

Who Owns Hoosier Businesses?

There are more than 400,000 firms doing business in Indiana (see **Table 1**). The basic demographics of the owners of those firms will be highlighted in this article based on the *Survey of Business Owners* recently released by the Census Bureau.

Out of 433,968 firms surveyed as doing business in Indiana, one-fourth of those (109,811) have paid employees and generated sales and receipts in 2002 of \$482 billion. The remaining firms do business as sole proprietors or have relatives or friends working for the business but not being paid—or at least not in such a way that it is reported via the standard W-2 forms required for tax purposes. Firms with no paid employees generated sales and receipts of \$12 billion (see **Table 2**).

- Most Indiana firms (75 percent) have no paid employees.
- Most sales and receipts (97 percent) are generated by firms with paid employees.
- Men own 56.3 percent of all Indiana firms.
- Most Indiana firms are owned by whites (92 percent, compared to 87 percent nationally).

- Five out of six African American-owned firms have no employees.
- Four out of five women-owned firms have no employees.
- Three out of five Asian-owned firms have no employees.

Many readers may be dismayed that the reference year of this survey is 2002. However, it is the best available public data we have that helps us understand business owner demographics and helps put hard figures behind some of the assumptions we may have about who owns our businesses in Indiana.

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Survey of Business Owners (SBO)

The SBO is used by economic policymakers in federal, state and local governments to help understand business success and failure by comparing changes in business performance between censuses. For example, the number of firms in Indiana grew 5 percent from 1997 to 2002, and sales and receipts increased by 19 percent. Additional information regarding this survey is available at www.census.gov/csd/sbo.

TABLE 2: INDIANA FIRMS WITHOUT EMPLOYEES, 2002

Type of Ownership	Number of Firms	Percent of all Firms in the Category	Sales and Receipts (Thousands)
Total without Employees	324,157	74.7	\$12,062,727
Female	102,650	86.3	\$2,042,909
Male	174,868	71.6	\$7,698,915
Equally Male-/Female-Owned	42,738	74.3	\$1,805,688
White	302,789	75.8	\$11,117,888
Black	12,656	90.0	\$230,013
American Indian and Alaska Native	1,679	85.1	\$52,078
Asian	3,766	61.9	\$158,278
Hispanic	4,594	83.7	\$144,077
Non-Hispanic	315,661	76.0	\$11,403,435

Source: U.S. Census Bureau, Survey of Business Owners

TABLE 1: FIRMS IN THE UNITED STATES AND INDIANA BY GENDER AND RACE, 2002

Type of Ownership	United States				Indiana			
	Firms		Sales and Receipts		Firms		Sales and Receipts	
	Total	Percent	Total (Thousands)	Percent	Total	Percent	Total (Thousands)	Percent
Total	22,977,164	100	\$22,634,870,406	100	433,968	100	\$482,878,819	100
Female	6,492,795	28.3	\$950,600,079	4.2	118,950	27.4	\$16,637,887	3.4
Male	13,185,703	57.4	\$7,096,465,049	31.4	244,182	56.3	\$152,135,541	31.5
Equally Male-/Female-Owned	2,691,722	11.7	\$731,051,431	3.2	57,546	13.3	\$13,277,788	2.7
White	19,894,823	86.6	\$8,303,716,399	36.7	399,277	92.0	\$177,433,613	36.7
Black	1,197,988	5.2	\$92,681,562	0.4	14,062	3.2	\$1,688,712	0.3
American Indian, Alaska Native	206,125	0.9	\$26,395,707	0.1	1,974	0.5	\$288,461	0.1
Asian	1,105,329	4.8	\$343,321,501	1.5	6,088	1.4	\$2,629,211	0.5
Native Hawaiian/Other Pacific Islander	32,299	0.1	\$5,220,795	0.0	127	0.0	\$85,513	0.0
Hispanic	1,574,159	6.9	\$226,468,398	1.0	5,487	1.3	\$796,645	0.2
Non-Hispanic	20,796,061	90.5	\$8,551,648,161	37.8	415,190	95.7	\$181,254,571	37.5
Publicly-Held, Foreign-Owned, and Nonprofit	491,715	2.1	\$13,790,327,139	60.9	11,122	2.6	\$298,166,909	61.7

Source: U.S. Census Bureau, Survey of Business Owners