

Indiana

493,138 Small Businesses

106,249 Small Businesses with Employees

386,889 Small Businesses without Employees (Nonemployers)

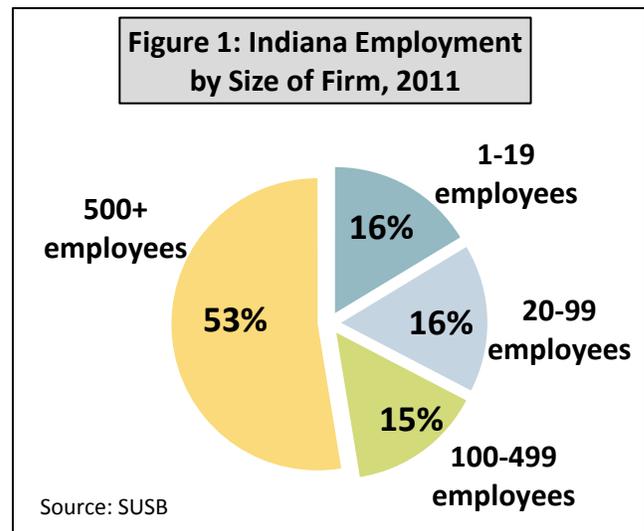
1,157,117 Workers Employed by Small Businesses

State Economy Overall

- Indiana's economy grew at a faster rate than the United States in 2012. Indiana's real gross state product increased by **3.3 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Indiana has improved. The unemployment rate in Indiana declined from **8.2 percent** in December 2012 to **6.9 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

Employment

- Indiana's small businesses employed about half or **1.1 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **97.3 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: manufacturing, health care & social assistance, and accommodation & food services (**Table 4**).
- In Indiana, small businesses created **15,051** net new jobs in 2011. 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 increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.5 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. 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

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **5.5 percent** in the 3rd quarter of 2013 and totaled **\$18.3 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **102,273** loans under \$100,000 (and valued at **\$1.3 billion**) were issued by Community Reinvestment Act lending institutions in Indiana. (Source: FFIEC)

Business Owner Demographics

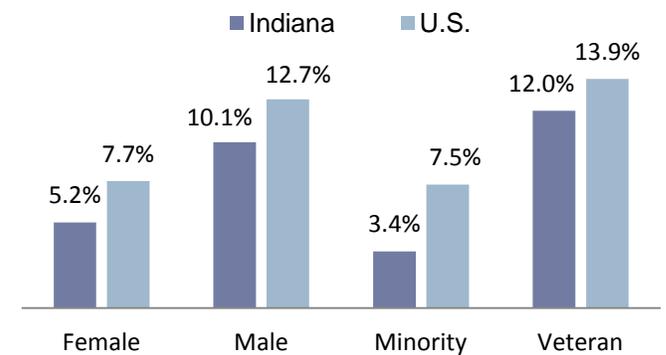
- In 2011, there were an estimated **133,000** woman-owned businesses and **42,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Indiana Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	251,000	50.5
Woman Owned	133,000	26.8
Equally Male and Female Owned	95,000	19.2
Minority Owned	42,000	8.4
Veteran Owned	48,000	9.7

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/in10.pdf.

Figure 2: Indiana Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives Indiana's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **6,025** establishments opened and **5,583** closed in the state of Indiana. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Indiana

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	10,311	35.8
2007	10,322	47.1
2010	7,694	67.1

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **8,239** companies exported goods from the state in 2012. Of these, **6,995** or **84.9 percent** were small firms; they generated about one-sixth (**16.4 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Indiana Small Firms by Industry, 2011
(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
Other services (except public admin.)	14,950	13,839	68,483	83,433
Construction	12,936	12,002	46,540	59,476
Retail trade	12,183	10,783	38,086	50,269
Professional, scientific, & tech. svcs.	11,628	10,755	43,297	54,925
Health care & social assistance	10,269	8,692	28,998	39,267
Accommodation & food services	8,888	6,866	4,771	13,659
Manufacturing	6,622	4,495	6,843	13,465
Admin., supp., waste mgt., remed. svcs.	5,858	5,161	33,243	39,101
Wholesale trade	5,720	4,522	6,471	12,191
Finance & insurance	4,518	4,086	11,755	16,273
Real estate & rental & leasing	4,106	3,815	40,228	44,334
Transportation & warehousing	4,035	3,465	20,457	24,492
Arts, entertainment, & recreation	2,003	1,712	18,200	20,203
Educational services	1,390	1,109	9,942	11,332
Information	914	737	4,512	5,426
Management of comp. & enterprises	364	60	0	364
Forestry, etc. & agriculture support	211	200	3,908	4,119
Unclassified	171	169	0	171
Utilities	170	124	289	459
Mining	165	122	866	1,031
Total	106,249	92,621	386,889	493,138

Table 4: Employment in Indiana by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Manufacturing	169,744	437,203	39
Health care & social assistance	169,428	389,176	44
Accommodation & food services	143,406	246,798	58
Retail trade	113,751	308,277	37
Other services (except public admin.)	104,514	123,237	85
Construction	88,100	107,240	82
Professional, scientific, & tech. svcs.	71,147	100,796	71
Admin., supp., waste mgt., remed. svcs.	63,429	166,711	38
Wholesale trade	62,082	108,216	57
Transportation & warehousing	40,236	110,311	36
Finance & insurance	38,972	97,992	40
Arts, entertainment, & recreation	22,423	32,975	68
Real estate & rental & leasing	21,726	31,736	68
Educational services	20,795	62,483	33
Information	12,414	42,169	29
Management of comp. & enterprises	6,707	51,561	13
Mining	3,542	6,373	56
Utilities	3,157	15,259	21
Forestry, etc. & agriculture support	1,259	1,709	74
Unclassified	285	285	100
Total	1,157,117	2,440,507	47

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

Abbreviations and Resources

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 .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
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 .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
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 .