



## 1999 SMALL BUSINESS PROFILE: GEORGIA

By any measure, small businesses are critical to the economic well-being of Georgia. 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 178,200 businesses with employees, of which approximately 97 percent were small businesses (fewer than 500 employees). The number of small businesses with employees increased by 2.6 percent from 173,600 in 1997. There were 255,000 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 432,200. (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 93,000 self-employed women in 1998, representing 36.5 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 52,131 minority-owned businesses in 1992, including 38,264 Black-owned businesses; 5,501 Hispanic-owned firms; and 8,961 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, 7,482 had employees, with employment totaling 41,500. (Source: U.S. Dept. of Commerce, Bureau of the Census)

**Business Turnover.** In 1998, 29,300 new employer firms were formed, 2.4 percent fewer than the number formed in 1997. There were 27,400 business terminations in 1998, an 8.9 percent increase from 1997. Business bankruptcies totaled 1,200 in 1998, a 27.1 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 1,387,500 employees, or 45.7 percent of the state's 3,036,600 private-sector non-farm employment. Small-business employment was concentrated in the following sectors: construction, agricultural services, and wholesale trade (see Table 1). Small businesses added a net total of 61,200 employees between 1995 and 1996, accounting for 54.6 percent of the total private non-farm employment growth in the state (see Table 2). The industries with the greatest percentage increases in employment among small businesses were: amusement and recreation services; engineering and management services; and special trade contractors (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 403,200 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 \$12.9 billion in 1998, an increase of 8.4 percent from \$11.9 billion in 1997. (Source: U.S. Dept. of Commerce)

**Finance.** The SBA's Office of Advocacy ranked the 346 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, contact an *ACE-Net* operator at (912) 953-4028 or via e-mail at [jerry.wilson@atdc.org](mailto:jerry.wilson@atdc.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](http://www.sba.gov/advo).

## TABLES

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

<i>Industry</i>	<i>Total</i>	<i>Firm Size by Number of Employees</i>		<i>&lt; 500 as Percent of Industry Total</i>
		<i>1-19</i>	<i>1-499</i>	
<b>Total non-farm employment</b>	<b>3,036.6</b>	<b>523.8</b>	<b>1,387.5</b>	<b>45.7</b>
Agricultural services	20.7	11.5	18.5	89.4
Mining	7.0	0.6	1.4	20.5
Construction	155.4	64.3	141.3	90.9
Manufacturing	597.2	33.5	171.1	28.7
Transportation, communications, and utilities	217.5	17.9	56.4	25.9
Wholesale trade	223.4	47.5	123.3	55.2
Retail trade	669.5	111.1	294.0	43.9
Finance, insurance, and real estate	187.3	31.9	77.9	41.6
Services	957.3	204.4	502.2	52.5
Unclassified	1.3	1.1	1.3	100.0

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	220.9	59.1	114.0
Expanding establishments	328.7	86.6	178.9
Losses:			
Downsized establishments	(269.7)	(48.9)	(134.3)
Closed establishments	<u>(167.8)</u>	<u>(46.5)</u>	<u>(97.3)</u>
Net change in employment	112.1	50.3	61.2

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		1,387.5	33.4	2.5
Amusement and recreation services	7900	19.6	1.8	9.8
Engineering and management services	8700	52.1	4.3	9.0
Special trade contractors	1700	91.6	7.3	8.7
Eating and drinking places	5800	131.7	8.2	6.7
Lumber and wood products	2400	19.9	1.2	6.5

\* 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>
First Colony Bank	Alpharetta
First National Bank of Cherokee	Woodstock
Savannah Bank, N.A.	Savannah
Altamaha Bank and Trust Company	Uvalda
First State Bank	Stockbridge
Farmers and Merchant Bank	Lakeland
First National Bank and Trust Company	Tennille
First National Bank of Chatsworth	Chatsworth
Community Bank of Georgia	Tucker
First National Bank of Alma	Alma
Bank of Gwinnett City	Lawrenceville
Suntrust Bank Southeast Georgia, N.A.	Brunswick
Columbus Bank and Trust Company	Columbus
Suntrust Bank	Atlanta

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/advo/lending](http://www.sba.gov/advo/lending)

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