

2019 Hispanic Small Business Owner Spotlight



Overview

Hispanic small business owners are confident about their 2019 business outlook, with strong majorities planning for increased revenue, growth and expansion, according to our third-annual Hispanic Small Business Owner Spotlight.

This year's Spotlight finds that Hispanic entrepreneurs are significantly more optimistic than their non-Hispanic counterparts when it comes to both their business and economic outlooks. Similarly, Hispanic business owners report greater confidence in the direction of the national economy, as well as their local economies.

These high optimism levels persist despite lingering economic concerns and new operational challenges. Contrasting with their overarching confidence, Hispanic entrepreneurs are more concerned about many economic issues compared to their non-Hispanic peers.

Additionally, the ultra-competitive job market has created a challenging environment for Hispanic entrepreneurs looking to attract and retain talent. Hispanic business owners are much more likely to have had employees leave over the last year compared to their non-Hispanic peers. As a result, they are also more likely to adjust their hiring strategies to increase their chances of retaining and landing top talent.

Despite these obstacles, many Hispanic entrepreneurs report that their business has grown beyond their original expectations and identify family, community and employees as their primary sources of motivation and success. With an eye toward future generations, many hope to pass their business on to their children.

Methodology

GfK Social and Strategic Research conducted the Bank of America Hispanic Business Owner Spotlight survey between August 30th and October 16th, 2018 using a pre-recruited online sample of Hispanic and Non-Hispanic small business owners. GfK contacted a national sample of 1,067 small business owners in the United States with annual revenue between \$100,000 and \$4,999,999 and employing between 2 and 99 employees, as well as 303 interviews among Hispanic small business owners. The final results were weighted to national benchmark standards for size, revenue, and region, and, for the Hispanic segment, whether the respondents were primarily English-speaking or Spanish-speaking.



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Bullish economic outlook



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Growth indicators on the rise



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Intensified competition for talent



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Hiring and staffing strategies



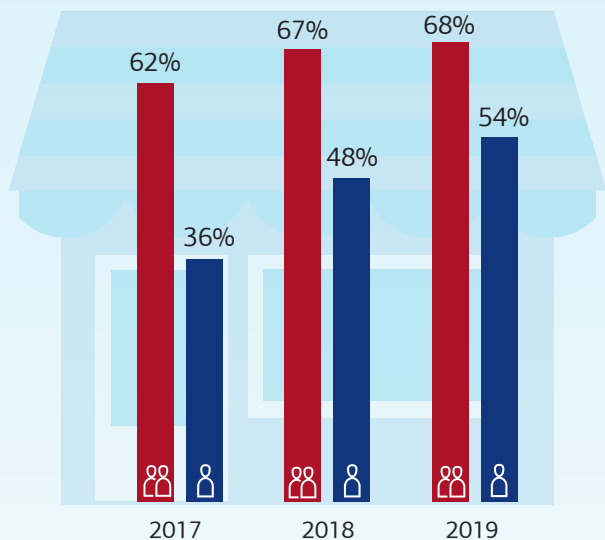
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Reflections and business motivators

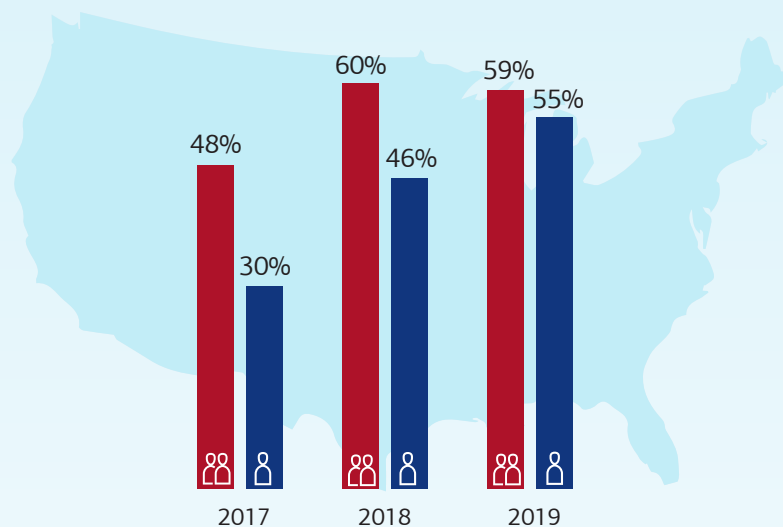
Bullish economic outlook

Hispanic small business owners are optimistic about the future, with stronger confidence in the economy than their non-Hispanic peers.

My local economy will improve over the next 12 months



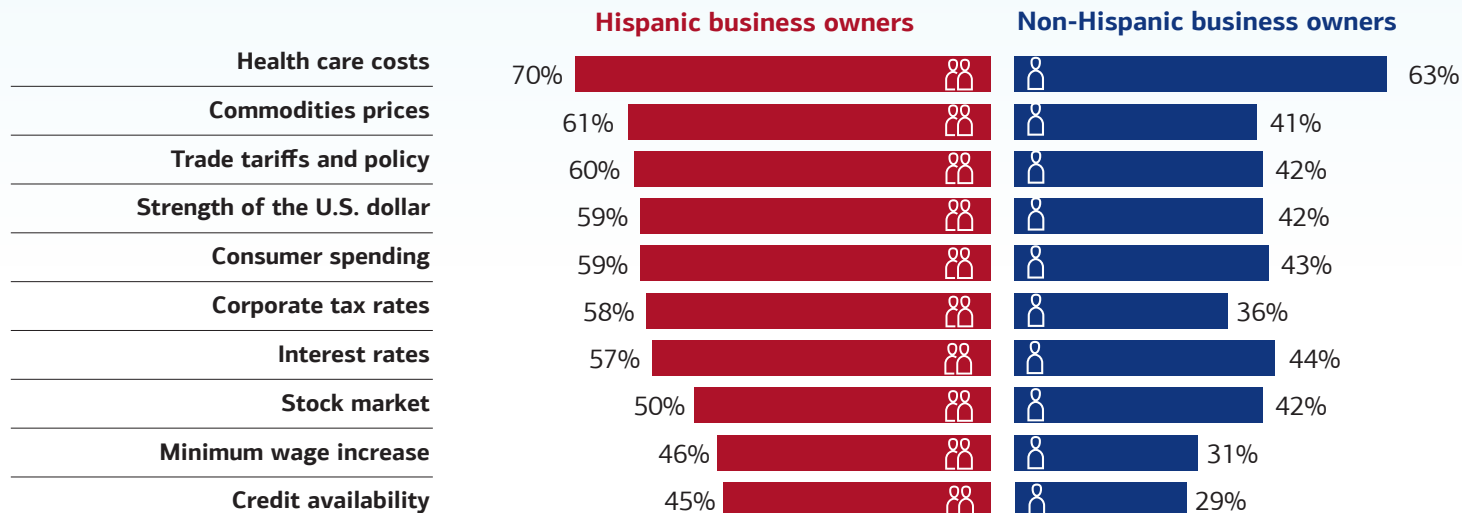
The national economy will improve over the next 12 months



Hispanic business owners Non-Hispanic business owners

Contrasting with their overarching confidence, Hispanic entrepreneurs are more concerned about economic issues compared to their non-Hispanic peers.

Economic concerns for the year ahead



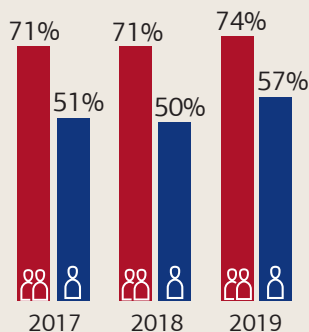
Growth indicators on the rise

In line with their economic optimism, Hispanic entrepreneurs anticipate a year of robust expansion and growth, expressing a consistently brighter business outlook than their non-Hispanic peers.

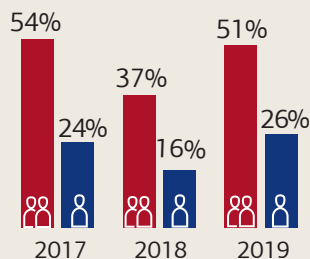


Over the next 12 months business owners:

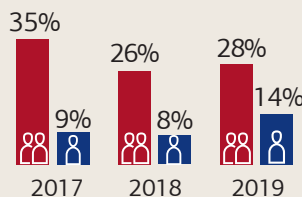
Expect revenue to increase



Plan to hire



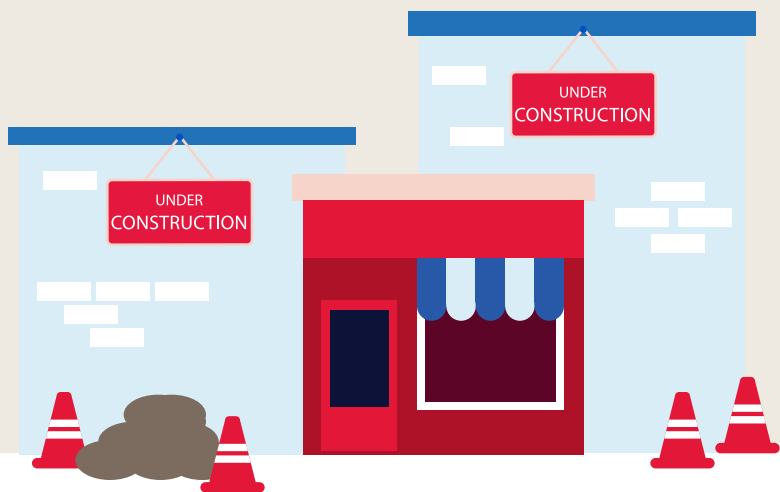
Intend to apply for a loan



Plan to expand



Hispanic business owners Non-Hispanic business owners



Most Hispanic business owners plan to expand over the next five years

79%
Hispanic
business owners

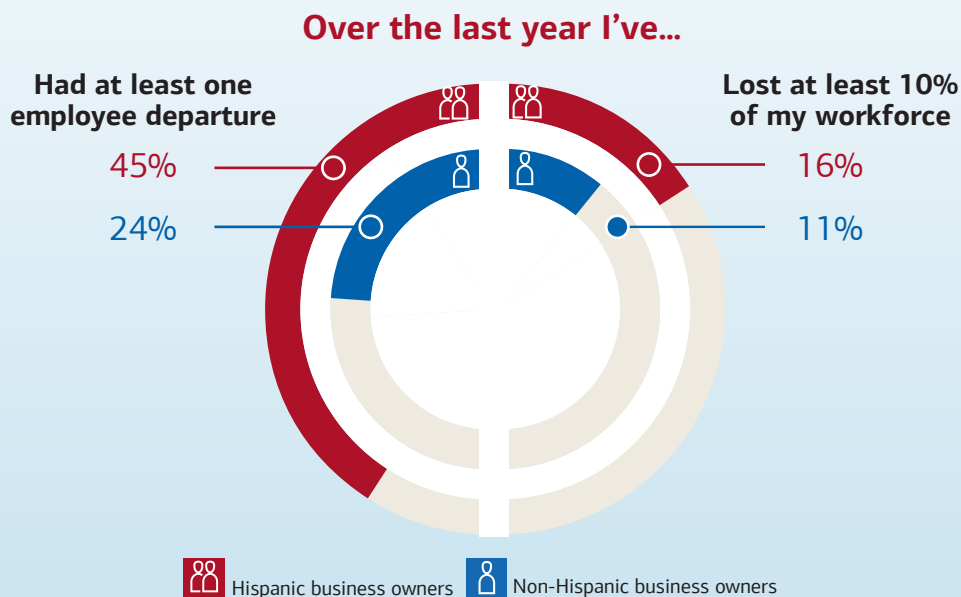
55%
Non-Hispanic
business owners

Intensified competition for talent

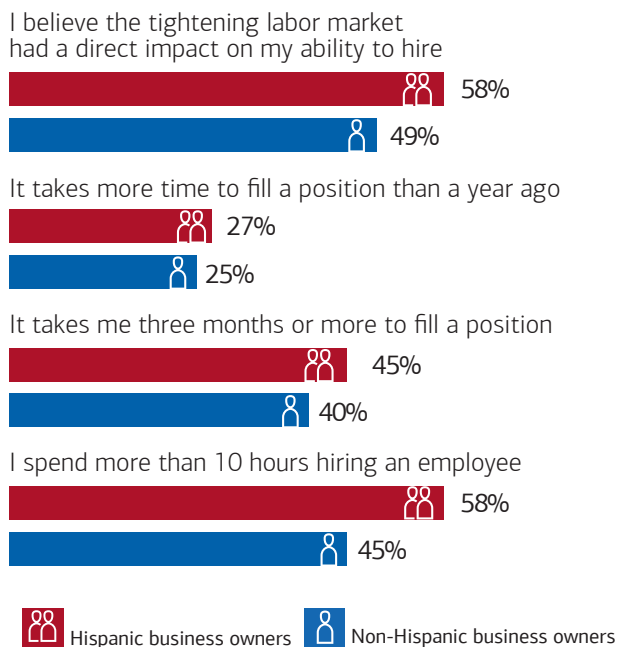
As Hispanic business owners look to augment growth plans by hiring, today's ultra-competitive job market has created an especially difficult environment to attract and retain talent.

A look back at retention

Hispanic entrepreneurs are much more likely to have had employees leave over the last year, which may in part explain the significant spike in hiring plans.



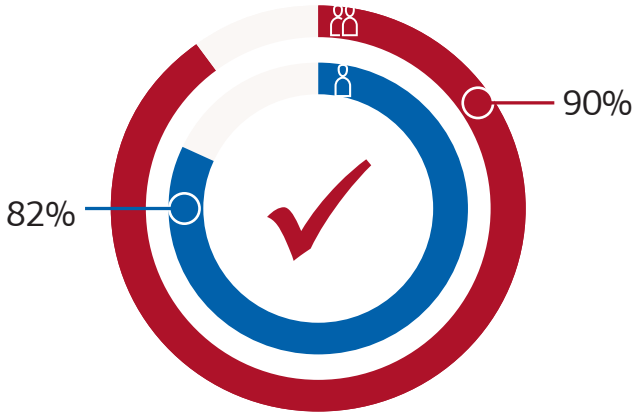
Hispanic business owners who sought to hire over the last 12 months report that their hiring process has become a time-consuming task.



Hiring and staffing strategies

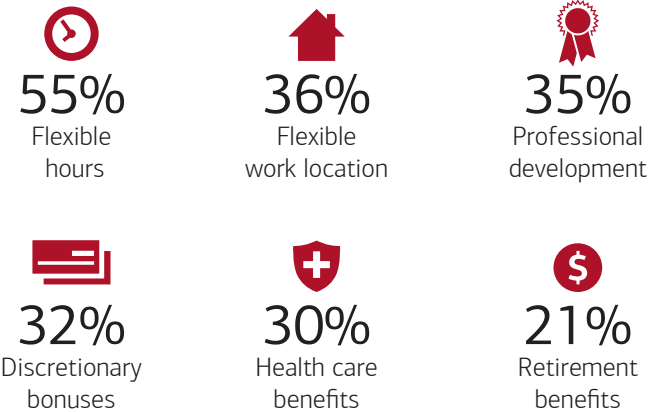
Hispanic entrepreneurs are modifying their approach to better compete for talent.

I offer at least one benefit or perk to potential job candidates



Hispanic business owners Non-Hispanic business owners

I offer the following benefits or perks to attract job candidates...



Seventy percent of Hispanic entrepreneurs have adjusted their hiring strategies compared to just **55 percent** of non-Hispanic business owners.

Top adjustments to hiring strategies:

Turning to social media to attract talent
32% vs 23%
 Hispanic business owners vs Non-Hispanic business owners

Offering higher salaries
26% vs 17%
 Hispanic business owners vs Non-Hispanic business owners

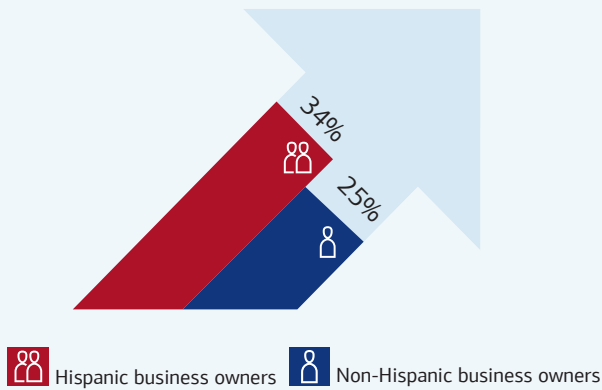
Shifting to a more flexible culture
27% vs 25%
 Hispanic business owners vs Non-Hispanic business owners



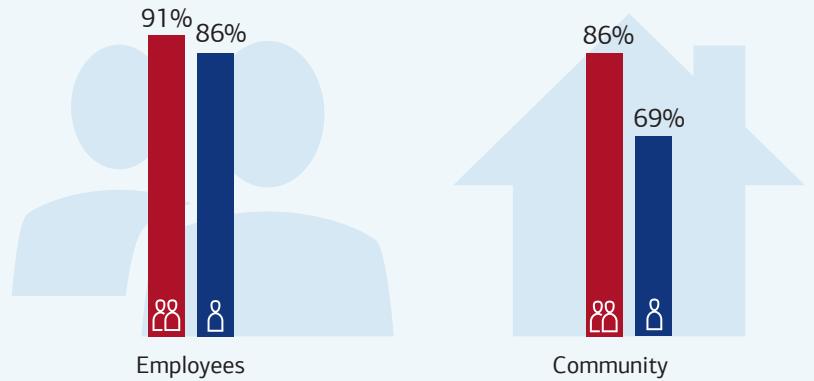
Reflections and business motivators

More Hispanic entrepreneurs say their business has grown beyond what they originally envisioned compared to non-Hispanic business owners. Many credit employees, family and community as their primary sources of support and motivation in that success.

My business has grown beyond what I originally envisioned:



I am confident I can achieve my business goals because of my...



More Hispanic business owners plan to pass their business on to their children

38%
Hispanic
business owners

23%
Non-Hispanic
business owners

Gender spotlight

Regardless of gender, Hispanic entrepreneurs say a desire to be their own boss was one of the top motivators for starting their business. However, there are differences in secondary motivators among men and women.

My top motivator for opening a business was...

