

Rhode Island

Rhode Island's 25,763 small employers and 72,389 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- Rhode Island's real gross state product decreased by 0.9% and private-sector employment decreased by 2.3% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The health care and social assistance industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in Rhode Island was 25,763 in 2006, accounting for 96.5% of the state's employers and 57.1% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

For Further Information

- Data on all states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit www.sba.gov/advo/rsslibrary.html

* Small employer data from 2006; nonemployer from 2007.

Rhode Island Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	25,763	24,341
Large employers (500+ employees)	n.a.	928	902
Nonemployers	72,389	69,327	59,406
	2002‡	% Share in 2002	% Change 1997–2002
Business Owner Demographics			
Male-owned	51,644	59.1	10.3
Woman-owned	23,195	26.5	16.6
Equally male/female-owned	8,229	9.4	-29.5
African American-owned	S	n.a.	39
Asian-owned	1,529	1.7	43.6
Hispanic-owned	3,415	3.9	56.2
Native American/Alaskan-owned	445	0.5	n.a.
Hawaiian and Pacific Islander-owned	45	n.a.	0.0
	2008‡	% Change from 2007 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	408	-2.3	0.8
Government employment	62	-1.2	-1.7
Self-employed (incorp. & uninc.)	54	-1.9	22.1
Female self-employment	19	1.9	46.5
Male self-employment	35	-3.9	12.1
Minority self-employment	4	28.3	510.7
Veteran self-employment	5	-13.9	-33.4
Unemployment rate (%)	7.8	2.6	3.6
Business Turnover			
Quarterly establishment openings	6,705	-5.5	-0.9
Quarterly establishment closings	7,521	1.6	14.6
Business bankruptcies	144	37.1	94.6
	2008‡	2007	2000
Income and Finance			
Proprietors' income (\$billion)	3.1	3.0	1.9
Number of bank branches	247	246	220
No. of bus. loans under \$100,000‡	n.a.	43,315	9,644
Total value of business loans under \$100,000 (\$million)‡	n.a.	416	106
Source: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/sbl_08study.pdf , Table 4b.) n.a. not available.			
† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.			

**Table 1. Firms and Employment in Rhode Island by Industry and Firm Size, 2006 and 2007
(Nonfarm, Thousands)**

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	72.4	26.7	22.8	25.8	440.8	91.9	251.7
Forestry, etc. and agriculture support	1.3	0.0	0.0	0.0	(D)	(D)	(D)
Mining	0.0	0.0	0.0	0.0	(D)	(D)	(D)
Utilities	0.0	0.0	0.0	0.0	(D)	(D)	(D)
Construction	9.2	3.7	3.5	3.7	21.9	10.9	20.3
Manufacturing	1.3	1.8	1.3	1.7	54.1	7.5	33.2
Wholesale trade	1.4	1.4	1.0	1.2	18.9	4.5	13.3
Retail trade	6.3	3.3	2.8	3.1	56.1	11.4	23.1
Transportation and warehousing	2.4	0.6	0.5	0.6	9.8	1.8	4.3
Information	1.0	0.3	0.2	0.2	9.3	0.8	2.9
Finance and insurance	2.1	1.0	0.8	0.9	32.5	3.1	9.8
Real estate and rental and leasing	8.0	1.0	0.9	1.0	6.7	2.7	5.0
Professional, scientific, and technical svcs.	11.5	3.1	2.8	3.0	22.0	9.3	17.7
Management of companies and enterprises	--	0.1	0.0	0.1	10.7	0.0	1.2
Admin., support, waste mgt., remed. svcs.	5.0	1.6	1.4	1.5	22.8	4.1	14.8
Educational services	2.4	0.4	0.3	0.4	22.7	1.0	5.9
Health care and social assistance	5.9	2.5	2.0	2.5	82.4	11.0	46.4
Arts, entertainment, and recreation	4.4	0.5	0.4	0.5	7.3	1.8	(D)
Accommodation and food services	0.9	2.5	2.0	2.5	41.9	10.8	30.9
Other services (except public admin.)	9.3	2.9	2.7	2.8	19.3	10.7	16.8
Unclassified	--	0.1	0.1	0.1	(D)	(D)	(D)

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2003–2006 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	7,260	4,397	1,244	1,578	2,339	814	10,372	-3,112
2004 - 2005	3,903	2,128	387	-376	-1,359	-905	-125	4,028
2005 - 2006	-1,868	3,399	-31	-83	-1,395	-1,657	233	-2,101

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2008 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	1.7	5.8	6.6	1.8	5.3	18.3	21.5	5.2
Quarter 2	1.7	5.8	6.7	1.9	5.6	21.2	22.0	5.8
Quarter 3	1.6	5.6	6.6	1.9	5.7	19.0	23.0	5.6
Quarter 4	1.7	5.2	6.9	1.9	5.1	16.7	24.3	6.2

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)

Note: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.