

U.S. Census Bureau Survey of Business Owners

Asian-Owned Businesses: 2007

Census Bureau Economic Data
April 28, 2011

Presenters

Host	Neil Tillman Public Information Office U.S. Census Bureau
Survey findings	Thomas L. Mesenbourg, Jr. Deputy Director and Chief Operating Officer U.S. Census Bureau
Survey uses	David Hinson National Director Minority Business Development Agency
Outlook	Michael Chan President Asian Inc.

Resources for Today's News Conference

Come to www.census.gov and click on the icon at the top left corner to obtain –

- Today's PowerPoint Presentation
- News Release – and More!
- Link to Survey of Business Owners Home Page
- Link to Guidance on Accessing SBO Data in the American FactFinder

About the Survey

- Part of the Economic Census taken every 5 years for years ending in “2” and “7”
- The only comprehensive, regularly collected data for businesses and business owners by
 - Minority status
 - Race
 - Ethnicity (Hispanic origin of any race)
 - Gender
 - Veteran status

Business Ownership by Race

- Categories of ownership are based on the race of the person or persons who owned 51% or more of the stock or equity in the business in 2007.
- “Asian-Owned” is defined as any firm with Asian owners holding a 51% or larger stake in the business.

Business Ownership by Detailed Group

Asian-owned businesses are further classified into the following detailed groups:

- Asian Indian-owned
- Chinese-owned
- Filipino-owned
- Japanese-owned
- Korean-owned
- Vietnamese-owned
- Other Asian-owned [*for example, Hmong, Laotian, Thai, Pakistani, or Cambodian*]

A Look at the 2007 Statistics for Asian-Owned Businesses in the United States

Asian-Owned Businesses Compared to All U.S. Businesses by Employer Status: 2007

	Asian-owned businesses		All U.S. businesses	
	Firms (number)	Sales and receipts (\$ billions)	Firms (number)	Sales and receipts (\$ billions)
All firms ¹	1,549,664	508	27,097,236	30,033
Employer firms	397,484	455	5,739,890	29,061
Nonemployer firms	1,152,180	52	21,357,346	973

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Asian-Owned Business Ownership Increased Faster than National Rates: 2002 to 2007

	Asian-owned firms in 2007 (number)	% change for Asian-owned firms, 2002 – 2007	% change for all U.S. firms, 2002 – 2007
All firms ¹	1,549,664	40	18
Employer firms	397,484	24	4
Nonemployer firms	1,152,180	47	22

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Asian-Owned Business Revenues Increased Faster than National Rates: 2002 to 2007

	Asian-owned firms' sales and receipts in 2007 (\$ billions)	% change for Asian-owned firms' sales and receipts, 2002 –2007	% change for all U.S. firms' sales and receipts, 2002 –2007
All firms ¹	508	55	33
Employer firms	455	56	33
Nonemployer firms	52	48	27

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Asian-Owned Businesses and Their Proportion of All U.S. Firms by Employer Status: 2002 to 2007

	% of U.S. businesses that are Asian-owned	
	Year 2007	Year 2002
All firms ¹	5.7	4.8
Employer firms	6.9	5.8
Nonemployer firms	5.4	4.5

¹ Includes firms with paid employees and firms with no paid employees.

Growth in Business Ownership in U.S. by Detailed Asian Group: 2002 to 2007

	Firms in 2007 (number)	% change, 2002 – 2007	% of all Asian firms
Asian ¹	1,549,664	40	100
Asian Indian	308,514	38	20
Chinese	423,609	48	27
Filipino	163,217	30	11
Japanese	108,361	25	7
Korean	192,465	22	12
Vietnamese	229,149	56	15
Other Asian	153,565	72	10

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of firms that are Asian-owned, but have not been assigned to a detailed Asian group or have ownership by more than one detailed Asian group.

Growth in Business Revenue in U.S. by Detailed Asian Group: 2002 to 2007

	Sales and receipts in 2007 (\$ billions)	% change, 2002 – 2007	% of all Asian sales and receipts
Asian ¹	508	55	100
Asian Indian	152	73	30
Chinese	143	36	28
Filipino	20	43	4
Japanese	40	29	8
Korean	79	67	15
Vietnamese	29	86	6
Other Asian	45	86	9

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of firms that are Asian-owned, but have not been assigned to a detailed Asian group or have ownership by more than one detailed Asian group.

Distribution of Firms by Receipts Size of Firm: 2007

Receipts size	% of Asian-owned firms	% of all U.S. firms
Less than \$50,000	61	65
\$50,000 to \$99,999	11	10
\$100,000 to \$249,999	12	10
\$250,000 to \$499,999	7	5
\$500,000 to \$999,999	5	4
\$1,000,000 or more	5	5

Note: Detail may not add to total because of rounding.

Distribution of Employer Firms by Employment Size of Firm: 2007

Employment size	% of Asian-owned firms	% of all U.S. firms
0 to 4 employees ¹	66	61
5 to 9 employees	18	18
10 to 19 employees	9	11
20 to 49 employees	5	7
50 employees or more	2	4

¹ Includes firms with payroll at any time during 2007. Employment reflects the number of paid employees during the March 12 pay period.

Note: Detail may not add to total because of rounding.

Industries Accounting for the Largest Receipts for Asian-Owned Firms: 2007

Business sectors	Firms (number)	% of all Asian firms	Sales and receipts (\$ billions)	% of all Asian sales and receipts
Total for all sectors	1,549,664	100	508	100
Wholesale trade	60,464	4	131	26
Retail trade	190,873	12	107	21
Accommodation and food services	133,756	9	52	10
Health care and social assistance	164,246	11	45	9
Professional, scientific, and technical services	213,669	14	43	8

States With the Largest Percentage of Asian-Owned Firms: 2007

States and equivalent area	Asian-owned firms in 2007 (number)	% of firms in state that are Asian-owned	% change for Asian-owned firms in state, 2002 – 2007
Hawaii	56,835	47	27
California	509,097	15	37
New York	196,852	10	36
New Jersey	67,758	9	30
Nevada	17,544	8	98

Large Counties With the Highest Percentage of Asian-Owned Firms: 2007

Counties with a population of at least 500,000	Asian-owned firms in 2007 (number)	% of firms in county that are Asian-owned	% change for Asian-owned firms in county, 2002 – 2007
Honolulu, HI	41,887	57	19
Santa Clara, CA	44,517	29	48
Queens, NY	68,606	29	42
Alameda, CA	34,327	24	38
San Francisco, CA	25,237	24	29

Large Cities With the Highest Percentage of Asian-Owned Firms: 2007

Cities with a population of at least 500,000	Asian-owned firms in 2007 (number)	% of firms in city that are Asian-owned	% change for Asian-owned firms in city, 2002 – 2007
San Jose, CA	22,089	31	36
San Francisco, CA	25,237	24	29
New York, NY	153,885	16	37
Los Angeles, CA	61,607	14	29
San Diego, CA	17,471	13	52

Accessing SBO Results

- SBO Web site: www.census.gov/econ/sbo
- For access to prepackaged data products and the ability to build custom tables, visit American FactFinder (AFF), the Census Bureau's online, self-service data access tool at www.factfinder.census.gov

SBO Release Schedule

Data	Release date
Preliminary Company Summary - Estimates of Business Ownership by Gender, Ethnicity, Race, and Veteran Status	July 13, 2010
Hispanic-Owned Businesses	September 21, 2010
Women-Owned Businesses	December 7, 2010
Black-Owned Businesses	February 8, 2011
American Indian- and Alaska Native-Owned Businesses	March 11, 2011
Native Hawaiian- and Other Pacific Islander-Owned Businesses	April 1, 2011
Asian-Owned Businesses	April 26, 2011

SBO Release Schedule (continued)

Data	Release date
Veteran-Owned Businesses	May 17, 2011
Company Summary	June 7, 2011
Characteristics of Businesses	June 14, 2011
Characteristics of Business Owners	June 14, 2011

**U.S. Department of Commerce
Minority Business Development Agency**



*Asian-Owned Firms
Outpace Growth of
Non-Minority-Owned Firms*

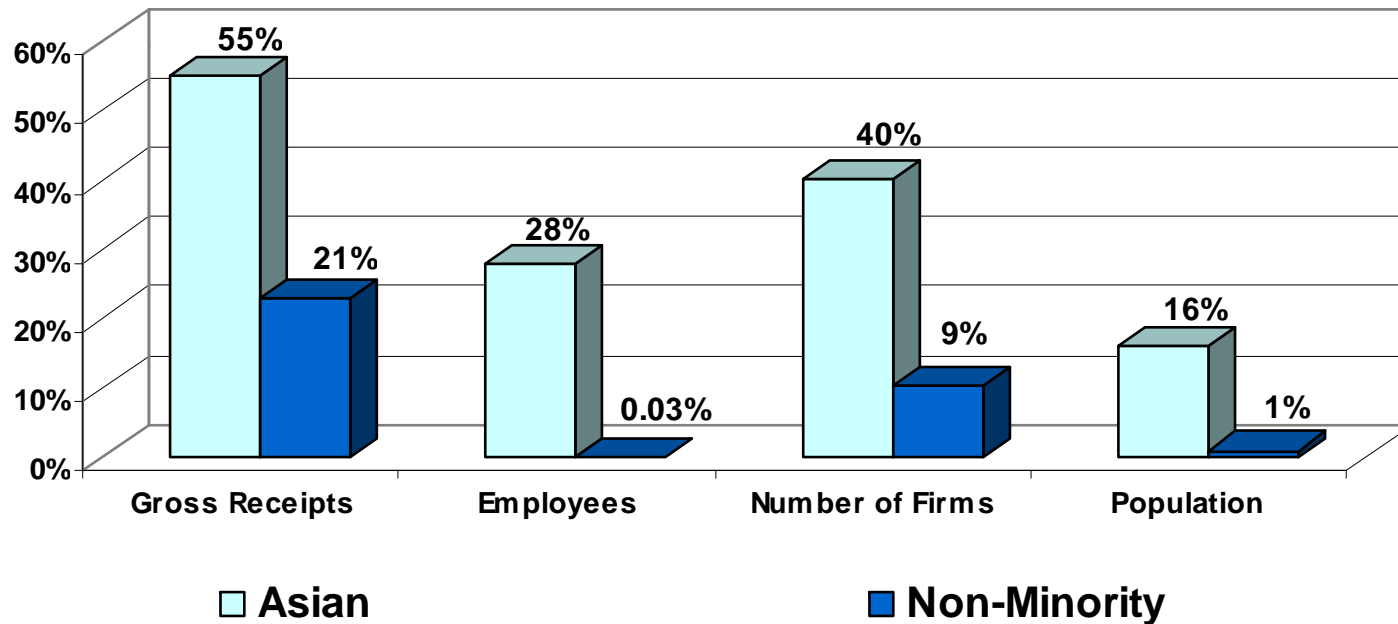
David Hinson, National Director

April 28, 2011





Asian-Owned Firms Outpace Growth of Non-Minority-Owned Firms



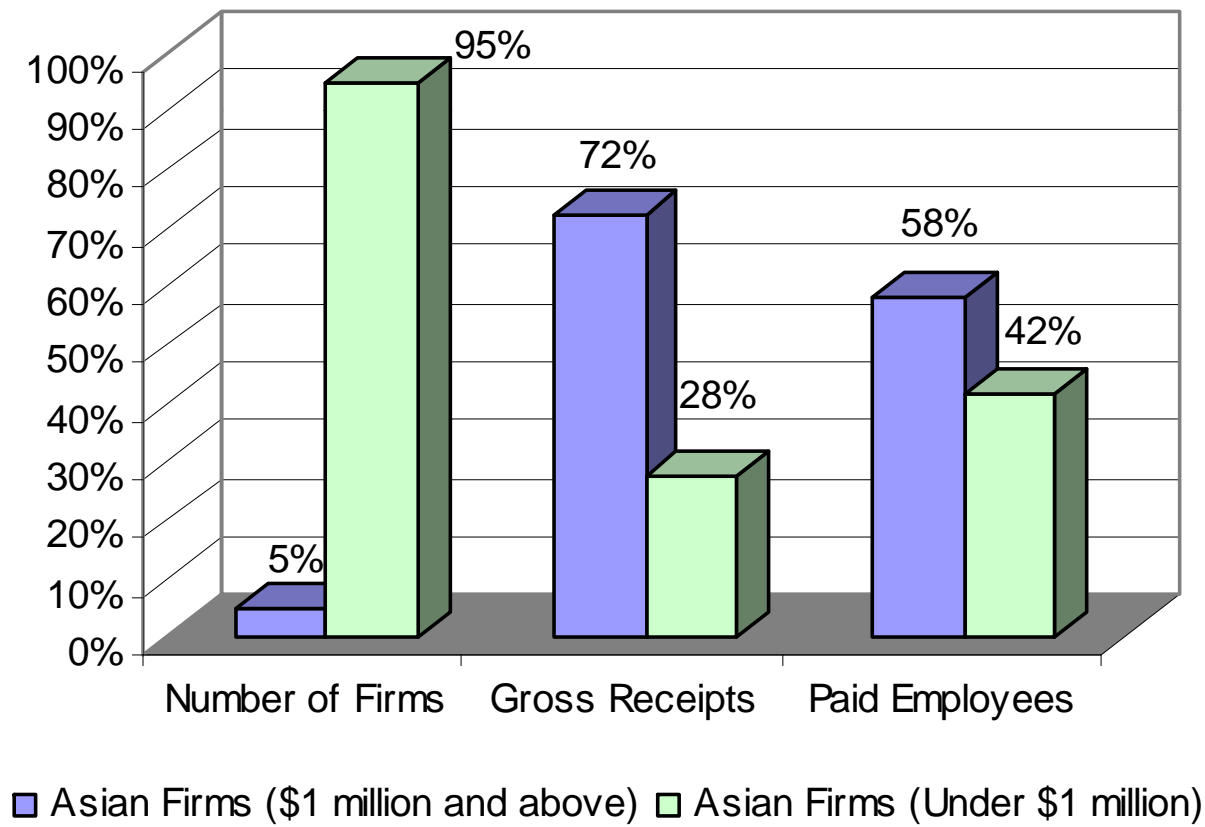


The Big Picture

- The Asian business community continues to grow in number and size at a fast rate.
- The fast growing trend of Asian-owned businesses continued into the most recent five-year period outpacing once again the growth of non-minority-owned firms in gross receipts (55 percent Asian growth), employment (28%) and number of firms (40%) between 2002 and 2007.
- Asian-owned businesses are also an engine of job creation, with paid employment growing by 28 percent from over 2.2 million workers to more than 2.8 million workers, compared to less than a 1% growth for non-minority-owned firms.
- Average employment per firm with employees was about 7 employees per Asian-owned business with employees in 2007.
- The Asian-owned firms paid good wages to their employees. Average payroll per employee increased by 12 percent from about \$25,000 in payroll per employee in 2002 to \$28,000 in payroll per employee in 2007. The average payroll per employee for all minority-owned firms was about \$28,000 in 2007 and \$35,000 for non-minority firms.
- The faster growing Asian population increased by 16% during this period, compared to only 1% growth for non-minorities.



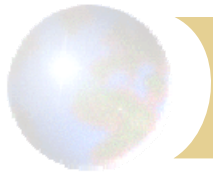
Asian-Owned Firms with \$1 Million Plus in Sales





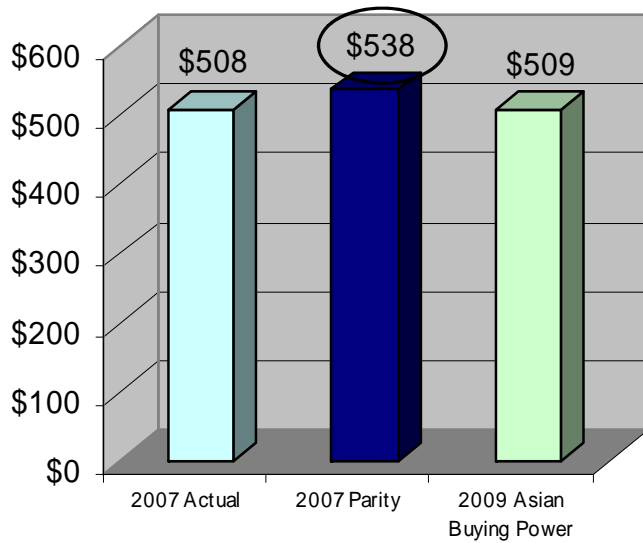
Upside of \$1 Million Plus Firms

- While smaller in number, Asian-owned businesses with receipts of \$1 million or more generated a much larger percentage of all Asian business' revenues and paid employment than firms with receipts under \$1 million.
- Asian-owned firms with receipts of \$1 million or more represented 5 percent of all Asian firms but generated 72 percent of all Asian firms' gross receipts and 58 percent of all their paid employment.
- There were 78,144 Asian firms with gross receipts of \$1 million or more in 2007. These firms generated combined gross receipts of more than \$367 billion and employed over 1.6 million workers.
- Average gross receipts of Asian firms generating sales of \$1 million or more grew by 6 percent from \$4.5 million per firm in 2002 to \$4.7 million in 2007.
- Asian-owned firms in this size category also represented 55 percent of all minority-owned businesses generating \$1 million or more in receipts in 2007.

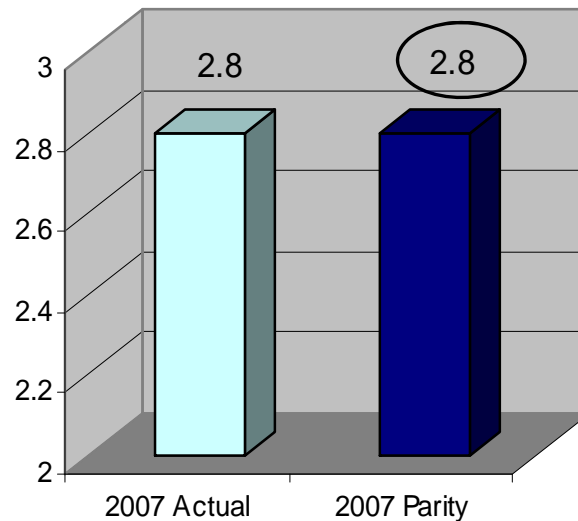


Asian-Owned Firms Reach Entrepreneurial Parity in Number and Employment

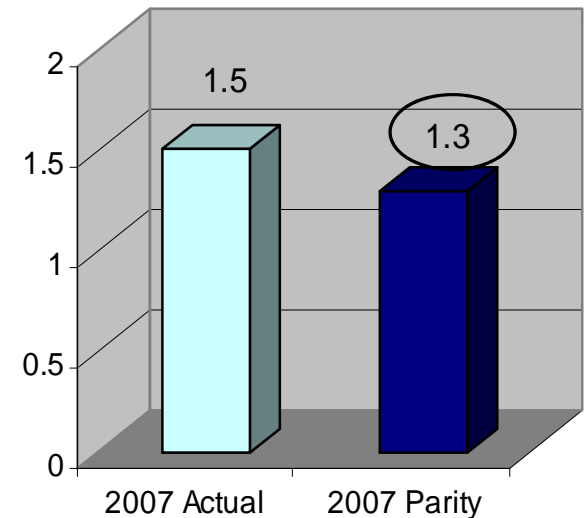
Gross Receipts (in \$ billions)



Paid Employment (in millions)



Number of Firms (in millions)





Entrepreneurial Parity

- At MBDA, we measure entrepreneurial parity of minority-owned firms.
- Asians-owned firms are the first minority group to reach entrepreneurial parity in number of firms and employment by reaching the same proportionality in these business measures as their share of the adult Asian population which was 4.9 percent.
- Asian-owned firms surpassed their parity levels in number of firms and employment but closely trailed in gross receipts.
- If Asian-owned firms would have reached parity in gross receipts with their share of the adult Asian population in 2007, these firms would have generated \$538 billion instead of \$508 billion – a gap of about \$30.1 billion.
- However, when we analyzed the data by ethnic group, Filipino-, Vietnamese, and Japanese-owned businesses have yet to reach entrepreneurial parity in all three business measures with their share of their adult population.



Average Gross Receipts

Average Gross Receipts, 2007		
Asian-owned businesses	Minority-owned businesses*	Non-minority-owned businesses*
\$328,000	\$179,000	\$490,000



Room to Grow

- Although average gross receipts for Asian-owned firms increased by 11 percent from \$296,002 in 2002 to \$327,582 in 2007, this is still well below that of non-minority-owned firms (\$490,000).
- Asian-owned firms with employees represented 26 percent of all Asian-owned firms. This is a relatively large share. However their employment averaged to 7 employees per firm with employee, compared to an average of 12 employees for non-minority-owned firms with employees.
- There are about 1.5 million businesses owned by Asian Americans across America. MBDA's goal is to help grow those in emerging industries and with the potential for size and scale, as well as encourage job creation among these firms.
- As the Asian population increases in the U.S., the success of the Asian community becomes critical for job creation.



The Future

- MBDA is committed to making sure the growth and competitiveness of the minority business community continues to be a national priority.
- MBDA is creating the foundation for the next generation of \$100 million minority-owned firms capable of employing the growing minority and U.S. population, expanding the national tax base, and securing our position as a global leader.
- In fiscal year 2010, MBDA assisted minority owned firms in accessing more than \$3.9 billion in contracts and financings, and creating about 6,400 jobs.
- To grow more minority-owned firms in size and capacity, MBDA encourages minority businesses to consider growth by mergers and acquisition, joint ventures and strategic partnerships.



Contacting MBDA Public Affairs

For more information, please contact:

✚ Email: public_affairs@mbda.gov

✚ Phone: 202.482.6272



Empowering Diversity by Creating Opportunities

- *Speaker:* Michael Chan, President of ASIAN, Inc.
- ASIAN, inc (www.asianinc.org) A non-profit technical assistance and research organization that works to strengthen the socio-economic and institutional infrastructure of the Asian American Community and other minorities in Northern California.
- The core mission of ASIAN, Inc. is the empowerment of the Asian American Community to achieve social and economic equality by reducing dependencies, and creating and expanding access to opportunities in the areas of business development, housing, and education.



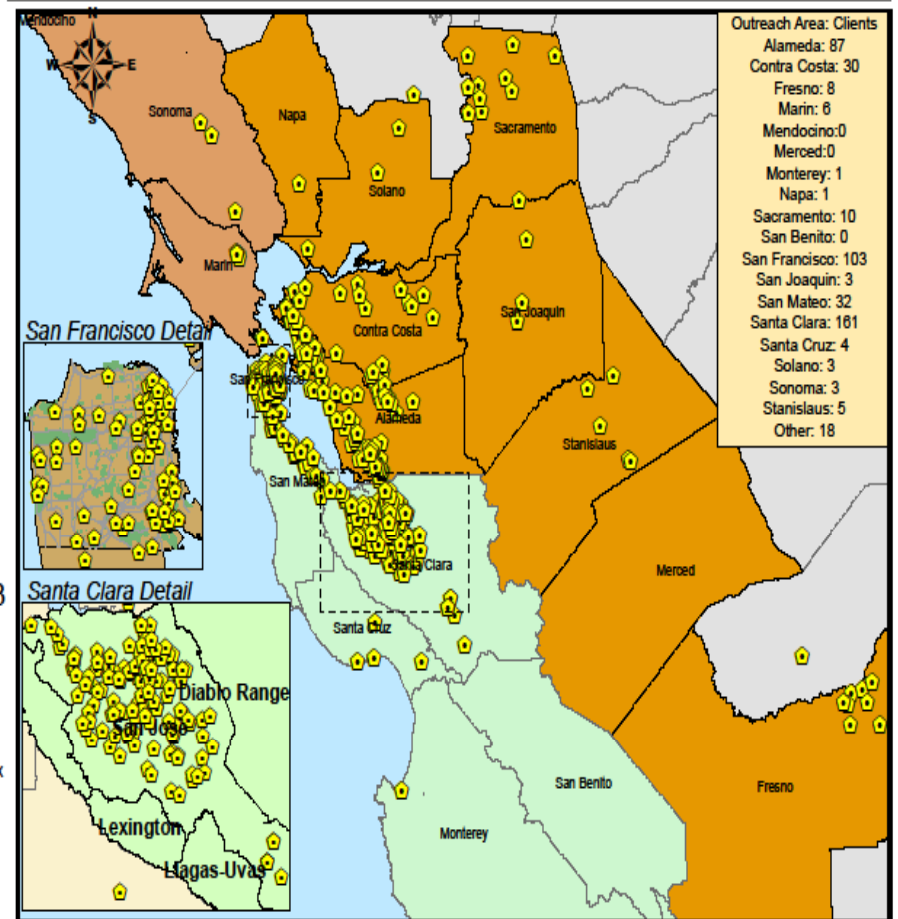
Legend

- ◆ MBEC Client
- South
- North
- East

San Francisco: 103
San Jose: 91
Total Clients: 475

Created By: Nathan Maddox
Using ArcGIS 9.3
February 23, 2011
Base Map: ESRI, sf.gov
Data: Asian Inc.
Refnm15

Northern California MBEC Clients March, 2007- December, 2010





Highlights & Initiatives

- For more than thirty-nine years, ASIAN, Inc. has been meeting the growing needs of low to moderate income (LMI) Asian Americans by leveraging public and private lender funds to meet the financing and technical asce needs of emerging small businesses
- Over 500 clients assisting in \$115 million in procurement and \$32 million in financing
- ASIAN, Inc operates the Northern California Minority Business Center
- The Minority Business Center assists minority businesses in 20 Northern California counties
- Focus on targeting minority businesses that reinvest in the creation of jobs for low and moderate income minority populations, particularly with existing and emerging high growth and high job creation impacts



- **The Economic Census Data can be used to:**
 - Identify opportunities for entrepreneurs
 - Target Marketing by socio-economic demographics, and specific geographies
 - Allow for market informed decisions for investments, and the creation of jobs for Minority Businesses
- **Between 2002 & 2007 the number of Asian Owned Firms in the U.S. increased by 40.4%**
 - 37.0% in California
- **Northern California, including San Francisco and the Silicon Valley, has a strong Asian Community and good business climate**
 - San Francisco-Oakland-Fremont MSA: Asian owned firms grew by 31% between 2002 & 2007
 - San Jose-Sunnyvale-Santa Clara MSA: Asian owned firms grew by 48% between 2002 & 2007
- **Effects of the recession on the business climate for Asian American entrepreneurs around the following issues**
 - Access to Capital
 - Contract Procurement
 - Access to New Markets

Questions?

Live Online Discussion

- Further Q/A discussion of Asian business findings
- May 3 at 11 a.m. EDT
- Visit <www.facebook.com/uscensusbureau> or <www.ustream.tv/user/uscensusbureau>.
- Submit questions via Facebook and Twitter

Key Upcoming Press Events from the U.S. Census Bureau

- May 17 Webinar on 2007 Business Ownership Data for Veteran-Owned Businesses
- June 7 Webinar Summarizing 2007 Business Ownership Data for All Ownership Groups (Company Summary)
- June 14 Webinar on 2007 Characteristics of Businesses and Characteristics of Business Owners

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