

Venture Forward
By  GoDaddy

The Macro Impact of Microbusinesses: How Digital Entrepreneurs Power Our Local Economies

Alexandra Rosen
GoDaddy

November 7, 2023





**Entrepreneurship
is powerful.**

Venture Forward

By  GoDaddy

GoDaddy's mission is to make opportunities more inclusive for all.

Venture Forward quantifies the growth and economic impact of online microbusinesses, and provides a unique view into the attitudes, demographics and needs of the entrepreneurs behind them.



Our Research Looks At Three Things:

Where They Are

Down to the zip code, how are they growing?

How They Impact Economies

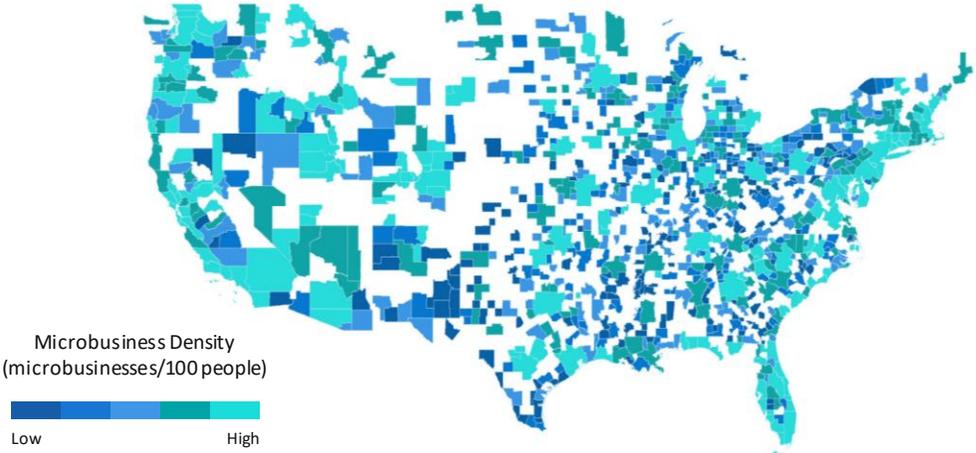
How do microbusinesses affect job creation and household incomes?

What's Top Of Mind

What are the attitudes, demographics, and needs of these entrepreneurs?

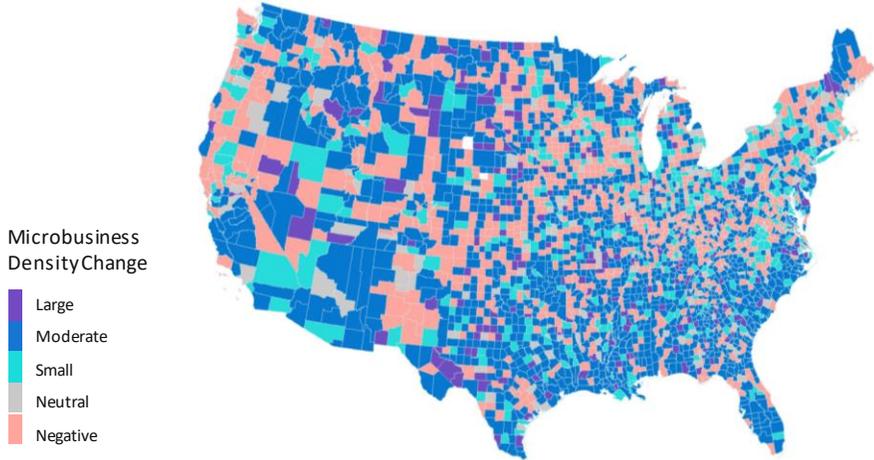
Microbusinesses Are Growing Everywhere

**Recent Snapshot:
Microbusiness Density by City (Q2 2023)**



Microbusiness per 100 people (Q2 2023)	Core Based Statistical Area (CBSA)	% All Cities
4.2	Small Cities (pop. <250k)	79%
6.3	Midsized Cities (pop. 250k – 2m)	17%
10.2	Large Cities (pop. 2m+)	4%

Three-Year Growth: Change in Microbusiness Density by County (Q2 2020 – Q2 2023)



Change in Microbusinesses Density (Q2 2020 – Q2 2023)	Counties	% All Counties
+14%	Rural (< 100 pp./square mile)	60%
+6%	Suburban (100 – 500 pp./square mile)	28%
+6%	Urban (> 500 pp./square mile)	12%

Microbusinesses At-A-Glance

Microbusinesses are **small**



Microbusinesses generate income



46% of respondents in the U.S. turned their supplemental income into their main source of income

1 in 4 currently own more than one business



Microbusinesses can support a household



1. Power: Lifting Up Communities Economically



\$489

Each additional microbusiness per 100 people in a county increases household median income by almost \$500/year.

Source: 2021 – American Community Survey

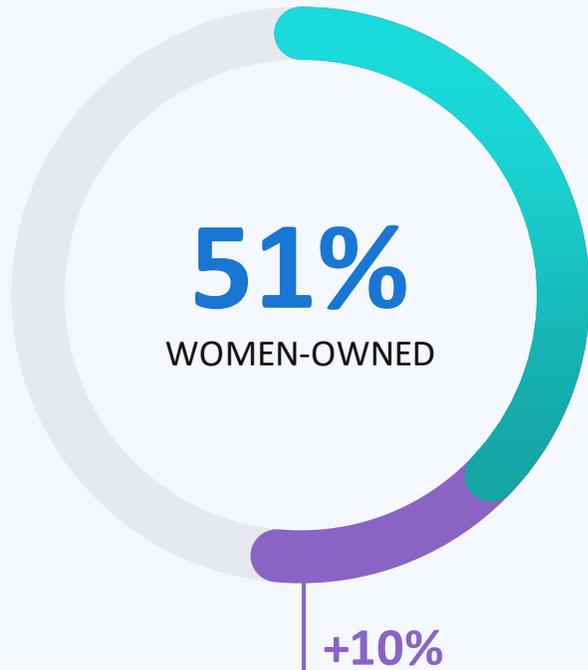


~7

About seven new jobs are created by each microbusiness entrepreneur on a county-level.

Source: 2022 – Bureau of Labor Statistics

2. Power: Closing Economic Gaps

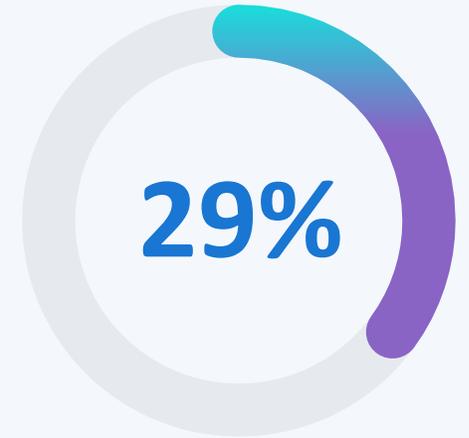


AUG 2019
41%



AUG 2023
51%

About **3 out of 10** women with a microbusiness are the breadwinners in their home.



15% of U.S. microbusinesses are owned by a Black entrepreneur, and of those, **68%** are owned by a Black women.

3. Power: Flexibility To Work From Anywhere

“What is your employment status?”

I am employed full-time by my business **41%**

I am employed full-time outside my business **26%**

OF THE
26%

- **44% Primarily in-person/on-site**
- **28% Hybrid**
- **28% Primarily work from home**

“Where do you sell?”

On my website **47%**

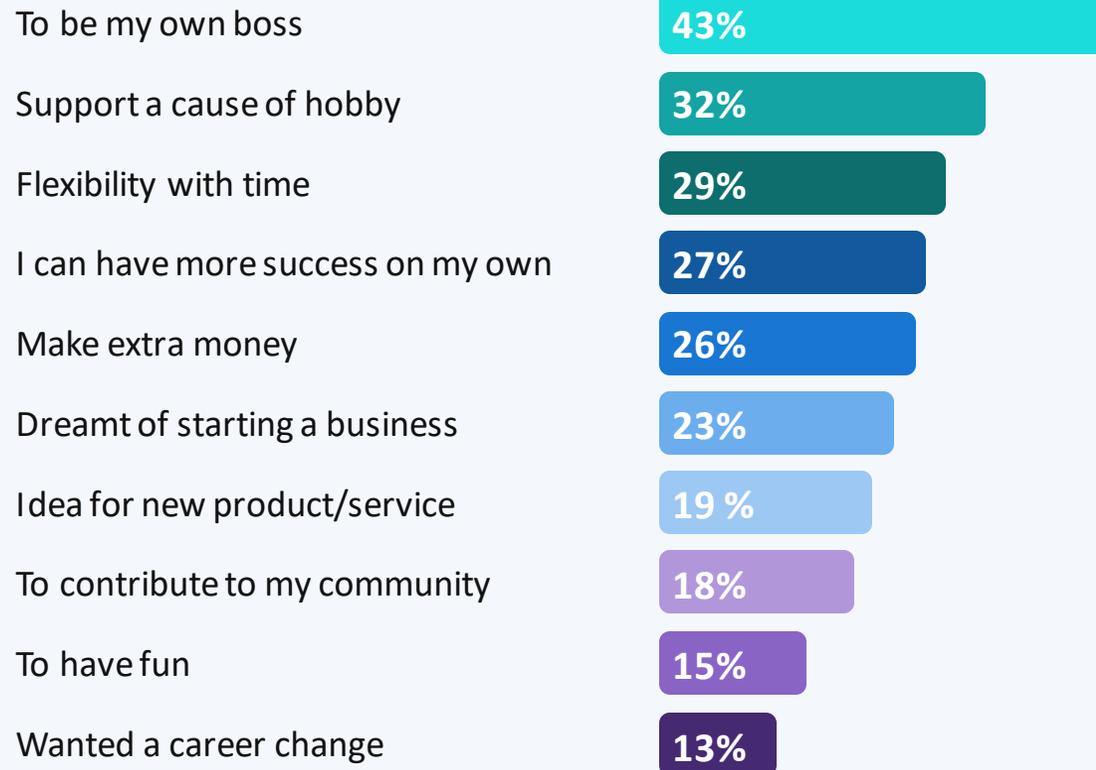
On social media **32%**

In a physical location **27%**

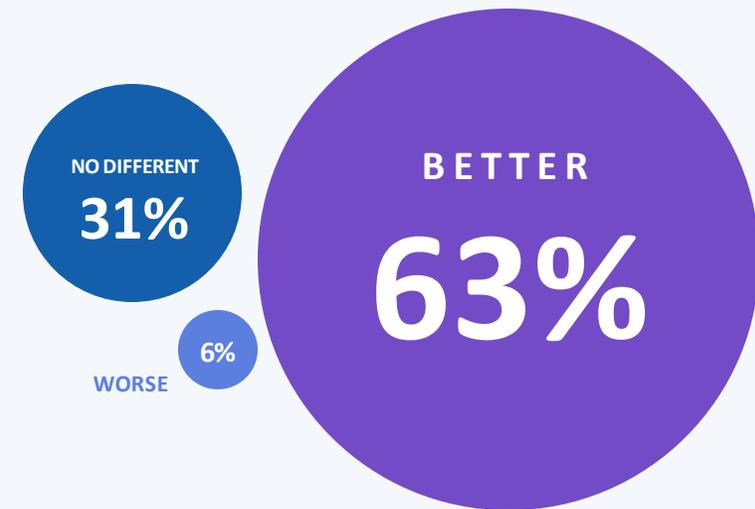
From home **48%**

4. Power: Happiness – Make a Life While Making a Living

“Why did you start your business?”



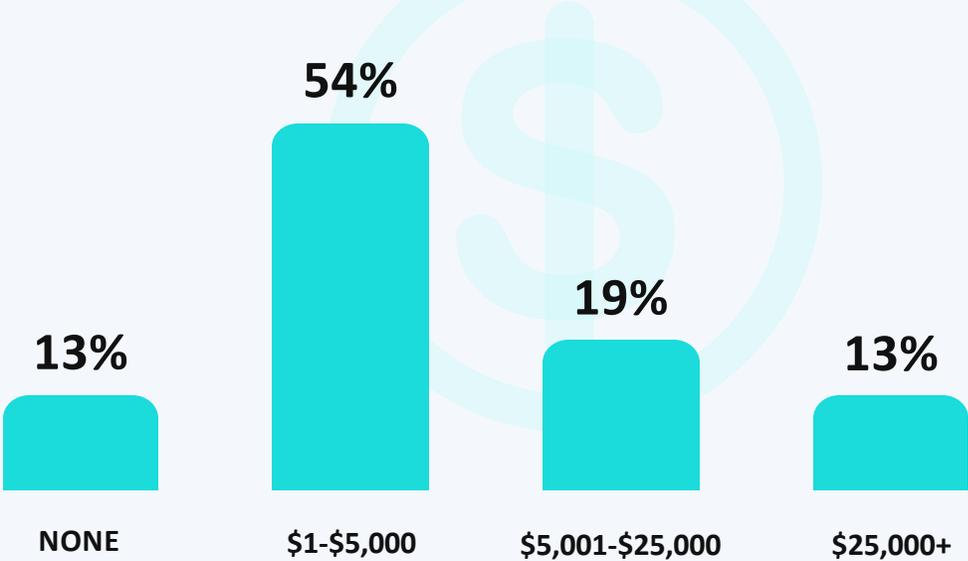
Microbusiness owners agree: Life is better as an entrepreneur



Financial Needs When Getting Started

67% REQUIRED LESS THAN \$5,000 TO START

“What was the total amount of capital needed to start your business or organization?”



“How were the first and most recent dollars invested into the business?”

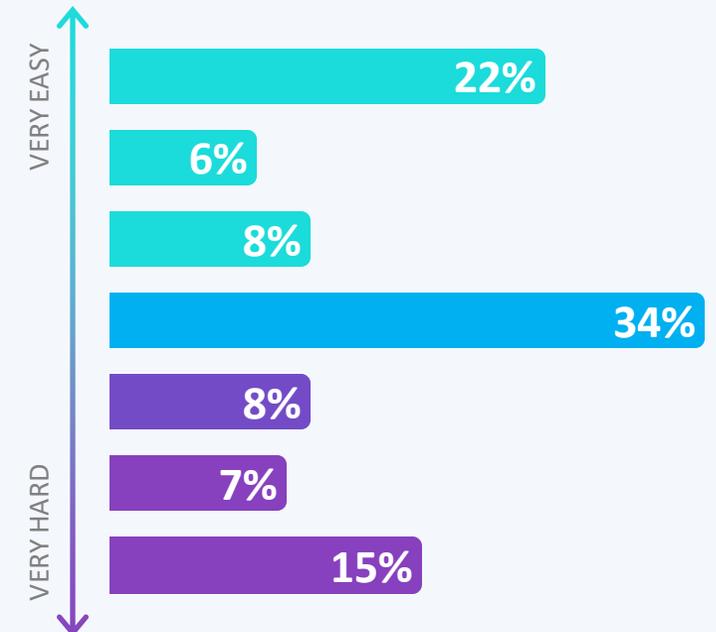
CATEGORY	FIRST	RECENT
 Marketing Online	10%	20%
 Equipment	18%	16%
 Inventory	11%	14%
 Website	24%	12%
 New Product	6%	11%

Top Challenges Reported

Top challenges when first starting a business:



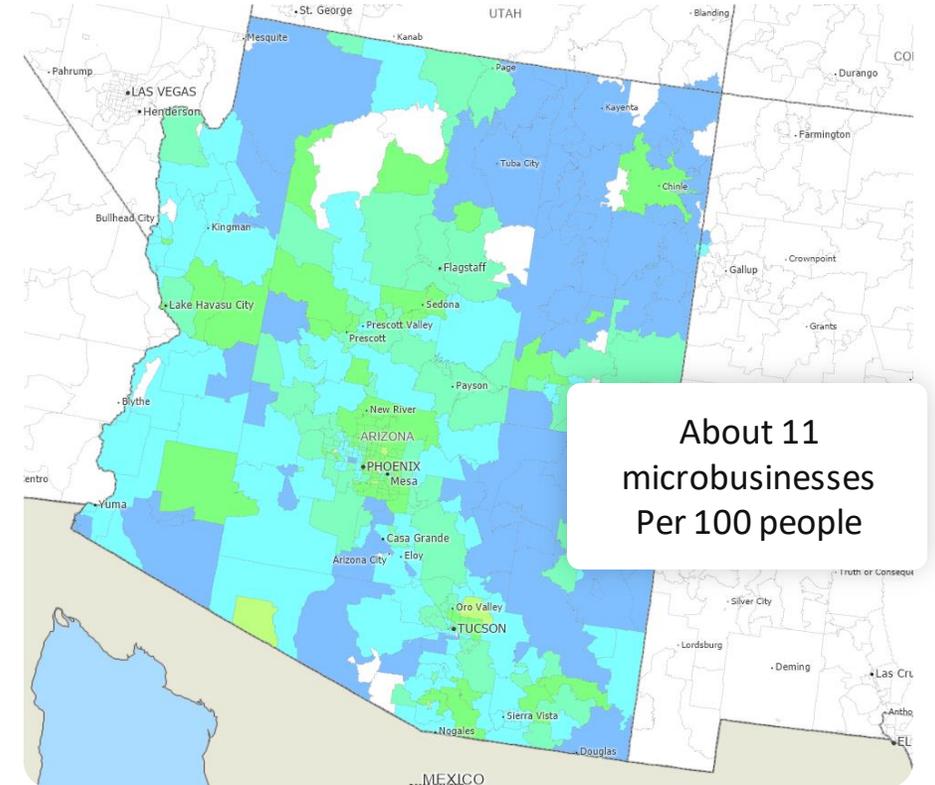
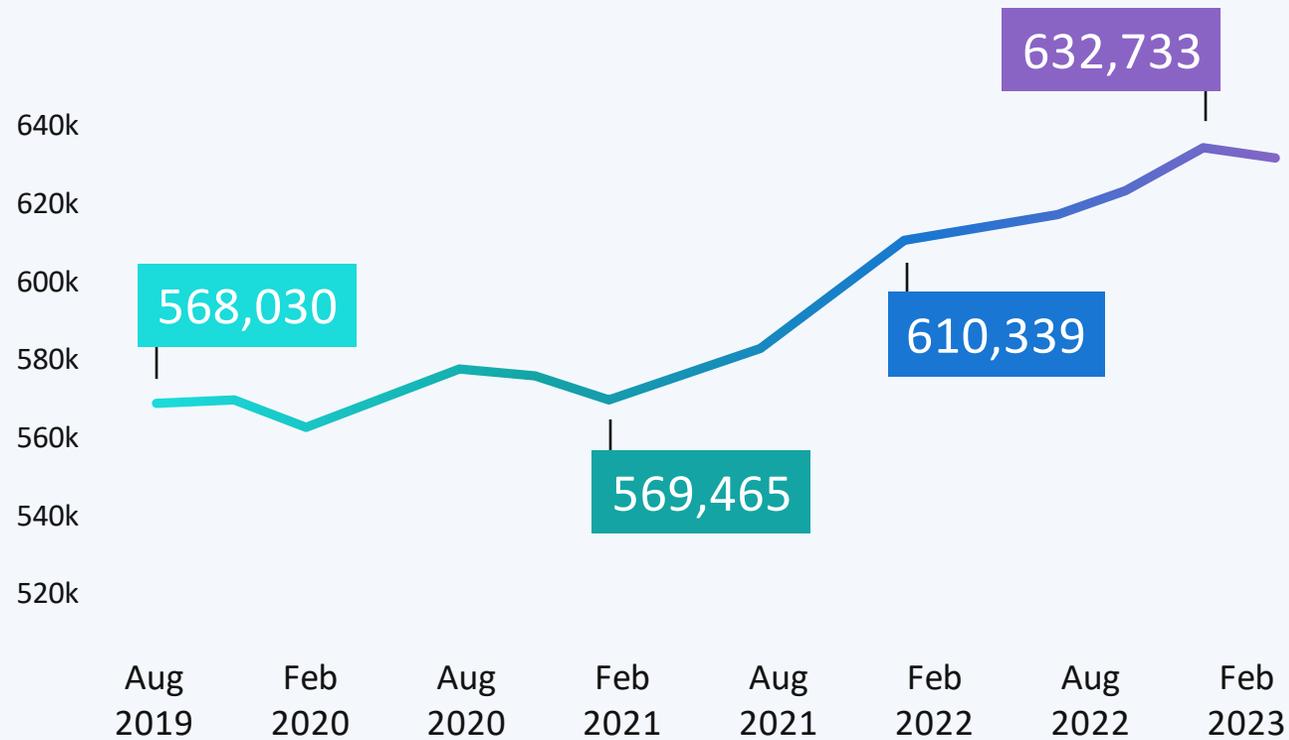
“How difficult was it for you to access the capital you needed to start?”



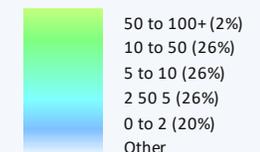
Arizona's Thriving Entrepreneurship: 630,000+ Microbusinesses

10% growth since August 2019

State of Arizona Microbusinesses by Quarter



Microbusiness Density I June 2023



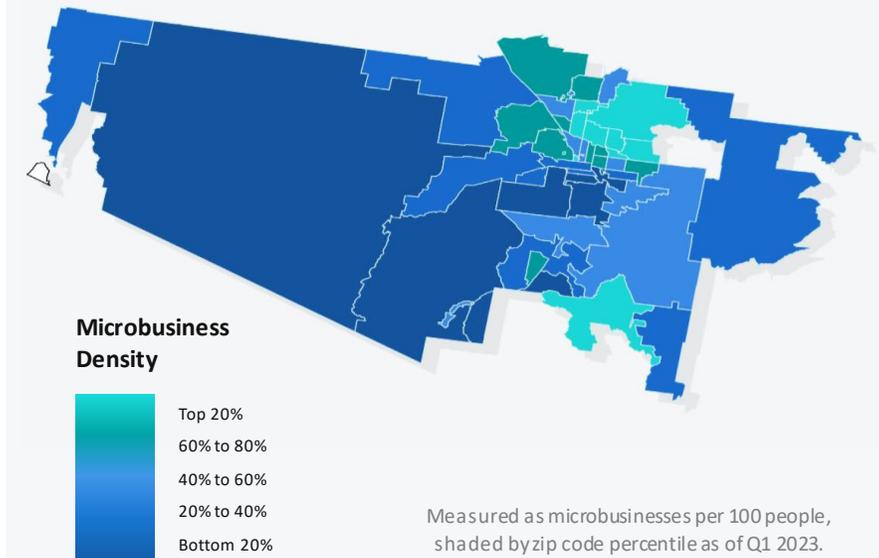
A Closer Look At Tucson's 50,000+ Microbusinesses

8% growth since August 2019

City of Tucson Microbusinesses by Quarter



Pima County: Tucson



- Over 7 microbusinesses/100 people
- Average Microbusiness Density for Cities with a population >500K = 11.34

Venture Forward – All Data Available for Download

godaddy.com/datahub

The screenshot shows a web browser window with the GoDaddy logo and navigation menu at the top. The main content area features a large 'Data Hub' title and a 'Microbusiness Data Hub' section. On the left, there is a 'DATASETS' sidebar with a list of data categories. The central focus is on the 'U.S. Microbusiness Density' dataset, which is highlighted. Below the title, there is a circular graphic with a hand pointing to a grid, surrounded by the text 'UPDATED QUARTERLY'. The main text below the graphic reads 'Explore. Share. Download.' and provides a welcome message about the data hub's offerings.

Venture Forward
By GoDaddy

Explore the Data Data Hub Reports & Resources Use Cases About Press

Data Hub

DATASETS

- U.S. Microbusiness Density
- Entrepreneur Survey Results: U.S. & U.K.
- U.S. Microbusiness Industry and Commerce
- U.S. Microbusiness Activity Index
- U.K. Microbusiness Density

Microbusiness Data Hub

UPDATED QUARTERLY • UPDATED QUARTERLY • UPDATED QUARTERLY

Explore. Share. Download.

Welcome to the GoDaddy Microbusiness Data Hub, offering unprecedented access to free, downloadable data on more than 20 million microbusinesses and the entrepreneurs who own them. The first-of-its-kind data and insights will be updated quarterly with refreshed measurements of microbusiness density, our proprietary Microbusiness Activity Index, and new survey responses from select markets across the United States. Please reach out to the Venture Forward team with any additional dataset requests.



OCTOBER 11, 2022

Growing The E-Commerce Pie for Microbusiness Entrepreneurs



CASE STUDY

How one town used federal CARES Act money to support its small business community

Armed with data, Gilbert, Arizona, devised a three-phase program to help

GoDaddy on Microbusinesses Driving Local Economies



There are over 20 million microbusinesses in the U.S. according to a recent study by GoDaddy's Venture Forward research initiative. About half of them are run by solopreneurs and around 94 percent have 10 or fewer employees. But, their impact is bigger than you think. Jeremy Hartman, Vice President at GoDaddy joins us to help shine a light on microbusinesses and the work GoDaddy is doing to empower entrepreneurs across the nation. Learn more at www.godaddy.com/ventureforward.

WORK & JOBS

5 Reasons You Should Start a Microbusiness

Older adults are very successful in ventures that have just a few employees, research finds



THE UNITED STATES CONFERENCE OF MAYORS



gilbert arizona



Thank

you

Contact us:

arosen@godaddy.com

godaddy.com/ventureforward