Small business sales and profits healthy last spring

ATHENS, Ga.—Small businesses across the U.S. enjoyed a healthy surge in sales and profits during the second quarter (April-June) of this year, according to the most recent quarterly survey conducted by Padgett Business Services USA here.

Traditionally, second quarter numbers are the strongest for small business, and 1994 was no exception, the report notes. Overall sales were up 13.2 percent and profits showed a healthy 33 percent climb over first quarter numbers.

“Second quarter numbers generally tell us how the rest of the year will go,” says Padgett chairman Dan Sautner. “This year looks better than 1993 or 1992 in this respect, but—more importantly—expenses are down and under control.”

Small businesses are stretching their profits by keeping expenses down, the survey says. Reduced spending—up only 4.4 percent over last year—indicates that small business owners are watching their bottom line very closely.

The entire study is published as “Small Business—The Engine of Our Economy” by Padgett. Highlights:

- A 4.4% wage increase shows small business is producing more jobs than other economic sectors.
- Inventories are up 12.7%.
- Nearly half of those polled believe now is a good time to start a business.
- 72% said they don’t think small business should be required to contribute any portion of the health care tab that was proposed during the survey’s time frame.
- Not one person believes the Clinton administration has helped the situation for small business.
- The Midwest saw the greatest sales growth in the country, up 8% from the same period last year.
- The East didn’t reach expected sales levels, posting the greatest increase in inventory over last year at 17.3%.
- The South showed the highest wage increase in the country at 8.8%, indicating confidence in the economy.
- The West was the only region in the country to experience a decrease in sales over last quarter.

For more information on the report, contact Padgett Business Services USA, 160 Hawthorne Park, Athens, GA 30606; (706) 548-1040.