



WICHITA STATE
UNIVERSITY

*Hugo Wall School
of Public Affairs*

EMPOWER PROFILE OF HISPANIC COMMUNITY & HISPANIC BUSINESSES

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Empower began in March 2021. It serves the North End, a predominantly Hispanic neighborhood in the City of Wichita. Empower connects North End residents and resources in ways that build a vibrant, economically sustainable community. This effort includes Hispanic entrepreneurs. Empower engages the community with the help of partners such as the Small Business Development Center (SBDC). SBDC delivers workshops in the community in both Spanish and English. Hispanic entrepreneurs learn how to develop a business plan and a budget as well as licensing, permitting and other business-related activities. The Workforce Alliance of South Central Kansas is another a partner. It operates a Workforce Center at 2021 N. Amidon. The Workforce Alliance is the lead entity in the South Central Kansas region involved in allocation of federal Workforce Innovation and Opportunity Act (WIOA) funding for employment training. Workforce Alliance supports job training at WSU Tech and Goodwill Industries. NexStep Alliance (Goodwill Industries and WSU Tech) are also partners of Empower.

The purpose of this report is to provide Empower with a profile of the businesses and the residents of the North End. The Hugo Wall School of Public Affairs at Wichita State University was engaged by Empower to gather demographic information about the North End and to learn more about Hispanic-owned businesses. Census data, interviews with Hispanic business owners, reports and other data were used to assess the economic and business development needs of the Hispanic community. The report presents these results and concludes with program opportunities the Empower Board of Directors may consider that could strengthen Hispanic-owned businesses.

The 2020 U.S. Census reports 17.4% of the population in the City of Wichita was Hispanic. This is close to the national statistic in 2020 which was 18.5% of the U.S. population. In 2019, six percent of businesses in Wichita in the U.S. Census Annual Business Survey (ABS) were Hispanic-owned (23 out of 389 companies). Nearly two-thirds (65%) of these Hispanic-owned businesses had 250 or fewer employees.

In 2019, over 23% of new entrepreneurs in the U.S. were Hispanic (Kauffman Foundation, 2020). A 2021 profile of small businesses in Kansas reports 11% of the State's workforce is Hispanic and between five and six percent of small businesses are owned by a Hispanic (U.S. Small Business Administration, Office of Advocacy, 2021). As the Hispanic population of Wichita increases, the number of Hispanic-owned businesses grows too. A 2009 report (Hurd & Wedel) found a 233% increase in Hispanic-owned businesses in the Wichita MSA (Metropolitan Statistical Area) between 1987 and 2002. This increase was larger than the increase during the same period in the Kansas City MSA and in the State of Kansas.

As business owners, workers and consumers, Hispanics are making important contributions to the economy. According to the [U.S. Bureau of Labor Statistics](#), in 2020, 29 million workers in the U.S. were Hispanic. The Bureau of Labor Statistics estimates by 2030, the number of Hispanics in the workforce will increase by nearly 7 million. An increase of 24%. Between 2020 and 2030, Hispanics will account for 78% of net new workers. Nationally, Hispanics are employed in agriculture, maintenance, construction, food and transportation (Figure 1 below).

Figure 1. Hispanic workforce in U.S. by business sector



Construction, food and automotive businesses are also present in the North End.

Businesses in the North End

Community observations of local businesses and a voluntary survey (Reference Solutions) were used to identify 185 unique businesses located in the North End. North End businesses most often observed in a Fall 2021 community survey and in Reference Solutions are reported in Table 1 below.

Table 1. Business Sectors in North End 2021

Sector	North End Businesses Observed	North End Reference Solutions
Automotive	19%	16%
Construction	7%	7%
Food	21%	23%
Retail	19%	18%

Source: Column on left is based on observations of businesses in the North End. Column on right is based on self-reports from businesses to the Reference Solutions (part of the Mergent Online collection at Wichita State University Libraries). Reference Solutions classifies businesses using SIC (Standard Industrial Classification).

Comparing Table 1 (above) to Table 2 (below), the percentage of North End businesses in each sector is higher than the same sectors for the City of Wichita as a whole.

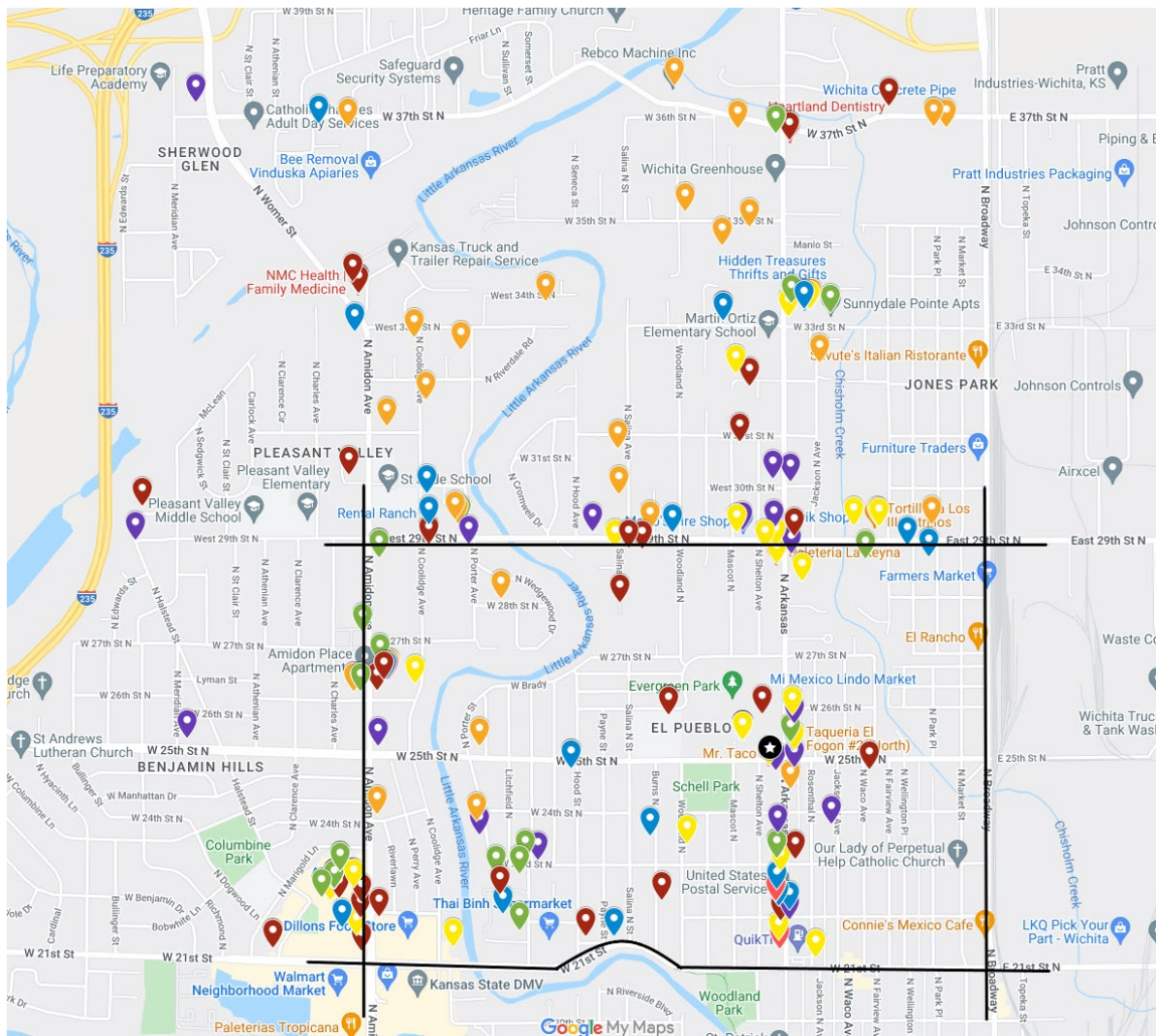
Table 2. Business Sectors in Wichita 2019

Sector	City of Wichita ABS 2019
Automotive	4%
Construction	5%
Food	5%
Retail	4%

Source: Annual Business Survey (ABS) conducted by the US Census Bureau in 2019. Businesses represented in ABS are classified using NAICS (North American Industry Classification System).

A GIS map of commercial areas in the North End was created using property tax data obtained from the Sedgwick County Appraiser’s Office. Following the commercial areas indicated on this map, graduate research assistants systematically drove from Broadway to Amidon (east to west) and 21st Street to 37th Street (south to north) recording the name and address of each business. This process identified 90 brick and mortar locations. A database (Reference Solutions) with results of a voluntary survey of businesses was also used. Reference Solutions includes both brick and mortar businesses as well as businesses located in homes. The Kansas Secretary of State [Business Entity Database Search](#), Google Maps, social media and LexisNexis Academic (Wichita State University Libraries) were used to confirm each business was operating in 2021 and to verify the business category. After the two data sets were combined (businesses observed and businesses in Reference Solutions) duplicates were removed. Figure 2 (below) is a map of the businesses identified.

Figure 2. Businesses in North End (2021)



Note: The primary study area is indicated by streets that appear in the black square above. This is where the largest concentration of businesses in the North End is located. The highlighted streets are as follows. To the west (left) is Amidon. To the east (right) is Broadway. To the north (top) is 29th Street. To the south (bottom) is 21st Street. The Evergreen Community Center & Library is located near the intersection of Arkansas and 25th streets (circle with a star in center).

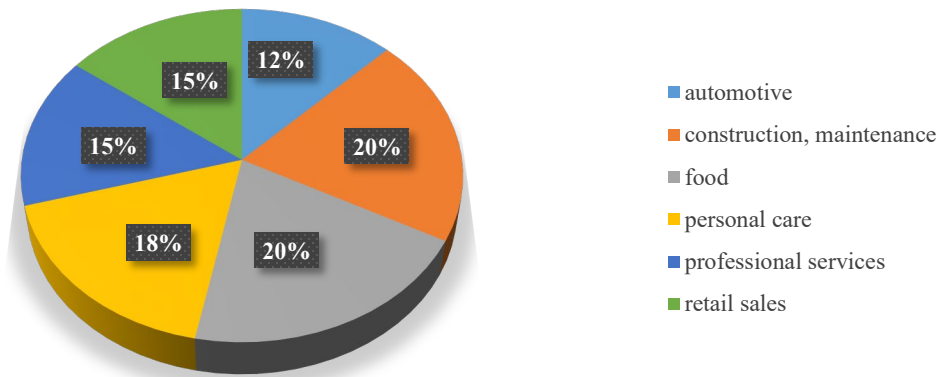
Business Key

- 📍 Professional Services
- 📍 Food
- 📍 Building, Maintenance, and Contractors
- 📍 Personal Care
- 📍 Retail
- 📍 Automotive
- 📍 personal Care
- ★ Evergreen Community Center & Library

Note: Observation of a business located in the North End does not necessarily indicate the business is Hispanic-owned.

Food business make up about 20% of the businesses identified in the ‘windshield’ survey and in the voluntary survey database (Reference Solutions). Construction and maintenance businesses together were 20% of the businesses. Salons and other personal care businesses comprised 18% of the businesses located in the North End in 2021. Automotive (12%) and retail sales (15%) were among the 185 businesses identified.

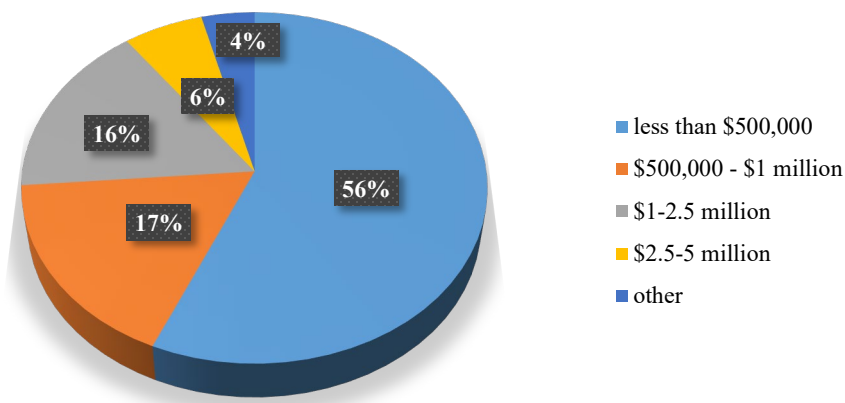
Figure 3. Business sectors in the North End (2021)



Source: Community Business Observation & Reference Solutions

Reference Solutions includes business self-reports of annual sales (Figure 4 below) and number of employees (Figure 5 below). Most businesses in the North End are small. Fifty-six percent had annual sales of less than \$500,000. Nearly three out of every four businesses (73%) reported annual sales under \$1 million.

Figure 4. Annual sales of businesses in North End (2021)

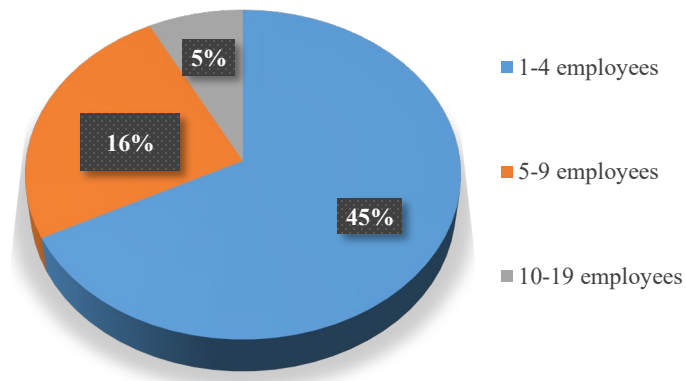


Source: Community Business Observation & Reference Solutions

Note: There was no report of sales data in Reference Solutions for 35% of the businesses.

Nearly two-thirds (65%) of businesses located in the North End employ fewer than 20 people (Reference Solutions). Four percent employ 20 to 99 people. Most often, businesses employ an owner and up to three other people (45%).

Figure 5. North End Businesses with 1 to 20 employees (2021)



Source: Reference Solutions 2021

Note: Twenty-nine percent of businesses in Reference Solutions did not report number of employees.

While businesses in the North End may be owned by and/or employ Hispanics, it is not clear from the community survey or Reference Solutions how many businesses in the community are Hispanic-owned. Interviews with Hispanic entrepreneurs help fill this gap. Interview responses point to areas where support for Hispanic-owned businesses may be needed.

Interviews with Hispanic entrepreneurs

In Fall 2021, 24 Hispanic business owners were interviewed. Interviews took place in the community, most in the North End. Half of the interviews (12) were in Spanish. Fourteen of the business owners were female (58%) and 10 were male (42%). Four of the Hispanic entrepreneurs interviewed had a business degree. Those interviewed owned different types of businesses. Business sectors listed in Table 1 and Table 2 were represented. Most Hispanic entrepreneurs interviewed had been in business no more than five years. The majority of interview participants currently live outside of the North End. Two mentioned growing up in the North End.

Interview subjects were identified by Empower staff. A bilingual member of the Hugo Wall School study conducted interviews in Spanish. Before interviews began, the Hugo Wall study team participated in three community events. Two outdoor community events each drew about 60 people. Attending these events helped formulate interview questions.

A community forum held at the Evergreen Neighborhood Resource Center in October 2021 featured the Head Consular from the Consulate of Mexico in Kansas City. Questions raised by North End residents contributed to an understanding of the many challenges Hispanic entrepreneurs face. If a Hispanic business owner is traveling to Mexico, a passport is required. To apply for a passport, a valid ID from Mexico is needed. The process of establishing permanent residency and citizenship in the U.S. is complicated. To secure a bank loan, a person from Mexico must be able to demonstrate they are legally in the U.S.

A person born in Mexico could establish permanent residency in the U.S. through a family member who is a U.S. citizen (born in the U.S.) or through naturalization (USCIS). Legal aliens are eligible to receive an [SBA](#) loan but there may be special considerations (residence and the “degree of business risk”).

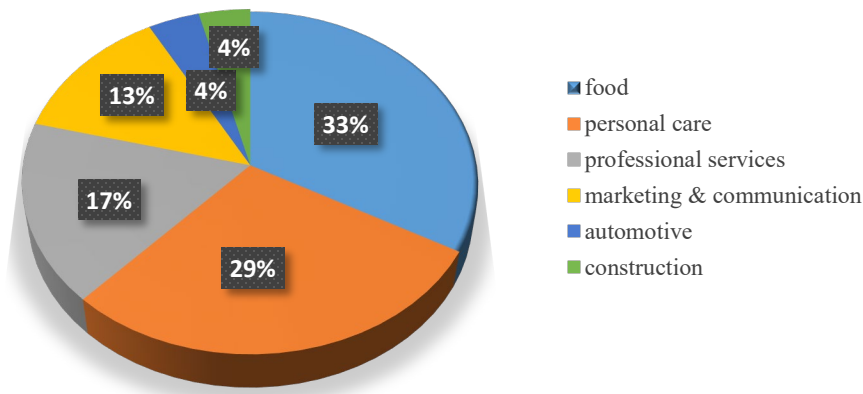
Each interview began with an explanation of its purpose and how information provided would be used. Assurance of confidentiality and anonymity were provided. Informed consent was obtained before each interview began. Interviewers took notes and made an audio recording which was later transcribed. Three graduate research assistants who were not involved in interviewing, reviewed interview notes and audio. Graduate students coded responses until coding of each interview across the study team was stable and reliable.

One-third of those interviewed owned a food business. This could be a restaurant or a business that produces a food product. Half of those who owned a food business had a full-time ‘day’ job.

Hispanic entrepreneurs interviewed who had a ‘day job’ were running or contemplating opening a business. The day job supplied personal income to support themselves and to develop their business. One interviewee was learning the business from an employer. Another received help from a client who recommended an accountant.

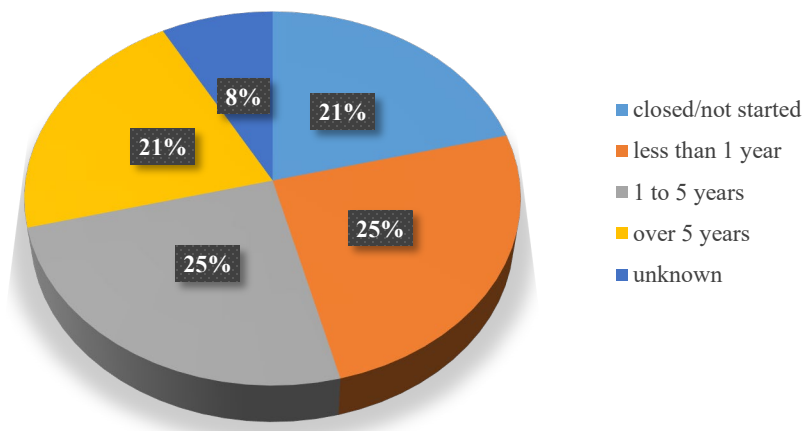
The next largest category of businesses represented among interviewees was in the personal care sector (29%). These businesses include salons and barbershops. Professional services (17% of interviewees) provide financial or legal services or, for example, sell insurance.

Figure 6. Interviews - Types of businesses owned (2021)



One in four of the Hispanic business owners interviewed (25%) had been in business for less than one year (Figure 7 below). Half had been in business for five years or less. Two businesses were closed and three had not yet started.

Figure 7. Interviews - Years in business (2021)



*“I just need marketing help in general.”
(Interviewee)*

What challenges did Hispanic entrepreneurs identify? Those who were interviewed consider marketing as the best way to ‘grow’ a business. Marketing was the most frequently identified challenge.

- 46% marketing
- 17% financial
- 17% incorporation/location

Most businesses had a Facebook page. Learning how to use social media effectively was a priority. Home-based Hispanic retailers were using the internet to make sales. Whether and where to use paid advertising was another challenge. Paid advertising is a big investment for a small business.

More information about how to reach potential customers and how to develop an effective marketing strategy were often mentioned. A clear idea of who the customer ‘is’ was not always evident in the interviews. There was little discussion of using sales data to better understand what customers buy and might sell. It was unclear if a calculation had been made of price per unit and sales volume needed to generate revenue that would cover operating expense (personnel, rent, equipment, inventory). Sales and marketing were top concerns across interviewees.

Feeling financially secure before launching a business is an important priority for Hispanic entrepreneurs interviewed. Financial concerns included knowing how to:

- be profitable
- take out a loan
- set up a bookkeeping system
- pay taxes

“It’s important to keep track of everything. Expenses. Taxes. It’s important to find an accountant you can trust.”
(Interviewee)

Incorporation was another challenge mentioned in interviews; in particular, for businesses that had not yet launched or had closed. With respect to incorporation, which corporate form is best? A limited liability corporation (LLC)? A sole proprietorship?

Sole Proprietorship

One owner entitled to all profit and responsible for all loss, liability & debt. Business revenue & expense reported on individual income tax return. Profits taxed at owner’s individual rate. Not required to register with Secretary of State.

What are the advantages and disadvantages of each? What are state, local and federal requirements?

Limited Liability Corporation (LLC)

Owners not personally liable. LLC must register with Secretary of State, maintain a registered agent & file an annual report. May distribute profits without regard to share of ownership. Allocation of profit & loss may be handled for the greatest tax benefit of owners. Owners of an LLC may pass company profit/loss to personal income tax return.

These were among the questions that came up in interviews. Some had a business idea but wanted answers to these questions first.

The [State of Latino Entrepreneurship 2021](#) is based on an annual survey conducted by the Stanford Graduate School of Business and its Latino Entrepreneurship Initiative. Survey results for 2021 echo themes of this report. The typical Hispanic-owned business is small; an average of eight employees. Most start-ups employ one owner and one employee. The report notes a difficult transition when a business requires resources to add more than two employees (more than the owner and one employee).

Every entrepreneur needs start-up capital. Established businesses need capital to grow. What are sources of capital for Hispanic entrepreneurs in Wichita? As is the case for many

entrepreneurs. the primary source is personal capital. This was evident in every interview. Reliance on personal capital has been found in other studies too. [State of Latino Entrepreneurship 2021](#) survey respondents identified these sources of financing for Hispanic-owned businesses.

- personal & family savings (31%)
- business credit card (25%)
- personal credit card (21%)
- family & friends (11%)
- home equity loan (10%)
- bank loan (4%)

Personal capital financed by debt was mentioned across the interviews conducted for this study. Hiring employees, a place to put inventory, access to a commercial kitchen, a brick and mortar location, these things require capital beyond personal resources. Initially, capital may be provided by employment and/or by resources provided by family and friends. Interviewees mentioned each of these sources of start-up capital. To grow, more capital is needed from other sources.

Interviewees with a business degree were familiar with some sources of capital. [NXTUS](#) has an Accelerate Venture Partners program to support start-ups. There is a chapter of [Startup Grind](#) in Wichita. This is a national membership organization, a community of entrepreneurs that has local chapters and holds events. Another national network of entrepreneurs is [1 Million Cups](#) (initiated by the Kauffman Foundation). Jacob Wayman, local owner of Orangetheory Fitness, helped start chapters of 1 Million Cups and Startup Grind in Wichita. Events are often hosted at [Groover Labs](#). One interviewee who attended these sessions mentioned being the only Hispanic entrepreneur in the room. In October 2021, [Wichita Startup Week](#) had more diverse participation of minorities and women. This event was organized by a local host and [Techstars](#). A business trade show for entrepreneurs, there were 40 sessions and opportunities to pitch business ideas.

Hispanic entrepreneurs who are immigrants from Mexico often face implicit bias and discriminatory lending practices. The odds of needing collateral for a loan are higher for Hispanic entrepreneurs ([State of Latino Entrepreneurship 2021](#)). Despite these barriers, Hispanic-owned businesses are growing rapidly in the U.S. (U.S. Bureau of Labor Statistics). Owning a business is a source of personal wealth. It is a source of generational wealth. Hispanic-owned businesses generate wealth for a community.

Being a Hispanic entrepreneur is not easy. The quote at the right refers to the work of [Hispanic Entrepreneurs of Wichita](#). This was a group of Hispanic entrepreneurs who came together to support one another in 2017 and 2018. The group met weekly and organized an event at the [ICT Pop-up Park](#) on Douglas. Funding from the Knight Foundation helped create the temporary pop-up park in downtown Wichita. Hispanic Entrepreneurs of Kansas organized an event that brought Hispanic culture – music, food and dance – to the pop-up park. The event

“First you got to help the people right in front of you”.
(Interviewee)

drew a crowd and praise. It was a success that could be repeated; however, putting the event together took time away from organizers' own businesses.

Kansas SBDC (Small Business Development Center) at Wichita State University partners

"It's very simple. I want to open this business. I gotta figure out who I'm talking to. How do I market to these people? How much do I need to sell?"
(Interviewee)

with Empower to deliver in-person workshops for Hispanic entrepreneurs at the Evergreen Community Center & Library. The series is delivered in Spanish and English. The first step to engage with SBDC is to complete a

workshop. The information provided in subsequent sessions was helpful but not always immediately useful. Some interviewees expressed a need for specific information to solve a particular problem a Hispanic entrepreneur was facing at the time. A workshop series with set content does not meet this need for everyone.

Executive education is typically structured to meet the immediate learning needs of adult participants. One example of this approach is an 8-week hybrid (in-person and online) executive education course for Hispanic entrepreneurs delivered by the [Stanford Latino Entrepreneurship Initiative](#). The curriculum is structured to meet the 'scaling' needs of participants. The cost to deliver per person is \$16,000. With the help of sponsors, the cost to entrepreneurs is \$2,000.

"How to grow at scale." (Interviewee)

Revenue growth should outpace resources put into a business. Growth in revenue should be greater than the cost of investment and operation.

There are a few nonprofit organizations that provide capital for business start-up and expansion. [Accion Opportunity Fund](#) provides online resources to launch and build a business. Accion also offers [small business loans](#). Community Development Financial Institutions ([CDFI](#)) are a source of loans. In Kansas City, the [CDFI Coalition](#) provides access to capital and business development training. Equishare Credit Union in Wichita was a CDFI lender. It has been bought by Quantum Credit. Local employers such as Cargill might provide microfinance support.

Access to capital, support for marketing and sales, help with incorporation, financial recordkeeping and reporting, Hispanic entrepreneurs who were interviewed cited one or more of these challenges. Often, those who were interviewed did not know where to find people who could provide reliable information. Interviews with Hispanic entrepreneurs across the state emphasize the importance of trust in business relationships (Kansas Hispanic & Latino American Affairs Commission, 2014). Trust is an important part of building both social capital and financial capital.

Historically and today, Hispanic entrepreneurs have social capital that includes language and culture. These sources of social capital attract a workforce. Hispanic entrepreneurs acquire financial capital to expand a business. This is the

"Latino business owners are more likely to be building businesses for the long term – they are twice as likely to report their primary goal as an entrepreneur is to operate a business that can be inherited by their family." (p. 12, State of Latino Entrepreneurship 2021)

story of social capital, financial capital and ethnic entrepreneurship (Knight, 2015; Greve & Salaff, 2005) that can be seen in the North End.

Investment in the North End

“When I grew up here (North End), there was not a lot of hope. I felt kind of trapped. I actually did not know I could become a middle-class person or more than that because I didn’t see it.”
(Interviewee)

Proximity to the U.S. and the availability of jobs helps explain why 97% of people from Mexico living in the U.S. today are emigrants ([Migration Policy Institute](#)). Since the Immigration and Naturalization Act of 1965 ended national origins quotas that had been in place since the 1920s, the share of immigrants born in Mexico who now live in the U.S. has

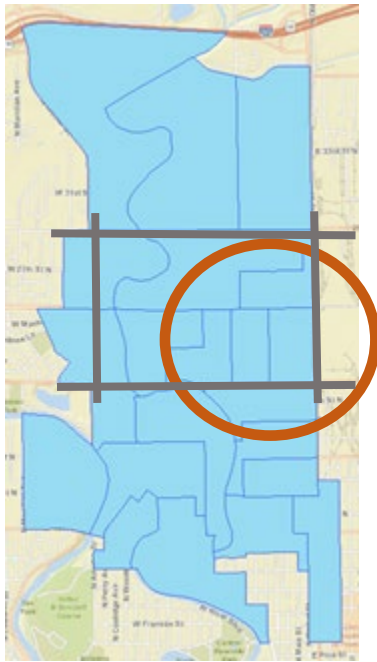
increased to approximately 20 million. This was 25% of the U.S. immigrant population in 2020 ([Migration Policy Institute](#)).

One of the places people born in Mexico come to in the U.S. is the North End. Immigrants from Mexico began arriving here in the early 20th century. In the 1880s, housing was built for people taking jobs in the area east of Broadway. This included immigrants from Mexico. From 1910 through World War II, North End residents worked in nearby rail yards, meat packing plants and flour mills. Coleman manufactured camping equipment nearby. During World War II, some North End residents worked in aviation.

When immigrants from Mexico first arrived in Wichita in the early 20th century, they left behind poverty and the Mexican Revolution to take jobs that would propel the local economy for the next two generations. Women went to work. Hispanic entrepreneurs established businesses in the North End. Starting a business may have been considered a step-up from work in a railyard, meatpacking plant or refinery.

[Nomar International Branding & Architecture \(Greteman Group & WDM Architects, 2007\)](#) describes the history of development in the North End. By 1909, 18th and Broadway had become the center of a neighborhood where Mexican immigrants lived. A bakery, blacksmith shop and movie theater were established. In 1920, the City brought water, sewer and paved street infrastructure to the neighborhood. Nomar Theater and a department store (L.T. Hill Company) opened in 1929. This is the historic district of the North End. Some of the architecture reflects influences from Mexico and Spain (Nomar Theater). These historic buildings are in the five census block groups circled in Figure 8 (below).

Figure 8. North End study area



The five census block groups in the circle cluster near jobs that once were located east of Broadway and north of 21st Street. The five block groups include commercial areas along Broadway and west along 21st Street, as well as commercial areas north and south of 21st Street along North Market and North Arkansas streets.

Street boundaries: Amidon (west/left), Broadway (east/right), 29th Street (north/top), 21st Street (south/bottom).

In 1920, a Community House (2146 N. Topeka) opened in the North End. In *Historical Summary of Evergreen Branch Library and Neighborhood*, Enke describes the Community House. A swimming pool and a gymnasium were each, at the time, the largest in the city. There was a health clinic and the only neighborhood branch of the public library outside of downtown. Community House provided day care from Monday through Saturday for children of women who worked.

Enke describes a defined district where immigrants from Mexico and their families were expected to stay. It was bounded by Broadway (east), Waco (west), 21st Street (south) and 26th Street (north). When the Nomar Theater opened in 1929, it was segregated. In the 1930s, Hispanic members of St Patrick’s Church broke away to establish Our Lady of Perpetual Help (2351 N. Market).

The 1960s brought Model Cities and federal funding for economic development. The eastern boundary of the Waco-Finn Model Cities Area was Broadway. The southern and northern boundaries were 21st and 27th streets (Enke, n.d.). The City of Wichita’s Evergreen Neighborhood Resource Center was established at 2700 N. Woodland in 1972, adjacent to the Evergreen Recreation Center operated by the City of Wichita Park and Recreation Department. City services and resources were available at the Evergreen Neighborhood Resource Center. The District 6 City Council representative also had/has an office there. *(Note: In 2021, Empower was temporarily located in the Evergreen Neighborhood Resource Center. In 2022, Empower moved back to a newly renovated and repurposed Evergreen Community Center & Library located nearby at 2601 N. Arkansas Ave.)*

In 1966, 21st Street became four-lane (Greteman Group & WDM Architects, 2007). Brick paving stones and trees were added along 21st Street and Market Street. Street signs were put up to designate the “21st Street Market” district (Greteman Group & WDM Architects, 2007). In the 1980s there were more improvements to 21st Street.

A relatively recent effort to develop the historic core of the North End took place in 2007. Law/Kingdon and Economics Research Associates (ERA) prepared a feasibility study for Nomar International Market. The plan called for “an indoor market hall building featuring local vendors selling fine art, handicrafts, baked goods, prepared foods, ethnic specialty items, and other products” (p.1, Nomar Feasibility Study). The plan also envisioned a farmers market with locally grown organic produce and a performing arts/festival space. Forty-two percent of the retail space was to have been aimed at the Hispanic market. The City of Wichita would continue ownership of the land.

The plan for Nomar International Market envisioned 25,000 to 30,000 square feet of space that could be leased (half a football field in size). Concept IB-2 in the plan envisioned 61 “interior” retail tenants and 27 “exterior” stalls presumably for a farmers market. Average rent for the interior retail space ranged from \$18 to \$24 per square foot depending on the business. Vendors at the market would pay \$25/day for a stall. Projected first year operating costs totaled \$407,000.

The West 21st Street Community Development Corporation (CDC) was to have leased Nomar International Market from the City “at a nominal rate”. The plan was for the West 21st Street CDC to manage operations at the new facility. There was to have been a director and manager of the market along with maintenance staff. The West 21st Street CDC was unable to raise its share of funding to match \$750,000 in federal dollars. The City of Wichita then opted to build Nomar International Market Plaza using federal funds before these dollars expired. Today, the CDC is no longer active.

Ten years later, in 2017, a \$100,000 Knight Cities Challenge grant (Knight Foundation) to Horizontes helped document and preserve the personal stories of North End residents. Artists who were part of this project have contributed murals throughout the neighborhood.

In February 2022, the City of Wichita established a tax incremental financing (TIF) district north of 21st near I-135. The TIF is expected to generate over \$6 million for public infrastructure in the redevelopment. Ron and Marty Cornejo will construct 14 large warehouse and industrial buildings on the site of a refinery built in the 1930s. The refinery continued to operate until the early 2000s. The Cornejo brothers opened All Metal Recycling in the same area (east of Broadway and north of 21st Street) in 2009. This new construction is expected to cap contamination left behind by the refinery.

The US Environmental Protection Agency (EPA) was prepared, in 1983, to designate the area east of Broadway and north of 21st Street a superfund site. Groundwater contamination had been found. The EPA expected business owners to mitigate the problem. The City of Wichita created a TIF district so as to use property tax collections to cover the cost of remediation. The

City continues to remediate the area using wells and pumping stations that conduct contaminated ground water to a water treatment plant south of downtown along the Arkansas River.

Who lives in the North End today?

The Hispanic population in Wichita continues to grow. Compared to the 2010 Census, in 2020 the City's Hispanic population has increased 25%. Over the same decade, the City of Wichita population increased 4%. Growth in the Hispanic population was five times greater. In 2020, 18% of the city's population is Hispanic; a total of 72,786 Hispanics. Sixty-three percent of the Hispanic population in Wichita is over the age of 18 years; 37% is under 18.

Census data were gathered from 21 census block groups (comprised of 518 census blocks) in an area bounded by Broadway (east), Amidon (west), 13th Street (south) and 37th Street (north). While these streets are the outer boundaries of the study area, the Hispanic population is concentrated in the five census block groups circled in each figure.

In the 2020 Census, households in the five census block groups located in the historic core (Figure 8 above) were predominantly Hispanic. On average, across households located in census blocks within each of these five census block groups, 67% to 87% of the households were Hispanic. A 2019 American Community Survey (ACS) five-year estimate of median household income in the last 12 months shows average median household income in these five census block groups was less than \$45,512. In two of the census block groups, average annual median household income was less than \$29,904.

USD 259 data show a substantial proportion of students attending area public schools are Hispanic. Six elementary schools (Cloud, Ortiz, Irving, McLean, Park, and Pleasant Valley) and two middle schools (Marshall and Pleasant Valley) feed into North High School. In the 2020-21 school year, 36% of USD 259 students were Hispanic. In comparison, 62% of North High students were Hispanic. Seventy-three percent of students at the two area middle schools were Hispanic (2020-2021). Hispanic children make up over 80% of the students at Cloud, Ortiz and Irving elementary schools. In 2020-21, over 90% of the students in these three elementary schools received a free or reduced-price lunch. The free/reduced lunch rate for all USD 259 students in 2020-21 was 77% (Table 3 below). Eighty-seven percent and 88% of the students at Pleasant Valley and Marshall middle schools, respectively, received a free or reduced-price lunch. To qualify for a free lunch, household income must be at or below 130 percent of the federal poverty level.

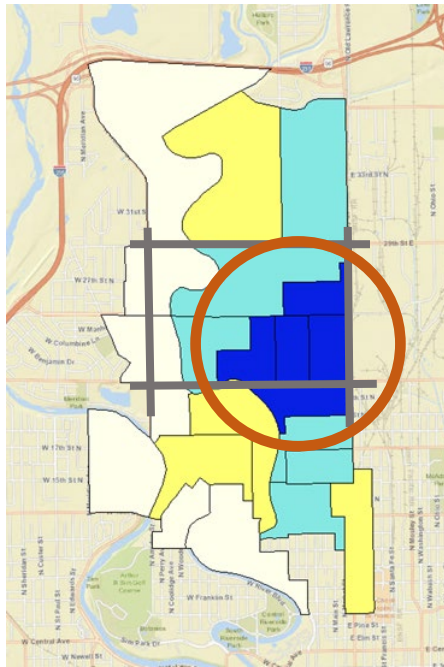
Table 3. Hispanic student population of public schools in the North End

School	% Hispanic	% free or reduced lunch
USD 259	36%	77%
Cloud Elementary	87%	90%
Ortiz Elementary	85%	91%
Irving Elementary	90%	90%
McLean Elementary	< 10 students *	63%
Park Elementary	64%	90%
Pleasant Valley Elementary	59%	87%
Marshall Middle School	73%	88%
Pleasant Valley Middle School	73%	33%
North High School	62%	75%

Source: Kansas State Department of Education 2020-21

* Note: The Family Educational Rights and Privacy Act (FERPA) prevents the disclosure of personally identifiable student information. KSDE has determined that any quantities less than 10 may be personally identifiable.

Figure 9. North End Hispanic population (2020 Census)



2020 Census

Census block groups in darker colors have a higher percentage of Hispanic residents.

- dark blue
67% to 87% Hispanic
- light blue
50% to 66% Hispanic

In 2020 the North End Hispanic population lives closer to Broadway (east). Census blocks in a lighter color have a smaller percentage of Hispanic population in the 2020 decennial census.

Street boundaries: Amidon (west/left), Broadway (east/right), 29th Street (north/top), 21st Street (south/bottom).

Figure 10. Median HH Income (2019)

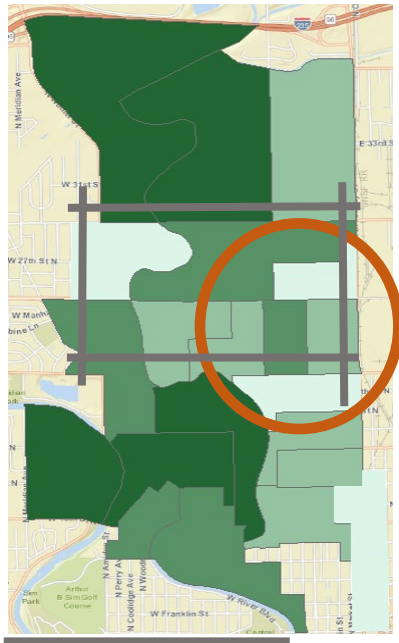
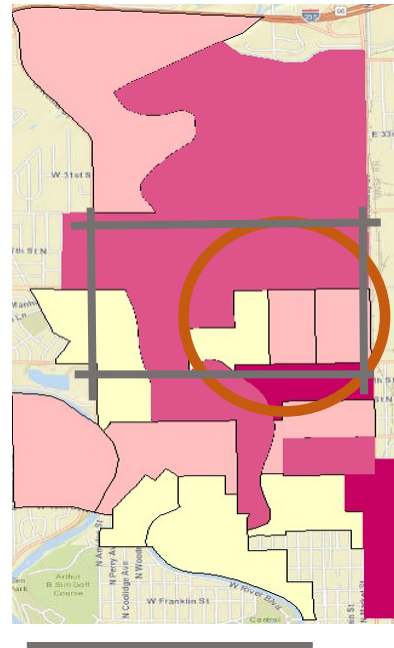


Figure 11. Percent HH Below Poverty (2019)



Street boundaries: Amidon (west/left), Broadway (east/right), 29th Street (north/top), 21st Street (south/bottom.)

Figure 10 and Figure 11 (above) report median household income and household income below the federal poverty level, respectively. Both tables are based on five-year estimates from the ACS (American Community Survey). Figure 10 (above left) reports median household income in the past 12 months. It is the average of the most recent five years of household income. Median household income is reported in 2019 dollars adjusting for inflation.

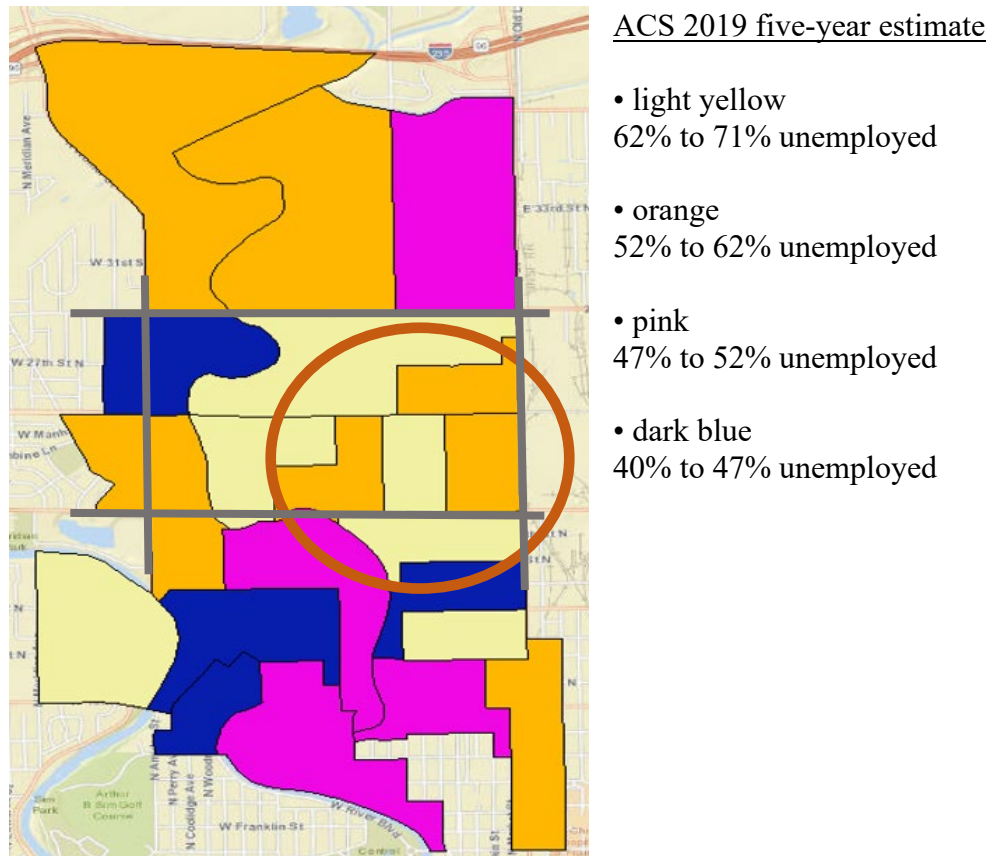
In 2019, the five-year inflation-adjusted average median household income for the City of Wichita was \$55,056. By comparison, in two of the five census blocks that make up the historic core of the North End (circled in Figure 10 above left), average household income in 2019 was lower. It was between \$21,250 and \$29,904 in 2019. Block groups in the lightest color in Figure 10 have a lower median household income.

Block groups that appear darker in color Figure 11 (above right) have a larger proportion of households with income below the federal poverty level. In the block groups located in the historic core (circled in Figure 11 above left), 19% to 48% of the households in the census blocks that make up the census block groups were below the poverty level in 2019. (*Note: A census block is the lowest geographic unit used by the U.S. Census.*) In comparison, the average percentage of households below the federal poverty level for the City of Wichita in 2019 was 15%.

Comparing Figure 10 to Figure 11 (above), in the west (left) of the study area, census blocks have a higher median household income and a lower proportion of households with income below the federal poverty level. The historic core of the North End is to the east (right) of this area. In 2019, one census block group in the historic core was in the lowest category of

median household income (Figure 10) and the highest category of household income below the poverty level (Figure 11) in 2019. This same block group had the highest unemployment rate in 2019 (circled in Figure 12 below). In 2019, the average unemployment rate within this block group across all census blocks in it was 62% to 71%.

Figure 12. Unemployment in the North End (2019)



Street boundaries: Amidon (west/left), Broadway (east/right), 29th Street (north/top), 21st Street (south/bottom)

The ACS (American Community Survey) five-year estimate ending in 2019 reports 300,000 civilians aged 16 and older in the City of Wichita were employed. The ACS five-year estimate of unemployment in 2019 among those age 16 and older in the civilian workforce for the City of Wichita was six percent. Unemployment estimates for the North End from ACS 2019 five-year estimates are higher. In Census block groups that appear in Figure 11 (above) a lighter color indicates higher unemployment. Census block groups that are darker in color had a lower unemployment rate.

In sum, the historic core of the North End is predominantly Hispanic. Many residents living in this area are part of a household where the median household income is low. Residents in these five census blocks experience a high rate of unemployment. This is the North End in 2021. Over the years, economic development in the community has waxed and waned. At the

same time, the Hispanic population in Wichita is growing. The number of new entrepreneurs in the U.S. who are Hispanic is growing. Hispanic entrepreneurs are generating personal and generational wealth. Hispanic-owned businesses are creating wealth for the community.

Neighborhood economic sustainability is a goal of Empower. The nonprofit is establishing partnerships to develop resources that will support Hispanic entrepreneurship. Recommendations that follow are based on interviews with local Hispanic entrepreneurs and review of relevant programs and activities.

Recommendations

*“I had never seen a woman be a business owner. Make money for her family. Be the primary breadwinner for the family.”
(Interviewee)*

Hispanic owners who were interviewed are working hard to build successful businesses. They are investing in themselves and supporting one another. How can Empower help?

Capital Hispanic entrepreneurs do not have access to capital. Empower could identify Community Development Financial Institutions (CDFI). It could cultivate relationships with local banks. Too much of the capital Hispanic entrepreneurs have access to puts personal financial resources at risk and involves repayment of what can be a substantial debt. This was a primary source of funding among Hispanic business owners who were interviewed. Venture capital is not just for technology start-ups. Hispanic entrepreneurs would benefit from establishing relationships with private investors. There are incentives to do business with local government. An Empower staff member with business experience and knowledge of capital resources could identify opportunities and build relationships that open doors for Hispanic entrepreneurs.

Scaling To cover operating costs, a business must grow. This can be a steep hill to climb for a start-up. Hispanic owners interviewed are not part of a community of entrepreneurs; a community that includes individuals with experience in a similar business, individuals who are able to knowledgeably vet a product, a service, a hiring decision and/or a capital investment opportunity. Workshops on how to set up a business do not respond to these needs. Needs Empower could explore ways to address.

Marketing Identifying important attributes of a product or a service, understanding what a customer wants and will purchase more than once, assessing the competition, these are things MBA students learn. How to effectively use social media and/or paid advertising. Analyzing sales data. Testing a product or service. These things can be learned. Business executive education abounds in many forms. Empower could explore existing programs or work with a partner to create a specialized curriculum. This could be delivered by a local business college.

Management infrastructure Bookkeeping, payroll, quarterly withholding tax payments, incorporation, licensing, permitting, hiring, start-ups are piecing together business systems one accountant, attorney or another professional at a time. Interviewees described a need for a ‘trusted’ professional in these and other areas. Identification of professionals who can provide just-in-time support is something Empower might be able to put together.

Small business development requires expertise, relationships and resources beyond anything Empower has done up to this point. Empower could be a catalyst. Hispanic entrepreneurs can help too. Here are a few suggestions that will spark more.

- Involve board members and established entrepreneurs who are friends of Empower to identify and cultivate sources of capital. This could include mentorship by established Hispanic entrepreneurs of Hispanics starting or growing a business. An approach that will build social capital and financial capital.
- Determine what Hispanic entrepreneurs need to know to make timely decisions that reduce risk and increase the probability of sustainable growth for their company. Then develop an approach or find a partner to provide this support.
- Explore interest in executive education among Hispanic entrepreneurs. If there is interest, work with area universities that might be interested in providing it.

Another possibility is to identify a faculty member with a class that could work with a Hispanic business owner to provide, for example, marketing assistance.

- Hire a staff member who is a Hispanic entrepreneur to establish a network of Hispanic business owners. This would be a community of entrepreneurs who share ideas and expertise, who learn about business from each other.

This could become a formal technical assistance network in which Hispanic entrepreneurs are paid consultants to other Hispanics contemplating or launching a business.

Raise funding to support this network.

In these ways Empower might be able to connect Hispanic entrepreneurs to each other and to the community. Because sustainable community development is a goal, it might be possible to find ways to bring Hispanic entrepreneurs to the Evergreen Community Center & Library and/or send Hispanic entrepreneurs into the community.

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