

Demographic Characteristics of U.S. Business-Owners in the Arts

A National Endowment for the Arts Research Brief

This research brief is based on an analysis of 2017 data from the Annual Business Survey (ABS). The ABS is conducted jointly by the U.S. Census Bureau and the National Center for Science and Engineering Statistics within the National Science Foundation.

The analysis and accompanying tables report employer businesses classifiable by gender and racial/ethnic “minority” status (i.e., Hispanic or non-White) for arts-related industries in the following sectors: arts, entertainment, and recreation; information services; professional, scientific, and technical services; educational services; manufacturing; and retail trade.

Businesses classified as owned by women or by members of racial/ethnic minority groups **exclude tax-exempt organizations.**¹

A reliable demographic profile of U.S. arts business-owners can permit a better understanding of how race-, ethnicity-, and gender-based differences that have been observed in other cultural statistics—disparities that show up in data about arts participation or arts occupations, for example—are mirrored partly by organizational characteristics. Previous reports from the National Endowment for the Arts

such as [U.S. Patterns of Arts Participation](#), [The Arts in Neighborhood Choice](#), and [Artists and Other Cultural Workers](#) (all released in 2019) examined varying levels of arts access and arts-related income by these and other demographic factors.

With this new analysis, the NEA’s Office of Research & Analysis aims to support the efforts of U.S. cultural policy-makers and funders to improve equitable opportunities for arts participation—including through ownership of arts-related businesses. Earlier this year, the NEA and the U.S. Bureau of Economic Analysis reported that in the year prior to the COVID-19 pandemic (2019), arts industries contributed \$919.7 billion, or 4.3 percent, of the nation’s GDP. As these industries continue to recover and to resume their historically rapid rates of growth, it is essential that women and minority racial/ethnic groups become more fully represented in the leadership and ownership of arts businesses.

Key Findings

- 1. Members of racial/ethnic minority groups own arts businesses at a lower rate than they own businesses in general.**
 - For example, Hispanics and non-Whites own 9 percent of all “arts, entertainment, and recreation” businesses and 11 percent of performing arts companies. By contrast, 18.5 percent of all U.S. businesses are minority-owned.
- 2. Although African Americans are more likely to own sound recording businesses than they are to own businesses in general, the overall percentage is still low.**
 - More than 4 percent of classifiable sound recording businesses are owned by African Americans. This ownership rate compares with just over 2 percent of all businesses.
- 3. The Hispanic ownership rate for ornamental and architectural metalwork firms is the same (6 percent) as for all U.S. businesses. But this is an anomaly.**
 - Hispanics remain underrepresented as owners of arts-related businesses. For example, this group owns roughly 3 percent of firms in performing arts presenting or in motion picture and video production.
- 4. Among all racial/ethnic minority groups, Asian Americans are the most likely to own web streaming and web publishing companies.**
 - Asian Americans own 9 percent of such businesses. On the whole, 15 percent of web streaming and web publishing companies are owned by people from racial/ethnic minority groups.
- 5. One in five classifiable businesses is woman-owned—a ratio that also applies to women’s ownership of “arts, entertainment, and recreation” businesses and performing arts companies.**
 - More women own businesses consisting of “independent artists, writers, and performers” (27 percent) than own businesses in general. From an occupational perspective, 65 percent of writers and authors are women.
- 6. Nearly 60 percent of interior design businesses and 50 percent of florist shops are owned by women. Yet women own only 13 percent of architectural firms.**
 - Even from an occupational perspective, far greater numbers of men than women are architects—nearly 72 percent of employed architects in 2020 were men.

The arts and cultural industries in this research brief cover performing arts companies, motion picture and sound recording industries, specialized design firms, and manufacturers and retailers of arts-related products such as musical instruments. Results are shown for all businesses whose ownership is classifiable by race, ethnicity, and gender.²

Arts, Entertainment, and Recreation

The arts, entertainment, and recreation sector includes performing arts companies, presenters of performing arts events, and an industry labeled “independent artists, writers, and entertainers.” The latter term refers to artists and writers who do not have an employer, but who themselves have one or more workers on payroll. For example, a writer may staff an editor or researcher; a comedian or magician may keep an assistant on his or her payroll.³

The arts, entertainment, and recreation sector also comprises sports and recreation industries such as marinas and skiing facilities.⁴

Roughly 11 percent of classifiable performing arts companies, independent artists/writers/performers, and presenters of performing arts/sporting events are owned by minorities (i.e., Hispanics or people of non-White races). While this rate is similar to that for all businesses within the arts, entertainment, and recreation sector (9 percent), it is well below the share of all businesses that are minority-owned (18.5 percent in 2017).⁵

For a complete list, please see the accompanying table showing the arts-related industries considered for this analysis. [<https://www.arts.gov/sites/default/abs-business-demographics.zip>]

Women own approximately 20 percent of all classifiable U.S. businesses. They own roughly the same share of performing arts companies and—indeed—of all firms within the arts, entertainment, and recreation sector. However, women do own nearly 27 percent of businesses in the industry described as “independent artists, writers, and entertainers.”

The comparatively large share of women-owned firms featuring independent artists/writers/performers may relate to the large number of women working as writers and authors. In 2020, women composed nearly 65 percent of workers employed in that occupation.⁶

Percent of selected classifiable arts and entertainment businesses that are owned by people from racial/ethnic minority groups: 2017

All businesses	18.5%
Arts, entertainment, and recreation	9.0%
Performing arts companies	11.3%
Presenters of performing arts, sports, and similar events	10.5%
Independent artists, writers, and performers	10.8%

Source: Annual Business Survey (data year 2017),
U.S. Census Bureau

Information Services

The “information services” sector consists of industries as varied as software publishers, radio and TV broadcasters, and telecommunications carriers.

Arts-related information industries considered in this analysis are: motion picture and video industries; sound recording industries; web publishing and broadcasting; and book publishing.

African Americans are more likely to own sound recording businesses—an industry that includes record producers and distributors, music publishers, and sound recording studios—than they are to own businesses in other arts-related industries.

In 2017, the share of sound recording businesses owned by African Americans was 4.2 percent, a share nearly twice that of all classifiable businesses owned by African Americans. This is not the case with the proportion of African Americans who own arts-related businesses—even in other sectors—when compared with the proportion of African Americans who own businesses in general.

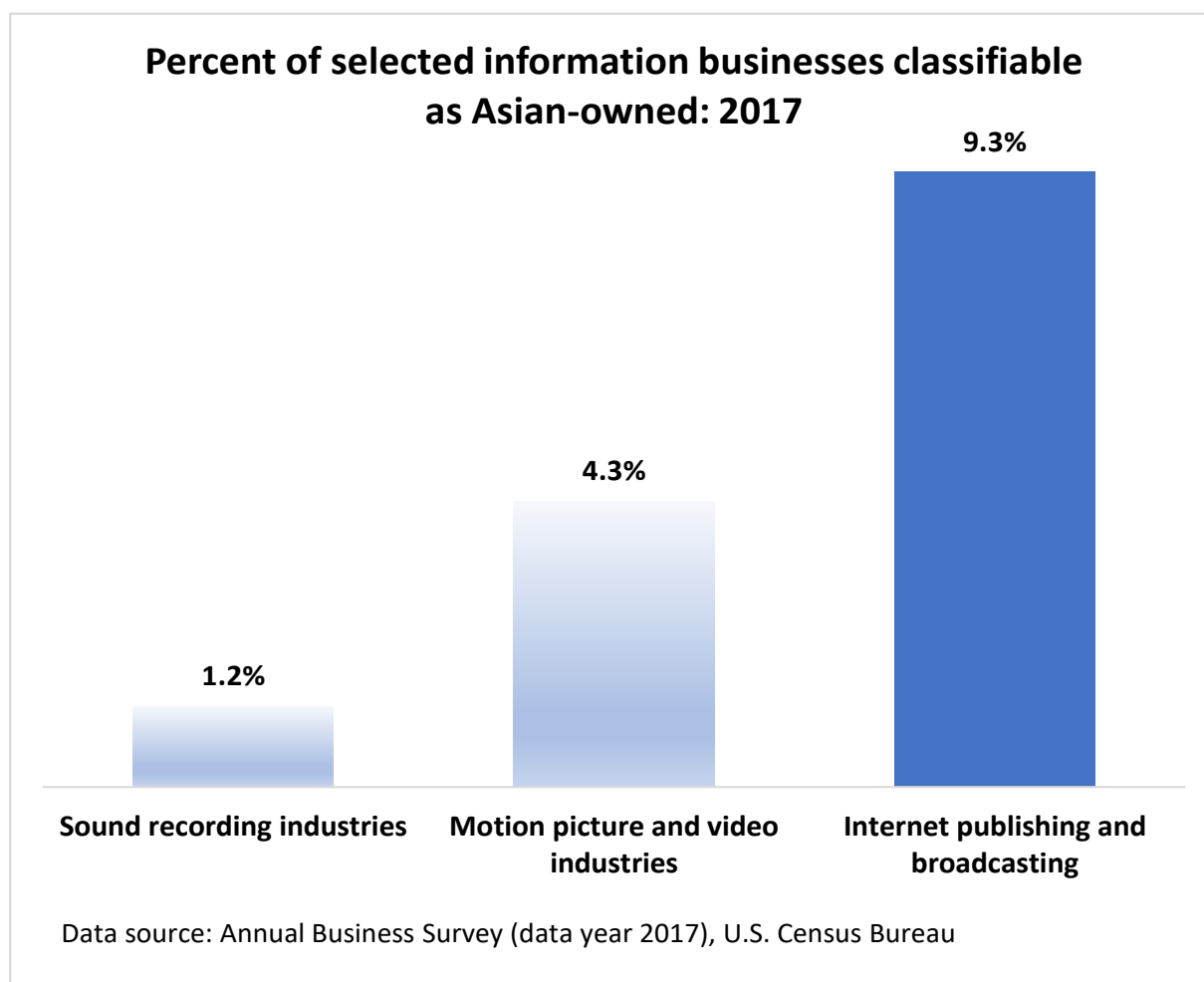
African Americans owned 137 classifiable sound recording businesses in 2017. These firms employed more than 450 workers and generated nearly \$90 million in revenue.

The survey data show that racial/ethnic minority groups own 15 percent of web publishing and broadcasting businesses. Although this rate is similar to the share of all information-sector businesses that are minority-owned (13.7 percent), it is greater than the percentage of firms owned by minorities in the motion picture, video, and sound recording industries (approximately 10 percent of companies within each industry are minority-owned).

The relatively high rates of minority ownership in web publishing and broadcasting stem largely from the number of Asian-owned firms in this industry. In 2017, more than 9 percent (546 companies) were owned by Asians. By contrast, Asians owned just over 4 percent of motion picture and video industries and little more than 1 percent of sound recording industries.

In 2017, just 5 percent of book publishers were minority-owned.

Still, book publishers are more likely to be women-owned than are other information-sector businesses. While women owned 16 percent of all “classifiable information services” firms in 2017, this group owned 27 percent of book publishing companies, according to the survey data.



Professional Services

The professional, scientific, and technical services sector spans industries such as legal services, accounting offices, and marketing research companies.

Selected arts-related professional services industries include: specialized design; architectural services; advertising agencies; and photographic services.

While 18.5 percent of all businesses identified by the ABS were minority-owned in 2017, the share of professional, scientific, and professional services firms owned by minorities was lower—14.4 percent.

The share of minority-owned companies was even lower for arts-related professional services, particularly for landscape architectural services firms and businesses providing photographic services. Fewer than 9 percent of businesses in each industry were owned by Hispanic or non-White proprietors.

Women owners are common in the specialized design industry. In 2017, women owned 23 percent of all professional, scientific, and technical services firms. But in specialized design, women owned nearly 46 percent of businesses.

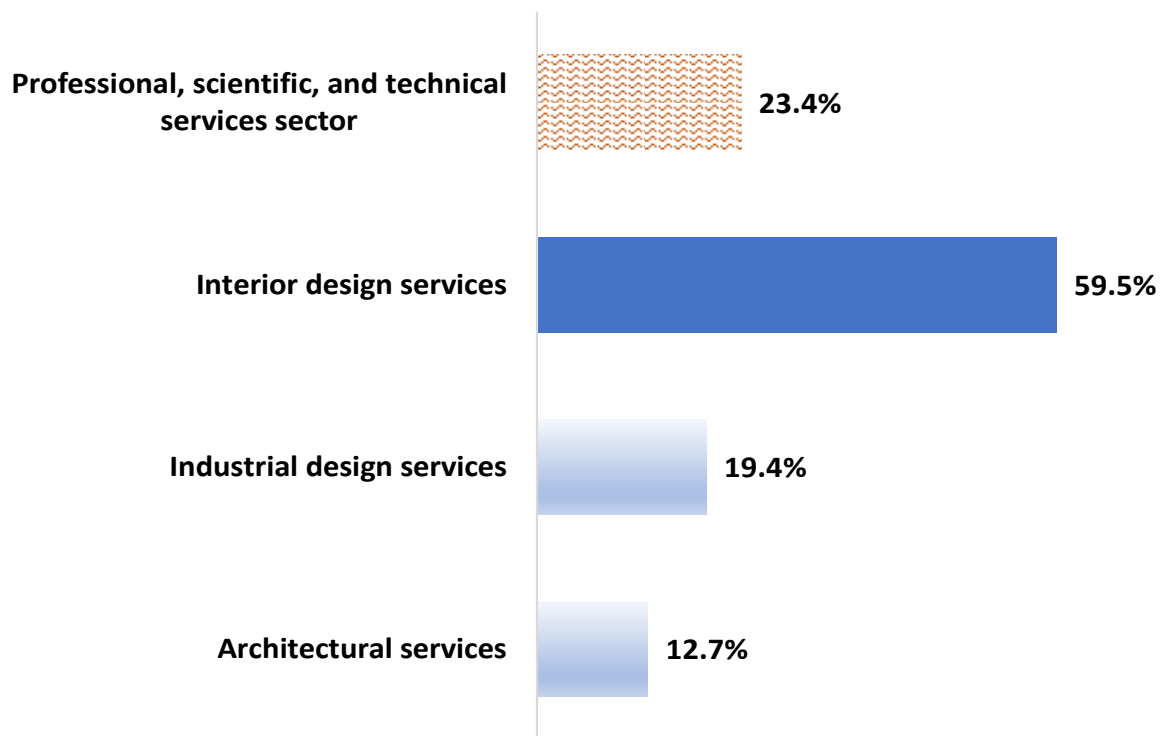
That relatively high female ownership rate was largely due to the number of women-owned interior design firms. Of the 13,290 interior design businesses classified by gender in the survey, nearly 7,900 (59 percent) were owned by women.⁷

By comparison, 19 percent of industrial design firms were owned by women.

Although the share of women-owned industrial design firms is below the average for all professional services industries, it is nonetheless greater than the share of architectural firms owned by women—12.7 percent in 2017.

In a parallel pattern, women are a small minority of U.S. architects. Just over 28 percent of employed architects in 2020 were women.⁸ This occupation is single highest-paying artist job, according to U.S. Census Bureau data.⁹

Percent of selected professional services businesses classifiable as women-owned: 2017



Note: Design and architectural services are included in the professional, scientific, and technical services sector.

Data source: Annual Business Survey (data year 2017), U.S. Census Bureau

Manufacturing

By industry, this large and diverse sector includes manufacturers of food and beverages, paper and chemicals, and plastics, steel and motor vehicles.

Arts-related industries in this sector include the manufacture of: jewelry and silverware; musical instruments; ornamental and architectural metalwork; and custom architectural woodwork and millwork.

Approximately 10 percent of all classifiable businesses in the manufacturing sector are minority-owned. Roughly the same share of both jewelry and silverware manufacturers and

ornamental and architectural metalwork manufacturers—that is, 10 percent—are also classifiable as minority-owned.

However, musical instrument manufacturers and manufacturers of custom architectural woodwork are unlikely to be owned by people from racial/ethnic minority backgrounds. In 2017, 5 percent and 4 percent of such businesses, respectively, were owned by Hispanics or non-Whites.

Hispanics own over 6 percent of ornamental and architectural metalwork manufacturers. This group owns the same share of all classifiable U.S. businesses.

Relatively few women own businesses that manufacture musical instruments—just under 6 percent in 2017. Twice that percentage (12 percent) own manufacturers of ornamental/architectural metalwork or woodwork.

Women are more active in jewelry and silverware manufacturing. In 2017, one-quarter of these firms were classified as women-owned.

Retail Sales

Car dealers, furniture stores, nurseries and garden centers, fish markets, and shoe-stores all belong to the retail trade sector.

Retail trade in the arts include: musical instrument and supply stores; bookstores and newsstands; florists, and art dealers.

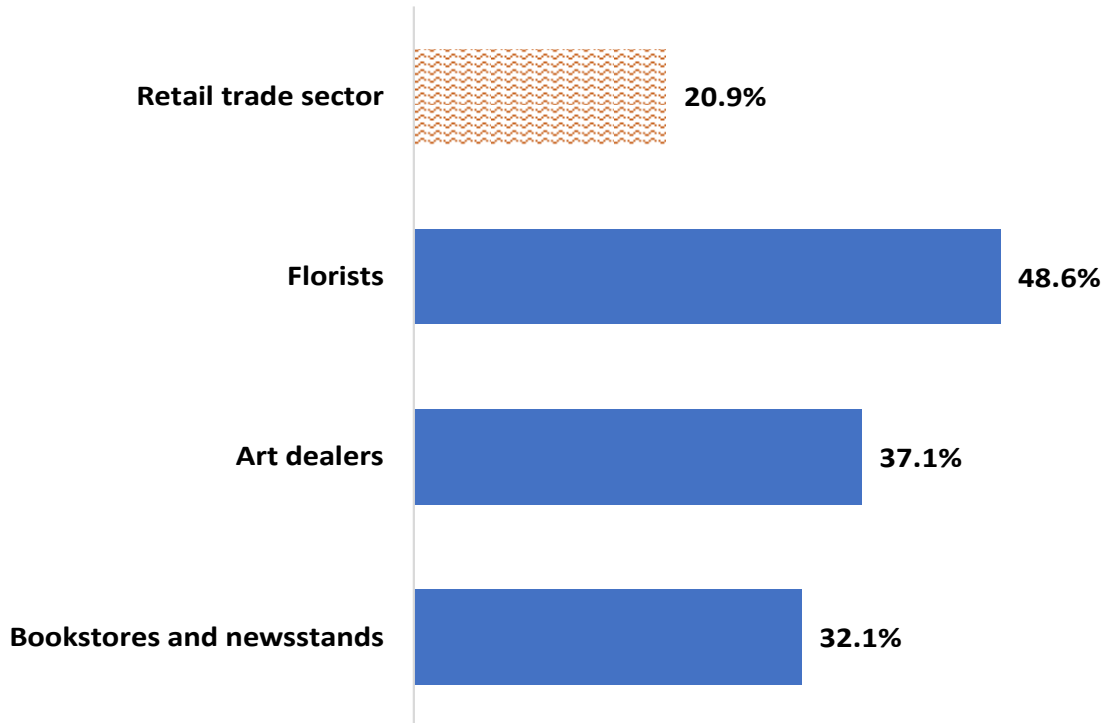
As with U.S. manufacturing, relatively few arts-related retail trade businesses are classified as minority-owned. The ABS data show that in 2017 approximately 7 percent of both musical instrument stores and art dealers were owned by people from racial/ethnic minority groups. By contrast, more than 20 percent of all retail trade businesses were minority-owned.

Women, meanwhile, own relatively large shares of classifiable bookstores and newsstands (32.1 percent) and florist shops (48.6 percent).

Just as women compose more than half of workers in visual arts occupations (e.g., painters, sculptors, craft artists), so do women own a relatively large share of art dealerships and galleries.¹⁰

In 2017, women owned 20.9 percent of all classifiable retail sales businesses, but women comprised 37.1 percent of all art dealers and gallery-owners.

Percent of selected retail trade businesses classifiable as women-owned: 2017



Note: Florists, art dealers, and bookstores/newsstands are included in the retail trade sector.

Data source: Annual Business Survey (data year 2017), U.S. Census Bureau

Fine Arts Schools

Fine arts schools—non-academic businesses that offer instruction in the arts—may include dance schools, music schools, and schools providing classes in the visual arts such as painting and ceramics. As with art galleries, few of these schools are owned by racial/ethnic minority individuals, but many are owned by women.

In 2017, just under 12 percent of fine arts schools were owned by either Hispanics or non-Whites; more over 55 percent were women-owned.

Technical Notes

As described by the U.S. Census Bureau, the Annual Business Survey (ABS) is conducted on a company or firm basis rather than an establishment basis. A company or firm is a business consisting of one or more domestic establishments under its ownership or control.

The data include U.S. firms with paid employees operating during the reference year with receipts of \$1,000 or more, which are classified in the North American Industry Classification System (NAICS).

Further, responses to the ABS are required by law.¹¹

The ABS excludes the following industries: crop and animal production; rail transportation; the postal service; central bank monetary authorities; funds, trusts, and other financial vehicles; religious, grantmaking, civic, professional, and similar organizations; private households; and public administration.

Tax-exempt organizations classified as arts-related industries (e.g., performing arts companies, NAICS 7111) were not sent ABS letters/questionnaires because it was thought their ownership could not be classified by gender or race/ethnicity.

Therefore, within the ABS, tax-exempt arts-related businesses are excluded from “classifiable” counts, but they are included in the respective “total” categories.

Business ownership is defined as having 51 percent or more of the stock or equity in the business. Data are provided for businesses owned equally (50% / 50%) by men and women, by Hispanics and non-Hispanics, by minorities and nonminorities, and by veterans and nonveterans.

The detail may not add to the total or subgroup total because a Hispanic or Latino firm may be of any race, and because a firm could be tabulated in more than one racial group. For example, if a firm responded as both Chinese and African American-majority-owned, the firm would be included in the detailed Asian and African American estimates but would be counted only once toward the higher level of all firms' estimates.

The tables accompanying this research brief show totals calculated by the National Endowment for the Arts' Office of Research & Analysis as classifiable businesses within the ABS.

Endnotes

¹ Please see the Technical Notes at the end of this brief.

² The ABS enumerated 5.7 million employer businesses in 2017. Of these, 95 percent were classifiable.

³ For information about how the “independent artists, writers, and entertainers” industry is distributed between employer firms and non-employer firms (i.e., the self-employed), see the chapter titled, “Contributions to the U.S. Economy by Non-Employers and Small Businesses,” in [The U.S. Arts Economy in 2019: A National Summary Report](#), page 14.

⁴ For a complete list of the specific industries included in the arts, entertainment, and recreation sector, see the [North American Industry Classification System](#) information published by the U.S. Census Bureau. ⁵ The share of performing arts companies owned by minorities (11.3 percent) is not statistically different (at 90 percent confidence) from the share of all arts, entertainment, and recreation firms that are classifiable as minority-owned (9 percent).

⁶ The ABS reports statistics for employer businesses; the Current Population Survey is the source of data used in this document to report information about employment by occupation, including self-employed workers.

⁷ The ABS shows that 3,987 interior design firms were classified as being male-owned in 2017; 1,397 were owned equally by men and women.

⁸ See [2020 annual average from the Current Population Survey](#).

⁹ See [Artists and Other Cultural Workers: A Statistical Portrait \(2012-2016\)](#).

¹⁰ In 2020, 53.5 percent of workers employed as visual artists (referred to as “artists and related workers in the Current Population Survey) were women.

¹¹ For more information, see the [ABS initial letter to participating businesses](#).