

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

NEBRASKA



172,958 Small Businesses
99.1% of Nebraska Businesses

406,745 Small Business Employees
46.7% of Nebraska Employees

EMPLOYMENT
11,221
net new jobs

DIVERSITY
14,561
minority-owned
businesses

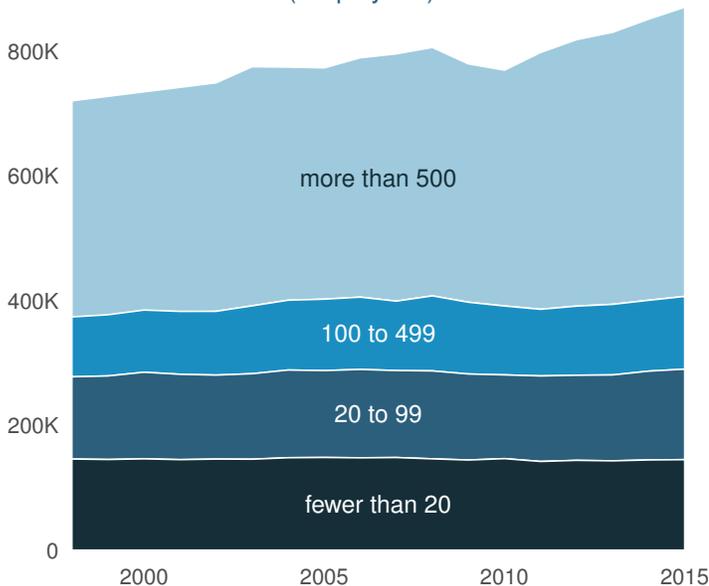
TRADE
1,444
small business
exporters

OVERALL NEBRASKA ECONOMY

- In the third quarter of 2017, Nebraska grew at an annual rate of **1.9%**, which was slower than the overall US growth rate of **3.4%**. Nebraska's 2016 growth rate of **0.9%** was down from the 2015 rate of **2.1%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **2.9%**, down from **3.1%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Nebraska Employment by Business Size (Employees)



- Nebraska small businesses employed **406,745** people, or **46.7%** 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 **0.3%** during the 12-month period ending in January 2018. This was above the decrease of **0.3%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **1.7%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **11,221** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **6,007** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **1,776** 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 8 between June 2016 and June 2017 to 179 banks. (Source: FDIC)
- In 2016, 28,372 loans under \$100,000 (valued at \$481.7 million) were issued by Nebraska lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$43,900 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$25,730. (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: Nebraska Employees per Business by Owner's Demographic, 2015

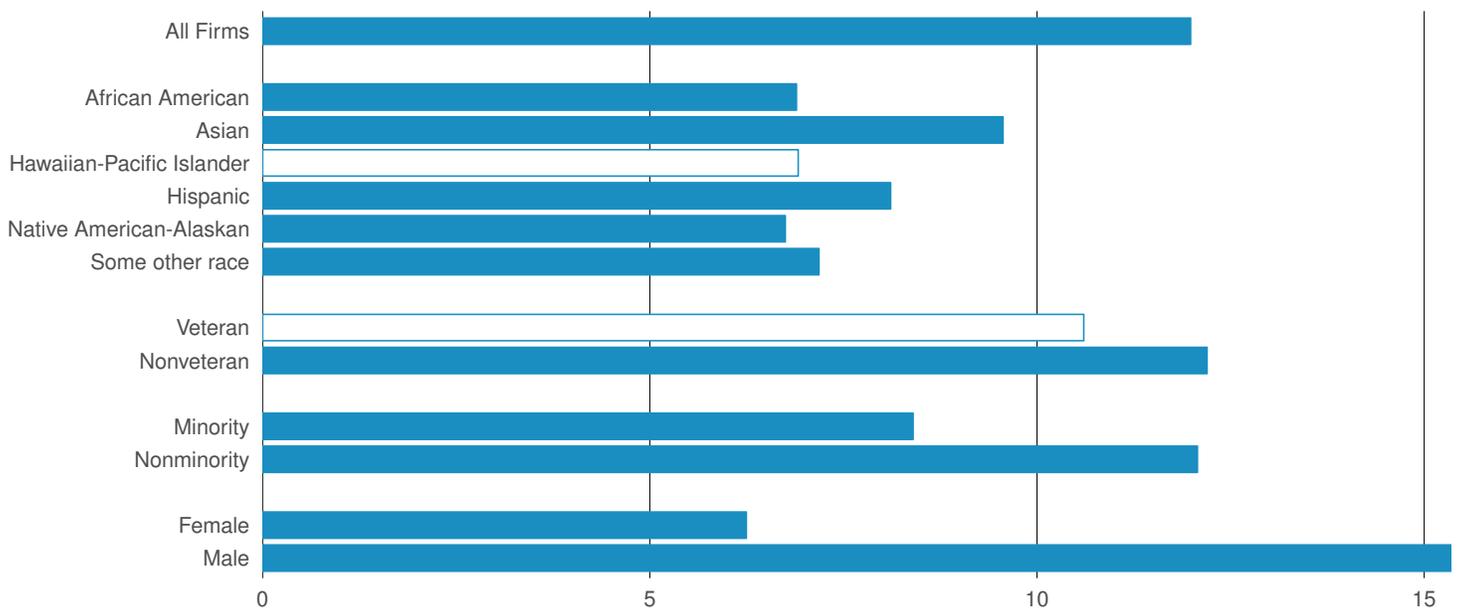
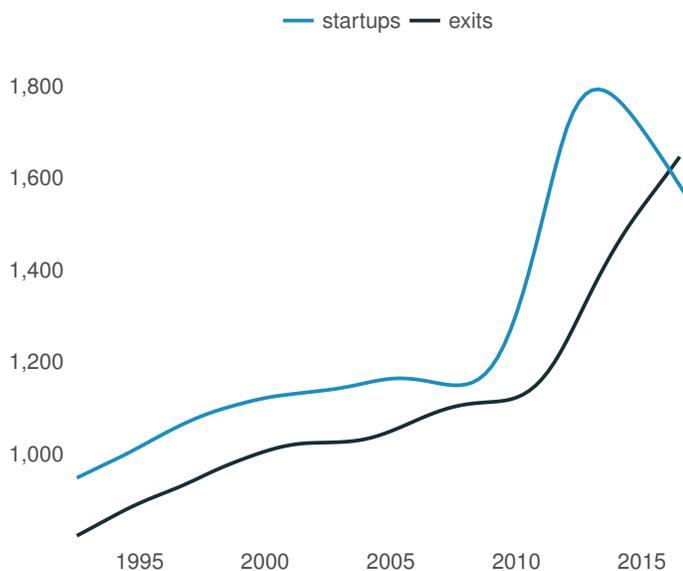


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding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

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Nebraska Quarterly Startups and Exits



- In the third quarter of 2016, 1,554 establishments started up, generating 4,763 new jobs in Nebraska. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 1,724 establishments exited resulting in 4,542 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 1,821 companies exported goods from Nebraska in 2015. Of these, 1,444, or 79.3%, were small firms; they generated 25.5% of Nebraska's \$6.3 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Nebraska Employment by Industry, 2015

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	66,159	125,501	52.7
Accommodation and Food Services	51,890	74,336	69.8
Retail Trade	44,856	112,829	39.8
Construction	39,162	44,765	87.5
Other Services (except Public Administration)	33,134	36,823	90.0
Manufacturing	29,791	93,149	32.0
Professional, Scientific, and Technical Services	26,308	98,940	26.6
Wholesale Trade	24,167	42,341	57.1
Administrative, Support, and Waste Management	20,835	60,906	34.2
Finance and Insurance	18,241	62,428	29.2
Transportation and Warehousing	14,036	29,602	47.4
Arts, Entertainment, and Recreation	9,401	14,166	66.4
Educational Services	8,775	18,838	46.6
Real Estate and Rental and Leasing	8,341	10,778	77.4
Information	6,847	20,980	32.6
Management of Companies and Enterprises	2,935	20,409	14.4
Mining, Quarrying, and Oil and Gas Extraction	851	1,171	72.7
Agriculture, Forestry, and Fishing and Hunting	702	1,215	57.8
Utilities	169	957	17.7
Industries not classified	145	145	100.0
Total	406,745	870,279	46.7

Figure 4: Nebraska Small Business Employment by County, 2015

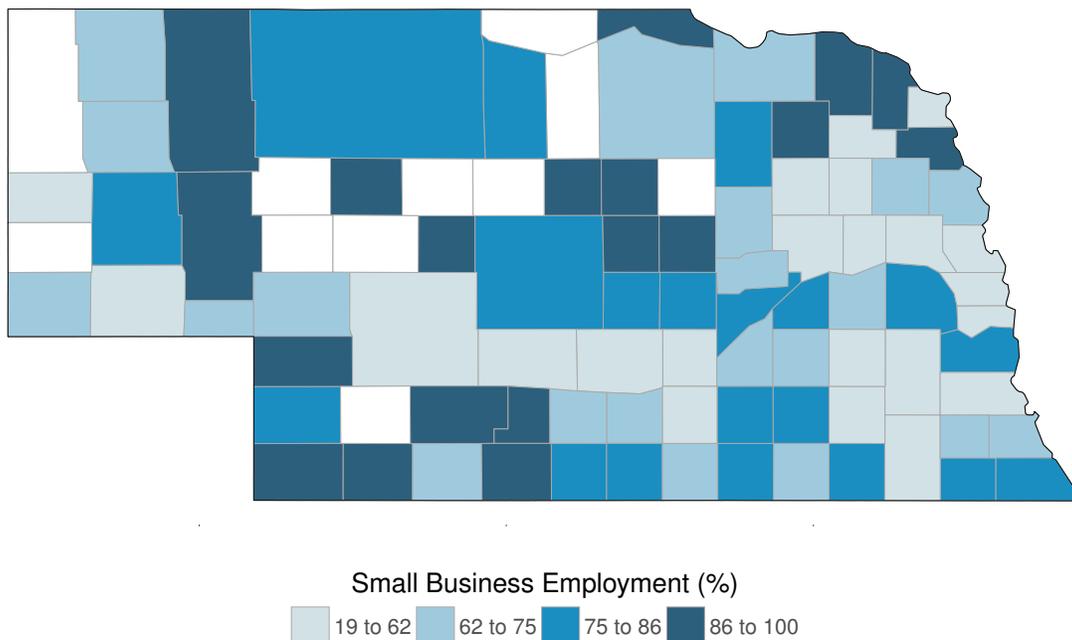


Table 2: Nebraska Small Businesses by Industry and Firm Size, 2015

 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Construction	6,145	5,721	15,364	21,509
Other Services (except Public Administration)	5,284	4,926	20,394	25,678
Retail Trade	4,561	4,004	13,875	18,436
Health Care and Social Assistance	4,234	3,492	12,051	16,285
Professional, Scientific, and Technical Services	4,142	3,824	13,534	17,676
Accommodation and Food Services	3,287	2,490	1,586	4,873
Finance and Insurance	2,379	2,154	5,331	7,710
Administrative, Support, and Waste Management	2,232	2,011	9,126	11,358
Transportation and Warehousing	2,046	1,887	7,098	9,144
Wholesale Trade	1,975	1,482	1,843	3,818
Real Estate and Rental and Leasing	1,761	1,657	15,253	17,014
Manufacturing	1,447	1,064	1,557	3,004
Arts, Entertainment, and Recreation	815	700	6,494	7,309
Educational Services	483	355	3,377	3,860
Information	441	332	1,326	1,767
Agriculture, Forestry, and Fishing and Hunting	179	167	3,087	3,266
Mining, Quarrying, and Oil and Gas Extraction	105	93	159	264
Utilities	18	11	63	81
Total	41,440	36,469	131,518	172,958

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES). Data for counties shown in white in Figure 4 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses.

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