

African American-Owned Business Growth & Global Reach

African American-Owned Firms Generate \$138 Billion in Economic Output to the U.S. Economy and Create Over 921,000 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	1,921,881	\$137.5 billion	\$71,519	106,824	\$98.9 billion	\$925,427	921,032	\$910.4 billion
All Minority	5,762,940	\$1.0 trillion	\$178,484	768,147	\$864.2 billion	\$1,125,081	5,916,651	\$2.46 trillion
Non-Minority	20,107,057	\$9.8 trillion	\$489,830	4,344,787	\$9.1 trillion	\$2,093,390	50,707,027	\$8.25 trillion
Classifiable Firms	26,304,525	\$11.0 trillion	\$417,409	5,197,767	\$10.1 trillion	\$1,932,602	57,263,174	\$10.7 trillion (all U.S.)
Total Firms in U.S.	27,110,059	\$30.2 trillion	\$1,113,098	5,752,673	\$29.2 trillion	\$5,076,503	118,616,073	Non-applicable

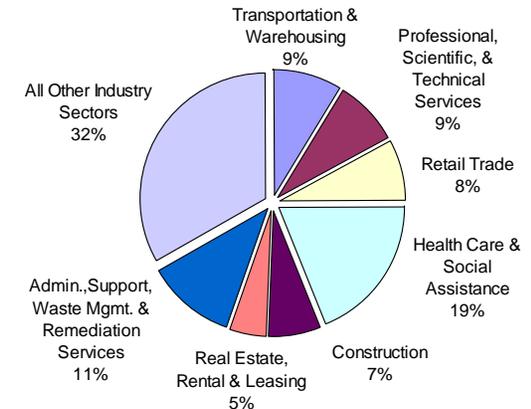
- In 2007, there were about 1.9 million African American-owned firms, of which **6 percent (106,824) were firms with employees.**
- **African American-owned firms with employees had average receipts of \$925,000** and average employment of 9 workers per firm with employees.
- The African American population 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 (55% African American growth), employment (22%), and number of firms (61%).
- African American firms are an engine of job creation, with paid employment growing by **22% from 754,000 to 921,000**, compared to **0.03 percent growth** 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

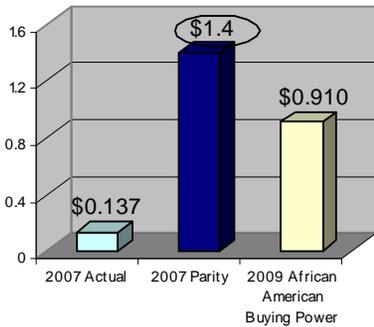


- African American Firms were most concentrated in Health Care & Social Assistance (19%); Administrative & Support and Waste Mgmt. & Remediation Services (11%); Transportation & Warehousing; and Professional, Scientific & Technical Services (both 9%). All Other Industry Sectors include firms in Agriculture;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

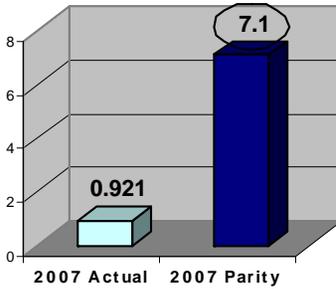
Entrepreneurial Parity Remains Elusive for African American-Owned Businesses

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).

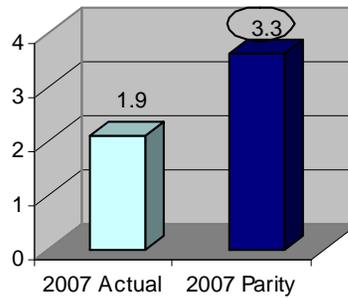
Gross Receipts (in \$ trillions)



Paid Employment (in millions)

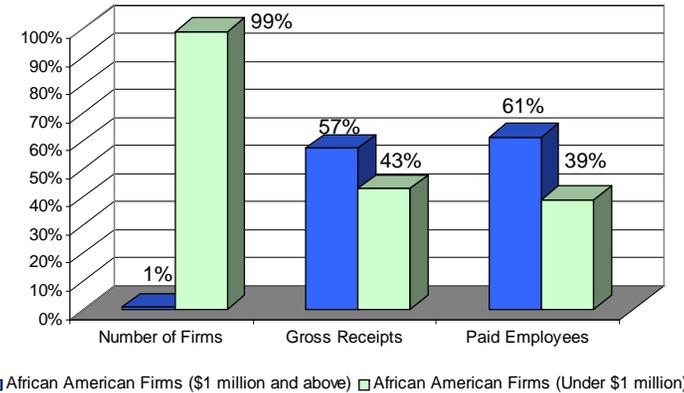


Number of Firms (in millions)



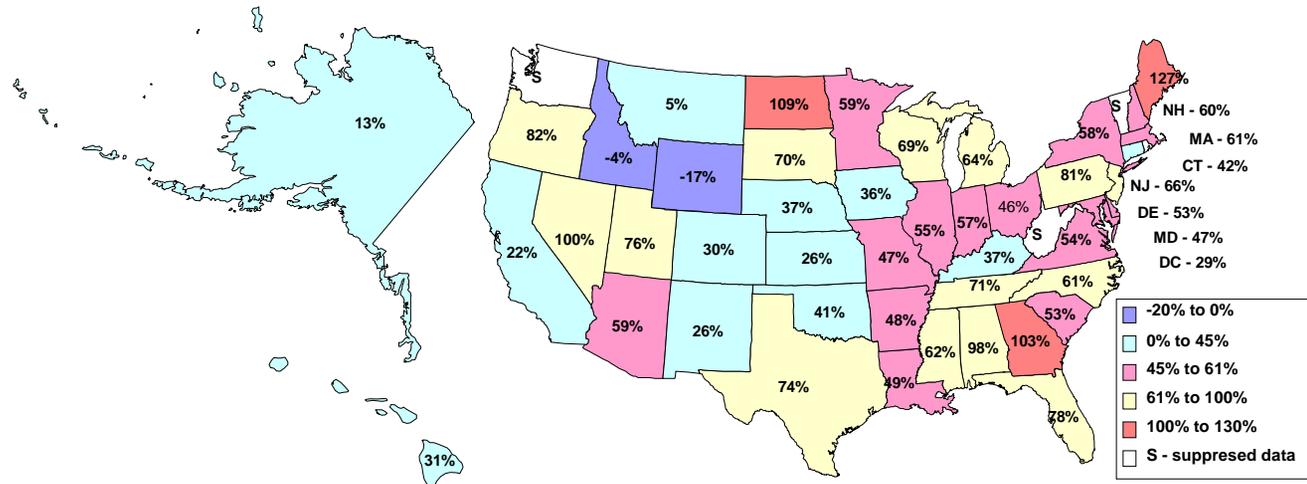
- The adult African American population represented 12 percent of the U.S. adult population in 2007, but African Americans held only 7 percent of all Classifiable firms, 1 percent of these firms' gross receipts and 2 percent of their employment.
- If African American firms' gross receipts had reflected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

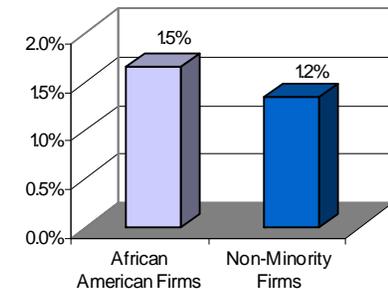
African American-Owned Firms Grow Fastest in 18 States across USA



- Between 2002 and 2007, the number of African American-owned firms grew at their national average of 61 percent or faster in 18 states. Top states included: Maine (by 127%), North Dakota (109%), Georgia (103%), Nevada (100%), Alabama (98%), Oregon (82%), Pennsylvania (81%), Florida (78%), Utah (76%), Texas (74%), Tennessee (71%), South Dakota (70%), and six other states.
- African American-owned firms were more concentrated in New York (204,032 firms; 11% of all African American firms), Georgia (183,874 firms; 10%), Florida (181,437; 9%), and Texas (154,281 firms; 8%).

Note: Growth rates for African American 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 Export



- African American firms operating in 2002 were more likely to generate sales through exports compared to non-minority firms operating in the same year.
- 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.

Note: The difference in exporter data between African American firms and Non-Minority firms is statistically significant at a 90% confidence level.

Source: *MBDA's *Characteristics of Minority Businesses and Entrepreneurs*, 2008. MBDA's analysis of data from the U.S. Export Import Bank, for calendar years 1992-2009.