

## Rhode Island

**96,228** Small Businesses

**23,168** Small Businesses with Employees

**73,060** Small Businesses without Employees (Nonemployers)

**222,139** Workers Employed by Small Businesses

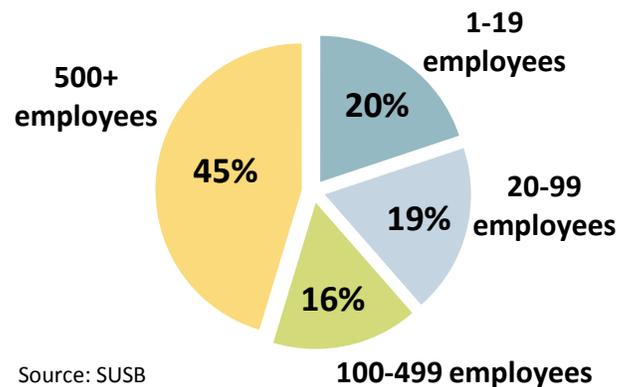
### State Economy Overall

- Rhode Island's economy grew at a slower rate than the United States in 2012. Rhode Island's real gross state product increased by **1.4 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Rhode Island has improved. The unemployment rate in Rhode Island declined from **10.2 percent** in December 2012 to **9.1 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

### Employment

- Rhode Island's small businesses employed over half or **222,139** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **95.7 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: health care & social assistance, accommodation & food services, and manufacturing (**Table 4**).
- In Rhode Island, small businesses created **3,362** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.3 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

**Figure 1: Rhode Island Employment by Size of Firm, 2011**



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 **7.1 percent** in the 3<sup>rd</sup> 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](http://www2.fdic.gov/sod/sodSummary.asp?barItem=3).
- In 2012, **17,375** loans under \$100,000 (and valued at **\$209.6 million**) were issued by Community Reinvestment Act lending institutions in Rhode Island. (Source: FFIEC)

## Business Owner Demographics

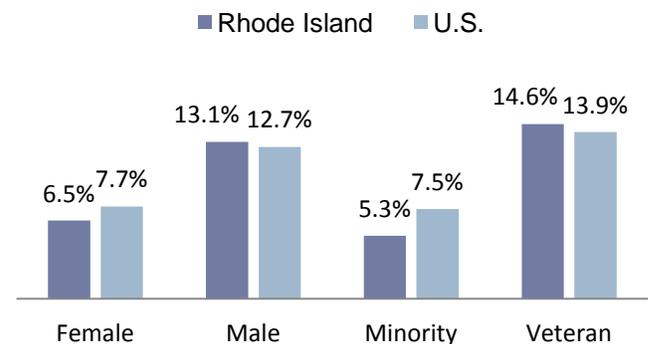
- In 2011, there were an estimated **27,000** woman-owned businesses and **10,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

**Table 1. Demographics of All Rhode Island Businesses, 2011**

	Number of All Businesses <sup>e</sup>	Share of All Businesses (%) <sup>*</sup>
Male Owned	55,000	56.7
Woman Owned	27,000	27.3
Equally Male and Female Owned	11,000	11.6
Minority Owned	10,000	10.1
Veteran Owned	11,000	11.0

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/ri10.pdf](http://www.sba.gov/sites/default/files/files/ri10.pdf).

**Figure 2: Rhode Island Self-Employment Demographics, 2012**



Source: CPS

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

## Business Turnover

- **Table 2** gives Rhode Island's establishment survival rates over an eight-year period, 2002-2010.
- In the 2<sup>nd</sup> quarter of 2013, **1,675** establishments opened and **1,709** closed in the state of Rhode Island. (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 Rhode Island**

	Establishments Opened*	Share Surviving Until 2012 (%)
2002	2,450	32.5
2007	2,476	44.2
2010	1,863	63.9

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

## International Trade

- A total of **1,694** companies exported goods from the state in 2012. Of these, **1,503** or **88.7 percent** were small firms; they generated over three-fifths (**63.2 percent**) of the state's total known export value. (Source: ITA)

**Table 3: Number of Rhode Island 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	2,971	2,848	8,588	11,559
Professional, scientific, & tech. svcs.	2,743	2,556	11,486	14,229
Other services (except public admin.)	2,648	2,503	10,926	13,574
Retail trade	2,639	2,419	5,513	8,152
Accommodation & food services	2,469	2,003	1,003	3,472
Health care & social assistance	2,401	1,986	5,770	8,171
Admin., supp., waste mgt., remed. svcs.	1,511	1,361	5,227	6,738
Manufacturing	1,425	1,073	1,121	2,546
Wholesale trade	1,158	919	1,265	2,423
Real estate & rental & leasing	829	764	8,977	9,806
Finance & insurance	722	634	2,073	2,795
Transportation & warehousing	524	460	2,121	2,645
Arts, entertainment, & recreation	484	409	4,334	4,818
Educational services	357	267	2,491	2,848
Information	219	172	914	1,133
Management of comp. & enterprises	65	18	0	65
Unclassified	42	42	0	42
Forestry, etc. & agriculture support	40	39	1,211	1,251
Mining	19	18	7	26
Utilities	7	6	33	40
<b>Total</b>	<b>23,168</b>	<b>20,484</b>	<b>73,060</b>	<b>96,228</b>

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

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	44,773	84,176	53
Accommodation & food services	29,939	41,571	72
Manufacturing	27,941	39,802	70
Retail trade	18,401	48,083	38
Professional, scientific, & tech. svcs.	15,725	23,555	67
Other services (except public admin.)	15,178	16,727	91
Construction	14,056	14,943	94
Admin., supp., waste mgt., remed. svcs.	13,893	21,539	65
Wholesale trade	11,849	18,639	64
Finance & insurance	6,772	24,441	28
Educational services	6,158	27,772	22
Arts, entertainment, & recreation	5,467	8,272	66
Real estate & rental & leasing	3,902	5,606	70
Transportation & warehousing	3,814	9,536	40
Information	2,714	6,790	40
Management of comp. & enterprises	1,219	13,328	9
Forestry, etc. & agriculture support	108	108	100
Utilities	53	1,122	5
Mining	D	138	D
Unclassified	D	D	D
<b>Total</b>	<b>222,139</b>	<b>406,222</b>	<b>55</b>

Source, Tables 3 and 4: SUSB

See [www.sba.gov/advocacy/847/841921](http://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

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