

Massachusetts

615,775 Small Businesses

135,365 Small Businesses with Employees

480,410 Small Businesses without Employees (Nonemployers)

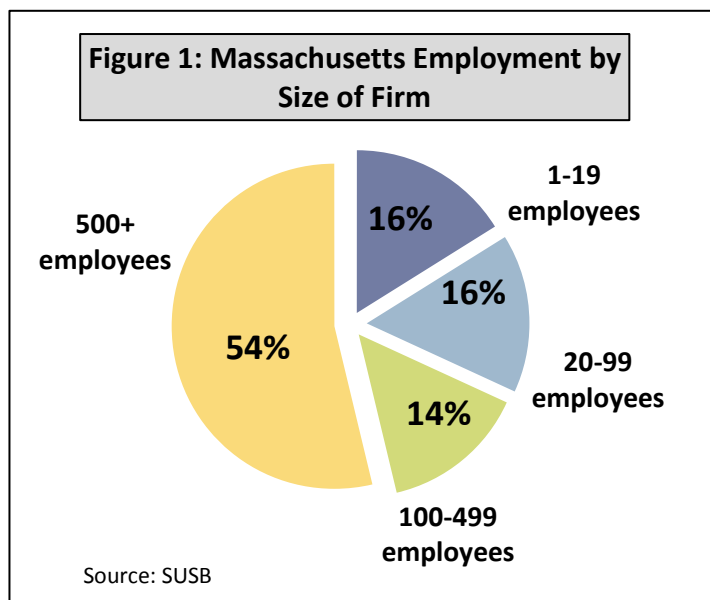
1,404,234 Workers Employed by Small Businesses

State Economy Overall

- Massachusetts's economy grew at a slower rate than the United States in 2013. Massachusetts's real gross state product increased by **1.6 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Massachusetts has improved. The unemployment rate in Massachusetts declined from **7.2 percent** in October 2013 to **6.0 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Massachusetts's small businesses employed about half or **1.4 million** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **97.8 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Massachusetts, small businesses created **54,120** net new jobs in 2012. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed in 2013 increased by **1.6 percent** relative to the previous year.
- The state's private-sector employment growth increased by **1.9 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **122,734** loans under \$100,000 (and valued at **\$1.4 billion**) were issued by Community Reinvestment Act lending institutions in Massachusetts. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$61,434** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$30,948**. (Source: ACS)

Note: 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

- **Table 1** shows the top industry for nine business owner demographics. For example, **31.1 percent** of female-owned businesses were in the professional, scientific, and technical services industry, and female-owned firms made up **20.2 percent** of this industry.

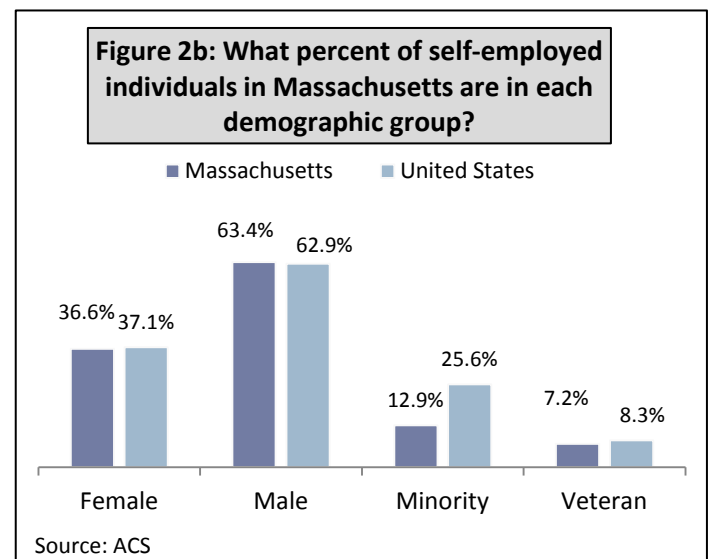
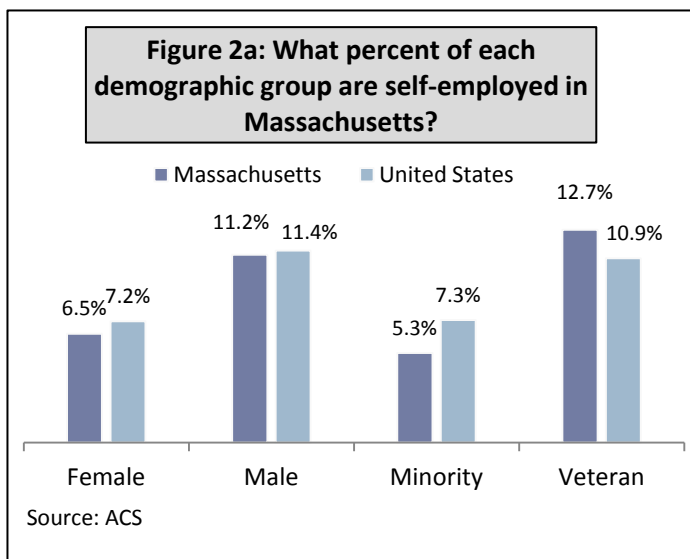
Table 1: Top Industry by Demographic Group in Massachusetts, 2007

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Prof., sci., & tech. services	31.1	20.2
Male	Construction	84.4	20.2
American Indian and Alaska Native	*	*	*
Asian	Other services	9.5	20.2
Black or African American	Health care & social assistance	6.8	17.4
Native Hawaiian and Other Pacific Islander	*	*	*
White	Prof., sci., & tech. services	92.0	20.1
Hispanic	Health care & social assistance	7.0	18.9
Veteran	Prof., sci., & tech. services	9.0	19.5

*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **6.5 percent** of females were self-employed, and **Figure 2b** shows that **36.6 percent** of all self-employed people were female.



Business Turnover

- In 2010, **9,381** establishments opened in Massachusetts, and **73.1 percent** survived through 2012. In 2013, **14,484** establishments opened, and **81.5 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **10,627** establishments opened and **9,687** closed in the state of Massachusetts. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

International Trade

- A total of **10,978** companies exported goods from the state in 2012. Of these, **9,837** or **89.6 percent** were small firms; they generated about two-fifths (**38.2 percent**) of the state's total known export value. (Source: ITA)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Table 2: Number of Massachusetts Small Firms by Industry, 2012
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	19,756	17,958	96,652	116,408
Construction	16,554	15,640	55,558	72,112
Other services (except public admin.)	15,796	14,831	54,450	70,246
Retail trade	15,752	14,374	30,474	46,226
Accommodation & food services	13,178	10,590	5,353	18,531
Health care & social assistance	12,627	10,578	41,070	53,697
Admin., supp., waste mgt., remed. svcs.	8,680	7,722	33,740	42,420
Wholesale trade	6,515	5,234	7,171	13,686
Manufacturing	6,181	4,535	6,073	12,254
Finance & insurance	4,917	4,164	14,196	19,113
Real estate & rental & leasing	4,833	4,502	51,833	56,666
Transportation & warehousing	2,906	2,411	16,504	19,410
Arts, entertainment, & recreation	2,818	2,338	33,524	36,342
Educational services	2,562	1,971	20,505	23,067
Information	1,968	1,538	8,059	10,027
Management of comp. & enterprises	433	96	*	433
Forestry, etc. & agriculture support	349	343	4,782	5,131
Unclassified	218	215	*	218
Utilities	71	46	381	452
Mining, quarrying, and oil & gas extrac.	64	48	85	149
Total	135,365	119,047	480,410	615,775

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three Massachusetts industries with the most small business employment were: health care and social assistance; accommodation and food services; and professional, scientific, and technical services (**Table 3**).

Table 3: Employment in Massachusetts by Industry and Firm Size, 2012 (ranked by small firm employment)			
Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	215,245	581,045	37.0
Accommodation & food services	174,740	269,663	64.8
Professional, scientific, & tech. svcs.	145,164	256,878	56.5
Retail trade	122,915	356,700	34.5
Manufacturing	122,337	230,026	53.2
Other services (except public admin.)	102,335	119,076	85.9
Construction	94,190	103,850	90.7
Admin., supp., waste mgt., remed. svcs.	89,214	207,282	43.0
Wholesale trade	77,365	129,804	59.6
Finance & insurance	58,108	201,365	28.9
Educational services	56,193	197,030	28.5
Arts, entertainment, & recreation	36,925	54,534	67.7
Transportation & warehousing	34,603	76,084	45.5
Information	31,352	103,938	30.2
Real estate & rental & leasing	29,366	43,061	68.2
Management of comp. & enterprises	10,757	90,577	11.9
Utilities	1,230	12,432	9.9
Forestry, etc. & agriculture support	1,148	1,156	99.3
Mining, quarrying, and oil & gas extraction	683	1,032	66.2
Unclassified	364	364	100.0
Total	1,404,234	3,035,897	46.3

Source: SUSB.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .