

African American-Owned Business Growth & Global Reach

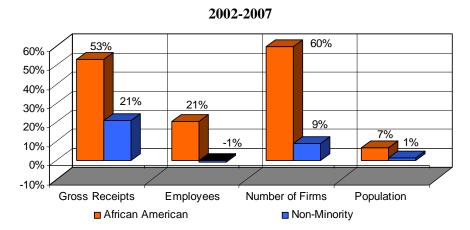
1401 Constitution Avenue, NW Washington, DC 20230 www.mbda.gov

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)**
All African American	1,921,864	\$135.7 billion	\$70,629	106,566	\$97.1 billion	\$911,594	909,552	\$910.4 billion
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

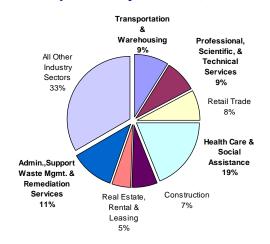
- In 2007, there were about 1.9 million African American-owned firms, of which 6 percent (106,566) were firms with employees.
- African American-owned firms with employees had average receipts of over \$911,000 and average employment of 9 workers per firm with employees.
- The African American population 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



- 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



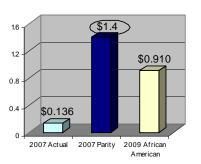
African American Firms were most concentrated in Health Care & Social
Assistance (19%); Administrative & Support and Waste Mgmt. & Remediation
Services (11%); Transportation & Warehousing; and Professional, Scientific &
Technical Services (both 9%). All Other Industry Sectors include firms in
Agriculture; 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. Produced by the Minority Business Development Agency, August 2011.

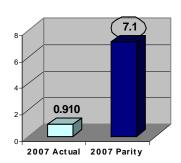
Entrepreneurial Parity Remains Elusive for African American-Owned Businesses

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).

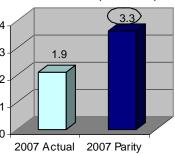
Gross Receipts (in \$ trillions)



Paid Employment (in millions)

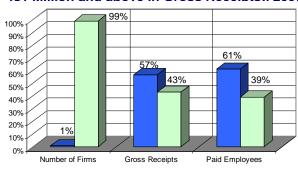


Number of Firms (in millions)



- 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.

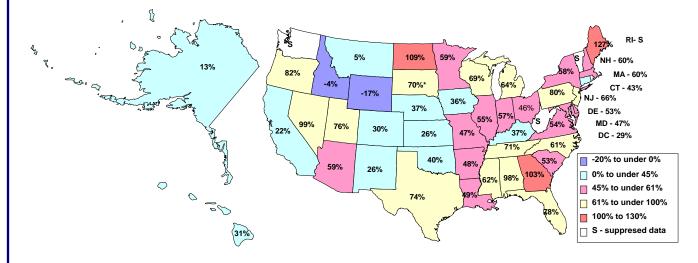
African American-Owned Firms (\$1 Million and above in Gross Receipts), 2007



African American Firms (\$1 million and above) African American Firms (Under \$1 million)

- 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.

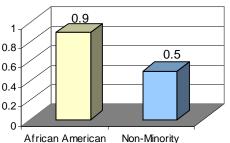
African American-Owned Firms Grow Fastest in 18 States across USA



- Between 2002 and 2007, the number of African American-owned firms grew at their national average of 60 percent or faster in 19 states. Top states included: Maine (by 127%), North Dakota (109%), Georgia (103%), Nevada (99%), Alabama (98%), Oregon (82%), Pennsylvania (80%), Florida (78%), Utah (76%), Texas (74%), Tennessee (71%), and seven other states.
- African American-owned firms were more concentrated in New York (204,004 firms; 11% of all African American firms), Georgia (183,864 firms; 10%), Florida (181,496; 9%), and Texas (154,283 firms; 8%).

Note: *Growth rates for South Dakota were not statistically significant from zero. Growth rates for firms in Rhode Island, Vermont, Washington and West Virginia are not available because 2007 data estimates did not meet publication standards. Statistics do not include firms in Puerto Rico, U.S. Virgin Islands, or other U.S. territories.

African American Firms More Likely to Have Global Operations



- African American firms operating in 2007 were more likely to have global operations compared to non-minority-owned firms, and about 2.9 percent of African American owned firms had export sales.*
- Minority business export activity spanned 41 countries over six continents (North America, South America, Europe, Asia, Africa and Australia), according to U.S. Export Import Bank financial transaction data between 1992 and 2009.**
- Mexico, Brazil, and Dominican Republic are the top three markets for minority firms export activity, accounting for 52% of all financing transactions authorized for these firms when foreign markets were identified between 1992 and 2009.

Source: *MBDA analysis based on respondent firms to the U.S. Census Bureau's 2007 Survey of Business Owners. **MBDA's analysis of data from the U.S. Export Import Bank, for calendar years 1992-2009.