

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### ILLINOIS




**1.2 million**  
**98.2%** Small Businesses  
of Illinois Businesses

**2.4 million**  
**46.4%** Small Business Employees  
of Illinois Employees



**EMPLOYMENT**  
**19,000**  
net new jobs<sup>1</sup>



**DIVERSITY**  
**39.8%**  
increase in minority  
ownership<sup>2</sup>



**TRADE**  
**89.9%**  
of Illinois exporters<sup>3</sup>

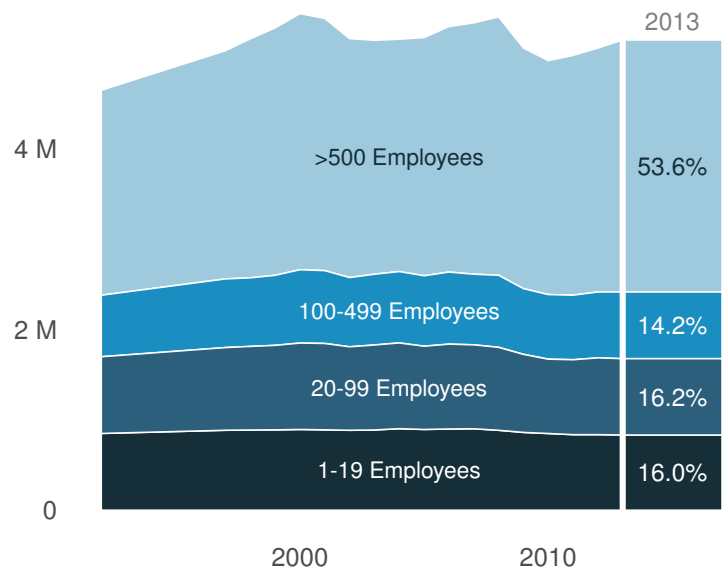
#### OVERALL ILLINOIS ECONOMY

- In the third quarter of 2015, Illinois grew at an annual rate of 1.6% which was slower than the overall US growth rate of 1.9%. By comparison, Illinois's 2014 growth of 2.9% was up from the 2013 level of 0.8%. (Source: BEA)
- The employment situation in Illinois was unchanged. At the close of 2015, unemployment was 6.1%, unchanged from 6.1% at the close of 2014. This was above the national unemployment rate of 5.0%. (Source: CPS)

#### EMPLOYMENT

- Illinois small businesses employed 2.4 million people, or 46.4% of the private workforce, in 2013. (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)
- Private-sector employment decreased 0.1% in 2015. This was below the previous year's increase of 1.3%. (Source: CES)
- The number of proprietors increased in 2014 by 1.2% relative to the previous year. (Source: BEA)
- Small businesses created 19,000 net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding 10,349 net jobs. The largest losses were in firms employing 5 to 9 employees which lost 1,608 net jobs. (Source: BDS)

Figure 1: Illinois Employment by Firm Size



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.** Hyperlinks to data sources and report generation information are provided in Table 3.

<sup>1,3</sup> Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

<sup>2</sup> Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 192,611 loans under \$100,000 (and valued at \$2.5 billion) were issued by Illinois lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income<sup>4</sup> for individuals who were self-employed at their own incorporated businesses was \$51,115 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$22,462. (Source: ACS)

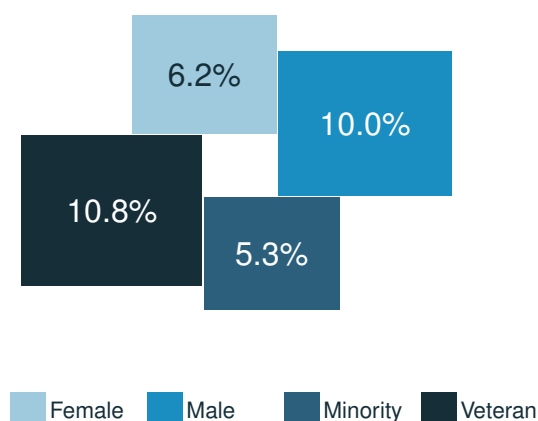
<sup>4</sup> Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## BUSINESS OWNER DEMOGRAPHICS

Figure 2: Illinois Changes in Business Ownership by Demographic Group

African American-owned	●	35.8%
Asian-owned	●	22.4%
Hawaiian/Pacific Islander-owned	●	53.1%
Hispanic-owned	●	63.0%
Native American/Alaskan-owned	●	4.2%
Minority-owned	●	39.8%
Nonminority-owned	○	-6.5%

Figure 3: Illinois Self-Employment within Demographic Group

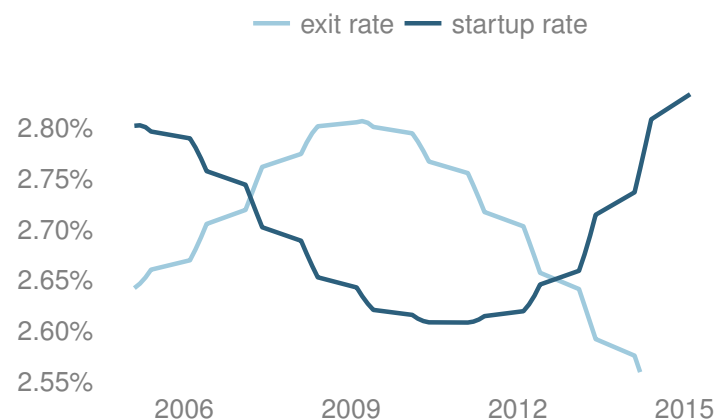


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Illinois, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

## BUSINESS TURNOVER

- In the second quarter of 2014, 7,411 establishments started up<sup>5</sup> in Illinois and 7,646 exited.<sup>6</sup> Startups generated 26,868 new jobs while exits caused 31,854 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Illinois Private Startup and Exit Rates



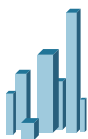




<sup>5</sup> **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

<sup>6</sup> **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 22,770 companies exported goods from Illinois in 2013. Among these, 20,464, or 89.9%, were small firms; they generated 24.8% of Illinois's total known export value. (Source: ITA)

## SMALL BUSINESSES BY INDUSTRY

Table 1: Illinois Small Firms by Industry, 2013  
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	36,050	33,500	125,324	161,374
Other Services (except Public Administration)	29,266	27,108	152,839	182,105
Construction	27,760	26,202	91,006	118,766
Health Care and Social Assistance	26,010	22,611	94,984	120,994
Retail Trade	23,957	21,543	68,256	92,213
Accommodation and Food Services	20,740	16,467	12,765	33,505
Wholesale Trade	15,008	12,184	14,396	29,404
Administrative, Support, and Waste Management	14,130	12,427	75,559	89,689
Finance and Insurance	11,990	10,717	30,898	42,888
Manufacturing	11,871	8,483	10,599	22,470
Transportation and Warehousing	11,747	10,679	69,910	81,657
Real Estate and Rental and Leasing	9,568	8,938	87,512	97,080
Arts, Entertainment, and Recreation	4,188	3,563	47,735	51,923
Educational Services	3,645	2,796	26,904	30,549
Information	2,749	2,220	11,772	14,521
Mining, Quarrying, and Oil and Gas Extraction	452	399	2,298	2,750
Agriculture, Forestry, Fishing and Hunting	314	302	5,189	5,503
Utilities	152	107	515	667
<b>Total</b>	<b>249,597</b>	<b>220,246</b>	<b>928,461</b>	<b>1,178,058</b>

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Illinois Employment by Industry and Firm Size, 2013  
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	347,872	786,018	44.3%
Accommodation and Food Services	297,048	483,056	61.5%
Manufacturing	265,908	547,259	48.6%
Professional, Scientific, and Technical Services	211,685	392,549	53.9%
Other Services (except Public Administration)	205,544	244,036	84.2%
Retail Trade	203,984	592,779	34.4%
Wholesale Trade	170,332	310,789	54.8%
Administrative, Support, and Waste Management	152,939	475,212	32.2%
Construction	152,461	178,055	85.6%
Finance and Insurance	102,949	301,696	34.1%
Transportation and Warehousing	76,436	225,959	33.8%
Educational Services	66,781	160,971	41.5%
Arts, Entertainment, and Recreation	50,814	77,456	65.6%
Real Estate and Rental and Leasing	49,672	72,322	68.7%
Information	35,833	123,824	28.9%
Mining, Quarrying, and Oil and Gas Extraction	5,050	8,981	56.2%
Utilities	3,425	29,655	11.5%
Agriculture, Forestry, Fishing and Hunting	1,388	2,128	65.2%
<b>Total</b>	<b>2,400,121</b>	<b>5,012,745</b>	<b>47.9%</b>

Figure 5: Illinois County-Level Job Changes, 2015 (CEW)

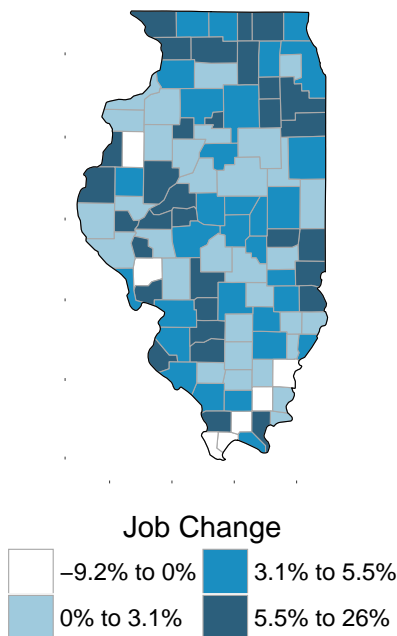


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US 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, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

