



Fact Sheet

Latinas and Entrepreneurship

Minority women-owned businesses are a growing force in the U.S. economy. Firms owned by women of color represent 21% of all privately-held, majority-owned women-owned firms in the U.S.¹ and they are growing in numbers at six times the rate of all U.S. firms.²

- Nearly four in ten (39%) minority women-owned firms are owned by Latinas. Firms owned by Latinas represent 8 percent of all privately-held, majority-owned women-owned firms in the U.S. as of 2002.³
- As of 2004, there are an estimated 553,618 majority-owned, privately-held firms owned by Latinas in the U.S., employing nearly 320,000 people and generating \$44.4 billion in sales.³
- Between 1997 and 2004, the number of Latina firms increased by 64% and sales grew by 62%. Employment increased by 36% over this period.³
- More than half (58%) of Latina-owned firms are in the service sector and 13% are in retail trade.³
- The greatest growth by industry in the number of Latina-owned firms from 1997 to 2004 is seen in: transportation/communications/public utilities (73% growth); services (62% growth) and construction (51% growth).³
- The 10 states with the greatest number of Latina-owned firms as of 2002 are: 1) California; 2) Texas; 3) Florida; 4) New York; 5) Arizona; 6) Illinois; 7) New Jersey; 8) Massachusetts; 9) New Mexico; and 10) Colorado.⁴
- The states where Latina-owned firms comprise the greatest share of all women-owned firms are: 1) New Mexico (20%); 2) Texas (18%); 3) California (17%); 4) Florida (16%); 5) New York (14%); 6) Arizona (13%); 7) New Jersey, Nevada and Colorado (tied—7%); and 10) Massachusetts, Rhode Island and Hawaii (tied—6%).⁴
- As of 2002, one in twenty-four (4.2%) adult Latina women in the U.S. are entrepreneurs, compared to one in eighteen of all adult women in the U.S. Latina women have the second-lowest rate of ownership among the major ethnic groups (American Indian & Alaska Native—9.3%; Asian and Pacific Islander—8.5%; Caucasian—6.0%; Latina—4.2%; African American—2.8%).⁵
- There is a dramatic drop in the rate of entrepreneurship among Latina women after the age of 34, a decrease not reflected in the data for white or African American women until they reach their middle fifties. This suggests that after their mid-thirties, the social role of Latina women differs somewhat from that of white and African American women in that age category.⁶
- Firms owned by Latina women are somewhat less likely to have employees than are other women-owned firms. Just 12 percent of Latina-owned firms employ at least one person other than the owner, compared to 16 percent of women-owned firms overall.⁷
- Among women-owned firms with employees, Latina firms employ an average of 6.0 workers, compared to 5.4 employees among Asian and Pacific Islander, 8.1 employees among African American, and 8.5 employees among Native American women-owned employer firms. Overall, women-owned employer firms employ an average of 8.4 workers.⁷
- Nearly three-quarters (73%) of Latina-owned employer business locations in existence in 1997 were still in operation three years later. Among all women-owned employer establishments, 75 percent remained in business over the period.⁸
- In two industries (construction and retail trade), Latina-owned employer establishments had higher survival rates than did women-owned employer establishments overall. The survival rate among Latina-owned employer establishments in construction was 79% from 1997 to 2000, compared to 74% among all women-owned employer establishments. Latina-owned retail-trade employer firms also had a 79% survival rate over the period, compared to 75% among all women-owned employer establishments. In all other industries, Latina-owned employer firms showed

lower rates of survival than did all women-owned employer establishments.⁸

- Looking at those Latina-owned employer firms that were in business in 1997, there was a net loss of employment of 4.6% between 1997 and 2000, similar to the net loss of employment of 4.2% among all women-owned employer establishments over the same period.⁸
- Among those Latina-owned employer establishments that were still in business in 2000 (that is, those that

“survived”), those that expanded employment greatly outnumbered those that shed jobs. More than four in ten establishments (42%) increased employment, while 27% saw a decrease in employment, and 31% of firms held their employee base. The net result is that, among the *surviving* Latina-owned employer establishments, there was a 17.0% increase in employment. This is slightly stronger than the 13.7% increase in employment among all surviving women-owned employer establishments.⁸

¹ Center for Women’s Business Research, “Businesses Owned by Women of Color in the United States, 2004: A Fact Sheet.” (<http://www.womensbusinessresearch.org/minority/BusinessesOwnedbyWomenofColorintheUS.pdf>)

² Center for Women’s Business Research (<http://www.womensbusinessresearch.org/minoritynumbers.html>)

³ Center for Women’s Business Research, “Hispanic Women-Owned Businesses in the United States, 2004: A Fact Sheet.” (<http://www.womensbusinessresearch.org/minority/HispanicWomen.pdf>)

⁴ Center for Women’s Business Research (CWBR) (<http://www.womensbusinessresearch.org>)

⁵ Calculated by the National Women’s Business Council using data from the U.S. Census Bureau and Center for Women’s Business Research.

⁶ From the Panel Study of Entrepreneurial Dynamics, a report sponsored by the Ewing Marion Kauffman Foundation (<http://projects.isr.umich.edu/PSED/> or <http://www.emkf.org/pages/316.cfm>)

⁷ Calculated by the National Women’s Business Council using data from the U.S. Census Bureau (www.census.gov)

⁸ National Women’s Business Council, “Trends in Latina-Owned Employer Establishments: 1997 to 2000.” (http://www.nwbc.gov/ResearchPublications/documents/issue_in_brief_census_latina.pdf)

The National Women’s Business Council is a bi-partisan federal government council created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women’s business organizations. For more information about the Council, its mission and activities, contact: National Women’s Business Council, 409 3rd Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825; e-mail: info@nwbc.gov, Web site: <http://www.nwbc.gov>.

