Economic Update
October 5, 2015

State of Minority Business
Including
A Market View: Kansas & Missouri

Presented by:
Helena Haynes-Carter, Executive Director
MBDA Business Center, Denver, Colorado
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Minority-Owned Firms vs. Non-Minority-Owned Firms Growth Rates 2007-2012

- Gross Receipts: 53% (Minority), 27% (Non-Minority)
- Employees: 33% (Minority), 7% (Non-Minority)
- Number of Firms: 39% (Minority), -5% (Non-Minority)

Source: Census Bureau, Survey of Business Owners
Primary Sources

- **US Census**
  - 2012 Survey of Business Owners - *August 2015 Release*
  - 2010 Survey of Business Owners (Update)
  - 2002 & 2007 – Full Survey Analysis by Ethnicity

The universe for the 2010 & 2012 Survey of Business Owners (SBO) includes all U.S. firms operating during 2012 with receipts of $1,000 or more which are classified in the North American Industry Classification System (NAICS) Sectors.

- **Bureau of Economic Analysis** - Gross Domestic Product
But to fully understand an economy’s performance, one must ask not only “What is GDP?” (or “What is the value of the economy’s output?”), but other questions such as: “How much of the increase in GDP is the result of inflation and how much is an increase in real output?” “Who is producing the output of the economy?” “What output are they producing?” “What income is generated as a result of that production?” and “How is that income used (to consume more output, to invest, or to save for future consumption or investment)?”
<table>
<thead>
<tr>
<th>Group</th>
<th>All Firms</th>
<th>All Firms Gross Receipts</th>
<th>Firms with Employees</th>
<th>Avg. Employer Receipts</th>
<th>Paid Employees</th>
<th>Population Buying Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American</td>
<td>1,921,864</td>
<td>$135.7 billion</td>
<td>106,566</td>
<td>$911,594</td>
<td>909,552</td>
<td>$910.4 billion</td>
</tr>
<tr>
<td>American Indian &amp; Alaska Native</td>
<td>236,691</td>
<td>$34.4 billion</td>
<td>23,662</td>
<td>$1,161,951</td>
<td>185,037</td>
<td>$64.7 billion</td>
</tr>
<tr>
<td>Asian</td>
<td>1,549,559</td>
<td>$506.0 billion</td>
<td>397,426</td>
<td>$1,141,280</td>
<td>2,807,771</td>
<td>$508.6 billion</td>
</tr>
<tr>
<td>Hispanic</td>
<td>2,260,269</td>
<td>$350.7 billion</td>
<td>248,852</td>
<td>$1,124,848</td>
<td>1,908,161</td>
<td>$978.4 billion</td>
</tr>
<tr>
<td>Native Hawaiian &amp; Other Pacific Islander</td>
<td>37,687</td>
<td>$6.3 billion</td>
<td>4,151</td>
<td>$1,264,828</td>
<td>37,801</td>
<td>Combined in Asian $2.46 trillion</td>
</tr>
<tr>
<td>All Minority</td>
<td>5,759,209</td>
<td>$1.0 trillion</td>
<td>766,533</td>
<td>$1,122,577</td>
<td>5,816,114</td>
<td>$2.46 trillion</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2007 Survey of Business Owners, released June 2010
— Over $1 trillion in economic output and provides nearly 6 MILLION JOBS for U.S. citizens; plus an additional 10 MILLION JOBS thru economic activity.

— More balanced in terms of hiring both minority and non-minority workers.

— Potential to contribute significantly to the balance of trade as they are TWICE AS LIKELY to generate sales through exports.

— The nation is failing to reap the full benefits of economic parity – the creation of 11.2 MILLION ADDITIONAL JOBS, $2.5 trillion in gross receipts and an unrealized tax base exceeding $100 BILLION per year.

**THE U.S. NEEDS STRONG MINORITY-OWNED FIRMS TO SUPPORT GREATER JOB GROWTH FOR MAXIMUM ECONOMIC BENEFIT TO THE NATION.**
States Leading the Way

- California & Texas
  - 59% of the National Total
- New York
- Georgia
- California & Texas
  - Highest Numbers of Minority Owned Businesses
Kansas & Missouri - US Business Climate Survey - 24th & 26th

Uneven Sector Growth - Housing & Construction Leading

MO: 2.05x the # of MBEs vs. Kansas and 10.3x employees
Top Employing MBE Market Sectors
KS & MO

- Wholesale trade
- Other Services
- Construction
- Professional Services
- Retail Trade
- Real Estate
Least MBE Employing Market Sectors
KS & MO

- Information: 8,520
- Mining, quarrying, and oil and gas extraction: 8,052
- Management of companies and enterprises: 1,301
- Industries not classified: 976
- Utilities: 536
US MBE Growth - Contextualized

Quarterly Change, Annual Rate

Four-Quarter Change

Note: Shading denotes recession.
A Look at Economic Parity

— United States
  ▪ Asian-Owned Firms at Parity.
  ▪ Generate $508 Billion in Economic Output to the U.S. Economy and Create 2.8 Million Jobs

— Missouri
  ▪ Only Asian Americans have reached parity in the # of firms in comparison to their representation of the state’s population
  ▪ Needed Benchmarks for MO minority business activity in Reach Parity:
    ✓ 70,000 MBE Firms; $28B in Receipts; #185,000 Workers

— Kansas
  — 2002 Native Hawaiians & Other Pacific Islanders reached parity in the # of firms or gross receipts in comparison to their representation of the state’s population
    — NOTE: current data shows a significant decline in this MBE population
  ▪ Needed Benchmarks for KS minority business activity in Reach Parity:
    ✓ 37,640 MBE Firms; $16.7B in Receipts; #94,000 Workers

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Grow your business. Build the Nation.
Today, the importance of minority-owned businesses as a key component of U.S. international trade has never been greater.

 Minority-owned firms have the most favorable export attributes of any sector of the U.S. economy and represent the future of export growth. They are:

— **TWICE AS LIKELY** to export their products and services;
— **SIX TIMES MORE LIKELY** to transact business in a language other than English;
— **THREE TIMES MORE LIKELY** to generate 100% of their revenues from exporting;
— **MORE LIKELY** to have international operations than non-minority owned firms; and
— **SUBSTANTIAL CONTRIBUTORS** to exports in manufacturing, retail trade, technology, and educational services.
MBDA Global Business Development

MBDA works to increase export opportunities for Sector firms in the following countries.
Market Pre-RFP Opportunities

51 Federal
14 State & Local
65 Total

79 Federal
23 State /Local
102 Total
Summary

Numeric Growth

Annual Receipts

70% Differential
Keys to Continued Success
Thank You!

MBDA Business Center, Denver, Colorado

Operated by the
Mountain Plains MSDC

6025 South Quebec Street, Suite 135
Centennial, Colorado 80111
(303) 623-3105

www.denvermbdacentral.com

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