

Minnesota

Minnesota's 121,742 small employers and 386,984 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- Minnesota's real gross state product increased by 2.0% and private-sector employment decreased by 0.5% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The health care and social assistance industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in Minnesota was 121,742 in 2006, accounting for 98.0% of the state's employers and 51.0% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

For Further Information

- Data on all 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.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit www.sba.gov/advo/rsslibrary.html

* Small employer data from 2006; nonemployer from 2007.

Minnesota Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	121,742	113,707
Large employers (500+ employees)	n.a.	2,495	2,492
Nonemployers	386,984	376,864	317,874
	2002‡	% Share in 2002	% Change 1997–2002
Business Owner Demographics			
Male-owned	249,864	56.3	15.2
Woman-owned	123,905	27.9	14.3
Equally male/female-owned	55,415	12.5	-27.7
African American-owned	7,837	1.8	94.8
Asian-owned	7,700	1.7	44.5
Hispanic-owned	3,984	0.9	10.2
Native American/Alaskan-owned	2,742	0.6	n.a.
Hawaiian and Pacific Islander-owned	119	n.a.	13.3
	2008‡	% Change from	
		2007	2000
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,304	-0.5	1.9
Government employment	375	1.1	7.8
Self-employed (incorp. & uninc.)	297	-8.4	-5.2
Female self-employment	101	-3.9	-10.9
Male self-employment	195	-10.6	-2.0
Minority self-employment	11	3.9	-14.4
Veteran self-employment	31	-33.2	-33.3
Unemployment rate (%)	5.4	0.8	2.3
Business Turnover			
Quarterly establishment openings	25,096	-18.0	-12.2
Quarterly establishment closings	31,800	16.5	22.4
Business bankruptcies	863	66.0	-42.2
	2008‡	2007	2000
Income and Finance			
Proprietors' income (\$billion)	16.6	15.3	10.6
Number of bank branches	1,862	1,842	1,577
No. of bus. loans under \$100,000‡	n.a.	194,621	55,073
Total value of business loans under \$100,000 (\$million)‡	n.a.	2,410	787
Source: 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; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/sbl_08study.pdf , Table 4b.) n.a. not available.			
† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.			

**Table 1. Firms and Employment in Minnesota by Industry and Firm Size, 2006 and 2007
(Nonfarm, Thousands)**

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	387.0	124.2	107.0	121.7	2,476.4	420.7	1,262.7
Forestry, etc. and agriculture support	5.0	0.4	0.4	0.4	2.2	1.4	2.1
Mining	0.2	0.1	0.1	0.1	5.0	(D)	1.2
Utilities	0.3	0.1	0.0	0.1	11.6	0.3	2.6
Construction	49.1	18.1	17.0	18.0	126.6	53.1	107.1
Manufacturing	7.5	7.3	5.0	6.9	336.8	27.4	152.8
Wholesale trade	7.2	7.5	5.6	7.0	136.8	24.3	76.5
Retail trade	40.9	14.3	12.1	13.9	313.0	59.4	142.9
Transportation and warehousing	19.3	4.2	3.5	4.0	77.9	11.4	35.2
Information	5.6	1.7	1.3	1.5	62.2	5.4	20.8
Finance and insurance	14.5	6.8	5.9	6.6	152.3	18.4	50.7
Real estate and rental and leasing	37.5	6.0	5.6	5.9	39.0	13.5	28.4
Professional, scientific, and technical svcs.	54.9	15.9	14.6	15.6	138.7	42.2	92.8
Management of companies and enterprises	--	0.8	0.1	0.4	102.3	0.2	7.8
Admin., support, waste mgt., remed. svcs.	25.9	6.4	5.4	6.1	147.9	17.9	65.4
Educational services	10.4	1.6	1.2	1.6	59.2	5.6	28.6
Health care and social assistance	33.4	9.2	7.3	9.0	390.1	36.0	176.2
Arts, entertainment, and recreation	24.3	2.6	2.2	2.5	40.3	8.4	28.2
Accommodation and food services	3.9	8.4	6.1	8.3	217.6	37.6	138.1
Other services (except public admin.)	47.2	14.3	13.0	14.2	116.4	57.0	104.9
Unclassified	--	0.5	0.5	0.5	0.5	(D)	0.5

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.)

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

Table 2: Net Job Change by Firm Size, 2003–2006 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	11,162	17,525	5,854	2,834	-1,025	-641	24,547	-13,385
2004 - 2005	38,091	14,257	1,834	415	5,178	8,191	29,875	8,216
2005 - 2006	49,175	15,826	2,784	2,872	5,214	4,216	30,912	18,263

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, 2008 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	7.1	27.7	30.1	6.0	31.5	107.6	113.9	28.8
Quarter 2	5.5	28.3	29.3	11.8	27.0	114.2	110.9	33.5
Quarter 3	5.3	27.2	29.7	6.9	22.8	109.0	118.4	27.0
Quarter 4	7.1	25.2	30.9	7.0	24.7	93.9	128.1	27.2

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: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.