



LendingTree Study Finds San Francisco, San Jose and Washington, D.C. Are the Top Places Minority Entrepreneurs Are Succeeding

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CHARLOTTE, N.C., Jan. 8, 2019 /PRNewswire/ -- [LendingTree®](#), the nation's leading online loan marketplace, today released its [study](#) on the places where minority entrepreneurs are succeeding.



Minority entrepreneurs have a major presence in the U.S. business landscape, as there are about eight million minority-owned businesses throughout the country. However, not all of these business owners are succeeding. Several factors could be at play, such as access to capital, which has long been a hurdle for minority-owned businesses. Location could also be a determining factor in minority entrepreneurs succeeding in their ventures, according to new data from LendingTree.

LendingTree looked at firms that minorities own either wholly or equally and the cities in which the strongest performers are located. Cities in California took the top spots, while Midwestern metros rounded out the bottom of the ranking.

Key findings

- Four of the top 10 cities are dominated by California hot spots. No. 1 San Francisco has a high rate of self-employed minorities and a relatively high parity of business ownership, though San Jose has the highest parity of business ownership by minorities.
- Last place St. Louis has struggled with revenues and longevity for its minority-owned businesses — only 18 percent have exceeded \$500,000 in annual revenue while 27.6 percent survive past their first six years in business. Another Missouri metro follows on the heels of St. Louis: No. 49 Kansas City.
- Midwestern cities have a generally poor showing, with Milwaukee and Cleveland rounding out the bottom four.

Top metros for minority business owners

The top places in the study share a high percentage of minorities who are self-employed – around 4 percent in the top three metros. The two highest-ranking places are both in California, which leads all states in the number of minority-owned firms with employees.

1. San Francisco

Final score: 83.9

San Francisco ranked No. 1 in the study with a high rate of self-employed minorities and relatively high parity of business ownership. Most minority-owned businesses – 56.7 percent – have been in business for more than six years. Nearly half of minority-owned businesses – 42.6 percent – generate \$500,000 or more in revenue.

2. San Jose, Calif.

Final score: 83.2

Nearby San Jose took the No. 2 spot though it has the highest parity index. San Jose and San Francisco have the same percentage of minority-owned businesses earning \$500,000 or more at 42.6 percent. They also have similar numbers of long-standing minority-owned businesses: 56.6 percent have been in business six years or more in San Jose with 56.7 percent in San Francisco.

3. Washington, D.C.

Final score: 78.8

The nation's capital is the highest-ranking East Coast metro at No. 3. Washington, D.C.'s minority business ownership parity is equal to that of San Francisco, and the percentage of minorities who are self-employed is about the same as the top city as well. Revenue is where Washington falls short of its California rivals — 39.9 percent of minority-owned businesses have revenues of \$500,000 or more. It slightly lags in longevity, too, with 55.8 percent of minority-owned businesses in existence for six years or more.

Where minority entrepreneurs are struggling

The three bottom-ranking cities in the study are in Midwestern states, with the last two in Missouri.

50. St. Louis

Final score: 33.2

Even though St. Louis has the second-highest parity index in the study, its rate of long-term success for minority-owned businesses is dismal. Just 27.3 percent survive past six years in business, nearly half the rate of the second-worst city, Kansas City, Mo.

49. Kansas City, Mo.

Final score: 39.1

Kansas City is another Missouri city where minority entrepreneurs have struggled to succeed, with just 30.7 percent of minority-owned businesses generating \$500,000 or more, though that's far better than No. 50 St. Louis. The number of minorities who are self-employed sits at 2.4 percent, slightly below St. Louis. Less than half of minority businesses in Kansas City – 42.6 percent – have been in operation longer than six years.

48. Cleveland

Final score: 41.6

Cleveland ranked near the bottom of the list with the lowest minority business ownership parity index, 33. Cleveland has a similar percentage of self-employed minorities as the other bottom two cities at 2.6 percent. Just 33.3 percent of minority-owned businesses in Cleveland earn more than \$500,000 in revenue. However, 54.6 percent minority-owned businesses have been open for six years or more.

To view the full report, visit www.lendingtree.com/business/where-minority-entrepreneurs-succeeding.

Metros Ranked by Where Minority Entrepreneurs Are Succeeding						
Rank	Metro	Final Score	% of Minorities Who Are Self-Employed	Minority Business Ownership Parity Index	% of Minority Owned Businesses That Have \$500K+ Revenues	% of Minority Owned Businesses in Operation for 6+ Years
1	San Francisco	83.9	4.3%	68	42.6%	56.7%
2	San Jose, Calif.	83.2	3.8%	73	42.6%	56.6%
3	Washington, D.C.	78.8	4.0%	68	39.9%	55.8%
4	Los Angeles	78.7	4.2%	61	42.4%	56.7%
5	Seattle	78.5	4.6%	69	36.3%	53.2%
6	Portland, Ore.	75.9	4.4%	61	38.8%	55.5%
7	Sacramento, Calif.	74.5	3.0%	65	41.8%	60.0%
8	Pittsburgh	70	3.7%	52	39.4%	61.0%
9	Atlanta	69.8	4.8%	55	37.4%	49.7%
10	Cincinnati	68.8	3.1%	50	43.3%	62.3%
11	Houston	68.7	2.5%	59	46.7%	56.2%
12	Oklahoma City	68.6	2.8%	57	44.6%	57.8%
13	Baltimore	67.7	3.9%	54	37.7%	56.1%
14	Riverside, Calif.	66.8	2.4%	64	43.3%	53.9%
15	Nashville, Tenn.	63.8	3.9%	51	42.0%	48.6%
16	Columbus, Ohio	62.4	3.2%	53	42.6%	51.0%
17	Dallas	62.3	2.5%	57	45.3%	50.6%
18	San Diego	61.8	2.8%	56	37.7%	56.0%
18	Virginia Beach, Va.	61.8	2.6%	49	39.1%	62.8%
20	Tampa, Fla.	61.5	2.4%	63	38.7%	52.7%
21	Memphis, Tenn.	60.6	2.7%	36	49.7%	60.0%
22	New York	60.3	3.6%	57	33.8%	49.9%
23	Birmingham, Ala.	59.9	3.6%	37	42.6%	57.7%
23	Miami	59.9	2.4%	63	34.9%	54.5%
25	Raleigh, N.C.	58.6	2.9%	46	46.7%	49.5%
26	Indianapolis	58.5	2.5%	46	45.0%	55.0%
27	Louisville, Ky.	58.1	2.5%	40	49.6%	54.4%
28	Boston	57.6	2.7%	49	41.9%	53.3%
29	Austin, Texas	57.1	2.4%	50	43.8%	52.0%
30	Minneapolis	57	3.3%	44	39.3%	53.4%
31	Hartford, Conn.	56.8	2.9%	50	36.4%	55.3%
32	Richmond, Va.	56.7	2.8%	49	37.6%	55.0%
33	Las Vegas	56.2	2.7%	52	38.6%	52.2%
34	San Antonio	56	1.1%	59	44.1%	54.5%
35	Charlotte, N.C.	55.6	3.2%	43	40.4%	52.5%
36	New Orleans	54.3	3.3%	38	33.3%	62.1%
37	Salt Lake City	53	2.6%	39	41.2%	56.6%
38	Philadelphia	52.4	2.5%	47	36.9%	54.8%
39	Chicago	52.1	2.4%	50	34.4%	55.1%
40	Phoenix	50.5	1.9%	43	40.7%	56.9%
41	Denver	50.4	2.6%	47	36.3%	52.1%
42	Orlando, Fla.	50	2.6%	55	32.0%	49.0%


43	Detroit	49	2.6%	39	35.6%	57.1%
43	Jacksonville, Fla.	49	3.1%	49	30.2%	50.3%
45	Buffalo, N.Y.	48.2	1.9%	42	35.2%	61.1%
46	Providence, R.I.	47.5	2.1%	42	37.6%	55.6%
47	Milwaukee	47.3	1.9%	37	40.2%	58.7%
48	Cleveland	41.6	2.6%	33	33.3%	54.6%
49	Kansas City, Mo.	39.1	2.4%	49	30.7%	42.6%
50	St. Louis	33.2	2.5%	71	18.1%	27.3%
	<i>Average</i>	<i>59.9</i>	<i>2.9%</i>	<i>52</i>	<i>39.2%</i>	<i>54.3%</i>

About LendingTree

LendingTree (NASDAQ: TREE) is the nation's leading online marketplace that connects consumers with the choices they need to be confident in their financial decisions. LendingTree empowers consumers to shop for financial services the same way they would shop for airline tickets or hotel stays, comparing multiple offers from a nationwide network of over 500 partners in one simple search, and can choose the option that best fits their financial needs. Services include mortgage loans, mortgage refinances, auto loans, personal loans, business loans, student refinances, credit cards and more. Through the [My LendingTree](#) platform, consumers receive free credit scores, credit monitoring and recommendations to improve credit health. My LendingTree proactively compares consumers' credit accounts against offers on our network, and notifies consumers when there is an opportunity to save money. In short, LendingTree's purpose is to help simplify financial decisions for life's meaningful moments through choice, education and support. LendingTree, LLC is a subsidiary of LendingTree, Inc. For more information, go to www.lendingtree.com, dial 800-555-TREE, like our Facebook page and/or follow us on Twitter @LendingTree.

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