Spotlight on Communities

An Economic Profile of African-Americans in Los Angeles County
African-Americans in Los Angeles County, accounting for 8.2% of LA County’s population.

African-Americans account for 5.8% of California’s population, and 12.7% of the nation’s population.

Per capita income is $23,860 compared to the Los Angeles County average of $28,370.

This is 2.3% higher than the per capita income of African-Americans across the state and 23.6% higher than those across the nation.

Educational attainment

89.4% of African-Americans aged 25 years and older have at least a high school diploma, compared to 76.3% of all other residents in Los Angeles County.

The most popular BA degrees among African-Americans in Los Angeles County are in Science and Engineering, followed by Arts and Humanities. This mirrors the BA degree choice at the national level.
Median household income is **$40,650** compared to the Los Angeles County median of **$55,750**.

This is **4.4%** less than the median African-American household income across the state and **14.6%** higher than that across the nation.

**Poverty**

**36,070** African-American families are in poverty, accounting for **20%** of all African-American families in Los Angeles County.

**Poverty by family type:**

- **African-American families**
  - 14.9% Other; no husband; no related children
  - 60.5% Other; no husband; related children
  - 4.5% Other; no wife; no related children
  - 7.7% Other; no wife; related children
  - 8.1% Married couple; no related children

- **All other families**
  - 7.0% Other; no husband; no related children
  - 34.9% Other; no husband; related children
  - 3.4% Other; no wife; no related children
  - 8.9% Other; no wife; related children
  - 13.8% Married couple; no related children
  - 31.8% Married couple; related children

Of all African-American families in poverty, more than **60%** are single mothers with children under 18 years of age at home.
Average annual expenditures for African American households is $43,840 compared to the Los Angeles County median of $51,700 for all other households in Los Angeles County.

As with other Los Angeles County households, African-American households spend the largest share of their expenditures on housing.

Total household spending in Los Angeles County in 2014 was $13.8 billion of which taxes were $1.4 billion.

The economic impact in Los Angeles County of the household spending in 2014 of African-American households was $19.2 billion in economic output (or revenues for local firms), supporting 128,600 jobs in Los Angeles County with total labor income of $5.8 billion and federal, state and local tax revenues of $2.7 billion.
Unemployment

The unemployment rate of African-Americans is 3 percentage points above all other workers in Los Angeles County.

344,780

African-Americans in Los Angeles County that hold a job.

Employment by industry

Almost 30% of working African-Americans are in the education and health services industry, compared to less than 20% for all other workers in Los Angeles County.

African-Americans are less likely to be employed by manufacturing or construction firms than the average LA County worker.

Employment by occupation

A plurality of working African-Americans in Los Angeles County are employed in management, business, science and arts occupations. The second most common occupation is sales.
81,535 Firms in Los Angeles County at least partly owned by African-Americans in 2012, an increase of 21,890 since 2007.

Firms by industry

- Natural resources: 85
- Construction: 3,129
- Manufacturing: 704
- Wholesale trade: 889
- Retail trade: 4,317
- Transp / warehousing / utils: 3,344
- Information: 1,604
- Financial activities: 4,507
- Prof / business services: 14,658
- Education / health services: 17,103
- Leisure / hospitality: 9,436
- Other services: 21,759

Almost 27% of African-American-owned firms are engaged in “Other services,” which includes automotive repairs and maintenance, personal care services, dry-cleaning and civic organizations, while 21% are in education and health services, and almost 18% are in professional and business services.

Total sales generated by African-American-owned firms in Los Angeles County in 2012 was $6.3 billion.
Top industries by sales ▼

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sales (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative and support services</td>
<td>$961.3</td>
</tr>
<tr>
<td>Health care, social assistance</td>
<td>$913.6</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>$811.2</td>
</tr>
<tr>
<td>Arts, entertainment, recreation</td>
<td>$768.8</td>
</tr>
<tr>
<td>Professional, scientific, technical services</td>
<td>$461.6</td>
</tr>
</tbody>
</table>

In terms of sales, African-American-owned firms in administrative and support services earned the most, with $961.3 million in sales in 2012, followed by firms in health care and social assistance, earning $913.6 million, and wholesale trade earning $811.2 million.

Economic impact ▼

The economic impact in Los Angeles County of African-American-owned firms in 2012 was $11.8 billion in economic output (or revenues for local firms), supporting 96,900 jobs in Los Angeles County with total labor income of $4.9 billion and federal, state and local tax revenues of $1.9 billion.
The Small Business Association (SBA) assists small businesses by guaranteeing loans. Loans fall into two categories:

(i) 504 loans which are used to purchase capital, and
(ii) 7(a) loans which are offered for a variety of expenses.

Total value of 7(a) loans granted to African-American-owned businesses in Los Angeles County between 2014 and 2016

$42.9 million

Two-thirds of 7(a) loans were granted to existing businesses, the remainder to new firms.

Health care and professional and technical services were the most prominent industries among African-American 7(a) lendees.

Community Advantage

Community Advantage is a relatively new program created by the SBA in order to provide managerial and technical advice, as well as access to credit on reasonable terms, to small businesses in underserved markets.

African-American-owned firms in Los Angeles County received Community Advantage loans totaling over $1 million between 2014 and 2016, an average of $113,000 per loan.
Demographic data on pages 2 through 5 were derived from the U.S. Census Bureau’s American Community Survey one-year estimates for Los Angeles County, 2014.

Household expenditure data was derived from the U.S. Census Bureau’s 2014 Consumer Expenditure Survey for the western region.

Data for African-American-owned businesses on pages 6 and 7 were derived from the U.S. Census Bureau’s 2012 Survey of Business Owners.

SBA data presented on page 8 was provided by the SBA.

Economic impacts on pages 4 and 7 were estimated using IMPLAN with 2014 model data for Los Angeles County and are expressed in current dollars. As the sample of household expenditures and business revenues attributed to African-Americans is a relatively small share of the overall values for Los Angeles County, it was assumed that there would be no overlap between direct, indirect and induced impacts.