

2019 Small Business Profile

Rhode Island



101,516 Small Businesses
98.9% of Rhode Island Businesses

229,974 Small Business Employees
52.8% of Rhode Island Employees



EMPLOYMENT
5,248
net new jobs



DIVERSITY
9,246
minority-owned
business employees



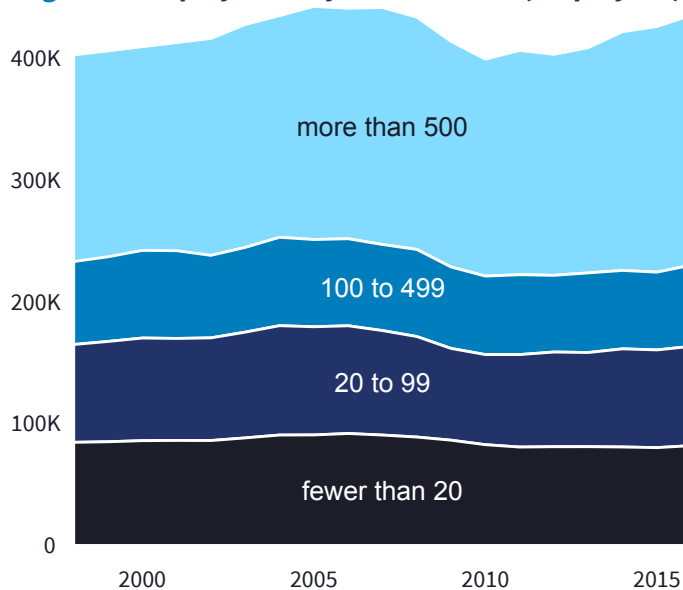
TRADE
1,424
small business
exporters

Overall Rhode Island Economy

- In the third quarter of 2018, Rhode Island grew at an annual rate of **2.9%**, which was slower than the overall US growth rate of **3.4%**. Rhode Island's 2017 growth rate of **0.7%** was up from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **3.9%**, down from **4.3%** in February 2018. This was above the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Rhode Island small businesses employed **229,974** people, or **52.8%** 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 **0.3%** during the 12-month period ending in February 2019. This was below the increase of **0.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **2.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **5,248** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **4,248** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **77** 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 was unchanged at **9** between June 2016 and June 2017. (Source: [FDIC](#))
- In 2017, **20,379** loans under \$100,000 (valued at **\$289.5 million**) were issued by Rhode Island lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$65,580** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$30,561**. (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: Rhode Island Employees per Business by Owner's Demographic, 2016

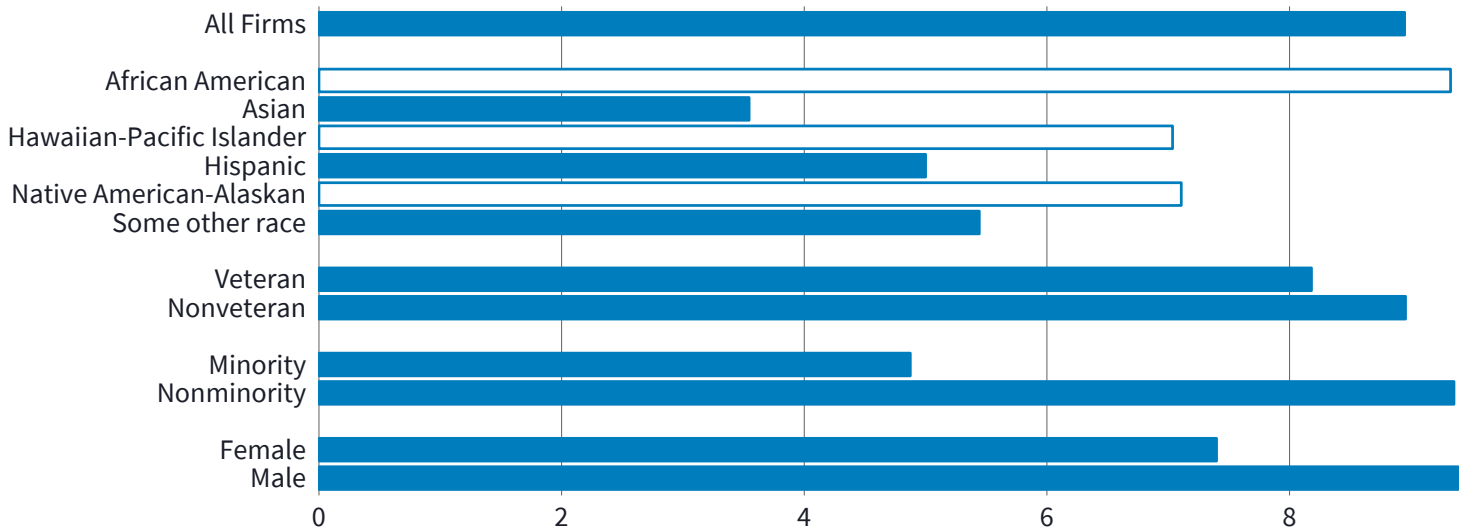
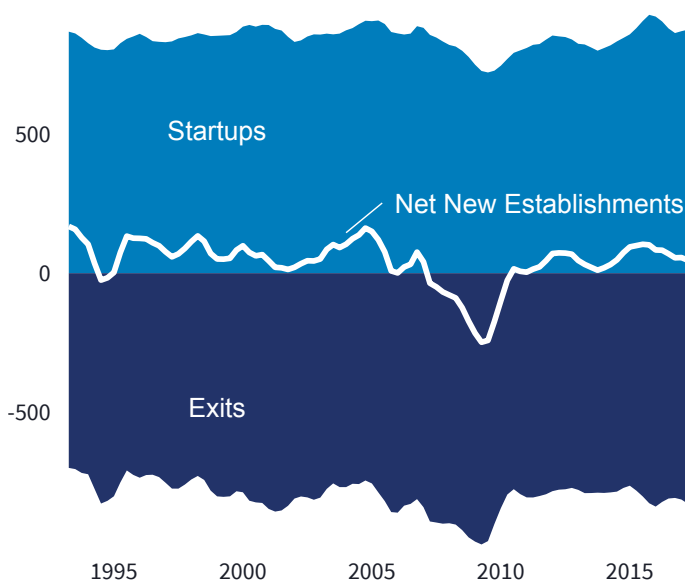


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information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

Turnover among Establishments with Employees

Figure 3: Rhode Island Quarterly Startups and Exits



- In the third quarter of 2017, **925** establishments started up, generating **2,989** new jobs in Rhode Island. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **894** establishments exited resulting in **2,361** 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 1,640 companies exported goods from Rhode Island in 2016. Of these, 1,424, or 86.8%, were small firms; they generated 62.7% of Rhode Island's \$2.0 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Rhode Island Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	43,170	88,587	48.7
Accommodation and Food Services	36,528	48,316	75.6
Manufacturing	24,856	40,132	61.9
Retail Trade	18,742	48,978	38.3
Construction	16,922	18,015	93.9
Professional, Scientific, and Technical Services	16,118	23,771	67.8
Other Services (except Public Administration)	15,691	17,402	90.2
Administrative, Support, and Waste Management	13,348	25,249	52.9
Wholesale Trade	11,959	20,245	59.1
Finance and Insurance	6,831	27,255	25.1
Educational Services	6,800	30,170	22.5
Arts, Entertainment, and Recreation	5,888	11,042	53.3
Transportation and Warehousing	4,581	11,503	39.8
Real Estate and Rental and Leasing	4,086	5,346	76.4
Information	2,480	7,035	35.3
Management of Companies and Enterprises	1,517	10,565	14.4
Agriculture, Forestry, and Fishing and Hunting	148	148	100.0
Mining, Quarrying, and Oil and Gas Extraction	126	146	86.3
Utilities	121	1,181	10.2
Industries not classified	62	62	100.0
Total	229,974	435,148	52.8

Figure 4: Rhode Island Self-Employment Rates by County, 2017

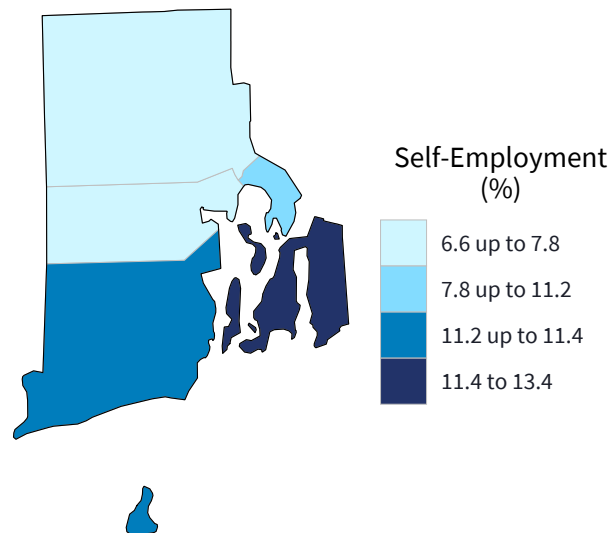


Table 2: Rhode Island Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	2,760	2,539	12,121	14,881
Other Services (except Public Administration)	2,708	2,558	11,365	14,073
Construction	3,096	2,937	8,374	11,470
Real Estate and Rental and Leasing	866	809	9,899	10,765
Retail Trade	2,540	2,303	5,416	7,956
Health Care and Social Assistance	2,260	1,859	5,670	7,930
Administrative, Support, and Waste Management	1,557	1,398	5,362	6,919
Arts, Entertainment, and Recreation	485	409	5,149	5,634
Transportation and Warehousing	592	524	4,567	5,159
Accommodation and Food Services	2,575	1,989	993	3,568
Educational Services	358	258	2,829	3,187
Finance and Insurance	687	611	1,939	2,626
Manufacturing	1,267	937	1,164	2,431
Wholesale Trade	1,075	857	1,201	2,276
Agriculture, Forestry, and Fishing and Hunting	39	37	1,187	1,226
Information	229	189	951	1,180
Utilities	12	10	187	199
Mining, Quarrying, and Oil and Gas Extraction	14	13	7	21
Total	23,135	20,290	78,381	101,516

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