



## 1999 SMALL BUSINESS PROFILE: NEBRASKA

By any measure, small businesses are critical to the economic well-being of Nebraska. 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 43,700 businesses with employees, of which approximately 97 percent were small businesses (fewer than 500 employees). The number of small businesses with employees increased by 0.8 percent from 43,300 in 1997. There were 99,000 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 142,700. (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 34,000 self-employed women in 1998, representing 34.3 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 3,318 minority-owned businesses in 1992, including 1,350 Black-owned businesses; 1,147 Hispanic-owned firms; and 670 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, 604 had employees, with employment totaling 3,500. (Source: U.S. Dept. of Commerce, Bureau of the Census)

**Business Turnover.** In 1998, 4,100 new employer firms were formed, 1.7 percent fewer than the number formed in 1997. There were 5,400 business terminations in 1998, a 1.5 percent increase from 1997. Business bankruptcies totaled 100 in 1998, a 53.9 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 369,500 employees, or 53.3 percent of the state's 693,500 private-sector non-farm employment. Small-business employment was concentrated in the following sectors: construction, agricultural services, and mining (see Table 1). Small businesses added a net total of 12,000 employees between 1995 and 1996, accounting for 59.9 percent of the private non-farm employment growth in the state (see Table 2). The industries with the largest percent increases in employment among small businesses were: engineering and management services; special trade contractors; and social 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 60,300 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. (Source: 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 \$3.3 billion in 1998, an increase of 9.7 percent from \$2.1 billion in 1997. (Source: U.S. Dept. of Commerce)

**Finance.** The SBA's Office of Advocacy ranked the 325 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 (402) 472-4179 or via e-mail at *Sfraysert@unl.edu*.

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)

<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>693.5</b>	<b>145.5</b>	<b>369.5</b>	<b>53.3</b>
Agricultural services	4.2	3.0	3.8	90.3
Mining	1.1	0.4	0.8	71.1
Construction	35.5	17.8	33.4	94.2
Manufacturing	116.0	7.1	36.2	31.2
Transportation, communications, and utilities	39.2	6.8	17.8	45.4
Wholesale trade	52.9	12.7	38.0	71.8
Retail trade	149.0	36.8	83.4	56.0
Finance, insurance, and real estate	56.0	10.1	23.0	41.0
Services	239.4	50.5	132.9	55.5
Unclassified	0.2	0.2	0.2	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>Total</i>	<i>Firm Size</i> <i>1–19</i>	<i>1–499</i>
Gains:			
New establishments	32.0	11.0	19.7
Expanding establishments	65.4	19.5	41.1
Losses:			
Downsized establishments	(51.9)	(13.0)	(31.6)
Closed establishments	(25.5)	(9.7)	(17.1)
Net change in employment	20.0	7.8	12.0

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</i> <i>Employment 1996</i>	<i>Net</i> <i>Change*</i>	<i>Percent</i> <i>Change</i>
Total, all industries		369.5	2.1	0.6
Engineering and management services	8700	9.7	0.9	9.8
Special trade contractors	1700	21.3	1.6	8.1
Social services	8300	11.9	0.8	7.7
Amusement and recreation services	7900	8.0	0.5	6.2
Real estate	6500	6.0	0.3	6.1

\* 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>
Washington City Bank	Blair
Dakota City State Bank	South Sioux City
Nebraska State Bank of Omaha	Omaha
Sapp City Bank	Omaha
Platte Valley National Bank	Scottsbluff
Two Rivers State Bank	Blair
Farmers and Merchant Bank	Milford
Adams Bank and Trust Company	Ogallala
Teambank Nebraska	Bellevue
First Nebraska Bank	Valley
Union Bank and Trust Company	Lincoln
National Bank of Commerce Trust and Saving Assn.	Lincoln

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/lendinginus2.html](http://www.sba.gov/advo/lendinginus2.html).