

Diversity: Minority Entrepreneurship and the Economy

Topic(s):

Minority entrepreneurship, economics, census

Grade Level:

9-12

Approx. Time Required:

45 minutes

Learning Objectives:

Students will be able to:

- Analyze the economic impact of changes in minority entrepreneurship, using U.S. census data.
- Explain the impact of shifts in the number of minority business owners on the U.S. economy over time.
- Analyze and evaluate research data to draw conclusions or to solve a problem.

Introduction

The 2020 Census Statistics in Schools (SIS) program is designed to educate students about the decennial census and to teach them educational concepts and skills, such as data literacy, through use of census data in the classroom. Responding to the census helps your community get its fair share of funding. Census data guides how more than \$675 billion in federal funding is distributed to states and communities each year. These funds support vital community programs that help children, such as schools, hospitals, housing, and food assistance. By educating students about the 2020 Census, you can help encourage a complete count.

The 2020 Census SIS program can be used with educational standards across the United States. You can use the topics and learning objectives above to determine which subject and unit plan or theme this activity will best fit into.

About the 2020 Census

In addition to the information that is built into instructions for this activity, the following points provide an easy, grade-appropriate way to explain the decennial Census to your students.

- The decennial census is a count of every person living in the United States that occurs every 10 years.
- It is important that every person be counted so that the government can properly distribute \$675 billion to communities.
- The population of every state as counted in the census also determines how many representatives each state is given in the U.S. House of Representatives.
- You can do your part by making sure an adult in your home counts you—and every person living in your home—in the 2020 Census.





Materials Required

- Printed student worksheets
- Press release: [Number of Minority-Owned Employer Firms Increased in 2015](https://www.census.gov/newsroom/press-releases/2017/minority-owned-employer-firms.html) (<https://www.census.gov/newsroom/press-releases/2017/minority-owned-employer-firms.html>)
- A projector or an interactive whiteboard to display the following data:
 - [Most Firms Show Gains in 2015](https://www.census.gov/content/dam/Census/library/visualizations/2017/comm/entrepreneurs.pdf) graph (<https://www.census.gov/content/dam/Census/library/visualizations/2017/comm/entrepreneurs.pdf>)

Worksheet Description

This worksheet will foster a discussion on diversity of race, ethnicity, sex, and veteran status through the lens of entrepreneurship. Students will examine minority-owned business growth over the past decade and how it has affected our nation.

Before the Activity—5 Minutes

Assign the press release, “Number of Minority-Owned Employer Firms Increased In 2015,” as required reading the night before this activity. If this is not assigned for homework, give students 5-6 minutes to read the press release in class.

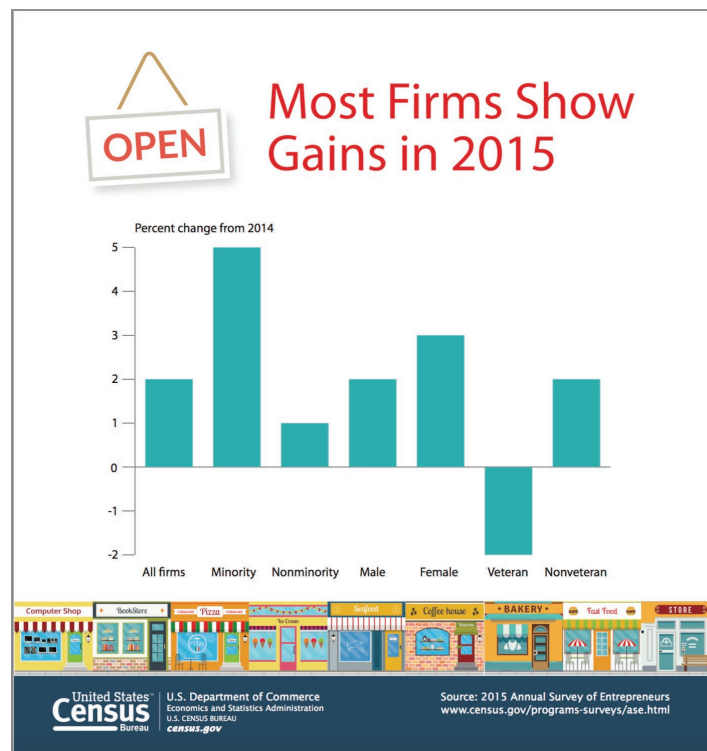
1. Discuss the information covered in the press release, such as:
 - The number of minority-owned employer firms increased from 2014 to 2015 by almost 5%.
 - Nearly 23% of minority-owned employer firms are located in California.
 - About one-quarter of all women-owned employer firms were minority-owned in 2015.
 - Approximately 54.4% of the women-owned minority employer firms were Asian-owned.
 - Veteran-owned firms decreased about 1.7% from 2014 to 2015.
 - About 78% of all firms had fewer than 10 employees.
2. Ask students where this information comes from (the U.S. Census Bureau) and what they know about the Census Bureau and the censuses it conducts. Ensure that students understand the following key points:
 - The Census Bureau conducts three censuses—the decennial census, the Economic Census, and the Census of Governments—and over 100 surveys of households and businesses to better understand the country’s people and economy.
 - The decennial census is a count of every person living in the United States every 10 years.



- Data from the decennial census affects the distribution of \$675 billion to communities, based on their population.
- The population of every state also determines how many representatives each state is given in the U.S. House of Representatives.

During the Activity—30 Minutes

1. Explain that today the class will be analyzing real census data relating to entrepreneurship between 2014 and 2016. Note two things about this data for students:
 - The data used in today's class comes from the Annual Survey of Entrepreneurs (ASE), which is just one of the surveys conducted by the Census Bureau. This is different from the decennial census but still collects data about people across the United States. **Note:** The ASE does not specifically measure entrepreneurship.
 - This survey only covers employer firms. There are still many minority-owned nonemployers that are not included in this data.
2. Start by displaying the [“Most Firms Show Gains in 2015”](https://www.census.gov/content/dam/Census/library/visualizations/2017/comm/entrepreneurs.pdf) (<https://www.census.gov/content/dam/Census/library/visualizations/2017/comm/entrepreneurs.pdf>) graph on the board for all students to see. Note the changes for different population segments, as discussed earlier in relation to the press release.





3. Using data from **Activity Item: Number of Minority-Owned Employer Firms, 2015-2016**, students will complete the data table in Question #1 on their student worksheet. Students will collect the same data points from the graph in class. Then they'll choose three data points of their own from the activity item as well. Students can select specific races, ethnicities, or a combination of race, ethnicity, sex, or veteran status.

Question #1: Complete the following table using data from **Activity Item: Number of Minority-Owned Employer Firms, 2015-2016**, including adding three of your own categories and filling in the data.

Answers for assigned data points are shown in the answer key below. Answers to student choice data points will vary, depending on the data point chosen.

4. Once students have collected their data, have them complete the last column for percentage change between 2015 and 2016. Then have students answer Questions #2 through #4.

Question #2: Based on the graph and the data collected in class, how did minority business ownership shift in our country from 2014 to 2016?

Answers will vary but should include that minority entrepreneurship increased over 10% in just two years, or about 5% year over year since 2014. Female entrepreneurship has risen steadily, while veteran entrepreneurship decreased by over 6.5% in that same time period.

Question #3: What factors do you think are influencing the changes we see in the shifts in all minority-owned employer firms?

Answers will vary, but students might suggest things like changes in the economy or people striving to achieve the American dream and to create more opportunities that they might not have had elsewhere. Teachers may share that economic changes, such as increased lending for small business loans or a 0% federal funds rate, made it easier to borrow money. Similarly, increased immigration since the mid-1960s might have been a factor in increased minority entrepreneurship.

Question #4: How did the total number of minority-owned employer firms grow or decline compared with non-minority-owned employer firms from 2014 to 2016?

Answers will vary but should include that minority-owned employer firms grew at a much faster rate than non-minority-owned employer firms.

5. Finally, have students create their own visual representation of the data. This could include charts, graphs, infographics, or drawings to show the changes in minority-owned employer firms between 2015 and 2016. Students can use any data points from **Activity Item: Number of Minority-Owned Employer Firms, 2015-2016** but must include the following components:



- 2 comparisons of data
- 1 comparison over time
- 1 data point with a combination of race, ethnicity, sex, or veteran status
 - Examples: Hispanic, veteran-owned firms or Black, female-owned firms

Note that this last question can be used as a homework assignment if students do not have enough time in class to finish.

After the Activity—10 Minutes

Close with a class discussion about theories on why shifts occurred in minority business ownership. Ask questions such as what students learned about the economic power of minority-owned businesses or why it's important to track this type of data. If there is time, invite students to share the visuals they made during the activity and to say how that information might affect them or their future.

Home Extension

Teachers, please read the instructions for the students' homework assignment out loud to the class:

Take your student worksheet home and share it with an adult in your home. Ask them if they've ever considered starting a business and which category it would fall under if they did. Ask who is taking the census for your household and make sure they count everyone in your home.



Number of Minority-Owned Employer Firms, 2015-2016—ANSWER KEY

Category	2014	2015	2016	% Change, 2015-2016
All firms	5,437,782	5,531,169	5,601,758	1.3%
Minority	949,318	996,248	1,054,575	5.9%
Non-Minority	4,141,816	4,172,714	4,197,617	0.6%
Male	3,334,147	3,387,196	3,434,782	1.4%
Female	1,057,254	1,088,466	1,118,863	2.8%
Veteran	405,235	398,453	379,620	- 4.7%
Non-Veteran	4,598,025	4,689,002	4,799,335	2.4%
Student's choice: _____				
Student's choice: _____				
Student's choice: _____				

Source: U.S. Census Bureau Minority Owned Firms, 2015-2016



Activity Item: Number of Minority-Owned Employer Firms, 2015-2016

Meaning of Gender code	Meaning of Ethnicity code	Meaning of Race code	Meaning of Veteran code	Year	Number of firms with paid employees	Year	Number of firms with paid employees
All firms	All firms	All firms	All firms	2015	5,531,169	2016	5,601,758
All firms	All firms	All firms	Veteran-owned	2015	398,453	2016	379,620
All firms	All firms	All firms	Nonveteran-owned	2015	4,689,002	2016	4,799,335
All firms	All firms	White	All firms	2015	4,483,080	2016	4,534,290
All firms	All firms	White	Veteran-owned	2015	374,541	2016	355,875
All firms	All firms	Black or African American	All firms	2015	113,643	2016	121,466
All firms	All firms	Black or African American	Veteran-owned	2015	13,170	2016	12,861
All firms	All firms	American Indian and Alaska Native	All firms	2015	27,585	2016	29,089
All firms	All firms	American Indian and Alaska Native	Veteran-owned	2015	4,099	2016	3,751
All firms	All firms	Asian	All firms	2015	530,406	2016	555,262
All firms	All firms	Asian	Veteran-owned	2015	7,264	2016	7,567
All firms	All firms	Native Hawaiian and Other Pacific Islander	All firms	2015	4,658	2016	5,157
All firms	All firms	Native Hawaiian and Other Pacific Islander	Veteran-owned	2015	471	2016	604
All firms	All firms	Some other race	All firms	2015	91,770	2016	94,210
All firms	All firms	Some other race	Veteran-owned	2015	3,364	2016	3,142
All firms	All firms	Minority	All firms	2015	996,248	2016	1,054,575
All firms	All firms	Minority	Veteran-owned	2015	40,207	2016	38,820
All firms	All firms	Non-minority	All firms	2015	4,172,714	2016	4,197,617
All firms	All firms	Non-minority	Veteran-owned	2015	357,546	2016	339,698
All firms	Hispanic	All firms	All firms	2015	312,738	2016	337,533
All firms	Hispanic	All firms	Veteran-owned	2015	15,912	2016	15,046
All firms	Hispanic	White	All firms	2015	233,637	2016	255,134
All firms	Hispanic	Black or African American	All firms	2015	5,305	2016	5,985
All firms	Hispanic	American Indian and Alaska Native	All firms	2015	2,661	2016	3,768
All firms	Hispanic	Asian	All firms	2015	3,161	2016	3,144
All firms	Hispanic	Native Hawaiian and Other Pacific Islander	All firms	2015	572	2016	901
All firms	Hispanic	Some other race	All firms	2015	74,180	2016	76,148



Activity Item: Number of Minority-Owned Employer Firms, 2015-2016 (Cont.)

Meaning of Gender code	Meaning of Ethnicity code	Meaning of Race code	Meaning of Veteran code	Year	Number of firms with paid employees	Year	Number of firms with paid employees
Female-owned	All firms	All firms	All firms	2015	1,088,466	2016	1,118,863
Female-owned	All firms	All firms	Veteran-owned	2015	13,317	2016	13,467
Female-owned	All firms	White	All firms	2015	887,566	2016	904,329
Female-owned	All firms	Black or African American	All firms	2015	38,478	2016	43,565
Female-owned	All firms	American Indian and Alaska Native	All firms	2015	7,865	2016	8,957
Female-owned	All firms	Asian	All firms	2015	146,101	2016	153,177
Female-owned	All firms	Native Hawaiian and Other Pacific Islander	All firms	2015	1,391	2016	1,455
Female-owned	All firms	Some other race	All firms	2015	20,091	2016	21,222
Female-owned	All firms	Minority	All firms	2015	268,629	2016	289,326
Female-owned	Hispanic	All firms	All firms	2015	76,383	2016	84,383
Male-owned	All firms	All firms	All firms	2015	3,387,196	2016	3,434,782
Male-owned	All firms	All firms	Veteran-owned	2015	381,827	2016	363,002
Male-owned	All firms	White	All firms	2015	2,943,505	2016	2,971,833
Male-owned	All firms	Black or African American	All firms	2015	65,613	2016	67,976
Male-owned	All firms	American Indian and Alaska Native	All firms	2015	18,968	2016	19,422
Male-owned	All firms	Asian	All firms	2015	312,171	2016	327,942
Male-owned	All firms	Native Hawaiian and Other Pacific Islander	All firms	2015	2,966	2016	3,375
Male-owned	All firms	Some other race	All firms	2015	63,062	2016	63,258
Male-owned	All firms	Minority	All firms	2015	605,239	2016	636,001
Male-owned	Hispanic	All firms	All firms	2015	202,174	2016	214,835

Source: U.S. Census Bureau Minority Owned Firms, 2015-2016