

2019 Small Business Profile

Indiana



512,348 Small Businesses
99.4% of Indiana Businesses

1.2 million Small Business Employees
44.9% of Indiana Employees



EMPLOYMENT
34,813
net new jobs



DIVERSITY
113,465
minority-owned
business employees



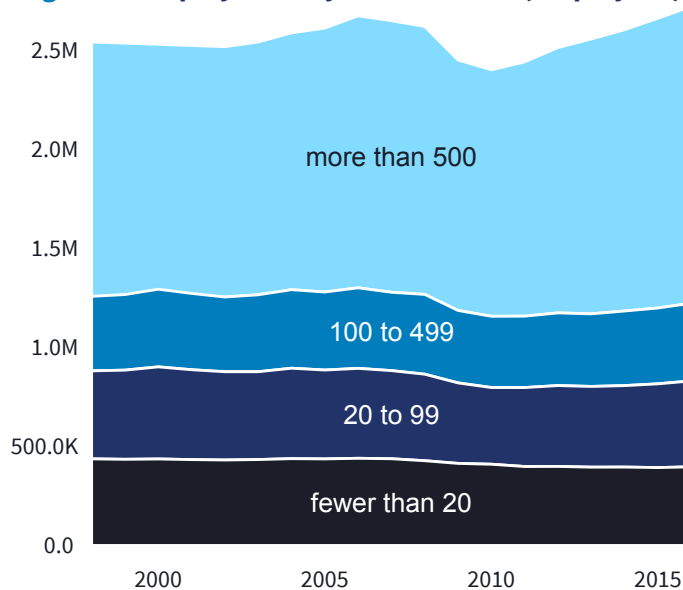
TRADE
6,872
small business
exporters

Overall Indiana Economy

- In the third quarter of 2018, Indiana grew at an annual rate of **3.0%**, which was slower than the overall US growth rate of **3.4%**. Indiana's 2017 growth rate of **1.8%** was up from the 2016 rate of **1.7%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **3.5%**, up from **3.3%** in February 2018. This was below the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Indiana small businesses employed **1.2 million** people, or **44.9%** of the private workforce, in 2016. (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 **1.1%** during the 12-month period ending in February 2019. This was below the increase of **1.6%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.6%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **34,813** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **18,915** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **7,602** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). 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, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

Income and Finance

- The number of banks decreased by 5 between June 2016 and June 2017 to 111 banks. (Source: FDIC)
- In 2017, 79,260 loans under \$100,000 (valued at \$1.3 billion) were issued by Indiana lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$46,733 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$21,550. (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: Indiana Employees per Business by Owner's Demographic, 2016

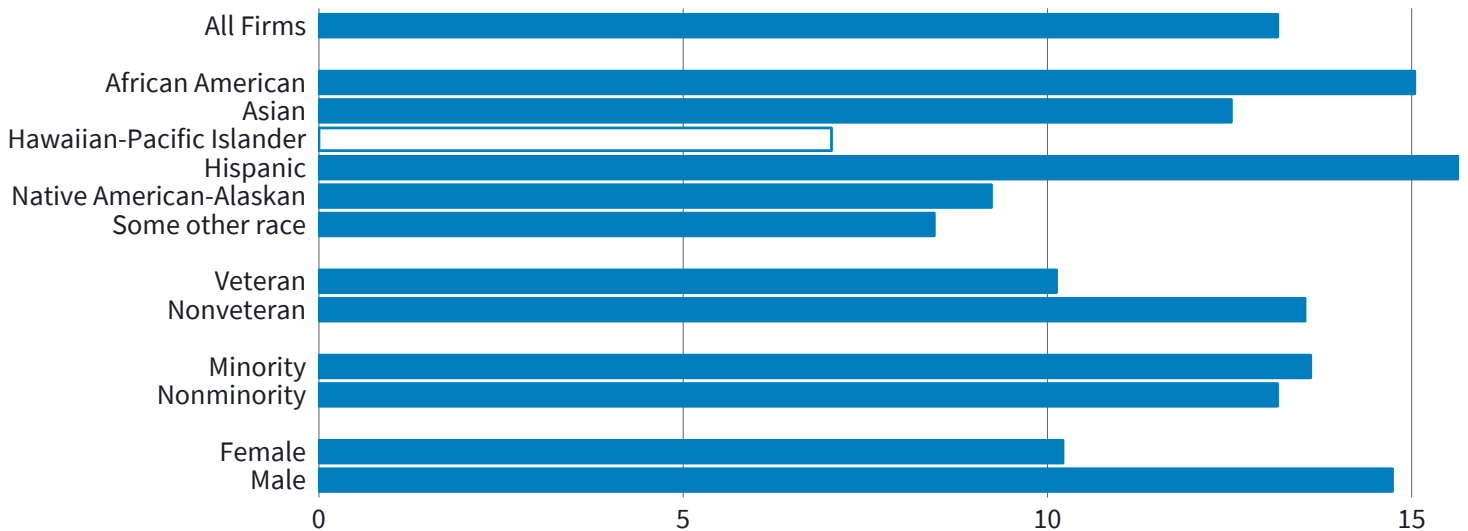
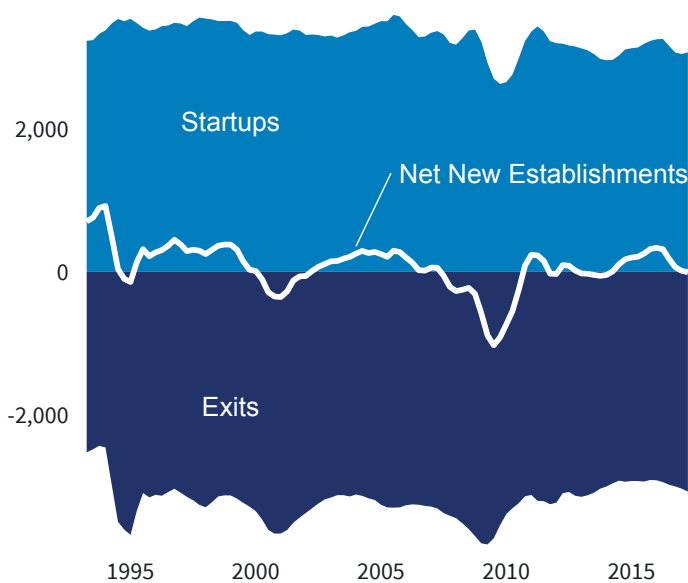


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

Turnover among Establishments with Employees

Figure 3: Indiana Quarterly Startups and Exits



- In the third quarter of 2017, 3,490 establishments started up, generating 12,883 new jobs in Indiana. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 3,104 establishments exited resulting in 13,665 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 1993 to 2017. 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 8,170 companies exported goods from Indiana in 2016. Of these, 6,872, or 84.1%, were small firms; they generated 16.3% of Indiana's \$32.0 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Indiana Employment by Industry, 2016

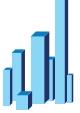



|  Industry |  Small Business Employment |  Total Private Employment |  Small Business Employment Share |
|---|---|--|---|
| Manufacturing | 178,450 | 500,104 | 35.7 |
| Health Care and Social Assistance | 174,112 | 423,622 | 41.1 |
| Accommodation and Food Services | 162,284 | 276,564 | 58.7 |
| Retail Trade | 113,447 | 325,581 | 34.8 |
| Other Services (except Public Administration) | 108,796 | 127,449 | 85.4 |
| Construction | 102,552 | 122,512 | 83.7 |
| Professional, Scientific, and Technical Services | 74,249 | 128,583 | 57.7 |
| Wholesale Trade | 66,179 | 118,177 | 56.0 |
| Administrative, Support, and Waste Management | 64,898 | 216,495 | 30.0 |
| Transportation and Warehousing | 41,172 | 124,985 | 32.9 |
| Finance and Insurance | 37,623 | 101,691 | 37.0 |
| Educational Services | 24,390 | 68,406 | 35.7 |
| Arts, Entertainment, and Recreation | 24,333 | 33,842 | 71.9 |
| Real Estate and Rental and Leasing | 23,799 | 34,043 | 69.9 |
| Information | 11,744 | 44,335 | 26.5 |
| Management of Companies and Enterprises | 8,235 | 51,586 | 16.0 |
| Utilities | 3,109 | 15,109 | 20.6 |
| Mining, Quarrying, and Oil and Gas Extraction | 1,867 | 5,564 | 33.6 |
| Agriculture, Forestry, and Fishing and Hunting | 911 | 1,407 | 64.7 |
| Industries not classified | 222 | 222 | 100.0 |
| Total | 1,222,372 | 2,720,277 | 44.9 |

Figure 4: Indiana Self-Employment Rates by County, 2017

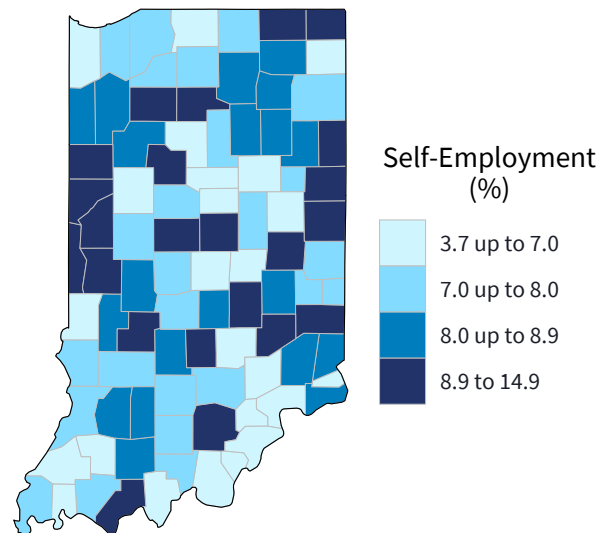


Table 2: Indiana Small Businesses by Industry and Firm Size, 2016

| Industry | 1-499 Employees | 1-19 Employees | Nonemployer Firms | Total Small Firms |
|--|-----------------|----------------|-------------------|-------------------|
| Other Services (except Public Administration) | 14,735 | 13,547 | 67,740 | 82,475 |
| Construction | 12,877 | 11,758 | 47,928 | 60,805 |
| Professional, Scientific, and Technical Services | 11,563 | 10,635 | 45,749 | 57,312 |
| Retail Trade | 11,587 | 10,217 | 40,537 | 52,124 |
| Real Estate and Rental and Leasing | 4,525 | 4,214 | 44,275 | 48,800 |
| Administrative, Support, and Waste Management | 5,930 | 5,192 | 33,730 | 39,660 |
| Health Care and Social Assistance | 9,802 | 8,125 | 27,728 | 37,530 |
| Transportation and Warehousing | 4,205 | 3,571 | 26,961 | 31,166 |
| Arts, Entertainment, and Recreation | 2,007 | 1,693 | 20,472 | 22,479 |
| Finance and Insurance | 4,468 | 4,076 | 11,515 | 15,983 |
| Accommodation and Food Services | 9,230 | 6,828 | 5,134 | 14,364 |
| Educational Services | 1,468 | 1,167 | 12,432 | 13,900 |
| Manufacturing | 6,457 | 4,328 | 7,055 | 13,512 |
| Wholesale Trade | 5,416 | 4,163 | 6,179 | 11,595 |
| Information | 900 | 715 | 4,548 | 5,448 |
| Agriculture, Forestry, and Fishing and Hunting | 241 | 230 | 3,999 | 4,240 |
| Mining, Quarrying, and Oil and Gas Extraction | 142 | 108 | 632 | 774 |
| Utilities | 164 | 121 | 305 | 469 |
| Total | 105,429 | 90,845 | 406,919 | 512,348 |

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS).

References

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS** American Community Survey, US Census Bureau
- 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
- SUSB** Statistics of US Businesses, US Census Bureau