

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### RHODE ISLAND



**98,134**  
**98.9%** Small Businesses  
of Rhode Island Businesses

**225,671**  
**53.5%** Small Business Employees  
of Rhode Island Employees

**EMPLOYMENT**  
**2,958**  
net new jobs

**DIVERSITY**  
**14,729**  
minority-owned  
businesses

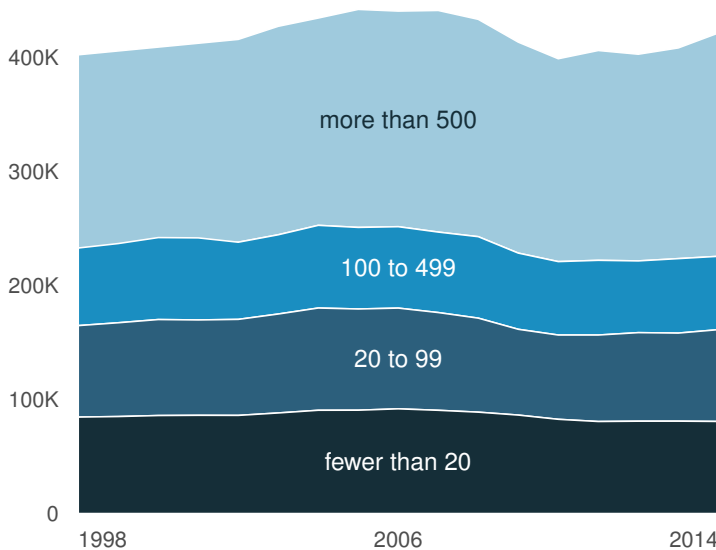
**TRADE**  
**88.2%**  
of Rhode Island  
exporters

#### OVERALL RHODE ISLAND ECONOMY

- In the second quarter of 2016, Rhode Island grew at an annual rate of **0.2%**, which was slower than the overall US growth rate of **1.2%**. Rhode Island's 2015 growth rate of **1.4%** was up from the 2014 rate of **1.0%**. (Source: [BEA](#))
- In November 2016, the unemployment rate was **5.3%**, down from **5.4%** at the close of 2015. This was above the November 2016 national unemployment rate of **4.6%**. (Source: [CPS](#))

#### EMPLOYMENT

Figure 1: Rhode Island Employment by Business Size (Employees)



- Rhode Island small businesses employed **225,671** people, or **53.5%** 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 **0.8%**. This was below the previous year's increase of **1.0%**. (Source: [CPS](#))
- The number of proprietors increased in 2015 by **3.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **2,958** net jobs in 2014. Among the seven BDS size-classes, firms employing 50 to 99 employees experienced the largest gains, adding **1,017** net jobs. The largest losses were in firms employing 1 to 4 employees, which lost **308** 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 was unchanged. (Source: FDIC)
- In 2014, 15,478 loans under \$100,000 (valued at \$224.4 million) were issued by Rhode Island lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$48,431 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$26,331. (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: Rhode Island Small Business Ownership, 2012

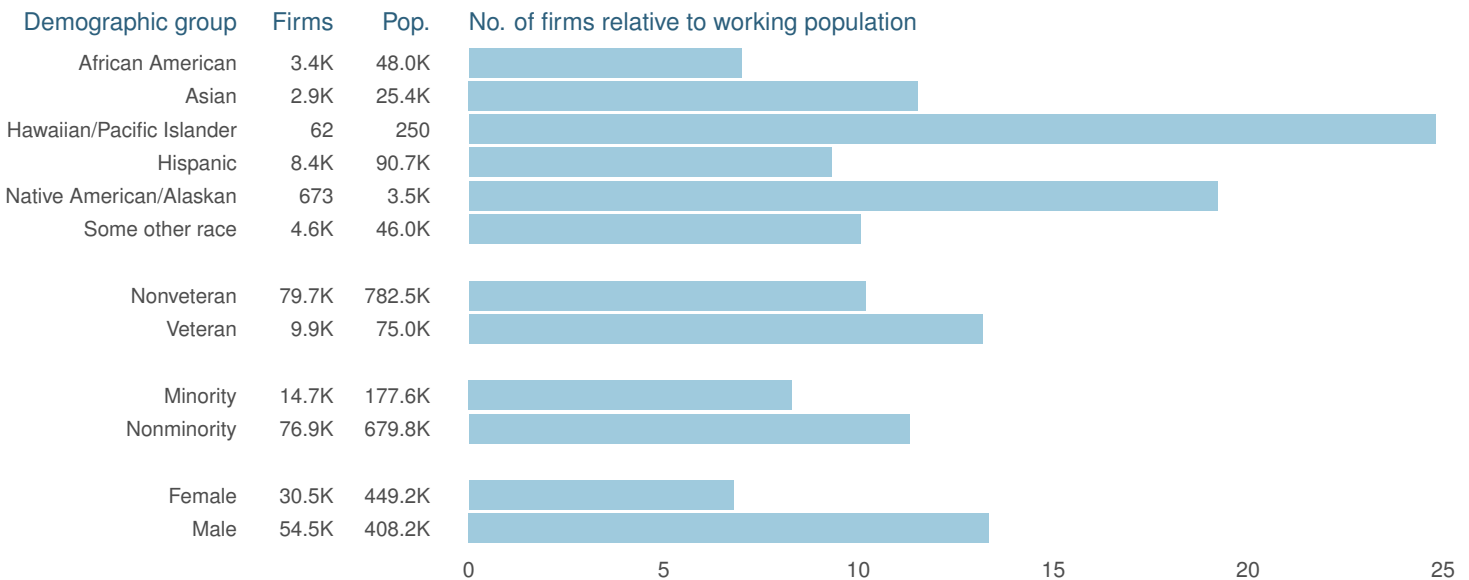
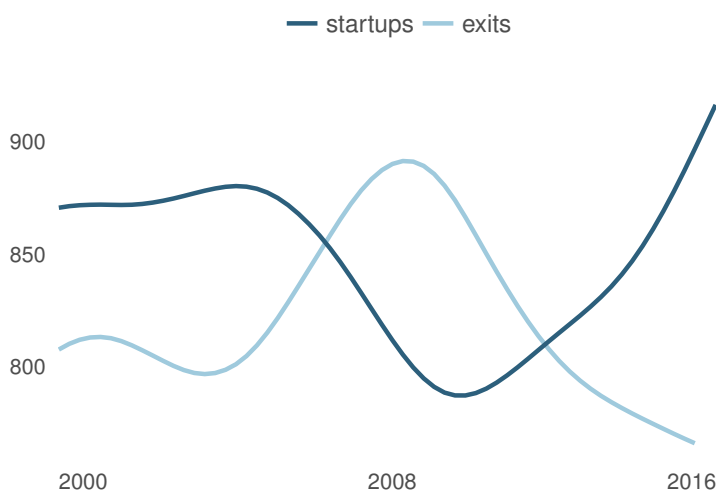


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 7 female-owned firms per 100 working age females or  $30.5K \div 449.2K \times 100$ . ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

## BUSINESS TURNOVER

Figure 3: Rhode Island Quarterly Startups and Exits



- In the second quarter of 2015, 937 establishments started up, generating 2,438 new jobs in Rhode Island. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 837 establishments exited resulting in 2,336 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

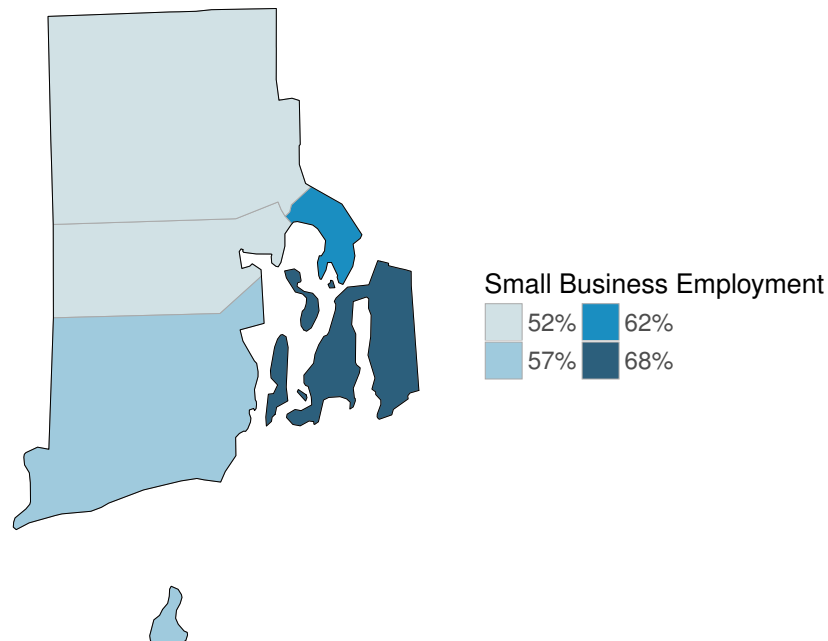
- A total of 1,849 companies exported goods from Rhode Island in 2014. Among these, 1,631, or 88.2%, were small firms; they generated 61.0% of Rhode Island's \$2.0 billion in total known exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Rhode Island Employment by Industry, 2014

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	44,690	86,190	52%
Accommodation and Food Services	33,149	46,134	72%
Manufacturing	26,521	39,275	68%
Retail Trade	18,626	48,991	38%
Professional, Scientific, and Technical Services	15,834	22,380	71%
Other Services (Except Public Administration)	15,143	16,906	90%
Construction	14,919	15,915	94%
Administrative, Support, and Waste Management	12,548	22,039	57%
Wholesale Trade	11,758	20,454	57%
Finance and Insurance	6,962	26,751	26%
Educational Services	6,605	30,177	22%
Arts, Entertainment, and Recreation	5,896	10,503	56%
Transportation and Warehousing	4,632	10,159	46%
Real Estate and Rental and Leasing	4,063	5,390	75%
Information	2,565	7,458	34%
Agriculture, Forestry, and Fishing and Hunting	133	133	100%
Mining, Quarrying, and Oil and Gas Extraction	112	151	74%
Utilities	s	1,066	-
<b>Total</b>	<b>225,671</b>	<b>421,578</b>	<b>54%</b>

Figure 4: Rhode Island Small Business Percent of Employment by County



## SMALL BUSINESSES BY INDUSTRY

Table 2: Rhode Island 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	2,744	2,531	11,838	14,582
Other Services (Except Public Administration)	2,686	2,539	11,351	14,037
Construction	2,938	2,800	8,439	11,377
Real Estate and Rental and Leasing	840	776	9,493	10,333
Retail Trade	2,568	2,336	5,536	8,104
Health Care and Social Assistance	2,314	1,896	5,678	7,992
Administrative, Support, and Waste Management	1,502	1,355	5,477	6,979
Arts, Entertainment, and Recreation	472	393	4,745	5,217
Accommodation and Food Services	2,536	1,998	993	3,529
Educational Services	375	278	2,661	3,036
Transportation and Warehousing	519	458	2,380	2,899
Finance and Insurance	668	583	2,008	2,676
Manufacturing	1,343	995	1,177	2,520
Wholesale Trade	1,093	864	1,215	2,308
Agriculture, Forestry, and Fishing and Hunting	39	37	1,177	1,216
Information	235	193	941	1,176
Utilities	13	12	106	119
Mining, Quarrying, and Oil and Gas Extraction	18	17	8	26
<b>Total</b>	<b>22,911</b>	<b>20,116</b>	<b>75,223</b>	<b>98,134</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

