

Hispanic-Owned Businesses: 1997

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*Census Brief:
Survey of Minority-Owned Business Enterprises*

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Number of Hispanic-owned firms growing rapidly.

Hispanic-owned businesses in the United States totaled 1.2 million firms in 1997, employed over 1 million people and generated nearly \$200 billion in revenues. Just under 4 in 10 of these firms were owned by people of Mexican origin. (See Figure 1.)

The number of Hispanic firms, excluding C corporations,¹ 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. Their receipts rose 49 percent over the same period, higher than the 40 percent increase for all firms.

Three-fourths of Hispanic-owned businesses were located in four states ...

California, Texas, Florida and New York together accounted for 73 percent of the nation's Hispanic-owned firms. Not only were Hispanic-owned firms in general geographically concentrated, so, too, were those owned by specific Hispanic groups. For example:

- California and Texas were home to 3 of every 4 Mexican-owned firms.
- More than 7 in 10 Cuban-owned firms were located in Florida.
- More than half of Puerto Rican-owned businesses were in New York, Florida and New Jersey.

¹ C corporations are incorporated businesses, excluding subchapter S corporations whose shareholders elect to be taxed as individuals rather than as corporations.

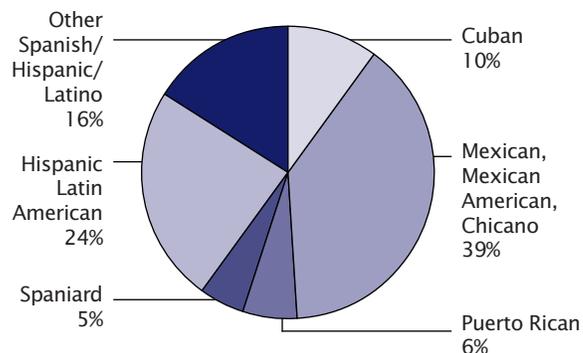
- Nearly 40 percent of the firms owned by Spaniards were either in California or Florida.

... and more than one-third were located in just five metropolitan areas.

Reflecting the patterns seen in states, a ratio of more than 1 in every 3 Hispanic-owned firms could be found in the Los Angeles-Long Beach, Calif.; Miami, Fla.; New York, N.Y.; and Houston and San Antonio, Texas, metro areas. Here's a brief profile of the firms in each area:

- Los Angeles-Long Beach — There were 137,000 Hispanic-owned firms in this area, employing 134,000 people and generating \$16 billion in receipts. Mexican-owned firms accounted for the majority of these businesses, their employees and receipts.

Figure 1.
Distribution of Hispanic-Owned Firms by Group: 1997



Source: U.S. Census Bureau.

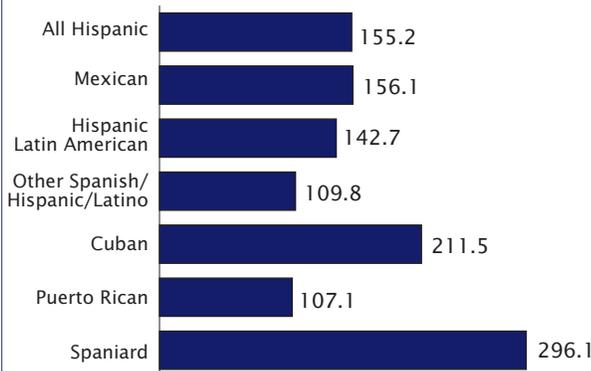
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Figure 2.

Average Receipts per Hispanic Group
(Thousand dollars)



Source: U.S. Census Bureau.

- Miami — This area contained 121,000 Hispanic-owned firms, which employed 128,000 people and generated receipts of \$27 billion. More than half of these businesses were owned by Cubans; Cuban-owned firms accounted for more than half of the employees and receipts.
- New York — This metro area had about 85,000 Hispanic-owned businesses, employing 45,000 people and generating receipts of \$8 billion. Those who reported themselves as “Hispanic Latin Americans” ranked first among specific ethnicities in businesses, employees and receipts. (Choosing this category permitted the owners to identify themselves as a specific Hispanic group other than Cuban, Mexican, Puerto Rican or Spaniard.)
- Houston — About 42,000 Hispanic-owned firms were located in this area. They employed 53,000 workers and took in \$12 billion in receipts. Although Mexicans owned the majority of the firms and employed most of the workers, they ranked second in receipts. First were Spaniards: although small in number, Spanish-owned firms generated

\$5.2 billion in receipts, compared with \$3.9 billion for the Mexican-owned firms.

- San Antonio — This metro area showed 35,000 Hispanic-owned firms, employing 54,000 people and generating receipts of \$8 billion. Mexicans dominated, accounting for the vast majority of firms, employees and receipts.

Firms owned by Spaniards and Cubans typically had higher average receipts than other Hispanic-owned firms.

Firms owned by Spaniards and Cubans had considerably higher average receipts (\$296,000 and \$211,000, respectively) than those of all Hispanic-owned firms (\$155,000). Close to average were receipts of Mexican-owned firms, while the receipts of firms owned by Puerto Ricans were below the average. (See Figure 2.)

Receipts per firm averaged \$155,000 for Hispanic-owned firms compared with \$411,000 for all U.S. firms, excluding publicly held corporations and firms whose owners’ race or ethnicity was indeterminate (e.g., mutual companies whose ownership is shared by its members).

Large Hispanic firms operated primarily as retailers.

Nearly 27,000, or 2 percent, of all Hispanic-owned firms generated \$1 million or more in receipts in 1997. Of these “\$1 million firms,” 6,000 (22.9 percent) were in retail trade, followed by 5,700 (21.1 percent) in

wholesale trade and 4,800 (17.8 percent) in service industries.

However, Hispanic firms operating as wholesalers accounted for the greatest portion of total receipts, with \$35 billion or 30.5 percent, followed by manufacturers, with \$23 billion or 19.8 percent and retailers, with \$19 billion or 16.3 percent.

By comparison, 1.1 million (5 percent) of all U.S. firms generated receipts of \$1 million or more.

As with Hispanic-owned firms, about two-thirds of these firms were concentrated in three industries: retail trade (20.8 percent), wholesale trade (19.8 percent) and service industries (24.5 percent). Also, as with Hispanic-owned firms, wholesale trade industries led all large firms in receipts. Manufacturing firms followed.

More Information

The information in this Census Brief is based on findings from the *1997 Survey of Minority-Owned Business Enterprises: Hispanic*. The report may be found on the Internet at <<http://www.census.gov/csd/mwb/>>.

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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 because of changes in tax laws causing inconsistencies between the 1992 and 1997 data. Changes in survey methodology also may contribute to differences.