

Black-Owned Businesses: 1997

Issued October 2001

Census Brief: Survey of Minority-Owned Business Enterprises

CENBR/01-5

Number of Black-owned firms grew between 1992 and 1997.

In 1997, there were 823,500 Black-owned businesses in the United States, employing 718,300 people and generating \$71.2 billion in revenues. These businesses accounted for 4 percent of the 20.8 million nonfarm businesses in the nation and 0.4 percent of the \$18.6 trillion in receipts for all businesses.

The number of Black-owned firms, excluding C corporations,¹ for which prior comparable data are not available, increased 26 percent from 1992 to 1997, compared with a 7 percent increase for all U.S. firms. Their receipts rose 33 percent over the same period, slightly lower than the 40-percent increase for all firms.

Almost 4 in 10 (38 percent) of Black-owned businesses were owned by women. Black-owned firms were considerably more likely to be owned by women than either Hispanic, Asian and Pacific Islander or American Indian and Alaska Native-owned firms. Men were owners of about 55 percent of the firms

¹ C corporations are incorporated businesses, excluding subchapter S corporations whose shareholders elect to be taxed as individuals rather than as corporations.

owned by each of the four minority groups.

Nearly one-half of Black-owned businesses were in six states.

Six states — New York (86,500), California (79,100), Texas (60,400), Florida (59,700), Georgia (55,800) and Maryland (47,600) — accounted for 47 percent of all Black-owned firms. About 40 percent of the country's Black population resided in those six states.

While New York had the largest number of Black-owned businesses, the District of Columbia had the highest percentage, with 24 percent of its firms being Black-

Figure 1.
Black-Owned Firms as a Percentage of Total Firms in State: 1997

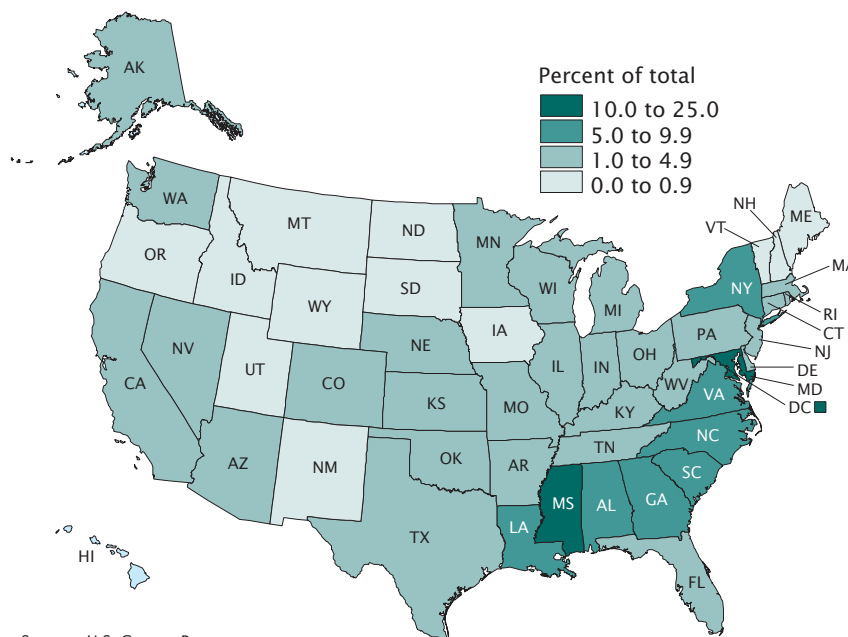
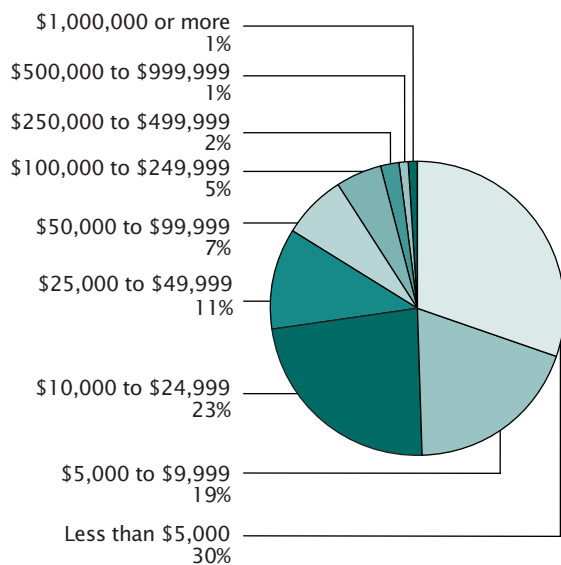


Figure 2.
Black-Owned Firms by Amount of Receipts: 1997



Source: U.S. Census Bureau.

owned. Maryland and Mississippi also exceeded the 10 percent mark. As shown in Figure 1, almost all of the states with high concentrations of Black-owned firms (5 percent or more) bordered one another. These states stretch along the coastline from Maryland to Louisiana.

More than one-quarter of Black-owned businesses located in five metropolitan areas.

Reflecting patterns seen in the states, 28 percent of Black-owned firms could be found in metropolitan areas of New York, N.Y.; Washington, D.C.-Md.-Va.-W. Va.; Los Angeles-Long Beach, Calif.; Chicago, Ill.; and Atlanta, Ga.

Average receipts of Black-owned firms approached \$90,000.

Receipts per firm averaged \$86,500 for Black-owned firms compared with \$410,600 for all U.S. firms, excluding publicly held corporations and firms whose owners' race or ethnicity was indeterminate (e.g., mutual companies whose ownership is shared by its

members). As shown in Figure 2, Black-owned firms were widely distributed in the amount of their receipts:

- Forty-nine percent had receipts of under \$10,000.
- For 23 percent, receipts ranged between \$10,000 and \$24,999.
- Eighteen percent reported receipts between \$25,000 and \$99,999.
- For 10 percent, receipts totaled \$100,000 or more. A small subset of these firms — 8,682

in all — had receipts of \$1 million or more and accounted for more than half of the total receipts of all Black-owned firms.

Highest number of Black-owned firms were in service industries.

As shown in Figure 3, a little more than half (53 percent) of all Black-owned firms operated in service industries, accounting for 36 percent of the receipts for all Black-owned businesses; of these firms, 48 percent were concentrated in business and personal services.

Retail trade industries accounted for 11 percent of all Black-owned firms and 19 percent of receipts.

More information

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

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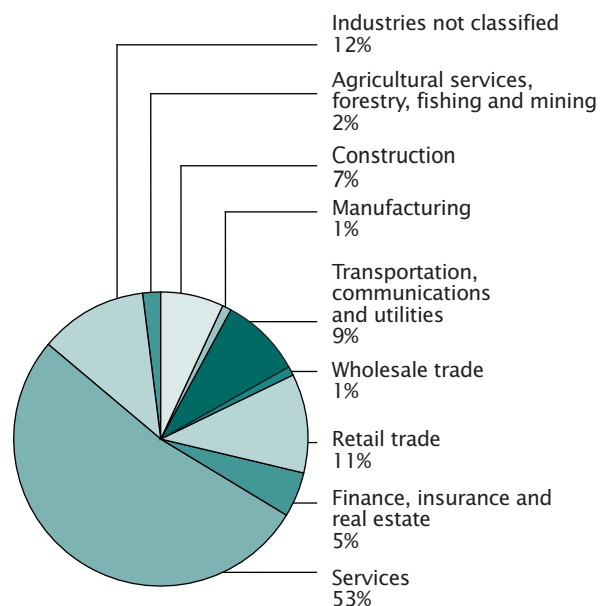
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The data were collected in a sample survey and are subject to sampling variability, as well as nonsampling errors. Sources of nonsampling error include errors of response, nonreporting and coverage. Further details concerning survey design, methodology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

Figure 3.
Percentage Distribution of Black-Owned Firms by Industry Division: 1997



Note: Some firms may be counted in more than one industry division, so percentages add to more than 100 percent.