

## Rhode Island

Small businesses totaled 93,333 in Rhode Island in 2009. They represent 95.9 percent of all employers and employ 55.2 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Rhode Island's health and well-being.

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

- Rhode Island's economy was mixed in 2010, with real gross state product increasing 0.1 percent and private-sector employment decreasing 0.4 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Rhode Island's small businesses are very small as 73.7 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 228,482 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation in 2008-2009 was weak (Table 2); small businesses in Rhode Island had a net job loss from 2005-2008.
- Self-employment in Rhode Island surged over the last decade. Minority 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](http://www.sba.gov/advocacy/848).
- For other small business data and analysis, visit [www.sba.gov/advocacy/847](http://www.sba.gov/advocacy/847), call (202) 205-6533, or email [advocacy@sba.gov](mailto: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.

### Rhode Island Small Business Facts

	2009*	2008	2000
<b>Number of Businesses</b>			
Small employers (<500 employees)	23,837	24,824	24,341
Large employers (500+ employees)	1,008	994	902
Nonemployers	69,496	71,021	59,406
<b>Level in 2007* (000)</b>			
	<b>Firms</b>	<b>Employment</b>	<b>Receipts(\$M)</b>
<b>Business Owner Demographics</b>			
Male-owned	55	142	26,714
Woman-owned	26	22	2,772
Equally male/female-owned	11	27	2,988
African American-owned	3	1	107
Asian-owned	2	4	525
Hispanic-owned	6	2	311
Native American/Alaskan-owned	0	--	--
Hawaiian/Pacific Islander-owned	0	0	7
Veteran-owned	14	32	6,168
Publicly held, unclassified	4	241	50,349
	<b>Level in 2010*</b>	<b>% Change from 2009 2000</b>	
<b>Workforce (Thousands)</b>			
Private-sector employment	397	-0.4	-3.7
Government employment	62	-0.2	-3.6
Self-employed (incorp. & uninc.)	45	-19.1	15.7
Female self-employment	12	-30.0	28.2
Male self-employment	33	-14.0	11.6
Minority self-employment	5	21.9	94.0
Veteran self-employment	3	-50.5	-69.0
<b>Unemployment Rate (Percent)</b>	11.6	0.8†	7.4†
<b>Business Turnover</b>			
Quarterly establishment openings	6,769	-1.0	0.1
Quarterly establishment closings	6,862	-12.2	4.7
Business bankruptcies	169	-0.6	128.4
	<b>2010*</b>	<b>2009</b>	<b>2000</b>
<b>Income and Finance</b>			
Proprietors' income (\$billion)	2.7	2.6	2.0
Number of bank branches	259	254	220
No. of bus. loans under \$100,000‡	13,850	19,564	9,644
Total value of business loans under \$100,000 (\$million)‡	169	218	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, 2009  
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	69.5	24.8	21.1	23.8	413.6	86.4	228.5
Forestry, etc. and agriculture support	1.2	0.0	0.0	0.0	D	0.1	D
Mining	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0	1.2	0.0	0.1
Construction	8.6	3.2	3.0	3.2	18.4	9.0	17.3
Manufacturing	1.1	1.6	1.1	1.5	44.0	6.5	29.1
Wholesale trade	1.2	1.4	1.0	1.2	21.4	4.4	12.6
Retail trade	5.3	2.9	2.5	2.7	47.0	10.4	18.7
Transportation and warehousing	2.3	0.6	0.5	0.6	10.1	1.7	4.0
Information	0.9	0.3	0.2	0.2	7.4	0.8	2.7
Finance and insurance	2.0	0.9	0.7	0.8	27.8	2.4	7.3
Real estate and rental and leasing	7.1	0.9	0.8	0.9	6.8	2.4	4.4
Professional, scientific, and technical svcs.	11.3	2.9	2.6	2.8	23.4	8.5	16.0
Management of companies and enterprises	--	0.1	0.0	0.1	11.0	0.0	1.3
Admin., support, waste mgt., remed. svcs.	5.1	1.6	1.4	1.5	21.9	4.0	13.8
Educational services	2.5	0.4	0.3	0.4	25.1	1.1	6.0
Health care and social assistance	5.9	2.5	2.0	2.4	81.5	11.3	43.0
Arts, entertainment, and recreation	4.2	0.5	0.4	0.5	7.8	1.7	5.2
Accommodation and food services	0.9	2.5	2.0	2.5	41.3	11.5	31.0
Other services (except public admin.)	9.8	2.8	2.6	2.7	17.5	10.3	15.9
Unclassified	--	0.0	0.0	0.0	0.0	0.0	0.0

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See [www.sba.gov/advocacy/849/12162](http://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	-1,868	3,399	-31	-83	-1,395	-1,657	233	-2,101
2006 - 2007	2,286	2,964	-853	-913	-1,977	-811	-1,590	3,876
2007 - 2008	-7,977	1,863	-1,046	-1,008	-2,391	-551	-3,133	-4,844
2008 - 2009	-20,635	957	-1,467	-1,586	-5,519	-5,944	-13,559	-7,076

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see [www.sba.gov/advocacy/849/12162](http://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	1.7	1.7	1.7	1.7	4.9	6.1	5.2	5.4
Expansions	5.4	5.7	5.5	5.6	17.7	20.0	19.1	18.0
Contractions	5.9	5.5	5.7	5.8	17.1	19.6	18.9	19.4
Closings	1.7	1.7	1.7	1.8	4.8	5.9	4.3	6.1

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