2018 RESEARCH FINDINGS

STATE OF LATINO ENTREPRENEURSHIP

REGIONAL INSIGHTS: PUERTO RICO
PROFILE OF PUERTO-RICO-BASED LATINO ENTREPRENEURS

- **Average Owner Age**: 47 years (U.S.-PR firms: 39 years)
- **Tech Companies**: 7% (U.S.-PR firms: 10%)
- **Networked** *(U.S.-PR firms: 28% years)*
- **Millenial (Ages 21-34)** (U.S.-PR firms: 54%)
- **Scaled Firms ($1M+)** (U.S.-PR firms: 3%)

- **Average Age of Firm**: 11 years (U.S.-PR firms: 7 years)
- **Low- to Lower-Middle Income as Children**: 56% (U.S.-PR firms: 41%)
- **Latino-Oriented Products** *(U.S.-PR firms: 21%)
- **Family History of Entrepreneurship**: 63% (U.S.-PR firms: 42%)

### SOURCES OF CAPITAL FOR GROWTH

<table>
<thead>
<tr>
<th>Source</th>
<th>PR</th>
<th>U.S.-PR</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line of Credit</td>
<td>4%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Local Bank Loan</td>
<td>1%</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Nat’l Bank Loan</td>
<td>&lt;1%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Gov’t Loan</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Venture Cap.</td>
<td>&lt;1%</td>
<td>&lt;1%</td>
<td>1%</td>
</tr>
<tr>
<td>Angel Funding</td>
<td>1%</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>7%</td>
<td>1%</td>
<td>3%</td>
</tr>
<tr>
<td>Hard Money</td>
<td>&lt;1%</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

### PROFITABILITY, PREVIOUS 12 MONTHS

- **Profits**: 29%
- **Break-Even**: 38%
- **Losses**: 33%

### CHALLENGES TO GROWTH

- **Economy**: 77%
- **Financing**: 69%
- **Customers**: 37%

### INDUSTRIES

- Leisure and Hospitality
- Construction
- Manufacturing
- National Resources and Mining
- Trade, Transportation, and Utilities
- Professional and Business Services
- Other Services (Except Public Admin.)
- Education and Health Services

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*“Networked” is defined as participating in formal business organizations such as chambers of commerce or trade associations.*

**Latino-oriented products/services are targeted specifically to Latinos or stem from Latino influences.*

Note: U.S.-PR firms are Puerto Rican-owned firms based in the U.S.