

2019 Small Business Profile

Montana

120,246 Small Businesses
99.3% of Montana Businesses

245,411 Small Business Employees
64.8% of Montana Employees



EMPLOYMENT
2,774
net new jobs



DIVERSITY
6,846
minority-owned
business employees



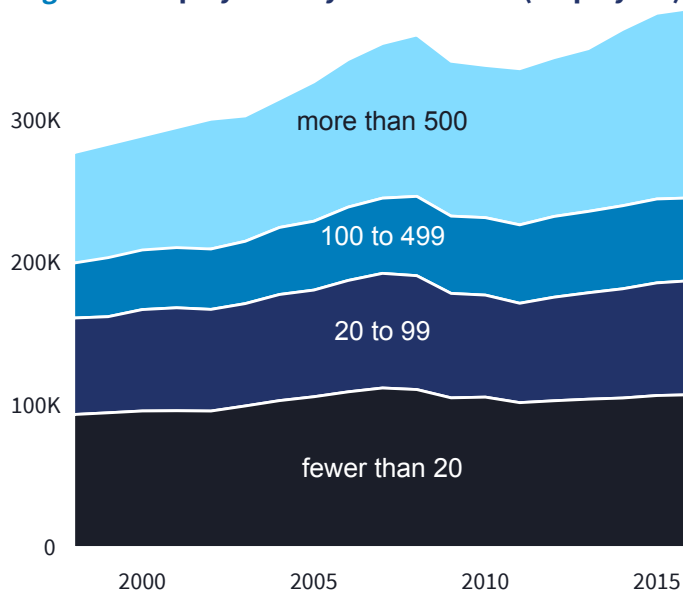
TRADE
1,056
small business
exporters

Overall Montana Economy

- In the third quarter of 2018, Montana grew at an annual rate of **3.4%**, which was the same as the overall US growth rate. Montana's 2017 growth rate of **0.3%** was up from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **3.8%**, unchanged from **3.8%** in February 2018. This was equal to the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Montana small businesses employed **245,411** people, or **64.8%** 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 **0.8%** during the 12-month period ending in February 2019. This was above the increase of **0.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.7%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **2,774** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **3,424** net jobs. The largest losses were in firms employing 100 to 499 employees, which lost **785** 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 4 between June 2016 and June 2017 to 51 banks. (Source: FDIC)
- In 2017, 24,108 loans under \$100,000 (valued at \$396.5 million) were issued by Montana lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$42,114 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$23,719. (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: Montana Employees per Business by Owner's Demographic, 2016

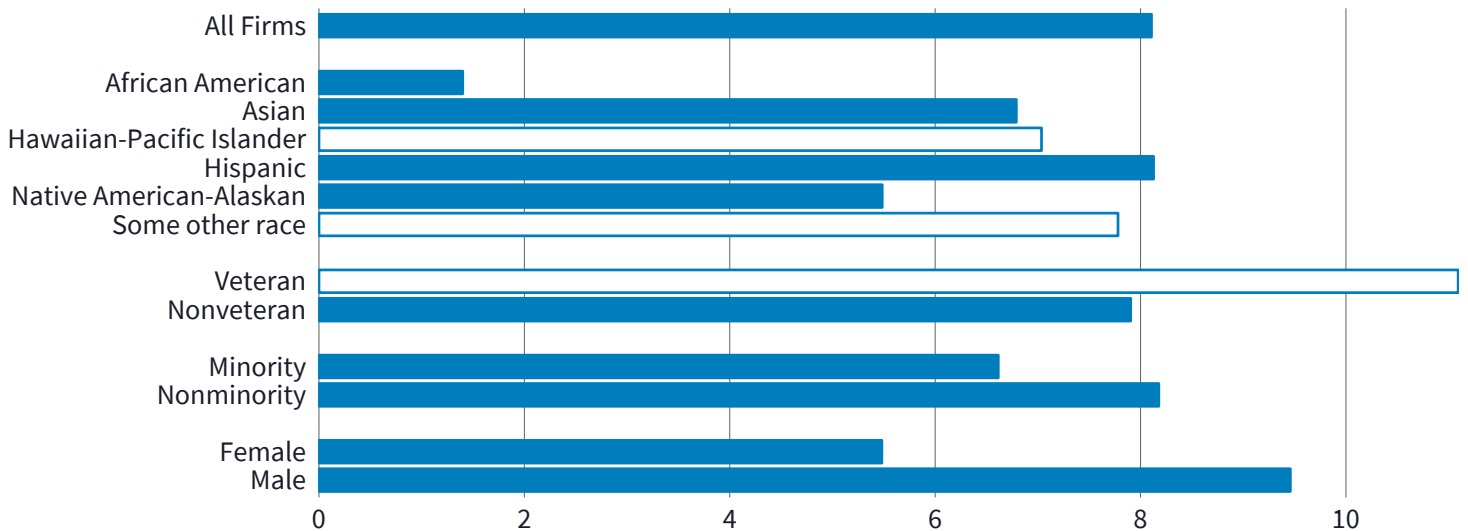
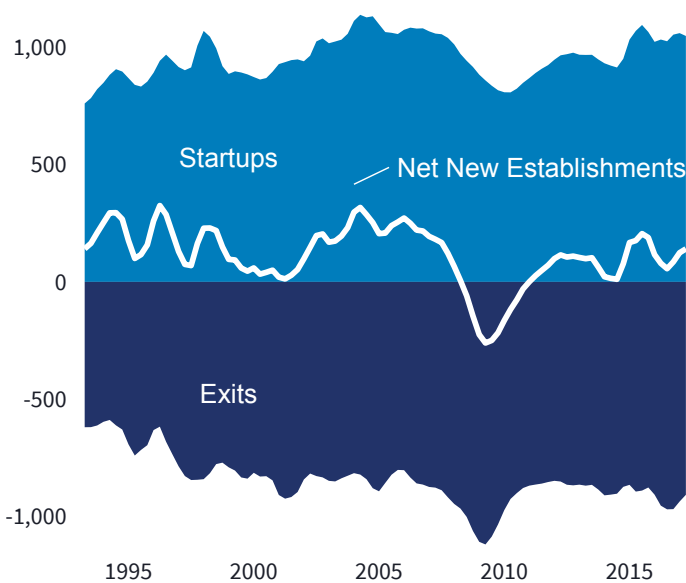


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information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

Turnover among Establishments with Employees

Figure 3: Montana Quarterly Startups and Exits



- In the third quarter of 2017, 1,091 establishments started up, generating 2,422 new jobs in Montana. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 983 establishments exited resulting in 2,752 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 1,243 companies exported goods from Montana in 2016. Of these, 1,056, or 85.0%, were small firms; they generated 55.5% of Montana's \$1.2 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Montana Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	42,513	51,557	82.5
Health Care and Social Assistance	39,434	70,286	56.1
Retail Trade	31,447	59,582	52.8
Construction	23,456	25,036	93.7
Other Services (except Public Administration)	15,909	16,424	96.9
Professional, Scientific, and Technical Services	15,240	20,616	73.9
Manufacturing	13,523	18,355	73.7
Wholesale Trade	10,004	16,643	60.1
Administrative, Support, and Waste Management	9,677	24,473	39.5
Arts, Entertainment, and Recreation	9,496	10,712	88.6
Finance and Insurance	8,001	16,982	47.1
Transportation and Warehousing	7,640	13,412	57.0
Educational Services	5,165	6,175	83.6
Real Estate and Rental and Leasing	4,915	5,774	85.1
Information	3,942	8,503	46.4
Mining, Quarrying, and Oil and Gas Extraction	2,168	6,012	36.1
Utilities	1,023	3,080	33.2
Agriculture, Forestry, and Fishing and Hunting	884	939	94.1
Management of Companies and Enterprises	875	3,803	23.0
Industries not classified	99	99	100.0
Total	245,411	378,463	64.8

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

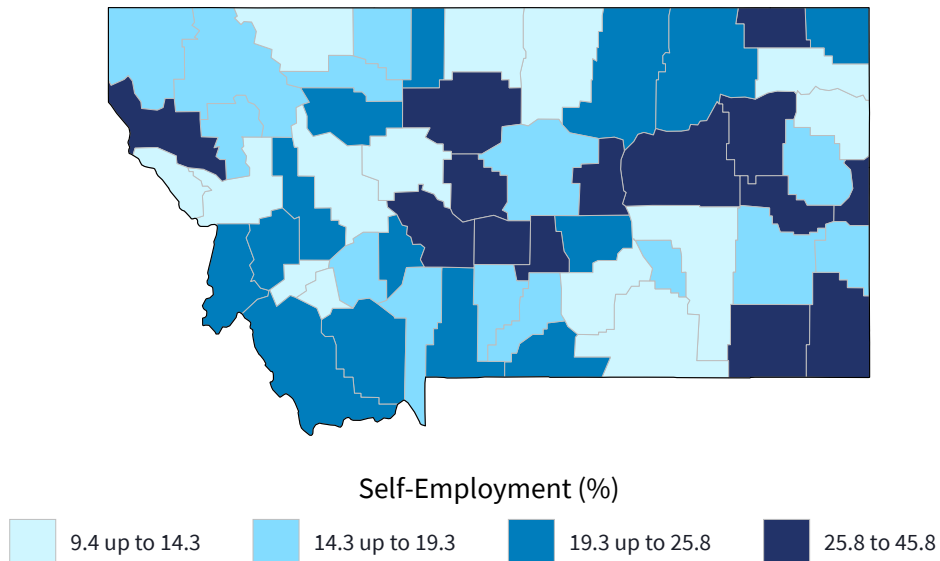


Table 2: Montana Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Construction	5,261	5,083	12,495	17,756
Other Services (except Public Administration)	3,034	2,875	11,892	14,926
Professional, Scientific, and Technical Services	3,401	3,236	11,283	14,684
Real Estate and Rental and Leasing	1,747	1,698	12,372	14,119
Retail Trade	3,453	3,083	8,498	11,951
Health Care and Social Assistance	2,935	2,583	5,116	8,051
Administrative, Support, and Waste Management	1,634	1,532	5,097	6,731
Arts, Entertainment, and Recreation	1,059	950	5,418	6,477
Accommodation and Food Services	3,088	2,449	1,586	4,674
Transportation and Warehousing	1,134	1,025	3,066	4,200
Manufacturing	1,223	1,051	2,081	3,304
Finance and Insurance	1,147	1,060	2,132	3,279
Agriculture, Forestry, and Fishing and Hunting	342	334	2,718	3,060
Wholesale Trade	1,023	816	1,261	2,284
Educational Services	370	306	1,870	2,240
Information	363	314	1,032	1,395
Mining, Quarrying, and Oil and Gas Extraction	295	263	670	965
Utilities	75	52	102	177
Total	31,557	28,784	88,689	120,246

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