

Minnesota

Minnesota's small businesses are key to the state's well-being. They account for a significant share of the state's economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status and contributions of Minnesota small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 494,788 in the state in 2008. Of these, 118,391 were employers, and they accounted for 49.5% of private-sector jobs in the state (Table 1). Small firms made up 97.9% of the state's employers.
- Minnesota's real gross state product increased by 2% and private-sector employment decreased by 4.7% in 2009. By comparison, real GDP in the United States grew 0.7% and private-sector employment declined by 5.5%.
- Business ownership is becoming more inclusive in the state. The number of both women and minority business owners has grown. In particular, minority-owned businesses numbered 31,115 in 2007, a 43.1% increase over 2002.
- The state's small business employment has undergone major shifts in recent years (Table 2).
- The state's businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

Minnesota Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	118,391	121,197	113,707
Large employers (500+ employees)	2,559	2,539	2,492
Nonemployers	376,397	386,984	317,874
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	252,199	50.7	0.9
Woman-owned	133,141	26.8	7.5
Equally male/female-owned	93,826	18.9	69.3
African American-owned	12,454	2.5	58.9
Asian-owned	11,407	2.3	48.1
Hispanic-owned	5,011	1.0	25.8
Native American/Alaskan-owned	2,891	0.6	5.4
Hawaiian/Pacific Islander-owned	n.a.	n.a.	n.a.
Veteran-owned	43,548	8.8	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,196	-4.7	-2.8
Government employment	375	-0.5	7.3
Self-employed (incorp. & uninc.)	292	-1.6	-6.7
Female self-employment	103	1.8	-9.3
Male self-employment	189	-3.3	-5.2
Minority self-employment	15	13.2	16.6
Veteran self-employment	31	-0.9	-33.9
Unemployment rate (%)	8.0	2.6†	4.9†
Business Turnover			
Quarterly establishment openings	24,290	-3.2	-15.1
Quarterly establishment closings	26,693	-16.1	2.8
Business bankruptcies	859	-0.5	-42.4
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	15.5	17.9	10.6
Number of bank branches	1,866	1,862	1,577
No. of bus. loans under \$100,000‡	113,070	165,400	55,073
Total value of business loans under \$100,000 (\$million)‡	1,602	2,158	787
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy. * Latest available data. †Percentage point change. ‡Data are for CRA loans.			

**Table 1: Firms and Employment in Minnesota by Industry and Firm Size, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	376.4	121.0	103.9	118.4	2,517.4	410.0	1,250.0
Forestry, etc. and agriculture support	4.9	0.4	0.4	0.4	2.3	1.3	2.2
Mining	0.1	0.1	0.1	0.1	5.3	0.4	1.0
Utilities	0.3	0.1	0.0	0.1	D	0.3	2.6
Construction	46.7	17.1	16.1	17.0	119.8	47.0	94.2
Manufacturing	7.2	7.2	5.0	6.8	333.5	27.2	152.3
Wholesale trade	6.9	7.2	5.4	6.7	138.2	23.3	76.6
Retail trade	38.3	13.5	11.5	13.1	304.4	56.3	133.6
Transportation and warehousing	18.5	4.2	3.4	3.9	80.4	11.7	36.9
Information	5.2	1.7	1.2	1.5	72.4	5.3	23.4
Finance and insurance	13.9	6.3	5.5	6.1	153.8	17.2	48.1
Real estate and rental and leasing	33.2	5.3	4.8	5.2	41.8	11.7	28.0
Professional, scientific, and technical svcs.	54.7	15.8	14.4	15.5	146.7	41.7	88.9
Management of companies and enterprises	--	0.8	0.1	0.5	91.3	0.2	10.0
Admin., support, waste mgt., remed. svcs.	25.6	6.5	5.5	6.2	141.1	18.3	64.2
Educational services	10.9	1.7	1.3	1.7	64.5	6.1	29.6
Health care and social assistance	33.9	9.6	7.6	9.4	396.1	37.5	188.7
Arts, entertainment, and recreation	24.5	2.6	2.3	2.6	44.5	8.3	26.2
Accommodation and food services	4.0	8.4	6.1	8.3	221.8	39.2	138.0
Other services (except public admin.)	47.6	14.2	12.9	14.1	145.8	56.9	105.3
Unclassified	--	0.2	0.2	0.2	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 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, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	38,091	14,257	1,834	415	5,178	8,191	29,875	8,216
2005 - 2006	49,175	15,826	2,784	2,872	5,214	4,216	30,912	18,263
2006 - 2007	49,577	13,125	-2,298	-2,486	-3,549	-2,387	47,172	2,405

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	5.2	23.9	31.6	8.3	18.1	92.1	134.5	29.3
Quarter 2	6.6	24.9	29.9	6.6	27.7	103.2	126.2	23.9
Quarter 3	7.0	24.7	28.9	6.5	28.5	98.2	119.2	22.9
Quarter 4	5.6	25.4	28.2	5.3	18.4	100.4	105.3	22.1

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 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.