



KIVA AND VISA STUDY OF SMALL BUSINESS TROUBLE SPOTS

Analysis Based on U.S. County Business Patterns

June 2011

Part of the Kiva Visa Partnership for
U.S. Small Businesses



RESEARCH **OBJECTIVES**



RESEARCH OBJECTIVES

In late 2010, Visa and Kiva formed a partnership to raise awareness and understanding among U.S. small businesses around the availability of Kiva microloans as an additional tool to help support and grow their businesses.

As part of the partnership, Kiva and Visa commissioned a study with The Economist Intelligence Unit (EIU), to better understand the challenges and opportunities faced by the small business sector to more effectively address key pain points and barriers to scale.

The study looked at small business trends from 2006 to 2008 in the 50 largest Metropolitan Statistical Areas (MSAs), among firms with nine or fewer employees, as well as a further investigation into firms of under four employees. The primary research was supplemented by a review of literature on the role of small business activity in the U.S.

While most studies rely on surveys of a representative population, this research draws from an enormous data set that presents a granular view of the small business landscape in the U.S.

This report is based on findings and analysis from the Economist Intelligence Unit.

**THE ROLE OF
SMALL BUSINESSES
IN THE
U.S.
ECONOMY**



SMALL BUSINESS OVERVIEW

The role of small business has long been discussed and debated in the academic literature. In 1979, David Birch, of the Massachusetts Institute of Technology, produced research showing that firms with 20 or fewer employees accounted for two-thirds of net job creation in the economy between 1969 and 1976, while firms with 500 or more employees generated just 15 percent of new jobs. That finding of small business as a primary economic driver was contrary to conventional wisdom. Since Birch, debate over where most jobs are created has continued: Young firms? Established firms? Small firms? Large firms?

While the debate over where jobs are created goes on, several key characteristics of small business activity have been confirmed:

- Most businesses or firms (the terms are interchangeable) operate from a single establishment (or place).
- Based on data from the U.S. Bureau of Labor Statistics (Business Employment Dynamics data set; 2005 data), 95 percent of firms operate from a single establishment.

The majority of firms are very small, based on the number of employees:

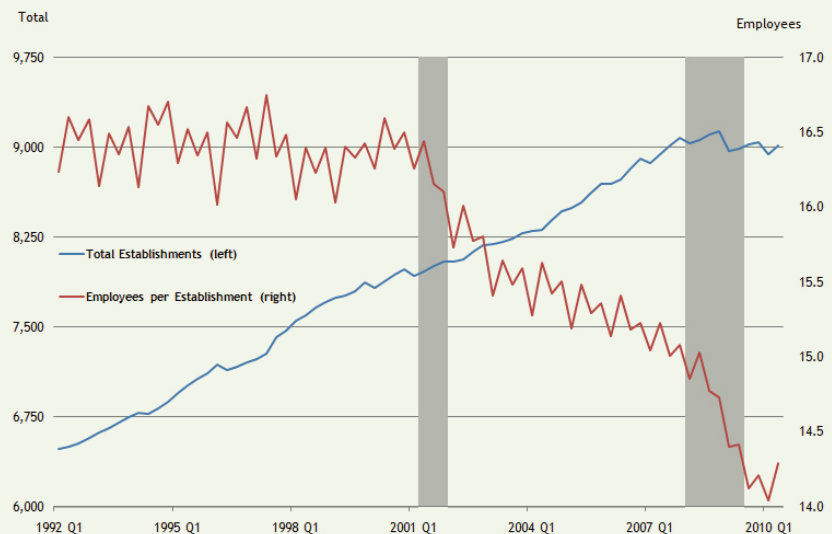
- 75 percent of firms employ nine employees or fewer.
- Firms with 100 or more employees account for less than three percent of the total — looked at another way, firms with fewer than 100 employees account for nearly 98 percent of the total.
- Average firm size is just 22 employees, based on the same data.

Yet another database that looks at data by establishment (Quarterly Census of Employment and Wages—QCEW), suggests that the average establishment size is around 14 workers.

- Average establishment size began falling at the time of the 2001 recession—from about 16 workers—and has not recovered.

Number of Establishments and Employees per Establishment

Source: CEW database, Haver Analytics



SMALL BUSINESS OVERVIEW

The preponderance of small businesses means that the dynamics of those firms play a large role in the U.S. economy.

- During the most recent recession, small firms lost proportionately more jobs than large firms.
- Smaller firms are considered more fragile or vulnerable than large firms:
 - They go out of business more frequently during economic contractions, often as a result of cash flow difficulties.
 - Those that survive are slower to rehire or replace previously eliminated jobs.
 - Small firms have fewer options with respect to access to capital.

The expanding volume of academic literature on entrepreneurship, as well as the sheer volume of small firms in the U.S. are measures of small business' important role in the economy. Understanding where small establishments are in decline provides one lens on economic hardship.

As integrated units of economic activity in the U.S., Metropolitan Statistical Areas (MSAs) represent suitable geography for investigating small business losses.

- County data—the basis for primary research here—can be summed to the MSA level.
- MSAs consist of an urban core—typically, well-known cities—and adjacent surrounding counties that are tied together by commercial activity and commuting patterns.
- In 2006, MSAs accounted for 83 percent of population, 85 percent of employment, 88 percent of wages and 90 percent of output (GDP).
 - Furthermore, the 50 largest MSAs (with population around 1 million or above) accounted for nearly two-thirds (65 percent) of GDP, and produced about 43 percent more output per capita than other MSAs.

**SMALL BUSINESS
TROUBLE
SPOT RANKINGS
BASED ON COUNTY
BUSINESS PATTERNS**



SMALL BUSINESS RANKINGS

Using data from the U.S. Census Bureau's County Business Patterns, and focused on industries of interest to Kiva and Visa (based on NAICS), the 50 largest MSAs were ranked:

- Based on changes in the number of business establishments for the period 2006-2008 (most recent available data).
- Rankings were produced for establishments with:
 - 1-4 employees
 - 5-9 employees
 - 1-9 employees (combined)

Largest Small Business Losses by MSA

Of the largest 50 MSAs, 22 experienced losses greater than one percent for the smallest (1-4 employees) establishment class.

2006-2008; 1-4 employees

LOSS RANK (OUT OF 50)		PERCENTAGE CHANGE	LOSS OF ESTABLISHMENTS	LOSS PER 100,000 POPULATION
1	New Orleans-Metairie-Kenner, LA	-5%	-714	-72
2	Cleveland-Elyria-Mentor, OH	-4%	-1,035	-49
3	Pittsburgh, PA	-3%	-875	-37
4	Memphis, TN-MS-AR	-3%	-336	-26
5	Orlando-Kissamee, FL	-3%	-919	-46
6	Columbus, OH	-3%	-494	-28
7	Mikwaukee-Waukesha-West Allis, WI	-2%	-483	-31
8	Miami-Fort Lauderdale-Pompano Beach, FL	-2%	-2,741	-50
9	Detroit-Warren-Livonia, MI	-2%	-1,193	-27
10	Minneapolis-St. Paul-Bloomington, MN-WI	-2%	-1,055	-33
11	Tampa-St. Petersburg-Clearwater, FL	-2%	-847	-32
12	Kansas City, Missouri-KS	-2%	-484	-24
13	San Francisco-Oakland-Fremont, CA	-2%	-1,034	-25
14	Cincinnati-Middletown, OH-KY-IN	-1%	-333	-16
15	Providence-New Bedford-Fall River, RI-MA	-1%	-317	-20
16	Boston-Cambridge-Quincy, MA	-1%	-843	-19
17	Baltimore-Towson, MD	-1%	-436	-16
18	San Jose-Sunnyvale-Santa Clara, CA	-1%	-286	-16
19	St. Louis, MO-IL Total	-1%	-392	-14
20	Hartford-West Hartford-East Hartford, CT	-1%	-160	-14
21	Birmingham-Hoover, AL	-1%	-108	-10
22	San Diego-Carlsbad-San Marcos, CA	-1%	-344	-12

SMALL BUSINESS RANKINGS

Largest Small Business Losses by MSA

Of the largest 50 MSAs, 11 experienced losses greater than one percent for the 5-9 employees establishment class.

The smaller number of regions with job losses in this establishment size classification is likely because 5-9 employee establishments represent a smaller share of the total—that is, 20 percent (as compared with 54 percent for 1-4 employee locations).

2006-2008; 5-9 employees

LOSS RANK (OUT OF 50)		PERCENTAGE CHANGE	LOSS OF ESTABLISHMENTS	LOSS PER 100,000 POPULATION
1	Louisville/Jefferson County, KY-IN	-3%	-202	-17
2	Providence-New Bedford-Fall River, RI-MA	-3%	-215	-13
3	Cleveland-Elyria-Mentor, OH	-2%	-223	-11
4	Miami-Fort Lauderdale-Pompano Beach, FL	-2%	-504	-9
5	Kansas City, MO-KS	-2%	-177	-9
6	Virginia Beach-Norfolk-Newport News, VA-NC	-1%	-116	-7
7	Detroit-Warren-Livonia, MI	-1%	-272	-6
8	Columbus, OH	-1%	-102	-6
9	Buffalo-Niagara Falls, NY	-1%	-69	-6
10	Minneapolis-St. Paul-Bloomington, MN-WI	-1%	-172	-5
11	Pittsburgh, PA	-1%	-80	-3

Largest Small Business Losses by MSA

Of the largest 50 MSAs, 20 experienced losses greater than one percent for the smallest two establishment classes combined (1-9 employees).

2006-2008; 1-9 employees

LOSS RANK (OUT OF 50)		PERCENTAGE CHANGE	LOSS OF ESTABLISHMENTS	LOSS PER 100,000 POPULATION
1	Cleveland-Elyria-Mentor, OH	-3%	-1,258	-60
2	Miami-Fort Lauderdale-Pompano Beach, FL	-2%	-3,245	-59
3	Pittsburgh, PA	-2%	-955	-40
4	Columbus, OH	-2%	-596	-34
5	Detroit-Warren-Livonia, MI	-2%	-1,465	-33
6	Orlando-Kissimmee, FL	-2%	-841	-42
7	Minneapolis-St. Paul-Bloomington, MN-WI	-2%	-1,227	-39
8	Kansas City, MO-KS	-2%	-661	-33
9	Providence-New Bedford, Fall River, RI-MA	-2%	-532	-33
10	Milwaukee-Waukesha-West Allis, WI	-2%	-434	-28
11	Tampa-St. Petersburg-Clearwater, FL	-1%	-711	-26
12	Baltimore-Towson, MD	-1%	-455	-17
13	Boston-Cambridge-Quincy, MA-NH	-1%	-786	-18
14	Memphis, TN-MS-AR	-1%	-151	-12
15	Cincinnati-Middletown, OH-KH-IN	-1%	-252	-12
16	Louisville/Jefferson County, KY-IN	-1%	-146	-12
17	St. Louis, MO-IL	-1%	-332	-12
18	San Francisco-Oakland-Fremont, CA	-1%	-579	-14
19	Hartford-West Hartford-East Hartford, CT	-1%	-114	-10
20	New Orleans-Metairie-Kenner, LA	-1%	-108	-11

**SUPPLEMENTAL
DATA ON MSAs**

**“BOTTOM FIVE” FOR
ESTABLISHMENT CLASSES**

1-4 employees

5-9 employees

1-9 employees (combined)

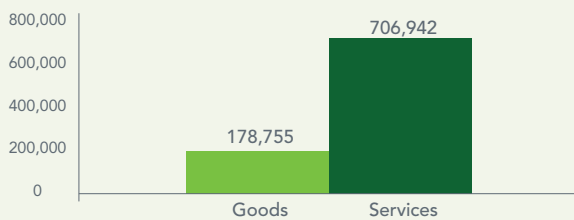


CLEVELAND ELYRIA MENTOR, OHIO MSA

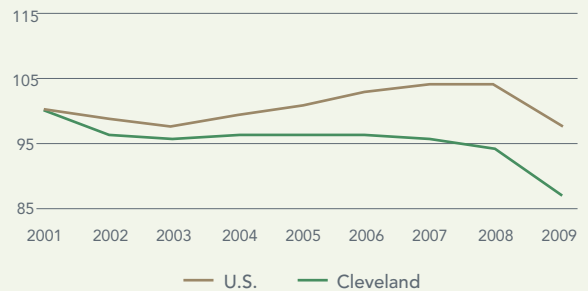
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-4%	-2%	-3%	885,697	-2.6%	\$42,790	\$104,943	2,094,091	-0.6%

- The MSA is ranked 26 out of 50 based on population.
- The MSA is ranked 2 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 49
- The MSA is ranked 3 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 11
- The MSA is ranked 1 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 60

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



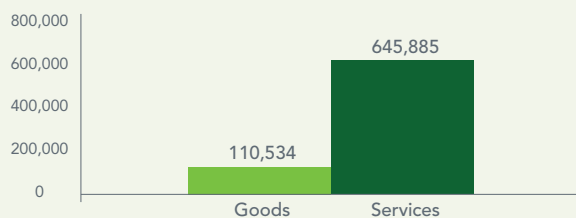
- The distribution of goods and services employment in the MSA is similar to the U.S.
 - Location Quotient Goods: 1.01; Location Quotient Services: 1.00
- The average annual wage in the MSA (private employment) is 94% of the national average.
- Per capita personal income in the MSA is 99% of the national average.

COLUMBUS, OHIO MSA

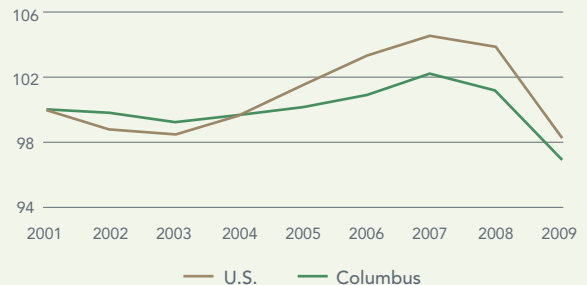
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-3%	-1%	-2%	756,419	0.3%	\$42,760	\$89,990	1,779,822	2.5%

- The MSA is ranked 32 out of 50 based on population.
- The MSA is ranked 6 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 28
- The MSA is ranked 8 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 6
- The MSA is ranked 4 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 34

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



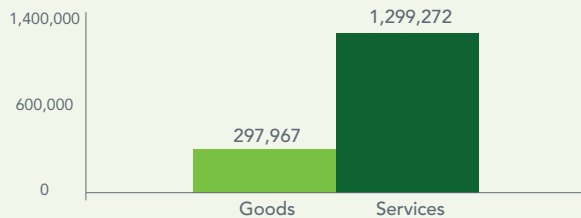
- Goods employment is underrepresented and services employment overrepresented in the MSA as compared to the nation.
 - Location Quotient Goods: 0.75; Location Quotient Services: 1.06
- The average annual wage in the MSA (private employment) is 94% of the national average.
- Per capita personal income in the MSA is 95% of the national average.

DETROIT WARREN LIVONIA, MICHIGAN MSA

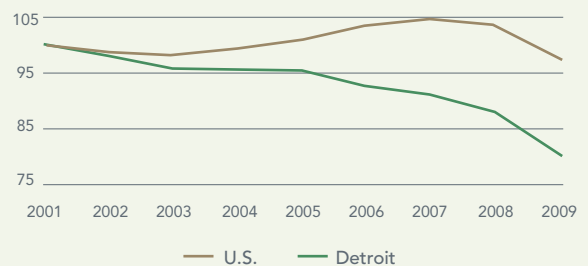
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-2%	-1%	-2%	1,597,231	-5.3%	\$49,944	\$197,149	4,423,781	-1.4%

- The MSA is ranked 11 out of 50 based on population.
- The MSA is ranked 9 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 27
- The MSA is ranked 7 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 6
- The MSA is ranked 5 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 33

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



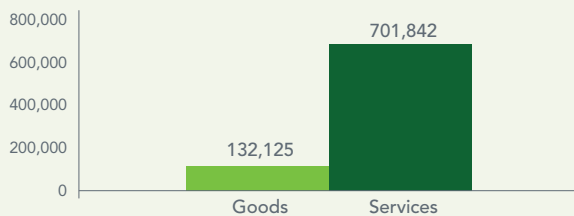
- The distribution of goods and services employment in the MSA is similar to the U.S.
 - Location Quotient Goods: 0.97; Location Quotient Services: 1.01
- The average annual wage in the MSA (private employment) is 110% of the national average.
- Per capita personal income in the MSA is 97% of the national average.

KANSAS CITY, MISSOURI KANSAS MSA

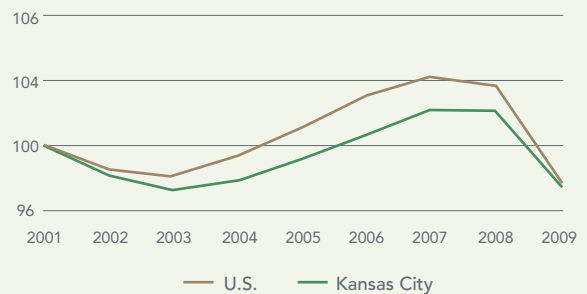
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-2%	-2%	-2%	833,967	1.7%	\$44,296	\$103,346	2,046,083	3.1%

- The MSA is ranked 28 out of 50 based on population.
- The MSA is ranked 12 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 24
- The MSA is ranked 5 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 9
- The MSA is ranked 8 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 33

Total Private Employment (2008)



Total Private Employment (indexed; 2001=100)



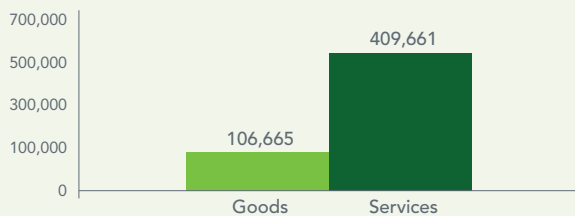
- Goods employment is underrepresented and services employment slightly overrepresented in the MSA as compared to the nation.
 - Location Quotient Goods: 0.80; Location Quotient Services: 1.05
- The average annual wage in the MSA (private employment) is 98% of the national average.
- Per capita personal income in the MSA is 102% of the national average.

LOUISVILLE JEFFERSON COUNTY, KENTUCKY INDIANA MSA

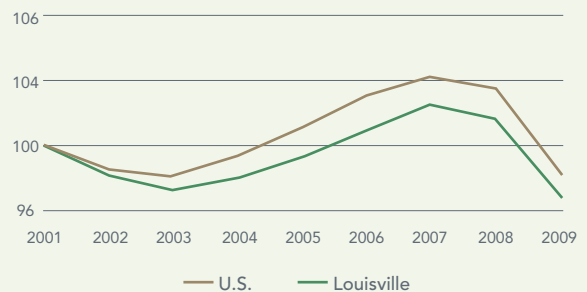
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
N.A.	-3%	-1%	516,326	0.8%	\$40,130	\$55,921	1,249,739	2.2%

- The MSA is ranked 42 out of 50 based on population.
- The MSA experienced gains in the 1-4 employee establishment class.
 - Establishment gain per 100,000 population: 5
- The MSA is ranked 1 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 17
- The MSA is ranked 16 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 12

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



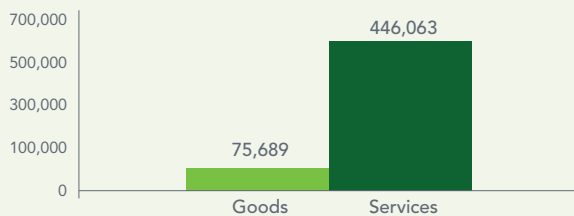
- The distribution of goods and services employment in the MSA is similar to the U.S.
 - Location Quotient Goods: 1.03; Location Quotient Services: 0.99
- The average annual wage in the MSA (private employment) is 88% of the national average.
- Per capita personal income in the MSA is 94% of the national average.

MEMPHIS, TENNESSEE MISSISSIPPI ARKANSAS MSA

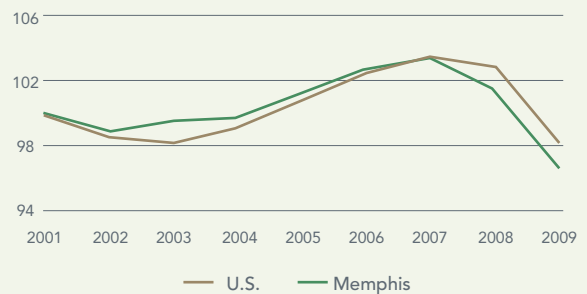
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-3%	N.A.	-1%	521,752	-1.3%	\$42,728	\$63,647	1,298,529	1.4%

- The MSA is ranked 41 out of 50 based on population.
- The MSA is ranked 4 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 26
- The MSA experienced gains in the 5-9 employee establishment class.
 - Establishment gain per 100,000 population: 14.
- The MSA is ranked 14 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 12

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



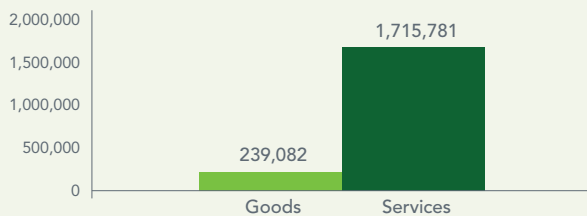
- Goods employment is underrepresented and services employment overrepresented in the MSA as compared to the nation.
 - Location Quotient Goods: 0.74; Location Quotient Services: 1.07
- The average annual wage in the MSA (private employment) is 94% of the national average.
- Per capita personal income in the MSA is 95% of the national average.

MIAMI FORT LAUDERDALE POMPANO BEACH, FLORIDA MSA

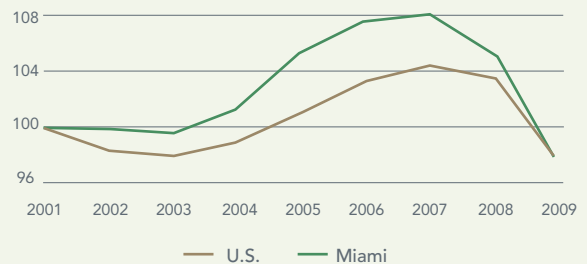
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-2%	-2%	-2%	1,954,863	-2.3%	\$42,939	\$260,547	5,501,752	0.6%

- The MSA is ranked 7 out of 50 based on population.
- The MSA is ranked 8 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 50
- The MSA is ranked 4 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 9
- The MSA is ranked 2 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 59

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



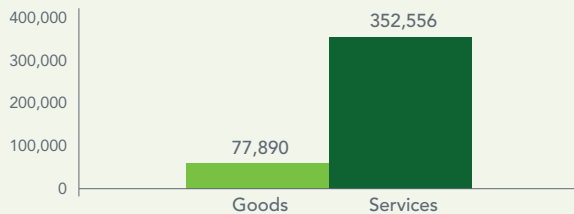
- Goods employment is underrepresented and services employment overrepresented in the MSA as compared to the nation.
 - Location Quotient Goods: 0.64; Location Quotient Services: 1.09
- The average annual wage in the MSA (private employment) is 95% of the national average.
- Per capita personal income in the MSA is 109% of the national average.

NEW ORLEANS METAIRIE KENNER, LOUISIANA MSA

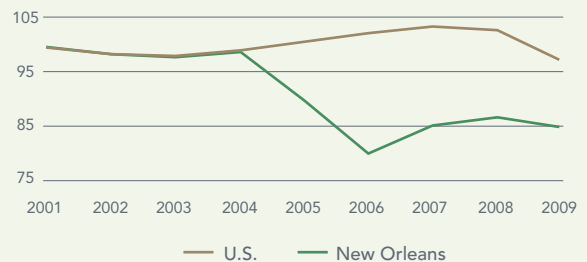
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-5%	N.A.	-1%	430,446	8.1%	\$44,700	\$68,991	1,168,547	18.3%

- The MSA is ranked 46 out of 50 based on population.
- The MSA is ranked 1 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 72
- The MSA experienced gains in the 5-9 employee establishment class.
 - Establishment gain per 100,000 population: 61
- The MSA is ranked 20 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 11

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



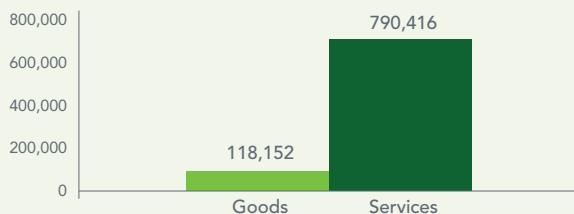
- Hurricane Katrina struck New Orleans and the Gulf Coast in August 2005. It's impact is evident in the data.
- Goods employment is underrepresented and services employment nearly at parity in the MSA as compared to the nation.
 - Location Quotient Goods: 0.90; Location Quotient Services: 1.02
- The average annual wage in the MSA (private employment) is 99% of the national average.
- Per capita personal income in the MSA is 109% of the national average.

ORLANDO KISSIMMEE, FLORIDA MSA

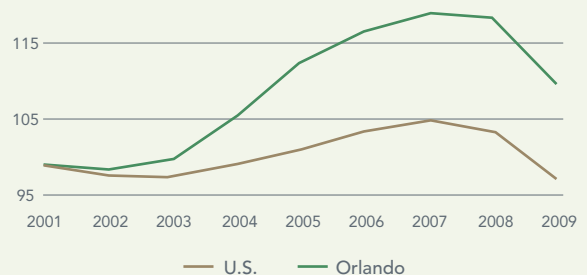
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-3%	N.A.	-2%	907,568	0.8%	\$38,675	\$103,592	2,060,968	3.0%

- The MSA is ranked 27 out of 50 based on population.
- The MSA is ranked 5 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 46
- The MSA experienced gains in the 5-9 employee establishment class.
 - Establishment gain per 100,000 population: 4
- The MSA is ranked 6 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 42

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



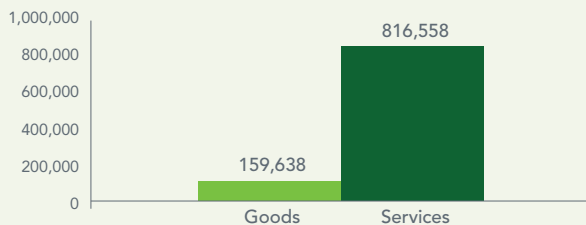
- Goods employment is underrepresented and services employment overrepresented in the MSA as compared to the nation.
 - Location Quotient Goods: 0.69; Location Quotient Services: 1.08
- The average annual wage in the MSA (private employment) is 85% of the national average.
- Per capita personal income in the MSA is 90% of the national average.

PITTSBURGH, PENNSYLVANIA MSA

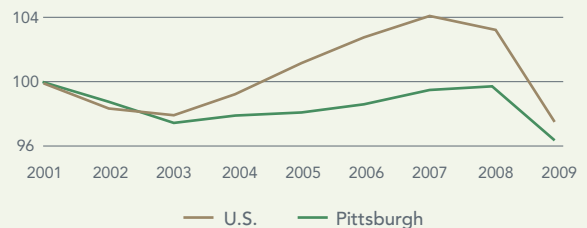
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-3%	-1%	-2%	976,169	1.2%	\$43,954	\$111,738	2,355,391	-0.3%

- The MSA is ranked 22 out of 50 based on population.
- The MSA is ranked 3 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 37
- The MSA is ranked 11 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 3
- The MSA is ranked 3 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 40

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



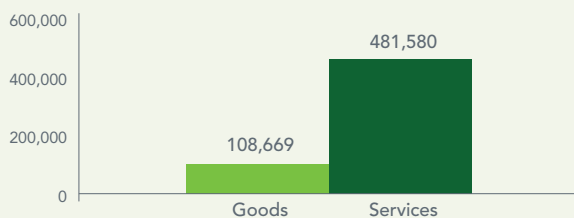
- Goods employment is underrepresented and services employment overrepresented in the MSA as compared to the nation.
 - Location Quotient Goods: 0.81; Location Quotient Services: 1.05
- The average annual wage in the MSA (private employment) is 97% of the national average.
- Per capita personal income in the MSA is 105% of the national average.

PROVIDENCE NEW BEDFORD FALL RIVER, RHODE ISLAND MASSACHUSETTS MSA

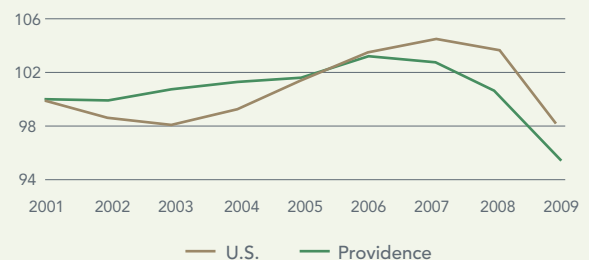
BUSINESS LOSSES (1-4 EMPLOYEES)	BUSINESS LOSSES (5-9 EMPLOYEES)	BUSINESS LOSSES (1-9 EMPLOYEES)	PRIVATE EMPLOYMENT (2008)	PRIVATE EMPLOYMENT	AVERAGE WAGE (2008)	GDP (2008; THOUSANDS)	POPULATION (2008)	POPULATION CHANGE (2006 - 2008)
-1%	-3%	-2%	590,249	-2.4%	\$40,311	\$64,666	1,599,312	-0.3%

- The MSA is ranked 37 out of 50 based on population.
- The MSA is ranked 15 out of 50 for small business losses in the 1-4 employee establishment class.
 - Establishment loss per 100,000 population: 20
- The MSA is ranked 2 out of 50 for small business losses in the 5-9 employee establishment class.
 - Establishment loss per 100,000 population: 13
- The MSA is ranked 9 out of 50 for small business losses in the 1-9 employee establishment class.
 - Establishment loss per 100,000 population: 33

Total Private Employment
(2008)



Total Private Employment
(indexed; 2001=100)



- Goods employment is underrepresented and services employment nearly at parity in the MSA as compared to the nation.
 - Location Quotient Goods: 0.94; Location Quotient Services: 1.01
- The average annual wage in the MSA (private employment) is 89% of the national average.
- Per capita personal income in the MSA is 101% of the national average.

SUPPLEMENTAL DATA ON STATES WITH MORE THAN ONE MSA EXPERIENCING LOSSES FOR ESTABLISHMENT CLASSES

1-4 employees

5-9 employees

1-9 employees (combined)



SMALL BUSINESS RANKINGS

CALIFORNIA

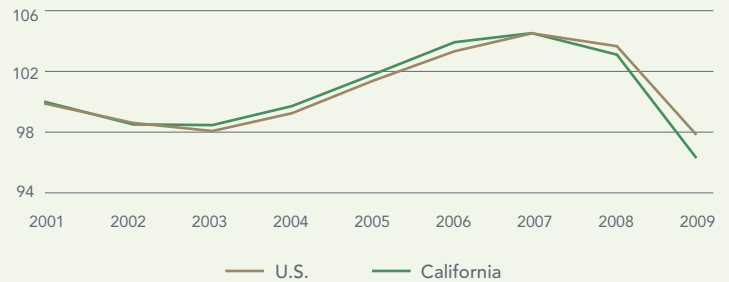
Three MSAs in the state experienced small business establishment losses:

- San Diego-Carlsbad-San Marcos
- San Francisco-Oakland-Fremont
- San Jose-Sunnyvale-Santa Clara

The state ranked 1 out of 50 based on 2008 GDP.

- \$1,925.5 billion.
- Per capita real GDP was \$46,639 (2005 dollars), or 13 percent more than the national average.

Total Private Employment
(indexed; 2001=100)



FLORIDA

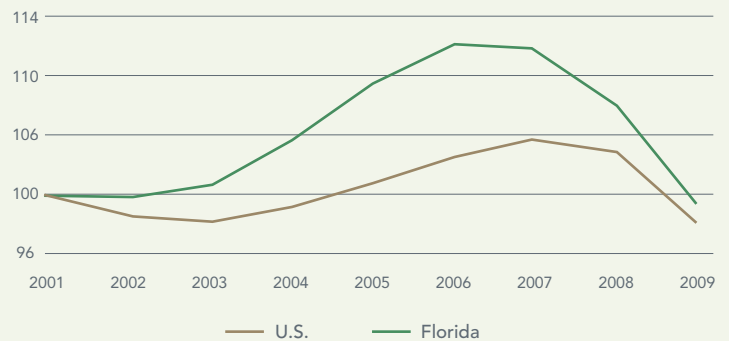
Two MSAs in the state experienced small business establishment losses:

- Miami-Fort Lauderdale-Pompano Beach
- Orlando-Kissimmee

The state ranked 4 out of 50 based on 2008 GDP.

- \$747.8 billion.
- Per capita real GDP was \$37,454 (2005 dollars), or 13 percent less than the national average.

Total Private Employment
(indexed; 2001=100)



INDIANA

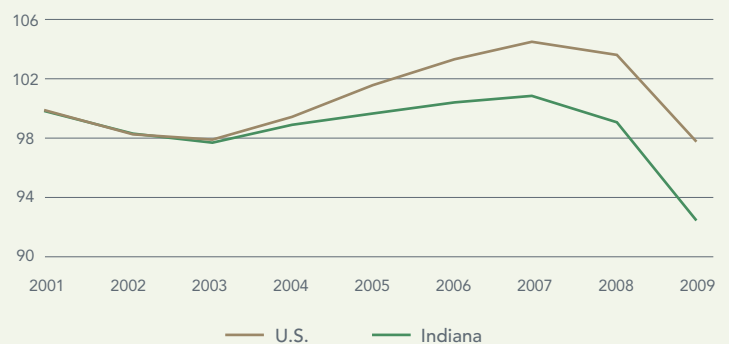
Two MSAs that are partially in the state experienced small business establishment losses:

- Cincinnati-Middletown, OH-KY-IN
- Louisville/Jefferson County, KY-IN

The state ranked 16 out of 50 based on 2008 GDP.

- \$263.7 billion.
- Per capita real GDP was \$38,322 (2005 dollars), or 11 percent less than the national average.

Total Private Employment
(indexed; 2001=100)



SMALL BUSINESS RANKINGS

KENTUCKY

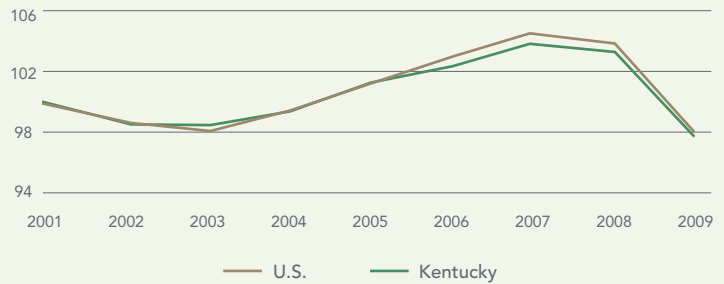
Two MSAs that are partially in the state experienced small business establishment losses:

- Cincinnati-Middletown, OH-KY-IN
- Louisville/Jefferson County, KY-IN

The state ranked 28 out of 50 based on 2008 GDP.

- \$155.9 billion.
- Per capita real GDP was \$33,369 (2005 dollars), or 22.5 percent less than the national average.

Total Private Employment
(indexed; 2001=100)



MASSACHUSETTS

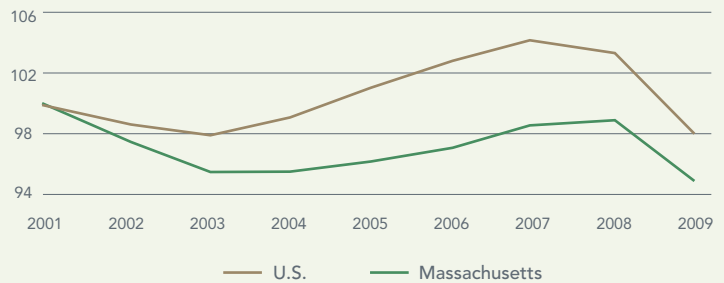
Two MSAs that are partially in the state experienced small business establishment losses:

- Boston-Cambridge-Quincy, MA-NH
- Providence-New Bedford-Fall River, RI-MA

The state ranked 13 out of 50 based on 2008 GDP.

- \$363.1 billion.
- Per capita real GDP was \$51,523 (2005 dollars), or 19.7 percent more than the national average.

Total Private Employment
(indexed; 2001=100)



MISSOURI

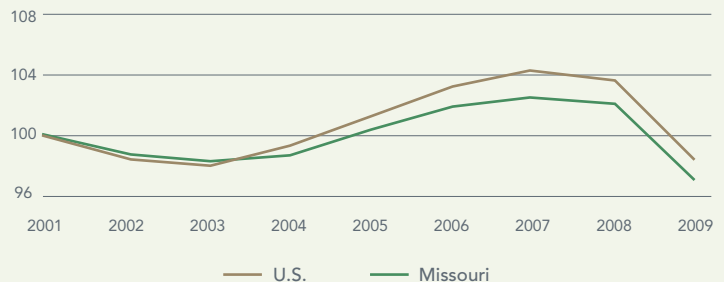
Two MSAs that are partially in the state experienced small business establishment losses:

- Kansas City, MO-KS
- St. Louis, MO-IL

The state ranked 22 out of 50 based on 2008 GDP.

- \$239.7 billion.
- Per capita real GDP was \$37,143 (2005 dollars), or 13.7 percent less than the national average.

Total Private Employment
(indexed; 2001=100)



SMALL BUSINESS RANKINGS

OHIO

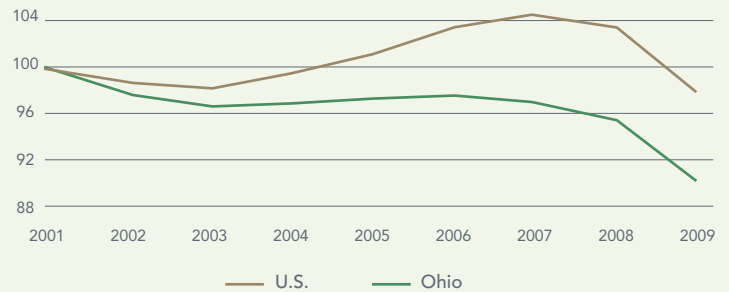
Two MSAs that are in the state experienced small business establishment losses:

- Cleveland-Elyria-Mentor
- Columbus

The state ranked 8 out of 50 based on 2008 GDP.

- \$472.3 billion.
- Per capita real GDP was \$37,933 (2005 dollars), or 11.9 percent less than the national average.

Total Private Employment
(indexed; 2001=100)



WISCONSIN

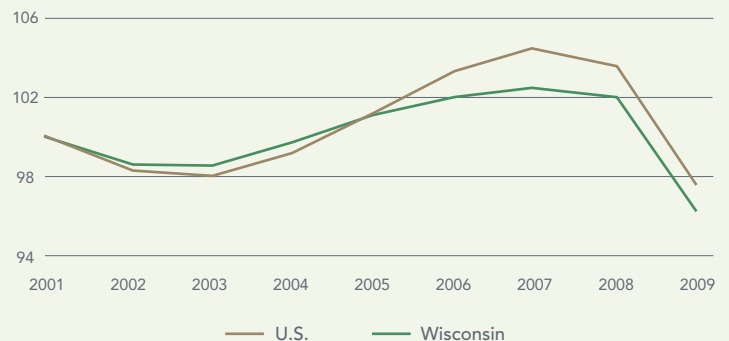
Two MSAs that are partially or completely in the state experienced small business establishment losses:

- Milwaukee-Waukesha-West Allis
- Minneapolis-St. Paul-Bloomington, MN-WI

The state ranked 21 out of 50 based on 2008 GDP.

- \$241.2 billion.
- Per capita real GDP was \$39,813 (2005 dollars), or 7.5 percent less than the national average.

Total Private Employment
(indexed; 2001=100)



METHODOLOGY AND DEFINITIONS



METHODOLOGY

Data from the U.S. Census Bureau's County Business Patterns was sorted and aggregated based on industries of interest to Kiva (NAICS selection) for all counties in the U.S. County data was summed to produce results for the 50 largest Metropolitan Statistical Areas (MSAs). Metropolitan Statistical Area results were sorted and ranked:

- Based on changes in the number of business establishments for the period 2006-2008 (most recent available data).
- Rankings were produced for establishments with:
 - 1-4 employees
 - 5-9 employees
 - 1-9 employees (combined)

Supplemental data comes from:

- U.S. Bureau of Labor Statistics' Quarterly Census of Employment & Wages (QCEW)
 - Private employment
 - Average wage
- U.S. Bureau of Economic Analysis
 - GDP
 - Per capita personal income
- Location Quotients were calculated based on QCEW data

Definitions

County Business Patterns (CBP) data are derived from the U.S. Census Bureau's business establishment survey and Federal administrative records. The Quarterly Census of Employment and Wages (QCEW) data (not the primary data set, however referenced herein) are tabulations of monthly employment and quarterly wages of workers covered by state unemployment insurance programs.

- Only CBP data records allow detailed county establishment counts by employment class size, a prerequisite for this analysis.

Location Quotients (in the supplemental analysis) are industry concentration ratios that compare shares of goods (or services) employment within an MSA (that is, as a share of total private employment) to similar shares of goods (or services) for the nation.