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23 Million Firms Take in \$23 Trillion

Minority Groups Increasing Business Ownership at Higher Rate than National Average, Census Bureau Reports

Minority groups and women are increasing their business ownership at a much higher rate than the national average, according to new tabulations titled [Preliminary Estimates of Business Ownership by Gender, Hispanic or Latino Origin, and Race: 2002](#), from the U.S. Census Bureau's 2002 Survey of Business Owners (SBO) released today.

While the number of U.S. businesses increased by 10 percent between 1997 and 2002 to 23 million, the rate of growth for minority- and women-owned businesses was far higher, ranging from 67 percent for native Hawaiian- and other Pacific islander-owned businesses to 20 percent for firms owned by women. (See [Summary Table](#).)

The nation's 23 million businesses increased their receipts by 22 percent between 1997 and 2002 to reach \$22.6 trillion. Increases in receipts ranged from a high of 30 percent for black-owned firms to 5 percent for businesses owned by whites.

Additional highlights:

All U.S. Businesses

- Of the nation's 23 million businesses in 2002 (which include nearly half a million public corporations, nonprofits, etc.), 5.5 million had paid employees. Receipts for businesses with employees totaled \$21.9 trillion, an increase of 22 percent from five years earlier.
- An estimated 17.5 million businesses had no paid employees. Their receipts totaled \$767.5 billion, up 19 percent from 1997.

Black-Owned Businesses

- There were 1.2 million black-owned businesses in 2002, up 45 percent from 1997. Their receipts were \$92.7 billion, up 30 percent from 1997.
- An estimated 94,862 black-owned businesses had paid employees and their receipts totaled \$69.8 billion or about \$735,586 per firm.
- Black-owned businesses with no paid employees numbered 1.1 million, up 51 percent from 1997. They had receipts of \$22.9 billion, up 54 percent from 1997. Average receipts of these businesses were \$20,761 per firm.
- Thirty-eight percent of black-owned firms operated in the health care and other service industries; health care and retail trade accounted for a fourth of their receipts.
- A fourth of the businesses in Washington, D.C., were black-owned. Black-owned businesses accounted for between 12 and 15 percent of firms in Maryland, Georgia, Mississippi and Louisiana.

Hispanic-Owned Businesses

- There were 1.6 million Hispanic-owned businesses in 2002, up 31 percent from 1997. Their receipts were \$226.5 billion, up 22 percent from 1997.
- A total of 199,725 Hispanic-owned businesses had paid employees and their receipts totaled \$184 billion, or about \$921,090 per firm.
- Hispanic-owned businesses with no paid employees numbered 1.4 million, up 39 percent from 1997. They had receipts of \$42.5 billion, up 54 percent from 1997. Average receipts of these businesses were \$30,925 per firm.
- About 40 percent of Hispanic-owned firms were in administrative and support and waste management; health care; and other service industries. Another 13 percent were in construction.
- Hispanic-owned firms claimed between 15 and 22 percent of businesses in New Mexico, Texas, Florida and California.

Asian-Owned Businesses

- There were 1.1 million Asian-owned businesses in 2002, up 24 percent from 1997. Their receipts were \$343.3 billion, up 13 percent from 1997.
- An estimated 319,911 Asian-owned businesses had paid employees and their receipts totaled \$307.6 billion, or about \$961,379 per firm.
- Asian-owned businesses with no paid employees numbered 785,418, up 30 percent from 1997. Their receipts were \$35.8 billion, up 27 percent from 1997. Average receipts of these businesses were \$45,537 per firm.

- About 28 percent of Asian-owned firms were in health care and other services, with another 14 percent each in professional services and retail trade.
- Asian-owned firms accounted for 45 percent of businesses in Hawaii, 13 percent of firms in California and 9 percent in New York.

Women-Owned Businesses

- There were 6.5 million women-owned businesses in 2002, up 20 percent from 1997. Their receipts totaled \$950.6 billion, up 16 percent from 1997.
- Women-owned businesses with no paid employees numbered 5.6 million, up 22 percent from 1997. Receipts totaled \$137.4 billion, up 36 percent from 1997. Average receipts of these businesses were \$24,648 per firm.
- There were 917,946 women-owned businesses with paid employees, up 8 percent from 1997. Their receipts were \$813 billion, an increase of 13 percent, with an average of \$885,878 per firm.
- Over half of women-owned firms were in service-related industries, including health care and professional services. Receipts were generally highest for wholesale and retail trade activities.

Native Hawaiian- and Other Pacific Islander-Owned Businesses

- There were 32,299 native Hawaiian- and other Pacific islander-owned businesses in 2002, up 67 percent from 1997. Their receipts were \$5.2 billion, up 26 percent from 1997.
- An estimated 4,333 native Hawaiian- and other Pacific islander-owned businesses had paid employees; their receipts totaled \$4.3 billion, or about \$998,481 per firm.
- Native Hawaiian- and other Pacific islander-owned businesses with no paid employees numbered 27,966, up 71 percent from 1997. Their receipts totaled \$894 million, up 116 percent from 1997. Average receipts of these businesses were \$31,981 per firm.
- Native Hawaiian- and other Pacific islander-owned businesses were fairly well distributed across business sectors, with between 10 and 15 percent in each of health care; other services; administrative and support and waste management; professional services; retail trade; and construction.
- Native Hawaiian- and other Pacific islander-owned businesses accounted for less than 1 percent of firms in all states except Hawaii, where 9 percent were native Hawaiian- and other Pacific islander-owned.

American Indian- and Alaska Native-Owned Businesses

- There were 206,125 American Indian- and Alaska native-owned businesses in 2002, with receipts of \$26.4 billion. In the 2002 survey, businesses were asked to report ownership by an American Indian tribal entity. These businesses are considered to be government-owned entities and are therefore excluded from the estimates of American Indian- and Alaska

native-owned businesses. This distinction was not made in the 1997 survey, so prior data are not directly comparable.

- An estimated 25,101 American Indian- and Alaska native-owned businesses had paid employees and their receipts totaled \$21.2 billion, or about \$847,492 per firm.
- American Indian- and Alaska native-owned businesses with no paid employees numbered 181,024 with receipts of \$5.1 billion. Average receipts of these businesses were \$28,299 per firm.
- American Indian- and Alaska native-owned firms were prevalent in many industries, with the largest concentrations in construction; retail trade; professional services; health care; and other services. Receipts were highest in retail trade and construction.
- American Indian- and Alaska native-owned businesses accounted for 8 percent of firms in Alaska and about 5 percent of firms in both Oklahoma and New Mexico.

The SBO defines business ownership as having 51 percent or more of the equity, interest or stock in the business. Respondents to the 2002 SBO were asked to report the percent of ownership, gender, Hispanic or non-Hispanic origin and race for up to three primary owners (Hispanics may be of any race).

Separate reports for minority- and women-owned businesses will be issued over the next year and will include more detailed data on the number of firms, sales and receipts, number of paid employees and annual payroll. Data also will be presented by geographic area, industry and size of business. Subsequently, a separate publication will be issued highlighting characteristics of all business owners including nonmajority owners.

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The SBO is part of the 2002 Economic Census and combines survey data from a sample of more than 2.4 million businesses with administrative data. The data collected in a sample survey are subject to sampling variability as well as nonsampling errors. Sources of nonsampling error include errors of response, nonreporting and coverage. Further details concerning survey design, methodology and data limitations will be contained in the full reports.

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