

# 2018 SMALL BUSINESS PROFILE

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### MARYLAND



**581,712** Small Businesses  
**99.5%** of Maryland Businesses

**1.1 million** Small Business Employees  
**50.2%** of Maryland Employees

**EMPLOYMENT**  
**21,356**  
net new jobs

**DIVERSITY**  
**203,326**  
minority-owned  
businesses

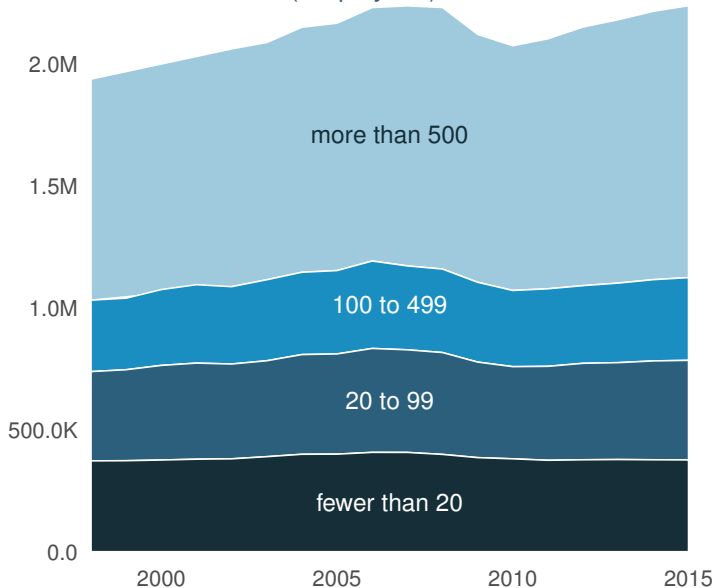
**TRADE**  
**5,715**  
small business  
exporters

### OVERALL MARYLAND ECONOMY

- In the third quarter of 2017, Maryland grew at an annual rate of **2.6%**, which was slower than the overall US growth rate of **3.4%**. Maryland's 2016 growth rate of **2.5%** was up from the 2015 rate of **1.9%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **4.1%**, down from **4.3%** in January 2017. This was equal to the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

### EMPLOYMENT

Figure 1: Maryland Employment by Business Size (Employees)



- Maryland small businesses employed **1.1 million** people, or **50.2%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **0.7%** during the 12-month period ending in January 2018. This was below the increase of **1.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.5%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **21,356** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **13,864** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **1,689** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

## INCOME AND FINANCE

- The number of banks decreased by 3 between June 2016 and June 2017 to 54 banks. (Source: FDIC)
- In 2016, 106,161 loans under \$100,000 (valued at \$1.5 billion) were issued by Maryland lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$53,626 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$26,691. (Source: ACS)

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Maryland Employees per Business by Owner's Demographic, 2015

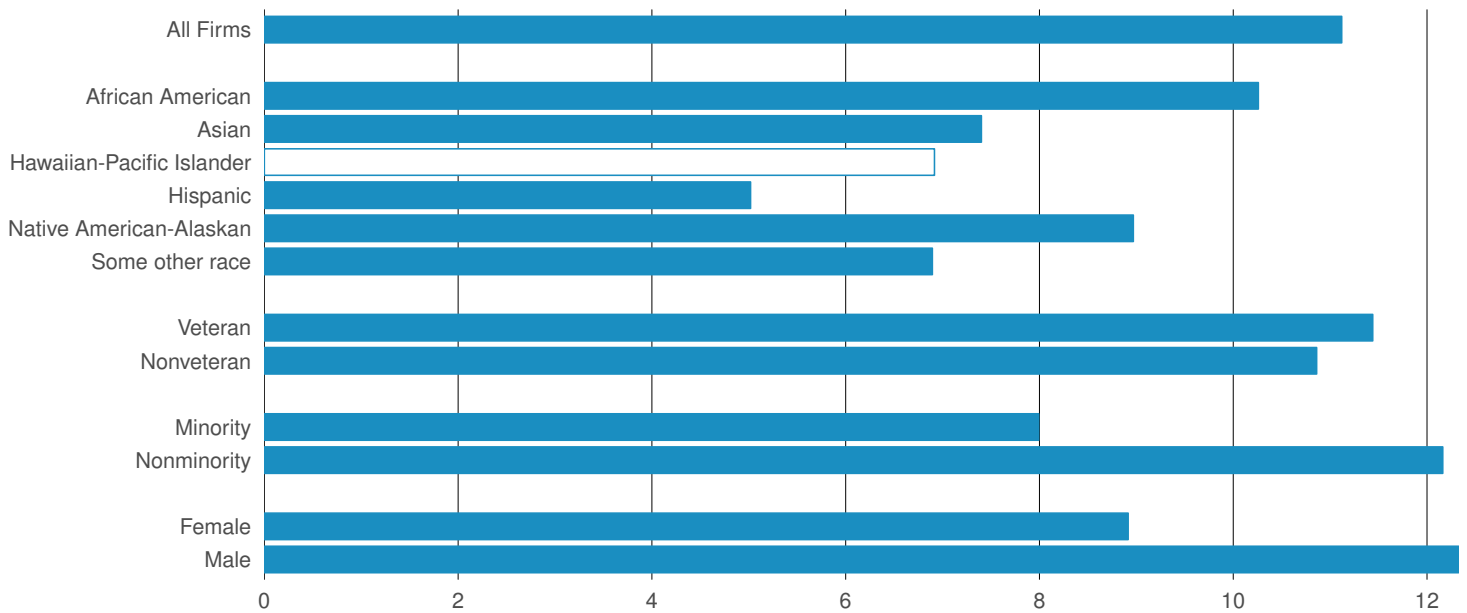
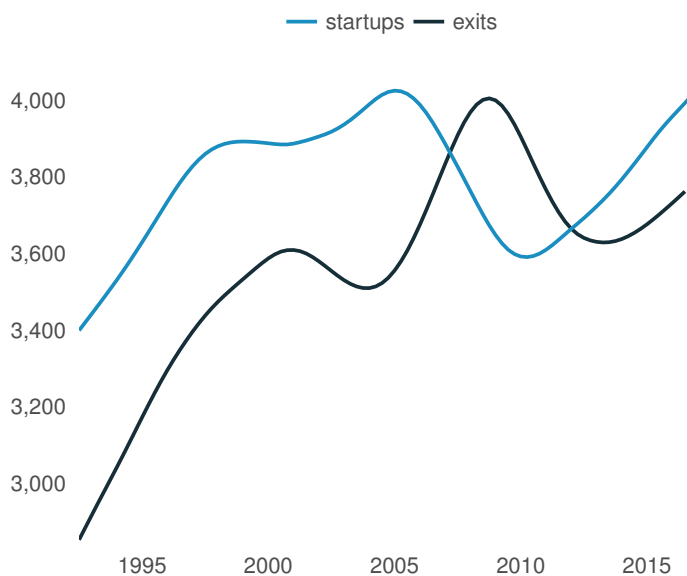


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Maryland Quarterly Startups and Exits



- In the third quarter of 2016, 3,703 establishments started up, generating 12,809 new jobs in Maryland. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 3,889 establishments exited resulting in 12,955 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## INTERNATIONAL TRADE

- A total of 6,528 companies exported goods from Maryland in 2015. Of these, 5,715, or 87.5%, were small firms; they generated 29.6% of Maryland's \$9.1 billion in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Maryland Employment by Industry, 2015

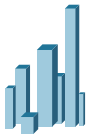



 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	167,343	366,774	45.6
Professional, Scientific, and Technical Services	145,712	273,594	53.3
Accommodation and Food Services	135,909	220,945	61.5
Construction	123,103	143,706	85.7
Other Services (except Public Administration)	98,449	114,523	86.0
Retail Trade	95,066	290,304	32.7
Administrative, Support, and Waste Management	86,135	191,693	44.9
Wholesale Trade	49,964	87,739	56.9
Manufacturing	46,151	97,575	47.3
Educational Services	36,534	82,558	44.3
Finance and Insurance	35,534	100,070	35.5
Real Estate and Rental and Leasing	27,604	44,031	62.7
Transportation and Warehousing	25,319	69,414	36.5
Arts, Entertainment, and Recreation	24,136	42,519	56.8
Information	16,888	50,918	33.2
Management of Companies and Enterprises	8,051	51,252	15.7
Agriculture, Forestry, and Fishing and Hunting	768	1,253	61.3
Mining, Quarrying, and Oil and Gas Extraction	702	1,077	65.2
Utilities	697	9,515	7.3
Industries not classified	357	357	100.0
<b>Total</b>	<b>1,124,422</b>	<b>2,239,817</b>	<b>50.2</b>

Figure 4: Maryland Small Business Employment by County, 2015

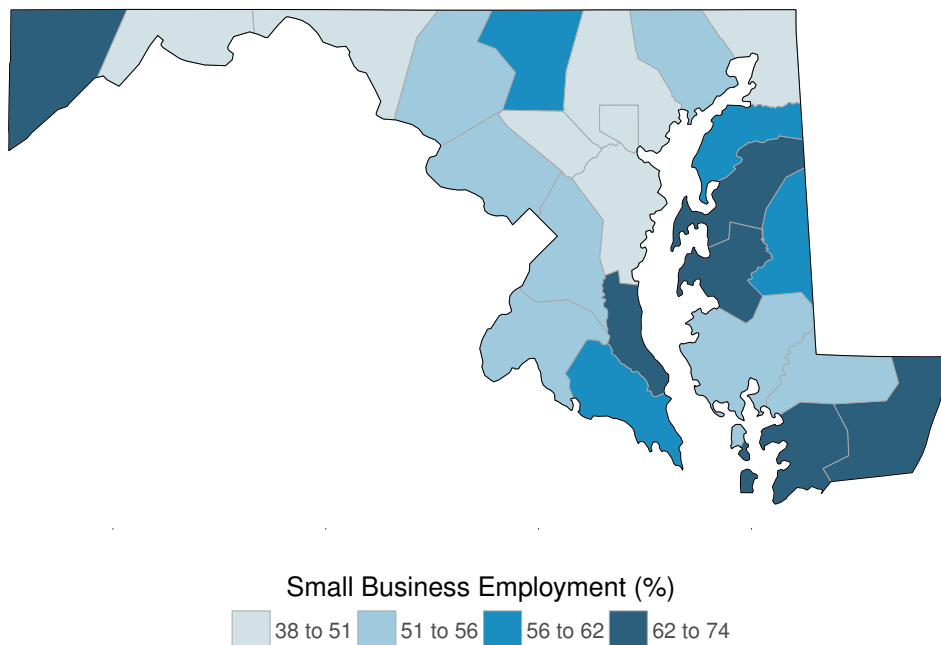


Table 2: Maryland Small Businesses by Industry and Firm Size, 2015






 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Professional, Scientific, and Technical Services	17,733	15,843	77,143	94,876
Construction	13,736	12,249	41,705	55,441
Other Services (except Public Administration)	12,656	11,522	63,924	76,580
Health Care and Social Assistance	12,091	10,420	52,135	64,226
Retail Trade	10,934	9,860	33,041	43,975
Accommodation and Food Services	8,994	6,884	7,468	16,462
Administrative, Support, and Waste Management	6,864	5,837	38,484	45,348
Real Estate and Rental and Leasing	4,334	3,947	49,092	53,426
Wholesale Trade	4,263	3,396	5,727	9,990
Finance and Insurance	3,863	3,444	11,621	15,484
Transportation and Warehousing	2,875	2,456	34,642	37,517
Manufacturing	2,624	2,011	4,559	7,183
Educational Services	1,904	1,472	17,792	19,696
Arts, Entertainment, and Recreation	1,835	1,516	27,711	29,546
Information	1,204	981	6,619	7,823
Agriculture, Forestry, and Fishing and Hunting	191	183	3,265	3,456
Mining, Quarrying, and Oil and Gas Extraction	51	37	89	140
Utilities	37	27	501	538
<b>Total</b>	<b>106,194</b>	<b>92,411</b>	<b>475,518</b>	<b>581,712</b>

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

**REFERENCES**

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau