

Funded by



FORT WORTH
HISPANIC CHAMBER
OF COMMERCE

2024

RESEARCH REPORT



Research Partner





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1 FWHCC ACTION

FWHCC began by identifying existing research relevant to our business community. We examined studies conducted on businesses at various stages of development to gain a comprehensive understanding of what has already been accomplished.

PROBLEM IDENTIFIED BY CITY OF FORT WORTH

In April 2023, Cities Work held Small Business Insights Week to gain a more comprehensive understanding of what local entrepreneurs go through to open and run a small business in Fort Worth. They had the opportunity to gather personal stories from over 40 entrepreneurs across diverse backgrounds.

GOALS

There are three main goals that guide the reform recommendations to increase access to entrepreneurship and economic mobility in Fort Worth. The reform recommendations detailed advance one of three goals and often advance multiple.

RESULT

The FWHCC recognized this research and will assess its impact by continuing to perform root cause analysis through our one-on-one consultations.



Championing simple, accessible, and transparent permitting and licensing processes that appreciate the resource constraints within which entrepreneurs work and allow all entrepreneurs an equitable start to entrepreneurship.



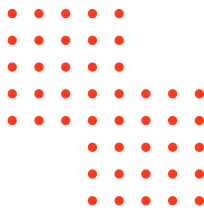
Ensuring equitable access to city staff and resources for minority business enterprise (MBEs), disadvantaged business enterprises (DBEs), women business enterprises (WBEs), and microbusinesses.



Increasing regulatory transparency and accountability at all levels of city government.



STANFORD BUSINESS



2020 Graduate School Research

Scaled Latino-owned employer businesses are more likely to seek and receive funding from sources that expose them to more personal financial risk compared to White-owned employer businesses. After accounting for application rates, their survey data show that the top sources of funding (over \$100,000) with the highest approval rates for scaled Hispanic Owned Businesses include the following.

Hispanic Owned Businesses

White Owned Businesses

51% Personal or business lines of credit

76% Business loans from national banks

43% Personal/family savings

45% Business loans from local or community banks

40% Business Credit Cards

36% Private Equity

37% Personal/family home equity loan

34% Personal/family home equity loan

Overall, there is still a lot of opportunities to increase Access to Capital for Hispanic Owned Businesses. FWHCC will also consider this as an opportunity for our programming.



Recent Research on Succession Planning

2023 Score

Challenges family businesses face:

- **30%** of family businesses survive the transition from first to second generation ownership.
- **12%** survive the transition from second to third generation.
- Only **13** percent of family businesses remain in the family over 60 years.
- **47%** of family business owners expecting to retire in five years DO NOT have a successor.

2024 The Hispanic Project

Many universities and educational centers offer programs geared towards family businesses. Some examples in the US include Kellogg School of Business, Kennesaw State University, UNC Chapel Hill, The University of St. Thomas, among others. As well as TEC or UDEM in México. Family learning requires thoughtful planning and customization to meet the needs of the entire family. Programs should also address multiple styles of learning and provide different educational settings. This implies knowing the local culture, traditions and language. A program will be successful if it manages to prioritize content and focus, since family education can be different for each family.

How do family businesses survive?

94%

Family-owned firms are controlled by supervisory or advisory boards

40%

Companies included younger family members on boards and committees to nurture business and management skills.

74%

Family-owned firms report stronger values and culture



2 FWHCC ACTION

The FWHCC initiated an independent study in collaboration with the non-profit research organization, The Hispanic Project. Recognizing the scarcity of local research on the Hispanic community, we undertook both qualitative and quantitative analysis to bridge this gap.

METHODOLOGY

We want to gather relevant information about:

- The knowledge of governance of family firms and issues of ownership, family, and gender.
- Succession's issues, options, and approaches
- Based on the Diversity, Equity, and Inclusion (DEI) Framework, collect information about Equitable and Inclusive Culture.
- Identify additional challenges with licensing and certifications.
- Identify additional challenges with business funding.
- Identify local policies that potentially hinder hispanic business owner growth.



Online Surveys
354 Responses



Face-to-Face
Interviews targeting
business owners in
different stages of
their business
80+ Interviews

GOALS

- Create a learning path proposal to facilitate the delivery of information in an organized manner.
- Begin a small scale pilot project with tailored topics sourced from research.
- Create new initiatives to engage FWHCC Board, Staff, and Member and improve overall retention.



Workshop style
focus Groups
80+ Attendees

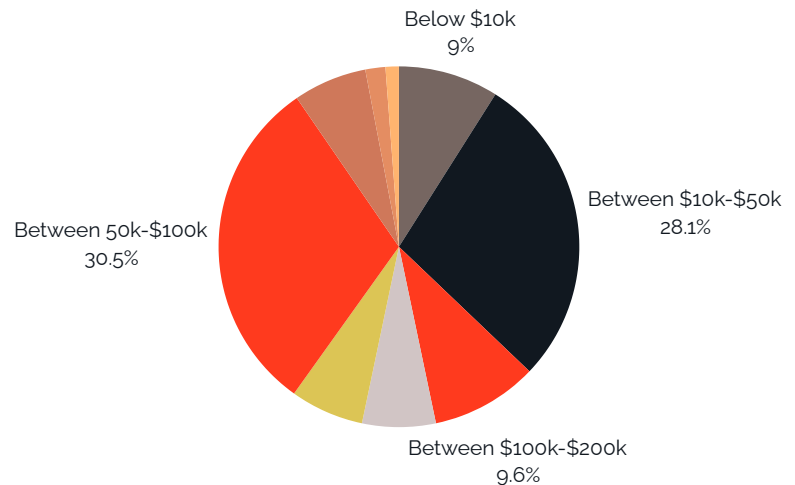


REVENUE COMPARISONS

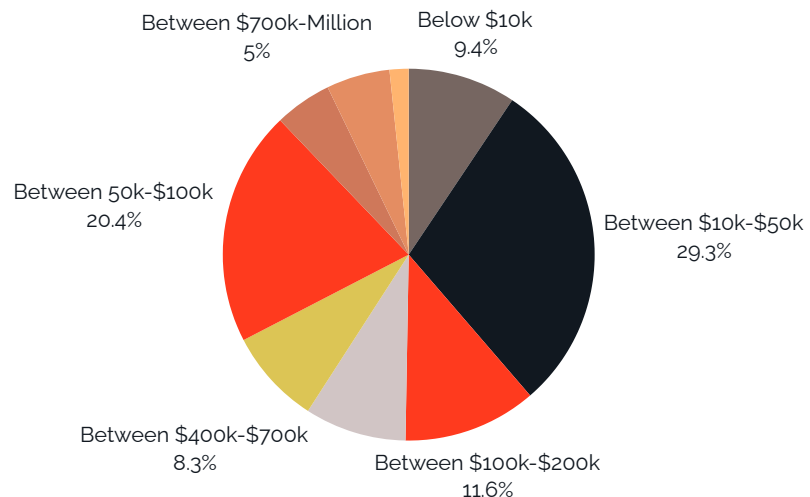
Data Reveals

Hispanic-owned businesses are more frequently found in the \$50,000–\$100,000 revenue range compared to other groups, highlighting the unique challenges they face in surpassing the \$100,000 mark. Specifically, 30% of Hispanic businesses fall into this category, compared to 20% of non-Hispanic businesses. Further data reveals: For revenues between \$100,000–\$200,000, only 9.6% of Hispanic businesses reach this level, versus 11.6% of non-Hispanic businesses. In the \$200,000–\$400,000 range, 7% of Hispanic businesses reach this benchmark, compared to 9% of non-Hispanic businesses.

Hispanic



Non-Hispanic

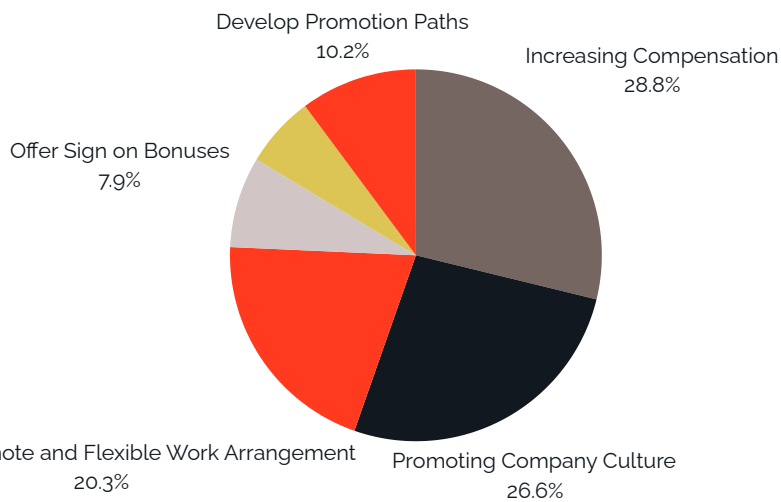


Summary

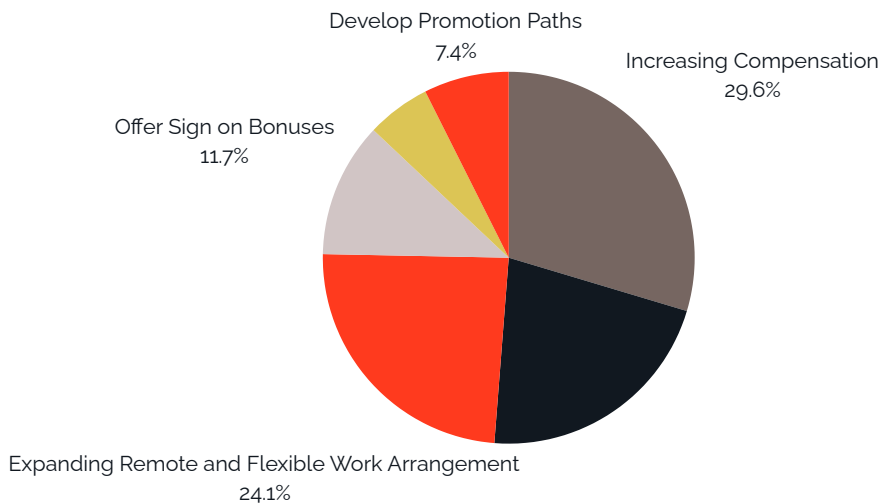
Our interviews and focus groups suggest that a key factor contributing to this revenue ceiling is the difficulty Hispanic business owners encounter in finding and retaining their first employee. Many first-generation Hispanic business owners initially turn to family or close friends for help, which can introduce challenges such as unclear expectations, lack of accountability, mismatched skills, and inadequate training.

EMPLOYEE DEVELOPMENT

Non-Hispanic



Hispanic



Data Reveals

The survey data shows that both Hispanic and non-Hispanic business owners prioritize increasing compensation and expanding flexible work arrangements as their top concerns. While these immediate needs are essential for employee satisfaction and retention, micro businesses must look beyond these short-term goals to ensure long-term success and growth.

Offering training opportunities empowers employees to build new skills, adapt to changes, and improve overall business efficiency, all of which are essential for scaling operations.

Micro businesses can benefit from creating simple yet effective promotion structures and offering cost-efficient training programs. By investing in the development and growth of their workforce, these businesses will not only retain valuable employees but also strengthen their competitive edge in the market. Ultimately, focusing on employee development will position micro businesses for long-term success and resilience.

Summary

While compensation and flexible work arrangements are the immediate needs that micro businesses should address to retain employees, focusing on long-term growth strategies such as developing promotion paths and offering more training will be critical to achieving sustainable success. By encouraging micro businesses to focus on employee development and internal career growth, we are enabling them to become more competitive and resilient in the marketplace. Investing in people is ultimately an investment in the future success of the business.

MARKET REACH OF SERVICES

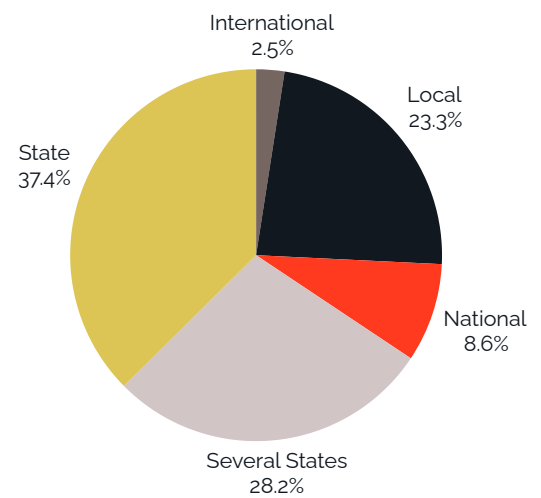
Data Reveals

Hispanic-owned businesses have a notable tendency to scale their products out of state, with 37.4% of Hispanic businesses reaching wider markets compared to 28.3% of non-Hispanic businesses. This out of state reach highlights their entrepreneurial ambition and adaptability, often leveraging cultural and language connections to tap into different markets.

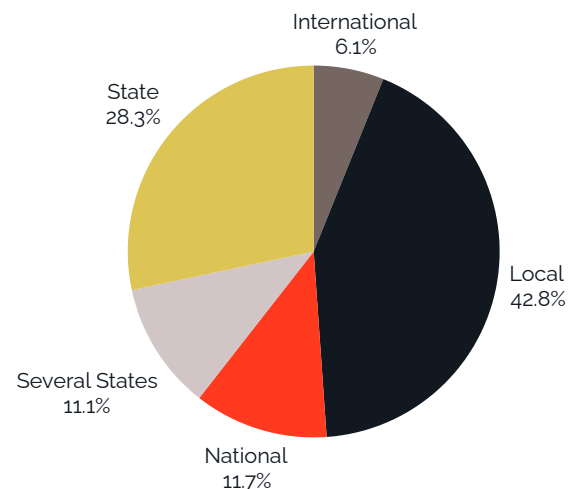
However, when it comes to local market engagement, the figures show a significant gap—only 23.3% of Hispanic businesses focus on local markets compared to 42.8% of non-Hispanic businesses. This disparity suggests that many Hispanic businesses may be overlooking the advantages of scaling locally, which often offers a more accessible, cost-effective, and sustainable path to growth. Local markets provide a stable customer base, require fewer logistical complexities, and offer the benefit of proximity, which can reduce shipping costs, enhance customer relationships, and allow for faster feedback and adaptation to local demand. Moreover, local businesses often have the opportunity to establish stronger brand loyalty and community connections, which are key drivers of long-term sustainability. While expanding internationally is a valuable strategy, particularly for businesses with unique cultural products or services, the underutilization of local markets may limit growth potential for many Hispanic businesses.

By refocusing efforts on local outreach—whether through targeted marketing, partnerships with local suppliers, or community engagement—Hispanic entrepreneurs could unlock new opportunities for revenue growth and stability. Balancing both local and international markets might provide the best route for these businesses to not only scale but thrive in both the short and long term.

Hispanic



Non-Hispanic

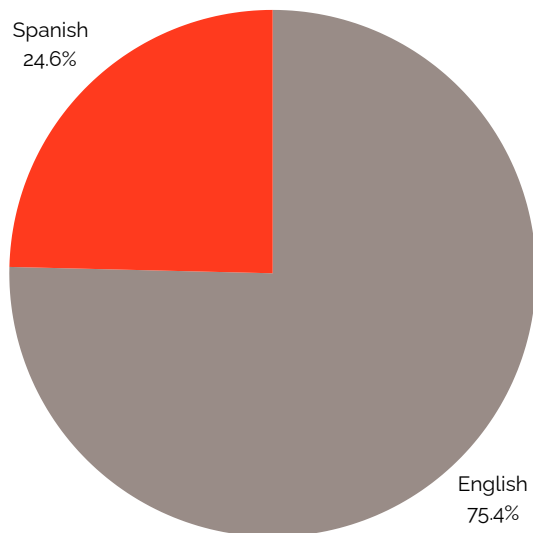
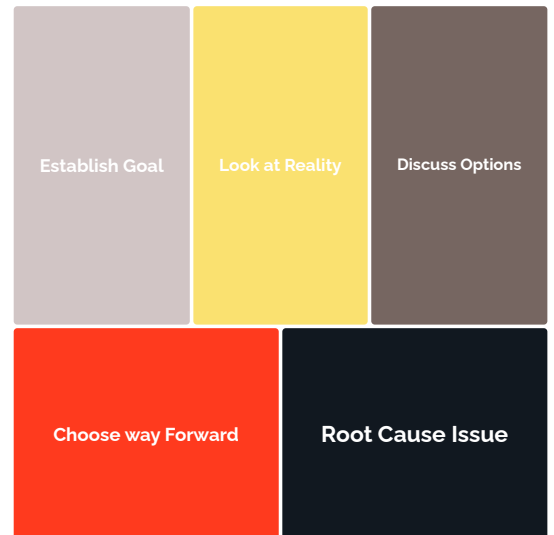


Summary

In sum, while Hispanic businesses are leveraging different markets, increasing their focus on local market opportunities could provide a more sustainable and scalable path forward. This shift could reduce operational risks and improve business resilience, helping Hispanic-owned businesses achieve greater success on both a regional and global scale.

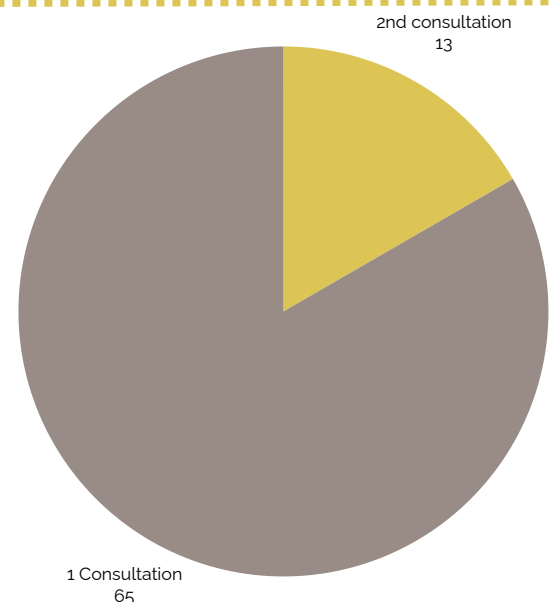
ROOT CAUSE ANALYSIS IN 1 ON 1 SESSIONS

The 1-on-1 sessions were designed to better understand the unique challenges and needs of Hispanic business owners, helping them navigate through various stages of business development. These sessions were conducted to uncover specific areas where these entrepreneurs' needed guidance and support.



25% of the sessions were conducted in Spanish, reflecting the bilingual nature of the Hispanic business community. 75% of the sessions were conducted in English, suggesting that a majority of business owners prefer or are comfortable with consultations in English. However, offering consultations in both languages is crucial for inclusivity and tailored support.

24.63% of the participants returned for a second or additional consultation, indicating a strong interest in ongoing support and coaching.

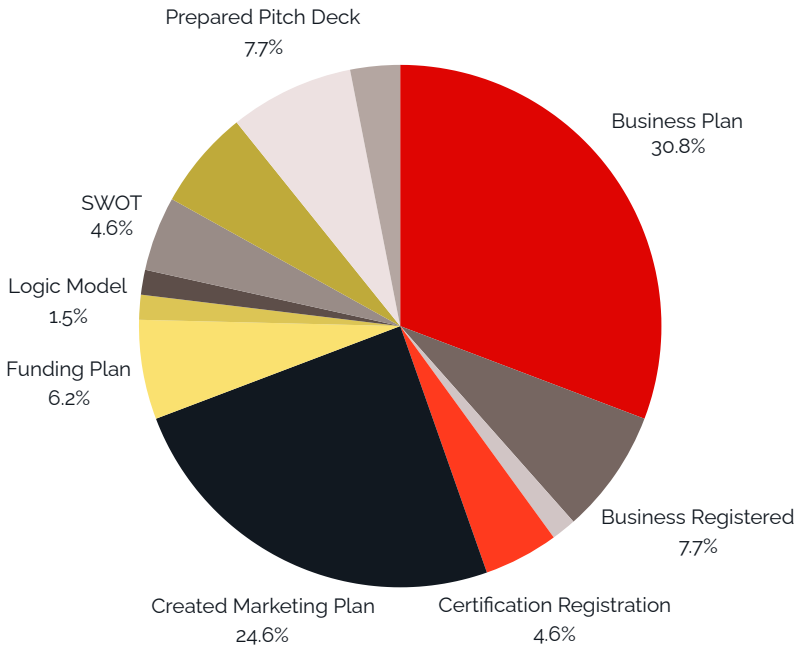


31% of the businesses expressed the need for a better understanding of how they fit into their target markets.

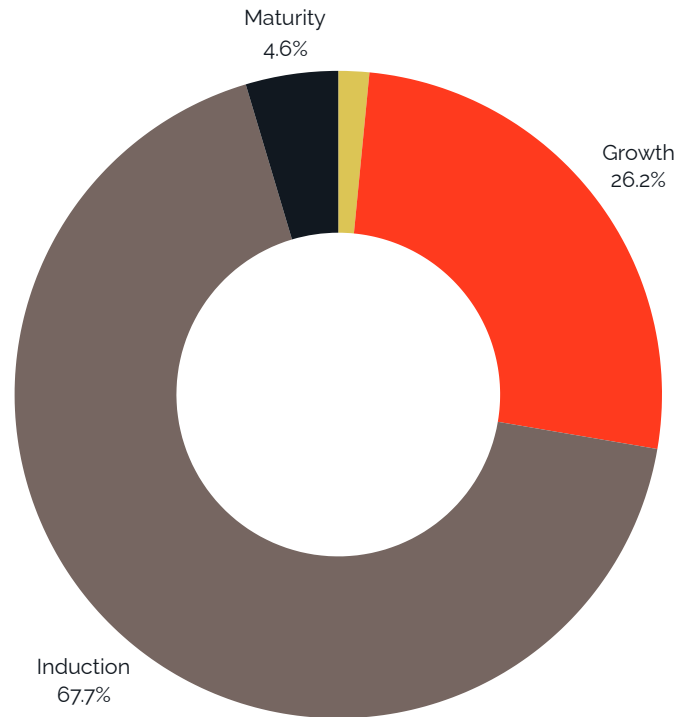
To address this, we walked them through the creation of a business plan using a Business Plan Canvas. This framework allowed them to break down essential elements such as:

- Target audience identification
- Problem-solving approaches
- Competitor analysis
- Business benefits for their target market
- Competitive advantage
- Key messaging and distribution strategies
- Startup and operational costs
- Revenue goals

This comprehensive approach enabled businesses to develop a clearer strategy for entering or scaling within their respective markets.

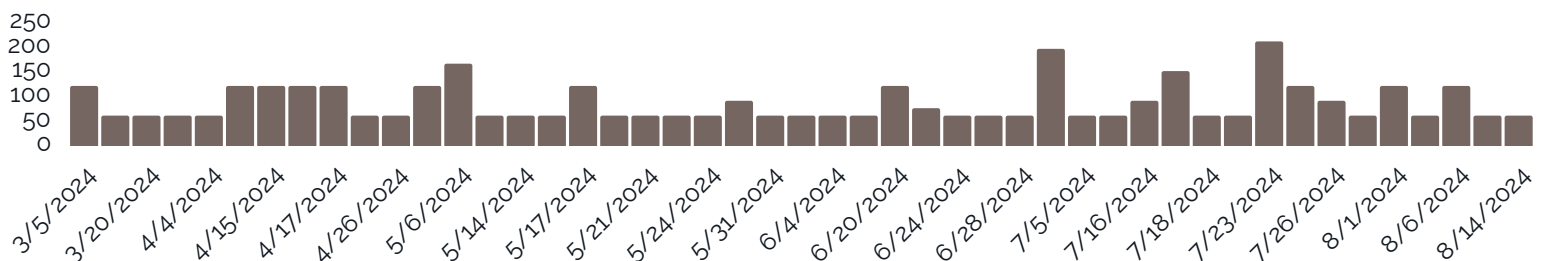


68% of the businesses were in the induction phase, meaning they were at the early stages of launching their ventures. These businesses needed foundational advice on structuring and planning. 26% were in the growth phase, requiring guidance on scaling operations and market penetration. 5% were in the maturity phase, where the focus was on maintaining stability, optimizing efficiency, and long-term sustainability.



Time Spent

A total of 4,065 minutes (approximately 68 hours) was spent coaching these businesses, reflecting the depth of commitment to helping entrepreneurs develop their business strategies, overcome hurdles, and set actionable goals.

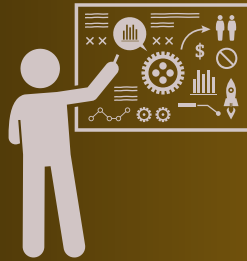


KEY TAKEAWAYS

These findings provide a foundation for further refining our coaching sessions and identifying additional areas of support that Hispanic business owners need, from market fit to scaling strategies.



Bilingual support is essential: The ability to offer consultations in both Spanish and English ensured that business owners felt comfortable and understood, which is especially important when providing detailed business guidance.



Business planning is a key need: A significant number of businesses, particularly those in the induction phase, required assistance in understanding their market fit. Business Plan Canvas workshops proved to be an effective tool for breaking down complex business strategies into manageable, actionable steps.



Contractors in the construction industry were a notable segment of the participants. This highlights the need for more targeted resources and training for businesses in this field, as well as other prominent sectors like personal services and business services.



The majority of businesses are in the early stages: With 68% of participants in the induction phase, there is a need for continued education and support to help these new entrepreneurs navigate the challenges of starting a business, from financial planning to customer acquisition. Industry-specific challenges:

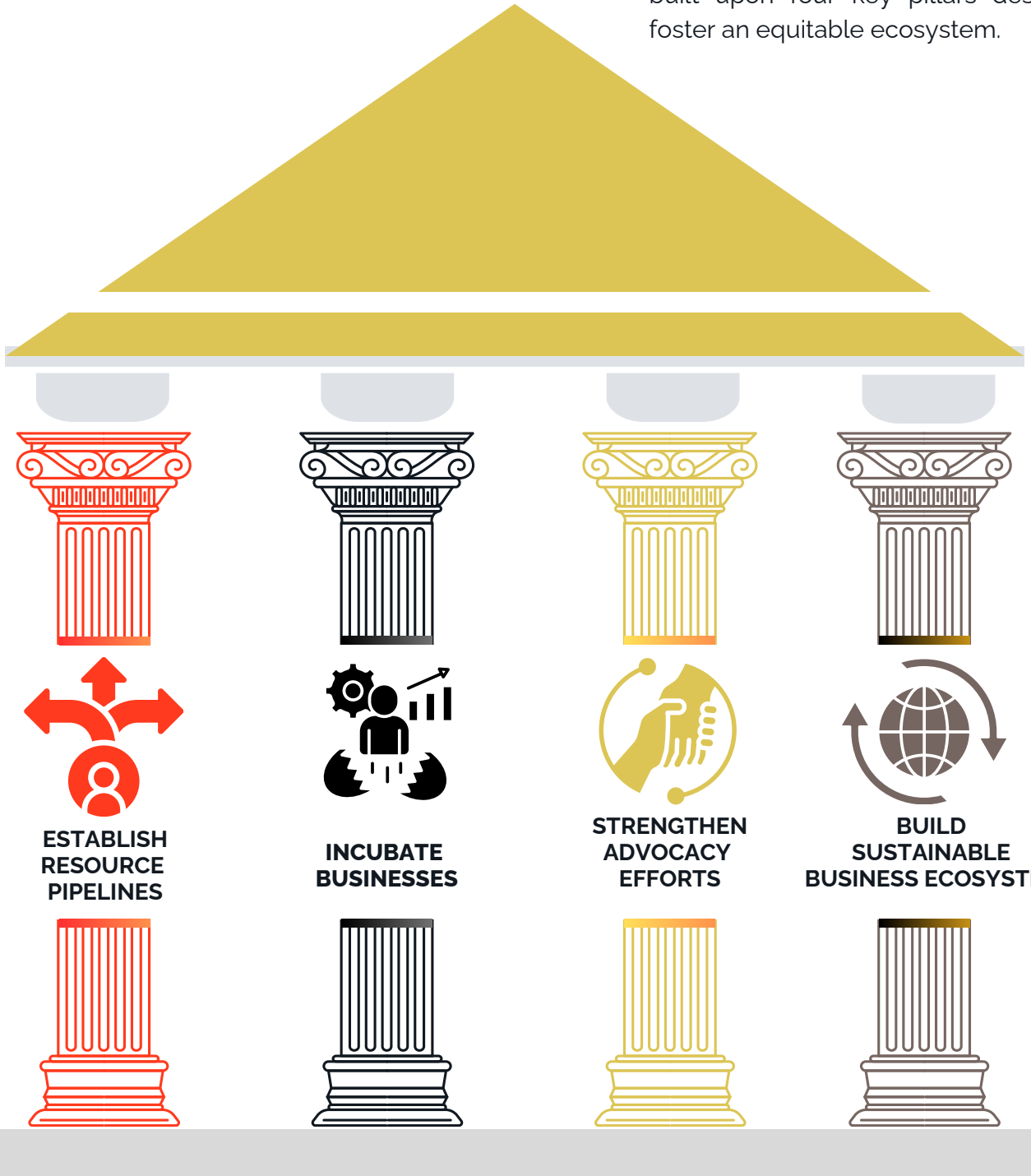


Ongoing support is valued: The fact that 20% of participants returned for additional sessions underscores the importance of sustained, long-term coaching to help business owners continue to help business owners continue to grow and adapt their strategies.

The research findings from our 1-on-1 sessions and consultations have highlighted significant gaps in business growth, particularly for Hispanic-owned businesses struggling to surpass the \$100,000 revenue threshold. With no existing local accelerators that focus on bridging this gap, our chamber is strategically positioned to provide the necessary resources, education, and advocacy to help businesses overcome this hurdle. Below are the key goals and objectives our chamber will pursue, shaped by these findings.

3 FWHCC ACTION

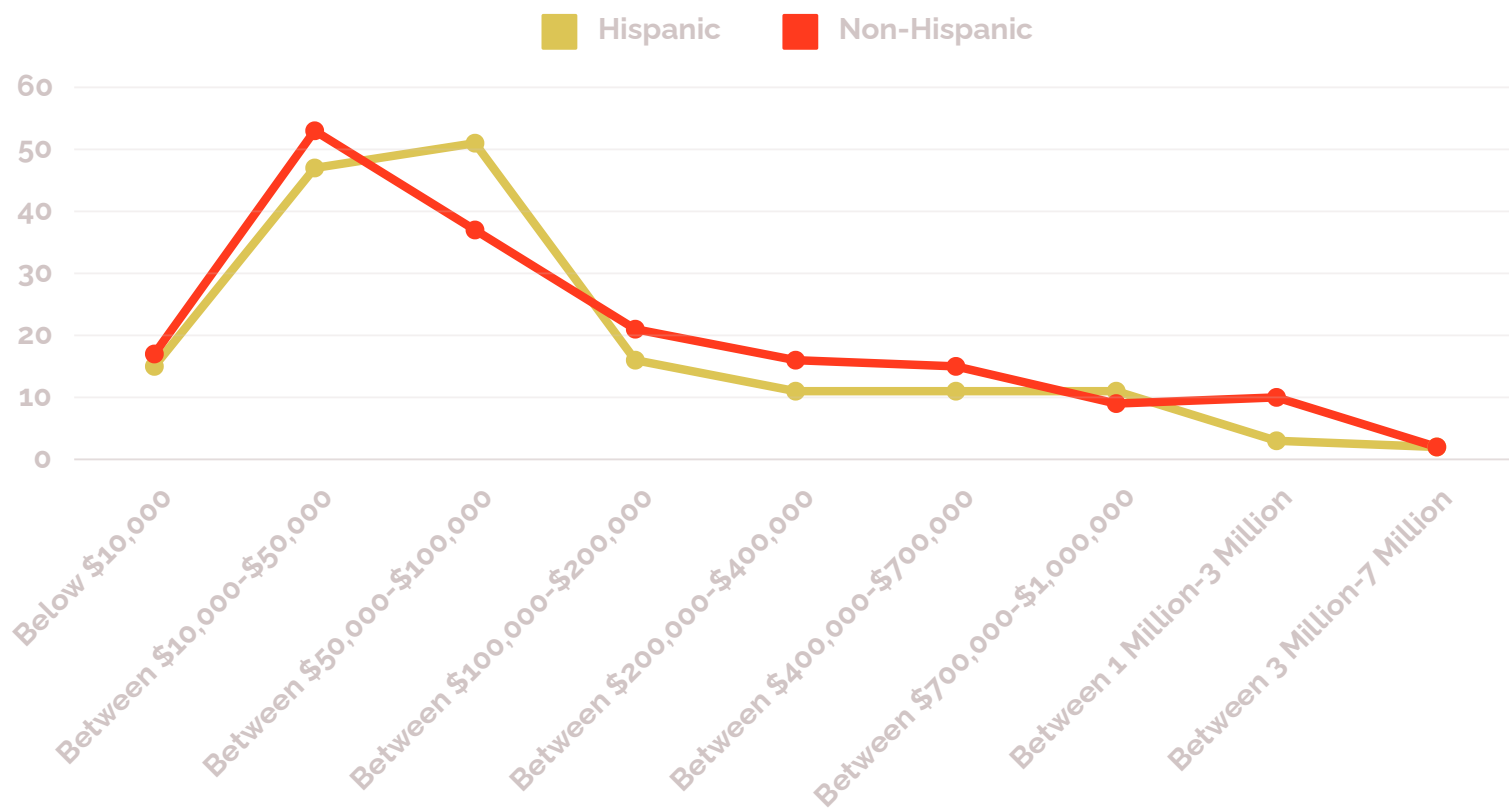
The FWHCC took steps to develop a structured learning path aimed at supporting business owners effectively. Our goal is to create a lasting impact that provides business owners with the best opportunities for success. This approach is built upon four key pillars designed to foster an equitable ecosystem.



ESTABLISH RESOURCE PIPELINES

After researching local resources for business owners, we discovered that there are very few incubators in Fort Worth specifically for Hispanic businesses. However, there are opportunities for us to collaborate with regional accelerators that have a proven track record of supporting businesses generating \$100,000 or more in revenue.

Revenue



Program Goal: Combine our Launch Fort Worth program with more resources so that we can start incubating businesses to get past the \$100,00 mark and then establish a pipeline for Hispanic businesses to access and participate in accelerators in the area.

- Objective: Reach out to regional accelerators to extend their program to Fort Worth, allowing our members easier access to a proven accelerator designed to help businesses grow. By facilitating this partnership, we aim to create more opportunities for local businesses to scale beyond \$100,000 in revenue.

Action

Build a formal collaboration with resources that will help us incubate businesses until they reach \$100,00 in revenue so that we create start to create a pipeline of business that want to grow.

INCUBATE BUSINESSES

Goal: Help businesses scale beyond the \$100,000 mark by equipping them with practical skills and knowledge

Objective: Introduce a series of workshops focused on core business growth areas such as:

Marketing: Strategies to effectively reach and engage target audiences. Financial Literacy:

Understanding cash flow, profit margins, and capital investment. Family Business & Hiring

Practices: Addressing the unique dynamics of familyrun businesses and creating effective

hiring systems. Employee Retention: Building strong company cultures and offering

competitive incentives. Succession Planning: Preparing businesses for long-term sustainability and leadership transitions.

Marketing	Financial Literacy	Family Business & Hiring Practices	Employee Retention	Succession Planning
Strategies to effectively reach and engage target audiences.	Understanding cash flow, profit margins, and capital investment.	Addressing the unique dynamics of familyrun businesses and creating effective hiring systems.	Building strong company cultures and offering competitive incentives.	Preparing businesses for long-term sustainability and leadership transitions.

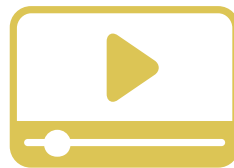
Educational Content Delivery



Workshops



Documents



Videos



Activities

Action

Break these topics into one-hour Spanish and English workshops offered twice a month, ensuring accessibility to both English and Spanish-speaking business owners. These workshops will focus on practical, actionable steps to support businesses at different stages of growth.

STRENGTHEN ADVOCACY EFFORTS

FWHCC established an Advocacy Committee to develop a legislative agenda and set priorities for the TX 89th Legislature. We also recognized the importance of increasing member participation in civic duties, leading to plans for voter engagement events. Additionally, as we expand our capacity, we aim to create a localized agenda to address regional needs effectively.

Goal: Advocate for policies that support the sustainability and growth of the Hispanic business community.

Objective: Advance a local and state legislative agenda centered around the top priorities of our business community:

Top 3 Legislative Priorities

Business Competitiveness

Business Competitiveness: Ensuring that local policies foster a business-friendly environment and reduce barriers to growth.

Local Control

Local Control: Advocating for policies that allow local businesses to have a voice in decisions that affect their operational environment.

Workforce and Education

Workforce & Education: Enhancing education and workforce development to create a stronger talent pipeline that meets the needs of local businesses.

Action: Engage with local and state policymakers to ensure our legislative agenda is reflected in upcoming decisions. We will work closely with stakeholders to create an environment where businesses can thrive, ensuring long-term economic sustainability

BUILD SUSTAINABLE BUSINESS ECOSYSTEM

Goal: Support the long-term sustainability and resilience of Hispanic-owned businesses.

Objective: Offer tools and resources that help businesses grow sustainably, reduce risk, and improve operational efficiency.



Offer Succession Planning and Business Acquisition Resources

Support business continuity and expansion through education on buying, selling, and succession planning.



Form Banking Council

Strengthen the connection between local banks and business owners by ensuring that businesses have access to the right financial resources based on their needs and growth stage. This will increase capital access and improve reporting.



Form Legal Council

Provide legal support for businesses, particularly those in the construction and contracting industries, to ensure proper business structures and contracts are in place.



Offer Family Business Activities and Resources

Address the unique challenges of working with family members in business, helping owners navigate the complexities of family dynamics, cultural considerations, and business growth

Action: In addition to the workshops, the chamber will offer regular consultations and mentorship opportunities, focusing on areas like business planning, market fit, and scaling operations. The pilot projects mentioned above will increase the amount of resources that we could provide to strengthen our value proposition.

These pilot projects represent strategic interventions that will help businesses grow more sustainably by addressing critical issues around financing, legal structuring, succession planning, and family business dynamics. By offering targeted solutions through partnerships and expert councils, the chamber can provide comprehensive support to its members, helping them overcome barriers to growth and stability.