

DBE ENTERPRISES



APRIL 2003 ISSUE 4

Office of Advocacy 2002 Small Business Profile: MINNESOTA

Report taken from U.S. Small Business Administration,
Office of Advocacy Minnesota

The events of 2001 posed critical challenges to the state of Minnesota as well as the nation. Nevertheless, the economic health of Minnesota benefited from its small businesses (those with fewer than 500 employees). Small businesses are an important source of new jobs in the state. The small business sector also provides opportunities for women and minorities and is a continual source of innovation and invention. These qualities proved to be economically beneficial to Minnesota last year.

Number of Businesses. The number of employer businesses in 2001 increased by 1.1 percent, and the number of self-employed individuals increased by an estimated 14.0 percent. Employer businesses numbered 130,348 in 2001. The most recent data by firm size (1999) indicate that 97.9 percent of businesses in the state were small. In 2001, an estimated 245,878 individuals were self-employed. (Source: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Census Bureau; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. Women owned 26.4 percent of the state's firms in 1997 and generated \$13.5 billion in revenues. Of the state's total women-owned businesses, 7.8 percent had employees. (Source: U.S. Dept. of Labor, Bureau of Labor Statistics, U.S. Dept. of Commerce, Census Bureau)

Minority-Owned Businesses. The latest (1997) Census data indicate that minority-owned businesses totaled 15,300 and made up 3.7 percent of the state's businesses, of which 19.0 percent were employer firms. (Source: U.S. Dept. of Commerce, Census Bureau)

Business Turnover. In 2001, there were 12,700 new employer firms, or 8.7 percent fewer new employer firms than in 2000. Business bankruptcies totaled 1,887 in 2001, an increase of 26.5 percent over 2000, while business terminations amounted to 6,770, an increase of 40.2 percent over 2000. (Source: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Census Bureau)

Small Business Profile continues...

★ DBE Recognitions ★

We would like to thank the individuals and companies that contributed to the success of the Constructing Success training held March 25, 2003 at the Sheraton Four Points.

More than 50 individuals attended and participant evaluations were overwhelmingly positive.

Lead Sponsors:

Associated General Contractors of Minnesota
National Association of Minority Contractors
Association of Women Contractors

Associate Sponsors:

Madsen-Johnson Corporation
Lametti and Sons, Inc.
Reed Construction Data (Construction Bulletin)

Content Development Team:

Knutson Construction Services
Meyer Contracting
Strand Solutions
Adolfson and Peterson Construction
Lametti and Sons, Inc.

Presenters:

Kathleen Meyer of Meyer Contracting
Jennifer Strand of Strand Solutions
Dave Carr of Knutson Construction
John Huyett of Adolfson and Peterson Construction
Joe Egan of Egan Companies
Dave Semerad of Associated General Contractors of Minnesota
Guy Larson of Lametti and Sons, Inc.

Powerplay Companies:

Minnesota Transit Constructors
Kraus Anderson Construction
Barbarossa and Sons
PCL Construction
Lametti and Sons, Inc.
Adolfson and Peterson Construction
Knutson Construction Services
Mortenson Construction



Small Business Profile continues...

Employment. Small businesses employed 1,190,283 or 50.9 percent of the state's 2,338,642 employees (nonfarm private sector) in 1999. The industry with the most small business employees was manufacturing. The total number of small employer firms in 1999 was 112,301 (Table 1). (Source: U.S. Dept. of Commerce, Census Bureau, Statistics of U.S. Businesses)

Small Business Income. Proprietors' income- a partial measure of small business income-totaled \$10.5 billion in 2001, a decrease of 2.6 percent over 2000. (Source: U.S. Dept. of Commerce)

Finance. Often, small businesses use commercial lenders and rely on local bank services. Over the last five years, the number of banks in the state has decreased. The Office of Advocacy has identified the small business- friendly banks within the state and has published the names in its banking studies report. (See Table 2 for the number of banks by asset size.) Small businesses seeking loans should also consider lenders that participate in the SBA's preferred or certified loan programs; for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722.

For additional information on the Office of Advocacy's research reports, data, and analyses on small business, visit www.sba.gov/advo/stats or call (202) 205-6530. Sign up at <http://web.sba.gov/list> for email delivery of: Advocacy's News Releases,

- Advocacy's monthly newsletter, The Small Business Advocate,
- Advocacy's Small Business Research and Statistics,
- Advocacy's Regulatory Communications.

Note: Data on women-owned and minority-owned firms are not comparable between 1992 and 1997, so growth rates are not available. Data on minority owners may not sum to the total because an owner may belong to more than one minority group.

CONTACTS

For further information on DBE opportunities:
 Dick Kline, *MnTC EEO Officer* 612-343-9880
 Pat Mosites, *MAC Project Manager* 612-713-7499
 Johnnie Burns, *MnDOT* 651-296-7259

For DBE Certification information:
 Juan Lopez, *MAC* 612-726-8196
 Pat Calder, *Metropolitan Council* 612-349-7463
 Johnnie Burns, *MnDOT* 651-296-7259

For information on association membership/partnership:
 Dianne Holte, *Assoc. of Women Contractors*
 651-481-7939

Francis Onwuala,
Ntl. Assoc. of Minority Contractors
 952-928-4667
 George Jacobson,
Metropolitan Economic Development Assoc.
 612-332-6332

Richard Antell,
MN American Indian Cham. of Comm.
 612-870-4533
 Val Vargas, *Hispanic Cham. of Comm. MN*
 612-729-1138

HIAWATHA PROJECT OFFICE ■ CERESOTA BUILDING

155 5th Avenue South, Suite 300 · Minneapolis, MN 55401

Web: <http://www.dot.state.mn/metro/LRT>

Email: wanda.kirkpatrick@metc.state.mn.us

Phone: 612.215.8200 **Fax:** 612.215.8210

Contractors/Consultants	Total Contract Amount	Total Paid to Date	DBE Paid to Date	(1) DBE % Actual to Date	(2) DBE % Total Contract Value	Target DBE % Goal
Minnesota Transit Constructors (MnTC)	303,358,716	200,548,739	28,477,903	14.20%	9.39%	15%
Other Contractors	5,820,575	5,086,038	729,380	14.34%	12.53%	
O'Brien Kreitzberg (OBK) (3)	14,411,331	11,449,451	2,466,494	21.54%	17.11%	15%
Marsh	545,000	395,000	83,214	21.07%	15.27%	5%
Other Consultants	31,229,040	26,957,467	863,946	3.20%	2.77%	
SUB-TOTAL:	355,364,662	244,436,695	32,620,937	13.35%	9.18%	
Other Commitments *	75,744,372	69,622,236	N/A	N/A	N/A	N/A
TOTAL:	431,109,034	314,058,931	N/A	N/A	N/A	N/A

* ROW, Cooperative Agreements, Other Direct Costs, etc. (1) Calculates DBE percentage based upon DBE dollars expended vs. contract dollars paid to-date (actuals). (2) Calculates DBE percentage based upon DBE dollars expended vs. total contract value.