

# **PROFILE OF BLACK-OWNED BUSINESSES MIAMI-DADE COUNTY 2007**



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## HIGHLIGHTS

- The number of Black-owned firms in Miami-Dade County increased from 9,747 in 1987 to 46,072 in 2007, a 473 percent increase.
- Total sales and receipts of these firms increased almost tenfold from 1987 to 2007 to about \$2.6 billion.<sup>1</sup>
- Employment went up by 300.7 percent over the last twenty years and stood at 11,607 in 2007, but went down from 16,783 in 2002.
- There were 2,429 Black-owned firms with paid employees. About three-fifths of these are in five sectors, *Health care and social assistance* (385), *Professional, scientific, and technical services* (342), *Retail trade* (325), *Wholesale trade* (226), and *Other services* (220).
- Average pay per employee in Black-owned firms in 2007 was \$23,126, about 57.1 percent of the County average (\$40,469).
- Black-owned firms with employees averaged five workers in 2007, about a third of the County average. Average payroll was \$110,509 compared to \$602,347 for all firms in the County.
- There were 43,643 Black-owned firms with no paid employees. About 70.5 percent of these are in five sectors, *Other services* (11,383), *Health care and social assistance* (6,976), *Administrative and support and waste management and remediation services* (5,704), *Transportation and warehousing* (3,539), and *Construction* (3,159).
- Sales in firms without employees are characterized by very low sales per firm compared to their counterparts with employees.
- Miami-Dade County ranks fifth among all counties with the largest number of Black-owned businesses in the United States. The top two positions go to the two most populous counties, namely, Cook County, IL, and Los Angeles County, CA.
- Compared to Black-owned businesses statewide, the firms in Miami-Dade County, for the years 2002 and 2007, had a higher ratio of firms to nonwhite population than the corresponding ratio for the State of Florida.

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<sup>1</sup> All dollar values presented are expressed in current dollars.

## **Introduction**

As part of the economic censuses conducted by the U.S. Census Bureau, a series of reports on the status of minority-owned businesses has been published. The most recent report on Black-owned firms has just become available.<sup>2</sup> For the first time in the series there is a clear distinction between firms with paid employees and those with no paid employees.<sup>3</sup> The information contained in this report allows for a relatively current description of Black-owned business activity in Miami-Dade County and provides a perspective on how the situation has changed. In addition, this report provides a geographic comparison to Florida and the United States. The following figures summarize the extent of Black-owned business participation in the Miami-Dade County economy for firms with employees. They are expressed as numerical data and percentage shares of Miami-Dade totals for the items listed.<sup>4</sup>

	<b><u>1987</u></b>	<b><u>1992</u></b>	<b><u>1997</u></b>	<b><u>2002</u></b>	<b><u>2007</u></b>
<b>Firms</b>	961 <i>1.7%</i>	926 <i>1.5%</i>	1,806 <i>3.0%</i>	1,532 <i>2.5%</i>	2,429 <i>3.6%</i>
<b>Employees</b>	2,897 <i>0.4%</i>	4,900 <i>0.7%</i>	9,830 <i>1.2%</i>	16,783 <i>2.0%</i>	11,607 <i>1.2%</i>
<b>Payroll (\$1,000)</b>	\$34,400 <i>0.3%</i>	\$70,765 <i>0.4%</i>	\$169,002 <i>0.8%</i>	\$276,313 <i>1.0%</i>	\$268,426 <i>0.7%</i>

These data indicate that Black-owned business participation in the Miami-Dade economy has edged up over the last twenty years in terms of number of firms, employees, and payroll. However, as with all the minority business reports, the numbers cannot be taken at face value due to changes in survey methodology between the various census years.

## **Data Comparability to Prior Surveys**

As in previous census years, Survey of Business Owners (SBO) data for 2002 and 2007 are not directly comparable to previous survey years because of several significant changes to survey methodology. The most significant change occurred in data presentation of kind of business with the transition from the 1987 Standard Industrial Classification (SIC) system to the 2002 and 2007 North American Industry Classification System (NAICS). Furthermore, the 2007 SBO survey includes firms with no paid employees. Because these firms were omitted from previous surveys,

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<sup>2</sup> U.S. Department of Commerce, Economics and Statistics Administration, U.S. Census Bureau, Survey of Business Owners, Black-Owned Firms, February 2011 (revised as of April 1<sup>st</sup>, 2011).

<sup>3</sup> In this report, when reference is made to “employees”, it means “paid” employees.

<sup>4</sup> The figures for the years 1987 and 1992 are derived by utilizing totals for each of the variables as published in the U.S. Department of Commerce, County Business Patterns. Comparability between that publication and the Minority-Owned Business reports is not exact and thus the values should be considered estimates. Further, in the 1987 Black-Owned Business report, the number of employer firms was substantially overstated so the ratio is incorrect. The actual ratio may be closer to 1.30 percent. The figures for 1997, 2002, and 2007 (revised as of April 1<sup>st</sup>, 2011) are derived utilizing totals for each of the variables as published in the U.S. Department of Commerce, Company Summary.

caution should be exercised in comparing 2007 SBO data for firms without employees with data from other surveys.

In addition, the 1997 data are not directly comparable to any prior years. There are several reasons, but the main one is because of several changes to the survey methodology. The most significant changes occurred in the treatment of C corporations,<sup>5</sup> which were excluded from previous surveys. In 1997, the universe for the Survey of Minority-Owned Business Enterprises (SMOBE) was expanded to include all corporations. The second major change occurred with the treatment of businesses with 50-percent minority-/50-percent non-minority ownership. For 1997, businesses in which ownership was shared among minority and nonminority groups were excluded from the minority business data. The third major change occurred in identifying sole proprietorships with paid employees. The methodology was revised to account for only those firms which paid payroll taxes to the IRS. For a discussion of these changes in greater detail, the reader is referred to the individual census reports.<sup>6</sup>

Due to the methodology changes mentioned above, exact estimates of changes are not available. As a result, it is not possible to determine in what ways these changes influenced final results. However, the overall trends shown at the aggregate level are believed to be reliable. The most recent five year data (2002 – 2007) shows that Black-owned businesses in Miami-Dade County have grown in number of firms, outpacing the growth of all County firms and even exceeding the national rate during that period. In the remainder of the study other measures will be examined to help clarify the position of Black-owned firms in the late 2000s.

Prior to 1997, there was no single data source which was fully comparable to total County business activity and activity of businesses owned by Blacks. Certain key measures of such activity are presented in the Censuses of Business (COB) and special Minority-Owned Business (MOB) surveys. However, census data is not available for all kinds of businesses, dates of all censuses do not coincide with Minority-Owned Business surveys, and several definitional conflicts pervade these data sources. County Business Patterns (CBP) presents a relatively complete business count, but this source is also not directly comparable to the MOB surveys. County Business Patterns presents data on an establishment basis, whereas MOB survey reports on firms, which could be parent to more than one establishment. Also, CBP data is confined to establishments with one or more employees, whereas hired employees are not a prerequisite to MOB coverage.

Beginning in 1997, the U.S. Department of Commerce published a report that included all business activity in the County. This report is called “Company Summary” and is part of the economic censuses. As a result, the data is comparable with the SBO, formerly known as the Survey of Minority-Owned Business Enterprises. Thus, the 1997, 2002, and 2007 comparisons probably present the most accurate status of Black-owned business locally.

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<sup>5</sup> Any legally incorporated business, except subchapter S, under state laws.

<sup>6</sup> U.S. Department of Commerce, Economics and Statistics Administration, Census Bureau, Survey of Business Owners, Black-Owned Firms, 2002 and 2007, Survey of Minority-Owned Business Enterprises, Black-Owned Firms: 1987, 1992, and 1997.

## Overview of All Black-Owned Businesses

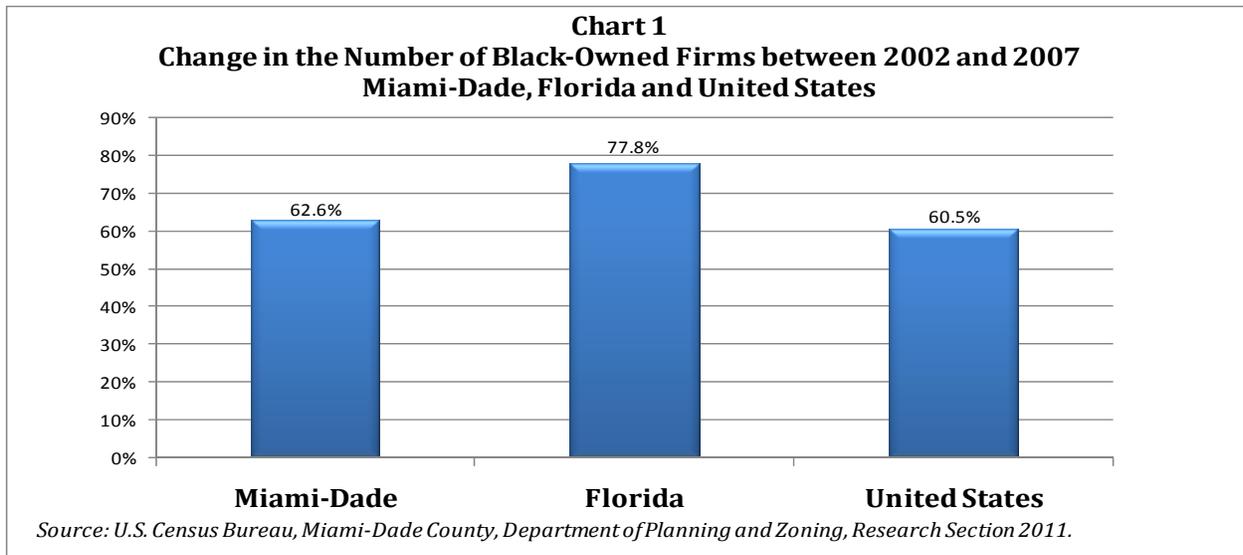
In this report a clear distinction is made between firms that have at least one paid employee and firms that have no employees. As such, each type of firms will be discussed separately. It is important to note that a much more inclusive set of business characteristics is available for firms with employees. The number of firms and receipts are the only common characteristics in the data for both firms with employees and firms without employees. As should be expected, firms with employees are much larger in terms of revenues than their counterparts without employees. However, in terms of the number of firms the situation is reversed. Table 1 shows data taken from the 2002 and 2007 SBO, as well as the respective Company Summary reports. This table provides an overview of the basic data of all Black-owned firms as compared to all firms for Miami-Dade, Florida, and the United States. Chart 1 illustrates graphically the growth of Black-owned firms between 2002 and 2007. As shown, Black-owned firms in Florida grew faster than their counterparts in Miami-Dade and the United States. The following sections describe and provide analysis for each type of firm.

**TABLE 1**  
Comparison of Black-Owned Firms to All Firms\*  
Miami-Dade County, Florida, and United States  
2002 and 2007

	Firms (number)	% Change (2002-07)	Receipts (\$1,000)	% Change (2002-07)
<b>Miami-Dade</b>				
Black-Owned Firms				
2002	28,335		1,634,395	
2007	46,072	62.6	2,624,399	60.6
All Firms				
2002	297,458		161,690,012	
2007	403,697	35.7	241,626,391	49.4
<b>Florida</b>				
Black-Owned Firms				
2002	102,053		5,721,314	
2007	181,438	77.8	10,548,591	84.4
All Firms				
2002	1,539,207		1,075,802,198	
2007	2,009,747	30.6	1,467,083,787	36.4
<b>United States</b>				
Black-Owned Firms				
2002	1,197,567		88,641,608	
2007	1,921,776	60.5	136,038,406	53.5
All Firms				
2002	22,974,655		22,603,658,904	
2007	27,097,236	17.9	30,033,458,345	32.9

\* All firms include firms with paid employees and firms with no paid employees.

Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.



### **Firms with Employees**

In 2007, a total of 66,627 business firms with employees were operating in Miami-Dade County according to preliminary estimates from the Company Summary report. The report refers to this type of firm as “employer” firms. The number of Black-owned firms with employees reported in the Survey of Business Owners (SBO) was 2,429. Thus, about 3.6 percent of such local business firms were Black-owned. This is an increase from 1.7 percent in 1987. Table 2 shows data on Black-owned firms with employees as compared to all employer firms for Miami-Dade, Florida, and the United States. Chart 2 identifies the number of Black-owned employer firms as a percentage of total employer firms in Miami-Dade, Florida, and the United States between 2002 and 2007. As shown, the rate of change in shares of Black-owned firms of the respective total firms in Miami-Dade is up during the five-year period.

**Firms:** Table 3 reveals the industrial distribution in 2002 and 2007 for Black-owned firms with employees in terms of the number of firms with employees in Miami-Dade County. When compared to all firms in the County, Black-owned firms grew a lot faster (58.6 percent) than all firms (8.8 percent) between 2002 and 2007. For the individual industry groups, the results are also on the up side. In the five sectors, where data is available, Black-owned firms exceeded the growth of the corresponding sectors for all firms. Among these sectors, *Other services (except public administration)* is the best performer, followed by *Retail trade*, and *Health care and social assistance*.

Black-owned businesses, as a percent of County totals for industry groups in 2007, vary from a high of 6.0 percent in *Other services (except public administration)* to a low of 2.2 percent in *Accommodation and food services*. As a share of County totals, Black-owned businesses gained in all five industry groups, where data is available, in terms of number of firms. Black-owned businesses were concentrated in five sectors: *Health care and social assistance* (15.9 percent), *Professional, scientific, and technical services* (14.1 percent), *Retail trade* (13.4 percent), *Wholesale trade* (9.3 percent), and *Other services (except public administration)* (9.1 percent). These five sectors represent close to two thirds of all Black-owned firms in Miami-Dade County.

**TABLE 2**  
 Comparison of Black-Owned Firms with Paid Employees to All Firms With Paid Employees  
 Miami-Dade County, Florida, and United States  
 2002 and 2007

	Firms (number)	Percent Change (2002-07)	Receipts (\$1,000)	Percent Change (2002-07)	Employees (number)	Percent Change (2002-07)	Payroll (\$1,000)	Percent Change (2002-07)
<b>Miami-Dade</b>								
Black-Owned Firms								
2002	1,532		1,149,018		16,783		276,313	
2007	2,429	58.6	1,808,229	57.4	11,607	-30.8	268,426	-2.9
All Firms								
2002	61,370		152,947,630		849,262		27,210,151	
2007	66,627	8.6	228,490,036	49.4	991,680	16.8	40,132,553	47.5
<b>Florida</b>								
Black-Owned Firms								
2002	7,025		3,719,790		54,742		<u>906,163</u>	
2007	10,736	52.8	6,765,939	81.9	65,280	19.3	1,606,418	77.3
All Firms								
2002	360,179		1,022,017,541		6,205,482		185,846,799	
2007	414,485	15.1	1,392,978,851	36.3	7,199,829	16.0	258,377,759	39.0
<b>United States</b>								
Black-Owned Firms								
2002	94,518		65,799,425		753,978		17,550,064	
2007	106,650	12.8	97,450,045	48.1	910,660	20.8	23,387,547	33.3
All Firms								
2002	5,524,784		21,836,249,354		110,766,605		3,812,427,806	
2007	5,739,890	3.9	29,060,766,911	33.1	117,406,354	6.0	4,824,689,316	26.6

Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

**TABLE 3**  
**Firms with Paid Employees**  
**Black-Owned Firms Compared to All Firms, by Sector**

**Firms**

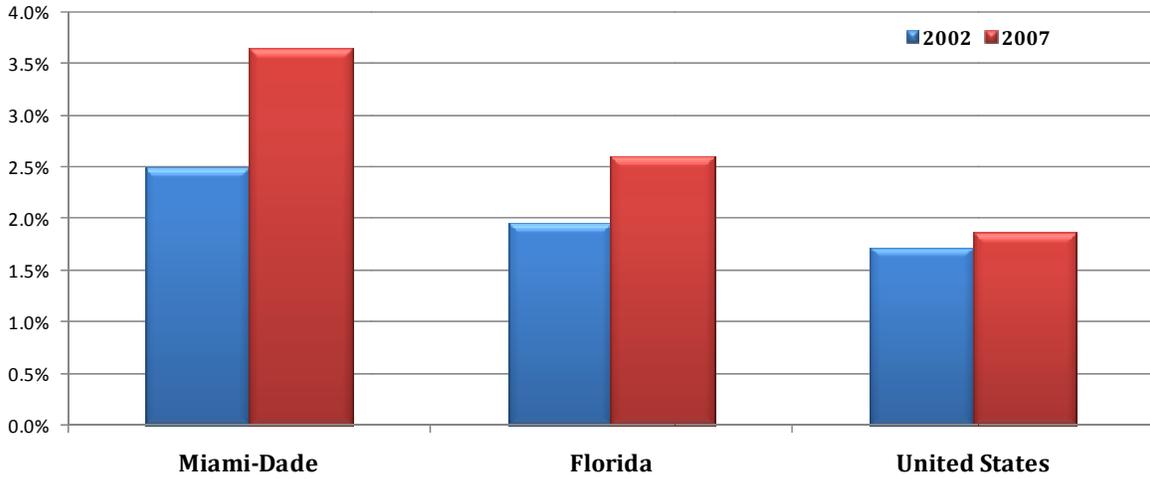
Miami-Dade County: 2002 and 2007

Sector	Total		Black-Owned Firms				Black-Owned Firms	
	Firms (number)	Firms (number)	Firms (number)	Firms (number)	Percent Distribution	Percent Distribution	As s Percent of Total Firms	
	2002	2007	2002	2007	2002	2007	2002	2007
Total for all sectors	61,370	66,627	1,532	2,429	100.0	100.0	2.5%	3.6%
Agriculture, forestry, fishing and hunting	48	S	S	S	-	-	-	-
Mining, quarrying, and oil and gas extraction	15	22	0	S	-	-	-	-
Utilities	15	20	0	S	-	-	-	-
Construction	3,921	5,021	125	175	8.2	7.2	3.2%	3.5%
Manufacturing	2,607	2,465	S	S	-	-	-	-
Wholesale trade	8,748	8,281	S	226	-	9.3	-	2.7%
Retail trade	8,164	7,847	186	325	12.1	13.4	2.3%	4.1%
Transportation and warehousing	2,500	2,712	63	S	4.1	-	2.5%	-
Information	1,106	1,172	4	S	0.3	-	0.4%	-
Finance and insurance	2,956	3,796	S	177	-	7.3	-	4.7%
Real estate and rental and leasing	3,601	4,383	S	114	-	4.7	-	2.6%
Professional, scientific, and technical services	9,653	11,501	102	342	6.7	14.1	1.1%	3.0%
Management of companies and enterprises	256	S	0	S	-	-	-	-
Admin. and support and waste mang and rem. srvs	3,214	3,277	S	S	-	-	-	-
Educational services	613	725	S	30	-	1.2	-	4.1%
Health care and social assistance	6,521	7,227	244	385	15.9	15.9	3.7%	5.3%
Arts, entertainment , and recreation	731	1,008	32	S	2.1	-	4.4%	-
Accommodation and food services	3,212	3,558	S	79	-	3.3	-	2.2%
Other services (except public administration)	3,782	3,646	124	220	8.1	9.1	3.3%	6.0%
Industries not classified	184	S	0	S	-	-	-	-

S = Estimates are suppressed when publication standards are not met, such as the relative standard error of the sales and receipts is 50 percent or more.

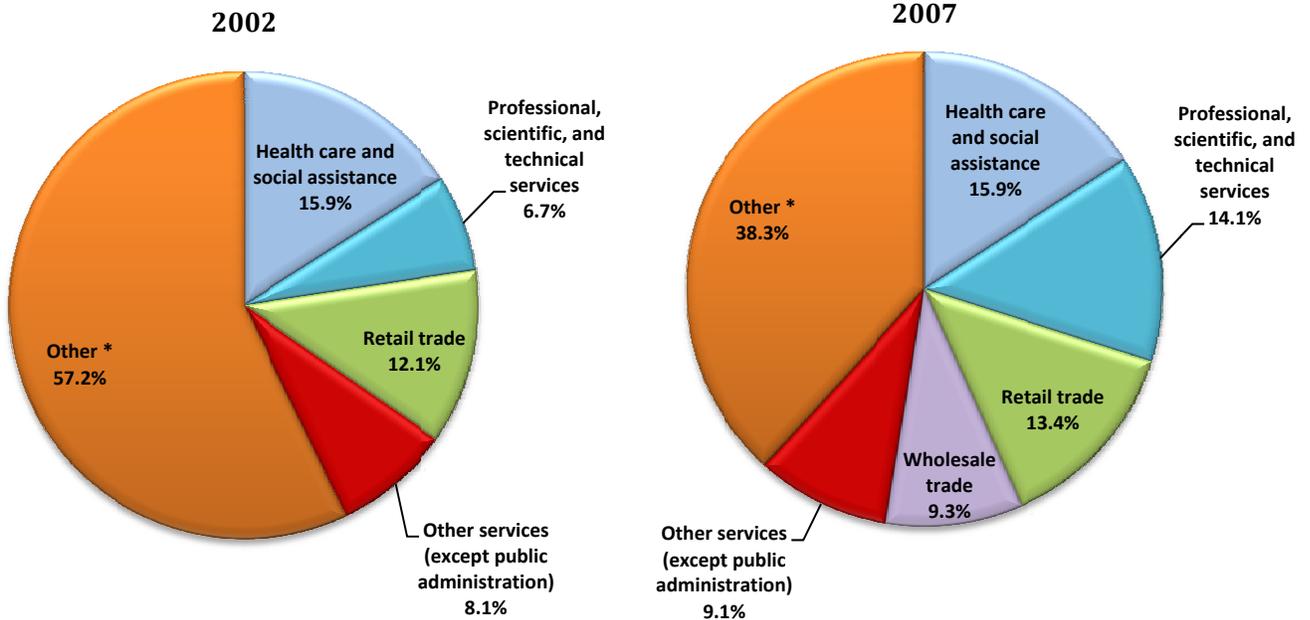
Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

**Chart 2**  
**Black-Owned Firms with Paid Employees,**  
**as a Share of All Firms,**  
**Miami-Dade, Florida and United States**



Source: U.S. Census Bureau, Miami-Dade County, Department of Planning and Zoning, Research Section 2011.

**Chart 3**  
**Black-Owned Firms with Paid Employees, by Sector**  
**Miami-Dade County**



\* Includes 15 sectors with the largest at 8.2 percent share

\* Includes 14 sectors with the largest at 7.3 percent

Source: U.S. Census Bureau, Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

Between 2002 and 2007 the big gainer in share among Black-owned businesses was *Professional, scientific, and technical services*, up almost seven and a half percentage points. *Retail trade* and *Other services (except public administration)* also registered small gains in share. *Construction* declined one percentage point in share while still adding a small gain in the number of firms. Chart 3 shows the percentage distribution of Black-owned firms by sector in 2002 and 2007.

Employment: In terms of employment, shown in Table 4, Black participation in Miami-Dade County's business community declined from 2.0 percent in 2002 to 1.2 percent in 2007. As a result, average employment per firm went down from eleven to five employees. Black-owned firms with payrolls employed 11,607 persons in 2007, a decrease of 30.8 percent from 2002 (a loss of 5,176 employees). The employment losses of the past five years could be explained, in part, by a possible overstated number of employees reported in the 2002 Black-owned business survey. This possibility is based on the relative standard error (RSE) of estimate for that year.<sup>7</sup> One of the losers in employment was in *Health care and social assistance*. Incidentally, based on the data that is available, this is the industry that employs the largest number of workers, 1,901. Other sectors with large number of employees include *Retail trade* (1,706 workers), *Accommodation and food services* (1,235 workers), *Professional, scientific, and technical services* (1,051 workers), and *Wholesale trade* (710 workers). These five sectors comprise about 56.9 percent of total employment.

The employment distribution of Black-owned firms in 2007 is similar to the industrial distribution of firms. As in the case of firms, employment in all Black-owned firms shows high concentration in *Health care and social assistance* (16.4 percent of total employment) and low concentration in *Educational services*. Between 2002 and 2007, *Retail trade* and *Professional, scientific, and technical services* showed a substantial increase in their share of employment while *Construction* had a small gain in share, even though lost 171 workers. In absolute terms, *Retail trade* added the most employees, 1,113, which was 14.7 percent of the total. Next in terms of employees added was *Professional, scientific, and technical services*. It should be noted that employment changes in more than half of the sectors cannot be revealed because of disclosure limits for Black-owned firms.

Compared to the percentage distribution of the County as a whole, Black-owned firms were underrepresented compared to all county firms in the *Educational services*, and *Real estate and rental and leasing* sectors. Black-owned firms were over-represented in *Health care and social assistance*, as well as *Professional, scientific, and technical services*.

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<sup>7</sup> The data in this report is, in part, estimated from sample surveys. As a result, the estimates are subject to possible sampling and non-sampling errors. Since the relative standard error (RSE) of estimate for employees in 2002 is much higher than the corresponding measure in 2007, the reader should be cautious in the interpretation of the data. For more details see the Reliability of Estimates section in the publication cited.

**TABLE 4**  
**Firms with Paid Employees**  
**Black-Owned Firms Compared to All Firms, by Sector**

**Employees**

Miami-Dade County: 2002 and 2007

Sector	Total Firms		Black-Owned Firms				Black-Owned Firms	
	Employees (number)	Employees (number)	Employees (number)	Employees (number)	Percent Distribution	Percent Distribution	As a Percent of Total Firms	
	2002	2007	2002	2007	2002	2007	2002	2007
Total for all sectors	849,262	991,680	16,783	11,607	100	100	2.0%	1.2%
Agriculture, forestry, fishing and hunting	1,000	S	S	S	-	-	-	-
Mining, quarrying, and oil and gas extraction	747	858	0	S	-	-	-	-
Utilities	N/A	4,599	0	S	-	-	-	-
Construction	35,758	42,166	720	549	4.3	4.7	2.0%	1.3%
Manufacturing	52,194	41,405	S	S	-	-	-	-
Wholesale trade	69,173	69,995	S	710	-	6.1	-	1.0%
Retail trade	111,608	125,616	593	1,706	3.5	14.7	0.5%	1.4%
Transportation and warehousing	47,746	53,177	287	S	1.7	-	0.6%	-
Information	26,864	23,788	S	S	-	-	-	-
Finance and insurance	45,089	48,768	c	518	-	4.5	-	1.1%
Real estate and rental and leasing	18,362	27,151	S	190	-	1.6	-	0.7%
Professional, scientific, and technical services	56,215	65,499	487	1,051	2.9	9.1	0.9%	1.6%
Management of companies and enterprises	24,955	S	0	S	-	-	-	-
Admin. and support and waste mang and rem. srvs	119,862	205,172	S	S	-	-	-	-
Educational services	25,855	33,168	S	92	-	0.8	-	0.3%
Health care and social assistance	96,174	108,778	2,605	1,901	15.5	16.4	2.7%	1.7%
Arts, entertainment , and recreation	10,603	11,904	S	S	-	-	-	-
Accommodation and food services	81,067	90,534	S	1,235	-	10.6	-	1.4%
Other services (except public administration)	20,676	20,238	602	454	3.6	3.9	2.9%	2.2%
Industries not classified	N/A	S	0	S	-	-	-	-

S = Estimates are suppressed when publication standards are not met, such as the relative standard error of the sales and receipts is 50 percent or more.

N/A = Not Available.

Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

Payroll: Table 5 replicates the previous two tables using annual payroll as the measure. In 2007, Black-owned businesses' shares of County payroll totals sector by sector are lower than the corresponding employment percentages. This could be explained, in part, by the relative low wage rates prevalent in Miami-Dade County. *Health care and social assistance, Professional, scientific, and technical services, Retail trade, Wholesale trade, and Accommodation and food services* are the top five sectors in terms of payroll. Together they account for almost 64.0 percent of the total. Among all sectors, the average payroll per firm was \$110,509. For individual sectors, *Accommodation and food services* ranked first at \$233,481 and *Other services* was lowest at \$41,886. Countywide in 2007, the average payroll per firm was \$602,347.

In 2007, the average payroll per employee in all Black-owned firms stood at \$23,126. This was significantly lower than the County average (\$40,469). However, despite the decline in employment and declines in annual payroll between 2002 and 2007, the average payroll per employee in Black-owned firms improved relative to the overall County average. At \$16,464 in 2002, it increased to \$23,126 in 2007 the former being 51.4 percent of the County average while the latter is 57.1 percent.

### **Firms without Employees**

The comparison of SBO data with the 2007 preliminary summary estimates and County Business Patterns data, as well as the percentage shares of the County totals, shown earlier in the report, gives the clearest picture of the Black-owned component of Miami-Dade's business community. However, those data compare only business units that have at least one employee. In 2007, fully 94.7 percent of the County's Black-owned businesses were owner-operated with no employees, a figure slightly higher than in 2002.<sup>8</sup> These are referred to as "non-employer" firms by the Survey of Business Owners. In 2007, there were 43,643 Black-owned firms with no employees, up from 26,803 in 2002, a 62.8 percent increase.

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<sup>8</sup> This is to be defined as having no paid employees, which would not preclude having family members working in the business.

**TABLE 5**  
**Firms with Paid Employees**  
**Black-Owned Firms Compared to All Firms, by Sector**  
**Payroll**

Miami-Dade County: 2002 and 2007

Sector	Total Firms		Black-Owned Firms				Black-Owned Firms	
	Payroll (\$1,000)	Payroll (\$1,000)	Payroll (\$1,000)	Payroll (\$1,000)	Percent Distribution	Percent Distribution	As a Percent of Total Firms	
	2002	2007	2002	2007	2002	2007	2002	2007
Total for all sectors	27,210,151	40,132,553	276,313	268,426	100	100	1.0%	0.7%
Agriculture, forestry, fishing and hunting	14,223	S	S	S	-	-	-	-
Mining, quarrying, and oil and gas extraction	32,782	51,890	0	S	-	-	-	-
Utilities	N/A	296,559	0	S	-	-	-	-
Construction	1,205,596	1,766,019	16,693	16,869	6.0	6.3	1.4%	1.0%
Manufacturing	1,644,530	1,556,799	S	S	-	-	-	-
Wholesale trade	2,768,212	3,159,829	S	26,885	-	10.0	-	0.9%
Retail trade	2,340,443	3,061,093	11,656	30,846	4.2	11.5	0.5%	1.0%
Transportation and warehousing	1,526,275	2,103,554	5,762	S	2.1	-	0.4%	-
Information	1,207,689	1,527,948	S	S	-	-	-	-
Finance and insurance	2,550,684	3,492,440	S	10,701	-	4.0	-	0.3%
Real estate and rental and leasing	557,294	1,000,443	S	4,895	-	1.8	-	0.5%
Professional, scientific, and technical services	2,916,414	4,123,312	16,983	45,539	6.1	17.0	0.6%	1.1%
Management of companies and enterprises	1,479,525	S	0	N/A	-	-	-	-
Admin. and support and waste mang and rem. srvs	2,794,911	8,732,696	S	S	-	-	-	-
Educational services	863,156	1,322,129	S	1,912	-	0.7	-	0.1%
Health care and social assistance	3,143,442	4,105,657	40,869	49,890	14.8	18.6	1.3%	1.2%
Arts, entertainment , and recreation	312,259	391,764	S	S	-	-	-	-
Accommodation and food services	1,186,415	1,651,362	S	18,445	-	6.9	-	1.1%
Other services (except public administration)	405,901	434,754	8,806	9,215	3.2	3.4	2.2%	2.1%
Industries not classified	N/A	S	0	S	-	-	-	-

S = Estimates are suppressed when publication standards are not met, such as the relative standard error of the sales and receipts is 50 percent or more.

N/A = Not Available.

Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

## **Characteristics of Black-Owned Firms for Selected Sectors**

In Table 6, selected characteristics of Black-owned firms are provided for the five largest sectors in terms of employment. These five sectors comprise 33.4 percent of all Black-owned firms (total is 46,072). Among all Miami-Dade businesses in these five industries, Black-owned firms make up a little over a tenth of the County totals. For firms with employees, the Black-owned percentages compared to the County are all lower, whereas for firms without employees, the Black-owned percentages compared to the County are all higher. With respect to employees, the Black-owned firms in these five sectors have much smaller shares of the County totals, *Health care and social assistance* being highest at 1.7 percent. As shown in Table 6, the average number of employees for Black-owned firms is much lower than the countywide average for the respective five industries. Just over 47 percent of the firms in these five sectors are found in *Health care and social assistance*. While this sector employs the highest number of persons, when it comes to employees per firm, the highest ratio is found in the *Accommodation and food services* sector with an average employment size of 16 employees per firm.

Since Black-owned firms are smaller, they have lower payroll per firm than the corresponding average for all firms in the County. This lower ratio generally holds for payroll per employee as well. Thus, where payroll per firm is concerned, the *Accommodation and food services* sector is the highest at about half of the County averages while *Health care and social assistance* is the lowest at 22.8 percent. However, for payroll per employee Black-owned firms come much closer to the County levels; *Wholesale trade* is highest at 83.9 percent of the County average while *Professional, scientific, and technical services* is lowest at 68.8 percent. The other three sectors range from 69.5 to 81.9 percent. In regard to payroll per firm, the *Accommodation and food services* sector has the highest figure at \$233,481 followed by *Professional, scientific, and technical services* at \$133,155 and *Health care and social assistance* at \$129,584. In payroll per employee, *Professional, scientific, and technical services* has the highest figure at \$43,329 followed by *Wholesale trade* at \$37,866 and *Health care and social assistance* at \$26,244.

**TABLE 6**  
**Characteristics of Black-Owned Firms and Comparison with All Firms**  
**Selected Sectors**  
**Miami-Dade County, Florida, 2007**

Item	Health Care And Social Assistance	% of All Firms	Accommodation and Food Services	% of All Firms	Retail Trade	% of All Firms	Profess. Scientific, and Tech. Services	% of All Firms	Wholesale Trade	% of All Firms
Totals	7,361	19.0%	898	10.7%	3,408	11.17%	2,780	6.3%	955	5.5%
Firms With Paid Employees	385	5.3%	79	2.2%	325	4.1%	342	3.0%	226	2.7%
Firms Without Paid Employees	6,976	22.2%	819	17.1%	3,083	13.5%	2,438	7.4%	729	8.0%
Number of Employees	1,901	1.7%	1,235	1.4%	1,706	1.4%	1,051	1.6%	710	1.0%
Employment Per Firm	5	32.8%	16	61.4%	5	32.8%	3	54.0%	3	37.2%
Annual Payroll (\$000s)	49,890	1.2%	18,445	1.1%	30,846	1.0%	45,539	1.1%	26,885	0.9%
Payroll Per Firm \$	129,584	22.8%	233,481	50.33%	94,911	24.3%	133,155	37.1%	118,960	31.2%
Payroll Per Employee \$	26,244	69.5%	14,935	81.9%	18,081	74.2%	43,329	68.8%	37,866	83.9%
Total Receipts (\$000s)	240,401	1.9%	79,076	1.3%	396,873	1.1%	238,019	2.0%	493,031	0.7%
Receipts of Firms With Paid Employees (\$000s)	129,321	1.1%	54,874	0.9%	334,179	1.0%	176,837	1.7%	462,057	0.7%
Receipts of Firms Without Paid Employees (\$000s)	111,080	10.8%	24,202	11.3%	62,694	7.0%	61,182	4.3%	30,974	3.1%
Receipts Per Firm for Total Firms \$	32,659	9.8%	88,058	11.8%	116,453	10.1%	85,618	31.7%	516,263	12.8%
Receipts Per Firm With Employees \$	335,899	20.4%	694,608	41.0%	1,028,243	23.3%	517,067	56.2%	2,044,500	24.4%
Receipts Per Firm Without Employees \$	15,923	48.7%	29,551	65.9%	20,335	51.9%	25,095	58.2%	42,488	39.4%
Receipts Per Employee \$	68,028	62.3%	44,432	66.7%	195,885	71.2%	168,256	104.2%	650,785	65.6%

Source: U.S. Census Bureau, 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

Again, given that Black-owned businesses are generally smaller in size than the average firm in the County, it is not surprising that the measures for dollar receipts will be lower than the corresponding receipts for all firms in the County. As shown in Table 6, the percentages of the County totals in terms of total receipts and receipts of firms with employees are all very low; the picture is much the same for each of the selected five industries. Considering only firms without employees these percentages show up a little better. The two highest percentages in receipts are in *Accommodation and food services* at 11.3 percent and *Health care and social assistance* at 10.8 percent.

Given the low percentages mentioned above, it is not surprising that Black-owned firms fall short of the County's average receipts per firm and per employee. For receipts per firm for all firms, *Professional, scientific, and technical services* show the highest percentage of the County figure at 31.7 percent. Also, for receipts per firm for Black-owned firms with employees, the same sector is 56.2 percent of the County total. The performance of Black-owned firms looks better when measured by receipts per firm without employees. For this measure, the percentages on all five sectors inch up a bit with *Accommodation and food services* at almost 66 of the County average. Examination of the figures for receipts per employee reveals that Black-owned firms are much more on par with the same measure at the County level. In fact, in the *Professional, scientific, and technical services* sector, all Black-owned firms are 104.2 percent of the County level.

In terms of receipts, there is a considerable difference between firms with and without paid employees. For the selected five industries, data indicates that low levels of sales and receipts, account for the relatively low values per firm in Black-owned firms. In Table 6 are shown the ratios of receipts per firm for firms with and without employees. The ratio (receipts per firm) for firms without employees equates to a much smaller value than the corresponding values for firms with employees. Sector by sector the values of the first group as a percent of the values of the second group are as follows: *Health care and social assistance* 4.7 percent, *Retail trade* 2.0 percent, *Accommodation and food services* 4.3 percent, *Professional, scientific, and technical services* 8.3 percent, and *Wholesale trade* 2.1 percent. These percentages represent a very low level of returns. The highest is in Wholesale trade at \$42,488 and the lowest is in *Health care and social assistance* at \$15,923. Thus, it is evident that the per capita earnings in these Black-owned firms without employees are very low.

## **Geographic Comparisons**

Approximately 15.8 percent of the nonwhite population in Florida resided in Miami-Dade County in 2007. Table 7 shows Miami-Dade County Black-owned businesses as a percent of Florida Black-owned businesses. In the total line, the Miami-Dade share was above its Black population share for all measures. These shares decreased for all measures, except for firms in the firms with employee's category, which increased slightly during the 2002 to 2007 period. With respect to the industry groups, for the most part, the Miami-Dade share exceeds the Black population share. Of those individual industry groups, which fall below the Black population share, the majority are in *Construction, Educational services, and Health care and social assistance*. Looking at the change in shares between the years, there is a mixed pattern among the sectors as increases and decreases in share are more or less equally divided. As a share of the State total, nonwhite population declined from 18.0 to 15.8 percent in Miami-Dade between 2002 and 2007, due to more rapid growth elsewhere in Florida. Despite this, in 2007 in the majority of cases, as shown in Table 7, Miami-Dade Black-owned businesses have a larger share of what it would be based on population.

Table 8 compares the participation of Miami-Dade's Black-owned businesses in the local economy with their counterparts throughout the United States vis-à-vis the national economy. The participation rates are important as they reveal how the Black-owned business sector has performed compared to Black-owned businesses throughout the nation. A number above one means Black-owned businesses in Miami-Dade comprise a larger share of the Miami-Dade totals than do Black-owned businesses nationally with respect to national totals.

The first line in Table 8 shows that, with respect to firms in 2007, Miami-Dade exceeded the nation. However, from 2002 to 2007, Miami-Dade's status in terms of employment and payroll declined. For the individual industry groups, where data is available, results vary. In terms of firms, in 2007 Miami-Dade was above the nation in five sectors where all five registered improvements over the five-year interval. However, for employees, Black-owned firms in Miami-Dade did relatively better than their counterparts nationally in only two out of five sectors where the ratios were higher in 2007: *Retail trade* and *Professional, scientific, and technical services*. For payroll, with very few exceptions, the trend is slightly better than employees. Upward trends in the ratios are found in three out of five sectors: *Retail trade, Professional, scientific, and technical services*, as well as *Other services*.

Another indication of the status of Miami-Dade's Black-owned business sector is displayed in Table 9. The numbers shown in that table are simple percentages of national totals attributable to Miami-Dade's Black-owned businesses. For all employer businesses, Miami-Dade has about 2.3 percent of the national total. For the individual industry groups, Miami-Dade's share of Black-owned businesses is higher for all sectors, in terms of firms, where the percentages for Miami-Dade exceed those of the nation. However, for the other measures the percentages reveal a mixed picture.

**TABLE 7**  
**Comparison of Black-Owned Business Participation**  
**Miami-Dade County as a Percent of State of Florida**  
**2002 and 2007**

Sector	<u>All Firms</u>				<u>Firms with Paid Employees</u>							
	Firms		Receipts		Firms		Receipts		Employees		Payroll	
	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007
Total	27.8	25.4	28.6	24.9	21.8	22.6	30.9	26.7	30.7	17.8	30.5	16.7
Agriculture, forestry, fishing and hunting	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mining, quarrying, and oil and gas extraction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utilities	24.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	32.3	25.9	32.1	14.0	17.8	12.5	36.0	12.1	22.0	10.9	23.8	11.2
Manufacturing	N/A	30.6	N/A	20.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wholesale trade	34.9	34.5	46.1	60.9	N/A	49.6	N/A	63.1	N/A	49.7	N/A	49.7
Retail trade	23.0	25.5	18.9	21.6	21.5	32.0	20.2	22.0	19.3	30.7	20.5	23.7
Transportation and warehousing	24.7	25.2	21.4	32.0	16.4	N/A	21.1	N/A	22.3	N/A	22.2	N/A
Information	30.3	N/A	N/A	N/A	8.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance and insurance	18.0	26.7	11.6	36.0	N/A	33.7	N/A	39.9	N/A	38.1	N/A	31.5
Real estate and rental and leasing	N/A	22.8	N/A	28.5	N/A	32.2	N/A	36.5	N/A	18.8	N/A	23.8
Professional, scientific, and technical services	23.5	22.5	17.0	27.4	13.5	23.5	17.3	28.1	14.0	19.9	13.3	21.2
Management of companies and enterprises	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Admin. and support and waste mang and rem. srvs	N/A	24.3	N/A	10.2	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Educational services	N/A	15.7	N/A	18.3	N/A	19.1	N/A	13.7	N/A	13.6	N/A	10.2
Health care and social assistance	29.7	20.5	24.0	16.1	19.2	17.9	20.9	15.1	26.3	14.8	22.0	14.2
Arts, entertainment , and recreation	33.7	20.4	22.7	21.4	29.9	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Accommodation and food services	33.1	27.7	6.3	22.2	N/A	14.5	N/A	19.5	N/A	18.9	N/A	23.2
Other services (except public administration)	31.0	32.9	29.2	26.9	20.4	23.9	35.2	29.5	36.3	23.3	33.0	21.8
Industries not classified	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not Available

Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

**TABLE 8**  
**Comparison of Black-Owned Business Participation**  
**Miami-Dade County and United States**  
**2002 and 2007**  
**Ratio of Shares\***

Sector	Firms with Paid Employees					
	Firms		Employees		Annual Payroll	
	2002	2007	2002	2007	2002	2007
Total for all sectors	1.46	1.96	2.90	1.51	2.21	1.38
Agriculture, forestry, fishing and hunting	N/A	N/A	N/A	N/A	N/A	N/A
Mining, quarrying, and oil and gas extraction	N/A	N/A	N/A	N/A	N/A	N/A
Utilities	0.00	0.00	N/A	0.00	N/A	0.00
Construction	2.67	2.89	2.56	1.71	2.04	1.60
Manufacturing	N/A	N/A	N/A	N/A	N/A	N/A
Wholesale trade	N/A	3.93	N/A	3.54	N/A	3.87
Retail trade	1.93	2.64	1.76	3.64	1.55	2.56
Transportation and warehousing	0.89	N/A	0.85	N/A	0.80	N/A
Information	0.20	N/A	N/A	N/A	N/A	N/A
Finance and insurance	N/A	2.56	N/A	4.53	N/A	2.65
Real estate and rental and leasing	N/A	2.39	N/A	1.46	N/A	1.46
Professional, scientific, and technical services	0.70	1.79	0.91	1.61	0.78	1.53
Management of companies and enterprises	0.00	N/A	0.00	N/A	0.00	N/A
Administrative and Support and Waste Mang	N/A	N/A	N/A	N/A	N/A	N/A
Educational services	N/A	2.19	N/A	0.70	N/A	0.51
Health care and social assistance	1.04	1.33	2.30	1.22	1.68	1.50
Arts, entertainment, and recreation	2.45	N/A	N/A	N/A	N/A	N/A
Accommodation and food services	N/A	1.44	N/A	1.13	N/A	1.11
Other services (except public administration)	1.50	2.83	2.37	2.00	2.23	2.45
Industries not classified	0.00	N/A	N/A	N/A	N/A	N/A

\* NOTE: The numbers shown in the table are ratios of the shares that Black businesses have of the respective total, i.e. Miami-Dade County and the nation. For example, in 2007 Miami-Dade Black firms comprised 3.65 percent of all Miami-Dade firms while the comparable national figure was 1.86 percent. The former divided by the latter yields the ratio 1.96 as displayed in the table.

N/A = Not Available.

Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

**TABLE 9**  
**Comparison of Black-Owned Business Participation**  
**Miami-Dade County as a Percent of United States, 2007**  
**2002 and 2007**

Sector	<u>All Firms</u>				<u>Firms with Paid Employees</u>							
	Firms		Receipts		Firms		Receipts		Employees		Payroll	
	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007	2002	2007
Total	2.4	2.4	1.8	1.9	1.6	2.3	1.7	1.9	2.2	1.3	1.6	1.1
Agriculture, forestry, fishing and hunting	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mining, quarrying, and oil and gas extraction	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utilities	1.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Construction	3.1	2.6	1.7	1.1	1.4	1.8	1.7	0.9	1.3	1.0	1.0	0.8
Manufacturing	N/A	3.0	N/A	0.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wholesale trade	3.7	4.9	2.4	3.3	N/A	9.7	N/A	3.2	N/A	3.9	N/A	3.6
Retail trade	1.7	2.3	1.2	1.9	2.1	2.9	1.1	1.9	1.3	2.9	1.2	2.1
Transportation and warehousing	2.0	2.2	1.5	2.7	1.3	N/A	1.3	N/A	1.1	N/A	1.0	N/A
Information	2.1	N/A	N/A	N/A	0.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance and insurance	1.7	3.1	0.8	2.8	N/A	3.7	N/A	3.2	N/A	3.2	N/A	1.8
Real estate and rental and leasing	N/A	2.3	N/A	2.3	N/A	3.4	N/A	2.9	N/A	1.7	N/A	1.7
Professional, scientific, and technical services	1.6	1.7	0.9	1.9	0.9	2.6	0.9	1.9	0.7	1.3	0.6	1.2
Management of companies and enterprises	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Admin. and support and waste mang and rem. srvs	N/A	2.7	N/A	1.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Educational services	N/A	1.1	N/A	1.4	N/A	2.0	N/A	1.1	N/A	0.8	N/A	0.7
Health care and social assistance	2.6	2.0	1.6	1.4	1.2	1.6	1.1	1.1	1.6	0.8	1.2	1.0
Arts, entertainment , and recreation	2.1	1.4	1.8	1.0	1.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Accommodation and food services	3.0	2.2	0.4	1.2	N/A	1.1	N/A	0.9	N/A	0.9	N/A	1.1
Other services (except public administration)	2.9	3.2	2.4	2.8	1.4	2.7	1.9	2.4	1.9	1.5	1.5	1.6
Industries not classified	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Not Available

Source: U.S. Census Bureau, 2002 and 2007 Economic Census, Survey of Business Owners (SBO), Black-Owned Firms: SB02-00CS-BLK (RV), August 2006 and 2007 Survey of Business Owners (SBO), Black-Owned Firms: SBO700CSA01. Compiled by Miami-Dade County, Department of Planning and Zoning, Research Section, 2011.

Another indication of the status of Miami-Dade's Black-owned business sector is displayed in Table 9. The numbers shown in that table are simple percentages of national totals attributable to Miami-Dade's Black-owned businesses. The total line shows that Miami-Dade's shares for all firms were stable between 2002 and 2007. For firms with paid employees the shares were up. In fact, for all employer businesses, Miami-Dade had about 2.3 percent of the national total in 2007, up from 1.6 percent in 2002. In terms of receipts, the shares were slightly up for both the all firms and firms with paid employees items during the five-year period. However, for employees and payroll the shares experienced a decline.

For the industry groups, Miami-Dade's share of Black-owned businesses was higher in 2007 than in 2002 for all sectors in terms of firms with employees. However, for the other measures the percentages reveal a mixed picture. Similar to the trends shown in Table 8, the results at the industry group level are not consistent, showing both gains and losses. *Retail trade* and *Professional, scientific, and technical services* are the best performers, along with *Other services* sectors.

### **Summary**

In conclusion, Black-owned firms in Miami-Dade County grew by 62.6 percent between 2002 and 2007 and by more than six and a half times since 1987; in fact, Miami-Dade was home to the largest number of Black-owned businesses in Florida and ranked fifth among counties in the nation with the highest percentage of Black-owned firms. This ranking is a bit better than what would be expected given that Miami-Dade is only the eighth most populous county in the nation. While the formation of firms owned by Blacks in the local business community has shown significant gains during the last five-year period, their business activities still lag behind non-minority-owned businesses. During this period, Black-owned businesses in Miami-Dade made modest gains in receipts but experienced disproportionately low business participation rates in employment and payroll. Despite the growth in the total number of firms, average employment per firm remained low and well below the corresponding average of all County firms. What this suggests is that there are a growing number of firms, but that could be due to the fact that the vast majority of these firms are owned by sole proprietors who may have other jobs. The rise in "non-employer" firms supports this conclusion, especially since these businesses averaged less than \$18,700 in 2007 sales, compared with a much higher figure of average sales in firms with employees. Overall, Black-owned businesses in Miami-Dade did improve their participation in terms of firms in 2007, but for most of the other measures, such as receipts, employment, and payroll, the rate of their entrepreneurship remained the same or declined.

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