

Minority-owned businesses in the United States: An empirical analysis

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ABSTRACT

This paper investigates the growth of minority-owned businesses in the United States from 2002 to 2012 and assesses the market share of each minority group. Minority entrepreneurs and business owners have different educational backgrounds, cultural orientation, managerial styles, and financial resources. Therefore, firms differ in terms of financial performance, market share, and potential growth. In aggregate, the firms achieved impressive increases in market share and sales revenue during the period under consideration. As far as new business creation is concerned, black or African American business owners were the most active in the market, followed by Hispanic business owners. California, Texas, Florida, and New York were the homes for the great majority of minority-owned firms. As is the case with white-owned firms, minority businesses contribute to the country's employment, innovation, investment and income. Federal and state agencies such as the Small Business Administration need to increase their efforts to support minority entrepreneur to start business ventures and, hence, contribute further to the country's progress and prosperity.

Keywords: Minority-owned firms, small business, entrepreneurs, economic sectors, sales growth.

INTRODUCTION

Minority-owned business firms* have come to occupy an important place in the United States economy in recent years with a rapidly expanding role and economic influence. The number of minority firms reached 8.1 million, or 29.4 percent, of total firms in the country in 2012. The ratio of the firms to total firms was higher by about 6 percentage points than the ratio of minority population to total population in the country. Although the great majority of the firms are very small – with employment fewer than 20 people each – they are engaged directly or indirectly in business activities in all sectors of the economy.

Growth in the number and diversity of minority firms has occurred in spite of a variety of obstacles. Barriers included insufficient financial resources, inexperienced management, absence of strategic planning, and lack of familiarity with many attractive market opportunities, domestically and internationally.

The phrase “minority-owned firms” is a comprehensive term that encompasses all kinds of business entities, including small firms with or without employees, large firms, high-technology firms, low-technology firms, resource-poor firms, resource-rich firms, locally-oriented firms, and internationally-oriented firms. The U.S. Census Bureau classifies minority-owned firms into five major categories of ownership:

- a. American Indian & Alaska Native;
- b. Asian;
- c. Black or African American;
- d. Hispanic; and
- e. Native Hawaiian & other Pacific Islander.

The ownership classification system indicated above implies that entrepreneurs and other business owners involved are of different cultural orientation, languages, skills, educational background, managerial style, and resource availability. Consequently, it is expected that the enterprises they lead would largely be of different size, sector concentration, life span, growth potential, and organizational performance. Published official data show that in recent years black or African American-owned businesses were the fastest growing segment of minority-owned firms, partly because of government programs designed to support small firms, and partly because of the fact that blacks or African Americans are the largest minority group in the country (about 13 percent of the population). However, there are significant organizational performance differences among the firms in this as well as other categories.

* A minority-owned business firm is defined as an enterprise that is at least 51 percent owned, operated, and controlled by an American citizen primarily from an ethnic minority group or, in the case of a publicly-owned enterprise, at least 51 percent of the enterprise’s stock is owned by one or more such individuals.

LITERATURE REVIEW

Minority-owned businesses have received increasing scholarly attention in recent years because of their growing contribution to U.S. economic progress and superiority. The prevailing feeling of many scholars, however, is that minority entrepreneurs and other business owners face many obstacles in their attempt to grow and expand their firms. For example, Bewaji, Yang, and Han (2015) argued that minority entrepreneurs are less likely to be able to access financial institutions' business loans than nonminority entrepreneurs. Walker (2009) and Reuben and Queen (2015) asserted that African Americans have a long history of entrepreneurial achievement. The authors added that African American-owned businesses suffer adversely from unequal access to capital markets with the prevalence of institutional barriers, a situation that threaten the survival of these businesses. Didia (2008), in studying the impact of the 1990s U.S. economic boom on minority-owned businesses, concluded that these businesses lost ground in almost all industrial sectors.

Bates and Robb (2013) found out that minority-owned business (a) rely heavily on financial institutions for loans, (b) experience higher borrowing cost than white firms, (c) receive smaller loans than they ask for, and (d) suffer higher rejection rates of loan applications. Christopher (1998) said that minority businesses, as compared to nonminority, experience a lower business formation rate and higher dissolution, and that black, Hispanic, and other minority business owners have historically encountered severe economic problems when forming and managing business firms, including inadequate financial resources and discrimination. In comparing male-owned with female-owned firms, Adkins, Cheryl, and Samaras (2013) pointed out that studies have shown women business owners typically face greater business challenges than those faced by male business owners.

In terms of business performance, Ortiz-Walters and Guis (2012) concluded that micro firms owned by Hispanic and black entrepreneurs were less likely to be profitable than nonminority-owned micro firms. In examining employment growth and survival of minority- and women-owned firms, Jarmin, Krizan, and Luque (2014) found that, during the last Great Recession in the United States, black- and women-owned firms underperformed white, male-owned businesses, while Asian-owned business outperformed other groups. On the other hand, Hispanic-owned businesses outperformed non-Hispanic ones in respect to employment growth. In a research project about business success, Robb and Fairlie (2009) found out that Asian-owned businesses are more successful than white-owned businesses. The authors added that reasons for the success could be attributed to the fact that Asian-owned firms have higher levels of human capital as well as substantial start-up capital.

In investigating the factors that influence the performance of minority-owned businesses, Cardon and Shinnar (2008) emphasized that minority entrepreneurs are a heterogeneous group of individuals, because they differ in terms of (a) motivation to engage in business activities, (b) business personal satisfaction, (c) business problems encountered, (d) size of business managed, and (e) income generated from the business. Wang and Li (2007) highlighted additional issues about the subject matter that included: (a) human capital attributes, (b) ethnic networking, (c) institutional regulations, (d) societal institutions, and (e) discrimination. In explaining the motivation of Korean immigrants to pursue entrepreneurial activities, In-Jin (1995) asserted that, because of the language barrier and less transferrable education and occupational skills in American labor market, many of them could not find white-collar occupations for which they had been

trained. Disadvantaged, many Korean immigrants became self-employed business owners. Korean immigrants' middle-class background along with stable family structures and strong family ties helped them to realize their goal of becoming business owners. Moreover, social networks based on kinship, friendship, church membership, and school ties, provided potential business owners with financial assistance, training, business advice, and information about business opportunities.

Scholars have also investigated a variety of other issues related to minority-owned businesses. For instance, Lee et al (2015) studied the difference between minority business owners and nonminority business owners in terms of strategic adjustments. The authors found out that Mexican American and Korean American business owners deployed higher levels of strategic adjustment than African American and White business owners. Grumbach and Mendoza (2008) indicated that African American, Latino, and American Indian owned businesses are greatly underrepresented in healthcare profession. The authors made a case for diversity in this area based on (a) civil rights equality, (b) public health needs, and (c) business gain. Edelman et al (2010) contended that black entrepreneurs are 50 percent more likely to engage in start-up activities than white entrepreneurs. On the other hand, black-owned firms are smaller and less profitable than their white-owned counterparts. Robichaud, Cachon, and McGraw (2015), in investigating the size and sector distribution of female-owned businesses, found out that the businesses tended to be less present in manufacturing sector and more in the service sector. Female owners were significantly older than their male counterparts and had longer tenure, in addition to managing smaller size businesses.

Still, other issues related to minority-owned businesses have been the focus of writers. For example, in a study by Wang (2013) about minority- and women-owned businesses, the author concluded that businesses owned by women from ethnic minority groups are highly concentrated in a limited number of industrial sectors as compared to white women. Finally, Eroglu, Thornton, and Bellenger (2005) indicated that the number of minority-owned firms continue to grow dramatically to become significant priority for attention by public policy decision makers as well as the business community at large.

DATA AND ANALYSIS

The data for minority-owned firms used in this paper is published by the United States Census Bureau, American Fact Finder, data base. The Census collects this kind of data every five years. The data for the purpose of this paper are for the years 2002, 2007 and 2012. The paper investigated two key aspects of minority-owned small firms/entrepreneurial ventures. They are: (1) start-up and growth of the firms, and (2) the firms' annual sales performance. These areas of analysis were chosen because they reveal the firms' industrial orientation, market share, relative competitive advantage, and potential survival. Among the major issues investigated in the paper include the following:

- The number of firms in each minority group in each time period (i.e., 2002, 2007, and 2012).
- Sources of startup capital obtained.
- Key differences among different minority-owned firms.
- Growth rate of in the number of firms for each minority-owned group.
- Sector concentration of each group of minority-owned firms.
- Market performance of each group of minority-owned firms.

- Relative growth in market share of each group of minority-owned firms.
- Sales growth rate for each group of minority-owned firms.

THE LANDSCAPE OF MINORITY-OWNED FIRMS

Minority-owned firms have been expanding their market domain in the United States in recent years. As Table 1 (Appendix) shows, the total number of the firms in 2012 was 8.1 million enterprises, or 29.4 percent of all firms in the country, as compared to 4.1 million enterprises in 2002, or 17.9 percent of total firms. Moreover, from 2002 to 2012, the number of firms jumped by 98 percent, an impressive rate of growth. In 2012, Hispanic-owned firms were the largest group of minority-owned firms, representing 40.6 percent of total minority firms in the country, followed by black- or African American-owned firms (31.8 percent), and Asians (23.6 percent).

Moreover, American Indian and Alaska Native owned 3.3 percent of total minority-owned firms in 2012, while Native Hawaiian & other Pacific Islander owned less than 1 percent of the firms. As the data reveal, there is huge disparity of business ownership among different groups of minorities. The disparity could be attributed to many factors including population size of each group of minorities, economic development programs in different regions of the country, and the intensity of entrepreneurial activity in each group

As indicated in Table 1 (Appendix), in terms of market penetration, the number of black or African American businesses jumped from about 1.2 million in 2002 to 2.6 million in 2012, an increase of 115.8 percent, followed by Hispanic business firms (110.1 percent), Native Hawaiian and other Pacific Islander (89.1 percent), and Asian firms (73.8 percent). A confluence of factors had contributed to increasing presence of minority-owned firms in the marketplace, including the following:

- **Population growth.** U.S. population increased from 288 million people in 2002 to 313 million people in 2012, an increase of 8.7 percent. It is expected that, under normal conditions, the number of entrepreneurial ventures and other small firms in the country is expected to be positively influenced by its population growth.
- **Governmental programs.** Federal government agencies such as the Small Business Administration as well as state economic development agencies have played a major role in encouraging the creation of business small firms, especially minority-owned businesses.
- **Funding availability.** Because of government pressure and profit motivation, many financial institutions such as banks have been willing to increase their lending to minority-owned firms.
- **Education.** The wide spread of educational opportunities in the country have made it possible for would-be entrepreneurs and other potential small business owners to acquire essential entrepreneurial skills in management, marketing, finance, and the like that enabled them to establish business ventures.

It is worth pointing out that the difficulty of minorities to obtain start-up funding is widely discussed in small business literature (e.g., Bewaji, Yang, and Han (2015); Walker (2009); and Reuben and Queen (2015)). To illustrate the difficulty, Table 2 (Appendix) shows that in 2012 for example, 75 percent of business financing of minority-owned firms was attributed to personal assets, including the use of credit cards and savings. Moreover, the data indicated that

owners of minority-owned firms used personal credit cards significantly more than the owners of white-owned firms.

SECTOR DISTRIBUTION

Table 3 (Appendix) shows the portion of selected sectors minority-owned firms in 2002, 2007, and 2012. As the Table reveals, the largest business concentration of the firms in 2012, for example, was in (a) health and social assistance (13.3 percent of total minority-owned firms), (b) administrative and support, waste management, and remediation service (11.6 percent), (c) professional, scientific, and technical service (9.8 percent), construction (9 percent), and (e) retail trade (8.1 percent). Very few firms were operating in forestry, fishing, hunting, and agricultural support services (0.46 percent), mining (0.07 percent) or utility (0.07 percent). The lack of business minorities' in these economic sectors might due to the following reasons:

- Large capital investment required (e.g., mining, utilities).
- Lack of or insufficient technical and managerial skills required for the sectors.
- Unattractiveness of the sectors for minority business individuals because of limited sector opportunities or inadequate potential profitability.
- Excessive expected risk for the sectors.

BUSINESS GROWTH

In the United States, the expansion and growth of minority-owned firms (and other small enterprises) are mainly influenced by the three aggregate factors:

- The country's economic growth – the growing demand for goods and services. The higher the rate of economic growth, the greater the likelihood of new firms being form. The aggregate demand for goods and services includes government demand, business demand, and consumer demand, in addition to foreign demand (i.e., exports).
- Flexibility of government policies toward small business firms, including, rules, regulations, incentives, and “set-aside” programs. The more liberal and lenient policies, the higher the probability of new firms being created.
- Entrepreneurial tendency of individuals. The greater the number of individuals with higher entrepreneurial spirit, the larger the expected number of would-be entrepreneurs, and the greater the number of new ventures being established.

Minority-owned firms experienced significant growth during the 2002-2012 period. As indicated in Table 1 (Appendix), the number of firms, as a group, jumped by 98 percent during the period under discussion. Table 1 (Appendix) also shows that the minority groups of business owners who greatly expanded their market reach were black or African-American (116 percent) and Hispanic (110 percent). Asian business came in third place with market expansion of 74 percent. The U.S. economy is indeed the source of opportunities for business firms of all types and sizes.

SECTOR CONCENTRATION

The U.S. Census Bureau classifies the national economy into twenty sectors (or aggregate economic groups). As Table 3 (Appendix) indicates, the great majority (60-70 percent) of minority-owned firms operated in eight sectors of the economy in 2012, as was the case in 2002. Although all firms were associated with these and other sectors, some of the sectors were more attractive to some minority groups than other minorities. For example, the construction industry was relatively more attractive to American Indian and other Alaska native (received 13 percent of the group's total firms), Hispanic (14 percent), and Hawaiian and other Pacific Island (10 percent), as compared to Asian (4 percent) and black or African American (5 percent).

On the other hand, Asian were more attracted to business activities in hotel and food service (received 8 percent of the group's total firms) than American Indian and Alaska Native (2 percent), black or African American (2 percent), Hispanic (3 percent), or Hawaiian and other Pacific Islander (3 percent). black or African American business people were more attracted to healthcare sector (19 percent of the group's total firms) than all other minority groups.

Sector preference by different minority groups is undoubtedly influenced by a number of factors, including the following:

- Skills and educational background of the individual entrepreneurs or small business owners in the group.
- Resource availability (e.g., funds, technology) for the individuals in the group.
- The influence of family members, friends, and other people on the individuals' decision about sector selection and involvement.
- The attractiveness of the sector to the individuals concerned in terms of business growth potential profitability, survival, and so on.
- The availability of business opportunities for would-be entrepreneurs or potential small business owners, and the intensity of demand for goods and services in targeted sectors.

Table 1 and Table 6 (Appendix) clear show that the number of minority-owned firms has increase significantly overall and in a number of important sectors during the ten-year period studied. Overall, however, the presence of minority owned firms in these sectors has remained relatively constant over the ten-year period studied as indicated in Table 4 (Appendix). So even though the number of minority owned firms has increased significantly, their presence relative to the sectors they compete in has not.

CONCENTRATION IN KEY STATES

Unlike large business organizations, minority-owned firms are chiefly very small firms (i.e., micro enterprises each of which employs less than 20 individuals) with geographic horizon limited to a locality or state. Table 7 (Appendix) shows that in 2012, the great majority of the firms (70 percent) were resided in only ten states, while 54 percent of them were located in only four states (California, Texas, Florida, and New York. Moreover, the following states witnessed the highest percentage increase in minority-owned firms:

- Georgia (169 percent);
- Florida 126 percent);

- Texas (116 percent);
- Michigan (116 percent); and
- Virginia (101 percent).

In the United States, many forces stimulate the growth and expansion of small firms in general, and minority-owned firms in particular, over time, including (a) the states' overall population growth rate, (b) the states' rate of growth of minority residents, (c) the states' economic rate of growth, and (d) the states' economic development programs.

Minority-owned firms, like other small firms, are organizations with limited geographic horizon. This is due to a range of factors including the following:

- Resource constraints of the firms (e.g., capital, managerial skills).
- Lack of awareness of business opportunities beyond the firm's geographic location.
- Familiarity with current market and customers' preferences.
- Family and friendship ties in current business location.
- Avoidance of risk that might occur in doing business in unfamiliar environment.

EMPLOYMENT AND SALES

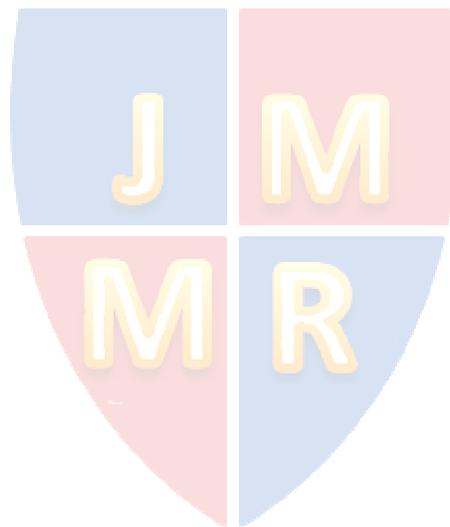
Table 8 (Appendix) provides data on minority-owned firms with paid employees and annual average sales. The data show that:

- The number of minority-owned firms with paid employment increased by 42 percent from 2002 to 2012, while all firms in the economy combined reduced employment by 5,000 jobs.
- Minority-owned firms with paid employees are relatively few. For instance, the ratio of firms with paid employees to all minority-owned firms was 11 percent in 2012, and 17 percent of all firms with paid employees in the country.
- The contribution of Asian firms to employment was the highest relative to other minority business owners from 2002 to 2012, followed by Hispanic. Put differently, Asian business owners increased the number of paid employment firms they owned the fastest (51 percent), followed by Hispanic (45 percent).
- Minority-owned firms, as group, generated grew sales at higher rate (144 percent) from 2002 to 2012 than all firms in the country combined (41 percent).
- While the number of black or African American firms with paid employment increased modestly (16 percent) from 2002 to 2012, the firm's sales more than doubled (128 percent).
- Judging by the rate of growth in sales, Asian - and Hispanic-owned firms were the most active groups in exploiting the country's market opportunities.

CONCLUSION

Business opportunities in the United States have been plentiful and growing. As a result, minority-owned firms have enjoyed growth and market expansion. For instance, during the time period covered in this study (2002-2012), the country's gross domestic product (GDP) soared by about 52 percent, and the population increased by 9 percent. Minority-owned firms, as a group, demonstrated success and influence, although individual minority groups differ in terms of their contribution to employment, innovation, and economic progress.

The impressive growth (98 percent) in the number of minority-owned firms from 2002 to 2012 is a clear indication of the entrepreneurial spirit of minority business owners, and their determination to achieve success despite the many obstacles facing the founding and growing small business enterprises. Per firm revenue and employment for minority firms is still low however. Federal and state agencies need to increase their efforts to facilitate the establishment of greater number of viable small firms by providing minorities with entrepreneurial training, and increasing access to capital for venture creation. Additionally, successful business strategies of minority-owned firms (e.g., black or African-American) can serve as excellent examples that can benefit other minority-owned firms that have experienced limited growth and dwindling market share. Programs at the local, state and federal levels to access these success stories and share them with aspiring minority entrepreneurs should be developed.



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APPENDIX

Table 1
 Minority-Owned Firms in the United States, 2002, 2007, and 2012
 (In thousands)

Firms	Number of firms, 2002	Number of firms, 2007	Number of firms, 2012	% Increase 2002-2007	% Increase 2007-2012	% Increase 2002-2012	% Share in total minority-owned firms, 2012
American Indian & Alaska Native	201	237	273	17.5	15.3	35.5	3.3
Asian	1,104	1,550	1,918	40.4	23.8	73.8	23.6
Black or African American	1,198	1,922	2,584	60.5	34.5	115.8	31.8
Hispanic	1,573	2,260	3,306	43.6	46.3	110.1	40.6
Native Hawaiian & other Pacific Islander	29	38	55	30.2	45.3	89.1	0.01
Sub-total	4,105	6,006	8,136	46.3	35.5	98.2	100.00*
Total firms (minority-and nonminority-owned firms)	22,975	27,093	27,636	17.9	2	20.3	
Percentage of minority-owned firms to total firms in the country	17.9	22.2	29.4	-	-	-	

Sources: U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

*Total may not add up due to rounding.

Table 2
 SOURCES OF START UP CAPITAL 2002, 2007, 2012
 Thousands of firms
 (Percentage of Total Sources)

	White Firms			American Indian & Alaska Native			Native Hawaiian & Other Pacific Islander		
	2002	2007	2012	2002	2007	2012	2002	2007	2012
Number of Firms	14769	12293	14,530	.720	13.8	136.5	17	25.6	25.5
Sources									
Personal-Savings/Assets	9526 (64)	8531 (69)	9241 (63)	.570 (79)	9054 (65)	87.7 (63)	11 (62)	6.48 (72)	6.48 (62)
Home Equity Loan	No Data	676 (5.5)	450 (3.1)	No Data	1211 (9)	3.6 (2.6)	No Data	.488 (5.4)	.488 (2.8)
Personal Credit Card	1329 (8.9)	1290768 (10)	1365 (9.4)	.065 (8.8)	642 (4.6)	18.4 (13)	2.2 (13)	1.2 (14)	1.26 (16)
Business Loan	2097 (14)	1684146 (13.7)	1511 (10.4)	.115 (15)	2718 (20)	11881 (8.7)	1.4 (8)	1.2 (5.6)	1.16 (11)
	Asian			Black-African American			Hispanic		
	2002	2007	2012	2002	2007	2012	2002	2007	2012
Number of Firms	722	717.5	1,102	609	521	815	868	780	1,470
Sources									
Personal-Savings/Assets	507 (70)	515.2 (72)	745.4 (67.6)	34 (57)	334 (64)	487 (59)	503 (57)	500.9 (64.2)	911 (62)
Home Equity Loan	No Data	55.5 (8)	50.7 (4.6)	No Data	23.7 (4.5)	15.2 (1.9)	No Data	47.6 (6.1)	39 (2.7)
Personal Credit Card	63 (10)	78 (11)	110 (10)	61 (11)	60.4 (12)	89.5 (11)	81 (9)	89.2 (11)	157 (10.7)
Business Loan	80 (11)	113 (16)	120 (11)	44 (7.3)	43 (8.2)	41 (5)	74 (8.6)	70.4 (9)	82 (5.6)

Sources: U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

*Total may not add up due to rounding.

Table 3
Sector Concentration of Minority-Owned Firms, 2012
(%)

Sector	American Indian and Alaska Native	Asian	Black or African-American	Hispanic	Hawaiian and other Pacific Islander
Construction	13	4	5	14	10
Retail trade	8	11	6	8	10
Transportation and warehousing	4	5	7	7	5
Professional, scientific, and technical services	15	14	8	8	11
Administrative and support	11	4	11	16	12
Healthcare	11	11	19	11	12
Arts, entertainment, and recreation	6	3	5	3	6
Hotel and food service	2	8	2	3	3
Sub-total	70	60	63	70	69
Total firms	100%	100%	100%	100%	100%

Sources: Calculated from data published by the U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov/faces/nav/jsf/pages/index.x>

Table 4
Sector Representation of Minority-Owned Firms in the United States, 2002, 2007, 2012

Business sector	% of total 2002*	% of total 2007*	% of total 2012*
Construction	8.82	9.66	8.98
Retail trade	10.47	9.14	8.13
Transportation & warehousing	7.04	7.63	6.58
Real estate, rental, & leasing	5.05	5.89	4.72
Professional, scientific, & technical service	10.59	9.83	9.82
Administrative & support, waste management, & remediation service	9.79	10.52	11.61
Healthcare & social assistance	14.03	13.20	13.28
Arts, entertainment, & recreation	3.33	3.44	3.69

Sources: U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

*Total may not add up due to rounding.

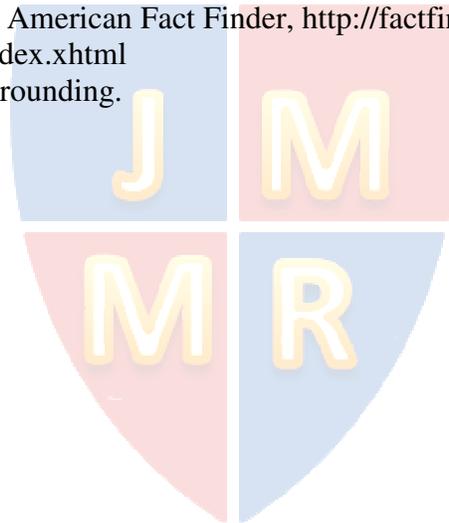


Table 5
Number of Minority-Owned Firms by Sector, 2002-2012

Economic Sector	No. of firms (2002)	No. of firms (2012)	% growth
Administrative and support, waste management, and remediation service	401,362	944,184	135
Arts, entertainment, and recreation	136,360	300,288	120
Construction	361,421	730,604	102
Healthcare and social assistance	575,079	1,080,143	88
Transportation and warehousing	288,527	535,390	86
Real estate, rental, and leasing	206,886	383,875	86
Professional, scientific, and technical service	434,121	799,226	84
Retail trade	429,259	661,302	54

Sources: Calculated from data published by the U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov/faces/nav/jsf/pages/index.x>

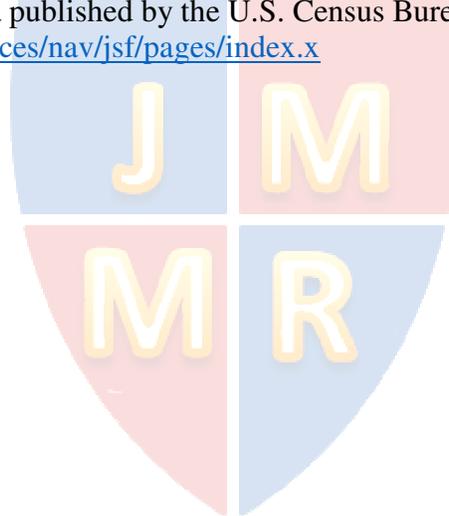


Table 6
Key Destination States of Minority-Owned Firms, 2002-2012
(In Thousand)

State	2002	2012	% Increase (decrease)
California	957	1,653	73
Texas	503	1,085	116
Florida	421	951	126
New York	452	745	65
Georgia	140	377	169
New Jersey	141	243	72
Maryland	114	208	82
Virginia	93	187	101
Michigan	75	162	116
North Carolina	81	87	7
Sub-total	2,977	5,698	91
All states	4,105	8,136	98
% of all states	73	70	(4)

Sources: Calculated from data published by the U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov/faces/nav/jsf/pages/index.x>

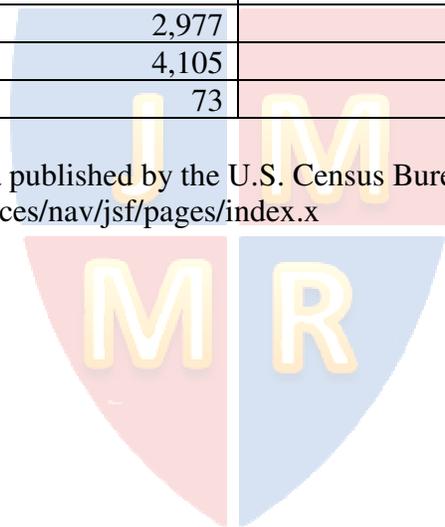


Table 7
 Minority-Owned Firms with Paid Employment and Sales, 2002 and 2012
 (Sales in \$ million)

Firms	Number of firms, 2002	Number of firms, 2012	% In-crease	Average Annual Sales, 2002	Average Annual Sales, 2012	% In-crease
American Indian and Alaska Native	24,400	26,000	7	21,986	38,838	77
Asian	319,000	481,000	51	291,162	699,492	140
Black or African-American	94,000	109,000	16	65,799	150,203	128
Hispanic	199,000	288,000	45	179,507	473,635	164
Hawaiian and other Pacific Islander	3600	5,000	39	3,502	8,136	132
Sub-total	640,000	909,000	42	561,955	1,370,304	144
All firms in the U.S. with paid employment	5,352,000	5,347,000	0.00	8,164,955	11,474,304	41
% of minority firms to all firms	12	17	42	-	-	-

Sources: Calculated from data published by the U.S. Census Bureau, American Fact Finder, <http://factfinder.census.gov/faces/nav/jsf/pages/index.x>