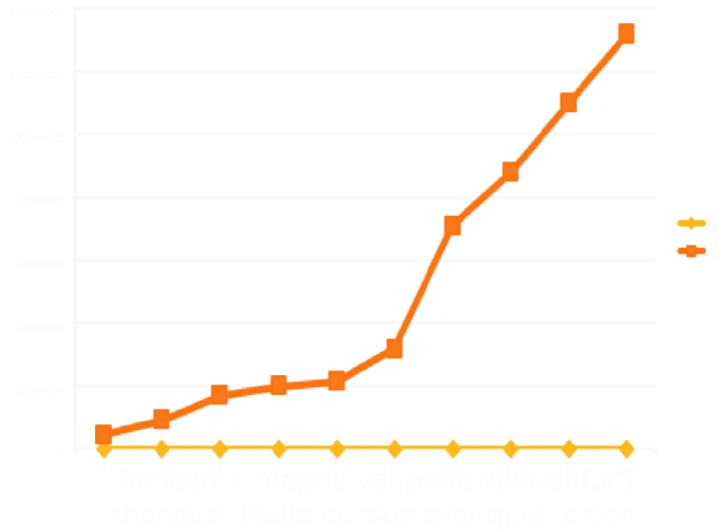


MINORITY

TREND

REPORTS



THURSDAY  
**Nov.15**

# MTR

## PRELIMINARY MINORITY BUSINESS REPORT

By

**Minority Trends Reports (MTR)**

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**Minority Trend Report (MTR)**  
**Minority-Owned Businesses Update (number of businesses and revenue)**  
**Summary**  
**Preliminary Estimates – 2012**

Minority Trend Reports (MTR) is designed to provide trend information about minority groups in the following areas, business, education, community, and the impact of technology on schools and society. Much of this data is available but is so fragmented it is difficult to obtain and analysis. Because of this fragmentation, minorities may not use the data available to help them to make good decision in a timely manner. MTR tries to gather this information in one place, answer the question how well these groups are doing compared to the majority population. The minority groups we research are Blacks/Afro-Americans, Hispanics, Asian, and females as define by the US Census Bureau and the Survey of Business Owners (SBO). MTR may also use data from other sources like the PEW Research Center, Department of Education, private and public agencies. The areas to be covered are minority-owned business, education, community, and the impact of technology. This information is available, but it is so fragmented it is difficult to obtain and analysis. Because of this fragmentation, minorities may not use the data available to them to make good decision in a timely manner. The Minority Trends Report can provide that service to individuals, businesses, local community organizations, schools, and other interested agencies

The latest data on minority businesses is out as of August 18<sup>th</sup>. The preliminary estimates from 2012 results are much more comprehensive than past reports. The most significant change is the breakdown of subdivisions within the minority categories (Asian, Hispanic, and female).

In 2015 the Survey of Business Owners (SBO) reported that businesses in the United States generated 33 trillion plus dollars in revenue. Minority businesses generated at the same time period 1.6 trillion dollars in revenue (See figure 1). Of all the minority business groups in proportion to their population percentage Asian-Owned Businesses had the largest amount of revenue, generating 794 billion dollars in receipts, followed by Hispanics with 517 billion dollars. Mexican-Owned Businesses are listed in a separate category with 240 billion dollars in revenue. Afro-American-Owned Businesses receipts were 188 billion dollars. The SBO also

separated Female-Owned Businesses, which has its own sub-groups is not a racial division but is a gender division. Their revenues combined were 1.6 trillion dollars. Figure 2 shows the breakout of each category and its sub-groups.

**Figure 1 Minority-Owned Businesses**

<b>CATEGORIES</b>	<b>SALES, RECEIPTS</b>	<b>RECEIPTS</b>
	(1000 millions)	(1000 million)
<b>MINORITY BUSINESSES</b>		
	<b>ALL FIRMS</b>	
<b>UNITED STATES</b>	\$33,537,003,793	
<b>WHITES</b>	\$12,986,133,845	
<b>BLACKS/AFRO---AMERICAN</b>	\$187,637,723	
<b>ASIAN</b>	\$793,551,603	
ASIAN INDIANS		\$251,155,132
CHINESE		\$251,648,931
KOREAN		\$117,189,361
<b>HISPANIC</b>	\$517,362,008	
WHITE		\$420,748,364
BLACKS		\$5,970,197
ASIAN		\$5,386,016
<b>FEMALE---OWNED</b>	\$1,616,318,932	
WHITE		1,388,174,894
BLACKS		\$44,061,132
ASIAN		\$163,502,002
ASIAN INDIAN		\$32,164,547
CHINESE		\$64,321,391
KOREAN		\$28,840,823
MINORITY		\$299,943,387
MEXICAN		\$38,967,206

<b>MEXICAN</b>	\$239,785,955	
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It is clear regarding minorities businesses specially, Afro-American-Owned Businesses are still lacking behind other minority groups with similar population percentages in generating revenues through business ownership. Among the other interesting estimates is the revenue difference between the business groups and sub-groups. It is no surprise that businesses owned by white males generated the largest amount of revenue (13 trillion dollars). Another interesting figure is Asian-Owned Business sub-group including Asian Indian and Chinese-Owned businesses each generated more than 251 billion dollars in revenue. They individually generated more revenue than all Black-Owned Businesses (188 billion dollars). This gap seems to be consistence across all minority categories and sub-groups.

### **Female-Owned Businesses**

SBO in the past had included Female-Owned Businesses as part of Minority Owned Businesses. In the Preliminary Report for 2015 the Female-Owned Businesses included a women minority sub-group. This sub-group includes Blacks (44 B), Asian (164 B), Asian Indian (32 B), Chinese (64B), Korean (29 B), Mexican (39 B), and White (1.4 T). Together this year’s group generated 1.6 trillion dollars (2007 – 2012). One of the most interesting results from this report is that Asian-Owned Businesses earnings rose to 164 billion far larger than any of the other minority Female-Owned Businesses in the sub-group. All other women minority groups were under 100 billion dollars (See figure 2).

**Figure 2 Female-Owned Businesses**

<b>FEMALE---OWNED</b>	\$1,616,318,932	
WHITE		1,388,174,894
BLACKS		\$44,061,132
ASIAN		\$163,502,002
ASIAN INDIAN		\$32,164,547
CHINESE		\$64,321,391
KOREAN		\$28,840,823

MEXICAN		\$38,967,206
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**Figure 3 Female-Owned Businesses Growth 2001 – 2012**

Year	2002	2007	2012
<b>Category</b>			
<b>Females</b>			
No. Of Bus.	6.5 million	7.8 million	9.9 million
Revenue	940 billion	1.2 trillion	1.6 trillion
Increase %		40.4%	

### Hispanics

Because this year's data (2012) in some categories are broken down into sub-groups, you can see which businesses within these groups are generating the most receipts. For example, in the category of Hispanic-Owned Businesses the largest revenue-generating group is White Hispanics, generating 421 billion dollars.

The breakout of the Hispanic data seems to suggest females of color in this sub-group have not increased their revenue stream at the same rate as white females in each of these sub-groups. In 2012 the preliminary data does not provide any insight into the reason for this difference.

### Hispanic-Owned Businesses Growth 2002 – 2012

Year	2002	2007	2012
<b>Category</b>			
<b>Hispanics</b>			
No. Of Bus.	1.6 million	2.3 million	3.3 million
Revenue	222 billion	345.2 billion	517 billion
Increase %			

### Asian-Owned Businesses

Asian-Owned Businesses still lead all categories in the number of businesses started and the amount of revenue generated in the period between 2007 and 2012. See figure 3.

Figure 3

Asian-Owned Businesses Growth 2002 – 2012 (\*Sub-Groups)

<b>Year</b>	<b>2002</b>	<b>2007</b>	<b>2012</b>
<b>Category</b>			
<b>Asian</b>			
No. Of Bus.	1.1 million	1.5 million	
Revenue	326 billion	507.6 billion	794 billion
Increase %		40.4%	
<b>Asian Indian</b>			
No. Of Bus.	223 thousand	309 thousand	
Revenue	88 billion	152 billion	251 billion
Increase %			
<b>Korean</b>			
No. Of Bus.	158 thousand	193 thousand	
Revenue	47 billion	78 billion	118 billion
Increase %			
<b>Chinese</b>			
No. Of Bus.	286 thousand	424 thousand	
Revenue	105 billion	143 billion	252 billion
Increase %			

**Black/Afro-American-Owned Businesses**

This is the second of three reports dating back to 1997 that have seen Afro-American-Owned Businesses expanding in numbers but not expanding proportionally in increase revenues. In 1997 the number of Black-Owned Businesses increase by 26% and 33% in revenue, 2002 the increase in percentage was 45% in the number of businesses and 25% in revenue, and in 2007 the increase was 60.5% in the number of businesses and 55.1% in revenue. The

Minority Business-Owners Reports as it was called in the past, reported that Black-Owned Businesses had the highest percentage of start-ups than all other business start-ups in the United States from 1992 – 2007. Today (2012) it is estimated there are 2.6 million Black-Owned Businesses generating over 187 million dollars in revenue. Even with large increases in the amount of revenue Black-Owned Businesses are still rank at the bottom of the minority-owned business list.

Figure X Black/Afro-American-Owned Businesses Growth 2002 – 2012

<b>Year</b>	<b>2002</b>	<b>2007</b>	<b>2012</b>
<b>Category</b>			
<b>Blacks</b>			
No. Of Bus.	1.2 million	1.9 million	2.6 million
Revenue	88.8 billion	137 billion	188 billion
Increase %		40.4%	

### **Mexican-Owned Businesses**

The Survey of Business Owners for the first time chose to separate out Mexican-Owned Businesses. In previous reports they have been a sub-category under Hispanics even though the report summery findings had consistently mention that individuals with Mexican surnames owned the largest sector of businesses. Over the years of reporting the trends have been to breakout as many sub-groups as possible to present a more actuate account of the type of businesses owned by minorities.

### **Conclusion**

It should be noted that this is preliminary data, and the total results will not be available until December 2015. However, the data is suggesting that even with large gains in the number of businesses starts that Black-Owned Businesses revenues have not kept pace with business. In addition, it should be noted that in many of the sub-group findings where “Whites” are listed, they fair better in the number of businesses and the amount of revenue generated than persons of color. Many questions remain unanswered. What has caused the gap in the number of businesses and revenue gain? Is funding at the core of the issue or is the type of

businesses part of the problem. Many Black-Owned are service oriented. Finally, does this gap have anything to do the greater issue of wealth gap? Stay tune. The next issue of business trend report will be out in February after the complete SBO (Survey of Business Owners) data is release in December. Unfortunely the SBO was dropped and a new system for collecting data on minority businesses was created in 2015 and the collection tool is difficult to use. Our next report will be working to get as much of this data to bring the information forward to 2021.

Figure 4 Race/E Population United States in Percentages

<b>CATEGORY</b>	<b>POPULATION %</b>	
WHITES	62.6	
BLACKS	13.2	
HISPANICS	17.2	
MEXICAN	10.9	
ASIAN	4.4	
CHINSES	1.2	
KOREAN	0.6	
FEMALES	50.8	

Figures may not equal a 100%. Not count on persons with more than one race/ethnicity

Source: Survey of Business Owners Report 2015(2012 Data)