



SMALL BUSINESS. BIG IMPACT.

Report on Small Businesses in Miami-Dade County

2018



at



Table of Contents

| | |
|----------------------------------------------------------------------------|-----------|
| Small Business Economy Snapshot..... | 1 |
| Overview of the Small Business Economy of Miami-Dade County..... | 2 |
| Miami-Dade’s Small Business Profile | 4 |
| Trends of Firms by Employment Size..... | 4 |
| Employer Establishments by Sector..... | 5 |
| Private Employment and Wages by Firm Size | 9 |
| Employment and Wages in All Establishments..... | 12 |
| The Gig Economy: Self-Employment and Nonemployer Establishments | 17 |
| Small Business Loans..... | 20 |
| Appendix A: Methodology | 22 |
| Appendix B: Distribution of Establishments by Sector and Size | 23 |

List of Tables

| | |
|--------------------------------------------------------------------------------------------|----|
| TABLE 1: DISTRIBUTION OF FIRMS BY EMPLOYMENT SIZE..... | 5 |
| TABLE 2: DISTRIBUTION OF FIRMS BY SECTOR AND SIZE | 5 |
| TABLE 3: MIAMI-DADE BUSINESS COUNT BY SIZE, 2015 | 9 |
| TABLE 4: MIAMI-DADE EMPLOYMENT BY FIRM SIZE, 2010-2015 | 10 |
| TABLE 5: AVERAGE WAGES BY ENTERPRISE SIZE, 2015 | 11 |
| TABLE 6: MIAMI-DADE AVERAGE WAGES BY FIRM SIZE, 2010-2015 | 11 |
| TABLE 7: MIAMI-DADE EMPLOYMENT BY ESTABLISHMENT SIZE | 12 |
| TABLE 8: MIAMI-DADE EMPLOYMENT AND WAGES | 12 |
| TABLE 9: MIAMI-DADE SINGLE-EMPLOYEE ESTABLISHMENTS | 14 |
| TABLE 10: AVERAGE WAGE IN MIAMI-DADE ESTABLISHMENTS BY SIZE AND YEAR CREATED | 15 |
| TABLE 11: MIAMI-DADE ESTABLISHMENTS BY SIZE AND YEAR CREATED | 16 |
| TABLE 12: SELF-EMPLOYMENT IN BENCHMARK COUNTIES AND THE UNITED STATES BY OCCUPATIONS | 17 |
| TABLE 13: AVERAGE RECEIPTS IN NONEMPLOYER ESTABLISHMENTS | 18 |
| TABLE 14: TOTAL LOAN AND SMALL BUSINESS LOAN ORIGINATION FOR SBA-BACKED LOANS, 2016. | 20 |

List of Figures

| | |
|----------------------------------------------------------------------------------------------------|----|
| FIGURE 1: DISTRIBUTION OF FIRMS BY EMPLOYMENT SIZE..... | 4 |
| FIGURE 2: YEAR-OVER-YEAR FIRM CHANGE BY EMPLOYMENT SIZE | 4 |
| FIGURE 3: PROFESSIONAL SCIENTIFIC AND TECHNICAL SERVICES, TOP FIVE SECTORS BY NUMBER OF FIRMS..... | 5 |
| FIGURE 4: WHOLESALE SECTORS BY NUMBER OF FIRMS..... | 6 |
| FIGURE 5: EMPLOYMENT BY BUSINESS SIZE, MIAMI-DADE COUNTY, 2015..... | 10 |
| FIGURE 6: YEAR-OVER-YEAR JOB GROWTH BY BUSINESS SIZE, MIAMI-DADE COUNTY, 2011-2015 | 10 |
| FIGURE 7: DIFFERENCE IN AVERAGE WAGES BY BUSINESS SIZE, 2010-2015 | 11 |
| FIGURE 8: NUMBER OF ESTABLISHMENTS BY SIZE | 13 |
| FIGURE 9: SECTORS WITH MAJORITY EMPLOYMENT IN FIRMS UNDER 100 EMPLOYEES..... | 13 |
| FIGURE 10: SECTORS WITH HIGHEST AND LOWEST WAGES | 14 |
| FIGURE 11: CHANGE IN NONEMPLOYER ESTABLISHMENTS AND RECEIPTS (SALES), 2005-2015..... | 18 |
| FIGURE 12: CHANGE IN LOANS TO BUSINESSES WITH REVENUES OF \$1M OR LESS, 2010-2016..... | 21 |



Small Business Economy Snapshot

NUMBER OF ESTABLISHMENTS

- With 1-4 employees: 54,754
- With 5-9 employees: 12,139
- With 10-99 employees: 13,913
- With 100-499 employees: 1,340
- With 500+ employees: 147

82,293
employer
establishments

SECTORS

Top sectors by number of firms with under 100 employees:

- Professional, Scientific, and Technical Services (13,457)
- Retail Trade (10,607)
- Wholesale Trade (9,025)
- Healthcare and Social Assistance (8,701)
- Other Services (6,011)

EMPLOYMENT

- Private employment increased by 23.3% from 2010 to 2016
- 56.3% of employment was in firms with fewer than 500 workers, down from 53.9% in 2010
- 10.8% of employment is in microbusinesses (174,246 workers)
- The largest job growth (2010-15) was in businesses with 20-99 employees (22.9%), 100-499 employees (23.7%) and 500+ workers (19.8%).

WAGES

- Workers in Miami-Dade earn on average \$49,343 across all sectors
- Workers at microbusinesses earn 19% less than workers in firms with 100+ employees
- The highest earning sectors employ under 200k workers and the lowest earning sectors account for over 600k of the workforce

LOANS

- A sharp increase in SBA-backed loans to businesses with gross annual revenues of \$1 million or less to 99,030 in 2016, up from 11,647 in 2010
- Total amount to businesses with revenues of \$1 million or less in Miami-Dade increased by 336.7% from 2010 to 2016
- Average loan amount to small businesses decreased by 48.6%

Overview of the Small Business Economy of Miami-Dade County

The private sector and local entrepreneurial activity are the foundation of the U.S. economy, but the manifestation of that axiom is amplified in Miami-Dade County, where a very high portion of the workforce is employed in for-profit activities. More than two thirds of workers in Miami (70.8 percent) work for private companies, and 6.4 percent are self-employed in their own incorporated business. Private employment is slightly higher than the national figure of 68.6 percent while self-employment is almost double that of the country's 3.6 percent (U.S. Census, American Community Survey (ACS), 2016). A comparison over time also shows private sector employment continues to increase at a faster pace than other sectors (nonprofit or government). From 2010 to 2016, employment in private companies increased by 23.3 percent, outpacing the 19.9 percent workforce growth. Self-employed workers in their own incorporated businesses increased by 22.4 percent for the same period. Self-employed unincorporated business workers increased by 19.1 percent.

Miami-Dade Employment Profile

- Workforce: 1,290,097
Change from 2010: 19.9%
- Private Employment: 913,338
Change from 2010: 23.3%
- Self-Employed in own incorporated business: 82,795
Change from 2010: 22.4%
- Self-Employed in own not incorporated business: 111,531
Change from 2010: 19.1%

Source: U.S. Census, ACS 2010 and 2016

Most private sector workers are employed in Retail (15.6 percent), Healthcare and Social Assistance (12.8 percent), Accommodation and Food Services (12.5 percent), Transportation and Warehousing (7.8 percent), and Professional Scientific and Technical Services (7.0 percent). Altogether, these five sectors employ 56 percent of the workforce. Another important sector for the Miami-Dade economy is Construction, which employs approximately 7.0 percent of the private workforce. While the retail sector employment in Miami-Dade is on par with national figures, Miami has a higher proportion of the workforce in Accommodation and Food services, and Transportation and Warehousing. Conversely, a higher portion of the U.S. workforce is employed in the Manufacturing sector, 13.4 percent vs. 5.8 percent in Miami. Other sectors in the United States with a higher share of private employment include Professional, Scientific and Technical Services, Agriculture and Information. (ACS, 2016)

Over the last five years, the Miami metro area has consistently ranked in the top three in entrepreneurial activity, as measured by the number of new business startups (Kauffman Index of Entrepreneurship produced by the Ewing Marion Kauffman Foundation). In 2017, Miami surpassed Austin, TX, for the first spot in the ranking of new business creation. However, Miami ranked fifth from the bottom in entrepreneurship growth, with only Detroit ranking lower in start-up employment and revenue growth.

According to the most recent United States Global Entrepreneurship Monitor (GEM) survey, 22 percent of working age adults in Miami are starting or running new businesses, compared to the national average of 12.6 percent. The survey also found that 19 percent of entrepreneurs in Miami are starting out of necessity versus opportunity. Nationally, an average of only 11 percent of entrepreneurs start out of necessity. A larger percentage of entrepreneurs in Miami (24 percent) have at least some graduate education compared to the national average (19 percent). In terms of industry, Miami shows high startup activity in the Manufacturing/Transportation and Finance/Real Estate sectors, compared to national averages.

Miami-Dade has over 82,000 business establishments across a range of industry sectors. The U.S. Census defines an establishment as “a single physical location at which business is conducted or services or industrial operations are performed. It is not necessarily identical with a company or enterprise, which may consist of one or more establishments.” (U.S. Census, County Business Patterns Glossary)

Combined, the top four sectors in terms of number of business establishments account for almost 52 percent of businesses. These four sectors include Professional, Scientific, and Technical Services (16.4 percent), Retail Trade (13.3 percent), Wholesale Trade (11.1 percent), and Health Care and Social Assistance (10.8 percent). (U.S. Census, County Business Patterns, 2015). Almost all businesses in Miami-Dade are small, with 98.2 percent employing fewer than 100 workers.¹ The majority of businesses – 81.3 percent – are microbusinesses, i.e. they employ fewer than 10 workers. Nationally, 97.6 percent of firms have fewer than 100 employees and 76.0 percent are microbusinesses (U.S. Census Bureau, Business Dynamics Statistics, 2015).

Most of the U.S. workforce (51.8 percent) is employed in firms with more than 500 employees, while about 10.5 percent are employed in firms with fewer than 10 workers. In Miami-Dade, the employment dynamics are different, with most of the workforce concentrated in firms with fewer than 500 employees (56.3 percent). Micro businesses account for 10.8 percent of employment.



¹ For description of the criteria for small business designation, see the U.S. Small Business Administration guide on size standards, <https://www.sba.gov/contracting/resources-small-businesses/determining-business-size>

Miami-Dade’s Small Business Profile

Trends of Firms by Employment Size

Miami-Dade has over 82,000 small businesses that employ over 900,000 workers (U.S. Census, County Business Patterns, 2015). Microbusinesses have consistently accounted for most of the private establishments in the county, around 81 percent of the total. Conversely, large companies (over 500 employees) are typically only 0.2 percent of firms.²

The 2007-2009 recession shrunk the number of establishments in the county by 4.6 percent, from 76,176 in 2007, down to 72,673 in 2009. This decrease signifies the occurrence of more business deaths than business births. It affected firms of all sizes, but firms with under 100 employees declined by only 4.5 percent, while those with 100-499 employees and businesses with over 500 employees decreased by 9.3 percent and 10.6 percent respectively. These figures also likely reflect the downsizing of larger companies.

New business creation began to outpace business deaths in 2010 and the latest available data for 2015 shows an overall 2.6 percent year-over-year growth of firms (See Figure 1). The most significant growth (9.3 percent) was in mid-size establishments between 100 and 499 employees. (U.S. Census, County Business Patterns)

FIGURE 1: DISTRIBUTION OF FIRMS BY EMPLOYMENT SIZE

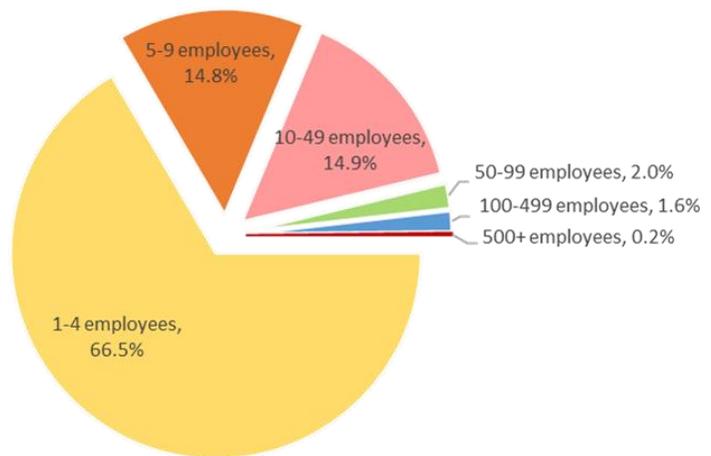
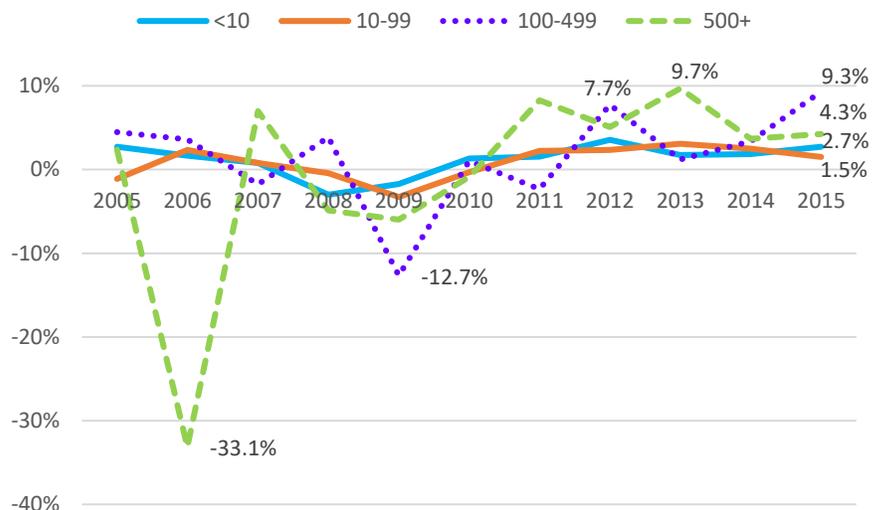


FIGURE 2: YEAR-OVER-YEAR FIRM CHANGE BY EMPLOYMENT SIZE



² Unless indicated otherwise, the report uses the definitions of the U.S. Census for enterprises, firms and establishments (<https://www.census.gov/programs-surveys/cbp/about/glossary.html>). Enterprises and companies are used interchangeably. For small-size enterprises (under 100 employees), the number of firms and establishments overlap, therefore they will be used interchangeably. ‘Business’ will be used as a general reference for privately-owned organizations of any size.

Miami-Dade’s distribution of firms by employment size is different from six other benchmark counties selected for comparison (See [Appendix A](#) for more discussion on methodology). The six counties and their cities are San Diego County (San Diego, CA), Orange County (Orlando, FL), Fulton County (Atlanta, GA), Mecklenburg County (Charlotte, NC), King County (Seattle, WA) and Harris County (Houston, TX). Miami has a lower percentage of both mid-size (100-499 employees) and large businesses (500+ employees) than the other counties (See Table 1). Conversely, Miami has the highest percentage of microbusinesses (81.3 percent) of the comparison counties.

TABLE 1: DISTRIBUTION OF FIRMS BY EMPLOYMENT SIZE

| Size | San Diego | King | Orange | Fulton | Mecklenburg | Harris | Miami-Dade |
|-------------|-----------|--------|--------|--------|-------------|--------|------------|
| Under 10 | 74.1% | 73.3% | 73.3% | 71.5% | 69.4% | 69.0% | 81.3% |
| 10-99 | 23.6% | 24.1% | 23.7% | 24.9% | 27.4% | 27.3% | 16.9% |
| 100-499 | 2.1% | 2.3% | 2.6% | 3.2% | 2.8% | 3.2% | 1.6% |
| 500+ | 0.2% | 0.3% | 0.4% | 0.4% | 0.4% | 0.4% | 0.2% |
| Total Firms | 81,710 | 66,891 | 35,327 | 35,391 | 30,039 | 99,121 | 82,293 |

Source: U.S. Census, County Business Patterns, 2015

Employer Establishments by Sector

Most businesses in Miami-Dade are in five industry sectors: Professional, Scientific and Technical Services; Retail Trade; Wholesale Trade; Healthcare and Social Assistance; and Other Services. Combined, these five sectors account for 58.9 percent of all businesses.

TABLE 2: DISTRIBUTION OF FIRMS BY SECTOR AND SIZE

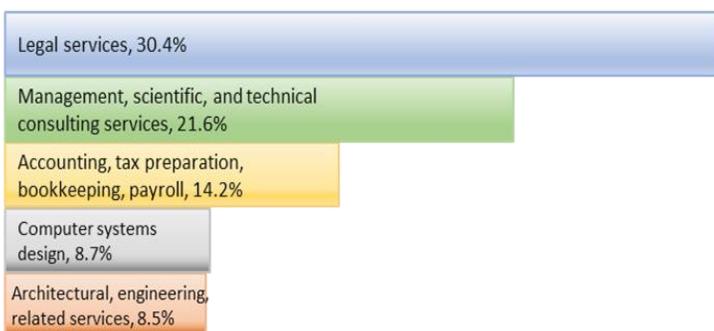
| | <10 | 10-99 | 100-499 | 500+ |
|-------------------------------------------------|--------|--------|---------|------|
| Professional, Scientific and Technical Services | 12,272 | 1,185 | 72 | 3 |
| Retail Trade | 8,367 | 2,629 | 301 | 11 |
| Wholesale Trade | 7,660 | 1,365 | 77 | 9 |
| Healthcare and Social Assistance | 7,098 | 1,603 | 152 | 33 |
| Other services | 5,170 | 841 | 29 | 1 |
| Total Firms across all Sectors | 66,893 | 13,913 | 1,340 | 147 |

Source: U.S. Census, County Business Patterns, 2015

Professional, Scientific and Technical Services

Services: These establishments are engaged in activities that require a high degree of expertise and training. Some of the activities performed include legal services; accounting, bookkeeping, and payroll; architectural, engineering, and specialized design services; computer services; consulting; research services; advertising; photographic services; translation and interpretation services; veterinary services; and others.

FIGURE 3: PROFESSIONAL SCIENTIFIC AND TECHNICAL SERVICES, TOP FIVE SECTORS BY NUMBER OF FIRMS



The sector includes over 13,000 businesses, of which only three have 500 or more employees. Nine out of ten businesses in this sector (90.7 percent) are micro businesses with fewer than 10 employees.

Firms providing legal services are almost a third of establishments in this sector, followed by businesses providing management, scientific and technical consulting services (See Figure 3). The three large establishments, with over 500 employees each, are in the Advertising/Public Relations, Engineering and Computer Systems, and Accounting subsectors. Overall, less than one percent of firms in these subsectors have more than 100 employees.

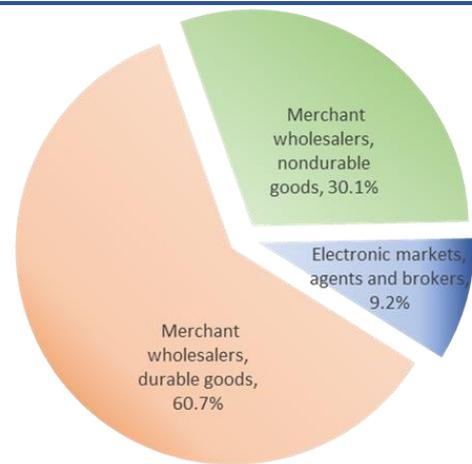
Retail Trade: These establishments sell merchandise and provide after-sales services such as repair and installation.

Approximately a third of the almost 11,000 businesses in this sector are clothing (20.5 percent) or food establishments (14.2 percent), followed by health and personal care stores (11.1 percent), motor vehicle and parts dealers (10.0 percent) and miscellaneous store retailers (9.0 percent). Only eleven businesses in the sector employ 500 or more workers – nine in general merchandise, one in food and beverage, and one in health and personal care. Approximately two-thirds of firms in this sector are microbusinesses (76.6 percent), while overall 97.1 percent employ fewer than 100 workers.

Wholesale Trade: This sector comprises two main types of wholesalers: merchant wholesalers that sell goods on their own account and business-to-business electronic markets, agents, and brokers that arrange sales and purchases for others generally for a commission or fee.

The majority of the over 9,000 establishments in this sector are merchant wholesalers of durable goods (60.7 percent), followed by merchant wholesalers of nondurable goods, and wholesale electronic markets, agents and brokers. There are only nine companies employing over 500 workers, six of which are classified as nondurable goods merchant wholesalers. Similar to the other sectors, most firms are microbusinesses (84.1 percent), and 99.1 percent employ fewer than 100 workers.

FIGURE 4: WHOLESALE SECTORS BY NUMBER OF FIRMS



Healthcare and Social Assistance: The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. The services provided by establishments in this sector are delivered by trained professionals.

This sector has 33 establishments that employ 500 workers or more, the largest of any other sector. Twenty-four (24) of them are hospitals. Most of the approximately 9,000 establishments in this sector (79.0 percent) are ambulatory health care services, including physicians, dentists, medical and diagnostic laboratories, and home health care services. This sector also includes social assistance establishments, which provide individual and family services, rehabilitation, and child day care (14.4

percent). There are also 550 nursing and residential care facilities (6.2 percent) and 32 hospitals (0.4 percent).

Approximately 79.9 percent of establishments in the sector have fewer than 10 employees, while overall 97.9 percent employ fewer than 100 workers.

Other Services: Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing; promoting or administering religious activities, grant making, advocacy; and providing dry-cleaning and laundry services, personal care, death care, pet care, photofinishing, temporary parking, and dating services.

Over 6,000 establishments in this sector are distributed across three subsectors: Repair and Maintenance (32.1 percent), Personal and Laundry services (39.0 percent), and Religious, Grant Making, Civic, Professional, and similar organizations (29.0 percent). The only firm in the sector that employs over 500 workers is classified as a parking lot/garage. Overall, 99.5 percent of firms employ fewer than 10 workers, while 85.6 percent are microbusinesses.

Almost half of the Miami-Dade workforce (49.1 percent) is employed in Healthcare and Social Assistance (12.4 percent), Retail (11.8 percent), Accommodation and Food Services (9.7 percent), Construction (7.8 percent), and Educational Services (7.3 percent). These figures include all classes of workers, encompassing both private firm and self-employment, as well as government employees. Most private sector workers are in Retail (15.6 percent), Healthcare and Social Assistance (12.8 percent), Accommodation and Food Services (12.5 percent), Transportation and Warehousing (7.8 percent), and Professional Scientific and Technical Services (7.0 percent). Altogether, these five sectors employ 56 percent of the workforce. Only three of these sectors are in the top five in terms of number of firms: Professional, Scientific and technical Services, Healthcare and Social Assistance, and Retail. The following section describes the distribution of firms in the other economic sectors.

The **Real Estate and Rental and Leasing** sector ranks sixth by number of establishments, with approximately 5,700 firms. The sector employs only about 25,000 workers. Almost nine of ten establishments in this sector (88.9 percent) are engaged in real estate activities, while the remaining firms provide rental and leasing services, or are lessors of nonfinancial intangible assets. Three businesses in this sector employ over 500 workers, while 93.1 percent have fewer than 10 employees.³

Accommodation and Food Services: The sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

The sector is comprised of approximately 5,300 establishments. Accommodation businesses account for 91.4 percent of establishments and the remaining 8.6 percent provide food services. Microbusiness are 52.9 percent of companies, while overall 96.5 percent of firms employ fewer than 100 workers. Most large businesses in this sector (12) are in the Accommodation subsector while three are classified as 'Food Services and Drinking Places' - food contractors and restaurants.

Construction: The sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the

³ The U.S. Small Business Administration uses sales figures in the classification of real estate businesses. The U.S. County Business Patterns does not collect business sales data.

preparation of sites for new construction and in subdividing land for sale as building sites also are included. Construction work done may include new work, additions, alterations, or maintenance and repairs.

Approximately 67.0 percent of about 4,600 businesses in this sector are specialty trade contractors, including foundation, structure, and building exterior contractors; building equipment contractors, building finishing contractors and others. Establishments in the Construction of Buildings subsector accounts for 27.6 percent of firms. This subsector comprises establishments of the general contractor type and for-sale builders involved in the construction of buildings. Heavy and civil engineering construction firms are 5.3 percent of companies.

There are no establishments with over 500 workers in this sector. The majority (99.2 percent) have fewer than 100 employees, while 84.8 percent employ fewer than 10 workers.⁴

Finance and Insurance: This sector is also a major contributor to Miami-Dade’s economy, with approximately 4,500 businesses and approximately 48,000 workers. Most establishments (82.8 percent) employ fewer than 10 workers, while 98.2 percent have fewer than 100 employees.

Educational Services: Establishments in this sector provide instruction and training in a wide variety of subjects. The instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. Establishments that manage schools and other educational establishments on a contractual basis are also included in this sector.

Six establishments in this sector employ 500 workers or more. One establishment is classified as ‘Elementary and secondary schools’, and five are in the category of ‘Colleges, universities, and professional schools’. Almost two-thirds of the over 1,000 establishments in this sector employ fewer than 10 workers (65.8 percent), while 95.5 percent have under 100 employees.

See [Appendix B](#) for detailed breakdown by number of establishments.

⁴ The Small Business Administration defines small businesses in the Construction sector as establishments with less than \$15 million in sales for specialty trade contractors subsectors, and \$36.5 million for the Construction of Buildings and the Heavy and Civil Engineering subsectors. The U.S. Census County Business Patterns database does not contain information on sales.

Private Employment and Wages by Firm Size

Small businesses are important contributors to Miami-Dade’s economy as they account for the majority of establishments and private employment in the county. In fact, 81% of the over 82,000 private businesses have fewer than 10 employees. By comparison, 73% of businesses in the United States are in that size class. (U.S. Census Bureau, 2015 County Business Patterns) The U.S. Census, the Small Business Administration, the Bureau of Labor Statistics and other sources for business data make a distinction between enterprises, firms and establishments. An establishment generally refers to a single location, while a single firm may consist of many separate establishments. An enterprise may be a single firm or a combination of firms that engages in economic activities that are classified into multiple industries.⁵ Analysis of Business Employment Dynamics data from the Bureau of Labor Statistics shows that enterprise- and firm-level series consistently track each other and follow a similar pattern of peaks and troughs over the business cycle.⁶ Table 3 shows the distinction between firms and establishments. Firms with fewer employees are less likely to have multiple locations and the difference between the number of firms and establishments is smaller. The employment and annual payroll figures are shown for each enterprise category.

TABLE 3: MIAMI-DADE BUSINESS COUNT BY SIZE, 2015

| Enterprise Size | Firms | Establishments | Employment | Annual Payroll (in \$1,000) |
|-------------------|--------|----------------|------------|-----------------------------|
| <20 employees | 66,612 | 66,764 | 210,802 | \$8,577,678 |
| 20-99 employees | 4,219 | 4,653 | 154,199 | \$6,265,677 |
| 100-499 employees | 1,291 | 2,208 | 141,028 | \$6,467,558 |
| 500+ employees | 1,642 | 8,668 | 443,326 | \$23,523,698 |
| Total | 73,764 | 82,293 | 949,355 | \$44,834,611 |

Source: U.S. Census Bureau, Statistics of U.S. Businesses, 2015.

The employment data by business size is supplied by the U.S. Census in the Statistics of U.S. Businesses (SUSB) annual series, which were developed in cooperation with, and partially funded by, the Office of Advocacy of the U.S. Small Business Administration (SBA). SUSB covers most of the country's economic activity. The series excludes data on nonemployer businesses, private households, railroads, agricultural production, and most government entities. The analysis that follows will focus on employment distribution in enterprises rather than firms or establishments. ‘Enterprise’, ‘company’, ‘business’ and firm will be used interchangeably. It should also be noted that approximately 30% of workers in Miami-Dade are not accounted for in the private employment analysis as they work in nonprofit or government agencies, or they are self-employed. Subsequent sections will discuss overall employment in the county as well as the “gig economy” data, which deals with self-employed workers and nonemployer businesses.

According to SUSB, in 2015, the majority of private employment in the county (53.3%) was in enterprises of fewer than 500 employees. In other words, smaller companies are a bigger job contributor to Miami-Dade’s economy than 500+ employee companies. By comparison, while only about 0.3% of U.S. businesses have over 500 employees, they account for 53% of employment.

⁵ For definitions of each category, see Statistics of U.S. Businesses (SUSB) Glossary, <https://www.census.gov/programs-surveys/susb/about/glossary.html>

⁶ See Akbar Sadeghi, David M. Talan, and Richard L. Clayton, "Establishment, firm, or enterprise: does the unit of analysis matter?", Monthly Labor Review, U.S. Bureau of Labor Statistics, November 2016, <https://doi.org/10.21916/mlr.2016.51>.

Additionally, small businesses are also a significant contributor to *job growth*. Between 2010 and 2015, employment in companies of fewer than 500 employees increased by 17.1%, slightly lower than the 19.8% employment growth in 500+ employee firms. Since 2007, employment in businesses of fewer than 500 employees in Miami-Dade has hovered between 53-55% of total employment. Table 4 shows a more detailed breakdown by four employment size categories. The most significant job growth in the 2010-2015 timeframe was in companies of 100 to under 500 employees (23.7%). Job growth in businesses with fewer than 20 employees was only 9.4% in the same period. Approximately 147,000 private jobs were added to the economy from 2010 to 2015. Large businesses (500+ employees) accounted for 49.8% of the job growth, adding over 73,000 jobs.

FIGURE 5: EMPLOYMENT BY BUSINESS SIZE, MIAMI-DADE COUNTY, 2015

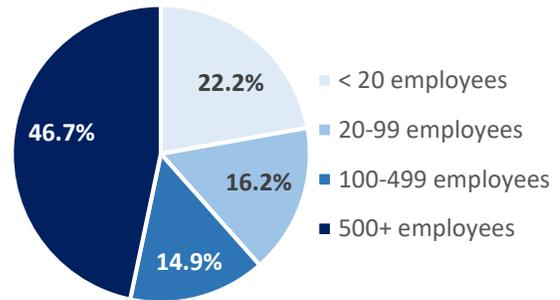


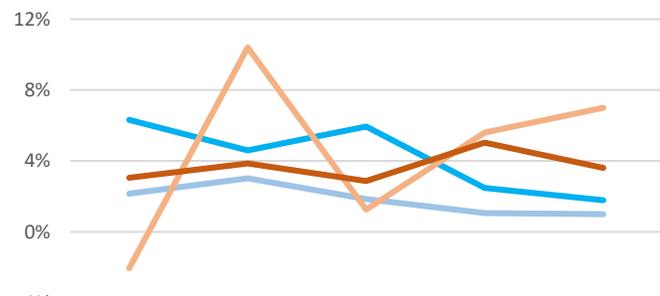
TABLE 4: MIAMI-DADE EMPLOYMENT BY FIRM SIZE, 2010-2015

| SIZE CATEGORY | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | CHANGE 2010-2015 |
|-------------------|---------|---------|---------|---------|---------|---------|------------------|
| <20 employees | 192,679 | 196,820 | 202,769 | 206,527 | 208,714 | 210,802 | 9.4% |
| 20-99 employees | 125,476 | 133,404 | 139,533 | 147,826 | 151,492 | 154,199 | 22.9% |
| 100-499 employees | 113,980 | 111,643 | 123,260 | 124,811 | 131,809 | 141,028 | 23.7% |
| 500+ employees | 369,974 | 381,249 | 395,973 | 407,333 | 427,844 | 443,326 | 19.8% |
| Total | 802,109 | 823,116 | 861,535 | 886,497 | 919,859 | 949,355 | 18.4% |

Source: U.S. Census Bureau, Statistics of U.S. Businesses, 2010-2015.

Since 2010, employment in the four business size categories has increased year-over-year, but the growth has been most consistent for larger businesses. Figure 6 shows the percentage change of total employees in the respective business sizes. Job growth slowed down for businesses with fewer than 100 employees, while growth in larger businesses was generally higher, especially in 2014 and 2015.

FIGURE 6: YEAR-OVER-YEAR JOB GROWTH BY BUSINESS SIZE, MIAMI-DADE COUNTY, 2011-2015



| Business Size | 2011 | 2012 | 2013 | 2014 | 2015 |
|-------------------|-------|-------|------|------|------|
| < 20 employees | 2.1% | 3.0% | 1.9% | 1.1% | 1.0% |
| 20-99 employees | 6.3% | 4.6% | 5.9% | 2.5% | 1.8% |
| 100-499 employees | -2.1% | 10.4% | 1.3% | 5.6% | 7.0% |
| 500+ employees | 3.0% | 3.9% | 2.9% | 5.0% | 3.6% |

Another way to examine the contribution of small businesses to the Miami-Dade economy is with the analysis of wages. SUSB data reports aggregate data by business size which only allows for the calculation of the average wages. It should be noted that the distribution of workers by wage level is highly skewed, as the average is affected by very high income earners. The median wage is substantially less than the

average wage. The Office of the Chief Actuary, U.S. Social Security Administration, calculated that the ratio of national median to average wage in the 2010-2015 period was approximately 65%.⁷ A subsequent section on *Employment and Wages in All Firms* which relies on individual firm data will demonstrate the difference for Miami-Dade workers. However, the comparison of wages across enterprise size categories shows that wages of businesses with fewer than 100 employees were 14% lower than the overall average wage for workers in private companies.

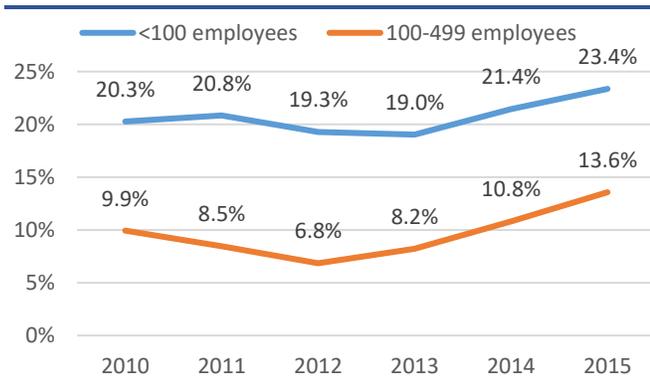
TABLE 5: AVERAGE WAGES BY ENTERPRISE SIZE, 2015

| Enterprise Size | Employment | Annual Payroll (in \$1,000) | Average Wages |
|-------------------|------------|-----------------------------|---------------|
| <20 employees | 210,802 | \$8,577,678 | \$40,691 |
| 20-99 employees | 154,199 | \$6,265,677 | \$40,634 |
| 100-499 employees | 141,028 | \$6,467,558 | \$45,860 |
| 500+ employees | 443,326 | \$23,523,698 | \$53,062 |
| Total | 949,355 | \$44,834,611 | \$47,226 |

Source: U.S. Census Bureau, Statistics of U.S. Businesses, 2015.

The gap in average wages between small and large companies expanded in 2014 and 2015. Figure 7 shows the percentage difference between average wages paid to workers in enterprises with fewer than 100 employees and companies with 100-499 workers, in comparison to large companies with 500 or more employees. As previously noted, companies with fewer than 500 employees account for most of employment in the county, and the gaps have broader economic implications for overall wage structure in the area. Historically, the gap between large companies and those employing fewer than 100 workers has been significantly higher than for mid-size enterprises. The figure shows that after a dip in 2012, it began to increase again.

FIGURE 7: DIFFERENCE IN AVERAGE WAGES BY BUSINESS SIZE, 2010-2015



The increasing gap is also linked to the slower wage growth in smaller companies. For accurate comparisons, the nominal wages for each year were adjusted for inflation. Overall, the average wage of private company workers increased by 4.7%, mostly as a result of the 6.5% increase of mean wages of workers in large companies. In fact, when adjusted for inflation, from 2010 to 2015, wage growth in companies employing fewer than 100 workers was only 2.4%.

TABLE 6: MIAMI-DADE AVERAGE WAGES BY FIRM SIZE, 2010-2015

| SIZE CATEGORY | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | CHANGE 2010-2015 |
|-------------------|----------|----------|----------|----------|----------|----------|------------------|
| <20 employees | \$39,170 | \$39,177 | \$39,510 | \$38,892 | \$39,485 | \$40,691 | 3.9% |
| 20-99 employees | \$40,548 | \$39,377 | \$40,480 | \$40,468 | \$39,713 | \$40,634 | 0.2% |
| 100-499 employees | \$44,864 | \$45,393 | \$46,056 | \$44,834 | \$44,939 | \$45,860 | 2.2% |
| 500+ employees | \$49,816 | \$49,594 | \$49,441 | \$48,844 | \$50,382 | \$53,062 | 6.5% |
| Total | \$45,105 | \$44,878 | \$45,168 | \$44,564 | \$45,372 | \$47,226 | 4.7% |

Source: U.S. Census Bureau, Statistics of U.S. Businesses, 2010-2015.

⁷ See *Measures Of Central Tendency For Wage Data*, Office of the Chief Actuary, U.S. Social Security Administration. <https://www.ssa.gov/OACT/COLA/central.html>

Employment and Wages in All Establishments

This section presents employment and wage data by size of firm from the Quarterly Census of Employment and Wages (QCEW) program of the Florida Department of Economic Opportunity (DEO), which collects the number of employers or reporting units, monthly employment, average employment, total wages, and average wages by industry classification. The database covers 98 percent of U.S. jobs available by industry at the county level, and includes both public and private organizations. Unlike the analysis in the previous section, which relied on the *Statistics of U.S. Businesses (SUSB)* data from the U.S. Census, the QCEW includes the whole universe of employers, including public agencies such as the local school board and the U.S. Postal Service.⁸ The dataset provided by the Florida DEO contains 79,526 organizations that employed at least one employee in mid-2016. Because the QCEW is collected based on the location of employers, the total employment in QCEW is larger than the Miami-Dade workforce. In other words, the total employment includes workers who commute from other counties. While not directly comparable to other government sources of firms, employment and wages, this dataset provides more current information than the *County Business Patterns* and allows for more detailed analysis by employment size, firm establishment and wages. To remain consistent with term use in the QCEW, this section refers to all reporting units in the QCEW as establishments.

In 2016, most of the workforce was in establishments with fewer than 500 employees (See Table 7). These establishments also accounted for 54.4 percent of wages paid. Table 8 shows a detailed breakdown of employment and wages by organization size. Wages at larger employers in Miami-Dade are generally higher. Workers at establishments with over 100 employees earn on average approximately \$51,800, or about five percent more than the overall average wage.

Almost 81 percent of establishments in Miami-Dade employ fewer than 10 workers. The average wage at these small employers is four percent lower than at establishments with a workforce of 10 to 99, and almost 19 percent lower than establishments with over 100 employees. Average wages were calculated by dividing the total wages in each size category by the total number of employees in these establishments. In addition, Table 8 also

TABLE 7: MIAMI-DADE EMPLOYMENT BY ESTABLISHMENT SIZE

| Establishment Size | Employment | Percent |
|--------------------|------------|---------|
| 1 employee | 25,327 | 1.6% |
| 2-9 employees | 148,919 | 9.3% |
| 10-99 | 409,019 | 25.4% |
| 100-499 employees | 322,435 | 20.0% |
| >500 employees | 703,978 | 43.7% |
| Total | 1,609,678 | |

Source: Florida Department of Economic Opportunity, Quarterly Census of Employment and Wages, 2016.

TABLE 8: MIAMI-DADE EMPLOYMENT AND WAGES

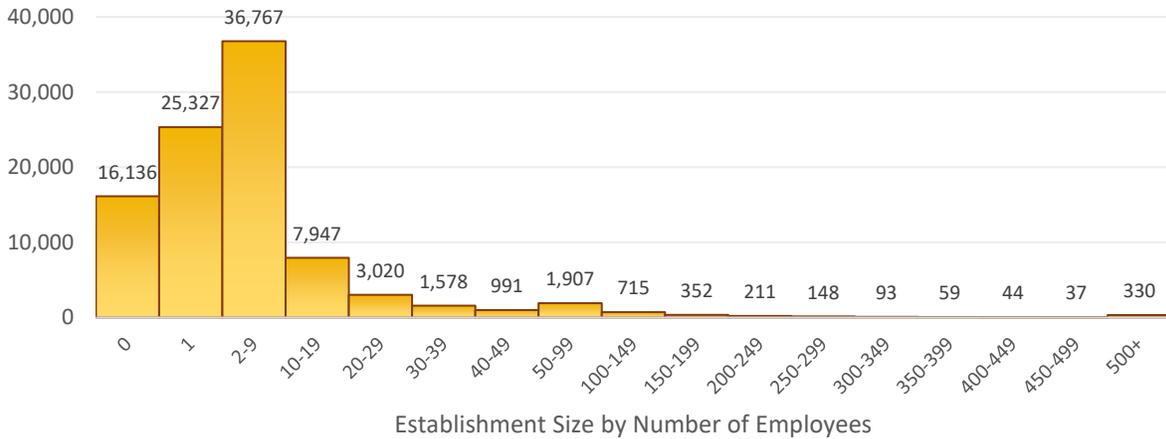
| Size | Establishments | Employment | Total Wages | Average Annual Wage | Aggregate Median |
|---------|----------------|------------|------------------|---------------------|------------------|
| 1 | 25,327 | 25,327 | \$283,681,783 | \$44,803 | \$24,000 |
| 2-9 | 36,767 | 148,919 | \$1,617,155,982 | \$43,437 | \$30,667 |
| 10-99 | 15,443 | 107,429 | \$4,661,479,504 | \$45,587 | \$33,890 |
| 100-499 | 1,659 | 169,924 | \$4,234,712,209 | \$52,534 | \$61,815 |
| 500+ | 330 | 1,026,413 | \$9,059,425,813 | \$51,476 | \$43,190 |
| Total: | 79,526 | 1,609,678 | \$19,856,455,291 | \$49,343 | - |

Source: Florida Department of Economic Opportunity, Quarterly Census of Employment and Wages (QCEW), 2016.

⁸ The reporting units in the QCEW database are firms, rather than establishments. Reporting practices of multi-establishment firms vary across states depending on state law requirements. Florida law permits firms with multiple establishments to report as a single entity.

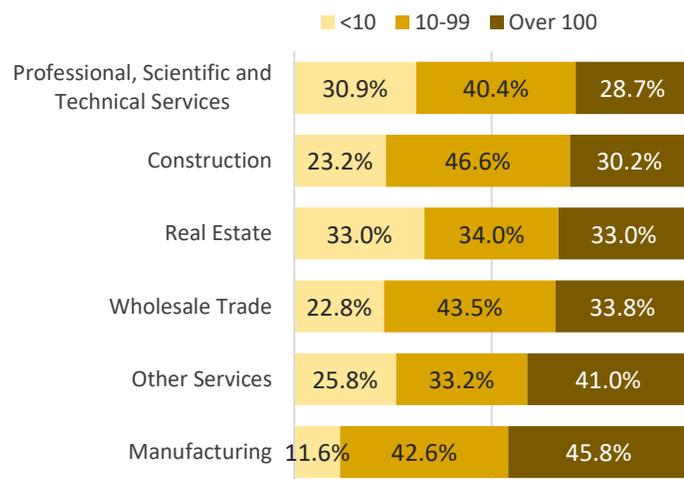
shows the aggregate median wage for each size category. The aggregate median value is simply the middle value in the sorted list of average wages for each size class. In other words, this is the median of average values rather than a median based on employee-level data. For example, the last column shows that the aggregate median for microbusiness establishments is \$30,667, which means that half of the establishments in that class pay an average wage lower than that figure, and half have average wages above it.

FIGURE 8: NUMBER OF ESTABLISHMENTS BY SIZE



Overall, 36.2 percent of employment is in smaller establishments of under 100 workers. However, there are six sectors in which the *majority* of the workforce is concentrated in smaller firms, as shown in Figure 9. The firms in these sectors employ less than a quarter of the total workforce in the county. Only two of these sectors - Manufacturing and Other Services – have wages above the average county wage. The Professional, Scientific and Technical Services sector has the highest concentration of employment in microbusinesses (30.9 percent). In fact, this sector leads in the number of single-employee firms (5,294), followed by ‘Other Services’ with 3,352 firms. Table 9 shows that approximately one in three establishments with a single employee are in these two sectors. These two sectors are at opposing ends of the wage spectrum, with an average wage of \$79,333 in the Professional, Scientific and Technical Services sector, and \$31,523 in the ‘Other Services’ sector. (See following section on *Wages*)

FIGURE 9: SECTORS WITH MAJORITY EMPLOYMENT IN FIRMS UNDER 100 EMPLOYEES



The workforce in the top sectors by employment – Retail, Healthcare and Social Assistance, and Accommodation and Food Services – is primarily concentrated in larger establishments of over 100 employees. Over 70 percent of the workforce in the Retail and Healthcare and Social Assistance sectors is in establishments of 100 employees or more. In the Accommodation and Food Services, 51.9 percent of employees are in firms of over 100 employees. Approximately 80 percent of the Transportation and Warehousing sector workforce is in establishments over 100 employees.

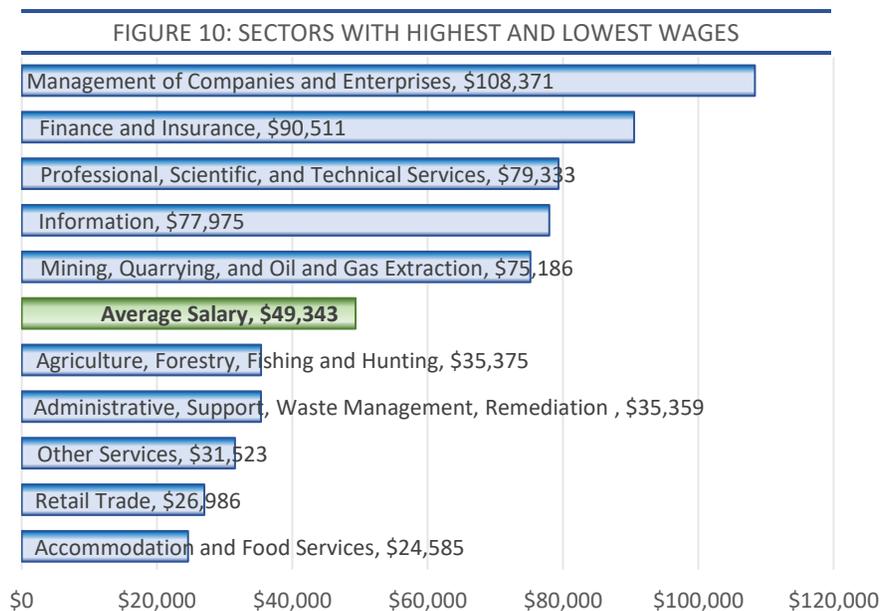
TABLE 9: MIAMI-DADE SINGLE-EMPLOYEE ESTABLISHMENTS

| Size | Establishments | Percent |
|------------------------------------------------|----------------|---------|
| Professional Scientific and Technical Services | 5,294 | 20.9% |
| Other Services | 3,352 | 13.2% |
| Retail Trade | 2,711 | 10.7% |
| Healthcare and Social Assistance | 2,274 | 9.0% |
| Wholesale Trade | 2,191 | 8.7% |
| Real Estate | 2,022 | 8.0% |
| Construction | 1,521 | 6.0% |
| Administrative and Support | 1,296 | 5.1% |
| Finance and Insurance | 1,149 | 4.5% |
| Transportation and Warehousing | 851 | 3.4% |
| Total: | 25,327 | |

Source: Florida Department of Economic Opportunity, Quarterly Census of Employment and Wages (QCEW), 2016.

Wages

Overall, across all industry sectors and size of establishments, employees earn an average of \$49,343 in Miami-Dade County (QCEW, 2016). However, wages vary depending on the industry sector of employment. Figure 10 shows a comparison of the top five and bottom five industry sectors by wages, and in comparison to the average wage in the county. The highest earning sectors employ under 200,000 workers, while the lowest earning sectors account for over 600,000 of the workforce.



Establishment size in terms of employment also affects wages, as shown in Table 10. While establishments younger than 2 years have average wages of under \$42,000, those who have been in existence for 10 years or more pay on average over \$52,000.

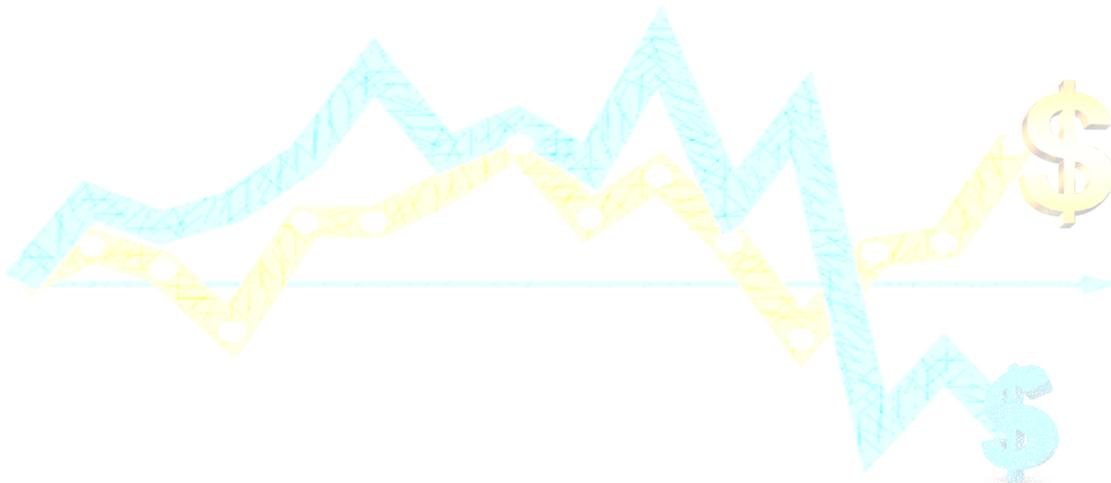
TABLE 10: AVERAGE WAGE IN MIAMI-DADE ESTABLISHMENTS BY SIZE AND YEAR CREATED

| Firm Size | Total by Size | Years of Existence | | | |
|-----------|---------------|--------------------|-----------|------------|----------|
| | | <2 years | 2-4 years | 4-10 years | 10+ |
| 1 | 25,324 | \$42,251 | \$43,241 | \$48,249 | \$45,802 |
| 2-9 | 36,758 | \$38,546 | \$44,101 | \$44,304 | \$44,715 |
| 10-19 | 7,943 | \$40,230 | \$42,504 | \$44,932 | \$48,617 |
| 20-49 | 5,587 | \$38,191 | \$43,422 | \$44,197 | \$48,026 |
| 50-99 | 1,904 | \$39,071 | \$46,299 | \$44,584 | \$51,502 |
| 100-499 | 1,658 | \$48,869 | \$44,843 | \$51,513 | \$55,649 |
| 500+ | 330 | \$42,408 | \$35,477 | \$49,923 | \$52,801 |
| Overall | 79,504 | \$41,484 | \$42,997 | \$47,792 | \$52,229 |

Source: Florida Department of Economic Opportunity, Quarterly Census of Employment and Wages (QCEW), 2016. (Note: Table excludes establishments for which year of creation or employment size are not available.)

The analysis of wages by size of the establishment within sectors shows that in most sectors, the average wages are higher in larger companies. For example, employees of construction companies with 100 or more workers earn 38 percent more than the average wage for the sector. Conversely, those employed in firms with fewer than 100 employees, earn seven percent less than the average wage for the sector. The average wage of employees of transportation and warehousing companies with more than 100 workers is four percent higher than the salary for the sector, while workers in companies of fewer than 100 workers earn 13 percent less on average.

There are three sectors in which the average wage in smaller establishments is higher than the wage for the respective sector overall. In the Management of Companies and Enterprises sector which employs just over 10,000 workers, the average wage for smaller companies (under 100 workers) is 19 percent higher, and in companies over 100 workers it is 7 percent lower than the wage for the sector. Similar differences are observed in the Administrative and Support and Waste Management and Remediation Services, and the sector that combines all other services.



Another factor that may affect wages is the age of the firm. In 2016, approximately 19 percent of all establishments were less than two years old. Table 11 shows the relationship between size and age from the QCEW database. Almost a quarter (24.1 percent) of single-employee firms reporting employment and payroll data in 2016 were established in 2015 or 2016. The table shows a positive correlation between firm age and size. Smaller establishments are more likely to be younger. The median year of establishment for all companies in the QCEW database is 2010. The median age for single employee companies is 4 years (median year of establishment 2012). In contrast, the median year for the 330 companies of 500 employees or more is 1999.

TABLE 11: MIAMI-DADE ESTABLISHMENTS BY SIZE AND YEAR CREATED

| Firm Size | Total by Size | Years of Existence | | | |
|-----------|---------------|--------------------|-----------|------------|-----------|
| | | <2 years | 2-4 years | 4-10 years | 10+ years |
| 1 | 25,324 | 24.1% | 28.3% | 23.9% | 23.8% |
| 2-9 | 36,758 | 17.8% | 21.8% | 25.6% | 34.9% |
| 10-19 | 7,943 | 14.6% | 19.7% | 27.4% | 38.3% |
| 20-49 | 5,587 | 15.4% | 19.4% | 26.0% | 39.2% |
| 50-99 | 1,904 | 14.3% | 17.6% | 24.9% | 43.1% |
| 100-499 | 1,658 | 8.9% | 14.9% | 23.7% | 52.5% |
| 500+ | 330 | 4.5% | 9.1% | 18.2% | 68.2% |
| Overall | 79,504 | 19.0% | 23.2% | 25.1% | 32.7% |

Source: Florida Department of Economic Opportunity, Quarterly Census of Employment and Wages (QCEW), 2016. (Note: Table excludes establishments for which year of creation or employment size are not available.)

Almost 140,000 workers are employed in “young” establishments with less than two years of existence, and another 190,000 in firms that have been around for only two to four years. However, approximately 60 percent of Miami-Dade’s workforce is in establishments that have been in business for 10 or more years.



THE GIG ECONOMY: SELF-EMPLOYMENT AND NONEMPLOYER ESTABLISHMENTS

The rate of self-employment and the number of nonemployer establishments are often used as measures of the “gig” economy, in which workers perform specific tasks on a contractual basis for the duration of the task completion. Many gig workers fit the Census definition of a nonemployer: in most cases, a self-employed individual operating a very small, unincorporated business with no paid employees.⁹

Miami-Dade County has had historically higher rate of self-employment than the United States. The 2016 Census estimates put Miami’s self-employment rate at 15.0 percent of all workers over age 16. That rate has stayed stable over time, only fluctuating slightly with the lowest self-employment at 13.6 percent in 2011. The area’s self-employment rate is also higher than any of the other benchmark counties.

Table 12 also shows self-employment rates for broad occupational groups. Almost a third of the Miami workforce employed in natural resource, construction and maintenance occupations are self-employed. Almost one in six employees in service, as well as management, business, science and arts occupations are also self-employed.

TABLE 12: SELF-EMPLOYMENT IN BENCHMARK COUNTIES AND THE UNITED STATES BY OCCUPATIONS

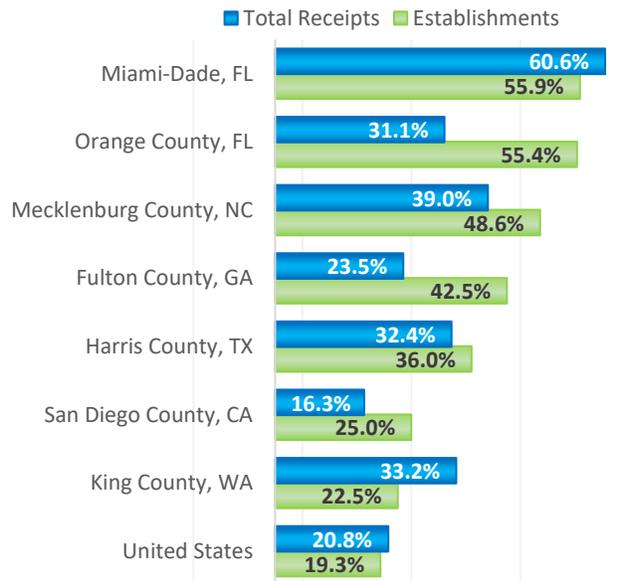
| | King (WA) | San Diego (CA) | Orange (FL) | Fulton (GA) | Mecklenburg (NC) | Harris (TX) | United States | Miami-Dade (FL) |
|--------------------------------------------------------|-----------|----------------|-------------|-------------|------------------|-------------|---------------|-----------------|
| Overall Rate | 10.2% | 12.5% | 10.0% | 10.4% | 9.5% | 10.0% | 9.8% | 15.0% |
| In Management, business, science, and arts occupations | 10.3% | 13.1% | 10.8% | 10.4% | 8.8% | 9.4% | 10.4% | 15.6% |
| In Service occupations | 12.9% | 14.3% | 8.6% | 12.9% | 13.1% | 13.9% | 10.7% | 15.3% |
| In Sales and office occupations | 8.0% | 9.0% | 8.8% | 8.2% | 8.5% | 7.6% | 7.3% | 10.4% |
| In Natural resources, construction, and maintenance | 13.3% | 17.5% | 14.8% | 15.4% | 13.7% | 13.4% | 16.3% | 30.9% |
| In Production, transportation, and material moving | 7.9% | 9.1% | 8.7% | 9.4% | 6.5% | 7.3% | 5.9% | 10.7% |

Source: U.S. Census Bureau, 2016 American Community Survey 1-Year Estimates

⁹ A nonemployers business is one that “has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Most nonemployers are self-employed individuals operating very small unincorporated businesses, which may or may not be the owner’s principal source of income.” Receipts figures include gross receipts, sales, commissions, and income from trades and businesses, as reported on annual business income tax returns. (Source: U.S. Census, <https://www.census.gov/epcd/nonemployer/view/define.html>)

Nonemployer establishments are another reliable measure of the rise of the Gig Economy – that is the self-employed, freelance workers and independent contractors. Nonemployer establishments can be incorporated (categorized as “corporations”) or unincorporated (categorized as individual proprietorships or partnerships). Between 2005 and 2015, the number of nonemployer establishments in the Miami area rose 55.9 percent, almost three times the national rate. Figure 11 also shows that Miami leads among the comparison counties in growth of establishments as well as total sales. The growth in nonemployer establishments in Orange County, FL, was slightly smaller than Miami’s (55.4 percent), and Mecklenburg County (Charlotte, NC) came close (48.6 percent).

FIGURE 11: CHANGE IN NONEMPLOYER ESTABLISHMENTS AND RECEIPTS (SALES), 2005-2015



The growth in the number of establishments indicates strong entrepreneurial activity in Miami-Dade and is consistent with Miami’s leading position in the United States in terms business creation, as ranked by the Kauffman Index. However, with average receipts per nonemployer establishment of \$41,829, Miami lags the national average of \$47,211, an 11.4 percent difference. The average receipts in almost all other comparison counties were above Miami’s, with King County (\$56,223) and Harris County (\$51,174) at the high end. Only Orange County (FL) recorded lower average receipts per nonemployer establishment (\$40,519).

Another significant finding is the decrease of the average sales per nonemployer establishment over time in most benchmark counties from 2005 to 2015 (Table 13). There was a modest increase of the average receipts for nonemployer establishments in the United States and in Miami-Dade. From 2005 to 2015, the average sales for nonemployer establishments in the United States increased by 1.2 percent. Average receipts in Miami-Dade increased by 3.0 percent, from \$40,627 in 2005 to \$41,829 in 2015. King County (Seattle, WA) had an increase of 8.8 percent. In contrast, the other counties had significant decreases in average receipts – 15.7 percent in Orange County, 13.3 percent in Fulton County, and 6.9 percent in San Diego. The average receipt decrease was smaller for establishments in Mecklenburg (-6.4 percent) and Harris County (-2.7 percent).

TABLE 13: AVERAGE RECEIPTS IN NONEMPLOYER ESTABLISHMENTS

| Area | Avg. Receipt (2015) | Avg. Receipt Change ('05-'15) |
|-----------------------|---------------------|-------------------------------|
| King County, WA | \$56,223 | 8.8% |
| Miami-Dade County, FL | \$41,829 | 3.0% |
| United States | \$47,211 | 1.2% |
| Harris County, TX | \$51,174 | -2.7% |
| Mecklenburg County, | \$46,479 | -6.4% |
| San Diego County, CA | \$50,390 | -6.9% |
| Fulton County, GA | \$50,995 | -13.3% |
| Orange County, FL | \$40,519 | -15.7% |

Source: U.S. Census Bureau, 2015 Nonemployer Statistics

Miami has the highest percentage of nonemployer establishments in the “Other Services” sector, 18.0 percent, which is the top sector in terms of number of firms. The top five sectors account for 62.5 percent of firms. The average receipts of firms in that sector in 2015 were \$24,257.

The other four sectors with a high concentration of nonemployer firms include:

- Administrative and support and waste management and remediation services (12.5 percent),
- Real estate and rental and leasing (12.1 percent),
- Professional, scientific, and technical services (10.4 percent), and
- Transportation and warehousing (9.5 percent)

Average receipts in the Administrative and support services sector were only \$18,197, significantly lower than the countywide average of \$41,829 for nonemployer establishments. Real estate and rental and leasing establishments had average receipts of \$77,153, while receipts in Transportation and warehousing were \$40,531.

One notable difference between Miami and the six comparison counties is the lower percentage of nonemployer firms in the Professional, Scientific and Technical Services sector. Firms in this sector provide specialized services, which require a high degree of expertise and training, including legal services, engineering, accounting, research etc. Nationally, 14.0 percent of nonemployer firms are in that sector. Of the six comparison counties, King County (Seattle) has the highest percentage of nonemployer firms in this sector (23.7 percent), followed by San Diego (19.9 percent), and Fulton County (19.1 percent). Only 10.4 percent of nonemployer establishments in Miami-Dade are in that sector, lower than the 12.4 percent reported in Orange County, FL. Average receipts for establishments in that sector in Miami-Dade were \$49,377, or 18 percent above the county average.

Small Business Loans

Entrepreneurs rely on access to capital to supply the financing they need to commercialize innovation, seize marketplace opportunities, and compete locally and internationally. The Community Reinvestment Act of 1977 (CRA) seeks to ensure that banking institutions reinvest a significant portion of the deposits they take from local communities back into those communities. A 1995 revision to the CRA established that insured depository institutions must report their lending to small businesses and their provision of small loans to businesses. Approximately 2,000 financial institutions are subject to the reporting requirements of the CRA regulations.¹⁰ The CRA data are the most comprehensive publicly available data on small business lending, covering approximately 86 percent of all loans of \$1 million or less.¹¹

According to the Federal Financial Institutions Examinations Council (FFIEC), there were 125 small business lenders in Miami-Dade in 2016 who provided SBA-backed loans.¹² However, the average size of business loans in Miami-Dade was significantly lower than the six comparison counties (See Table 14). In the United States, the average business loan to firms with revenues of \$1 million or less was \$26,626. The highest average loan of the six counties was in Mecklenburg, NC (Charlotte). However, Miami-Dade had the highest number of loan originations to businesses with gross annual revenues of \$1 million or less – 49,595. With the exception of Harris County, in all other counties, loans to businesses with revenues of \$1 million or less are the majority of loans.

TABLE 14: TOTAL LOAN AND SMALL BUSINESS LOAN ORIGINATION FOR SBA-BACKED LOANS, 2016.

| County | Total Loans | | Loans to Businesses with Gross Annual Revenues <= \$1 Million | | | | |
|--------------------|-----------------|--------------------|---------------------------------------------------------------|--------------------|----------|------------------|-------------------|
| | Number of Loans | Amount (in 1,000s) | Number of Loans | Amount (in 1,000s) | Average | % of Total Loans | % of Total Amount |
| King County | 51,357 | \$2,029,168 | 25,696 | \$676,187 | \$26,315 | 50.0% | 33.3% |
| San Diego County | 87,941 | \$2,649,566 | 45,456 | \$923,488 | \$20,316 | 51.7% | 34.9% |
| Orange County | 30,435 | \$896,470 | 15,830 | \$303,766 | \$19,189 | 52.0% | 33.9% |
| Fulton County | 32,672 | \$1,217,810 | 17,749 | \$422,563 | \$23,808 | 54.3% | 34.7% |
| Mecklenburg County | 23,256 | \$1,153,342 | 12,421 | \$402,621 | \$32,415 | 53.4% | 34.9% |
| Harris County | 95,860 | \$3,892,702 | 42,245 | \$1,231,241 | \$29,145 | 44.1% | 31.6% |
| Miami-Dade County | 91,682 | \$2,298,996 | 49,595 | \$787,403 | \$15,877 | 54.1% | 34.2% |
| USA | 6,106,355 | \$229,278,587 | 3,052,400 | \$81,274,583 | \$26,626 | 50.0% | 35.4% |

Source: Federal Financial Institutions Examinations Council, FFIEC CRA Aggregate Reports, 2016

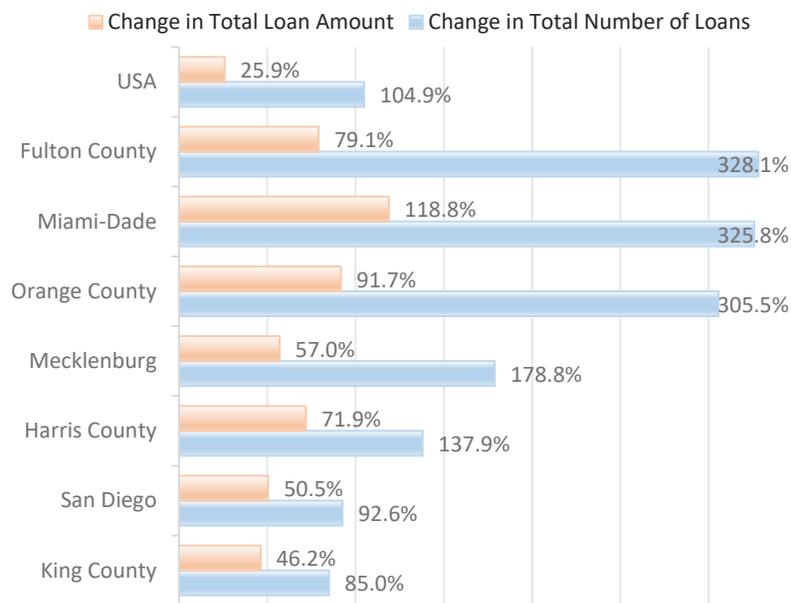
¹⁰ All state member banks, state nonmember banks, national banks, and savings associations that are not small or special-purpose institutions are subject to the data collection and reporting requirements of the CRA. A small institution is a bank or thrift that, as of December 31 of either of the prior two calendar years, had total assets of less than \$250 million. (A Guide to CRA Data Collection and Reporting, https://www.ffiec.gov/cra/pdf/cra_guide.pdf)

¹¹ Small business loans are defined as business loans of \$1 million or less. The CRA data also includes the number and dollar amount of those loans to businesses with gross annual revenues of \$1 million or less. See Greenstone, Michael, Alexandre Mas, and Hoai-Luu Nguyen. 2015. "Do Credit Market Shocks Affect the Real Economy? Quasi-Experimental Evidence from the Great Recession and Normal Economic Times." *NBER Working Paper No. w20704*. Cambridge, MA: National Bureau of Economic Research.

¹² Under the Community Reinvestment Act regulations, lending institutions report information on loans originated or purchased, but not on applications denied. Institutions also indicate whether a loan is extended to a borrower with annual revenues of \$1 million or less, but the data do not include demographic information about the applicant

The comparison with loan originations and amounts between 2010 and 2016 shows a sharp increase in the number of loans to businesses with gross annual revenues of \$1 million or less to 49,595 in 2016, up from 11,647 in 2010. The total amount of loans also increased but not as steeply, from \$360 million to \$787 million (See Figure 12). As a result, the average loan amount decreased by almost 50 percent. These dynamics are also present in the six comparison counties, as well as in the national figures. From 2010 to 2016, the average loan to businesses with revenues of \$1 million or less decreased by 38.6 percent in the United States. From among the six comparison counties, the highest decreases in average loan amount were in Orange County (52.7 percent) and Fulton County (58.2 percent), higher than Miami-Dade’s 48.6 percent decline.

FIGURE 12: CHANGE IN LOANS TO BUSINESSES WITH REVENUES OF \$1M OR LESS, 2010-2016



Appendix A: Methodology

The *Report on Small Businesses in Miami-Dade County* relies on a number of data sources that produce statistics on the Miami-Dade economy and the establishments that operate within it. Some of these sources provide publicly accessible data sets, which include:

- U.S. Census: American Community Survey, Business Dynamics statistics, Survey of Business Owners, County Business Patterns, Statistics of U.S. Businesses (SUSB) and others, various years
- U.S. Small Business Administration: business definitions and size categories

The report also relies on the Quarterly Census of Employment and Wages (QCEW) collected by the Florida Department of Economic Opportunity. The raw data supplied the statistics for employment and wages by firm size and sector. Since the database contains information allowing the individual firm to be identified, it has aggregation and confidentiality restrictions.

Where data is available, the report also makes comparisons between Miami-Dade and six benchmark counties. Four of these counties – Mecklenburg (Charlotte, NC), Fulton (Atlanta, GA), King (Seattle, WA), and Harris (Houston, TX) – are also used as benchmarks in other prominent reports, for example the Miami-Dade Beacon Council's *One Community, One Goal* report. One benchmark county was selected from Florida – Orange County (Orlando, FL). The sixth benchmark county – San Diego, CA – was selected for its size (3.3 million) and large Hispanic population (33.5 percent).

Notes on Data Sources:

County Business Patterns (U.S. Census): The series covers more than 6 million single-unit establishments and 1.8 million multi-unit establishments. An establishment is a single physical location at which business is conducted or services or industrial operations are performed. An establishment is not necessarily equivalent to a company or enterprise, which may consist of one or more establishments. A single-unit company owns or operates only one establishment. A multi-unit company owns or operates two or more establishments. The series excludes data on self-employed individuals, employees of private households, railroad employees, agricultural production employees, and most government employees.

Statistics of U.S. Businesses (SUSB): Statistics of U.S. Businesses (SUSB) is an annual series that provides national and subnational data on the distribution of economic data by enterprise size and industry. SUSB covers most of the country's economic activity. The series excludes data on nonemployer businesses, private households, railroads, agricultural production, and most government entities.

Quarterly Census of Employment and Wages (QCEW): The Quarterly Census of Employment and Wages (QCEW) program collects the number of employers or reporting units, monthly employment, average employment, total wages, and average wages by the North American Industry Classification System (NAICS). The count covers 98% of U.S. jobs available by industry at the county, Metropolitan Statistical Areas, state and national levels; by major industry or by detailed industry categories.

Appendix B: Distribution of Establishments by Sector and Size

| ESTABLISHMENT COUNT | | | | | | | | | | | | | |
|----------------------------------------------------------------------------------------|--------|---------------------------------------------|-----------------|--------------|-----------------------|-----------------|----------------------------------|---------------------------------|----------------|--------------|--------------------------------|-------------|-----------|
| | Total | Professional, Scientific and Technical Svcs | Wholesale Trade | Retail Trade | Finance and Insurance | Administrative, | Healthcare and Social Assistance | Accommodation and Food Services | Other services | Construction | Transportation and Warehousing | Real Estate | Education |
| 1 to 9 employees | 66,893 | 12,272 | 7,660 | 8,367 | 3,723 | 3,162 | 7,098 | 2,819 | 5,170 | 3,930 | 3,127 | 5,333 | 663 |
| 10 to 49 employees | 12,291 | 1,072 | 1,246 | 1,982 | 623 | 498 | 1,491 | 1,955 | 767 | 596 | 580 | 344 | 249 |
| 50 to 99 employees | 1,622 | 113 | 119 | 258 | 67 | 119 | 112 | 364 | 74 | 72 | 83 | 30 | 51 |
| 100 to 499 employees | 1,340 | 72 | 77 | 301 | 73 | 134 | 152 | 172 | 29 | 39 | 98 | 16 | 39 |
| 500+ employees | 147 | 3 | 9 | 11 | 8 | 17 | 33 | 15 | 1 | 0 | 19 | 3 | 6 |
| | 82,293 | 13,532 | 9,111 | 10,919 | 4,494 | 3,930 | 8,886 | 5,325 | 6,041 | 4,637 | 3,907 | 5,726 | 1,008 |
| PERCENTAGE DISTRIBUTION WITHING TOTAL NUMBER OF FIRMS IN RESPECTIVE ESTABLISHMENT SIZE | | | | | | | | | | | | | |
| 1 to 9 employees | 66,893 | 18.3% | 11.5% | 12.5% | 5.6% | 4.7% | 10.6% | 4.2% | 7.7% | 5.9% | 4.7% | 8.0% | 1.0% |
| 10 to 49 employees | 12,291 | 8.7% | 10.1% | 16.1% | 5.1% | 4.1% | 12.1% | 15.9% | 6.2% | 4.8% | 4.7% | 2.8% | 2.0% |
| 50 to 99 employees | 1,622 | 7.0% | 7.3% | 15.9% | 4.1% | 7.3% | 6.9% | 22.4% | 4.6% | 4.4% | 5.1% | 1.8% | 3.1% |
| 100 to 499 employees | 1,340 | 5.4% | 5.7% | 22.5% | 5.4% | 10.0% | 11.3% | 12.8% | 2.2% | 2.9% | 7.3% | 1.2% | 2.9% |
| 500+ employees | 147 | 2.0% | 6.1% | 7.5% | 5.4% | 11.6% | 22.4% | 10.2% | 0.7% | 0.0% | 12.9% | 2.0% | 4.1% |

Source: U.S. Census, County Business Patterns, 2015.

Small Business. Big Impact Report on Small Businesses in Miami-Dade County

*This report was created by the **Metropolitan Center** and commissioned by the **Florida SBDC at FIU***



The Metropolitan Center is the leading urban “think tank” in South Florida and an applied research unit in the School of International and Public Affairs (SIPA) at Florida International University. The Center has a solid record of providing technical services to communities in the areas of economic development, housing, transportation and land use planning. The Center’s approach to providing technical services is to take into account the unique needs of individual communities, while adhering to recognized methodologies for data analysis and reporting. The Center houses the ongoing South Florida Regional Database Project, which includes asset mapping, best-practice research, and full in-house Remote Sensing and Geographic Information Systems (GIS) capabilities. Moreover, the Metropolitan Center is a Census Information Center (CIS), which allows for early access to embargoed data and data with restricted use.

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The Florida SBDC at FIU is the small-business development center located within the FIU College of Business. Part of the Florida SBDC Network*, the center each year works with more than 900 entrepreneurs and business owners in Miami-Dade with the objective of helping them grow. The SBDC at FIU provides no-cost one-on-one advisory services with regard to financial management, access to capital, market growth, international trade, government contracting and more. In addition, the center offers market and industry data and information to guide business decisions. Since launching in 2014, the SBDC at FIU has helped launch more than 107 businesses and has helped Miami-Dade businesses access more than \$100 million in capital, as well as create, save or retain more than 7,500 jobs.

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*The Florida SBDC Network is state Designated as Florida's Principal Provider of Business Assistance [§ 288.001, Fla. Stat.] The Florida SBDC at FIU is a member of the Florida SBDC Network, a statewide partnership program nationally accredited by the Association of America’s SBDCs and funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida, and other private and public partners, with the University of West Florida serving as the network’s lead host institution. Florida SBDC services are extended to the public on a nondiscriminatory basis.