

Rhode Island

Small businesses significantly impact Rhode Island's economy. They represent 95.9 percent of all employers and employ 55.4 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 95,471 in 2010.

This profile uses the latest available data to illustrate the status of Rhode Island's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Rhode Island's economy was strong in 2011, with real gross state product increasing 2.6 percent and private-sector employment increasing 0.6 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 221,019 workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Rhode Island had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.4 percent.
- Most of Rhode Island's small businesses are very small as 74.6 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in Rhode Island improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit www.sba.gov/updates to subscribe to Advocacy's Listservs.

Rhode Island Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	23,537	23,837	24,341
Large employers (500+ employees)	1,019	1,008	902
Nonemployers	71,934	72,099	59,406
Level in 2007* (000)			
	Firms		Employment Receipts(\$M)
Business Owner Demographics			
Male-owned	55	142	26,714
Woman-owned	26	22	2,772
Equally male/female-owned	11	27	2,988
African American-owned	3	1	107
Asian-owned	2	4	525
Hispanic-owned	6	2	311
Native American/Alaskan-owned	0	n.a.	n.a.
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	14	32	6,168
Publicly held, unclassified	4	241	50,349
	Level in 2011*	% Change from	
		2010	2000
Workforce (Thousands)			
Private-sector employment	400	0.6	-3.1
Government employment	61	-1.8	-5.9
Self-employed (incorp. & uninc.)	49	-1.3	26.1
Female self-employment	15	-0.6	55.4
Male self-employment	34	-1.6	16.4
Minority self-employment	6	16.1	114.4
Veteran self-employment	3	-40.9	-70.8
Unemployment Rate (Percent)	11.3	-0.4†	7.1‡
Business Turnover			
Quarterly establishment openings	6,786	0.3	0.4
Quarterly establishment closings	6,740	-1.8	2.9
Business bankruptcies	144	-14.8	94.6
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	2.9	2.7	2.0
Number of bank branches	260	259	220
No. of bus. loans under \$100,000‡	7,862	13,850	9,644
Total value of business loans under \$100,000 (\$million)‡	150	169	106

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.

* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in Rhode Island by Industry and Firm Size, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	71.9	24.6	20.9	23.5	399.0	82.7	221.0
Forestry, etc. and agriculture support	1.2	0.0	0.0	0.0	0.1	0.1	0.1
Mining	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Utilities	0.0	0.0	0.0	0.0	1.1	D	0.1
Construction	8.5	3.1	2.9	3.1	16.1	8.6	15.2
Manufacturing	1.2	1.5	1.1	1.5	40.6	6.2	26.8
Wholesale trade	1.3	1.3	0.9	1.2	18.2	4.2	11.7
Retail trade	5.4	2.9	2.5	2.7	46.0	10.1	18.1
Transportation and warehousing	2.1	0.6	0.5	0.5	9.6	1.5	3.7
Information	0.9	0.3	0.2	0.2	7.1	0.8	2.7
Finance and insurance	2.0	0.9	0.7	0.7	25.9	2.2	6.6
Real estate and rental and leasing	9.0	0.9	0.8	0.8	5.6	2.3	4.1
Professional, scientific, and technical svcs.	11.3	2.9	2.6	2.8	23.1	8.4	16.0
Management of companies and enterprises	0.0	0.1	0.0	0.1	8.9	D	1.5
Admin., support, waste mgt., remed. svcs.	5.2	1.6	1.4	1.5	21.0	3.7	13.5
Educational services	2.5	0.4	0.3	0.4	25.6	1.1	6.0
Health care and social assistance	5.9	2.5	2.0	2.4	84.0	10.8	44.3
Arts, entertainment, and recreation	4.2	0.5	0.4	0.5	8.1	1.7	5.4
Accommodation and food services	1.0	2.5	2.0	2.5	41.1	11.2	29.8
Other services (except public admin.)	10.3	2.7	2.6	2.7	16.8	9.8	15.2
Unclassified	0.0	0.0	0.0	0.0	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-8,195	2,086	-703	-2,485	-1,497	-4,743	-7,342	-853
2009	-20,874	785	-1,459	-1,586	-4,832	-5,678	-12,770	-8,104
2008	-4,059	1,557	-1,024	-1,075	-2,333	65	-2,810	-1,249
2007	6,365	2,792	-652	-810	-1,554	-120	-344	6,709

Note: Data source differs from previous publications.

Source: U.S. Dept. of Commerce, Bureau of the Census, Business Dynamic Statistics. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	1.6	1.7	1.7	1.7	4.4	5.4	5.0	5.1
Expansions	5.4	5.8	5.6	5.7	17.6	21.0	18.3	18.7
Contractions	5.9	5.7	5.9	5.8	18.5	20.1	18.8	19.8
Closings	1.6	1.7	1.7	1.7	4.6	4.6	4.5	5.1

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.