

Michigan

Michigan's 814,657 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- Michigan had 187,373 small employers in 2006, representing 98.4% of the state's employers and 51.6% of its private-sector employment.
- The manufacturing industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses' and large businesses' net new jobs declined between 2004 and 2005 (Table 2).
- Michigan's real gross state product decreased by 1.2% in 2007. By comparison, growth in the Great Lakes region was 0.5% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2006.

Michigan Small Business Facts

	Level in 2006†	% Change from 2005 2000	
Number of Businesses			
Small employers (<500 employees)	187,373	-1.6	-1.8
Large employers (500+ employees)	3,038	1.8	-2.7
Nonemployers	627,284	-1.8	19.0
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	415,649	12.8	
Woman-owned	217,673	17.9	
Equally male/female-owned	81,773	-27.2	
African American-owned	44,366	77.8	
Asian-owned	15,337	32.7	
Hispanic-owned	9,841	-1.6	
Native American/Alaskan-owned	5,361	NA	
Hawaiian and Pacific Islander-owned	196	67.5	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	3,605	-1.6	-9.8
Government employment	657	-1.2	-3.6
Self-employed (incorp. & uninc.)	452	-5.9	-4.2
Female self-employment	146	-10.6	-10.0
Male self-employment	306	-3.5	-1.1
Minority self-employment	42	-16.8	0.7
Veteran self-employment	40	-11.7	-15.3
Unemployment rate (%)	7.2	0.3	3.5
Business Turnover			
Quarterly establishment openings	43,163	-1.3	-6.1
Quarterly establishment closings	46,449	2.3	6.6
Business bankruptcies	1,194	58.6	-26.9
Income and Finance			
Proprietors' income (\$billion)	29.4	5.5	63.1
Bank branches	3,137	0.8	5.7
No. of bus. loans under \$100,000	90,106	-13.6	NA
Total value of business loans under \$100,000 (\$million)	2,840	-2.4	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in Michigan by Industry and Firm Size, 2006
(Non-farm, thousands)**

Industry	Nonemployer firms	Employer firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	627.3	190.4	165.5	187.4	3,819.5	694.1	1,969.1
Forestry, etc. and agriculture support	5.5	0.6	0.5	0.6	3.1	1.8	3.0
Mining	2.6	0.4	0.3	0.4	5.9	1.3	3.5
Utilities	0.4	0.1	0.1	0.1	23.5	0.2	1.4
Construction	81.6	24.7	23.2	24.7	156.3	78.5	143.8
Manufacturing	11.0	12.5	8.5	11.9	614.9	51.2	280.6
Wholesale trade	11.2	9.9	7.6	9.3	173.6	33.2	104.4
Retail trade	60.1	25.8	23.0	25.3	489.2	97.8	207.3
Transportation and warehousing	24.9	4.8	4.0	4.5	105.3	13.6	40.8
Information	8.2	1.9	1.4	1.7	81.8	6.3	19.2
Finance and insurance	19.1	7.6	6.6	7.4	167.3	23.6	68.0
Real estate and rental and leasing	60.6	7.2	6.6	7.1	59.3	19.7	40.7
Professional, scientific, and technical svcs.	76.6	21.1	18.9	20.7	302.2	62.8	156.5
Management of companies and enterprises	--	1.1	0.2	0.7	118.3	0.6	12.0
Admin., support, waste mgt., remed. svcs.	44.5	10.6	8.5	10.3	342.0	29.5	177.3
Educational services	15.5	1.9	1.5	1.9	66.8	7.0	31.8
Health care and social assistance	72.4	20.3	17.7	20.1	541.2	93.3	267.3
Arts, entertainment, and recreation	26.2	3.4	2.9	3.4	54.6	12.0	37.6
Accommodation and food services	7.9	14.9	11.6	14.7	338.1	67.6	215.7
Other services (except public admin.)	99.0	22.9	21.2	22.8	173.9	92.1	156.0
Unclassified	--	1.3	1.3	1.3	2.2	1.9	2.2

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html 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, 2002–2005 (Non-farm)

	Total	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
2003 - 2004	9,268	32,076	11,987	5,909	-4,326	-7,582	38,064	-28,796
2002 - 2003	-4,335	32,587	7,690	6,630	5,411	-712	51,606	-55,941

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	11.2	41.0	45.7	10.9	46.5	179.9	197.7	50.2
Quarter 3	10.6	41.7	45.2	12.9	45.7	179.5	191.1	56.9
Quarter 2	10.5	43.4	45.1	10.7	46.3	192.7	184.5	44.8
Quarter 1	10.9	41.5	45.9	11.9	38.3	178.4	187.8	46.2

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: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.