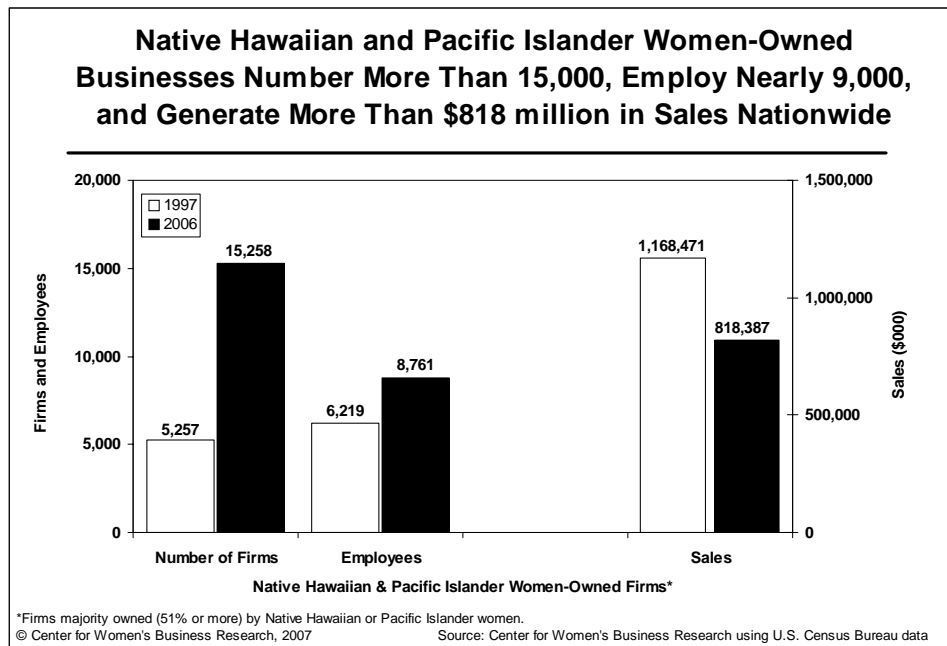




## **BUSINESSES OWNED BY NATIVE HAWAIIAN AND PACIFIC ISLANDER WOMEN IN THE UNITED STATES, 2006: A Fact Sheet**

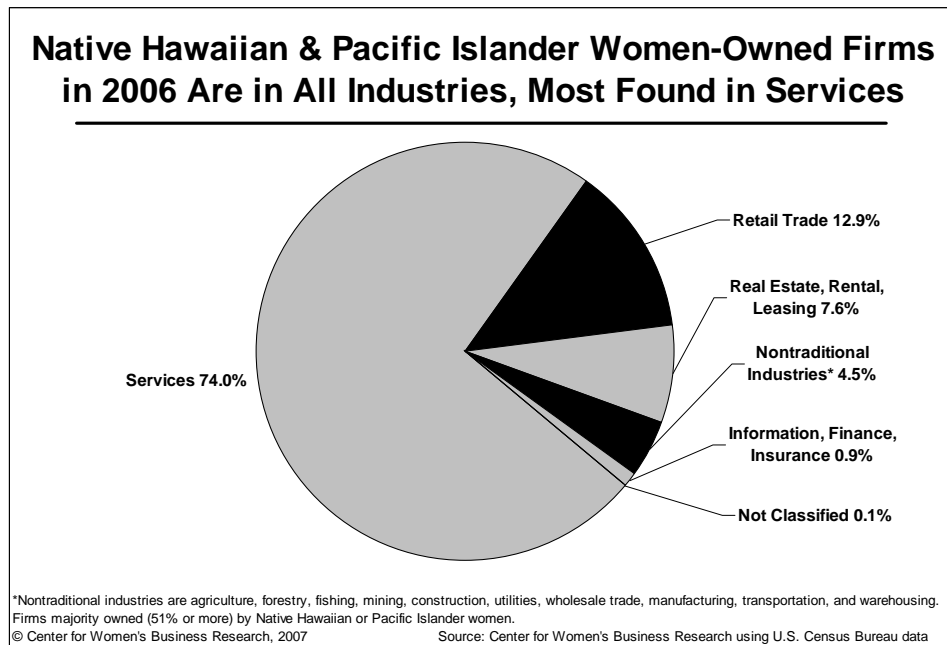
In this fact sheet, the Center for Women's Business Research presents the most up-to-date information currently available on privately-held<sup>1</sup> businesses owned by Native Hawaiian/Pacific Islander women in the United States. Analyzing data provided by the U.S. Census Bureau, the Center projects the following statistical portrait of privately-held businesses owned by Native Hawaiian/Pacific Islander women in 2006.

- As of 2006 there are an estimated 17,446 firms 50% or more owned by Native Hawaiian/Pacific Islander women in the U.S., employing 10,264 people and generating \$1.1 billion in sales.
- There are an estimated 15,258 firms majority owned (51% or more) by Native Hawaiian/Pacific Islander women in the U.S., employing 8,761 people and generating over \$818 million in sales.
- Between 1997 and 2006, the number of firms majority owned by Native Hawaiian/Pacific Islander women increased by 190.2 percent; the number of employees increased 40.9 percent; and sales decreased 30.0 percent.



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

- Less than one percent (0.7%) of firms majority owned (51% or more) by women of color are majority owned by Native Hawaiian/Pacific Islander women. Firms majority owned by Native Hawaiian/Pacific Islander women now represent 0.2 percent of all majority women-owned firms in the U.S.
- Two in five (38.4%) of all Native Hawaiian/Pacific Islander majority-owned firms are majority-owned by women. Native Hawaiian/Pacific Islander majority women-owned firms employ 29.0 percent of the workers in Native Hawaiian/Pacific Islander majority-owned firms and generate 14.6 percent of the sales.
- Seventy-four percent (74.0%) of Native Hawaiian/Pacific Islander majority women-owned (51% or more) firms are in the service sector; 12.9 percent are in retail trade; and 7.6 percent are in real estate and rental and leasing.
- The greatest growth by industry in the number of Native Hawaiian/Pacific Islander majority women-owned (51% or more) firms from 1997 to 2006 was in real estate and rental and leasing (473.9%). There was also substantial growth in services (386.3%); and retail trade (211.1%).



**Firms Majority Owned by Native Hawaiian/Pacific Islander Women in the U.S., 2006**

	Native Hawaiian/Pacific Islander-Owned Firms		Native Hawaiian/Pacific Islander Women-Owned Firms	
	Women-Owned Firms	Men-Owned Firms	% Change 1997-2006	% Share of All Native Hawaiian/Pacific Islander Owned Firms
<b>Total U.S.</b>				
Number of Firms	15,258	22,657	190.2	38.4
Employment	8,761	22,275	40.9	29.0
Sales (\$000)	818,387	4,054,397	-30.0	14.6

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

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

<b>Firms Majority Owned by Pacific Islander Women by Industry: 1997–2006</b>			
	<b>1997</b>	<b>2006</b>	<b>% Change 1997–2006</b>
<b>Total U.S.</b>			
Number of Firms	5,257	15,258	190.2
Employment	6,219	8,761	40.9
Sales (\$000)	1,168,471	818,387	-30.0
<b>Industry</b>			
<b>Agriculture, Forestry, Fishing</b>			
Number of Firms	89	42	-52.7
Employment	63	-	-
Sales (\$000)	15,945	-	-
<b>Mining</b>			
Number of Firms	1	183	-
Employment	4	14	264.0
Sales (\$000)	479	5,659	1081.9
<b>Utilities</b>			
Number of Firms	31	-	-
Employment	30	-	-
Sales (\$000)	1,312	389	-70.3
<b>Construction</b>			
Number of Firms	226	309	36.6
Employment	535	-	-
Sales (\$000)	70,989	184,923	160.5
<b>Manufacturing</b>			
Number of Firms	295	4	-98.6
Employment	881	-	-
Sales (\$000)	115,944	87,229	-24.8
<b>Wholesale Trade</b>			
Number of Firms	238	36	-84.8
Employment	293	440	49.9
Sales (\$000)	383,262	-	-
<b>Retail Trade</b>			
Number of Firms	633	1,970	211.1
Employment	1,242	274	-78.0
Sales (\$000)	284,302	12,520	-95.6
<b>Transportation and Warehousing</b>			
Number of Firms	170	106	-37.6
Employment	173	3,011	1644.6
Sales (\$000)	9,368	35,802	282.2

<b>Firms Majority Owned by Pacific Islander Women by Industry: 1997–2006 (cont.)</b>			
	<b>1997</b>	<b>2006</b>	<b>% Change 1997–2006</b>
<b>Information</b>			
Number of Firms	189	83	-56.4
Employment	210	146	-30.2
Sales (\$000)	14,212	31,297	120.2
<b>Finance and Insurance</b>			
Number of Firms	379	60	-84.2
Employment	26	86	225.4
Sales (\$000)	35,902	23,120	-35.6
<b>Real Estate, Rental, Leasing</b>			
Number of Firms	202	1,160	473.9
Employment	150	461	206.8
Sales (\$000)	15,449	90,543	486.1
<b>Professional, Scientific, Technical Services</b>			
Number of Firms	447	1,094	144.9
Employment	468	300	-36.0
Sales (\$000)	35,162	68,664	95.3
<b>Management of Companies and Enterprises</b>			
Number of Firms	9	-	-
Employment	0	17	-
Sales (\$000)	813	2,647	225.7
<b>Administrative, Support, Waste Mgmt, Remediation Services</b>			
Number of Firms	337	1,820	440.6
Employment	364	528	45.1
Sales (\$000)	25,780	82,900	221.6
<b>Educational Services</b>			
Number of Firms	171	160	-6.3
Employment	182	-	-
Sales (\$000)	12,024	4,654	-61.3
<b>Health Care and Social Assistance Services</b>			
Number of Firms	351	4,628	1218.6
Employment	374	2850	662.1
Sales (\$000)	24,622	92,823	277.0

<b>Firms Majority Owned by Pacific Islander Women by Industry: 1997–2006 (cont.)</b>			
	<b>1997</b>	<b>2006</b>	<b>% Change 1997–2006</b>
<b>Arts, Entertainment, Recreation Services</b>			
Number of Firms	332	467	40.5
Employment	356	30	-91.6
Sales (\$000)	24,750	4,335	-82.5
<b>Accommodation, Food Services</b>			
Number of Firms	111	274	146.7
Employment	172	604	251.6
Sales (\$000)	19,603	59,056	201.3
<b>Other Services</b>			
Number of Firms	564	2,847	404.8
Employment	582	-	-
Sales (\$000)	40,475	31,826	-21.4
<b>Industries Not Classified</b>			
Number of Firms	481	16	-96.6
Employment	115	0	-
Sales (\$000)	38,078	0	-

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*.