

SMALL BUSINESS PROFILE

GEORGIA



982,112
97.7% Small Businesses
of Georgia Businesses

1.5 million
44.0% Small Business Employees
of Georgia Employees

Small Business Employees
of Georgia Employees

EMPLOYMENT
38,868
net new jobs¹

DIVERSITY
41.1%
increase in minority
ownership²

TRADE
88.8%
of Georgia exporters³

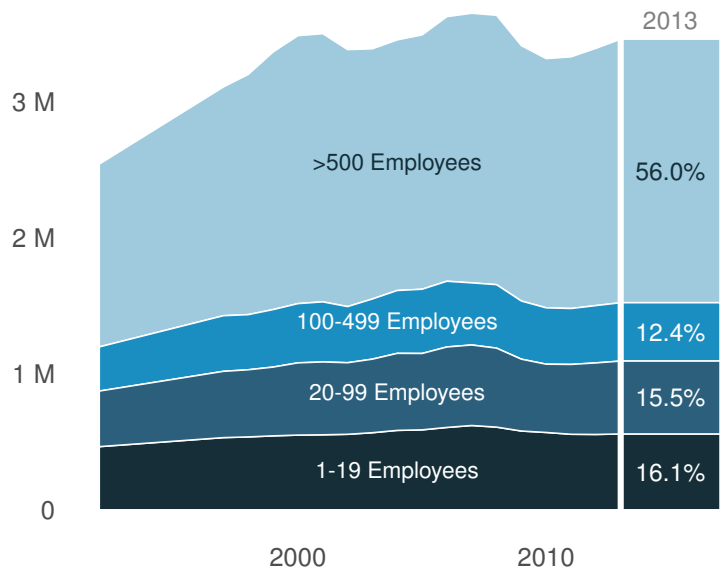
OVERALL GEORGIA ECONOMY

- In the third quarter of 2015, Georgia grew at an annual rate of **2.0%** which was faster than the overall US growth rate of **1.9%**. By comparison, Georgia's 2014 growth of **4.8%** was up from the 2013 level of **3.7%**. (Source: BEA)
- The employment situation in Georgia improved. At the close of 2015, unemployment was **5.5%**, down from **6.4%** at the close of 2014. This was above the national unemployment rate of **5.0%**. (Source: CPS)

EMPLOYMENT

- Georgia small businesses employed **1.5 million** people, or **44.0%** of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased **2.4%** in 2015. This was below the previous year's increase of **4.2%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.3%** relative to the previous year. (Source: BEA)
- Small businesses created **38,868** net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding **10,223** net jobs. The smallest gains were in firms employing 5 to 9 employees which added **1,796** net jobs. (Source: BDS)

Figure 1: Georgia Employment by Firm Size



The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. **Small businesses are defined as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 149,865 loans under \$100,000 (and valued at \$2 billion) were issued by Georgia lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$43,664 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$20,712. (Source: ACS)

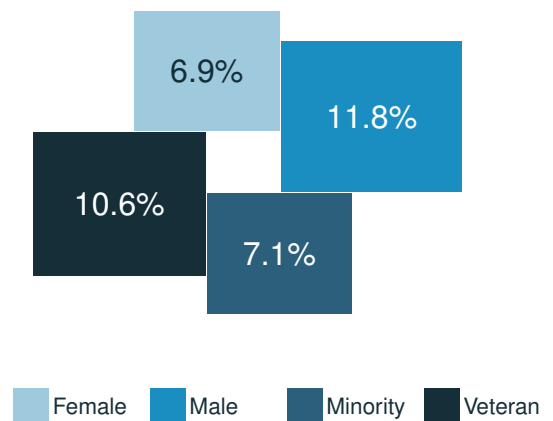
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Georgia Changes in Business Ownership by Demographic Group

| | | |
|---------------------------------|---|--------|
| African American-owned | ● | 39.7% |
| Asian-owned | ● | 23.0% |
| Hawaiian/Pacific Islander-owned | ○ | -38.7% |
| Hispanic-owned | ● | 73.0% |
| Native American/Alaskan-owned | · | 1.7% |
| Minority-owned | ● | 41.1% |
| Nonminority-owned | ○ | -10.6% |

Figure 3: Georgia Self-Employment within Demographic Group

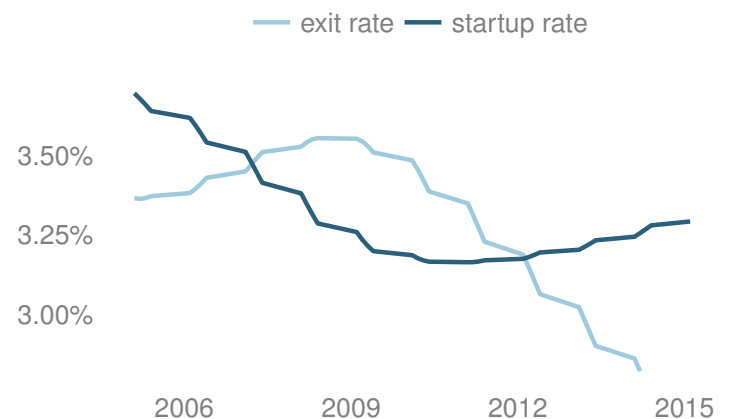


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Georgia, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 6,504 establishments started up⁵ in Georgia and 6,346 exited.⁶ Startups generated 26,812 new jobs while exits caused 24,244 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Georgia Private Startup and Exit Rates



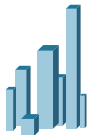




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 14,563 companies exported goods from Georgia in 2013. Among these, 12,927, or 88.8%, were small firms; they generated 30.9% of Georgia's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Georgia Small Firms by Industry, 2013
(sorted by small employer firms)

|  |  |  |  |  |
|---|---|--|---|---|
| Industry | 1 – 499 Employees | 1 – 19 Employees | Nonemployer Firms | Total Small Firms |
| Professional, Scientific, and Technical Services | 25,917 | 24,238 | 99,198 | 125,115 |
| Retail Trade | 20,414 | 18,947 | 60,873 | 81,287 |
| Other Services (except Public Administration) | 19,051 | 17,683 | 159,382 | 178,433 |
| Health Care and Social Assistance | 17,928 | 15,668 | 68,185 | 86,113 |
| Construction | 15,752 | 14,395 | 90,822 | 106,574 |
| Accommodation and Food Services | 13,449 | 10,123 | 13,749 | 27,198 |
| Wholesale Trade | 10,227 | 8,425 | 12,897 | 23,124 |
| Administrative, Support, and Waste Management | 9,542 | 8,352 | 94,991 | 104,533 |
| Real Estate and Rental and Leasing | 7,721 | 7,262 | 69,827 | 77,548 |
| Finance and Insurance | 7,250 | 6,571 | 21,657 | 28,907 |
| Manufacturing | 5,924 | 4,384 | 10,035 | 15,959 |
| Transportation and Warehousing | 4,557 | 3,857 | 39,484 | 44,041 |
| Educational Services | 2,542 | 2,061 | 20,945 | 23,487 |
| Arts, Entertainment, and Recreation | 2,494 | 2,155 | 36,942 | 39,436 |
| Information | 1,959 | 1,597 | 10,560 | 12,519 |
| Agriculture, Forestry, Fishing and Hunting | 910 | 808 | 6,020 | 6,930 |
| Utilities | 113 | 60 | 645 | 758 |
| Mining, Quarrying, and Oil and Gas Extraction | 102 | 79 | 148 | 250 |
| Total | 165,852 | 146,665 | 816,360 | 982,212 |

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Georgia Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

| Industry | Small Business Employment | Total Private Employment | Small Business Employment Share |
|--|---------------------------|--------------------------|---------------------------------|
| Accommodation and Food Services | 223,030 | 385,392 | 57.9% |
| Health Care and Social Assistance | 204,510 | 457,707 | 44.7% |
| Professional, Scientific, and Technical Services | 139,305 | 230,143 | 60.5% |
| Retail Trade | 136,905 | 440,474 | 31.1% |
| Other Services (except Public Administration) | 128,475 | 154,956 | 82.9% |
| Manufacturing | 118,220 | 340,638 | 34.7% |
| Construction | 117,220 | 143,503 | 81.7% |
| Administrative, Support, and Waste Management | 103,917 | 326,206 | 31.9% |
| Wholesale Trade | 101,250 | 194,332 | 52.1% |
| Finance and Insurance | 53,252 | 163,566 | 32.6% |
| Educational Services | 40,991 | 81,003 | 50.6% |
| Transportation and Warehousing | 40,575 | 164,898 | 24.6% |
| Real Estate and Rental and Leasing | 36,172 | 56,405 | 64.1% |
| Arts, Entertainment, and Recreation | 27,881 | 43,360 | 64.3% |
| Information | 23,855 | 127,080 | 18.8% |
| Agriculture, Forestry, Fishing and Hunting | 7,443 | 7,708 | 96.6% |
| Utilities | 6,272 | 24,184 | 25.9% |
| Mining, Quarrying, and Oil and Gas Extraction | 2,401 | 4,822 | 49.8% |
| Total | 1,511,674 | 3,346,377 | 45.2% |

Figure 5: Georgia County-Level Job Changes, 2015 (CEW)

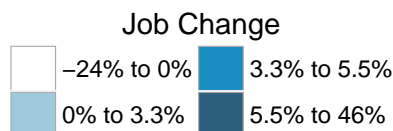
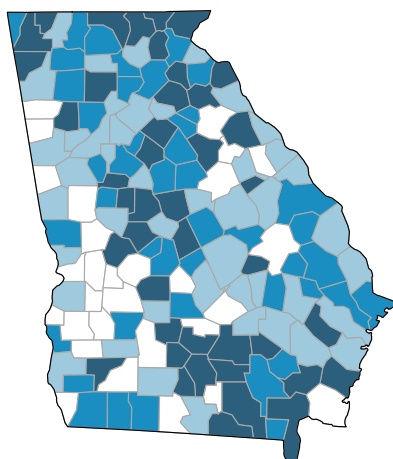


Table 3: Abbreviations and Resources

| | |
|-------|--|
| ACS | American Community Survey, US Census Bureau |
| BEA | Bureau of Economic Analysis |
| BDM | Business Employment Dynamics, BLS |
| BDS | Business Dynamics Statistics, US Census Bureau |
| BLS | Bureau of Labor Statistics, US Department of Labor |
| CES | Current Employment Statistics, BLS |
| CEW | Census of Employment and Wages, BLS |
| CPS | Current Population Survey, BLS |
| FDIC | Federal Deposit Insurance Corporation |
| FFIEC | Federal Financial Institutions Examination Council |
| ITA | International Trade Administration |
| NES | Nonemployer Statistics, US Census Bureau |
| SBO | Survey of Business Owners, US Census Bureau |
| SUSB | Statistics of US Businesses, US Census Bureau |

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

