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## LATINO/A WEALTH AND LIVELIHOOD STRATEGIES IN RURAL MIDWESTERN COMMUNITIES

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The current demographic and cultural changes in Midwestern and Southern communities are among the most important transformational events shaping the future of U.S. agriculture and rural America. Migration has been an important source of labor for the U. S. agricultural sector. Today's immigrants, primarily Latino/as, began to move to rural towns in growing numbers in the 1990s, alleviating decades of population decline, and contributing to the economic vigor of rural communities.

There are a number of implications of this changing demographic trend for rural wealth creation. Often the focus of private organizations and public institutions that promote rural wealth is to invest in existing resources in ways that create wealth for the community—increased income, improved housing, and infrastructure. Similarly increasing access to important services such as education and health care can support the creation of wealth and make the community a better place to live. Responding to the demands for jobs in agriculture, food processing, construction, services and related industries, Latino/as have principally contributed as providers of labor in many rural communities, and have largely been left out of the discussion of wealth creation in rural areas.

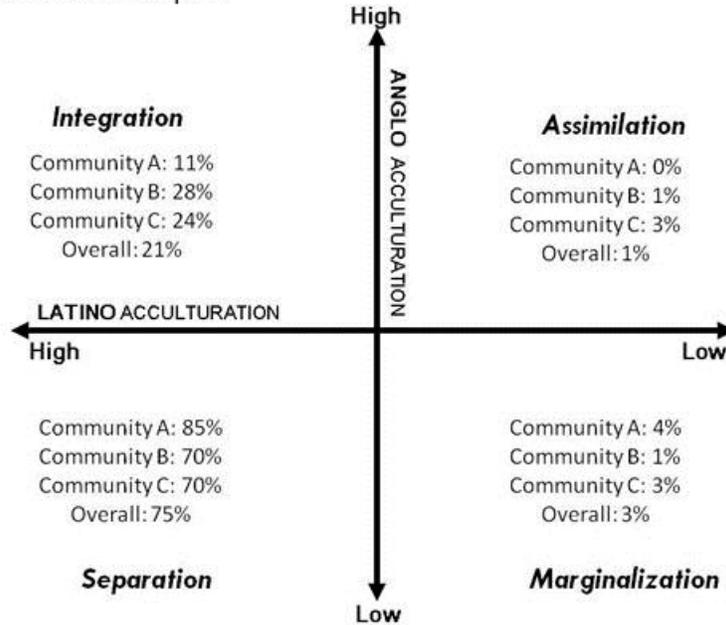
Now, young Latino immigrant families—a potential and substantial driver for the future of agriculture and development in rural America—are settling in communities, bringing renewal and growth. They are buying houses, starting businesses and expanding the talent pool. However, little is known, and often much is misunderstood, about how Latino/a newcomers create wealth. We have been studying the process of Latino/as settling in rural areas, based on information directly provided by newcomers and members of the receiving communities in the Midwest.

### Latino Immigrants and Wealth Creation

Like all people, Latino/a newcomers create wealth in assets they accumulate. This not only includes tangible economic assets like physical and financial capitals, but especially intangibles like human, social and cultural capitals. Latinos invest in activities such as jobs and businesses to earn a living, which ultimately contributes to individual well-being and further growth of assets. The sustainable livelihood strategies framework used by social scientists and rural development practitioners focuses on understanding the strengths of newcomers, their assets, how these assets are created and invested, and the outcomes obtained as a result of their use. For example, the social relations and networks as well as the accumulated local knowledge of institutions and culture are key assets in Latino newcomer livelihoods (see Figure 1). Unique in the case of immigration is that the newcomers have cultures and life experiences that often are different from the long-time residents of the rural communities where they are settling. The context of the place—how easy is it for newcomers to access information about banking, schools, renting homes, starting a business, and health care; how people treat newcomers in the community—influences the creation of financial, physical, cultural, social, and human capitals.

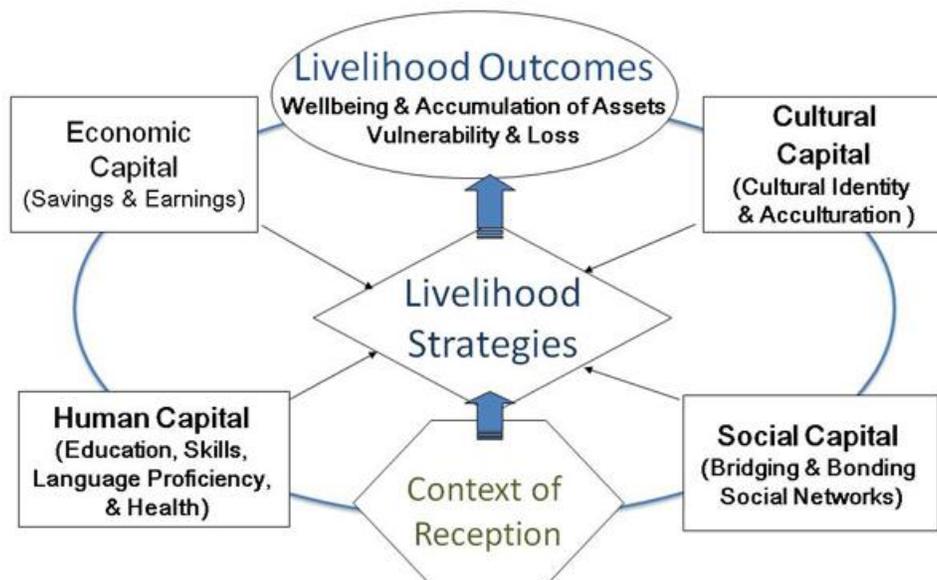
The focus of wealth creation is to learn about the assets that people accumulate and how they invest them to build their lives in the community. In our work, we have focused on understanding how Latinos/as (a) apply and develop their skills and knowledge, with a special emphasis on language; (b) create and utilize networks to access local resources, earn income, and save money; and (c) apply their values in ways that help them connect to their communities. An understanding of these strategies can inform policy making in terms of how to grow their capacity to increase wealth.

Figure 1: Strengths Based Approach: Livelihoods, Capitals and The Context Of Reception



Cultural capital is a key asset of immigrants, which includes acculturation and cultural identity. Acculturation is the adaptation process to the social and cultural context of the receiving community (Berry, 2003), where newcomers may adapt completely, partially or not at all to both the culture of the place where they settle, and the culture of their country of origin. Thus, the acculturation strategy used by immigrant newcomers is a combination of their acculturation to the culture of their country of origin and their acculturation to the host country. For example, the assimilation strategy is reflective of the “melting pot” philosophy, which espouses that the way in which newcomers can be successful in the new context is to shed the culture of the country they come from and to adopt the culture of their new country. On the other hand, an integration strategy reflects individuals who are highly acculturated to both cultures. Often times these individuals are considered bicultural (see Figure 2).

Figure 2: Distribution of Acculturation Strategies Among Latino/A Newcomers Across the Three Communities.



Cultural identity refers to an individual's attitudes about their own culture and the culture of other groups. It affects how newcomers interact with family and friends, colleagues at work, service institutions that support wealth creation, and the community at large. Cultural identity can affect the choices people make to secure their well-being. For example, Mexican immigrant workers in Las Vegas indicated that a primary motivation for moving, or not moving, to a higher level job was related to the effects the change would have on the family's well-being (Shinnar, 2007). These participants indicated that the advancement would appeal to them if it enhanced their family life by reducing their stress level at work. This finding is an example of how cultural identity may explain unexpected behaviors; in this case, salary was not the only driving force in job advancement; rather, the importance of family, a strong cultural value, was central in their job-related decisions. Both acculturation and cultural identity help us understand culture as an asset that individuals invest in, and draw upon to create strategies to function in various domains in society—at home, work, school, business and civic life (Berry, 2003).

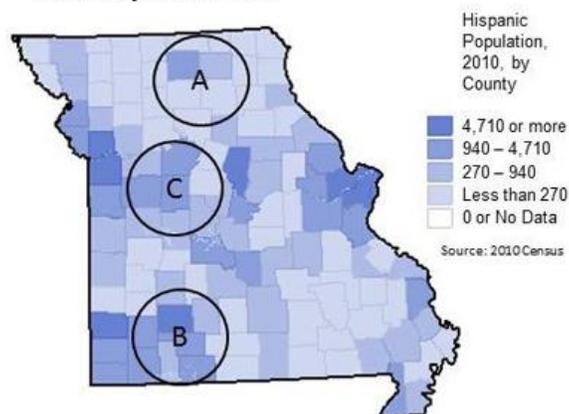
The acculturation strategies used by newcomers affect wealth creation. Higher levels of education and language proficiency in both English and Spanish are key elements in the human capital of Latino newcomers, and also influence how they develop their social networks (Valdivia et al., 2008). Latinos whose acculturation strategy follows the separation path rely on their family and friends networks for their wealth creation strategies, while those who have a more integrated acculturation strategy have family and friend networks but also have access to a broader array of community networks that can help them access resources that can expand their wealth creation strategies and livelihood outcomes.

Finally, the context of reception, or the presence/absence of a welcoming mat, reflects the attitudes of the receiving community toward the integration of immigrant newcomers. Is the community an inviting place that makes it easy to belong and makes it possible for Latino/a newcomers to prosper in the community, or does it discourage their settlement and integration? This can have an effect on where they engage in the community, such as where they send their kids to school, buy their groceries, and seek healthcare services. The context of reception can also affect the types of employment newcomers seek, where they choose to live, and the type of assets they create. If the context of reception is negative, then the strategies for creating wealth among Latino newcomers are limited.

### Creation of capitals among the Latino population

In our work, we have sought to better understand the strategies that Latino newcomers developed to increase their wealth, and to what extent they were connecting to the resources in the community as they developed their strategies to create wealth. We interviewed over 600 Latino/a newcomers in three communities of the Midwest. The communities we chose were very different in population size and employment opportunities. One community was a small town with a single employer where most Latinos worked. The second community was a large town, located near an interstate highway, with multiple sources of employment in agriculture, agroindustry, and services. The third community was unique. It had a small local population base and a large tourism industry. The major employers of Latinos were hospitality, construction and services, not normally found in small towns. In all three communities, 10% of Latinos interviewed have established businesses. Some businesses primarily serve the Latino community and others serve the community at large. While immigrants are pulled to these communities for jobs, they remain because they find that these communities are good places to raise their families and educate their children. Fifty percent of the immigrants in our study indicated that they planned to stay in the rural communities where they live today.

Figure 3: Regions of Missouri Where The Study Took Place



We found that immigrants create social networks (social capital); acquire English while maintaining their Spanish, and learn new skills (human capital); and cultivate traditions and develop new ones that shape their ethnic identity (cultural capital). They have created strong social networks that help them find jobs in rural communities, support their businesses, and maintain a lifestyle that allows them to remain there. The networks they have created are diverse but tend to be limited to friends and family. Most Latino newcomers have strong networks of family and friends who share in their culture and language, while fewer have networks that also link them to the receiving community organizations and institutions. Latino newcomers are having some success through the friends and family networks, but the effectiveness of their wealth creation strategies often depends on the opportunities or limitations placed on them by the communities where they settle.

While Latino newcomers primarily form networks through friends and family, local institutions such as churches and employers also facilitate access to networks and serve as resources for services and information. When the networks are more diverse, the quality of information and the resources they access are of higher value. We identified 27 different community perceptions formed by Latino newcomers that were based on poor or inadequate information. For example, if a person has a negative experience with a healthcare provider then that information will spread throughout the network quickly and people will avoid the provider. This can be very difficult in small communities where resources are scarce. The type and extent of social networks that are available to Latino newcomers in a rural community are often dictated by their acculturation strategy. An acculturation strategy where newcomers in these communities are oriented towards both Anglo and Latino cultures was possible for only 25% of the newcomers. Latinos in this group tended to have greater wealth creation opportunities. This type of acculturation strategy was more prevalent in the more diversified communities.

Latinos create wealth in the community by providing an important source of human capital to the community at large and by investing in the education of their children, the next generation. They invest in social networks (social capital) to find better jobs, establish businesses, and to provide support for each other when there are emergencies. The diversity and extent of the social networks is affected by how well the Latinos are acculturated. Those Latino newcomers who acculturate towards both the U.S. and their own culture —become bicultural—are able to participate in a broader array of networks and thus have access to a broader array of wealth creation opportunities than those who do not. However, most Latino newcomers (75%) are highly acculturated toward their country of origin and not acculturated toward U.S. culture. For these immigrants, most of their social networks are limited to other Latinos with little interaction with the receiving community.

The Latino networks are critical in terms of helping the Latinos meet their basic needs and contribute to their wealth creation. Because they are not integrated in the broader community, they often don't have as much access to the resources they need to grow their businesses, buy land for their farms, or homes for their families. How the host community receives the newcomers affects how Latinos decide to integrate (acculturate), build their social networks, and develop their cultural identity (cultural capital).

We sought to understand what the process of acculturation and cultural identity looks like in terms of how immigrants integrate into the community—the different types of relationships that the Latino/a newcomers invest in as they settle into the community. We explored the following: How are the relationships at the level of friends and family? How are their relationships at the community level? How are their relationships with the schools characterized? Do they participate in community events and join service organizations and other groups?

Language skills (human capital) influence not only Latinos' earnings, but they also influence who they relate to in the receiving community, and the networks that they build. Foreign-born Latino/as who are bicultural or integrated earn more than those who assimilate to the Anglo culture and are not acculturated to Latino culture. The wealth created influences the outcomes and further ability to accumulate assets. A high human capital—more education, and strong English skills—have a positive effect on income earnings and investments in economic assets such as a home or a business.

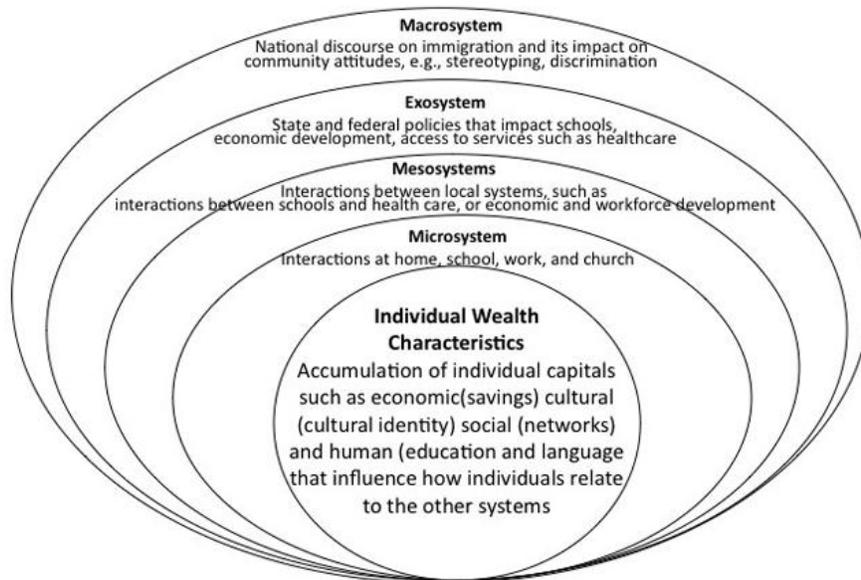
Cultural capital contributes to earnings, job satisfaction and sense of well-being. A qualitative study with Mexican workers in the hospitality industry revealed that these workers felt ethnic pride from the quality of their work (Shinnar, 2007). In our research, newcomers with strong levels of ethnic identity and Anglo acculturation were satisfied with their jobs (Valdivia and Flores, 2012). One key element to the wealth creation strategies of rural places with a Latino population is to figure out how this cultural asset can be harnessed by local communities to build other assets.

### **Capitals, Interactions, the Community Context and Outcomes**

The local context and institutions make a difference in terms of wealth creation outcomes among Latino/a newcomers. In particular, context is a key to understanding the paths of integration of newcomers (Berry, 2003). Our study of Latino/a immigration in the Midwest took into account the context of reception in the new settlement

communities, and its impact on wealth creation, in terms of the types of social networks that newcomers build, the cultural capital created, and the accumulation of English and Spanish language skills and education. For example, among Latina women in rural areas, perceptions of discrimination—not being accepted because of their limited English speaking ability, or the color of their skin—led them to stay indoors (Flores, Jeanetta, Valdivia, and Martinez, 2010) and feeling isolated (Valdivia and Dannerbeck, 2009). When the climate is positive there are higher levels of integration, more diverse social networks and greater investment in the community by the Latino newcomers. When the climate is negative, there are lower levels of integration, the social networks are narrower—mostly friends and family—and opportunities for wealth creation and investment in the community are fewer. In another study using 2000 Census data for nonmetro regions in Missouri, we found that in places where the community climate was poor, Latinos actually earned less (Valdivia et al., 2008).

Figure 4: Community Climate: Interactions Between Individuals and Their Environment.



Modified from Bronfenbrenner, U. (1979)

The context of reception impacts the ability of Latino newcomers to create and access different forms of wealth. For example, at the community level Latino/a newcomers have a difficult time accessing credit because they do not understand how credit systems work (see Figure 4). If a community is more welcoming, then it is possible to look for ways to address the cultural and educational challenges that make accessing credit because they do not understand. However, if a community is not receptive, it is best to address this receptivity before Latino/a newcomers risk expanding their engagement with the wider community institution—for example, the credit systems. In studying communities, wage earnings were not the impetus for Latino/a immigrants' decision to migrate to the Midwest, nor what defines their quality of life. Latina immigrant women's wages did not increase due to migration, yet they were getting ahead (Valdivia and Dannerbeck, 2009) because Latinas were accumulating other assets; their children had a good education, building human capital of the next generation; they had a home; and felt safe.

### Policy Recommendations for Increasing Latino/a Wealth Creation

Our findings indicate that immigrants will earn more money if they speak both English and Spanish. A potential challenge is that Adult English programs are often not available in rural areas. Investing in programs that are built around the work cycles of the immigrant labor force and the work seasons would increase the capacity of newcomers to integrate. Developing more accessible language programs during the periods when people are not working would be ideal. Bilingual immigrants will also generate greater earnings and invest more in the community.

Latino newcomers develop effective networks to access resources and support each other, making it possible to create and maintain wealth. Policies that facilitate networks and integration with the broader community would improve the quality of information available to newcomers, increasing their opportunities for wealth creation. Trusted resources in the community such as churches, employers and schools can facilitate this process as well. Identifying bridges between newcomers and the receiving communities who are associated with these trusted institutions would enhance these efforts.

Latino newcomers often don't know how systems, programs, and institutions work in their communities. The development of educational programs that foster their cultural adaptation can help them understand the context they live in. State and Federal programs often assume that people know how to access their programs and resources. Unfortunately, this is not the case of Latino newcomers in rural America. Greater outreach to newcomers through their networks, and the institutions they trust is one way to bridge to these resources. Outreach to date has mostly depended on the good will of churches and schools, which are often trusted connectors for the Latino community. Employment centers are an ideal place where bridging to newcomers can help them access economic resources in the community.

Latino parents see the opportunities for their children and invest in their education. Bilingual education will contribute to wealth creation. Children who can speak both English and Spanish will have better jobs and higher education opportunities. Thus, children of newcomers will have access to better job opportunities and thereby increase the diversity of their networks, creating more wealth. For youth in the receiving communities, schools can develop policies to require the next generation to be multilingual reflecting the languages spoken in the community, instead of policies that marginalize or literally outlaw the use of other languages.

In addition to policies to support the newcomers in adapting to the new community, there is work to be done to improve how communities welcome newcomers, especially in terms of appreciating and valuing the contributions they make to the community. Community events that celebrate cultural customs and holidays can bring the communities together and expose members of the receiving community to other cultures and develop appreciation for each others culture. The professional community also has a responsibility to develop cultural competencies for serving all members of the community. Therefore, policies are needed to support diversity training and increasing knowledge about tailoring services to be accessible to the newcomer population.

Given the steady growth in the number of Latino newcomers in rural America, practices and policies that foster their integration, will also enhance their ability to create wealth and to invest it back into their new communities, which will benefit both long-time residents and newcomers alike.

#### **For More Information**

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