

Michigan

Michigan'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 Michigan small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 820,244 in the state in 2008. Of these, 179,525 were employers, and they accounted for 51.6% of private-sector jobs in the state (Table 1). Small firms made up 98.3% of the state's employers.
- Michigan's real gross state product decreased by 1.5% and private-sector employment decreased by 8.4% 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 109,031 in 2007, a 47.9% 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.

Michigan Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	179,525	185,420	190,738
Large employers (500+ employees)	3,081	3,065	3,123
Nonemployers	640,719	648,573	526,958
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	411,913	50.4	-0.9
Woman-owned	248,351	30.4	14.1
Equally male/female-owned	130,753	16.0	59.9
African American-owned	72,549	8.9	63.5
Asian-owned	21,670	2.7	41.3
Hispanic-owned	10,763	1.3	9.4
Native American/Alaskan-owned	6,086	0.7	13.5
Hawaiian/Pacific Islander-owned	515	0.1	162.8
Veteran-owned	66,765	8.2	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	3,175	-8.4	-19.8
Government employment	607	-1.0	-4.2
Self-employed (incorp. & uninc.)	442	0.1	-6.1
Female self-employment	158	0.6	-2.8
Male self-employment	285	-0.2	-7.9
Minority self-employment	52	-6.0	12.4
Veteran self-employment	44	14.7	-6.1
Unemployment rate (%)	13.6	5.3†	9.9†
Business Turnover			
Quarterly establishment openings	41,186	-2.0	-10.4
Quarterly establishment closings	48,859	1.7	12.2
Business bankruptcies	2,081	23.6	260.7
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	24.7	27.3	18.0
Number of bank branches	3,085	3,125	2,967
No. of bus. loans under \$100,000‡	174,811	260,798	126,071
Total value of business loans under \$100,000 (\$million)‡	2,168	2,977	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, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	640.7	182.6	158.6	179.5	3,636.2	661.9	1,867.9
Forestry, etc. and agriculture support	5.5	0.6	0.5	0.6	3.0	1.8	2.9
Mining	2.6	0.4	0.3	0.3	5.7	1.1	3.0
Utilities	0.4	0.1	0.0	0.1	D	0.2	1.6
Construction	78.6	21.5	20.2	21.5	146.0	63.6	122.4
Manufacturing	11.1	12.2	8.3	11.6	560.3	49.7	265.4
Wholesale trade	11.2	9.8	7.6	9.2	170.6	32.8	101.6
Retail trade	58.5	24.1	21.6	23.7	466.4	91.7	192.4
Transportation and warehousing	26.9	4.7	3.9	4.5	103.9	13.1	40.8
Information	7.8	1.7	1.3	1.6	76.7	5.6	17.7
Finance and insurance	18.3	7.4	6.5	7.2	170.3	22.3	62.4
Real estate and rental and leasing	49.9	6.4	5.8	6.3	53.2	17.5	36.8
Professional, scientific, and technical svcs.	79.4	20.7	18.6	20.3	256.3	62.3	148.9
Management of companies and enterprises	--	1.1	0.1	0.7	114.5	0.4	14.4
Admin., support, waste mgt., remed. svcs.	54.9	10.7	8.7	10.4	306.3	29.9	158.7
Educational services	17.3	2.0	1.6	1.9	67.6	7.2	32.2
Health care and social assistance	73.3	20.6	17.9	20.4	558.6	93.8	269.4
Arts, entertainment, and recreation	29.5	3.4	2.9	3.4	49.8	11.4	37.2
Accommodation and food services	8.7	15.1	11.8	14.9	340.2	69.2	212.5
Other services (except public admin.)	106.9	22.1	20.5	22.0	162.1	87.8	146.8
Unclassified	--	0.6	0.6	0.6	0.7	0.6	0.7

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, 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	-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
2006 - 2007	-128,786	19,366	-5,347	-11,596	-23,533	-34,749	-72,927	-55,859

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	7.7	32.4	48.3	13.4	31.5	133.3	232.0	54.6
Quarter 2	12.5	35.7	46.5	10.5	53.6	154.1	254.8	44.7
Quarter 3	10.0	36.7	41.5	13.9	35.8	198.7	177.8	56.7
Quarter 4	11.0	37.7	41.2	11.1	45.1	166.6	178.3	52.9

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

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.