

Massachusetts

Massachusetts's small businesses are key to the state's well-being. They account for a significant share of the state's economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status and contributions of Massachusetts small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 594,487 in the state in 2008. Of these, 138,846 were employers, and they accounted for 47.8% of private-sector jobs in the state (Table 1). Small firms made up 97.9% of the state's employers.
- Massachusetts's real gross state product increased by 1.9% and private-sector employment decreased by 3.9% in 2009. By comparison, real GDP in the United States grew 0.7% and private-sector employment declined by 5.5%.
- Business ownership is becoming more inclusive in the state. The number of both women and minority business owners has grown. In particular, minority-owned businesses numbered 65,075 in 2007, a 38.4% increase over 2002.
- The state's small business employment has undergone major shifts in recent years (Table 2).
- The state's businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

Massachusetts Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	138,846	141,783	145,269
Large employers (500+ employees)	2,997	2,984	2,966
Nonemployers	455,641	465,019	410,481
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	335,323	56.2	-1
Woman-owned	178,178	29.8	10
Equally male/female-owned	63,953	10.7	44.9
African American-owned	20,592	3.4	60.6
Asian-owned	26,574	4.5	47.0
Hispanic-owned	19,411	3.3	21.8
Native American/Alaskan-owned	2,304	0.4	3.3
Hawaiian/Pacific Islander-owned	267	0.0	28.4
Veteran-owned	53,388	8.9	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,721	-3.9	-5.1
Government employment	414	0.1	1.5
Self-employed (incorp. & uninc.)	301	-8.4	0.6
Female self-employment	110	2.8	18.1
Male self-employment	191	-13.8	-7.4
Minority self-employment	29	-9.5	72.1
Veteran self-employment	27	-10.0	-33.8
Unemployment rate (%)	8.4	3.1†	5.7†
Business Turnover			
Quarterly establishment openings	30,507	-7.7	-11.5
Quarterly establishment closings	37,031	2.8	16.7
Business bankruptcies	692	57.3	76.1
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	26.9	28.2	17.3
Number of bank branches	2,245	2,228	1,972
No. of bus. loans under \$100,000‡	109,404	230,380	83,626
Total value of business loans under \$100,000 (\$million)‡	1,180	2,360	816

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.
* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in Massachusetts by Industry and Firm Size, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	455.6	141.8	122.0	138.8	3,074.6	506.5	1,472.1
Forestry, etc. and agriculture support	5.1	0.4	0.4	0.4	1.1	0.8	1.1
Mining	0.1	0.1	0.1	0.1	1.3	0.3	0.9
Utilities	0.3	0.1	0.0	0.1	12.7	0.2	1.7
Construction	57.7	18.6	17.3	18.5	130.9	58.0	116.5
Manufacturing	5.9	7.2	5.0	6.8	263.5	29.5	142.2
Wholesale trade	7.0	7.6	5.7	7.1	142.8	25.8	85.9
Retail trade	31.4	16.9	14.9	16.5	360.9	64.1	136.4
Transportation and warehousing	16.5	3.2	2.5	2.9	79.7	10.3	35.6
Information	8.1	2.3	1.6	2.1	104.8	7.4	33.7
Finance and insurance	13.2	5.6	4.5	5.3	221.3	18.3	61.8
Real estate and rental and leasing	34.9	5.2	4.7	5.1	46.0	14.8	32.5
Professional, scientific, and technical svcs.	94.0	20.6	18.5	20.2	258.6	61.9	150.1
Management of companies and enterprises	--	0.8	0.1	0.5	87.5	0.4	9.9
Admin., support, waste mgt., remed. svcs.	32.7	8.8	7.5	8.5	203.9	24.6	95.6
Educational services	19.9	2.4	1.7	2.3	185.0	8.1	51.5
Health care and social assistance	41.3	12.7	10.5	12.5	536.4	55.6	211.5
Arts, entertainment, and recreation	31.1	2.9	2.4	2.9	52.3	9.9	37.3
Accommodation and food services	5.2	12.7	10.2	12.5	264.0	55.0	162.5
Other services (except public admin.)	51.4	15.3	14.2	15.2	121.1	61.0	104.6
Unclassified	--	0.4	0.4	0.4	0.7	0.6	0.7

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

Table 2: Net Job Change by Firm Size, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	22,023	12,867	1,468	-3,752	-3,355	409	7,637	14,386
2005 - 2006	57,534	21,949	5,883	4,261	2,343	-2,306	32,130	25,404
2006 - 2007	-8,945	16,168	338	-459	3,561	-6,052	-22,501	13,556

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	7.2	29.3	40.0	10.0	22.8	98.6	151.8	30.1
Quarter 2	8.2	32.3	37.2	9.0	29.5	123.6	141.6	28.3
Quarter 3	7.5	31.0	35.8	8.9	26.6	119.3	131.8	29.0
Quarter 4	7.6	32.2	34.2	9.1	26.4	117.4	129.8	28.4

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)

Note: These figures contain all firm sizes; Census data from 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.