



A Positive Outlook

Big vs. Small

Clark County is home to 56,000 businesses, more than 86 percent of which (42,300) have fewer than 20 employees. By contrast, less than 0.7 percent of all businesses (384) have 250 or more employees.

There are those who contend the relationship between big businesses and small business is inherently adversarial, with large businesses using economies of scale to undercut smaller competitors and small businesses using disruptive, niche strategies to siphon off profitable business lines. Respecting the realities of free market economies and the competition intrinsic to them, I believe that the relationship between big business and small business is more symbiotic than antagonistic.

During the past 10 years, Clark County added nearly 7,600 businesses. Ninety-six of those businesses had 250 or more employees; 5,540 had fewer than 20 employees. Stated otherwise, for every one large business created, 57 small businesses were created between 2010 and 2019. Perhaps a rising tide lifts all boats, but there is little argument our region's economic prosperity has evidenced little, if any, discrimination relative to the size of business.

Two decades ago the expansion of the big-box retailers was thought by many to be the end of small business. Barnes & Noble cannibalized the market, leaving little room for neighborhood bookstores; and Walmart, which became the nation's most profitable retailer in 1988 and now has more than 5,300 domestic outlets, was going to be the end of nearly every mom and pop storefront in America.

Certainly, these large businesses had a significant impact; however, small businesses have not vanished during the past the 20 years. Rather, they have thrived. The US Census Bureau's Statistics on US Businesses reports that between 1996 and 2016 (latest data available) more than 475,000 businesses were created in the United States, 83 percent of which (396,000) had fewer than 20 employees. During arguably the greatest expansions of mega-businesses in our nation's history, there were 97 businesses with fewer than 20 employees created for every one business created with more than 500 employees.

It is easy to point to small businesses that have had to close their doors, particularly when those entrepreneurs, and their employees, are our friends and neighbors. That said, we must also recognize the other side of the equation. Large retailers like Barnes & Noble and Walmart attracted customers because they lowered prices and increased access to goods and services. Those lower prices freed up billions of dollars of disposable capital

for consumers, who in turn spent that additional capital on more goods and services. This has bolstered our economy, benefiting businesses large and small.

It is also worth noting that among the largest consumers of goods and services provided by small businesses are large businesses. The catalyst created by the major investments have helped transform economies like that in northern Nevada with the success of Tesla's Gigafactory, and it is the reason that nearly 240 communities responded to Amazon's request for proposals to be the site of



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its multi-billion dollar headquarters. Companies like Amazon and eBay have created marketplaces before unimaginable for smaller retailers, and companies like Microsoft and Apple actively solicit entrepreneurial coders to build within their platforms. Locally, but for our tourism industry and the nearly \$60 billion that have been invested by the state's largest hotel-casino operators, countless small businesses would not exist.

When it comes to business, it is not us against them; it is us and them. Our fates are inextricably linked. While it is easy to point fingers and assign blame for the challenges we face as a community, our ability to attract and retain new businesses is not a problem, it is a solution. Moreover, in today's economy, the idea of big versus small is almost archaic. The measure is fast versus slow, dynamic versus static, creative versus banal. These are the companies we need to attract, and more importantly, retain.

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