

CSLF REPORT #7  
NOVEMBER 3, 2014



THE  
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FINANCE

# Minority-Owned and Immigrant-Owned Businesses in Georgia's Economy

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# I. Introduction

Minority-owned businesses and immigrant-owned businesses constitute an important source of job creation, innovation, and economic growth in our economy. The number of minority-owned businesses grew rapidly in the past two decades, outpacing other businesses and making increasing contributions to the U.S. economy. Most recent statistics show that as of 2007, there are about 1.9 million Black-owned firms, 1.5 million Asian-owned firms, and 2.3 million Hispanic-owned firms in the U.S., together comprising 21.7 percent of all businesses. Numerous studies have shown that minority businesses provide crucial goods and services to diverse populations and accrue economic and social benefits to their respective communities (Liu, Miller, and Wang 2014).

With the continued influx of immigrants to the United States during the past several decades, the number of immigrant-owned businesses<sup>1</sup> also increased over time, reaching 1.8 million in 2007. These firms generate over \$775 billion in revenue, \$125 billion in payroll, and \$100 billion in income, and employ one out of every ten workers (Fairlie 2012; Kallick 2012). While these firms are traditionally portrayed as small mom-and-pop shops, recent decades witnessed the emergence of high-growth and high-tech immigrant-owned firms across the country (Liu, Painter, and Wang 2014; Saxenian 2007) which participate disproportionately in the global economy through exporting, job outsourcing and overseas establishments (Wang and Liu 2015). Many localities have started to recognize the importance of these businesses and added programs to promote minority and immigrant entrepreneurship for local and regional economic development (Ewing 2012; Stafford 2012).

This report makes use of Survey of Business Owners (SBO) 2007 Public Use Microdata Sample (PUMS) collected by the U.S. Census Bureau and provides a comprehensive analysis of the scale, performance, and characteristics of minority-owned and immigrant-owned businesses in the state of Georgia. The firm definition in SBO adopts a majority rule, meaning that a firm is characterized by the attributes of the primary owners who own 51 percent or more of the equity, interest, or stock of the business. Therefore, a firm is termed as an immigrant-owned business only when the immigrant owners in that firm own more than half of the business and the same rule applies to black-owned, Asian-owned and Hispanic-owned businesses.

The SBO PUMS file contains information on percentage ownership of each owner up to four owners per business. To get the accumulative percentage of the business owned by a particular group, one needs to add the owner percentages of that group. For example, if there are three owners in a firm, each owning 33.3 percent of the business, Owner 1 and Owner 3 are immigrants, and Owner 2 is native-born, then approximately 67 percent of the company is immigrant-owned and the firm is defined as an immigrant-

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<sup>1</sup> Minority-owned and immigrant-owned businesses are not mutually exclusive categories. Minority-owned refers to the racial/ethnic status of the owners while immigrant-owned refers to the national origin status of the owners.

owned firm.<sup>2</sup> Using this definition, a firm is classified as equally immigrants and native-owned, or co-owned, when ownership is split by half among immigrant and native-born owners.

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<sup>2</sup> Note that an individual is both racially and ethnically determined in the SBO survey. A Hispanic can be of any race. Moreover, each owner can identify more than one race and therefore be added to each selected race/ethnicity group. The race/ethnicity percentages may accordingly exceed 100 percent for a business. For instance, if Owner 1 is Asian and White (20 percent), Owner 2 is Asian and black (40 percent), and Owner 3 is black only (40 percent), then this business would be classified as both Asian-owned and black-owned business.

## II. Scale and Growth of Minority- and Immigrant-Owned Businesses

Nationwide, the growth of minority-owned businesses is phenomenal over the ten year period between 1997 and 2007. Black-owned, Asian-owned, and Hispanic-owned firms make up 7.3 percent, 5.9 percent, and 8.6 percent of all firms in the United States respectively in year 2007, a total of 21.7 percent. These numbers are much higher than their corresponding 1997 levels of 4.0 percent, 4.3 percent, and 5.8 percent for a total of 14 percent. As Table 1 shows, black-owned businesses registered the highest growth rates in both 5-year periods: 45.4 percent from 1997 to 2002, and 60.6 percent from 2002 to 2007, followed by Hispanic-owned businesses (23.5 percent and 40 percent respectively) and Asian-owned businesses (31.1 percent and 43.7 percent respectively). These growth rates are higher than the non-minority firms over the same periods of time (6.7 percent and 8.2 percent).

The state of Georgia has a higher share of minority-owned businesses than the national level: from 15.1 percent in 1997, to 20.1 percent in 2002, and 29.9 percent in 2007. Such high figures are especially driven by the prominent presence of black-owned businesses in the state (9.8 percent, 13.4 percent, and 21 percent respectively for these three years). Minority-owned businesses in Georgia also experienced fast growth over the ten years examined, starting with black-owned businesses (62.2 percent for 1997 to 2002 and 103.3 percent from 2007 and 2012), followed by Hispanic-owned firms (55.9 percent and 78 percent) and Asian-owned firms (49.9 percent and 70.4 percent) for the same periods of time. The expansion of Georgia's minority-owned businesses is concurrent with the fast growth of Georgia's overall economy that almost doubled the national average levels till 2007.

Immigrant-owned businesses are a separate category available from SBO's 2007 dataset. Table 2 lists the shares of immigrant-owned firms and immigrant/native co-owned firms by state and also for the U.S. as a whole. It is worth noting that not all firms answered the question about owner's foreign-born status. Therefore, only identified firms (those with a valid answer to this question) are used as the denominator in calculating these shares. Nationally, 13.2 percent of firms are owned by immigrants and another 1.8 percent of firms are co-owned by immigrant and native-born owners. There is much variation in the immigrant-owned firm share across states, ranging from a high 20.3 percent in California to a low of 2.4 percent in Mississippi. Georgia ranks 18<sup>th</sup> among all states, with 8.8 percent of its firms owned by immigrants. As shown in Figure 1, immigrant-owned firms have the largest presence in traditional gateway states of California, Illinois, Florida and New York as well as the emerging high-tech center in Washington. Georgia's share is only second to Florida in the southeast region, and higher than all other neighboring states.

Table 1. Scale and Growth of Minority-Owned Businesses for U.S. and State of Georgia, 1997-2007

	BLACK-OWNED FIRMS	GROWTH RATE	ASIAN-OWNED FIRMS	GROWTH RATE	HISPANIC-OWNED FIRMS	GROWTH RATE	NON-MINORITY FIRMS	GROWTH RATE	ALL FIRMS	GROWTH RATE
UNITED STATES										
2007	1,922,806	60.6%	1,544,624	40.0%	2,261,706	43.7%	20,663,102	8.2%	26,392,237	14.9%
	7.3%		5.9%		8.6%		78.3%		100.0%	
2002	1,197,567	45.4%	1,103,587	23.5%	1,573,464	31.1%	19,100,037	6.7%	22,974,655	10.3%
	5.2%		4.8%		6.8%		83.1%		100.0%	
1997	823,499		893,590		1,199,896		17,904,949		20,821,934	
	4.0%		4.3%		5.8%		86.0%			
GEORGIA										
2007	183,873	103.3%	45,867	70.4%	32,583	78.0%	614,648	14.1%	876,971	30.0%
	21.0%		5.2%		3.7%		70.1%		100.0%	
2002	90,461	62.2%	26,925	49.9%	18,310	55.9%	538,825	11.5%	674,521	18.6%
	13.4%		4.0%		2.7%		79.9%		100.0%	
1997	55,766		17,957		11,741		483,088		568,552	
	9.8%		3.2%		2.1%		85.0%		100.0%	

**Table 2. Share of Immigrant-Owned Businesses for U.S. and by State, 2007**

STATE	ALL FIRMS	IMMIGRANT-OWNED			CO-OWNED		COMBINED SHARE <sup>c</sup>
		IDENTIFIED FIRMS <sup>a</sup>	FIRMS	SHARE	FIRMS <sup>b</sup>	SHARE	
California	3,324,963	1,633,301	444,278	20.3	50,420	2.3	22.6
New Jersey	755,819	392,693	85,502	18.7	7,481	1.6	20.4
Hawaii	115,623	62,124	12,605	18.5	2,035	3.0	21.5
Florida	1,949,326	911,610	214,531	16.8	25,218	2.0	18.8
New York	1,892,051	848,479	203,181	16.1	16,305	1.3	17.4
Washington	531,799	326,964	40,223	15.8	9,508	3.7	19.5
Illinois	1,086,392	564,139	93,775	15.0	7,841	1.3	16.3
Maryland	509,804	262,003	41,733	14.2	3,999	1.4	15.6
Virginia	617,407	342,566	46,248	14.2	5,492	1.7	15.8
Connecticut	319,788	179,416	23,409	14.0	3,036	1.8	15.9
Massachusetts	577,828	313,181	41,130	13.2	5,270	1.7	14.9
Oregon	335,557	211,594	17,573	12.1	3,792	2.6	14.7
Delaware and D.C.	121,206	61,151	8,254	11.9	1,005	1.5	13.4
Nevada	210,884	104,927	14,490	11.7	3,336	2.7	14.4
Arizona	473,113	252,255	26,975	10.6	7,331	2.9	13.4
Colorado	526,623	325,137	23,775	10.3	6,022	2.6	12.9
Texas	2,114,013	933,100	133,994	10.0	19,122	1.4	11.5
Georgia	876,971	406,976	45,864	8.8	5,701	1.1	9.9
Pennsylvania	953,027	545,162	39,484	8.7	5,744	1.3	10.0
Michigan	791,898	433,118	33,974	8.5	5,290	1.3	9.9
New Mexico	151,813	82,289	6,439	8.3	1,889	2.4	10.7
Rhode Island and Vermont	168,007	94,414	6,800	8.3	1,901	2.3	10.6
North Carolina	775,040	410,546	26,786	6.8	4,473	1.1	7.9
New Hampshire	132,900	79,205	3,920	6.7	1,041	1.8	8.5
Utah	235,576	137,910	7,071	6.6	2,519	2.3	8.9
Alaska and Wyoming	124,833	73,989	3,554	6.4	1,268	2.3	8.7
Minnesota	479,678	292,555	12,939	6.4	3,126	1.5	7.9
Ohio	870,839	486,929	26,037	6.3	4,906	1.2	7.5
South Carolina	348,927	184,180	10,418	5.9	2,141	1.2	7.1
Wisconsin	418,816	256,799	10,094	5.8	2,997	1.7	7.5
Kansas	228,419	135,064	5,526	5.5	1,283	1.3	6.8
Indiana	467,276	275,530	10,937	5.3	2,501	1.2	6.5
Missouri	483,425	270,818	11,925	5.3	2,473	1.1	6.3
Maine	145,560	85,301	3,226	5.0	1,418	2.2	7.2
Tennessee	531,907	266,930	13,405	4.8	2,309	0.8	5.6
Oklahoma	323,446	171,454	7,610	4.7	1,838	1.1	5.9
Nebraska	153,121	91,923	3,028	4.6	926	1.4	6.1
Idaho	146,431	88,739	2,870	4.6	2,148	3.4	8.0
Louisiana	364,397	166,702	9,317	4.5	1,813	0.9	5.3
Kentucky	327,267	176,320	6,733	4.2	1,307	0.8	5.1
Iowa	250,212	148,493	4,359	4.1	998	0.9	5.0
Montana	109,937	69,899	1,584	3.7	981	2.3	6.0

Table 2 continues next page...

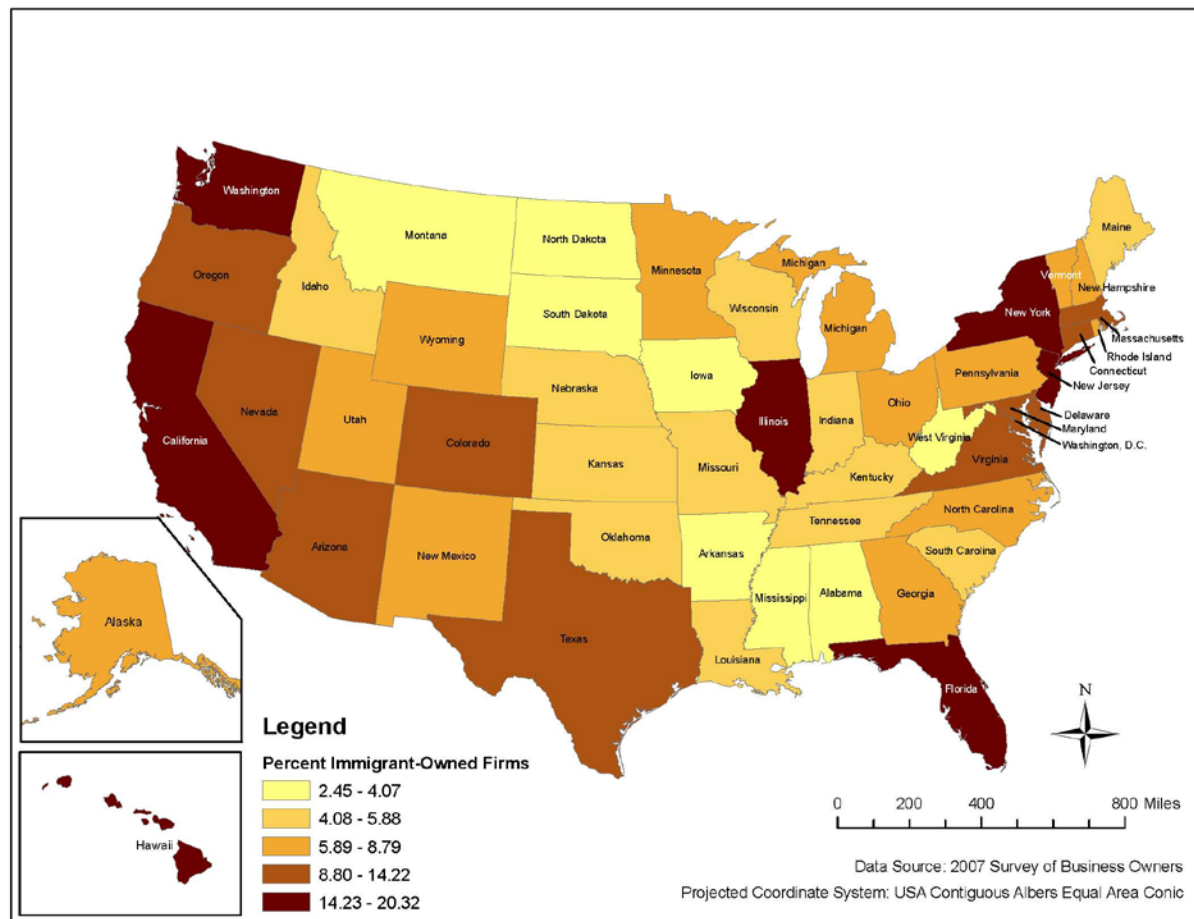
**Table 2 (cont.). Share of Immigrant-Owned Businesses for U.S. and by State, 2007**

STATE	ALL FIRMS	IDENTIFIED FIRMS <sup>a</sup>	IMMIGRANT-OWNED FIRMS	SHARE	CO-OWNED FIRMS <sup>b</sup>	SHARE	COMBINED SHARE <sup>c</sup>
Alabama	371,778	180,764	7,192	3.6	1,402	0.7	4.3
West Virginia	115,932	63,486	1,966	3.6	395	0.7	4.3
Arkansas	230,905	120,723	3,769	3.3	1,220	1.1	4.3
North Dakota and South Dakota	132,187	78,357	1,497	2.7	747	1.3	4.0
Mississippi	219,516	96,623	3,100	2.4	693	0.5	3.0
<b>United States Total</b>	<b>26,392,237</b>	<b>13,695,837</b>	<b>1,803,100</b>	<b>13.2</b>	<b>244,660</b>	<b>1.8</b>	<b>15.0</b>

Note: <sup>a</sup>Identified firms refer to firms of which the majority holder(s) can be identified for immigrant status.

<sup>b</sup>Co-owned refers to firms with equal ownership between immigrant and the native-born.

<sup>c</sup>Combined share is the sum of immigrant-owned and co-owned firms out of all firms.

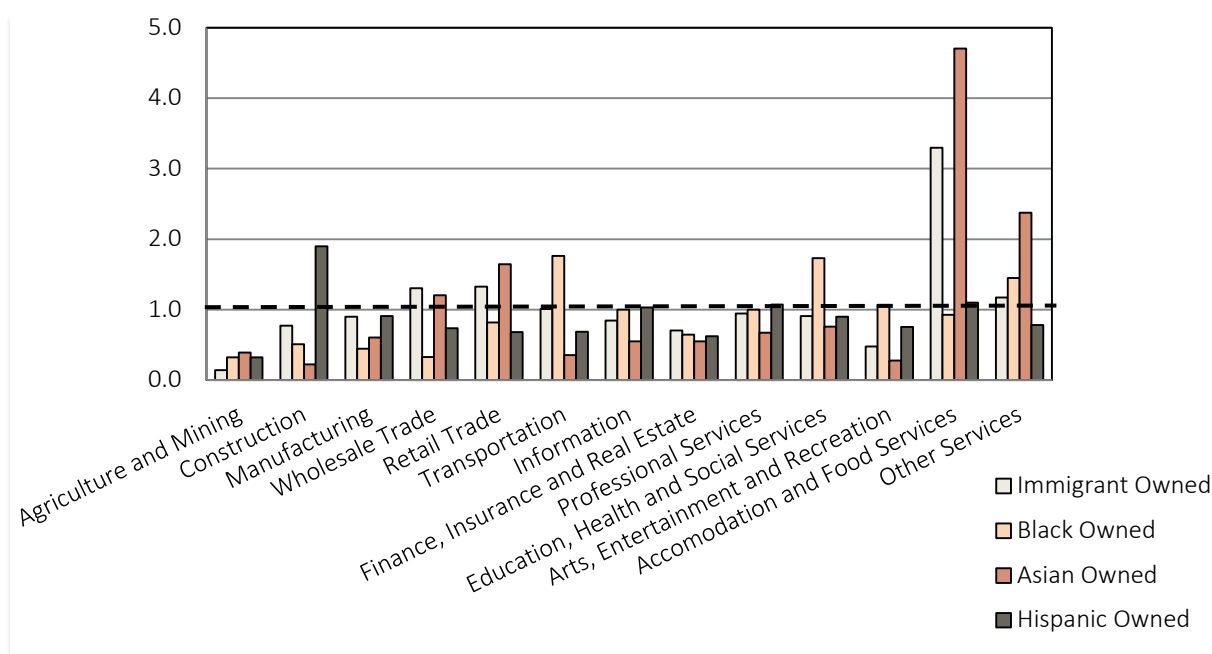
**Figure 1. Share of Immigrant Firms by State in the U.S., 2007**



### III. Industrial Distribution of Georgia Businesses

Minority- and immigrant-owned businesses' participation in the economy is not uniform across industries. In examining the industrial distribution of each business group, an index of relative concentration called location quotient (LQ) is used. Location quotients is calculated as one industry's share of all industries for immigrant- or minority-owned firms divided by the industry's share of all industries for all firms. It captures how the concentration of an industry in a business group is compared to the concentration of the same industry in the overall economy. An LQ of higher than 1 indicates that an industry is more clustered within a business group than the comparable general economy. Both the absolute shares and LQs are listed in Figure 2 and Table 3 further charts out the LQs.

**Figure 2. Industrial Location Quotient of Georgia Businesses, 2007**



Immigrant-owned businesses show the most significant comparative concentration in accommodation and food services, which makes up 9 percent of all immigrant-owned firms compared to 2.73 percent among all firms (an LQ of 3.3). Businesses owned by immigrants are also well represented in wholesale trade (3.3 percent, LQ=1.30), retail trade (12 percent, LQ=1.32), and other services (15.39 percent, LQ=1.17). Asian-owned firms exhibit the same general pattern of industrial clusters, though the exact magnitudes vary. For black-owned firms, the highest concentrations are found in transportation (8.45 percent, LQ=1.76), education, health and social services (16.62 percent, LQ=1.73), arts, entertainment and recreation (3.95 percent, LQ=1.07), and other services (19.07 percent, LQ=1.45). Construction stands out as the most significant cluster for Hispanic-owned firms (27.97 percent, LQ=1.90), followed by accommodation and food services, professional services, and information (all with LQs slightly higher

**Table 3. Industrial Distribution of Immigrant- and Minority-Owned Businesses for Georgia**

	ALL FIRMS	IMMIGRANT-OWNED FIRMS	BLACK-OWNED FIRMS	ASIAN-OWNED FIRMS	HISPANIC-OWNED FIRMS
	SHARE	SHARE	SHARE	SHARE	SHARE
	LQ <sup>b</sup>	LQ <sup>b</sup>	LQ <sup>b</sup>	LQ <sup>b</sup>	LQ <sup>b</sup>
Agriculture and Mining	0.73	0.10	0.23	0.29	0.24
Construction	14.74	11.40	7.47	3.29	27.97
Manufacturing	1.77	1.59	0.79	1.07	1.61
Wholesale Trade	2.53	3.29	0.82	3.03	1.85
Retail Trade	9.06	12.00	7.40	14.89	6.17
Transportation	4.80	4.83	8.45	1.70	3.28
Information	1.32	1.11	1.31	0.72	1.36
Finance, Insurance and Real Estate	12.47	8.75	8.05	6.82	7.73
Professional Services	23.37	22.04	23.30	15.74	25.07
Education, Health and Social Services	9.61	8.73	16.62	7.30	8.64
Arts, Entertainment and Recreation	3.71	1.76	3.95	1.03	2.80
Accommodation and Food Services	2.73	9.00	2.53	12.85	3.00
Other Services <sup>a</sup>	13.16	15.39	19.07	31.27	10.28
Total	100.00	100.00	100.00	100.00	100.00

Note: <sup>a</sup>Includes other services and other not classified industries.

<sup>b</sup>Location Quotient (LQ) is calculated as (industry's share of all industries for immigrant- or minority-owned firms)/(industry's share of all industries for all firms).

than 1). These findings are consistent with previous research which suggests immigrants and minority entrepreneurs tend to enter industrial sectors with low scales and low entry barriers (Liu 2012a; Bates 1997) and play important roles in providing diverse goods and services to local customers.

## IV. Performance Indicators of Georgia Businesses

How does a typical immigrant- and minority-owned business compare with a business in general? Several performance indicators are used to examine the business characteristics and economic impact of these businesses in Georgia's economy. As can be seen from Table 4, all immigrant- and minority-owned businesses tend to be younger, with around three quarters established after 2000, as compared to 58 percent of all firms. In particular, the share of businesses established prior to 1990 is only 10.6 percent for black-owned firms and even lower for other immigrant- and minority-owned firms. Statistics are also presented for employment, receipts and payroll.

**Table 4. Performance Indicators of Georgia Businesses, 2007**

	ALL FIRMS	IMMIGRANT-OWNED FIRMS	BLACK-OWNED FIRMS	ASIAN-OWNED FIRMS	HISPANIC-OWNED FIRMS
<i>Time Period Established</i>					
Prior to 1980	9.0%	2.4%	3.7%	3.2%	3.0%
1980-1989	10.7%	6.4%	6.9%	6.0%	4.5%
1990-1999	22.1%	18.6%	16.5%	17.0%	14.8%
2000 and after	58.3%	72.7%	72.9%	73.8%	77.7%
<i>Performance Indicators</i>					
Average Employment	2.04	2.14	0.32	1.93	0.84
Share of Employer Firms	18.0%	30.5%	4.4%	31.8%	10.1%
Average Employment for Employer Firms	11.30	7.04	7.37	6.07	8.27
Average Receipt (\$1,000)	396.07	389.52	48.12	317.46	182.76
Average Payroll (\$1,000)	64.49	58.37	7.12	41.67	21.43
<b>Number of Observations</b>	<b>876,971</b>	<b>45,864</b>	<b>183,873</b>	<b>45,867</b>	<b>32,583</b>

Of all business groups, immigrant-owned firms have the highest mean employment of 2.14 persons per business, exceeding the 2.04 average for all firms. Asian-owned firms have a similar employment average of 1.93 persons per business. However, Black- and Hispanic-owned firms feature very low average employment of 0.32 and 0.84 person respectively. These statistics are further reinforced by the share of employer firms (firms with any employment other than the owner), which is 18 percent overall. About 30 percent of immigrant-owned and Asian-owned firms hire employees while only 4.4 percent of Black-owned firms and 10.1 percent of Hispanic-owned firms do. Among the employer firms, the average employment size is 11.3 persons for all firms, 7.04 for immigrant-owned firms, 7.37 for black-owned firms, 6.07 for Asian-owned firms, and 8.27 for Hispanic owned firms. Thus, while employer firms are relatively scarce among black-owned and Hispanic-owned firms, their sizes are slightly larger than their counterparts.

The patterns for average receipts and average payroll are consistent across the five business groups. The average receipt is \$396.07 thousand and average payroll is \$64.69 thousand for a general firm. Immigrant-owned firms and, to a lesser extent, Asian-owned firms match these scales closely. However, Black owned firms lag behind with an average receipt of only \$48.12 thousand and average payroll of \$7.12 thousand. These numbers are \$182.76 thousand and \$21.43 thousand respectively for Hispanic-owned firms. Taken together, this evidence shows that black- and Hispanic-owned firms in Georgia feature relatively low employment, sales receipts and payroll levels compared to other businesses.

## V. Financing/Funding Sources of Georgia Businesses

Limited access to business financing is frequently singled out as one of the main challenges of small business entry and prosperity among minority and immigrant entrepreneurs (Bates 1997; Servon et al 2010). In the case of Georgia, over half of all firms use personal savings to fund their businesses and this share is particularly high among immigrant-owned and minority-owned businesses. This phenomenon can be attributable to the cultural inclination of immigrant entrepreneurs, but might also be shaped by the financial constraints minority entrepreneurs face in the credit market. Other major sources of funding include credit card loans, bank loans, home equity, loans from family and friends, among others. Very few firms in each category (around 1 percent) use government loans, government guaranteed bank loans, venture capital, or grants. A considerable percentage of firm owners report they either don't know or need no funding. Research based on New York City suggests that there is financial and informational gap between lending agencies and potential small business owners (Servon et al 2010), the same is likely true in Georgia. If state and local government would hope to encourage and facilitate immigrant-owned and minority-owned business establishment in its economic development strategies, more research is needed in understanding the financial hurdles they face in this process.

There exists considerable variation regarding the funding amount across different business categories. Over three quarters of black-owned businesses, 65.1 percent of Hispanic-owned businesses and 59.3 percent of all businesses report business funding in the amount of less than \$9,999. This share is 48 percent for immigrant-owned firms and 35.4 percent for Asian-owned firms, which lead other business groups in the \$10,000 to \$99,999 funding range (34.4 percent and 40.2 percent respectively) and in \$100,000 to \$999,999 range (16.0 percent and 21.9 percent respectively). It is also worth noting that 2.4 percent of Asian-owned firms have over one million funding.

**Table 5. Funding Sources of Georgia Businesses, 2007**

	ALL FIRMS	IMMIGRANT-OWNED FIRMS	BLACK OWNED FIRMS	ASIAN OWNED FIRMS	HISPANIC OWNED FIRMS
-----FUNDING SOURCES-----					
Personal Savings	55.9%	64.9%	57.8%	59.3%	60.5%
Other Personal Assets	7.4%	7.0%	6.5%	7.6%	5.6%
Home Equity	5.2%	7.1%	4.0%	7.8%	4.7%
Credit Cards	11.0%	13.4%	12.5%	11.2%	12.9%
Govt Loan	0.5%	0.6%	0.7%	0.9%	0.5%
Govt Guaranteed Bank Loan	0.6%	0.9%	0.6%	1.3%	0.6%
Bank Loan	10.7%	11.0%	5.2%	13.2%	6.4%
Loan from Family/Friends	2.3%	3.5%	1.8%	5.4%	1.9%
Venture Capitalist	0.3%	0.5%	0.1%	0.5%	0.4%
Grant	0.1%	0.0%	0.4%	0.1%	0.0%
Other	1.8%	1.8%	2.5%	1.9%	1.1%
Don't Know	5.2%	6.0%	5.0%	10.4%	4.8%
None Needed	24.3%	16.5%	25.7%	16.0%	24.0%
<i>Number of Observations</i>	<i>509,873</i>	<i>44,417</i>	<i>65,229</i>	<i>25,023</i>	<i>14,841</i>
-----FUNDING AMOUNT-----					
Less Than \$9,999	59.3%	48.0%	75.1%	35.4%	65.1%
\$10,000 to \$99,999	27.5%	34.4%	20.2%	40.2%	26.6%
\$100,000 to \$999,999	11.5%	16.0%	4.3%	21.9%	7.7%
\$1,000,000 or More	1.7%	1.6%	0.4%	2.4%	0.6%
<b>Number of Observations</b>	<b>322,696</b>	<b>31,992</b>	<b>40,707</b>	<b>16,850</b>	<b>9,711</b>

## VI. Other Business and Owner Characteristics of Georgia Businesses

In addition to employment and revenues, there are other important business characteristics (Table 6) and owner characteristics (Table 7) that distinguish Georgia's immigrant-owned and minority-owned businesses from other businesses. In terms of business type, over half of Black-owned firms (62.3 percent) and Hispanic-owned firms (51.5 percent) operate as home-based business as compared to 39.6 percent of immigrant-owned firms and 26.6 percent Asian-owned firms. More Asian-owned firms, however, operate as a franchise (7.4 percent) than other business types.

**Table 6. Business Characteristics of Georgia Businesses, 2007**

	ALL FIRMS	IMMIGRANT-OWNED FIRMS	BLACK-OWNED FIRMS	ASIAN-OWNED FIRMS	HISPANIC-OWNED FIRMS
<i>Business Type</i>					
Home-Based Business	55.2%	39.6%	62.3%	26.6%	51.5%
Operated as a Franchise	2.3%	5.3%	2.7%	7.4%	2.8%
<i>Clientele (10% more of sales from)</i>					
Governments	5.8%	3.8%	7.3%	4.7%	5.0%
Businesses	33.4%	29.4%	22.1%	23.1%	25.8%
Individuals	73.8%	77.2%	80.2%	80.7%	78.6%
<i>Business Activities</i>					
Transnational Activities	4.1%	6.7%	2.6%	6.4%	3.9%
E-Commerce Sales	6.2%	5.1%	5.1%	5.3%	4.7%
Made Purchases Online	35.5%	28.3%	27.0%	23.3%	28.6%
<i>Business Language</i>					
At Least One Foreign Language	7.6%	30.5%	6.2%	29.6%	52.9%
In Foreign Languages Only	0.7%	4.3%	0.7%	5.4%	8.7%
Foreign Languages and English	6.9%	26.2%	5.5%	24.2%	44.2%

Firms also vary in the clientele they serve, which is captured by where they receive 10 percent or more of the total sales from: governments, businesses, or individuals. Among all the business groups, black-owned firms have the highest share that cater to governments (7.3 percent), which speaks to their beneficiary role in receiving government procurement, set-aside and other assistance programs (Bates 1995). A higher share of immigrant-owned firms and minority-owned firms cater to individuals (all over three quarters) than general firms, and a lower share have businesses as their primary clientele. These characteristics can be linked back to immigrant- and minority-owned businesses' concentration in retail trade and accommodation and food industries.



Not surprisingly, immigrant-owned firms as well as Asian-owned firms are more likely to engage in transnational activities than other comparable firms (Wang and Liu 2015). However, all immigrant-owned and minority-owned businesses are less likely to have e-commerce sales or to make purchases online than general businesses, an indication that they have not embraced the digital age as much as other firms. This might be possibly due to immigrants' and minority entrepreneurs' limited access to the internet or lack of digital literacy, and deserves further examination. Immigrant-owned firms, Asian-owned firms, and especially Hispanic-owned firms tend to use at least one foreign language in their business transactions, which also suggests many of their individual and business clientele are ethnic customers who speak the same language. These firms likely play important roles in providing goods and services to their co-ethnics in ethnic communities or in the larger economy (Liu, Wang, and Miller 2014).

**Table 7. Owner's Characteristics of Georgia Businesses, 2007**

	ALL FIRMS	IMMIGRANT- OWNED FIRMS	BLACK- OWNED FIRMS	ASIAN- OWNED FIRMS	HISPANIC- OWNED FIRMS
<i>Age</i>					
Under 35	13.6%	16.9%	19.3%	16.5%	24.4%
35 to 54	50.2%	62.8%	56.2%	63.2%	61.1%
55 and Above	36.2%	20.3%	24.5%	20.2%	14.5%
<i>Education</i>					
Less than High School	5.3%	8.5%	6.5%	8.3%	16.3%
High School and Some College	47.6%	46.4%	56.5%	44.2%	50.7%
Bachelors' and Above	47.1%	45.1%	37.0%	47.5%	33.0%
Previous Experience in Self-Employment	22.1%	41.9%	8.3%	24.0%	13.9%

In addition to business characteristics, owner characteristics also show differences among these business groups. In terms of age distribution, Hispanic business owners have the highest share under 35 of age (24.4 percent). More than 60 percent of Asian owners, immigrant owners, and Hispanic owners are in the 35 to 54 age group. In general, immigrant and minority owners tend to be younger than general business owner who have 36.2 percent at age 55 and above. In terms of education, Hispanic owners have the highest share among high school dropouts (16.3 percent) followed by immigrant owners (8.5 percent), Asian owners (8.3 percent), and black owners (6.5 percent), all higher than the general business owners. At the other end of the education attainment, Black owners and Hispanic owners lag behind other business owners in their share of college graduates and above (37 percent and 33 percent respectively). Lastly, 41.9 percent of immigrant owners have prior self-employment experience before starting the current business operation, as opposed to 8.3 percent of black owners, 24 percent of Asian owners and 13.9 percent of Hispanic owners. In this sense, immigrant and Asian business owners are most prepared in their business experience.

## VII. Conclusion and Discussion

This report provides a comprehensive portrait of minority-owned and immigrant-owned businesses on various aspects in the state of Georgia till 2007, before the economic downturn took place. The 10 years preceding 2007 saw substantial growth of minority-owned and immigrant-owned businesses in Georgia and in 2007, almost 30 percent of state businesses are minority-owned comprising of 21 percent black-owned, 5.2 percent Asian-owned, and 3.7 percent Hispanic-owned businesses. In addition, 8.8 percent of Georgia businesses are owned by immigrants. These businesses vary in their industrial concentration as compared to general businesses, and notable clusters include accommodation and food services as well as wholesale and retail trade for immigrant-owned businesses and Asian-owned businesses, transportation, education, health and social services, and arts, entertainment and recreation for Black-owned businesses, and construction for Hispanic-owned businesses. These businesses are well-represented in other sectors of the economy as well. These businesses fill important niches in the market by serving minority and immigrant communities and play a role in the export economy as well.

While minority-owned and immigrant-owned businesses make important contributions to Georgia's economy, there is some performance disparity in term of employment, revenues, and sales/receipts especially for Black-owned and Hispanic-owned firms. Black and Hispanic entrepreneurs are highly-motivated (Liu 2012b) but may lack in wealth, network support and entrepreneurial human capital in launching successful businesses (Fairlie and Robb 2007) This is confirmed by the owner characteristics results that minority and immigrant owners tend to be younger and that black and Hispanic business owners have the least prior self-employment experience and lowest educational attainment among all business owners. Assistance programs aiming at promoting business success among minority and immigrant groups can be helpful by providing essential skills and business training to aspiring entrepreneurs.

Information on funding sources for minority-owned and immigrant-owned businesses suggest that Black-owned and Hispanic-owned business owners are less likely to make use of home equity and bank loans in funding their businesses though Black-owned businesses are more likely than others to take advantage of grants. Adequate financing has been identified as an important challenge for minority-owned businesses. Some research into the credit market and financing schemes available to this group would be helpful for them to close the gap on business scale and success.

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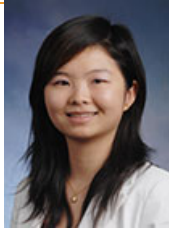
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### ACKNOWLEDGMENTS

The author would like to thank Xi Huang for her excellent research assistance.

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