

SBA

2000 SMALL BUSINESS PROFILE:

Tennessee

Office of Advocacy

Small businesses in Tennessee are essential to the state's fiscal well-being. They provide business opportunities to their communities and to diverse groups, and they bring innovative products and services to the marketplace. Not only do they create a wide variety of jobs for the employment sector, but they also keep the economy churning. This year's *2000 Small Business Profile* assembled by the U.S. Small Business Administration's Office of Advocacy depicts the vital role of small businesses in the state's economy.

Number of Businesses. There were 109,688 employer businesses in 1999; roughly 97.3 percent were small businesses (fewer than 500 employees). The number of employer businesses increased by 0.8 percent, and the number of self-employed decreased by 9.5 percent in 1999. (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. Women owned 99,800 or 24.0 percent of businesses in 1997 and employed 142,080 people. (The data on women-owned firms are not comparable between 1997 and 1992, the previous year for which these data are available, since the 1997 data use a different receipt-size cutoff and include C corporations for the first time. Data on women-owned firms should not be aggregated across states as many firms are counted in more than one state. Firms were formerly classified as women-owned if women's share of ownership was 50 percent or more, but the 1997 data classify a firm as woman-owned if women's ownership share is 51 percent or more.) (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics, U.S. Dept. of Commerce, Bureau of the Census)

Minority-Owned Businesses. Based on the latest available data from the Census Bureau, there were 3,600 Hispanic-owned firms; 20,200 Black-owned businesses; 5,300 Asian, Pacific Islander-owned firms; and 3,700 American Indian and Alaskan Native-owned businesses in 1997. (The data on minority-owned firms are not comparable between 1997 and 1992, the previous year for which these data are available, since the 1997 data use a different receipt-size cutoff and include C corporations for the first time. Data may not add to the total because an

owner may be a member of more than one minority group.) (Source: U.S. Dept. of Commerce, Bureau of the Census)

Business Turnover. There were 15,445 new employer firms in 1999, 3.2 percent less than the number created in 1998. In 1999, business bankruptcies totaled 802, a 7.7 percent decrease since 1998, while business terminations totaled 17,046, a decrease of 3.0 percent from 1998. (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. Small businesses with fewer than 500 employees numbered 101,177 in 1998, and employed 1,049,221 of the state's 2,299,348 total non-farm private sector workers. Small business employment accounted for 45.6 percent of the state's total employment (Table 1). (Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses)

Small Business Income. A partial measure of small business income, non-farm proprietors' income totaled \$13.7 billion—an increase of 7.1 percent from 12.8 billion in 1998. (Source: U.S. Dept. of Commerce)

Finance. The SBA's Office of Advocacy banking studies ranked the 204 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, 1999. (See Table 2 for the top-ranking small-business-friendly banks.) Small businesses seeking loans should also consider lenders that participate in the SBA's preferred or certified loan programs; 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*). Contact an *ACE-Net* operator at (907) 274-7232 or e-mail attac@arctic.net for more information.

For the Office of Advocacy's data, analyses, and research reports on small business visit www.sba.gov/advo/stats or call (202) 205-6530 for more information.

TABLE 1. Firm and Employment by Industry Firm Size (thousands), 1998

Industry	Firms		Employment	
	Total	<500	Total	<500
Total	104.0	101.2	2299.3	1049.2
Agriculture, forestry, fishing, and hunting	0.4	0.4	1.5	1.5
Mining	0.2	0.1	4.0	1.9
Utilities	0.1	0.1	3.7	2.3
Construction	11.7	11.7	120.6	106.8
Manufacturing	6.7	6.0	482.8	145.3
Wholesale trade	7.0	6.4	125.2	72.5
Retail trade	16.7	16.2	311.7	134.8
Transportation and warehousing	3.5	3.4	86.5	34.0
Information	1.5	1.4	45.8	15.3
Finance and insurance	4.6	4.3	101.3	35.0
Real estate; rental and leasing	4.2	4.1	31.6	22.5
Professional, scientific, and technical services	9.4	9.2	86.4	59.2
Management of companies and enterprises	0.6	0.3	75.5	5.1
Admin., support, waste mngt., and remed. Services	5.5	5.2	158.0	65.0
Educational services	0.9	0.9	37.3	20.9
Health care and social assistance	9.8	9.6	281.1	113.0
Arts, entertainment, and recreation	2.0	2.0	23.9	19.6
Accommodation and food services	6.7	6.5	189.0	98.8
Other services	13.5	13.4	109.1	93.3
Auxiliary, exc corp, subsidiary, and regional managing offices	0.2	0.1	23.3	1.3
Unclassified	0.9	0.9	1.0	1.0

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

Table 2. Small-Business-Friendly Banks, 1999

<i>Bank Name</i>	<i>Location</i>
First Community Bank of East Tennessee	Rogersville
Volunteer Bank and Trust Co.	Jasper
First South Bank	Bolivar
Cornerstone Community Bank	Hixson
First State Bank	Covington
Peoples Bank	Barretville
Farmers Bank	Portland
Farmers & Merchant Bank	Clarksville
First Bank of Rhea County	Spring City
Citizens National Bank	Athens
Bankfirst	Knoxville
Suntrust Bk Chattanooga N.A	Chattanooga
First Amer National Bank	Nashville

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 Website at www.sba.gov/advo/lending