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## POLICIES TO HELP BLACK & LATINO BUSINESSES USE MOBILE APPS TO GROW

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### Executive Summary

This report explains how policymakers, chambers of commerce, and other local institutions involved in supporting small businesses can help Black and Latino entrepreneurs decide whether to develop apps to expand existing businesses and start new businesses. Key findings include:

- **Black and Latino businesses are critical to economic growth.** If Black and Latino businesses were to reach employment parity with all privately held U.S. firms, 2 million new jobs would be created and \$2.65 trillion would be added to the economy.
- **Apps can help businesses engage and retain customers** by giving customers access to make appointments, order goods and services, and engage 24-hours-a-day from any location. Apps also exist to help entrepreneurs manage employees, finances, and other business functions.
- **While 42 percent of all small business owners have customer-facing apps, only 25 percent of Latino businesses and 16 percent of Black businesses have customer-facing apps.** Black and Latino businesses are much more likely to have websites than customer-facing apps, even though Americans spend the majority of their online time on smartphones. The leading reasons Black and Latino entrepreneurs give for not having apps include the belief that apps lack relevancy for their businesses and they are unfamiliar with the app development process.

- **Policymakers, chambers of commerce, libraries, incubators, and other institutions involved in supporting small businesses can take several steps** so that Black and Latino entrepreneurs can make informed decisions about the relevancy of apps to their businesses and the app development process, including:
  - Increasing resources to help entrepreneurs understand the costs and benefits of apps, the app development process, and cybersecurity issues (e.g., technical support, workshops, newsletter content, toolkits, connections to developers);
  - Expanding small business infrastructure grant and loan programs to include digital infrastructure upgrades like apps;
  - Strengthening computer science and digital skills training in workforce development programs, higher education, and K-12 education;
  - Designing programs to teach digital natives about entrepreneurship;
  - Quickly expanding high-speed internet access (including 5G) and ensuring that it is more widely deployed and affordable;
  - Supporting additional research on app use by Black and Latino businesses to most effectively invest resources in practices that increase economic growth.