

# BROWARD-by-the-NUMBERS

## Small Businesses in Broward

**There are 33,400 small businesses in Broward County, which provide 135,000 jobs and have a combined payroll of \$4 billion.**

Small businesses form an important component of Broward County's economy. Recently published data, from the 2002 Economic Census, shows that 71 percent of firms in Broward have fewer than 20 employees. These small businesses provide 134,638 jobs and have a combined payroll of \$4.0 billion.

Compared with statewide and national averages, small businesses account for a smaller proportion of total firms in Broward County. However, they provide more employment and payroll than is typical. This pattern is seen throughout the metropolitan area in Miami-Dade and Palm Beach counties.

	ALL FIRMS	SMALL BUSINESSES*	
Number of Firms	47,100	33,421	71.0%
Total Employment	621,950	134,638	21.6%
Annual Payroll (\$ billions)	\$20.1	\$4.0	19.8%
Annual Receipts (\$ billions)	\$121.1	\$21.7	17.9%

\* 1 to 19 full or part-time employees

Small Businesses:	Broward	Miami-Dade	Palm Beach	Florida	U.S.
<b>Firms</b>	33,421	46,250	24,568		
% of total	71.0%	73.8%	71.5%	74.5%	75.8%
<b>Employment</b>	134,638	185,668	101,793		
% of total	21.6%	22.6%	22.2%	18.6%	18.3%
<b>Annual Payroll (\$M)</b>	3,981	5,316	3,256		
% of total	19.8%	19.5%	20.7%	16.8%	14.7%

In addition, there are 148,683 businesses that have no paid employees. Most of these small businesses are individual proprietors or partnerships. (There is less published data about these businesses than about those with employees.)

Business "birth" and "death" rates are highest among businesses with fewer than 20 employees. Between 2001 and 2002, 5,474 new small businesses were formed in Broward County, representing 79 percent of all new businesses. These businesses created 15,831 jobs. However, during the same year, 5,083 small businesses ceased trading, with a loss of 15,242 jobs.

### Small Business Growth, 1997 to 2002

Although the number of small businesses increased by almost 3,500, between 1997 and 2002, the rate of growth (5.2 percent) was below average (7.0 percent). Likewise job growth and payroll growth rates were lower.

2001-2002	BUSINESSES*			EMPLOYMENT		
	TOTAL	SMALL		TOTAL	SMALL	
Births	6,919	5,474	79%	61,788	15,831	26%
Deaths	6,108	5,083	83%	55,330	15,242	28%

\* Business Enterprises (see definitions in Appendix)

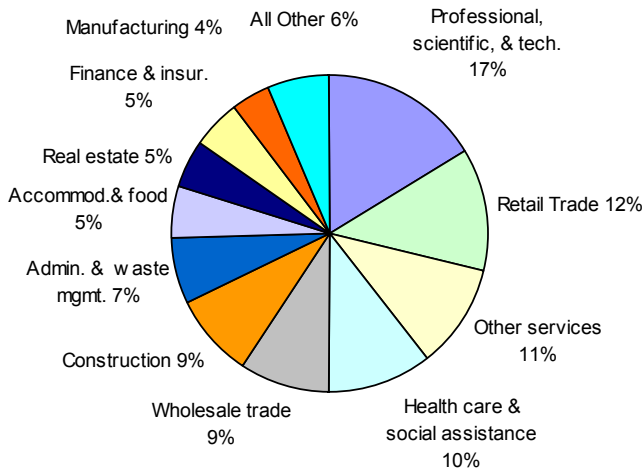
	1997	2002	GROWTH	RATE
<b>ALL FIRMS:</b>				
Firms	43,634	47,100	3,466	7.9%
Employment	563,691	621,950	58,259	10.3%
Payroll (\$M)	14,952	20,132	5,180	34.6%
<b>SMALL BUSINESSES (1 to 19 employees):</b>				
Firms	31,773	33,421	1,648	5.2%
Employment	130,751	134,638	3,887	3.0%
Payroll (\$M)	3,294	3,981	687	20.9%

**DATA SOURCES:** Unless otherwise indicated, all data used in this report are from U.S. Bureau of Census, Statistics of U.S. Businesses, Economic Census and County Business Patterns 2002.

## Industry Type

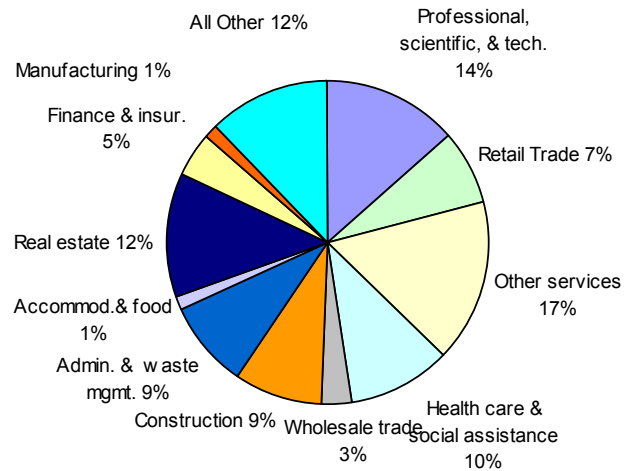
The small business sector is concentrated in professional, healthcare and other service industries, including retail. However, recent growth has been greatest in small finance and insurance businesses.

**Distribution of Small Businesses by Industry Type (NAICS code\*), 2002**

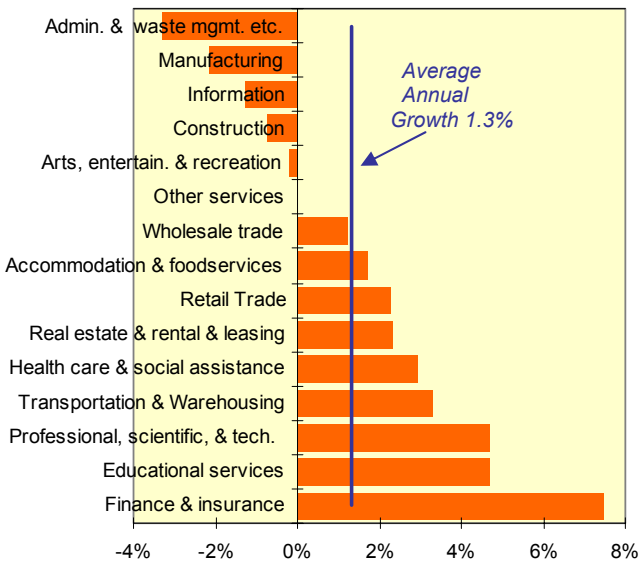


Like small firms, many of the businesses with no paid employees are in professional, healthcare and other services. However, the proportion of real estate businesses is significantly higher (12 percent).

**Distribution of Businesses with No Employees by Industry Type (NAICS code\*), 2002**



**Annual Growth in Small Businesses by Sector (NAISC code\*), 2000-2002**

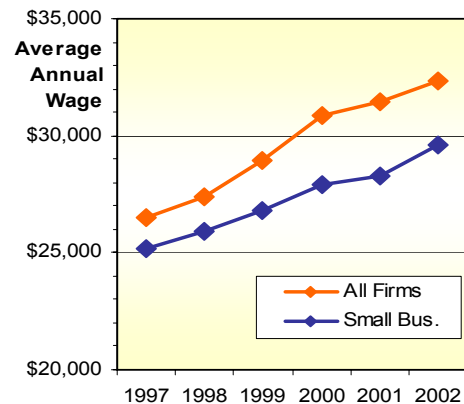


\* NOTE: Data was first published by North American Industrial Classification System (NAICS) in 2000, comparable data for 1997 is not available.

Source: U.S. Bureau of Census, Nonemployer Statistics, 2003

## Wage Rate Disparity

Average wages paid by small businesses are lower, and have grown less, than wages paid by larger firms. Between 1997 and 2002, average annual wages in Broward County grew 22 percent (from \$26,527 to \$32,370), but small business employee wages only grew by 17 percent (from \$25,194 to \$29,572).



Broward-by-the-Numbers is a publication from

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# TECHNICAL APPENDIX

## Data Definitions:

**Establishment** - A single physical location where business is conducted or where services or industrial operations are performed.

**Enterprise** - A business organization consisting of one or more domestic establishments that were specified under common ownership or control. The enterprise and the establishment are the same for single-establishment firms. Each multi-establishment company forms one enterprise - the enterprise employment and annual payroll are summed from the associated establishments.

**Enterprise Size None** - Enterprises for which no associated establishments reported paid employees in the mid-March pay period but paid employees at some time during the year. *For the purpose of this analysis, these businesses are **not** included in the small business totals.*

**Firm** - A business organization consisting of one or more domestic establishments in the same state and industry that were specified under common ownership or control. The firm and the establishment are the same for single-establishment firms. For each multi-establishment firm, establishments in the same industry within a state will be counted as one firm the firm employment and annual payroll are summed from the associated establishments.

**Nonemployer 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. The legal form of organization for nonemployer businesses is derived from administrative record sources. There are other legal forms of organization, but only the following three are included in the data series: individual proprietorship, partnership and corporation.

**Table 1 – Number of Firms by Size of Enterprise**

YEAR	TOTAL FIRMS	FIRMS BY ENTERPRISE SIZE (NUMBER OF EMPLOYEES)					PERCENT SMALL
		NONE	SMALL (1 to 19)	MEDIUM (20 to 99)	LARGE (100 to 499)	MAJOR (>500)	
1997	43,634	6,634	31,773	3,007	887	1,333	72.8%
1998	44,085	6,807	32,087	2,967	822	1,402	72.8%
1999	44,418	6,929	32,345	2,851	812	1,481	72.8%
2000	45,137	7,335	32,544	2,906	851	1,501	72.1%
2001	45,763	7,385	33,067	2,911	890	1,510	72.3%
2002	47,100	8,314	33,421	3,021	881	1,463	71.0%

Source: U.S. Bureau of Census, County Business Patterns 1997 thru 2002, and Economic Census 1997 and 2002.

**Table 2 – Number of Business Establishments by Size of Enterprise**

YEAR	TOTAL ESTABLISHMENTS	ESTABLISHMENTS BY ENTERPRISE SIZE (NUMBER OF EMPLOYEES)					PERCENT SMALL
		NONE	SMALL (1 to 19)	MEDIUM (20 to 99)	LARGE (100 to 499)	MAJOR (>500)	
1997	48,489	6,651	31,929	3,411	1,387	5,111	65.8%
1998	49,026	6,810	32,233	3,293	1,288	5,402	65.7%
1999	49,501	6,938	32,472	3,149	1,330	5,612	65.6%
2000	50,328	7,346	32,659	3,182	1,376	5,765	64.9%
2001	51,036	7,394	33,169	3,171	1,368	5,934	65.0%
2002	52,744	8,317	33,530	3,348	1,494	6,055	63.6%

Source: U.S. Bureau of Census, County Business Patterns 1997 thru 2002, and Economic Census 1997 and 2002.

**Table 3 – Total Employment by Size of Enterprise**

YEAR	TOTAL EMPLOYMENT	EMPLOYMENT BY ENTERPRISE SIZE (NUMBER OF EMPLOYEES)					PERCENT SMALL
		NONE	SMALL (1 to 19)	MEDIUM (20 to 99)	LARGE (100 to 499)	MAJOR (>500)	
1997	563,691	0	130,751	102,673	80,911	249,356	23.2%
1998	585,668	0	132,147	103,235	75,972	274,314	22.6%
1999	596,218	0	132,006	101,724	76,069	286,419	22.1%
2000	619,401	0	131,800	104,300	84,259	299,042	21.3%
2001	640,214	0	133,642	105,524	89,030	312,018	20.9%
2002	621,950	0	134,638	104,445	80,472	302,395	21.6%

Source: U.S. Bureau of Census, County Business Patterns 1997 thru 2002, and Economic Census 1997 and 2002.

**Table 4 – Annual Payroll (\$1,000s) by Employment Size of Enterprise**

YEAR	TOTAL ANNUAL PAYROLL (\$1,000)	ANNUAL PAYROLL (\$1,000) BY ENTERPRISE SIZE (NUMBER OF EMPLOYEES)					AVERAGE ANNUAL WAGES	
		NONE	SMALL (1 to 19)	MEDIUM (20 to 99)	LARGE (100 to 499)	MAJOR (>500)	ALL BUSINESSES	SMALL BUSINESSES
1997	14,952,933	262,077	3,294,083	2,568,316	2,197,115	6,631,342	\$26,527	\$25,194
1998	16,036,830	261,507	3,428,345	2,684,509	2,269,430	7,393,039	\$27,382	\$25,943
1999	17,249,922	278,499	3,541,669	2,820,101	2,436,291	8,173,362	\$28,932	\$26,830
2000	19,111,362	325,451	3,679,391	3,051,439	2,662,368	9,392,713	\$30,855	\$27,916
2001	20,140,215	363,429	3,782,340	3,052,388	3,047,345	9,894,713	\$31,459	\$28,302
2002	20,132,251	369,827	3,981,454	3,213,817	2,774,169	9,792,984	\$32,370	\$29,572

Source: U.S. Bureau of Census, County Business Patterns 1997 thru 2002, and Economic Census 1997 and 2002.

**Table 5 - Nonemployer Businesses by Industry Type (NAICS code), 2003**

NAICS Code	Description	Establishments		Receipts	
		Number	Percent	Total (\$1,000)	Average
81	Other services (except public administration)	24,093	16.2%	672,390	\$27,908
54	Professional, scientific, and technical services	20,339	13.7%	792,051	\$38,942
53	Real estate, rental and leasing	18,416	12.4%	1,335,515	\$72,519
62	Health care and social assistance	15,243	10.3%	464,891	\$30,499
23	Construction	13,379	9.0%	627,191	\$46,879
56	Administrative, support, waste management and remediation services	12,989	8.7%	325,246	\$25,040
44-45	Retail trade	10,952	7.4%	529,472	\$48,345
52	Finance and insurance	6,872	4.6%	411,754	\$59,918
48-49	Transportation and warehousing	6,819	4.6%	295,647	\$43,356
71	Arts, entertainment, and recreation	6,262	4.2%	201,833	\$32,231
42	Wholesale trade	4,337	2.9%	387,718	\$89,398
61	Educational services	2,452	1.6%	45,650	\$18,617
51	Information	2,230	1.5%	89,309	\$40,049
72	Accommodation and food services	1,904	1.3%	131,821	\$69,234
31-33	Manufacturing	1,871	1.3%	121,843	\$65,122
11	Forestry, fishing & hunting, and agricultural support services	429	0.3%	14,815	\$34,534
22	Utilities	82	0.1%	4,123	\$50,280
21	Mining	14	0.0%	1,022	\$73,000
	<b>Total</b>	<b>148,683</b>	<b>100.0%</b>	<b>6,452,291</b>	<b>\$43,396</b>

Source: U.S. Bureau of Census, Nonemployer Statistics, 2003.

**Table 6 – Small Businesses (1-19 employees) by Industry Type (NAICS code), 2000 and 2003**

<b>NAICS</b>	<b>2000</b>	<b>2002</b>	<b>Average Annual Growth</b>
Professional, scientific, and technical services	5,026	5,498	4.7%
Retail Trade	3,939	4,120	2.3%
Other services (except public administration)	3,572	3,572	0.0%
Health care & social assistance	3,316	3,510	2.9%
Wholesale trade	3,002	3,077	1.2%
Construction	2,950	2,906	-0.7%
Administrative, support, waste management and remediation services	2,352	2,196	-3.3%
Accommodation & foodservices	1,700	1,759	1.7%
Real estate & rental & leasing	1,645	1,721	2.3%
Finance & insurance	1,456	1,674	7.5%
Manufacturing	1,306	1,250	-2.1%
Transportation & Warehousing	727	775	3.3%
Arts, entertain. & recreation	466	464	-0.2%
Information	428	417	-1.3%
Educational services	276	302	4.7%
Unclassified	291	60	-39.7%
Management of companies & enterprises	34	58	35.3%
Forestry, fishing & hunting, and agricultural support services	48	49	1.0%
Utilities	11	14	13.6%
Mining	5	5	0.0%
Auxiliaries, exc corp, subsidiary, & regional managing offices	4	3	-12.5%
<b>Total</b>	<b>32,554</b>	<b>33,430</b>	<b>1.3%</b>

Source: U.S. Bureau of Census, County Business Patterns 2000 and 2002.