

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

MAINE



145,536 Small Businesses
99.3% of Maine Businesses

284,658 Small Business Employees
56.9% of Maine Employees

EMPLOYMENT
4,323
net new jobs

DIVERSITY
4,330
minority-owned
businesses

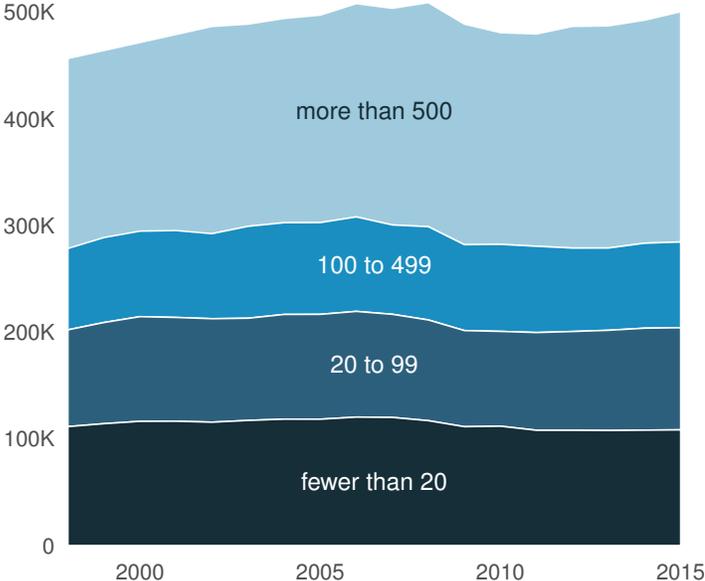
TRADE
1,735
small business
exporters

OVERALL MAINE ECONOMY

- In the third quarter of 2017, Maine grew at an annual rate of **3.2%**, which was slower than the overall US growth rate of **3.4%**. Maine's 2016 growth rate of **1.6%** was up from the 2015 rate of **0.8%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **3.0%**, down from **3.4%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Maine Employment by Business Size (Employees)



- Maine small businesses employed **284,658** people, or **56.9%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **0.5%** during the 12-month period ending in January 2018. This was below the increase of **2.8%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **1.9%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **4,323** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **2,977** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **338** net jobs. (Source: [SUSB](#))

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 for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks was unchanged at **26** between June 2016 and June 2017. (Source: [FDIC](#))
- In 2016, **23,219** loans under \$100,000 (valued at **\$405.8 million**) were issued by Maine lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$41,921** in 2016. For individuals self-employed at their own unincorporated firms, this figure was **\$21,733**. (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.

EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Maine Employees per Business by Owner's Demographic, 2015

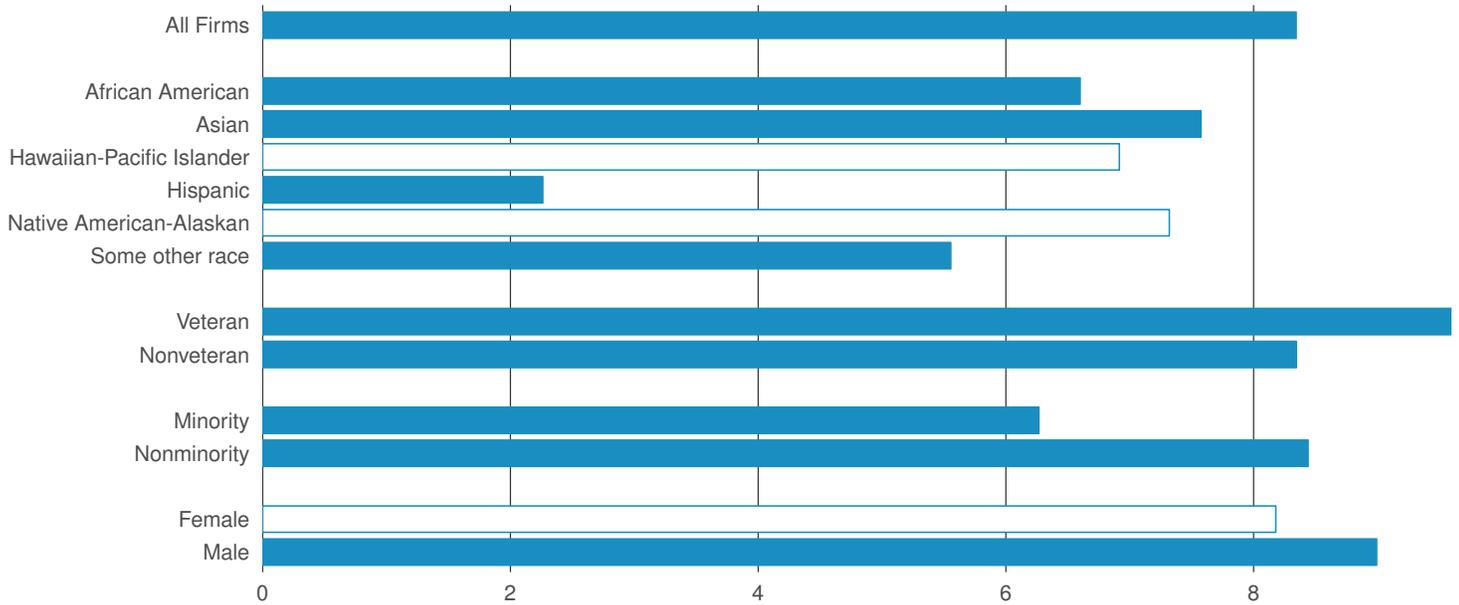
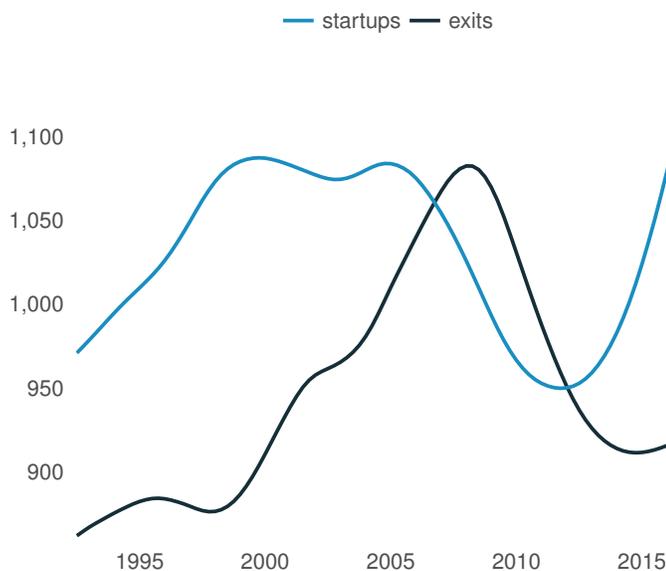


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Maine Quarterly Startups and Exits



- In the third quarter of 2016, **1,077** establishments started up, generating **2,879** new jobs in Maine. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **952** establishments exited resulting in **2,664** 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 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BLS data covers only business establishments with employees. 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. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

INTERNATIONAL TRADE

- A total of 2,087 companies exported goods from Maine in 2015. Of these, 1,735, or 83.1%, were small firms; they generated 51.2% of Maine's \$2.3 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Maine Employment by Industry, 2015

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	50,944	109,725	46.4
Accommodation and Food Services	40,863	51,406	79.5
Retail Trade	36,443	82,303	44.3
Manufacturing	24,886	50,316	49.5
Construction	21,936	23,601	92.9
Professional, Scientific, and Technical Services	17,644	22,832	77.3
Other Services (except Public Administration)	16,968	18,425	92.1
Administrative, Support, and Waste Management	14,863	23,346	63.7
Wholesale Trade	10,928	17,643	61.9
Finance and Insurance	10,174	27,149	37.5
Transportation and Warehousing	8,129	15,160	53.6
Educational Services	7,680	18,543	41.4
Arts, Entertainment, and Recreation	6,741	7,948	84.8
Real Estate and Rental and Leasing	5,121	6,323	81.0
Information	5,026	11,250	44.7
Agriculture, Forestry, and Fishing and Hunting	3,270	3,358	97.4
Management of Companies and Enterprises	1,849	8,888	20.8
Utilities	990	2,121	46.7
Industries not classified	135	135	100.0
Mining, Quarrying, and Oil and Gas Extraction	68	77	88.3
Total	284,658	500,549	56.9

Figure 4: Maine Small Business Employment by County, 2015

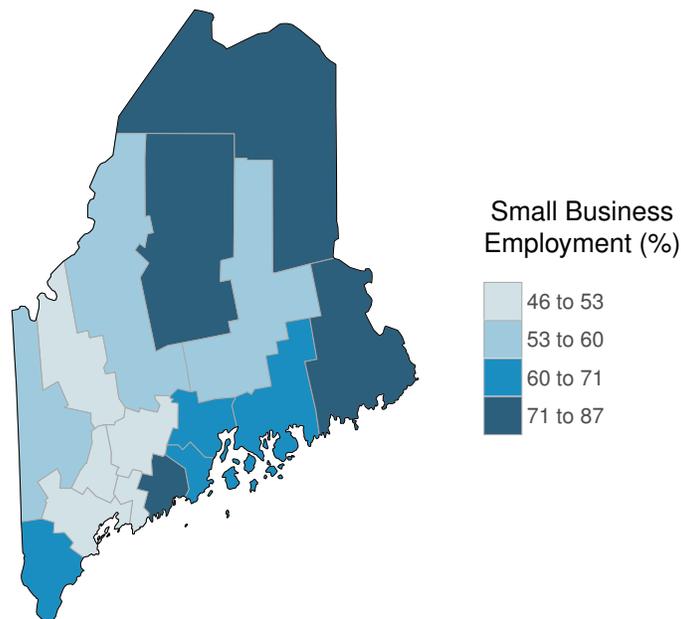


Table 2: Maine Small Businesses by Industry and Firm Size, 2015

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Construction	4,795	4,582	17,343	22,138
Retail Trade	4,125	3,695	9,158	13,283
Accommodation and Food Services	3,575	2,993	1,674	5,249
Other Services (except Public Administration)	3,369	3,205	14,255	17,624
Professional, Scientific, and Technical Services	3,176	2,971	13,662	16,838
Health Care and Social Assistance	2,996	2,528	7,757	10,753
Administrative, Support, and Waste Management	1,884	1,715	7,889	9,773
Manufacturing	1,502	1,174	2,548	4,050
Real Estate and Rental and Leasing	1,418	1,363	11,459	12,877
Wholesale Trade	1,190	974	1,630	2,820
Transportation and Warehousing	1,034	923	3,140	4,174
Agriculture, Forestry, and Fishing and Hunting	887	850	9,270	10,157
Arts, Entertainment, and Recreation	854	770	6,956	7,810
Finance and Insurance	788	660	1,806	2,594
Information	468	386	1,295	1,763
Educational Services	448	354	2,991	3,439
Utilities	36	25	87	123
Mining, Quarrying, and Oil and Gas Extraction	19	16	92	111
Total	32,524	29,292	113,012	145,536

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau