

Ramona Schindelheim, WorkingNation editor-in-chief:

You are listening to Work in Progress. I'm Ramona Schindelheim, editor-in-chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators and decision makers, people with solutions to today's workforce challenges.

This week's guest is Arturo Cazares, CEO of Latino Business Action Network, which helps Latino entrepreneurs access support and tools to grow their businesses. We started talking about the opportunities in the large and growing Latino community.

Arturo Cazares, Latino Business Action Network CEO:

It's still growing rapidly. Asians are growing faster, but it's a smaller group. Latinos for being such a large group are still growing at a relatively rapid rate, which is why they will become a very large group no matter what happens at the border. Most of the growth now is US-born Latinos, but we also have the immigrants that continue to come, and so there's those two growth factors.

Ramona Schindelheim, WorkingNation editor-in-chief:

I saw a number that one in five US workers right now are Latino, and the net new job growth in the country by 2030 is going to be 78% Latino. Because of that, the median age is a very important issue.

Arturo Cazares, Latino Business Action Network CEO:

Yeah. And so as the median age gets older for Latinos, we're still the youngest, but at 30, which is our median age now, that means a greater number of this growing and large already population is going to be working. And the other dynamic, because the education levels are improving as well, there's a very large number of Latinos now going to college compared to before. It's tripled almost in 20 years, the number of Latinos going to four-year universities. And so even the job growth, not just for workers, but also at the professional levels will be driven by Latinos. It's estimated in just about every industry, 60% to 80% of the net new jobs will be filled by a Latino in the future for the next foreseeable 10, 20 years.

Ramona Schindelheim, WorkingNation editor-in-chief:

That was interesting about the education level, that the majority of the Latinos who will be graduating from four-year universities, most of them, their parents don't have that education.

Arturo Cazares, Latino Business Action Network CEO:

We have probably the biggest gap in terms of the number of college graduates who have that phenomena where they would be considered first generation, where the parents didn't have a college education. In some cases may not have even graduated high school, but yet their children did finish a four-year university. And that is something that we have to obviously figure out ways to solve. I bring that up in these discussions because I think it's important that we build those communities for Latinos at that level. We have strong communities at the more basic level, but at an early professional level, we probably don't have that strong Latino networks yet.

There's good groups like ALPFA, that I want to mention. ALPFA has been around for a while and they've been doing great work in that area. Now most colleges have Latino alumni associations that are forming, and most large corporations now for the first time have Latino employee resource groups. And so I think all of those are key for this process.

Now, this is all just beginning, so I personally created the Latino Alumni Association for Stanford. There wasn't one more than a few years ago, so that's how new this phenomena is. And when I was working in corporations, I was a senior executive at large public tech companies. There were no Latino employee resource groups and we weren't thinking that there were so few. Now there are, and so I think all these things are relatively new, but could be very powerful and needed because of that phenomena that we need to be part of those communities to help this group accelerate through their careers faster.

Ramona Schindelheim, WorkingNation editor-in-chief:

I think part of what you're saying, which is very key, is social networking is a very important part of business, especially at that professional level.

Arturo Cazares, Latino Business Action Network CEO:

Yeah, absolutely. Absolutely. In fact, social capital, it's kind of strange because Latinos are the masters of that at the community level. Often we come from countries where we can't necessarily count on those governments to help us, and in part that's why we're here because there was some challenges there. And then when we come here as well, even those that were born here maybe don't always live in places where all the institutions of the government or the society are working for them, and so they have to rely on each other. They're masters at that, right? That's how they figure out how to get the kid in school and how to get the kid a little better than they had is by connecting with family and friends of family and friends of friends, and they build these social networks that really are very powerful for us.

But at the professional level, in the past, there was very few of us in any one place, it took either too much effort or it was perceived as no real value because it maybe could have been interpreted as there's such a negative to identify as Latino at a professional level that maybe there's a lot of pressures against doing that.

That's all beginning to change for the good. And I do think that we have to do that because if we can create that social capital at that level for business and just for professionals development, I think it could be as equally powerful for us that it has been at the community level. And to me, that's one of the big ideas, which is why I think I can't say enough about organizations like ALPFA and others that are out there trying to guide these young professionals. And there's some corporations, I think that see that opportunity and doing a lot to really empower their employee resource groups to do that.

And I think a similar phenomenon probably happens for African-Americans as well, by the way. So I do think that we're not alone in that. Probably Latinos are the biggest opportunity, I guess, because we're such a big population for that phenomena to happen. But I think everyone looking at this opportunity, figuring out how to contribute to it, could really help on so many levels.

Ramona Schindelheim, WorkingNation editor-in-chief:

That too is important because already Latino-owned businesses or LOBs are making a significant contribution to our economy, and it could be even bigger if we could unlock some more of that opportunity.

Arturo Cazares, Latino Business Action Network CEO:

Yeah, absolutely. In fact, at LBAN there's three things that we do. One of them is the research, and we do that for everyone to have the facts, and our belief is that everyone looking at facts is going to try to figure out a way to either add to opportunities or to address challenges, all of which is good for the overall economy. So research is one thing.

The other thing is this business scaling program where we've curated a program with Stanford faculty for Latino, Latina business owners and founders of tech startups, and we think that's very powerful.

But by far the most powerful thing is the third thing that we do, which is we're trying to build this ecosystem around the graduates of this program, which now they're almost 1,100 Latina, Latino business owners and founders that have gone through our program across the country. We do things to keep them connected to each other and connected to us and all the others that are in our ecosystem. And that ecosystem includes banks, VCs, angel investors, a bunch of other organizations that we need to have a truly robust supportive ecosystem.

The way that I phrase it is for Latino entrepreneurship, we're building the ecosystem that Latinos have always deserved, but maybe we haven't always enjoyed because of the other challenges in our society. But it's a bigger idea than that because as we build that ecosystem for ourselves, that ecosystem really is for everyone because we want even Latinos to examine how they're doing things. We're all building now, at least the ones that are in our organization are building companies, right? They're founders or they're leading these organizations. You're a gatekeeper by default. You're deciding who to hire, who partner with. And so if you can think about those processes better and think about all those things that used to keep us out, but now you do it a little better for everyone, that's opening up the economy for everyone, that's creating the ecosystem for the country that everyone needs.

I would never justify bias, but if in the past the society was built with only a certain part of the population contributing in this way, then it could still be a relatively strong society, I suppose, but never fulfilling its full potential. Now we're in a world where we're trying to build a different society where women and African-Americans and Latinos, everyone will have the same opportunities. And you can imagine that's a much bigger country, a much bigger economy. Because it's not a zero sum game, the economy doesn't work like that.

So if you are enabling all these other groups to fulfill their potential, the economy gets so much bigger for everyone. And we would want Latinos to be on the leading edge of that process, that we're not victims of these biases. Of course, they impact us, and of course, they're atrocious when you're facing that. Someone might tell you to your face, it's rare that it happens so overtly, but they might say that they just don't trust women and you're a Latina, so they didn't invest in you, or they don't say it, but their stats show it that on statistically it's happening, that is really bad.

But we have agency and power to build these communities at the professional level, in our case, around entrepreneurship. In the case of other organizations, they do it inside of corporations to address that, to address that for our immediate community, the ecosystem that we're building. But now with that broader awareness, that could impact everyone else because an ecosystem never exists in isolation. We talk about our ecosystem, but our ecosystem will include people like JP Morgan Chase, Bank of America, Wells Fargo, all of these large organizations. Stanford University is part of our ecosystem.

So to the extent that they're being influenced by us, by their exposure to us, that they're seeing our community in a different, better way because of their exposure to this ecosystem that they're now a part of. Our hope is that they begin to do that more broadly for all others. And we would expect that they would because they would see the same opportunity to say, well, look how great these Latinos are responding to this. Let's go look at what we can do in the African-American community or with women's organizations that are trying to promote women business owners. We would support all of that, right? Because that's just going to grow the economy for everyone. Just while we do things through a Latino lens, it's really with a much broader focus.

Stated in the mission, we're a nonprofit, so in the mission of our organization, our purpose is to grow the American economy, but it's through this Latino lens of entrepreneurship. So we're empowering

Latino entrepreneurship, but the ultimate goal is to grow the American economy for everyone. We're in this country, we want to be a full part of it, and we want the whole country to prosper.

Ramona Schindelheim, WorkingNation editor-in-chief:

The Latino businesses are over-indexed in tech, but they receive a very, very small fraction of the VC money out there. Where do you see solutions to that?

Arturo Cazares, Latino Business Action Network CEO:

Yeah, and so I do think that putting more money into the hands of venture capital firms that are women or Black and Brown owned, Latino and African-American who have that focus, now, you could have any profile, you'd be of any ethnicity or any gender, and you might have that focus and you might say, Hey, look, I see opportunities with Latinos and African-Americans or women founders. I want to participate in it, and we welcome all of that.

But also I do think that it does help that you diversify every step of that process, and it's probably not a surprise to learn that very few of the people controlling the money, the VCs are women or Latino or African-American. And so we think that needs to change and more money needs to go to those firms. There's going to be firms created for that, and there's also going to be potential partners at these larger VC firms that should be women or Latinos or African-Americans. And the more that happens, that's going to improve the situation for Latino and Latino founders. So we're all for that.

We are actively at LBAN creating a community with those. And so we're connecting some of the limited partners, especially at these large banks who have been some of the leaders in putting money into Black and Brown founders and women funds so that they could support these founders, diverse founders. We're doing a lot to try to build more connections amongst them, more community between those groups. While we're not an investor, it matters to us that there's more awareness around that, and we do have a lot of startups that go through our program, and we will now be creating an accelerator for Latino and Latina startups at Stanford, again, to give us a bigger footprint in this space and use that platform to build a larger network of funders that are Latino and Latina.

Ramona Schindelheim, WorkingNation editor-in-chief:

You shared a bit of your personal story earlier, and I would love to hear your thoughts on how the world has changed from when you grew up and your parents were working and what your children and grandchildren have ahead?

Arturo Cazares, Latino Business Action Network CEO:

Yeah, so it's kind of strange. I would've never imagined, we came, it was decades, decades ago, and so the population of Latinos in the whole country was probably maybe 12 million or so. So we were still relatively small part of the country, but growing. And so now it's different. Now it's still 65 million and growing to 100 million, that's kind of a big change. But the one thing that I find that is striking to me that I didn't expect, I mean it's being naive perhaps, but I don't think a whole lot of us expected that our country would be in the situation it is in now with relative to, I don't want to say race relations, but the whole issue of how we see bias in our society or the reaction against making progress.

When I was a child coming up, we felt the racism pretty in your face. We would be pulled over by the police for no reason. We saw that happening all the time. We experienced it. We had KKK flyers in our lockers targeting Mexicans, we were Mexican immigrants. We didn't even think to report it because it was so common. It was just everywhere.

But the thing that was different and maybe better was when it was overt like that, I'm not justifying it because it could lead to very bad things, but when it was that overt, it was easier not to internalize because you knew how crazy it was. And also what it made it easier was in the broader society, this was just after the '60s, there was this sense that the country was moving forward. You could see it, you could see it all around us, even we weren't hippies or whatever, but we would see those movements, and we would see women pushing for equal rights. All of those things motivated me as a child to see that this country's making progress.

So I could look at all that stuff and say that's old, that's going to be increasingly behind us. And everyone thinks it's wrong. Everyone who matters thinks that stuff is wrong. So actually it was a lot easier. Now, I find it more challenging while obviously for Latinos today, maybe they're not having that kind of a situation. On the other hand, it's a little more challenging because it's more under the surface and it's more implicit.

And now we do have, unfortunately, political leaders or would be political leaders that are actually stoking the flames of divisiveness and bias and doing extreme things like trying to keep our history from us, which makes us, I think, very susceptible to continued manipulation when we don't even know our own history as a people. And to me, that I find striking because I never imagined as a child that I would ever have to worry about that for the next generation. But now where we're at, right? But one thing that I see is our country's living through a reactionary period. I'm not 100% sure how we're going to come out of it. I'm very hopeful that we will find a way to mobilize for progress again as a nation and push through this.

But I think that it is a reaction to that, that a lot of people are beginning to see that the country has to change, and there's some that are reacting to that. And now we have to find a way to get them to understand that we're just trying to make this country bigger and better for everyone, including them. Everything that we're doing is about America being its fullest for everyone. It is not about any kind of replacement theory or anything like that, which people use to stoke the flames of bigotry and everything else.

So I feel sad in a way that this generation has to deal with that and feel somewhat responsible in the way that I was naive, that I never thought we would be here as we are now. But on the other hand, remain hopeful that we will start to mobilize again. And I like to see the younger generation, you see some really good energy coming from them around that idea and trying to push forward. And I think that's hopeful, and I want to enable that, but I also would want all of us older people, I would treat myself as part of that, to do more, to realize that it's our obligation to this country to do more for everyone for that, because we can't just take it for granted. I think sometimes we fall into this trap of believing in this American exceptionalism that somehow our institutions will save us from that.

And of course, I believe in the institutions of this country and all that, but I think that they're very dependent on the people that are part of those institutions, and they could be corrupted if we're not careful. And I think we're seeing aspects of that in the Supreme Court. We're seeing aspects of that in a lot of state governments. And we need to be conscious of that, and hopefully more of us who are older and have influence can start to engage in that process so that we are creating a better world for that next generation.

Ramona Schindelheim, WorkingNation editor-in-chief:

Thank you for those very thoughtful words. I totally agree with you too. So thank you very much.

Work in Progress Episode 293: Arturo Cazares, Latino Business Action Network CEO

That was my interview with Arturo Cazares, CEO of Latino Business Action Network. We met at the Aspen Latino Business Summit in Washington DC. I'm Ramona Schindelheim, Editor-in-Chief of WorkingNation. Thanks for listening.