



CONCLUDING REMARKS FROM LBAN REGARDING OUR STATE OF LATINO ENTREPRENEURSHIP REPORT

Latino Business Action Network (LBAN)

CONCLUDING REMARKS

At the Latino Business Action Network (LBAN), we are committed to growing the U.S. economy by empowering Latino entrepreneurship across the U.S. Latino-owned businesses are growing at a remarkable pace, yet recurring external barriers continue to limit their ability to scale and compete on equal footing. Addressing these challenges is not just about equity — it is essential for sustaining economic growth and job creation.

Latino-owned businesses have proven to be a vital and dynamic force in the U.S. economy, demonstrating resilience, ingenuity, and strong contribution to economic growth. There are already five million Latino-owned businesses that invoice \$800B annually, and this grows faster than the national average. However, significant challenges persist, including a lack of fair access to capital, which often leads to predatory lenders filling the void, achieving revenue parity, and overcoming operational hurdles. Closing these gaps demands a strategic and coordinated approach. To unlock the full potential of Latino entrepreneurship and drive an additional \$1.1 trillion into the U.S. economy, stakeholders — including policymakers, business leaders, entrepreneur support organizations (ESOs), and LOBs themselves — should act intentionally and collaboratively.

By fostering a thriving entrepreneurial ecosystem, we can expand opportunities, drive innovation, and create lasting economic prosperity. The following roadmap outlines key strategies to address these barriers and amplify positive trends.

1. EXPAND ACCESS TO CAPITAL

While LOBs face barriers in accessing the financing needed to scale, there are also proactive steps they can take to bolster their financial readiness and improve their capacity to secure funding. Addressing these gaps requires innovative and collaborative solutions.

Enhance Perspectives and Understanding

- Set up internal task forces to review and refine lending practices, with reporting updates on Latino entrepreneurs.

Enhance Transparency in Lending

- Support clear, standardized criteria for loan approvals to promote consistency in evaluations and provide greater transparency around subjective criteria in the loan process.
- Encourage lenders to offer constructive feedback on funding denials and actionable steps for improving future applications.
- Conduct regular audits of loan decisions to identify and address disparate outcomes across SEDI and LMI communities.
- LOBs can request and leverage feedback from lenders to refine their business plans and improve future applications.

Create Tailored Financial Solutions

- Create low-cost, flexible financing options, including microloans, community-backed lending programs, and credit-building tools.
- Broaden access to alternative funding sources, such as Community Development Financial Institutions (CDFIs), revenue-based financing, etc.

2. DRIVE REVENUE PARITY THROUGH CAPACITY BUILDING

Despite steady growth, the revenue gap between LOBs and WOBs remains significant. Bridging this gap could generate \$1.1 trillion in additional revenue annually, creating transformative economic impacts.

Invest in Growth-Oriented Programs

- Evaluate the inclusiveness of leading accelerators, ensure fair representation, and foster meaningful connections for founders of all backgrounds.

3. ADDRESS OPERATIONAL HURDLES WITH HOLISTIC SUPPORT

Create Industry-Specific Support Systems

- Develop sector-specific solutions, such as supply chain assistance for retail businesses, distribution resources for CPG companies, technology integration support for AI and other emerging technologies, etc.

4. CLOSE CONTRACTING GAPS

LOBs often face underrepresentation in securing government and corporate contracts, limiting their ability to scale.

Streamline and Measure the Procurement Process

- Simplify the bidding process for public and private sector contracts to make it more accessible to small businesses.
- Conduct and publish disparity reports for government procurement at all levels.
- Corporations and other entities capture meaningful data such as the number of Latino businesses, the contract size, and the number of prime contracts, etc.

Redesign Supply Chain Initiatives

- Align executive leadership and procurement goals to ensure a diverse and representative supply chain.
- Create opportunities for LOBs to connect and network directly with buyers and decision-makers.
- Consider introducing new suppliers in expansion projects or new project opportunities in lieu of leveraging the same supplier.

5. AMPLIFY GREEN INITIATIVES AS A COMPETITIVE ADVANTAGE

LOBs are engaging in sustainability efforts and strengthening these initiatives can yield both economic and environmental benefits.

Promote Public-Private Partnerships

- Foster collaborations between LOBs, local governments, and environmental organizations to scale green initiatives and share best practices.

Integrate Green into Marketing Strategies

- Equip LOBs with tools to highlight their sustainability efforts as part of their brand identity, appealing to environmentally conscious consumers and investors.
- LOBs can showcase their green initiatives as part of their competitive strategy, leverage eco-certifications, engage customers through storytelling, and promote sustainability in their marketing campaigns to enhance brand reputation and attract eco-conscious consumers.

The path forward for Latino-owned businesses is clear -- targeted investments, policies, and robust support systems are essential to address persistent barriers and unlock the immense economic potential of these businesses.

Policymakers, financial institutions, corporations, and community organizations all have a role to play in leveling the playing field to accelerate the success of Latino and other underrepresented entrepreneurs, or unlocking their potential and catalyzing significant economic growth and broader impact. This roadmap is not just a strategy for supporting Latino-owned businesses—it is a strategy for fostering innovation, workforce development and economic growth for all.