Minority-Owned Businesses: 1997

Census Brief: Survey of Minority-Owned Business Enterprises Issued January 2002

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Hispanics owned largest number of minority-owned firms.

In 1997, there were 3.0 million minorityowned businesses in the United States, employing 4.5 million people and generating \$591.3 billion in revenues. These firms made up 15 percent of the nation's 20.8 million nonfarm businesses, employed 4 percent of its workers and generated 3 percent of its receipts.

Of these firms:

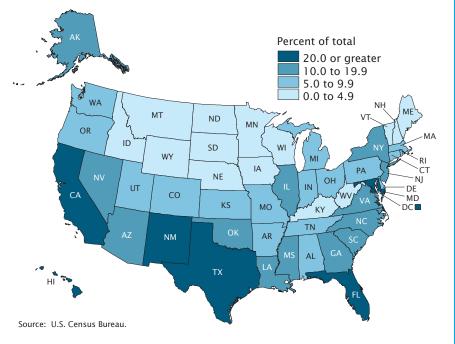
- Hispanics or Latinos owned 1.2 million (or a ratio of 4-in-10 minority-owned businesses), more than any other group. Their firms generated \$186.3 billion in revenues.
- Asians and Pacific Islanders owned 913,000, accounting for revenues of \$306.9 billion, which led all groups.
- African Americans or Blacks were owners of 823,000, generating \$71.2 billion in revenues.
- American Indians and Alaska Natives owned 197,000 firms, producing \$34.3 billion in revenues.

The number of minority-owned firms increased about four times faster than the number of all businesses (30 percent versus 7 percent) between 1992 and 1997. The number of American Indian- and Alaska Native-owned firms grew 84 percent over the period, faster than the totals of Asian- and Pacific Islander- and Hispanicowned firms (30 percent each) and those owned by African Americans (26 percent).

Receipts of all minority-owned firms rose 60 percent over the period, compared with a 40 percent increase for all U.S. firms.¹

Figure 1.

Minority-Owned Firms as a Percentage of Total Firms in State: 1997



 $^{^{\}rm I}$ Excludes C corporations — legally incorporated businesses except for subchapter S corporations, whose shareholders elect to be taxed as individuals rather than as corporations — for which prior comparable data are not available.

American Indian- and Alaska Native-owned businesses grew fastest between 1992 and 1997.

Again, those owned by American Indians and Alaska Natives had the highest growth (179 percent), followed by Asian- and Pacific Islander-(68 percent), Hispanic- (49 percent) and African American-owned firms (33 percent).

Nearly 6-in-10 minorityowned firms were in five states.

California, Texas, New York, Florida and Illinois accounted for 59 percent of the nation's minority-owned firms.

While California had the largest number of minority-owned firms, with 738,000, Hawaii had the highest proportion, with 58 percent of its firms being minority-owned. (See Figure 1.) Nearly 9-in-10 minority-owned firms in California were owned by Hispanics and Asians and Pacific Islanders, and more than 9 in 10 in Hawaii were Asian- and Pacific Islander-owned.

About 4-in-10 located in 10 metropolitan areas.

Reflecting the patterns seen in states, almost 4-in-10 minority-owned firms could be found in the following metro areas: Los Angeles-Long Beach, Calif.; New York, N.Y.; Miami, Fla.; Washington, D.C.-Md.-Va.-W.Va.; Chicago, Ill.; Houston, Texas; Orange County, Calif.; Atlanta, Ga.; Riverside-San Bernardino, Calif.; and San Francisco, Calif.

Asian- and Pacific Islanderowned firms had highest receipts among minorityowned businesses.

In fact, average receipts of firms owned by Asians and Pacific Islanders (\$336,000) were far above the average of \$195,000 for all minority-owned firms.

The distribution of receipts by minority-owned firms ranged from 39 percent that had receipts of under \$10,000 to 3 percent that reported \$1 million or more. The latter group, which numbered about 84,000 firms, accounted for nearly \$2 of every \$3 in receipts generated by all minority-owned firms.

African American-owned firms were the most likely to be owned by women.

African Americans had the largest percentage of firms owned by women (38 percent) of

the four minority groups. For the other three groups, the percentage was about 10 points lower. Men were owners of about 55 percent of the firms belonging to each of the four minority groups. The remaining firms owned by each group were owned equally by men and women.

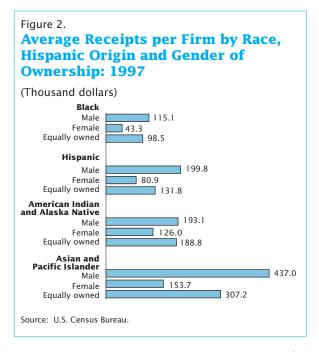
Of the \$84.7 billion in revenues generated by firms that were both women-owned and minority-owned, 45 percent came from those whose owners were Asian and Pacific Islander women.

The highest numbers of minority-owned firms were in service industries.

Service industries accounted for 44 percent of minority-owned firms and 23 percent of their total receipts. Retail trade industries, with 14 percent of all minority-owned firms and 20 percent of all receipts, made up the next highest concentration of these firms.

More information

The information in this census brief is based on findings from the report 1997 Survey of Minority-Owned



Business Enterprises: Summary. The report may be found on the Internet at http://www.census.gov/csd/mwb/>.

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The data were collected in a sample survey and are subject to sampling variability, as well as nonsampling errors. Sources of nonsampling error include errors of response, nonreporting and coverage. Further details concerning survey design, methodology and data limitations are contained in the full report. Comparisons with 1992 should be carried out with extreme caution because of changes in tax laws that caused inconsistencies between the 1992 and 1997 data. Changes in survey methodology also may contribute to differences.

2 U.S. Census Bureau