2021 STATE OF LATINO ENTREPRENEURSHIP

HOUSTON, TX METRO AREA

Stanford Latino Entrepreneurship Initiative surveyed 15,000 employer businesses in 2021 as part of its annual national survey to assess the current state of U.S. Latino entrepreneurship. We have compiled some of the most pressing insights about Latino-owned employer businesses in the Houston metropolitan area.

11,354 Latino-Owned Businesses (LOBs)

68,651 White-Owned Businesses (WOBs)

There are 11,354 Latino-owned businesses in the area. With 17 Latino-owned companies for every 100 White-owned businesses, the Houston metro area has a higher concentration of Latino-owned businesses than the United States at large (8 LOBs for every 100 WOBs).

LATINOS IN TECH

13%

13% of LOBs in the Houston metro area are tech firms, compared to 18% among WOBs.

At the national level, LOBs are more likely to be in tech than WOBs (19% and 14%, respectively).

TOP CUSTOMERS FOR BUSINESSES

1. Consumers (B2C)
   - 72% LOBs
   - 61% WOBs

2. Businesses (B2B)
   - 23% LOBs
   - 32% WOBs

3. Nonprofit
   - 3% LOBs
   - 4% WOBs

INCOME-ORIENTED

1.3x

Houston-based LOBs are 1.3 times as likely as WOBs to report their primary goal as an entrepreneur is to operate a business that generates steady income.

EFFECT OF PANDEMIC

The COVID-19 pandemic was challenging for both Latino and White firms, although more Latino-owned firms reported negative impacts of the pandemic (66% LOBs vs. 60% WOBs) in the Houston metro area in 2021.

PROFITABILITY OF BUSINESS

LOBs are less likely than WOBs to be profitable (49% and 54%, respectively) in the Houston metro area. This trend is consistent with national patterns (43% LOBs and 49% WOBs).

LIQUIDITY

LOBs report having less available cash to cover business operations than WOBs in the Houston metro area. This pattern is consistent with national trends.

OUTSTANDING BUSINESS DEBT

LOBs in the Houston metro area are more likely to have outstanding debt than LOBs across the country. Concurred with national trends, LOBs in the Houston metro area have higher outstanding debt on average than WOBs.

COLLATERAL REQUIREMENTS FOR LOANS

In the Houston metro area, 17% of LOBs were not asked to provide collateral when taking out a loan, compared to 8% of WOBs. In other words, LOBs in the area are less likely to be asked to provide collateral than WOBs. This trend is opposite from national patterns.

NOTES:

All data reported are for Latino-owned employer businesses (LOBs) and non-Hispanic White-owned employer businesses (WOBs). Our research focuses on employer firms earning over $10,000 in revenue to resemble Census parameters (MOE +/- 5%).

*Estimate does not meet publication standards. More information about data and methodologies can be found in the 2021 State of Latino Entrepreneurship national report.

SOURCES:


For more information, visit gsb.stanford.edu/slei