

Survey of Business Owners

A Look at 2007 and Preliminary 2012 Data

26th Annual Nebraska Data Users
Conference

August 19, 2015

Presented by:

Andrew W. Hait and Paul Reyes

U.S. Census Bureau

Background

- Part of the Economic Census required by law to be taken every 5 years, for years ending in “2” or “7”
- The only comprehensive, regularly collected data for businesses and business owners by
 - Demographics (gender, ethnicity, race, and veteran status)
 - Business characteristics (e.g., source and amount of start-up capital)
 - Owner characteristics (e.g., age and education)

SBO Data Collection

- Combines data from several sources
 - Online reporting and mailout/mailback survey
 - IRS business tax returns
 - Other Economic Census reports
- Conducted on a company or firm basis
- NAICS coverage similar to the Economic Census
- Tabulations at the national, state and sub-state geographic levels

Categories of Business Ownership

- Data tabulated for majority ownership by gender, ethnicity, race, and veteran status based on the characteristics for up to four persons owning 51% or more of the stock or equity in the business
- Estimates for equal 50% / 50% ownership are tabulated separately
- Estimates for publicly held and other firms whose ownership are indeterminate
- 20 Tables in AFF (EC0700CSA01 thru 20)



Business Ownership by Gender

- Gender
 - Women
 - Men
 - Equally men-/women-owned

Tabulation of Data by Ethnicity and Race

- An individual business owner can self-identify with more than one racial category.
- Detail statistics may not add to total because a Hispanic firm may be categorized by more than one race.

Business Ownership by Ethnicity

- Ethnicity
 - Hispanic (can be of any race)
 - Equally Hispanic/non-Hispanic (50% / 50%)
 - Non-Hispanic
- Hispanic subgroups
 - Mexican, Mexican American, Chicano
 - Puerto Rican
 - Cuban
 - Other Hispanic, Latino, or Spanish

Categories of Business Ownership by Race

- Race
 - White
 - Black or African American
 - American Indian and Alaska Native (AIAN)
 - Asian
 - Native Hawaiian and Other Pacific Islander (NHPI)
 - Some other race

Categories of Business Ownership by Detailed Race Groups

- Asian
 - Asian Indian
 - Chinese
 - Filipino
 - Korean
 - Vietnamese
 - Other Asian
- Native Hawaiian and Other Pacific Islander (NHPI)
 - Native Hawaiian
 - Samoan
 - Guamanian or Chamorro
 - Other Pacific Islander

Categories of Business Ownership by Minority Status

- **Minority**
 - Hispanic (can be of any race)
 - Black or African American
 - American Indian and Alaska Native (AIAN)
 - Asian
 - Native Hawaiian and Other Pacific Islander (NHPI)
 - Some other race
- **Equally minority/nonminority (50% / 50%)**
- **Nonminority or Non-Hispanic White**



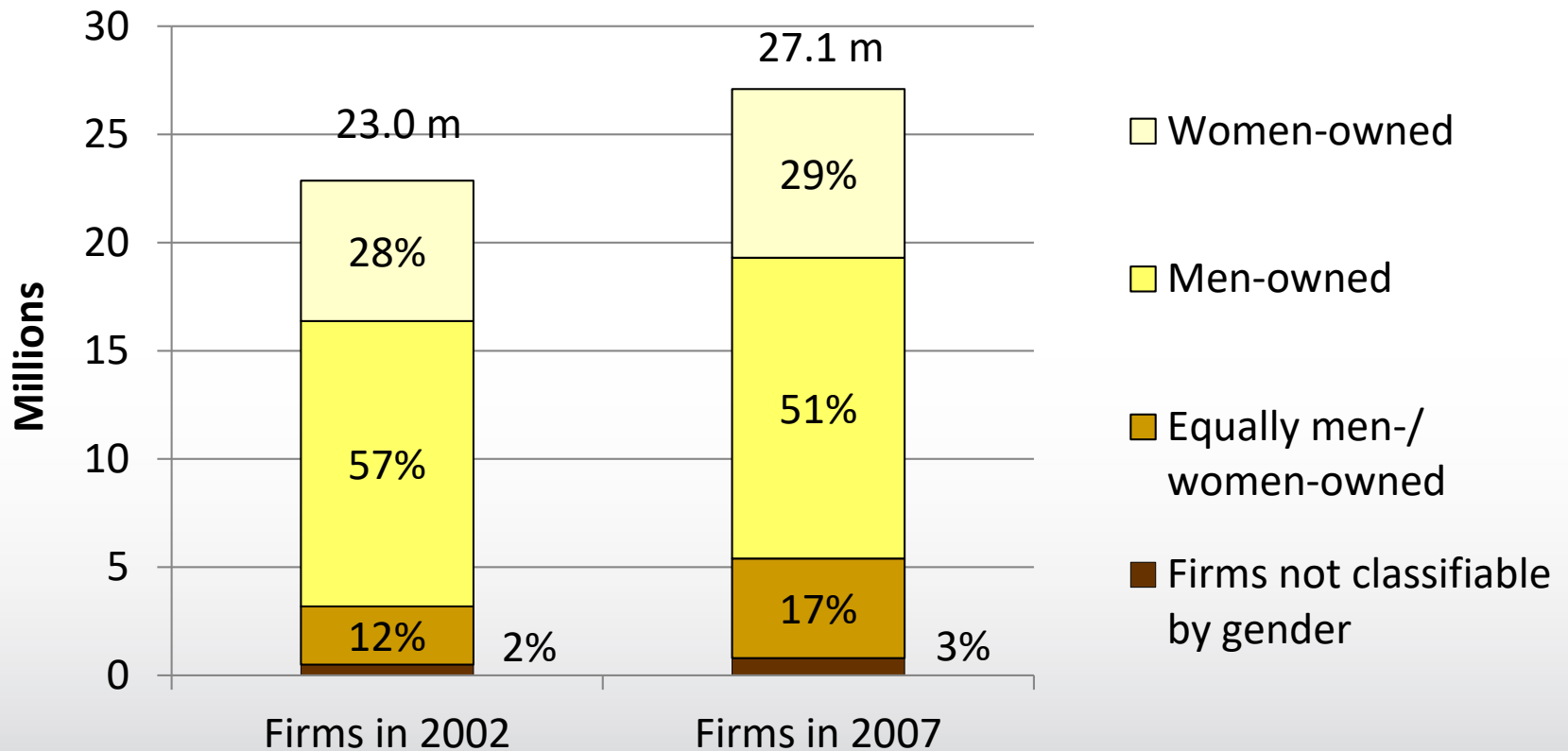
Categories of Business Ownership by Veteran Status

- Veteran
 - Served in any branch of the U.S. Armed Forces, including the Coast Guard, the National Guard, or a Reserve component of any service branch
- Equally veteran/nonveteran (50% / 50%)
- Nonveteran

A Look at the 2007 Statistics from the Survey of Business Owners

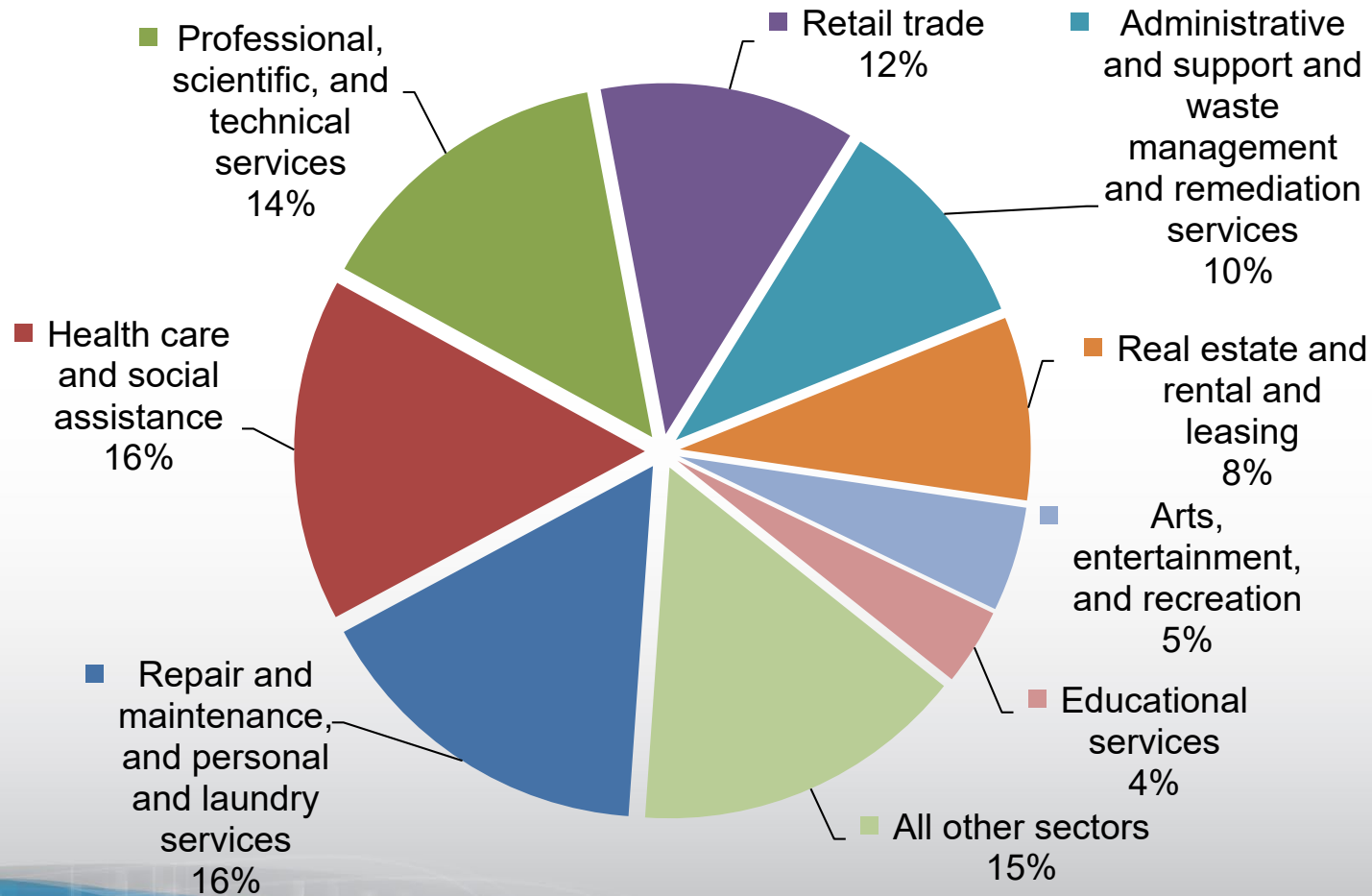


U.S. Business Ownership by Gender: 2002 to 2007



Note: Detail may not add to total because of rounding.

Women-Owned Firms by Industry Sectors: 2007



Hispanic Business Ownership Increased at Higher than the National Rate: 2002 to 2007

	Firms in 2007 (number)	% change for Hispanic-owned firms, 2002 – 2007	% of all Hispanic firms
Hispanic ¹	2,260,269	44	100
Mexican	1,035,920	48	46
Cuban	250,976	66	11
Puerto Rican	156,466	43	7
Other	778,721	31	34

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of firms that are Hispanic-owned, but not assigned to a Hispanic subgroup.

American Indian- and Alaska Native-Owned Business Ownership Percent Change Compared to All U.S. Businesses: 2002 to 2007

	AIAN-owned firms in 2007 (number)	% change for AIAN-owned firms, 2002 – 2007	All U.S. firms in 2007 (number)	% change for all U.S. firms, 2002 - 2007
All firms ¹	236,691	18	27,092,908	18
Employer firms	23,662	- 3*	5,735,562	4
Nonemployer firms	213,029	20	21,357,346	22

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of rounding.

*The change in AIAN-owned employer firms is not statistically different than zero.

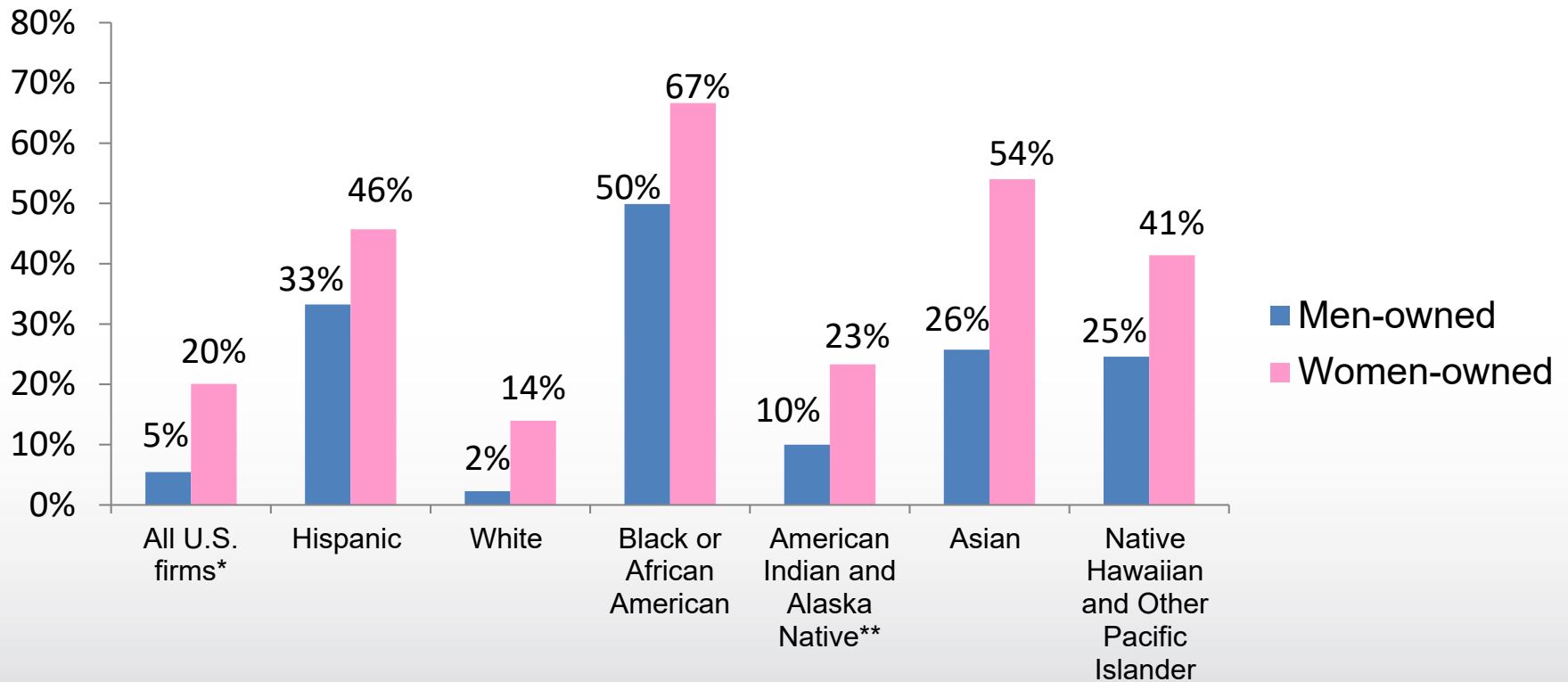
Black Business Ownership Increased at Triple the National Rate: 2002 to 2007

	Black-owned firms in 2007 (number)	% change for Black-owned firms, 2002 – 2007	All U.S. firms in 2007 (number)	% change for all U.S. firms, 2002 – 2007
All firms ¹	1,921,864	60	27,092,908	18
Employer firms	106,566	13	5,735,562	4
Nonemployer firms	1,815,298	65	21,357,346	22

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because of rounding.

Growth in Business Ownership for Select Groups by Gender: 2002 to 2007



* Includes firms with paid employees and firms with no paid employees.

** Percentage change for AIAN women-owned firms is not statistically different from the women national-level percentage.

Note: Detail may not add to total because a Hispanic firm may be of any race. Moreover, each owner had the option of selecting more than one race and therefore is included with each race selected.

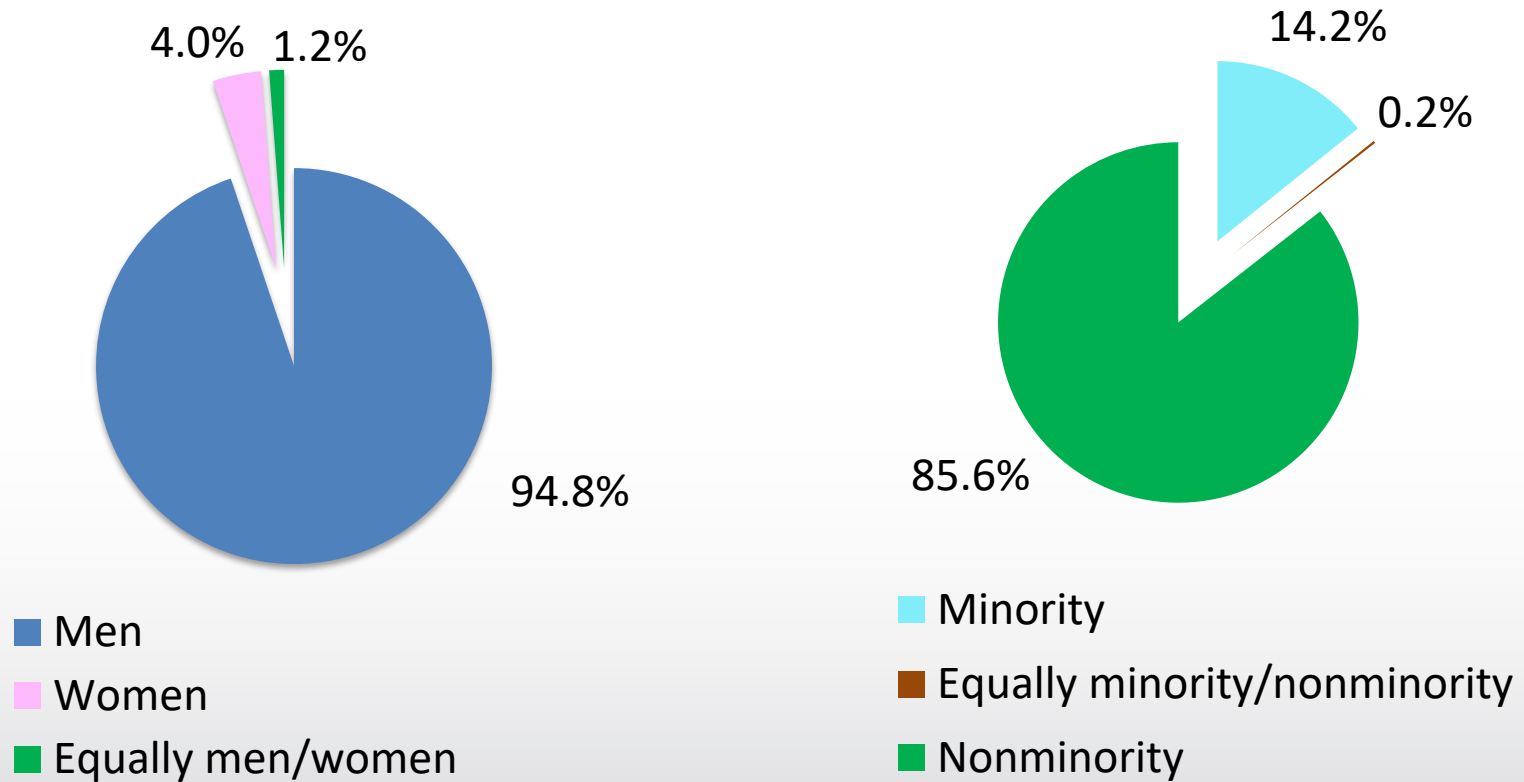
Minority Business Revenues Increased Faster than National Rates: 2002 to 2007

	Minority-owned businesses		All U.S. businesses	
	Sales and receipts (\$ billions)	% change for sales and receipts, 2002 - 2007	Sales and receipts (\$ billions)	% change for sales and receipts, 2002 - 2007
All firms ¹	1,025	55	30,032	33
Employer firms	860	54	29,059	33
Nonemployer firms	164	59	973	27

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Veteran Business Ownership by Gender and Minority Status: 2007



Note: Detail may not add to total because of rounding. The 2007 SBO provides the first-ever estimates for all veteran-owned businesses in the United States.

Veteran Business Ownership by Gender and Minority Status: 2007

	Veteran firms (number)	% of all veteran- owned firms	Veteran sales and receipts (\$ billion)	% of all veteran firms' sales and receipts
All U.S. veteran firms ¹	2,447,608	100	1,220	100
Gender				
Women (W)	97,114	4	16	1
Men (M)	2,320,901	95	1,199	98
Equal (W,M)	29,593	1	5	< 1
Minority status				
Minority (Min)	347,910	14	63	5
Equal (Min, Nonmin)	5,219	> < 1	1	< 1
Nonminority (Nonmin)	2,094,479	86	1,156	95

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding. The 2007 SBO provides the first-ever estimates for all veteran-owned businesses in the United States.

Characteristics of Businesses

Provides detailed data for all respondent firms by ownership group for over twenty business characteristics, including:

- Family-owned, home-based, franchised
- Types of customers and workers
- Sources and amount of financing
- Whether the business outsourced or exported
- Language(s) used for business transactions
- Internet use and e-commerce
- Employer-paid benefits
- Ownership of intellectual property (new for 2012)

66 Tables in AFF (EC0700CSCB01 thru 66)

Select Business Characteristics for Respondent Firms: 2007

	% of respondent firms	% of sales and receipts for respondent firms
FAMILY-OWNED? Total reporting ¹	100	100
Family-owned	28	42
Not family-owned	72	58
HOME-BASED? Total reporting ¹	100	100
Home-based	52	3
Not home-based	48	97
FRANCHISED? Total reporting ¹	100	100
Franchised	2	3
Not franchised	98	97

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Sources of Capital Used to Start or Acquire the Business by Gender: 2007

	% of women-owned respondent firms	% of men-owned respondent firms	% of equally men-/women-owned respondent firms
Total reporting ¹	100	100	100
Personal/family savings of owner(s)	55	62	69
Personal/family assets other than savings of owner(s)	6	7	11
Personal/family home equity loan	4	5	9
Personal/business credit card(s)	11	10	13
Business loan from federal, state, or local government	< 1	1	1
Government-guaranteed business loan from a bank or financial institution	< 1	1	1
Business loan from a bank or financial institution	5	11	15
Business loan/investment from family/friends	2	3	3
Investment by venture capitalist(s)	< 1	< 1	< 1
Grants	< 1	< 1	< 1
Other source(s) of capital	1	2	2
Don't know	3	4	2
None needed	30	20	11

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because respondents could make multiple selections.

Select Business Characteristics for Respondent Firms: 2007

		% of respondent firms	% of sales and receipts for respondent firms
WEBSITE?	Total reporting¹	100	100
	Had a business website	25	85
	No business website	75	15
E-COMMERCE?	Total reporting¹	100	100
	Had e-commerce sales	7	35
	No e-commerce sales	93	65
PURCHASED ONLINE?	Total reporting¹	100	100
	Made purchases online	38	65
	No online purchases	62	35
EXPORTED?	Total reporting¹	100	100
	Had export sales outside the United States	8	47
	No export sales	92	53

¹ Includes firms with paid employees and firms with no paid employees.
Note: Detail may not add to total because of rounding.

Characteristics of Business Owners

Provides detailed data for all owners of respondent firms by ownership group for ten owner characteristics, including:

- Owner's age, education, hours worked, and primary function in the business
- Year and how the business was acquired
- Whether the owner was born "a citizen of the United States"
- Whether the business provided the primary source of personal income
- For veterans, whether the owner was military service-disabled and the period of U.S. military service (new for 2012)

10 Tables in AFF (EC0700CSCBO01 thru 10)

Owner's Age by Ethnicity: 2007

	% of all owners of respondent firms	% of Hispanic owners of respondent firms	% of non-Hispanic owners of respondent firms
Total reporting ¹	100	100	100
Under 25 years old	2	3	2
25 to 34 years old	10	16	10
35 to 44 years old	21	29	21
45 to 54 years old	30	29	30
55 to 64 years old	24	16	25
65 years or over	12	6	13

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Owner's Highest Level of Schooling Attained Prior to Acquiring the Business by Minority Status: 2007

	% of all owners of respondent firms	% of minority owners of respondent firms	% of nonminority owners of respondent firms
Total reporting ¹	100	100	100
Less than high school	5	12	4
High school graduate – diploma or GED	21	20	21
Technical, trade, or vocational school	6	6	6
Some college, no degree	17	16	17
Associate degree	6	6	6
Bachelor's degree	26	22	27
Master's, doctorate, or professional degree	19	18	19

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail may not add to total because of rounding.

Owner's Primary Function in the Business: 2007

	% of all owners of respondent firms	% of women owners of respondent firms	% of men owners of respondent firms
Total reporting ¹	100	100	100
Providing services and/or producing sales	61	57	62
Managing day-to-day operations	47	41	50
Financial control with the authority to sign loans, leases, and contracts	40	36	42
None of the above	15	20	12

¹ Includes firms with paid employees and firms with no paid employees.

Note: Detail does not add to total because respondents could make multiple selections.

A Look at the Preliminary Statistics from the 2012 Survey of Business Owners



Accessing SBO Results, and...

- SBO website: www.census.gov/econ/sbo
- For access to prepackaged data products and the ability to build custom tables, visit American FactFinder (AFF) at: www.factfinder.census.gov
- FTP files and PUMS data also available on AFF (1 dataset in CSV and SAS formats)
- Looking to the Future: Annual SBO!

Contact Information

- General SBO inquiries
Phone: 888.225.4022 or 301.763.3316
Email: csd.sbo@census.gov
- Patrice Norman, Chief, Business Owners & Island Areas Branch,
301.763.7198 / Patrice.C.Norman@census.gov