3,000 while the range of spending is between \$300 and \$200,000. Latinas have a higher median level of spending on advertising than do men. But their range of spending is less. Latino men spend in the range of \$300 to 200,000 while the maximum amount spent by Latinas is only \$20,000.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Currently Advertise/Promote Business</b>	77	79	70
<b>Advertise/Promote as Latino-owned Business</b>	48	45	57
<b>Form of Advertising/Promotion:</b>			
Word of mouth	78	81	69
Brochures	31	35	19
Internet	18	21	12
Direct Mail	11	9	15
Newspaper	50	53	38
Television	10	13	38
Billboards/Signage	13	16	4
Radio	30	32	23
Other	14	14	12
Median Amount Spent on Advertising/Promotion	\$3,000	3,000	3,500
Range	\$300 to 200,000		

<b>Estimated Household Income of Clients:</b>	Total % (n=103)	Male % (n=77)	Female % (n=26)
Under \$50,000	31	27	44
\$50,000 - \$150,000	19	23	8
\$150,000 or Higher	2	1	4
Too Diverse to Estimate	34	37	28
Don't Know	13	13	16



<sup>19</sup> Several business owners mentioned during interviews how they would like to advertise in an English medium press but that the higher costs are prohibitive. This may contribute to an isolating effect whereby Latino-owned businesses get promoted only within the Spanish speaking community.

<sup>20</sup> Latina business owners report a greater tendency to advertise/promote their business as a Latino-owned business. More than half (57%) of Latinas advertise/promote their businesses as Latino-owned compared with 45 percent of Latino male owners.

## Networking: Latino Business Owners Tend to be Well Connected

Latino business owners are relatively well connected and networked in the business community with both Latino and non-Latino business owners. Most (80%) report having opportunities to network with other Latino business owners. Nearly as many (76%) report having opportunities to network with business owners who are not Latino. Most take advantage of the opportunities to network at least some of the time.

Three-quarters (74%) of all business owners report usually or always having a source for business advice. Only about 10 percent report that they are often in a position of needing advice without knowing where to get it.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Business Advice:</b>			
<b>Have Source for Business Advice</b>			
Yes, Always	42	45	33
Usually	32	33	30
Not Usually	10	12	4
No, Definitely Not	16	10	33
<b>Ever need advice but not know where to get it?</b>			
No, never	52	55	42
Sometimes	38	37	42
Often	7	5	13
Yes, all the time	3	3	4
<b>Have Opportunities to Network with Other Latino Business Owners</b>			
	80	86	64
<b>Take advantage of opportunities to network with Latino Business owners</b>			
Yes, all the time	25	23	32
Often	17	19	11
Sometimes	36	34	42
No, Never	23	25	16
<b>Have Opportunities to Network with Business Owners who are not Latino</b>			
	76	81	60
<b>Take advantage of opportunities to network with Business owners (who are not Latino)</b>			
Yes, all the time	29	28	32
Often	24	23	26
Sometimes	29	31	21
No, Never	18	17	21

There are significant gender differences worth noting. Latina business owners, as compared with men, report being relatively less networked within the business community. They report being less connected to business advice, for instance. Sixty six percent of Latinas versus 78 percent of Latino men report having a source for business advice at least usually. Seventeen percent of Latinas report often or all the time needing advice but not knowing where to get it (compared with eight percent of men). Only 64 percent of Latinas (versus 86%) of Latino men report having opportunities to network with other Latino business owners. Likewise only 60 percent of Latinas (compared with 81 percent of Latino men) report having opportunities to network with business owners who are not Latino. On the other hand, a higher percentage of Latinas report taking advantage of the opportunities that they do have.

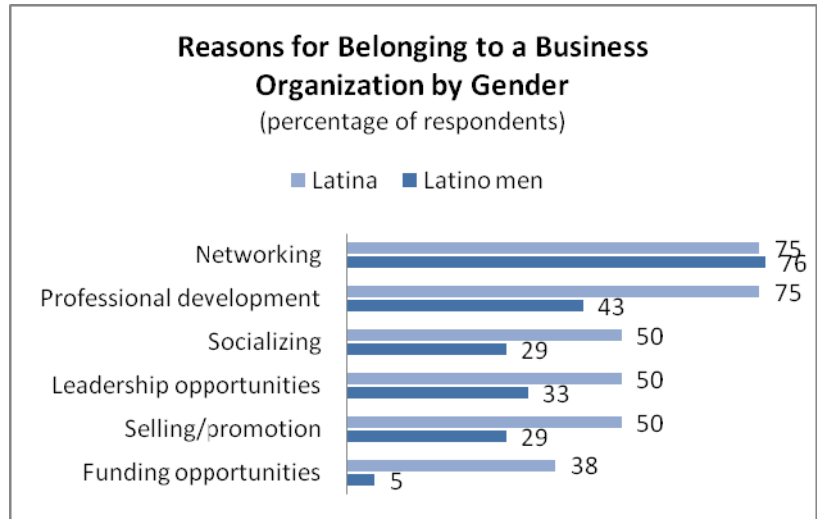
## Business Organization Membership

About a third (29%) of Latino business owners in this sample report being a member of a business organization. This percentage is slightly higher among Latinas.

Business owners report that networking, professional development, and socializing are the primary reasons for belonging. Networking is by far the main reason for joining for both Latino men and Latinas.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Member of Business Organization</b>	28	27	32
<b>Reasons for Participating in Business Organization:</b>			
Networking	76	76	75
Professional Development	52	43	75
Socializing	41	29	50
Leadership Opportunities	38	33	50
Selling/Promotion	34	29	50
Access to Funding Opportunities	14	5	38
Other	45	52	25

Latinas, though, seem to have a wider variety of reasons for joining than their male counterparts. They give equal weight to professional development as the main reason for joining, for instance. Fifty percent of the Latinas report that socializing, leadership opportunities, and selling/promotion are also reasons why they belong.



## Business Owners: Demographics of the Sample

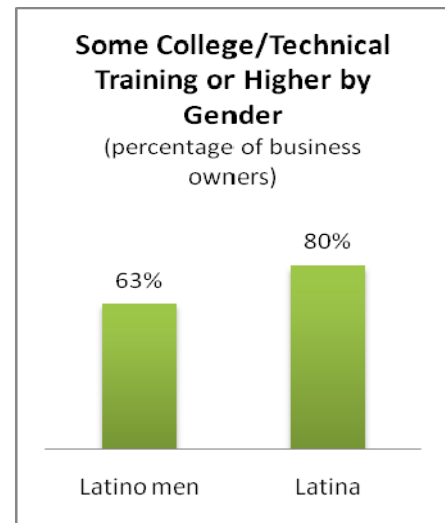
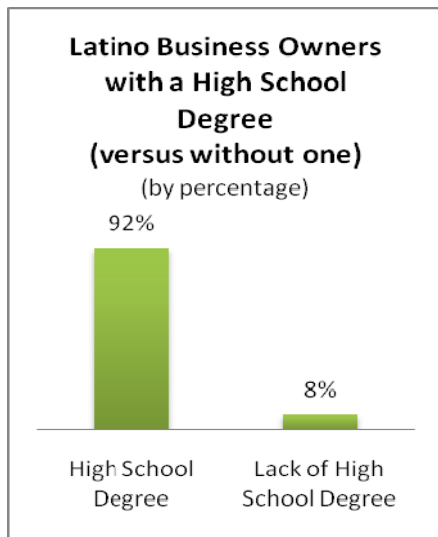
This table displays the demographics for the entire business owner sample. Most (three quarters) of the 103 respondents are men. Respondents ranged in age from 18 to 77, the median age was 40.

Latina business owners are slightly younger than their male counterparts. Latina's median age is 37 years versus 40 years among men.

The majority of business owners (92%) have a high school degree. About a quarter (26%) have a bachelor's degrees or higher. Eight have graduate level degrees. More than two-thirds (68%) have some college experience/technical training or higher.

Latinas, as a whole, have more formal education. Eighty percent of Latinas (versus 63% of Latino men) have some college experience/technical training or higher.

	%	Male (n=77)	Female (n=26)
Male	75		
Female	25		
34 or less	27		
35 – 44	38		
45 – 54	24		
55 – 64	9		
65 or older	2		
Median Age:	40	40	37
Age Range:	18-77	21-77	18-55
Less than high school	8	7	4
High school	25	28	25
Some college/voc-tech/ two-year degree	42	39	52
Bachelor's degree	18	18	16
MS	4	4	4
MBA	1	0	4
JD	1	1	0
MD	1	1	0
Ph.D.	0	0	0
OD	1	0	4



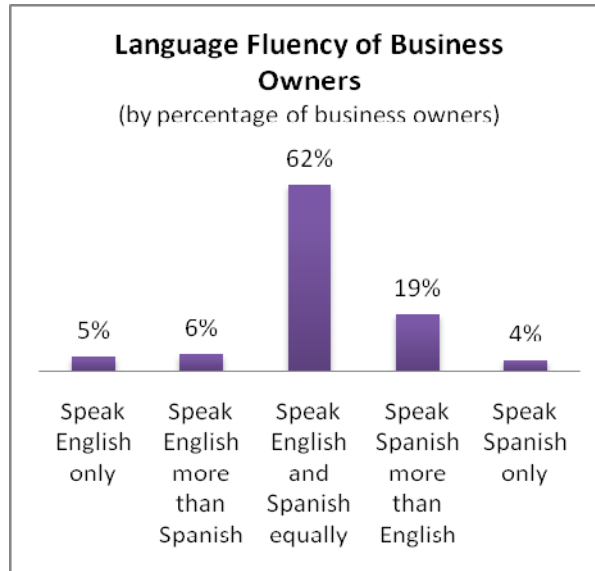
## Reflecting the Global Diversity of the Lehigh Valley Region: Country/Place of Origin of Business Owners

Business owners' country/place of origin and ancestry reflect the global diversity of the Lehigh Valley region. They, or their parents, are from 14 different countries and Puerto Rico. Forty-two percent were born in the United States (including Puerto Rico). About a quarter (24%) were born in Puerto Rico.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
United States (not including Puerto Rico)	18	9	1
Puerto Rico	24	33	37
Colombia	8	8	9
Dominican Republic	18	18	19
Mexico	6	8	8
Peru	4	4	3
Cuba	2	2	3
Ecuador	7	7	7
El Salvador	1	1	1
Guatemala	3	3	3
Venezuela	1	1	1
Honduras	1	1	1
Jamaica	2	1	1
Portugal	1	1	1
Greece	1	1	1

## Language Fluency of Business Owners

Even though most business owners were not born in the United States most of them (96%) speak English. Nearly three quarters (73%) speak English with more fluency or equal fluency to Spanish. Eleven percent are more fluent in English than in Spanish. Only four percent speak Spanish only. There is no significant gender difference in language fluency or priorities placed on learning English.



## Business Owners' Origins



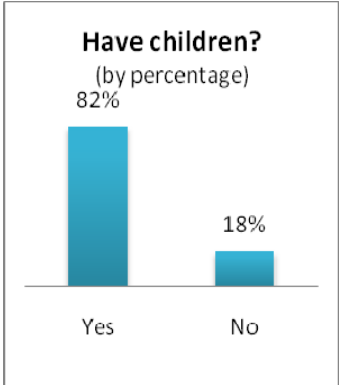
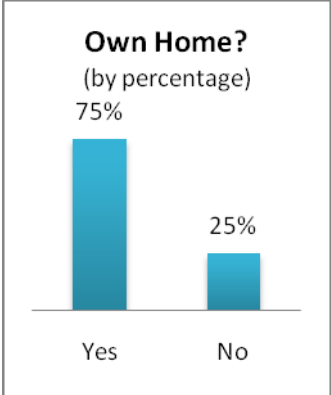
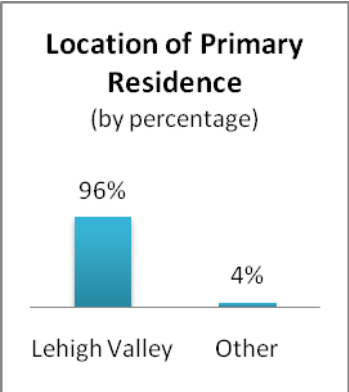
## Residential Characteristics: Business Owners Have Deep Roots in the Lehigh Valley

While most Latino business owners in the sample are first generation immigrants or born in Puerto Rico it is important to also note that most are not recent arrivals. Business owners born outside of the United States (excluding Puerto Rico) have lived in the U.S. for a median of 20 years. Latino business owners, in general, have lived in the Lehigh Valley for a median of 12 years, nearly half (42 percent) have spent more than 15 years here.

Not surprisingly, business owners represent a stable residential segment with the vast majority owning their own homes (75%), nearly three-quarters (72%) living with a spouse/partner, and nearly two-thirds (59%) living with their children. Most (82%) of business owners have children. The overwhelming majority have two or more children.

There are significant gender differences, however, that show Latinas at a disadvantage to their male counterparts. Latinas are less rooted in the Lehigh Valley (having been here for 8 years on average versus 14 for men). Latinas have a lower rate of home ownership (67% versus 77% for males). Finally, a significant number of Latina business owners may be single mothers considering the fact that a much greater percentage report living with children (77%) compared with spouses/partners (58%).

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Years in the United States (mainland) (if not born in the United States):</b>			
5 years or less	3		
6 – 10 years	10		
11 – 15 years	7		
16 - 20 years	34		
21 years or longer	46		
Median	20	20	20
Range	5-64	5-61	5-36
<b>Years in Lehigh Valley:</b>			
Median	12	14	8
Range	1-64	1-64	1-36
<b>Primary Residence:</b>			
Lehigh Valley	96	96	96
Other	4	4	4
<b>Home in Lehigh Valley:</b>			
Home I Own	75	77	67
Rented Apartment/House	23	20	29
Other	2	3	4
<b>Live with:</b>			
Spouse/Partner	72	77	58
Children	59	53	77
Parents	4	2	8
Other Relatives	6	6	4
Other Arrangement	17	18	12
<b>Have Children?</b>			
Yes	82	83	77
No	18	17	23
<b>Number of Children:</b>			
No Children	7		
1	10		
2	44		
3	23		
4 or more	15		
Median	2	2	2
<b>Ages of Children:</b>			
Less than 3	?		
3 to 11	?		
12 to 17	?		



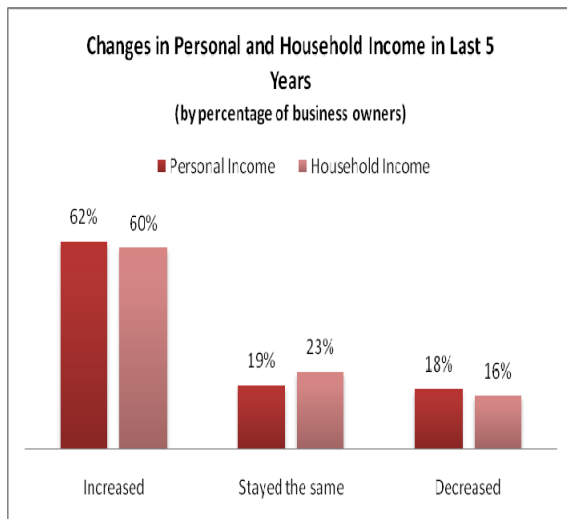
## Personal and Household Income of Business Owners

The median personal income for business owners is \$50,000 to \$100,000. Personal income ranged from \$1,000 to \$750,000.

The median household income is also \$50,000 to 100,000 with a range between \$10,000 to \$750,000.

There is a significant difference by gender in both personal and household incomes. Latinas, are both advantaged at the top and disadvantaged at the bottom of the income distribution. Latinas comprise 86 percent of those earning personal and/or household incomes exceeding \$300,000 per year. But the median income of Latinas (\$10,000 to 25,000) is much lower than the median income of Latino men (\$50,000 to 100,000).

The majority (60%) of business owners report that their personal and household income had increased in the last five years.



	Total (n = 103)	Male % (n=77)	Female % (n=26)
<b>Total Personal Income:</b>			
\$0 to 1000	1	0	6
\$1000 to 10,000	3	2	6
\$10,001-25,000	20	13	44
\$25,001-50,000	21	26	6
\$50,001 to 100,000	27	30	19
\$100,001 to 200,000	21	26	6
\$200,001 to 300,000	1	2	0
\$300,001 to 500,000	1	0	6
\$500,001 to 750,000	3	2	6
\$750,001 to 1,000,000	0	0	0
\$1,000,000 +	0	0	0
<b>Change in Personal Income in Past 5 Years:</b>			
Increased	62	65	53
Stayed about the same	19	17	26
Decreased	18	17	21
Don't know	1	2	0
<b>Total Household Income:</b>			
\$0 to 1000	0	0	0
\$1000 to 10,000	0	0	0
\$10,001-25,000	7	5	12
\$25,001-50,000	30	30	30
\$50,001 to 100,000	29	26	35
\$100,001 to 200,000	27	25	3
\$200,001 to 300,000	3	4	0
\$300,001 to 500,000	1	0	6
\$500,001 to 750,000	3	2	6
\$750,001 to 1,000,000	0	0	0
\$1,000,000 +	0	0	0
<b>Household Income Change in Past 5 Years:</b>			
Increased	60	59	62
Stayed about the same	23	26	14
Decreased	16	14	24
Don't know	1	2	0

## Personal Assets (net worth) of Business Owners

Taking into account all assets (including personal and business) the median net worth among business owners is \$100,000 to 200,000. Net worth takes into account all assets minus liabilities (e.g., mortgage) for the Latino business owner. About a fifth (19%) report having assets that exceed one million dollars. Two-thirds (67%) report that the value of their assets has increased in the last five years.

There are notable gender differences. Eleven percent of Latina business owners have personal assets of \$1 million. But the median net worth for Latinas is only \$10,000 to 25,000.

Most business owners (67%) reported that their net worth has increased in the past five years. Among Latino men this figure is higher (70%) while for women it is lower (56%). Median net worth nationwide is about \$93,100.<sup>21</sup> Significantly, median net worth among Hispanics in the United States is only \$7,932.<sup>22</sup>

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Net Worth:</b>			
\$0 to 1000	3	2	6
\$1000 to 10,000	3	0	11
\$10,001-25,000	8	8	6
\$25,001-50,000	14	12	22
\$50,001 to 100,000	12	12	11
\$100,001 to 200,000	13	12	17
\$200,001 to 300,000	9	8	11
\$300,001 to 500,000	13	15	6
\$500,001 to 750,000	4	5	0
\$750,001 to 1,000,000	4	5	0
\$1,000,000 -	19	22	11
<b>Net Worth Change in Past 5 Years:</b>			
Increased	67	70	56
Stayed about the same	16	14	22
Decreased	13	13	17
Don't know	4	3	6

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Financial Health of Business in past year</b>			
Improved	48	49	44
Stayed the same	32	32	32
Gotten worse	19	19	20
Don't know	1	0	4
<b>Anticipation of the Future:</b>			
It will improve	68	67	72
It will stay the same	15	13	20
It will get worse	8	11	0
Don't know	9	9	8

<sup>21</sup> 2004 Federal Reserve Board Survey.

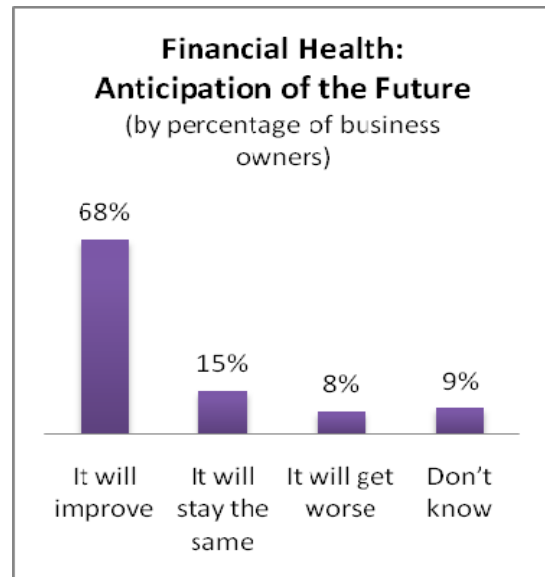
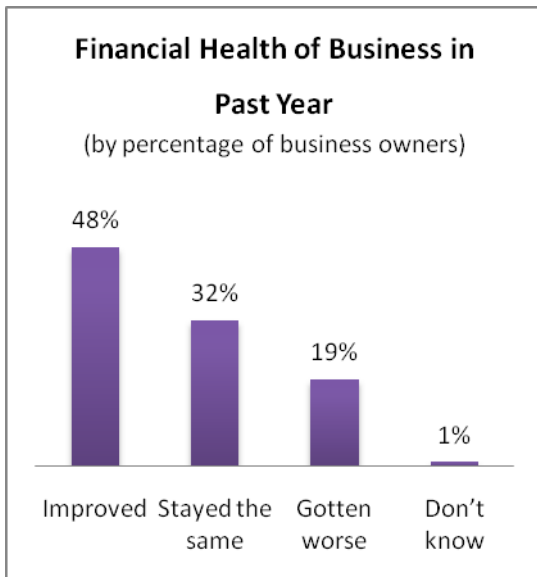
<sup>22</sup> Pew Hispanic Center, "The Wealth of Hispanic Households: 1996 to 2002."

## Business Health and Projections

Business owners reported a stable and optimistic picture of their financial health. Nearly half (48%) reported improved financial health in the past year while another third (32%) reported that their businesses had remained stable (stayed the same). Most business owners (68%) were optimistic about the future, anticipating improvement. Latinas tended to be slightly more optimistic about the future. No Latina anticipated that their business would experience worsening status in the future while more than 10 percent of Latino men did.

Factors that have contributed to the change or stability in financial health in past year (n=103)			
	Improved	Stayed the same	Gotten worse
Customers	59	38	3
Management	58	42	0
Location	55	36	5
Competition	36	21	43
Prices/Costs of Production	32	26	42
State of the Economy	23	23	55

Business owners were asked to cite factors that contributed to the change or stability in financial health in the past year. The top three factors cited for contributing to improved financial health were 1) Customers, 2) management, and 3) location. The top three factors cited for contributing to worsened financial health were 1) state of the economy, 2) prices/costs of production, and 3) competition.

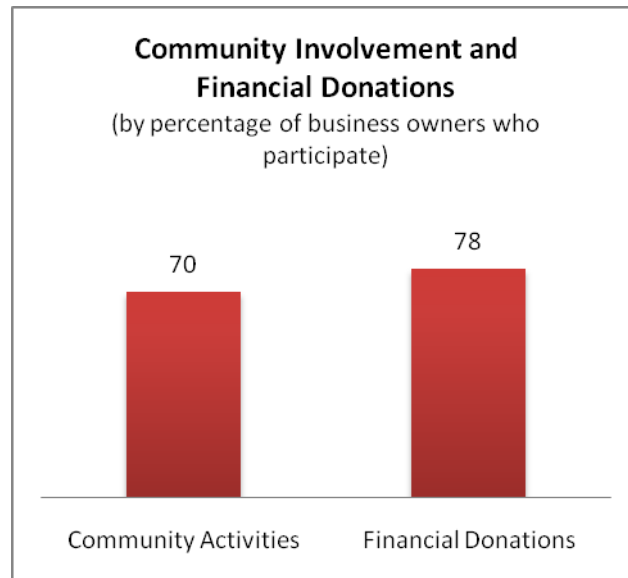


## Community Participation

The majority (70%) of business owners are actively involved in their community. This percentage is higher among Latino males (77%) than Latinas (48%). This may be because of Latinas' (presumed) because of Latinas greater responsibilities for their households and children. Latinas, in other words, may have less time than men to devote to community activities.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Involved in Community Activities</b>	70	77	48
<b>Financial Donations to Community</b>	78	80	74

Latino business owners also give back financially to the Lehigh Valley: More than three quarters (78%) have made financial contributions to the community in the past year. There is little gender distinction in this regard.



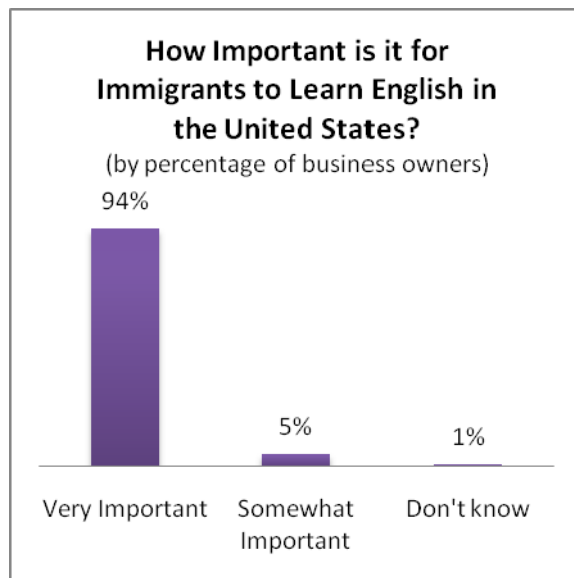
## Attitudes and Values

Latino business owners are very positive about the future of their businesses despite the recent weakening of the economy: nearly three quarters (72%) said they were either highly confident or very confident that they would succeed as business owners given the current economy. Only eight percent reported little confidence about the future. There is no significant difference by gender.

About three quarters (74%) reported being satisfied with their current standard of living. Latinas were slightly less satisfied with their standard of living than Latino men.

Virtually all (99%) Latino business owners in the Lehigh Valley, irrespective of gender, feel that it is important for immigrants to learn English in the U.S.

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<b>Confidence in succeeding as a business owner in today's economy</b> (scale of 1—very little confidence to 5—High level of confidence)			
High level of confidence	44	47	40
Very Confident	28	27	32
Somewhat confident	19	20	16
Not very confident	5	4	8
Very little confidence	3	3	4
Mean	4.07	4.12	3.92
Median	4.0	4.0	4.0
<b>Current Standard of Living:</b>			
Very + Somewhat Satisfied	74	75	67
Neither	21	23	16
Very + Somewhat Dissatisfied	5	3	12
<b>Important for Immigrants in U.S. to Learn English</b>			
Very Important	94	95	89
Somewhat Important	5	3	11
Don't Know	1	2	0

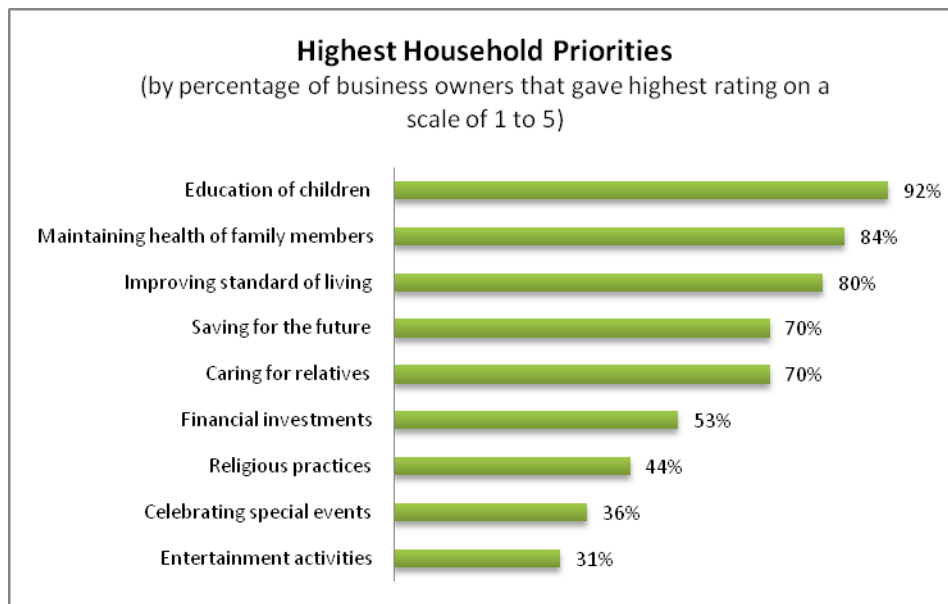


## Household Priorities

Latino business owners were asked to rate their household priorities on a scale of 1 (low priority) to 5 (high priority). The figures here represent the percentages of business owners that gave each of the priorities the highest score (5). The top rated priorities included the education of children (92%), the health of family members (84%), and improving standard of living (80%). It is

	Total % (n=103)	Male % (n=77)	Female % (n=26)
<i>Very High Priority for Household:</i>			
Education of children	92	91	95
Maintaining health of family members	84	81	95
Improving standard of living	80	81	79
Saving for the future	70	71	71
Caring for relatives	70	69	71
Financial investments	53	49	65
Religious practices	44	39	62
Celebrating special events	36	34	40
Entertainment activities	31	31	29

interesting to note that a larger percentage of Latinas gave the “education of children” its highest rating (95%) compared with their male counterparts (91%). Significantly more Latinas (than Latino men) gave “Maintaining health of family members” its highest rating (95% versus 81%).

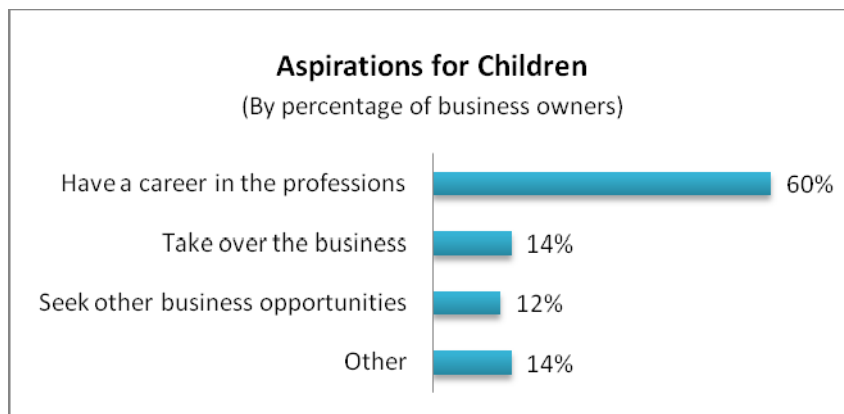


## Intergenerational Mobility: From Business to the Professions

Latino business owners who had children or planned to have children were asked about their aspirations for the next generation. All respondents were also asked about their own career accomplishments relative to that of their parents. Nearly two-thirds (60%) Latino business owners hope that their children will become a

professional. Only 14 percent wanted their children to take over their business and another 12 percent hope to see their children seek other business opportunities.

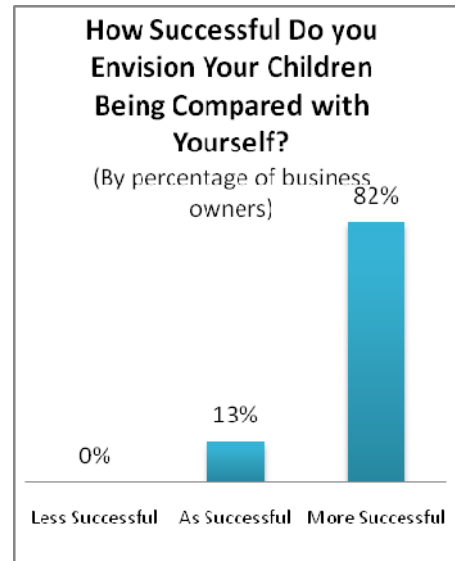
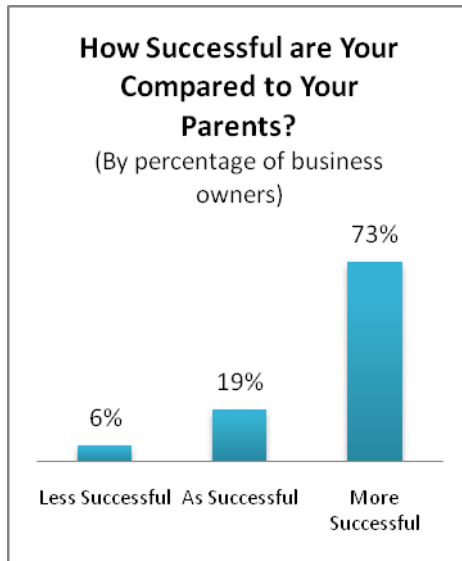
	Total % (n = 103)	Male % (n=77)	Female % (n=26)
<b>Career Hopes for Child if Parent or Plan to Have Children:</b>			
Take over the business	14	16	5
Seek other business opportunities	12	10	15
Have a job in the trades	0	0	0
Have a career in the professions	60	54	75
Other	16	19	5



## Intergenerational Success: Across Three Generations

Most business owners (82%) expect their children to be more successful than themselves. Most business owners (73%) also felt that they were more successful than their own parents: only six percent of business owners felt they were less successful than their parents. Latinas reported more modest measures of success across the generations compared to Latino men.

	Total % (n = 103)	Male % (n=77)	Female % (n=26)
<b>Envisioning Children's Success:</b>			
More successful	82	84	74
As successful	13	10	21
Less successful	0	0	0
Not sure	6	6	5
<b>Own Success Compared with Parents' Success:</b>			
More successful	73	77	62
As successful	19	16	29
Less successful	6	6	10
Not sure	1	1	0

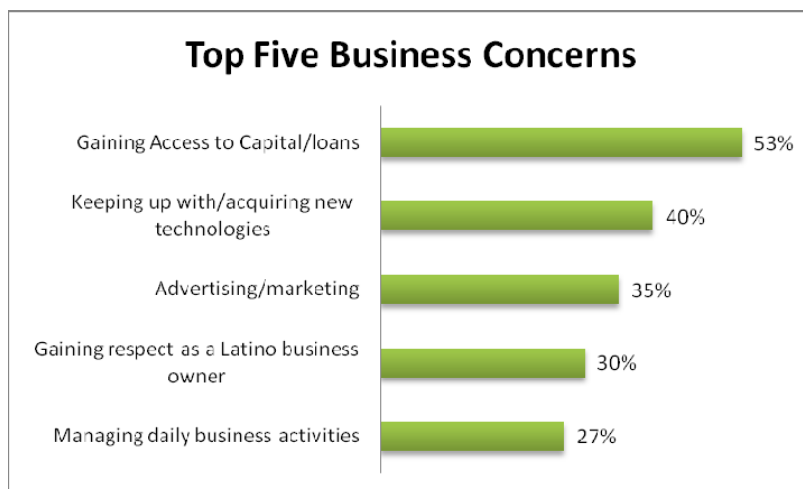


## Areas for Business Improvement

Business owners identified various aspects of their business that could be improved.

The need expressed the most, by nearly half of all business owners (49%), was access to capital/loans. Keeping up with and acquiring new technologies was reported by more than a third (37%). About a third reported advertising/marketing and gaining respect as a Latino business owner as top concerns.

	Total % (n = 103)	Male % (n=77)	Female % (n=26)
<b>Current Business Concerns:</b>			
Gaining Access to Capital/loans	53	55	46
Keeping up with/acquiring new technologies	40	42	33
Advertising/marketing	35	35	33
Gaining respect as a Latino business owner	30	25	42
Managing daily business activities	27	30	17
Safety/security	24	20	38
Leveraging the value of being a Latino-owned business	22	24	17
Dealing with government regulations	22	21	25
Learning who to contact for business advice	22	20	30
Employee concerns	14	14	13
Negotiating with suppliers	13	14	8
Language issues (finding time to learn English)	10	9	13
Other	5	6	4



# Professional Sample

## Latino Professionals: Demographics of the Sample

The demographics for the entire professional sample are displayed below. Roughly six out of ten (61%) of the 106 respondents to the professional sample were women.

Respondents ranged in age from 24 to 83, the median age was 42.

Just under half (46%) had earned a graduate degree and most (76%) had earned a bachelor's degree.

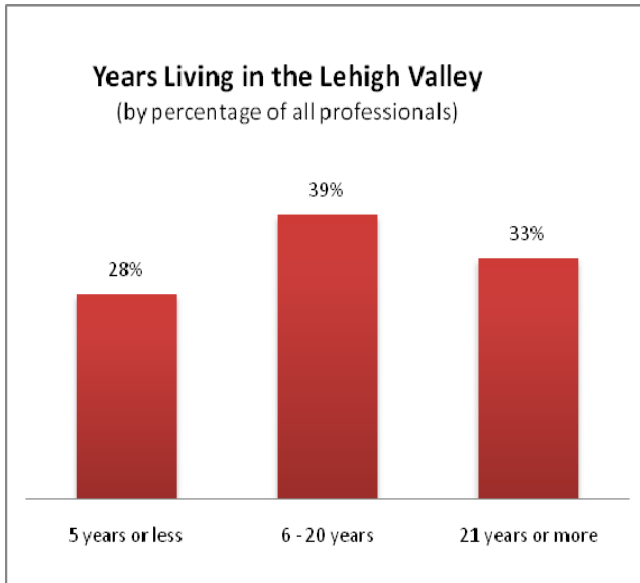
Most of the remaining professionals (22%) had taken some college classes or had earned a two-year degree. All professionals had completed high school.

	Total % (n = 106)
Male	39
Female	61
34 or less	26
35 – 44	26
45 – 54	40
55 – 64	12
65 or older	6
Median Age:	42
Age Range:	24 – 83
MS	20
MD	12
MBA	7
Ph.D	5
JD	2
Bachelor's degree	30
Some college/voc-tech/ two-year degree	22
High school graduate	2

## Residency in the Lehigh Valley: Latino Professionals are Long-Term Lehigh Valley Residents

Latino professionals are by no means new to the U.S. mainland or to the Lehigh Valley. Professionals born outside of the U.S. mainland have lived on the mainland for a median of 13 years; 13% have lived in the U.S. mainland for more than 15 years. Nearly half of Latino professionals have lived in the Lehigh Valley for more than 15 years.

Not surprisingly, professionals represent a stable residential segment with the vast majority owning their own homes (82%), over half (58%) living with a spouse/partner and an additional quarter living with children (23%). Roughly three-quarters (77%) of professionals have children, most (55%) have two or more children. Most professionals with children have children under 18 (59%); over a third (38%) have children under 12.



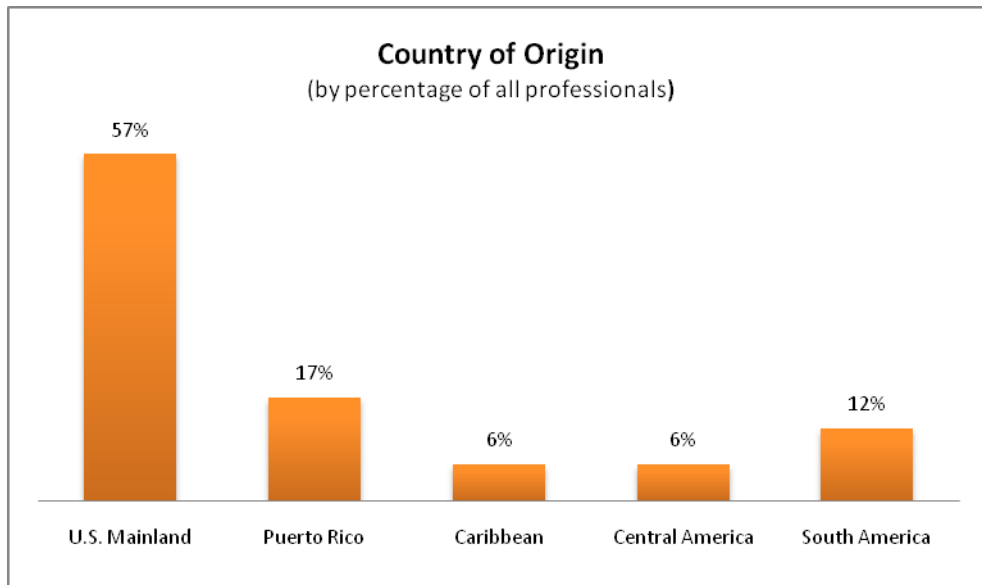
	Total % (n = 106)
<b>Years on the U.S.</b>	
<b>Mainland:</b>	
Born on U.S. Mainland	64
5 years or less	15
6 – 10 years	5
11 – 15 years	3
16 - 20 years	6
21 years or longer	7
<b>Years in the Lehigh Valley:</b>	
5 years or less	28
6 – 10 years	12
11 – 15 years	11
16 - 20 years	16
21 years or longer	33
<b>Home in Lehigh Valley:</b>	
Home I Own	82
Rented Apartment/House/Other	18
<b>Live with:</b>	
Spouse/Partner	58
Children	23
Parents	7
Other Arrangement	12
<b>Number of Children:</b>	
No Children	23
1	22
2	26
3	21
4 or more	8
<b>Ages of Children:</b>	
Less than 3	9
3 to 11	29
12 to 17	19

**Most Latino Professionals were Born on the U.S. Mainland or Puerto Rico; Others Represent a Diversity of Origins**

Just over half of the professionals (57%) were born on the U.S. mainland with another 17% born in Puerto Rico. An additional 15 countries were listed by professionals as their birthplace, including Colombia, Dominican Republic, Mexico, Nicaragua, and Peru. Although most were from the U.S. mainland or Puerto Rico, the diversity of Latino professionals is quite evident. While the majority of professionals were born in the U.S.,

	Respondent	Mother	Father
	%	%	%
United States Mainland	57	27	22
Puerto Rico	17	39	41
Colombia	6	8	6
Dominican Republic	4	1	5
Mexico	2	4	3
Nicaragua	2	2	2
Peru	2	2	2
Argentine	1	1	1
Bolivia	1	1	1
Costa Rica	1	1	3
Cuba	1	2	3
Ecuador	1	1	2
El Salvador	1	1	1
Guatemala	1	1	1
Venezuela	1	1	1

most of their parents were born outside of the U.S. mainland. Roughly four out of ten of professionals' parents were born in Puerto Rico (39% of mothers, 41% of fathers) and the rest listed 20 different countries.



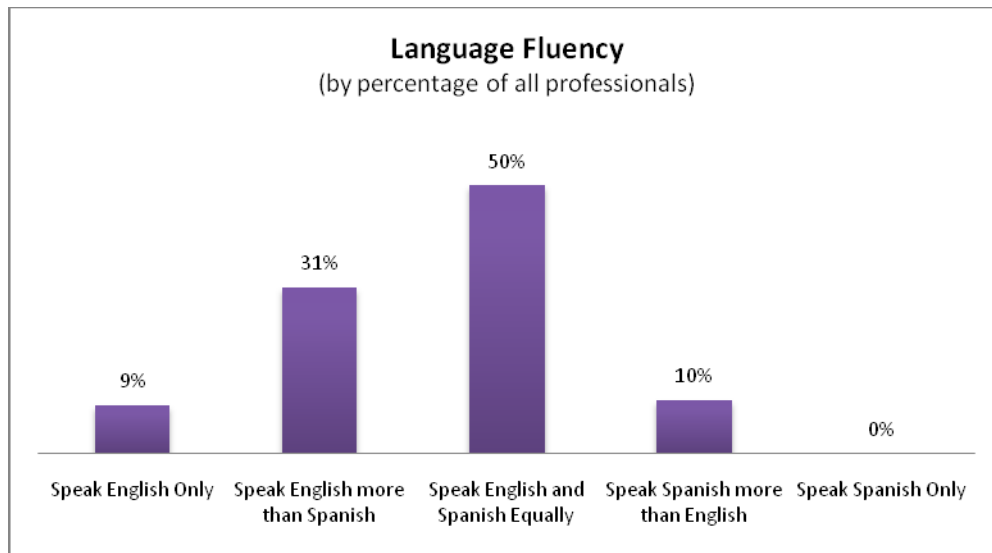
## Professionals' Origins



## Latino Professionals are Primarily Bilingual; English Predominates

The vast majority (90%) of professionals either speak English more than Spanish or speak the languages with equal fluency. English predominates over Spanish in the majority of professional homes (56%). Another quarter (25%) of professionals reported that English and Spanish is spoken with equal frequency in their home.

	Total % (n = 106)
<b>Language Fluency:</b>	
Speak English and Spanish equally	50
Speak English more than Spanish	31
Speak Spanish more than English	10
Speak English only	9
Speak Spanish Only	0
<b>Language Spoken at Home:</b>	
English more than Spanish	34
English and Spanish equally	25
English only	22
Spanish more than English	11
Spanish Only	8

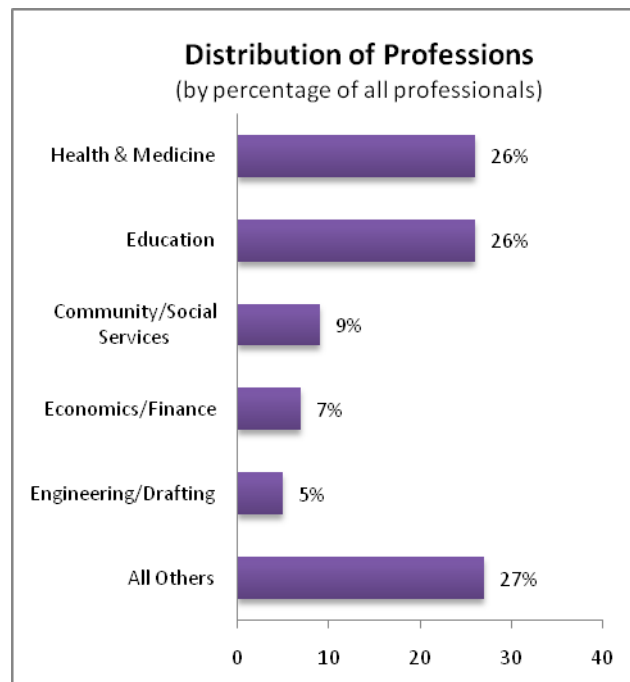


## Latino Professionals are Employed in a Diversity of Fields and Occupations

Latino professionals are represented in a wide cross section of occupations in the Lehigh Valley. The distribution of professionals across different occupational sectors are presented below. The table on the following page lists the occupations. Because the profile is based on convenience sampling, the distribution of specialties should not be considered precise estimates, rather they provide the reader with a sense of which professionals responded to the survey and to what degree they represent the total population of Latino professionals in the valley.

Over half (52%) of professionals in the sample are employed in either health and medicine or education. A number of other fields are represented, including community services (9%), finance (7%), and engineering (5%).

There is a considerable range of specialties including teachers (n = 14), physicians (n = 11), registered nurses (n = 7) and social workers (n = 6).



	Total % (n= 106)	Specialty	Frequency
<b>Health &amp; Medicine</b>	26	Physician/Surgeon	11
		Registered Nurse	7
		Pharmacist	2
		Dental Hygienist	2
		LPN	2
		Dentist	1
		Sonographer	1
		Podiatrist	1
		Medical Records	1
<b>Education</b>	26	Teacher	14
		Instructional Coordinator	5
		Professor	3
		Counselor	2
		Other	3
<b>Community/Social/ Human Services</b>	9	Social Worker	6
		Non-Profit Management	2
		Human Services	1
		Community Development	1
		Other	1
<b>Economics/Finance/ Planning</b>	7	Financial Planning	5
		Economist	1
		Business Development	1
		Other	1
<b>Drafting/Engineering</b>	5	Engineer	5
<b>Real Estate/Sales</b>	4	Real Estate Agent	4
		Sales	1
<b>Computer/Math/Statistics</b>	4	Computer Systems Analyst	3
		Operations Research Analyst	1
<b>Psychology/Mental Health</b>	3	Therapist/Counselor	2
		Psychologist	1
<b>Legal</b>	2	Lawyer	2
<b>Other</b>	14	Chemical/Petroleum Ops	2
		Human Resources	2
		Writer	1
		Other	7

## Roughly Half of Professionals Have Post-Graduate Training

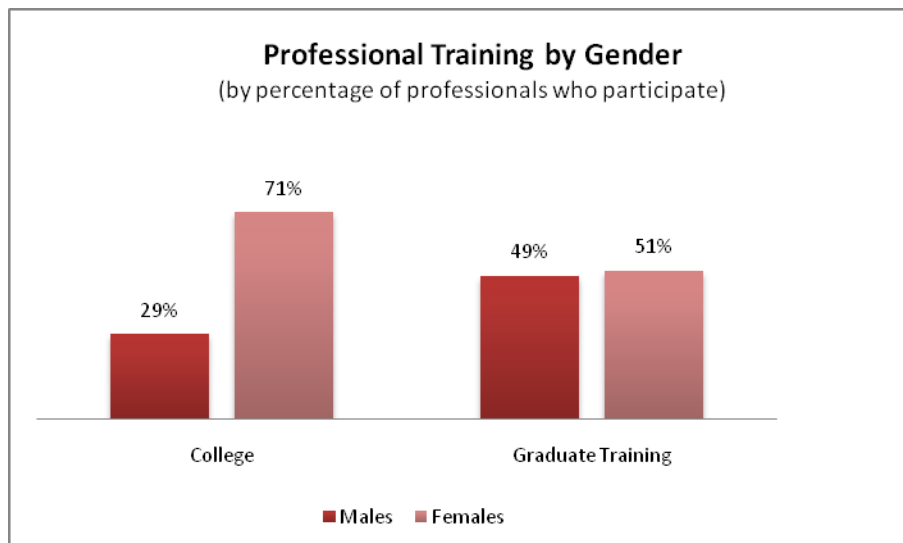
Given the wide range of fields and specialties in the sample, professionals were classified into two subgroups based on education: 1) professionals who had a bachelor's degree or less, and 2) professionals with graduate level degrees were master's degrees. Findings in the report will be broken out by these two groups to better understand the diversity of Latino professionals. The table below displays the specialties shown in the previous table, grouped by educational attainment.

	Specialty	Frequency	
<b><i>Bachelor's Degree or Less</i></b>	Registered Nurse	6	
	Social Worker	6	
	Teacher	5	
	Financial Planning	4	
	Engineer	3	
	Real Estate Agent	3	
	Computer Systems Analyst	3	
	Dental Hygienist	2	
	LPN	2	
	Instructional Coordinator	2	
	Pharmacist	1	
	Sonographer	1	
	Medical Records	1	
	Community Development	1	
	Economist	1	
	Operations Research Analyst	1	
	Writer	1	
	<b><i>Graduate Degree</i></b>	Physician/Surgeon	11
		Teacher	9
Professor		4	
Instructional Coordinator		3	
Counselor		2	
Therapist/Counselor		2	
Lawyer		2	
Registered Nurse		1	
Pharmacist		1	
Dentist		1	
Podiatrist		1	
Community Development		1	
Financial Planning		1	
Engineer		1	
Real Estate Agent		1	
Psychologist		1	

## Demographic Differences between Professional Subgroups

How do Latino professionals in the Lehigh Valley differ by bachelor's versus graduate training? The table below displays the demographic characteristics of the study broken out by professional subgroup. There is a greater proportion of males among graduate-level professionals than bachelor's-level professionals. Graduate-level professionals tend to have been born outside of the U.S. mainland more than their bachelor's-level peers, but these differences are not statistically significant. There are minimal differences between the two professional subgroups in their use of English versus Spanish.

	Bachelor's % (n = 56)	Graduate % (n = 49)
Male	29	49
Female	71	51
34 or less	26	27
35 – 44	29	25
45 – 54	45	29
55 – 64	7	19
65 or older	4	0
Median Age:	41.5	42.0
<b>Country of Origin:</b>		
United States Mainland	65	54
Puerto Rico	11	18
Colombia	7	6
Dominican Republic	7	0
Mexico	4	0
All Others	6	26
<b>Language Fluency:</b>		
Speak English and Spanish equally	52	47
Speak English more than Spanish	36	27
Speak English only	7	10
Speak Spanish more than English	5	16



## Most Latino Professionals Earn \$50,000 or more; A Quarter Earn \$100,000 or more

Latino professionals in the Lehigh Valley represent considerable economic power. Most (79%) professionals earn \$50,000 or more in annual salary. Differences in earning power by graduate training are evident. Over a third (35%) of bachelor's level professionals earn less than \$50,000 annually compared with only 7% of those with graduate training. Likewise, over a third (35%) of graduate professionals earn \$100,000 or more, compared to 13% for bachelor's. Four out of five (80%) professionals report that their earnings have increased in the past five years.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Total Annual Personal Income (2007):</b>			
Less than \$50,000	21	35	7
\$50,000 - \$100,000	56	52	58
\$100,000 - \$200,000	16	11	22
\$200,000 - \$300,000	5	0	11
\$300,000 - \$500,000	1	0	2
\$500,000 or higher	1	2	0
<b>Salary Change in Past 5 Years:</b>			
Increased	80	74	87
Stayed about the same	12	15	6
Decreased	7	9	4
Don't know	1	2	0

## Female Professionals Earn Less than Male Counterparts, Regardless of Graduate Training

A further breakdown of annual earnings by education and sex reveals that female professionals earn significantly less than male professionals, regardless of graduate training. Among bachelor's professionals, 31% of males and 6% of females earn \$100,000 or more. Likewise among graduate professionals, 55% of males earn six figures while 17% of females earn this level of compensation.



## Total Household Income and Net Worth

Total annual household income represents the compensation received by the Latino professional and their partner/spouse and/or other forms of financial support. The pattern here parallels that for personal income: half (50%) of professionals live in households with \$100,000 or greater in total income. This figure is significantly higher among graduate (64%) than bachelor's professionals (38%). As with personal income, the vast majority of professionals report that this figure has increased in the past five years.

Net worth takes into account all assets minus liabilities (e.g., mortgage) for the Latino professional. Three quarters (75%) of professionals reported net worth of \$100,000 or more. Roughly one out of ten (8%) of bachelor's professionals have a net worth of \$500,000 or more; four out of ten (40%) of graduate professionals have a half million or more of assets. Six percent of professionals reported a net worth of \$1,000,000 or more. Most professionals' net worth has increased in the past five years.

Median net worth nationwide is about \$93,100.<sup>23</sup> Significantly, median net worth among Hispanics in the United States is only \$7,932.<sup>24</sup>

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Total Household Income (2007):</b>			
Less than \$50,000	11	20	0
\$50,000 - \$100,000	39	42	36
\$100,000 - \$200,000	39	34	45
\$200,000 - \$300,000	8	2	14
\$300,000 - \$500,000	2	0	5
\$500,000 or higher	1	2	0
<b>Household Income Change in Past 5 Years:</b>			
Increased	84	80	89
Stayed about the same	6	7	4
Decreased	9	11	7
Don't know	1	2	0
<b>Net Worth (2007):</b>			
\$25,000 or less	11	20	2
\$25,001 - \$50,000	2	2	2
\$50,001 - \$100,000	12	11	13
\$100,001 - \$200,000	16	17	15
\$200,001 - \$300,000	16	17	15
\$300,001 - \$500,000	21	24	13
\$500,001 - \$750,000	10	2	20
\$750,001 - \$1,000,000	6	4	9
\$1,000,000 or more	6	2	11
<b>Net Worth Change in Past 5 Years:</b>			
Increased	73	69	80
Stayed about the same	11	11	10
Decreased	11	13	8
Don't know	5	7	2

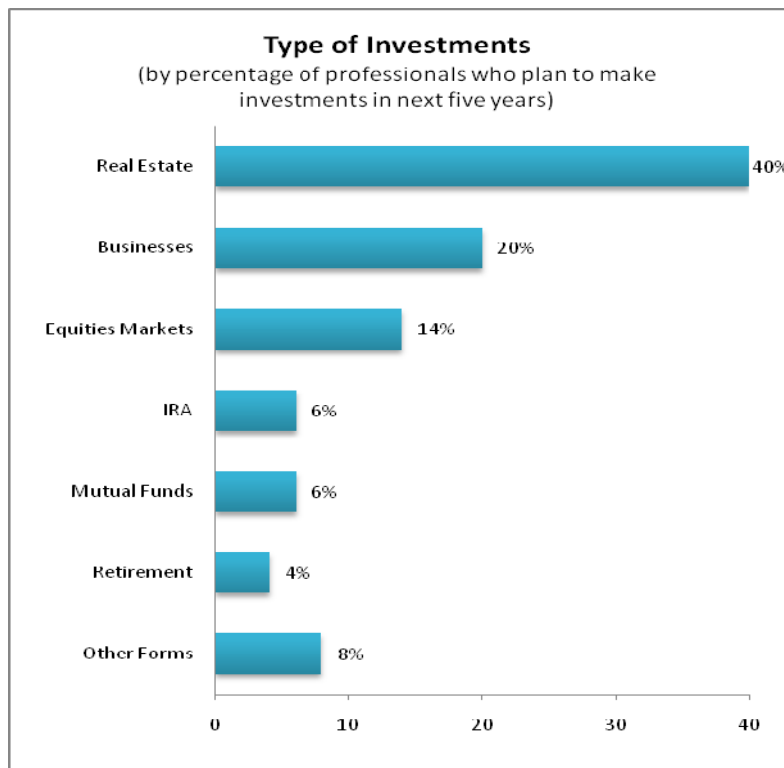
<sup>23</sup> 2004 Federal Reserve Board Survey.

<sup>24</sup> Pew Hispanic Center, "The Wealth of Hispanic Households: 1996 to 2002."

## Most Professionals Plan Further Investments in Real Estate and Businesses

The majority (57%) of Latino professionals plan to make financial investments in the next five years and nearly two years (67%) will make these investments in the Lehigh Valley. The most frequently mentioned investments were existing homes/new homes/real estate (40%) businesses (20%) and stocks/options/bonds (14%).

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Will Make Financial Investments in Next Five Years</b>	57	54	61
<b>Investment in Lehigh Valley</b>	67	63	70



## The Average Latino Professional Has Practiced in Profession for 10 Years or More

Latino professionals have a median of 10 years experience in their profession, however the range of experience varied from one year to 58 years in the profession. The median work week is 44 hours, ranging considerably from 20 hours to 80 hours a week.

Professionals report relatively high levels of satisfaction with their current work: 81% report that they are 'very' or 'somewhat satisfied.' Levels of satisfaction appear to be equal across professional subgroups. Graduate- and bachelor's-level professionals do diverge in terms of their reasons for choosing their current profession. Graduate-level professionals are significantly more likely to report that they chose their career because it had been their 'dream' for some time. Latino professionals reported a diversity of reasons for choosing their career path. These included an enjoyment of the profession and fulfillment (40%), chance/accident (26%), to help others (14%), and that another person influenced their path (6%).

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b><i>Median Years in Profession:</i></b>			
Median:	9.5	7.0	14.0
Range:	1 – 58	1 – 58	1 – 37
<b><i>Median Hours Worked/Week:</i></b>			
Median:	44.0	40.0	45.0
Range:	20 – 80	20 – 70	25 – 80
<b><i>Satisfaction with Current Work:</i></b>			
	%	%	%
Very + Somewhat Satisfied	81	79	84
Neither	12	11	14
Very + Somewhat Dissatisfied	7	10	8
<b><i>Reason for Career Path:</i></b>			
It was my dream	54	36	53
Lack of better opportunity	5	9	5
Not Sure	6	11	6
Others (see respondent quotes)	36	44	36

## Most Professionals are Satisfied with their Work

Most professionals reported being somewhat to very satisfied with their work. There are minimal differences in satisfaction with work between male and female professionals. Male bachelor's level professionals tend to be slightly more satisfied than their female counterparts. In contrast, female professionals with graduate training are slightly more positive about their work than males.



## Current Employer

Latino professionals in the Lehigh Valley have been with their current employer for a median of 5 years; their tenure ranges from 1 year to 54 years. Bachelor's-level professionals are more likely to work for publicly held companies (31%), government (21%) or private organizations (16%) whereas graduate level professionals are more likely to be employed with educational institutions (33%), non-profits (18%), and publicly held companies (16%). The vast majority of professionals (87%) have their primary office in the Lehigh Valley.

Just under a third (29%) of professionals report working another job in addition to their primary profession. These jobs included real estate (17%), financial/property investment (13%), training/coaching (8%), owning another business (8%), and providing tax/financial advice (8%).

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b><i>Years with Current Employer:</i></b>			
Median:	5.0	4.0	6.5
Range:	<1 – 54	<1 – 54	<1 – 35
<b><i>Type of Business:</i></b>			
	<b>%</b>	<b>%</b>	<b>%</b>
Fortune 1000, publicly held	22	29	14
Non-Fortune 1000, publicly held	2	2	2
Private	14	16	12
Government	16	21	10
Academic/Education	30	9	33
Non-Profit	16	14	18
Self-Employed/Other	10	9	10
<b>Office in Lehigh Valley</b>	<b>87</b>	<b>80</b>	<b>94</b>
<b>Work Another Job in Addition</b>	<b>29</b>	<b>32</b>	<b>27</b>

## Most Professionals Have Received a Raise in Last Two Years

Roughly a third (35%) of professionals have been promoted within the last two years; a quarter have not been promoted (25%) and another sixth (14%) do not have positions that receive promotion. Compared with other occupations, promotion is infrequent in many professions. In contrast, most (83%) professionals have received a raise in the last two years. Most (76%) professionals are typically satisfied with their current employer, this figure tends to be high among graduate level professionals. Male professionals at the bachelor's level tend to report slightly higher levels of satisfaction with their employer than do females. In contrast, female professionals with graduate training report higher levels of satisfaction with their employer than do males.

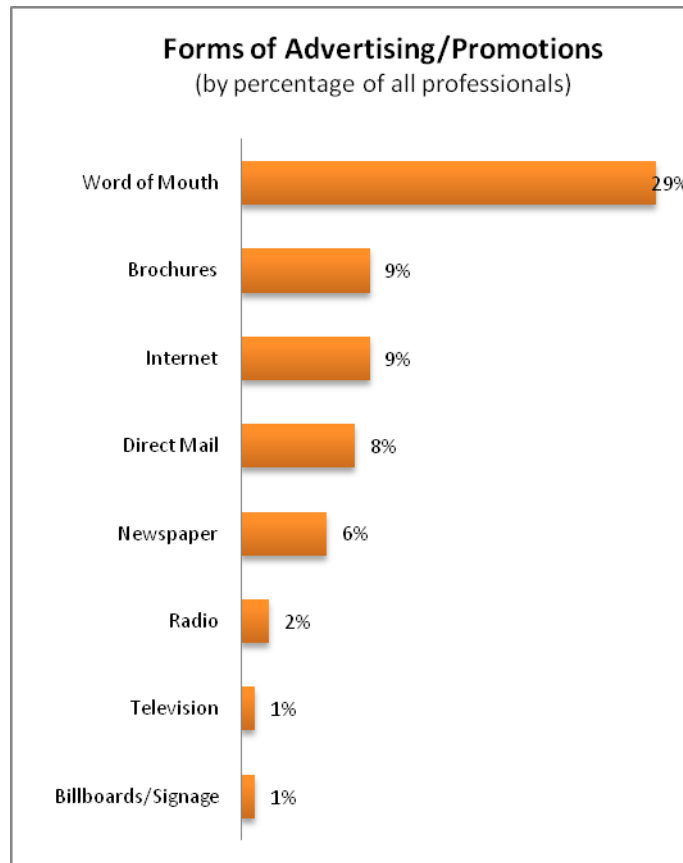
	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Timing of Last Promotion:</b>			
Less than 1 year	15	16	14
1 – 2 years	20	16	23
2 -3 years	8	7	8
3 – 5 years	7	7	6
5 or more years	11	11	12
Never promoted	25	29	23
Other	14	14	14
<b>Timing of Last Raise:</b>			
Less than 1 year	67	70	66
1 – 2 years	16	14	18
2 or more years	6	7	4
Never received raise	3	2	4
Other	8	7	8
<b>Satisfaction with Employer:</b>			
Very + Somewhat Satisfied	76	70	84
Neither	16	21	10
Very + Somewhat Dissatisfied	8	9	6



## A Third of Professionals Actively Advertise in the Lehigh Valley

Roughly a third (31%) of Latino professionals currently advertise and promote their services. Over half (58%) report that they specifically mention their Latino identity as part of the promotion. The primary form of promotion is word of mouth. Among those who spend money on promotion, the median amount spent annually is \$850.

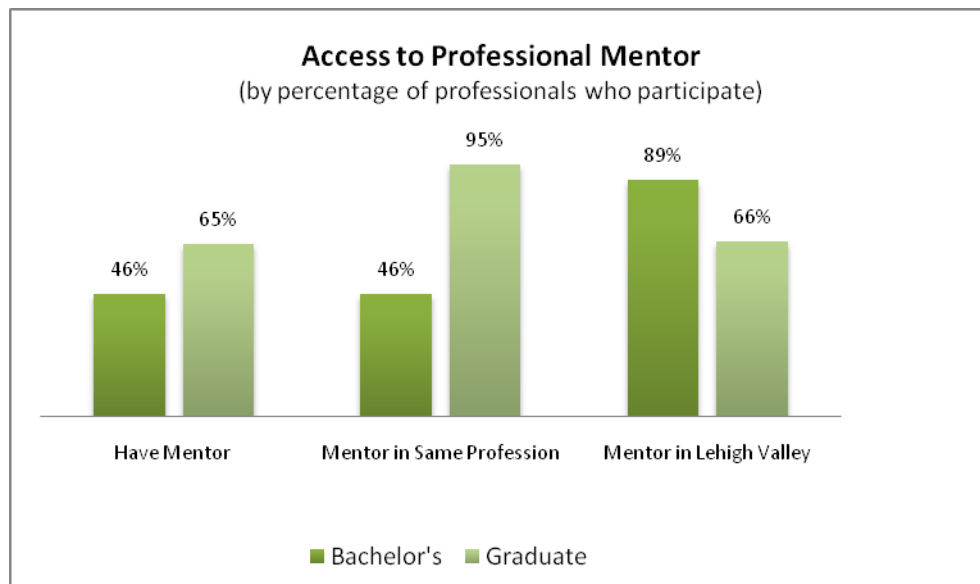
	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Currently Advertise/Promote Professional Services</b>	31	30	33
<b>Advertise/Promote as Latino Professional</b>	58	53	63
Median Amount Spent on Advertising/Promotion	\$850		
Range	\$100 - \$15,000		



## Most Latino Professionals are Well Connected to Advisers and Mentors

Latino professionals are relatively well connected to advice. Three-quarters (72%) have a regular source of career advice. Roughly half (55%) report that they have a mentor. The mentor is typically in the same profession (72%) and easily accessible in the Lehigh Valley (76%). Reflecting their additional training, graduate level professionals are more likely to have a mentor (65%) and this mentor virtually always in the same profession (94%). These professionals are also more likely to have a Latino mentor. Most Bachelor's level professionals have a mentor who is located in the Lehigh Valley (89%).

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Career Advice/Mentoring:</b>			
<b>Have Source for Career Advice</b>	73	70	78
<b>Have a Mentor</b>	55	46	65
<b>Mentor in Same Profession</b>	72	56	94
<b>Mentor in Lehigh Valley</b>	76	89	66
<b>Mentor is Latino/a</b>	31	27	34

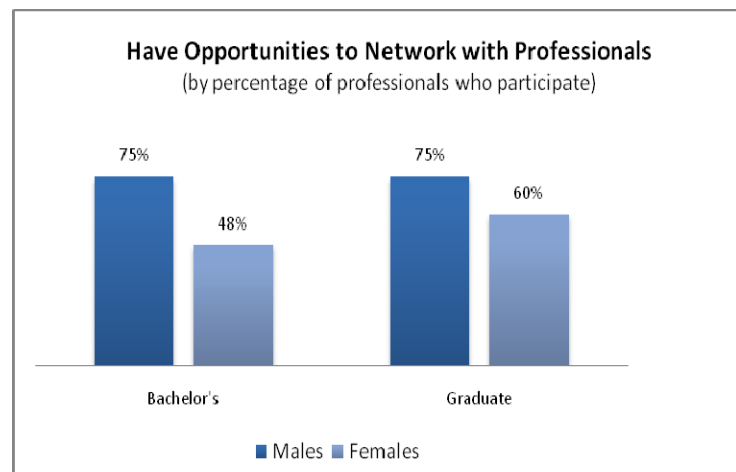
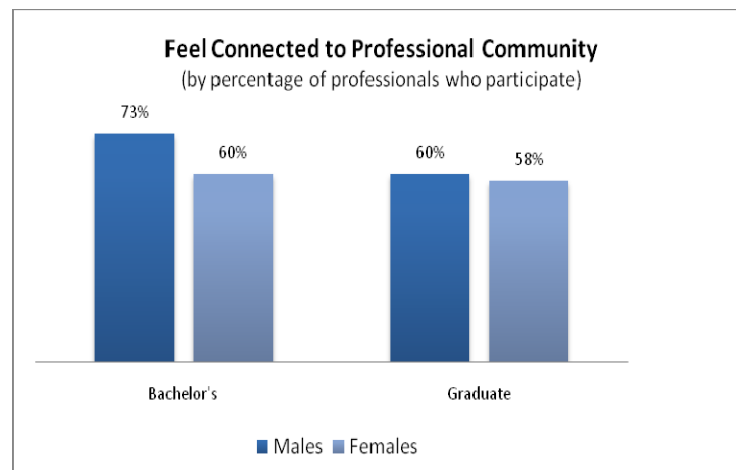


## Most Feel Connected to their Professional Community

Roughly six out ten (61%) professionals feel connected to their professional community. The remaining 39% feel isolated from their profession or somewhere in between. There is a tendency for bachelor's level professionals to feel more isolated than graduate professionals.

Male and female professionals have different networking experiences. Male bachelor's level professionals feel more connected to the professional community than their female counterparts, whereas there is no difference in the connection reported by graduate professionals. Female professionals consistently report less networking opportunities than males; this difference is particularly pronounced for bachelor's level professionals. These differences are noteworthy given that male and female professionals rate the importance of networking the same.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Connect to Professional Community:</b>			
Very + Somewhat Connected	61	57	65
Neither	25	37	22
Very + Somewhat Isolated	14	26	13
<b>Have Opportunities to Network with Others</b>	61	55	67
<b>Networking with Others is Important</b>	61	57	65



## Most Latino Professionals are Actively Involved in Professional Organizations

Three quarters (73%) of graduate professionals and roughly half (54%) of bachelor's professionals are members of a professional organization. For both groups, professional development (42%) and professional credentialing requirements (37%) represent the most important benefits of professional membership, particularly so for graduate professionals. However, a third of professionals also cite the networking (31%) and social advantages (27%) of professional organizations, suggesting potential for local organizations to fulfill some of these needs. Fewer professionals expect their professional organizations to provide opportunities for funding (12%) or promotion of their services (4%).

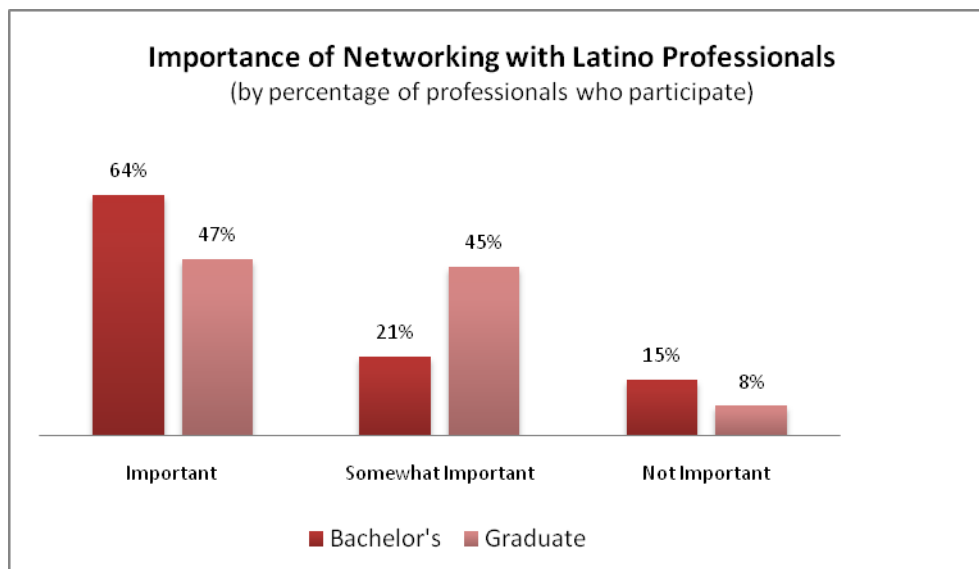
	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Member of Professional Organization</b>	65	54	73
<b>Reasons for Participating in Professional Organization:</b>			
Professional development	42	34	51
Continuing education/Licensure/Credentialing	37	29	47
Networking	31	27	37
Socializing	27	25	29
Leadership opportunities	25	20	31
Access to funding opportunities	12	9	16
Selling/Promotion	4	4	4
Other	7	5	8

## Two-Thirds of Professionals Actively Network with Other Latino Professionals

The opportunity to network with other Latino professionals is important, but not overwhelming so: about half (56%) say that such opportunities are important to them. Two thirds (67%) report that they have opportunities to interaction with other Latino professionals. About a third of these opportunities are affiliated with their current employer (31%).

		Total % (n=106)
<b>Networking with Other Latino Professionals:</b>		
	Important	56
	Somewhat Important	32
	Not Important	12
<b>Opportunities to Network with Other Latino Professionals</b>		67
<b>Employer has Latino Network:</b>		
	Yes	31
	No	58
	Not Sure	11

Bachelor's level professionals attach greater importance to networking with other Latino professionals than graduate professionals.



## Most Professionals Feel Latino Identity Has Advanced Their Career

Respondents' experiences as Latino professionals are complex. Over half (54%) perceive some career advantage from being Latino and six out of ten (61%) feel that being Latino has not limited their career. Graduate professionals (73%) particularly feel no limitations associated with their background, compared to bachelor's professionals (48%). The majority of professionals (56%) felt that their background did affect their job. Of those, three quarters (76%) felt that their Latino background was a positive influence on their current job.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b><i>Impact of Latino Background on Career:</i></b>			
Very + Somewhat Advantaged	54	52	57
Neither	37	41	33
Very + Somewhat Disadvantaged	9	7	10
<b><i>Latino Background Limits My Career:</i></b>			
Do Not Feel Limited	47	41	53
Not Very Limited	14	7	20
Neither	30	43	16
Somewhat + Feel Very Limited	9	9	11
<b><i>Latino Background Affects Current Job Role:</i></b>			
Yes	56	50	63
Not Sure/No	54	50	37
<b><i>Latino Background Affects Job Role:</i></b>			
In a Very + Somewhat Positive Way	76	78	75
Neither	15	22	9
In a Very + Somewhat Negative Way	9	0	16

## Speaking Spanish is Important on the Job

Respondents also indicated the degree to their use of Spanish was important to the current job. Three quarters (79%) reported that Spanish was very or somewhat important in their current job. Graduate professionals tend to value speaking Spanish more than bachelor's level professionals. Looking to the future, over half of Latino professionals feel that speaking Spanish will be very important in their work.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b><i>Importance of Speaking Spanish in Current Job:</i></b>			
Very important	38	30	47
Somewhat important	41	45	37
Not important at all	21	25	16
<b><i>Importance of Speaking Spanish to Future Work:</i></b>			
Very important	55	52	59
Somewhat important	31	32	29
Not important at all/Not sure	14	16	12

## Most Latino Professionals Plan to Stay with Current Employer

Roughly two thirds (71%) of professionals plan to stay with their current employer for the long term. Bachelor's level professionals are more likely to consider changing jobs. When considering the factors associated with a job change, Latino professionals value the organization's work environment (74%), benefits (73%), demands on personal time (69%) above salary (60%). For bachelor's level professionals, potential salary was fourth in importance (71%) in contrast to graduate professionals who rated it seventh (47%). This finding is not surprising given the higher compensation levels associated with these professions as well as the motivations for working in the profession: recall that graduate professional were more likely to report that working in the profession was their dream.

Reflecting these professional differences, bachelor's professionals are also more likely to pursue additional education (55%) than graduate professionals (29%), many of whom may already possess the terminal education credential in their profession. Nonetheless, these educational aspirations characterize the ambitions of Lehigh Valley Latino professions.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b><i>Remain with Current Employer for Long Term:</i></b>			
Very + Somewhat Likely	71	66	77
Very + Somewhat Unlikely/Neither	29	34	23
<b><i>Importance of Factors for Next Career Opportunity (% rated 'Very Important'):</i></b>			
Positive work environment	74	79	69
Benefits	73	77	69
Work life balance	69	73	69
Opportunity for career growth	66	68	63
Salary	60	71	47
Company mission	48	45	51
Company culture	44	37	51
Diversity of organization	42	48	35
Status/prestige of organization	29	32	25
Latinos in senior management	27	29	25
Travel opportunities	16	18	14
<b><i>Plan to Pursue Additional Education:</i></b>			
Yes	43	55	29
Possibly	34	29	40

## Despite Economic Downturn, Latino Professionals Are Optimistic About Their Professional Future

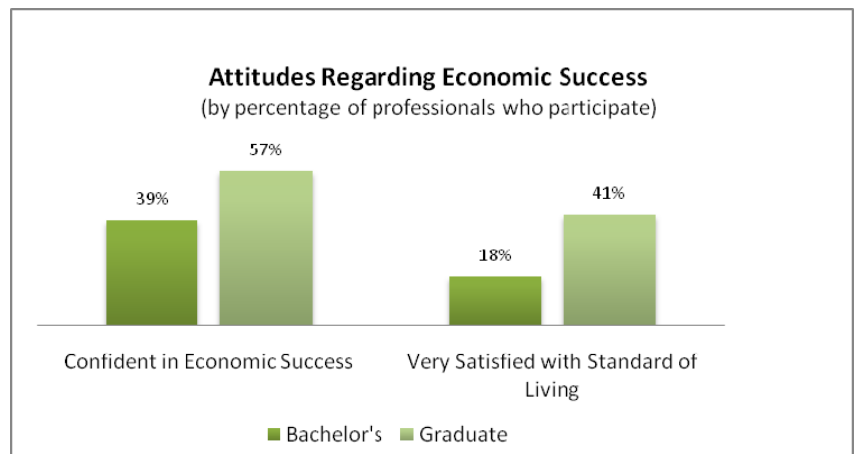
Latino professionals are quite positive about their own professional future despite the recent weakening of the economy: nearly half (48%) said they were highly confident that they would succeed as professionals given the current economy. Over a third (38%) were somewhat confident about their future success.

Although three-quarters (71%) were satisfied with their standard of living, a greater proportion of graduate professionals were satisfied (41%) than bachelor's professionals (18%). An obvious explanation for this finding is the difference in earnings and net worth among graduate professionals.

Another possible explanation is that many graduate professionals may have different motivations for their career and hence different expectations regarding a satisfactory standard of living.

Virtually all (95%) Latino professionals in the Lehigh Valley feel that it is very important for immigrants to the U.S. learn English. The remaining few rate it 'somewhat important.' There is also clear consensus between professional groups on this issue.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Likelihood of Success in Current Economy:</b>			
Highly confident	48	39	57
Somewhat confident	38	41	35
Little + Less confident/Neither	14	20	8
<b>Current Standard of Living:</b>			
Very satisfied	29	18	41
Somewhat satisfied	42	43	41
Very + Somewhat dissatisfied/Neither	29	39	18
<b>Important for Immigrants to Learn English</b>			
Very Important	95	93	98
Somewhat Important	5	7	2

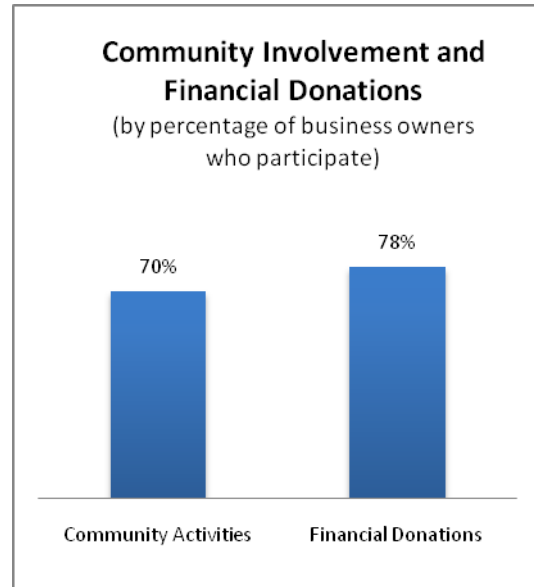


## Many Latino Professionals are Actively Involved in the Community; Significant Portion Donate Professional Services and Expertise

Over half (52%) of professionals are actively involved in their community.<sup>25</sup> Selected organizations mentioned by respondents are displayed below. Among those involved in community activities, nearly three quarters (73%) contribute professional services or their professional expertise as part of their contribution to the Lehigh Valley community. Nearly all graduate professionals (89%) contribute their professional expertise or services. The wide variety of professional contributions included medical services (22%), teaching/lectures (19%), organizational leadership (19%), marketing/business (19%), community relations/planning (15%) and mentoring (11%).

Latino professionals also give back financially to the Lehigh Valley: two thirds (66%) have made financial contributions to the community in the past year.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Involved in Community Activities</b>	51	52	53
Organizations:			
<b>Contribution of Professional Expertise</b>	73	58	89
<b>Financial Donations</b>	66	63	69



<sup>25</sup> Selected organizations include Allentown Health Bureau, Big Brothers Big Sisters - Lehigh Valley, Borinquen Fest, Casa Guadalupe, Chamber of Commerce, Communities in Schools, Community Action Development Corporation, CSSOLV, Girl Scouts, GLVCC, Habitat for Humanity, HALA, HAO, Head to Faith-Based Community in Lehigh Valley, Hispanic Chamber of Commerce, Human Services Committee of the West Ward, Latino Leadership Alliance, Lehigh County Latino Caucus, LIN Ambassador Program, Lions Club, Literacy Center, LVEDC, Meals on Wheels, Musikfest, NC Board of Health, NC Children and Youth, Non-profit organizations, Office of Minority and Women Owned Businesses, Old Allentown Preservation Association, PR Beneficial Society, Puerto Rican Cultural Coalition, Rotarians, Sixth St Shelter, Southside Neighborhood Center, Youth and the Arts

## Household Priorities

Latino professionals also shared their priorities for their household/family. The most important goals included the education of children (83%), the health of family members (80%), saving for the future (66%), and improving their standard of living (66%).

Latino professionals who had children or planned to have children were asked about their aspirations for the next generation. All respondents were also asked about their own accomplishments relative to that of their parents. Most (73%) Latino professionals hope that their children will also become a professional. Most (69%) also expect their children to be more successful than themselves. Bachelor's professionals are much more likely to envision their children being more successful, perhaps due to the level of satisfaction/standard of living among the graduate professionals. Professionals consistently felt that they were more successful than

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Very High Priority for Household:</b>			
Education of children	83	89	75
Maintaining health of family members	80	80	80
Saving for the future	66	68	63
Improving standard of living	59	64	53
Caring for relatives	49	57	41
Financial investments	41	41	41
Religious practices	38	39	37
Celebrating special events	28	29	27
Entertainment activities	18	13	25

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Career Hopes for Child:</b>			
Have a career in the professions	73	70	75
Not thinking about it yet	16	14	18
Other	6	8	5
Seek business opportunities	3	6	0
Have a job in the trades	2	2	2
<b>Envisioning Children's Success:</b>			
More successful	69	80	55
As successful	26	12	43
Less successful/Not sure	5	8	2
<b>Own Success Compared with Parents' Success:</b>			
More successful	83	83	82
As successful	14	13	16
Less successful/Not sure	3	4	2

their parents: no professional felt they were less successful. These aspects of the American Dream narrative appear to resonate quite strongly among the Lehigh Valley's Latino professionals.

## Professional Needs

Professionals identified their current needs in terms of business community activities and services. Professionals also rated the helpfulness of potential community activities in the Lehigh Valley.

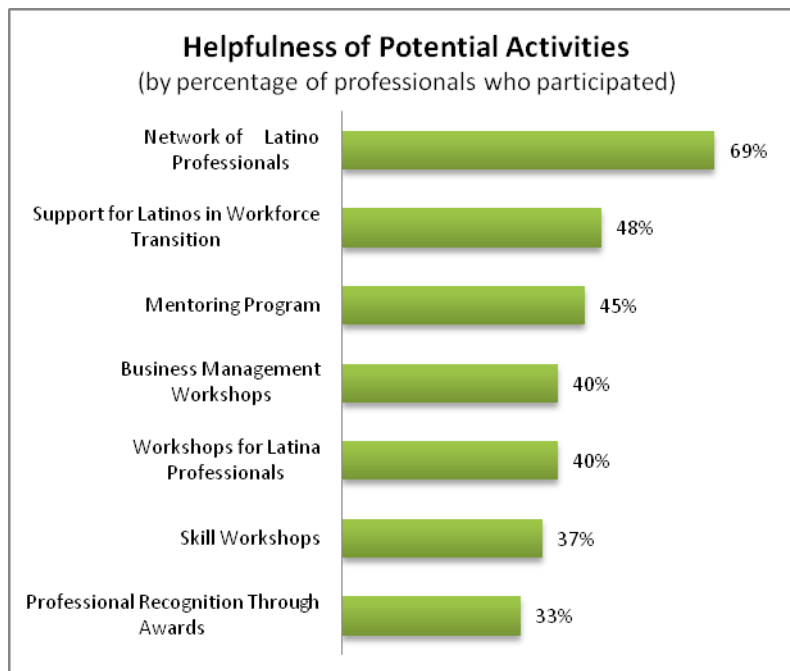
Current needs differed by professional subgroup. Bachelor's professionals rated their need to leverage their identity as a Latino professional (43%) and professional networking (43%) as their most important needs. Professional development (41%) and mentoring (39%) were also important to this group. In contrast, graduate professionals rate keeping up with technology their most important need (37%), followed by leveraging their Latino identity (33%) and professional networking (31%). Note that the graduate professionals tend to express fewer needs and appear more satisfied with their current professional development and mentoring relationships. In addition to professional networking (which is discussed below), the LEC should strongly consider activities which address the Latino identity of professionals. This activity should also be considered in light of the survey's finding that many Latino professionals had negative experiences in their workplace and in their interactions as a result of their ethnic background.

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Current Professional Needs:</b>			
Leveraging the value of being a Latino professional	38 (1)	43 (1)	33 (2)
Professional networking	37 (2)	43 (1)	31 (3)
Keeping up with technology/knowledge	34 (3)	32	37 (1)
Professional development	33	41 (2)	25
Mentoring/career advice	28	39 (3)	14
Gaining respect as a Latino professional	26	27	25
Advertising/marketing	11	5	16
Safety/security	9	7	12
Gaining access to capital/loans	9	7	12
Other	7	9	4

## Activities That Could Be Helpful to Professionals

Respondents were in accord that establishing a Latino professional network was the most helpful activity (69%). Other activities rated helpful included providing support for Latinos re-entering the workforce (48%) and creating mentoring programs (45%), but the professional network was clearly the most popular. Business management workshops (e.g., finance, economics, marketing, business writing) appealed to a significant portion of respondents as did skills workshops (e.g. decision-making, work-life balance, leadership).

Interest in workshops designed to address the needs of Latina professionals was higher among female graduate professionals (56%) than bachelor's professionals (44%).



## How to Read Tables in the Report

Data in the report are presented in both tabular and graphic form. Reading a table requires a brief explanation.

- A** The 'total' category refers to the responses for all business owners or all professionals in the sample. The ( $n = 106$ ) indicates that there are 106 respondents in the 'all' category.
- B, C** Subsequent columns represents breakouts of the total. In this example, the total sample is split into professional categories: 'Bachelor's' – 56 respondents with bachelor's level training or less and 'Graduate' -- 49 respondents with graduate training.
- D** Answers to two questions are displayed in the table: 1) total annual income and 2) salary change in past 5 years.
- E** The percentages in tables are summed vertically down the columns. Thus, 80% of the total sample of professionals reported that their salary has increased in the past 5 years. A comparison of the next two columns shows that 74% of bachelor's and 87% of graduate professionals reported such an increase.

**Professional Earnings**

	Total % (n = 106)	Bachelor's % (n = 56)	Graduate % (n = 49)
<b>Total Annual Personal Income (2007):</b>			
Less than \$50,000	21	35	7
\$50,000 - \$100,000	56	52	58
\$100,000 - \$200,000	16	11	22
\$200,000 - \$300,000	5	0	11
\$300,000 - \$500,000	1	0	2
\$500,000 or higher	1	2	0
<b>Salary Change in Past 5 Years:</b>			
Increased	80	74	87
Stayed about the same	12	15	6
Decreased	7	9	4
Don't know	1	2	0