

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

OHIO



944,797 Small Businesses
99.6% of Ohio Businesses

2.2 million Small Business Employees
46.0% of Ohio Employees

EMPLOYMENT
64,691
net new jobs

DIVERSITY
122,602
minority-owned
businesses

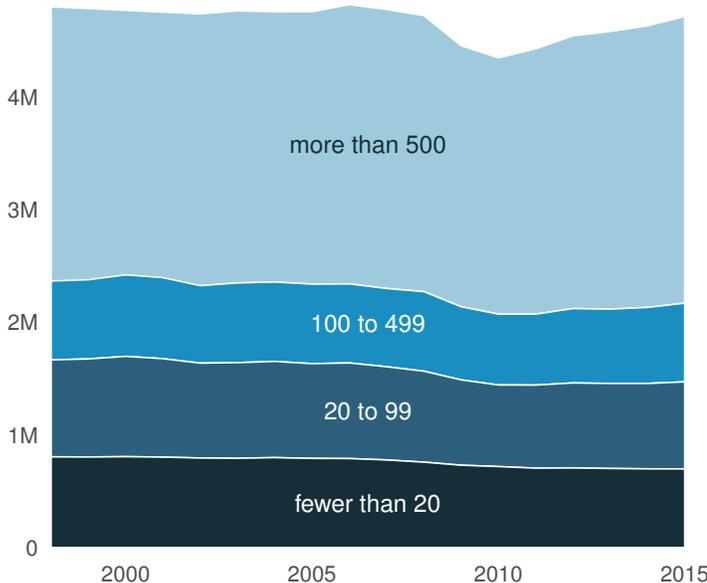
TRADE
14,237
small business
exporters

OVERALL OHIO ECONOMY

- In the third quarter of 2017, Ohio grew at an annual rate of **3.9%**, which was faster than the overall US growth rate of **3.4%**. Ohio's 2016 growth rate of **1.1%** was unchanged from the 2015 rate of **1.1%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **4.7%**, down from **5.2%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Ohio Employment by Business Size (Employees)



- Ohio small businesses employed **2.2 million** people, or **46.0%** 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 **0.6%** during the 12-month period ending in January 2018. This was above the increase of **0.3%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **64,691** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **29,636** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **14,169** 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 decreased by 11 between June 2016 and June 2017 to 192 banks. (Source: FDIC)
- In 2016, 146,308 loans under \$100,000 (valued at \$2.4 billion) were issued by Ohio lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$46,766 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$22,275. (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: Ohio Employees per Business by Owner's Demographic, 2015

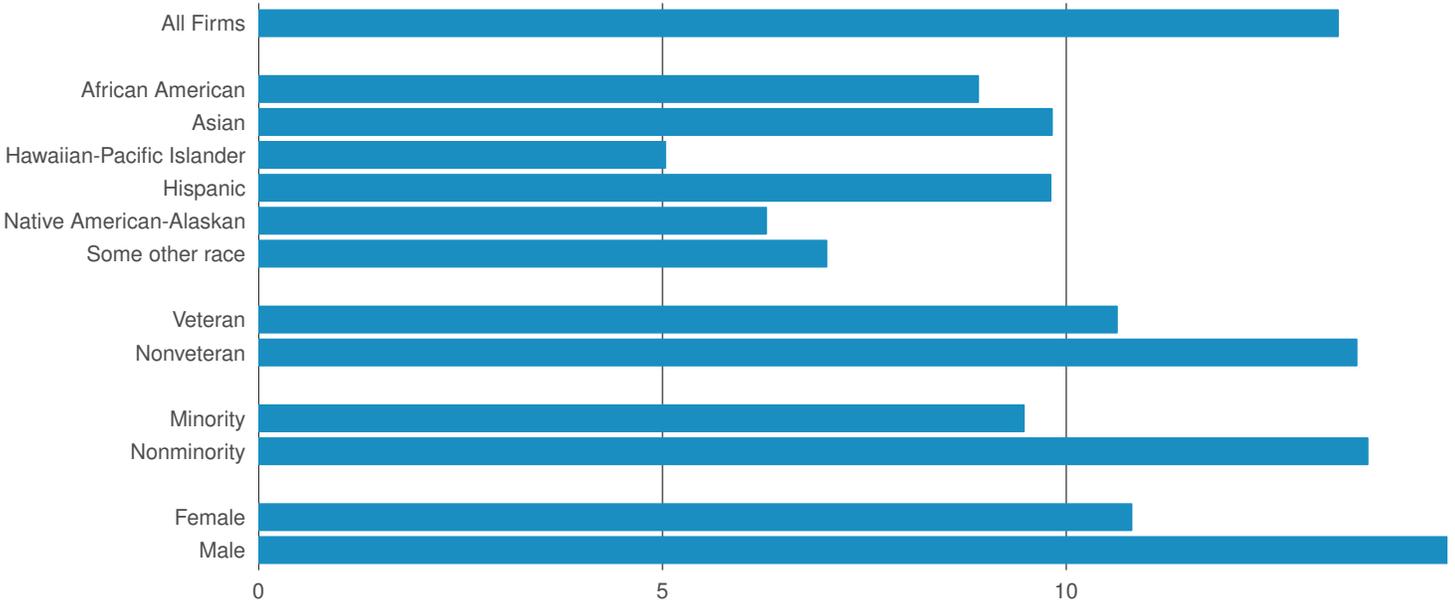
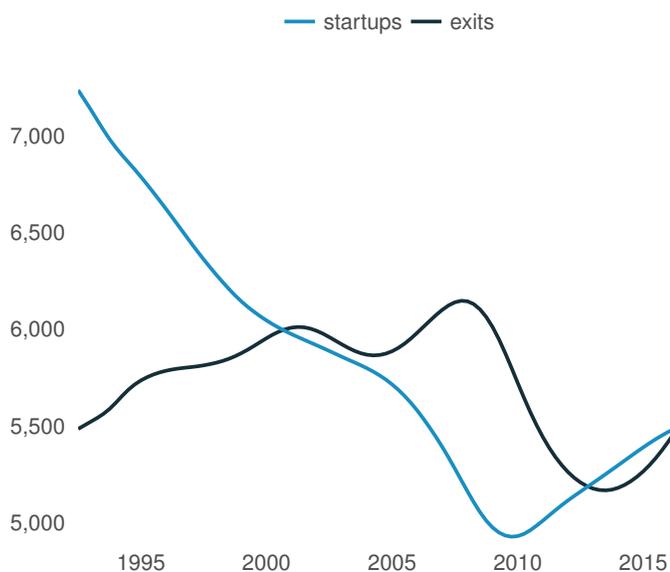


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE).

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Ohio Quarterly Startups and Exits



- In the third quarter of 2016, 5,334 establishments started up, generating 20,911 new jobs in Ohio. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 5,482 establishments exited resulting in 21,505 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 16,046 companies exported goods from Ohio in 2015. Of these, 14,237, or 88.7%, were small firms; they generated 22.4% of Ohio's \$45.8 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Ohio Employment by Industry, 2015

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	354,564	824,772	43.0
Manufacturing	298,254	663,884	44.9
Accommodation and Food Services	273,523	461,895	59.2
Retail Trade	188,507	565,140	33.4
Other Services (except Public Administration)	174,082	202,085	86.1
Professional, Scientific, and Technical Services	157,476	250,042	63.0
Construction	153,542	179,883	85.4
Wholesale Trade	136,002	235,573	57.7
Administrative, Support, and Waste Management	129,982	397,326	32.7
Finance and Insurance	59,528	241,764	24.6
Transportation and Warehousing	58,337	171,286	34.1
Educational Services	55,745	120,934	46.1
Arts, Entertainment, and Recreation	44,171	67,047	65.9
Real Estate and Rental and Leasing	40,872	65,324	62.6
Information	21,479	84,415	25.4
Management of Companies and Enterprises	15,180	150,099	10.1
Mining, Quarrying, and Oil and Gas Extraction	6,158	12,932	47.6
Utilities	2,984	23,839	12.5
Agriculture, Forestry, and Fishing and Hunting	1,040	1,204	86.4
Industries not classified	541	541	100.0
Total	2,171,967	4,719,985	46.0

Figure 4: Ohio Small Business Employment by County, 2015

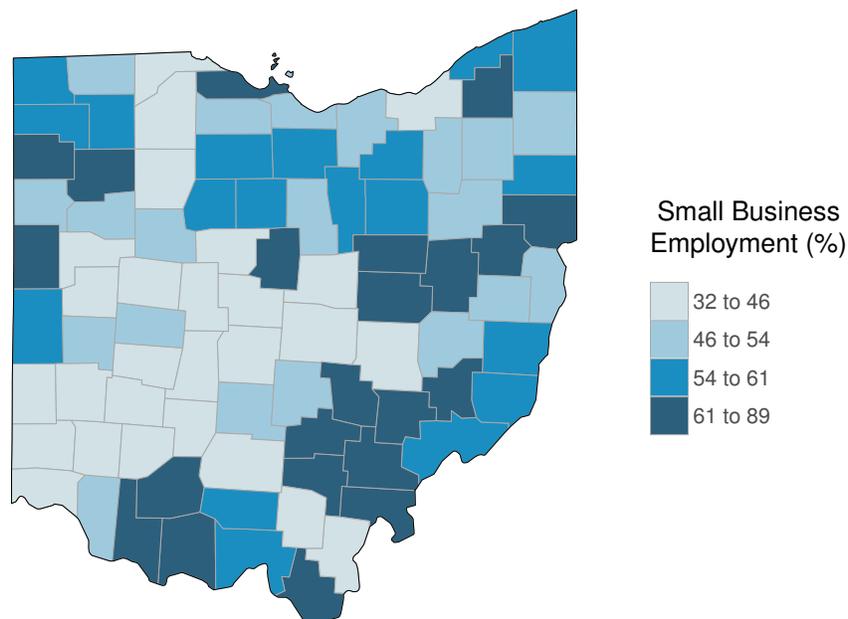


Table 2: Ohio Small Businesses by Industry and Firm Size, 2015

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	24,404	22,617	109,464	133,868
Professional, Scientific, and Technical Services	21,086	19,179	97,095	118,181
Retail Trade	19,642	17,501	67,883	87,525
Health Care and Social Assistance	19,327	15,652	66,432	85,759
Construction	19,286	17,633	90,186	109,472
Accommodation and Food Services	16,603	12,630	10,468	27,071
Manufacturing	11,842	8,127	13,549	25,391
Administrative, Support, and Waste Management	10,774	9,334	65,668	76,442
Wholesale Trade	10,178	8,024	12,759	22,937
Finance and Insurance	7,764	7,092	21,749	29,513
Real Estate and Rental and Leasing	6,927	6,394	82,228	89,155
Transportation and Warehousing	5,533	4,664	43,621	49,154
Arts, Entertainment, and Recreation	3,455	2,910	39,187	42,642
Educational Services	2,606	1,882	23,930	26,536
Information	1,517	1,199	8,694	10,211
Mining, Quarrying, and Oil and Gas Extraction	537	458	3,433	3,970
Agriculture, Forestry, and Fishing and Hunting	261	250	6,529	6,790
Utilities	150	98	543	693
Total	181,379	155,991	763,418	944,797

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