

2021 Small Business Profile

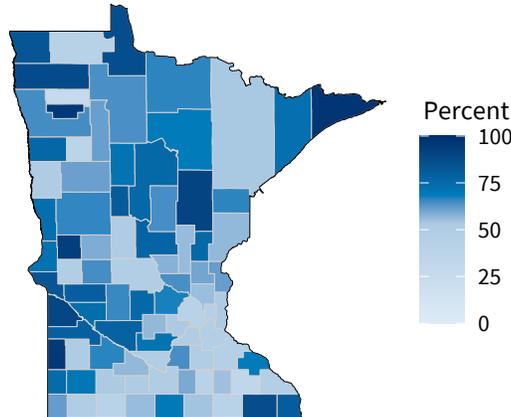
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Minnesota

533,344 small businesses
99.5 percent of Minnesota businesses

1.3 million small business employees
46.2 percent of Minnesota employees



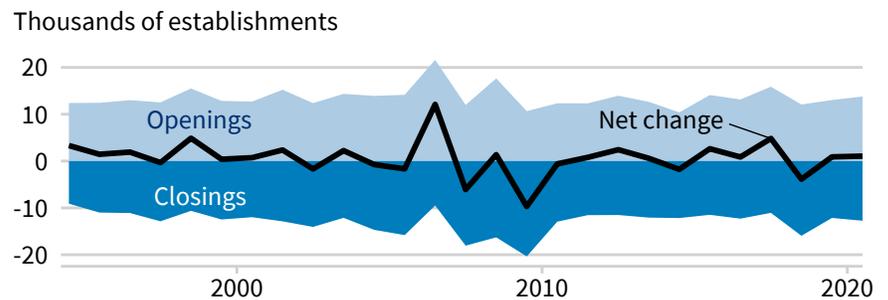
Share of employees working at small businesses by county

Source of data: [Statistics of US Businesses](#) (Census)

Business dynamics

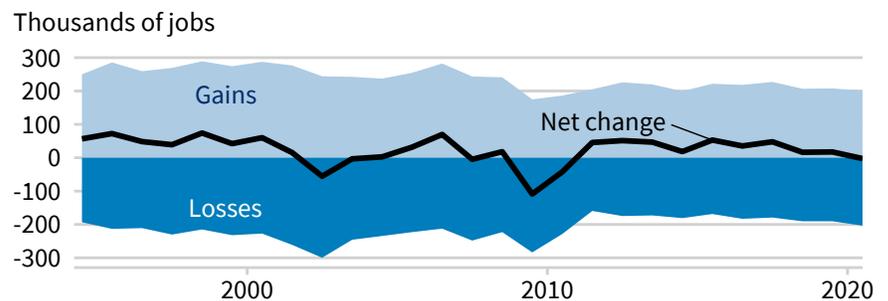
Establishments

Between March 2019 and March 2020, 13,797 Minnesota establishments opened and 12,740 closed, for a net increase of 1,057. Employment expanded at 33,929 and contracted at 34,413. Small businesses accounted for 13,527 openings and 12,535 closings.



Employment

Opening and expanding Minnesota establishments added 200,949 jobs, while closing and contracting establishments lost 203,498, for a net decrease of 2,549 jobs. Small businesses gained 164,798 jobs and lost 164,115, for a net increase of 683 jobs.



Counts include temporary closures and reopenings

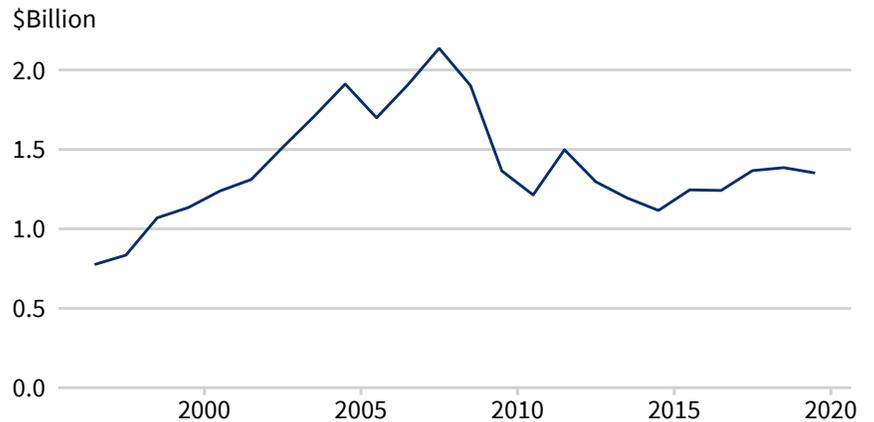
Source: [Business Employment Dynamics](#) (BLS)

Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2019, reporting banks issued \$1.4 billion in loans to Minnesota businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$1.6 billion, and total reported new lending to businesses through loans of \$1 million or less was \$4.0 billion.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	   			
	No employees	1–19 employees	20–499 employees	All small businesses
Professional, Scientific, and Technical Services	63,251	14,138	1,086	78,475
Construction	39,949	15,513	1,027	56,489
Other Services (except Public Administration)	38,243	13,350	1,167	52,760
Retail Trade	40,307	9,888	1,349	51,544
Real Estate and Rental and Leasing	45,833	5,404	299	51,536
Transportation and Warehousing	39,987	3,567	558	44,112
Health Care and Social Assistance	29,688	8,041	2,288	40,017
Administrative, Support, and Waste Management	29,335	5,796	697	35,828
Arts, Entertainment, and Recreation	32,309	2,474	353	35,136
Finance and Insurance	12,803	5,156	515	18,474
Educational Services	15,056	1,362	444	16,862
Accommodation and Food Services	4,918	6,183	2,423	13,524
Manufacturing	7,418	4,320	1,701	13,439
Wholesale Trade	6,139	4,587	1,162	11,888
Information	5,493	1,208	254	6,955
Agriculture, Forestry, Fishing and Hunting	5,353	535	26	5,914
Management of Companies and Enterprises	*	90	359	449
Utilities	237	49	47	333
Mining, Quarrying, and Oil and Gas Extraction	168	100	17	285
Industries not classified	*	176	0	176
Total	416,487	101,857	15,000	533,344

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2018 (Census); [Statistics of US Businesses](#), 2018 (Census)



Small business exports

A total of 8,469 identified firms exported goods worth \$20.7 billion from Minnesota in 2019. Of those exporters, 7,268—or 85.8 percent—were small. Small firms exported goods worth \$5.0 billion, making up 23.9 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2018–2019](#) (Census)

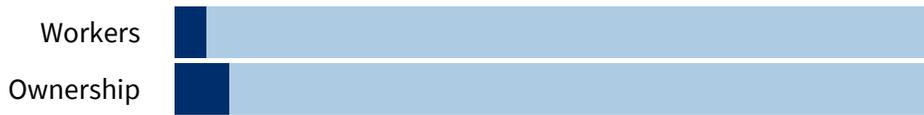
Business ownership share by demographic group

Women



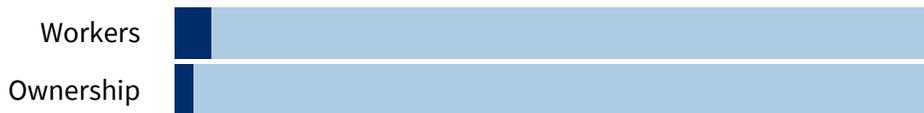
Women made up 47.9 percent of workers and owned 41.1 percent of businesses.

Veterans



Veterans made up 4.1 percent of workers and owned 7.1 percent of businesses.

Hispanics



Hispanics made up 4.9 percent of workers and owned 2.5 percent of businesses.

Racial minorities



Racial minorities made up 13.9 percent of workers and owned 9.6 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey](#), 2018 (Census and IPUMS); [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Business count by owner demographic group

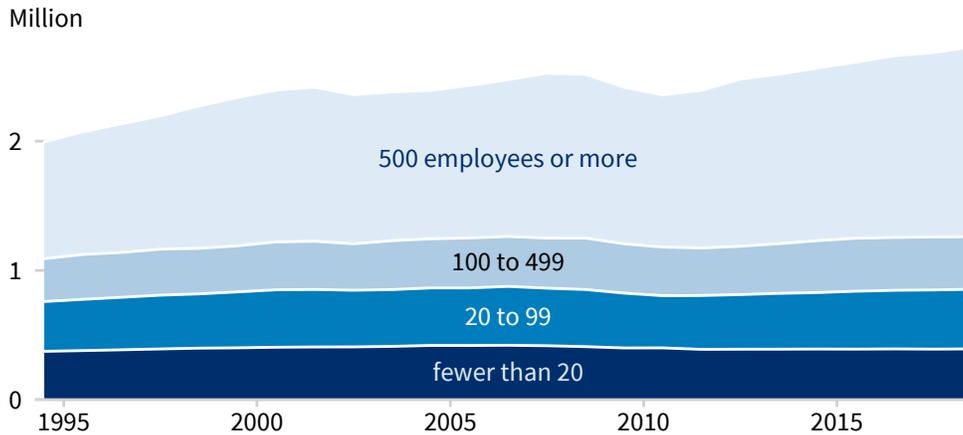
Ownership	Without employees	With employees	Total
Female	162,000	19,984	181,984
Male	231,000	69,609	300,609
Owned equally by both groups	11,000	16,404	27,404
Veteran	24,500	6,273	30,773
Not veteran	377,000	96,301	473,301
Owned equally by both groups	2,200	*	*
Hispanic	10,500	1,495	11,995
Not Hispanic	393,000	104,215	497,215
Owned equally by both groups	300	*	*
American Indian and Alaska Native	1,100	394	1,494
Asian	14,500	4,213	18,713
Black or African American	26,500	1,401	27,901
Native Hawaiian and Other Pacific Islander	150	*	*
White	361,000	99,971	460,971
Hispanic or racial minority	51,500	7,087	58,587
White and not Hispanic	352,000	97,935	449,935
Owned equally by both groups	650	973	1,623

* Not reported by the Census Bureau; counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Total Minnesota employment by business size

Source of data: [Statistics of US Businesses](#) (Census)



Between 1994 and 2018, Minnesota small business employment grew by 15.6 percent, reaching 1.3 million employees in 2018.

Small business employment and payroll by industry

Industry	Employers		Employment		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Construction	16,540	99.4	97,750	78.0	6,904,610	73.5
Professional, Scientific, and Technical Services	15,224	97.6	93,448	50.2	7,012,282	45.5
Other Services (except Public Administration)	14,517	99.2	106,213	90.0	3,173,357	86.4
Retail Trade	11,237	96.3	114,476	37.6	3,487,329	41.2
Health Care and Social Assistance	10,329	97.9	218,894	45.5	7,920,767	36.6
Accommodation and Food Services	8,606	97.8	152,966	62.2	2,779,711	58.9
Administrative, Support, and Waste Management	6,493	96.0	62,159	34.1	2,521,628	34.3
Manufacturing	6,021	93.1	134,943	43.6	7,432,515	39.1
Wholesale Trade	5,749	91.7	70,286	50.2	4,879,342	42.3
Real Estate and Rental and Leasing	5,703	97.6	26,228	68.4	1,229,109	62.1
Finance and Insurance	5,671	94.7	44,364	26.6	3,239,134	19.0
Transportation and Warehousing	4,125	94.9	39,818	45.8	1,623,088	38.0
Arts, Entertainment, and Recreation	2,827	98.4	29,299	58.0	819,676	47.0
Educational Services	1,806	96.7	33,930	44.1	1,075,626	46.8
Information	1,462	88.3	20,683	32.4	1,379,797	26.1
Agriculture, Forestry, Fishing and Hunting	561	98.9	2,506	94.2	108,549	91.5
Management of Companies and Enterprises	449	56.1	9,194	6.9	745,011	5.5
Industries not classified	176	100.0	171	100.0	4,859	100.0
Mining, Quarrying, and Oil and Gas Extraction	117	89.3	1,079	21.5	90,841	18.2
Utilities	96	77.4	2,597	19.9	220,037	15.8
Total	116,857	97.6	1,261,004	46.2	56,647,268	37.9

Source: [Statistics of US Businesses](#), 2018 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or otherwise problematic data. Data analyzed here predate the COVID-19 pandemic, the impacts of which have differed by industry, geography, and demographic group. More information about [the impacts of the pandemic](#), electronic versions of these and other [geographic profiles](#), and additional resources are available at <http://advocacy.sba.gov>.