

2020 Small Business Profile

Vermont

78,759 Small Businesses
99.0% of Vermont Businesses

157,322 Small Business Employees
60.8% of Vermont Employees



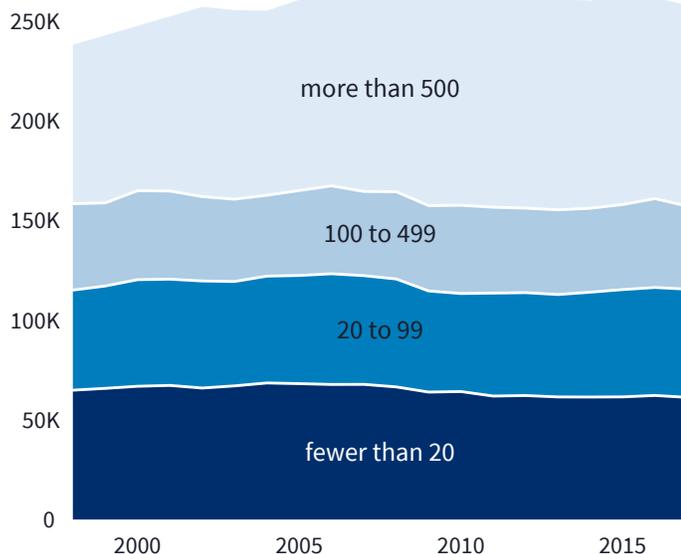
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Vermont grew at an annual rate of **2.3%**, which was faster than the overall US growth rate of **2.1%**. Vermont's 2019 overall growth rate of **2.5%** was up from the 2018 rate of **1.2%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **15.6%**, up from **2.3%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Vermont Employment by Business Size (Employees)



- Vermont small businesses employed **157,322** people, or **60.8%** 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 **25.4%** during the 12-month period ending in April 2020. This was below the increase of **0.4%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **2.5%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **1,635** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **1,537** net jobs. The largest losses were in firms employing 100 to 499 employees, which lost **24** 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 **\$45,819** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$22,935**. (Source: [ACS](#))
- The total number of banks was unchanged at **11** between June 2018 and June 2019. During the same period, the number of banks with assets under \$1 billion decreased by **1** to **10** banks. (Source: [FDIC](#))
- In 2018, Vermont lending institutions reporting under the Community Reinvestment Act issued **12,165** loans under \$100,000, a total value of **\$172.9 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. 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: Vermont Self-Employment Rates by Gender & Demographic, 2018

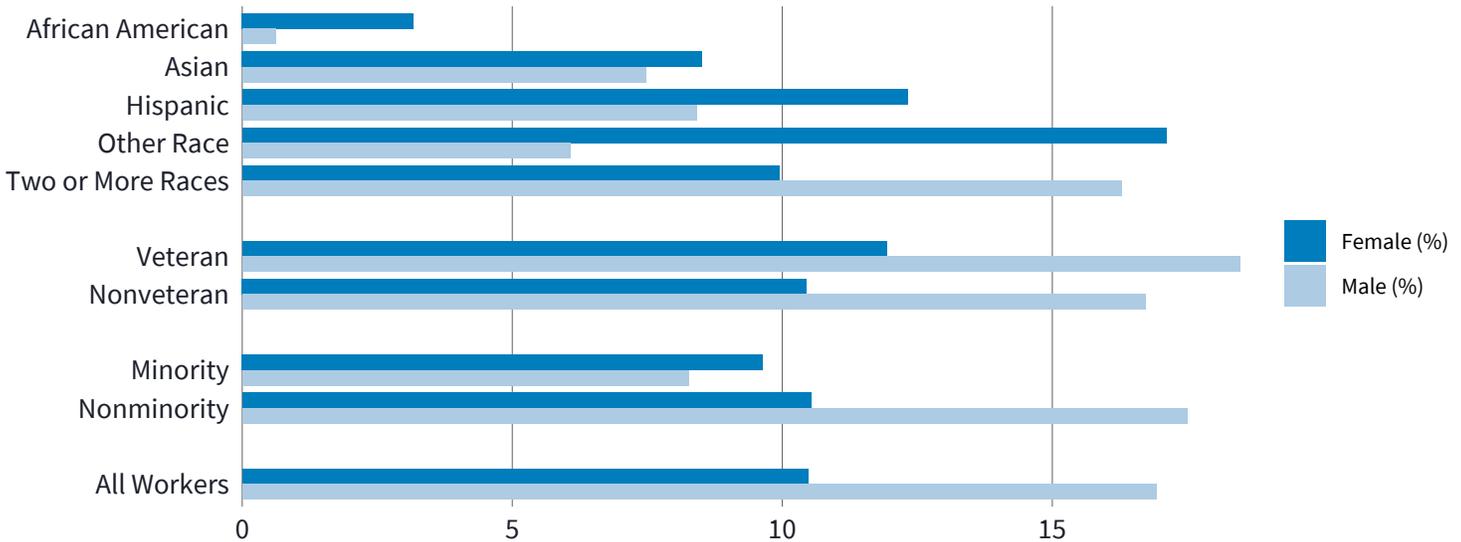
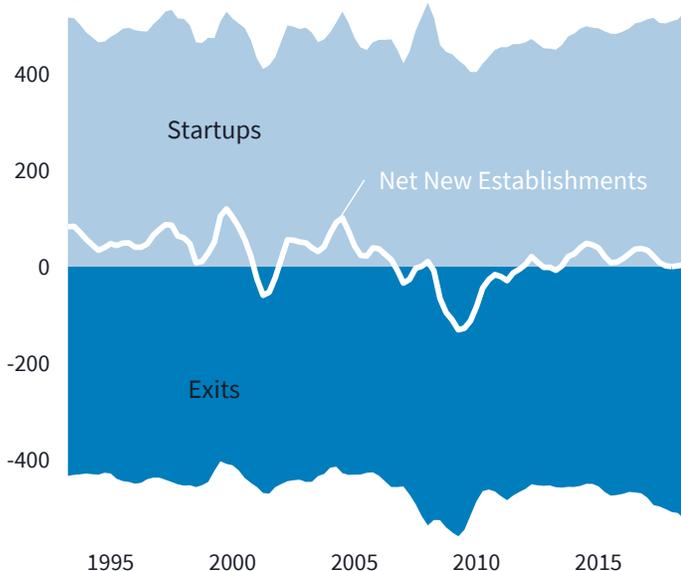


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Vermont Quarterly Startups and Exits



- In the fourth quarter of 2018, **544** establishments started up, generating **1,449** new jobs in Vermont. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **527** establishments exited, resulting in **1,553** 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 **1,137** firms exported goods from Vermont in 2018. Of these, **967**, or **85.0%**, were small firms, which generated **19.3%** of Vermont's **\$2.8 billion** in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Vermont Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	23,441	48,633	48.2
Accommodation and Food Services	21,346	33,179	64.3
Retail Trade	21,282	38,063	55.9
Manufacturing	16,062	28,569	56.2
Construction	13,187	14,506	90.9
Professional, Scientific, and Technical Services	10,346	12,733	81.3
Other Services (except Public Administration)	9,200	9,460	97.3
Wholesale Trade	7,700	10,985	70.1
Educational Services	7,532	15,414	48.9
Administrative, Support, and Waste Management	5,171	8,962	57.7
Finance and Insurance	5,065	8,927	56.7
Arts, Entertainment, and Recreation	4,734	7,767	61.0
Information	3,995	7,971	50.1
Transportation and Warehousing	3,719	6,111	60.9
Real Estate and Rental and Leasing	2,415	3,247	74.4
Management of Companies and Enterprises	928	2,102	44.1
Agriculture, Forestry, and Fishing and Hunting	503	503	100.0
Utilities	429	1,282	33.5
Mining, Quarrying, and Oil and Gas Extraction	252	447	56.4
Industries Not Classified	15	15	100.0
Total	157,322	258,876	60.8

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

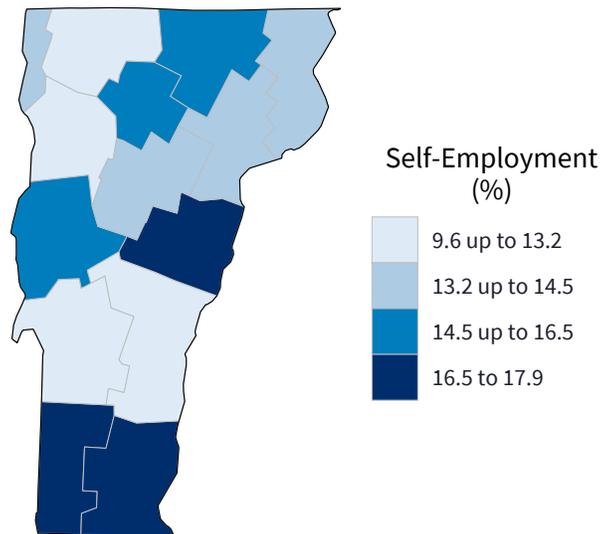


Table 2: Vermont Small Businesses by Industry and Firm Size, 2017

Industry	1–19 Employees	1–499 Employees	Nonemployer Firms	Total Small Firms
Construction	2,552	2,679	8,649	11,328
Professional, Scientific, and Technical Services	1,808	1,936	9,225	11,161
Other Services (except Public Administration)	1,855	1,936	7,161	9,097
Retail Trade	1,867	2,153	5,110	7,263
Real Estate and Rental and Leasing	603	634	5,794	6,428
Health Care and Social Assistance	1,325	1,601	4,779	6,380
Administrative, Support, and Waste Management	994	1,067	4,450	5,517
Arts, Entertainment, and Recreation	399	448	4,730	5,178
Accommodation and Food Services	1,344	1,671	1,223	2,894
Manufacturing	725	927	1,903	2,830
Educational Services	279	362	2,151	2,513
Transportation and Warehousing	351	409	1,627	2,036
Agriculture, Forestry, and Fishing and Hunting	142	145	1,875	2,020
Wholesale Trade	439	585	837	1,422
Finance and Insurance	340	393	953	1,346
Information	265	322	869	1,191
Utilities	16	25	119	144
Mining, Quarrying, and Oil and Gas Extraction	32	38	50	88
Total	15,344	17,254	61,505	78,759

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