

Latino Economic Competitiveness City of Austin Hispanic Quality of Life Commission

**Inclusion of Marginalized Groups
in our city's prosperity**

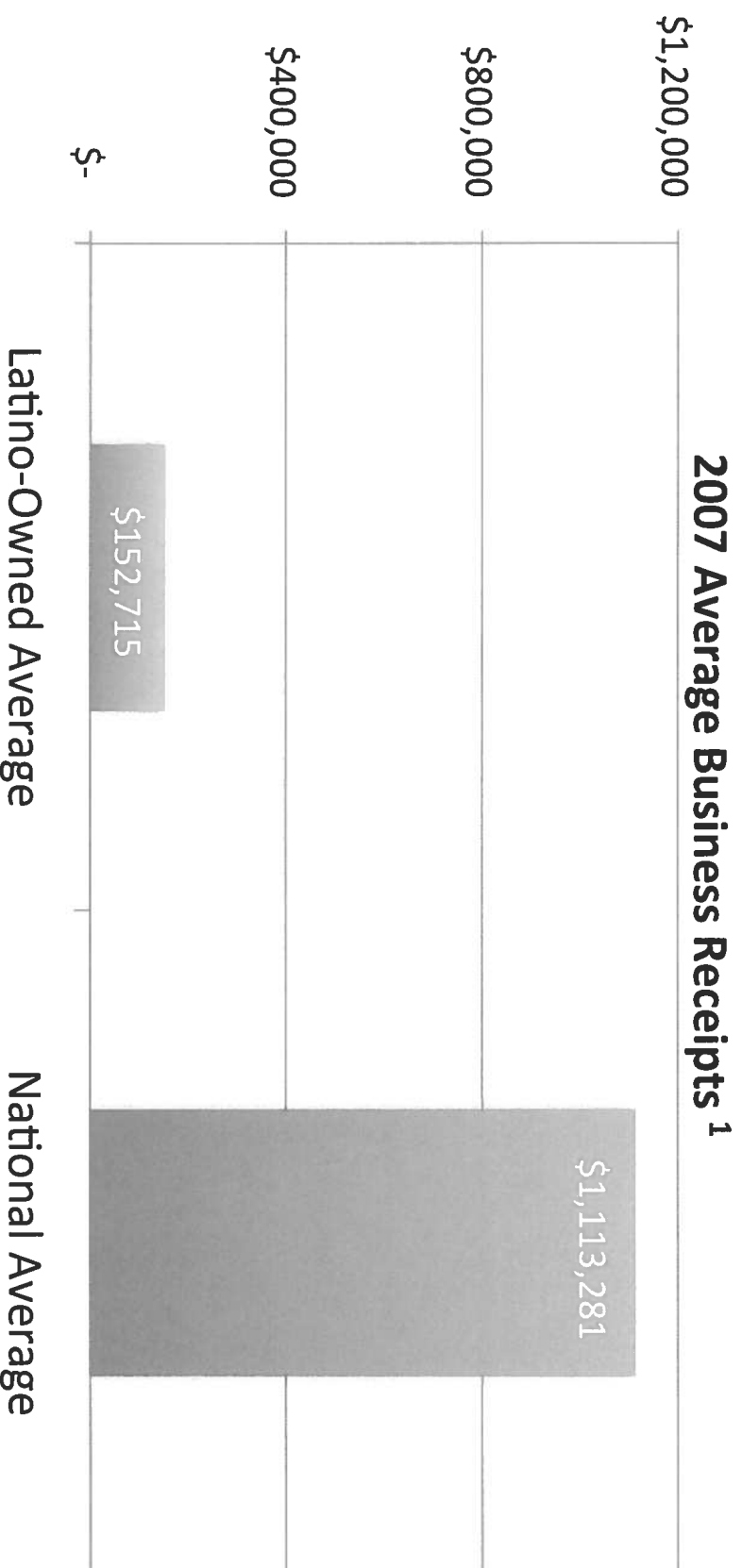
By

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Founder

Copan Ventures

U.S. Latino Business Performance

LATINO BUSINESSES ARE
SEVEN TIMES SMALLER

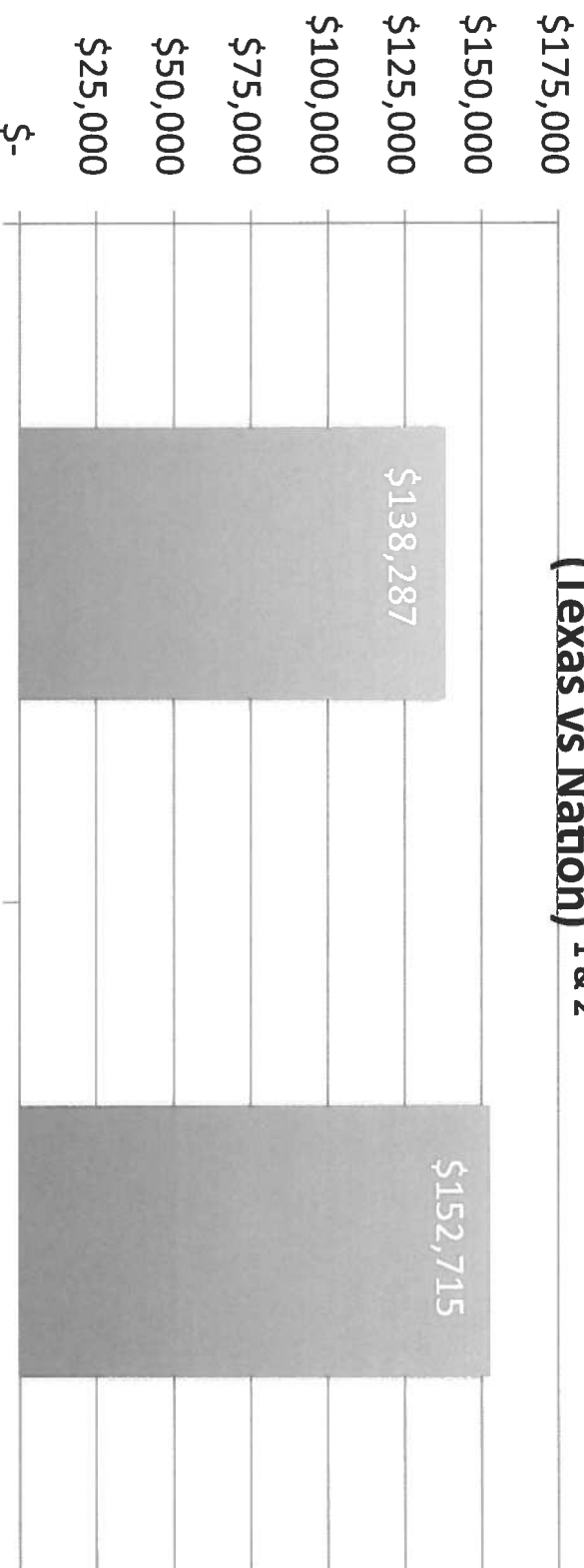


¹ Federal Reserve Bank Minneapolis, "Hispanic Entrepreneurship Grows, but barriers persist."

Texas Hispanics Behind National Hispanics

TEXAS HISPANIC COMPANIES ARE 10% SMALLER THAN
NATIONAL HISPANICS COMPANIES

2007 Average Business Receipts for Latinos (Texas vs Nation) ^{1 & 2}



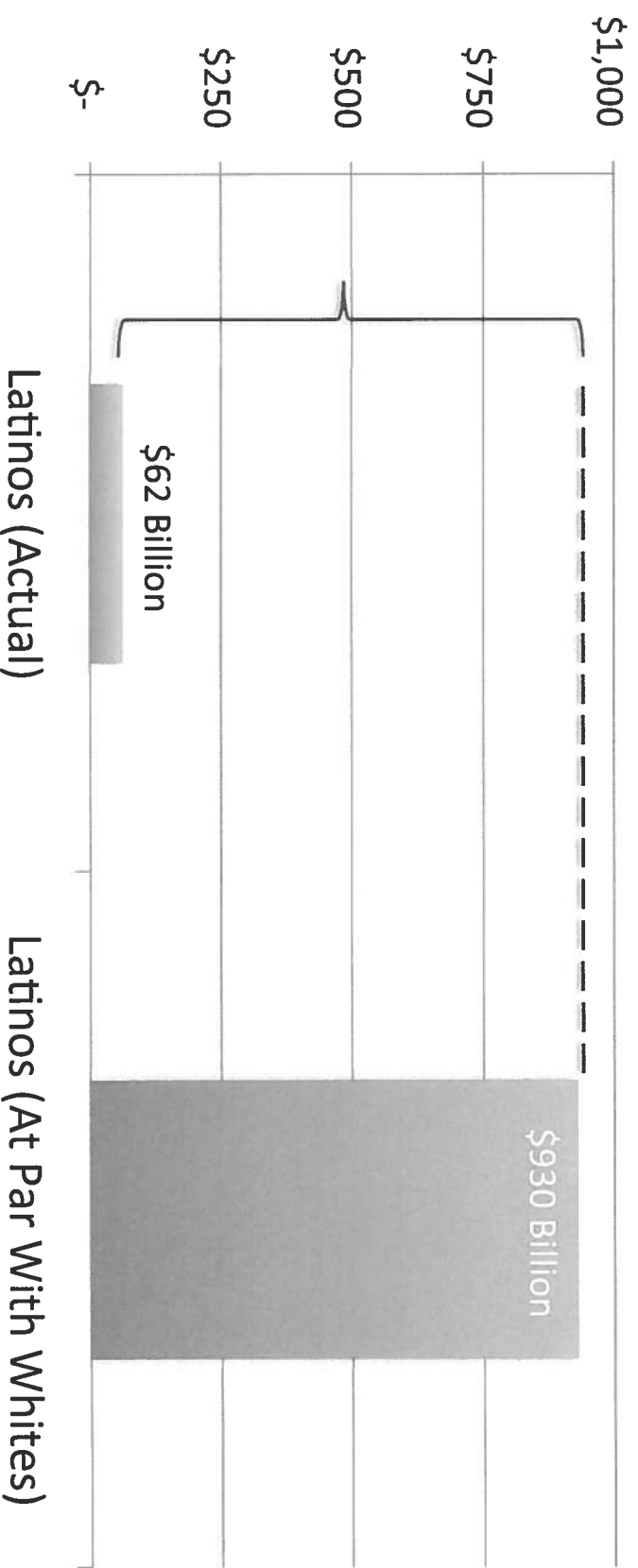
¹ Federal Reserve Bank Minneapolis, "Hispanic Entrepreneurship Grows, but barriers persist."

² Bureau of Business Research, IC2 UT Austin, Survey of Texas Hispanic Owned Businesses with Paid Employees, pg 7

Texas Hispanic Wealth Gap

REVENUE GAP OF \$868 BILLION

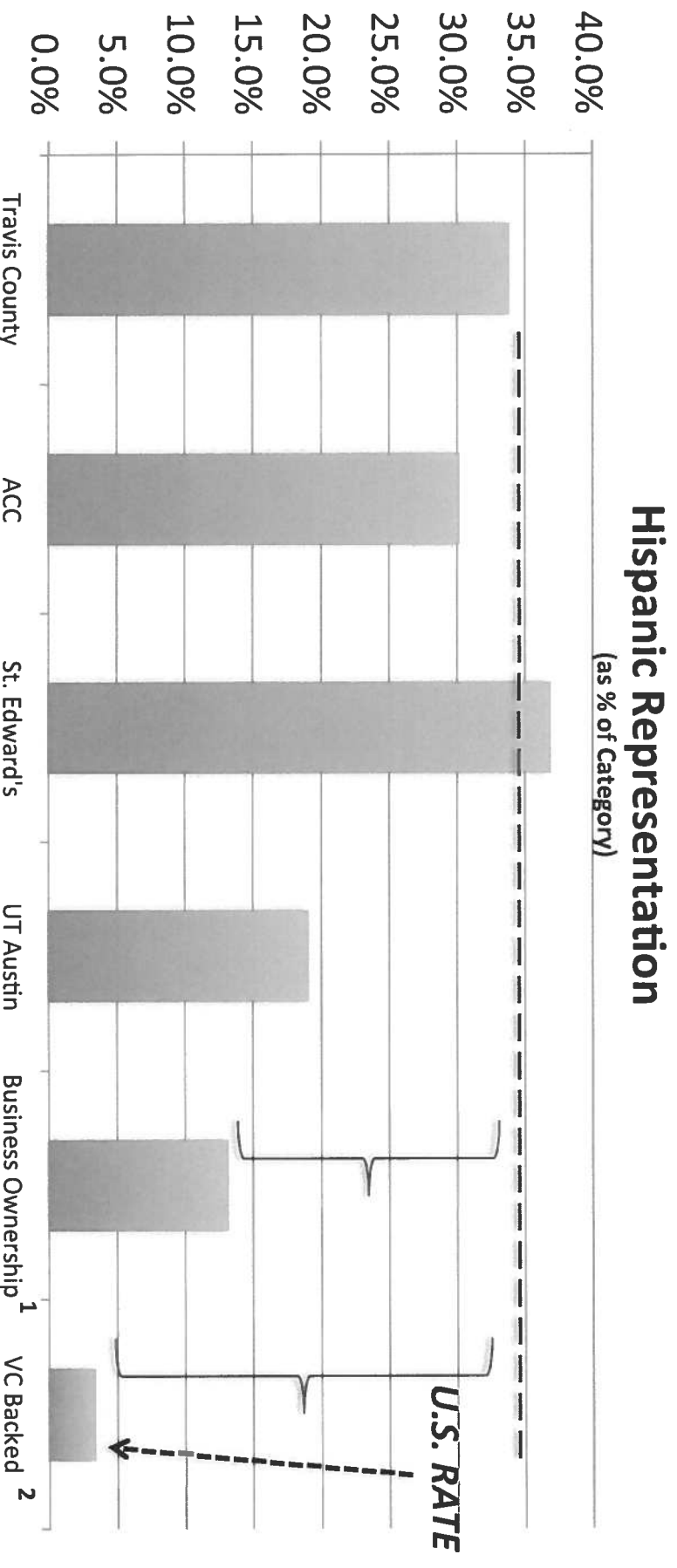
2007 Texas Hispanic Business Revenue Gap ¹ (In Billions USD)



¹ Bureau of Business Research, IC2 UT Austin, Survey of Texas Hispanic Owned Businesses with Paid Employees, pg 7

Austin's Latino Gap

WHY CAN'T LATINOS BUSINESS OWNERSHIP BE CLOSER TO
COLLEGE GRADUATION OR POPULATION RATES?



¹ Based on rough analysis of surnames from website

² Reported by the Carver Society, Minority Professionals in VC Backed Industry
Copan Ventures Confidential

Opportunity

IT IS ESTIMATED THAT TEXAS IS LOSING OUT ON
\$868 BILLION / YEAR TO ITS GDP¹

**“.....the most promising and powerful
opportunity: building minority businesses of
size.”**

- Boston Consulting Group. The New Agenda for Minority Business Development. 2005.

Why are Latinos behind?

Previous studies have found that Hispanics':

- lower levels of assets and education
- lower percentage of parents with business experience
- smaller networks than Whites

.....were important factors in explaining Hispanic/White differences in business performance.¹

¹ Bureau of Business Research, IC2 UT Austin, Survey of Texas Hispanic Owned Businesses with Paid Employees, pg 8

Policy Recommendation

“While the past 40 years have helped create more minority business owners, the *next generation of policies and programs must focus on growing more minority-owned businesses to scale, helping move them toward the next level of size, profitability, and influence.*”

- Steven Wray (2008, p. 1) Executive Director of the Economy League of Greater Philadelphia¹

¹ Bureau of Business Research, IC2 UT Austin, Survey of Texas Hispanic Owned Businesses with Paid Employees, pg 31

Latino Entrepreneurship Program

Focus on:

- Growing Latino Owned Business from \$500K / year > \$10 Million / year
- Growth Strategy (Business Planning / Training)
- Access to Capital (Commercial Capital and Equity Capital)
- Business Networks