

# 2019 Small Business Profile

## Connecticut



**346,950** Small Businesses  
**99.3%** of Connecticut Businesses

**750,457** Small Business Employees  
**48.9%** of Connecticut Employees



**EMPLOYMENT**  
**26,960**  
net new jobs



**DIVERSITY**  
**68,346**  
minority-owned  
business employees



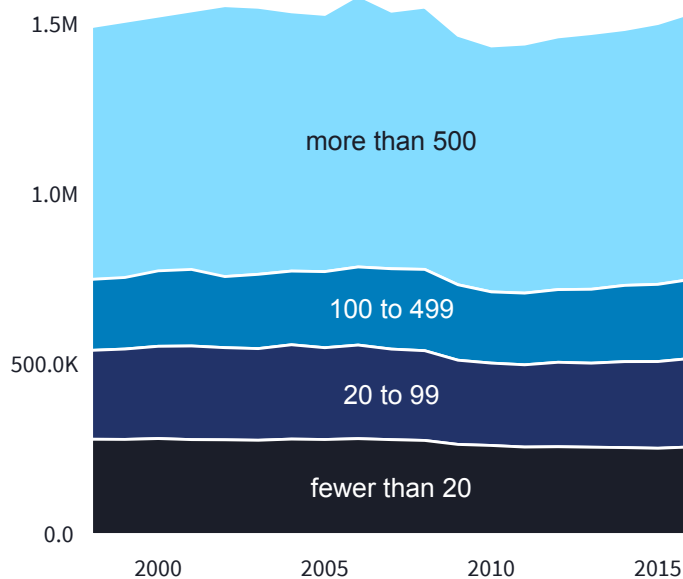
**TRADE**  
**4,984**  
small business  
exporters

### Overall Connecticut Economy

- In the third quarter of 2018, Connecticut grew at an annual rate of **3.3%**, which was slower than the overall US growth rate of **3.4%**. Connecticut's 2017 growth rate of **-1.1%** was down from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **3.8%**, down from **4.5%** in February 2018. This was equal to the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

### Employment

**Figure 1: Employment by Business Size (Employees)**



- Connecticut small businesses employed **750,457** people, or **48.9%** of the private workforce, in 2016. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **2.5%** during the 12-month period ending in February 2019. This was above the decrease of **0.5%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **2.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **26,960** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **13,803** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **5,447** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

## Income and Finance

- The number of banks was unchanged at **42** between June 2016 and June 2017. (Source: [FDIC](#))
- In 2017, **82,024** loans under \$100,000 (valued at **\$1.2 billion**) were issued by Connecticut lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$63,883** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$32,078**. (Source: [ACS](#))

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## Employer Business Owner Demographics

**Figure 2: Connecticut Employees per Business by Owner's Demographic, 2016**

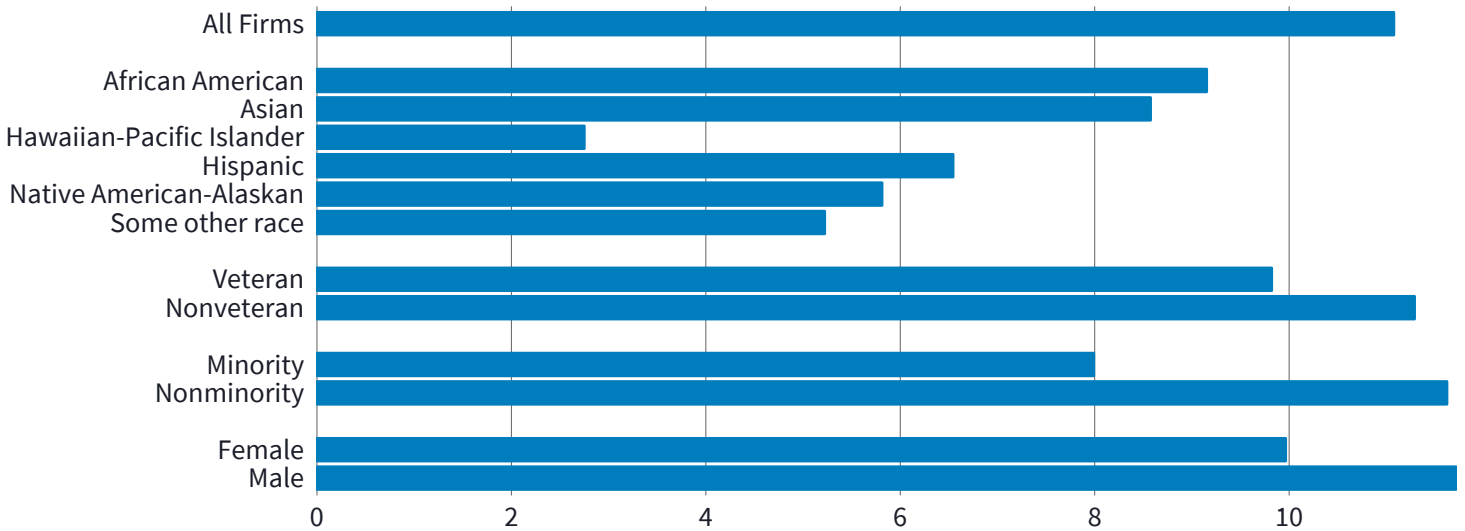
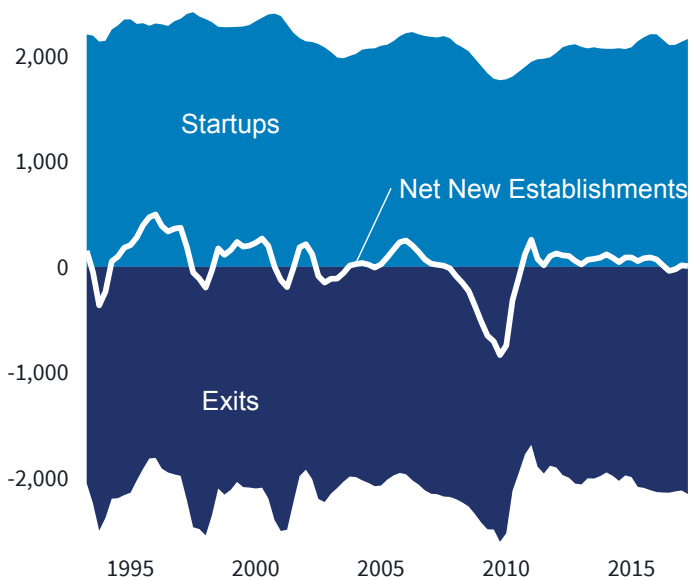


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE).

## Turnover among Establishments with Employees

**Figure 3: Connecticut Quarterly Startups and Exits**



- In the third quarter of 2017, **2,251** establishments started up, generating **8,282** new jobs in Connecticut. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **2,528** establishments exited resulting in **8,320** jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: [BDM](#))
- Figure 3 displays quarterly startups and exits from 1993 to 2017. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## International Trade

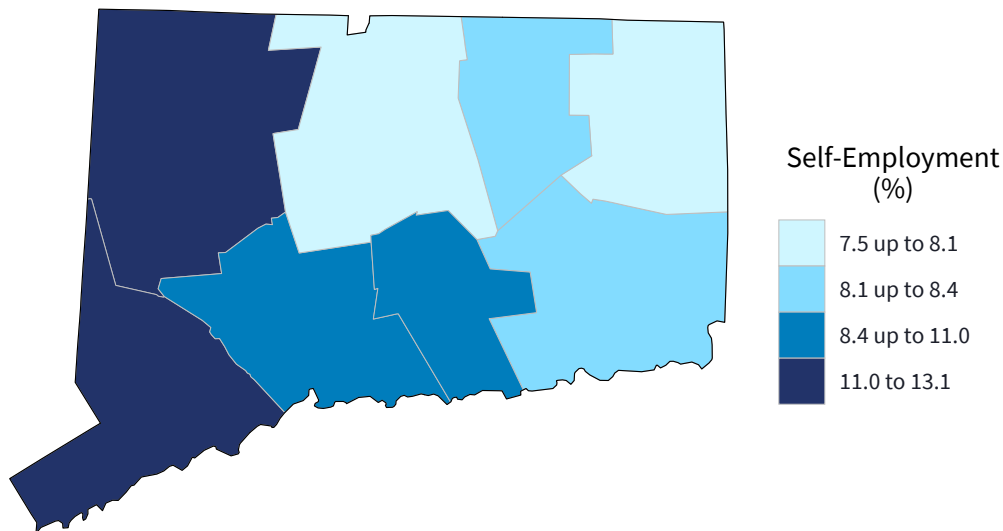
- A total of 5,656 companies exported goods from Connecticut in 2016. Of these, 4,984, or 88.1%, were small firms; they generated 33.1% of Connecticut's \$13.5 billion in total exports. (Source: ITA)

## Small Business Employment by Industry and Self-Employment by County

**Table 1: Connecticut Employment by Industry, 2016**

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	144,127	285,014	50.6
Accommodation and Food Services	95,741	146,476	65.4
Manufacturing	75,323	155,579	48.4
Retail Trade	69,789	186,979	37.3
Professional, Scientific, and Technical Services	56,323	106,207	53.0
Other Services (except Public Administration)	54,062	60,983	88.7
Construction	49,982	58,249	85.8
Administrative, Support, and Waste Management	42,772	85,639	49.9
Wholesale Trade	39,925	73,356	54.4
Finance and Insurance	29,675	126,081	23.5
Educational Services	24,270	76,423	31.8
Arts, Entertainment, and Recreation	22,924	28,450	80.6
Transportation and Warehousing	15,373	43,315	35.5
Real Estate and Rental and Leasing	13,179	20,237	65.1
Information	10,603	37,781	28.1
Management of Companies and Enterprises	4,454	34,199	13.0
Utilities	1,032	7,438	13.9
Mining, Quarrying, and Oil and Gas Extraction	361	931	38.8
Agriculture, Forestry, and Fishing and Hunting	334	334	100.0
Industries not classified	208	208	100.0
<b>Total</b>	<b>750,457</b>	<b>1,533,879</b>	<b>48.9</b>

**Figure 4: Connecticut Self-Employment Rates by County, 2017**



**Table 2: Connecticut Small Businesses by Industry and Firm Size, 2016**

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	8,152	7,466	46,382	54,534
Other Services (except Public Administration)	8,854	8,310	31,115	39,969
Construction	7,866	7,317	31,177	39,043
Real Estate and Rental and Leasing	2,346	2,178	36,600	38,946
Health Care and Social Assistance	7,198	5,780	25,039	32,237
Retail Trade	8,077	7,242	19,266	27,343
Administrative, Support, and Waste Management	4,538	4,070	19,585	24,123
Arts, Entertainment, and Recreation	1,522	1,230	17,111	18,633
Finance and Insurance	3,119	2,749	10,977	14,096
Transportation and Warehousing	1,202	974	12,579	13,781
Educational Services	1,312	1,050	10,949	12,261
Accommodation and Food Services	7,068	5,603	3,806	10,874
Wholesale Trade	3,261	2,584	4,235	7,496
Manufacturing	3,675	2,671	3,421	7,096
Information	869	705	3,983	4,852
Agriculture, Forestry, and Fishing and Hunting	78	75	1,212	1,290
Utilities	41	28	206	247
Mining, Quarrying, and Oil and Gas Extraction	42	36	56	98
<b>Total</b>	<b>69,251</b>	<b>60,237</b>	<b>277,699</b>	<b>346,950</b>

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS).

**References**

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS American Community Survey, US Census Bureau
- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau