



U.S. Small Business Administration  
Office of Advocacy

November 2001

# **Minorities in Business, 2001**

*A report on the ownership, formation, management, financing, growth and other social and economic characteristics of minorities in business, based upon data compiled from federal government sources by the Office of Economic Research of the U.S. Small Business Administration, Office of Advocacy.*

# **Minorities in Business, 2001**

**Office of Advocacy  
U.S. Small Business Administration  
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Washington, DC 20416**

## Foreword

Minorities owned fewer than 7 percent of all U.S. firms, excluding C corporations, in 1982, but this share soared to about 15 percent by 1997. Minorities owned more than 3 million businesses in 1997, of which 615,222 had paid employees, generated more than \$591 billion in revenues, created more than 4.5 million jobs, and provided about \$96 billion in payroll to their workers.

Since its creation by the Congress in 1976, the U.S. Small Business Administration's Office of Advocacy has served as an independent voice for small business within the federal government. Essential to that effort is an understanding of minority-owned businesses, which are often smaller than those of their nonminority counterparts, but have grown rapidly in numbers and size over the recent past.

The economic well-being of America's minority communities is inextricably linked to their involvement in business activities. Business ownership by members of minority groups in American society has increased rapidly in recent years, and their participation has grown in other economic activities, including self-employment, business decision making, and the management of business operations. *Minorities in Business, 2001* examines available data reflecting minority participation in many of these business activities.

Like *Women in Business, 2001*, published in October 2001, *Minorities in Business, 2001* studies the attributes of small business subgroups in an effort to stimulate discussion by academics and policymakers on such issues as the reasons for their rapid growth and the barriers to their success. As mandated in its authorizing legislation, the Office of Advocacy continues its efforts to protect, strengthen, and effectively represent the interests of small, women-owned, and minority-owned businesses by conducting research, serving as an advocate in the regulatory process, and publishing the data necessary to increase public understanding of small business contributions and concerns. Your comments and suggestions are welcome.

More information is available on the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo). For specific questions on minorities in business, contact Dr. Ying Lowrey at [ying.lowrey@sba.gov](mailto:ying.lowrey@sba.gov), write the Office of Advocacy, U.S. Small Business Administration, 409 Third Street, S.W., Washington, D.C. 20416, or call (202) 205-6533.

We appreciate your interest in and support for small business.

Susan Walthall  
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U.S. Small Business Administration

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## Executive Summary

The number of minority-owned firms and their contributions to the American economy have been increasing rapidly over the recent past. Minority business owners more than doubled their share of all firms from 1982 to 1997 and increased shares of employment and receipts.

Within the U.S. Small Business Administration's Office of Advocacy, the Office of Economic Research produces reports on the economic activity of small, minority- and women-owned firms and assesses the impacts of regulation on them. *Minorities in Business, 2001*, reviews the most recent available statistical information on minority-owned firms, their composition, industrial distribution, legal forms of ownership, growth, and turnover. It also looks at socioeconomic characteristics of minority business owners and suggests that while minority participation is vital to the growth of the U.S. economy, significant issues continue to affect the growth of minority-owned businesses. Among the findings of the report are the following:

### *Demographics*

- Of the 281.4 million people in the United States in 2000, 97.6 percent claimed one racial identity, including 75.1 percent White, 12.3 percent Black or African American, 3.6 percent Asian, 0.9 percent American Indian and Alaska Native, 0.1 percent Native Hawaiian and other Pacific Islander, and 5.5 percent other races.
- Another 2.4 percent—more than 6.8 million people—reported that they were combinations of two or more races.
- Cutting across racial boundaries were more than 35.3 million people—12.5 percent of the population—who claimed Hispanic or Latino ethnicity.
- Of the total U.S. minority population in 2000, 40.6 percent were Hispanic, 39.0 percent Black, 12.3 percent Asian, and 2.9 percent American Native. Another 17.7 percent of minorities were of other races and 7.9 percent claimed two or more races.
- In 1999, more than half of Asians, Pacific Islanders, Hispanics, and Latinos in the United States were foreign-born, compared with about 10 percent of Whites, Blacks, and American Indians.
- Self-employment as a share of each group's nonagricultural labor force (averaged over the 1991-1999 decade) was White, 9.7 percent; Black or African American, 3.8 percent; American Indian, Eskimo, or Aleut, 6.4 percent; and Asian or Pacific Islander, 10.1 percent.
- Of all the minority and nonminority groups, Asians/Pacific Islanders had the highest rates of higher education.
- Of White households, 15 percent had income of \$95,000 or more in 1999; 29 percent had income below \$25,000. The comparable numbers for various other groups were as follows: Asian or Pacific Islander, 23 percent and 24 percent; Black, 7 percent and 45 percent; and American Indian, Eskimo and Aleut, 6 percent and 43 percent.

### *Composition of Minority-Owned Businesses*

- Of U.S. businesses, 5.8 percent were owned by Hispanic Americans, 4.4 percent by Asian Americans, 4.0 percent by African Americans, and 0.9 percent by American Indians.

- Of minority-owned businesses 39.5 percent were Hispanic-owned, 30.0 percent Asian-owned, 27.1 percent Black-owned, and 6.5 percent American Indian-owned.
- Business density is the number of individuals in the population divided by the number of businesses in the population—the lower the number, the higher the density. Business density was 10.1 for nonminorities, 11.7 for Asians and Pacific Islanders, 12.6 for American Indians and Alaska Natives, 29.4 for Hispanics, and 42.1 for Blacks. Among Asians, Koreans had the highest business density, “other Pacific Islanders” the lowest. Among Hispanics, Spaniards had the highest, Puerto Ricans the lowest.
- Nonminority-owned firms generated \$92,706 in receipts per nonminority person in the population; the comparable numbers were \$28,842 for Asians/Pacific Islanders, \$13,871 for American Natives, \$5,276 for Hispanics and \$2,055 for Blacks in 1997.

#### *Contributions of Minority-Owned Businesses*

- Of the 4,514,699 jobs in minority-owned businesses in 1997, 48.8 percent were in Asian-owned firms, 30.8 percent in Hispanic-owned firms, 15.9 percent in Black-owned firms, and 6.6 percent in American Native-owned firms.
- Minority-owned firms had about \$96 billion in payroll in 1997. The average payroll per employee was roughly \$21,000 in the major minority groups and ranged from just under \$15,000 to just over \$27,000 in various subgroups of the minority population.

#### *Growth of Minority-Owned Businesses*

- The minority-owned business share of U.S. firms was 6.8 percent in 1982; it grew steadily to 9.3 percent in 1987, 12.5 percent in 1992, and 14.6 percent in 1997.
- Growth in the number of Hispanic- and Asian-owned businesses tracks growth in these populations over the period. Some of the growth in businesses owned by African Americans, American Indians, and Alaska Natives may be rooted in educational improvements and government policies designed to curb poverty and promote minority business ownership.

#### *Business Turnover in Minority-Owned Firms*

- Of all businesses with employees that started in 1992 and had positive payrolls, 47 percent survived until at least 1996. The survival rates were 50.4 percent for new businesses owned by Asians and other minorities, 48.7 percent for White non-Hispanic-owned businesses, 44.9 percent for White Hispanic-owned businesses, and 34.7 percent for new Black-owned businesses.

#### *Government Programs Promoting Minority-Owned Businesses*

- Based upon the average of annual data for the 1990-2000 period, minority groups received the following shares of the dollar value of 7(a) loans from the U.S. Small Business Administration: Asian-owned firms, 12.2 percent; Hispanic-owned firms, 5.1 percent; African-American-owned firms, 2.8 percent; and Native-American-owned firms, 0.6 percent.
- Minority-owned businesses in the 8(a) program received 2.7 percent of federal contract dollars in FY 2000.

## Introduction

Just as women are playing a more and more important role in American business, minority-owned businesses have become a fast-growing segment of the U.S. economy. The minority-owned business population grew dramatically over the 1980s and 1990s, more than doubling their share of U.S. firms from less than 7 percent in 1982 to almost 15 percent by 1997.<sup>1</sup> This companion study to *Women in Business, 2001*, looks at the demographics of American minority groups, then offers observations about minority-owned businesses: their composition, contributions, industry characteristics, legal forms, sizes, growth, and turnover.

The term “minorities” refers here to both race (grouped by, for example, White, Black, or Asian) and ethnicity (including, for example, groupings for White Hispanic and White non-Hispanic). Major race and ethnic groupings, dictated largely by the availability of Census data, include White, Black or African American, American Indian and Alaska Native, Asian and Pacific Islander, and Hispanic. Data limitations preclude providing information for every group on every variable.

*Minorities in Business, 2001* is primarily a report on available data; it is not an academic research or policy study.<sup>2</sup> Reviewed here are characteristics of businesses owned by minorities and nonminorities, and of businesses owned by various racial and ethnic groups.

## Demographics

### *The Minority Population*

Of the 281.4 million people in the United States in 2000, 97.6 percent claimed one racial identity, including 75.1 percent White, 12.3 percent Black or African American, 3.6 percent Asian, 0.9 percent American Indian and Alaska Native, 0.1 percent Native Hawaiian and other Pacific Islander, and 5.5 percent other races (Table 1).<sup>3</sup> Another 2.4 percent—more than 6.8 million people—reported that they were combinations of two or more races.

Cutting across racial boundaries were more than 35.3 million people—12.5 percent of the population—who claimed Hispanic or Latino ethnicity. According to estimates in the March 2000 Supplement of the Current Population Survey (CPS), 95 percent of Hispanics and Latinos were White, 3.3 percent Black, 1.1 percent American Indian and Alaska Native, and 0.6 percent Asian and Pacific Islander.

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<sup>1</sup> Measurement of minority business ownership has changed since 1982. When data are adjusted to include only those groups covered in 1982, the 1997 minority business share is 15.1 percent. See Appendix 1.

<sup>2</sup> For instance, “Race and Gender in the Labor Market,” by Joseph G. Altonji and Rebecca M. Blank (in the 1999 *Handbook of Labor Economics*) reviewed the hypothesis that group differences in earning, occupations, and employment patterns are the consequence of preferences and skill differences. Ethnic patterns, if any, of earning, income, work experience, and education are examined here briefly, especially with respect to patterns of business ownership and performance.

<sup>3</sup> U.S. Department of Commerce, Bureau of the Census, *Census of Population and Housing, Profile of General Demographic Characteristics, 2000* (May 2001).

Table 1. Racial and Ethnic Characteristics of the U.S. Population, 2000

	<i>Number</i>	<i>Percent*</i>
Total Population	281,421,906	100.0
One Race	274,595,678	97.6
White	211,460,626	75.1
Black or African American	34,658,190	12.3
American Indian and Alaska Native	2,475,956	0.9
Asian	10,242,998	3.6
Asian Indian	1,678,765	0.6
Chinese	2,432,585	0.9
Filipino	1,850,314	0.7
Japanese	796,700	0.3
Korean	1,076,872	0.4
Vietnamese	1,122,528	0.4
Other Asian	1,285,234	0.5
Native Hawaiian and Other Pacific Islander	398,835	0.1
Native Hawaiian	140,652	-
Guamanian or Chamorro	58,240	-
Samoan	91,029	-
Other Pacific Islander	108,914	-
Other Race	15,359,073	5.5
Two or More Races	6,826,228	2.4
Total Population	281,421,906	100.0
Hispanic or Latino (of Any Race)	35,305,818	12.5
Mexican	20,640,711	7.3
Puerto Rican	3,406,178	1.2
Cuban	1,241,685	0.4
Other Hispanic or Latino	10,017,244	3.6
Not Hispanic or Latino	246,116,088	87.5
White Alone	194,552,774	69.1
Total Householders**	105,480,101	37.5
* Percentage of total population		
**Householders represent the person, or one of the people, in whose name the home is owned, being bought, or rented and who is listed as Person #1 on the census questionnaire. If there is no such person in the household, any adult household member 15 years old or older may be designated as Person #1.		
Source: U.S. Department of Commerce, Bureau of the Census, 2000 <i>Census of Population and Housing, Profile of General Demographic Characteristics</i> , 2000.		

## ***Citizenship Status***

Since before the United States became a nation, the North American continent has been a magnet for people of many other continents; today, the people of the United States are a mixture of native peoples, earlier immigrants, and new immigrants from every nation.<sup>4</sup> For many immigrants, the “American Dream” has included the ownership of a small business that will serve as a gateway to America’s economic mainstream. In a society with constitutionally protected freedoms, Americans old and new have created the most vibrant entrepreneurial economy in the world. They take the risks necessary to create jobs, develop innovative products, and introduce new business practices into the marketplace.

<sup>4</sup> In labor economics and macroeconomics, immigration is considered an important source of human capital contributing to the host country’s economic growth. Among many others, George J. Borjas (1999), “The Economic Analysis of Immigration,” in the *Handbook of Labor Economics*, Volume 3 and Robert J. Barro and Xavier Sala-I-Martin (1995), *Economic Growth*, provide empirical and theoretical analysis on the subject.



Many of the most recent U.S. immigrants are Asians, Pacific Islanders, Hispanics, or Latinos (Table 2).<sup>5</sup> In 1999, 20.7 percent of Asians and Pacific Islanders were “native”—born in the United States or abroad of American parents, while 45.0 percent were foreign-born naturalized U.S. citizens and another 34.4 percent were foreign-born noncitizens. Similarly, in 1999, 54.5 percent of Hispanics and Latinos (including 18.5 percent foreign-born U.S. citizens and 36.0 percent foreign-born noncitizens) were born outside of the United States; the remaining 45.5 percent were native-born U.S. citizens.

Of the other three major minority groups—White; Black or African American; and American Indian, Eskimo, or Aleut—roughly 90 percent were native citizens born in the United States or abroad of American parents and about 10 percent were first-generation immigrants. African Americans were least likely to be new immigrants (8.8 percent).

### ***Minorities in the Labor Force***

About 141 million people were in the American labor force in 1999 (Table 3).<sup>6</sup> About 118 million (83.5 percent) were White, 17 million (11.8 percent) Black, 5 million (3.9 percent) Asian or Pacific Islander, and 1 million (0.9 percent) American Indian, Eskimo or Aleut. Asians and Pacific Islanders had the highest labor force participation rates. Among the minority groups, American Indians and Alaska natives had the largest share unemployed and looking for work—almost 9 percent were in this situation.

Education is one of the most important factors in economic growth, according to many economists.<sup>7</sup> The American labor force is well educated on the whole, but average education levels vary by minority group (Figure 1). Asians and Pacific Islanders were most likely (69 percent) to have college or higher degrees; corresponding figures for other groups were White, 53 percent; Black or African American, 44 percent; American Indian, Eskimo, or Aleut, 43 percent; and Hispanic or Latino, 30 percent.

### ***Work Experience and Earnings***

Of three subsets of the nonagricultural sector—self-employment, other private sector employment, and government—most Americans—about 72 percent, worked in the private sector outside of self-employment in 1999 (Table 4). Another 12 to 20 percent worked in

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<sup>5</sup> The data here include only householders; all other family members are excluded. This was done to capture only characteristics of the adult population, including business owners or business operators.

<sup>6</sup> See U.S. Department of Commerce, Bureau of the Census, *Current Population Survey, March Supplement 2000*. The labor force discussed here consists of four groups: employed at work, employed—absent, unemployed on layoff, and unemployed looking for a job.

<sup>7</sup> Paul M. Romer’s “Increasing Return and Long-Run Growth,” *Journal of Political Economy*, 94, October 1986, 1002-1037, initiated a wave of new research on economic growth. This so-called endogenous growth theory virtually credits human capital and the spillovers of knowledge across producers as the cause of continuous economic growth. Among many others, David Card (1999), “The Causal Effect of Education on Earnings,” in *Handbook of Labor Economics*, Volume 3, offers explanations about the importance of education in earnings.

Table 2. Citizenship Status of the U.S. Population (Percent), 1999

Category	White	Black or African American	American Indian, Eskimo, Aleut	Asian or Pacific Islander	Hispanic or Latino	Total
Native, Born in the United States	88.1	90.8	88.5	16.5	38.0	86.0
Native, Born in Puerto Rico or U.S. Outlying Area	0.7	0.6	0.4	1.2	5.9	0.7
Native, Born Abroad of American Parent(s)	0.7	0.3	1.4	3.0	1.6	0.8
Foreign Born, U.S. Citizen by Naturalization	4.4	4.0	5.5	45.0	18.5	5.8
Foreign Born, Not a Citizen of the United States	6.0	4.4	4.2	34.4	36.0	6.8

Note: Including Hispanic or Latino as a category results in a double count because Hispanic is an ethnicity that overlaps racial groups. Because 95 percent of Hispanics or Latinos are White, the major double count occurs when White is one of the categories; it is minor in conjunction with the other three racial groups.  
 Source: U.S. Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 2000.

Table 3. Minority Components of the U.S. Civilian Labor Force, 1999

Racial Group	Employed—at Work		Employed—Absent		Unemployed on Layoff		Unemployed and Looking for Work		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	108,900,000	92.55	4,163,293	3.54	824,720	0.70	3,780,247	3.21	117,668,260	83.52
Black	14,820,000	89.54	447,170	2.70	132,138	0.80	1,151,054	6.95	16,550,362	11.75
Native American	1,045,232	86.97	44,403	3.69	5,207	0.43	107,011	8.90	1,201,853	0.85
Asian	5,113,832	93.52	139,791	2.56	21,570	0.39	192,765	3.53	5,467,958	3.88
Total	129,879,064	92.19	4,794,657	3.40	983,635	0.70	5,231,077	3.71	140,888,433	100.00

Source: Estimates from U.S. Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement 2000.

Figure 1. Educational Levels of Householders by Race or Ethnic Group, 1999

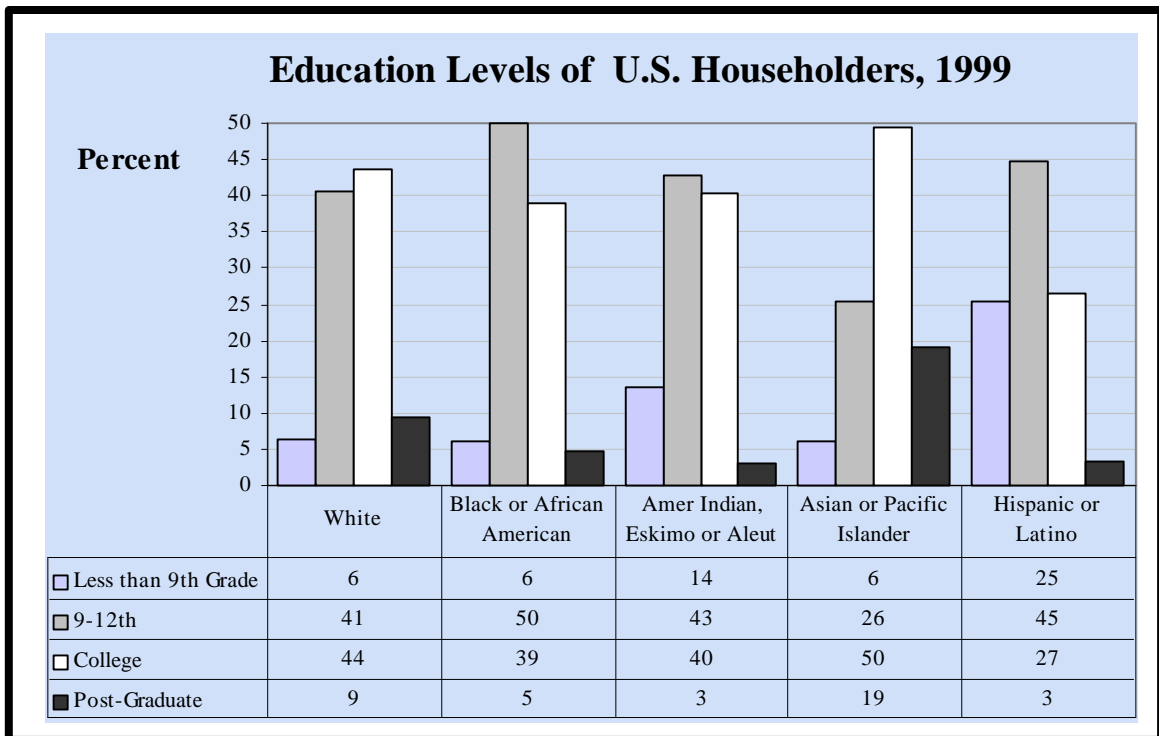


Table 4. Major Work Experience of the Nonagricultural Work Force by Race, 1991-1999 (Percent)

Year	Self-Employment				Other Private Sector				Government			
	White	Black	American Indian, Eskimo or Aleut	Asian or Pacific Islander	White	Black	American Indian, Eskimo or Aleut	Asian or Pacific Islander	White	Black	American Indian, Eskimo or Aleut	Asian or Pacific Islander
1999	9.1	4.5	4.6	9.6	73.2	73.8	71.8	76.3	14.0	19.5	20.1	12.5
1998	9.2	3.9	4.5	10.0	73.5	75.0	72.9	75.6	13.8	18.8	18.6	12.1
1997	9.9	3.6	6.8	10.9	73.1	74.9	71.6	74.1	13.5	19.8	19.3	12.6
1996	9.9	3.9	7.0	10.8	72.8	73.9	69.3	74.7	13.6	20.2	20.3	12.6
1995	9.4	3.8	6.4	9.4	72.5	73.1	68.9	74.7	14.0	20.3	21.7	13.5
1994	9.8	3.5	5.7	8.8	71.4	71.9	69.0	73.7	14.7	21.8	21.8	14.9
1993	10.0	3.8	8.1	10.2	70.8	70.1	64.7	72.3	15.0	23.0	24.7	15.3
1992	9.9	3.5	6.8	9.6	70.9	70.2	63.9	71.2	14.9	22.7	22.9	15.9
1991	9.7	3.3	7.7	11.2	71.5	71.3	67.1	72.0	14.7	22.2	21.6	13.9
Average	9.7	3.8	6.4	10.1	72.2	72.7	68.8	73.8	14.2	20.9	21.2	13.7

Source: U.S. Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 1992-2000.

government. Self-employment rates ranged from 4.5 percent of Blacks to 9.6 percent of Asians or Pacific Islanders. However, Blacks have increased their self-employment rate since 1991, whereas the rate of self-employment has dropped for Whites, American Natives, and Asians and Pacific Islanders.

Self-employment was the major earning source for about the same shares of Whites and Asians—6.4 to 6.5 percent (Table 5). A smaller but growing share of African Americans (3.4 percent) relied on self-employment for their income in 1999.

### ***Minority Households and Income Levels***

All groups had similar shares of households at the middle income levels (Table 6 and Figure 2). However, Blacks, American Indians, and a group that crosses racial boundaries, Hispanics, had larger shares at lower income levels. Asians and Whites had larger shares at higher income levels.

### **Minority-Owned Businesses**

Minorities made up about 30.9 percent of the total U.S. population in 2000 but owned just 14.6 percent of all U.S. businesses in 1997.<sup>8</sup> Of the 20.8 million U.S. firms in 1997, 1,199,896 were owned by Hispanics, 912,960 by Asians and Pacific Islanders, 823,499 by

<sup>8</sup> U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises (SMOBE) 1982, 1987, 1992 and 1997. With technical assistance from the Bureau of the Census, the Office of Advocacy compiled the four volumes of data and included C corporations for the first time in the 1997 SMOBE. To make the data comparable, however, C corporations will be excluded from multi-year comparisons of SMOBE data. Note that population figures used here are for 2000 and firm figures for 1997: the different years of data will create some distortions in comparisons.

Table 5. Major Earning Sources of the U.S. Nonagricultural Work Force by Race, 1991-1999 (Percent)

Year	Wage and Salary				Self-Employment			
	White	Black	American Indian, Eskimo or Aleut	Asian or Pacific Islander	White	Black	American Indian, Eskimo or Aleut	Asian or Pacific Islander
1999	92.8	96.5	95.1	93.2	6.4	3.4	4.1	6.5
1998	92.5	96.8	95.4	92.3	6.7	3.2	3.7	7.3
1997	92.3	96.9	94.4	92.1	6.9	3.0	5.0	7.1
1996	93.8	97.4	95.2	93.6	5.6	2.5	4.2	5.9
1995	93.4	97.1	95.4	95.0	5.9	2.8	4.1	4.9
1994	91.7	96.9	94.2	93.9	7.2	3.1	5.0	5.9
1993	91.4	96.5	92.2	92.2	7.3	3.4	7.3	7.2
1992	91.4	96.7	92.5	91.9	7.4	3.2	6.7	7.3
1991	91.6	96.8	90.5	91.3	7.3	3.1	7.5	8.3
Average	92.3	96.8	93.9	92.8	6.7	3.1	5.3	6.7

Source: U.S. Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement, 1992-2000.

Table 6. Income Distribution of Householders by Race, 1999

Income Category	White		Black		American Indian, Eskimo or Aleut		Asian or Pacific Islander		Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Under \$2500	1,155,917	1	427,240	3	30,917	4	102,646	3	1,716,720	2
\$2,500-\$14,999	11,799,531	13	3,239,511	25	204,031	24	356,224	11	15,599,298	15
\$15,000-\$24,999	12,149,979	14	2,111,892	16	131,458	16	325,761	10	14,719,090	14
\$25,000-\$34,999	11,041,632	13	1,746,177	14	93,157	11	347,436	10	13,228,403	13
\$35,000-\$44,999	9,668,406	11	1,387,788	11	103,161	12	361,420	11	11,520,773	11
\$45,000-\$54,999	8,304,526	9	1,005,219	8	85,736	10	282,143	8	9,677,625	9
\$55,000-\$64,999	6,981,263	8	817,660	6	59,626	7	254,971	8	8,113,520	8
\$65,000-\$74,999	5,553,068	6	481,311	4	30,281	4	212,642	6	6,277,300	6
\$75,000-\$84,999	4,738,461	5	427,150	3	28,767	3	206,705	6	5,401,083	5
\$85,000-\$94,999	3,358,777	4	293,289	2	30,233	4	117,059	4	3,799,357	4
\$95,000 and Over	12,929,189	15	912,055	7	50,661	6	770,474	23	14,657,343	14
Total	87,680,749	100	12,849,292	100	848,027	100	848,027	100	104,710,512	100

Source: U.S. Department of Commerce, Bureau of the Census, Current Population Survey, March Supplement 2000.

Blacks, and 197,300 by American Indians and Alaska Natives (Table 7). Blacks and Hispanics were underrepresented in the minority business population: Hispanic Americans counted for about 12.5 percent of the population in 2000, but owned only 5.8 percent of U.S. firms in 1997, while Blacks or African Americans constituted 12.3 percent of the U.S. population but only 4.0 percent of business owners. Asians and Native Americans, on the other hand, had business representation equal to or broader than their numbers in the population would suggest: American Indians and Alaska Natives composed 0.9 percent of the population and 0.9 percent of businesses, while Asians and Pacific Islanders constituted 3.6 percent of the population and 4.4 percent of businesses.

Figure 2. Income Distribution of Householders by Race, 1999

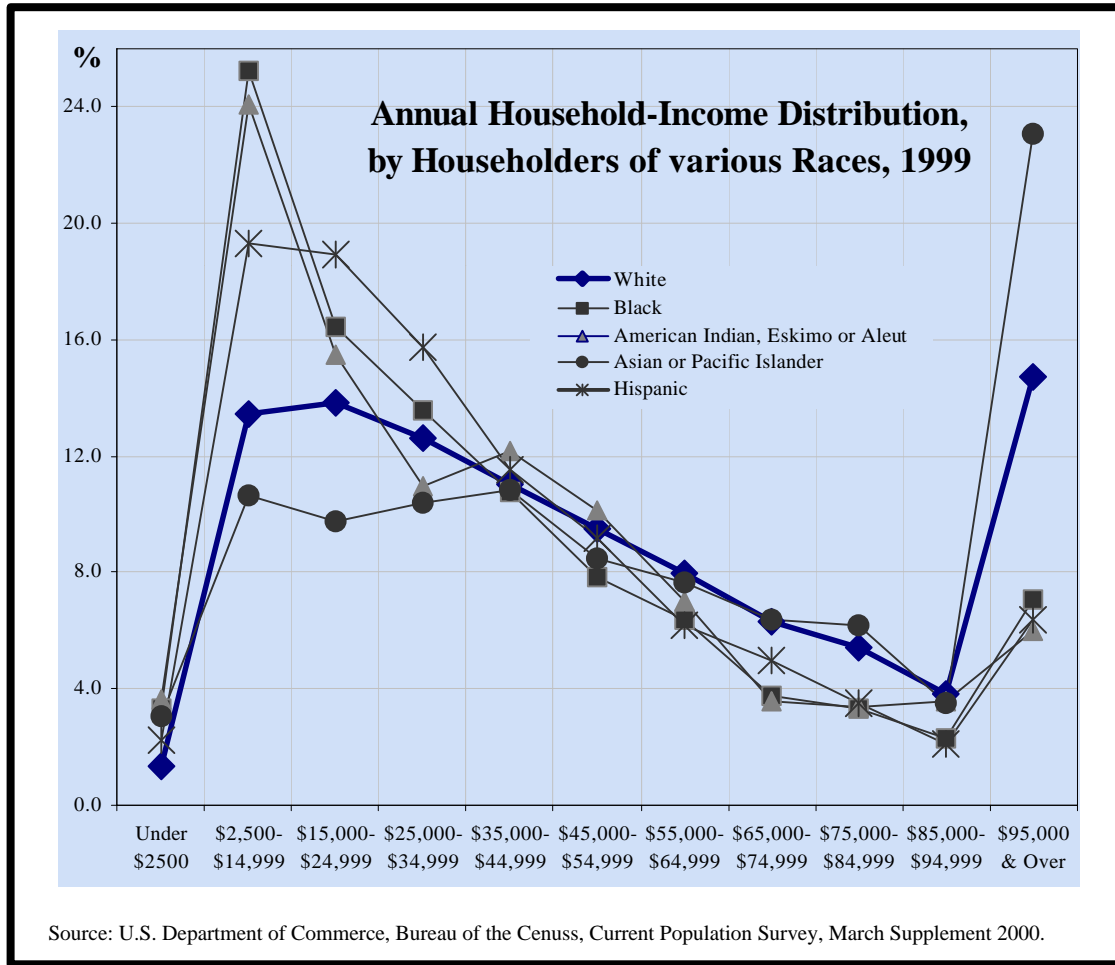


Table 7. Firms, Employment, and Payroll by Race and Ethnic Origin, 1997

	<i>All Firms</i>		<i>Firms with Employees</i>		<i>Number of Employees</i>		<i>Total Payroll</i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Millions of Dollars</i>	<i>Percent</i>
Total U.S. Firms	20,821,934	100.00	5,295,151	100.00	103,359,815	100.00	2,936,493	100.00
Nonminority-Owned Firms	17,782,901	85.40	4,679,929	88.38	98,845,116	95.63	2,840,964	96.75
All Minority-Owned Firms	3,039,033	14.60	615,222	11.62	4,514,699	4.37	95,529	3.25
Black-Owned Firms	823,499	3.96	93,235	1.76	718,341	0.69	14,322	0.48
Hispanic-Owned Firms	1,199,896	5.76	211,885	4.00	1,388,746	1.34	29,830	1.02
American Native-Owned Firms	197,300	0.94	33,277	0.63	298,661	0.28	6,624	0.23
Asian-Owned Firms	912,959	4.38	290,000	5.48	2,203,080	2.13	46,180	1.57

Note: The percentages may not sum to 100 because Hispanics may be of any race and may therefore be double counted.  
Source: U.S. Department of Commerce, Bureau of the Census, SMOBE, 1997.

Business density is the number of individuals in the population divided by the number of businesses in the population—the lower the number, the higher the density. Business density was 10.1 for nonminorities—that is, there was a nonminority-owned business for every 10.1 people in the nonminority population (Table 8).<sup>9</sup> In the minority population, business density was 12.6 for American Indians and Alaska Natives, 11.7 for Asians and Pacific Islanders, 29.4 for Hispanics, and 42.1 for Blacks. Business sales per person in the population totaled \$92,706 per nonminority person, \$28,842 for Asians and Pacific Islanders, \$13,871 for American Indians and Alaska Natives, \$5,276 for Hispanics, and \$2,055 for Blacks.

### *Hispanic-Owned Businesses by Ethnicity*

Hispanics or Latinos of any race in the United States made up 12.5 percent of the total population and 40.6 percent of the total minority population in 2000 and owned 5.8 percent of all U.S. business firms and 39.5 percent of all minority-owned firms (Tables 1 and 9). More than 1 million Hispanic-owned businesses existed in the United States in 1997, of which 39.3 percent were owned by Mexicans, 23.9 percent by Hispanic Latin Americans, 10.4 percent by Cubans, 5.8 percent by Puerto Ricans, 4.8 percent by Spaniards, and 15.7 percent by other Spanish, Hispanic, or Latino business owners. Business density or business participation was at 29.4 Hispanic members of the population per business. Spaniards, Cubans, and Hispanic Latin Americans were strongly represented in the business population compared with other Hispanic and Latino groups (Table 10). Business sales and receipts per member of the Hispanic/Latino population also ranged widely from a record high of \$159,775 per Spaniard to \$2,201 per Puerto Rican in the population. The low share of Spaniards in the Hispanic population—0.3 percent—may be part of the explanation for the large disparity in the data.

### *Asian-Owned Businesses by Ethnicity*

Asians and Pacific Islanders in the United States made up 3.6 percent of the total population and 12.3 percent of the total minority population in 2000, and owned 4.4 percent of all U.S. business firms and 30.0 percent of all minority-owned firms in 1997 (Tables 1 and 11). Of 912,959 Asian and Pacific Islander-owned businesses in 1997, Chinese business owners owned 27.7 percent; Asian Indians, 18.3 percent; Koreans, 14.9 percent; Vietnamese, 10.7 percent; Japanese, 9.4 percent; Filipinos, 9.3 percent; Hawaiians, 1.7 percent; other Asians, 7.8 percent; and other Pacific Islanders, 1.7 percent (Table 11).<sup>10</sup> Business density rates averaged 11.7 for all Asian businesses, higher than the national average of 13.5 (Table 12). By Asian ethnic group, the rates ranged from strong representation in the business population by Koreans, at 7.9, to a much lower participation rate for other Pacific Islanders at 67.5. Business sales and receipts per member of the population ranged widely among ethnic groups, from Japanese at \$54,903 to Filipino at \$5,987.

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<sup>9</sup>Business density is calculated here using population figures for 2000 and firm figures for 1997. The different years of population and firm data will create some distortion in this approximate figure.

<sup>10</sup> Other Asian includes other Asian alone, or two or more Asian categories.

Table 8. Minority Population, 2000, Minority-Owned Firms and Receipts, 1997

Race/Ethnic Group	Population		Total Receipts (Thousands of Dollars)	Business Density <sup>2</sup>	Receipts per Person in Population (Dollars) <sup>3</sup>
	Number	Percent <sup>1</sup>			
All U.S.	281,421,906	100.0	18,553,243,000	13.5	65,927
Nonminority	194,552,774	69.1	18,036,263,127	10.1	92,706
All Minorities	86,869,132	30.9	516,979,920	28.6	5,951
Black	34,658,190	12.3	71,214,662	42.1	2,055
Hispanic	35,305,818	12.5	186,274,581	29.4	5,276
American Native	2,475,956	0.9	34,343,907	12.6	13,871
Asians	10,641,833	3.78	306,932,982	11.7	28,842

<sup>1</sup>Percentages are a share of U.S. total.  
<sup>2</sup>Business density is defined here as the number of individuals in the population (2000) per firm owned by a member of the population (1997). The different years of population and firm data will create some distortion in this approximate figure.  
<sup>3</sup>Receipts per person is defined as the 1997 dollar value of business sales and receipts per person of population (2000).  
Sources: U.S. Department of Commerce, Bureau of the Census, firm data from SMOBE, population data 2000 Census of Population.

Table 9. Hispanic-Owned Firms, Employment, and Payroll by Ethnicity, 1997

Race/Ethnic Group	All Firms		Firms with Employees		Number of Employees		Total Payroll	
	Number	Percent*	Number	Percent*	Number	Percent*	Millions of Dollars	Percent*
Total U.S. Firms	20,821,934	100.00	5,295,151	100.00	103,359,815	100.00	2,936,493	100.00
Nonminority	17,782,901	85.40	4,679,929	88.38	98,845,116	95.63	2,840,964	96.75
All Minority	3,039,033	14.60	615,222	11.62	4,514,699	4.37	95,529	3.25
All Hispanic	1,199,896	5.76	211,885	4.00	1,388,746	1.34	29,830	1.02
Cuban	125,273	10.4	30,203	14.3	176,428	12.7	4,163	14.0
Mexican	472,033	39.3	90,755	42.8	695,372	50.1	13,015	43.6
Puerto Rican	69,658	5.8	10,976	5.2	61,509	4.4	1,497	5.0
Spaniard	57,160	4.8	12,590	5.9	76,338	5.5	2,046	6.9
Hispanic Latin American	287,314	23.9	42,916	20.3	238,612	17.2	5,863	19.7
Other Hispanic	188,458	15.7	24,445	11.5	140,487	10.1	3,247	10.9

\*Percentages for first four lines are a share of total U.S. firms; percentages for Hispanic subgroups are a share of Hispanic-owned firms.  
Note: The percentages may not sum to 100 because Hispanics may be of any race and may therefore be double counted.  
Source: U.S. Department of Commerce, Bureau of the Census, SMOBE, 1997.

Table 10. Hispanic Population, 2000, and Hispanic-Owned Firms and Receipts, 1997, by Ethnicity

Race/Ethnic Group	Population		Total Receipts (Thousands of Dollars)	Business Density <sup>2</sup>	Receipts per Person in Population (Dollars) <sup>3</sup>
	Number	Percent <sup>1</sup>			
All U.S.	281,421,906	100.0	18,553,243,000	13.52	65,927
Non-Hispanic	246,116,088	87.4	18,366,968,419	13.84	74,627
All Hispanic	35,305,818	12.5	186,274,581	29.42	5,276
Cuban	1,235,704	3.5	26,492,208	9.86	21,439
Mexican, Mexican American	20,653,904	58.5	73,706,753	43.76	3,569
Puerto Rican	3,389,359	9.6	7,461,069	48.66	2,201
Spaniard	105,917	0.3	16,922,913	1.85	159,775
Hispanic Latin American	3,036,300	8.6	40,997,923	10.57	13,503
Other Spanish, Hispanic, Latino	6,884,635	19.5	20,693,715	36.53	3,006

<sup>1</sup>Percentages for first three lines are a share of total U.S. firms; percentages for Hispanic subgroups are a share of Hispanic-owned firms.  
<sup>2</sup>Business density is defined here as the number of individuals in the population (2000) per firm owned by a member of the population (1997). The different years of population and firm data will create some distortion in this approximate figure.  
<sup>3</sup>Receipts per person is defined as the 1997 dollar value of business sales and receipts per person of population.  
Sources: U.S. Department of Commerce, Bureau of the Census, firm data from SMOBE, population data 2000 Census of Population.

Table 11. Asian-Owned Firms, Employment, and Payroll by Ethnicity, 1997

Race/Ethnic Group	All Firms		Firms with Employees		Number of Employees		Total Payroll	
	Number	Percent*	Number	Percent*	Number	Percent*	Millions of Dollars	Percent*
All U.S. Firms	20,821,934	100.00	5,295,151	100.00	103,359,815	100.00	2,936,493	100.00
Nonminority	17,782,901	85.40	4,679,929	88.38	98,845,116	95.63	2,840,964	96.75
All Minority	3,039,033	14.60	615,222	11.62	4,514,699	4.37	95,529	3.25
All Asian/Pacific Islander	912,959	4.38	290,000	5.48	2,203,080	2.23	46,180	1.63
Asian Indian	166,737	18.26	67,189	23.17	490,629	22.27	12,586	27.25
Chinese	252,577	27.67	90,582	31.24	691,757	31.40	12,945	28.03
Filipino	84,534	9.26	14,581	5.03	110,130	5.00	2,667	5.78
Japanese	85,538	9.37	23,309	8.04	262,223	11.90	7,107	15.39
Korean	135,571	14.85	50,076	17.27	333,649	15.14	5,789	12.54
Vietnamese	97,764	10.71	18,948	6.53	79,035	3.59	1,166	2.52
Other Asian	70,868	7.76	22,292	7.69	201,610	9.15	3,136	6.79
Hawaiian	15,544	1.70	2,023	0.70	20,698	0.94	498	1.08
Other Pacific Islander	3,826	0.42	1,000	0.34	13,349	0.61	286	0.62

\*Percentages for first four lines are a share of total U.S. firms; percentages for Asian subgroups are a share of Asian-owned businesses.  
Source: U.S. Department of Commerce, Bureau of the Census, SMOBE, 1997.

Table 12. Asian and Pacific Islander Population, 2000, and Firms and Receipts, 1997, by Ethnicity

Race/Ethnic Group	Population		Total Receipts (Thousands of Dollars)	Business Density <sup>2</sup>	Receipts per Person in Population (Dollars) <sup>3</sup>
	Number	Percent <sup>1</sup>			
All U.S. Firms	281,421,906	100.00	18,553,243,000	13.5	65,927
Non-Asian and Pacific Islander	270,780,073	96.22	18,246,310,018	13.6	67,384
All Asian and Pacific Islander	10,641,833	3.78	306,932,982	11.7	28,842
Asian Indian	1,678,765	15.78	67,503,357	10.1	40,210
Chinese	2,432,585	22.86	106,196,794	9.6	43,656
Filipino	1,850,314	17.39	11,077,885	21.9	5,987
Japanese	796,700	7.49	43,741,051	9.3	54,903
Korean	1,076,872	10.12	45,936,497	7.9	42,657
Vietnamese	1,122,528	10.55	9,322,891	11.5	8,305
Other Asian	1,285,234	12.08	19,016,149	18.1	14,796
Hawaiian	140,652	1.32	2,250,153	9.0	15,998
Other Pacific Islander	285,183	2.43	1,888,205	67.5	7,313

<sup>1</sup>Percentages for first three lines are a share of total U.S. firms; percentages for Asian subgroups are a share of Asian-owned businesses.  
<sup>2</sup>Business density is defined here as the number of individuals in the population (2000) per firm owned by a member of the population (1997). The different years of population and firm data will create some distortion in this approximate figure.  
<sup>3</sup>Receipts per person is defined as the 1997 dollar value of business sales and receipts per person of population.  
Sources: U.S. Department of Commerce, Bureau of the Census, firm data from SMOBE, population data 2000 Census of Population.

## Economic Contributions of Minority-Owned Firms

Like other businesses, minority-owned businesses produce goods and services, create innovations, absorb labor and generate jobs, provide wages and salaries, and contribute to the support of government services through taxes. All of these business activities are important contributions to the dynamic American economy.<sup>11</sup>

<sup>11</sup> Milken Institute points out that “minority communities represent the most potent potential market in the American economy. Minority groups are experiencing higher rates of population growth than whites. By 2050, minorities are projected to comprise almost 50 percent of the U.S. population. Minority businesses are growing even faster than the population in terms of both numbers of new firms and revenues.” (See February 1999 Milken Institute Policy Brief.)



In 1997, 615,222 minority-owned firms with paid employees had 4,514,699 workers and provided payroll of about \$95.5 billion (Table 7). Of all employees hired by minority-owned firms, 48.8 percent were in Asian-owned firms, 30.8 percent in Hispanic-owned firms, 15.9 percent in Black-owned firms and 6.6 percent in American Native-owned firms. Asian-owned firms contribute 48.3 percent of total minority business payroll; Hispanic-owned firms, 31.2 percent; Black-owned firms, 15.0 percent; and American Native-owned firms, 6.9 percent.

Most U.S. firms are small; only 25.4 percent of firms had paid employees in 1997 (Table 13). Nearly one-third—31.8 percent—of Asian-owned firms had paid employees; smaller shares ranging from 11.3 percent to 17.7 percent of other minority-owned businesses had paid employees. On average, each nonminority-owned firm with paid employees employed 21 workers in 1997. The employment numbers in minority-owned firms with paid employees were smaller, ranging from 7 to 9 on average. Payroll per employee in 1997 averaged \$28,742 in nonminority-owned firms and ranged between about \$20,000 and \$23,000 in minority-owned firms.

### *Contributions of Hispanic-Owned Firms, by Ethnicity*

The 211,885 Hispanic-owned firms with paid employees in the United States had 1,388,746 workers and provided about \$29.8 billion in payroll in 1997 (Table 9). Half of employees hired by Hispanic-owned firms were in firms owned by Mexican or Mexican-American business owners; between 10 and 17 percent each were in Hispanic Latin American-, Cuban-, and Other Spanish, Hispanic, Latino-owned firms; and about 5 percent each were in firms owned by Spanish and Puerto Rican business owners. Each ethnic group contributed similar shares of payroll.

Most Hispanic-owned firms are small; just 17.7 percent had paid employees in 1997 (Table 14). By ethnic group, the share of firms that had employees ranged from about 13.0 percent of “other Hispanic, Spanish, Latino-owned firms” to 24.1 percent of Cuban-owned firms. Hispanic-owned employer firms had about 7 workers per firm in 1997. The average payroll per employee was \$21,480. Among Hispanic-owned firms, those owned by Spaniards provided the highest average payroll, \$26,798; Mexican-owned firms had the most employees per firm, but paid the lowest, \$18,717.

### *Contributions of Asian-Owned Firms, by Ethnicity*

The 290,000 Asian-owned firms with paid employees employed 2,203,080 and provided about \$46.1 billion in payroll (Table 11). Of employees hired by Asian-owned firms, 31.40 percent were in Chinese-owned firms, 22.3 percent in Asian Indian-owned firms, 15.1 percent in Korean-owned firms, 11.9 percent in Japanese-owned firms, 9.2 percent in Other Asian-owned firms, 5.0 percent in Filipino-owned firms, 3.6 percent in Vietnamese-owned firms, 0.9 percent in Hawaiian-owned firms, and 0.6 percent in Other Pacific Islander-owned firms. Payroll was distributed similarly by ethnicity.

Table 13. Contributions of Minority-Owned Firms, 1997

<i>Race or Ethnicity</i>	<i>Firms with Employees (Percent of Group Firms)</i>	<i>Employees per Firm<sup>1</sup></i>	<i>Payroll per Employee (Dollars)<sup>2</sup></i>
All U.S. Firms	25.43	20	28,410
Nonminority-Owned Firms	26.32	21	28,742
All Minority-Owned Firms	20.24	7	21,160
Black-Owned Firms	11.32	8	19,938
Hispanic-Owned Firms	17.66	7	21,480
American Native-Owned Firms	16.87	9	22,180
Asian or Pacific Islander-Owned Firms	31.76	7	23,070

1. A measure of the average size of firms in the group.  
2. This measure may be an indicator of the skills or knowledge levels required for jobs these firms provide.  
Source: U.S. Small Business Administration, Office of Advocacy calculations based on U.S. Department of Commerce, Bureau of the Census, SMOBE, 1997.

Table 14. Contributions of Hispanic-Owned Firms, 1997

<i>Race or Ethnicity</i>	<i>Firms with Employees (Percent of Group Firms)</i>	<i>Employees per Firm<sup>1</sup></i>	<i>Payroll per Employee (Dollars)<sup>2</sup></i>
All Hispanic-Owned Firms	17.66	7	21,480
Cuban-Owned Firms	24.11	6	23,594
Mexican, Mexican American-Owned Firms	19.23	8	18,717
Puerto Rican-Owned Firms	15.76	6	24,336
Spaniard-Owned Firms	22.03	6	26,798
Hispanic Latin American-Owned Firms	14.94	6	24,570
Other Spanish, Hispanic, Latino-Owned Firms	12.97	6	23,114

1. A measure of the average size of firms in the group.  
2. This measure may be an indicator of the skills or knowledge levels required for jobs these firms provide.  
Source: U.S. Small Business Administration, Office of Advocacy calculations based on U.S. Department of Commerce, Bureau of the Census, SMOBE, 1997.

Asian firms are small, although larger, on average, than Hispanic-owned firms: 31.8 percent had paid employees in 1997 (Table 15). Asian Indian-, Korean -, and Chinese-owned firms were larger, on average: their employer shares were 40.3 percent, 36.9 percent, and 35.9 percent, respectively. Asian-owned firms with paid employees had 7 employees, on average, in 1997. The employment numbers varied by Asian ethnicity from 13 in other Pacific Islander-owned firms to 4 in Vietnamese-owned firms. Four Asian ethnic groups—Japanese at \$27,102; Asian Indian, \$25,652; Filipino, \$24,220; and Hawaiian, \$24,058—paid more than the \$23,070 average for Asian-owned firms.

### *Sizes of Minority-Owned Firms*

Most minority-owned businesses have no employees, including 89 percent of Black-owned businesses, 83 percent of American Indian- and Alaska Native- owned, 82 percent of Hispanic-owned, and 68 percent of Asian- and Pacific-Islander-owned firms. Of firms with paid employees, almost all had fewer than 100 employees: 98.1 percent of those owned by nonminorities and about 99 percent of those owned by the various minority groups (Table 16).

Table 15. Contributions of Asian-Owned Firms, 1997

<i>Race or Ethnicity</i>	<i>Firms with Employees (Percent of Group Firms)</i>	<i>Employees per Firm<sup>1</sup></i>	<i>Payroll per Employee (Dollars)<sup>2</sup></i>
All Asian and Pacific Islander-Owned Firms	31.76	7	23,070
Asian Indian-Owned Firms	40.30	7	25,652
Chinese-Owned Firms	35.86	8	18,713
Filipino-Owned Firms	17.25	8	24,220
Japanese-Owned Firms	27.25	11	27,102
Korean-Owned Firms	36.94	7	17,352
Vietnamese-Owned Firms	19.38	4	14,747
Other Asian-Owned Firms	31.46	9	15,554
Hawaiian-Owned Firms	13.01	10	24,058
Other Pacific Islander	26.14	13	21,447

1. A measure of the average size of firms in the group.  
2. This measure may be an indicator of the skills or knowledge levels required for jobs these firms provide.  
Source: U.S. Small Business Administration, Office of Advocacy calculations based on U.S. Department of Commerce, Bureau of the Census, SMOBE, 1997.

Table 16. Employment Sizes of Minority-Owned Businesses, 1997

<i>Group of Business Firms</i>	<i>All Firms</i>	<i>Firms with No Paid Employees</i>	<i>No Employees*</i>	<i>1 - 9</i>	<i>10-19</i>	<i>20-99</i>	<i>100 or more</i>
All U.S. Firms	20,821,934	15,526,783	619,990	3,536,055	570,401	473,051	95,654
Nonminority-Owned Firms	17,782,901	13,102,972	529,819	3,109,125	515,700	434,062	91,222
All Minority-Owned Firms	3,039,033	2,423,811	90,171	426,930	54,701	38,989	4,432
Black-Owned Firms	823,499	730,264	15,217	63,996	7,171	5,961	889
Hispanic-Owned Firms	1,199,896	988,012	29,118	149,454	19,860	12,330	1,121
American Native-Owned Firms	197,300	164,023	3,705	23,928	2,932	2,357	355
Asian and Pacific Islander-Owned Firms	912,959	622,961	43,658	199,117	25,820	19,319	2,084
<i>Share of Total Minority-Owned Firms (Percent)</i>							
Black-Owned Firms	27.10	30.13	16.88	14.99	13.11	15.29	20.06
Hispanic-Owned Firms	39.48	40.76	32.29	35.01	36.31	31.62	25.29
American Native-Owned Firms	6.49	6.77	4.11	5.60	5.36	6.05	8.01
Asian and Pacific Islander-Owned Firms	30.04	25.70	48.42	46.64	47.20	49.55	47.02

\*"No Employees" refers to firms reporting annual payroll that did not report employees on their payroll during the specified period in 1997.  
Source: The Office of Advocacy based on US Census Bureau 1997 Economic Census, Survey of Minority-Owned Business Enterprises.

Of minority-owned firms with fewer than 100 employees, about 47 percent were owned by Asians or Pacific Islanders, about 35 percent by Hispanics, about 15 percent by Blacks and about 6 percent by American Indians and Alaska natives. Shares of firms with more than 100 employees were similar, although Blacks and American natives were more strongly represented in the larger firms. (Table 16).

Measured by receipts size, Black-owned businesses in particular were much more likely to be small: Black-owned firms constituted more than 30 percent of the minority-owned firms earning less than \$25,000 in receipts, but just 10 percent of those earning \$500,000 or more (Table 17). Hispanic and American Native-owned firms also had somewhat larger shares of the firms in the smaller receipts size categories. Asian-owned firms, on the other hand,

Table 17. Receipts Sizes of Minority-Owned Businesses, 1997

<i>Group of Business Firms</i>	<i>Total Receipts (\$1000)</i>	<i>Firms with &lt;\$5,000</i>	<i>\$5,000-\$9,999</i>	<i>\$10,000-\$24,999</i>	<i>\$25,000-\$99,999</i>	<i>\$100,000-\$499,000</i>	<i>\$500,000 or more</i>
Nonminority-Owned Firms	18,036,263,127	3,932,476	2,273,136	2,991,559	3,854,217	3,022,738	1,708,875
All Minority-Owned Firms	516,979,920	692,861	487,107	627,591	648,895	413,019	169,460
Black-Owned Firms	71,214,662	247,536	156,255	188,811	152,147	61,567	17,182
All Hispanic-Owned Firms	186,274,582	263,071	212,214	273,321	252,430	143,975	54,256
American Native-Owned Firms	34,343,907	50,433	30,387	41,515	42,024	23,794	9,147
All Asian and Pacific Islander-Owned Firms	306,932,982	151,751	107,890	147,311	221,949	192,198	91,860
<i>Share of Total Minority-Owned Firms (Percent)</i>							
Black-Owned Firms	13.78	35.73	32.08	30.09	23.45	14.91	10.14
All Hispanic-Owned Firms	36.03	37.97	43.57	43.55	38.90	34.86	32.02
American Native-Owned Firms	6.64	7.28	6.24	6.61	6.48	5.76	5.40
All Asian and Pacific Islander-Owned Firms	59.37	21.90	22.15	23.47	34.20	46.53	54.21
Note: Because Hispanics can be of any race, the sum of various minority groups' receipts will not equal total minority receipts. Source: The Office of Advocacy based on US Census Bureau 1997 Economic Census, Survey of Minority-Owned Business Enterprises.							

represented about 22 percent of the minority-owned firms with less than \$25,000 in receipts, but more than 54 percent of those with receipts of \$500,000 or more.

### ***Legal Forms of Ownership***

Minorities make various choices of legal forms for their businesses. Of all U.S. businesses, 72.6 percent are individual proprietorships, 11.5 percent are C corporations, 9.5 percent are S corporations, 5.9 percent are partnerships, and .5 percent are other (Table 18). All minority groups except Asians were much more likely than average to choose the proprietorship form of organization, doing so more than 85 percent of the time. They were less likely to choose any of the other forms. Asians were an exception, being slightly less likely than average to form a proprietorship and more likely to incorporate: 71.0 percent of Asian-owned businesses were sole proprietorships, but 14.0 percent were C corporations and 10.2 percent were S corporations.

Probably because most new and small businesses are sole proprietorships, this form of ownership has been observed to have higher proportions of business closure and low business income. Higher proportions of sole proprietorships in the Hispanic, American Native, and Black business communities have lower average business receipts and lower shares of firms with paid employees (Tables 7 and 13).

### ***Industry Divisions***

Minority-owned firms were well represented in many major industries in 1997 (Table 19). At the national level, the largest proportion (42.7 percent) of businesses were in the services

Table 18. Minority-Owned Firms by Legal Form of Organization, 1997

Legal Form of Organization	Total		Black		Hispanic		American Native		Asian/Pacific Islander	
	Number	%	Number	%	Number	%	Number	%	Number	%
Total	20,821,934	100.00	823,499	3.95	1,199,896	5.76	197,300	0.95	912,960	4.38
C Corporation	2,390,478	11.48	42,729	5.19	78,463	6.54	9,379	4.75	127,480	13.96
S Corporation	1,979,425	9.51	29,410	3.57	65,244	5.44	9,618	4.87	92,877	10.17
Sole Proprietorship	15,122,882	72.63	737,076	89.51	1,027,411	85.63	173,385	87.88	648,337	71.01
Partnership	1,226,455	5.89	13,595	1.65	27,998	2.33	4,626	2.34	40,854	4.47
Other	102,694	0.49	688	0.08	781	0.07	293	0.15	3,412	0.37

Source: U.S. Small Business Administration, Office of Advocacy, based upon data published by the U.S. Department of Commerce, Bureau of the Census, 1997 Survey of Women and Minority-Owned Businesses.

Table 19. Minority-Owned Firms by Industry, 1997

Major Industry	Total		Black		Hispanic		American Native		Asian/Pacific Islander	
	Number	%	Number	%	Number	%	Number	%	Number	%
All	20,821,934		823,499	3.95	1,199,896	5.76	197,300	0.95	912,960	4.38
Agriculture	496,164	2.38	12,464	1.51	40,040	3.34	8,942	4.53	12,988	1.42
Mining	126,809	0.61	231	0.03	1,909	0.16	947	0.48	660	0.07
Construction	2,333,424	11.21	56,508	6.86	152,573	12.72	27,435	13.91	27,711	3.04
Manufacturing	688,782	3.31	10,447	1.27	25,552	2.13	6,717	3.40	23,242	2.55
Transportation	919,570	4.42	71,586	8.69	84,554	7.05	6,291	3.19	37,501	4.11
Wholesale	797,856	3.83	8,120	0.99	31,480	2.62	4,365	2.21	50,400	5.52
Retail	2,889,041	13.87	87,568	10.63	155,061	12.92	14,768	7.49	195,691	21.43
Finance	2,237,675	10.75	37,934	4.61	56,629	4.72	4,616	2.34	68,765	7.53
Services	8,891,023	42.70	437,646	53.14	500,449	41.71	34,144	17.31	406,010	44.47
Unclassified	1,480,003	7.11	101,128	12.28	151,931	12.66	89,243	45.23	90,509	9.91

Source: U.S. Small Business Administration, Office of Advocacy, from data published by the U.S. Department of Commerce, Bureau of the Census, 1997 Survey of Women and Minority-Owned Businesses.

industry, followed by retail trade (14.0 percent), construction (11.2 percent) and finance, insurance, and real estate (10.8 percent).

Hispanic-owned businesses were distributed much like the average business distribution in most major industries, except mining, and finance, insurance, and real estate. Black-owned firms tended to be concentrated in the transportation, communications and public utilities and service sectors. A large share of American Indian-owned businesses were in the “unclassified” category.<sup>12</sup> American Indian-owned firms were also concentrated in agricultural, construction and manufacturing industries. Asian- and Pacific-Islander-owned firms tended to be engaged in greater than average proportions in retail and wholesale trade and services.

<sup>12</sup> The unclassified category may reflect a large proportion of businesses in gambling. For figures, see <http://www.indiangaming.org/library/index.html>.

## ***Geographic Distribution***

Not surprisingly, minority-owned businesses are most prevalent in the southern states and in urban areas where minority populations tend to be larger. In 1997, California, Florida, Texas, New Mexico, Hawaii, Maryland, and the District of Columbia all had concentrations of minority-owned businesses exceeding 20 percent (Figure 3). In sheer numbers, New York had the largest number of Black-owned businesses—more than 86,000; Hawaii had the largest number of businesses owned by Pacific Islanders—nearly 7,000; and California had the largest numbers of minority-owned businesses owned by Hispanics (336,000), Asians (313,000), and American Indians (27,000) (Table A.5).

## ***The Growth of Minority-Owned Businesses***

The number of minority-owned businesses has grown explosively since 1982 (Table 20). Fewer than 7 percent of U.S. firms were minority-owned in 1982 (Figure 4). Minority-owned firms' share more than doubled to almost 15 percent in 1997.<sup>13</sup> Minority-owned firms increased at rates between three and seven times those of nonminority-owned firms, by 55 percent from 1982 to 1987, 68 percent between 1987 and 1992, and 30 percent from 1992 to 1997.

One reason for minority-owned firm growth is simply the rate of minority population growth. The small growth rates of nonminority-owned firms match the low growth rates of the nonminority population for the three quinquennial periods (Figure 5).<sup>14</sup> For the same periods, the rapid growth rates of minority-owned firms parallel growth rates in the minority population, particularly for Hispanics and Asians and Pacific Islanders, whose population growth was on average four times the total U.S. population growth rate.<sup>15</sup> There are many reasons for the growth in minority-owned businesses, but at least some of the increase may also be credited to long-term efforts to encourage minority business growth through various initiatives at all levels of government.<sup>16</sup>

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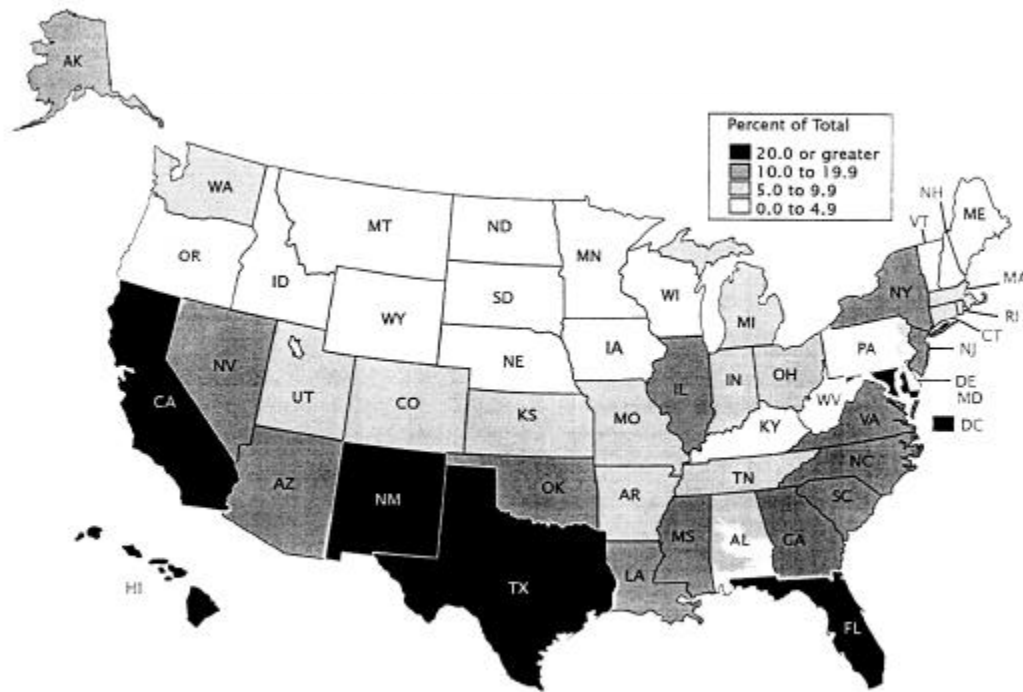
<sup>13</sup> Changes in the Survey of Minority-Owned Business Enterprises (SMOBE) database over the years have made comparisons difficult. When data are adjusted to include only those groups covered in 1982, the 1997 minority business share is 15.1 percent (Figure 4). See Appendix 1 for a description of the SMOBE database.

<sup>14</sup> Population data from U.S. Department of Commerce, Bureau of the Census, *The National Data Book, Statistical Abstract of the United States 1998*.

<sup>15</sup> This average was determined by first calculating for each minority group the growth rate relative to all U.S. population growth. For example, the Hispanic population grew at five times, four times, and four times the U.S. population growth rates during the three quinquennial periods. These figures average to four.

<sup>16</sup> For example, the government-wide procurement preference goaling program requires agencies to award 23 percent of prime contracts to small businesses; 5 percent of prime and subcontracts to small disadvantaged businesses; 5 percent of prime and subcontracts to women-owned small businesses; increasing percentages from 1 percent to 3 percent of prime contracts to HUBZone small businesses for FY 1999 through FY 2003 and ongoing; and 3 percent of prime and subcontracts to service-disabled veteran-owned small businesses (see <http://www.sba.gov/GC/whatwedo.html>).

Figure 3. Geographic Distribution of Minority-Owned Businesses, 1997



Source: U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1997

Table 20. Growth in Numbers of Minority-Owned Firms, 1982-1997<sup>1</sup>

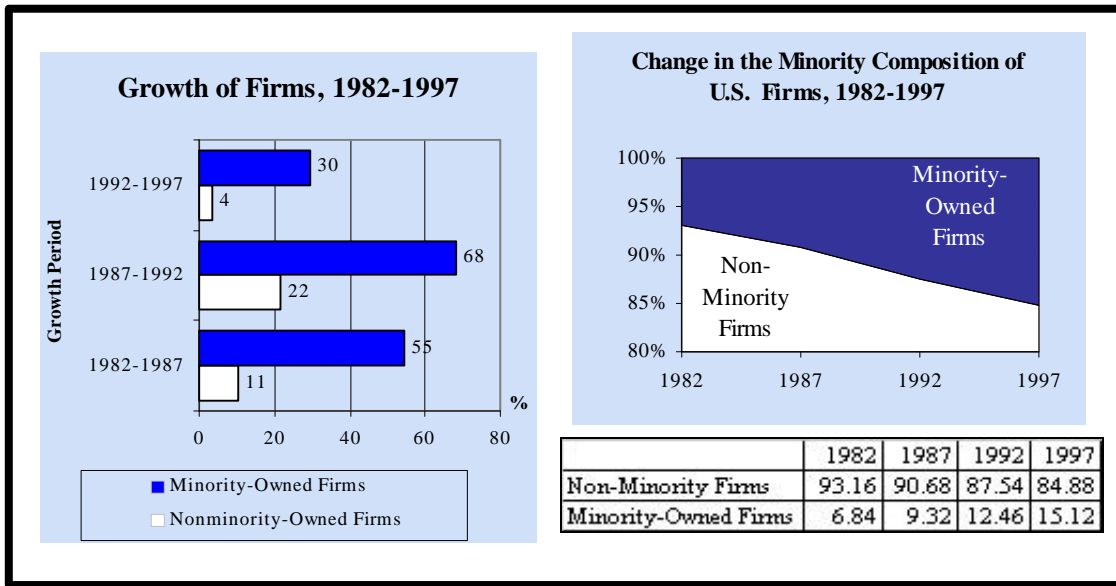
	Number of Firms				Growth Rates (Percent)		
	1982	1987	1992	1997	1982-1987	1987-1992	1992-1997
All U.S. Firms	12,059,950	13,695,480	17,253,143	18,431,456	14	26	7
Nonminority-Owned Firms	11,234,999	12,419,170	15,103,959	15,645,358	11	22	4
All Minority-Owned Firms	824,951	1,343,910	2,149,184	2,786,098	55	68	30
Black-Owned Firms	308,260	424,165	620,912	780,770	38	46	26
Hispanic-Owned Firms	284,011	489,973	862,605	1,121,433	73	76	30
American Indian and Alaskan Native-Owned Firms	17,100	24,931	102,271	187,921	46	310	84
Asian, and Pacific Islander-Owned Firms <sup>2</sup>	240,806	414,340	603,426	785,480	72	46	30

<sup>1</sup>Estimated undercounts have been included to illustrate trends believed reliable at the all firm level. Estimates are based on a large ample mailout designed to measure the undercoverage of Hispanic and Asian firms of firms not identified by race code or surname.

<sup>2</sup>Undercounts for Asians and Pacific Islanders, American Indians and Alaskan Natives are estimated based on total undercounts for the combined categories.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, Company Statistics Series 1982, 1987, 1992, and 1997.

Figure 4 Growth in the Minority-Owned Business Population, 1982-1997



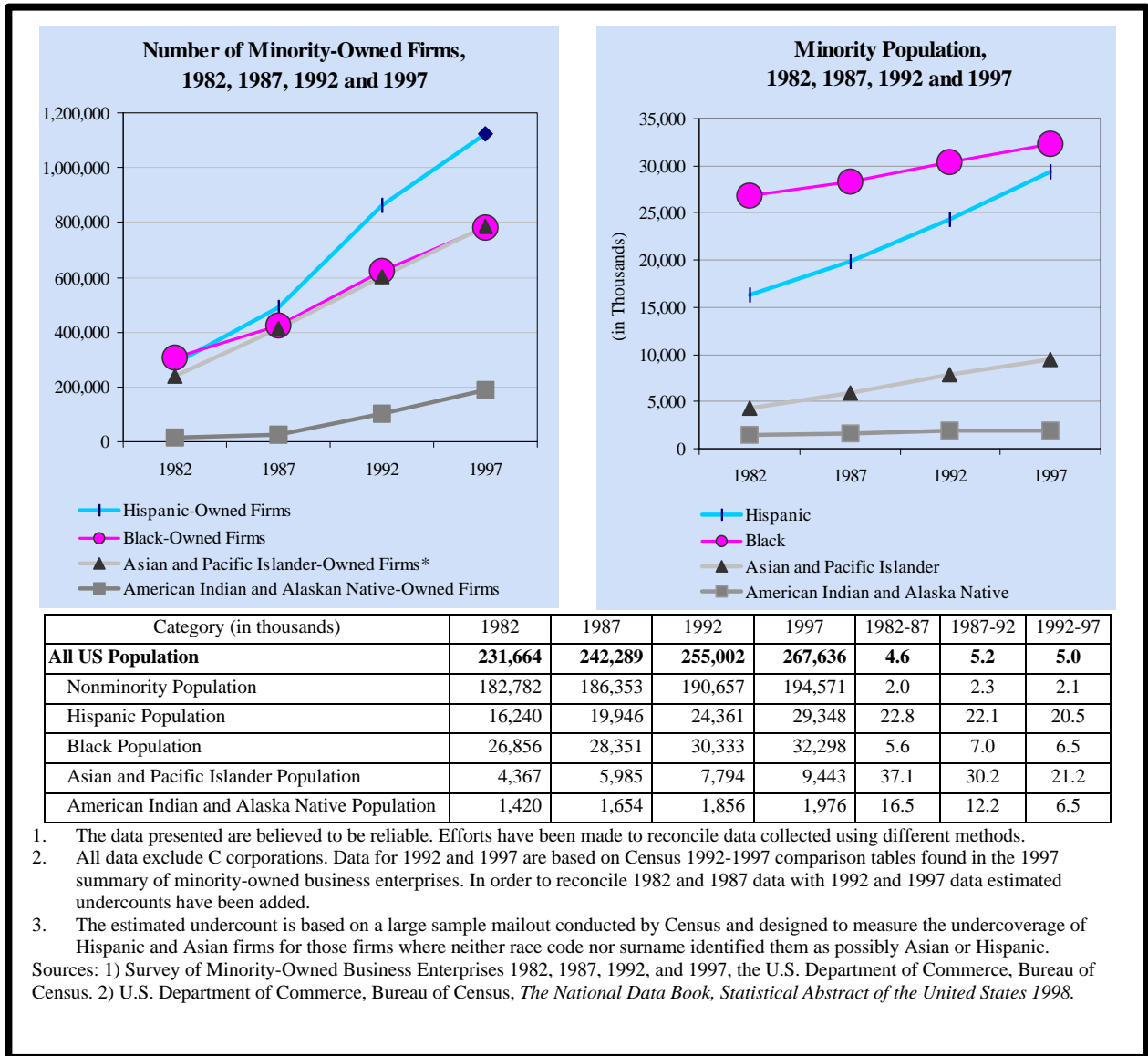
The rapid business growth occurred across minority groups (Table 20). Black-owned businesses increased their numbers by 38 percent from 1982 to 1987, by 46 percent from 1987 to 1992, and by another 26 percent from 1997 to 1992. The quinquennial growth rates for Hispanic-owned businesses were 73 percent, 76 percent, and 30 percent. Asian and Pacific Islander-owned businesses increased by 72 percent, 46 percent, and 30 percent over the three periods. The most striking percentage increases were in businesses owned by American Indians and Alaska Natives, which grew at about nine times the rate of U.S. firms overall. It is estimated that, excluding C corporations, the number of American Indian- and Alaska Native-owned businesses rose 47 percent from 1982 to 1987, 310 percent from 1987 to 1992, and 84 percent from 1992 to 1997.

The astonishing growth in American Indian and Alaska Native-owned firms, especially the 310 percent increase over the 1987-1992 period, appears to reflect strong growth starting from a relatively small base of firms. The growth may be attributable, at least in part, to specific government policies supporting business growth. The 1988 Indian Gaming Regulatory Act (IGRA) made it possible for federally recognized tribes to legally run casinos on Indian lands. The 1987-1992 period covers firm growth starting one year before IGRA's enactment and continuing through the first years after enactment. The growth of American Indian and Alaska Native-owned businesses deserves further close examination.

In the African American community, business growth exceeded population growth over the three quinquennial periods. The faster growth in Black-owned businesses may reflect increased opportunity, greater equality, better education, and direct governmental policies targeting social and economic disadvantage and discrimination. Strong activism for greater equality helped end segregationist policies in the government contracting process as early as



Figure 5. Minority-Owned Businesses and the Minority Population, 1982-1997



1941.<sup>17</sup> The civil rights movement of the 1950s and 1960s moved the African American community toward greater equality in many other aspects of society. An entrepreneurial focus emerged in the 1970s, and the number of Black-owned firms increased by 47 percent over the 1977-1982 period. After the 1972 enactment of anti-discrimination provisions with respect to education, a strong focus on improving education within the African American community and concomitant efforts to increase minority education by the U.S. government helped raise education levels, further supporting increases in entrepreneurship and business activity in the

<sup>17</sup> In 1941, efforts of African-American trade unions and individuals such as trade union leader A. Phillip Randolph to defeat segregation helped lead to President Franklin D. Roosevelt's signing of Executive Order 8802, which outlawed segregationist hiring policies by defense industries in the federal contracting process.

Black community.<sup>18</sup> Other government policies such as the 1978 Small Business Act supported equal opportunity in the marketplace.<sup>19</sup>

### ***Minority Business Turnover***

Lack of financial capital is one of many impediments to the survival of small firms and minority-owned firms in particular. The SBA's Office of Advocacy sponsored a study that examined minority business turnover and the reasons for it, using a database of firms with employees that started in 1992.<sup>20</sup> Forty-seven percent of the businesses with positive payrolls that started in 1992 survived until at least 1996. The survival rate for new White non-Hispanic-owned businesses was 48.7 percent. For new Black-owned businesses, it was 34.7 percent and for new White Hispanic-owned businesses it was 44.9 percent. For businesses started by Asians and other minorities, the survival rate was 50.4 percent.

The study also examined, for each nonminority and minority group, the top five industries in terms of 1992-1996 survival rates (Table 21). The highest survival rate by industry was almost 82 percent for White non-Hispanic businesses in the oil and gas extraction industry, and the highest rates by industry for minority-owned businesses ranged from 79.1 percent for Black-owned businesses in legal services to 65.6 percent for White Hispanic-owned business in health services. The fifth highest survival rate by industry was in the mid-50s range for all minority groups, whereas for White, non-Hispanic-owned businesses the fifth highest rate was near 70 percent.

The industries with the highest survival rates among minority-owned businesses are generally service-producing industries—industries where entry costs tend to be lower than in goods-producing industries. In contrast, for White non-Hispanic-owned businesses, the industries with the highest survival rates are considerably more capital-intensive. As a general proposition, this is probably a manifestation of systematic racial/ethnic differences in the industrial distribution of businesses. The fact that minority-owned businesses tend to be more prevalent in industries with lower entry costs may—at least in part—reflect more binding liquidity constraints and generally less access to startup capital among prospective minority business owners.

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<sup>18</sup> In addition, private sector efforts through organizations such as the National Foundation for Teaching Entrepreneurship have played an important role in entrepreneurial education in minority and nonminority communities.

<sup>19</sup> Among other things, the act required federal agencies to direct “not less than 5 percent” of their contracts to small businesses “owned and controlled by social and economically disadvantaged individuals.”

<sup>20</sup> Alicia Robb, while on staff in the Office of Advocacy, matched the Census Bureau's 1992 Survey of Minority-Owned Business Enterprises (SMOBE) and 1992 Women-Owned Businesses survey data with the 1989-1996 Business Information Tracking Series (BITS). The BITS is an annual, longitudinal database containing data on nearly all U.S. businesses and establishments with positive payrolls. As a result of her work, it is now possible to examine a wide variety of longitudinal inquiries over the 1992-1996 time period by gender, race, and/or ethnicity of business ownership. See Richard Boden, “Analyses of Business Dissolution by Demographic Category of Business Ownership,” unpublished report prepared for the Office of Advocacy of the U.S. Small Business Administration, Washington, D.C., December 2000.

Table 21. Top Five Major Industries in Business Survival Rates by Ethnicity, 1992-1996

<i>Major Industry Name</i>	<i>SIC Code</i>	<i>Survival Rate (Percent)</i>
<i>White, Non-Hispanic-Owned</i>		
Oil and Gas Extraction	13	81.69
Electric, Gas, and Sanitary Services	49	76.61
Measuring, Analyzing, and Controlling Instruments	38	76.36
Fabricated Metal Products (exc. Machinery and Transportation Equip.)	34	71.50
Health Services	80	69.55
<i>Black-Owned</i>		
Legal Services	81	79.11
Social Services	83	66.42
Real Estate	65	57.00
Insurance Agents, Brokers, and Service	64	56.24
Miscellaneous Retail	59	54.10
<i>White, Hispanic-Owned</i>		
Health Services	80	65.60
Legal Services	81	58.43
Construction Special Trade Contractors	17	58.06
Automotive Dealers and Gasoline Service Stations	55	54.71
Wholesale Trade – Durable Goods	50	54.60
<i>Asian/Other-Owned</i>		
Health Services	80	76.33
Legal Services	81	71.83
Hotels, Rooming Houses, Camps, and Other Lodging Places	70	68.52
Business Services	73	59.90
Wholesale Trade – Durable Goods	50	57.90
<p>* Note: Data pertain exclusively to new (in 1992) firms (employer identification numbers or EINs) with positive payrolls in 1992. Also, in order to be included in this tabulation, a major industry must have had at least 50 new firms (EINs) in 1992.            Source: Special tabulations of 1992-1996 Business Information Tracking Series (BITS) data matched with 1992 SMOBE and WOB data. This merged data series was created by Dr. Alicia Robb of the Federal Reserve Board of Governors while she was employed by the Office of Advocacy of the U.S. Small Business Administration.</p>		

## Government Programs Supporting Minority-Owned Businesses

### *Financing Programs*

The 7(a) loan guaranty program provides loans to small businesses unable to secure financing on reasonable terms through normal lending channels. The program operates through private-sector lenders that provide loans guaranteed by the SBA; the agency has no funds for direct lending or grants. The number and dollar amounts of 7(a) loans have been increasing rather steadily for all minority groups; they have reached a plateau in the recent past for nonminorities. Asians have received a larger share of dollars than of the number of loans, implying that they have applied for and been awarded larger loans than other groups. On average, minority shares of the number and value of 7(a) loans were as follows: Asian-owned firms, 8.5 percent and 12.2 percent; Hispanic, 6.5 percent and 5.1 percent; African American, 4.2 percent and 2.8 percent; and Native American, 0.8 percent and 0.6 percent (Tables 21 and 22).

Table 22. Number of 7(a) Loans by Ethnicity, 1990-2000

<i>Year</i>	<i>African American</i>	<i>Hispanic<sup>1</sup></i>	<i>Native American<sup>2</sup></i>	<i>Asian</i>	<i>Unknown</i>	<i>Other Incl White</i>	<i>Multi-National</i>	<i>Total # Loans</i>
2000	2,000	3,221	525	5,359	64	32,455	125	43,749
1999	2,057	3,456	515	5,106	93	32,348	82	43,657
1998	1,840	3,036	439	4,818	107	32,039	44	42,323
1997	1,819	3,160	389	4,170	152	35,297	391	45,378
1996	2,231	3,040	408	3,300	94	36,731	176	45,980
1995	2,696	3,742	392	3,478	24	45,348	106	55,786
1994	1,424	2,383	229	2,610	247	29,470	56	36,419
1993	795	1,462	136	1,674	707	21,860	56	26,690
1992	675	1,185	117	1,484	673	19,985	57	24,176
1991	550	870	97	1,304	695	15,901	51	19,468
1990	610	718	87	1,035	814	15,799	66	19,129
Average	1,518	2,388	303	3,122	334	28,839	110	36,614
Average Share*	4.15	6.52	0.83	8.53	0.91	78.77	0.30	100.00

\*Each group's 1990-2000 average share of total 7(a) loans.  
 1/ Hispanic-owned businesses include Puerto Rican and Hispanic from original data.  
 2/ Native American-owned businesses include Native American and Eskimo/Aleut from original data.  
 Data Source: The Office of Advocacy, based on data from Office of Financial Assistance, The Small Business Administration.

Table 23. Nominal Dollar Value of 7(a) Loans by Ethnicity, 1990-2000

<i>Year</i>	<i>African-American</i>	<i>Hispanic<sup>1</sup></i>	<i>Native American<sup>2</sup></i>	<i>Asian</i>	<i>Unknown</i>	<i>Other, Incl White</i>	<i>Multi-National</i>	<i>Total</i>
2000	353,870,408	664,591,345	94,485,017	2,123,381,272	18,187,400	7,332,977,208	19,476,942	10,606,969,592
1999	352,940,177	642,133,544	76,205,224	1,894,481,899	31,923,800	7,225,275,916	13,120,200	10,236,080,760
1998	278,377,347	544,650,285	67,912,734	1,506,676,336	24,144,200	6,671,898,131	11,689,300	9,105,348,333
1997	266,741,654	550,810,858	73,816,907	1,316,177,833	40,214,288	7,198,643,522	131,395,861	9,577,800,923
1996	264,247,374	418,590,780	67,079,536	887,292,852	30,256,822	6,055,871,424	57,171,888	7,780,510,676
1995	268,201,875	466,679,023	57,997,718	796,480,862	3,508,644	6,712,235,248	19,429,105	8,324,532,475
1994	205,577,625	434,008,823	49,565,259	863,575,696	66,111,995	6,616,932,849	17,620,950	8,253,393,197
1993	139,703,672	299,418,026	33,177,285	596,239,102	183,558,436	5,516,675,186	18,395,970	6,787,167,677
1992	122,082,835	254,642,992	27,758,660	532,015,365	182,427,585	4,834,745,413	16,946,546	5,970,619,396
1991	97,444,699	168,904,151	18,585,198	423,527,977	161,662,543	3,559,612,495	14,870,910	4,444,607,973
1990	96,721,264	143,436,389	13,737,808	300,037,350	172,707,792	3,461,048,989	20,357,150	4,208,046,742
Average Share*	2.76	5.13	0.64	12.24	1.45	77.40	0.40	100.00

\* Percentage based on the average of each group's annual shares of the 7(a) loan dollar totals issued from 1990 to 2000.  
 1/ Hispanic-owned businesses include Puerto Rican and Hispanic from original data.  
 2/ Native American-owned businesses include Native American and Eskimo/Aleut from original data.  
 Source: U.S. Small Business Administration, Office of Advocacy, based on data from SBA's Office of Financial Assistance.

The 504 Certified Development Company (CDC) program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. A certified development company is a nonprofit corporation set up to contribute to the economic development of its community. The dollar value of 504 loans has fluctuated from year to year (Table 24). The share of the value of 504 loans won by the various minority groups is similar to their shares of 7(a) loans (Table 25).

Table 24. Nominal Dollar Value of 504 Loans by Ethnicity, 1990-2000

Year	African-American	Hispanic 1/	Native American 2/	Asian	Unknown	Other, Incl White	Multi-National	Total
1990	6,777,500	7,758,000	374,043	19,291,200	39,251,000	415,158,840	2,208,000	490,818,583
1991	5,247,000	13,940,124	701,000	17,652,909	34,161,000	405,987,847	2,231,000	479,920,880
1992	9,913,969	25,521,000	644,000	33,872,000	31,759,000	561,840,753	481,000	664,031,722
1993	14,706,000	25,038,000	3,382,000	40,552,100	40,709,000	723,656,586	6,548,000	854,591,686
1994	22,616,000	60,727,558	3,124,000	106,147,000	33,755,000	1,146,969,882	4,337,000	1,377,676,440
1995	27,324,000	77,730,754	2,852,000	150,697,499	1,580,000	1,349,678,817	11,896,000	1,621,759,070
1996	37,092,044	112,896,525	17,683,000	292,291,167	2,756,000	2,114,862,319	15,794,000	2,593,375,055
1997	27,228,000	77,320,000	7,089,000	185,971,000	1,078,000	1,198,802,586	5,512,000	1,503,000,586
1998	26,169,999	90,152,000	9,249,000	189,786,000	2,069,000	1,515,471,873	955,000	1,833,852,872
1999	36,524,000	113,310,600	8,215,000	254,379,400	370,000	1,629,148,198	N.A.	2,041,947,198
2000	37,674,000	102,614,000	7,512,000	271,466,000	1,962,000	1,426,182,986	2,615,000	1,850,025,986
Average Share*	1.59	4.18	0.33	8.69	2.51	82.34	0.36	100.00

\* Percentage based on the average of each group's annual shares of the 7(a) loan dollar totals issued from 1990 to 2000.

1/ Hispanic-owned businesses include Puerto Rican and Hispanic from original data.

2/ Native American-owned businesses include Native American and Eskimo/Aleut from original data.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from SBA's Office of Financial Assistance.

Table 25. Ethnic/Racial Share of 504 Loan Dollar Value (Percent), 1990-2000

	African-American	Hispanic <sup>1</sup>	Native American <sup>2</sup>	Asian	Unknown	Other, Incl White	Multi-National	Total
2000	2.04	5.55	0.41	14.67	0.11	77.09	0.14	100.00
1999	1.79	5.55	0.40	12.46	0.02	79.78	0.00	100.00
1998	1.43	4.92	0.50	10.35	0.11	82.64	0.05	100.00
1997	1.81	5.14	0.47	12.37	0.07	79.76	0.37	100.00
1996	1.43	4.35	0.68	11.27	0.11	81.55	0.61	100.00
1995	1.68	4.79	0.18	9.29	0.10	83.22	0.73	100.00
1994	1.64	4.41	0.23	7.70	2.45	83.25	0.31	100.00
1993	1.72	2.93	0.40	4.75	4.76	84.68	0.77	100.00
1992	1.49	3.84	0.10	5.10	4.78	84.61	0.07	100.00
1991	1.09	2.90	0.15	3.68	7.12	84.59	0.46	100.00
1990	1.38	1.58	0.08	3.93	8.00	84.58	0.45	100.00
Average	1.59	4.18	0.33	8.69	2.51	82.34	0.36	100.00

1/ Hispanic-owned businesses include Puerto Rican and Hispanic from original data.

2/ Native American-owned businesses include Native American and Eskimo/Aleut from original data.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from SBA's Office of Financial Assistance.

## ***Federal Procurement Programs***

By law, U.S. federal agencies are required to provide small and women-owned businesses and small business owned or controlled by socially and economically disadvantaged individuals the “maximum practicable opportunity” to participate in federal contracts for good and services.

The law sets a government-wide goal of 5 percent of the total dollar value of all federal prime and subcontracts to be awarded to small business concerns owned and controlled by “socially

and economically disadvantaged individuals.” The value of contracts over \$25,000 awarded to minority-owned businesses has been increasing over the years (Table 26).

The 8(a) program helps small companies owned and controlled by socially and economically disadvantaged individuals obtain federal agency contracts through a certification process carried out by the U.S. Small Business Administration. Under the program, the SBA, which acts as the prime contractor in the process, works with other federal agencies to identify requirements suitable for the 8(a) program. The federal agencies, with SBA assistance, then negotiate subcontracts with certified 8(a) program participants. The 8(a) share of total contract actions increased significantly from 1.5 percent in fiscal year (FY) 1984 to a high of 3.7 percent in FY 1995 and 1996, then dropped to 2.7 percent in FY 2000 (Table 27). From FY 1997 to 2000, total dollars in contract actions over \$25,000 kept growing, while dollars in 8(a) contracts declined from \$6.5 billion in FY 1998 to \$6.1 billion in FY 1999 and to \$5.6 billion in FY 2000. The reasons for the decline warrant further examination.

## Conclusion

*Minorities in Business, 2001*, a companion to the Office of Advocacy report, *Women in Business, 2001*, is neither an academic research report nor a policy study, but reviews available data on the contributions, composition, and growth of minority-owned businesses. It is hoped that this data report will stimulate further studies on minority-owned businesses.

The fast growth of Hispanic-owned businesses corresponds with the fast growth of the Hispanic population, and growth is expected to continue in both. Hispanic-owned businesses are well represented in most major industries, but lower levels of education in parts of the Hispanic population may hinder future business development and growth in industries that require high concentrations of human capital. There is a severe business income disparity among Hispanic ethnic groups: Puerto Rican- and Mexican-owned businesses were among the poorest.

Blacks remain the poorest racial group in the United States; they are also the least represented in the U.S. business sector, as seen in measures such as the number of Black-owned businesses, African Americans’ self-employment and business participation rates, and the dollar value of Black-owned business receipts per Black population. Survival rates of new businesses owned by Blacks were the lowest compared with other business groups. African Americans constitute a large proportion of the U.S. minority population, and there is great potential for growth in the Black-owned business community, as well as a continuing need for educational, financial, and other resources.

The significant growth rate of American Indian and Alaska Native-owned businesses may mirror such factors as (1) a low initial rate of business ownership as a starting point; (2) strong and favorable government support; and (3) a significant share of educated individuals in the population. Business income generation might be increased by intensifying the physical and human capital devoted to these businesses and by their further diversification into technology and production-oriented industries.

Table 26. Annual Change in the Dollar Volume of Contract Actions Over \$25,000 Awarded to All, Small, and Minority-Owned Businesses, FY 1980—FY 2000 (Thousands of Dollars)

	<i>Total, All Business</i>			<i>Small Business</i>			<i>Minority-Owned Business</i>		
	<i>Total</i>	<i>Change from Prior Year</i>		<i>Total</i>	<i>Change from Prior Year</i>		<i>Total</i>	<i>Change from Prior Year</i>	
	<i>Actions</i>	<i>Dollars</i>	<i>Percent</i>	<i>Actions</i>	<i>Dollars</i>	<i>Percent</i>	<i>Actions</i>	<i>Dollars</i>	<i>Percent</i>
2000	203,613,296	15,640,066	8.3	38,260,306	2,515,114	7.0	12,586,798	727,575	6.1
1999	187,973,230	3,862,225	2.1	35,745,192	1,485,753	4.3	11,859,223	414,203	3.6
1998	184,111,005	-11,175,936	-5.7	34,259,439	-7,013,742	-17.0	11,445,020	312,398	2.8
1997	195,286,941	17,218,902	9.7	41,273,181	8,082,760	24.4	11,132,622	491,851	4.6
1996	178,068,039	-2,783,936	-1.5	33,190,421	1,383,158	4.3	10,640,771	121,302	1.2
1995	180,851,975	6,164,024	3.5	31,807,263	3,384,230	11.9	10,519,469	1,459,981	16.1
1994	174,687,951	-3,649,028	-2.0	28,423,033	475,592	1.7	9,059,488	255,468	2.9
1993	178,336,979	550,598	0.3	27,947,441	-282,308	-1.0	8,804,020	1,007,913	12.9
1992	177,786,381	-11,815,839	-6.2	28,229,749	-617,609	-2.1	7,796,107	1,309,818	20.2
1991	189,602,220	18,301,330	10.7	28,847,358	3,445,732	13.6	6,486,289	796,229	14.0
1990	171,300,890	2,605,909	1.5	25,401,626	1,685,455	7.1	5,690,060	356,172	6.7
1989	168,694,981	-5,402,604	-3.1	23,716,171	-1,955,147	-7.6	5,333,888	141,382	2.7
1988	174,097,585	-7,441,007	-4.1	25,671,318	-2,256,401	-8.1	5,192,506	343,381	7.1
1987	181,538,592	-2,111,635	-1.1	27,927,719	-852,373	-3.0	4,849,125	563,200	13.1
1986	183,650,227	-4,335,239	-2.3	28,780,092	2,077,397	7.8	4,285,925	401,286	10.3
1985	187,985,466	20,051,980	11.9	26,702,695	1,196,672	4.7	3,884,639	-119,500	-3.0
1984	167,933,486	12,345,380	7.9	25,506,023	3,425,999	15.5	4,004,139	817,048	25.6
1983	155,588,106	3,190,222	2.1	22,080,024	-1,478,539	-6.3	3,187,091	328,180	11.5
1982	152,397,884	23,533,140	18.3	23,558,563	3,489,774	17.4	2,858,911	223,903	8.5
1981	128,864,744	27,971,359	27.7	20,068,789	4,742,668	30.9	2,635,008	813,087	44.6
1980	100,893,385	-	-	15,326,121	-	-	1,821,921	-	-

Source: Federal Procurement Data System, special reports prepared for the U.S. Small Business Administration, Office of Advocacy.

Table 27. Contract Actions Over \$25,000 with Annual 8(a) Set-Aside, FY 1984—FY 2000

<i>Fiscal Year</i>	<i>Thousands of Dollars</i>		
	<i>Total</i>	<i>8(a) Set-Aside</i>	<i>8(a) Share (Percent)</i>
2000	205,847,301	5,616,701	2.7
1999	187,973,230	6,125,505	3.3
1998	184,111,005	6,527,194	3.5
1997	178,924,894	6,511,118	3.6
1996	183,483,693	6,765,012	3.7
1995	185,119,992	6,911,080	3.7
1994	181,500,339	5,977,455	3.3
1993	184,426,948	5,483,544	3.0
1992	183,081,207	5,205,080	2.8
1991	193,550,425	4,147,148	2.1
1990	179,286,902	3,743,970	2.1
1989	172,612,189	3,449,860	2.0
1988	176,544,042	3,528,790	2.0
1987	181,750,326	3,341,841	1.8
1986	183,681,389	2,935,633	1.6
1985	188,186,629	2,669,174	1.4
1984	168,101,394	2,517,738	1.5

Source: Federal Procurement Data System, special reports prepared for the U.S. Small Business Administration, Office of Advocacy.

A large proportion of the Asian community are new immigrants—hard-working, entrepreneurial people in search of the “American Dream.” They are equipped with abundant human capital and substantial business know-how, and they are relatively evenly distributed among income groups. Many Asian-owned firms have paid employees. There is significant potential for ethnic groups such as Filipinos, Vietnamese, other Asians, Hawaiians, and other Pacific Islanders to improve their business earnings.

## **Appendix 1 Comparability of SMOBE 1982, 1987, 1992 and 1997**

The primary source of data used here is the Survey of Minority-Owned Business Enterprises (SMOBE) for 1982, 1987, 1992, and 1997, prepared by the Census Bureau as part of its quinquennial Economic Censuses. The Economic Census first began in 1954 and since 1967 has been conducted every five years. Data may not be comparable between different years because of significant changes in survey methodology. Whenever possible, comparable data have been used and major discrepancies have been noted. Some of the significant differences in the data include the following.

### **1987**

Prior to 1987, surveys included any firm filing a business tax return with business receipts greater than zero. In 1987, only firms with receipts totaling \$500 or more were included in the data. Another change in 1987 was the exclusion of firms filing tax returns other than the IRS 1120S form (for Subchapter S corporations.) This was done to correct problems with prior survey methods that resulted in undercoverage of medium-sized to large minority-owned corporations.

### **1992**

Significant changes between 1987 and 1992 include a change in the classification of firm data. For 1992, classifications were based on the 1987 SIC manual. This manual was updated to better reflect industry trends. For 1987, classifications were based on the 1972 SIC manual. Further, in 1987, processing errors resulted in a significant overstatement of the number of employer firms.

### **1997**

1997 data are not directly comparable to past surveys because of a number of significant changes. Only firms with \$1,000 or more in receipts were included in the 1997 tabulation of minority-owned businesses. C corporations are now included in the data, whereas in the past only Subchapter S corporations, partnerships, and sole proprietorships were included. Another change is in the tabulation of firms with 50 percent minority ownership. Past tabulations of minority-owned businesses included firms with 50 percent minority ownership, while 1997 data include only those with 51 percent minority ownership or more. Jointly owned minority and nonminority firms, where no one single racial/ethnic group has majority ownership, are tabulated separately in the *1997 Economic Census Company Summary* publication as 50 percent minority-, 50 percent nonminority-owned.

The list above includes only a portion of the changes made to survey methodology and should in no way be considered an exhaustive explanation of data comparability.



## Appendix 2 Definitions of Groups in the SMOBE

The racial and ethnic categories used in the SMOBE/SWOBE survey are consistent with those mandated by the Office of Management and Budget at the time the survey was conducted. Both the Executive Branch and Congress developed these standards. Respondents in this survey were not given the opportunity to identify themselves as being of two or more races, as was allowed in the 2000 Census of Population and Housing.

**American Indian- and Alaska Native-owned businesses** are those for which the sole proprietor checked American Indian or Alaska Native on the 1997 or 1992 survey questionnaire or, in the case of firms with multiple owners, where 51 percent or more of stock interest, claims, or rights were held by American Indians or Alaska Natives so determined. The 1992 form further defined the category as persons having origins (ancestry) in any of the original peoples of North America, and who maintain cultural identification through tribal affiliation or community recognition.

**Asian- and Pacific Islander-owned businesses** are those for which the sole proprietor identified his or her origin as Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, Other Asian, Native Hawaiian, or Other Pacific Islander on the 1997 or 1992 survey questionnaire; or, in the case of firms with multiple owners, where 51 percent or more of stock interest, claims, or rights were held by Asians so determined. The 1992 form further identified the group as persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

**Black-owned businesses** are those for which the sole proprietor checked "African Am./Black/Negro" on the 1997 survey or "African American/Black/Negro" on the 1992 survey questionnaire or, in the case of firms with multiple owners, where 51 percent or more of stock interest, claims, or rights were held by African Americans so determined.

**Hispanic-owned businesses** are those for which the sole proprietor identified his or her origin as Cuban, Mexican/Mexican American/Chicano, Puerto Rican, Spaniard, Hispanic Latin American, or Other Spanish/Hispanic/Latino on the 1997 or 1992 survey questionnaire; or, in the case of firms with multiple owners, where 51 percent or more of stock interest, claims, or rights were held by Hispanics so determined. Hispanic origin and race were determined in separate questions and some Hispanic-owned businesses were also counted in race categories included in this report.

**Jointly owned businesses** refers to businesses with 50 percent minority ownership and 50 percent nonminority ownership

**Publicly held, foreign-owned, and not for profit** are businesses or organizations for which the primary ownership by a racial, ethnic, or gender category could not be determined.

**Total minorities** refers to businesses owned by Blacks, Hispanics, Asians, Pacific Islanders, American Indians, and Alaska Natives.

**Universe (All Firms)** refers to all businesses, without regard to the race, ethnicity, or gender of the business owners.

## **Appendix Tables**

- A.1 Survey of Minority-Owned Business Enterprises, 1997
- A.2 Survey of Black- and American Indian and Alaska Native-Owned Business Enterprises, 1982, 1987, 1992, and 1997
- A.3 Survey of Hispanic-Owned Business Enterprises, 1982, 1987, 1992, and 1997
- A.4 Survey of Asian and Pacific Islander-Owned Business Enterprises, 1982, 1987, 1992, and 1997
- A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997

Table A.1 Survey of Minority-Owned Business Enterprises, 1997

Ethnic Group	All Firms		Firms with Paid Employees				Nonemployers	
	Firms (Number)	Sales and Receipts (Thousands of Dollars)	Firms (Number)	Sales and Receipts (Thousands of Dollars)	Employees (Number)	Payroll (Thousands of Dollars)	Firms (Number)	Sales and Receipts (Thousands of Dollars)
<b>Universe (All Firms)</b>	<b>20,821,935</b>	<b>18,553,243,047</b>	<b>5,295,152</b>	<b>17,907,940,321</b>	<b>103,359,815</b>	<b>2,936,492,940</b>	<b>15,526,783</b>	<b>645,302,726</b>
<b>Black</b>	<b>823,499</b>	<b>71,214,662</b>	<b>93,235</b>	<b>56,377,860</b>	<b>718,341</b>	<b>14,322,312</b>	<b>730,264</b>	<b>14,836,802</b>
<b>Hispanic</b>	<b>1,199,896</b>	<b>186,274,582</b>	<b>211,884</b>	<b>158,674,537</b>	<b>1,388,746</b>	<b>29,830,028</b>	<b>988,012</b>	<b>27,600,045</b>
Cuban	125,273	26,492,208	30,203	23,873,193	176,428	4,162,640	95,070	2,619,015
Mexican Mexican American, Chicano	472,033	73,706,753	90,755	62,270,808	695,372	13,014,996	381,278	11,435,945
Puerto Rican	69,658	7,461,069	10,976	5,814,069	61,509	1,496,894	58,682	1,647,000
Spaniard	57,160	16,922,913	12,590	15,263,807	76,338	2,045,675	44,570	1,659,106
Hispanic Latin American	287,314	40,997,923	42,916	34,798,421	238,612	5,862,668	244,398	6,199,502
Other Spanish/Hispanic/Latino	188,458	20,693,715	24,445	16,654,239	140,487	3,247,154	164,013	4,039,476
<b>American Indian and Alaska Natives</b>	<b>197,300</b>	<b>34,343,907</b>	<b>33,277</b>	<b>29,226,260</b>	<b>298,661</b>	<b>6,624,235</b>	<b>164,023</b>	<b>5,117,647</b>
<b>Asian and Pacific Islander</b>	<b>912,960</b>	<b>306,932,982</b>	<b>289,999</b>	<b>278,294,345</b>	<b>2,203,079</b>	<b>46,179,519</b>	<b>622,961</b>	<b>28,638,637</b>
Asian Indian	166,737	67,503,357	67,189	61,760,453	490,629	12,585,621	99,548	5,742,904
Chinese	252,577	106,196,794	90,582	98,233,262	691,757	12,944,824	161,995	7,963,532
Filipino	84,534	11,077,885	14,581	8,966,386	110,130	2,667,333	69,953	2,111,499
Japanese	85,538	43,741,051	23,309	41,294,865	262,223	7,106,692	62,229	2,446,186
Korean	135,571	45,936,497	50,076	40,745,504	333,649	5,789,472	85,495	5,190,993
Vietnamese	97,764	9,322,891	18,948	6,768,324	79,035	1,165,550	78,816	2,554,567
Other Asian	70,868	19,016,149	22,292	16,800,603	201,610	3,135,784	48,576	2,215,546
Hawaiian	15,544	2,250,153	2,023	1,956,793	20,698	497,950	13,521	293,360
Other Pacific Islander	3,826	1,888,205	1,000	1,768,155	13,349	286,293	2,826	120,050
<b>Total Minority</b>	<b>3,133,655</b>	<b>598,766,133</b>	<b>628,395</b>	<b>522,573,002</b>	<b>4,608,827</b>	<b>96,956,094</b>	<b>2,505,260</b>	<b>76,193,131</b>
<b>Minority Share of Total Firms</b>	<b>0.15</b>	<b>0.03</b>	<b>0.12</b>	<b>0.03</b>	<b>0.04</b>	<b>0.03</b>	<b>0.16</b>	<b>0.12</b>

Source: U.S. Department of Commerce, Bureau of Census.

Table A.2 Survey of Black- and American Indian and Alaska Native-Owned Business Enterprises, 1982, 1987, 1992 and 1997

<i>Group</i>	<i>Year</i>	<i>All Businesses (Number)</i>	<i>Gross Receipts (Thousands of Dollars)</i>	<i>Businesses with Employees (Number)</i>	<i>Gross Receipts (Thousands of Dollars)</i>	<i>Employees (Number)</i>
<b>American Indians</b>	1982	14,844	646,749	1,462	408,411	7,216
	1987	21,380	911,279	3,739	602,789	8,956
	1992*	102,271	8,057,003	n/a	n/a	n/a
	1997	197,300	34,343,907	33,277	29,226,260	298,661
American Indian	1982	12,096	563,322	1,401	381,116	6,894
	1987	17,884	803,424	3,343	559,484	8,571
	1992	95,040	7,419,832	n/a	n/a	n/a
	1997	n/a	n/a	n/a	n/a	n/a
Aleut	1982	997	38,083	29	4,197	161
	1987	1,143	53,301	116	20,094	212
	1992	2,738	221,623	n/a	n/a	n/a
	1997	n/a	n/a	n/a	n/a	n/a
Eskimo	1982	1,751	45,344	32	23,098	161
	1987	2,353	54,554	280	23,211	173
	1992	4,493	415,548	n/a	n/a	n/a
	1997	n/a	n/a	n/a	n/a	n/a
<b>Black</b>	1982	308,260	9,619,055	37,841	5,704,545	121,373
	1987	424,165	19,762,876	70,815	14,130,420	220,467
	1992	620,912	32,197,361	64,478	22,589,676	345,193
	1997	823,499	71,214,662	93,235	56,377,860	718,341
Note: American Indian and Alaska Native 1992 data were as based on Asian 1992 report, Table A: estimates.						
*These data are not comparable across years.						
Source: U.S. Department of Commerce, Bureau of the Census.						

Table A.3 Survey of Hispanic-Owned Business Enterprises, 1982, 1987, 1992 and 1997

Groups	Year	All Businesses (Number)	Gross Receipts (\$1,000)	Businesses with Employees (Number)	Gross Receipts (\$1,000)	Employees (Number)
<b>Hispanic</b>	1982	248,141	14,976,337	39,917	10,652,868	189,636
	1987	422,373	24,731,600	82,908	17,729,432	264,846
	1992	771,708	72,824,269	115,366	57,187,371	691,057
	1997	1,199,896	186,274,581	211,885	158,674,537	1,388,746
Cuban	1982	36,631	2,149,198	5,215	1,395,659	22,639
	1987	61,470	5,481,974	10,768	4,227,065	47,266
	1992	93,096	15,568,045	17,839	13,362,106	120,477
	1997	125,273	26,492,208	30,203	23,873,193	176,428
Mexican, Mexican American, Chicano	1982	143,177	7,177,398	24,110	4,847,049	106,712
	1987	229,706	11,835,080	49,078	8,403,796	148,008
	1992	378,614	28,901,213	56,277	21,690,496	323,883
	1997	472,033	73,706,753	90,755	62,270,808	695,372
Puerto Rican	1982	14,690	663,270	1,700	331,803	5,528
	1987	27,697	1,447,680	4,629	903,848	13,231
	1992	47,401	3,756,616	6,162	2,848,686	33,797
	1997	69,658	7,461,069	10,976	5,814,069	61,509
Spaniard	1982	20,838	1,186,830	3,203	828,927	13,174
	1987	24,755	2,054,537	5,299	1,628,133	21,196
	1992	45,200	6,224,397	7,987	5,146,260	56,063
	1997	57,160	16,922,913	12,590	15,263,807	76,338
Hispanic Latin American	1982	26,986	1,113,343	3,646	662,607	11,919
	1987	66,356	3,202,238	10,793	2,031,768	27,386
	1992	161,413	12,085,160	19,325	8,903,470	99,182
	1997	287,314	40,997,923	42,916	34,798,421	238,612
Other Spanish/ Hispanic/Latino	1982	5,819	2,686,298	2,043	2,586,823	29,664
	1987	12,389	710,091	2,341	534,822	7,759
	1992	45,984	6,288,838	7,776	5,236,353	57,655
	1997	188,458	20,693,715	24,445	16,654,239	140,487
These data are not comparable across years. The data came from each year and from each minority survey, unless otherwise noted. Overall totals were sums of data entries Source: U.S. Department of Commerce, Bureau of Census.						

Table A.4 Survey of Asian and Pacific Islander-Owned Business Enterprises, 1982, 1987, 1992 and 1997

<i>Groups</i>	<i>Year</i>	<i>All Businesses (Number)</i>	<i>Gross Receipts (\$1,000)</i>	<i>Businesses with Employees (Number)</i>	<i>Gross Receipts (\$1,000)</i>	<i>Employees (Number)</i>
<b>Asian and Pacific Islanders</b>	1982	204,211	15,785,561	42,149	11,721,641	200,946
	1987	355,331	33,124,326	92,718	24,501,338	351,345
	1992	603,426	95,713,613	n/a	n/a	n/a
	1997	912,959	306,932,982	290,000	278,294,345	2,001,671
Asian Indian	1982	25,539	1,661,251	6,387	1,125,271	20,697
	1987	52,266	6,714,684	16,370	5,186,582	65,733
	1992	93,340	19,284,010	n/a	n/a	n/a
	1997	166,737	67,503,357	67,189	61,760,453	490,629
Chinese	1982	52,839	6,074,605	14,110	4,982,676	91,864
	1987	89,717	9,609,592	26,531	7,462,818	126,763
	1992	153,096	30,188,984	n/a	n/a	n/a
	1997	252,577	106,196,794	90,582	98,233,262	691,757
Filipino	1982	26,464	747,499	3,036	405,811	8,126
	1987	40,412	1,914,133	6,711	1,253,570	16,822
	1992	67,625	4,780,663	n/a	n/a	n/a
	1997	84,534	11,077,885	14,581	8,966,386	110,130
Japanese	1982	49,039	2,731,098	6,791	1,989,651	31,597
	1987	53,372	3,837,255	10,186	2,784,406	38,389
	1992	68,662	12,262,772	n/a	n/a	n/a
	1997	85,538	43,741,051	23,309	41,294,865	262,223
Korean	1982	31,769	2,677,067	7,893	1,704,762	24,663
	1987	69,304	7,682,668	21,657	5,502,006	70,530
	1992	104,918	16,170,438	n/a	n/a	n/a
	1997	135,571	45,936,497	50,076	40,745,504	333,649
Vietnamese	1982	5,234	215,259	960	126,523	2,319
	1987	25,671	1,360,974	5,840	837,012	13,357
	1992	59,674	4,312,528	n/a	n/a	n/a
	1997	97,764	9,322,891	18,948	6,768,324	79,035
Hawaiian	1982	3,305	85,579	291	48,714	1,196
	1987	4,279	221,176	640	141,684	1,956
	1992	11,587	1,058,332	n/a	n/a	n/a
	1997	15,544	2,250,153	2,023	1,956,793	20,698
Other Asian and Pacific Islander.	1982	10,022	1,593,203	2,681	1,338,233	20,484
	1987	20,310	1,783,844	4,783	1,333,260	17,795
	1992	44,524	7,655,886	n/a	n/a	n/a
	1997	74,694	20,904,354	23,292	18,568,758	13,550

These data are not comparable across years. The data came from each year and from each minority survey, unless otherwise noted. Overall totals were sums of data entries.

Asian and Pacific Islander 1992 data were based on the Asian 1992 report, Table A: estimates of firms owned.

Source: U.S. Department of Commerce, Bureau of Census.

**Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997**

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>United States</b>	All Firms	20,821,934	18,553,243,047	5,295,151	17,907,940,321	103,359,815	2,936,492,940	15,526,783	645,302,726
	American Indian/Alaska Native	197,300	34,343,907	33,277	29,226,260	298,661	6,624,235	164,023	5,117,647
	Asian	893,590	302,794,625	286,976	274,569,397	2,169,032	45,395,276	606,614	28,225,229
	Black	823,499	71,214,662	93,235	56,377,860	718,341	14,322,312	730,264	14,836,803
	Hispanic	1,199,896	186,274,582	211,884	158,674,537	1,388,746	29,830,028	988,012	27,600,045
	Pacific Islander	19,370	4,138,357	3,023	3,724,948	34,047	784,243	16,347	413,409
	White Non-Hispanic	17,316,796	7,763,010,611	4,372,817	7,252,270,327	54,084,357	1,395,150,230	12,943,980	510,740,283
<b>Alabama</b>	All Firms in the State	285,206	237,406,593	75,987	228,632,577	1,530,488	36,646,331	209,219	8,774,016
	American Indian/Alaska Native	3,513	459,539	592	382,184	4,001	75,893	2,921	77,355
	Asian	3,278	1,383,041	1,441	N.A.	10,000~24,999	N.A.	1,837	N.A.
	Black	19,077	1,008,966	2,266	728,041	13,232	231,869	16,810	280,925
	Hispanic	2,919	396,775	426	355,509	3,950	91,369	2,493	41,266
	Pacific Islander	37	3,918	17	N.A.	250~499	N.A.	20	N.A.
	White Non-Hispanic	250,639	115,109,012	66,389	107,972,826	845,795	18,962,584	184,250	7,136,187
<b>Alaska</b>	All Firms in the State	64,134	36,911,657	14,948	35,275,916	182,184	5,829,807	49,186	1,635,741
	American Indian/Alaska Native	6,820	1,709,448	828	1,505,318	8,131	264,928	5,992	204,131
	Asian	1,661	N.A.	592	N.A.	2,500~4,999	N.A.	1,069	41,320
	Black	876	55,713	117	44,394	704	13,094	759	11,320
	Hispanic	1,385	192,077	331	155,239	1,802	31,440	1,054	36,839
	Pacific Islander	155	N.A.	55	N.A.	100~249	N.A.	100	2,302
	White Non-Hispanic	51,018	14,649,540	11,442	13,354,694	95,751	2,941,230	39,576	1,294,847
<b>Arizona</b>	All Firms in the State	329,031	247,191,482	86,302	237,960,022	1,666,364	41,788,366	242,729	9,231,460
	American Indian/Alaska Native	5,510	752,520	848	673,949	8,703	163,623	4,662	78,571
	Asian	6,898	1,882,400	2,540	N.A.	10,000~24,999	N.A.	4,358	N.A.
	Black	3,582	314,497	503	252,736	5,704	92,407	3,080	61,761
	Hispanic	28,894	4,226,654	6,320	3,712,514	42,791	770,963	22,574	514,139
	Pacific Islander	246	119,440	92	N.A.	500~999	N.A.	154	N.A.
	White Non-Hispanic	276,147	111,744,406	70,116	104,013,965	868,393	20,081,021	206,032	7,730,441

**Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997**

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Arkansas</b>	All Firms in the State	193,424	143,570,776	49,341	135,575,701	915,826	19,926,386	144,083	7,995,075
	American Indian/Alaska Native	2,308	438,170	351	369,989	3,456	63,573	1,958	68,182
	Asian	1,502	N.A.	608	N.A.	2,500~4,999	N.A.	894	N.A.
	Black	6,721	386,958	761	264,831	2,464	40,975	5,961	122,127
	Hispanic	2,586	189,955	365	121,645	2,044	30,487	2,221	68,310
	Pacific Islander	27	N.A.	8	N.A.	20~99	N.A.	19	N.A.
	White Non-Hispanic	175,715	68,928,986	43,610	64,256,804	516,081	10,350,424	132,106	4,672,182
<b>California</b>	All Firms in the State	2,565,734	2,178,292,213	618,232	2,086,547,724	11,474,180	358,473,980	1,947,502	91,744,489
	American Indian/Alaska Native	26,603	5,835,958	5,039	5,067,499	77,803	1,894,671	21,564	768,459
	Asian	312,956	121,055,596	93,557	109,630,780	791,632	15,076,922	219,399	11,424,817
	Black	79,110	6,395,311	7,377	4,552,255	56,252	1,081,299	71,734	1,843,056
	Hispanic	336,405	51,682,136	50,223	42,872,261	392,434	8,082,903	286,182	8,809,876
	Pacific Islander	3,092	509,981	191	436,705	6,136	125,279	2,901	73,276
	White Non-Hispanic	1,762,449	851,616,827	424,264	787,626,267	5,630,572	163,647,881	1,338,183	63,990,560
<b>Colorado</b>	All Firms in the State	410,249	277,629,997	104,989	266,136,186	1,646,273	45,736,518	305,260	11,493,811
	American Indian/Alaska Native	3,390	515,072	405	415,046	3,539	110,075	2,985	100,026
	Asian	8,733	2,010,148	2,904	1,767,465	18,783	348,414	5,829	242,683
	Black	4,926	512,868	740	423,043	4,204	88,485	4,187	89,824
	Hispanic	20,859	3,068,288	4,102	2,665,587	27,620	603,750	16,758	402,701
	Pacific Islander	295	49,690	46	43,917	378	9,453	249	5,773
	White Non-Hispanic	361,601	122,290,677	89,119	112,470,172	902,840	22,678,968	272,482	9,820,503
<b>Connecticut</b>	All Firms in the State	284,022	314,909,364	76,539	304,204,471	1,473,721	51,816,980	207,483	10,704,893
	American Indian/Alaska Native	1,311	407,124	418	350,652	3,748	100,739	893	56,472
	Asian	5,820	2,506,940	2,146	N.A.	10,000~24,999	N.A.	3,674	N.A.
	Black	7,251	528,164	857	403,166	4,761	135,296	6,394	124,998
	Hispanic	6,594	1,162,806	1,078	879,929	9,670	266,018	5,516	282,877
	Pacific Islander	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	White Non-Hispanic	255,021	125,539,640	65,714	117,133,443	761,202	25,003,041	189,308	8,406,196



**Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997**

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Delaware</b>	All Firms in the State	56,586	89,318,585	18,385	87,509,700	346,302	10,780,041	38,201	1,808,885
	American Indian/Alaska Native	288	55,226	56	49,898	1,423	18,542	231	5,328
	Asian	1,499	N.A.	732	472,660	2,976	73,546	766	N.A.
	Black	2,707	184,549	322	144,443	3,450	43,258	2,385	40,106
	Hispanic	898	503,859	159	426,546	1,517	33,284	739	77,313
	Pacific Islander	3	N.A.	0	0	0	0	3	N.A.
	White Non-Hispanic	47,034	21,028,393	13,578	19,487,688	162,477	4,003,710	33,456	1,540,705
<b>District of Columbia</b>	All Firms in the State	45,297	52,900,995	14,500	51,303,513	345,685	13,482,410	30,797	1,597,482
	American Indian/Alaska Native	66	N.A.	32	N.A.	250~499	N.A.	34	N.A.
	Asian	2,412	N.A.	1,529	N.A.	5,000~9,999	N.A.	883	N.A.
	Black	10,909	1,334,651	1,232	N.A.	10,000~24,999	N.A.	9,677	N.A.
	Hispanic	2,153	663,650	377	619,753	4,349	163,579	1,776	43,897
	Pacific Islander	11	N.A.	6	N.A.	0~19	N.A.	4	N.A.
	White Non-Hispanic	25,562	19,614,137	7,929	18,678,258	141,756	5,737,854	17,633	935,879
<b>Florida</b>	All Firms in the State	1,301,920	828,429,130	335,393	789,239,505	5,449,574	133,351,371	966,527	39,189,625
	American Indian/Alaska Native	10,546	1,518,789	1,789	1,265,839	10,593	201,623	8,758	252,949
	Asian	32,280	10,341,917	12,563	9,433,034	95,924	1,496,921	19,717	908,883
	Black	59,732	4,092,155	6,424	2,925,260	31,035	556,186	53,308	1,166,895
	Hispanic	193,902	35,351,266	40,877	31,634,998	192,761	4,591,368	153,025	3,716,268
	Pacific Islander	1,489	125,391	159	93,388	995	20,178	1,331	32,003
	White Non-Hispanic	983,675	358,641,382	254,246	327,075,306	2,558,429	61,444,542	729,428	31,566,075
<b>Georgia</b>	All Firms in the State	568,552	580,344,999	146,841	561,811,488	3,047,650	81,591,286	421,711	18,533,511
	American Indian/Alaska Native	4,470	495,465	682	345,077	4,203	81,456	3,788	150,388
	Asian	17,957	6,308,641	7,162	N.A.	25,000~49,999	N.A.	10,795	N.A.
	Black	55,766	4,110,716	6,073	3,111,892	40,593	741,509	49,693	998,824
	Hispanic	11,741	1,887,924	1,772	1,612,910	12,543	292,330	9,968	275,014
	Pacific Islander	201	107,600	34	N.A.	500~999	N.A.	167	N.A.
	White Non-Hispanic	466,483	205,307,853	121,222	189,975,262	1,447,019	35,090,805	345,261	15,332,591

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<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Hawaii</b>	All Firms in the State	93,981	55,361,257	23,415	52,869,179	412,304	10,418,079	70,566	2,492,078
	American Indian/Alaska Native	458	48,134	33	19,168	142	3,066	425	28,966
	Asian	43,710	13,557,741	11,269	12,540,709	113,002	2,794,630	32,440	1,017,033
	Black	638	34,165	168	20,562	561	7,502	470	13,603
	Hispanic	4,153	277,047	360	178,206	2,276	45,306	3,793	98,841
	Pacific Islander	6,924	965,430	962	848,589	10,642	220,230	5,963	116,841
	White Non-Hispanic	34,260	12,626,844	7,125	11,646,743	111,108	2,581,564	27,136	980,100
<b>Idaho</b>	All Firms in the State	109,758	65,838,870	29,920	62,822,154	401,125	9,642,721	79,838	3,016,716
	American Indian/Alaska Native	1,239	301,126	260	271,031	1,883	41,489	980	30,094
	Asian	991	188,027	349	N.A.	2,500~4,999	N.A.	642	N.A.
	Black	164	17,535	16	14,220	231	7,321	148	3,315
	Hispanic	2,844	240,303	444	195,451	2,617	47,194	2,400	44,853
	Pacific Islander	37	4,303	3	N.A.	20~99	N.A.	34	N.A.
	White Non-Hispanic	101,787	34,093,278	26,839	31,328,053	243,927	4,958,294	74,948	2,765,226
<b>Illinois</b>	All Firms in the State	882,053	993,116,732	240,024	965,260,429	4,994,344	155,799,469	642,029	27,856,303
	American Indian/Alaska Native	3,945	664,108	650	570,584	4,879	137,517	3,295	93,524
	Asian	36,292	14,680,727	13,163	13,646,665	80,327	2,247,920	23,129	1,034,063
	Black	41,244	3,913,240	3,747	3,253,027	35,034	787,773	37,497	660,213
	Hispanic	31,010	4,814,853	6,320	4,173,772	71,692	1,551,678	24,689	641,081
	Pacific Islander	565	46,826	42	32,585	263	14,258	524	14,240
	White Non-Hispanic	748,671	395,865,517	200,046	372,801,755	2,601,815	73,560,951	548,625	23,063,763
<b>Indiana</b>	All Firms in the State	413,400	407,270,539	109,795	397,394,356	2,413,379	63,638,242	303,605	9,876,183
	American Indian/Alaska Native	2,898	396,221	422	332,342	2,776	53,388	2,476	63,879
	Asian	4,667	1,902,381	1,910	1,778,509	17,134	359,019	2,757	123,871
	Black	11,107	1,192,143	1,440	1,035,570	10,775	199,604	9,666	156,573
	Hispanic	4,277	817,765	782	704,987	6,692	145,410	3,495	112,779
	Pacific Islander	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	White Non-Hispanic	381,083	168,355,673	97,709	159,386,534	1,297,165	29,838,868	283,376	8,969,140

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<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Iowa</b>	All Firms in the State	227,562	206,328,836	61,633	201,282,401	1,147,538	27,249,322	165,929	5,046,435
	American Indian/Alaska Native	949	96,501	176	86,990	748	11,022	773	9,510
	Asian	1,703	339,617	708	N.A.	2,500~4,999	N.A.	995	N.A.
	Black	1,353	233,466	262	216,904	1,931	41,387	1,090	16,561
	Hispanic	1,343	232,858	329	214,655	2,500	41,304	1,014	18,204
	Pacific Islander	38	2,551	11	N.A.	0~19	N.A.	27	N.A.
	White Non-Hispanic	215,946	91,072,540	55,238	86,462,489	652,367	14,148,540	160,708	4,610,051
<b>Kansas</b>	All Firms in the State	213,392	184,199,987	57,541	179,136,345	1,025,466	25,867,970	155,851	5,063,642
	American Indian/Alaska Native	2,318	453,199	540	408,324	3,231	71,083	1,778	44,875
	Asian	2,442	724,695	1,008	662,862	7,549	131,417	1,435	61,833
	Black	3,396	593,636	524	547,688	5,834	174,203	2,872	45,948
	Hispanic	3,547	403,045	728	350,937	5,755	86,965	2,818	52,108
	Pacific Islander	184	2,959	13	1,159	43	322	171	1,800
	White Non-Hispanic	195,648	80,539,519	49,958	75,902,644	589,929	13,974,639	145,690	4,636,875
<b>Kentucky</b>	All Firms in the State	281,551	245,795,924	68,328	238,602,609	1,389,368	33,299,966	213,223	7,193,315
	American Indian/Alaska Native	3,069	242,694	391	149,055	2,257	35,864	2,678	93,639
	Asian	2,515	N.A.	1,076	N.A.	10,000~24,999	N.A.	1,439	61,858
	Black	5,629	658,535	611	588,703	7,717	121,353	5,018	69,833
	Hispanic	1,481	282,916	388	249,136	3,085	67,295	1,093	33,780
	Pacific Islander	80	N.A.	39	N.A.	20~99	N.A.	41	355
	White Non-Hispanic	262,554	101,440,102	60,840	94,789,711	744,390	15,774,871	201,715	6,650,392
<b>Louisiana</b>	All Firms in the State	295,679	285,022,192	78,477	277,061,824	1,474,855	36,288,317	217,202	7,960,368
	American Indian/Alaska Native	3,230	561,178	300	473,514	3,942	86,176	2,930	87,664
	Asian	6,437	1,364,058	2,103	N.A.	10,000~24,999	N.A.	4,335	N.A.
	Black	25,782	1,917,295	3,050	1,451,135	27,441	464,477	22,732	466,160
	Hispanic	6,645	1,282,958	1,359	1,121,441	9,356	249,926	5,286	161,517
	Pacific Islander	52	8,875	9	N.A.	20~99	N.A.	43	N.A.
	White Non-Hispanic	246,695	110,196,854	66,135	103,370,493	848,349	18,835,210	180,560	6,826,362

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<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Maine</b>	All Firms in the State	127,467	63,626,180	31,539	59,925,775	447,772	10,830,416	95,928	3,700,405
	American Indian/Alaska Native	1,417	160,997	204	117,439	867	19,272	1,213	43,558
	Asian	642	N.A.	276	N.A.	1,000~2,499	N.A.	366	N.A.
	Black	257	28,088	36	23,600	346	6,871	221	4,488
	Hispanic	545	51,941	139	46,004	677	9,895	406	5,937
	Pacific Islander	4	N.A.	3	N.A.	0~19	N.A.	1	N.A.
	White Non-Hispanic	121,422	35,049,479	28,371	31,939,411	273,160	6,280,342	93,051	3,110,068
<b>Maryland</b>	All Firms in the State	400,203	285,924,027	99,761	274,434,271	1,906,435	54,616,809	300,442	11,489,756
	American Indian/Alaska Native	2,421	330,961	443	275,900	2,605	64,519	1,978	55,061
	Asian	21,977	5,665,949	7,707	N.A.	50,000~99,999	N.A.	14,271	N.A.
	Black	47,614	3,964,600	4,214	3,180,637	41,755	946,386	43,399	783,964
	Hispanic	11,158	1,567,197	1,793	1,334,552	13,688	398,018	9,365	232,645
	Pacific Islander	186	128,387	69	N.A.	2,500~4,999	N.A.	117	N.A.
	White Non-Hispanic	305,403	126,532,347	77,944	118,014,850	994,453	25,940,354	227,461	8,517,498
<b>Massachusetts</b>	All Firms in the State	537,150	517,291,479	135,309	498,376,149	2,852,762	93,491,900	401,841	18,915,330
	American Indian/Alaska Native	3,428	295,317	579	195,226	2,668	82,551	2,849	100,091
	Asian	12,598	N.A.	4,375	N.A.	25,000~49,999	N.A.	8,222	N.A.
	Black	11,834	1,013,134	1,239	804,314	8,267	188,731	10,595	208,819
	Hispanic	12,725	1,622,815	1,627	1,316,470	11,146	287,511	11,098	306,345
	Pacific Islander	131	N.A.	3	N.A.	0~19	N.A.	128	N.A.
	White Non-Hispanic	482,684	217,628,929	117,043	202,162,370	1,399,440	41,300,856	365,641	15,466,560
<b>Michigan</b>	All Firms in the State	677,473	715,375,586	184,849	696,806,219	3,823,973	117,302,530	492,624	18,569,367
	American Indian/Alaska Native	5,802	720,384	1,016	594,295	7,055	127,831	4,786	126,089
	Asian	11,560	5,456,647	4,261	4,918,464	40,671	1,091,511	7,299	538,183
	Black	24,954	4,623,414	2,843	4,157,785	37,688	921,765	22,111	465,629
	Hispanic	9,997	1,967,086	1,487	1,745,979	13,763	330,976	8,509	221,107
	Pacific Islander	117	34,610	36	33,696	219	5,683	80	914
	White Non-Hispanic	611,030	302,347,579	164,185	286,028,336	2,078,945	55,800,340	446,846	16,319,243

Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Minnesota</b>	All Firms in the State	410,634	382,363,126	104,802	369,836,727	2,138,561	60,829,888	305,832	12,526,399
	American Indian/Alaska Native	2,413	514,907	350	404,218	2,310	57,508	2,062	110,689
	Asian	5,330	1,697,579	1,683	1,506,698	15,753	259,432	3,647	190,880
	Black	4,024	523,126	472	459,125	4,352	99,939	3,553	64,002
	Hispanic	3,616	391,714	414	294,093	4,960	63,331	3,202	97,621
	Pacific Islander	105	14,514	42	8,039	169	1,821	63	6,474
	White Non-Hispanic	385,034	181,755,414	94,005	172,208,098	1,240,172	31,581,320	291,028	9,547,316
<b>Mississippi</b>	All Firms in the State	167,907	122,887,932	45,615	118,235,010	866,254	18,434,395	122,292	4,652,922
	American Indian/Alaska Native	1,088	209,854	222	179,764	1,648	30,658	865	30,089
	Asian	2,386	714,788	851	N.A.	5,000~9,999	N.A.	1,535	N.A.
	Black	17,617	852,824	2,205	559,182	9,773	121,522	15,412	293,642
	Hispanic	988	124,079	169	99,015	1,325	23,520	819	25,065
	Pacific Islander	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	White Non-Hispanic	141,862	62,706,180	38,945	58,619,064	494,465	10,139,909	102,916	4,087,118
<b>Missouri</b>	All Firms in the State	411,403	382,797,052	111,852	372,254,747	2,196,997	57,986,062	299,551	10,542,305
	American Indian/Alaska Native	4,106	625,993	774	506,782	5,839	112,352	3,332	119,211
	Asian	4,834	1,279,682	2,229	N.A.	10,000~24,999	N.A.	2,606	N.A.
	Black	13,678	1,261,398	2,142	1,060,253	14,503	252,769	11,536	201,145
	Hispanic	4,107	586,821	786	460,460	6,141	146,268	3,320	126,361
	Pacific Islander	140	70,580	46	N.A.	500~999	N.A.	94	N.A.
	White Non-Hispanic	374,198	158,363,396	97,989	149,511,319	1,149,500	27,175,870	276,210	8,852,076
<b>Montana</b>	All Firms in the State	93,677	37,668,225	25,974	35,570,987	269,469	5,447,948	67,703	2,097,238
	American Indian/Alaska Native	1,912	165,265	438	130,417	1,504	22,677	1,474	34,848
	Asian	369	N.A.	137	N.A.	1,000~2,499	N.A.	232	N.A.
	Black	62	N.A.	15	N.A.	20~99	N.A.	47	N.A.
	Hispanic	1,006	114,897	184	92,300	785	10,265	822	22,597
	Pacific Islander	74	N.A.	35	N.A.	100~249	N.A.	39	N.A.
	White Non-Hispanic	87,739	22,677,959	23,218	20,708,770	182,078	3,400,900	64,520	1,969,192

Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Nebraska</b>	All Firms in the State	138,762	137,755,012	38,594	134,465,728	687,525	16,035,060	100,168	3,289,284
	American Indian/Alaska Native	799	99,826	107	90,889	1,157	21,770	691	8,937
	Asian	869	N.A.	389	N.A.	2,500~4,999	N.A.	479	N.A.
	Black	1,565	129,219	238	110,006	1,874	29,722	1,328	19,213
	Hispanic	1,437	141,202	346	109,844	2,357	29,144	1,091	31,358
	Pacific Islander	8	N.A.	1	N.A.	0~19	N.A.	7	N.A.
	White Non-Hispanic	130,254	57,874,707	34,529	54,851,288	381,931	8,261,078	95,725	3,023,419
<b>Nevada</b>	All Firms in the State	129,757	102,813,070	35,131	97,814,925	757,255	19,291,136	94,626	4,998,145
	American Indian/Alaska Native	1,231	244,734	183	202,138	1,475	36,787	1,048	42,595
	Asian	4,835	1,842,413	1,290	1,662,499	19,785	437,146	3,544	179,914
	Black	2,796	225,880	344	183,015	2,344	53,820	2,452	42,865
	Hispanic	6,565	1,220,858	1,661	1,064,118	11,487	243,002	4,904	156,740
	Pacific Islander	170	25,341	54	21,193	145	4,877	117	4,148
	White Non-Hispanic	109,282	53,465,671	28,204	49,521,490	429,870	10,803,488	81,078	3,944,181
<b>New Hampshire</b>	All Firms in the State	115,747	79,303,771	30,452	75,916,752	507,990	13,494,257	85,295	3,387,019
	American Indian/Alaska Native	1,038	156,740	123	126,752	897	19,741	915	29,987
	Asian	1,114	N.A.	586	N.A.	5,000~9,999	N.A.	528	N.A.
	Black	326	32,351	54	26,200	506	11,137	272	6,150
	Hispanic	735	116,696	122	98,137	1,043	25,749	613	18,559
	Pacific Islander	51	N.A.	27	N.A.	20~99	N.A.	24	N.A.
	White Non-Hispanic	109,311	38,988,681	27,038	35,781,187	290,934	7,186,890	82,273	3,207,494
<b>New Jersey</b>	All Firms in the State	654,227	690,007,714	194,118	667,137,703	3,298,375	113,091,959	460,109	22,870,011
	American Indian/Alaska Native	2,375	364,056	461	300,492	2,347	57,733	1,913	63,564
	Asian	40,999	16,666,235	15,065	15,376,327	79,174	2,304,250	25,934	1,289,907
	Black	26,500	2,160,441	3,236	1,580,808	16,862	375,877	23,264	579,634
	Hispanic	36,116	5,107,287	7,355	4,276,407	28,134	665,530	28,761	830,879
	Pacific Islander	433	67,836	89	59,989	466	10,044	344	7,847
	White Non-Hispanic	534,493	275,937,451	155,731	257,739,817	1,702,519	50,932,927	378,763	18,197,634

Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997									
<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>New Mexico</b>	All Firms in the State	131,685	79,752,084	34,170	76,492,214	506,662	11,570,103	97,515	3,259,870
	American Indian/Alaska Native	6,838	579,671	566	473,630	3,398	85,477	6,272	106,041
	Asian	2,384	544,889	961	488,803	5,972	129,249	1,423	56,085
	Black	1,132	142,847	165	130,131	1,121	20,051	967	12,715
	Hispanic	28,285	3,667,526	6,737	3,143,851	39,951	651,717	21,548	523,675
	Pacific Islander	164	33,100	60	31,282	402	3,555	103	1,818
	White Non-Hispanic	90,202	30,229,000	22,900	28,042,314	256,471	5,313,066	67,302	2,186,687
<b>New York</b>	All Firms in the State	1,509,829	1,488,912,652	402,266	1,438,125,325	6,799,764	248,006,938	1,107,563	50,787,327
	American Indian/Alaska Native	6,443	1,417,279	1,074	1,206,603	5,270	155,336	5,369	210,675
	Asian	122,753	31,441,072	34,086	28,372,628	184,855	4,195,107	88,667	3,068,444
	Black	86,469	5,067,265	7,822	3,445,063	45,703	1,005,200	78,647	1,622,202
	Hispanic	104,189	10,311,271	13,667	8,120,010	56,464	1,607,504	90,522	2,191,261
	Pacific Islander	506	170,036	44	162,903	263	25,014	462	7,132
	White Non-Hispanic	1,169,250	590,377,219	317,303	552,447,405	3,493,092	110,964,695	851,948	37,929,813
<b>North Carolina</b>	All Firms in the State	570,484	518,648,589	149,186	500,546,338	3,067,214	77,145,248	421,298	18,102,251
	American Indian/Alaska Native	7,148	911,903	1,275	737,230	7,942	141,365	5,873	174,673
	Asian	7,894	2,453,872	3,211	N.A.	10,000~24,999	N.A.	4,682	N.A.
	Black	39,901	2,299,285	5,441	1,701,399	33,914	441,415	34,460	597,886
	Hispanic	7,270	1,080,439	1,384	908,909	8,305	193,271	5,887	171,529
	Pacific Islander	156	7,306	17	N.A.	20~99	N.A.	139	N.A.
	White Non-Hispanic	496,340	215,325,597	128,389	201,980,139	1,619,411	36,727,819	367,951	13,345,456
<b>North Dakota</b>	All Firms in the State	55,266	35,005,958	16,357	33,831,667	237,347	4,959,823	38,909	1,174,291
	American Indian/Alaska Native	752	147,068	178	118,990	1,111	16,721	575	28,079
	Asian	276	N.A.	89	60,182	797	11,946	187	N.A.
	Black	99	N.A.	8	N.A.	100~249	N.A.	91	N.A.
	Hispanic	444	22,459	78	17,050	614	3,219	366	5,409
	Pacific Islander	3	N.A.	0	0	0	0	3	N.A.
	White Non-Hispanic	51,976	20,874,963	14,508	19,781,402	150,183	2,991,776	37,467	1,093,562

Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997									
<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Ohio</b>	All Firms in the State	781,284	796,505,791	202,528	775,731,513	4,647,653	128,334,527	578,756	20,774,278
	American Indian/Alaska Native	5,124	1,074,343	682	932,874	9,357	204,934	4,442	141,468
	Asian	11,021	4,336,430	4,678	N.A.	25,000~49,999	N.A.	6,344	N.A.
	Black	26,970	3,946,848	3,486	3,499,457	32,719	788,525	23,484	447,390
	Hispanic	6,448	1,512,809	1,199	1,283,564	11,353	310,617	5,249	229,245
	Pacific Islander	377	266,723	90	N.A.	1,000~2,499	N.A.	287	N.A.
	White Non-Hispanic	713,720	323,898,636	179,124	305,404,652	2,492,930	61,591,731	534,596	18,493,985
<b>Oklahoma</b>	All Firms in the State	280,722	172,370,196	66,272	164,997,318	1,077,678	25,171,033	214,450	7,372,878
	American Indian/Alaska Native	15,066	2,645,736	2,794	2,266,674	19,276	380,084	12,272	379,062
	Asian	3,892	882,845	1,401	N.A.	5,000~9,999	N.A.	2,490	N.A.
	Black	5,309	333,094	618	259,565	4,847	77,957	4,691	73,528
	Hispanic	4,349	771,529	648	690,334	5,985	125,248	3,701	81,194
	Pacific Islander	108	14,711	31	N.A.	250~499	N.A.	77	N.A.
	White Non-Hispanic	244,306	88,558,638	55,743	82,201,265	634,057	13,410,519	188,563	6,357,373
<b>Oregon</b>	All Firms in the State	291,596	220,084,989	80,443	211,804,567	1,277,418	34,397,004	211,153	8,280,422
	American Indian/Alaska Native	2,861	372,608	431	299,502	2,505	55,871	2,430	73,106
	Asian	7,172	2,033,444	2,492	N.A.	10,000~24,999	N.A.	4,680	N.A.
	Black	2,219	436,156	357	398,916	2,968	66,799	1,862	37,240
	Hispanic	6,022	1,073,638	1,225	950,676	9,665	210,796	4,798	122,962
	Pacific Islander	341	55,282	70	N.A.	250~499	N.A.	271	N.A.
	White Non-Hispanic	265,360	109,598,124	70,144	102,532,738	753,922	18,619,000	195,216	7,065,386
<b>Pennsylvania</b>	All Firms in the State	837,756	802,492,149	222,450	778,115,447	4,740,610	132,473,592	615,306	24,376,702
	American Indian/Alaska Native	5,161	505,273	951	388,532	5,288	73,590	4,210	116,741
	Asian	17,264	4,922,046	6,006	4,323,899	42,852	1,142,047	11,258	598,146
	Black	19,791	1,993,512	2,909	1,652,223	19,979	437,813	16,882	341,288
	Hispanic	7,893	1,273,320	1,785	984,265	10,090	227,006	6,108	289,055
	Pacific Islander	133	21,846	22	20,461	131	3,779	112	1,384
	White Non-Hispanic	769,496	359,182,314	196,492	337,081,308	2,503,221	64,496,312	573,006	22,101,006



**Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997**

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Rhode Island</b>	All Firms in the State	80,934	52,930,316	24,373	50,755,745	386,544	10,040,593	56,561	2,174,571
	American Indian/Alaska Native	625	80,213	80	N.A.	250~499	N.A.	545	N.A.
	Asian	1,065	N.A.	381	N.A.	2,500~4,999	N.A.	684	N.A.
	Black	1,269	124,434	181	104,097	1,935	26,805	1,087	20,338
	Hispanic	2,186	207,036	447	157,405	1,890	31,264	1,739	49,631
	Pacific Islander	45	N.A.	39	N.A.	250~499	N.A.	6	N.A.
	White Non-Hispanic	73,600	30,290,091	21,363	28,361,707	228,233	5,505,513	52,238	1,928,385
<b>South Carolina</b>	All Firms in the State	260,342	213,486,429	71,547	206,431,441	1,425,681	33,619,107	188,795	7,054,988
	American Indian/Alaska Native	2,229	199,917	409	153,006	3,066	41,640	1,820	46,911
	Asian	3,450	N.A.	1,524	N.A.	10,000~24,999	N.A.	1,926	N.A.
	Black	23,216	1,408,925	3,148	1,030,411	17,713	234,660	20,068	378,514
	Hispanic	2,036	250,730	505	212,435	2,783	40,148	1,531	38,294
	Pacific Islander	81	N.A.	4	N.A.	20~99	N.A.	76	N.A.
	White Non-Hispanic	222,772	91,765,211	61,179	85,567,750	752,420	16,401,357	161,594	6,197,460
<b>South Dakota</b>	All Firms in the State	65,791	50,181,052	19,093	48,715,035	275,019	5,553,107	46,698	1,466,017
	American Indian/Alaska Native	955	221,916	178	198,998	2,773	37,177	777	22,918
	Asian	300	N.A.	125	51,460	1,299	15,687	175	N.A.
	Black	150	17,294	22	N.A.	20~99	N.A.	128	N.A.
	Hispanic	261	58,514	75	54,803	346	6,633	186	3,711
	Pacific Islander	3	N.A.	0	0	0	0	3	N.A.
	White Non-Hispanic	62,241	25,182,766	17,117	23,799,990	174,306	3,393,755	45,123	1,382,777
<b>Tennessee</b>	All Firms in the State	415,934	362,587,045	98,063	347,224,486	2,199,361	55,445,181	317,871	15,362,559
	American Indian/Alaska Native	3,746	546,041	568	471,084	4,518	101,939	3,178	74,958
	Asian	5,176	1,749,406	2,017	N.A.	10,000~24,999	N.A.	3,159	N.A.
	Black	20,196	1,644,529	2,730	1,276,080	17,583	334,204	17,466	368,449
	Hispanic	3,639	684,426	702	557,852	7,330	139,067	2,937	126,573
	Pacific Islander	120	13,483	17	N.A.	20~99	N.A.	102	N.A.
	White Non-Hispanic	374,323	162,791,052	84,991	151,725,038	1,150,447	27,609,883	289,332	11,066,012

**Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997**

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Texas</b>	All Firms in the State	1,525,972	1,415,535,633	348,166	1,362,352,328	7,074,209	196,697,293	1,177,806	53,183,305
	American Indian/Alaska Native	15,668	3,320,188	2,747	2,853,049	26,941	481,112	12,921	467,139
	Asian	59,317	18,225,704	18,881	16,174,945	146,348	2,421,429	40,437	2,050,759
	Black	60,427	6,857,330	6,684	5,695,691	70,904	1,469,459	53,742	1,161,639
	Hispanic	240,396	39,481,767	44,837	33,854,797	289,142	5,659,883	195,559	5,626,970
	Pacific Islander	908	623,629	252	612,632	1,853	62,940	656	10,997
	White Non-Hispanic	1,125,932	509,068,565	254,372	472,125,809	3,419,893	85,679,447	871,561	36,942,756
<b>Utah</b>	All Firms in the State	169,164	119,100,391	42,076	114,377,759	797,153	19,272,466	127,088	4,722,632
	American Indian/Alaska Native	1,428	140,070	187	108,884	1,317	20,041	1,241	31,186
	Asian	2,083	529,736	793	480,059	6,869	101,054	1,290	49,677
	Black	440	23,005	35	16,831	327	5,480	406	6,173
	Hispanic	4,740	455,385	847	372,776	5,947	85,310	3,893	82,608
	Pacific Islander	296	68,982	71	62,286	285	6,793	225	6,696
	White Non-Hispanic	156,050	60,739,644	37,149	56,424,794	472,078	10,649,865	118,902	4,314,851
<b>Vermont</b>	All Firms in the State	67,488	33,469,226	18,181	31,930,872	232,647	5,502,895	49,307	1,538,354
	American Indian/Alaska Native	751	178,902	116	159,164	732	18,053	634	19,738
	Asian	297	N.A.	139	N.A.	500~999	N.A.	157	N.A.
	Black	168	37,324	36	35,449	341	4,481	132	1,876
	Hispanic	898	184,130	157	168,964	1,551	29,797	741	15,166
	Pacific Islander	7	N.A.	4	N.A.	20~99	N.A.	3	N.A.
	White Non-Hispanic	63,321	18,619,355	16,060	17,167,111	143,062	3,079,422	47,261	1,452,244
<b>Virginia</b>	All Firms in the State	480,122	415,092,587	128,850	402,260,820	2,571,489	69,930,776	351,272	12,831,767
	American Indian/Alaska Native	3,280	621,617	646	571,739	5,924	178,260	2,634	49,878
	Asian	22,126	4,408,583	6,673	3,910,627	46,706	1,080,965	15,453	497,956
	Black	33,539	3,408,165	4,956	2,878,899	46,971	905,842	28,583	529,267
	Hispanic	13,703	1,808,975	2,189	1,596,173	19,375	529,580	11,515	212,802
	Pacific Islander	315	30,259	48	21,407	213	5,729	267	8,852
	White Non-Hispanic	395,262	168,456,870	104,982	158,166,287	1,312,868	32,668,525	290,281	10,290,583

**Table A.5 Minority-Owned Businesses, Employment, Sales, and Payroll by Race or Ethnicity and State, 1997**

<i>State</i>	<i>Minority/Nonminority Group</i>	<i>Number of Firms</i>	<i>Sales of All Firms (\$1,000)</i>	<i>Number of Employer Firms</i>	<i>Sales of Employer Firms (\$1,000)</i>	<i>Number of Employees*</i>	<i>Annual Payroll (\$1,000)</i>	<i>Number of Non-employer Firms</i>	<i>Non-employer Firms' Sales (\$1,000)</i>
<b>Washington</b>	All Firms in the State	447,433	357,322,932	129,780	344,895,438	2,023,814	60,792,792	317,653	12,427,494
	American Indian/Alaska Native	4,689	1,202,989	974	1,096,283	14,242	313,597	3,716	106,706
	Asian	22,890	7,818,212	7,254	7,154,502	47,438	924,746	15,636	663,710
	Black	5,553	504,109	893	411,968	8,321	125,629	4,660	92,141
	Hispanic	10,009	1,711,293	2,286	1,516,628	18,830	350,383	7,723	194,665
	Pacific Islander	420	189,304	96	184,936	914	37,311	324	4,368
	White Non-Hispanic	391,175	182,980,476	108,809	172,423,683	1,168,967	33,319,958	282,365	10,556,794
<b>West Virginia</b>	All Firms in the State	111,737	77,527,532	31,789	75,364,314	529,192	12,397,238	79,948	2,163,218
	American Indian/Alaska Native	1,017	127,306	171	111,356	1,078	17,910	846	15,950
	Asian	1,235	N.A.	678	N.A.	5,000~9,999	N.A.	557	N.A.
	Black	1,148	87,649	129	76,923	1,018	14,203	1,019	10,726
	Hispanic	940	95,910	179	81,758	1,160	26,584	761	14,152
	Pacific Islander	5	N.A.	2	N.A.	0~19	N.A.	3	N.A.
	White Non-Hispanic	103,994	35,182,918	28,029	33,176,378	292,673	5,884,513	75,966	2,006,541
<b>Wisconsin</b>	All Firms in the State	366,436	367,841,279	109,409	358,863,640	2,246,488	59,198,866	257,027	8,977,639
	American Indian/Alaska Native	2,338	1,135,975	699	1,080,481	6,738	202,160	1,639	55,494
	Asian	3,620	1,414,290	1,405	1,249,378	14,414	368,036	2,214	164,912
	Black	4,848	550,114	798	462,623	8,179	139,501	4,050	87,490
	Hispanic	3,020	816,817	494	719,827	5,358	149,629	2,526	96,991
	Pacific Islander	133	73,517	30	71,183	582	16,580	103	2,334
	White Non-Hispanic	343,287	184,601,435	98,558	176,647,182	1,330,545	32,443,276	244,729	7,954,253
<b>Wyoming</b>	All Firms in the State	49,376	26,742,915	14,920	25,722,961	153,878	3,504,436	34,456	1,019,954
	American Indian/Alaska Native	477	N.A.	95	N.A.	500~999	N.A.	382	N.A.
	Asian	284	N.A.	146	N.A.	1,000~2,499	N.A.	138	5,683
	Black	232	12,670	64	N.A.	100~249	N.A.	168	N.A.
	Hispanic	1,239	116,882	319	99,606	1,645	26,598	920	17,276
	Pacific Islander	10	N.A.	10	N.A.	100~249	N.A.	0	0
	White Non-Hispanic	45,487	13,298,759	12,887	12,394,272	98,747	1,980,528	32,601	904,487
Notes: N.A. = Not available because of small sample size. * Where a range is shown, data are not available to provide a specific estimate.									
Source: U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises.									

