### Biz2Credit®

### Earnings of Latino-Owned Businesses Jumped 26 Percent During Past 12 Months, According to Biz2Credit's Annual Study

A new study of more than 28,000 businesses who applied for funding through Biz2Credit found that average annual revenue of Latino-owned business rose

from \$258,702 in 2016-17 to \$327,189 in 2017-18, an increase of 26.5 percent.



**AVERAGE ANNUAL REVENUE** 

AN INCREASE OF 26.5 PERCENT IN 2017-18

THE NUMBER OF CREDIT APPLICATIONS

**OVER THE PAST 12 MONTHS** 

THE AVERAGE CREDIT SCORE

TICKED UP FROM 592 IN 2017



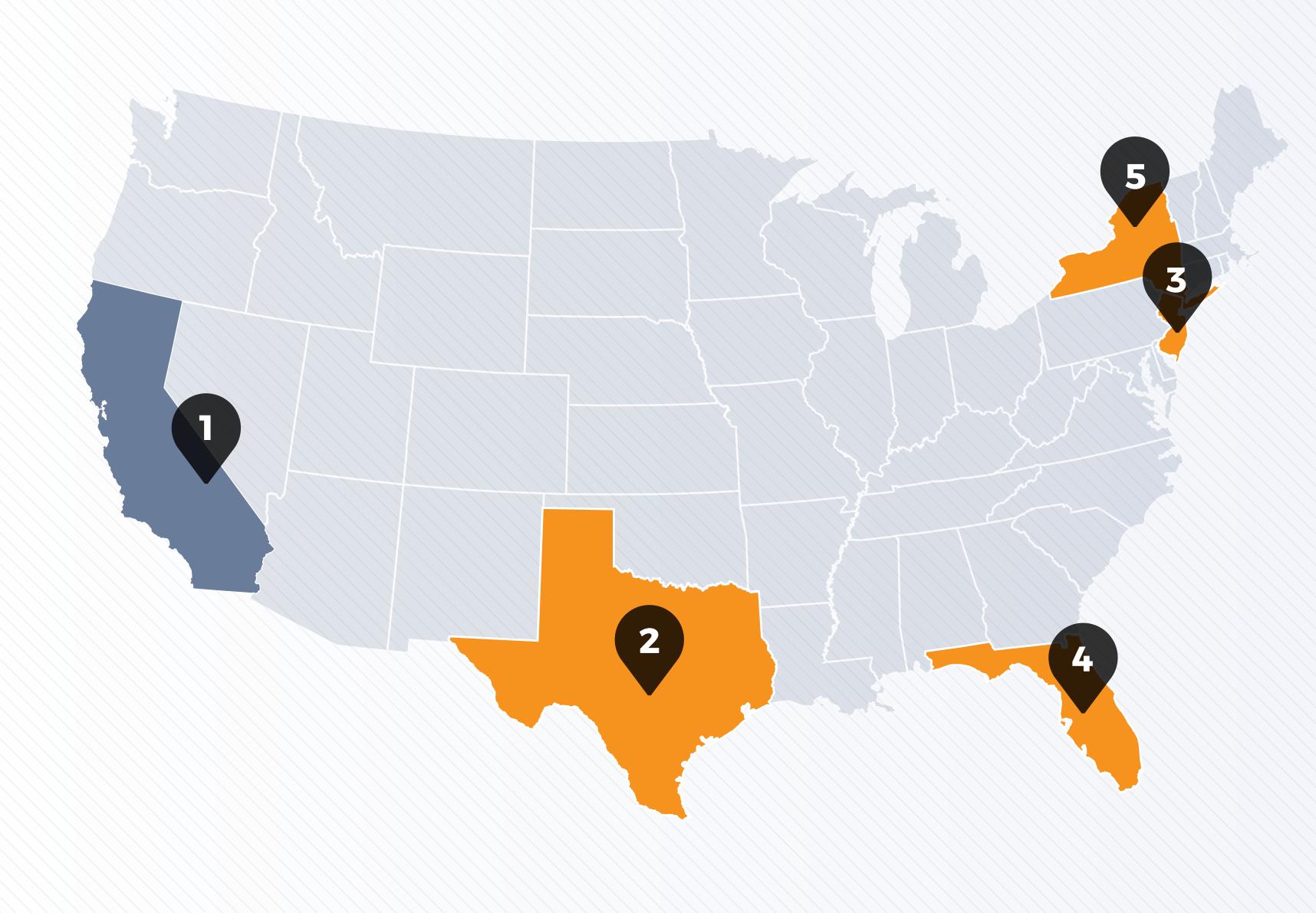
Latino-owned companies had very strong revenue figures, Much of it can be attributed to the overall strength of the U.S. economy.

Latino entrepreneurs are seizing the initiative and taking full advantage of our current

economic tailwinds. Success breeds confidence, and we are clearly seeing this in the data as applications for small business loans by Latino-owned companies rose 22 percent. Rohit Arora, CEO of Biz2Credit

# Top 5 States

Latino Owned Business



Combined represented **60 percent** of loan applications by Latinos through Biz2Credit's platform over the past 12 months.

**Two states** California and Texas combined for more than of the Latino small business loan requests in 2017-18.

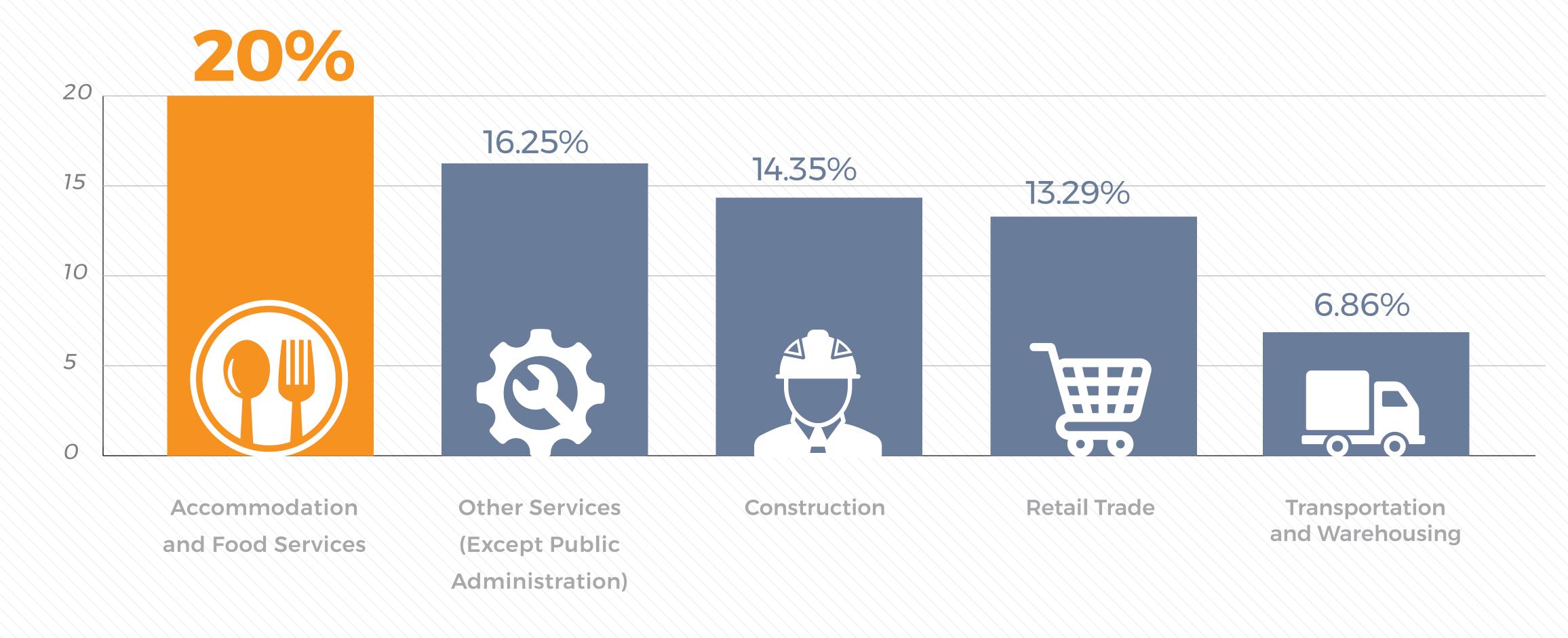
2. TEXAS

1. CALIFORNIA

- 3. NEW JERSEY
- 4. FLORIDA 5. NEW YORK

## Latino Owned Business

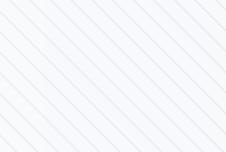
Category of Businesses



Latino Owned Business

Key Findings

**AVERAGE ANNUAL REVENUE** 



2017 Vs. 2018



2017

592

**AVERAGE** 

**CREDIT SCORE** 



\$258,702

5327.189



## **AVERAGE**

Comparing

**AVERAGE ANNUAL REVENUE OPERATING EXPENSE** 

Latino vs Non-Latino Owned Business



\$186,383

\$171,460

608

**AVERAGE** 

CREDIT SCORE

56 months

**AVERAGE AGE OF** 

**BUSINESS (IN MONTHS)** 

53 months

**NON-LATINO** 

**OWNED** 

BUSINESS

LATINO

OWNED

**BUSINESS** 

\$352,256

\$327,189

than 4 million Latino-owned firms to flourish.

37.9%

There are over 57 million American citizens of Latino heritage, and that figure is projected to

funding, working capital, or financing to expand - has to be available for this country's more

double by 2060, according to the U.S. Census Bureau, Small business financing – startup



"Business owners that want to secure funding for their company should have a credit score of at least 660, Despite their revenue growth over the past 12 months, the average credit score for Latino-owned companies in our study was 594. This makes it difficult to secure financing from banks at reasonable rates. Entrepreneurs with credit scores below 600 must work to raise those scores. Two ways are to

"Providing access to better and faster financing options will allow

Latino-owned businesses to build on this momentum,"

Manuel Chinea, COO of Popular Bank.

economy every year

non-Latino customers.

become better at paying bills in a timely manner and lowering their credit utilization."

Rohit Arora, one of the nation's leading experts in small business finance.

currently estimated at 4.2 million according to the U.S. Latino Chamber of Commerce contribute over \$668 billion to the American



In fact, the five-year average growth rate in the number of Latino firms has been at double or triple that of the national average for the past 15 years, according to the Stanford Latino Entrepreneurship Initiative (SLEI), which surveyed nearly 5,000 Latino business owners in 2016. SLEI also found that 75 percent of Latino-owned firms are

located in non-Latino neighborhoods and serve mostly

companies in the U.S.

**About the Biz2Credit Latino Small Business Credit Study** Biz2Credit, a leading online marketplace lender, analyzed the financial performance of more than 2,300 Latino-owned businesses and 25,000 other companies that submitted funding requests through the company's online marketplace. All companies included in the survey have less than 250 employees and less than \$10 million in annual revenues. The

**About Biz2Credit** Founded in 2007, Biz2Credit has arranged more than \$2 billion in small business loans and has several times been named to Crain's New York's Fast 50. The firm was ranked among the top 200 fast-growing companies on Deloitte's 2017 Technology Fast 500. Biz2Credit is expanding its industry-leading technology in custom digital platform solutions for leading banks and other financial institutions, investors and service providers in the U.S. Visit www.biz2credit.com or follow Biz2Credit on Twitter: @Biz2Credit, Facebook, and LinkedIn.

report covered small businesses across the country, from start-ups to established companies.