

BUSINESS

CHARACTERISTICS OF BUSINESS OWNERS REVEALED IN CENSUS BUREAU REPORT

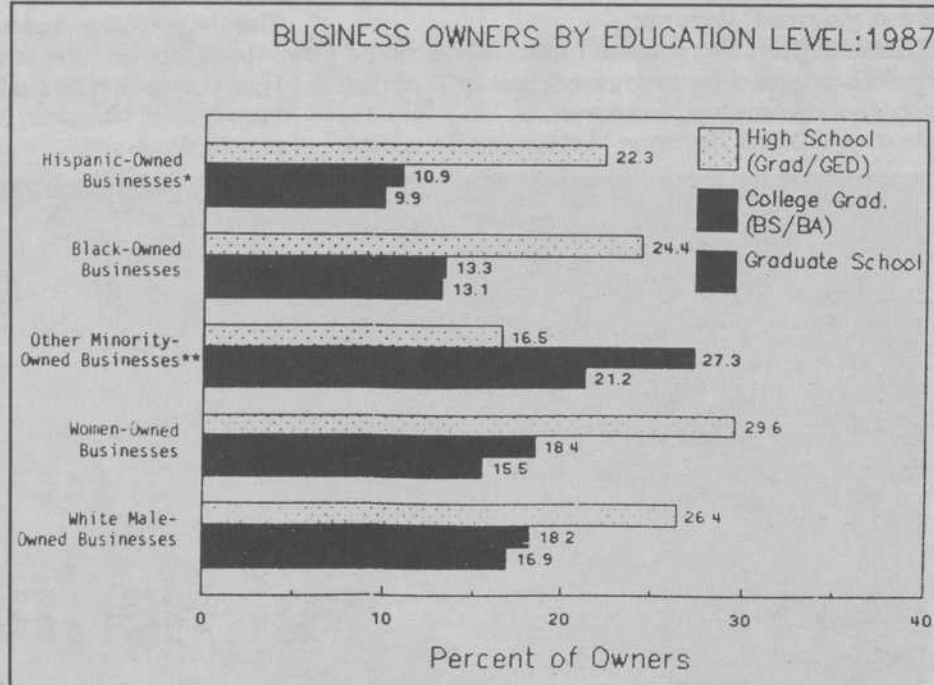
Thirty percent of America's surveyed businesses are owned by women, says a Census Bureau report released by the Commerce Department.

The report also shows that Blacks, Hispanics and Asian Americans, American Indians, and other minorities each own about 3 percent of the nation's surveyed businesses, while, White men own approximately 64 percent.

Valerie Strang, author of the report, says, "Understanding the characteristics of this country's business owners—such as their age, education, and general work experience—is important to policy-makers when they're trying to establish programs to encourage economic development.

"For instance, knowing that the majority of business owners started their businesses with little or no money or assets is important when communities are trying to decide how to allocate their economic development funds."

Highlights of the report, based on a survey during the



1987 economic censuses, include: • Nearly 51 percent of the nation's business owners are between 35 and 54 years old.

• Over 74 percent of owners are married. White male business owners were most likely to be married (80 percent) followed by Asians, American Indians,

and other minorities (77 percent); Hispanic owners (76 percent); women owners of all races (70 percent); and Black owners (69 percent).

• High school was the highest level of education completed for about 24 percent of owners; and another 19 percent have some college, but did not graduate. This varies by gender and racial group. For instance, a high school diploma is the highest degree attained for only about 16 percent of Asian, American Indian, and other minority owners. The highest concentration of bachelor's degrees was among Asian, American Indian, and other minority owners (27 percent); Hispanic owners have the lowest percentage of bachelor's degrees (11 percent).

• Forty-three percent of women owners earned less than 10 percent of their household

income from their business, compared with 40 percent of Black owners, 32 percent of Hispanic owners, 31 percent of White-male owners. Hispanic owners (22 percent) and White-male owners (21 percent) were most likely to earn 100 percent of their household income from their business, compared with 18 percent for Asian, American Indian, and other minority owners, 14 percent for Black owners, and 12 percent for women owners.

• Fifty-five percent of women-owned businesses operate from a private residence compared with 50 percent of White male-owned businesses, 49 percent of Black-owned businesses, 45 percent of Hispanic-owned businesses, and 39 percent of Asian, American Indian, and other minority-owned businesses.

• Minority firms hire monthly

employees: 54 percent of minority-owned firms with employees said more than half of their workforce were minorities; 47 percent claimed as high as 75 to 100 percent minority employees.

• Businesses owned by women and White men are spread across all states in about the same proportion as the population. However, more than half of all minority-owned businesses are located in California, Texas, New York, and Florida.

• Fifty-five percent of women-owned firms and 46 percent of

minority-owned firms are in service industries such as business, health, and legal services.

Businesses included in this survey include individual proprietorships, partnerships, and subchapter S corporations. A subchapter S corporation is a special IRS designation for legally incorporated businesses with 35 or fewer shareholders who, because of tax advantages, elect to be taxed as individual shareholders rather than as corporations. The report also provides information on business owners' veteran status, U.S. birth, work experience, method of acquiring business, hours worked, starting capital, and sources of borrowed and equity capital.

Real Estate Perspective



By Loretta A. Hall

NEW MORTGAGE PLAN HELPS DENIED BORROWERS

A new mortgage plan gives applicants better odds. Minority and low and moderate income homebuyers whose mortgage applications are denied can have two more chances to qualify under a program launched in May by Fannie Mae and Countrywide Funding Corp. of Pasadena, California, a nationwide mortgage lender. Countrywide has committed to lend \$1.25 billion over 18 months to low and moderate income and minority borrowers as part of its House American initiative. The commitment represents the largest yet as part of Fannie Mae's Neighborhood Investment and Community Homebuyers Programs, according to an article in the National Association of Realtors newsletter. Under the new program, if a borrower's initial mortgage application is rejected based on standard underwriting criteria, it will be reviewed again using non-standard qualifying criteria. For instance, if a borrower has no credit history, Countrywide will use records of prompt rent or utility bill payments to assess a borrower's creditworthiness. If a mortgage loan application is denied after the second review, Countrywide will refer a borrower to financial counseling services provided by Fannie Mae through its Community Homebuyers Program. The counselor will explain what specific actions must be taken by the borrower to obtain loan approval. Once those actions have been taken, Countrywide will review a borrower's application a third time. Personally, I feel this program is worth looking into if you have recently been denied a mortgage loan.

For additional information on Countrywide's House American Program, please call (800) 877-LOAN or write me c/o the Real Estate Prospective, Las Vegas Sentinel Voice Newspaper, 1201 S. Eastern, Ave., Las Vegas, NV 89104.



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