

# BOSS Quarterly Report

June 2024

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# BOSS Quarterly Report

## Executive Summary

The City of El Paso commissioned the Hunt Institute for Global Competitiveness, herein the Hunt Institute, at The University of Texas at El Paso to conduct a comprehensive survey of small businesses in El Paso, Texas. This report provides a snapshot of the survey conducted with 450 small businesses from July 20, 2023, to May 14, 2024. The survey aimed to identify strengths and areas for improvement, gathering insights to enhance the overall experience for local enterprises engaging with the Business One Stop Shop.

The surveyed businesses in El Paso are in different branches of the other services sector, mainly in hair and nail salons and personal care services, the retail trade, and professional, scientific, and technical services. Of the surveyed businesses, 60.9% have been operating for over five years. Additionally, 82.2% of the surveyed businesses are Hispanic-owned, and more than half are women-owned.

In 2022, some businesses were still struggling with COVID-19-related issues, such as supply chain disruptions and general health concerns. The increased cost of goods and unstable markets were other areas of concern for small businesses in El Paso.

This analysis delves into the current landscape of businesses, revealing notable trends and challenges. Of the businesses surveyed, 52.9% operate with no employees, while 43.1% have between 1 and 10 employees. Only 4.0% have between 11 and 75 employees.

Key challenges identified include reduced sales, hurdles in employee recruitment, and difficulty hiring and retaining skilled employees. On the financial side, businesses were concerned about high interest rates when seeking external financing.

Businesses expressed a need for technical assistance to overcome these challenges. Specifically, they demand support in loan applications, comprehensive business plan reviews, and improved access to technology services. This underscores a vital opportunity for strategic interventions aimed at bolstering these businesses' resilience and growth potential.



# Business One Stop Shop



**This report aims to provide tools and information to empower small businesses in El Paso to overcome obstacles, seize opportunities, and contribute to the community's economic landscape.**

In today's dynamic business landscape, small enterprises play a vital role in driving local economies and fostering innovation. However, these businesses often face numerous challenges that can impact their ability to grow. To address these complexities, the City of El Paso has established a Business One Stop Shop (BOSS).

This report presents an analysis of survey data collected from small businesses in El Paso, Texas, focusing on the key challenges they encounter in achieving their goals. These findings help identify areas of need where targeted interventions can make a meaningful difference in supporting small businesses in the region.

The report provides insights into various aspects of small business operations, including financial constraints, workforce challenges, and access to resources. Structured to offer a comprehensive overview, subsequent sections will delve into specific themes such as financial assistance, workforce development, and technology utilization, providing recommendations to address the identified needs effectively.

This report aims to provide tools and information to empower small businesses in El Paso to overcome obstacles, seize opportunities, and contribute to the community's economic landscape.

## Survey Response Summary

Between July 20, 2023, and May 14, 2024, the City of El Paso administered surveys to local businesses, receiving 450 responses. This figure reflects cleaned data, where duplicate and incomplete responses were removed. The survey questions aim to identify the challenges businesses are facing and the areas of opportunity to refer them to programs and resources available to them.

Survey Type	Number of Responses
LiftFund	287
Pioneers 21	134
People Fund	22
UTEP Marketing	7
Total Responses	450

## Challenges



### Name Discrepancies

While collecting and cleaning survey data, the Hunt Institute encountered challenges because some businesses provided names that did not match the initial list. This discrepancy arose because some businesses did not yet have legal names at the time the initial list was created.



### Duplicate Responses

Another issue emerged as some businesses submitted multiple survey responses, leading to duplicate answers and data complications. This occurred because the same survey link was used for a separate marketing program, resulting in multiple entries for the same business. Manual intervention was needed to eliminate duplicates. All duplicated and incomplete data were not included in this report.

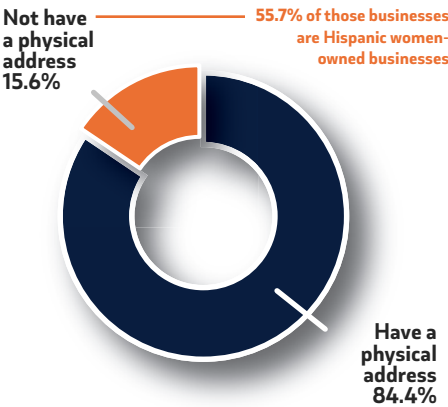


### Adding New Businesses

While cleaning data, the Hunt Institute identified businesses not initially included in the recipient list. Consequently, new companies were added to the recipient list to ensure comprehensive coverage.

# Business Profile

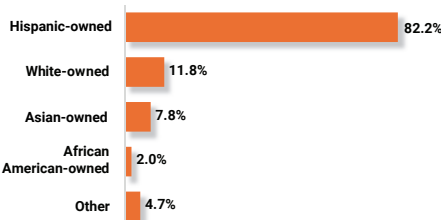
## Business Physical Address



Source: Hunt Institute using data from the survey.

A majority (84.4%) of the businesses surveyed have a physical address in El Paso, while 15.6% do not. More than half of the businesses without a physical address are Hispanic woman-owned, indicating that many female entrepreneurs operate their businesses from non-traditional locations. Understanding these businesses' needs and challenges can provide valuable insights for developing targeted support and resources to help them succeed.

## Majority Type of Business Ownership

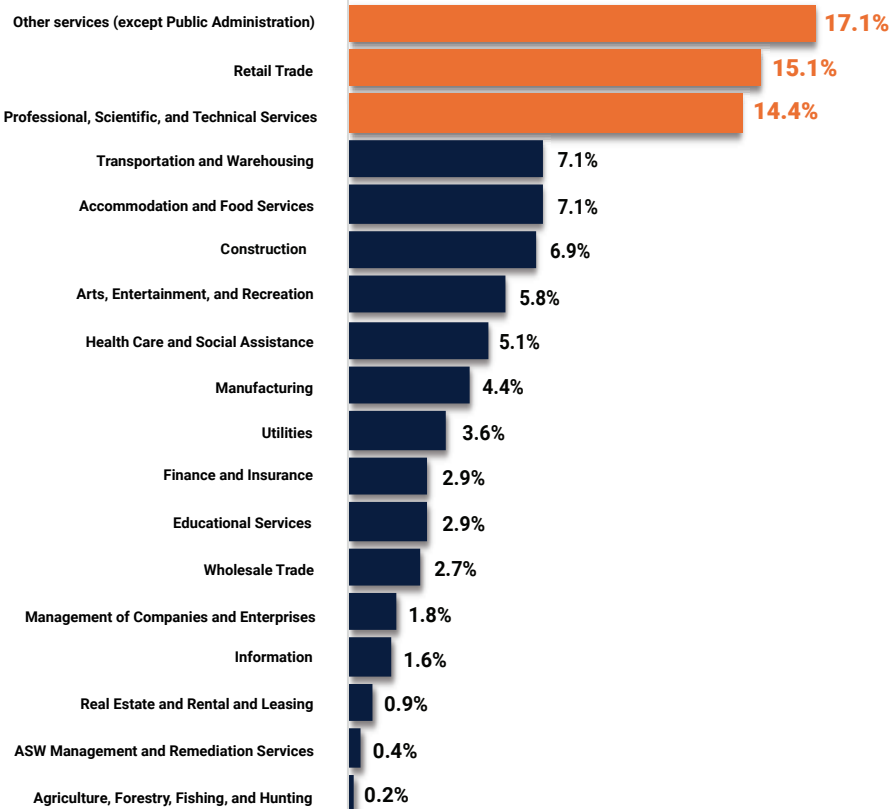


Note: Figures will not sum to 100% due to multiple-choice question.

Source: Hunt Institute using data from the survey.

The surveyed small businesses in El Paso are predominantly Hispanic-owned, accounting for 82.2%. White-owned businesses represent 11.8%, while Asian-owned businesses make up 7.8%. This demographic distribution highlights the prevalence of Hispanic entrepreneurs in the local economy.

## Business Sectors



Source: Hunt Institute using data from the survey.

The three largest sectors among the surveyed businesses were other services (except public administration), retail trade, and professional, scientific, and technical services, each playing a significant role in the economic landscape.

Within the other services sector, 67.5% of the surveyed businesses cater to personal and laundry services, including essential services like dry cleaning and laundry and personal care establishments such as hair and nail salons. Other 22.1% of these small businesses specialize in repair and maintenance services for automobiles, electronic and precision equipment, and personal and household goods. Furthermore, 10.4% of the businesses in this category offer various services to religious, grantmaking, civic, professional, and similar organizations, underscoring the sector's broad scope and impact.

In the retail sector, clothing and clothing accessories stores dominate with 22.1% of the market share, closely followed by food and beverage stores at 19.1% and general merchandise stores behind at 16.2%.



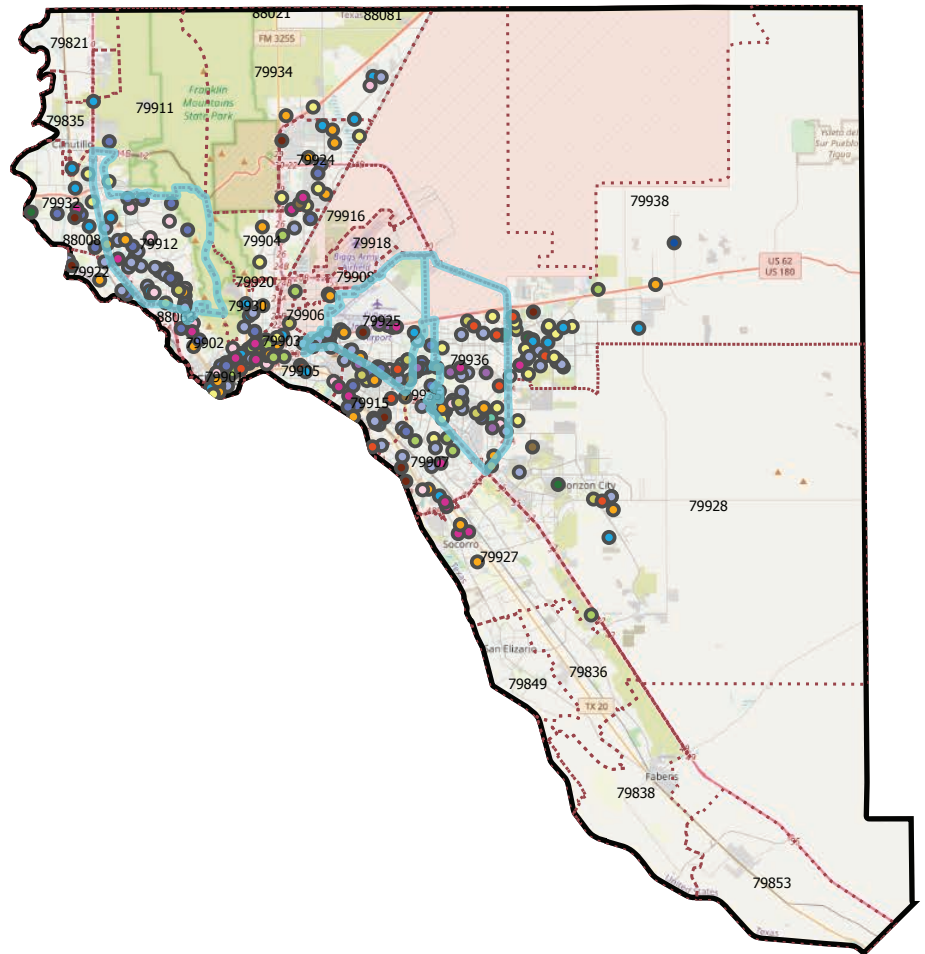
## Business Industries by Zip Code

### Business Type

● Utilities
● Construction
● Manufacturing
● Wholesale Trade
● Retail Trade
● Transportation and Warehousing
● Information
● Finance and Insurance
● Real Estate and Rental and Leasing
● Professional, Scientific, and Technical Services
● Management of Companies and Enterprises
● Support and Waste Services
● Educational Services
● Health Care and Social Assistance
● Arts, Entertainment, and Recreation
● Accommodation and Food Services
● Other Services (except Public Administration)

### Business Share by Zip Code

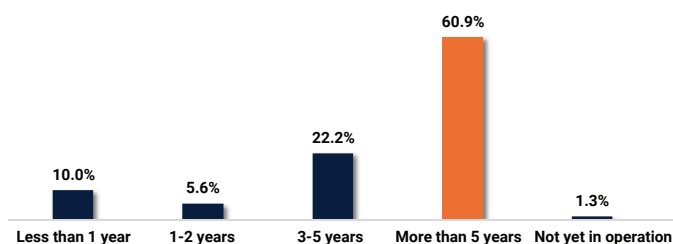
Zip Code	Share of Businesses
79835	0.4%
79836	0.2%
79901	7.1%
79902	4.9%
79903	4.7%
79904	1.6%
79905	2.4%
79906	0.9%
79907	3.3%
79911	0.4%
<b>79912</b>	<b>11.3%</b>
79915	6.0%
79922	1.3%
79923	0.2%
79924	3.1%
<b>79925</b>	<b>7.6%</b>
79927	1.3%
79928	2.7%
79930	1.6%
79932	2.2%
79934	1.3%
79935	2.7%
<b>79936</b>	<b>9.3%</b>
79938	7.1%



The top three business concentration zip codes are 79912, 79936, and 79925, with 11.3%, 9.3%, and 7.6% of surveyed businesses, respectively. Zip codes 79912 and 79925 have a large share of businesses within the other services, professional, scientific, and technical services, health care and social assistance, and retail trade. In contrast, zip code 79936 has a concentration in transportation and warehousing. These areas play an essential role in driving our local economy forward.

## Business Operations

### Years of Business Operations

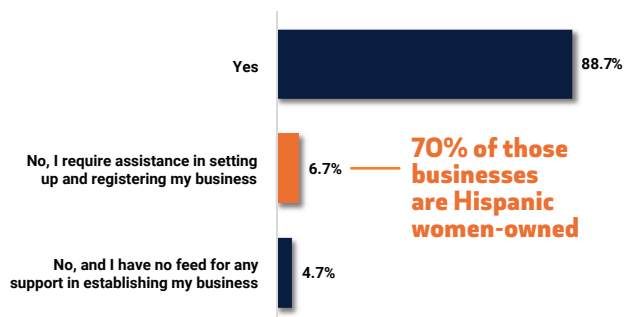


Source: Hunt Institute using data from the survey.

The majority of businesses surveyed, 60.9%, have operated for over five years. These established businesses are concentrated in the other services (except public administration), professional, scientific, and technical services, and retail sectors. This indicates a strong presence and stability in these industries within El Paso.

On the other hand, 10.0% of the surveyed businesses have been in operation for less than one year. These newer businesses predominantly belong to the retail and professional, scientific, and technical services sectors. This highlights a trend of emerging enterprises within these fields, suggesting areas of potential growth and innovation in the local economy.

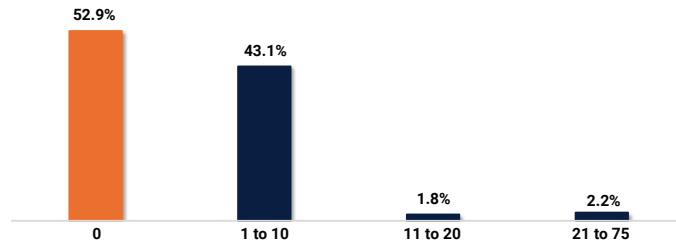
### Legal Establishment



Source: Hunt Institute using data from the survey.

A significant majority of surveyed businesses, 88.7%, reported having a legal establishment. However, 6.7% do not have a legal establishment and require assistance in setting up and registering their businesses. Among these, 70.0% are Hispanic women-owned businesses. This highlights the need for technical assistance in formalizing business ventures among minority and women-owned businesses.

### Number of Full-Time Employees (Excluding Owner/s)

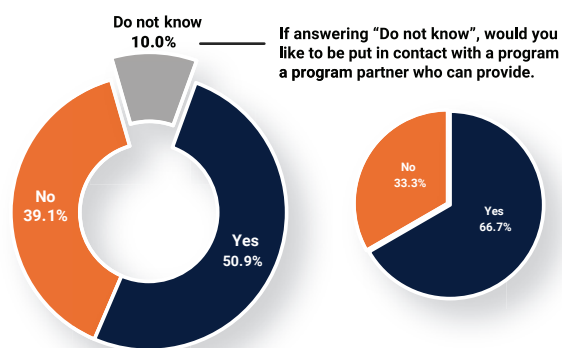


Source: Hunt Institute using data from the survey.

Over 50% of businesses operate without full-time employees, highlighting a significant presence of sole proprietorships or owner-operated ventures in our community. Additionally, approximately 43% of surveyed businesses operate with 1 to 10 employees, indicating a substantial prevalence of micro-enterprises in our local business landscape.

This data underscores the importance of supporting small business owners and micro-enterprises, which represent 99.9% of businesses in the U.S. and include firms with fewer than 500 employees. These small businesses are a critical segment of the local economy and contribute to economic diversity and resilience.

### Business Permits or Licenses Required

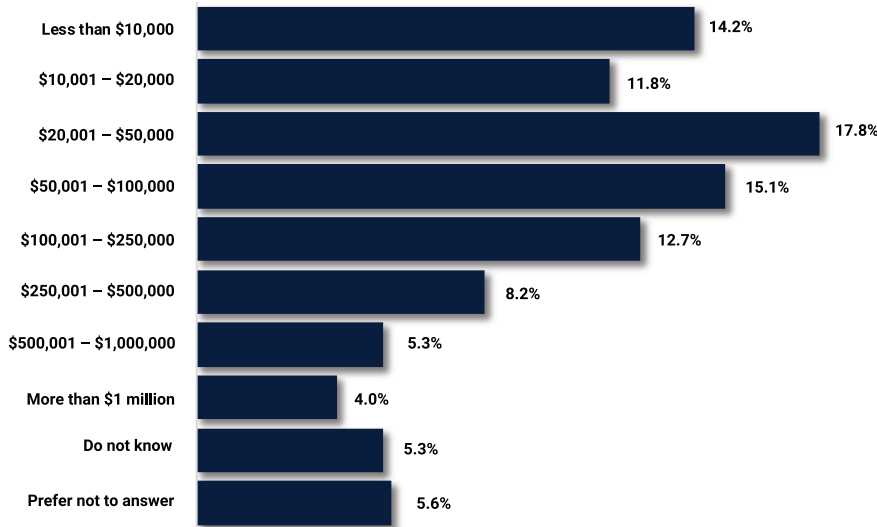


Source: Hunt Institute using data from the survey.

Of the businesses surveyed, 50.9% indicated that permits or licenses are required for their operations, while 39.1% reported that they do not require such permits or licenses. Among the remaining 10.0% were unsure about their permit or license requirements, 66.7% expressed a desire for assistance from a program partner to address this challenge. This highlights an opportunity for program partners to support and guide these businesses, ensuring they meet all necessary regulatory requirements and can operate smoothly and legally.

# 2022 Business Performance

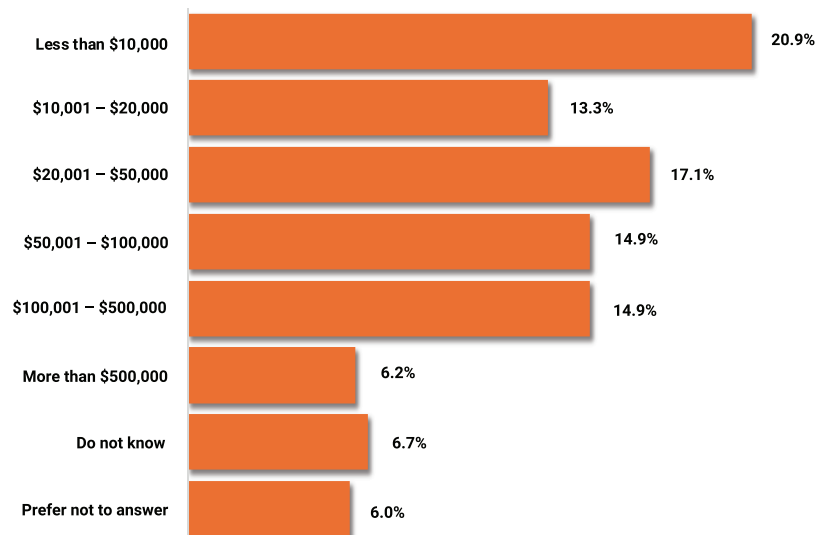
## Business Total Annual Gross Income



In 2022, the largest share of businesses reported a total gross income between \$20,001 and \$50,000, accounting for 17.8% of the surveyed businesses. This was closely followed by 15.1% of businesses that earned between \$50,001 and \$100,000. In contrast, only 4.0% of businesses indicated their total gross income surpassed \$1 million.

Source: Hunt Institute using data from the survey.

## Business Expenses



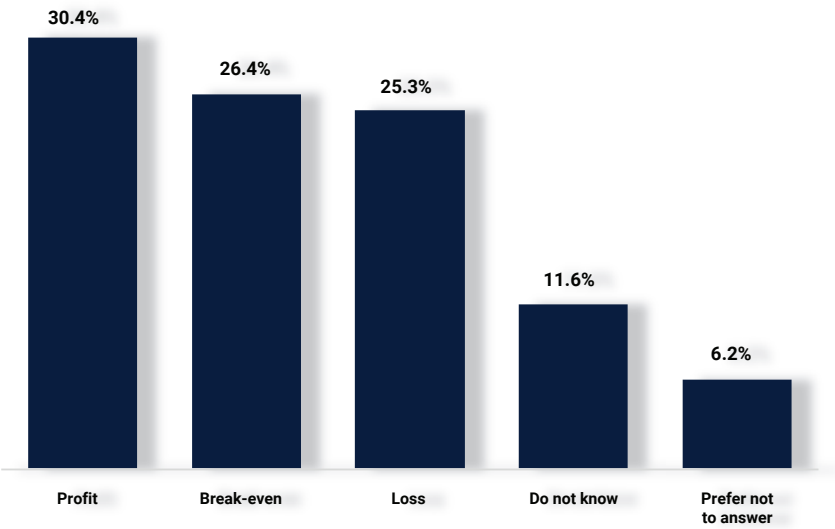
In 2022, 20.9% of surveyed businesses reported their expenses were less than \$10,000, making it the most common expense category among the surveyed businesses. This was followed by 17.1% of businesses with expenses between \$20,001 and \$50,000. Notably, 6.7% of the businesses were unaware of their total business expenses, indicating a gap in financial tracking and management. Additionally, 6.0% of respondents chose to keep their expenses private for the year.

Source: Hunt Institute using data from the survey.



# 2022 Business Performance

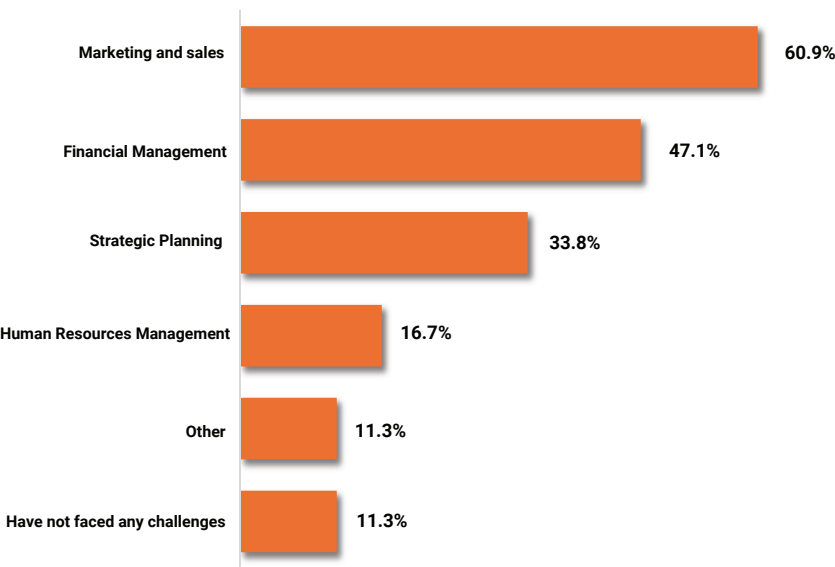
## Business Financial Status



In 2022, 30.4% of businesses reported profit, while 26.4% broke even. Conversely, 25.3% of businesses experienced losses during the year, and 11.6% were uncertain about their financial performance. Additionally, 6.2% of businesses chose not to disclose their financial status. The top three sectors reporting losses were retail trade at 19.3%, other services (except public administration) at 17.5%, and health care and social assistance at 8.8%. These findings highlight the varying financial health across different sectors and underscore the need for targeted support to help struggling businesses improve their profitability and sustainability.

Source: Hunt Institute using data from the survey.

## Key Business Challenges



Marketing and sales, followed by financial management, were the key areas where businesses experienced challenges in 2022, with 60.9% and 47.1%, respectively. In marketing and sales, businesses reported losing contracts or clients and experiencing a decline in sales. These difficulties were compounded by higher costs of goods, inflation, and an unstable market environment. Human resources management also presented a challenge for 16.7% of the businesses. These businesses struggled with hiring and retaining skilled employees. This highlights the multifaceted nature of the challenges businesses face, encompassing external market conditions and internal operational issues.

Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

# Technical Assistance and Financial Literacy

## Technical Assistance and Financial Literacy

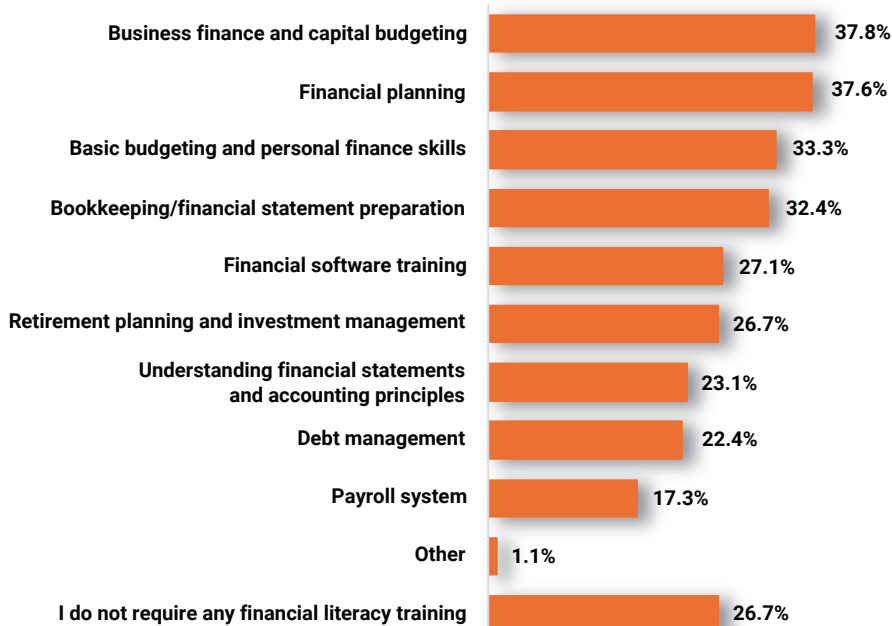


Almost one-third of the surveyed businesses, 30.2%, reported needing assistance when applying for loans. This suggests a significant need for support in navigating the complexities of the loan application process, potentially due to factors such as unfamiliarity with requirements, language barriers, or difficulty accessing financial resources.

In addition to loan assistance, businesses highlighted technology services and financial literacy/credit counseling as critical areas where they require support, with 30.0% and 29.8% of respondents expressing a need for assistance, respectively. The importance of technology in modern business operations underscores the need for guidance and resources to leverage technological tools and platforms effectively. Similarly, improving financial literacy and receiving credit counseling can empower businesses to make informed financial decisions and manage their finances more effectively.

Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

## Areas that Require Financial Literacy Training



Businesses require a diverse array of financial literacy training. Finance and capital budgeting emerged as the top area where businesses expressed a need for financial literacy training, with 37.8% of respondents indicating this as a priority. This highlights the importance of understanding financial management principles, including budgeting and allocating capital effectively to support business growth and sustainability.

Financial planning was closely followed, with 37.6% of businesses expressing a desire for training in this area. Effective financial planning is essential for setting clear financial goals, managing resources, and making informed decisions to achieve long-term success.

Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

# Access to Capital

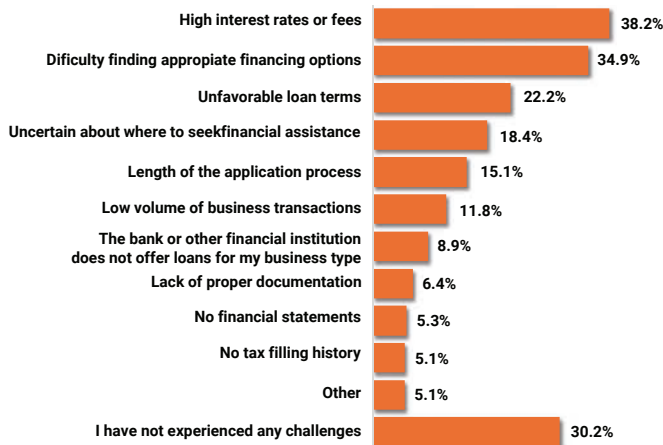
## Relationship with a Bank or Financial Institution for Business Banking Needs



Source: Hunt Institute using data from the survey.

Most of the surveyed businesses, 72.4%, report having access to a bank. Another 10.7% of businesses indicated no relationship with a bank or financial institution. This lack of formal banking can hinder access to financial services, such as loans, credit lines, and other financial products crucial for business growth and stability. Also, 9.6% of businesses reported using a personal bank account for their business banking needs. This practice can complicate financial management and record-keeping, potentially leading to challenges in accurately tracking business expenses and income.

## Encountered Challenges While Seeking Business Financing



Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

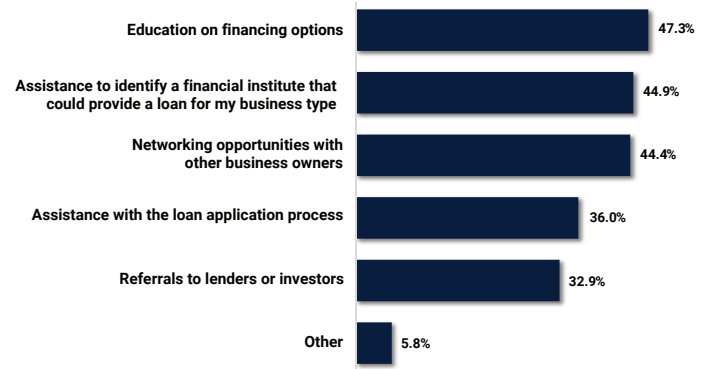
Small businesses in El Paso have encountered different challenges while seeking financial resources for their operations. The primary challenges businesses report are high interest rates or fees, cited by 38.2% of respondents, and difficulty finding appropriate financing options, mentioned by 34.9%. These issues can significantly hinder a business's ability to secure the funding necessary for growth, expansion, and operational stability.

High interest rates and fees increase the cost of borrowing, making it more expensive for businesses to obtain the capital they need. This can lead to higher operational costs and reduced profitability, especially for small businesses already operating on thin margins.

Finding suitable financing options reflects a broader challenge of accessing financial products that meet the specific needs of small businesses. This may include challenges in finding lenders willing to offer favorable terms, understanding the various financing products available, or navigating the application processes.

In contrast, 30.2% of businesses reported that they have not experienced any challenges in this area. This suggests that many businesses are either well-informed about financing options or have established strong relationships with financial institutions that meet their needs.

## Business Support or Resources Benefit for Accessing Capital



Note: Figures do not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

Small businesses in El Paso have identified several key areas where they require support to enhance their financial resource acquisition: 47.3% need education on financing options, 44.9% need assistance identifying financial institutions that can provide suitable loans, and 44.4% seek networking opportunities with other business owners. Also, 36.0% require help with the loan application process, 32.9% need referrals to lenders or investors, and 5.8% have different specific needs. These findings underscore the importance of providing comprehensive support in financial education, identifying suitable financial institutions, networking, and navigating the loan application process to help businesses overcome financial barriers and achieve greater success.

# Marketing

## Primary Challenges Encountered During Marketing Campaigns

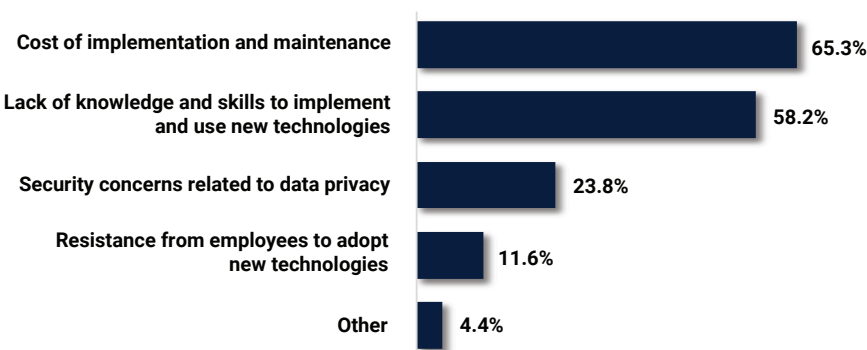


More than two-thirds of the businesses surveyed, 71.8%, reported that their primary challenge during marketing campaigns is a limited budget.

Moreover, 42.4% of businesses need help to target the right audience. Furthermore, 36.2% of respondents cited a lack of knowledge and skills to run a marketing campaign as a top challenge. Helping these businesses overcome these challenges is critical for them to increase their marketing outcomes, leading to better market reach and growth opportunities.

Note: Figures do not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

## Major Challenges Encountered in Adopting New Technologies for Business



Following this, 58.2% of businesses reported a lack of knowledge and skills to implement and use new technologies.

This skills gap can hinder the effective integration and utilization of technology, preventing businesses from fully leveraging the benefits that new tools and systems can offer.

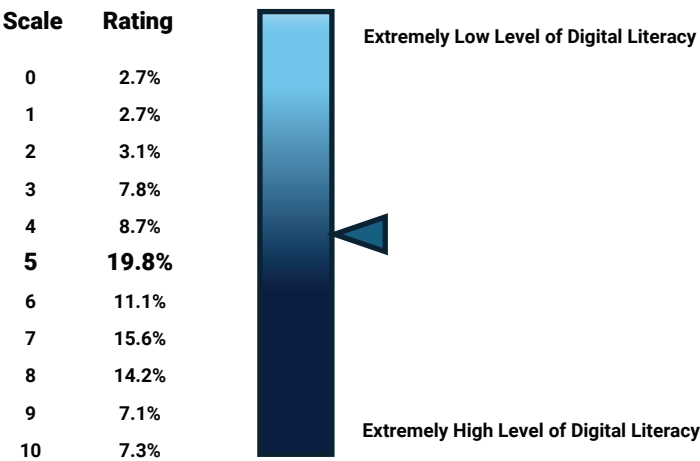
Additionally, 23.8% of businesses expressed concerns about security, particularly data privacy. These concerns can deter businesses from adopting new technologies, as they fear potential data breaches and the associated risks.

Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

Businesses have identified several key challenges when adopting new technologies. The most significant barrier is the cost of implementation and maintenance, cited by 65.3% of respondents. This high cost can be prohibitive, particularly for small businesses with limited budgets, making investing in the latest technologies difficult.

# Digital Transformation

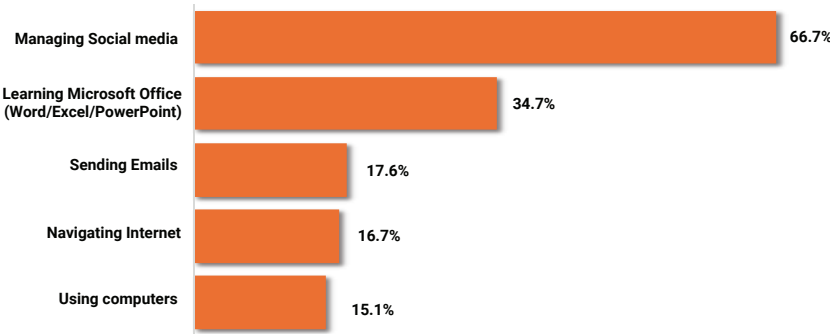
## Digital Literacy Rating



Roughly a fifth of the surveyed businesses in El Paso, 19.8%, report an average level of digital literacy. In contrast, 7.3% described their digital literacy as high, while only 2.7% reported extremely low levels of digital literacy. This small percentage highlights a minority of businesses that may face considerable challenges with digital tasks, potentially hampering their overall efficiency and competitiveness in an increasingly digital marketplace.

Source: Hunt Institute using data from the survey.

## Areas that Require Digital Transformation Training



Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

Managing social media emerged as the highest priority for digital transformation training, with 66.7% of businesses expressing a need for improvement in this domain. This indicates a strong demand for skills and strategies to effectively utilize social media platforms for marketing, customer engagement, and brand building.

Following social media management, learning Microsoft Office is also a significant area of focus, with 34.7% of businesses seeking training in this suite of productivity tools. Proficiency in Microsoft Office is essential for a wide range of business tasks, from creating documents and presentations to managing data and communications.

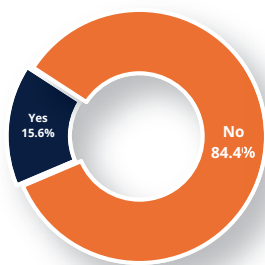
Also, the data underscores a substantial requirement for fundamental digital skills, such as sending emails, navigating the internet, and using computers, with 17.6%, 16.7%, and 15.1% of businesses, respectively. These basic digital skills are critical for everyday business operations, enabling employees to perform their tasks and access online resources efficiently.



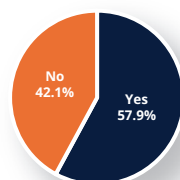
# Workforce Development

## Volunteer Labor for Businesses

Does your business use any volunteer labor to carry out certain tasks or projects?



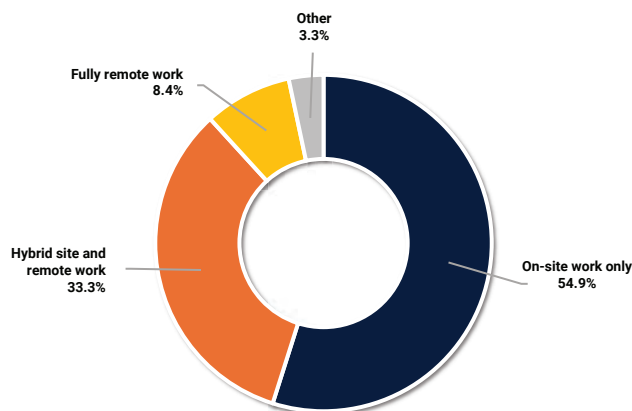
If "No", would your business be interested in an apprentice/intern for 3 months at no cost?



Source: Hunt Institute using data from the survey.

Most businesses in El Paso do not use volunteers to run specific tasks or projects. Only 15.6% of the businesses use volunteers. More than half of the businesses that do not use volunteers are interested in having an apprentice/intern at no cost for three months, with 57.9%.

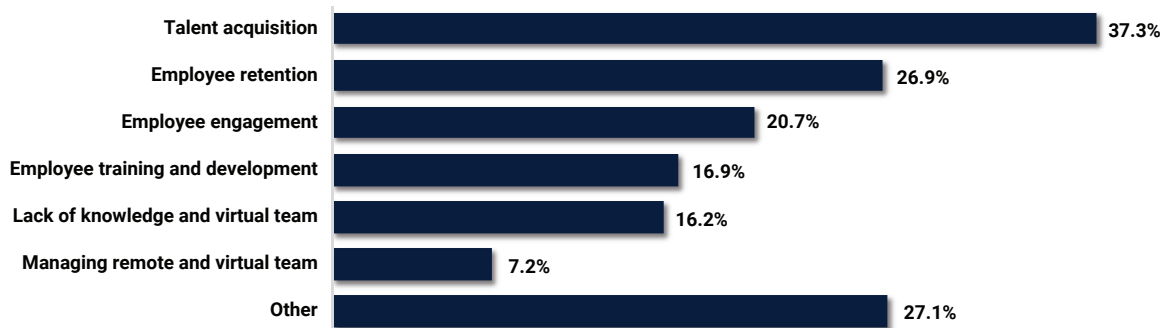
## Business' Approach to Work Arrangements



Source: Hunt Institute using data from the survey.

A majority of businesses, 54.9%, prefer to have their employees working exclusively on-site. In contrast, 33.3% of businesses have adopted a hybrid model, which allows employees to split their time between on-site and remote work. Meanwhile, only a small fraction of businesses, 8.4%, have fully embraced a remote work scheme, indicating that a completely virtual work environment remains less popular among organizations.

## Key Workforce Development Challenges



Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

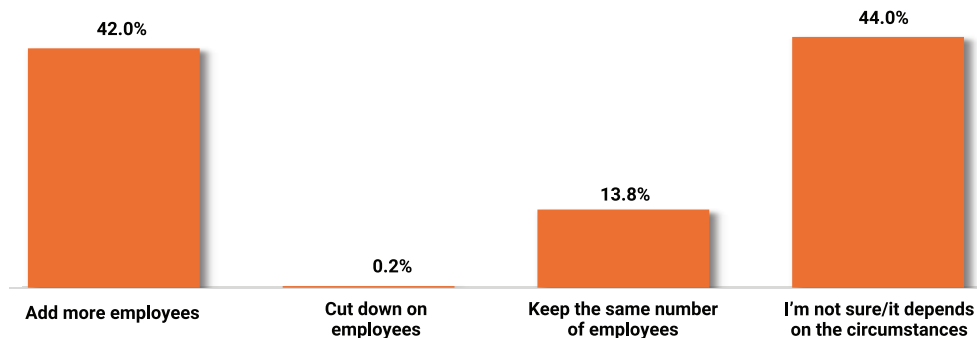
Concerns regarding workforce development vary among businesses, with talent acquisition emerging as the top concern for 37.3%, closely followed by employee retention at 26.9%. Employee engagement ranks closely behind at 20.7%.

The data also underscores the importance of employee training and development, which was identified by 16.9% of respondents. Notably, a significant portion, 16.2%, expressed challenges

related to a "lack of knowledge and skills to post job ads," while 7.8% highlighted the need to manage remote and virtual teams. Moreover, 27.1% of concerns fall under the "other" category. Among these, notable issues include insufficient funding to hire employees and scenarios where businesses lack employees. This variety of concerns highlights the diverse challenges businesses face in workforce development and the necessity for tailored solutions to address them effectively.

# Workforce Development

## Employment Change Expectations in 2024

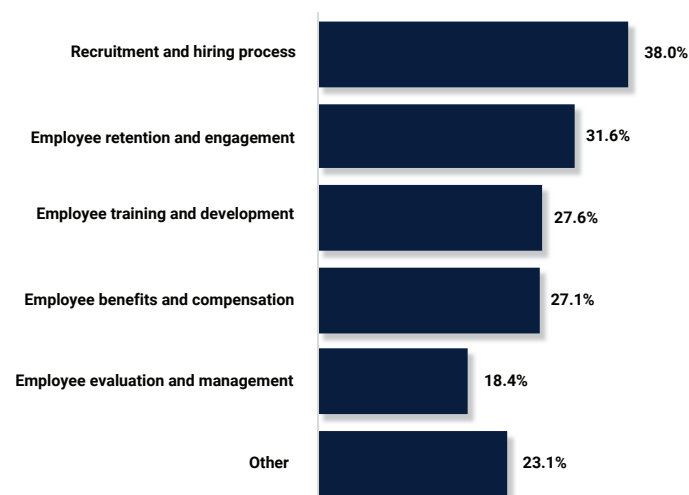


Source: Hunt Institute using data from the survey.

Small businesses in El Paso are strongly inclined toward expanding their workforce in 2024. A significant portion of surveyed businesses, 42.0%, express a desire to increase their employees, indicating optimism and potential growth within the local economy. In contrast, 13.8% of businesses plan to maintain their current staffing levels, reflecting stability and satisfaction with their existing workforce.

Additionally, only 0.2% of businesses are considering reducing their positions, suggesting that job cuts are not a primary concern among small business owners in the region. However, a significant portion of businesses, accounting for 44.0%, remain uncertain about hiring new employees. This uncertainty largely depends on various circumstances, such as market conditions, economic trends, and business performance over the coming months.

## Areas Requiring Assistance to Meet Employment Change Expectations in 2024



Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

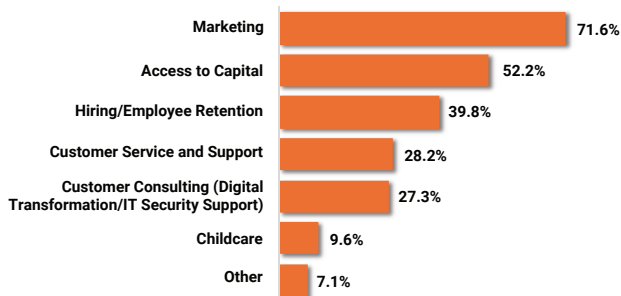
Recruitment and hiring processes are identified as the most significant areas needing assistance for 2024, with 38.0% of businesses highlighting this challenge. This indicates that finding qualified candidates is a significant issue, potentially affecting growth and productivity.

Employee retention and engagement follow closely, with 31.6% of businesses emphasizing the importance of motivating their workforce and reducing turnover. High retention and strong engagement are essential for maintaining a stable and committed workforce and enhancing overall performance.

Additionally, 27.6% of businesses highlight the need for improved employee training and development. Continuous skill enhancement and professional growth opportunities are crucial for maintaining competency, job satisfaction, and loyalty.

# Workforce Development

## Open to Recommendations for Support and Service Connections



Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

Businesses reported openness to recommendations for support and service connections. Marketing is a significant concern, with 71.6% of respondents needing support in this area.

This highlights the critical importance of effective marketing strategies in reaching new customers, increasing brand awareness, and driving sales. Access to capital is also crucial, as 52.2% identified it as a priority. Ensuring businesses have access to the necessary funding can significantly impact their ability to scale and compete in the market. Additionally, 39.8% of businesses emphasized the need for hiring and employee retention assistance. These areas highlight businesses' key support and service needs to enhance their growth and stability.

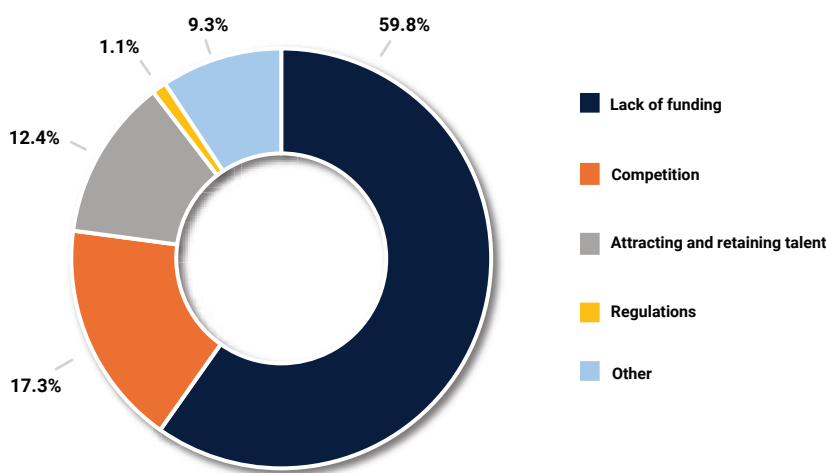
## Top Five Business Goals Prioritized for the Next 1-2 Years



Note: Figures will not sum to 100% due to multiple-choice question.  
Source: Hunt Institute using data from the survey.

Increasing revenue is the top goal for businesses in the next 1-2 years, with 89.1% prioritizing it. Following closely, 67.3% aim to improve profitability. Additionally, 51.6% focus on enhancing customer satisfaction and loyalty. Adopting new marketing strategies is important to 44.4%, while 38.7% prioritize enhancing brand recognition. These objectives highlight critical areas for business growth and success in the near future.

## Biggest Challenges in Achieving Business Goals

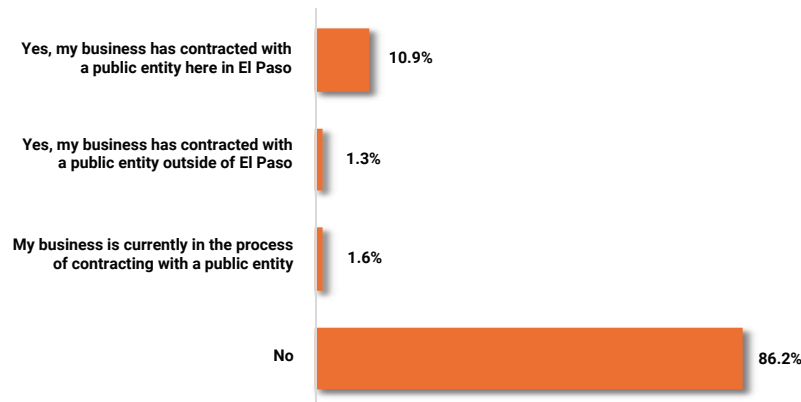


The biggest challenge for enterprises in El Paso to achieve their business goals is the lack of funding, with 59.8% highlighting this issue. Competition follows at 17.3%, and attracting and retaining talent is noted by 12.4%. Regulations rank lowest, accounting for only 1.1%. These challenges underscore the importance of addressing funding constraints, competition, and talent management to support growth and success in the local business landscape.

Source: Hunt Institute using data from the survey.

# Procurement

## Businesses that Have Contracted with a Public Local Entity



A majority of businesses in El Paso, 86.2%, have never contracted with a local public entity. This suggests a need to assist these businesses to be trained to participate in local government procurement processes.

However, 10.9% have had local contracts, and 1.3% have engaged with public entities outside El Paso. Currently, only 1.6% are in the process of contracting with a public entity. These figures show varying levels of involvement in public procurement, indicating potential opportunities for increased collaboration.

Source: Hunt Institute using data from the survey.

# Conclusion

Small businesses in El Paso, Texas, face various challenges in achieving their goals. Throughout this survey, businesses have expressed a clear need for financial assistance and training. Key challenges include diminished sales, difficulties in recruiting employees, and limited access to capital. A significant concern is the prevalence of high interest rates when seeking credit.

In response to these challenges, small businesses in El Paso have shown a willingness to undergo training and access programs to enhance their competitiveness. There is a strong demand for support in areas such as loan applications, thorough review of business plans, access to volunteers, and enhanced access to technology services and marketing. This presents a crucial opportunity for strategic interventions to strengthen these businesses' resilience and growth potential.

Additionally, small businesses need training to contract with public entities, emphasizing the importance of access to loans. Effective social media and marketing strategies are also necessary to increase clientele and reach new markets. Talent acquisition and retention remain recurrent challenges. Addressing these needs through targeted support and resources can significantly contribute to the success and sustainability of small businesses in El Paso.