

Minnesota

Small businesses significantly impact Minnesota's economy. They represent 97.9 percent of all employers and employ 50.1 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 496,918 in 2010.

This profile uses the latest available data to illustrate the status of Minnesota's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Minnesota's economy was strong in 2011, with real gross state product increasing 4.0 percent and private-sector employment increasing 1.9 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 1.2 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Minnesota had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.9 percent.
- Most of Minnesota's small businesses are very small as 76.4 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in Minnesota declined over the last decade. Male self-employment fared the best compared with other demographic groups.

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit www.sba.gov/updates to subscribe to Advocacy's Listservs.

Minnesota Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	115,159	116,210	113,707
Large employers (500+ employees)	2,528	2,534	2,492
Nonemployers	381,759	378,154	317,874
Level in 2007* (000)			
	Firms		Employment Receipts(\$M)
Business Owner Demographics			
Male-owned	252	793	165,605
Woman-owned	133	140	16,158
Equally male/female-owned	94	173	22,595
African American-owned	12	10	681
Asian-owned	11	17	2,091
Hispanic-owned	5	6	1,491
Native American/Alaskan-owned	3	4	477
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	68	166	33,722
Publicly held, unclassified	18	1,275	377,383
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	2,268	1.9	-0.4
Government employment	408	-2.0	0.1
Self-employed (incorp. & uninc.)	298	2.6	-20.4
Female self-employment	104	1.8	-31.5
Male self-employment	194	3.0	-12.8
Minority self-employment	15	24.5	-34.0
Veteran self-employment	35	2.0	-32.8
Unemployment Rate (Percent)	6.4	-0.9†	3.3‡
Business Turnover			
Quarterly establishment openings	27,700	19.4	-3.0
Quarterly establishment closings	25,370	-2.8	-3.2
Business bankruptcies	691	-12.3	-53.7
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	20.0	18.4	13.4
Number of bank branches	1,821	1,842	1,577
No. of bus. loans under \$100,000‡	73,296	80,319	55,073
Total value of business loans under \$100,000 (\$million)‡	1,240	1,256	787

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.

* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in Minnesota by Industry and Firm Size, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	381.8	117.7	101.6	115.2	2,358.0	400.5	1,180.7
Forestry, etc. and agriculture support	4.9	0.5	0.4	0.5	2.4	1.5	2.3
Mining	0.2	0.1	0.1	0.1	5.2	0.4	0.9
Utilities	0.3	0.1	0.0	0.1	D	0.3	2.6
Construction	42.2	16.2	15.5	16.2	93.4	43.1	78.0
Manufacturing	7.1	6.8	4.8	6.4	286.7	24.9	133.8
Wholesale trade	6.8	6.9	5.2	6.4	125.5	22.1	70.9
Retail trade	36.6	12.9	11.1	12.5	284.7	54.0	122.7
Transportation and warehousing	18.7	4.1	3.4	3.9	72.9	11.5	35.3
Information	5.3	1.6	1.2	1.5	60.7	5.1	20.4
Finance and insurance	13.8	6.0	5.2	5.7	144.9	16.4	44.2
Real estate and rental and leasing	39.9	5.0	4.6	4.9	35.1	11.1	26.5
Professional, scientific, and technical svcs.	57.5	15.6	14.3	15.3	134.5	40.5	86.2
Management of companies and enterprises	0.0	0.8	0.1	0.5	100.1	0.3	9.7
Admin., support, waste mgt., remed. svcs.	25.0	6.3	5.4	6.0	130.2	18.4	59.3
Educational services	11.0	1.7	1.2	1.6	69.2	6.1	30.9
Health care and social assistance	33.8	9.8	7.7	9.6	431.3	39.0	195.2
Arts, entertainment, and recreation	25.5	2.5	2.2	2.5	40.9	8.2	25.2
Accommodation and food services	3.9	8.4	6.2	8.2	210.2	40.2	134.2
Other services (except public admin.)	49.4	14.0	12.8	13.9	116.5	56.7	102.1
Unclassified	0.0	0.2	0.2	0.2	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 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, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-21,818	13,731	73	-1,716	-10,909	-2,120	-941	-20,877
2009	-125,350	8,081	-4,154	-6,972	-21,718	-24,141	-48,904	-76,446
2008	-4,410	11,494	-2,002	-1,741	1,729	3,969	13,449	-17,859
2007	60,475	13,237	-2,168	-2,527	-936	1,808	9,414	51,061

Note: Data source differs from previous publications.

Source: U.S. Dept. of Commerce, Bureau of the Census, Business Dynamic Statistics. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	7.0	7.2	7.8	5.7	24.0	26.9	27.3	18.6
Expansions	26.8	28.1	28.9	28.0	103.3	114.9	116.2	107.1
Contractions	26.5	26.2	27.3	28.0	95.3	95.1	100.8	107.1
Closings	6.5	7.3	5.5	6.1	24.1	25.9	16.6	23.7

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.