

2019 Small Business Profile

Illinois



1.2 million Small Businesses
99.6% of Illinois Businesses

2.5 million Small Business Employees
45.1% of Illinois Employees



EMPLOYMENT
45,740
net new jobs



DIVERSITY
307,434
minority-owned
business employees



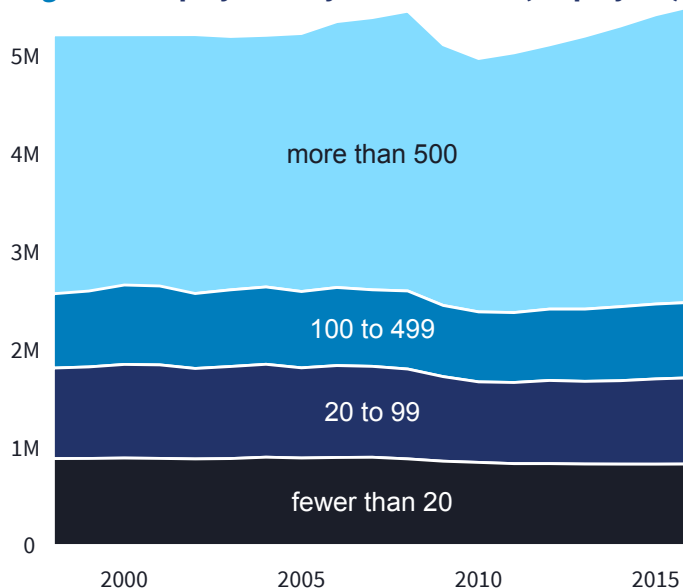
TRADE
20,182
small business
exporters

Overall Illinois Economy

- In the third quarter of 2018, Illinois grew at an annual rate of **2.5%**, which was slower than the overall US growth rate of **3.4%**. Illinois's 2017 growth rate of **0.4%** was up from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **4.3%**, down from **4.4%** in February 2018. This was above the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Illinois small businesses employed **2.5 million** people, or **45.1%** 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 **0.05%** during the 12-month period ending in February 2019. This was below the increase of **0.6%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **2.0%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **45,740** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **35,348** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **4,240** 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 decreased by 23 between June 2016 and June 2017 to 459 banks. (Source: FDIC)
- In 2017, 218,934 loans under \$100,000 (valued at \$3.0 billion) were issued by Illinois lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$52,020 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$25,453. (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: Illinois Employees per Business by Owner's Demographic, 2016

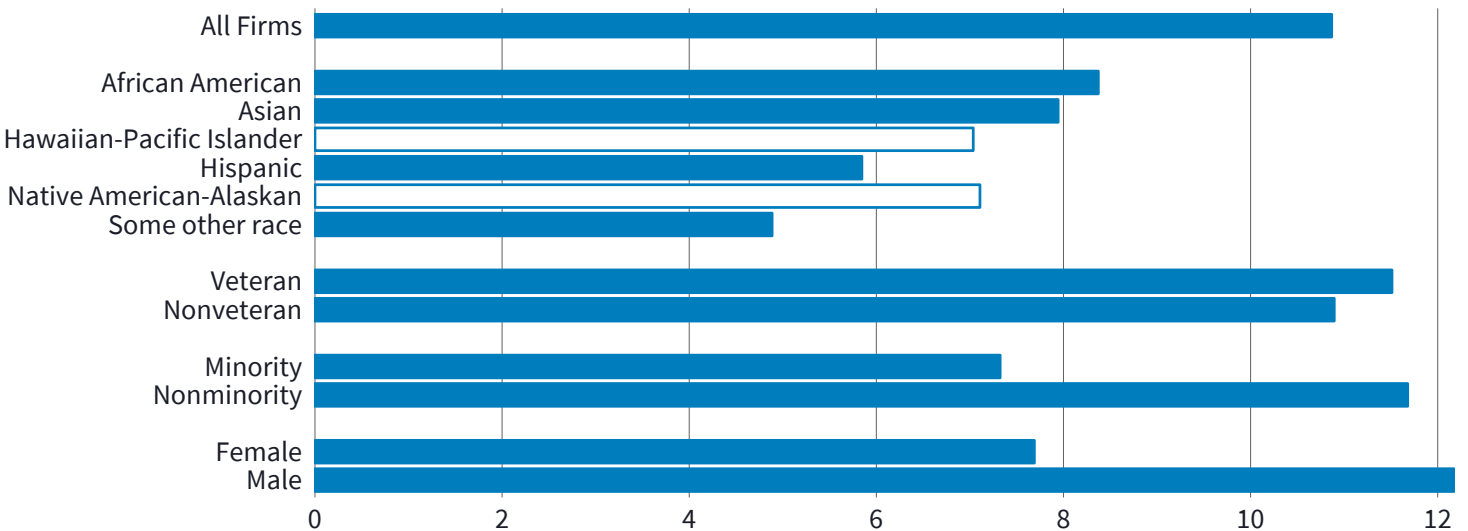
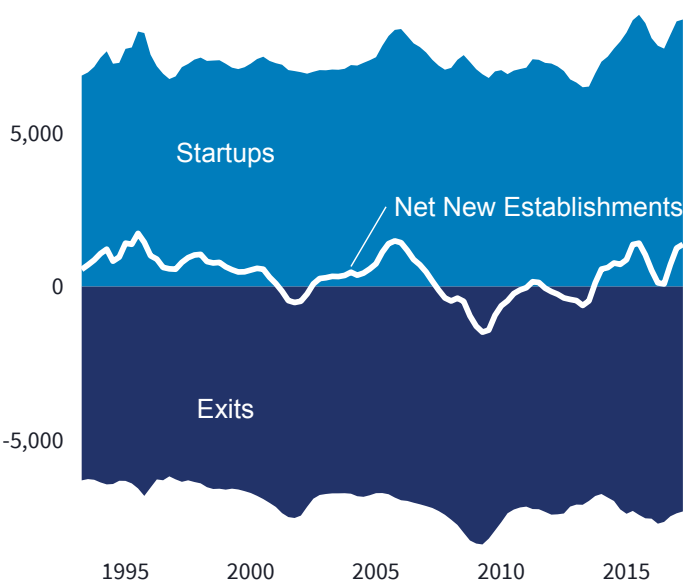


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

Turnover among Establishments with Employees

Figure 3: Illinois Quarterly Startups and Exits



- In the third quarter of 2017, 8,226 establishments started up, generating 27,657 new jobs in Illinois. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 8,352 establishments exited resulting in 33,744 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 22,551 companies exported goods from Illinois in 2016. Of these, 20,182, or 89.5%, were small firms; they generated 25.3% of Illinois's \$55.0 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Illinois Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	351,492	805,338	43.6
Accommodation and Food Services	330,331	528,395	62.5
Manufacturing	262,768	535,830	49.0
Professional, Scientific, and Technical Services	220,969	389,970	56.7
Other Services (except Public Administration)	209,081	248,938	84.0
Retail Trade	205,809	631,937	32.6
Construction	172,746	208,396	82.9
Wholesale Trade	167,497	321,872	52.0
Administrative, Support, and Waste Management	148,991	540,722	27.6
Finance and Insurance	102,330	346,002	29.6
Transportation and Warehousing	79,199	244,615	32.4
Educational Services	67,685	171,194	39.5
Real Estate and Rental and Leasing	52,864	79,100	66.8
Arts, Entertainment, and Recreation	51,940	82,801	62.7
Information	35,818	123,156	29.1
Management of Companies and Enterprises	17,184	213,814	8.0
Mining, Quarrying, and Oil and Gas Extraction	4,602	7,918	58.1
Utilities	2,734	30,454	9.0
Agriculture, Forestry, and Fishing and Hunting	1,197	1,999	59.9
Industries not classified	620	620	100.0
Total	2,485,857	5,513,071	45.1

Figure 4: Illinois Self-Employment Rates by County, 2017

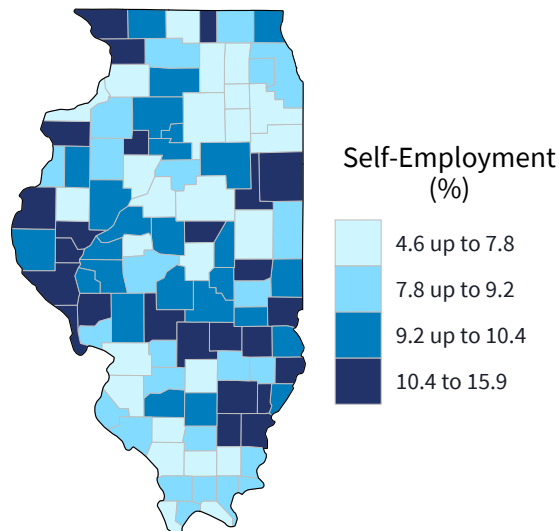


Table 2: Illinois Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	29,793	27,588	148,194	177,987
Professional, Scientific, and Technical Services	35,994	33,353	127,899	163,893
Transportation and Warehousing	13,752	12,623	121,694	135,446
Construction	28,558	26,720	92,110	120,668
Health Care and Social Assistance	25,675	22,215	86,572	112,247
Real Estate and Rental and Leasing	10,035	9,348	93,530	103,565
Retail Trade	23,095	20,685	70,763	93,858
Administrative, Support, and Waste Management	14,130	12,440	74,351	88,481
Arts, Entertainment, and Recreation	4,445	3,808	50,875	55,320
Finance and Insurance	11,753	10,526	29,882	41,635
Accommodation and Food Services	21,498	16,675	13,489	34,987
Educational Services	3,834	2,954	29,368	33,202
Wholesale Trade	14,109	11,345	13,981	28,090
Manufacturing	11,591	8,260	10,267	21,858
Information	2,867	2,379	11,511	14,378
Agriculture, Forestry, and Fishing and Hunting	310	296	4,997	5,307
Mining, Quarrying, and Oil and Gas Extraction	407	356	1,760	2,167
Utilities	149	100	492	641
Total	251,837	222,142	981,735	1,233,572

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