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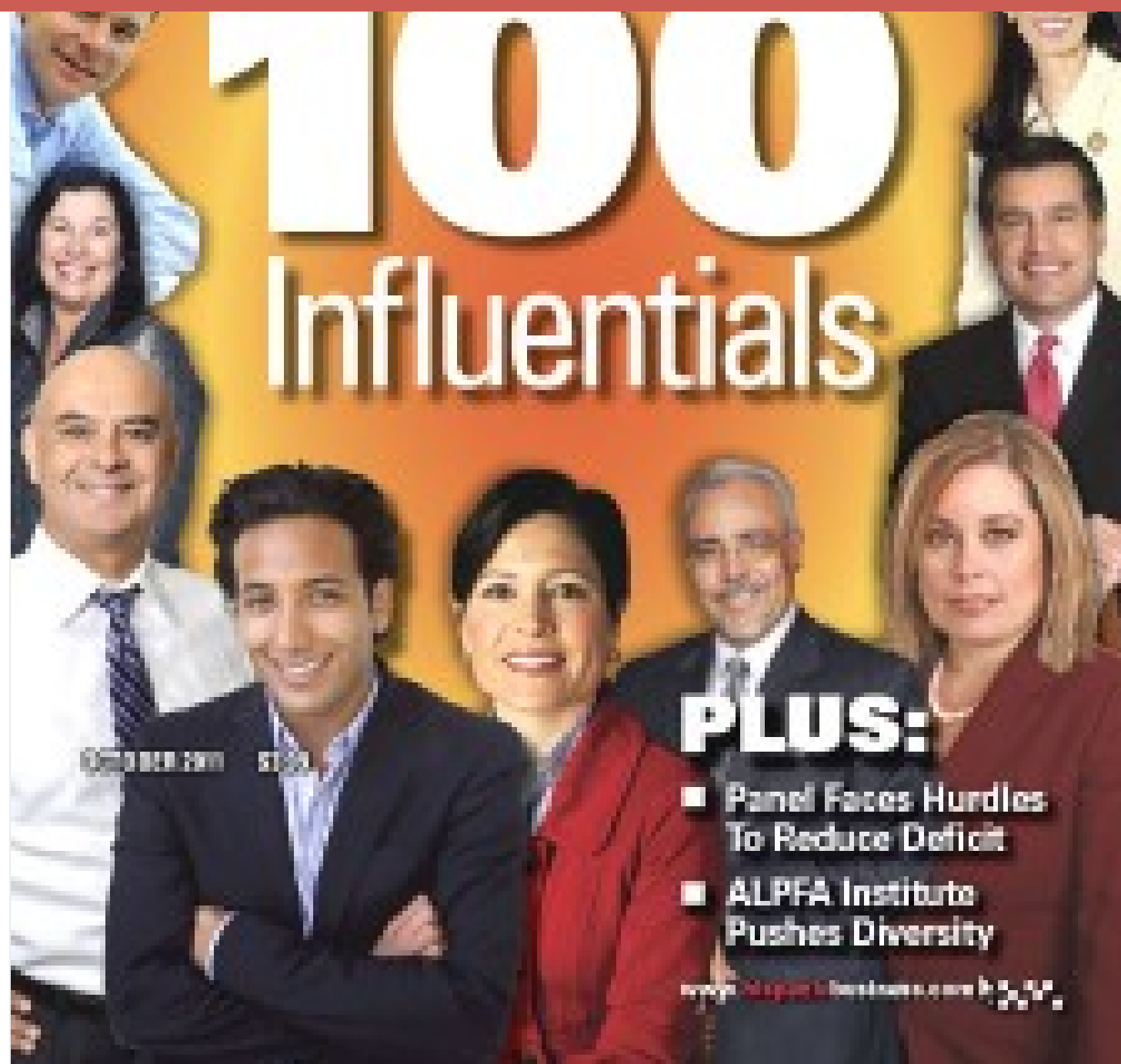
Days Study

The study reported that Latino business owners feel a strong sense of responsibility to their families and communities but tend to lack financial confidence and knowledge to put plans in place to ensure they can continue to provide for them.

Sep. 08, 2015

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For Latino owned-businesses, family and community are key, however the future survivability of their business may be questionable. The [2015 MassMutual Business Owner Perspectives Study](#) revealed that 80 percent of Latino respondents expect to

pass their businesses on to a family member – most often a child. However, 37

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“Without the proper financial knowledge and preparation, Latino business owners are inhibited from fully realizing and protecting their dreams.”

Latino-owned businesses are growing at double the national rate, according to the U.S. Census. And more so than the general average, Latino entrepreneurs are generally younger and more likely to take community into account when making business decisions. Additionally, the majority of those surveyed started their businesses to pursue the American Dream, take control of their lives, and support their families. Yet many do not have the necessary knowledge and resources in place to gain that control and secure a healthy financial future for their families.

When it comes to taking action to address essential business planning issues, Latino business owners face many challenges in achieving their version of the American Dream.

Protecting Against the Unforeseen

Only half of the Latino business owners surveyed have a formalized plan in place (a buy-sell agreement) to protect themselves for an untimely death; even fewer have a buy-sell agreement in place for disability. Protecting the business (35 percent) and family (37 percent) are the primary motivators for having these plans in place, yet an unforeseen illness or injury could jeopardize their ability to meet that goal.

Planning for the Next Generation of your Business

While Latino business owners are ahead of their general population peers, when it comes to succession planning (49 percent of Latinos vs. 41 percent of the general population have a succession plan), only about half of the Latino business owners surveyed have any type of succession plan in place. Eighty percent said they will pass the business on to a family member – most often a child. However, 37 percent of

those individuals said their chosen successor may not even know he/she is the

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plan to retire in the next five years, driven by the younger average age of Latino business owners.

They are more likely to leave the business to a family member or relative (80 percent vs. 65 percent of the general population) and much less likely to sell the business to a key employee (9 percent vs. 14 percent of the general population).

The study was conducted by MassMutual to better understand how to help prepare U. S. Latino businesses to not only sustain future generations but the American economy as a whole. The results of the study are designed to help Latino business owners, as well as their family members, engage in a meaningful dialogue about how to best position their businesses for long-term success and stability. Additional insights from the 2015 MassMutual Business Owner Perspectives Study can be found [online here](#).

Small Business

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