

Rhode Island

Rhode Island'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 Rhode Island small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 95,845 in the state in 2008. Of these, 24,824 were employers, and they accounted for 55.9% of private-sector jobs in the state (Table 1). Small firms made up 96.1% of the state's employers.
- Rhode Island's real gross state product decreased by 0.9% and private-sector employment decreased by 4.8% 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 9,824 in 2007, a 49.7% 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.

Rhode Island Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	24,824	25,458	24,341
Large employers (500+ employees)	994	959	902
Nonemployers	71,021	72,389	59,406
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	54,928	56.7	6.4
Woman-owned	26,456	27.3	14.1
Equally male/female-owned	11,266	11.6	36.9
African American-owned	3,220	3.3	n.a.
Asian-owned	1,997	2.1	30.6
Hispanic-owned	5,764	5.9	68.8
Native American/Alaskan-owned	394	0.4	-11.5
Hawaiian/Pacific Islander-owned	34	0.0	-24.4
Veteran-owned	10,704	11.0	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	388	-4.8	-4.1
Government employment	62	-1.7	-3.5
Self-employed (incorp. & uninc.)	51	-5.4	15.5
Female self-employment	18	-7.3	35.8
Male self-employment	34	-4.4	7.2
Minority self-employment	5	-16.8	447.2
Veteran self-employment	5	16.0	-22.7
Unemployment rate (%)	11.2	3.6†	7.0†
Business Turnover			
Quarterly establishment openings	6,623	-1.2	-2.1
Quarterly establishment closings	8,077	7.4	23.1
Business bankruptcies	170	18.1	129.7
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	3.0	3.1	1.9
Number of bank branches	254	247	220
No. of bus. loans under \$100,000‡	19,564	33,852	9,644
Total value of business loans under \$100,000 (\$million)‡	218	343	106

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 Rhode Island 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	71.0	25.8	21.9	24.8	433.6	89.0	242.9
Forestry, etc. and agriculture support	1.3	0.0	0.0	0.0	0.1	0.1	0.1
Mining	0.0	0.0	0.0	0.0	0.2	0.1	0.2
Utilities	0.0	0.0	0.0	0.0	D	0.0	0.0
Construction	8.7	3.5	3.3	3.4	19.9	10.0	18.8
Manufacturing	1.2	1.7	1.2	1.6	49.6	6.9	32.1
Wholesale trade	1.3	1.4	1.0	1.2	20.7	4.5	12.7
Retail trade	5.7	3.1	2.6	2.9	50.4	10.9	20.2
Transportation and warehousing	2.3	0.6	0.5	0.6	10.7	1.7	4.2
Information	1.0	0.3	0.2	0.2	7.7	0.8	3.2
Finance and insurance	2.1	1.0	0.8	0.9	29.8	2.8	8.2
Real estate and rental and leasing	7.4	1.0	0.9	0.9	6.8	2.5	4.9
Professional, scientific, and technical svcs.	11.4	2.9	2.7	2.9	24.1	8.8	16.3
Management of companies and enterprises	--	0.1	0.0	0.1	8.8	D	1.5
Admin., support, waste mgt., remed. svcs.	5.1	1.7	1.4	1.6	25.5	4.1	14.6
Educational services	2.5	0.4	0.3	0.4	24.8	1.0	6.4
Health care and social assistance	6.0	2.5	2.0	2.4	82.7	11.1	45.5
Arts, entertainment, and recreation	4.2	0.5	0.4	0.5	8.3	1.7	5.5
Accommodation and food services	1.0	2.5	2.0	2.5	43.6	11.3	31.9
Other services (except public admin.)	9.7	2.8	2.6	2.8	18.7	10.6	16.4
Unclassified	--	0.0	0.0	0.0	D	D	D

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.)

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

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	3,903	2,128	387	-376	-1,359	-905	-125	4,028
2005 - 2006	-1,868	3,399	-31	-83	-1,395	-1,657	233	-2,101
2006 - 2007	2,286	2,964	-853	-913	-1,977	-811	3,876	-1,590

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	1.6	4.9	6.8	1.9	4.8	16.5	23.7	6.2
Quarter 2	1.7	5.4	6.2	1.9	5.6	18.8	20.5	4.8
Quarter 3	1.6	5.3	6.0	2.5	4.5	17.0	20.5	8.7
Quarter 4	1.8	5.3	5.8	1.8	5.1	17.6	19.4	5.4

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.