

SMALL BUSINESS PROFILE

MAINE




141,448
96.8% Small Businesses
of Maine Businesses


278,996
57.3% Small Business Employees
of Maine Employees



EMPLOYMENT
2,002
net new jobs¹



DIVERSITY
27.9%
increase in minority
ownership²



TRADE
84.5%
of Maine exporters³

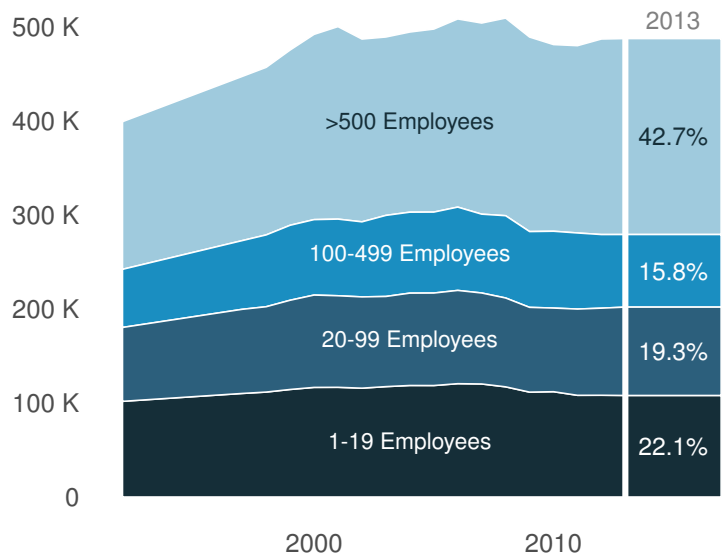
OVERALL MAINE ECONOMY

- In the third quarter of 2015, Maine grew at an annual rate of 2.5% which was faster than the overall US growth rate of 1.9%. By comparison, Maine's 2014 growth of 2.0% was up from the 2013 level of 1.1%. (Source: BEA)
- The employment situation in Maine improved. At the close of 2015, unemployment was 4.0%, down from 5.1% at the close of 2014. This was below the national unemployment rate of 5.0%. (Source: CPS)

EMPLOYMENT

- Maine small businesses employed 278,996 people, or 57.3% of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased 1.7% in 2015. This was above the previous year's increase of 0.4%. (Source: CES)
- The number of proprietors increased in 2014 by 1.7% relative to the previous year. (Source: BEA)
- Small businesses created 2,002 net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding 1,189 net jobs. The largest losses were in firms employing 100 to 249 employees which lost 341 net jobs. (Source: BDS)

Figure 1: Maine Employment by Firm Size



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 as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 was unchanged. (Source: FDIC)
- In 2014, 22,722 loans under \$100,000 (and valued at \$372.6 million) were issued by Maine lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$43,267 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$21,196. (Source: ACS)

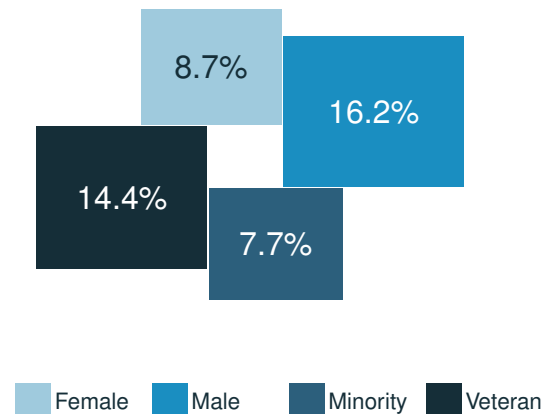
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Maine Changes in Business Ownership by Demographic Group

| | | |
|---------------------------------|---|--------|
| African American-owned | ● | 23.3% |
| Asian-owned | ● | 46.4% |
| Hawaiian/Pacific Islander-owned | ○ | -15.7% |
| Hispanic-owned | ○ | -7.5% |
| Native American/Alaskan-owned | ● | 44.7% |
| Minority-owned | ● | 27.9% |
| Nonminority-owned | ○ | -6.9% |

Figure 3: Maine Self-Employment within Demographic Group

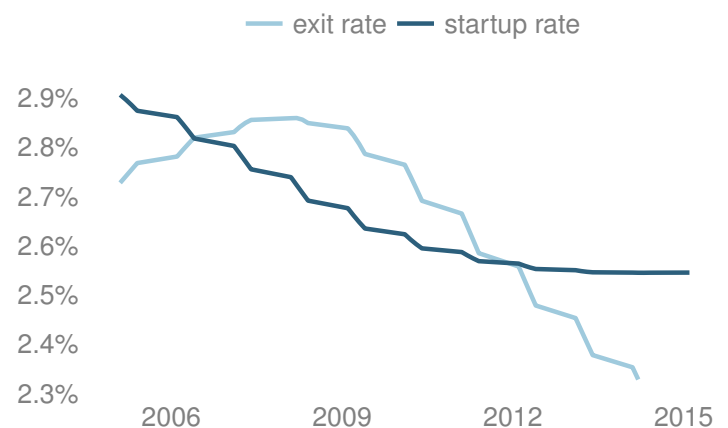


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Maine, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 957 establishments started up⁵ in Maine and 890 exited.⁶ Startups generated 2,587 new jobs while exits caused 2,477 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Maine Private Startup and Exit Rates







⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 2,264 companies exported goods from Maine in 2013. Among these, 1,913, or 84.5%, were small firms; they generated 55.3% of Maine's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Maine Small Firms by Industry, 2013
(sorted by small employer firms)

| Industry |  1 – 499 Employees |  1 – 19 Employees |  Nonemployer Firms |  Total Small Firms |
|--|--|--|--|--|
| Construction | 4,648 | 4,457 | 16,952 | 21,600 |
| Retail Trade | 4,242 | 3,810 | 9,013 | 13,255 |
| Accommodation and Food Services | 3,537 | 2,995 | 1,648 | 5,185 |
| Other Services (except Public Administration) | 3,415 | 3,265 | 14,013 | 17,428 |
| Professional, Scientific, and Technical Services | 3,175 | 2,971 | 12,984 | 16,159 |
| Health Care and Social Assistance | 3,019 | 2,550 | 7,692 | 10,711 |
| Administrative, Support, and Waste Management | 1,784 | 1,620 | 7,664 | 9,448 |
| Manufacturing | 1,459 | 1,143 | 2,597 | 4,056 |
| Real Estate and Rental and Leasing | 1,385 | 1,332 | 10,723 | 12,108 |
| Wholesale Trade | 1,207 | 974 | 1,560 | 2,767 |
| Transportation and Warehousing | 1,029 | 926 | 2,792 | 3,821 |
| Arts, Entertainment, and Recreation | 825 | 742 | 6,610 | 7,435 |
| Agriculture, Forestry, Fishing and Hunting | 803 | 764 | 8,949 | 9,752 |
| Finance and Insurance | 792 | 659 | 1,949 | 2,741 |
| Information | 464 | 380 | 1,291 | 1,755 |
| Educational Services | 444 | 359 | 2,665 | 3,109 |
| Utilities | 36 | 25 | 74 | 110 |
| Mining, Quarrying, and Oil and Gas Extraction | 22 | 19 | 84 | 106 |
| Total | 32,286 | 28,991 | 109,260 | 141,546 |

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Maine Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

| Industry | Small Business Employment | Total Private Employment | Small Business Employment Share |
|--|---------------------------|--------------------------|---------------------------------|
| Health Care and Social Assistance | 50,390 | 106,533 | 47.3% |
| Accommodation and Food Services | 38,686 | 49,264 | 78.5% |
| Retail Trade | 36,917 | 80,618 | 45.8% |
| Manufacturing | 24,013 | 48,609 | 49.4% |
| Construction | 20,288 | 22,036 | 92.1% |
| Professional, Scientific, and Technical Services | 17,245 | 22,911 | 75.3% |
| Other Services (except Public Administration) | 17,023 | 18,426 | 92.4% |
| Administrative, Support, and Waste Management | 13,622 | 22,071 | 61.7% |
| Wholesale Trade | 11,523 | 17,974 | 64.1% |
| Finance and Insurance | 10,669 | 26,773 | 39.8% |
| Educational Services | 7,694 | 17,964 | 42.8% |
| Transportation and Warehousing | 7,617 | 14,649 | 52.0% |
| Arts, Entertainment, and Recreation | 6,550 | 7,849 | 83.5% |
| Information | 5,666 | 11,683 | 48.5% |
| Real Estate and Rental and Leasing | 5,059 | 6,252 | 80.9% |
| Agriculture, Forestry, Fishing and Hunting | 3,148 | 3,243 | 97.1% |
| Mining, Quarrying, and Oil and Gas Extraction | 65 | s | - |
| Utilities | s | s | - |
| Total | 276,175 | 476,855 | 57.9% |

Figure 5: Maine County-Level Job Changes, 2015 (CEW)

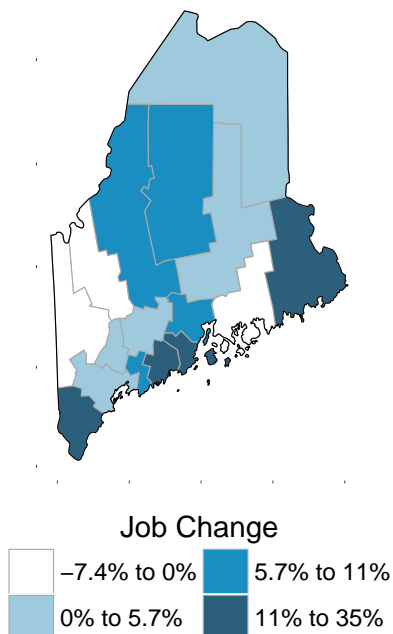


Table 3: Abbreviations and Resources

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

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

