



# Contributions of People of Color to Entrepreneurship

By Progress 2050

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Entrepreneurs who are people of color are the country's fastest-growing segment of business owners, an expansion spearheaded by women of color. Moreover, youth of color far outpace their white counterparts in the desire to one day own their own businesses.<sup>1</sup> Businesses owned by people of color play an important role in the U.S. economy by employing millions of workers and generating billions of dollars in revenue each year.

- **Minority-owned businesses were the fastest-growing business segment in the nation from 2002 to 2007.** Over this five-year period, firms owned by people of color grew by 1.8 million—a 45.5 percent increase that more than doubled the national rate—17.9 percent—for new business formation.<sup>2</sup> Receipts of minority-owned companies experienced an even larger increase—55 percent over the same five-year period.<sup>3</sup>
- **Women of color are a main driver of entrepreneurship.** The number of women-owned businesses saw significant growth between 1997 and 2014. Women of color have been one of the main drivers of this growth. From 1997 to 2014, African American women-owned businesses grew by 296 percent,<sup>4</sup> Latina-owned businesses grew by 206 percent,<sup>5</sup> and Asian American women-owned businesses grew by 179 percent.<sup>6</sup> During the same time span, Native American and Alaska Native women-owned businesses grew by 124 percent,<sup>7</sup> and Native Hawaiian and other Pacific Islander women-owned businesses saw a 247 percent increase.<sup>8</sup>
- **As of 2007, 14 percent of all U.S. businesses were owned by Latinos and Asian Americans.**<sup>9</sup> According to the 2007 Survey of Business Owners, the most recent survey of this type released by the Bureau of the Census, there were approximately 2.3 million Latino-owned businesses. These businesses had sales and receipts that year of \$350.7 billion and employed 1.9 million people.<sup>10</sup> Another 1.5 million U.S. businesses owned by Asian Americans had sales and receipts of approximately \$506 billion and employed 2.8 million people.<sup>11</sup>



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- **Businesses owned by women of color play a crucial role in the U.S. economy.** As of 2014, there were approximately 2,934,500 businesses owned by women of color.<sup>12</sup> This is a rapid increase from 1997, when women of color owned only about 929,445 businesses.<sup>13</sup> Businesses owned by women of color grew by 215 percent from 1997 to 2014, and revenues from these businesses grew 193 percent during the same time period. There has been approximately 97 percent growth in the number of people employed by these businesses.<sup>14</sup> Black women own approximately 1.2 million businesses, which employ 287,100 people and produce nearly \$50 billion in revenue.<sup>15</sup> Asian American women own approximately 675,900 businesses, which employ 699,200 people and produce approximately \$115 billion in revenue.<sup>16</sup> Latinas own approximately 1,033,100 businesses, which employ 433,600 people and produce revenues of approximately \$71.1 billion.<sup>17</sup>
- **Students of color aspire to be entrepreneurs.** About 50 percent of all students of color say that they intend to start their own business, compared with 37 percent of non-Hispanic white students.<sup>18</sup>
- **Hispanic-owned businesses are growing at a phenomenal pace.** Between 2007 and 2014, the growth rate of Hispanic-owned businesses was nearly double the growth rate of all U.S. businesses.<sup>19</sup> This growth rate builds on increases from 2002 to 2007, when the nation witnessed a 44 percent growth in the number of Hispanic businesses.<sup>20</sup> Today, Hispanic-owned businesses are the nation's fastest-growing business community and are at the forefront of the economic recovery. Hispanic-owned businesses generated revenues of more than \$358 billion in 2007 and are projected to reach \$486 billion in revenues in 2014.<sup>21</sup>

Women of color own nearly 3 million business with revenues totalling over

**\$236 billion**

## Endnotes

- 1 Robin Myers and Preeti Sidhu, "Minority, Young Students More Entrepreneurially Inclined," Gallup, January 13, 2014, available at <http://www.gallup.com/poll/166808/minority-young-students-entrepreneurially-inclined.aspx>.
- 2 Bureau of the Census, *2007 Survey of Business Owners* (U.S. Department of Commerce, 2011), available at <https://www.census.gov/econ/sbo/>.
- 3 Ibid.
- 4 American Express OPEN, "The 2014 State of Women-Owned Businesses Report" (2014), available at [http://www.womenable.com/content/userfiles/2014\\_State\\_of\\_Women-owned\\_Businesses\\_public.pdf](http://www.womenable.com/content/userfiles/2014_State_of_Women-owned_Businesses_public.pdf).
- 5 Ibid.
- 6 Ibid.
- 7 Ibid.
- 8 Ibid.
- 9 Bureau of the Census, *2007 Survey of Business Owners*.
- 10 Ibid.
- 11 Ibid.
- 12 American Express OPEN, "The 2014 State of Women-Owned Businesses Report."
- 13 Ibid.
- 14 Ibid.
- 15 Ibid.
- 16 Ibid.
- 17 Ibid.
- 18 Myers and Sidhu, "Minority, Young Students More Entrepreneurially Inclined."
- 19 Geoscape and United States Hispanic Chamber of Commerce, "Hispanic Businesses & Entrepreneurs Drive Growth in the New Economy" (2014), available at [http://www.geoscape.com/HBR/pdf/Geoscape\\_HispanicBusinessOwners\\_FINAL.pdf](http://www.geoscape.com/HBR/pdf/Geoscape_HispanicBusinessOwners_FINAL.pdf).
- 20 Ibid.
- 21 Ibid. Data for 2014 are scheduled to be released this summer.