ABSTRACT
Using the Kauffman Firm Survey (KFS) longitudinal dataset (2004-2009), this study examined the type of startup funding sources that Latino business owners utilized in their first year of operation, compared the results with businesses owned by other races/ethnicities, and explored the impact on firm survivability. Based on previous literature that suggests that formal (bank and financial institution) funds are vital to long term business success, we explored this hypothesis using a sample of 4,815 businesses at the baseline year (2004) with n=244 Latino-owned businesses. Overall, our results suggested that Latinos utilized a significantly (p > .05) larger percentage of informal funds as compared to Whites and a smaller percentage of formal funds and that Latino-owned businesses are at greater risk of going out of business compared to White-owned businesses regardless of startup fund type.

ABOUT THE AUTHOR
Dr. Rubén Martinez is the director of JSRI at Michigan State University. He is a nationally known scholar with expertise in the areas of higher education, race, and ethnic relations and diversity leadership. His areas of specialization include leadership and institutional change, education and ethnic minorities, youth development, and environmental justice.

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