

Massachusetts

Small businesses significantly impact Massachusetts's economy. They represent 97.8 percent of all employers and employ 46.3 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 606,966 in 2010.

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 2011, with real gross state product increasing 3.7 percent and private-sector employment increasing 0.9 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 1.4 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Massachusetts had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.9 percent.
- Most of Massachusetts's small businesses are very small as 77.5 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in Massachusetts improved over the last decade. Male self-employment fared the best compared with other demographic groups.

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 www.sba.gov/updates to subscribe to Advocacy's Listservs.

Massachusetts Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	134,432	135,404	145,269
Large employers (500+ employees)	2,974	2,966	2,966
Nonemployers	472,534	471,437	410,481
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
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	-	-	-
Veteran-owned	69	185	41,861
Publicly held, unclassified	20	1,789	500,142
	Level in 2011*	% Change from	
		2010	2000
Workforce (Thousands)			
Private-sector employment	2,776	0.9	-4.1
Government employment	435	-1.1	-0.2
Self-employed (incorp. & uninc.)	351	9.1	13.6
Female self-employment	121	8.7	2.0
Male self-employment	230	9.3	20.8
Minority self-employment	29	-22.9	8.7
Veteran self-employment	27	2.7	-51.7
Unemployment Rate (Percent)	7.4	-0.9†	4.7‡
Business Turnover			
Quarterly establishment openings	33,323	6.4	-3.3
Quarterly establishment closings	32,654	-6.1	2.8
Business bankruptcies	529	-8.3	34.6
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	27.8	26.4	19.6
Number of bank branches	2,223	2,217	1,972
No. of bus. loans under \$100,000‡	49,202	91,059	83,626
Total value of business loans under \$100,000 (\$million)‡	852	1,068	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, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	472.5	137.4	118.9	134.4	2,928.5	486.3	1,357.4
Forestry, etc. and agriculture support	4.9	0.4	0.4	0.4	1.1	0.9	1.1
Mining	0.1	0.1	0.1	0.1	1.0	0.4	0.7
Utilities	0.3	0.1	0.1	0.1	12.9	0.2	1.6
Construction	56.1	16.8	15.8	16.7	102.1	49.7	91.0
Manufacturing	5.8	6.6	4.6	6.2	226.7	27.3	122.7
Wholesale trade	7.2	7.1	5.4	6.6	129.6	24.4	77.2
Retail trade	30.0	16.3	14.5	15.9	343.9	61.2	121.5
Transportation and warehousing	16.3	3.1	2.4	2.9	75.0	9.3	33.3
Information	8.0	2.1	1.5	1.9	96.5	6.6	27.9
Finance and insurance	14.2	5.3	4.2	5.0	197.2	16.9	59.4
Real estate and rental and leasing	50.2	4.9	4.4	4.8	41.7	13.2	28.7
Professional, scientific, and technical svcs.	96.0	20.1	18.0	19.6	247.5	59.4	140.3
Management of companies and enterprises	0.0	0.8	0.1	0.4	84.9	0.3	9.4
Admin., support, waste mgt., remed. svcs.	32.4	8.7	7.5	8.4	191.3	23.7	82.3
Educational services	19.4	2.5	1.8	2.4	192.5	8.5	52.5
Health care and social assistance	41.6	12.8	10.6	12.5	564.0	55.7	209.8
Arts, entertainment, and recreation	31.6	2.8	2.3	2.8	51.3	9.6	35.2
Accommodation and food services	5.3	12.9	10.4	12.7	252.2	56.9	161.0
Other services (except public admin.)	53.1	15.5	14.5	15.4	116.6	61.5	101.2
Unclassified	0.0	0.5	0.5	0.5	0.6	0.6	0.6

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, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-25,378	11,924	-102	-4,689	-16,113	-10,075	-19,055	-6,323
2009	-103,900	7,286	-6,077	-8,720	-26,717	-27,625	-61,853	-42,047
2008	25,685	11,943	-1,462	-1,933	2,278	9,472	20,298	5,387
2007	20,569	15,042	530	1,568	7,178	-913	23,405	-2,836

Note: Data source differs from previous publications.

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

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	7.5	8.0	10.2	7.6	24.5	28.9	33.9	25.3
Expansions	32.8	34.3	34.4	34.0	116.1	130.2	133.9	118.9
Contractions	33.7	32.8	33.3	33.7	114.7	116.5	118.6	121.2
Closings	8.6	7.8	8.1	8.2	26.1	25.5	28.1	29.2

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 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.