

U.S. Census Bureau Survey of Business Owners

American Indian- and Alaska Native-Owned Businesses: 2007

Census Bureau Economic Data
March 15, 2011

Presenters

Host	Stanley J. Rolark Chief, Public Information Office U.S. Census Bureau
Economic scene	Christina Daulton Program Manager National Congress of American Indians
Survey findings	Thomas L. Mesenbourg, Jr. Deputy Director and Chief Operating Officer U.S. Census Bureau
Survey uses	Donald Chapman Senior Advisor on Native American Indian Affairs U.S. Department of Commerce

Resources for Today's News Conference

Come to www.census.gov and click on the icon at the top left corner to obtain –

- Today's PowerPoint Presentation
- News Release – and More!
- Link to Survey of Business Owners Home Page
- Link to Guidance on Accessing SBO Data in the American FactFinder

About the Survey

- Part of the Economic Census taken every 5 years for years ending in “2” and “7”
- The only comprehensive, regularly collected data for businesses and business owners by
 - Minority status
 - Race
 - Ethnicity (Hispanic origin of any race)
 - Gender
 - Veteran status

Business Ownership by Race

- Categories of ownership are based on the race of the person or persons who owned 51% or more of the stock or equity in the business in 2007.
- “American Indian- and Alaska Native-Owned” is defined as any firm with American Indian and Alaska Native (AIAN) owners holding a 51% or larger stake in the business.

Scope

- Does not include tribally owned businesses or businesses owned by Alaska Native Regional or Village Corporations and their subsidiaries, which are government-owned.

A UNIFIED VOICE FOR INDIAN COUNTRY

- PRESENTER: **CHRISTINA DAULTON**, *PROGRAM MANAGER, NCAI POLICY RESEARCH CENTER*

- NATIONAL CONGRESS OF AMERICAN INDIANS (NCAI.ORG)

Founded in 1944, the National Congress of American Indians serves the broad interests of tribal governments and communities. As a representative congress of American Indian and Alaska Native tribes, we are united to protect and enhance treaty and sovereign rights while securing our traditional laws, cultures, and ways of life for our descendants. We advance a common understanding of the rightful place of tribes in the family of American governments.



- NCAI POLICY RESEARCH CENTER & DATA (NCAIPRC.ORG)

A national tribal research center focused on issues facing tribal communities and providing the tools necessary to inform public policy debates with meaningful information.

- INDIAN COUNTRY COUNTS – 2010 CENSUS

CENSUS DATA IN INDIAN COUNTRY

- GAPS IN CENSUS DATA

- Alaska Native Corporations and tribally owned businesses are not included in this survey
- Important to look to other sources of data to see the whole picture of businesses in Indian Country

- ECONOMIC DEVELOPMENT

- Economic development in Indian Country lags behind the rest of the nation
- Eight of the ten poorest counties in America are home to Indian reservations
- Unemployment among Native people was 15 percent in 2003 and has not dropped below 10 percent for generations (according to the Census long-form data).

- DATA ON RECESSION

- Growth before 2007 recession significant:
 - Between 1990 and 2000, Indian Country economies grew at a faster pace than the U.S. economy as a whole
- Growth in tribal economies a result of :
 - Investments in self-government
 - Building up of institutions: police departments, health clinics, education departments, infrastructure, and court systems
- 2010 Economic Policy Institute study release
 - First half of 2007 to the first half of 2010, the American Indian unemployment rate nationally increased 7.7 percentage points to 15.2 percent, which was an increase 1.6 times the size of the white increase Different race (according to the Bureau of Labor Statistics)
 - *Different recession, American Indian Unemployment in 2010*, Economic Policy Institute

A Look at the 2007 Statistics for American Indian- and Alaska Native-Owned Businesses in the United States

American Indian- and Alaska Native- Owned Businesses Compared to All U.S. Businesses by Employer Status: 2007

	AIAN-owned businesses		All U.S. businesses	
	Firms (number)	Sales and receipts (\$ billions)	Firms (number)	Sales and receipts (\$ billions)
All firms ¹	236,967	34	27,097,236	30,033
Employer firms	23,704	28	5,739,890	29,061
Nonemployer firms	213,263	7	21,357,346	973

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

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

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	% change for all U.S. firms, 2002 - 2007
All firms ¹	236,967	18	18
Employer firms	23,704	- 3*	4
Nonemployer firms	213,263	21	22

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

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

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

American Indian- and Alaska Native- Owned Business Revenues Compared to the National Rates: 2002 to 2007

	AIAN-owned firms' sales and receipts in 2007 (\$ billions)	% change for AIAN-owned firms' sales and receipts, 2002 –2007	% change for all U.S. firms' sales and receipts, 2002 –2007
All firms ¹	34	28	33
Employer firms	28	25	33
Nonemployer firms	7	41	27

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

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

American Indian- and Alaska Native- Owned Businesses and Their Proportion of All U.S. Firms by Employer Status: 2002 to 2007

	% of U.S. businesses that are AIAN-owned	
	Year 2007	Year 2002
All firms ¹	0.9	0.9
Employer firms	0.4	0.4
Nonemployer firms	1.0	1.0

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

Distribution of Firms by Receipts Size of Firm: 2007

Receipts size	% of AIAN-owned firms	% of all U.S. firms
Less than \$50,000	78	65
\$50,000 to \$99,999	9	10
\$100,000 to \$249,999	7	10
\$250,000 to \$499,999	3	5
\$500,000 to \$999,999	2	4
\$1,000,000 or more	2	5

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

Distribution of Employer Firms by Employment Size of Firm: 2007

Employment size	% of AIAN- owned firms	% of all U.S. firms
0 to 4 employees ¹	66	61
5 to 9 employees	18	18
10 to 19 employees	9	11
20 to 49 employees	5	7
50 employees or more	2	4

¹ Includes firms with payroll at any time during 2007. Employment reflects the number of paid employees during the March 12 pay period.
Note: Detail may not add to total because of rounding.

Industries With the Largest Receipts For American Indian- and Alaska Native- Owned Firms: 2007

Business sectors	Firms (number)	% of all AIAN firms	Sales and receipts (\$ billions)	% of all AIAN sales and receipts
Total for all sectors	236,967	100	34	100
Construction	37,697	16	8	25
Retail trade	19,838	8	5	16
Wholesale trade	4,854	2	4	12
Manufacturing	4,972	2	3	8
Professional, scientific, and technical services	23,895	10	3	8

Number of American Indian- and Alaska Native-Owned Firms for Selected States: 2007

States	AIAN-owned firms in 2007 (number)	% of firms in state that are AIAN-owned	% change for AIAN-owned firms in state, 2002 – 2007
Alaska	6,852	10	33
California	45,629	1	20
New Mexico	8,313	5	22
New York	13,113	1	18
Oklahoma	21,194	6	24
Texas	19,057	1	18

Number of American Indian- and Alaska Native-Owned Firms for Selected Counties: 2007

Selected counties and equivalent areas	AIAN-owned firms in 2007 (number)	% of firms in county that are AIAN-owned	% change for AIAN-owned firms in county, 2002 – 2007
Anchorage, AK	1,522	6	52*
Los Angeles, CA	14,195	1	9*
Maricopa, AZ	3,789	1	72
New York, NY	1,848	1	- 5*
Oklahoma, OK	2,695	4	34
Tulsa, OK	3,321	5	43*

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

Number of American Indian- and Alaska Native-Owned Firms for Selected Cities: 2007

Selected cities and equivalent areas	AIAN-owned firms in 2007 (number)	% of firms in city that are AIAN-owned	% change for AIAN-owned firms in city, 2002 – 2007
Albuquerque, NM	1,124	3	46*
Anchorage, AK	1,522	6	52*
Gallup, NM	2,127	52	-19
Los Angeles, CA	6,276	1	9*
New York, NY	8,749	1	23*
Oklahoma City, OK	1,968	3	25*

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

Accessing SBO Results

- SBO Web site: www.census.gov/econ/sbo
- For access to prepackaged data products and the ability to build custom tables, visit American FactFinder (AFF), the Census Bureau's online, self-service data access tool at www.factfinder.census.gov

SBO Release Schedule

Data	Release date
Preliminary Company Summary - Estimates of Business Ownership by Gender, Ethnicity, Race, and Veteran Status	July 13, 2010
Hispanic-Owned Businesses	September 21, 2010
Women-Owned Businesses	December 7, 2010
Black-Owned Businesses	February 8, 2011
American Indian- and Alaska Native-Owned Businesses	March 11, 2011
Native Hawaiian- and Other Pacific Islander-Owned Businesses	April 1, 2011
Asian-Owned Businesses	April 26, 2011

SBO Release Schedule (continued)

Data	Release date
Veteran-Owned Businesses	May 17, 2011
Company Summary	June 7, 2011
Characteristics of Businesses	June 14, 2011
Characteristics of Business Owners	June 14, 2011



*Number of Firms Owned by
American Indians and Native
Alaskans on the Rise*

*But Job and Wealth Creation Fail to
Materialize*

**Donald Chapman, Senior Advisor
on Native American Affairs**

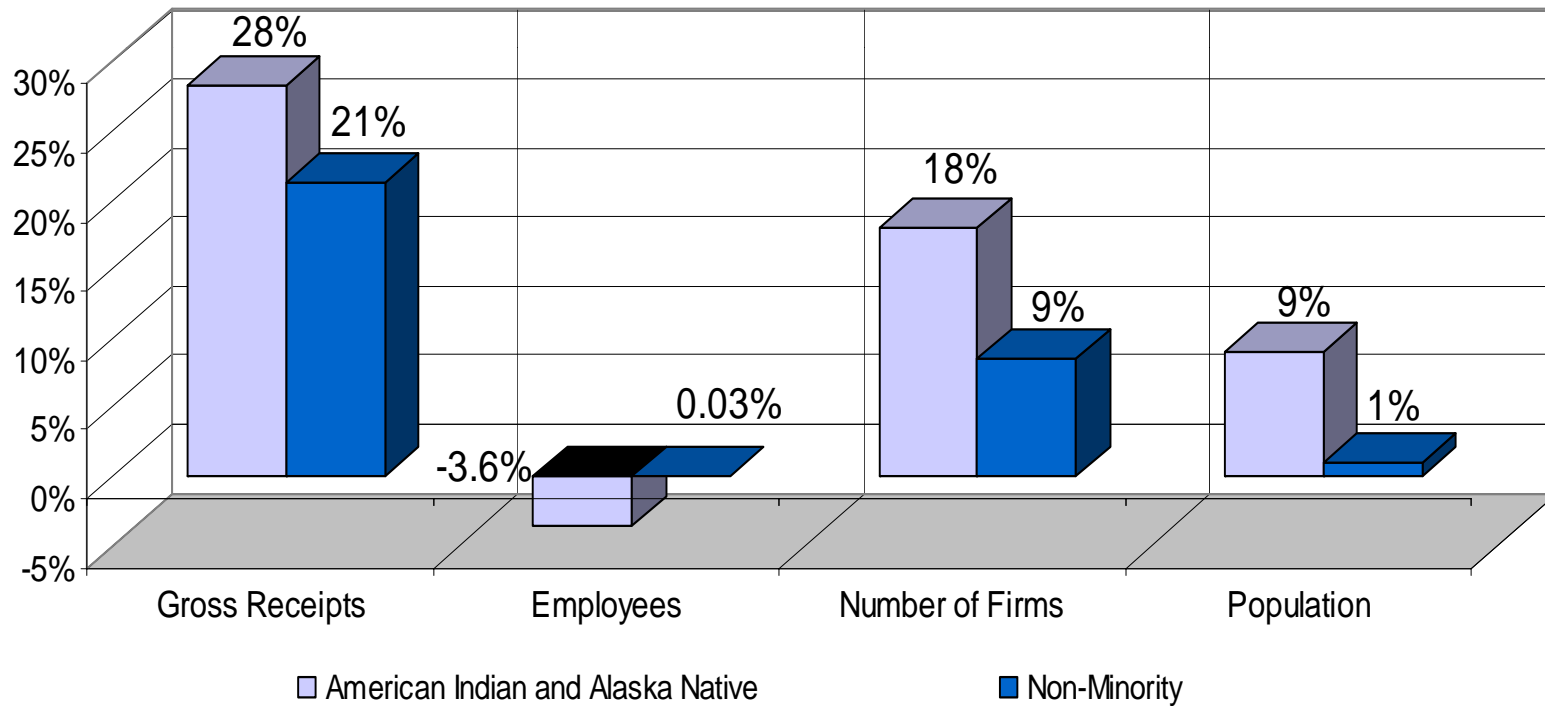


The Big Picture

- The American Indian and Alaskan Native business community shows some growth, yet their true economic potential is still unrealized.
- In 2007, there were about 237,000 firms generating \$34.4 billion in gross receipts and employing 184,000 paid workers.
- Between 2002 and 2007, American Indian and Alaskan Native -owned firms outpaced the growth of non-minority firms by 28 percent in gross receipts and by 18 percent in number of firms.
- American Indian and Alaskan Native firms are found in all 50 states and the District of Columbia.
- The fast growing American Indian and Alaskan Native population increased by 9% during this period, compared to only 1 percent growth for non-minorities.
- The American Indian population had an estimated buying power of \$64.7 billion in 2009, larger than the purchasing power of countries such as Kenya (\$63.7 B), Burma (\$57.5 B), Slovenia (\$55.8 B), and Costa Rica (\$48.5 B).
- It is important to note that the Survey of Business Owners data includes businesses owned by Native Americans but not tribally-owned businesses, which is a sizable share of the economic output of Indian Country.



American Indian and Alaskan Native-Owned Firms Compared to Non-Minority-Owned Firms



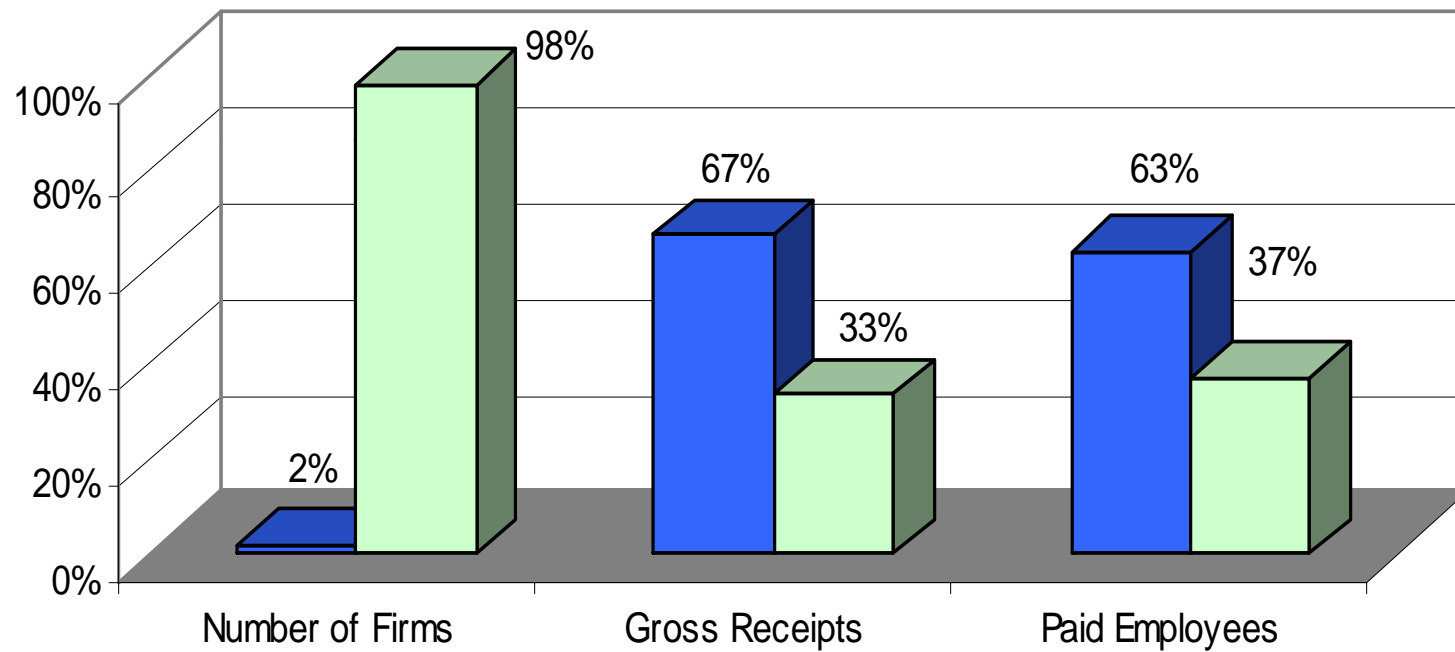


Upside of \$1 Million Plus Firms

- While smaller in number, American Indian and Alaskan Native firms with receipts of \$1 million or more generate a much larger percentage of all revenues and paid employment than firms with receipts under \$1 million.
- American Indian and Alaskan Native firms with receipts of \$1 million or more represented 2 percent of all the American Indian and Alaskan Native firms but generated 67 percent of all American Indian and Alaskan Native firms' gross receipts and 63 percent of all their paid employment.
- There were 4,599 American Indian and Alaskan Native firms which generated gross receipts of \$1 million or more in 2007. These firms generated combined gross receipts of \$23 billion and employed 116,759 workers.
- Average gross receipts of American Indian and Alaskan Native firms generating sales of \$1 million or more grew **by 5 percent from \$4.7 million per firm in 2002 to \$5.0 million in 2007.**



American Indian and Alaskan Native-Owned Firms With \$1 Million and Above in Sales



■ American Indian & Alaska Native (AIAN) Firms (\$1 million and above) ■ AIAN Firms (Under \$1 million)

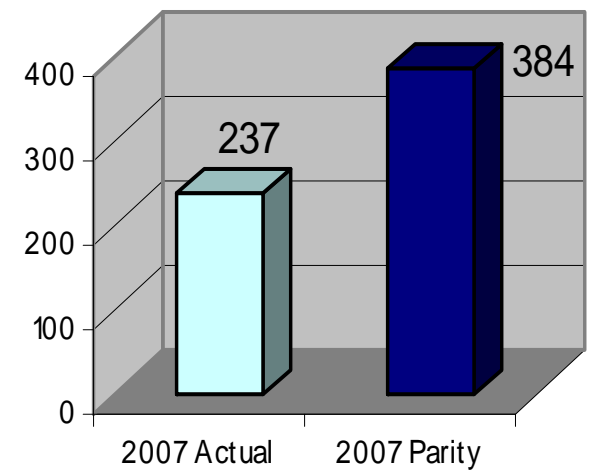
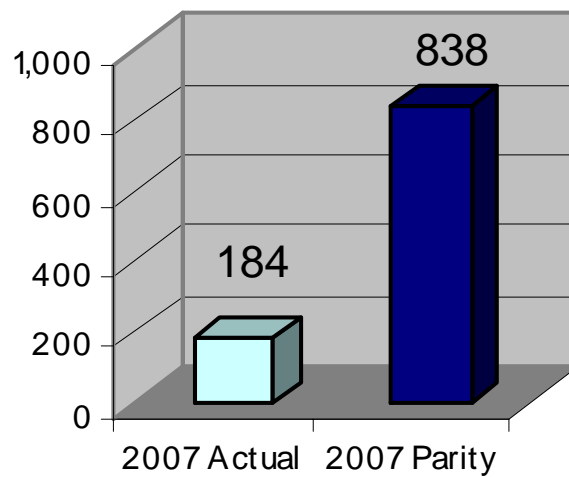
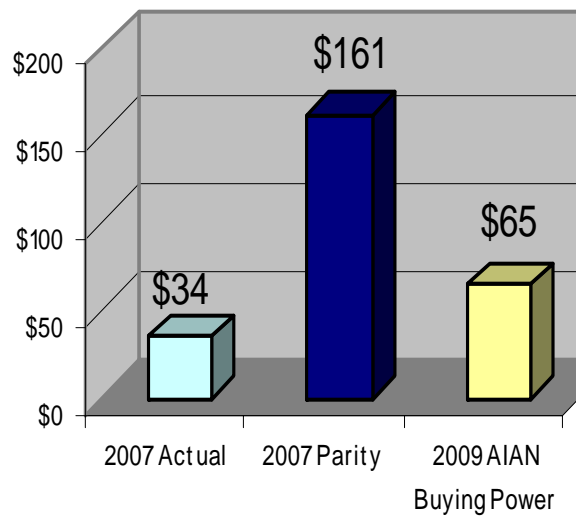


Entrepreneurial Parity

- At MBDA, we measure entrepreneurial parity of minority-owned firms. Unfortunately, there is still an entrepreneurial parity gap between American Indian and Alaskan Native firms, (which represent 0.9% of classifiable U.S. firms) and the share of the American Indian and Alaskan Native adult population, which is 1.5 percent of the U.S. adult population.
- If American Indian & Alaska Native firms' gross receipts reflected the 2007 adult American Indian & Alaska Native population share, receipts would have amounted to more than \$160 billion—about \$126 billion more than the actual figure.
- Paid employment would have totaled nearly 829,000—about 4.5 times the actual employment.
- The number of American Indian & Alaska Native firms would have been over 383,000 firms— nearly 147,000 additional firms.
- More effort should be dedicated to grow and expand American Indian & Alaska Native firms in size and scale.



Entrepreneurial Parity Still Unrealized for American Indian and Alaskan Native Businesses





The Downside



- While American Indian and Alaskan Native-owned firms grew in gross receipts by 28% and in number of firms by 18%, their paid employment decreased or remained stagnant at best.
- Although average gross receipts for American Indian and Alaskan Native-owned firms increased to \$145,121, is still far below that of non-minority-owned firms (\$490,000).
- Only 10% of all American Indian and Alaskan Native-owned firms have employees. MBDA's goal is to help grow those in emerging industries and those with the potential for size and scale and encourage job creation among these firms.
- As the American Indian and Alaskan Native population increases in the U.S., the success of this business community is equally critical for job creation.



Minority-Owned Firms Gross Receipts

Average Gross Receipts		
American Indian and Alaskan Native-owned businesses	Minority-owned businesses	Non-minority-owned businesses
\$145,000	\$179,000	\$490,000



The Future

- MBDA is committed to making sure the growth and competitiveness of the minority business community continues to be a national priority.
- MBDA is creating the foundation for the next generation of \$100 million minority-owned firms capable of employing the growing minority population, expanding our tax base and securing our position as a global leader.
- Last year, MBDA assisted minority owned firms in accessing more than \$3 billion in contracts and financings, creating more than 3,000 jobs.
- To grow more minority-owned firms to size and capacity, MBDA encourages minority businesses to consider growth by mergers and acquisition, joint ventures and strategic partnerships.



Contacting MBDA Public Affairs

For more information, please contact:

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Questions?

Key Upcoming Press Events from the U.S. Census Bureau

- March 22 Technical Webinar on 2010 Census Data Products
- March 24 2010 Census Operational Press Briefing
- April 5 Webinar on 2007 Business Ownership Data for Native Hawaiian- and Other Pacific Islander-Owned Businesses
- April 26 Webinar on 2007 Business Ownership Data for Asian-Owned Businesses

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