



Office of Advocacy

## 1998 SMALL BUSINESS PROFILE

### SMALL BUSINESS: HEART OF THE FLORIDA ECONOMY

The importance of small business to the state of Florida is apparent in the 1998 Small Business Profile. This year's findings, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, indicate that small businesses are vital to the state's economy. Not only do small businesses play a critical role by efficiently reallocating the state's resources and injecting new ideas into the economy with business starts and stops, but their diversity and composition provide the work force with many opportunities.

**Number of Businesses** - In 1997, Florida had 355,429 businesses with employees; 98.9 percent of the businesses were small businesses (percent based on 1995 data for businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 458,000 self-employed persons in 1997.

**Small Business Income** - The income of sole proprietors and partners rose 3.1 percent to \$18.5 billion in 1997, while wage-and-salary income rose 6.4 percent. The state also exported \$22.9 billion of goods in 1997. (In 1992, 92.1 percent of the exporters in the state were small businesses.)

**Women-Owned Businesses** - According to The National Foundation for Women Business Owners, as of 1996, there were 496,700 women-owned businesses in Florida, including part-time firms, employing 1,292,800 people and generating \$141.1 billion in sales. Between 1987 and 1996, the number of women-owned businesses increased 106.3 percent.

**Minority Businesses** - According to the latest Bureau of the Census data, the number of black-owned firms, including part-time firms, increased 58.2 percent from 1987 to 1992, totaling 40,371 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 83.5 percent during the same time period with 118,208 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 8,902 in 1987, to 17,499 in 1992, representing a 96.6 percent increase.

**Business Turnover** - Between 1996 and 1997, the number of new firms increased 12.9 percent, while new business incorporations increased 4.0 percent in 1997. Financial difficulties leading to business bankruptcies increased by 6.7 percent and business failures decreased by 3.5 percent during 1997.

**Finance** - An SBA Office of Advocacy study found that the number of banks in Florida decreased from 364 in 1994 to 274 in 1997. The study also found the top lenders to small businesses in FY 1997 were:

Bank Name	Location
FIRST CMNTY BK	Orange City
READY BK FT WALTON BEACH	Fort Walton Beach
C&L BK OF BLOUNTSTOWN	Blountstown
DESTIN BK	Destin
NORTHSIDE BK OF TAMPA	Tampa
FIDELITY BK OF FL	Merritt Island
COMMUNITY BK OF HMSTD	Homestead
FIRST NB OF THE FL KEYS	Marathon
FARMERS & MRCH BK	Monticello
UNITED SOUTHERN BK	Umatilla
LIBERTY NB	Bradenton
BANK OF TAMPA	Tampa
BANK OF CENTRAL FL	Orlando
SUNTRUST BK WEST FL	Pensacola
AMERICAN NB OF FL	Jacksonville
COLONIAL BK	Orlando
BARNETT BK NA	Jacksonville

Small businesses seeking loans should also consider banks that participate in SBA loan programs. To locate an SBA preferred or certified lender near you, call 1-800-8-ASK-SBA.

**Job Growth** - From 1992 to 1996, small businesses (fewer than 500 employees) created 90.5 percent of the net new jobs. The figures below indicate the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	582,922	192,118	121,328	184,608	112,998	1,193,975
Manufacturing	12,711	14,748	8,630	13,996	10,650	60,734
Retail Trade	107,323	27,893	31,719	36,180	(15,492)	187,622
Services	273,531	82,067	59,650	88,799	150,914	654,960
Other	189,357	67,410	21,332	45,633	(33,074)	290,658

**Industries** - Small firms in the state are represented in many industries. The Eating & Drinking Places industry is the largest small business employer in Florida, followed by Health Services. The fastest growing industry for small business is Insurance Carriers (represents industries that were at least 0.25 percent of the 1995 total). The following three tables provide information about the small business sector in the state.

Table 1, Top Five Industries by Employment, 1995

Industry	SIC	Total Empl.	Percent of total	Percent small
Total - All Industries	1	5,208,187	100.0	52.3
Health Services	8000	599,547	11.5	39.5
Business Services	7300	503,281	9.7	37.2
Eating & Drinking Places	5800	444,132	8.5	57.9
Food Stores	5400	222,407	4.3	17.6
Special Trade Contractors	1700	198,235	3.8	95.1

Table 2, Top Small Business Industries by Employment, 1995

Industry	SIC	Small Bus. Empl.	Percent of total	Percent Small
Total - All Industries	1	2,724,842	100.0	52.3
Eating & Drinking Places	5800	257,015	8.5	57.9
Health Services	8000	236,706	11.5	39.5
Special Trade Contractors	1700	188,466	3.8	95.1
Business Services	7300	187,030	9.7	37.2
Wholesale Trade - Durable Goods	5000	138,246	3.7	72.4

Table 3, Fastest Growing Industries in Employment for Small Business, 1994 - 1995

Industry	SIC	Small Bus. Empl. 1995	Net change	Percent change
Total - All Industries	1	2,724,842	60,320	2.2
Insurance Carriers	6300	5,764	932	16.2
Transportation Services	4700	24,467	2,536	10.4
Water Transportation	4400	9,810	882	9.0
Transportation By Air	4500	13,149	1,101	8.4
Special Trade Contractors	1700	188,466	11,999	6.4

**Sources:** Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation for Women Business Owners, and Cognetics, Inc.