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ACA Newsletter

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New Research from Office of Advocacy Shows Resilience of Minority-Owned Businesses During Recession

Minority-owned businesses form a significant portion of the U.S. economy. In 2012, 8.0 million minority-owned businesses contributed \$1.38 trillion in revenue and 7.2 million jobs to the economy. Their importance was also emphasized during the recent economic recession when minority-owned businesses were an important source of business growth.

Table 1. Comparative Shares of Minority Business Ownership and Total Population, 2012

	Number of Businesses	% of U.S. Businesses	Population	% of U.S. Population
Black/African American	2,584,403	9.5	39,697,782	12.6
American Indian and Alaska Native	272,919	1.0	2,574,388	0.8
Asian	1,917,902	7.1	15,578,065	5.0
Native Hawaiian and Other Pacific Islander	54,749	0.2	530,525	0.2
Hispanic	3,305,873	12.2	52,932,483	16.9
Minority	7,952,386	29.3	116,638,306	37.2
Non-Hispanic White	19,278,260	70.9	197,275,734	62.8

Note: Percentages may not sum to 100% due to those identifying as two or more races, or an "other" race.

From 2007 to 2012, the five years enveloping the economic recession, a net 2 million minority-owned businesses were created, while a net 1 million nonminority-owned businesses closed. During that time, minorities increased their share of overall business ownership from 22% to 29%. Further minority-owned businesses represented an additional \$335 billion in sales and 1.35 million in employment. Increasing Entrepreneurship.

Minority entrepreneurs are currently underrepresented compared with their share of the population, but entrepreneurship within minority groups is on the rise. The largest minority groups, Black/African Americans and Hispanics, own disproportionately fewer businesses than their non-Hispanic White counterparts. The share of smaller groups, such as Asians and American Indians, is closer or equal to parity (See Table 1).

The increase in minority-owned businesses greatly outpaced their population growth from 2007 to 2012. For example, while the Black/African American population increased by 6%, their business ownership increased by an impressive 34%. The Hispanic population increased by 17% while Hispanic-owned businesses increased by 46%. Minority and nonminority entrepreneurship can also be compared using a ratio of population per business (Table 2). Among, non-minorities there is about one business for every 8 adults. For the large minority groups the entrepreneurship ratio has his-

Table 2. Ratio of Adult Population per Business

	2007	2012
Black/African American	13.8	11.3
American Indian and Alaska Native	7.2	6.8
Asian	6.7	6.4
Native Hawaiian and Other Pacific Islander	8.6	7.1
Hispanic	13.3	10.7
Non-Hispanic White	7.7	8.2

Note: Smaller ratios indicate a higher level of entrepreneurship.

torically been much larger, but this gap has narrowed substantially in recent years. The minority ratio is now coming closer to the nonminority ratio. In 2007,

there was only one Hispanic-owned business for every 13 Hispanic adults. Similarly, for Black/African Americans, there was one business for every 14 adults.

However in 2012, there was one Hispanic or Black-owned business for every 11 members of their respective groups, a 20% increase in entrepreneurship for both groups. Asians have also seen their entrepreneurship ratio go from 7 adults per business to 6, which is notable due to their distinction of already having the smallest ratio among all major racial and ethnic groups. The entrepreneurship ratio is only one measure of minority performance in the business sector. Revenue and employment shares are other key indicators. Observers of the SBO data often note that minority businesses account for a much smaller share of revenue and employment than their share of all businesses (Table 3). For example, while Hispanic-owned firms represent over 12% of all businesses, they only account for 4% of all sales and employment. This gap between the share of businesses and sales/employment can be described as a "disparity"; it is expressed as a ratio between a minority group's share of sales or employment and its share of businesses. For example, Hispanic-owned businesses have a 33% sales disparity ratio (.04/.12); meaning their share of sales is only one third of their share of busi-

Table 3. Minority Group Shares of Total Business Ownership, Sales, and Employment, 2012

Minority Group	% of Businesses	% of Sales	% of Employment	Disparity Ratios	
				% Sales/ % Businesses	% Employment/ % Businesses
Black/African American	9.5	1.3	1.7	13	18
American Indian and Alaska Native	1.0	0.3	0.4	32	37
Asian	7.1	5.8	6.4	83	90
Native Hawaiian and Other Pacific Islander	0.2	0.1	0.1	34	35
Hispanic	12.2	4.0	4.2	33	34
Non-Hispanic White	70.9	88.0	86.5	124	122

Note: The sales (employment) disparity ratio is the ratio of the minority group's share of sales (employment) over their share of businesses. A ratio of less than 100% indicates that group generates a smaller share of sales (employment) than their share of businesses. Disparity ratios calculated on unrounded data.

nesses. All minority businesses have sales and employment disparity ratios under 100%, and therefore have larger shares of businesses than of sales or employment. (source: SBA)

SBA Now Accepts 2017 National Small Business Week Awards Applications



Are you a small business owner with an amazing success story to tell? If so, submit your nomination today for SBA's National Small Business Week awards.

National Small Business Week has served as our nation's salute to small business owners. That's more than 50 years of celebrating small business owners who create two out of every three new jobs for Americans. Many household names were previous National Small Business Week award winners, including Ben and Jerry's, Calloway Golf, Chobani, Dogfish Head, Stoneyfield Farm, Pacifica and Tom's of Maine. And in recognizing the changing face of America, the SBA's National Small Business Week awards honor individuals and businesses that reflect our nation's rich diversity.

All nominations must be mailed or hand delivered to the nearest SBA office no later than 3:00 p.m. ET on January 10, 2017. Winners will be announced during National Small Business Week, April 30-May 6, 2017.

National Small Business Week award categories include:

- Small Business Person of the Year
- Small Business Exporter of the Year
- Phoenix Award for Small Business Disaster Recovery
- Phoenix Award for Outstanding Contributions to Disaster Recovery- Public Official
- Phoenix Award for Outstanding Contributions to Disaster Recovery- Volunteer
- Federal Procurement Award- Small Business Prime Contractor of the Year
- Federal Procurement Award- Small Business Subcontractor of the Year
- Federal Procurement Award- Dwight D. Eisenhower Award for Excellence
- 8(a) Graduate of the Year
- Small Business Development Center Excellence and Innovation
- Veterans Business Outreach Center Excellence in Service
- Women's Business Center of Excellence
- Jody C. Raskind Lender of the Year
- Small Business Investment Company of the Year

Are you our next winner? Apply today: www.sba.gov/nsbw/awards.



He was in a coma and put on life support after being hit by a car while playing on the street with his cousins in a small English town. He was only seven years old. The young boy was pulled off of life support as doctors had lost all hope for him to regain any consciousness.



Amin (right) in front of the clinic with his brother and patron Daunish

The story did not end there, however. Amin Salahuddin miraculously woke up from the coma without medical intervention and the rest is history. Today, not only is he well and alive, but he also runs a very successful IT business in Austin, Texas. The company, EIX Systems is one of the first companies in the US to develop a patient driven health information exchange hosted at health plans. The technology will allow patients to access their medical records and share it with doctors, hospitals and EMTs through mobile devices. The first version is schedule to roll out to Vista360health, an innovative Austin based health insurance plan, by end of 2016. A number of other high tech projects are also in the company's pipeline: upgrades to their tracking system to include drone technology to help luxury properties around the world monitor security on cell phones; drop-ship supply chain tracking; and safety compliance portals for logging and reporting workplace and environmental incidents on the go.

Before moving to Austin, the IT engineer had spent 7 years in the State of Pennsylvania working with healthcare catalyst, advocates and lobbyist to promote preventative healthcare as part of healthcare reform. He continued to be a vehicle for community health care work in Central Texas through a non-profit organization he founded in 2014, EIXSYS Healthcare System, Inc.

“Our mission is to care for patients in need regardless of religion or race,” said the entrepreneur from Pakistan. With the support of community physicians and medical staff volunteering their time, the organization runs a free clinic every Saturday from 10:00am to 1:00pm with a total of eight doctors providing services for primary care, sick visits, wellness checkups and patient follow-ups. The patients, most of whom suffer from diabetes, hypertension and asthma, mainly reside in the Rundberg area of the city, are composed of people from over 50 countries and are of Christian, Muslim, Hindu and other faiths, said Amin.

The organization is not funded by any government agencies currently but relies solely on donations from local Asian businesses. Located at 11900 N Lamar Blvd., the EIXSYS Free Clinic is inside the campus of the North Austin Muslim Community Center, which allows the clinic to use the facility free of charge. Last year, volunteers from the Latino Community came together to help raise a considerable amount of funding to keep the clinic going, according to Amin.

What drove him to this charitable cause with such dedication? “There was a Christian lady,” Amin recounted, “that came to my rescue immediately after I was hit by the car. She gave herself completely over to saving me.” Although Amin only remembered what happened before the accident, this lady, he learned later rushed to his side and is now forever edged in Amin’s memory for her compassionate act. “She didn’t have to do what she did for me,” he said, adding “when you work together for the cause of humanity, things change.”

Since its inception, the free clinic has treated approximately 800 patients, said Amin, whose goal is to raise \$200,000 per year to hire a full time doctor and expand services to Monday through Saturday. If you would like to contribute, please visit their website at www.eixsys.org.



City News Highlights *& from the office of SBA*

National Businesses, City Department and Local Non-profits Challenge Austin Entrepreneurs

AUSTIN, TEXAS – Austin's second annual [Re]Verse Pitch Competition will award a \$10,000 innovation prize to an entrepreneur with the best new business idea. What's the catch? The new venture must create products or services using discarded materials from existing Austin businesses. The competition is designed to inspire viable new ventures while keeping valuable discards out of landfills.

Six businesses and non-profits will pitch their byproduct materials to competing entrepreneurs at the opening event October 11, 2016, 6 – 8 p.m, at Atlassian's downtown Austin office at 303 Colorado St #1600. This year's material suppliers and the items in need of reuse solutions include:

- **In-N-Out Burgers:** Mesh plastic bags
- **Austin Creative Reuse:** Fabric sample books
- **LIVESTRONG Foundation:** Yellow wristbands in out-of-date packaging
- **Central Texas Food Bank:** Inedible canned goods
- **Half Price Books:** Books, records and other media
- **City of Austin Transportation Department:** Vinyl street banners

Travis County Commissioners Court and Austin City Council Call for Central Health Board of Managers Applications

The Travis County Commissioners Court and the Austin City Council seek applications from qualified individuals to serve on the nine-member Board of Managers of the Travis County Healthcare District (Central Health).

The City and the County jointly appoint one member of the Board, whose term will run until December 31, 2020. The deadline for applications is 5 p.m. on Friday, Sept. 30, 2016.

The Commissioners Court and the Austin City Council have approved an application packet, which includes information about the agency, detailed instructions, and an application form. More information, and the packet, are available online at <https://www.traviscountytexas.gov/intergovernmental-relations/board-appointments> or <http://www.cityofaustin.org/edims/document.cfm?id=262150>. They can be obtained by calling (512) 854-4774 or (512) 974-2497.

Austin City Council appoints Elaine Hart Interim City Manager

The Austin City Council voted on Thursday, Sept. 1, 2016, to appoint the City's Chief Financial Officer Elaine Hart as

Interim City Manager. Hart will take over for Marc A. Ott who is departing after eight years as City Manager.

Hart has over 30 years experience in public and private sector finance including a career with the City of Austin that spans more than 20 years. She has been the City's Chief Financial Officer since April 2012. Prior to her appointment as CFO, she served for more than 10 years as Senior Vice President of Finance and Corporate Services for Austin Energy, Austin's municipally-owned electric utility.

Ott announced Aug. 15 that he would leave the City to become the Executive Director of the International City/County Management Association in Washington, D.C.

Development Services Department Launches new Online Search Tool for Building Permits and Code Violations

Please go to the link for the new Austin Code & Permit Tracker. <https://austin.civicsight.com/>

City Manager Ott Appoints Chief Equity Officer

City Manager Marc A. Ott has announced the appointment of Brion Oaks as the City's first Chief Equity Officer. Oaks was previously the Vice President of Health Equity for the Southwest Affiliate of the American Heart Association. He will begin his work with the City on October 17.

Oaks began his career as a legislative assistant for Texas State Representative Dora Olivo and spent time as a project coordinator for the Texas Healthy Kids Corporation and the Texas Medical Foundation before starting a 13-year career at the American Heart Association. His focus during that time has been improving health outcomes for minority communities and addressing disparities in access to healthcare services. He currently serves on the Central Texas Diversity Council and on the American Heart Association's Diversity and Inclusion CEO Cabinet.

Austin 3-1-1: A Better, Faster, Stronger Way to Build Community Relationship

Austin, TX – With a mission to provide uncomplicated access to City services and information, Austin 3-1-1 announces its Facebook presence. Social media is being utilized to help educate the community by building awareness of citywide services. Facebook is the #1 referral site to City of Austin websites and is responsible for directing 16% of visitors to the Austin 3-1-1 website. *Austin 3-1-1 receives over 1 million calls per year producing over 200,000 service requests for City of Austin departments. For additional information visit: www.austin311.org*