

# 2018 SMALL BUSINESS PROFILE

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### RHODE ISLAND



**99,821** Small Businesses  
**98.9%** of Rhode Island Businesses

**224,254** Small Business Employees  
**52.7%** of Rhode Island Employees

**EMPLOYMENT**  
**2,381**  
net new jobs

**DIVERSITY**  
**14,729**  
minority-owned  
businesses

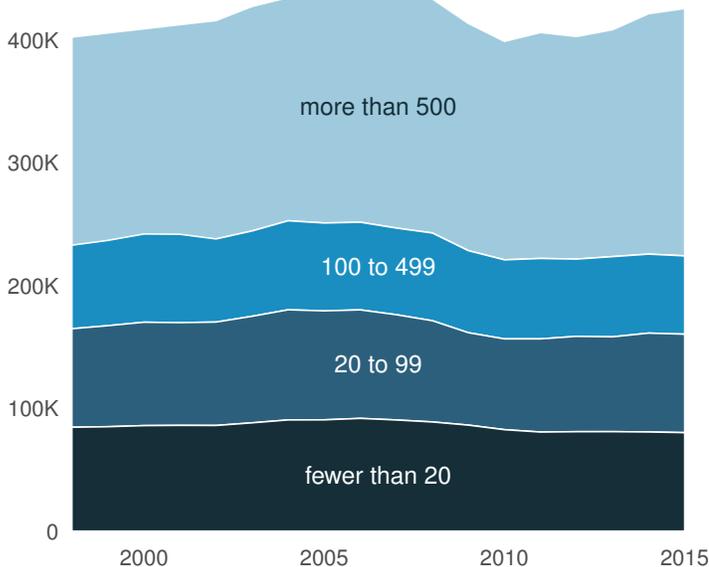
**TRADE**  
**1,507**  
small business  
exporters

#### OVERALL RHODE ISLAND ECONOMY

- In the third quarter of 2017, Rhode Island grew at an annual rate of **3.5%**, which was faster than the overall US growth rate of **3.4%**. Rhode Island's 2016 growth rate of **0.5%** was down from the 2015 rate of **1.9%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **4.5%**, down from **4.6%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

#### EMPLOYMENT

Figure 1: Rhode Island Employment by Business Size (Employees)



- Rhode Island small businesses employed **224,254** people, or **52.7%** 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 **0.8%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.6%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **2,381** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **2,287** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **547** 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 was unchanged at 9 between June 2016 and June 2017. (Source: FDIC)
- In 2016, 15,947 loans under \$100,000 (valued at \$255.1 million) were issued by Rhode Island lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$51,167 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$26,515. (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: Rhode Island Employees per Business by Owner's Demographic, 2015

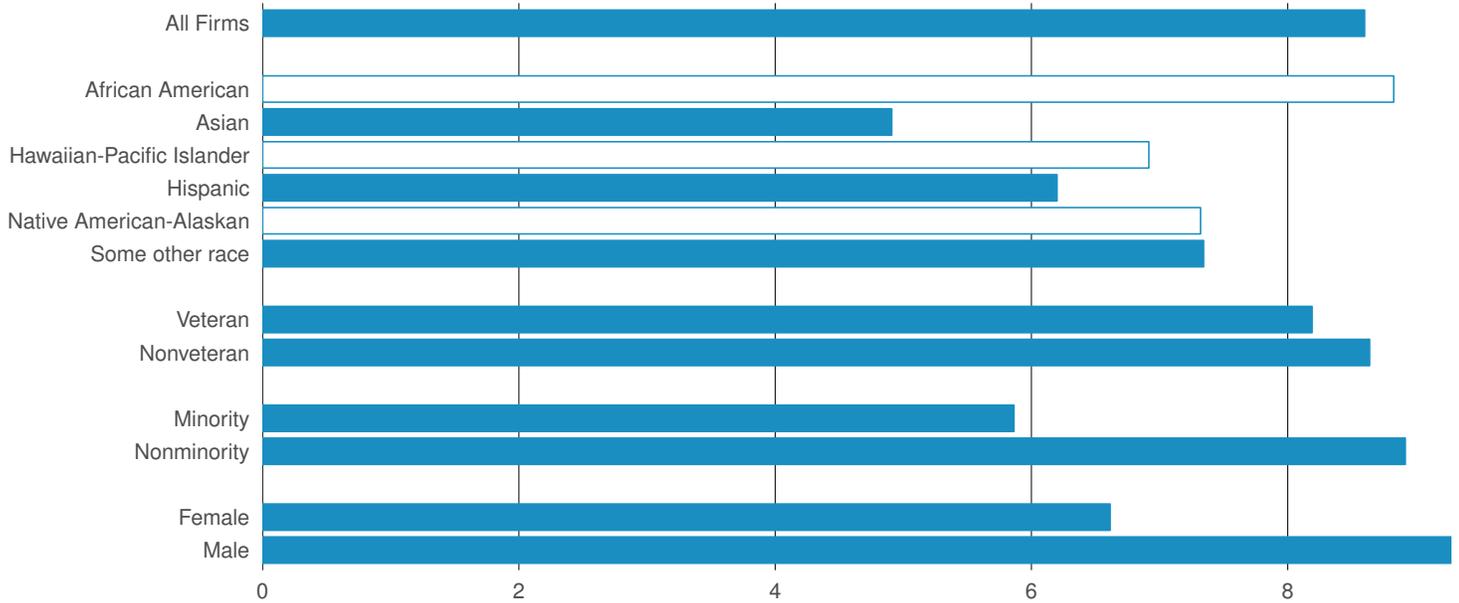
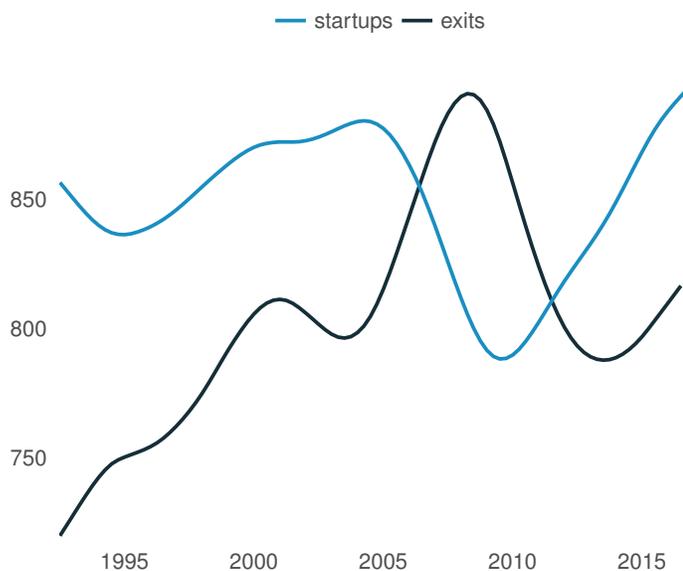


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding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

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Rhode Island Quarterly Startups and Exits



- In the third quarter of 2016, 902 establishments started up, generating 2,152 new jobs in Rhode Island. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 829 establishments exited resulting in 2,208 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

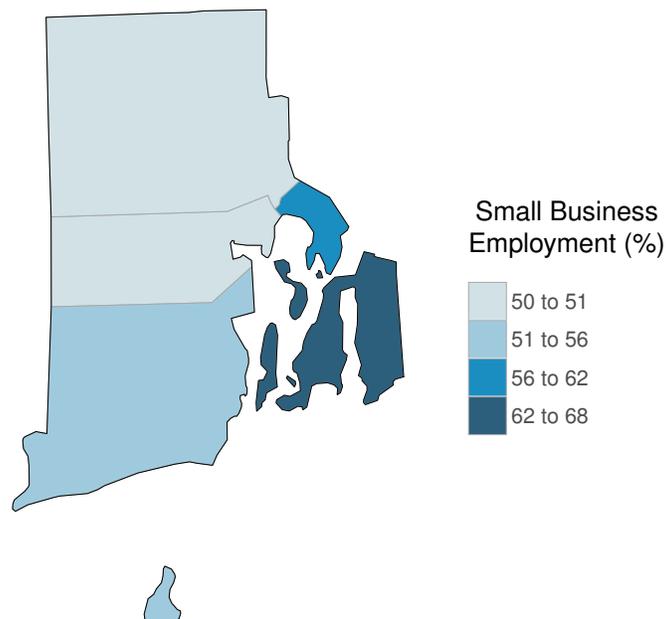
- A total of 1,717 companies exported goods from Rhode Island in 2015. Of these, 1,507, or 87.8%, were small firms; they generated 61.6% of Rhode Island's \$1.8 billion in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Rhode Island Employment by Industry, 2015

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	44,621	86,655	51.5
Accommodation and Food Services	33,794	47,105	71.7
Manufacturing	25,483	39,160	65.1
Retail Trade	18,293	49,837	36.7
Other Services (except Public Administration)	15,294	17,063	89.6
Construction	15,216	16,470	92.4
Professional, Scientific, and Technical Services	15,169	22,850	66.4
Administrative, Support, and Waste Management	12,417	24,082	51.6
Wholesale Trade	11,858	21,006	56.5
Educational Services	6,849	29,710	23.1
Finance and Insurance	6,774	25,582	26.5
Arts, Entertainment, and Recreation	6,008	10,615	56.6
Transportation and Warehousing	4,317	10,524	41.0
Real Estate and Rental and Leasing	4,018	5,391	74.5
Information	2,283	6,733	33.9
Management of Companies and Enterprises	1,401	11,535	12.1
Agriculture, Forestry, and Fishing and Hunting	138	138	100.0
Mining, Quarrying, and Oil and Gas Extraction	125	164	76.2
Utilities	124	1,056	11.7
Industries not classified	72	72	100.0
<b>Total</b>	<b>224,254</b>	<b>425,748</b>	<b>52.7</b>

Figure 4: Rhode Island Small Business Employment by County, 2015



## SMALL BUSINESSES BY INDUSTRY

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

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Construction	3,021	2,884	8,562	11,583
Professional, Scientific, and Technical Services	2,776	2,563	11,880	14,656
Other Services (except Public Administration)	2,686	2,533	11,349	14,035
Retail Trade	2,569	2,340	5,444	8,013
Accommodation and Food Services	2,557	1,998	1,012	3,569
Health Care and Social Assistance	2,312	1,887	5,596	7,908
Administrative, Support, and Waste Management	1,538	1,390	5,513	7,051
Manufacturing	1,300	957	1,235	2,535
Wholesale Trade	1,081	859	1,194	2,275
Real Estate and Rental and Leasing	852	795	9,678	10,530
Finance and Insurance	671	593	1,955	2,626
Transportation and Warehousing	545	480	3,421	3,966
Arts, Entertainment, and Recreation	496	416	4,902	5,398
Educational Services	367	265	2,728	3,095
Information	216	178	934	1,150
Agriculture, Forestry, and Fishing and Hunting	38	36	1,190	1,228
Mining, Quarrying, and Oil and Gas Extraction	17	16	10	27
Utilities	12	11	144	156
<b>Total</b>	<b>23,074</b>	<b>20,262</b>	<b>76,747</b>	<b>99,821</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