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Latino-Owned Businesses: Leading the Recovery

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While there can be debate about what it means, the unassailable fact is that Latino -owned businesses in the United States are growing at a blistering pace — in fact more than twice the national average. This trend has been sustained for at least the last decade and manifests itself both in the growing number and size of Latino-owned businesses. During the latest 5-year period for which information is available from the census bureau, [Latino owned business' revenue jumped by an astonishing 55% to nearly \\$350 billion](#). Some think that the census data underestimates the economic clout of Latino businesses, [estimating](#) the sales of such businesses in 2008 at \$547 billion. Many are very substantial businesses with numerous employees: the number of Latino-owned businesses with more than [\\$1 million in revenue grew to over 44,000 in 2007, up from just 29,000 five years earlier](#).

The experts expect that [this trend will continue](#) over the next decade. Latino-owned businesses are expected to increase their total revenue contribution to the economy by 8% annually over the 10 years from 2005 to 2015. This is more than three times the average growth for all businesses. What does this mean: Latinos will have more economic clout, employ a greater proportion of the population and purchase substantially more in goods and services than they do today. Already this trend has had a major impact in states with large Latino populations. For example, more than 20 % of all businesses in New Mexico, Florida and Texas are owned by Latinos, and even in the state with the largest economy, California, [the figure is fast approaching 20%](#).

Since in the United States, small business has always been the gateway to affluence, this means that a growing proportion of Latinos will find economic success. Inevitably this will lead to greater roles for Latino business owners in local chambers of commerce, local communities and government. Moreover, more Latino-owned businesses could mitigate the effects of the discrimination that Latinos still suffer in many communities, benefitting Latino employees with higher wages and more opportunities for advancement. Of course, the economic benefits from the dynamic growth of Latino businesses are not limited to the Latino community: [one study in Los Angeles](#) showed that growth of Latino owned businesses is a major factor in helping the city to recover from the devastating effects of the recession on its economy. The positive trends caused by Latino entrepreneurship can benefit the entire national economy and help the country to start growing again.

Not surprisingly, the political class has noticed these trends. In making its case for the passage of the American Jobs Act, the Obama administration has argued forcefully that it will benefit [2 million Latino- owned businesses across America](#). It has also touted the role of the Minority [Business](#) Development Agency inside the Commerce Department as a partner for Latino-owned businesses, and has said that [Latino- owned businesses must plan a prominent role](#) in increasing trade with the dynamic economies of South and Central America.

While much of the economic news we hear today is bleak, the dynamic growth of Latino-owned businesses is a bright spot that will likely transform the economic and political landscape in the United States in the years ahead.

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