

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### INDIANA



504,377  
99.4%

Small Businesses  
of Indiana Businesses

1.2 million  
45.5%

Small Business Employees  
of Indiana Employees



**EMPLOYMENT**  
16,878  
net new jobs



**DIVERSITY**  
61,209  
minority-owned  
businesses



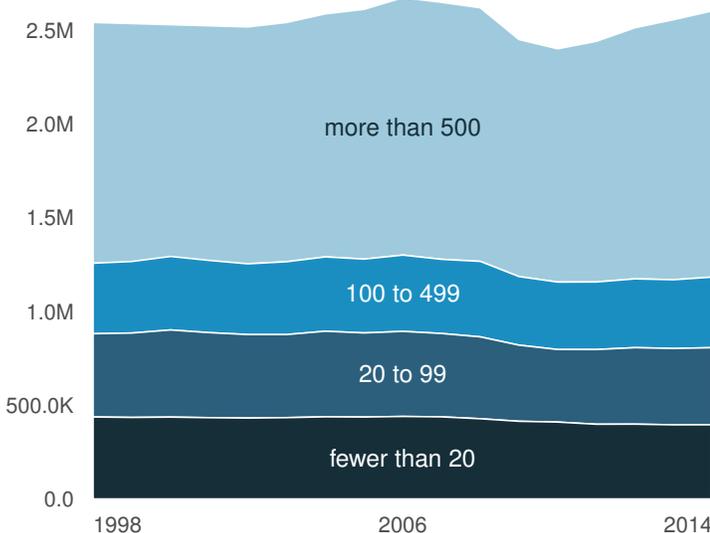
**TRADE**  
85.0%  
of Indiana exporters

#### OVERALL INDIANA ECONOMY

- In the second quarter of 2016, Indiana grew at an annual rate of 1.2%, which was the same as the overall US growth rate. Indiana's 2015 growth rate of 1.4% was down from the 2014 rate of 2.1%. (Source: BEA)
- In November 2016, the unemployment rate was 4.2%, down from 4.6% at the close of 2015. This was below the November 2016 national unemployment rate of 4.6%. (Source: CPS)

#### EMPLOYMENT

Figure 1: Indiana Employment by Business Size (Employees)



- Indiana small businesses employed 1.2 million people, or 45.5% of the private workforce, in 2014. (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)
- During the year ending November 2016, private-sector employment increased 2.4%. This was above the previous year's increase of 2.1%. (Source: CPS)
- The number of proprietors increased in 2015 by 2.8% relative to the previous year. (Source: BEA)
- Small businesses created 16,878 net jobs in 2014. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 6,186 net jobs. The largest losses were in firms employing 1 to 4 employees, which lost 775 net jobs. (Source: BDS)

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. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

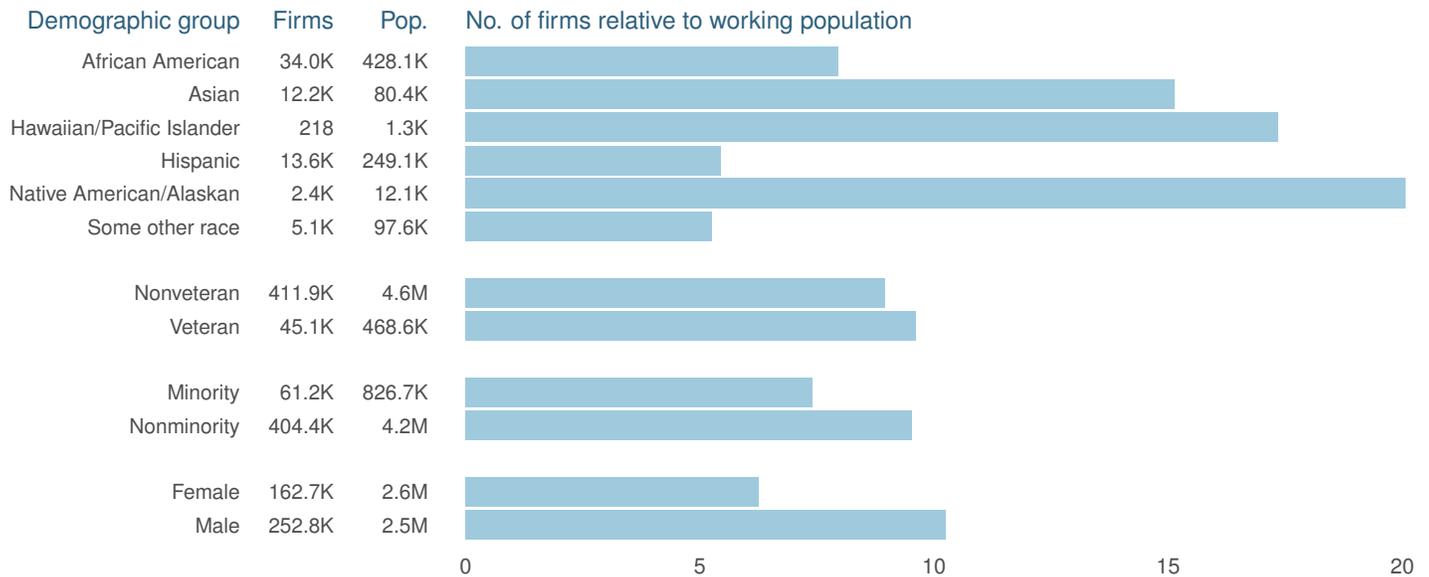
## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, **71,526** loans under \$100,000 (valued at **\$1.1 billion**) were issued by Indiana lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$44,781** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$21,524**. (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.*

## BUSINESS OWNER DEMOGRAPHICS

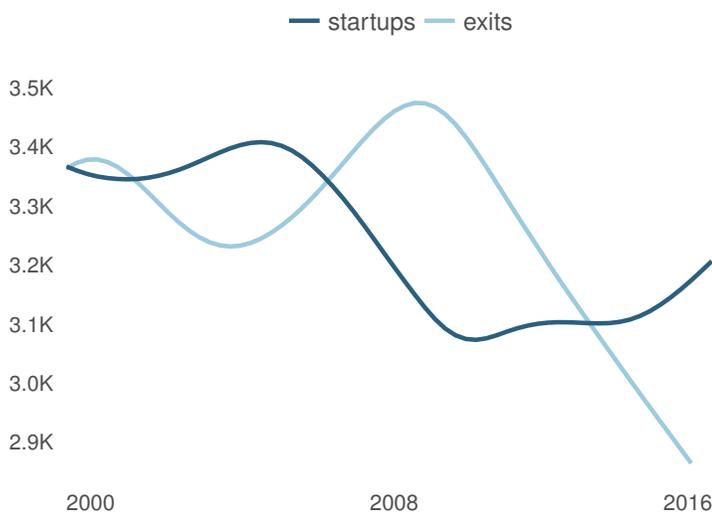
Figure 2: Indiana Small Business Ownership, 2012



*Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 6 female-owned firms per 100 working age females or  $162.7K \div 2.6M \times 100$ . ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.*

## BUSINESS TURNOVER

Figure 3: Indiana Quarterly Startups and Exits



- In the second quarter of 2015, **2,986** establishments started up, generating **10,527** new jobs in Indiana. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **2,828** establishments exited resulting in **11,022** 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

*The 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.*

## INTERNATIONAL TRADE

- A total of 8,585 companies exported goods from Indiana in 2014. Among these, 7,295, or 85.0%, were small firms; they generated 16.5% of Indiana's \$33.1 billion in total known exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Indiana Employment by Industry, 2014

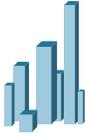
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Manufacturing	178,174	475,831	37%
Health Care and Social Assistance	166,165	403,393	41%
Accommodation and Food Services	151,294	268,596	56%
Retail Trade	111,746	314,603	36%
Other Services (Except Public Administration)	107,536	125,785	85%
Construction	92,671	115,070	81%
Professional, Scientific, and Technical Services	71,862	110,540	65%
Wholesale Trade	67,090	116,315	58%
Administrative, Support, and Waste Management	61,097	197,122	31%
Transportation and Warehousing	41,574	119,402	35%
Finance and Insurance	37,778	98,648	38%
Arts, Entertainment, and Recreation	23,652	34,015	70%
Educational Services	23,015	67,208	34%
Real Estate and Rental and Leasing	22,423	31,845	70%
Information	12,609	43,512	29%
Mining, Quarrying, and Oil and Gas Extraction	3,180	6,008	53%
Utilities	3,060	14,853	21%
Agriculture, Forestry, and Fishing and Hunting	981	1,469	67%
<b>Total</b>	<b>1,183,203</b>	<b>2,602,895</b>	<b>45%</b>

Figure 4: Indiana Small Business Percent of Employment by County

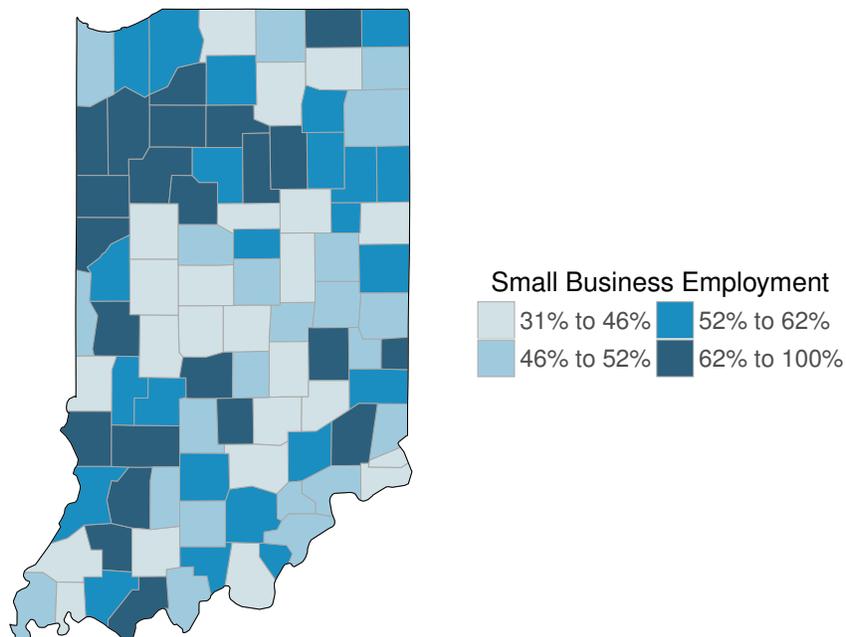


Table 2: Indiana Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (Except Public Administration)	14,836	13,673	69,116	83,952
Construction	12,712	11,736	47,642	60,354
Professional, Scientific, and Technical Services	11,569	10,688	44,690	56,259
Retail Trade	11,827	10,471	39,582	51,409
Real Estate and Rental and Leasing	4,355	4,045	42,711	47,066
Administrative, Support, and Waste Management	5,865	5,134	34,125	39,990
Health Care and Social Assistance	9,829	8,246	28,732	38,561
Transportation and Warehousing	4,130	3,515	22,029	26,159
Arts, Entertainment, and Recreation	1,950	1,655	19,183	21,133
Finance and Insurance	4,474	4,068	11,697	16,171
Accommodation and Food Services	9,022	6,799	4,870	13,892
Manufacturing	6,533	4,363	6,968	13,501
Educational Services	1,416	1,123	11,602	13,018
Wholesale Trade	5,496	4,221	6,397	11,893
Information	908	719	4,643	5,551
Agriculture, Forestry, and Fishing and Hunting	236	226	4,038	4,274
Mining, Quarrying, and Oil and Gas Extraction	157	123	848	1,005
Utilities	160	117	328	488
<b>Total</b>	<b>105,176</b>	<b>91,082</b>	<b>399,201</b>	<b>504,377</b>

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

- ACS American Community Survey, 5-year estimates, U.S. Census Bureau
- BEA Bureau of Economic Analysis
- BDM Business Employment Dynamics, BLS
- BDS Business Dynamics Statistics, U.S. Census Bureau
- BLS Bureau of Labor Statistics, U.S. 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, U.S. Census Bureau
- SBO Survey of Business Owners, U.S. Census Bureau
- SUSB Statistics of U.S. Businesses, U.S. Census Bureau

