

# **Minorities in Business**

Office of Advocacy  
U.S. Small Business Administration  
Washington, D.C.: 1999

### Library of Congress Cataloging-in-Publication Data

Minorities in business.

p. cm.

1. Minority business enterprises—United States. 2. Hispanic American business enterprises. 3. Afro-American business enterprises. 4. Asian American businesspeople. 5. United States—Census, 1987. I. United States. Small Business Administration. Office of Advocacy. HD2346.U5M546 1999  
338.6'422'0973 — dc21

99-20594  
CIP

The full text of this report is available on the Office of Advocacy's Internet site at <http://www.sba.gov/ADVO/>. Reprints in paper or microfiche are available for purchase from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.



Federal Recycling Program  
Printed on recycled paper.

# Foreword

Minority-owned businesses are an important segment of our nation's successful economy. They outpace other businesses in growth and participate in many different industries. The U.S. Small Business Administration's Office of Advocacy estimates that there were 3.25 million minority-owned businesses in 1997, generating \$495 billion in revenue and employing nearly 4 million workers. Their numbers have been increasing rapidly, growing 168 percent over the last decade. The growth in their revenues has been even more astonishing — 343 percent over the last decade, even after controlling for inflation.

The Office of Advocacy supports small business research — including that focused on minority-owned businesses — by identifying small business contributions, evaluating small business vital signs, determining regulatory impacts on small businesses, and monitoring the financing of small businesses. In this report, the Office of Advocacy has analyzed the available data on minority-owned businesses to estimate the number and contributions of these firms. The data sources indicate that significant growth has occurred in all areas.

We need to increase awareness of the economic implications of minority business ownership. Removing the existing barriers to the development and growth of minority-owned firms will benefit not just those firms, but the entire economy. With more timely, detailed data, we can better understand the characteristics of minority-owned businesses and identify policies that will assist them in their pursuits. The Office of Advocacy is pleased to present this report on the considerable progress of minority business ownership.



Jere W. Glover  
*Chief Counsel for Advocacy*  
*U.S. Small Business Administration*



# Contents

Foreword	iii
Overview	1
Sources of the Data	5
Hispanic-Owned Businesses	8
Black-Owned Businesses	12
Asian-Owned Businesses	16
Financing and Procurement	19
Tables	21

## **Abbreviations**

BLS	Bureau of Labor Statistics
CBO	Characteristics of Business Owners survey
NSSBF	National Survey of Small Business Finances
SBA	U.S. Small Business Administration
SMOBE	Survey of Minority-Owned Business Enterprises

# Overview

Minority-owned businesses are a fast-growing segment of the U.S. economy. By 1997, there were an estimated 3.25 million minority-owned businesses in the United States, generating \$495 billion in revenues, and employing nearly 4 million workers. From 1987 to 1997, the number of minority-owned businesses increased 168 percent, while revenues grew twice as fast — 343 percent — and employment climbed even faster — 362 percent.

This report looks at businesses owned by Blacks, Hispanics, and Asians. Hispanics are defined by the Census Bureau as persons of Cuban, Mexican, Puerto Rican, Latin American, European Spanish, or other Spanish-speaking origin or ancestry. The term “Asians” as used in this report also includes Aleuts, Eskimos, and American Indians, as well as Asian Indians, Chinese, Japanese, Koreans, Vietnamese, Filipinos, Hawaiians, and other Pacific Islanders.

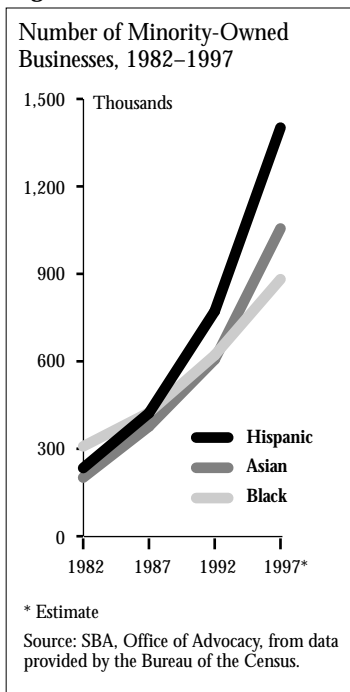
Note that Hispanic is considered an ethnic origin, and may be of any race. Some businesses may be classified as Hispanic-owned and also Black-owned or Asian-owned, although a business is counted as one minority-owned business even if it appears among more than one minority group. Thus, summing Hispanic, Black, and Asian numbers or percentages will produce totals that exceed 100 percent of all minority-owned businesses.

## Comparisons among Minority Groups

Business activity varies substantially among minority groups (Figure 1 and Table 1). Hispanic-owned businesses were the most numerous minority-owned enterprises by 1997, accounting for 1.4 million of the 3.25 million total, followed by Asian-owned businesses (1.1 million) and Black-owned businesses (880,000). The number of Hispanic-owned businesses increased more rapidly in 1987–97 than did other types of minority-owned businesses: the Hispanic growth rate was 232 percent, compared with 180 percent for Asian-owned businesses, 108 percent for Black-owned businesses, and 168 percent for all minority-owned businesses.

Hispanic and Asian immigration may account for much of the increase in the number of minority-owned businesses. Traditionally, large numbers of new settlers have initially earned their livelihoods in the United States by starting businesses. These businesses may have ties to their former countries. Indeed, both Hispanics and

**Figure 1**



Asians have above-average shares of businesses that export goods or services. Although only 1.8 percent of all businesses exported in 1992, 2.5 percent of Hispanic-owned businesses and 2.3 percent of Asian-owned businesses did so. In contrast, there has been little Black immigration in recent decades, and less than 1 percent of Black-owned businesses exported in 1992.

Consistent with these findings, as of 1992 nearly one-half (48 percent) of the Hispanic owners and more than two-thirds (68 percent) of the Asian owners were born outside the United States, but less than one-tenth (9 percent) of the Black owners were.

Minority groups vary significantly with respect to total revenues and average revenue per business (Figure 2). Although they represented just one-third of all minority-owned businesses, Asian-owned businesses accounted for a majority (\$275 billion or 56 percent) of the \$495 billion all minority-owned businesses generated in 1997. Hispanic-owned businesses accounted for 43 percent of all minority-owned businesses but they generated a smaller share (\$184 billion or 37 percent) of the revenues. Black-owned businesses represented a little over one-quarter of the businesses (27 percent) but less than one-eighth of the revenue (\$59 billion or 12 percent). The differences in revenue per business are especially striking: \$250,000 for Asian-owned businesses, \$130,000 for Hispanic-owned businesses, and \$70,000 for Black-owned businesses.

These differences widened in the 1987–97 decade, as revenues grew (after factoring out inflation) by an estimated 463 percent for Asian-owned businesses and 417 percent for Hispanic-owned businesses but only 109 percent for Black-owned businesses. Asian-owned businesses grew the fastest individually and as a group, with the average enterprise more than doubling its revenue over the period. Hispanic-owned businesses nearly doubled their revenue per firm, but average revenues of Black-owned businesses remained almost constant after adjusting for inflation.

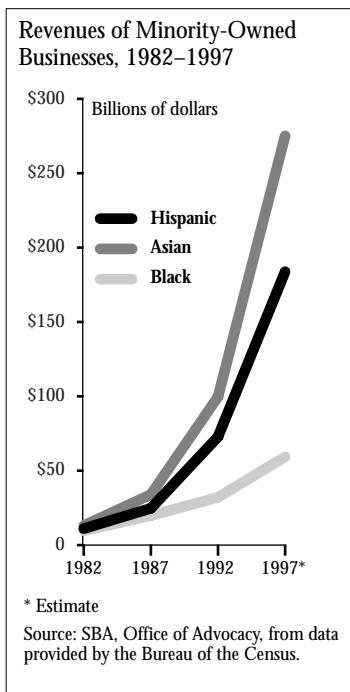
## Businesses with Employees

In general, revenues are far higher for businesses with employees than for self-employed individuals without employees. Consistent with their revenues per firm, Asians are the most likely to have employees: about 250,000 (nearly one-quarter) of the 1.1 million Asian-owned businesses in 1997 had employees, versus 200,000 (one-seventh) of the 1.4 million Hispanic-owned businesses and 90,000 (one-tenth) of the Black-owned businesses.

For each of the groups, the number of firms with employees grew less rapidly than the number of businesses overall in the 1987–97



**Figure 2**



## Self-Employment

interval. For Asian-owned businesses, the number of firms with employees rose 157 percent, compared with the 180-percent growth in all Asian-owned businesses. For Hispanic-owned businesses, the respective growth rates were 144 percent for firms with employees and 232 percent for all. The count of Black-owned businesses with employees grew by 27 percent, while the total number of Black-owned firms more than doubled (up 108 percent).

In contrast to the growth rate in the number of firms with employees, revenues for such firms grew faster than revenues for all firms in each minority group. Moreover, firms with employees reported 1997 sales per firm that were much higher than all businesses in that minority group. The faster growth and higher sales both occur because firms with employees can expand revenues indefinitely by adding employees, while a business with no employees is limited by what the owner can generate personally.

Among all businesses with employees that were in existence in 1992, three-quarters were still operating in 1996. Hispanic-owned businesses matched the overall survival rate, whereas the rate for Asian-owned businesses was a bit higher (79 percent) and the rate for Black-owned businesses was lower (69 percent).

In contrast to businesses with employees, self-employed individuals without employees have smaller businesses on average, because their revenues are limited to what the owner generates. Their businesses tend to be shorter-lived as the owner tries different activities or moves between self-employment and employment. They also are less likely to use credit than businesses with employees.

For each minority group, businesses with employees had revenues in 1997 about 30 to 40 times the revenues of (self-employed) businesses without employees for that minority, even though the level of revenues and percentage of firms that had employees varied from group to group. For instance, nearly 90 percent of Black-owned businesses had no employees. Those individuals averaged just \$16,000 in revenues (compared with \$500,000 for Black-owned businesses with employees), suggesting that many of the businesses were part-time or sidelines to other employment. About 85 percent of Hispanic-owned businesses had no employees. Their average revenue was about \$20,000 (vs. \$800,000 for the Hispanic-owned businesses with employees). Roughly 77 percent of Asian-owned businesses had no employees; their revenues averaged \$33,000 each (vs. \$1 million per Asian-owned businesses with employees).

Although each minority represents a different percentage of the

total U.S. population, they account for nearly the same share of self-employment. Specifically, 5 percent of the 10.3 million individuals who reported self-employment as their primary occupation in 1998 were Black, 6 percent were Hispanic, and 5 percent were Asian. In contrast, Blacks accounted for 13 percent of the population; Hispanics, 11 percent; and Asians, 5 percent.

## **Business Characteristics**

There are differences among minority groups, and between minorities and others, as to what type of business they operate. For instance, about 3 percent of all businesses were franchises in 1992. A slightly smaller percentage of all Hispanic-owned businesses were franchises, but more than 4 percent of Black-owned businesses and nearly 5 percent of Asian-owned businesses were franchises that year.

Minorities reported less use of credit overall, and of bank credit in particular, than did all businesses in 1993. Just over three-quarters of all businesses used credit, but only two-thirds of minority businesses did, with credit usage by Black-owned businesses at 63 percent and usage by Hispanic-owned businesses at 70 percent. (Data were not broken out for other minorities.) Almost 37 percent of all businesses used bank credit but only 27 percent of minority-owned businesses did so — 33 percent of Hispanic-owned businesses and just 15 percent of Black-owned businesses. The data do not reveal whether these different credit patterns represented problems in securing access to credit that related specifically to being minorities, personal preferences, or differences based on size and type of business.

## Sources of the Data

Business ownership by minorities has been growing at a rapid pace in recent years. Yet measurement of this phenomenon continues to be hampered by limited data. This report focuses on the information that can be gleaned from the available data sources, including:

- **Characteristics of business owners** from the information gathered by the Census Bureau as part of its quinquennial Economic Censuses that were conducted in 1982, 1987, and 1992;
- **Self-employment data** from the Bureau of Labor Statistics;
- **Finance statistics** from the National Survey of Small Business Finances, a survey co-funded by the U.S. Small Business Administration and the Board of Governors of the Federal Reserve;
- **Procurement information** from the Federal Procurement Data System, a reporting system on federal procurement that is produced by the U.S. General Services Administration for each fiscal year; and
- **Private research** on minority-owned small businesses.

Official federal data series on minority-owned businesses have been limited in coverage, timeliness, and comparability. The most comprehensive federal statistics on minority-owned businesses are collected and disseminated every five years as part of the Survey of Minority-Owned Business Enterprises (SMOBE), a special program of the Census Bureau's Economic Censuses. The most recent SMOBE data available, for 1992, were released in 1997. They are the only data that cover all minority-owned businesses, and include information on sole proprietorships, partnerships, and S corporations. The only major exclusions in the data are C corporations and businesses with less than \$500 in annual receipts.<sup>1</sup>

The Characteristics of Business Owners (CBO) survey samples a subset of the SMOBE sample and asks detailed questions about various aspects of the owner and business, including questions on

1. In 1982, businesses with less than \$500 in annual receipts were not excluded from the survey. In 1987, the Census Bureau readjusted the 1982 numbers to make them comparable with the 1987 survey, which excluded these firms with less than \$500 in annual receipts.

financing, survival, exporting, franchising, etc. The most recent CBO data available are also from 1992, released in 1997.<sup>2</sup>

Data — with the limitations noted — on the number of minority-owned businesses, their receipts, and their employees, are available from the SMOBE reports for 1982, 1987, and 1992. (Some 1997 data have been estimated.) Information is also presented in this report from the 1992 CBO on the characteristics of businesses and their owners, such as their use of financing, whether or not the enterprise was still in business in 1996, is (or was) home-based, whether it exported, and whether it was franchised.

Data on self-employed individuals by race and ethnicity are available from the Bureau of Labor Statistics for several years. Federal procurement data for minorities in general are available from the General Services Administration.

The SBA's Office of Advocacy, along with the Board of Governors of the Federal Reserve System, in 1993 and 1994 conducted the second National Survey of Small Business Finances (NSSBF). This survey allowed for a detailed picture of the financing patterns of businesses owned by different minority groups compared with all small businesses.<sup>3</sup> The survey asked small business owners about their borrowing patterns, including their use of traditional and non-traditional financing.<sup>4</sup> The NSSBF sampled more than 5,000 small businesses, with a concentration on minority-owned firms.

The data used in this report cover various types of businesses, are from different sources, and cover different time spans. Comparison, therefore, can be difficult. In compiling this report, the Office of Advocacy has used the best available data to present an accurate picture of the current state of minority-owned businesses. The 1997 estimates for the number of businesses, their receipts, and their

2. The 1997 survey that was slated to begin in 1999 has been cancelled due to a lack of funding. As the most comprehensive, detailed survey on minority-owned businesses, this cancellation will severely impair the ability to answer questions related to these businesses in the future.

3. The survey asked owners of businesses with employees about their financing patterns and business characteristics in 1993. The first survey was conducted in 1987, and a third will be conducted in 1999.

4. Traditional sources of financing include commercial banks, credit unions, finance companies, thrifts, brokerages, leasing companies, family, friends, government, and other businesses. Non-traditional sources include owner loans, personal credit cards, and business credit cards.

employment were calculated using a five-year growth rate (for 1992–1997) equal to the average of the two previous five-year periods.<sup>5</sup>

5. Processing errors at the Bureau of the Census led to an overstatement of employer firms in 1987. As the 1997 estimates use this overstated number, these estimates should be used with caution. Projections were based on three years of data (1982, 1987, and 1992). While not optimal, this was the least problematic technique given the limited data available.

# Hispanic-Owned Businesses

## Growth

The Office of Advocacy estimates the number of businesses owned by Hispanics in 1997 at 1.4 million,<sup>6</sup> a 232-percent increase since 1987 (Table 1). Business receipts are estimated at \$184 billion, a 417-percent increase since 1987, after adjusting for inflation. Hispanic-owned firms employed about 1.5 million workers in 1997, an increase of 464 percent since 1987.

Of the 1.4 million Hispanic-owned businesses in 1997, about 200,000 have employees (14 percent of all Hispanic-owned businesses). These businesses generated receipts of \$160 billion (87 percent of all receipts from businesses owned by Hispanics).

## Self-Employment

In 1998, self-employment was the primary occupation of 661,000 Hispanics (Table 2). This represented 6.4 percent of all people with self-employment as their primary occupation. The number of primary self-employed Hispanics grew 30 percent between 1988 and 1998, much faster than the 3.9-percent growth in self-employment posted by the U.S. population as a whole.

## Firm Survival

According to the 1992 Characteristics of Business Owners survey,<sup>7</sup> 75.5 percent of all firms, and 74.3 percent of Hispanic-owned firms, that were in existence in 1992 survived until 1996 (Table 3). Of those that closed, 38.2 percent of all firms and 29.3 percent of Hispanic-owned firms considered the business successful at closure.

Survival rates and successful closing rates are much higher for businesses with employees: 91.2 percent of Hispanic-owned employer businesses survived until 1996, compared with 70 percent of those without employees. Of the businesses closing, 42 percent of those with employees closed as successful firms, compared with 28 percent of those without employees.

6. This number excludes C corporations and firms with less than \$500 in annual receipts.

7. The survey was taken in 1996. Respondents were asked about characteristics of the business in 1992, whether it survived until 1996, and the year it closed if it was not still in operation.

## Characteristics

According to the 1992 Census survey, about 51.6 percent of all businesses owned by Hispanics operated in the residence when first established, less than the 56.5-percent average for all firms (Table 4). Of businesses with employees, 30.7 percent of Hispanic-owned firms and 30.1 percent of businesses overall were home-based at first.

About 2.5 percent of businesses owned by Hispanics exported their goods and services, compared with 1.8 percent of all firms (Table 4). Of businesses with employees, 4 percent of Hispanic firms were exporters, compared with 2.9 percent of all firms. The higher percentages for Hispanic-owned businesses may reflect the fact that nearly half of Hispanic business owners are from other countries.

According to the Characteristics of Business Owners survey, businesses owned by Hispanics represented 4.5 percent of all businesses in 1992 (Table 5). By business size, their share ranged from 4.6 percent of businesses with no employees to 2 percent of businesses with more than 100 employees. By industry, their share ranged from 6.8 percent of the transportation, communications, and public utilities industry group, to 2.5 percent of the finance, insurance, and real estate industry group.

About 2.8 percent of Hispanic-owned businesses were franchised, slightly lower than the overall average of 3.1 percent (Table 6). This share varied quite dramatically by industry. The top three franchised industries were retail trade at 6.6 percent, finance, insurance, and real estate at 6.4 percent, and wholesale trade at 3.4 percent.

More than 75 percent of Hispanic business owners were between the ages of 25 and 54. Just over one-half were born in the United States (51.5 percent) (Table 7).

## Number and Revenue

According to the 1992 Survey of Minority-Owned Business Enterprises, the most current such survey available, there were approximately 770,000 Hispanic-owned businesses generating \$72.8 billion in business revenues in 1992 (Table 8). They accounted for 4.5 percent of all businesses, although Hispanics made up nearly 10 percent of the U.S. population at that time. The percentage of businesses owned by Hispanics varied by legal form of organization. Hispanic Americans owned 4.7 percent of all sole proprietorships, 3.2 percent of S corporations, and 3 percent of partnerships. The number of Hispanic-owned businesses increased 82.7 percent over the 1987–1992 time period, compared with 26 percent for all businesses. The number of sole proprietorships owned by Hispanics increased 74 percent in this same time period, almost four times the

20-percent increase in the number of all sole proprietorships. Hispanic-owned partnerships increased 167 percent, more than twice as fast as partnerships in general, up 65 percent. And S corporations owned by Hispanics grew 274 percent, nearly four times the growth rate of S corporations overall, 72 percent.

Businesses owned by Hispanics generated 2.2 percent of all business receipts in 1992. However, their receipts grew 145 percent from 1987 to 1992, compared with 38.5 percent for businesses overall.

## **Industry Detail**

In 1992, almost half (45 percent) of all businesses owned by Hispanics were in the service sector (Table 9A). Another 14 percent were in retail trade, and close to 13 percent were in construction. Almost one-quarter of revenues were generated in the retail sector, with an additional 23 percent coming from services, and 17 percent from wholesale trade.

Over the 1987–1992 time period, the industries in which the number of Hispanic-owned businesses increased fastest were the finance, insurance, and real estate industry group (123 percent); the agriculture, forestry, and fishing group (93 percent), and services (88 percent). Over the 10-year period from 1982 to 1992 the industries with the fastest growth were wholesale trade (428 percent); finance, insurance, and real estate (379 percent); and manufacturing (369 percent).

## **State Data**

The five states with the largest numbers of Hispanic-owned businesses in 1992 were California (249,717), Texas (155,909), Florida (118,208), New York (50,601), and New Jersey (22,198) (Table 10A). Ranked first in growth in the number of Hispanic-owned businesses between 1987 and 1992 was Maine, with an increase of 207.2 percent, followed by North Carolina (205.2 percent), Rhode Island (204.5 percent), Vermont (197.5 percent), and Tennessee (189.2 percent).

## **Financing**

In 1993 and 1994, the Office of Advocacy, along with the Board of Governors of the Federal Reserve System, conducted the second National Survey of Small Business Finances. This survey allows for a detailed picture of the financing patterns of businesses owned by Hispanics compared with all other businesses. While 76 percent of all businesses used some type of credit in 1993, 70 percent of Hispanic-owned businesses did so (Tables 11A and 11B). About 54 percent of Hispanic-owned firms used traditional financing,<sup>8</sup> compared with 55 percent of all firms (Tables 12A and 12B). And 53



percent of businesses owned by Hispanics used non-traditional sources for their credit needs, compared with 58 percent of all businesses.

Commercial banks were the traditional source used most often by Hispanic-owned businesses, with 32.6 percent of this group using them for their credit needs, compared with 36.9 percent of all small firms (Tables 11A and 11B). Finance companies were the second most common traditional source at 14.9 percent. The types of traditional loans used most frequently were vehicle loans (used by 27.2 percent of Hispanic-owned businesses), lines of credit (25.3 percent), and equipment loans (13 percent) (Tables 12A and 12B). About one-third of Hispanic-owned businesses used at least one type of credit card (business and/or personal) for part or all of their credit needs.

A recent study found that, after controlling for differences in creditworthiness and other factors, Hispanic-owned firms were not significantly more likely to be denied credit.<sup>9</sup> However, Hispanic-owned firms were 22 percent more likely to withhold a loan application for fear of denial. When cases where Hispanic-owned firms needed credit but did not apply for fear of denial were added into the group, Hispanic-owned firms were 12 percent more likely to be denied access to credit.<sup>10</sup>

Another study found that the rates of initial and ultimate loan denials were dramatically higher for Hispanic-owned firms when compared with non-Hispanic-owned firms, even after controlling for differences in firm characteristics.<sup>11</sup> It also found that Hispanics who operated in highly concentrated markets paid significantly higher interest rates than others. (This study's sample sizes were quite small, however, and caution should be used in interpreting these results.)

8. Traditional sources include commercial banks, credit unions, finance companies, thrifts, brokerages, leasing, family, friends, government, and other businesses. Nontraditional sources include owner loans, personal credit cards, and business credit cards.

9. David Blanchflower, Phillip Levine, and David Zimmerman, "Discrimination in the Small Business Credit Market," *National Bureau of Economic Research Working Paper*, no. 6840 (1998). This study used the 1993 National Survey of Small Business Finances.

10. Those cases in which firms needed credit but did not apply for fear of rejection were treated as loan rejections.

11. Ken Cavalluzzo and Linda Cavalluzzo, "Market Structure and Discrimination: The Case of Small Businesses," *Journal of Money, Credit, and Banking*, vol. 30, no. 4 (November 1998). This study used the 1988–1989 National Survey of Small Business Finances.

# Black-Owned Businesses

## Growth

The Office of Advocacy estimates the number of businesses owned by Blacks in 1997 at 881,646, a 108-percent increase since 1987 (Table 1). Business receipts are estimated at \$59.3 billion, a 109-percent increase since 1987, after adjusting for inflation. Black-owned firms employed more than 580,000 workers in 1997, an increase of 165 percent since 1987.<sup>12</sup> Of the 881,646 Black-owned businesses in 1997, about 90,000 have employees (10 percent of all Black-owned businesses). These businesses generated receipts of \$46 billion (78 percent of all receipts from businesses owned by Blacks).

## Self-Employment

In 1998, self-employment was the primary occupation of 533,500 Blacks (Table 2). This represented 5.2 percent of all people with self-employment as their primary occupation. The number of primary self-employed Blacks grew 28.7 percent between 1988 and 1998, the third largest increase after Asians and Hispanics.

## Firm Survival

According to the 1992 Characteristics of Business Owners survey, 75.5 percent of all firms and 68.9 percent of Black-owned firms, that were in existence in 1992 survived until 1996 (Table 3). Of those that closed, 38.2 percent of all firms, and 22.8 percent of Black-owned firms, considered the business successful at closure. Almost 87 percent of Black-owned employer businesses survived until 1996, compared with 66.5 percent of those without employees. About 36 percent of employer businesses were successful when they closed, compared with 22 percent of those without employees.

## Characteristics

According to the 1992 Census survey, about 57 percent of all businesses owned by Blacks operated in the residence when first established, nearly equal to the 56.5-percent average for all firms (Table 4). Of businesses with employees, 43 percent of Black-owned firms and 30 percent of businesses overall were home-based at first.

Only 0.8 percent of businesses owned by Blacks exported their goods and services, compared with 1.8 percent of all firms (Table 4).

12. These estimates were calculated using Census data for 1982, 1987, and 1992, and assuming a 1992–1997 growth rate equal to the average of the two previous five-year growth rates for 1982–1987 and 1987–1992.

According to the Characteristics of Business Owners survey, businesses owned by Blacks represented 3.6 percent of all businesses in 1992 (Table 5). By business size, their share ranged from 3.9 percent of businesses with no employees to one percent of businesses with more than 50 employees. By industry, their share ranged from 7 percent of the transportation, communications, and public utilities industry group to 1.4 percent of the wholesale trade group.

Just over 4 percent of Black-owned businesses were franchised, higher than the overall average of 3.1 percent (Table 6). This share varied quite dramatically by industry. The top three franchised industries were finance, insurance, and real estate at 9.6 percent; retail trade at 8.8 percent; and transportation, communications, and public utilities at 7.4 percent.

Nearly 70 percent of Black business owners were between the ages of 25 and 54. More than 90 percent were born in the United States (Table 7), a sharp contrast to the 52 percent of Hispanic owners and 32 percent of Asian owners who were born in the United States.

## **Number and Revenue**

According to the 1992 Survey of Minority-Owned Business Enterprises, there were approximately 621,000 Black-owned businesses generating \$32.2 billion in business revenues in 1992 (Table 8). They accounted for just 3.6 percent of all businesses, although Blacks made up over 12 percent of the U.S. population at that time. The percentage owned by Blacks varies by the legal form of organization of the business: they owned 4 percent of all sole proprietorships, but just 1.4 percent of all partnerships and S corporations. The number of Black-owned businesses grew 46.4 percent over the 1987–1992 period, compared with 26 percent for all businesses. The number of sole proprietorships owned by Blacks increased 46 percent, more than twice as fast as the increase in the number of all sole proprietorships, 20 percent. However, Black-owned partnerships increased less than half as fast as partnerships in general, at 31 and 65 percent respectively, and S corporations grew at about the same rate for both groups, at 72 and 75 percent over the five-year period.

Businesses owned by Blacks generated only 1 percent of all business receipts in 1992. In addition, their receipts grew just 35.4 percent from 1987 to 1992, compared with 38.5 percent for businesses overall.

## **Industry Detail**

In 1992, more than half (54 percent) of all businesses owned by Blacks were in the service sector (Table 9B). Another 14 percent were in retail trade, and almost 8 percent were in the transportation, communications, and public utilities industry group. More than

one-third of revenues were generated in the service sector. Black-owned businesses in the retail trade industry group generated 22 percent of the total revenue, and those in the finance, insurance, and real estate industry group generated 12 percent.

Over the 1987–1992 period, the fastest growing industries for Black-owned businesses were services (at 59 percent), mining (52 percent) and finance, insurance, and real estate (52 percent). Over the 10-year period from 1982 to 1992 the industries with the fastest growth were finance, insurance, and real estate (216 percent), manufacturing (182 percent), and services (144 percent).

## **State Data**

The top five states in 1992, ranked by the number of African American businesses, were California (68,968), New York (51,312), Texas (50,008), Florida (40,371), and Georgia (38,264) (Table 10B). Ranked first in growth in the number of Black-owned businesses was North Dakota, with an increase of 105 percent between 1987 and 1992, followed by Minnesota (92 percent), Georgia (79.8 percent), Hawaii (79.7 percent), and Maine (79.4 percent).

## **Financing**

The National Survey of Small Business Finances allows a detailed picture of the financing patterns of businesses owned by Blacks. There is a striking contrast in the financing patterns of Black-owned small business when compared with all small businesses. While 76 percent of all businesses used some type of credit in 1993, only 63 percent of Black-owned businesses did so (Tables 11A and 11C). A little more than one-third of them used traditional financing, compared with 55 percent of all firms (Tables 12A and 12C). And just over one-half of businesses owned by Blacks used non-traditional sources for their credit needs, compared with 58 percent of all businesses.

Perhaps the most notable difference is the use of commercial banks: only 15 percent of Black-owned businesses used them as a source of credit, compared with 37 percent of all small firms (Tables 11A and 11C). However, commercial banks were still the traditional source used most often by businesses, including those owned by Blacks. Finance companies were the second most common traditional source, at 10 percent. Black-owned businesses had slightly lower rates of reliance for financing on friends and family and personal credit cards, but a slightly higher rate of business credit card use.

The types of traditional loans used most frequently were vehicle loans (used by 16.9 percent of Black-owned businesses), equipment loans (13.9 percent), and lines of credit (11.8 percent) (Table 12C). Again, businesses owned by Blacks used all types of loans except

equipment loans less frequently than businesses in general.

A recent study found that, after controlling for differences in creditworthiness and other factors, Black-owned firms were about twice as likely to be denied credit.<sup>13</sup> In addition, Blacks were much more likely to withhold a loan application due to fear of denial.

Another study found that rates of initial and ultimate loan denials were dramatically higher for Blacks in comparison with white-owned firms, even after controlling for differences in firm characteristics.<sup>14</sup>

13. Blanchflower et al., "Discrimination in the Small Business Market."

14. Cavaluzzo and Cavaluzzo, "Market Structure and Discrimination: The Case of Small Business."

# Asian-Owned Businesses

## Growth

The Office of Advocacy estimates the number of businesses owned by Asians in 1997 at 1.06 million, a 180-percent increase since 1987 (Table 1).<sup>15</sup> Business receipts are estimated at \$275 billion, a 463-percent increase since 1987, after adjusting for inflation. Asian-owned firms employed more than 1.9 million workers in 1997, an increase of 432 percent since 1987. Of the 1.1 million Asian-owned businesses in 1997, about 248,000 have employees (23.5 percent of all Asian businesses). These businesses generated receipts of \$245 billion (89 percent of all receipts from businesses owned by Asians).

## Self-Employment

In 1998, self-employment was the primary occupation of 460,000 Asians (Table 2). This represented 4.5 percent of all people with self-employment as their primary occupation. The number of primarily self-employed Asians grew 56.5 percent between 1988 and 1998. (The Bureau of Labor Statistics does not release official tabulations for this minority group because of low sample numbers, so these numbers should be viewed with caution.)

## Firm Survival

According to the 1992 Characteristics of Business Owners survey, 75.5 percent of all firms and 79.2 percent of Asian-owned firms that were in existence in 1992 survived until 1996 (Table 3). Of those that closed, 38 percent of all firms, and 27 percent of Asian-owned firms considered the business successful at closure.

Survival rates and successful closing rates are much higher for businesses with employees: 92 percent of Asian-owned employer businesses survived until 1996, compared with 74 percent of those without employees. Of those businesses closing, 49 percent of those with employees were successful at closure, compared with 25 percent of those without employees.

## Characteristics

According to the 1992 Census survey, about 37.6 percent of all businesses owned by Asians operated in the residence when first established, dramatically less than the 56.5-percent average for all firms (Table 4). Of businesses with employees, 16.4 percent of Asian-

15. "Asians" as used by the Bureau of the Census in the Survey of Minority-Owned Business Enterprises represents a diverse group that includes Aleuts, Eskimos, American Indians, Asian Indians, Chinese, Japanese, Koreans, Vietnamese, Filipinos, Hawaiians, and other Pacific Islanders.

owned firms were home-based at first, about half the rate of employer firms overall.

According to the Characteristics of Business Owners survey, businesses owned by Asians represented 3.5 percent of all businesses in 1992 (Table 5). By business size, their share ranged from 4.5 percent of businesses with 1 to 9 employees to 2.1 percent of businesses with more than 100 employees. By industry, their share ranged from 5.3 percent of retail trade to 1.5 percent of construction.

About 2.3 percent of businesses owned by Asians exported their goods and services, compared with 1.8 percent of all firms (Table 4). Of businesses with employees, 3.9 percent of Asian firms were exporters, compared with 2.9 percent of all firms.

Nearly 5 percent of Asian-owned businesses were franchised, higher than the overall average of 3.1 percent (Table 6). This share varied quite dramatically by industry. The top three franchised industries were transportation, communications, and public utilities at 13.7 percent; retail trade at 8 percent; and finance, insurance, and real estate at 7.8 percent.

About 75 percent of Asian business owners were between the ages of 25 and 54. Just under one-third were born in the United States (32 percent) (Table 7).

## **Number and Revenue**

According to the 1992 Survey of Minority-Owned Business Enterprises, there were approximately 606,000 Asian American businesses generating \$99.7 billion in business revenues in 1992 (Table 8). They accounted for 3.5 percent of all businesses, although Asians made up just over 4 percent of the U.S. population at that time. The percentage of businesses owned by Asians varied by the legal form of organization. Asians owned 4.5 percent of partnerships, 3.5 percent of S corporations, and 3.4 percent of sole proprietorships. Asian-owned businesses increased by 61 percent over the 1987–1992 period, compared with 26 percent for all businesses. The number of sole proprietorships owned by Asians increased 47.4 percent, more than twice as fast as the increase in the number of all sole proprietorships, 20 percent. The population of Asian-owned partnerships grew 157 percent, compared with partnerships in general, up 65 percent. The number of S corporations owned by Asians grew 226 percent, about three times the rate for S corporations overall, up 72 percent.

Businesses owned by Asians generated 3 percent of all business receipts in 1992. However, their receipts grew 143 percent from 1987 to 1992, compared with 39 percent for businesses overall.

## Industry Detail

In 1992, almost one-half (45 percent) of all businesses owned by Asians were in the service sector (Table 9C). Another 22 percent were in retail trade, and nearly 11 percent were in the finance, insurance, and real estate industry group. Almost 29 percent of revenues were generated in the retail sector, with an additional 26 percent coming from services, and 18 percent from wholesale trade.

Over the 1987–1992 period, the fastest growing industries for Asian-owned businesses were the finance, insurance, and real estate sector (132 percent), mining (128 percent), and the transportation, communications, and public utilities sector (90 percent). Over the 10-year period from 1982 to 1992 the industries with the fastest growth were wholesale trade (480 percent), manufacturing (445 percent), and finance, insurance, and real estate (410 percent).

## State Data

The top five states in 1992, ranked by the number of Asian businesses, were California (232,672), New York (63,053), Texas (38,763), Hawaii (38,392), and New Jersey (23,116) (Table 10C). Ranked first in growth in the number of Asian-owned businesses was Vermont, with an increase of 147 percent, followed by New Mexico, (114 percent), Georgia (112 percent), Rhode Island (109 percent), and Maine (107 percent).



# Financing and Procurement

## Financing

The National Survey of Small Business Finances allows a detailed picture of the financing patterns of businesses owned by minorities. There are various differences in the financing patterns of minority-owned businesses compared with all businesses. While 76 percent of all small businesses used some type of credit in 1993, 67 percent of minority-owned businesses did so (Tables 11A and 11D). About 46.5 percent of them used traditional financing,<sup>16</sup> compared with 55 percent of all firms (Tables 12A and 12D). And 52.7 percent of businesses owned by minorities used non-traditional sources for their credit needs, compared with 58 percent of all businesses.

Commercial banks were the traditional source used most often by minority-owned businesses, with 26.6 percent of this group using them for their credit needs, compared with 36.9 percent of all small firms (Tables 11A and 11D). Finance companies were the second most common traditional source at 11.1 percent. The types of traditional loans used most frequently were vehicle loans (used by 21.4 percent of minority-owned businesses), lines of credit (18.3 percent), and equipment loans (12.6 percent) (Table 12D). More than one-quarter of minority-owned businesses used business credit cards and 36 percent of them used personal credit cards for all or part of their credit needs.

The Small Business Administration has tried to promote business ownership by minority groups by increasing the share of SBA-backed business lending to them. Loans to minority-owned businesses totaled 24 percent of all loans in fiscal year 1998, compared with 15 percent in fiscal year 1992. The SBA's 504 program, which provides long-term, fixed-rate financing for major fixed assets, also had a large increase in the share of loans made to minority-owned businesses: the minority share of these loans totaled 15 percent in fiscal year 1998, up from 9 percent in fiscal year 1992.<sup>17</sup>

16. Traditional sources include commercial banks, credit unions, finance companies, thrifts, brokerages, leasing, family, friends, government, and other businesses. Nontraditional sources include owner loans, personal credit cards, and business credit cards.

17. U.S. Small Business Administration, Office of Financial Assistance.

## Procurement

Procurement data are available only for minorities in general. Of \$195 billion in fiscal year 1997 prime federal contract dollars, 5.6 percent went to minority-owned businesses, according to the annual *Federal Procurement Report* (Table 13). About 6 percent of the actions over \$25,000 went to minority-owned businesses, as well as 2.6 percent of actions of \$25,000 or less. These percentages were slightly higher than the 1996 percentages for the total and for actions over \$25,000, but less for actions of \$25,000 or less.

The annual change in the dollar volume of contract actions over \$25,000 from 1980 to 1997 shows only two years of declining contract awards to minority-owned businesses, even though total awards decreased in eight of those years (Table 14). From 1996 to 1997, the dollar volume of contract actions over \$25,000 awarded to minority businesses increased 3.4 percent, while the total volume of contract actions over \$25,000 decreased slightly.

# Tables

**Table 1:** Minority-Owned Businesses: Number of Firms, Receipts, and Employment, 1982, 1987, 1992, and 1997 23

**Table 2:** Self-Employment by Race and Ethnic Origin, 1982–1998 24

**Table 3:** Business Survival Rates of Firms Existing in 1992 25

**Table 4:** Firm Characteristics, 1992 26

**Table 5:** Firms by Owner Characteristic, 1992 27

**Table 6:** Franchising by Owner Type, Firm Size, and Industry, 1992 28

**Table 7:** Age and Birthplace of Business Owners, 1992 29

**Table 8:** Number and Receipts of Hispanic, Black, and Asian-Owned Businesses, by Legal Form of Organization, 1987 and 1992 30

**Table 9A:** Number and Receipts of Hispanic-Owned Businesses by Industry, 1982, 1987, and 1992 31

**Table 9B:** Number and Receipts of Black-Owned Businesses by Industry, 1982, 1987, and 1992 32

**Table 9C:** Number and Receipts of Asian-Owned Businesses by Industry, 1982, 1987, and 1992 33

**Table 10A:** Hispanic-Owned Firms by State, 1987 and 1992 34

**Table 10B:** Black-Owned Firms by State, 1987 and 1992 35

**Table 10C:** Asian-Owned Firms by State, 1987 and 1992 36

**Table 11A:** Credit Use by Small Firms, by Source of Loan, 1993 37

**Table 11B:** Credit Use by Small Hispanic-Owned Firms, by Source of Loan, 1993 38

**Table 11C:** Credit Use by Small Black-Owned Firms, by Source of Loan, 1993 39

**Table 11D:** Credit Use by Small Minority-Owned Firms, by Source of Loan, 1993 40

**Table 12A:** Credit Use by Small Firms, by Type of Loan, 1993 41

**Table 12B:** Credit Use by Small Hispanic-Owned Firms, by Type of Loan, 1993 42

**Table 12C:** Credit Use by Small Black-Owned Firms, by Type of Loan, 1993 43

**Table 12D:** Credit Use by Small Minority-Owned Firms, by Type of Loan, 1993 44

**Table 13:** Total Prime Federal Contract Actions by Owner Type, FY 1996 and FY 1997 45

**Table 14:** Annual Change in the Dollar Volume of Prime Federal Contract Actions over \$25,000 by Owner Type, FY 1980–FY 1997 46

**Table 1: Minority-Owned Businesses: Number of Firms, Receipts, and Employment, 1982, 1987, 1992, and 1997**

	1982	1987	1992	1997 <sup>a</sup>	Percent Change 1987–1997 <sup>b</sup>
<b>All minority-owned firms</b>					
Number of businesses					
All	736,064	1,211,017	1,979,056	3,245,127	168.0
Businesses with employees	119,232	247,678	313,031	522,942	111.1
Nominal annual receipts (thousands of dollars)					
All	34,181,238	77,744,780	202,683,780	494,703,206	342.8
Businesses with employees	21,820,541	56,394,339	159,252,282	430,647,362	431.5
Employees	445,840	837,158	1,877,690	3,868,649	362.1
<b>Hispanic-owned firms</b>					
Number of businesses					
All	233,975	422,373	771,708	1,401,531	231.8
Businesses with employees	39,272	82,908	115,364	202,037	143.7
Nominal annual receipts (thousands of dollars)					
All	11,759,133	24,731,600	72,824,270	183,799,941	416.8
Businesses with employees	7,435,664	17,729,432	57,187,370	160,408,831	529.2
Employees	154,791	264,846	691,056	1,492,773	463.6
<b>Black-owned firms</b>					
Number of businesses					
All	308,260	424,165	620,912	881,646	107.9
Businesses with employees	37,841	70,815	64,478	89,686	26.6
Nominal annual receipts (thousands of dollars)					
All	9,619,055	19,762,876	32,197,361	59,303,334	109.1
Businesses with employees	5,704,545	14,130,420	22,589,676	46,034,389	127.2
Employees	121,373	220,467	345,193	583,752	164.8
<b>Asian-owned firms</b>					
Number of businesses					
All	201,264	376,711	606,426	1,055,641	180.2
Businesses with employees	43,323	96,457	136,351	248,163	157.3
Nominal annual receipts (thousands of dollars)					
All	13,148,315	34,035,605	99,709,460	275,106,075	462.5
Businesses with employees	8,900,741	25,104,127	81,083,845	245,293,007	580.0
Employees	174,179	360,301	860,408	1,917,244	432.1

a. 1997 numbers were estimated assuming a 1992–1997 growth rate equal to the average of the previous two five-year periods, 1982–1987 and 1987–1992.

b. Growth rates for receipts are calculated using constant 1992 dollars; they are real growth rates, adjusted for inflation.

Note: These numbers exclude C corporations and businesses with less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1982, 1987 and 1992.

**Table 2: Self-Employment by Race and Ethnic Origin, 1982–1998**

<i>Year</i>	<i>Race or Ethnic Origin</i>				
	<i>Total</i>	<i>White</i>	<i>Black</i>	<i>Asian<sup>a</sup></i>	<i>Hispanic</i>
1982	8,898	8,367	346	185	327
1983	9,140	8,581	345	214	322
1984	9,338	8,736	365	237	370
1985	9,269	8,659	379	231	372
1986	9,328	8,706	380	242	428
1987	9,624	8,956	403	265	455
1988	9,917	9,209	414	294	508
1989	10,008	9,291	411	306	530
1990	10,097	9,377	461	259	523
1991	10,274	9,512	475	287	500
1992	9,960	9,215	452	293	498
1993	10,279	9,487	468	324	543
1994	10,648	9,772	485	391	598
1995	10,482	9,635	512	335	567
1996	10,489	9,577	506	406	644
1997	10,513	9,550	507	456	674
1998	10,303	9,310	533	460	661
Percent of self-employed in 1998	100%	90.4%	5.2%	4.5%	6.4%
Percent change, 1988–1998	3.90%	1.1%	28.7%	56.5%	30.1%

a. "Asian" includes Asians, Pacific Islanders, American Indians, and Alaska Natives. Due to the small sample size of this group, numbers should be viewed with caution.

Note: "Self-employment" means that it was identified as the primary occupation of survey respondents.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Labor, Bureau of Labor Statistics.

**Table 3: Business Survival Rates of Firms Existing in 1992 (Percent of Firms)**

	<i>Surviving Until 1996</i>	<i>Year the Business Closed</i>				<i>Closed Successful</i>
		<i>1995</i>	<i>1994</i>	<i>1993</i>	<i>1992</i>	
<b>Total, all businesses</b>	75.5	4.7	5.8	6.7	7.3	38.2
With employees	89.7	2.9	2.6	1.9	3.0	57.4
Without employees	72.0	5.2	6.6	7.8	8.4	36.4
<b>Hispanic-owned</b>	74.3	5.5	4.9	7.2	8.2	29.3
With employees	91.2	2.7	2.4	2.4	1.3	42.0
Without employees	70.0	6.1	5.6	8.4	9.9	28.2
<b>Black-owned</b>	68.9	6.0	6.8	8.0	10.3	22.8
With employees	86.7	3.7	4.1	3.0	2.5	35.7
Without employees	66.5	6.3	7.3	8.7	11.2	22.1
<b>Asian-owned <sup>a</sup></b>	79.2	4.6	4.7	6.4	5.1	27.1
With employees	92.1	2.2	1.9	2.0	1.9	49.4
Without employees	73.9	5.6	5.9	8.2	6.4	24.6

a. "Asian" includes Asians, Pacific Islanders, American Indians, and Alaska Natives.

Notes: Survey excluded C corporations and businesses with less than \$500 in business receipts during the year.

Includes allocations for non-responding owners. "Closed successful" signifies closing without outstanding debts.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Commerce, Bureau of the Census, Characteristics of Business Owners, 1992.

**Table 4: Firm Characteristics, 1992 (Percent of Firms)**

	<i>Total Number of Firms</i>	<i>Business Operated in a Residence When Established In 1992</i>		<i>Franchised Firms</i>	<i>Exporting Firms</i>
<b>Total, all firms</b>	17,253,143	56.5	53.4	3.1	1.8
With employees	3,134,959	30.1	24.5	2.7	2.9
Without employees	14,118,184	63.0	60.6	4.8	1.3
<b>Hispanic-owned</b>	771,708	51.6	49.2	2.8	2.5
With employees	115,634	30.7	25.2	3.3	4.0
Without employees	656,074	56.9	55.4	2.8	2.2
<b>Black-owned</b>	620,912	57.0	55.6	4.1	0.8
With employees	64,478	43.3	36.6	4.3	0.8
Without employees	556,434	58.8	58.0	4.0	0.7
<b>Asian-owned<sup>a</sup></b>	606,426	37.6	36.1	4.8	2.3
With employees	136,351	16.4	12.3	6.6	3.9
Without employees	470,075	45.9	45.3	4.1	1.6

a. "Asian" includes Asian Americans, Pacific Islanders, American Indians, and Alaska Natives.

Notes: Survey excluded C corporations and businesses reporting less than \$500 in receipts. Includes allocations for non-responding owners.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Commerce, Bureau of the Census, Characteristics of Business Owners, 1992.



**Table 5: Firms by Owner Characteristic, 1992** (Percent of Firms, unless noted)

	<i>Total Number of Firms</i>	<i>Ethnicity</i>		<i>Race</i>		
		<i>Hispanic<sup>a</sup></i>	<i>Non-Hispanic</i>	<i>Black</i>	<i>Asian<sup>b</sup></i>	<i>All Other</i>
<b>Total, all firms</b>	<b>17,253,143</b>	<b>4.5</b>	<b>95.5</b>	<b>3.6</b>	<b>3.5</b>	<b>92.9</b>
<b>Employer Size</b>						
0 <sup>c</sup>	14,554,022	4.6	95.4	3.9	3.4	92.7
1–4	1,716,076	3.8	96.2	2.2	4.5	93.3
5–9	503,808	3.4	96.6	1.6	4.5	93.9
10–19	256,110	3.3	96.7	1.1	3.9	95.0
20–49	144,734	2.8	97.2	1.2	3.5	95.3
50–99	45,331	2.1	97.9	1.0	2.4	96.7
100+	33,062	2.0	98.0	1.0	2.1	96.8
<b>Industry</b>						
Agricultural services, forestry, fishing, and mining	583,253	5.6	94.4	1.8	2.6	95.6
Construction	1,829,620	5.3	94.7	2.4	1.5	96.1
Manufacturing	517,714	3.6	96.4	2.0	3.7	94.3
Transportation, communications, and public utilities	698,903	6.8	93.2	7.0	3.5	89.5
Wholesale trade	538,339	3.3	96.7	1.4	3.7	94.9
Retail trade	2,478,045	4.4	95.6	3.5	5.3	91.1
Finance, insurance, and real estate	1,941,029	2.5	97.5	2.1	3.3	94.6
Services	7,784,016	4.5	95.5	4.3	3.5	92.2
Not classified	882,224	6.0	94.0	4.5	3.2	92.3

a. “Hispanic” is an ethnic origin and can be of any race.

b. “Asian” includes Asian Americans, Pacific Islanders, American Indians, and Alaska Natives.

c. About 3 percent of the employer size category of “0” are firms that reported payroll but no employees on the date of the survey.

Note: Survey excluded C corporations and businesses reporting less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Commerce, Bureau of the Census, Characteristics of Business Owners, 1992.

**Table 6: Franchising by Owner Type, Firm Size, and Industry, 1992**

	<i>Number of Firms (in thousands)</i>				<i>Percent of Firms Franchised</i>			
	<i>Total</i>	<i>Hispanic</i>	<i>Black</i>	<i>Asian<sup>a</sup></i>	<i>All</i>	<i>Hispanic</i>	<i>Black</i>	<i>Asian<sup>a</sup></i>
<b>Total, all firms</b>	<b>17,253.1</b>	<b>771.7</b>	<b>620.9</b>	<b>606.4</b>	<b>3.1</b>	<b>2.8</b>	<b>4.1</b>	<b>4.8</b>
<b>Employment Size of Firm</b>								
0 <sup>b</sup>	14,554.0	675.9	570.2	490.1	2.9	2.7	4.0	4.2
1-4	1,716.1	64.6	37.6	76.6	2.9	2.3	2.7	4.6
5-9	503.8	16.9	7.9	22.9	3.5	2.8	7.4	7.6
10-19	256.1	8.6	2.8	10.1	9.9	8.4	5.4	10.2
20-49	144.7	4.1	1.7	5.0	14.0	9.2	17.3	16.9
50-99	45.3	0.9	0.4	1.1	21.0	14.2	51.0	10.7
100+	33.1	0.7	0.3	0.7	14.5	16.8	22.6	17.3
<b>Industry</b>								
Agricultural services, forestry, fishing and mining	583.3	32.9	10.3	15.2	0.9	1.6	2.3	2.4
Construction	1,829.6	97.5	43.4	28.3	0.6	1.3	1.3	3.0
Manufacturing	517.7	18.5	10.5	19.0	1.4	1.9	2.6	2.9
Transportation, communications, and public utilities	698.9	47.8	49.1	24.4	4.7	2.8	7.4	13.7
Wholesale trade	538.3	17.7	7.6	20.0	3.5	3.4	4.7	2.4
Retail trade	2,478.0	107.8	86.8	132.5	8.0	6.6	8.8	8.0
Finance, insurance, and real estate	1,941.0	49.2	40.9	64.8	6.8	6.4	9.6	7.8
Services	7,784.0	347.3	333.0	273.8	1.5	1.5	2.0	2.8
Not classified	882.2	52.9	39.4	28.5	2.4	4.8	6.4	2.8

a. "Asian" includes Asian Americans, Pacific Islanders, American Indians, and Alaska Natives.

b. About 3 percent of the employer size category of "0" are firms that reported payroll but no employees on the date of the survey.

Notes: Survey excluded C corporations and businesses reporting less than \$500 in annual receipts. Includes allocations for non-responding owners.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Commerce, Bureau of the Census, Characteristics of Business Owners, 1992.

**Table 7: Age and Birthplace of Business Owners, 1992 (Percent)**

	<i>Owners (Number)</i>	<i>Owner's Age</i>						<i>Born in the U.S.</i>
		<i>Under 25</i>	<i>25-34</i>	<i>35-44</i>	<i>45-54</i>	<i>55-64</i>	<i>65+</i>	
<b>Total, all business owners</b>	<b>19,287,649</b>	<b>2.4</b>	<b>15.0</b>	<b>28.7</b>	<b>24.3</b>	<b>18.5</b>	<b>11.0</b>	<b>90.6</b>
<b>Ethnic Origin, Race:</b>								
Hispanic <sup>a</sup>	811,287	3.1	20.0	29.3	26.2	15.6	5.7	51.5
Black	638,203	1.7	13.2	28.8	26.9	19.1	10.3	90.8
Asian <sup>b</sup>	697,710	3.1	14.7	32.6	27.7	15.4	6.5	32.0

a. "Hispanic" is an ethnic origin and can be of any race.

b. "Asian" includes Asian Americans, Pacific Islanders, American Indians, and Alaska Natives.

Notes: The survey excluded C corporations and businesses reporting less than \$500 in annual receipts. Includes allocations for non-responding owners.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Commerce, Bureau of the Census, Characteristics of Business Owners, 1992.

**Table 8: Number and Receipts of Hispanic, Black, and Asian-Owned Businesses by Legal Form of Organization, 1987 and 1992**

	<i>1987</i>		<i>1992</i>		<i>Percent change 1987-1992</i>	
	<i>Total</i>	<i>Minority-owned percent of total</i>	<i>Total</i>	<i>Minority-owned percent of total</i>	<i>All</i>	<i>Minority</i>
<b>Total</b>						
Number of businesses:						
Total	13,695,480		17,253,143		26.0	
Sole proprietorships	12,123,747		14,599,295		20.4	
Partnerships	660,034		1,089,578		65.1	
Subchapter S corporations	911,699		1,564,270		71.6	
Receipts (millions of dollars):						
Total	1,994,808		3,324,199		38.5	
Sole proprietorships	606,144		721,565		-1.1	
Partnerships	314,182		664,927		75.9	
Subchapter S corporations	1,074,483		1,937,707		49.9	
<b>Hispanic-Owned</b>						
Number of businesses:						
Total	422,373	3.1	771,707	4.5		82.7
Sole proprietorships	396,769	3.3	689,015	4.7		73.7
Partnerships	12,230	1.9	32,650	3.0		167.0
Subchapter S corporations	13,374	1.5	50,042	3.2		274.2
Receipts (millions of dollars):						
Total	24,732	1.2	72,824	2.2		144.7
Sole proprietorships	15,169	2.5	25,666	3.6		40.6
Partnerships	2,297	0.7	11,934	1.8		331.8
Subchapter S corporations	7,265	0.7	35,224	1.8		302.9
<b>Black-Owned</b>						
Number of businesses:						
Total	424,165	3.1	620,911	3.6		46.4
Sole proprietorships	400,339	3.3	584,256	4.0		45.9
Partnerships	11,261	1.7	14,727	1.4		30.8
Subchapter S corporations	12,565	1.4	21,928	1.4		74.5
Receipts (millions of dollars):						
Total	19,763	1.0	32,197	1.0		35.4
Sole proprietorships	10,057	1.7	15,947	2.2		31.8
Partnerships	1,965	0.6	3,983	0.6		68.5
Subchapter S corporations	7,741	0.7	12,267	0.6		31.7
<b>Asian-Owned</b>						
Number of businesses:						
Total	376,711	2.8	606,426	3.5		61.0
Sole Proprietorships	340,615	2.8	502,022	3.4		47.4
Partnerships	19,261	2.9	49,489	4.5		156.9
Subchapter S corporations	16,835	1.8	54,915	3.5		226.2
Receipts (millions of dollars):						
Total	34,036	1.7	99,709	3.0		143.4
Sole Proprietorships	8,541	1.4	35,389	4.9		244.3
Partnerships	4,251	1.4	23,702	3.6		363.4
Subchapter S corporations	21,244	2.0	40,619	2.1		58.9

Note: The survey excluded C corporations and businesses reporting less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1987 and 1992.

**Table 9A: Number and Receipts of Hispanic-Owned Businesses by Industry, 1982, 1987, and 1992**

	<i>1982</i>		<i>1987</i>		<i>1992</i>		<i>Percent Change<sup>a</sup></i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>1982-1992</i>	<i>1987-1992</i>
<b>Number of businesses:</b>								
Total	233,975	100	422,373	100	771,708	100	229.8	82.7
Agricultural services, forestry, fishing	6,976	3.0	16,365	3.9	31,600	4.1	353.0	93.1
Mining	387	0.2	829	0.2	1,327	0.2	242.9	60.1
Construction	26,298	11.2	55,516	13.1	97,476	12.6	270.7	75.6
Manufacturing	3,938	1.7	11,090	2.6	18,461	2.4	368.8	66.5
Transportation, communications, public utilities	12,957	5.5	26,955	6.4	47,797	6.2	268.9	77.3
Wholesale trade	3,359	1.4	10,154	2.4	17,727	2.3	427.7	74.6
Retail trade	53,334	22.8	69,911	16.6	107,846	14.0	102.2	54.3
Finance, insurance, real estate	10,284	4.4	22,106	5.2	49,231	6.4	378.7	122.7
Services	92,759	39.6	184,372	43.7	347,297	45.0	274.4	88.4
Industry unknown	23,679	10.1	25,075	5.9	52,945	6.9	123.6	111.1
<b>Receipts (thousands of dollars):</b>								
Total	11,759,133	100	24,731,600	100	72,824,270	100	334.7	144.7
Agricultural services, forestry, fishing	NA	NA	694,937	2.8	1,464,572	2.0	NA	75.1
Mining	34,765	0.3	29,836	0.1	304,926	0.4	515.7	749.3
Construction	1,294,800	11.0	3,438,708	13.9	8,212,208	11.3	345.2	98.5
Manufacturing	480,333	4.1	1,449,913	5.9	6,157,555	8.5	799.9	252.9
Transportation, communications, public utilities	566,877	4.8	1,380,981	5.6	3,702,744	5.1	358.5	122.8
Wholesale trade	766,654	6.5	2,445,416	9.9	12,489,034	17.1	1,043.6	324.4
Retail trade	4,408,413	37.5	7,643,850	30.9	17,730,517	24.3	182.3	92.8
Finance, insurance, real estate	302,190	2.6	864,282	3.5	4,831,923	6.6	1,022.5	364.6
Services	2,983,923	25.4	6,031,406	24.4	16,787,257	23.1	294.9	131.3
Industry unknown	NA	NA	752,271	3.0	1,143,533	1.6	NA	26.3

a. Percent changes are in real terms, adjusted for inflation by using constant 1992 dollars for all years.

NA = Data not available due to disclosure restrictions of the U.S. Census Bureau to prevent the identification of individual businesses.

Note: The survey excluded C corporations and businesses reporting less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1987 and 1992.

**Table 9B: Number and Receipts of Black-Owned Businesses by Industry, 1982, 1987, and 1992**

	1982		1987		1992		Percent Change <sup>a</sup>	
	Number	Percent	Number	Percent	Number	Percent	1982-1992	1987-1992
<b>Number of businesses:</b>								
Total	308,260	100	424,165	100	620,912	100	101.4	46.4
Agricultural services, forestry, fishing	4,592	1.5	7,316	1.7	9,820	1.6	113.9	34.2
Mining	270	0.1	322	0.1	490	0.1	81.5	52.2
Construction	22,459	7.3	36,763	8.7	43,381	7.0	93.2	18.0
Manufacturing	3,707	1.2	8,004	1.9	10,469	1.7	182.4	30.8
Transportation, communications, public utilities	23,907	7.8	36,958	8.7	49,095	7.9	105.4	32.8
Wholesale trade	3,119	1.0	5,519	1.3	7,550	1.2	142.1	36.8
Retail trade	70,811	23.0	66,229	15.6	86,840	14.0	22.6	31.1
Finance, insurance, real estate	12,957	4.2	26,989	6.4	40,924	6.6	215.8	51.6
Services	136,664	44.3	209,547	49.4	332,981	53.6	143.6	58.9
Industry unknown	29,774	9.7	26,518	6.3	39,363	6.3	32.2	48.4
<b>Receipts (thousands of dollars):</b>								
Total	9,619,055	100	19,762,876	100	32,197,361	100	135.0	35.4
Agricultural services, forestry, fishing	126,979	1.3	216,742	1.1	265,089	0.8	46.6	1.6
Mining	NA	NA	54,071	0.3	65,621	0.2	NA	0.9
Construction	828,843	8.6	2,174,399	11.0	2,651,356	8.2	124.6	1.3
Manufacturing	344,719	3.6	1,023,104	5.2	1,319,193	4.1	168.6	7.1
Transportation, communications, public utilities	733,232	7.6	1,573,342	8.0	2,498,102	7.8	139.2	31.9
Wholesale trade	431,941	4.5	1,327,479	6.7	2,944,321	9.1	378.5	84.3
Retail trade	3,481,069	36.2	5,889,654	29.8	6,967,644	21.6	40.5	-1.7
Finance, insurance, real estate	280,305	2.9	804,252	4.1	3,777,171	11.7	846.0	290.3
Services	2,834,513	29.5	6,120,084	31.0	11,057,136	34.3	173.8	50.1
Industry unknown	NA	NA	579,749	2.9	651,727	2.0	NA	-6.6

a. Percent changes are in real terms, adjusted for inflation by using constant 1992 dollars for all years.

NA = Data not available due to disclosure restrictions of the U.S. Census Bureau to prevent the identification of individual businesses.

Note: The survey excluded C corporations and businesses reporting less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1987 and 1992.

**Table 9C: Number and Receipts of Asian-Owned Businesses by Industry, 1982, 1987, and 1992**

	<i>1982</i>		<i>1987</i>		<i>1992</i>		<i>Percent Change<sup>a</sup></i>	
	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>Number</i>	<i>Percent</i>	<i>1982-1992</i>	<i>1987-1992</i>
<b>Number of businesses:</b>								
Total	201,264	100	376,711	100	606,426	100	201.3	61.0
Agricultural services, forestry, fishing	9,828	4.9	13,387	3.6	14,155	2.3	44.0	5.7
Mining	342	0.2	466	0.1	1,062	0.2	210.5	127.9
Construction	7,592	3.8	16,223	4.3	28,295	4.7	272.7	74.4
Manufacturing	3,483	1.7	11,032	2.9	18,976	3.1	444.8	72.0
Transportation, communications, public utilities	4,826	2.4	12,857	3.4	24,362	4.0	404.8	89.5
Wholesale trade	3,458	1.7	11,014	2.9	20,043	3.3	479.6	82.0
Retail trade	57,175	28.4	91,851	24.4	132,483	21.8	131.7	44.2
Finance, insurance, real estate	12,709	6.3	27,911	7.4	64,762	10.7	409.6	132.0
Services	85,191	42.3	172,946	45.9	273,774	45.1	221.4	58.3
Industry unknown	16,658	8.3	19,024	5.1	28,512	4.7	71.2	49.9
<b>Receipts (thousands of dollars):</b>								
Total	13,148,315	100	34,035,605	100	99,709,460	100	432.4	143.4
Agricultural services, forestry, fishing	228,687	1.7	469,755	1.4	838,151	0.8	157.3	48.3
Mining	24,380	0.2	19,176	0.1	477,632	0.5	1,275.3	1,969.8
Construction	416,546	3.2	1,379,974	4.1	5,165,113	5.2	770.5	211.0
Manufacturing	286,694	2.2	1,524,959	4.5	8,359,197	8.4	1,946.8	355.5
Transportation, communications, public utilities	220,317	1.7	735,766	2.2	2,250,943	2.3	617.2	154.2
Wholesale trade	808,055	6.1	4,224,910	12.4	18,198,970	18.3	1,481.0	258.0
Retail trade	6,168,511	46.9	13,583,839	39.9	28,768,083	28.9	227.4	76.0
Finance, insurance, real estate	425,058	3.2	1,107,047	3.3	8,987,599	9.0	1,384.3	574.7
Services	3,905,566	29.7	10,059,033	29.6	25,594,973	25.7	360.1	111.4
Industry unknown	664,499	5.1	931,146	2.7	1,068,800	1.1	12.9	-4.6

a. Percent changes are in real terms, adjusted for inflation by using constant 1992 dollars for all years.

Note: The survey excluded C corporations and businesses reporting less than \$500 in annual receipts. "Asian" includes Asian Americans, Pacific Islanders, American Indians, and Alaska Natives.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1987 and 1992.

**Table 10A: Hispanic-Owned Firms by State, 1987 and 1992**

	1987	1992	1992 Rank	Percent Change 1987-1992	
				Percent	Rank <sup>a</sup>
<b>United States</b>	<b>422,373</b>	<b>771,708</b>		<b>82.7</b>	
Alabama	397	1,029	37	159.2	12
Alaska	502	766	39	52.6	47
Arizona	9,845	17,835	8	81.2	39
Arkansas	324	701	42	116.4	18
California	132,212	249,717	1	88.9	31
Colorado	9,516	13,817	9	45.2	49
Connecticut	2,235	4,502	18	101.4	23
Delaware	184	497	45	170.1	8
District of Columbia	762	1,452	33	90.6	29
Florida	64,413	118,208	3	83.5	37
Georgia	1,931	5,501	14	184.9	6
Hawaii	1,226	3,192	22	160.4	11
Idaho	974	1,865	29	91.5	27
Illinois	9,636	18,368	7	90.6	28
Indiana	1,427	2,454	25	72.0	44
Iowa	475	859	38	80.8	40
Kansas	1,541	2,396	26	55.5	46
Kentucky	359	752	41	109.5	22
Louisiana	2,697	4,983	17	84.8	35
Maine	139	427	47	207.2	1
Maryland	2,931	7,289	11	148.7	13
Massachusetts	2,636	6,914	12	162.3	10
Michigan	2,654	5,036	16	89.8	30
Minnesota	751	1,583	32	110.8	21
Mississippi	308	660	43	114.3	20
Missouri	1,247	2,216	28	77.7	42
Montana	304	568	44	86.8	33
Nebraska	619	1,147	35	85.3	34
Nevada	1,767	3,900	20	120.7	16
New Hampshire	244	487	46	99.6	24
New Jersey	12,094	22,198	5	83.5	36
New Mexico	14,299	21,586	6	51.0	48
New York	28,254	50,601	4	79.1	41
North Carolina	918	2,802	24	205.2	2
North Dakota	88	116	51	31.8	50
Ohio	1,989	4,289	19	115.6	19
Oklahoma	1,516	2,854	23	88.3	32
Oregon	1,598	3,538	21	121.4	15
Pennsylvania	2,650	5,186	15	95.7	26
Rhode Island	426	1,297	34	204.5	3
South Carolina	393	1,057	36	169.0	9
South Dakota	109	239	50	119.3	17
Tennessee	554	1,602	31	189.2	5
Texas	94,754	155,909	2	64.5	45
Utah	1,300	2,375	27	82.7	38
Vermont	118	351	48	197.5	4
Virginia	2,716	7,654	10	181.8	7
Washington	2,686	6,093	13	126.8	14
West Virginia	177	313	49	76.8	43
Wisconsin	894	1,762	30	97.1	25
Wyoming	584	766	40	31.2	51

a. Rankings by percent change over 1987-1992 time period.

Note: Data exclude C corporations and businesses reporting less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1987 and 1992.



**Table 10B: Black-Owned Firms by State, 1987 and 1992**

	1987	1992	1992 Rank	Percent Change 1987–1992	
				Percent	Rank <sup>a</sup>
<b>United States</b>	<b>424,165</b>	<b>620,912</b>		<b>46.4</b>	
Alabama	10,085	14,707	17	45.8	26
Alaska	507	739	41	45.8	27
Arizona	1,811	2,936	31	62.1	13
Arkansas	4,392	5,738	23	30.6	47
California	47,728	68,968	1	44.5	30
Colorado	2,871	4,372	28	52.3	19
Connecticut	4,061	5,714	24	40.7	38
Delaware	1,399	2,060	33	47.2	24
District of Columbia	8,275	10,111	19	22.2	49
Florida	25,527	40,371	4	58.2	15
Georgia	21,283	38,264	5	79.8	3
Hawaii	399	717	42	79.7	4
Idaho	94	152	45	61.7	14
Illinois	19,011	28,433	8	49.6	23
Indiana	5,867	8,349	21	42.3	34
Iowa	703	1,106	37	57.3	17
Kansas	2,323	3,078	30	32.5	45
Kentucky	3,738	5,097	25	36.4	42
Louisiana	15,331	20,312	11	32.5	46
Maine	131	235	44	79.4	5
Maryland	21,678	35,758	6	65.0	12
Massachusetts	4,761	7,225	22	51.8	20
Michigan	13,708	19,695	13	43.7	31
Minnesota	1,448	2,785	32	92.3	2
Mississippi	9,667	14,067	18	45.5	28
Missouri	7,832	9,973	20	27.3	48
Montana	77	113	48	46.8	25
Nebraska	863	1,350	36	56.4	18
Nevada	1,002	1,736	34	73.3	10
New Hampshire	229	46	51	-79.9	51
New Jersey	14,556	20,137	12	38.3	41
New Mexico	587	925	39	57.6	16
New York	36,289	51,312	2	41.4	37
North Carolina	19,487	29,221	7	50.0	22
North Dakota	57	117	47	105.3	1
Ohio	15,983	22,690	10	42.0	35
Oklahoma	3,461	4,621	26	33.5	44
Oregon	848	1,447	35	70.6	11
Pennsylvania	11,728	15,917	15	35.7	43
Rhode Island	489	857	40	75.3	8
South Carolina	12,815	18,343	14	43.1	33
South Dakota	63	111	49	76.2	7
Tennessee	10,423	14,920	16	43.1	32
Texas	35,725	50,008	3	40.0	39
Utah	202	354	43	75.2	9
Vermont	98	139	46	41.8	36
Virginia	18,781	26,100	9	39.0	40
Washington	2,583	4,575	27	77.1	6
West Virginia	727	1,093	38	50.3	21
Wisconsin	2,381	3,446	29	44.7	29
Wyoming	81	97	50	19.8	50

a. Rankings by percent change over 1987–1992 time period.

Note: Data exclude C corporations and businesses reporting less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1987 and 1992.

**Table 10C: Asian-Owned Firms by State, 1987 and 1992**

	1987	1992	1992 Rank	Percent Change 1987-1992	
				Percent	Ranka
<b>United States</b>	<b>376,711</b>	<b>606,423</b>		<b>61.0</b>	
Alabama	1,007	1,777	33	76.5	18
Alaska	5,034	3,916	23	-22.2	51
Arizona	3,398	5,852	17	72.2	21
Arkansas	658	1,214	38	84.5	11
California	147,633	232,672	1	57.6	34
Colorado	3,543	5,788	18	63.4	31
Connecticut	2,051	3,485	24	69.9	26
Delaware	479	809	42	68.9	27
District of Columbia	807	1,393	37	72.6	20
Florida	8,902	17,499	7	96.6	8
Georgia	4,221	8,961	12	112.3	3
Hawaii	31,406	38,392	4	22.2	49
Idaho	513	759	43	48.0	43
Illinois	14,872	21,743	6	46.2	44
Indiana	1,808	3,193	26	76.6	17
Iowa	617	1,011	39	66.0	30
Kansas	1,366	1,842	32	34.8	47
Kentucky	899	1,614	36	79.5	14
Louisiana	2,808	4,826	21	71.9	23
Maine	233	483	48	107.3	5
Maryland	7,954	13,697	10	72.2	22
Massachusetts	3,916	7,009	15	79.0	15
Michigan	4,729	7,409	13	56.7	36
Minnesota	2,024	3,168	27	56.5	37
Mississippi	1,178	1,765	34	49.8	40
Missouri	2,193	3,451	25	57.4	35
Montana	612	845	41	38.1	46
Nebraska	451	670	45	48.6	41
Nevada	1,395	2,769	29	98.5	7
New Hampshire	333	666	46	100.0	6
New Jersey	12,665	23,116	5	82.5	12
New Mexico	2,155	4,608	22	113.8	2
New York	36,257	63,053	2	73.9	19
North Carolina	3,827	6,155	16	60.8	33
North Dakota	329	385	49	17.0	50
Ohio	4,011	7,146	14	78.2	16
Oklahoma	3,751	5,627	19	50.0	39
Oregon	3,340	5,414	20	62.1	32
Pennsylvania	7,189	12,053	11	67.7	29
Rhode Island	472	987	40	109.1	4
South Carolina	965	1,877	31	94.5	9
South Dakota	375	555	47	48.0	42
Tennessee	1,664	3,026	28	81.9	13
Texas	22,682	38,763	3	70.9	25
Utah	1,239	1,746	35	40.9	45
Vermont	111	274	51	146.8	1
Virginia	8,163	13,752	9	68.5	28
Washington	8,241	15,648	8	89.9	10
West Virginia	551	712	44	29.2	48
Wisconsin	1,451	2,486	30	71.3	24
Wyoming	233	362	50	55.4	38

"Asian" includes Asians, Pacific Islanders, American Indians, and Alaska Natives.

a. Rankings by percent change over 1987-1992 time period.

Note: Data exclude C corporations and businesses reporting less than \$500 in annual receipts.

Source: U.S. Small Business Administration, Office of Advocacy, based on data from the U.S. Department of Commerce, Bureau of the Census, Survey of Minority-Owned Business Enterprises, 1987 and 1992.

**Table 11A: Credit Use by Small Firms, by Source of Loan, 1993 (Percent of Small Firms Reporting Use)**

<i>Category</i>	<i>Any Credit</i>	<i>Any Depository Institution</i>	<i>Commercial Bank</i>	<i>Any Non-Depository Institution</i>	<i>Finance Company</i>	<i>Any Non-Financial Institution</i>	<i>Family and Friends</i>
<b>All small firms</b>	<b>75.7</b>	<b>41.0</b>	<b>36.9</b>	<b>18.9</b>	<b>11.6</b>	<b>13.9</b>	<b>8.4</b>
<b>Number of employees</b>							
0	59.7	24.9	21.0	9.8	6.1	8.4	5.8
1–4	75.4	37.1	32.7	15.4	9.4	13.8	8.9
5–9	84.4	51.0	45.8	24.7	14.9	16.8	9.5
10–19	88.7	57.4	55.0	35.5	21.8	20.9	12.6
20–99	91.1	70.7	68.2	34.5	20.6	16.1	5.3
100–499	94.6	80.0	77.2	44.6	27.9	23.9	9.8
<b>Industry</b>							
Mining and construction	79.2	46.7	39.5	20.1	16.2	13.4	9.0
Manufacturing	80.8	48.7	43.0	25.8	15.2	16.6	8.7
Transportation, communications, public utilities	85.2	52.3	48.5	32.1	24.6	16.0	8.6
Wholesale trade	80.3	47.9	45.5	19.0	13.0	17.4	10.1
Retail trade	73.1	41.5	37.7	17.3	12.0	13.6	9.3
Finance, insurance, real estate	74.4	41.2	35.1	16.6	5.9	13.5	9.6
Services	73.4	34.8	32.0	17.5	8.7	12.8	6.9

Note: Small firms are defined as having fewer than 500 employees.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.

**Table 11B:** Credit Use by Small Hispanic-Owned Firms, by Source of Loan, 1993 (Percent Reporting Use)

<i>Category</i>	<i>Any Credit</i>	<i>Any Depository Institution</i>	<i>Credit Union</i>	<i>Thrift</i>	<i>Commercial Bank</i>	<i>Any Non-Depository Institution</i>	<i>Finance Company</i>	<i>Non-Financial Institution</i>	<i>Family and Friends</i>
<b>All small, Hispanic-owned firms</b>	<b>69.9</b>	<b>38.1</b>	<b>3.3</b>	<b>3.1</b>	<b>32.6</b>	<b>22.2</b>	<b>14.9</b>	<b>13.7</b>	<b>8.3</b>
<b>Number of employees</b>									
0	53.4	19.3	4.0	6.5	9.4	22.3	13.8	14.7	12.7
1-4	69.2	38.6	4.0	0.0	35.3	15.2	10.4	13.0	8.6
5-9	86.2	55.9	2.1	6.5	47.2	39.3	31.5	22.5	6.2
10-19	85.8	54.6	0.0	0.4	54.2	30.5	11.6	0.0	0.0
20-99	87.9	50.5	2.5	2.7	50.5	21.6	14.1	10.5	2.4
100-499	100.0	100.0	0.0	42.4	66.7	71.7	62.6	0.0	0.0
<b>Industry</b>									
Mining and construction	74.2	48.5	0.2	0.1	48.2	28.3	26.7	8.7	7.6
Manufacturing	61.0	38.2	0.0	3.6	34.6	25.1	20.9	21.9	7.8
Transportation, communications, public utilities	90.8	34.5	8.1	0.0	30.5	26.2	22.7	0.0	0.0
Wholesale trade	79.3	57.2	0.0	0.0	57.2	23.4	18.3	20.6	13.3
Retail trade	60.3	26.2	2.0	2.5	23.1	15.5	12.5	11.5	10.1
Finance, insurance, real estate	84.9	53.6	10.9	25.2	17.5	8.3	4.6	29.1	16.2
Services	70.4	37.4	5.1	3.6	29.5	24.5	11.5	14.4	6.8

Note: Small firms are defined as having fewer than 500 employees.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.

**Table 11C: Credit Use by Small Black-Owned Firms, by Source of Loan, 1993 (Percent Reporting Use)**

<i>Category</i>	<i>Any Credit</i>	<i>Any Depository Institution</i>	<i>Commercial Bank</i>	<i>Any Non-Depository Institution</i>	<i>Finance Company</i>	<i>Any Non-Financial Institution</i>	<i>Family and Friends</i>
<b>All small Black-owned firms</b>	<b>63.3</b>	<b>21.6</b>	<b>15.4</b>	<b>13.0</b>	<b>10.1</b>	<b>14.6</b>	<b>6.8</b>
<b>Number of employees</b>							
0	41.4	10.3	10.1	9.8	9.4	4.9	4.7
1–4	66.9	19.4	14.3	10.6	8.4	20.4	9.6
5–9	78.2	44.1	24.0	22.6	14.8	12.4	3.0
10–19	97.9	16.4	16.4	13.5	9.0	18.4	1.6
20–99	98.4	40.4	40.4	39.2	28.3	10.2	6.0
100–499	86.4	60.3	60.3	35.9	5.0	36.1	0.0
<b>Industry</b>							
Mining and construction	69.9	20.3	19.8	11.3	10.3	19.2	9.2
Manufacturing	94.2	34.5	19.2	24.1	22.6	1.9	1.2
Transportation, communications, public utilities	71.3	31.9	31.9	31.8	30.5	2.7	0.4
Wholesale trade	96.7	19.7	16.5	9.2	7.0	20.7	4.5
Retail trade	59.9	30.5	20.2	1.7	1.0	6.8	4.1
Finance, insurance, real estate	71.8	23.9	23.8	23.6	14.2	0.6	0.2
Services	55.3	17.3	10.1	11.7	8.5	19.7	9.0

Note: Small firms are defined as having fewer than 500 employees.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.

**Table 11D: Credit Use by Small Minority-Owned Firms, by Source of Loan, 1993 (Percent Reporting Use)**

<i>Category</i>	<i>Any Credit</i>	<i>Any Depository Institution</i>	<i>Commercial Bank</i>	<i>Any Non-Depository Institution</i>	<i>Finance Company</i>	<i>Any Non-Financial Institution</i>	<i>Family and Friends</i>
<b>All small minority-owned firms</b>	<b>67.0</b>	<b>30.6</b>	<b>26.6</b>	<b>16.9</b>	<b>11.1</b>	<b>14.9</b>	<b>8.4</b>
<b>Number of employees</b>							
0	44.8	13.6	9.3	14.3	9.8	8.5	7.5
1–4	68.3	29.3	26.1	12.4	8.3	16.0	10.0
5–9	83.8	47.2	39.1	24.5	16.1	21.8	9.0
10–19	85.2	41.4	41.2	24.7	11.6	9.5	1.1
20–99	88.3	55.3	55.3	35.7	24.7	22.1	5.9
100–499	96.7	82.8	75.8	38.3	33.3	3.6	0.0
<b>Industry</b>							
Mining and construction	67.4	33.1	32.8	18.4	17.5	12.3	5.9
Manufacturing	78.9	36.5	31.3	18.5	14.0	13.7	3.7
Transportation, communications, public utilities	75.8	32.5	30.5	27.7	25.6	2.9	0.2
Wholesale trade	78.9	47.6	45.8	20.3	17.3	21.0	13.6
Retail trade	58.8	24.2	21.1	10.3	6.7	11.8	8.4
Finance, insurance, real estate	77.5	38.8	28.4	18.8	10.0	16.2	12.7
Services	66.1	28.8	23.6	18.2	9.6	16.8	8.9

Note: Small firms are defined as having fewer than 500 employees.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.

**Table 12A: Credit Use by Small Firms by Type of Loan, 1993 (Percent Reporting Use)**

<i>Category</i>	<i>Traditional Credit</i>								<i>Non-Traditional Credit</i>			
	<i>Any Credit</i>	<i>Any Traditional Loan</i>	<i>Line of Credit</i>	<i>Mortgage</i>	<i>Vehicle</i>	<i>Equipment</i>	<i>Lease</i>	<i>Other</i>	<i>Any Non-Traditional Loan</i>	<i>Owner Loan<sup>a</sup></i>	<i>Personal Credit Card</i>	<i>Business Credit Card</i>
<b>All small firms</b>	<b>75.7</b>	<b>54.8</b>	<b>24.3</b>	<b>6.5</b>	<b>24.1</b>	<b>14.0</b>	<b>9.1</b>	<b>11.2</b>	<b>58.1</b>	<b>16.5</b>	<b>39.1</b>	<b>27.7</b>
<b>Number of employees</b>												
0	59.7	35.4	10.8	5.6	13.6	7.5	3.5	7.7	47.7	2.0	40.9	18.1
1–4	75.4	51.5	19.9	6.3	23.4	11.5	6.0	11.1	57.2	15.2	39.9	24.8
5–9	84.4	67.3	31.7	6.5	31.6	17.1	12.1	12.0	66.8	27.2	41.9	38.0
10–19	88.7	75.5	39.8	7.9	33.9	24.2	20.9	16.7	66.7	30.1	35.1	35.3
20–99	91.1	81.4	55.5	6.5	32.6	30.9	23.1	12.9	66.4	29.1	27.6	42.7
100–499	94.6	89.9	62.3	19.0	32.4	29.9	33.4	21.3	65.7	29.9	21.1	38.9
<b>Industry</b>												
Mining and construction	79.2	60.4	26.6	5.3	37.1	14.0	4.0	8.6	56.3	13.2	37.1	32.3
Manufacturing	80.8	62.8	31.8	6.4	25.8	23.9	17.5	11.2	60.7	27.6	38.5	31.3
Transportation, communi- cations, public utilities	85.2	67.4	26.5	6.1	36.4	22.1	18.8	12.3	64.6	26.5	42.8	26.0
Wholesale trade	80.3	58.5	37.6	4.9	25.7	11.9	13.0	15.0	64.5	27.4	36.5	33.7
Retail trade	73.1	55.9	25.1	6.9	22.6	10.1	7.6	15.1	54.6	19.2	34.8	22.5
Finance, insurance, real estate	74.4	52.3	20.4	15.6	14.8	9.5	6.9	11.1	53.9	15.7	38.7	22.7
Services	73.4	49.4	19.2	5.3	20.4	15.0	9.1	9.0	59.2	11.0	42.7	28.1

a. Owner loans are included for partnerships and corporations only.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.

**Table 12B:** Credit Use by Small Hispanic-Owned Firms by Type of Loan, 1993 (Percent Reporting Use)

<i>Category</i>	<i>Traditional Credit</i>								<i>Non-Traditional Credit</i>			
	<i>Any Credit</i>	<i>Any Traditional Loan</i>	<i>Line of Credit</i>	<i>Mortgage</i>	<i>Vehicle</i>	<i>Equipment</i>	<i>Lease</i>	<i>Other</i>	<i>Any Non-Traditional Loan</i>	<i>Owner Loan<sup>a</sup></i>	<i>Personal Credit Card</i>	<i>Business Credit Card</i>
<b>All small Hispanic-owned firms</b>	<b>69.9</b>	<b>53.9</b>	<b>25.3</b>	<b>2.5</b>	<b>27.2</b>	<b>13.0</b>	<b>6.7</b>	<b>11.0</b>	<b>52.6</b>	<b>13.5</b>	<b>35.3</b>	<b>30.1</b>
<b>Number of employees</b>												
0	53.4	46.9	9.2	4.2	20.9	5.9	4.9	16.3	37.9	1.6	33.9	20.7
1–4	69.2	47.1	27.2	0.0	27.8	10.2	1.5	9.2	57.8	12.9	38.6	32.2
5–9	86.2	70.8	35.9	2.6	40.0	21.2	14.5	12.3	65.4	18.8	44.1	46.4
10–19	85.8	81.0	37.3	7.3	13.8	30.6	26.3	2.2	28.5	16.3	6.9	12.4
20–99	87.9	61.8	36.9	7.8	30.9	26.1	9.1	7.9	73.3	52.5	27.6	35.6
100–499	100.0	100.0	91.0	0.0	81.9	8.6	63.1	9.0	45.9	17.6	37.4	37.4
<b>Industry</b>												
Mining and construction	74.2	57.3	33.5	2.9	40.5	17.4	8.4	4.6	59.2	18.9	30.5	37.6
Manufacturing	61.0	46.0	37.1	0.0	31.5	23.0	7.8	3.6	30.0	4.6	21.7	26.3
Transportation, communications, public utilities	90.8	43.2	13.4	4.7	18.6	15.8	7.6	4.0	69.1	14.0	51.5	17.1
Wholesale trade	79.3	64.5	47.7	0.0	36.3	10.7	9.4	19.1	57.8	30.5	36.6	36.7
Retail trade	60.3	42.5	16.4	3.8	14.9	5.0	5.6	15.5	43.8	14.1	33.0	19.0
Finance, insurance, real estate	84.9	67.3	43.3	16.2	13.8	9.0	3.7	20.1	71.8	13.2	54.1	47.7
Services	70.4	58.3	22.2	1.1	29.9	15.9	6.3	9.3	54.2	9.0	36.5	33.4

a. Owner loans are included for partnerships and corporations only.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.



**Table 12C: Credit Use by Small Black-Owned Firms, by Type of Loan, 1993 (Percent Reporting Use)**

Category	Traditional Credit								Non-Traditional Credit				
	Any Credit	Any Traditional Line of Credit			Mortgage	Vehicle	Equipment	Lease	Other	Any Non-Traditional Loan	Owner Loan <sup>a</sup>	Personal Credit Card	Business Credit Card
		Loan	Credit	Credit									
<b>All small Black-owned firms</b>	<b>63.3</b>	<b>36.5</b>	<b>11.8</b>	<b>5.4</b>	<b>16.9</b>	<b>13.9</b>	<b>5.5</b>	<b>7.0</b>	<b>51.4</b>	<b>9.2</b>	<b>36.2</b>	<b>29.2</b>	
<b>Number of employees</b>													
0	41.4	20.3	9.1	4.6	5.8	13.5	4.7	5.0	35.4	1.0	20.7	25.3	
1–4	66.9	35.4	10.7	5.7	18.3	16.0	0.5	7.4	52.7	2.9	43.7	26.5	
5–9	78.2	62.8	17.1	6.1	29.3	8.4	19.9	7.1	63.4	24.6	39.4	45.6	
10–19	97.9	34.2	11.0	2.8	13.7	8.6	9.4	15.6	90.8	80.9	20.9	12.4	
20–99	98.4	57.0	31.3	3.3	27.1	26.2	4.3	10.4	81.1	51.2	56.0	26.6	
100–499	86.4	71.2	48.9	9.8	41.0	20.8	30.7	5.7	76.5	15.8	45.8	51.5	
<b>Industry</b>													
Mining and construction	69.9	39.4	19.5	0.4	19.5	19.2	9.9	9.8	60.6	12.4	30.5	38.5	
Manufacturing	94.2	56.4	2.7	16.2	2.9	16.5	21.1	2.0	78.3	37.0	57.3	55.6	
Transportation, communications, public utilities	71.3	36.2	1.2	1.7	32.8	3.0	2.4	29.8	68.3	30.2	38.4	30.8	
Wholesale trade	96.7	41.0	17.4	0.8	14.0	4.6	4.8	20.1	84.6	21.8	61.9	11.3	
Retail trade	59.9	38.4	12.8	0.3	11.7	19.6	4.5	0.9	48.5	13.4	27.0	30.5	
Finance, insurance, real estate	71.8	24.5	14.1	14.4	23.9	10.2	0.0	0.0	71.2	2.9	71.1	34.4	
Services	55.3	34.8	10.8	5.4	16.9	12.7	3.9	7.2	40.6	3.1	30.2	23.1	

a. Owner loans are included for partnerships and corporations only.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.

**Table 12D: Credit Use by Small Minority-Owned Firms, by Type of Loan, 1993 (Percent Reporting Use)**

<i>Category</i>	<i>Traditional Credit</i>								<i>Non-Traditional Credit</i>				
	<i>Any Credit</i>	<i>Any Traditional Line of Credit</i>			<i>Mortgage</i>	<i>Vehicle</i>	<i>Equipment</i>	<i>Lease</i>	<i>Other</i>	<i>Any Non-Traditional Loan</i>	<i>Owner Loan<sup>a</sup></i>	<i>Personal Credit Card</i>	<i>Business Credit Card</i>
		<i>Loan</i>	<i>Credit</i>	<i>of</i>									
<b>All small minority-owned firms</b>	<b>67.0</b>	<b>46.5</b>	<b>18.3</b>	<b>4.6</b>	<b>21.4</b>	<b>12.6</b>	<b>6.5</b>	<b>10.9</b>	<b>52.7</b>	<b>13.9</b>	<b>36.0</b>	<b>25.9</b>	
<b>Number of employees</b>													
0	44.8	30.8	7.4	3.2	11.8	7.2	3.3	9.8	32.7	1.1	25.4	16.2	
1–4	68.3	43.1	17.6	3.7	21.9	10.9	2.0	11.4	55.8	13.3	39.6	26.5	
5–9	83.8	63.8	26.6	6.9	27.7	16.4	13.4	12.9	68.6	22.6	46.1	37.1	
10–19	85.2	68.0	27.6	3.5	20.3	25.4	20.3	4.8	57.3	26.0	26.6	20.6	
20–99	88.3	71.1	41.8	8.0	36.3	30.5	22.2	12.6	70.7	45.0	32.9	37.1	
100–499	96.7	92.9	36.9	43.9	83.9	8.2	34.5	2.5	41.4	17.0	25.9	33.3	
<b>Industry</b>													
Mining and construction	67.4	45.3	21.8	1.3	30.6	15.8	7.1	5.5	56.1	15.2	31.2	36.1	
Manufacturing	78.9	53.5	24.1	5.5	16.4	21.8	12.4	7.7	56.6	20.7	38.1	33.6	
Transportation, communications, public utilities	75.8	40.3	11.7	2.9	22.9	9.5	6.5	12.0	64.0	17.8	43.2	25.4	
Wholesale trade	78.9	59.4	37.0	1.7	29.5	10.2	10.4	22.5	62.6	29.4	39.8	24.1	
Retail trade	58.8	38.0	15.7	3.1	13.1	5.2	5.2	12.8	44.2	15.8	27.9	15.6	
Finance, insurance, real estate	77.5	46.9	21.9	20.2	25.6	7.7	2.3	7.7	68.9	16.4	62.4	40.3	
Services	66.1	48.5	15.1	5.2	22.1	15.4	5.9	9.9	51.9	8.7	37.4	26.6	

a. Owner loans are included for partnerships and corporations only.

Source: U.S. Small Business Administration, Office of Advocacy, with data from the 1993 National Survey of Small Business Finances.

**Table 13:** Total Prime Federal Contract Actions by Owner Type, FY 1996 and FY 1997 (Millions of Dollars)

	<i>Total</i>		<i>Actions over \$25,000</i>		<i>Actions of \$25,000 or Less</i>	
	<i>1996</i>	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>	<i>1997</i>
<b>Total</b>	<b>197,579.1</b>	<b>195,286.9</b>	<b>178,607.9</b>	<b>178,068.0</b>	<b>18,971.2</b>	<b>17,218.9</b>
Small business	41,142.9	41,273.2	31,959.4	33,190.4	9,183.4	8,082.8
Percent of total	20.8	20.9	17.9	18.6	48.4	42.6
Minority-owned business	10,926.5	11,132.6	10,292.6	10,640.8	622.6	491.9
Percent of total	5.5	5.6	5.8	6.0	3.3	2.6

Source: Federal Procurement Data System, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, January 1997 and January 1998).

**Table 14:** Annual Change in the Dollar Volume of Prime Federal Contract Actions over \$25,000 by Owner Type, FY 1980–FY 1997  
(Millions of Dollars)

	<i>Total, All Businesses</i>			<i>Small Businesses</i>			<i>Minority-Owned Businesses</i>		
	<i>Total Actions</i>	<i>Change From Prior Year</i>		<i>Total Actions</i>	<i>Change From Prior Year</i>		<i>Total Actions</i>	<i>Change From Prior Year</i>	
		<i>Dollars</i>	<i>Percent</i>		<i>Dollars</i>	<i>Percent</i>		<i>Dollars</i>	<i>Percent</i>
1997	178,068.0	-539.9	-0.3	33,190.4	231.0	0.7	10,640.8	348.2	3.4
1996	178,607.9	-2,244.0	-1.2	31,959.4	152.2	0.5	10,292.6	-226.9	-2.2
1995	180,852.0	6,164.0	3.5	31,807.3	3,384.2	11.9	10,519.5	1,460.0	16.1
1994	174,688.0	-3,649.0	-2.0	28,423.0	475.6	1.7	9,059.5	255.5	2.9
1993	178,337.0	550.6	0.3	27,947.4	-282.3	-1.0	8,804.0	1,007.9	12.9
1992	177,786.4	-11,815.8	-6.2	28,229.7	-617.6	-2.1	7,796.1	1,309.8	20.2
1991	189,602.2	18,301.3	10.7	28,847.4	3,445.7	13.6	6,486.3	796.2	14.0
1990	171,300.9	2,605.9	1.5	25,401.6	1,685.5	7.1	5,690.1	356.2	6.7
1989	168,695.0	-5,402.6	-3.1	23,716.2	-1,955.1	-7.6	5,333.9	141.4	2.7
1988	174,097.6	-7,441.0	-4.1	25,671.3	-2,256.4	-8.1	5,192.5	343.4	7.1
1987	181,538.6	-2,111.6	-1.1	27,927.7	-852.4	-3.0	4,849.1	563.2	13.1
1986	183,650.2	-4,335.2	-2.3	28,780.1	2,077.4	7.8	4,285.9	401.3	10.3
1985	187,985.5	20,052.0	11.9	26,702.7	1,196.7	4.7	3,884.6	-119.5	-3.0
1984	167,933.5	12,345.4	7.9	25,506.0	3,426.0	15.5	4,004.1	817.0	25.6
1983	155,588.1	3,190.2	2.1	22,080.0	-1,478.5	-6.3	3,187.1	328.2	11.5
1982	152,397.9	23,533.1	18.3	23,558.6	3,489.8	17.4	2,858.9	223.9	8.5
1981	128,864.7	27,971.4	27.7	20,068.8	4,742.7	30.9	2,635.0	813.1	44.6
1980	100,893.4	0.0		15,326.1	0.0		1,821.9	0.0	

Source: Federal Procurement Data System, "Special Report S89522C" (prepared for the U.S. Small Business Administration, Office of Advocacy, June 12, 1989); and idem, *Federal Procurement Report* (Washington, D.C.: U.S. Government Printing Office, July 10, 1990, March 13, 1991, February 3, 1994, January 13, 1997, and January 1998).