

New Hampshire ECONOMIC CONDITIONS

Warmer days are on their way!

June 2019

Small Firms in New Hampshire First Quarter 2018

What are some of the advantages and disadvantages of working at a small business? Workers who have shifted from working at large companies to work at small firms noted that they received more recognition for their work. They also noted that small firms fostered a sense of camaraderie among workers and were more willing to try out workers who were changing to a new career.¹

There is no one set definition of a small business — even the U.S. Small Business Administration uses a combination of industry, gross receipts, and employment levels in an effort to clarify their definition(s). For the purposes of the following

analysis, small firms are defined as privately-owned businesses covered by unemployment insurance that employ fewer than 50 people, but greater than zero, as of the month of March each year. Firms with no employment in March were excluded from assessment, as were firms owned by a government entity.

Firms by Size, 2018 Q1

In the first quarter of 2018, there were 38,968 privately-owned firms in New Hampshire.² Of those 1,876 did not have any employees in the month of March, the month used to determine firm size. There were 35,308 small firms (fewer than 50 employees), and 1,784 firms employing 50 or more

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Firms by Size, Total Private, 2018 Q1

Size Range	Firms	Employment			Total Wages	Average Weekly Wage
		January	February	March		
No March Employment	1,876	3,897	2,550	0	\$54,171,472	\$1,939.06
1 - 4	21,921	40,218	40,725	41,010	\$763,272,524	\$1,444.33
5 - 9	6,318	41,357	41,465	41,919	\$545,380,987	\$1,008.95
10 - 19	4,159	55,558	55,872	56,226	\$746,981,982	\$1,028.18
20 - 49	2,910	86,625	87,150	87,879	\$1,127,143,910	\$994.10
50 - 99	979	66,973	66,916	67,242	\$891,275,714	\$1,022.61
100 - 249	537	80,566	80,184	80,633	\$1,375,638,318	\$1,315.15
250 - 499	171	60,688	60,424	60,033	\$915,517,379	\$1,166.32
500 - 999	67	46,440	46,380	45,799	\$657,409,631	\$1,094.44
1,000 or more	30	78,424	78,492	79,013	\$1,278,430,305	\$1,250.47
Totals:	38,968	560,746	560,158	559,754	\$8,355,222,222	\$1,147.25

Source: Quarterly Census of Employment and Wages,
Economic and Labor Market Information Bureau. Data are for first quarter 2018.

¹ Is it better to work at a small company? Anne Fisher, FORTUNE. CNN Money. https://money.cnn.com/sales/major_moments/career/small.html

² These data define a firm as a business establishment with a single or multiple physical locations. Employment and wages for firms with multiple physical locations within the state are summed, representing employment and wages for the entire establishment.

workers. Of the 559,754 workers at privately-owned firms, 227,034, or 40.6 percent, were employed in small firms; 332,720 workers were employed in firms with 50 or more employees.

Small Firm Employment by Industry

Evaluating firm size by industry also highlights different aspects of businesses. Among private firms with employment in March 2018, the share of small firms ranged from a high 98.7 percent of firms in the *Other Services* sector to 84.1 percent of firms in the *Manufacturing* sector.

Small firms accounted for around 98 percent of firms in six industries: *Other services*; *Real estate and rental and leasing*; *Construction*; *Professional, scientific, and technical services*; *Wholesale trade*; and *Agriculture, fishing and hunting*.

Small Firms versus Large Firms by Select Industries

Wholesale Trade

More than 98 percent of firms in the *Wholesale trade* sector employed fewer than 50 workers. The number of small *Wholesale trade* firms increased by 88 firms from 2014 to 2018. Roughly two of every three workers in the sector worked at a business fitting this definition of a small firm. Employment in small *Wholesale trade* firms has been stable from 2014 through 2018.

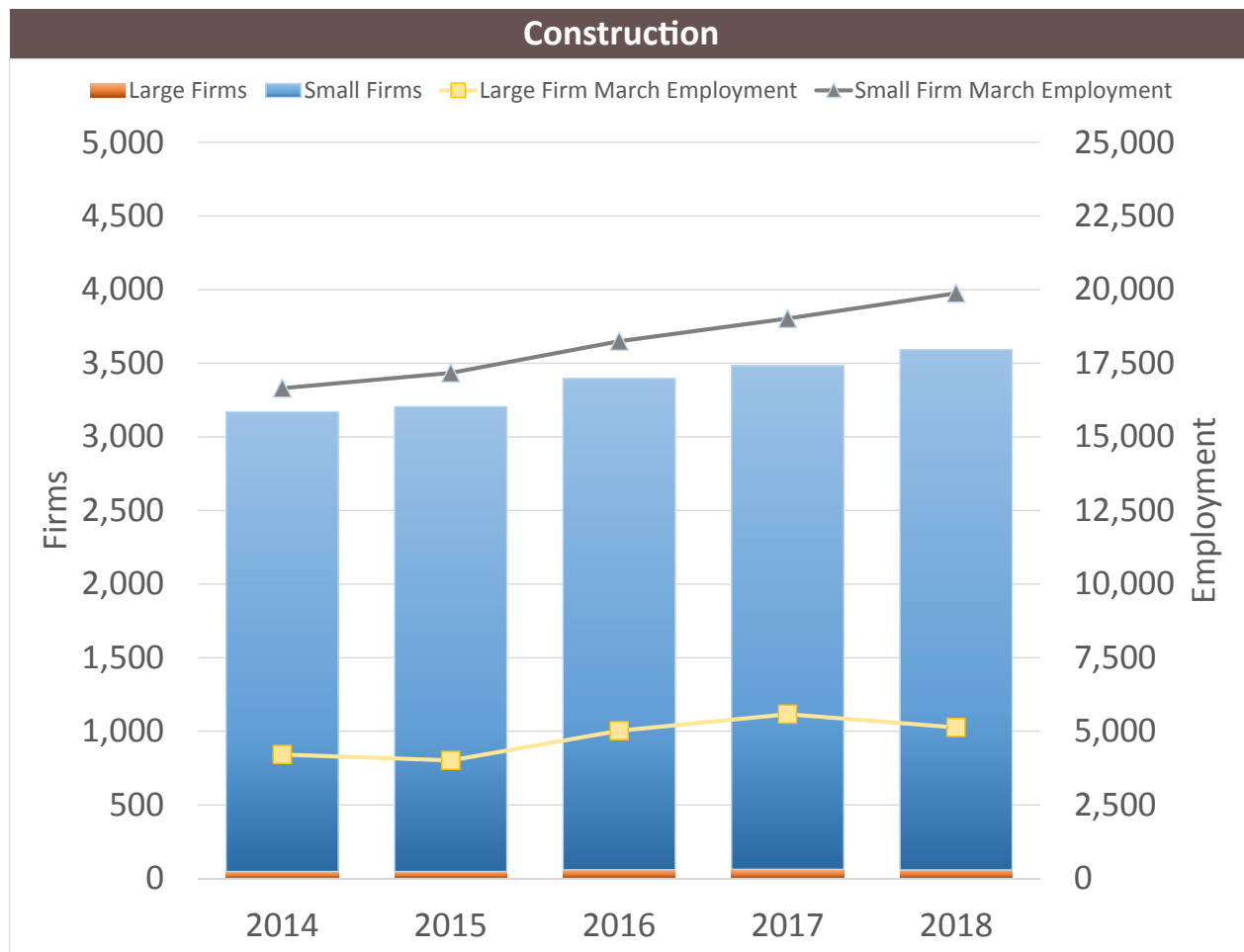
Wholesale trade firms employing 50 or more workers accounted for just over five percent of businesses in the sector. While the number of large *Wholesale trade* firms increased by only six from 2014 to 2018, employment in large firms grew by 976 workers.



Construction

Over 98 percent of *Construction* firms in New Hampshire employed fewer than 50 workers. After dropping during the Great Recession, the number of small *Construction* firms increased by 488 firms from 2014 to 2018. Almost 80 percent of *Construction* workers in New Hampshire were employed at a small firm. Employment at small firms increased by over 3,200 workers from 2014 to 2018.

Construction firms employing more than 50 workers accounted for less than two percent of all *Construction* firms in New Hampshire. The number of large *Construction* firms increased by 11 firms from 2014 to 2018. Even though the number of large firms is small, large *Construction* firms accounted for 22 percent of employment in the sector. Employment at large firms increased by 920 workers from 2014 to 2018.

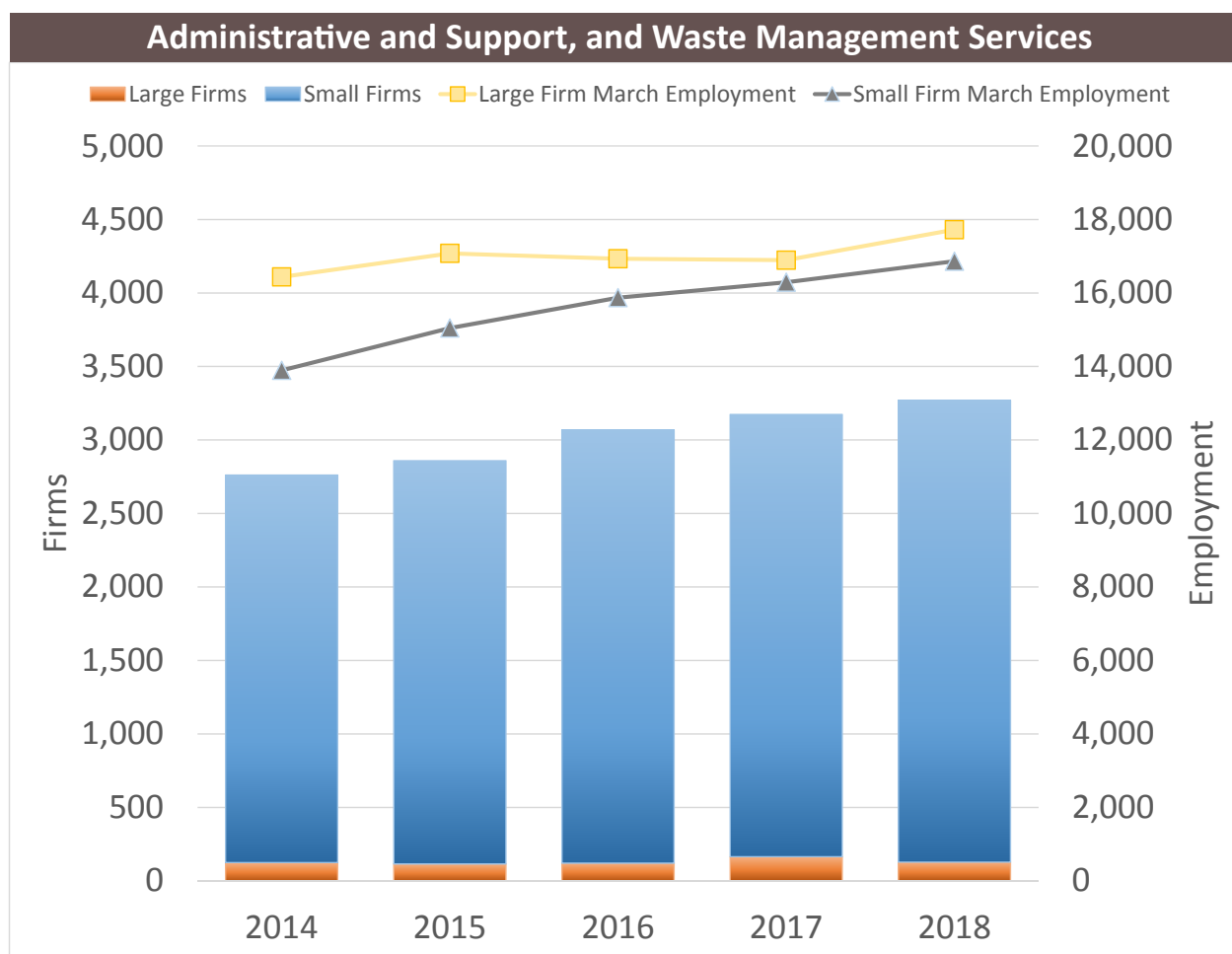


Administrative and Support, and Waste Management Services

The number of small firms in *Administrative and support and waste management services* increased by more than 500 firms from 2014 to 2018. While the share of small firms, 96.1 percent, was significant, less than half of workers were employed at small *Administrative and support and waste management services* firms, 48.8 percent. Employment in

small firms grew by just shy of 3,000 workers from 2014 to 2018.

Roughly four percent of *Administrative and support and waste management services* firms employed 50 or more workers in New Hampshire in 2018. The number of workers employed in large firms increased by almost 1,300 from 2014 to 2018.



Manufacturing

Among all New Hampshire industry sectors, *Manufacturing* had both the smallest share of small firms as well as the smallest share of employment. Only 84 percent of *Manufacturing* firms employed fewer than 50 workers, and from 2014 to 2018, the number of those firms declined by five. Small *Manufacturing* firms accounted for just under 25 percent of sector employment.

The number of *Manufacturing* firms employing more than 50 workers increased by nine from 2014 to 2018, representing almost 16 percent of *Manufacturing* firms. Nearly three-quarters of *Manufacturing* workers were employed at large firms. Employment at large *Manufacturing* firms increased by seven percent from 2014 to 2018, a gain of over 3,500 workers.

- Anita Josten, Economist

