

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

INDIANA




495,695
97.2%
Small Businesses
of Indiana Businesses

1.2 million
45.7%
Small Business Employees
of Indiana Employees



EMPLOYMENT
10,168
net new jobs¹



DIVERSITY
50.5%
increase in minority
ownership²



TRADE
84.6%
of Indiana exporters³

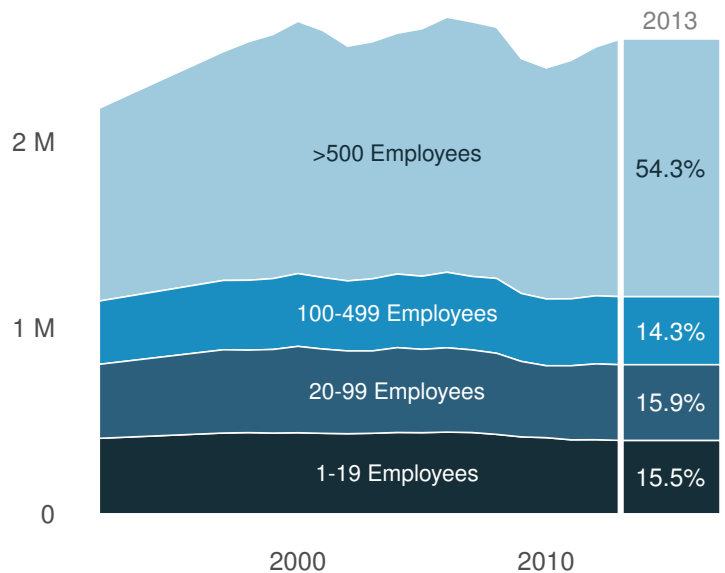
OVERALL INDIANA ECONOMY

- In the third quarter of 2015, Indiana grew at an annual rate of 3.7% which was faster than the overall US growth rate of 1.9%. By comparison, Indiana's 2014 growth of 3.4% was up from the 2013 level of 3.0%. (Source: BEA)
- The employment situation in Indiana improved. At the close of 2015, unemployment was 4.6%, down from 5.5% at the close of 2014. This was below the national unemployment rate of 5.0%. (Source: CPS)

EMPLOYMENT

- Indiana small businesses employed 1.2 million people, or 45.7% of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased 2.0% in 2015. This was above the previous year's increase of 1.7%. (Source: CES)
- The number of proprietors increased in 2014 by 1.3% relative to the previous year. (Source: BEA)
- Small businesses created 10,168 net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding 5,338 net jobs. The largest losses were in firms employing 1 to 4 employees which lost 1,655 net jobs. (Source: BDS)

Figure 1: Indiana Employment by Firm Size



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 as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 71,526 loans under \$100,000 (and valued at \$1.1 billion) were issued by Indiana lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$43,452 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$21,186. (Source: ACS)

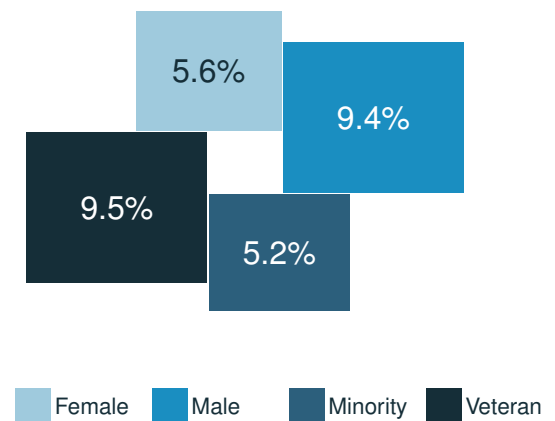
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Indiana Changes in Business Ownership by Demographic Group

African American-owned	●	53.8%
Asian-owned	●	39.2%
Hawaiian/Pacific Islander-owned	●	23.7%
Hispanic-owned	●	58.4%
Native American/Alaskan-owned	●	10.4%
Minority-owned	●	50.5%
Nonminority-owned	●	-3.8%

Figure 3: Indiana Self-Employment within Demographic Group

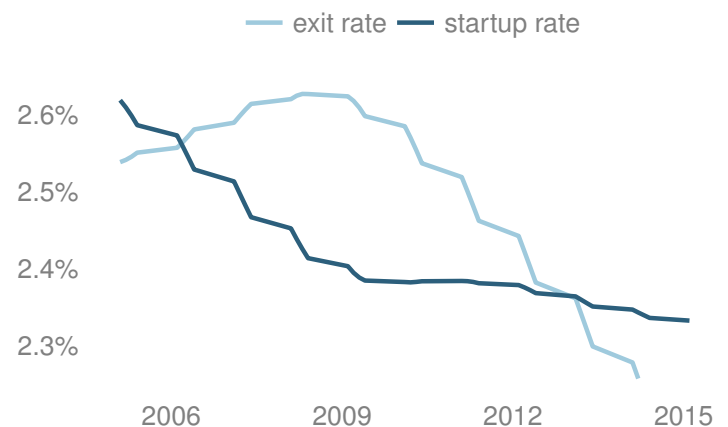


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Indiana, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 3,021 establishments started up⁵ in Indiana and 2,974 exited.⁶ Startups generated 12,997 new jobs while exits caused 11,256 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Indiana Private Startup and Exit Rates



⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

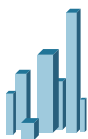




⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

INTERNATIONAL TRADE

- A total of 8,258 companies exported goods from Indiana in 2013. Among these, 6,983, or 84.6%, were small firms; they generated 15.1% of Indiana's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Indiana Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	14,906	13,760	67,901	82,807
Construction	12,740	11,796	46,579	59,319
Retail Trade	11,934	10,547	39,205	51,139
Professional, Scientific, and Technical Services	11,519	10,624	43,807	55,326
Health Care and Social Assistance	9,959	8,345	28,388	38,347
Accommodation and Food Services	9,059	6,886	4,727	13,786
Manufacturing	6,563	4,390	6,961	13,524
Administrative, Support, and Waste Management	5,894	5,166	33,360	39,254
Wholesale Trade	5,611	4,318	6,372	11,983
Finance and Insurance	4,471	4,062	11,794	16,265
Real Estate and Rental and Leasing	4,284	3,971	41,273	45,557
Transportation and Warehousing	4,071	3,474	20,648	24,719
Arts, Entertainment, and Recreation	1,971	1,677	18,828	20,799
Educational Services	1,387	1,088	10,346	11,733
Information	901	717	4,675	5,576
Agriculture, Forestry, Fishing and Hunting	249	236	4,198	4,447
Utilities	166	124	315	481
Mining, Quarrying, and Oil and Gas Extraction	161	127	856	1,017
Total	105,846	91,308	390,233	496,079

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Indiana Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Manufacturing	174,727	463,363	37.7%
Health Care and Social Assistance	169,060	402,148	42.0%
Accommodation and Food Services	147,367	260,662	56.5%
Retail Trade	110,827	309,333	35.8%
Other Services (except Public Administration)	105,956	122,171	86.7%
Construction	89,377	116,325	76.8%
Professional, Scientific, and Technical Services	71,038	106,114	66.9%
Wholesale Trade	66,721	114,092	58.5%
Administrative, Support, and Waste Management	61,017	188,003	32.5%
Transportation and Warehousing	40,192	122,587	32.8%
Finance and Insurance	38,154	97,071	39.3%
Arts, Entertainment, and Recreation	23,321	35,202	66.2%
Educational Services	22,588	66,135	34.2%
Real Estate and Rental and Leasing	22,556	32,383	69.7%
Information	11,428	42,217	27.1%
Utilities	3,055	14,649	20.9%
Mining, Quarrying, and Oil and Gas Extraction	2,948	6,031	48.9%
Agriculture, Forestry, Fishing and Hunting	1,118	1,599	69.9%
Total	1,161,450	2,500,085	46.5%

Figure 5: Indiana County-Level Job Changes, 2015 (CEW)

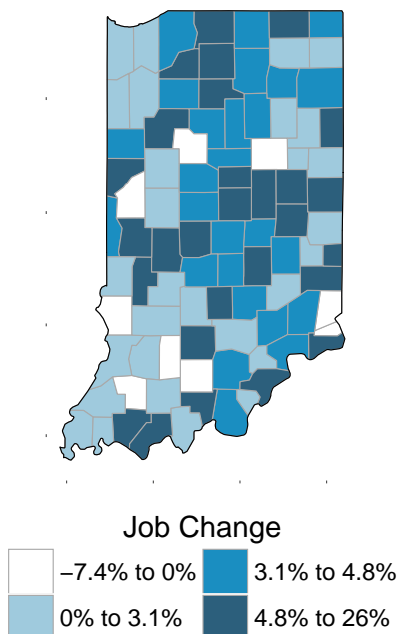


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

