

Collective Capital: How Immigrant Families are Leveraging Bootstrapping Methods to Finance New Businesses

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ABSTRACT

This research explores approaches to meeting capital needs, including entrepreneurial bootstrapping and its intersection with cultural collectivism that may be leveraged by immigrant entrepreneurs in the United States. Moreover, through initial review of the literature, while a paucity of scholarly research exists, from myriad popular sources indices abound to suggest that certain approaches to small business capitalization are indeed very creative. These may also be driven by attitudes of trust (or lack thereof) in the banking system, nonexistent to inadequate credit history, along with otherwise obvious language barriers. Any or all of such impediments may serve to prevent these immigrant entrepreneurs from accessing traditional means of capitalization such as small business loans or even personal credit cards. Combined with the broader trend toward upward growth in home-based businesses, self-employment, freelancing, and what is otherwise colloquially referred to as the “gig economy,” this conceptual research explores attitudes and logistics of immigrant entrepreneur capitalization. These circumstances may also be juxtaposed against a broader reality that newly created start-ups, regardless of immigrant or native status, are rarely beneficiaries of “venture capital” backing or debt financing. Given that entrepreneurship plays an important role in the economy as a whole, it logically follows that further investigation is warranted on the part of future scholarly researchers.

Keywords: small business, entrepreneurship, start-up financing, bootstrapping, economy