

*Tue March 21, 2006 02:56 EST*

## Census Bureau finds number of Hispanic-owned businesses growing fast

STEPHEN OHLEMACHER

Associated Press Writer

WASHINGTON (AP) \_ The number of Hispanic-owned businesses grew at three times the national rate for all companies from 1997 to 2002, the government said Tuesday.

Hispanics owned nearly 1.6 million businesses in 2002, a 31 percent increase from five years earlier, according to the Census Bureau report.

``The Hispanic consumer market is exploding," said Michael Barrera, president and CEO of the U.S. Hispanic Chamber of Commerce. ``That means that a lot of Hispanic businesses are going to benefit from that."

The overwhelming majority of the new businesses were one-person enterprises, according to the report. Only 13 percent of Hispanic-owned businesses had any employees other than the owner. About a fourth of all U.S. businesses had employees in 2002, the report said.

New businesses started by Hispanics face many of the same problems as businesses started by non-Hispanics, and the biggest hurdle usually is money to start and expand the business, said Louis Olivas, assistant vice president for academic affairs at Arizona State University.

``All startup businesses face funding issues," Olivas said.

Some Hispanic business owners also face language barriers, but those who speak both Spanish and English have advantages, he said.

The report is based on administrative records and a survey of 2.4 million businesses. The Census Bureau defines Hispanic-owned businesses as private companies in which at least 51 percent of the owners are Hispanic. The report does not classify public companies, with publicly traded stock, because they can be owned by many stockholders of unknown ethnicities.

Hispanics owned nearly 7 percent of all businesses in 2002, up from about 6 percent in 1997.

They made up a little more than 13 percent of the population in 2002, but they have accounted for half of the nation's population growth since the start of the decade, according to a recent report by the Brookings Institution, a Washington think tank.

Clara Rodriguez, a sociology professor at Fordham University, said immigrants are fueling much of the growth, in population and in businesses.

``As with all immigrant groups, the first who come tend to be more entrepreneurial and more daring," Rodriguez said.

Among the report's findings:

\_ Nearly three in 10 Hispanic-owned firms were in construction or other service-related industries in 2002.

\_The number of Hispanic-owned businesses in New York grew by 57 percent from 1997 to 2002, faster than any other state. Rhode Island, Georgia, Nevada and South Carolina rounded out the top five.

\_Los Angeles County had 188,472 Hispanic-owned businesses in 2002, more than any other county. It was followed by Miami-Dade County, Fla.; Harris County, Texas; Bronx County, N.Y.; and Hidalgo County, Texas.

\_There were 29,184 Hispanic-owned firms with receipts of \$1 million or more in 2002.

\_There were 1,510 Hispanic-owned firms with 100 or more employees. Those firms generated more than \$42 billion in receipts in 2002.

\_About 44 percent of Hispanic business owners were of Mexican descent in 2002.