

Few Hispanics across the board

Population has grown, but it's not represented in corporate America

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AS we are all aware, the Harris County region has had a significant demographic transformation in population, with the Hispanic population growing from 22.7 percent in 1990 to 33.0 percent in the year 2000. In fact, according to recent figures released by the U.S. Census Bureau, there are almost 1.4 million Hispanics in Harris County, or 37.3 percent of the total population. Today, Hispanics are almost 40 percent of the population of Houston, and are expected to approach 50 percent in the next 10 years.

Yet, there is a serious lack of Hispanic representation on corporate boards and in senior management positions of the top publicly traded corporations in Houston. This summer, the Houston Hispanic Chamber of Commerce commissioned a study to determine the level of Hispanic participation at those levels and the results are frightening: Out of 2,403 corporate board members and senior managers, only 46 are Hispanic. In other words, less than 2 percent of the corporate leadership in the city is Hispanic.

For many of these companies, Hispanics are among their biggest customers. For others, Hispanics make up a significant percentage of their workforce; and yet, Hispanics are not welcomed at the level where decisions are made. Our city reflects a similar disturbing national trend. Recent studies show that Hispanics hold only 1.8 percent of board seats and 1.1 percent of executive offices in Fortune 1,000 companies.

There are many practical reasons for corporate America to include Hispanics on their boards (beyond commitment to serving this sector of the

community). According to the 2000 U.S. Census Bureau, the median age of the Hispanic community in the United States is 25.9. The median age for the entire U.S. population was 35.3 years of age. The purchasing power of Hispanics is currently \$700 billion, and is expected to increase to \$1 trillion by 2010 as the population matures. This phenomenal purchasing power, coupled with Hispanics' recognized commitment to brand loyalty, makes the Hispanic market very attractive to corporate America.

Understanding this market will be crucial to the economic growth of many companies.

The Houston Hispanic Chamber of Commerce challenges our business community to include Hispanics in positions of leadership, if we are serious about economic development and promoting our region as the key destination for business entrepreneurs in Spain and Latin America.

Hispanic board members can leverage their insight and knowledge of the U.S. Hispanic market and apply their marketing and business development expertise to offer new products and/or expand existing ones in the Hispanic community and beyond. In addition, by including Hispanics on their boards, companies could build important relationships that will affect the future success of the business. Understanding the local culture of the community will be critical to winning Hispanic customers.

Moreover, improving Hispanic representation on corporate boards and as senior managers is important because improved representation will help generate a Hispanic leadership that will be firmly committed to free markets, economic growth and corporate success. If Hispanics are incorporated into the leadership of corporate America, Hispanics will develop a better commitment to corporations as part of the American fabric. Hispanics will

appreciate corporations that value them not simply as consumers, but as decision-makers.

The absence of Hispanic participation on corporate boards or in positions of senior management is not due to a lack of talent, skills or business acumen. The corporate community not only has an extraordinary pool of entrepreneurs from which to recruit corporate board members, but also has academics, medical professionals and former policy-makers from which to recruit. The Hispanic talent pool exists.

more non-Hispanic individuals who serve on more than one local corporate board or senior management positions than there are Hispanics serving in those capacities. While there are a mere 46 Hispanics serving in positions of corporate leadership, there are 89 non-Hispanic individuals who serve on more than one board or position of senior management. These 89 individuals serve on 198 different corporate leadership positions. Some of these 89 individuals serve on as many as five different leadership positions. Thirteen of these individuals are serving in three or more leadership positions.

And yet, in Houston, there are only 20 Hispanic individuals who serve on corporate boards, and 19 who serve as senior managers, with only seven of these individuals serving as both senior managers and board members.

Given the success of NAFTA and the great potential of CAFTA-DR and other multilateral trade agreements, relationships between the Latin American economies, Spain and the U.S. markets, it makes good business sense for Houston-based companies to reach out to the Hispanic community at the board and senior management levels. The Houston Hispanic Chamber of Commerce challenges our business community to include Hispanics in positions of leadership, if we are serious about economic development and promoting our region as the key destination for business entrepreneurs in Spain and Latin America. If corporate America takes on this challenge, Houston will have a true reason to celebrate Hispanic Heritage Month.

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The Hispanic community has made significant contributions to the city's economy, introducing whole new markets from which we all benefit. These contributions can be found in most sectors of the economy, with some of the greatest contributions in the construction, transportation, wholesale and retail sectors of the economy.

The U.S. Census Bureau has noted that the number of Hispanic-owned businesses nationally has grown at triple the national average between 1997 and 2002, generating nearly a quarter of a trillion dollars in annual revenue. Recent statistics from the U.S. Census Bureau indicate that Harris County has one of the highest concentrations of Hispanic-owned businesses of any county in the United States, at 61,934 businesses, ranking Harris County third in the nation in the number of such businesses.

Making the absence of Hispanics on corporate boards even more troublesome is the fact that there are significantly