

Michigan

856,682 Small Businesses

169,053 Small Businesses with Employees

687,629 Small Businesses without Employees (Nonemployers)

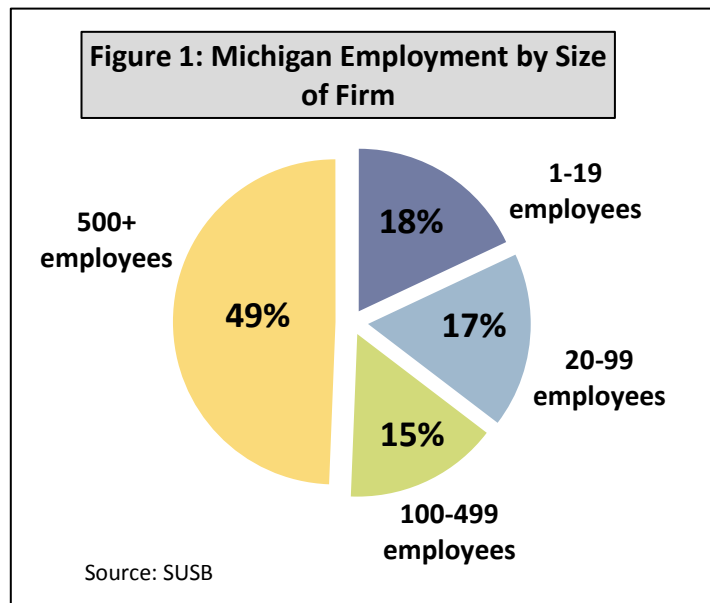
1,755,901 Workers Employed by Small Businesses

State Economy Overall

- Michigan's economy grew at a slower rate than the United States in 2013. Michigan's real gross state product increased by **2.0 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Michigan has improved. The unemployment rate in Michigan declined from **8.6 percent** in October 2013 to **7.1 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Michigan's small businesses employed over half or **1.8 million** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **98.2 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Michigan, small businesses created **73,858** net new jobs in 2012. 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 in 2013 decreased by **1.1 percent** relative to the previous year.
- The state's private-sector employment growth increased by **2.6 percent** over the 12-month period ending in October 2014; this was the same as the national average growth rate of **2.6 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. 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

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **154,757** loans under \$100,000 (and valued at **\$1.9 billion**) were issued by Community Reinvestment Act lending institutions in Michigan. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$42,264** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$18,674**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

Business Owner Demographics

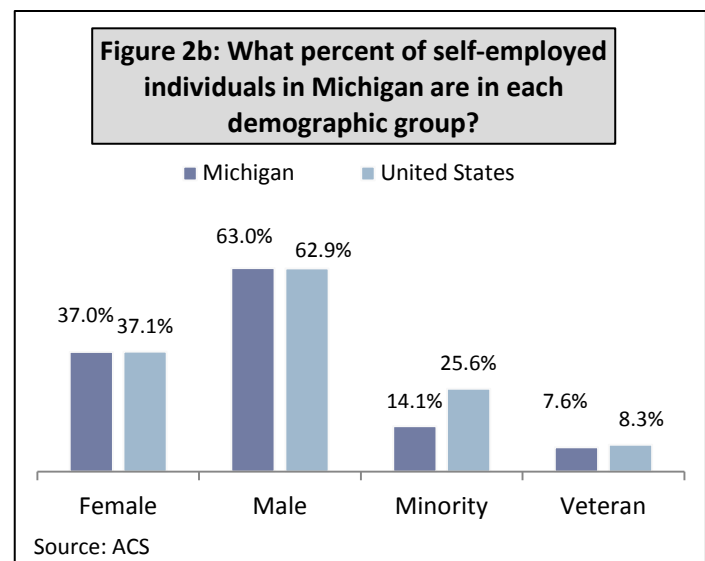
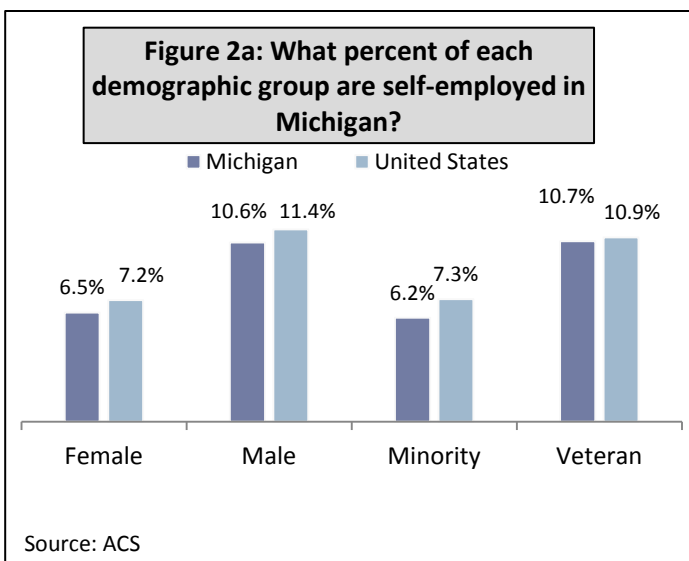
- **Table 1** shows the top industry for nine business owner demographics. For example, **56.7 percent** of female-owned businesses were in the health care and social assistance industry, and female-owned firms made up **21.0 percent** of this industry.

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Health care & social assistance	56.7	21.0
Male	Construction	76.6	19.6
American Indian and Alaska Native	Other services	1.1	19.6
Asian	Health care & social assistance	4.2	18.0
Black or African American	Health care & social assistance	21.4	27.2
Native Hawaiian and Other Pacific Islander	Health care & social assistance	0.2	41.1
White	Construction	93.8	14.2
Hispanic	Health care & social assistance	2.3	19.3
Veteran	Construction	9.8	15.5

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **6.5 percent** of females were self-employed, and **Figure 2b** shows that **37.0 percent** of all self-employed people were female.



Business Turnover

- In 2010, **13,901** establishments opened in Michigan, and **66.7 percent** survived through 2012. In 2013, **13,206** establishments opened, and **79.6 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **11,150** establishments opened and **5,571** closed in the state of Michigan. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

International Trade

- A total of **15,107** companies exported goods from the state in 2012. Of these, **13,535** or **89.6 percent** were small firms; they generated about a fifth (**19.9 percent**) of the state's total known export value. (Source: ITA)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Retail trade	22,171	20,202	58,554	80,725
Other services (except public admin.)	20,958	19,600	124,133	145,091
Health care & social assistance	20,258	17,708	68,433	88,691
Professional, scientific, & tech. svcs.	19,579	18,041	84,381	103,960
Construction	17,906	16,925	73,346	91,252
Accommodation & food services	14,707	11,471	9,695	24,402
Manufacturing	10,942	7,895	12,399	23,341
Admin., supp., waste mgt., remed. svcs.	9,448	8,202	58,527	67,975
Wholesale trade	8,945	7,347	11,622	20,567
Finance & insurance	6,649	6,026	18,481	25,130
Real estate & rental & leasing	5,775	5,381	71,526	77,301
Transportation & warehousing	4,581	3,983	26,999	31,580
Arts, entertainment, & recreation	3,215	2,777	33,461	36,676
Educational services	2,017	1,627	19,206	21,223
Information	1,508	1,236	8,240	9,748
Management of comp. & enterprises	630	102	*	630
Forestry, etc. & agriculture support	525	493	5,755	6,280
Mining, quarrying, and oil & gas extrac.	311	259	2,544	2,855
Unclassified	171	170	*	171
Utilities	78	58	327	405
Total	169,053	149,378	687,629	856,682

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three Michigan industries with the most small business employment were: health care and social assistance; manufacturing; and accommodation and food services (**Table 3**).

**Table 3: Employment in Michigan by Industry and Firm Size, 2012
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	274,010	583,243	47.0
Manufacturing	248,727	500,754	49.7
Accommodation & food services	215,830	344,293	62.7
Retail trade	181,450	442,346	41.0
Other services (except public admin.)	138,997	153,139	90.8
Professional, scientific, & tech. svcs.	133,722	237,934	56.2
Admin., supp., waste mgt., remed. svcs.	121,154	308,550	39.3
Wholesale trade	100,535	159,964	62.8
Construction	99,997	113,862	87.8
Finance & insurance	58,452	150,733	38.8
Transportation & warehousing	40,457	99,079	40.8
Arts, entertainment, & recreation	34,375	44,557	77.1
Real estate & rental & leasing	34,354	49,597	69.3
Educational services	33,210	72,295	45.9
Information	19,793	68,346	29.0
Management of comp. & enterprises	12,421	108,965	11.4
Forestry, etc. & agriculture support	3,192	3,364	94.9
Mining, quarrying, and oil & gas extraction	3,091	6,255	49.4
Utilities	1,974	D	D
Unclassified	D	D	D
Total	1,755,901	3,468,089	50.6

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
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 .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
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 .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
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 .