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Census Bureau Reports Hispanic-Owned Businesses Increase at More Than Double the National Rate

The number of Hispanic-owned businesses in the United States increased by 43.7 percent to 2.3 million, more than twice the national rate of 18.0 percent between 2002 and 2007, the U.S. Census Bureau announced today.

About 45.8 percent of all Hispanic-owned businesses were owned by people of Mexican origin.

Hispanic-owned businesses generated \$345.2 billion in sales in 2007, up 55.5 percent compared with 2002. The number of Hispanic-owned businesses with receipts of \$1 million or more increased 51.6 percent – from 29,168 to 44,206 businesses between 2002 and 2007.

These new data come from the Survey of Business Owners: Hispanic-Owned Businesses: 2007, which provides detailed information every five years for Hispanic-owned businesses, such as the number of firms, sales and receipts, number of paid employees and annual payroll.

Statistics are shown for non-Hispanic businesses, for businesses that are equally (50 percent/50 percent) owned by both Hispanics and non-Hispanics, and for four Hispanic subgroups – businesses owned by people of Mexican, Cuban, Puerto Rican or other Hispanic origin.

Data are presented by geographic area (including county, city and metro area), industry and size of business. Preliminary national and state data were released in July.

Hispanic-owned businesses comprised 23.6 percent of all businesses in New Mexico, highest among all states, followed by Florida (22.4 percent), Texas (20.7 percent), California (16.5 percent) and Arizona (10.7 percent).

Among counties with a 2007 population of more than 500,000 people, Hispanic-owned businesses comprised 68.7

percent of all businesses in Hidalgo, Texas, the highest in the nation, followed by El Paso, Texas (61.4 percent), Miami-Dade, Fla. (60.5 percent), Bronx, N.Y. (37.6 percent) and Bexar, Texas (37.3 percent).

Among cities with a 2007 population of more than 500,000 people, Hispanic-owned businesses comprised 59.8 percent of all businesses in El Paso, the highest in the nation, followed by San Antonio, Texas (39.4 percent), Houston (23.3 percent), Albuquerque, N.M. (23.1 percent) and Los Angeles (21.0 percent).

Other highlights:

- o In 2007, businesses owned by people of Mexican origin accounted for 45.8 percent of Hispanic-owned businesses; Cuban origin accounted for 11.1 percent, Puerto Rican-owned businesses accounted for 6.9 percent, and businesses owned by other people of Hispanic origin accounted for 34.5 percent.
- o The number of businesses owned by people of Mexican origin increased by 47.7 percent between 2002 and 2007; the number of Puerto Rican-owned businesses increased by 43.0 percent, the number of Cuban-owned businesses increased by 65.5 percent, and the number of other Hispanic-owned businesses increased by 30.6 percent.
- o Of the 2.3 million Hispanic-owned businesses, 249,168 had paid employees, an increase of 24.9 percent from 2002. These employer businesses employed 1.9 million people, an increase of 25.7 percent from 2002, and their payrolls totaled \$54.6 billion, an increase of 48.7 percent. Receipts of Hispanic-owned employer businesses totaled \$274.5 billion, an increase of 52.9 percent.
- o Of the 2.3 million Hispanic-owned businesses, 2.0 million had no paid employees, an increase of 46.4 percent. These non-employer businesses' receipts totaled \$70.7 billion, an increase of 66.6 percent.
- o The number of Hispanic-owned businesses with 100 or more employees increased by 26.4 percent from 1,508 to 1,906. These businesses generated \$74.2 billion in revenues, an increase of 76.6 percent from 2002.
- o Nearly one-third (30.0 percent) of Hispanic-owned businesses operated in the construction, repair and maintenance, and personal and laundry services industries.

- o Wholesale trade, construction and retail trade accounted for 50.8 percent of Hispanic-owned business revenue.

The Survey of Business Owners defines Hispanic-owned businesses as firms in which Hispanics own 51 percent or more of the equity, interest or stock of the business. Additional reports highlighting other minority-, women- and veteran-owned businesses will be issued over the next year and will include detailed data on the number of firms, sales and receipts, number of paid employees and annual payroll. Data will be presented by geographic area, industry and size of business. Subsequently, separate publications will be issued highlighting characteristics of all businesses and business owners.

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Note: References such as "Mexican-owned," "Puerto Rican-owned," "Cuban-owned" or "other Hispanic- or Latino-owned" businesses refer only to businesses operating in the 50 states and the District of Columbia that self-identified 51 percent or more of their ownership in 2007 to be by individuals of Mexican, Puerto Rican, Cuban or other Hispanic or Latino origin. The Survey of Business Owners does not distinguish between U.S. residents and nonresidents. Companies owned by foreign governments or owned by other companies, foreign or domestic are included in the category "Publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status."

The Survey of Business Owners is conducted every five years as part of the economic census. The 2007 survey collected data from a sample of more than 2.3 million businesses. The collected data 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.

More details concerning the SBO survey design, methodology and data limitations can be found at

<http://www.census.gov/econ/sbo/methodology.html>