

The State of Small Business

Atlantic Region

New York, New Jersey, Puerto Rico & U.S. Virgin Islands

February 2020



U.S. Small Business
Administration

From the Regional Administrator



The State of Small Business in America and our region is stronger than ever. Under President Donald Trump’s leadership, the American economy is growing strong and, as importantly, wages are rising for working and middle class families.

Business Optimism is also setting records and the federal government is doing more than ever to support minority- and women-owned small businesses.

The SBA’s Atlantic Region backed almost **\$2.2 billion** in small business private lending throughout New York, New Jersey, Puerto Rico and the U.S. Virgin Islands in 2019, spanning every imaginable industry and leading our neighbors to economic success. This funding has directly supported tens of thousands of new jobs for a high performing, 21st century workforce in addition to advancing community revitalization.

During his 2020 State of the Union address, President Trump articulated a vision of American greatness, laying out a common sense blueprint of how to achieve a continued economic boom for U.S. small businesses. The President put forward an agenda focused squarely on the needs of working families—addressing issues that affect the middle class’ quality of life and laying out solutions with can-do optimism.

“The American Dream is back – bigger, better, and stronger than ever before. No one is benefitting more than America’s middle class.” – President Donald J. Trump

Entrepreneurship is a powerful vehicle for economic mobility, particularly when it is supported by pro-growth policies. The President understands this and continues to deliver on commitments he made to our nation. Since the November 2016 election, the Trump Administration has been the driving force in creating seven million new jobs – five million more than government experts projected during the previous administration. Wages continue to rise for working and middle class Americans as well.

This booming economy is creating jobs and opportunity for all working Americans, and also driving a new era of economic success. The data bears out these facts. The unemployment rate has dropped to levels unseen in half a century, standing at 3.5% - the same rate it was in 1969. In fact, the unemployment rate has been at or below 4% for 21 consecutive months. This is a prime example of how Americans of all backgrounds are thriving thanks to this economic revival.

“Jobs are booming, incomes are soaring, poverty is plummeting, crime is falling, confidence is surging, and our country is thriving...[O]ur economy is the best it ever has been.”

– President Donald J. Trump

Moreover, the unemployment rate for African Americans, Hispanic Americans, and Asian Americans have all reached record lows under President Trump while female unemployment reached its lowest level in nearly 70 years. Without question, workers are coming off the sidelines and back into the labor market by the millions to fuel the continued growth of the economy.

The results of this resounding domestic economic resurgence that leaves no American behind are inspiring. Almost 2.5 million Americans have been lifted out of poverty, including 1.4 million children. Wages are rising fast, especially for low income workers, a reversal from the trends of the prior administration. Under President Trump, the bottom half of households in our nation have seen their net worth grow by 47%—more than three times faster than the top 1%.

“[W]e are building the world’s most prosperous and inclusive society – one where every citizen can join in America’s unparalleled success and where every community can take part in America’s rise.” – President Donald J. Trump

We are proud of the SBA’s role in fostering business growth across the region and nation. As SBA Atlantic Regional Administrator, it is a privilege oversee our federal agency helping neighbors start, grow, and expand their businesses in addition to even recovering from disasters.

On behalf of President Donald Trump and SBA Administrator Jovita Carranza, our work in the Atlantic Region will continue to support and promote working families, entrepreneurs seeking to build an even more inclusive economy. As part of this pledge, I remain committed to ensuring SBA services such as access to capital, mentoring and federal contracting foster an atmosphere will be readily available to drives our economic growth even further.

Sincerely,



Steve Bulger

Atlantic Regional Administrator



Steve Bulger was appointed as SBA Regional Administrator for the [U.S. Small Business Administration](#) (SBA) Atlantic Region in January 2018 overseeing the agency’s financial, international export, disaster relief, government contracting and business development programs that assist nearly 3 million small businesses employing over 6 million workers throughout New York, New Jersey, Puerto Rico and the U.S. Virgin Islands. The SBA empowers entrepreneurs and small businesses with resources to start, grow, expand or recover.

The Economy: By the Numbers

Unemployment Rate

Over the past year, the national unemployment rate has dropped to its lowest points in half a century. Areas in the Atlantic Region have similarly reached low points throughout the past year.



National

3.5%

The national unemployment rate has dropped to its lowest level since 1969.



Atlantic Region

5.3%

New York: 4.0%
New Jersey: 3.5%
Puerto Rico & USVI: 8.4%

Number of Small Businesses

A small business is defined generally as a firm of less than 500 employees. However, the [SBA Table of Size Standards](#) encompasses the exact figures for small businesses based by their industry's NAICS coding. Over 10% of the nation's small businesses are located in the Atlantic Region of New York, New Jersey, Puerto Rico and the U.S. Virgin Islands.



National

30,700,000



Atlantic Region

3,129,756

Small Business Employees

Over 11% of all small business employees nationally work for venture based in the Atlantic Region.



National

59,900,000



Atlantic Region

6,618,514

Did You Know?



Small businesses create 2 out of every 3 net new jobs.

Top Industries for Small Business

The most recent figures published by the U.S. Census Bureau's Statistics of U.S. Businesses is part of an annual data series that provides the distribution of economic data by enterprise size and industry. The SBA catalogues this information annually in its Advocacy Profiles.



National

1. Other Services*
2. Professional, Scientific & Technical Services
3. Construction
4. Real Estate and Rental & Leasing
5. Retail Trade



Atlantic Region

1. Professional, Scientific & Technical Services
2. Real Estate and Rental & Leasing
3. Other Services*
4. Health Care & Social Assistance
5. Construction

* Except for Public Administration. Activities in this sector are providing services not elsewhere specified, including repairs, religious activities, grantmaking, advocacy, laundry, personal care, death care, and other personal services.

Small Business Export

In terms of international trade, approximately 97.5% of all exporting companies, or 280,229 ventures, are categorized as small businesses. While about 30% of the nation's small business exporters are located in the Atlantic Region, less than 1% of all small businesses nationally export.



National

280,229



Atlantic Region

83,000

New York: 34,413, accounting for 55.1% of the state's \$62.9B in total exports.
New Jersey: 18,606, accounting for 40.8% of the state's \$27.4B in total exports.
Puerto Rico & USVI: 35,000 (approx.) engaged in \$60.6B in total exports.

Top Industries for Exports



National

1. Durable Goods Wholesalers
2. Nondurable Goods Wholesalers
3. Professional, Scientific & Technical Services
4. Fabricated Metal Product Manufacturing
5. Machinery Manufacturing
6. Nonstore Retailers*

* Includes establishments such as mail-order houses, vending machine operators, home delivery sales, door-to-door sales, party plan sales, electronic shopping & sales through portable stalls (i.e. street vendors). Establishments engaged in the direct sale of products such as home heating oil dealers or newspaper delivery service providers also included.

Did You Know?

Small business optimism continues to remain at some of the highest levels in nearly 50 years. NFIB December 2019 Report



SBA Impact: Funding Programs

SBA Loan Volume

The U.S. Small Business Administration guarantees loans made by private banks and other lending partners to small businesses that would otherwise not have access to capital. About 8% of the FY19 national loan volume was generated by Atlantic Region entrepreneurs.



National
\$28 B



Atlantic Region
\$2.199 B

New York District Office: **\$946,472,819**
New Jersey District Office: **\$855,000,000**
Syracuse District Office: **\$172,000,000**
Buffalo District Office: **\$147,620,800**
Puerto Rico-USVI District Office: **\$78,200,000**

Top Industries for SBA Loans

The Top 5 industries by NAICS coding, with small businesses receiving business loans guaranteed by the U.S. Small Business Administration during FY19.



National

1. Full-Service Restaurants
2. Limited-Service Restaurants
3. General Freight Trucking
4. Fitness/Rec. Sports Centers
5. Dentist Offices

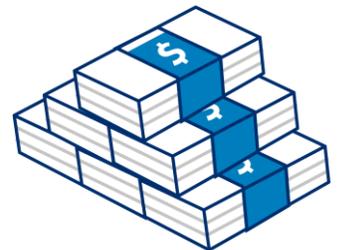


Atlantic Region

1. Full-Service Restaurants
2. Limited-Service Restaurants
3. Residential Remodelers
4. Fitness/Rec. Sports Centers
5. General Automotive Repair

SBA Lending Up on Large and Microloans

Nationally, the SBA guaranteed over \$28 billion in 2019 assisted by the strong American economy. SBA's flagship 7(a) loan program made approximately 52,000 7(a) loans totaling \$23.17 billion. The 504 loan program had another year of increased performance, with more than 6,000 loans made for a total dollar amount of more than \$4.9 billion. There was also significant growth of dollars lent in the SBA's Microloan program, with more than 5,500 loans approved for nearly \$81.5 million.



SBA Disaster Loans

The U.S. Small Business Administration provides low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters for the repair or replacement of certain items destroyed in a declared disaster, such as real estate, personal property, machinery and equipment, inventory and business assets. Just about 5.4% of the FY19 national disaster loans total were made to victims located in the Atlantic Region.



National
\$2.21 B



Atlantic Region
\$118.7 M

The largest amount of FY19 disaster loans disbursements that supported victims' recovery were made in response to the following declared disasters throughout the Atlantic Region:

Hurricane Maria - *continued recovery in Puerto Rico & U.S. Virgin Islands from the Category 5 hurricane.*

Severe Weather - *such as drought, hail, flooding & high winds causing damage to property in addition to small firm economic impact throughout various parts of New York and New Jersey.*

Apartment Complex Fire- *a six-alarm fire at a Sunset Park, Brooklyn apartment building displaced nearly 100 residents and injured 23 people.*

SBIR/STTR Funding

The Small Business Innovation Research (SBIR) & Small Business Technology Transfer programs are greatly competitive. They stimulate high-tech innovation by reserving a percentage of federal research for domestic small businesses to engage in federal R&D through a competitive awards-based program. The most recent reported FY numbers show 348 awards were issued to Atlantic Region companies, or 6.2% of total SBIR awards given in the nation, encompassing 5.9% of all SBIR annual funding.



National
\$3.1 B



Atlantic Region
\$184.6 M

Lender Match: Connecting Businesses to Lenders

The SBA and its Office of Capital Access debuted a new, free online referral tool called Lender Match that helps small business owners and entrepreneurs connect with participating SBA-approved lenders. The process is simple, easy and can connect your business with those who express interest in your loan, allowing entrepreneurs to speak with lenders to compare rates, terms, fees, and more. Learn more at sba.gov/lendermatch





Dawn Kelly, owner of The Nourish Spot

Jamaica, Queens (NY)

After being laid off from her corporate job, Dawn Kelly worked with SBA resource partners at the York College Small Business Development Center and SCORE to brainstorm a new concept and develop it with help from experts. Kelly has been serving up smoothies and healthy food in her Jamaica, Queens community ever since. She used part of her savings and an SBA-backed microloan to get her off the ground, coupled with additional free business counseling from her microlender and SBA resource partners. The Nourish Spot is now a thriving business that has been open for two years; it has grown to employ seven local residents.

SBA Impact: Business Assistance

Training and Counseling Services

Every small business owner needs guidance during the start-up and running of their business. The U.S. Small Business Administration helps small businesses start, grow, and compete in global markets by providing quality training, counseling and access to resources at no cost to entrepreneurs.

The SBA delivers these programs through a nationwide network of resource partners such as Small Business Development Centers (SBDC), Women's Business Centers (WBC), the Service Corps of Retired Executives (SCORE) and Veterans Business Outreach Centers (VBOC).

Clients Served | Jobs Supported



National

SBDCs

254,821 | 981,274

WBCs

64,527 | 46,586

SCORE

195,242 | 23,819

VBOC*

32,596



Atlantic Region

SBDCs

29,105 | 73,547

WBCs

6,455 | 5,859

SCORE

22,564 | 3,414

VBOC*

1,948

** Reflects number of clients served*

Did You Know?



70% of small businesses that receive mentoring survive more than five years – double the survival rate of non-mentored businesses.

UPS Store Survey

Emerging Leaders Fosters Business Growth

Since its inception in 2008, Emerging Leaders has provided free entrepreneurship education and training to executives of small, poised-for-growth companies that are potential job creators. Through the SBA field network of district offices, Emerging Leaders has trained more than 5,000 small business owners, creating over 6,500 jobs, generating over \$300 million in new financing, and securing over \$3 billion in government contracts.



Focus on #VetBiz Supports Vetpreneurs



Each year, SBA assists thousands of veterans, Reservists, and National Guard start and grow their businesses. Nearly 1 in every 10 American businesses today is owned by a veteran; those businesses also employ nearly six million workers.

To support our nation's warriors and their families, President Donald Trump and the U.S. Small Business Administration have reprioritized caring for our returning heroes and their families, leading them towards a path of economic prosperity once they complete their service. A new partnership between VETRN and SBA, funded by a portion of the President's salary, provides multiple seven-month intensive entrepreneurship training programs around the country that assist transitioning military members pivot from life in the military to that of one in the private sector. SBA also continues its well-established set aside federal contracting opportunities for veteran-owned and service-disabled veteran-owned small businesses.

Build Biz Smarts 24/7 with SBA Learning Center

The SBA offers a variety of free online courses to help you start and run your small business. The SBA Learning Center provides free, on-demand webinars on a variety of business topics such as writing a business plan, finding and attracting investors, conducting market research and cybersecurity, to name a few.

From planning your business to launching, managing and growing it, the SBA has your back. The agency welcomes everyone – from young to encore entrepreneurs – to check out these courses designed by experts that can help you research, plan and turn your ideas into a great business.





Michael Wetzel, President of Air Innovations North Syracuse (NY)

President Trump signed the United States-Mexico-Canada Agreement to allow American small businesses to better compete in the global economy. Air Innovations is now tapping foreign markets to help increase their revenue. With two thirds of consumers residing outside of the United States, Michael Wetzel and his company recognized this opportunity for growth.

With export assistance from SBA State Trade Expansion Program, or STEP grants, the company's exports nearly doubled to represent 30 percent of their revenue today. Moreover, the SBA STEP program has positioned Air Innovations as a world leader in designing and building environmental control systems; they have customers in 44 countries and employ 51 people at their 41,000 square-foot factory in Upstate New York.

SBA Impact: Contracting

Federal Contracts to Small Businesses

In FY19, the federal government awarded 207,354 prime contracts to small businesses assisting entrepreneurs in growing their revenue by providing goods, services and manufacturing byproducts to the world's largest purchaser – the United States government. Small businesses that impacted the Atlantic Region were awarded 8.93% of all prime contracting dollars nationally which spanned 18,518 unique procurement opportunities.



National

\$151.6 B



Atlantic Region

\$5.61 B

An Amazing Annual SCORECARD

The SBA was one of eight U.S. agencies earning an A+ on the Federal Small Business Procurement Scorecard, awarding 25.05 percent in federal contracting dollars to small businesses. This infused a record-breaking \$120.8 billion into American small businesses, exceeding last year's record by nearly \$15 billion.



The Scorecard marked the very first time that more than \$120 billion in prime contracts were awarded to small firms, strengthening our economy and supporting the American workforce in the process. Every contract that gets in the hands of a small business is a win-win for our nation, entrepreneurs, their employees and the communities they support across the region.



Changes to Small Business Certifications

In FY19, the SBA published a proposed rule that would establish a free online application process for women-owned small businesses to be certified and eligible to participate in the SBA's Women-Owned Small Business (WOSB) program and to access government contracts as a WOSB or Economically Disadvantaged WOSB. This followed three HUBZone rule

changes earlier in FY19, freezing HUBZone maps until 2020 with a subsequent 5 year update, amending the 35% rule regarding mixture of HUBZone/Non-HUBZone employees and amending the eligibility requirements for awards under the program. A proposed rule changes for FY20 includes the lengthening of receipt calculation period from 3 to 5 years that will better assist entrepreneurs in determining if their business is considered "small."



Wanda Otero, owner of Vaca Negra

Hatillo, Puerto Rico

In Puerto Rico, more milk is produced than consumed. Wanda Otero took advantage of that excess milk to create the first artisan aged cheese on the island. With a small personal investment from her savings and one-on-one work with SBA resource partners, Wanda obtained counseling and business assistance to create a business plan and develop her idea.

Cheese had never been cured before on the island and public acceptance came rather quickly. Today, Vaca Negra products have been recognized locally and internationally. The small business continues to grow; its 10 current employees produce 1,600 liters of lactose-free yogurt each week in addition to 300 pounds of five types of aged, lactose-free cheese. The company also recently expanded to a new facility financed through an SBA 504 loan, so that both its cheese and yogurt operations could be housed in the same location.

SBA Impact: Special Initiatives

Rural Strong: Elevating Rural Communities

Rural Strong is part of the Trump Administration's commitment to rural small business owners. Through a Memorandum of Understanding between the SBA and the U.S. Department of Agriculture, this comprehensive initiative focuses directly on programs specific to rural needs. By creating a stronger economic environment for rural America, the SBA elevates these communities through entrepreneurship and small business support.



MaTCH

The Makerspace Training, Collaboration
and Hiring Pilot Competition

Enter for a chance to win up to \$200K
sba.gov/match



MaTCH Pilot Workforce Development Competition

This inaugural SBA competition awarded \$1 million to winning competitors and set to address the job skill and placement gaps faced by American small businesses. Finalists provided funding to create or expand programs with job-specific and soft skills training within existing Makerspaces. Many spaces of a variety of hard to obtain maker tools such as 3D printers, laser cutters, woodworking machines, soldering irons and sewing machines.

The Atlantic Region was the only region of the country to have at least one winner from a district office in its coverage area for a total of \$250,000, or 25% of the national prize total.

Empowering Women Business Owners

11 million women-owned small businesses in America employ 8.4 million workers and generate \$1.7 trillion in annual sales. That's why the SBA helps women start, grow and expand their ventures through 114 Women's Business Centers in the country. According to the latest survey of WBC clients, the assistance they received enabled them to move forward on their path to success:



**21% hired new staff · 36% increased their profit margins · 47% increased their sales
56% that applied for financing were successful · 91% recommend the WBC program to other women**

Most respondents also said their WBC experiences helped them increase their self-sufficiency and their confidence – qualities that are harder to quantify but no less important among successful entrepreneurs.

New Policies Benefit Small Firms

Benefits from the Tax Cuts and Jobs Act

Small business owners are making real investments in their companies and their employees from savings realized from President Trump's Tax Cuts & Jobs Act. 4.5 million new jobs were created by local entrepreneurs since the Tax Cuts and Jobs Act was enacted in 2017 and there are hundreds of examples of small businesses using savings to not only grow their companies but reward those who work for them. Several used the savings to extend paid parental leave benefits to employees as well. Even more impressively, the lowest wage earners have seen the fastest nominal wage growth (10.6%) of any income group since the legislation was signed into law, further spurring the economy forward.



Opportunity Zones Momentum

Opportunity Zones unlock capital, revitalizing communities and unleashing economic potential by encouraging long-term investment in targeted low-income communities. Created by the 2017 Tax Cuts and Jobs Act, Opportunity Zones also provide preference in the federal grant process and contracting opportunities.

As part of the White House Opportunity & Revitalization Council, the SBA is regularly engaging with all levels of government on ways to best spur economic development and job-creation by encouraging long-term investments in 8,761 distressed communities across the nation that perform below the national average.

Closer to a final U.S.-Mexico-Canada Agreement

Free trade is vital to the long-term success of small businesses. With two-thirds of the world's purchasing power in foreign countries, expanding markets through trade is generates and sustains business and economic growth. President Trump signed the USMCA after it passed Congress, solidifying trade with America's top two trading partners. It currently awaits Canada's ratification to take effect. The trade deal puts in place the strongest and most comprehensive labor protections of any trade agreement in our nation's history.



If other countries want access to the most prosperous economy in the history of the world, then they must give American workers access to their markets too. Along with its protection for American workers, USMCA has strong provisions to support growth with protections specific to small- and medium-sized businesses – job creators that represent over 99% of U.S. businesses.



John, Richard & Patricia Marcaida, owners of MinoriTech, Inc.
Rochester, New York

For MinoriTech Inc. owners John, Richard and Patricia Marcaida, entrepreneurship taught them success through patience and perseverance. Today, the Marcaidas' small business is just one of a few Western New York companies providing sourcing, manufacturing and assembly services for defense, aerospace, business, and government clients. By working with the SBA and its Buffalo District Office's Matchmaker programs, MinoriTech made contacts with procurement officers who alerted them to new opportunities.

"We can't say enough about how helpful the SBA people have been, or how fortunate we were to find and attend the matchmakers," says Patricia Marcaida. "The SBA and this program have helped us to regroup and find success".

What to Watch in 2020

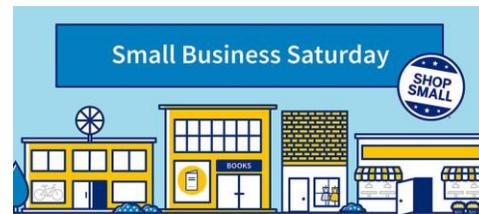


New SBA Administrator

Jovita Carranza is the 26th Administrator of the U.S. Small Business Administration after being confirmed by a strong bipartisan vote of 88-5 in the U.S. Senate on January 7, 2020. President Trump nominated Administrator Carranza to lead the SBA while she was serving as the 44th Treasurer of the United States. This is Administrator Carranza's second tenure at the SBA, having served as Deputy Administrator during the George W. Bush Administration from 2006 to 2009. Her private sector experience includes a remarkable 30-year career with United Parcel Service, where she began as an hourly dock worker, rose to oversee operations in Latin America and the Caribbean, and ultimately retired as the highest-ranking Latina in the company's history.

Agency Priorities from Washington to Your Community

Pledging to create more opportunities for women, underserved communities and veteran entrepreneurs, SBA Administrator Jovita Carranza knows the life-changing potential of entrepreneurship, a transformative power that positively effects individuals, communities, and the global economy. Both Administrator Carranza and Regional Administrator Steve Bulger remain committed to delivering SBA services, programs and products that open more doors for historically underrepresented entrepreneurs while ensuring the SBA remains prepared to assist displaced homeowners and small businesses impacted by disaster.



#SmallBusinessWeek & Small Business Saturday

Two well-known SBA initiatives help small businesses thrive each year. Since 1963, National Small Business Week has recognized the critical contributions of America's entrepreneurs & small business owners. The SBA spotlights the impact of outstanding entrepreneurs & small business owners during this celebration. Small Business Saturday, two days after Thanksgiving, is a day to celebrate and support mom and pops small businesses – stores, restaurants, boutiques, and Main Street brick & mortars – to make big local impact. For every dollar spent at a local community small business, 67 cents stays in the local community.





Michelle O'Toole, President of J. Martin Associates

Mahwah, New Jersey

The United States government is the largest customer in the world, buying all types of products and services – and it's required by law to purchase from American small businesses. J. Martin Associates is a Garden State elevator consulting business that offers its clients comprehensive design, engineering, maintenance and code inspection services for elevators, escalators, moving walks, material lifts and special applications throughout the United States.

O'Toole and her company are U.S. General Services Administration prime contractors, utilizing their technical and management experience and delivery of quality services to maintain the elevators throughout many federal buildings - ion time and at a competitive price. Government contracts like the one awarded to J. Martin Associates are a tremendous financial opportunity for small businesses.



U.S. Small Business Administration

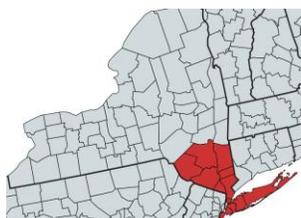
About the U.S. Small Business Administration

The U.S. Small Business Administration makes the American dream of business ownership a reality. As the only go-to resource and voice for small businesses backed by the strength of the federal government, the SBA empowers entrepreneurs and small business owners with the resources and support they need to start, grow or expand their businesses, or recover from a declared disaster. It delivers services through an extensive network of SBA field offices and partnerships with public and private organizations.

To learn more, visit www.sba.gov.

About the SBA Atlantic Region

There are 10 SBA Regional Offices in the country. The Atlantic Region ([@SBAatlantic](https://twitter.com/SBAatlantic)), also known as Region II, serves New York, New Jersey, Puerto Rico and the U.S. Virgins Islands via the following district and branch offices:



New York District [@SBA_NewYork](https://twitter.com/SBA_NewYork)

District Office: New York, NY
Branch Office: Long Island, NY

Serves the **Metropolitan New York** area, including **New York City, Long Island and the Lower Hudson Valley**.



Syracuse District [@SBAupstateNY](https://twitter.com/SBAupstateNY)

District Office: Syracuse, NY
Branch Office: Elmira, NY
Alternate Work Site: Albany, NY

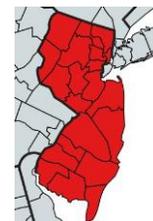
Serves 34 counties of the **Hudson Valley, Capital Region, North Country, Mohawk Valley & Southern Tier**



Buffalo District [@SBA_Buffalo](https://twitter.com/SBA_Buffalo)

District Office: Buffalo, NY
Branch Office: Rochester, NY

Serves the 14 counties of **Western New York and the Finger Lakes region**.



New Jersey District [@SBA_NewJersey](https://twitter.com/SBA_NewJersey)

District Office: Newark, NJ

Serves the state of **New Jersey**



Puerto Rico-U.S. Virgins Islands District [@SBA_PuertoRico](https://twitter.com/SBA_PuertoRico)

District Office: San Juan, PR
Branch Office: St. Croix, USVI





U.S. Small Business
Administration

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