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### The Latina Women & The Informal Microenterprise

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THE LATINA WOMEN & THE INFORMAL MICROENTERPRISE

Ivette Olmeda

MAY 2017

A DUAL DEGREE MASTER'S CAPSTONE REPORT

Submitted to the faculty of Clark University, Worcester, Massachusetts, in partial fulfillment of the requirements for the degree of Master in Business Administration in the Graduate School of Management and a Master of Art in the department of International Development, Community, and Environment

And accepted on the recommendation of

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Ramón Borges-Méndez, PhD

Chief Instructor

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& Mary-Ellen Boyle, PhD

Chief Instructor

## ABSTRACT

### THE LATINA WOMEN & THE INFORMAL MICROENTERPRISE

Ivette Olmeda

The informal economy refers to economic transactions that are not generally recorded through formal business compliance systems such as licensing, taxes, permitting and others. Informal economic activities are primarily completed through cash transactions.

This research explores the perceptions, intentions, and motivations of Latina women to operate informal microenterprises in an open market. The research consisted of interviews with five Latina women from Worcester, Massachusetts to gather information and ultimately understand why they are not entering formal entrepreneurship systems. The interviews supported existing research in which women state that they operate these microenterprises to bring in additional sources of income for their homes. A second aspect of the research demonstrates that these women also choose to run these microenterprises due to barriers to entering the workforce such as language, childcare, formal education, and credentials. The research summarizes and reflects on these women's cases, experiences, and perceptions about formalizing their microenterprises. The analysis of the data and interviews with participants and existing resources lead to recommendations that clearly outline the gaps in services to meet the needs of Latina women who currently operate informal microenterprises.

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Finally, I want to extend my appreciation to all the participants of the study who put their trust in me and agreed to participate in the interviews. I thank you all for sharing your personal stories and experiences in the informal sector. Your kindness and willingness to travel with me is deeply acknowledged.

## DEDICATION

This paper is dedicated to my three grandchildren Gabriela, George and Sofia. They are our new generation, our future. Their love and smiles have given me the strength to move forward and shine through the most turbulent of times, times when I wanted to give up. My hope is that my example lights a path for them and motivate them to persist, to endure and to move through.

I would also like to thank my husband for his patience, for taking the entire household financial burden. And to the rest of my family and friends I want to express my gratitude for their emotional support through this time of my life. Above all I thank you, the Almighty God, for giving me the greatest gift that I could ever have, His unconditional love. Thank you to everyone for your support, love and friendship.

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## **I. Introduction**

This research looks at the informal economy, specifically the informal food microenterprises in the city of Worcester. The research relies on literature review and interviews with five Latina women who live in the Worcester County area and currently run informal microenterprises from their homes. This research explores the perceptions, intentions, and motivations of Latina women to operate informal microenterprises in an open market. The interviews research from case studies, including research from developing countries where women state that they need to operate these microenterprises to bring in additional sources of income for their homes. Many of the women interviewed are operating microenterprises similar to the ones they were allowed to operate in their native countries and communities where there were no regulations to operate a business out of your home. A second aspect of the research demonstrates that these women also choose to run microenterprises due to barriers. Common workforce barriers include business specific education and credentials, language, childcare and formal education. They are not aware of how to navigate the existing resources in order to start a business or enter the workforce.

A second group of interviews and meetings with community leaders from faith-based and non-profit organizations were implemented to understand the resources that are available for formalizing microenterprises. The conclusions and outcomes of this research illustrate a potential gap in services that are specifically targeting Latina women and connecting them to resources that exist for their social and economic well-being. There may be an opportunity to create a niche service that would include a network of mentors or coaches that are more established with Latina women who are new to this country.

The term “informal” in this paper refers to business activities that operate outside the legal and regulatory economy (Loayza, 2016). A formal business is a business that meets the legal compliance of its state and city in order to do business with the proper registrations, licenses, and permits required. An informal business conducts business activities and is not registered with either the state or city. In other words, an informal business does not meet the compliance of legal registrations and tax codes regulations according to the U.S Internal Revenue Service (IRS). The formal sector consists of the businesses, enterprises, and economic activities that are registered, monitored, protected, and taxed by the government compliance. The informal sector is comprised of the workers and enterprises that are not under government regulation (i.e. WEIGO, 2012).

This research will summarize and reflect on these women’s cases, experiences, and perceptions about formalizing their microenterprise. This paper will analyze the question of why these women choose to stay in the informal sector if they are given the opportunity to formalize their businesses and enter in the open market. Is it a matter of choice, or are there additional barriers to entering the formal sector? Is it both a question of choice and barriers? The findings will reflect the factors that inhibit them to formalize their businesses. An analysis of the interviews, literature review, and additional data demonstrates that the existing resources are not meeting the needs of these women. The analysis of the data and interviews with participants clearly outlines gaps in services to meet the needs of the Latina women who currently operate informal microenterprises.

In order for the community to support these small microenterprises, the City would need to provide directed resources such as vocational pathways, childcare, transportation, and

stackable credentials, which are part of a sequence of credentials that can be accumulated over time and move an individual along a career pathway or up a career ladder. The stackable credentials will allow them to learn as they earn or do internships. As a young immigrant community, Latinas face many challenges to navigate the services. If the City were to ensure that the resources in the community are designed with the cultural competency needed for this large community, then the impact to empower and provide leadership opportunities for these women would be exceptional. For example, if stackable skills were made available in their native languages, along with information on how to navigate the services needed to establish their own enterprises, then they would be more likely participate in the open market.

This research has three objectives: 1) to examine the ambitions of those who participate in informal businesses, 2) to examine their awareness and experiences with business resources and entrepreneurship and 3) to analyze their perspectives about formalizing their businesses and if there are any factors that inhibit them from doing so.

This research is interested in answering the following questions:

- What motivates entrepreneurs to stay in the informal systems of the economy?
- Are informal entrepreneurs aware of the resources and support that exists in the formal economy?
- If so, what motivates their decision to stay in the informal system?

The research illustrates that informal economic activities seem more common in disadvantaged and low-income areas. These areas are also highly populated by Latinos or immigrants who mostly live in rental properties. The informal sector serves to fill gaps in household income levels.

The research focuses on the Latino population in Worcester and surrounding rural towns. According to the 2010 Census, Worcester's population is approximately 21% foreign born and it is estimated to continue to grow. Latinos comprise a large majority of this foreign-born population, for example the 2000 U.S Census shows persons of Hispanic or Latino origin at 15% but in 2010 U.S Census, that number is 20.89%. The Latino community is a young, vibrant and growing population. When looking at some other determinants of the informal economy, an interesting statistic is speakers of "languages other than English," representing 34% of Worcester's population in the 2010 Census. The Latino share of Massachusetts' population grew from 4.8% in 1990, to 6.8% in 2000, to 10.5% in 2013 according to the U.S. Census Bureau.

Lower wages or poverty is also driving forces to informal economy since participants in this economy are looking for supplemental income to meet the gap from their lower wages. In the report of 2013 by the Mauricio Gastón Institute, University of Massachusetts Boston, Latinos have a much younger median age (25 years) than the White race (41 years). The data suggests that Latino families have young children and will require an investment in their education to get them to a better economic position. Providing the necessary tools for Latinas and immigrant women will increase their skills and talents and in turn it will strengthen Worcester's neighborhoods, it can advance our growth to maintain a productive workforce, and Latinos are poised to make better contributions to Worcester. Attached is a demographic profile of Latinos in Worcester from the ACS 2014 (5-Year Estimates), Census 2010.

Hispanic or Latino Population Demographic in Worcester, Massachusetts

<b>Female householders, no husband present, family household</b>	51.3%	
Hispanic or Latino 16 Years Old in Civilian Labor Force:	15,049	
Employed	12,915	85.8%
Unemployed	2,134	14.2%
<b>Average Household Income By Race (In 2014 Inflation Adjusted Dollars)</b>		
Average household income (In 2014 Inflation Adjusted Dollars):	\$62,542	
White Alone Householder	\$65,942	
Black or African American Alone Householder	\$54,385	
American Indian and Alaska Native Alone Householder	\$49,343	
Asian Alone	\$63,937	
Native Hawaiian and Other Pacific Islander Alone Householder	\$112,378	
Some Other Race Alone Householder	\$31,347	
Two or More Races Householder	\$40,972	
Hispanic or Latino Householder	\$37,393	
White Alone Householder, not Hispanic or Latino	\$70,671	
<b>Per Capita Income (In 2014 Inflation Adjusted Dollars) (Hispanic or Latino)</b>		
Per capita income (In 2014 Inflation Adjusted Dollars)	\$12,788	
<b>Poverty Status in 2014 (Hispanic or Latino)</b>		
Hispanic or Latino Population for whom poverty status is determined:	36,584	
Income in 2014 below poverty level	14,964	40.9%
Income in 2014 at or above poverty level	21,620	59.1%

Source: American Community Survey (ACS) 2014 5-Year Estimates; Social Explorer; U.S. Census Bureau

While the research is focused on Latina women, one significant aspect of the Latino household is the number of children who are enrolled in the Worcester Public Schools. Latino children enrolled in the Worcester Public Schools are at almost 42% of the total school population, much higher than the state rate of 19.4 percent.

<b>Enrollment by Race/Ethnicity (2016-17)</b>		
Race	% of District	% of State
African American	15.4	8.9
Asian	7.4	6.7
Hispanic	41.8	19.4
Native American	0.2	0.2
White	31.1	61.3
Native Hawaiian, Pacific Islander	0.0	0.1
Multi-Race, Non-Hispanic	4.1	3.4

Source: Massachusetts Department of Education

Other characteristics of the informal business participants in the city are minority groups and immigrants. The most prevalent ethnicity in Worcester County followed by White is Latinos who represent 21% of the total population. The target population of this research is Latina women, immigrants from Central and South America who participate in the informal marketplace, specifically in the food industry. Even with a growing Latino presence in the small business area, it is clear from this report that a large number of informal microenterprises continue to exist, evidenced by social media and business cards

circulating in the community and especially around the holidays, when the large Latino population relies on the informal market to buy their traditional foods.

Hacienda Don Juan, Talitas, Sol of Mexico, El Patron, and others are all small Latino-owned businesses who have established businesses with the proper licenses and regulations in the last five years. They are examples of established small businesses who have formalized and operate as retail operations in this city. Potentially, they can be examples of Latino owned businesses who have figured out the systems to operate a small business enterprise. This group of small businesses can be interviewed for future research to determine how they have navigated the services available to establish a business.

The activities of the informal economy are vibrant in our city and therefore, an understanding of what causes individuals to essentially create their own source of economic survival is vital to the study of informal microenterprise and their participants. A literature review demonstrates a common agreement that informal self-employment provides supplemental income for people who's social, economic, legal, educational, and marital circumstances may deny them access to good paying jobs. This consideration is particularly important for Latinas and other foreign born women who oftentimes are the breadwinners for their households and often supplement family income through informal self-employment in different industries. According to a five year review of Census data the number of females have increased in Massachusetts. Latina women have the second largest percentage at 19.2%, the second largest percentage followed by the Black or African American. Paying attention to the growth of this population, we will examine the challenges and barriers they face in our community, as well as current movements and resources that promote equality

among entrepreneurship and small businesses across different cultures and economically stressed areas of Worcester.

This research will cover five sections. First, the research will cover a literature review about the informal economy including definition, motivations for its existence, and barriers or opportunities that it presents to the participants and what factors will contribute to the formalization of the informal microenterprises. Secondly, for the methodology section, we will attempt to answer the question of the motivation and perspective of formalizing their businesses. We will also include others findings from interviews with the business resource representatives and community leaders. An appendix number three will shows a matrix list of current business resources and organizations whose main mission is to provide technical support for small businesses with some difference in their niche clients. The third section will be an analysis of the cases and interview outcomes. Fourth there will be a conclusion and recommendations. Finally, this study will end with a business proposal for a business and leadership resource center that is tailored to the population that this research has targeted. This center will serve not as a welfare service, but instead as a bridge to their success based on their needs. It will help women to develop their own leadership skills and offer access to the formal business sector. This center's services might be available in their native languages, along with information on how to navigate the services needed to establish their own enterprises, gain credentials to work, and obtain higher wages and promotions. In the cases for those for whom formalization is not a viable route, this center would offer women opportunities to develop leadership position within their own community. Filling the gap for this population will also create a community responsibility to allow the women be



able to learn in an environment without leaving unattended children by providing childcare service while they are learning and developing more credentials. The culture of the center is that women will be able to be role models of leadership for their children and family at the same time that they obtain skills and access to city resources.

This research does not focus on any quantitative data of the informal activities, as there is a lack of identification systems in Worcester that keeps a record of the informal economy. As the informal businesses are not registered, it would be difficult to determine the real size of the informal economy from this point of view. For this reason, information will be based on qualitative data, although demographic information and other characteristics that describe the participants of the informal economy will be provided.

## **II. Literature Review**

While most existing research focuses on the informal economy on developing countries, this research considers the importance of this phenomenon within the United States. This literature review will look at the definitions of the informal sector, the motivations for those who are involved, the methodology approaches used in this study to present recommendations based on the research methodology and present the best ways to formalize informal businesses and promote potential economic growth.

In order to extract the responses from the case study, analyze them, and put them into the context of this literature, it is necessary to have an initial understanding of what the informal economy in the United States is and to distinguish it from informality in developing countries (Chen 2012).

## **2.1 What is the Informal Sector?**

Researchers have presented the participants in the informal microenterprise in developing countries as street vendors who provide easy access to a wide range of goods and services. The International Labor Organization (ILO) conceptualized the term “informal economy” as “all economic activity by workers or economic units that are – in law or practice – not covered or sufficiently covered by formal arrangements.” This definition was presented and adopted at the ILO Conference that took place in 2002 in Geneva. One of the most popular definitions is the unregistered activities that contribute to the measure of the Gross Domestic Product (GDP) which is one the most valuable indicators for the economy (Schneider 2002). Economists explain that when we see the GDP slowing down, this could lead to much insecurity such as layoffs and an increase in the unemployment rate.

What is considered informal business or conducting informal business transactions? Informal businesses can be the activities conducted informally that are of legal nature; they are not of criminal nature, but are conducted without following the formalities established by the official legal framework and compliance established by government rules and thus are considered informal businesses. The individuals interviewed for this study are engaged in informal business activities and all have similar reasons for engaging in informal business, which is to have a supplemental income while receiving a minimum wage salary at their formal jobs. They have all conducted informal transactions since none of them have registered their businesses at any scale and have not followed the compliance for the state to formalize their business. Instead, they all cook in their own personal kitchens and keep a

standard and loyal clientele. Many studies show that this is a way of avoiding paying taxes for their earnings, however, the reality based on the interviews is that the women's main need is to have "money under the table" to survive. Their market is mostly a niche market within their same ethnicity. One key aspect that informal businesses share is conducting cash transactions in order to avoid any record of the transactions (Malm 2003).

Research points to several explanations for the informal economy. We hear about "underground economy;" which this has also been called "business done under the table" (Fernandez, Garcia 1989). From the conceptual standpoint, the informal economy refers to the individuals and organizations that operate outside the scope of the legal system. Since informal enterprises are unregistered by the government, they are essentially non-taxable entities. Some may view these businesses as illegal; however, it is illegal in the sense that it does not participate in local licensing and does not report earnings. Currently, in the United States the informal activities are defined as legal, but unregulated (Edcomb and Armington, 2003; Losby et al., 2002).

Informal businesses have developed as a method to alleviate poverty, replace a main or add a supplemental income, while at the same time keeping a lower cost of operation (Light, 2004). In some developing countries, where poverty and the unemployment rate are high, the informal sector became more popular and some of these countries are more tolerant of the existence of this type of economy. Each country has different regulations and levels of tolerance on informal microenterprise. Social, economic, and political factors have an influence on the formal and informal economy. Some external environmental factors that affect the need for informal micro-enterprises are: increase in Latino/Hispanic populations

due to recent economic strains in countries such as in Puerto Rico, Venezuela, and Colombia; the unemployment rate; the reduced of funding that support immigrants and minorities groups and their needs through government agencies; and atomization in the labor which requires more education and particular trainings.

Researchers have different opinions on the advantages of the informal businesses. One of the main debates is the impact of informal economy in the economic growth and the reduction of poverty (Justin and de Laiglesia 2009). The production in informal microenterprises is slow and more limited than the formal business sector. They do not have the commercial infrastructure to produce more; they do not have the resources to reach the supply side, and they tend to charge less for their products than small formal businesses.

There are clear differences between activities that are legal and illegal no matter where or how they are conducted (Schneider, 2002). For example, take selling cake out of one's home and engaging in prostitution or drugs. One is a criminal activity, while the other, is more of an experimental enterprise concept. There is a difference to establish legal and illegal business activities and they can be distinguished in the manner of how the products and services are produced and exchanged to the consumer (Losby, Kinglow 2002). For example, baking a cake and sell it on a bakery is perfectly legal; however; producing the cake on unregulated settings is consider a violation of zoning permit, the Department of Health and to the law by not reporting revenue and avoiding reporting the income on their taxes. One common aspect of the informal sector is the cash transaction only rather than using checks or credit card payments in order to avoid any recording of the transaction

(Losby & Kinglow 2002). In addition to the cash transaction the informal business also use bartering each other without any reporting in taxes.

A social network characteristic is part of the informal economy and those are more prompt in those communities and local neighbors where a close tie exist with their neighbors, family members and culture (Losby & Kinglow 2002).

This research identifies businesses that engage in the informal economy locally in the Worcester County area and the factors that motivate them to stay within this informal business structure. By conducting primary research along with an extensive review of local business resources and business regulations, this research attempts to understand the reasons and motivations of why informal networks continue to exist even when the city provides businesses resources.

Another characteristic from the informal economy is that women are considered more active in the informal sector due to their family responsibilities and need to balance with work (Losby & Kinglow 2002). The increase in the informal economy shows growth of the labor force due to demographic factors, an increase on business activities, particularly of women, and in the areas of rural-urban with migration. The literature indicate that women are much more likely than men to leave and re-enter the labor force at different times over her life cycle specifically when they have children and low wages that do not allow them to afford childcare. All of these factors leave the women with no access to lifelong learning and they are often end up in informal jobs.

## **2.2 Motivations for Informal Microenterprise**

In order to understand the motivations of whether or not be in the formal sector, it is important to examine how fear influences the decision process. Fear and doubt has been identified as one of the emotional elements associate with the entrepreneur decisions (Foo 2011).

Motives to start entrepreneurial adventures are different for individuals whether they are in developed or less developed countries; however, they have two classifications: financial and non-financial. Motives include seeking challenges, independency, and flexibility to achieve wealth and success (Thai and Ngoc 2010). In a study in Sudan, a developing country, found that the main motivation for the women to engage in the informal economy was the need for survival rather than independence or the want of wealth (Welsh 2013). (Thai and Ngoc 2010). One of the drives to work informally is to avoid the tedious work of the registration process and taxation, but clearly, others do so by necessity (Garcia-Bolivar 2006). Many researchers will argue that avoiding taxation is one of the reasons to stay in the informal economy (Thai and Ngoc 2010). I challenge this argument based on my interviews with women who did not know about commercial tax rate. They think of their involvement in the informal economy is about a mode of survival, or making a supplemental income from what they currently earn. In the other cases, some formal businesses stated that high taxes are a big challenge for those who have small pieces of the economic pie. In general, high taxation, whether commercial or residential, encourages taxpayers to avoid reporting activities in order to avoid taxation (Thai and Ngoc 2010). Another correlation for the informal businesses

participants is the costly process to register and startup costs of a business. Long processes on licensing procedures can delay a business from opening their door.

Would it be possible to prove that the motivations for the informal business owners and the formal business owner are different, the same, or similar? Could we arrive to the conclusion that starting a business adventure is some kind of necessity? The goal of the participants of this study was to run their informal businesses on the side in order to earn enough income from their self-employed position to support themselves and their family members. The responses from this study demonstrated that these cases are not the type of entrepreneurs that were pulled into starting their own businesses, but instead, they were forced to be entrepreneurs.

### **2.3 Formalization**

One of the issues that might interfere with formalization is the lack of benefits (Garcia-Bolivar 2006). Formalization might not be for all enterprises. Some of them will not have a choice other than to stay in the informal sector. Weighing the benefits against the high cost to formalize, may not make sense for many microenterprises. Formalization requires a high cost to invest and operate; and if these costs are not balanced with covering owners' needs such as health plans, access to credit, and continuous training and mentoring, then the formula is out of balance (Garcia-Bolivar 2006). The literature states that in order to encourage and empower microenterprises to formalize, the reforms need to maintain an equal term between the cost and benefits. Previous studies have demonstrated that eliminating business obstacles at the same time that business opportunities increase can create greater incentive to more businesses to formalize (Garcia-Bolivar 2006).

Formalization has different dimensions. In addition to the most common steps to formalizing a business, these steps include registration, licensing and permits, paying taxes, and writing business plans to obtain capital. Women who operate informal enterprises will see the steps to formalize as a high cost for them to enter in the formal market. What the participants of the informal microenterprise are looking for is to obtain the equal benefits that other established businesses have (WIEGO Working paper 2002). Previous research has proven that many reforms to incorporation become obstacles for the implementation of business formalization.

Gender is a factor that might affect the step to formalize. The most common reason of why women enter into informal businesses is the need for supplemental or multiple incomes (Thai, & Turkina, E. (2012). Theabud (2010) finds that in the U.S., benefits such as human, social, and financial capital are the same for men and women; however, women tend to think they have less ability than men to be entrepreneurs. The rates in the Western countries for female self-employment has risen and it is believed that this might be caused by women's need for flexible schedules (Thai, & Turkina, E. 2012). The fact is that women are most likely to seek independence and financial benefits for themselves and their families as they seek the flexibility to maintain the balance between family and work (Wilson et al. 2007).

Entrepreneurship theory presents three main barriers for informal business to reach formalization: the lack of support, fear of failure, and lack of competency. For example, participants in informal microenterprises might remain in the informal sector due to incorrect assumptions about business incorporation. Many of them might have the



assumption that it is very costly and that they will not obtain capital to fund their business. This is an observation on how the information is disseminated through the city and the business resources and it may not reach the anticipated audience properly.

Finally, many informal businesses might not be ready for formalization due to small size of production, small demand, financial challenges, and family demands. Promoting formalization also means adapting tools, trainings, and outreach mechanisms to minority groups and the broad diversity of those who are most disadvantaged. The resources need to be more sensitive and pay attention to issues such as family businesses, less visible outlets, lower educational attainments, gender, ethnicity, and other related factors or constraints (ILO 2007). While formalization of informal microenterprises considers favorable for many existing formal small business owners and their own circumstances, it can be unfavorable for others. An evaluation is all necessary and an evaluation in a case by case rather than a general rule (Ramani, Thutupalli, Medovarszki, Chattopadhyay, and Ravichandran 2013). In order to ensure the business sustainability of women's ventures in the informal economy, any sort of formalization must occur through a gradual process accompanied by intermediaries

### **III. Methodology**

The study cases was conducted in the city of Worcester which is the second largest city in Massachusetts with 184, 817 population represented by 50.8% females and 49.2% males (ACS 2011-2015 5-years profiles). Worcester median gross rent is \$1,014, male median income is \$27, 384 and for females \$20,027. Worcester, being one of the largest cities in Massachusetts, and having a steady growth of Hispanics and other foreign born

populations, has a need for supplemental incomes. The more updated momentum has continued with the revitalization of the downtown area footprint allowing more investors to be interested in the area and to consider it as something worth developing.

In 2016, the business incorporation in the Worcester area had an approximate increase of 19% from 2015. This translates to more than 2000 new business incorporations in the Worcester County. The concentration of those business incorporations has happened in the areas of the City of Worcester, the Town of Shrewsbury and east of Northborough and 700 hundred of those businesses were established in the city of Worcester.

As I conducted the six interviews for this research. It became clear that I faced numerous challenges regarding the willingness of interviewees to have an honest and open conversation. Two of the five responded to my request to be interviewed, but asked that I not write about their situations. Respecting their wishes, two of the cases will be used as references from my conversation scripts but I will not have an individual written section of their story. These women were recruited through my personal relationships in the community and by referrals among each other and community leaders. One major characteristic that I observed among all interviewees was that the women were willing to have a simple conversation, but did not want to be recorded.

Speaking with each of these women was an exciting experience. I faced challenges of finding time within their schedules. Some interviews were conducted with children around us. With the exception of two cases, they all have small or teenage children at home. This research focuses on the Latino population who has citizenship status in the United States and for those who produce food in non-commercial kitchens. Having a type of legal

status allows the individuals not only to receive legal recognition for their business, but also allows them to have the opportunity to access United States capital. In order to conduct business in the United States, generally the person needs either a green card, which entitles the individual to remain in the United States, or one of the temporary visas that allows him or her to engage in entrepreneurial activities.

This research focuses on the Latino population with citizenship status in the United States and for those who produce food from non-commercial kitchens. Having a type of legal status allows the individuals to receive legal recognition for their businesses and gives them the opportunity to gain United States capital. In order to conduct business in the United States, generally the person needs either a green card, which entitles the individual to remain in the United States legally, or one of the temporary visas that allows him or her to engage in entrepreneurial activities.

The demand side is subjective and derived by the supply provided in this research study. In order to understand the women and the informal enterprises content, the researcher conducted qualitative open-ended questions approved by the Institutional Research Board. Questions are included in the appendix. The participants in this study were recruited through personal connections. I interviewed five Latina women from Worcester, Massachusetts to gather information and ultimately understand why they are not entering the formal entrepreneurship systems. Exhibit 1 presents the social and demographic characteristics of each participant. Exhibit 2 describes the characteristic of each business operation.

Exhibit 1: Characteristics of the Study Participants (Social and Demographics)

<b>Participants</b>	<b>María</b>	<b>Rosa</b>	<b>Carmen</b>	<b>Luisa</b>
Age	55	36	32	35
Gender	Female	Female	Female	Female
Ethnicity	Hispanic	Hispanic	Hispanic	Hispanic
Residency in US	25 years	14 years	25 years	19 years
Geography	Worcester	Southbridge	Worcester	Worcester
Marital Status	Married	Divorced	Unmarried/living with partner	Married
Household Structure	No children	2 children	4 children	3 children
Labor Status	Full-Time	Full-Time	Part-Time	Stay at home mother
Housing	Own a house	Rental	Rental	Rental

Exhibit 2: Characteristics of the Participant's Business

<b>Participants</b>	<b>María</b>	<b>Rosa</b>	<b>Carmen</b>	<b>Luisa</b>
Product (food)	Variety	Bakery	Bakery	Variety
Clients	Local	Local	Local & non-local	Local
Prices	\$3-\$250 per units or amount of serving	\$50-\$130 per unit	\$25-\$200 per unit	\$2-\$250 per unit
Kitchen Use	Home	Home	Home	Home
Marketing	Word of mouth and social media	Word of mouth and social media	Word of mouth and social media	Word of mouth and social media
Motivations	Supplement Income	Supplement Income	Supplement Income	Supplement Income
Want to Formalize?	Yes	Not Sure	Yes – Not at the moment	Yes – Not at the moment
Knowledge of Business Resources	Yes	No	No	No
Interaction with Business Resources	Yes	None	None	None

The questions established a friendly environment in which the women could express their personal experiences of working in the informal sector. I finished by asking them if they are interested in formalizing their businesses. Through the interview process, I learned what motivates these specific women to operate informal food businesses, along with their personal challenges that prevent them from being able to formalize, their opinions on formalized businesses, their aspirations for their businesses, the kind of approaches they have with the business assistance and resources available, and the barriers that prevent them from transitioning their businesses into formal markets. These stories will also help in revealing some of the current governmental policies that are currently in place to encourage formal enterprise.

The results from these interviews will be summarized in a report and for keeping their confidentiality, this paper will use pseudonyms. Interviewees are referred to as Maria, Rosa, Carmen and Sandra. The intention of this report is to protect the personal identity of the women, and no real names or addresses will be revealed. The participants are Latina women who do business in the Worcester County area, particularly in the food industry. Participation was voluntary and subjects were not coerced in any way. This research seeks to understand how they entered the informal business sector and their perspectives on consuming products that are not regulated by the Department of Health.

The interviews conducted with the study participants were open-ended and dialogical. This method built trust and allowed the participants maximum freedom in expressing the views that mattered to all of them. All the interviews were conducted by myself. Four of the dialogues were held at the participants' homes, and one by phone. In

every case, the research purpose was explained to the participants before the start of the interview. I requested permission to record before I started asking the questions. I informed the participants that the interviews would be used in an essay and would be published, but confidentiality would be protected by using pseudonyms instead of their names. Of the five cases, two refused to have their stories published; however, our conversations were very open and have made a good contribution to this study. In every case, professional discretion and a bond of trust have set limits to the valuable information obtained in the research presented in this paper.

I structured the dialogue by introducing several general themes into the conversation, for example, by expressing an appreciation of their cooking skills. Conversations began with questions about particular food, taste, restaurants, and specific event in their lives. These were followed by specific questions about their motivations for starting an informal business, the kind of challenges and advantages they have had with their businesses. We talked about their clients, their typical production processes, their visions, their positions about formalizing their businesses, to what extent these women are interested in formalizing, and how willing they are to move forward with this step.

I also conducted interviews with four main business resource providers including a governmental agency, the Economic Department of Business of the City of Worcester. In this section of interviews, my intention was to find the specific uniqueness of each program that is provided by the business resources entities, and to understand their experiences with informal businesses and minority populations. I then analyzed the correlations of their services and programs and what impact it has towards supporting the formalization of

informal businesses. I was also eager to find out through these interviews whether formalization for these micro informal businesses makes sense.

In the appendix section, it is a list of all the non-governmental and governmental business resources available in the Worcester area and their target clients, services, and programs. This research hopes to find a way of rethinking the inclusion of those who operate in the informal sector and conducting business transactions through an informal enterprise into the fold of city businesses, to facilitate transitions not only for the taxes but also for the overall development of the city. The formalization of more businesses will contribute to the economy's growth. I want to analyze the awareness of the services for them and their perception of business resources. Finally, my analysis leads to a possible solution that can fulfill the needs of these entrepreneurs who are willing to participate as registered businesses in the open market.

This research do not focus on the quantitative data of informal enterprise, as it would not be possible to gather accurate figures. My goal was to conduct a research study, utilizing qualitative methods, to learn more about the factors and variables involved in the existence of informal businesses for the Latina women in the food industry. Hopefully future research will use the same methodology in other cultures and other industries. This research will be a way to inform the city officials and leaders of the challenges immigrant Latina women face starting a formal food business in our city.

This research introduces variables and factors from the Census in order to project the growth of the Latino population at the state and local level and to identify the impact of

Latinos' purchasing power in the economy. Other races and ethnicities will be contemplating as second variables where informal businesses are also a practice.

#### **IV. Summary of the Cases**

The participants responded with similar answers. They all agreed that they were running some risk running an informal business. At the same time, they expressed fear as a barrier to formalizing their businesses as participants in the open market.

Each of the Latina women came to the United States under different circumstances. Some faced the challenges of having a large family or small children, some are married, or live with a partner, and others are single women.

The interviewees are individuals who identify as Latinas female from the ages of 30 to 59 years old. Two of them have regular full-time jobs, one has a part-time job and others are stay-home moms with part-time jobs. Their nationalities include: Venezuelan, Puerto Rican, Dominican and Salvadorean. They are all from the Worcester County. All these women are hardworking and dedicated individuals who constantly look for opportunities to care for themselves and their families. Three women allowed me to use specific information from their stories. The other two cases only agreed to answer the questions for the purpose of this research; however, they did not want me to expose details of their businesses as individual cases. I do use their outcomes and the information extracted from data and findings in order to support the study. The five women in this sample described their own food businesses in which they are currently practicing from home. There are three types of services focuses: those who focus on preparing daily or weekly meals to individuals or catering major events



such as weddings and other celebrations; those who focus on specific cakes or pastries by specific orders; and those who focus on seasonal meals and drink preparations for the holidays.

One of the case study grew up in Puerto Rico in a low-income family and has participated in the informal workforce to in order to meets her family's financials needs. This is of interest to me for this research in order to reveal the cultural and socio-economic impact of the informal sector and to help these groups make the transition from informal to formal. My career experience at a Women's Business Center for ten years, provided me with expertise in the field of business start-up for women entrepreneurs. During those one-on-one sessions, I came across successful women and other hard working individuals who managed to stay in business while others did not have viable financial businesses. I personally saw a small percentage of Latinos who take advantage of the resources while others were unable to take advantage of the business sources available to them due to personal issues that did not allow them to participate in the program. I have personally been a client and consumer of many informal specialty food products and services from these businesses in the Worcester area. The reason I sometimes use the food informal businesses is due to their convenience, flexibility, and authenticity of the traditional food.

It was difficult to determine their monthly earnings from their informal business because they do not keep a separate expense from their home and business expenses. In each of the five cases, customer only paid in cash. The average monthly gas expense was between \$150.00 and \$300.00. In some cases, they were able to tell me their average expenses on ingredients for their food preparation. They all spoke with pride about the

uniqueness of their products. Some of them have experience with business resources, but all of them believe that the resources are not a viable alternative source to help them. One of the women did not have any knowledge about the existence of business resources. Stability was a main goal for all of them. For one of the women, having small children made the idea of having her own business seems like a challenge for her especially because she wants to reach a higher level of education. She blamed herself for making poor decisions and for now she holds onto her dreams and dedicates herself to working hard to bring food to her family. Each of the women who approved the use of their stories are in the following section. None of the cases contains any real names in order to protect confidentiality.

None felt comfortable in talking about their household income, though each stated that she and her family were living with a small income that was not enough to sustain the family.

Four of the participants have children, with at least two or more children under the age of ten. With the exception of one, English is their second language. The majority live in rental properties. Each woman spoke with pride about her business and her product, but many felt that formalizing it would not be a viable option for them. They gave various reasons for this opinion. None of the businesses represented more than 40% of the household income. They all shop at local supermarkets or wholesale membership based stores. Their equipment was most often bought online.

#### **4.1 Individual Cases**

Case 1: Maria

Maria is a Latina woman who came to the US in 1986. She started to bake cakes with her mom as a young teenager. She took a few courses on cake decoration in Boston; however, one of her final requisites was to complete an internship at a bakery. Due to the challenges of finances being tied, and having younger kids, she was not able to find an internship in Worcester and did not have the finances to travel to Boston on a daily basis. She chose to not continue. Being a mother of four children and having a part-time job, she continues the legacy of her mother by making cakes on her limited schedule.

She expressed that baking the cakes is a source of supplemental income for her and her family. Without that, she would not be able to pay all of her bills and be able to complete her holiday shopping. She felt proud when she talked about her cakes and expressed her thoughts on having a small business of her own where she can deliver to a small group of clients. She said that it is a challenge to bake from home with limited equipment. On average, it takes her six hours to make a wedding cake and sometimes more. She has not reached out to any business resources and did not know about commercial kitchen locations. Being a small business owner meant that she could feel pride about her products. She expressed her fears about operating her business from home; although she would like to formalize and be able to have the freedom to market herself, *“I am afraid that something will go wrong.”* She expanded on her fears about starting her own business due to the insecurity of business stability. For the moment, her plans are to finish cake decoration certification, and to find more details about using a commercial kitchen.

Case 2: Rosa

Rosa came from Central America twenty years ago. She is married and has two adult children and is taking care of two grandchildren. She spoke very proudly about her food and about the demand she gets from people. For several years, she cooked and sold daily lunches for her colleagues at work. She used to get paid weekly for lunches that she sold at her job. She cooked and sold between 20 to 25 lunches per week. Her clients were typical Latino women and men who were single and living in apartments or rooms where they did not have the facilities to cook. Additionally, she also cooked and delivered food for men who were undocumented and worked construction jobs and did not have their own transportation. Currently she has stopped selling daily lunches and now focuses more on special orders, such as catering for birthdays, weddings and other special occasions. She expressed how much she enjoys cooking and enjoys food, and she aspires to own a small shop where she can specialize in *arepas* and *tamales*. She describes her vision of a owning a Subway style business, but instead using *arepas* as bread, and the fillings will have a combination that target not only Latinos but non-Latinos as well. Now that her kids are adults, she thinks that time will be more flexible for having her own business. She knows a little about business resources; however, she would prefer to have training in Spanish, as her first language is Spanish. She fears being a small business owner because she would not know what to do if things go wrong. She said that one of the major concerns for her and her husband is to have medical insurance and they could not survive without that. She also struggles on pricing her products and does not have an exact fee except for the *arepas*, which she charges at \$2 each and \$5 for the *tamales*. Weddings and celebrations depend on how many people there are; those prices could vary from \$100 to \$300. One thing she was firm about was: “That money

helps me provide for my family and gives my kids a good education.” She also expressed that she the main bread winner in her household.

### Case 3: Carmen

She is a single woman who has worked at minimum wage jobs in order to pay the bills. She is originally from Puerto Rico and decided to start making traditional Puerto Rican cakes when she could not find them here; cakes from the US did not satisfy her taste.

Carmen stated she has never taken any baking or cake decoration classes. She has always had artistic skills and felt that once she had read the recipes in books and magazines, and watched videos, she could replicate those traditional Puerto Rican cakes.

As with any beginner, she has had some successes and some failures when she started. She began by selling the cakes for her family and close friends. After a few years and a set of twins, she took on a partner. She felt that she did not have a choice but to be a stay-at-home mother for a while, so she took on the cake making business as a way to supplement her income.

By word of mouth, the popularity of her cakes grew. She expressed regret at how many times she has had to turn down a customer because she could not take on more than two large cakes at a time. She recognizes that there are times she thinks she spends more on the ingredients than she gets for the final product. She does not keep a record of what she spends in her business which makes her difficult to calculate her gains from her informal business. Due to only having a part-time job she needs to supplement her income.

Her clients come from all over Worcester County and some parts of Connecticut. She admits that numbers are not her forte and her fiancée keeps telling her to charge more

for her products. The prep time includes shopping for ingredients, and actual production takes at least four days. In part, this is due to her responsibilities to her household.

Carmen says *“I would love to have my own business one day but I worry that something might go wrong or I might not get enough orders for the rent at a location. It also could be a problem when you teach someone your recipes and they steal your clients.”*

On the other hand, she believes that having her own business at a commercial location would give her more control of her time and would allow her to take more orders since she would have the proper commercial equipment. *“I know that having a place would allow me to do things by the book.”*

Carmen has heard very little about business resources. She knows that they exist but she has not approached any of them. She said that she has doubts about her success. She expresses this by saying, *‘sometimes I am my own worst enemy. I am critical of my own product even when everyone likes it.’*

She says that she would love to learn more about how to start a small business. She is clear that she would want to keep it small. She is wary of all the unknowns involved in being an entrepreneur in the formal market. After our interview, she proudly asks me to display some pictures of her products. Those pictures are displayed in Exhibit #.

#### Case 4: Sandra

Sandra is a young mother with five kids; two are under five, and the rest over 15. Her family migrated to the US when she was eleven. She mentioned how her grandmother was her inspiration in life. Her grandmother taught her to cook and be artistic from a young age. Carrying that love and passion for creativity and culinary art, she was a natural in the

kitchen. She comes from a big family so cooking for many people was never an issue for her. Today she has a recipe book that belonged to her great grandmother, which she wants to give to her daughter. This is another opportunity having this cultural cookbook printed in honor of her heritage and grandmother and daughter's future and perhaps could raise some money to open her own restaurant.

After having her youngest child, she stopped working. In the meantime, her husband has been the only source of income, which has pressured him into having two to three jobs. She felt the need to help her husband by putting her cooking skills into practice. She said that as the woman of the house she felt the obligation to help her husband. She takes care of the kids and the house, but she feels that she could do more. She became more active selling food for the public about seven years ago. She started by selling "limbers," a traditional Caribbean frozen crush with different flavors. She continued with "pasteles" and desserts. She reported to me that she made \$4,000 in three months from her sales. She saves the money for what she calls emergency funds. She shared that at one time the money was used to repair the family's automobile. She realized that it was not much revenue, but still a tremendous help for her family.

She realizes that doing business in the informal market gives her benefits and challenges. Benefits include that she can do it while the kids are sleeping. One of her teenagers helps her with the cooking and she counts it as a blessing. Sandra is very careful and strict with her kitchen codes such as cleaning and cooking with passion and love. Some of the challenges are that she always has some fear about doing things that are not approved of under the regulations of having a formalized business. She believes that love is an

intangible ingredient that she puts into all of her cooking and is part of her competitive advantage. She has not reached out to any business resources, but is aware of the commercial kitchens at some churches, and has used one once for an event.

Right now, she would love to have a restaurant; however, she understands that now is not the time. She realizes that she does not have capital to put upfront and no banks will lend money for her entrepreneur initiative. She might see herself in a small space with low operational cost and where she could sell to the open market.

## **V. Analysis of the Cases**

The sample cases only operate via cash transactions, and for the most part, do not separate between their business and personal finances. The women in this study expressed that the reason for this is to have secure and immediate revenue, and to avoid any personal issues of insufficient funds from checks. In a few cases, the women use the money for future plans such as school shopping, family vacation, and others; but for most they use the income to satisfy current debts and/or family necessities. The women seemed to understand that without extra income, their families would not be able to survive. Some made the following comments: “I work but the money is not enough,” “Life is hard and you need to find the ways to make the extra,” “My car broke down and I made two cakes that weekend and used the money for the repairs.”

Having an informal business was created by necessity in most cases. The research questions focused on the motivations, the perceptions of what it is to be an entrepreneur, and



the interest in formalizing their informal businesses. In each of these cases interviewed and observed, production was done in their own kitchen.

Operating in the informal structure allows these women to have the benefit of flexibility that is necessary with the balance of family and business demands. At the same time, they recognize the challenges they face as informal entrepreneurs. One of the challenges of not having proper certification from the Board of Health or other city entities is that they cannot sell their products to larger businesses or restaurants, nor can they participate in the farmer markets.

They recognize that having a cash-only policy is a limitation for their clientele, but that is a necessity at the moment due the lack of capital for investment in technology, and more importantly, to avoid the need to track their transactions. They also recognize that avoiding advancements in technology such as paying online is a continuous inconvenience for their clients. Their clients are for the most part local. Only one who has connections in Connecticut moves beyond the area. In most cases customers pick up the product, though there are those that provide delivery.

The majority of the women have limited or no knowledge of the business resources available. Nor do they understand how commercial kitchens work. Each expressed numerous views about the idea of formalizing her business. Some have a desire to do so but not enough motivation to move forward. For those with small children they see it as a possibility for the future after their parental responsibility is less.

Each woman has multiple responsibilities and expressed fears about formalizing their business. The fears are based on insecurity about losing everything that they've worked

so hard to have. They see that there is no guarantee for success. They have many questions about expanding and having enough resources. Currently, their customer base is limited to their ethnic or racial group for the most part. Would there be demand beyond that? They use their own kitchens that are often too small. Would it work in a larger setting? These are questions that would need to be answered for them to feel secure enough to move forward.

### **5.1 Motivation Factors**

The primary motivations for the women is to start on an informal enterprise was to have a supplemental income and a solution to survive in the current economy. The household income was not enough to cover their financials needs. Participants stated that their earnings are low and not enough to pay the bills and in other cases, are a way of having extra earnings for special occasions such as school supplies and Christmas time. They cannot rely on their low wages to support their personal needs.

The participants follow their family tradition for their culinary art. These women expressed a passion for the culinary arts. Some of the women described food preparation as a therapeutic time. They also had done it in their own native countries and communities for several years. Based on their responses they stated that the regulations in their native countries or communities are is not force it as it is in Massachusetts or the US. They operated with more freedom in their countries than in US. They stated that there are too many regulations to establish a small business and they have limitations to capital. According to the study published by WIEGO in 2012 by Martha Chen, about the informal sector and over-regulation in many countries raises barriers to working formally in conjunction with high costs to operating formally. The safety of having an

extra income through their informal microenterprise is what keeps them moving forward.

## **5.2 Family**

Some of the subjects could not afford to work even a part-time job due to the need to care for small children and the high cost of childcare. In this case, having an informal business allows them to have flexible time with their children. The roles of the women in these cases are consistently to care for children, the house, and in many cases, finances. The young women I interviewed have younger children and their family size ranged from two to four children. These women have needs that differ from men such as childcare and education or training program that match the children's school time. Participants of the informal micro enterprise for this research weigh the benefits to having a secure income more highly than the growth of their business.

## **5.3 Business Operation**

The women I spoke with expressed a sense of pride created by their business and their repeating clients. They feel a kind of security with the quality of their products' taste and presentation. They all expressed that their target clients were generally Hispanics. Although this did not limit them; they all have had an occasional customer that is not in their target clientele. Their market tools are for the most part word of mouth, loyal clients, and social media such as Facebook and Instagram. In some occasions, they prepare business cards. Their leading suppliers of materials are wholesales stores such as Wal-Mart, Sam's Club, BJ's, Amazon, and others. The most common was Walmart due the lower cost of supplies. These women are part of the local

economy as they shop locally and by location convenience from home. None of the women keep records separating their personal and business expenses. All of these women noted the difficulty that they have to establishing prices for their products. The lack of knowledge on pricing their product is a constant challenge for them as they charge based on their direct or indirect competitor. These participants recognized that they charge less than is normal in the regular market with some exceptions on the cakes. The women believe that having low prices will keep their clients happy. Others said that their main clients would not pay high prices. They are faced with small spaces to produce their product; however, they are able to handle their businesses in their own home kitchens. Many of the women stated interest in connecting with a commercial kitchen. The use of commercial space and equipment would reduce their hours spent on production

#### **5.4 Perceptions about Formalization**

Although many of them have heard about existing business resources, not many of them have interacted with these services or agencies. Fear is the primary barrier regarding the step to formalize their businesses. Their fears include the possible failure of the business, the loss of everything they have worked so hard to develop, the fear of the unknown, and the loss of income. There is also a fear based on trust. How do they know who to trust in those unknown agencies?

Most of the microenterprise owners were interested in formalizing their businesses, but said that they needed more information about policies, regulations, taxes, and access to capital. Many of them have already set their minds to the idea that the bank will not loan

them any money because of their lack of credit, or their lack of collateral. The perception of the need for a lot of capital to formalize their businesses keeps the motivation of moving forward to formalize them low. None of the women has the sense that their businesses would grow to mass production. The majority expressed the idea of starting small in order to measure their success before making a move.

Many of these businesses are not ready to formalize and could not keep a sustainable business due to the lack of knowledge and market share. They have limitations of market expansion. Although most of women in the study expressed that they would like to take some steps to determine if it is feasible for them to formalize or not. However, it seems that they all perceive a large gap between where they are now present and where they would like to be in the future. They mentioned few barriers that are in the way of that gap such as young children, lack of education and knowledge, losing the health benefits, paying bills, not having money to invest for their own education. One of the common factor the fear to formalization as they perceive that would require a substantial investment to move from their own place to a commercial location.

## **VI. Analysis of Existing Business Resources**

According to the government website ([massgov\business.com](http://massgov.com/business.com)), many cities have different policies in place designed to regulate the actions of business owners and vendors and they can vary in each states according to their respective regions. The government regulations, which include licenses, permits, zoning, fire and health approval, serve to ensure consumer health safety and for business ethics regulations. Businesses who are in

compliance with these government regulations is what makes a difference between those who participate in the formal and informal economy. One of the most common examples of the regulations by Zoning and the Department of Health is for any commercial cooking spaces to be inspected by a certified inspector for commercial kitchens. An informal business does not use a commercial kitchen, but rather they use their own personal kitchen. Worcester has a few certified commercial kitchens including religious buildings. The most recent commercial kitchen for rental to users are located inside Centros (Former Centro Las Americas) on Sycamore Street (Latino organization), off Main Street in downtown Worcester and in the town of Shrewsbury inside the Food Bank operated by the Regional Environmental Council. Currently, neither of those facilities are being used to maximum capacity. This is what makes the location, mission and vision of *Muevete* so dynamic. *Muevete* will be located in an ideal location where clients live and work. This in combination with child care provisions, ample parking and public transportation unlike the other locations will provide a strong and viable solution to meet the needs of current Informal Businesses that seek the education to become Formal Businesses.

Some cities have promoted programs and business resources and there is a Worcester Business Resource Alliance (List will be including in the Appendices 3 and 4).

In an interview with Peter Dunn, Program Manager from the City of Worcester, it appears as though a great job has been put in place to ensure more Spanish information is available. This unfortunately, is not enough for the clients that *Muevete* will serve. The issue with the City is that there continues to be barriers with the Informal Business client. These clients are not accustomed to visiting City Hall. While the City has improved upon its

language barriers, it is not a place where one feels encouraged to seek answers from a person they may encounter in a particular department. Often only English is spoken and there becomes a breakdown in the communication. It can be threatening to the person seeking the information especially if they cannot effectively communicate their needs. *Muevete* can act as a liason to the City. *Muevete* will have staff that understands and can communicate with the client the approach needed to meet their needs. After completing course work, the client will then have the confidence to work with the City to further explore how they can create their Formal Business. *Muevete* is in effect the bridge to bringing the clients expectations and dreams to reality. There are many reasons why some clients may wish to maintain an Informal Business, that said through the many interviews conducted it is clear that a large percentage have the drive to want to understand how to overcome the steps to becoming legitimate business owners. *Muevete* understands these steps and can identify clients and the proper process with which to bring clients to a new economic level for themselves and their families. The overarching goal of the program is to build the confidence needed to succeed. It is clear to *Muevete* that the population being served is not generally treated with the respect that is deserved.

## **VII. Business Plan for *Muevete* Leadership and Entrepreneurial Center**

### **Executive Summary**

*Muevete* Leadership and Entrepreneurial Center is a non-profit 501 (c) 3 located on 138 Green street, Worcester MA on the first floor with a 4,000 square foot space. Any gifts or donations to the center is deductible according to the requirements of the Internal

Revenue Service (IRS). The location has several businesses inside including a popular bakery café and open space where farmer markets meet on Saturdays for 3 hours to exhibit and sell small quantities of their products and services. The 138 Green Street building is located in a development area of Worcester and is known as The Canal district or Blackstone business district. Several small businesses have begun to flourish within the area including a diverse array of restaurants. The center will provide the methods and tools to aim and secure local leadership positions through entrepreneurial achievement, civic engagement and career advancement. The center will serve Latina/Hispanic and immigrant women. Offering a holistic approach with a culturally sensitive and adaptable operation for the Latina/Hispanic and immigrant women to develop their skills that allow them to compete in the labor and economic market. To attain economic self-sufficiency and independence for their own benefit and their families benefits. The mission of the center is to build realistic and attainable pathways for the future well-being and competitiveness of the women participants, their families and their neighborhoods.

Before developing the programs, the center will continue to conduct more interviews and surveys by working closely with the Latina/Hispanic and immigrant community to structure an ideal pilot program. Intensive research and interviews are necessary to determine different options and designs for the programs. Working carefully and critically programs will be designed to provide mentoring and technical support in which the participants evolve by learning and adapting to the tools and methods of the program that best fit their needs. *Muevete* will have the component of childcare services for the participants who require it. The Child Care program provides free care for children while their parents are accessing



services at *Muevete* courses and trainings. Children 8 months to 12 years of age participate in a wide variety of structured activities designed to educate them in cooperative play, good health and academic success. *Muevete* will contract a child care license who will lead this service under *Muevete*'s contract.

Prior research has shown women who operate informal businesses from their homes often take care of their children while earning a supportive income. One of the center's values is to keep families together and have mothers who serve as role models for their children become strong, healthy families. *Muevete* programs embrace several principles from numerous existing institutes that have similar missions and serve the same type of population across other states. Many of these organizations have long-lasting years of service that have been proven through intensive research and evaluations to give way to success stories as evidence by programs like *Muevete*; reshaping the future of individuals and their families. Improving access to different services, education and trainings. The program will be divided into three main modules with the first one being, Leadership, the anchor of the other two modules which is the Entrepreneurial and the Career modules. The leadership module can be described as bridging the cultural and economic gaps faced by these women and assisting them in their search to find leadership roles within their families and communities. Providing the best methods will allow these women to fully utilize their capabilities in order to transition to a more sustainable future. This potential future includes better incomes, jobs, stable housing and overall increasing the formations of small businesses, particularly those who are in the food industry. The University of Minnesota has conducted a study looking at a local Latino/Hispanic community showing the importance of

agencies and government understanding the dynamics of working with Latino/Hispanic and immigrant residents to build long-term community vitality.

The Entrepreneur module will follow the example form the La Cocina organization from San Francisco, California who serves 94% women with 70% parents and 60% immigrants. Their data and real life success stories demonstrate strong evidence in helping and cultivating low income food entrepreneurs who formalize their business through the assistance of the La Cocina model based on specific industry technical assistance. One of the true successes of this program is that an industry specific technical assistant can help the participants reach open market opportunities.

The career module will be tailored to provide job-readiness training in the food industry based on the demand of existing jobs. For the last two modules, the main component is having a commercial kitchen in order to teach practical skills these women need to advance in this type of career. Marketing will be conducted though all social media/telecommunication platforms and by keeping a close relationship with non-profit organizations including the faith based groups who serve these communities. *Muevete's* programing is designed to develop innovative solutions that take into account the unique needs of Latina/Hispanic and immigrant women in order to achieve integration into their local communities. It is also key for these women to navigate local systems with confidence to start their own businesses, become civic participants through leadership development and understand small business planning with micro-loan accessibility. Programs will be monitored by individual feedback from assigning mentors after each module period. These mentors can provide nurtured connections with the participants while monitoring how the

women have adapted to the program. This mentoring will help the center measure better the performance and understand the outcomes to continue improving methods and tools and make recommendations to the other agencies who work with similar populations.

The Center will operate from Monday through Friday based on the module's days and hours that will be offered. Commercial kitchen will be rented from Birch Tree Bread Company Bakery and Café located in the same building. They are well known for their own brand and homemade bread. They are closed on Mondays which will be the night that the center could rent the kitchen space for teaching practical and safety skills in the food industry.

The organization will depend strongly on donations, gifts, grants from government and non-government agencies. Running a non-profit organization has a heavy cost in maintaining the infrastructure of the buildings, rent, utilities and personal in order to administer and run the programs efficiently with positive impacts. The executive director and the board of director members must maintain a positive disposition in working hard to obtain sustainable and long-lasting financial support.

### **7.1 Vision Statement**

We envision a community where Latinas/Hispanic and immigrant women have the proper resources and abilities to thrive by obtaining better futures for themselves and their families through economic growth which in turn will revitalize their local communities.

### **7.2 Mission Statement**

*Muevete* is an organization that exists to advocate, encourage and prepare the Latina/Hispanic and immigrant women in the Worcester County Area to become evolved leaders and entrepreneurs through training, skill development, mentoring, and resources designed to strengthen and shape their skills in order that they become economically self-reliant and independent.

### **7.3 Organization Values**

The Center will be created to support Latinas and immigrant women who have a set of skills, but are not currently at their maximum potential due to a variety of social and economic factors. We want to create a sense of community in order to provide opportunities for these women participants to have access to collaborative connections and relationships with other business owners and gain community and political leadership positions. This center is vital to promoting and supporting diversity. However, during phase one, the focus will be on how to adapt the Hispanic/Latino community and immigrants culturally. The center is a model of a stepping ladder, stacking credentials and navigating culture competence for the women participants. The center wants to represent the women's culture and values by giving proper treatment and rights to access the City of Worcester's business resources. We believe that the center will be driven by the 4 I values:

- a) Inspiration – To inspire the women and their children to move forward and become motivated in order to reach their aspirations and dreams.
- b) Innovation – We believe that innovation is the engine of every entrepreneur. We want to support creativity and develop it with freedom.

- c) Impact – Helping women formalize their businesses will make an impact on their lives and families. We believe that every woman that is positively impacted by our mentoring will in turn improve the lives of those that are confronted with similar challenges.
- d) Influence – By preparing women to enter into business or encouraging them to be advocates and leaders within their communities, they will inspire their children, other immigrants and future generations to follow their path.

#### **7.4 Why Latina/Hispanic Women?**

The following data comes from research conducted by the Center for American Progress (CAP), an independent nonpartisan policy institute. The data is presented from their most recent report: The State of Latinas in the United States. Although the report compiled data from all 50 states, the data is also applicable to Latina/Hispanic women in Worcester. Wage data for Latina/Hispanic women is supported by The American Association of University Women (AAUW) who have existed since 1881 and have worked in favor toward the equality for women and girls. Other data was obtained from the Hispanic Federation (HF) of New York and Washington D.C which is a Latino nonprofit membership organization, founded in 1990. HF seeks to support Hispanic families and strengthen Latino institutions through work in areas of education, health, economic empowerment, civic engagement and immigration.

*Muevete* values the potential that Latinos/Hispanic and immigrant women have to increase their economic standings for themselves and future generations to come.

Relevant data regarding Latina/Hispanic women in the United States:

- Workforce: Latina women make 55 cents to the dollar when compared to white, non-Hispanic males. In comparison, white women make 78.1 cents to the same dollar.
- Economic Security: Poverty rates for Latina women, at 27.9 percent, are close to triple those of white women, at 10.8 percent.
- Economic Security: In Latina households, about 4 in 10 working wives were the primary breadwinners for their families, according to a 2010 CAP report
- Political Leadership: Currently, only 9 of the 98 women in Congress are Latina; all serve in the House of Representatives. Five of those nine women stand in California
- Education: Latinas hold only 7.4 percent of the degrees earned by women, though they constituted 16 percent of the female population in 2012.
- Entrepreneur: As of 2013, Latinas owned about 1 out of every 10 women-owned businesses.
- The Asian and non-Hispanic white populations were more likely to hold a bachelor's degree or higher, 55.9 percent and 37.3 percent, respectively, when compared with the black population at 23.3 percent and the Hispanic population at 16.4 percent in 2016 (ACS).
- Economic: The U.S. Hispanic population in general purchasing power is estimated in the hundreds of billions, and census projections indicated that Latinos will account for more than 1 in 4 Americans by 2050.

Muevete's research collected several findings through one-on-one interviews, literature review and Census Data which will be detailed in the following table:

Where we are now?	Where we want to be?
<p>Found many women conduct informal businesses from their home to have a supplemental income.</p>	<p>Helping women formalize their business if viable and/or develop other types of positions where they can reach financial independency.</p>
<p>Women stay at home to raise children due to the high cost of childcare services.</p>	<p>We want to provide child care services while women receive training.</p>
<p>Many women choose to conduct informal businesses due to the difficulty of starting a business or securing a job.</p>	<p>Prepare women with more industry specific technical support to better prepare and enter the open market</p>
<p>Women are afraid to lose their financial stability</p>	<p>Educate women with specific tools and methods to become financially literate.</p>
<p>Women found it hard to navigate the proper system to start a business due to a lack of funding, and in some cases, language barriers.</p>	<p>Create a center that is culturally sensitive with holistic services to guide Latina/Hispanic and immigrant women through education, mentoring and making proper connections.</p>
<p>In Worcester County, the poverty status for Latinos/Hispanics based on the ACS 2014 (a 5 year estimate) is 40% below the poverty level and 59% above the poverty level.</p>	<p>Engage and empower women to become more confident and competent in the market in order to reach economic/financial self-sufficiency for themselves and their families.</p>
<p>There are no organizations within Worcester that specifically focus on Latina/Hispanic and immigrant women with an aim to develop leadership skills in business. Provide the tools to become civically active and assist with culturally sensitive needs such as providing childcare for women seeking to advance their education.</p>	<p>We want to create a safe, empowering setting with holistic methods and services to provide the best opportunity for success. We believe in creating an incentive program model that can provide a roadmap for other agencies and government to follow when helping Latina and immigrant businesses. We want to create educational programs that respond to the community.</p>

## **7.5 Organizational Structure**

The center will be led by a local Latina/Hispanic woman with experience in non-profit management and has known/worked with the Latino as well as other immigrant communities. This position will be the Executive Director who will oversee and manage the organization and report to the Board of Directors. The position of executive director is a full time position and as an exempt employee, will have a competitive salary between the range of \$65,000.00 to \$75,000.00 plus benefits based on experience and performance. Major responsibilities are, but not limited to raising funds for the organization, complete financial reporting, guide staff members, design and manage program modules and report to the Board of Directors.

The Board of Directors will have twelve members. The members will be composed of culturally diverse individuals with expertise in business and community engagement. Valuable knowledge desired by the Board of Directors includes financial development, legal, educational and curriculum development, culinary experience, media representation, technical knowledge and strong leadership. Regulations on appointing a board member, voting process and other organizational processes with regard to board operations will be detailed in the organizations by laws. The board of directors will serve as volunteers based on terms determined by the by laws.

The recruitment of staff will be preferably bilingual, local and sensitive to the population the center is targeting. Recruitment processes will come from references by other



community agencies. Worcester Workforce Central will follow a process of hiring with resumes and interviews. Ideally, we will have full staff capacity with some working full time and most being part-time. Final compensation will be determined by the hours and title of the job.

Other positions that the center will consider as contractors are IT maintenance and instructors for the courses and workshops. Ideally, we will have a controller position and human resource position within the organization. However, due to the high costs of maintaining those positions for the first three years, strong consideration to hire independent accountants and human resource agencies manage the organization's financials will be critical in keeping with compliance required by the Internal Revenue Service and all human resource laws.

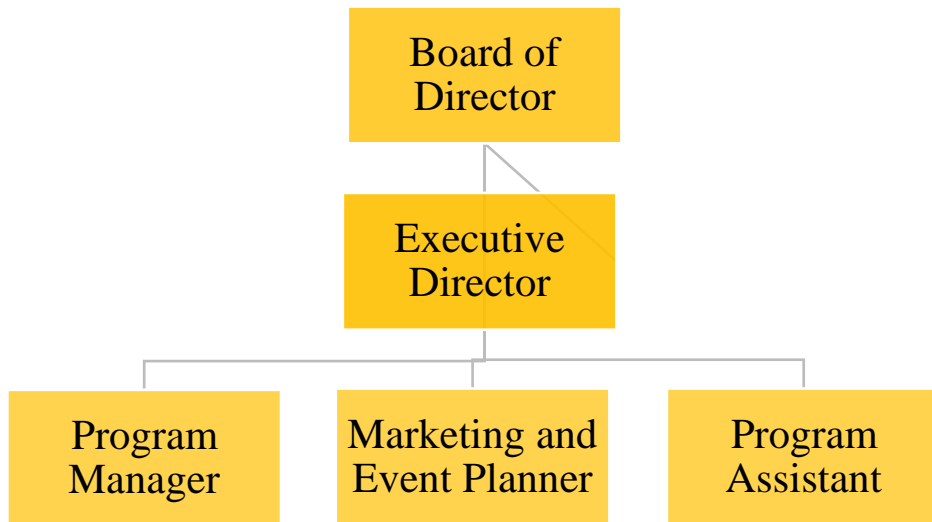
Other essential positions will be the Program Coordinator and Event Planner, who will oversee all aspects of the programs for the participants. Some responsibilities for these positions are, but not limited to ensuring classes and workshops run with proper quality and supplies. Hiring and contracting instructors. Maintaining full communication with the participants, instructors, speakers and guests. The program manager will collect surveys and any feedback measures that will support the evaluation of the programs. The Program Manager will supervise the three modules and report directly to the Executive Director. A preferable qualification will involve having experience in the culinary industry. This will be a full-time position.

A Marketing and Social Media Administrator will relate all aspects of marketing, promotions and relay news of all success stories. These duties will include, but are not

limited to maintaining the website and social media channels with the synchronization of all marketing. This position will be responsible in building relations with the media such as radio, TV and others. These responsibilities will be the main aspects of the position. Another responsibility will be forming relationships with other organizations to collaborate with in event planning. This will be a full-time position. This position could be a part-time position for the first couple of years or could be combined with the administrator position as the organization gains financial strength. As a combined position with dual responsibilities, it will be a full-time position with benefits occupied by a person who has both skills.

An Administrative Assistant position will be a key position for the organization as they are first person of contact for walk-ins. The Administrative Assistant will be responsible for, answering the phone, order and provide supplies for all of the other positions, coordinate incoming students with the Program Manager. This position will be considered as a full time or two part-time positions. Realistically this position may also serve as the marketing and social media position.

The Executive Director will focus on keeping a safe and healthy environment for all staff by having clear communication through monthly staff meetings and evaluations. An annual retreat will be conducted for the staff to maintain a connection with between personnel and the mission/values of the organization. Building trust and transparency through communication will be essential in better serving our clients.



***Muevete Organization Chart***

### **7.6 Program Application Process**

The organization will offer several informational sessions throughout the year. During an informational session, we will instruct the participants on how the application process works, the purpose of the programs, the mentoring aspect, and our commitment to serve the community. Each participant will have to complete an assessment form, have a paragraph explaining why they are qualified candidates and have a recommendation letter from any supervisor, community leader, teacher or co-worker.

### **7.7 Programs**

The center's goal is to develop active leadership within our local communities, promote civic engagement, and with our guidance, participants will be able to choose the

pathway of entrepreneurial leadership in business and the work force. Muevete's programs will differentiate from other non-profits who offer similar services by integrating holistic services while also being culturally competent. Through our programs we are committed to creating a vibrant and influential environment for the participants in each module program.

The process of recruitment will consist of a face to face interview with the women, resume overview (we will help with support in this area) and by registration forms. This will help us understand their goals and skills.

The programs are designed using three main modules: Leadership, Entrepreneur and Career Development. After analyzing other Worcester programs, we found that there is a gap between existing programs and the number of Latina/Hispanic and immigrant women that are helped. Programs such as SCORE, Small Business Development Center, and MLK Jr. Business Center all entail on one-on-one business consulting, workshops on business topics, networking events and procurement information. Yet the numbers of Latina/Hispanic and immigrant women in Worcester who successfully complete such programs are low. The Center for women & Enterprise, who recently moved from Worcester to Westborough and whose main target is women in general, reach few Latinos. In Worcester, especially, they could not penetrate the Latino market. Many of their courses have fees which some of the Latinas/Hispanic women could not afford. The Regional Environmental Council which operates a commercial kitchen which concentrates efforts to combat lack of fresh food production in communities and businesses. They have not reached the Latino market due to its distance as the kitchen is established in the town of Shrewsbury, MA.

All of our programs located where the Latina/Hispanic and Immigrant families live, will have an assessment form before the program begins, during a mid-term period for multi-week programs and an evaluation form at the end of the program. All data will be carefully taken into consideration and used for the improvement of our services, programs and funding purposes. A mentoring component will be part of the services provided to the women in order to exam more closely the participants and while also finding other participants to integrate within the program and the environment.

Muevete's model is to be a one-stop location that can provide the education, practical training and help connecting learned skills with the market. At the same time, the center will consider the cultural and operational aspect of the women who want to be served. Among these considerations is providing participants with childcare service, vouchers for public transportation and ESOL classes. *Muevete*, has followed the lead of other programs from other cities and towns across the United States that serve the same constituents that *Muevete* is targeting.

The Leadership module is the anchor of the other three modules as the purpose of this module is to provide the best methods to promote leadership skills. It also seeks to promote future civic leadership positions and introduce participants to the city, human rights, community organizing, official political positions and foster self-advocacy. The 9-week program will empower the women participants to recognize their strengths, build their core leadership abilities and self-perceived skills by feeling confident. Some of the discussions centered on cultural factors and values may represent challenges to career and personal development because participants may lack overall knowledge on how

social/governmental systems work. Providing the best tools and methods is a platform that will help participants toward economic independency. It will increase their incomes, help them obtain an education, build new credentials to advance in the work force and help formalize small production businesses. Models such as Crittenton Women's Union (EM Path) have shown high performance in reaching women from low income backgrounds and has transformed their lives and their families through their model. Other model's views such as the Hispanic Federation (HF) which are a series of programs and initiatives, launched conferences such as Aspira, El Puente, Crear, Movimiento Hispano. HF was able to expand their offices to Washington and their statistics have shown an impact in that particular Latino/Hispanic community. For example, they helped 347 Latino leaders enhance their positions through management trainings and helped 800 students enroll in 9 universities. Worcester provides expensive one day conferences for women which are generally hosted by the Worcester Chamber of Commerce at the DCU center. These conference are well attended. However, they are one day engagements where the fee is \$105 for the day and primarily targets white women.

*Muevete's* leadership program will focus on to engage more women in civic roles such as running for official positions, community organizations, board of director positions and school committees.

The Entrepreneur Module will provide a specific model inspired by the La Cocina in California, one of the very few non-profit organization that serve more than 90% of women minorities and immigrants and is financially stable. Their mission is to cultivate low income food entrepreneurs to formalize and grow by offering industry specific, technical support

assistance and help access the formal market. Their capacity to have a commercial kitchen allows them not only to teach, but also to help develop their product as they rent the space to produce their products for sale.

The Regional Environmental Council with Brian Monteverd, provides rental space in a commercial kitchen located in the town of Shrewsbury, MA which is about 7 miles from the center of Worcester's downtown. The kitchen has been certified by the Shrewsbury Health Department. They support tenants by helping them navigate the permitting process for their own business. This includes obtaining ServSafe and allergen certifications, insurance, and permits to operate a food business with the Shrewsbury Health Department. They also help tenants identify new markets to sell products and other guidance. However, the technical aspects of the business rely solely on developing relationships with other organizations that offer technical support for things such as setting up an accounting systems, writing a business plan or creating a legal entity. They only offer programs in English.

*Muevete's* ideal plan is to have their own commercial kitchen for the same reason as La Cocina. Yet as a new organization with other module concentrations, it will be financially responsible to rent space at the Birch Tree Bakery/Café located in the same building that *Muevete* will be located or other in restaurant across the street. This collaboration will allow the organization to consolidate costs with the facility, equipment and maintenance. As the women move forward and decide to formalize their businesses, we will connect with the REC kitchen or other local commercial kitchens where they can prepare their production. We believe that other women will train to obtain specific credentials and work within the

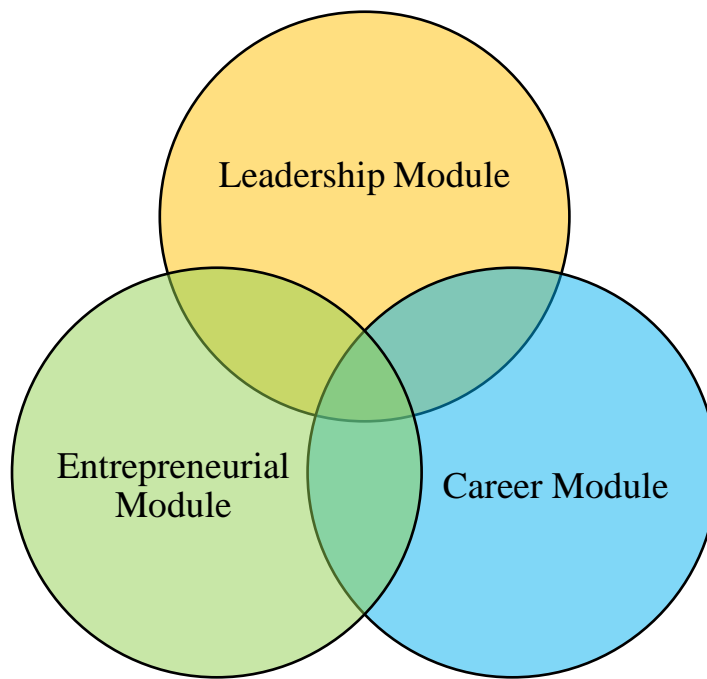
food industry, further progressing in the field. For these participants, we will consider other partnership or initiatives with large producers in the food industry such as Sodexo.

According to a panel discussion at the DCU Center in Worcester, last year one of his representatives stated that they have had a hard time filling their entry-level job positions.

Muevete's entrepreneur module teaches participants how to write a business plan as well as valuable lessons in accounting and marketing. At the same time, we want to put forth lectures that have practical trainings, using experts within the industry to allow the women the chance to make connections with potential job opportunities in the local area.

Establishments such as restaurants, hospitals, institutions, hotels and others. For food businesses we find that navigating the permitting system can be confusing if the person is not familiar with it or if they have a language barrier. This is the case for both state and local levels. At the local level it is somewhat easier because the person may have the opportunity to meet with the health department officials in person to get the permits and/or certifications they need. However, at the state level it is more difficult because the office they need to speak with may be in another town. The career module will concentrate on preparing women to achieve other educational programs for certificates through local area colleges. The module will guide participants toward their educational and career goals in order to be able to earn more income and learn how to navigate the workforce system. In addition to the traditional trainings as many social organizations and workforce central present, Muevete will focus on having an entire package such as preparing participants' resumes, learn how to negotiate at work, how to reach for high level positions, understanding their rights as employees and how to be financially literate.





Main Programs Modules

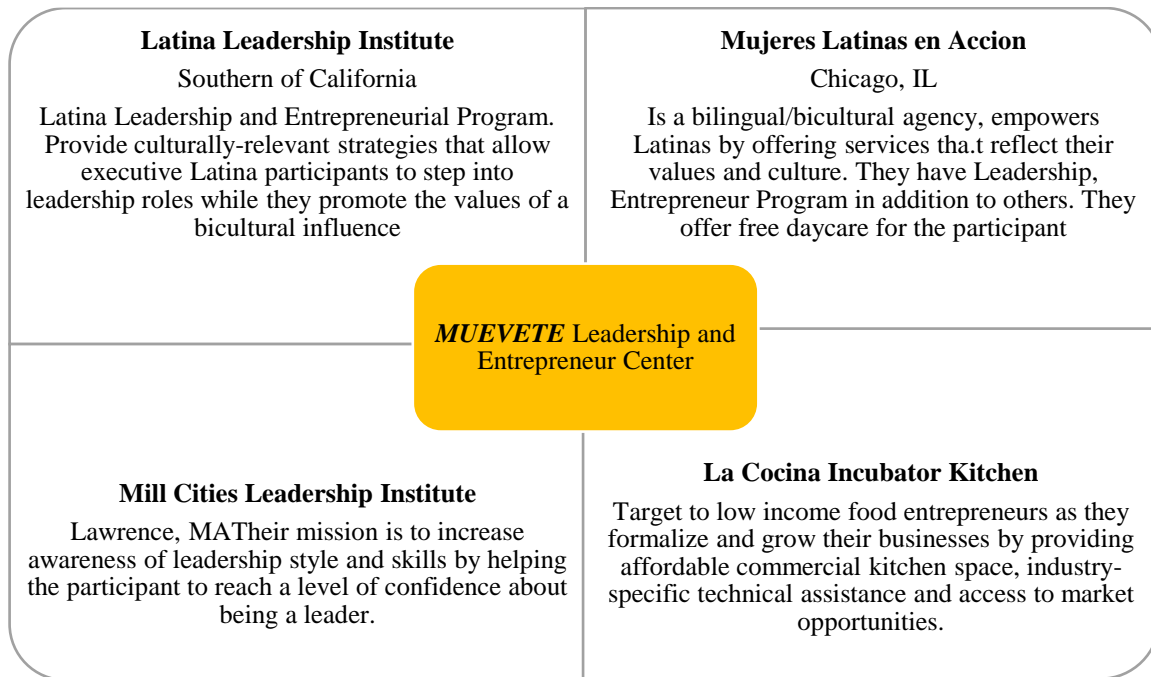
### 7.8 By Example

One of the ideas behind *Muevete* is that leadership is essentially about influence. In order to understand how other models throughout the country operate it is important we define the components used by the three modules in *Muevete*.

The programs selected from other various entities have been operating for several years and have significant grant support. The websites viewed demonstrates success stories and stable financial statements. These programs do not necessarily meet all the criteria for *Muevete* modules, but they do contribute to an understanding of the anticipated deliverables.

*Muevete* is interested in providing the participants the possibility of creating a space for their services, and even more importantly provide the possibility for economic independence. Throughout the process the intention of *Muevete* is to create a safe space which will all clients to understand their capacity for leadership and the opportunity to motivate others. *Muevete* will create a platform to support the participants as they move towards their goals and rise above challenges. With this focus in mind, our organization will look to and follow examples from other models. When appropriate we will borrow some of their standards. These would include a full-service approach laced with the understanding of cultural norms and expectations. As added amenities *Muevete's* programs will involve entrepreneurial leadership and career training as well as child care while attending classes at the center.

In a conversation with Todd Fry, director of the Mill Cities Leadership Institute he shared their success in working with a diverse population and how many participants are enjoying active employment, an improvement in position and civic engagement once they completed the program. *Muevete*, is devoted to supporting the participants by offering as much technical assistance, mentoring and referrals as needed so that the participants leave the program with the critical skills and training to allow them economic independence. It is hoped that this will lead to more engaged citizens working in their particular communities as well as being role models for others.



### 7.9 Short and Long-Term Outcomes

The short term outcomes will be based upon the number of graduates of each track. The Center will begin its pilot program with an enrollment of thirty women in total for the leadership program. After we will evaluate the participants who are ready to be an entrepreneurs or enhance their careers. For long-term outcomes, Muevete will target 50 women per year. Along with the completion of track, there will be a six-month period of mentoring and volunteering in the community. Connections with city organizations and officials will be critical as we intend to keep track of the graduates who participate in society as activists, political representatives, media representatives, business leaders and law enforcement. Our hope is to see leaders train the next generation of diverse community representatives within our city. Our long-term goals will take place between two and five years. This will depend on the leadership position attained or the creation of a new business.

Data will be taken from the initial interviews with the participants during the process and at the end of the module program.

### **7.10 Marketing Plan**

Our market is the Latina/Hispanic and immigrant women who are primarily located in the Worcester County area. In order to access this population, it is essential to maintain close relationships with the organizations that already serve this population directly or indirectly. These organizations are social services, immigrant or Latino organizations and groups, schools, gyms, childcare providers, and churches. The Latina/Hispanic women traditionally like to get together to celebrate events, birthdays and special holidays. So connecting to these celebrations are important for building trust. We believe that marketing is more than putting up flyers or distributing an ad. It is about relationships and trust. Some organizations that are present in Worcester are well known for what they do while others are not due to a lack of interaction with the community. With this in mind we believe that in order to reach this particular group of potential participants, the organization needs to first integrate with the community and be a part of it in order to build trust and recognition.

Some of the key media platforms Latinos/Hispanic and immigrant use are radio, newspapers and social media. Most commonly Facebook. During the research conducted by *Muevete* women expressed how much they use Facebook as a platform to sell their products. This tells us how important it is to tailor our marketing efforts toward social media. If we want every dollar spent on marketing to reach maximum potential, using social media like Facebook is crucial for recruiting new participants.

Hosting networking events among other Latinos/Hispanic groups are ideal ways to market because they suggest an atmosphere of collaboration and community among the female population of Worcester. Other opportunities will be made for those women who make the transition to formalize and connect with farmer's markets during the summer season. Hispanic festivals are also important because they can test their products and connect with the open market.

We recognize that marketing carries a high cost and we need to negotiate these services by perhaps exchanging mutual benefits with third parties as long it brings the desired benefits to the women we serve.

Our other target to market are donors. To market to these potential funders, we will need to build relationships by one-on-one meetings and presentations showing how *Muevete* will eventually construct a vibrant and healthy community through the women we will serve. Collecting data results and feedback from the women, provide a successful roadmap for participants. Connecting these women to jobs and initiatives is part of a solution with no cost for the community. Success for *Muevete* is when women reach financial-self independency that allow them to secure a greater future for themselves and families, obtain education, permanent housing, businesses and establish leadership roles within the community.

### **7.11 Marketing Strategies**

First, the *Muevete* Board of Directors will serve as a framework to expand our network and gain a notable sphere of influence in Worcester County. Recruiting board

members who have local and regional notoriety will supply the Center with a reservoir of connections. Accordingly, this may include reaching out to a prominent female politician or respective television personality to back Muevete and assume the role of a spokeswoman for our organization, helping to attain regional or even national notoriety.

Lastly, *Muevete* will utilize more traditional marketing strategies such as online web presence and Search Engine Optimization (SEO) to use the internet and social media to our benefit. With online presence becoming more and more important for organizations, it will be imperative to develop an aesthetically pleasing, professional website. Having a radio presence is also key to connecting with women and have appearances on local radio station to talk about different themes to help spur interest from the public. There are several radios hosted by Latinos/Hispanics with different topics and attract different nationalities among the Latino community. These radio shows are formatted with informative sections, music and religious content.

As was mentioned before, marketing can incur high costs which is why we believe in maximizing every dollar spent in order to keep the bulk of funding for services and programs which directly impact the women participants. Our marketing plan will use a platform of efficiency. The plan will have a list of all the channels mentioned for targeting and an annual date will be set for when/how outreach will take place. Also, each effort will document the average amount of people reached. Through the recruitment process women will be asked on how they heard about the organization in order to understand the best method of reaching other potential participants.

## **7.12 Marketing Analysis**

From our research overview of Latino informal businesses or self-employment we found a consistent set of findings that emerged and helped to explain both the motivator to be in their business while capturing the barriers to be successful. In particular, (1) low income and lack of educational attainment continues to be significant and may be a driving force in creating the push into informal businesses or self-employment (2) lack of financial resources (either personal wealth or access to capital) for operation and expansion purposes contributes to blocking the decision to move their businesses to a stage growth, (3) Latinos families and immigrants do not make enough wages to sustain their families.

The local market of Worcester County represents a microcosm of the larger, overarching gendered discriminatory access to leadership positions and power. QuickFacts reports females represent 51.3% of the population in Worcester which has a total population of 184,815. Consistent with gendered misrepresentation, of the 13,085 total firms, as of 2012 only 4,105 are owned by women and 3,775 by minorities. Worcester's local government has also been long dominated by men. Currently only 4 of the 11 members on Worcester's city council are women and only one of those women is Latina/Hispanic. It also must be noted that Worcester's racial demographics are in a state of flux. While Worcester has long been dominated by a mostly white Irish-American culture, it has in the past 20 years become a landing spot for new immigrants especially of Hispanic and African descent. According to QuickFacts for Worcester Census 2010, 20.9% of new immigrants are of Latino or Hispanic origin. The local market is one of historical gendered misrepresentation and restriction to leadership positions coupled with a growing population of young, diverse,

women and immigrants. In the political arena of Worcester, few Latinos has ran for city council positions. Yet for the last five years one Latina/Hispanic woman has become councilor of District 4, Sarai Rivera and only one for the school committee, Hilda Ramirez.

The Worcester Business Journal, with major sponsor such as BayState Bank and Nichols College, seeks every year to honor 40 rising star individuals from all over Central Massachusetts business community. In their effort to recognize outstanding young leaders who make significant contributions to the Central Massachusetts business community form their outstanding leading roles, nominations come from a variety of industries. However, during the last five years only 2% of Latinos have been nominated. For more information about this event and other data, see the Worcester Business Journal webpage.

Currently the local market represents a growing source of young women from diverse backgrounds that have the ability to influence the City of Worcester's longstanding gender misrepresentation. *Muevete* will target as much of a diverse range of women as possible in order to create a collaborative ecosystem among women from different backgrounds. These women represent a potential for Worcester County that has yet to be tapped into. Because of gender underrepresentation, women with ambition and talent in business, politics, or civic engagement have been stymied. It is our goal to create a culture of leadership among the Latina/Hispanic and immigrant female population in Worcester County to find new and innovative opportunities for them.

### **7.13 Competitive Analysis**



Currently, while there are relevant organizations that deal with similar issues as *Muevete*, there is not one singular organization that envisions as comprehensive and collaborative culture for women's leadership and specifically the food industry that targets Latina/Hispanic and immigrant women. These competitor organizations can generally be grouped into three categories for in-depth analysis: national, local, and institution levels.

Some national organizations receive a relatively large amount of funding due to their national structure. Likewise, because they are of national prominence and have been around for a longer time than some local organizations, they are more well-known and have a more influential social presence. In particular, the Center for Women & Enterprise and the Women's Initiative of Central MA seem to be well funded and well received in Worcester County. However, none of these organizations has the same mission as *Muevete*, — they are focused on Startup or Growing enterprise, mentorship, and human rights instead of our mission for overarching leadership and preparation for women in the food industry and career opportunities.

- Center for Women & Enterprise (CWE) - CWE provides opportunities for women entrepreneurs and women in business to increase professional success, personal growth, and financial Independence. The closest office near Worcester is in Westborough. They offer education, technical support and procurement certification opportunities. Their major focus is on general entrepreneurship of no specific industry.
- Worcester Chamber of Commerce - Women's Leadership Conference - This conference is an opportunity for women to build their careers and share their

experiences with other women. This is a onetime conference offered yearly at the DCU Center and is hosted by the Worcester Chamber of Commerce.

- Advisory Committee on the Status of Women for Worcester, MA - The committee, seeks to address issues directly related to women's quality of life and workplace concerns. They conduct different surveys and research assessments via SurveyMonkey.com. The goal is to collect the opinions of Worcester residents, male or female, about issues related to women. “The results help identify some specific needs and issues as they pertain to women who live and work in Worcester,” the survey's introduction page states.
- Worcester Young Professional Women’s Association – Their mission is to engage and empower Worcester’s young professional women. They create network events to educate the young women in different areas with a primary focus on careers and leadership.

These local organizations are important competitors because they know the Worcester community best and often hold good communications with local government. In particular, the Worcester Chamber of Commerce holds an annual leadership conference at the DCU Center that is well funded and attracts many prominent women leaders. The other two organizations are more casual organizations aimed at bringing women together for policy changes and networking opportunities. While the Worcester Chamber of Commerce represents a potential competitor, it once again focuses mainly on private sector leadership rather than *Muevete*'s focus on civic leadership in tandem

with entrepreneurship for Latina/Hispanic and immigrant women. Other Leadership programs at the higher education levels throughout the area are the following:

- Institute for Women's Leadership (Nichols College), Dudley, MA
- Women's Leadership Program (Worcester Polytechnic Institute), Worcester, MA

These organizations with university allegiances are promising indicators of a trend toward promoting women's leadership within the collegiate setting. But due to their confined location on college campuses, they are not necessarily as invested in the local market of Worcester County as the aforementioned organizations are. Appendix number four will also provide a list of all the Worcester business resources in Worcester County.

#### **7.14 Legal Structure for Operation**

*Muevete* will complete the legal forms to file with the state of Massachusetts such as the "articles of incorporation" and "by-laws." The *Articles of Incorporation* refer to the legal documents that dictate the governance, rights and responsibility of directors and members. There are several types of federal tax-exempt statuses, but the most favorable for this organization is known as 501(c) (3) status.

The by-law article will indicate how the organization will operate such as how membership meetings will be conducted, how meetings will be structured, what the voting rights are, and what the guidelines for selecting board members are. The articles of incorporation and the by-laws act as a blueprint to how member-owners and leaders of the *Muevete* organization should operate and function within the business. By laws should be reviewed by board members on an annual basis to ensure the current structure allows for

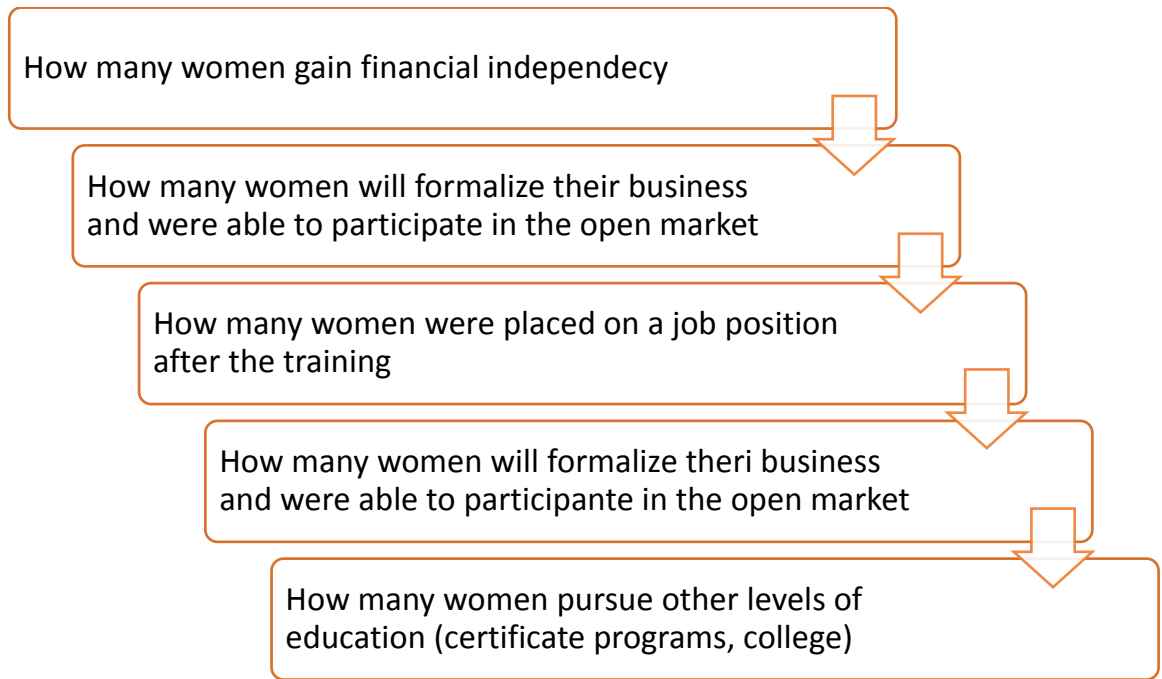
proper management and growth and continues to meet the mission and vision of the organization and for those whom they serve.

### **7.15 Milestones Measures**

One of the major milestones that the organization needs to accomplish is to ensure that the women receive quality education, training, and have a mentor who meets with them on a regular basis to follow up and monitor progress. This is a way for the organization to differ from other programs with the most important addition being the mentoring component. Our biggest accomplishment will be helping those women who wish to formalize into the formal sector, prepare them and support their transition. Other accomplishments will be to help develop more Latinas/Hispanic and immigrant women leaders to occupy civic leadership positions and enter the highest education arenas.

Having 30 participants in the pilot program for leadership will help the center have sufficient numbers every year where milestones may be reached using specific plans.

### **7.16 Milestone Measures Chart**



### 7.17 Operational Plan

While *Muevete* explores the possibility of opening on Saturdays, it will operate on a Monday through Friday schedule from 9am until 6pm. There will be some evening classes that will run until 8pm. Classes will be held in a large open space where long tables will be set up for the participants.

The initial goal will be to mitigate start-up costs by attracting in-kind donations of goods and services essential to operations. This would include legal start-up services and potentially sharing offices with another organization or the use of an incubator space.

*Muevete* will maintain relationships with equipment suppliers who will provide the tools necessary for the programs. These will include six 8x10 tables, 25 chairs, projectors, and four computer stations for participant use and two laptops for teaching. Furniture will include office desks for the administrators and file cabinets. The latter will be obtained from

donations and family foundations. Proposals will be written to the Kauffman Foundation for the entrepreneur curricula while similar proposals will be made to Staples and the Microsoft Foundations. The computers will come with the proper software and virus prevention programs as well as the service of an IT contractor to maintain the network.

Childcare will be provided at the same location and hours will be coordinated with the classes. We will consider offering a Childcare Certificate for those who care for the children during the class time. *Muevete* will offer ESL classes. *Muevete* will establish a working relationship with several employers in the area in order to understand their needs in filling positions. And ESL organizations will be one of the partners that will support the needs of the students.

The program will be divided into modules. A Leadership Module will run for 9 weeks, meeting once a week for two hours of class. The program will be offered twice a year with a third possible offering once the pilot program is evaluated. Extracurricular activities will be offered. These will include but not be limited to conferences, group field trips around Worcester, visits to City Hall visits to City Council Meetings and meetings with City leaders.

An Entrepreneur Module will differ from the others in that it will require lectures as well as hands on practice in a commercial kitchen. The center will consider the possibility of renting the kitchen from The Birch Tree Company. They are closed on Mondays and it may be possible that *Muevete* use the kitchen on that day. A monthly rental fee will be paid to this venue or any other it uses. Based upon other models such as La Cocina Incubator Kitchen that serves 33 small food businesses it seems that 6 months of technical support along with

lectures will suffice. These lectures would be including pricing, safety codes, measurements and other related topics. This track would meet once a week for the first 3 months and then twice a week for the last 3 months. For this Culinary Module *Muevete* will contract with a local restaurant and hire their chef to teach classes. For those who are able to make their business viable the center will help in formalizing their situations and in finding the appropriate venues such as farmers' markets or restaurants in the area.

The Career Module will last for 9-weeks in which women will meet once a week for two hours. *Muevete* will collaborate with the Dress for Success Organization. This group receives donations of business clothing as well as accessories needed by the women. Over the course of the 9 weeks *Muevete* will offer panels of three or four employers to speak to the group about available positions. *Muevete* will also work with other agencies to support the women in writing resumes. When the participants leave the last class meeting they will have a completed resume, be confident in their ability to engage in an interview and negotiate salaries and benefits. They will have a letter of support to help them once they connect with the appropriate job that fits their skills and needs.

*Muevete* will host small graduation events for those who have completed a module. Once a year there will be a festive fundraising event to increase awareness of the program. This event will allow the women to showcase their products to an interested audience. They will decorate the venue once again showing their talents.

## **7.18 Financials**

<b>Revenues</b>	<b>Actuals</b>	<b>Budget</b>
Federal Government	120,000	120,000
Individual Donors	20,000	20,000
Corporate Sponsorship	58,600	58,600
Foundations	56,000	56,000
Program Revenues	2,700	2,700
Board	720	720
Fundraising/Events	2,250	2,250
Interest Income	0	0
<b>Total Revenue</b>	<b>260,270</b>	<b>260,270</b>
<b>Expenses</b>	<b>Actuals</b>	<b>Budget</b>
Salaries *	182,000	182,000
Taxes & Benefits **	27,300	27,300
Occupancy (rent & Utilities) ***	4,000	4,000
Kitchen Rental****	3,000	3,000
Child care Service*****	2,000	2,000
Insurance	1,200	1,200
Legal and Accounting	900	900
Audit Fees	3,000	3,000
Program Expenses	3,800	3,800
Travel & Meetings	800	800



Staff Training & Development	600	600
Marketing & PR	3,000	3,000
Printing & Copying	800	800
Telecommunications	1,000	1,000
Maintenance, Repair of Equipment	1,000	1,000
IT service and software upgrade	1,000	1,000
Contracts of Equipment	700	700
Fundraising Events	3,600	3,600
Grand opening Event	2,800	2,800
Office Supplies		
Supplies	1,000	1,000
Office large equipment	2,800	2,800
Consulting	1,032	1,032
Dues and Subscriptions	255	255
Postage	155	155
Earning before Int & Depreciation	1,000	1,000
Depreciation	0	0
Interest Expenses	0	0
Total Expenses	247,742	247,742
Net Surplus/Deficit	11,528	11,528

***Muevete Leadership & Entrepreneurial Center***

**Summary of all Programs – Start-Up Cost and 2019 YTD Budget**

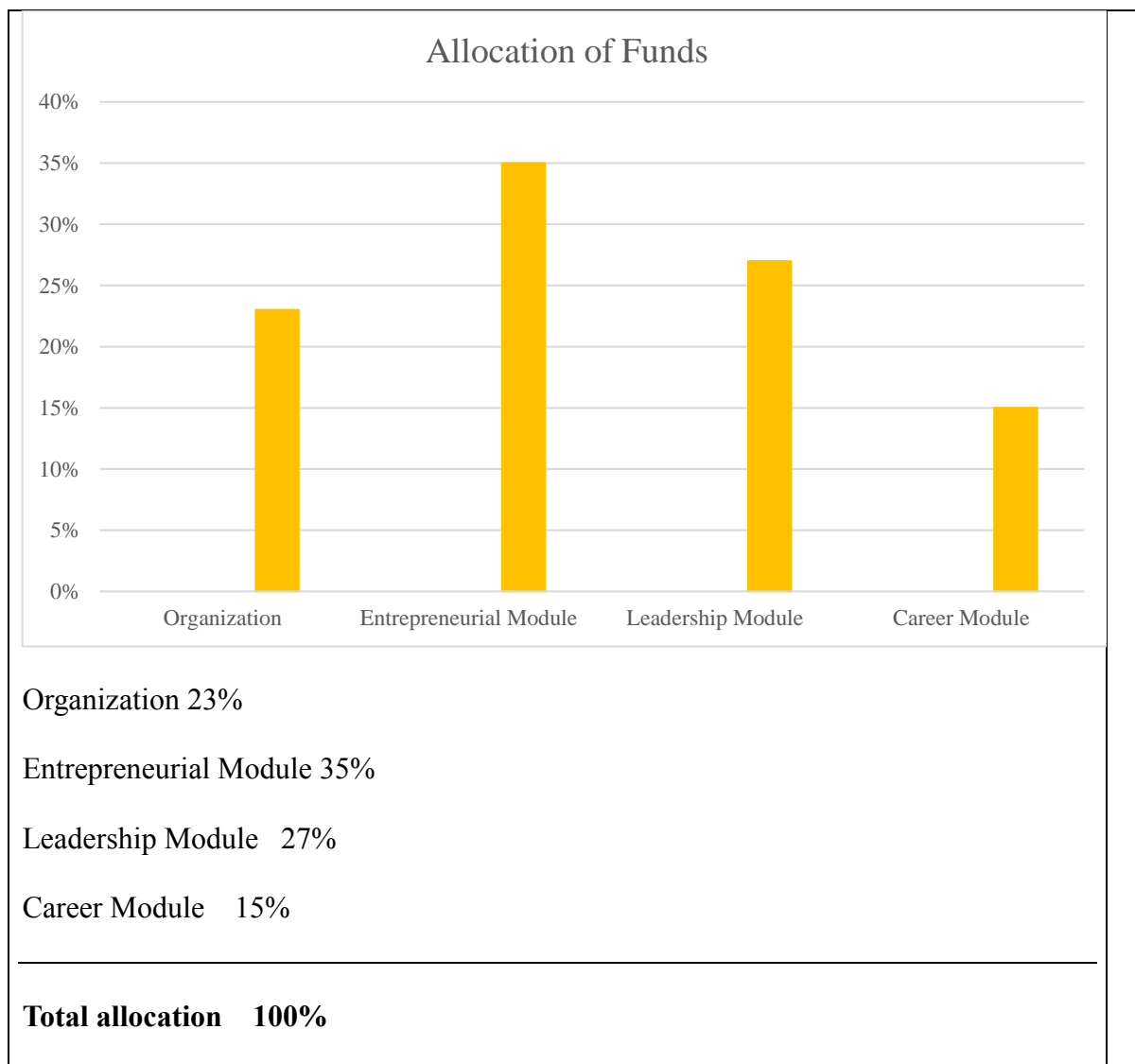
\*2 Full Time and 2 Part Time Employee

\*\*Typically 15% of salaries

\*\*\*3,400 s.f at 138 Green Street

\*\*\*\*Birch Tree Alley Kitchen Space

\*\*\*\*\*Payment to Child care Provider



Note: Overhead expenses are defined as the following Agency recognized expenses:

- Occupancy
- Kitchen Rental
- Insurance
- Legal/Accounting
- Printing and copying
- Telecommunication
- Travel and Meetings
- Marketing and Advertising

*Muevete Revenue*

<b>Revenues</b>		
<b>Cost per Student</b>		
	10 Participants to the Entrepreneurs Track @ 150.00	1,500
	10 Participants to the Leadership Track @ 100.00	1,000
	10 Participants to the Career Track @ 20.00/ea	200
	Total Fees from participants	2,700
<b>Individuals</b>		
	FY 2019 Board Contributions	720
<b>Foundations</b>	Greater Worcester Community Foundation	15,000
	The Kauffman Foundation	10,000
	Ford Foundation	18,000

	Macy's Foundation	5,000
	Oprah's Foundation	5,000
	La Unidad Latina Foundation	3,000
	Total funds from foundations	56,000
<b>Corporate</b>	Pentas Communication	5,000
	Microsoft	5,000
	Santander Bank	10,000
	Reliance Medical Plan	5,000
	Walmart	5,000
	Sephora	5,600
	Goya	5,000
	Bank of America	10,000
	Total funds from corporate	58,600
<b>Government</b>	Government Federal	120,000
<b>Fundraising and Events</b>	Hispana Gala: Goal 50 attendees @ 45	2,250
<b>Interest Income</b>	Money Market Account	0
	<b>Total Revenue</b>	<b>260,270</b>

The 2018 budget is benchmarked by the assumption that *Muevete* will be realistically able to obtain a substantial couple grant with a median value of \$300,000.00

*Si, Se Puede, Inc.* (Yes, It Is Possible) is a multi-service neighborhood program located in the Merrimack Courts Housing Project in Lawrence, MA. SSP was founded in 1985 and serves the educational needs of very low income Lawrence youth and their families. *Si, Se Puede, Inc.* programs focus on education and community building. *Si, Se Puede Inc.* (SSP) receives no federal or state funding. The annual budget is \$125,000. There is a vibrant group of volunteers and partners who support SSP. One full year of operating the *Muevete* Leadership and Entrepreneur Center is budgeted at \$262,000. The largest leap is the salaries being paid to the full-time administrators, which is the Executive Director, Program coordinator and Marketing coordinator. The figures of \$58,000, \$45,000, \$41,000 and \$38,000 are set to be competitive figures for similar positions in not-for-profit organizations in the area of Worcester County and from some in the Boston area.

Employee benefits must be incentivized with a complete package in order to encourage the staff to also be economically self-independent. If key administrators are shown appreciation, it sets a tone of professionalism and progress throughout the entire organization.

A rate of \$15.00/hour for two positions satisfies this figure. It is important that an appropriate pay scale be used as a vehicle to retain staff members during this transitory period.

Various administrative and operating expenses will show slight increases within the first year of operation. Professional fees are higher during the start-up stage to reflect the potential costs incurred during the legal transition. Potential professional fees may also be incurred such as the IT installation and security installation for the system.

Fundraising expense reflect the need for *Muevete* to do basic marketing procedures to establish its identity in Worcester. Newsletters, letterheads, basic websites, radio and newspaper etc. will need to be organized in order to raise awareness about the services of *Muevete* to cultivate the trust and comfort of donors. Finally, \$4,000 is earmarked for the build out of the space and other repairs to reflect changes in the area. Structural work may be required in order to be in compliance with the code and standards of Worcester Zoning/Building Department, Fire Department and other requirements from the Family and Child Services for the child care services that the center will provide.

There will not be any acquisition cost, however will be an estimated \$4,000 monthly fee to rent the space. There is a first of the month and security deposit payment required. A prior location for the Center for Women & Enterprise on Elm Street was rented for \$2,700. Parking and lighting area will be taking in high consideration for the convenience of the women, the childcare and evening classes. Equipment such as tables, chairs, desk and file cabinets are considerable starting up cost and mostly of this items could get it from donations or second hand used. Office supplies could also be part of donations. Obtaining donated equipment and supplies is a great option for a non-profit organization to reduce initial costs and avoid the operating expenses from buying new equipment or expensive

leases. Leasing other equipment such as a copy and fax machine will be a good choice as there are reasonable contracts that will fit the organization's needs.

In addition to the startup cost there will be several operating costs. The operating cost will be mainly allocated on percentages of the revenue. Salaries and benefits are always a high cost for a non-profit. Having strategic partners for teaching the classes will be essential for reducing the cost. Securing grants for operation cost is the main goal. Having a guarantee of 3-to 5 years with the Small Business Administration (SBA) will cover about 80% of the entrepreneurial department. Some of the staff allocation salary cost could be allocated to the SBA. Based on the history of many non-profit organizations another high cost is the marketing and promotion. In our case *Muevete* needs to develop strategic partnership and constant communication with other agencies, local churches, schools that serve directly or indirectly the targeted niche. This strategy will lower the marketing cost with the exception of radio or newspaper ads.

The revenue from the organization will come from different sources such as the federal, municipal, foundations, corporations, individual donors and small fees from board dues and program revenues. The estimate of all the revenue sources is \$261,000.00 and the total projected operating expenses \$248,000.00

Another route to minimize operating cost will be to consider sharing rental space with another organization that will use the facility for office and classroom space.

## 7.19 Funding Sources

A grant driven financial strategy will stabilize *Muevete* and orient the organization towards the future. This foundation will build a vision of establishing *Muevete* as the organization for re-entering more Latina/Hispanic and immigrant women to reach economic financial self-sufficiency for themselves and their families by having more of them reach leadership positions, civic engagement and advance their careers in Worcester, Massachusetts.

The primary source of funding for *Muevete* is federal grant awarded for women leadership, entrepreneurial and career programs. Conversations with social service professionals, academic researchers, and federal employees are quite optimistic that federal and state funding for offender re-entry programs will continue for the next several years. Thus, it is reasonable to expect that *Muevete* annual budget of \$261,000 can rely on grants for the foreseeable future.

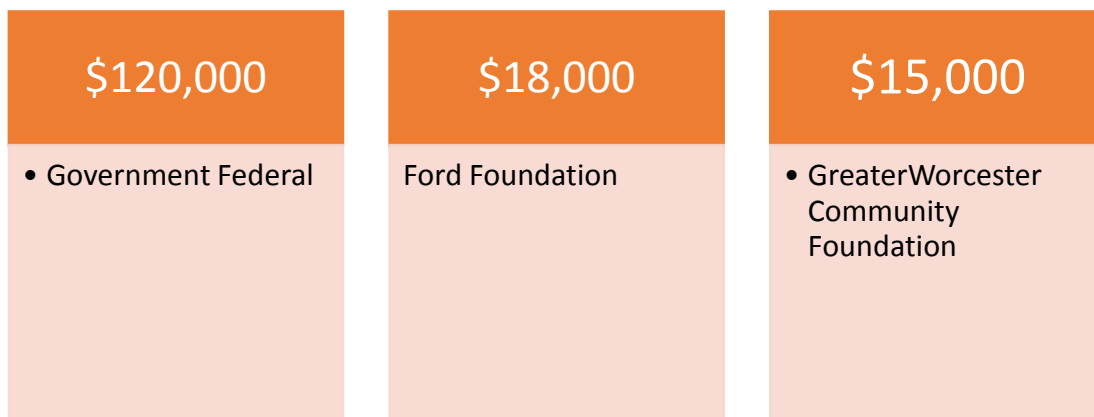
The Ford Foundation Grant awards range from several thousand up to millions of dollars in funding and total around 1,400 annual grants. The Ford Foundation's current campaign focuses on eight major social justice issues. These are democratic and accountable government, economic fairness, educational opportunity, freedom of expression, human rights, metropolitan opportunity, sexuality and reproductive rights and sustainable development. The government, other large corporations and many foundations keep aside money to give to minorities and minority groups. More than a billion dollars is spent every year on funding minorities. These grants are available at the local, state and national levels.



The Small Business Administration has been regularly awarding project grants for women entrepreneurial center programs from \$100,000 to \$150,000.

The bottom line is that *Muevete*'s program will provide women the chance to move out of the circle of poverty and have an equal opportunity to succeed, becoming part of a vibrant community.

Ideally we expect to maintain corporate and individual donations to *Muevete* at \$100,000. In addition, the annual *Muevete Mujer* Gala fundraiser brings in an additional \$6,750. Communicating the community need and simultaneously demonstrating the social value of *Muevete* to the donors should be enough to retain a substantial amount of this private funding. It is realistic to expect that *Muevete* will be able to secure \$300,000 in annual funding.



\$10,000	\$5,000	\$3,000
<ul style="list-style-type: none"> <li>• The Kauffman foundation</li> <li>• Santander Bank</li> <li>• Bank of America</li> </ul>	<ul style="list-style-type: none"> <li>• Macy's Foundation</li> <li>• Oprah Foundation</li> <li>• Microsoft</li> <li>• Reliance Medical Plan</li> <li>• Walmart</li> <li>• Sephora</li> <li>• Goya</li> </ul>	<ul style="list-style-type: none"> <li>• La Unidad Latina Foundation</li> </ul>

### VIII. Conclusion and Recommendations

It is the belief of this study that this research could be expanded to all informal industries, for other ethnic groups and include both genders. This would ensure a more dynamic understanding of informal businesses. This research also recommends that there be a study of the demand side of businesses in order to understand the relationship between the need and the impact on the local economy.

This study arrived to the conclusion that Latinos and Immigrants have a large connection with informal microenterprises. Some might start an informal microenterprise by choice or by necessity, but a unanimous voice is that the revenues from the informal microenterprises are an important component of their household income. Knowing that these microenterprises operate at a small scale and that they generate low revenues, this research asks, does it make sense for these informal microenterprises to formalize?

What could move an informal business to becoming formal? Is it possible to say by lowering the initial cost of starting a business and the facilitation of a friendly process to

register a business could motivate formalization? This niche goes beyond cost and procedures and is about the benefits that business owners will receive. It is about feeling safe as they do the right things. This research identifies the implications of benefits, access to capital, connecting with other larger formal businesses, and education in order to encourage formalization. Other implications are accessible programs tailored to the specific industry, such as the food industry, programs that are part of the cultural context and language. Creating programs to meet business owners' needs to keep their children in an affordable space with them as they learn more skills to achieve success in building a business, a career, or a leadership position.

There are several factors that this study has considered that contribute to Latina women starting a business venture whether it is formal or informal. First, it is clear that Latina women are looking for some kind of financial independence and stability, as well as a balance between their family and business responsibilities. Low-income wages for families is a main driver for women to start an informal business. The informal business is a path that allows women to utilize skills gained through domestic responsibilities. Latina women learn how to cook from early ages. The women in this case study felt the moral responsibility to financially support their families. Other factors that keep the women in the informal economy is the inequality of wages, long distance jobs, and the lack of flexibility to take care of their children while working. In these cases, women become responsible to attend the school activities and take care of sick children. However, among the various reasons why women enter informal microenterprises, the most basic reason is the need for extra income and balance of time with their families.

After analyzing the existing business resources in the area of Worcester and surrounding towns, this study found that none of the existing services and resources necessarily fill the gap for these women and those that have similar needs. Immigrants and Latinos are making a substantial contribution to the economy and they are an asset for the City of Worcester. An example of their contribution is very much the same as all residents of Worcester. They pay rent, buy local, pay for transportation just as all residents do, however, the low wages received from their employment requires them to work in the informal sector. An even more important contribution is that of their culture. The diversity of a City is what creates excitement and draw from surrounding towns. Without the inclusion of various cultures Cities in general would not have much to offer.

This research will conclude with the proposal of Muevete, a unique center of capacity and learning tailored to women and their cultural background. Muevete will provide the necessary technical support to increase their skills and knowledge, whether to formalize their businesses, increase credential to expand their careers, or develop an empowering environment of leadership motivation. Other opportunities of Muevete, will be to explore networks for potential Latinos/Hispanic and Immigrant women to participant in a community kitchen business incubator space as part of their hands-on learning and practical experience. The execution of the Muevete Business Plan model will afford the Latino/Hispanic and Immigrant populations to move beyond barriers and help them, alongside their hard work, to achieve self-sufficiency and independence to which all citizens have a right.



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## **X. APPENDICES**

### **Appendix 1: Interview Questions for the Representative Cases**

1. Please tell me about yourself, where are you from originally and how long have you lived in the US? Age, Ethnicity, How long you been living in U.S.? Would you consider yourself a small business owner, an entrepreneur or a business woman? Please explain ..
2. What made you want to start this business? What was your motivations? How did the idea for your business come about?
3. What kind of business do you have? How long have you been in this business? Tell me briefly how you have organized your business, your product and your clients. What do you enjoy most about doing the kind of work you do? How many hours a week do you dedicate to your business? Can you take me through a typical workday?
4. What does this business mean or represent to you and your family (ex. Is it a main source of the family income, a supplemental income or a temporary one?) How do you feel about this business? How do you feel when you deliver your food to your clients?
5. Have you registered your business with the city or state? Could you explain how you understand the idea of an 'informal business'? ( I will explain what is informal and what is formal) How would you describe the position of your business at this moment, is it an formal or informal business? Do you have any concerns about operating in this position (formal or informal)?
6. Are you aware of the resources that are available for small businesses in the city? If yes could you tell me about your experience with the city? What do you know about the assistance to start a business that is available?
7. Have you ever tried to approach these resources or a bank for information (non-governmental or governmental) (Note: I will explain the difference between both entities).

8. Do you have specific goals for your business? How you envision your business? Would you consider the business a success? Why?
9. If you had the opportunity to formalize (I can explain what is formalize) your business (say for example you were offered a grant of \$25K to do so) would you do it? Do you know of any types of incentives that would encourage the formalization of informal businesses into the formal sector?
10. What advantages and disadvantages do you anticipate in formalizing your business?
11. What can the city do to create a friendly environment for start a new business or to be an entrepreneur among women, minority and immigrant groups?
12. Do you have any advice for me as to the ways to encourage entrepreneurship or to helping informal business to make the transition (I can explain more about what it means to do a transition) to the formal sector?

## **Appendix 2: Interview Questions for Business Resources**

1. Could you explain the services that you provide for small businesses? Services, Programs, Process and others. Do you have any specific programs for those who want to enter into the food industry business? In what other languages do you offer services?
2. Who is your target or typical client? Why? How do you conduct outreach? Could you think of any specific gap of population or groups that you would like to reach and why?
3. Are you aware of the informal sector and do you think the informal sector has an impact in our economy? Do you have any cases of clients who are in the informal sector and through your services made the transition to the formal sector?
4. Could you please share any success stories of your clients? Why do you think they succeeded? Why others have not been successful?

5. Do you have any advice for how I can encourage helping informal businesses make the transition to the formal sector?
  
6. How do you describe the process of starting a business in our state? How about in our local system?

## Appendix 3: The Worcester Business Resource Alliance Matrix



### RESOURCE MATRIX

Who does what?

	Target Population	Stage of Business Development	Cost for Services	Business Plan Assistance	Assistance with Regulations	Consultation & Mentoring	Access to Capital	Financial Incentives	Co-working Space	Incubator / Accelerator	Finding a Location	Workshops & Seminars	Networking Events	Workforce Development	Strategic Planning Assistance
Ascentra Care Alliance	Immigrants and New Americans	All stages	Free of charge	YES	YES, indirect	YES	YES	NO	NO	NO	YES	YES	NO	YES	YES
Center for Women & Enterprise	Women AND Men	All stages	Low-cost, Sometimes free	YES	YES, indirect	YES	YES, indirect	NO	NO	NO	YES, indirect	YES	YES	NO	YES
City of Worcester Business & Community Development	All Businesses	All stages	Free of charge	YES, indirect	YES	NO	YES	YES	NO	NO	YES	YES	NO	NO	NO
Historic	Existing Businesses	Growth	Fee charged for program	NO	NO	YES, indirect	YES	YES, indirect	NO	NO	NO	YES	NO	NO	YES
Mass. Biomedical Initiatives	Life Science Businesses	All stages	Free of charge, membership-based	NO	YES	YES	YES, indirect	YES, indirect	YES	YES	YES	NO	NO	NO	YES
ManDevelopment	All Businesses	All stages	Free consultation, one for financing	NO	YES	NO	YES	YES	NO	NO	YES	YES	NO	NO	NO
Mass. Growth Capital Corp.	Existing Businesses	Growth	Free of charge	NO	NO	NO	YES	YES, indirect	NO	NO	NO	NO	NO	NO	YES, indirect
Mass. Manufacturing Extension Partnership	Manufacturing Businesses	Growth	Free of charge	NO	YES	YES	YES, indirect	YES, indirect	NO	NO	NO	YES	NO	YES	YES
Mass. Office of Business Development	All Businesses	All stages	Free of charge	NO	YES	NO	YES, indirect	YES	NO	NO	YES	NO	NO	NO	NO
MSBDC @ Clark University	All Businesses	All stages	Free assistance, cost for workshops	YES	YES, indirect	YES	YES, indirect	NO	NO	NO	YES, indirect	YES	NO	NO	YES
Roaming Start	Startups / Microenterprises	Mostly Startup	Membership-based	NO	NO	YES	YES, indirect	NO	YES	NO	NO	NO	YES	NO	YES
SCORE	All Businesses	All stages	Free of charge	YES	YES	YES	YES, indirect	NO	NO	NO	NO	YES	YES	NO	YES
U.S. Small Business Administration	Small Businesses	All stages	Free of charge	YES, indirect	YES, indirect	YES, indirect	YES, indirect	YES, indirect	NO	NO	NO	YES	NO	NO	NO
SMBC Financial Services @ The MLK, Jr. Center	All Businesses	All stages	Primarily free	YES	NO	YES	YES	NO	NO	NO	YES	YES	NO	YES	YES
The Venture Forum	Tech Startups	Mostly Startup	Low-cost, Sometimes free	YES	YES, indirect	YES	YES, indirect	NO	NO	NO	NO	YES	YES	NO	YES
VentureMeets	All Businesses	All stages	Free of charge	YES, indirect	NO	YES, indirect	NO	NO	NO	NO	NO	NO	YES	NO	NO
Worcester Business Development Corp.	All Businesses	All stages	Free of charge	NO	YES, indirect	NO	YES	YES, indirect	NO	NO	YES	NO	NO	NO	NO
Worcester Clean Tech Incubator	Tech Startups	All stages	Free of charge, membership-based	YES	YES, indirect	YES	YES, indirect	YES, indirect	YES	YES	YES	YES	YES	NO	YES
Worcester Idea Lab	Startups / Events	Mostly Startup	Fees may vary	NO	NO	YES	NO	NO	YES	YES	YES	YES	YES	NO	NO
Worcester Public Library	All Businesses	Mostly Startup	Free of charge	YES	YES, indirect	YES, indirect	NO	NO	YES	NO	NO	YES	NO	NO	NO
Worcester Regional Chamber of Commerce	All Businesses	All stages	Membership-based	NO	YES	YES, indirect	NO	NO	YES	YES	YES	YES	YES	YES	NO
Worcester Central Career Center	All Businesses	All stages	Free of charge	NO	NO	YES	NO	NO	NO	NO	NO	YES	NO	YES	NO

## Appendix 4: Worcester Business Resource Alliance List



### WORCESTER BUSINESS RESOURCE ALLIANCE

[www.wbra.wordpress.com](http://www.wbra.wordpress.com)

	<p><b>Ascentria Care Alliance</b> 11 Shattuck St., Worcester 774-243-3100 <a href="http://www.ascentria.org">www.ascentria.org</a> (Devi Adhikan)</p>	<p><b>MSBDC @ Clark University</b> 125 Woodland St., Worcester 508-793-7615 <a href="http://www.clarku.edu/offices/sbdc">www.clarku.edu/offices/sbdc</a> (Cheryl Miller or Art Martin)</p>	
	<p><b>Center for Women &amp; Enterprise</b> 69 Milk Street, Suite 217, Westborough 508-363-2300 <a href="http://www.cweonline.org">www.cweonline.org</a> (Lori Allen)</p>	<p><b>Running Start</b> 95 Prescott St., Worcester 774-312-7569 <a href="http://coworkinginworcester.com">http://coworkinginworcester.com</a> (Ryan Leary)</p>	
	<p><b>City of Worcester, Business &amp; Community Development Division</b> 455 Main St., Room 402, Worcester 508-799-1400 x242 <a href="http://www.worcesterma.gov/development">www.worcesterma.gov/development</a> (Peter Dunn)</p>	<p><b>SCORE</b> 446 Main St., 2<sup>nd</sup> Floor, Worcester 508-753-2929 <a href="http://worcester.score.org">http://worcester.score.org</a> (Dan Ekberg)</p>	
	<p><b>Worcester Clean Tech Incubator</b> 44 Portland Street, 4<sup>th</sup> Floor 508-344-1608 <a href="http://www.wcti.org">www.wcti.org</a> (Joe Bush)</p>	<p><b>SMOC Financial Services</b> at the MLK Jr., Opportunity Center 237 Chandler St., Worcester 844-766-2737 <a href="http://www.mlk-oc.org">www.mlk-oc.org</a> (Deidra MacLeod-Richardson)</p>	
	<p><b>Worcester Idea Lab</b> 20 Franklin St., Worcester <a href="http://www.worcesteridealab.com">www.worcesteridealab.com</a> (Kyla Pacheco)</p>	<p><b>The Venture Forum</b> 306 Main St., Suite 400, Worcester <a href="http://www.theventureforum.org/">www.theventureforum.org/</a> (Dick Prince)</p>	
	<p><b>Interise</b> 197 Portland St., Boston 774-272-2430 <a href="http://www.interise.org">www.interise.org</a></p>	<p><b>VentureMeets</b> <a href="http://venturemeets.com">http://venturemeets.com</a> (Kevin Anderson &amp; Mike Aguirre)</p>	
	<p><b>Mass. Biomedical Initiatives</b> 60 Prescott St., Worcester 508-797-4200 <a href="http://www.massbiomed.org">www.massbiomed.org</a> (Jon Weaver)</p>	<p><b>Worcester Business Development Corporation</b> 89 Shrewsbury St., Suite 300, Worcester 508-755-5734 <a href="http://www.thewbdc.com">www.thewbdc.com</a> (Lisa Drexhage)</p>	
	<p><b>MassMEP</b> 100 Grove St., Worcester 508-831-7020 <a href="http://massmep.org">http://massmep.org</a> (Kathie Mahoney)</p>	<p><b>Worcester Regional Chamber of Commerce</b> 446 Main St., 2<sup>nd</sup> Floor, Worcester 508-753-2924 <a href="http://worcesterchamber.org">www.worcesterchamber.org</a> (Karen Pelletier or Sherril Pitcher)</p>	
	<p><b>MassDevelopment</b> 89 Shrewsbury St., Suite 300, Worcester 508-363-2799 <a href="http://www.massdevelopment.com">www.massdevelopment.com</a> (Shyla Matthews or Kelly Arvidson)</p>	<p><b>Worcester Public Library</b> 3 Salem Square, Worcester 508-799-1655 <a href="http://www.worcpublib.org">www.worcpublib.org</a> (Mora McAvey)</p>	
	<p><b>Mass. Growth Capital Corp.</b> 89 Shrewsbury St., Worcester 617-523-6262 <a href="http://www.massgcc.com">www.massgcc.com</a> (Robert Williams or Bob Jones)</p>	<p><b>Workforce Central Career Center</b> 340 Main Street, Suite 400, Worcester 508-799-1600 <a href="http://www.workforcecentralma.org">www.workforcecentralma.org</a> (Janice Weekes)</p>	
	<p><b>Mass. Office of Business Development</b> 89 Shrewsbury St., Worcester 508-792-7506 <a href="http://www.mass.gov/mobd">www.mass.gov/mobd</a> (Jon Golmik, Central Regional Director)</p>		

## Appendix 5: Worcester Demographic Data

