

# Definition of Terms

## County Small Business Profile

**Author:** Simona Balazs, CEDIK Research Director

### **2018 Small Business Characteristics:**

|                    |   |  |
|--------------------|---|--|
| Total jobs         | - | total number of jobs (full-time, part-time, temporary) for all of establishments, including non-profit and government. |
| Jobs Gained        | - | total number of jobs gained in the year, due to business startups, expansions or moves.                                |
| Jobs Lost          | - | total number of jobs lost in the year, due to business closings, contractions or moves.                                |
| Sales per Business | - | total sales divided by number of businesses.   |
| Sales per Employee | - | total sales divided by number of employees.  |

Data on this table were retrieved from YourEconomy.org for the county and the state.

---

### **Top 5 Industries:**

This graph represents the Top 5 Industries based on employment for businesses with less than 500 employees. These data are provided by BLS, Quarterly Census of Employment and Wages.

---

### **2018 Percent Small Business by Type:**

The graph on small businesses by type highlights three market segments based on sales type, as follows:

|                |   |  |
|----------------|---|--|
| Resident       | - | percent businesses that tend to sell their products and services mainly in the region.         |
| Non-resident   | - | percent businesses that tend to sell their products and services mainly outside of the region. |
| Non-commercial | - | percent businesses that are non-profit or government.  |

Data on this table were retrieved from YourEconomy.org for the county.

---

### **2013-2018 Percent Change:**

This graph reports the percent change in sales, employment, and establishments over a 5-year time frame. Data are provided by YourEconomy.org for the county.

---

### **2013-2018 Percent Change by Employment Size:**

This table provides a disaggregated look at the 5-year percent change in jobs by employment size. Data are provided by YourEconomy.org for the county.

---

### **2017 Incorporated & Unincorporated Businesses:**

|                       |   |  |
|-----------------------|---|--|
| Incorporated business | - | a business that is legally recognized as a separate entity from the owner and is owned by shareholders. This allows owners to have limited liability; that is, the owner cannot be made liable for any debt of the business over and above the owner's investment in the business. Incorporated businesses can sell equity (stocks) to raise funds for investment. |
|-----------------------|---|--|

Unincorporated business - include sole proprietorships (owned and managed by one individual), partnerships (multiple owners and managers), and tax-exempt cooperatives (owned and managed by users of the business's services). They do not have limited liability and cannot sell equity to the general public. An unincorporated business is also known as a proprietorship.

Total employment and employment and earnings by sex are provided in this table. Data are retrieved from the US Census for the county. In many counties, it seems that many employees in these small businesses are men and that men, on average, make more than their female counterparts. This discrepancy may be due to gender differences between risk-taking preferences, education, and average earnings for a given county.

---

### **2016 Innovation Index:**

The index measures a region's innovation activity and capacity by using four major indicators: Human Capital, Economic Dynamics, Productivity and Employment, and Economic Well-Being. Human Capital considers the educational attainment of residents, the population growth rate, the types of occupational mixes, and employment in high-technology firms. Economic Dynamics include measures for investment in venture capital, availability of broadband internet, firm entry and exit in the economy, and business size. Productivity and Employment reflects growth of high-tech employment, job growth relative to population growth, patent activity, and current level and growth of the county's GDP. Finally, Economic Well-Being is based on the poverty rate, unemployment rate, migration patterns, worker wage/salary, and growth in income per capita. The four indicators are weighted to reflect their contribution to the innovation activity. Innovation is important for the economy because it can be found behind every successful startup and growing small business.

The innovation index is provided by Statsamerica.org for the county, state, and U.S. The U.S. index is 100 and represents the benchmark. If the innovation index for a region is above 100, then that region is more innovative than U.S. on average and vice-versa.

---

### **Data Sources:**

1. BLS/QCEW, 2018 <https://www.bls.gov/cew/>
2. Statsamerica.org, 2016, <http://statsamerica.org/innovationindex/Default.aspx>
3. US Census/2013-2017 ACS, <https://www.census.gov/programs-surveys/acs/about.html>
4. YourEconomy.org, 2018, <https://youreconomy.org/>