

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

CONNECTICUT




333,078
97.0% Small Businesses
of Connecticut Businesses

721,350
49.0% Small Business Employees
of Connecticut Employees



EMPLOYMENT
4,806
net new jobs¹



DIVERSITY
40.9%
increase in minority
ownership²



TRADE
89.0%
of Connecticut
exporters³

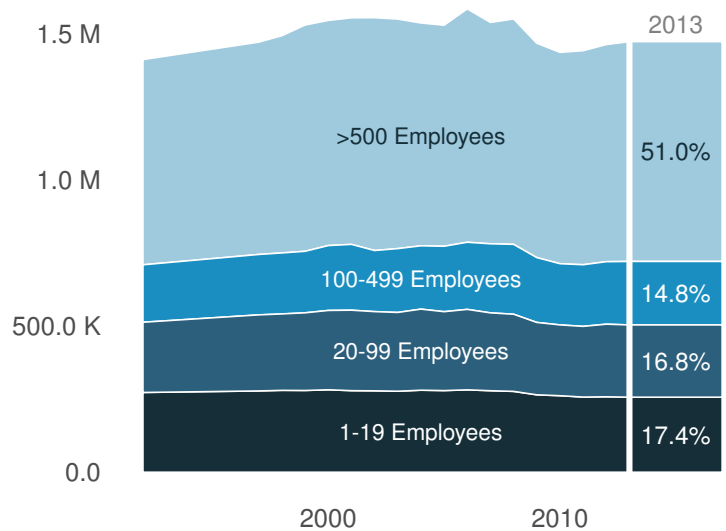
OVERALL CONNECTICUT ECONOMY

- In the third quarter of 2015, Connecticut grew at an annual rate of 1.6% which was slower than the overall US growth rate of 1.9%. By comparison, Connecticut's 2014 growth of 3.2% was up from the 2013 level of 1.6%. (Source: BEA)
- The employment situation in Connecticut improved. At the close of 2015, unemployment was 5.4%, down from 6.2% at the close of 2014. This was above the national unemployment rate of 5.0%. (Source: CPS)

EMPLOYMENT

- Connecticut small businesses employed 721,350 people, or 49.0% of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased 1.6% in 2015. This was below the previous year's increase of 1.7%. (Source: CES)
- The number of proprietors increased in 2014 by 1.0% relative to the previous year. (Source: BEA)
- Small businesses created 4,806 net jobs in 2013. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 3,537 net jobs. The largest losses were in firms employing 20 to 49 employees which lost 1,033 net jobs. (Source: BDS)

Figure 1: Connecticut Employment by Firm Size



The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. **Small businesses are defined as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 68,310 loans under \$100,000 (and valued at \$976.9 million) were issued by Connecticut lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$61,575 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$30,553. (Source: ACS)

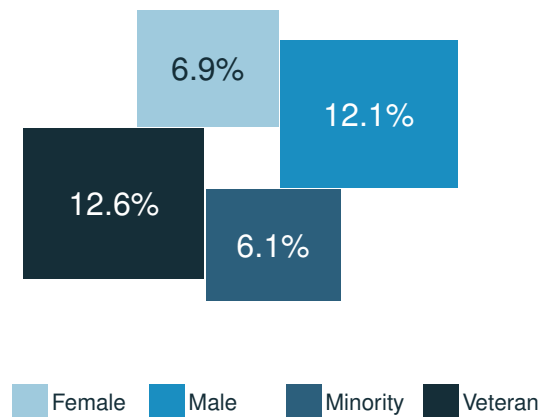
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Connecticut Changes in Business Ownership by Demographic Group

African American-owned	•	19.8%
Asian-owned	•	24.5%
Hawaiian/Pacific Islander-owned	●	161.5%
Hispanic-owned	●	70.4%
Native American/Alaskan-owned	•	2.4%
Minority-owned	●	40.9%
Nonminority-owned	•	-6.0%

Figure 3: Connecticut Self-Employment within Demographic Group

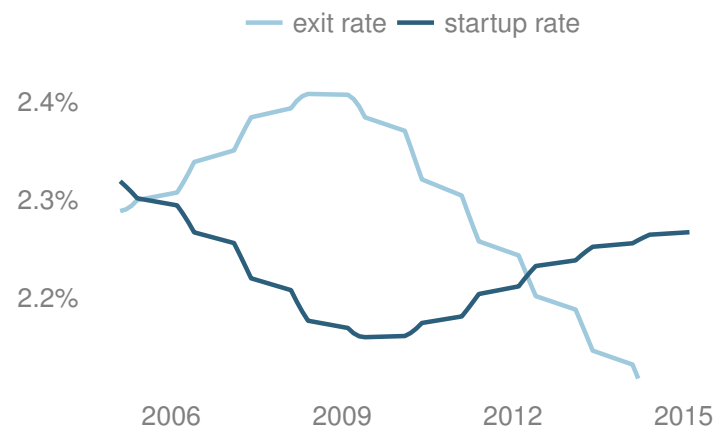


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Connecticut, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 2,030 establishments started up⁵ in Connecticut and 1,828 exited.⁶ Startups generated 7,810 new jobs while exits caused 5,786 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Connecticut Private Startup and Exit Rates



⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

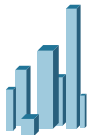




⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

INTERNATIONAL TRADE

- A total of 5,728 companies exported goods from Connecticut in 2013. Among these, 5,096, or 89.0%, were small firms; they generated 22.6% of Connecticut's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Connecticut Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	8,656	8,124	30,410	39,066
Professional, Scientific, and Technical Services	8,362	7,721	44,836	53,198
Retail Trade	8,246	7,406	18,844	27,090
Construction	7,812	7,322	31,767	39,579
Health Care and Social Assistance	7,291	5,993	23,734	31,025
Accommodation and Food Services	6,891	5,589	3,418	10,309
Administrative, Support, and Waste Management	4,547	4,092	19,847	24,394
Manufacturing	3,869	2,820	3,542	7,411
Wholesale Trade	3,409	2,717	4,400	7,809
Finance and Insurance	3,236	2,855	10,737	13,973
Real Estate and Rental and Leasing	2,330	2,174	34,876	37,206
Arts, Entertainment, and Recreation	1,447	1,181	15,795	17,242
Educational Services	1,262	1,015	9,120	10,382
Transportation and Warehousing	1,189	961	6,750	7,939
Information	870	689	3,913	4,783
Agriculture, Forestry, Fishing and Hunting	83	81	1,217	1,300
Mining, Quarrying, and Oil and Gas Extraction	47	40	71	118
Utilities	42	23	234	276
Total	69,589	60,803	263,511	333,100

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Connecticut Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	134,281	271,611	49.4%
Accommodation and Food Services	88,170	136,558	64.6%
Manufacturing	77,782	153,370	50.7%
Retail Trade	69,134	183,805	37.6%
Professional, Scientific, and Technical Services	52,755	105,226	50.1%
Other Services (except Public Administration)	52,490	59,126	88.8%
Construction	44,180	50,684	87.2%
Wholesale Trade	39,981	72,044	55.5%
Administrative, Support, and Waste Management	39,957	86,670	46.1%
Finance and Insurance	32,137	118,693	27.1%
Educational Services	23,772	66,749	35.6%
Arts, Entertainment, and Recreation	21,035	25,792	81.6%
Transportation and Warehousing	14,320	40,491	35.4%
Information	12,285	39,120	31.4%
Real Estate and Rental and Leasing	11,972	18,709	64.0%
Utilities	1,060	s	-
Mining, Quarrying, and Oil and Gas Extraction	734	1,243	59.1%
Agriculture, Forestry, Fishing and Hunting	360	360	100.0%
Total	716,405	1,430,251	50.1%

Figure 5: Connecticut County-Level Job Changes, 2015 (CEW)

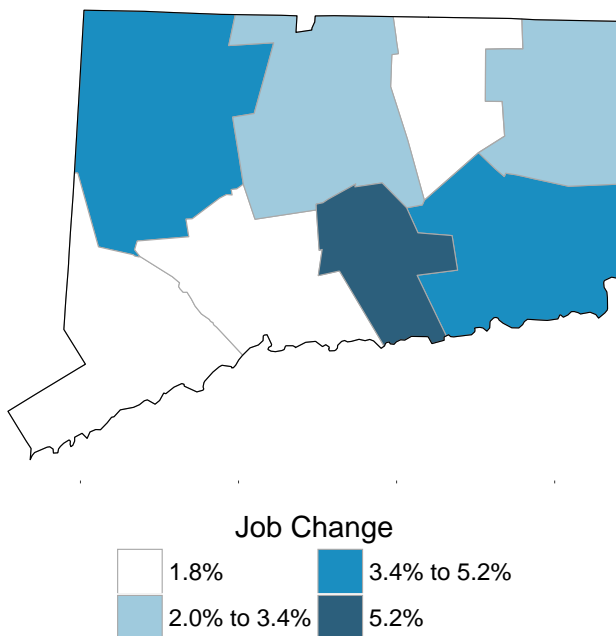


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

