Minority Business Ownership Analysis
State of Wisconsin 2012

By Chad Chriestenson, Emmett Sexton, Tessa Conroy, and Diana Hammer

Minority-owned businesses have become an economic engine in the United States (U.S.), with the potential to shape the future of local economies.\(^1\)\(^2\)\(^3\) Nationally, minorities and immigrants start new businesses at higher rates than non-Hispanic white people,\(^4\)\(^5\) despite facing a wide range of challenges such as barriers to information, technical support for business planning, and the financial resources necessary for business startup or expansion.\(^6\)\(^7\)\(^8\)\(^9\) While the growing importance of minority-owned businesses and their potential for shaping the future of the U.S. economy is well documented at the federal level,\(^4\)\(^5\)\(^10\) their impact at the state and local levels is not adequately understood due, in part, to a lack of data.\(^11\)\(^12\)\(^13\) This implies that community development practitioners and policymakers in Wisconsin who could be capitalizing on the rapid growth of minority populations and their potential for entrepreneurial ventures lack quality information to guide their decisions.\(^14\)\(^1\)

Minority-owned businesses are those owned by an individual who self-identifies as any race or ethnicity except “White alone, Non-Hispanic or Latino”, based on U.S. Census Bureau classifications. Based on this definition minority business owners include a wide range of people who likely face a broad array of challenges. In this fact sheet, we disaggregate minority business owners in to four categories: African-American, Indigenous (American Indian or Alaska Native), Asian, and Hispanic.

In Wisconsin, minority groups own unequal shares of businesses relative to their share of the population. In parity, we would expect that if African-Americans constitute 5.2% of the population they should own 5.2% of businesses. In general, however, the proportion of

Figure 1: Parity Analysis-Minority Business Ownership and Sales in Wisconsin

- % Population 25+
- % of Bachelor’s degrees
- % Firms
- % Receipts

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A U.S. Department of Commerce
Economic Development Administration
University Center

University of Wisconsin Extension
businesses owned by different minority groups does not follow this pattern. With the exception of the Asian population, minorities own a disproportionately small share of businesses compared to their share of the population (Table 1). Their share of sales receipts tends to be even smaller than their share of firms.

Education is a key determinate of entrepreneurial propensity, so comparing educational attainment and business ownership can be insightful. In Wisconsin, if we focus on the share of population with a bachelor’s degree, the parity gap is much smaller (Table 1). Thus, education attainment may be a key mechanism for enhancing entrepreneurship among minority populations. African-Americans, Native Americans, and Hispanics all own more firms than their proportionate share based on educational attainment. Asians, being the exception, own a disproportionately small share of firms relative to the share with a bachelor’s degree, suggesting a preference for wage-and-salary employment among the college-educated population.

### Table 1: Minority shares of Population, College-Educated, Firms, and Sales Receipts

<table>
<thead>
<tr>
<th></th>
<th>African-American</th>
<th>Asian</th>
<th>Hispanic</th>
<th>Indigenous</th>
<th>Total Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Population 25+</td>
<td>5.2%</td>
<td>2.1%</td>
<td>4.5%</td>
<td>0.8%</td>
<td>13.0%</td>
</tr>
<tr>
<td>% Bachelor's Degree</td>
<td>2.3%</td>
<td>3.3%</td>
<td>1.9%</td>
<td>0.4%</td>
<td>9.0%</td>
</tr>
<tr>
<td>% Firms</td>
<td>4.5%</td>
<td>2.3%</td>
<td>2.3%</td>
<td>0.7%</td>
<td>9.7%</td>
</tr>
<tr>
<td>% Receipts</td>
<td>0.6%</td>
<td>2.1%</td>
<td>1.2%</td>
<td>0.2%</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

Amongst minority groups in the state of Wisconsin, African-Americans own the largest number of firms (Table 2). In measures such as combined gross receipts and number of firms with employees, however, they lag both Asian and Hispanic groups, suggesting that African-American-owned businesses are quite small and perhaps struggling to grow. In terms of
average gross receipts, Asian-owned firms perform the best, with nearly twice the total of any other minority group. Hispanic-owned firms bring in the second highest average gross receipts but have the highest average receipts for firms with employees. In general, African-American and Indigenous-owned firms fall below total minority averages whereas Hispanic and, particularly, Asian-owned firms are performing above average.

Conclusion
Across most minority groups – African-American, Indigenous/Native American, and Hispanic – fewer businesses are owned than would be expected in parity. The one exception is Asian owned businesses. However, compared to the share of population that has a bachelor’s degree, which might be expected to be more entrepreneurial, the results are more equitable. African-Americans own the largest proportion of businesses but bring in less in gross receipts than Hispanics or Asians. As education attainment and business ownership appear to be closely correlated, particularly for Hispanics, education may be key for enhancing entrepreneurial outcomes for minorities. Among the Asian population however, the share or rate of business ownership is smaller than the share or rate of bachelor’s degree attainment suggesting that there may be a preference for wage-and-salary employment as education increases for some individuals.

Methods
Figure 1 & Table 1
2011-2015 American Community Survey Educational Attainment Data were used to calculate shares of bachelor’s degrees. Responses for “White alone, not Hispanic or Latino” were used to calculate non-minority share, while minority share was the remaining percent out of 100. Only ages 25 an older were used for this calculation.

Table 2
Business statistics were drawn from the 2012 Survey of Business Owners. Averages were calculated using combined receipts and number of firms.

References


Minority-owned businesses have become an economic engine in the United States of America (U.S.), with the potential to shape future local economies.\textsuperscript{1,2,3} Nationally, minorities and immigrants start new businesses at higher rates than non-Hispanic white people,\textsuperscript{4,5} despite facing a wide range of challenges such as barriers in accessing information, technical supports in terms of business planning, and financial resources necessary for business startup and expansion.\textsuperscript{6,7,8,9} While the growing importance of minority-owned businesses and their potential role in the future U.S. economy is well documented at the federal level,\textsuperscript{4,5,10} their impact at the state and local levels is not adequately understood partly due to lack of data.\textsuperscript{11,1,12,13} The implication is that community development practitioners and policymakers in Wisconsin who could be capitalizing on the rapid growth of minority populations and their affinity for entrepreneurial ventures lack meaningful information to guide their decisions.\textsuperscript{14,1}

Minority-owned businesses are those owned by an individual who self-identifies as any race or ethnicity except “White alone, Non-Hispanic or Latino” based on the U.S. Census Bureau category system. Based on this definition, minority business owners include a range of people who likely face widely varying challenges and have unique needs. For the purposes of this fact sheet, however, all minority business owners are aggregated to show general trends and avoid some data limitations.

In Brown county, minorities own a disproportionately small share of businesses. In parity, we would expect that minorities own businesses and earns sales in shares comparable to their proportion of the population. For example,
if minorities are 10% of the population, we might expect minorities to also own 10% of businesses and earn 10% of sales. However, Figure 1 and the corresponding Table 1 show that substantial gaps exist.

While 12% of the population 25 and older is minority, they make up only 6% of firm owners. Even more stark, their share of revenue constitutes just 2% of all receipts. As shown in the graph, this underrepresentation is still apparent when education is taken into account. If we more conservatively focus on the population of bachelor’s degree holders rather than the population in total, minorities represent 7.7% of the population—still larger than their share of firm owners and receipts. The share of businesses that are equally nonminority and minority-owned is smallest at just 0.4% and earning just 0.1% of sales receipts.

Based on the firm performance data in Table 2, the average gross receipts for minority-owned firms was just 35% of the average receipts for nonminority-owned firms. Firms with shared ownership fared even worse as measured by revenue.

**Conclusion**

“Minority” individuals – those who identify as African-American, Asian, Native American, Hispanic, or another race or ethnicity – do not own a representative share of businesses. While the reasons cannot be determined from this analysis, it signals a need to better understand the existing and aspiring “minority” entrepreneurs in the county. Perhaps by addressing key barriers and obstacles to business survival, more minority entrepreneurs could successfully pursue business ownership and create jobs for themselves and others while helping to shape the economic future of their communities.
Methods

Figure 1 & Table 1

2011-2015 American Community Survey Educational Attainment Data were used to calculate shares of bachelor’s degrees. Responses for “White alone, not Hispanic or Latino” were used to calculate nonminority share, while minority share was the remaining percent out of 100. Only ages 25 and older were used for this calculation.

Table 2

Business statistics were drawn from the 2012 Survey of Business Owners. Averages were calculated using combined receipts and number of firms.

References

Business Ownership Parity Analysis
Fond du Lac County 2012

By Emmett Sexton, Tessa Conroy, and Diana Hammer

Minority-owned businesses have become an economic engine in the United States (U.S.) of America, with the potential to shape the future of local economies.\textsuperscript{1,2,3} Nationally, minorities and immigrants start new businesses at higher rates than non-Hispanic white people,\textsuperscript{4,5} despite facing a wide range of challenges such as barriers in accessing information, technical support in terms of business planning, and financial resources necessary for business startup and expansion.\textsuperscript{6,7,8,9} While the growing importance of minority-owned businesses and their potential role in the future of the U.S. economy is well documented at the federal level,\textsuperscript{4,5,10} their impact at the state and local levels is not adequately understood partly due to lack of data.\textsuperscript{11,1,12,13} The implication is that community development practitioners and policymakers in Wisconsin who could be capitalizing on the rapid growth of minority populations and their affinity for entrepreneurial ventures lack meaningful information to guide their decisions.\textsuperscript{14,1}

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In Fond du Lac County, minorities own a disproportionately small share of businesses compared to their nonminority counterparts. In parity, we would expect that minorities own businesses in shares comparable to their share of the population. For example, if minorities are 10% of the population, we might expect minorities to also own 10% of

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{parity_analysis}
\caption{Parity Analysis-Minority Business Ownership and Sales in Wisconsin}
\end{figure}
businesses. However, as shown in Figure 1 and the accompanying Table 1, a substantial gap exists.

While minorities represent 5.7% of the population 25 and older, they own only 4% of all businesses. As shown in the graph, this underrepresentation is still apparent when education is taken into account. If we more conservatively focus on the population of bachelor’s degree holders rather than the population in total, minorities represent 5.5% of the population—still larger than their share of firm owners. The share of businesses that are equally nonminority and minority owned business is the smallest category at 0.5% of businesses and earning 0.2% of sales.

Based on the firm characteristics presented in Table 2, 15% of minority-owned firms have employees compared to 23% of nonminority firms, suggesting that minority firms are smaller on average and less likely to hire workers, possibly because they face barriers to growth even once they’ve successfully started their businesses. Gross receipt estimates for minority-owned firms were not published.

### Table 1: Minority and Non-minority shares of Population, College-Educated, Firms, and Sales Receipts

<table>
<thead>
<tr>
<th></th>
<th>Minority</th>
<th>Equally minority/nonminority</th>
<th>Non-minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Population 25+</td>
<td>5.7%</td>
<td>NA</td>
<td>94.3%</td>
</tr>
<tr>
<td>% of Bachelor’s degrees</td>
<td>5.5%</td>
<td>NA</td>
<td>94.5%</td>
</tr>
<tr>
<td>% Firms</td>
<td>4.0%</td>
<td>0.5%</td>
<td>95.5%</td>
</tr>
<tr>
<td>% Receipts</td>
<td>$</td>
<td>0.2%</td>
<td>97.9%</td>
</tr>
</tbody>
</table>

Table 2: Minority and Non-minority Owned Business Characteristics in Wisconsin (Receipts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Minority</th>
<th>Equally minority/nonminority</th>
<th>Non-minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms</td>
<td>291</td>
<td>35</td>
<td>6,940</td>
</tr>
<tr>
<td>Combined gross receipts</td>
<td>$</td>
<td>$10,349</td>
<td>$4,841,884</td>
</tr>
<tr>
<td>Number of firms with employees</td>
<td>44</td>
<td>7</td>
<td>1,627</td>
</tr>
<tr>
<td>Combined receipts of firms with employees</td>
<td>$</td>
<td>$9,867</td>
<td>$4,459,464</td>
</tr>
<tr>
<td>Number of paid employees</td>
<td>250-499</td>
<td>85</td>
<td>20,307</td>
</tr>
<tr>
<td>Average gross receipts</td>
<td>$</td>
<td>$296</td>
<td>$698</td>
</tr>
<tr>
<td>Average receipts of firms with employees</td>
<td>$</td>
<td>$1,410</td>
<td>$2,741</td>
</tr>
</tbody>
</table>

* S: Withheld because estimate did not meet publication standard
  e: 250 to 499 employees

### Conclusion

“Minority” individuals – those who identify as African-American, Asian, Native American, Hispanic, or another race or ethnicity – do not own a representative share of businesses. While the reasons cannot be determined from this analysis, it signals a need to better understand the existing and aspiring “minority” entrepreneurs in the county. Perhaps by addressing key barriers and obstacles to business survival, more minority entrepreneurs could successfully pursue business ownership and create jobs for themselves and others while helping to shape the economic future of their communities.
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2011-2015 American Community Survey Educational Attainment Data were used to calculate shares of bachelor’s degrees. Responses for “White alone, not Hispanic or Latino” were used to calculate nonminority share, while minority share was the remaining percent out of 100. Only ages 25 and older were used for this calculation.

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References

Business Ownership Parity Analysis
Outagamie County 2012

By Emmett Sexton, Tessa Conroy, and Diana Hammer

Minority-owned businesses have become an economic engine in the United States (U.S.) of America, with the potential to shape the future of local economies.\textsuperscript{1,2,3} Nationally, minorities and immigrants start new businesses at higher rates than non-Hispanic white people,\textsuperscript{4,5} despite facing a wide range of challenges such as barriers in accessing information, technical supports in terms of business planning, and financial resources necessary for business startup and expansion.\textsuperscript{6,7,8,9} While the growing importance of minority-owned businesses and their potential role in the future of the U.S. economy is well documented at the federal level\textsuperscript{4,5,10} their impact at the state and local levels is not adequately understood partly due to lack of data.\textsuperscript{11,12,13} The implication is that community development practitioners and policymakers in Wisconsin who could be capitalizing on the rapid growth of minority populations and their affinity for entrepreneurial ventures lack meaningful information to guide their decisions.\textsuperscript{14,1}

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In Outagamie County, minorities own a disproportionately small share of businesses compared shares comparable to their share of the population. For example, if minorities are 10% of the population, we might expect minorities to also own 10% of businesses. However, as shown in Figure 1 and the accompanying Table 1, a substantial gap exists.
While minorities represent 8% of the population 25 and older, just 5% of firms are minority-owned. Even more stark, their share of revenue constitutes only 2% of all receipts. As shown in the graph, this underrepresentation is still apparent when education is taken into account. If we more conservatively focus on the population of bachelor’s degree holders rather than the population in total, minorities represent 6% of the population—still larger than their share of firm owners and receipts. The share of businesses that are equally minority and nonminority-owned is the smallest category at 0.9% of businesses and earning 0.1% of sales receipts.

Based on the sales and employment data in Table 2, the average gross receipts for minority-owned firms is just 37% of the average receipts for nonminority-owned firms. Firms with shared ownership fared even worse as measured by revenue.

**Conclusion**

“Minority” individuals – those who identify as African-American, Asian, Native American, Hispanic, or another race or ethnicity – do not own a representative share of businesses. While the reasons cannot be determined from this analysis, it signals a need to better understand the existing and aspiring “minority” entrepreneurs in the county. Perhaps by addressing key barriers and obstacles to business survival, more minority entrepreneurs could successfully pursue business ownership and create jobs for themselves and others while helping to shape the economic future of their communities.
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In Trempealeau County, minorities own a disproportionately small share of businesses compared to their nonminority counterparts. In parity, we would expect that minorities own businesses in shares comparable to their share of the population. For example, if minorities are 10% of the population, we might expect minorities to also own 10% of
businesses. However, as shown in Figure 1 and the accompanying Table 1, a substantial gap exists.

While 5% of the population 25 and older is minority, just 2.7% of firms are minority-owned. An estimate for the share of receipts taken in by minority firms was not published. However, if we look at the 99.9% estimate in the table given for nonminority receipts, we can deduce that share of receipts going to minority-owned businesses is likely less than their population and firm ownership shares. As shown in the graph, this underrepresentation is still apparent when education is taken into account. Share of bachelor’s degrees obtained by minorities was nearly identical to their share of the population 25 and older at close to 5%.

Based on the sales and employment data presented in Table 2, 11% of minority-owned firms have employees compared to 19% of nonminority firms, suggesting that minority firms are smaller on average and less likely to hire workers, perhaps because they face barriers to growth even once they’ve successfully started their businesses. Gross receipt estimates for minority-owned firms were not published.

Conclusion
“Minority” individuals – those who identify as African-American, Asian, Native American, Hispanic, or another race or ethnicity – do not own a representative share of businesses. While the reasons cannot be determined from this analysis, it signals a need to better understand the existing and aspiring “minority” entrepreneurs in the county. Perhaps by addressing key barriers and obstacles to business survival, more minority entrepreneurs could successfully pursue business ownership and create jobs for themselves and others while helping to shape the economic future of their communities.

### Table 1: Minority and Non-minority shares of Population, College-Educated, Firms, and Sales Receipts

<table>
<thead>
<tr>
<th></th>
<th>Minority</th>
<th>Non-minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Population 25+</td>
<td>5.0%</td>
<td>95.0%</td>
</tr>
<tr>
<td>% of Bachelor’s degrees</td>
<td>4.9%</td>
<td>95.1%</td>
</tr>
<tr>
<td>% Firms</td>
<td>2.7%</td>
<td>97.0%</td>
</tr>
<tr>
<td>% Receipts</td>
<td>$</td>
<td>99.9%</td>
</tr>
</tbody>
</table>

S: Withheld because estimate did not meet publication standard.

### Table 2: Minority and Non-minority Owned Business Characteristics in Wisconsin (Receipts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Minority</th>
<th>Non-minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms</td>
<td>72</td>
<td>2,597</td>
</tr>
<tr>
<td>Combined gross receipts</td>
<td>$</td>
<td>$2,545,983</td>
</tr>
<tr>
<td>Number of firms with employees</td>
<td>8</td>
<td>492</td>
</tr>
<tr>
<td>Combined receipts of firms with employees</td>
<td>$</td>
<td>$2,425,136</td>
</tr>
<tr>
<td>Number of paid employees</td>
<td>20-99b</td>
<td>10,230</td>
</tr>
<tr>
<td>Average gross receipts</td>
<td>$</td>
<td>$980</td>
</tr>
<tr>
<td>Average receipts of firms with employees</td>
<td>$</td>
<td>$4,929</td>
</tr>
</tbody>
</table>

S: Withheld because estimate did not meet publication standard
b: 20 to 99 employees
Methods

Figure 1 & Table 1

2011-2015 American Community Survey Educational Attainment Data were used to calculate shares of bachelor’s degrees. Responses for “White alone, not Hispanic or Latino” were used to calculate nonminority share, while minority share was the remaining percent out of 100. Only ages 25 and older were used for this calculation.

Table 2

Business statistics were drawn from the 2012 Survey of Business Owners. Averages were calculated using combined receipts and number of firms.

References


Business Ownership Parity Analysis
Waupaca County 2012

By Emmett Sexton, Tessa Conroy, and Diana Hammer

Minority-owned businesses have become an economic engine in the United States of America (U.S.), with the potential to shape the future of local economies.1,2,3 Nationally, minorities and immigrants start new businesses at higher rates than non-Hispanic white people,4,5 despite facing a wide range of challenges such as barriers in accessing information, technical supports in terms of business planning, and financial resources necessary for business startup and expansion.6,7,8,9 While the growing importance of minority-owned businesses and their potential role in the future of the U.S. economy is well documented at the federal level,4,5,10 their impact at the state and local levels is not adequately understood partly due to lack of data.11,12,13 The implication is that community development practitioners and policymakers in Wisconsin who could be capitalizing on the rapid growth of minority population and their affinity for entrepreneurial ventures lack meaningful information to guide their decisions.14,1

Minority-owned businesses are those owned by an individual who self-identifies as any race or ethnicity except “White alone, Non-Hispanic or Latino” as categorized by the U.S. Census Bureau. Using this definition, minority business owners include a range of people who likely face widely varying challenges and have unique needs. For the purposes of this fact sheet, however, all minority business owners are aggregated to show general trends and avoid some data limitations.

In Waupaca County, minorities own a disproportionately small share of businesses compared to their nonminority counterparts. In parity, we would expect that minorities own businesses in shares comparable to their share of the population. For example, if minorities are 10% of the population, we might expect...
minorities to also own 10% of businesses. However, as shown in Figure 1 and the accompanying Table 1, a substantial gap exists.

While 3% of the population 25 and older is minority, they make up only 2% of firm owners. As shown in the graph, this underrepresentation is still apparent when education is taken into account. If we more conservatively focus on the population of bachelor’s degree holders rather than the population in total, minorities represent 2.5% of the population—still larger than their share of firm owners.

Additionally, the shares of firms with employees in nonminority and minority-owned firms, were 23% and 16% respectively, suggesting that minority firms are smaller on average and less likely to hire workers, possibly because they face barriers to growth even once they’ve successfully started their businesses.

Conclusion

“Minority” individuals – those who identify as African-American, Asian, Native American, Hispanic, or another race or ethnicity – do not own a representative share of businesses. While the reasons cannot be determined from this analysis, it signals a need to better understand the existing and aspiring “minority” entrepreneurs in the county. Perhaps by addressing key barriers and obstacles to business survival, more minority entrepreneurs could successfully pursue business ownership and create jobs for themselves and others while helping to shape the economic future of their communities.

| Table 1: Minority and Non-minority shares of Population, College-Educated, Firms, and Sales Receipts |
|-----------------------------------------------|-----------------|-----------------|
| % Population 25+                             | Minority        | Non-minority    |
| % Population 25+                             | 3.2%            | 96.8%           |
| % of Bachelor’s degrees                      | 2.6%            | 97.4%           |
| % Firms                                      | 2.1%            | 97.4%           |
| % Receipts                                   | S               | 98.8%           |

S: Withheld because estimate did not meet publication standard

| Table 2: Minority and Non-minority Owned Business Characteristics in Wisconsin (Receipts in thousands) |
|-----------------------------------------------|-----------------|-----------------|
| Number of firms                              | Minority        | Non-minority    |
| Number of firms                              | 89              | 4,138           |
| Combined gross receipts                      | S               | $1,657,011      |
| Number of firms with employees               | 14              | 953             |
| Combined receipts of firms with employees    | S               | $1,572,176      |
| Number of paid employees                     | 20-99b          | 9,347           |
| Average gross receipts                       | S               | $400            |
| Average receipts of firms with employees     | S               | $1,650          |

S: Withheld because estimate did not meet publication standard  
b: 20 – 99 employees
14. 
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12. 
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9. 
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7. 
6. 
5. 
4. 
3. 
2. 
1. 

Business Ownership Parity Analysis  
Winnebago County 2012

By Emmett Sexton, Tessa Conroy, and Diana Hammer

Minority-owned businesses have become an economic engine in the United States (U.S.) of America, with the potential to shape the future of local economies.\(^1\),\(^2\),\(^3\) Nationally, minorities and immigrants start new businesses at higher rates than non-Hispanic white people,\(^4\),\(^5\) despite facing a wide range of challenges such as barriers in accessing information, technical supports in terms of business planning, and financial resources necessary for business startup and expansion.\(^6\),\(^7\),\(^8\),\(^9\) While the growing importance of minority-owned businesses and their potential role in the future of the U.S. economy is well documented at the federal level,\(^4\),\(^5\),\(^10\) their impact at the state and local levels is not adequately understood partly due to lack of data.\(^11\),\(^12\),\(^13\) The implication is that community development practitioners and policymakers in Wisconsin who could be capitalizing on the rapid growth of minority populations and their affinity for entrepreneurial ventures lack meaningful information to guide their decisions.\(^14\),\(^1\)

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In Winnebago County, minorities own a disproportionately small share of businesses compared to their nonminority counterparts. In parity, we would expect that minorities own businesses in shares comparable to their share of the population. For example, if minorities are 10% of the population, we might expect minorities to also own 10% of

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Figure 1: Parity Analysis-Minority Business Ownership and Sales in Wisconsin

![Graph showing parity analysis for Winnebago County](image-url)
businesses. However, as shown in Figure 1 and the accompanying Table 1, a substantial gap exists.

While 7.1% of the population 25 and older is minority, they make up nearly 6% of firm owners. However, their share of revenue constitutes only 2% of all receipts. If we more conservatively focus on the population of bachelor’s degree holders rather than the population in total, minorities represent 5% of the population, suggesting that among the pool of college-educated adults, minority business owner do relatively well. That said, they still earn a disproportionately small share of receipts. Businesses that are equally minority and nonminority owned represent the smallest share of businesses at 0.7%.

Based on the sales and employment data in Table 2, 23% of minority-owned firms have employees compared to 29% of nonminority firms, suggesting that minority firms are smaller on average and less likely to hire workers, perhaps because they face barriers to growth even once they’ve successfully started their businesses. Gross receipt estimates for minority-owned firms were not published.

### Table 1: Minority and Non-minority shares of Population, College-Educated, Firms, and Sales Receipts

<table>
<thead>
<tr>
<th></th>
<th>Minority</th>
<th>Equally minority/nonminority</th>
<th>Non-minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Population 25+</td>
<td>7.1%</td>
<td>NA</td>
<td>92.9%</td>
</tr>
<tr>
<td>% of Bachelor’s degrees</td>
<td>4.9%</td>
<td>NA</td>
<td>95.1%</td>
</tr>
<tr>
<td>% Firms</td>
<td>5.8%</td>
<td>0.7%</td>
<td>93.4%</td>
</tr>
<tr>
<td>% Receipts</td>
<td>2.2%</td>
<td>S</td>
<td>97.7%</td>
</tr>
</tbody>
</table>

S: Withheld because estimate did not meet publication standard

### Table 2: Minority and Non-minority Owned Business Characteristics in Wisconsin (Receipts in thousands)

<table>
<thead>
<tr>
<th></th>
<th>Minority</th>
<th>Equally minority/nonminority</th>
<th>Non-minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of firms</td>
<td>581</td>
<td>73</td>
<td>9,309</td>
</tr>
<tr>
<td>Combined gross receipts</td>
<td>$162,204</td>
<td>S</td>
<td>$7,242,603</td>
</tr>
<tr>
<td>Number of firms with employees</td>
<td>134</td>
<td>0</td>
<td>2,659</td>
</tr>
<tr>
<td>Combined receipts of firms with employees</td>
<td>S</td>
<td>S</td>
<td>$6,935,594</td>
</tr>
<tr>
<td>Number of paid employees</td>
<td>1,000-2,499</td>
<td>1-19²</td>
<td>36,344</td>
</tr>
<tr>
<td>Average gross receipts</td>
<td>$279</td>
<td>S</td>
<td>$778</td>
</tr>
<tr>
<td>Average receipts of firms with employees</td>
<td>S</td>
<td>S</td>
<td>$2,608</td>
</tr>
</tbody>
</table>

S: Withheld because estimate did not meet publication standard

**a:** 1 to 19 employees

**g:** 1,000 to 2,499 employees

### Conclusion

“Minority” individuals – those who identify as African-American, Asian, Native American, Hispanic, or another race or ethnicity – do not own a representative share of businesses. While the reasons cannot be determined from this analysis, it signals a need to better understand the existing and aspiring “minority” entrepreneurs in the county. Perhaps by addressing key barriers and obstacles to business survival, more minority entrepreneurs could successfully pursue business ownership and create jobs for themselves and others while helping to shape the economic future of their communities.
Methods

Figure 1 & Table 1

2011-2015 American Community Survey Educational Attainment Data were used to calculate shares of bachelor’s degrees. Responses for “White alone, not Hispanic or Latino” were used to calculate nonminority share, while minority share was the remaining percent out of 100. Only ages 25 and older were used for this calculation.

Table 2

Business statistics were drawn from the 2012 Survey of Business Owners. Averages were calculated using combined receipts and number of firms.

References