



# African American-Owned Business Growth & Global Reach

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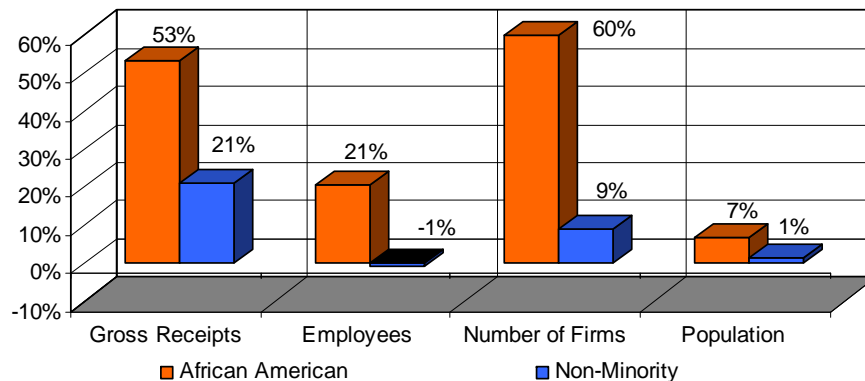
## African American-Owned Firms Generate \$136 Billion in Economic Output to the U.S. Economy and Create about 910,000 Jobs\*

Group	All Firms	All Firms Gross Receipts	Avg. Gross Receipts	Firms with Employees	Receipts of Firms with Employees	Avg. Employer Receipts	Paid Employees	Population Buying Power (2009)**
<b>All African American</b>	<b>1,921,864</b>	<b>\$135.7 billion</b>	<b>\$70,629</b>	<b>106,566</b>	<b>\$97.1 billion</b>	<b>\$911,594</b>	<b>909,552</b>	<b>\$910.4 billion</b>
All Minority	5,759,209	\$1.0 trillion	\$177,941	766,533	\$860.5 billion	\$1,122,577	5,816,114	\$2.46 trillion
Non-Minority	20,100,926	\$9.8 trillion	\$488,345	4,337,535	\$9.1 trillion	\$2,089,363	50,113,990	\$8.25 trillion
Classifiable Firms	26,294,860	\$10.9 trillion	\$416,411	5,189,968	\$10.0 trillion	\$1,929,712	56,626,555	\$10.7 trillion (all U.S.)
Total Firms in U.S.	27,092,908	\$30.0 trillion	\$1,108,464	5,735,562	\$29.1 trillion	\$5,066,431	117,310,118	Non-applicable

- In 2007, there were about 1.9 million African American-owned firms, of which **6 percent (106,566) were firms with employees.**
- **African American-owned firms with employees had average receipts of over \$911,000** and average employment of 9 workers per firm with employees.
- The African American population had an estimated **buying power of \$910 billion in 2009**, larger than the 2009 estimated purchasing power of all but 16 countries worldwide, including Australia (\$824 billion), Taiwan (\$717 billion) and the Netherlands (\$654 billion). \*\*\*

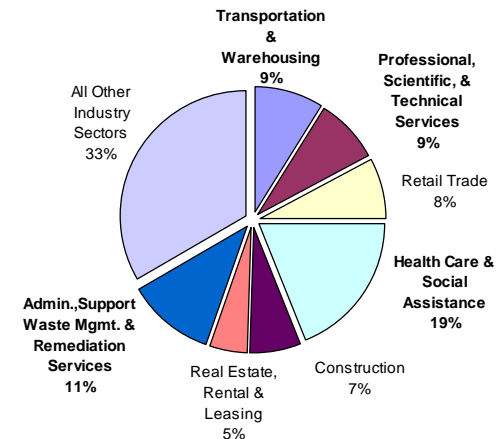
### African American Firms Outpace Growth of Non-Minority-Owned Firms

2002-2007



- Between 2002 and 2007, African American-owned firms outpaced the growth of non-minority firms in gross receipts (53% African American growth), employment (21%), and number of firms (60%).
- African American firms are an engine of job creation, with paid employment growing by **21% from 754,000 to nearly 910,000** compared to a decrease in employment of **1 percent** for non-minority firms.
- The fast growing African American population increased by 7% during the same period, compared to only a 1% increase for non-minorities.

### African American-Owned Firms Top Industry Sectors, 2007



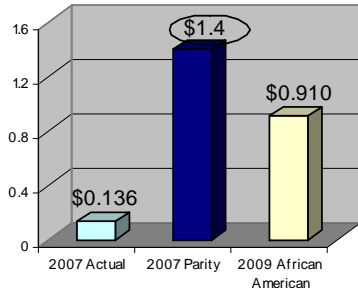
- African American Firms were most concentrated in Health Care & Social Assistance (19%); Administrative & Support and Waste Mgmt. & Remediation Services (11%); Transportation & Warehousing; and Professional, Scientific & Technical Services (both 9%). All Other Industry Sectors include firms in Agriculture; Utilities; Manufacturing; Wholesale Trade; Information; Finance & Insurance; and Accommodation & Food Services, among others.

Source: \*U.S. Census Bureau, *2007 Survey of Business Owners*, June 2011; *2002 Survey of Business Owners*, September 2006; and Annual Population Estimates, June 2010. \*\*University of Georgia, Selig Center for Economic Growth, "The Multicultural Economy 2009," *Georgia Business and Economic Conditions*, 2009. \*\*\*Central Intelligence Agency, *The World FactBook*, GDP estimates by country in 2009. Statistics for all groups except Total Firms in the U.S. exclude publicly held, foreign-owned and not-for-profit entities. Classifiable Firms are all U.S. firms less publicly held, foreign-owned, non-profit and other firms whose ownership cannot be classified in terms of race, ethnicity, or gender. Growth estimates for Non-Minority firms are MBDA estimates. The Selig Center for Economic Growth defines buying power as the total personal income of residents available for spending after taxes, excluding borrowed income or income saved in prior years. Buying power data for All Minority and Non-Minority are MBDA estimates. Produced by the Minority Business Development Agency, August 2011.

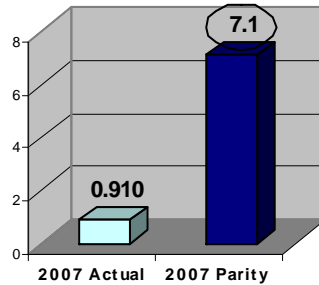
## Entrepreneurial Parity Remains Elusive for African American-Owned Businesses

Entrepreneurial parity for African American businesses has yet to be reached. Parity is defined as reaching proportionality between the adult African American population and business development measures such as numbers of firms, gross receipts and employees of Classifiable firms (excludes publicly held).

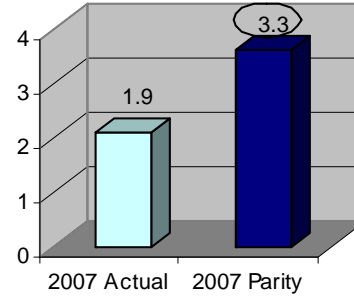
Gross Receipts (in \$ trillions)



Paid Employment (in millions)

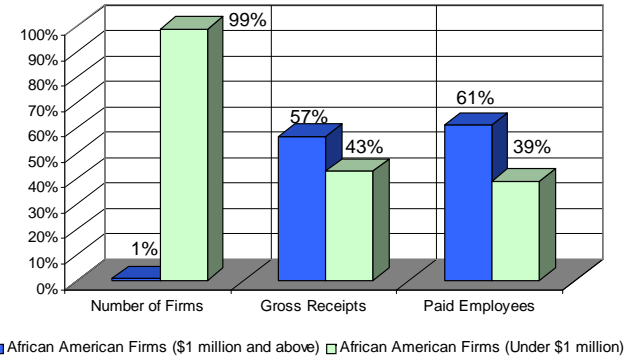


Number of Firms (in millions)



- The adult African American population represented 12 percent of the U.S. adult population in 2007, but African Americans held only 7 percent of all Classifiable firms, 1 percent of these firms' gross receipts and 2 percent of their employment.
- If African American firms' gross receipts had reflected the 2007 adult African American population share, receipts would have amounted to nearly \$1.4 trillion — over \$1.2 trillion more than the actual figure.
- Paid employment would have totaled nearly 7.1 million workers — about 8 times the actual employment.
- The number of African American firms would have been about 3.3 million firms, over 1.3 million additional firms.

## African American-Owned Firms (\$1 Million and above in Gross Receipts), 2007



- While smaller in number (1% of total African American-owned firms), African American firms with receipts of \$1 million or more generated a larger percentage of African American firms' revenues (57%), and employment (61%), than firms with receipts under \$1 million.
- There were over 14,000 African American-owned firms with receipts of \$1 million or more. These firms generated combined receipts of \$77 billion and employed 557,000 workers.

## African American-Owned Firms Grow Fastest in 18 States across USA

