



1999 SMALL BUSINESS PROFILE: MISSISSIPPI

By any measure, small businesses are critical to the economic well-being of Mississippi. They create new businesses (and the new jobs that go with them); bring new and innovative services and products to the marketplace; and provide business ownership opportunities to diverse (and traditionally underrepresented) groups. These contributions are clearly established in the statistical portrait contained in this *Small Business Profile* compiled by the U.S. Small Business Administration's Office of Advocacy.

Number of Businesses. In 1998 there were 51,500 businesses with employees, of which approximately 97 percent were small businesses (less than 500 employees). The number of small businesses with employees increased by 1.2 percent from 50,900 in 1997. There were 95,000 self-employed persons in 1998. While there is some overlap between these two groups (firms with employees and self-employed persons), a rough calculation puts the total number of businesses at 146,500. (Sources: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Bureau of the Census; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. There were 37,000 self-employed women in 1998, representing 38.9 percent of total self-employment in the state. (Source: U.S. Dept. of Labor, Bureau of Labor Statistics)

Minority-Owned Businesses. According to the latest figures available, there were 16,386 minority-owned businesses in 1992 including 14,067 Black-owned businesses; 660 Hispanic-owned firms; and 1,765 firms owned by Asians, Pacific Islanders, American Indians, and Alaskan Natives. (Data may not add to the total because an owner may be a member of more than one minority group.) Of these businesses, 2,552 had employees, with employment totaling 10,100. (Source: U.S. Dept. of Commerce, Bureau of the Census)

Business Turnover. In 1998, 6,200 new employer firms were formed, 0.1 percent fewer than the number formed in 1997. There were 7,400 business terminations in 1998, a 5.3 percent increase from 1997. Business bankruptcies totaled 8,500 in 200, an 18.4 percent decrease from 1997. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Bureau of the Census)

Employment. In 1996, businesses with fewer than 500 employees accounted for 441,800 employees, or 50.0 percent of the state's 883,300 private-sector non-farm employment. Small-business employment was concentrated in the following sectors: construction, wholesale trade, and mining (See Table 1). Small businesses added a net total of 10,600 employees between 1995 and 1996, accounting for all of the total private non-farm employment change in the state (See Table 2). The industries with the greatest percentage increases in employment among small businesses were: hotels and other lodging places; engineering and management services; and amusement and recreation services (See Table 3). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses).

Recent figures show that small firm job growth has continued. According to data prepared for the SBA's Office of

Advocacy by Cognetics, Inc., non-farm businesses added 79,000 net new jobs in the state between 1994 and 1998. In almost all industries, the most prolific job creators were firms with fewer than five employees. (Sources: Cognetics, Inc.)

Small Business Income. There is no single measure of small business profitability because firms may operate as sole proprietorships, partnerships or corporations. A partial measure — non-farm proprietors' income — totaled \$3.5 billion in 1998, an increase of 6.4 percent from the 1997 total of \$3.3 billion. (Source: U.S. Dept. of Commerce.)

Finance. The SBA's Office of Advocacy ranked the 101 banks in the state that filed "call reports" with federal banking regulators on the basis of dollar value, number, and percentage of small commercial loans (under \$1 million) outstanding on June 30, 1998. (See Table 4 for the top-ranking small-business-friendly banks.) In addition to these banks, small businesses seeking loans should consider lenders that participate in the SBA's loan programs (so-called "preferred" or "certified" lenders); for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722. Small businesses looking for qualified investors can also turn to the Access to Capital Electronic Network (*ACE-Net*). For more information, visit www.ace-net.org

To learn more about the Office of Advocacy's data, analyses, and research reports on small business, call (202) 205-6530 or visit the office's Web site at www.sba.gov/advo.

TABLES

Table 1. Employment by Industry and Firm Size, 1996 (thousands)

Industry	Total	Firm Size by Number of Employees		< 500 as Percent of Industry Total
		1- 19	1-499	
Total non-farm employment	883.3	172.6	441.8	50.0
Agricultural services	*	3.1	*	*
Mining	4.7	*	2.8	59.8
Construction	45.4	18.2	41.3	90.8
Manufacturing	238.5	12.9	67.4	28.3
Transportation, communications, and utilities	46.0	9.0	22.6	49.1
Wholesale trade	44.6	13.3	31.6	70.8
Retail trade	187.2	44.2	103.4	55.2
Finance, insurance, and real estate	40.0	9.1	19.6	49.0
Services	271.7	61.4	148.5	54.6
Unclassified	*	*	*	*

* Data not available due to disclosure restrictions.

Source: U.S. Dept. of Commerce, Bureau of the Census.

Table 2. Non-Farm Job Gains and Losses by Firm Size, 1995–1996 (thousands)

	<i>Firm Size</i>		
	<i>Total</i>	<i>1–19</i>	<i>1–499</i>
Gains:			
New establishments	53.3	17.4	32.3
Expanding establishments	81.2	25.7	49.3
Losses:			
Downsized establishments	(80.8)	(16.9)	(42.5)
Closed establishments	(44.7)	(13.8)	(28.4)
Net change in employment	9.0	12.5	10.6

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 1999.

Table 3. Fastest Small Business Employment Growth by Industry, 1995–1996 (thousands)

<i>Industry</i>	<i>SIC</i>	<i>Small Business Employment 1996</i>	<i>Net Change*</i>	<i>Percent Change</i>
Total, all industries		441.8	6.0	1.4
Hotels and other lodging places	7000	7.4	0.9	14.0
Engineering and management services	8700	10.0	1.1	12.9
Amusement and recreation services	7900	5.9	0.6	10.8
Special trade contractors	1700	22.4	1.8	8.7
Real estate	6500	4.8	0.4	8.0

* Net change in Table 2 differs by definition from net change in Table 3. Table 2 uses dynamic data to track changes in individual businesses over time, whereas Table 3 uses static data to take snapshots of the universe of businesses at two different points in time.

Note: Table shows the top five industries. Includes only businesses with fewer than 500 employees. Industries with less than 1 percent change in small business employment are not included.

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 1999.

Table 4. Small-Business-Friendly Banks, 1998

<i>Bank Name</i>	<i>Location</i>
Merchants & Marine Bank	Pascagoula
Lamar Bank	Purvis
Peoples Bank	Ripley
First State Bank	Waynesboro
Hancock Bank	Gulfport
First Bank	Mccomb
Pike City National Bank	Mccomb
State Bank and Trust Company	Brookhaven
Bank of Falkner	Falkner
Bank of Holly Springs	Holly Springs
Merchants and Farmers Bank	Macon
National Bank of Commerce of Mississippi	Starkville

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's Web site at www.sba.gov/lendingmus2.html.