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


- 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

NonEmployer Statistics, 1997-2001

% Change Receipts
- TX: 18.98%
- NM: 25.48%
- CA: 29.56%
- AZ: 39.12%

% Change Establishments
- TX: 12.71%
- NM: 10.98%
- CA: 14.91%
- AZ: 3.18%

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

Non-Employer Statistics for Metro Border Areas

% Change in Establishments  % Change in Receipts

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

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<th>State</th>
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<td>NM</td>
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Borderlands: Microenterprise Employment

Borderlands Jobs Created by Microbusinesses

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

- 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