

## **1996 SMALL BUSINESS PROFILE**

### **SMALL BUSINESS: BACKBONE OF THE SOUTH CAROLINA ECONOMY**

The importance of small business to the state of South Carolina is once again evident in the 1996 Small Business Profile. The findings reported in this year's profile, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, clearly indicate the crucial role small businesses play in the state's economy.

Of the **68,738** full-time business firms with employees in South Carolina, **97.5** percent are small businesses (independent businesses with fewer than 500 workers). In addition to the number of employer businesses, there were also **101,000** full-time self-employed persons in South Carolina in 1995, for a total estimated 1995 full-time business population of **169,738** firms.

**Small Business Income** - the income of sole proprietors and partners rose **8.8** percent to **\$3.7** billion in 1995, while wage-and-salary income rose **6.0** percent. Total personal income rose **4.7** percent to **\$69.2** billion. The state also exported **\$6.4** billion of goods and services in 1995.

South Carolina's number of women-owned businesses, including part-time firms, increased **52.1** percent from 1987 to 1992, totaling **64,812**. The number of Black-owned firms, including part-time firms, increased **43.1** percent from 1987 to 1992, totaling **18,343** in 1992. The number of Hispanic-owned firms, including part-time

businesses, rose **169.0** percent during the same time period with **1,057** firms in 1992.

There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaska Natives. The number for the group grew from **965** in 1987, to **1,877** in 1992, representing a **94.5** percent increase.

Small businesses with fewer than 20 employees reported **7.7** percent employment growth from 1991 to 1995. These numbers clearly reflect the importance of small business firms as job creators in the state of South Carolina.

The composition of small business in South Carolina is very diverse. The **Eating and Drinking Places** industry is the largest small business employer in South Carolina.

Other significant small business industries are, in descending order: Health Services, Special Trade Contractors, Business Services, and Wholesale Trade-Durable Goods. The fast-growing industries include Transportation by Air, Electric and Electronic Equipment, Insurance Carriers, Chemicals and Allied Products, and Social Services.

The number of new firms increased **19.7** percent. Business bankruptcies increased by **52.5** percent but business failures declined by **1.4** percent.

An SBA Office of Advocacy study found that South Carolina's top lenders to small businesses in 1996 were:

- Anderson Brothers Bank
- Bank of Walterboro
- Bank of South Carolina
- Enterprise Bank of South Carolina
- First National Bank
- M.S. Bailey & Son Bankers
- Palmetto State Bank
- Citizens Bank
- Carolina First Bank

In sum, small businesses have a striking impact on South Carolina's economy. Not only do they play a vital role as job creators, but their diversity and composition provide the work force with endless opportunities.

The following three tables provide further information about the composition of the small business sector in the state. The information is for 1993, the latest year available, and was prepared for the Office of Advocacy, U.S. Small Business Administration by the Bureau of the Census, U.S. Department of Commerce.

The first table lists the industries that were the top five employers in the state, without regard to the size of the firm that provided the jobs. The next to last column in the table shows the percentage of persons employed in firms with fewer than 500 employees (small businesses) in those industries.

The second table lists the industries that employ the most people in firms with fewer than 500 employees. These are the top small business employing industries in the state. The "percent of total" column provides the percentage of total employment in the state accounted for by each of the industries listed.

The third table lists--for the 1991-1993 period--the fastest growing small business industries in the state. As many as five industries are shown. If fewer than 5 industries are shown, it is because 1991-1993 was a recessionary period in which there was little national employment growth. The industries listed represent those in which small businesses sustained the economy during a period of little aggregate employment growth.

Top Five Industries in South Carolina by Employment, 1993

INDUSTRY	NUMBER OF JOBS	PERCENT OF TOTAL	PERCENT SMALL	RANK
Health Services	115,734	8.9	39.7	1
Eating & Drinking Places	99,753	7.7	61.1	2
Textile Mill Products	87,799	6.8	14.6	3
Business Services	74,259	5.7	43.9	4
Food Stores	48,913	3.8	27.3	5
TOTAL, ALL INDUSTRIES	1,293,898	100.0	47.7	

Top 5 Small-Business-Dominated Industries in South Carolina by Employment, 1993

INDUSTRY	NUMBER OF JOBS	PERCENT OF TOTAL	RANK
Eating & Drinking Places	60,952	9.9	1
Health Services	45,904	7.4	2
Special Trade Contractors	37,974	6.2	3
Business Services	32,600	5.3	4
Wholesale Trade-durable Goods	27,760	4.5	5
TOTAL, SMALL-BUSINESS-DOMINATED INDUSTRIES	616,914	100.0	

Fastest Growing Industries for Small Business in South Carolina, 1991 - 1993

INDUSTRY	SMALL BUSINESS EMPLOYMENT IN 1991	SMALL BUSINESS EMPLOYMENT IN 1993	PERCENT CHANGE, 1991-1993	RANK
Health Services	38,001	45,904	20.8	1
Business Services	28,910	32,600	12.8	2
Textile Mill Products	11,406	12,840	12.6	3
Eating & Drinking Places	55,597	60,952	9.6	4
Chemicals & Allied Products	3,372	3,477	3.1	5

Office of Advocacy, U.S. Small Business Administration. Based upon Census data, prepared under contract.