

Korean and Mexican Immigrant Entrepreneurs: Predictors of Business Success and Satisfaction

Yoon G. Lee, Utah State University¹
George W. Haynes, Montana State University²
Ramona K. Zachary, Baruch College³

Abstract

Few empirical studies have provided information on how immigrant entrepreneurs are successful in the United States. Korean and Mexican immigrant entrepreneurs could have different family networks, social networks, and cultures that influence their business success in the US. This study attempted to explore how Korean and Mexican immigrant entrepreneurs perceive their business success and life satisfaction differently. This study employed data from the 2003 and 2005 National Minority Business Owners Surveys (NMBOS), which were conducted by the Lawrence N. Field Center for Entrepreneurship at Baruch College between 2001 and 2005. The study sample included 400 immigrant entrepreneurs and the sub-samples consisted of 200 Korean and 200 Mexican immigrant entrepreneurs. To compare the difference in business and owner characteristics between Korean and Mexican immigrant entrepreneurs, t-tests and chi-square tests were conducted. Ordinary Least Squares (OLS) regression analyses were performed to identify the determinants of perceived business success and life satisfaction for both Korean and Mexican immigrant entrepreneurs.

According to the descriptive results, there were significant differences between Korean and Mexican immigrant entrepreneurs. The Korean immigrant entrepreneurs reported smaller numbers of employees (4.1) than Mexican entrepreneurs (5.6). Typical Korean businesses were established in 1994, whereas Mexican businesses had been operating since 1992. Korean entrepreneurs reported a higher business gross income (\$74,681) than the Mexican entrepreneurs (\$55,602). They also reported a lower business debt (\$32,864) than the Mexican entrepreneurs (\$39,056). Korean entrepreneurs were more likely to borrow money from commercial banks, but they were less likely to borrow from non-banks. In contrast, Mexican entrepreneurs were more likely to borrow from non-banks, family members, and vendors, and credit card companies. The t-tests indicated that the levels of perceived business success and life satisfaction were significantly lower for Korean entrepreneurs than Mexican entrepreneurs. Multivariate results show that all else being equal, Korean immigrant entrepreneurs had lower levels of both perceived business success and life satisfaction than Mexican entrepreneurs. The findings of this study suggest that good health was positively associated with higher levels of life satisfaction for both Korean and Mexican immigrant entrepreneurs. The findings of this study also suggest that goal achievement was a significant predictor of business success for both Korean and Mexican immigrant entrepreneurs.

¹ Associate Professor, Department of Family, Consumer, and Human Development, Utah State University, 2905 Old Main Hill, Logan, UT 84322, USA. Phone: 435-797-1555. Fax: 435-797-3845. Email: yoon.lee@usu.edu.

² Professor, Department of Agricultural Economics and Economics, Montana State University, 210 E Linfield Hall, Bozeman, MT 59715, USA. Phone: 406-994-5012. Email: haynes@montana.edu.

³ Professor, Department of Management, Baruch College, 1 Bernard Baruch Way, New York, NY 10010-5585, USA. Phone: 646-312-1000. Email: Ramona.Zachary@baruch.cuny.edu.