

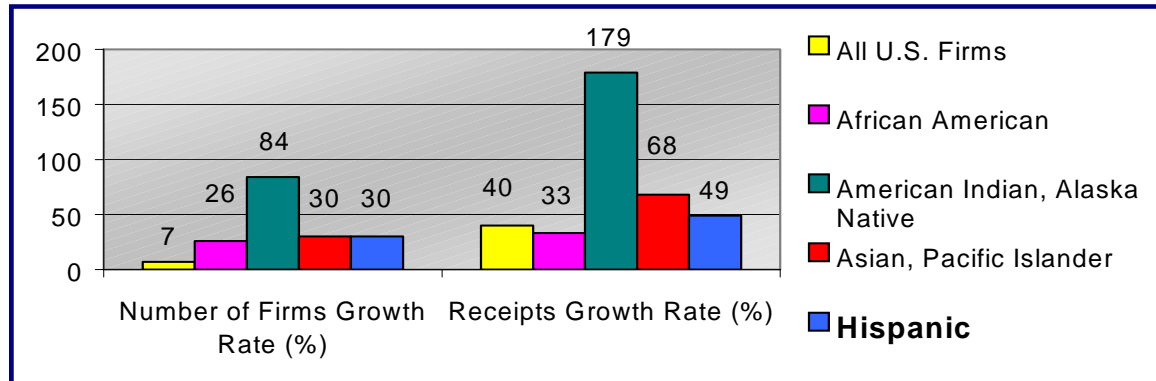
The State of Hispanic Business

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

Between 1992 and 1997 the number of Hispanic-owned businesses grew 30% and their gross receipts increased 49%. These growth rates compare favorably to the 7% and 40% rates respectively of all U.S. firms during that period.

1992-1997 Growth Rates



Growth rates are the aggregate rate of growth for the five year period 1992 to 1997 for each group in accordance with methodology described in Census Bureau, 1997 *Economic Census, Survey of Minority-Owned Business Enterprises*, pp 3-8.

Low Average Size

The average size of Hispanic-owned businesses is substantially lower than nonminority firms. Hispanic-owned firms averaged \$155,000 in sales and 1.4 employees per firm compared to \$1 million and 99 employees for nonminority firms. [See below chart and Table 1]

1997 Hispanic Population and Business Shares of Total U.S. (percent)

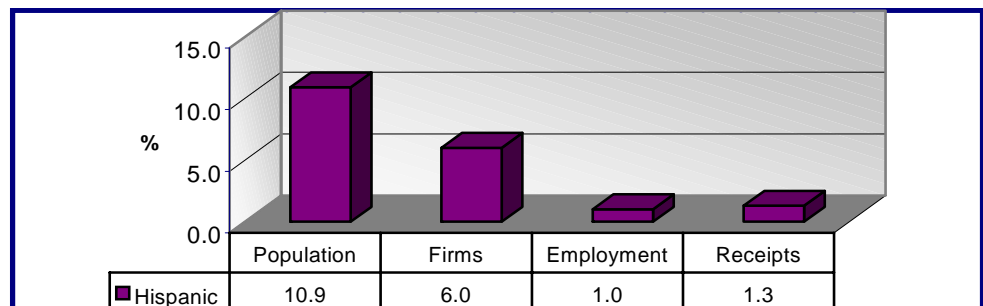


Table 1: 1997 Total Firms, Total Gross Receipts, Average Gross Receipts and Total Employees

Group	Number of Firms	Gross Receipts	Average Gross Receipts	Employees (in millions)
African American	823,500	\$71.2 billion	\$86,500	0.7
American Indian and Alaska Native	197,300	\$34.3 billion	\$174,000	0.3
Asian and Pacific Islander	913,000	\$306.9 billion	\$336,200	2.2
Hispanic	1,199,900	\$186.3 billion	\$155,200	1.4
All Minority	3,039,000	\$591.3 billion	\$194,600	4.5
Nonminority	17,782,900	\$18.0 trillion	\$1,010,100	98.8
All U.S. Firms	20,821,900	\$18.6 trillion	\$891,000	103.3

NOTE: Detail on this table 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]

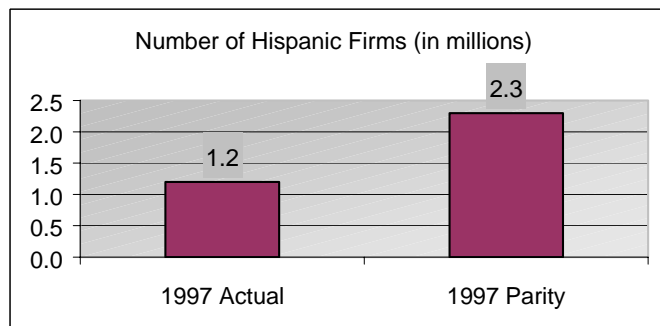
Table 2: Comparison of 1997 Demographic and Firm Characteristics Distributions

Group	Percent of Total U.S. Population	Percent of Total U.S. Firms	Percent of Total U.S. Gross Receipts	Percent of Total U.S. Employees
African American	12.7	4.0	0.4	0.7
American Indian and Alaska Native	0.9	0.9	0.2	0.3
Asian and Pacific Islander	3.8	4.0	2.0	2.1
Hispanic	10.9	6.0	1.0	1.3
All Minority	27.3	14.6	3.2	4.4

NOTE: Detail on this table does not add to total (All Minority) because firms and individuals can be counted in multiple groups. A Hispanic firm may be of any race and, therefore, may be included in more than one minority group.

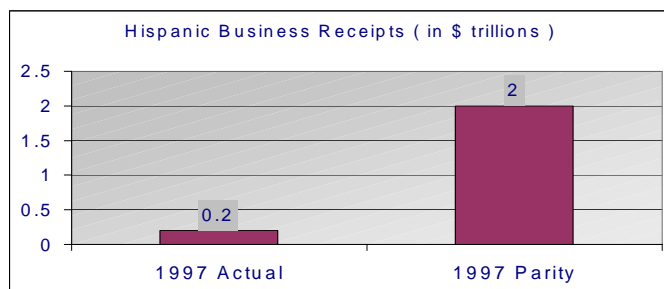
Achieving Entrepreneurial Parity – The Opportunity Gap

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



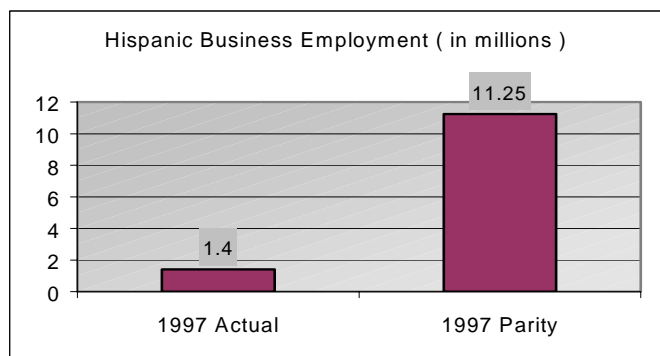
Number of Hispanic Firms, 1997 Actual and 1997 Parity

In this scenario, the number of Hispanic-owned businesses would have been almost twice the actual number, or 2.3 million firms, rather than 1.2 million firms.



Hispanic-owned Business Gross Receipts, 1997 Actual and 1997 Parity

Parity in Hispanic-owned business receipts would have resulted in more than eight times the actual number – from \$0.2 trillion to \$2.0 trillion.



Hispanic-owned Business Employment, 1997 Actual and 1997 Parity

Employment in Hispanic-owned firms would jump from 1.4 million to 11.25 million in the parity scenario.

