

**“Small Business is Good Business”  
Welcoming Address  
Dr. Elsa M. Nuñez**

**“Lost in Translation” Seminar  
October 16, 2007**

Welcome to the Board of Selectmen, members of the School Board, other government officials, chamber officials, business leaders, members of the Latino community, and faculty, students, and staff of Eastern Connecticut State University.

I would love to take credit for this symposium idea but I cannot. Others deserve the credit as well. I want to thank a number of people for making today’s event possible: Roger Adams and his staff at the Windham Region Chamber of Commerce; Hector Bauza, Wilson Camelo, and Raul Lorensen of Bauza & Associates Hispanic Marketing; and the staff at the Connecticut Small Business Development Center who are providing some of our presenters today.

I also want to recognize Frank Alvarado, director of the Spanish American Merchants Association in New Haven, who will be making their own announcement soon on opening a satellite office in Willimantic—this is very good news for our town!

So why are we here today? Your invitation talked about bridging language and cultural gaps between the dominant Anglo culture and the Latino culture — to improve our channels of communication. There are misunderstandings that can occur so it is important to talk through as many issues as we can.

Your invitation also mentioned our interest in small business development, hence the title of my opening remarks, “Small Business is Good Business.” To give you some context for the rest of my comments, allow me to set the stage with some historical information about Willimantic. I recently gave a scholarly talk at UConn on the history of Willimantic and the role Hispanics have played in the region for decades. Many of you know these details, but I think our history helps to answer some of the questions that may come to mind this morning — why are we talking about the Latino culture in Connecticut’s Quiet Corner? And what in our past has led us to our situation today in Willimantic, without an industrial base and with a Latino population burgeoning before our eyes?

In 1956, the Hartford Poultry Co. recruited its first Puerto Ricans to town. In the 1960s, the American Thread Co. also began traveling to Puerto Rico to recruit workers. At the time, ATCO was Willimantic’s largest employer, with 2,000 workers. Even into the 1970s, downtown Willimantic was thriving, with shoe stores, jewelry stores, a Woolworths, the Capitol Theater, and even a maternity store. Then the companies left, with the American Thread Company moving to North Carolina in 1985. It had begun its downturn several years before. The town was devastated; in 1984, unemployment among the town’s Puerto Ricans was 30 percent.

Today, our town and its people are working hard to return to its former glory. There is a positive momentum — The Windham Mills development holds promise of revitalizing the thread mills, while other downtown renewal projects, including the wonderful Willimantic Whitewater Partnership, will bring new businesses, new jobs, and new vitality to the town. When I stood on Main Street my first Third Thursday and

looked at the downtown area, I only saw all its potential. It was amazing what I could see in my mind's eye.

There are also positive signs regarding services and support of our growing and increasingly diverse Latino community. I have already mentioned the Spanish American Merchants Association's commitment to Willimantic. It will be exciting to see those connections established.

But you know that as we continue to make inroads, a new migration has added a new dimension to the personality of Willimantic. A wave of Mexican immigrants and other Central and South American people has changed the face of the Latino population. Dominicans, Nicaraguans, Costa Ricans, Cubans, Jamaicans—we may have the most diverse small town in America! And while the United States and Connecticut have a Latino population of around 12-15 percent, Willimantic's Latino ratio is 40 percent or higher.

With so many undocumented immigrants, being more precise with our census data is becoming difficult if not impossible. And our school system is even more Latino. The national percentage of Latinos in American schools is around 20 percent; 16 percent in Connecticut. Unofficial estimates place the figure in Windham's public schools at 65 percent or higher. This new migration strains social service agencies — one important fact is that 97 percent of the prenatal clients at the local hospital last year were undocumented immigrants. It also creates a fluid dynamic within the Latino population and adds new challenges to the issue of communication we are discussing today.

Set this social context against our economic reality and you can see why small business is such a critical element in our town's future success. With the United States moving to a service economy, a lack of a local industrial base, the absence of a highly trained workforce that might attract knowledge industries, and the fact our three largest employers – the hospital, Eastern, and the town government – are public or service employers, it is clear that employment opportunities must come from somewhere else.

That somewhere else is small business. Nationally, 60-80 percent of new jobs come from small business. Eighty-five percent of our local chamber members own small businesses. And when you see Latino grocery stores, restaurants, and other retail operations springing up, you can see why we believe our discussion today about culture and language and our discussion of small business development are interconnected in a town such as Willimantic. What did not work in the past was the isolation and separation that Latinos felt here.

What do we need to do to turn Willimantic into a small business hotbed, including new Latino businesses? I would like to refer to Michael Shuman's excellent book, "The Small Mart Revolution," for inspiration and information on this issue. Schuman's chief point is that globalization and large retailers have decimated local economies for a number of reasons. His two mantras are "local is better," and "grow your own." He passionately believes in businesses on the "human scale," versus the Wal-Mart scale. Now I have no quarrel with Wal-Mart, they have great flat screen TV's, but it is the largest retailer in the world and generates two percent of our Gross National Product. We need other local choices, small business choices, according to Shuman.

Consider some of his documentation. We know all about the exportation of jobs. Rogers Corporation, the electronics company, left Willimantic in the late 1990s to move to China. One of Shuman's examples, Maytag, moved from Illinois to Mexico in 2004.

In the process, the city of Galesburg essentially lost \$9 million in local tax abatements that Maytag took advantage of before leaving town anyway. Shuman cites similar examples in the case of United Airlines, AT&T, and other huge corporations. It amounts to \$113 billion in state and federal tax subsidies that go to non-local businesses each year, many of them like Maytag, United, and AT&T, where the subsidies did not pay off; local jobs and positive local economic impact did not occur. When 42 percent of all groceries sold are from five chains, when 45 percent of all hardware and home building supplies are sold by Home Depot or Lowe's, and when Barnes and Noble sell 50 percent of all the books in the United States, maybe it is time to refocus on small business. Shuman is right!

Why does Shuman think local is better? He makes a compelling argument that the support and growth of small business, especially in towns like ours, will result in local ownership, local investment, creation of products and services that are sold to local markets, creation of local jobs for the existing local labor pool, and positive local economic impact. He explains that in such a locally-created, locally-focused economy, money stays in town and circulates. It adds to the local multiplier effect used to calculate economic impact. That is why, while Borders Books only pumps \$13 into a local economy for every \$100 of books sold, a locally owned bookstore can return \$45 or three and a half times more to the local economy. And local owners stay, putting their money back into the economy.

Local small business development also reinforces the sense of community so essential to the emotional well-being of a small town. Activities as simple as the discount card that local businesses support for our athletic teams, or the use of Eastern's CAT card, which is a debit card system for University students. Let's look at the data. The downtown businesses are examples of how keeping it local maintains and enhances a town's sense of self. As I have pointed out, Eastern students spent about \$142,903 last year with their CAT debit card in small businesses in Willimantic. Next year, we expect that amount to double. Another important point is that a diverse set of small businesses insulates a town from the devastation caused when a single large employer, such as the American Thread Company, leaves town.

Shuman also talked about "growing your own" — supporting businesses, big and small but chiefly small, that already exist within your community. Again, he is arguing against using tax incentives to attract new, out-of-town businesses. He believes in local job and entrepreneurial training as well. There are certainly signs that people are on the same wavelength as Mr. Shuman. Micro-breweries, cottage industries such as soaps, jewelry, and candles, and other small businesses are cropping up all over. The state pavilions at the annual Big E are overflowing with small businesses in Maine, Vermont, and yes, our state of Connecticut. Two Eastern graduates — a married couple in Stonington — have started their own business at home, marketing equestrian products. And the new Democratically-led Congress just passed the \$4.8 billion Small Business Tax Relief Act.

But the support to other economies is great. Immigrants still send billions of dollars per year to their home countries. Puerto Ricans in this country send anywhere from \$400 million to \$1 billion a year back home to Puerto Rico. Other immigrants do the same thing each day, totaling billions of dollars to Mexico, South, and Central America. If our local Latino community had opportunities to invest some of their own

funds in a local small business of their own, knowing they had the support of the community and the necessary training, and investment capital, they would reinvest in the Willimantic community: beautifying houses, shopping in town, and building a sense of ownership of the community.

In conclusion, I believe Willimantic is ripe for a small business revolution of our own. We have a Latino population that wants desperately to be part of the local economy. And we have people like you who are ready to embrace their participation. After today, I hope we have the beginnings of a new understanding of each other, and a commitment to move ahead as a unified community on the important issue of economic development in the context of our diverse population. Today, we will learn how effective communication with each other can be while we understand the subtleties of language.