

2021 Small Business Profile

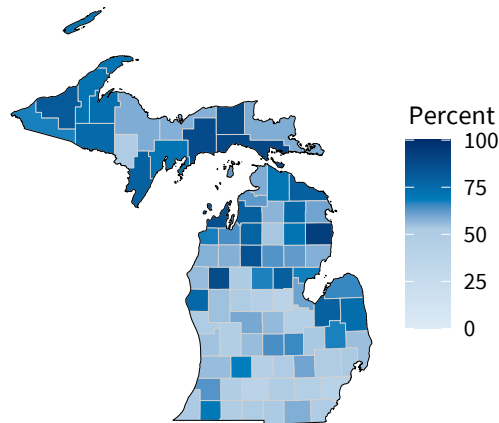
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Michigan

902,131 small businesses
99.6 percent of Michigan businesses

1.9 million small business employees
48.3 percent of Michigan employees



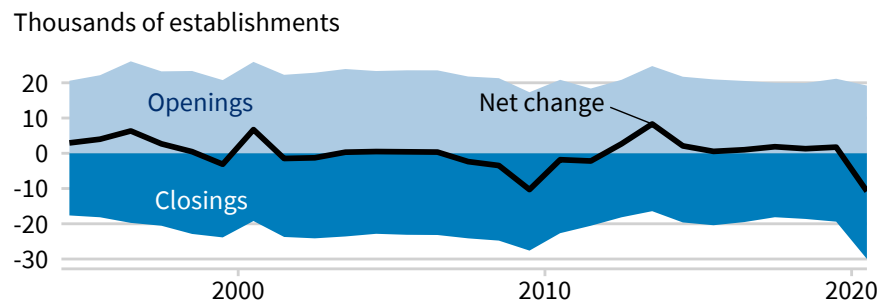
Share of employees working at small businesses by county

Source of data: [Statistics of US Businesses](#) (Census)

Business dynamics

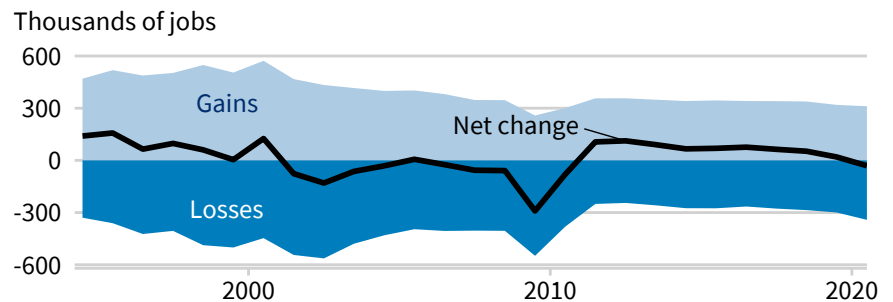
Establishments

Between March 2019 and March 2020, 19,214 Michigan establishments opened and 29,985 closed, for a net decrease of 10,771. Employment expanded at 48,552 and contracted at 49,999. Small businesses accounted for 18,996 openings and 29,689 closings.



Employment

Opening and expanding Michigan establishments added 311,038 jobs, while closing and contracting establishments lost 341,880, for a net decrease of 30,842 jobs. Small businesses gained 253,085 jobs and lost 273,626, for a net decrease of 20,541 jobs.



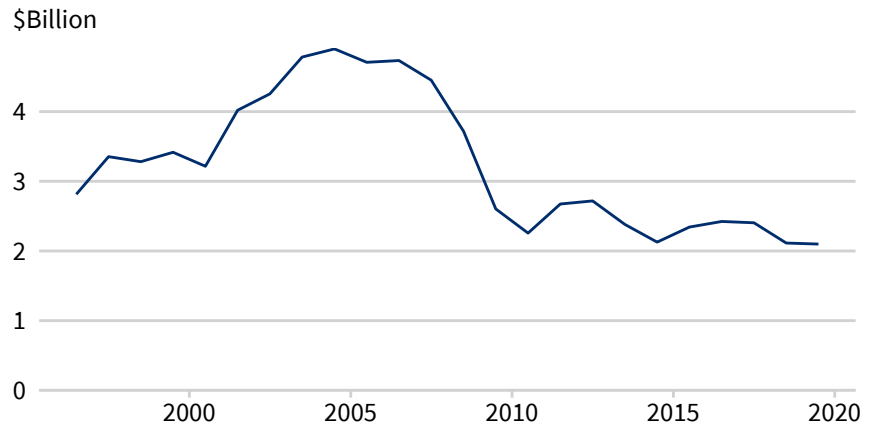
Counts include temporary closures and reopenings
Source: [Business Employment Dynamics](#) (BLS)

Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2019, reporting banks issued \$2.1 billion in loans to Michigan businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$2.1 billion, and total reported new lending to businesses through loans of \$1 million or less was \$7.2 billion.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	No employees	1–19 employees	20–499 employees	All small businesses
Other Services (except Public Administration)	97,403	19,916	1,420	118,739
Professional, Scientific, and Technical Services	90,786	17,696	1,676	110,158
Construction	80,152	17,944	1,439	99,535
Real Estate and Rental and Leasing	82,064	5,839	400	88,303
Retail Trade	61,591	19,523	2,026	83,140
Health Care and Social Assistance	63,550	16,667	2,810	83,027
Administrative, Support, and Waste Management	69,464	8,170	1,292	78,926
Transportation and Warehousing	52,399	4,915	677	57,991
Arts, Entertainment, and Recreation	39,400	2,755	468	42,623
Accommodation and Food Services	12,200	11,526	3,975	27,701
Educational Services	24,528	1,681	442	26,651
Finance and Insurance	18,025	5,939	604	24,568
Manufacturing	12,208	7,443	3,194	22,845
Wholesale Trade	10,832	6,254	1,610	18,696
Information	8,438	1,979	303	10,720
Agriculture, Forestry, Fishing and Hunting	6,163	598	39	6,800
Mining, Quarrying, and Oil and Gas Extraction	1,267	221	40	1,528
Management of Companies and Enterprises	*	100	474	574
Industries not classified	*	507	2	509
Utilities	230	69	21	320
Total	730,700	149,606	21,825	902,131

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2018 (Census); [Statistics of US Businesses](#), 2018 (Census)



Small business exports

A total of 14,773 identified firms exported goods worth \$51.8 billion from Michigan in 2019. Of those exporters, 13,080—or 88.5 percent—were small. Small firms exported goods worth \$9.9 billion, making up 19.1 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2018–2019](#) (Census)

Business ownership share by demographic group

Women



Women made up 47.7 percent of workers and owned 43.2 percent of businesses.

Veterans



Veterans made up 4.2 percent of workers and owned 5.9 percent of businesses.

Hispanics



Hispanics made up 4.9 percent of workers and owned 2.8 percent of businesses.

Racial minorities



Racial minorities made up 18.1 percent of workers and owned 15.4 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey](#), 2018 (Census and IPUMS); [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Business count by owner demographic group

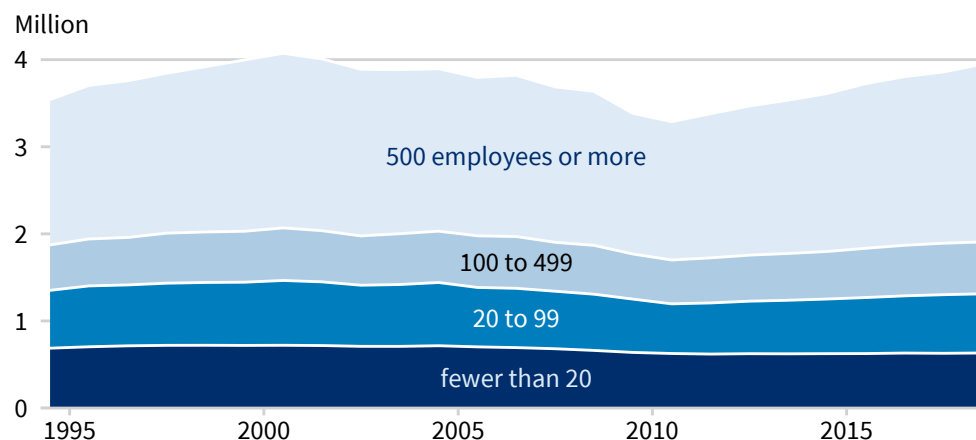
Ownership	Without employees	With employees	Total
Female	303,000	29,223	332,223
Male	382,000	105,494	487,494
Owned equally by both groups	17,500	20,349	37,849
Veteran	35,000	9,147	44,147
Not veteran	664,000	142,376	806,376
Owned equally by both groups	3,000	3,545	6,545
Hispanic	20,500	2,108	22,608
Not Hispanic	681,000	152,543	833,543
Owned equally by both groups	550	415	965
American Indian and Alaska Native	1,800	522	2,322
Asian	24,500	8,542	33,042
Black or African American	93,000	2,613	95,613
Native Hawaiian and Other Pacific Islander	200	19	219
White	582,000	143,345	725,345
Hispanic or racial minority	137,000	13,627	150,627
White and not Hispanic	563,000	140,162	703,162
Owned equally by both groups	1,300	1,277	2,577

Counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Total Michigan employment by business size

Source of data: [Statistics of US Businesses](#) (Census)



Small businesses accounted for 48.3 percent of Michigan employment in 2018, which exceeded the national share.

Small business employment and payroll by industry

Industry	Employers		Employment		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Retail Trade	21,549	97.9	190,305	41.3	6,067,295	47.3
Other Services (except Public Administration)	21,336	99.2	144,248	88.9	4,205,185	84.2
Health Care and Social Assistance	19,477	98.7	277,668	43.9	11,671,721	37.8
Construction	19,383	99.6	135,395	88.3	8,613,798	84.9
Professional, Scientific, and Technical Services	19,372	97.5	149,461	52.2	10,298,310	44.3
Accommodation and Food Services	15,501	98.4	251,400	62.4	4,286,385	59.4
Manufacturing	10,637	94.7	270,277	44.8	14,229,267	40.4
Administrative, Support, and Waste Management	9,462	96.3	125,556	34.1	5,014,011	40.6
Wholesale Trade	7,864	93.0	104,458	56.9	6,650,969	52.0
Finance and Insurance	6,543	95.5	56,890	33.4	3,538,230	27.1
Real Estate and Rental and Leasing	6,239	97.9	35,783	66.7	1,660,778	67.4
Transportation and Warehousing	5,592	95.7	47,858	40.3	2,300,421	35.7
Arts, Entertainment, and Recreation	3,223	98.5	37,703	72.4	1,237,067	68.9
Information	2,282	92.2	23,246	32.7	1,325,990	23.8
Educational Services	2,123	97.2	35,273	49.3	1,007,866	47.2
Agriculture, Forestry, Fishing and Hunting	637	99.1	3,926	96.0	163,220	94.0
Management of Companies and Enterprises	574	55.7	13,002	10.4	928,249	6.7
Industries not classified	509	100.0	614	100.0	10,437	100.0
Mining, Quarrying, and Oil and Gas Extraction	261	91.6	2,463	55.9	201,803	55.0
Utilities	90	75.6	1,787	7.8	156,611	5.8
Total	171,431	98.1	1,907,313	48.3	83,567,613	42.1

Source: [Statistics of US Businesses](#), 2018 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or otherwise problematic data. Data analyzed here predate the COVID-19 pandemic, the impacts of which have differed by industry, geography, and demographic group. More information about [the impacts of the pandemic](#), electronic versions of these and other [geographic profiles](#), and additional resources are available at <http://advocacy.sba.gov>.