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# Hispanic-Owned Business Growth & Global Reach

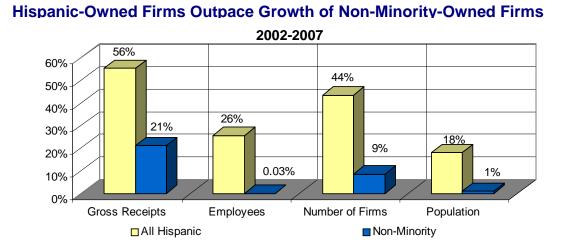
## Hispanic-Owned Firms Generate \$345 Billion in Economic Output to the U.S. Economy and Create 1.9 Million Jobs\*

Group	All Firms	All Firms Gross Receipts	Avg. Gross Receipts	Firms with Employees	Receipts of Firms with Employees	Avg. Employer Receipts	Paid Employees	Population Buying Power (2009)**
All Hispanic	2,260,309	\$345.2 billion	\$152,715	249,168	\$274.5 billion	\$1,101,644	1,932,243	\$978.4 billion
All Minority	5,762,940	\$1.0 trillion	\$178,484	768,147	\$864.2 billion	\$1,125,081	5,916,651	\$2.46 trillion
Non-Minority	20,107,057	\$9.8 trillion	\$489,830	4,344,787	\$9.1 trillion	\$2,093,390	50,707,027	\$8.25 trillion
Classifiable Firms	26,304,525	\$11.0 trillion	\$417,409	5,197,767	\$10.1 trillion	\$1,932,602	57,263,174	\$10.7 trillion (all U.S.)
Total Firms in U.S.	27,110,059	\$30.2 trillion	\$1,113,098	5,752,673	\$29.2 trillion	\$5,076,503	118,616,073	Non-applicable

• In 2007, there were about 2.3 million Hispanic firms, of which 11 percent (249,168) were firms with employees.

• Hispanic firms with employees had average receipts of \$1.1 million, and average employment of 8 workers per firm.

• The Hispanic population had an estimated **buying power of \$978.4 billion in 2009**, larger than the purchasing power of countries such as Indonesia (\$969 billion), Australia (\$824 billion), and the Netherlands (\$654 billion), and of all but 14 countries worldwide.\*\*\*



Between 2002 and 2007, Hispanic-owned firms outpaced the growth of non-minority firms in gross receipts (56%

Hispanic firms are an engine of job creation, with paid employment growing by 26 percent from 1.5 million to 1.9

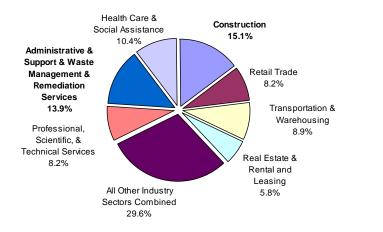
The rapidly growing Hispanic population increased by 18 percent during the same period, compared to only

Hispanic growth), employment (26%), and number of firms (44%).

million, compared to 0.03 percent growth for non-minority firms.

1 percent growth for non-minorities.

#### Hispanic-Owned Firms' Top Industry Sectors, 2007

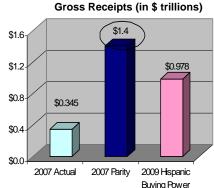


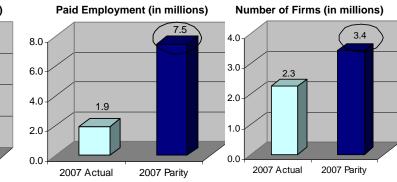
 Hispanic firms were most concentrated in Construction (15%), Administrative and Support and Waste Management and Remediation Services (14%), and Health Care and Social Assistance (10%). All Other Industry Sectors Combined includes firms in Information, Manufacturing, Wholesale Trade, Mining, Utilities, Education, Entertainment, Accommodation and Food Services, Finance, and Agriculture, among other industry sectors.

Source: \*U.S. Census Bureau, 2007 Survey of Business Owners, September and December 2010; Preliminary Results, 2007 Survey of Business Owners, July 2010; 2002 Survey of Business Owners, September 2006; Annual Population Estimates, June 2010. \*\*University of Georgia, Selig Center for Economic Growth, "The Multicultural Economy 2009," *Georgia Business and Economic Conditions, 2009.* \*\*\*Central Intelligence Agency, *The World FactBook*, GDP 2009 estimates by country. Statistics for all groups, except Total Firms in the U.S., exclude publicly held, foreign-owned and not-for-profit entities. Classifiable Firms are all U.S. firms less publicly held, foreign-owned, non-profit and other firms whose ownership cannot be classified in terms of race, ethnicity, or gender. Classifiable and Non-Minority Firms' measures for 2002 are MBDA estimates. Hispanics may be of any race. The Selig Center for Economic Growth defines buying power as the total personal income of residents available for spending after taxes, excluding borrowed income or income saved in prior years. Buying power for All Minority are MBDA estimates. Produced by the Minority Business Development Agency's Research and Knowledge Management Unit, February 2011.

### **Entrepreneurial Parity Remains Elusive for Hispanic-Owned Businesses**

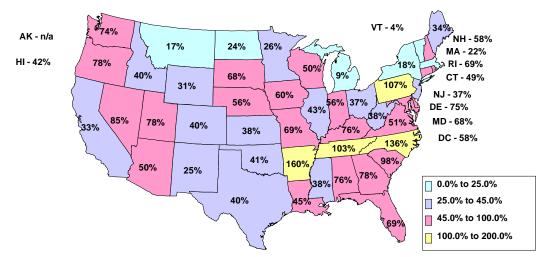
Entrepreneurial parity for Hispanic businesses has yet to be reached. Parity is defined as reaching proportionality between the adult Hispanic population and business development measures such as numbers of firms, gross receipts and employees of Classifiable firms (excludes publicly held).





- The adult Hispanic population represented 13 percent in 2007, but Hispanics held only 9 percent of all Classifiable firms, 3 percent of these firms' gross receipts and 3 percent of their employment.
- If Hispanic firms' gross receipts reflected the 2007 adult Hispanic population share, receipts would have amounted to more than \$1.4 trillion, about \$1.1 trillion more than the actual figure.
- Paid employment would have totaled 7.5 million-about four times the actual employment.
- The number of Hispanic firms would have been over 3.4 million firms, nearly 1.2 million additional firms.

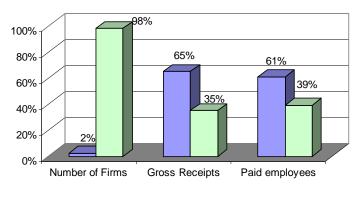
## Hispanic-Owned Firms Grow Fastest in 28 States across USA



- Between 2002 and 2007, the number of Hispanic firms grew faster than their national average of 44 percent in 28 states. Top states included: Arkansas (by 160%), North Carolina (136%), Pennsylvania (107%), Tennessee (103%), South Carolina (98%), Nevada (85%), Oregon (78%), Utah (78%), Georgia (78%), Alabama (76%), Kentucky (76%), and Delaware (75%).
- Hispanic-owned firms were more concentrated in California (566,567 firms; 25% of all Hispanic firms), Florida (450,185 firms; 20%), Texas (447,486; 20%), and New York (193,248; 9%).

Note: Growth rates for Hispanic firms in Alaska are not available because 2007 data estimates did not meet publication standards. Statistics do not include firms in Puerto Rico, U.S. Virgin Islands, or other U.S. territories.

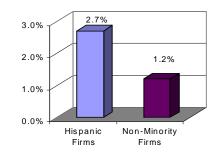
#### Hispanic-Owned Firms (\$1 Million and above in Gross Receipts), 2007



□ Hispanic firms (\$1 million and above) □ Hispanic firms (Under \$1 million)

• While smaller in number, Hispanic firms with receipts of \$1 million or more generated a larger percentage of all Hispanic revenues (65%) and paid employment (61%) than firms with receipts under \$1 million.

#### **Hispanic Firms More Likely to Export**



- Hispanic firms operating in 2002 were more than twice as likely to generate sales through exports compared to non-minority firms operating in the same year.\*
- Minority business export activity spanned 41 countries over six continents (North America, South America, Europe, Asia, Africa and Australia), according to U.S. Export Import Bank financial transaction data between 1992 and 2009.
- Mexico, Brazil, and Dominican Republic are the top three markets for minority firms export activity, accounting for 52% of all financing transactions authorized for these firms when foreign markets were identified between 1992 and 2009.

Source: \*MBDA's *Characteristics of Minority Businesses and Entrepreneurs*, 2008. MBDA's analysis of data from the U.S. Export Import Bank, for calendar years 1992-2009.