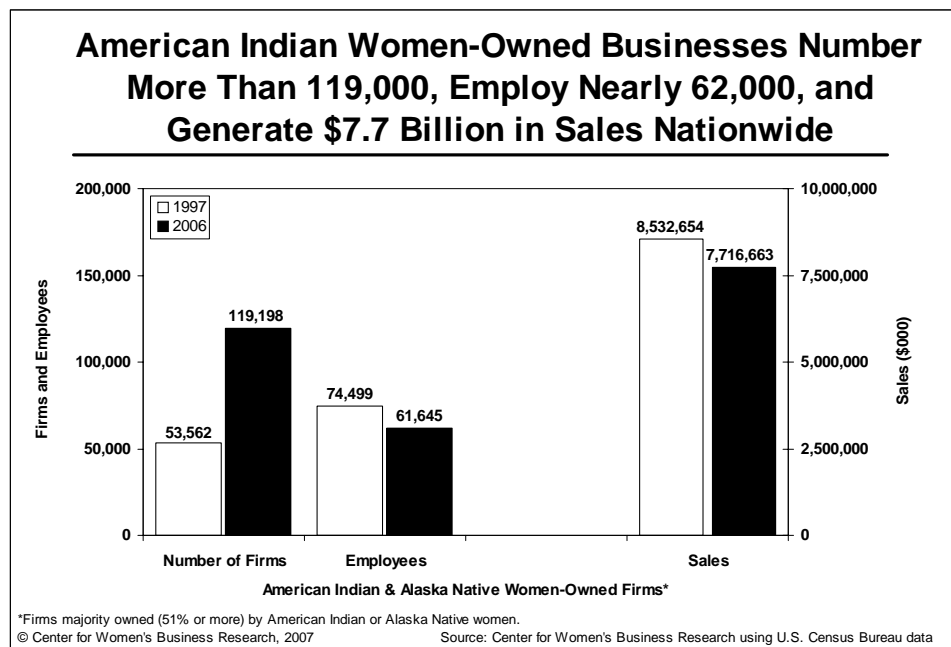




BUSINESSES OWNED BY AMERICAN INDIAN AND ALASKA NATIVE WOMEN IN THE UNITED STATES, 2006: A Fact Sheet

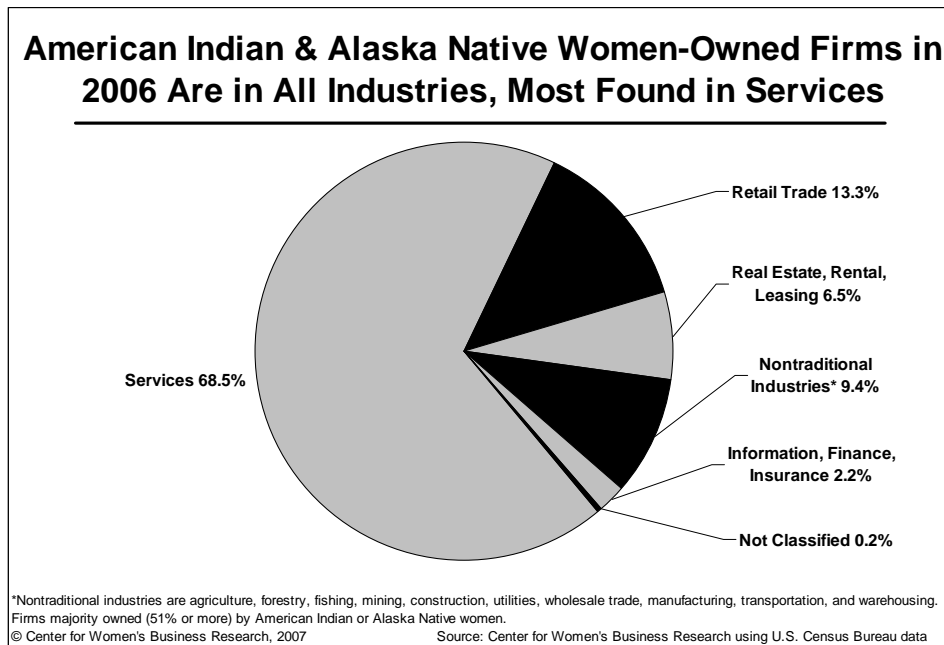
In this fact sheet, the Center for Women's Business Research presents the most up-to-date information currently available on privately-held¹ businesses owned by American Indian/Alaska Native women in the United States. Analyzing data provided by the U.S. Census Bureau, the Center projects the following statistical portrait of privately-held businesses owned by American Indian/Alaska Native women in 2006.

- As of 2006 there are an estimated 125,675 firms 50% or more owned by American Indian/Alaska Native women in the U.S., employing 67,210 people and generating \$8.4 billion in sales.
- There are an estimated 119,198 firms majority owned (51% or more) by American Indian/Alaska Native women in the U.S., employing 61,645 people and generating \$7.7 billion in sales.
- Between 1997 and 2006, the number of firms majority owned by American Indian/Alaska Native women increased by 122.5 percent; the number of employees decreased 17.3 percent; and sales decreased 9.6 percent.



¹ Privately-held firms include firms with and without paid employees. These exclude publicly-held, foreign-owned and nonprofit businesses.

- Six percent (5.7%) of firms majority owned (51% or more) by women of color are majority owned by American Indian/Alaska Native women. Firms majority owned by American Indian/Alaska Native women now represent 1.5 percent of all majority women-owned firms in the U.S.
- Two in five (43.0%) of all American Indian/Alaska Native majority-owned firms are majority-owned by women. American Indian/Alaska Native majority women-owned firms employ 31.2 percent of the workers in American Indian/Alaska Native majority-owned firms and generate 25.8 percent of the sales.
- Sixty-nine percent (68.5%) of American Indian/Alaska Native majority women-owned firms (51% or more) are in the service sector; 13.3 percent are in retail trade; and 9.4 percent are in nontraditional industries.
- The greatest growth by industry in the number of American Indian/Alaska Native majority women-owned (51% or more) firms from 1997 to 2006 was in real estate and rental and leasing (852.2%). There was also substantial growth in services (627.5%); and retail trade (246.5%).



Firms Majority Owned by American Indian/Alaska Native Women in the U.S., 2006

	American Indian/Alaska Native-Owned Firms		American Indian/Alaska Native Women-Owned Firms	
	Women-Owned Firms	Men-Owned Firms	% Change 1997-2006	% Share of All American Indian/Alaska Native Owned Firms
Total U.S.				
Number of Firms	119,198	160,441	122.5	43.0
Employment	61,645	139,950	-17.3	31.2
Sales (\$000)	7,716,663	20,476,507	-9.6	25.8

Ownership refers to majority (51% or more) ownership.

Source: Center for Women's Business Research using U.S. Census Bureau data.

Firms Majority Owned by American Indian Women by Industry: 1997–2006			
	1997	2006	% Change 1997–2006
Total U.S.			
Number of Firms	53,562	119,198	122.5
Employment	74,499	61,645	-17.3
Sales (\$000)	8,532,654	7,716,663	-9.6
Industry			
Agriculture, Forestry, Fishing			
Number of Firms	1,016	178	-82.5
Employment	318	1,095	244.6
Sales (\$000)	48,128	-	-
Mining			
Number of Firms	153	414	170.1
Employment	1,429	-	-
Sales (\$000)	107,532	-	-
Utilities			
Number of Firms	187	151	-19.5
Employment	459	-	-
Sales (\$000)	58,869	-	-
Construction			
Number of Firms	2,680	4,577	70.8
Employment	7,453	2,929	-60.7
Sales (\$000)	1,322,793	921,305	-30.4
Manufacturing			
Number of Firms	2,687	1,440	-46.4
Employment	4,760	2,941	-38.2
Sales (\$000)	617,228	736,210	19.3
Wholesale Trade			
Number of Firms	1,093	2,683	145.5
Employment	1,233	2,163	75.4
Sales (\$000)	399,434	582,532	45.8
Retail Trade			
Number of Firms	4,568	15,826	246.5
Employment	6,932	2,639	-61.9
Sales (\$000)	791,841	1,268,829	60.2
Transportation and Warehousing			
Number of Firms	922	1,714	85.9
Employment	1,842	-	-
Sales (\$000)	212,084	110,789	-47.8

Firms Majority Owned by American Indian Women by Industry: 1997–2006 (cont.)			
	1997	2006	% Change 1997–2006
Information			
Number of Firms	924	628	-32.0
Employment	1,304	2,106	61.4
Sales (\$000)	113,281	200,954	77.4
Finance and Insurance			
Number of Firms	991	1,949	96.8
Employment	688	2,599	277.7
Sales (\$000)	160,127	226,176	41.2
Real Estate, Rental, Leasing			
Number of Firms	813	7,745	852.2
Employment	955	493	-48.4
Sales (\$000)	91,276	536,888	488.2
Professional, Scientific, Technical Services			
Number of Firms	2,201	12,908	486.5
Employment	2,739	4,558	66.4
Sales (\$000)	212,187	786,292	270.6
Management of Companies and Enterprises			
Number of Firms	22	68	205.8
Employment	14	303	2063.6
Sales (\$000)	3,621	19,636	442.3
Administrative, Support, Waste Mgmt, Remediation Services			
Number of Firms	1,700	11,139	555.1
Employment	2,317	12,976	460.0
Sales (\$000)	212,366	604,231	184.5
Educational Services			
Number of Firms	798	2,720	240.7
Employment	1,009	542	-46.3
Sales (\$000)	74,526	37,917	-49.1
Health Care and Social Assistance Services			
Number of Firms	1,642	29,144	1674.7
Employment	2,091	11,826	465.4
Sales (\$000)	156,239	794,258	408.4

Firms Majority Owned by American Indian Women by Industry: 1997–2006 (cont.)			
	1997	2006	% Change 1997–2006
Arts, Entertainment, Recreation Services			
Number of Firms	1,561	5,519	253.5
Employment	1,987	-	-
Sales (\$000)	150,891	20,382	-86.5
Accommodation, Food Services			
Number of Firms	676	2,504	270.3
Employment	980	13,476	1275.7
Sales (\$000)	90,752	469,142	417.0
Other Services			
Number of Firms	2,625	17,675	573.3
Employment	3,265	926	-71.6
Sales (\$000)	249,445	393,964	57.9
Industries Not Classified			
Number of Firms	26,302	218	-99.2
Employment	32,724	73	-99.8
Sales (\$000)	3,460,033	7,158	-99.8

Ownership refers to majority (51% or more) ownership.

Source: Center for Women's Business Research using U.S. Census Bureau data.



METHODS & LIMITATIONS

The Center for Women's Business Research's projections for women-owned firms in 2006 are based on data from the U.S. Census Bureau's Economic Census from the years 1997 and 2002, the latter of which was made available in 2006.

Equally-Owned Firms

The data on equally women- and men-owned firms (equally-owned firms) were collected differently by the Census in 1997 than in 2002, which seems to have caused firms that had been classified as equally-owned in 1997 to become classified as either women- or men-owned in 2002. Since the data were collected differently, it is unclear whether the decline in equally-owned firms reflects an actual trend, or if firms had been categorized differently from one point to the next. Because of this ambiguity, the Center assumed no change in the category, using 2002 numbers for equally-owned firms as a proxy for 2006 projections.

Projecting by Industry

Fine-tuning the methodology in 2006 to coincide with significant changes in industry classification, the Center projected numbers separately for each industry. In 1997, the Census reported industry data on women-owned firms using Standard Industrial Classification (SIC) codes. In 2002, the Census changed its format to the North American Industry Classification System (NAICS). There was a widespread redistribution of industries from one system to the next so, before projections could be made, it was necessary to redistribute firms in the 1997 Economic Census into NAICS. This was done by dividing each two-digit SIC code according to its distribution of corresponding six-digit NAICS codes. For example, if there were three NAICS codes for "construction" and two NAICS codes for "administrative services" within the SIC code for "construction," 60 percent of the 1997 SIC "construction" firms would continue to be identified as NAICS "construction" firms, but 40 percent would be identified as NAICS "administrative services" firms. A major assumption in this method is that firms that correspond to each SIC code are distributed equally among the NAICS codes. The amount of error due to this assumption is unknown, but it is a limitation in the methodology.

Imputing Missing Data

There were a number of instances of missing data in the Economic Census reports. Where a range was given, the midpoint of the range was used in projections. Otherwise, data were imputed by applying the industry distribution of firms, sales, employees, or employer firms of all races to the segment that was unaccounted for in the race total. If the sum of the known industries was greater than the published total for the race, the minimum value of one was imputed.

Industries Not Classified

There was a drop in the number of firms in "industries not classified" from 1997 to 2002, which was a category that could not be redistributed from SIC to NAICS using the method described above. Theoretically, a considerable number of the missing firms from 1997 were classified into NAICS industries in 2002, meaning that the drop in industry-unclassified firms was not an actual loss of firms. This presented a difficulty in establishing a growth rate for industries not classified. The 2006 projections were made by identifying the percent growth for all industry-classified firms from 2002 to 2006, and applying the same percentage growth to industries not classified.

Adjustment for Inflation

All dollars were adjusted for inflation so that all dollar values reflect the USD value as of May 2006. This made a considerable change to the sales published for 1997. Inflation was not taken into account in previous updates to the Center's Census projections.

Methodology

After redistributing 1997 firms, employees, employer firms, and sales into NAICS-based industries as described above, linear projections were made for each industry using 1997 and 2002 data points to establish growth rates (slope) and extend the growth to 2006. If the 2006 point was negative, the projection was determined to be 0. The overall number, employees, employer firms, and sales of the firms were determined by the sum of the industry projections. The overall number of firms, employees, employer firms, and sales of 50% or more women-owned firms were determined by the sum of the projections for 51% or more women owned firms, and the data for

equally-owned firms in 2002. This method assumes that growth among women-owned firms was linear from 1997 to 2002, and through 2006. The error due to this assumption is unknown, and it is a limitation in the methodology.

Racial/Ethnic Categories

For 2002, the Census Bureau made Hispanic/Latino origin a separate category and firms were identified as either Hispanic or non-Hispanic, independent of race. The racial categories were White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander. In 1997 the Asian and Pacific Islander categories were combined, but Census later released separate 1997 data for each category. In 1997 Census published overall "Minority" numbers which the Center used to establish overall minority projections, but these numbers were not published in 2002. Consequently, overall minority estimates are simply the sum of all racial/ethnic minority categories. Given that firms are known to be classified in multiple categories, the overall minority projections are artificially high. Data are taken primarily from *Company Summary 1997* and *Company Summary 2002*.