

# 2020 Small Business Profile

## Maryland

**604,176** Small Businesses  
**99.5%** of Maryland Businesses

**1.2 million** Small Business Employees  
**49.5%** of Maryland Employees



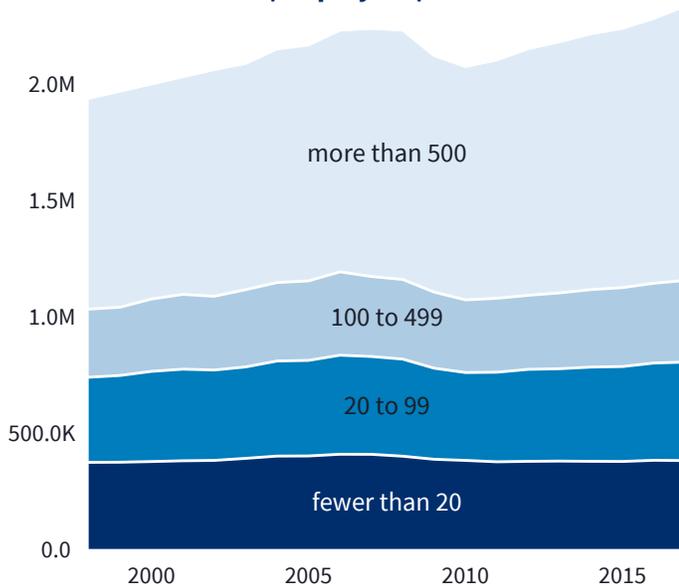
*A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.*

### Overall Economy

- In the fourth quarter of 2019, Maryland grew at an annual rate of **2.5%**, which was faster than the overall US growth rate of **2.1%**. Maryland's 2019 overall growth rate of **1.5%** was down from the 2018 rate of **2.5%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **9.9%**, up from **3.7%** in April 2019. This was below the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

### Employment

**Figure 1: Maryland Employment by Business Size (Employees)**



- Maryland small businesses employed **1.2 million** people, or **49.5%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with 20 to 99 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **14.9%** during the 12-month period ending in April 2020. This was below the increase of **1.0%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.6%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **17,857** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **16,411** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **533** net jobs. (Source: [BDM](#))

*The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.*

## Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$60,337** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$29,481**. (Source: [ACS](#))
- The total number of banks decreased by **4** between June 2018 and June 2019 to **43** banks. During the same period, the number of banks with assets under \$1 billion decreased by **6** to **31** banks. (Source: [FDIC](#))
- In 2018, Maryland lending institutions reporting under the Community Reinvestment Act issued **124,145** loans under \$100,000, a total value of **\$1.7 billion**. (Source: [FFIEC](#))

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed. The decline in the number of banks with assets under \$1 billion may exceed the change in the total number of banks due to mergers and asset balance changes.

## Self-Employment Demographics

**Figure 2: Maryland Self-Employment Rates by Gender & Demographic, 2018**

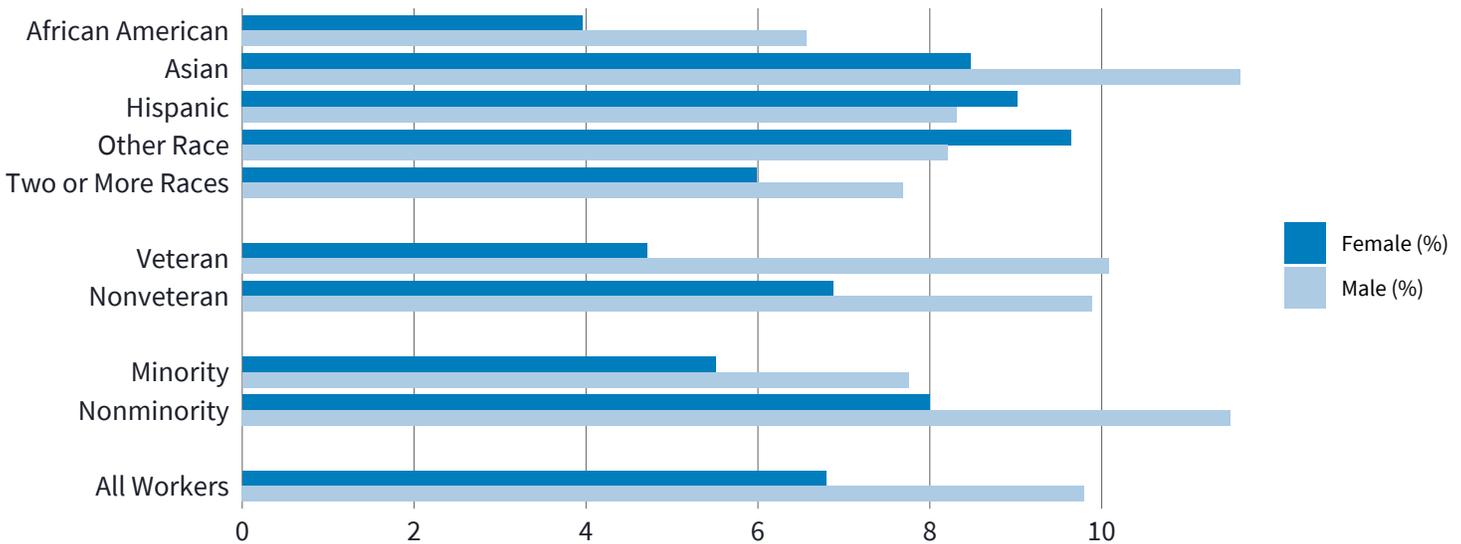
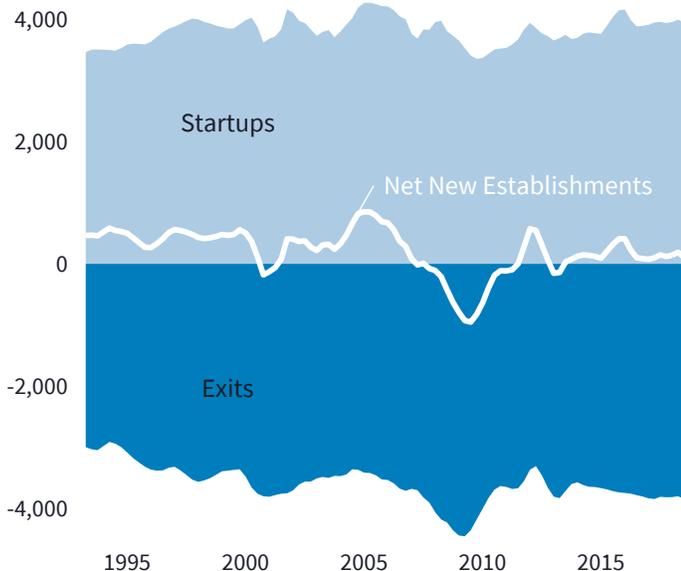


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

## Turnover among Establishments with Employees

**Figure 3: Maryland Quarterly Startups and Exits**



- In the fourth quarter of 2018, **3,580** establishments started up, generating **17,666** new jobs in Maryland. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **3,911** establishments exited, resulting in **14,033** 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 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM 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

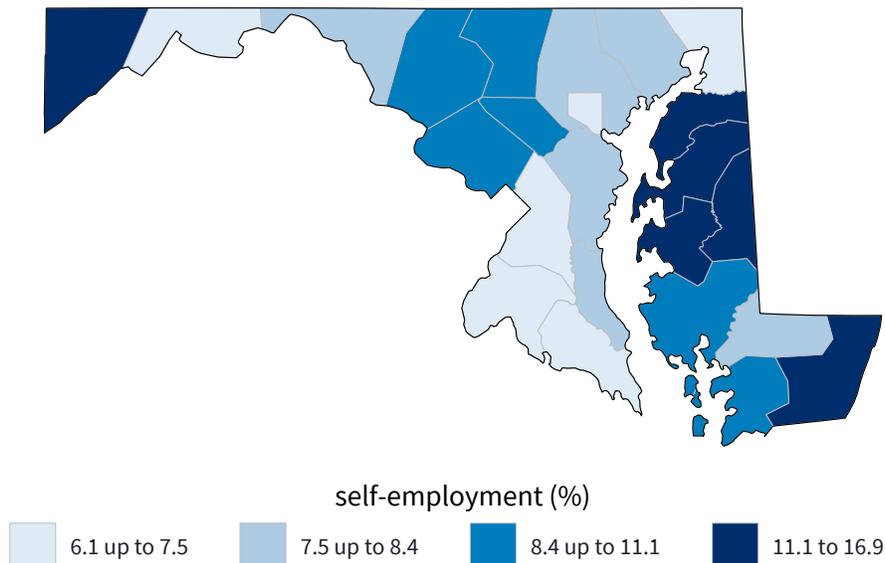
- A total of 6,546 firms exported goods from Maryland in 2018. Of these, 5,727, or 87.5%, were small firms, which generated 38.1% of Maryland's \$10.6 billion in total exports. (Source: ITA)

## Small Business Employment by Industry and Self-Employment by County

**Table 1: Maryland Employment by Industry, 2017**

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	169,686	380,827	44.6
Professional, Scientific, and Technical Services	149,160	283,162	52.7
Accommodation and Food Services	148,200	241,782	61.3
Construction	129,286	152,184	85.0
Other Services (except Public Administration)	99,400	115,764	85.9
Retail Trade	94,897	291,897	32.5
Administrative, Support, and Waste Management	90,640	209,742	43.2
Wholesale Trade	49,874	88,913	56.1
Manufacturing	45,376	98,646	46.0
Educational Services	36,100	83,377	43.3
Finance and Insurance	34,285	102,316	33.5
Real Estate and Rental and Leasing	27,722	46,521	59.6
Transportation and Warehousing	27,447	72,691	37.8
Arts, Entertainment, and Recreation	25,065	42,464	59.0
Information	17,787	53,537	33.2
Management of Companies and Enterprises	8,456	59,448	14.2
Agriculture, Forestry, and Fishing and Hunting	828	1,122	73.8
Utilities	723	9,888	7.3
Mining, Quarrying, and Oil and Gas Extraction	425	1,014	41.9
Industries Not Classified	184	184	100.0
<b>Total</b>	<b>1,155,541</b>	<b>2,335,479</b>	<b>49.5</b>

**Figure 4: Maryland Self-Employment Rates by County, 2018**



**Table 2: Maryland Small Businesses by Industry and Firm Size, 2017**

 Industry	 1-19 Employees	 1-499 Employees	 Nonemployer Firms	 Total Small Firms
Professional, Scientific, and Technical Services	16,056	18,000	78,310	96,310
Other Services (except Public Administration)	11,672	12,801	62,615	75,416
Health Care and Social Assistance	10,472	12,252	50,294	62,546
Construction	12,391	13,938	42,109	56,047
Real Estate and Rental and Leasing	4,134	4,519	51,286	55,805
Transportation and Warehousing	2,454	2,877	52,561	55,438
Administrative, Support, and Waste Management	5,898	6,997	38,834	45,831
Retail Trade	9,631	10,703	33,945	44,648
Arts, Entertainment, and Recreation	1,586	1,913	29,031	30,944
Educational Services	1,536	1,968	18,377	20,345
Accommodation and Food Services	6,936	9,220	7,627	16,847
Finance and Insurance	3,423	3,843	11,577	15,420
Wholesale Trade	3,176	4,063	5,383	9,446
Information	1,022	1,271	6,849	8,120
Manufacturing	1,981	2,600	4,529	7,129
Agriculture, Forestry, and Fishing and Hunting	189	196	3,406	3,602
Utilities	31	44	341	385
Mining, Quarrying, and Oil and Gas Extraction	21	31	87	118
<b>Total</b>	<b>92,724</b>	<b>107,015</b>	<b>497,161</b>	<b>604,176</b>

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 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 2018 American Community Survey (ACS).

**References**

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

- ACS American Community Survey, 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
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC 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