

Small Business Profile: NEW YORK

Entrepreneurs, innovators, and small businesses are key players in the economy of New York. They make up most of the employer firms in the state, and their contribution is indispensable. Their diverse composition and the spectrum of opportunities they offer are captured in this *Small Business Profile*, using the most current federal data available.

Number of Businesses. The state had an estimated total of 1,891,900 small businesses based on the most recent data.¹ Firms with employees numbered 486,228 in 2005, of which an estimated 99.1 percent or 481,852 were small firms (fewer than 500 employees). Self-employment (including incorporated) decreased by 3 percent, from 930,238 in 2004 to 902,142 in 2005.² In 2004, non-employer firms increased by 3.6 percent and numbered 1,410,301. (Sources: 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 Firms. Firms owned by women increased 28 percent between 1997 and 2002, from 394,014 to 505,134; they represented 29.6 percent of the state's total businesses in 2002. These firms (with and without paid employees) generated \$71.4 billion in revenues in 2002. Of the total number of women-owned firms, 12.9 percent or 65,277 firms were employer firms. In 2005, self-employed women totaled 295,492, an increase of 0.9 percent from 2004, and they represented 32.8 percent of self-employed persons in the state. (Sources: U.S. Dept. of Labor, Bureau of Labor Statistics; U.S. Dept. of Commerce, Census Bureau.)

Minority-Owned Firms.³ In 2002, Asian-owned firms totaled 145,519 and generated \$30.4 billion in receipts; Black-owned firms numbered 129,324 and generated \$7.5 billion in receipts; and Hispanic-owned businesses totaled 163,639 and created \$12.4 billion in receipts. American Indian- and Alaska Native-owned firms numbered 11,158, and they generated \$710 million in receipts; the number of Native Hawaiian- and other Pacific Islander-owned firms was 3,005, and they generated \$123 million in receipts in 2002. (Source: U.S. Dept. of Commerce, Census Bureau.)

¹ The Office of Advocacy's estimated total of state small businesses is based on the percent of small businesses (2003 Census firm size data) multiplied by the state's total number of employer businesses in 2005 (Dept. of Labor). The 2004 number of non-employer firms is added to this total (Census Bureau).

² The definition of self-employment has changed; as a result, statistics in the *Small Business Profiles* before 2004 are not comparable.

³ Minority owners may belong to more than one minority group, so adding the different groups will result in double counting.

Business Turnover. New employer businesses in 2005 were estimated at 62,045, which is 1.3 percent less than the previous year. Business bankruptcies decreased by 48.1 percent, to 2,112 in 2005, while business terminations decreased by 2.1 percent, to 62,667 during the same period. (Sources: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts.)

Employment. There were 429,772 employer firms with fewer than 500 employees in 2003;⁴ they provided 3,834,223 jobs in the state. These firms represented 99.1 percent of the employer businesses in the state and employed 51.7 percent of the state's non-farm private sector workforce (Table 1). Between 2002 and 2003, total small business net new jobs amounted to 141,641 (Table 2). (Source: U.S. Dept. of Commerce, Census Bureau, Statistics of U.S. Businesses.)

Small Business Income. Non-farm proprietors' income, which is a partial measure of small business income, increased by 6.3 percent to \$77.0 billion in 2005. (Source: U.S. Dept. of Commerce.)

Finance.⁵ Two important sources of small business financing are commercial banks and savings and loan institutions, which owners rely on for their financial needs. The total number of operating bank and savings bank branches in the state increased in 2005 (Table 3). A list of financial institutions in each state that make loans to small businesses has been compiled by the Office of Advocacy and is available at: www.sba.gov/advo/research/lending.html.

To learn more about the Office of Advocacy's data and analyses of small business, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov. Sign up at <http://web.sba.gov/list> for email delivery of:

- Advocacy Newsletter
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⁴ The latest year for which the data by size classification exist.

⁵ This year's edition of *Small Business Profiles* covers the state's number of branches of commercial banks and savings institutions. Previous reports covered a smaller number of financial institutions—only parent banks, not their branches or those of savings institutions.

Table 1. Firms and Employment in New York by Industry and Firm Size, 2003 and 2004 (Thousands)

Industry	Non-Employer Firms (2004)	Employer Firms (2003)			Employment (2003)		
		Total	< 100	< 500	Total	< 100	< 500
Total	1,410.3	433.87	422.51	429.77	7,416.68	2,707.7	3,834.22
Agriculture, forestry, fishing, and hunting	6.6	0.66	0.65	0.66	5.28	2.66	*
Mining	0.9	0.31	0.28	0.29	3.70	1.85	*
Utilities	1.0	0.18	0.13	0.14	42.55	1.04	1.68
Construction	117.0	43.14	42.74	43.05	307.20	230.96	283.27
Manufacturing	18.3	19.57	18.12	18.99	612.98	220.3	346.92
Wholesale trade	31.6	33.68	32.19	33.00	406.54	215.4	285.82
Retail trade	108.6	59.03	57.92	58.47	862.87	332.92	393.45
Transportation and warehousing	82.1	10.25	9.60	9.94	229.36	67.43	108.75
Information	26.7	7.59	7.01	7.27	314.73	54.26	83.53
Finance and insurance	50.9	15.79	14.93	15.36	593.39	96.53	157.16
Real estate, and rental and leasing	160.7	27.98	27.58	27.79	166.03	111.7	134.04
Professional, scientific, and technical services	216.0	53.23	51.91	52.61	552.95	253.95	331.12
Management of companies and enterprises	N/A	1.87	0.74	1.20	201.71	5.85	22.43
Admin., support, waste mgt., and remed. serv.	72.4	20.55	19.45	20.09	455.25	128.04	229.37
Educational services	37.4	5.49	5.02	5.33	321.25	65.7	115.86
Health care and social assistance	164.6	41.77	40.00	41.25	1,312.68	296.91	554.4
Arts, entertainment, and recreation	100.2	9.68	9.40	9.60	137.95	62.65	94.51
Accommodation and food services	26.2	35.43	34.76	35.22	534.99	300.13	375.02
Other services	189.1	49.04	48.44	48.83	352.30	256.45	307.87
Unclassified	N/A	2.60	2.60	2.60	2.98	2.98	2.98

*Data suppressed to protect the confidentiality of individual firms. N/A = not available.

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

Table 2. Non-Farm Establishment Job Gains and Losses by Firm Size, 2002–2003 (Thousands)

	Total	Firm Size (Number of Employees)		
		1–19	1–499	500+
Job gains:				
New establishments	398.9	120.0	219.4	179.4
Expanding establishments	830.4	221.6	474.8	355.6
Job losses:				
Downsized establishments	-693.6	-137.8	-357.1	-336.5
Closed establishments	-344.0	-104.5	-195.4	-148.5
Net change in employment	191.6	99.3	141.6	50.0

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

Table 3. Number of Bank and Savings Institution Branches in New York, 2001–2005

2001	2002	2003	2004	2005
4,383	4,384	4,509	4,666	4,788

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by Federal Deposit Insurance Corporation, Statistics on Banking.

Note: A full list of small business lending banks collected by the Federal Reserve Board can be found on the Office of Advocacy's website at www.sba.gov/advo/research/lending.html.