

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

VERMONT

77,683 Small Businesses
99.0% of Vermont Businesses

158,098 Small Business Employees
59.4% of Vermont Employees



EMPLOYMENT
3,419
net new jobs



DIVERSITY
2,350
minority-owned
businesses



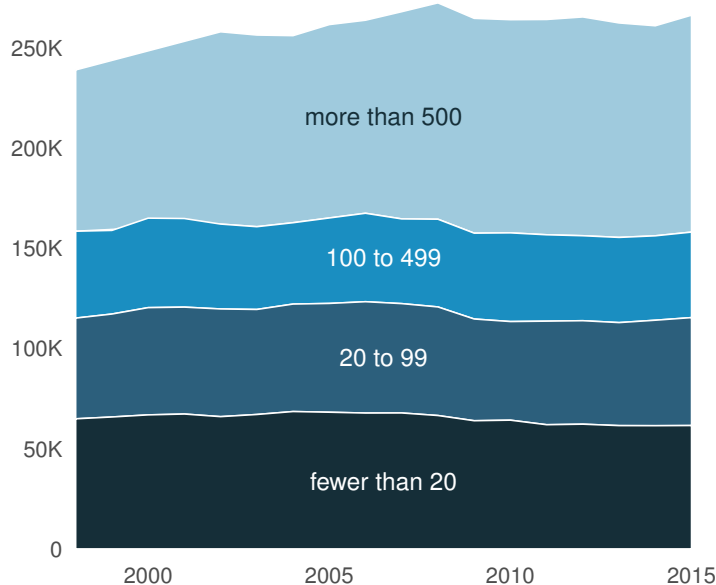
TRADE
983
small business
exporters

OVERALL VERMONT ECONOMY

- In the third quarter of 2017, Vermont grew at an annual rate of **3.4%**, which was the same as the overall US growth rate. Vermont's 2016 growth rate of **0.7%** was down from the 2015 rate of **0.9%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **2.9%**, down from **3.1%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Vermont Employment by Business Size (Employees)



- Vermont small businesses employed **158,098** people, or **59.4%** 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 **0.3%** during the 12-month period ending in January 2018. This was below the increase of **0.6%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.0%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **3,419** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **1,900** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **726** 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 1 between June 2016 and June 2017 to 11 banks. (Source: FDIC)
- In 2016, 11,156 loans under \$100,000 (valued at \$167.4 million) were issued by Vermont lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$45,415 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$21,796. (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: Vermont Employees per Business by Owner's Demographic, 2015

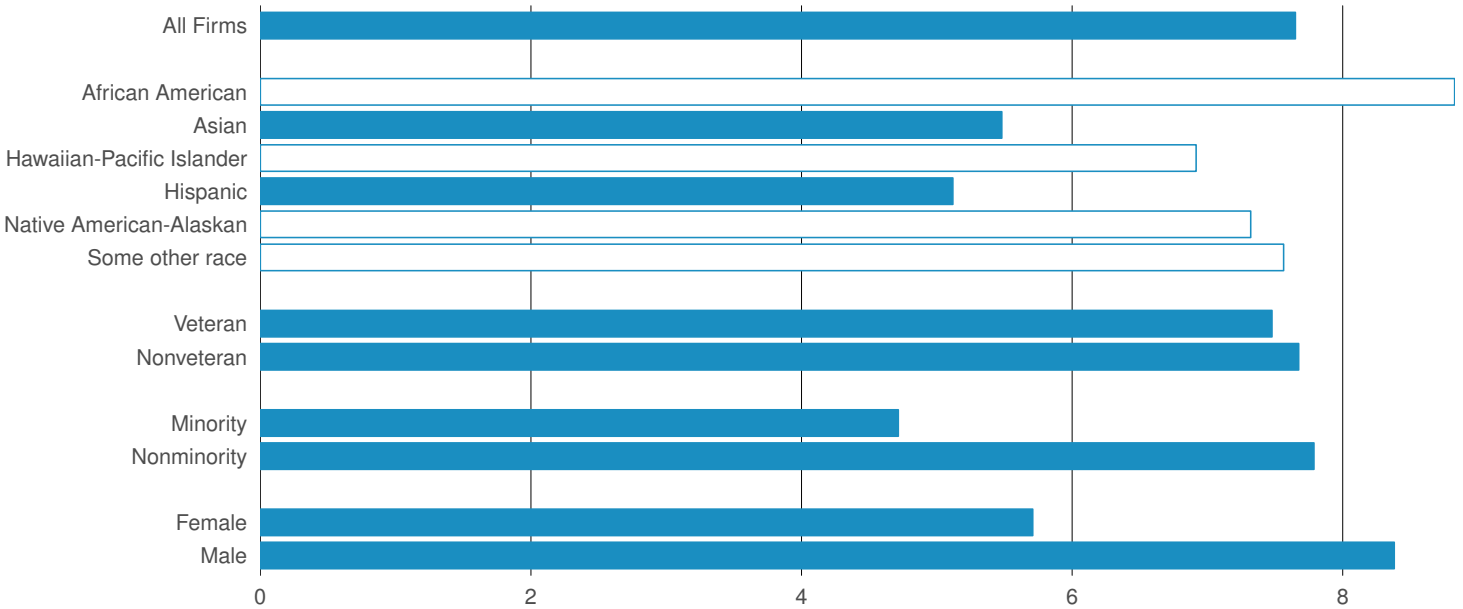
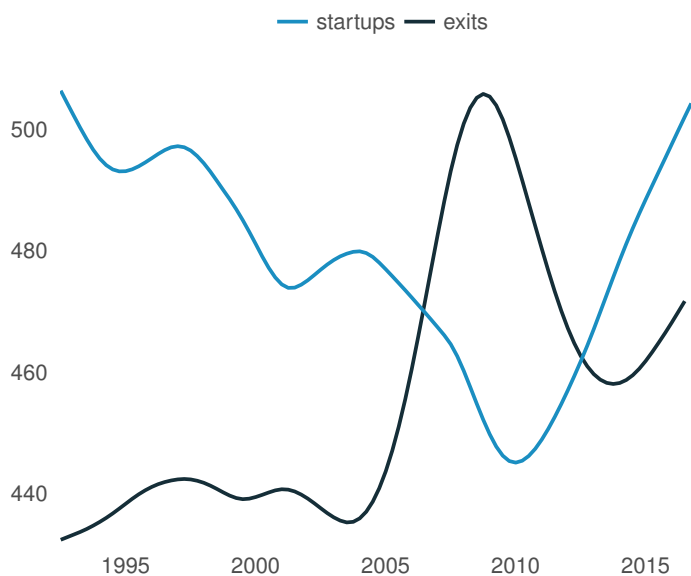


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Vermont Quarterly Startups and Exits



- In the third quarter of 2016, 545 establishments started up, generating 1,526 new jobs in Vermont. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 491 establishments exited resulting in 1,319 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 1,183 companies exported goods from Vermont in 2015. Of these, 983, or 83.1%, were small firms; they generated 34.9% of Vermont's in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Vermont Employment by Industry, 2015





 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	23,751	48,095	49.4
Retail Trade	22,415	40,006	56.0
Accommodation and Food Services	21,237	32,985	64.4
Manufacturing	15,504	29,786	52.1
Construction	12,844	13,911	92.3
Professional, Scientific, and Technical Services	10,118	18,840	53.7
Other Services (except Public Administration)	9,030	9,310	97.0
Wholesale Trade	8,456	11,605	72.9
Educational Services	7,253	15,899	45.6
Finance and Insurance	5,576	9,103	61.3
Administrative, Support, and Waste Management	4,934	7,877	62.6
Arts, Entertainment, and Recreation	4,724	7,165	65.9
Information	4,000	6,839	58.5
Transportation and Warehousing	3,606	5,744	62.8
Real Estate and Rental and Leasing	2,494	3,401	73.3
Management of Companies and Enterprises	893	2,825	31.6
Agriculture, Forestry, and Fishing and Hunting	506	506	100.0
Utilities	481	1,943	24.8
Mining, Quarrying, and Oil and Gas Extraction	220	467	47.1
Industries not classified	56	56	100.0
Total	158,098	266,363	59.4

Figure 4: Vermont Small Business Employment by County, 2015

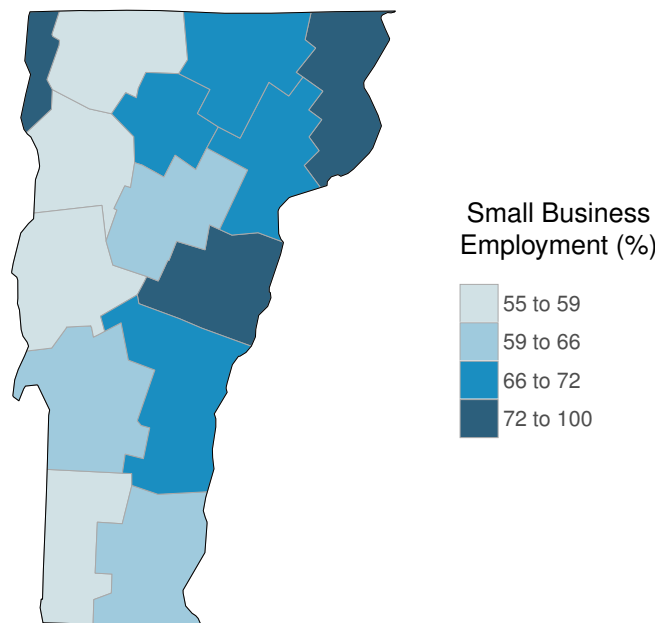


Table 2: Vermont Small Businesses by Industry and Firm Size, 2015

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Construction	2,678	2,559	9,048	11,726
Retail Trade	2,248	1,952	4,210	6,458
Professional, Scientific, and Technical Services	1,964	1,861	9,029	10,993
Other Services (except Public Administration)	1,909	1,835	7,146	9,055
Accommodation and Food Services	1,676	1,341	1,212	2,888
Health Care and Social Assistance	1,621	1,348	4,825	6,446
Administrative, Support, and Waste Management	997	936	4,486	5,483
Manufacturing	901	703	1,958	2,859
Real Estate and Rental and Leasing	637	602	5,611	6,248
Wholesale Trade	619	464	906	1,525
Arts, Entertainment, and Recreation	450	406	4,405	4,855
Finance and Insurance	417	357	1,006	1,423
Transportation and Warehousing	406	347	1,368	1,774
Educational Services	350	274	2,251	2,601
Information	330	272	813	1,143
Agriculture, Forestry, and Fishing and Hunting	142	139	1,880	2,022
Mining, Quarrying, and Oil and Gas Extraction	35	30	61	96
Utilities	21	14	97	118
Total	17,371	15,490	60,312	77,683

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