

The Impact of Microbusinesses on Our Economy and Communities

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20 million microbusinesses

Quantifying the impact
of microbusinesses on
the US economy



Microbusinesses drive significant economic outcomes



\$195

Each additional microbusiness per 100 people can increase annual median household income of an incremental \$195

Source: 2020 – American Community Survey



2 for 1

For each everyday entrepreneur, two or more jobs are created on top of their own

Source: 2021 – Bureau of Labor Statistics

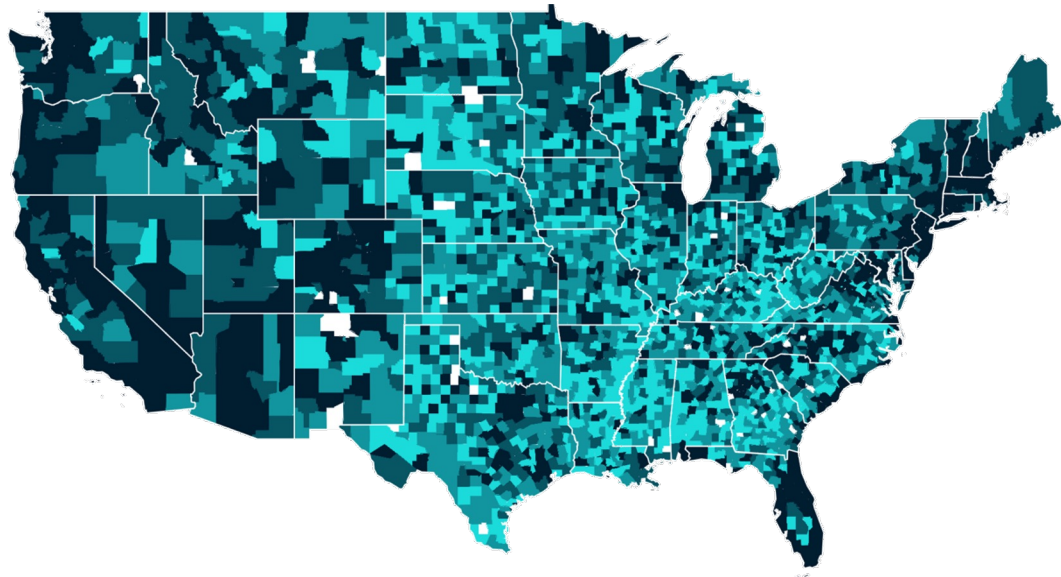


0.05%

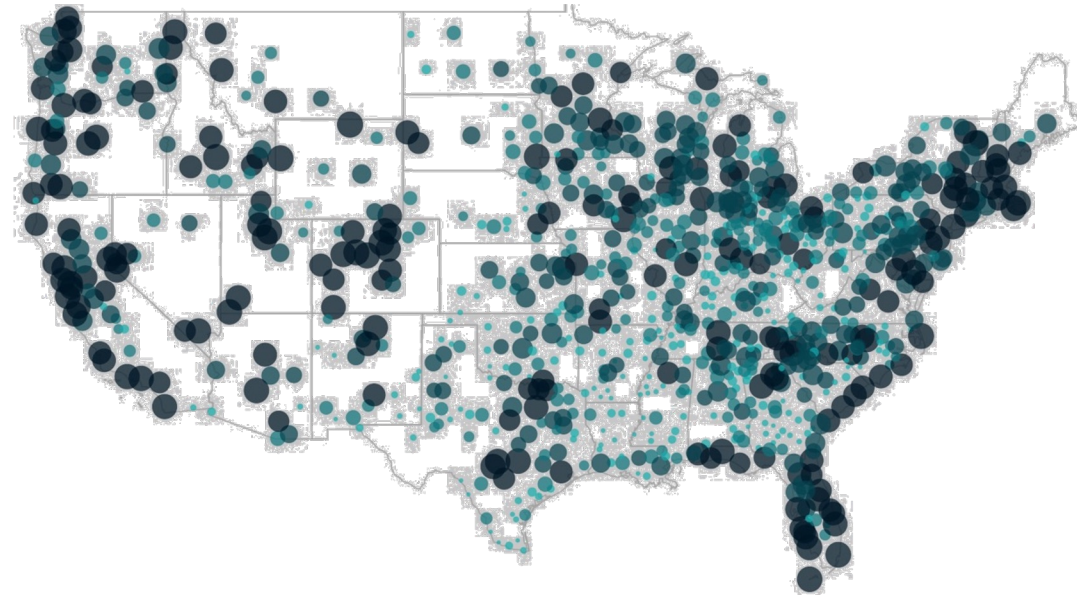
Each additional microbusiness per 100 people causes a 0.05 percentage point reduction in that county's unemployment rate

Source: 2021 – Bureau of Labor Statistics

Microbusinesses thrive across all geographies



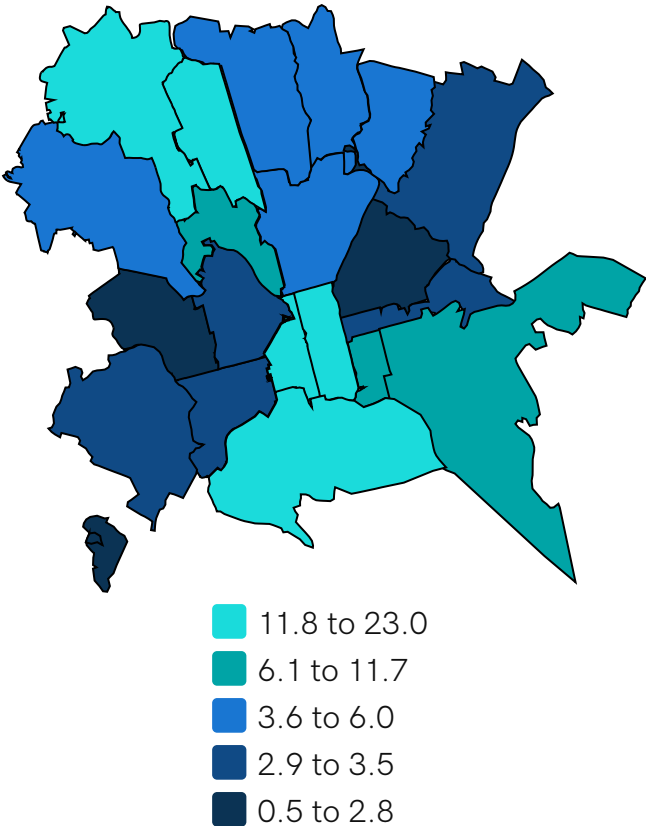
Counties	Microbusinesses per 100 people (Q2 2022)	Population Density (2020)		% all counties
		Min	Max	
Rural	2.9	0.4	99.9	60%
Suburban	4.7	100.2	499.0	25%
Urban	7.4	500.1	72,052.9	12%



Cities	Microbusinesses per 100 people (Q2 2022)	U.S. Census Population		% all CBSAs
		Min	Max	
Small Cities (< 250K)	2.9	12,717	243,966	79%
Mid Cities (250K-2M)	4.2	250,260	1,985,926	17%
Large Cities (2M+)	6.9	2,050,933	20M	4%

Source: GoDaddy Venture Forward.

Microbusiness Density
by Zip Code
(as of Q2 2022)



Microbusiness Density Snapshot: Baltimore City Center

Baltimore
microbusiness density

4.6

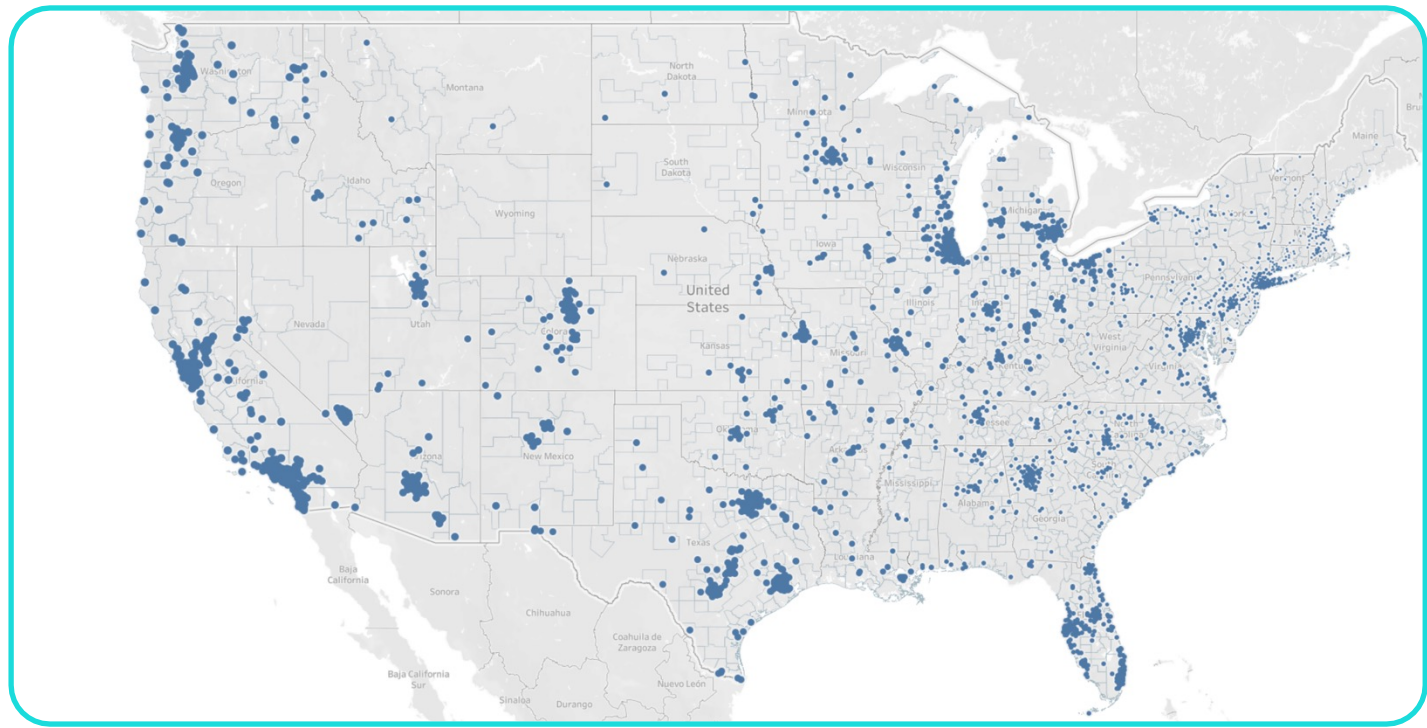
Baltimore
microbusiness count

36,156

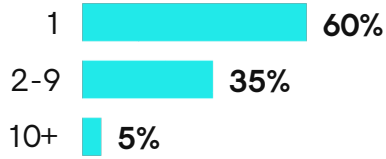
City centers with
populations over 500k
average a **5.8**
microbusiness density.

Source: GoDaddy Venture Forward.

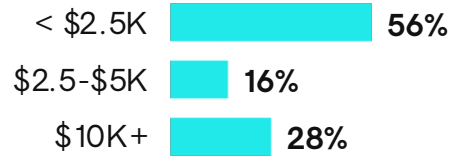
National survey findings offer a more comprehensive view



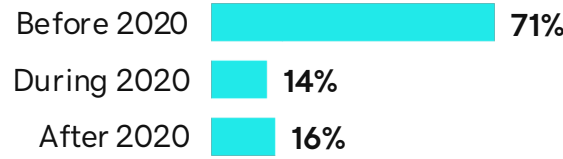
Number of Employees



Monthly Income



Start Year



August 2022 National Survey
Venture Forward conducted a national survey of 3,300+ microbusiness entrepreneurs

95% of microbusinesses have less than 10 employees

1 in 4 made over \$5k from their microbusiness in the last month

30% were created in 2020 or later

Source: GoDaddy Venture Forward.

Everyday entrepreneurs are increasingly ambitious

Business Registration:

54% have an employee identification number

7% not registered (but in process)

5% not registered (and don't intend to)

Top Challenges When Starting Up:

#1 Marketing

#2 Getting business online or technical expertise

#3 Access to Capital

Long-Term Business Ambition:

34% stay a solopreneur

32% become a small business

16% become a mid-size business

11% become a \$1B value unicorn or a corporate business

Source: GoDaddy National Survey - August 2022 (n=3,379).

Microbusiness are a critical economic engine for owners

Macro-economic trends are putting them at risk

Microbusinesses are a key source of income:

68% currently derive income from their business

26% view their microbusiness as their primary source of income

48% derive at least 25% of their total household income from their microbusiness

Macro-economic forces are negatively impacting owners:

68% said they were experiencing negative impacts

31% saw revenue declines in last 6 months

60% cited inflationary pressures

37% cited domestic supply chain issues

Causing owners to take negative steps to address:

74% took a negative action

50% raised prices

24% cut costs

Source: GoDaddy National Survey - August 2022 (n=3,379).

August 2022 - National Survey results

A deeper view at younger entrepreneur trends

1 in 5

Microbusiness owners under 30 would like to be a **large corporate entity OR unicorn**

3 of 5

Young entrepreneurs started their microbusiness **in 2020 or later**

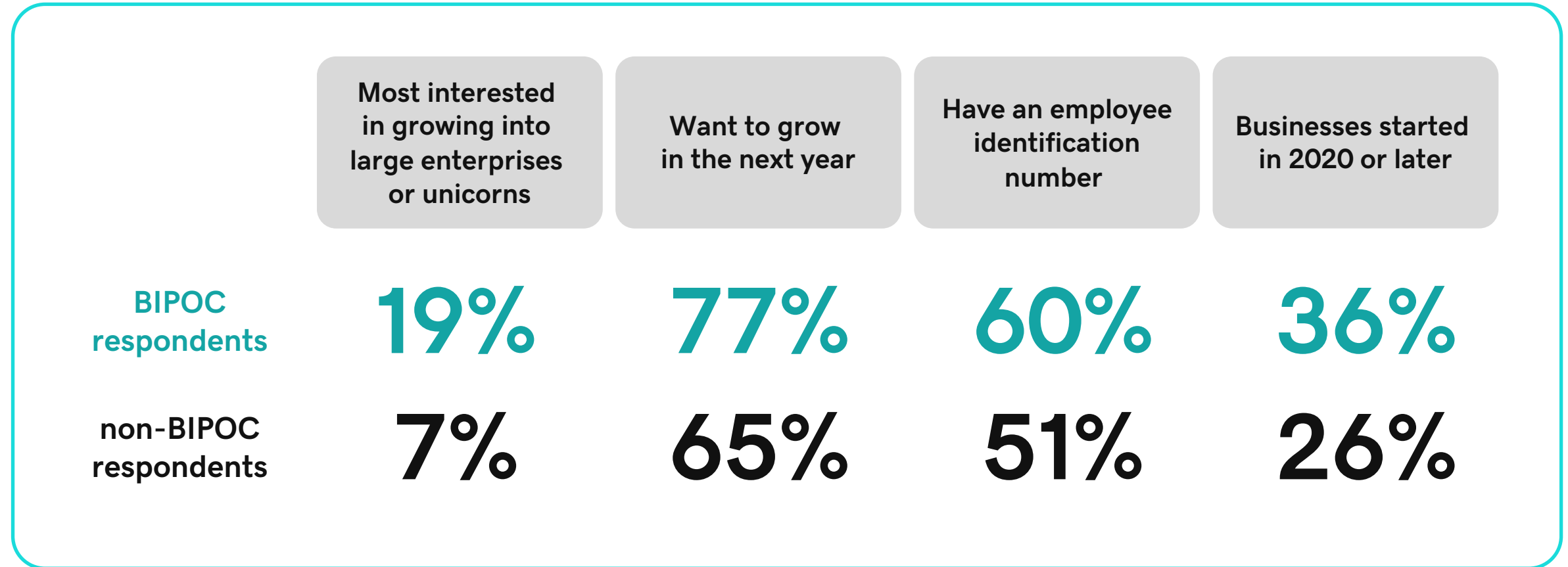
Source: GoDaddy National Survey - August 2022 (n=3,379).



Ashley Johnson
Ashytj Creates
ASHYTJCREATES.COM

August 2022 - National Survey results

A deeper look at BIPOC entrepreneur trends

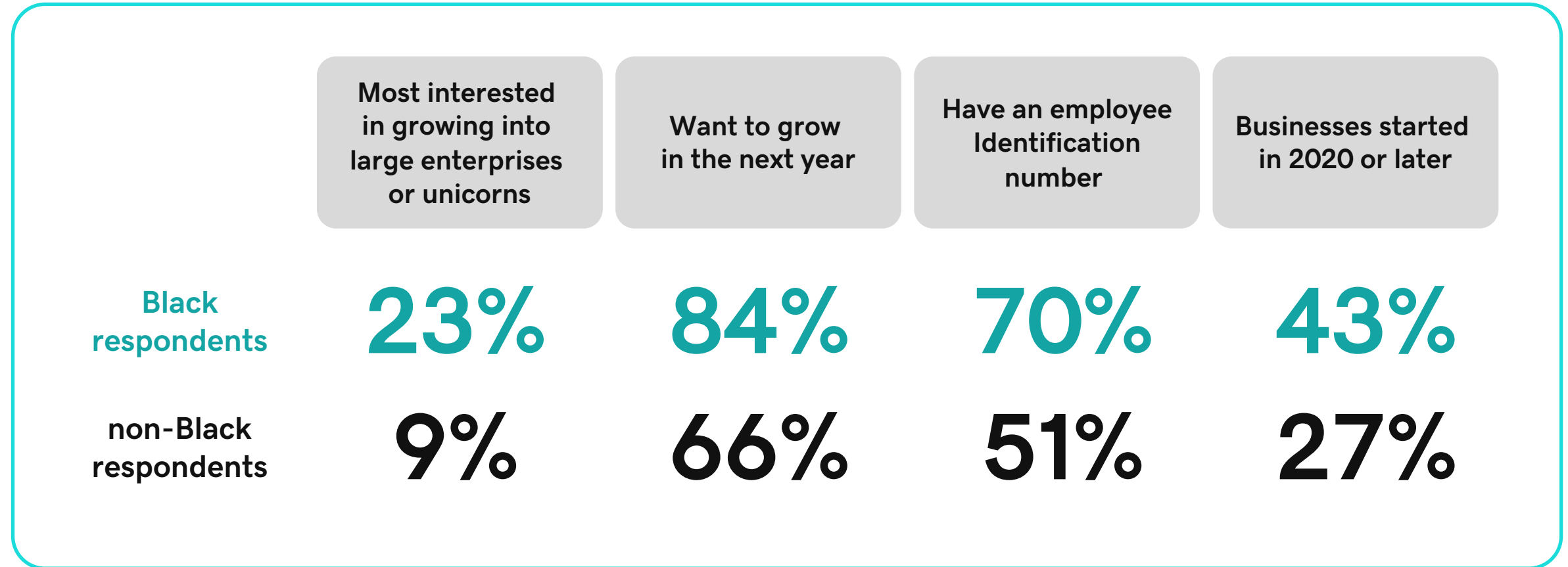


BIPOC is defined as – Hispanic, Black, Asian, Native American, and Other Race (n=1,152, 34%).

Source: GoDaddy National Survey – August 2022 (n=3,379).

August 2022 - National Survey results

A deeper look at Black entrepreneur trends



Source: GoDaddy National Survey - August 2022 (n=3,379).



Baltimore Microbusiness Entrepreneur survey

1. Survey invitation sent to GoDaddy customers who...

- Are residents within the Baltimore, MD metro area
- Have at least one active microbusiness venture (a unique domain with a web presence & a service like email, payments, etc.)
- Agreed to receive emails and surveys from GoDaddy
- English speakers

2. Methodology

- Sent on August 19, 2021
- Responses captured from August 19-26
- All analysis based on respondents who indicated they were microbusiness owners

39,006

Sends

426

Completes

1.10%

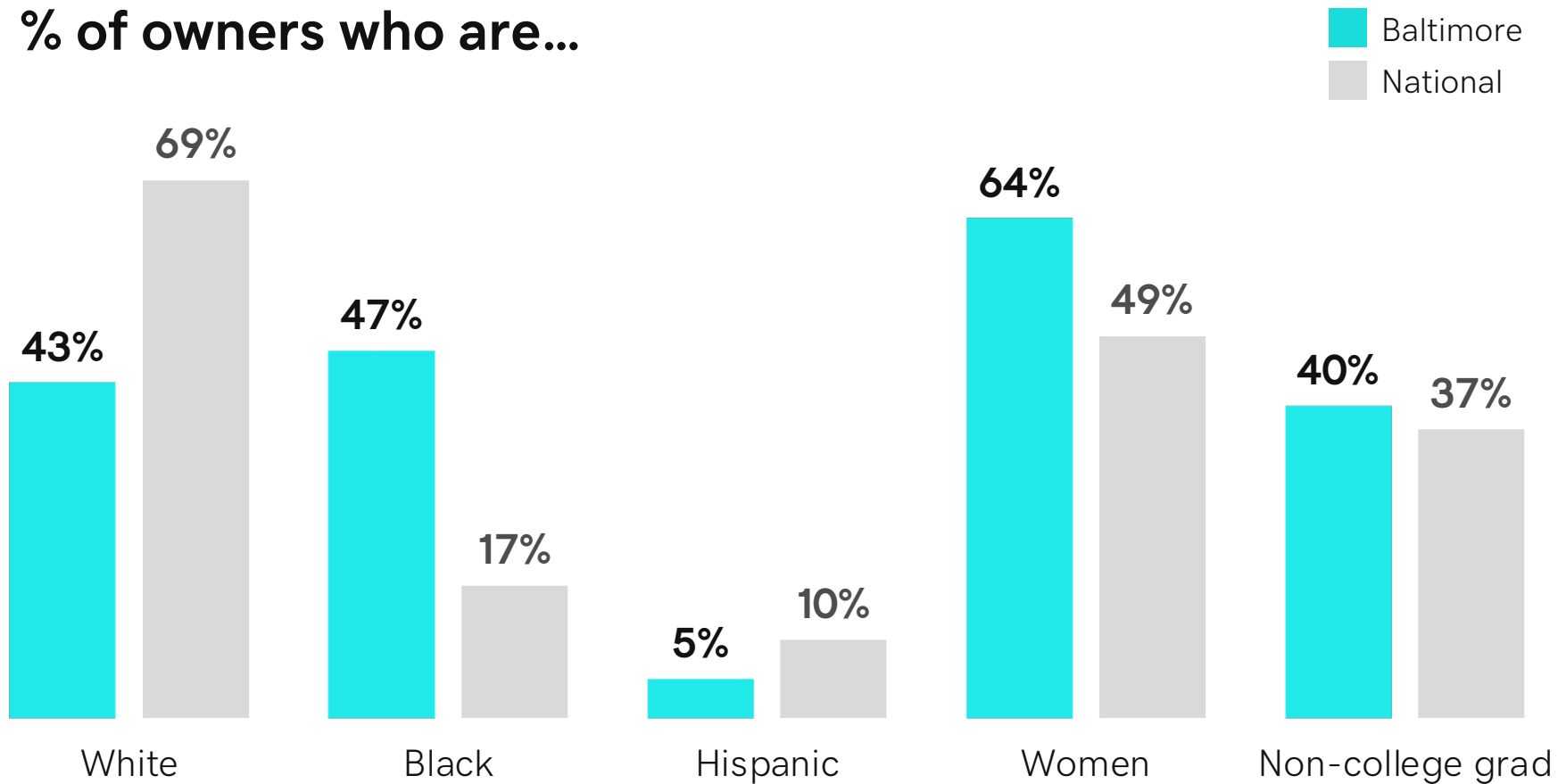
Response
Rate

survey response: 1.0%

Source: Venture Forward data.

A view into everyday entrepreneurs across Baltimore

% of owners who are...



Source: GoDaddy Baltimore Market Survey – August 2021 (n=426).



A view into everyday entrepreneurs across Baltimore

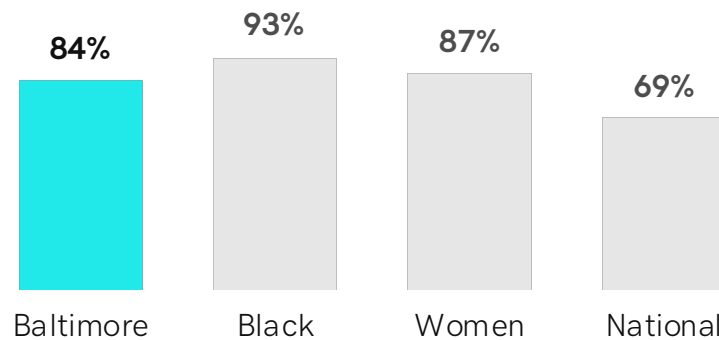
1 in 3 Baltimore microbusinesses began in 2020 or later

31%

Most owners would like to **grow the size of their business** in the next year

84%

Baltimore business owners are **optimistic about their business in the near term.**



Of those who currently view their business as supplemental income, most aspire to make it a **major source of income**

70%

Baltimore microbusinesses are potentially an emerging force in the city.

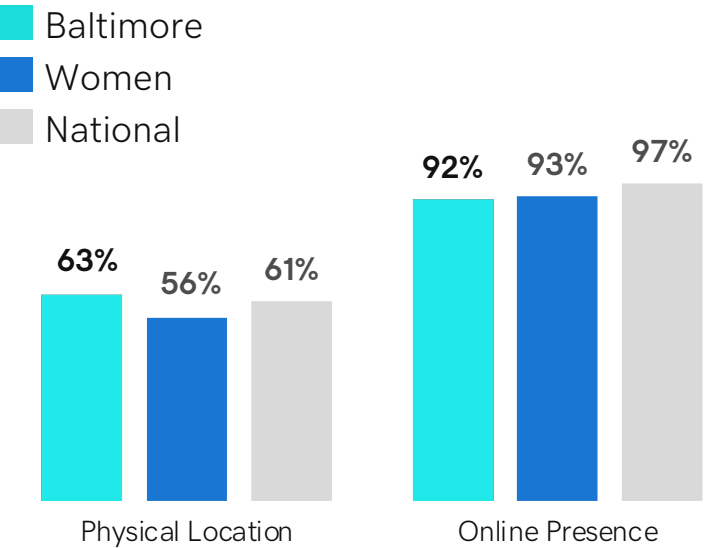


Source: GoDaddy Baltimore Market Survey – August 2021 (n=426).

Baltimore microbusinesses: Where they are and who they serve

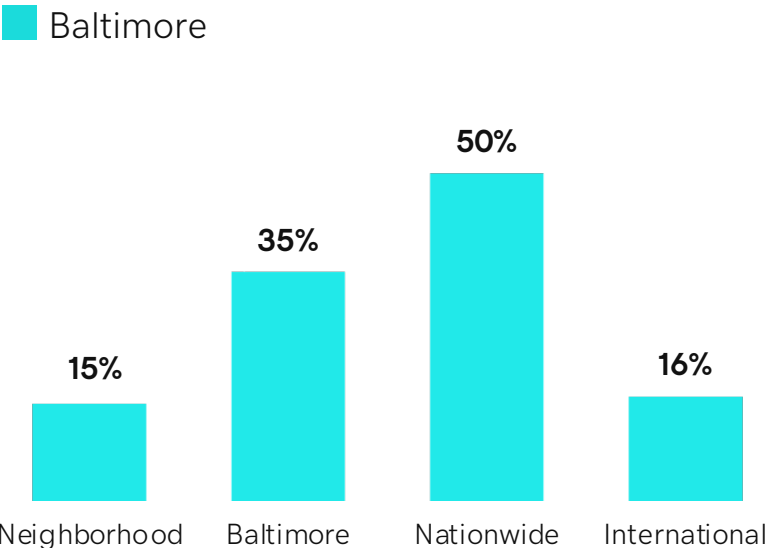
Business Location: Two thirds of Baltimore microbusinesses conduct business in a physical location; Women-owned businesses are slightly less likely.

Where do you conduct business?



Customer Location: 35% of Baltimore microbusinesses serve a city-wide audience; half sell to customers across the country.

Where are your customers primarily located?



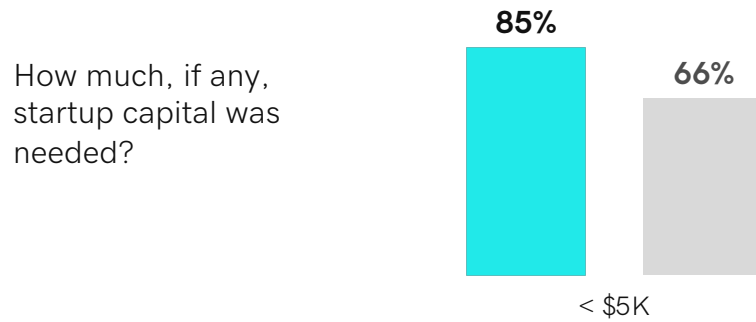
Two-thirds of Baltimore microbusinesses serve customers outside the city.



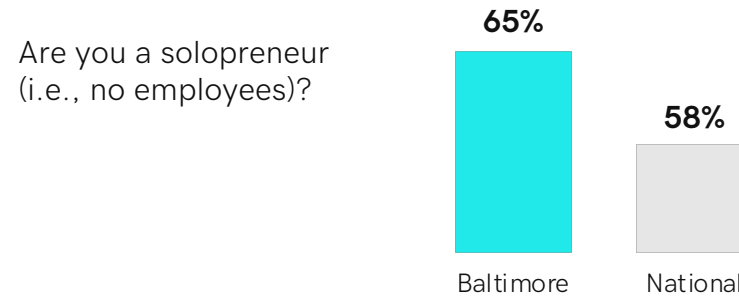
Source: GoDaddy Baltimore Market Survey – August 2021 (n=426).

A view into everyday entrepreneurs across Baltimore

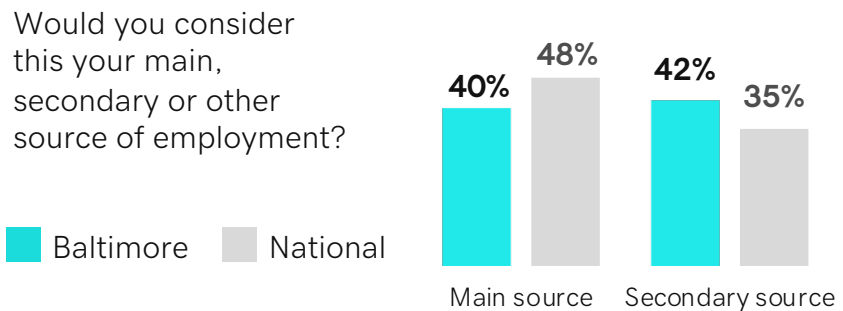
Capital: 4 out of 5 Baltimore microbusiness owners required under \$5,000 to get started.



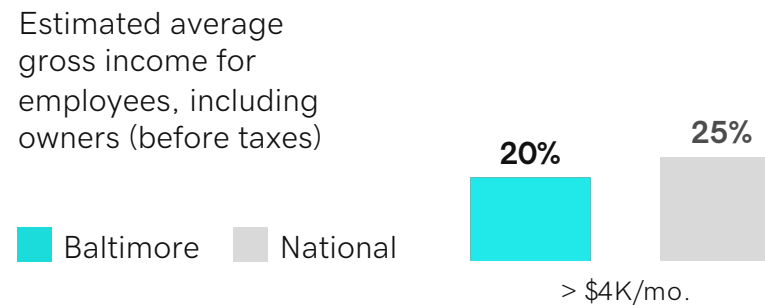
Solopreneurship: 65% of Baltimore microbusinesses are managed by solopreneurs (0 employees), 58% nationally.



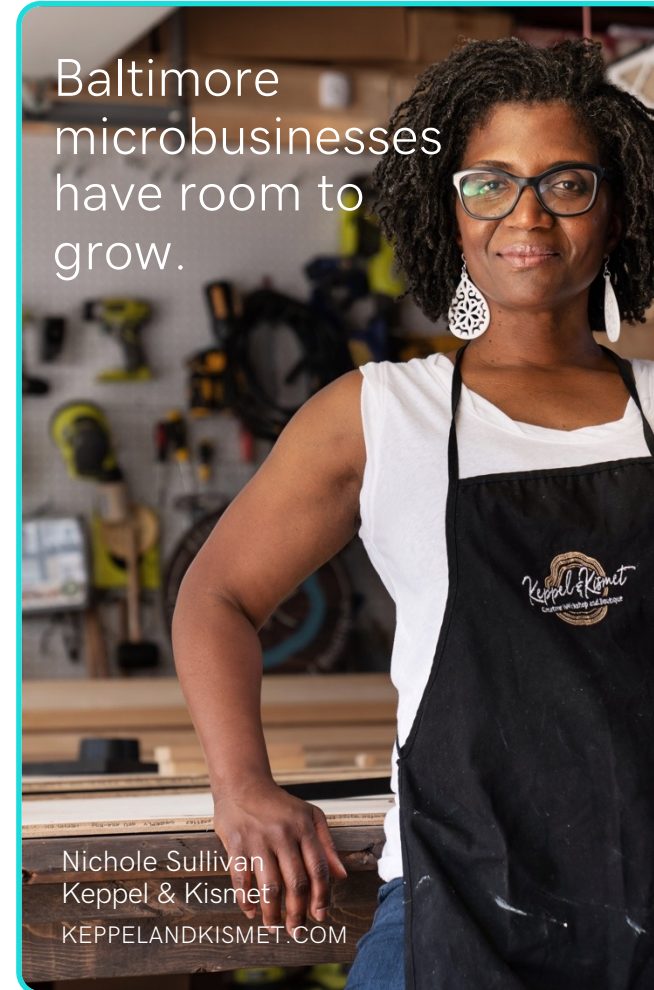
Source of Employment: 40% of Baltimore respondents view their business as a main source of employment, which is less than the national average at 48%.



Income: About 20% of Baltimore entrepreneurs generate over \$4,000 per month from their microbusiness.



Baltimore microbusinesses have room to grow.



Source: GoDaddy Baltimore Market Survey – August 2021 (n=426).

Highlighted demographic split - Baltimore

	Baltimore			'21 National Avg.
	All	Black	Women	
Capital needed to start < \$5K	64%	76%	73%	55%
Estimated monthly income < \$1K	49%	58%	59%	44%
Business start date:				
After 2020	31%	43%	39%	22%
Before 2020	69%	57%	61%	78%



Source: GoDaddy Baltimore Market Survey - August 2021 (n=426).



Nichole Sullivan
Keppel & Kismet
KEPPELANDKISMET.COM

How can local government help businesses be successful (percent respondents who ranked each item in the Top 3)

Access to capital **47%**

Marketing my business **37%**

Business development skills **31%**

Source: GoDaddy Baltimore Market Survey - August 2021 (n=426).



**Working together
to support your local
microbusinesses**

Most microbusiness owners don't know where to get help and most local governments don't know the scale of microbusinesses in their community

Only
1 in 4

Microbusiness owners are aware of business assistance funding or programs available to them.

Of those aware of local resources, only 31% have utilized them.

Most microbusiness owners are unaware of the government resources available to them.

Only
1 in 2

Microbusinesses are registered with an employee identification number (EIN), **so half aren't showing up on their city's radar.**

Local governments are unaware of the microbusinesses in their communities.

2022 National Survey

Despite strong desires to grow their microbusinesses, approximately **76%** of entrepreneurs reported being completely unaware of local government funding and resources.

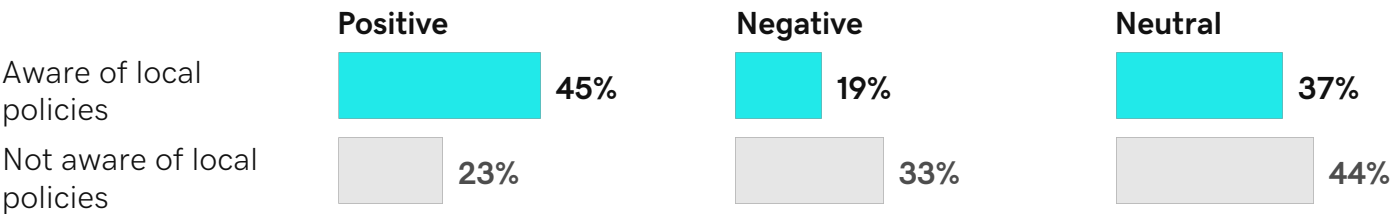
Only half have an employee identification number (EIN) for their microbusiness.

In all scenarios, utilization of available resources is low.

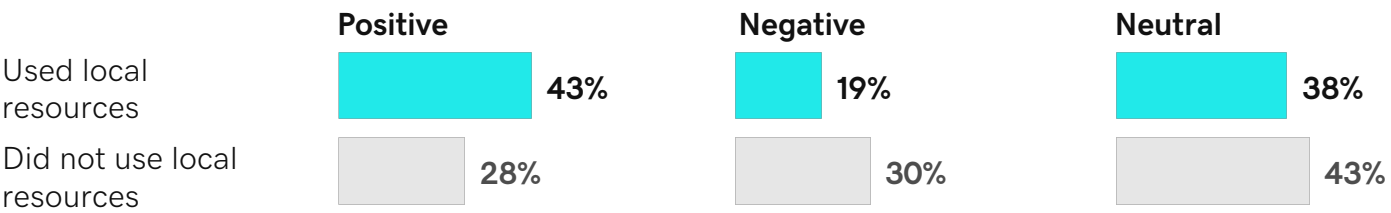
Source: GoDaddy National Survey - August 2022 (n=3,379).

Those who are aware of local resources are twice as likely to feel positively about their city’s policies and programs

What is your opinion about how effectively your city’s policies and programs support businesses like yours?



What is your opinion about how effectively your city’s policies and programs support businesses like yours?



2022 National Survey

Entrepreneur sentiment about local policies and programs.

Most entrepreneurs feel indifferent about their local government's policies and programs due to their lack of awareness in the first place.

Those who are aware of the resources available report twice as much positive sentiment. Those who have used local resources tend to feel even more positive towards local government and report more positive business outcomes, such as higher average revenue, and optimism about their business.

Source: GoDaddy National Survey – August 2022 (n=3,379).

Effective training improves outcomes

Focused Training

86% Prefer online format

79% Prefer 2 to 3 hours total,
in short 30-minute
increments

73% Prefer live sessions with
experts (vs recordings)

With Active Follow Up

81% Applied learnings from
training

38% Used skills at least
monthly

Yields Better Results

68% Reported positive
outcomes since training

44% Got more customers

26% Increased revenue

16% Increased profits

Source: GoDaddy Open training participants, 6-month check in survey (n=294).



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