



# Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

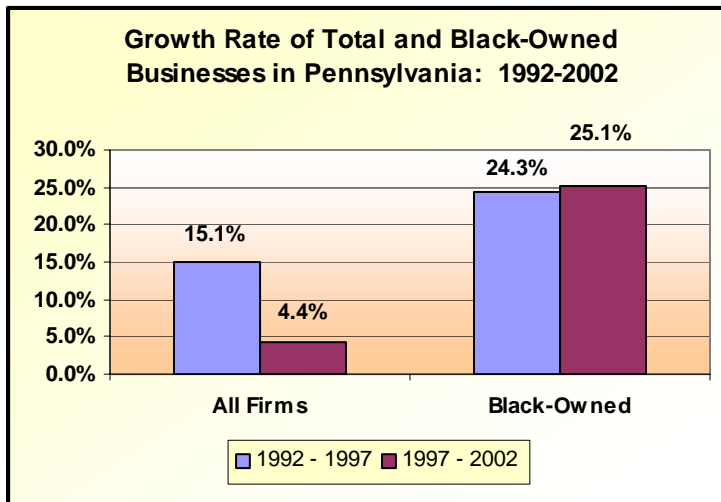
April 20, 2006

## Pennsylvania Black-Owned Businesses Grow to Almost 25,000

MIDDLETOWN, Pa – Black-owned businesses in Pennsylvania increased 25.1 percent between 1997 and 2002, according to a newly released U.S. Census Bureau report, *2002 Survey of Business Owners: Black-Owned Firms*. The growth rate of the commonwealth's Black-owned firms was more than 5 times the state average for all businesses (4.4 percent). More than 4,900 Black-owned firms have been added since 1997, bringing the total to 24,757. In contrast to Pennsylvania businesses as a whole, black-owned establishments have experienced steady growth since 1992.

Black-owned firms accounted for just 2.8 percent of all Pennsylvania establishments in 2002, but roughly twenty-eight out of every 1,000 Black (Alone) adults (18+) owned their own business. Revenue generated by African-American establishments grew more slowly than the number of firms, increasing 6.2 percent (\$124.4 million) between 1997 and 2002, well below the 25 percent growth by Black firms nationally. The increase in number of Black-owned firms was also about 20

percent lower than the national average. Black-owned establishments in Pennsylvania took in a total of \$2.1 billion in 2002 and employed more than 20,000 workers with a combined payroll of \$508 million. Eighty-nine percent (22,096) of Pennsylvania Black-owned firms had no paid employees.



### Black-owned Businesses by Industry

In 2002, roughly 1-in-5 Black-owned establishments (5,682) in Pennsylvania operated in the health care and social assistance industry, followed by other services (3,659), and professional, scientific, and technical services (2,840) businesses. African Americans were least represented in mining (5) management of companies and enterprises (5) and utilities (11) industries. Regarding firms with paid employees, Black accommodation and food services (4,413), health care and social assistance (3,809), and administrative and support and waste management and remediation

service (3,804) businesses were the largest employers. Manufacturing (\$328.8 million) and health care and social assistance (\$322.2 million) firms generated the most revenue.

### **Selected Counties**

Philadelphia (10,576), Allegheny (3,486), Delaware (2,277), and Montgomery (1,842) counties led selected Pennsylvania counties with 100 or more Black-owned businesses. Philadelphia also ranked 8<sup>th</sup> nationally among cities with the largest number of Black-owned firms compared to all firms in the state. Forty-three percent of all Black-owned firms in Pennsylvania were located in Philadelphia, and ten Pennsylvania counties were home to 300 or more Black-owned businesses. Philadelphia businesses generated by far the most revenue (\$848.7 million), and the combined sales and receipts from businesses in Allegheny (\$301.8 million) and Philadelphia accounted for 54.3 percent of all revenue taken in by Black establishments. On average, Black establishments in Erie County generated the most revenue, about \$279,000 per business –well above the state average of \$86,000. Of the selected counties, the fewest businesses were reported in Erie (179), Washington (165), and Westmoreland (119) counties. (Table 1)

### **Selected Places**

Of selected Pennsylvania places with more than 100 Black-owned firms, Philadelphia had more than six times the number of businesses of the next closest places; Pittsburgh (1,733), Harrisburg (544), and Cheltenham (404). Five other places had more than 200 Black-owned firms. After Philadelphia, Black businesses in Pittsburgh (\$143 million) and Erie (\$46.9 million) generated the most revenue. (Table 2)

### **Selected Metropolitan, Micropolitan, and Combined Statistical Areas**

More than 16,000 Black-owned businesses were reported in metropolitan Philadelphia in 2002. In the Harrisburg-Carlisle-Lebanon Combined Statistical Area, 1,160 establishments were reported, and 255 were located in the York-Hanover-Gettysburg Combined Statistical Area. More than 800 Black-owned firms were located in the Allentown-Bethlehem-Easton, PA-NJ Metropolitan Statistical Area, 203 in the Lancaster MSA, and 179 were reported in the Erie MSA. The East Stroudsburg Micropolitan Statistical Area had 424 Black-owned businesses in 2002.

The full report, *2002 Survey of Business Owners: Black-Owned Firms*, may be viewed on the PaSDC website at:

[http://pasdc.hbg.psu.edu/pasdc/PA\\_Stats/economic\\_census\\_data/2002%20economic\\_census.htm](http://pasdc.hbg.psu.edu/pasdc/PA_Stats/economic_census_data/2002%20economic_census.htm)

Notes: Due to differences in the 1997 and 2002 surveys, all data are not directly comparable. For more on comparability, visit: <http://www.census.gov/econ/census02/text/sbo/sbomethodology.htm#comparability>

Sources: U.S. Census Bureau, Population Estimates Division, *2002 Survey of Business Owners: Black-Owned Firms*; *Survey of Minority-Owned Business Enterprises: Black, 1997*; *Survey of Minority-Owned Business Enterprises: Black, 1992*.

The Pennsylvania State Data Center is the commonwealth's official source for population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs. The Pennsylvania State Data Center is part of the U.S. Census Bureau's National State Data Center Program.

Editors: For additional data, contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710 or for faculty comment on this topic, contact Penn State Harrisburg's Public Information Office at 717.948.6029.

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**Table 1: Statistics for Selected Pennsylvania Counties With 100 or More Black-Owned Firms**

Area	All firms		Firms with paid employees			
	Firms (number)	Sales and receipts (\$1,000)	Firms (number)	Sales and receipts (\$1,000)	Employees (number)	Annual payroll (\$1,000)
<b>Pennsylvania</b>	<b>24,757</b>	<b>2,117,924</b>	<b>2,661</b>	<b>1,692,371</b>	<b>21,333</b>	<b>508,254</b>
Allegheny	3,486	301,802	346	258,721	3,277	81,421
Beaver	395	11,226	S	D	c	D
Berks	283	8,336	S	S	S	S
Bucks	526	45,536	96	37,341	396	13,991
Chester	896	75,788	102	59,374	593	17,660
Cumberland	S	S	S	D	f	D
Dauphin	885	43,575	S	S	S	S
Delaware	2,277	124,124	207	67,752	997	20,873
Erie	179	49,963	S	S	S	S
Fayette	S	D	S	S	S	S
Franklin	S	S	S	S	S	S
Lancaster	203	36,241	30	34,403	237	7,336
Lawrence	S	D	S	D	b	D
Lebanon	S	S	S	D	b	D
Lehigh	414	88,030	S	S	S	S
Lycoming	S	S	S	D	a	D
Monroe	424	11,102	39	3,373	80	1,190
Montgomery	1,842	292,201	256	244,428	3,155	68,504
Northampton	229	10,000	S	D	c	D
Philadelphia	10,576	848,681	1,116	671,240	8,610	209,620
Washington	165	38,039	S	S	S	S
Westmoreland	119	15,380	S	S	S	S
York	254	D	16	11,222	55	2,651

Abbreviations: D) Withheld to avoid disclosing data of individual companies, data are included in higher level totals; S) Withheld because estimates did not meet publication standards; a) 0 to 19 employees; b) 20 to 99 employees; c) 100 to 249 employees; e) 250 to 499 employees; f) 500 to 999 employees

**Table 2: Statistics for Selected Pennsylvania Places With 100 or More Black-Owned Firms**

Place	All firms		Firms with paid employees			
	Firms (number)	Sales and receipts (\$1,000)	Firms (number)	Sales and receipts (\$1,000)	Employees (number)	Annual payroll (\$1,000)
Abington	207	9,166	11	4,736	129	1,776
Allentown	S	S	S	S	S	S
Beaver Falls	S	S	S	S	S	S
Bensalem	103	8,681	8	7,492	76	1,724
Bristol township	103	7,070	S	S	S	S
Cheltenham	404	25,275	S	S	S	S
Chester	341	8,873	31	3,670	51	983
Duquesne	120	3,794	S	S	S	S
East Stroudsburg	S	S	S	S	S	S
Erie	130	46,940	S	S	S	S
Harrisburg	544	16,901	S	S	S	S
Lancaster city	134	3,413	19	2,440	39	421
Lower Merion	182	32,701	S	S	S	S
McKeesport	161	14,781	S	S	S	S
Nether Providence	S	S	S	S	S	S
New Castle	S	D	S	S	S	S
Norristown	266	2,998	S	S	S	S
Penn Hills	371	8,650	S	S	S	S
Philadelphia	10,576	848,681	1,116	671,240	8,610	209,620
Pittsburgh	1,733	143,022	183	124,759	1,480	32,328
Reading	185	6,318	S	S	S	S
Sharon Hill	131	2,109	S	S	S	S
Upper Darby	323	24,906	S	S	S	S
West Chester	112	5,167	S	S	S	S
Wilkesburg	S	S	S	S	S	S
Williamsport	S	S	S	D	a	D
Yeadon	S	S	S	S	S	S

Abbreviations: D) Withheld to avoid disclosing data of individual companies, data are included in higher level totals; S) Withheld because estimates did not meet publication standards; a) 0 to 19 employees; b) 20 to 99 employees; c) 100 to 249 employees; e) 250 to 499 employees; f) 500 to 999 employees