

COLLECTIVELY WE RISE

The Business Case for Economic Inclusion in Baltimore

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APPENDIX 2

Minority- and Black/African American-owned Business Analysis

By The Jacob France Institute at the University of Baltimore

Collectively We Rise: The Business Case for Economic Inclusion in Baltimore
Appendix 2: Minority- and Black/African American-owned Business Analysis¹
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Introduction

The overall minority population in the U.S. grew rapidly between the 1990s and the 2000s². This growth coincided with an increase in minority-owned businesses, which grew at a pace more than four-times greater than nonminority owned-firms between 2002 and 2012. In Maryland, data from the in late-1990s³ indicated that 25% businesses in Maryland were minority-owned. In 2012, that number climbed to 38% of the state’s firms, compared to 29% of all U.S. business.

Table 1: 2007-2012 Baltimore City business communities by number of firms, employment, and sales⁴

Group	Year	Number of Firms	Percent change	Employment	Percent Change	Annual Gross Receipts for all firms (\$1,000)	Percent change
All	2007	42,272	20%	314,323	-6.8%	83,536,324	-17.5%
	2012	50,735		292,707		70,537,363	
White	2007	22,400	No change	85,684	-5.2%	16,055,967	11.7%
	2012	22,400		81,225		17,944,085	
African American	2007	14,644	61.1%	6,537	-4.4%	871,760	10.7%
	2012	23,600		6,247		964,745	
Asian	2007	2,513	1.3%	5,039	69.7%	927,608	36.0%
	2012	2,547		8,553		1,261,954	
Hispanic	2007	893	71.5%	1,624	-34.1%	375,439	-32.8%
	2012	1,532		1,070		252,480	
Minority	2007	18,052	53.3%	13,147	30.9%	2,194,560	18.1%
	2012	27,673		17,211		2,591,264	
Not classifiable by gender, ethnicity, race, & vet. status	2007	2,679	-21.8%	216,530	-9.9%	65,581,558	-23.5%
	2012	2,094		194,992		50,176,261	

¹ This portion of the analysis is based on Data from the U.S. Census Bureau, Survey of Business Owners data from 2002, 2007, and 2012. The 2012 data was released in September, 2016. The next release of data (2017) is scheduled for release September, 2021.

² In 1990, 1 out of 8 Americans was a race other than white and by 2000 that number grew to 1 out of 4. The U.S. Census Bureau estimated one-third of the population reported their race and ethnicity as something other than non-Hispanic white in 2010. U.S. Census Bureau, News Release CB11-CN.125. https://www.census.gov/newsroom/releases/archives/2010_census/cb11-cn125.html.

³ U.S. Census Bureau, 1997 Economic Census.

⁴ Source: Survey of Business Owners (SBO), 2007 & 2012.

From 2007 to 2012, the number of white-owned businesses in Baltimore City remained unchanged (See Table 1). However, Black/African American-owned firms increased by nearly 9,000 firms; growing from 28% of all firms (with or without paid employees) in 2002, to 47% in 2012⁵. In Baltimore City, the data show that Black/African American- and minority-owned firms grew by 61% and 53% respectively, while white-owned firms remained unchanged.

The data indicated that between four and six percent of all firms were publically held, not classifiable by gender, race, and veteran status. These firms are included in the totals for all firms. Although they represented a small percentage of the total firms in the City, they accounted for 31% and 66% of total employment in all firms in 2007 and 2012, respectively. Between 2007 and 2012, the number of employees working in these firms decreased, as did their sales.

An assessment of firms' gross receipts is an important indicator of growth. Despite a 61% growth in the number of Black/African American-owned firms in Baltimore City, these businesses experienced a decline in annual gross receipts. Even though they represented nearly half of all businesses owners in Baltimore City by 2012, Black/African American-owned businesses represented only 1.4% of the total sales of all firms in the City (4.7% of the sales of all firms classifiable by gender, race, ethnicity, and veterans status). Nationally, Black/African American-owned firms' gross receipts grew at a comparable rate with the growth in total number of firms (60% growth of firms and 58% growth of gross receipts).⁶

Table 2: 2012 Percent share of White-, Black/African American-, and Minority-owned businesses in proportion to all businesses⁷

Group	Number of firms	Employment	Sales
Publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status	4%	66%	71%
White	44%	28%	25%
Black/African American	46%	2%	1.4%
Minority	54%	5.9%	3.7%

Table 3: Change in Average Gross Receipts 2007-2012, Baltimore City⁸

Group	Average Gross 2007	Average Gross 2012	Percent change
White	716,784	801,075	11.7%
Black/African American	59,530	40,879	Decrease (-31.3%)
Minority	121,568	93638	Decrease (-22.9%)

⁵ U. S. Census Bureau, Survey of Business Owners, 2007 & 2012.

⁶ Average gross receipts are calculated by dividing gross receipts by the number of firms.

⁷ Source: SBO 2007 & 2012

⁸ Source: SBO 2007 & 2012

Baltimore City Comparison with Other Selected Counties

Population and Business Growth

The 2012 Survey of Business Owners (SBO) presents an opportunity to examine the growth of Black/African American-owned and women-owned businesses within Baltimore as compared to that of other similar counties in the U.S.⁹ For the remainder of this analysis we compare 2002, 2007, and 2012 SBO data for six city/county areas: Baltimore City, MD; District of Columbia; Fulton County, GA (Atlanta); St. Louis City, MO; Philadelphia County, PA; and Milwaukee County, WI.

Overall, the number of Black/African American-owned businesses in the comparison counties steadily grew between 2002 and 2012, in most counties more than doubling over the decade (Table 4).

Table 4: Total number of Black/African American Businesses 2002- 2012¹⁰

County	2002	2007	2012	% Change 2002-2012
District of Columbia	12,198	15,764	22,097	81%
Fulton County	15,075	28,319	44,574	196%
Baltimore City	9,764	14,644	23,600	142%
St. Louis city	3,584	5,064	9,895	176%
Philadelphia County	10,576	19,835	26,292	149%
Milwaukee County	4,811	7,676	14,099	193%

The increase in Black/African American-owned firms (2007 to 2012) outpaced the group's population growth in each comparison county (Table 5). For example, in Baltimore City, the Black/African American population (18 years and over) increased by 0.1% between 2007 and 2012; whereas, Black/African-American-owned businesses grew by 61%. In St. Louis, despite a decrease of 5% of the Black/African American population (18 and over) between 2007 and 2012, the City saw Black/African American-owned firms increase by 95%. These trends are similar in each of the comparison counties.

⁹ Due to the absence of a "minority-owned" business category in 2002, data from that year cannot be directly compared with the 2007 and 2012 minority business data. It is only possible to examine the growth of minority-owned businesses between 2007 and 2012.

¹⁰ Source: SBO, 2007 & 2012

Table 5: Comparative statistics of Black and African American-owned businesses¹¹ and Total Population over 18¹², 2012¹³

County	# Firms 2007	% of All Firms 2007	# Firms 2012	% of All Firms 2012	Pop. (18+) 2007	% of Pop. (18+) 2007	Pop. 18+ 2012	% of Pop. 18+ 2012	% Change firms	% Change Pop (18+)
District of Columbia	15,764	28.2%	22,097	34.8%	246,744	76.0%	243,981	78.3%	40%	-1%
Fulton County	28,319	26.7%	44,574	35.4%	295,473	72.3%	313,911	74.5%	91%	6%
Baltimore City	14,644	34.6%	23,600	46.5%	296,280	72.6%	296,718	75.4%	61%	0.1%
St. Louis city	5,064	21.4%	9,895	32.9%	119,504	68.9%	113,190	73.0%	95%	-5%
Philadelphia County	19,835	22.5%	26,292	25.2%	448,182	70.4%	489,092	73.6%	32%	9%
Milwaukee County	7,676	13.2%	14,099	22.2%	153,891	63.7%	168,107	67.0%	84%	9%

Ratio of Population per Businesses

Minority¹⁴ and non-minority entrepreneurship can be compared as a ratio of population per businesses. The entrepreneurship ratio has historically been larger for minority groups (i.e. fewer businesses per person), including African-Americans. For minorities, this gap narrowed between 2007 and 2012, moving closer to the ratio for non-minorities. In 2007, for Black/African American's in Baltimore, there was one business for every 20 adults. However, in 2012, there was one business for every 13 adults. The change in Baltimore's entrepreneurship ratio is comparable to similar counties (see Table 6).¹⁵

¹¹ SBO, 2012.

¹² American Community Survey, 2007 3-year estimates, U. S. Census Bureau. Individuals under the age of 18 were excluded due to their unlikelihood of being business owners.

¹³ Source: U.S. Census Bureau ACS (2007 and 2012 3-year estimates; SBO 2007, 2012).

¹⁴ Because the U.S. Census does not report population for a sub-category of "minority," it is calculated in this report from the U.S. Census Bureau population estimates as the total population less non-Hispanic white population.

¹⁵ It was not possible to look at 2002 data because ACS population data was not available in 2002 and decennial census data would have limited the analysis to population data from only the 2000 and 2010 decennial census, therefore showing no change in population between 2007 and 2012.

Table 6: Ratio of Population to Business¹⁶

County	Black/African American			Minority			White		
	2007	2012	% Change	2007	2012	change	2007	2012	% Change
District of Columbia	15.7	11.0	-30%	13.6	10.5	-23%	5.5	6.7	22%
Fulton County	10.4	7.0	-33%	10.3	7.2	-30%	5.5	5.1	-7%
Baltimore City	20.2	12.6	-38%	17.9	12.2	-32%	7.3	7.2	-1%
St. Louis city	23.6	11.4	-52%	20.5	11.1	-46%	8.6	7.2	-16%
Philadelphia County	22.6	18.6	-18%	18.4	14.5	-21%	9.0	9.3	3%
Milwaukee County	20.0	11.9	-40%	21.0	13.6	-35%	10.5	11.2	7%

Employment

Although the number of minority-owned firms and Black/African American-owned firms increased significantly between 2002 and 2012, they are less likely to be employers than non-minority owned firms. The percentage of firms with employees decreased between 2002 and 2012 for all Black/African American-owned businesses, from 7.3% to 3.3%. However, the average number of employees per firm decreased in all comparison counties excluding the District of Columbia. The percentage of white-owned firms, in comparison, remained somewhat steady between 2007 and 2012 and the number of employees per firm increased in some areas, while decreasing in others. In Baltimore City, there was a 0.1 point increase in the number of employees per white-owned firm and an increase 0.3 point increase in the number of employees per Black/African American-owned firms. Baltimore City's employment was similar to that of the other comparison counties.

Table 7: Comparisons of the size and employment of Black/African American-owned Businesses by City/County¹⁷

Black/African American-Owned firms	Percent Employer Firms			Average Number of Employees per Firm			
	County	2002	2007	2012	2002	2007	2012
District of Columbia		10.2%	9.0%	6.5%	11.3%	13.3%	13.8%
Fulton County		8.3%	5.9%	3.9%	10.1%	8.1%	8.4%
Baltimore city		7.3%	5.8%	3.3%	10.6%	7.6%	8%
St. Louis city		14.0%	14.2%	9.0%	9.1%	7.7%	5.5%
Philadelphia County		10.6%	5.7%	4.4%	7.7%	6.8%	6.6%
Milwaukee County		14.2%	10.4%	5.9%	8.7%	10.8%	9.4%

¹⁶ Source: SBO, 2007 & 2012.

¹⁷ Source: SBO, 2007 & 2012.

Table 8: Comparisons of the size and employment of white-owned Businesses by City/County¹⁸

White-owned firms County	% employer Firms			Number of Employees		
	2002	2007	2012	2002	2007	2012
District of Columbia	na	22.4%	22.6%	na	13.3	15.0
Fulton County	na	27.5%	27.0%	na	14.1	12.1
Baltimore city	na	27.9%	26.3%	na	13.7	13.8
St. Louis city	na	27.4%	27.1%	na	19.4	15.6
Philadelphia County	na	23.3%	23.2%	na	13.7	12.4
Milwaukee County	na	25.9%	24.5%	na	14.8	16.0

Sales and Employment Disparity Ratios

Revenue and employment shares are additional key indicators for measuring minority performance in the business sector. Tables 15-20 (Appendix A) compare the share of revenue among minority-owned, Black/African American-owned, and white-owned firms in the six selected counties. The “gap between the share of businesses and sales/employment is described as a ‘disparity’; it is expressed as a ratio between a minority group’s share of sales or employment and its share of businesses¹⁹.” Black/African American-owned businesses, for example, represented 46.5% of all businesses in Baltimore City in 2012; however, they only accounted for 1.4% of sales and 2.1% of employment. Therefore they have a sales disparity ratio of 3.0% (0.1/0.47), meaning their share of sales is only 3% of their share of businesses. All minority businesses have sales and employment disparity ratios under 100% which indicates that they have larger shares of businesses than sales or employment.

Although the SBO data indicated large increases in the total numbers of minority business ownership, including Black/African American-owned businesses, this analysis shows that sales and employment disparities persisted, and in some cases, the disparities widened. For example the sales disparity for Black/African American-owned businesses widened in all comparison counties between 2002 and 2012, and between 2007 and 2012, with the exception of Baltimore City, where it increased slightly from 2.9% to 3.0%. Employment disparities widened in all comparison counties for Black/African American-owned businesses.

As shown in Table 13 (Appendix A), between 2002 and 2012 sales and employment disparities widened over time for all Black/African American-owned businesses. For minority-owned businesses (Table 15, Appendix A), *sales* disparities widened between 2007 and 2012 for all locations except for Baltimore City, and *employment* disparities widened for all locations except for Baltimore City, St. Louis, and Philadelphia.

White-owned businesses (Table 17, Appendix A) saw decreasing *sales* disparities everywhere but Washington DC, and decreasing *employment* disparities everywhere but Fulton County (Atlanta).

Sales receipts per firm by group, 2012: Evaluating the disparities using per-firm sales average shows the differences between minority-owned firms, Black/African American-owned firms, and non-minority

¹⁸ Source: SBO, 2002, 2007 & 2012.

¹⁹ McManus (2016). *Minority Business Ownership: Data from the 2012 Survey of Business Owners*. U.S. Small Business Administration Office of Advocacy. Issue Brief Number 12.

owned (white) firms (Table 9). Receipts per firm include all firms with and without paid employees. Receipts per employer firm include only firms with paid employees. Non-minority owned firms averaged much higher amounts in sales per firm than Black/African American- and minority-owned firms. Comparing the differences between the non-minority-owned firms and the minority-owned firms (including Black/African American-owned firms) across geographies, Baltimore City has similar disparities to the other selected counties.

Table 9: Sales Receipts per firm by group and county, 2012²⁰

County	Receipts per Firm (\$1000)			Receipts per Employer Firm (\$1000)		
	White	Black/African American	Minority	White	Black/African American	Minority
District of Columbia	673	114	162	2,744	1,438	1,380
Fulton County	760	56	133	2,641	939	1,275
Baltimore City	801	41	94	2,913	789	930
St. Louis City	805	53	102	2,840	477	801
Philadelphia County	571	44	96	2,315	624	690
Milwaukee County	720	51	143	2,794	620	1,173

Table 10: Sales Receipts for publically held firms by county, 2012²¹

County	Receipts per Firm (\$1000)	Receipts per Employer Firm (\$1000)
	Publicly held and other firms not classifiable by gender, ethnicity, race, and veteran status	
District of Columbia	49,898	58,173
Fulton County	52,143	62,393
Baltimore City	23,962	32,176
St. Louis City	29,700	43,527
Philadelphia County	39,015	49,612
Milwaukee County	33,637	44,031

Sales receipts for publically held firms by location, 2012: The data showed higher overall receipts per publically held firms with and without paid employees (Table 10). Baltimore City had lower per firm receipts in both categories.

²⁰ Source: SBO, 2012.

²¹ Source: SBO 2012.

Industries in Baltimore City

In Baltimore City, health care and social assistance was the top sales industry for Black/African American-owned businesses in 2007 and 2012. This industry also had the highest total number of firms both years and represented 26% of all Black/African American-owned businesses in the city in 2007 and 25% in 2012.

Table 11: Black/African American-owned businesses % of firms 2007 & 2012 and percent change 2007-2012.²²

NAICS Category	Firms (with or without employees)		Percent change in number of Firms
	2007	2012	
Health care and social assistance	25.6% (3,756)	25.0% (5,902)	57%
Other services (except public administration)	14.1% (2,066)	27.0% (6,381)	208%
Administrative and support and waste management and remediation services	10.6% (1,552)	9.3% (2,193)	41%
Retail trade	9.0% (1,324)	5.7% (1,356)	2%
Transportation and warehousing	8.4% (1,229)	6.2% (1,456)	18%
Real estate and rental and leasing	5.5% (802)	2.6% (621)	-23%
Construction	4.6% (680)	5.0% (1,171)	72%
Arts, entertainment, and recreation	3.6% (520)	4.1% (979)	88%
Educational services	3.0% (443)	2.7% (626)	41%
Accommodation and food services	2.4% (357)	2.8% (671)	88%
Finance and insurance	1.9% (285)	1.0% (242)	-15%
Information	1.5% (222)	0.8% (183)	-18%
Professional, scientific, and technical services	Data Not Provided	5.7% (1,355)	
Manufacturing	Data Not Provided	0.6% (294)	
Wholesale trade	Data Not Provided	1.2% (141)	

²² Source: SBO, 2007 and 2012. See notes on 2007 and 2012 NAICS comparability in Appendix C.

In 2007, there were 14,644 Black/African American-owned firms in the health care and social assistance sector, 857 of these had *paid* employees, employing approximately 6 employees per firm. By 2012, the numbers decreased to just 169 firms with *paid* employees, employing approximately 1.4 employees per firm.

Women-Owned Business Analysis²³

In 2012, Maryland had one of the highest percentages among all states of women-owned businesses relative to male-owned business and equally-owned businesses. Women-owned businesses in Baltimore City grew from 12,142 firms in 2002 to 24,599 firms in 2012. Between 2007 and 2012, average sales for all businesses (with and without employees) dropped while at the same time women-owned businesses saw a 26% increase in annual gross sales and receipts. Employment and total number of business also increased in the women-owned category. In 2012, women-owned businesses were close to half of all businesses in the city. However, the share of employment and sales remained small compared to all firms.

Table 12: 2007-2012 Baltimore City women-owned business community by number of firms, employment, and sales

Group	Year	Number of Firms	Percent change	Employment	Percent Change	Annual Gross Receipts for all firms (\$1,000)	Percent Change
All	2007	42,272	20%	314,323	-6.8%	83,536,324	-17.5%
	2012	50,735		292,707		70,537,363	
Women	2007	15,634	57.3%	11,804	33.6%	1,746,248	25.9%
	2012	24,599		15,772		21,99,175	

Table 13: 2012 Percent share of Women-owned businesses in proportion to all businesses, Baltimore City

Group	Number of firms	Employment	Sales
All	50,735 (100%)	292,707 (100%)	705,37,363 (100%)
Women	24,599 (48.5%)	15,772 (5.4%)	21,99,175 (3.1%)

²³ This portion of the analysis is based on Data from the U.S. Census Bureau, Survey of Business Owners data from 2002, 2007, and 2012. The 2012 data was released in September, 2016. The next release of data (2017) is scheduled for release September, 2021.

Table 14: 2012 Percent share of Women-owned businesses in proportion to all businesses

Women-Owned firms	% employer Firms			Number of Employees per Firm		
	2002	2007	2012	2002	2007	2012
District of Columbia	15.4	11.7	9.8	nd	11.2	10.0
Fulton County	16.5	14.1	10.3	9.3	9.6	8.2
Baltimore city	14.0	9.7	6.9	7.1	7.8	9.3
St. Louis city	19.6	14.1	10.2	10.5	9.8	8.0
Philadelphia County	16.3	5.7	8.0	7.4	6.8	8.5
Milwaukee County	16.8	13.5	10.2	9.4	10.1	10.6

The percentage of women owned firms that employed workers decreased between 2002 and 2012 in all the comparison counties. However, only three areas: Baltimore City, Philadelphia, and Milwaukee had increase in the number of employees per firm. This suggests women-owned firms that employ staff are increasing their hiring in these cities.

Appendix A

Table 15: Black/African American shares of total business ownership, sales, and employment 2002-2012

County	% of Businesses 2002	% of Businesses 2007	% of Businesses 2012	% of sales 2002	% of sales 2007	% of sales 2012	% of employment 2002	% of employment 2007	% of employment 2012
District of Columbia	25.9%	28.2%	34.8%	1.5%	1.8%	1.2%	3.9%	4.9%	4.6%
Fulton County	17.6%	26.7%	35.4%	0.7%	0.9%	0.9%	1.7%	1.9%	2.0%
Baltimore city	27.9%	34.6%	46.5%	1.2%	1.0%	1.4%	2.7%	2.1%	2.1%
St. Louis city	16.2%	21.4%	32.9%	0.7%	0.8%	0.9%	1.6%	2.1%	2.2%
Philadelphia	15.8%	22.5%	27.2%	0.8%	0.9%	0.7%	1.5%	1.3%	1.2%
Milwaukee County	9.5%	13.2%	22.2%	0.5%	0.5%	0.6%	1.4%	1.8%	1.7%

Table 16: Black/African American-owned businesses disparity ratios, 2002-2012

County	Sales Disparity ²⁴ 2002	Sales Disparity 2007	Sales Disparity 2012	Employment Disparity ²⁵ 2002	Employment Disparity 2007	Employment Disparity 2012
District of Columbia	5.8%	6.4%	3.4%	15.1%	17.4%	13.2%
Fulton County	4.0%	3.4%	2.5%	9.7%	7.1%	5.6%
Baltimore city	4.3%	2.9%	3.0%	9.7%	6.1%	4.5%
St. Louis city	4.3%	3.7%	2.7%	9.9%	9.8%	6.7%
Philadelphia	5.1%	4.0%	2.6%	9.5%	5.8%	4.4%
Milwaukee County	5.3%	3.8%	2.7%	14.7%	13.6%	7.7%

²⁴ Sales disparity is percentage of sales / percentage of businesses

²⁵ Employment disparity is percentage of employment / percentage of businesses

Table 17: Minority shares of total business ownership, sales, and employment 2002-2012

County	% of Businesses 2002	% of Businesses 2007	% of Businesses 2012	% of sales 2002	% of sales 2007	% of sales 2012	% of employment 2002	% of employment 2007	% of employment 2012
District of Columbia	na	40.3%	47.3%	na	4.1%	2.9%	na	9.8%	9.9%
Fulton County	na	35.2%	45.5%	na	2.6%	2.9%	na	4.7%	5.6%
Baltimore city	na	42.7%	54.5%	na	2.6%	3.7%	na	4.2%	5.9%
St. Louis city	na	27.9%	39.9%	na	1.5%	2.1%	na	3.7%	4.0%
Philadelphia	na	37.8%	46.7%	na	2.6%	2.8%	na	3.9%	4.8%
Milwaukee County	na	20.3%	32.8%	na	1.9%	2.4%	na	3.5%	5.1%

Table 18: Minority-owned businesses disparity ratios, 2002-2012

County	Sales Disparity 2002	Sales Disparity 2007	Sales Disparity 2012	Employment Disparity 2002	Employment Disparity 2007	Employment Disparity 2012
District of Columbia	na	10.3%	6.2%	na	24.4%	21.0%
Fulton County	na	7.2%	6.4%	na	13.4%	12.2%
Baltimore city	na	6.2%	6.7%	na	9.8%	10.8%
St. Louis city	na	5.4%	5.3%	na	13.3%	9.9%
Philadelphia	na	6.9%	6.0%	na	10.2%	10.4%
Milwaukee County	na	9.6%	7.4%	na	17.3%	15.6%

Table 19: White shares of total business ownership, sales, and employment 2002-2012

County	% of Businesses 2002	% of Businesses 2007	% of Businesses 2012	% of sales 2002	% of sales 2007	% of sales 2012	% of employment 2002	% of employment 2007	% of employment 2012
District of Columbia	na	58.0%	51.8%	na	14.7%	10.8%	na	24.8%	25.8%
Fulton County	na	62.2%	54.4%	na	21.9%	20.0%	na	36.6%	30.1%
Baltimore city	na	53.0%	44.2%	na	19.2%	25.4%	na	27.3%	27.7%
St. Louis city	na	65.2%	57.0%	na	24.0%	23.5%	na	31.7%	33.3%
Philadelphia	na	64.2%	55.4%	na	22.0%	19.7%	na	31.4%	27.4%
Milwaukee County	na	77.7%	67.1%	na	24.9%	25.1%	na	37.2%	37.6%

Table 20: White-owned businesses disparity ratios, 2002-2012

County	Sales Disparity 2002	Sales Disparity 2007	Sales Disparity 2012	Employment Disparity 2002	Employment Disparity 2007	Employment Disparity 2012
District of Columbia	na	25.4%	20.8%	na	42.7%	49.7%
Fulton County	na	35.3%	36.7%	na	58.8%	55.3%
Baltimore city	na	36.3%	57.6%	na	51.4%	62.9%
St. Louis city	na	36.8%	41.3%	na	48.6%	58.5%
Philadelphia	na	34.3%	35.7%	na	48.9%	49.5%
Milwaukee County	na	32.1%	37.3%	na	47.9%	55.9%

Appendix B: SBO Data, 2002-2012, All Counties

Number of Firms, ALL									
City	2002	2007	2012	Percent Change 2002-2007	Percent Change 2007-2012	Percent Change 2002- 2012	Growth rate 2002-2007	Growth rate 2007-2012	Growth rate 2002-2012
Baltimore	35,004	42,272	50,735	20.8%	20.0%	44.9%	4.2%	4.0%	4.5%
Washington	47172	55887	63408	18.5%	13.5%	34.4%	3.7%	2.7%	3.4%
Atlanta	85681	106113	125745	23.8%	18.5%	46.8%	4.8%	3.7%	4.7%
St. Louis	22095	23632	30040	7.0%	27.1%	36.0%	1.4%	5.4%	3.6%
Philadelphia	67006	88140	104439	31.5%	18.5%	55.9%	6.3%	3.7%	5.6%
Milwaukee	50626	58182	63487	14.9%	9.1%	25.4%	3.0%	1.8%	2.5%
Number of Firms, Black African-American									
City	2002	2007	2012	Percent Change 2002-2007	Percent Change 2007- 2012	Percent Change 2002- 2012	Growth rate 2002-2007	Growth rate 2007-2012	Growth rate 2002-2012
Baltimore	9,764	14,644	23,600	50.0%	61.2%	141.7%	10.0%	12.2%	14.2%
Washington	12198	15764	22097	29.2%	40.2%	81.2%	5.8%	8.0%	8.1%
Atlanta	15075	28319	44574	87.9%	57.4%	195.7%	17.6%	11.5%	19.6%
St. Louis	3584	5064	9895	41.3%	95.4%	176.1%	8.3%	19.1%	17.6%
Philadelphia	10576	19835	26292	87.5%	32.6%	148.6%	17.5%	6.5%	14.9%
Milwaukee	4811	7676	14099	59.6%	83.7%	193.1%	11.9%	16.7%	19.3%
Number of Firms, Minority									
City	2002	2007	2012	Percent Change 2002-2007	Percent Change 2007- 2012	Percent Change 2002- 2012			
Baltimore	no data	18,052	27,673	no data	53.3%	no data			
Washington	no data	22505	29983	no data	33.2%	no data			
Atlanta	no data	37367	57263	no data	53.2%	no data			
St. Louis	no data	6585	11994	no data	82.1%	no data			
Philadelphia	no data	33353	48743	no data	46.1%	no data			
Milwaukee	no data	11825	20847	no data	76.3%	no data			
Number of Firms, Women-Owned									
City	2002	2007	2012	Percent Change 2002-2007	Percent Change 2007-2012	Percent Change 2002- 2012	Growth rate 2002-2007	Growth rate 2007-2012	Growth rate 2002-2012
Baltimore	12,142	15,634	24,599	28.8%	57.3%	102.6%	5.8%	11.5%	10.3%
Washington	15675	19291	27064	23.1%	40.3%	72.7%	4.6%	8.1%	7.3%
Atlanta	27191	34244	51911	25.9%	51.6%	90.9%	5.2%	10.3%	9.1%
St. Louis	6969	6685	13086	(negative #)	95.8%	87.8%	-0.8%	19.2%	8.8%
Philadelphia	18976	27983	40906	47.5%	46.2%	115.6%	9.5%	9.2%	11.6%
Milwaukee	15317	19192	24978	25.3%	30.1%	63.1%	5.1%	6.0%	6.3%

Appendix C: Comparability of 2007 and 2012 NAICS sectors.

NAICS categories are not equally comparable across years and may account for variation in the employment totals. Caution should be taken in interpreting this data. The following information is posted with the Survey of Business Owners Data:

Description:

Industry Classification, Exclusions, and Comparability

Data from the 2012 Survey of Business Owners (SBO) are published primarily according to the 2012 North American Industry Classification System (NAICS). The SBO covers the following NAICS sectors:

- 11 Forestry and Logging; Fishing, Hunting and Trapping; and Support Activities for Agriculture and Forestry (NAICS 113-115)
- 21 Mining, Quarrying, and Oil and Gas Extraction
- 22 Utilities
- 23 Construction
- 31-33 Manufacturing
- 42 Wholesale Trade
- 44-45 Retail Trade
- 48-49 Transportation and Warehousing
- 51 Information
- 52 Finance and Insurance
- 53 Real Estate and Rental and Leasing
- 54 Professional, Scientific, and Technical Services
- 55 Management of Companies and Enterprises
- 56 Administrative and Support and Waste Management and Remediation Services
- 61 Educational Services
- 62 Health Care and Social Assistance
- 71 Arts, Entertainment, and Recreation
- 72 Accommodation and Food Services
- 81 Other Services (except Public Administration)
- 99 Industries Not Classified

Excluded industries: The following NAICS industries are not covered in the 2012 SBO:

- Crop and Animal Production (NAICS 111, 112)
- Rail Transportation (NAICS 482)
- Postal Service (NAICS 491)
- Monetary Authorities-Central Banks (NAICS 521)
- Funds, Trusts, and Other Financial Vehicles (NAICS 525)
- Religious, Grantmaking, Civic, Professional, and Similar Organizations (NAICS 813)
- Private Households (NAICS 814)
- Public Administration (NAICS 92)

Noticeable changes were made to six of the twenty NAICS sectors during the 2012 revision of NAICS. These sectors are listed below:

- Utilities - 2007 NAICS code 221119, Other Electric Power Generation, was deleted and portions of it were reclassified, resulting in the addition of five new 6-digit industries: 221114, Solar Electric Power Generation; 221115, Wind Electric Power Generation; 221116, Geothermal Electric Power Generation; 221117, Biomass Electric Power Generation; 221118, Other Electric Power Generation.
- Construction - Building fireproofing contractors and fireproofing flooring construction contractors were moved to 238310, Drywall and Insulation Contractors.
- Manufacturing - Major changes were made in the Manufacturing sector, with the collapsing of detail. Digital camera manufacturing was moved to newly created industry, 333316, Photographic and Photocopying Equipment Manufacturing.
- Wholesale Trade - Electric water heaters was moved to 423720, Plumbing and Heating Equipment and Supplies (Hydronics) Merchant Wholesalers. Gas household appliances (except gas water heaters) was moved to newly titled 423620, Household Appliances, Electric Housewares, and Consumer Electronics Merchant Wholesalers.
- Retail Trade - 2007 NAICS codes 441221, Motorcycle, ATV, and Personal Watercraft Dealers, and 441229, All Other Motor Vehicle Dealers, were collapsed into a new 6-digit industry, 441228, Motorcycle, ATV, and All Other Motor Vehicle Dealers. 2007 NAICS codes 454311, Heating Oil Dealers; 454312, Liquefied Petroleum Gas (Bottled Gas) Dealers; 454319, Other Fuel Dealers, were collapsed into a new 6-digit industry, 454310, Fuel Dealers. Subsector 443, Electronics and Appliance Stores, was restructured.
- Accommodation and Food Services - Industries in Subsector 722, Food Services and Drinking Places, were restructured, resulting in new Industry Group 7225, Restaurants and Other Eating Places.

The data for most sectors as defined under the 2007 NAICS are completely comparable to 2002 NAICS. However, select sectors were slightly impacted by the 2012 NAICS revision. These are listed below:

- Manufacturing - While there were revisions to selected Manufacturing industries for 2007, the sector as a whole is not affected by those revisions.
- Transportation and Warehousing - For the 2007 Economic Census, data for NAICS 48111, Scheduled Air Transportation, included large certificated passenger carriers. In the 2002 Economic Census, large certificated passenger carriers were not included in NAICS 48111.
- Finance and Insurance - Equity real estate investment trusts (REITs) (establishments that are primarily engaged in leasing buildings, dwellings, or other real estate property to others) are not included in NAICS sector 52, Finance and Insurance. The equity REITs are included in Industry Group 5311, Lessors of Real Estate, based on primary type of real estate property leased.
- Real Estate and Rental and Leasing - Equity real estate investment trusts (REITs) that are primarily engaged in leasing buildings, dwellings, or other real estate property to others are included in Industry Group 5311, Lessors of Real Estate, based on primary type of real estate property leased. The equity REITs were classified in Subsector 525, Funds, Trusts, and Other Financial Vehicles, in 2002.