RESEARCH FINDINGS

STATE OF LATINO ENTREPRENEURSHIP

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U.S. Self-Employment Trends Across Racial/Ethnic Groups

Source: U.S. Census Bureau, Current Population Survey
Opportunity Gap

What Latino owned businesses generate in sales vs. what they could generate if non-Latino owned business levels are reached:

Source: SLEI Calculations. U.S. Census Bureau, Survey of Business Owners
<table>
<thead>
<tr>
<th>Year</th>
<th>N</th>
<th>Overview of other data sources and case for our survey data</th>
<th>Opportunity gap</th>
<th>Growth industries</th>
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<tbody>
<tr>
<td>2015</td>
<td>1,861</td>
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<td>Descriptives</td>
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**SLEI Survey Sample and Comparison Groups**

- **2015**: N=1,861
- **2016**: N=4,954
- **2017**: N=5,026
- **2018**: N=4,781
- **2019**: N=4,953
- **2020**: N=7,645
- **2021**: N=15,000+

- Overview of other data sources and case for our survey data
- Opportunity gap
- Growth industries
- Scaled vs. unscaled
- Startup growth vs. growth funding
- Descriptives
- Firm characteristics across maturity, revenue, employees, top 4 states
- Native born/immigrant; women/men; millennials/non-millennials; scaled/unscaled
- Millennial immigrants
- Funding challenges/opportunities
- External funding and top 5 states
- SLEI-Ed alumni anecdotes
- Revenues, profits, income
- Childhood class background
- Financing by credit scores
- Comparative motivations with ASE
- Growth framework: export markets, certification
- Scaled/unscaled Employer firms/nonemployer firms
- CAGR
- Financing matrix: funding successful, unsuccessful, adequate and inadequate funding groups
- Latino-owned/White-owned
- Networks
- Pre-pandemic growth
- Ecosystems
- COVID-19 impacts
- Latino-owned/White-owned
- Tech companies
- COVID-19 impacts negative and positive
- Job growth and types of jobs created
- Case studies
Latinos are **starting businesses** at a **faster rate** than the national average across **almost all industries and many states**.
Growth Rate by State

Source: U.S. Census Bureau’s 2018 Annual Business Survey and 2012 Survey of Business Owners
Growth Rate by Industry

SOURCE: U.S. Census Bureau’s 2018 Annual Business Survey and 2012 Survey of Business Owners
Latino-owned employer businesses are growing revenues at a faster rate than White-owned employer businesses.
Compound Annual Revenue Growth Rate

The **odds of loan approval** from national banks are **60% lower for Latinos** compared to White business owners, when controlling for business performance.
Funding Needs Met by National Banks (over $100K)

- Scaled: Latino 29%, White 76%
- 2-Year Annual Revenue Growth >20%: Latino 23%, White 46%
- 5-Year Annual Revenue Growth > 10%: Latino 23%, White 64%
- Profitable: Latino 20%, White 60%
- Networked (Organizational): Latino 27%, White 61%

Latinas are most negatively impacted by the pandemic with twice as many Latina-led companies experiencing closure compared to Latino-led companies.
“Large” Negative Impact by Gender and Race/Ethnicity

Percent of Employer Businesses

- Latina: 41%
- Latino: 32%
- White Female: 37%
- White Male: 31%

Latino-owned employer businesses that participate in formal business organizations are more likely to experience funding success.
Some pandemic **bright spots**...
Strategic Business Actions

1. Improvements in technology (21%)
2. Moved into E-Commerce (18%)
3. Improved client outreach (18%)
4. Improved management style (17%)
5. Offered a new product or service (16%)

Call to Action
Latino Entrepreneurs Were Among the Hardest Hit by the Pandemic. Now They Could Spur Economic Recovery

Many banks denied pandemic relief to Latino businesses. Here’s how Hispanic American institutions bridged the gap.

5 Hispanic American founders open up about their careers, heritage and closing the wealth gap: ‘There’s a long, hard road to success’
Questions?

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