

Michigan

Small businesses totaled 805,902 in Michigan in 2009. They represent 98.3 percent of all employers and employ 52.3 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Michigan's health and well-being.

This profile uses the latest available data to illustrate the status of Michigan's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Michigan's economy was mixed in 2010, with real gross state product decreasing 3.7 percent and private-sector employment remaining flat (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Michigan's small businesses are very small as 78.2 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 1.8 million workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation in 2008-2009 was weak (Table 2); small businesses in Michigan had a net job loss from 2005-2008.
- Self-employment in Michigan declined over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was negative (Table 3).

For Further Information

- Data on all states and territories are 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.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Michigan Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	173,284	179,525	190,738
Large employers (500+ employees)	3,019	3,081	3,123
Nonemployers	632,618	640,719	526,958
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	412	1,250	225,907
Woman-owned	248	244	26,446
Equally male/female-owned	131	223	24,579
African American-owned	73	31	3,591
Asian-owned	22	66	7,069
Hispanic-owned	11	19	3,636
Native American/Alaskan-owned	6	5	637
Hawaiian/Pacific Islander-owned	0	1	265
Veteran-owned	97	219	39,713
Publicly held, unclassified	26	1,797	558,181
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	3,226	0.0	-19.3
Government employment	636	-1.7	-6.7
Self-employed (incorp. & uninc.)	337	-26.7	-27.1
Female self-employment	140	-9.1	-6.0
Male self-employment	197	-35.6	-37.1
Minority self-employment	66	-6.3	-1.2
Veteran self-employment	23	-53.8	-48.8
Unemployment Rate (Percent)	12.5	-0.8†	8.8†
Business Turnover			
Quarterly establishment openings	40,397	-2.1	-12.2
Quarterly establishment closings	43,017	-11.7	-1.3
Business bankruptcies	1,876	-9.9	225.1
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	22.8	19.7	19.9
Number of bank branches	3,008	3,085	2,967
No. of bus. loans under \$100,000‡	97,919	174,811	126,071
Total value of business loans under \$100,000 (\$million)‡	1,522	2,168	1,760
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 Michigan by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	632.6	176.3	153.2	173.3	3,383.6	638.8	1,769.1
Forestry, etc. and agriculture support	5.3	0.5	0.5	0.5	3.0	1.6	2.9
Mining	2.3	0.3	0.3	0.3	5.7	1.0	3.0
Utilities	0.3	0.1	0.1	0.1	D	0.2	1.7
Construction	75.4	19.4	18.2	19.3	116.4	54.6	105.3
Manufacturing	10.9	11.6	8.2	11.1	470.9	47.2	233.5
Wholesale trade	10.9	9.6	7.5	9.0	158.5	32.0	97.2
Retail trade	55.4	23.4	20.9	22.9	448.1	88.5	182.5
Transportation and warehousing	25.5	4.5	3.7	4.3	96.2	12.8	38.2
Information	7.7	1.7	1.2	1.5	73.3	5.5	17.9
Finance and insurance	17.6	7.0	6.1	6.8	156.2	21.3	61.2
Real estate and rental and leasing	46.1	6.0	5.5	5.9	51.2	16.6	35.7
Professional, scientific, and technical svcs.	80.1	20.2	18.2	19.8	241.0	60.3	140.4
Management of companies and enterprises	--	1.1	0.1	0.7	100.5	0.4	15.0
Admin., support, waste mgt., remed. svcs.	54.9	10.2	8.4	9.9	264.4	29.0	139.5
Educational services	17.4	2.0	1.5	1.9	69.7	7.3	32.4
Health care and social assistance	72.4	20.6	17.7	20.4	568.5	93.5	274.6
Arts, entertainment, and recreation	29.8	3.4	2.9	3.3	51.7	11.2	36.9
Accommodation and food services	8.8	14.9	11.7	14.7	327.9	69.4	207.6
Other services (except public admin.)	111.8	21.5	20.0	21.4	157.7	85.2	142.5
Unclassified	--	0.8	0.8	0.8	1.2	1.0	1.2

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.)

Table 2: Net Job Change by Firm Size, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	33,930	22,051	-277	420	8,047	-4,121	26,120	7,810
2006 - 2007	-128,786	19,366	-5,347	-11,596	-23,533	-34,749	-55,859	-72,927
2007 - 2008	-30,672	19,159	-4,432	-5,050	-9,843	-4,294	-4,460	-26,212
2008 - 2009	-257,612	20,790	-3,553	-12,857	-42,586	-57,530	-95,736	-161,876

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, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	9.8	9.9	9.8	10.8	34.2	42.2	37.5	41.1
Expansions	37.4	40.0	40.1	39.3	149.4	179.1	179.1	165.9
Contractions	40.8	37.8	37.9	39.1	151.2	143.5	144.6	166.7
Closings	11.3	9.8	11.6	10.3	39.9	40.5	46.9	46.8

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.