

The Economic Impact of Black Business in Atlanta

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Table 1
Black & White Household Comparisons
STATE OF GEORGIA, METRO ATLANTA and The CITY OF ATLANTA
(2000)

	STATE OF GEORGIA			METRO ATLANTA			CITY OF ATLANTA		
	ALL	BLACK	WHITE	ALL	BLACK	WHITE	ALL	BLACK	WHITE
Population	8,186,453	2,349,542	5,327,281	4,112,198	1,189,179	2,589,888	416,474	255,689	138,352
No. of Households	3,006,369	803,324	2,070,172	1,504,871	414,821	1,001,821	168,147	91,852	69,380
Average Household Size	3	3	3	2.68	2.79	2.56	2	3	2
Median Household Income	\$42,433	\$30,998	\$47,832	\$51,948	\$39,073	\$59,185	\$34,770	\$23,128	\$60,936
Median Family Income	\$49,280	\$34,147	\$55,644	\$59,313	\$42,624	\$67,923	\$37,231	\$26,031	\$102,657
Per Capita Income	\$21,154	\$14,371	\$24,724	\$25,033	\$17,107	\$29,721	\$25,772	\$13,156	\$50,500
No. of Families below Poverty level	210,138	114,879	80,779	71,996	39,135	13,222	17,966	16,264	997
No. of Individuals below Poverty level	1,033,793	518,668	429,047	379,924	188,292	143,744	95,743	29,862	11,071
No. In labor force (adults 16 & over)	4,129,666	1,062,957	2,811,710	2,208,940	740,875	1,443,164	213,257	106,184	93,457
% Unemployed		9.94	3.76		8.72	3.33		16.85	10.04

Source: U.S. Census Bureau, Census 2002

Table 2
Black & White Household % Comparisons
 STATE OF GEORGIA, METRO ATLANTA and The CITY OF ATLANTA
 (2000)

	STATE OF GEORGIA			METRO ATLANTA			CITY OF ATLANTA		
	ALL	BLACK	WHITE	ALL	BLACK	WHITE	ALL	BLACK	WHITE
Population	8,186,453	28.7	65.1	4,112,198	28.9	63.0	416,474	61.4	33.2
No. of Households	3,006,369	26.7	68.9	1,504,871	27.6	66.6	168,147	54.6	41.3
Median Household Income	\$42,433	73.1(64.8)	112.7	\$51,948	75.2(66.0)	113.90	\$34,770	66.5(64.8)	175.3
Median Family Income	\$49,280	69.3(61.4)	112.9	\$59,313	71.9(62.8)	114.5	\$37,231	69.9(61.4)	275.7
Per Capita Income	\$21,154	67.9(58.1)	116.9	\$25,033	68.3(57.6)	118.70	\$25,772	51.0(58.1)	195.9
No. of Families Below Poverty Level	210,138	54.7	38.4	71,996	54.5	18.4	17,966	90.5	5.5
No. of Individuals Below Poverty Level	1,033,793	50.2	41.5	379,924	49.6	37.8	95,743	83.8	11.6
No. In Labor Force (Adults 16 & older)	4,129,666	25.4	68.1	2,208,940	33.5	65.3	213,257	49.8	43.8
% Unemployed		9.94	3.76		8.72	3.33		16.85	10.04

() Black as a % of White
 Source: U.S. Census Bureau, Census 2002

WHAT DO THE DEMOGRAPHICS INDICATE?

1. Black Households comprise roughly 28% of all households in the State and MSA and nearly 55% of households in The City of Atlanta
2. Black median Household income is approximately 65% of household income in the City of Atlanta, MSA, and state
3. Black per capita income is 58% of white per capita income in all three jurisdictions
4. Roughly 50% of all persons living below poverty in Georgia and the MSA are Black. This percentage increases to 84% for the City of Atlanta
5. Black unemployment in the State and MSA is roughly 3 times that of whites, while the rate drops to 1.7 times that of whites in the City of Atlanta

Table 3
Black Business Growth Rates in Georgia, Atlanta Metro and The City of Atlanta

Year		Georgia	Atlanta MSA	City of Atlanta	
1992	No. of Firms	425,118	238,198	26,835	
	Sales & Receipts	82,009,000	49,145,000	9,851,000	
	Employees	692,235	402,527	99,370	
	Payroll	12,390,000	7,899,000	1,963,000	
	Black Firms	38,624	23,488	5,762	
	Sales & Receipts	1,677,083	1,049,164	280,701	
	Employees	18,744	10,872	3,299	
	Payroll	253,026	144,951	47,412	
	1997	No. of Firms	568,552	327,053	38,412
		Sales & Receipts	580,344,999	387,465,384	69,159,361
Employees		3,047,650	1,805,780	359,301	
Payroll		81,591,286	54,485,888	12,546,751	
Black Firms		55,766	34,592	7,853	
Sales & Receipts		4,110,716	2,959,189	1,012,038	
Employees		40,593	27,430	10,000 to 24,9999	
Payroll		741,509	509,346	D	
2002		No. of Firms	674,521	405,315	43,576
		Sales & Receipts	730,945,018	518,044,278	95,525,756
	Employees	3,303,861	2,063,410	413,583	
	Payroll	110,491,922	78,107,703	18,756,838	
	Black Firms	90,461	64,875	8,434	
	Sales & Receipts	5,664,651	4,106,453	975,763	
	Employees	39,106	26,006	9,326	
	Payroll	909,070	675,694	235,405	

D- Withheld to avoid disclosure
 Source: U.S. Census Bureau

Table 4
Firm & Receipt Growth Rates for Georgia, Atlanta MSA and The City of Atlanta
 (% increase)

		Georgia		MSA		City of Atlanta	
		Total	Black	Total	Black	Total	Black
Firms	1992 to 1997	33.3	44.4	37.3	47.2	43.1	36.2
	1997 to 2002	18.6	62.2	23.9	87.5	13.4	7.3
Receipts	1992 to 1997	707.6	245.1	788.4	282.1	702.1	360.5
	1997 to 2002	125.9	137.8	133.7	138.8	138.1	96.4

Source: E. Davis

Table 5
Employee and Payroll Growth Rates for Georgia, Atlanta MSA and The City of Atlanta
 (% increase)

		Total	Georgia Black	Total	MSA Black	Total	Atlanta Black
Employees	1992 to 1997	440.3	216.6	448.6	252.3	316.3	360.5
	1997 to 2002	108.4	96.3	114.3	94.8	115.1	n/a
Payroll	1992 to 1997	658.5	293.1	689.8	351.4	639.2	n/a
	1997 to 2002	135.4	122.6	143.4	132.7	149.5	n/a

Source: E. Davis

Table 6
Economic Impact
 (\$ in Thousands)

	Direct Impact	Economic Impact	Induced Impact
Output	\$4,106,455	\$8,801,572	\$4,695,117
Earnings	675,694	2,735,062	2,059,378
Employment	26,006	81,945	55,939

Source: E. Davis



Black Business Summary

- Black firm growth rate outpaced total growth rates of all businesses in the State and MSA, but lagged in The City of Atlanta.
- Sales and receipt growth rates lagged total firm rates between 1992 and 1997, but experienced a higher growth rate between 1997 and 2002.
- The same trend appears in employee and payroll growth rates however, the 1997 to 2002 rate of Blacks is on par with the total growth rates.
- Black business in 2002 is thriving in the Atlanta MSA.



Economic Impact of Black Business in Atlanta MSA

In 2002 Black Business :

- Had sales and receipts of \$4.1 billion and generated \$8.8 billion in economic activity
- Produced earnings of \$.7 billion that stimulated an economic impact of nearly \$3 billion
- Created 26 thousand jobs and stimulated an additional 56 thousand jobs



Next Steps

- Refine Multiplier Methodology
- Investigate Adjusted Cost Figures
- Produce Report