

2020 Small Business Profile

Indiana

521,656 Small Businesses
99.4% of Indiana Businesses

1.2 million Small Business Employees
44.4% of Indiana Employees



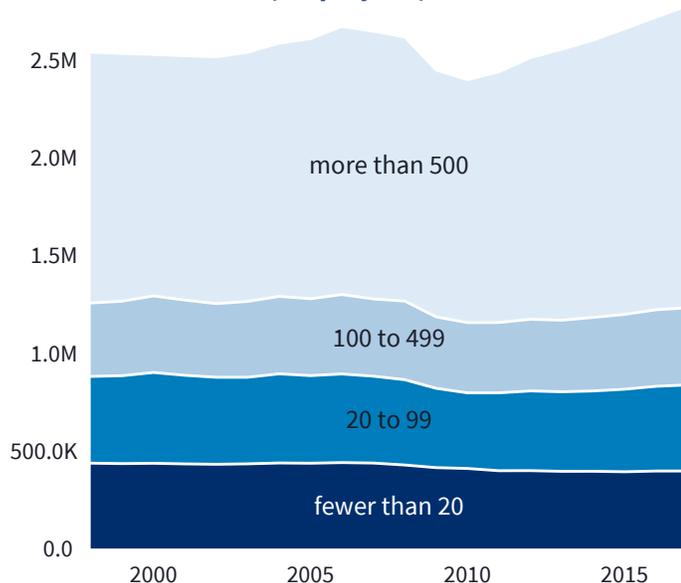
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Indiana grew at an annual rate of **1.1%**, which was slower than the overall US growth rate of **2.1%**. Indiana's 2019 overall growth rate of **0.8%** was down from the 2018 rate of **2.0%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **16.9%**, up from **3.4%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Indiana Employment by Business Size (Employees)



- Indiana small businesses employed **1.2 million** people, or **44.4%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with 20 to 99 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **14.8%** during the 12-month period ending in April 2020. This was below the increase of **1.2%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **2.8%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **37,485** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **27,304** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **1,473** net jobs. (Source: [BDM](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.

Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$47,376** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$25,502**. (Source: [ACS](#))
- The total number of banks decreased by **3** between June 2018 and June 2019 to **102** banks. During the same period, the number of banks with assets under \$1 billion decreased by **5** to **85** banks. (Source: [FDIC](#))
- In 2018, Indiana lending institutions reporting under the Community Reinvestment Act issued **84,494** loans under \$100,000, a total value of **\$1.4 billion**. (Source: [FFIEC](#))

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed. The decline in the number of banks with assets under \$1 billion may exceed the change in the total number of banks due to mergers and asset balance changes.

Self-Employment Demographics

Figure 2: Indiana Self-Employment Rates by Gender & Demographic, 2018

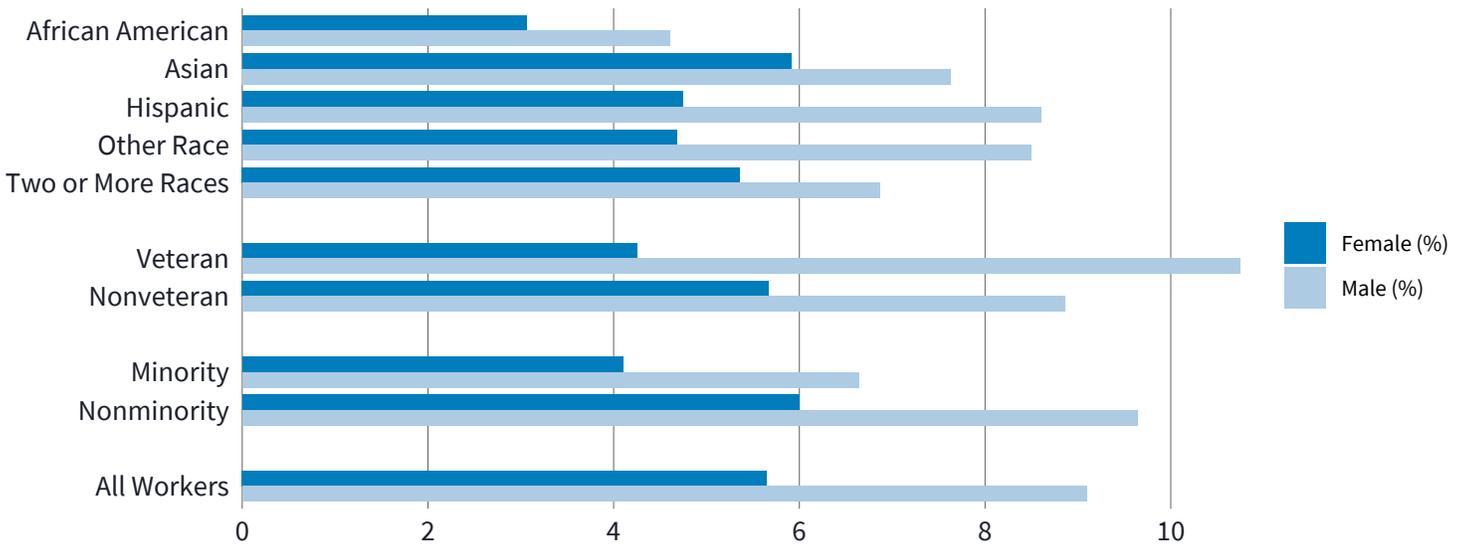
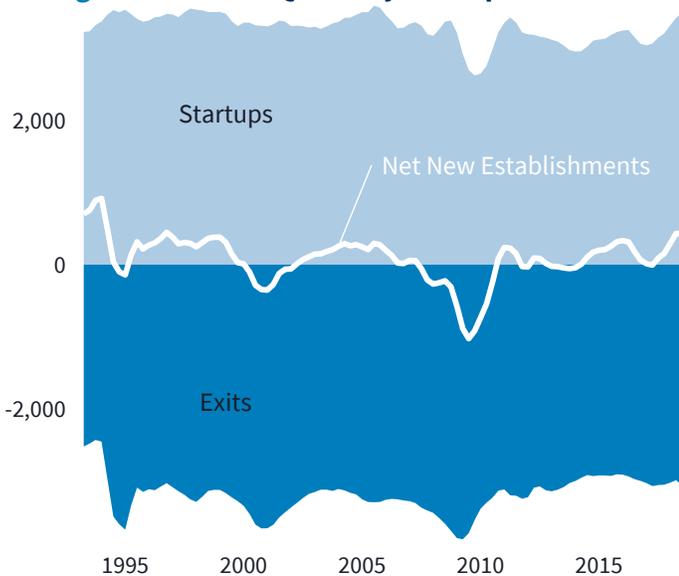


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Indiana Quarterly Startups and Exits



- In the fourth quarter of 2018, **3,620** establishments started up, generating **12,748** 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, **3,425** establishments exited, resulting in **13,446** 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 1993 to 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

International Trade

- A total of 8,506 firms exported goods from Indiana in 2018. Of these, 7,167, or 84.3%, were small firms, which generated 15.1% of Indiana's \$35.6 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Indiana Employment by Industry, 2017

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Manufacturing	174,314	512,254	34.0
Health Care and Social Assistance	171,873	432,565	39.7
Accommodation and Food Services	163,487	283,269	57.7
Retail Trade	112,768	332,029	34.0
Other Services (except Public Administration)	107,888	127,688	84.5
Construction	107,338	131,897	81.4
Professional, Scientific, and Technical Services	78,361	124,820	62.8
Administrative, Support, and Waste Management	67,805	219,495	30.9
Wholesale Trade	66,388	121,412	54.7
Transportation and Warehousing	42,615	126,203	33.8
Finance and Insurance	37,372	105,647	35.4
Arts, Entertainment, and Recreation	26,655	35,841	74.4
Real Estate and Rental and Leasing	24,841	34,058	72.9
Educational Services	24,352	68,197	35.7
Information	12,900	46,524	27.7
Management of Companies and Enterprises	7,686	53,742	14.3
Utilities	3,224	15,611	20.7
Mining, Quarrying, and Oil and Gas Extraction	1,935	6,140	31.5
Agriculture, Forestry, and Fishing and Hunting	912	1,608	56.7
Industries Not Classified	124	124	100.0
Total	1,232,838	2,779,124	44.4

Figure 4: Indiana Self-Employment Rates by County, 2018

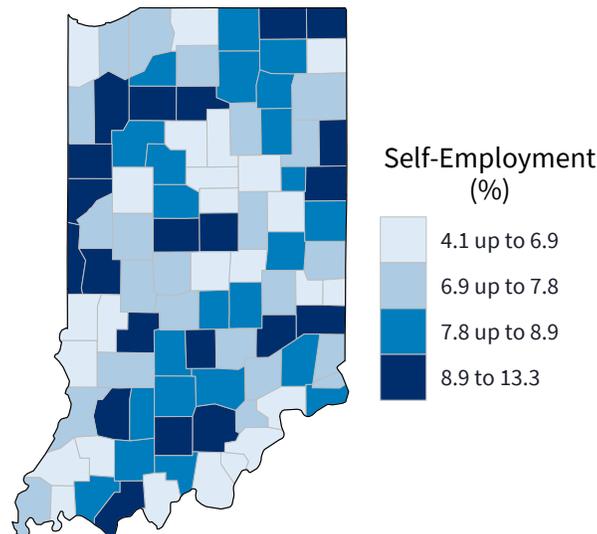


Table 2: Indiana Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	13,632	14,840	67,613	82,453
Construction	12,002	13,168	47,462	60,630
Professional, Scientific, and Technical Services	10,649	11,639	46,666	58,305
Retail Trade	10,201	11,595	42,344	53,939
Real Estate and Rental and Leasing	4,383	4,703	45,200	49,903
Administrative, Support, and Waste Management	5,280	6,067	34,277	40,344
Health Care and Social Assistance	8,148	9,888	26,911	36,799
Transportation and Warehousing	3,587	4,249	31,414	35,663
Arts, Entertainment, and Recreation	1,727	2,066	21,199	23,265
Finance and Insurance	4,102	4,505	11,578	16,083
Accommodation and Food Services	6,838	9,327	5,209	14,536
Educational Services	1,168	1,467	12,772	14,239
Manufacturing	4,306	6,415	6,867	13,282
Wholesale Trade	4,074	5,347	5,997	11,344
Information	760	966	4,608	5,574
Agriculture, Forestry, and Fishing and Hunting	260	271	4,429	4,700
Mining, Quarrying, and Oil and Gas Extraction	102	137	501	638
Utilities	115	162	214	376
Total	91,383	106,395	415,261	521,656

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2018 American Community Survey (ACS).

References

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

- ACS American Community Survey, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau