

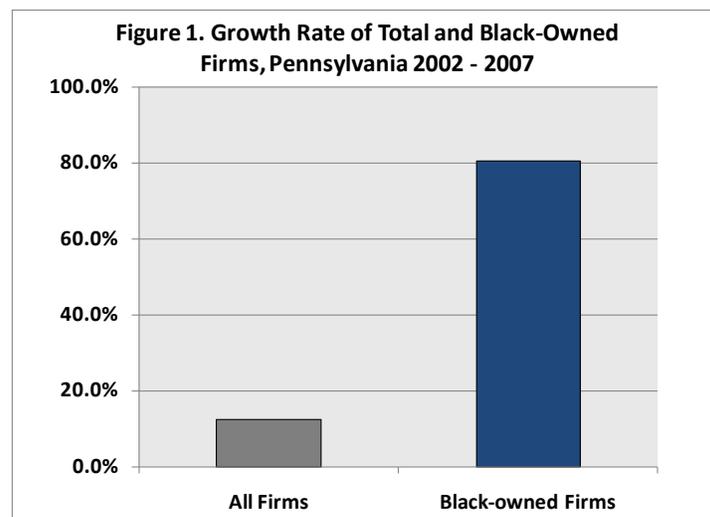
Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

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Pennsylvania Black-Owned Businesses Increase More Than 80 Percent

PENN STATE HARRISBURG – Black-owned businesses in Pennsylvania increased over 80 percent between 2002 and 2007, according to a recently-released U.S. Census Bureau report, 2007 Survey of Business Owners: Black-Owned Firms. The growth rate of the Commonwealth's Black owned firms was almost seven times the state average for all businesses (12.4 percent) (see Figure 1). Nearly 20,000 Black-owned firms have been added since 2002, increasing the Commonwealth's total to 44,717.



Source: U.S. Census Bureau, 2007 Survey of Business Owners: Black-Owned Firms

Black-owned firms accounted for 4.6 percent of all Pennsylvania establishments in 2007, up from 2.8 percent in 2002. Revenue generated by these establishments grew significantly during the period, increasing 67.2 percent, or \$1.4 billion. The increase in number of Black owned firms and the revenue they earned outpaced the national average by 20.1 and 12.1 percentage points, respectively.

Black-owned establishments in Pennsylvania took in a total of \$3.5 billion in 2007 and employed more than 20,000 workers with a combined payroll of \$651 million. The vast majority (93.7 percent) of Black-owned firms had no paid employees in 2007; however, Black-owned with employees accounted for nearly three-quarters of all receipts, or \$2.6 billion.

Black-owned Business by County

Philadelphia (19,834), Allegheny (5,005), Delaware (4,032), and Montgomery (2,779) counties led all Pennsylvania counties in the number of Black-owned businesses. Philadelphia County accounted for 44.4 percent of all Black-owned firms in Pennsylvania. In 2007, ten Pennsylvania Counties were home to 800 or more Black-owned businesses.

Philadelphia County Black-owned businesses generated the most revenue (\$1.3 billion), followed by the sales and receipts from businesses in Allegheny County (\$471.8 million). Taken together, Philadelphia and Allegheny counties accounted for almost half (48.6 percent) of all revenue taken in by Black-owned establishments in 2007. On average, Black establishments in Berks County generated the most revenue, about \$176,207 per business – more than 100,000 dollars above the state average of \$71,519.

Black-owned Businesses by Industry

In 2007, a total of 12,333 Black-owned establishments in Pennsylvania operated in the health care and social assistance industry, accounting for 27.6 percent. Other services (except public administration) followed with 5,973 establishments, or 13.4 percent. Professional, scientific, and technical services (4,250) businesses and retail trade businesses (4,074) made up 9.5 percent and 9.1 percent of Black-owned firms, respectively. African American business owners were least represented in mining (4), management of companies and enterprises (4) and agriculture, forestry, fishing and hunting, which recorded zero Black-owned firms.

The industries with the largest employment among Black-owned firms in 2007 were health care and social assistance (4,350), accommodation and food services (3,679), and administrative/support/waste management and remediation services (2,758). Among Black-owned firms, retail trade (\$628.1 million) and manufacturing firms (\$616.8 million) generated the most revenue.

More about the Survey of Business Owners

Approximately 2.3 million businesses received the 2007 SBO-1 questionnaire asking for information about characteristics of the businesses and their owners. Data are presented by gender, ethnicity, race, and veteran status for the United States by 2007 North American Industry Classification System (NAICS). Estimates include the number of employer and non-employer firms, sales and receipts, annual payroll, and employment. The survey has been conducted years in years ending in “2” and “7” since 1972 as part of the economic census.

The Pennsylvania State Data Center is the commonwealth’s expert in demographics and Census datasets. To request custom American Community Survey data tables or maps, contact the Pennsylvania State Data Center at 717.772.2710.

Source: U.S. Census Bureau, 2007 Survey of Business Owners: Black-Owned Firms

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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