

Connecticut

329,307 Small Businesses

69,472 Small Businesses with Employees

259,835 Small Businesses without Employees (Nonemployers)

710,034 Workers Employed by Small Businesses

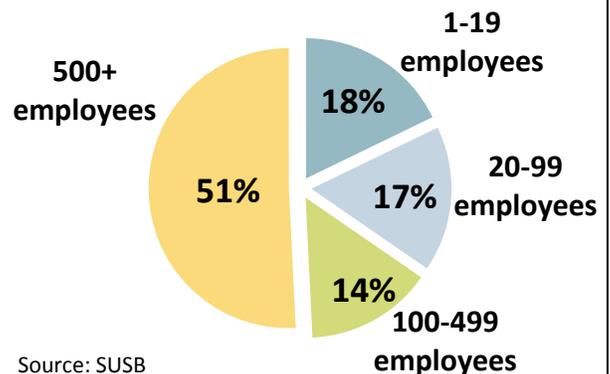
State Economy Overall

- Connecticut's economy grew at a slower rate than the United States in 2012. Connecticut's real gross state product decreased by **0.1 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Connecticut has improved. The unemployment rate in Connecticut declined from **8.6 percent** in December 2012 to **7.4 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

Employment

- Connecticut's small businesses employed about half or **710,034** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **97.0 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and manufacturing (**Table 4**).
- In Connecticut, small businesses created **11,049** net new jobs in 2011. The biggest gain was in the smallest firm size category of 100-499 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.0 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: Connecticut Employment by Size of Firm, 2011



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **8 percent** in the 3rd quarter of 2013 and totaled **\$21.6 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **71,763** loans under \$100,000 (and valued at **\$898.3 million**) were issued by Community Reinvestment Act lending institutions in Connecticut. (Source: FFIEC)

Business Owner Demographics

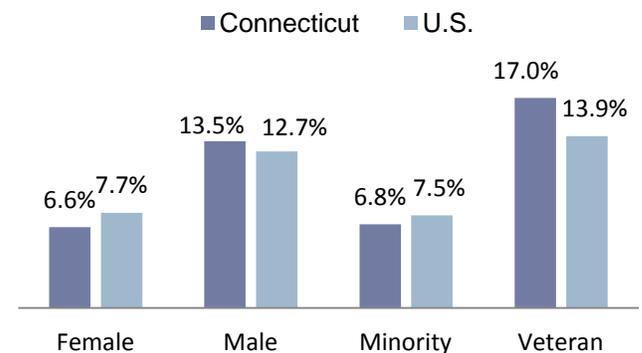
- In 2011, there were an estimated **93,000** woman-owned businesses and **40,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Connecticut Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	190,000	57.2
Woman Owned	93,000	28.1
Equally Male and Female Owned	36,000	10.8
Minority Owned	40,000	12.0
Veteran Owned	31,000	9.4

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/ct10.pdf.

Figure 2: Connecticut Self-Employment Demographics, 2012



Source: CPS
Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives Connecticut's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **3,102** establishments opened and **2,353** closed in the state of Connecticut. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Connecticut

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	6,952	34.2
2007	7,275	45.4
2010	5,197	74.4

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **5,895** companies exported goods from the state in 2012. Of these, **5,232** or **88.8 percent** were small firms; they generated over one-fifth (**23.3 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Connecticut Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Other services (except public admin.)	8,581	8,056	29,623	38,204
Professional, scientific, & tech. svcs.	8,447	7,822	45,141	53,588
Retail trade	8,317	7,475	18,590	26,907
Construction	7,824	7,361	32,042	39,866
Health care & social assistance	7,363	6,093	22,525	29,888
Accommodation & food services	6,556	5,386	3,368	9,924
Admin., supp., waste mgt., remed. svcs.	4,452	4,002	19,168	23,620
Manufacturing	3,985	2,960	3,487	7,472
Wholesale trade	3,444	2,780	4,405	7,849
Finance & insurance	3,327	2,943	10,958	14,285
Real estate & rental & leasing	2,305	2,150	34,230	36,535
Arts, entertainment, & recreation	1,457	1,205	15,545	17,002
Educational services	1,198	958	8,614	9,812
Transportation & warehousing	1,195	961	6,629	7,824
Information	842	658	4,000	4,842
Management of comp. & enterprises	245	76	0	245
Unclassified	134	134	0	134
Forestry, etc. & agriculture support	71	70	1,246	1,317
Utilities	47	30	196	243
Mining	46	42	68	114
Total	69,472	61,109	259,835	329,307

Table 4: Employment in Connecticut by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	135,139	265,810	51
Accommodation & food services	80,432	128,681	63
Manufacturing	76,901	150,646	51
Retail trade	69,453	180,535	38
Other services (except public admin.)	53,543	60,509	88
Professional, scientific, & tech. svcs.	51,579	101,163	51
Construction	43,022	48,782	88
Admin., supp., waste mgt., remed. svcs.	39,331	86,242	46
Wholesale trade	39,218	71,127	55
Finance & insurance	31,651	115,490	27
Educational services	23,877	67,239	36
Arts, entertainment, & recreation	19,762	23,820	83
Transportation & warehousing	13,986	38,802	36
Real estate & rental & leasing	12,478	19,204	65
Information	12,280	37,559	33
Management of comp. & enterprises	4,915	35,510	14
Utilities	1,516	D	D
Mining	542	1,022	53
Forestry, etc. & agriculture support	266	266	100
Unclassified	D	D	D
Total	710,034	1,442,620	49

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

(D) Data suppressed to protect the confidentiality of individual firms.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .