

Massachusetts

Small businesses totaled 582,623 in Massachusetts in 2009. They represent 97.9 percent of all employers and employ 47.3 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Massachusetts's health and well-being.

This profile uses the latest available data to illustrate the status of Massachusetts's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Massachusetts's economy was strong in 2010, with real gross state product increasing 0.1 percent and private-sector employment increasing 0.2 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Massachusetts's small businesses are very small as 76.4 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 1.4 million workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in Massachusetts represented all of the net new jobs from 2005-2008.
- Self-employment in Massachusetts surged over the last decade. Male self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are 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.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Massachusetts Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	135,404	138,846	145,269
Large employers (500+ employees)	2,966	2,997	2,966
Nonemployers	447,219	455,641	410,481
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	335	997	202,004
Woman-owned	178	167	20,523
Equally male/female-owned	64	130	17,468
African American-owned	21	11	1,211
Asian-owned	27	49	5,906
Hispanic-owned	19	17	1,921
Native American/Alaskan-owned	2	1	170
Hawaiian/Pacific Islander-owned	0	0	17
Veteran-owned	69	185	41,861
Publicly held, unclassified	20	1,789	500,142
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	2,748	0.2	-5.0
Government employment	438	0.0	0.6
Self-employed (incorp. & uninc.)	327	-2.7	5.9
Female self-employment	103	-13.4	-12.9
Male self-employment	224	3.1	17.5
Minority self-employment	21	-27.2	-21.2
Veteran self-employment	29	-5.3	-49.1
Unemployment Rate (Percent)	8.5	0.3†	5.8†
Business Turnover			
Quarterly establishment openings	31,310	-0.7	-9.2
Quarterly establishment closings	34,765	-3.9	9.5
Business bankruptcies	577	-16.6	46.8
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	26.4	23.9	19.6
Number of bank branches	2,217	2,245	1,972
No. of bus. loans under \$100,000‡	17,949	109,404	83,626
Total value of business loans under \$100,000 (\$million)‡	327	1,180	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, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	447.2	138.4	119.4	135.4	2,967.9	493.3	1,402.9
Forestry, etc. and agriculture support	4.9	0.4	0.3	0.4	1.2	0.9	1.1
Mining	0.1	0.1	0.1	0.1	1.2	0.3	0.8
Utilities	0.3	0.1	0.0	0.1	12.7	0.2	1.4
Construction	55.6	17.3	16.2	17.2	114.2	52.4	101.4
Manufacturing	5.7	6.8	4.8	6.5	239.9	28.2	129.4
Wholesale trade	6.9	7.3	5.5	6.8	135.4	25.2	82.0
Retail trade	29.6	16.5	14.6	16.1	343.2	62.3	126.4
Transportation and warehousing	16.2	3.1	2.4	2.9	77.3	9.6	34.5
Information	7.7	2.2	1.5	2.0	100.6	7.2	31.6
Finance and insurance	12.6	5.4	4.4	5.1	209.6	17.8	61.4
Real estate and rental and leasing	33.4	5.0	4.5	4.9	43.7	14.1	29.5
Professional, scientific, and technical svcs.	94.1	20.2	18.0	19.7	251.6	59.9	145.3
Management of companies and enterprises	--	0.8	0.1	0.4	83.0	0.3	9.1
Admin., support, waste mgt., remed. svcs.	32.2	8.6	7.4	8.3	185.8	23.6	84.7
Educational services	19.6	2.4	1.8	2.3	191.3	8.6	52.5
Health care and social assistance	41.1	12.8	10.5	12.5	549.1	55.4	211.9
Arts, entertainment, and recreation	30.7	2.8	2.3	2.8	51.2	9.7	35.2
Accommodation and food services	5.1	12.7	10.3	12.6	256.3	56.2	160.6
Other services (except public admin.)	51.2	15.3	14.2	15.2	119.8	60.6	103.3
Unclassified	--	0.5	0.5	0.5	0.7	0.7	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, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
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	13,556	-22,501
2007 - 2008	3,812	13,038	-1,395	-2,069	1,107	7,419	18,100	-14,288
2008 - 2009	-104,504	8,826	-5,302	-7,738	-26,040	-26,367	-56,621	-47,883

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, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	8.0	7.8	7.2	8.2	30.7	29.0	25.3	28.7
Expansions	31.5	34.2	33.5	33.6	114.7	132.1	130.0	125.2
Contractions	33.5	32.4	33.6	33.4	115.7	116.5	124.0	122.5
Closings	8.7	7.5	9.5	9.0	28.3	21.1	28.5	29.7

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

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.