Hispanic Business Report
California
2011

Documenting the Economic Impact
Of Hispanics in
California and in Los Angeles County

Prepared by:
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&
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TABLE OF CONTENTS

I. Foreword .................................................................3

II. List of Figures and Tables ...........................................4

III. Overview ......................................................................5
     A. Population ............................................................5
     B. Business Trends .....................................................6
     C. Sales & Gross Receipts ..............................................7
     D. Payroll ..................................................................8
     E. Employees ............................................................9

IV. References ..................................................................10
I. FOREWORD

The Institute for Organizational Training & Development (IOTD) is a national association of Hispanic entrepreneurs, and individuals whose interest lies in building the strength of the national Hispanic business community. The IOTD seeks to support the interests of the over 200 state and local Hispanic chambers and business associations. One of the methods for supporting Hispanic chambers is through the development and publication of Hispanic business reports.

The IOTD collectively supports the growth and prosperity of as many as 2.3 million Hispanic businesses, operating throughout the United States and Puerto Rico. The national headquarters of the IOTD is in Stockton, California.

WDR has developed the Annual National Hispanic Business Reports for the United States Hispanic Chamber of Commerce, as well as development of Hispanic business state reports for Louisiana, New Mexico, Texas, New York, New Jersey, Florida, Colorado, Illinois, California, Georgia and the Washington D.C. Area.

To meet the growing and varied demands of Hispanic entrepreneurs, the IOTD and WDR have created the Hispanic Business Research Center. This center serves as a clearinghouse for information on Hispanic business growth, plus provides technical assistance to Hispanic Chambers of Commerce.

The purpose of this report is to inform the reader of the growing contribution Hispanic entrepreneurs are making to the state of California. It is a fact that Hispanic Americans are continuing to assimilate into the economic mainstream, and this report will illustrate the rate of growth taking place in the business community.

The Institute for Organizational Training & Development monitors the growth of Hispanic enterprises and reports on its progress. This document is developed to provide an understanding of the direction Hispanic-owned business is taking. In addition to providing technical assistance to business professionals, the Center also serves as a clearinghouse for information on Hispanic population trends.

The rapid growing Hispanic population strongly suggests that Hispanic Americans are indeed playing a significant role in the American economy thorough business ownership. The Hispanic business sector is one of the fastest growing in the nation. It is the intent of the Institute for Organizational Training & Development to bring important issues to your attention and to the attention of our national, state and local leaders, thorough the publication of these reports.

With this in mind we are pleased to present: Hispanic Business Enterprise Economic Focus Report 2011 for the state of California.

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II. FIGURES AND TABLES

A. National & California Hispanic Population Growth

B. California & Los Angeles Hispanic Population Growth

C. Disposable Income Top Ten States

D. National & California Hispanic Business Growth

E. California & Los Angeles Business Growth

F. National & California Sales and Receipts

G. California & Los Angeles Hispanic Business Sales and Receipts

H. National & California Hispanic Business Payroll

I. California & Los Angeles Hispanic Business Payroll

J. National & California Hispanic Business Employees

K. California & Los Angeles Hispanic Employees
III. OVERVIEW

A. Population
The growth of the Hispanic population has contributed to the enormous growth Hispanic businesses have had nationwide.

National
It was estimated by the U.S. Census for 2010 that there were 47.8 million Hispanics living in the United States. (This number does not include the undocumented Hispanics). Hispanics are projected to reach over 50 million by 2012. *(See Chart 1)*

![Chart 1](chart1.png)

State
The total population in California for 2010 was 36,308,527. Hispanics in California numbered 13,681,375 in 2010 making Hispanics 37.7% of the total population. The Hispanic population is projected to reach 15 million by 2012.

County
The County of Los Angeles had a Hispanic population of 4.3 million in 2002 and projected to have reached 6 million in 2007 and estimated to reach 8 million by 2012. *(See Chart 2)*

![Chart 2](chart2.png)

The Selig Center for Economic Growth University of Georgia estimated that Hispanic buying power nationwide totaled $489.4 billion in the year 2000 and reached $798.3 billion in 2006.

They have projected that the buying power of the Hispanic population will had reached $1.2 trillion by 2011 and projected to grow to $1.3 trillion by 2014. *(See Chart 3)*

![Chart 3](chart3.png)
B. Hispanic Disposable Income
California leads the other states in Hispanic disposable income. The U.S. Census Bureau released the 2007 Hispanic Business Census Data Report in 2010. *(Chart 3)*

The 2007 Hispanic Business Census documented that nationally Hispanic Businesses numbered 2,259,857 and generated $345.2 billion in gross receipts and sales. These same Hispanic businesses employed 1.9 million workers and made a payroll of over $54.7 billion.

What is the growth rate for small Hispanic businesses nationwide in the state of California and Los Angeles County? What are their sales and growth rate? How many employees are working for Hispanic businesses and what is the amount of payroll made to their employees? These are the questions that the report will address.

C. Business Trends
Chart 4 reflects the growth of Hispanic businesses from 2002 to 2007 and projections to 2012.
Hispanic businesses grew to 1.6 million in 2002. In the latest business census of 2007 documented that Hispanic businesses reached 2.3 million. Nationwide Hispanic businesses are projected to reach 2.8 million by 2012.

State
The 2002 U.S. Hispanic Business Census indicated that in California Hispanic-owned businesses increased to 424,724. The 2007 Hispanic-owned business census counted a total 566,436 Hispanic-owned businesses in California.

It is projected by IOTD and World Demographic Research LLC that Hispanic-owned businesses in California will reach close to 725,000 by 2012.

County
Hispanic-owned business in Los Angeles County reached 188,472 in 2002 and grew to 225,757 Hispanic-owned businesses by 2007. (See Chart 5)

It is projected by World Demographic Research and IOTD Hispanic Research Center that Hispanic Business in Los Angeles County will reach 265,000 by 2012.

C. Sales & Gross Receipts

Chart 6 reflects the growth of Hispanic business sales and gross receipts from 2002 to 2007 and includes projections to 2012.

National
The 2002 Hispanic business census data reflected that Hispanic businesses generated $300 billion. The 2007 Hispanic Business Census documented this number grew to $345.2 billion and they are projected to reach $400 billion by 2012. (Chart 6)
State
The 2002 Hispanic business census has Hispanic business gross receipts and sales in California at $57,169,934,000. The 2007 Business census has Hispanic business gross receipts at $80.8 billion.

World Demographic Research and IOTD Hispanic Research Center project that Hispanic Business sales will increase to $100 billion by 2012.

County
Los Angeles County Hispanic businesses generated $24 billion in Gross receipts for 2002. By 2007 this number grew to $30.9 billion and projected to reach $36 billion by 2012. (Chart 7)

D. Payroll

National
The 2002 business census documented that Hispanic businesses generated over $36.7 billion in payroll to their employees. The payroll for Hispanic businesses in 2007 was over $54.7 billion. Projections place Hispanic business payroll for 2012 at $64 billion. (See Chart 8)

State
California Hispanic business generated a $9.8 billion dollar payroll in 2002 and by 2007 this number grew to $13.2 billion. We project that Hispanic business will make a payroll of $18 billion in 2012.

County
Los Angeles county Hispanic businesses made a $3.9 billion in 2002. This grew to $4.6 billion in 2007 and is projected to reach $5.5 by 2012. (Chart 9)
E. Employees

National
The 2002 Hispanic business census identified 1.6 million workers employed by Hispanic-owned business. This number grew to 1.9 million by 2007. It is projected by WDR and IOTD that by 2012 this number of employees will be close to 2.2 million. (Chart 10)

State
The state of California in 2002 had 445,831 employees working for Hispanic businesses. The Census identified that in 2007 the number was 461,678 workers.

By 2012 the number of employees working for Hispanic-owned business is projected by WDR/IOTD Hispanic Research Center to reach 475,000.

County
Los Angeles County in 2002 had 158,292 workers employed by Hispanic businesses. In 2007 this number grew to 156,350 and is projected to reach 159,000 by 2012.

The economic impact of Hispanic businesses in California is well documented. Legislation supporting the development of Hispanic small businesses is vital to the economic growth of the nation and need to be supported. (See Chart 11)
U.S. Department of Commerce, Bureau of the Census
2002 Survey of Minority-owned Business Enterprises, Hispanic

Survey of Minority-owned Business Enterprises, Hispanic

U.S. Department of Commerce, Bureau of the Census
2007 Survey of Minority-owned Business Enterprises, Hispanic