

Businesses Owned by Entrepreneurs of Color in the Twin Cities metro area

Overview: Businesses Owned by Entrepreneurs of Color

- How many businesses owned by entrepreneurs of color are there?
- To which racial and ethnic groups do entrepreneurs of color belong?
- In which industries do they operate?
- How many jobs do these businesses create?
- How have jobs changed over time?
- Where are businesses located?

Two Census sources of data

Survey of Business Owners

- Large sample surveyed every 5 years.
- Surveys businesses *with or without* employees.
- Data available for *all* metros and counties.

Annual Survey of Entrepreneurs

- Smaller sample surveyed annually.
- Surveys businesses *with* employees only.
- Data available only for large metros and *not* for counties.

More on data sources

- Both surveys provide statistics on business-owner demographics:
 - Race
 - Ethnicity
 - Gender
 - Veteran status
- Both surveys provide estimates of:
 - Sales/Receipts/Revenue
 - Payrolls
 - Employment by sector
- Caveat: The statistics from each survey are ***not*** comparable due to methodological differences.

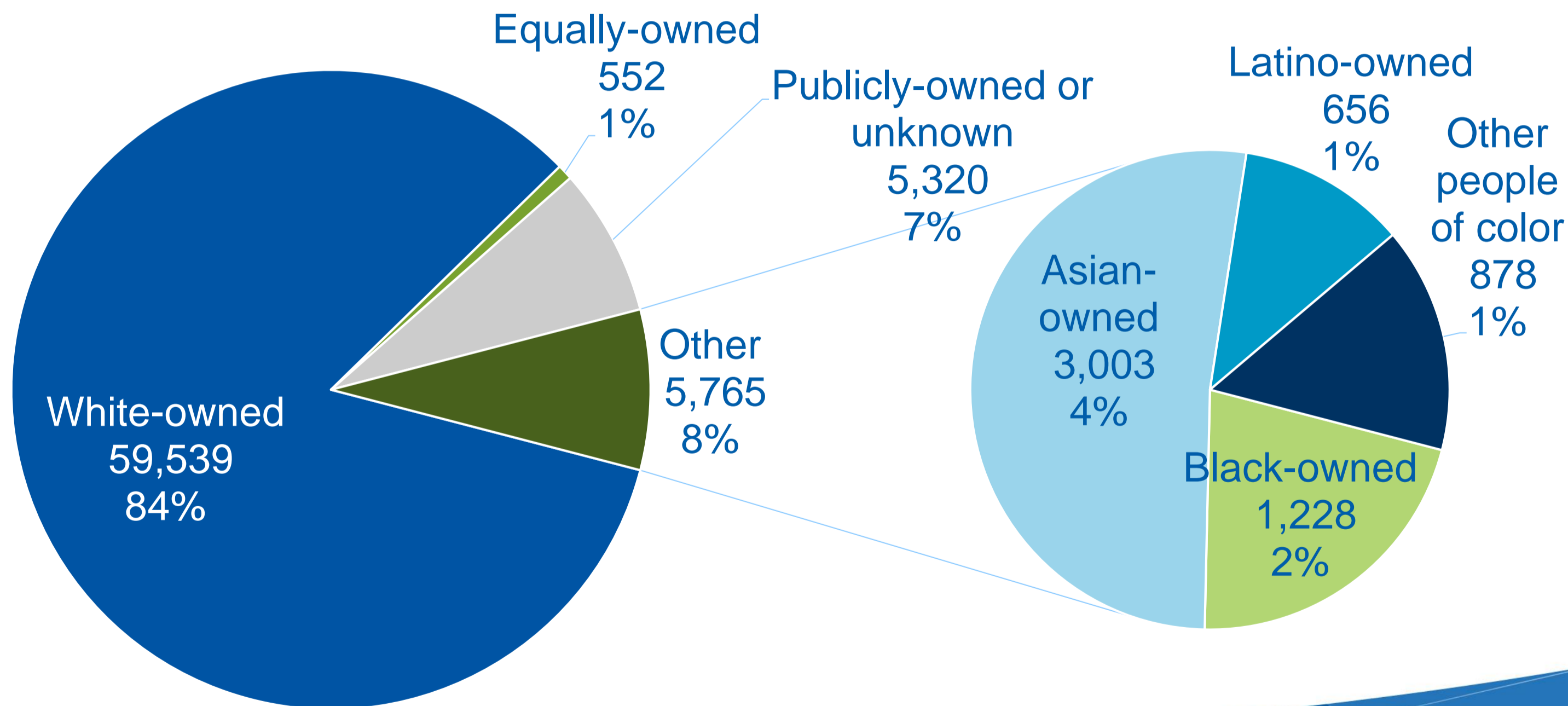
Definitions

- Businesses owned by entrepreneurs of color are firms where more than 50% of the firm is owned by [an] individual[s] self-identified as person(s) of color.
- The owner of a Latino-owned business can be of any race.
- The surveys do ***not*** ask ***the race and ethnicity of employees.***

2014 Annual Survey of Entrepreneurs Minneapolis-St. Paul MSA

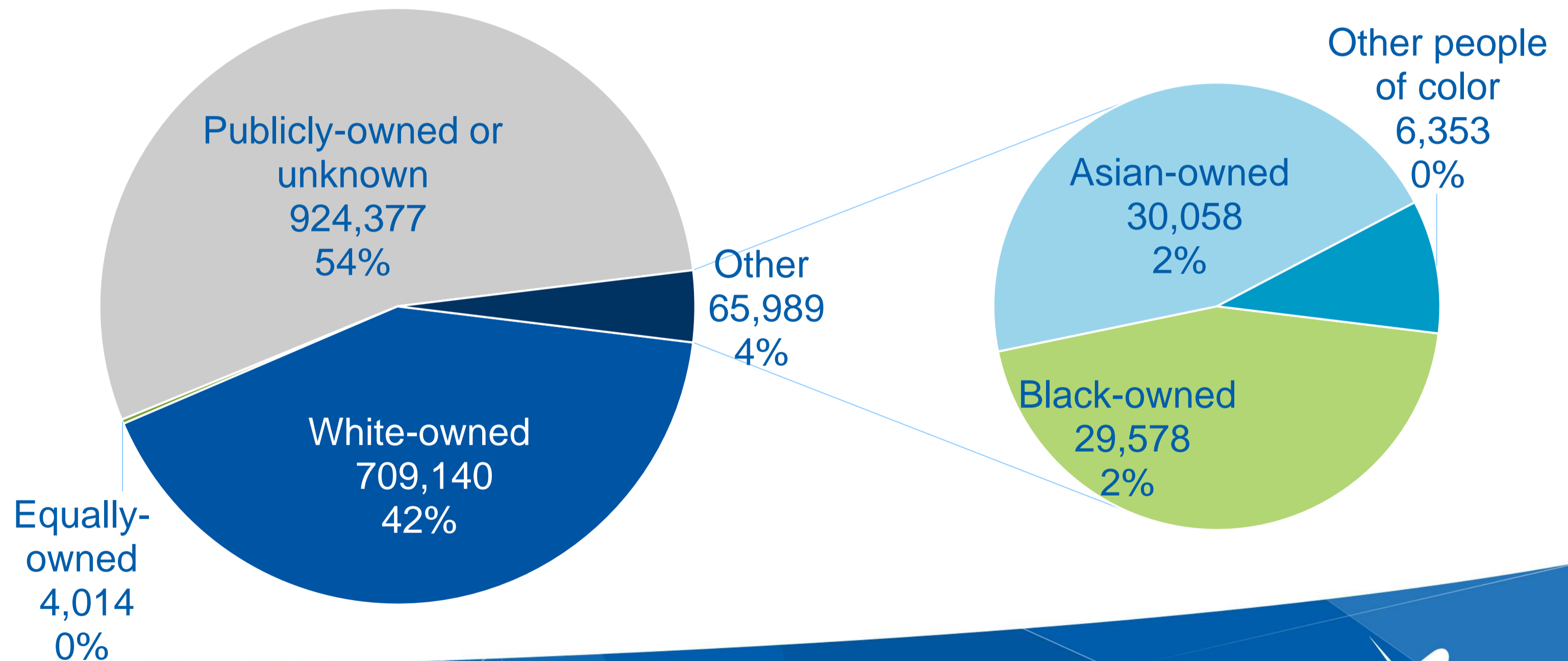


Less than 1 in 10 businesses owned by entrepreneur of color



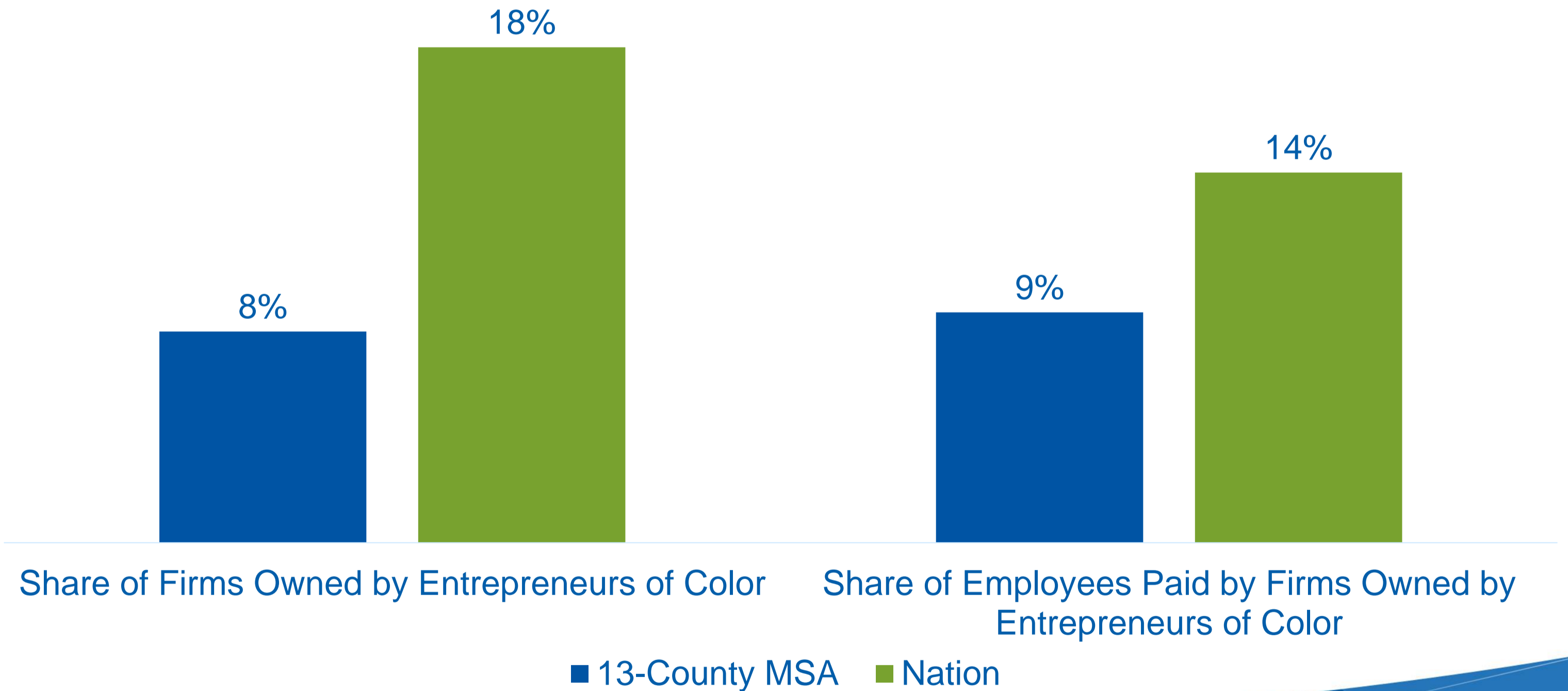
Source: Annual Survey of Entrepreneurs, 2014; Minneapolis-St. Paul MSA

One in 25 jobs in businesses owned by people of color



Source: Annual Survey of Entrepreneurs, 2014; Minneapolis-St. Paul MSA

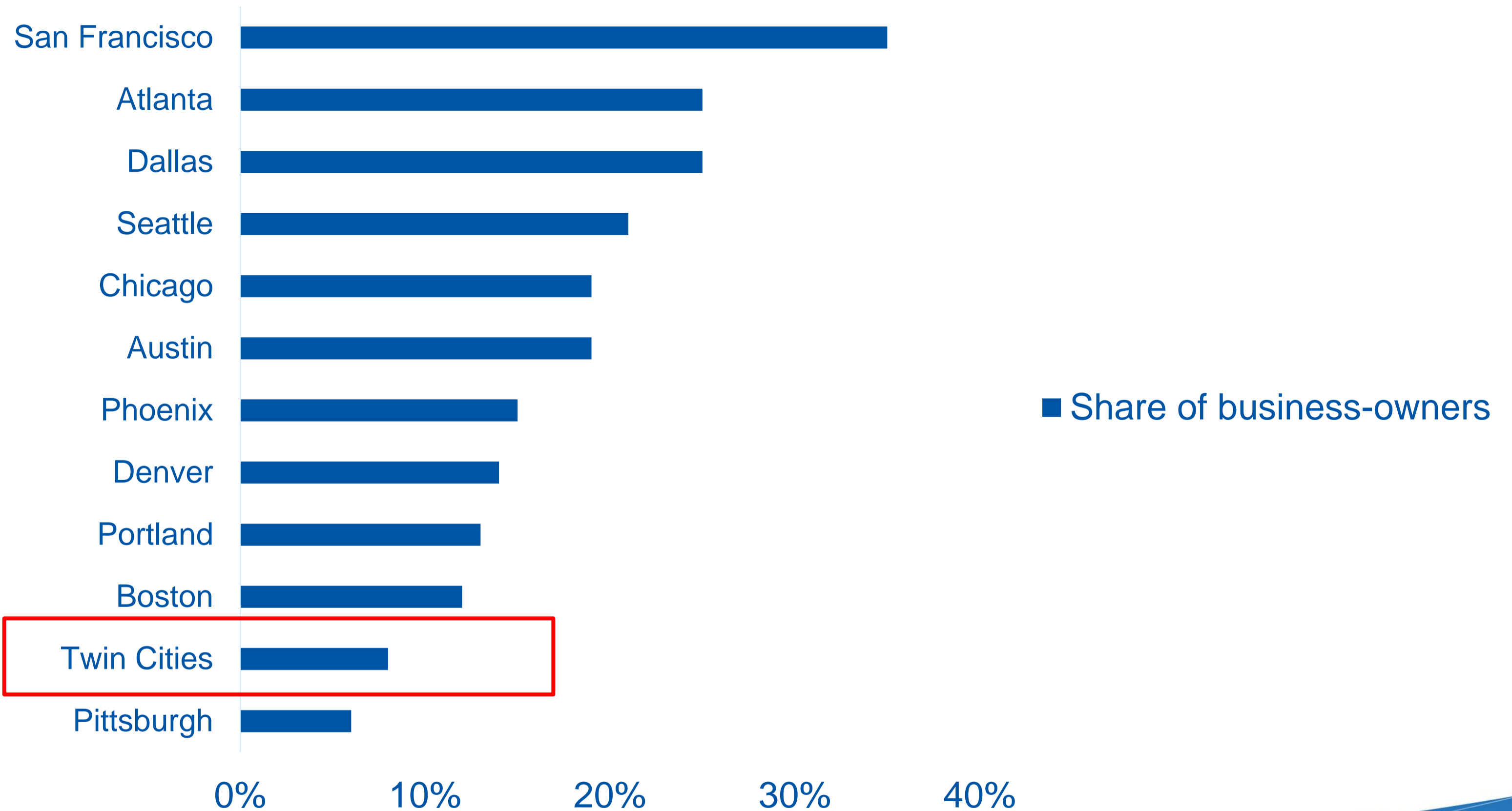
Share of Firms Owned by and Employees Paid by Entrepreneurs of Color



Source: Annual Survey of Entrepreneurs, 2014.

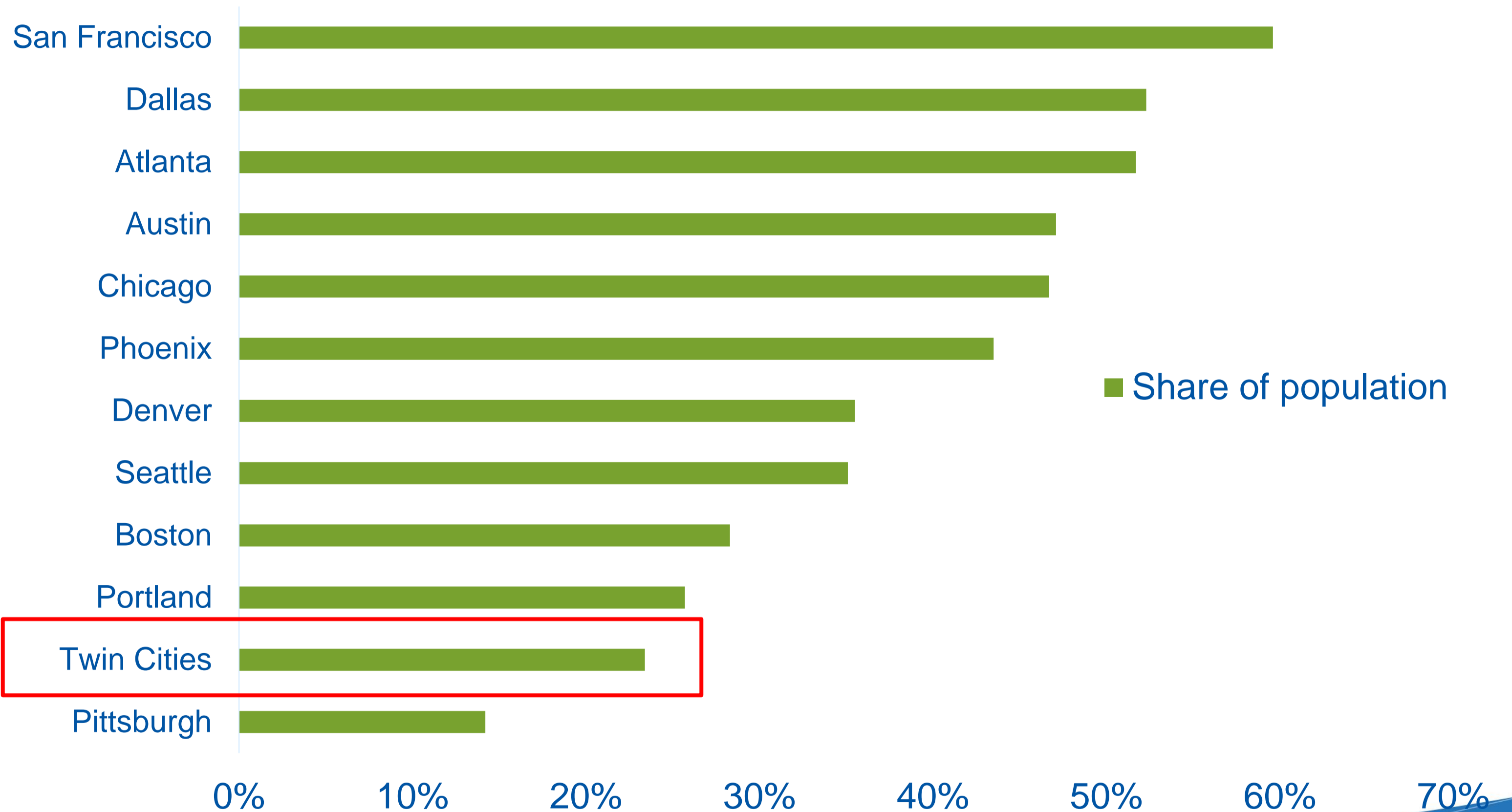
Note: These are shares within the total number of firms with employees for which the race and ethnicity of the owners can be classified and not the total number of firms.

Comparing to Peer Metros



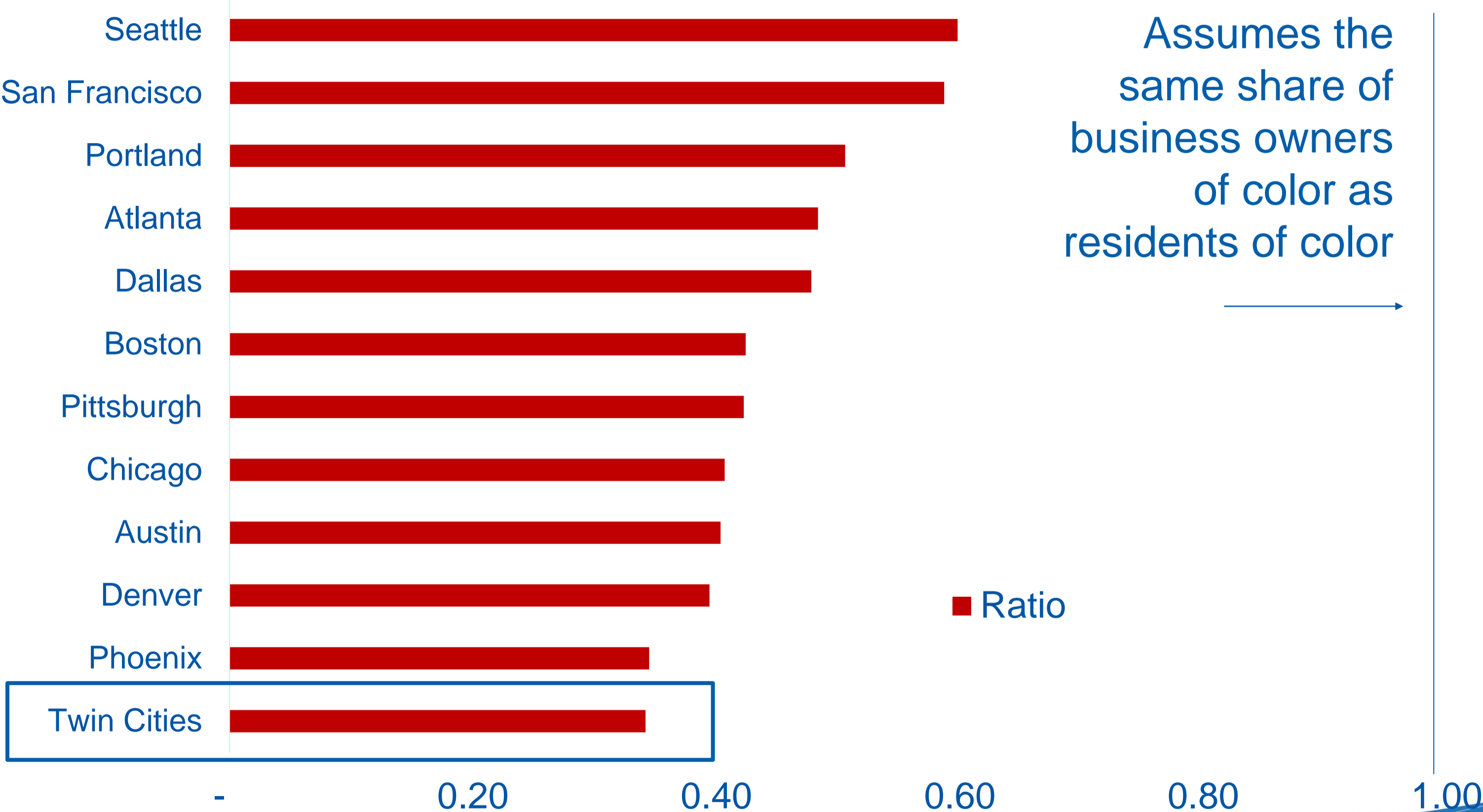
Source: Annual Survey of Entrepreneurs, 2014. Twin Cities refer to the 13-County Metropolitan Area. Note: These are shares within the total number of firms with employees for which the race and ethnicity of the owners can be classified and not the total number of firms.

Comparing to Peer Metros



Source: U.S. Census Bureau American Community Survey.

Comparing to Peer Metros



Source: Annual Survey of Entrepreneurs, 2014 and U.S. Census Bureau American Community Survey. Note: These are shares within the total number of firms with employees for which the race and ethnicity of the owners can be classified and not the total number of firms.



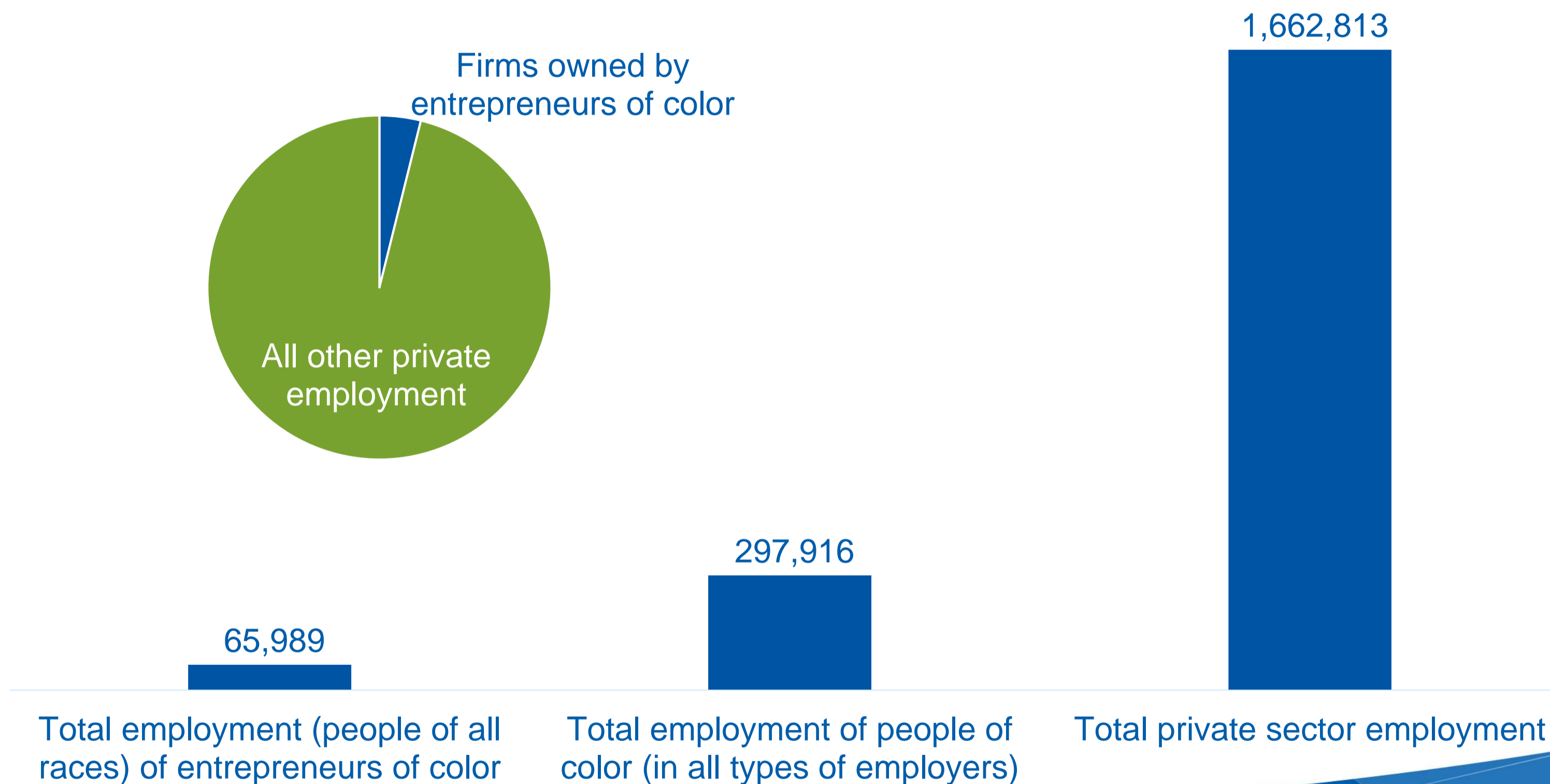
Sectoral Breakdown of Firms Owned by Entrepreneurs of Color (13-County Metro)



Source: Annual Survey of Entrepreneurs, 2014.

Note: These figures include only firms with employees.

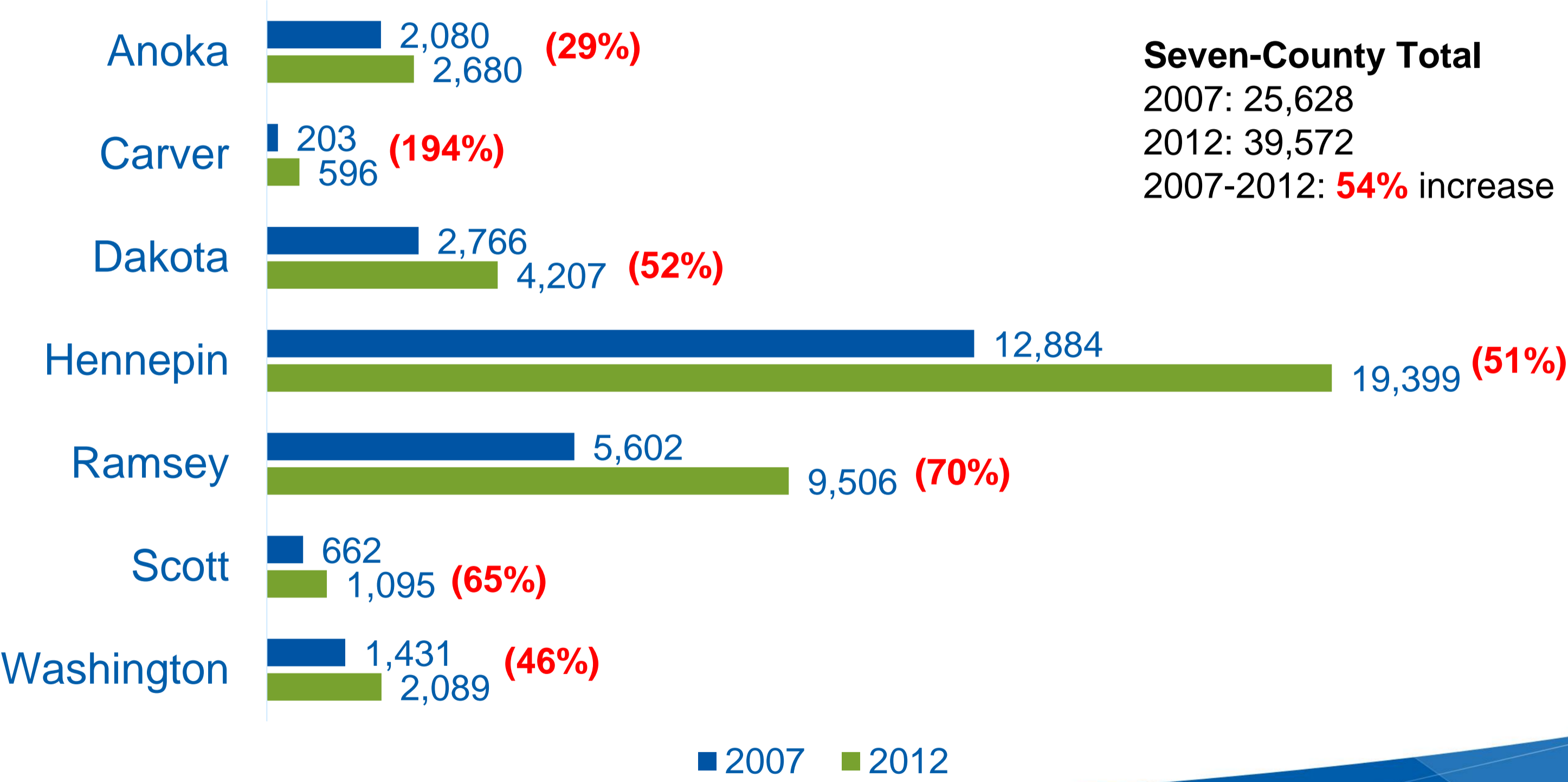
Scale of impact on employment



Sources: Annual Survey of Entrepreneurs, 2014; Local Employment Dynamics, 2014; Current Employment Statistics.

Location & change over time

Number of Firms Owned by Entrepreneurs of Color



Source: Survey of Business Owners, 2007 and 2012.
 Note: These figures include firms with or without employees.

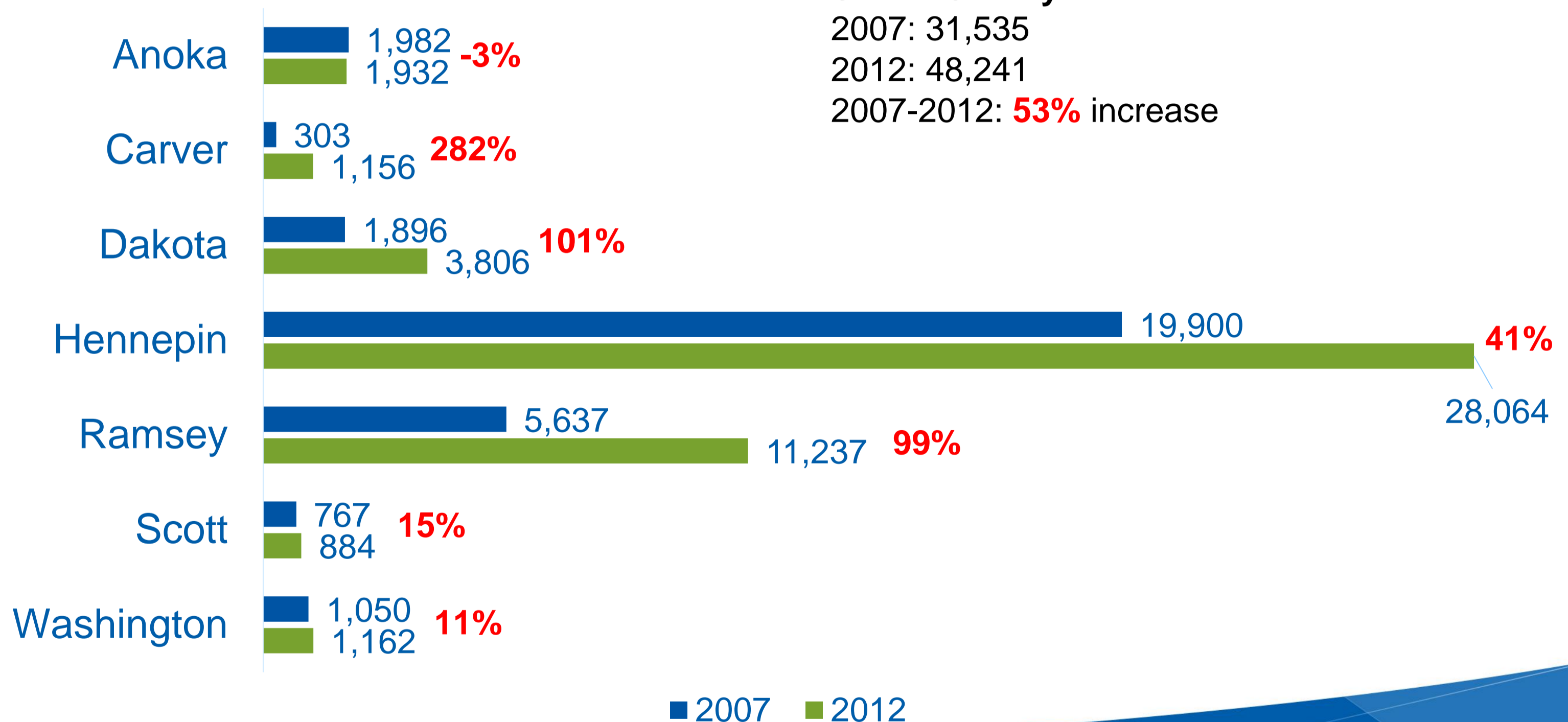
Paid Employees of Firms Owned by Entrepreneurs of Color

Seven-County Total

2007: 31,535

2012: 48,241

2007-2012: **53%** increase



Source: Survey of Business Owners, 2007 and 2012.

Note: These figures include only firms with employees.

Policy Implications:

To succeed, entrepreneurs need:

- Access to capital
- Access to contracts
- Access to markets



Access to technical assistance