

Minnesota

503,055 Small Businesses

114,500 Small Businesses with Employees

388,555 Small Businesses without Employees (Nonemployers)

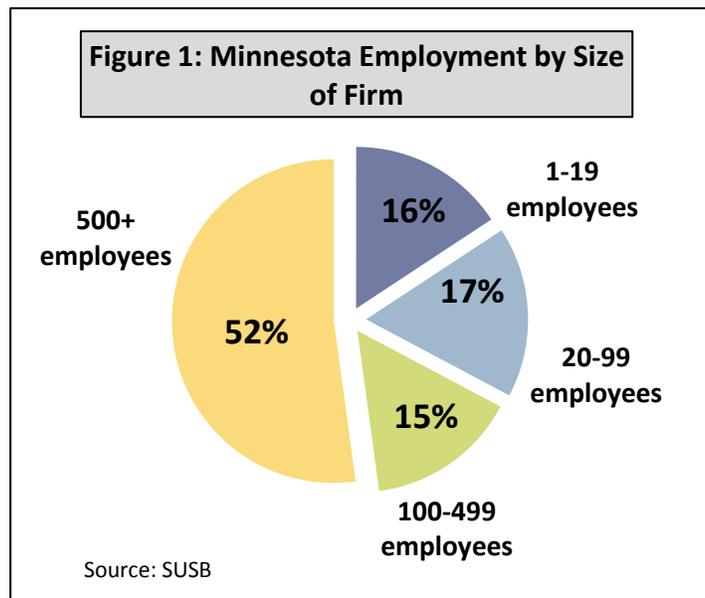
1,186,909 Workers Employed by Small Businesses

State Economy Overall

- Minnesota's economy grew at a faster rate than the United States in 2013. Minnesota's real gross state product increased by **2.8 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Minnesota has improved. The unemployment rate in Minnesota declined from **4.8 percent** in October 2013 to **3.9 percent** in October 2014. This is below the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Minnesota's small businesses employed about half or **1.2 million** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **97.8 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 Minnesota, small businesses created **43,832** 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 **3.5 percent** relative to the previous year.
- The state's private-sector employment growth increased by **2.0 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.3 percent**. (Source: 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, **122,451** loans under \$100,000 (and valued at **\$1.5 billion**) were issued by Community Reinvestment Act lending institutions in Minnesota. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$48,092** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$26,081**. (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, **53.2 percent** of female-owned businesses were in the health care and social assistance industry, and female-owned firms made up **17.0 percent** of this industry.

Table 1: Top Industry by Demographic Group in Minnesota, 2007

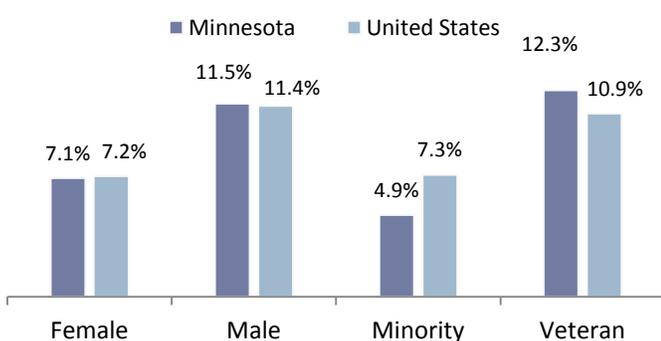
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Health care & social assistance	53.2	17.0
Male	Construction	73.4	19.1
American Indian and Alaska Native	Admin., support, etc. services	1.4	15.5
Asian	Prof., sci., & tech. services	2.6	16.5
Black or African American	Health care & social assistance	5.9	20.4
Native Hawaiian and Other Pacific Islander	*	*	*
White	Prof., sci., & tech. services	91.9	14.4
Hispanic	Construction	1.0	13.2
Veteran	Construction	12.4	18.7

*Indicates that the sample size was too small to be representative of the population. 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.

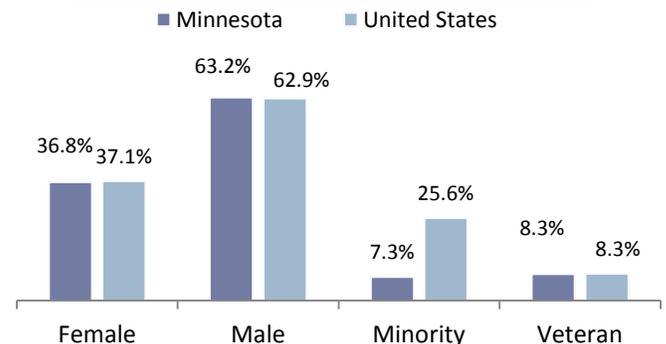
- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **7.1 percent** of females were self-employed, and **Figure 2b** shows that **36.8 percent** of all self-employed people were female.

Figure 2a: What percent of each demographic group are self-employed in Minnesota?



Source: ACS

Figure 2b: What percent of self-employed individuals in Minnesota are in each demographic group?



Source: ACS

Business Turnover

- In 2010, **8,472** establishments opened in Minnesota, and **70.7 percent** survived through 2012. In 2013, **8,797** establishments opened, and **80.4 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **4,659** establishments opened and **6,645** closed in the state of Minnesota. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

International Trade

- A total of **8,659** companies exported goods from the state in 2012. Of these, **7,564** or **87.4 percent** were small firms; they generated about a third (**32.7 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
Construction	15,782	15,083	40,943	56,725
Professional, scientific, & tech. svcs.	15,268	14,229	58,809	74,077
Other services (except public admin.)	13,931	12,819	50,874	64,805
Retail trade	11,993	10,588	37,846	49,839
Health care & social assistance	9,730	7,766	32,033	41,763
Accommodation & food services	8,271	6,164	3,945	12,216
Wholesale trade	6,398	5,136	6,904	13,302
Manufacturing	6,336	4,656	7,623	13,959
Admin., supp., waste mgt., remed. svcs.	6,231	5,554	25,308	31,539
Finance & insurance	5,671	5,146	13,902	19,573
Real estate & rental & leasing	4,933	4,621	40,350	45,283
Transportation & warehousing	3,926	3,404	19,663	23,589
Arts, entertainment, & recreation	2,549	2,220	27,300	29,849
Educational services	1,694	1,267	11,889	13,583
Information	1,462	1,200	5,453	6,915
Forestry, etc. & agriculture support	475	447	5,169	5,644
Management of comp. & enterprises	459	74	*	459
Mining, quarrying, and oil & gas extrac.	125	110	186	311
Utilities	99	49	358	457
Unclassified	98	98	*	98
Total	114,500	100,536	388,555	503,055

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 Minnesota 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 Minnesota 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	198,359	442,762	44.8
Manufacturing	137,260	296,978	46.2
Accommodation & food services	136,793	220,646	62.0
Retail trade	117,491	290,507	40.4
Other services (except public admin.)	100,875	113,139	89.2
Professional, scientific, & tech. svcs.	87,530	132,818	65.9
Construction	76,646	96,844	79.1
Wholesale trade	72,825	129,299	56.3
Admin., supp., waste mgt., remed. svcs.	59,949	159,800	37.5
Finance & insurance	43,386	154,143	28.1
Transportation & warehousing	36,868	79,195	46.6
Educational services	30,884	71,365	43.3
Arts, entertainment, & recreation	26,250	41,733	62.9
Real estate & rental & leasing	24,869	35,388	70.3
Information	20,599	61,219	33.6
Management of comp. & enterprises	9,932	133,044	7.5
Utilities	2,732	D	D
Forestry, etc. & agriculture support	2,429	2,551	95.2
Mining, quarrying, and oil & gas extraction	1,124	5,643	19.9
Unclassified	108	108	100.0
Total	1,186,909	2,480,643	47.8

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 .