

# **Mexican Women Entrepreneurs & Gender Asymmetries in Houston, Texas**

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## **Abstract:**

Faced with the need for greater flexibility, and burdened by the wage gap and lack of opportunities in the private sector, women in the region [Latin America] often turn to the informal sector and personal endeavors, becoming entrepreneurs. There are differences in the characteristics of businesses, their creation, and entrepreneurial behavior worldwide, in accordance with the gender of the owner. One such feature that has perhaps attracted the most interest from various researchers in the field of women-owned businesses are the high rates of growth in the number of such enterprises (both in the United States as in other countries) and their increasing participation even in areas or sectors traditionally considered a "male" domain. This paper is a contribution to gender studies concerning the participation of women in business activities or in fields that just a century ago were considered masculine by nature. From what has been called a "silent revolution" of women immigrant entrepreneurs in the last decade has grown the need to present the methods, challenges, characteristics, and needs of businesswomen in a leading role. This study aims to identify key gender differences in terms of educational level, access to financing, and business success among Mexican businessmen and women in the United States.

**Keywords:** gender differences, businesswomen, immigrant businesses, Houston, Mexico-US migration, business success.

## **1. Introduction**

Migration has been growing since the beginning of the last century.<sup>1</sup> A result of this and many other contemporary phenomena has been the structural change in the economy since the 1980s. This period was characterized by recurring crises and above all, by the application of failed development models, which have further exacerbated the migration problem in Mexico. More specifically, macroeconomic policies as a whole and their relationship to female migration are associated with changes in the process of deregulation and financial liberalization that came together in the financial crisis of the 1990s (Giron and Gonzalez, 2005).

The modification of the economic structure took place in conjunction with the insertion and exclusion of female labor. This phenomenon changed the traditional social structure (De Oliveira and Ariza, 2001). The first economic consequence that was observed occurred in the

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<sup>1</sup> According to data from the Current Population Survey (CPS) from 2001 to 2008

labor market, in which the pressure from the demand for jobs was so great that the national economy was incapable of absorbing it.

Thus, even though in recent years there has been progress in achieving gender equality (in terms of access to education, years of schooling completed, and the institutional reforms to achieve these objectives) in relation to the labor market "there is segregation in the employment of men and women by sector and occupation" and "given the need for greater flexibility, and burdened by the wage gap and lack of opportunities in the private sector, women in the region [Latin America] often turn to the informal sector and personal endeavors,"<sup>2</sup> "becoming entrepreneurs. In fact, according to the World Bank (WB, 2010), the reasons why women choose to become entrepreneurs are more related to "need" than "opportunity" (for lack of opportunities to enter the formal labor market and to supplement the family income, and for the "flexibility" to perform other tasks at home that owning their own business provides them with, for example).

This paper is a contribution to gender studies concerning the participation of women in business activities or in fields that just a century ago were considered masculine by nature. From what has been called a "silent revolution" of women immigrant entrepreneurs in the last decade, has grown the need to present the methods, challenges, characteristics, and needs of businesswomen in a leading role

According to several authors (Lamolla, L., undated, World Bank, 2010; Gibson, undated; Efrat, 2010), there are differences in the characteristics of the businesses, their creation, and business behavior worldwide, in accordance with the owner's gender. One such feature that has perhaps attracted the most interest from various researchers in the field of women-owned businesses are the high rates of growth in the number of such enterprises (both in the United States as in other countries) and their increasing participation even in areas or sectors traditionally considered a "male" domain.<sup>3</sup>

Furthermore, according to the World Bank (WB, 2010), there are several characteristics that can be attributed to women-owned businesses. They are usually smaller (with a concentration on the level of micro and small businesses); they use less labor and physical capital; in some countries they have lower levels of human capital (including years of schooling and participation in training courses) and they tend to be concentrated in a smaller number of economic sectors; their companies are comparatively younger than those of their male counterparts; their micro and small businesses tend to be less profitable and productive and

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<sup>2</sup> World Bank, 2010:9-10.

<sup>3</sup> According to data from the Survey of Business Owners, SBO), from 1997-2002 and from 2002-2007, women-owned businesses in the United States posted an average annual growth rate (AAGR) of 3.7%, while on a national level, the corresponding AAGR figures for companies for the periods in question were 2.0% and 3.4%.

in contrast, in cases of medium or large women-run companies, they often post equal or better results than male-run enterprises.

There are also certain specific features of the "entrepreneurial factor" as well as in the obstacles and facilities to start a business, and in the way of running a company that are particularly common to women-owned companies. In terms of the entrepreneurial factor and the way of running a business, several authors have mentioned that among the obstacles faced by businesswomen in relation to regulatory standards, registration procedures and compliance with other rules, women often feel less prepared to "undertake complex maneuvers", they have more problems accessing networks and markets for their products, and they are less likely to obtain training and business development services. Furthermore, businesswomen tend to have considerably lower levels of education and training than men; they appear to have greater risk aversion or fear of applying for credit; they are less familiar and comfortable with more sophisticated credit instruments, and often face a lack of financial products adjusted to their needs. Furthermore; they depend on informal sources of financing; even though their assets are of lower value and size than those of their male counterparts and, in general, they must offer many more guarantees than businessman to access credit. Finally, traditional gender roles continue to disproportionately assign tasks and activities to women (World Bank, 2010).

Meanwhile, several authors have also mentioned that immigrant-owned businesses have specific characteristics. Companies owned by immigrants of Hispanic or Latino origin have posted significant growth in the United States<sup>4</sup> and among them, Mexican owners have outperformed their peers. According to the SBO, from 1997 to 2002, women-owned Hispanic or Latino businesses grew at an AAGR of 9.9% and for 2002-2007 at a rate of 7.8%. If this data is compared with the growth of companies nationwide in these two periods (2.0% and 3.4%, respectively) the big differences and the remarkable dynamism in the growth of women-owned businesses in recent years, particularly of Hispanics or Latinas, can be observed (see Table 1).

In the case of Mexican-owned companies in the United States there is no statistical information available to make a comparative analysis by gender, but if the data for 2007 is reviewed, we see that Mexican companies accounted for 45.8% of all Hispanic or Latino owned enterprises in that country. It should also be noted that businesses owned by Mexican women accounted for 44.4% of the Hispanic women total.

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<sup>4</sup> Once again, according to data from the Survey of Business Owners (SBO) of the United States for 1997, 2002, and 2007.

Finally, it should be mentioned that according to data from the BOS, the state of Texas is one of the 10 states that together account for more than 50% of women-owned businesses in 1997, 2002, and 2007. In terms of the geographic location of the companies owned by Mexican women, it should be mentioned that in 2007, 30.8% of their companies were in Texas, which in this regard was the second largest state, after California.

Given these data, this study will seek to identify the main gender differences in educational level, access to financing, and business success among businesspeople of Mexican origin in the United States, and compare the results with the major issues raised concerning the differences in the characteristics of women-owned companies. The two key hypothesis in this paper seek to confirm the importance of education and access to financing as the major factors for business success. The study also seeks to identify the relationship between women's education level and their participation in business activities, given the hypothesis that within the framework of the financial crisis that began in 2008, the migratory flow of highly educated women (professionals and university graduates), from Mexico to Houston, Texas, has accelerated and its participants have entered the business sector.<sup>5</sup>

To achieve the overall objective of this study, first of all, a review will be made of the main ideas raised in the literature available regarding each of the points. Then, some data will be reviewed from the available statistical information and interviews recorded during field work conducted in this city. Finally, we will contrast and compare previous data with the results shown by the case studies of a sample of 25 businessmen and women of Mexican origin in the city of Houston, Texas, in 2011.<sup>6</sup> Of those surveyed, 28% were women and 72% men, and therefore making gender comparisons will involve weighing the data.

It is important to note that, although due to the sample size the results cannot be generalized for the total population of businesspeople of Mexican origin in Houston, Texas<sup>7</sup>, what this

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<sup>5</sup> Data supporting this claim comes from a study published in 2011, within the Washington, D.C.-based Immigration Policy Center. In this document, entitled *Our American Immigrant Entrepreneurs: The Women*, case studies were conducted in which businesswomen from various cities and economic activity sectors were studied, and specific characteristics as well as challenges, contributions, and current goals were pinpointed. Within this report, crucial data appears, such as, for example, in 2000, 5% of immigrant women and women born in the United States were founders of their own businesses. The figure increased to over 9% in 2010 for women immigrants whereas for those born in the country it remained at 6.5%, according to the American Community Survey published each year by the Census Bureau.

<sup>6</sup> These data are from a pilot study conducted in Houston, Texas, as part of activities undertaken in the framework of the Proyecto CONACYT 104503 on "cross-border business experience, capital repatriation for development". To carry out this study, we applied a survey to 25 businessmen of Mexican origin in that city. The total number of variables considered for the entire study was 367.

<sup>7</sup> According to data from the 2007 SBO, in that year the number of Mexican-owned businesses in Houston was 2.805.

study seeks to do is to serve as a reference framework for identifying the characteristics and gender differences of these businesspeople, uncover lines of discussion, and from them generate broader studies whose samples are more representative of the universe of Mexican entrepreneurs in this city.

## **2. Educational level of businesspeople of Mexican origin in Houston**

The labor market tends to generally exclude population groups with low educational levels, and in the case of female labor, the women involved face discrimination whether or not they have a high level of schooling. It is based on this exclusionary behavior by the market that patterns of exclusion of labor power can be observed. One such pattern, and that moreover seems important to us to emphasize concerns "the educational level of the excluded workforce." Cuecuecha, Gonzalez, and Pederzini (2008) argued that among those with 17 to 21 years of schooling there is an increasing tendency for women to migrate; that is, women who migrate from Mexico have a higher educational level than men in the same category and in the same generation.

As also mentioned in this study, two key hypotheses are at play regarding the educational level of businesswomen: 1) that there is an increase in the population with high levels of education that is leaving Mexico and entering the U.S. entrepreneurial sector and 2) there is a direct relationship between the educational level of the businesspeople and success<sup>8</sup> in their business endeavors.

### **Results of the pilot study conducted in Houston, Texas in 2011**

In the next section we will present some of the most important findings that emerged from the pilot study undertaken in Houston and that will be supplemented by some examples of in-depth interviews with businesswomen conducted in this city:

We found that most of the businesspeople had completed undergraduate studies (with a bachelor's degree) and that, in fact, the lowest educational levels among the businesspeople corresponded to middle school and high school. There was an even distribution on the postgraduate level, while the greatest gender disparities occurred on the undergraduate level

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<sup>8</sup> In this study and due to some limitations in terms of the availability of detailed information, the following elements were considered in measuring "company success": annual sales, whether or not the business has other branches, and number of years it has been in existence.

(complete and incomplete). That is, the concentration of businesspeople in the educational level that exceeds approximately 17 years of schooling is the same for both sexes.

In terms of their reasons for leaving Mexico, we found two cases of men who indicated that they left because they were unemployed, while the rest abandoned the country for other reasons. However, 42% of the women with postgraduate studies decided to leave Mexico for reasons other than lack of employment. At the same time, 14% of men with postgraduate studies decided to leave after having lost their jobs.

In terms of age brackets, it should be noted that 57% of the businesswomen are between 35 and 45 years old, while 61% of their male counterparts are between 46 to 65 years of age. Furthermore, after the 1970s, women managed to enter undergraduate and postgraduate studies, overcoming the low levels of schooling that were common until then.

In training courses, we found that the women's participation was equal to the men's; the sample found that 60% of the businessmen had taken such courses, while the corresponding figure for the women was 57%. This shows that, contrary to some hypotheses advanced by the World Bank, women can have a level of training equal to, if not greater, than men.

#### Relationship between education level and annual sales

In reviewing the level of annual sales by gender of the businessperson involved, it was confirmed that in general, women-owned businesses have lower sales levels than companies headed by men. At the same time, when this information was correlated with the educational level of the entrepreneurs, it was observed that there is no direct relationship between educational level and annual sales, as higher sales levels were found in companies whose owners had middle school or undergraduate studies (complete and incomplete) as their highest level of schooling. However, with the exception of the middle school level, in which the company with the highest sales is to be found, the other businesses with higher revenue are owned by entrepreneurs with undergraduate degrees. That is, although the highest sales levels do not correspond to companies owned by businesspeople with undergraduate and postgraduate education, most in this category are run by those with an undergraduate level education.

#### Relationship between education level and number of branches

In reviewing the data, it was found that women-owned businesses did not have other branches, while 40% of companies owned by men did have branches. This also coincides with the claims that businesswomen are less likely to expand their businesses. In comparing



the data on educational level with the existence of company branches, it was found that 57% of the businesses (owned by men) that did have branches were run by businessmen with undergraduate or postgraduate studies and that the rest had a middle school or high school education. Therefore, it can be concluded that the greatest percentage was indeed concentrated among those with higher education levels.

## **Case Studies<sup>9</sup>**

### *Case 1: Diana*

Diana's company is in activity branch 72, corresponding to restaurants and hotels. In addition to this activity, and as her first business experience in Houston, Diana has a tire company, which she launched based on family savings. Currently the tire company continues to be a family business, and her son is actively involved in the restaurant. Like many women do upon their arrival in the United States, Diana began her experience as a bank clerk, and thus obtained a comprehensive financial culture. In this field she was able to gain knowledge of the range of possibilities for financing the tire company. Diana recalls that at night she studied to be a real estate agent and took business courses, and she finally obtained her license and thus played a leading role in launching the tire company. She is responsible for training a group of professionals and suppliers to not only sell tires, but also provide advisory services for her clients.

After Diana managed to position the tire company in the domestic and international market, and fine tune her skills in order to know the needs of her clients, she decided to establish the restaurant that she is currently running.

It is based on this case that we can infer the importance for Diana of having completed her undergraduate studies and subsequently several specialization courses. Even though the specialization courses are not exactly a formal level of schooling, they do allow for specific objectives of the companies to be achieved. This enabled Diana to rise within the tire company and then establish a restaurant. At one point in the interview, Diana raised the idea of investing in Mexico, which speaks of the business experience that she has acquired based on her studies.

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<sup>9</sup> These studies correspond to in-depth interviews conducted with entrepreneurs of Mexican origin in Houston, also in the framework of the "Cross-border business experience; capital repatriation for development" project, but within a sample different from that employed in the Pilot Study in Houston.

It is probably difficult to deduce the relationship or the degree of influence between level of schooling and business experience, but knowledge applied in companies is the only data that is expressed in companies' success stories. An example of this is the growth of the tire company and the previous consolidation of the restaurant.

### *Case 2: Lina*

Lina is a second generation businesswoman. Her company corresponds to branch 54, professional, scientific, and technical services. She runs an advertising firm, and in addition to this activity, maintains an English language school for Latinos.

In Lina's case, his parents are Mexicans. This is why Lina has strong ties not only with the Mexican, but also the Hispanic community. She was born in the United States, which makes her a first generation businesswoman. Lina said that her life has transpired in an environment that was culturally American, and so her undergraduate studies took place in the United States. Unlike what is expected, Lina does not use financial services to fund the school or the newspaper and, on the contrary, she provides financing to suppliers, which are mostly Americans. As opposed to other case studies, Lina works in the administrative and financing areas of the company together with her husband, who is responsible for the creative and publishing activities. Some commentators felt that Lina plays a leading role in the company's activity, since she functions as the newspaper's financial director, on which the existence of the English language school economically depends..

Lina's case is particularly interesting, as her activity has developed in an American setting without cutting her ties to the Mexican community. That is why Lina knows the characteristics and difficulties involved in establishing a business in the Houston economy. It is based on this knowledge that she got involved in the task of establishing an English language school for Spanish speakers with the clear objective of breaking the language barrier. Another important feature to note is that this breaks with the sexist schema that considers the man as the chief administrator of a company's financial resources.

### **3. Access to financing for business owners of Mexican origin in Houston**

According to several authors (Lamolla, L., undated, WB, 2010), "access to financing," is one of the factors that can determine and explain the success or failure of a business, as well as its prospects for expansion and from this flows the importance of studying gender differences in access to these resources by entrepreneurs of Mexican origin.

Several studies have noted the difficulties of certain population groups such as immigrants or women, to access financial services. For example, according to Prior, the degree of bank penetration of Latin American immigrants in the United States is very low and although there are studies that explain both the demand as well as supply side of the equation, according to the author "the main causes are to be found on the supply side" (of these services)." Hence, "the unregulated financial services provider sector has become one of the most dynamic in the country and its growth shows the limited success that the regulated financial banking institutions have had in serving Latin American immigrants" (Prior, Santomá, 2007: 6).

In some studies (WB, 2010) it has been argued that the lack of financial products for small and medium size companies can be an obstacle to growth and expansion of women owned businesses. Furthermore, it was found that "women entrepreneurs, in general, face greater difficulties in accessing credit than men. However, these difficulties reside in the fact that the financial institutions (the main sources of external funding) discriminate on the basis of company size and scope and prefer to lend to larger and more established companies" (Lamolla, L., undated).

## Results of the pilot study conducted in Houston, Texas in 2011

As previously mentioned, in this section we will present the main results of the pilot study conducted in 2011 in relation to access and use of financial services to see if they match the main ideas in this regard found in the literature on the subject.

### *Use of financial services in the United States (U.S.) by gender*

Of those interviewed, 88% mentioned having accessed financial services in the United States. Based on the gender of the business owners, it was noted that of all the men, 89% have access to financial services in the United States, while in the case of women, the percentage is slightly lower (86%) (Table 2).

### *Relationship between the use of financial services and current immigration status*

In relation to the current immigration status of those surveyed, the response options were: U.S. citizen, permanent resident alien, immigrant with permission to work, with work permit (H1B, L, E2), informal situation, and other. Of the total number of entrepreneurs surveyed, the majority (over 80%) mentioned being "American citizens" or "permanent residents". Close to 80% of the businesspeople with financial services in the United States were also to be found in these categories, so therefore it could be confirmed that there is a direct relationship between "legal or formal immigration status" and the use of financial services in that country. Based on the gender of the businessperson involved, slightly more than 10% do not use financial services in that country, with the percentage of women in this category being slightly higher (14.3% of women and 11.1% of men) (see Table 3 .)

#### *Relationship between the use of financial services and the generation of the businessperson<sup>10</sup>*

In accordance with the definitions provided by the National Population Council, the businesspeople surveyed can be divided as follows: 96% corresponded to Mexican immigrants and the remaining 4% to first-generation Americans of Mexican origin. Based on gender, there were insufficient data to establish significant differences (see Table 4).

#### *Relationship between the use of financial services and education*

It should be noted that of the businesspeople surveyed, over 70% have a graduate level education (complete or incomplete) or postgraduate students, with the concentration of women being slightly higher than men (see Table 5). At the same, it should also be emphasized that the women surveyed had at least completed high school while in the case of the men there were indeed businessmen whose highest educational level was middle school or part of high school. In correlating this data with the use of financial services it can be seen that 50% of the women who use financial services in the United States have completed graduate studies. In the case of men, even those who only have a middle school education have access to financial services even though the largest percentage also corresponds to those who have completed their undergraduate studies (37.5%). Nevertheless, those with access to financial services are more evenly distributed among the different educational levels.

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<sup>10</sup> According to the National Population Council (CONAPO), the Mexican population and population of Mexican origin in the United States can be broken down into three large categories: Mexican immigrants (population that lives in the United States but was born in Mexico); First generation of Mexicans in the United States (born in the United States but of Mexican parents); and second generation or beyond (population born in the United States but recognized as being of Mexican origin without them or their parents necessarily having been born in Mexico). See: CONAPO, 2001: 4.

### *Type of financial services used*

In this section we will try to determine whether there are differences between the type and quantity of financial services used by businessmen and businesswomen. With this in mind, in the pilot study conducted in Houston four questions were asked in relation to the services that the respondents have used for their company, the institutions or sources that have provided such services, and the type of funding that they have received. From a list of 11 financial services for companies, the results were as follows: the five financial services most commonly used by the sample total were checking accounts and four types of insurance (against theft or fire, for real estate, life and health insurance for the entrepreneur). By gender, in addition to the checking account, men most used property, theft, or fire insurance and life insurance, while women after checking accounts, most used theft and personal health insurance. It should be mentioned that among the five financial services most used by women are investment accounts, which are not included among the five most commonly used by men. Sureties and employee health insurance and insurance for key executives are the least used by the businesspeople in general (Figures 1, 2 and 3).

In investigating from which sources the entrepreneurs obtain financing and/or financial services, it was noted that first of all, that rely on banks and secondly, on credit provided by their suppliers. When it was determined who most used these sources of financial services, interesting questions were raised. Women used slightly fewer sources than the men, but a higher relative percentage of the women use them in comparison with their male counterparts. For example, 100% of women used banks, while only 89% of men did so (Table 5). The “non-formal” institutions such as micro-finance institutions, savings and loan associations, and pawnshops were not used by this group of businesspeople, which seems to contradict some assumptions that have been raised in connection with the preference of the population of Mexican origin or even the first generation of women, in comparison with the men, for using these institutions more than and in place of banks, for example.

### *Type of financing received*

The type of financing received by these businesspeople is mainly based on the use of credit cards, other revolving credit lines, credit from suppliers, mortgage loans, and collateralized loans (that is, loans that imply leaving a guarantee as collateral) The type of financing that women use more than men is supplier credit and loans from relatives. Men use more credit cards and other revolving credit lines and loans from partners. Differences by gender are less pronounced in the use of mortgage loans and collateralized loans (Figure 4). These data are consistent with some of the ideas mentioned at the beginning, where it was reported that women are dependent on informal sources of financing, as in this case with supplier credit or loans from relatives. Meanwhile, in relation to the use of collateralized loans, the result seems to contradict the thesis that women have more difficulty than men in accessing credit of this type.

### *Origin of capital to establish their company*

Most of the businesspeople formed their companies based on prior savings (in the United States and /or Mexico) and loans (from family members and others). Most of the women established their companies based on their savings in the United States, while men did so with savings from the United States or Mexico and loans.

### *How company savings were used*

The businesspeople surveyed used their company's savings primarily to invest in property or real estate and in companies in the United States, to reinvest in their company, and to send money to their relatives. In relative terms, women invest slightly more in property or real estate in the United States. The men, meanwhile, reinvest in their business and in companies in Mexico, which the women do not do (Figure 5).

## **4. Age of Mexican-owned companies in Houston**

Results of the pilot study conducted in Houston, Texas in 2011

The "age" of the businesses of the entrepreneurs surveyed was quite varied, and the study found both start-ups (less than a year old), to companies established 33 years ago. Looking at the data by gender, we found that unlike what is usually said about women-owned companies tending to be "younger" than those run by men, in the sample studied, women-owned businesses were found on the two extremes, with 60% corresponding to younger companies and the rest among the oldest.

In the following section we reviewed some characteristics of companies that were found in these extremes (0 to 5 years and over 25 years). In the case of the oldest companies, the same number of companies were owned by men as by women. In relation to the educational level of the owners of these companies, it was found that women had higher educational levels than men (high school or undergraduate education in the case of women and middle school for men). In the case of the "younger" companies, it was noted that while the owners of these companies are distributed among the different educational levels, from middle school through postgraduate studies, women are concentrated in undergraduate or postgraduate studies. Based on these data, it can be concluded that there is no strong correlation between the educational level of the entrepreneurs and the age of the companies, but rather in general terms it can be noted that over time there has been an increase in businessmen's level of schooling. It also should be noted that when making comparisons by gender, women tend to have more years of schooling than men (Figure 6).

## 5. Conclusions

In conclusion, based on the results obtained from the sample being studied, it can be reported that women have higher educational levels than men (at least on the high school level or teaching colleges and technical studies).

In reviewing how businesspeople are classified by their level of schooling, men and women are concentrated in undergraduate or postgraduate studies (over 70%) but the percentage of women is slightly higher.

Within the description of general characteristics, it was found that among the reasons for leaving Mexico, 42% of women with postgraduate education decided to leave for reasons other than lack of employment.

The age range of the businesswomen are about 10 years less than for the businessmen, between 35 and 45 years of age, suggesting that the generations of businesswomen are younger than their male counterparts.

Similarly, training courses have played an important role in women's participation in companies. Through such courses, they have managed to fill positions formerly headed by men within their own companies. In percentage terms, 57% of the women mentioned having taken such courses, compared with 67% of men, and although the proportion of men is higher, that of women is not as low as stated in various studies.

Thus, greater knowledge of the company allows women to head up projects within these firms, enabling them to improve their participation and their companies' competitiveness with respect to other businesses.

It can be concluded that the educational level in the training of immigrant entrepreneurs is significant within their recipient and home countries, since business moves are usually accompanied by strong capital flight and labor migration.

It is also important to point out that the outflow of labor power has resulted in a constant loss of trained men and women who end up helping to boost the fortunes of the recipient nation, limiting the dynamic of the country of origin in the long term.

Based on the results obtained, although the percentage of men is slightly higher, there does not appear to be significant differences in the percentage of businessmen and businesswomen who use financial services in the United States.

In general, women who use financial services in the United States have higher educational levels than men. For example, of the total number of businesswomen surveyed, 50% had undergraduate studies, while the corresponding figure for the businessmen was 37% with the remainder distributed among the other educational levels (from middle school on).

Furthermore, gender differences can be observed in terms of the institutions used that provide the financial services, the type of financial service or financial instrument used, the variety of financial institutions, financial instruments, and financial services used, and the percentage of businessmen and businesswomen who use them. Among the financial services used by the businesspeople are checking accounts and services related to the protection of their assets (against theft or fire and real estate) and themselves as individuals (health insurance for the businessperson and life insurance). In the case of financial services used by the businesswomen, in addition to the above services, there is the use of investment accounts. The latter could be linked to the fact that businesswomen request fewer loans from "formal" sources and prefer to resort to the use of their "own resources" if they require financing.

Informal financial institutions such as micro-finance institutions, savings and loan associations, and pawnshops are not employed by this group of entrepreneurs.

In terms of their variety, women used slightly fewer sources than men, but a relatively higher percentage of businesswomen use them, compared with their male counterparts. In very general terms, both the type of financial services as well as the sources from which they obtain them, tend to be more varied in the case of men than women, but the latter tend to concentrate their efforts by a higher percentage in those sources or services that they use the most. Thus, on several occasions, the relative percentage of women who used a particular service or institution was higher when compared with men.



To finance their businesses, the women, more than the men, use supplier credit and loans from relatives. There are also differences as to where the savings from their businesses are earmarked, as the women invest more in relative terms in properties or real estate in the United States, while the men reinvest in their business or other companies in the United States and Mexico. This could coincide with the thesis that there is less interest on the part of these businesswomen to expand their company or that they are more cautious and prefer to see their business grow more slowly, unlike men.

In relation to the age of the companies, the results were in contradiction with the general idea that male-owned businesses are comparatively older than those run by women, since among the oldest companies in the sample, the same number of male and female owned businesses were found. In terms of the relationship between business success and level of education of the owners, a close correlation was not found, but what could be corroborated was that in general, the women have more years of schooling than the men.

Finally, we observed that there are indeed differences in the characteristics of the companies, their creation, forms of leadership, and business behavior based on the gender of the owner. The women-run companies posted growth rates that were significantly higher than those of the rest of the businesses, around the world and specifically in the United States. In the case of companies owned by Hispanic women and among them those owned by Mexican women in the United States, this trend is further accentuated.

Throughout this study, the data compiled coincided with some of the descriptions or characteristics attributed to women-owned businesses or how women run them, such as that women are more likely to use less formal sources of financing, that they tend to use less credits, rely more on financing through suppliers and loans from family members, that to establish their companies women used prior savings as the primary source of funding rather than soliciting credits, for example, which could coincide with the idea "that women have greater risk aversion," and that men reinvest their profits reinvested in the company more than women.

However, there were also points in which there was a behavior opposite to what is generally expected. It was determined that women had higher levels of education than men; that in terms of training, men and women were almost equal; that the financial services were used by both genders in almost equal proportions, but women used a smaller number of them; that neither men nor women resorted to financing through microfinance institutions, savings and loan associations, and pawn shops; that men and women used collateralized loans and

mortgage loans in similar proportions, and that owners of the older businesses were evenly divided between men and women.

Finally, we propose further research be considered on whether the gender differences in the results obtained from this study could be due to the characteristics of the type of city in which the study was conducted or if recent changes have occurred in the profile of businesswomen of Mexican origin in the United States or what the characteristics or conditions that frame the differences that were found could be in order to reorient policies and programs aimed at companies, seeking greater gender equity.

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## 7. Tables and graphs

**Table 1**  
**NUMBER OF COMPANIES IN THE UNITED STATES.**  
**TOTAL NATIONAL WOMEN-OWNED, 1997, 2002 AND 2007 AND AVERAGE**  
**ANNUAL GROWTH RATE (AAGR)**  
**1997-2002 AND 2002-2007.**

	<b>Total</b>	Women-owned	Hispanic women-owned
1997	20 821 935	5 417 034	337708
2002	22 974 655	6 489 259	540745
2007	27 110 059	7 793 364	787914
<b>AAGR 1997-2007</b>	<b>2.7</b>	<b>3.7</b>	<b>8.8</b>
AAGR 1997-2002	2.0	3.7	9.9
AAGR 2002-2007	3.4	3.7	7.8

**SOURCE:**

Own elaboration with data from the Survey of Business Owners (SBO) 1997, 2002 and 2007.

<http://factfinder.census.gov>

**Table 2**  
**USE OF FINANCIAL SERVICES IN THE UNITED**  
**STATES BY GENDER**

	Yes	No
Men	88.9	11.1
Women	85.7	14.3

**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.

**Table 3**  
**USE OF FINANCIAL SERVICES AND CURRENT IMMIGRATION STATUS**

	Total	Use of financial services, USA	
		Yes	No
<b>Women</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
American citizen	85.7	83.3	100.0
Other	14.3	16.7	0.0
<b>Men</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
American citizen	61.1	62.5	50.0
Permanent resident	27.8	31.3	0.0
E2	5.6	6.3	0.0
Other	5.6	0.0	50.0

**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.

**Table 4**  
**USO DE SERVICIOS FINANCIEROS SEGÚN GENERACIÓN DEL EMPRESARIO**

	Use of financial services, USA		
	Total	Si	No
<b>Women</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Mexican immigrants	85.7	83.3	100.0
First generation of Mexicans in the USA	14.3	16.7	0.0
<b>Men</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Mexican immigrants	100.0	100.0	100.0
First generation of Mexicans in the USA	0.0	0.0	0.0

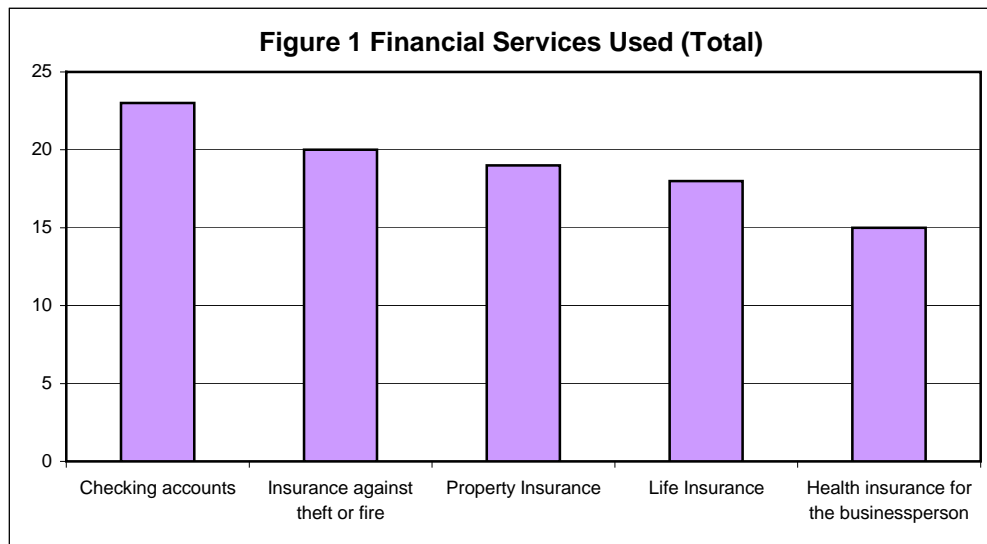
**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.

Table 5  
**USE OF FINANCIAL SERVICES BY HIGHEST LEVEL OF EDUCATION AND GENDER**

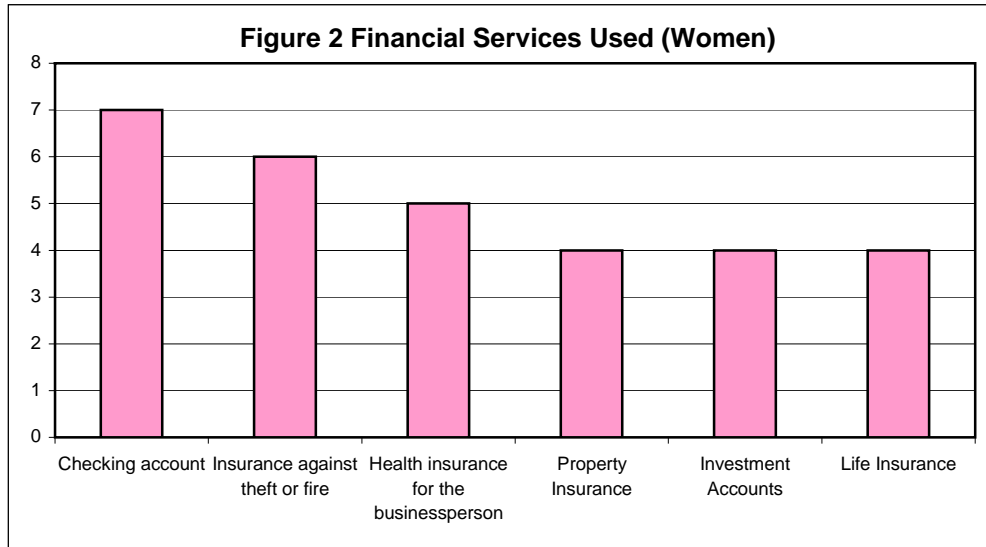
	Maximum level of education							
	Total	Middle school	High school (not completed)	High school	Undergraduate (not completed)	Undergraduate (with degree)	Postgraduate	Other <sup>1</sup>
<b>Women</b>	100.0	0.0	0.0	14.3	14.3	42.9	14.3	14.3
Yes	100.0	0.0	0.0	16.7	16.7	50.0	16.7	0.0
No	100.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
<b>Men</b>	100.0	5.6	5.6	11.1	22.2	33.3	16.7	5.6
Yes	100.0	6.3	6.3	6.3	18.8	37.5	18.8	6.3
No	100.0	0.0	0.0	50.0	50.0	0.0	0.0	0.0

Source: Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.

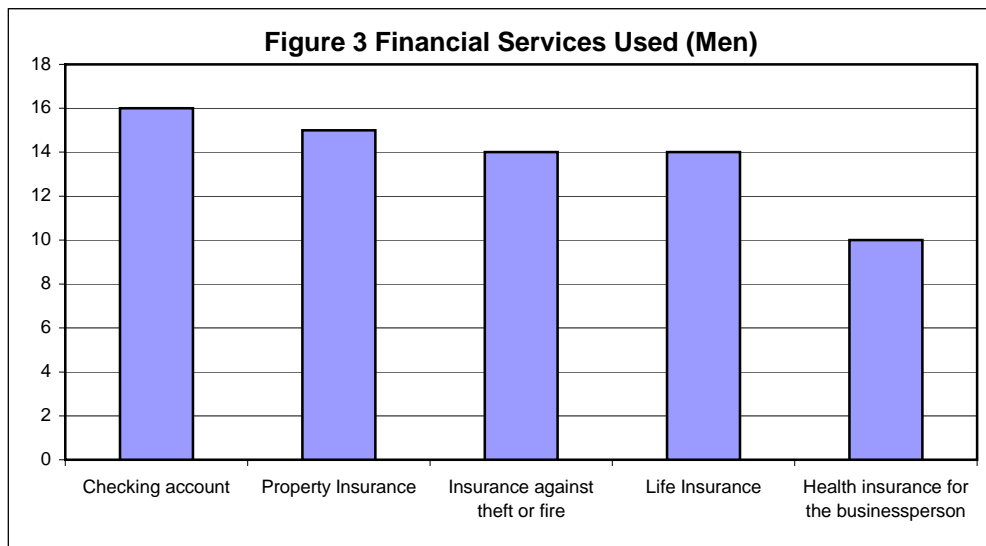
<sup>1</sup> Teachers college or technical accounting school.



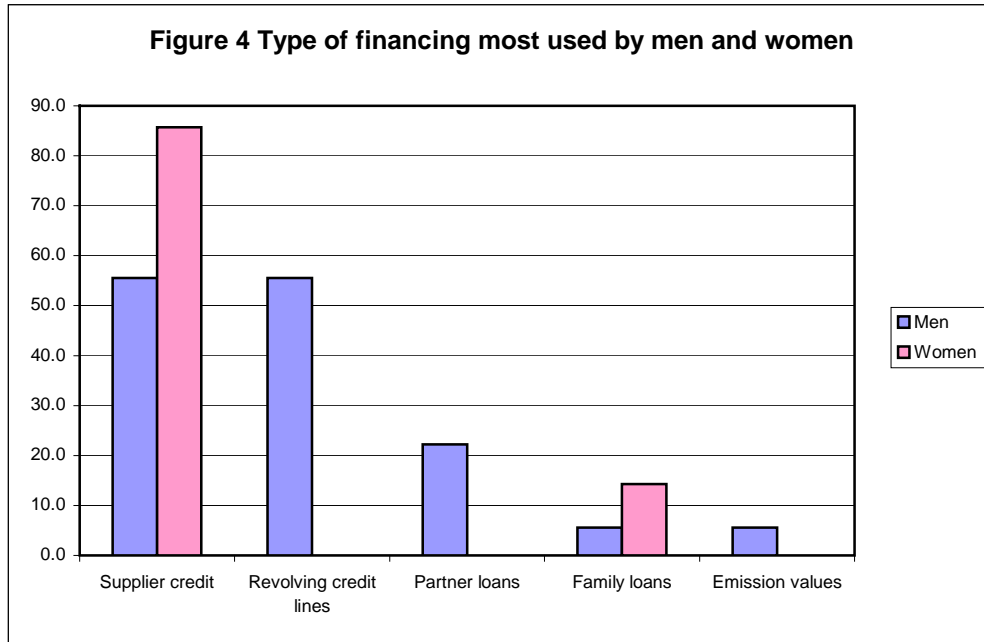
Source: Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.



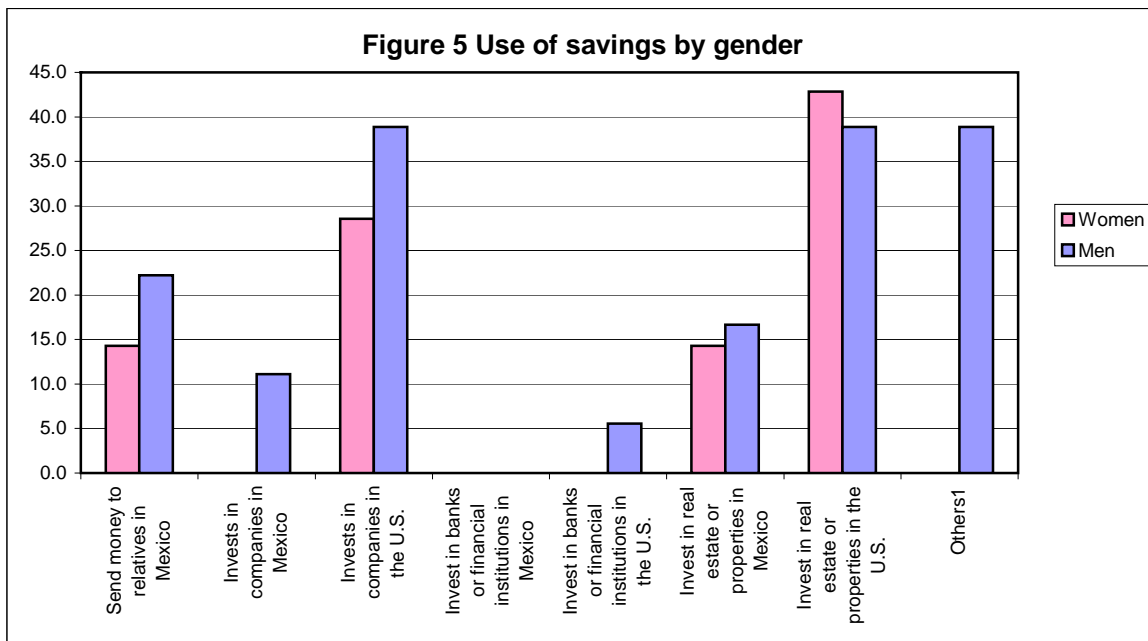
**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.



**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.



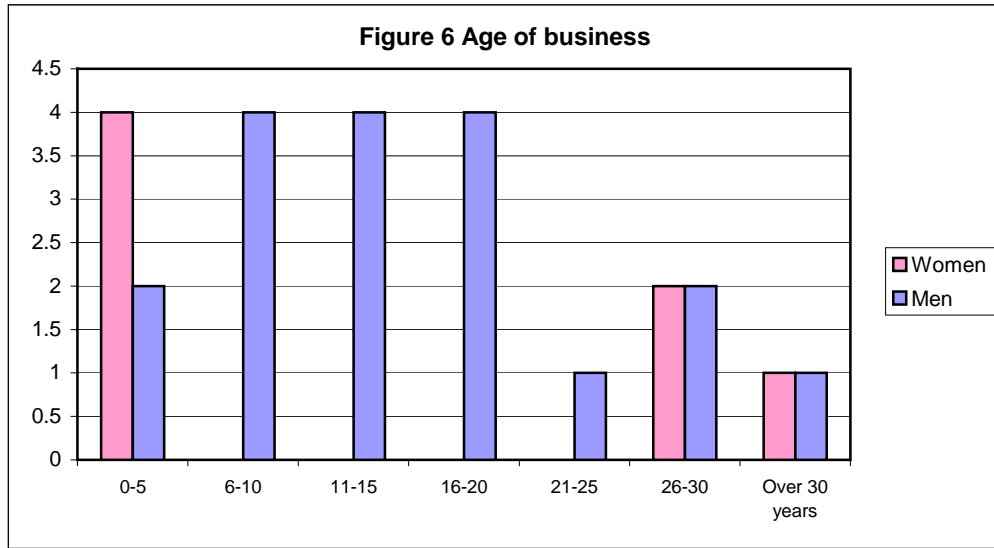
**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.



<sup>1</sup> Refers mainly to reinvestment in the business.

**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.





**Source:** Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.

**Table 6**  
**SOURCES OF FINANCING AND / OR FINANCIAL SERVICES**

	Men	Women
Banking institutions	88.9	100.0
Supplier credit	66.7	85.7
Government institutions	5.6	0.0
Credit Unions	5.6	14.3
Loans from a family member	0.0	28.6
Other	16.7	0.0

Source: Own elaboration based on the survey applied to Mexican businesspeople in Houston, Texas in 2011.