

# National Hispanic Heritage Month



September 15 *to* October 15  
*is National Hispanic Heritage Month*



Americans celebrate this annually to honor Hispanic cultures and their contributions to American business and society.<sup>1</sup> Notably, Hispanic-owned businesses are the fastest-growing segment of U.S. small businesses.<sup>2</sup>

# History



1968: Hispanic Heritage Week started under President Johnson to honor the contributions of U.S. citizens whose ancestors came from Spain, Mexico, the Caribbean, and Central and South America.<sup>3</sup>

1988: President Ronald Reagan expanded National Hispanic American Heritage Month to 30 days.

September 15: Anniversary of independence from Spain for Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

September 16: Independence day in Mexico.

September 18: Independence day in Chile.<sup>45</sup>

# Growth rates



**34% growth** in the total number of Hispanic business owners in the last 10 years.<sup>6</sup>

The number of Hispanic entrepreneurs is growing **3x faster** than any other group.<sup>7</sup>

**44% growth rate** for Latino-owned business startups in the past 10 years (vs. 4% for non-Latino-owned startups).<sup>8</sup>

# Numbers



**61 million** Hispanic people live in the U.S.<sup>9</sup> Hispanics are the 2nd-fastest-growing racial or ethnic group in the U.S. after Asian Americans.<sup>10</sup>



**4.7 million** Hispanic-owned businesses in the U.S. contribute more than \$800 billion to the economy every year.<sup>11</sup> There were 400,000-450,000 Latinx-owned employer businesses in 2021.<sup>12</sup>

## Hispanic-owned businesses create jobs

**2.9 million** people were employed by 350,000 Latino-owned employer businesses in 2018.<sup>13</sup>

**55% growth rate** in the number of employees at U.S. Latino-owned businesses since 2007 (vs. 8% for white-owned businesses).<sup>14</sup>

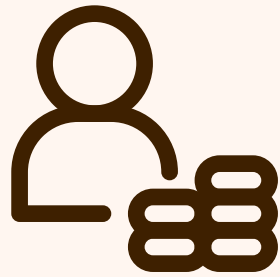
## Women-owned Hispanic businesses

**2 million** Hispanic women-owned businesses in the U.S.

**87% growth rate** in the number of Hispanic women-owned businesses since 2007.<sup>15</sup>

# Challenges for Hispanic-owned businesses

## — Financing



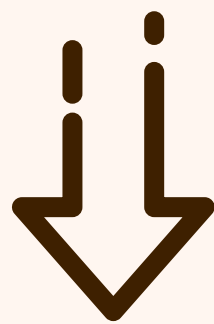
### Less capital funding

When Hispanic entrepreneurs start a business, 70% of their funding comes from personal savings (vs. just 6% from commercial loans).<sup>16</sup>



### Risk profile

Hispanic-owned businesses are more likely to be asked by banks to provide collateral and personal guarantees (and less likely to have the documentation required to prove they are low-risk) than white-owned businesses.<sup>17</sup>



### Lower earnings

Hispanic women typically earn only 55 cents for every dollar earned by white, non-Hispanic men and must work nearly 23 months to make what white men earn in 12 months.<sup>18</sup>



### Fear of debt

A lack of understanding of the U.S. financial system and anxiety to take on debt affect Hispanic entrepreneurs more than entrepreneurs from other ethnic groups.<sup>19</sup>

# Challenges for Hispanic-owned businesses

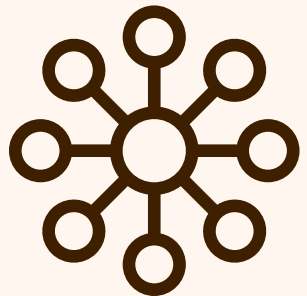
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## Marketing



### **Representation**

Hispanic consumers account for 18.7% of the total U.S. population; however, only 6% of overall advertising investment is spent towards the Hispanic community.<sup>20</sup>



### **Networking**

A shortage of connections and business networks takes a greater toll on Hispanic business owners vs. non-Hispanic business owners.<sup>21</sup>



### **Language barriers**

Hispanic business owners may have trouble reaching consumers and banks due to an English language barrier.<sup>22</sup>

# Certifications / Support / Education

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## — Minority-owned certifications

Minority and Women-Owned **(M/WBE)**

Minority Business Enterprise **(MBE)**

**Minority-Owned Business**

Ethnic Minority Owned Business **(EMB)** – U.K.

**Certified Diverse Supplier** – Canada



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## Support groups

Latino Business Action Network **(LBAN)**

**SCORE Hispanic Business Owners Hub**

U.S. Department of Commerce Minority Business  
Development Agency **(MBDA)**

**Go. Be. Elevate Fund**

**British Latino Network**



# Scholarships, educational sessions

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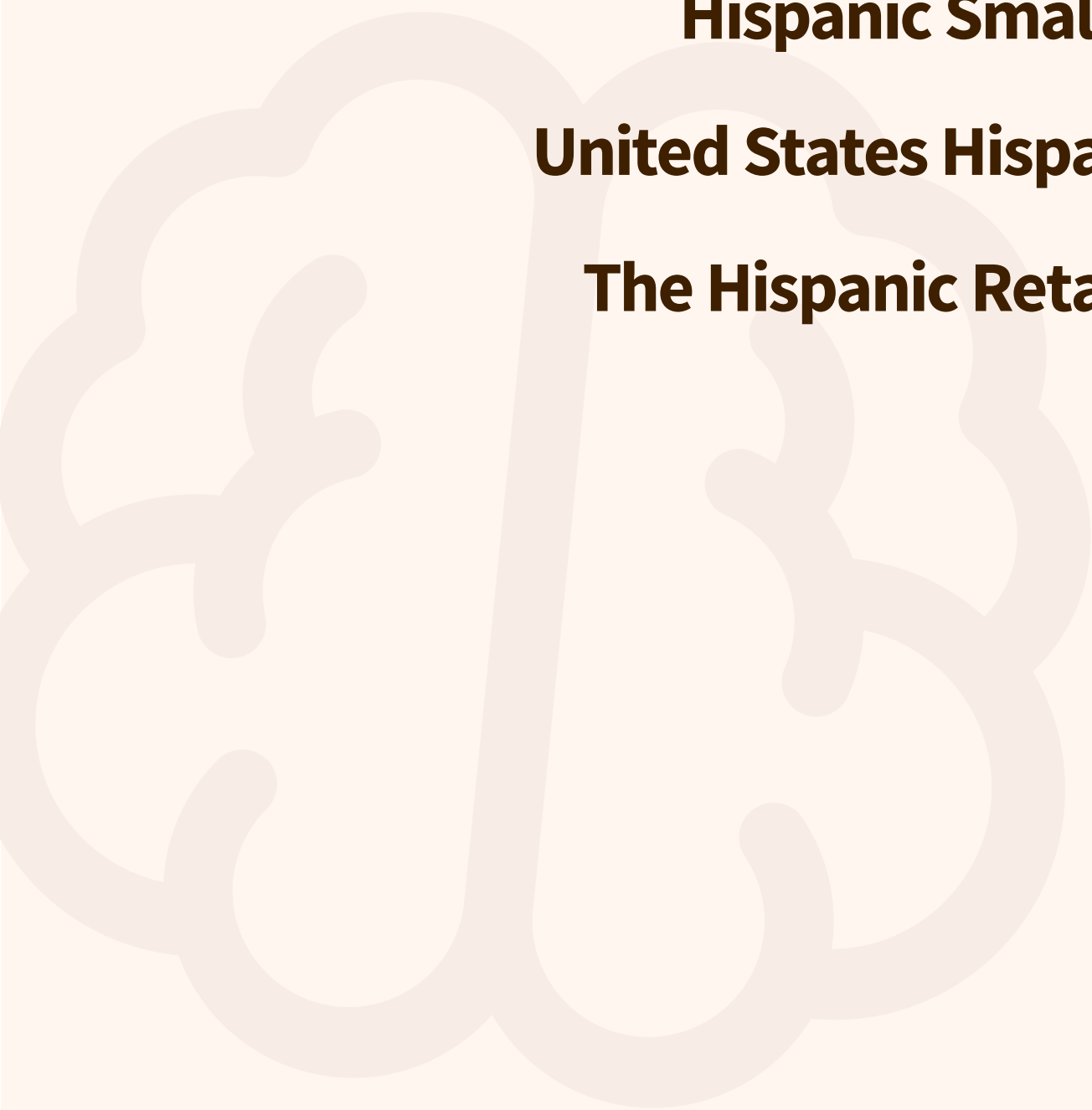
**Hispanic Scholarship Fund**

**Hispanic Heritage Youth Awards**

**Hispanic Small Business Association**

**United States Hispanic Chamber of Commerce**

**The Hispanic Retail Chamber of Commerce**





# Sources

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