

1997 Survey of Business Owners Press Releases

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U.S. Businesses Owned by Hispanics Top 1 Million; California, Texas, Florida Lead States, Census Bureau Reports

Hispanic-owned businesses in the United States totaled 1.2 million firms, employed over 1.3 million people and generated \$186.3 billion in revenues in 1997, according to a report released today by the Commerce Department's Census Bureau.

Hispanic-owned firms made up 6 percent of the 20.8 million nonfarm businesses in the nation and 1 percent of the \$18.6 trillion in receipts for all businesses.

The largest number of Hispanic-owned firms (1 million) were sole proprietorships, unincorporated businesses owned by individuals. C corporations, all legally incorporated businesses except for Subchapter S corporations (whose shareholders elect to be taxed as individuals rather than as corporations), numbered 78,500. But C corporations ranked first in receipts (\$71.8 billion) among all Hispanic-owned firms, the report showed. C corporations were included in the Hispanic portion of the Survey of Minority-Owned Business Enterprises, source of the data, for the first time in 1997.

Four states, California (336,400), Texas (240,400), Florida (193,900) and New York (104,200), accounted for 73 percent of the firms owned by Hispanics. Seven out of 10 Hispanics reside in these four states.

States with the Largest Number of Hispanic-Owned Firms: 1997

Geographic Area	Hispanic-owned firms	Percent of total
U.S. Total	1,199,900	
California	336,400	28.0
Texas	240,400	20.0
Florida	193,900	16.2
New York	104,200	8.7
New Jersey	36,100	3.0
Illinois	31,000	2.6
Arizona	28,900	2.4
New Mexico	28,300	2.4
Colorado	20,900	1.7
Virginia	13,700	1.1

New Mexico had the highest percentage of firms owned by Hispanics, 22 percent; 5 percent of that state's business receipts were from Hispanic-owned businesses. Texas ranked second with 16 percent of the state's firms owned by Hispanics. These firms accounted for 3 percent of all of Texas' receipts; Florida was third, with 15 percent of its firms being Hispanic-owned and 4 percent of its receipts coming from Hispanic-owned firms; California was fourth, with 13 percent Hispanic-owned businesses and 2 percent of the state's total receipts coming from Hispanic businesses.

States with the Largest Percentage of Hispanic-Owned Firms: 1997

State	Hispanic-owned firms	All firms	Hispanic-owned as a percent of all firms
U.S. Total	1,199,900	20,821,900	5.8
New Mexico	28,300	131,700	21.5
Texas	240,400	1,526,000	15.8
Florida	193,900	1,301,900	14.9
California	336,400	2,565,700	13.1
Arizona	28,900	329,000	8.8

New York	104,200	1,509,800	6.9
New Jersey	36,100	654,200	5.5
Colorado	20,900	410,200	5.1
Nevada	6,600	129,800	5.1
District of Columbia	2,200	45,300	4.8

Among Hispanic groups, Mexicans owned by far the greatest number of Hispanic-owned firms, 472,000, or 39 percent. "Hispanic Latin Americans," a write-in category, was second, with 287,300 businesses or 24 percent of Hispanic firms.

Hispanic-Owned Firms by Ethnic Group: 1997

Ethnic group	Firms	Receipts
U.S. Total	1,199,900	186,300
Mexican	472,000	73,700
Hispanic Latin American	287,300	41,000
Other Hispanic	188,500	20,700
Cuban	125,300	26,500
Puerto Rican	69,700	7,500
Spaniard	57,200	16,900

Four in 10, or 475,300 Hispanic businesses, had receipts of \$10,000 or less; slightly more than 2 in 10, or 273,300 had receipts between \$10,000 and \$25,000; while 26,700, or about 2 percent, had sales of \$1 million or more. Receipts per firm averaged \$155,200 for Hispanic-owned firms compared with \$410,600 for all U.S. firms, excluding publicly held corporations and firms whose owners' race or ethnicity were indeterminate (e.g., mutual companies whose ownership is shared by its members).

The survey data also show that 18 percent, or 211,900, of Hispanic-owned firms had paid employees. These firms accounted for 85 percent of the gross receipts of Hispanic businesses.

There were 1,100 firms with 100 or more employees and receipts of \$28.3 billion.

Four in 10 Hispanic-owned firms were in the service industry and accounted for 21 percent of gross receipts; while wholesale firms accounted for 3 percent of total Hispanic-owned firms, but 22 percent of gross receipts.

The number of Hispanic firms, excluding C corporations for which prior comparable data are not available, increased 30 percent from 1992 to 1997, compared with a 7 percent increase for all U.S. firms.

Receipts of Hispanic-owned firms rose 49 percent, from \$77 billion in 1992 to \$114 billion in 1997, compared with a 40 percent increase for all U.S. firms of the same type over the same period.

The data in the report were collected as part of the 1997 Economic Census from a large sample of nonfarm businesses filing tax forms as sole proprietorships, partnerships or any type of corporation, which had receipts of \$1,000 or more in 1997.

The report, *1997 Survey of Minority-Owned Business Enterprises: Hispanic*, presents data for Hispanic-owned businesses by size, type of business, geographic areas (states, counties, metropolitan areas and places) and specific ethnic groups.

The data were collected in a sample survey and are subject to sampling variability, as well as nonsampling errors. Sources of nonsampling error include errors of response, nonreporting and coverage. Further details concerning survey design, methodology and data limitations are contained in the full report. Comparisons with 1992 should be carried out with extreme caution due to changes in tax laws causing inconsistencies between the 1992 and 1997 data. Changes in survey methodology also may contribute to differences.

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Percentage of Total Hispanic-Owned Firms by State Compared With Percentage of Hispanic-Owned Firms to All Businesses by State: 1997

Geographic Area	Hispanic-owned firms	Percent of total Hispanic-owned firms in U.S.	All firms	Hispanic-owned firms as a percent of all firms
U.S. Total	1,199,900		20,821,900	5.8
Alabama	2,900	0.2	285,200	1.0
Alaska	1,400	0.1	64,100	2.2
Arizona	28,900	2.4	329,000	8.8
Arkansas	2,600	0.2	193,400	1.3
California	336,400	28.0	2,565,700	13.1
Colorado	20,900	1.7	410,200	5.1
Connecticut	6,600	0.6	284,000	2.3

Delaware	900	0.1	56,600	1.6
District of Columbia	2,200	0.2	45,300	4.9
Florida	193,900	16.2	1,301,900	14.9
Georgia	11,700	1.0	568,600	2.1
Hawaii	4,200	0.4	94,000	4.5
Idaho	2,800	0.2	109,800	2.6
Illinois	31,000	2.6	882,100	3.5
Indiana	4,300	0.4	413,400	1.0
Iowa	1,300	0.1	227,600	0.6
Kansas	3,500	0.3	213,400	1.6
Kentucky	1,500	0.1	281,600	0.5
Louisiana	6,600	0.6	295,700	2.2
Maine	500	0.0	127,500	0.4
Maryland	11,200	0.9	400,200	2.8
Massachusetts	12,700	1.1	537,200	2.4
Michigan	10,000	0.8	677,500	1.5
Minnesota	3,600	0.3	410,600	0.9
Mississippi	1,000	0.1	167,900	0.6
Missouri	4,100	0.3	411,400	1.0
Montana	1,000	0.1	93,700	1.1
Nebraska	1,400	0.1	138,800	1.0
Nevada	6,600	0.6	129,800	5.1
New Hampshire	700	0.1	115,700	0.6
New Jersey	36,100	3.0	654,200	5.5
New Mexico	28,300	2.4	131,700	21.5
New York	104,200	8.7	1,509,800	6.9
North Carolina	7,300	0.6	570,500	1.3
North Dakota	400	0.0	55,300	0.7
Ohio	6,400	0.5	781,300	0.8
Oklahoma	4,300	0.4	280,700	1.5
Oregon	6,000	0.5	291,600	2.1
Pennsylvania	7,900	0.7	837,800	0.9
Rhode Island	2,200	0.2	80,900	2.7
South Carolina	2,000	0.2	260,300	0.8
South Dakota	300	0.0	65,800	0.5
Tennessee	3,600	0.3	415,900	0.9
Texas	240,400	20.0	1,526,000	15.8
Utah	4,700	0.4	169,200	2.8
Vermont	900	0.1	67,500	1.3
Virginia	13,700	1.1	480,100	2.9
Washington	10,000	0.8	447,400	2.2
West Virginia	900	0.1	111,700	0.8

Wisconsin	3,000	0.3	366,400	0.8
Wyoming	1,200	0.1	49,400	2.4

Note: Detail may not add to the total because a firm may be counted in more than one state.