

2020 Small Business Profile

Ohio

965,576 Small Businesses
99.6% of Ohio Businesses

2.2 million Small Business Employees
45.3% of Ohio Employees



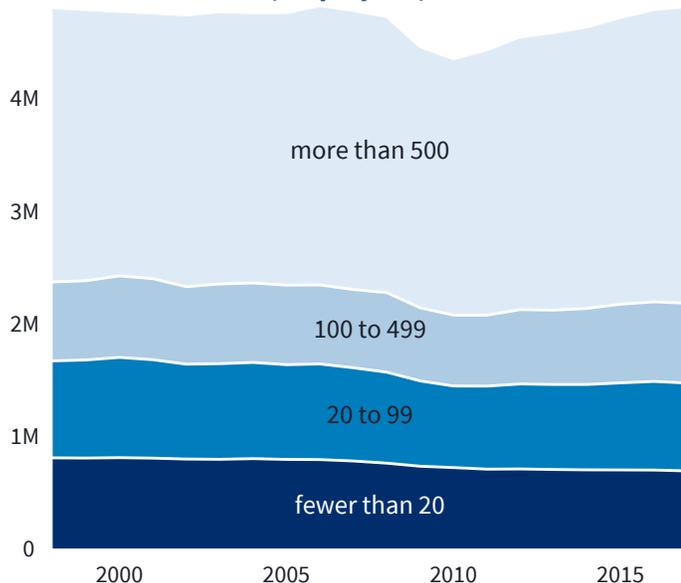
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Ohio grew at an annual rate of **1.6%**, which was slower than the overall US growth rate of **2.1%**. Ohio's 2019 overall growth rate of **1.7%** was down from the 2018 rate of **1.9%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **16.8%**, up from **4.1%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Ohio Employment by Business Size (Employees)



- Ohio small businesses employed **2.2 million** people, or **45.3%** 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 **17.2%** during the 12-month period ending in April 2020. This was below the increase of **0.8%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **2.9%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **44,523** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **29,132** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **2,685** 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 **\$50,609** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$24,561**. (Source: [ACS](#))
- The total number of banks decreased by **3** between June 2018 and June 2019 to **182** banks. During the same period, the number of banks with assets under \$1 billion decreased by **3** to **159** banks. (Source: [FDIC](#))
- In 2018, Ohio lending institutions reporting under the Community Reinvestment Act issued **169,948** loans under \$100,000, a total value of **\$2.6 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.

Self-Employment Demographics

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

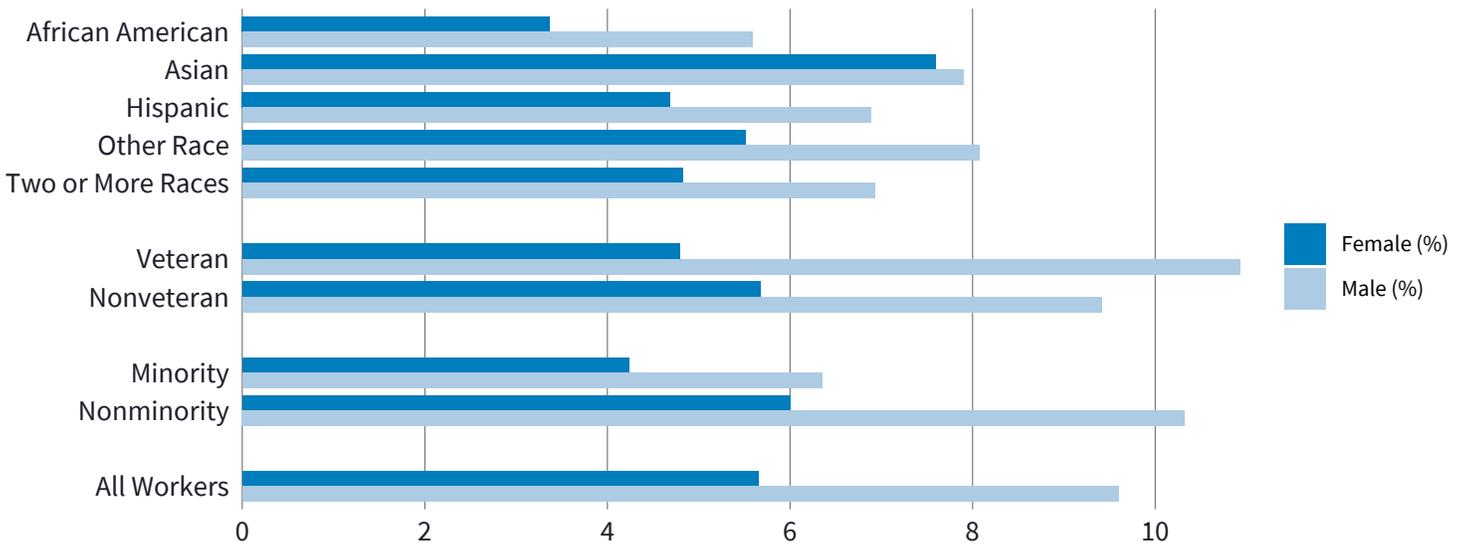
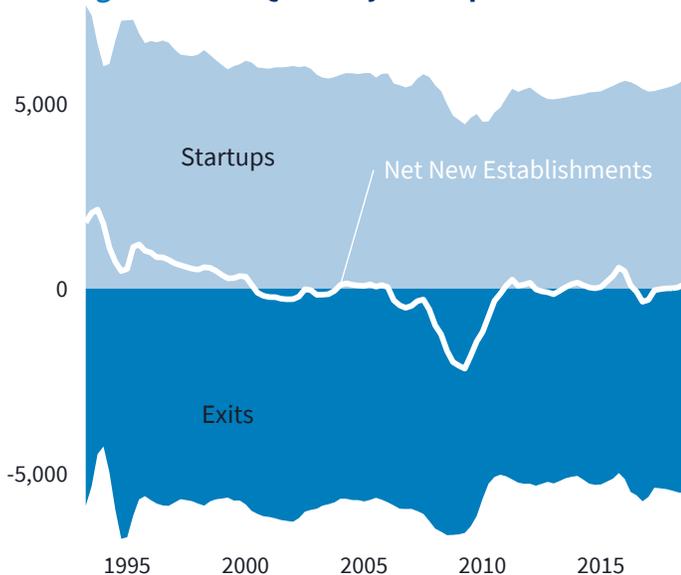


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Ohio Quarterly Startups and Exits



- In the fourth quarter of 2018, **6,116** establishments started up, generating **22,622** new jobs in Ohio. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **5,395** establishments exited, resulting in **19,286** 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 16,491 firms exported goods from Ohio in 2018. Of these, 14,600, or 88.5%, were small firms, which generated 22.9% of Ohio's \$50.0 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Ohio Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	358,923	845,432	42.5
Manufacturing	285,256	666,886	42.8
Accommodation and Food Services	279,234	476,575	58.6
Retail Trade	185,198	562,851	32.9
Other Services (except Public Administration)	172,657	199,968	86.3
Professional, Scientific, and Technical Services	161,595	254,878	63.4
Construction	160,491	192,295	83.5
Wholesale Trade	131,571	233,719	56.3
Administrative, Support, and Waste Management	130,005	390,027	33.3
Transportation and Warehousing	58,883	187,936	31.3
Finance and Insurance	58,384	257,609	22.7
Educational Services	56,210	116,737	48.2
Arts, Entertainment, and Recreation	48,220	76,581	63.0
Real Estate and Rental and Leasing	41,621	62,749	66.3
Information	24,399	99,186	24.6
Management of Companies and Enterprises	17,925	157,150	11.4
Mining, Quarrying, and Oil and Gas Extraction	5,194	10,621	48.9
Utilities	3,403	23,380	14.6
Agriculture, Forestry, and Fishing and Hunting	1,023	1,221	83.8
Industries Not Classified	145	145	100.0
Total	2,180,337	4,815,946	45.3

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

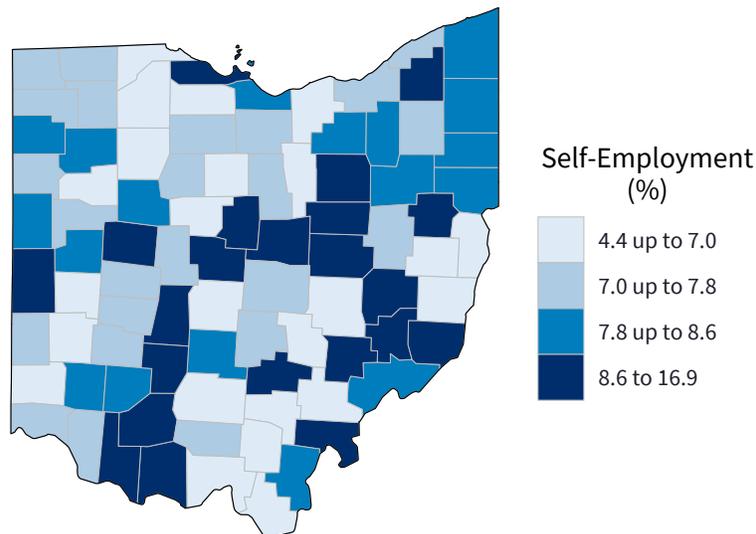


Table 2: Ohio Small Businesses by Industry and Firm Size, 2017

Industry	1–19 Employees	1–499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	22,450	24,238	109,284	133,522
Professional, Scientific, and Technical Services	18,865	20,815	99,107	119,922
Construction	17,602	19,424	89,566	108,990
Real Estate and Rental and Leasing	6,640	7,172	85,577	92,749
Retail Trade	17,070	19,177	71,262	90,439
Health Care and Social Assistance	15,135	18,953	62,368	81,321
Administrative, Support, and Waste Management	9,371	10,806	66,112	76,918
Transportation and Warehousing	4,663	5,554	58,244	63,798
Arts, Entertainment, and Recreation	2,927	3,518	42,404	45,922
Finance and Insurance	7,020	7,694	22,980	30,674
Accommodation and Food Services	12,576	16,690	11,128	27,818
Educational Services	1,903	2,645	24,680	27,325
Manufacturing	7,929	11,529	13,143	24,672
Wholesale Trade	7,668	9,767	12,027	21,794
Information	1,320	1,681	8,994	10,675
Agriculture, Forestry, and Fishing and Hunting	273	282	7,005	7,287
Mining, Quarrying, and Oil and Gas Extraction	417	496	1,599	2,095
Utilities	88	140	353	493
Total	153,977	179,743	785,833	965,576

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