

## 1997 SMALL BUSINESS PROFILE

### SMALL BUSINESS: BACKBONE OF THE WYOMING ECONOMY

The importance of small business to the state of Wyoming 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, Wyoming had 17,601 businesses with employees; 96.7 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 23,000 self-employed persons in 1996, for an estimated total of 40,601 businesses.

**Small Business Income** - The income of sole proprietors and partners rose 3.3 percent to \$978 million in 1996, while wage-and-salary income rose 2.6 percent. Total personal income rose 2.7 percent to \$6.4 billion. The state also exported \$123.7 million of goods in 1996.

**Minority Businesses** - According to The National Foundation for Women Business Owners, as of 1996, there were 19,200 women-owned businesses in Wyoming, including part-time firms, employing 41,200 people and generating \$3.3 billion in sales. Between 1987-1996, the number of women-owned businesses, increased 63.1 percent.

According to the latest Bureau of the Census data, the number of Black-owned firms, including part-time firms, increased 19.8 percent from 1987 to 1992, totaling 97 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 31.2 percent during the same time period with 766 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 233 in 1987, to 362 in 1992, representing a 55.4 percent increase.

**Business Turnover** - The number of new firms increased 6.1 percent, while new business incorporations increased 0.4 percent in 1996. Financial difficulties leading to business bankruptcies decreased by 5.5 percent and business failures increased by 10.2 percent during 1996.

**Finance** - An SBA Office of Advocacy study found that the number of banks in Wyoming decreased from 55 in 1994 to 54 in 1996. The study also found the top lenders to small businesses in fiscal year 1996 were:

Bank Name	Location
RIVERTON ST BK	Riverton
FIRST ST BK OF WHEATLAND	Wheatland
WESTERN BK CHEYENNE	Cheyenne
FIRST NB	Worland
FIRST INTRST BK OF CMRC	Sheridan
HILLTOP NB	Casper
KEY BK OF WY	Cheyenne

**Job Growth** - Small businesses created all of the net new jobs from 1992 to 1996. Very small businesses (less than 20 employees) represented 90.8 percent of the small business growth with 16,944 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	12,200	4,744	1,919	(200)	(4,019)	14,642
Manufacturing	320	294	86	(35)	(1,581)	(915)
Retail Trade	2,559	729	471	(252)	(930)	2,577
Services	6,626	2,253	1,639	1,371	43	11,933
Other	2,694	1,469	(279)	(1,284)	(1,551)	1,049

**Industries** - The composition of small business in Wyoming is very diverse. The Eating & Drinking Places industry is the largest small business employer in Wyoming, followed by Health Services. The fastest growing industry for small business is Insurance Agents, Brokers, & Service (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 Wyoming by Employment, 1994

Industry	SIC	Employment Total	Percent of Total	Percent Small
Total - All Industries	--	154,354	100.0	68.7
Eating & Drinking Places	5800	16,109	10.4	82.7
Health Services	8000	15,855	10.3	58.8
Oil & Gas Extraction	1300	7,180	4.7	45.3
Hotels, Rooming Houses, Camps, & Other Lodging Places	7000	6,533	4.2	77.0
Automotive Dealers & Gasoline Service Stations	5500	6,114	4.0	81.4

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

Industry	SIC	Employment in firms with 0 - 499 employees	Percent of Total	Percent Small
Total - All Industries	--	106,088	100.0	68.7
Eating & Drinking Places	5800	13,328	10.4	82.7
Health Services	8000	9,317	10.3	58.8
Special Trade Contractors	1700	5,751	3.8	99.3
Social Services	8300	5,273	3.7	92.7
Hotels, Rooming Houses, Camps, & Other Lodging Places	7000	5,030	4.2	77.0

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

Industry	1993	1994	Amount Change	Percent Change
Total - All Industries	102,217	106,088	3,871	3.8
Insurance Agents, Brokers, & Service	909	1,140	231	25.4
Real Estate	1,443	1,767	324	22.5
Membership Organizations	3,173	3,661	488	15.4
Communications	683	784	101	14.8
Industrial & Commercial Machinery & Computer Equipment	888	1,003	115	13.0

**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.