

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

LOUISIANA



427,290
97.3% Small Businesses
of Louisiana Businesses

903,281
53.5% Small Business Employees
of Louisiana Employees

EMPLOYMENT
16,462
net new jobs¹

DIVERSITY
51.4%
increase in minority
ownership²

TRADE
84.8%
of Louisiana exporters³

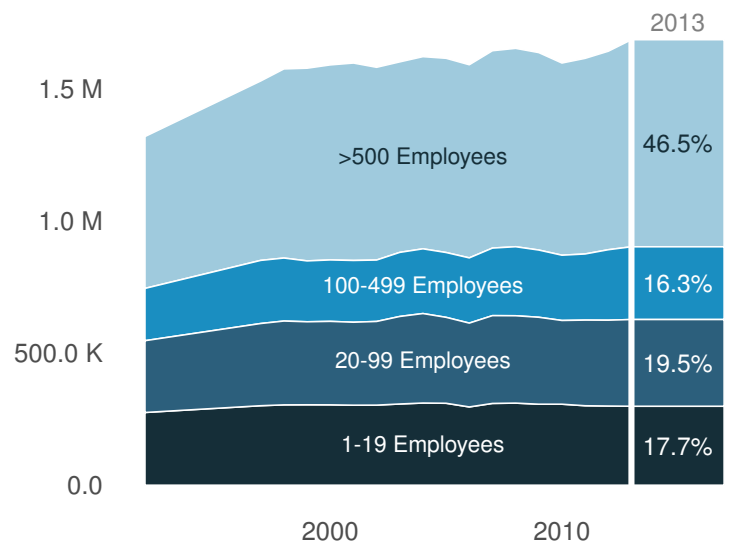
OVERALL LOUISIANA ECONOMY

- In the third quarter of 2015, Louisiana grew at an annual rate of 1.6% which was slower than the overall US growth rate of 1.9%. By comparison, Louisiana's 2014 growth of 2.7% was up from the 2013 level of -1.5%. (Source: BEA)
- The employment situation in Louisiana improved. At the close of 2015, unemployment was 5.8%, down from 6.9% at the close of 2014. This was above the national unemployment rate of 5.0%. (Source: CPS)

EMPLOYMENT

- Louisiana small businesses employed 903,281 people, or 53.5% 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 decreased 0.7% in 2015. This was below the previous year's increase of 2.5%. (Source: CES)
- The number of proprietors increased in 2014 by 1.6% relative to the previous year. (Source: BEA)
- Small businesses created 16,462 net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding 5,417 net jobs. The smallest gains were in firms employing 1 to 4 employees which added 115 net jobs. (Source: BDS)

Figure 1: Louisiana 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, 67,648 loans under \$100,000 (and valued at \$944.7 million) were issued by Louisiana 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 \$50,270 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$22,830. (Source: ACS)

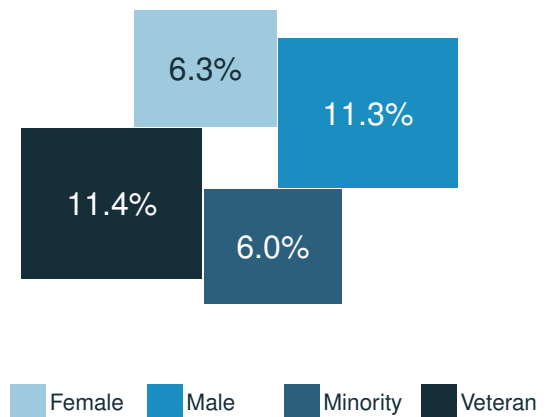
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Louisiana Changes in Business Ownership by Demographic Group

African American-owned	●	57.7%
Asian-owned	●	39.5%
Hawaiian/Pacific Islander-owned	●	90.4%
Hispanic-owned	●	34.0%
Native American/Alaskan-owned	●	33.4%
Minority-owned	●	51.4%
Nonminority-owned	●	0.6%

Figure 3: Louisiana Self-Employment within Demographic Group

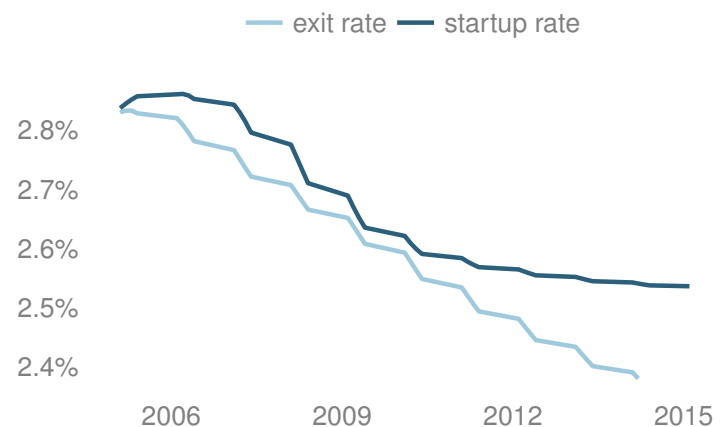


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Louisiana, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American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

BUSINESS TURNOVER

- In the second quarter of 2014, 2,414 establishments started up⁵ in Louisiana and 2,443 exited.⁶ Startups generated 12,932 new jobs while exits caused 10,153 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: Louisiana Private Startup and Exit Rates



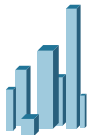




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

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 3,825 companies exported goods from Louisiana in 2013. Among these, 3,243, or 84.8%, were small firms; they generated 34.5% of Louisiana's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Louisiana 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	10,936	10,140	38,357	49,293
Retail Trade	10,168	9,048	25,195	35,363
Health Care and Social Assistance	9,570	7,958	31,295	40,865
Other Services (except Public Administration)	8,796	8,070	64,904	73,700
Construction	7,712	6,854	37,531	45,243
Accommodation and Food Services	6,699	4,989	7,389	14,088
Wholesale Trade	3,888	2,992	4,502	8,390
Administrative, Support, and Waste Management	3,835	3,246	37,431	41,266
Finance and Insurance	3,686	3,340	9,644	13,330
Real Estate and Rental and Leasing	3,482	3,193	32,464	35,946
Transportation and Warehousing	2,743	2,284	15,439	18,182
Manufacturing	2,697	2,010	4,462	7,159
Arts, Entertainment, and Recreation	1,276	1,069	14,576	15,852
Mining, Quarrying, and Oil and Gas Extraction	1,232	969	6,098	7,330
Educational Services	1,034	700	6,401	7,435
Information	577	449	3,191	3,768
Agriculture, Forestry, Fishing and Hunting	575	526	9,247	9,822
Utilities	201	181	241	442
Total	79,107	68,018	348,367	427,474

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: Louisiana Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	159,768	287,471	55.6%
Accommodation and Food Services	117,610	198,301	59.3%
Retail Trade	92,766	226,557	40.9%
Construction	77,681	148,151	52.4%
Professional, Scientific, and Technical Services	68,856	95,612	72.0%
Other Services (except Public Administration)	65,590	73,247	89.5%
Manufacturing	52,640	126,336	41.7%
Wholesale Trade	49,514	77,477	63.9%
Administrative, Support, and Waste Management	48,857	103,842	47.0%
Finance and Insurance	32,827	65,224	50.3%
Transportation and Warehousing	32,684	69,766	46.8%
Educational Services	26,738	41,150	65.0%
Real Estate and Rental and Leasing	22,278	32,755	68.0%
Mining, Quarrying, and Oil and Gas Extraction	19,914	52,790	37.7%
Arts, Entertainment, and Recreation	15,210	26,150	58.2%
Information	8,026	25,217	31.8%
Agriculture, Forestry, Fishing and Hunting	3,708	4,030	92.0%
Utilities	2,368	s	-
Total	897,035	1,654,076	54.2%

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

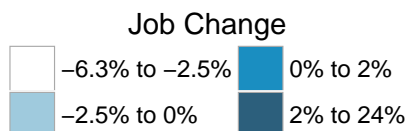
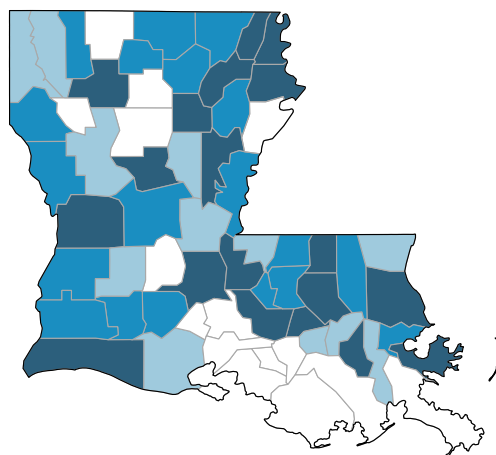


Table 3: Abbreviations and Resources

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>

