2018 RESEARCH FINDINGS
STATE OF LATINO ENTREPRENEURSHIP

REGIONAL INSIGHTS: HOUSTON
PROFILES OF HOUSTON METROPOLITAN AREA-BASED LATINO ENTREPRENEURS

0.22
Latino Entrepreneurship Gap Score**
Metro-Rank #18*

43%
Immigrant

40%
Female

33%
Millennial (Ages 36 and younger)

43 years
Average Owner Age

13%
Four-Year College Degree

6 years
Average Age of Firm

51%
Low-to-Lower-Middle Income as Children

23%
Latino-Oriented Products***

35%
Family History of Entrepreneurship

SOURCES OF CAPITAL FOR GROWTH

<table>
<thead>
<tr>
<th>Houston</th>
<th>TX</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line of Credit</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Local Bank Loan</td>
<td>3%</td>
<td>6%</td>
</tr>
<tr>
<td>National Bank Loan</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Gov’t Loan</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Venture Cap.</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Angel Investment</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Hard Money</td>
<td>8%</td>
<td>4%</td>
</tr>
</tbody>
</table>

PROFITABILITY, PREVIOUS 12 MONTHS

<table>
<thead>
<tr>
<th>Profits</th>
<th>Break-Even</th>
<th>Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>49%</td>
<td>22%</td>
<td>29%</td>
</tr>
</tbody>
</table>

CHALLENGES TO GROWTH

<table>
<thead>
<tr>
<th>General Economy</th>
<th>Marketing</th>
<th>Competition</th>
</tr>
</thead>
<tbody>
<tr>
<td>52%</td>
<td>51%</td>
<td>41%</td>
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</tbody>
</table>

* Ranking based on the 50 largest U.S. metropolitan areas
** Difference in rate of Latino and non-Latino business owners (1 = rate is the same)
*** Latino-oriented products/services are targeted specifically to Latinos or stem from Latino influences.

Report based on data from 212 Houston Metropolitan Area Latino firms and 666 Texas Latino firms. Source: SLEI 2018 Survey of U.S. Latino Business Owners

INDUSTRIES
- Financial Activities
- Information
- Leisure and Hospitality
- Construction
- Manufacturing
- Natural Resources and Mining
- Trade, Transportation, and Utilities
- Professional and Business Services
- Other Services
- Education and Health Services

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