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The View from Main Street

A survey of Massachusetts businesses with under 500 employees
Analysis of Latino-owned businesses

September 15, 2022

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Survey Background

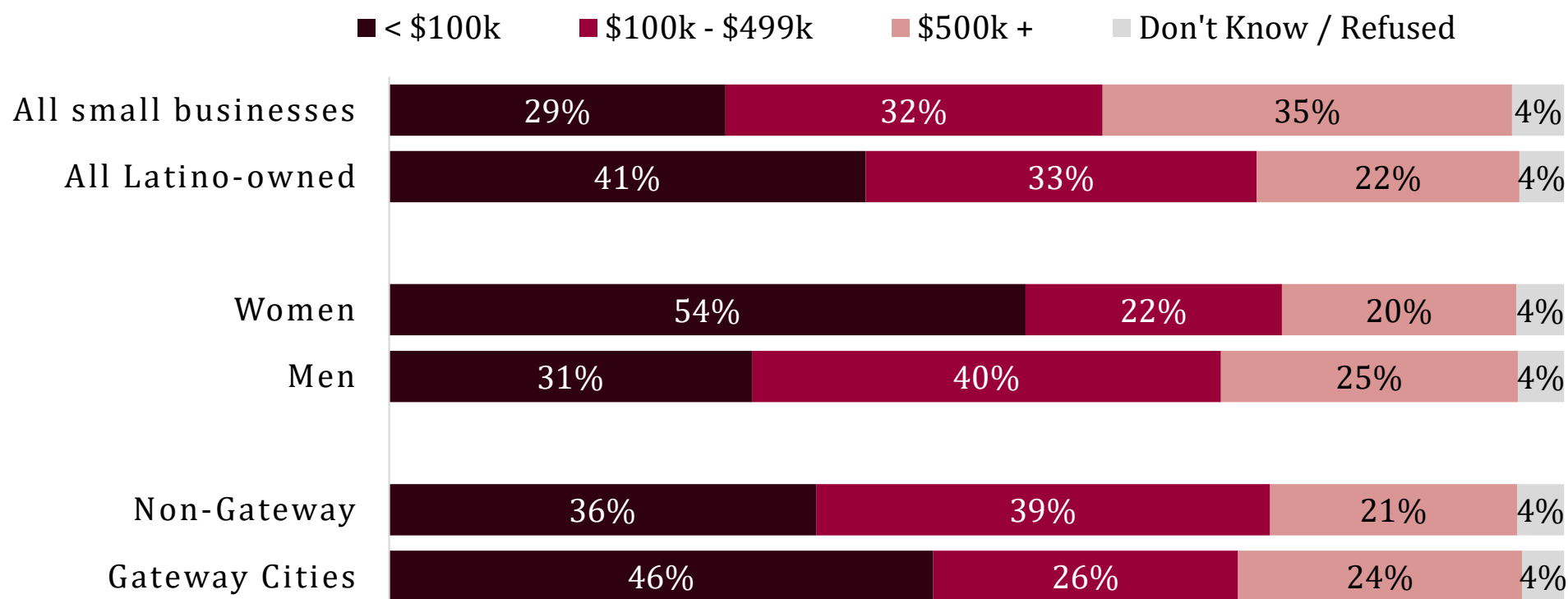
- Results based on a statewide survey of 3,243 small business leaders in Massachusetts including 443 Latino-owned businesses.
- Conducted June 30-August 9, 2022 via online interviewing with distribution through MGCC, business associations, and other organizations across the state.
- Data was weighted to known and estimated population parameters on gender and race/ethnicity of company owners using SBA and Census data.
- This project was sponsored by the Coalition for an Equitable Economy and made possible by assistance from The Mass Growth Capital Corporation. This analysis was sponsored by Amplify Latinx.
- We would also like to thank the many small business groups throughout the state who helped distribute the survey.

Business size and demographics

- Latino-owned small businesses tend to be smaller than average, with 41% reporting under \$100k a year. Those owned by women are smaller still.

Latino-owned businesses tend to be smaller on average than other businesses

% who reported 2021 total business revenue

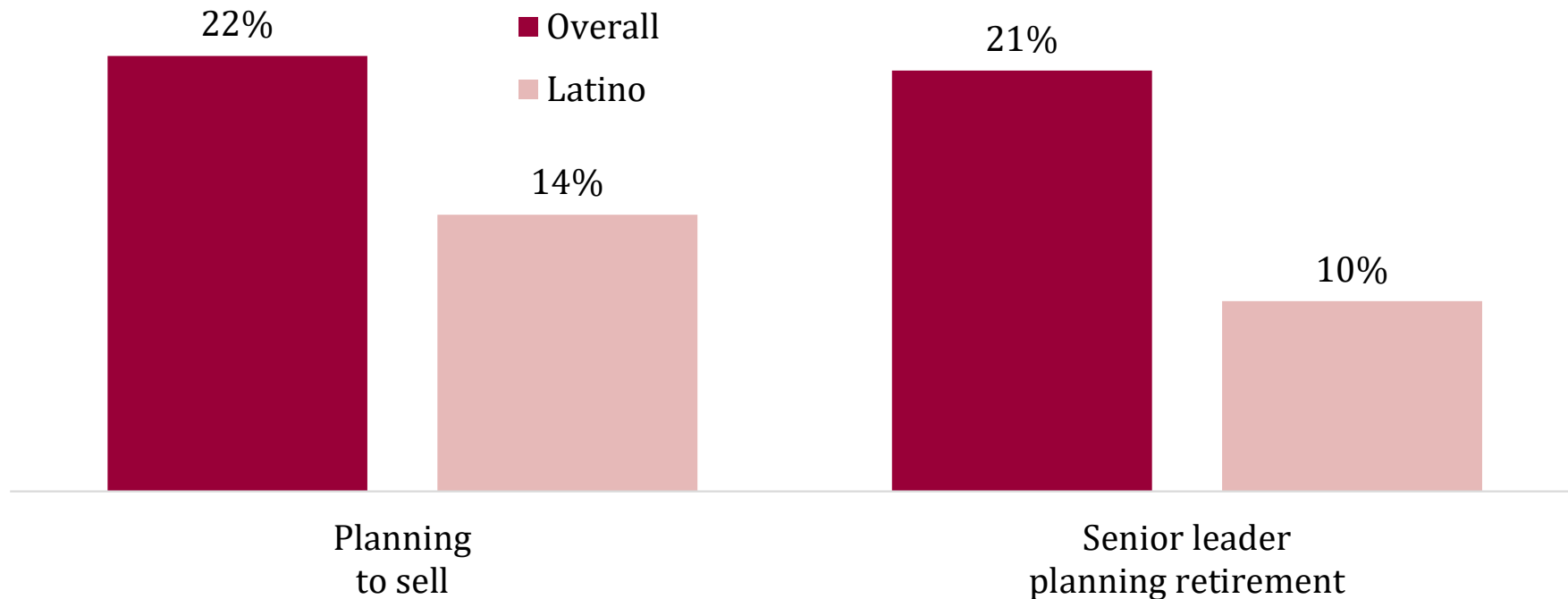


Retirements / sales

- Latino-owned businesses are less likely to see a sale of the business or a senior leader retirement coming soon.

Fewer Latino-owned businesses see major business transitions ahead

% who say a senior business leader is planning on retiring within 5 years or a sale is ahead



Revenues compared to pre-COVID

- Just 28% of Latino-owned small businesses report higher revenues compared to before COVID, on par with state averages.

Overall, Latino owned businesses report similar overall revenue impacts
% who say revenues are _____ compared to pre-COVID

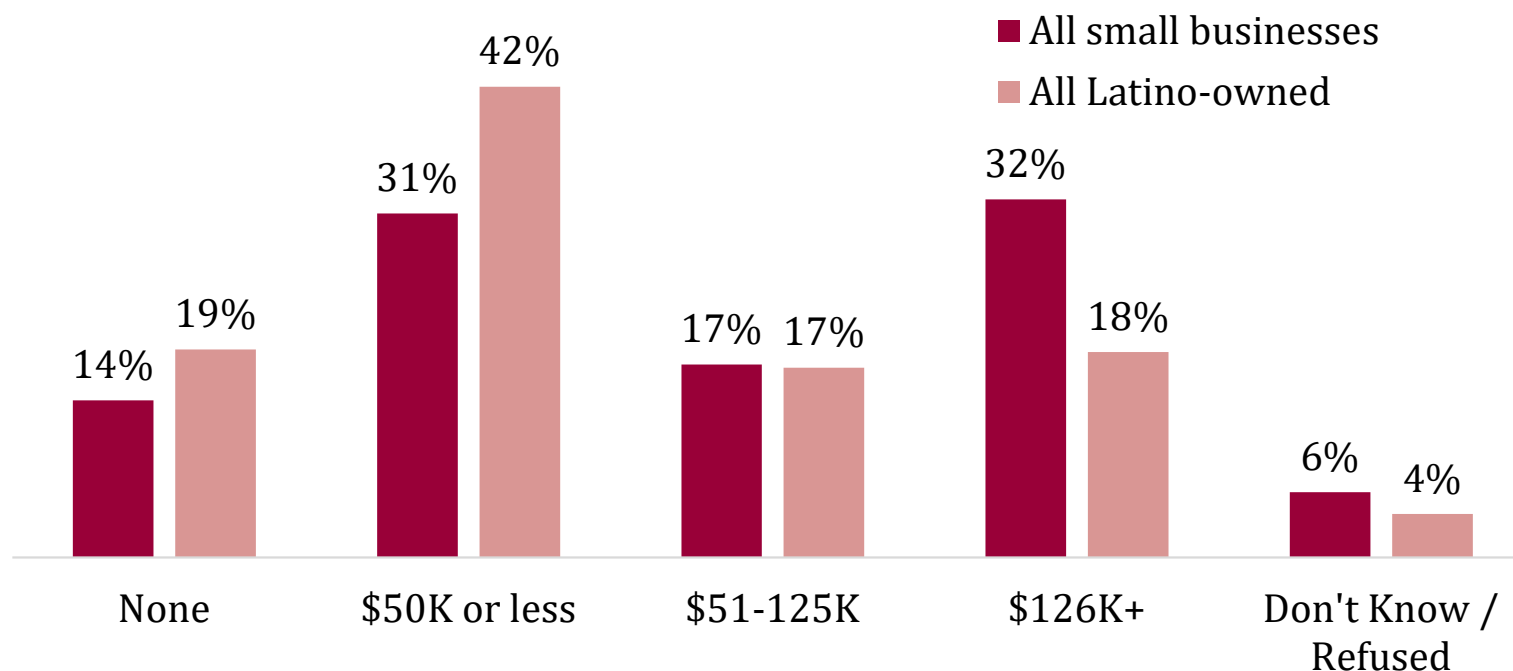
	All small businesses	All Latino-owned
Revenues up	26%	28%
About the same	18%	13%
Revenues down	53%	53%
Don't Know / Refused	3%	6%

COVID relief funds

- Latino owned businesses received less in COVID relief funds than small businesses as whole.

Most Latino-owned businesses report under \$50k in COVID funds

% who say they received _____ in COVID-relief funding



Key concerns

- Getting capital is a top concern for businesses owned by people of color, with 88% of Latino-owned businesses citing it as a “major concern.”

Capital, inflation impacts are top concerns for Latino-owned businesses

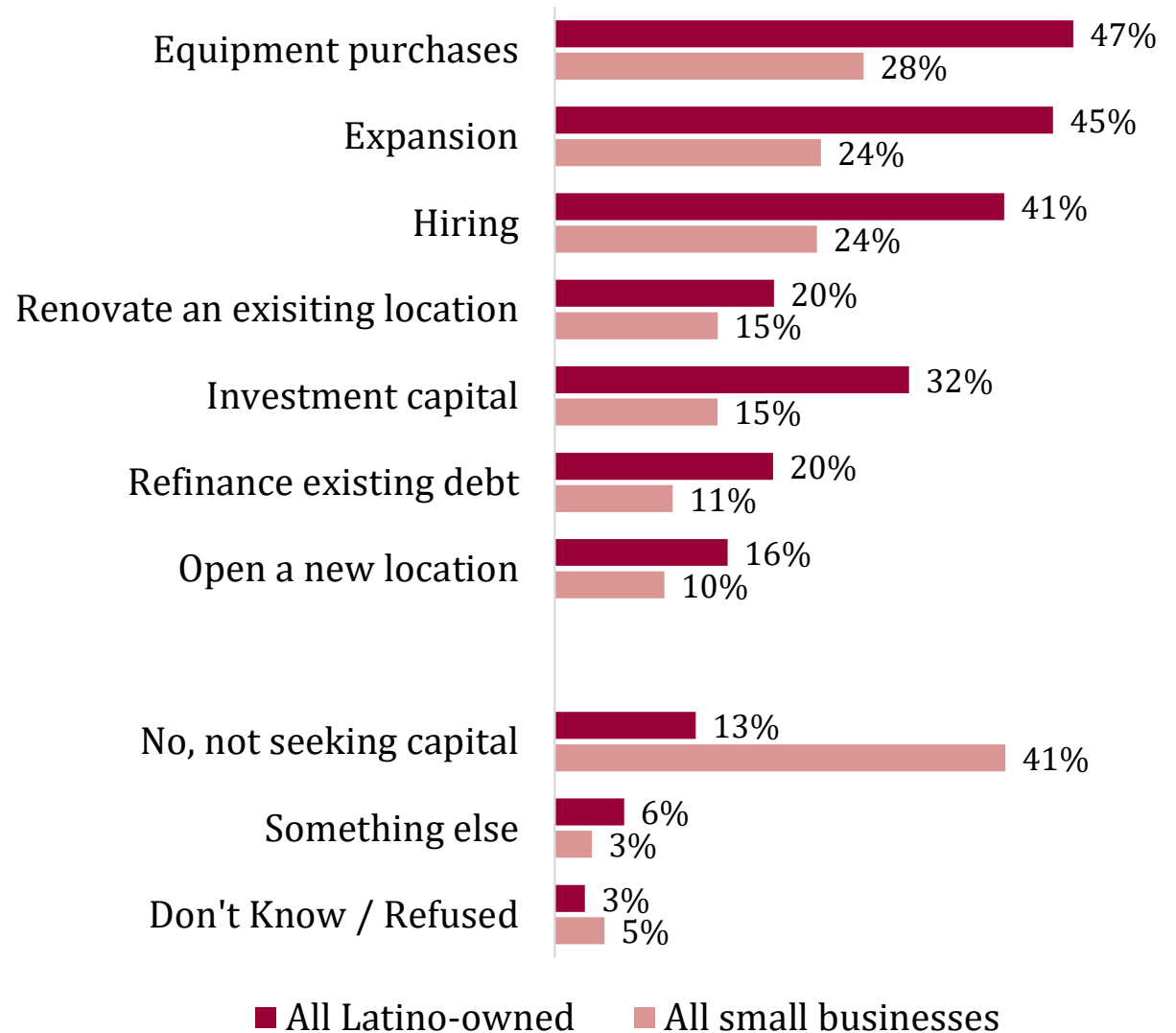
% who call each item a “major concern” for their business

	Overall		Latino	Black	Asian	White
Getting capital	60%		88%	85%	77%	55%
Rising operating costs due to inflation	74%		84%	68%	81%	73%
Wages keeping up with inflation	61%		68%	61%	71%	58%
Difficulty finding qualified / reliable employees	54%		59%	48%	66%	52%
Fewer customers coming in	43%		51%	43%	65%	40%
Difficulty hiring enough employees	46%		48%	39%	54%	45%
Supply chain problems	40%		40%	39%	47%	40%
Health risks due to COVID-19	27%		37%	39%	33%	25%
Higher than usual turnover	23%		35%	27%	35%	19%
Employee mental health	24%		35%	32%	24%	24%
Issues with business space	16%		30%	28%	20%	14%

Expansion plans

- Latino owned businesses are seeking capital for a range of reasons related to trying to grow the business.
- Capital constraints are a key barrier to growth.

Latino owned businesses are more likely to be seeking capital
% who say their business is seeking capital for each purpose



How much financing was received

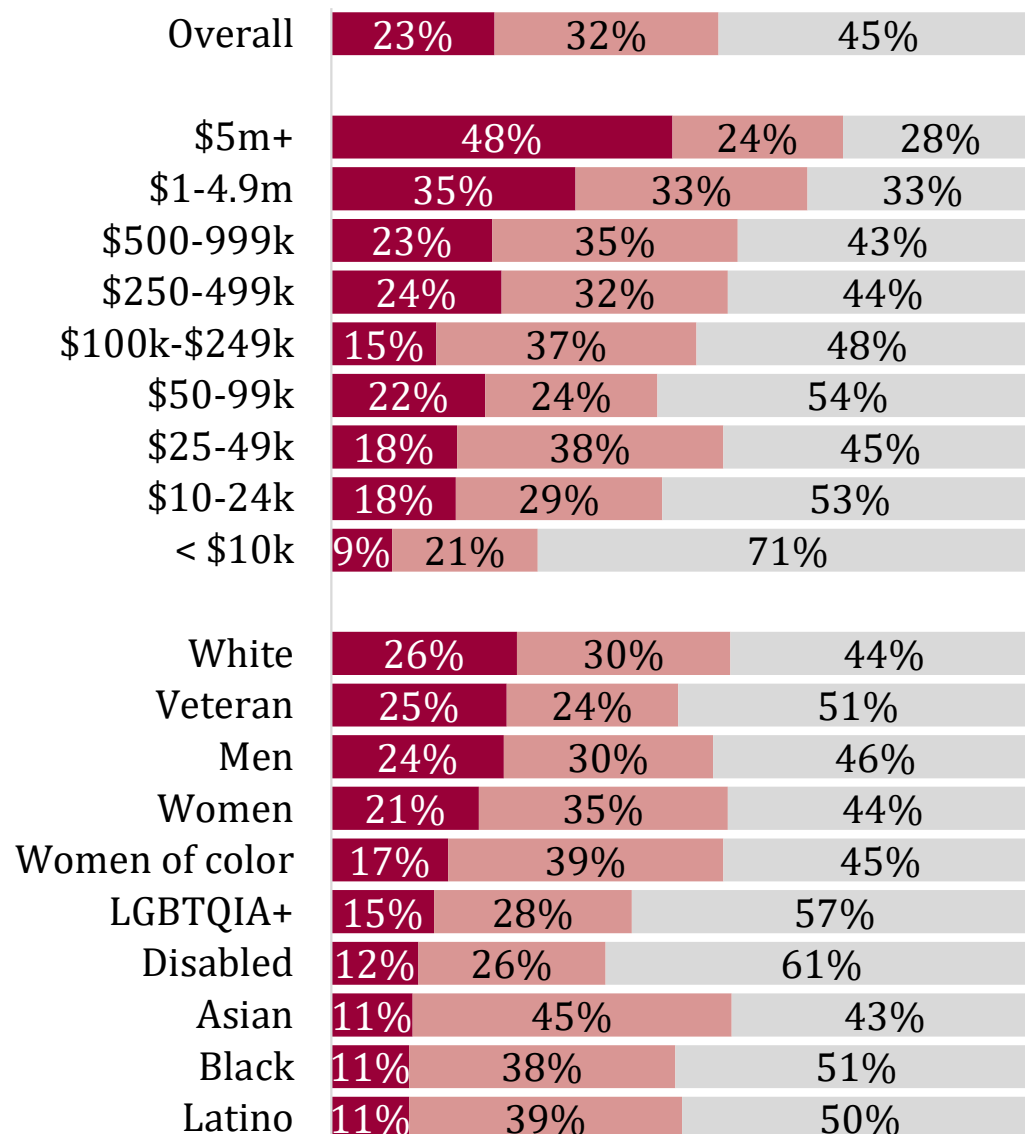
- Latino owned businesses applying for new loans or financing are among the least likely to report receiving the full amount.
- Overall, 23% of those who applied in the last 2 years said they received the full amount of financing they requested, compared to 11% Latino-owned.

Q: Other than COVID relief funding, has your company applied for or received any new loans or financing in the last 2 years?

What happened to financing applications

% who applied for financing in the last 2 years who ...

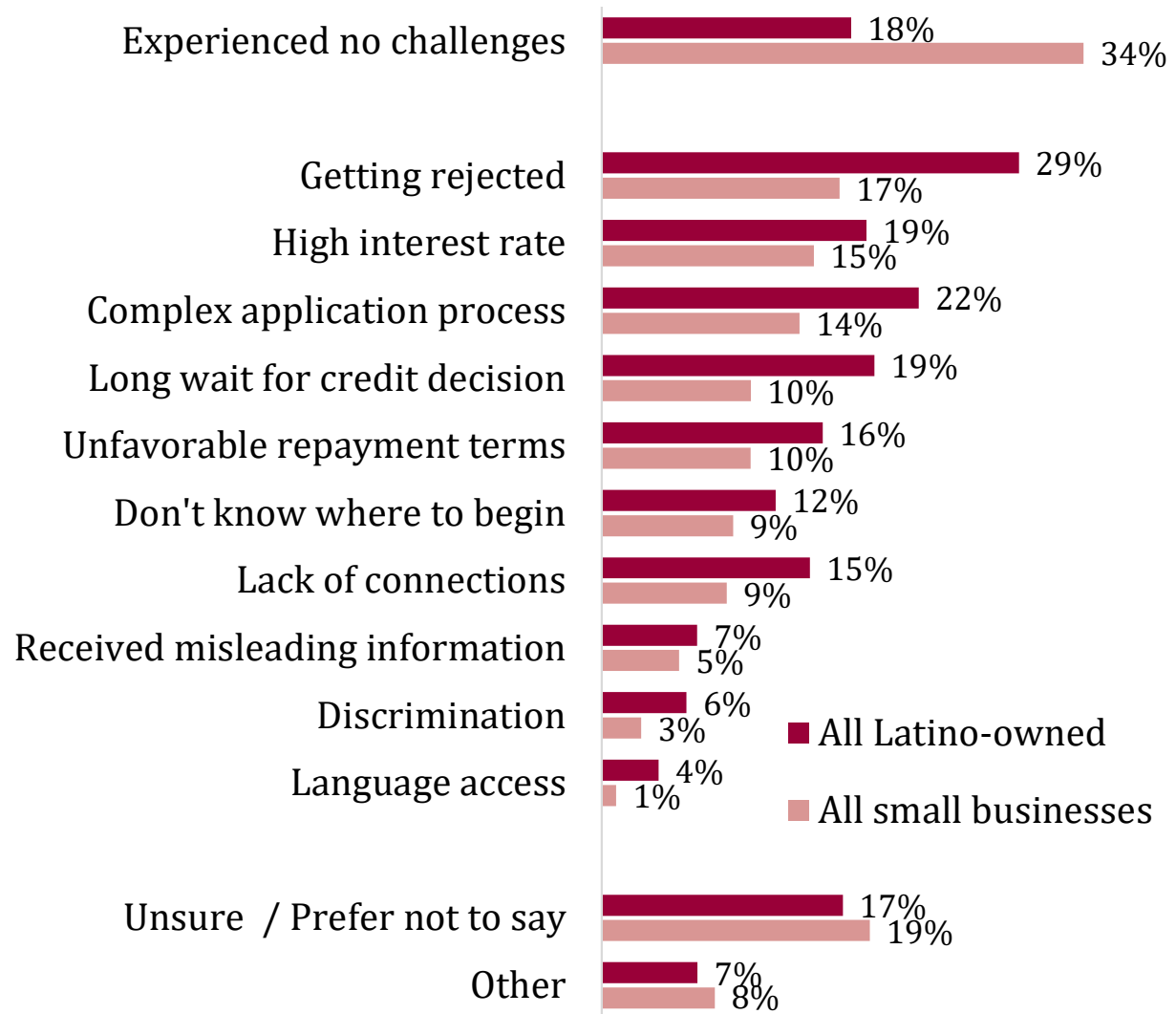
■ Received all ■ Received some ■ Received none



Loan application challenges

- Latino-owned businesses were more likely to report a range of challenges when it came to getting financing compared to small businesses as a whole.

Latino owned businesses report more loan challenges
% of those who applied who reported each problem with loan applications

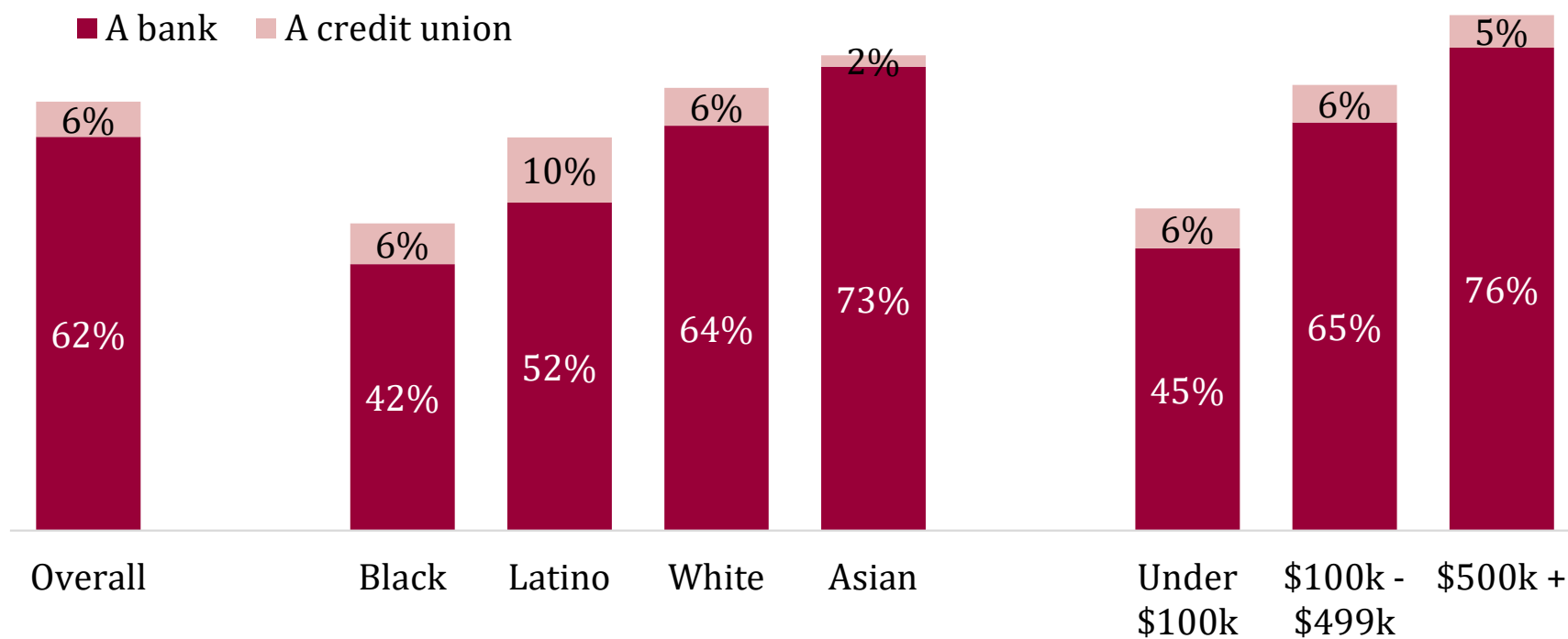


Credit from banks / credit unions

- Banks and credit unions are a less common source of credit for businesses owned by people of color.

Major differences in the use of banks and credit union as sources of credit

% that use banks or credit unions for loans, credit cards, or lines of credit

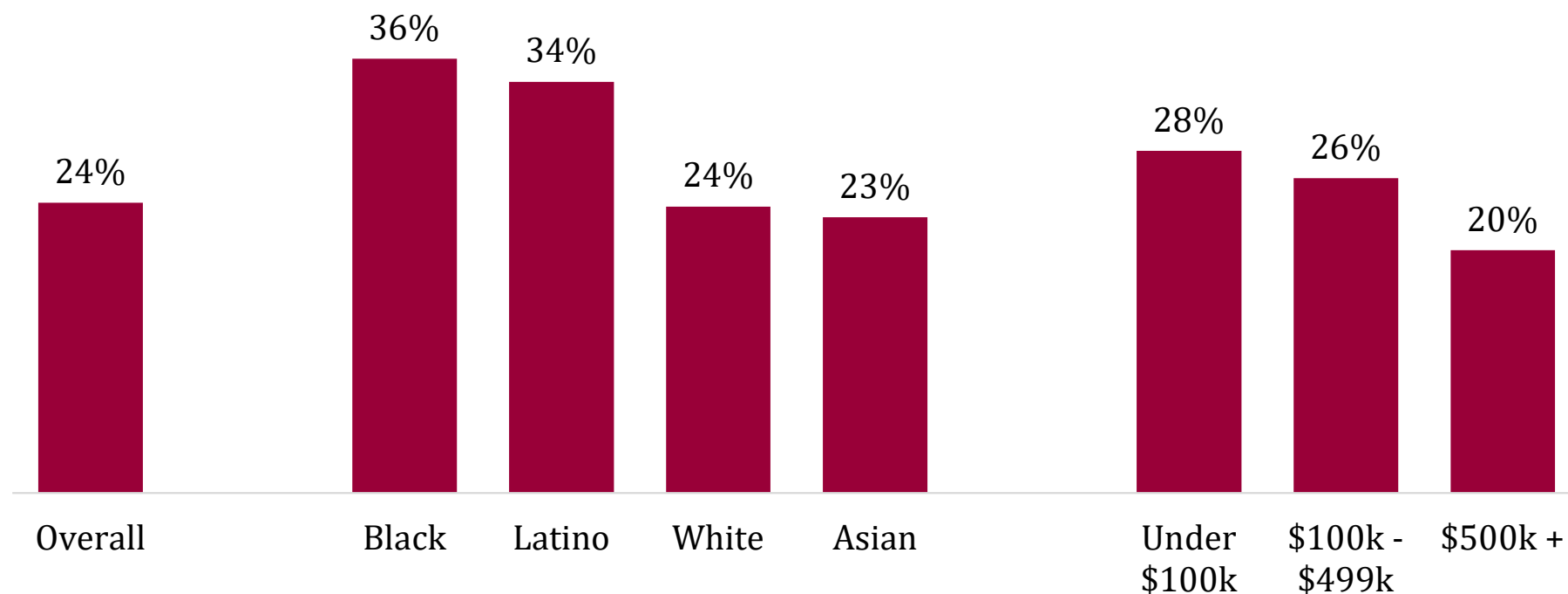


Use of alternative funding sources

- Alternative credit sources are more common among Black and Latino owned businesses and smaller businesses.

About a third of Latino-owned businesses use funding sources other than banks

% of businesses using any other financing source beyond banks and credit unions



Real estate expansion plans

- Latino owned businesses are more likely than other businesses to say they would like to buy or rent new space, expand, or open a new location.

Latino and Black owned businesses are more likely to have expansion plans

% of business owners who say they would like to _____ in the next 2 years

	Overall	Latino	Black	Asian	White	Under \$100k	\$100k - \$499k	\$500k +
Buy new space	21%	38%	38%	15%	20%	20%	22%	22%
Expand existing space	19%	26%	24%	12%	19%	20%	18%	20%
Rent new space	17%	22%	27%	21%	16%	24%	15%	13%
Open a new location	14%	25%	26%	19%	12%	15%	14%	13%
Move within Massachusetts	6%	6%	9%	9%	6%	8%	8%	4%
Something else	6%	9%	5%	3%	6%	6%	5%	6%
Reduce your space	4%	3%	2%	7%	4%	3%	4%	5%
Move to another state	4%	2%	6%	3%	4%	4%	4%	3%

None of these	39%	21%	17%	42%	42%	34%	40%	41%
Don't Know / Refused	4%	2%	3%	7%	4%	3%	5%	3%

Past due bills and taxes

- Latino-owned businesses are more likely to report facing past-due bills than are small businesses as a whole.

Past due bills and taxes remain a concern among some businesses

% of business owners who report having bills 3 months or more past due

	Overall	Latino
Rent / mortgage	8%	18%
Vendors / supplier bills	6%	14%
Taxes	6%	14%
Utilities	5%	12%
Credit cards	5%	14%
Insurance	3%	7%
Loans	3%	8%
None of these	78%	57%
Unsure / Prefer not to say	4%	4%



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