

U.S. Census Bureau Survey of Business Owners

Characteristics of Businesses and Characteristics of Business Owners: 2007

Census Bureau Economic Data
June 14, 2011

Presenters

Host	Stanley J. Rolark Chief, Public Information Office U.S. Census Bureau
Survey findings	Thomas L. Mesenbourg, Jr. Deputy Director and Chief Operating Officer U.S. Census Bureau
Data analysis	David Hinson National Director Minority Business Development Agency

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

Categories of ownership are based on the status of the person or persons who owned 51% or more of the stock or equity in the business in 2007.

Estimates for equal 50% / 50% ownership by women/men, Hispanics/non-Hispanics, minorities/nonminorities, and veterans/nonveterans are tabulated separately.

A Look at the Characteristics of Businesses: 2007

Characteristics of Businesses

Provides detailed data for all respondent firms by ownership group for twenty-two business characteristics that include:

- Whether the business was family-owned, home-based, franchised
- Types of customers and workers
- Sources and amount of financing
- Whether the business outsourced or exported
- Language(s) used for business transactions
- Use of the Internet and e-commerce
- Employer-paid benefits

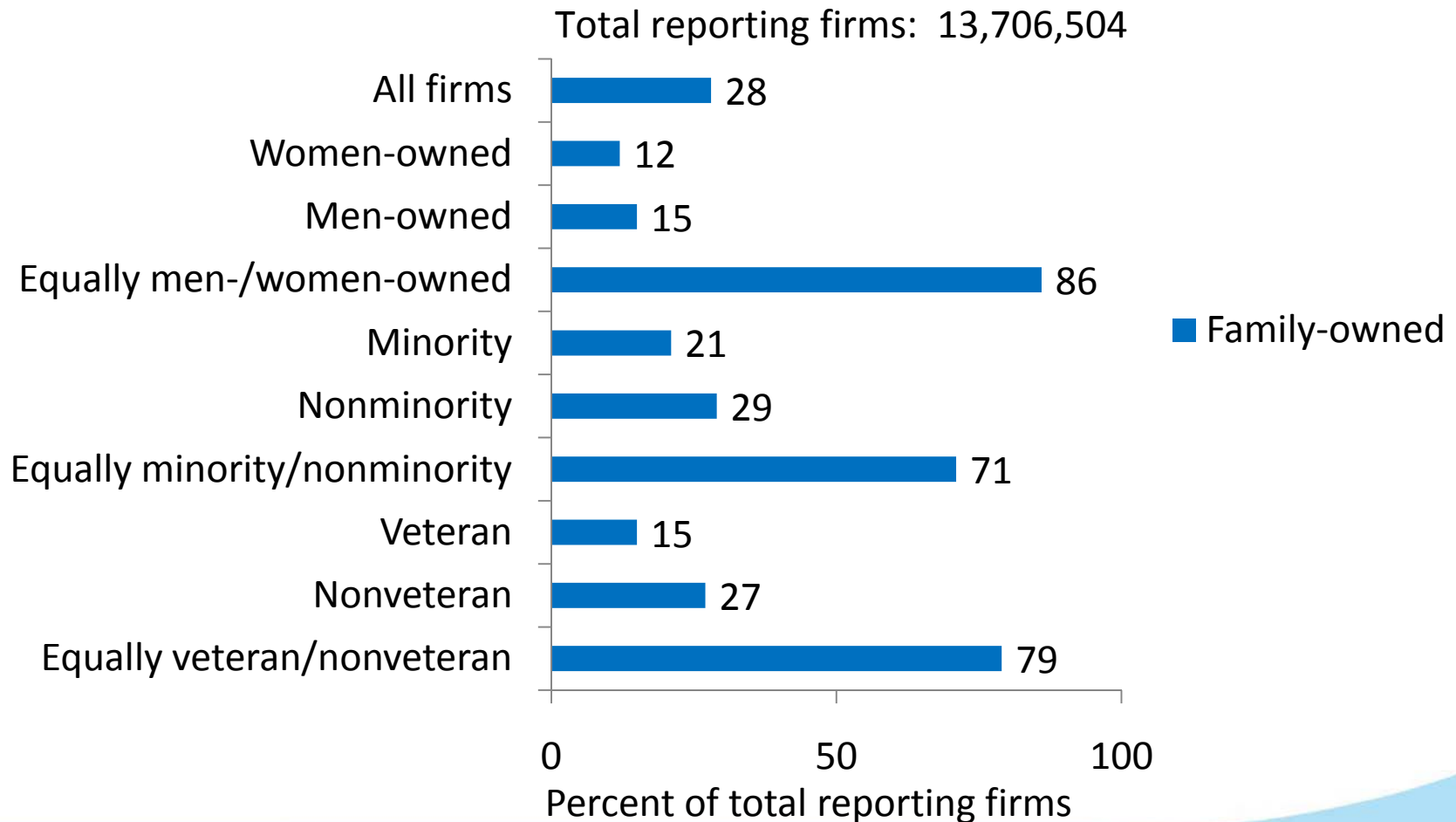
Select Business Characteristics for Respondent Firms: 2007

	% of respondent firms	% of sales and receipts for respondent firms
FAMILY-OWNED? Total reporting ¹	100	100
Family-owned	28	42
Not family-owned	72	58
HOME-BASED? Total reporting ¹	100	100
Home-based	52	3
Not home-based	48	97
FRANCHISED? Total reporting ¹	100	100
Franchised	2	3
Not franchised	98	97

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

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

Family-Owned Businesses for Select Ownership Groups: 2007



Home-Based Businesses by Percentage in Select Industries: 2007

Business sectors	% of all respondent firms	% of all respondent firms' sales and receipts in the sector
Total for all sectors	52	3
Forestry, fishing & hunting, and agricultural support services	63	28
Construction	70	14
Information	65	1
Professional, scientific, and technical services	63	8
Administrative and support and waste management and remediation services	64	8
Arts, entertainment, and recreation	64	10

Franchised Businesses by Percentage in Select Industries: 2007

Business sectors	% of all respondent firms	% of all respondent firms' sales and receipts in the sector
Total for all sectors	2	3
Retail trade	4	14
Real estate and rental and leasing	2	4
Management of companies and enterprises	10	2
Arts, entertainment, and recreation	2	4
Accommodation and food services	15	24
Repair and maintenance, and personal and laundry services	2	6

Sources of Capital Used to Start or Acquire the Business by Gender: 2007

	% of women-owned respondent firms	% of men-owned respondent firms	% of equally men-/women-owned respondent firms
Total reporting ¹	100	100	100
Personal/family savings of owner(s)	55	62	69
Personal/family assets other than savings of owner(s)	6	7	11
Personal/family home equity loan	4	5	9
Personal/business credit card(s)	11	10	13
Business loan from federal, state, or local government	< 1	1	1
Government-guaranteed business loan from a bank or financial institution	< 1	1	1
Business loan from a bank or financial institution	5	11	15
Business loan/investment from family/friends	2	3	3
Investment by venture capitalist(s)	< 1	< 1	< 1
Grants	< 1	< 1	< 1
Other source(s) of capital	1	2	2
Don't know	3	4	2
None needed	30	20	11

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

Note: Detail does not add to total because respondents could make multiple selections.

Sources of Capital Used to Start or Acquire the Business by Minority Status: 2007

	% of minority-owned respondent firms	% of nonminority-owned respondent firms	% of equally minority-/nonminority-owned respondent firms
Total reporting ¹	100	100	100
Personal/family savings of owner(s)	61	62	71
Personal/family assets other than savings of owner(s)	7	8	11
Personal/family home equity loan	6	5	10
Personal/business credit card(s)	11	10	16
Business loan from federal, state, or local government	1	1	1
Government-guaranteed business loan from a bank or financial institution	1	1	1
Business loan from a bank or financial institution	7	11	12
Business loan/investment from family/friends	3	3	3
Investment by venture capitalist(s)	< 1	< 1	< 1
Grants	< 1	< 1	< 1
Other source(s) of capital	2	2	2
Don't know	5	3	2
None needed	22	21	11

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

Note: Detail does not add to total because respondents could make multiple selections.

Total Sales of 10 Percent or More to Customer Categories: 2007

	% of respondent firms	% of sales and receipts for respondent firms
Total reporting ¹	100	100
Federal government	2	7
State and local government, including school districts, transportation authorities, etc.	5	9
Other businesses and/or organizations, including distributors of your product(s)	35	69
Individuals	73	44

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

Note: Detail does not add to total because respondents could make multiple selections.

Types of Workers Used: 2007

	% of employer respondent firms	% of sales and receipts for employer respondent firms
Total reporting ¹	100	100
Full-time paid employees	75	98
Part-time paid employees	58	85
Paid day laborers	5	13
Temporary staffing obtained from a temporary help service	7	67
Leased employees from a leasing service or professional employer organization	1	21
Contractors, subcontractors, independent contractors or outside consultant	36	76

¹ Includes firms with any payroll during 2007.

Note: Detail does not add to total because respondents could make multiple selections.

Select Business Characteristics for Respondent Firms: 2007

		% of respondent firms	% of sales and receipts for respondent firms
WEBSITE?	Total reporting ¹	100	100
	Had a business website	25	85
	No business website	75	15
E-COMMERCE?	Total reporting ¹	100	100
	Had e-commerce sales	7	35
	No e-commerce sales	93	65
PURCHASED ONLINE?	Total reporting ¹	100	100
	Made purchases online	38	65
	No online purchases	62	35
EXPORTED?	Total reporting ¹	100	100
	Had export sales outside the United States	8	47
	No export sales	92	53

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

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

A Look at the Characteristics of Business Owners: 2007

Characteristics of Business Owners

Provides detailed data for all owners of respondent firms by ownership group for nine owner characteristics that include:

- Owner's age, education, hours worked, and primary function in the business
- Year and how the business was acquired
- Whether the owner was born in the U.S.
- Whether the business provided the primary source of personal income
- For veterans, whether the owner was military service-disabled

Owner's Age by Ethnicity: 2007

	% of all owners of respondent firms	% of Hispanic owners of respondent firms	% of non-Hispanic owners of respondent firms
Total reporting ¹	100	100	100
Under 25 years old	2	3	2
25 to 34 years old	10	16	10
35 to 44 years old	21	29	21
45 to 54 years old	30	29	30
55 to 64 years old	24	16	25
65 years or over	12	6	13

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

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

Owner's Place of Birth: 2007

	% of all owners of respondent firms	% of minority owners of respondent firms	% of nonminority owners of respondent firms
Total reporting ¹	100	100	100
Born in the United States	86	44	94
Not born in the United States	14	56	6

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

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

Owner's Highest Level of Schooling Attained Prior to Acquiring the Business by Gender: 2007

	% of all owners of respondent firms	% of women owners of respondent firms	% of men owners of respondent firms
Total reporting ¹	100	100	100
Less than high school	5	4	6
High school graduate – diploma or GED	21	21	20
Technical, trade, or vocational school	6	7	6
Some college, no degree	17	18	16
Associate degree	6	7	5
Bachelor's degree	26	26	27
Master's, doctorate, or professional degree	19	16	20

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

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

Owner's Highest Level of Schooling Attained Prior to Acquiring the Business by Minority Status: 2007

	% of all owners of respondent firms	% of minority owners of respondent firms	% of nonminority owners of respondent firms
Total reporting ¹	100	100	100
Less than high school	5	12	4
High school graduate – diploma or GED	21	20	21
Technical, trade, or vocational school	6	6	6
Some college, no degree	17	16	17
Associate degree	6	6	6
Bachelor's degree	26	22	27
Master's, doctorate, or professional degree	19	18	19

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

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

Owner's Average Number of Hours Per Week Spent Managing or Working in the Business: 2007

	% of all owners of respondent firms	% of women owners of respondent firms	% of men owners of respondent firms
Total reporting ¹	100	100	100
None	11	14	9
Less than 20 hours	30	36	27
20 to 39 hours	16	20	14
40 hours	12	10	13
41 to 59 hours	19	13	23
60 hours or more	12	7	14

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

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

Owner's Primary Function in the Business: 2007

	% of all owners of respondent firms	% of women owners of respondent firms	% of men owners of respondent firms
Total reporting ¹	100	100	100
Providing services and/or producing sales	61	57	62
Managing day-to-day operations	47	41	50
Financial control with the authority to sign loans, leases, and contracts	40	36	42
None of the above	15	20	12

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

Note: Detail does not add to total because respondents could make multiple selections.

Whether the Business Provided the Owner's Primary Source of Personal Income: 2007

	% of all owners of respondent firms	% of women owners of respondent firms	% of men owners of respondent firms
Total reporting ¹	100	100	100
Business was the owner's primary source of personal income	50	45	54
Business was not the owner's primary source of personal income	50	55	46

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

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

Whether the Owner Previously Owned a Business or Had Been Self-Employed: 2007

	% of all owners of respondent firms	% of veteran owners of respondent firms	% of nonveteran owners of respondent firms
Total reporting ¹	100	100	100
Previously owned another business or was self-employed	37	44	36
Did not previously own another business or was not self-employed	63	56	64

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

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

Owner's Service-Disabled Veteran Status: 2007

	% of all veteran owners of respondent firms	% of veteran women owners of respondent firms	% of veteran men owners of respondent firms
Total reporting ¹	100	100	100
Service-disabled veteran	8	15	8
Not a service-disabled veteran	92	85	92

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

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

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**



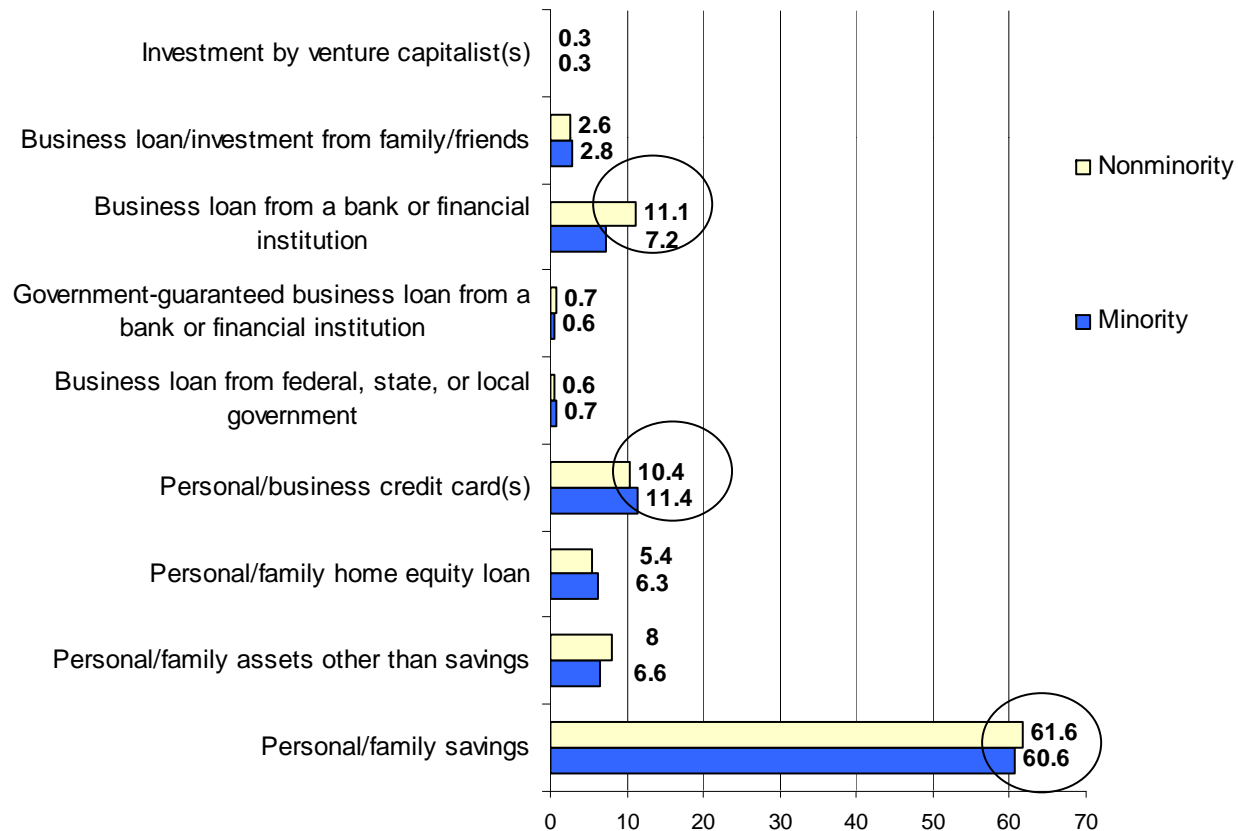
***Characteristics of Minority-Owned
Businesses: Capital Usage and
Export Activity***

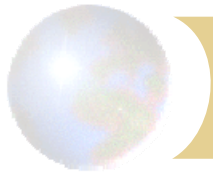
David Hinson, National Director



MBEs Less Likely to Use Loans to Start/Acquire Firm

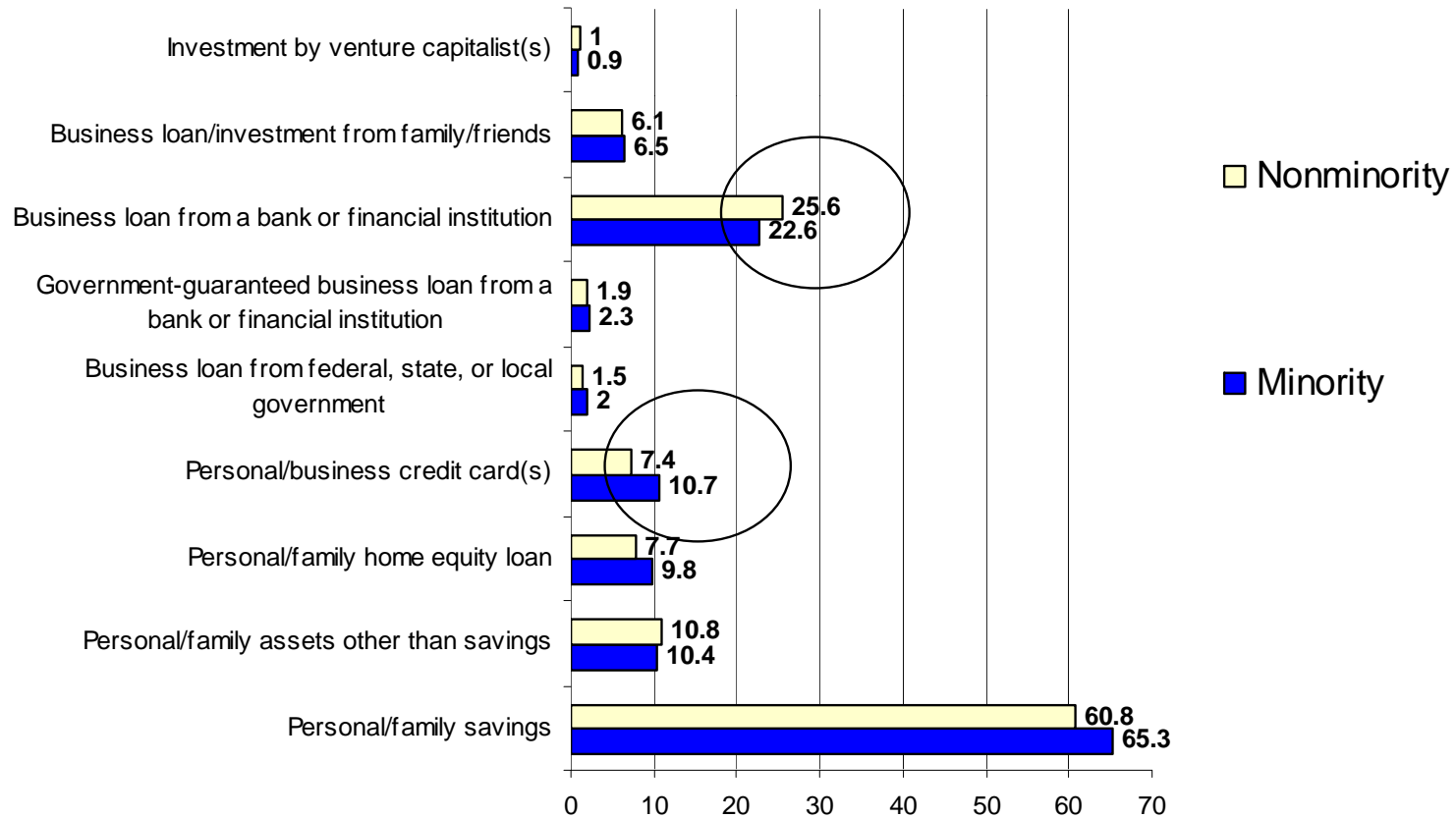
**Sources of Capital to Start/Acquire Business
(Percent of Respondent Firms)**





Larger MBEs Less Likely to Use Loans to Start/Acquire Firm

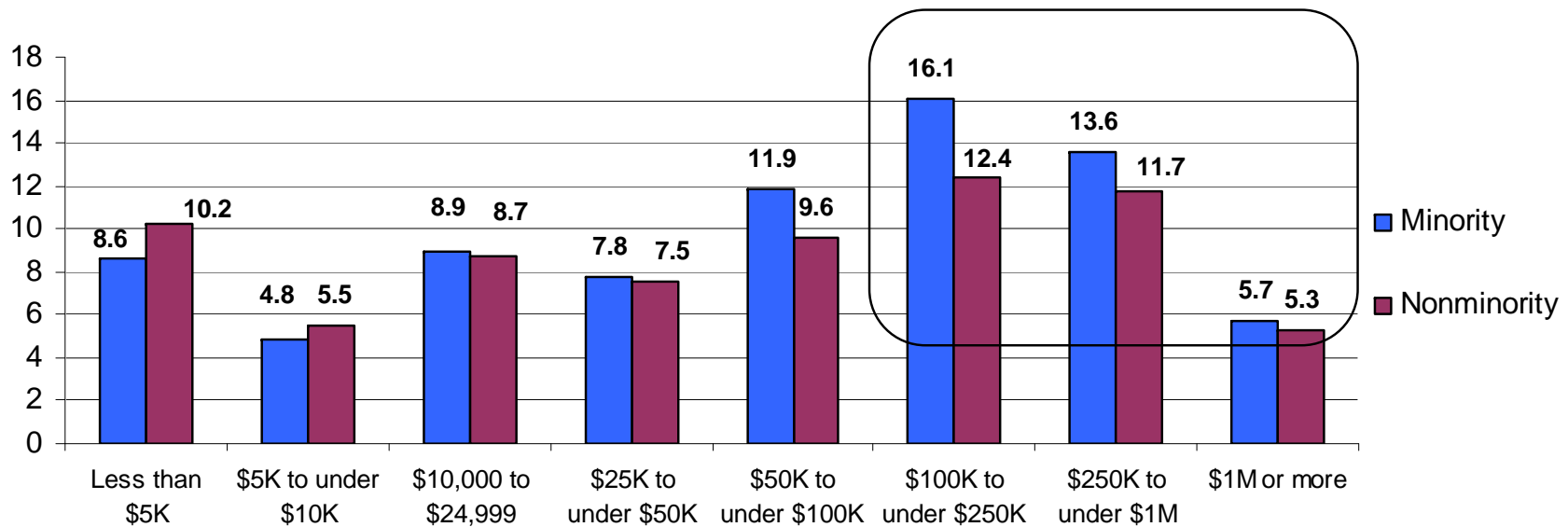
**Capital Source to Start/Acquire Firm
(Percent Respondent \$1 Million Plus Firms)**

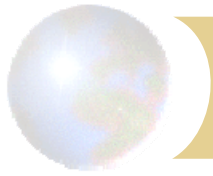




Large MBEs Need More Capital to Start/Acquire Business

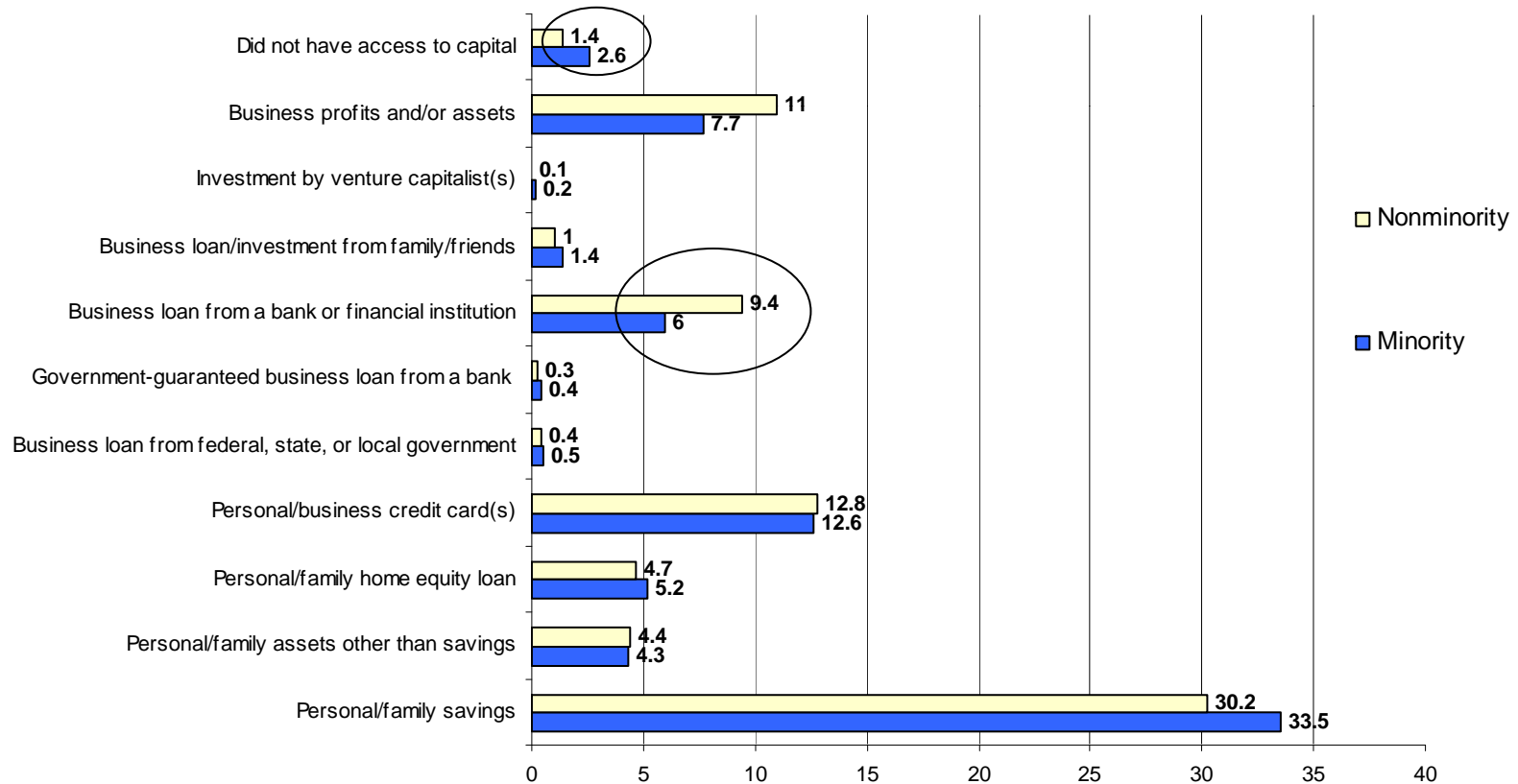
**Capital Amount to Start/Acquire Firm
(Percent of Respondent Firms - \$1 Million Plus)**

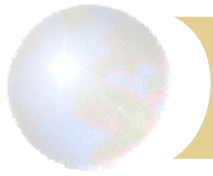




MBEs Less Likely to Have Capital Access & Use Loans for Business Expansion

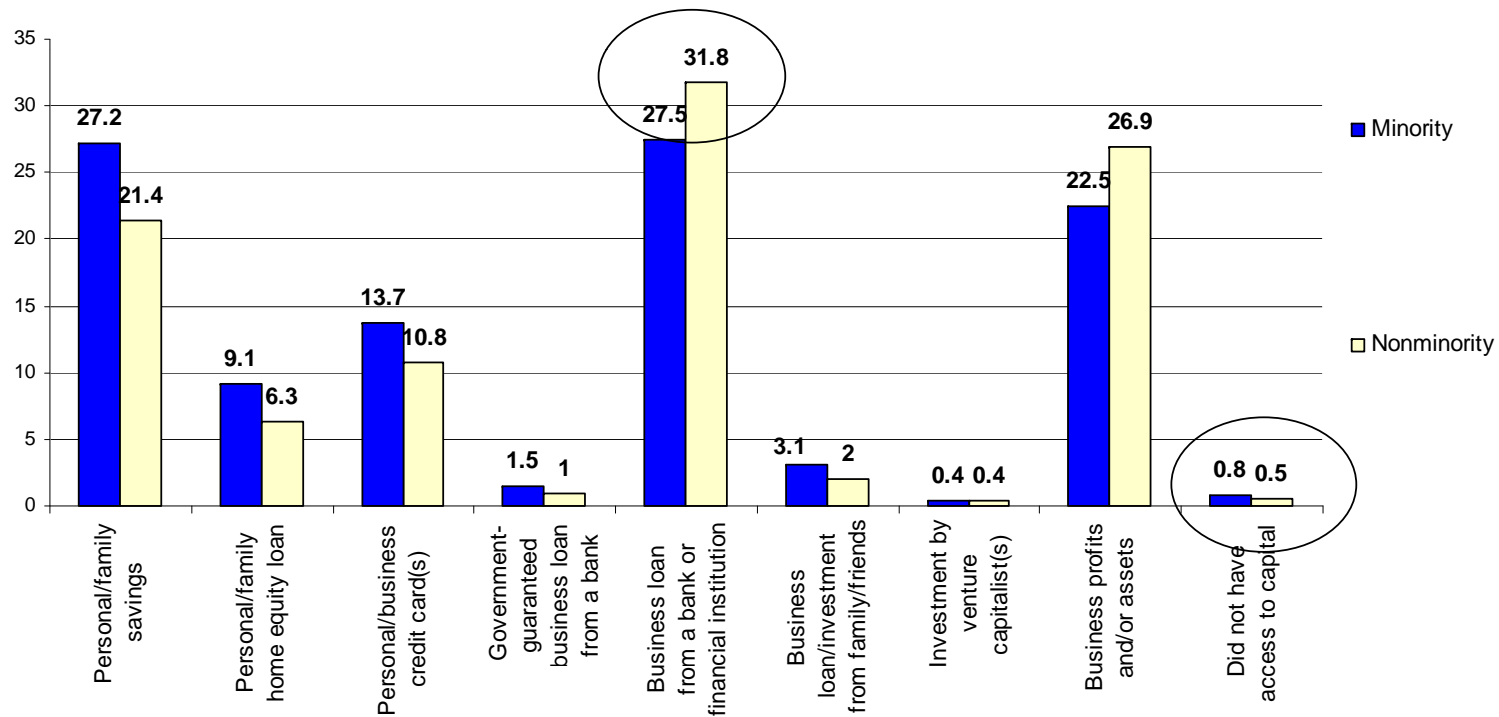
Capital Source for Expansion/Capital Improvements
(Percent of Respondent Firms)

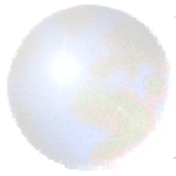




Larger MBEs Less Likely to Have Capital Access, & Use Loans for Business Expansion

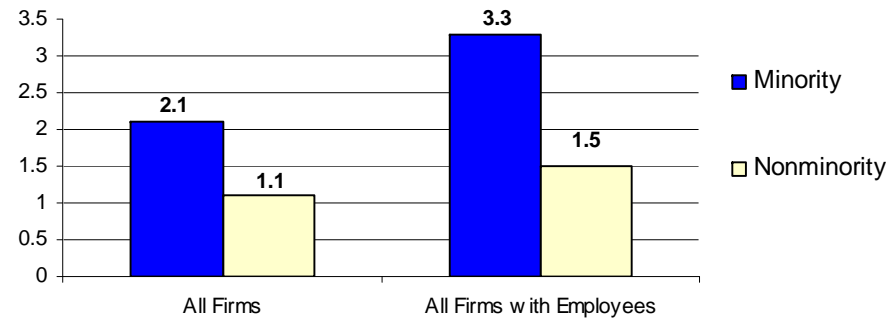
**Capital Source for Expansion/Improvements
(Percent of Respondent \$1 Million Plus Firms)**



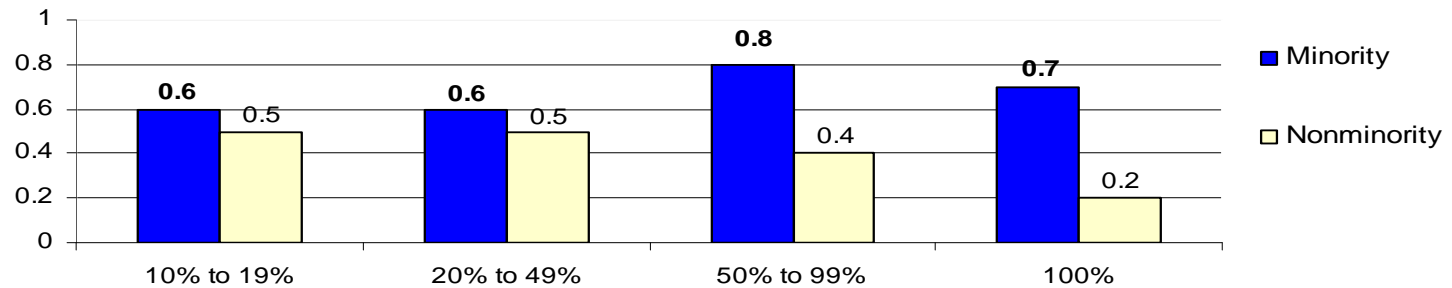


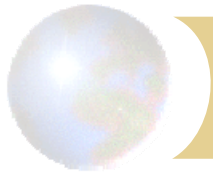
MBEs More Likely to Export

**Firms w/ 20 Percent or More of Sales in Exports
(Percent of Respondent Firms)**



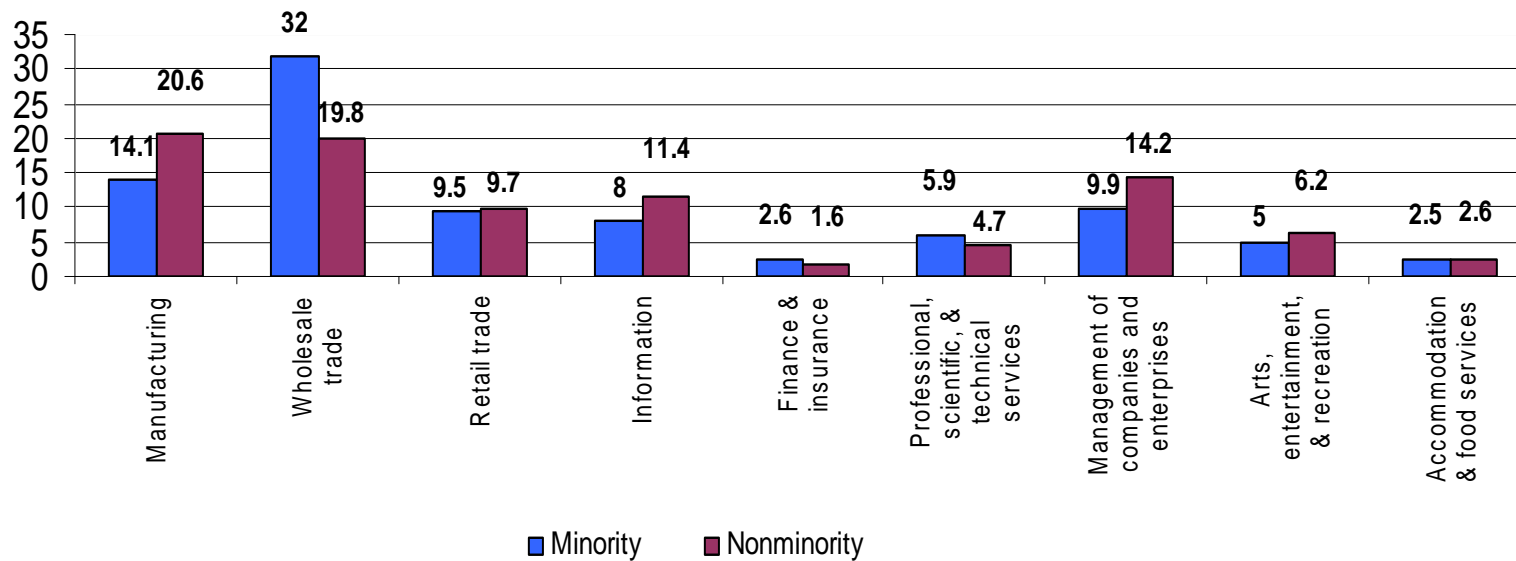
**Export Sales as a Percent of Total Sales
(Percent of Respondent Firms)**

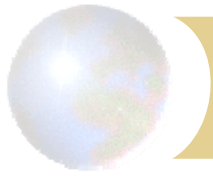




MBEs in Wholesale Trade Sector Lead Export Sales

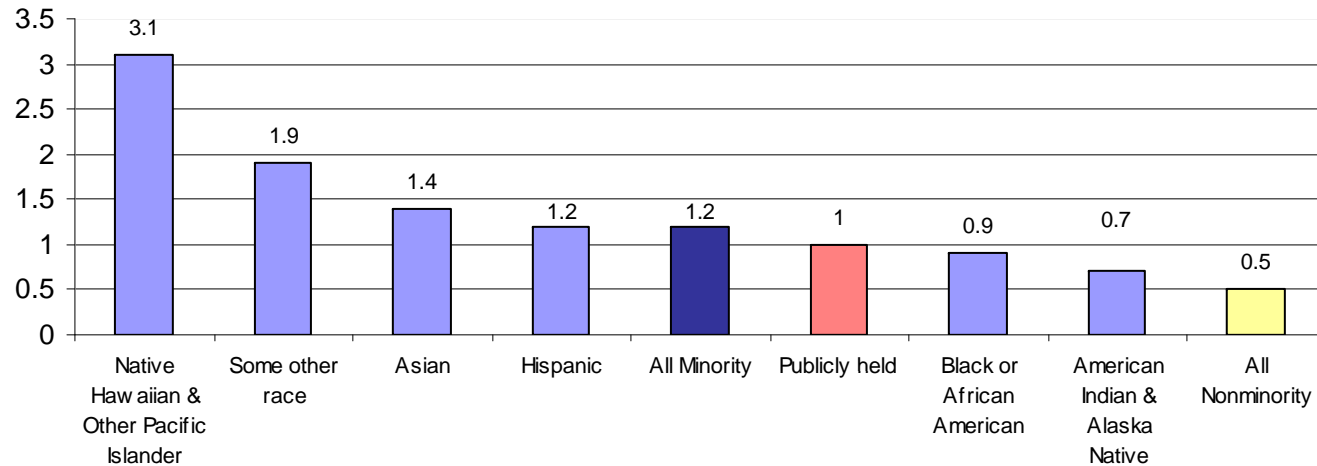
**Exporter Firms by Selected Industry Sectors
(Percent of Respondent Firms)**





MBEs Are Twice as Likely to Have Global Operations

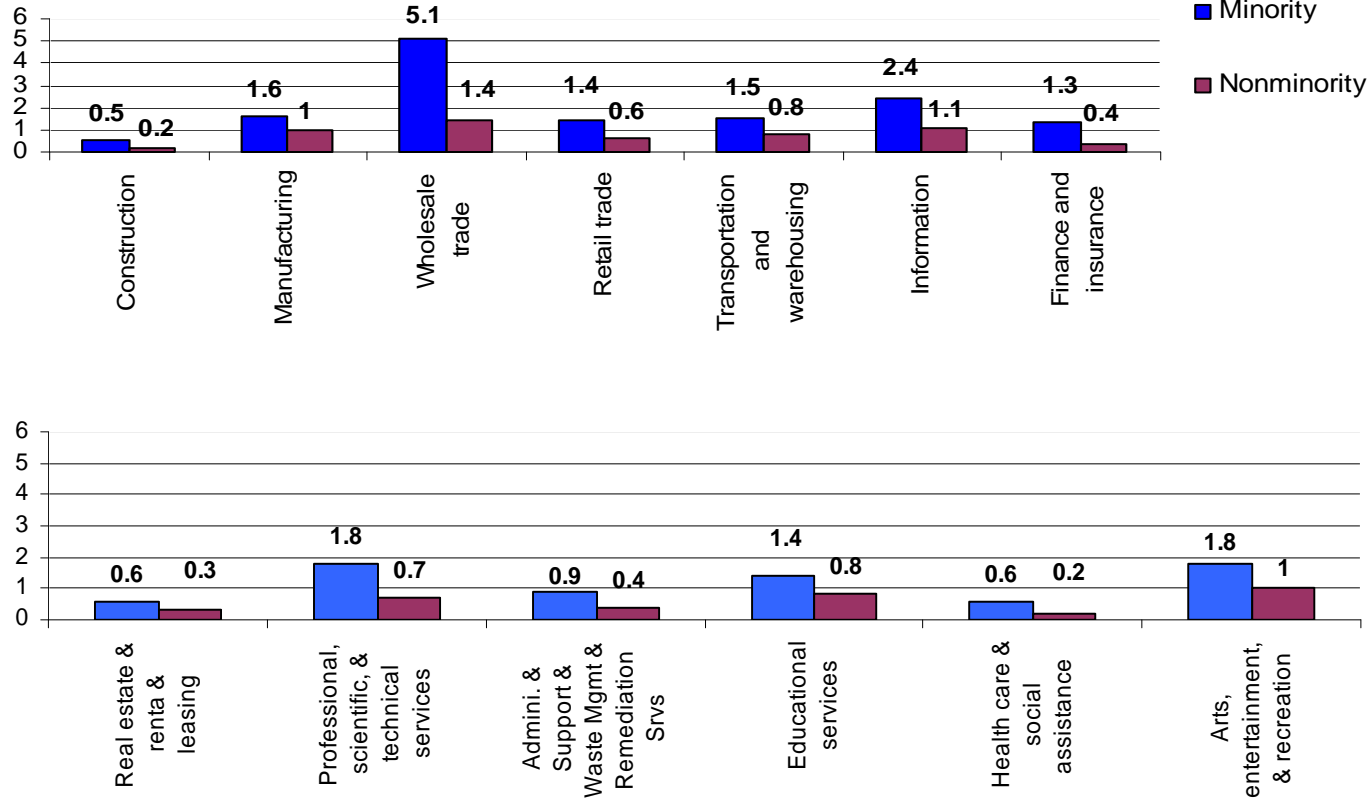
**Established Operations Outside the U.S.
(Percent of Firms)**





MBEs More Likely to Have Global Operations

**Industry Sectors w/ Global Operations
(Percent of Respondent Firms)**





Contacting MBDA Public Affairs

For more information, please contact:

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Questions?

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

- June 30 Webinar on 2009 County Business
Patterns Data

Contact Information

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