



1997 SMALL BUSINESS PROFILE

SMALL BUSINESS: BACKBONE OF THE GEORGIA ECONOMY

The importance of small business to the state of Georgia is evident in the 1997 Small Business Profile. The findings reported in this year's profile, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, clearly indicate the crucial role small businesses play in the state's economy. Not only do small businesses play a vital role as job creators, but their diversity and composition provide the work force with endless opportunities.

Number of Businesses - In 1996, Georgia had 169,367 businesses with employees; 97.6 percent of the businesses were small businesses (percent based on 1994 data for independent businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 251,000 self-employed persons in 1996, for an estimated total of 420,367 businesses.

Small Business Income - The income of sole proprietors and partners rose 6.8 percent to \$11.2 billion in 1996, while wage-and-salary income rose 7.9 percent. Total personal income rose 7.8 percent to \$113.0 billion. The state also exported \$8.6 billion of goods in 1996.

Minority Businesses - According to The National Foundation for Women Business Owners, as of 1996, there were 203,500 women-owned businesses in Georgia, including part-time firms, employing 622,100 people and generating \$87.5 billion in sales. Between 1987-1996, the number of women-owned businesses, increased 112.4 percent.

According to the latest Bureau of the Census data, the number of Black-owned firms, including part-time firms, increased 79.8 percent from 1987 to 1992, totaling 38,264 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 184.9 percent during the same time period with 5,501 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 4,221 in 1987, to 8,961 in 1992, representing a 112.3 percent increase.

Business Turnover - The number of new firms increased 8.0 percent, while new business incorporations decreased 0.3 percent in 1996. Financial difficulties leading to business bankruptcies increased by 263.1 percent and business failures decreased by 11.7 percent during 1996.

Finance - An SBA Office of Advocacy study found that the number of banks in Georgia decreased from 396 in 1994 to 362 in 1996. The study also found the top lenders to small businesses in fiscal year 1996 were:

Bank Name	Location
COASTAL BK	Hinesville
MCINTOSH ST BK	Jackson
CORDELE BKG CO	Cordele
BANK OF TOCCOA	Toccoa
FIRST NB OF ALMA	Alma
FARMERS & MRCH BK	Dublin
FIRST ST BK	Stockbridge
FIRST CMNTY BK OF TIFTON	Tifton
BANK OF COVINGTON	Covington
FIRST BULLOCH B&TC	Statesboro
FARMERS & MRCH BK	Lakeland
SUNTRUST BK NORTHEAST GA N	Athens
SUNTRUST BK SOUTH GA NA	Albany
REGIONS BK	Gainesville
NATIONSBANK NA SOUTH	Atlanta
FIRST UNION NB OF GA	Atlanta
SUNTRUST BK	Atlanta
WACHOVIA BK OF GA NA	Augusta

Job Growth - Small businesses created 470,337 of the 554,517 net new jobs from 1992 to 1996. Very small businesses (< 20 employees) created 65.4 percent of the small business growth with 307,723 new jobs. These numbers clearly reflect the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	201,171	106,552	81,159	81,456	84,180	554,517
Manufacturing	5,097	7,726	9,109	11,102	(48,466)	(15,431)
Retail Trade	38,939	14,269	17,406	10,352	(2,269)	78,696
Services	99,193	51,478	34,741	49,805	143,921	379,138
Other	57,943	33,081	19,903	10,196	(9,006)	112,116

Industries - The composition of small business in Georgia is very diverse. The Eating & Drinking Places industry is the largest small business employer in Georgia, followed by Health Services. The fastest growing industry for small business is Nondepository Credit Institutions (represents industries that were at least 0.25% of the 1994 total).

The following three tables provide further information about the composition of the small business sector in the state. The information is for 1994, the latest year available.

Table 1, Top Five Industries in Georgia by Employment, 1994

Industry	SIC	Employment Total	Percent of Total	Percent Small
Total - All Industries	--	2,752,941	100.0	47.1
Health Services	8000	266,384	9.7	39.6
Eating & Drinking Places	5800	212,131	7.7	55.7
Business Services	7300	194,396	7.1	44.9
Wholesale Trade - Durable Goods	5000	125,840	4.6	61.1
Textile Mill Products	2200	101,989	3.7	15.4

Table 2, Top Five Small Business Industries in Georgia by Employment, 1994

Industry	SIC	Employment in firms with 0 - 499 employees	Percent of Total	Percent Small
Total - All Industries	--	1,297,133	100.0	47.1
Eating & Drinking Places	5800	118,075	7.7	55.7
Health Services	8000	105,446	9.7	39.6
Business Services	7300	87,271	7.1	44.9
Wholesale Trade - Durable Goods	5000	76,869	4.6	61.1
Special Trade Contractors	1700	75,494	3.0	91.2

Table 3, Fastest Growing Industries for Small Business in Georgia, 1993 - 1994

Industry	1993	1994	Amount Change	Percent Change
Total - All Industries	1,252,938	1,297,133	44,195	3.5
Nondepository Credit Institutions	7,353	9,557	2,204	30.0
Local & Suburban Transit & Interurban Highway Passenger Transportation	3,754	4,660	906	24.1
Transportation Services	6,645	7,884	1,239	18.6
Measuring, Analyzing, Controlling Instruments & Photographic, Medical & Optical Goods, Watch Communications	3,584	4,148	564	15.7
	7,325	8,202	877	12.0

Sources: Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation of Women Business Owners, and Cognetics Inc.