

Massachusetts

Massachusetts's 141,961 small employers and 465,019 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.)

- Massachusetts's real gross state product increased by 1.9% and private-sector employment increased by 0.2% 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 Massachusetts was 141,961 in 2006, accounting for 98.0% of the state's employers and 48.3% 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.

Massachusetts Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	141,961	145,269
Large employers (500+ employees)	n.a.	2,912	2,966
Nonemployers	465,019	453,998	410,481
	2002‡	% Share in 2002	% Change 1997–2002
Business Owner Demographics			
Male-owned	338,774	60.1	5.7
Woman-owned	161,918	28.7	13.5
Equally male/female-owned	44,148	7.8	-27.1
African American-owned	12,819	2.3	8.3
Asian-owned	18,081	3.2	43.5
Hispanic-owned	15,933	2.8	25.2
Native American/Alaskan-owned	2,231	0.4	n.a.
Hawaiian and Pacific Islander-owned	208	n.a.	58.8
	2008‡	% Change from 2007 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,831	0.2	-1.2
Government employment	414	1.2	1.4
Self-employed (incorp. & uninc.)	329	-9.6	9.8
Female self-employment	107	-8.6	14.9
Male self-employment	222	-10.1	7.5
Minority self-employment	24	-25.8	87.2
Veteran self-employment	30	-0.9	-26.5
Unemployment rate (%)	5.3	0.8	2.6
Business Turnover			
Quarterly establishment openings	33,036	-4.9	-4.1
Quarterly establishment closings	36,023	2.0	13.5
Business bankruptcies	440	32.1	12.0
	2008‡	2007	2000
Income and Finance			
Proprietors' income (\$billion)	25.5	25.0	17.3
Number of bank branches	2,228	2,177	1,972
No. of bus. loans under \$100,000‡	n.a.	296,410	83,626
Total value of business loans under \$100,000 (\$million)‡	n.a.	2,840	816
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 Massachusetts 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	465.0	144.9	125.0	142.0	3,044.1	519.0	1,471.4
Forestry, etc. and agriculture support	5.2	0.4	0.4	0.4	1.2	1.1	(D)
Mining	0.1	0.1	0.1	0.1	1.2	(D)	(D)
Utilities	0.3	0.1	0.1	0.1	12.2	(D)	1.4
Construction	61.0	19.4	18.1	19.3	132.6	62.7	121.3
Manufacturing	6.2	7.3	5.0	6.9	275.2	29.7	147.8
Wholesale trade	7.4	7.6	5.7	7.1	144.6	26.5	86.1
Retail trade	33.4	17.9	15.7	17.5	368.0	68.6	148.7
Transportation and warehousing	17.1	3.3	2.6	3.1	77.6	10.2	35.1
Information	8.0	2.3	1.6	2.0	118.1	7.1	29.5
Finance and insurance	13.9	5.7	4.7	5.4	211.0	18.6	61.3
Real estate and rental and leasing	38.2	5.5	5.1	5.4	48.9	16.0	35.1
Professional, scientific, and technical svcs.	94.9	21.1	18.9	20.6	260.8	63.2	148.4
Management of companies and enterprises	--	0.8	0.1	0.4	103.8	0.3	8.7
Admin., support, waste mgt., remed. svcs.	32.2	8.4	7.1	8.0	186.4	24.2	88.3
Educational services	19.0	2.3	1.6	2.2	182.3	8.0	50.4
Health care and social assistance	40.7	12.6	10.5	12.4	499.9	54.9	203.5
Arts, entertainment, and recreation	31.3	2.9	2.4	2.8	48.8	9.8	35.9
Accommodation and food services	5.3	12.5	10.1	12.3	247.7	53.6	160.1
Other services (except public admin.)	50.9	15.5	14.4	15.4	122.1	62.3	105.9
Unclassified	--	1.1	1.1	1.1	1.7	(D)	1.7

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	12,558	17,254	4,038	2,121	4,172	-7,150	20,435	-7,877
2004 - 2005	22,023	12,867	1,468	-3,752	-3,355	409	7,637	14,386
2005 - 2006	57,534	21,949	5,883	4,261	2,343	-2,306	32,130	25,404

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	8.8	35.5	36.4	9.0	29.6	126.5	125.3	27.2
Quarter 2	8.2	35.5	37.0	8.7	31.2	139.3	134.1	27.2
Quarter 3	8.0	33.6	37.5	9.1	27.1	124.8	142.6	30.2
Quarter 4	8.1	32.2	39.3	9.3	28.9	117.9	156.3	32.5

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.