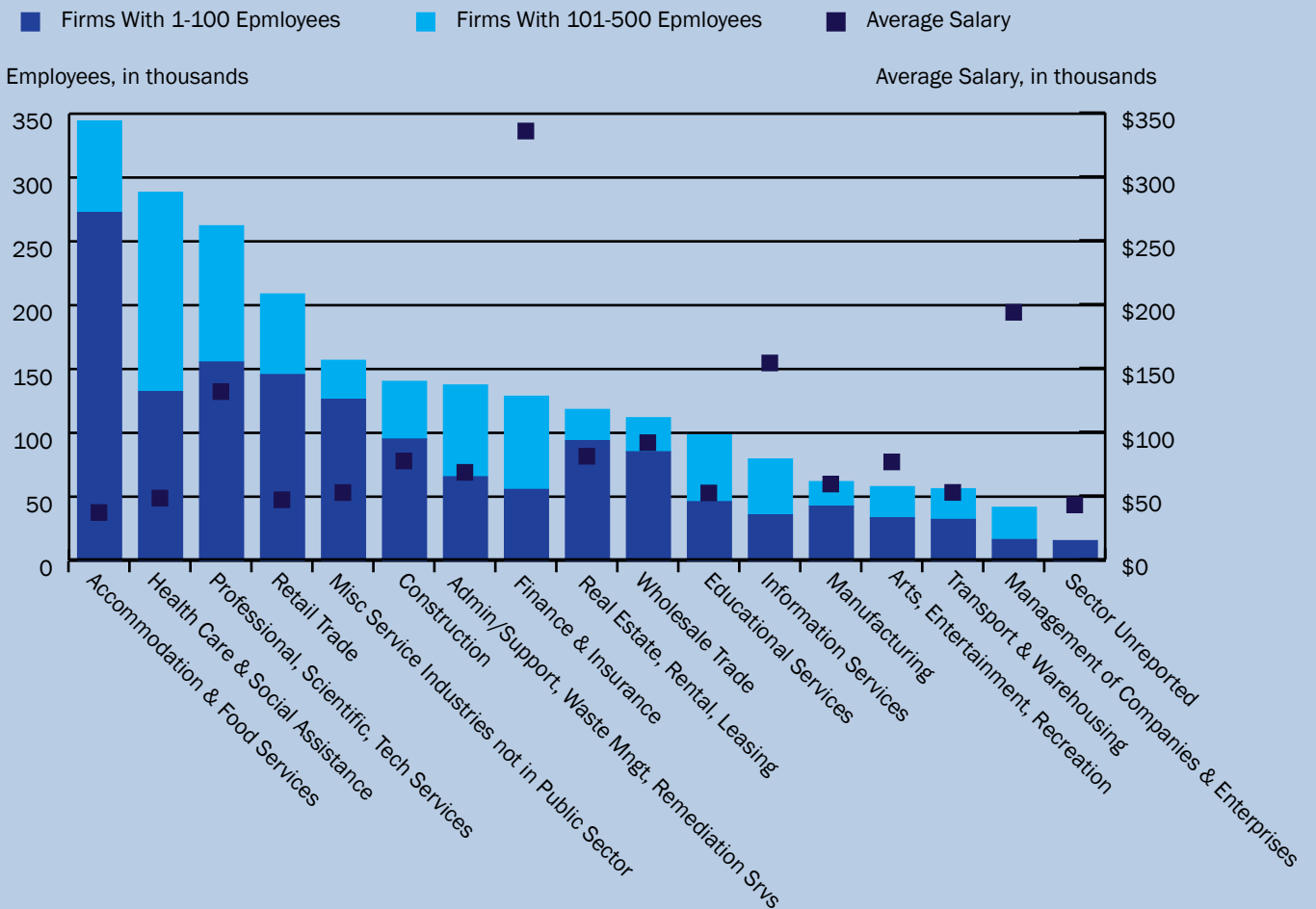


Which Industry Sectors Have the Most Small Businesses And How Much Do Their Employees Earn?

With the upheaval caused by the coronavirus pandemic, federal and local governments rolled out programs to help small businesses stay open and keep workers employed. In early March, the city launched a loan program for businesses with under 100 employees. In April, the federal Paycheck Protection Program made aid available to organizations with up to 500 employees. Using data from the state labor department, IBO examined the number, sector, and average pay of firms meeting the definition of small business under these relief programs.

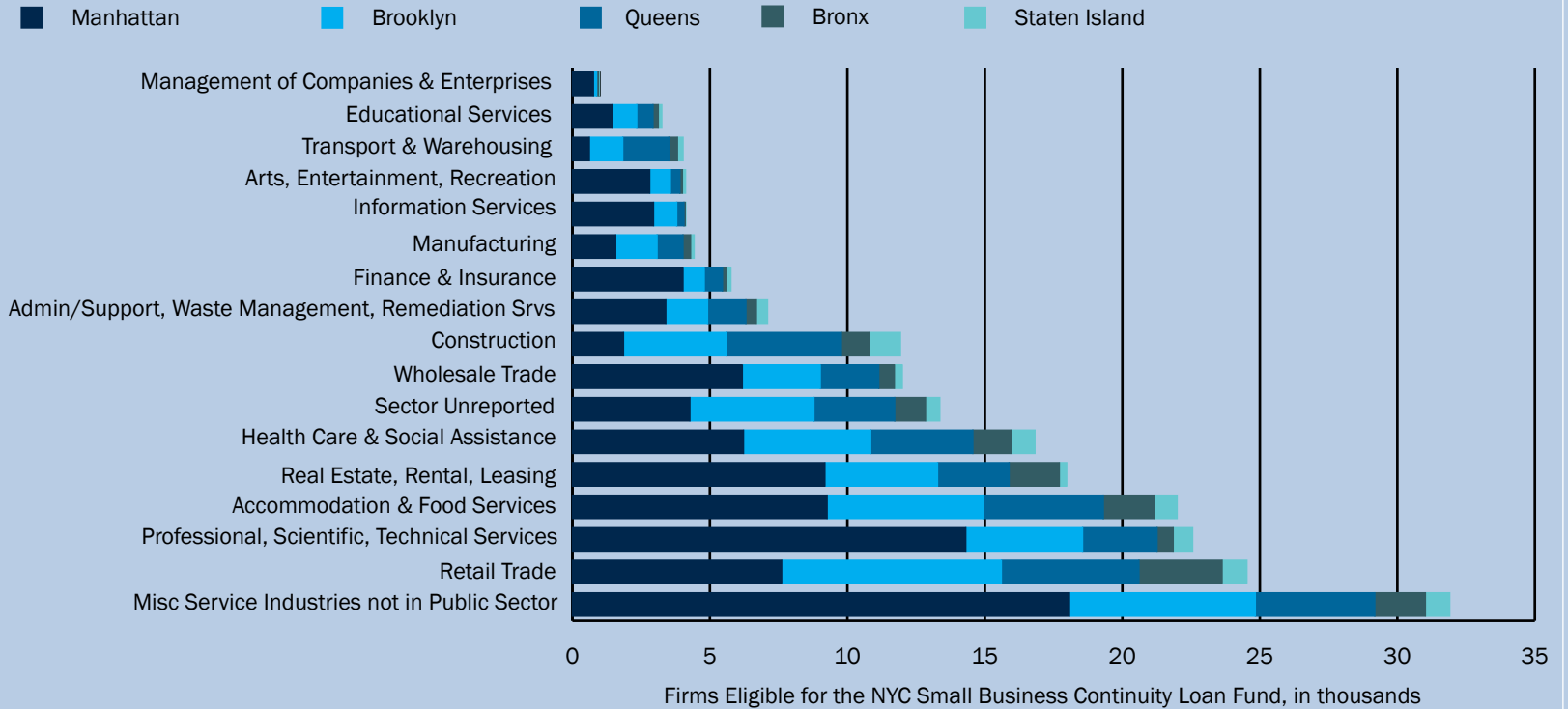
- In the first two quarters of 2019, the most recent firm-level data available, there were approximately 207,000 businesses in New York City that employed no more than 100 workers, making them potentially eligible to receive funding from the NYC Small Business Continuity Loan Fund. These firms also accounted for 99 percent of the city's private and nonprofit sector employers with 500 or fewer workers.
- The accommodation and food service sector had the highest level of small business employment in 2019, with roughly 345,000 workers at over 22,000 firms employing 500 or fewer workers. Employees in the sector have some of the lowest annual wages in the city, averaging less than \$37,000 in 2019. The nearly 209,000 people employed in the retail sector in 2019 at nearly 25,000 firms with 500 or fewer employees earned around \$47,000 a year on average.
- Employment within the arts, entertainment, and recreation sector in 2019 was one-sixth of the size of the accommodation and food service sector workforce, with around 58,000 workers at over 4,200 firms with 500 or fewer employees. On average these employees earned \$76,000 a year, twice the annual income of their counterparts in the accommodation and food service sector.

Accommodation & Food Service, Health & Social Services and Professional Sectors Lead Small Business Employment in 2019



- Higher wages in small business firms skew towards the sectors with higher skilled jobs. For instance, in 2019, average annual salaries for the finance and insurance and the management sectors were \$336,000 and \$194,000, respectively. Firms with 500 or fewer employees in these two sectors employed a combined 170,000 workers.

Seventy Percent of Small Businesses With 100 Employees or Less Are Located in Manhattan and Brooklyn



- Most types of small businesses with 100 or fewer employees are located in Manhattan and Brooklyn. In Queens and the Bronx, the greatest number of businesses with 100 or fewer employees were in retail trade while in Staten Island construction firms comprised the largest number of small businesses.

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SOURCE: IBO analysis of New York State Department of Labor Quarterly Census of Employment and Wages

NOTE: In our analysis of employment data, IBO followed the Paycheck Protection Program rule that allows chain or franchise accommodation and food service businesses to count each of their locations as an individual firm.