

Black Owned Businesses: The Current State & Growth Imperative

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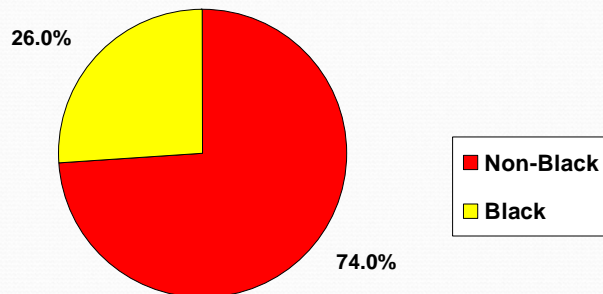
Talk will Draw Upon Several Recent Experiences

- Oct 2007 Study conducted for Congressional Black Caucus
- November 2007 National Survey of Black CEOs
- Book Manuscript in Progress
- Experience at launching a new business - EuQuant

Black Business Economic Impact 2006

- Over the last five years Black businesses out grew those of all other ethnic groups
- For every \$1 million spent with Black businesses 10 jobs are added to the business; 7 go to Blacks.
- Every \$1 million of Black Business revenue adds \$3.1 million in to total US output and 25 jobs to the economy.
- Nationally, Black businesses operate in neighborhoods that are 44% Black; 35% operate in high poverty areas.
- But in Georgia only 6\$ out of every \$100 is spent with Black businesses

Percent of Black Business Revenue from Blacks



Percent Black Employees in Black Businesses

Industry	% of African American Employees
Construction	70.0%
Manufacturing	55.0%
Transportation, Comm., Utilities	76.0%
Wholesale	72.0%
Retail	49.0%
FIRE	87.0%
Services	60.0%
GROUP TOTAL	64.0%

Most Successful Industries for Blacks in Georgia (Revenue Over \$500,000 in 2006)

Most Successful Industries for Blacks in Georgia (Revenue Over \$500,000 in 2006)	Black (Tot =241)	Percent
Administrative and Management Consulting	7	2.9%
Architectural, Engineering	16	6.6%
Business Support Services	5	2.1%
Chemical and Plastics Manufacturing	3	1.2%
Commercial and Heavy Construction	33	13.7%
Computer Systems Program and Design	53	22.0%
Electrical Contractors	8	3.3%
Electrical Goods Merchant and Wholesalers	6	2.5%
Employment Services	7	2.9%
Facilities Support Services	6	2.5%
General Construction	25	12.0%
General Freight Trucking, Local	7	2.9%
Janitorial Services	18	7.5%
Metal Products Manufacturing	6	2.5%
Office Administrative and Management	12	5.0%
Professional, Scientific, and Technical	8	3.3%
Security Guards and Patrol Services	6	2.5%
Trucking and Warehousing	4	1.7%

Black Businesses with Paid Employees in Georgia, 2002
(Comprise 3.9% of all Firms & .5% of Total State Revenue)

Industry	African American			
	Total Revenue (000)	Average Revenue per Firm (000)	No. of Firms	Percent of all Firms
Total for all sectors	3,909,083	635.73	6,149	
Construction	574,671	934.42	615	10.0%
Manufacturing	92,159	2,143.23	43	0.7%
Wholesale Trade	196,497	1,584.65	124	2.0%
Retail Trade	1,006,985	1,498.49	672	10.9%
Transportation and Warehousing	187,601	613.08	306	5.0%
Information	61,846	745.13	83	1.3%
Finance and Insurance	130,628	421.38	310	5.0%
Real Estate and Rental and Leasing	50,489	285.25	177	2.9%
Professional, Scientific and Technical Services	399,359	504.88	791	12.9%
Administrative Support,	222,362	429.27	518	8.4%
Educational Services	14,988	205.32	73	1.2%
Health Care and Social Assistance	470,941	363.38	1,296	21.1%
Other Services	141,566	243.66	581	9.4%

Black Women Employee Businesses in Georgia
Number =29% of all Black Businesses
Ave Revenue = 58% of Black Business Rev

Industry	African American			
	Total Revenue (000)	Average Revenue (000)	No. of Firms	Percent of all Firms
Total for all sectors	647,714	368.02	1,760	
Manufacturing	812	90.22	9	0.5%
Real Estate and Rental and Leasing	8,991	191.30	47	2.7%
Administrative Support	55,859	473.38	118	6.7%
Health Care and Social Assistance	171,222	262.21	653	37.1%

Growth of Black Businesses vs. Other Race/Ethnic Groups 1982 and 2002

Racial/Ethnic Category	1982	2002	Percent Change 1982 - 2002
All Firms	12,059,950	22,974,655	90.5%
White	11,234,999	18,609,599	65.6%
Hispanic or Latino	284,011	1,573,464	454.0%
Black	308,260	1,197,567	288.5%
Native American	17,100	201,387	1077.7%
Asian	240,806	1,103,587	358.3%

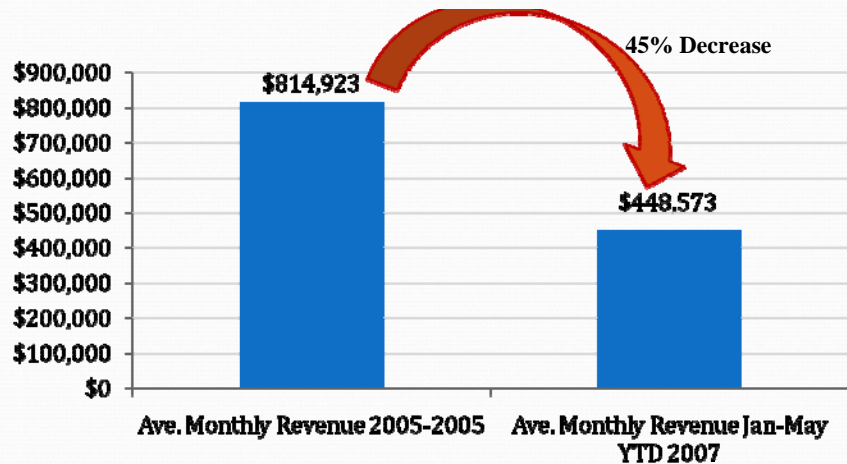
Continuing Indicators of Racial Disparities (2004)

	Median Income	Poverty Rate	Net Worth	Percent of Population	Percent of Businesses	Businesses Per 1000s
White	\$50,677	8.4%	\$79,400	67.4%	81.0%	94
Hispanic or Latino	\$35,467	22.2%	\$9,750	14.1%	6.8%	38
Black	\$31,140	24.7%	\$7,500	12.8%	5.2%	32
Native American	\$33,627	12.2%		1.0%	.9%	71
Asian	\$59,877	10.9%		4.2%	4.8%	90
Total or Average	\$46,037	12.6%	\$55,000			78

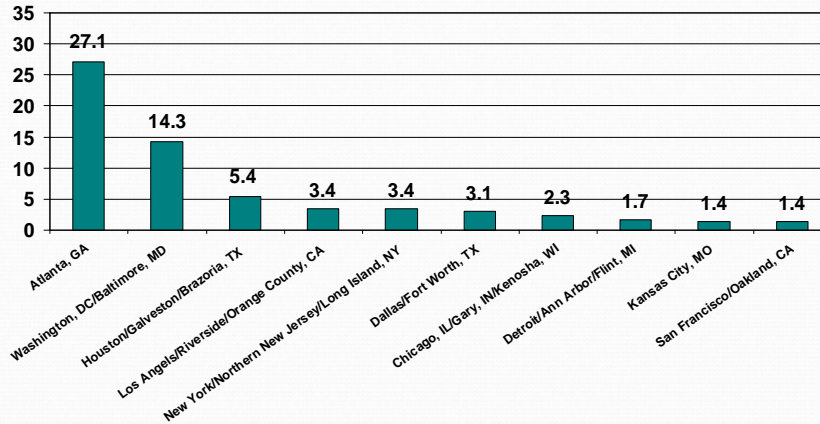
What are the Growth Imperatives?

- Increase the capacity of Black Owned Businesses
- Reform Government contracting policies, PNW etc.
- Increase access to corporate supply chains
- Increase support of Black businesses
- Must reposition Black businesses for globalization

GDOT DBE Monthly Revenue Decreased by 45% following Decertification for PNW



Preferred Location for Black Businesses



Conclusion

- Increasing the capacity and competitiveness of Black owned firms is the most important imperative for our community and country.
- We all share in this responsibility
- Black businesses account for a growing percentage of US final demand and jobs and locate in underserved communities.
- Our economic destiny is linked to the full integration of these companies in the national and global market place.