

25-Year

Economic Impact Analysis

August 30, 2016

Prepared by:



Prepared for:



HBIF is now



Table of contents

| | |
|--------------------------------------|----|
| Foreword | 4 |
| Prospera Report Highlights | 5 |
| Executive Summary | 6 |
| Key Findings of 25-Year Analysis | 9 |
| Hispanic Demographic Profile | 10 |
| Hispanic Entrepreneurship in Florida | 12 |
| Methodology | 13 |
| 25-Year Economic Impact of Prospera | |
| Florida Impact | 15 |
| West Coast Impact | 17 |
| Central Florida Impact | 19 |
| South Florida Impact | 21 |
| Prospera's Philanthropic Impact | 23 |
| Appendix | 25 |
| About AngelouEconomics | 27 |

Prospera Administrative Offices

National Entrepreneur Center
3201 E. Colonial Drive
Suite A20
Orlando, FL 32803
407-413-8564
ProsperaUSA.org

Foreword

Since its inception in 1991, Prospera (formerly called the Hispanic Business Initiative Fund or HBIF) and its clients have made a remarkable impact on life, culture and economic development throughout the state of Florida. Thanks to the leadership of a group of entrepreneurs, who identified the need to provide consulting services to the Hispanic business community, and the vision and support of local and regional elected officials, Prospera was founded to strengthen the economy of Florida through quality, free, bilingual business development and training to Hispanic entrepreneurs.

We in the Crummer Graduate School of Business at Rollins College were enthusiastic to join in this study with AngelouEconomics to estimate Prospera's direct and indirect economic impact throughout Florida. With the encouragement and support of Mr. David Odahowski of the Edyth Bush Charitable Foundation, we were also enthusiastic to examine Prospera's philanthropic impact. We analyzed this in terms of the extent to which beneficiaries of Prospera's services contributed to the overall quality of life in Florida through support of community-based organizations.

As results in the study reveal, Prospera continues to serve a strategic and central role in the development of the Florida economy. Hispanics are entrepreneurial by nature and immigrants even more so, starting 28 percent of all new U.S. businesses in 2011. In 2012, nearly 30 percent of all firms in Florida were owned by Hispanics, and more than 16 percent of first-generation immigrants started or ran start-ups. Given that the failure rate among small businesses across the nation continues to be high, there is a great need for Prospera's services.

Since Prospera expanded its programs in 2011 into South Florida (Miami-Dade and Broward Counties), demand for its services has tripled, catalyzing the growth of successful businesses, industries and communities.

In this report, you will see that Hispanic businesses are growing at more than 15 times the rate of all U.S. firms. You will also see that Prospera's clients created over 26,000 jobs in the last 25 years, realizing of \$1.5 billion of total output. Perhaps equally impactful, Prospera's clients report high levels of philanthropic activity, inspired in part by an obligation to mentor and assist others.

We wholeheartedly congratulate Prospera for its success and remarkable contribution to Florida's economy. We especially thank AngelouEconomics for their expertise and comprehensive economic review, and the Edyth Bush Charitable Foundation for its vision and continuing investments in the quality of life in Central Florida.

Ronald F. Piccolo, Ph.D.
Cornell Professor of Management
Crummer Graduate School of Business
Rollins College, Winter Park, FL USA

Prospera Report Highlights

TOTAL 25-YEAR ECONOMIC IMPACT OF PROSPERA \$1.5 BILLION



Impact on Jobs: 26,937



Impact on Labor Income: \$579.8 Million



Impact on State & Local Tax Revenues: \$58.1 Million

Unique Clients
Consulted



13,949

Amount of Loans
Marketed



\$94.8 Million

Jobs Created or
Retained by
Entrepreneurs



15,299

Prospera Seminar
Participants



46,810

Executive Summary

Introduction

Founded in 1991, and formerly called Hispanic Business Initiative Fund, Prospera is a nonprofit, economic development organization that provides bilingual assistance to Hispanic entrepreneurs in Florida. Now in its 25th year, Prospera has helped thousands of Hispanic entrepreneurs increase the likelihood of success of their existing or prospective businesses. Over the years, thousands of jobs have been created or retained by the Hispanic small business owners who have benefited from its services.

Prospera provides professional services to its clients through a variety of programs, at no cost to them, which are vital for small business owners to succeed. Prospera

aims to strengthen the economy of Florida through quality business development and training to Hispanic entrepreneurs.

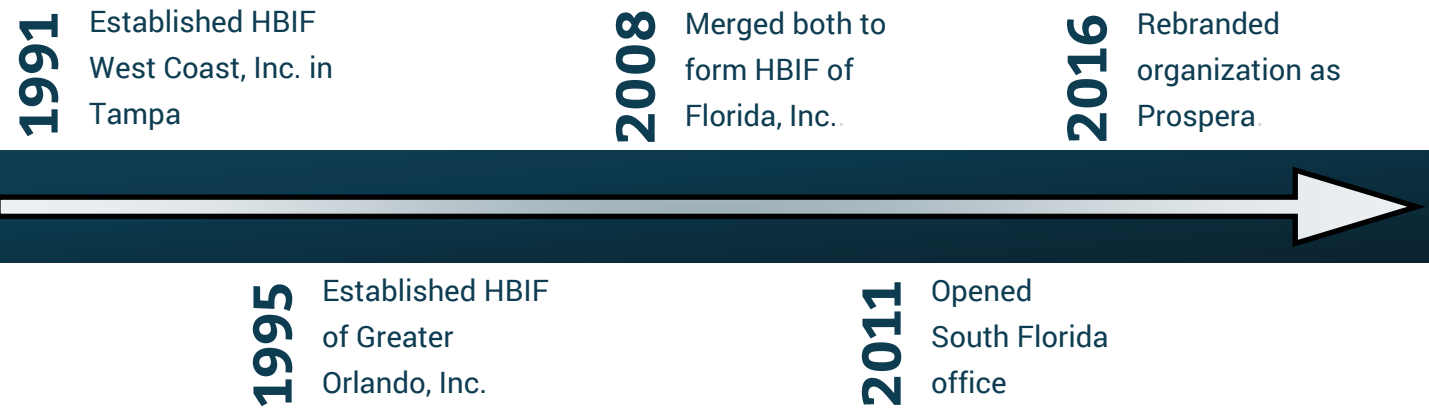
Today, Prospera serves entrepreneurs in numerous cities and counties throughout the state of Florida with offices in the West Coast, Central and South Florida regions.

Thanks to a monetary contribution from the Edyth Bush Charitable Foundation, AngelouEconomics (AE) has been retained by Prospera to measure the economic impact of its services over the past 25 years in the three aforementioned regions, as well as throughout the state of Florida.

PROSPERA Services

| | |
|---------------------|--|
| Business Seminars | Seminars, workshops, and specialized trainings |
| Business Consulting | Individual business development consulting, minority certification support, and referrals to additional resources |
| Business Grants | <div>Subcontracted projects paid by Prospera for experts to assist clients with:</div> <div><div><ul style="list-style-type: none">• Legal structure assessment• Business plan development• Loan application preparation• Website creation• Marketing plan development</div><div><ul style="list-style-type: none">• Accounting Assessment• QuickBooks® dedicated consulting• Corporate branding• Digital marketing• Export Assistance</div></div> |
| Access to Capital | Assistance with information, guidance, introductions to potential lenders, business plan creation, loan application preparation and business concept presentation |

PROSPERA Timeline



Executive Summary

Demographic Analysis of Hispanic Entrepreneurs

The state of Florida boasts the third largest population in the U.S. Of Florida’s population, 25% are Hispanic, which gives Florida the third largest Hispanic population in the U.S.

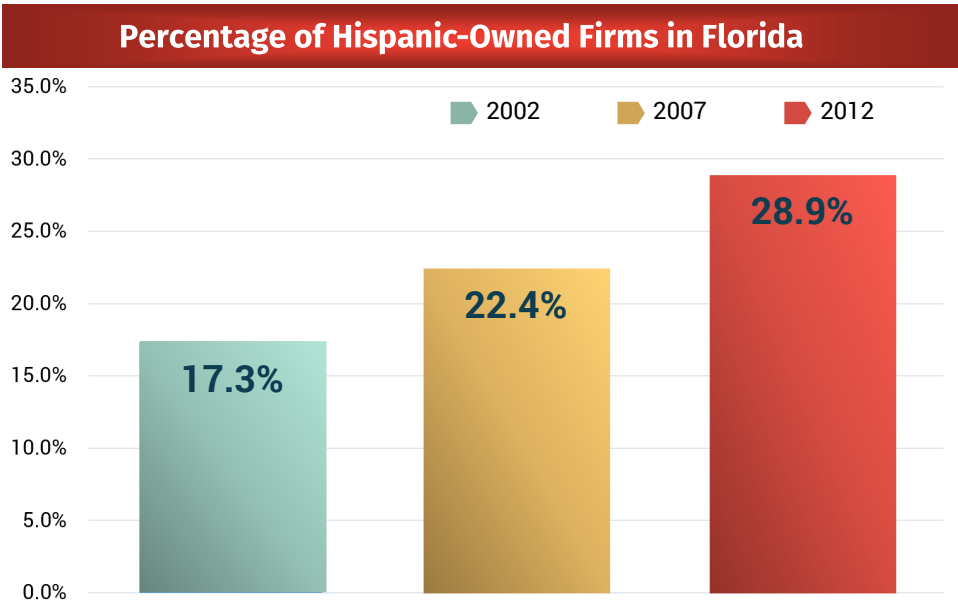
This endows the state with an inherent advantage given that Florida’s Hispanics have a higher propensity towards entrepreneurship. To illustrate this point, 28.9% of Florida business owners are Hispanic, whereas the national average is only 12%.

Prospera is filling the gaps of traditional economic development and creating a stronger, more sustainable economy for the state of Florida. Over the past 25 years, Prospera has helped create or retain 26,937 jobs throughout the economy, which includes 15,299 direct jobs created or retained by Prospera client entrepreneurs. The remaining jobs are attributed to increased revenue for the businesses that supply Prospera and their entrepreneur clients.

Since Hispanic entrepreneurs make up a significant portion of the total entrepreneur population in Florida,

this report builds a case for Hispanic entrepreneurship as a vital component of economic development.

Florida’s Hispanic population surpasses the national average among Hispanics in a variety of socioeconomic measures. Notably, 22% of Florida’s Hispanics have obtained a Bachelor’s degree or higher, which is 8% above the national average. The labor force participation rate among Florida’s Hispanics is 65%, which is 22% higher than the national average.



| Benchmark Comparison of Hispanic Population | | |
|---|---------|------|
| | Florida | U.S. |
| Young professionals (ages 25 - 44) | 30% | 30% |
| Families in poverty | 19% | 28% |
| Home ownership rate | 50% | 45% |
| Bachelor’s degree or higher | 22% | 14% |
| Labor participation rate | 65% | 43% |

Sources: Ewing Marion Kauffman Foundation, Census Bureau, SBA

Executive Summary

Setting Up the Impact Model

Whereas the entrepreneurial analysis provides the context for Prospera within the greater entrepreneurial environment, the economic impact defines the contribution of Prospera in real terms. The economic impact analysis measures the total value of goods and services produced within an economy. In this study, the economic impact of Prospera is determined for the West Coast, Central and South Florida regions, as well as the entire state of Florida.

The total economic impact of Prospera is defined as the sum of **Prospera Programs and Services** and **Prospera**

operations. By using low range estimates and conservative assumptions, the total direct spending of both activities is \$686.1 million over 25 years, which includes expenditures associated with Prospera operations and revenue generated by Prospera entrepreneur clients. These expenditures have translated to \$1.5 billion in economic output for the state of Florida. **Despite the conservative nature of the model, the impact shows a significant contribution to the state and local economy.**

Prospera Programs and Services

Impact of Prospera’s programs and services on entrepreneurs. This is measured through increased revenue, labor income, tax revenue and job creation among Prospera clients

Prospera Operations

Impact of Prospera’s operational budget expenditures

Total Impact by Activity (in millions)

| Activity | Direct Spending | Florida Output |
|--------------------------------|-----------------|------------------|
| Prospera Operations | \$22.1 | \$42.2 |
| Prospera Programs and Services | \$664.0 | \$1,503.6 |
| Total | \$686.1 | \$1,545.8 |

Key Findings of Economic Impact Analysis

The success of Prospera has been quantified through an economic impact analysis of its financial impact on the state and local economies of Florida. The economic impacts detailed in the graphics on the next page are generated from Implan’s input-output software, an industry standard for economic modeling.

The economic impact results are directly attributed to Prospera. They comprise the direct spending through two expenditure activities: indirect and induced effects, which are generated through multiplier spending effects that occur due to Prospera’s direct impacts.

The total impact to Florida is defined as follows:

\$1.5 billion in total economic output

\$579.8 million in labor income

26,937 jobs created or retained by Prospera

\$58.1 million in state and local tax revenues

\$27.6 million in sales tax

\$19.5 million in property tax

\$1.8 million in corporate income tax

Key Findings of 25-Year Economic Impact Analysis

| 25-Year Economic Impact of Prospera Expenditures | | | |
|--|---------------|-------------------------------|-------------------------------|
| | Jobs | Labor Income (in millions) | Total Output (in millions) |
| West Coast Region | 6,646 | \$135.9 | \$347.7 |
| Central Region | 13,947 | \$308.0 | \$812.1 |
| South Region | 6,118 | \$131.0 | \$371.5 |
| Other Regions | 226 | \$4.8 | \$14.5 |
| TOTAL | 26,937 | \$579.7 | \$1,545.8 |

Average Annual Economic Impact

\$61,831,418

Average Annual Labor Income

\$23,190,095

Average Annual State and Local Impact

\$2,325,974

Hispanic Demographic Profile

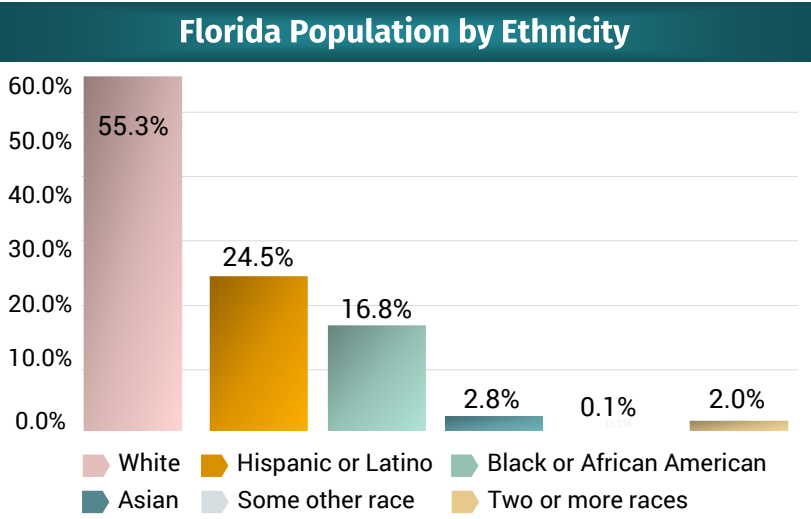
The Florida Market

Hispanic Demographic Highlights

- 12.6% of Hispanics in the U.S. reside in Florida, ranking the state third in the nation for Hispanic residency
- Young professionals make up the second largest age concentration within the Hispanic population, at 30%
- Over 73% of Hispanic Floridians live in family households as opposed to non-family households
- 19% of Hispanic families in Florida live in poverty
- Roughly 50% of Hispanic Floridians are homeowners
- Of Hispanics in Florida who are 25 years of age or older, 22% have a Bachelor’s degree or higher
- 65% of Hispanics in Florida who are 16 years of age or older are currently in the workforce

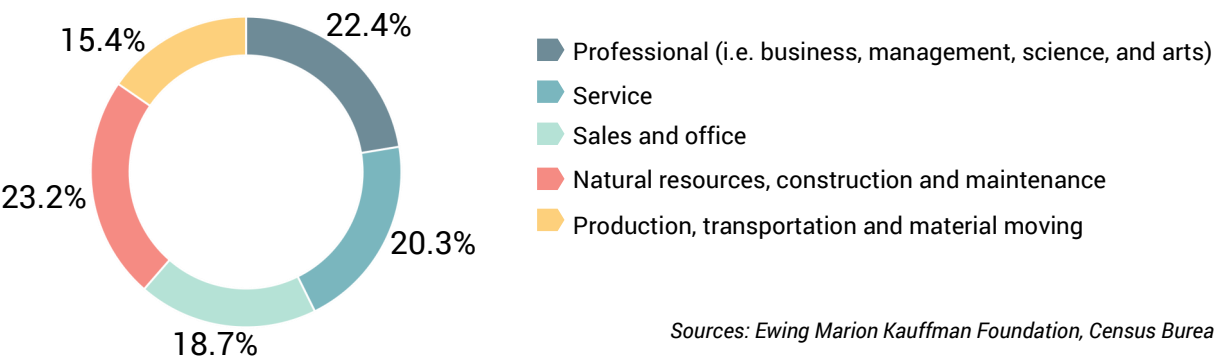
The purpose of this report is to measure the economic impact of Prospera on the Florida economy. Before the study’s results are presented, it is important to keep the economic benefits in perspective and understand how and to whom the impacts are being realized. While Prospera is focused on serving Hispanic entrepreneurs, it creates benefits for the overall communities it serves and the entire state.

The state of Florida is home to approximately 20.3 million people. As of 2014, approximately 4.3 million Floridians identified themselves as Hispanic.



| Benchmark Comparison of Hispanic Population in 2014 | | |
|---|---------|------|
| | Florida | U.S. |
| Young professionals (ages 25 - 44) | 30% | 30% |
| Families in poverty | 19% | 28% |
| Home ownership rate | 50% | 45% |
| Bachelor’s degree or higher | 22% | 14% |
| Labor participation rate | 65% | 43% |

Florida Hispanic Workforce by Occupation



Sources: Ewing Marion Kauffman Foundation, Census Bureau

Hispanic Demographic Profile

Hispanic Entrepreneurs

Florida has the third largest concentration of Hispanic-owned firms, with 607,884. The greatest concentrations are found in California and Texas, with 818,485 and 689,928 firms respectively.

Currently, Florida has more than double the rate of Hispanic business ownership compared to the national average.

Economy-wide, 28.9% of all Florida companies are owned by Hispanics. At the local level, Miami is tied with El Paso, Texas, for the highest proportion of Hispanic-owned firms of any city in the U.S.

Within the subset of Hispanic business owners, Florida is the national leader in businesses owned by individuals with Cuban and Puerto Rican backgrounds, with 49% of Hispanic business owners in the state claiming one or both of these ethnic backgrounds.

The Shifting Landscape of Hispanic Entrepreneurs

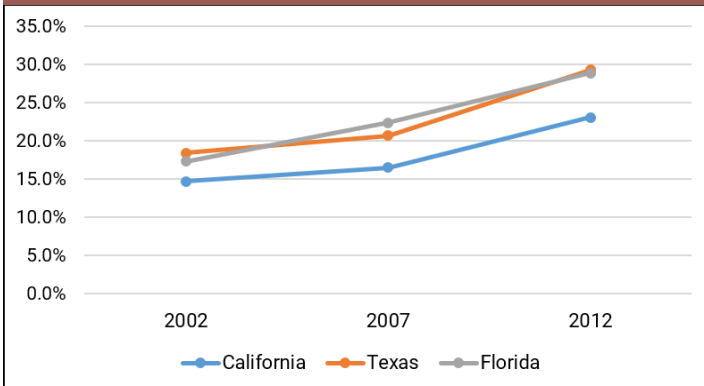
There has been a change in composition of new entrepreneurs on the basis of ethnicity; **between 2003 and 2013, the percentage of new Hispanic entrepreneurs has risen from 16.0% to 20.4%.** Moreover, Florida is currently experiencing a relatively large increase in entrepreneurial activity similar to California, New York, and Nevada. Currently, **Florida is in the 10th percentile for entrepreneurial activity level by state.**

Similarly, over the past 18 years, Latino immigrants have harnessed an increasing share of new entrepreneurs due to both a rising Hispanic population and rising rates of aggregate entrepreneurship, which are projected to be long-term trends despite the short-term decrease of entrepreneurial activity in 2013.

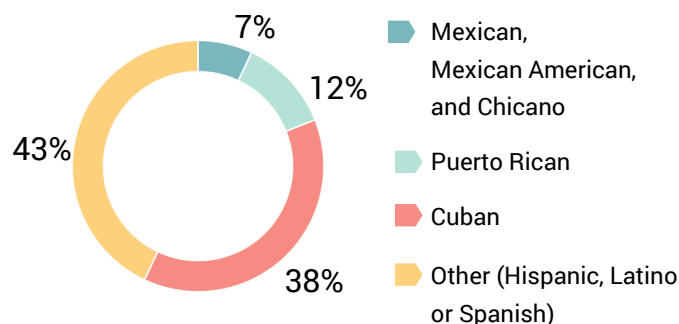
Entrepreneurial rates tend to follow geographical patterns. Entrepreneurial activity tends to be highest in the Western states, such as California and Nevada closely followed by Southern states, such as Florida. In recent years, the gap between the West and the South has begun to close.

Even though Florida ranks favorably with regard to Hispanic entrepreneurship, there are still challenges. Hispanics – as well as other minority entrepreneurs – experience higher rates of failure. Minority groups may also find it more difficult to access the necessary capital to fund their ventures.

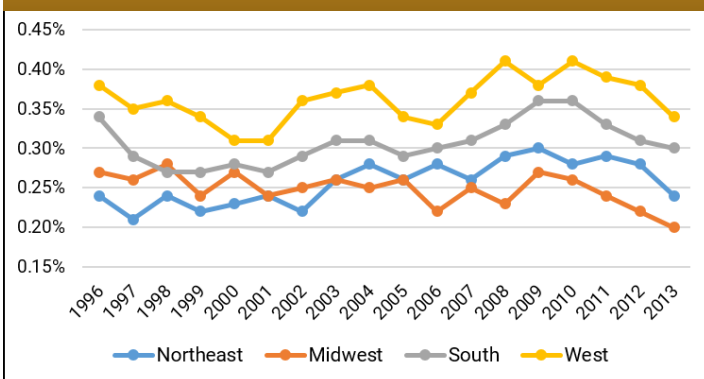
Share of Hispanic-Owned Firms Over Time



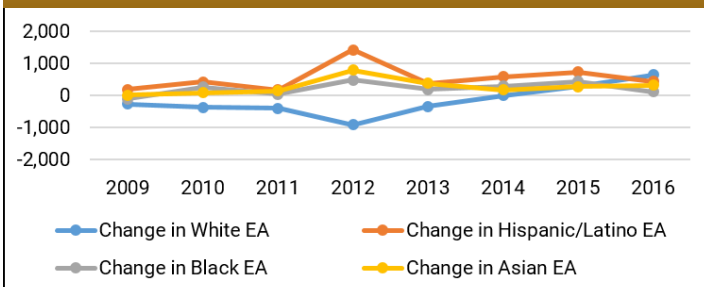
Florida Firms by Hispanic Nationality



Regional Entrepreneurial Activity Index Comparison



Change in Entrepreneurial Activity (EA) Based on Ethnicity (measured in thousands of businesses)



Hispanic Entrepreneurship in Florida

Prospera as a Solution

Historically, Hispanic entrepreneurs have experienced relatively higher loan denial rates. This has led Hispanic entrepreneurs to enter industries with low capital requirements, and thus endure higher failure rates due to higher levels of competition. Moreover, African American and Hispanic entrepreneurs with lower net worth appear to receive much less formal financial resources than wealthier African American and Hispanic entrepreneurs.

The Federal Reserve conducted a study with the National Survey of Small Business Finances to investigate discrepancies between formal lending patterns to entrepreneurs with various ethnic backgrounds. The study exposed how African American and Hispanic-owned firms are more likely to report that they did not apply for loans for fear of being rejected. More poignantly, Hispanics appeared to experience greater difficulty in achieving loan application acceptance over time.¹

Greater access to capital is necessary in order for minority-owned businesses to realize their full potential impact on local economic development.² Overall, regardless of ethnic status, low wealth is an important indicator of how many formal financial resources an entrepreneur will receive.³ A vicious circle emerges: low wealth leads to the necessity to enter industries with low capital requirements which leads to higher business failure rates.

Yet due to Hispanic entrepreneurs' growing pursuits of further educational and business experiences, their success rate at both starting and sustaining businesses may very well enhance the performance of Hispanic-owned companies relative to non-Hispanic-owned companies. Similarly, there are a number of macro-level trends that will continue to bolster Hispanic business pursuits:

1. A rising Hispanic and Latino population
2. Greater propensity of Florida Hispanics to be entrepreneurs, relative to other ethnic groups
3. The rising national long-term trend of Hispanic entrepreneurship

Prospera serves as an additional resource for Hispanic entrepreneurs in Florida. By offering opportunities for training, consulting, business grants and access to capital, Prospera is enabling Hispanic entrepreneurs and creating a greater propensity for success. The economic impact that Prospera has on the Florida economy reaches far beyond their own organizational endeavors. It is the goal of this study to capture – to the best extent possible – the economic impact that Prospera generates within the state of Florida.

¹ Blanchflower, Levine, and Zimmerman (2003)

² Bates and Robb (2013)

³ Casey (2012)



Methodology

Quantifying the Economic Benefit of Prospera

Prospera has many types of impacts that benefit the greater Florida economy. Some of those impacts can be quantified, but many cannot. The purpose of this study is to quantify those aspects of Prospera’s services that can be measured. As Prospera celebrates its 25th anniversary, the economic impact will be measured over the organization’s past 25 years of operations.

Prospera’s economic impact is measured as follows:

- ◇ **Prospera Programs and Services:** the economic impact of Prospera’s programs and services on its entrepreneurs. This is measured through increased revenue, labor income, tax revenue, and job creation among Prospera entrepreneurs.
- ◇ **Prospera Operations:** the economic benefit of annual expenditures made by Prospera, including the employees required to carry out Prospera programs and initiatives.



The Economic Impact Model

- ◇ AE utilizes Implan’s input-output model to measure the effects of Prospera in Florida, as well as the three regional areas. The Implan model utilizes multipliers that are specific to the state of Florida. Moreover, these multipliers capture the unique relationships that exist between industries in Florida. Through these multipliers, the model is able to measure the economic output of the **direct, indirect** and **induced** effects, which are defined in the graphic below.
- ◇ Data for the economic impact model comes from Prospera, which spans 25 years of operations. Where assumptions are needed, the report looks to other organizations that specialize in the research of entrepreneurial enterprises. External data sources include: The Ewing Marion Kauffman Foundation, American Community Survey, Bureau of Labor Statistics, as well as many others.
- ◇ The total economic impacts are estimates based on data received from Prospera and assumptions used by AE. While the outputs do not suggest an exact level of output from Prospera, they represent a thorough and comprehensive measure of estimated economic benefits attributable to Prospera.
- ◇ It is worth noting that the outputs in this report represent conservative estimates. For the purposes of this report, each job created or retained creates an impact for the year it was created, but not any subsequent years. Essentially, it is assumed that the jobs are only in existence for one year. Since data is not known for the average “life” of a job, the report takes the very conservative approach of only measuring a one-year impact for each job created or retained.



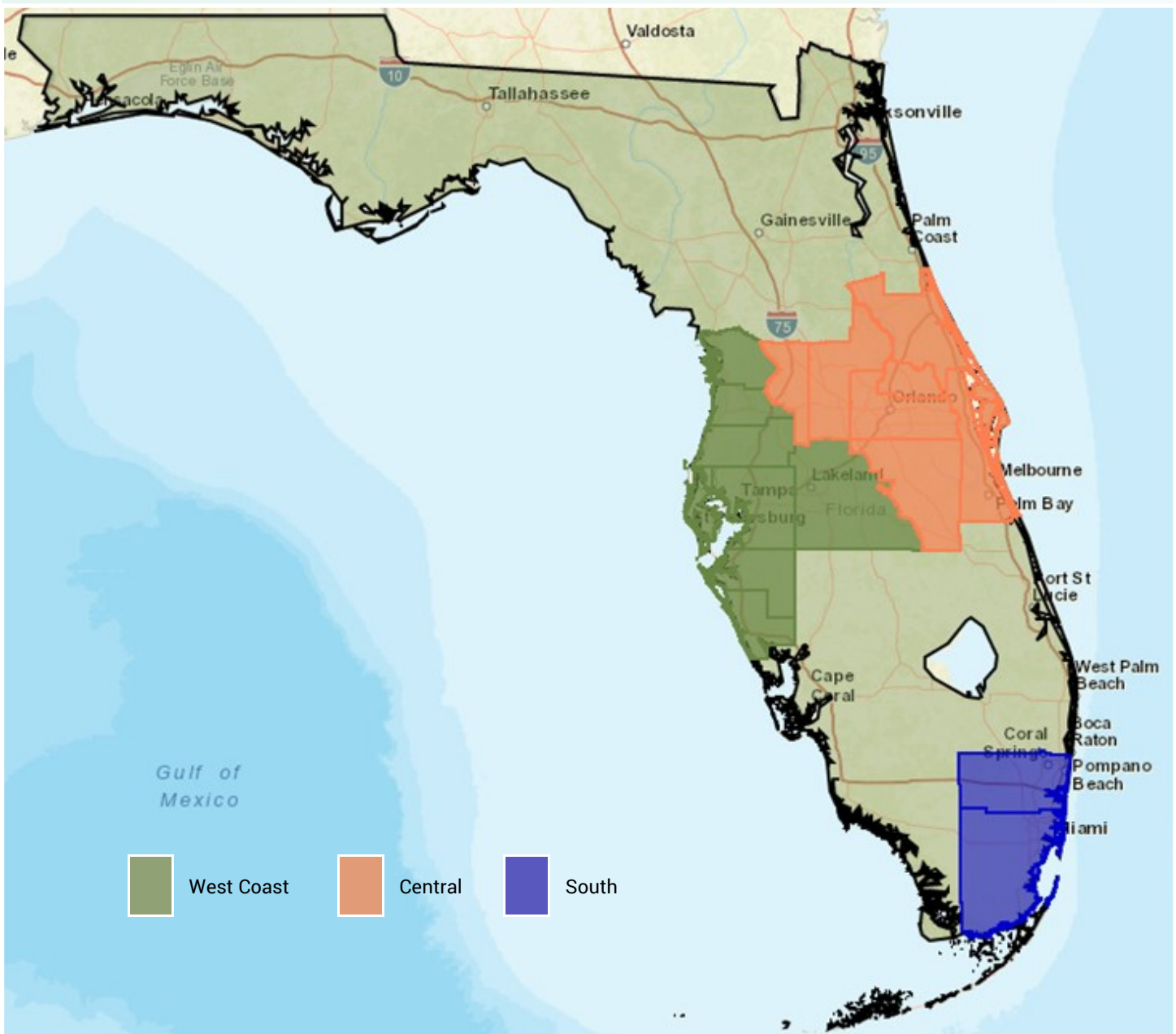
For additional information regarding methodology for each impact type, see appendix section “Expanded Methodology.”

Methodology

State and Regional Models

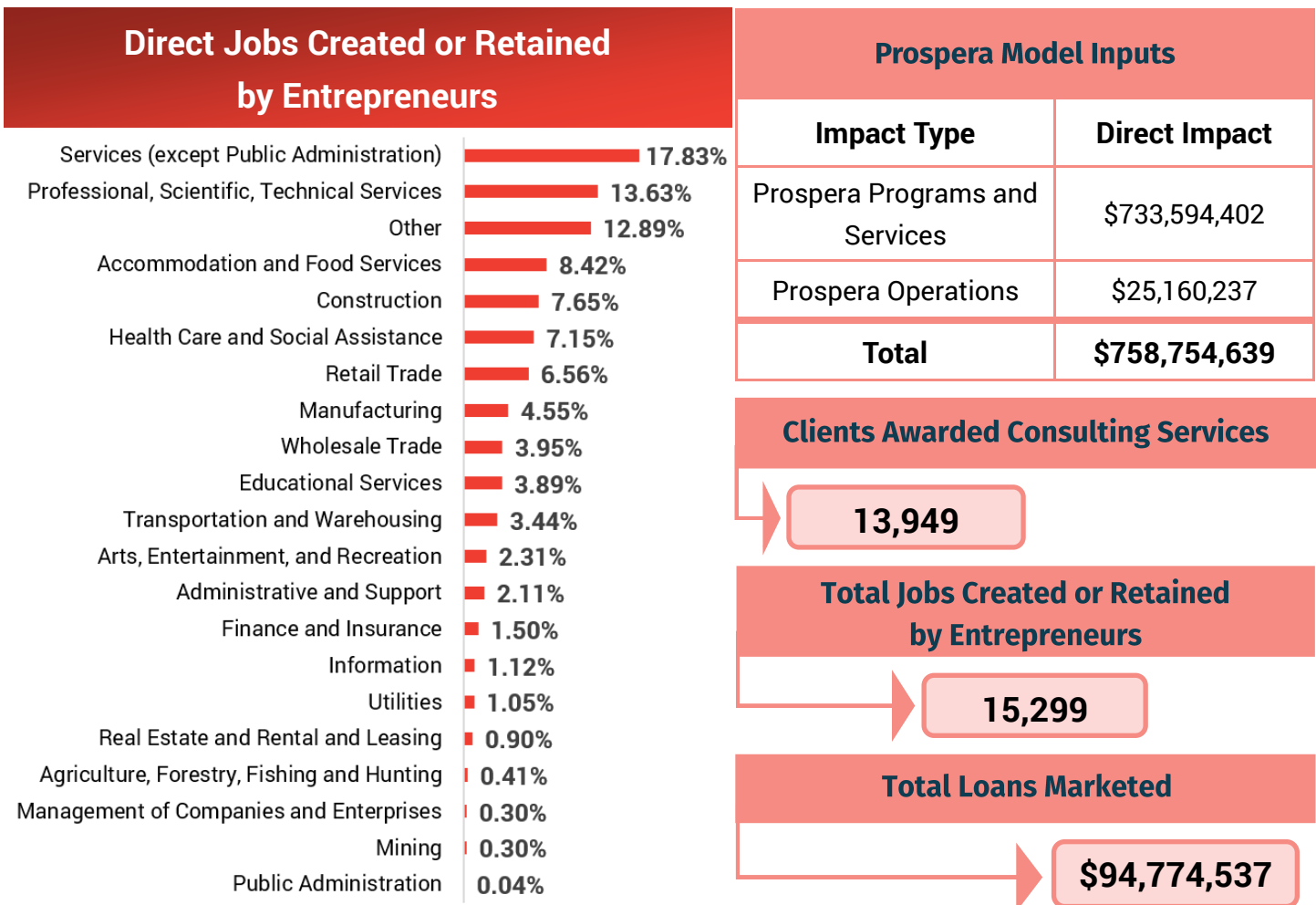
Three separate models were run to measure the economic impact of Prospera. The impact has been measured at the state level as well as the regional level for each of the three regional offices.

- **West Coast Region:** this region is defined as Hillsborough, Pinellas, Pasco, Polk, Manatee, Sarasota, Hernando, and Citrus Counties.
- **Central Region:** this region is defined as Orange, Osceola, Seminole, Brevard, Volusia, Lake, and Sumter Counties.
- **South Region:** this region is defined as Miami-Dade, and Broward counties.
- **Other Regions:** this includes other counties throughout Florida where Prospera has served clients.



25-Year Economic Impact of Prospera

Florida Impact – Combined Regional Impact



Sources: AE, Prospera, Implan

Total 25-Year Impact

Prospera has been active in Florida for the past 25 years. The State of Florida has a population of 20.3 million and is the fourth largest consumer market in the U.S.

Prospera has offices and full-time staff in three regions of Florida: West Coast, Central and South Florida. Additionally, this report includes Prospera clients, who have received services located outside these regional offices. In addition to Prospera's full-time staff members, each region is supported by committed and talented volunteers in various boards and committees.

Sources: AE, Prospera, Implan

Over 25-years, Prospera has created the following impacts throughout the State of Florida:

- ◇ \$1.5 billion in total economic output
- ◇ \$579.8 million in labor income
- ◇ 26,937 jobs created or retained
- ◇ \$58.1 million in state and local tax revenue
 - ◇ Sales Tax: \$27.6 million
 - ◇ Property Tax: \$19.5 million
 - ◇ Corporate Income Tax: \$1.8 million

On
Average



1.10 → Jobs per
Entrepreneur

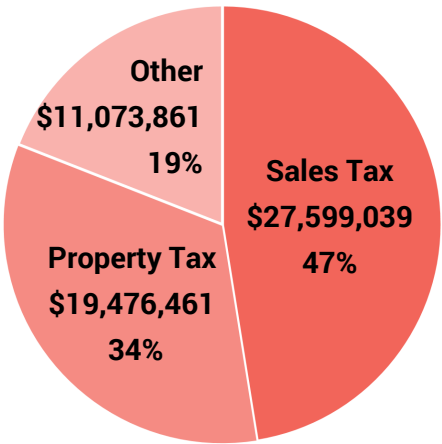


\$47,950 → Direct Economic
Impact per Job Created and Retained

25-Year Economic Impact of Prospera

Florida Impact – Combined Regional Impact

| 25-Year Economic Impact of Prospera | | | |
|-------------------------------------|--------|---------------|-----------------|
| | Jobs | Labor Income | Total Output |
| Direct | 14,970 | \$322,520,402 | \$758,754,639 |
| Indirect | 5,388 | \$121,435,799 | \$357,871,300 |
| Induced | 6,579 | \$135,796,180 | \$429,159,499 |
| Total | 26,937 | \$579,752,381 | \$1,545,785,439 |



25-Year Tax Impact of Prospera

| Prospera Total Economic Impact | Direct | Indirect | Induced |
|--------------------------------|-----------------|-----------------|-----------------|
| \$1.5 Billion | \$758.8 Million | \$357.9 Million | \$429.2 Million |

Total Output by Impact Type

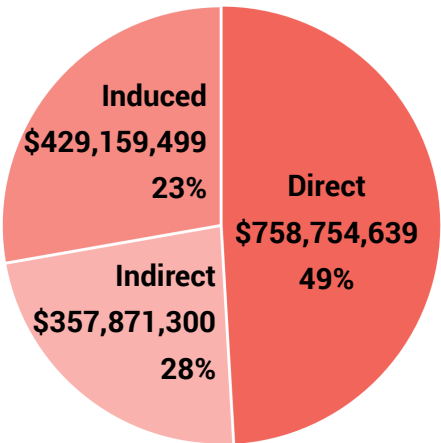
The impact of Prospera programs and services to the Florida economy is \$1.5 billion, as detailed in the table below.

Prospera’s operational budget alone has generated \$42.2 million in economic impact. Currently, Prospera employs over 25 full-time staff members throughout the state of Florida, as well as over 150 volunteers.

Combined across the three regional offices, over half of

the total economic impact is derived from indirect and induced impact types (50.9%). This indicates that over half of the total economic impact of Prospera to Florida’s economy is derived from downstream sectors that are supported by Prospera operations and entrepreneurs – the suppliers, support services, or any other business that interact with Prospera or their entrepreneurs throughout the economy.

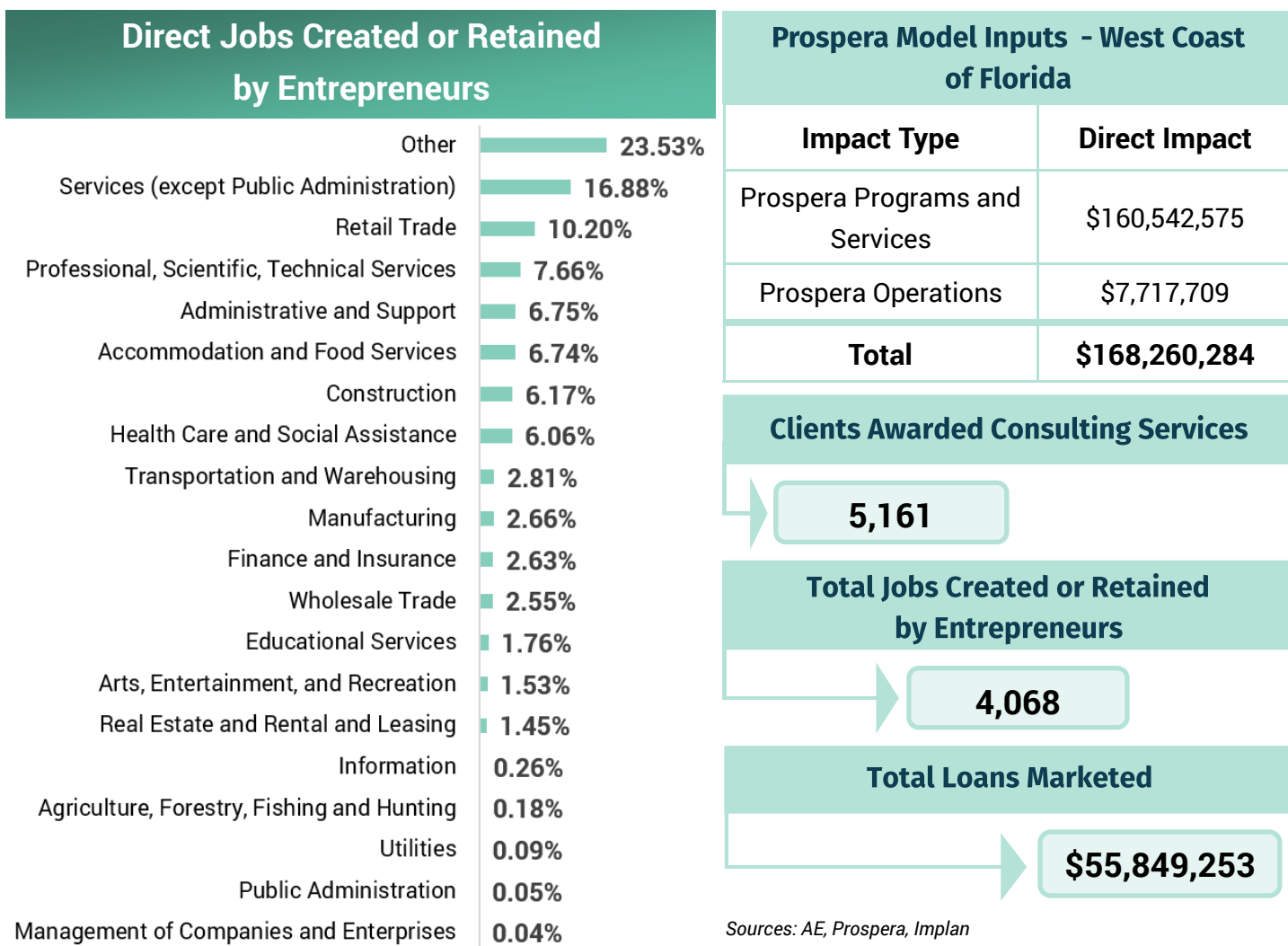
| Total Economic Impact by Type | | | |
|--------------------------------|--------|---------------|-----------------|
| Impact Type | Jobs | Labor Income | Total Output |
| Prospera Programs and Services | 26,594 | \$567,131,384 | \$1,503,627,373 |
| Prospera Operations | 343 | \$12,620,997 | \$42,158,066 |
| Total | 26,937 | \$579,752,381 | \$1,545,785,439 |



Total Economic Impact by Type

25-Year Economic Impact of Prospera

West Coast of Florida Impact



Total 25-Year Impact

The West Coast of Florida office was the first regional office to exist, having been established in 1991. This region, being headquartered in Tampa, boasts a population of 4.3 million and is the 14th largest consumer market in the U.S.

Sources: AE, Prospera, Implan

Over 25-years, Prospera has created the following impact within the West Coast of Florida region:

- ◇ \$347.7 million in total economic output
- ◇ \$135.9 million in labor income
- ◇ 6,646 jobs created or retained
- ◇ \$13.1 million in state and local tax revenue
 - ◇ Sales Tax: \$6.2 million
 - ◇ Property Tax: \$4.4 million
 - ◇ Corporate Income Tax: \$406,987

On
Average



0.79 → Jobs per
Entrepreneur

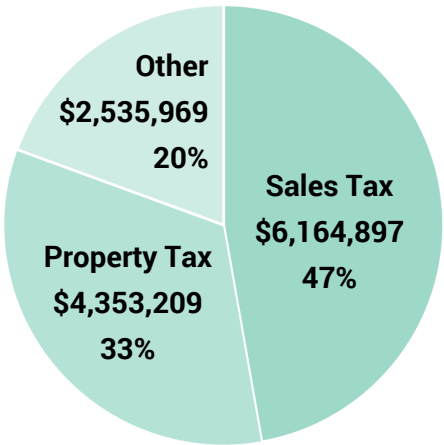


\$39,465 → Direct Economic
Impact per Job Created and Retained

25-Year Economic Impact of Prospera

West Coast of Florida Impact

| 25-Year Economic Impact of Prospera | | | |
|-------------------------------------|-------|---------------|---------------|
| | Jobs | Labor Income | Total Output |
| Direct | 3,942 | \$77,641,884 | \$168,260,284 |
| Indirect | 1,166 | \$26,444,895 | \$78,750,629 |
| Induced | 1,537 | \$31,847,739 | \$100,651,392 |
| Total | 6,646 | \$135,934,517 | \$347,662,306 |



25-Year Tax Impact of Prospera

Value of Prospera’s Impact to Downstream Sectors through Indirect & Induced Impacts

\$179,402,021

Total Output by Impact Type

The impact of Prospera programs and services to the West Coast economy is \$334.7 million, as outlined in the table below.

Prospera operations has the lowest total impact. Interestingly, this sheds light on the return on investment generated by Prospera. While the day-to-day operations of Prospera does create a \$12.9 million impact, it is truly the services offered by Prospera that create the vast majority of impact.

Within the state of Florida, Prospera has helped to create a climate of entrepreneurship among the Hispanic population. The results of those efforts reach far beyond

the jobs, labor income, and total economic output generated. By empowering a segment of the population with enhanced business acumen, Prospera is shaping and strengthening the lives of Florida business owners, not to mention Florida’s commercial sector.

Prospera impacts many sectors and despite only 1.45% of the jobs created or retained in the West Coast Office belonging to the real estate sector, Prospera operations and entrepreneurs produced a \$33.1 million impact on housing market sectors. This downstream impact is attributed to increased income for businesses and employees that supply Prospera and their entrepreneurs.

Subsequently, this allows them to rent additional office space and purchase private residences.

| Total Economic Impact by Type | | | |
|--------------------------------|-------|---------------|---------------|
| Impact Type | Jobs | Labor Income | Total Output |
| Prospera Programs and Services | 6,547 | \$132,063,123 | \$334,730,643 |
| Prospera Operations | 99 | \$3,871,394 | \$12,931,663 |
| Total | 6,646 | \$135,934,517 | \$347,662,306 |

Administrative
& Support
Services

\$44.4M



Real Estate
& Housing
Market

\$33.1M



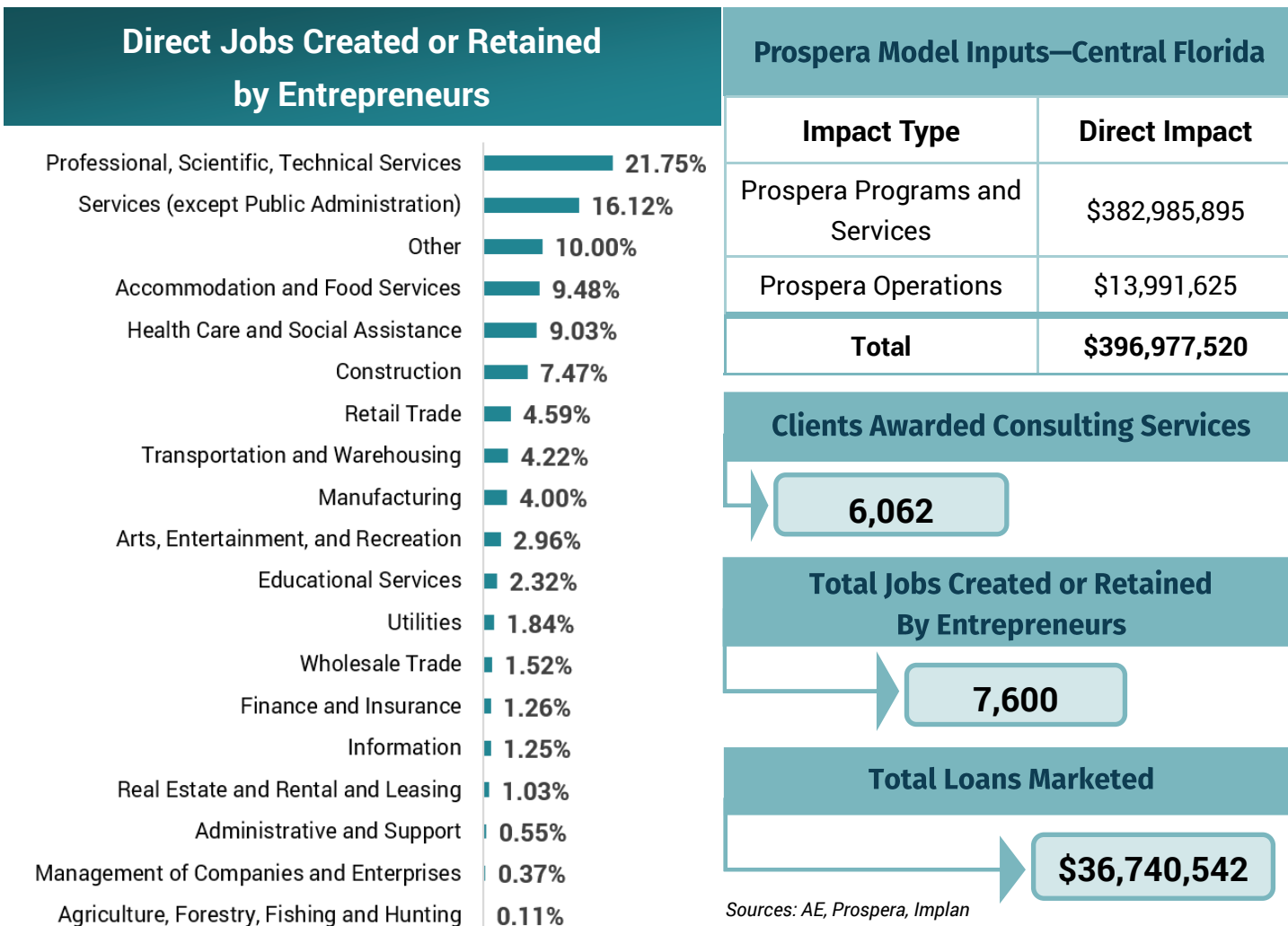
Wholesale
Trade

\$21.5M



25-Year Economic Impact of Prospera

Central Florida Impact



Total 21-Year Impact

Prospera's primary Central Florida office was established in Orlando in 1995. Prospera has additional satellite offices located within the Kissimmee/Osceola County and Seminole County Chambers of Commerce.

The estimated population of the Orlando MSA is 3.3 million people, which includes a well-educated workforce of 1.6 million employees. Innovation and technology are key economic drivers for the region. Therefore, it comes as no surprise that Central Florida has a higher number of firms coming through Prospera in the technology sector.

Sources: AE, Prospera, Implan


Over 21 years, Prospera has created the following impacts within the Central Florida region:

- ◇ \$812.1 million in total economic output
- ◇ \$308.0 million in labor income
- ◇ 13,947 jobs created or retained
- ◇ \$29.1 million in state and local tax revenue
 - ◇ Sales Tax: \$13.7 million
 - ◇ Property Tax: \$9.7 million
 - ◇ Corporate Income Tax: \$903,049

On Average



1.25 → Jobs per Entrepreneur

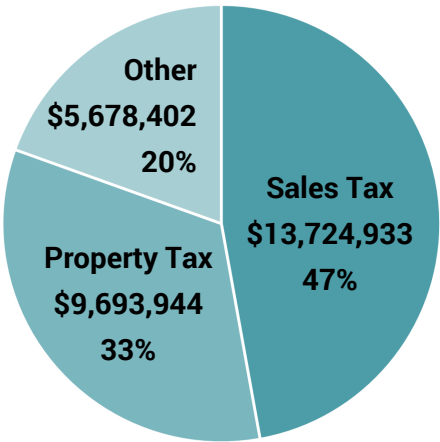


\$50,393 → Direct Economic Impact per Job Created and Retained

25-Year Economic Impact of Prospera

Central Florida Impact

| 21-Year Economic Impact of Prospera | | | |
|-------------------------------------|--------|--------------|--------------|
| | Jobs | Labor Income | Total Output |
| Direct | 7,596 | 171,859,858 | 396,977,520 |
| Indirect | 2,859 | 63,981,717 | 187,152,858 |
| Induced | 3,492 | 72,124,336 | 227,932,763 |
| Total | 13,947 | 307,965,912 | 812,063,141 |



21-Year Tax Impact of Prospera

Value of Prospera’s Impact to Downstream Sectors through Indirect & Induced Impacts




\$415,085,621

Total Output by Impact Type

The impact of Prospera programs and services to the Central Florida economy is \$788.6 million, as outlined in the table below.

Central Florida’s total economic impact is highlighted by the fact that Prospera’s activity in this region had the greatest direct impact on jobs created or retained among the three Florida offices. In total, Central Florida’s Prospera offices have directly created or retained 13,947 full-time job equivalents throughout the Central Florida economy. Rather than jobs created or retained by Prospera entrepreneurs, these are generated through business interactions between entrepreneurs and the other businesses throughout the Florida economy.

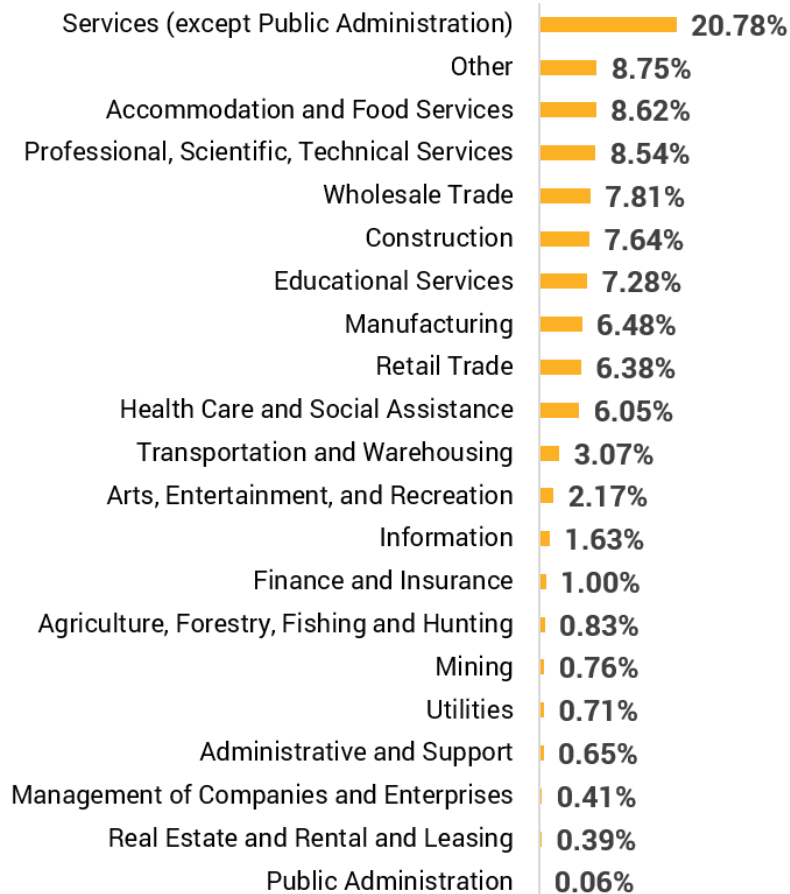
Prospera’s impact on professional, scientific, and technical services drives total output in this region, which helps Central Florida boast the largest economic impact of the three offices. Additionally, despite only 1.03% of jobs created or retained by entrepreneurs belonging to the real estate sector, Prospera operations and entrepreneurs produced a combined \$76.5 million impact on housing market sectors. This downstream impact is attributed to increased incomes for businesses and employees that supply Prospera and their entrepreneurs. Subsequently, this allows them to rent additional office space and purchase private residences.

| Total Economic Impact by Type | | | | Professional, Scientific, Technical, Services | Real Estate & Housing Market | Outpatient Care Centers |
|--------------------------------|--------|---------------|---------------|--|---|---|
| Impact Type | Jobs | Labor Income | Total Output | | | |
| Prospera Programs and Services | 13,751 | \$300,947,367 | \$788,619,012 | \$95.0M | \$76.5M | \$58.2M |
| Prospera Operations | 196 | \$7,018,545 | \$23,444,129 |  |  |  |
| Total | 13,947 | \$307,965,912 | \$812,063,141 | | | |

25-Year Economic Impact of Prospera

South Florida Impact

Direct Jobs Created or Retained by Entrepreneurs



Prospera Model Inputs - South Florida

| Impact Type | Direct Impact |
|--------------------------------|----------------------|
| Prospera Programs and Services | \$182,659,735 |
| Prospera Operations | \$3,450,903 |
| Total | \$186,110,638 |

Clients Awarded Consulting Services

2,653

Total Jobs Created or Retained By Entrepreneurs

3,516

Total Loans Marketed

\$2,159,742

Sources: AE, Prospera, Implan

Total 5-Year Impact

In 2011, Prospera's opened its third regional office in South Florida. Its initial location was within the Greater Miami Chamber of Commerce in Downtown Miami. Today, Prospera has moved its South Florida operations to Doral. In addition, Prospera has two satellite offices in Hollywood and Sweetwater.

The estimated population of the Miami MSA is 5.7 million people. It includes a large international community, which gives the region a large pool of highly skilled and diverse workers. Additionally, the Southeast region claims easy access to international markets, especially those in Latin America.

Over 5 years, Prospera has created the following impacts within the South Florida region:

- ◇ \$371.5 million in total economic output
- ◇ \$131.0 million in labor income
- ◇ 6,118 jobs created or retained
- ◇ \$15.5 million in state and local tax revenue
 - ◇ Sales Tax: \$7.5 million
 - ◇ Property Tax: \$5.3 million
 - ◇ Corporate Income Tax: \$432,958

On
Average



1.33 → Jobs per
Entrepreneur

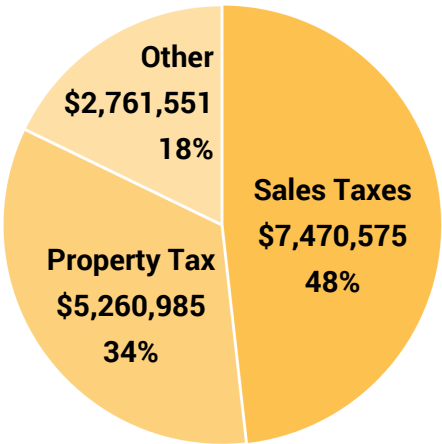


\$51,951 → Direct Economic
Impact per Job Created and Retained

25-Year Economic Impact of Prospera

South Florida Impact

| 5-Year Economic Impact of Prospera | | | |
|------------------------------------|-------|---------------|---------------|
| | Jobs | Labor Income | Total Output |
| Direct | 3,317 | \$70,507,807 | \$186,110,638 |
| Indirect | 1,307 | \$29,833,466 | \$88,382,205 |
| Induced | 1,494 | \$30,697,802 | \$97,016,177 |
| Total | 6,118 | \$131,039,075 | \$371,509,020 |



5-Year Tax Impact of Prospera

Value of Prospera’s Impact to Downstream Sectors through Indirect & Induced Impacts

\$185,398,392

Total Output by Impact Type

The impact of Prospera programs and services to the South Florida economy is \$365.7 million, as outlined in the table below.

It is important to note the economic impact that South Florida’s offices have had on the region in such a limited amount of time. **To put things into perspective, South Florida’s total economic output is about one half of the total economic output of the Central Florida office.** This is an impressive impact, considering that South Florida’s offices were established 15 – 19 years after the other two regions.

Wholesale trade, which has the fifth most jobs created by entrepreneurs in this region, has the largest economic impact in South Florida. Additionally, despite only 0.39% of the jobs created in the South Florida Office belonging to the real estate sector, Prospera operations and entrepreneurs produced a \$29.9 million impact on real estate and housing market sectors. These downstream impacts are attributed to increased incomes for businesses that supply Prospera and their entrepreneurs, which in turn allows these businesses and their employees to make purchases in various sectors of the economy.

| Total Economic Impact by Type | | | | Wholesale Trade | Real Estate & Housing Market | Administrative and Support Services |
|--------------------------------|-------|---------------|---------------|-----------------|------------------------------|-------------------------------------|
| Impact Type | Jobs | Labor Income | Total Output | | | |
| Prospera Programs and Services | 6,071 | \$129,308,017 | \$365,726,746 | | | |
| Prospera Operations | 48 | \$1,731,058 | \$5,782,274 | | | |
| Total | 6,118 | \$131,039,075 | \$371,509,020 | | | |

Wholesale Trade

\$40.7M



Real Estate & Housing Market

\$29.9M



Administrative and Support Services

\$28.6M



Prospera’s Philanthropic Impact

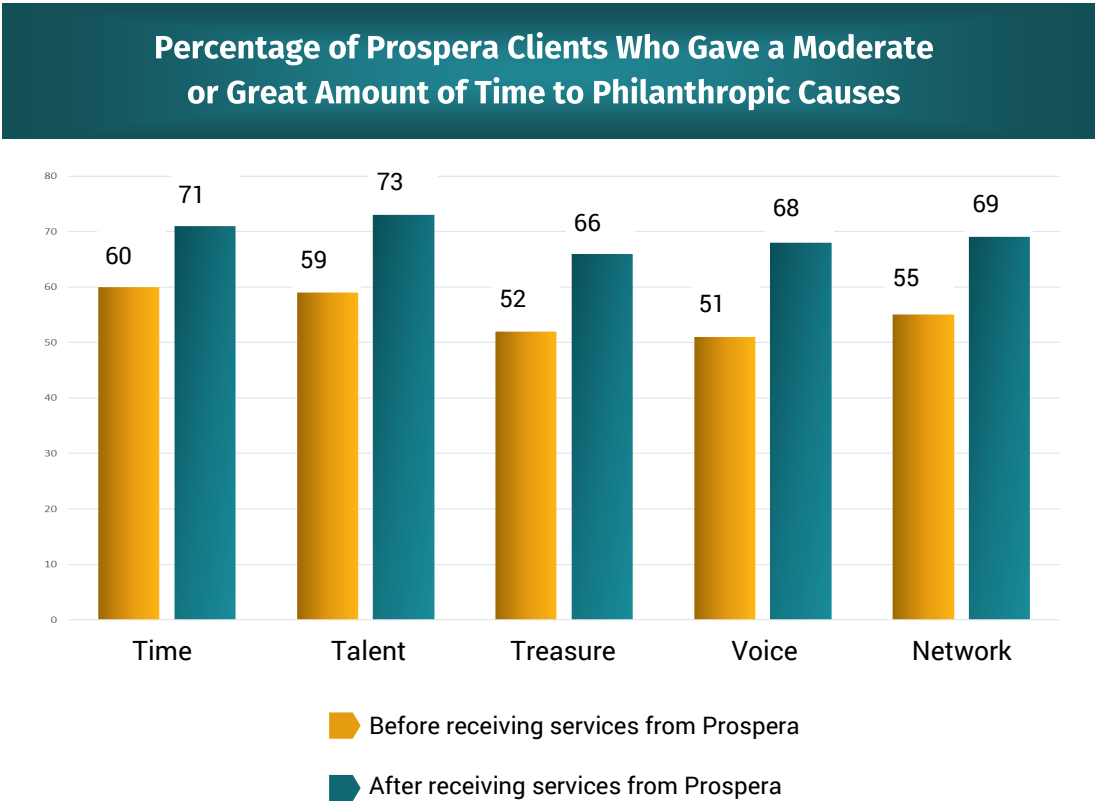
Prospera as a Catalyst for Philanthropy

The Crummer Consulting Team (CCT) of Rollins College, in conjunction with AngelouEconomics and Prospera, developed a short survey to gauge the success and philanthropic contribution of current and past clients of Prospera. The survey was translated into Spanish by Prospera, and then uploaded to a survey administration website in both English and Spanish. An email written by Prospera’s President and CEO, Augusto Sanabria, along with a link to a web-based version of the survey, was sent to the population of clients in Prospera’s database.

There were 213 usable responses representing a diverse set of industries.

To estimate the philanthropic impact of Prospera’s supportive services to Hispanic entrepreneurs, clients were asked to describe their level of philanthropic activity before and after working with Prospera. As the graph below suggests, clients indicated a much stronger inclination towards philanthropy after having received consulting and support services from Prospera.

For example, prior to working with Prospera, 60% of the respondents gave a moderate or great amount of their time to philanthropic causes. After working with Prospera, 71% of clients gave a moderate or great amount of their time.



Sources: AE, CCT, Prospera

Prospera Philanthropic Impact

Motivation Behind Philanthropy

In the survey and interview, clients were asked to describe their motivation for “giving back” both before and after working with Prospera. Before becoming a client, sample responses included comments like:

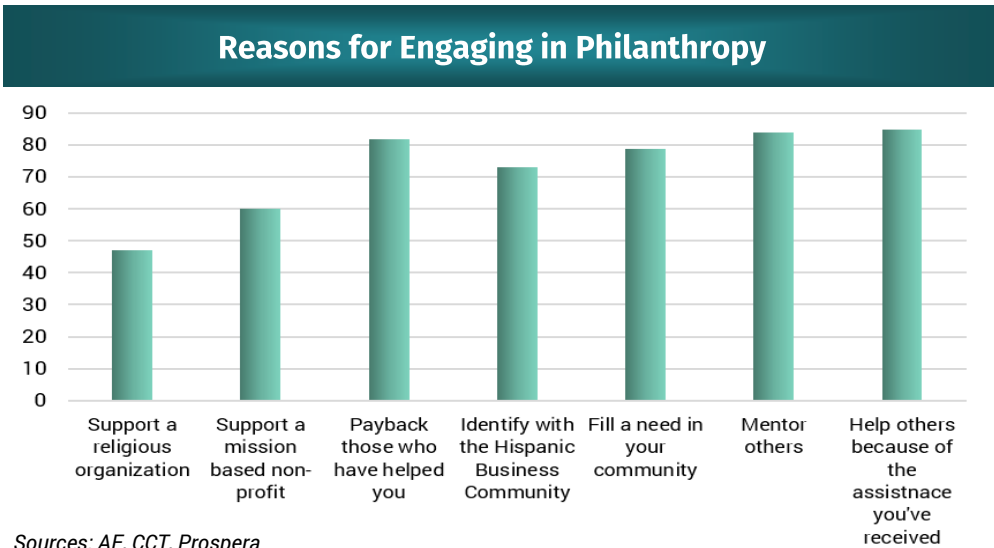
- “A sense of responsibility to my community”
- “Because of my own beliefs”
- “Helping others”

After receiving services, client responses changed slightly. Before receiving services, five respondents said they were motivated to give back by a desire to help those who had helped them or help others like them. However, the number of respondents saying they helped for this reason after receiving services increased to 23.

Sample responses included:

- “Gratitude for the assistance I received when I needed it”
- “Help up-and-coming professionals with guidance and advice”
- “I believe in giving”

These results suggest the impact that Prospera has had on its client base is not only in terms of professional and economic support, but also in inspiring an obligation to be part of the philanthropic fabric of the community.



Clients were asked to describe their motivation for engaging in philanthropy and summarize results in the chart above.

Consistent with the results described above, respondents indicated they were driven most strongly by a desire to “pay back those who have helped you” (82%), “mentor others” (84%), and “help others because of the assistance they received” (85%). This shows that respondents are motivated by a sense of duty beyond a personal or religious value or belief. These results are further evidence that receiving assistance and mentorship from Prospera has sparked an already existing desire in this community to do the same for others.

Conclusion

The economic impact that Prospera has had on the state of Florida is clearly evident in terms of the number of Hispanic entrepreneurs served, the number of workshops conducted, the number of one-on-one professional consulting sessions delivered, and ultimately, the number of jobs created or retained.

Additionally, this study sought to estimate the philanthropic impact of Prospera’s service by examining the extent to which clients of Prospera not only contribute to the economic health of the state of Florida, but also to the philanthropic fabric of its various communities. As these results suggest,

Prospera has inspired a desire to “give back” among its clients, a high percentage of which willingly give of their time, talent, treasure, voice and network. Thus, Prospera has made both an economic and philanthropic impact in Florida.



Appendix

I. Additional Definitions

II. Expanded Methodology

III. Sources: Hispanic Entrepreneurship in Florida

I. Additional Definitions

Multipliers: unique to the region being studied and used to calculate the specific effects brought about by a change to a regional economy. For instance, a positive economic activity will have a multiplier greater than 1. This means that the economic impacts are greater than just the direct expenditures from the analyzed activity. Simply put, a multiplier is the ratio that defines the total economic output created for each dollar invested.

Jobs: are created or retained through induced effects and are full-time equivalents

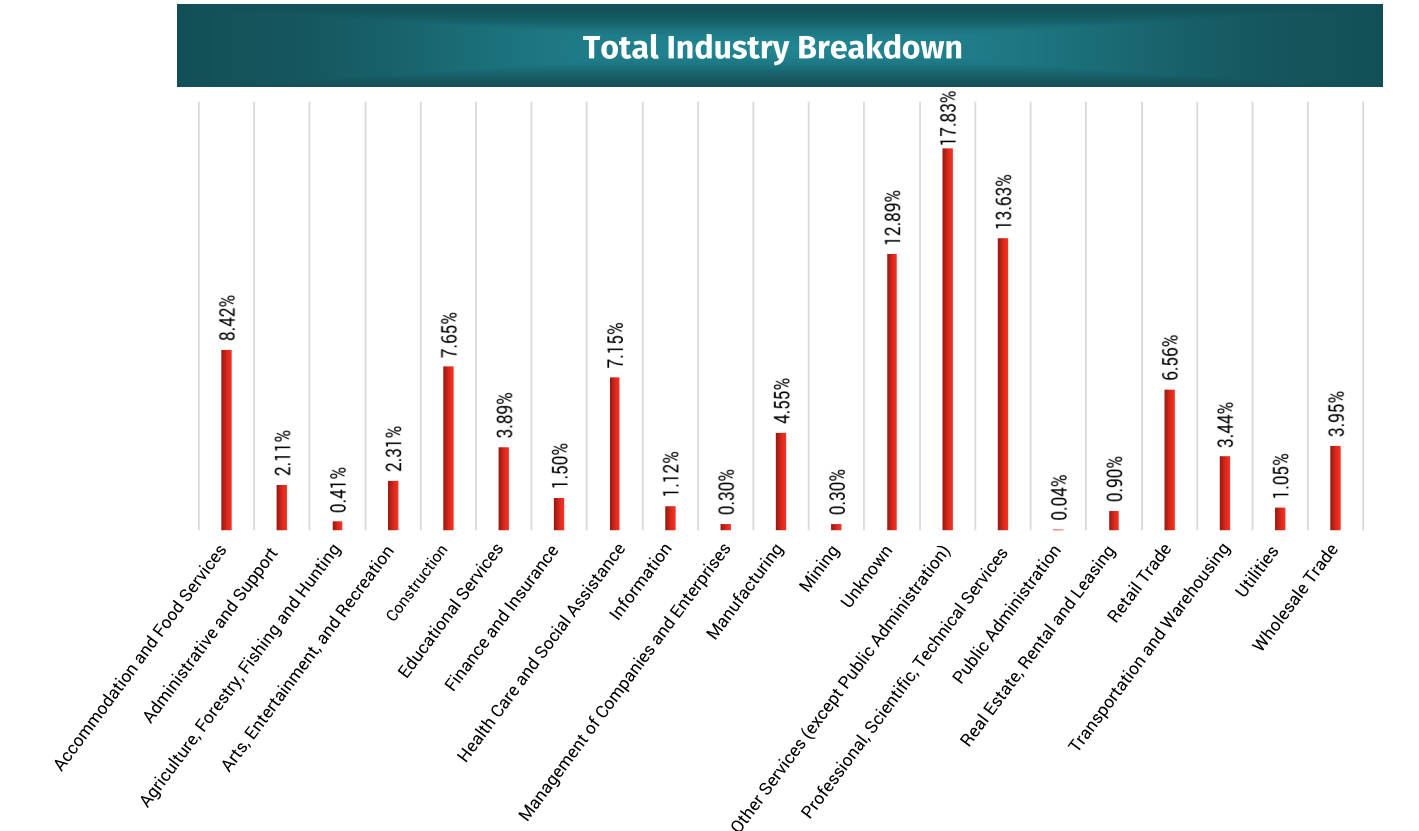
Tax Impact: federal, state, and local impacts are included in the total economic output

Labor Income: includes all forms of employment income. This includes both wages and benefits

II. Expanded Methodology

Jobs Created by Industry Sector

Prospera tracks the number of jobs created or retained by businesses that receive services from Prospera. In most years, industry data is tracked for each job created or retained. However, in some years jobs were not classified by industry. Therefore for each region, job totals in each industry were tallied, and jobs with no industry data were divided accordingly among industries based on historical percentages.



Appendix

II. Expanded Methodology

Prospera Operations

The annual operating budget of Prospera has an economic impact on the regions in which it operates. The ongoing operation of Prospera requires the purchasing of goods and services, as well as the hiring of full-time and part-time employees.

Data for operating budgets comes directly from Prospera. In the event of missing data for earlier years, projections were made to fill in the gaps that existed. Since employment levels are known for all years, budget projections are based on the level of employment for a given year.

| Prospera Operating Budgets by Regional Office | |
|---|-------------------------------|
| Regional Office | Operating Budgets (1991-2016) |
| West Coast of Florida (Office opened in 1991) | \$6,313,244 |
| Central Florida (Office opened in 1995) | \$12,379,584 |
| South Florida (Office opened in 2011) | \$3,412,569 |
| 25-year Cumulative Budget | \$22,105,397 |

Sources: AE, Prospera

III. Sources: Hispanic Entrepreneurship in Florida

1. Blanchflower, D. G., Levine, P. B., & Zimmerman, D. J. (2003, November). *Discrimination in the Small Business Credit Market. The Review of Economics and Statistics*, 85(4), 930-943. doi:10.1162/003465303772815835
2. Bates, T., & Robb, A. (2013, February 21). *Greater Access to Capital Is Needed to Unleash the Local Economic Development Potential of Minority-Owned Businesses. Economic Development Quarterly*, 27(3), 250-259. doi:10.1177/0891242413477188
3. Casey, C. (2012, August). *Low-Wealth Minority Enterprises and Access to Financial Resources for Start-Up Activities: Do Connections Matter? Economic Development Quarterly*, 26(3), 252-266. doi:10.1177/0891242412452446

About AngelouEconomics

AngelouEconomics partners with client communities and regions across the United States and abroad to candidly assess current economic development realities and identify opportunities.

As a result, AngelouEconomics' clients are able to diversify their economies, expand job opportunities and investment, foster entrepreneurial growth, better prepare their workforce, and attract 'new economy' companies.

To learn more, visit
www.angeloueconomics.com

Project Team

Angelos Angelou
Principal Executive Officer

William Mellor
Vice President
General Manager, Economic Impact

Anthony Michael
Project Manager

Anna King
Research Associate

Our goal is to leverage the unique strengths of each region to provide new, strategic direction for economic development.



angelou**economics**

This study was sponsored by:



**EDYTH BUSH
CHARITABLE FOUNDATION**