

**AN ANALYSIS OF  
COUNTY BUSINESS PATTERNS  
IN MIAMI-DADE COUNTY  
2007 - 2009**

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Recently, the U.S. Census Bureau released data from the County Business Patterns (CBP) program for 2009. This release marks the second in the series to reflect the impacts of the recession that began in December 2007 and officially ended in June 2009. The County Business Patterns series includes counts of establishments by the employment size of the establishment, employees, and annual payroll for most of the industries covered at the county level. The report excludes data on self-employed individuals, employees of private households, railroad employees, agricultural employees, and most government employees.

In spite of the beginning of the recession, 2007 was a year of high marks for the County, which saw moderate growth in the number of establishments and employees from a year earlier. In contrast, in 2008 and 2009, Miami-Dade’s performance coincided with the recession and experienced declines in both the number of establishments and employees. In addition, annual payroll also decreased during 2009.

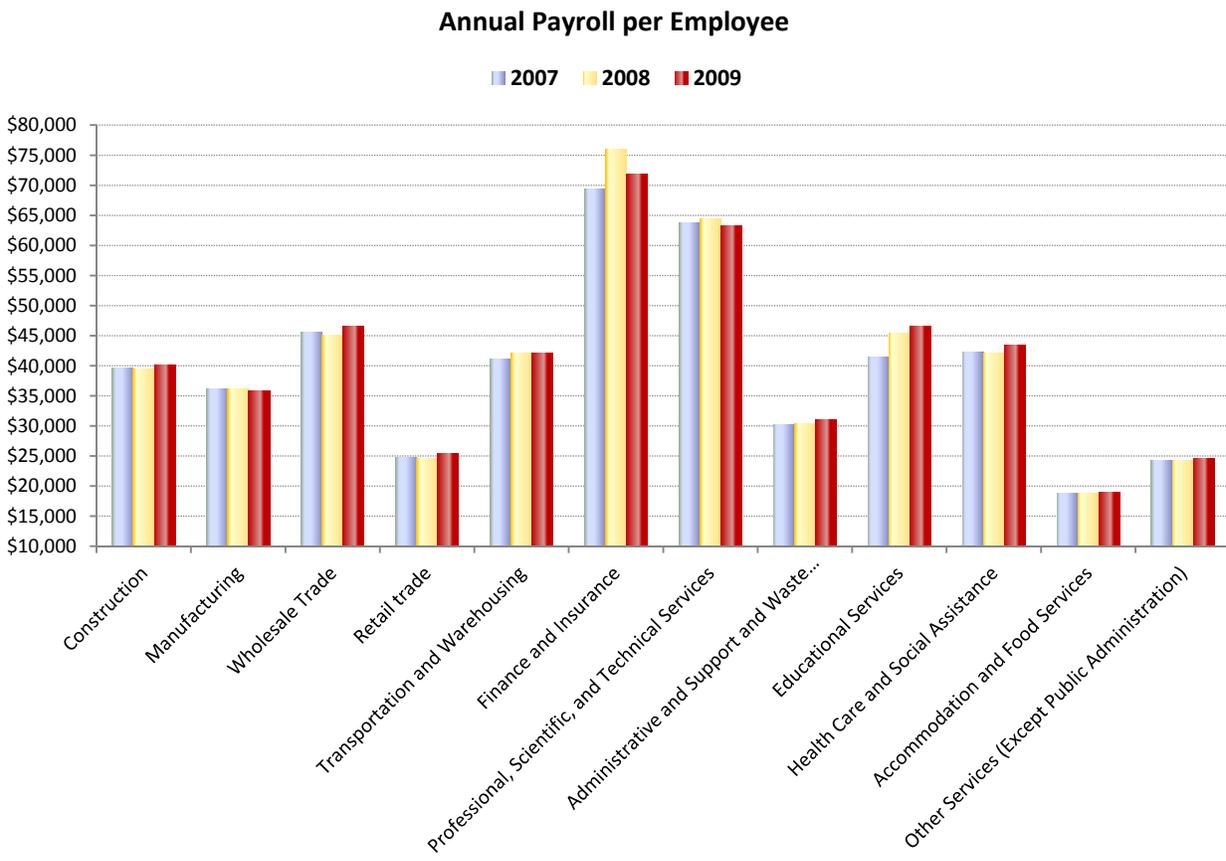
<u>Miami-Dade County</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Number of Establishments	76,176	74,297	72,673
Number of Employees	873,644	863,233	808,269
Payroll, annual (\$1,000)	34,631,457	34,929,019	32,730,220

*Source: U.S. Census Bureau, County Business Patterns 2007, 2008, and 2009.*

In 2009, there were 72,673 businesses, a decline of 1,624 establishments from 2008, marking the second consecutive year of decline. Following a similar pattern, employment fell by 6.4 percent in 2009, a decrease of 54,964 employees, for a total of 808,269 employees. In the previous period, from 2007 to 2008, the number of establishments decreased by 1,879, although the number of employees decreased by only 10,411. Overall, during the three-year period from 2007 to 2009, the County lost 3,503 establishments and 65,375 employees.

Although the declines in the number of establishments and employees during that period appear large, they did not have a significant effect on the overall average employment size; this average has shown little change since 2007 decreasing from 11.5 to 11.1 employees per establishment in 2009. On a sector by sector basis, average employment size has changed mostly downwards, especially in sectors with a higher number of employees per establishment than the countywide average. These include *Manufacturing, Transportation and Warehousing, Management of companies and enterprises*, as well as *Administrative and support and waste management and remediation services*. These changes in employment size were probably due to the fact that almost two fifths of the employment losses occurred in those sectors.

Over the 2007 to 2009 period, annual payroll trends did not duplicate the patterns found in the establishment and employee measures. As mentioned earlier, annual payroll recorded a decline only in the last year of the three-year comparison. Miami-Dade’s annual payroll decreased by 6.3 percent from 2008 to 2009, as compared to a 0.9 percent increase in the prior period. During the entire period, annual payroll decreased by 5.5 percent. A more meaningful approach to measure the performance in payrolls is by examining the average payroll per employee. In Miami-Dade, this measure kept increasing since 2007 (\$39,640) reaching \$40,463 in 2008 and \$40,494 in 2009; however, after adjusting for inflation, it dipped, albeit slightly (-1.3 percent) in 2009 from 2007. What this suggests is that earnings for employees have more or less kept pace with price increases despite the recession. The Chart below shows the annual payroll per employee for the top twelve sectors in 2007, 2008, and 2009.



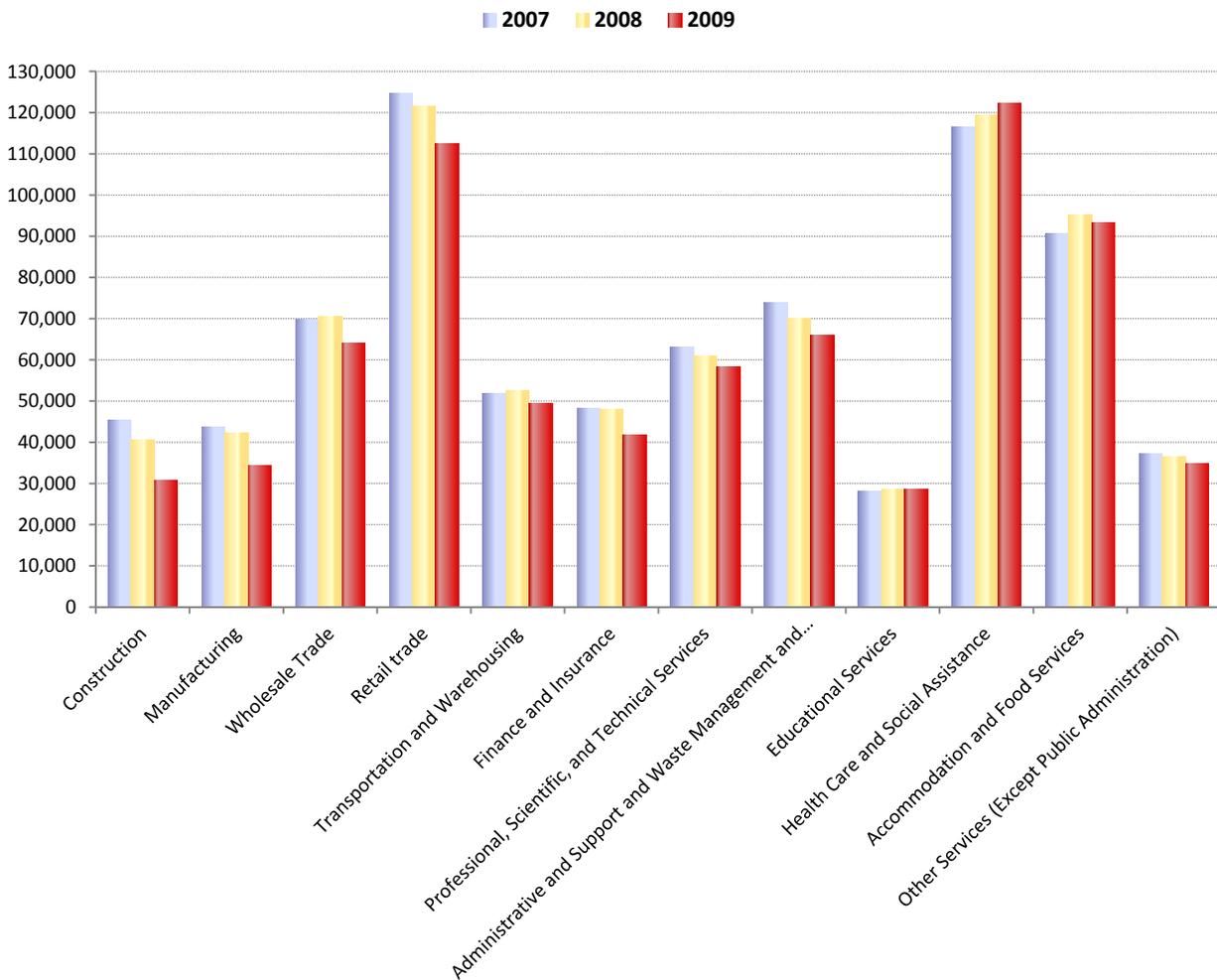
Source: U.S. Census Bureau, County Business Patterns 2007, 2008, and 2009.

The top five sectors with the largest number of establishments in 2009 were: *Professional, scientific, and technical service (11,133)*, *Retail trade (9,961)*, *Health care and social assistance (8,754)*, *Wholesale trade (8,384)*, and *Other services (except public administration) (5,490)*. During the period from 2007 to 2009, all of these sectors, except *Health care and social assistance*, showed declines in the number of establishments, led by *Other services* with a 5.9 percent decline.

Between 2007 and 2009, among the top twelve sectors in the County, in terms of the number of establishments, the sector with the largest decline in employment was in *Construction* with a loss of 14,473 employees (31.9 percent) followed by *Retail trade* and *Manufacturing* with a loss 12,047 employees (9.7 percent) and 9,323 employees (21.3 percent), respectively.

Among industries, which reported gains throughout the three-year period, *Health care and social assistance* saw an increase in both the number of establishments and employees, adding 468 and 5,830 in each of these measures, respectively, while the *Accommodation and food services* industry gained 145 businesses and 2,696 employees. It appears that these two sectors along with the *Educational services* sector have continued to show positive trends despite the economic slowdown from the recession. The Chart below shows the number of employees for the top twelve sectors in 2007, 2008, and 2009.

**Number of Employees by Sector**



Source: U.S. Census Bureau, County Business Patterns 2007, 2008, and 2009.

When examining the percent distribution of establishments by employment-size class in 2007, 2008, and 2009, a skewed distribution of establishments is revealed (see Chart below). Despite the declines in the number of establishments and employees during the last two years, it appears that the distribution of establishments across industries remained essentially unchanged. Specifically, the majority of the Miami-Dade County businesses are found within the smallest employment-size class (one to four employees) making up roughly two-thirds of the total number of establishments in each of the years covered.

**Percent Distribution of Establishments  
by Employment Size Class:  
2007, 2008, and 2009**



Source: U.S. Census Bureau, *County Business Patterns 2007, 2008, and 2009*.

The results of this analysis show that due to the slowdown in the local economy during the last two years there were significant declines in the overall number of establishments and employees. Among the major industrial sectors, *Construction* stands out as the only sector to experience double-digit percentage losses in both the number of establishments and the number of employees. Nevertheless, Miami-Dade’s businesses within the *Health care and social assistance, Accommodation and food services, as well as Educational services* industry groups continued to show improvements and performed well. On a payroll per employee basis, the County has practically maintained its level in real terms, despite the recession, during the period covered. In summary, these findings point to a local economy that has struggled during these years and was decidedly impacted by the recession.

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