

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

MARYLAND



579,173
99.5%

Small Businesses
of Maryland Businesses

1.1 million
50.3%

Small Business Employees
of Maryland Employees



EMPLOYMENT
13,975
net new jobs



DIVERSITY
203,326
minority-owned
businesses



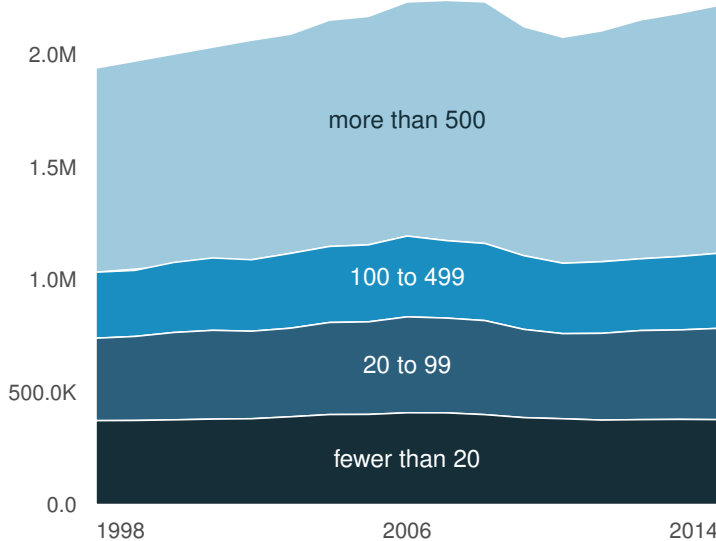
TRADE
88.0%
of Maryland exporters

OVERALL MARYLAND ECONOMY

- In the second quarter of 2016, Maryland grew at an annual rate of **1.0%**, which was slower than the overall US growth rate of **1.2%**. Maryland's 2015 growth rate of **2.0%** was up from the 2014 rate of **1.0%**. (Source: **BEA**)
- In November 2016, the unemployment rate was **4.2%**, down from **5.0%** at the close of 2015. This was below the November 2016 national unemployment rate of **4.6%**. (Source: **CPS**)

EMPLOYMENT

Figure 1: Maryland Employment by Business Size (Employees)



- Maryland small businesses employed **1.1 million** people, or **50.3%** of the private workforce, in 2014. (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**)
- During the year ending November 2016, private-sector employment increased **1.8%**. This was above the previous year's increase of **1.4%**. (Source: **CPS**)
- The number of proprietors increased in 2015 by **3.3%** relative to the previous year. (Source: **BEA**)
- Small businesses created **13,975** net jobs in 2014. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding **3,811** net jobs. The smallest gains were in firms employing 1 to 4 employees, which added **454** net jobs. (Source: **BDS**)

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. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, **91,462** loans under \$100,000 (valued at **\$1.3 billion**) were issued by Maryland lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$52,926** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$26,177**. (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.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Maryland Small Business Ownership, 2012

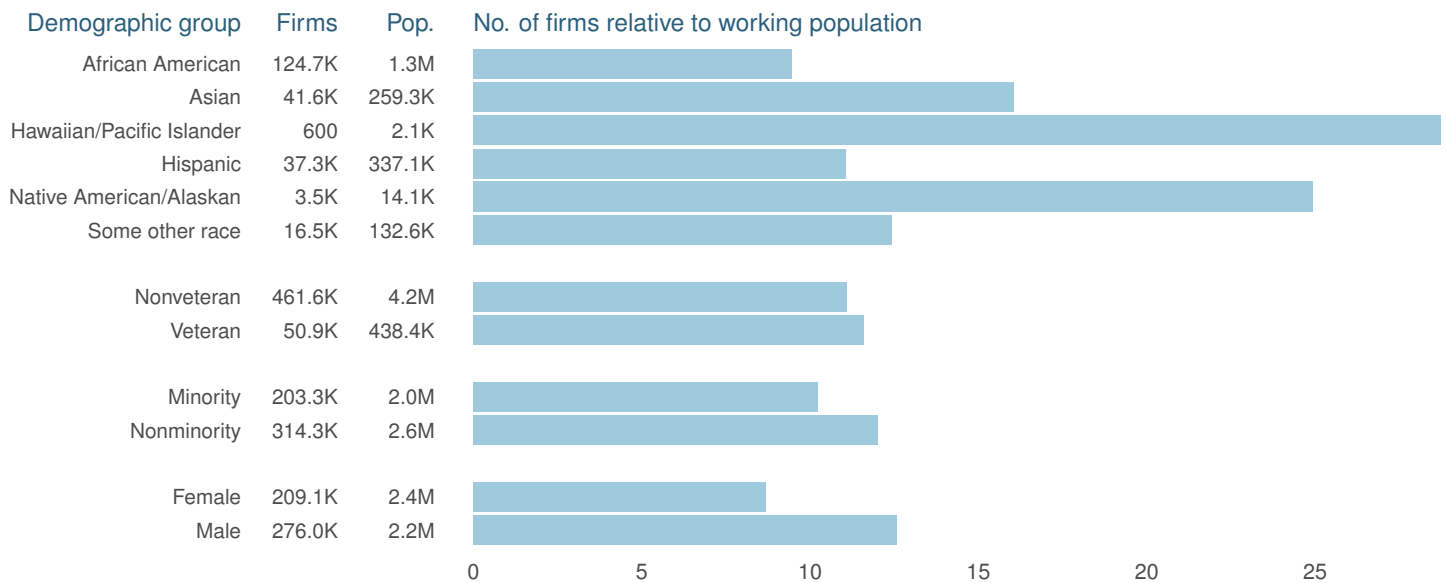
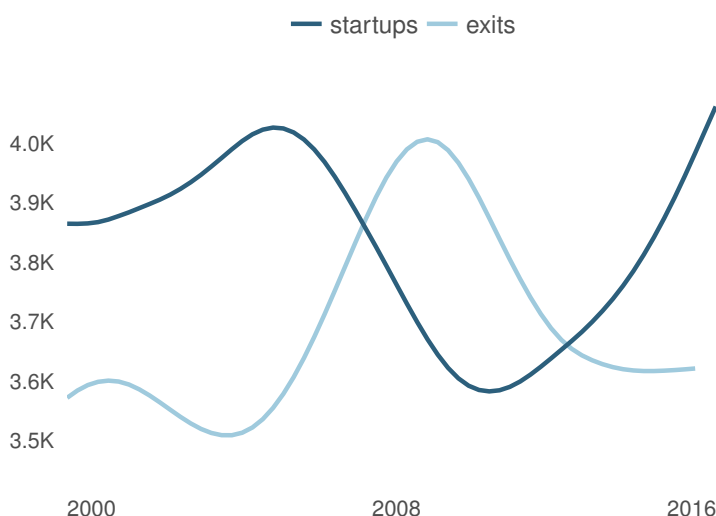


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 9 female-owned firms per 100 working age females or $209.1K \div 2.4M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: Maryland Quarterly Startups and Exits



- In the second quarter of 2015, **4,313** establishments started up, generating **18,194** new jobs in Maryland. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **3,779** establishments exited resulting in **13,523** 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The 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.

INTERNATIONAL TRADE

- A total of 6,832 companies exported goods from Maryland in 2014. Among these, 6,015, or 88.0%, were small firms; they generated 25.7% of Maryland's \$11.0 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Maryland Employment by Industry, 2014





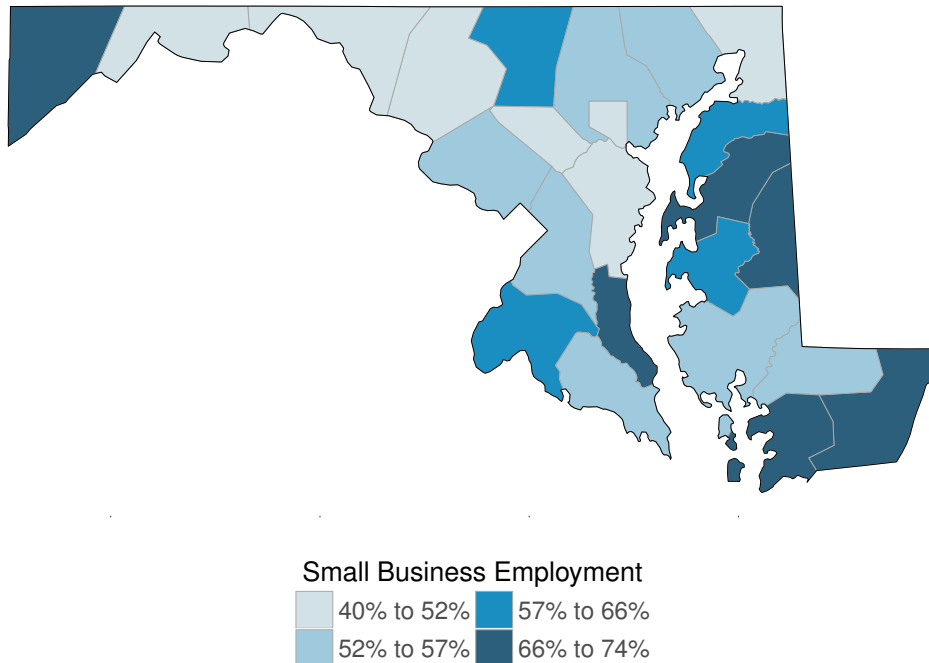
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	165,919	360,751	46%
Professional, Scientific, and Technical Services	144,288	280,028	52%
Accommodation and Food Services	132,270	212,153	62%
Construction	123,164	144,248	85%
Other Services (Except Public Administration)	97,951	113,241	86%
Retail Trade	95,775	291,866	33%
Administrative, Support, and Waste Management	85,365	180,658	47%
Wholesale Trade	51,477	87,035	59%
Manufacturing	45,673	96,939	47%
Educational Services	35,517	81,421	44%
Finance and Insurance	34,812	99,391	35%
Real Estate and Rental and Leasing	27,929	43,658	64%
Arts, Entertainment, and Recreation	24,739	40,796	61%
Transportation and Warehousing	24,635	66,051	37%
Information	16,340	54,379	30%
Agriculture, Forestry, and Fishing and Hunting	791	1,267	62%
Utilities	652	9,687	7%
Mining, Quarrying, and Oil and Gas Extraction	625	1,098	57%
Total	1,116,000	2,216,867	50%

Figure 4: Maryland Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: Maryland Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	17,637	15,817	75,836	93,473
Other Services (Except Public Administration)	12,601	11,496	65,654	78,255
Health Care and Social Assistance	12,074	10,414	53,286	65,360
Construction	13,659	12,195	47,302	60,961
Real Estate and Rental and Leasing	4,280	3,884	47,783	52,063
Administrative, Support, and Waste Management	6,879	5,821	41,115	47,994
Retail Trade	10,893	9,822	32,998	43,891
Arts, Entertainment, and Recreation	1,841	1,512	27,281	29,122
Transportation and Warehousing	2,796	2,395	24,758	27,554
Educational Services	1,864	1,442	17,005	18,869
Accommodation and Food Services	8,847	6,789	7,741	16,588
Finance and Insurance	3,835	3,422	11,694	15,529
Wholesale Trade	4,351	3,466	5,896	10,247
Information	1,215	977	6,790	8,005
Manufacturing	2,656	2,016	4,493	7,149
Agriculture, Forestry, and Fishing and Hunting	187	178	3,228	3,415
Utilities	32	24	576	608
Mining, Quarrying, and Oil and Gas Extraction	49	34	80	129
Total	105,657	91,989	473,516	579,173

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. 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, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

