

2020 Small Business Profile

Montana

123,419 Small Businesses
99.3% of Montana Businesses

245,758 Small Business Employees
65.3% of Montana Employees



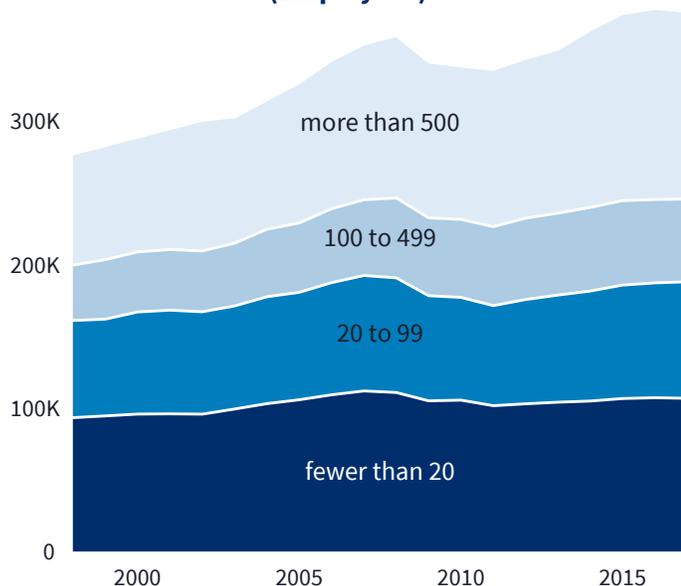
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Montana grew at an annual rate of **2.2%**, which was faster than the overall US growth rate of **2.1%**. Montana's 2019 overall growth rate of **2.1%** was down from the 2018 rate of **2.6%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **11.3%**, up from **3.5%** in April 2019. This was below the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Montana Employment by Business Size (Employees)



- Montana small businesses employed **245,758** people, or **65.3%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with fewer than 20 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **13.6%** during the 12-month period ending in April 2020. This was below the increase of **1.5%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **2.4%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **3,772** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **3,223** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **190** 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 **\$41,137** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$26,687**. (Source: [ACS](#))
- The total number of banks decreased by **1** between June 2018 and June 2019 to **47** banks. During the same period, the number of banks with assets under \$1 billion decreased by **1** to **44** banks. (Source: [FDIC](#))
- In 2018, Montana lending institutions reporting under the Community Reinvestment Act issued **25,316** loans under \$100,000, a total value of **\$423.7 million**. (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.

Self-Employment Demographics

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

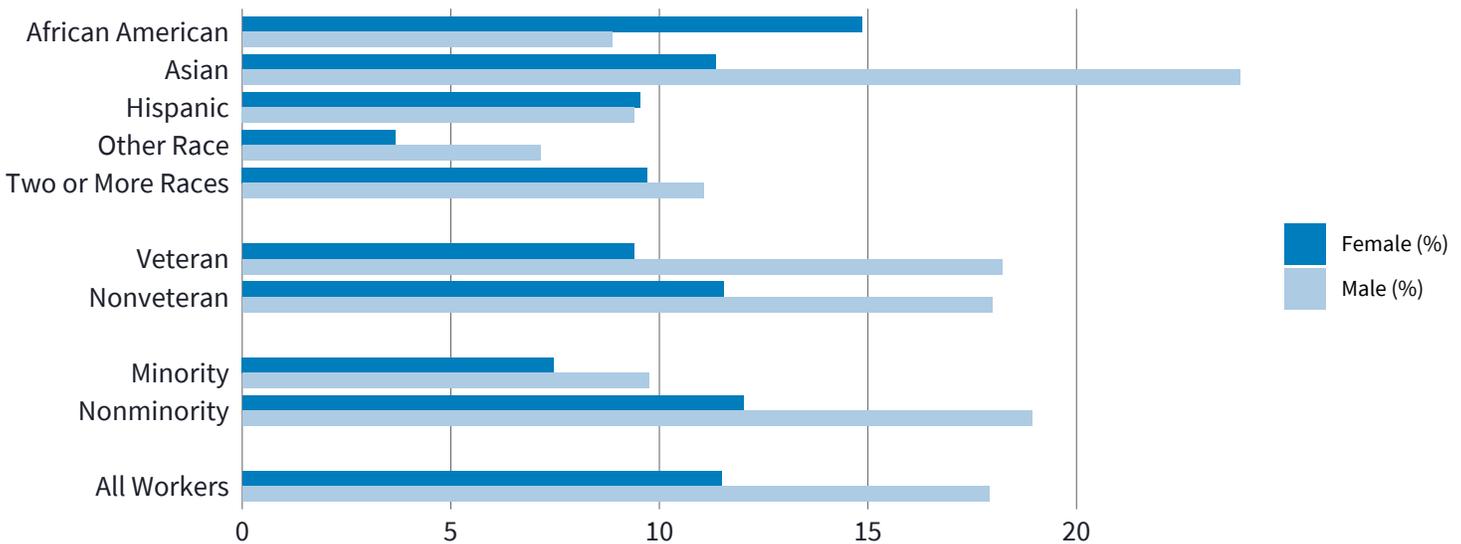
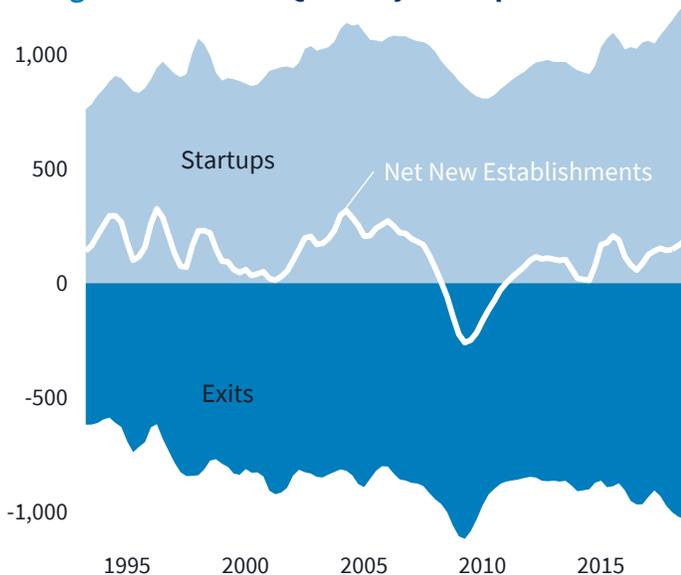


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Montana Quarterly Startups and Exits



- In the fourth quarter of 2018, **1,408** establishments started up, generating **4,167** 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, **967** establishments exited, resulting in **2,759** 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 **1,391** firms exported goods from Montana in 2018. Of these, **1,210**, or **87.0%**, were small firms, which generated **75.2%** of Montana's **\$1.4 billion** in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Montana Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	42,987	51,697	83.2
Health Care and Social Assistance	39,680	72,425	54.8
Retail Trade	31,461	58,233	54.0
Construction	23,840	25,575	93.2
Other Services (except Public Administration)	16,087	16,699	96.3
Professional, Scientific, and Technical Services	15,381	18,223	84.4
Manufacturing	13,388	18,996	70.5
Administrative, Support, and Waste Management	10,439	27,889	37.4
Wholesale Trade	9,636	15,720	61.3
Arts, Entertainment, and Recreation	8,873	9,927	89.4
Finance and Insurance	7,631	16,077	47.5
Transportation and Warehousing	6,910	11,779	58.7
Educational Services	5,402	6,440	83.9
Real Estate and Rental and Leasing	5,130	5,928	86.5
Information	4,148	8,722	47.6
Mining, Quarrying, and Oil and Gas Extraction	2,074	5,487	37.8
Utilities	1,061	3,058	34.7
Agriculture, Forestry, and Fishing and Hunting	939	1,019	92.1
Management of Companies and Enterprises	655	2,635	24.9
Industries Not Classified	36	36	100.0
Total	245,758	376,565	65.3

Figure 4: Montana Self-Employment Rates by County, 2018

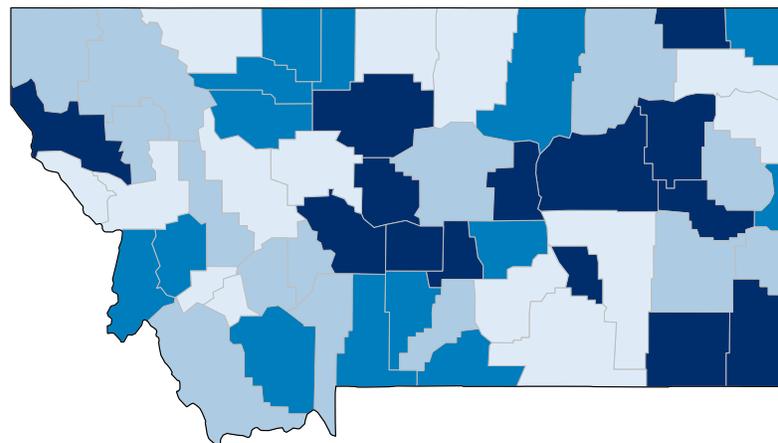


Table 2: Montana Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Construction	5,216	5,408	12,548	17,956
Other Services (except Public Administration)	2,919	3,090	12,117	15,207
Professional, Scientific, and Technical Services	3,317	3,499	11,586	15,085
Real Estate and Rental and Leasing	1,727	1,785	12,944	14,729
Retail Trade	3,019	3,405	8,960	12,365
Health Care and Social Assistance	2,586	2,957	5,208	8,165
Administrative, Support, and Waste Management	1,579	1,686	5,337	7,023
Arts, Entertainment, and Recreation	995	1,094	5,542	6,636
Accommodation and Food Services	2,456	3,094	1,640	4,734
Transportation and Warehousing	1,027	1,128	3,485	4,613
Manufacturing	1,061	1,244	2,143	3,387
Finance and Insurance	1,063	1,154	2,132	3,286
Agriculture, Forestry, and Fishing and Hunting	330	339	2,911	3,250
Educational Services	308	367	1,959	2,326
Wholesale Trade	836	1,036	1,217	2,253
Information	316	365	1,054	1,419
Mining, Quarrying, and Oil and Gas Extraction	243	269	658	927
Utilities	53	76	79	155
Total	29,065	31,899	91,520	123,419

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