

# Trotter Review

---

Volume 12  
Issue 1 *Women of Color and Economic  
Development*

Article 3

---

January 2000

## Business Ownership Patterns Among Black, Latina, and Asian Women in Massachusetts

Russell E. Williams  
*Wheaton College*

Follow this and additional works at: [https://scholarworks.umb.edu/trotter\\_review](https://scholarworks.umb.edu/trotter_review)



Part of the [Entrepreneurial and Small Business Operations Commons](#), [Race and Ethnicity Commons](#), and the [Women's Studies Commons](#)

---

### Recommended Citation

Williams, Russell E. (2000) "Business Ownership Patterns Among Black, Latina, and Asian Women in Massachusetts," *Trotter Review*: Vol. 12: Iss. 1, Article 3.

Available at: [https://scholarworks.umb.edu/trotter\\_review/vol12/iss1/3](https://scholarworks.umb.edu/trotter_review/vol12/iss1/3)

This Article is brought to you for free and open access by the William Monroe Trotter Institute at ScholarWorks at UMass Boston. It has been accepted for inclusion in Trotter Review by an authorized editor of ScholarWorks at UMass Boston. For more information, please contact [scholarworks@umb.edu](mailto:scholarworks@umb.edu).

# Business Ownership Patterns Among Black, Latina, and Asian Women in Massachusetts<sup>1</sup>

By Russell E. Williams

It has long been known in many circles that women play major roles in the minority business community. From historic business legends such as Madam C. J. Walker and Maggie Walker (president of one of the first major Black banks)—to present-day business owners such as Jacquie Kay (Boston), Julia Silverio (Lawrence), Darlene Jeter (Boston), Marisa Cruz (Worcester), Kija Kim (Cambridge) and Mary Spruell (Springfield)—to current active participation of women of color in formal business organizations such as the Black MBA Association—and to participation in informal committees—minority women business owners have played central roles and have made major contributions in efforts to generate and distribute resources in their communities. However, there has been insufficient scholarly and policy focus on minority women-owned businesses and the current and potential impacts of such business. Most available quantitative material on the demographics of business ownership deal with either race alone or gender alone; there are few analyses that try to discern and describe minority women-owned businesses as one or more important categories of analysis.

Using data from the most recently released Survey of Minority Businesses, this article explores the significance of businesses owned by minority women in Massachusetts.<sup>2</sup> I describe the number of such businesses, the rates at which the number of such businesses are expanding, and the average sales and receipts of women-owned businesses—and I compare these statistics for White, Black, Latino and Asian businesses.

There are several significant implications emerging from this analysis. First, the findings indicate that the economic development of minority communities may be strongly tied to the ability of policy-makers, business groups, and activists to recognize the importance of

business ownership by Black, Latino, and Asian women, and to address not only racial discrimination affecting minority businesses in general, but also the specific ways in which minority women business owners are simultaneously affected by race and gender discrimination. Second, the numerical importance of these businesses indicate that policies based on an explicit or implicit assumption of an overwhelmingly male entrepreneurial class may be particularly inappropriate for some minority communities. Third, the analysis points out important differences between businesses owned by women of color, and those owned by white women. This difference is meaningful because conceptions of women-owned businesses that are based, anecdotally or statistically, on the characteristics of businesses owned by white women can lead to misleading perspectives, conclusions, and policies if they are assumed to hold true for minority women-owned businesses or assumed to be descriptive of the current or potential roles and issues of women-owned businesses in minority community economic development. Analysis along simultaneous race and gender lines is necessary. Fourth, the data show that the gender gap in business involvement varies substantially by race, and suggests that the causes of such gender gaps may include factors that are race specific. Effective public policy may therefore need to discern and appropriately address these specific factors.

The need for policy makers to focus on the status of minority businesses is underscored by a comparison of the racial composition of the Massachusetts population with the distribution of the sales/receipts. As shown in Table 1, minorities compose 12.9 percent of Massachusetts population, but minority firms receive only 2.0 percent of the sales and receipts of all firms. The small flow of sales/receipts to minority firms is evident also when only women-owned firms are considered; minority women-owned firms receive only 3.0 percent of the sales/receipts of all women-owned firms.

The total number of minority firms in Massachusetts and the number of women-owned firms by racial group are presented in Table 2. As is indicated in this table, the proportionate importance of women-owned businesses was greater for minority businesses than for businesses owned by Whites. In 1992, women-owned businesses represented 33 percent of all white businesses; however, they were 35 percent of Latino businesses, 38 percent of Asian/Native-American businesses and 45 percent of all Black businesses.

The number of women-owned firms in the state is shown in Table 3 for 1987 and 1992. Among the 147,572 women-owned firms in the state in 1992, more than 8,000 (5.5%) were owned by Black, Latina, or Asian women. These included 3,229 firms owned by Black women, 2,625 firms owned by Asian and/or Native-American women<sup>3</sup>, and 2,405 firms owned by Latina women.

As Table 3 shows, the number of minority women-owned businesses increased much faster than other businesses in the five-year period between 1987 and 1992, nearly doubling from 4,139 to 8,145. As a result, although firms owned by minority women represented less than 4% of all women-owned firms in 1987, they represented more than 11% of the increase in women-owned firms between 1987 and 1992. Firms owned by women of color proliferated at a rate exceeding the rate of increase for firms owned by minority men, and greatly exceeding the rate of increase for firms owned by white women and the rate for firms owned by white men. Table 4 shows the role that increases in the number of women-owned firms played in the numerical growth of firms within racial categories.

Minority women-owned firms in Massachusetts have total sales and receipts of \$478 million, representing approximately one quarter of the sales and receipts of all Massachusetts minority firms (\$1.9 billion). The analysis shows that not only are women-owned firms more significant numerically among minority firms than women-owned firms are among whites, they are also much more crucial elements of the economic landscape in terms of their relative levels of sales and receipts (see Table 5). While firms owned by White women have total sales/receipts that are 16 percent of the total sales and receipts of white-owned firms, firms owned by Hispanic women contribute 18 percent of the total sales and receipts of all Hispanic firms, firms owned by Black women provide 25 percent of the total sales and receipts of all Black firms, and firms owned by Asian/Native-American women account for 28 percent of the total sales and receipts of all Asian/Native-American firms.

The sales and receipts data in Table 6 reveal that a substantial gap exists among all racial groups between the sales/receipts of women-owned firms and those of men-owned firms. In addition, the analysis shows that a major racial gap exists between the sales/receipts of firms owned by women of color and firms owned by

white women. The following sections of this article provide separate further analysis of the sales/receipts and other distinctive features of Black-, Latina-, and Asian women-owned businesses.

**Table 1: Comparison of Population and Sales/Receipts Distributions for Massachusetts<sup>4</sup>, by Race/Hispanic Origin**

	Population Proportions (%)	Proportion of Total Sales/Receipts (Men and Women-Owned Firms) (%)	Proportion of Sales/Receipts of Women-Owned Firms (%)
Total State	100.0	100.0	100.0
Minority	12.9	2.0	3.0
Black	5.8	0.4	0.7
Hispanic Origin	5.2	0.5	0.6
Asian/Native American	2.9	1.0	1.8
White (non-Hispanic)	87.1	98.0	97.0

**Table 2: Women-Owned Firms as Percentage of Total Firms by Race/Hispanic Origin, 1987 and 1992**

	Men and Women-Owned Firms, 1987	Women-Owned Firms, 1987	Women-Owned Firms as Percentage of Ownership by Group, 1987 (%)	Men and Women-Owned Firms, 1992	Women-Owned Firms, 1992	Women-Owned Firms as Percentage of Ownership by Group, 1992 (%)
All Firms	356,780	111,376	31.2	442,848	147,572	33.3
Minority Firms	11,180	4,139	37.0	20,749	8,145	39.3
Black-Owned	4,761	1,875	39.4	7,225	3,229	44.7
Hispanic-Owned	2,636	880	33.4	6,914	2,405	34.8
Asian/Native American - Owned	3,916	1,443	36.8	7,009	2,625	37.5
White (non-Hispanic)-Owned	345,600	107,237	31.0	422,099	139,427	33.0

Sources: U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census—Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, 1996), Table 2. U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census, Survey of Minority-Owned Business Enterprises—Summary* (Washington, D.C.: U.S. Government Printing Office), Tables 2 and 11. U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Survey of Minority-Owned Business Enterprises—All U.S. Firms* (Washington, DC: U.S. Government Printing Office), Table 1.

**Table 3: Women-Owned Firms in Massachusetts by Race/Hispanic Origin, 1987 and 1992**

Business Ownership	Number of Firms, 1987	Number of Firms, 1992	Five-Year Growth Rate, 1987-1992 (%)
All Women	111,376	147,572	32.5
Minority Women	4,139	8,145	96.8
Black Women	1,875	3,229	72.2
Hispanic Women	880	2,405	173.3
Asian/Native American Women	1,443	2,625	81.9
White (non-Hispanic) Women	107,237	139,427	30.0

Sources : U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census—Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, 1996), Table 2. U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census, Survey of Minority-Owned Business Enterprises—Summary* (Washington, D.C.: U.S. Government Printing Office, 1996), Tables 2 and 11. U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Survey of Minority-Owned Business Enterprises—All U.S. Firms* (Washington, DC: U.S. Government Printing Office), Table 1.

**Table 4: Increase in Women-Owned Firms by Race/Hispanic Origin, and Proportion to Total Group Increase 1987-1992**

Ownership	Total Increase in Firms (Men- and Women-Owned)	Increase in Women-Owned Firms	Increase in Women-Owned Firms as Percentage of Total Group Increase (%)
Minority Firms	9,569	4,006	41.9
Black-Owned	2,464	1,354	55.0
Hispanic-Owned	4,278	1,525	35.7
Asian/Native American Owned	3,093	1,182	38.2
White (non-Hispanic)	76,499	32,190	42.1

Sources: Figures derived from data in Department of Commerce, Bureau of the Census, *1992 Economic Census—Women-Owned Businesses*; (Washington, D.C.: U.S. Government Printing Office, 1996), Table 2. U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census, Survey of Minority-Owned Business Enterprises—Summary* (Washington, D.C., U.S. Government Printing Office, 1996), Table 2 and Table 11. U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Survey of Minority-Owned Business Enterprises—All U.S. Firms* (Washington, DC: U.S. Government Printing Office), Table 1.

**Table 5: Total Sales/Receipts of Women-Owned Firms as Percentage of Total Sales/Receipts of All Firms, by Race/Hispanic Origin**

	Total Sales and Receipts of Massachusetts Firms, 1992 (1,000s)	Total Sales of Women-Owned Firms, 1992 (1,000s)	Sales/Receipts of Women-Owned Firms as Percentage of Total Sales/Receipts of Racial/Ethnic Group (%)
All Firms	\$98,358,000,000	\$16,103,516,000	16.4
Minority Firms	\$1,946,680,000	\$478,182,000	24.6
Black-Owned	\$427,948,000	\$108,483,000	25.3
Hispanic-Owned	\$508,199,000	\$89,346,000	17.6
Asian/Native American	\$1,029,936,000	\$283,127,000	27.5
White (non-Hispanic)	\$96,411,320,000	\$15,625,334,000	16.2

Sources: U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census—Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, 1996), Table 2. U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census, Survey of Minority-Owned Business Enterprises—Summary* (Washington, D.C.: U.S. Government Printing Office, 1996), Table 2 and Table 11. U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Survey of Minority-Owned Business Enterprises—All U.S. Firms* (Washington, DC: U.S. Government Printing Office), Table 1.

**Table 6: Average Sales of Men- and Women-Owned Firms by Race/Hispanic Origin, 1992**

Firm Ownership	Average Sales for Men and Women combined	Average Sales of Men-Owned Firms	Average Sales of Women-Owned Firms	Ratio of Average Sales of Women-Owned Firms to those of Men-Owned Firms (%)
All	\$222,103	\$278,568	\$109,123	39.2
Minority	\$93,820	\$116,511	\$58,709	50.4
Black	\$59,232	\$79,966	\$33,596	42.0
Hispanic	\$73,503	\$92,893	\$37,150	40.0
Asian/ Native American	\$150,600	\$170,349	\$107,858	63.3
White	\$228,409	\$285,794	\$112,068	39.2

Sources: Figures derived from data in Department of Commerce, Bureau of the Census, *1992 Economic Census—Women-Owned Businesses* (Washington, D.C.: U.S. Government Printing Office, 1996), Table 2. U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census, Survey of Minority-Owned Business Enterprises—Summary* (Washington, D.C.: U.S. Government Printing Office, 1996), Table 2 and Table 11. U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Survey of Minority-Owned Business Enterprises—All U.S. Firms* (Washington, D.C.: U.S. Government Printing Office), Table 1.

### **Firms owned by Black Women—Key Element in the Black Community**

Between 1987 and 1992, the number of firms owned by Blacks (men and women) in Massachusetts increased from 4,761 to 7,225. Over half (55%) of this increase (1,354) consisted of firms owned by Black women (see Table 4). In both 1987 and 1992, Blacks had the highest woman-business ownership proportions of any racial group—and it is notable that the proportion was rising. In 1987, forty percent of Black-owned firms in Massachusetts were owned by Black women; by 1992, 45 percent of all Black-owned firms were owned by Black women (Table 2).

The economic significance to the Black community of firms owned by Black women is also evident in analysis of sales and receipts. Slightly more than one-quarter

(25.3 percent) of all sales and receipts flowing to Black firms are earned by firms owned by Black women (see Table 5). This is a larger percentage than is found among whites (16.2%) or Latinos (17.6%). Thus, both numerically and financially, women-owned firms are playing a key role in the economic structure and flow of the Black community.

The history of Black women's participation in commerce runs deep. In *The Contributions of Black Women to America* by Marianna Davis, it is noted that documentation exists of businesses owned by Black women in the U.S. as early as 1780. Women-owned businesses have been essential parts of the socioeconomic landscape of Black Americans throughout the 19th and 20th centuries. Pre-Civil War women-owned businesses were not only commercial expressions of the skills held by Black women, but also in many cases served the crucial social purpose of providing funds to buy freedom from slavery for themselves and for their family members. One of the many examples of this is the case of Clara Brown, who managed to purchase her freedom at age 55, moved to Colorado and through a combination of business activities involving cooking, laundry, and money-lending, was able to amass enough money to buy the freedom of thirty-four relatives<sup>5</sup>. During the 1800s, Black women not only developed businesses in catering, dressmaking, hotel ownership, laundries, and other endeavors building upon skills associated with domestic work, but also developed businesses in gold mining, oil drilling, finance, and real estate, as well as many other areas. The initiative and importance of women-owned businesses have been recognized by Black Americans throughout their experience in the United States.

In the past forty years, the participation of Black women in business training received further impetus from the successive influences of the Civil Rights Movement and the women's movement. As barriers to graduate-level higher education fell, Black women, who were already in college at rates exceeding those of Black men, progressed along with Black men into business and other professional schools that previously had been attended chiefly by white men. Although the number of Black women moving into higher business training was small initially, the numbers accelerated during the 1980s. By 1992, 52% of the MBA's awarded to Blacks went to Black women<sup>6</sup>.

Despite this history, there is a substantial and problem-

atic gap between the average sales and receipts of Black women-owned firms and those of their male counterparts. On average, Black women-owned firms bring in only 42 percent of the sales and receipts of Black men-owned firms. The existence of a gender gap in sales and receipts has been an issue discussed in several studies that focus on women-owned businesses (without separating the businesses by race), and the ratio of sales and receipts of women-owned to men-owned firms among Black businesses (.42) is not very different from the ratios of sales and receipts that exist between White women business owners and white men business owners (.39). The analysis in this article, however, shows and highlights the fact that gender discrepancy in sales and receipts is a cause for particular concern given the relative importance of women-owned firms in the economic structure of the Black community. If the gender gap among Black businesses were narrowed—through an increase in the average sales/receipts of Black women-owned firms—to the extent that firms owned by Black women received the relatively small proportion of 50% of the average sales/receipts of firms owned by Black men, this would translate into an additional \$20 million accruing to Black women-owned businesses in Massachusetts.

While the information just presented shows that there is reason to focus attention on the economic impact of the gender gap between businesses owned by Black women relative to those owned by Black men, there also should be concern for the relative status of Black women-owned firms to firms owned by white women. In fact, as shown in the chart below, the racial gap between Black and white women-owned firms is substantially larger than the gender gap between Black male and Black female-owned firms. In 1992, Black women-owned firms averaged \$33,596, Black men-owned firms averaged \$79,966, and White women-owned firms averaged \$112,068 in sales and receipts. Thus, while firms owned by Black women have average sales/receipts that are 42 percent of the average sales/receipts of firms owned by Black men, Black women-owned firms have average sales/receipts that are only 30 percent of the average sales/receipts of firms owned by White women. If we applied the same hypothetical exercise as we did in the last paragraph, this time narrowing the racial gap between Black women-owned firms and White women-owned firms by increasing the sales/receipts of Black women-owned firms to the relatively small proportion of 50% of the sales/receipts of white women-owned firms, there would be an additional \$72 million accruing

to Black women-owned businesses in Massachusetts.

Taking the more widely-recognized gender gap between white men-owned firms and white women-owned firms and comparing it to the lesser-known racial gap between White women-owned firms and Black women-owned firms also reveals a statistic that warrants attention. While White women-owned firms average only 39 percent of the average sales/receipts of firms owned by White men, a fact that merits concern and policy response, Black women average only 30 percent of the average sales/receipts of firms owned by white women, a fact that should also generate concern and policy response.

A comparison of the sales and receipts of Black women-owned firms with the sales and receipts of firms owned by white men is also striking. While firms owned by Black men receive only 28 percent of the sales/receipts of firms owned by White men, Black women-owned firms on average receive only 12 percent of the sales/receipts of firms owned by white men.

### **Firms Owned by Latina Women**

The highest numerical increase and the highest rate of growth among Massachusetts firms occurred among firms owned by Latina women. Between 1987 and 1992, the number of these businesses grew by 173 percent, from 880 to 2,405. The increase during this period was part of a general high increase in the number of Latino businesses. The number of firms owned by Latino men also expanded rapidly, and when both men- and women-owned businesses are counted, the number of Latino businesses expanded from 2,636 in 1987 to 6,914 in 1992, an increase of 162 percent<sup>7</sup>. In contrast to Black-owned firms, where there was a substantial change in the proportions of firms owned by Black women, the proportion of Latino businesses owned by women increased only slightly during these five years, from 33.4 percent to 34.8 percent.

The boom in the number of Latina and Latino businesses can be tied to the particular demographic dynamics of the Latino population in Massachusetts. Latino business formation has been driven by two demographic factors in particular. First, there is a growing number of second- and third-generation Latino adults in Massachusetts, whose family histories in the state can be traced to migration of (predominately) Puerto Rican families to Boston, Holyoke and other locations

during the 1970s, 1960s and earlier. Along with political and community roles, these individuals are increasingly assuming economic leadership roles in the state, including the formation of businesses.

In addition to the rapidly growing second- and third-generations, there has been a continuing Latino migration not only from Puerto Rico, but also from countries such as the Dominican Republic, the Honduras, and many others. The Latino population in Massachusetts increased from 2.5 percent of the state's total in 1980 to 4.8 percent in 1990, and to 5.6 percent in 1995.<sup>8</sup>

This rapid increase in the Latino population impacted the racial/ethnic composition of business ownership in Massachusetts, not only through an increasing number of Latino-owned businesses serving the main markets of the state's economy, but also through the development of businesses by Latinos specifically serving the needs and tastes of Latino communities. These "ethnic niche" businesses are particularly significant in cities like Lawrence, Chelsea, and Holyoke, which, by the early 1990s, each had populations that were more than one-third Latino.<sup>9</sup>

As noted earlier, among the 6,914 businesses owned by Latinos in 1992 were 2,405 businesses owned by Latinas. Rising in number from 880 firms just five years earlier, it is important to note that the increase in Latina women-owned businesses between 1987 and 1992 reflects not only population increases, but also the fact that a greater proportion of women in Latino communities are entering the world of business ownership. The underlying dynamics of this movement of Latinas into business go beyond the investigative scope of this article, but are a potentially interesting area of analysis, involving not only the structure of opportunities in Massachusetts, but also the historical and social experience of women in the countries from which substantial immigration is occurring. For example, to what degree is the proliferation of Latina women-owned businesses related to the traditional roles of women in marketplace activities in Latin American countries (which might be a factor tending toward higher rates of women-owned business creation), or to traditional homemaking roles as a counterpart to male roles outside the home (which might lead to less women-owned business creation)?

In 1992, firms owned by Latinas accounted for 17.6% of the total sales and receipts of all Latino firms in Massachusetts. This figure is substantially less than

the corresponding figure of 25.3% among Black firms, but is still above the 16% for white firms. As is true for Blacks and Whites, there is a substantial gender gap between the sales and receipts of Latina women-owned firms and Latino men-owned firms that is of great significance for economic development issues. On average, Latina women-owned firms had sales and receipts that were only 40 percent of the level of the sales and receipts of firms owned by Latino men. If the sales and receipts were raised to a level such that they were 50 percent of those of Latino men, there would be an additional \$22 million flowing to Latina firms in Massachusetts.

Also as shown in Table 6, the racial gap between Latina women-owned firms and White women-owned firms deserves attention. The average sales and receipts of firms owned by Latinas (\$37,150), while higher than the average sales and receipts of firms owned by Black women (\$33,596), are still far behind the average for firms owned by White women (\$112,068). On average, Latina women-owned firms make only 33% of the sales/receipts of firms owned by white women. If the sales and receipts of Latina firms were raised to a level such that they were 50 percent of those of White women, there would be an additional \$45 million accruing to Latina firms in Massachusetts.

A comparison of the sales/receipts of Latina women-owned firms with those of firms owned by White men yields noteworthy results. While Latino-men owned firms have sales and receipts averaging only 33 percent of the average made by firms owned by white men, firms owned by Latina women have sales and receipts averaging only 13 percent of the average made by firms owned by white men.

The Latino population is now the largest minority group in Massachusetts. Further research into the dynamics and constraints influencing the formation and potential success of Latina women-owned businesses is likely to be a fruitful area for understanding Massachusetts' socioeconomic transformations, and for the development of effective public policy to maintain and enhance the state's economic strength.

### **Firms Owned by Asian Women—The distinctive impact of education levels**

The importance of understanding racial differences among women-owned firms, and even among minority



women-owned firms, is demonstrated again when data are examined for firms owned by Asian women.

The number of Asian women-owned firms in Massachusetts increased by 82% between 1987 and 1992, rising from 1,443 to 2,625. By 1992, Asian women-owned firms constituted approximately 38 percent of all Asian-owned firms in the state. Asian women-owned firms are thus similar to Black and Latina women-owned firms in having a substantial increase in numbers between 1987 and 1992, and in comprising a higher percentage of the firms in their racial/ethnic groups than occurs among white firms.

However, a huge dissimilarity exists between the average sales of Asian women-owned firms and those of firms owned by other women of color. As shown in Table 6, the average level of sales/receipts for Asian women-owned firms in 1992 was three times higher than the average for Black and Latina women-owned firms. This distinctive difference highlights the fact that researchers must be cognizant of important detail that may be lost or obscured if data is combined and presented only in data for the category "minority women". Such aggregated data may be misleading. In Massachusetts, the average sales and receipts for firms owned by minority women (\$58,709) is indicative neither of the actual much lower averages for Black women (\$33,596) and for Latina women (\$37,150), nor is it indicative of the much higher average for Asian women. In fact the average for Asian women-owned firms (\$107,858) is just short of the average for firms owned by white women \$112,068.

One probable explanation of the relatively high level of sales and receipts of Asian women-owned firms (compared to firms owned by other minority women) is the education profile of the Asian female population in Massachusetts. According to the 1990 Census, 39% of Asian women in Massachusetts had Bachelor's degrees or higher, while the corresponding figures for Blacks, Latinas, and Whites were 16%, 13% and 25% respectively. Asian women also had the highest rates of advanced (graduate or professional) degrees. In 1990, 19% of Asian women in Massachusetts had advanced degrees, compared to 6% of Black women, 5% of Latina women, and 9% of White women. This education profile is historically tied to the status of Asian women-owned businesses—many of the most successful Asian women-owned firms in Massachusetts are owned by women, born in other countries, who came to

Massachusetts to pursue advanced degrees and stayed, establishing businesses as their careers advanced.

The educational profile of Asian women in Massachusetts was shaped by the particular history of immigration policy in the United States. Asian families have been in Massachusetts for hundreds of years. However, before 1965, the immigration of Asians to the U.S. was highly constrained by policies that strongly favored Europeans. In fact, Chinese families were specifically barred from migration by the U.S. Congress in the Immigration Act of 1882. The Immigration Act of 1965 removed these barriers, and in efforts to address a shortfall of skilled labor in the U.S., replaced the old guidelines with policies that favored skilled and professional migrants. In the years that followed, influenced by political and economic events in their countries of origin, and the change in immigration laws, many Asian families of skilled professionals considered relocating.

Around the same time (in the mid-1960s and early 1970s) the passage of civil rights legislation and affirmative action regulations expanded educational opportunities for the U.S. born Asian-Americans, as well as for Asian immigrants; while the struggle for equal rights for women expanded opportunities for Asian women. The result of the removal of immigration, race, and gender barriers, along with other social, political and economic factors was an increase in the numbers of U.S.-born Asian-Americans pursuing advanced training, the matriculation to US education centers of Asian-born students seeking to learn advanced skills, and the migration from Asian countries of skilled Asian women and men. Massachusetts was one of several particularly strong drawing points because of the large number of highly regarded colleges and universities, and because of an economy built around knowledge-related industries.

A more detailed look at the data on Asian women-owned firms, along with anecdotal information shared with the author by individuals familiar with the Asian business community, suggests that some of the distinctive statistical features of Asian firms are related to the particular success of this highly skilled segment of the Asian community. Take for example, the gender gap shown in Table 4. Asian-owned firms had the smallest gender gap of any racial group, with firms owned by Asian women bringing in average sales and receipts that were 63% of those of firms owned by Asian men. (The ratios for the other groups were Black 42%, Hispanic 40% and White 39%.) More intensive analysis of sales/

receipts (not presented in the tables) reveals that, the abnormality of this ratio for Asian firms is entirely due to the approximately 300 Asian women-owned firms with paid employees. The gender gap for Asian-owned firms with no paid employees (.48) was very similar to the gender gap among other groups. (.49 for Blacks, .41 for Latinos, .52 for Whites). However, things were different for firms with paid employees. While there was a substantial gender gap for Black, White, and Hispanic firms with paid employees (.50 among Black firms, .61 for Hispanic firms, .61 for White firms), the expected gender gap did not exist among Asian firms with paid employees. In fact, the roughly 300 Asian women-owned firms with paid employees had average sales and receipts (\$736,689) that surpassed the average sales and receipts of Asian-men owned firms with paid employees (\$613,248)!

It should still be noted, however, that even the relatively high average sales/receipts of Asian women-owned firms are below comparable figures for firms owned by white women. Even the Asian women-owned firms with paid employees, which are doing so well compared to both minority men-owned firms and minority women-owned firms, have average sales and receipts that are below the average for White women-owned firms with paid employees (\$810,748).

The infusion of skilled individuals after 1965 is a distinctive feature affecting the overall data for Asian women-owned businesses in Massachusetts. However, this highly skilled segment of the Asian population, while it greatly affects the average data for Asian businesses, represents only part of the Asian community in Massachusetts and only part of the Asian business community. For example, while the percentage of individuals with advanced degrees is higher among Asians than other groups, so is the percentage of individuals with low education levels. The characteristics of some firms owned by highly skilled individuals notwithstanding, the Asian business community in Massachusetts reflects a wide array of backgrounds, education levels, skills, and resources.

In addition, a variety of different histories and cultures are represented within today's Massachusetts Asian community—Chinese, Japanese, Cambodian, Vietnamese, Indian, Korean, Laotian, and others. Efforts to improve business development in cities and towns must include the ability of officials to recognize the distinctive characteristics of the Asian populations in their cities, and to build upon the business efforts of Asian men

and women. This will be important throughout Massachusetts, but is of particular importance in cities like Lowell, where 16% of the population is Asian—Quincy, where the Asian population is 10% of the total—and Boston, where Asians represent 8% of the population—and other cities where economic activity in the Asian community is essential to the future.<sup>10</sup>

## Conclusion

The racial composition of the Massachusetts population continues to change rapidly, a fact that implies that the economic future of the state is tied to the creation and growth of businesses owned by people of color. Demographic change along with the specific dynamic of increasing business activity among women suggest that the trend shown in this report will continue and possibly accelerate—in upcoming years an increasing number of Massachusetts businesses will be owned by women of color. The trend is already quite strong. Growing at rates of 72%, 173% and 82%, respectively, over the five-year period examined in this report, businesses owned by Black, Latina, and Asian women represented three of the four fastest growing race/gender ownership categories of businesses in Massachusetts (the fourth being businesses owned by Latino men). As noted earlier, eleven percent (11%) of the increase in women-owned firms in Massachusetts between 1987 and 1992 consisted of firms owned by women of color. The importance of women-owned businesses in the economy of the future is also indicated by national education data which shows rising numbers of Black, Latina, and Asian women majoring in Business at the undergraduate level, and also an increasing number obtaining graduate MBA degrees.

Public and private officials and academicians dealing with economic planning and development issues need to be aware of the growing importance of minority women-owned businesses. All business owners do not face the same set of challenges and obstacles. Study of minority businesses and women-owned businesses is needed not only as a way of calling attention to the significance of such businesses, but also as a way of organizing inquiry into—and discussion about—the particular challenges, issues and impediments faced by such businesses. The barriers and growth potential of businesses owned by Black, Latina, and Asian women are intertwined with the status of racial opportunities and the status of gender opportunities. However, the type of analysis that has predominated in studies of owner-

ship diversity have been separate inquiry (usually by separate researchers) into minority business statistics or into women business statistics. Such analysis is unlikely to appropriately illuminate the combination of issues faced by minority women business owners who are affected by both race and gender dynamics. Nor will separate minority business analysis and women business analysis adequately identify the unique issues and other factors that are associated neither necessarily with “minority-owned” businesses nor “women-owned” businesses, but that are distinctly related to being “minority women-owned” businesses. These involve not only particular stereotypes, constraints, and responsibilities, but also the ways in which unique historical contexts shape the vision and goals of women from the various distinct backgrounds represented by women of color in Massachusetts. Additional specific study of Black-, Latina-, and Asian women-owned businesses is both appropriate and needed as part of our efforts to learn from the past, to understand our present, and to intelligently forge the future.

## Notes

---

<sup>1</sup>The author is indebted to many individuals with whom he has talked over time on the subject of women-owned businesses in minority communities. In particular, he would like to thank Jorge Santiago and Luz Carrion from Northern Essex Community College; James Jennings and Regina Rodriguez-Mitchell of the Trotter Institute, Paul Watanabe, Shauna Lo and Hiep Chiu of the Asian American Institute, and Mary Jo Marion and Giovanna Negretti from the Gaston Institute at the University of Massachusetts Boston.

<sup>2</sup> The data in this report cover proprietorships, partnerships and 1120S corporations—the classifications for which the Census Bureau has collected minority business information. A fourth type of business, 1120C corporations are not counted in the Census Bureau’s survey, and therefore are not covered by this report.

<sup>3</sup> The Survey of Minority Business, from which these statistics are drawn combines Asian-, Pacific Islander-, Native Alaskan-, and Native-American (American Indian)-owned firms into one classification which it calls “American Indian, Alaskan Native and Asian and Pacific Islander”. Because most of these firms in Massachusetts are in fact Asian (There were only a total of 345 Native-American owned firms—including both men and women-owned firms—among the 20,749 minority firms in the state in 1992), this report uses the word “Asian” as a briefer, but, we believe, still appropriate descriptive characteristic.

<sup>4</sup> Please note that due to the fact that individuals may identify themselves as members of one or more groups (for example, both Black and Hispanic, or both Asian and Hispanic), some individuals are represented in more than one category, and consequently the sum of the separate figures shown for Black, Latino, and Asian firms may exceed the total number of minority firms.

<sup>5</sup> Marianna Davis, *Contributions of Black Women to America* (Columbia, South Carolina: Kenday Press, 1982), 336, 369-70.

<sup>6</sup>Deborah J. Carter and Reginald Wilson, *Minorities in Higher Education: Thirteenth Annual Status Report* (Washington D.C.: American Council on Education, March 1995).

<sup>7</sup> Businesses owned by Latino males increased by 157 percent.

<sup>8</sup>The 1980 and 1990 figures come from the U.S. Census; the 1995 figure comes from the Massachusetts Institute for Social and Economic Research (MISER).

<sup>9</sup>For a detailed analysis of Latino businesses in Lawrence, see Jorge Santiago and James Jennings, *The Latino Business Community of Lawrence, Massachusetts: A Profile and Analysis* (Trotter Institute/Northern Essex Community College, 2000).

<sup>10</sup> These percentages are derived from data from the Massachusetts Institute for Social and Economic Research (MISER).

***Russell E. Williams is an economist on faculty at Wheaton College, Massachusetts.***