

# Florida Small Online Business Inclusive Growth Report

## Executive Summary

Since 2011, the eBay Public Policy Lab has used marketplace data to examine, measure and report on how technology has expanded opportunities for small businesses in more than 50 countries, spanning six continents, and all 50 U.S. states. In all cases we have found eBay-enabled small businesses leveraging the online commerce platform to engage in expansive commerce, often on a global scale. This report explores trade and inclusive economic impacts of eBay-enabled small businesses and entrepreneurs across the State of Florida.

Global trade has historically been the purview of large corporations – for Florida and across the world. Nearly all traditional small businesses are locked into their local market and rarely serve foreign customers. However, a new model of small business trade, powered by the Internet, is emerging. Platforms for Internet access, commercial services and shipping are enabling independent small businesses to connect with consumers and establish trust across national and cultural borders. Small businesses are able to create a storefront online and compete in global markets, while at the same time maintaining and even growing their physical presence and employment in their local community.

This report details the global trade achievements of eBay-enabled small businesses in Florida. Data on comparable offline trade results are provided when available. In short, nearly every eBay-enabled small business in Florida is an exporter reaching customers in markets around the world. The top five export destinations for the products of eBay-enabled small businesses in Florida are Canada, the United Kingdom, Australia, Germany and China.

The export success of eBay-enabled small businesses is a good news story of inclusive global trade. At the same time, many are concerned that technology is accelerating forces of economic concentration with the most prosperous communities enjoying the bulk of all economic growth. The second part of this report investigates whether eBay’s success in giving small businesses access to consumer demand in remote markets is contributing to rich communities getting richer and poor getting poorer, agnostic to this overall trend, or even countering the forces of economic concentration.

In order to discern well-off locales from challenged regions, Florida’s 67 counties are categorized into five “well-being” quintiles based on an [index](#) developed by the Economic Innovation Group. The rate of growth from 2011-2015 in the net number of traditional businesses and the net number of eBay-enabled small businesses in the county quintiles were calculated and compared.

The overall Florida economy exhibited robust growth with the net increase in the number of business enterprises well above the national average. However,

### Share of Enterprises Exporting



eBay-Enabled Small Businesses

VS.



Traditional Businesses

### Average Number of Foreign Destination Markets

18

eBay-Enabled Small Businesses

VS.

3

Traditional Businesses

### Share of Enterprises Exporting to 10+ Markets



eBay-Enabled Small Businesses

VS.



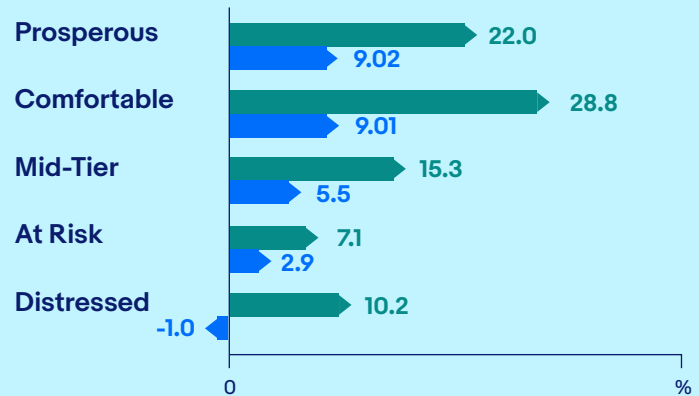
Traditional Businesses

### Share of eBay-Enabled Small Businesses Exporting to 4+ Continents



## Net Rate of Growth in Number of Enterprises by County Well-Being Quintile

- eBay-Enabled Small Businesses
- Business Establishments



even in an environment of strong growth, Florida also showed clear trends toward greater economic concentration. Mirroring national trends, enterprise growth was strongest in the most prosperous counties and growth rates were more depressed in each successive county well-being grouping. Negative growth occurred in the bottom tier. On eBay, the growth numbers were stronger, but most notably were more inclusive and more balanced based on a range of measurements.

The overall Florida economy, while showing vibrant growth on the statewide level, with a rate of growth meaningfully above the national average, also showed consistent and clear trends toward greater concentration of opportunity. The most well-off counties had the strongest growth rates, and each tranche of counties down the scale of well-being fared worse. The most challenged counties in Florida faced negative net enterprise growth. On eBay, the numbers were consistently stronger, but also were more balanced and more inclusive.

Unlike in the traditional economy, the growth rate of the net number of eBay-enabled small businesses was more balanced than in the traditional economy. An analysis of the deviation from the average growth rate by the five well-being quintiles reveals that eBay growth was 1.3 times more balanced than enterprise growth in the overall economy. eBay-enabled small business growth in Florida was also more inclusive than the growth in the overall Florida economy. One test involved comparing the aggregate growth rates in the bottom three quintiles. On eBay, enterprise growth in the counties making up the bottom three quintiles was a robust 13.5%, 3.5 times greater than the comparable 3.9% rate in the overall Florida economy.

The eBay technology platform is conclusively reducing the barriers that have traditionally locked small businesses into their local market. While this is a major growth opportunity for independent small businesses everywhere in Florida, the relative value appears to be even greater in remote and less advantaged areas. Government tax, regulatory and economic development policies aimed at enabling meaningful local economic development in less advantaged and remote regions should pay particular heed to the challenges facing technology-enabled independent small business models.