

# 2018 SMALL BUSINESS PROFILE

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### ILLINOIS



**1.2 million** Small Businesses  
**99.6%** of Illinois Businesses

**2.5 million** Small Business Employees  
**45.5%** of Illinois Employees

**EMPLOYMENT**  
**68,276**  
net new jobs

**DIVERSITY**  
**311,609**  
minority-owned  
businesses

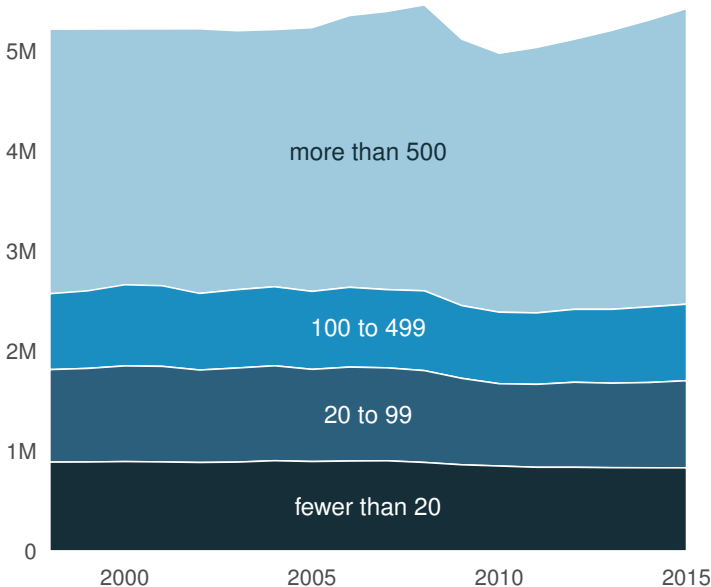
**TRADE**  
**20,192**  
small business  
exporters

### OVERALL ILLINOIS ECONOMY

- In the third quarter of 2017, Illinois grew at an annual rate of **3.5%**, which was faster than the overall US growth rate of **3.4%**. Illinois's 2016 growth rate of **1.0%** was down from the 2015 rate of **1.2%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **4.8%**, down from **5.2%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

### EMPLOYMENT

Figure 1: Illinois Employment by Business Size (Employees)



- Illinois small businesses employed **2.5 million** people, or **45.5%** 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 increased **0.3%** during the 12-month period ending in January 2018. This was above the decrease of **0.2%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.3%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **68,276** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **37,179** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **11,282** 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 decreased by 23 between June 2016 and June 2017 to 459 banks. (Source: FDIC)
- In 2016, 206,410 loans under \$100,000 (valued at \$2.8 billion) were issued by Illinois lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$51,453 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$24,280. (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: Illinois Employees per Business by Owner's Demographic, 2015

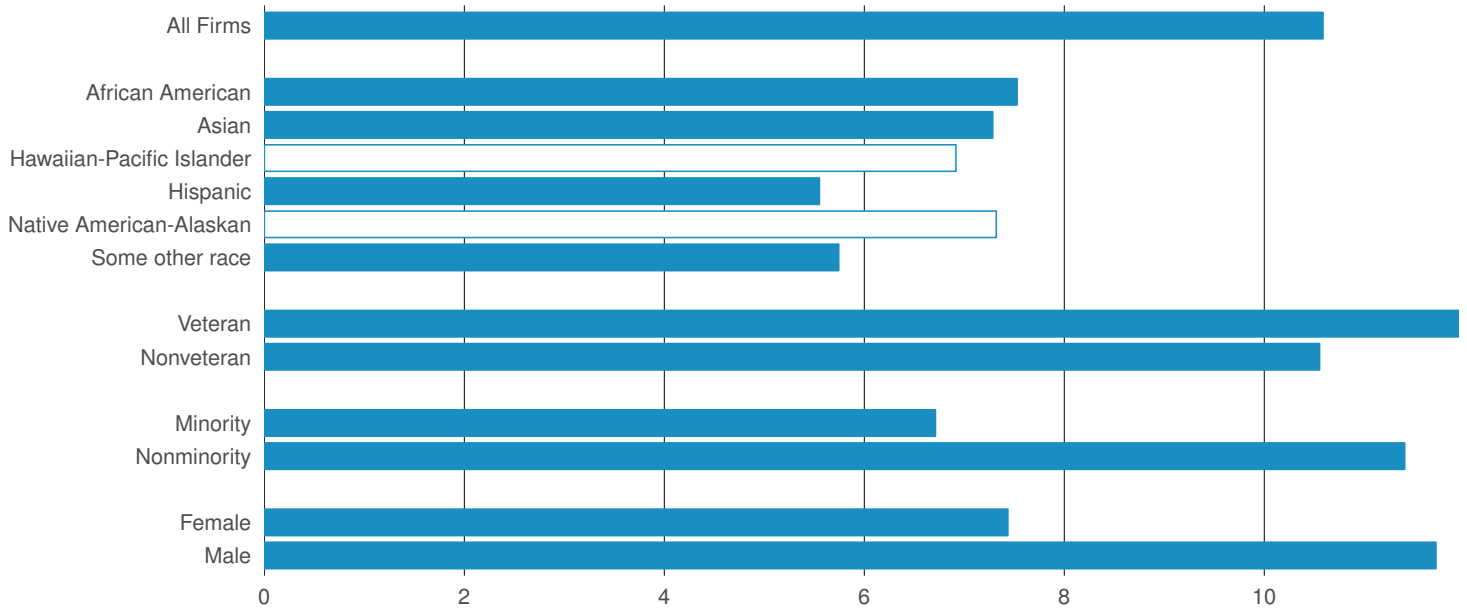
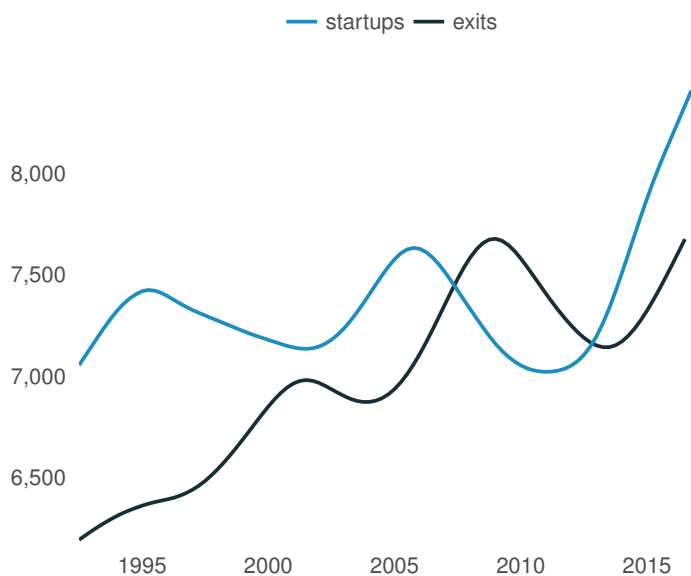


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding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

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Illinois Quarterly Startups and Exits



- In the third quarter of 2016, 7,597 establishments started up, generating 31,194 new jobs in Illinois. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 8,193 establishments exited resulting in 30,473 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 22,510 companies exported goods from Illinois in 2015. Of these, 20,192, or 89.7%, were small firms; they generated 25.9% of Illinois's \$57.9 billion in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Illinois Employment by Industry, 2015





 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	353,980	796,016	44.5
Accommodation and Food Services	317,124	506,747	62.6
Manufacturing	264,778	540,999	48.9
Professional, Scientific, and Technical Services	218,155	403,049	54.1
Other Services (except Public Administration)	210,440	249,650	84.3
Retail Trade	203,803	626,903	32.5
Wholesale Trade	170,737	316,297	54.0
Construction	163,902	198,152	82.7
Administrative, Support, and Waste Management	150,510	518,574	29.0
Finance and Insurance	103,189	334,298	30.9
Transportation and Warehousing	79,174	242,399	32.7
Educational Services	68,318	167,097	40.9
Real Estate and Rental and Leasing	51,762	76,489	67.7
Arts, Entertainment, and Recreation	50,717	79,139	64.1
Information	35,636	123,407	28.9
Management of Companies and Enterprises	16,728	208,258	8.0
Mining, Quarrying, and Oil and Gas Extraction	5,539	9,497	58.3
Utilities	2,733	28,014	9.8
Agriculture, Forestry, and Fishing and Hunting	1,268	1,988	63.8
Industries not classified	576	576	100.0
<b>Total</b>	<b>2,469,069</b>	<b>5,427,549</b>	<b>45.5</b>

Figure 4: Illinois Small Business Employment by County, 2015

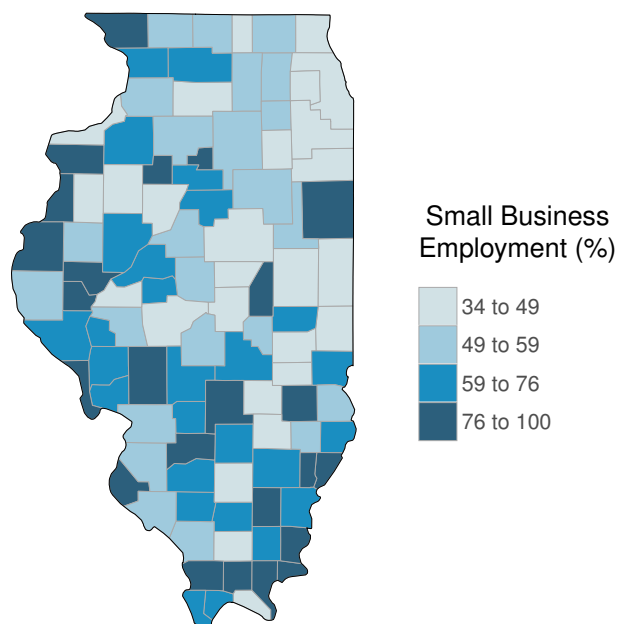


Table 2: Illinois Small Businesses by Industry and Firm Size, 2015



Industry



1-499 Employees



1-20 Employees



Nonemployer  
Firms



Total Small Firms

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	36,199	33,580	127,678	163,877
Other Services (except Public Administration)	29,471	27,259	151,746	181,217
Construction	28,330	26,614	91,574	119,904
Health Care and Social Assistance	25,775	22,310	93,006	118,781
Retail Trade	23,392	20,982	69,541	92,933
Accommodation and Food Services	21,156	16,564	13,181	34,337
Wholesale Trade	14,345	11,574	14,376	28,721
Administrative, Support, and Waste Management	14,166	12,492	75,182	89,348
Transportation and Warehousing	13,365	12,222	100,068	113,433
Finance and Insurance	11,835	10,597	30,380	42,215
Manufacturing	11,724	8,361	10,665	22,389
Real Estate and Rental and Leasing	9,882	9,203	92,271	102,153
Arts, Entertainment, and Recreation	4,294	3,659	49,692	53,986
Educational Services	3,794	2,934	30,059	33,853
Information	2,828	2,332	11,435	14,263
Mining, Quarrying, and Oil and Gas Extraction	437	379	1,969	2,406
Agriculture, Forestry, and Fishing and Hunting	300	286	4,957	5,257
Utilities	150	105	550	700
<b>Total</b>	<b>251,324</b>	<b>221,965</b>	<b>968,330</b>	<b>1,219,654</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