La. sixth in black-owned businesses

Minority firms getting 2.3% of revenue

CENSUS REPORT HIGHLIGHTS

Black-owned businesses made up 8.6 percent of Louisiana's businesses and had total revenue of $774 million in 1992, representing 2.3 percent of total revenue in Louisiana that year.

Nationally, black-owned businesses made up 3.6 percent of businesses, comprising 1 percent of revenue.

In the District of Columbia, which had the highest percentage of minority-owned businesses at 28.6 percent, minority businesses accounted for just 4.1 percent of gross receipts in 1992, which was the highest revenue percentage in the country.

Also ranking ahead of Louisiana were in percentage of black-owned businesses were Maryland, 10.9 percent; Mississippi, 10.4 percent; South Carolina, 9.3 percent; and Georgia, 8.0 percent.

States with the lowest percentage of black-owned businesses were Idaho, Montana, North Dakota, South Dakota, Vermont and Wyoming, all at 0.2 percent.

Businesses

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"There are not major minority business firms operating here," Hinton said. Black-owned firms were concentrated nationally in the service industries, which accounted for 54 percent of these businesses, compared with 45 percent for all businesses. Retail trade was the second largest share, both for blacks and all businesses, at 14 percent.

The survey shows a high percentage of Louisiana minority businesses, but not high sales results, Hinton said. "We should have some big numbers up there if we had that many minority businesses," Hinton said.

Marion Spears, president of the 8-month-old Greater Baton Rouge Black Chamber of Commerce, said he is not surprised the minority profits are low. "Most of the African-American owned businesses in and around Louisiana are very small," said Spears, who owns three grocery stores in north Baton Rouge.

Tax laws and high state taxes make it difficult for all small businesses to operate, Spears said. "It makes it hard for the small business man to get into any business of any size," he said.

The survey compared the number of black-owned businesses in 1992 with the numbers in 1987. The number of black-owned businesses increased sharply, topping 620,000 nationally in 1992, though most are small service and retail firms with receipts under $10,000, the Associated Press reported.

Nationwide, black-owned businesses increased 46 percent, from 424,165 in 1987 to 620,192 in 1992, the Census Bureau said Monday. That was well ahead of the 26 percent increase in all businesses in the country.

At the same time, receipts by these companies jumped 63 percent, from $19.8 billion to $32.2 billion. That is comparable to a 67 percent increase in receipts for all businesses in the nation.

"A strong minority business community benefits America as a whole," Joan Parrott-Fonseca, director of the Commerce Department's Minority Business Development Agency told the Associated Press. "Simply put, our nation's diversity will prove to be our meal ticket into the 21st century."

Agency analysts suggested that the strong growth in the number of businesses was fueled by blacks who retired at relatively younger ages and launched their own businesses.

The result was a large number of small companies. The report noted that 94 percent of black-owned firms are individual proprietorships.

Some 56 percent of black-owned firms had receipts of under $10,000, the report said, while just 3,000 had receipts of $1 million or more.