

## Michigan

Small businesses significantly impact Michigan's economy. They represent 98.3 percent of all employers and employ 51.7 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 851,112 in 2010.

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 strong in 2011, with real gross state product increasing 4.6 percent and private-sector employment increasing 2.8 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 1.7 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Michigan had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 2.4 percent.
- Most of Michigan's small businesses are very small as 79.6 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was negative (Table 3).
- Self-employment in Michigan declined over the last decade. Female self-employment fared the best compared with other demographic groups.

### For Further Information

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

### Michigan Small Business Facts

	2010*	2009	2000
<b>Number of Businesses</b>			
Small employers (<500 employees)	171,360	173,284	190,738
Large employers (500+ employees)	2,985	3,019	3,123
Nonemployers	679,752	666,395	526,958
<b>Level in 2007* (000)</b>			
	<b>Firms</b>		<b>Employment Receipts(\$M)</b>
<b>Business Owner Demographics</b>			
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	-	-	-
Veteran-owned	97	219	39,713
Publicly held, unclassified	26	1,797	558,181
	<b>Level in 2011*</b>	<b>% Change from 2010 2000</b>	
<b>Workforce (Thousands)</b>			
Private-sector employment	3,317	2.8	-17.0
Government employment	619	-2.7	-9.2
Self-employed (incorp. & uninc.)	404	-4.5	-12.7
Female self-employment	150	2.5	0.8
Male self-employment	254	-8.2	-19.1
Minority self-employment	64	20.5	-4.1
Veteran self-employment	22	-42.2	-51.3
Unemployment Rate (Percent)	10.3	-2.4†	6.6‡
<b>Business Turnover</b>			
Quarterly establishment openings	40,946	1.4	-11.0
Quarterly establishment closings	40,531	-5.8	-7.0
Business bankruptcies	1,599	-14.8	177.1
	<b>2011*</b>	<b>2010</b>	<b>2000</b>
<b>Income and Finance</b>			
Proprietors' income (\$billion)	24.5	22.7	19.9
Number of bank branches	2,978	3,008	2,967
No. of bus. loans under \$100,000‡	78,076	97,919	126,071
Total value of business loans under \$100,000 (\$million)‡	1,524	1,522	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, 2010  
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	679.8	174.3	152.5	171.4	3,288.5	626.5	1,699.8
Forestry, etc. and agriculture support	5.6	0.5	0.5	0.5	3.1	1.6	2.9
Mining	2.6	0.3	0.3	0.3	5.2	1.1	2.6
Utilities	0.3	0.1	0.1	0.1	D	0.2	1.8
Construction	75.8	18.7	17.8	18.7	107.4	51.9	95.0
Manufacturing	11.7	11.4	8.1	10.9	445.3	45.6	222.5
Wholesale trade	11.3	9.6	7.5	9.0	153.9	31.5	93.3
Retail trade	55.9	23.0	20.7	22.6	437.9	87.1	178.2
Transportation and warehousing	26.3	4.6	3.8	4.3	91.4	12.7	36.8
Information	8.2	1.7	1.2	1.5	66.6	5.4	17.6
Finance and insurance	18.6	6.9	6.0	6.6	147.7	20.6	59.0
Real estate and rental and leasing	70.3	5.9	5.4	5.8	47.3	15.8	32.7
Professional, scientific, and technical svcs.	83.7	20.1	18.2	19.7	233.8	59.0	133.4
Management of companies and enterprises	0.0	1.1	0.2	0.7	97.1	0.5	12.9
Admin., support, waste mgt., remed. svcs.	57.1	10.0	8.3	9.7	268.3	27.7	130.6
Educational services	17.6	2.0	1.5	1.9	71.8	7.0	31.7
Health care and social assistance	72.6	20.6	17.8	20.3	562.9	92.9	268.5
Arts, entertainment, and recreation	31.0	3.4	2.9	3.3	49.8	11.4	34.9
Accommodation and food services	9.4	15.0	11.8	14.8	323.8	69.5	205.7
Other services (except public admin.)	121.7	21.4	19.9	21.2	152.8	84.1	138.7
Unclassified	0.0	0.8	0.8	0.8	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](http://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, 2007–2010 (Nonfarm)**

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-59,797	15,303	-2,455	-11,603	-23,383	-8,610	-30,748	-29,049
2009	-229,354	17,845	-4,377	-14,435	-42,449	-56,360	-99,776	-129,578
2008	-25,505	18,007	-5,134	-4,489	-13,088	-1,372	-6,076	-19,429
2007	-90,974	16,490	-4,866	-10,990	-18,677	-25,645	-43,688	-47,286

Note: Data source differs from previous publications.

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

**Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)**

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	9.4	10.7	10.7	10.1	33.6	43.0	44.6	37.2
Expansions	39.1	40.9	41.8	39.5	164.3	175.2	183.1	165.8
Contractions	39.4	37.8	37.5	39.5	141.3	160.1	149.3	155.2
Closings	10.9	9.4	10.3	10.0	40.4	40.1	41.3	43.1

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

Note: These figures contain all firm sizes; Census data from 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.