

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

MARYLAND



561,837
97.5% Small Businesses of Maryland Businesses

1.1 million
50.5% Small Business Employees of Maryland Employees

Small Business Employees of Maryland Employees



EMPLOYMENT
10,888
net new jobs¹



DIVERSITY
23.9%
increase in minority ownership²



TRADE
88.6%
of Maryland exporters³

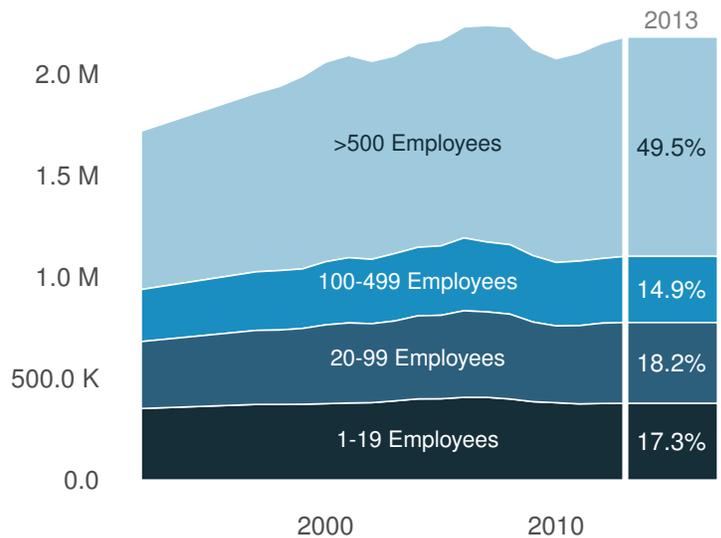
OVERALL MARYLAND ECONOMY

- In the third quarter of 2015, Maryland grew at an annual rate of 2.4% which was faster than the overall US growth rate of 1.9%. By comparison, Maryland's 2014 growth of 3.1% was up from the 2013 level of 1.7%. (Source: BEA)
- The employment situation in Maryland improved. At the close of 2015, unemployment was 5.0%, down from 5.5% at the close of 2014. This was equal to the national unemployment rate of 5.0%. (Source: CPS)

EMPLOYMENT

- Maryland small businesses employed 1.1 million people, or 50.5% of the private workforce, in 2013. (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)
- Private-sector employment increased 2.2% in 2015. This was above the previous year's increase of 1.7%. (Source: CES)
- The number of proprietors increased in 2014 by 1.3% relative to the previous year. (Source: BEA)
- Small businesses created 10,888 net jobs in 2013. Among the seven BDS size-classes, firms employing 50 to 99 employees experienced the largest gains, adding 4,344 net jobs. The smallest gains were in firms employing 100 to 249 employees which added 337 net jobs. (Source: BDS)

Figure 1: Maryland Employment by Firm Size



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.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 91,462 loans under \$100,000 (and valued at \$1.3 billion) were issued by Maryland lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$53,293 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$25,954. (Source: ACS)

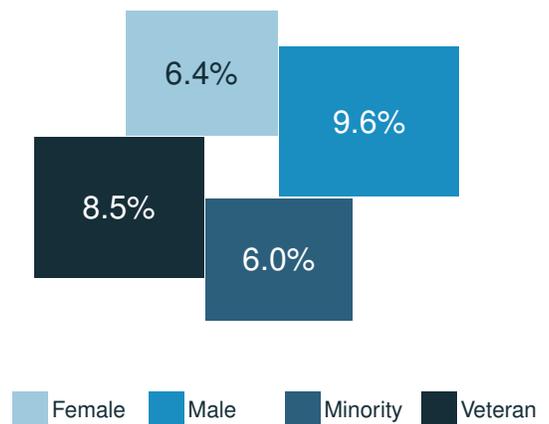
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Maryland Changes in Business Ownership by Demographic Group

African American-owned	•	22.1%
Asian-owned	•	16.0%
Hawaiian/Pacific Islander-owned	●	104.1%
Hispanic-owned	●	44.8%
Native American/Alaskan-owned	•	6.3%
Minority-owned	•	23.9%
Nonminority-owned	•	-7.4%

Figure 3: Maryland Self-Employment within Demographic Group

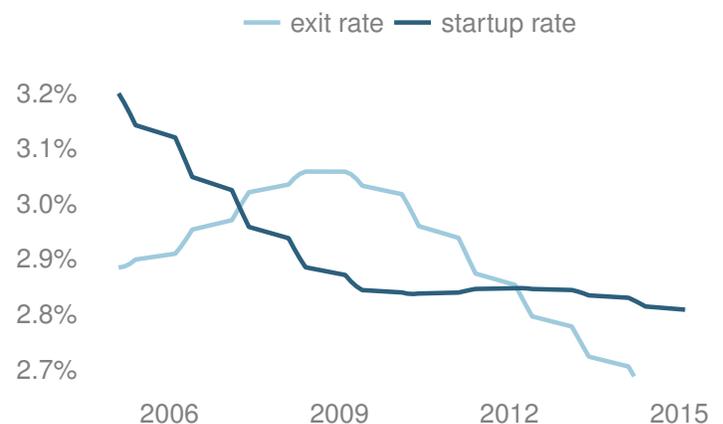


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Maryland, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 4,074 establishments started up⁵ in Maryland and 3,730 exited.⁶ Startups generated 15,691 new jobs while exits caused 13,094 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Maryland Private Startup and Exit Rates



⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 7,074 companies exported goods from Maryland in 2013. Among these, 6,270, or 88.6%, were small firms; they generated 28.0% of Maryland's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Maryland Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	17,590	15,773	73,261	90,851
Construction	13,538	12,151	45,914	59,452
Other Services (except Public Administration)	12,612	11,512	63,560	76,172
Health Care and Social Assistance	12,116	10,495	52,997	65,113
Retail Trade	11,008	9,936	32,514	43,522
Accommodation and Food Services	8,898	6,918	7,233	16,131
Administrative, Support, and Waste Management	6,790	5,741	40,089	46,879
Wholesale Trade	4,386	3,477	5,770	10,156
Real Estate and Rental and Leasing	4,202	3,822	46,284	50,486
Finance and Insurance	3,790	3,390	11,665	15,455
Transportation and Warehousing	2,806	2,415	20,340	23,146
Manufacturing	2,636	1,989	4,465	7,101
Educational Services	1,818	1,406	15,519	17,337
Arts, Entertainment, and Recreation	1,815	1,499	26,312	28,127
Information	1,199	950	6,797	7,996
Agriculture, Forestry, Fishing and Hunting	180	175	3,178	3,358
Mining, Quarrying, and Oil and Gas Extraction	53	37	78	131
Utilities	34	23	535	569
Total	105,471	91,709	456,511	561,982

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Maryland Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	163,994	353,520	46.4%
Professional, Scientific, and Technical Services	141,492	266,902	53.0%
Accommodation and Food Services	130,003	210,524	61.8%
Construction	121,343	140,189	86.6%
Other Services (except Public Administration)	97,320	112,377	86.6%
Retail Trade	95,697	286,943	33.4%
Administrative, Support, and Waste Management	83,454	179,256	46.6%
Wholesale Trade	52,901	87,807	60.2%
Manufacturing	45,207	100,437	45.0%
Educational Services	34,394	80,913	42.5%
Finance and Insurance	33,806	99,107	34.1%
Real Estate and Rental and Leasing	26,969	43,004	62.7%
Transportation and Warehousing	25,150	64,301	39.1%
Arts, Entertainment, and Recreation	24,913	39,295	63.4%
Information	15,932	53,899	29.6%
Utilities	784	10,021	7.8%
Mining, Quarrying, and Oil and Gas Extraction	682	1,206	56.6%
Agriculture, Forestry, Fishing and Hunting	647	965	67.0%
Total	1,094,688	2,130,666	51.4%

Figure 5: Maryland County-Level Job Changes, 2015 (CEW)

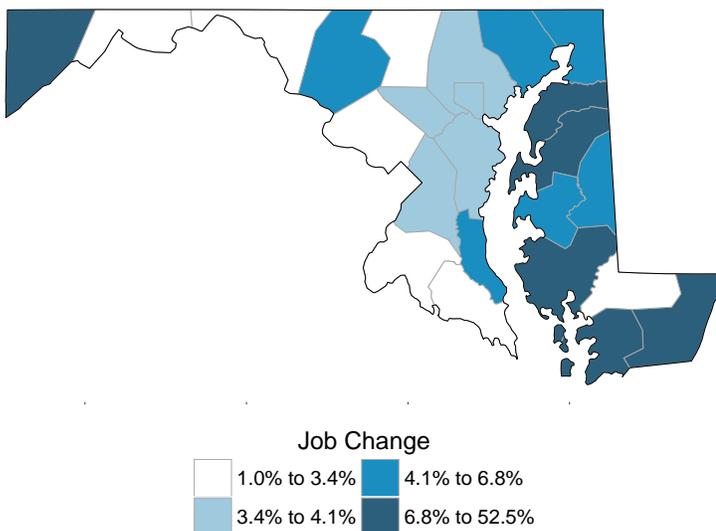


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US 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, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

