

FEMALE ENTREPRENEURSHIP IN MENDOCINO COUNTY, CALIFORNIA

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## ABSTRACT

### FEMALE ENTREPRENEURSHIP IN MENDOCINO COUNTY, CALIFORNIA

Sarah Morgan Keeble

The focus of this thesis is female entrepreneurs and their experiences as business owners in rural Mendocino County. The purpose is to examine women's experiences as entrepreneurs and whether or not their experiences differ from male entrepreneurs'. As traditional rural jobs decline, entrepreneurship is an increasingly important component of economic development in rural communities. Entrepreneurs add value to the local economy by creating jobs, increasing local incomes, helping to create sustainable local economies, and connecting them to global economies. Studying female entrepreneurship is important because it sheds light on women's differing experiences. Research guides policy, and when research focuses on men, women can be left out of policy making decisions.

Entrepreneurship is an important economic development tool in difficult economic times, and female entrepreneurs are a largely untapped and undervalued resource that may help to boost economic success. Research that explains women's experiences and illustrates their vital contributions to local economies through entrepreneurship can encourage policy that further supports and promotes female entrepreneurship. Promoting the well-being of any disadvantaged group of people will ultimately improve local communities and economies. Entrepreneurship is a route for integration and empowerment of minority and marginalized groups, and provides an

avenue for upward mobility and for curtailing labor market discrimination providing options when other economic opportunities are unavailable.

Much of the existing literature about female entrepreneurship discusses women as essentially different from their male counterparts. The findings of this thesis do not support this assertion. I find that more difference exists among female entrepreneurs than between female and male entrepreneurs. Thus, policy that is targeted toward different ethnic groups may be more effective than policy that is targeted toward different genders. By showing that female entrepreneurs are not that different and can be just as successful as male entrepreneurs, I aim to help spark a shift in the focus of male centered research. Male centered research highlights difference between genders and creates a misconception that all women can be served by uniform policy. Research that highlights the difference among female entrepreneurs can help shape policy that will encourage successful entrepreneurship among commonly overlooked groups of women such as foreign born or Spanish speaking women.

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## INTRODUCTION

The focus of this thesis is female entrepreneurs and their experiences as business owners in rural Mendocino County, California (Figure 1). My objective was to shed light on women's experiences as entrepreneurs and to explore how their experiences differ from those of male entrepreneurs'. Research often helps to guide policy, and when focused mainly on men, women's' perspectives and experiences can be left out during the policy making process. This thesis is part of a larger project conducted at Humboldt State University's California Center for Rural Policy and the Institute for Spatial Analysis, and funded by the Ford Foundation. I was involved with this project as a Graduate Research Assistant for nearly two years. The larger project was designed to develop an approach to better understand rural entrepreneurship, and specifically to examine the experiences and social network structures associated with ethnic entrepreneurs in Mendocino County, California.

Entrepreneurship is a useful economic development tool in difficult economic times, and female entrepreneurs are largely an untapped and undervalued resource with potential to boost economic success (Allen et al 2007). Research helping to explain women's experiences and that illustrates their vital entrepreneurial can encourage policy to promote female entrepreneurship (Birley 1989; Brush 1992; Marlow & Strange 1994; Mirchandani 1999). Promoting the well being of any disadvantaged group of people will ultimately improve local communities and economies (Birley 1989; Grey & Collins-Williams 2006). Entrepreneurship provides a means for integration and empowerment of

minority and marginalized groups, providing upward mobility and curtailing labor market discrimination. Entrepreneurship offers important options when other economic opportunities are unavailable (Fairlie 2004; Minniti & Arenius 2003; Rochin et al 1998; Quadrini 1999; Verdaguer & Vallas 2008; Zhou 2004).



Figure 1: Study Site: Mendocino County, California.

Source: Zalarvis-Chase & Keeble 2009.

## STUDY SITE BACKGROUND

Mendocino County, California is named after Cape Mendocino, which was formally discovered by Juan Rodriguez Cabrillo in 1542 (Mendocino County Historical Society 1967). The mountainous county spans 135 kilometers from north to south and nearly 100 kilometers from east to west, covering more than one million hectares (Mendocino County Historical Society 1967; Thompson 2009). Three geographical sections comprise the county: the Eel River country, Russian River, and the coast. In the late 1800's, the Eel River area raised livestock and sheep for wool, the Russian River area was dedicated to livestock and agriculture, and the coast had abundant timber reserves (Mendocino County Historical Society 1967; Industrial Survey Associates 1951). The county is home to a national forest, numerous state parks and recreation areas, many beaches and rivers, and the Round Valley Indian Reservation. Mendocino has a high average rainfall and is prone to extreme winter weather and warm summer weather. Intense fog along the coast between May and August spurs grass and crop growth (Mendocino County Historical Society 1967).

Prior to settlement, numerous Native American tribes known collectively as the Pomo Indians inhabited Mendocino County. Spanish settlers began to occupy Native lands in the mid 16<sup>th</sup> century. Mainly Spanish and Mexican citizens inhabited the county until the Gold Rush and the timber industry brought the first permanent non-Spanish settlements in April 1852 (Ryder 1966; Thompson 2009). Subsequently, Native people

began to be forced into slavery, which led to the 1859 Mendocino War, resulting in the near extermination of the Native population. Those who survived faced intense segregation and assimilation (Mendocino County Historical Society 1967; Industrial Survey Associates 1951).

Before the railroad, Mendocino County was geographically isolated and industry was limited. The railroad extended toward Mendocino County in the late 1800's and reached Willits around the turn of the century, which stimulated the timber industry, introduced tourism to the area, raised land prices, and lessened communication barriers. The construction of Highway 101 between 1915 and 1920 also decreased the county's isolation and spurred growth of the interior region (Herbert et al 1979). The railroad, however, was shut down November 27, 1998 because it failed to meet minimum safety requirements (Wilner 1998).

County government was established in 1859, making Ukiah the county seat (Mendocino County Historical Society 1967; Hoover et al 1958). Ukiah is located in what was formerly the Yokayo Mexican land grant. Yokayo is a Pomo Indian word that means "south valley." Initially, the town's population relied mainly on the redwood industry, however, today the town (and county) is known for its wine production and other forms of agriculture. The valley is home to numerous orchards and wineries, two breweries, and several hot springs. The Russian River supports numerous small farms in the area.

The redwood industry began to develop on the coast in the early 1850's, making extractive industries, including timber and minerals, a large part of Mendocino's

economic history (Mendocino County Historical Society 1967). Because Mendocino's economy has historically relied on the timber industry, fluctuations in timber demands directly affects the health of Mendocino's economy. The first sawmill, Mendocino Saw Mills, in the county was erected in 1851. The first business building in Mendocino opened in 1853 and was run by the sawmill company. This led to a flurry of business establishments in the county (Ryder 1966). Business licenses began being issued in 1862 to retail dealers, liquor stores, billiard saloons, livery stables, hotels, physicians, lawyers, cattle brokers, a brewer, and an apothecary shop (Mendocino County Historical Society 1967). Built in 1866, Point Arena was home to the first wharf in the county, making the town the center of the timber industry at that time. Towns began to grow along the coast as timber shipping points (Ryder 1966). Inland, livestock and agriculture were the leading industries. Tobacco became a top industry in 1863, with more than seven hundred acres of the crop planted that year (Mendocino County Historical Society 1967). Hops, oats, corn, as well as other grains and vegetables abound in Mendocino County. Mendocino is also home to a booming wine industry, with more than 15,000 acres of vineyards (Thompson 2009).

As of 2007, 42% of Mendocino's businesses were in the service industry, 19% were in retail, and 9% were in construction. The service industry also employs the most people in the county, while government and public administration employs the second highest number of people. Small business prevails in Mendocino County with 71% of the total businesses having four or fewer employees and 12% of businesses having five to nine employees [as of 2007] (Center for Economic Development 2008).

## Economic Development and Rural Entrepreneurship in California

As a rural area that was once dependent on a few major employers and industries, Mendocino County would continue to benefit from the development of small, local businesses that will help boost the economy and improve the lives of its residents. Entrepreneurship has been widely identified in the literature as a useful and effective strategy for rural economic development (Collaborative Economics 2005). Rural California economies experience many of the same issues that rural economies across the country experience. In rural California areas, the environment can be used as a valuable market niche. For example, rural entrepreneurs, unlike urban entrepreneurs, can capitalize on green business, organic agriculture, sustainable forest products, eco-tourism, and renewable energy. Rural communities can take advantage of their natural, historic, cultural, and recreational assets in order to build a high quality of life and access entrepreneurial opportunities. While many rural areas deal with similar issues in trying to build sustainable economies, rural areas vary. Rural communities and regions should have economic development strategies that fit within context of their unique place (Beaulieu 2002; Emery et al 2004; Korsching & Allen 2004; Sirolli 1999).

Policy that promotes entrepreneurship and its retention and recruitment on a regional and local level will ultimately help to improve rural economies. This focus allows rural regions to build upon their existing skills, capacities, and assets to create change for themselves (California Center for Regional Leadership 2005; Dabson 2001; Henderson 2002; Kreft & Sobel 2005; Martin & Stiefelmeyer 2001).

## LITERATURE REVIEW

Rural entrepreneurship literature addresses the benefits of entrepreneurship for local communities and economies (Beaulieu 2002; Dabson 2001; Emery et al 2004; Gladwin et al 1989; Henderson 2002; Korsching & Allen 2004; Lyons 2002), barriers that rural entrepreneurs face (Acs & Malecki 2003; Dabson 2001; Gladwin et al, 1989; Henderson 2002; Lyons 2002; Shields 2005), varying types of rural entrepreneurship (California Center for Regional Leadership 2005; Dabson 2001; Henderson 2002; Weinberg 2000), and the importance of public policy and education that facilitates rural entrepreneurship (California Center for Regional Leadership 2005; Beaulieu 2002; Dabson 2001; Emery et al 2004; Henderson 2002; Lichtenstein et al 2004; Korsching & Allen 2004; Lyons 2002).

Research on rural female entrepreneurs consists of several main themes, including barriers that women face in becoming entrepreneurs, characteristics of female entrepreneurs, reasons why women become entrepreneurs, and the benefits that come from entrepreneurship (Bird & Sapp 2004; Birley 1989; Bruni et al 2004; Coughlin 2002; Greene et al 2003; Langowitz & Minniti 2007; Loscocco & Smith-Hunter 2004; Minniti & Arenius 2003; Orser et al 2006; Robinson 2002; Shim & Eastlick 1998; Smeltzer & Fann 1989; Tigges & Green 1994; Weiler & Bernasek 2001). Literature on business networks addresses their benefits, drawbacks, management, and classification (Canzano & Grimaldi 2004; Dimara et al 2003; Donckels & Lambrecht 1995; Martin &

Stiefelmeyer 2001; Levitte 2004; Moller & Svahn 2002; Moller & Svahn 2004; Moller et al 2002; Phillipson et al 2006; Schutjens & Stam 2003).

### Rural Entrepreneurship

Entrepreneurship is an increasingly relevant component of economic development in rural communities and is encouraged as an economic development and revitalization strategy (Beaulieu 2002; Birley 1989; Dabson 2001; Emery et al 2003; Gladwin et al 1989; Grey & Collins-Williams 2006; Korsching & Allen 2004; Levitte 2004; Lichtenstein et al 2004; Lyons 2002). Entrepreneurs add value to the local economy, lead to job creation and increased local incomes, and connect local economies to global economies (Beaulieu 2002; California Center for Regional Leadership 2005; Dabson 2001; Gladwin et al 1989; Henderson 2002; Levitte 2004; Lichtenstein et al 2004). Rural communities must overcome small size, low education levels and low population density, a limited skilled labor pool, limited infrastructure and broadband access, and large distance from metro markets to support entrepreneurial success (Acs & Malecki 2003; Beaulieu 2002; Dabson 2001; Gladwin et al 1989; Henderson 2002; Lyons 2002; Shields 2005). These barriers, however, are place specific and vary from one rural area to another (Lyons 2002).

Entrepreneurship can help create sustainable local economies (Beaulieu 2002; Lichtenstein et al 2004; Weinberg 2000). Local people can utilize their skills, talents, and resources for entrepreneurial success and locally oriented small businesses encourage civic mindedness among residents (Beaulieu 2002; Emery et al 2004; Korsching & Allen

2004). When entrepreneurs are locally born, they are more likely to act in ways that are considerate of their surrounding community than a distantly located corporation might (Korsching & Allen 2004; McKibben 2007). Typically, rural communities are home to a few major employers, offering little economic diversity and the potential for economic devastation if a major employer closes (Grey & Collins-Williams 2006). Multiple smaller, diverse businesses can help to protect a rural economy against economic changes.

### Enterprise Development

Local enterprise development is beneficial for communities because it focuses on the development of businesses that use inputs from the surrounding region, invest money locally, and are loyal to their community. Enterprise development works especially well for rural areas because it is a low cost, bottom up strategy that helps in building a sustainable local economy. These businesses are more likely to benefit the local community than businesses with a national footprint, which are associated with higher levels of poverty than small to medium sized businesses are. Locally based entrepreneurs help foster bottom up development and guidance, which helps lead to a more sustainable local economy (Lichtenstein et al 2004; Lyons 2002). Top down economic and community development is usually carried out in the interest of non-local people and to the detriment of local people (Beaulieu 2002; Emery et al 2004; Korsching & Allen 2004; Lichtenstein et al 2004; Razin 1989; Sirolli 1999; Weinberg 2000). When an economic development professional begins working with a community, they often begin by

imposing their ideas of what that community needs and how to meet those needs. This can be detrimental for local communities because it eliminates their voice from the development process (Dabson 2001; McKibben 2007).

Much of the literature on entrepreneurship addresses the need for policies that promote entrepreneurial growth in rural areas (Beaulieu 2002; California Center for Regional Leadership 2005; Dabson 2001; Henderson 2002; Lyons 2002). According to Dabson (2001), policies aimed at promoting entrepreneurship should address barriers that rural communities face in creating economies of scale, as well as issues of distinguishing and developing a competitive advantage. Dabson (2001) contends that government policies are insufficient to promote rural entrepreneurship as an economic development strategy and proposes that policy should support entrepreneur education in order to build entrepreneurial infrastructure. Henderson (2002) proposes that policy be directed at three areas: the individual, community resources, and linking entrepreneurs with local resources. He also stresses the need for a supportive community in order for an entrepreneurial spirit to grow. An entrepreneurial community is one with: (1) a large number of active entrepreneurs; (2) has a network of entrepreneurs that is distinct and recognizable within the community (it takes a community to develop an entrepreneur); and (3) has an entrepreneurial spirit or culture, or a supportive and encouraging climate for entrepreneurs (Acs & Malecki 2003; Emery et al 2004; Lichtenstein et al 2004). Low et al (2005) posit that entrepreneurial policy implications are fourfold in that they need to address education, quality of life, immigrant entrepreneurship, and infrastructure. A report published by Collaborative Economics (2005) proposes that policy address local

assets, connections (networks), culture, and quality of life in order to build an entrepreneurial community. Continuous learning through peer support networks is a crucial aspect of successful rural entrepreneurship (Emery et al 2004; Henderson 2002). Policy should also promote local collaboration that sustains regional, national, and global competition in order to sustain local economies (California Center for Regional Leadership 2005). This collaboration can aid in overcoming barriers that rural entrepreneurs face.

### Female Entrepreneurship

Nationally, women comprise 50.7% of the total population and own 28.2% of non-farm businesses. In California, women make up 50% of the total population and own 29.9% of non-farm businesses. Mendocino County's population is 50.1% female, and 31% of non-farm businesses are owned by women (Table 1). California is home to the highest number of female owned businesses, with 13.4% of the nation's total. According to the 2002 Census Survey of Business Owners, 32% of female owned businesses were in the service industry, while 38% were in the retail industry. The average receipts for female owned businesses were \$145,000 per firm in 2002, while the average for male owned firms was \$536,000.

Table 1: Population and Business Ownership Rates (Percent of Total).

Location	Female Population	Female Business Ownership Rate
United States	50.7%	28.2%
California	50.0%	29.9%
Mendocino County	50.1%	31.0%

Source: United States Census Bureau QuickFacts 2008.

### Common Characteristics of Female Entrepreneurs and Their Businesses

Much of the literature seeks to identify common characteristics of female entrepreneurs and their businesses (Bird & Sapp 2004; Bruni et al 2004; Coughlin 2002; Greene et al 2003; Langowitz & Minniti 2007; Loscocco & Smith-Hunter 2004; Minniti & Arenius 2003; Orser et al 2006; Robinson 2002; Shim & Eastlick 1998; Smeltzer & Fann 1989; Tigges & Green 1994; Weiler & Bernasek 2001). Generally, women owned businesses are smaller, less profitable, less established, located in more crowded industries, have lower wages associated with them, and grow at slower rates than male owned businesses (Bird & Sapp 2004; Coughlin 2002; Greene et al 2003; Minniti & Arenius 2003; Orser et al 2006; Robinson 2002; Shim & Eastlick 1998; Tigges & Green 1994). Female entrepreneurs are often heavily concentrated in the retail and service industries (Allen et al 2007; Bird & Sapp 2004; Birley 1989; Coughlin 2002; Greene et al 2003; Minniti & Arenius 2003; Orser et al 2006; Tigges & Green 1994). Some authors attribute this trend to women lacking technical skills and having predominantly liberal arts educations (Bruni et al 2004; Greene et al 2003; Smeltzer & Fann 1989). However, Birley (1989), attributes this industry trend to “increased participation in the workforce in general, a growing trend among firms to contract out services, and flexible working

hours” (35). Female entrepreneurs are described as having less experience, more education, lower earnings, and older than male entrepreneurs (Bird & Sapp 2004; Coughlin 2002; Greene et al 2003). Much of the literature suggests that women and men have different levels of human and social capital, which influences their entrepreneurial styles (Bird & Sapp 2004; Coughlin 2002; Greene et al 2003; Orser et al 2006).

### Reasons Women Choose Entrepreneurship

Women often have different motivations for becoming entrepreneurs than men (Bird & Sapp 2004; Bruni et al 2004; Coughlin 2002; Greene et al 2003; Langowitz & Minniti 2007; Loscocco & Smith-Hunter 2004; Mattis 2004; Minniti & Arenius 2003; Orhan & Scott 2001; Weiler & Bernasek 2001). Push and pull factors, or opportunity and necessity factors, are delineated when describing women’s motivations for becoming entrepreneurs. Necessity, or push factors, include being unhappy with a present job, lack of income, lack of opportunity, discrimination, or need for flexibility, while opportunity, or pull factors, consist of independence, personal challenge, self-fulfillment, a desire for wealth, identification of a perceived business opportunity, and social status (Allen et al 2007; Birley 1989; Bruni et al 2004; Coughlin 2002; Greene et al 2003; Mattis 2004; Minniti & Arenius 2003; Orhan & Scott 2001; Weiler & Bernasek 2001). Necessity entrepreneurship is more common among women than among men (Allen et al 2007). Many female owned businesses are an extension of their household duties or family responsibilities, such as hair stylist, personal trainer, retail, or household products, or are an attempt to balance home and work (Coughlin 2002; Loscocco & Smith-Hunter 2004;

Mattis 2004). While most of the literature attributes female entrepreneurs' motivations to push factors, Orhan and Scott (2001) indicate that female entrepreneurs are well trained, well prepared, and are motivated by pull factors. They identify seven types of female entrepreneurs based on their motivations, indicating a wide range of motivations within women as a group and highlighting the importance of not generalizing to all types of women. An entrepreneurial family background is a strong influence on female entrepreneurship (Mattis 2004; Orhan & Scott 2001).

### Barriers for Female Entrepreneurs

Common barriers that female entrepreneurs face are another topic addressed extensively in the literature. A lack of access to financial capital and credit, credit discrimination, lack of network contacts, lack of experience, low confidence in ability, and a tendency to gravitate toward less profitable industries are all barriers for women wanting to become entrepreneurs (Bruni et al 2004; Coughlin 2002; Greene et al 2003; Langowitz & Minniti 2007; Mattis 2004; Minniti & Arenius 2003; Orser et al 2006). Female owned businesses can be at a disadvantage because they commonly operate smaller, newer businesses in highly competitive, low growth industries (Tigges & Green 1994).

Social perceptions, discourse, and societal norms shape ideas toward female entrepreneurship and can often be a barrier. Ahl (2006) criticizes the bulk of female entrepreneurship literature as having a one-sided empirical focus, a lack of theoretical grounding, a neglect of structural, historical, and cultural factors, and as using male

defined measurements. These shortcomings present barriers for female entrepreneurs as they serve to structurally subordinate women and gloss over the fact that gender is a socially constructed concept (Ahl 2006). According to Baughn et al (2006), gender equality norms vary among countries and heavily influence attitudes toward female entrepreneurship. Bruni et al (2004) posit that entrepreneurial discourse shapes how we think about who can be an entrepreneur and what entrepreneurship is. Ultimately, discourse creates truth, and entrepreneurship is discussed as a naturally male phenomenon by many researchers (Bruni et al 2004; Godwin et al 2006; Mattis 2004). Social perceptions of women affect their success as entrepreneurs, and socialization shapes women's choices and roles as entrepreneurs (Coughlin 2002; de Bruin et al 2006; Godwin et al 2006). Women are also assumed to be homemakers, taking care of children and household duties further reinforcing traditional ideas of women's career paths (de Bruin et al 2006; Godwin et al 2006). Greene et al (2003) advance the idea that social perceptions of loan officers can be an inhibiting factor for women when trying to access financial capital, as they may perceive women as not having the characteristics of a successful entrepreneur. Perceptions held by a female entrepreneur can also inhibit their own entrepreneurial activity. Confidence in ability can either inhibit or facilitate a woman's path to entrepreneurship (Allen et al 2007; Langowitz & Minniti 2007; Minniti & Arenius 2003). Ultimately, embeddedness has a profound effect on female entrepreneurship because the environment and society in which female entrepreneurship is embedded shapes attitudes toward and ideas about the subject (Bird & Sapp 2004; Minniti & Arenius 2003; Shields 2005; Weber 2006).

## Networks

Networks play a key role in entrepreneurial success everywhere, but especially in rural areas, as they facilitate and motivate entrepreneurship (Dimara et al 2003). Identifying and building upon existing rural business and social networks is an excellent way to achieve economic vitality in rural areas (Dabson 2001; Dimara et al 2003; Rosenfeld 2001; Lyons 2002). People in rural communities rely on one another and their networks to meet specific needs at various times. Such alliances benefit not only the participants, but the larger community as well. Some of these benefits are monetary (increase in cost efficiency), shared liability, opportunity to develop differentiated products (through shared liability), legitimacy establishment (aligning with a well-established firm can give legitimacy to a new firm), increased innovation, competitive advantage, foreign market development, and technology and knowledge sharing (Dimara et al 2003; Levitte 2004; Martin & Stiefelmeyer 2001). Networking in rural areas can be difficult due to sparse population density. Rural people can be quite independent and are often used to acting from necessity based on their own personal experience, This can hinder their ability to tap outside resources that could spur growth (Acs 2003; Dabson 2001). Because small rural businesses can be heavily affected by the presence of bigger corporations, support networks are crucial for success (Dabson 2001; Donckels & Lambrecht 1995; Henderson 2002). Support networks allow rural businesses to pool their resources, share ideas, and solve problems, which can reduce costs and increase productivity (Dabson 2001; Henderson 2002). Henderson (2002) addresses the usefulness

of online peer support networks for rural entrepreneurs in overcoming isolation issues. In a study of mid-Atlantic region entrepreneurs, strong social networks were reported as crucial for business success (Shields 2005).

Networks often involve a mix of strong and weak ties. Strong ties are “intimate and continuing relations among family members and friends,” while weak ties are “formal and transitory contacts among relative strangers” (Wilkinson 1999: 8). Strength of a tie is based on the time invested, the emotional intensity, intimacy, and reciprocation. Granovetter’s network theory conjectures that both strong and weak ties are needed in order to promote social stability and social well-being in a community. Weak ties connect strong ties into the community. When weak and strong ties are unbalanced, chances for upward mobility are limited and community disruption increases. Both weak and strong ties are needed for individual and social well-being. Entrepreneurs should participate in multiple networks, as local networks can be restrictive and may reduce access to outside resources, ideas, and information and limit innovation (Donckels & Lambrecht 1995; Levitte 2004; Phillipson et al 2006). Levitte (2004) discusses family and friend networks as important for daily business operations, while outside resources are important for training and education. Residents of rural areas tend to have an abundance of strong ties and lack necessary weak ties. Granovetter (1973) says that weak ties provide upward mobility for disadvantaged people. If the number of weak ties decreases in a rural setting, upward mobility and reduction of inequality are negatively affected, which in turn, affects network development. Strong and weak ties contribute to the cohesiveness of a community because they complement each other (Granovetter 1973).

## Female Entrepreneur Networks

Social and business networks are another widespread topic in female entrepreneurship literature. Lack of access to networks can be an issue for female entrepreneurs (Bird & Sapp 2004; Birley 1989; Coughlin 2002; Godwin et al 2006; Minniti & Arenius 2003). Women's social and business networks tend to be more family centered, which can be both an advantage and a disadvantage for entrepreneurship (Bird & Sapp 2004; Loscocco et al 2009; Mattis 2004; Shim & Eastlick 1998). Strong family ties and network connections can be helpful in starting and running a business, however, they can also limit innovation and the cultivation of essential weak ties (Loscocco et al 2009; Minniti & Arenius 2003; Tigges & Green 1994). Larger networks are more useful because they offer more information, help, and access to capital. It is more useful for networks to have male ties than strictly female ties, as most people seek out and benefit from male network ties because they often have higher status positions (Godwin et al 2006; Loscocco et al 2009; Tigges & Green 1994). Smeltzer and Fann (1989) find that women network differently than men do; female networking is more formal and intentional than male networking is.

While women are more likely to network together than with men (Greene et al 2003; Smeltzer & Fann 1989), Godwin et al (2006) suggest that partnering with a man will grant women access to more diverse, non-familial, heterogeneous networks than if they work alone. Ultimately, men will offer women legitimacy in male-dominated contexts (Godwin et al 2006). Andre (1992) argues that participation in a major economic

development organization aids female entrepreneurs in networking and allow them to expand their influence to a regional, state, or national level. Conversely, Smeltzer and Fann (1989) found that women do not necessarily need to penetrate and integrate into these well established, male dominated networks to be successful because their female dominated networks are providing them with the social and instrumental support that they need. Weiler and Bernasek (2001) discuss well-established, male dominated networks as a type of glass ceiling that female entrepreneurs often must deal with. Women are often excluded from these networks, and consequently from accessing the associated information and connections.

#### Gender, Place, and Race in Entrepreneurship

Female entrepreneurs face many of the same issues that ethnic and rurally located entrepreneurs must deal with. Like women, ethnic entrepreneurs encounter financial capital barriers when trying to start a business (Aldrich & Waldinger 1991; Fairlie & Woodruff 2008; Robles & Cordero-Guzman 2007; Verdaguer & Vallas 2008). Both ethnic and rural entrepreneurs often have trouble acquiring the needed skills to start a business, as women do (Acs & Malecki 2003; Aldrich & Waldinger 1991; Beaulieu 2002; Dabson 2001; Fairlie & Woodruff 2008). Wang and Li (2007) cite public attitude as an influence on ethnic entrepreneurship, which is also an issue for female entrepreneurs (Ahl 2006). The main industries and opportunities for employment for rurally located, ethnic, and female entrepreneurs are retail and service trades (Beaulieu 2002; Birley 1989; Gladwin et al 1989; Grey & Collins-Williams 2006; Henderson 2002;

Rochin et al 1998; Zarrugh 2007). Difficulty in accessing networks is an issue for rurally located, female and ethnic entrepreneurs (Andre 1992; Birley 1989; Coughlin 2002; Greene et al 2003; Janjuha-Jivraj 2003; Smeltzer & Fann 1989; Weiler and Bernasek 2001; Wilkinson 1999). Female and ethnic entrepreneurs also rely heavily on their existing familial networks for business start-up, help, and advice (Bird & Sapp 2004; Chaganti & Greene 2002; Dimara et al 2003; Fadahunsi et al 2000; Janjuha-Jivraj 2003; Loscocco et al 2009; Mattis 2004; Shim & Eastlick 1998; Zarrugh 2007). While women tend to rely on other women in their business networks, ethnic entrepreneurs also tend to rely on other ethnic people (Chaganti & Greene 2002; Greene et al 2003; Smeltzer & Fann 1989). However, the literature indicates that relying on these intra group networks can be restrictive for both women and ethnic entrepreneurs in that they foster opinion and idea homogenization and hinder innovation (Chaganti and Greene 2002; Donckels & Lambrecht 1995; Godwin et al 2006; Zhou 2004). Rural people also tend to rely on strong ties, which can limit their access to economic and social resources (Granovetter 1973; Lyons 2002; Wilkinson 1999). Network diversification is important for rural, female, and ethnic entrepreneurs alike, as an increased number of business connections would likely lead to increased success (Andre 1992; Godwin et al 2006; Wilkinson 1999). Women, similarly to ethnic groups, lack role models that give them the confidence and motivation to become entrepreneurs (Allen et al 2007; Zhou 2004). Due to these confounding issues, rurally located ethnic female entrepreneurs can face heightened difficulty in starting and running a business.

### Shortcomings of Existing Literature

The bulk of literature on female entrepreneurship focuses upon differences between women and men, which can overshadow their similarities, exaggerate differences, perpetuate gender stereotypes, and frame female entrepreneurship as unusual (Ahl 2006; Birley 1989; Godwin et al 2006; Langowitz & Minniti 2007). Differences between female and male entrepreneurs can also be attributed to factors other than gender such as class resources, motivation, different types of capital, education, place born, language spoken, and social perceptions. These other factors can be shaped by stereotypes and norms that are associated with gender (Godwin et al 2006).

When researching a group of people, it is important to note the differences that exist within that group of people (Kimmel 2004). Much of the female entrepreneurship literature attempts to make generalizations about women as a uniform group, without regard for the diversity that exists among women. Baughn et al's (2006) study speaks to this issue by investigating how social norms influence levels of support for entrepreneurship among women and men in forty-one countries. The study illustrates how different women across the world are and highlights the importance of not making sweeping generalizations about them as a whole. Robinson (2002) also brings attention to this issue by comparing urban and rural female entrepreneurs and finding that they utilize different resources and have differing ideas of success. Race, class, education level, and sexuality, among other things, can also influence the many aspects of female entrepreneurship.

## CONCEPTUAL FRAMEWORK

The conceptual framework outlines the foundational concepts used in this thesis. The purpose of this section is to highlight core theoretical concepts driving my analysis and interpretation of the data. It explains the conceptual variables and relationships between them. In this model (Figure 2), gender and ethnicity, in conjunction with other sociodemographic characteristics such as income, education, language spoken, and place born, influence the different forms of capital that an entrepreneur may access and make use of. Consequently, different types of human, social, financial, formal, and informal capital that an entrepreneur has access to affects their success. Gender, ethnicity, and other sociodemographic characteristics can also directly influence entrepreneurial success.

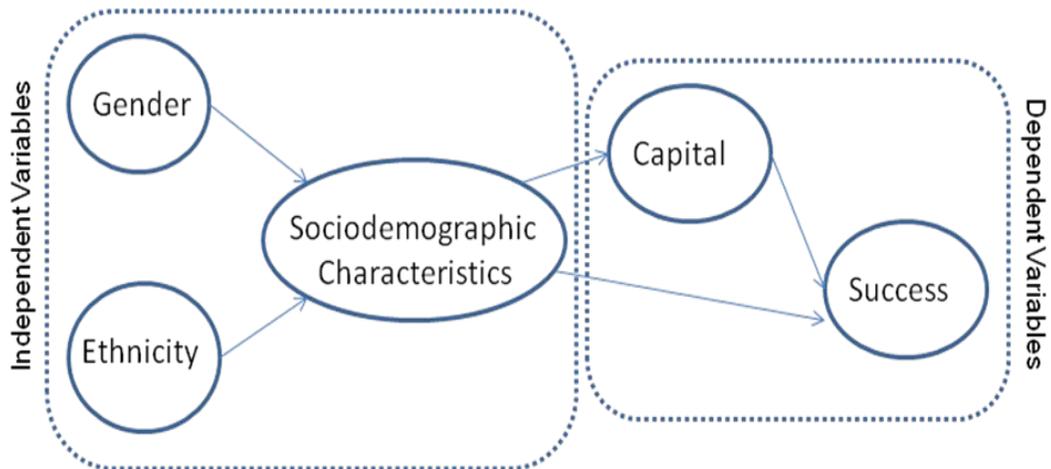


Figure 2: Conceptual Framework.

## Gender

In this thesis, gender is the main independent variable analyzed in order to determine if female entrepreneurs experience significant gender inequality in Mendocino County, California. Gender is a socially constructed characteristic that pertains to certain traits considered appropriate for males and females, while sex refers to a person's biological characteristics. Consequently, ideas about gender vary among societies and cultures (Henslin 2000; Kimmel 2004; Lorber 1994; Marger 2005). Gender socialization begins at birth, with our families and the media, among others, showing us and telling us on a daily basis what it means to be female or male. Western society trains girls to wear pink and play with dolls and little boys to wear blue and play with trucks. Culturally produced social norms and expectations about gender are internalized, and identity and social roles can be defined by gender labels. In many societies, men's identities and roles are valued more highly than women's identities and roles, as they often possess disproportionate amounts of wealth, power and prestige (Giddens et al 2008; Kimmel 2004; Lorber 1994; Marger 2005). Lorber (1994) posits that the purpose of the gender label is to "construct women as a group to be the subordinates of men as a group" (118). Social life organizes around ideas of gender, making it an embedded and often latent process. Difference has become an assumed and unanalyzed part of life. Kimmel (2004) believes that gender differences are the result of gender inequality. Although the feminist movement has made huge advances for women, gender inequality still exists in many forms. Women experience inequities in the work place, in educational settings, and in

family issues, among other areas (Kimmel 2004; Marger 2005). These gender inequities influence access to capital. In this thesis, I am exploring how gender affects an entrepreneur's experience.

### Ethnicity

Ethnicity is another independent variable used for analysis in this thesis. Exploring how ethnicity affects male and female entrepreneurs' experiences offers a deeper understanding of entrepreneurship in Mendocino County. "Ethnic groups are groups within a larger society that in some degree are set off from others by displaying a unique set of cultural traits, such as language, religion, diet, and so on" (Marger 2005: 231). Ethnic groups often possess a sense of allegiance to their group that is based on a common history and common experiences. The degree of allegiance that an ethnic person feels toward their group will vary based on the individual. Assimilation into western society can often diminish ethnic people's association and identification with their ethnic group. Social status is often linked with ethnicity, as certain ethnic groups carry higher or lower social status (Giddens et al 2008; Henslin 2000; Marger 2005). In this thesis, ethnicity is an independent variable used to explore the differing experiences among male and female entrepreneurs.

### Sociodemographic Characteristics

While gender and ethnicity play a large role in shaping society and its norms and perceptions, additional sociodemographic factors such as income, education, language

spoken, and place born also play a role. These sociodemographic factors were used as independent variables to examine gender inequality among entrepreneurs in Mendocino County. Income determines class and wealth, which influences access to financial capital. However, class and wealth could be said to influence one's income level and access to financial capital. Education is a form of capital that is linked to entrepreneurial success. More educated people have more human capital than less educated people and will likely be more successful than less educated people. Language barriers can inhibit an entrepreneur's access to capital, and thus, success. Foreign born entrepreneurs can have more limited resources than US born entrepreneurs, as they have had less time to cultivate network contacts and acquire necessary capital. Sociodemographic factors work together to influence an entrepreneur's access to financial, human, and social capital. While gender, ethnicity, and other sociodemographic factors influence access to capital, and thus levels of success, these factors can also directly influence success.

### Capital

Gender, along with sociodemographics, influence access to different forms of capital, and capital, in turn, influences entrepreneurial success. Human, social, financial, formal, and informal capital all work together to shape an entrepreneur's experience and success. Different types of capital are used as dependent variables in this thesis.

Human capital refers to a person's age, education, experience, and length of residence in the local area (Bosma et al 2000; Coleman 2007; Shields 2005; Wang & Li 2007). Experience can come from working in the same industry sector, in the same trade,

as an employer, or as an employee. Having an entrepreneurial family can also positively influence experience levels. Education can be both formal (accredited schools) and informal (on the job training or other training courses). Knowledge is power, and building human capital involves investing in oneself. Knowledge makes it possible to identify entrepreneurial opportunities and exploit them, which increases an entrepreneur's chances for success (Marshall 1998; Davidsson & Honig 2003). Length of residence tends to shape community involvement and levels of networking, as longtime residents are more likely to be involved in the local community and have denser networks (more social capital) than short term residents (Wang & Li 2007). Shields (2005) discusses long term residents as possessing a unique sense of place, tradition, reputation, and history that positively influence the way they do business.

Financial capital pertains to initial funding sources and the use of a business plan, as well as amount of other income and spousal wages. Obtaining necessary startup capital is a major barrier for aspiring entrepreneurs, and having personal wealth or an entrepreneurial family substantially decrease this financial barrier and increase chances for success.

Determinants of social capital are network contacts, entrepreneurs in the family, and spousal emotional support (Bosma et al 2000; Putnam & Feldstein 2003). Social capital "refers to social networks, norms of reciprocity, mutual assistance and trustworthiness" (Putnam & Feldstein 2003: 2). Narayan and Cassidy (2001) define the dimensions of social capital as group characteristics, generalized norms, togetherness, everyday sociability, neighborhood connections, volunteerism, and trust. Some scholars

distinguish between bridging and bonding social capital (Kretzmann & McKnight 1993; Woolcock & Narayan 2000; Putnam 2000). Bonding social capital involves linking people together who are similar in important aspects or people who have existing strong ties among themselves, such as rural neighbors. Bridging social capital involves linking different groups of people together that might not otherwise come together or people with weak ties in the community. A balance of weak and strong ties enhances an entrepreneur's likelihood for success.

A way to build social capital is to utilize existing resources and direct them to new purposes. According to Putnam and Feldstein (2003), building social capital can only happen when everyone in a community is recognized and valued, when their abilities are utilized, and when everyone works together. Social networks are an avenue for disadvantaged groups to improve their lives. This thesis aims to bring recognition to female entrepreneurs in Mendocino County, which will in turn, increase their visibility and bring awareness to their value for the local economy and community.

Formal capital is based on agreements, contracts, and is organizational, legally binding, and intentional, while informal capital comes from family, friends, and social and personal ties. Formal capital tends to be cultivated through an entrepreneur's weak ties, whereas informal capital often comes from strong ties. Examples of formal capital may include use of a bank loan or a business plan, membership in business networking groups, and going to an economic development agency. Informal capital may consist of a loan from a family member, trading with other business owners, and employing family

members, among other things. This thesis operated under the assumption that entrepreneurial success is a result of a balance of both formal and informal capital.

### Success

The variable success is the dependent variable in the conceptual framework. A balance of human, financial, and social capital will have a positive influence on an entrepreneur's success. More educated, older, and experienced entrepreneurs are more likely to be successful. Higher levels of human capital facilitate discovery and exploitation of entrepreneurial opportunities, which in turn increases the likelihood of entrepreneurial success. Entrepreneurs who possess personal wealth or have an entrepreneurial family background will have easier access to necessary financial capital than those without. A combination of both strong and weak network ties and formal and informal capital will increase an entrepreneur's level of success. This thesis operated under the assumption that networks and capital will lead to entrepreneurial success.

### Hypotheses

Several hypotheses are tested in this thesis. On a macro level, I predicted that female entrepreneurs in Mendocino County have different experiences as business owners than male entrepreneurs do. On a micro level, I hypothesized that female owned businesses access fewer types of capital and are less successful than male owned businesses. To further investigate entrepreneurial success among female entrepreneurs, I posited three micro level hypotheses:

H1: On average, female owned businesses have fewer years of profitability than male owned businesses.

H2: On average, the number of employees that female owned businesses have grows less than male owned businesses.

H3: Female entrepreneur's definitions of success vary from male entrepreneur's definitions.

Micro level hypotheses examined to assess levels of human, social, and financial capital among female entrepreneurs were:

H4: Female entrepreneurs have less human capital than male entrepreneurs (i.e. Education, experience, age).

H5: Female entrepreneurs are accessing more informal capital than male entrepreneurs are.

H6: Female entrepreneurs are members of fewer networking groups than male entrepreneurs are.

H7: Female entrepreneurs are experiencing unique barriers in starting their businesses.

## METHODS

This thesis utilized a mixed method approach consisting of quantitative and qualitative data. Using both types of data strengthens research findings by offering both descriptions and explanations of the topic being studied (Gartner & Birley 2002). Techniques used in this study included: survey, public participation GIS, statistical analysis, and analysis of historical data (ESRI 2009; SPSS 2001). Content analysis was employed to evaluate participant responses to the qualitative survey questions and generate common themes (ResearchWare 2006).

My study adopted a grounded theory approach. This entailed using an inductive approach that began with gathering information about the topic and moved toward creating a theoretical model and methodological approach (Strauss & Corbin 1994). A Geographic Information System (GIS) was used to map business locations, clusters of industry, and gender and ethnicity of study participants (ESRI 2009). Mapping of this data helps to illustrate any geographic trends that occur. The study site was chosen as part of a larger project that this thesis was drawn from and associated contacts with a local non-profit in Mendocino County. This non-profit agency facilitated access to the local Latino community, which in turn made this thesis possible. Prior to survey administration, approval from Humboldt State University's Institutional Review Board was received in order to work with human subjects.

## Survey and Interview Question Development

The survey question development process began by researching business retention and expansion surveys from various cities and counties across the country. These examples aided in formatting and question content. Next, I brainstormed about what information I hoped to solicit from a survey or interview. Based on the literature review, several issues to investigate were identified. Do women utilize family and friend networks to start and maintain their businesses? Do they access traditional forms of capital or funding to start and maintain their businesses (i.e. credit unions, bank loans)? What are barriers and/or obstacles that female entrepreneurs face in starting a business? Do female entrepreneurs support the local community? How do female entrepreneurs define success? These questions informed the survey development process. Four out of the 46 survey questions are qualitative, while the remaining questions are quantitative (See Appendix A). Prior to administering the survey, questions were pilot-tested with a few local business owners.

## Sampling

This study employed both random and purposive sampling methods. The random sample was drawn from Fictitious Business Name Statements (FBNS) filed with the Mendocino County Recorder's Office in 2004. In 2004, 731 FBNS were filed in Mendocino County. A FBNS is defined as, "A business name that does not include the surname of the individual owner, and each of the partners or the nature of the business is

not clearly evident by the name” (San Diego County Recorder’s Office 2009). Anyone who is doing business using a fictitious business name should file a FBNS with the county in which they are doing business. After filing a FBNS, it must be published in a local newspaper for four weeks and is valid for five years. The statements include the business name, the owner(s) name(s), business and residential addresses, who business will be conducted by (partnership, individual, limited liability corporation, etc.), the date that business will commence on, the date the statement was filed, and if the statement is new or a renewal. Information from these statements was then transferred into an excel spreadsheet and each business was given an identification number. Businesses that filed renewal statements were not used in the sample because I was interested in identifying businesses that began in 2004. Five years of business operation is considered an indicator of success. However, due to a lack of quality control at the county, fictitious business names filed in 2004 sometimes were for businesses that had begun their operations prior to that year. Contact was attempted with each of these 731 businesses.

Because a list of local Latino owned businesses does not exist, the larger project that this thesis is a part of utilized public participation geographic information systems (PPGIS) as a purposive sampling method to gather the study sample (ESRI 2009). PPGIS involves non-experts capturing their spatial knowledge. The ‘public’ can be any subset of individuals that have a stake in an issue. ‘Participation’ entails community engagement with an issue (Steinberg & Steinberg 2006). Within the FBNS sample, only three Latino people were included in the completed surveys, which speaks to the use of a second purposive sampling method that facilitates the inclusion of an adequate number of Latino

entrepreneurs. To generate this list, the larger project held community meetings with the Latino community in which PPGIS was used with community members. Multiple maps of the county and focus communities were placed on tables for people to identify places where Latinos participate in community, church, professional, neighborhood, fundraising, school, volunteer, and service groups and activities, as well as the locations of Latino owned businesses. PPGIS allows members of a community to share their knowledge and to visualize data in a spatial and social context. It is an effective way for community members to gather together and identify what they know to be important about their community and/or environment in which they live. The project also talked to community leaders who knew of existing Latino owned businesses. These activities generated a list of 92 Latino owned businesses in Mendocino County, which were ground-truthed with Latino community members who had an internal awareness of Latino owned businesses. Contact was attempted with all 92 Latino owned businesses.

Once all of the business information was entered into an excel spreadsheet, the business locations were then geocoded into a GIS (ESRI 2009). Geocoding involves digitally capturing data with associated points in a GIS (Steinberg & Steinberg 2006). Geocoding produced maps that were used in the field work process. Maps contained a business identification number, name, and address for each business (Figure 3).

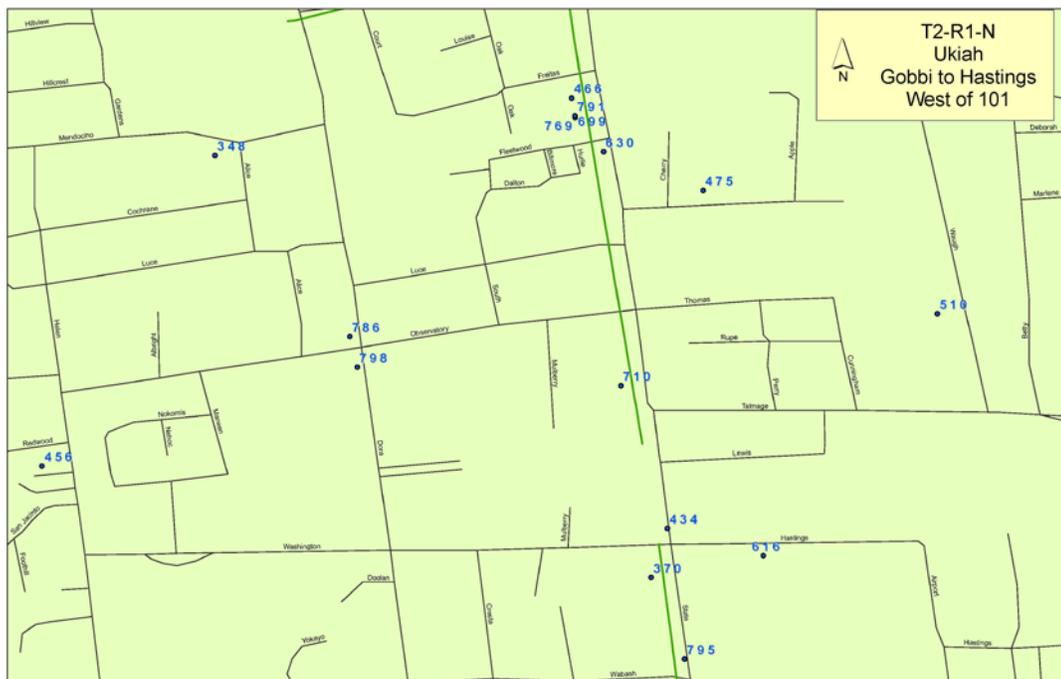


Figure 3: Sample Field Work Map: Business names and addresses have been removed from this map to maintain confidentiality.

### Surveys and Field Work

Four research field visits were conducted in Mendocino County between May 18, 2009 and July 12, 2009. On these trips, teams of two went from business to business asking owners to participate in the survey. If owners agreed to participate, a team member conducted the survey at the place of business. If owners were not present at the first visit to the business, team members inquired about a time to return. In some cases, if the owner was busy or was not going to be on site within the time period of the current research trip, a survey was dropped off for them to complete and return in a self-addressed, stamped envelope. If a business was located in a residential area and no one

was home after two visits, it was moved to a call list for follow up by telephone. If a residence had a locked gate, no trespassing signs, or a threatening dog present, it was also moved to the call list.

Initially, maps included all businesses in the sample. After the first research trip, it became apparent that many businesses were located in remote areas and that visiting all of these distantly located businesses was not feasible. A GIS was used to create one mile buffers on each side of the major roads in the Willits/Ukiah area, while a two mile buffer was used on each side of the major roads in the coastal area of the county in order to cover a similar number of square miles as were covered for the interior area (ESRI 2009). Any businesses that fell outside of these buffers were relegated to the call list. Surveys with these remotely located businesses were attempted via phone.

## SAMPLE DESCRIPTION

This section provides a description of the results from the 134 surveys that were collected for this thesis. Of the 134 completed surveys, 96 came from the random (FBNS) sampling frame, 36 came from the purposive (PPGIS) sampling frame, and 2 appeared in both sampling frames.

### Gender and Ethnicity

In this thesis, gender and ethnicity are the primary independent variables used for analysis. Ethnicity was assigned a binary classification of ethnic or non-ethnic. Latino, Asian, Native American, and 'other' were included in the 'ethnic' classification. The main sample population categories used for analysis in this thesis are the entire group, all women, ethnic women, non-ethnic women, all men, ethnic men, and non-ethnic men (Figure 4).

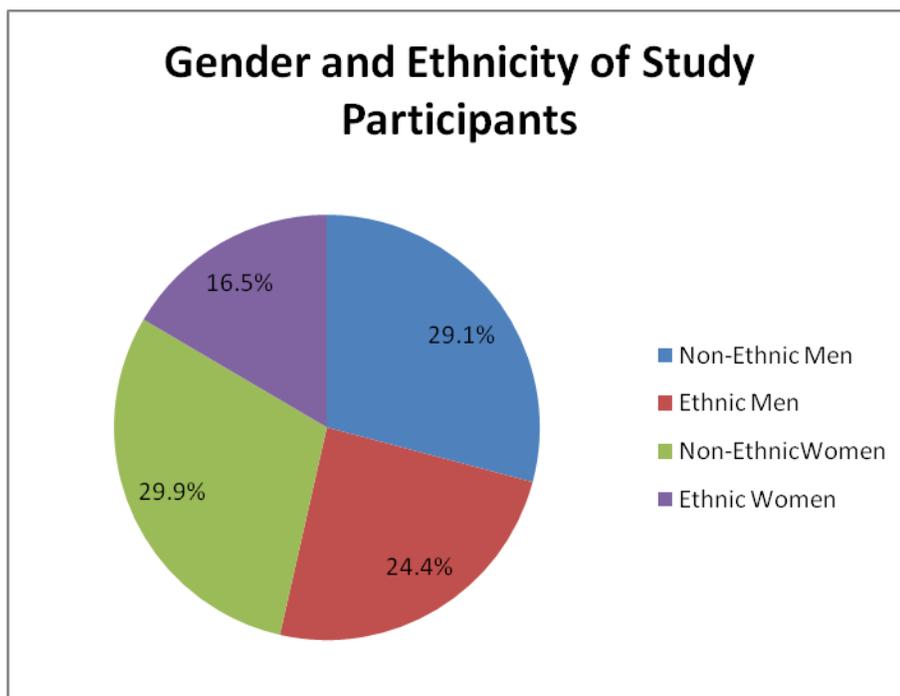


Figure 4: Gender and Ethnicity of Study Participants (N = 134).

#### Industry Classification

While analyzing the data, it became apparent that respondents had classified their businesses under industry categories that do not align with the Department of Labor's (DOL) classification system. In order to analyze industry classifications of businesses in the sample, responses were reclassified based on the DOL North American Industry Classification System (Occupational Safety and Health Administration 2008). This classification system details which types of businesses fall into certain categories. For example, some respondents classified their restaurant business in the service industry, when they should be classified in the trade industry according to the DOL system. This

section shows the recoded industry classifications for the different sample populations (Figures 5 & 6).

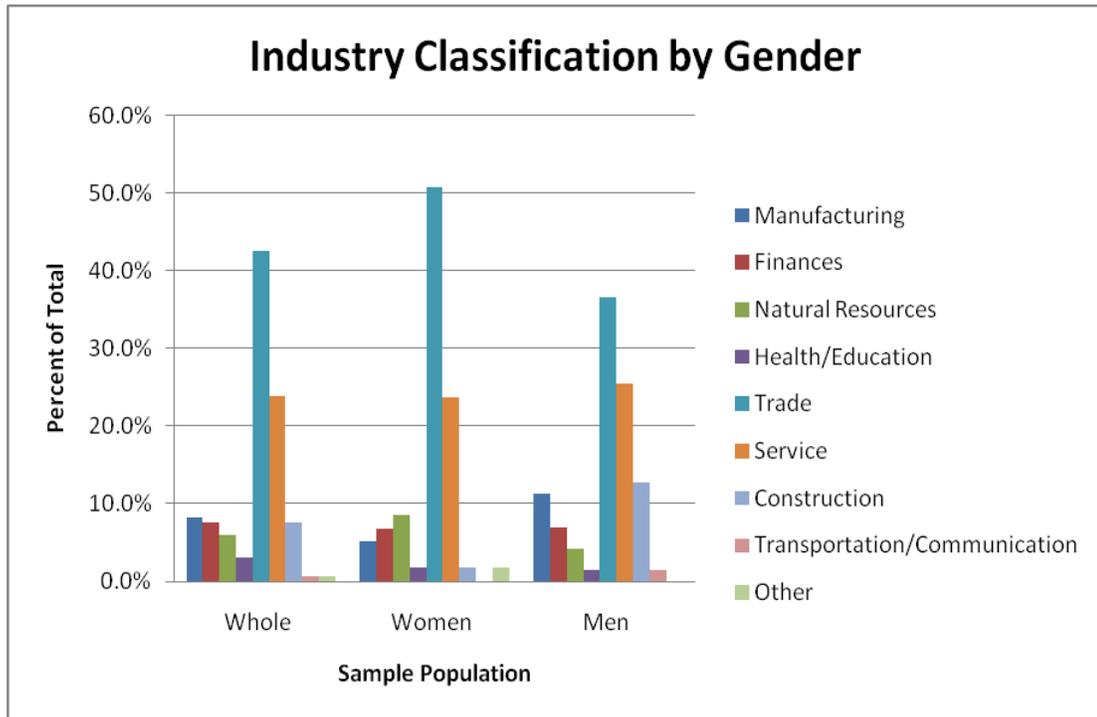


Figure 5: Industry Classification of Businesses in Sample by Gender (N = 134). No statistically significant differences were found.

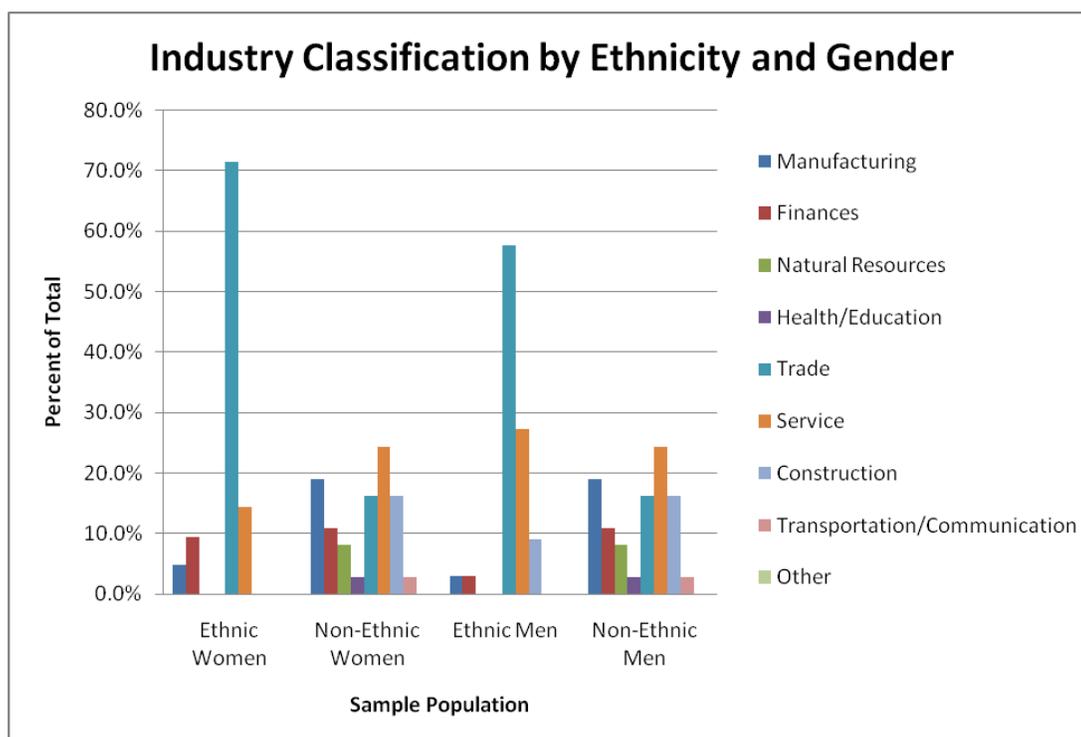


Figure 6: Industry Classification of Businesses in Sample by Gender and Ethnicity (N = 134). No statistically significant differences were found.

### Human Capital

In order to assess an entrepreneur's level of human capital, I examined levels of education (Figures 7 & 8), prior work experience (Tables 2 & 3), age (Table 4), and length of residence in Mendocino County (Table 5).

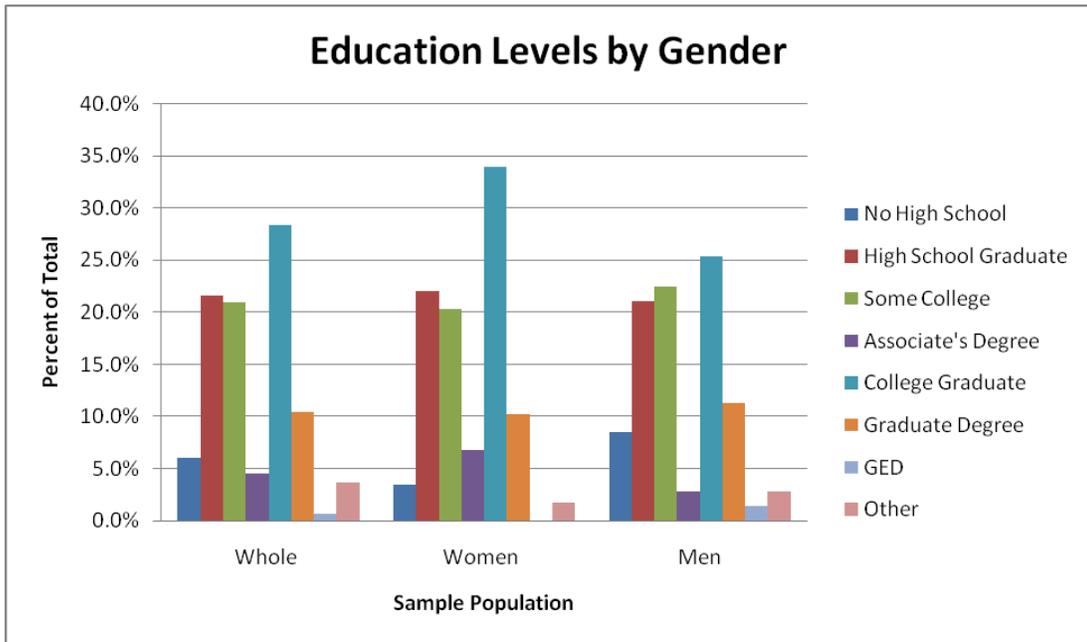


Figure 7: Education Levels of Study Participants by Gender (N = 129).

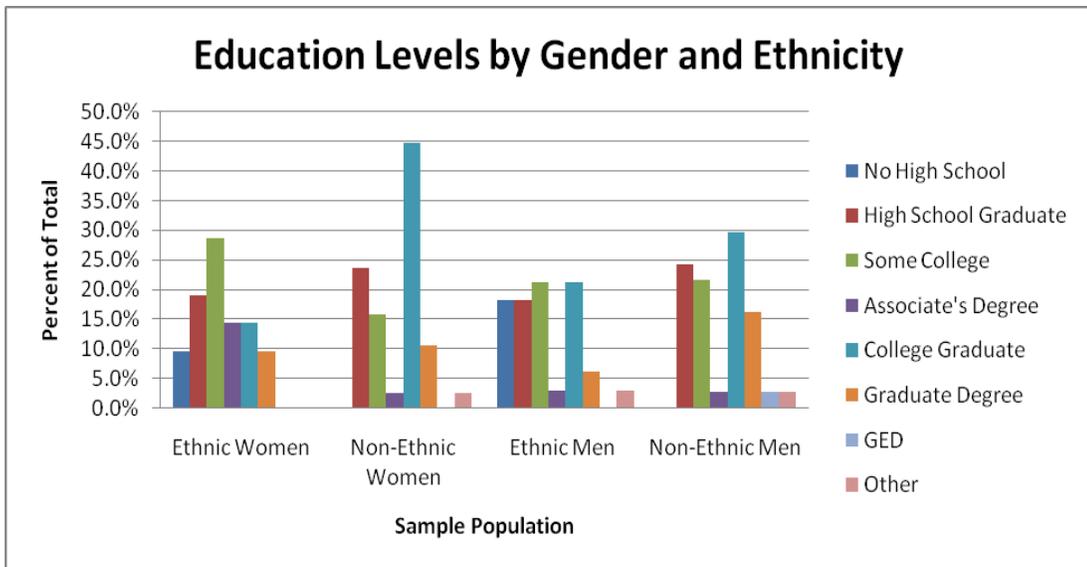


Figure 8: Education Levels of Study Participants by Gender and Ethnicity (N = 129).

Table 2: Average Years of Experience in Current Line of Work.

Sample Population	Average Years of Experience in Current Line of Work (Years)
Whole (N = 133)	10.4
Women (N = 58)	12.0
Ethnic Women (N = 21)	10.9
Non-Ethnic Women (N = 38)	12.6
Men (N = 71)	9.3
Ethnic Men (N = 33)	8.0
Non-Ethnic Men (N = 37)	10.4
English Speaking Women (N = 48)	12.8
Spanish Speaking Women (N = 10)	7.9
US Born Women (N = 44)	13.3
Foreign Born Women (N = 15)	8.0
College Educated Women (N = 26)	14.0
Non-College Educated Women (N = 32)	10.7

No statistically significant differences were found.

Table 3: First Business Owned: “Is this the first business that you have owned?”

Sample Population	Yes	No
Whole (N = 134)	55.2%	44.8%
Women (N = 59)	62.7%	37.3%
Ethnic Women (N = 21)	66.7%	33.3%
Non-Ethnic Women (N = 38)	60.5%	39.5%
Men (N = 71)	50.7%	49.3%
Ethnic Men (N = 33)	48.5%	51.5%
Non-Ethnic Men (N = 37)	51.4%	48.6%
English Speaking Women (N = 48)	58.3%	41.7%
Spanish Speaking Women (N = 11)	81.8%	18.2%
US Born Women (N = 44)	61.4%	38.6%
Foreign Born Women (N = 15)	66.7%	33.3%
College Educated Women (N = 26) *	38.5%	61.5%
Non-College Educated Women (N = 32) *	81.3%	18.8%

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

Table 4: Prior Self-Employment: “Were you self-employed prior to starting this business?”

<b>Sample Population</b>	<b>Yes</b>	<b>No</b>
<b>Whole (N = 132)</b>	23.1%	75.4%
<b>Women (N = 57)</b>	25.4%	71.2%
<b>Ethnic Women (N = 20)</b>	14.3%	81.0%
<b>Non-Ethnic Women (N = 37)</b>	31.6%	65.8%
<b>Men (N = 71)</b>	19.7%	80.3%
<b>Ethnic Men (N = 33)</b>	12.1%	87.9%
<b>Non-Ethnic Men (N = 37)</b>	27.0%	73.0%
<b>English Speaking Women (N = 47) **</b>	31.3%	66.7%
<b>Spanish Speaking Women (N = 10) **</b>	0.0%	90.9%
<b>US Born Women (N = 43)</b>	31.8%	65.9%
<b>Foreign Born Women (N = 14)</b>	6.7%	86.7%
<b>College Educated Women (N = 25)</b>	30.8%	65.4%
<b>Non-College Educated Women (N = 31)</b>	21.9%	75.0%

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

Table 5: Age of Study Participants.

<b>Sample Population</b>	<b>Average Age of Study Participants (Years)</b>	
	<b>Average Age (Years)</b>	<b>Median Age (Years)</b>
<b>Whole (N = 132)</b>	46	45
<b>Women (N = 59)</b>	46	45
<b>Ethnic Women (N = 21)</b>	43	40
<b>Non-Ethnic Women (N = 38)</b>	48	48
<b>Men (N = 71)</b>	46	46
<b>Ethnic Men (N = 33)</b>	45	44
<b>Non-Ethnic Men (N = 37)</b>	48	49
<b>English Speaking Women (N = 48) *</b>	48	47
<b>Spanish Speaking Women (N = 10) *</b>	38	40
<b>US Born Women (N = 44) **</b>	48	47
<b>Foreign Born Women (N = 15) **</b>	41	40
<b>College Educated Women (N = 26) **</b>	50	49
<b>Non-College Educated Women (N = 32) **</b>	43	40

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

Table 6: Length of Residence in Mendocino County.

<b>Sample Population</b>	<b>Average Length of Residence in Mendocino County (Years)</b>
<b>Whole (N = 133)</b>	20.3
<b>Women (N = 59)</b>	21.0
<b>Ethnic Women (N = 21)</b>	17.2
<b>Non-Ethnic Women</b>	23.1
<b>Men (N = 71)</b>	20.1
<b>Ethnic Men (N = 33)</b>	18.0
<b>Non-Ethnic Men (N = 37)</b>	21.8
<b>English Speaking Women (N = 48)</b>	22.5
<b>Spanish Speaking Women (N = 11)</b>	14.6
<b>US Born Women (N = 44)</b>	23.8
<b>Foreign Born Women (N = 15)</b>	12.7
<b>College Educated Women (N = 26)</b>	16.7
<b>Non-College Educated Women (N = 32)</b>	24.2

No statistically significant differences were found.

## Place Born

The survey asked respondents, “Where were you born?” This question was then given a binary code indicating if the entrepreneur was born in the United States or abroad. The literature indicates that immigrant entrepreneurs have different experiences than U.S. born entrepreneurs do (Table 6).

Table 7: Place Born.

<b>Sample Population</b>	<b>Foreign Born</b>	<b>US Born</b>
<b>Whole (N = 133)</b>	31.3%	67.9%
<b>Women (N = 59)</b>	25.4%	74.6%
<b>Ethnic Women (N = 21)</b>	66.7%	33.3%
<b>Non-Ethnic Women (N = 38)</b>	2.6%	97.4%
<b>Men (N = 71)</b>	38.0%	62.0%
<b>Ethnic Men (N = 33)</b>	81.8%	18.2%
<b>Non-Ethnic Men (N = 37)</b>	0.0%	100.0%
<b>English Speaking Women (N = 48)</b>	8.3%	91.7%
<b>Spanish Speaking Women (N = 11)</b>	100.0%	0.0%
<b>College Educated Women (N = 26)</b>	19.2%	80.8%
<b>Non-College Educated Women (N = 32)</b>	28.1%	71.9%

No statistically significant differences were found.

## Language of Survey

Surveys were made available in both English and Spanish. This section indicates which language that the survey was administered in for each participant (Table 8).

Table 8: Language in Which Survey was Administered.

<b>Sample Population</b>	<b>English</b>	<b>Spanish</b>
<b>Whole (N = 134)</b>	79.9%	20.1%
<b>Women (N = 59)</b>	81.4%	18.6%
<b>Ethnic Women (N = 21)</b>	47.6%	52.4%
<b>Non-Ethnic Women (N = 38)</b>	100.0%	0.0%
<b>Men (N = 71)</b>	78.9%	21.1%
<b>Ethnic Men (N = 33)</b>	54.5%	45.5%
<b>Non-Ethnic Men (N = 37)</b>	100.0%	0.0%
<b>US Born Women (N = 44)</b>	100.0%	0.0%
<b>Foreign Born Women (N = 15)</b>	26.7%	73.3%
<b>College Educated Women (N = 26)</b>	92.3%	7.7%
<b>Non-College Educated Women (N = 32)</b>	75.0%	25.0%

No statistically significant differences were found.

## ANALYSIS

Chi-squares and univariate ANOVAs were used to analyze these data in SPSS.

Due to the fact that very little statistically significant difference existed between male and female entrepreneurs in this sample, differences were explored between women and men, as well as within the group of women. When looking at differences within the group of women, independent variables used were ethnic/non-ethnic, college educated/non-college educated, Spanish/English speaking, and U.S./foreign born.

### Human Capital

No statistically significant differences were found between men and women in terms of human capital. However, quite a few differences were found among the group of women. Significant differences in college education between ethnic and non-ethnic women ( $p = .036$ ) and Spanish and English speaking women ( $p = .026$ ) were found, as 55.3% ( $N = 21$ ) of non-ethnic women, 23.8% ( $N = 5$ ) of ethnic women, 50% ( $N = 24$ ) of English speaking women, and 18.2% ( $N = 2$ ) of Spanish speaking women are college graduates (Table 9).

Table 9: College Education Among Sample Populations.

<b>Sample Population</b>	<b>College Graduate</b>	<b>No College Diploma</b>
<b>Whole (N = 134)</b>	38.8%	57.5%
<b>Women (N = 59)</b>	44.1%	54.2%
<b>Ethnic Women (N = 21) *</b>	23.8%	71.4%
<b>Non-Ethnic Women (N = 38) *</b>	55.3%	44.7%
<b>Men (N = 68)</b>	36.6%	59.2%
<b>Ethnic Men (N = 30)</b>	27.3%	63.6%
<b>Non-Ethnic Men (N = 37)</b>	45.9%	54.1%
<b>English Speaking Women (N = 48) *</b>	50.0%	50.0%
<b>Spanish Speaking Women (N = 11) *</b>	18.2%	72.7%
<b>US Born Women (N = 44)</b>	47.7%	52.3%
<b>Foreign Born Women (N = 14)</b>	33.3%	60.0%

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

Another significant difference was found between college educated women and non-college educated women ( $p = .003$ ) when asked, “Is this the first business that you have owned?” For 81.3% ( $N = 26$ ) of non-college educated women, their current business was the first that they have owned. For college educated women, 38.5% ( $N = 10$ ) were not prior business owners (See Table 3). At the ten percent level, a significant difference in prior self-employment was found between Spanish and English speaking women ( $p = .065$ ), as 90.9% ( $N = 10$ ) of Spanish speaking women and 66.7% ( $N = 32$ ) of English speaking women were not self employed prior to starting their current business (Table 4).

Significant differences were found between Spanish and English speaking women ( $p = .019$ ), between college educated women and non-college educated women ( $p = .058$ ), and between U.S. born and foreign born women ( $p = .062$ ) in terms of their age. Spanish speaking women have an average age of 39 years old, while English speaking

women have an average age of 48. The average age for non-college educated women is 43 and the average age for college educated women is 50. For U.S. born women, the average age is 48, while it is 41 for foreign born women (Table 5).

### Financial Capital

Financial capital was investigated by looking at initial funding sources (Figures 9 & 10) and if the entrepreneur experienced difficulty in obtaining a loan (Table 10). Again, statistically significant differences were only found among women and not between men and women.

Significant differences were found when analyzing the use of personal savings ( $p = .057$ ) and home equity ( $p = .061$ ) to fund business start up between ethnic and non-ethnic women. Use of personal savings amongst ethnic female entrepreneurs is split fairly evenly, with 52.4% ( $N = 11$ ) using this means to start their business. In comparison, 76.3% ( $N = 29$ ) of non-ethnic women used personal savings to start their business. No ethnic women in the sample used home equity to fund the start up of their business, while 15.8% ( $N = 6$ ) of non-ethnic women used this method (Figures 19 & 20).

No statistically significant differences occur when analyzing an entrepreneur's experience with obtaining a loan.

Table 10: Loan Denial: “Have you ever applied for a loan and been denied?”

<b>Sample Population</b>	<b>Yes</b>	<b>No</b>
<b>Whole (N = 134)</b>	22.4%	77.6%
<b>Women (N = 59)</b>	20.3%	79.7%
<b>Ethnic Women (N = 21)</b>	28.6%	71.4%
<b>Non-Ethnic Women (N = 38)</b>	15.8%	84.2%
<b>Men (N = 71)</b>	25.4%	74.6%
<b>Ethnic Men (N = 33)</b>	24.2%	75.8%
<b>Non-Ethnic Men (N = 37)</b>	27.0%	73.0%
<b>English Speaking Women (N = 48)</b>	14.6%	85.4%
<b>Spanish Speaking Women (N = 11)</b>	45.5%	54.5%
<b>US Born Women (N = 44)</b>	15.9%	84.1%
<b>Foreign Born Women (N = 15)</b>	33.3%	66.7%
<b>College Educated Women (N = 26)</b>	19.2%	80.8%
<b>Non-College Educated Women (N = 32)</b>	21.9%	78.1%

No statistically significant differences were found.

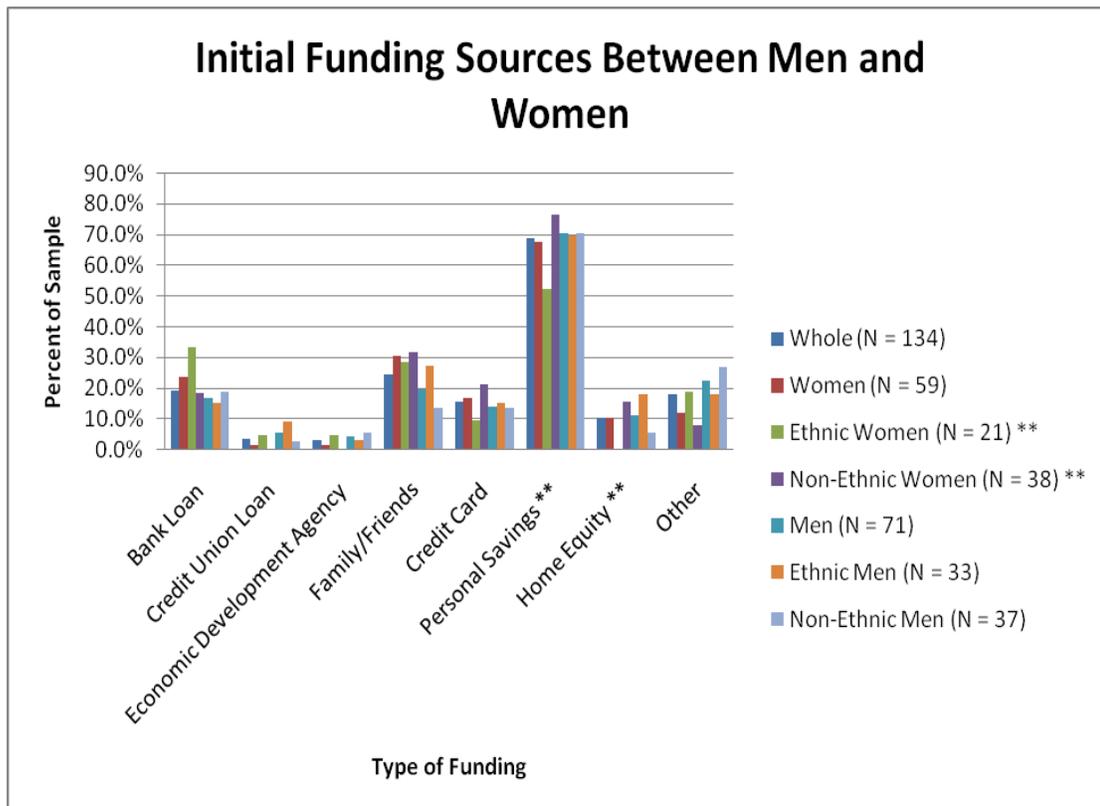


Figure 9: Initial Funding Sources Between Men and Women.

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

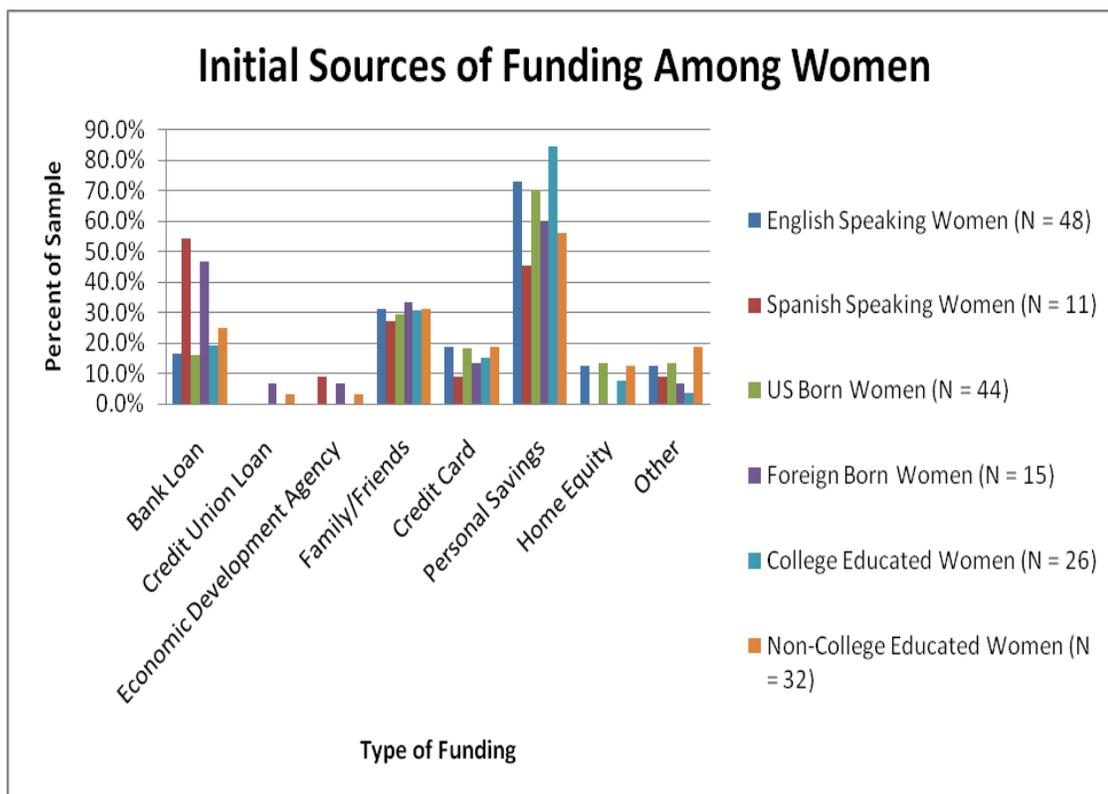


Figure 10: Initial Funding Sources Among Women. No statistically significant differences were found.

### Social Capital

Social capital is evaluated based on an entrepreneur's networking connections (Table 11). Participants were asked if they are a member of any business networking groups, church or school groups, Rotary, 4-H, Elks, Soroptomist, Kiwanis, Moose Lodge, or Big Brothers/Big Sisters. Involvement in these service groups is believed to indicate an entrepreneur's level of social networking and community involvement. Business owners also reported which other businesses they work with in order to further explore their level of networking. Because the literature indicates that female entrepreneurs utilize and rely

on their familial networks more so than male entrepreneurs, participants' numbers of familial network connections were also analyzed (Bird & Sapp 2004; Bruni et al 2004; Loscocco et al 2009). Familial network connections were explored by asking respondents how many family members work for their business (Table 12), if any of their family members are business owners (Table 13), and if their family helped them start their business (Table 14). Participants were also asked if their family helped with initial funding to get their business started, if a family member does their bookkeeping, and if they go to family for business advice. Points were assigned to each entrepreneur for their number of community networking (total possible = 10), business networking (total possible = 9), and familial networking connections (total possible  $\geq 6$ ). A high number of points indicate that the entrepreneur is highly networked. Highly networked entrepreneurs are believed to be more successful than less networked entrepreneurs. Entrepreneurs who are more highly networked would be expected to be running more profitable businesses and to be reporting more rises in employment than less networked entrepreneurs.

Table 11: Average Networking Connections of Study Participants.

Sample Population	Community Network Connections	Business Network Connections	Family Network Connections
Whole	1.7	3.4	3.4
Women	1.7	** 3.8	3.3
Ethnic Women	1.8	4.2	** 4.1
Non-Ethnic Women	1.7	3.5	** 2.8
Men	1.8	** 3.1	3.5
Ethnic Men	2.0	3.2	4.4
Non-Ethnic Men	1.5	3.1	2.7
English Speaking Women	1.7	* 3.5	* 2.8
Spanish Speaking Women	1.7	* 5.0	* 5.2
US Born Women	1.8	3.7	* 2.8
Foreign Born Women	1.5	4.1	* 4.6
College Educated Women	2.0	3.9	3.3
Non-College Educated Women	1.6	3.7	3.3

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

Table 12: Family Members as Employees: “Do you have any family members working for your business?”

Sample Population	Yes	No
Whole (N = 131)	47.0%	53.0%
Women (N = 59)	44.1%	55.9%
Ethnic Women (N = 21)	76.2%	23.8%
Non-Ethnic Women (N = 38)	26.3%	73.7%
Men (N = 71)	50.7%	49.3%
Ethnic Men (N = 33)	63.6%	36.4%
Non-Ethnic Men (N = 37)	40.5%	59.5%
English Speaking Women (N = 48)	37.5%	62.5%
Spanish Speaking Women (N = 11)	72.7%	27.3%
US Born Women (N = 44)	36.4%	63.6%
Foreign Born Women (N = 15)	66.7%	33.3%
College Educated Women (N = 26)	42.3%	57.7%
Non-College Educated Women (N = 32)	46.9%	53.1%

No statistically significant differences were found.

Table 13: Family Members Who are Also Business Owners: “Do you have any family members who are also business owners?”

Sample Population	Yes	No
Whole (N = 131)	61.9%	38.1%
Women (N = 59)	61.0%	39.0%
Ethnic Women (N = 21)	71.4%	28.6%
Non-Ethnic Women (N = 38)	55.3%	44.7%
Men (N = 69)	57.6%	39.4%
Ethnic Men (N = 31)	57.5%	36.4%
Non-Ethnic Men (N = 37)	56.8%	43.2%
English Speaking Women (N = 48)	56.2%	43.8%
Spanish Speaking Women (N = 11)	81.8%	18.2%
US Born Women (N = 44)	56.8%	43.2%
Foreign Born Women (N = 15)	73.3%	26.7%
College Educated Women (N = 26)	57.7%	42.3%
Non-College Educated Women (N = 32)	62.5%	37.5%

No statistically significant differences were found.

Table 14: Family Help in Getting Business Started: “Did your family help you in getting your business started?”

Sample Population	Yes	No
Whole (N = 134)	44.8%	55.2%
Women (N = 59)	49.2%	50.8%
Ethnic Women (N = 21)	52.4%	47.6%
Non-Ethnic Women (N = 38)	47.4%	52.6%
Men (N = 71)	39.4%	60.6%
Ethnic Men (N = 33)	48.5%	51.5%
Non-Ethnic Men (N = 37)	32.4%	67.6%
English Speaking Women (N = 48)	43.8%	56.3%
Spanish Speaking Women (N = 11)	72.7%	27.3%
US Born Women (N = 44)	47.7%	52.3%
Foreign Born Women (N = 15)	53.3%	46.7%
College Educated Women (N = 26)	46.2%	53.8%
Non-College Educated Women (N = 32)	50.0%	50.0%

No statistically significant differences were found.

The only significant difference between male and female entrepreneurs in this study was found at the ten percent level when analyzing business network connections (p

= .086). Women have an average of 3.8 business network connections and men have an average of 3.1 (Table 11).

A significant difference was found when analyzing familial network connections between U.S. born and foreign born women ( $p = .033$ ). U.S. born women have an average of 2.83 familial network connections, while foreign born women have 4.6 (Table 11). When analyzing familial network connections between ethnic and non-ethnic women, significant difference was found at the ten percent level ( $p = .095$ , Table 11).

Significant differences were found between Spanish and English speaking women when analyzing their familial network connections ( $p = .011$ ), and business network connections ( $p = .021$ ). English speaking women in the study have an average of 2.84 familial and 3.48 business network connections. In contrast, Spanish speaking women in the study have an average of 5.18 familial and 5.09 business network connections (Table 11).

### Formal and Informal Capital

Formal and informal capital was also evaluated using a point system (Table 15). Types of payment accepted by a business were grouped according to formal (cash, check, credit card) or informal (in-store tab). Funding sources were also classified as either formal (bank or credit union loan, economic development organization) or informal (family/friends, credit card, personal savings, home equity). Business owners provided information about who does their bookkeeping and to whom they go for business advice. Using an employee or accountant as a bookkeeper is a formal resource, while using a

family member or themselves as a bookkeeper indicated an informal resource. Going to a bank or credit union, economic development agency, or other business owners for business advice is classified as a formal resource, while going to family or friends for business advice is considered an informal resource. Participants received points for formal capital if they responded 'yes' to having a business plan before starting their business (Table 16), if they responded 'yes' when asked if they are a member of any business networking groups, and if they responded 'yes' to applying for a loan. Points were given for informal capital if the participant responded 'yes' to their family helping them start their business, if they answered 'yes' to whether or not they cash payroll checks, if they replied 'no' to having a bank account, and if they responded 'yes' to trading goods or services with other businesses. The total possible points for informal and formal capital are the same (17).

No significant findings were found for these variables.

Table 15: Average Formal and Informal Capital Connections of Study Participants.

Sample Population	Average Formal Capital Connections	Average Informal Capital Connections
Whole	4.4	5.0
Women	4.5	5.2
Ethnic Women	4.6	4.7
Non-Ethnic Women	4.4	5.5
Men	4.5	4.8
Ethnic Men	4.6	4.8
Non-Ethnic Men	4.4	4.9
English Speaking Women	4.4	5.2
Spanish Speaking Women	4.6	5.0
US Born Women	4.5	5.3
Foreign Born Women	4.5	5.0
College Educated Women	4.7	5.5
Non-College Educated Women	4.3	5.0
<b>Total Possible Connections:</b>	17	17

Table 16: Business Plan: “Did you have a business plan before you started your business?”

Sample Population	Yes	No
Whole (N = 133)	41.0%	58.2%
Women (N = 58)	39.0%	59.3%
Ethnic Women (N = 21)	47.6%	52.4%
Non-Ethnic Women (N = 37)	34.2%	63.2%
Men (N = 71)	43.7%	56.3%
Ethnic Men (N = 33)	51.5%	48.5%
Non-Ethnic Men (N = 37)	35.1%	64.9%
English Speaking Women (N = 47)	39.6%	58.3%
Spanish Speaking Women (N = 11)	36.4%	63.6%
US Born Women (N = 43)	38.6%	59.1%
Foreign Born Women (N = 15)	40.0%	60.0%
College Educated Women (N = 25)	57.7%	38.5%
Non-College Educated Women (N = 32)	25.0%	75.0%

No statistically significant differences were found.

## Success

To evaluate success, I looked at reported profit (Figures 11 & 12), change in number of employees (Figures 13 & 14), and entrepreneurs' personal definitions of success (Figures 15 & 16). Entrepreneurs' personal definitions of success were probed by asking, "In your opinion, what is your biggest success as a business owner?" Themes were identified based on participant responses. Falling under the theme 'helping people or serving the community' are responses that address issues of satisfying customers, making people happy, educating people, creating products people love, establishing good relations with customers, and providing quality service to the community. 'Increased networking' includes responses such as having connections with other suppliers, having more clients than the previous owner, and having more communication with customers. 'Good reviews' comprises answers that deal with having positive feedback and good ratings. 'Being independent or flexible' consists of responses about having autonomy, control, and freedom, and being able to be your own boss. 'Financial' themed answers address issues of financial security that entrepreneurship facilitates. 'Self fulfillment and creativity' includes responses such as having new experiences and challenges, taking risk, and having self realization.

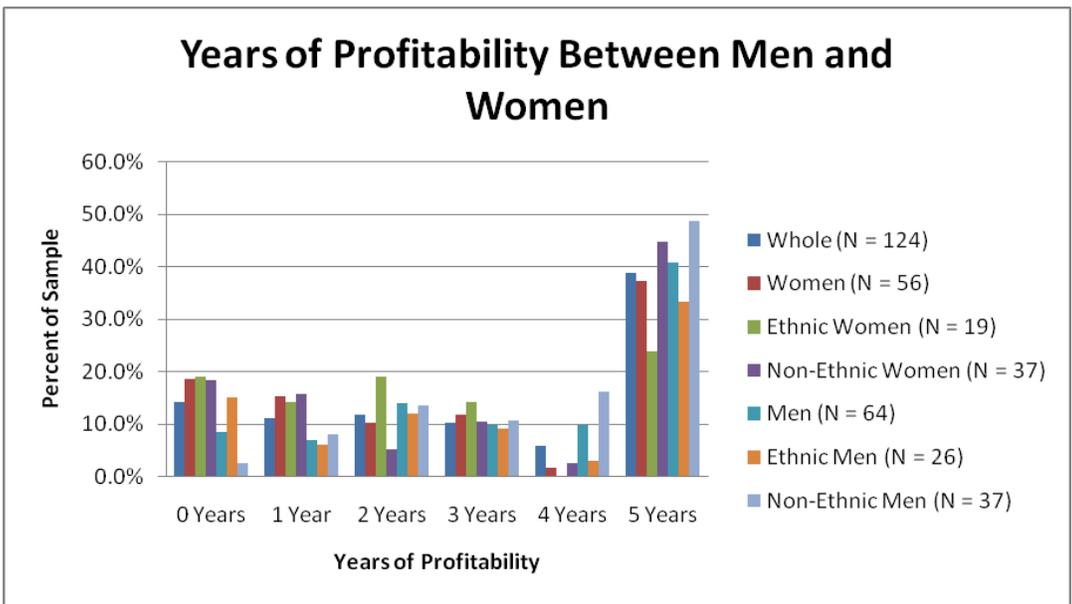


Figure 11: Years of Profitability Between Men and Women: “Over the last 5 years, how many years has your business made a profit?” No statistically significant differences were found.

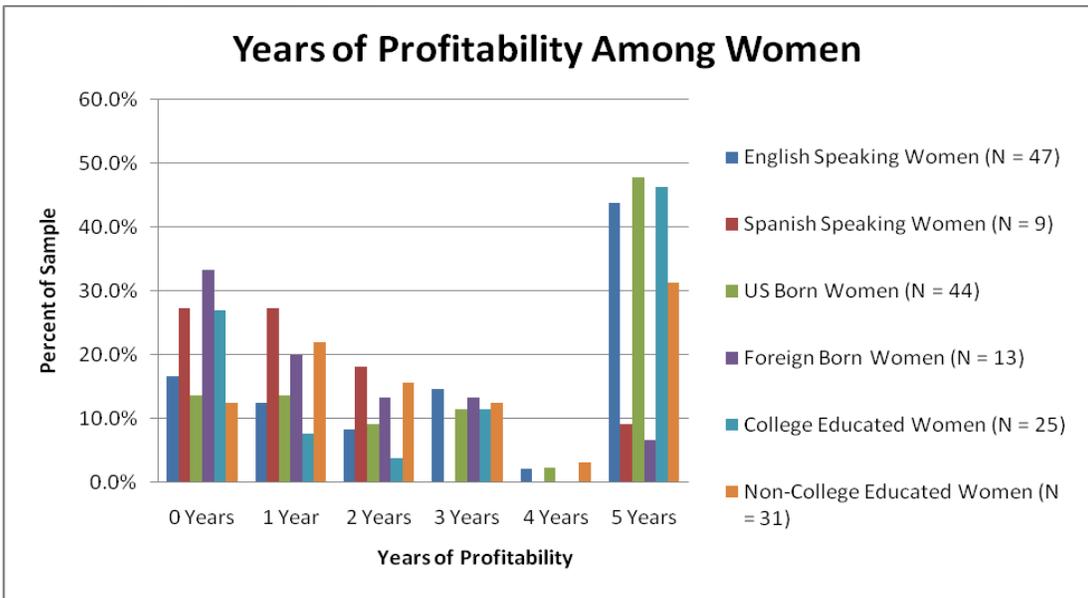


Figure 12: Years of Profitability Among Women: “Over the last 5 years, how many years has your business made a profit?” No statistically significant differences were found.

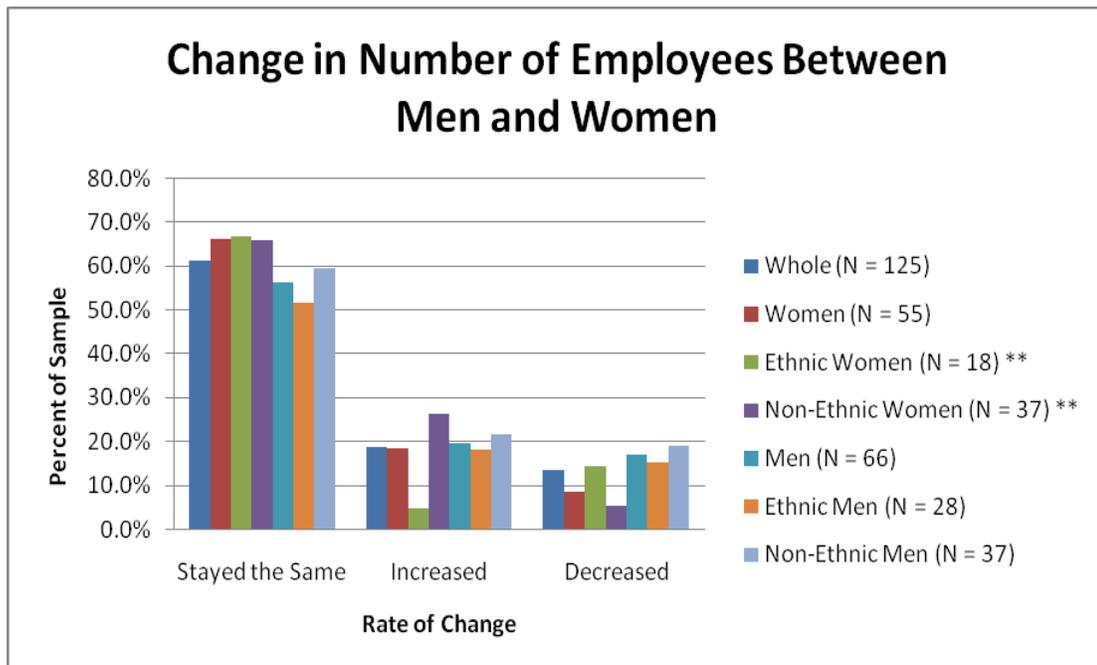


Figure 13: Change in Number of Employees Between Men and Women: “How has the number of employees working for your business changed since 2004?”

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

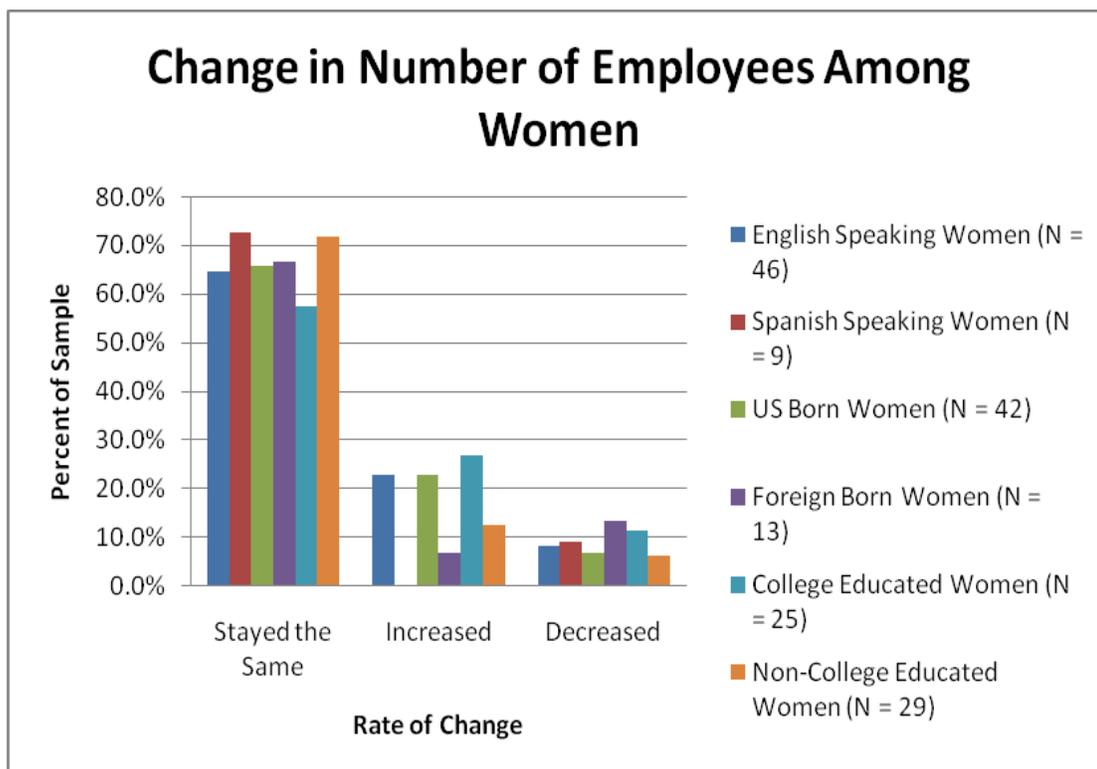


Figure 14: Change in Number of Employees Among Women: “How has the number of employees working for your business changed since 2004?” No statistically significant differences were found.

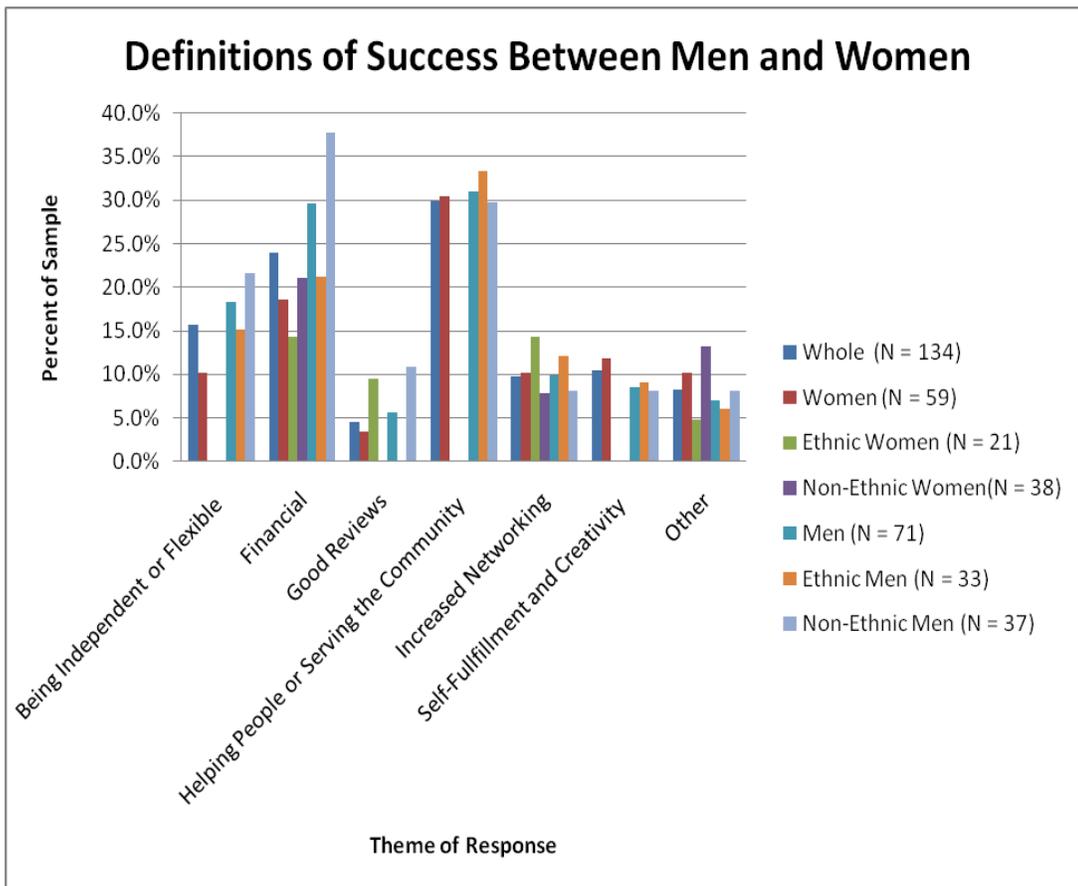


Figure 15: Definitions of Success Between Men and Women: “In your opinion, what is your biggest success as a business owner?”

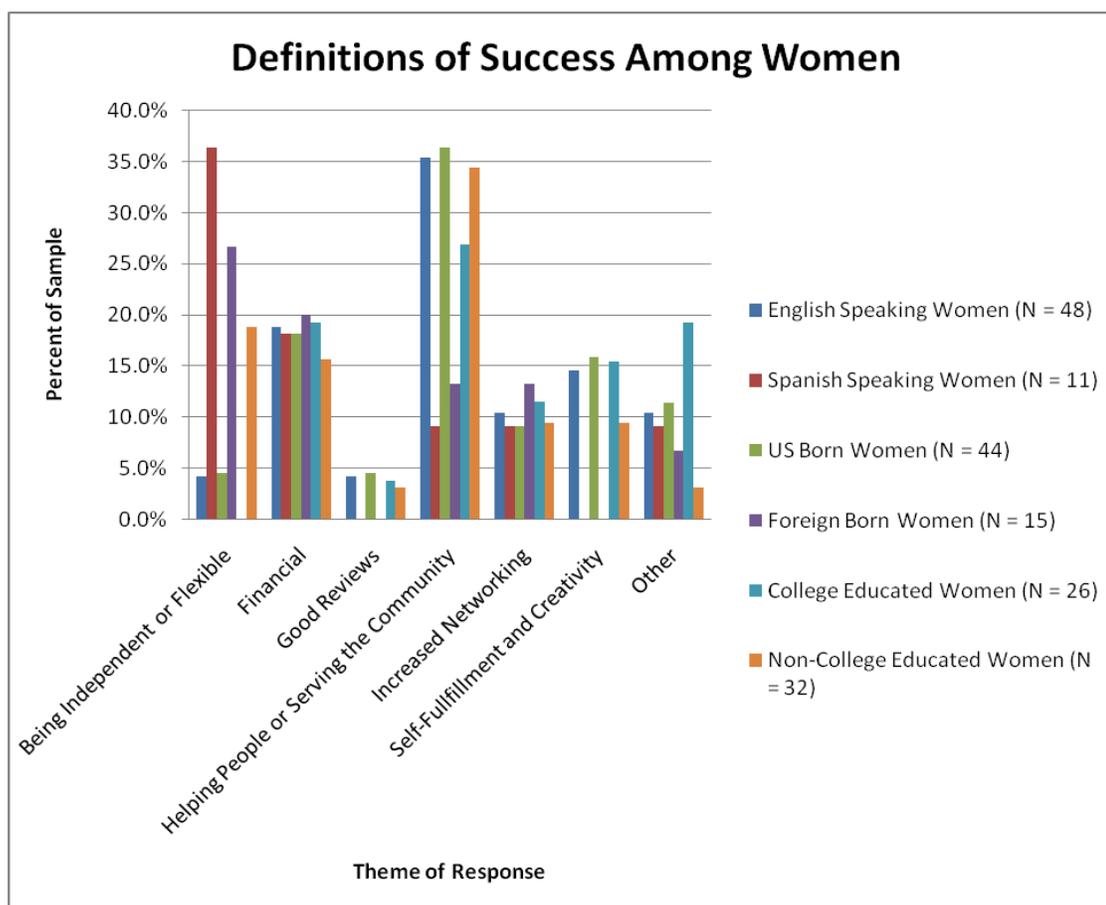


Figure 16: Definitions of Success Among Women: “In your opinion, what is your biggest success as a business owner?”

At the ten percent level, a significant difference was found between ethnic and non-ethnic women in terms of the change in their number of employees ( $p = .097$ ), as 66.7% of ethnic women and 65.8% of non-ethnic women reported that their number of employees has stayed the same since 2004. However, 26.3% ( $N = 10$ ) of non-ethnic women and 4.8% ( $N = 1$ ) of ethnic women reported an increase in the number of employees working for their business since 2004 (Figure 23).

Significant differences were found between ethnic and non-ethnic women in their responses to the question, “In your opinion, what is your biggest success as a business owner?” The p value for the ‘being independent or flexible’ theme is .001, while  $p = .040$  for the ‘helping people or serving the community’ theme and  $p = .037$  for the ‘self-fulfillment and creativity’ theme. None of the non-ethnic women and 28.6% ( $N = 6$ ) of ethnic women reported ‘being independent and flexible.’ For, the ‘helping people or serving the community’ theme, 14.3% ( $N = 3$ ) of ethnic women and 39.5% ( $N = 15$ ) of non-ethnic women offered responses in this category. None of the ethnic women in the sample replied with answers in the ‘self fulfillment and creativity’ category, while 18.4% ( $N = 7$ ) of non-ethnic women offered answers in this category (Table 17).

Table 17: Definitions of Success Between Male and Female Entrepreneurs: Statistically Significant Differences.

Sample Population	Being Independent or Flexible	Financial	Good Reviews	Helping People or Serving the Community	Increased Networking	Self-Fulfillment and Creativity	Other
Whole (N = 134)	15.7%	23.9%	4.5%	29.9%	9.7%	10.4%	8.2%
Women (N = 59)	10.2%	18.6%	3.4%	30.5%	10.2%	11.9%	10.2%
Ethnic Women (N = 21)	* 28.6%	14.3%	9.5%	* 14.3%	14.3%	* 0.0%	4.8%
Non-Ethnic Women(N = 38)	* 0.0%	21.1%	0.0%	* 39.5%	7.9%	* 18.4%	13.2%
Men (N = 71)	18.3%	29.6%	5.6%	31.0%	9.9%	8.5%	7.0%
Ethnic Men (N = 33)	15.2%	21.2%	0.0%	33.3%	12.1%	9.1%	6.1%
Non-Ethnic Men (N = 37)	21.6%	37.8%	10.8%	29.7%	8.1%	8.1%	8.1%

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

When analyzing difference between U.S. born and foreign born women's responses to this question, significant differences were found in responses falling under the theme 'being independent and flexible' ( $p = .032$ ) and for responses classified into the 'helping people or serving the community' theme ( $p = .085$ ). Four and one half percent ( $N = 2$ ) of U.S. born women replied with answers under the 'being independent and flexible' theme and 36.4% ( $N = 16$ ) offered answers classified relating to 'helping people or serving the community.' Alternatively, 26.7% ( $N = 4$ ) of foreign born women responded in the 'being independent and flexible' theme, while 13.3% ( $N = 2$ ) answered in the 'helping people or serving the community' theme (Table 18).

Table 18: Definitions of Success Among Female Entrepreneurs: Statistically Significant Differences.

<b>Sample Population</b>	<b>Being Independent or Flexible</b>	<b>Financial</b>	<b>Good Reviews</b>	<b>Helping People or Serving the Community</b>	<b>Increased Networking</b>	<b>Self-Fulfillment and Creativity</b>	<b>Other</b>
<b>English Speaking Women (N = 48)</b>	* 4.2%	18.8%	4.2%	35.4%	10.4%	14.6%	10.4%
<b>Spanish Speaking Women (N = 11)</b>	* 36.4%	18.2%	0.0%	9.1%	9.1%	0.0%	9.1%
<b>US Born Women (N = 44)</b>	* 4.5%	18.2%	4.5%	** 36.4%	9.1%	15.9%	11.4%
<b>Foreign Born Women (N = 15)</b>	* 26.7%	20.0%	0.0%	** 13.3%	13.3%	0.0%	6.7%
<b>College Educated Women (N = 26)</b>	** 0.0%	19.2%	3.8%	26.9%	11.5%	15.4%	19.2%
<b>Non-College Educated Women (N = 32)</b>	** 18.8%	15.6%	3.1%	34.4%	9.4%	9.4%	3.1%

Statistically significant difference between sample populations is indicated by the following asterisks:

- \* p is significant at the .05 level
- \*\* p is significant at the .10 level

At the ten percent level of significance, significant difference was found between college educated and non-college educated women's responses that fall under the theme 'being independent or flexible' ( $p = .060$ ), as 18.8% ( $N = 6$ ) of non-college educated women and none of the college educated women offered responses in this category (Table 18).

Significant difference was found at the five percent level of significance between Spanish and English women's responses falling under the 'being independent or flexible' theme for this question ( $p = .009$ ). Only 4.2% ( $N = 2$ ) of English speaking women responded in this category, while 36.4% ( $N = 4$ ) of Spanish speaking women replied with answers of this type (Table 18).

### Barriers

In order to evaluate barriers that an entrepreneur has experienced, the survey asked, "What was the biggest challenge that you faced in starting this business?" (Figures 17 & 18). The theme 'hard work and responsibility' includes responses that address maintaining the business. 'Customer service and networking' encompasses answers such as building clientele, gaining trust, and competition. 'Education and experience' comprises responses about knowing nothing about the current business or industry, learning technology, and learning to manage the business. 'Finances and cost' consists of answers about having money to run the business, living on a small budget, and making a living. 'Employees' involves responses regarding dealing with staff and finding good labor. Lastly, 'politics' includes answers concerning paperwork, licensing, and dealing

with business politics. Answers that could not be classified in any of these categories are classified as ‘other.’

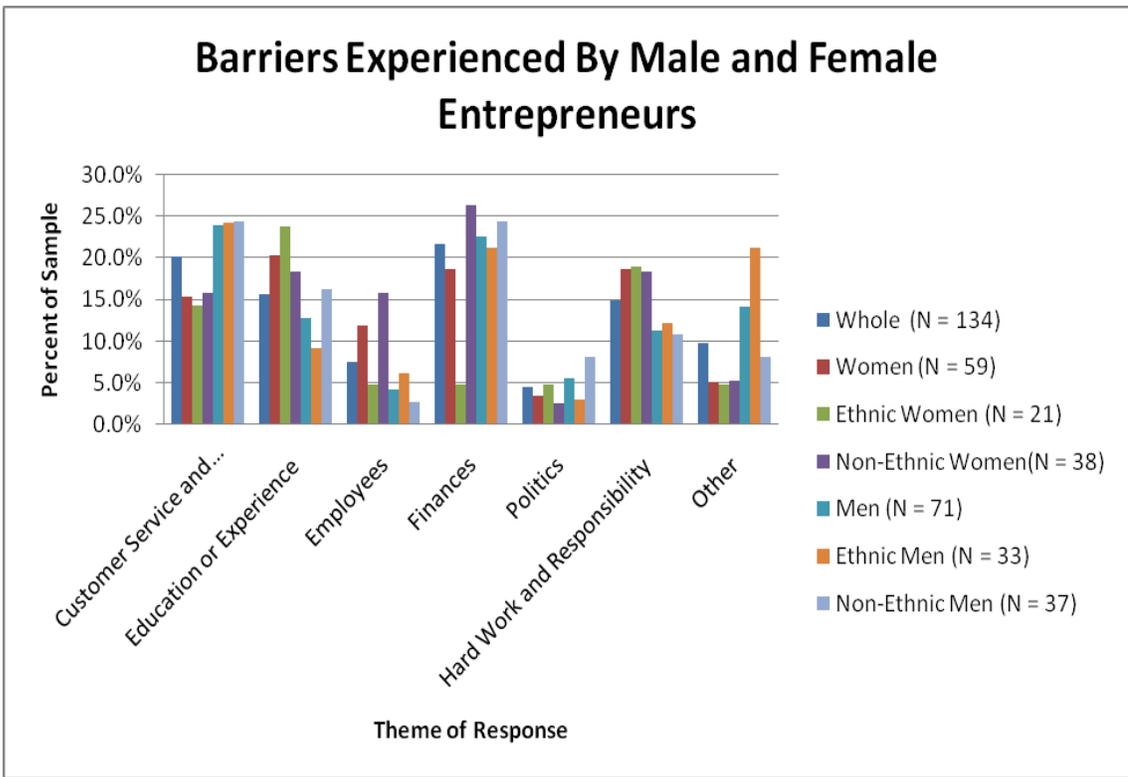


Figure 17: Start-Up Barriers Experienced By Male and Female Entrepreneurs: “What is the biggest challenge that you faced in starting your business?”

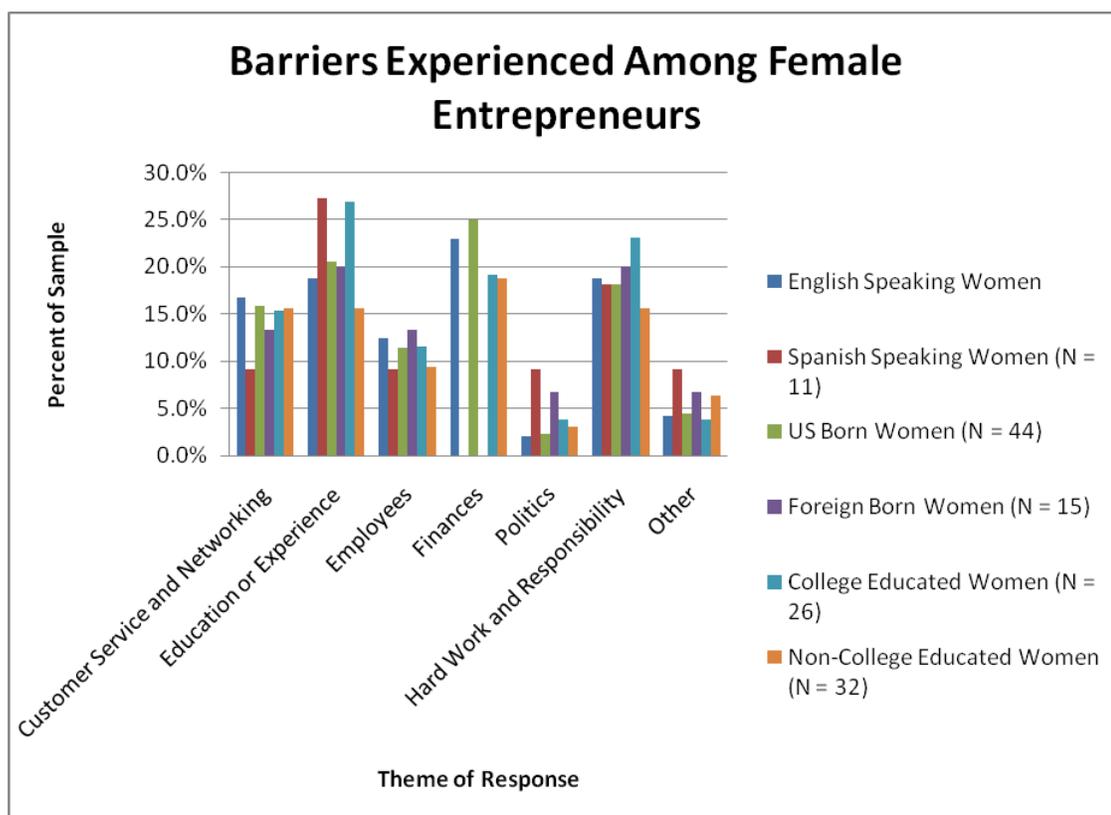


Figure 18: Start-Up Barriers Experienced Among Male and Female Entrepreneurs: “What is the biggest challenge that you faced in starting your business?”

Significant differences were found when investigating ethnic and non-ethnic women’s responses to this question. For the ‘finances’ theme,  $p = .040$ . Fewer ethnic women (4.8%,  $N = 1$ ) responded in this category than non-ethnic women (26.3%,  $N = 10$ ). Significant difference was also found when exploring foreign born and U.S. born women’s responses that fall under the theme ‘finances’ ( $p = .027$ ). Significant difference for the ‘finance’ theme was found at the ten percent level between Spanish and English speaking women ( $p = .081$ ). Significant difference was also found between college

educated and non-college educated women in their responses falling into the ‘employees’ theme to this question ( $p = .022$ ). (Tables 19 & 20)

Table 19: Start-up Barriers Experienced by Male and Female Entrepreneurs: Statistically Significant Differences.

Sample Population	Customer Service and Networking	Education or Experience	Employees	Finances	Politics	Hard Work and Responsibility	Other
<b>Whole (N = 134)</b>	20.1%	15.7%	7.5%	21.6%	4.5%	14.9%	9.7%
<b>Women (N = 59)</b>	15.3%	20.3%	11.9%	18.6%	3.4%	18.6%	5.1%
<b>Ethnic Women (N = 21)</b>	14.3%	23.8%	4.8%	* 4.8%	4.8%	19.0%	4.8%
<b>Non-Ethnic Women(N = 38)</b>	15.8%	18.4%	15.8%	* 26.3%	2.6%	18.4%	5.3%
<b>Men (N = 71)</b>	23.9%	12.7%	4.2%	22.5%	5.6%	11.3%	14.1%
<b>Ethnic Men (N = 33)</b>	24.2%	9.1%	6.1%	21.2%	3.0%	12.1%	21.2%
<b>Non-Ethnic Men (N = 37)</b>	24.3%	16.2%	2.7%	24.3%	8.1%	10.8%	8.1%

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

Table 20: Start-up Barriers Experienced Among Women: Statistically Significant Differences.

Sample Population	Customer Service and Networking	Education or Experience	Employees	Finances	Politics	Hard Work and Responsibility	Other
English Speaking Women	16.7%	18.8%	12.5%	** 22.9%	2.1%	18.8%	4.2%
Spanish Speaking Women (N = 11)	9.1%	27.3%	9.1%	** 0.0%	9.1%	18.2%	9.1%
US Born Women (N = 44)	15.9%	20.5%	11.4%	* 25.0%	2.3%	18.2%	4.5%
Foreign Born Women (N = 15)	13.3%	20.0%	13.3%	* 0.0%	6.7%	20.0%	6.7%
College Educated Women (N = 26)	15.4%	26.9%	* 11.5%	19.2%	3.8%	23.1%	3.8%
Non-College Educated Women (N = 32)	15.6%	15.6%	* 9.4%	18.8%	3.1%	15.6%	6.3%

Statistically significant difference between sample populations is indicated by the following asterisks:

\* p is significant at the .05 level

\*\* p is significant at the .10 level

## DISCUSSION

Overall, female and male entrepreneurs in Mendocino County do not appear to be having very different experiences. More difference is found among women than between men and women.

### Industry Classification

In agreement with existing literature, this study found that rural, female, and ethnic owned businesses tend to operate in the trade and service industries (Beaulieu 2002; Birely 1989; Gladwin et al 1989; Grey & Collins-Williams 2006; Henderson 2002; Rochin et al 1998; Zarrugh 2007). Trade includes retail and wholesale trade and is the most popular industry type among businesses in this study (42.5%, N = 57). Service is the second most popular industry type, with 23.9% (N = 32) of businesses in the study falling into this category. Trade is more common among female entrepreneurs (50.8%, N = 30) than male entrepreneurs (36.6%, N = 26). For ethnic entrepreneurs, trade is also more common among ethnic women (71.4%, N = 15) than ethnic men (57.6%, N = 19). Ethnic female owned businesses fall under four different categories, while non-ethnic female owned businesses fall into eight categories, indicating more variation of industry type among non-ethnic women than ethnic women. Non-ethnic male entrepreneurs also have more variation in industry types than ethnic men do. Spanish speaking female entrepreneurs have even less industry type variation, as they operate businesses in either the trade or service industry.

Lack of variation in industry types among ethnic and Spanish speaking respondents can be attributed to a lack of needed skills and education. Ethnic and Spanish speaking respondents are generally less educated and have less experience in their current line of work than non-ethnic and English speaking respondents. This finding indicates a need for policy that supports educational programs targeted at ethnic and Spanish speaking aspiring entrepreneurs.

### Human Capital

H4, which states that female entrepreneurs have less human capital than male entrepreneurs, is not supported by the findings of this thesis, as female entrepreneurs do not have significantly lower levels of human capital than male entrepreneurs. In disagreement with the literature, male and female entrepreneurs who participated in this study have the same average age. The literature suggests women are typically older than their male counterparts (Bird & Sapp 2004; Coughlin 2002; Greene et al 2003). College educated and English speaking women are older than their non-college educated and Spanish speaking female counterparts.

Also in disagreement with the literature, female entrepreneurs in this study have a higher average of years of experience in their current line of work than male entrepreneurs. Non-ethnic female entrepreneurs have higher average years of experience than ethnic women, which goes along with existing literature that says ethnic entrepreneurs have less experience than non-ethnic entrepreneurs (Bird & Sapp 2004; Coughlin 2002; Greene et al 2003).

Significant differences found between college educated and non-college educated women and between Spanish and English speaking women in terms of prior self employment indicate that college educated and English speaking women have more experience as business owners than their non-college educated and Spanish speaking counterparts. According to existing literature, more educated entrepreneurs tend to have higher levels of human capital than less educated entrepreneurs (Bird & Sapp 2004; Coughlin 2002; Greene et al 2003; Orser et al 2006).

Female entrepreneurs in this study have a higher average level of education than male entrepreneurs do, which concurs with the literature (Bird & Sapp 2004; Coughlin 2002; Greene et al 2003). A disparity exists, however, among education levels of ethnic and non-ethnic female entrepreneurs and Spanish and English speaking female entrepreneurs, which speaks to existing literature that says ethnic groups and immigrants are generally less educated and have less human capital than their non-ethnic and U.S. born counterparts (Aldrich & Waldinger 1991; Fairlie & Woodruff 2008; Razin 1989; Verdaguer & Vallas 2008). Something else worth noting is the absence of non-ethnic entrepreneurs who have no high school diploma, and the fact that 9.5% (N = 2) of ethnic women and 18.2% (N = 6) of ethnic men in the study report having no high school diploma. This finding is also in accordance with existing literature that says ethnic people and immigrants tend to be less educated than non-ethnic and U.S. born people (Aldrich & Waldinger 1991; Fairlie & Woodruff 2008; Razin 1989; Verdaguer & Vallas 2008).

Men and women do not differ much in terms of length of residence in Mendocino County. The average length of residence for non-ethnic women, on the other hand, is 5.9

more years than ethnic women. English speaking women have resided in the County for an average of 7.9 more years than Spanish speaking women, while U.S. born women have been living within the County for 11.1 more years than foreign born women have. Non-college educated women have lived in the county for 7.5 more years than college educated women have. Length of residence is a form of human capital, as longer length of residence can positively influence entrepreneurial success.

Female entrepreneurs in Mendocino County, California do not have less human capital than male entrepreneurs in the county. This finding can be attributed to the progressive, liberal nature of the county and a supportive entrepreneurial community. Social perceptions of women in the county seem to be less discriminatory and traditional when compared to counties in Texas, for example. Perhaps female entrepreneurs in Mendocino County generally have more confidence in their abilities than female entrepreneurs in other locations, which facilitates their attainment of necessary human capital. Ethnic and Spanish speaking respondents have less human capital than non-ethnic and English speaking respondents, which can be accredited to cultural issues. In Mendocino County, California, cultural issues seem to be influencing entrepreneurship more so than gender issues.

### Financial Capital

Previous studies that have found women are more likely than men to use informal funding avenues such as personal savings to start their businesses are supported by results of this study (Bruni et al 2004; Coughlin 2002; Greene et al 2003; Langowitz & Minniti

2007; Mattis 2004; Minniti & Arenius 2003; Orser et al 2006). However, existing literature also posits that ethnic groups are more likely than non-ethnic groups to rely on informal funding sources such as personal savings, which is refuted by the findings of this thesis, as personal savings is the most popular form of initial funding for all entrepreneurs in the study (Aldrich & Waldinger 1991; Fairlie & Woodruff 2008; Grey & Collins-Williams 2006; Robles & Cordero-Guzman 2007; Verdaguer & Vallas 2008).

Family and/or friends is the second most common response for initial funding sources. Family and friends are discussed by existing literature as being a source of help mainly for female and ethnic entrepreneurs. While all groups reported moderate usage of this type of initial funding, only 13.5% (N = 5) of non-ethnic men reported using this method of funding. This result supports the existing literature that says male entrepreneurs tend to rely less on family and friends for support (Bird & Sapp 2004; Loscocco et al 2009; Mattis 2004; Shim & Eastlick 1998).

A much higher percentage of foreign born female entrepreneurs (46.7%, N = 7) than U.S. born female entrepreneurs (15.9%, N = 7) in this study used a bank loan as an initial funding source, which does not support findings of existing literature. Immigrants are discussed as experiencing more difficulty in obtaining loans than native born entrepreneurs (Aldrich & Waldinger 1991; Fairlie & Woodruff 2008; Grey & Collins-Williams 2006; Robles & Cordero-Guzman 2007; Verdaguer & Vallas 2008). It is possible, however, that U.S. born female entrepreneurs in this study did not even attempt to attain a bank loan.

## Social Capital

Although entrepreneurs in Mendocino County are using fewer community network connections than business or familial network connections, men and women do not have very different average networking connections, which does not support H6: female entrepreneurs are members of fewer networking groups than male entrepreneurs are (Table 11). The only significant difference found between men and women in this study was in terms of their business networking connections, however the difference is at the ten percent level. Women have higher average business networking connections than men. This may not support the idea put forward by existing literature that men are more connected with formal business networks than women are, however, the difference between the two is not that large (Bird & Sapp 2004; Birley 1989; Coughlin 2002; Godwin et al 2006; Minniti & Arenius 2003; Shim & Eastlick 1998). Female entrepreneurs in the study have more social capital than male entrepreneurs, which may speak to women's willingness to seek help and work in groups. My perception is that, traditionally, women are more open to seeking help, while men are not. In my opinion, generally, men are more individualistic, while women have more of a group mentality. This may explain why women in the county have more social capital than their male counterparts.

Larger differences in networking connections are found between non-ethnic and ethnic women and Spanish and English speaking women. Ethnic women have higher average familial and business network connections than non-ethnic women, and Spanish

speaking women have higher average familial and business network connections than English speaking women do. These findings support the notion that male and female entrepreneurs are not that different from each other and that more difference exists among women than between men and women (Table 9).

In agreement with existing literature, ethnic women have more familial network connections, with an average of 4.1 familial network connections, while non-ethnic women have an average of 2.8 familial network connections. Conversely, ethnic women also have a higher average number of business network connections than non-ethnic women, which does not go along with existing literature that says non-ethnic entrepreneurs are more likely to participate in formal business networks than their ethnic counterparts (Chaganti & Greene 2002; Dimara et al 2003; Fadahunsi et al 2000; Janjuha-Jivraj 2003; Zarrugh 2007). Ethnic and Spanish speaking women may be more highly networked in order to offset their lack of education or experience.

Family and female entrepreneurship are heavily linked in discourse surrounding the topic. Familial support is a useful form of social capital that entrepreneurs can benefit from. Existing literature discusses an entrepreneurial family background as an advantage for aspiring entrepreneurs, as well as female entrepreneurs' propensity to rely on familial connections in starting and running their businesses (Bird & Sapp 2004; Loscocco et al 2009; Mattis 2004; Orhan & Scott 2001; Shim & Eastlick 1998). A slightly higher percentage of women (61%, N = 36) than men (57.6%, N = 41) have family members who are also business owners. However, a larger disparity exists between ethnic and non-ethnic women than between men and women, as 71.4% (N = 15) of ethnic women and

55.3% (N = 21) of non-ethnic women have family members who are also business owners. Existing literature discusses ethnic entrepreneurs as relying more heavily on their familial connections than non-ethnic entrepreneurs (Chaganti & Greene 2002; Dimara et al 2003; Fadahunsi et al 2000; Janjuha-Jivraj 2003; Zarrugh 2007). More female entrepreneurs (49.2%, N = 29) than male entrepreneurs (39.4%, N = 28) in the study report having help from their family in getting their businesses started, which further supports the findings of existing literature.

A higher percentage of men than women reported employing family members, which goes against what previous literature talks about. Female entrepreneurs are discussed as relying more heavily on their familial connections than men (Bird & Sapp 2004; Loscocco et al 2009; Mattis 2004; Shim & Eastlick 1998). In agreement with existing literature, however, a higher percentage of ethnic women (76.2%, N = 16) have family members working for their businesses than non-ethnic women (26.3%, N = 10). Large disparities also exist between English speaking and Spanish speaking and U.S. and foreign born female entrepreneurs who employ family members. Approximately two thirds (N = 10) of foreign born women in the study employ family members, while only 36.4% (N = 16) of U.S. born women having family members working for their business. On the same note, 72.7% (N = 8) of Spanish speaking women and 37.5% (N = 18) of English speaking women employ family members.

Ethnic female entrepreneurs in the study are more networked than non-ethnic female entrepreneurs. This may be attributed to their lack of human capital. In order to

counteract their lack of human capital, ethnic female entrepreneurs are relying more heavily on their social capital.

### Formal and Informal Capital

Average formal and informal capital connections are very similar for all groups (Table 9), refuting H5, which posits that female entrepreneurs are accessing more informal capital than male entrepreneurs are. Participants could have seventeen possible formal connections and seventeen possible informal connections. Averages for this variable are very low, ranging from 4.4 to 4.7 for formal capital and 4.7 to 5.5 for informal capital. This can be attributed to the manner in which this macro level variable was calculated. The idea to create this variable came during the analysis process. A more effective method would have been to create the survey with these macro variables in mind so that more useful questions that probe these concepts could be asked.

### Success

Percentages of women (37.3%, N = 22) and men (40.8%, N = 29) reporting making a profit for the previous five years are not statistically significant. However, the percentage of women reporting making a profit none of the last five years (18.6%, N = 11) is higher than the percentage of men reporting this (8.5%, N = 6). Only 23.8% (N = 5) of ethnic women have made a profit for the previous five years, while 44.7% (N = 17) of non-ethnic women reported the same. A very low percentage of foreign born female entrepreneurs (6.7%, N = 1) and Spanish speaking female entrepreneurs (9.1%, N = 1)

have profited for the last five consecutive years. These findings partially support H1, which posits that on average, female owned businesses have fewer years of profitability than male owned businesses, as female owned businesses are generally less profitable than male owned businesses. However, more difference in years of profitability occurs among women than between men and women.

H2, which conjectures that on average, the number of employees that female owned businesses have grows less than male owned businesses, is not supported by the results of this study. On average, men (5.3 employees) employ more people than women do (3.4 employees), however, no statistically significant difference was found here. Interestingly, ethnic men (6.1 employees) have a higher average number of employees than non-ethnic men (4.8 employees). The majority of participants in all groups reported their number of employees as staying the same since 2004, indicating a lack of difference between men and women when it comes to growth in number of employees. This lack of difference can be attributed to the idea that rural businesses generally are less concerned with growth than urban areas are, as Mendocino County is largely comprised of small businesses employing zero to nine people.

Both female and male entrepreneurs conveyed 'helping people or serving the community' as their biggest success as business owners. Answers falling under the theme 'financial' came in second for both groups as well, however a higher percentage of men (29.6%, N = 21) than women (18.6%, N = 11) have responses falling into this category. These findings support the idea that female and male entrepreneurs are not that different from each other and do not support H3, which says female entrepreneurs are experiencing

unique barriers in starting their businesses. However, existing literature that says female entrepreneurs are less motivated by profit than male entrepreneurs are is supported here (Bird & Sapp 2004; Coughlin 2002). Ethnic women, on the other hand, reported 'being independent or flexible' as their biggest success as a business owner, while no non-ethnic women reported this theme. The idea that more difference exists among women than between men and women is further supported here.

The following quotes elaborate on the top three most popular participants' responses to the question, "In your opinion, what is your biggest success as a business owner?"

Responses to the theme: 'Helping People or Serving the Community'

1. "Being able to serve the community."
2. "Gaining the trust and support of my community and providing a useful service to the community."
3. "To help my community."

Responses to the theme: 'Financial'

1. "Bills are paid. Financial security."
2. "I was able to purchase the building we have been renting as well as the 3 attached building."
3. "We have grown the business and hired employees in a very difficult financial environment."

Responses to the theme: 'Being Independent or Flexible'

1. " Being able to use business to keep family close.- more time to spend with family."
2. "Being able to do something different every day."

### 3. “Autonomy freedom from oppression.”

#### Barriers

Female entrepreneurs who participated in this study reported similar barriers to starting their businesses as the literature describes. Education or experience is the biggest barrier conveyed by women in this study, while financial capital is the second biggest barrier. Networking is also reported as a barrier for Mendocino County female entrepreneurs. However, a higher percentage of men reported networking as a barrier than women, which refutes existing literature that says this is more of an issue for female entrepreneurs than male entrepreneurs (Bruni et al 2004; Coughlin 2002; Greene et al 2003; Langowitz & Minniti 2007; Mattis 2004; Minniti & Arenius 2003; Orser et al 2006). Customer service and networking is the most popular response for men, while financial capital comes in second. This finding supports literature that says these barriers are an issue for rural entrepreneurs, however, existing literature also states that female entrepreneurs experience these barriers more often than male entrepreneurs do (Bruni et al 2004; Coughlin 2002; Greene et al 2003; Langowitz & Minniti 2007; Mattis 2004; Minniti & Arenius 2003; Orser et al 2006). H7, which states that female entrepreneurs are experiencing unique barriers in starting their businesses, is partially supported in that women and men are reporting somewhat different barriers in starting their businesses, however, no statistically significant differences are found here.

A higher percentage of men (25.4%, N = 18) than women (20.3%, N = 12) have applied for a loan and been denied. This finding does not concur with existing literature,

as women are described as experiencing this barrier more than men do. Conversely, a higher percentage of ethnic women (28.6%, N = 6) than non-ethnic women (15.8%, N = 6) have applied for a loan and been denied, which agrees with existing literature that posits ethnic women as facing more adversity in becoming entrepreneurs than non-ethnic women (Aldrich & Waldinger 1991; Fairlie & Woodruff 2008; Grey & Collins-Williams 2006; Robles & Cordero-Guzman 2007; Verdaguer & Vallas 2008).

Significant differences found between ethnic and non-ethnic female entrepreneurs, between Spanish and English speaking female entrepreneurs, and between U.S. and foreign born female entrepreneurs do not support existing literature. Existing literature says that ethnic entrepreneurs will experience more difficulty in having or obtaining necessary financial capital to start a business than non-ethnic entrepreneurs (Aldrich & Waldinger 1991; Fairlie & Woodruff 2008; Grey & Collins-Williams 2006; Robles & Cordero-Guzman 2007; Verdaguer & Vallas 2008). However, I found that more English speaking, non-ethnic, and U.S. born women reported barriers falling under the ‘finance’ theme than Spanish speaking, ethnic, or foreign born women.

The following quotes elaborate on the top three most popular participants’ responses to the question, “What is the biggest challenge that you faced in starting this business?”

Responses to the theme: ‘Finances’

1. “Keeping money flowing without a lot of startup capital.”
2. “Always money. I started with little money helping other people to understand. It’s not easy for Hispanic people to trust. For the people to trust in one. It is difficult to have the confidence of the Latin people.”

3. “Keeping money in the bank.”

Responses to the theme: ‘Customer Service and Networking’

1. “Getting people in – I didn’t know anyone, gotta get into the community small town.”
2. “Keep up your networks as a small business you depend on others to spread the word.”
3. “Finding customers has always been a challenge.”

Responses to the theme: ‘Education or Experience’

1. “Not knowing anything about PC programs and not knowing where to go ask for permits.”
2. ”Learning how to have clothing made for them – learn garment industry.”
3. ”Learning everything without help.”

## CONCLUSION

Much of the existing literature about female entrepreneurship discusses women as essentially different from their male counterparts. The findings of this thesis do not support this assertion. In accordance with Ahl (2006), Birley (1989), Godwin et al (2006), and Langowitz & Minniti (2007), I find that more difference exists among female entrepreneurs than between female and male entrepreneurs. Thus, policy that is targeted toward different ethnic groups may be more effective than policy that is targeted toward different genders. By showing that female entrepreneurs are not that different and can be just as successful as male entrepreneurs, I aim to help spark a shift in the focus of male centered research. Male centered research highlights difference between genders and creates a misconception that all women can be served by uniform policy. Research that highlights the difference among female entrepreneurs can help shape policy that will encourage successful entrepreneurship among commonly overlooked groups of women such as foreign born or Spanish speaking women.

In order for California to be a good place to be in business, efforts need to be made to reduce housing and energy costs, regulations, taxes and fees, and budget and fiscal reform need to be made, while increasing education and workforce training, housing availability, health care, infrastructure, and quality of life. Urban and rural partnerships need to be forged to increase collaboration and success and reduce isolation. Through accessing information technologies, rural entrepreneurs can effectively compete with urban city centers.

While the study produced some interesting findings, in retrospect, I would have approached some things differently. Comparison to an urban locale could enhance this research. While interesting findings have resulted from this study, it is hard to know how different Mendocino County, California is from an urban area without an urban case to compare it to. Ideally, this study will be duplicated in other rural areas in order to determine if these are unique to Mendocino County, or generalizable to other rural populations.

This study would have benefitted from a larger sample in general, and more specifically, a larger sample of ethnic women. In the outset of this thesis, I did not plan to explore difference among female entrepreneurs beyond ethnicity. As my work progressed, I noticed that more difference was occurring among the sample of women than between men and women. With this knowledge, I would have tried to sample higher numbers of foreign born and Spanish speaking females in order to increase the power of the statistical analysis and facilitate development of more useful generalizations to the larger population.

It would have been useful to ask participants about their intentions as business owners, as some entrepreneurs do not seek the same level of growth as others. For this reason, it is hard to accurately gauge success using uniform evaluation standards, as entrepreneurs who wish to create large, nationwide businesses cannot be evaluated by the same standards of success as an entrepreneur who aspires to run a home based business.

The mixed methods approach utilized in this thesis allowed for a comprehensive understanding of entrepreneurship in Mendocino County. Qualitative data complements

quantitative data, while GIS made the survey collection process manageable. Qualitative data goes beyond the mere description of an issue and begins to tell a story. Without GIS, an adequate sample of Latino entrepreneurs would not have been possible and the field work process would have been nearly impossible. Use of PPGIS to gather study samples could greatly benefit other projects that are attempting to research an underrepresented population. GIS maps of business locations streamlined the survey collection process and facilitated contact with a large number of businesses.

The application of grounded theory was useful for this initial investigative study about entrepreneurship in Mendocino County. It allowed for the inclusion of many different aspects of entrepreneurship and made clear the many issues facing entrepreneurs in the county. Further research that takes a focused look at single topics could further enhance the findings of this thesis. I would like to know more about the multitude of information uncovered in this thesis. The breadth of information that the survey was designed to collect was ambitious, as a narrower focus would have allowed for the collection of richer data and analysis of a few aspects of this thesis, rather than the collection of some data about many different aspects.

During the fieldwork process, I surveyed many businesses owned by husband and wife teams. This is an interesting dynamic that is unexplored in this thesis, but is worthy of further research. After the survey collection process, I realized that I would have liked to include a question on the survey about the nature of an entrepreneur's business partnership. Husband and wife contributions to business operations are complementary in many cases, and the strength of the partnership can be more stable than purely business

partnerships. Conversely, business ownership may place added stress on a partnership, exacerbating the barriers and difficulties entrepreneurs face. I am curious to know about success levels of husband-wife owned businesses as compared to non-husband-wife owned businesses in similar settings. I am interested in how having both a female and a male owner affects a business' success. In a search of relevant literature, little is found on this topic, indicating a gap that could be explored in further research.

As this thesis is a case study, further research will complement and expand on its findings. Questions that probe more deeply into the nature and content of female entrepreneurs' networks will be effective in analyzing the usefulness of their network connections for business success. Measurements used to gauge an entrepreneur's familial networking connections were more effective and useful than measurements used to gauge community and business networking connections. Generic community networks such as Rotary and 4-H were included on the survey. More research into local community networks would be useful for survey design, as the community network groups included on this survey were not representative of the entire spectrum of Mendocino's community networks. The bulk of survey participants answered 'no' to involvement in the community networks included on the survey. Investigating the gender, race, economic, and social makeup of an entrepreneurs' network could shed light on the dynamics that make that network successful or not.

Economic development agencies wanting to work with rurally located businesses should pay close attention to the characteristics of the entrepreneur. Uniform practices and services will not be as effective as practices and services that cater to the varying

types of people they wish to serve. Simply looking at the categories of male and female or ethnic and non-ethnic when trying to inform policy will not be as useful as delving deeper into an entrepreneur's background (place born, education, experience, language spoken). While this deeper focus requires more time and effort from an economic development professional, the benefits for local economies will greatly outweigh this.

The findings of this thesis highlight the importance of considering place when studying a group of people. Place is a crucial factor to consider when attempting to guide or create entrepreneurship policy, as an entrepreneur's location can heavily shape their likelihood for success. Rural location is clearly a factor to consider. Less obvious place related factors to consider include social perceptions, as well as cultural and historical factors. Clearly, the nature of entrepreneurship and more specifically, female entrepreneurship, in Mendocino County does not look like as it does in other parts of the country. While this thesis found that male and female entrepreneurs are not all that different, this may not be the case in other rural areas.

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APPENDIX A  
SURVEY QUESTIONS

ID #: \_\_\_\_\_ Date: \_\_\_\_\_

***Rural Entrepreneurship Survey Questions 2009***

*Please answer the following questions as part of a survey about rural entrepreneurship.  
This survey is being administered by the California Center for Rural Policy and the  
Institute for Spatial Analysis, located at Humboldt State University in Arcata, CA.*

**1. Is this the first business that you have owned? (Please check one box.)**

Yes       No

**2. What were you doing immediately before starting this business? (Please check one box.)**

Self Employed       Employed       Unemployed  
 Stay at Home Parent       Retired       Student  
 Other: \_\_\_\_\_

**3. Did you start or acquire this business? (Please check one box.)**

I started this business.  
 I acquired this business.

**4. In what year?**

\_\_\_\_\_ year

**5. Before you started this business, how many years of experience did you have in this line of work?**

\_\_\_\_\_ years of experience in this line of work

**6. Did you have a business plan before you started your business? (Please check one box.)**

Yes       No

**7. What was your total start-up cost for this business (including your personal savings)?**

**(Please circle one.)**

< \$5,000      \$5,001-\$15,000      \$15,001-\$50,000      \$50,001-\$100,000      >\$100,000

**8. How many people currently own this business?**

\_\_\_\_\_ people own this business

**9. In each box, please write ‘O’ on days that your business is open and write ‘C’ on days that your business is closed.**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

**10. For each day that your business is open, please place an X in the box for days that an owner is present.**

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday

**11. Did your family help you in getting your business started? (Please check one box.)**

Yes       No

**12. How many of your family members are business owners?**

\_\_\_\_\_ family members

**13. To what extent do you agree or disagree with this statement: “Latino people play an important role in supporting my business.” (Please circle one.)**

1	2	3	4	5
Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree

**14. To what extent do you agree or disagree with this statement: “Non-Latino people play an important role in supporting my business.” (Please circle one.)**

1	2	3	4	5
Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree

**15. What percentage of the products used in your business are from *outside* Mendocino County?**

(Please check one box.)

0%       1%-10%       11%-50%       51%-100%

**16. What percent of your business sales are to people *outside* Mendocino County?  
(Please check one box.)**

- 0%       1%-10%       11%-50%       51%-100%

**17. Not including yourself, how many people work for your business? (paid and unpaid)**

\_\_\_\_\_ people work for my business

**18. Not including yourself, how many family members work for your business?  
(paid and unpaid)**

\_\_\_\_\_ family members work for my business

**19. How has the number of employees working for your business changed since 2004? (Please check one box.)**

- Stayed the same  
 Increased by \_\_\_\_\_ employees since 2004  
 Decreased by \_\_\_\_\_ employees since 2004

**20. Does your business cash payroll checks? (Please check one box.)**

- Yes       No

**21. What forms of payment does your business accept? (Please check all that apply.)**

- Cash       Check       Credit Card       In Store Tab  
 Other: \_\_\_\_\_

**22. Do you have an account at a bank? (Please check one box.)**

- Yes       No

**23. Are you a member of any business networking groups? (Please check one box.)**

- Yes       No

**24. Are you a member of any of the following groups or organizations?**

- a. Church  No  Yes: please list name of church: \_\_\_\_\_  
 ↳ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_
- b. School  No  Yes: please list name of school: \_\_\_\_\_  
 ↳ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_
- c. Nuestra Casa  No  Yes  
 ↳ If yes, how often do you interact with this group?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_
- d. Rotary  No  Yes  
 ↳ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_
- e. 4-H  No  Yes  
 ↳ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_
- f. Elks  No  Yes  
 ↳ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_
- g. Soroptomist  No  Yes  
 ↳ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_

h. Kiwanis  No  Yes  
 ↪ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_

i. Moose Lodge  No  Yes  
 ↪ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_

j. Big Brothers/  
 Big Sisters  No  Yes  
 ↪ If yes, how often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_

k. Please list the name of any other group or organization you are involved with:

↪ \_\_\_\_\_  
 How often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_

l. Please list the name of any other group or organization you are involved with:

↪ \_\_\_\_\_  
 How often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_

m. Please list the name of any other group or organization you are involved with:

↪ \_\_\_\_\_  
 How often do you interact with this group/organization?  
 Never  Weekly  Monthly  Other: \_\_\_\_\_

**25. To what extent do you agree or disagree with this statement: “My business supports or gives back to the local community.” (Please circle one.)**

1	2	3	4	5
Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree

**26. Do you trade goods or services with any other businesses (no money exchange involved)?**

Yes       No

**27. Of the businesses that you do business with, which are the most important to you? (Please list the names of the businesses and the city in which it is located.)**

_____	_____
Business Name	City
_____	_____
Business Name	City
_____	_____
Business Name	City
_____	_____
Business Name	City
_____	_____
Business Name	City
_____	_____
Business Name	City

**28. How did you fund the start up of your business? (Please check all that apply.)**

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| a. bank business loan                             | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| b. credit union business loan                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. economic development<br>agency or organization | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. family and/or friends                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| e. credit card                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f. personal savings                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| g. home equity                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| h. other: _____                                   |                              |                             |

**29. Who does your bookkeeping? (Please check all that apply.)**

self             family member             employee

accountant    other: \_\_\_\_\_

**30. Over the last five years, how many years did your business make a profit? (Please check one box.)**

0 years     1 year     2 years     3 years     4 years     5 years

**31. Whom do you go to for business advice? (Please check all that apply.)**

family             friends             bank / credit union

internet             newspaper             other business owners

economic development agency or organization

other: \_\_\_\_\_

**32. Have you ever applied for a loan at a bank or credit union and been denied? (Please check one box.)**

Yes             No

 If yes, what was the reason given?

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**33. Do you send money to anyone outside of the United States? (Please check one box.)**

Yes             No

**34. How important is a computer to your business? (Please circle one.)**

1                      2                      3                      4                      5  
Not used    Minimally Used    Moderately important    Very important    Essential

**35. How important is the internet to your business? (Please circle one.)**

1                      2                      3                      4                      5  
Not used    Minimally Used    Moderately important    Very important    Essential

**36. Why did you start this business?**

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**37. In your opinion, what is your biggest success as a business owner?**

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**38. What was the biggest challenge that you faced in starting this business?**

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**38b. What advice do you have for people starting a business?**

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**39. How many minutes does it take you to drive from home to work?**

\_\_\_\_\_ minutes

**40. Which of the following industries best describes your business? (Please check one box.)**

- agriculture, forestry, fishing       mining       health care/social assistance  
 construction       wholesale trade       education  
 manufacturing       information       arts/entertainment/recreation  
 retail trade       food services       accommodation  
 transportation       communication       finance, insurance, and real estate  
 utilities       government & public administration  
 tourism       other: \_\_\_\_\_

**41. In what year were you born?**

\_\_\_\_\_ year

**42. Where were you born?**

\_\_\_\_\_ city & state

**43. What is your gender? (Please check one box.)**

- Male       Female

**44. How many years have you lived in the local area?**

\_\_\_\_\_ years

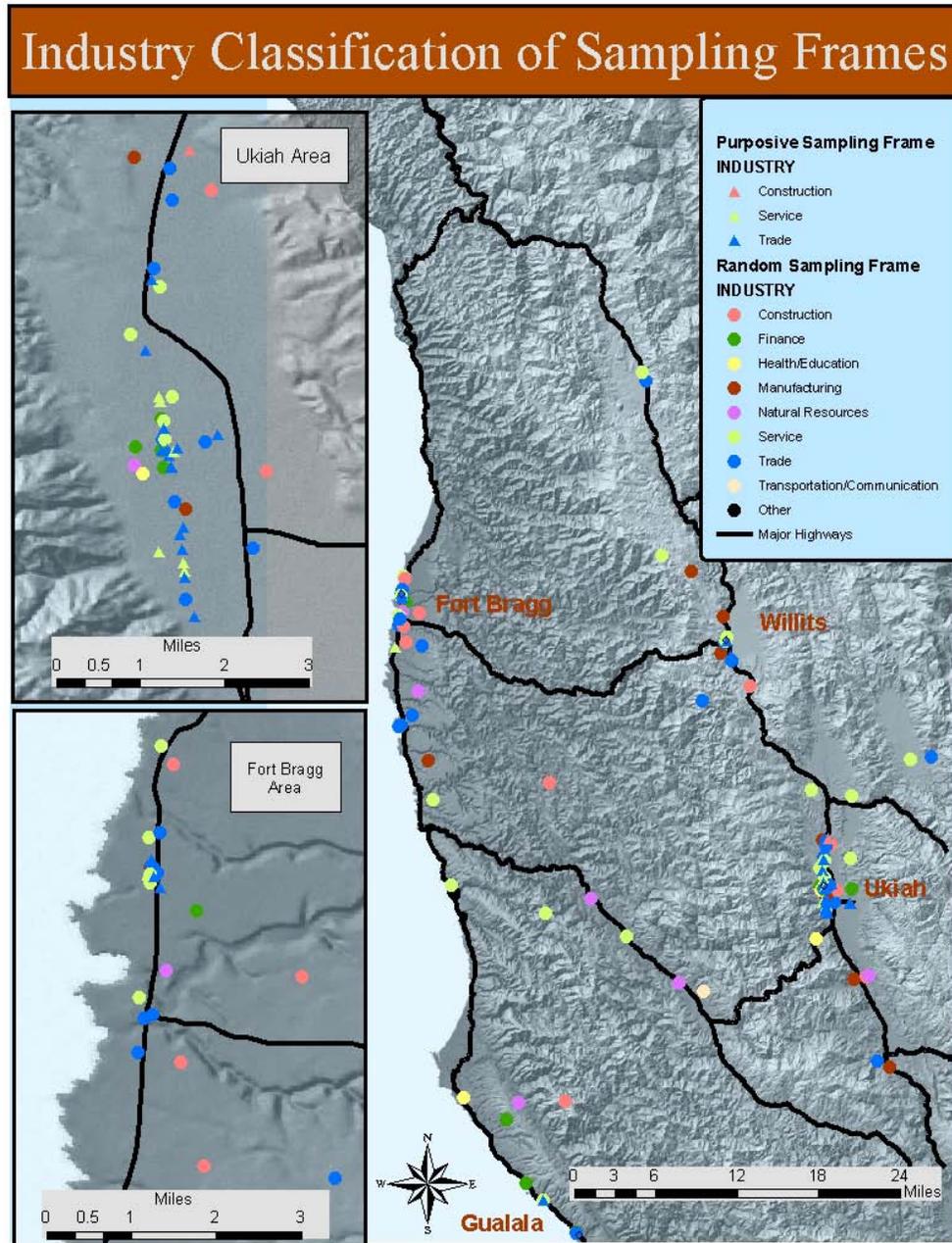
**45. What is your level of education? (Please check one box.)**

- No high school       High school graduate       GED       Some College  
 Associate's Degree       College Graduate       Graduate Degree  
 Other: \_\_\_\_\_

**46. How would you describe your ethnicity? (Please check one box.)**

- White/Caucasian       Latino       Native American  
 African American       Asian American       Other: \_\_\_\_\_

APPENDIX B  
 INDUSTRY CLASSIFICATION OF SAMPLING FRAMES



Source: Zalarvis-Chase & Keeble 2009.