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## News Conference Kit

### *2002 Survey of Business Owners: Black-Owned Firms*

U.S. Department of Commerce  
Washington, D.C.

Tuesday, April 18, 2006  
9:30 a.m. to 10:30 a.m.

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[MBDA News Release](#) [PDF]

[Archived Audio](#) (Transcript available soon)

[Photos](#) (News Conference)

#### News Conference:

##### [Agenda](#)

##### **Biographies:**

[Thomas Mesenbourg](#), Associate Director for Economic Programs

[Harry C. Alford](#), President & CEO, National Black Chamber of Commerce

[Mike Little](#), chairman, National Black Chamber of Commerce

[Ronald Langston](#), national director, Minority Business Development Agency

[Valerie Strang](#), survey statistician, Economic Census Branch, U.S. Census Bureau

##### **Presentations/Remarks:**

[Introduction and Overview](#) [Mr. Mesenbourg]

[Data Presentation](#) [Ms. Strang]

[Minority Business Development Agency Promotes African American Entrepreneurship](#)  
[Mr. Langston]

**Report:** [2002 Survey of Business Owners: Black-Owned Firms](#) [PDF]

#### Summary Tables:

**Table A.** Industries Accounting for the Largest Receipts for Black-Owned Firms: 2002  
[[English Word-20K](#) | [PDF-8K](#)]

**Table B.** States with the Largest Number of Black-Owned Firms: 2002  
[[English Word-34K](#) | [PDF-12K](#)]

**Table C.** Ten Combined Statistical Areas With the Largest Number of Black-Owned Firms: 2002 [[English Word-25K](#) | [PDF-9K](#)]

**Table D.** Ten Counties With the Largest Number of Black-Owned Firms Compared to Black-Owned Firms in the State: 2002 [[English Word-35K](#) | [PDF-12K](#)]

**Table E.** Ten Cities With the Largest Number of Black-Owned Firms Compared to Black-Owned Firms in the State: 2002 [[English Word-34K](#) | [PDF-14K](#)]

**Table F.** Change in Black-Owned Firms and All U.S. Firms As Published: 2002 and 1997

[[English Word-32K](#) | [PDF-12K](#)]

#### [Detailed Tables](#)

**Maps:**

[Percent of All Firms in State: 2002 \[PDF-292K\]](#)

[Percent Change in Number of Firms: 1997 to 2002 \[PDF-293K\]](#)

[Net Change in Number of Firms: 1997 to 2002 \[PDF-292K\]](#)

**Multimedia:** MP3 Plug-in: [Download](#)  | Apple Quicktime Plug-in: [Download](#) 

- [Video](#)
- Archived Audio (Transcript available soon)
- Bites & Broll - English
- Bites & Broll - Spanish

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[County Business Patterns](#)

[U.S. Census Bureau News Releases](#)

[Non-employer statistics](#)

[Survey of Business Owners](#)

[Local Employment Dynamics](#)

[American FactFinder](#)

[U.S. Department of Commerce Homepage](#)

[The Black Population](#)

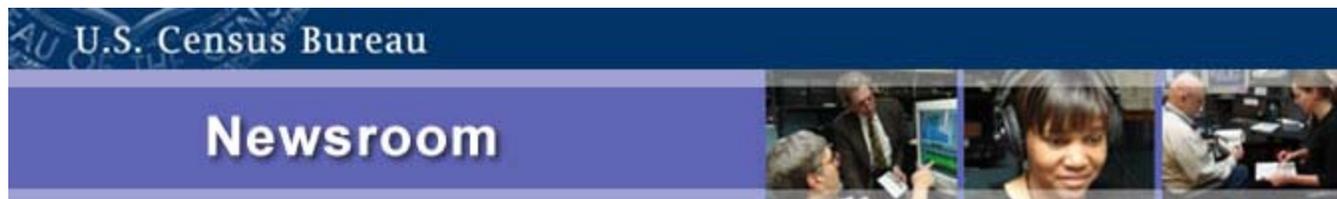
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[Minority Links - Hispanics](#)

[Minority Business Development Agency](#)

[Economic Census Homepage](#)

Source: U.S. Census Bureau | Public Information Office | (301) 763-3030 | Last Revised: April 18, 2006



Releases « Business Ownership

## U.S. Census Bureau News

U.S. Department of Commerce - Washington, D.C. 20233

**RELEASED: 9:30 A.M. EDT, TUESDAY, APRIL 18, 2006**

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## Revenues for Black-Owned Firms Near \$89 Billion, Number of Businesses Up 45 Percent

Revenues generated by the nation's 1.2 million black-owned businesses rose 25 percent between 1997 and 2002 to \$88.8 billion in 2002, while the number of such firms grew by 45 percent in the same five-year period. This is according to a new report, [Survey of Business Owners: Black-Owned Firms: 2002](#) [PDF], released today by the U.S. Census Bureau.

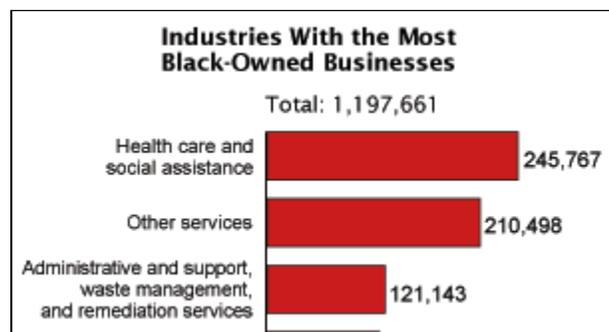
"It's encouraging to see not just the number but the sales and receipts of black-owned businesses are growing at such a robust rate, confirming that these firms are among the fastest growing segments of our economy," said Census Bureau Director Louis Kincannon.

New York had the greatest number of black-owned firms with 129,324, followed by California (112,873), Florida (102,079), Georgia (90,461) and Texas (88,769). These five states accounted for about 44 percent of all black-owned businesses in the United States. Other states with high numbers of black-owned firms include Maryland, Illinois, North Carolina, Michigan, Virginia and Louisiana. (See [Table B. PDF](#))

Cook County, Ill., and Los Angeles County, Calif., had the largest numbers of black-owned businesses in the nation. Cook County, with 54,758 black-owned firms, accounted for 80 percent of all black-owned firms in Illinois. Los Angeles County, with 52,674 black-owned firms, accounted for 47 percent of all black-owned firms in California.

These counties were followed by Kings County, N.Y. (37,499); Prince George's County, Md. (28,389); Miami-Dade County, Fla. (28,359); and Harris County, Texas (27,770). (See [Table D. PDF](#))

New York City had more black-owned firms than any other city in the country at 98,076. The city with the second largest number of black-owned businesses was Chicago (39,424),



followed by Los Angeles (25,958), Houston (21,226) and Detroit (19,530). (See [Table E. PDF](#))

#### Other highlights:

- In 2002, nearly 4-in-10 black-owned firms operated in health care and social assistance, and other services, such as personal services, and repair and maintenance. They owned 9.7 percent of all such businesses in the United States.
- Retail trade, and health care and social assistance services accounted for 28.6 percent of all black-owned business revenue.
- There were 10,727 black-owned firms operating in 2002 with receipts of \$1 million or more. Revenue for these firms was about \$49 billion, compared to \$40 billion in 1997, up 22 percent. These firms accounted for 1 percent of the total number of black-owned firms in 2002 and 55 percent of their total receipts.
- There were 973 black-owned firms with 100 employees or more in 2002, compared to 889 in 1997, up 9 percent. These firms generated \$16 billion in gross receipts, an increase of 31 percent since 1997. Firms of this size accounted for 24.3 percent of the total revenue for black-owned employer firms in 2002.
- Black-owned firms accounted for 5 percent of all nonfarm businesses in the United States in 2002.
- About 8 percent of black-owned firms employed more than 756,000 people.

#### States with the Largest Number of Black-Owned Firms: 2002

State	Firms (number)	Receipts (million dollars)
New York	129,324	7,525
California	112,873	9,767
Florida	102,079	5,728
Georgia	90,461	5,665
Texas	88,769	6,421

#### Counties with the Largest Number of Black-Owned Firms: 2002

County	Firms (number)	Receipts (million dollars)
Cook, Ill.	54,758	3,916
Los Angeles, Calif.	52,674	4,988
Kings, N.Y.	37,499	1,524
Prince George's, Md.	28,389	1,805
Miami-Dade, Fla.	28,359	1,635
Harris, Texas	27,770	1,817

#### Cities with the Largest Number of Black-Owned Firms: 2002

Cities	Firms (number)	Receipts (million dollars)
New York, N.Y.	98,076	5,115
Chicago, Ill.	39,424	2,875
Los Angeles, Calif.	25,958	1,913
Houston, Texas	21,226	1,562
Detroit, Mich.	19,530	1,584

The 2002 Survey of Business Owners (SBO) defines black-owned businesses as firms in which African-Americans own 51 percent or more of the stock or equity of the business. Separate reports on other minority-owned businesses will be issued over the coming months.

- X -

**The SBO is part of the 2002 Economic Census and combines survey data from a sample of more than 2.4 million businesses with administrative data.**

**Data for 2002 are not directly comparable to previous survey years because of several significant changes to the survey methodology. See “Comparability of 2002 and 1997 SBO Data” at <http://www.census.gov/econ/census02/text/sbo/sbomethodology.htm#comparability>.**

**The data collected in a sample survey are subject to sampling variability as well as nonsampling errors. Sources of nonsampling errors include errors of response, nonreporting and coverage.**

Source: U.S. Census Bureau | Public Information Office | (301) 763-3030 | Last Revised: April 18, 2006

**Table A. Industries Accounting for the Largest Receipts for Black-Owned Firms:  
2002**

Kind of business	Receipts (million dollars) <sup>1</sup>
Retail trade	13,587
Health care and social assistance	11,828
Construction	9,635
Professional, scientific, and technical services	9,397
Administrative and support and waste management	6,448

<sup>1</sup> Receipts are for firms with paid employees and firms with no paid employees.

**Table B. States with the Largest Number of Black-Owned Firms: 2002**

Geographic area	Black-owned firms (number) <sup>1</sup>	Percent of Total	All U.S. firms (number)	Black as a percent of all U.S.	Black sales and receipts (million dollars)	Percent of Total	All U.S. firms sales and receipts (million dollars)	Black as a percent of all U.S. firms
New York	129,324	10.8	1,707,172	7.6	7,525	8.5	1,737,979	0.4
California	112,873	9.4	2,908,761	3.9	9,767	11.0	2,796,609	0.3
Florida	102,079	8.5	1,539,208	6.6	5,728	6.5	1,075,806	0.5
Georgia	90,461	7.6	674,522	13.4	5,665	6.4	738,998	0.8
Texas	88,769	7.4	1,734,517	5.1	6,421	7.2	1,812,465	0.4
Maryland	69,410	5.8	443,542	15.6	4,655	5.2	373,663	1.2
Illinois	68,704	5.7	958,122	7.2	4,984	5.6	1,152,546	0.4
North Carolina	52,122	4.4	642,598	8.1	3,549	4.0	604,259	0.6
Michigan	44,366	3.7	735,532	6	4,294	4.8	794,032	0.5
Virginia	41,149	3.4	529,521	7.8	3,718	4.2	560,005	0.7

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

S - Estimates are suppressed because a publication standard is not met; the relative standard error of the sales and receipts is 50 percent or more.

**Table C. Ten Combined Statistical Areas With the Largest Number of Black-Owned Firms: 2002**

Combined statistical area	All firms <sup>1</sup>	
	Firms (number)	Receipts (million dollars)
New York-Newark-Bridgeport, NY-NJ-CT-PA CSA	155,271	9,558
Washington-Baltimore-Northern Virginia DC-MD-VA-WV CSA	92,267	8,024
Los Angeles-Long Beach-Riverside, CA CSA	70,353	6,411
Atlanta-Sandy Springs-Gainesville, GA-AL CSA	64,875	4,106
Chicago-Naperville-Michigan City, IL-IN-WI CSA	64,844	4,792
Houston-Baytown-Huntsville, TX CSA	36,188	2,323
Detroit-Warren-Flint, MI CSA	35,740	3,660
Dallas-Fort Worth, TX CSA	27,741	2,171
Philadelphia-Camden-Vineland, PA-NJ-DE-MD CSA	24,916	2,087
San Jose-San Francisco-Oakland, CA CSA	23,848	1,881

<sup>1</sup> Includes firms with paid employees and firms with no paid employees. Firms with more than one domestic establishment are counted in each geographic area in which they operate, but only once in the U.S. total. For definitions, see [Introductory Text](#). For hierarchy of metropolitan and micropolitan statistical areas (CSAs, MeSAs, MiSAs, and MDs), see [Appendix E](#).

**Table D. Ten Counties With the Largest Number of Black-Owned Firms Compared to Black-Owned Firms in the State: 2002**

County	All firms <sup>1</sup>		State	All firms <sup>1</sup>		Percent county to state	
	Firms (number)	Receipts (million dollars)		Firms (number)	Receipts (million dollars)	Firms	Receipts
Cook, IL	54,758	3,916	Illinois	68,704	4,984	80	79
Los Angeles, CA	52,674	4,988	California	112,873	9,767	47	51
Kings, NY	37,499	1,524	New York	129,324	7,525	29	20
Prince George's, MD	28,389	1,805	Maryland	69,410	4,655	41	39
Miami-Dade, FL	28,359	1,635	Florida	102,079	5,728	28	29
Harris, TX	27,770	1,817	Texas	88,769	6,421	31	28
Bronx, NY	23,624	672	New York	129,324	7,525	18	9
Wayne, MI	23,134	2,016	Michigan	44,366	4,294	52	47
Broward, FL	22,065	976	Florida	102,079	5,728	22	17
Dekalb, GA	19,428	934	Georgia	90,461	5,665	22	17

<sup>1</sup> Includes firms with paid employees and firms with no paid employees. Firms with more than one domestic establishment are counted in each county in which they operate, but only once in the state total.

D - Withheld to avoid disclosing data for individual companies; data are included in higher level totals.

**Table E. Ten Cities With the Largest Number of Black-Owned Firms Compared to Black-Owned Firms in the State: 2002**

City	All firms <sup>1</sup>		State	All firms <sup>1</sup>		Percent city to state	
	Firms (number)	Receipts (million dollars)		Firms (number)	Receipts (million dollars)	Firms	Receipts
New York, NY	98,076	5,115	New York	129,324	7,525	76	68
Chicago, IL	39,424	2,875	Illinois	68,704	4,984	57	58
Los Angeles, CA	25,958	1,913	California	112,873	9,767	23	20
Houston, TX	21,226	1,562	Texas	88,769	6,421	24	24
Detroit, MI	19,530	1,584	Michigan	44,366	4,294	44	37
Washington, DC	12,198	1,568	District of Columbia	12,198	1,568	100	100
Memphis, TN	11,673	709	Tennessee	26,811	1,755	44	40
Philadelphia, PA	10,576	849	Pennsylvania	24,757	2,118	43	40
Baltimore, MD	9,764	674	Maryland	69,410	4,655	14	15
Dallas, TX	9,482	794	Texas	88,769	6,421	11	12

<sup>1</sup> Includes firms with paid employees and firms with no paid employees. Firms with more than one domestic establishment are counted in each city in which they operate, but only once in the state total.

**Table F: Change in Black-Owned Firms and All U.S. Firms As Published: 2002 and 1997**

As published	All firms <sup>1</sup>		Firms with paid employees			
	Firms (number)	Receipts (million dollars)	Firms (number)	Receipts (million dollars)	Employees (number)	Annual payroll (million dollars)
<b>Black-owned firms:</b>						
2002 <sup>2</sup>	1,197,661	88,779	94,585	65,934	756,697	17,576
1997 <sup>3</sup>	823,499	71,215	93,235	56,378	718,341	14,322
Percent change	45.4	24.7	1.5	17.0	5.4	22.8
<b>All U.S. firms:</b>						
2002 <sup>4</sup>	22,974,685	22,627,167	5,524,813	21,859,758	110,786,416	3,813,488
1997 <sup>5</sup>	20,821,934	18,553,243	5,295,151	17,907,940	103,359,815	2,936,493
Percent change	10.3	22.0	4.3	22.1	7.2	29.9
<b>Black-owned firms as a percent of all U.S. firms:</b>						
2002	5.2	0.4	1.7	0.3	0.7	0.5
1997	4.0	0.4	1.8	0.3	0.7	0.5
<b>Black-owned firms as a percent of all U.S. firms, excluding publicly held and other firms not classifiable by gender, Hispanic or Latino origin, and race:</b>						
2002	5.3	1.0	1.8	0.8	1.4	1.1
1997	4.0	0.9	1.9	0.7	1.2	1.0

<sup>1</sup> Includes firms with paid employees and firms with no paid employees.

<sup>2</sup> Source: 2002 Survey of Business Owners, Black-Owned Firms.

<sup>3</sup> Source: 1997 Survey of Minority-Owned Business Enterprises.

<sup>4</sup> Source: 2002 Economic Census.

<sup>5</sup> Source: 1997 Economic Census.

*News Conference*  
**2002 Survey of Business Owners: Black-Owned Firms**

*U.S. Department of Commerce*  
 1401 Constitution Avenue, N.W.  
 Room 4830  
 Washington, D.C. 20230

Tuesday, April 18, 2006  
 9 :30 a.m. to 10:30 a.m.

- 9:30 a.m.**                    **Welcome and Introduction**  
 Stanley J. Rolark, chief, Customer Liaison Office, U.S. Census Bureau
- 9:32 a.m.**                    **Welcome and Introduction**  
 Thomas L. Mesenbourg, associate director for Economic Programs,  
 U.S. Census Bureau
- 9:40 a.m.**                    **Data Presentation**  
 Valarie Strang, survey statistician, Economic Census Branch, U.S. Census Bureau
- 9:50 a.m.**                    **Remarks — MBDA promotes minority entrepreneurship**  
 Ronald Langston, national director, Minority Business Development Agency
- 9:55 a.m.**                    **Remarks — Local business perspective - Black Entrepreneurship**  
 Mike Little, chairman  
 Harry C. Alford, president & CEO  
 National Black Chamber of Commerce
- 10:05 a.m.**                  **Question and Answer Session**
- 10:15 a.m.**                  **Conclusion and Media Availability**

*Source: U.S. Census Bureau*  
*Public Information Office*  
*(301) 763-3030*

Last Revised: April 18, 2006 at 08:39:06 AM

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**2002 Black-Owned Businesses News Conference****April 18, 2006****Remarks of Thomas Mesenbourg  
Associate Director for Economic Programs  
U.S. Census Bureau**

Good morning.

The United States Census Bureau produces a wealth of information about the Nation's economy. For example, one hundred and twenty-two times year, we release principal economic indicators reports on retail sales, construction activity, international trade, corporate profits, manufacturers shipments and orders, to name but a few.

While the economic indicators serve as important barometers of current economic conditions, the Economic Census, done once every 5 years, provides comprehensive information on the Nation's 23 million businesses. Since 2004, we have released almost 1,500 reports from the 2002 Economic Census. These reports provide detailed information on 900 different industries, and generate detailed geographic information providing economic statistics for states, counties, cities, and some 12,000 places with 2500 or more inhabitants.

The Census Bureau's current economic statistics, when combined with the results of the 2002 Economic Census, create an intricate and multi-faceted mosaic of the U.S. economy. Heretofore, this mosaic described business activity in different economic sectors, industries, and locations, but the picture did not portray any information about characteristics of the owners of those businesses – the men and women who make businesses living organisms that are born, live, and sometimes die.

Today, we release new statistics from the Census Bureau's 2002 Survey of Business Owners that illustrate the growing diversity of our Nation's business owners. Today's report on Black-owned businesses, combined with our recent releases on women-owned and Hispanic-owned businesses, and upcoming reports on Asian-owned and American Indian-owned businesses, increase the richness, texture, and usefulness of our economic statistics mosaic.

This fall we will release the first information in more than a decade on the characteristics of businesses and business owners. Information will be provided on home-based, family-owned, and franchised businesses as well as showing information about the age, hours worked, educational attainment, and veteran status of business owners.

Before we hear from our panel, I want to provide you with a few facts about the Survey of Business Owners. The survey results we will be discussing this morning cover calendar year 2002 activities, but data were collected from a sample of about 1.3 million businesses with paid employees during the second half of 2003, and from a sample of 1.2 million sole proprietor and "mom and pop" businesses with no paid employees during the second half of 2004.

In an effort to produce more timely information from the 2002 SBO, we issued an Advance Report on Characteristics of Employer Business Owners in February 2005, followed in July 2005 by Preliminary Estimates of Business Ownership by Gender, Hispanic Origin, and Race. All Survey of Business Owner reports are available online at [www.census.gov](http://www.census.gov).

There are four things that you need to know about the 2002 SBO. First, we changed the name from the previous Survey of Minority and Women-Owned Business Enterprises to the Survey of Business Owners since we are providing characteristics information on all businesses. Second, the 2002 SBO uses the North American Industry Classification System rather than the old, antiquated Standard Industrial Classification System used in prior surveys. The 2002 report will show data on 19 NAICS sectors compared to only 8 under the old SIC. Third, the 2002 SBO uses the 1997 OMB standards for reporting race and ethnicity. The standard recognized Asians as a separate group from Native Hawaiians or Other Pacific Islanders and the 2002 reports will show these groups separately. The most important change, however, was allowing respondents the option of selecting one or more racial designations. Since the 2002 SBO permitted businesses to report multiple races, an individual business could be tabulated in more than one racial group, if they satisfied the 51

percent ownership rule. Because of multiple race reporting, we will not be issuing a 2002 report showing total minority ownership. Fourth, the 2002 SBO collected detailed information on the characteristics of both the businesses and the business owners. This marks the first time this characteristics information was collected from all 2.5 million sampled businesses. For calendar year 1992, we collected more limited characteristics information in a separate survey but from a much smaller sample of only 125,000 businesses.

Finally, let me thank the millions of businesses that took the time to complete and return their 2002 SBO report forms. Without their cooperation and participation, we would not have been able to produce these statistics.

Now let's turn to the results of the 2002 Report on Hispanic-Owned Businesses.

Valerie Strang, will be our first speaker. Valerie has been employed at the Census Bureau since 1984. Valerie has been responsible for the Survey of Business for the past 13 years and her leadership has been instrumental in implementing the new, improved 2002 Survey of Business Owners Survey.

*Source: U.S. Census Bureau  
Public Information Office  
(301) 763-3030*

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**2002 Black-Owned Businesses News Conference**  
**April 18, 2006**  
**Remarks of Valarie Strang**  
**Project Manager, 2002 Survey of Business Owners**

Good morning everyone.

Last July, the Census Bureau released Preliminary Estimates of Business Ownership by Gender, Hispanic or Latino Origin, and Race from the 2002 Survey of Business Owners. Just last month, we released the final estimates for Hispanic-owned businesses. Today, we are proud to release the final estimates for black-owned firms at much more detailed levels than those published last year.

**ALL BLACK-OWNED FIRMS (FIRMS WITH AND WITHOUT PAID EMPLOYEES)**

The results show that the number of black-owned businesses increased 45 percent from 1997 to 2002, more than 4 times the national average. Receipts for black-owned firms rose 25 percent over the same five year period, slightly higher than the 22 percent increase for all U.S. firms.

In 2002, there were nearly 1.2 million black-owned firms operating in the U.S., employing more than 756,000 people and generating nearly \$89 billion in revenues.

Black-owned firms accounted for 5 percent of the nation's 23 million nonfarm businesses, 1 percent of all employees, and 0.4 percent of the \$23 trillion in receipts for all U.S. businesses.

**KIND OF BUSINESS**

Nearly 4-in-10 black-owned businesses in 2002 operated in health care and social assistance, and other services, such as personal services, and repair and maintenance. These industries were followed by administrative and support, waste management and remediation services; professional, scientific and technical services; and retail trade.

Of all black-owned firms in 2002, retail trade generated the most revenue--\$13.6 billion. Health care and social assistance, and construction together with retail trade accounted for 39.3 percent of all Black-owned business revenue.

**FIRMS WITH PAID EMPLOYEES**

Eight percent of all Black-owned firms operated as employer businesses in 2002, increasing in number from 93,235 in 1997 to 94,585 in 2002. Although the number of employer firms increased by only 1 percent in the five year period, the number of workers hired by these businesses increased by 5 percent, and the revenue increased 17 percent from \$56 billion to \$66 billion.

This compares to a 4 percent increase in the number of all employer firms, a 7 percent increase in the total number of workers in the U.S., and a 22 percent increase in revenue for all employer firms.

Florida, California and New Jersey accounted for the largest increases in number of employees between 1997 and 2002.

Florida -- 24,618 more workers  
California -- 11,141 more workers  
New Jersey -- 9,611 more workers

Accommodation and food services averaged 18 employees per firm; manufacturing averaged 15 employees per firm, and

administrative and support and waste management and remediation services averaged 14 employees per firm.

The average receipts for black owned employer firms were \$697,084.

The industries accounting for the largest share of receipts for employer firms included retail trade (\$11.6 billion); health care and social assistance (\$8.4 billion); construction (\$7.5 billion); and professional, scientific, and technical services (\$7.1 billion).

### **FIRMS WITH NO PAID EMPLOYEES**

The vast majority (92 percent) of black-owned businesses in 2002 operated without paid employees. These sole proprietorships and mom and pop businesses increased by 372,815 to reach 1.1 million. That's a 51 percent increase, more than 4 times the national average of 12 percent.

Black-owned firms with no paid employees took in more than \$22.9 billion, a 54 percent increase since 1997, nearly 3 times the national average of 19 percent.

The industries accounting for the largest share of this revenue included health care and social assistance (\$3.4 billion), transportation and warehousing (\$3.3 billion), other services, such as personal services, and repair and maintenance (\$3.1 billion); professional, scientific, and technical services (\$2.3 billion); construction (\$2.1 billion); and retail trade (\$2.0 billion).

Five states (NY, FL, GA, CA, and TX) showed the largest increase in the number of firms with no paid employees and overall revenue between 1997 and 2002.

New York – 43,151 more nonemployer firms and an increase of \$753 million in revenue

Florida – 41,745 more nonemployer firms and \$835 million more in revenue

Georgia – 34,618 nonemployer firms and an increase of \$757 million in revenue

California – 31,093 more nonemployer firms and \$833 million more in revenue

Texas – 28,516 more nonemployer firms and \$732 million more in revenue

### **GEOGRAPHIC CHARACTERISTICS**

Five states, NY, CA, FL, GA, and TX, accounted for the highest number of black-owned firms in 2002 and the largest increase in the number of firms since 1997.

- New York led all states with 129,324 of which 98,076 were in the city. The number of black-owned firms in the state increased by 42,855 firms or 50 percent between 1997 and 2002. Eight percent of all businesses in the state were black-owned in 2002.
- California ranked second with 112,873 firms, an increase of 33,763 firms or 43 percent since 1997. Four percent of all businesses in the state in 2002 were black-owned.
- Florida ranked third with 102,079 black-owned businesses, an increase of 42,347 firms or 71 percent since 1997. Seven percent of all businesses in Florida were black-owned.
- Georgia came in fourth with 90,461 firms, an increase of 34,465 or 62 percent since 1997. Thirteen percent of all businesses in the state were black-owned in 2002.

### **COUNTIES**

The counties with the highest number of Black-owned firms in 2002 were Cook County, Ill. (54,758); Los Angeles County, Calif. (52,674); Kings County, NY (37,499); Prince George's County, MD (28,389), Miami-Dade County, FL (28,359), and Harris County, Texas (27,770).

### **PLACES**

The cities with the highest number of Black-owned firms in 2002 included New York, NY (98,076); Chicago, Ill.

(39,424); Los Angeles, CA (25,958); Houston, Texas (21,226); and Detroit, Michigan (19,530).

### **RECEIPTS SIZE OF FIRM**

Black-owned firms with receipts of \$1 million or more increased 24 percent from 8,682 in 1997 to reach 10,727 in 2002 (10,202 were employer businesses). This 24 percent increase compares to a 13 percent increase for all businesses in the U.S. of this same size.

Revenue for these black-owned firms increased 22 percent from \$40 billion to \$49 billion during that same five-year period, \$48 billion was accounted for by employer firms. This 22 percent for black-owned firms is comparable to the 23 percent increase for all U.S. firms.

These large receipts size firms accounted for only 1 percent of the total number of black-owned firms but 55 percent of the total revenue.

The industries accounting for the largest share of the 10,727 black-owned firms with \$1m or more in receipts in 2002 were health care and social assistance (1,793); retail trade (1,352); construction (1,275); and professional, scientific, and technical services (1,275).

The industries accounting for the largest share of revenue for firms with \$1m or more in receipts were retail trade (\$9.8 billion); construction (\$5.8 billion); professional, scientific, and technical services (\$5.3 billion); and wholesale trade (\$4.8 billion).

### **EMPLOYMENT SIZE OF FIRM**

There were 973 black-owned firms in 2002 with 100 employees or more, compared to 889 in 1997, a 9 percent increase.

Fifty-six percent of these firms were operating in administrative and support, waste management and remediation services (244 firms); professional, scientific, and technical services (127 firms); and health care and social assistance (177 firms).

Revenue for these Black-owned firms increased 31 percent from \$12 billion in 1997 to \$16 billion in 2002.

Thirty-eight percent of the revenue was accounted for by firms operating in manufacturing (\$2.3 billion); administrative and support, waste management and remediation services (\$2.1 billion); and retail trade (more than \$1.7 billion).

Looking at just those black-owned firms with 500 or more employees, the number of firms increased from 53 in 1997 to 91 in 2002 (a 72 percent increase) but the revenue increased from \$2 billion to \$4.8 billion between 1997 and 2002, a 143 percent increase.

### **CONCLUSION**

That concludes my presentation. The good news to cite a quote from our Director Louis Kincannon, "It's encouraging to see that not just the number but the sales and receipts of black-owned firms are growing at such a robust rate, confirming that these firms are among the fastest growing segments of our economy."

Thank you.

*Source: U.S. Census Bureau  
Public Information Office  
(301) 763-3030*

Last Revised: April 18, 2006 at 09:45:59 AM

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Page Last Modified: April 18, 2006

**2002 Survey of Business Owners:  
African American Data**

PRESS CONFERENCE

U.S. Department of Commerce  
Washington, DC  
April 18, 2006

Remarks of Ronald N. Langston  
National Director  
Minority Business Development Agency

- Good Morning. I'm Ron Langston, National Director of the Minority Business Development Agency and I am delighted to be here this morning with the U.S. Census Bureau and the National Black Chamber of Commerce.
- Thank you Tom and Valerie. Welcome Harry and Michael.
- Today's news about the growth of African American owned businesses give us all cause for celebration. It also validates that the entrepreneurial spirit that built this great country is still alive and thriving. It also reaffirms that the U.S. in an "entrepreneurial economy."
- In addition to the news put forth by the Census Bureau about black-owned firms, the national economy continues to show signs of economic strength.
- Specifically:
  - o The economy has been growing for 17 straight quarters
  - o The unemployment rate is 4.7 percent - lower than the average of the 1970s, 1980s, and 1990s.
  - o The economy created 243,000 jobs in February and has created about 2.1 million jobs over the past 12 months - and almost 5 million since August 2003.
- A driving force behind America's economic competitiveness is growth and expansion of minority business enterprises, especially, the 1.2 million African American owned firms. These firms, alone, represent nearly 29% of all minority owned firms in the United States and employ 800,000 workers.
- According to a MBDA commissioned paper by the TUCK School of Business at Dartmouth, minority firms are critical to the overall success of the U.S. economy. More African Americans need to see business ownership as a viable path to economic independence and more needs to be done to foster their growth.
- That is why President Bush has pushed for tax relief over the last five years . . . tax relief that has put \$880 billion back in the hands of American workers, investors, small businesses and families; . . . so they could use it to start and grow their businesses.
- Not only are African American owned firms growing at a much faster rate than the national average, but so are Hispanic, Asian and other minority owned firms.
- As result, we see U.S. productivity has been growing at 3.5 percent for the last five years; and that American workers are 17 percent more productive than they were in 2001.
- Increased productivity means America will continue to be competitive in the global marketplace and American workers will continue to enjoy a high standard of living.

## Competitiveness

- America must continue to lead the world in competitiveness, innovation and creativity. Our greatest resource and advantage in the world has always been our educated, hard working, ambitious people and we are going to keep that edge.
- But, if the national minority business enterprise community does not grow in size, scale, scope and capabilities, then we have failed in our mission. If the national minority business enterprise community is not generating wealth, America will not be prosperous.
- That is why we, at MBDA, believe increased business ownership among minorities should be a national priority.
- The President's goal is to keep the country strong by creating economic opportunities so the entrepreneurial spirit of the American people can flourish.
- And with the full participation of all Americans, our future is even brighter than today.
- On behalf of Secretary Carlos M. Gutierrez and President George W. Bush . . . . Thank you.

*Source: U.S. Census Bureau  
Public Information Office  
(301) 763-3030*

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# U.S. Census Bureau

BUSINESS STATISTICS FINANCIAL STATISTICS ISLAND AREAS

## Survey of Business Owners - Black-Owned Firms: 2002

Overview

Survey of Business Owners (SBO)

Characteristics of Business Owners (CBO)

### SUMMARY OF FINDINGS

Enterprise Statistics (ES)

Statistics of U.S. Businesses (SUSB)

In 2002, there were 1.2 million black-owned firms in the U.S., employing more than 756 thousand persons and generating nearly \$89 billion in business revenues. These black-owned firms accounted for 5.2 percent of all nonfarm businesses in the U.S., 0.7 percent of their employment, and 0.4 percent of their receipts.

The 2002 Survey of Business Owners (SBO) defines black-owned businesses as firms in which African Americans own 51 percent or more of the stock or equity of the business. The data in this report were collected as part of the 2002 Economic Census from a large sample of all nonfarm businesses filing 2002 tax forms as individual proprietorships, partnerships, or any type of corporation, and had receipts of \$1,000 or more.

### KIND OF BUSINESS CHARACTERISTICS

In 2002, nearly 4-in-10 black-owned firms operated in health care and social assistance, and other services, such as personal services, and repair and maintenance, where they owned 9.7 percent of all such businesses in the U.S.

Retail trade, and health care and social assistance accounted for 28.6 percent of all black-owned business revenue. Fifty-four percent of the retail trade revenue was concentrated in motor vehicle and parts dealers. [Table A](#) shows the industries accounting for the largest receipts for black-owned firms.

### GEOGRAPHIC CHARACTERISTICS

New York accounted for 10.8 percent of all black-owned firms at 129,324, with receipts of \$7.5 billion or 8.5 percent. California was second with 9.4 percent or 112,873, and with receipts of almost \$9.8 billion or 11 percent. Florida was third in the number of firms with 102,079 or 8.5 percent, and third in receipts with \$5.7 billion or 6.5 percent. Georgia accounted for 7.6 percent of all black-owned firms at 90,461, and with 6.4 percent of receipts or \$5.7 billion.

Tables [B](#), [C](#), [D](#), and [E](#), respectively, show the ten states, combined statistical areas, counties, and cities with the largest number of black-owned firms and compare the firms and receipts for both counties and cities with the numbers in their corresponding states.

### SIZE OF FIRM

Black-owned firms with paid employees accounted for 8 percent of the total number of black-owned firms and 74.3 percent of the gross receipts. There were 973 firms with 100 employees or more which accounted for \$16 billion in gross receipts (24.3 percent of the total receipts of black-owned employer firms).

There were 10,727 black-owned firms with receipts of \$1 million or more. These firms accounted for 1 percent of the total number of black-owned businesses and 55 percent of their total receipts.

## DATA COMPARABILITY TO PRIOR SURVEYS

[Table F](#) provides a comparison of the 2002 and 1997 published data for black-owned firms and all U.S. firms. The table shows that when compared to all U.S. businesses excluding publicly held corporations and firms for which race is indeterminate, black-owned firms accounted for 5.3 percent of firms, 1.4 percent of employees, and 1.0 percent of receipts.

The kind of business data for 2002 for black-owned firms is not comparable to 1997 due to the transition from the 1987 Standard Industrial Classification (SIC) system to the 2002 North American Industry Classification System (NAICS). Additional changes affecting data comparability are discussed in detail in [Methodology](#), in the section titled “Comparability of the 2002 and 1997 SBO Data.”

**Summary Statistics for Changes in the Number of Black-Owned Businesses and their Receipts: 1997 to 2002**

Geographic area	All firms in 2002 <sup>1</sup>		All firms in 1997 <sup>2</sup>		Change from 1997 to 2002					
	Firms (number)	Sales and receipts (\$1,000,000)	Firms (number)	Sales and receipts (\$1,000,000)	Net change in firm count	Firms (percent)	SE <sup>3</sup> of percent change in firms	Net change in receipts	Sales and receipts (percent)	SE <sup>3</sup> of percent change in sales and
United States <sup>4</sup>	1,197,661	88,779	823,499	71,215	374,162	45	2	17,564	25	2
Alabama	28,666	1,651	19,077	1,009	9,589	50	4	642	64	10
Alaska	926	80	876	56	50	6	15 *	25	44	30 *
Arizona	6,337	535	3,582	314	2,755	77	10	221	70	15
Arkansas	8,942	442	6,721	387	2,221	33	5	55	14	17 *
California	112,873	9,767	79,110	6,395	33,763	43	5	3,372	53	10
Colorado	7,066	758	4,926	513	2,140	43	8	245	48	31 *
Connecticut	10,309	723	7,251	528	3,058	42	8	195	37	28 *
Delaware	4,258	215	2,707	185	1,551	57	11	30	16	21 *
District of Columbia	12,198	1,568	10,909	1,335	1,289	12	6	233	17	7
Florida	102,079	5,728	59,732	4,092	42,347	71	4	1,636	40	14
Georgia	90,461	5,665	55,766	4,111	34,695	62	3	1,554	38	5
Hawaii	817	81	638	34	179	28	28 *	47	136	94 *
Idaho	373	58	164	18	209	127	52	40	228	139
Illinois	68,704	4,984	41,244	3,913	27,460	67	4	1,071	27	13
Indiana	14,068	1,692	11,107	1,192	2,961	27	6	500	42	21
Iowa	1,610	258	1,353	233	257	19	14 *	25	11	11 *
Kansas	4,468	376	3,396	594	1,072	32	7	-217	-37	24 *
Kentucky	7,592	1,106	5,629	659	1,963	35	7	448	68	31
Louisiana	40,243	1,934	25,782	1,917	14,461	56	5	16	1	9 *
Maine	327	32	257	28	70	27	28 *	4	14	14 *
Maryland	69,410	4,655	47,614	3,965	21,796	46	4	690	17	6
Massachusetts	12,818	1,239	11,834	1,013	984	8	4	226	22	12
Michigan	44,366	4,294	24,954	4,623	19,412	78	5	-330	-7	14 *
Minnesota	7,837	682	4,024	523	3,813	95	11	159	30	14
Mississippi	25,002	1,314	17,617	853	7,385	42	5	461	54	10
Missouri	16,750	1,345	13,678	1,261	3,072	22	5	83	7	13 *
Montana	220	12	62	4	158	255	109	9	242	155 *
Nebraska	2,091	141	1,565	129	526	34	11	12	9	23 *
Nevada	4,343	434	2,796	226	1,547	55	12	208	92	14
New Hampshire	470	68	326	32	144	44	22	36	111	43
New Jersey	36,282	3,244	26,500	2,160	9,782	37	5	1,083	50	16
New Mexico	1,541	255	1,132	143	409	36	14	112	79	9
New York	129,324	7,525	86,469	5,067	42,855	50	3	2,458	49	11
North Carolina	52,122	3,549	39,901	2,299	12,221	31	3	1,250	54	17
North Dakota	78	14	99	17	-21	-21	21 *	-4	-22	9
Ohio	35,658	3,600	26,970	3,947	8,688	32	3	-346	-9	12 *
Oklahoma	7,441	458	5,309	333	2,132	40	8	125	38	10
Oregon	2,222	371	2,219	436	3	0	9 *	-65	-15	27 *
Pennsylvania	24,757	2,118	19,791	1,994	4,966	25	4	124	6	9 *
Rhode Island	109	11	1,269	124	-1,160	-91	8	-113	-91	15
South Carolina	28,613	1,597	23,216	1,409	5,397	23	3	188	13	8
South Dakota	122	61	150	17	-28	-19	30 *	44	254	20
Tennessee	26,811	1,755	20,196	1,645	6,615	33	3	110	7	8 *
Texas	88,769	6,421	60,427	6,857	28,342	47	4	-437	-6	14 *
Utah	649	188	440	23	209	48	26	165	717	44
Vermont	211	21	168	37	43	26	38 *	-16	-44	15
Virginia	41,149	3,718	33,539	3,408	7,610	23	3	310	9	8 *
Washington	6,985	1,053	5,553	504	1,432	26	8	549	109	15
West Virginia	1,473	98	1,148	88	325	28	12	11	12	21 *
Wisconsin	6,685	633	4,848	550	1,837	38	6	83	15	13 *
Wyoming	149	10	232	13	-83	-36	34 *	-3	-24	45 *

<sup>1</sup> Source: 2002 Survey of Business Owners. Data include firms with paid employees and firms with no paid employees.

<sup>2</sup> Source: 1997 Survey of Minority-Owned Business Enterprises. Data include firms with paid employees and firms with no paid employees.

<sup>3</sup> For explanation of standard errors, see Reliability of Estimates in the introductory text.

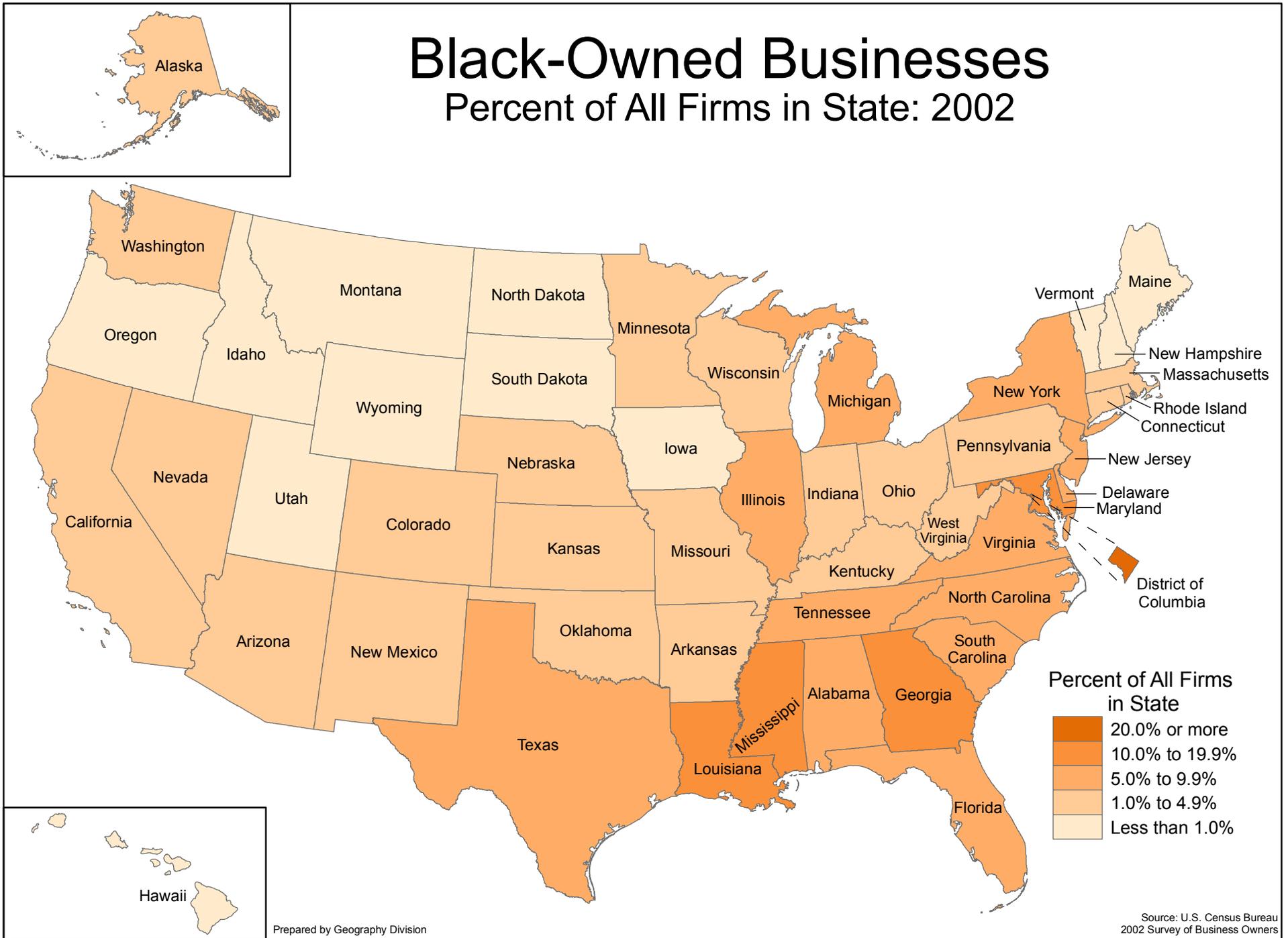
<sup>4</sup> Detail may not add to total because firms with more than one domestic establishment are counted in each state in which they operate, but only once at the U.S. total.

- Represents zero.

\* Change is not statistically significant from 0.

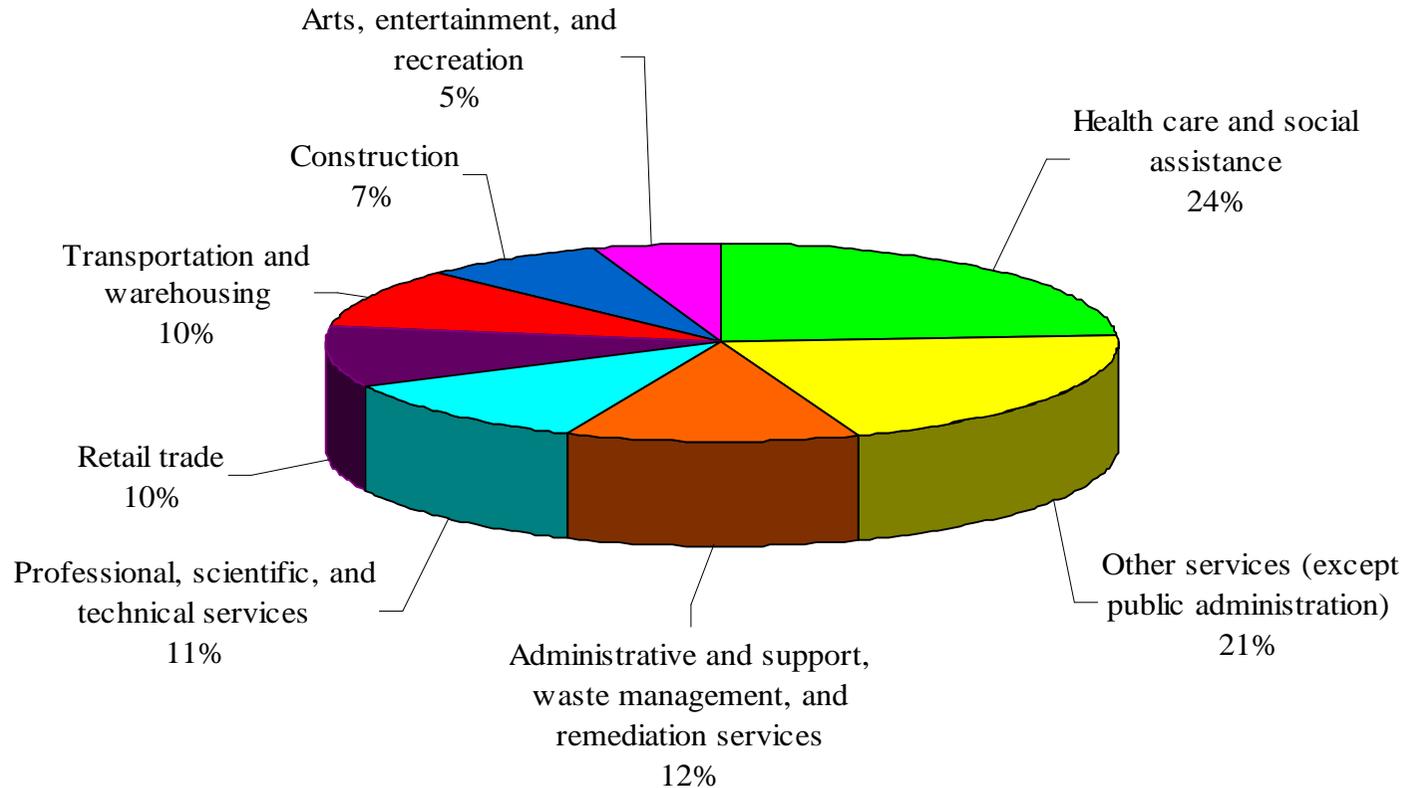
# Black-Owned Businesses

## Percent of All Firms in State: 2002



# Distribution of Black-Owned Firms by Kind of Business: 2002

## 1,197,661



Note: Firms with more than one domestic establishment are counted in each industry in which they operated, but only once in the U.S. total

## Industries With the Highest Average Receipts Per Firm For Black-Owned Firms Compared to All U.S. Firms, excluding

