

2025 Small Business Profile

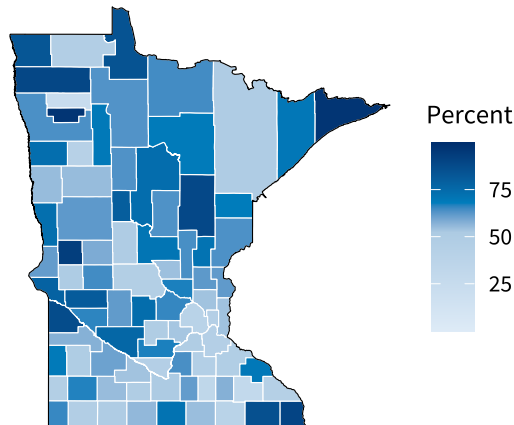
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Minnesota

560,428 small businesses
99.5 percent of Minnesota businesses

1.3 million small business employees
45.8 percent of Minnesota employees



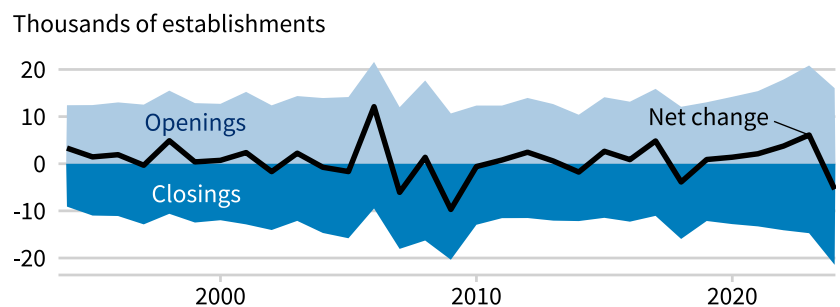
Share of employees working at small businesses by county

Sources of original data: [Nonemployer Statistics](#) (Census), [Statistics of U.S. Businesses](#) (Census)

Employer and employment dynamics

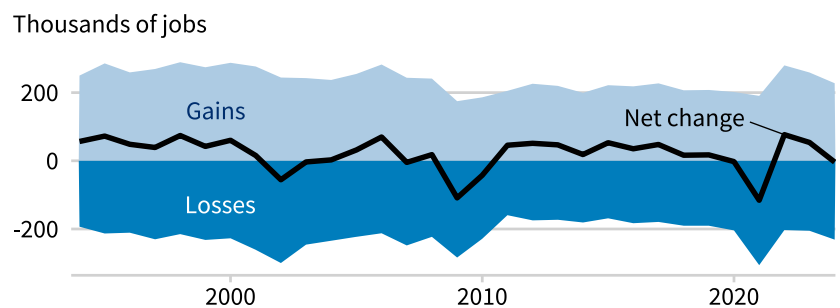
Establishments

Between March 2023 and March 2024, 16,029 Minnesota establishments opened and 21,448 closed, for a net decrease of 5,419. Employment expanded at 37,067 establishments and contracted at 33,459. Small businesses accounted for 15,229 openings and for 20,678 closings.



Employment

Opening and expanding Minnesota establishments added 227,459 jobs, while closing and contracting establishments lost 231,150, for a net decrease of 3,691 jobs. Small businesses gained 171,390 jobs and lost 170,773, for a net increase of 617 jobs.



Counts include temporary closures and reopenings.

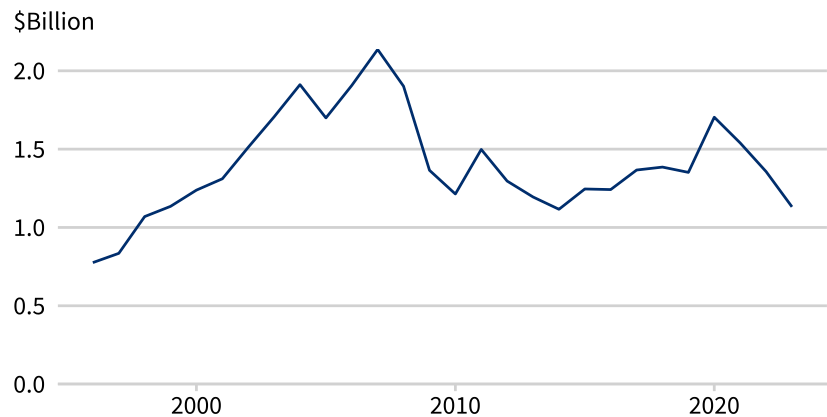
Source: [Business Employment Dynamics](#) (Bureau of Labor Statistics)

Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2023, reporting banks issued \$1.1 billion in loans to Minnesota businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$1 million or less was \$3.7 billion. Total reported new lending to businesses through loans of \$100,000 or less was \$1.3 billion.

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

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	Without employees	1–19 employees	20–499 employees	All small businesses
Professional, Scientific, and Technical Services	64,180	13,523	1,147	78,850
Transportation and Warehousing	61,513	3,721	601	65,835
Construction	40,887	16,097	1,115	58,099
Real Estate and Rental and Leasing	47,516	5,879	301	53,696
Other Services (except Public Administration)	37,817	13,564	1,124	52,505
Retail Trade	35,981	9,358	1,343	46,682
Health Care and Social Assistance	29,670	9,170	2,453	41,293
Arts, Entertainment, and Recreation	34,381	2,581	360	37,322
Administrative, Support, and Waste Management	30,425	6,005	750	37,180
Finance and Insurance	12,220	5,077	492	17,789
Educational Services	15,143	1,408	475	17,026
Accommodation and Food Services	6,529	6,537	2,295	15,361
Manufacturing	7,514	4,052	1,598	13,164
Wholesale Trade	6,593	4,091	1,066	11,750
Information	5,893	1,224	227	7,344
Agriculture, Forestry, Fishing and Hunting	5,641	530	27	6,198
Management of Companies and Enterprises	*	86	341	427
Utilities	271	68	49	388
Mining, Quarrying, and Oil and Gas Extraction	171	102	15	288
Industries not classified	*	107	2	109
All industries	442,345	103,086	14,997	560,428

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2022 (Census); [Statistics of U.S. Businesses](#), 2022 (Census)



Small business exports

A total of 7,946 identified firms exported goods worth \$23.7 billion from Minnesota in 2023. Of those exporters, 6,785—or 85.4 percent—were small. At \$6.1 billion, exports by small firms made up 25.8 percent of exports by identified firms.

Source: [A profile of U.S. importing and exporting companies, 2022-2023](#) (Census)

Business ownership share by demographic group

Women



Women made up 47.4 percent of workers and owned 41.8 percent of businesses.

Veterans



Veterans made up 3.4 percent of workers and owned 5.5 percent of businesses.

Hispanics



Hispanics made up 5.4 percent of workers and owned 3.9 percent of businesses.

Ownership shares include equal and majority ownership.

Sources of original data: [American Community Survey](#), 2022 5-Year Data (Census); [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Business count by owner demographic group or location type

Group	Without employees	%	With employees	%	Total businesses
Female	178,000	88.8	22,395	11.2	200,395
Male	246,000	78.5	67,395	21.5	313,395
Owned equally by both groups	12,000	48.2	12,901	51.8	24,901
Veteran	20,500	78.5	5,600	21.5	26,100
Not Veteran	413,000	81.2	95,321	18.8	508,321
Owned equally by both groups	1,900	51.8	1,769	48.2	3,669
Hispanic	17,500	87.6	2,477	12.4	19,977
Not Hispanic	418,000	80.7	99,855	19.3	517,855
Owned equally by both groups	450	55.6	360	44.4	810
Rural	113,000	79.7	28,775	20.3	141,775
Urban	296,000	79.9	74,598	20.1	370,598
American Indian and Alaska Native	4,700	88.3	623	11.7	5,323
Asian	21,000	81.1	4,903	18.9	25,903
Black or African American	48,500	94.9	2,602	5.1	51,102
Native Hawaiian and Other Pacific Islander	550	*	*	*	*
White	368,000	79.5	94,798	20.5	462,798
Hispanic or Racial Minority	88,000	89.5	10,334	10.5	98,334
White and Not Hispanic	347,000	79.1	91,455	20.9	438,455
Owned equally by both groups	1,200	57.1	902	42.9	2,102

* Not available

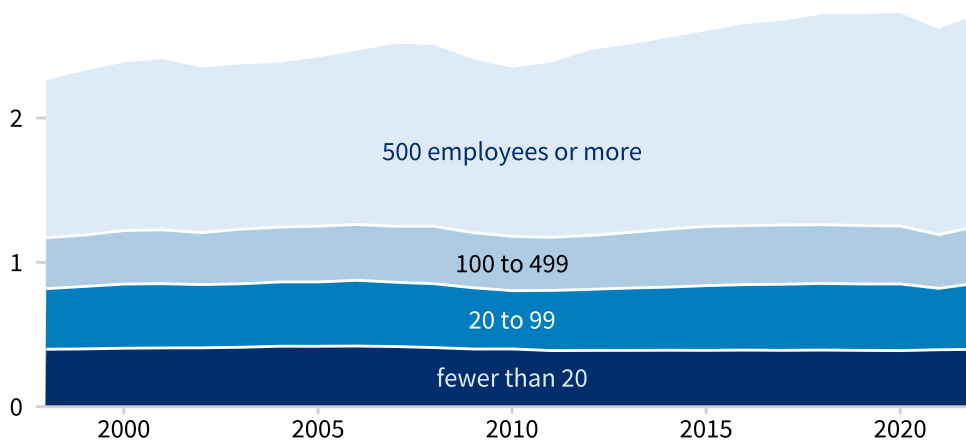
Counts include only businesses classifiable by owner demographic group or location type.

Sources: [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Total Minnesota employment by business size

Source of original data: [Statistics of U.S. Businesses](#) (Census)

Million



Between 1998 and 2022, Minnesota small business employment grew by 7.0 percent, reaching 1.3 million employees in 2022.

Small business employment and payroll by industry

Industry	Employers		Employees		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Construction	17,212	99.4	106,925	75.3	8,791,781	73.0
Other Services (except Public Administration)	14,688	99.2	103,001	90.3	3,753,893	85.7
Professional, Scientific, and Technical Services	14,670	97.2	91,963	48.4	7,833,701	44.5
Health Care and Social Assistance	11,623	98.1	225,087	48.1	9,957,601	39.4
Retail Trade	10,701	96.4	109,142	36.4	4,280,229	42.0
Accommodation and Food Services	8,832	97.9	144,092	63.3	3,402,599	63.0
Administrative, Support, and Waste Management	6,755	96.0	62,703	36.4	3,097,735	33.9
Real Estate and Rental and Leasing	6,180	98.0	26,745	64.4	1,574,327	58.4
Manufacturing	5,650	92.0	130,620	40.8	8,498,931	37.3
Finance and Insurance	5,569	94.3	44,125	26.8	4,125,300	21.7
Wholesale Trade	5,157	90.4	66,154	46.9	5,371,397	39.8
Transportation and Warehousing	4,322	95.2	41,193	42.8	2,063,813	37.7
Arts, Entertainment, and Recreation	2,941	98.5	29,418	67.0	988,934	49.1
Educational Services	1,883	96.9	36,171	49.2	1,365,703	51.7
Information	1,451	87.4	18,814	32.5	1,499,376	25.1
Agriculture, Forestry, Fishing and Hunting	557	99.5	2,842	70.7	144,758	71.5
Management of Companies and Enterprises	427	56.7	10,074	6.4	786,213	4.6
Mining, Quarrying, and Oil and Gas Extraction	117	89.3	884	18.2	105,301	19.1
Utilities	117	81.2	2,692	19.9	264,973	16.6
Industries not classified	109	100.0	197	100.0	6,377	100.0
All industries	118,083	97.5	1,252,842	45.8	67,912,942	38.2

Percentages were calculated by dividing industry totals for small employers by industry totals for all employers.

Source: [Statistics of U.S. Businesses](#), 2022 (Census)

About this profile

Small businesses are generally defined here as firms with fewer than 500 employees. Statistics of U.S. Businesses and Nonemployer Statistics by Demographics are produced through a partnership between the Office of Advocacy and the Census Bureau. Where notes say "Source of original data," values may have been approximated because of missing values in the original data. Electronic versions of this and other [geographic profiles](#) are available online, along with technical notes about data, methods, and definitions. Visit advocacy.sba.gov for additional resources.