

## The Most Profitable Types of Small Businesses

If you're aiming for a lucrative business idea, it may be time to brush up on your numbercrunching skills.

Accounting services topped the list of the top 15 small-business sectors by net profit margin. The list was compiled using a database of more then 1,000 financial statements from private companies with less than \$10 million in annual revenues.

The data found that accounting led the pack in delivering the best profit margins, but service-based businesses in health care and real estate dominated the rest of the list.

These service sectors are consistently at the top of the "most profitable" list. Service-based industries often have very healthy bottom lines, Their overhead and equipment

costs are often relatively low, and much of the time, it doesn't take a lot of upfront investment to get started.

Often times, in cases like consulting, accounting, and legal services, you can get started right inside of your house, without even worrying about renting a space.

Check out the top 15 industries with the best net profit margins. For aspiring entrepreneurs, this may be the best place to start when considering new business ideas. (Note: Net profit margin has been adjusted to exclude taxes and include owner compensation in excess of their market-rate salaries.)

| Industry   | Net Profit<br>Margin |
|--|----------------------|
| Accounting, Tax Preparation, Bookkeeping, and Payroll Services       | 20.0%                |
| Oil and Gas Extraction   | 19.2%                |
| Commercial and Industrial Machinery and Equipment Rental and Leasing | 17.7%                |
| Legal Services   | 16.5%                |
| Offices of Real Estate Agents and Brokers                            | 14.8%                |
| Offices of Physicians  | 14.8%                |
| Offices of Dentists  | 14.5%                |
| Management of Companies and Enterprises                              | 14.1%                |
| Lessors of Real Estate   | 13.6%                |
| Offices of Other Health Practitioners                                | 13.1%                |
| Support Activities for Mining  | 12.3%                |
| Warehousing and Storage  | 11.6%                |
| Management, Scientific, and Technical Consulting Services            | 11.6%                |
| Outpatient Care Centers  | 11.5%                |
| Activities Related to Real Estate                                    | 10.6%                |