

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

INDIANA



508,924 Small Businesses
99.4% of Indiana Businesses

1.2 million Small Business Employees
45.0% of Indiana Employees

EMPLOYMENT
33,267
net new jobs

DIVERSITY
61,209
minority-owned
businesses

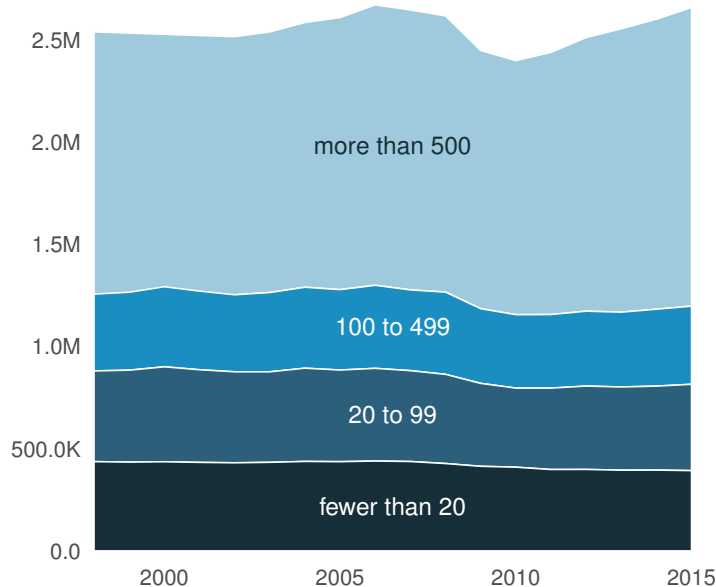
TRADE
7,076
small business
exporters

OVERALL INDIANA ECONOMY

- In the third quarter of 2017, Indiana grew at an annual rate of **2.7%**, which was slower than the overall US growth rate of **3.4%**. Indiana's 2016 growth rate of **2.5%** was up from the 2015 rate of **0.8%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **3.3%**, down from **3.8%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Indiana Employment by Business Size (Employees)



- Indiana small businesses employed **1.2 million** people, or **45.0%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **0.4%** during the 12-month period ending in January 2018. This was below the increase of **0.8%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.3%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **33,267** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **16,139** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **8,533** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks decreased by 5 between June 2016 and June 2017 to 111 banks. (Source: FDIC)
- In 2016, 73,616 loans under \$100,000 (valued at \$1.2 billion) were issued by Indiana lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$45,276 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$21,730. (Source: ACS)

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Indiana Employees per Business by Owner's Demographic, 2015

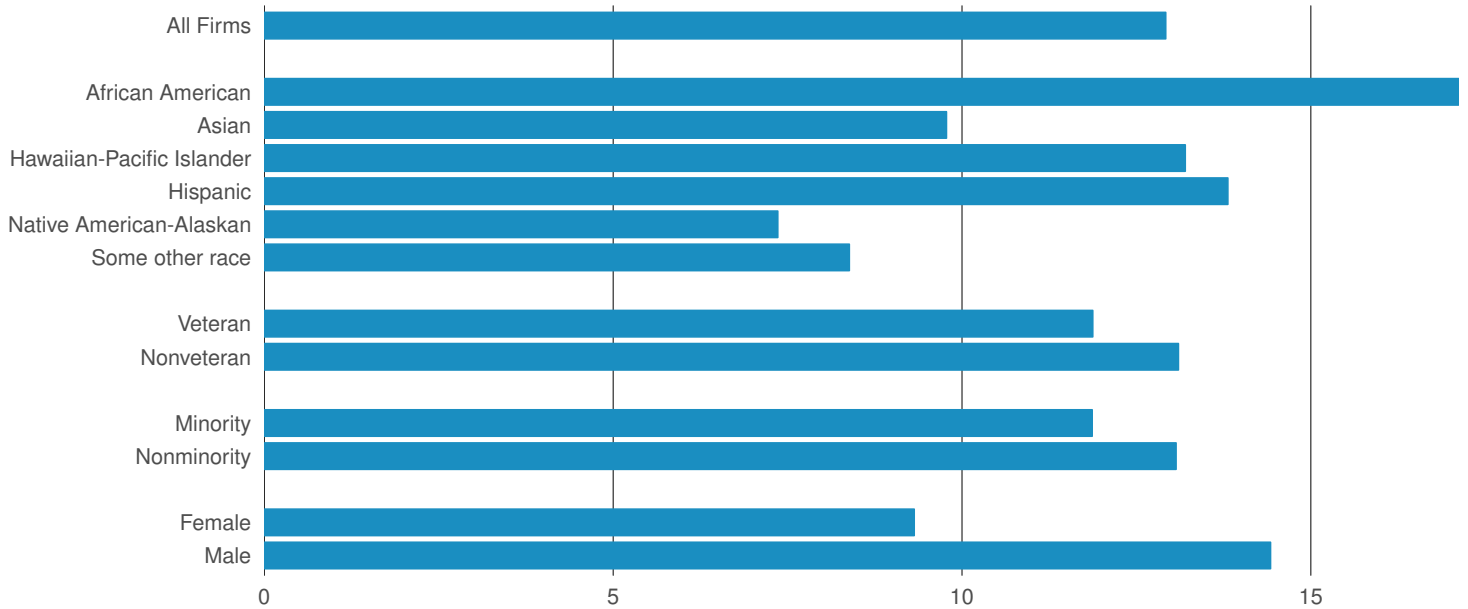
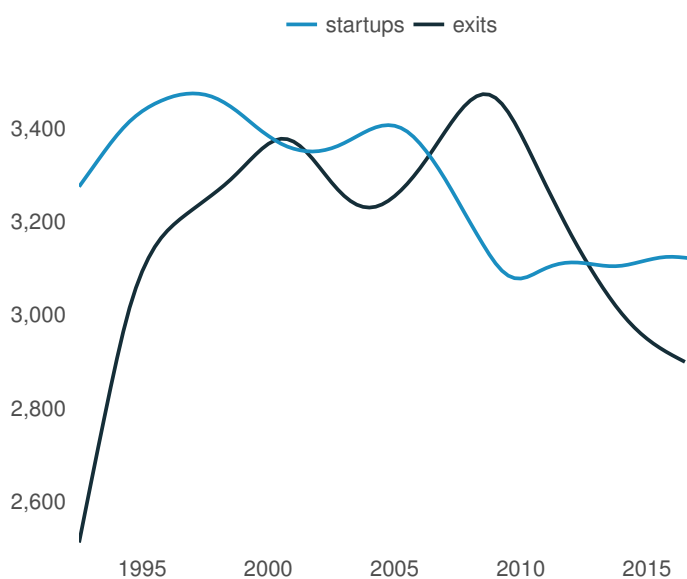


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE).

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Indiana Quarterly Startups and Exits



- In the third quarter of 2016, 3,189 establishments started up, generating 12,739 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, 3,045 establishments exited resulting in 11,221 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 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS 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 8,313 companies exported goods from Indiana in 2015. Of these, 7,076, or 85.1%, were small firms; they generated 17.4% of Indiana's \$31.7 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Indiana Employment by Industry, 2015

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Manufacturing	180,882	489,137	37.0
Health Care and Social Assistance	169,908	418,733	40.6
Accommodation and Food Services	153,330	269,899	56.8
Retail Trade	112,525	317,863	35.4
Other Services (except Public Administration)	108,374	125,707	86.2
Construction	97,308	117,203	83.0
Professional, Scientific, and Technical Services	72,168	111,959	64.5
Wholesale Trade	66,455	129,252	51.4
Administrative, Support, and Waste Management	61,690	206,965	29.8
Transportation and Warehousing	41,167	123,332	33.4
Finance and Insurance	37,647	98,502	38.2
Educational Services	24,460	68,282	35.8
Arts, Entertainment, and Recreation	23,523	33,471	70.3
Real Estate and Rental and Leasing	22,916	32,599	70.3
Information	12,141	42,870	28.3
Management of Companies and Enterprises	7,547	51,319	14.7
Utilities	3,112	15,667	19.9
Mining, Quarrying, and Oil and Gas Extraction	1,967	6,036	32.6
Agriculture, Forestry, and Fishing and Hunting	971	1,445	67.2
Industries not classified	262	262	100.0
Total	1,198,353	2,660,503	45.0

Figure 4: Indiana Small Business Employment by County, 2015

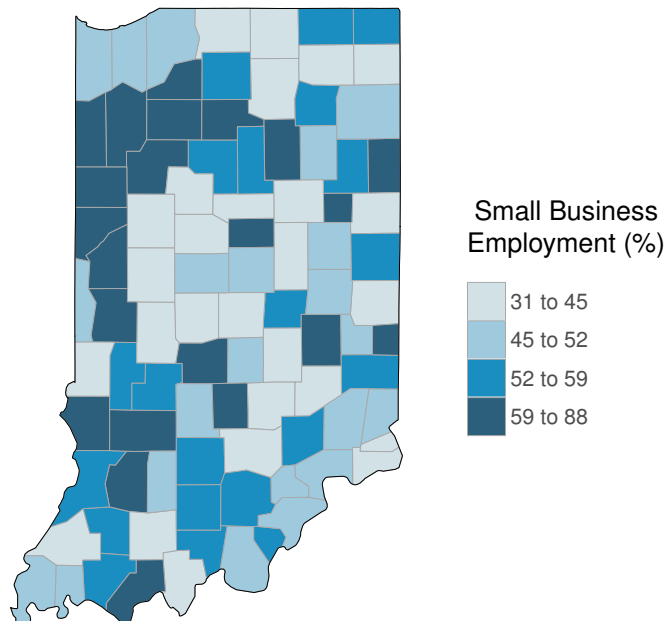


Table 2: Indiana Small Businesses by Industry and Firm Size, 2015

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	14,773	13,583	68,865	83,638
Construction	12,775	11,735	47,370	60,145
Retail Trade	11,748	10,361	40,611	52,359
Professional, Scientific, and Technical Services	11,593	10,680	45,161	56,754
Health Care and Social Assistance	9,853	8,206	28,194	38,047
Accommodation and Food Services	9,072	6,796	4,934	14,006
Manufacturing	6,468	4,299	6,998	13,466
Administrative, Support, and Waste Management	5,909	5,184	33,940	39,849
Wholesale Trade	5,453	4,176	6,477	11,930
Finance and Insurance	4,471	4,062	11,515	15,986
Real Estate and Rental and Leasing	4,457	4,144	43,537	47,994
Transportation and Warehousing	4,208	3,570	24,270	28,478
Arts, Entertainment, and Recreation	1,968	1,679	19,733	21,701
Educational Services	1,450	1,138	12,237	13,687
Information	911	717	4,633	5,544
Agriculture, Forestry, and Fishing and Hunting	240	227	4,000	4,240
Utilities	166	122	342	508
Mining, Quarrying, and Oil and Gas Extraction	140	107	729	869
Total	105,378	90,961	403,546	508,924

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, 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
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau