

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

WISCONSIN



448,032 Small Businesses
99.4% of Wisconsin Businesses

1.2 million Small Business Employees
49.7% of Wisconsin Employees

EMPLOYMENT
35,895
net new jobs

DIVERSITY
40,468
minority-owned
businesses

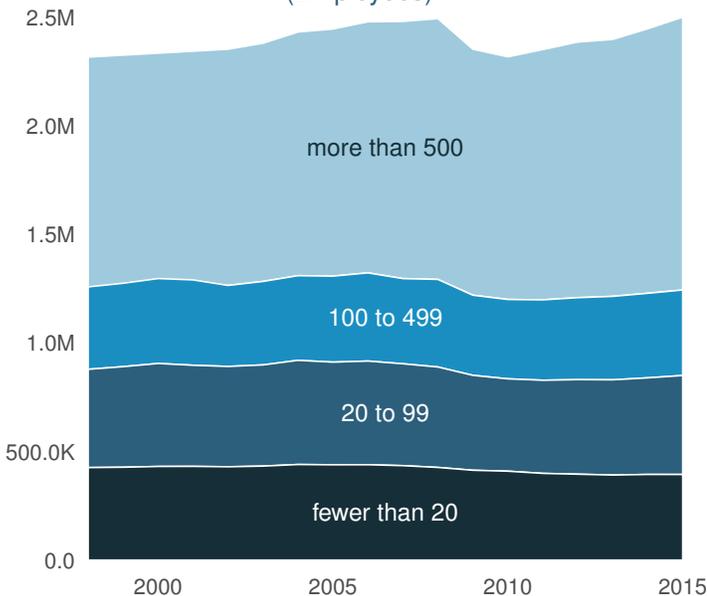
TRADE
7,419
small business
exporters

OVERALL WISCONSIN ECONOMY

- In the third quarter of 2017, Wisconsin grew at an annual rate of **3.2%**, which was slower than the overall US growth rate of **3.4%**. Wisconsin's 2016 growth rate of **1.3%** was down from the 2015 rate of **2.1%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **3.1%**, down from **3.5%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Wisconsin Employment by Business Size (Employees)



- Wisconsin small businesses employed **1.2 million** people, or **49.7%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **1.1%** during the 12-month period ending in January 2018. This was below the increase of **1.3%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **35,895** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **17,374** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **8,547** net jobs. (Source: [SUSB](#))

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 for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks decreased by 16 between June 2016 and June 2017 to 215 banks. (Source: FDIC)
- In 2016, 78,494 loans under \$100,000 (valued at \$1.0 billion) were issued by Wisconsin lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$43,406 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$22,210. (Source: ACS)

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

EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Wisconsin Employees per Business by Owner's Demographic, 2015

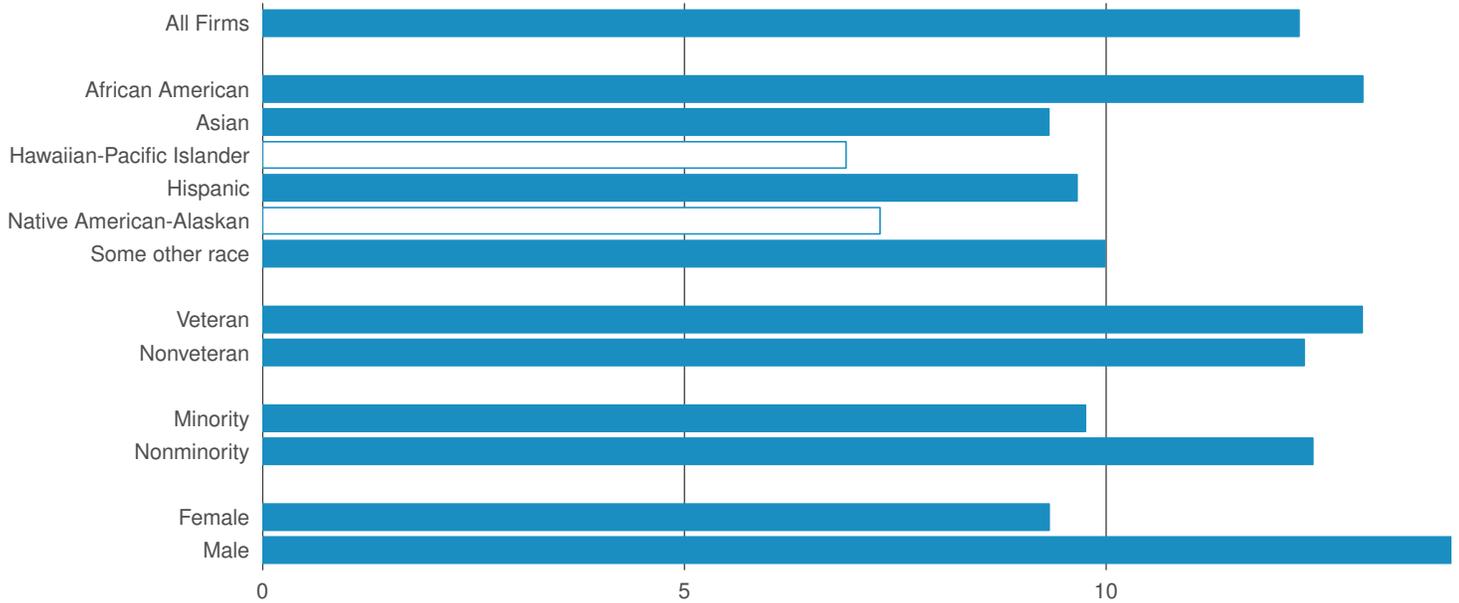
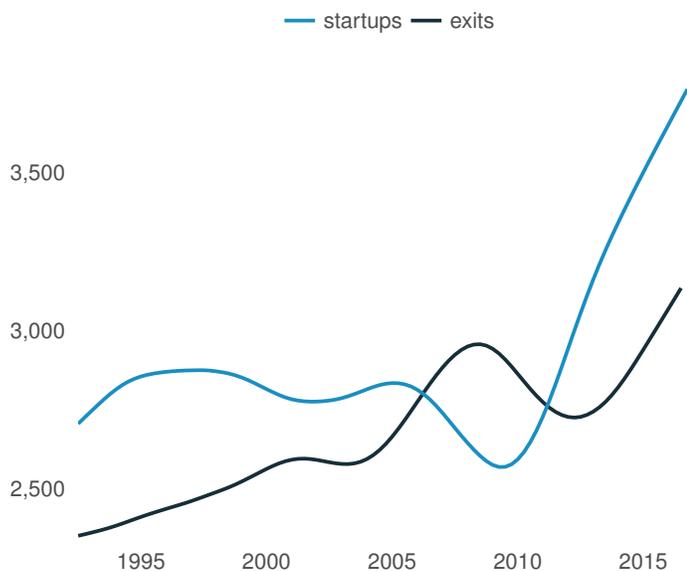


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Wisconsin Quarterly Startups and Exits



- In the third quarter of 2016, 3,927 establishments started up, generating 12,397 new jobs in Wisconsin. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 3,126 establishments exited resulting in 10,322 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

INTERNATIONAL TRADE

- A total of 8,634 companies exported goods from Wisconsin in 2015. Of these, 7,419, or 85.9%, were small firms; they generated 27.4% of Wisconsin's \$20.3 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Wisconsin Employment by Industry, 2015

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Manufacturing	207,614	450,924	46.0
Health Care and Social Assistance	167,229	394,420	42.4
Accommodation and Food Services	163,571	233,532	70.0
Retail Trade	125,690	309,366	40.6
Other Services (except Public Administration)	95,172	106,860	89.1
Construction	83,336	101,661	82.0
Professional, Scientific, and Technical Services	75,488	107,911	70.0
Wholesale Trade	73,962	117,053	63.2
Administrative, Support, and Waste Management	60,375	158,083	38.2
Transportation and Warehousing	43,739	101,754	43.0
Finance and Insurance	43,632	137,219	31.8
Arts, Entertainment, and Recreation	32,385	42,824	75.6
Educational Services	24,142	55,556	43.5
Real Estate and Rental and Leasing	20,644	25,150	82.1
Information	14,317	56,824	25.2
Management of Companies and Enterprises	8,226	83,803	9.8
Agriculture, Forestry, and Fishing and Hunting	2,572	3,179	80.9
Mining, Quarrying, and Oil and Gas Extraction	1,969	3,149	62.5
Utilities	1,074	13,914	7.7
Industries not classified	350	350	100.0
Total	1,245,487	2,503,532	49.7

Figure 4: Wisconsin Small Business Employment by County, 2015

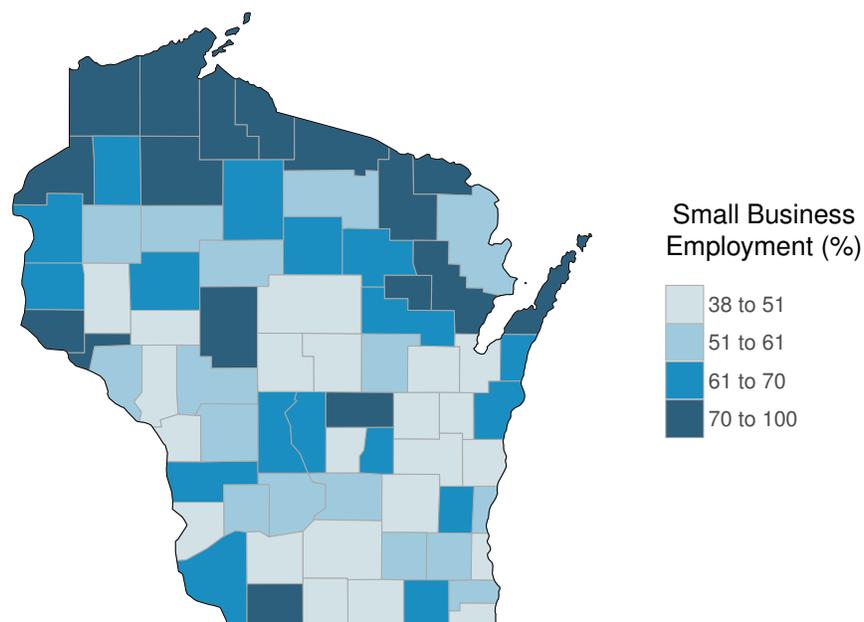


Table 2: Wisconsin Small Businesses by Industry and Firm Size, 2015

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	13,416	12,389	50,318	63,734
Construction	13,271	12,411	38,461	51,732
Accommodation and Food Services	11,626	9,171	5,874	17,500
Retail Trade	11,621	10,085	38,638	50,259
Professional, Scientific, and Technical Services	10,336	9,432	43,922	54,258
Health Care and Social Assistance	9,780	8,009	22,604	32,384
Manufacturing	7,291	4,805	7,186	14,477
Administrative, Support, and Waste Management	5,530	4,887	20,147	25,677
Wholesale Trade	5,094	3,935	6,577	11,671
Transportation and Warehousing	4,502	3,890	16,173	20,675
Finance and Insurance	4,412	3,901	11,279	15,691
Real Estate and Rental and Leasing	3,730	3,477	40,292	44,022
Arts, Entertainment, and Recreation	2,555	2,166	20,160	22,715
Educational Services	1,482	1,132	9,401	10,883
Information	936	721	4,067	5,003
Agriculture, Forestry, and Fishing and Hunting	543	519	6,495	7,038
Mining, Quarrying, and Oil and Gas Extraction	137	106	131	268
Utilities	51	24	210	261
Total	106,097	91,361	341,935	448,032

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau