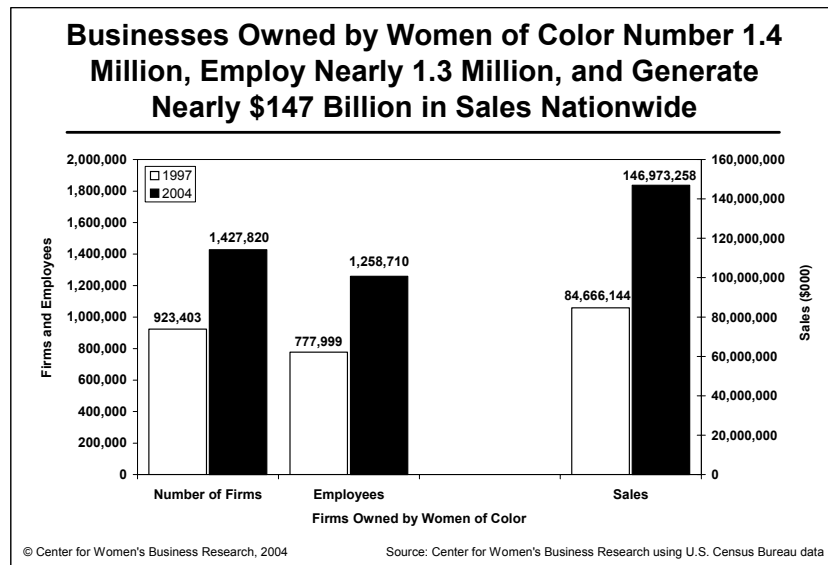




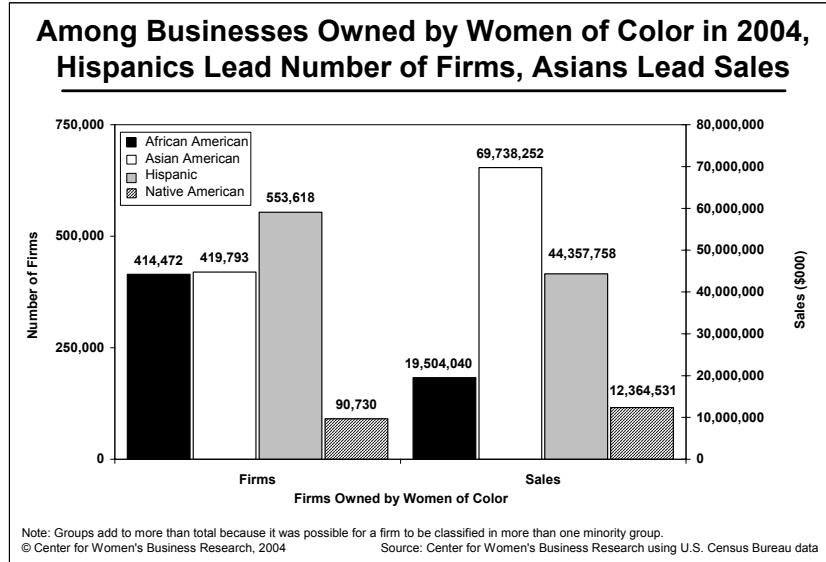
Businesses Owned by Women of Color in the United States, 2004: A Fact Sheet

In this fact sheet, the Center for Women's Business Research presents the most up-to-date information currently available on privately-held¹ businesses majority-owned (51% or more) by women of color² in the United States.³ Analyzing data provided by the U.S. Bureau of the Census, the Center projects (for a complete explanation, see *Methodology*) the following statistical portrait of privately-held businesses owned by women of color in 2004.

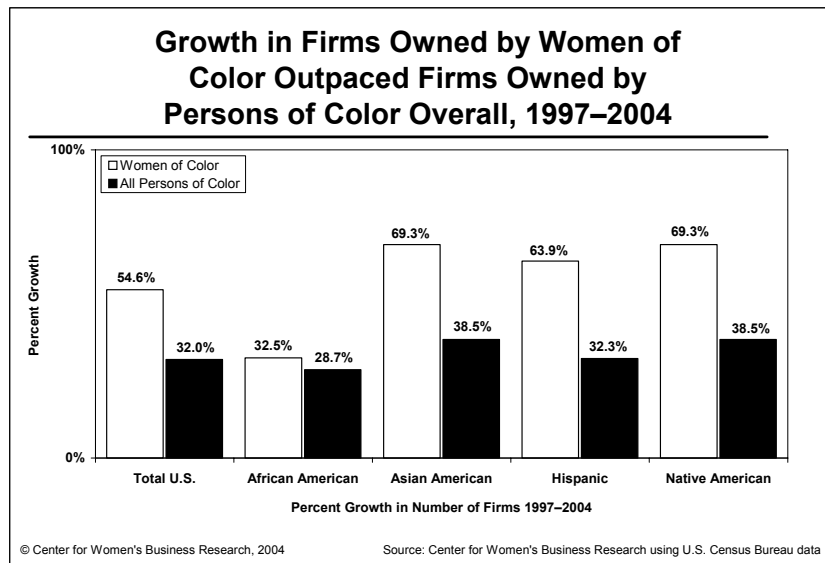
- As of 2004 there are an estimated 1.4 million privately-held firms owned by women of color in the U.S., employing nearly 1.3 million people and generating nearly \$147 billion in sales.
- Firms owned by women of color now represent 21.4% of all privately-held, women-owned firms in the U.S.—meaning that one in five women-owned firms are owned by a woman or women of color.



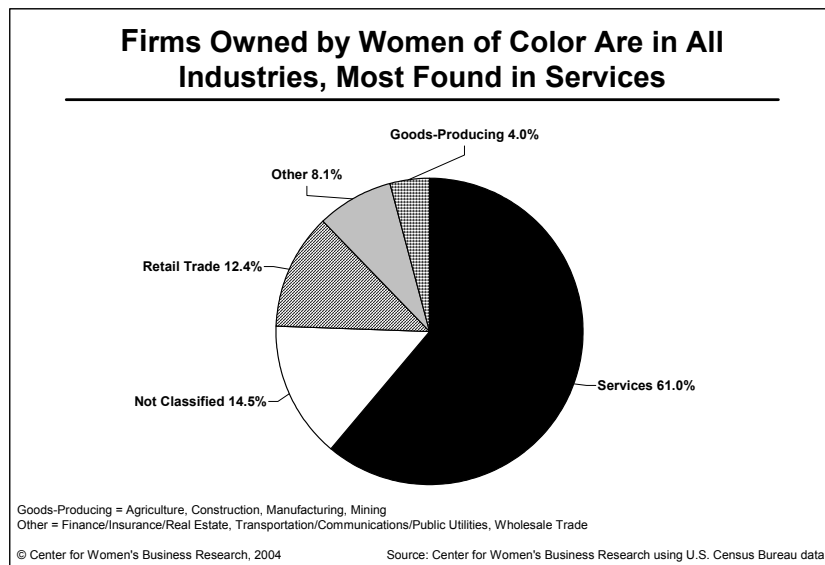
¹ Privately-held firms include firms with and without paid employees. These exclude publicly-held, foreign-owned and nonprofit businesses.
² Women of color include African Americans, Asian American/Pacific Islanders, Hispanics, and Native American/Alaska Natives. The Hispanic category may include persons of any race including white.
³ In other publications the Center also describes 50% or more women-owned firms and equally (50-50) men- and women-owned firms, but due to limitations in the underlying Census data, estimates for women of color are provided only for firms that are majority (51% or more) women-owned.



- Between 1997 and 2004, the number of firms owned by women of color is estimated to have increased by 54.6%; employment by 61.8%; and sales by 73.6%.
- Women of color own 35.6% of all firms owned by persons of color. Women of color also employ 20.1% of the workers and generate 16.3% of the sales of all firms owned by persons of color.
- Thirty-nine percent (38.8%) of firms owned by women of color are owned by Hispanics (553,618); 29.0% are owned by African Americans (414,472); 29.4% are owned by Asian Americans or Pacific Islanders (419,793); and 6.4% are owned by women of Native American or Alaska Native heritage (90,730).



- The top 10 states for privately-held firms owned by women of color based on an average rank of the estimated number of firms, employment, and sales in 2004 are:
 - 1) California;
 - 2) Texas;
 - 3) Illinois;
 - 4) New York;
 - 5) Florida;
 - 6) Maryland and New Jersey (tied);
 - 8) Michigan;
 - 9) Virginia; and
 - 10) Ohio.
- The top 10 fastest growing states based on an average rank of 1997 to 2004 growth rates in the estimated number, employees, and sales of privately-held firms owned by women of color are:
 - 1) Oklahoma;
 - 2) Vermont;
 - 3) Alaska;
 - 4) Montana;
 - 5) Massachusetts;
 - 6) Nevada and North Dakota (tied);
 - 8) Idaho and South Dakota (tied); and
 - 10) Michigan.
- The 10 states where firms owned by women of color comprise the greatest share of all women-owned firms are:
 - 1) Hawaii (59.5%);
 - 2) California (41.0%);
 - 3) District of Columbia (40.0%);
 - 4) New Mexico (35.1%);
 - 5) Maryland (32.0%);
 - 6) Texas (31.8%);
 - 7) New York (31.7%);
 - 8) Florida (28.2%);
 - 9) Georgia (24.2%); and
 - 10) Alaska (23.4%).
- Sixty-one percent (61.0%) of firms owned by women of color are in the service sector; 12.4% are in retail trade; and 4.0% are in goods-producing industries including construction, mining, manufacturing, and agriculture.
- The greatest growth by industry in the number of firms owned by women of color from 1997 to 2004 has come in the services industry (55.8% growth), followed by transportation/communications/public utilities (47.3%) and agriculture (34.8%). A large growth rate also appeared among unclassified industries (54.6%).



Majority-Owned, Privately-Held Firms Owned by Women of Color in the U.S., 2004

	2004		Firms Owned by Women of Color	
	Firms Owned by Women of Color	Firms Owned by All Persons of Color	% Change 1997-2004	% Share of Firms Owned by All Persons of Color*
Total U.S.				
Number of Firms	1,427,820	4,011,663	54.6	35.6
Employment	1,258,710	6,250,182	61.8	20.1
Sales (\$000)	146,973,258	901,257,588	73.6	16.3
By Race/Ethnicity				
African American				
Number of Firms	414,472	1,059,548	32.5	39.1
Employment	253,661	806,465	50.1	31.5
Sales (\$000)	19,504,040	95,685,876	43.9	20.4
Asian American & Pacific Islander				
Number of Firms	419,793	1,264,474	69.3	33.2
Employment	543,888	3,428,057	73.4	15.9
Sales (\$000)	69,738,252	493,747,459	83.0	14.1
Hispanic				
Number of Firms	553,618	1,587,608	63.9	34.9
Employment	320,078	1,731,082	36.4	18.5
Sales (\$000)	44,357,758	271,937,779	62.4	16.3
Native American & Alaska Native				
Number of Firms	90,730	273,266	69.3	33.2
Employment	128,537	464,726	73.4	27.7
Sales (\$000)	12,364,531	55,247,294	83.0	22.4

Source: Center for Women's Business Research using U.S. Bureau of the Census data.

*Groups add to more than 100% because it was possible for a firm to be classified in more than one minority group.

Majority-Owned, Privately-Held Firms Owned by Women of Color by Industry: 1997–2004			
	1997	2004	% Change 1997–2004
Total U.S.			
Number of Firms	923,403	1,427,820	54.6
Employment	777,999	1,258,710	61.8
Sales (\$000)	84,666,144	146,973,258	73.6
Industry			
Agriculture Services			
Number of Firms	7,404	9,984	34.8
Employment ^a	5,943	9,196	54.7
Sales (\$000)	459,500	NA	-
Mining			
Number of Firms	622	638	2.6
Employment	1,395	NA	-
Sales (\$000)	131,056	NA	-
Construction			
Number of Firms	18,227	24,121	32.3
Employment	36,521	42,389	16.1
Sales (\$000)	4,243,591	5,560,153	31.0
Manufacturing			
Number of Firms	16,099	19,963	24.0
Employment	66,131	101,270	53.1
Sales (\$000)	5,269,373	8,546,023	62.2
Transportation, Communications and Public Utilities			
Number of Firms	23,855	35,140	47.3
Employment ^a	29,299	47,700	62.8
Sales (\$000)	2,488,391	NA	-
Wholesale Trade			
Number of Firms	16,642	19,817	19.1
Employment	37,723	55,825	48.0
Sales (\$000)	16,628,051	25,969,484	56.2
Retail Trade			
Number of Firms	133,924	168,491	25.8
Employment	176,246	260,786	48.0
Sales (\$000)	16,172,247	26,388,289	63.2

Majority-Owned, Privately-Held Firms Owned by Women of Color by Industry: 1997–2004 (cont.)

	1997	2004	% Change 1997–2004
Finance, Insurance and Real Estate			
Number of Firms	48,432	54,536	12.6
Employment	18,952	15,887	-16.2
Sales (\$000)	3,640,761	4,445,625	22.1
Services			
Number of Firms	531,532	828,273	55.8
Employment	354,925	585,926	65.1
Sales (\$000)	29,456,109	54,464,908	84.9
Industries Not Classified			
Number of Firms ^b	126,821	196,098	54.6
Employment ^{ab}	50,864	82,292	61.8
Sales (\$000) ^b	6,177,064	10,722,860	73.6

Source: U.S. Bureau of the Census and the Center for Women's Business Research.

NA - Not available. For sales, data for C corporations were withheld by the Census for 1997 and thus a growth rate from 1992 to 1997 could not be established or extended to 2004. For employment, data from the Census for C corporations were published as a range where the midpoint exceeded the number of all firms. A 2004 projection could not be made from the data available from the Census.

^a Midpoint of range used for finding number of C corporations.

^b Growth rate was assumed to be the same as for all firms.

**Firms, Employment, and Sales by State for Majority-Owned, Privately-Held
Firms Owned by Women of Color, 2004**

	Number of Firms	Employment	Sales (\$000)	Average Ranking¹
U.S. Total	1,427,820	1,258,710	146,973,258	-
Alabama	14,571	10,356	894,069	23
Alaska	5,104	6,870	863,299	32
Arizona	23,524	22,761	1,919,743	11
Arkansas	5,471	2,473	246,767	38
California	317,309	320,588	42,056,236	1
Colorado	18,712	12,544	1,446,386	20
Connecticut	8,094	4,511	921,041	28
Delaware	3,118	1,258	110,750	44
District of Columbia	5,590	5,478	430,380	35
Florida	130,076	28,987	6,797,139	5
Georgia	48,495	14,303	1,841,014	14
Hawaii	15,367	17,625	1,962,190	17
Idaho	2,874	1,698	280,173	39
Illinois	61,198	117,349	7,030,727	3
Indiana	13,380	6,973	479,219	29
Iowa	2,759	2,431	121,332	41
Kansas	6,018	8,459	561,153	30
Kentucky	6,807	4,042	431,618	35
Louisiana	18,046	9,129	722,651	24
Maine	1,593	634	63,372	49
Maryland	43,746	51,024	4,048,827	6
Massachusetts	20,152	14,529	1,907,646	16
Michigan	29,367	34,173	3,978,492	8
Minnesota	7,132	2,855	809,336	34
Mississippi	9,469	4,693	431,147	33
Missouri	13,521	11,450	1,023,447	22
Montana	2,123	1,276	207,229	44
Nebraska	1,600	2,229	136,709	42
Nevada	8,330	8,764	891,297	25
New Hampshire	1,555	1,974	248,612	42
New Jersey	42,530	39,312	6,615,305	6



**Firms, Employment, and Sales by State for Majority-Owned, Privately-Held
Firms Owned by Women of Color, 2004 (cont.)**

	Number of Firms	Employment	Sales (\$000)	Average Ranking¹
New Mexico	17,723	13,686	1,633,987	19
New York	154,537	36,608	5,939,173	4
North Carolina	31,826	19,957	1,577,692	15
North Dakota	740	746	72,099	49
Ohio	23,485	26,924	2,669,907	10
Oklahoma	16,515	16,522	1,899,042	18
Oregon	9,558	7,377	418,922	31
Pennsylvania	24,530	24,267	1,717,666	13
Rhode Island	2,325	1,075	68,796	47
South Carolina	13,590	7,498	778,486	25
South Dakota	973	1,054	68,198	51
Tennessee	15,954	13,138	1,407,135	21
Texas	148,276	198,806	25,547,437	2
Utah	4,131	4,204	298,951	37
Vermont	1,043	3,111	311,097	39
Virginia	36,630	23,958	2,313,755	9
Washington	21,610	22,504	2,484,708	11
West Virginia	2,147	1,549	120,300	46
Wisconsin	7,773	11,031	560,373	27
Wyoming	1,022	1,086	70,623	48

Source: Center for Women's Business Research estimates using U.S. Bureau of the Census data.

¹Average rankings based on the estimated number of firms, employment, and sales per state in 2004.

**Percent Change in Firms, Employment, and Sales by State for Majority-Owned, Privately-Held
Firms Owned by Women of Color, 2004**

	Number of Firms	Employment	Sales (\$000)	Average Ranking ¹
U.S. Total	54.6	61.8	73.6	-
Alabama	56.5	68.2	80.1	23
Alaska	70.6	94.0	101.5	3
Arizona	68.5	62.6	65.7	21
Arkansas	49.3	10.9	53.7	45
California	44.7	57.9	72.5	31
Colorado	54.7	24.5	56.7	39
Connecticut	40.6	23.6	70.0	42
Delaware	58.8	-28.8	-21.6	48
District of Columbia*	0.0	0.0	0.0	49
Florida	60.1	-29.3	22.7	46
Georgia*	62.2	0.0	0.0	40
Hawaii*	0.0	0.0	0.0	49
Idaho	75.9	53.5	100.7	8
Illinois	62.4	101.2	73.8	11
Indiana	60.9	20.2	12.4	38
Iowa	62.3	53.4	11.3	30
Kansas	57.3	89.4	91.6	11
Kentucky	61.5	41.0	78.1	27
Louisiana*	44.7	0.0	0.0	47
Maine	83.7	13.8	49.6	28
Maryland	46.7	89.8	84.3	19
Massachusetts	66.2	82.7	87.0	5
Michigan	58.2	81.9	93.2	10
Minnesota	64.0	-7.3	66.3	35
Mississippi	43.5	42.5	52.3	43
Missouri	55.9	63.5	78.4	25
Montana	89.7	43.2	97.1	4
Nebraska*	0.0	0.0	0.0	49
Nevada	70.3	80.2	80.2	6
New Hampshire*	74.2	0.0	91.4	18
New Jersey	50.2	80.5	80.4	21

**Percent Change in Firms, Employment, and Sales by State for Majority-Owned, Privately-Held
Firms Owned by Women of Color, 2004 (cont.)**

	Number of Firms	Employment	Sales (\$000)	Average Ranking¹
New Mexico	51.0	56.2	81.0	28
New York*	68.5	0.0	0.0	37
North Carolina	60.2	70.7	79.6	19
North Dakota	86.3	55.8	88.0	6
Ohio	42.7	76.9	86.5	25
Oklahoma	82.7	95.1	101.6	1
Oregon	66.8	36.9	5.4	31
Pennsylvania	55.9	57.0	41.2	35
Rhode Island*	57.5	0.0	0.0	44
South Carolina	43.6	54.7	74.6	34
South Dakota	80.8	83.9	68.8	8
Tennessee	56.4	76.4	91.7	16
Texas	54.5	78.8	104.0	13
Utah	66.6	77.3	77.6	15
Vermont	79.8	95.5	96.1	2
Virginia	54.0	40.0	49.1	41
Washington	59.6	37.2	57.1	31
West Virginia	79.5	66.2	74.2	13
Wisconsin	69.4	78.1	56.3	17
Wyoming	63.1	58.8	66.7	24

Source: Center for Women's Business Research estimates using U.S. Bureau of the Census data.

¹Average rankings based on the estimated percent change for number of firms, employment, and sales per state in 2004.

*Growth assumed to be 0 when Census reports confidence interval for growth of all women-owned firms includes 0.

**Percent Share of Majority-Owned, Privately-Held Firms Owned by Women of Color
Among All Women-Owned Firms and All Firms Owned by Persons of Color, 2004**

State	Percent Share of Firms Owned by Women of Color		Rank	
	Among All Women-Owned Firms	Among All Firms Owned by Persons of Color	Among All Women-Owned Firms	Among All Firms Owned by Persons of Color
U.S. Total	21.4	35.6	-	-
Alabama	16.0	37.6	21	18
Alaska	23.4	30.6	10	43
Arizona	19.1	39.0	17	8
Arkansas	10.2	29.5	30	46
California	41.0	36.6	2	23
Colorado	12.2	37.7	25	17
Connecticut	9.9	30.5	34	44
Delaware	18.1	42.8	18	1
District of Columbia	40.0	36.3	3	25
Florida	28.2	32.6	8	36
Georgia	24.2	38.5	9	11
Hawaii	59.5	25.0	1	51
Idaho	7.9	36.8	38	21
Illinois	20.4	40.3	15	5
Indiana	10.0	42.5	32	2
Iowa	4.3	35.3	50	30
Kansas	9.4	37.9	35	14
Kentucky	7.9	37.8	37	15
Louisiana	20.7	35.8	14	27
Maine	4.2	32.3	51	38
Maryland	32.0	41.5	5	3
Massachusetts	12.0	34.1	26	35
Michigan	12.4	41.2	24	4
Minnesota	5.5	29.5	44	45
Mississippi	20.0	37.2	16	20
Missouri	10.4	35.6	29	29
Montana	7.0	38.2	39	13
Nebraska	4.8	27.2	49	50
Nevada	15.5	36.7	22	22
New Hampshire	5.2	29.3	47	47
New Jersey	22.8	30.7	12	42

**Percent Share of Majority-Owned, Privately-Held Firms Owned by Women of Color
Among All Women-Owned Firms and All Firms Owned by Persons of Color, 2004 (cont.)**

State	Percent Share of Firms Owned by Women of Color		Rank	
	Among All Women-Owned Firms	Among All Firms Owned by Persons of Color	Among All Women-Owned Firms	Among All Firms Owned by Persons of Color
New Mexico	35.1	39.1	4	7
New York	31.7	34.9	7	34
North Carolina	16.8	37.5	19	19
North Dakota	5.2	27.9	46	48
Ohio	10.0	37.8	31	16
Oklahoma	21.3	35.2	13	32
Oregon	8.6	35.7	36	28
Pennsylvania	10.8	38.3	28	12
Rhode Island	10.0	36.4	33	24
South Carolina	16.1	35.3	20	31
South Dakota	5.5	39.2	45	6
Tennessee	12.0	34.9	27	33
Texas	31.8	31.3	6	40
Utah	6.8	30.8	41	41
Vermont	5.2	27.3	48	49
Virginia	23.0	38.9	11	9
Washington	13.4	36.2	23	26
West Virginia	5.7	31.4	43	39
Wisconsin	7.0	38.6	40	10
Wyoming	6.3	32.4	42	37

Source: Center for Women's Business Research estimates using U.S. Bureau of the Census data.

Methodology

This fact sheet provides 2004 estimates for the number, employment, and sales of majority-owned (51% or more), privately-held businesses owned by women of color in the United States. The estimates are projections based on the most recent available data from the Census Bureau's *1997 Survey of Minority-Owned Business Enterprises*.

The process of obtaining these estimates involved two main steps, as detailed below. Due to changes in the way the Census Bureau defined a woman-owned business in 1997, the available data from 1992—which were used to calculate the relevant growth rates between 1992 and 1997—were not strictly comparable. Thus, as a first step, the Center for Women's Business Research adjusted the data for comparability. The second step involved projecting the 1997 published Census data forward to 2004.

Data Adjustments

In their 1997 reports on minority- and women-owned businesses, the Census Bureau counted only privately-held firms in which women or minorities owned at least 51% of the business. These data were not directly comparable to data gathered in 1992, when publicly traded firms and 50% ownership had been included. The Census provided the Center with reconfigured 1992 data for greater compatibility with 1997.

In this reconfiguration, the Census excluded C corporations from the 1992 data in order to approximate the effect of excluding publicly-traded firms in 1997. The Center adjusted the 1997 data to exclude C corporations as well in order to obtain comparable growth rates, but then included C corporations in the final projections.

In order to adjust for the 1997 definition of ownership, the Center excluded firms from 1992 that were only 50% woman- or minority-owned, so that all firms in these analyses were owned at least 51% by women or minorities.

In 1992, for all racial or ethnic minorities except African Americans, the Census Bureau took a supplemental sample in order to estimate the number of minorities not captured in the original sample. The Census considered

this undercount sample to be too small to include in their detailed analyses, but for the purposes of this update the Center applied the "undercount boost" to 1992 firms and sales data where applicable in order to approximate the effects of including the undercount sample.

Finally, the 1997 reports separated Asian & Pacific Islander firms and Native American & Alaska Native firms, when previously these two groups had been combined. The Center combined the two groups' 1997 data to estimate growth rates, but then applied the growth rates to the two groups separately in order to make separate projections. In cases where the Census was unable to report data for one of the groups (due to numbers not meeting publication standards), data for one group were used to calculate growth rates for both.

Projections 1997–2004

Based on the adjustments detailed above, the Center for Women's Business Research projected the 1997 published Census data forward to 2004 following some general assumptions. The first assumption was that growth rates between 1992 and 1997 would continue at linear rates through 2004; (2) the growth rates in the number, employment and sales of C corporations would be proportional to the growth rates of other firms; (3) the percentage of women-owned C corporations within each minority group would equal the percentage of women-owned C corporations within all minority firms; (4) the percentage of women- or minority-owned C corporations at the state level would equal the percentage of women- or minority-owned C corporations at the national level.

There were some instances in which the Census Bureau could not report a 1992 to 1997 growth rate for women-owned firms in general, since the confidence interval for the rate included 0 and could have been slightly positive or slightly negative. In these cases, as noted, the assumption was made that the growth rate was 0 for all firms owned by women of color as well.

In some instances the Census Bureau reported a range rather than an exact number; in these cases, as noted, the midpoint of the range was used. In cases where the midpoint of a range was higher than the maximum possible value, or where data were withheld by the Census Bureau, the data were omitted and no projections were calculated.

This method did not take into account changes in economic conditions between the 1992–1997 period and the 1997–2004 period. While the assumption of a consistent growth rate between the two time frames has its limitations, there is no clearly superior alternative based on available data. Available data on business growth for the 1997–2004 period are heavily influenced by large, publicly-traded firms, and thus are not necessarily a superior indicator of growth among privately-held, women-owned businesses.

The 2004 projections in this report were produced using a methodology that differs in several respects from the methodology used for the 2002 projections, and therefore the estimates in the two reports are not directly comparable. In addition, the term "minority" has been replaced by "women/persons of color" due to the Center's usage of the word "majority" to indicate 51% or greater ownership of a firm.

For further information about this fact sheet or other publications highlighting trends among women-owned businesses, please contact the Center for Women's Business Research at: 1411 K Street, NW, Suite 1350, Washington, DC 20005-3407; phone: 202-638-3060; fax: 202-638-3064; e-mail: info@womensbusinessresearch.org. Visit our Web site at: <http://www.womensbusinessresearch.org>.

