

# THE BIG IMPACT OF SMALL BUSINESS IN SANTA BARBARA AND VENTURA COUNTIES



The Scheinfeld Center for Entrepreneurship and Innovation at Santa Barbara City College is a leader in the advancement of excellence in entrepreneurship education and practice, and offers an entrepreneurial center in the Santa Barbara area, serving its diverse students and small business community.

## DEDICATED TO SMALL BUSINESS

In the Santa Barbara County region, small business is the engine driving the economy.

- Of the county's 13,532 small businesses, 10,559 of them, or more than 78%, have fewer than 10 employees, and 96% of all businesses have fewer than 50. This accounts for more than half of all private sector employment.
- For the past decade, the region's net job growth has been generated by firms with fewer than 20 employees.
- During that same time, businesses with fewer than five employees accounted for the increase in the number of firms.
- Without the small business sector, the region's economy will stagnate and decline.

## JOB CREATION

From 2005 to 2009, the largest share of employment growth in Santa Barbara County was by firms with fewer than five workers. This may suggest that the growth is primarily in start-ups.

Aside from the region's few extremely large firms, the smallest firms were the only ones with job gains in the face of overall job losses over the last several years.

## INDUSTRY DIVERSITY

Small business is distributed across all industry sectors within the region. High-paying industries such as manufacturing, professional services, high tech and biotech are at least 22 percent higher than average wages. Manufacturing, insurance and finance wages are even higher.

## DATA SOURCES ON SMALL BUSINESS

*The Big Impact of Small Business (December 2010), prepared by the Center for Economic Research and Forecasting at California Lutheran University; Dan Hamilton, PhD., director of economics, and Bill Watkins, PhD., executive director. To contact the EDC-VC/SBDC please call 805-384-1800. To download a copy of the report, please visit [edc-vc.com/SmallBusinessReport.htm](http://edc-vc.com/SmallBusinessReport.htm)*

## EVEN GREATER NUMBERS OF SELF-EMPLOYED

Small business data primarily focuses on firms with employees, meaning it doesn't include the extraordinarily large and fast-growing number of self-employed. Estimates are that this category accounts for another 8 percent of the labor force, or 18,000 Santa Barbara County residents.

## PATHWAYS TO OPPORTUNITY

According to IRS and U.S. Census data, and per analysis by the Milken Institute, entrepreneurship and starting a small business represent the most effective means for reaching social equity, as women- and minority owned businesses are growing at a rate three to five times that of all other business start ups.

## STRENGTHENING SMALL BUSINESSES

Small business is vital to Santa Barbara County's overall economic health. So keeping these small businesses strong and able to overcome challenges in a competitive and volatile world is an essential piece of our region's development strategy. The Small Business Development Center, housed at the Scheinfeld Center for Entrepreneurship & Innovation at Santa Barbara City College, provides free consultations and low-cost trainings in key areas to existing small businesses and to entrepreneurs looking to start a business. The Scheinfeld Center also provides business and entrepreneurship training, small business workshops and the CEO/Founder lecture series.



Scheinfeld Center for  
**Entrepreneurship & Innovation**  
Dream. Plan. Profit.

721 Cliff Drive, Office: SS 280D  
Santa Barbara, California 93109  
805-892-3643  
[www.sbcountysbdc.org](http://www.sbcountysbdc.org)



**SBA** The Lead Center for the Los Angeles Regional SBDC Network is operated by Long Beach Community College District. The Small Business Development Centers are funded by the U.S. Small Business Administration, center host institutions, state and local funds, and corporate partners. Funding is not an endorsement of any product, opinion, or service. All Federal and State funded programs are extended to the public on a nondiscriminatory basis. Special arrangements for individuals with disability will be made if requested in advance.

