

1997 Survey of Business Owners Press Releases

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Public Information Office
301-457-3030/301-457-3670 (fax)
301-457-1037 (TDD)
e-mail: pio@census.gov

CB01-115

Eddie Salyers/Valerie Strang
301-457-3316

Minority-Owned Firms Grow Four Times Faster Than National Average, Census Bureau Reports

Minority-owned businesses grew more than four times as fast as U.S. firms overall between 1992 and 1997, increasing from 2.1 million to about 2.8 million firms, according to a [report released today](#) [pdf] by the Commerce Department's Census Bureau.

The 30 percent growth rate exceeded the 7 percent increase for all U.S. firms, which jumped from 17.3 million in 1992 to 18.4 million in 1997.

Receipts of all minority-owned firms (excluding C corporations) rose 60 percent to \$335.3 billion in 1997, compared with a 40 percent increase for all U.S. firms over the same period.

In releasing the report, Under Secretary for Economic Affairs Kathleen B. Cooper said, "We are pleased to report that this portrait of the American economy shows rapidly expanding opportunities for minority entrepreneurs and a more diverse universe of small businesses."

Ronald N. Langston, director of the Commerce Department's Minority Business Development Agency (MBDA), said, "Today's report clearly indicates minority businesses are growing at a faster rate than U.S. businesses overall." He further said, "As the director of MBDA, I will work to empower minority businesses to achieve higher levels of success by directing MBDA to be innovative and focused on entrepreneurship."

The growth estimates do not include C corporations, for which comparable 1992 data are not available. C corporations were covered for the first time in the report, 1997 Survey of Minority-Owned Business Enterprises: Summary. C corporations encompass all legally incorporated businesses, except for subchapter S corporations. Subchapter S corporations are those whose shareholders elect to be taxed as individuals rather than as corporations.

Forty-three percent (\$255.9 billion) of all revenues generated by minority-owned businesses were produced by 252,900 C corporations.

Including C corporations, there were more than 3 million minority-owned business enterprises, employing 4.5 million people and generating \$591.3 billion in revenues. Overall, minority-owned firms made up 15 percent of the nation's businesses and generated 3 percent of all receipts.

Minority-owned businesses are those owned by African Americans, Hispanics, Asians and Pacific Islanders, or American Indians and Alaska Natives.

The vast majority of these firms, 82 percent or 2.5 million, were sole proprietorships (unincorporated businesses owned by individuals).

Highlights from the report:

- California, Texas, New York and Florida, the nation's most populous states and home to nearly half of all minority residents, had the largest number of minority-owned businesses.
- While Hispanics owned the largest share of firms owned by minorities, Asian- and Pacific Islander-owned firms reaped the largest share of minority-owned business revenues -- 52 percent.
- Men were owners of about 55 percent of the firms owned by each of the four minority groups. African Americans had the largest percentage of firms owned by women -- 38 percent.
- Thirty-nine percent of all minority-owned firms had 1997 receipts of under \$10,000; about 3 percent had sales of \$1 million or more.
- Average receipts per firm were \$194,600 compared with \$410,600 for all U.S. firms, excluding publicly held corporations and firms (such as mutual companies) whose owners' race or ethnicity could not be determined.
- About 1 in 5 of all minority-owned firms had paid employees. More than 4,400 minority-owned firms had 100 or more employees.
- Fifty-nine percent of all minority-owned firms were in the services and retail trade industries, accounting for 43 percent of all receipts.

The following tables show the top states by number and percentage of minority-owned firms:

Ten States with the Largest Number of Minority-Owned Firms: 1997

Geographic Area	Total Minority-Owned Firms	Percent of Total Minority-Owned Firms in U.S.
U.S. Total	3,039,000	

California	738,000	24.3
Texas	365,500	12.0
New York	296,500	9.8
Florida	286,900	9.4
Illinois	110,300	3.6
New Jersey	102,300	3.4
Georgia	88,700	2.9
Maryland	82,600	2.7
Virginia	71,700	2.4
North Carolina	61,600	2.0

States with the Largest Percentage of Minority-Owned Firms: 1997

Geographic Area	Total Minority-Owned Firms	All Firms	Minority-Owned Firms as a Percent of All Firms
U.S. Total	3,039,000	20,821,900	14.6
Hawaii	54,300	94,000	57.8
District of Columbia	15,200	45,300	33.6
California	738,000	2,565,700	28.8
New Mexico	37,500	131,700	28.5
Texas	365,500	1,526,000	24.0
Florida	286,900	1,301,900	22.0
Maryland	82,600	400,200	20.6
New York	296,500	1,509,800	19.6
Alaska	10,700	64,100	16.7
New Jersey	102,300	654,200	15.6
Georgia	88,700	568,600	15.6

The data in the report were collected as part of the 1997 Economic Census from a large sample of nonfarm businesses filing tax forms as sole proprietorships, partnerships or any type of corporation with receipts of \$1,000 or more in 1997. The economic census is taken twice a decade in years ending in 2 and 7.

The report presents data for minority-owned businesses by gender, size, type of business, geographic area (states, counties, metropolitan areas and places) and specific race and ethnic groups.

The data are subject to sampling variability, as well as nonsampling errors. Sources of nonsampling error include errors of response, nonreporting and coverage.

Further details concerning survey design, methodology and data limitations are contained in the full report. Comparisons with 1992 data should be conducted with extreme caution because of changes in tax laws that cause inconsistencies between the 1992 and 1997 data. Changes in survey methodology also may contribute to differences.

Percentage of Total Minority-Owned Firms by State Compared with Percentage of Minority-Owned Firms to All Businesses by State: 1997

Geographic Area	Total Minority-Owned Firms	Percent of Total Minority-Owned Firms in U.S.	All Firms	Minority-Owned as a Percent of All Firms
U.S. Total	3,039,000		20,821,900	14.6
Alabama	28,300	0.9	285,200	9.9
Alaska	10,700	0.4	64,100	16.7
Arizona	43,300	1.4	329,000	13.2
Arkansas	13,000	0.4	193,400	6.7
California	738,000	24.3	2,565,700	28.8

Colorado	37,000	1.2	410,200	9.0
Connecticut	20,400	0.7	284,000	7.2
Delaware	5,300	0.2	56,600	9.4
District of Columbia	15,200	0.5	45,300	33.6
Florida	286,900	9.4	1,301,900	22.0
Georgia	88,700	2.9	568,600	15.6
Hawaii	54,300	1.8	94,000	57.8
Idaho	5,200	0.2	109,800	4.7
Illinois	110,300	3.6	882,100	12.5
Indiana	22,800	0.8	413,400	5.5
Iowa	5,300	0.2	227,600	2.3
Kansas	11,700	0.4	213,400	5.5
Kentucky	12,700	0.4	281,600	4.5
Louisiana	41,700	1.4	295,700	14.1
Maine	2,800	0.1	127,500	2.2
Maryland	82,600	2.7	400,200	20.6
Massachusetts	39,000	1.3	537,200	7.3
Michigan	51,800	1.7	677,500	7.6
Minnesota	15,300	0.5	410,600	3.7
Mississippi	22,000	0.7	167,900	13.1
Missouri	26,600	0.9	411,400	6.5
Montana	3,400	0.1	93,700	3.6
Nebraska	4,600	0.2	138,800	3.3
Nevada	15,200	0.5	129,800	11.7
New Hampshire	3,200	0.1	115,700	2.8
New Jersey	102,300	3.4	654,200	15.6
New Mexico	37,500	1.2	131,700	28.5
New York	296,500	9.8	1,509,800	19.6
North Carolina	61,600	2.0	570,500	10.8
North Dakota	1,500	0.0	55,300	2.7
Ohio	49,400	1.6	781,300	6.3
Oklahoma	28,500	0.9	280,700	10.2
Oregon	18,200	0.6	291,600	6.2
Pennsylvania	49,500	1.6	837,800	5.9
Rhode Island	4,800	0.2	80,900	5.9
South Carolina	30,800	1.0	260,300	11.8
South Dakota	1,700	0.1	65,800	2.6
Tennessee	32,500	1.1	415,900	7.8
Texas	365,500	12.0	1,526,000	24.0
Utah	8,600	0.3	169,200	5.1
Vermont	2,100	0.1	67,500	3.1
Virginia	71,700	2.4	480,100	14.9

Washington	42,900	1.4	447,400	9.6
West Virginia	4,300	0.1	111,700	3.8
Wisconsin	13,700	0.5	366,400	3.7
Wyoming	2,100	0.1	49,400	4.3

NOTE: Detail may not add to the total because a firm may be counted in more than one state.