

**Economic Impact
of San Francisco Small Businesses
in the Recession – 2000 to 2004**



**Report Prepared for
Cal Insurance**

**By
Kent Sims**

June 2006

TABLE OF CONTENTS

Chapter 1	Summary & Conclusions	1 – 1
1.1	Nature of This Study	1 – 1
1.2	What is a Small Business?	1 – 1
1.3	What Are the Numbers?	1 – 2
1.4	The Economic Impact of San Francisco Private Businesses?	1 – 3
Chapter 2	What is a Small Business?	2 – 1
2.1	Introduction	2 – 1
2.2	Federal Government Definition	2 – 2
2.2.1	Small Business Size Standards: Loans & Financial Assistance	2 – 2
2.2.2	Size Standards for SBA Sm Bus Innovation Research Program	2 – 4
2.2.3	Small Business Size Standards: Federal Gov't. Procurement	2 – 4
2.2.4	Certification of Small Businesses	2 – 5
2.3	State Government Definition	2 – 5
2.3.1	Small Business Policy	2 – 6
2.3.2	Small Business Definitions	2 – 6
2.3.2.1	Small Business	2 – 6
2.3.2.2	Micro-business	2 – 7
2.3.2.3	Disabled Veteran-owned Small Business	2 – 7
2.3.3	Small Business Preference	2 – 7
2.3.4	Certification of Small Business	2 – 9
2.4	San Francisco Definition	2-10
Chapter 3	Small Business Numbers	3 – 1
3.1	Introduction	3 – 1
3.2	US Small Business	3 – 1
3.3	California Small Business	3 – 2
3.4	San Francisco Business Establishments	3 – 2
3.5	San Francisco Business Employees	3 – 4
3.6	San Francisco Non-Employer Businesses	3 – 7
3.7	Small Business Payroll	3 – 10
Chapter 4	Small Business & The Recession	4 – 1
4.1	Introduction	4 – 1
4.2	The Economy	4 – 1
4.2.1	Visitors	4 – 2
4.2.3	Hotel Occupancy & Room Rates	4 – 3
4.2.4	Jobs & Employment	4 – 4
4.2.5	Office Market	4 – 4
4.2.6	Parking	4 – 8
4.2.7	Local Tax Revenue	4 – 9
4.3	How Businesses Responded to the Recession	4 – 10

Chapter 5	Small Business Impact	5 - 1
5.1	Introduction	5 - 1
5.2	A Short Primer on Economic Multipliers	5 - 1
5.3	A Word About the Data	5 - 3
5.4	San Francisco PMSA Analysis	5 - 4
5.5	San Francisco County Non-employer Analysis	5 - 10
5.6	Business Economic Impacts in San Francisco County	5 - 14
Appendix		
A-Table 1	Civilian Labor Force, Unemployment & Employment by NAICS Sector, San Francisco County, 1990 - 2004	
A-Table 2	Private Employers by Employment Size Group, San Francisco County, 1994.3 to 2004.3	
	A. Number of Businesses	
	B. Percent Distribution	
	C. Percent Growth from Prior Year 3 rd Quarter	
A-Table 3	Private Employees by Employment Size Group, San Francisco County, 1994.3 to 2004.3	
	A. Number of Employees	
	B. Percent Distribution	
	C. Percent Growth from Prior Year 3 rd Quarter	
A-Table 4	Average Employees per Private Business by Size Group, San Francisco County, 1994.3 to 2004.3	
	A. Number of Businesses	
	B. Number of Employees	
	C. Average Number of Employees	
	D. Number of Businesses, 7-year Change & Percent Change	
	E. Number of Employees, 7-year Change & Percent Change	
	F. Average Number of Employees, 7-year Change & Percent Change	
A-Table 5	Non-Employer Businesses & their Receipts by NAICS Sector, San Francisco County, 1997 to 2003	
	A. Number of Non-Employers & Amount of Receipts	
	B. Percent Distributions	
	C. Average Receipts per Non-Employer	
A-Table 6	Private Employers, Employees & Payroll by Business Size & NAICS Sector, San Francisco PMSA, 2001.3 to 2004.3	
	A. Number of Employers	
	B. Number of Employees	
	C. Payroll	
A-Exhibit 1	Definition of Terms Used by the US Small Business Administration	
A-Exhibit 2	Definition of Small Business Terms Used by the State of California	