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STATE OF

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MINORITY BUSINESS

2016

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INTRODUCTION

In the increasingly near future, the United States will cease to be a majority Caucasian population - instead transitioning to a “minority-majority” population where African Americans, Hispanics/Latinos, and Asians will be the leading demographic. If current metropolitan areas, such as Memphis, TN, are any indicator of what the future looks like, then the United States is slowly creeping towards rampant economic disparity. The present data supplied by the Census Bureau Survey of Business Owners (SBO) shows that over time, an increasing amount of the ethnic population in the United States is choosing to start a business. By directing these diverse business owners into industry segments that allow for growth, we are avoiding future economic instability of far-reaching proportions.

OBJECTIVES

The main objectives of this report are to forecast the future minority business landscape by:

- Analyzing the data from the US Census Bureau Survey of Business Owners to identify trends in minority businesses, specifically:
 - How different types of businesses (employer vs. non-employer) are performing;
 - How different race/ethnic groups are performing in terms of average receipts and number of businesses;
- Evaluating the effects of the 2008 Recession on minority businesses;
- Identifying solutions to problematic findings presented by the data.

METHODOLOGY

For the primary components of this report, The MMBC Continuum used data from the 2002, 2007, and 2012 Census Bureau Survey of Business Owners (SBO) to conduct a comparative analysis. In the 2002 SBO data set, The MMBC Continuum calculated the amounts for both number of businesses and average revenue of non-employer firms using the existing data provided. The average revenues for all firm types in the 2007 and 2012 SBO datasets were also derived using the same methodology. The Census Bureau expanded the ethnic categories of data collected starting in 2007; therefore, there is no collective “Minority” and “Nonminority” data available in the 2002 SBO.

EXECUTIVE SUMMARY

Without intervention, it is likely that the number of minority non-employer firms in operation will continue to increase and outpace the number of minority employer firms in operation, and that non-employer revenues will continue to fall at an alarming pace. During the most recent recession, many employers in Memphis either laid off or permanently discharged employees. In an effort to regain employment quickly, these individuals turned to self-employment in traditional industries with low barriers to entry such as catering, janitorial work, or landscaping as a means of providing for themselves and their families. With countless traditional firms operating in Memphis and not enough demand for their goods or services, sole-proprietorships are accepting whatever wages they are offered in an effort to stay competitive and employed. Of all minorities, it is highly likely that African-American business owners will continue to open non-employer firms in traditional industry segments, resulting in a severe decline in annual revenues. Non-employer businesses, while important and necessary to the livelihood of those who run them, have little to no impact on economic development and are not a sustainable source of job growth.

The data reveals some surprising and disappointing results about the economic climate in Memphis. Seventy-two percent of people in Memphis are of an ethnicity other than Caucasian, with 63% of those people being of African American descent. However, minority-owned firms in Memphis only earn *less than three percent* of the overall revenue generated by the community. When comparing the data from the 2012 and 2007 Census Bureau Survey of Business Owners, even though minority-owned firms in Memphis significantly grew in number, minority non-employer firms *lost an average of 27%* in revenue compared to minority employer firms, who gained an average of 48% in revenue. Of all minority-owned firms, African-American non-employer firms lost the most ground, *declining an average of 25%* in revenue from 2007 to 2012, despite the number of businesses growing by almost 20,000 firms. Fostering the growth of scalable employer firms, especially in the African American community, will lead to an increase of jobs and revenue locally in Memphis.

THE UNITED STATES OF MINORITY BUSINESS

The ethnic diversity of the United States' (US) economy is changing at an accelerated pace. According to the Census Bureau 2012 Survey of Business Owners (SBO), minority-owned

“Assuming that the number of firms owned by both minority and majority persons holds steady, by the 2027 SBO sampling, minority-owned firms could make up an approximate 55% of all firms in the US ...”

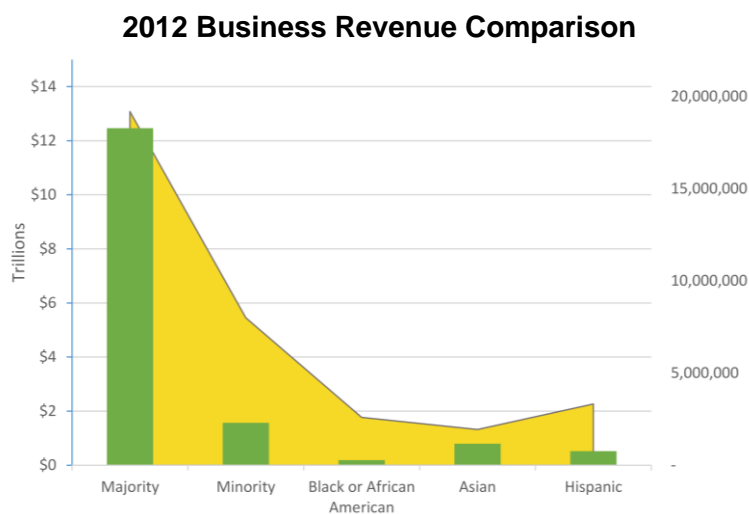
business enterprises (MBEs) currently make up about 29% of all businesses in the United States. Majority (Non-Hispanic White) persons own about 69% of business enterprises. Between 2007 and 2012, minority firms increased in number by 38%, while majority firms decreased about 5.5% in number. Assuming that the number of firms owned by both minority and majority persons holds steady, by the 2027 SBO sampling, minority-owned firms could make up an approximate 55% of all firms in the US, with approximately 44% of businesses owned by majority firms. Minority-owned businesses have continually grown in number since 2007, with over 2,193,177 businesses opening; however, average revenues have

declined 2.5% during the same period.

Additionally, the national data shows that although minority employer firms increased in number at about half the rate of minority non-employer firms, the employer firms had an increase in revenue of about 13.8% while non-employer firms lost about 5.6% in revenues.

Of all minority-owned firms, African-American firms were the only major ethnic group to suffer an overall loss of 21.5% in revenues since 2002. African-American non-employer firms fared the worst of all groups, losing an overall 8.8% in revenue.

Hispanic firms experienced a median amount of growth, with the average number of firms almost doubling per survey cycle, and revenues steadily increasing, with the exception of non-employer firms losing an average of \$4,146 from 2007 - 2012.



Source: 2012 Census Bureau Survey of Business Owners

Asian firms experienced no effects of the recent recession, and have continually grown in both number of firms and average revenues over the past decade. Asian employer firms have impressive average revenues of about \$1.3 million and non-employer firms earn an average of almost \$50,000 a year.

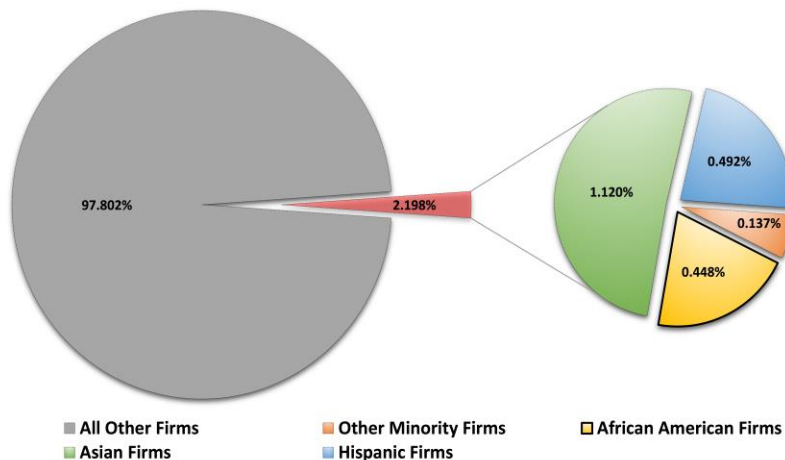
TENNESSEE: IN NEED OF MBES

As of the 2012 SBO, minority-owned firms earned only 2.25% of all revenue generated by business entities operating in Tennessee, leaving 97.75% of revenues controlled by majority business owners. The average annual revenue for a diverse firm was \$138,213; conversely, the average for a majority firm was \$475,607. Such a disparity in revenues is especially disappointing because over 25% of the population in Tennessee is of diverse descent¹.

“Of all minority-owned firms, African-American Non-Employer firms lost the most ground, declining an average of 25% in revenue from 2007 to 2012, despite the number of businesses growing by almost 28,000 firms.”

When comparing data from the 2007 and 2012 SBO, even though all minority-owned firms in Tennessee significantly grew in number, minority non-employer firms lost an average of 13.6% in revenue. Conversely, scalable minority employer firms in Tennessee experienced a larger growth in annual income than the national average. MBEs in Tennessee earned about \$300,000 more (a 31% increase) in 2012 than in 2007 – compared with the 14% increase in revenues experienced by the average minority-owned employer firm in the US.

State of TN Revenue Comparison by Race/Ethnicity



Source: 2012 Census Bureau Survey of Business Owners

Of all minority-owned firms, African-American non-employer firms lost the most ground, declining an average of 25% in revenue from 2007 to 2012, despite the number of businesses growing by almost 28,000 firms. African-American non-employer firms continue to fall behind in average annual revenues, earning an average income of \$16,813, compared to Hispanic firms, which earned an average of \$44,959, and Asian firms, which earned an average of \$57,651 in 2012.

THE BUSINESS CLIMATE IN SHELBY COUNTY

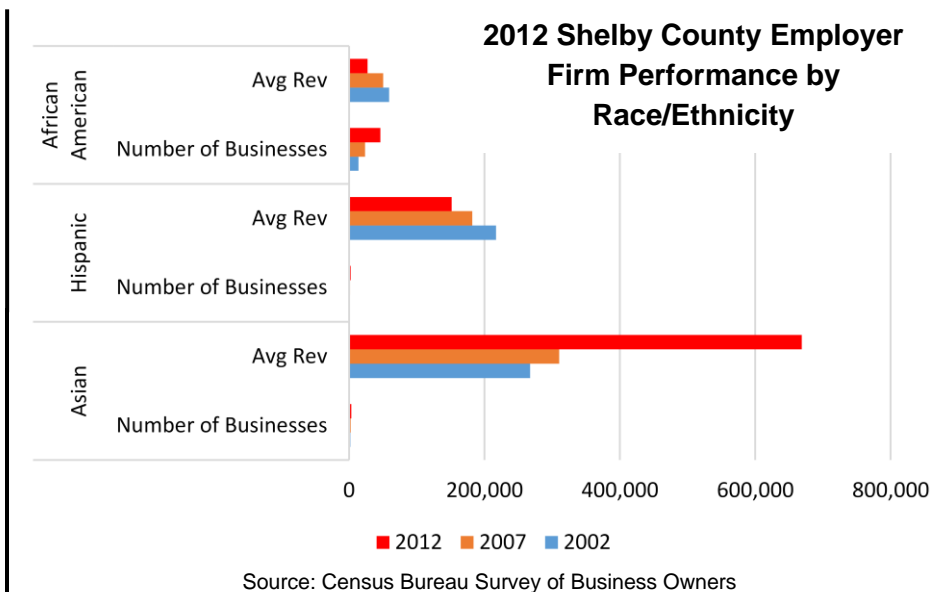
In keeping with state and national trends, SBO data from 2007 - 2012 shows that all minority-owned businesses are increasing in number at an accelerated pace, but the average receipts for MBEs in Shelby County have declined 16% from \$88,498 in 2007 to \$72,994 in 2012. In comparison, national minority business data indicates an average growth in revenue of 10% while average revenues in Tennessee improved 16%. Minority-owned non-employer firms continue to fall behind the national data as well. Minority non-employer firms are losing ground nationally; however, non-employer firms in Shelby County earn more than one and a half times less revenue than national minority non-employer firms.

African-American firms have continued to struggle with revenues over the past decade. In 2002 the average African-American owned firm in Shelby County had about \$59,055 in receipts - now that same firm can expect to earn an average of \$27,190 annually (a decrease of 54%). African-American

non-employer firms lost about 36% of revenues since 2002, earning an average annual income of \$14,694. Even employer firms, while more successful than non-employer firms, are continuing to gross average revenues of less than \$1 million.

Hispanic-owned firms continued to stay within the median range of the

data. While the typical firm lost about 30% in revenues during the survey period, the usual business could still expect to make about \$151,374 a year. Hispanic non-employer firms experienced the most traumatic shift, increasing revenues from 2002 to 2007 by 123.4%, only to have them decline again to about \$33,769 in 2012. Asian firms continually have the best business performance of all minorities, despite a loss of about 55 employer firms in the Shelby County area around 2007, but more than doubling that amount to 1,002 firms at the time of the 2012 SBO.

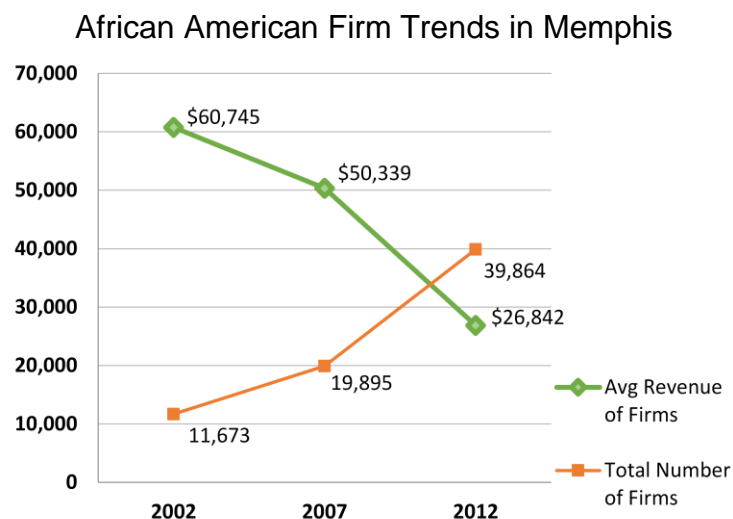


CITY OF MEMPHIS: A PILOT STUDY FOR FUTURE MINORITY BUSINESSES?

Keeping in mind that the population of Memphis is a “majority-minority” population where 72.5% of the population is of minority descent,² the City of Memphis data was the most disconcerting. In 2012, the typical minority firm had average receipts of \$72,889 (down about \$8,000 from 2007); however, the average minority business in Tennessee could expect to earn about \$155,143 annually. In fact, minority-owned businesses in Tennessee were making about \$21,500 more in 2012 than in 2007, when their average receipts were \$133,705. Even more disappointing is that the average minority firm in the US can expect to gross almost \$200,000 a year.

“In short, the majority of Memphis’ population, which is predominately African American, is operating a sole proprietorship earning just \$13,183 a year when the US poverty threshold for a family of four is \$24,250.”

The trend continued with minority non-employer firms, who grossed an average of \$15,382 – earnings that are 17% less than Shelby County average receipts, 41% less than the Tennessee average, and 51% less than the national average. Scalable minority employer firms, on the



Source: Census Bureau Survey of Business Owners

contrary, made a much more positive impact on the Memphis economy. The data showed that minority-owned businesses in Memphis competed about on par with minority firms in Tennessee, earned about \$100,000 more than minority firms in other parts of Shelby County, and earned almost \$150,000 more than the typical minority firm in the US.

African-American firms were hit especially hard by the recession, losing about 55.8% in revenues from 2002-2012. While scalable employer firms actually had a

net gain of 18.6% in revenues, non-employer firms lost the most revenue, earning just \$13,183 – down from \$22,074 in 2002 (a 40.3% loss). In Memphis, just 798 African-American owned firms are scalable employer firms, leaving the remaining 39,066 firms (98%) operated by sole proprietors. With 63.3% percent of the population of Memphis being of African American descent, and 56.2% of all firms in Memphis operated by African Americans, that leaves just 7.1% of African Americans who are employed by someone other than themselves. In short, the majority of Memphis’ population, which is predominately African American, is operating a sole proprietorship earning just \$13,183 a year when the US poverty threshold for a family of four is \$24,250.³

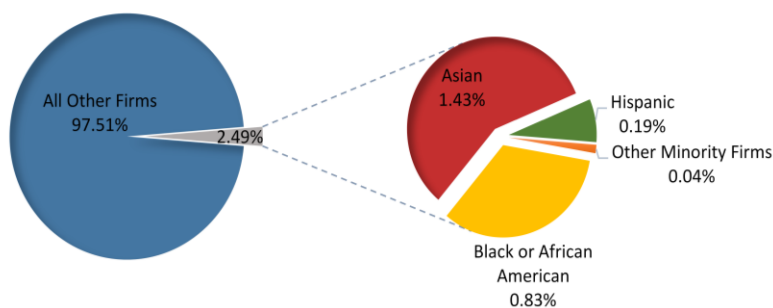
THE BUSINESS CASE FOR DEVELOPING EMPLOYER FIRMS IN MEMPHIS

In analyzing data from the 2007 - 2012 SBO, one glaring trend became apparent: overall, minority non-employer firms are not growing their revenues year-to-year, and the market is flooded with an abundance of them. In the after effects of the 2007 recession, unemployment rose to a height of 10.5% in 2011 in Memphis, driven by an average unemployment rate of 15.2% in the African American Community.⁴ With so many people out of work, it is likely that many looked to starting businesses in industries with low barriers to entry, such as landscaping, catering, or janitorial services. As a result, Memphis experienced about a 99% growth in minority non-employer firms, and a 104% growth in African-American non-employer firms. As sole proprietorships began to fill the service industry and turned it into a “red ocean”, supply exceeded demand to the point where business owners were likely taking any wage amount offered in an effort to stay in business. The data supports this, as minority non-employer firm revenues dropped 27% and African-American non-employer revenues declined 25%. In 2012, a minority non-employer firm could expect to earn \$15, 382 in annual revenues, while an African-American non-employer firm could expect to earn \$13,183.

“Numerous studies show that minority firms are more likely to hire diverse employees, a practice that is often more effective at reducing unemployment rates in minority communities than overall economic and employment growth initiatives.”

In comparison, scalable minority employer firms experienced growth even in a post-2008 recession atmosphere. The number of scalable minority employer firms grew by 336 businesses,

City of Memphis Revenue Comparison by Race/Ethnicity



Source: Census Bureau Survey of Business Owners

and average revenues increased by 48% to \$1,508,219 - higher than the national average of \$1,456,084. While African-American firms lost 23% of revenues following the recession, they were still making a net of 18.6% more in receipts than in 2002. Despite the growth of existing minority employer firms, Memphis needs more scalable employer firms to

further economic development progress. The survival of Memphis’ economy is dependent on developing scalable employer firms, because a population that is 73% minority with 63% of African American descent⁵ cannot sustain itself on less than 3% of all revenues generated within the city.

Memphis' main source of revenue comes from its many corporate entities in the city and surrounding areas. As a supplier to the corporate entities, there are many opportunities for contract awards as a steady source of revenue.

The survival of Memphis' economy is dependent on developing employer firms, because a population that is 73% minority ... cannot sustain itself on less than 3% of all revenues generated within the city.

According to a 2011 survey of 200 companies conducted by the Center for an Urban Future, employer firms who become suppliers to large corporations experience higher revenues and hire more employees. About 63% of suppliers to corporations have average revenues of over \$500,000, and firms experience an average of 266% in revenue growth 1-2 years after becoming a corporate supplier. Corporate suppliers are more likely to hire new employees as well. Over 70% of survey respondents increased their employment after becoming a supplier, with 37% doubling their employment.⁶

Minority employer firms are also a sustainable source of job growth for the community. Numerous studies show that minority firms are more likely to hire diverse employees, a practice that is often more effective at reducing unemployment rates in minority communities than overall economic and employment growth initiatives.⁷ With current average unemployment rates hovering at 6.3% as of 30 November 2015⁸, and an annual average unemployment rate for African Americans of 13.2%⁹, Memphis would benefit greatly from a different, targeted approach to economic development.

THE MMBC CONTINUUM

WHO WE ARE

The MMBC Continuum is a strategic business and economic accelerator in Memphis, TN that operates programs based on statistical data to address the challenges of growing diverse business enterprises in the business-to-business space. We specialize in certifying, advising, and connecting Minority and Women-owned Business Enterprises (M/WBEs) that provide unique products and services with corporations challenged to procure goods/services in non-traditional segments. The MMBC Continuum continually advocates for business expansion and job creation, and an integral part of our strategy is to unite our members through joint ventures and encourage them to explore other industries where supply is low but corporate demand is high.

In 2012, the Minority Business Development Agency (MBDA), as part of the US Department of Commerce, awarded The MMBC Continuum the distinction of operating an MBDA Business Center. Our business center is part of a network of 44 centers across the nation tasked with scaling MBEs into businesses that generate over \$100 million in annual revenue. We are dedicated to providing our MBEs with high-level business consulting services to help them secure competitive contracts, create jobs, and expand regionally, nationally, and internationally.

WHAT WE DO

Along with collecting and analyzing M/WBE data, researching industry trends, and constantly monitoring the macroeconomic environment, we have formed invaluable relationships with high-level executives at our member corporations. Corporations such as FedEx, AutoZone, and International Paper work with us to clarify RFP requirements and provide us with gaps in their supply chain, allowing us to aid them in sourcing scalable M/WBEs to fill their non-traditional procurement needs. In addition, we recently launched the Corporate Efficiency Directory (CED), allowing corporate purchasing managers to source capable M/WBEs at their convenience.

As part of our new *Scalability 2.0* initiative, we provide business-consulting services using the latest industry data and feedback from our corporate members to redirect M/WBEs in traditional segments (i.e. Landscaping, Janitorial, or Catering) into non-traditional or emerging growth industry segments based on corporate procurement needs. The MMBC Continuum also encourages established traditional firms to form strategic, joint venture partnerships with firms in complementary industry segments. Joint Venture entities are able to quickly expand capacity, revenues, and compete competitively for larger contracts. In order to continue aiding the non-employer firms in our membership, we currently provide access to the Business Resource Gateway (BRG) - a virtual business advising service that guides business owners through the business life cycle and provides them ample training resources, articles, and videos for each stage of business growth. Our greatest accomplishment, however, is that we provide elite consulting services while continuing to operate as a 501(c)(6).

APPENDIX

US, TN, and Memphis City Employer vs Non-Employer Business Data

	All Minority Firms	Avg. Rev	Minority Employer Firms	Avg. Rev	Minority Non-Employer Firms	Avg. Rev	Majority Employer Firms	Avg. Rev	Majority Non-Employer Firms	Avg. Rev	
United States	2012	7,952,386	\$173,552	908,800	\$1,277,983	7,043,587	\$31,052	4,156,683	\$2,337,043	14,831,235	\$51,815
	2007	5,759,209	\$177,941	766,533	\$1,122,577	4,992,676	\$32,910	4,337,535	\$2,089,363	15,763,391	\$47,801
	2002	*	*	*	*	*	*	*	*	*	*
	% Change	38.1%	-2.5%	18.6%	13.8%	41.1%	-5.6%	-4.2%	11.9%	-5.9%	8.4%
Tennessee	2012	105,234	\$138,213	8,808	\$1,371,943	96,426	\$25,518	72,131	\$2,604,340	361,894	\$51,318
	2007	68,218	\$133,705	6,982	\$1,047,285	61,236	\$29,541	78,288	\$2,244,279	380,807	\$46,800
	2002	*	*	*	*	*	*	*	*	*	*
	% Change	54.3%	3.4%	26.2%	31.0%	57.5%	-13.6%	-7.9%	16.0%	-5.0%	9.7%
Shelby County	2012	52,295	\$73,579	2,080	\$1,403,143	50,216	\$18,505	9,493	\$3,952,961	31,076	\$57,264
	2007	27,760	\$87,526	1,627	\$1,084,604	26,133	\$25,449	10,563	\$2,777,253	34,415	\$50,619
	2002	*	*	*	*	*	*	*	*	*	*
	% Change	88.4%	-15.9%	27.8%	29.4%	92.2%	-27.3%	-10.1%	42.3%	-9.7%	13.1%
City of Memphis	2012	43,949	\$72,889	1,693	\$1,508,219	42,256	\$15,382	7,012	\$4,604,199	17,745	\$55,237
	2007	22,597	\$80,899	1,357	\$1,018,996	21,240	\$20,965	7,674	\$3,184,265	18,904	\$52,915
	2002	*	*	*	*	*	*	*	*	*	*
	% Change	94.5%	-9.9%	24.8%	48.0%	98.9%	-26.6%	-8.6%	44.6%	-6.1%	4.4%

* Data Unavailable

US Census Bureau SBO African American Data 2002 - 2012

	Total Number of Businesses	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12	Number of Employer Firms	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12	Number of Non-Employer firms	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12
United States	2012	2,584,403	\$58,119		109,137	\$947,905			2,475,266	\$18,888		
	2007	1,921,864	\$70,629		106,566	\$911,594			1,815,298	\$21,261		
	2002	1,197,567	\$74,018	115.8%	94,518	\$696,158	15.5%	36.2%	1,103,049	\$20,708	124.4%	-8.8%
	% Change '07-'12	34.5%	-17.7%		2.4%	4.0%			36.4%	-11.2%		
	% Change '02-'07	60.5%	-4.6%		12.7%	30.9%			64.6%	2.7%		
Tennessee	2012	73,688	\$40,274		2,265	\$780,106			71,422	\$16,813		
	2007	45,726	\$65,516		2,029	\$991,955			43,697	\$22,498		
	2002	26,811	\$65,459	174.8%	2,075	\$593,787	9.2%	31.4%	24,736	\$21,140	188.7%	-20.5%
	% Change '07-'12	61.2%	-38.5%		11.6%	-21.4%			63.4%	-25.3%		
	% Change '02-'07	70.5%	0.1%		-2.2%	67.1%			76.7%	6.4%		
Shelby County	2012	46,307	\$27,190		882	\$670,781			45,425	\$14,694		
	2007	23,586	\$50,580		832	\$871,666			22,753	\$20,558		
	2002	13,822	\$59,055	235.0%	919	\$565,941	-4.0%	18.5%	12,903	\$22,953	252.0%	-36.0%
	% Change '07-'12	96.3%	-46.2%		6.0%	-23.0%			99.6%	-28.5%		
	% Change '02-'07	70.6%	-14.4%		-9.5%	54.0%			76.3%	-10.4%		
Memphis	2012	39,864	\$26,842		798	\$695,503			39,066	\$13,183		
	2007	19,895	\$50,339		737	\$904,252			19,157	\$17,491		
	2002	11,673	\$60,745	241.5%	800	\$586,329	-0.3%	18.6%	10,873	\$22,074	259.3%	-40.3%
	% Change '07-'12	100.4%	-46.7%		8.3%	-23.1%			103.9%	-24.6%		
	% Change '02-'07	70.4%	-17.1%		-7.9%	54.2%			76.2%	-20.8%		

US Census Bureau SBO Hispanic Data 2002 - 2012

		Total Number of Businesses	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12	Number of Employer Firms	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12	Number of Non-Employer firms	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12
United States													
	2012	3,305,873	\$143,271			287,501	\$1,321,717			3,018,371	\$31,024		
	2007	2,260,269	\$155,141			248,852	\$1,124,848			2,011,417	\$35,170		
	2002	1,573,464	\$141,044	110.1%	1.6%	199,542	\$899,600	44.1%	46.9%	1,373,922	\$30,875	119.7%	0.5%
	% Change '07-'12	46.3%	-7.7%			15.5%	17.5%			50.1%	-11.8%		
	% Change '02-'07	43.6%	10.0%			24.7%	25.0%			46.4%	13.9%		
Tennessee													
	2012	13,743	\$236,969			1,260	\$2,139,245			12,483	\$44,959		
	2007	8,700	\$204,039			1,097	\$1,285,049			7,603	\$48,065		
	2002	4,301	\$233,525	219.5%	1.5%	885	\$1,001,608	42.4%	113.6%	3,416	\$34,533	265.4%	30.2%
	% Change '07-'12	58.0%	16.1%			14.9%	66.5%			64.2%	-6.5%		
	% Change '02-'07	102.3%	-12.6%			24.0%	28.3%			122.6%	39.2%		
Shelby County													
	2012	2,446	\$151,374			186	\$1,580,339			2,260	\$33,769		
	2007	1,304	\$182,046			128	\$1,206,570			1,176	\$70,532		
	2002	532	\$216,942	359.8%	-30.2%	121	\$846,562	53.7%	86.7%	410	\$31,656	451.2%	6.7%
	% Change '07-'12	87.6%	-16.8%			45.3%	31.0%			92.2%	-52.1%		
	% Change '02-'07	145.1%	-16.1%			5.8%	42.5%			186.8%	122.8%		
Memphis													
	2012	1,933	\$125,484			155	\$1,267,194			1,779	\$25,940		
	2007	909	\$176,741			88	\$1,115,795			821	\$76,089		
	2002	366	\$277,626	428.1%	-54.8%	98	\$927,755	58.2%	36.6%	269	\$39,740	561.3%	-34.7%
	% Change '07-'12	112.7%	-29.0%			76.1%	13.6%			116.7%	-65.9%		
	% Change '02-'07	148.4%	-36.3%			-10.2%	20.3%			205.2%	91.5%		

US Census Bureau SBO Asian Data 2002 - 2012

		Total Number of Businesses	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12	Number of Employer Firms	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12	Number of Non-Employer firms	Avg. Revenues	% Change in # of firms '02-'12	% Change in rev of firms '02-'12
United States													
	2012	1,917,902	\$364,717			481,026	\$1,304,571			1,436,876	\$50,081		
	2007	1,549,559	\$326,575			397,426	\$1,141,280			1,152,134	\$45,545		
	2002	1,103,587	\$296,002	73.8%	23.2%	319,468	\$911,399	50.6%	43.1%	784,118	\$45,275	83.2%	10.6%
	% Change '07-'12	23.8%	11.7%			21.0%	14.3%			24.7%	10.0%		
	% Change '02-'07	40.4%	10.3%			24.4%	25.2%			46.9%	0.6%		
Tennessee													
	2012	14,364	\$516,011			4,727	\$1,450,475			9,637	\$57,651		
	2007	11,178	\$319,849			3,527	\$903,420			7,651	\$50,831		
	2002	7,241	\$301,429	98.4%	71.2%	2,753	\$713,713	71.7%	103.2%	4,488	\$48,529	114.7%	18.8%
	% Change '07-'12	28.5%	61.3%			34.0%	60.6%			26.0%	13.4%		
	% Change '02-'07	54.4%	6.1%			28.1%	26.6%			70.5%	4.7%		
Shelby County													
	2012	3,222	\$668,815			1,002	\$1,991,867			2,221	\$71,620		
	2007	2,580	\$310,407			592	\$1,176,247			1,988	\$52,571		
	2002	1,789	\$267,581	80.1%	149.9%	647	\$668,258	54.9%	198.1%	1,142	\$40,578	94.5%	76.5%
	% Change '07-'12	24.9%	115.5%			69.3%	69.3%			11.7%	36.2%		
	% Change '02-'07	44.2%	16.0%			-8.5%	76.0%			74.1%	29.6%		
Memphis													
	2012	1,933	\$953,726			734	\$2,412,595			1,199	\$60,641		
	2007	1,574	\$299,485			472	\$916,051			1,102	\$35,402		
	2002	1,154	\$348,355	67.5%	173.8%	537	\$700,650	36.7%	244.3%	617	\$41,739	94.3%	45.3%
	% Change '07-'12	22.8%	218.5%			55.5%	163.4%			8.8%	71.3%		
	% Change '02-'07	36.4%	-14.0%			-12.1%	30.7%			78.6%	-15.2%		

RACE/ETHNICITY CODE DEFINITIONS

Race/Ethnicity Code	Definition
Minority	Minority-owned. Hispanics, Blacks or African Americans, American Indians and Alaska Natives, Asians, Native Hawaiians and Other Pacific Islanders, and/or persons of some other race not classified as "non-Hispanic White" own 51 percent or more of the equity, interest, or stock of the business.
Majority or Nonminority	Nonminority-owned. Non-Hispanic Whites own 51 percent or more of the equity, interest, or stock of the business.
African American	<p>Black-owned. Blacks or African Americans own 51 percent or more of the equity, interest, or stock of the business.</p> <p>Black or African American is defined as a person having origins in any of the black racial groups of Africa, including those who consider themselves to be "Haitian."</p>
Hispanic	<p>Hispanic-owned. Hispanics own 51 percent or more of the equity, interest, or stock of the business.</p> <p>Hispanic or Latino is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Data are tabulated for the following Hispanic subgroups:</p> <ul style="list-style-type: none"> • Mexican, Mexican American, Chicano • Puerto Rican • Cuban • Other Hispanic, Latino, or Spanish origin
Asian	<p>Asian-owned. Asians own 51 percent or more of the equity, interest, or stock of the business.</p> <p>Asian is defined as a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam. Data are tabulated for the following Asian subgroups:</p> <ul style="list-style-type: none"> • Asian Indian • Chinese • Filipino • Japanese • Korean • Vietnamese • Other Asian
Employer Firm	A firm or company with any amount of paid employees other than the owner.
Non-Employer Firm	A firm or company with no paid employees other than the owner.

Source: US Census Bureau American FactFinder – About the Data

ENDNOTES

¹ <http://quickfacts.census.gov/qfd/states/47000.html>

² <http://www.census.gov/quickfacts/table/PST045215/4748000,00>

³ <https://aspe.hhs.gov/2015-poverty-guidelines>

⁴ http://www.bls.gov/opub/gp/pdf/gp11_27.pdf

⁵ <http://www.census.gov/quickfacts/table/PST045215/4748000,00>

⁶ https://nycfuture.org/pdf/Giving_Small_Firms_the_Business.pdf

⁷ http://people.ucsc.edu/~marion/Papers/stateaffirmaction_v15.pdf

⁸ <https://research.stlouisfed.org/fred2/series/MPHUR/#>

⁹ http://www.bls.gov/opub/gp/pdf/gp14_27.pdf

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