

# Asian- and Pacific Islander-Owned Businesses: 1997

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Survey of Minority-Owned Business Enterprises*

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## Number of Asian- and Pacific Islander-owned firms has grown rapidly.

Asian- and Pacific Islander (API)-owned businesses in the United States totaled about 913,000 in 1997, employed more than 2.2 million people and generated \$306.9 billion in revenues. They made up 4 percent of the nation's 20.8 million nonfarm businesses, employed 2 percent of their workers and generated 2 percent of their receipts. More than 1-in-4 Asian- and Pacific Islander-owned firms were owned by people of Chinese origin. (See Figure 1.)

Between 1992 and 1997, the number of businesses owned by Asians and Pacific Islanders increased about four times as fast as the total number of businesses (30 percent versus 7 percent)<sup>1</sup>. Receipts of Asian- and Pacific Islander-owned firms rose 68 percent, compared with a 40 percent increase for all U.S. firms over the same period.

## Six-in-10 API-owned businesses were located in four states.

Just four states — California, New York, Texas and Hawaii — were home to 60 percent of the nation's Asian- and Pacific Islander-owned firms. For some specific API groups, firms were even more geographically concentrated. For example:

- California and Hawaii accounted for nearly 7-in-10 firms owned by people of Japanese descent.

<sup>1</sup> Excludes C corporations — legally incorporated businesses except for Subchapter S corporations, whose shareholders elect to be taxed as individuals rather than as corporations — for which prior comparable data are not available.

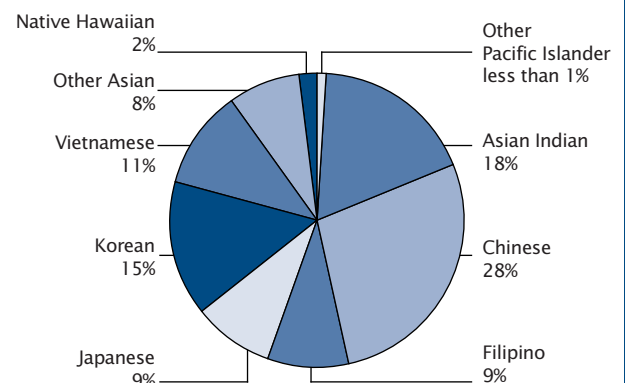
- More than 6-in-10 firms owned by people of Chinese descent were in California and New York.
- More than half the firms owned by people of Vietnamese descent were found in California and Texas.

## More than one-third were located in five metropolitan areas.

Reflecting the patterns seen in states, more than 1-in-3 Asian- and Pacific Islander-owned firms could be found in the following metro areas: Los Angeles-Long Beach, Calif.; New York, N.Y.; Orange County, Calif.; Honolulu, Hawaii; and San Francisco, Calif. Here's a short profile of the firms in each area:

- Los Angeles-Long Beach — About 114,000 API-owned firms were located in this metro area. They employed 309,000 people and generated \$55 billion in receipts. Combined, Chinese- and Korean-owned firms accounted for the majority of API businesses, employees and receipts.
- New York — This metro area contained 102,000

Figure 1.  
**Distribution of Asian- and Pacific Islander-Owned Firms by Ancestral Group: 1997**



Source: U.S. Census Bureau.

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API-owned firms, which employed 132,000 people and generated receipts of \$26 billion. Chinese-owned firms had the highest total in each category, with Asian Indian-owned firms second in number of firms and receipts and Korean-owned firms, second in number of employees.

- Orange County — About 45,000 API-owned businesses were located in this metro area, employing 135,000 people and generating receipts of \$15 billion. No single group dominated.
- Honolulu — About 39,000 API-owned firms did business in this area. They employed 98,000 people and generated receipts totaling \$12 billion. People of Japanese origin owned the largest number of firms — almost 17,000 — and accounted for the vast majority of employees and receipts.
- San Francisco — In this metro area, there were 35,000 API-owned firms, employing 123,000 people and generating receipts of \$12 billion. Those of Chinese origin dominated, accounting for the majority of firms, employees and receipts.

**Firms owned by people of Japanese descent showed higher revenues than other API-owned firms.**

On average, API-owned firms had receipts of about \$336,200. This contrasted with \$410,600 in receipts for all firms, excluding publicly held corporations.

As Figure 2 shows, the receipts of firms owned by people of Japanese origin were the highest of any group, with firms owned by people of Pacific Islander (except Native

Hawaiian), Chinese and Asian Indian origins also reporting receipts that were higher than Asian- and Pacific Islander-owned firms in general.

The distribution of receipts by API-owned firms ranged from 28 percent that had receipts of under \$10,000 to 5 percent that reported \$1 million or more. The latter group, which numbered about 45,000 firms, accounted for \$2 out of every \$3 in receipts generated by all API-owned firms.

**The highest number of API-owned firms were in the service industries.**

Service industries accounted for 44 percent of all API-owned firms and 22 percent of their total receipts. Nearly half of these service firms were concentrated in business and personal services. The next largest concentration of API-owned firms was in the retail trade industry. This industry accounted for 21 percent of all API-owned firms and 22 percent of their total receipts.

Some specific industries were dominated by individual ethnic groups. Examples were:

- A ratio of 3-in-4 API-owned hotels and other lodging places were owned by Asian Indians.
- About 2-in-3 fishing, hunting and trapping firms were owned by people of Vietnamese descent.
- About half of apparel and accessory stores were owned by Koreans.

**More information**

The information in this Census Brief is based on findings from the 1997 Survey of Minority-Owned Business Enterprises: Asians and Pacific Islanders. The report may be found on the Internet at <<http://www.census.gov/csd/mwb/>>.

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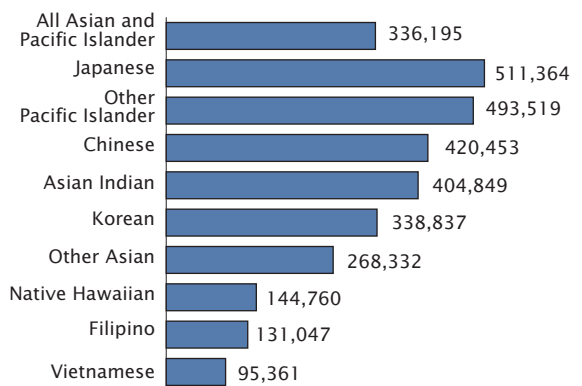
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*The data were collected in a sample survey and are subject to sampling variability, as well as nonsampling errors. Sources of non-sampling error include errors of response, nonreporting and coverage. Further details concerning survey design, methodology and data limitations are contained in the full report. Comparisons with 1992 should be carried out with extreme caution because of changes in tax laws causing inconsistencies between the 1992 and 1997 data. Changes in survey methodology also may contribute to differences.*

Figure 2.  
**Average Receipts of Businesses Owned by Asian and Pacific Islander Groups: 1997**  
(In dollars)



Source: U.S. Census Bureau.