

Montana

114,293 Small Businesses

30,223 Small Businesses with Employees

84,070 Small Businesses without Employees (Nonemployers)

226,492 Workers Employed by Small Businesses

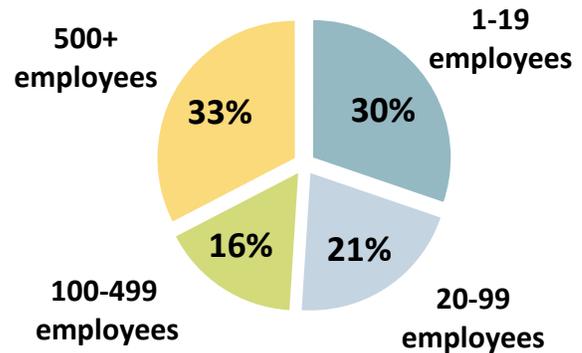
State Economy Overall

- Montana's economy grew at a slower rate than the United States in 2012. Montana's real gross state product increased by **2.1 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Montana has improved. The unemployment rate in Montana declined from **5.7 percent** in December 2012 to **5.2 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Montana's small businesses employed over two-thirds or **226,492** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **97.4 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: accommodation & food services, health care & social assistance, and retail trade (see **Table 4**).
- In Montana, small businesses had a net loss of **3,419** jobs in 2011. The biggest loss was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **2.3 percent**, which was above the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: Montana Employment by Size of Firm, 2011



Source: SUSB

The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **8.8 percent** in the 3rd quarter of 2013 and totaled **\$3.6 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **25,877** loans under \$100,000 (and valued at **\$302.7 million**) were issued by Community Reinvestment Act lending institutions in Montana. (Source: FFIEC)

Business Owner Demographics

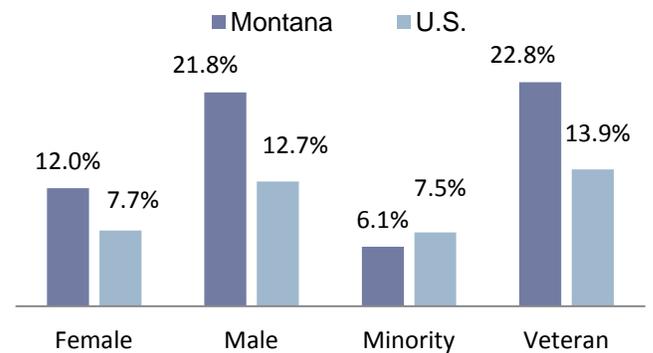
- In 2011, there were an estimated **28,000** woman-owned businesses and **4,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Montana Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	53,000	45.9
Woman Owned	28,000	24.6
Equally Male and Female Owned	29,000	25.5
Minority Owned	4,000	3.7
Veteran Owned	12,000	10.6

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/mt10.pdf.

Figure 2: Montana Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives Montana's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **2,063** establishments opened and **1,950** closed in the state of Montana. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Montana

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	2,453	42.1
2007	2,973	46.1
2010	2,032	70.6

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **1,629** companies exported goods from the state in 2012. Of these, **1,385** or **85 percent** were small firms; they generated over two-thirds (**70.8 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Montana Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Construction	4,855	4,696	12,176	17,031
Retail trade	3,547	3,199	8,294	11,841
Professional, scientific, & tech. svcs.	3,305	3,143	10,462	13,767
Accommodation & food services	3,001	2,451	1,395	4,396
Other services (except public admin.)	2,909	2,783	11,460	14,369
Health care & social assistance	2,786	2,467	5,428	8,214
Admin., supp., waste mgt., remed. svcs.	1,534	1,451	5,136	6,670
Real estate & rental & leasing	1,503	1,457	10,559	12,062
Manufacturing	1,139	995	1,981	3,120
Finance & insurance	1,134	1,034	2,343	3,477
Transportation & warehousing	1,128	1,037	2,938	4,066
Wholesale trade	1,028	830	1,196	2,224
Arts, entertainment, & recreation	1,019	927	4,566	5,585
Forestry, etc. & agriculture support	345	337	2,729	3,074
Information	342	295	959	1,301
Educational services	319	268	1,544	1,863
Mining	307	264	803	1,110
Utilities	70	48	101	171
Unclassified	68	68	0	68
Management of comp. & enterprises	67	17	0	67
Total	30,223	27,739	84,070	114,293

Table 4: Employment in Montana by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Accommodation & food services	38,107	43,980	87
Health care & social assistance	37,948	64,520	59
Retail trade	29,558	55,554	53
Construction	18,826	20,148	93
Professional, scientific, & tech. svcs.	14,727	16,677	88
Other services (except public admin.)	14,304	14,907	96
Manufacturing	11,186	16,535	68
Wholesale trade	9,581	14,078	68
Admin., supp., waste mgt., remed. svcs.	9,072	19,576	46
Arts, entertainment, & recreation	8,691	9,475	92
Finance & insurance	8,450	16,047	53
Transportation & warehousing	6,720	10,762	62
Real estate & rental & leasing	4,619	5,461	85
Information	4,309	9,261	47
Educational services	4,247	5,725	74
Mining	2,810	6,522	43
Management of comp. & enterprises	1,188	2,787	43
Utilities	1,101	2,988	37
Forestry, etc. & agriculture support	969	1,028	94
Unclassified	D	D	D
Total	226,492	336,110	67

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

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

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .