

Maryland

536,494 Small Businesses

103,904 Small Businesses with Employees

432,590 Small Businesses without Employees (Nonemployers)

1,078,548 Workers Employed by Small Businesses

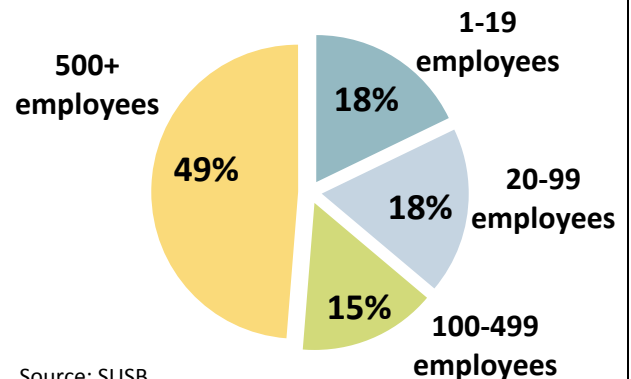
State Economy Overall

- Maryland's economy grew at about the same rate as the United States in 2012. Maryland's real gross state product increased by **2.4 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Maryland has improved. The unemployment rate in Maryland declined from **6.6 percent** in December 2012 to **6.1 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Maryland's small businesses employed half or **1.1 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **97.5 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, professional, scientific, & technical services, and accommodation & food services (**Table 4**).
- In Maryland, small businesses created **21,556** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.1 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: Maryland Employment by Size of Firm, 2011



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **7 percent** in the 3rd quarter of 2013 and totaled **\$24.6 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **87,725** loans under \$100,000 (and valued at **\$1.1 billion**) were issued by Community Reinvestment Act lending institutions in Maryland. (Source: FFIEC)

Business Owner Demographics

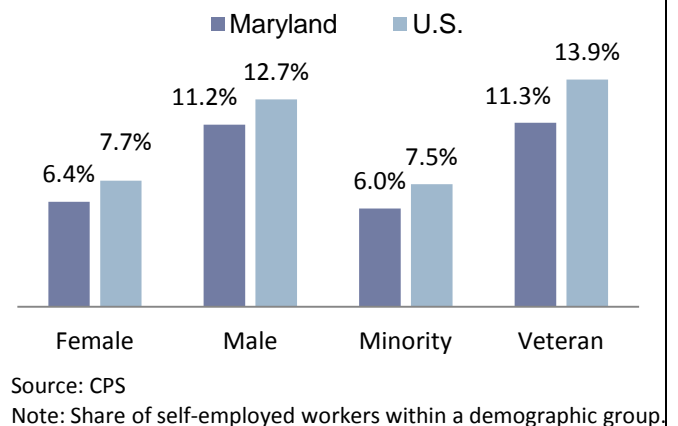
- In 2011, there were an estimated **176,000** woman-owned businesses and **168,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Maryland Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	276,000	51.1
Woman Owned	176,000	32.6
Equally Male and Female Owned	69,000	12.8
Minority Owned	168,000	31.1
Veteran Owned	55,000	10.2

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/md10.pdf.

Figure 2: Maryland Self-Employment Demographics, 2012



Business Turnover

- **Table 2** gives Maryland's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **6,871** establishments opened and **7,210** closed in the state of Maryland. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Maryland

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	13,153	32.7
2007	11,928	44
2010	9,566	67.4

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **7,386** companies exported goods from the state in 2012. Of these, **6,529** or **88.4 percent** were small firms; they generated over a quarter (**29.1 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Maryland Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	17,236	15,534	72,775	90,011
Construction	13,730	12,380	40,112	53,842
Other services (except public admin.)	12,279	11,200	58,481	70,760
Health care & social assistance	11,989	10,419	49,968	61,957
Retail trade	11,024	9,923	31,604	42,628
Accommodation & food services	8,417	6,663	6,545	14,962
Admin., supp., waste mgt., remed. svcs.	6,671	5,638	36,700	43,371
Wholesale trade	4,385	3,488	5,534	9,919
Real estate & rental & leasing	4,084	3,702	45,768	49,852
Finance & insurance	3,800	3,392	12,142	15,942
Transportation & warehousing	2,718	2,316	18,873	21,591
Manufacturing	2,707	2,077	4,194	6,901
Arts, entertainment, & recreation	1,814	1,526	24,641	26,455
Educational services	1,781	1,366	14,651	16,432
Information	1,124	892	6,897	8,021
Management of comp. & enterprises	333	56	0	333
Unclassified	213	213	0	213
Forestry, etc. & agriculture support	186	183	3,182	3,368
Mining	50	32	83	133
Utilities	42	31	440	482
Total	103,904	90,934	432,590	536,494

Table 4: Employment in Maryland by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	159,662	336,440	47
Professional, scientific, & tech. svcs.	137,556	243,980	56
Accommodation & food services	120,131	195,895	61
Construction	119,808	136,527	88
Retail trade	97,619	278,530	35
Other services (except public admin.)	95,432	109,128	87
Admin., supp., waste mgt., remed. svcs.	82,149	178,204	46
Wholesale trade	51,027	84,274	61
Manufacturing	45,460	104,410	44
Educational services	35,257	79,640	44
Finance & insurance	33,065	99,264	33
Real estate & rental & leasing	27,151	41,761	65
Transportation & warehousing	24,243	62,864	39
Arts, entertainment, & recreation	23,912	35,790	67
Information	15,575	54,643	29
Management of comp. & enterprises	7,770	49,238	16
Mining	769	1,314	59
Forestry, etc. & agriculture support	605	923	66
Unclassified	D	D	D
Utilities	D	10,970	D
Total	1,078,548	2,104,022	51

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

(D) Data suppressed to protect the confidentiality of individual firms.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .