

Rhode Island

96,166 Small Businesses

23,012 Small Businesses with Employees

73,154 Small Businesses without Employees (Nonemployers)

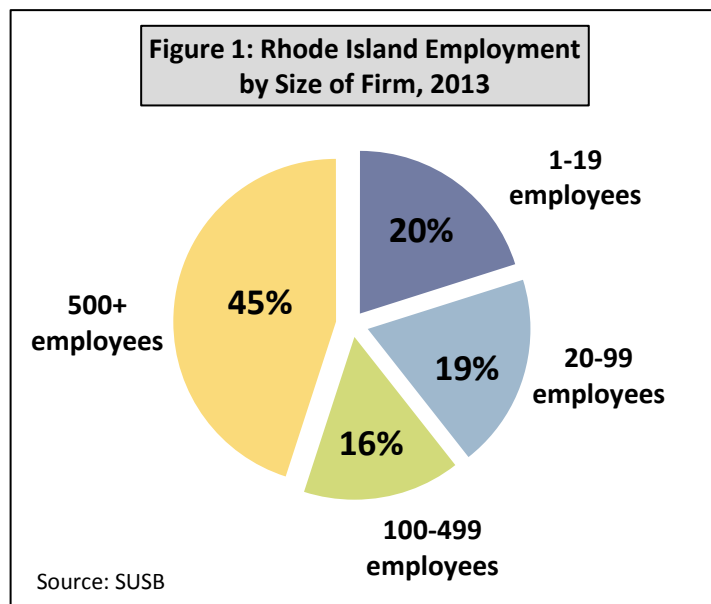
221,636 Workers Employed by Small Businesses

State Economy Overall

- Rhode Island's economy grew at a slower rate than the United States in 2013. Rhode Island's real gross state product increased by **1.4 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Rhode Island has improved. The unemployment rate in Rhode Island declined from **9.4 percent** in October 2013 to **7.4 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Rhode Island's small businesses employed over half or **221,636** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **95.8 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Rhode Island, small businesses created **4,671** net new jobs in 2012. 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 in 2013 increased by **3.4 percent** relative to the previous year.
- The state's private-sector employment growth increased by **1.2 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. 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

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- 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)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$52,322** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$23,587**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

Business Owner Demographics

- **Table 1** shows the top industry for nine business owner demographics. For example, **30.8 percent** of female-owned businesses were in the professional, scientific, and technical services industry, and female-owned firms made up **17.0 percent** of this industry.

Table 1: Top Industry by Demographic Group in Rhode Island, 2007

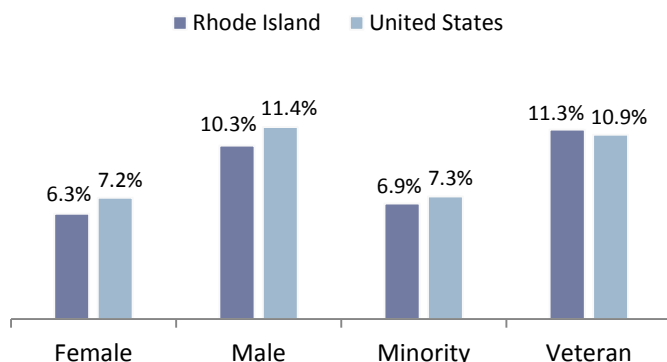
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Prof., sci., & tech. services	30.8	17.0
Male	Construction	80.8	18.8
American Indian and Alaska Native	*	*	*
Asian	Other services	4.6	24.6
Black or African American	Health care & social assistance	7.8	20.2
Native Hawaiian and Other Pacific Islander	*	*	*
White	Prof., sci., & tech. services	93.0	15.5
Hispanic	Health care & social assistance	11.7	17.0
Veteran	Prof., sci., & tech. services	13.1	17.8

*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

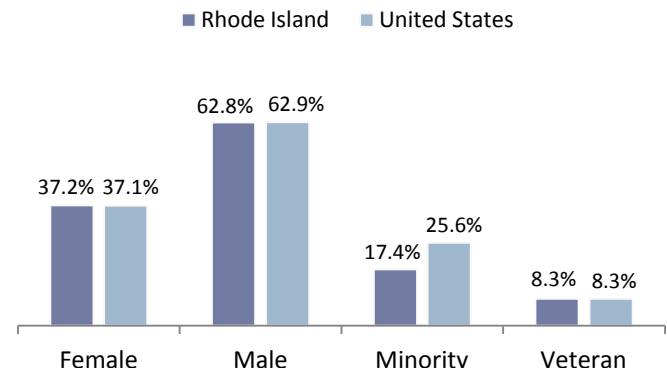
- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **6.3 percent** of females were self-employed, and **Figure 2b** shows that **37.2 percent** of all self-employed people were female.

Figure 2a: What percent of each demographic group are self-employed in Rhode Island?



Source: ACS

Figure 2b: What percent of self-employed individuals in Rhode Island are in each demographic group?



Source: ACS

Business Turnover

- In 2010, **1,863** establishments opened in Rhode Island, and **63.9 percent** survived through 2012. In 2013, **2,227** establishments opened, and **76.1 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **1,729** establishments opened and **1,709** closed in the state of Rhode Island. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

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)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Table 2: Number of Rhode Island Small Firms by Industry, 2012
(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	2,918	2,776	8,277	11,195
Professional, scientific, & tech. svcs.	2,776	2,565	11,470	14,246
Other services (except public admin.)	2,698	2,551	10,902	13,600
Retail trade	2,620	2,395	5,473	8,093
Accommodation & food services	2,481	1,988	991	3,472
Health care & social assistance	2,340	1,925	5,678	8,018
Admin., supp., waste mgt., remed. svcs.	1,484	1,322	5,343	6,827
Manufacturing	1,420	1,077	1,184	2,604
Wholesale trade	1,132	889	1,231	2,363
Real estate & rental & leasing	828	770	9,106	9,934
Finance & insurance	687	596	2,056	2,743
Transportation & warehousing	522	458	2,096	2,618
Arts, entertainment, & recreation	476	406	4,520	4,996
Educational services	365	278	2,600	2,965
Information	223	178	982	1,205
Management of comp. & enterprises	57	12	*	57
Forestry, etc. & agriculture support	42	41	1,179	1,221
Unclassified	27	27	*	27
Mining, quarrying, and oil & gas extrac.	16	15	11	27
Utilities	13	13	55	68
Total	23,012	20,269	73,154	96,166

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three Rhode Island industries with the most small business employment were: health care and social assistance; accommodation and food services; and manufacturing (**Table 3**).

**Table 3: Employment in Rhode Island by Industry and Firm Size, 2012
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	43,932	84,287	52.1
Accommodation & food services	31,219	43,296	72.1
Manufacturing	26,462	38,328	69.0
Retail trade	18,304	47,226	38.8
Professional, scientific, & tech. svcs.	15,378	21,643	71.1
Other services (except public admin.)	15,334	17,084	89.8
Construction	14,211	15,142	93.9
Admin., supp., waste mgt., remed. svcs.	13,963	21,476	65.0
Wholesale trade	11,890	18,805	63.2
Finance & insurance	7,097	23,893	29.7
Educational services	6,276	26,797	23.4
Arts, entertainment, & recreation	5,221	8,456	61.7
Transportation & warehousing	4,338	10,171	42.7
Real estate & rental & leasing	3,863	5,577	69.3
Information	2,474	7,110	34.8
Management of comp. & enterprises	1,320	12,234	10.8
Forestry, etc. & agriculture support	126	126	100.0
Mining, quarrying, and oil & gas extraction	112	147	76.2
Utilities	75	1,138	6.6
Unclassified	41	41	100.0
Total	221,636	402,977	55.0

Source: SUSB.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
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 .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
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 .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
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 .