2018 RESEARCH FINDINGS
STATE OF LATINO ENTREPRENEURSHIP

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

0.18
Latino Entrepreneurship Gap Score**
Metro-Rank #24*

15%
Immigrant

34%
Female

49%
Millennial (Ages 36 and younger)

42 years
Average Owner Age

11%
Four-Year College Degree

11 years
Average Age of Firm

51%
Low- to Lower-Middle Income as Children

30%
Latino-Oriented Products**

43%
Family History of Entrepreneurship

SOURCES OF CAPITAL FOR GROWTH

<table>
<thead>
<tr>
<th>Phoenix</th>
<th>AZ</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line of Credit</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Local Bank Loan</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>National Bank Loan</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Gov't Loan</td>
<td>&lt;1%</td>
<td>1%</td>
</tr>
<tr>
<td>Venture Cap.</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Angel Investment</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Hard Money</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

PROFITABILITY, PREVIOUS 12 MONTHS

<table>
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<tr>
<th>Phoenix</th>
<th>AZ</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profits</td>
<td>46%</td>
<td>33%</td>
</tr>
<tr>
<td>Break-Even</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Losses</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

INDUSTRIES

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

CHALLENGES TO GROWTH

<table>
<thead>
<tr>
<th>Clients/Customers</th>
<th>Finances</th>
<th>General Economy</th>
</tr>
</thead>
<tbody>
<tr>
<td>61%</td>
<td>51%</td>
<td>48%</td>
</tr>
</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.

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