

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

CONNECTICUT



339,231
99.4%

Small Businesses
of Connecticut Businesses

732,750
49.3%

Small Business Employees
of Connecticut Employees



EMPLOYMENT
10,645
net new jobs



DIVERSITY
56,093
minority-owned
businesses



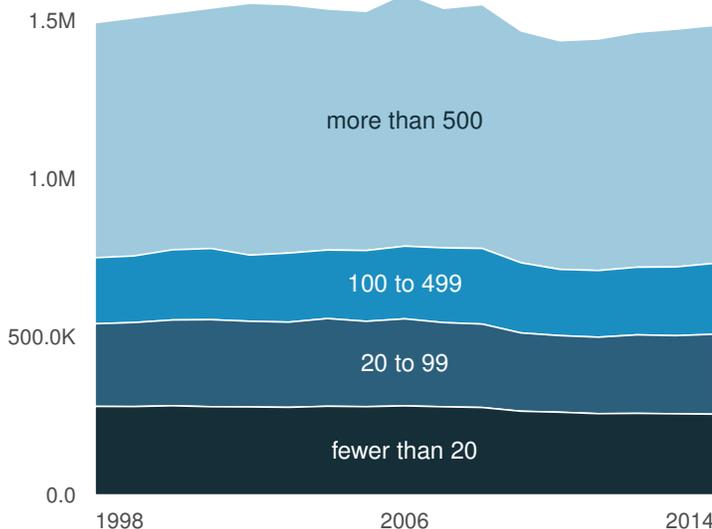
TRADE
88.9%
of Connecticut
exporters

OVERALL CONNECTICUT ECONOMY

- In the second quarter of 2016, Connecticut grew at an annual rate of **1.6%**, which was faster than the overall US growth rate of **1.2%**. Connecticut's 2015 growth rate of **0.7%** was up from the 2014 rate of **-0.4%**. (Source: [BEA](#))
- In November 2016, the unemployment rate was **4.7%**, down from **5.4%** at the close of 2015. This was above the November 2016 national unemployment rate of **4.6%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Connecticut Employment by Business Size (Employees)



- Connecticut small businesses employed **732,750** people, or **49.3%** of the private workforce, in 2014. (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](#))
- During the year ending November 2016, private-sector employment increased **1.6%**. This was above the previous year's increase of **0.2%**. (Source: [CPS](#))
- The number of proprietors increased in 2015 by **2.7%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **10,645** net jobs in 2014. Among the seven BDS size-classes, firms employing 20 to 49 employees experienced the largest gains, adding **5,014** net jobs. The largest losses were in firms employing 250 to 499 employees, which lost **299** net jobs. (Source: [BDS](#))

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. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: FDIC)
- In 2014, 68,310 loans under \$100,000 (valued at \$976.9 million) 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 \$61,405 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$30,520. (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.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Connecticut Small Business Ownership, 2012

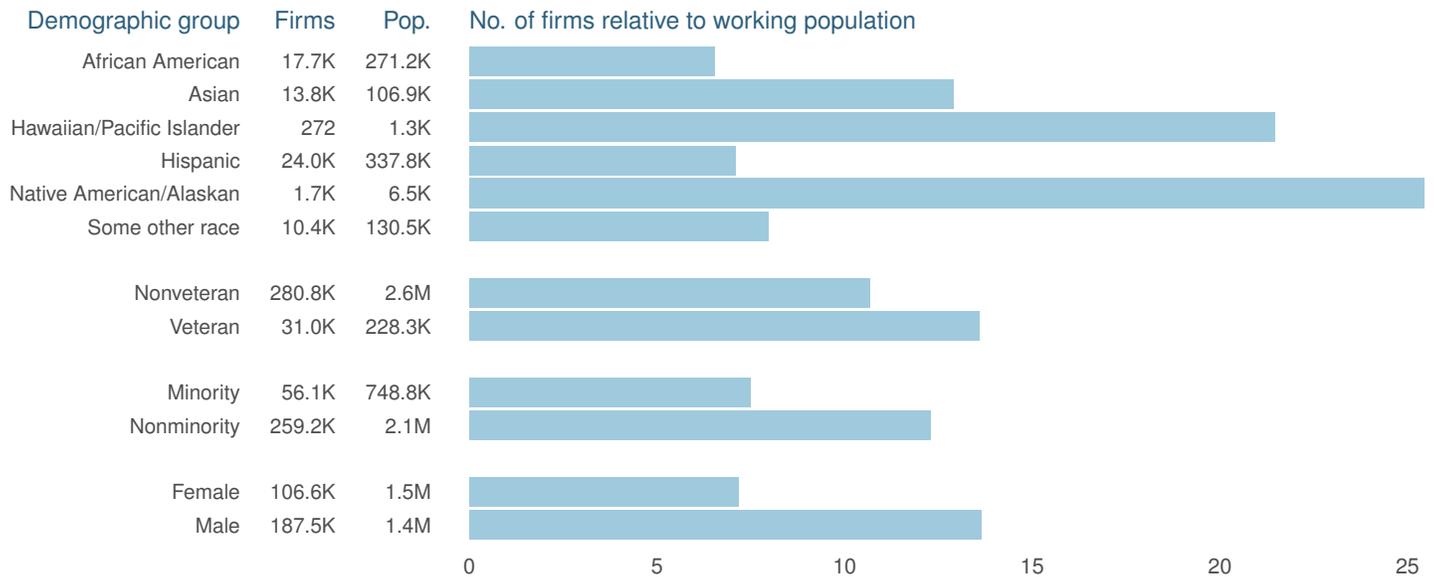
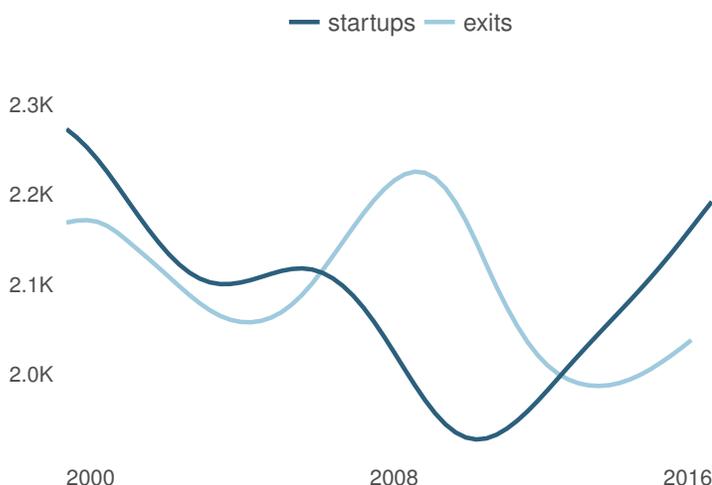


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 7 female-owned firms per 100 working age females or $106.6K \div 1.5M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: Connecticut Quarterly Startups and Exits



- In the second quarter of 2015, 2,277 establishments started up, generating 8,222 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, 2,559 establishments exited resulting in 6,555 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The 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.

INTERNATIONAL TRADE

- A total of 5,717 companies exported goods from Connecticut in 2014. Among these, 5,081, or 88.9%, were small firms; they generated 23.4% of Connecticut's \$14.8 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Connecticut Employment by Industry, 2014

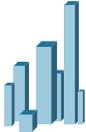
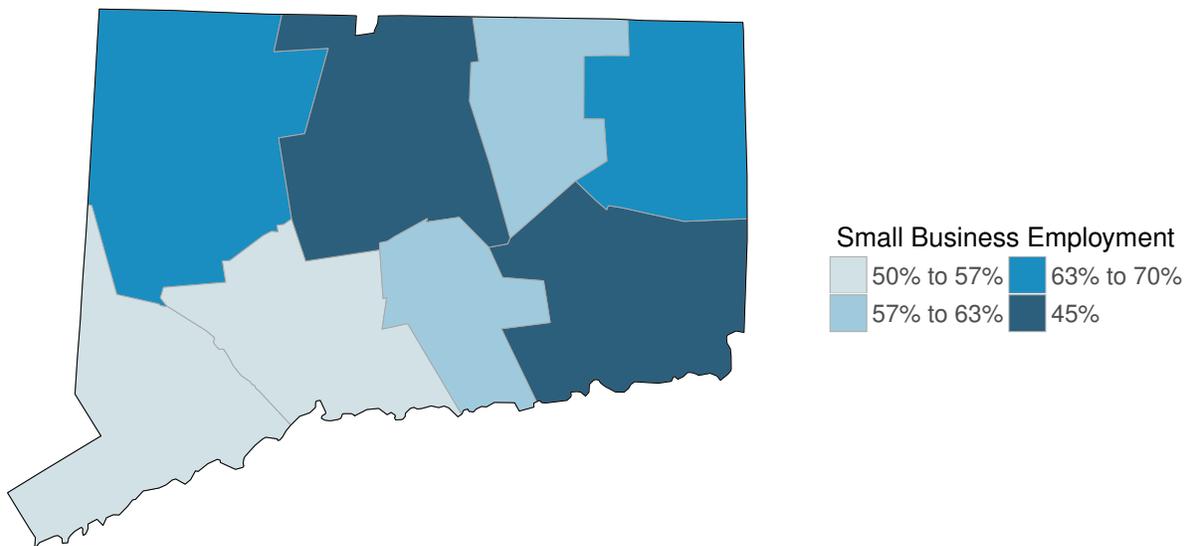
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	137,991	276,251	50%
Accommodation and Food Services	90,957	138,818	66%
Manufacturing	77,584	151,363	51%
Retail Trade	69,549	186,153	37%
Professional, Scientific, and Technical Services	54,455	103,077	53%
Other Services (Except Public Administration)	52,717	59,213	89%
Construction	45,215	51,805	87%
Wholesale Trade	40,350	71,695	56%
Administrative, Support, and Waste Management	39,546	85,222	46%
Finance and Insurance	31,390	113,514	28%
Educational Services	23,947	74,744	32%
Arts, Entertainment, and Recreation	22,171	27,620	80%
Transportation and Warehousing	14,908	41,152	36%
Information	13,079	40,951	32%
Real Estate and Rental and Leasing	12,334	19,023	65%
Utilities	1,049	s	-
Agriculture, Forestry, and Fishing and Hunting	288	288	100%
Mining, Quarrying, and Oil and Gas Extraction	264	1,903	14%
Total	732,750	1,485,426	49%

Figure 4: Connecticut Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: Connecticut Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	8,272	7,600	45,993	54,265
Construction	7,755	7,261	32,221	39,976
Other Services (Except Public Administration)	8,642	8,114	31,227	39,869
Real Estate and Rental and Leasing	2,333	2,183	35,419	37,752
Health Care and Social Assistance	7,285	5,958	24,496	31,781
Retail Trade	8,193	7,352	18,854	27,047
Administrative, Support, and Waste Management	4,509	4,046	20,078	24,587
Arts, Entertainment, and Recreation	1,483	1,203	16,270	17,753
Finance and Insurance	3,212	2,834	10,766	13,978
Educational Services	1,285	1,033	10,149	11,434
Accommodation and Food Services	6,931	5,529	3,687	10,618
Transportation and Warehousing	1,183	949	7,342	8,525
Wholesale Trade	3,386	2,688	4,431	7,817
Manufacturing	3,809	2,780	3,485	7,294
Information	917	734	3,906	4,823
Agriculture, Forestry, and Fishing and Hunting	72	70	1,213	1,285
Utilities	45	27	237	282
Mining, Quarrying, and Oil and Gas Extraction	43	39	71	114
Total	69,386	60,572	269,845	339,231

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. 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, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

