

# Houston Minority Business Enterprise (MBE) 2025 Economic Impact Analysis

ANALYSIS BY GREATER HOUSTON PARTNERSHIP

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In partnership with Houston Minority Supplier Development Council (HMSDC)

October 2025

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# Executive Summary

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This report provides a comprehensive analysis of the economic impact of minority businesses across the Houston region. The report is a collaborative effort of the Greater Houston Partnership and the Houston Minority Supplier Development Council (HMSDC). The report summarizes the economic impact of HMSDC-certified Minority Business Enterprises (MBEs) in the ten-county area surrounding Houston. While there are many other certified and non-certified minority businesses throughout the region, HMSDC data is used as a proxy to estimate the economic impact of MBEs across our region.

MBEs are defined by the National Minority Supplier Development Council as businesses that are at least 51% owned, managed, and/or controlled by Asian, Black, Hispanic, and/or Native American individuals. This report highlights the growth, contributions, and challenges faced by MBEs across various sectors in Houston. Data for this report was collected by HMSDC for the calendar year January – December 2024 and the Partnership provided the analysis.

## **Key Findings:**

### Economic Impact

- **MBE Count and Growth:** The number of certified MBEs increased by 19% from 771 in 2021 to 919 in 2024. MBEs with over \$1M in revenue grew by 33%, and total jobs supported surged by 58%.
- **Revenue and Output:** MBEs generated \$23.3 billion in revenue in 2024, a 180% increase from 2021. Their total economic output reached \$35.7 billion, supporting 118,600 jobs and contributing 3.5% to Houston's GDP compared to 1.8% in 2021 or a 95% increase from 2021.
- **Tax Contributions:** MBEs generated \$7.2 billion in taxes, including \$1 billion locally, \$2.1 billion at the state level, and \$2.7 billion federally compared to \$1.9 billion in total taxes in 2021, a nearly 280% increase.
- **Sector Challenges:** Healthcare, agriculture, and public administration reported the lowest average annual revenues, highlighting areas for potential growth and support.

Houston's MBEs play a vital role in the region's economy, contributing billions in revenue, supporting thousands of jobs, and driving innovation across diverse sectors. While MBEs have shown significant growth in revenue and job creation, disparities persist in representation and economic contributions. Continued efforts in inclusive sourcing, targeted support, and access and opportunity to high-growth industries are essential to sustain and expand the impact of MBEs in Houston.

# Houston HMSDC-Certified MBE Overview



**41.9%**  
Percentage of total employees who are minorities

# Houston HMSDC-Certified MBE Overview

Taxes Generated	
Local	\$1.0B
State	\$2.1B
Federal	\$2.7B
Total	\$7.2B

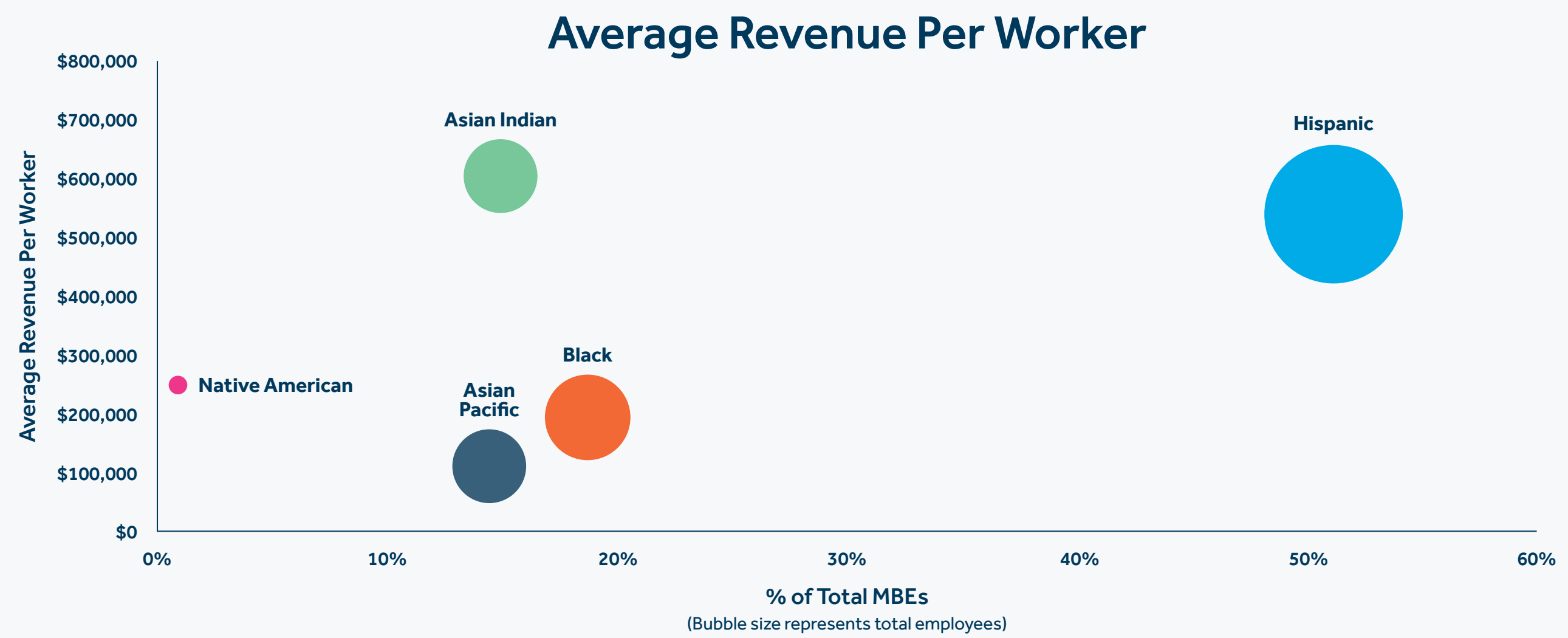
Certified Houston Area MBEs			
	2021	2024	Percent Change
Number of Certified MBEs	771	919	19%
Over \$1M in revenue	349	465	33%
Total Jobs supported	35,000	55,267	58%
MBE total revenue	\$8.2B	\$23B	180%

# Key Observations: MBE Representation

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- While Black MBEs represent 45% of the 919 Houston area MBEs, they account for 19% of the total employees and 9% of total revenues. The average annual revenue per worker of a Black MBE is \$195,134. Compared to the region's overall industry representation by company counts, Black MBEs are overrepresented in the sectors of Professional, Scientific, and Technical Services.
- Hispanic MBEs represent 29% of the 919 Houston area MBEs, and account for 51% of the total employees and 65% of total revenues. The average annual revenue per worker of a Hispanic MBE is \$539,925. Compared to the region's overall industry representation by company counts, Hispanic MBEs are overrepresented in the sectors of construction, manufacturing, wholesale trade, professional services, and admin services/waste remediation. Hispanic MBEs are underrepresented in oil & gas extraction, retail trade, finance & insurance, real estate & equipment rentals, healthcare & social assistance, and hotels & restaurants.
- Asian Indian MBEs represent 17% of the 919 Houston area MBEs, and account for 15% of the total employees and 21% of total revenues. The average annual revenue per worker of an Asian Indian MBE is \$605,712. Compared to the region's overall industry representation by company counts, Asian Indian MBEs are overrepresented in Professional, Scientific, and Technical Services. Asian Indian MBEs are underrepresented in construction, retail trade, transportation & warehousing, finance & insurance, real estate & equipment rentals, healthcare & social assistance, and hotels & restaurants.
- Asian Pacific MBEs represent 7% of the 919 Houston area MBEs, and account for 14% of the total employees and 4% of total revenues. The average annual revenue per worker of an Asian Pacific MBE is \$112,501. Compared to the region's overall industry representation by company counts, Asian Pacific MBEs are overrepresented in Professional, Scientific, and Technical Services. Asian Pacific MBEs are underrepresented in oil & gas extraction, construction, real estate & equipment rentals, educational services, healthcare & social assistance, and hotels and restaurants.
- Native MBEs represent 2% of the 919 Houston area MBEs, and account for 1% of the total employees and .5% of total revenues. The average annual revenue per worker of a Native MBE is \$250,462. Compared to the region's overall industry representation by company counts, Native MBEs are underrepresented in all sectors. The most Native American MBEs are in Professional, Scientific, and Technical Services with only five MBEs in that sector.

# Key Observations

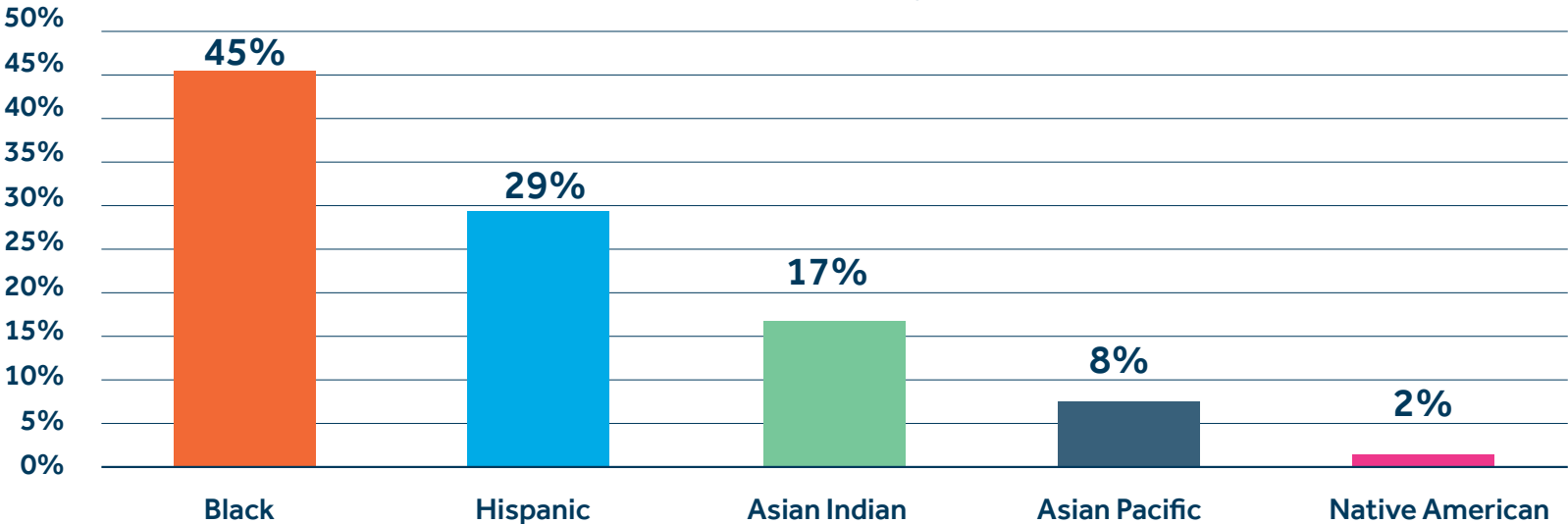


# MBEs by Race

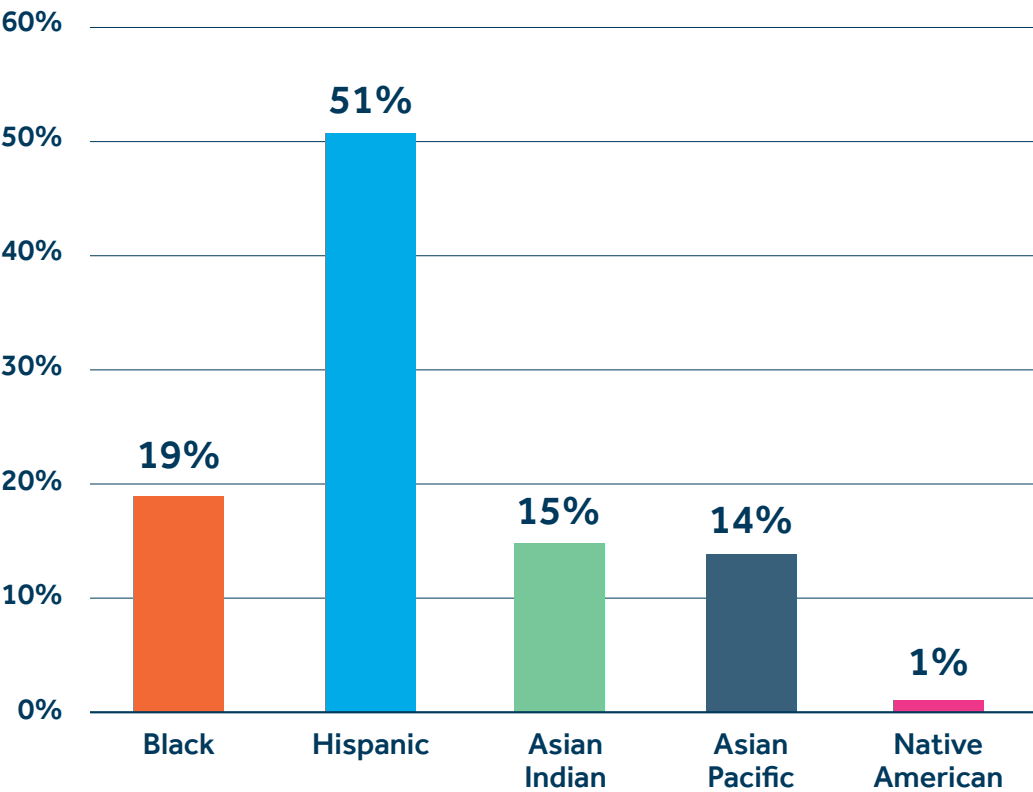
HMSDC Certified Houston Area MBEs

Race/Ethnicity	Count	Employees	Revenue
Black	45%	19%	9%
Hispanic	29%	51%	65%
Asian Indian	17%	15%	21%
Asian Pacific	8%	14%	4%
Native American	2%	1%	1%

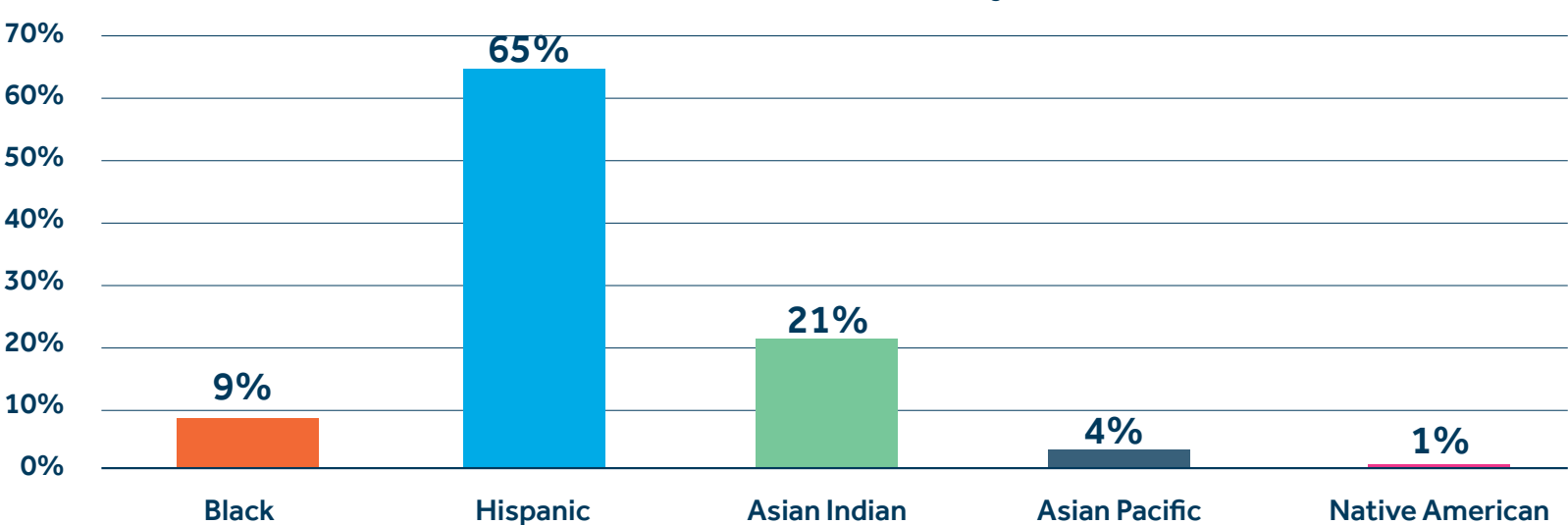
Percent of MBEs by Race



Percent of MBE Employees by Race

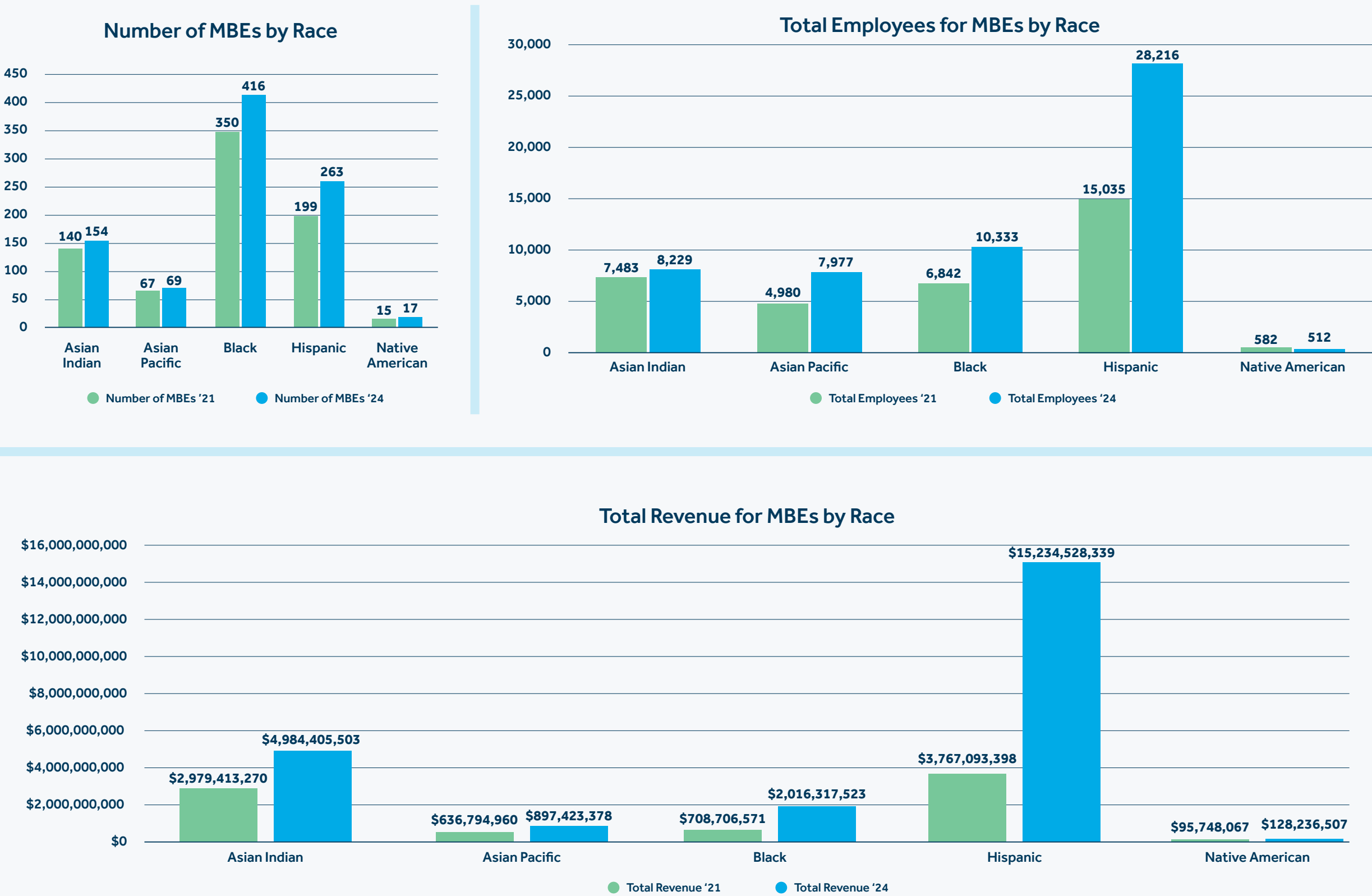


Percent of MBE Revenue by Race





# MBEs by Race

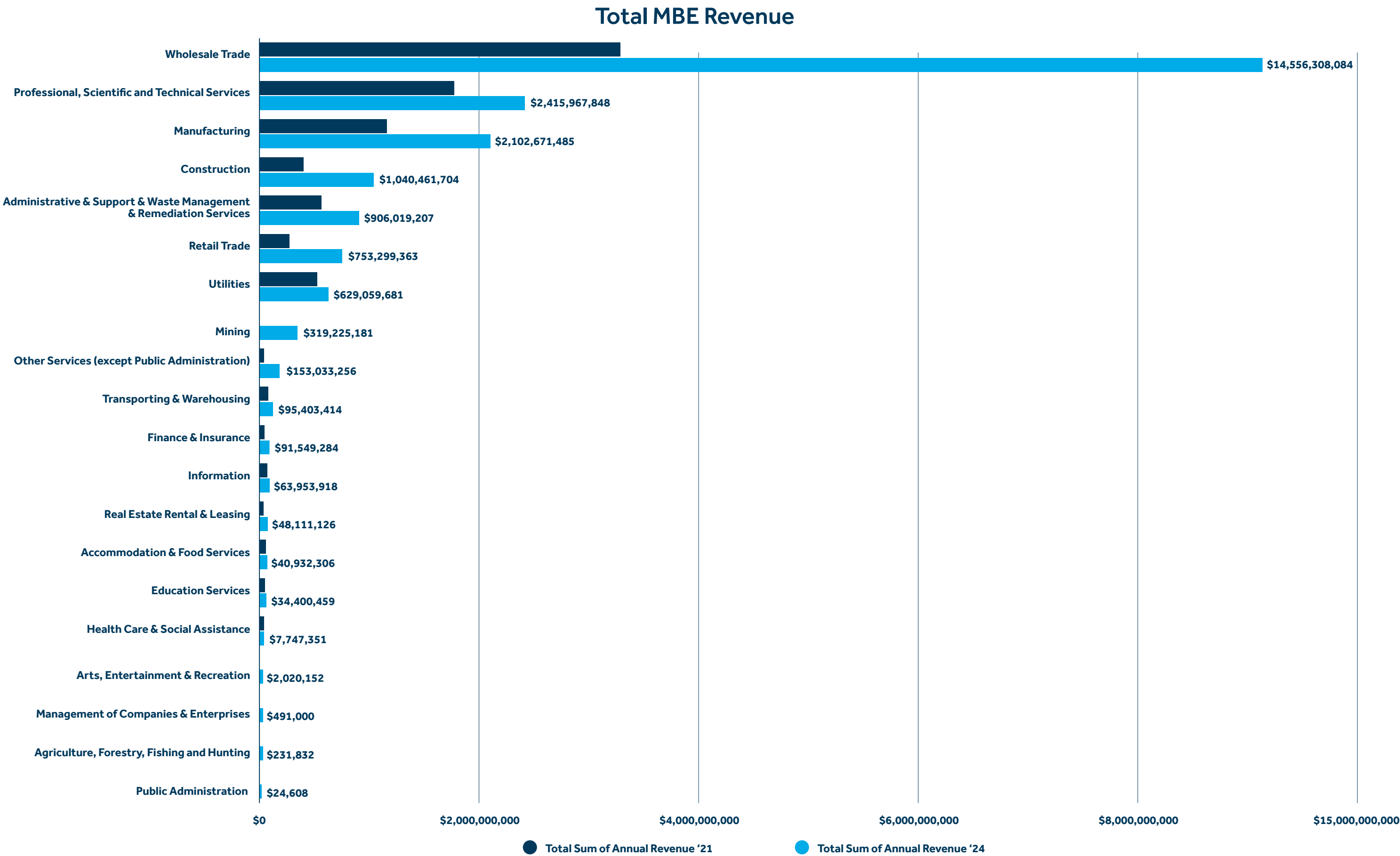


# Key Observations: MBE Revenue by Industry Sector

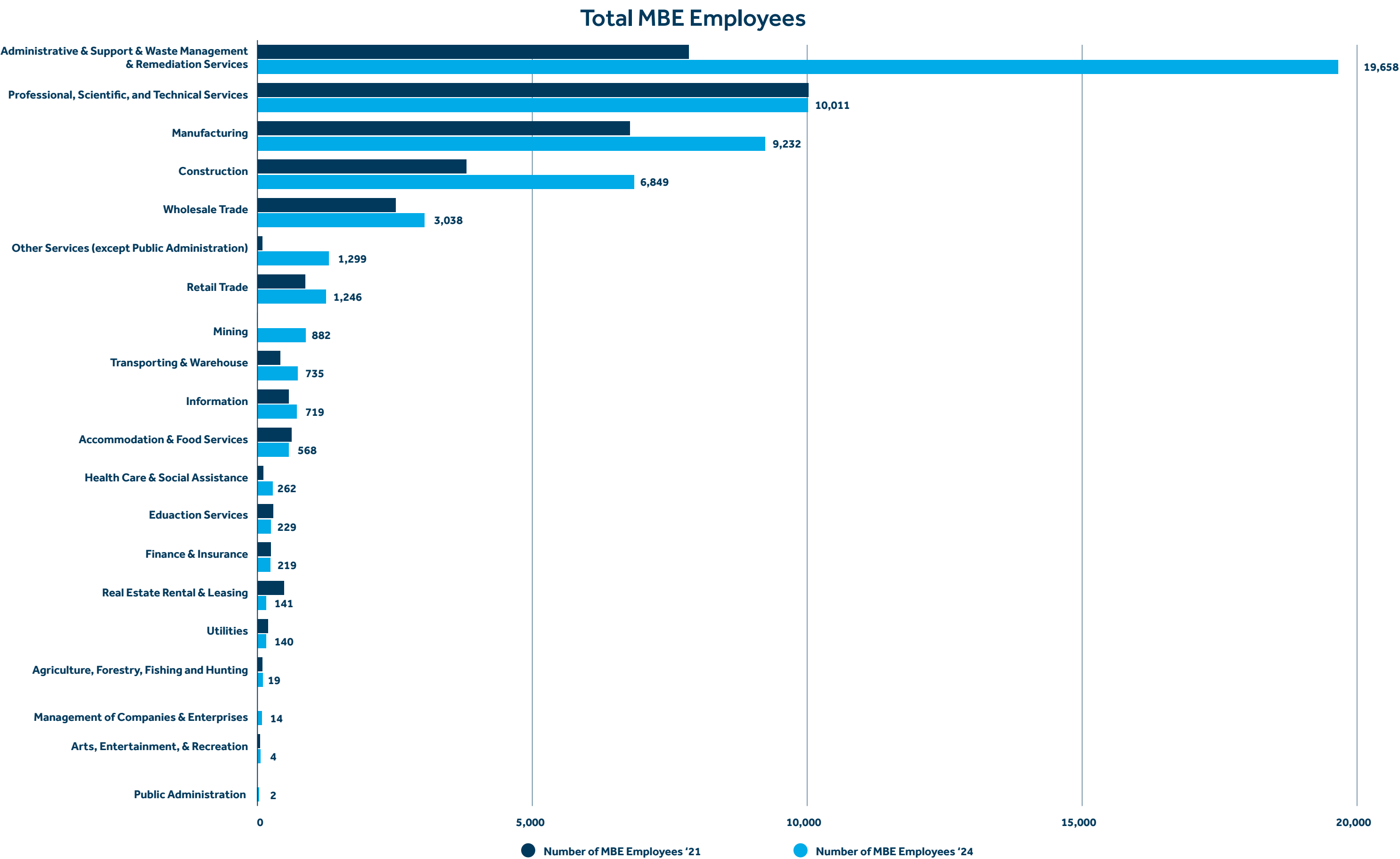
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- Professional Services is the leading industry sector amongst Houston's HSMDC MBEs: representing 37% of all MBEs.
- MBEs and 18% of MBE employees are in the Professional, Scientific, and Technical Services sector. Administrative & Support & Waste Management & Remediation Services But in terms of revenue, the wholesale trade sector leads with 63% of total MBE revenue; professional services come in second at 10% of total MBE revenue.
- Black MBEs are most concentrated in professional services. Of all Black MBEs, 17% are within the professional services sector.
- The top industry sectors by average annual revenue amongst MBEs are Wholesale Trade (averaging \$169 million per MBE), Utilities (averaging \$126 million per MBE), and mining/oil and gas extraction (averaging \$53 million per MBE). In contrast, the bottom industries by annual revenue are healthcare & social assistance (averaging \$387 thousand per MBE), Agriculture, Forestry, Fishing and Hunting (averaging \$116 thousand per MBE), and Public Administration (averaging \$25 thousand per MBE).
- Wholesale Trade reported the highest revenue in both 2021 and 2024, rising from \$3.3 billion to \$14.6 billion (up 343%). However, oil and gas extraction saw the largest percentage increase, surging 2,848% from \$10.8 million in 2021 to \$319.2 million in 2024.
  - Two companies in the Petroleum Product Wholesale industry contributed to the increase in revenue.
  - Once company reported over \$2.1 billion in '24 revenue, a 71.7% increase from the reported \$1.2 billion for '21.
  - The other company is a new addition and reported '24 revenue of \$8.9 billion.
- Four sectors—Agriculture; Arts, Entertainment, and Recreation; Management of Companies and Enterprises; and Public Administration—reported revenue in 2024 but none in 2021. Combined, these sectors generated \$2.8 million in 2024, with Arts, Entertainment, and Recreation contributing the most at \$2.0 million.

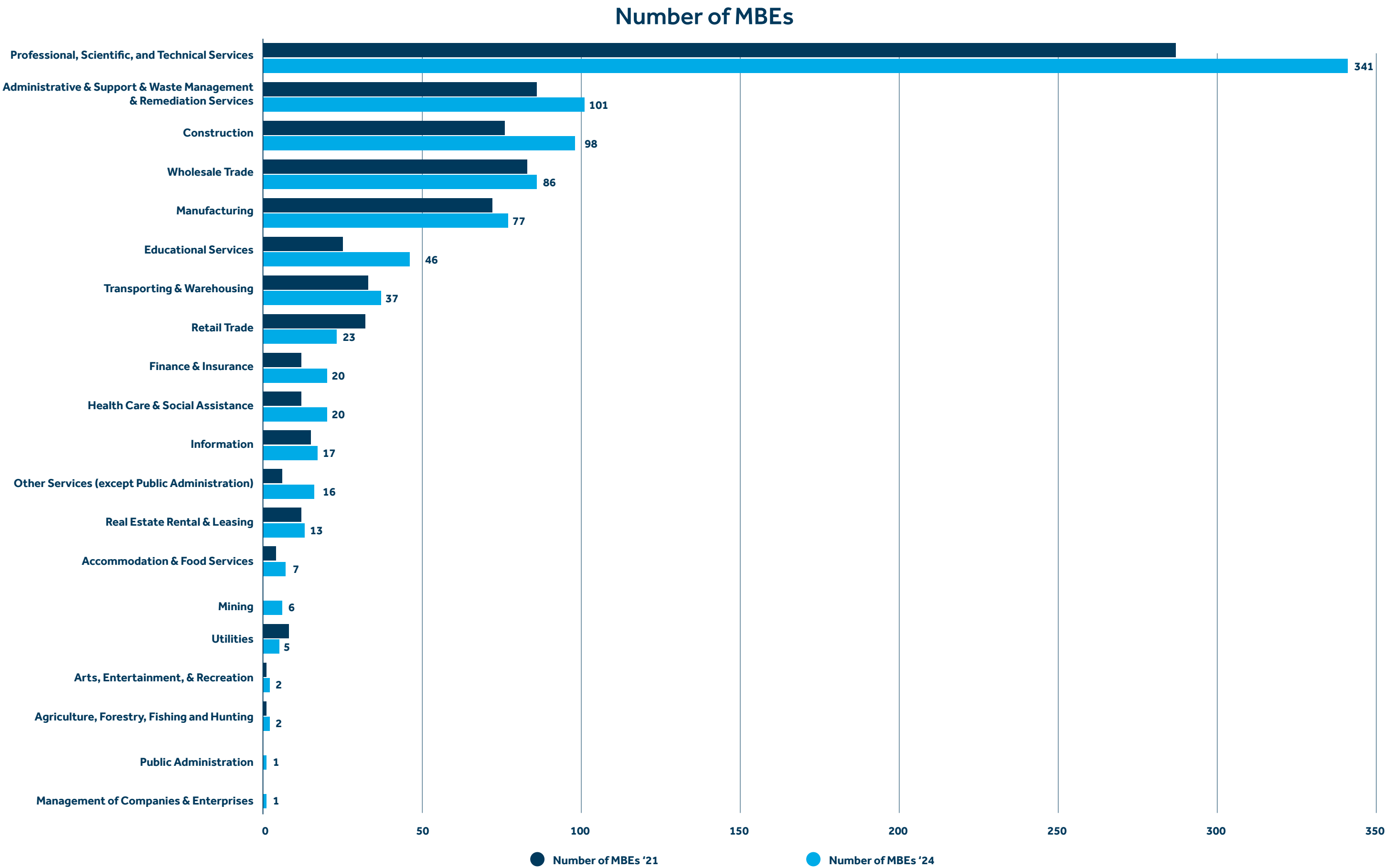
# MBE Revenue by Industry Sector



# Number of MBEs per Sector



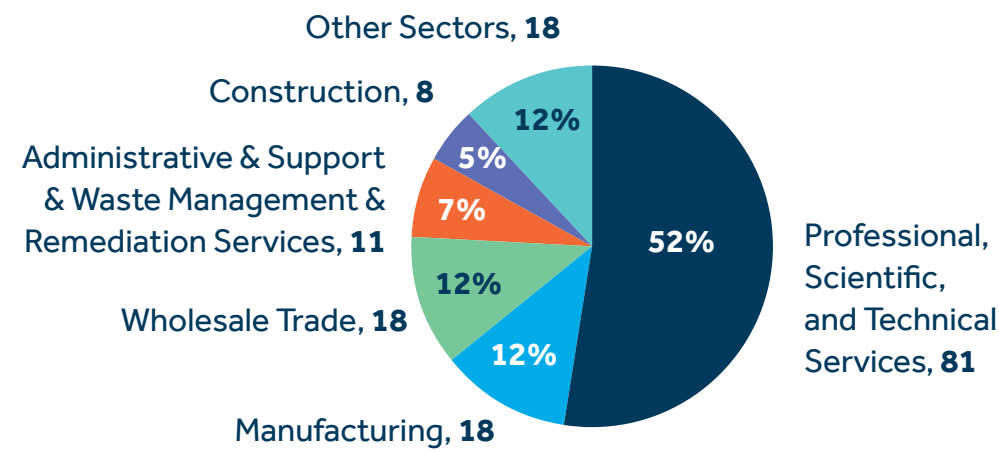
# Number of MBEs per Sector



# Top Five Sectors by Race

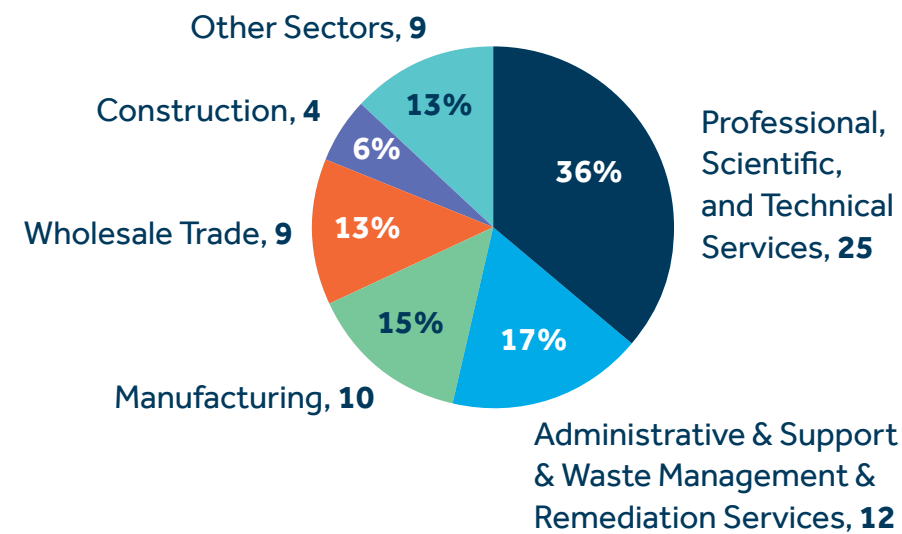
## Asian Indian MBEs

n=154



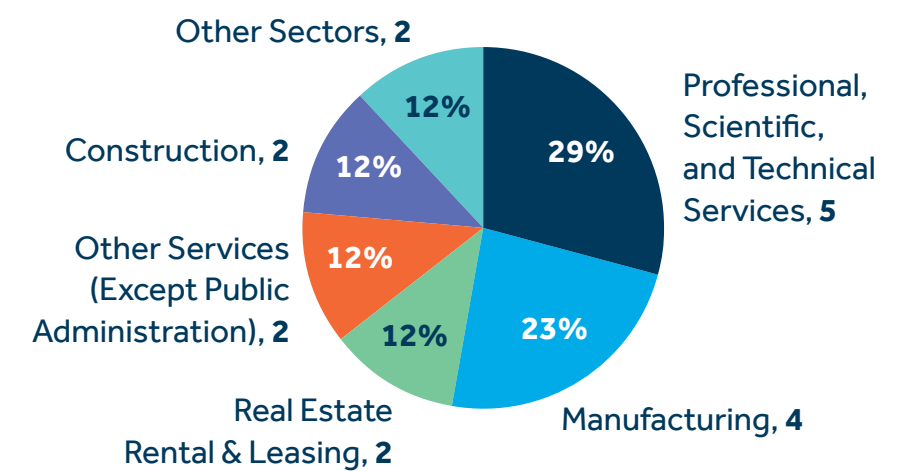
## Asian Pacific MBEs

n=69



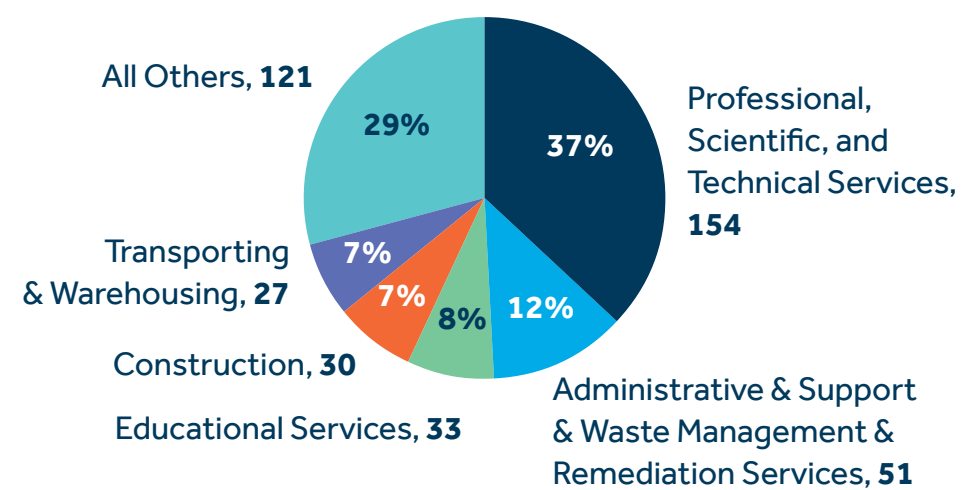
## Native American MBEs

n=17



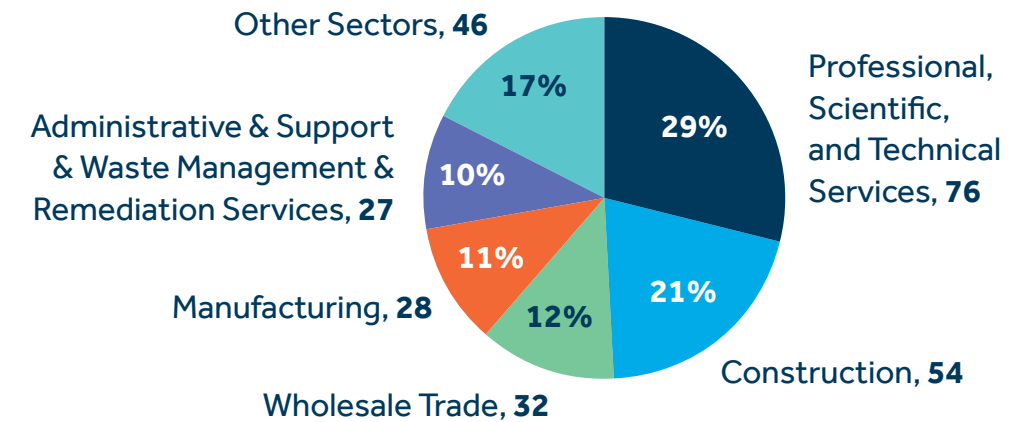
## Black MBEs

n=416



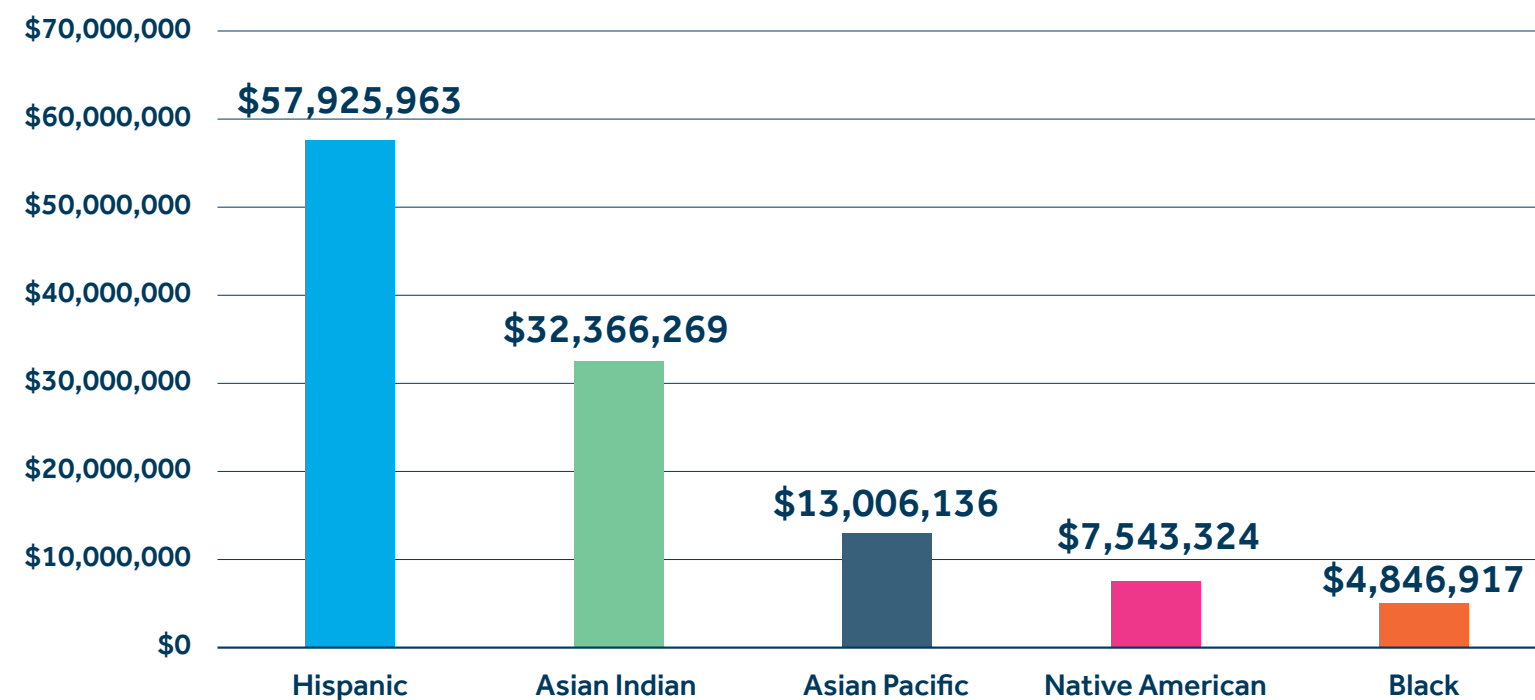
## Hispanic MBEs

n=263

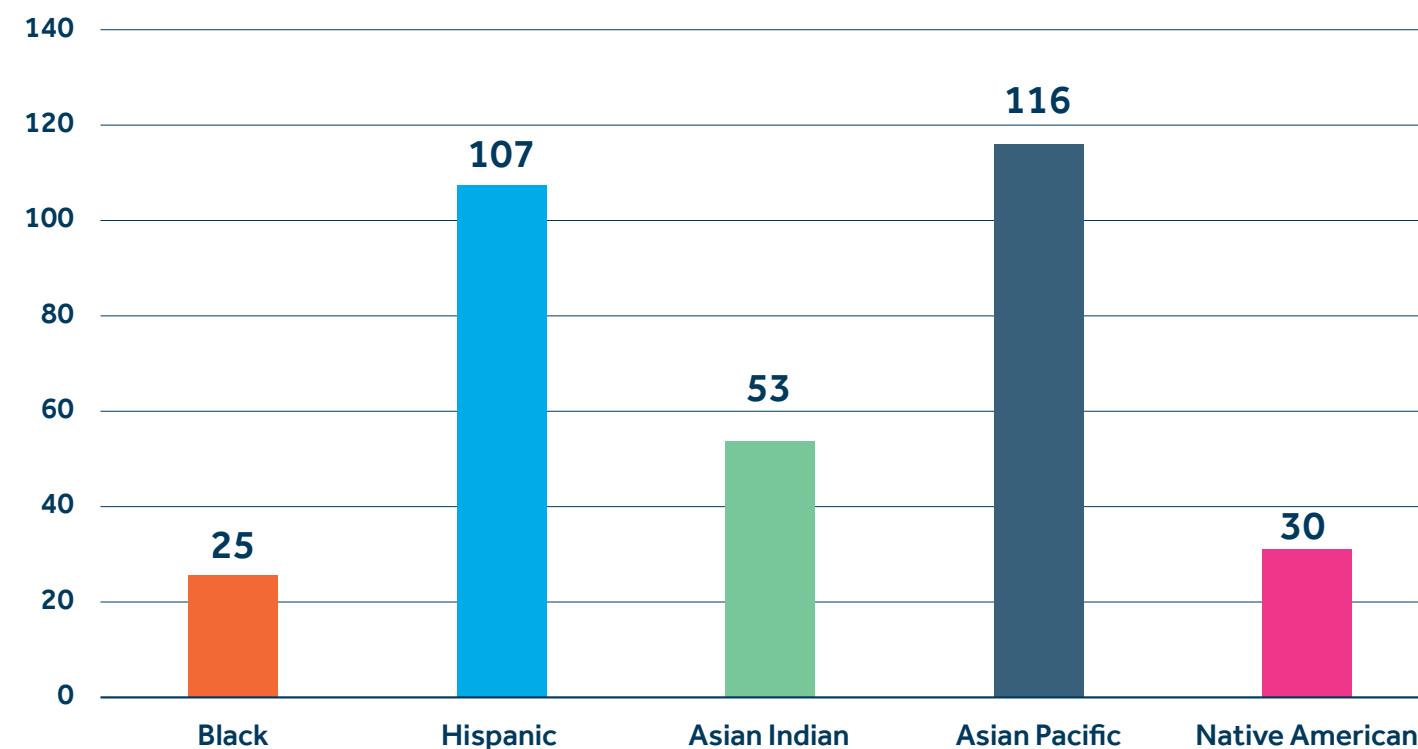


# Average Revenue and Number of Employees by Race

Average Annual Revenue 2024

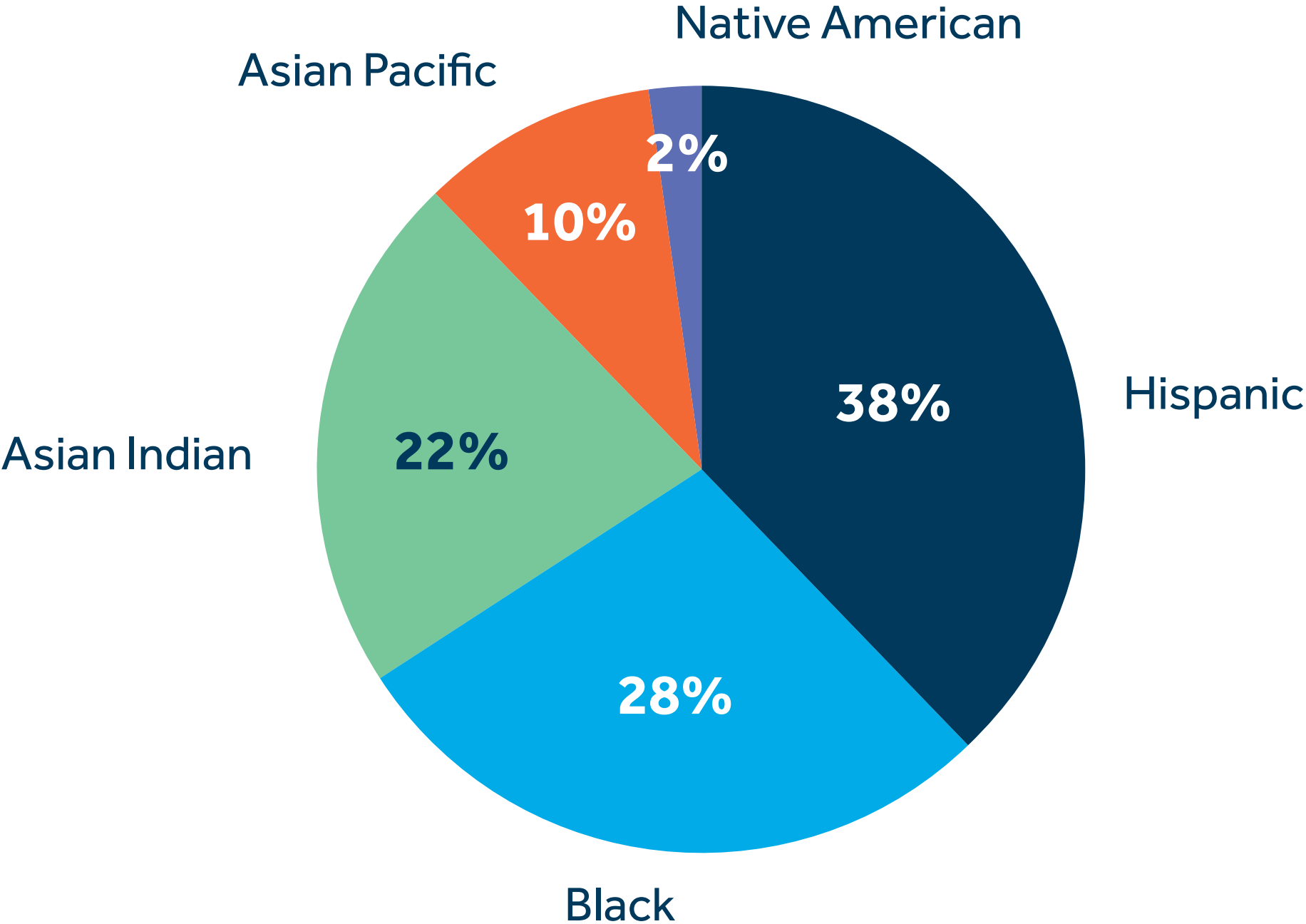


Average Number of Employees per MBE by Race 2024



# Percent of MBEs with Revenue Over \$1 Million

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# Notes and Definitions:

The Greater Houston Partnership used IMPLAN to estimate mulitplier effect and develop estimates of spend, income, and employment impacts. The related graphics measure "multiplier effects" of an industry by tracing the effects of its inter-industry transactions - that is the number value of goods and services that are needed to produce each dollar of output for the individual sector being studied.

Minority Business Enterprise (MBE) is a business that is at lesat 51% owned, managed, and/or controlled by Asian, Black, Hispanic, and/or Native American individuals. This definition is taken from the National Minority Supplier Development Council.

Inclusive sourcing is the proactive practice to provide opportunities and access to small, minority-owned, and other under-represented business enterprises.

**Asian Indian**

A U.S. citizen whose origins are from India, Pakistan and Bangladesh.

**Asian Pacific**

A U.S. citizen whose origins are from japan, China, Indonesia, Malaysia, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Thailand, Samoa, Guam, the U.S. Trust Territories of the Pacific or Northern Marianas.

**Black**

A U.S. citizen who is of African (exluding Northern) descent

**Hispanic**

A U.S. citizen of true-born Hispanic heritage from any of the Spanish-speaking areas of the following regions: Mexico, Central America, South America, and the Caribbean Basin only. Brazilians (Afro-Brazilian, indigenou/Indian only) shall be listed under Hispanic designation for review and certification purposes.

**Native American**

A person who is an American Indian, Eskimo, Aleut, or Native Hawaiian, and regarded as such by the community of which the person claims to be a part. Native American must be documented members of a North American tribe, band, or otherwise organized group of native people who are indigenous to the continental Unted States and proof can be provided through a Native American Blood Degree Certificate (i.e., tribal registry letter, tribal roll register number).

All values represent combined direct, indirect, and induced economic impacts.

Source: Partnership analysis of HMSCD 2024 annual survey, calculations IMPLAN

# Notes and Definitions:

## Industry Sectors

These definitions come from NAICS Association. NAICS codes were updated in 2022. The North American Industry Classification System (NAICS) was last updated in 2022. As a result, some industry names and categorizations have changed. For example, Oil and Gas Extraction is now included under the broader Mining sector, and Hotels and Restaurants are classified under Accommodation and Food Services. These updates reflect evolving industry structures and are designed to improve comparability across economic data.

### Accommodation & Food Services

This sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

### Administrative and Support and Waste Management and Remediation Services

Industries performing routine support activities for the day-to-day operations of other organizations.

### Agriculture, Forestry, Fishing and Hunting

Industries primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.

### Arts & Recreation

Industries operating facilities or providing services to meet varied cultural, entertainment, and recreational interests.

### Construction

Industries primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems).

### Educational Services

Industries providing instruction and training in a wide variety of subjects.

### Finance & Insurance

Industries involved in financial transactions (involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.

### Healthcare & Social Assistance

Industries providing health care and social assistance for individuals.

### Information

Industries producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications.

### Management of Companies and Enterprises

Industries that hold the securities of companies and enterprises for the purpose of owning a controlling interest or influencing management decisions.

### Manufacturing

Industries that transform materials, substances, or components into new products.

### Mining

Industries that extract naturally occurring mineral solids, liquid minerals, and gases.

# Notes and Definitions:

Industry Sectors (Cont.)

## Other Services

Establishments providing services not specifically provided for elsewhere, including repair services, religious organizations, and personal services.

## Professional, Scientific, and Technical Services

Industries that specialize in performing professional, scientific, and technical activities for others.

## Public Administration

Establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority.

## Real Estate & Equipment Rental

Industries renting, leasing, or otherwise allowing the use of tangible or intangible assets and managing real estate for others.

## Retail Trade

Industries involved in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

## Transport & Warehousing

Industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation.

## Utilities

Establishments engaged in the provision of utility services, including electric power, natural gas, steam supply, water supply, and sewage removal.

## Wholesale Trade

Industries involved in selling or arranging the purchase or sale of goods for resale, capital or durable non-consumer goods.



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