

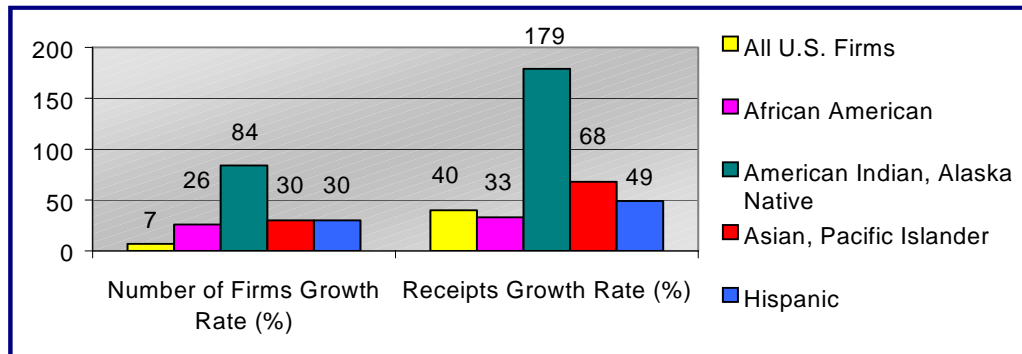
The State of Minority Business

On July 12, 2001, The U.S. Department of Commerce, through the Census Bureau and the Minority Business Development Agency, released the 1997 Survey of Minority Owned Business Enterprises (SMOBE) Report and MBDA's The State of Minority Business. MBDA's report noted (in brief):

High Growth Rates

The growth rates in both number and gross receipts of minority-owned firms substantially exceeded those of nonminority business between 1992 and 1997.

1992-1997 Growth Rates



Low Average Size

The average size of minority-owned businesses is substantially lower than nonminority firms in terms of both gross receipts and employment. [See below chart and Table 1]

1997 Minority Population and Business Shares

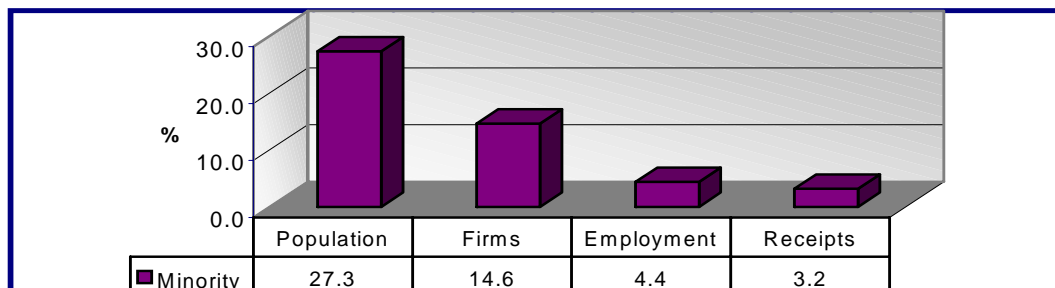


Table 1: 1997 Total Firms, Total Gross Receipts, Average Gross Receipts and Total Employees

Group	Firms		Gross Receipts (in billions)		Average Gross Receipts (in thousands)		Employees (in millions)	
	Number	Share (%)	Total	Share (%)	Average	Ratio to All (%)	Total	Share (%)
African American	823,500	4.0	\$71.2	0.4	\$86.5	9.7	0.7	0.7
American Indian and Alaska Native	197,300	0.9	\$34.3	0.2	\$174.0	19.5	0.3	0.3
Asian and Pacific Islander	913,000	4.4	\$306.9	1.7	\$336.2	37.7	2.2	2.1
Hispanic	1,199,900	5.8	\$186.3	1.0	\$155.2	17.4	1.4	1.4
All Minority ¹	3,039,000	14.6	\$591.3	3.2	\$194.6	21.8	4.5	4.4
Nonminority	17,782,900	85.4	\$18,000.0	96.8	\$1,010.1	113.4	98.8	95.6
All U.S. Firms	20,821,900	100.0	\$18,600.0	100.0	\$891.0	100.00	103.3	100.0

¹ Detail on these tables does not add to total (All Minority and All U.S. Firms) because of duplication of some firms. A Hispanic firm may be of any race and, therefore, may be included in more than one minority group.

Lower Entrepreneurial Activity

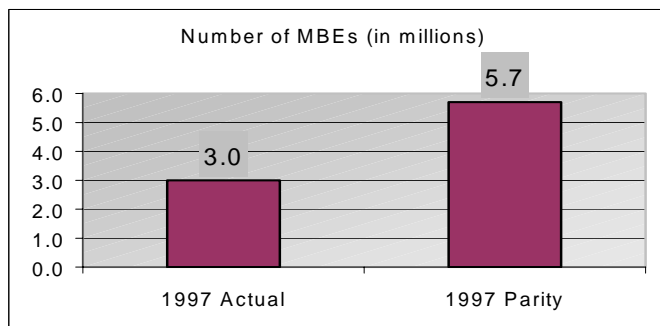
Minority-owned business activity (measured by number of firms, receipts and employment) in the United States continues to be significantly smaller than minority representation of the Nation's population. [See Table 2]

Table 2: Comparison of 1997 Demographic and Firm Characteristics Distributions

Group	Percent of Total U.S. Population (with group share of All Minority)		Percent of Total U.S. Firms (with group share of All Minority)		Percent of Total U.S. Gross Receipts (with group share of All Minority)		Percent of Total U.S. Employees (with group share of All Minority)	
African American	12.7	(46.5%)	4.0	(27.4%)	0.4	(12.5%)	0.7	(15.9%)
American Indian and Alaska Native	0.9	(3.3%)	0.9	(6.2%)	0.2	(6.3%)	0.3	(6.8%)
Asian and Pacific Islander	3.80	(13.9%)	4.0	(27.4%)	2.0	(62.5%)	2.1	(47.7%)
Hispanic	10.9	(39.9%)	6.0	(41.1%)	1.0	(31.3%)	1.3	(29.5%)
All Minority	27.3		14.6		3.2		4.4	

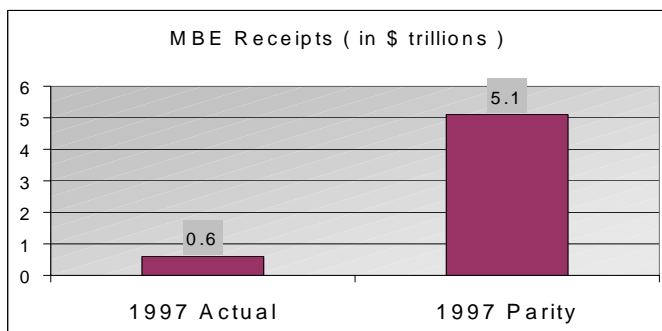
Achieving Entrepreneurial Parity – The Opportunity Gap

The state of minority business in 1997 would look radically different if parity had been achieved. Parity is defined as reaching proportionality between minority population percentage and percentage share of business development measures such as numbers of firms, gross receipts and employment.



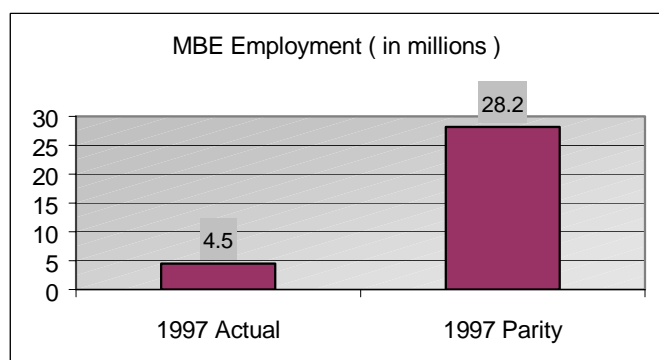
Number of Firms, 1997 Actual and 1997 Parity

In this scenario, the number of minority-owned businesses would have been almost twice the actual number, or 5.7 million firms, rather than 3 million firms.



Business Gross Receipts, 1997 Actual and 1997 Parity

Parity in minority-owned business receipts would have resulted in more than eight times the actual number – from \$0.6 trillion to \$5.1 trillion.



Minority-Owned Business Employment, 1997 Actual and 1997 Parity

Employment in minority-owned firms would jump from 4.5 million to 28.2 million in the parity scenario.

