

# 2019 Small Business Profile

## Maryland

**594,124** Small Businesses  
**99.5%** of Maryland Businesses

**1.1 million** Small Business Employees  
**50.1%** of Maryland Employees



**EMPLOYMENT**  
**37,604**  
net new jobs



**DIVERSITY**  
**193,099**  
minority-owned  
business employees



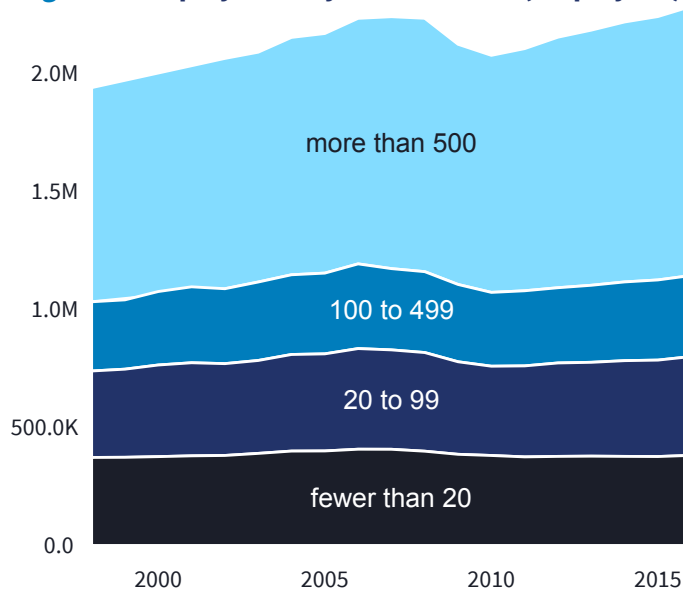
**TRADE**  
**5,380**  
small business  
exporters

### Overall Maryland Economy

- In the third quarter of 2018, Maryland grew at an annual rate of **2.3%**, which was slower than the overall US growth rate of **3.4%**. Maryland's 2017 growth rate of **2.2%** was down from the 2016 rate of **3.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **3.7%**, down from **4.2%** in February 2018. This was below the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

### Employment

**Figure 1: Employment by Business Size (Employees)**



- Maryland small businesses employed **1.1 million** people, or **50.1%** of the private workforce, in 2016. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **0.6%** during the 12-month period ending in February 2019. This was equal to the increase of **0.6%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.9%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **37,604** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **24,057** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **5,896** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

## Income and Finance

- The number of banks decreased by 3 between June 2016 and June 2017 to 54 banks. (Source: FDIC)
- In 2017, 112,312 loans under \$100,000 (valued at \$1.6 billion) were issued by Maryland lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$56,474 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$26,506. (Source: ACS)

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

## Employer Business Owner Demographics

**Figure 2: Maryland Employees per Business by Owner's Demographic, 2016**

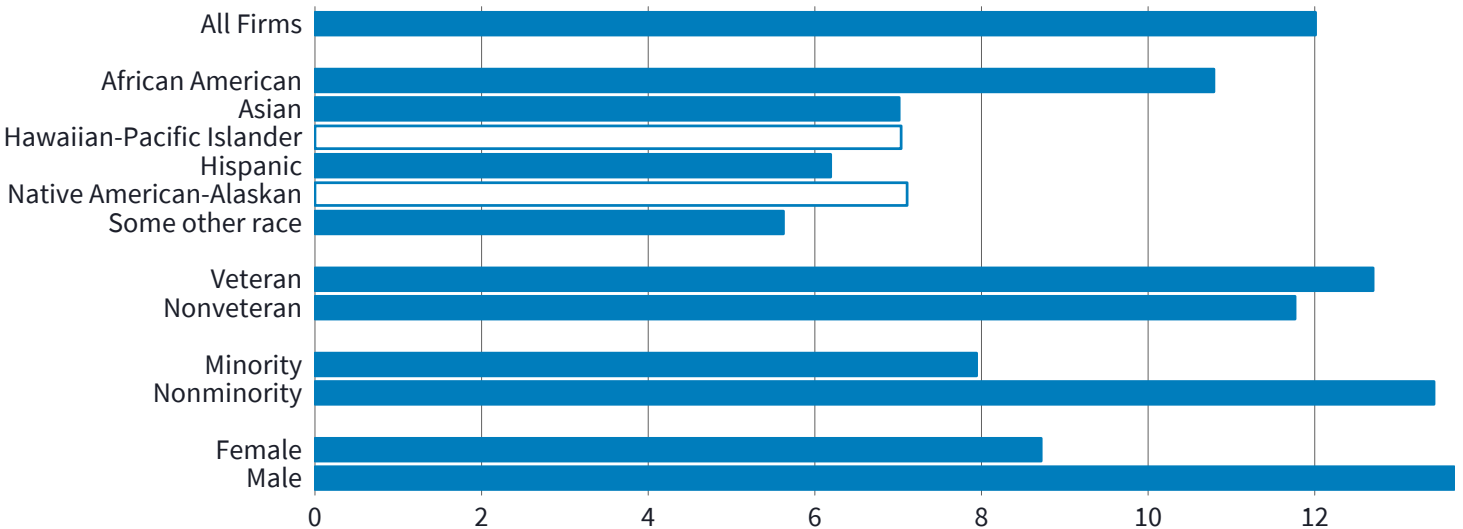
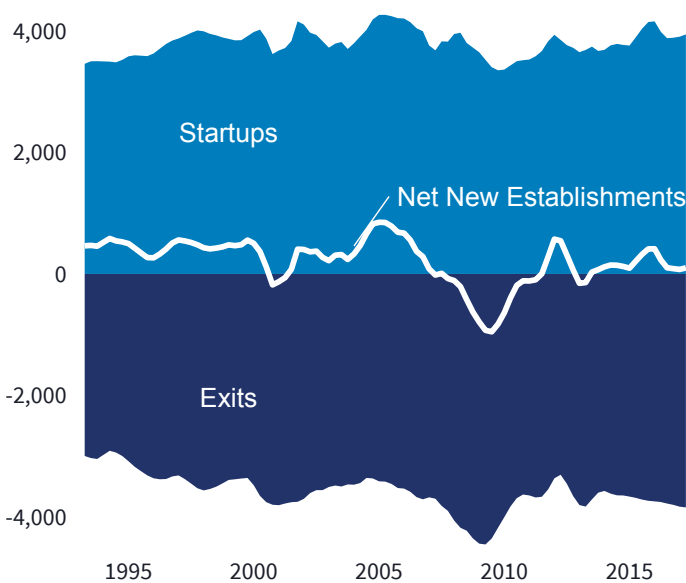


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## Turnover among Establishments with Employees

**Figure 3: Maryland Quarterly Startups and Exits**



- In the third quarter of 2017, 3,931 establishments started up, generating 18,678 new jobs in Maryland. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 3,782 establishments exited resulting in 15,181 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1993 to 2017. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## International Trade

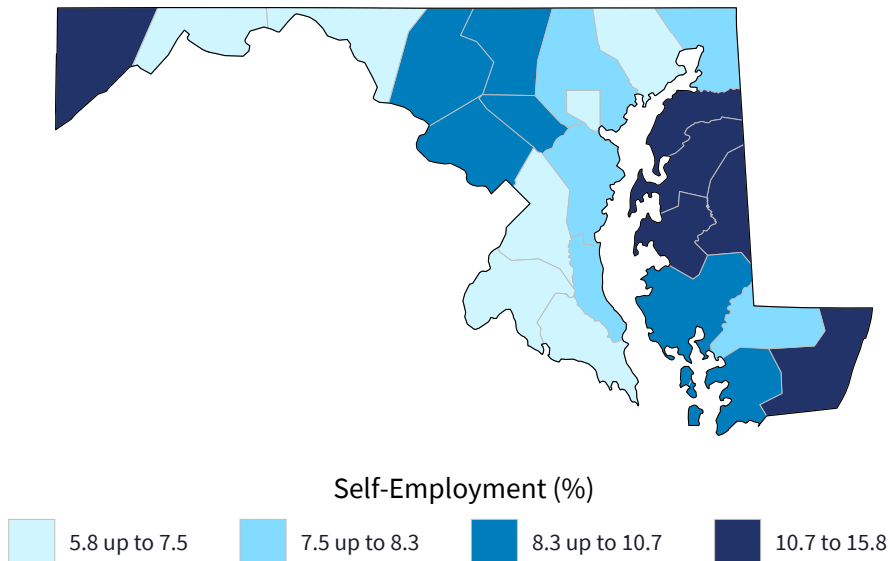
- A total of 6,235 companies exported goods from Maryland in 2016. Of these, 5,380, or 86.3%, were small firms; they generated 31.3% of Maryland's \$8.4 billion in total exports. (Source: ITA)

## Small Business Employment by Industry and Self-Employment by County






**Table 1: Maryland Employment by Industry, 2016**

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	166,711	370,191	45.0
Professional, Scientific, and Technical Services	149,734	276,621	54.1
Accommodation and Food Services	141,053	231,489	60.9
Construction	128,314	150,284	85.4
Other Services (except Public Administration)	99,498	113,861	87.4
Retail Trade	96,124	294,126	32.7
Administrative, Support, and Waste Management	86,948	194,857	44.6
Wholesale Trade	50,331	91,056	55.3
Manufacturing	45,527	97,484	46.7
Educational Services	36,494	83,905	43.5
Finance and Insurance	35,244	101,012	34.9
Real Estate and Rental and Leasing	28,621	45,989	62.2
Transportation and Warehousing	26,104	71,679	36.4
Arts, Entertainment, and Recreation	25,310	39,335	64.3
Information	15,991	52,412	30.5
Management of Companies and Enterprises	8,580	56,062	15.3
Agriculture, Forestry, and Fishing and Hunting	823	1,255	65.6
Utilities	741	9,734	7.6
Mining, Quarrying, and Oil and Gas Extraction	723	1,053	68.7
Industries not classified	320	320	100.0
<b>Total</b>	<b>1,143,191</b>	<b>2,282,725</b>	<b>50.1</b>

**Figure 4: Maryland Self-Employment Rates by County, 2017**



**Table 2: Maryland Small Businesses by Industry and Firm Size, 2016**

				
Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	17,891	15,971	77,770	95,661
Other Services (except Public Administration)	12,747	11,619	62,637	75,384
Health Care and Social Assistance	12,115	10,403	50,677	62,792
Construction	13,857	12,325	42,560	56,417
Real Estate and Rental and Leasing	4,471	4,075	50,293	54,764
Transportation and Warehousing	2,841	2,428	45,113	47,954
Administrative, Support, and Waste Management	6,942	5,873	38,507	45,449
Retail Trade	10,840	9,767	33,415	44,255
Arts, Entertainment, and Recreation	1,880	1,553	28,279	30,159
Educational Services	1,936	1,504	17,957	19,893
Accommodation and Food Services	9,035	6,862	7,525	16,560
Finance and Insurance	3,819	3,404	11,655	15,474
Wholesale Trade	4,184	3,312	5,693	9,877
Information	1,220	993	6,929	8,149
Manufacturing	2,600	1,982	4,620	7,220
Agriculture, Forestry, and Fishing and Hunting	200	192	3,338	3,538
Utilities	33	21	500	533
Mining, Quarrying, and Oil and Gas Extraction	45	29	72	117
<b>Total</b>	<b>106,584</b>	<b>92,564</b>	<b>487,540</b>	<b>594,124</b>

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS).

**References**

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS** American Community Survey, US Census Bureau
- ASE** Annual Survey of Entrepreneurs, US Census Bureau
- BEA** Bureau of Economic Analysis, US Department of Commerce
- BDM** Business Employment Dynamics, BLS
- BLS** Bureau of Labor Statistics, US Department of Labor
- CPS** Current Population Survey, BLS
- FDIC** Call Reports, Federal Deposit Insurance Corporation
- FFIEC** Federal Financial Institutions Examination Council
- ITA** International Trade Administration, US Department of Commerce
- NES** Nonemployer Statistics, US Census Bureau
- SUSB** Statistics of US Businesses, US Census Bureau