

Latino-owned Businesses Are the Fastest-Growing Entrepreneurial Segment in the United States Despite Funding Barriers

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Palo Alto, CA — Latino entrepreneurship is on the rise, according to a new study.

The 2017 State of Latino Entrepreneurship (SOLE) report released by the Stanford Latino Entrepreneurship Initiative (SLEI), a collaboration between Stanford University and the Latino Business Action Network (LBAN), includes the latest research on Latino entrepreneurship in the United States. Based on data collected from a sample of more than 5,000 Latino-owned companies across the United States, key findings in the report are as follows:

National banks provide less loan funding to Latino-owned businesses, relative to other funding types and other demographic groups. This may be because banks are not willing to take the risk on smaller firms as the report shows slightly higher use among scaled firms. On the other hand, some of this also has to do with how prepared Latino business owners are in accessing external funds. Latina entrepreneurs are starting businesses at a rapid rate, growing in number by 87 percent between 2007 and 2012. However, Latina entrepreneurs also face a funding ceiling as they feel unqualified to access funding from traditional institutional sources relative to their male counterparts.

Successful Latino immigrant entrepreneurs are more likely to be millennials who came to the U.S. as children—presumably making many of them eligible for the federal Deferred Action for Childhood Arrivals (DACA) program. In fact, 86% of immigrant-owned firms with at least \$1 million in annual revenues are owned by millennials (under age 34) who came to the United States as children. (Survey participants were not asked about their immigration status, so there is no way to know what percentage of respondents are actually DACA-registered.)

Latino-owned companies are international in reach. Among all Latino firms surveyed, 9 percent have international clients and 28 percent have clients throughout the United States, demonstrating a propensity to be global-minded.

The State of Latino Entrepreneurship is an annual report aimed at identifying business growth potential, as well as barriers to growth for Latino entrepreneurship in the U.S.

[View the Report](#)

State of Latino Entrepreneurship Research Forum presented by Stanford and the Latino Business Action Network on February 7, 2018 (please start at 20 minutes for the commencement of the program)

About LBAN

The **Latino Business Action Network** is a nonprofit Latino entrepreneurship organization based in Palo Alto, California. Its goal is to double the number of \$10+ million, \$100+ million, \$1+ billion Latino-owned businesses by 2025. The LBAN mission is to strengthen the United States by empowering leaders to grow substantial firms that create jobs, develop leaders and spawn a new generation of companies. The board of directors include Victor Arias, Jr., Chairman; Dr. Jerry I. Porras, Chairman Emeritus; Sol Trujillo, Phil Pompa, David Segura, Frank Ramirez; Professor Paul Oyer; Monika Mantilla and Beto Pallares. Mark L. Madrid is

CEO.

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