

2020 Small Business Profile

U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Connecticut



350,376 Small Businesses
99.4% of Connecticut Businesses

745,085 Small Business Employees
48.5% of Connecticut Employees



EMPLOYMENT
972
net new jobs



DIVERSITY
43,867
self-employed minorities



TRADE
5,057
small business exporters

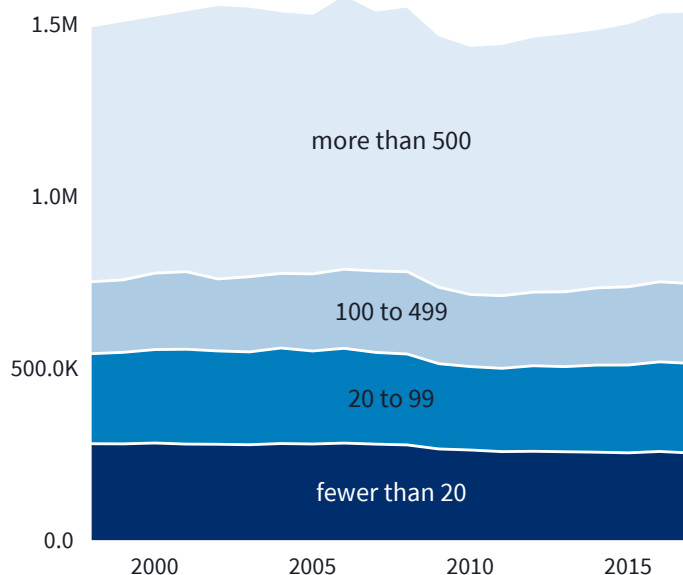
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Connecticut grew at an annual rate of **0.9%**, which was slower than the overall US growth rate of **2.1%**. Connecticut's 2019 overall growth rate of **1.6%** was up from the 2018 rate of **0.5%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **7.9%**, up from **3.7%** in April 2019. This was below the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Connecticut Employment by Business Size (Employees)



- Connecticut small businesses employed **745,085** people, or **48.5%** 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 **17.6%** during the 12-month period ending in April 2020. This was below the increase of **0.2%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.0%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **972** net jobs in 2019. Firms employing 20 to 99 employees experienced the largest gains, adding **1,588** net jobs. The largest losses were in firms employing 100 to 499 employees, which lost **1,331** 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 **\$60,584** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$31,786**. (Source: [ACS](#))
- The total number of banks decreased by **3** between June 2018 and June 2019 to **37** banks. During the same period, the number of banks with assets under \$1 billion decreased by **1** to **23** banks. (Source: [FDIC](#))
- In 2018, Connecticut lending institutions reporting under the Community Reinvestment Act issued **90,961** loans under \$100,000, a total value of **\$1.2 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.

Self-Employment Demographics

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

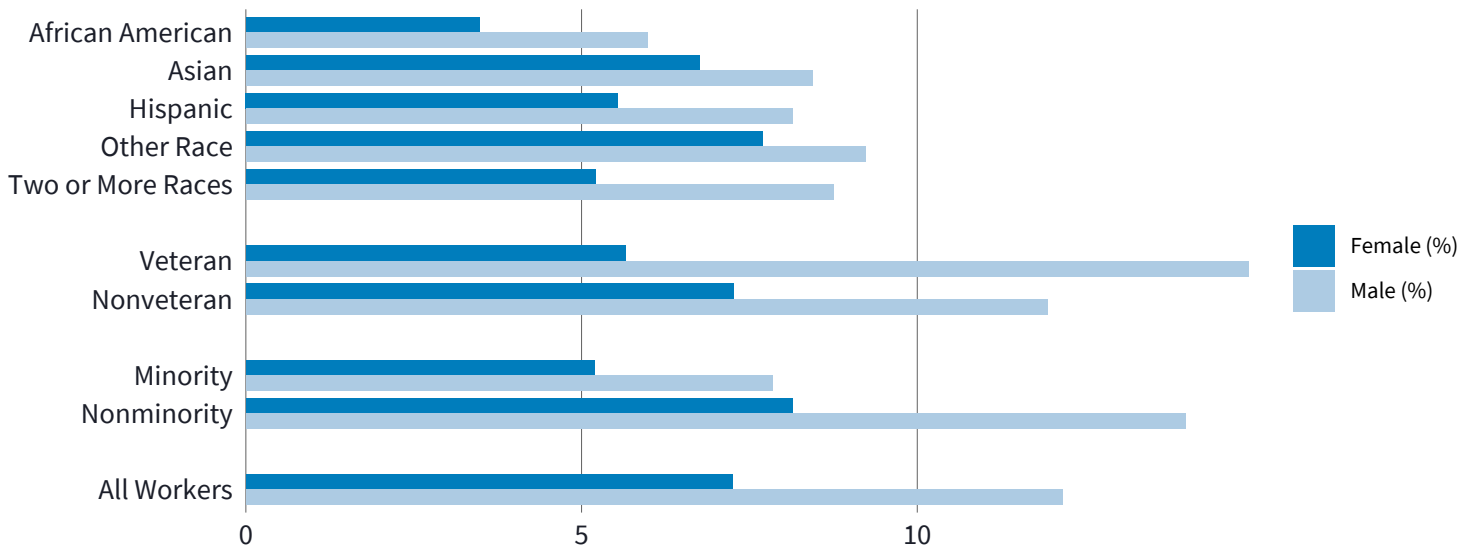
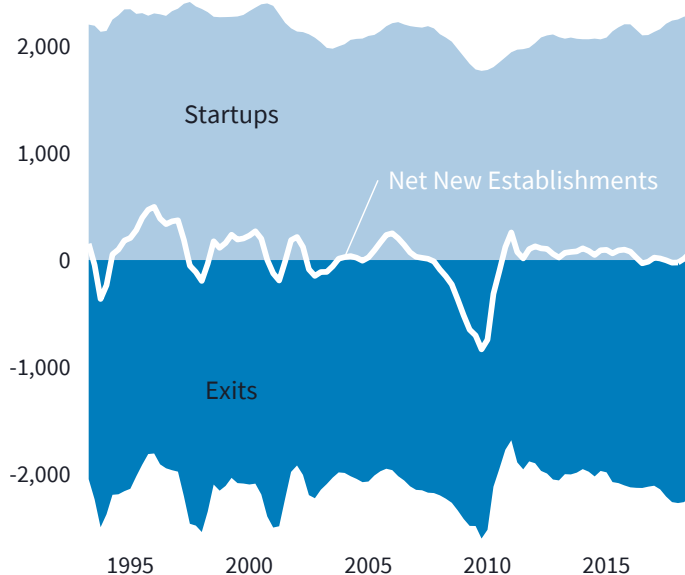


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Connecticut Quarterly Startups and Exits



- In the fourth quarter of 2018, **2,228** establishments started up, generating **7,589** 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, **2,207** establishments exited, resulting in **6,087** 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 5,736 firms exported goods from Connecticut in 2018. Of these, 5,057, or 88.2%, were small firms, which generated 42.5% of Connecticut's \$16.4 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Connecticut Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	147,103	290,886	50.6
Accommodation and Food Services	97,325	146,518	66.4
Manufacturing	74,746	155,755	48.0
Retail Trade	69,310	185,669	37.3
Other Services (except Public Administration)	54,446	60,751	89.6
Professional, Scientific, and Technical Services	54,156	103,642	52.3
Construction	47,079	54,529	86.3
Administrative, Support, and Waste Management	41,360	88,478	46.7
Wholesale Trade	39,251	75,741	51.8
Finance and Insurance	29,056	119,604	24.3
Educational Services	24,397	79,171	30.8
Arts, Entertainment, and Recreation	22,062	29,438	74.9
Transportation and Warehousing	14,514	43,254	33.6
Real Estate and Rental and Leasing	12,607	20,311	62.1
Information	11,265	41,564	27.1
Management of Companies and Enterprises	4,412	32,675	13.5
Utilities	1,196	7,779	15.4
Mining, Quarrying, and Oil and Gas Extraction	382	675	56.6
Agriculture, Forestry, and Fishing and Hunting	317	317	100.0
Industries Not Classified	101	101	100.0
Total	745,085	1,536,858	48.5

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

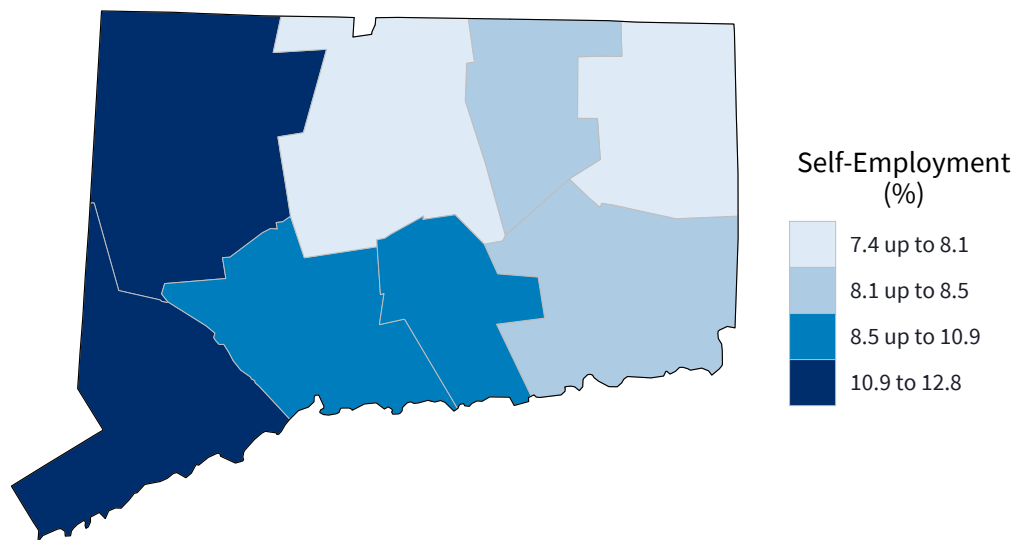







Table 2: Connecticut Small Businesses by Industry and Firm Size, 2017

 Industry	 1–19 Employees	 1–499 Employees	 Nonemployer Firms	 Total Small Firms
Professional, Scientific, and Technical Services	7,418	8,108	46,482	54,590
Other Services (except Public Administration)	8,334	8,863	31,282	40,145
Real Estate and Rental and Leasing	2,220	2,384	37,129	39,513
Construction	7,248	7,808	30,906	38,714
Health Care and Social Assistance	5,663	7,119	24,419	31,538
Retail Trade	7,162	7,996	19,591	27,587
Administrative, Support, and Waste Management	4,113	4,586	19,720	24,306
Arts, Entertainment, and Recreation	1,244	1,540	17,348	18,888
Transportation and Warehousing	993	1,211	15,752	16,963
Finance and Insurance	2,735	3,087	10,899	13,986
Educational Services	1,058	1,326	11,077	12,403
Accommodation and Food Services	5,673	7,180	3,850	11,030
Wholesale Trade	2,445	3,129	4,178	7,307
Manufacturing	2,611	3,593	3,397	6,990
Information	734	900	3,973	4,873
Agriculture, Forestry, and Fishing and Hunting	75	77	1,222	1,299
Utilities	21	37	151	188
Mining, Quarrying, and Oil and Gas Extraction	30	36	77	113
Total	59,869	68,923	281,453	350,376

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