

## Michigan

856,273 Small Businesses

169,045 Small Businesses with Employees

687,228 Small Businesses without Employees (Nonemployers)

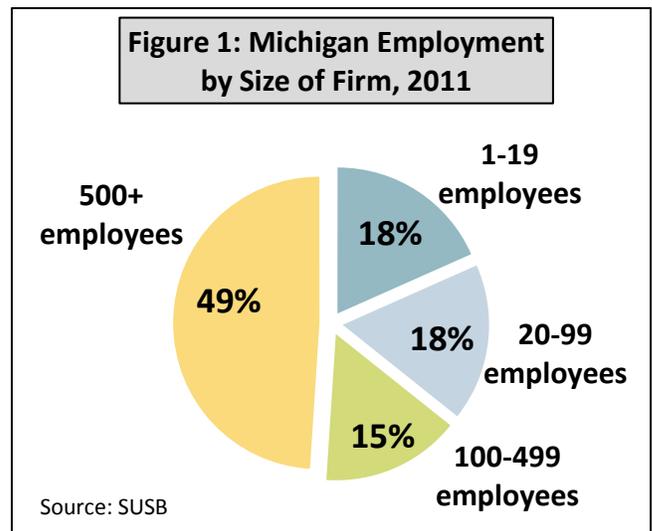
1,724,356 Workers Employed by Small Businesses

### State Economy Overall

- Michigan's economy grew at a slightly slower rate than the United States in 2012. Michigan's real gross state product increased by **2.2 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Michigan has improved. The unemployment rate in Michigan declined from **8.9 percent** in December 2012 to **8.4 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

### Employment

- Michigan's small businesses employed half or **1.7 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **98.2 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: health care & social assistance, manufacturing, and accommodation & food services (**Table 4**).
- In Michigan, small businesses created **85,494** 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 **2.3 percent**, which was above 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 **6.8 percent** in the 3<sup>rd</sup> quarter of 2013 and totaled **\$24.4 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](http://www2.fdic.gov/sod/sodSummary.asp?barItem=3).
- In 2012, **154,757** loans under \$100,000 (and valued at **\$2 billion**) were issued by Community Reinvestment Act lending institutions in Michigan. (Source: FFIEC)

## Business Owner Demographics

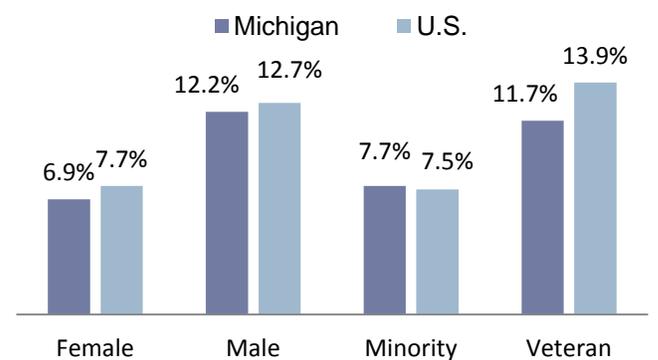
- In 2011, there were an estimated **261,000** woman-owned businesses and **115,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

**Table 1. Demographics of All Michigan Businesses, 2011**

	Number of All Businesses <sup>e</sup>	Share of All Businesses (%) <sup>*</sup>
Male Owned	433,000	50.4
Woman Owned	261,000	30.4
Equally Male and Female Owned	137,000	16.0
Minority Owned	115,000	13.3
Veteran Owned	70,000	8.2

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/mi10.pdf](http://www.sba.gov/sites/default/files/files/mi10.pdf).

**Figure 2: Michigan Self-Employment Demographics, 2012**



Source: CPS

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

## Business Turnover

- **Table 2** gives Michigan's establishment survival rates over an eight-year period, 2002-2010.
- In the 2<sup>nd</sup> quarter of 2013, **7,258** establishments opened and **10,056** closed in the state of Michigan. (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 Michigan**

	Establishments Opened <sup>*</sup>	Share Surviving Until 2012 (%)
2002	16,405	33.2
2007	15,670	45.9
2010	13,901	66.7

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

## 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 a fifth (**19.9 percent**) of the state's total known export value. (Source: ITA)

**Table 3: Number of Michigan 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
Retail trade	22,315	20,388	56,367	78,682
Other services (except public admin.)	21,110	19,770	126,993	148,103
Health care & social assistance	20,165	17,599	71,282	91,447
Professional, scientific, & tech. svcs.	19,483	18,007	83,780	103,263
Construction	18,092	17,148	74,931	93,023
Accommodation & food services	14,633	11,530	9,613	24,246
Manufacturing	10,837	7,879	11,986	22,823
Admin., supp., waste mgt., remed. svcs.	9,500	8,237	58,767	68,267
Wholesale trade	8,858	7,333	11,495	20,353
Finance & insurance	6,616	6,001	18,411	25,027
Real estate & rental & leasing	5,614	5,237	70,268	75,882
Transportation & warehousing	4,513	3,958	26,717	31,230
Arts, entertainment, & recreation	3,228	2,809	31,803	35,031
Educational services	1,916	1,555	17,987	19,903
Information	1,472	1,222	8,185	9,657
Management of comp. & enterprises	748	127	0	748
Forestry, etc. & agriculture support	505	474	5,648	6,153
Unclassified	478	477	0	478
Mining	303	253	2,678	2,981
Utilities	73	57	317	390
<b>Total</b>	<b>169,045</b>	<b>149,886</b>	<b>687,228</b>	<b>856,273</b>

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

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	272,010	571,137	48
Manufacturing	235,188	477,030	49
Accommodation & food services	210,130	328,273	64
Retail trade	180,203	443,374	41
Other services (except public admin.)	139,150	152,962	91
Professional, scientific, & tech. svcs.	132,162	240,161	55
Admin., supp., waste mgt., remed. svcs.	122,524	277,674	44
Construction	95,438	109,761	87
Wholesale trade	94,817	153,267	62
Finance & insurance	58,087	146,416	40
Transportation & warehousing	39,065	97,569	40
Arts, entertainment, & recreation	33,189	49,405	67
Real estate & rental & leasing	33,102	49,287	67
Educational services	31,895	72,865	44
Management of comp. & enterprises	21,062	113,118	19
Information	17,898	66,616	27
Forestry, etc. & agriculture support	3,117	3,267	95
Mining	3,019	5,591	54
Utilities	1,783	D	D
Unclassified	D	D	D
<b>Total</b>	<b>1,724,356</b>	<b>3,379,035</b>	<b>51</b>

Source, Tables 3 and 4: SUSB

See [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921) for more detailed data.

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

(D) Data suppressed to protect the confidentiality of individual firms.

## Abbreviations and Resources

<b>BEA</b>	Bureau of Economic Analysis, U.S. Department of Commerce, <a href="http://www.bea.gov">www.bea.gov</a> .
<b>BED</b>	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.bls.gov/bdm">www.bls.gov/bdm</a> .
<b>BDS</b>	Business Dynamics Statistics, U.S. Census Bureau, <a href="http://www.census.gov/ces/dataproducts/bds">www.census.gov/ces/dataproducts/bds</a> .
<b>BLS</b>	Bureau of Labor Statistics, U.S. Department of Labor, <a href="http://www.bls.gov">www.bls.gov</a> .
<b>CPS</b>	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.census.gov/cps">www.census.gov/cps</a> .
<b>FDIC</b>	Federal Deposit Insurance Corporation, <a href="http://www.fdic.gov">www.fdic.gov</a> .
<b>FFIEC</b>	Federal Financial Institutions Examination Council, <a href="http://www.ffiec.gov">www.ffiec.gov</a> .
<b>ITA</b>	International Trade Administration, U.S. Department of Commerce, <a href="http://www.trade.gov">www.trade.gov</a> .
<b>SBO</b>	Survey of Business Owners, U.S. Census Bureau, <a href="http://www.census.gov/econ/sbo">www.census.gov/econ/sbo</a> .
<b>SUSB</b>	Statistics of U.S. Businesses, U.S. Census Bureau, <a href="http://www.census.gov/econ/susb">www.census.gov/econ/susb</a> .
<b>U.S. Courts</b>	Administrative Office of the U.S. Courts, <a href="http://www.uscourts.gov">www.uscourts.gov</a> .