

# 2018 SMALL BUSINESS PROFILE

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### LOUISIANA



**437,437** Small Businesses  
**99.5%** of Louisiana Businesses

**917,466** Small Business Employees  
**53.2%** of Louisiana Employees



**EMPLOYMENT**  
**16,849**  
net new jobs



**DIVERSITY**  
**126,076**  
minority-owned  
businesses



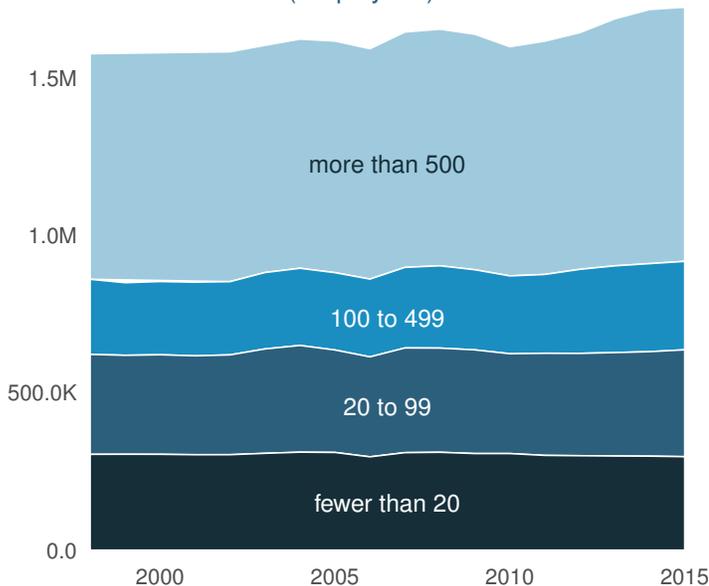
**TRADE**  
**3,140**  
small business  
exporters

### OVERALL LOUISIANA ECONOMY

- In the third quarter of 2017, Louisiana grew at an annual rate of **1.1%**, which was slower than the overall US growth rate of **3.4%**. Louisiana's 2016 growth rate of **0.2%** was down from the 2015 rate of **0.6%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **4.6%**, down from **5.8%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

### EMPLOYMENT

Figure 1: Louisiana Employment by Business Size (Employees)



- Louisiana small businesses employed **917,466** people, or **53.2%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **1.8%** during the 12-month period ending in January 2018. This was above the decrease of **1.2%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **16,849** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **11,659** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **1,887** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

## INCOME AND FINANCE

- The number of banks decreased by 3 between June 2016 and June 2017 to 128 banks. (Source: FDIC)
- In 2016, 67,477 loans under \$100,000 (valued at \$971.0 million) were issued by Louisiana lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$50,668 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$22,449. (Source: ACS)

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Louisiana Employees per Business by Owner's Demographic, 2015

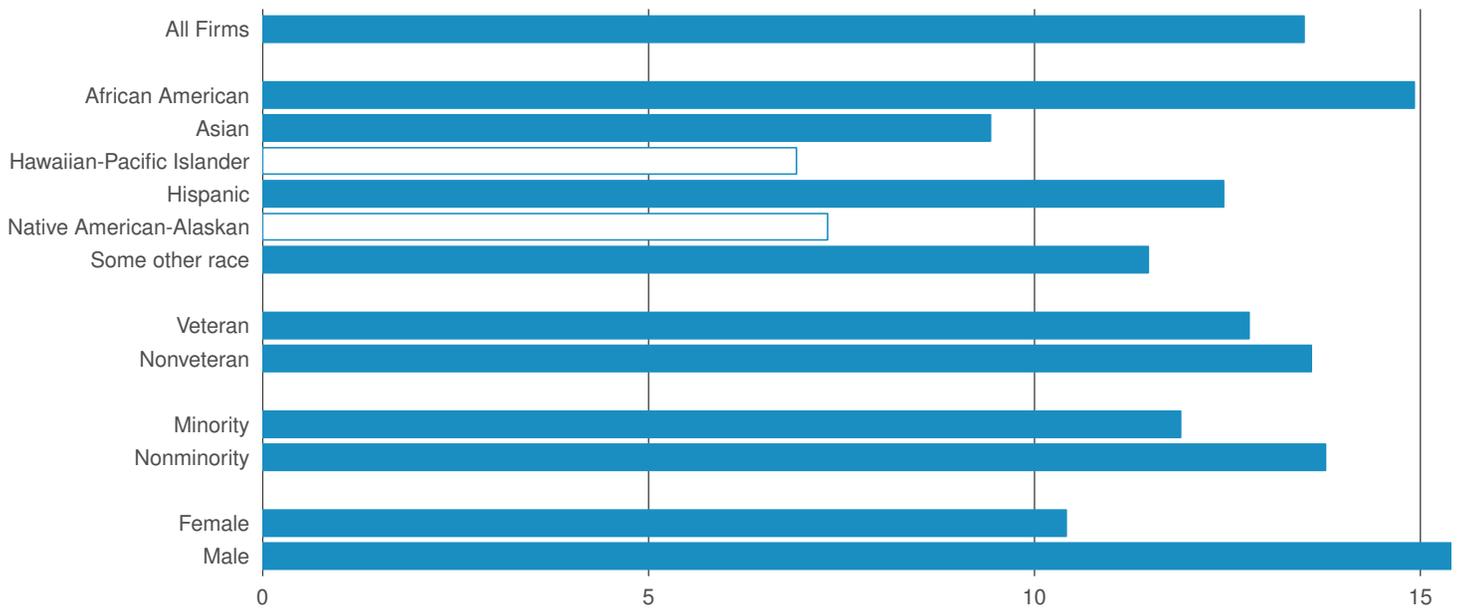
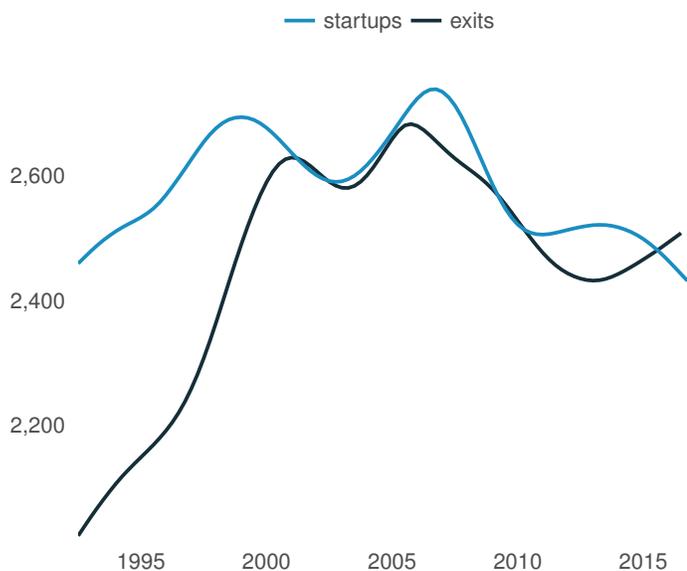


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Louisiana Quarterly Startups and Exits



- In the third quarter of 2016, 2,321 establishments started up, generating 10,862 new jobs in Louisiana. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 2,538 establishments exited resulting in 10,956 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## INTERNATIONAL TRADE

- A total of 3,732 companies exported goods from Louisiana in 2015. Of these, 3,140, or 84.1%, were small firms; they generated 32.7% of Louisiana's \$47.6 billion in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Louisiana Employment by Industry, 2015

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	158,612	289,548	54.8
Accommodation and Food Services	123,144	212,407	58.0
Retail Trade	94,744	238,174	39.8
Construction	78,813	138,482	56.9
Professional, Scientific, and Technical Services	70,027	105,778	66.2
Other Services (except Public Administration)	66,731	75,598	88.3
Manufacturing	53,415	125,354	42.6
Wholesale Trade	49,183	78,235	62.9
Administrative, Support, and Waste Management	48,948	104,599	46.8
Finance and Insurance	32,352	63,015	51.3
Transportation and Warehousing	31,944	72,841	43.9
Educational Services	28,269	44,026	64.2
Real Estate and Rental and Leasing	22,484	31,900	70.5
Mining, Quarrying, and Oil and Gas Extraction	21,072	54,643	38.6
Arts, Entertainment, and Recreation	16,252	25,160	64.6
Management of Companies and Enterprises	7,851	23,468	33.5
Information	7,417	26,261	28.2
Agriculture, Forestry, and Fishing and Hunting	3,609	4,156	86.8
Utilities	2,353	11,082	21.2
Industries not classified	246	246	100.0
<b>Total</b>	<b>917,466</b>	<b>1,724,973</b>	<b>53.2</b>

Figure 4: Louisiana Small Business Employment by County, 2015

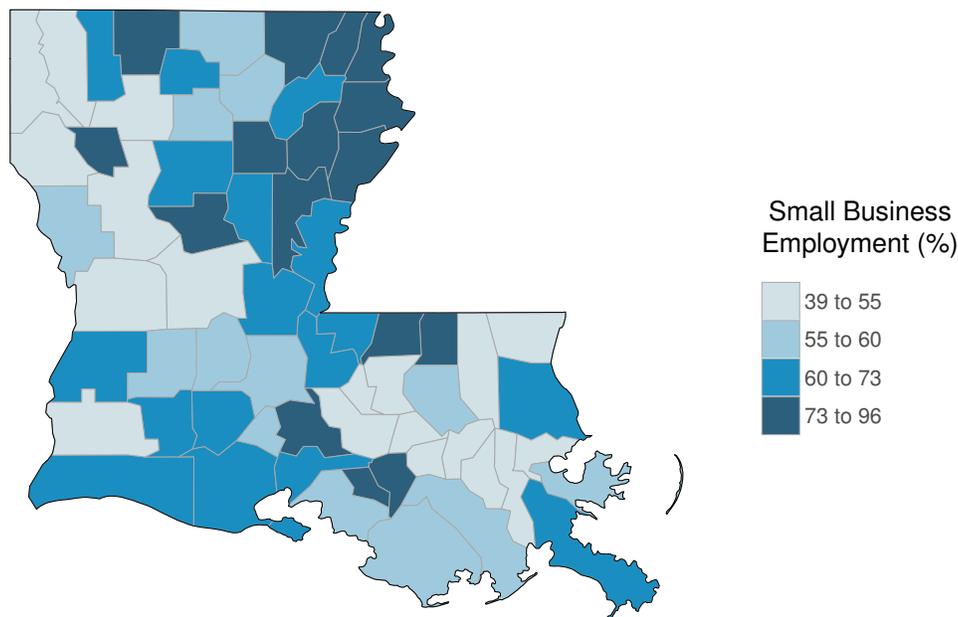


Table 2: Louisiana Small Businesses by Industry and Firm Size, 2015

 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Professional, Scientific, and Technical Services	10,923	10,122	38,777	49,700
Retail Trade	9,946	8,803	26,161	36,107
Health Care and Social Assistance	9,509	7,861	32,899	42,408
Other Services (except Public Administration)	8,943	8,198	66,778	75,721
Construction	7,766	6,874	36,772	44,538
Accommodation and Food Services	6,839	5,024	7,797	14,636
Administrative, Support, and Waste Management	3,888	3,294	37,537	41,425
Wholesale Trade	3,774	2,893	4,512	8,286
Finance and Insurance	3,699	3,351	9,510	13,209
Real Estate and Rental and Leasing	3,588	3,291	33,546	37,134
Transportation and Warehousing	2,797	2,343	18,412	21,209
Manufacturing	2,725	2,019	4,512	7,237
Arts, Entertainment, and Recreation	1,311	1,095	15,505	16,816
Mining, Quarrying, and Oil and Gas Extraction	1,201	919	5,458	6,659
Educational Services	1,093	730	7,629	8,722
Information	588	465	3,181	3,769
Agriculture, Forestry, and Fishing and Hunting	586	545	8,950	9,536
Utilities	193	172	287	480
<b>Total</b>	<b>79,214</b>	<b>68,136</b>	<b>358,223</b>	<b>437,437</b>

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

**REFERENCES**

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau