

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

VERMONT



76,900
96.0%

Small Businesses
of Vermont Businesses

155,444
59.2%

Small Business Employees
of Vermont Employees



EMPLOYMENT
2,844
net new jobs¹



DIVERSITY
31.2%
increase in minority
ownership²



TRADE
86.1%
of Vermont exporters³

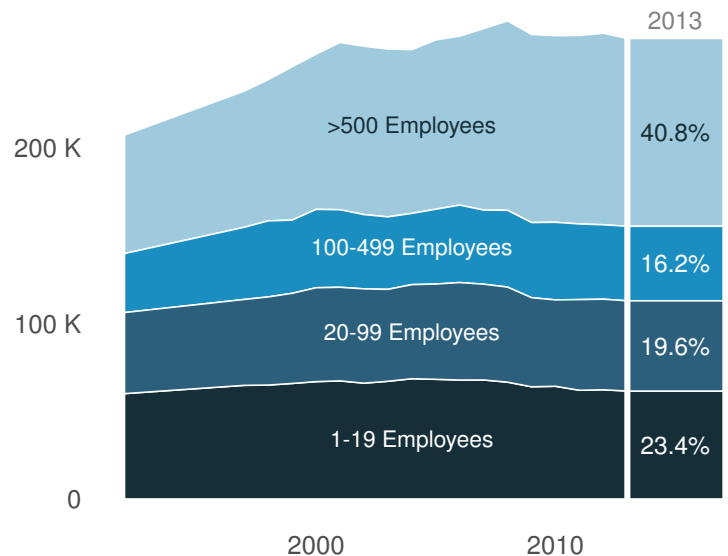
OVERALL VERMONT ECONOMY

- In the third quarter of 2015, Vermont grew at an annual rate of 2.1% which was faster than the overall US growth rate of 1.9%. By comparison, Vermont's 2014 growth of 2.4% was up from the 2013 level of 1.1%. (Source: BEA)
- The employment situation in Vermont improved. At the close of 2015, unemployment was 3.5%, down from 3.8% at the close of 2014. This was below the national unemployment rate of 5.0%. (Source: CPS)

EMPLOYMENT

- Vermont small businesses employed 155,444 people, or 59.2% of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased 0.7% in 2015. This was below the previous year's increase of 1.1%. (Source: CES)
- The number of proprietors increased in 2014 by 1.6% relative to the previous year. (Source: BEA)
- Small businesses created 2,844 net jobs in 2013. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 1,183 net jobs. The largest losses were in firms employing 1 to 4 employees which lost 503 net jobs. (Source: BDS)

Figure 1: Vermont Employment by Firm Size



The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. **Small businesses are defined as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 10,354 loans under \$100,000 (and valued at \$147.7 million) were issued by Vermont lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$45,592 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$21,680. (Source: ACS)

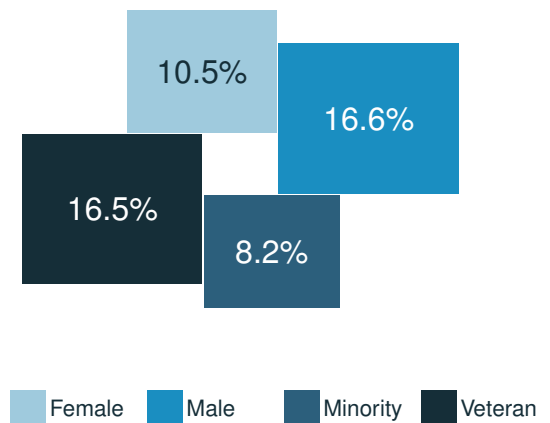
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Vermont Changes in Business Ownership by Demographic Group

African American-owned	-
Asian-owned	34.1%
Hawaiian/Pacific Islander-owned	-
Hispanic-owned	45.5%
Native American/Alaskan-owned	3.7%
Minority-owned	31.2%
Nonminority-owned	-3.4%

Figure 3: Vermont Self-Employment within Demographic Group

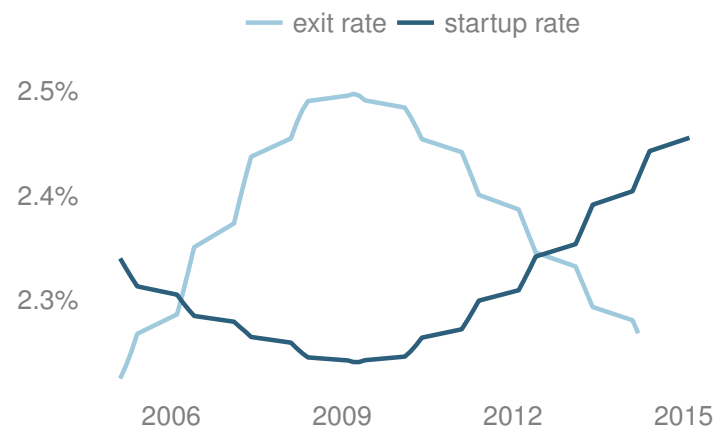


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Vermont, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 511 establishments started up⁵ in Vermont and 470 exited.⁶ Startups generated 1,605 new jobs while exits caused 1,418 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Vermont Private Startup and Exit Rates



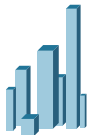




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 1,270 companies exported goods from Vermont in 2013. Among these, 1,093, or 86.1%, were small firms; they generated 16.2% of Vermont's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Vermont Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Construction	2,674	2,570	9,196	11,870
Retail Trade	2,323	2,030	4,324	6,647
Professional, Scientific, and Technical Services	1,983	1,873	8,857	10,840
Other Services (except Public Administration)	1,912	1,833	6,984	8,896
Accommodation and Food Services	1,693	1,386	1,095	2,788
Health Care and Social Assistance	1,656	1,389	4,924	6,580
Administrative, Support, and Waste Management	974	914	4,462	5,436
Manufacturing	894	689	1,931	2,825
Real Estate and Rental and Leasing	644	615	5,416	6,060
Wholesale Trade	615	456	884	1,499
Arts, Entertainment, and Recreation	434	391	4,215	4,649
Finance and Insurance	424	361	1,043	1,467
Transportation and Warehousing	409	354	1,161	1,570
Educational Services	335	257	1,945	2,280
Information	324	264	839	1,163
Agriculture, Forestry, Fishing and Hunting	140	136	2,018	2,158
Mining, Quarrying, and Oil and Gas Extraction	40	34	65	105
Utilities	18	11	87	105
Total	17,492	15,563	59,446	76,938

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Vermont Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	23,887	46,343	51.5%
Retail Trade	22,189	37,633	59.0%
Accommodation and Food Services	20,787	31,413	66.2%
Manufacturing	16,341	30,480	53.6%
Construction	11,820	12,831	92.1%
Professional, Scientific, and Technical Services	10,062	22,480	44.8%
Other Services (except Public Administration)	8,899	9,172	97.0%
Wholesale Trade	8,054	11,051	72.9%
Educational Services	7,550	14,989	50.4%
Finance and Insurance	5,410	9,071	59.6%
Administrative, Support, and Waste Management	4,795	6,965	68.8%
Arts, Entertainment, and Recreation	4,220	8,255	51.1%
Information	3,526	6,777	52.0%
Transportation and Warehousing	3,430	6,266	54.7%
Real Estate and Rental and Leasing	2,496	3,239	77.1%
Agriculture, Forestry, Fishing and Hunting	499	499	100.0%
Utilities	430	s	-
Mining, Quarrying, and Oil and Gas Extraction	235	468	50.2%
Total	154,630	257,932	59.9%

Figure 5: Vermont County-Level Job Changes, 2015 (CEW)

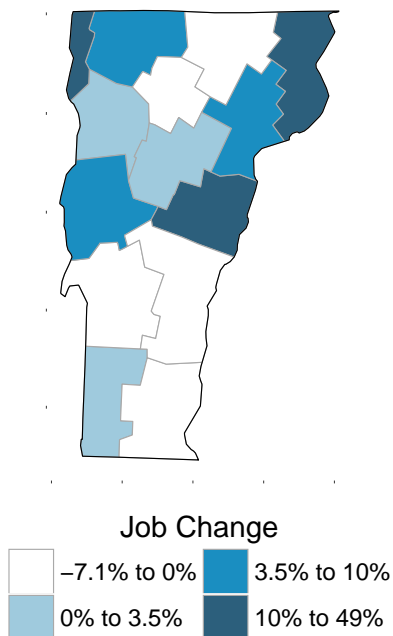


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

