

# ANNUAL REPORT ON THE STATE OF SMALL BUSINESSES 2021



NEW YORK  
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Development



## Empire State Development Annual Report on the State of Small Businesses 2021

*In accordance with section 134 of the NYS Economic Development Law, Empire State Development (ESD) is required to compile an annual report on the state of small businesses, particularly businesses with less than 25 employees which are often referred to as “micro-businesses.” Please note that the data provided in this report are the most recent available.*

**Average Employment, Average Quarterly Wage  
Private Sector Firms with Average Employment Between 1 And 99  
2016 vs. 2020 (1st Quarter)**

	Small Firms	Share of All Firms	Average Small Firm Employment	Share of All Employment
2016	598,507	98%	4,147,725	55%
2020	623,159	98%	4,200,627	53%
Percent Change	4.1%		1.3%	

*Source: Quarterly Census of Employment and Wages  
Data are subject to revision  
Firms with average quarterly employment less than one are excluded from this analysis*

### A. Growth and Economic Trends of Small Businesses

Small businesses form a substantial portion of the New York State economy: 98 percent of New York businesses have fewer than 100 employees (the State’s definition of a small business). Looking at employment, over 53 percent of the workforce is employed in firms with fewer than 100 employees.

Both the number of small firms and average small firm employment has grown from 2016 to 2020 (4.1 percent and 1.3 percent growth, respectively).

#### **National Small Business Association, Small Business Survey COVID 19: July 2020**

The National Small Business Association (NSBA) is a nonpartisan organization advocating on behalf of small businesses and has 65,000 members representing every state and every industry in the U.S.

The most recent COVID-19 survey (July 2020) from NSBA shows many indicators – including small-business confidence, economic outlook and overall impact of the pandemic – improved since April 2020.

Small-business owners are inherently optimistic and confident in their ability to run their business, however economic insecurity can become an insurmountable hurdle for many. If small-business owners have little faith in the ability for our country to recover, they will be hesitant to grow, invest in their businesses and create jobs. Absent a clear path forward, we could see a notable reversal of the more positive small-business outlook we’re seeing now.

The report also found that while the majority of small businesses (69 percent) say they are very concerned about the coronavirus, that number is down from 85 percent (April 2020). Eighty percent of respondents applied for some kind of federal lending program, and among those, 96 percent were approved for either an EIDL or PPP loan, or both. Eighty-two percent of small business made workspace changes as a result of the pandemic, and the average initial set-up costs were \$11,729 with ongoing monthly costs average around \$1,800.

Similar to other data points in this survey, mid-June 2020 found small-business owners experiencing less dramatic impacts on their business from the coronavirus than what was reported in April 2020. That said, it is important to note that today, nine out of ten small businesses have experienced major changes in their business as a result of the pandemic.

While this report reflects the small business environment almost a year ago, it highlights the detriment and concern the pandemic brought during that time. It is hopeful that as businesses continue their gradual return back to pre-pandemic status, their success and level of confidence will grow.

### ***Federal Reserve Joint Small Business Credit Survey Report, 2020***

The Federal Reserve Banks monitor small business credit conditions through regional surveys of business owners. These surveys provide insight into small business vitality and shed additional light on startups, micro-businesses, and growing firms which affect employment and growth in local and regional economies.

The publication of this report comes at a particularly challenging time for our nation's small business sector. Small businesses across the country are grappling with the profound impact of the COVID-19 pandemic on their operations and on their owners' and employees' livelihoods

The Federal Reserve Banks' Small Business Credit Survey (SBCS), fielded in Q3 and Q4 of 2019, offers baseline data on the financing and credit positions of small firms before the onset of the crisis. The survey findings provide insights into firms' preparedness to withstand the shock, their existing debt levels, and the actions they may take in response to an unexpected loss of revenues.

Specific findings for the US include:

- Small business respondents reported a strong end to 2019. A majority of small businesses (56%) reported that their firms had experienced revenue growth, and more than one-third added employees to their payrolls;
- The shares reporting revenue growth, profitability, and employment growth were all virtually unchanged from 2018;
- Looking to 2019, a strong majority of firms expect revenue growth, but the net share of firms that anticipates adding payroll jobs in the next year dipped to 38% from 43% in the prior year's survey;
- In the prior 12 months, 66% of employer firms faced financial challenges; the most common challenge was paying operating expenses (42%);
- If faced with a two-month revenue loss, 86% of firms would need to take some action to supplement funding or cut expenses;

- Forty percent of firms hold outstanding debt in amounts up to \$100,000. A majority of firms used personal guarantees as collateral to secure this debt.
- Demand for new financing has been steady, with 43% of firms applying for new credit in 2019, in line with the 43% that applied in 2018, and 40% in 2017;
- Among firms that have obtained external financing – outside of family or friend networks – banks were the most common channel (44% of firms), followed by online lenders (22% of firms) and credit unions (6% of firms).

## B. Employment and Economic Data of Small Businesses in New York State

Since 2011, New York State’s economy has added more than 1.1 million private sector jobs.

Micro-businesses, defined as firms with fewer than 20 employees, employ many workers across the state. For example, over 630,000 people are employed at micro-businesses in New York City, over 260,000 people on Long Island and over 275,000 people in selected upstate metropolitan areas. Average monthly earnings are highest in Manhattan (\$6,771) and in Nassau and Suffolk Counties (\$4,259 and \$3,853 respectively). Data is from the 1st quarter of 2020.

### Employment in New York State Small Businesses with 0 - 19 Employees, By Location 1st Quarter 2020\*

Location	Total Employment	Average Monthly Earnings
New York State	1,460,406**	\$4,104
<i>Upstate</i>		
Albany-Schenectady-Troy MSA	57,381	\$3,501
Binghamton MSA	13,332	\$2,816
Buffalo-Cheektowaga-Niagara Falls MSA	75,606	\$3,138
Elmira MSA	4,430	\$2,782
Rochester MSA	67,714	\$3,183
Syracuse MSA	41,005	\$3,226
Utica-Rome MSA	16,284	\$2,880
<i>New York City and Long Island</i>		
Bronx	44,285	\$3,212
Kings	162,113	\$3,440
New York	274,916	\$6,771
Queens	132,958	\$3,563
Richmond	23,931	\$3,442
Nassau County	125,611	\$4,259
Suffolk County	134,468	\$3,853

MSA = Metropolitan Statistical Area

Source: US Census Bureau, Quarterly Workforce Indicators <http://qwiexplorer.ces.census.gov/>

\*Most recent available data.

Note: unlike Labor Department data (page 1), this source includes businesses with no employees.

\*\* Total includes all MSA's

Small businesses with 20-49 employees also employ many workers across the state. For example, over 295,000 people are employed at businesses with 20-49 employees in New York City. Employment in Long Island totals over 127,000, while over 170,000 people are employed in selected upstate metropolitan areas. Average monthly earnings are highest in Manhattan (\$9,506), Nassau (\$5,171) and Suffolk (\$4,802) counties. Data is from the first quarter of 2020

**Employment in New York State Small Businesses with 20-49 Employees,  
By Location 1st Quarter 2020\***

<b>Location</b>	<b>Total Employment</b>	<b>Average Monthly Earnings</b>
New York State	721,742**	\$5,290
<i>Upstate</i>		
Albany-Schenectady-Troy MSA	34,350	\$4,208
Binghamton MSA	7,926	\$3,739
Buffalo-Cheektowaga-Niagara Falls MSA	47,970	\$3,902
Elmira MSA	2,574	\$3,371
Rochester MSA	43,900	\$3,906
Syracuse MSA	23,574	\$4,119
Utica-Rome MSA	9,773	\$3,554
<i>New York City and Long Island</i>		
Bronx	18,636	\$4,119
Kings	63,054	\$4,051
New York	152,641	\$9,506
Queens	53,994	\$4,645
Richmond	10,430	\$4,283
Nassau County	60,850	\$5,171
Suffolk County	66,159	\$4,802

MSA = Metropolitan Statistical Area

Source: US Census Bureau, Quarterly Workforce Indicators <http://qwiexplorer.ces.census.gov/>

\*Most recent available data.

Note: unlike Labor Department data (page 1), this source includes businesses with no employees.

\*\* Total includes all MSA's

The statewide unemployment rate in New York was at 8.5 percent in March 2021 according to preliminary figures released by the New York State Department of Labor.

**Unemployment Rates (%)\***

	<b>March 2021*</b>	<b>February 2021</b>	<b>March 2020</b>
United States	6.0	6.2	4.4
New York State	8.5	9.7	4.4
New York City	11.2	13.2	4.2
NYS, outside NYC	6.3	7.0	4.6

\*Data is preliminary and subject to change, based on standard procedures outlined by the U.S. Bureau of Labor Statistics.

## C. Programs to Improve Small Business Growth in New York State

New York State supports small or micro-business growth by providing and implementing programs and services that facilitate access to capital, technical assistance, technology assistance, and access to information and resources.

In 2020, New York State launched the following new financial assistance programs and initiatives to support small businesses impacted by COVID-19:

- The New York Forward Loan Fund program, a \$100 million loan fund, was created to offer a 2%-3% interest working capital loan for five-years, to small businesses, nonprofits, and small residential landlords impacted by COVID-19 by leveraging \$10 million of State's loan loss reserves. To date, \$66.2 million has been funded, totaling 1,213 applications of which 62% of funds went to MWBEs.
- A \$15 million fund for PPP loan capital was provided to four CDFI lenders to offer PPP loans to small businesses during COVID-19 to support retention of businesses and jobs.
- The \$400,000 Community Development Financial Institution Revolving Loan Fund (CDFI RLF) Microloans program was launched to provide microloans of up to \$25,000 to eligible businesses. There are currently five lenders in this program located throughout the state.
- The Community Development Financial Institutions (CDFI) Assistance Program was allocated \$2.3 million in the 2019-2020 New York State budget to provide technical assistance to New York State MWBEs and small businesses applying for COVID-19 assistance programs. The CDFIs have been able to secure over \$97 million in relief capital for MWBEs and small businesses.
- The COVID-19 Disaster Relief Technical Assistance Grants, ESD provided funding of \$4.71 million to support 24 EACs and 23 SBDCs . To date, the EACs have assisted over 3,975 small businesses to secure \$31.8 million in federal PPP, EIDL and other COVID-19 financial assistance programs offered by state, municipal, local and private funding sources. The SBDCs have provided technical assistance to over 5,862 small businesses, resulting in over \$17.1 million in COVID-19 financial assistance.

### *Increasing Access to Capital*

Since January 2011, the state has launched or enacted approximately over \$1.5 billion in new small business access to capital programs.

- Small Business Revolving Loan Fund is a major fund targeted to minority- and women-owned businesses (MWBEs) and main street businesses that have difficulty accessing regular credit markets. Since its launch, the fund has provided over \$280.8 million to over 47,125 small and micro-businesses throughout the state, with over 97% of the borrowers being MWBEs.
- In 2018, ESD launched the Minority Revolving Loan Fund to leverage approximately \$1.8 million in private funds via community-based lenders. Through selected lenders MBEs can gain access to the fund to act as working capital, acquire or improve real property, acquire machinery and equipment, and in some cases refinance existing debt obligations if it provides a tangible benefit to the borrower. In 2020, three (3) minority business owners who had difficulty accessing traditional credit markets received funding from this program totaling \$265,000.

- The New York State Capital Access Program (CAP) is a portfolio insurance program that provides matching funds to build loan loss reserves as an incentive to offset small business risk. Since the program's inception in 2012, CAP has facilitated approximately \$126 million in loans primarily to micro-businesses with more than 90% of loans being disbursed to minority and/or woman-owned businesses, the program is facilitating loans to underserved populations in underserved communities.
- NYS Surety Bond Assistance Program provides financial credit assistance, as well as training and technical support to help small contractors and MWBEs secure surety bonds for New York State government contract. Since the inception of this innovative program, \$119.3 million in surety bonding authority has been facilitated. Through the collateral support portion alone, \$93.9 million in bonding was supported, of which \$69.5 million went to MWBEs.
- The Bridge to Success Loan Program is a \$20 million fund to expand access to short-term bridge loans for MWBEs by providing qualified firms with the access to needed capital to participate in contracting opportunities with New York State. Since the program's inception \$32.9 million in working capital loans have been made supporting over \$279.3 million of contract work.
- The Linked Deposit Program (LDP) was funded at \$560 million and is used to lower interest rates on bank loans for small businesses. To date LDP has provided assistance on 347 loans to MWBEs for a total of \$116.46 million, of which nine (9) have reached their lifetime maximum, which currently is \$2 million per borrower. LDP has \$356 million currently available.
- The Job Development Authority Direct Loan Program was reinvigorated in the past few years to focus on small business lending for real estate purchases, renovations, and machinery and equipment purchases. In the past seven (7) calendar years, \$65.8 million in new lending has been originated.
- The Trust Funds created in 1994 were designed to assist a specific demographic, including businesses in regions throughout the state through the Regional Revolving Trust Fund (RRLTF); micro-businesses through the Micro Enterprise Revolving Loan Trust Fund; Minority and Women Owned Business Enterprises through the Minority and Women Revolving Loan Trust Fund (MWRLTF); and retailers in business districts through the Commercial District Revolving Loan Fund. These Trust Fund programs have historically been underutilized due to the accessibility of other lending capital, inflexible term guidelines, and burdensome administrative requirements. There is approximately \$8.6 million allocated to all of these trust fund programs; \$4.1 million to active lenders and \$4.5 million unallocated or allocated to lenders that have not made loans in more than two years. In 2018, ESD made changes to the RRLTF, reducing the administrative burden which led to increased program activity. Since its inception, RRLTF has funded 362 loans totaling \$18.2 million to small businesses of which 78 loans were provided to MWBEs throughout the state. Similarly, after reallocating funding in 2018, the MWRLTF has funded 63 fixed asset and/or working capital loans totaling \$1.77 million to MWBEs throughout the state as of to date.
- New York Ventures administers the State's innovation investment funds which provide seed and early-stage venture funding to high growth technology-based startups.

The New York Venture Programs include the following:

- The NYS Innovation Venture Capital Fund is approximately \$100 million investment fund providing critical seed and early-stage funding to incentivize new business formation and growth across the State of New York, as well as facilitate the transition from ideas and research to marketable products. The fund has invested in 32 companies for over \$42 million dollars.
- The Innovate New York Fund is a seed-stage equity investment fund supporting innovative high-growth firms around the state. The fund, together with private matching investments, facilitated over \$373 million in equity and other types of investment to over 81 startup enterprises.
- Technology Commercialization Fund is an \$8 million fund-of-funds making pre-seed investments into companies that are focused on the commercialization of technologies emerging from universities and research labs across New York State. NYS invested \$5.6 million in 58 companies. The majority of the investments were made in upstate companies.
- The MWBE Investment Fund is a \$2 million equity investment fund providing seed capital to certified minority- and women-owned business enterprises (MWBEs). It was created to support innovation, job creation, and economic growth within minority- and women-owned enterprises throughout the State. The fund made six (6) investments in emerging technology MWBE businesses.

Considerable program investments made over the last several years are continuing to address the capital challenges small businesses face and will be critical to further growth for small businesses. Programs like the Small Business Revolving Loan Fund, or other Loan to Lenders programs, which provide funds directly to the lenders are responsive to the needs of small businesses and address the challenges outlined by the Federal Reserve's Joint Small Business Credit Survey Report. New York State has a strong track record in supporting and investing in its alternative lender ecosystem, which has been instrumental in the growth and strength of its small businesses.

### ***Enhancing Training and Technical Assistance for Small Businesses***

Providing technical assistance to help businesses launch and grow is critical to the growth of small businesses. Targeted assistance to subsectors of the small business community can overcome specific challenges faced by community businesses, immigrants, MWBEs and other sectors critical to the local economies of the state. Several new programs or enhancements to existing programs have been made since 2011.

- In May 2014, ESD launched Business Mentor NY, a pro bono mentorship program for MWBEs and other New York State small businesses. Through this on-line platform ([www.BusinessMentor.NY.gov](http://www.BusinessMentor.NY.gov)), entrepreneurs can access assistance from private industry professionals and other successful entrepreneurs who volunteer their time to help owners overcome challenges and grow their business. Since the launch, over 10,664 mentors and entrepreneurs have enrolled and over 5,183 engagements have been initiated. In 2020, a refreshed look, new features and communication tools have been instituted to further enhance the platform and the utility of services provided.

- The Entrepreneurship Assistance Centers (EAC), formerly the Entrepreneurial Assistance Program (EAP) stimulates new business development by establishing centers in local communities to provide instruction, training, technical assistance and support services to aspiring entrepreneurs starting a business or who have recently started their own business and business owner who wish to expand or need to change their business model. These 21 strategically located centers strengthen businesses in the early stages of development by establishing basic business management skills, refining business concepts, devising early-stage marketing plans and preparation of action plans. In addition, the program actively assists EAC client's efforts to obtain business financing. Two thirds of the centers operate or are formally affiliated with a micro-loan fund. EAC primarily assists minorities, women, dislocated workers, individuals with special needs, and veterans.
- The Small Business Development Center (SBDC) Network provides high quality business counseling and training to entrepreneurs who want to start a business or small business owners who want to improve the performance of an existing business. This service is provided through a network of 23 regional centers located throughout New York State. This network provides comprehensive training and include many targeted initiatives, including the SBDC's Veterans Business Outreach Program, staffed by business advisers who are veterans and dedicated to helping fellow veterans start and/or grow a small business by providing targeted business training, counseling, and mentoring.
- ESD's Division of Science, Technology & Innovation (NYSTAR) has over 70 partner centers which aid companies from the start-up to maturity phases. NYSTAR leverages New York's unparalleled investment in world class technology assets and expertise. NYSTAR funded centers provide vital tools for enabling technology and manufacturing led growth and job creation. NYSTAR partnerships include:
  - Small Business Innovation Research Assistance (SBIR) Program that improves the quality of applications and to increase the likelihood of success of New York State SBIR applications to federal agencies.
  - The Centers for Advanced Technology (CAT) Program encourages greater collaboration between private industry and the universities of the state in the development and application of new technologies. This includes working with small businesses to further develop their products to become more competitive in the marketplace. Currently, ESD funds 15 CATs at 11 Universities throughout New York State.
  - The Centers of Excellence (COE) Program fosters collaboration between the academic research community and the business sector to develop and commercialize new products and technologies, promote critical private sector investment in emerging high technology fields and create and expand technology-related businesses and employment. The goal of the COE is the creation and expansion of high technology businesses and jobs, which will result in economic growth in New York State. ESD funds 14 COEs at 13 universities throughout the state.

- The Manufacturing Extension Partnership (MEP) Program provides funds to support a statewide network of eleven (11) non-profit organizations whose mission is to provide services to small and medium-sized manufacturers, science and technology-based businesses, and start-ups in need of business assistance and technologies to improve their operations or products. This program is supported by New York State and the federal Manufacturing Extension Partnership Program. NYSTAR has designated ten (10) regional MEP centers to support New York State manufacturers—one in each of the ten economic development regions—and a statewide center (FuzeHub) to provide overall marketing, resource matching, and referral.
- FuzeHub, works primarily with small and medium sized manufacturers and technology companies by matching their needs to the most appropriate NYS innovation resource. FuzeHub also administers the Manufacturing Innovation Fund that includes grants and other funding designed to assist small companies in advancing their manufacturing operations or products. Companies can find assistance at [www.fuzehub.com](http://www.fuzehub.com).
- The Science and Technology Law Center’s goal is to facilitate New York State’s economic development by leveraging the experience and expertise of law faculty and students to assist even more NYS businesses and institutions in delivering new and emerging technology to the marketplace. The program helps entrepreneurs and companies with new technologies identify potential challenges and devise effective strategies to successfully bring that technology to market.
- The NYS Certified Business Incubator and Innovation Hot Spot Program provides strategic funding to business incubators to improve the quantity and quality of incubator services provided to emerging companies thereby enabling these businesses to successfully transition from their start-up phase to larger scale commercialization of their products and services. In addition, this program is providing ESD with valuable information on the companies which are at the early stage of entry into the state’s “innovation pipeline.”
- NYSTAR has rolled out a new initiative called the Entrepreneurship Navigator (<https://esd.ny.gov/entrepreneurship-navigator>) to assist startups and underserved founders engage resources available across the state available to accelerate growth.
- Additional programs administered by NYSTAR also serve small businesses in strategic high-tech fields. These include NYSTAR’s Matching Grants Leverage Program, which helps New York State higher education institutes secure federal research grants; and the Faculty Development and Technology Transfer Incentive Programs. The Faculty Development Program assists institutions of higher education in New York State in the recruitment and retention of leading entrepreneurial research faculty in science and technology fields with strong commercial potential. The Technology Transfer Incentive Program helps New York companies commercialize high-tech innovations in partnership with colleges and universities by providing awards to institutions of higher education to move leading-edge technologies from the research lab to the marketplace.

## ***Streamlining Government***

To implement a plan for a more efficient government, a reevaluation of core government operations and economic development strategies to maximize resources and provide better results was developed.

The state has a number of tools and resources to help small businesses navigate government. These include the New York State Directory of Small Business Programs, the Directory of Alternative Lending Programs, the New York State Small Business Guide and the New York Business Express. Most resources can be accessed here:

<http://esd.ny.gov/SmallBusiness.html>

## ***Improving the Business Climate***

FY 2022 State Budget: Reimagine, Rebuild, and Renew New York

The \$209 billion FY 2021 State Budget includes several initiatives to help New York both recover and grow in the wake of the COVID-19 pandemic, including:

- A robust \$1 billion small business, arts, entertainment, and restaurant relief package to help businesses and other organizations recover from the impacts of the COVID-19 pandemic with several programs, including:
  - COVID-19 Pandemic Small Business Recovery Grant Program: Provides \$800 million in grant funding for small businesses including for-profit arts and cultural institutions impacted by the COVID-19 pandemic.
  - New York Restaurant Resiliency Grant Program: \$25 million in grant funding to support restaurants that provide meals to distressed and under-represented communities.
  - Arts and Cultural Organization Recovery Grant Program: \$40 million to provide grants to eligible arts and cultural nonprofit organizations to assist in the recovery from the COVID-19 pandemic, as well as an additional \$20 million for new capital grants. These grants will help arts and cultural organizations comply with COVID-19 health regulations, including outdoor performance space projects, flexible seating, HVAC and filtration upgrades. Combining this new funding with the State's annual \$40 million arts grant program, the Budget includes over \$100 million in grants for arts and cultural organizations through the New York State Council on the Arts.
  - Restaurant Return-To-Work Tax Credit: Provides up to \$35 million in tax credits to support restaurants hard hit by the pandemic through 2021.
  - New York City Musical and Theatrical Production Tax Credit: Provides up to \$100 million in tax credits to jump start the industry and support tourism activity in the City.
  - Musical and Theatrical Production Credit: In order to support musical and theatrical productions that occur in the State but outside of New York City, the Budget extends this credit for four years through 2025 and increases it by \$4 million to \$8 million

- The COVID-19 Recovery Workforce Initiative, which invests \$50 million for training in high-growth industries, employer-driven training for low-income workers and funding for small businesses to re-train and hire furloughed, laid-off or new employees. The investments will provide durable skills that lead to high-quality jobs and support the growth of small businesses recovering from COVID-19 impacts.
- Several initiatives under which New York's colleges and universities will help rebuild New York's economy by educating and training workers for in-demand jobs in the wake of a pandemic that has caused a massive shift in the types of jobs available and who is looking for work:
  - Pathways Pledge: In partnership with Reimagine New York Commission, New York has launched a Pathways Pledge among New York's leading employers, both public and private, to create more inclusive workforces and to provide more workforce development opportunities.
  - SUNY's Free Online Training Center: Expands SUNY's free Online Training Center so New Yorkers can enroll in additional employment certification programs for quality jobs in high-demand, to include growing industries like health care and advanced manufacturing. The Training Center will give more New Yorkers in every region of the state — from rural communities to urban centers — another opportunity to receive free job training certifications and then to be automatically admitted to any one of SUNY's 30 community colleges for future career advancements.
  - SUNY Stony Brook Offshore Wind Institute: \$20 million investment in a new Offshore Wind Training Institute based at SUNY Stony Brook and Farmingdale State College. NYSERDA and SUNY will issue the first solicitations for advanced technology training partners, leveraging the state's SUNY and CUNY system to train the first phase of an estimated 2,500 workers.

The FY 2022 State Budget builds on growing the State's economy and create jobs, including:

- Supporting the Governor's \$311 billion infrastructure plan – the largest in the nation and most expansive in the State's history – that is rebuilding and reimagining the State's capital assets with investments in new, key elements of the Midtown West Redevelopment of New York City beginning with Penn Station, Belmont Station Redevelopment, a \$3 billion environmental bond act and transportation programs. Also included are investments in affordable housing and homelessness, state colleges and universities, clean water infrastructure, health care infrastructure, State Parks and other projects that support the future of communities across New York.
- Continuing the phase-in of the middle class tax cut, which is expected to save 4.8 million New Yorkers over \$2.2 billion this year.

- **A Public-Private Partnership to Build Nearly 100 Renewable Energy Projects:** New York is contracting for another 24 large-scale renewable energy generation projects in 2021, to bring the State's total clean energy build-out to nearly 100 projects. The 23 solar farms and one hydroelectric facility will be the most cost-efficient clean energy construction to date in New York, producing more than 2,200 megawatts of clean power, generating more than \$2.9 billion of investment and creating 3,400 jobs in 16 counties Upstate.
- **Investing \$750 million for New Round of the Regional Economic Development Councils:** In 2011, the 10 Regional Economic Development Councils (REDCs) were established to develop long-term regional strategic economic development plans.
- **Providing \$100 million for another round of the Downtown Revitalization Initiative,** which has been transforming downtown neighborhoods into vibrant communities where the next generation of New Yorkers will want to live, work and raise families.
- **Continuing Investment in Tourism:** The COVID-19 pandemic caused a precipitous drop in travel, hitting New York's tourism industry particularly hard. As New York State advances its scientific-based reopening efforts, the FY 2022 Budget includes additional funding to attract visitors from around the world and to boost the tourism economy. The program includes a ninth round of \$15 million in competitive funding through the Market NY initiative to support marketing projects that promote regional attractions.
- **Enacting Employer Child Care Credits:** Enhances the Excelsior Jobs Program and Employer Provided Child Care Credit, providing meaningful incentives to employers to help them provide much needed child care to their employees.

Learn more at <http://governor.ny.gov>.

## D. Statistical and Economic Analysis of New York State's Small Businesses by Industry

Micro-businesses are present in all New York industry groups. Some of the highest-employing industries are accommodations and food services (202,139 workers; 13.84 percent of the total) and retail (178,930 workers; 12.25 percent of the total). Average monthly earnings are highest in management companies and enterprises (\$15,576), utilities (\$11,001) finance and insurance (\$9,538) and professional services (\$5,989). Data is from the first quarter of 2020.

**Employment in New York State Small Businesses with 0 - 19 Employees, By Industry  
1st Quarter 2020\***

Industry	Total Employment	Share of Total Employment, All Firms with 0 - 19 Employees	Average Monthly Earnings
Accommodation and Food Services	202,139	13.84%	\$1,908
Administrative and Support and Waste Management and Remediation Services	67,423	4.62%	\$3,629
Agriculture, Forestry, Fishing and Hunting	10,934	0.75%	\$2,730
Arts, Entertainment, and Recreation	30,899	2.12%	\$4,330
Construction	149,621	10.25%	\$4,200
Educational Services	27,946	1.91%	\$2,616
Finance and Insurance	42,165	2.89%	\$9,538
Health Care and Social Assistance	160,425	10.98%	\$4,241
Information	19,474	1.33%	\$5,857
Management of Companies and Enterprises	3,326	0.23%	\$15,576
Manufacturing	55,556	3.80%	\$3,693
Mining, Quarrying, and Oil and Gas Extraction	723	0.05%	\$4,148
Other Services (except Public Administration)	182,116	12.47%	\$3,164
Professional, Scientific, and Technical Services	137,359	9.41%	\$5,989
Real Estate and Rental and Leasing	85,189	5.83%	\$4,458
Retail Trade	178,930	12.25%	\$2,921
Transportation and Warehousing	32,200	2.20%	\$3,725
Utilities	583	0.04%	\$11,001
Wholesale Trade	73,397	5.03%	\$5,063

Source: US Census Bureau, Quarterly Indicators <http://qwiexplorer.ces.census.gov/>

\*Most recent available data.

Note: unlike Labor Department data (page 1), this source includes businesses with no employees.

Examining the larger small businesses with 20 - 49 employees, the highest-employing industries are accommodations and food services (156,869 workers; 21.73 percent of the total), health care and social assistance (83,571 employees, 11.58 percent) and retail (65,327 workers; 9.05 percent). Average monthly earnings are highest in finance and insurance (\$20,319), management of companies and enterprises (\$9,654), and utilities (\$9,311). Data is from the first quarter 2020.

**Employment in New York State Small Businesses with 20 - 49 Employees,  
By Industry 1st Quarter 2020\***

Industry	Total Employment	Share of Total Employment, All Firms with 20 - 49 Employees	Average Monthly Earnings
Accommodation and Food Services	156,869	21.73%	\$2,316
Administrative and Support and Waste Management and Remediation Services	36,513	5.06%	\$5,312
Agriculture, Forestry, Fishing and Hunting	6,017	0.83%	\$3,224
Arts, Entertainment, and Recreation	19,880	2.75%	\$4,119
Construction	68,899	9.55%	\$5,989
Educational Services	23,168	3.21%	\$3,176
Finance and Insurance	17,441	2.42%	\$20,319
Health Care and Social Assistance	83,571	11.58%	\$4,461
Information	9,618	1.33%	\$7,388
Management of Companies and Enterprises	2,958	0.41%	\$9,654
Manufacturing	46,147	6.39%	\$4,479
Mining, Quarrying, and Oil and Gas Extraction	646	0.09%	\$5,136
Other Services (except Public Administration)	45,411	6.29%	\$4,135
Professional, Scientific, and Technical Services	53,946	7.47%	\$8,080
Real Estate and Rental and Leasing	26,084	3.61%	\$6,716
Retail Trade	65,327	9.05%	\$3,735
Transportation and Warehousing	18,957	2.63%	\$4,340
Utilities	553	0.08%	\$9,311
Wholesale Trade	39,739	5.51%	\$6,177

Source: US Census Bureau, Quarterly Workforce Indicators

<http://qwexplorer.ces.census.gov/>

\*Most recent available data.

Note: unlike Labor Department data (page 1), this source includes businesses with no employees.

## E. State and Local Small Business Regulations

Summaries of regulatory changes affecting small businesses are available at:  
<http://www.esd.ny.gov/SmallBusiness/Reports.html>.

The 2021 budgetary summary and regulatory and legislative summaries from July 1, 2020 through June 30, 2021 will be updated in September 2021. Previous years summaries of regulatory changes affecting small businesses are also available at the link above.

The state's Regional Economic Development Councils and community stakeholders have developed draft recommendations of regulatory measures. Many of these recommendations have either already been addressed and many others are currently being addressed.

Finally, substantial information on state and some local regulations affecting small businesses are contained within the following directories:

- <http://www.dos.ny.gov/info/nycrr.html> - Access New York Codes, Rules and Regulations (NYCRR) from the Department of State, Division of Administrative Rules web page.
- [http://www.tax.ny.gov/pubs\\_and\\_bulls/](http://www.tax.ny.gov/pubs_and_bulls/) - The New York State Department of Taxation and Finance website contains a comprehensive list of publications and tax regulations affecting businesses.
- <https://dos.ny.gov/rules-and-regulations> - The New York Small Business Development Center network compiles resources for local, state and federal laws and regulations.

