



1998 SMALL BUSINESS PROFILE

SMALL BUSINESS: HEART OF THE NEW YORK ECONOMY

The importance of small business to the state of New York 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, New York had 446,048 businesses with employees; 99.0 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 521,000 self-employed persons in 1997.

Small Business Income - The income of sole proprietors and partners rose 4.1 percent to \$44.1 billion in 1997, while wage-and-salary income rose 6.9 percent. The state also exported \$48.9 billion of goods in 1997. (In 1992, 89.8 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 527,400 women-owned businesses in New York, including part-time firms, employing 1,365,200 people and generating \$205.6 billion in sales. Between 1987 and 1996, the number of women-owned businesses increased 70.2 percent.

Minority Businesses - According to the latest Bureau of the Census data, the number of black-owned firms, including part-time firms, increased 41.4 percent from 1987 to 1992, totaling 51,312 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 79.1 percent during the same time period with 50,601 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 36,257 in 1987, to 63,053 in 1992, representing a 73.9 percent increase.

Business Turnover - Between 1996 and 1997, the number of new firms increased 0.6 percent, while new business incorporations increased 0.7 percent. Financial difficulties leading to business bankruptcies decreased by 3.4 percent and business failures increased by 2.2 percent.

Finance - An SBA Office of Advocacy study found that the number of banks in New York decreased from 171 in 1994 to 157 in 1997. The study also found the top lenders to small businesses in FY 1997 were:

Bank Name	Location
OLYMPIAN BK	Brooklyn
CHAMPLAIN NB	Elizabethtown
WYOMING CTY BK	Warsaw
SOLVAY BK	Solvay
FIRST NB	Cortland
FIRST NB	Jeffersonville
NATIONAL BK	Geneva
ADIRONDACK BK NA	Saranac Lake
ADIRONDACK TC	Saratoga Springs
ELLENVILLE NB	Ellenville
FIRST NB OF THE HUDSON VALLE	Poughkeepsie
COMMUNITY BK NA	Canton
MANUFACTURERS & TRADERS TC	Buffalo

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 all 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	377,202	104,117	(6,913)	123,364	(123,119)	474,651
Manufacturing	7,005	7,110	(20,406)	(5,351)	(110,238)	(121,880)
Retail Trade	68,150	15,492	6,158	13,057	(41,005)	61,853
Services	189,161	47,455	15,358	98,097	87,013	437,083
Other	112,885	34,059	(8,023)	17,563	(58,890)	97,595

Industries - Small firms in the state are represented in many industries. The Health Services industry is the largest small business employer in New York, followed by Eating & Drinking Places. The fastest growing industry for small business is Electric, Gas, & Sanitary Services (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	6,780,555	100.0	52.7
Health Services	8000	931,622	13.7	35.2
Business Services	7300	478,887	7.1	52.2
Eating & Drinking Places	5800	374,757	5.5	72.3
Educational Services	8200	275,074	4.1	34.6
Wholesale Trade - Durable Goods	5000	235,723	3.5	76.0

Table 2, Top Small Business Industries by Employment, 1995

Industry	SIC	Small Bus. Empl.	Percent of total	Percent Small
Total - All Industries	1	3,573,510	100.0	52.7
Health Services	8000	328,052	13.7	35.2
Eating & Drinking Places	5800	270,848	5.5	72.3
Business Services	7300	249,894	7.1	52.2
Wholesale Trade - Durable Goods	5000	179,247	3.5	76.0
Wholesale Trade-Nondurable Goods	5100	160,573	3.3	70.9

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	3,573,510	80,659	2.3
Electric, Gas, & Sanitary Services	4900	4,944	1,035	20.9
Holding & Other Investment Offices	6700	14,459	1,632	11.3
Primary Metal Industries	3300	7,978	897	11.2
Transportation Equipment	3700	8,301	921	11.1
Stone, Clay, Glass, & Concrete Products	3200	10,897	1,123	10.3

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.