

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

MONTANA




118,315 Small Businesses
99.3% of Montana Businesses

244,668 Small Business Employees
65.2% of Montana Employees



EMPLOYMENT
6,519
net new jobs



DIVERSITY
5,575
minority-owned
businesses



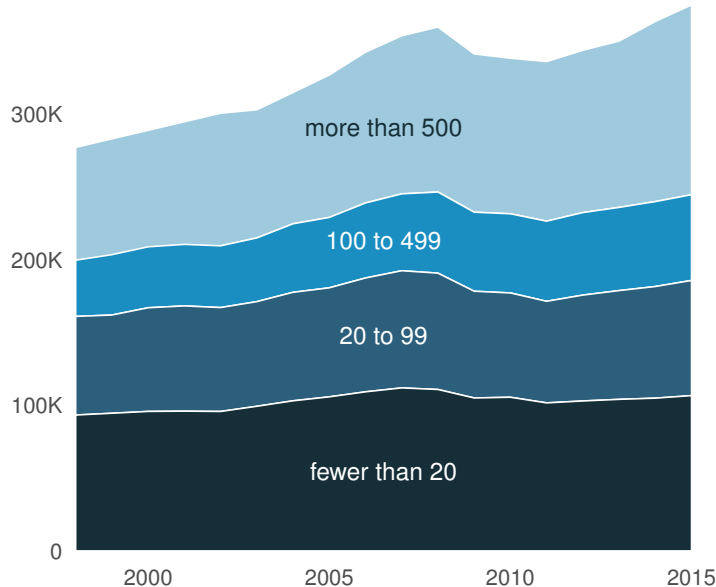
TRADE
1,201
small business
exporters

OVERALL MONTANA ECONOMY

- In the third quarter of 2017, Montana grew at an annual rate of **2.0%**, which was slower than the overall US growth rate of **3.4%**. Montana's 2016 growth rate of **1.1%** was down from the 2015 rate of **2.3%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **4.1%**, up from **4.0%** in January 2017. This was equal to the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Montana Employment by Business Size (Employees)



- Montana small businesses employed **244,668** people, or **65.2%** 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 **0.6%** during the 12-month period ending in January 2018. This was equal to the increase of **0.6%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **1.9%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **6,519** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **4,800** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **58** 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 4 between June 2016 and June 2017 to 51 banks. (Source: FDIC)
- In 2016, 27,746 loans under \$100,000 (valued at \$422.5 million) were issued by Montana lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$39,474 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$21,337. (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: Montana Employees per Business by Owner's Demographic, 2015

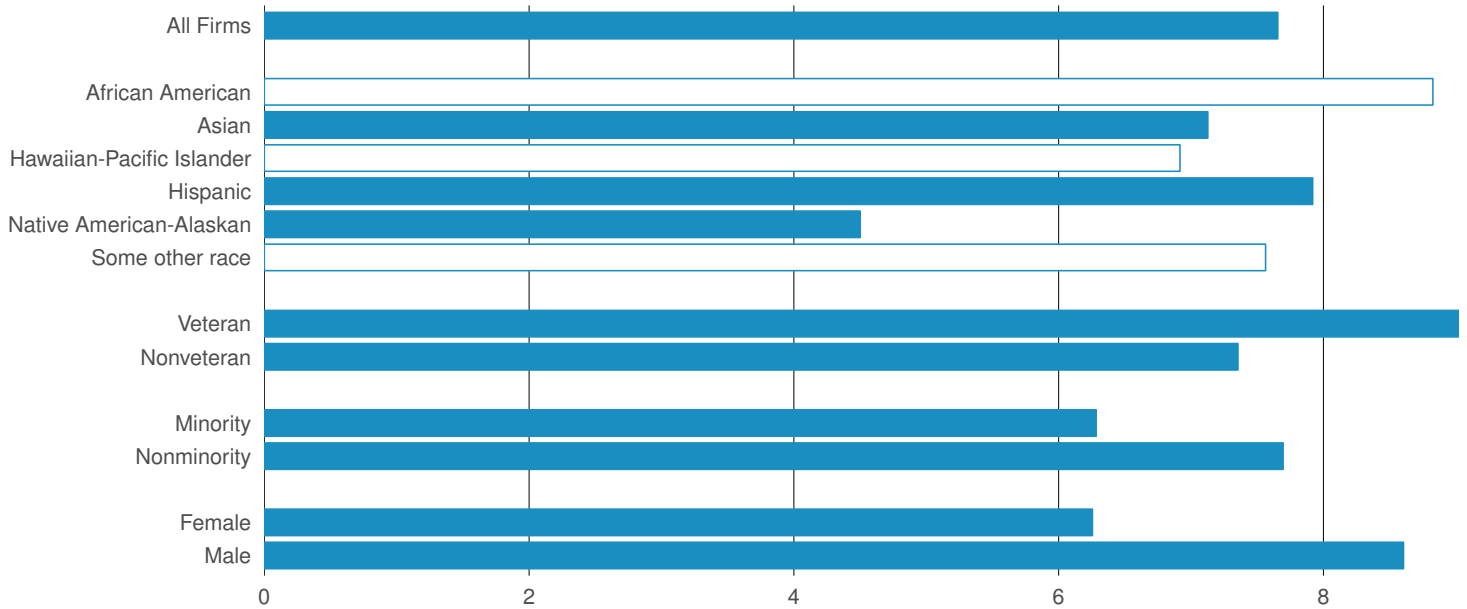
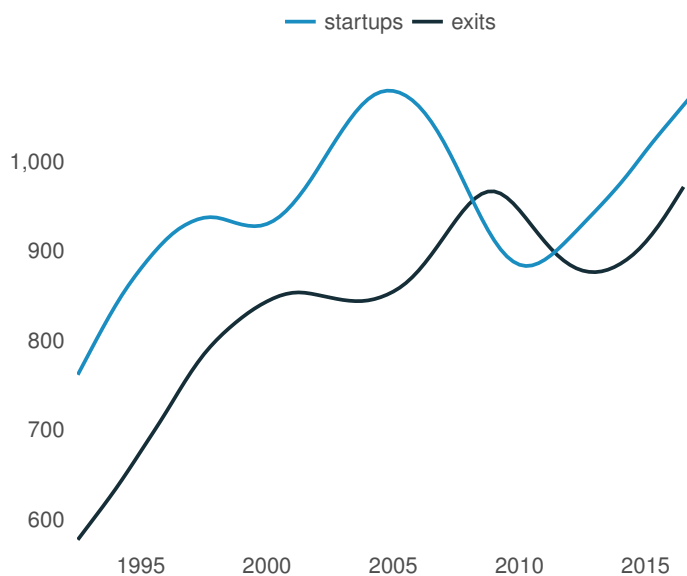


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding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

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Montana Quarterly Startups and Exits



- In the third quarter of 2016, 979 establishments started up, generating 2,680 new jobs in Montana. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 968 establishments exited resulting in 2,761 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

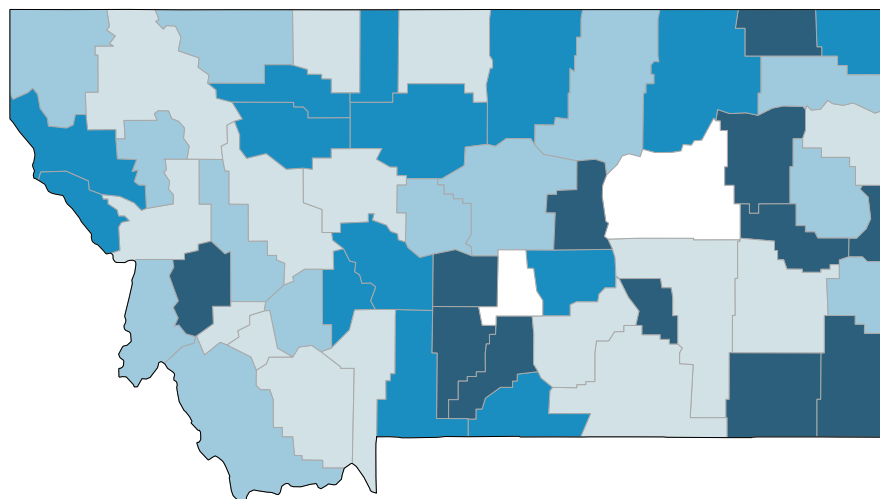
- A total of 1,426 companies exported goods from Montana in 2015. Of these, 1,201, or 84.2%, were small firms; they generated 65.6% of Montana's \$1.1 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Montana Employment by Industry, 2015

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	42,307	49,771	85.0
Health Care and Social Assistance	39,988	67,806	59.0
Retail Trade	30,700	59,901	51.3
Construction	22,729	24,836	91.5
Other Services (except Public Administration)	15,732	16,232	96.9
Professional, Scientific, and Technical Services	15,153	19,801	76.5
Manufacturing	13,310	17,937	74.2
Wholesale Trade	10,362	16,366	63.3
Administrative, Support, and Waste Management	9,480	24,787	38.2
Arts, Entertainment, and Recreation	9,231	11,352	81.3
Transportation and Warehousing	8,033	13,838	58.1
Finance and Insurance	7,949	16,728	47.5
Educational Services	5,155	6,151	83.8
Real Estate and Rental and Leasing	4,914	5,755	85.4
Information	3,930	8,724	45.0
Mining, Quarrying, and Oil and Gas Extraction	2,456	7,141	34.4
Management of Companies and Enterprises	1,129	3,686	30.6
Utilities	1,040	3,094	33.6
Agriculture, Forestry, and Fishing and Hunting	996	1,061	93.9
Industries not classified	74	74	100.0
Total	244,668	375,041	65.2

Figure 4: Montana Small Business Employment by County, 2015



Small Business Employment (%)



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

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Construction	5,227	5,039	12,196	17,423
Retail Trade	3,462	3,098	8,411	11,873
Professional, Scientific, and Technical Services	3,384	3,216	11,158	14,542
Accommodation and Food Services	3,082	2,449	1,508	4,590
Other Services (except Public Administration)	2,978	2,830	11,743	14,721
Health Care and Social Assistance	2,877	2,513	5,083	7,960
Real Estate and Rental and Leasing	1,678	1,630	12,050	13,728
Administrative, Support, and Waste Management	1,594	1,497	5,028	6,622
Manufacturing	1,210	1,041	2,088	3,298
Transportation and Warehousing	1,172	1,061	2,809	3,981
Finance and Insurance	1,146	1,052	2,167	3,313
Arts, Entertainment, and Recreation	1,055	957	5,179	6,234
Wholesale Trade	1,045	834	1,243	2,288
Educational Services	367	305	1,764	2,131
Agriculture, Forestry, and Fishing and Hunting	349	340	2,764	3,113
Information	349	303	945	1,294
Mining, Quarrying, and Oil and Gas Extraction	327	297	733	1,060
Utilities	75	54	100	175
Total	31,346	28,589	86,969	118,315

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES). Data for counties shown in white in Figure 4 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses.

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