

2020 Small Business Profile

Wisconsin

456,884 Small Businesses
99.4% of Wisconsin Businesses

1.3 million Small Business Employees
49.5% of Wisconsin Employees



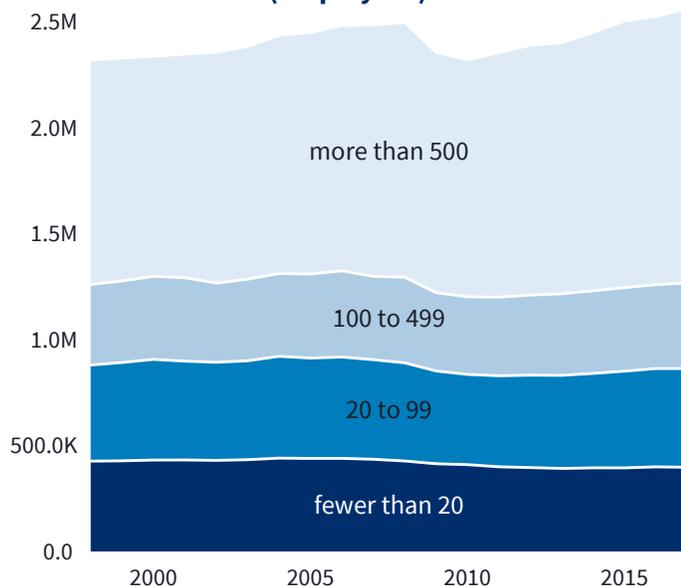
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Wisconsin grew at an annual rate of **2.1%**, which was the same as the overall US growth rate. Wisconsin's 2019 overall growth rate of **1.4%** was down from the 2018 rate of **2.4%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **14.1%**, up from **3.3%** in April 2019. This was below the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Wisconsin Employment by Business Size (Employees)



- Wisconsin small businesses employed **1.3 million** people, or **49.5%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with 20 to 99 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **15.6%** during the 12-month period ending in April 2020. This was below the increase of **0.7%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **2.7%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **15,315** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **13,489** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **929** net jobs. (Source: [BDM](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.

Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$50,560** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$24,701**. (Source: [ACS](#))
- The total number of banks decreased by **12** between June 2018 and June 2019 to **196** banks. During the same period, the number of banks with assets under \$1 billion decreased by **15** to **177** banks. (Source: [FDIC](#))
- In 2018, Wisconsin lending institutions reporting under the Community Reinvestment Act issued **78,300** loans under \$100,000, a total value of **\$1.1 billion**. (Source: [FFIEC](#))

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed. The decline in the number of banks with assets under \$1 billion may exceed the change in the total number of banks due to mergers and asset balance changes.

Self-Employment Demographics

Figure 2: Wisconsin Self-Employment Rates by Gender & Demographic, 2018

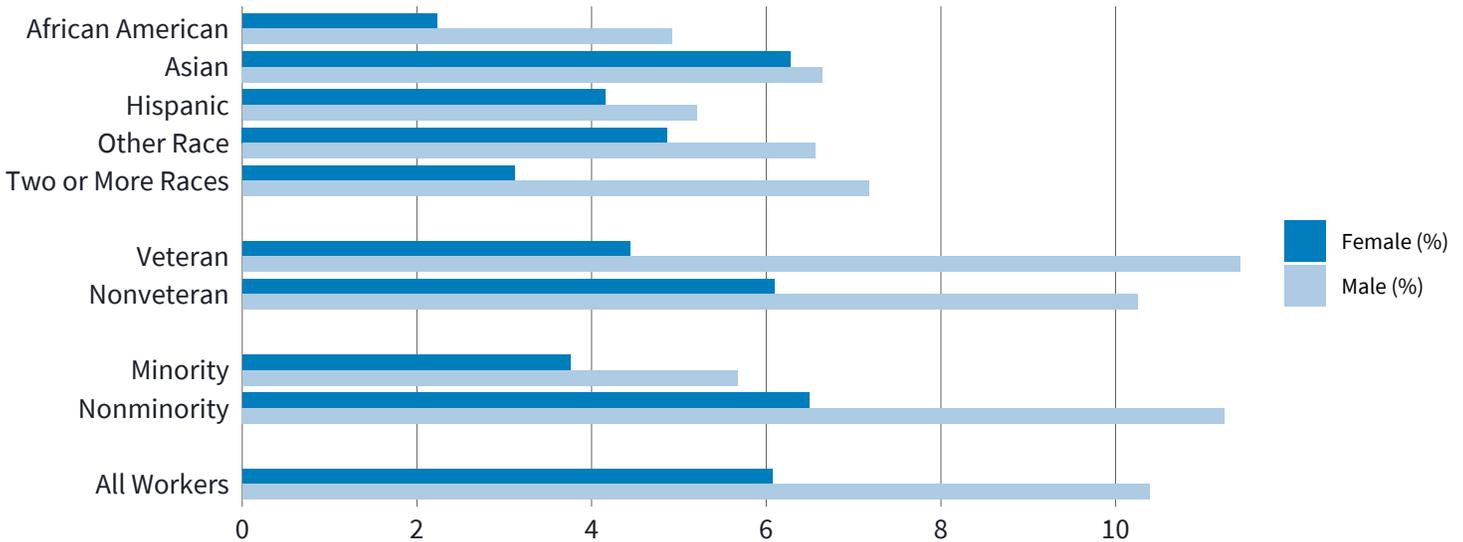
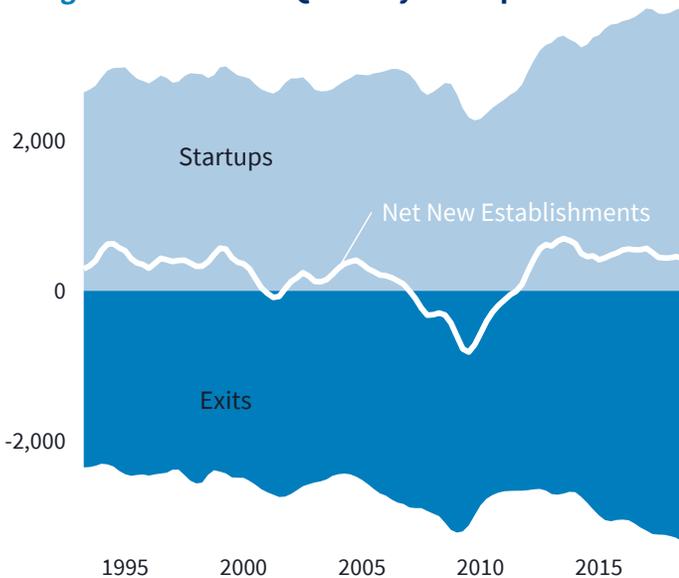


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Wisconsin Quarterly Startups and Exits



- In the fourth quarter of 2018, **3,570** establishments started up, generating **11,138** 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, **3,430** establishments exited, resulting in **9,756** 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 1993 to 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM 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 **8,830** firms exported goods from Wisconsin in 2018. Of these, **7,607**, or **86.1%**, were small firms, which generated **28.4%** of Wisconsin's **\$20.6 billion** in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Wisconsin Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Manufacturing	205,883	457,963	45.0
Health Care and Social Assistance	175,855	408,348	43.1
Accommodation and Food Services	168,099	243,908	68.9
Retail Trade	124,708	310,858	40.1
Other Services (except Public Administration)	96,577	105,763	91.3
Construction	92,091	108,611	84.8
Wholesale Trade	72,516	122,524	59.2
Professional, Scientific, and Technical Services	71,814	108,015	66.5
Administrative, Support, and Waste Management	62,883	156,030	40.3
Transportation and Warehousing	44,470	103,395	43.0
Finance and Insurance	43,497	142,961	30.4
Arts, Entertainment, and Recreation	31,939	47,534	67.2
Educational Services	25,933	55,939	46.4
Real Estate and Rental and Leasing	21,823	27,316	79.9
Information	14,992	58,036	25.8
Management of Companies and Enterprises	8,330	80,800	10.3
Agriculture, Forestry, and Fishing and Hunting	2,354	3,391	69.4
Mining, Quarrying, and Oil and Gas Extraction	2,016	7,186	28.1
Utilities	1,203	12,699	9.5
Industries Not Classified	104	104	100.0
Total	1,267,087	2,561,381	49.5

Figure 4: Wisconsin Self-Employment Rates by County, 2018

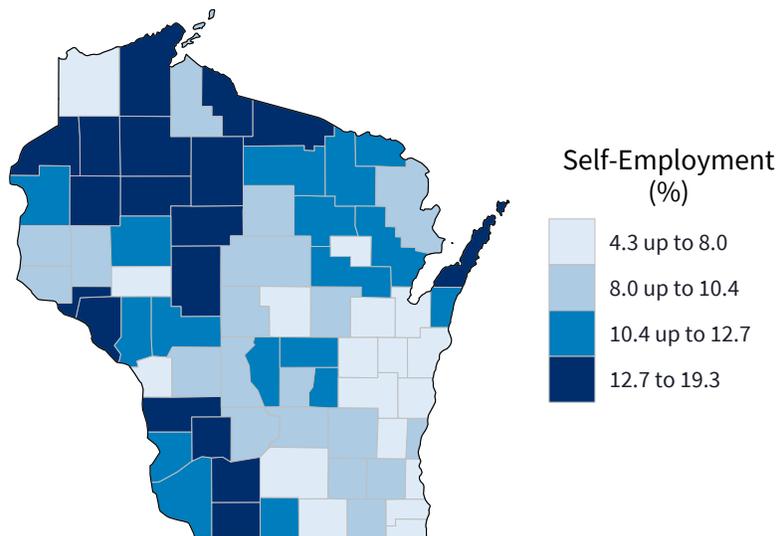


Table 2: Wisconsin Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	12,515	13,573	49,150	62,723
Professional, Scientific, and Technical Services	9,279	10,208	44,892	55,100
Construction	12,655	13,610	38,342	51,952
Retail Trade	9,823	11,359	39,683	51,042
Real Estate and Rental and Leasing	3,583	3,849	41,624	45,473
Health Care and Social Assistance	7,962	9,907	21,741	31,648
Administrative, Support, and Waste Management	4,994	5,678	20,575	26,253
Transportation and Warehousing	3,930	4,565	21,156	25,721
Arts, Entertainment, and Recreation	2,200	2,596	21,968	24,564
Accommodation and Food Services	9,172	11,699	6,012	17,711
Finance and Insurance	3,829	4,327	11,173	15,500
Manufacturing	4,716	7,171	7,161	14,332
Wholesale Trade	3,775	4,955	6,334	11,289
Educational Services	1,171	1,530	9,714	11,244
Agriculture, Forestry, and Fishing and Hunting	538	561	6,609	7,170
Information	767	991	4,223	5,214
Mining, Quarrying, and Oil and Gas Extraction	84	119	126	245
Utilities	24	56	141	197
Total	91,090	106,260	350,624	456,884

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2018 American Community Survey (ACS).

References

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

- ACS American Community Survey, 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
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau