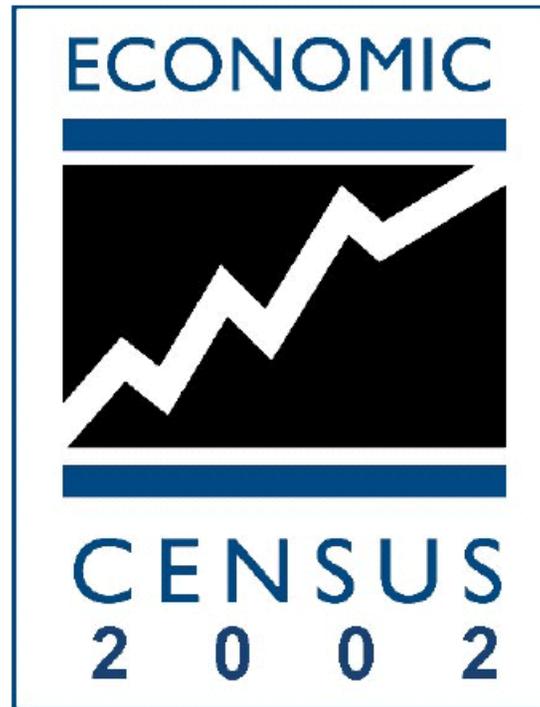


2002 Survey of Business Owners (SBO)



July 28, 2005

U S C E N S U S B U R E A U

Survey of Business Owners

Formerly the Surveys of Minority- and Women-Owned Business Enterprises

- Part of the Economic Census conducted every five years for years ending in “2” and “7”
- Provides the only comprehensive, regularly collected source of information on business enterprises by gender, Hispanic or Latino origin, and race

Survey of Business Owners (continued)

- Data compiled from several sources
 - IRS business tax returns
 - Other Economic Census reports. (e.g., Annual Survey of Manufacturers; Annual Retail Trade Survey)
 - Social Security information on race and Hispanic or Latino origin
 - Mailout/mailback survey
- Established in 1969 by same Executive Order that created Minority Business Development Agency (MBDA), an agency within the Department of Commerce

Which Businesses are Included

The universe for this survey includes all firms operating during 2002 with receipts of \$1,000 or more that filed tax forms as individual proprietorships, partnerships, and any type of corporation, except those classified as: agricultural production; domestically scheduled airlines; railroads; U.S. Postal Service; mutual funds (except real estate investment trusts); religious grant operations; private households and religious organizations; public administration; and government.

Definition and Categories of Business Ownership

- Business ownership is defined as having 51 percent or more of the stock or equity in the business.
- Business ownership is categorized by:
 - Gender: Male; Female; or Equally Male-/Female-Owned
 - Ethnicity: Hispanic, non-Hispanic
 - Race: White; Black or African American; American Indian or Alaska Native; Asian; Native Hawaiian or Other Pacific Islander
- Businesses equally male-/female-owned will be published separately.

2002 SBO Calendar

- Phase I Mailout September 2003
 - 1.3 million partnerships and corporations (identified from IRS's 2001 quarterly payroll tax returns)
 - 2 mail report form follow-ups
- Phase II Mailout June 2004
 - 1.2 million sole proprietorships and new partnerships and corporations (identified from IRS's 2002 income tax returns)
 - 2 mail report form follow-ups

New Data Collected in 2002

SBO was expanded to include some owner characteristics and business characteristics.

Owner *	Business
Age	Year the business was originally established, purchased or acquired by current owner(s)
Education level	Home-based
Veteran status	Family-owned
Disability status	Franchise
Primary function in the business	Source(s) of capital used to: - start/acquire the business - expand/improve the business
Average number of hours worked per week	Types of customers
Whether the business provided the owner's primary income source	Types of employees

*An Advance Report on Characteristics of Employer Business Owners: 2002 was released February 2, 2005.

What's New for 2002

- Race counts will include multi-race.

Note: In the 2000 population census, 2.4 percent of the population reported more than one race.

- Classification by the North American Industry Classification System (NAICS); previous surveys used the Standard Industrial Classification (SIC) system.

Major Changes from Prior (1997) Surveys

- To comply with the 1997 OMB directive, the 2002 SBO questionnaire asked each business to select one or more races to describe its owner(s). Previously, businesses were instructed to mark only one race for each owner.

Note: In the 2000 population census, 2.4 percent of the population reported more than one race.

- Expanded information on characteristics of owners and businesses

Businesses could be tabulated in more than one minority group

- For example, a firm could be counted as both Black- and Hispanic-owned, if the majority owner(s) reported his/her race as Black and his/her ethnicity as Hispanic or Latino origin.
- The 2002 SBO was the first economic census in which each owner could self-identify with more than one racial group, so it was possible for a business to be classified and tabulated in more than one racial group. This can result because:
 - a. the sole owner reported more than one race;
 - b. the majority owner reported more than one race;
 - c. a majority combination of owners reported more than one race.

Business Ownership Combinations for Publication

Race

- White
- Black or African American
- American Indian and Alaska Native
- Asian
- Native Hawaiian and Other Pacific Islander

Additional Categories

- Not-for-profit, foreign-owned, and publicly held

Hispanic or Latino Origin

- Hispanic or Latino
- Not Hispanic or Latino

SBO includes Nonemployers

■ “All Firms” include employers and nonemployers

■ Most census figures limited to “Firms with paid employees”

	Firms (number in millions)	Sales and receipts (billion dollars)
Total U.S. firms	23.0	22,635
Employer firms	5.5	21,867
Nonemployer firms	17.5	767

Growth of Women-Owned Firms

- The number of women-owned firms grew 20% from 1997 to 2002.
 - The number of all U.S. firms grew 10%.
- The receipts for women-owned firms grew 16%.
 - The receipts of all U.S. firms grew 22%.

Growth of Black-Owned Firms

- The number of Black-owned firms grew 45% from 1997 to 2002.
 - The number of all U.S. firms grew 10%.
- The receipts for Black-owned firms grew 30%.
 - The receipts of all U.S. firms grew 22%.

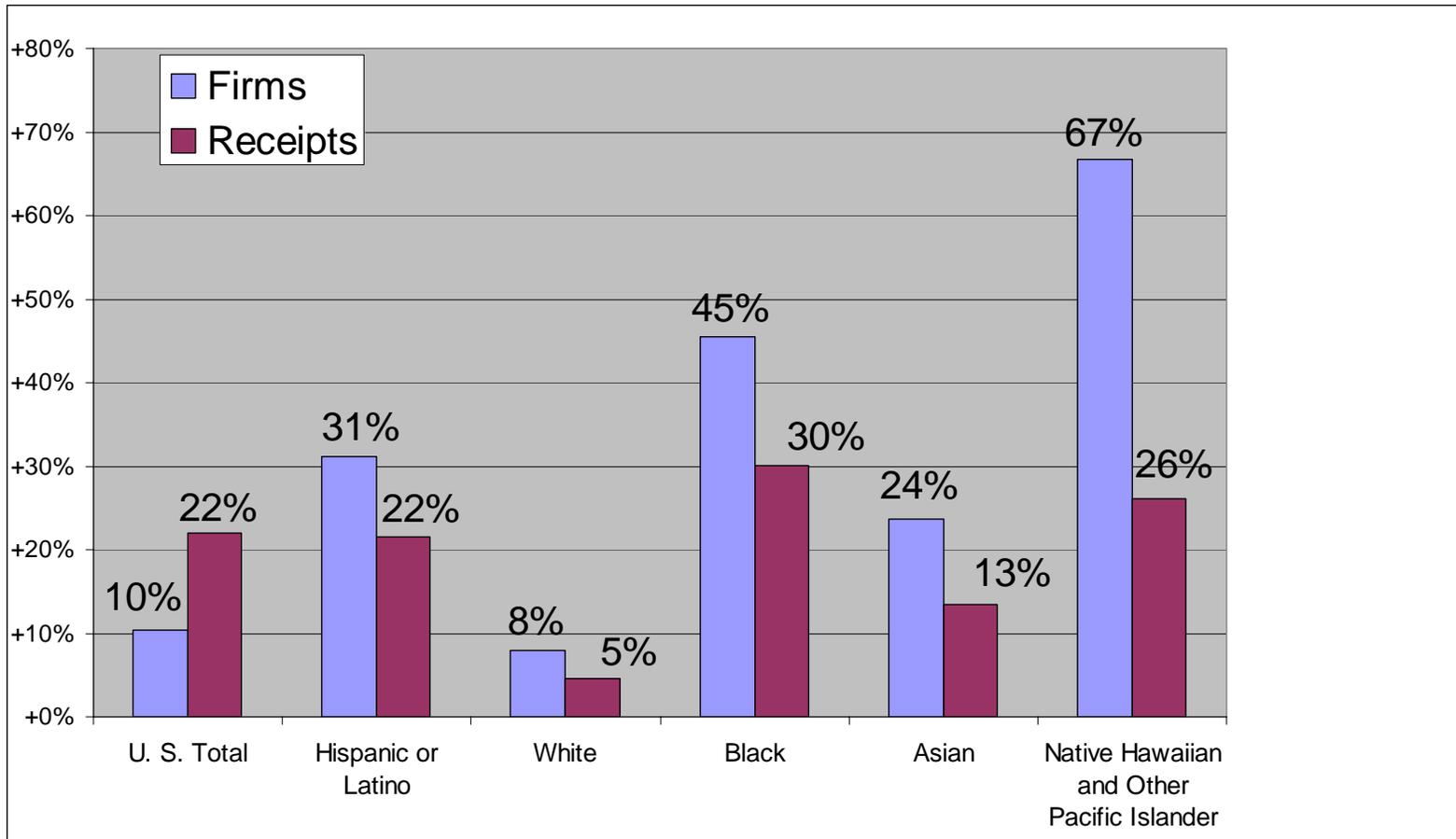
Growth of Hispanic-Owned Firms

- The number of Hispanic-owned firms grew 31% from 1997 to 2002.
 - The number of all U.S. firms grew 10%.
- The receipts for Hispanic-owned firms grew 22%.
 - The receipts of all U.S. firms grew 22%.

Growth of Asian-Owned Firms

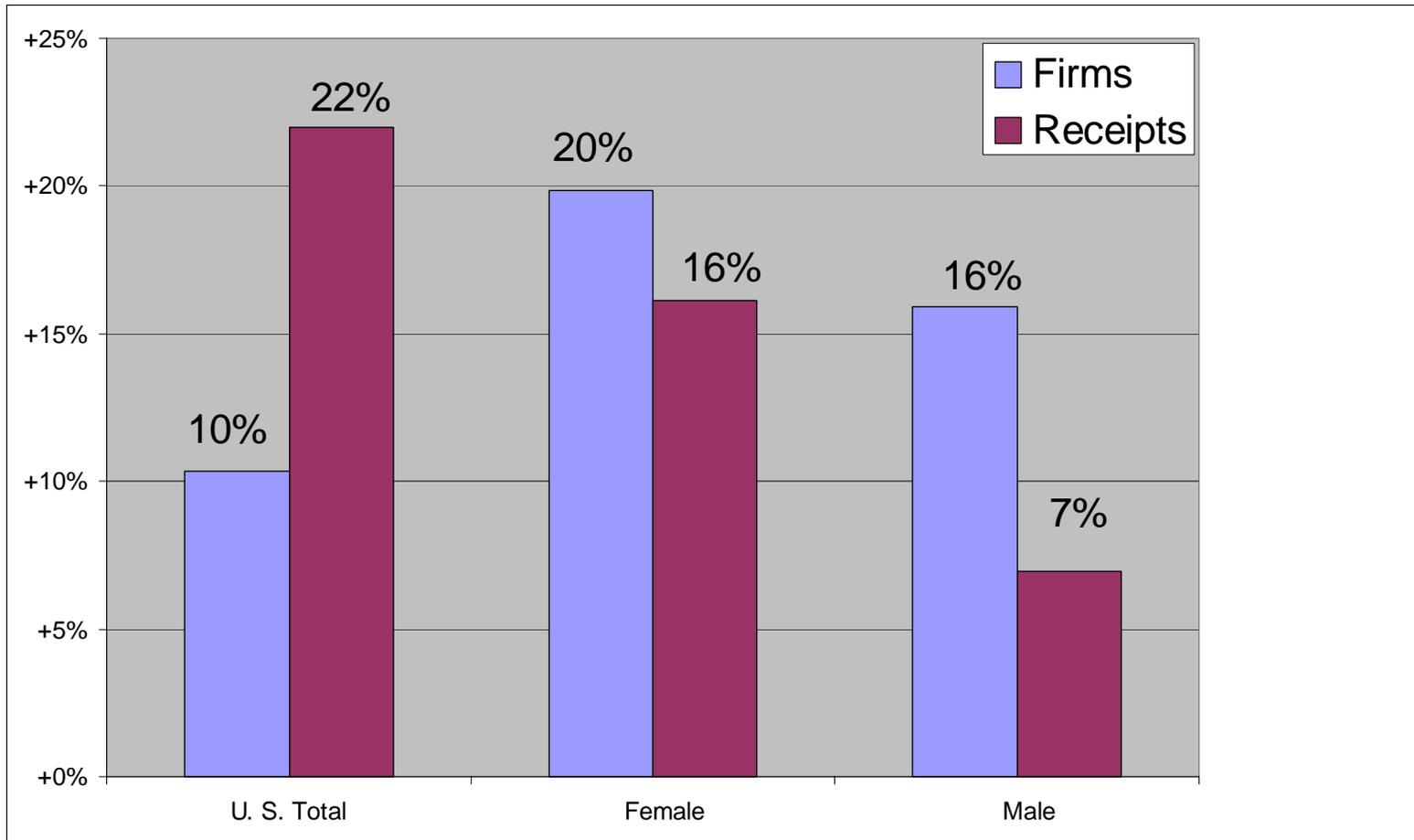
- The number of Asian-owned firms grew 24% from 1997 to 2002.
 - The number of all U.S. firms grew 10%.
- The receipts for Asian-owned firms grew 13%.
 - The receipts of all U.S. firms grew 22%.

Survey of Business Owners Percent Change 1997 to 2002



American Indian- and Alaska Native-owned businesses have been excluded due to noncomparability.

Survey of Business Owners Percent Change 1997 to 2002



Publication Levels

Business Ownership

- Summary statistics at the U.S. level and at the state level on the total number of businesses by gender, Hispanic or Latino origin, and race; total receipts, employment and payroll
- National level data by employment size and receipts size of business
- Selected metropolitan areas, counties, and places with 100 or more women- or minority-owned firms

Owner and Business Characteristics

- U.S. level and state level by kind of business
- National level by employment size and receipts size of business

2002 SBO Report Schedule

The Advance Report on Characteristics of Employer Business Owners: 2002
was issued on February 2, 2005.

Preliminary Summary of Business Ownership by Gender, Hispanic or Latino Origin, and Race:	July 28, 2005
Women-Owned Businesses:	1 st Quarter 2006
Hispanic-Owned Businesses:	1 st Quarter 2006
Black-Owned Businesses:	2 nd Quarter 2006
Asian-Owned Businesses:	2 nd Quarter 2006
Native Hawaiian- and Other Pacific Islander-Owned Businesses:	2 nd Quarter 2006
American Indian- and Alaska Native-Owned Businesses:	2 nd Quarter 2006
Characteristics of Business Owners:	3 rd Quarter 2006
Company Summary:	3 rd Quarter 2006

Available Formats of 2002 SBO Data

- The 2002 publications will be available at the Census Bureau web site <<http://www.census.gov/csd/sbo>>.
- Additional HTML tables will be available to allow for customized searches by industry and geographic location.
- The 2002 SBO data will be available for purchase on CD-ROM.
- American FactFinder (AFF)

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