

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### MONTANA



117,149  
99.3%

Small Businesses  
of Montana Businesses

239,910  
66.0%

Small Business Employees  
of Montana Employees



**EMPLOYMENT**  
3,257  
net new jobs



**DIVERSITY**  
5,575  
minority-owned  
businesses



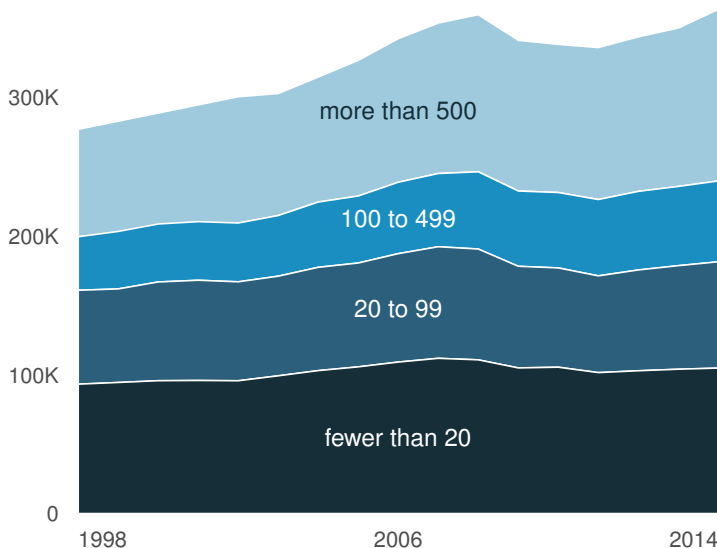
**TRADE**  
83.5%  
of Montana exporters

#### OVERALL MONTANA ECONOMY

- In the second quarter of 2016, Montana grew at an annual rate of 1.2%, which was the same as the overall US growth rate. Montana's 2015 growth rate of 2.0% was up from the 2014 rate of 1.4%. (Source: BEA)
- In November 2016, the unemployment rate was 4.0%, down from 4.1% at the close of 2015. This was below the November 2016 national unemployment rate of 4.6%. (Source: CPS)

#### EMPLOYMENT

Figure 1: Montana Employment by Business Size (Employees)



- Montana small businesses employed 239,910 people, or 66.0% 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 0.3%. This was below the previous year's increase of 1.6%. (Source: CPS)
- The number of proprietors increased in 2015 by 2.4% relative to the previous year. (Source: BEA)
- Small businesses created 3,257 net jobs in 2014. Among the seven BDS size-classes, firms employing 20 to 49 employees experienced the largest gains, adding 1,268 net jobs. The largest losses were in firms employing 100 to 249 employees, which lost 82 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, 24,870 loans under \$100,000 (valued at \$351.3 million) were issued by Montana lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$38,283 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$20,436. (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: Montana Small Business Ownership, 2012

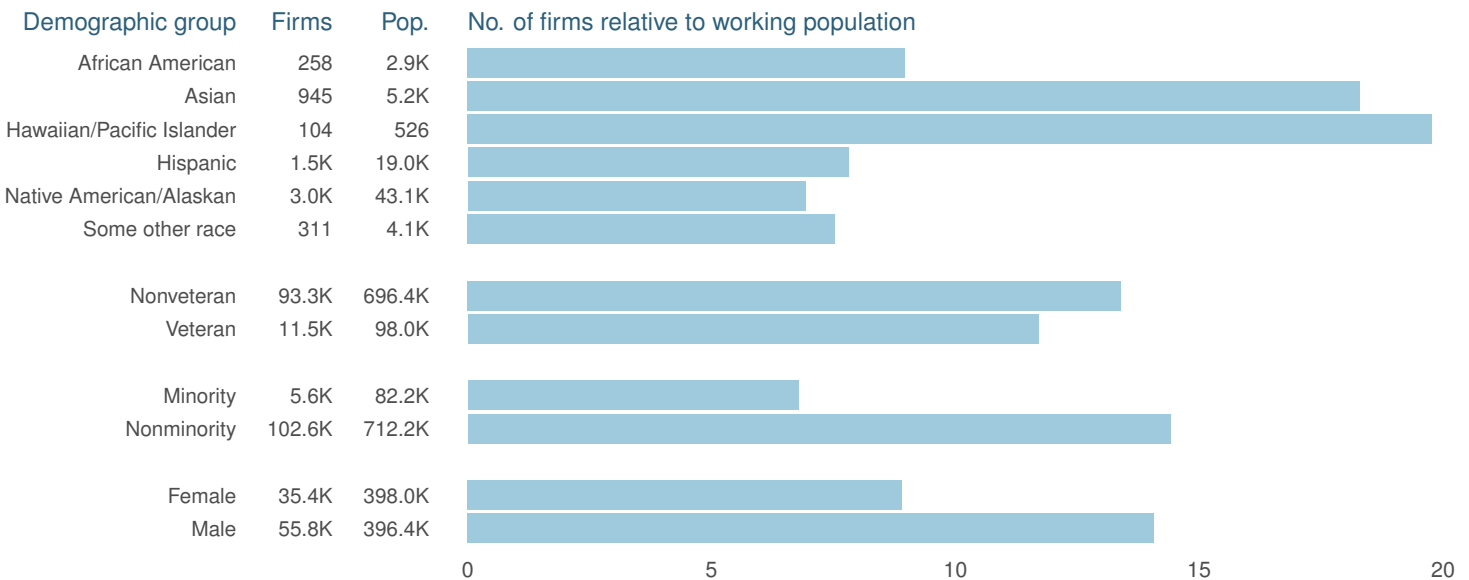
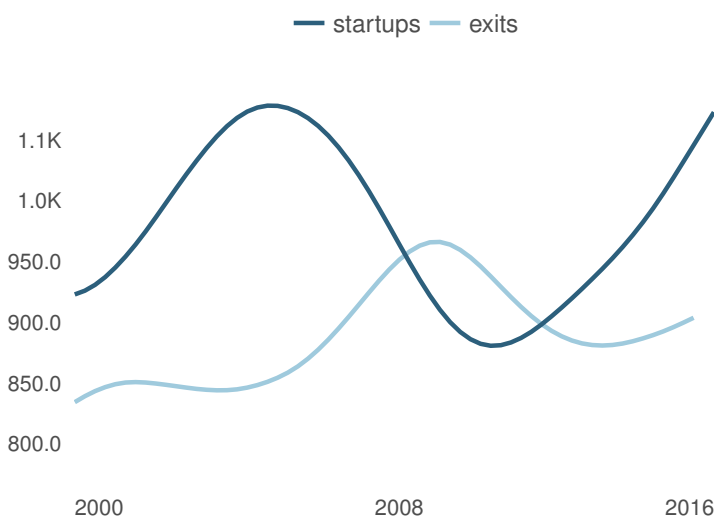


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 9 female-owned firms per 100 working age females or  $35.4K \div 398.0K \times 100$ . ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

## BUSINESS TURNOVER

Figure 3: Montana Quarterly Startups and Exits



- In the second quarter of 2015, 1,081 establishments started up, generating 2,885 new jobs in Montana. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 1,069 establishments exited resulting in 3,115 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

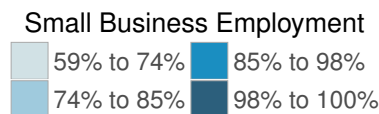
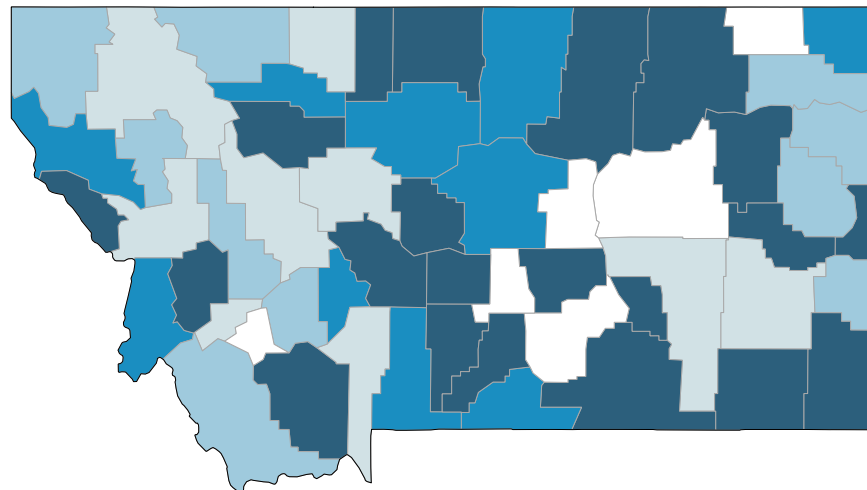
- A total of 1,556 companies exported goods from Montana in 2014. Among these, 1,300, or 83.5%, were small firms; they generated 67.8% of Montana's \$1.3 billion in total known exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Montana Employment by Industry, 2014

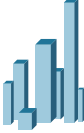




Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	40,914	47,949	85%
Health Care and Social Assistance	40,466	68,523	59%
Retail Trade	29,845	58,857	51%
Construction	20,991	23,173	91%
Other Services (Except Public Administration)	15,335	15,848	97%
Professional, Scientific, and Technical Services	15,153	17,951	84%
Manufacturing	12,793	17,579	73%
Wholesale Trade	10,154	15,515	65%
Administrative, Support, and Waste Management	9,156	22,139	41%
Arts, Entertainment, and Recreation	8,816	10,658	83%
Transportation and Warehousing	8,261	13,073	63%
Finance and Insurance	7,979	16,071	50%
Educational Services	5,097	6,057	84%
Real Estate and Rental and Leasing	4,798	5,575	86%
Information	4,044	9,384	43%
Mining, Quarrying, and Oil and Gas Extraction	2,839	7,647	37%
Utilities	1,031	3,007	34%
Agriculture, Forestry, and Fishing and Hunting	952	1,016	94%
<b>Total</b>	<b>239,910</b>	<b>363,650</b>	<b>66%</b>

Figure 4: Montana Small Business Percent of Employment by County



## SMALL BUSINESSES BY INDUSTRY

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

	 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Construction		5,029	4,865	11,881	16,910
Other Services (Except Public Administration)		2,998	2,854	11,676	14,674
Professional, Scientific, and Technical Services		3,341	3,177	10,897	14,238
Real Estate and Rental and Leasing		1,608	1,556	11,646	13,254
Retail Trade		3,449	3,082	8,459	11,908
Health Care and Social Assistance		2,851	2,501	5,084	7,935
Administrative, Support, and Waste Management		1,573	1,474	5,090	6,663
Arts, Entertainment, and Recreation		1,032	935	5,075	6,107
Accommodation and Food Services		3,090	2,495	1,484	4,574
Transportation and Warehousing		1,185	1,074	2,975	4,160
Finance and Insurance		1,142	1,047	2,200	3,342
Manufacturing		1,184	1,014	2,093	3,277
Agriculture, Forestry, and Fishing and Hunting		337	330	2,750	3,087
Wholesale Trade		1,053	848	1,307	2,360
Educational Services		356	295	1,685	2,041
Information		351	302	997	1,348
Mining, Quarrying, and Oil and Gas Extraction		352	315	796	1,148
Utilities		78	56	91	169
<b>Total</b>		<b>30,963</b>	<b>28,283</b>	<b>86,186</b>	<b>117,149</b>

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

