

2020 Hispanic Business Owner Spotlight

Letter from Elizabeth Romero, Small Business Client & Franchise Solutions Executive



We are pleased to present the 2020 Hispanic Business Owner Spotlight, our fourth annual study exploring the goals, challenges and everyday realities of Hispanic entrepreneurs across the country.

This year's spotlight finds Hispanic small business owners anticipating a year of robust business growth, with revenue projections reaching a four-year high. Their plans to expand, hire and obtain financing also remain high from 2019. Hispanic entrepreneurs express a more bullish outlook on their local and the national economies

compared to their non-Hispanic peers, while their concern over many major economic issues has remained flat or declined.

Reflecting on the past, most Hispanic entrepreneurs experienced challenges as they grew their business, such as finding necessary resources and accessing capital. Looking to the future, nearly all Hispanic business owners see a decade of opportunity ahead. Their top goals for the 2020s include significantly increasing revenue, prioritizing their digital presence and expanding into new markets.

It is inspiring to see Hispanic entrepreneurs' continued optimism and success. Bank of America is committed to partnering with Hispanic business owners to continue this momentum, address their financial needs and provide them with a business advantage.

Methodology

Ipsos conducted the Bank of America Hispanic Business Owner Spotlight survey online between July 19 and September 6, 2019, using a pre-recruited online sample of Hispanic and non-Hispanic small business owners. Ipsos contacted a national sample of 1,323 small business owners in the United States with annual revenue between \$100,000 and \$4,999,999 and employing between two and 99 employees, as well as 428 interviews of Hispanic small business owners. In addition, a total of approximately 300 small business owners were also surveyed in each of 10 target markets: Atlanta, Boston, Chicago, Dallas, Houston, Los Angeles, Miami, New York, San Francisco and Washington, D.C. 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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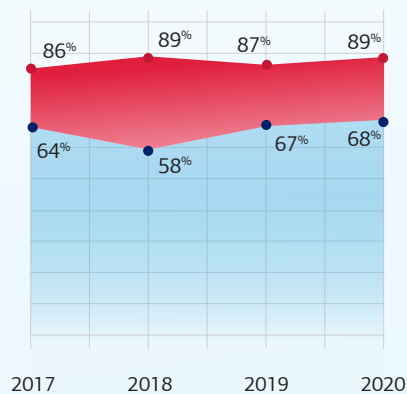
Business Projections

Hispanic small business owners anticipate robust growth in the year ahead, expressing a brighter business outlook than their non-Hispanic peers. Revenue projections have reached a four-year high at 79%, up from 74% in 2019, with plans to expand and hire remaining strong year-over-year.

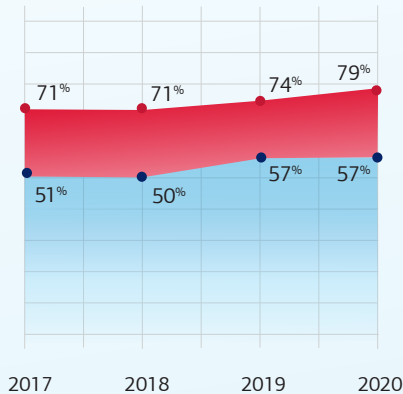
Over the next 12 months...

■ Hispanic business owners ■ Non-Hispanic business owners

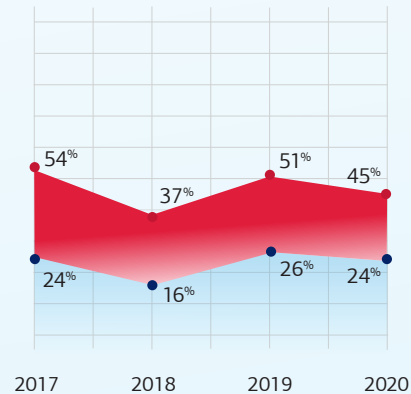
I plan to expand



I expect my revenue to increase

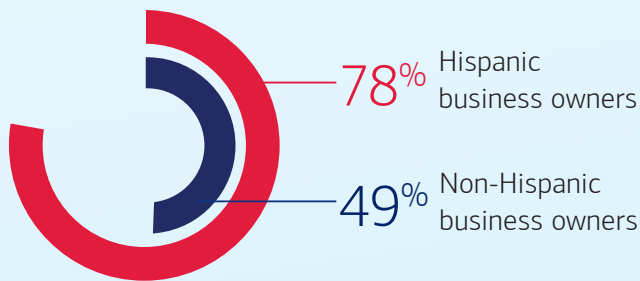


I plan to hire



To supplement these growth plans, many Hispanic entrepreneurs intend to obtain financing in the year ahead, at higher levels than their non-Hispanic counterparts.

Entrepreneurs that plan to obtain financing in 2020



Top sources Hispanic business owners plan to use for financing:



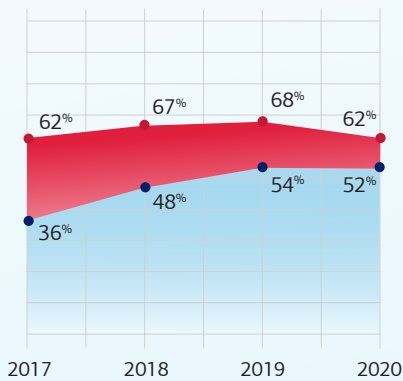
Economic Outlook

In line with their strong business forecasts, Hispanic entrepreneurs also express a more bullish economic outlook compared to their non-Hispanic peers, reporting greater confidence in the direction of their local and the national economies. However, confidence levels have declined from 2019 by 6% for both local and national, falling closer in line with 2017 projections.

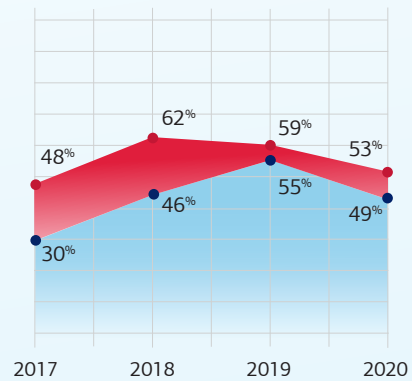
Over the next 12 months...

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My **local** economy will improve



The **national** economy will improve



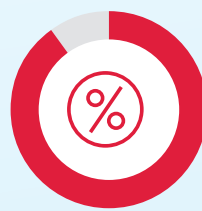
Top factors influencing Hispanic entrepreneurs' national economic projections include...



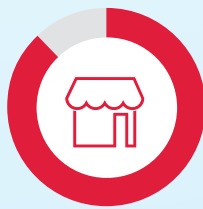
Inflation
92%



Access to capital
90%



Interest rates
90%



My own business' performance
88%



U.S. political climate
88%



Economic Concerns

Despite a more cautious economic outlook, concern over nearly all tracked economic factors has declined or remained flat from last year for Hispanic business owners. Health care costs remain the top economic worry at 63%, though concern has fallen 7% to the lowest level since 2017. Compared to their non-Hispanic peers, Hispanic entrepreneurs continue to express more concern about most economic factors with the exception of the political environment.

Economic concerns for the year ahead

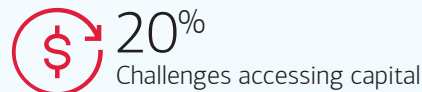
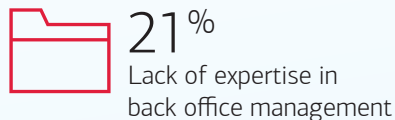
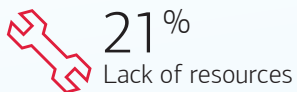
■ Hispanic business owners ■ Non-Hispanic business owners



Reflections and Long-Term Goals

Seventy-two percent of Hispanic entrepreneurs say they have faced obstacles trying to grow their business.

The top three obstacles are...

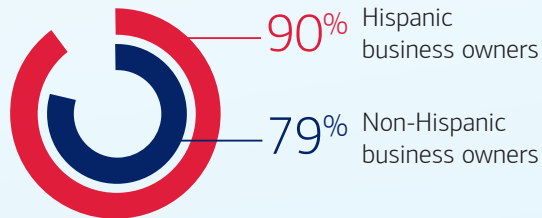


Looking to the future...

I believe the small business environment will strengthen for Hispanic entrepreneurs over the next five years

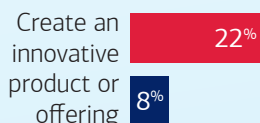
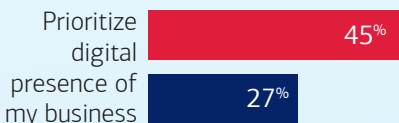


I plan to grow or advance my business in the new decade



Many have also set ambitious goals to grow or advance their business through 2030, more so than their non-Hispanic counterparts.

Goals for the next decade:



■ Hispanic business owners
■ Non-Hispanic business owners

