

# 2018 SMALL BUSINESS PROFILE

# OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

## CONNECTICUT



**342,443** Small Businesses  
**99.4%** of Connecticut Businesses

**735,788** Small Business Employees  
**49.0%** of Connecticut Employees

**EMPLOYMENT**  
**7,344**  
net new jobs

**DIVERSITY**  
**56,093**  
minority-owned  
businesses

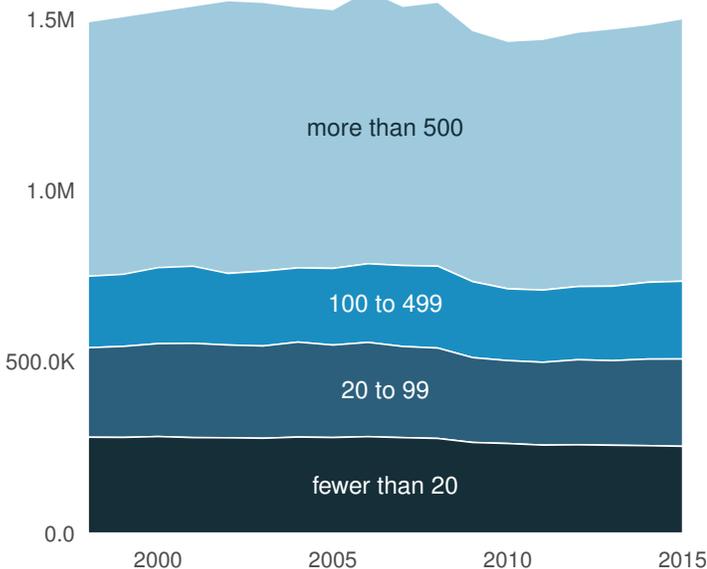
**TRADE**  
**4,944**  
small business  
exporters

### OVERALL CONNECTICUT ECONOMY

- In the third quarter of 2017, Connecticut grew at an annual rate of **3.9%**, which was faster than the overall US growth rate of **3.4%**. Connecticut's 2016 growth rate of **0.04%** was down from the 2015 rate of **1.9%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **4.5%**, down from **4.9%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

### EMPLOYMENT

Figure 1: Connecticut Employment by Business Size (Employees)



- Connecticut small businesses employed **735,788** people, or **49.0%** 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 decreased **0.3%** during the 12-month period ending in January 2018. This was below the increase of **2.4%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.1%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **7,344** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **6,430** net jobs. The largest losses were in firms employing 100 to 499 employees, which lost **79** 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 was unchanged at 42 between June 2016 and June 2017. (Source: FDIC)
- In 2016, 73,420 loans under \$100,000 (valued at \$1.1 billion) were issued by Connecticut lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$61,776 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$30,812. (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: Connecticut Employees per Business by Owner's Demographic, 2015

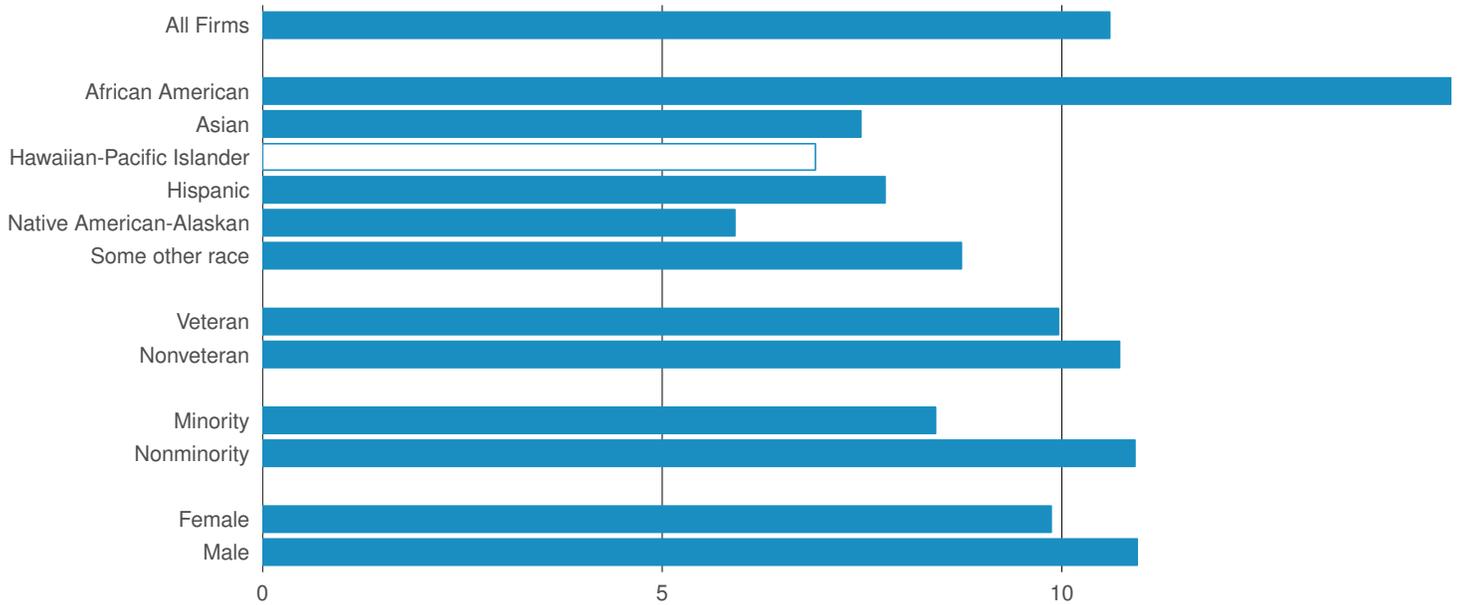
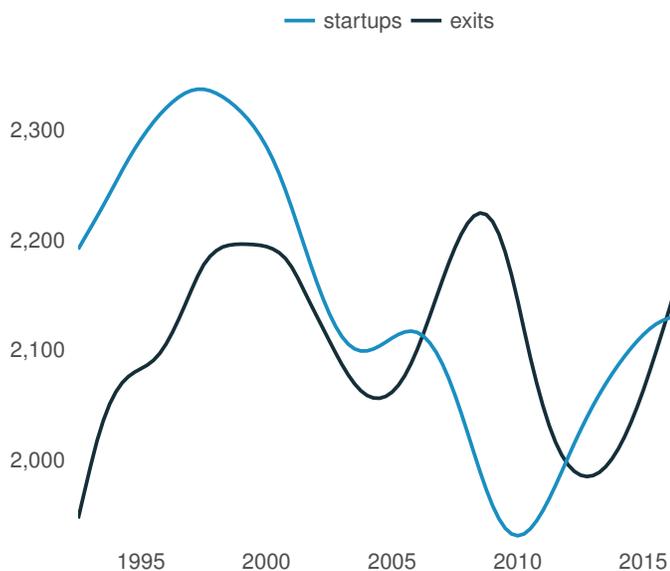


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding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

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Connecticut Quarterly Startups and Exits



- In the third quarter of 2016, 2,103 establishments started up, generating 7,181 new jobs in Connecticut. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 2,267 establishments exited resulting in 6,847 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 5,566 companies exported goods from Connecticut in 2015. Of these, 4,944, or 88.8%, were small firms; they generated 26.4% of Connecticut's \$14.3 billion in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Connecticut Employment by Industry, 2015

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	142,041	277,966	51.1
Accommodation and Food Services	92,884	141,384	65.7
Manufacturing	75,036	149,359	50.2
Retail Trade	68,843	184,465	37.3
Professional, Scientific, and Technical Services	54,663	108,017	50.6
Other Services (except Public Administration)	52,522	59,036	89.0
Construction	46,581	54,690	85.2
Wholesale Trade	41,031	72,994	56.2
Administrative, Support, and Waste Management	40,097	85,640	46.8
Finance and Insurance	30,452	122,420	24.9
Educational Services	23,589	74,626	31.6
Arts, Entertainment, and Recreation	22,555	27,767	81.2
Transportation and Warehousing	15,582	41,807	37.3
Real Estate and Rental and Leasing	12,562	19,902	63.1
Information	11,031	40,729	27.1
Management of Companies and Enterprises	4,825	33,327	14.5
Utilities	617	7,542	8.2
Mining, Quarrying, and Oil and Gas Extraction	348	902	38.6
Agriculture, Forestry, and Fishing and Hunting	281	281	100.0
Industries not classified	248	248	100.0
<b>Total</b>	<b>735,788</b>	<b>1,503,102</b>	<b>49.0</b>

Figure 4: Connecticut Small Business Employment by County, 2015

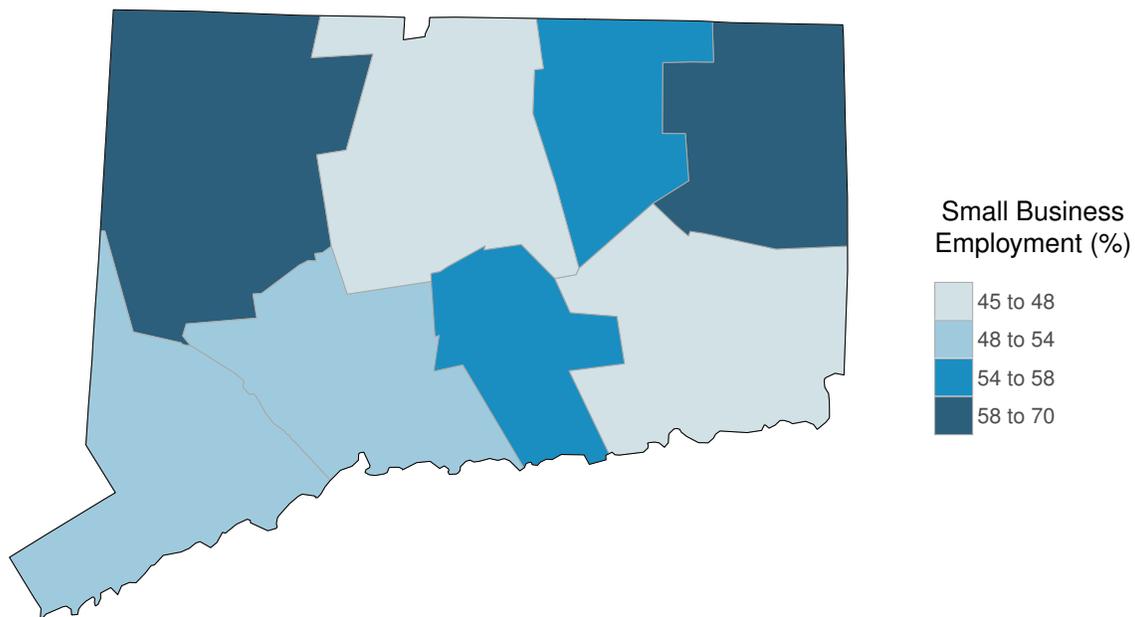


Table 2: Connecticut Small Businesses by Industry and Firm Size, 2015

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	8,799	8,273	31,416	40,215
Professional, Scientific, and Technical Services	8,281	7,622	45,998	54,279
Retail Trade	8,155	7,317	18,894	27,049
Construction	7,858	7,364	31,343	39,201
Health Care and Social Assistance	7,238	5,845	24,779	32,017
Accommodation and Food Services	6,994	5,565	3,726	10,720
Administrative, Support, and Waste Management	4,542	4,078	19,660	24,202
Manufacturing	3,741	2,746	3,545	7,286
Wholesale Trade	3,347	2,644	4,386	7,733
Finance and Insurance	3,168	2,798	10,834	14,002
Real Estate and Rental and Leasing	2,346	2,188	36,267	38,613
Arts, Entertainment, and Recreation	1,512	1,219	16,557	18,069
Educational Services	1,307	1,054	10,626	11,933
Transportation and Warehousing	1,238	1,011	9,457	10,695
Information	872	698	3,870	4,742
Agriculture, Forestry, and Fishing and Hunting	72	70	1,172	1,244
Mining, Quarrying, and Oil and Gas Extraction	46	40	61	107
Utilities	43	31	218	261
<b>Total</b>	<b>69,634</b>	<b>60,776</b>	<b>272,809</b>	<b>342,443</b>

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