

Hispanic Business Owners in Maryland and its Jurisdictions in 2007

From the 2007 Economic Census Survey of Business Owners

In 2007, there were 25,742 Hispanic-owned businesses in Maryland, according to the Survey of Small Business Owners from the 2007 Economic Census. This represented 4.9 percent of all firms in Maryland and was an increase of 67.7 percent over the 15,353 firms listed in the last Economic Census in 2002. In that same time period, the total number of firms in Maryland only increased 19.1 percent. Hispanic-owned firms were responsible for 12.2 percent of the total increase in firms between 2002 and 2007. Over this same time period, the Hispanic population in Maryland increased by 40.4 percent and accounted for 55.3 percent of the State's total population growth. Generally, Hispanic-owned firms are smaller than the average firm and are less likely to have employees. Those that do are likely to employ a smaller number of people than the average firm in Maryland.

Firm Totals:

- Due to confidentiality issues, data on the number of firms is available for only nine of Maryland's 24 jurisdictions from both the 2002 and 2007 Economic Census, though the firms located in these jurisdictions make up 93.6 percent of all Hispanic-owned firms in the State.
- Of these nine, Howard County had the largest percentage increase in the number of Hispanic-owned firms (98.5%), though it had a relatively small number of these firms (812 in 2007).
- Montgomery County was host to the largest number of Hispanic-owned firms of any jurisdiction in Maryland in both 2007 (11,551) and 2002 (7,405), though growth over that five-year period was a more moderate 56 percent.
- Prince George's County had the second-largest number of Hispanic-owned firms in both 2002 (3,318) and 2007 (6,412), and also had the third-largest growth rate in firms (93.2%) in that time period. Combined, Montgomery and Prince George's Counties held 69.8 percent of the State's Hispanic-owned firms, the same percentage as in 2002.
- On average, Hispanic-owned firms had \$171 thousand in receipts in 2007, as compared to \$944 thousand for all firms. Firms located in Baltimore city had the highest average receipts, at \$421 thousand per firm, while firms located in Frederick County had the lowest, at \$109 thousand.

Employer Firms:¹

- Like all firms, very few Hispanic-owned firms actually have employees.
- Only 12.4% of Hispanic-owned firms (3,198) employed workers in 2007, as compared to 20.8 percent of all firms.

¹ "Employer firms" are firms that employ wage and salary workers in addition to the firm's owner(s).

- A total of 25,588 workers were employed in 2007, an average of 8 workers per firm. The overall average is 20 workers per firm. Of the nine jurisdictions studied, Wicomico County had the highest average number of employees per firm (20.7), while Charles County had the lowest (5.7).
- On average, Hispanic-owned firms had payrolls of \$319 thousand per firm, while all firms had had average payrolls of \$898 thousand. However, there was less difference in the average payroll per worker (\$40 thousand for Hispanic-owned firms vs. \$44 thousand for all firms).
- Baltimore City had the highest percentage of firms that were employer firms (30.3%), and also the highest average payroll per worker (\$81 thousand) in 2007. Conversely, Baltimore County had the lowest average payroll per employee (\$19 thousand).

Non-Employer Firms:²

- Most firms were non-employer firms in 2007, regardless of ownership. Hispanic-owned firms were more likely to be non-employer firms than the overall average (87.6 percent of Hispanic-owned firms vs. 79.2 percent of all firms).
- Frederick County had the highest percentage of non-employer firms (93.2 percent), and also the lowest average receipts per firm (\$19 thousand) of the nine jurisdictions studied. Anne Arundel County had by far the highest average receipts per non-employer firm, at nearly \$61 thousand.
- On average, non-employer firms had much lower receipts than employer firms. However, there was little difference between average receipts per firm by ownership (\$39 thousand for Hispanic-owned firms vs. \$43 thousand for all firms). Note the similarity between average non-employer receipts and average payroll per employee above.
- As a whole, while they made up the majority of firms, non-employer firms were responsible for only 20.2 percent of all Hispanic-owned firm receipts.

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² "Non-employer firms" are firms that have no wage and salary employees, and are usually sole proprietorships.

