

Summary of Findings

American Indians and Alaska Natives owned 197,300 of all U.S. nonfarm businesses in 1997, employing 298,661 persons and generating \$34.3 billion in business revenues. In 1997, American Indian- and Alaska Native-owned firms accounted for 0.9 percent of the 20.8 million nonfarm businesses in the United States, 0.3 percent of their employment and 0.2 percent of their receipts. Excluding businesses with publicly held stock whose ownership was indeterminate relative to race or ethnicity, and nonprofit, foreign-owned and mutual companies, American Indian- and Alaska Native-owned firms accounted for 1.0 percent of the nonfarm businesses in the United States and 0.4 percent of their receipts.

The data in this report were collected as part of the 1997 Economic Census from a large sample of all nonfarm businesses filing 1997 tax forms as individual proprietorships, partnerships, and any type of corporation, and with receipts of \$1,000 or more. The data are not comparable to earlier surveys due to significant methodology changes which are discussed in the section below on Data Comparability to Prior Surveys.

American Indian- and Alaska Native-Owned Businesses by Legal Form of Organization: 1997

Legal form of organization	American Indian- and Alaska Native-owned firms	
	Firms (number)	Receipts (million dollars)
All industries	197,300	34,344
C corporations	9,379	11,902
Subchapter S corporations	9,618	9,583
Individual proprietorships	173,385	8,988
Partnerships	4,626	1,809
Other	293	2,061

Note: "Other" includes cooperatives, receiverships, estates, and businesses classified as unknown legal forms of organization.

All U.S. Firms by Legal Form of Organization: 1997

Legal form of organization	All U.S. firms	
	Firms (number)	Receipts (million dollars)
All industries	20,821,934	18,553,243
C corporations	2,390,478	13,892,225
Subchapter S corporations	1,979,425	2,977,247
Individual proprietorships	15,122,882	871,766
Partnerships	1,226,455	621,735
Other	102,694	190,270

Note: "Other" includes cooperatives, receiverships, estates, and businesses classified as unknown legal forms of organization.

INDUSTRY CHARACTERISTICS

The service industry accounted for 17 percent of all American Indian- and Alaska Native-owned firms and 15.1 percent of their total receipts. Forty percent of the total number of American Indian- and Alaska Native-owned service firms were concentrated in business and personal services. The next largest concentration of American Indian- and Alaska Native-owned firms was in the construction industry, accounting for 13.9 percent of all American Indian- and Alaska Native-owned firms and 15.7 percent of their total receipts. The third largest concentration was in the retail trade industry, accounting for 7.5 percent of the total number of American Indian- and Alaska Native-owned firms and 13.4 percent of their total receipts.

Table A. **Top Industry Receipt Leaders for American Indian- and Alaska Native-Owned Firms : 1997**

Industry	Receipts (million dollars)
Services	5,203
Amusement and recreation services	1,196
Business services	1,185
Engineering and management services	1,004
Construction	5,385
Special trade contractors	2,564
General building contractors	1,732
Heavy construction contractors	1,071
Retail Trade	4,618
Automotive dealers and service stations	2,137
Miscellaneous retail	808
Food stores	608

GEOGRAPHIC CHARACTERISTICS

California had the most American Indian- and Alaska Native-owned firms at 26,603 or 13.5 percent of all American Indian- and Alaska Native-owned firms, with receipts of \$5.8 billion or 17.0 percent of all American Indian- and Alaska Native-owned business receipts. Texas was second with 15,668 or 7.9 percent with receipts of \$3.3 billion or 9.7 percent. Oklahoma was third in number of firms with 15,066 or 7.6 percent of all American Indian- and Alaska Native-owned firms with receipts of \$2.6 billion or 7.7 percent.

Table C shows the 10 metropolitan areas (MAs) with the largest number of American Indian- and Alaska Native-owned firms and compares the firms and receipts in these MAs with the number in their respective states.

These 10 MAs account for 16.7 percent of the total number of American Indian- and Alaska Native-owned firms in the United States and 22.0 percent of their gross receipts.

LEGAL FORM OF ORGANIZATION

Eighty-eight percent of American Indian- and Alaska Native-owned firms operated as individual proprietorships in 1997 and accounted for 26.2 percent of gross receipts. C corporations, other than subchapter S corporations, accounted for only 4.8 percent of the total number of firms but 34.7 percent of the gross receipts. Subchapter S corporations were 4.9 percent of all American Indian- and Alaska Native-owned firms but accounted for 27.9 percent of their gross receipts. Partnerships accounted for 2.3 percent of the total American Indian- and Alaska Native-owned firms and 5.3 percent of gross receipts. Businesses classified as other legal forms of organization and those

not classified accounted for 0.1 percent of the total number of firms and 6.0 percent of the gross receipts.

SIZE OF FIRM

American Indian- and Alaska Native-owned firms with paid employees accounted for 16.9 percent of the total number of American Indian- and Alaska Native-owned firms and 85.1 percent of their gross receipts. There were 355 firms with 100 or more employees which accounted for \$7.6 billion in gross receipts (25.9 percent of the total receipts of American Indian- and Alaska Native-owned employer firms).

There were 4,892 American Indian- and Alaska Native-owned firms with receipts of \$1 million or more. These firms accounted for only 2.5 percent of the number of American Indian- and Alaska Native-owned firms and 64.1 percent of the total receipts.

Table B. Ten States With Largest Number of American Indian- and Alaska Native-Owned Firms Compared to All Firms and Population: 1997

State	American Indian- and Alaska Native-owned firms (number)	All firms (number)	American Indian and Alaska Native as a percent of all	American Indian and Alaska Native sales and receipts (million dollars)	All firms sales and receipts (million dollars)	American Indian and Alaska Native sales and receipts as a percent of all	American Indian and Alaska Native population (1,000)	Total population (1,000)	American Indian and Alaska Native as a percent of total population
California	26,603	2,565,734	1.0	5,836	2,178,292	0.3	306	32,218	1
Texas	15,668	1,525,972	1.0	3,320	1,415,536	0.2	93	19,355	-
Oklahoma	15,066	280,722	5.4	2,646	172,370	1.5	262	3,314	8
Florida	10,546	1,301,920	0.8	1,519	828,429	0.2	56	14,683	-
North Carolina	7,148	570,484	1.3	912	518,649	0.2	96	7,429	1
New Mexico	6,838	131,685	5.2	580	79,752	0.7	158	1,723	9
Alaska	6,820	64,134	10.6	1,709	36,912	4.6	98	609	16
New York	6,443	1,509,829	0.4	1,417	1,488,913	0.1	75	18,143	-
Michigan	5,802	677,473	0.9	720	715,376	0.1	60	9,785	1
Arizona	5,510	329,031	1.7	753	247,191	0.3	255	4,552	6

Table C. Ten Metropolitan Areas With Largest Number of American Indian- and Alaska Native-Owned Firms Compared to American Indian- and Alaska Native-Owned Firms in State: 1997

[For definitions of MAs, see Appendix B]

Metropolitan area	Firms (number)	Receipts (million dollars)	State	Firms (number)	Receipts (million dollars)	Percent MA to state	
						Firms	Receipts
Los Angeles-Long Beach, CA PMSA . . .	8,541	2,890	California	26,603	5,836	32	50
Tulsa, OK MSA	3,822	933	Oklahoma	15,066	2,646	25	35
Oklahoma City, OK PMSA	3,295	668	Oklahoma	15,066	2,646	22	25
Houston, TX PMSA	3,128	477	Texas	15,668	3,320	20	14
New York, NY PMSA	2,801	891	New York	6,443	1,417	43	63
Dallas, TX PMSA	2,510	729	Texas	15,668	3,320	16	22
Orange County, CA PMSA	2,287	193	California	26,603	5,836	9	3
Atlanta, GA PMSA	2,227	245	Georgia	4,470	495	50	49
Chicago, IL PMSA	2,161	371	Illinois	3,945	664	55	56
Sacramento, CA PMSA	2,133	154	California	26,603	5,836	8	3

Table D. Five Counties With Largest Number of American Indian- and Alaska Native-Owned Firms Compared to American Indian- and Alaska Native-Owned Firms in State: 1997

County	Firms (number)	Receipts (million dollars)	State	Firms (number)	Receipts (million dollars)	Percent county to state	
						Firms	Receipts
Los Angeles, CA	8,541	2,890	California	26,603	5,836	32	50
McKinley, NM	2,592	57	New Mexico	6,838	580	38	10
Harris, TX	2,500	371	Texas	15,668	3,320	16	11
Tulsa, OK	2,407	683	Oklahoma	15,066	2,646	16	26
Orange, CA	2,287	193	California	26,603	5,836	9	3

Table E. Five Cities With Largest Number of American Indian- and Alaska Native-Owned Firms Compared to American Indian- and Alaska Native-Owned Firms in State: 1997

City	Firms (number)	Receipts (million dollars)	State	Firms (number)	Receipts (million dollars)	Percent city to state	
						Firms	Receipts
Los Angeles, CA	2,842	2,095	California	26,603	5,836	11	36
New York, NY	2,391	D	New York	6,443	1,417	37	D
Gallup, NM	2,140	48	New Mexico	6,838	580	31	8
Houston, TX	1,737	285	Texas	15,668	3,320	11	9
Tulsa, OK	1,527	482	Oklahoma	15,066	2,646	10	18

DATA COMPARABILITY TO PRIOR SURVEYS

The data for 1997 are not directly comparable to previous survey years because of several changes to the survey methodology. These changes are discussed in greater detail in the Introductory Text in the section titled "Comparability of 1992 and 1997 Data." The most significant changes occurred in the treatment of C corporations, in tabulating businesses with 50 percent minority ownership, and in the identification of firms with paid employees. In

1992 and in previous studies, C corporations were excluded from the survey. Only subchapter S corporations, in addition to partnerships and sole proprietorships, were included. In 1997, the universe for the Survey of Minority-Owned Business Enterprises was expanded to include all corporations. However, businesses that were foreign-owned, publicly held, nonprofit, or whose ownership was shared by its membership, such as mutual companies, were tabulated separately and not distributed to the race

of ownership categories. Race of ownership for the remaining corporations was determined to be American Indian and Alaska Native or non-American Indian and Alaska Native if 51 percent or more of the stock interest, claims or rights were held by American Indians and Alaska Natives.

The second major change occurred with the treatment of businesses with 50-percent minority-/50-percent non-minority ownership. In the past, businesses with 50 percent or more minority owners have been included in the minority business data. For 1997, businesses in which ownership was shared among minority and nonminority groups with no single racial/ethnic group having majority interest were excluded from the minority business data and were tabulated and published separately as 50-percent minority-/50-percent nonminority-owned in the *Company Summary* publication.

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. This resulted in a decrease in the estimate of firms with paid employees relative to the 1992 methodology.

The comparison table provides measures of change from 1992 to 1997 in both the number and receipts for American Indian- and Alaska Native-owned firms. Due to the methodology changes discussed above, exact

estimates of change are not available. However, the trends shown at the aggregate level are believed to be reliable.

Comparison of American Indian- and Alaska Native-Owned Firms to All U.S. Firms: 1997 and 1992

[Excluding C corporations]

	All firms ¹		Relative standard error of estimate (percent) ² for column-	
	Firms (number)	Sales and receipts (million dollars)		
	A	B	A	B
American Indian- and Alaska Native-owned firms				
1997.....	187,921	22,441	2	4
1992.....	102,271	8,057	3	4
Percent change.....	83.7	178.5	15	25
All U.S. firms				
1997.....	18,431,456	4,661,018	NA	NA
1992.....	17,253,143	3,324,200	NA	NA
Percent change.....	6.8	40.2	NA	NA

¹All firms data include both firms with paid employees and firms with no paid employees.

²For explanation of relative standard errors, see Reliability of Estimates in the introductory text.

Figure 2.
Percent Distribution of All U.S. Firms by Industry Division: 1997

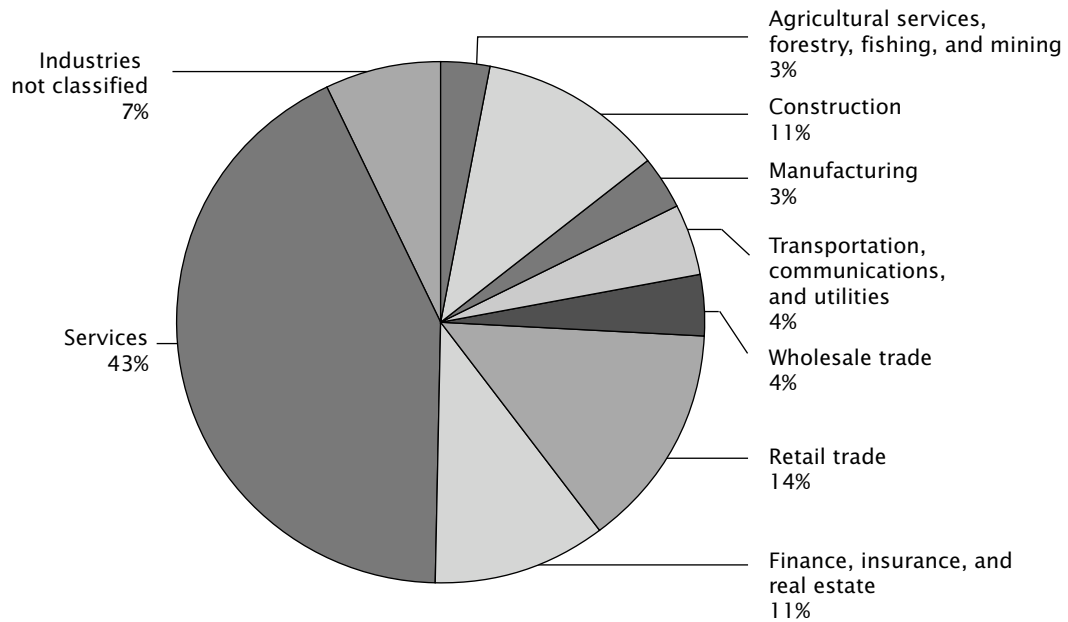


Figure 3.
Percent Distribution of American Indian- and Alaska Native-Owned Firms by Industry Division: 1997

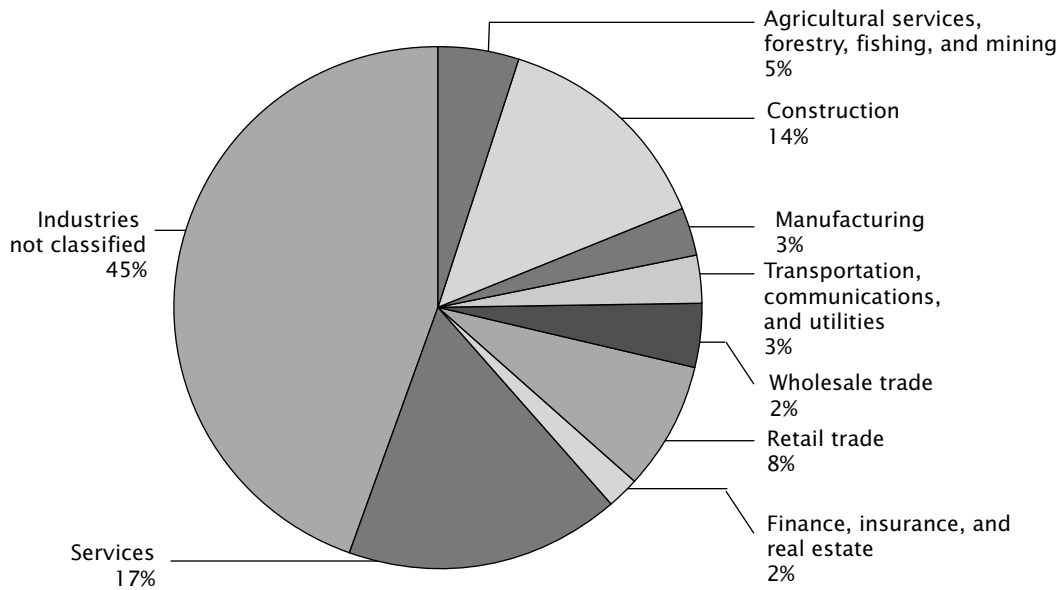


Figure 4.
**Average Receipts per Firm by Industry
 Division for American Indian- and Alaska
 Native-Owned Firms Compared to All U.S.
 Firms: 1997**

[Thousand dollars]

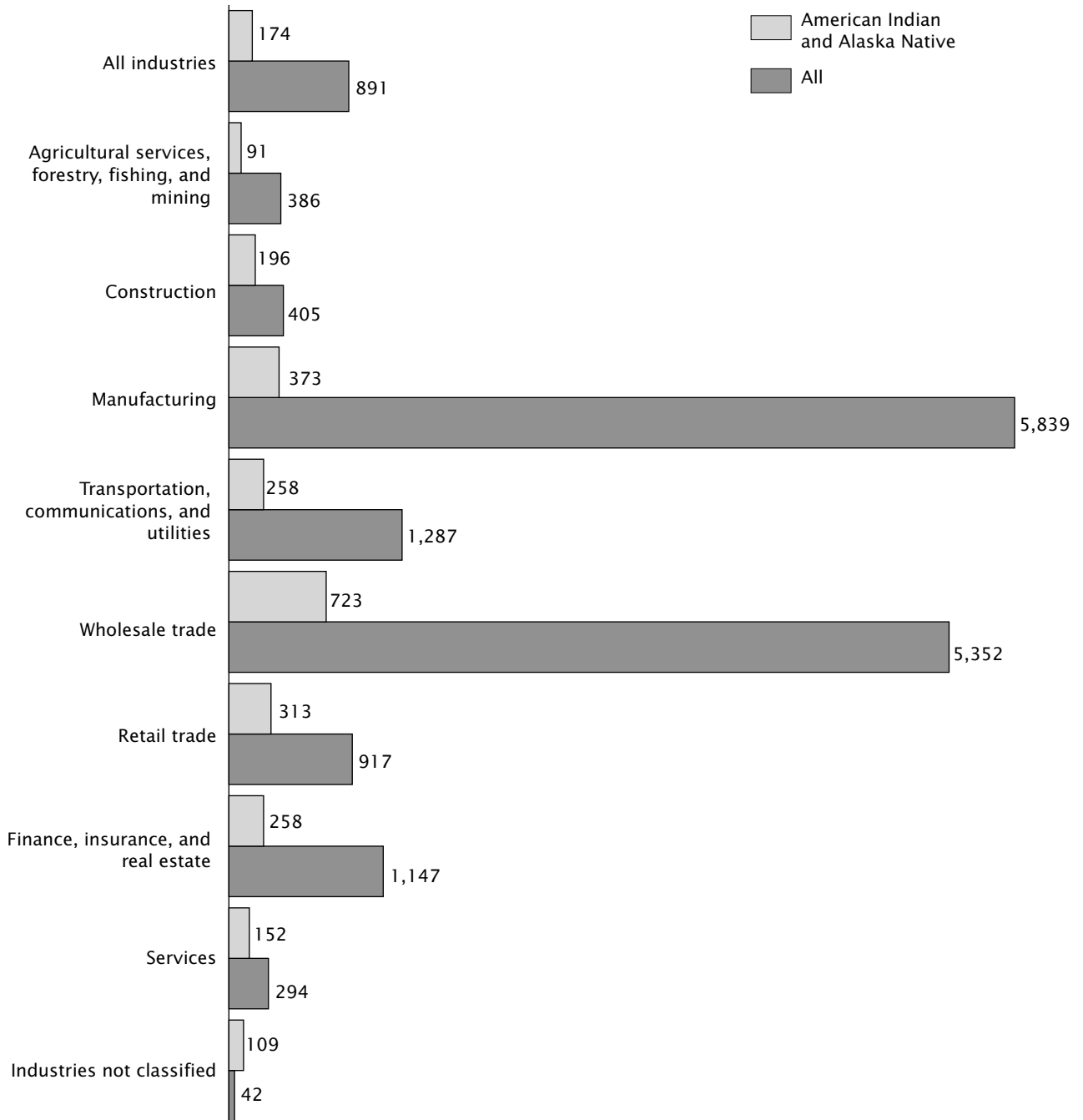


Figure 5.
**Number of American Indian- and Alaska Native-Owned
 Firms by Industry Division: 1997**

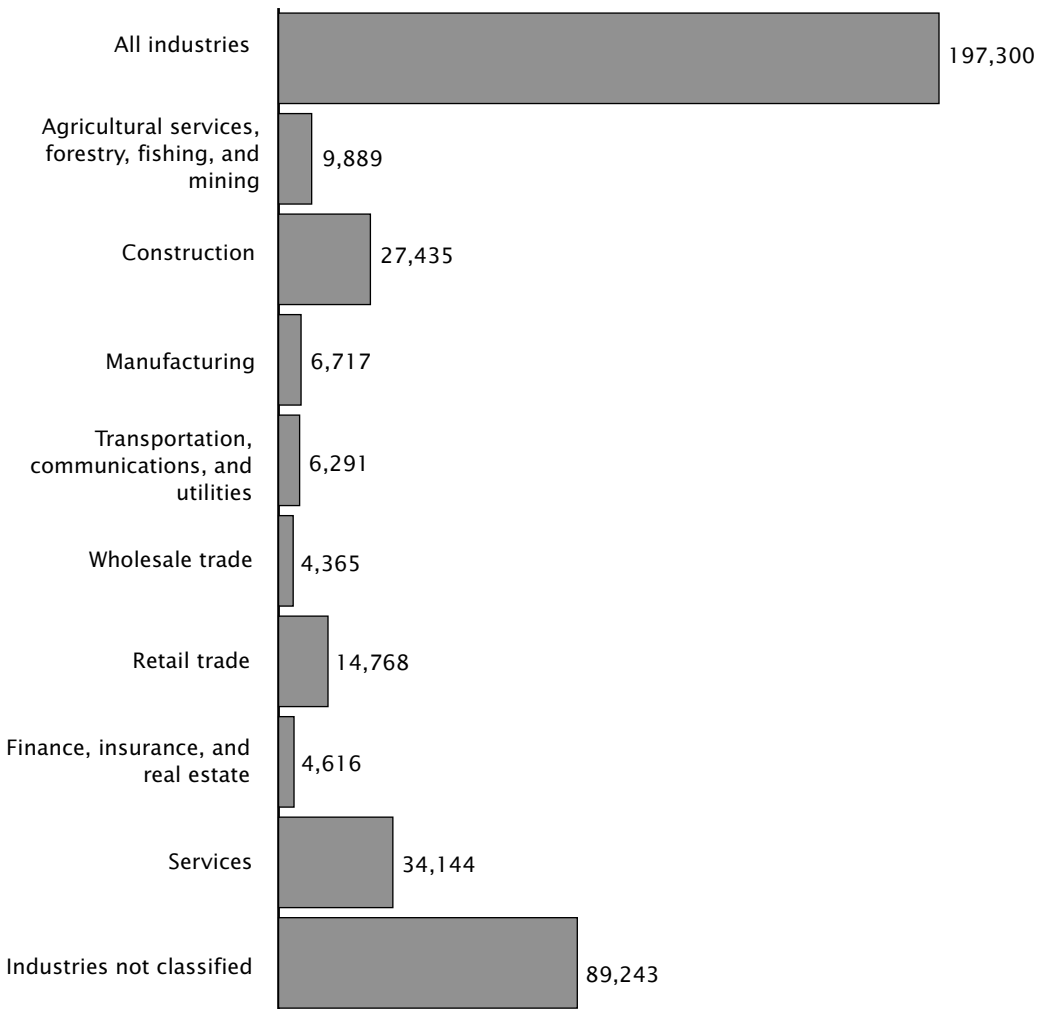


Figure 6.
**Receipts for American Indian- and Alaska Native-
 Owned Firms by Industry Division: 1997**

[Thousand dollars]

