
High Growth Rates
The growth rates in both number and gross receipts of minority-owned firms substantially exceeded those of nonminority business between 1992 and 1997.

Low Average Size
The average size of minority-owned businesses is substantially lower than nonminority firms in terms of both gross receipts and employment. [See below chart and Table 1]
Lower Entrepreneurial Activity
Minority-owned business activity (measured by number of firms, receipts and employment) in the United States continues to be significantly smaller than minority representation of the Nation’s population. [See Table 2]

Table 2: Comparison of 1997 Demographic and Firm Characteristics Distributions

<table>
<thead>
<tr>
<th>Group</th>
<th>Percent of Total U.S Population</th>
<th>Percent of Total U.S Firms</th>
<th>Percent of Total U.S Gross Receipts</th>
<th>Percent of Total U.S Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>12.7</td>
<td>4.0</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>0.9</td>
<td>0.9</td>
<td>0.2</td>
<td>0.3</td>
</tr>
<tr>
<td>Asian and Pacific Islander</td>
<td>3.8</td>
<td>4.0</td>
<td>2.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Hispanic</td>
<td>10.9</td>
<td>6.0</td>
<td>1.0</td>
<td>1.3</td>
</tr>
<tr>
<td>All Minority</td>
<td>27.3</td>
<td>14.6</td>
<td>3.2</td>
<td>4.4</td>
</tr>
</tbody>
</table>

NOTE: Detail on this table does not add to total (All Minority) because firms and individuals can be counted in multiple groups. A Hispanic firm may be of any race and, therefore, may be included in more than one minority group.

Achieving Entrepreneurial Parity – The Opportunity Gap
The state of minority business in 1997 would look radically different if parity had been achieved. Parity is defined as reaching proportionality between minority population percentage and percentage share of business development measures such as numbers of firms, gross receipts and employment.

Number of Firms, 1997 Actual and 1997 Parity
In this scenario, the number of minority-owned businesses would have been almost twice the actual number, or 5.7 million firms, rather than 3 million firms.

Business Gross Receipts, 1997 Actual and 1997 Parity
Parity in minority-owned business receipts would have resulted in more than eight times the actual number – from $0.6 trillion to $5.1 trillion.

Minority-Owned Business Employment, 1997 Actual and 1997 Parity
Employment in minority-owned firms would jump from 4.5 million to 28.2 million in the parity scenario.