

2019 Small Business Profile

Ohio



949,479 Small Businesses
99.6% of Ohio Businesses

2.2 million Small Business Employees
45.8% of Ohio Employees



EMPLOYMENT
46,439
net new jobs



DIVERSITY
153,645
minority-owned
business employees



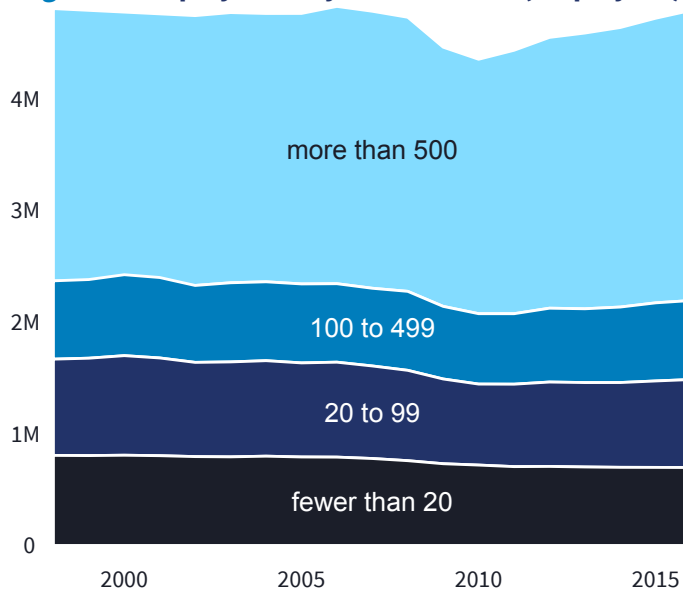
TRADE
13,986
small business
exporters

Overall Ohio Economy

- In the third quarter of 2018, Ohio grew at an annual rate of **2.8%**, which was slower than the overall US growth rate of **3.4%**. Ohio's 2017 growth rate of **1.6%** was up from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **4.6%**, up from **4.5%** in February 2018. This was above the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Ohio small businesses employed **2.2 million** people, or **45.8%** 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 **0.5%** during the 12-month period ending in February 2019. This was equal to the increase of **0.5%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.8%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **46,439** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **29,559** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **5,818** 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 **11** between June 2016 and June 2017 to **192** banks. (Source: [FDIC](#))
- In 2017, **156,543** loans under \$100,000 (valued at **\$2.5 billion**) were issued by Ohio lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$51,557** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$22,259**. (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: Ohio Employees per Business by Owner's Demographic, 2016

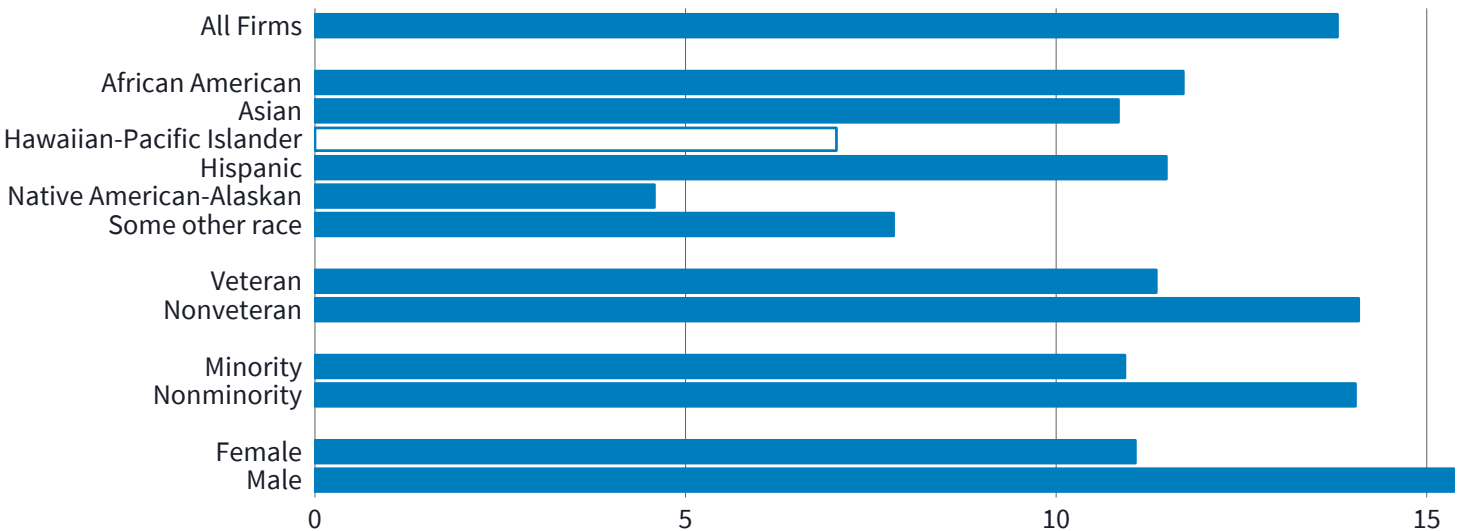
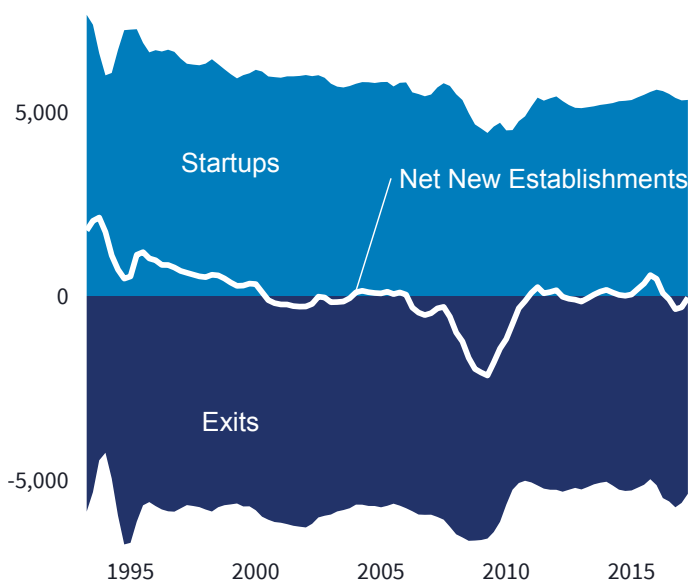


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information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

Turnover among Establishments with Employees

Figure 3: Ohio Quarterly Startups and Exits



- In the third quarter of 2017, **5,422** establishments started up, generating **20,339** new jobs in Ohio. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **5,496** establishments exited resulting in **21,307** 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 15,729 companies exported goods from Ohio in 2016. Of these, 13,986, or 88.9%, were small firms; they generated 22.9% of Ohio's \$44.5 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Ohio Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	358,046	840,716	42.6
Manufacturing	291,048	662,428	43.9
Accommodation and Food Services	283,021	481,956	58.7
Retail Trade	189,957	573,837	33.1
Other Services (except Public Administration)	174,566	202,431	86.2
Professional, Scientific, and Technical Services	161,703	250,766	64.5
Construction	157,092	188,864	83.2
Wholesale Trade	134,425	232,886	57.7
Administrative, Support, and Waste Management	133,261	397,162	33.6
Finance and Insurance	58,871	255,131	23.1
Transportation and Warehousing	58,744	176,312	33.3
Educational Services	56,232	121,226	46.4
Arts, Entertainment, and Recreation	46,148	68,762	67.1
Real Estate and Rental and Leasing	41,505	66,391	62.5
Information	21,956	84,760	25.9
Management of Companies and Enterprises	16,550	150,837	11.0
Mining, Quarrying, and Oil and Gas Extraction	5,146	10,575	48.7
Utilities	3,167	23,488	13.5
Agriculture, Forestry, and Fishing and Hunting	1,039	1,207	86.1
Industries not classified	443	443	100.0
Total	2,192,920	4,790,178	45.8

Figure 4: Ohio Self-Employment Rates by County, 2017

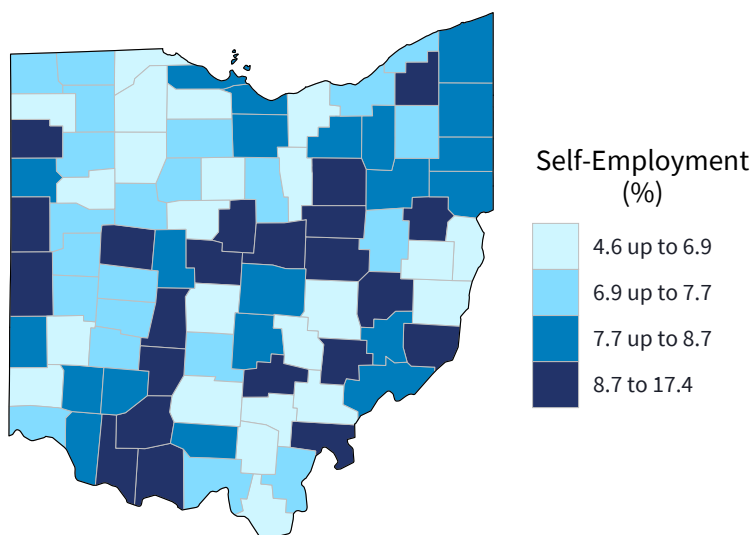


Table 2: Ohio Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	24,311	22,501	107,426	131,737
Professional, Scientific, and Technical Services	20,983	19,021	97,787	118,770
Construction	19,275	17,510	90,050	109,325
Real Estate and Rental and Leasing	7,099	6,560	83,800	90,899
Retail Trade	19,480	17,370	68,666	88,146
Health Care and Social Assistance	19,059	15,308	64,611	83,670
Administrative, Support, and Waste Management	10,798	9,341	64,747	75,545
Transportation and Warehousing	5,496	4,631	50,296	55,792
Arts, Entertainment, and Recreation	3,503	2,923	40,503	44,006
Finance and Insurance	7,732	7,063	21,535	29,267
Accommodation and Food Services	16,708	12,484	10,775	27,483
Educational Services	2,609	1,872	24,250	26,859
Manufacturing	11,677	8,023	13,099	24,776
Wholesale Trade	9,939	7,852	12,501	22,440
Information	1,581	1,271	8,799	10,380
Agriculture, Forestry, and Fishing and Hunting	269	258	6,532	6,801
Mining, Quarrying, and Oil and Gas Extraction	524	451	2,948	3,472
Utilities	140	84	533	673
Total	180,621	154,808	768,858	949,479

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