



1998 SMALL BUSINESS PROFILE

SMALL BUSINESS: HEART OF THE DELAWARE ECONOMY

The importance of small business to the state of Delaware is apparent in the 1998 Small Business Profile. This year's findings, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, indicate that small businesses are vital to the state's economy. Not only do small businesses play a critical role by efficiently reallocating the state's resources and injecting new ideas into the economy with business starts and stops, but their diversity and composition provide the work force with many opportunities.

Number of Businesses - In 1997, Delaware had 24,116 businesses with employees; 94.0 percent of the businesses were small businesses (percent based on 1995 data for businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 19,000 self-employed persons in 1997.

Small Business Income - The income of sole proprietors and partners rose 3.1 percent to \$1.9 billion in 1997, while wage-and-salary income rose 8.1 percent. The state also exported \$5.1 billion of goods in 1997. (In 1992, 68.9 percent of the exporters in the state were small businesses.)

Women-Owned Businesses - According to The National Foundation for Women Business Owners, as of 1996, there were 20,700 women-owned businesses in Delaware, including part-time firms, employing 82,200 people and generating \$8.7 billion in sales. Between 1987 and 1996, the number of women-owned businesses increased 95.8 percent.

Minority Businesses - According to the latest Bureau of the Census data, the number of black-owned firms, including part-time firms, increased 47.2 percent from 1987 to 1992, totaling 2,060 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 170.1 percent during the same time period with 497 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 479 in 1987, to 809 in 1992, representing a 68.9 percent increase.

Business Turnover - Between 1996 and 1997, the number of new firms increased 0.6 percent, while new business incorporations increased 1.8 percent. Financial difficulties leading to business bankruptcies decreased by 10.5 percent and business failures decreased by 32.7 percent.

Finance - An SBA Office of Advocacy study found that the number of banks in Delaware increased from 14 in 1994 to 38 in 1997. The study also found the top lenders to small businesses in FY 1997 were:

Bank Name	Location
FELTON BK	Felton
FIRST NB OF WYOMING COUNTY BK	Wyoming
PNC NB OF DE	Rehoboth Beach
FIRST OMNI BK NA	Wilmington
NATIONSBANK OF DE NA	Millsboro
MBNA AMERICA BK NA	Dover
CHASE MANHATTAN BK USA NA	Wilmington

Small businesses seeking loans should also consider banks that participate in SBA loan programs. To locate an SBA preferred or certified lender near you, call 1-800-8-ASK-SBA.

Job Growth - From 1992 to 1996, small businesses (fewer than 500 employees) created all of the net new jobs. The figures below indicate 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	14,063	6,173	5,240	10,157	(6,892)	28,741
Manufacturing	472	292	291	1,618	8,485	11,159
Retail Trade	2,828	655	(536)	2,026	(3,772)	1,200
Services	7,524	4,021	2,412	5,230	(5,515)	13,671
Other	3,239	1,204	3,073	1,283	(6,091)	2,711

Industries - Small firms in the state are represented in many industries. The Eating & Drinking Places industry is the largest small business employer in Delaware, followed by Health Services. The fastest growing industry for small business Communications (represents industries that were at least 0.25 percent of the 1995 total). The following three tables provide information about the small business sector in the state.

Table 1, Top Five Industries by Employment, 1995

Industry	SIC	Total Empl.	Percent of total	Percent small
Total - All Industries	1	324,464	100.0	47.1
Health Services	8000	31,383	9.7	35.8
Chemicals & Allied Products	2800	26,726	8.2	3.6
Depository Institutions	6000	22,969	7.1	5.3
Business Services	7300	22,873	7.0	46.5
Eating & Drinking Places	5800	22,746	7.0	71.8

Table 2, Top Small Business Industries by Employment, 1995

Industry	SIC	Small Bus. Empl.	Percent of total	Percent Small
Total - All Industries	1	152,731	100.0	47.1
Eating & Drinking Places	5800	16,332	7.0	71.8
Health Services	8000	11,249	9.7	35.8
Special Trade Contractors	1700	10,902	3.4	97.8
Business Services	7300	10,643	7.0	46.5
Auto. Dealers & Gas Service Stations	5500	6,621	2.3	89.1

Table 3, Fastest Growing Industries in Employment for Small Business, 1994 - 1995

Industry	SIC	Small Bus. Empl. 1995	Net change	Percent change
Total - All Industries	1	152,731	10,526	6.9
Communications	4800	714	266	37.3
Museums, Art Galleries, & Bot. & Zoo. Gardens	8400	876	210	24.0
Special Trade Contractors	1700	10,902	1,471	13.5
Holding & Other Investment Offices	6700	1,993	252	12.6
Sec. & Comm. Brokers, Deal., Exch., & Serv.	6200	279	34	12.2

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 for Women Business Owners, and Cognetics, Inc.