



Greater Austin Hispanic Chamber of Commerce

**Greater Austin Hispanic Chamber of Commerce
Hispanic Business Research Study**

Executive Summary

Study Purpose

The purpose of this report is to provide a descriptive assessment of the Central Texas Hispanic Business Landscape. This report is focused on Hispanic-owned businesses (HOBs) in the five-county Centex Region around Austin, Texas. The data in this report are based on an analysis 9,693 HOBs in the GAHCC Hispanic Business Portal. This is about one-third of the estimated 33,000 HOBs in Centex.

Summary of Key Findings

- HOBs in this study posted revenues of \$4.8 billion in 2013. This is a 90% increase over 2007 revenues reported by HOBs in Centex according to the 2007 Census Survey of Business Owners.¹
- HOBs remain relatively small (four employees) on average.
- Overall average revenue for HOBs shows an increasing trend. However, the medium revenue among HOBs shows that 50% only made \$110k or less in 2013.
- Transportation and warehousing, information, administrative support, finance and insurance, and the professional and technical services industries experienced the fastest growth over the past five years.

¹ <https://www.census.gov/econ/sbo/07menu.html>

Conclusions

1. HOBs are playing a more prominent role in the overall growth of the Central Texas economy.
2. HOB growth is outpacing non-Hispanic-owned business growth in the U.S. According to the U.S. Hispanic Chamber of Commerce, from 2007 to 2013, HOBs grew at an annual rate of 6.66% versus the general rate of 3.14%.²
3. The data clearly show that highly skilled and technology based HOBs will continue to grow and thrive in Austin's high-tech coordinator.
4. Travis County has the largest proportion of HOBs in the medium size range (in number of employees). Thus, the relative economic strength of Travis County directly impacts the performance and growth of HOBs in the other counties.
5. Implementing programs to increase the overall viability and revenue of HOBs can have a significant impact on the Centex economy as a whole.

Recommendations

- Develop industry specific training for fast-growing industries to ensure these new businesses have the tools to survive the first five years in business.
- Develop networking opportunities to connect B2B related businesses with new markets and customers.
- Develop city and county level committees to develop outreach programs for each of the counties in the Centex region.

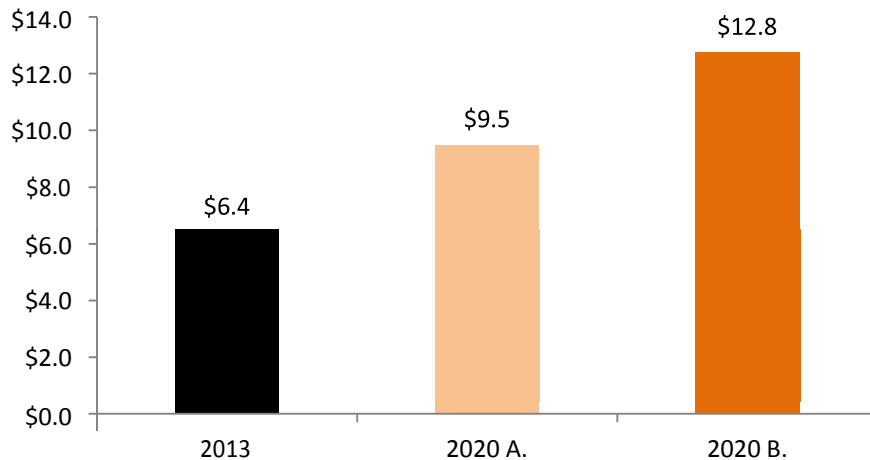
² http://www.geoscape.com/HBR/pdf/Geoscape_HispanicBusinessOwners_FINAL.pdf

- Conduct virtual training seminars on marketing, social media, and financial management. These areas are consistently cited as high need areas among new and growing businesses.

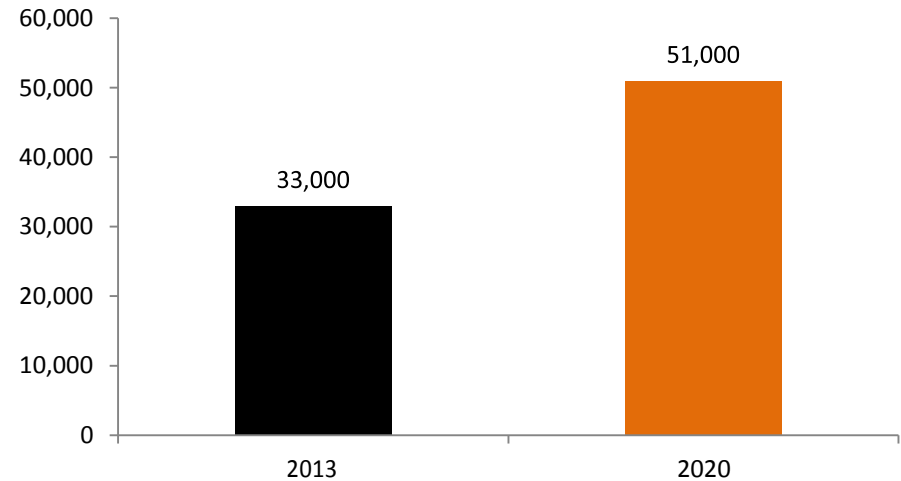
Projections

- Under our scenario A projection, HOB Revenues in Centex are projected to grow from \$6.4 billion in 2013 to \$9.5 billion in 2020. Our scenario B projection equates to \$12.8 billion in revenue by HOBs in 2020.³
- Total HOBs in Centex are projected to grow from 33,000 in 2013 to 51,000 in 2020.
- Total employment by HOBs in Centex is projected to grow from 48,793 in 2013 to 127,500 in 2020.

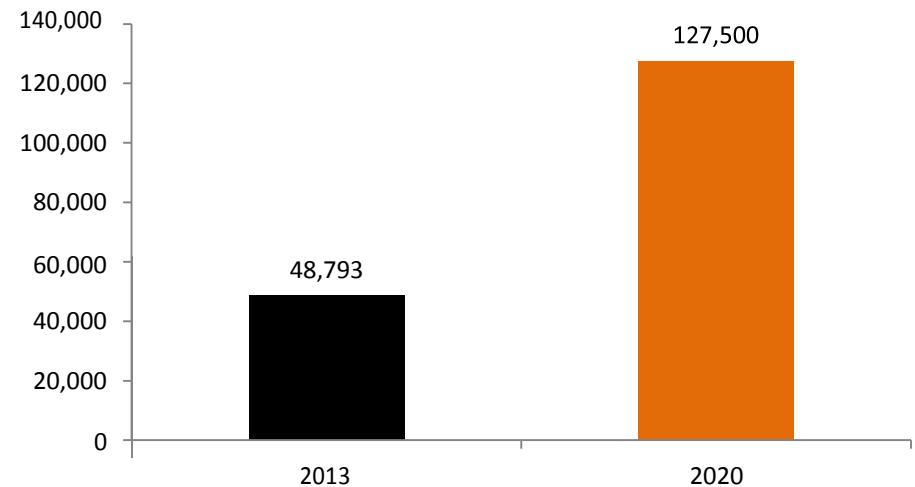
**Projected HOB Revenues in Central Texas*
2013 to 2020 | in U.S. billions
(2020 A and B scenarios)**



**Projected Number of HOBs in Central Texas*
2013 to 2020**



**Projected Employment by HOBs in Central Texas*
2013 to 2020**



*Source: Zpryme projection. See Appendix B for forecast methodology.

³Scenario A projects revenue using the MSA GDP trend, and assumes HOB revenue will grow at the same rate during the forecast period. Scenario B assumes HOB programs can increase HOB revenue by 30% by 2020, to an average of \$300,000.

Report Definitions

Hispanic Owned Business (HOB)

For the purposes of this report, a Hispanic owned business (HOB) means that at least 51% is owned by one or more persons who are Hispanic.

Centex Region

The Centex Region is comprised of the five counties that make up the Austin-Round Rock Texas Metropolitan area as defined by the U.S. Census. The five counties include: Bastrop, Caldwell, Hays, Travis, and Williamson.

Industries

The following industries were assessed for their distribution among the HOBs in the Centex Region:

- Administrative and Support and Waste Management and Remediation Services
- Professional, Scientific and Technical Services
- Construction
- Other Services, except Public Administration
- Retail Trade
- Transportation and Warehousing
- Health Care and Social Assistance
- Real Estate and Rental and Leasing
- Wholesale Trade
- Finance and Insurance
- Manufacturing
- Accommodation and Food Services
- Arts, Entertainment, and Recreation

Information

- Educational Services
- Agriculture, Forestry, Fishing and Hunting
- Management of Companies and Enterprises
- Mining, Quarrying, and Oil and Gas Extraction
- Utilities

The industries are based off the North American Industry Classification System used by Census. The industries are based upon their 2-digit NAICS. To learn more about NAICS please visit the website below.

- <http://www.census.gov/eos/www/naics/>