



Entrepreneurship in the Borderlands: Family Well-Being and the Role of Community Organizations

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US-Mexico Borderlands





Borderlands Socio-Economic Indicators

- US-Mexico Border Region reports poverty and well being statistics similar to and below those of Appalachia
- Per Capita Income in 1999 along the US-Mexico border ranges from \$7,069 (TX) to \$18,083 (CA)
- Median Household Incomes have increased from 1989 to 1999 on average about 15% while Mean Public Assistance has declined by 50%



Borderlands Socio-Economic Indicators

- US-Mexico Border Region has the highest concentration of native-born Latinos and foreign-born Latinos (≈10 – 12 million residents)
- Unemployment rates have remained high and in the double digits since 2000
- High School completion rates along the US-Mexico border are some of the lowest in the country (Starr County, 34.7% for 25yr. Old+ Population)

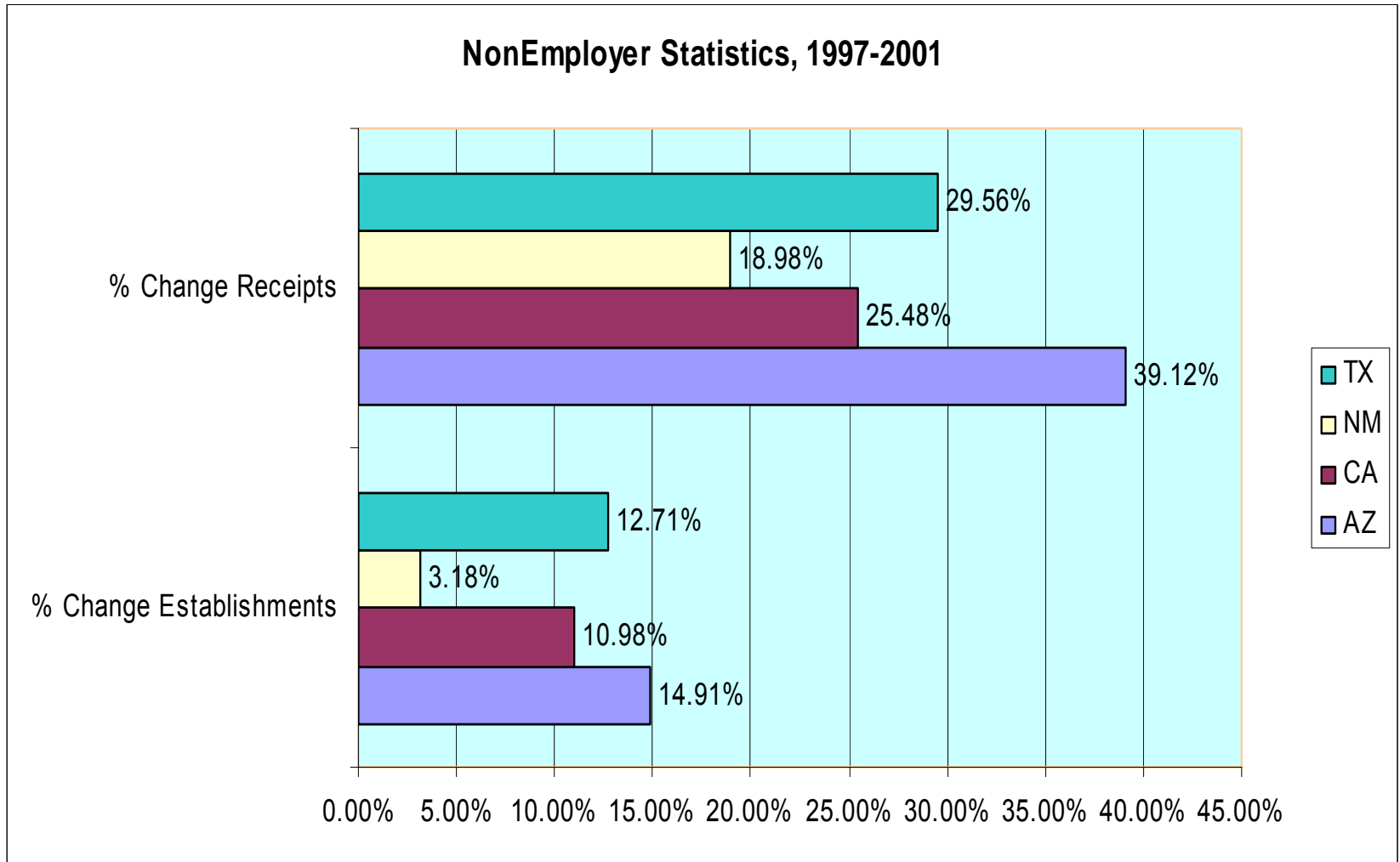


Borderlands Microenterprise Facts

- Cumulative Microcredit lending in the Border Region by AccionTexas(1994), AccionNewMexico (1997) and AccionSanDiego (1994) totals \$40.8 million having served over 8,261 microbusinesses
- Women microentrepreneurs constitute 49% of client base
- Historical loss/default rates:
New Mexico 2.5% Texas 5% San Diego 5%

Borderlands Self-Employment Rates

Contiguous Counties for TX, NM, AZ and CA on US-Mexico Border



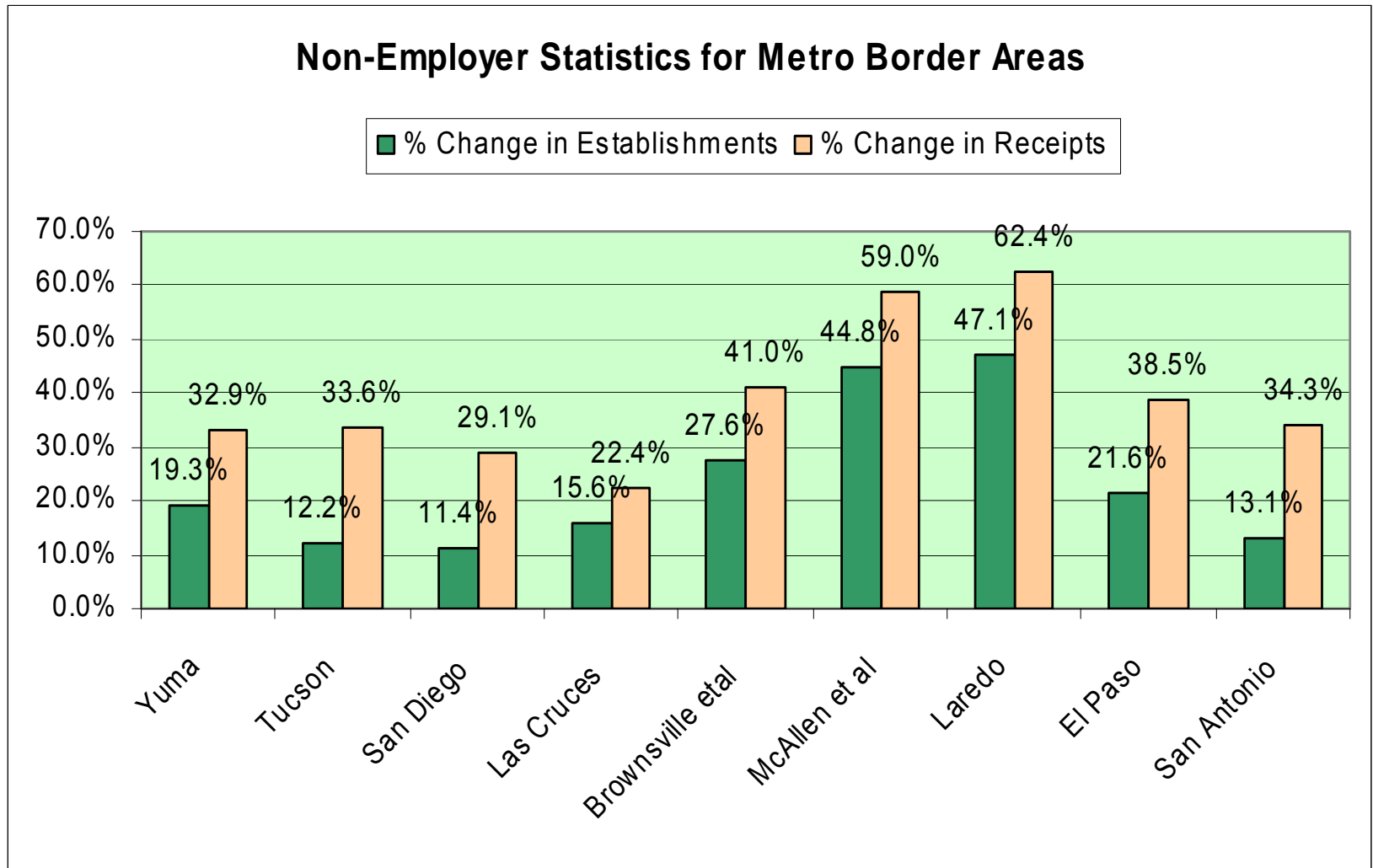
Source: Non-Employer Statistics, Economic Census, 1997 and 2001, Bureau of the Census



Borderlands Microenterprise Facts

- New Client Increases from 2000 to 2001:
Texas 51% New Mexico 37% San Diego 27%
- Borderlands Microbusiness totaled 439,532 in 2001 generating 121,617 jobs
- CBO's provide many support services for microenterprise clients from financial planning and tax preparation services to consumer/financial literacy and networking

Metro Border Self-Employment



Source: Non-Employer Statistics, Economic Census, 1997 and 2001, Bureau of the Census

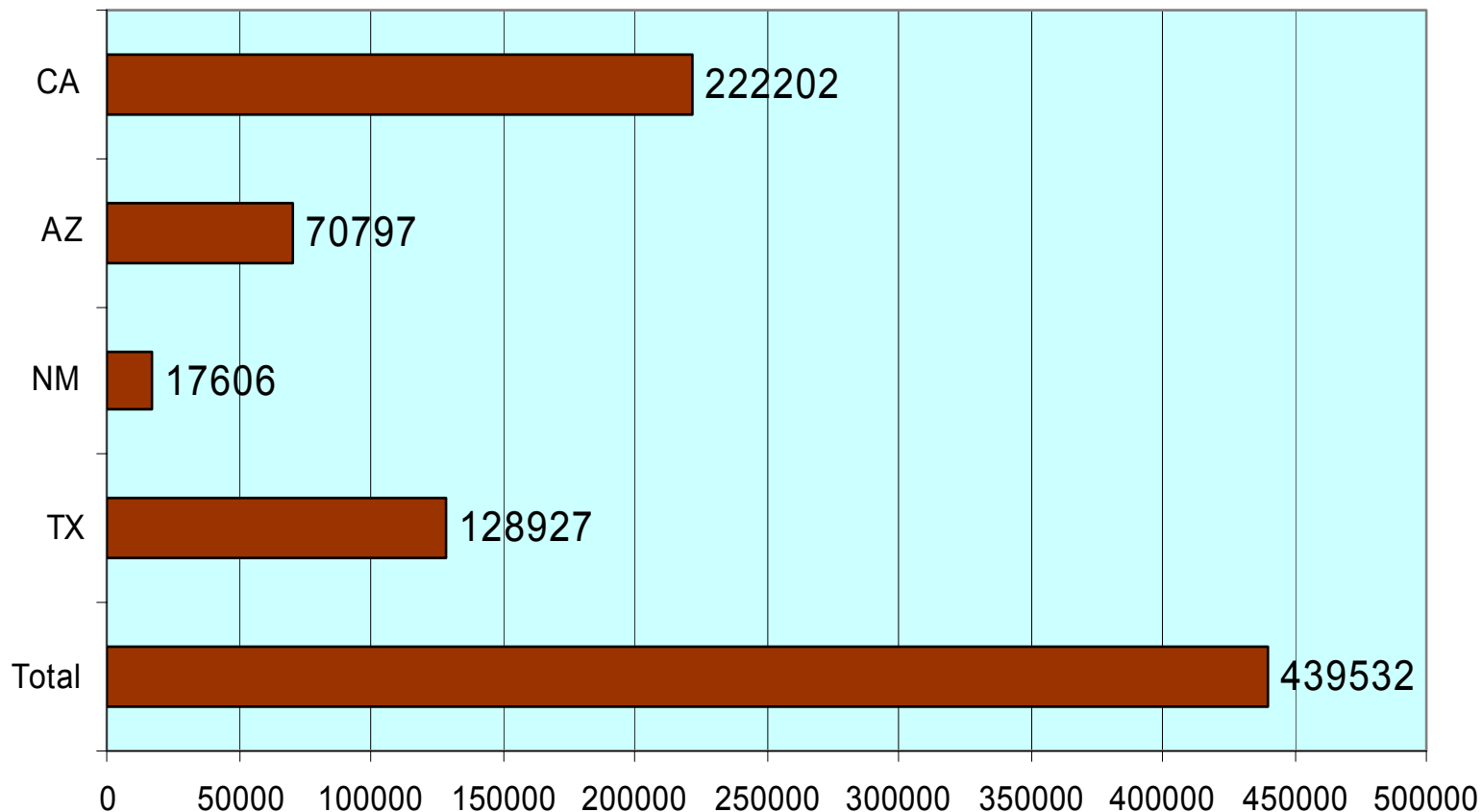


Borderlands Microenterprise Facts

- The US-Mexico Border is an integrated bicultural and binational economic region
- Many informal, cash microenterprises exist along the US-Mexico Border that are not accounted for in National and State databases
- Growth of microenterprises in Colonias along the US-Mexico border is an indicator of survival employment and income generating activity that supplements wages and points to economic resiliency behaviors

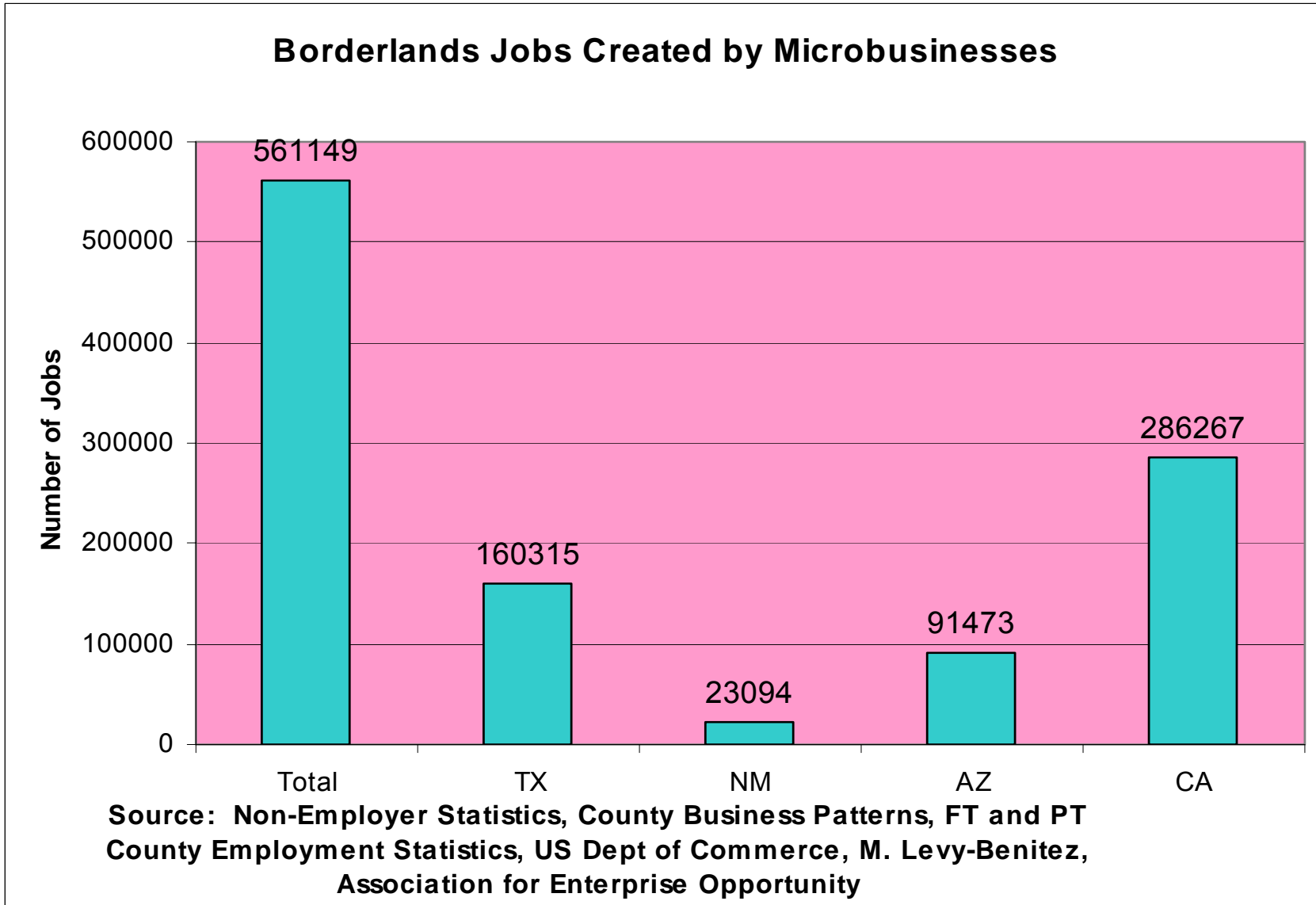
Borderlands Microbusinesses

Number of Microenterprises in the Borderlands



Source: Non-Employer Statistics, County Business Patterns, FT and PT County Employment Statistics, US Dept of Commerce, M. Levy-Benitez, Association for Enterprise Opportunity

Borderlands: Microenterprise Employment

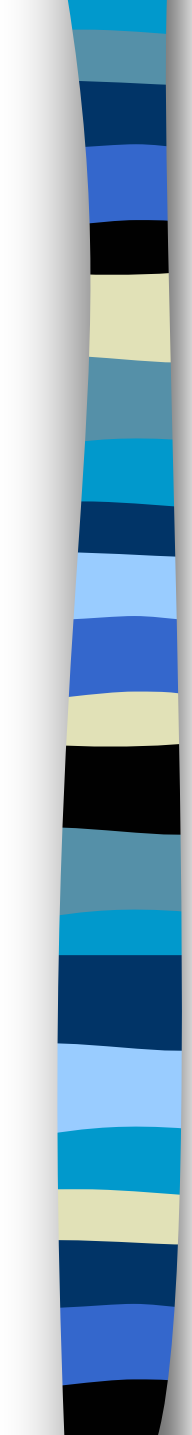




Microbusiness & Family Well-Being

- Microenterprise activities supported by CBOs encourage transitions to formal and mainstream economic activities
- Policy makers assessing microenterprise and self-employment data without field observation and site visits, do not adequately understand the inter-relatedness of the Border Economy and the bicultural/binational nature of self-employment activities and microbusinesses

Borderlands Families and CBOs

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- The community based organizations (CBOs) that are located in the Borderlands and have established **TRUST** and **LONGEVITY** in Latino ethnic enclaves are not simply providing **SERVICES** but are the **TRANSLATORS** and **MEDIATORS** for newly arrived immigrants and for native-born Latino families learning how to navigate US institutions and markets
 - CDFIs are the **LENDERS** in Latino communities for affordable housing and microbusinesses
 - CDCs have been the infrastructure, growth engine and facilitator for **SUSTAINABLE COMMUNITY DEVELOPMENT** primarily because they employ community models **NOT** externally imposed models



Policy and Legislative Issues

- Microenterprise Lenders must remain committed to alternative credit criteria and culturally responsive financial literacy and technical assistance → CDFI, Treasury Dept and SBA Congressional Funding Increases
- Certification & Training of Tax volunteers for low-income tax sites to increase tax filing among native and foreign born Latinos with Self-Employment Income → IRS recent change of ITIN processing
- Credit Unions partnering with community based organizations to anchor financial literacy outreach