

## U.S. Census Bureau

### Survey of Business Owners - Black-Owned Firms: 2002

#### SUMMARY OF FINDINGS

In 2002, there were 1.2 million black-owned firms in the U.S., employing nearly 754 thousand persons and generating nearly \$89 billion in business revenues. These black-owned firms accounted for 5.2 percent of all nonfarm businesses in the U.S., 0.7 percent of their employment, and 0.4 percent of their receipts.

The 2002 Survey of Business Owners (SBO) defines black-owned businesses as firms in which African Americans own 51 percent or more of the stock or equity of the business. The data in this report were collected as part of the 2002 Economic Census from a large sample of all nonfarm businesses filing 2002 tax forms as individual proprietorships, partnerships, or any type of corporation, and with receipts of \$1,000 or more.

#### KIND-OF-BUSINESS CHARACTERISTICS

In 2002, nearly 4-in-10 black-owned firms operated in health care and social assistance, and other services, such as personal services, and repair and maintenance, where they owned 9.7 percent of all such businesses in the U.S.

Retail trade, and health care and social assistance accounted for 28.7 percent of all black-owned business revenue. Fifty-four percent of the retail trade revenue was concentrated in motor vehicle and parts dealers. [Table A](#) (xls 18 kb) shows the industries accounting for the largest receipts for black-owned firms.

#### GEOGRAPHIC CHARACTERISTICS

New York accounted for 10.8 percent of all black-owned firms at 129,329, with receipts of \$7.5 billion or 8.4 percent. California was second with 9.4 percent or 112,815, and with receipts of almost \$9.8 billion or 11 percent. Florida was third in the number of firms with 102,053 or 8.5 percent, and third in receipts with \$5.7 billion or 6.5 percent. Georgia accounted for 7.6 percent of all black-owned firms at 90,461, and with 6.4 percent of receipts or \$5.7 billion.

Tables [B](#) (xls 19 kb), [C](#) (xls 20 kb), [D](#) (xls 20 kb) and [E](#) (xls 19 kb), respectively, show the nine states, ten combined statistical areas, nine counties, and five cities with the largest number of black-owned firms and compare the firms and receipts for both counties and cities with the numbers in their corresponding states.

#### SIZE OF FIRM

Black-owned firms with paid employees accounted for 8 percent of the total number of black-owned firms and 74.2 percent of the gross receipts. There were 969 firms with 100 employees or more which accounted for \$16 billion in gross receipts (24.3 percent of the total receipts of black-owned employer firms).

There were 10,716 black-owned firms with receipts of \$1 million or more. These firms accounted for 1 percent of the total number of black-owned businesses and 55 percent of their total receipts.

## DATA COMPARABILITY TO PRIOR SURVEYS

[Table F](#) (xls 21 kb) provides a comparison of the 2002 and 1997 published data for black-owned firms and all U.S. firms. The table shows that when compared to all U.S. businesses, excluding publicly held corporations and firms for which race is indeterminate, black-owned firms accounted for 5.3 percent of firms, 1.4 percent of employees, and 1.0 percent of receipts.

The kind-of-business data for 2002 for black-owned firms are not comparable to 1997 due to the transition from the 1987 Standard Industrial Classification (SIC) system to the 2002 North American Industry Classification System (NAICS). Additional changes affecting data comparability are discussed in detail in [Methodology](#), in the section titled "Comparability of the 2002 and 1997 SBO Data."

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