


A dark blue silhouette of a city skyline, including several skyscrapers and palm trees, set against a white background.

## MIAMI RANKED NO. 1 CITY FOR SMALL BUSINESS IN 2019

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Miami Takes Crown as New York Slips from Top Spot in Annual Ranking

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A white silhouette of a city skyline, including several skyscrapers and palm trees, set against a dark blue background.

Biz2Credit has identified Miami as the “Best Small Business City in America,” based on a weighted average that includes annual revenue, credit score, age of business (in months), and the company’s proprietary BizAnalyzer score that factors in cash flow, debt-to-income ratio, taxes and other data. In its computation, Biz2Credit examined the financials of nearly 30,000 companies that applied for small business financing on its platform in 2018

## Data Collection:

Data used for the analysis included all the completed cases between 1st Jan 2018 to 31st Dec 2018.

State Name and State Code data has been gathered from census website. Please refer the Appendix for more details.



## Data Preparation:

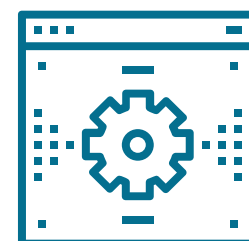
Outlier treatment was applied at completed application level, Gender and Ethnicity.

Outliers were identified using IQR method and outliers were replaced by 90th percentile or average of non-outliers.

Please refer the Appendix for more detail.

Metro Study covered more than 21000 of customer application. MSA that had more than a specific threshold were included in the study.

The threshold value was adjusted by relative population size within each customer segment



The key parameters used in this analysis are Age of Business, Annual Revenue, BizAnalyzer Score and Credit Score.

We have conducted the analysis for following scenario:

1. Overall Metropolitan Analysis
2. Asian Owned Business
3. Hispanic Owned Business
4. Women Owned Business



Below is a summary of each of the analysis methods and its results.

# Overall Metropolitan Analysis



Avg Credit score for business in metropolitan areas was **increased by 1.3%** from 609 in 2017 to 617 in 2018



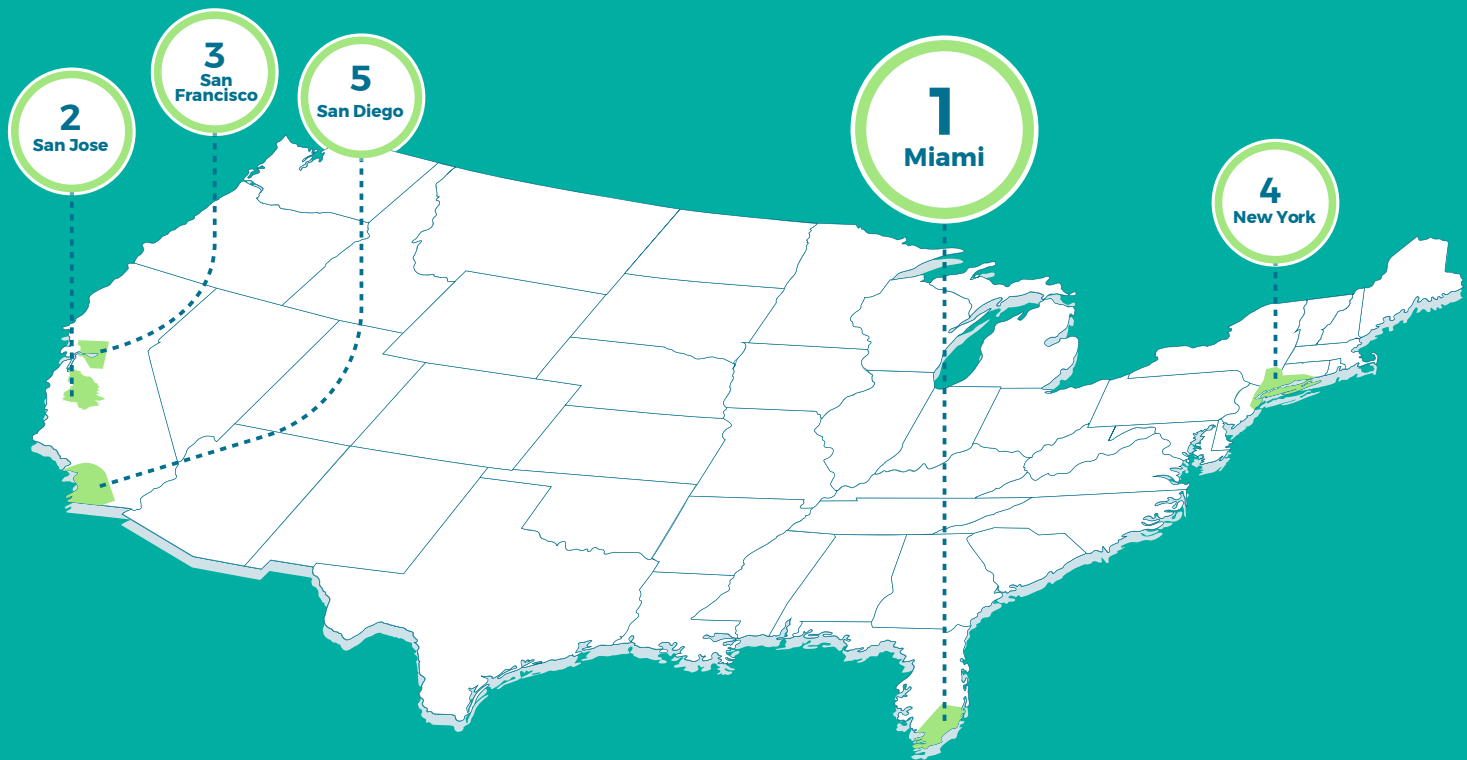
There is no change in the Average Age of Business. It is 66 months in 2018 and 2017.



Average Annual Revenue for 2018 is \$827,996 compared to \$582,110 of 2017, it shows a **growth of 30%**



## Top 5 metropolitan areas are



- 1). Miami-Fort Lauderdale-West Palm Beach, FL
- 2). San Jose-Sunnyvale-Santa Clara, CA
- 3). San Francisco-Oakland-Hayward, CA
- 4). New York-Newark-Jersey City, NY-NJ-PA
- 5). San Diego-Carlsbad, CA

## For these top 5 metropolitan area, the top 3 industries were



Accommodation  
and Food Services



Retail Trade



Other Services  
(except Public  
Administration)

# Women Owned Business

2017



2018



Avg Credit score for business in metropolitan areas was **increased by 1.3%** from 609 in 2017 to 617 in 2018

2017



64 Months

2018



62 Months

There was a decline of **4% in age of business in women owned business.**

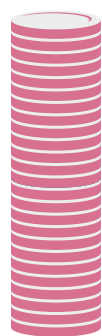
Average age of business was 64 in 2017 as compared to 62 in 2018.

\$582,110



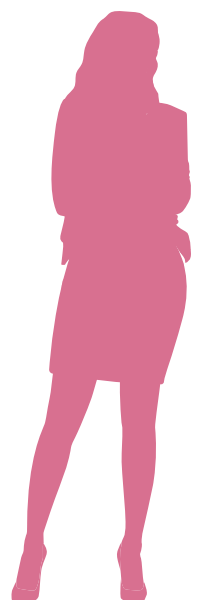
2017

\$827,996

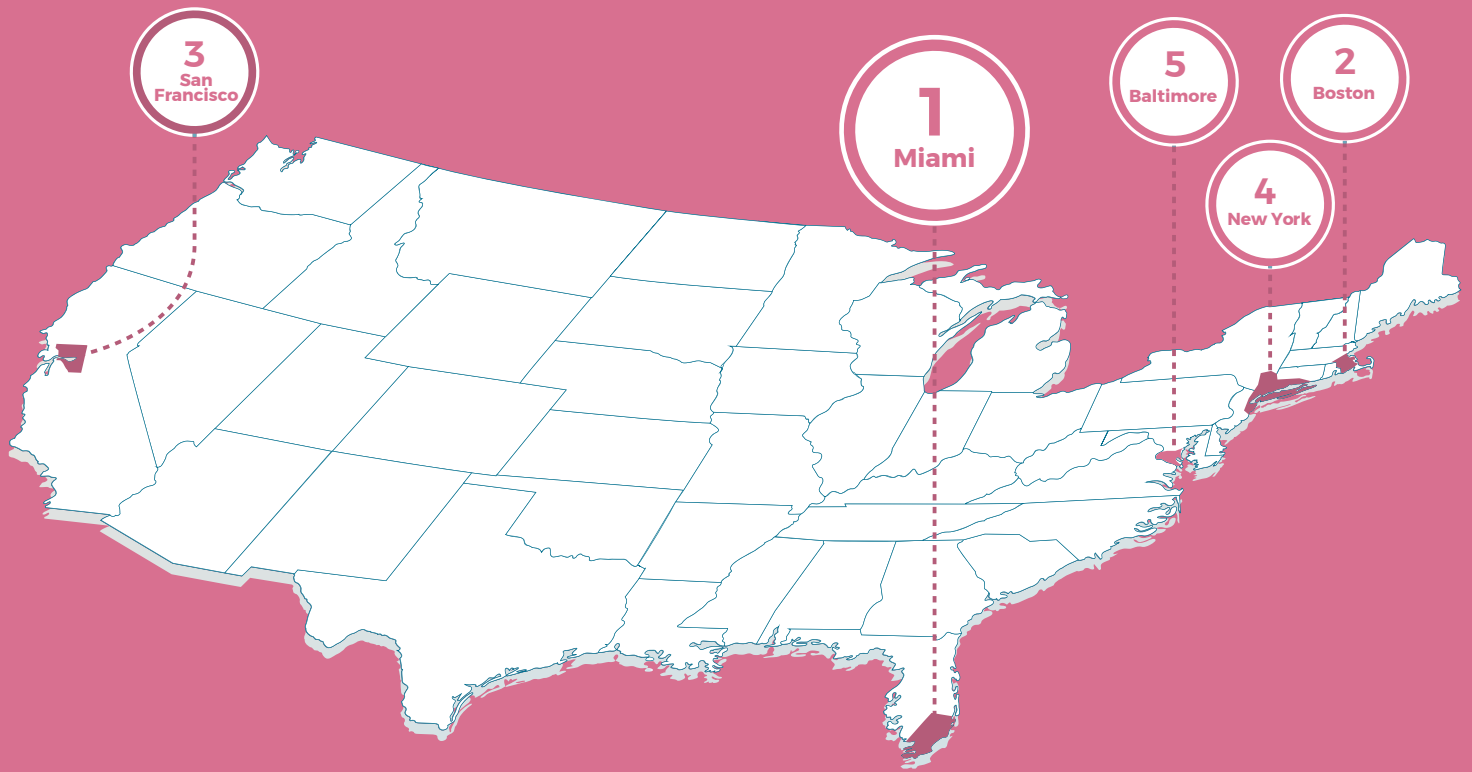


2018

Average Annual Revenue for 2018 is \$827,996 compared to \$582,110 of 2017, it shows a **growth of 30%**



## Top 5 metropolitan areas for Women owned business are



- 1). Miami-Fort Lauderdale-West Palm Beach, FL
- 2). Boston-Cambridge-Newton, MA-NH
- 3). San Francisco-Oakland-Hayward, CA
- 4). New York-Newark-Jersey City, NY-NJ-PA
- 5). Baltimore-Columbia-Towson, MD

## Popular industries among women owned business were



Retail Trade



Other Services  
(except Public  
Administration)



Accommodation  
and Food Services

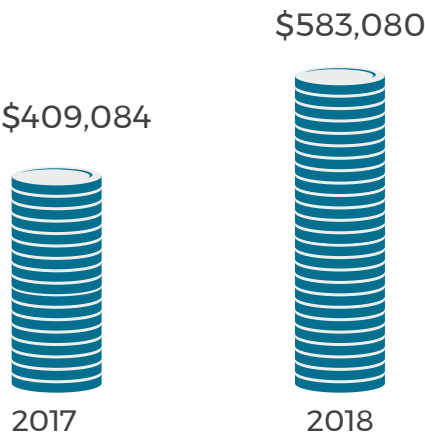
# Hispanic Owned Business



Average Credit Score for Hispanic Owned Business is 597 in 2018, **increase of 0.7%** has been observed compared to 2017 Avg. Credit Score of 593.



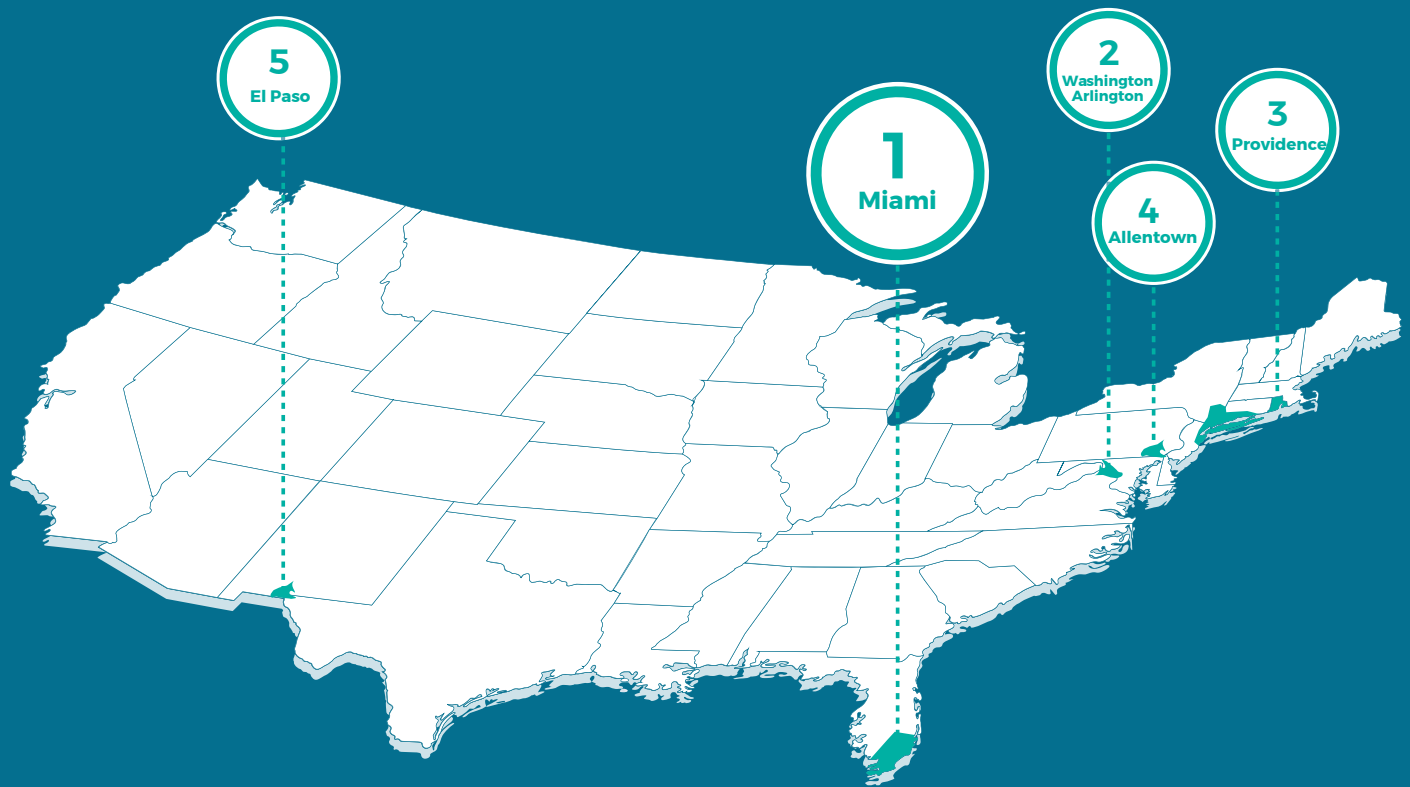
**Increase of 22%** was noted in the Average Age of Business in Hispanic owned Business for 2018. It was 45 months in 2017 and in 2018 it is 58 months.



The Average Annual Revenue has **increased by 30%**, it was \$409,084 in 2017 and currently the average annual revenue is \$583,080.



## Top 5 metropolitan areas for Hispanic owned business are



- 1). Miami-Fort Lauderdale-West Palm Beach, FL
- 2). Washington-Arlington-Alexandria, DC-VA-MD-WV
- 3). Providence-Warwick, RI-MA
- 4). Allentown-Bethlehem-Easton, PA-NJ
- 5). El Paso, TX

## Some of the popular industries for Hispanic owned businesses were



Accommodation  
and Food Services



Other Services  
(except Public  
Administration)



Retail Trade



Construction



# Asian Owned Business

Growth observed in all the key parameters for Asian Owned Business from 2017 to 2018.



Average Credit score for Asian owned business for 2018 is 662 compared to 655 in 2017. There is an **increase of only 1%**.



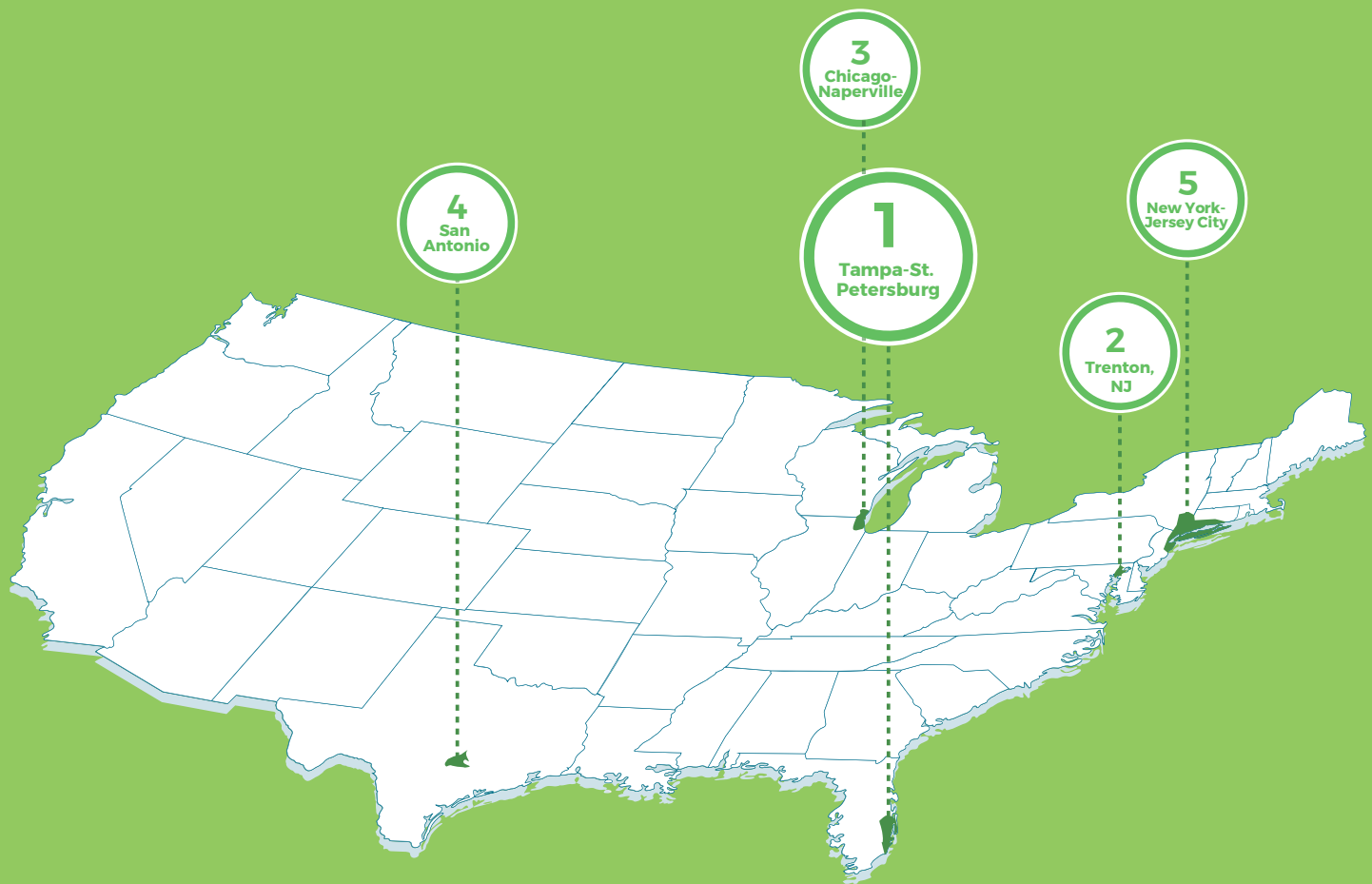
The average age of business for Asian Owned Business has increased from 73 in 2017 to 81 in 2018, a **9.65% increase** observed.



Average Annual Revenue **increased by 22%** from \$1.2Mn in 2017 to \$1.5Mn in 2018.



## Top 5 metropolitan areas for Asian owned business are



- 1). Tampa-St. Petersburg-Clearwater, FL
- 2). Trenton, NJ
- 3). Chicago-Naperville-Elgin, IL-IN-WI
- 4). San Antonio-New Braunfels, TX
- 5). New York-Newark-Jersey City, NY-NJ-PA

## Top 2 industries for Asian Owned Businesses were:



Accommodation  
and Food Services



Retail Trade

# Key Findings:

1. Comparing the overall analysis with 2017, there is not much change in the Ranking of top 4 MSA's.

Top 25 Metro areas with the highest applications in 2018	2018 Ranks
Miami-Fort Lauderdale-West Palm Beach, FL	1
San Jose-Sunnyvale-Santa Clara, CA	2
San Francisco-Oakland-Hayward, CA	3
New York-Newark-Jersey City, NY-NJ-PA	4
San Diego-Carlsbad, CA	5

Top 25 Metro areas with the highest applications in 2017	2017 Ranks
Miami-Fort Lauderdale-West Palm Beach, FL	1
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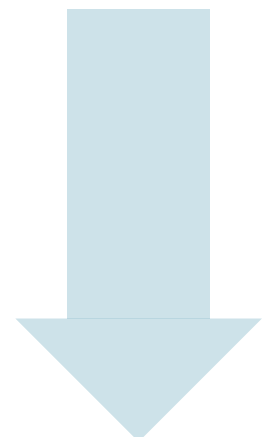
2. In the top 25 list of MSA's, 7 new MSA's have been added this year.

7 MSA that were added this year	2018 Ranks
Boston-Cambridge-Newton, MA-NH	07
Minneapolis-St. Paul-Bloomington, MN-WI	15
Nashville-Davidson--Murfreesboro--Franklin, TN	19
Raleigh, NC	20
Oklahoma City, OK	22
Cleveland-Elyria, OH	24
Pittsburgh, PA	25



3. 7 MSA that were last year but not amount the top 25 this year

7 MSA that were added this year	2018 Ranks	2017 Ranks
Austin-Round Rock, TX	27	8
Dallas-Fort Worth-Arlington, TX	28	13
Atlanta-Sandy Springs-Roswell, GA	30	15
Denver-Aurora-Lakewood, CO	29	17
San Antonio-New Braunfels, TX	31	19
Portland-Vancouver-Hillsboro, OR-WA	33	23
Kansas City, MO-KS	35	25



4. It has been observed that the distribution of Top 25 MSA between 2017 and 2018 has significantly changes in the MidWest/Central Region.
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5. In the Northeast region, apart from the 4 MSA that were present in 2017, we have observed “Boston-Cambridge-Newton, MA-NH” on Rank 7.

# APPENDIX:

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## DATA SOURCE:

1. State Name and State Code: [https://www.census.gov/geo/reference/ansi\\_statetables.html](https://www.census.gov/geo/reference/ansi_statetables.html)
2. For 72 FIPS Code: [https://www.census.gov/geo/reference/ansi\\_statetables.html](https://www.census.gov/geo/reference/ansi_statetables.html)

## METRO CITY IDENTIFICATION:

For identifying Metro city, the state code and city code data was concatenated.

This data was further used for extracting Metro cities from the master data.

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## DATA PREPARATION:

Outlier treatment was applied on the following variables:

### 1) Annual Revenue

Comparing previous year's values, we opted to use 95th percentile value - \$3,487,479. we calculate avg of non-outlier (average of all data points < \$433,451). then all the value  $\geq$  \$3,487,479 was replaced by average of non-outliers (\$43,3451).

### 2) Operating Expense

Comparing previous year's values, we opted to use 95th percentile value \$3,500,000. we calculate avg of non-outlier (average of all data points < \$3,500,000). then all the value  $\geq$  3,500,000 is replaced by average of non-outliers (\$399,473).

### 3) Age of Business

Comparing previous year's values, we opted to use 95th percentile value - 249. we calculate avg of non-outlier (average of all data points < 249). then all the value >= 249 was replaced by average of non-outliers (51).

### 4) Credit Score

As Credit Score is third party reported variable and it is restricted within fix limits (350 - 850). So instead of Comparing previous year's value, we simply calculate avg value (without 0, as it deviates our results very much from previous year results). Now for comparison tests we replaces "0" by average of non-zero values.

Outlier treatment is highly subjective, it should be used by comparing previous year report.

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