



**U.S.H.C.C.**

**UNITED STATES HISPANIC CHAMBER OF COMMERCE**

**An Economic Overview of  
Hispanic Businesses in America**

# About America's Hispanic Business Community

The U.S. Hispanic Chamber of Commerce actively promotes the economic growth, development and interests of more than 4.7 million Hispanic-owned businesses that, combined, contribute over \$700 billion to the American economy every year. We also advocate on behalf of 260 major American corporations and serve as the umbrella organization for more than 260 local chambers and business associations nationwide.

Founded in 1979, the USHCC is a pro-business, non-partisan national business association that is committed to helping grow America's economy through building prosperity in the Latino community.

There are more than 61 million Latinos and Latinas contributing to the American economy with a collective Gross Domestic Product (GDP) of \$2.6 trillion. Hispanic-Americans collectively serve as the eighth largest economy in the world.

Small businesses are BIG business.

# About the USHCC

## **Our Vision:**

Be the leading voice to advance Hispanic business potential to drive our American economy.

## **Our Mission:**

Build an ecosystem to accelerate Hispanic business growth and prosperity.

# Latinos are the engine of America's future economic growth.

- Latinos create businesses three times faster than any other group in the United States ([The Poynter Institute](#)).
- **Latinas** create businesses six times faster than any other group in the United States ([Latino Community Foundation](#)).
- From 2007 to 2012, 86% of new small businesses in the United States were U.S. Latino-owned businesses ([CNBC](#)).
- Latinos represent 61 million residents in America today, comprising 1 out of every 5 Americans ([Pew Research Center](#)).
- Latinos contribute nearly \$2.7 trillion to the U.S. Gross Domestic Product (GDP) each year ([Latino Donor Collaborative](#)).

# Latinos are the engine of America's future economic growth.



- The U.S. has a population of 332 million as of March 14, 2021.
  - The U.S. population is equivalent to 4.27% of the total global population.
  - The U.S. is 3<sup>rd</sup> in size by population in the world → #1 is China – 1.4 billion #2 is India – 1.3 billion
  - U.S. typically allows about 500,000 legal immigrants annually (which we need!)
  - The U.S. Fertility Rate is 1.8 children per family for the fourth year in a row – this is a record low.
- ...Fewer U.S. births will spell problems for our nation's economy.

# State of Latino Businesses

According to the World Bank, the GDP – the U.S. Gross Domestic Product is #1 in the world at \$21 Trillion.

To keep our #1 Ranking, we need an available, skilled, and educated workforce with equity and diversity.

329,000,000 – Current U.S. population

60,000,000 could be described as Hispanic

2/3 or 40 Million were born in the U.S.

...18% of the U.S. population

This fact is often lost in today's noisy political environment.



# State of Latino Business

**Today, the fastest-growing Latino communities are in: North Dakota, Alabama, Georgia, Pennsylvania, Louisiana, South Dakota, and Utah.**

## **The Economic Impact:**

- Hispanics are the economic engine of U.S. economic growth.
- Latino business were 86% of U.S. business growth from 2007-2012 ([CNBC](#)).
- Latinos will be 75% of the labor growth the next 10 years ([Nielsen](#)).
- 80% of U.S. jobs are created by small businesses ([JP Morgan Chase Institute](#)).
- There are 4.7 million Latino-owned businesses.

# State of Latino Business

The Economic Recovery for U.S. since the recession of 2008-2009: ½ of growth fueled by small businesses and ½ by trade/exports.

Latinas are creating at 6X the rate of Non-Latina women ([Latino Community Foundation](#)).

Today, 1 out of every 10 jobs in America is created by an immigrant-owned business ([National Immigration Forum](#)).

43% of Fortune 500 Companies in U.S. were started by an immigrant or the son or daughter of an immigrant ([Brookings.edu](#)).

Latinos are 1 out of 5 workers in the U.S. today.

In 2050, 1 out of 3 jobs will be held by a Latino ([Pew Research](#)).

½ of Latinos live in Texas, Florida, California, New York, and Arizona – the other ½ rest of the country ([Pew Research](#)).



# State of Latino Business

68% Latinos are in U.S. workforce, compared to 63% Anglos and 62% African Americans ([U.S. Bureau of Labor Statistics](#)).

As dropout rates for Latinos have fallen, 32% in 2000 to < 7% in 2018 ([Pew Research](#)).

Latinos who enroll in college graduate at a higher percentage rate than Anglos/African Americans ([Pew Research](#)).

Education is the great equalizer and solution to achieve the American Dream.

Hispanics are the 7<sup>th</sup> largest economy in the world ([Latino Donor Collaborative](#)).

Hispanics at 61 million in population have a larger GDP than the economy of India with 1.3 billion population ([Latino Donor Collaborative](#)).

In 2020, Latinos will make up 30 million voters ([Pew Research](#)).

One million Latinos will turn 18 this year and every year for the next 20 years ([Latino Donor Collaborative](#)).

# Hispanic Business Priorities

- 1. Access to Capital and Credit Education**
- 2. The Need for Private Sector & Federal Procurement Contracts**
- 3. Access to Technical Assistance & Capacity Building**
- 4. Latinos and the Digital Divide: Access to Broadband, Wi-Fi, and Technology**
- 5. Investing in the Future: Job Training & Workforce Development**

# 1) Access to Capital and Credit Education

*(Continued):*

- E. Only **56,000** Latino-owned businesses received **\$3.7 billion**, which accounted for less than **1%** of all CARES Act Paycheck Protection Program (PPP) economic relief (U.S. Small Business Administration).
- F. If we provided the capital for Latino companies to scale up, we would add another **\$1.47 trillion** to U.S. economy through jobs created, etc.

## 2) The Need for Private Sector & Federal Procurement Contracts

- A. Hispanics held only **three percent** of seats in the boardroom of the Fortune 500, which does not reflect the population purchasing products from these companies, and Latinas hold less than one percent of seats.
- B. **70 percent** or nearly 350 companies of the Fortune 500 did not have a Hispanic on their board.
- C. Only **two percent** or 10 Fortune 500 CEOs are of Hispanic heritage.
- D. Only **four percent** of Fortune 500 companies had two Hispanics on their board.
- E. As of 2017, only **5%** of U.S. federal contracting went to all women and minority owned businesses due to inadequate goals and monitoring controls in purchasing practices.

# 3) Access to Technical Assistance & Capacity Building

- A. Out of the 4.7 million Hispanic-owned businesses, only **3%** have scaled over \$1 million in annual sales. There is much room to grow as it relates to contracting awards by Fortune 500 companies to Hispanic-owned businesses.
- B. Because most Latino businesses are small, they often do not have access to financial and human capital to increase production capacity.
- C. 97% of Fortune 500 companies have set percentage or dollar goals on supplier diversity, and 91% have a written company policy to include women and minority-owned businesses.
- D. For members of the Billion Dollar Roundtable (BDR), Tier I diverse spend has hovered between 11.5 and 12 percent of total U.S. procurement spend.
- E. Hispanic entrepreneurs disproportionately could not access PPP forgivable loans due to lack of information on the program, a complicated application process, and limited outreach.

## 4) Latinos and the Digital Divide: Access to Broadband, Wi-Fi, and Technology

- A. There is a digital divide between Latinos and non-Latinos in the United States because of a lack of reliable access to internet and high-speed broadband.
- B. 80% of Latinos access the internet through their smartphone.
- C. It is much harder to access job applications and medical records and do homework on a smartphone.
- D. **84%** of Latinos in America are not able to work remotely or from home due to their job profession.
- E. There is an “achievement gap” for Latinos in terms of education, since digital skills are becoming an integral part of education from an early age. Latino dropout rates have decreased, from **32% in 2000 to less than 10% in 2016**.

## 5) Investing in the Future: Job Training & Workforce Development

- A. Hispanic Americans are the **2nd fastest** growing ethnic group by % growth in the U.S., after Asian Americans, according to the American Journal of Human Genetics.
- B. By 2030, **1 out of every 3** American workers will be Latinos and Latinas.
- C. Latinos accounted for **75%** of all U.S. labor force growth over the last 6 years, and **86%** of growth in the next 10 years.
- C. **68%** of Latinos are in the U.S. workforce, in comparison to 63% of Anglos and of 62% African Americans.
- D. The median age for Latinos is **30** – among the youngest ethnic groups in the United States. Latinos represent the present and future workforce of America.



# USHCC

UNITED STATES HISPANIC CHAMBER OF COMMERCE

**We encourage our members to contact our team for any additional information, questions you may have, or if we can provide any necessary technical assistance to your business during this time.**

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