



## **Exclusion of Hispanic-Owned Business from State Contracting Program Undermines Texas' Economic Potential**

*Sidelining the fastest growing business sector could cost jobs, economic growth says U.S. Hispanic Chamber of Commerce*

**WASHINGTON D.C. — December 5, 2025 —** The Texas Comptroller's announcement last week that the state will remove business certification opportunities for Hispanic-owned businesses under the state's Historically Underutilized Business (HUB) program will undermine Texas's potential economic growth, warns the United States Hispanic Chamber of Commerce.

"This is a surprising step backwards for a state that has traditionally been a champion of business expansion and leveling the playing field for economic growth," said Ramiro Cavazos, president of the United States Hispanic Chamber of Commerce.

Economic data supports the view that Hispanic-owned American businesses represent significant untapped potential.

Research by global management consulting firm McKinsey & Co. found that boosting revenue per employee, garnering increased investments, and leveraging technology can unlock remarkable economic potential existing within existing small- and medium-sized businesses owned by Latinos in the U.S equivalent to [\\$1.4 trillion](#) in additional revenue for the economy and the potential to create about 5 million to 6 million new jobs.

That's because Hispanic-owned businesses in the U.S. have proven to be demonstrably successful. Over a five-year period, American businesses owned by Latinos [grew](#) in number by 44%, coupled with a 36% increase in total revenue, far outperforming other business cohorts. In fact, at [\\$4.1 trillion](#), the economic output of America's Latino population represents the fastest growing GDP and would be the fifth largest economy in the world if it were its own country.

Improving rates of government and corporate contracting represents "a substantial growth opportunity," according to [researchers](#) at the Stanford Graduate School of Business. This is if they can overcome "barriers such as limited capital awareness and varying levels of success in navigating the contracting landscape can hinder firms from fully capitalizing on

these opportunities” — exactly the types of challenges that Texas’ HUB program is designed to address.

With a population that is 40% Hispanic, Texas has a significant opportunity to expand job growth and economic output by supporting Hispanic entrepreneurs. Data indicates that if the share of Hispanic-owned employer businesses equaled the share of Americans who identify as Latino or Hispanic, there would be [812,440 more businesses](#) generating a combined \$1.1 trillion in revenue and \$250 billion in payroll.

“When we bring more people into the business community, everyone benefits,” Cavazos explained. “When we leave people out, we are leaving money on the table.”

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