



LATINO ECONOMIC DEVELOPMENT CENTER

Stronger Together

The Latino Economic Development Center (LEDC) embraces entrepreneurship as a driving force for social and economic equity, providing support for Latino businesses and aspiring entrepreneurs. It works to create unity in a diverse Latin American community in the Twin Cities, knowing that unity creates opportunity.

“Latino businesses need an organization that advocates for them in a culturally appropriate way.”

Chris Romano
Latino Economic Development Center

INNOVATION

LATINO ECONOMIC DEVELOPMENT CENTER

LEDC preaches the power of collaboration above all else, and practices what they preach. Through their work building diverse coalitions, they're able to provide support to a growing business community.

BREAKTHROUGH

LEDC strikes up conversations at local churches, with partner organizations and on rural farms — inviting its members to collaboratively build programming that meets their needs. These partnerships help LEDC work toward a shared community vision of economic prosperity and more equitable economic systems.

ENTREPRENEURS, UNITED

Through an ongoing community conversation, LEDC learned how unified organizing, big visions and strong business plans led to increased prosperity in immigrant communities. It took what it learned and worked with the community to create its own road map for economic equity: starting with the Mercado Central.

TOOLS, TRAINING AND A NETWORK FOR SUCCESS

From pairing new farmers with experienced farmers to helping identify and secure buyers to offering classes in business, LEDC supports entrepreneurship for emerging farmers, promoting economic stability every step of the way.

CHARACTERISTICS OF INNOVATION



One Sunday morning in 1990, while eating homemade tamales and drinking atole in the basement of Sagrado Corazón de Jesús Catholic Church in South Minneapolis, Latino community members shared stories about their new lives in Minnesota.

As immigrants to the state — and often to the country — many of them struggled to support their families on the substandard wages they earned from assembly-line jobs at local factories. They told stories of being injured on the job, getting fired without reason and never receiving their last paycheck.

Frustrated and desperate to provide for their families, these community members promised to support one another in starting and developing their own businesses. They saw entrepreneurship as a way to take control of their own lives, establish financial security and distance themselves from racism and xenophobia. Economic stability needed to become a driving force in their success. Over the next few years, the Sunday tradition of sharing stories over food evolved into a larger conversation about ways to improve the future of the Latino community. Two years after the first church-basement gathering, the Latino Economic Development Center (LEDC) officially launched with a membership committed to building that economic stability.

They saw entrepreneurship as a way to take control of their own lives.

CHARACTERISTIC **No 1**



To help spread knowledge of Latino culture across Minnesota, LEDC organizes school field trips to Latino-owned businesses so students can learn about mercados and Latino food. Many of the children return to their homes and share the experience with their parents. Families often return to their child's favorite mercado or restaurant within days of the field trip. By teaching students about Latino culture and offering field trips to local shops and restaurants, LEDC helps to broaden the potential clientele and increase sales for Latino-owned businesses and to foster community building across Minnesota's diverse cultural groups.

“Latino communities in the U.S. experience anxiety because of racism and anti-immigrant sentiment, and this directly impacts their businesses,” says Chris Romano, the chairman of LEDC’s board of directors. “Latino businesses need an organization that advocates for them in a culturally appropriate way.”

LEDC works with Latino entrepreneurs to bring their business visions to life by offering business classes, connections to successful Latino businesses and access to lending institutions — and capital through a direct loan program — that can finance a new idea. Many of the emerging entrepreneurs LEDC supports are new to the U.S., speak little English and don’t have experience working in American markets. By consulting one-on-one with aspiring Latino entrepreneurs, LEDC gets to know the unique strengths and needs of each individual in order to increase their odds of establishing and maintaining a successful business. Each entrepreneur

who goes through LEDC’s training programs works with staff to craft a business plan and tailor an education plan specific to what they want to learn.

LEDC operates under the belief that the Latino community is stronger when it is united. As the Latino population in Minnesota continues to grow, more of its community members are looking to establish small businesses as a way to give their families the education and career opportunities they lacked in the countries where they were born. Creating unity among the diverse people of Latin America living in Minnesota, as well as allies, is vital to the financial success of the community. Creating LEDC was the first step in raising the visibility of the Latino community in Minnesota. The informal gatherings in the church basement helped the community identify problems, establish goals and gain momentum, but that was just the beginning. LEDC proudly declares a message that resonates beyond the basement: Latinos are in Minnesota to stay.

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Chris Romano

Latino Economic Development Center



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ENTREPRENEURS, UNITED

Back in the church basement, Latino community members recalled tales of the countries where they were raised — memories of family, landscape, language and food.

The setting of many of their stories was the mercado, a collection of small, family-owned stores that functions as the primary shopping district in Latin American neighborhoods.

Just as the mercado had allowed these individuals to support one another in the precarious economies of their home countries, they realized the same mercado model would provide a path toward economic stability and help Latinos gain a foothold in the Twin Cities economy. By sharing one central space, Latino businesses would be able to reduce their rent — an expense that causes many

small businesses to fail. It would also allow entrepreneurs to create a space where they could build solidarity with one another and cultivate a market consumers could rely on for products specific to Latin American cultures.

The first step toward establishing the mercado was to attend events sponsored by other nonprofits that worked with immigrant communities in Minnesota to learn what challenges they faced and how they overcame them. The group realized other immigrant communities also faced racism, language barriers and a lack of access to capital to start their own businesses. Key factors in the success of these other communities were a high level of organizing; identifying and articulating their unique needs; forming strong business plans; and building coalitions across immigrant communities so that participants could share hard-won lessons learned.

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CHARACTERISTIC No 2



LEDC believes that Latino youth are integral to shaping the future of the entire Latino community — and that includes children without legal citizenship status. Undocumented students are often eliminated or disqualified from receiving financial aid, so LEDC established the Latino Scholarship Fund to remove the financial barrier many of these aspiring college graduates face. LEDC raises money for the fund through its annual golf tournament, grants from philanthropic partners and interest generated from LEDC's endowment fund. "It's an incredibly inspirational program, and probably the one that elicits the most emotional responses from both LEDC members and community members," says Chris Romano. "When these amazing young people speak at LEDC events, it's impossible not to recognize their passion and potential. Especially in today's sociopolitical environment, supporting the dreams of these students is an easily recognized need."



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TOOLS, TRAINING AND A NETWORK FOR SUCCESS

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The Latino entrepreneurs took this learning and formed a business plan and a vision: Mercado Central, a hub for Latino entrepreneurs on Minneapolis' bustling Lake Street. Due to the relative inexperience of the entrepreneurs slated to be part of the mercado, the LEDC economic opportunity team partnered with three other established organizations to secure both the building for Mercado Central and money that would support business classes for emerging entrepreneurs. Starting a business is always risky, but lenders were impressed with the Latino entrepreneurs' initiative and drive to succeed.

The risk paid off: Latinos drove to the Twin Cities from towns across Minnesota to shop at Mercado Central, which opened in 1999. The early success of Mercado Central showed LEDC there was a strong demand for not only products, services and food from Latin America but a central meeting point for Latinos in the state. After the establishment of Mercado Central, entrepreneurs had an easier time persuading lenders to fund their stand-alone businesses. As more Latino businesses took root in a strip of buildings on Lake Street that had stood vacant for years, Latino entrepreneurs began to thrive.

Latino farmers often struggle to find markets for their crops. They face competition from established farms, many of which produce food on a large scale.

Even though they have a strong tradition of working together on ejidos (communal farms) and growing crops in the countries from which they had emigrated, many Latino farmers stand to benefit from a deeper understanding of how sales worked or how to access markets in the Twin Cities. LEDC saw the opportunity to deepen Latinos' roots in greater Minnesota by offering business classes to train Latino farmers, finding ways to connect those farmers to lending institutions and then pairing up established farmers with new ones to continue the cycle.

Because many Latinos in greater Minnesota experience financial barriers and family responsibilities that keep them from traveling to the Twin Cities for business classes, LEDC opted to take the

trainings straight to communities outside of Minneapolis and St. Paul, says Jaime Villalaz, the leader of LEDC's Greater Minnesota Agriculture and Business Development program. LEDC also provides its trainings in Spanish — removing another barrier that might otherwise prevent participation. Since Latino entrepreneurs possess varying degrees of business acumen, LEDC devised the "Capacity and Talent Inventory" to assess the knowledge of each aspiring entrepreneur and make the trainings relevant for them. From there, LEDC forms a tailored plan to help each entrepreneur establish his or her business and keep it afloat.

The first Latino-owned farms to become successful through LEDC's program did so by establishing a cooperative. Small and midsize farmers often struggle to grow enough produce on their own to sell at a farmers market or to consistently offer products to customers throughout an entire season. A cooperative allowed farmers to gather enough produce from different sources to set up stands throughout the growing season. The cooperative also let farmers come

CHARACTERISTIC **No 3**



In the early 2000s, the city of Minneapolis considered developing the abandoned building that now houses Midtown Global Market into a mainstream retailer, but LEDC worried that a large retailer would take away customers from the small shops on Lake Street and eventually run them out of business. To prevent that, LEDC began meeting with businesses, neighborhood associations and local leaders to see whether they would develop Midtown Global Market instead. “It was about protecting the businesses that already existed and giving them the opportunity to grow,” says Ramón León, LEDC’s founding executive director. LEDC partnered with the Africa Global Center, Neighborhood Development Center and Philips Global Center to ask developers to build a space for small businesses that represented the range of cultures in the Twin Cities. The success of the Latino-owned businesses on Lake Street convinced the city of Minneapolis and the developers to build Midtown Global Market, which today brings in \$10 million in yearly revenue. As immigrant communities in the Twin Cities continue to grow, partnering across diverse organizations helps to raise the visibility of all communities.

to consensus on produce prices so Latino farmers weren’t undercutting or in competition with one another.

To help these new farmers break into a tough marketplace, LEDC approached Latino-owned restaurants in the Twin Cities and asked them to buy directly from the newly established Latino-owned farms. Latino restaurant owners trusted LEDC’s recommendations and willingly supported the new farms. Now, with buyers in place and business classes in progress, LEDC was able to help the farmers create a viable business plan to present to lenders. While lending institutions rarely want to take a risk on beginning farmers who haven’t proven their capacity in the field or reliability to repay loans, LEDC mitigates that risk by supporting farmers who demonstrate a strong work ethic and a willingness to learn.

LEDC also encourages new or relatively inexperienced farmers to work with farmers who have run successful operations for years. Newcomers gain farming and business knowledge, and in exchange they help established farms plant more crops and tend to their existing ones.

In the past, LEDC guaranteed loans for new farmers, repaying money to lenders if a farm failed to harvest enough crops to cover its loan. “We guaranteed the loans because somebody had to do it,” says Jaime. Today, several established farms in Minnesota share that burden with LEDC and support farms that are struggling, often by replanting fields.

Over time, Latino-owned farms have gained a strong reputation for reliability and quality produce — two qualities that have won them more customers. When the community members first began organizing in church basements in the 1990s, few Latino-owned businesses existed in Minnesota. Now, thanks in part to the coalitions LEDC has built, Latino businesses are a visible and celebrated part of Minnesota.



“We guaranteed the loans because somebody had to do it.”

Jaime Villalaz
Latino Economic Development Center



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LEDC TEAM MEMBERS



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LOCAL PRODUCE



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