

## Montana

**115,326** Small Businesses

**30,559** Small Businesses with Employees

**84,767** Small Businesses without Employees (Nonemployers)

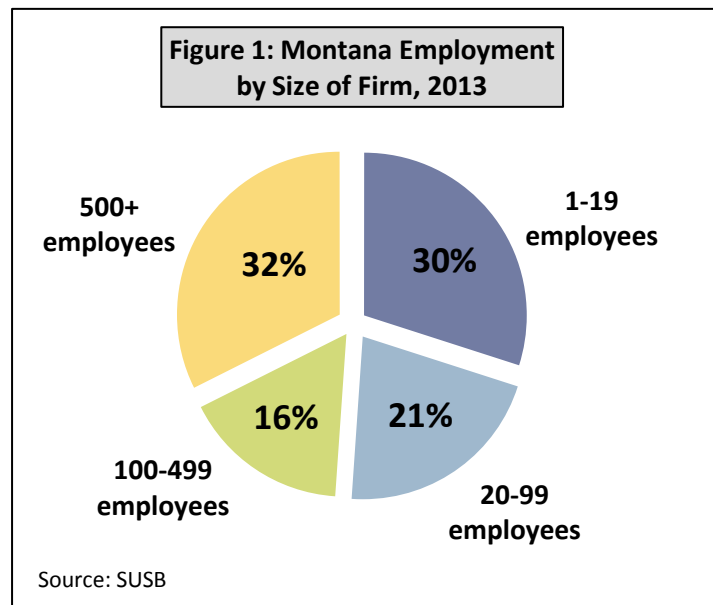
**232,383** Workers Employed by Small Businesses

### State Economy Overall

- Montana's economy grew at a faster rate than the United States in 2013. Montana's real gross state product increased by **3.0 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Montana has improved. The unemployment rate in Montana declined from **5.5 percent** in October 2013 to **4.5 percent** in October 2014. This is below the national average of **5.8 percent** for the same time period. (Source: BLS)

### Employment

- Montana's small businesses employed over two-thirds or **232,383** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **97.4 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 Montana, small businesses created **9,123** 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 decreased by **6.1 percent** relative to the previous year.
- The state's private-sector employment growth increased by **2.4 percent** over the 12-month period ending in October 2014; this was slightly above 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 remained the same. (Source: FDIC)
- In 2012, **25,877** loans under \$100,000 (and valued at **\$302.7 million**) were issued by Community Reinvestment Act lending institutions in Montana. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$38,234** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$21,503**. (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

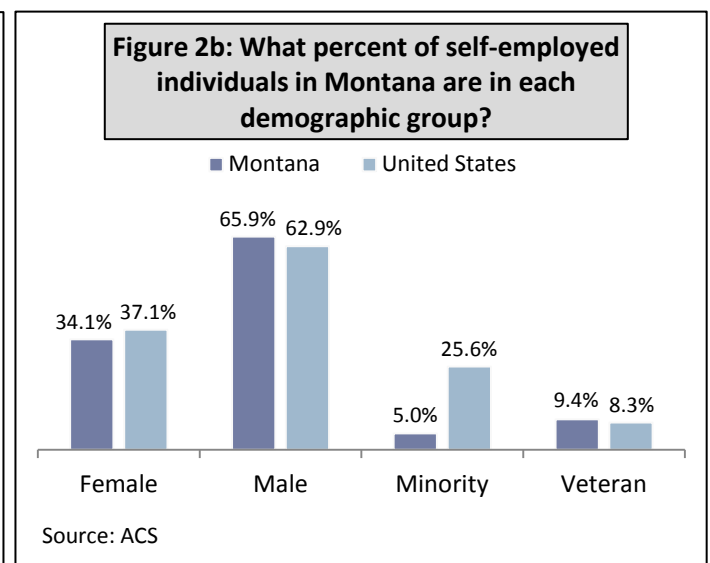
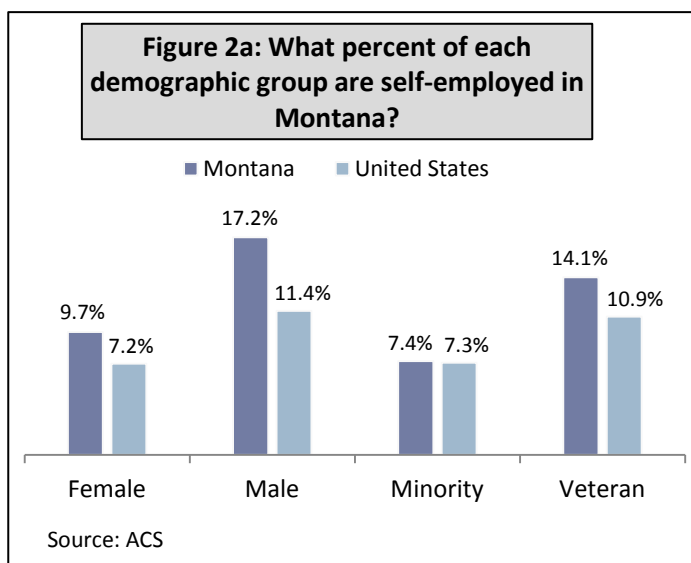
- Table 1** shows the top industry for nine business owner demographics. For example, **39.1 percent** of female-owned businesses were in the other services industry, and female-owned firms made up **16.0 percent** of this industry.

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Other services	39.1	16.0
Male	Construction	68.9	25.8
American Indian and Alaska Native	Construction	2.5	21.3
Asian	*	*	*
Black or African American	*	*	*
Native Hawaiian and Other Pacific Islander	*	*	*
White	Construction	97.0	17.9
Hispanic	*	*	*
Veteran	Construction	9.4	15.2

\*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](http://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 **9.7 percent** of females were self-employed, and **Figure 2b** shows that **34.1 percent** of all self-employed people were female.



## Business Turnover

- In 2010, **2,032** establishments opened in Montana, and **70.6 percent** survived through 2012. In 2013, **2,532** establishments opened, and **77.7 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **1,963** establishments opened and **2,719** closed in the state of Montana. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

## International Trade

- A total of **1,629** companies exported goods from the state in 2012. Of these, **1,385** or **85.0 percent** were small firms; they generated over two-thirds (**70.8 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 Montana 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
Construction	4,807	4,647	11,810	16,617
Retail trade	3,513	3,142	8,353	11,866
Professional, scientific, & tech. svcs.	3,303	3,137	10,635	13,938
Accommodation & food services	3,077	2,479	1,421	4,498
Other services (except public admin.)	2,951	2,817	11,416	14,367
Health care & social assistance	2,868	2,539	5,336	8,204
Real estate & rental & leasing	1,561	1,512	10,993	12,554
Admin., supp., waste mgt., remed. svcs.	1,537	1,442	5,086	6,623
Transportation & warehousing	1,243	1,142	2,997	4,240
Manufacturing	1,169	1,010	2,108	3,277
Finance & insurance	1,148	1,052	2,346	3,494
Wholesale trade	1,058	849	1,259	2,317
Arts, entertainment, & recreation	980	892	4,786	5,766
Forestry, etc. & agriculture support	367	358	2,751	3,118
Information	333	284	979	1,312
Educational services	331	277	1,588	1,919
Mining, quarrying, and oil & gas extrac.	322	285	809	1,131
Utilities	74	53	94	168
Management of comp. & enterprises	71	18	*	71
Unclassified	38	38	*	38
<b>Total</b>	<b>30,559</b>	<b>27,946</b>	<b>84,767</b>	<b>115,326</b>

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

See [www.sba.gov/advocacy/additional-data-state-profiles](http://www.sba.gov/advocacy/additional-data-state-profiles) for more detailed data.

- **Table 3** shows small firm employment by industry. The three Montana industries with the most small business employment were: accommodation and food services; health care and social assistance; and retail trade (**Table 3**).

**Table 3: Employment in Montana by Industry and Firm Size, 2012  
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Accommodation & food services	39,387	45,553	86.5
Health care & social assistance	38,250	65,206	58.7
Retail trade	29,637	55,976	52.9
Construction	19,954	21,213	94.1
Professional, scientific, & tech. svcs.	15,233	17,988	84.7
Other services (except public admin.)	14,676	15,265	96.1
Manufacturing	11,919	16,219	73.5
Wholesale trade	9,616	14,398	66.8
Admin., supp., waste mgt., remed. svcs.	9,098	19,367	47.0
Arts, entertainment, & recreation	8,480	9,264	91.5
Finance & insurance	7,916	16,054	49.3
Transportation & warehousing	7,621	11,914	64.0
Educational services	4,900	6,028	81.3
Real estate & rental & leasing	4,732	5,346	88.5
Information	4,166	9,199	45.3
Mining, quarrying, and oil & gas extraction	3,206	7,546	42.5
Management of comp. & enterprises	1,550	3,277	47.3
Forestry, etc. & agriculture support	1,015	1,078	94.2
Utilities	997	2,921	34.1
Unclassified	30	30	100.0
<b>Total</b>	<b>232,383</b>	<b>343,842</b>	<b>67.6</b>

Source: SUSB.

For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

## Abbreviations and Resources

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