

BROOKINGS



Sustaining Momentum

Latino entrepreneurs and the future of U.S. economic growth

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In 2023, nearly **496,000** Latino-owned employer firms employed over **3.8 million** people and generated over **\$730 billion** in total revenue.

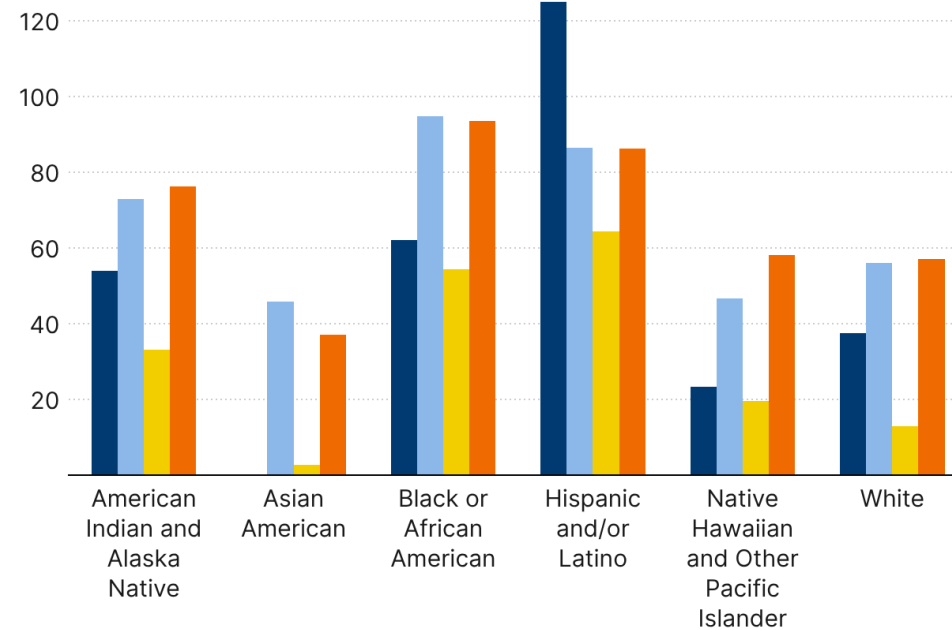
Between 2017 and 2023, Latino-owned employer businesses grew by **125%** and their number of employees increased by **64%**.

Hispanic and/or Latino owned employer businesses were booming

Percentage change in employer business characteristics by race and ethnicity

2017 to 2023

■ Number of employer firms ■ Sales, value of shipments, or revenue of employer firms (\$1,000) ■ Number of employees ■ Annual payroll (\$1,000)



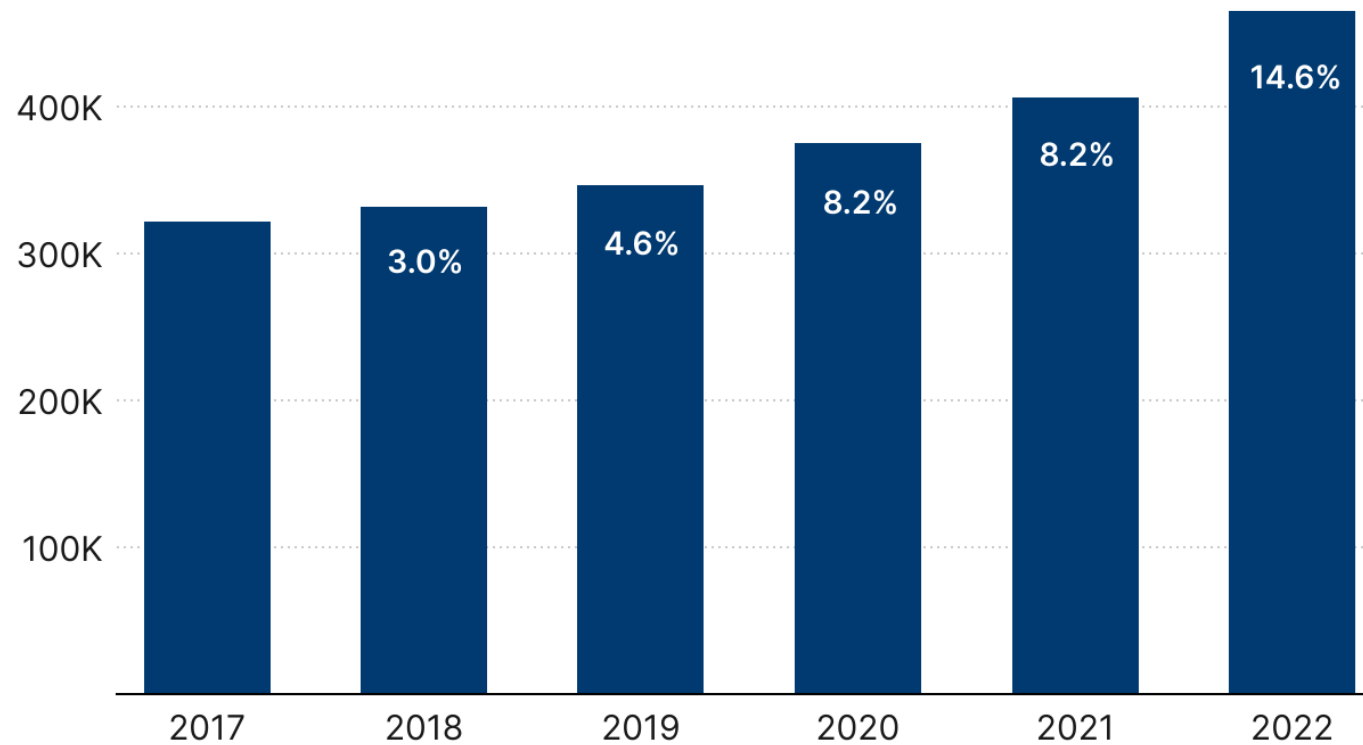
Source: Brookings' analysis of US Census Annual Business Survey data 2017-2023

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Hispanic and/or Latino owned employer businesses were booming

Growth in Latino or Hispanic-owned employer businesses

2017 to 2022



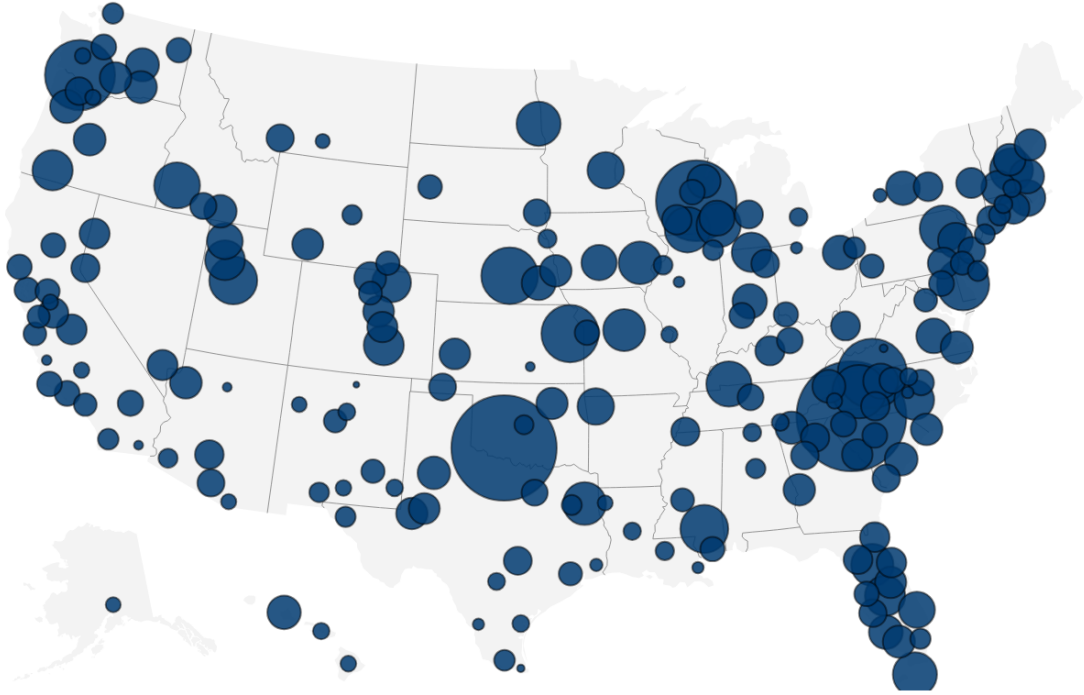
Source: Brookings analysis of census ABS data

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Hispanic and/or Latino owned employer businesses were booming

Growth in Latino or Hispanic-owned businesses by metro area
2017 to 2022

Growth in Latino and Hispanic-owned
employer businesses (%)

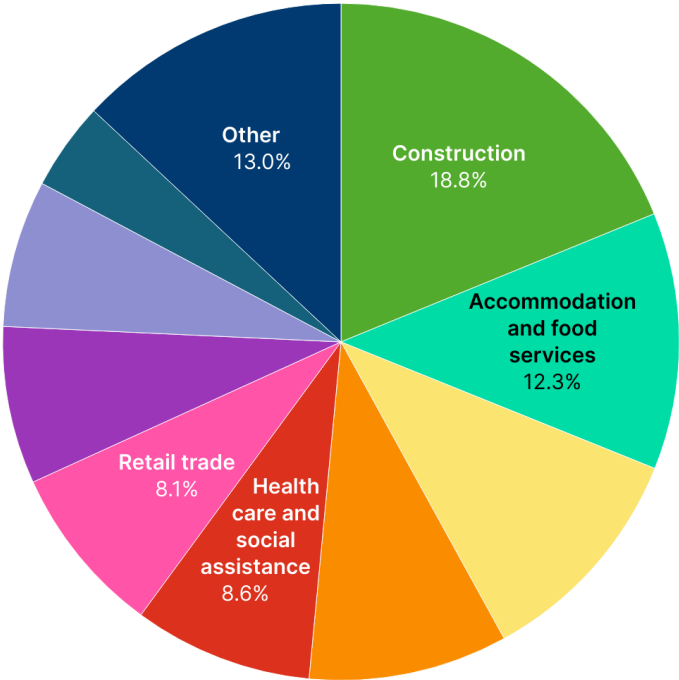


Source: Brookings analysis of census ABS and ACS data

Hispanic and/or Latino owned employer businesses were booming

Latino or Hispanic-owned employer businesses by industry
2022

■ Construction (18.8%) ■ Accommodation and food services (12.3%)
■ Professional, scientific, and technical services (664) (10.9%) ■ Administrative and support and waste management and remediation services (9.5%) ■ Health care and social assistance (8.6%) ■ Retail trade (8.1%) ■ Other services (except public administration) (663) (7.5%) ■ Transportation and warehousing (661) (7.0%) ■ Real estate and rental and leasing (4.2%) ■ Other (13.0%)



Source: Brookings analysis of census ABS data

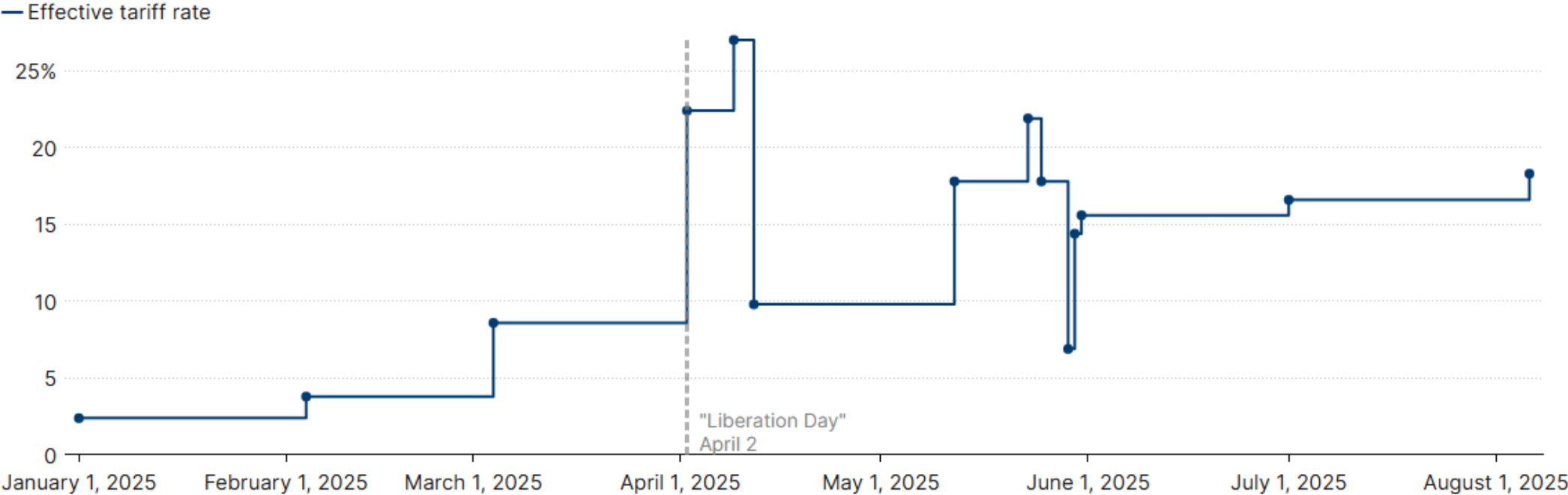
How policy volatility translates into economic costs for Latino-owned businesses



Source of volatility	How it disrupts business activity	Example economic impact on Latino-owned firms
Tariff instability	Frequent changes to import duties alter supply chain costs, pricing, and supplier reliability.	Higher input costs, thinner margins, delayed purchasing, and postponed expansion or hiring.
Immigration enforcement surges	Worksite raids and intensified deportation actions disrupt labor supply and depress consumer confidence.	Lost sales, staffing shortages, and slower recovery as fear reduces foot traffic and participation in the local economy.
Federal program retrenchment	Staffing cuts, office closures, and budget reductions weaken programs that provide lending, contracting, and technical support (SBA 8(a), SSBCI CDFI Fund).	Reduced access to affordable financing, fewer federal contracts, diminished technical assistance, and weakened local lending ecosystems.

How policy volatility translates into economic costs for Latino-owned businesses

A timeline of how US effective tariff rates have changed in response to trade policy announcements, January 2025 to August 2025

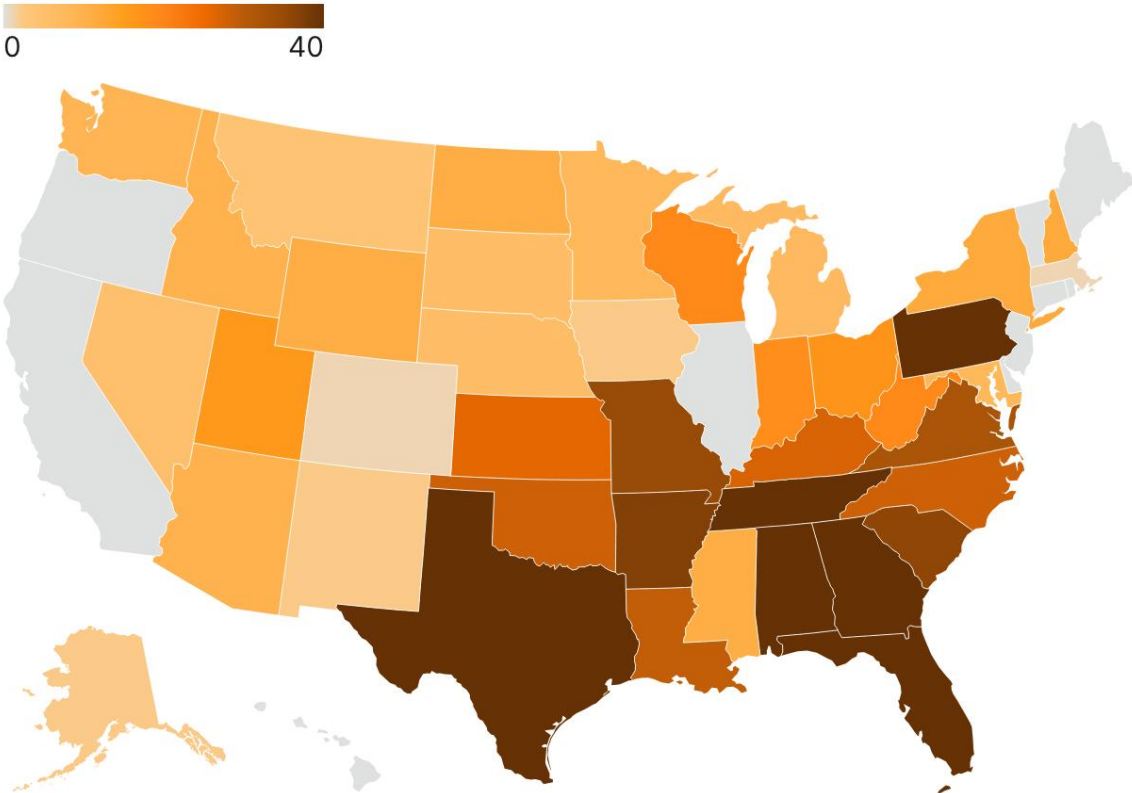


Source: This material was published by the Center for American Progress. Reproduced from an article by Michael Negron, “8 Ways Trump’s Turbulence Tax Is Costing the Economy,” Center for American Progress, September 2025. Data derived from: Yale Budget Lab, “State of U.S. Tariffs: August 7, 2025,” August 7, 2025; Atlantic Council, “Trump Tariff Tracker” (last accessed August 2025); Executive Office of the President, “Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits,” Federal Register, April 7, 2025.

Note: Tariff rates are presubstitution, percentage of goods imports as of August 18, 2025. The 10 percent global baseline tariff exempts Canada, Mexico, Russia, Belarus, North Korea, and Cuba.

How policy volatility translates into economic costs for Latino-owned businesses

States with 287(g) agreements between ICE and local law enforcement agencies, as of December 2025



Source: ICE data of 287(g) participating and pending agencies as of December, 2025

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Places are affected regardless of political leanings

Growth in Latino-owned employer businesses across Florida metro areas, 2017 to 2022

Metro area	Number of Latino employers in 2022	Percent growth in the number of Latino-owned businesses between 2017 and 2022
Jacksonville	2,029	71.95%
Gainesville	353	68.10%
Ocala	577	158.74%
Deltona-Daytona Beach-Ormond Beach	1,017	72.37%
Orlando-Kissimmee-Sanford	11,230	81.42%
Lakeland-Winter Haven	1,526	143.38%
Tampa-St. Petersburg-Clearwater	7,605	46.73%
North Port-Bradenton-Sarasota	1,621	60.97%
Port St. Lucie	1,283	113.12%
Cape Coral-Fort Myers	2,435	97.33%
Naples-Marco Island	1,948	86.77%
Miami-Fort Lauderdale-West Palm Beach	59,453	29.92%
Key West-Key Largo	547	174.87%

Source: "Charting the Surge in Latino or Hispanic-Owned Businesses in the US," Brookings

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~\$4bn

The potential lost revenue in Florida alone if there is just a 3% decline in Latino-owned employer firms.

A decline at that rate would also mean the loss of more than 16,700 jobs.



~\$12bn

The potential lost revenue in Florida alone if there is a 9% decline in Latino-owned employer firms.

A decline at that rate would also mean the loss of more than 50,100 jobs.

Places are affected regardless of political leanings

Growth in Latino-owned employer businesses across Texas metro areas, 2017 to 2022

Metro area	Number of Latino employers in 2022	Percent growth in the number of Latino-owned businesses between 2017 and 2022
Lubbock	672	89.83%
Midland	754	79.95%
Odessa	790	82.45%
El Paso	6,461	29.22%
Dallas-Fort Worth-Arlington	12,106	54%
Tyler	322	28.8%
Longview	248	163.83%
Austin-Round Rock-San Marcos	5,309	63.61%
San Antonio-New Braunfels	7,855	19.49%
Beaumont-Port Arthur	292	8.55%
Houston-Pasadena-The Woodlands	14,968	41.72%
Corpus Christi	1,620	19.12%
Laredo	3,097	6.61%
McAllen-Edinburg-Mission	6,358	31.5%
Brownsville-Harlingen	2,193	1.57%

Source: Charting the surge in Latino or Hispanic-owned businesses in the US



~\$4bn

The potential lost revenue in Texas if there is just a 3% decline in Latino-owned employer firms.

A decline at that rate would also mean the loss of more than 22,500 jobs.



~\$12bn

The potential lost revenue in Texas if there is a 9% decline in Latino-owned employer firms.

A decline at that rate would also mean the loss of more than 67,700 jobs.

“When a family decides not to dine out due to concerns about being targeted by U.S. Immigration and Customs Enforcement, the impact extends beyond the loss of \$100 for the restaurant. It also means approximately \$10 in local sales tax won’t reach the city and state. A server misses out on a tip. A distributor may receive smaller orders for bakery and produce items. The delivery driver will work fewer hours, the fuel supplier will sell less diesel, and the laundry service will have less work.”

Jaime de Paulo, Illinois Hispanic Chamber of Commerce



If **Latino entrepreneurship** continues at its most recent pace, the U.S. could see...

- **294,000+** additional jobs
- More than **\$56 billion** in new business revenue
- More than **534,000** Latino-owned employer firms nationwide