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## Small Business Profile: NEW YORK

Small businesses make a significant contribution to the U.S. economy, and in 2003, they were the engine of New York's economic performance. Nationally, half of U.S. non-farm private output and employment is generated by small firms with 500 or fewer employees; in New York, small business owners—including women, minorities, and home based individuals—were leaders in the state's economy in 2003. The Office of Advocacy's *Small Business Profile* reports on small businesses in the state using the most currently available data.

**Number of Businesses.** The estimated total number of small businesses in New York in 2003 was 1,732,300.<sup>1</sup> Of the 478,270 employer firms in 2003, 99 percent or an estimated 473,500 were small firms. The estimated number of employer businesses increased by 0.8 percent in 2003. The most recent data available show that non-employer businesses numbered 1,258,822 in 2001. Self-employment increased by 7.6 percent, from 547,011 in 2002 to 588,736 in 2003. (Source: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Census Bureau; U.S. Dept. of Labor, Bureau of Labor Statistics.)

**Women-Owned Businesses.** Self-employment by women increased by 18.1 percent, from 197,496 in 2002 to 233,232 in 2003 and represented 39.4 percent of self-employed persons in the state. Women-owned businesses generated \$59.5 billion in revenues, employed 461,127 workers, and constituted 394,000 firms or 26.1 percent of all firms in 1997. (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics; U.S. Dept. of Commerce, Census Bureau.)

**Minority-Owned Businesses.** In 1997, 18.4 percent or 54,500 of the minority-owned businesses in the state were employer firms, and they generated 85.9 percent of the total minority-owned business revenue of \$47.2 billion. There were 104,200 Hispanic-owned businesses; 86,500 Black-owned businesses; 123,300 Asian and Pacific Islander-owned businesses; and 6,400 American Indian and Alaskan Native-owned businesses in 1997. (Source: U.S. Dept. of Commerce, Census Bureau.)

**Business Turnover.** The estimated number of new employer businesses was 60,569 in 2003, which is 1.7 percent more than the previous year. Business bankruptcies decreased by 23.1 percent, and totaled 1,987 in 2003. Business terminations decreased by 3.8 percent and numbered 61,199 in 2003. (Source: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Census Bureau.)

**Employment.** Small businesses with fewer than 500 employees numbered 422,230 in 2001 and employed 3,837,630 people or 51.7 percent of the state's non-farm private workforce (Table 1).<sup>2</sup> Total net employment gain in the state amounted to 77,113 between 2000 and 2001. Of that number, 70,851 are attributable to MSAs (metropolitan statistical areas). During the same time period, firms with fewer than 20 employees gained 71,078 jobs. (Source: U.S. Dept. of Commerce, Census Bureau, Statistics of U.S. Businesses. Note: Urban (MSA) and rural (non-MSA) employment data is available at: [www.sba.gov/advo/stats/data.html](http://www.sba.gov/advo/stats/data.html).)

**Small Business Income.** Small business proprietors' income in 2003 increased by 5.3 percent, from \$70.9 billion in 2002 to \$74.7 billion in 2003. (Source: U.S. Dept. of Commerce.)

**Finance.** Small firms typically use commercial bank lenders and rely on local bank services. Over the last five years there has been a gradual decline in the number of banks in New York (Table 3). The Office of Advocacy has identified banks in each state that make the most loans to small businesses. This information is available in its banking studies available at [www.sba.gov/advo/stats](http://www.sba.gov/advo/stats).

To learn more about the Office of Advocacy's research, data, and analyses of small businesses, visit [www.sba.gov/advo](http://www.sba.gov/advo), call (202) 205-6533 or email [advocacy@sba.gov](mailto:advocacy@sba.gov).

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<sup>1</sup> The Office of Advocacy's estimate of the total number of state small businesses is based on the percent of small businesses (2001 Census Bureau firm size data) multiplied by the total number of employer businesses in 2003 (Dept. of Labor). To this total, we add the 2001 number of non-employer firms (Census Bureau).

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<sup>2</sup> The number of employers listed in Table 1 is not directly comparable to the figures listed in the *Number of Businesses* section due to different data sources.

**Table 1. Firms and Employment in New York by Industry and Firm Size, 2001 (Thousands)**

Industry	Non-employer Firms	Employer Firms			Employment		
		Total	< 100	< 500	Total	< 100	< 500
<b>Total</b>	<b>1,258.82</b>	<b>426.49</b>	<b>415.07</b>	<b>422.23</b>	<b>7,428.35</b>	<b>2,730.31</b>	<b>3,837.63</b>
Agriculture, forestry, fishing, and hunting	6.49	0.7	0.69	0.7	5.84	2.98	*
Mining	0.99	0.31	0.28	0.3	3.81	1.94	*
Utilities	0.82	0.2	0.16	0.16	48.58	1.45	1.96
Construction	106.8	40.63	40.21	40.53	317.28	231.62	282.61
Manufacturing	17.06	20.72	19.18	20.1	689.43	247.68	384.08
Wholesale trade	31.55	33.73	32.19	32.98	426.98	32.19	297.72
Retail trade	103.45	58.03	56.87	57.41	841.49	56.87	385.62
Transportation and warehousing	79.08	9.7	9.17	9.47	224.26	9.17	106.66
Information	23.66	7.88	7.31	7.57	323.17	59.26	95.08
Finance and insurance	52.76	14.95	14.11	14.52	611	94.24	153.91
Real estate; rental and leasing	137.33	25.89	25.52	25.72	158.38	107.8	158.38
Professional, scientific, and technical services	198.03	51.3	50.04	50.72	554.44	262.46	342.6
Management of companies and enterprises	N/A	1.87	0.74	1.19	177.99	6.07	21.68
Admin., support, waste mngt., and remed., services	59.34	20.93	19.86	20.47	493.68	19.86	232.97
Educational services	27.58	4.96	4.5	4.81	303.91	61.65	110.92
Health care and social assistance	134.54	39.32	37.65	38.8	1,204.10	283.54	522.87
Arts, entertainment, and recreation	88.8	8.99	8.72	8.91	125.17	61.15	92.59
Accommodation and food services	22.41	34.07	33.41	33.85	511.96	284.01	353.75
Other services	168.16	47.9	47.3	47.69	346.83	250.6	301.87
Auxiliary, except corp, subsidiary, and regional managing offices	N/A	0.41	0.07	0.18	47.57	0.64	3.35
Unclassified	N/A	8.06	8.06	12.51	12.51	12.51	12.51

\*Data suppressed to protect the confidentiality of individual firms.

Source: U.S. Department of Commerce, Census Bureau.

**Table 2. Non-farm Establishment Job Gains and Losses by Firm Size, 2000–2001 (Thousands)**

	Firm Size (Number of Employees)			
	Total	1–19	1–499	500+
Job Gains:				
New establishments	417.12	120.5	222.44	194.68
Expanding establishments	693.42	192.2	411.17	282.24
Job Losses:				
Downsized establishments	-667.5	-131.24	-343.94	-323.56
Closed establishments	-365.92	-110.38	-212.74	-153.18
Net change in employment	77.11	71.08	76.93	0.18

Source: U.S. Department of Commerce, Bureau of the Census, Statistics of U.S. Businesses, 2001.

**Table 3. Number of Banks in New York by Asset Size, 1995 – 2003**

Number of Banks Per Year					Number of Banks by Asset Size, 2003				
1995	2000	2001	2002	2003	Below \$100M	\$100M–\$500M	\$500–\$1B	\$1B–\$10B	Over \$10B
166	149	144	137	136	30	61	16	21	8

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's website at [www.sba.gov/advocacy/lending](http://www.sba.gov/advocacy/lending).