

HISPANIC BUSINESS IMPACT



Latino Entrepreneurs Have Seen Increased Revenue in the Past Year, Nationwide

Despite economic uncertainty caused by the COVID-19 pandemic and systemic barriers, Latino and Black entrepreneurs saw unprecedented business performance over the past 12 months, according to a survey produced by Ernst & Young LLP (EY US) titled *The Entrepreneur's Paradox: How Black and Latino Entrepreneurs Are Balancing Growth and Uncertainty*. This research reveals that while nearly nine out of 10 established Latino and Black entrepreneurs met or exceeded their performance expectations this past year, nearly all are concerned that it was driven by a short-term boost in attention.

"Black and Latino entrepreneurs are an economic force, and our research underscores their business resiliency and output," said Lee Henderson, Americas EY Private leader, and executive sponsor, EY Entrepreneurs Access Network. "But more action is needed from consumers, investors and the entire business community to address disparities caused by lack of access to capital, mentors and networks, and to sustainably ensure the long-term economic growth of minority business owners."

The survey was commissioned by the EY Entrepreneurs Access Network, an immersive mentoring program and business accelerator for Latino and Black entrepreneurs. This research set out to understand the unique experiences of these leaders during the COVID-19 pandemic and in the wake of a national reckoning on racism and discrimination. More than 1,000 established Latino and Black entrepreneurs, who lead businesses across industries and produce annual revenues from \$2 million to \$25 million, were asked to reflect on how the current social, political and economic environment has impacted them, their businesses and their outlook.

Key findings include:

Strong and sustained performance:

- Despite the disruptions of COVID-19, 88% met or exceeded performance expectations, 73% experienced moderate to significant business growth, and 77% anticipate additional growth in 2022 compared to 2021.

Impacts of America's racial reckoning:

- 88% say that the strong focus on racial equity has increased attention for their businesses, and 99% say this allowed them to invest in their businesses in ways they might not have otherwise by innovating products, improving infrastructure, and hiring.

Concerns about waning attention:

- Among those who experienced increased attention for their business, nearly all (93%) worry that it will provide only a short-term lift, and nearly half (48%) say a pullback on momentum would make it difficult to retain existing employees.

"Our research shows that Black and Latino entrepreneurs are rightly concerned that their businesses might be negatively impacted as focus on them fades," said Nit Reeder, EY Entrepreneurs Access Network program director. "The greatest equalizer of wealth disparity is business ownership. We must maintain strong support of minority entrepreneurs to make lasting change."

Additionally, the survey highlights how Latino and Black entrepreneurs engage with mentors and professional networks. Of those surveyed, 56% say a network of trusted vendors and partners is key to business growth, and 53% identify access to

'Black and Latino entrepreneurs are an economic force, and our research underscores their business resiliency and output.'

a mentor as a similarly valuable resource. This underscores the impact of the EY Entrepreneurs Access Network model, which not only welcomes participants into an elite network of entrepreneurs, investors, advisors and other business leaders, but also provides each participant with a dedicated EY executive as their personal mentor.

"The Entrepreneurs Access Network has been invaluable," said Maurice Brewster, founder and chief executive officer, Mosaic Global Transportation. "My EY mentor facilitated connections with venture capital firms and has even helped me launch a brand-new electric vehicle business. Although I've been a CEO for nearly 20 years, this program gave me the opportunity to work on my business, not just in it – with real results."

The EY Black and Latino Entrepreneurs Survey was conducted by Wakefield Research among 1,000 established Black and Latino entrepreneurs from organizations with revenue in the \$2 million to \$25 million range.

For more information, please visit ey.com/EAN.

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Four Tips to Help Latina Business Owners Achieve Success

By PATTY JUAREZ

As we celebrate Hispanic Heritage Month this year, it's a good time to recognize the many contributions of Hispanic small business owners. Wells Fargo serves as lead sponsor of the Latino Donor Collaborative's U.S. Latino GDP Report, which tracks the growing influence of the Latino community within the U.S. economy, and the results are incredibly promising.

Latinos contributed \$2.7 trillion to the U.S. GDP in 2021, equivalent to the seventh largest economy in the world, and they're growing 57 percent faster than the U.S. economy overall. From 2010 to 2019, the U.S. Latino GDP is the third-fastest growing among the ten largest GDPs in the world, with the U.S. economy ranking fourth.

Latinos are also accounting for 68 percent of the growth in U.S. labor participation, due in large part to Latina business owners. As of 2019, Latina women owned 18 percent of all women-owned businesses, and between 2014 and 2019, Latina-owned firms grew 40 percent (according to Latinas in Business Inc.). These are significant numbers and show the impact Latina business owners are making on the country's overall economy.

That said, we all know small business owners have continued to struggle to stay open due to the pandemic's repercussions and other economic issues. While the statistics surrounding Latina-led companies are sobering – twice as many Latina-owned companies experienced closure during the COVID-19 pandemic compared to their male counterparts – the following tips can help aspiring Latina entrepreneurs stay on a path to success.

DEVELOP A BUSINESS PLAN

Having a good idea is not enough. Developing an effective business plan can help you prioritize how to spend your time and money while setting measurable goals. It also can help you identify current or future obstacles that can be used to anticipate and avoid potential risks. For example, with COVID-19 impacts, you may have had to create more online offerings, enhance your digital presence, negotiate relationships with supply chains and vendors or reduce hiring. Whatever the issue, now is an ideal time for business owners to review their plans to ensure that they are prepared to navigate complex economic issues.

GET MENTORSHIP SUPPORT

Latinos are increasingly in advantageous positions to start their own businesses — they're younger, with higher educational attainment: Nearly 90 percent of Latino post-millennials are high school graduates. They're contributing to the labor force in greater numbers, buying more homes and closing the wealth gap at a more rapid

rate. But the past year and a half has reinforced what we've always known: It takes a village. As women business owners continue to climb out of the pandemic impacts and build from survivability toward recovery and opportunity, connecting with mentors and other experts is one of the most effective ways to exchange knowledge, share best practices, and learn from one another.

FIND THE RIGHT GUIDANCE AND INFORMATION

Many women may not know where to turn for trustworthy information to support them with critical business decisions. Thankfully, there are many free resources and tools to help educate women business owners. The SBA.gov website, which offers information in Spanish, is a fantastic place to start. Additionally, the Minority Business Development Agency connects women to resources, events and opportunities to help them succeed through its Enterprising Women of Color Initiative. Finally, the U.S. Hispanic Chamber of Commerce has more than 200 local chapters designed to support Hispanic business owners and has specific Latina entrepreneur programing.

GET CREDIT-READY

Once you have a business plan, have connected with mentors and other experts, and have done your research, getting credit ready will be a critical next step before obtaining business financing. It's important to work with a bank that offers tools and resources that make financing easier to understand, and a banker who shows you what your business needs in order to get approved for a loan. Before applying for a small business loan or line of credit, your bank will want to see that your business generates steady cash flow, has low levels of debt, and is in a strong financial position in order to manage debt payments. The more you know about what bankers want to see in a credit application, the more prepared you will be to pursue credit for your business.

By creating or updating a business plan, looking into mentorship opportunities, increasing knowledge, and getting credit ready, more Latina entrepreneurs can achieve success.

Patty Juarez is executive vice president and head of diverse segments for Wells Fargo. For more information, news, insights and perspectives from Wells Fargo, visit stories.wf.com.



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Most Americans See Latinos as Biggest Boost to U.S. Economy

Seven out of 10 Americans attribute the country's economic growth to Latino population growth, reflecting that U.S. Hispanics have the highest workforce contribution rate (65.6 percent) and have started the most small businesses out of any other population group over the last decade. However, according to a nationally representative survey—conducted by BSP Research and commissioned by the Latino Donor Collaborative in partnership with Latino Corporate Directors Association (LCDA), UnidosUS, Raben Group and the Friends of the American Latino Museum—decades-old stereotypes and underestimations of the group remain prevalent among Americans across ethnic and racial backgrounds.

“We are glad to see that, comparing the results of this survey with our 2012 LDC Perception of Latinos Report, the needle has moved from Latinos mostly being perceived as ‘takers’ to being mostly perceived as ‘contributors’ today. Still, there is much work to do, specifically with media which has the capacity to help eliminate damaging stereotypes,” said Ana Valdez, executive director of the Latino Donor Collaborative. “The release of this data is invaluable because it identifies specific mischaracterizations of Latinos we must correct, so we have a clearer vision for all Americans: the more we risk making ill-informed decisions, the higher the cost in real dollars when we’re investing resources as employers and as national leaders.”

The survey found that Latinos are most often seen inaccurately as essential workers or farm workers or laborers—with 48 percent of non-Latinos viewing Hispanics in these roles—despite the fact that among all racial and ethnic groups, Latinos command the highest rates of business creation, proving their role as entrepreneurs and business leaders. Additionally, while more than 75 percent of Americans feel that Hispanic immigrants have a lot to offer the country, most of them vastly overestimate that specific population and underestimate the U.S.-born share of Latinos. Non-Latinos estimate that the U.S.-born share of Latinos is as low as 31 percent, when in reality it is more than double that figure at 67 percent.

“This poll has good news and bad news for our community,” said Janet Murguía, UnidosUS president and CEO. “The good news is that most Americans recognize the importance of Latinos and Latinas to our economy and appreciate our work ethic and values. The bad news is that most Americans also believe in widely inaccurate and negative myths and stereotypes—perpetuated by the news and social media—about our size and immigration status that are holding our country back from making the investments and enacting the policies that will benefit both our community and our nation. Overcoming these misconceptions and telling a more positive and accurate story about the Hispanic community, then, is even more important for the future of us all.”

“Business leaders—both non-Latino and Latino—play a critical role in driving an accurate story of the Latino community and its huge impact on the American economy,” said Esther Aguilera, president and CEO of the Latino Corporate Directors Association. “We need business leaders everywhere to lean in, learn more, and speak up about the dynamism and success of the Latino community. Otherwise, these misconceptions and contradictory views of our community will continue to slow progress for everyone.”

Misconceptions of the actual make-up of



the Latino community also have an effect in how non-Latinos perceive the political power of the community. Many non-Latinos, particularly Whites at 45 percent, expressed belief that increased Latino voter turnout would make no difference to the country, even while agreeing that elected officials would also pass more laws that benefited the group. Black and Asian adults in the United States hold different views about Latinos' voting power, however. More than 50 percent of Black and Asian adults in the United States said we'd be better off as a country if more Hispanics voted.

“These results also provide helpful information about how other communities perceive Latinos and may help create alliances and bridges to work together to further amplify the value of our nation's diversity” said Estuardo Rodriguez, president and CEO, Friends of the American Latino Museum. “With the recent congressional approval to create a National American Latino Museum, there's a huge opportunity right now to lift up the contributions Latinos have made for more than 500 years in the founding and building of our nation. Dispelling misconceptions and driving a more accurate narrative of our community will only serve us on our collective path to becoming a stronger nation.”

Other key findings of the survey, which was conducted among 2,200 Americans between late August and early September 2021, include:

Incorrect misperceptions about the broader Latino population are often connected:

- Latinos comprise 18.7 percent of the U.S. population, but non-Latinos overestimate that figure by double at 38 percent.

- U.S.-born Latinos are two-thirds of the broader Latino population, but all groups estimate that the majority are immigrants.

- These misperceptions contribute to ideas that illegal immigration or lack of citizenship are the biggest barriers Latinos face today.

There are significant areas where misconceptions about the Latino workforce can be corrected:

- More than 75 percent of Americans believe Latino immigrants have a lot to offer this country and are an economic boost (Asian, 87 percent; Black, 85 percent; White, 76 percent).

- Many non-Latinos also believe undocumented immigrants are taking jobs Americans depend on (Asian, 55 percent; White, 53 percent; Black, 49 percent), though undocumented immigrants make up only 13 percent of all Latinos in the United States.

- The view that Latinos are farmworkers is prevalent, even among Latinos, who believe half of Latinos fit that description. A commonly held misperception is that “farmworker” describes more Latinos than “entrepreneurial or business-minded,” despite U.S. Latinos creating the most small businesses in the country over the last 10 years.

There are positive signs of intercultural cooperation, but major opportunities exist for

more accurate learning between groups:

- More than 60 percent of non-Latinos feel they know Latinos enough to work together on common causes (White, 68 percent; Black, 66 percent; Asian, 63 percent).

- More than 60 percent of non-Latinos personally interact with Latinos on a regular basis, and more than 80 percent have relationships with Latinos in a variety of social or professional settings.

- Despite personal relationships and frequent contact, only about half of Americans believe Latinos share their values, even among Latinos themselves (Latino, 57 percent; Black, 56 percent; White, 53 percent; Asian, 48 percent). At the same time, family-orientedness, belief in the American Dream and religiousness are the traits most commonly attributed to Latinos, and more than half of Latinos are also viewed as optimistic and experiencing discrimination.

Latinos themselves—especially business leaders and community-based organizations—can lead on correcting misconceptions:

- After Latinos that people personally know, Whites and Latinos say their next-most trusted messengers for opinions about this group are Latino business leaders (30 percent and 33 percent) and community-based organizations (30 percent and 34 percent).

For more detail on the above findings, as well as findings about national patterns of media consumption related to Latinos, visit latinodonorcollaborative.org.

The U.S. Hispanic Chamber of Commerce Launches ‘Supplier Readiness Bootcamp’

Earlier this year the United States Hispanic Chamber of Commerce Educational Fund (USHCCEF) and the Anheuser-Busch Foundation announced a new expanded partnership to launch a ‘Supplier Readiness Bootcamp’ that supports minority entrepreneurs in navigating the procurement and contracting process.

The ‘Supplier Readiness Bootcamp’ program aims to increase supplier readiness by training Hispanic and minority suppliers on important tips and best practices to help strengthen their proposals and their opportunities. Data shows that minorities of color receive less than 2% of all contracting dollars from corporate and federal procurement opportunities.

“Our vision at the U.S. Hispanic Chamber of Commerce Educational Fund is to be the leading voice to advance Hispanic business potential to drive our American economy and we are thrilled to have our longtime supporters at the Anheuser-Busch Foundation support these efforts with this partnership,” said Ramiro A. Cavazos, president & CEO, USHCCEF. “We applaud the Anheuser-Busch Foundation for their collaboration on this important training initiative for our suppliers and applaud their efforts to support Hispanic and minority-owned businesses.”

This virtual bootcamp training series includes six sessions in total with topics such as: building and strengthening your capability

statement, branding/marketing, certification, scaling your business, and more. Applicants who complete all six training sessions will be awarded with a certificate upon completion.

“At the Anheuser-Busch Foundation, we are incredibly proud to build on our longstanding partnership with USHCCEF with the launch of this new Supplier Readiness Bootcamp,” said César Vargas, chief external affairs officer, Anheuser-Busch and trustee, Anheuser-Busch Foundation. “Through these trainings, we hope to provide tools to help advance the Hispanic and minority business community and highlight how greater representation in our supply chains can drive greater agility and innovation, while delivering real economic

impact in our communities”

The training series will focus on how small changes in business matchmaking strategies can have a huge impact on the ability to land supplier contracts. The USHCCEF and the Anheuser-Busch Foundation will provide participants (at no cost) with the tools and knowledge to help suppliers prepare and succeed during meetings to secure supplier contracts. Other partners of the USHCCEF Supplier Readiness Bootcamp include AT&T, Shell, Merck, Kroger, and others as well as volunteers from the USHCC Procurement Council Advisory Board (PCAB).

The mission of the USHCCEF is to educate, train, build capacity, conduct research,

provide leadership development opportunities, expand access to capital, and create grant funding for Hispanic businesses through a national network of 260+ Hispanic chambers of commerce including Puerto Rico, the District of Columbia, and the Virgin Islands. The USHCCEF is a non-profit organization that actively promotes the economic growth, development, and interests of five million Hispanic-owned businesses, that combined, contribute over \$800 billion to the American economy every year.

Established in 1975, the Anheuser-Busch Foundation focuses on supporting organizations that help individuals and communities thrive. The Foundation contributes to countless community organizations every year in support of disaster preparedness and relief, economic development, education, environmental sustainability, and responsible drinking. Anheuser-Busch and its foundation are united by an unwavering commitment to supporting the communities that they call home and since 2011, Anheuser-Busch and the Anheuser-Busch Foundation have donated more than \$221 million to charitable organizations across the country.

The Supplier Readiness Bootcamp program kicked off in the first quarter of this year. Visit the USHCC website for more information at ushcc.com.

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