

## Michigan

Michigan's 187,373 small employers and 648,573 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.\* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- Michigan's real gross state product decreased by 1.5% and private-sector employment decreased by 2.8% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The manufacturing industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in Michigan was 187,373 in 2006, accounting for 98.4% of the state's employers and 51.6% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

### For Further Information

- Data on all states and territories is available at [www.sba.gov/advo/research/profiles](http://www.sba.gov/advo/research/profiles).
- For other small business data and analysis, visit [www.sba.gov/advo/research](http://www.sba.gov/advo/research), call (202) 205-6533, or email [advocacy@sba.gov](mailto:advocacy@sba.gov).
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit [www.sba.gov/advo/rsslibrary.html](http://www.sba.gov/advo/rsslibrary.html)

\* Small employer data from 2006; nonemployer from 2007.

### Michigan Small Business Facts

	2007†	2006	2000
<b>Number of Businesses</b>			
Small employers (<500 employees)	n.a.	187,373	190,738
Large employers (500+ employees)	n.a.	3,038	3,123
Nonemployers	648,573	627,284	526,958
	2002‡	% Share in 2002	% Change 1997–2002
<b>Business Owner Demographics</b>			
Male-owned	415,649	56.5	12.8
Woman-owned	217,673	29.6	17.9
Equally male/female-owned	81,773	11.1	-27.2
African American-owned	44,366	6.0	77.8
Asian-owned	15,337	2.1	32.7
Hispanic-owned	9,841	1.3	-1.6
Native American/Alaskan-owned	5,361	0.7	n.a.
Hawaiian and Pacific Islander-owned	196	0.0	67.5
	2008‡	% Change from 2007 2000	
<b>Workforce (Thousands) /Unemployment (%)</b>			
Private-sector employment	3,465	-2.8	-12.5
Government employment	607	-1.3	-3.2
Self-employed (incorp. & uninc.)	442	-2.2	-6.2
Female self-employment	157	7.4	-3.3
Male self-employment	285	-6.7	-7.8
Minority self-employment	48	16.2	17.0
Veteran self-employment	39	-3.2	-18.1
Unemployment rate (%)	8.4	1.3	4.7
<b>Business Turnover</b>			
Quarterly establishment openings	42,030	-2.7	-8.6
Quarterly establishment closings	48,056	4.1	10.3
Business bankruptcies	1,684	41.0	191.9
	2008‡	2007	2000
<b>Income and Finance</b>			
Proprietors' income (\$billion)	29.8	29.4	18.0
Number of bank branches	3,125	3,137	2,967
No. of bus. loans under \$100,000‡	n.a.	334,833	126,071
Total value of business loans under \$100,000 (\$million)‡	n.a.	3,655	1,760
Source: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Administration, Office of Advocacy ( <a href="http://www.sba.gov/advo/research/sbl_08study.pdf">www.sba.gov/advo/research/sbl_08study.pdf</a> , Table 4b.) n.a. not available.			
† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.			

**Table 1. Firms and Employment in Michigan by Industry and Firm Size, 2006 and 2007  
(Nonfarm, Thousands)**

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	648.6	190.4	165.5	187.4	3,819.5	694.1	1,969.1
Forestry, etc. and agriculture support	5.7	0.6	0.5	0.6	3.1	1.8	3.0
Mining	2.6	0.4	0.3	0.4	5.9	1.3	3.5
Utilities	0.4	0.1	0.1	0.1	23.5	0.2	1.4
Construction	83.2	24.7	23.2	24.7	156.3	78.5	143.8
Manufacturing	11.7	12.5	8.5	11.9	614.9	51.2	280.6
Wholesale trade	11.8	9.9	7.6	9.3	173.6	33.2	104.4
Retail trade	63.2	25.8	23.0	25.3	489.2	97.8	207.3
Transportation and warehousing	27.9	4.8	4.0	4.5	105.3	13.6	40.8
Information	7.8	1.9	1.4	1.7	81.8	6.3	19.2
Finance and insurance	19.1	7.6	6.6	7.4	167.3	23.6	68.0
Real estate and rental and leasing	54.9	7.2	6.6	7.1	59.3	19.7	40.7
Professional, scientific, and technical svcs.	80.0	21.1	18.9	20.7	302.2	62.8	156.5
Management of companies and enterprises	--	1.1	0.2	0.7	118.3	0.6	12.0
Admin., support, waste mgt., remed. svcs.	53.0	10.6	8.5	10.3	342.0	29.5	177.3
Educational services	16.6	1.9	1.5	1.9	66.8	7.0	31.8
Health care and social assistance	72.1	20.3	17.7	20.1	541.2	93.3	267.3
Arts, entertainment, and recreation	29.6	3.4	2.9	3.4	54.6	12.0	37.6
Accommodation and food services	8.5	14.9	11.6	14.7	338.1	67.6	215.7
Other services (except public admin.)	100.5	22.9	21.2	22.8	173.9	92.1	156.0
Unclassified	--	1.3	1.3	1.3	2.2	1.9	2.2

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html) 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, 2003–2006 (Nonfarm)**

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	9,268	32,076	11,987	5,909	-4,326	-7,582	38,064	-28,796
2004 - 2005	-99,923	20,279	-3,250	-14,522	-32,881	-63	-30,437	-69,486
2005 - 2006	33,930	22,051	-277	420	8,047	-4,121	26,120	7,810

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html).)

**Table 3: Establishment and Employment Turnover by Quarter, 2008 (Nonfarm, Thousands)**

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	11.1	39.8	45.2	12.2	42.1	165.5	193.1	49.9
Quarter 2	10.7	40.7	45.4	11.1	48.3	179.6	194.3	50.8
Quarter 3	9.3	38.7	44.5	12.2	41.6	164.4	210.5	53.4
Quarter 4	11.0	35.5	49.2	12.5	43.5	158.1	241.2	53.9

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

Note: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.