

GoDaddy Venture Forward Report

Summer 2023

U.S. Edition

This report is powered by the latest data from Venture Forward, a GoDaddy research initiative to quantify the presence and impact of over 21 million online microbusinesses on their local economies, while shining a light on the entrepreneurs behind them. Our goal is to empower anyone who advocates for entrepreneurs with robust data and insights that can't be found elsewhere.

Introduction

In this Venture Forward Summer 2023 Report, you'll find:



The latest quarterly data on microbusinesses, year-over-year e-commerce trends, and updated economic outcomes



2023 U.S. survey results including comparisons since 2020, income insights, and the latest intelligence on the entrepreneurial mindset



New research on small business owners' perspective on the American Dream



A glimpse into how Venture Forward is being applied in support of entrepreneurs and their aspirations



A Note From GoDaddy CEO Aman Bhutani



Entrepreneurs are important. They innovate. They create solutions to unaddressed challenges and opportunities. But how do we measure the impact they make on their local economy and community? What insights are most useful to better serve them and help those who advocate for them? These are the questions we wanted to answer five years ago when we launched GoDaddy's [Venture Forward](#) research initiative.

Our aim was to expose what these entrepreneurs needed for success given they are often too small to be measured by traditional reports and government statistics and therefore not broadly understood.

Over the last five years, we studied entrepreneurs and entrepreneurship through Venture Forward. Throughout that time, we surveyed more than **30,000** small business owners about their needs, concerns and dreams. We regularly scrutinize data from more than **21 million** ventures.

Through the research, we discovered these businesses provide an outsized impact to local and broader economies. For example, one in three U.S. microbusinesses contribute **51%** or more to household income; and approximately **seven** additional jobs are created at the county level for every one online microbusiness entrepreneur. Microbusiness equals major impact.

I invite you to delve into the insights in this report and share them with those in a position to advocate for entrepreneurs. At GoDaddy, we believe by learning more about entrepreneurs, we can further empower them to grow and thrive, making opportunity more inclusive for all.

A handwritten signature in black ink that reads "Aman Bhutani". The signature is written in a cursive, flowing style.

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01 | LATEST NUMBERS

Snapshot of the State of Microbusinesses

A deep dive into the latest numbers and trends of online microbusinesses, their outsized impact, and hotspots of growth by city.



Venture Forward quantifies the presence and impact of over 21 million online microbusinesses on their local economies, providing a unique view into the attitudes, demographics, and needs of the entrepreneurs who create and operate them.

GoDaddy knows that to truly advocate and empower entrepreneurs, you first have to really understand them. So in 2018, we began studying closely and analyzing millions of microbusinesses, defined as an entity with a discrete domain name with an active website, and the majority of whom have fewer than 10 employees. We measured their effect on incomes and unemployment, together with renowned academics at the University of Iowa and University of Arizona, and established they had an outsized impact on these and other economic health indicators.

In 2019, we began surveying the entrepreneurs who own these ventures, nationally and across cities, at least once a year. These surveys help us better understand their mindsets and circumstances.

In 2020, we built a proprietary Microbusiness Activity Index with economists at UCLA Anderson Forecast and created a [data hub](#) to update and share our data publicly so those advocating for and studying entrepreneurs could access more information, including measurements of microbusiness density by geography, down to the ZIP code. We update this data on a quarterly basis.

In 2021, we expanded our research to the United Kingdom, and are working now to broaden our coverage elsewhere around the world.

For more details on our research methodology and other findings, please read [About Us](#) on the Venture Forward website or see our answer to [Frequently Asked Questions](#).

“Tiny Digital Businesses Play Key Role in Local Economies”

— **New York Times**
April 2020, covering Venture Forward

Microbusinesses Have Major Impact



\$489

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

Source: 2021 - American Community Survey



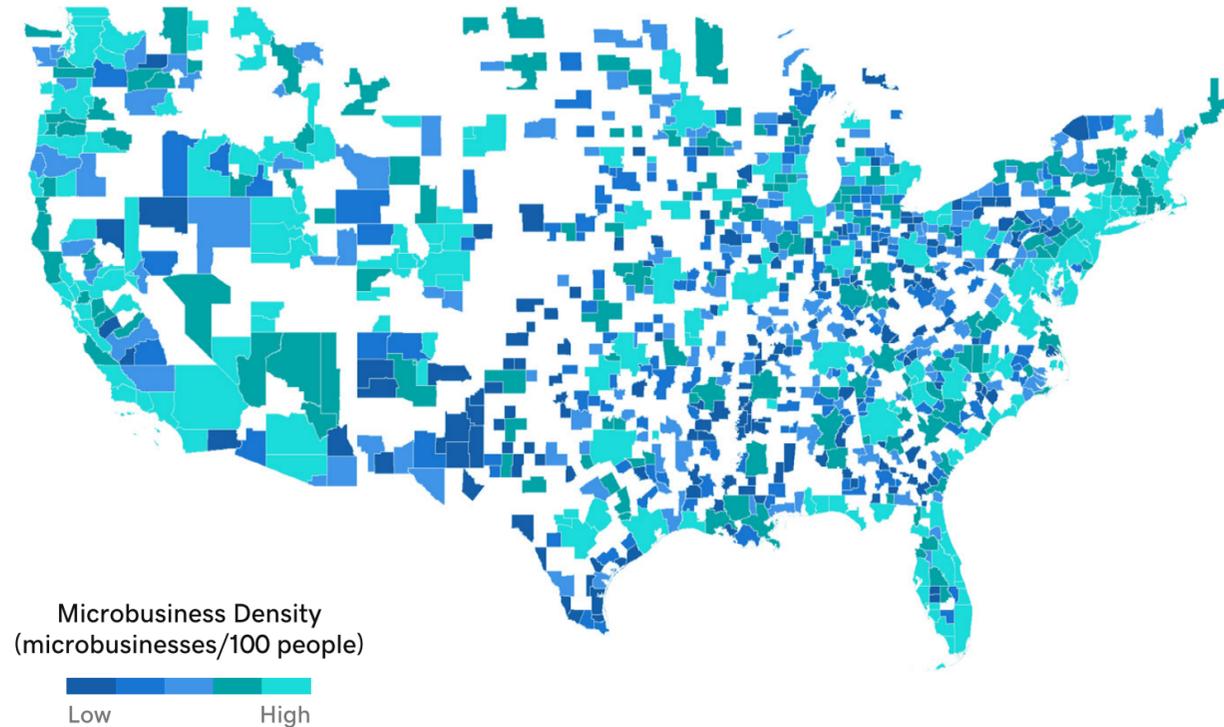
~7

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

Source: 2022 - Bureau of Labor Statistics

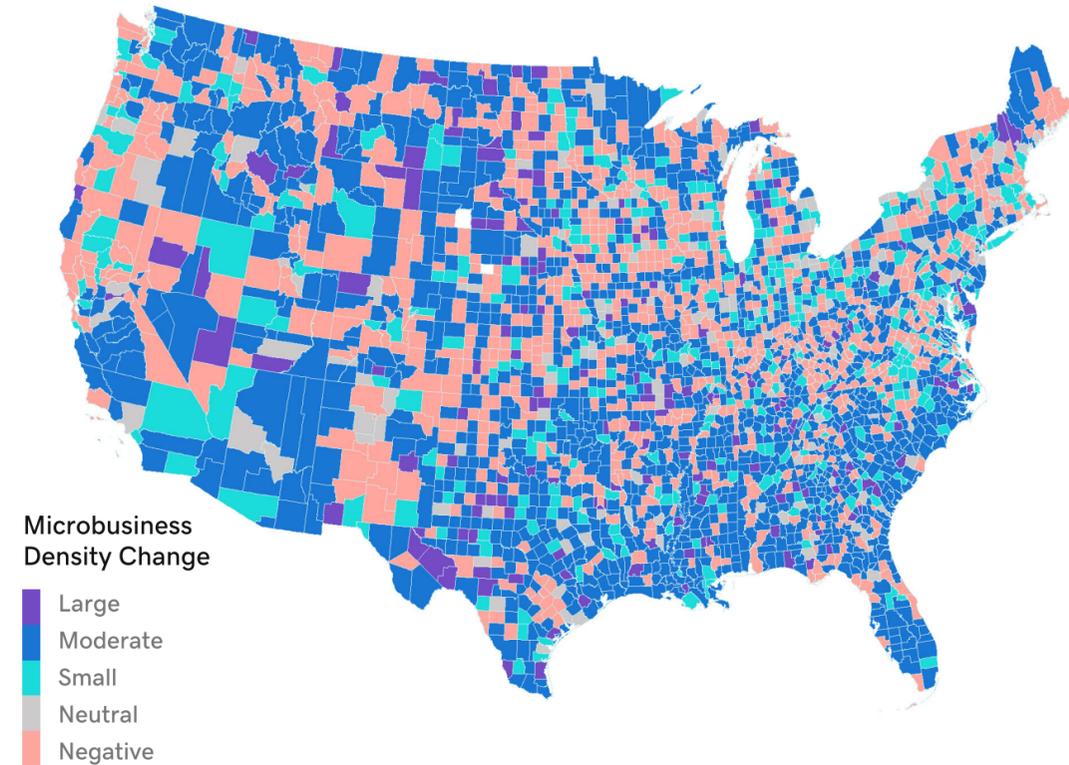
U.S. Microbusiness Concentration

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



Microbusinesses per 100 people (Q2 2023)	Core Based Statistical Area (CBSA)	% All Cities
4.2	Small Cities (Micropolitans with pop. < 250k)	79%
6.3	Midsized Cities (Metropolitans with pop. 250k - 2m)	17%
10.2	Large Cities (Metropolitans with 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 ppl./square mile)	60%
+6%	Suburban (100 - 500 ppl./square mile)	28%
+6%	Urban (> 500 ppl./square mile)	12%

Which U.S. Cities Rank Highest in Microbusinesses?

Cities* Ranked by Microbusiness Counts and Concentration June 2023

Top 10 Cities (by **Count**)

City	Microbusiness Count
New York, NY	469,294
Las Vegas, NV	323,390
Miami, FL	319,595
Los Angeles, CA	297,083
Chicago, IL	289,701
Houston, TX	239,359
Brooklyn, NY	201,388
San Diego, CA	195,264
Austin, TX	191,029
Fort Lauderdale, FL	163,085

Top 10 Cities (by **Density**)

City	Density (microbusiness/100 people)
Scottsdale, AZ	38
Irvine, CA	38
Tulsa, OK	37
New York, NY	35
Las Vegas, NV	27
Fort Lauderdale, FL	25
Pittsburgh, PA	25
Miami, FL	22
Austin, TX	22
Irving, TX	20

*Cities with population over 250K

Microbusiness Activity Index

THE MAI

GoDaddy Venture Forward and UCLA Anderson Forecast economists developed a way to capture microbusiness activity since 2019 via the Microbusiness Activity Index (“MAI”), which is comprised of three sub-indices:

Infrastructure Index

Measures how ready for microbusiness entrepreneurship an area is, as indicated by the level of physical infrastructure (internet) and intellectual capital available in the area.

Participation Index

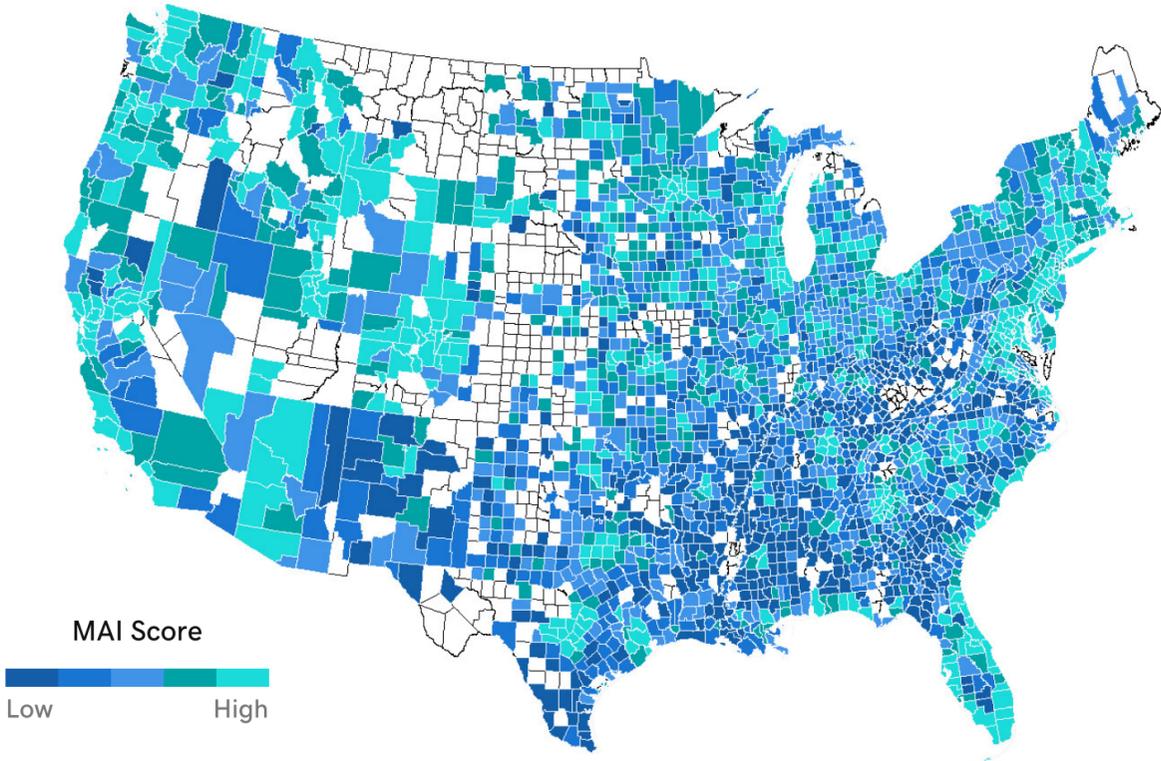
The number and growth rate of both GoDaddy online microbusinesses in the area and the entrepreneurs who create them.

Engagement Index

A combination of 7 measures of activity, such as economic footprint and website traffic levels.

The latest 2023 report is available to download from [here](#).

Snapshot of Q2 2023: MAI Scores by County



	MAI Score	Infrastructure	Participation	Engagement
Avg. Rural < 100 ppl./square mile	101	102	100	101
Avg. Suburban 100 - 500 ppl./square mile	106	110	101	101
Avg. Urban > 500 ppl./square mile	110	116	104	100

Source: GoDaddy/UCLA Anderson Forecast MAI Update, Q2 2023

Which Industries Saw The Greatest Change In Online Revenue Growth?

A DEEPER DIVE

Year-over-year trends offer insight into which industries gain and lose popularity for e-commerce, measured here by the change in online sales.

When comparing April-June of 2023 to 2022, we observed a dip in spending in the Events and Weddings categories. Looking at the same time period change, Media and Personal Services were the top gainers, growing over five times, while sales associated with Pets almost tripled!

Year-Over-Year Average Revenue Change by Industry (Q2 2022 - Q2 2023)

Top 5 Industries (by % Gain)		Bottom 5 Industries (by % Loss)	
Industry	Y/Y Change	Industry	Y/Y Change
Media	463%	Performer	-77%
Personal Services	415%	Events	-50%
Business	197%	Consulting	-50%
Software	197%	Marketing	-45%
Pets	194%	Wedding	-41%

Industry Glossary as Self-Reported by Website Owner

 Media Journalists, independent media, and information sources	 Software Software developers and software development companies	 Events Conferences, seminars and parties
 Personal Services Hair/nail salons, laundry/dry-cleaning, home cleaning services	 Pets Pet care, pet supplies, pet sales	 Consulting Services Microbusiness consultants of any industry
 Business Stand-alone businesses lacking other categories	 Performer Musicians, street performers, for-hire entertainers	 Marketing Services related to marketing

02 | NEW RESEARCH

National Microbusiness Survey Results

Since 2019, Venture Forward has surveyed over 30,000 online entrepreneurs. Ahead are highlights from the survey of U.S. microbusinesses in February 2023. It also features highlights from a fresh GoDaddy survey of small businesses on their perceptions of the American Dream.

U.S. Survey Key Takeaways

2023 NATIONAL SURVEY

In February 2023, Venture Forward completed its sixth national survey of 3,600+ entrepreneurs who own microbusinesses. These are a few highlights, and the full report can be found [here](#).

95%

OF MICROBUSINESSES HAVE LESS THAN 10 EMPLOYEES

1 in 7

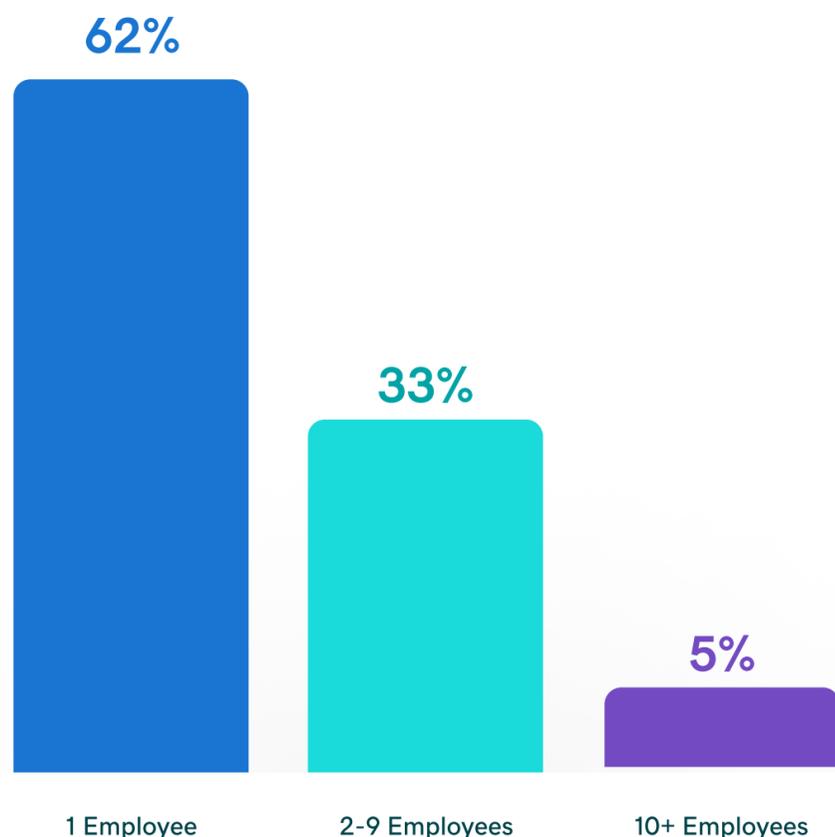
MICROBUSINESSES STARTED SINCE THE PANDEMIC WERE FOUNDED BY BLACK WOMEN (FASTEST-GROWING SEGMENT)

73%

HAVE POSITIVE OUTLOOK FOR THEIR BUSINESS (COMPARED TO ONLY 32% FOR THE BROADER ECONOMY)

EMPLOYEE COUNT

“How many employees do you have, including yourself?”



INCOME BREAKDOWN

“What’s your average monthly revenue?”



LAUNCH YEAR

“What year did you start?”



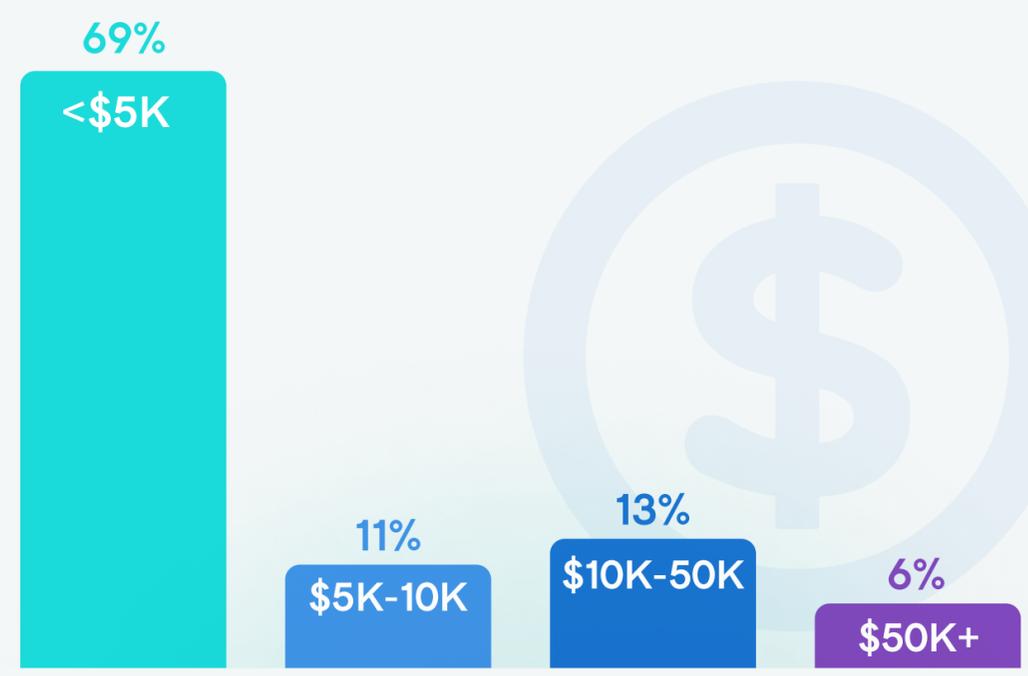
Source: GoDaddy Venture Forward National Survey. February 2023 (N=3,609)

Getting a Microbusiness Started

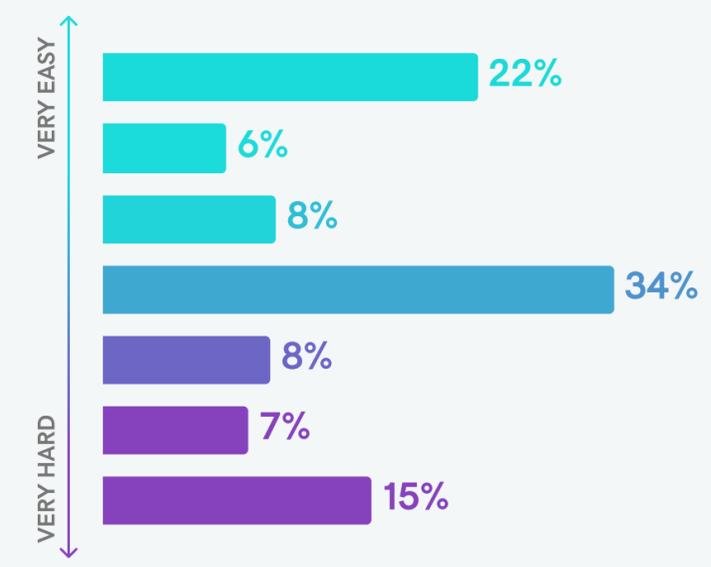
69%

REQUIRED LESS THAN \$5K TO START

Startup Capital Needed



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



Twenty-eight percent of microbusiness owners invest their first dollars into creating a website.



Source: GoDaddy Venture Forward National Survey. February 2023 (N=3,609)

Can Microbusinesses Support a Household?



microbusinesses contribute **51% or more** to household income*

“Approximately what proportion of your household income comes from your microbusiness?”

% of Household Income	Entire Sample	START TIMEFRAME		
		Pre-Pandemic	Post-Pandemic	
0% - 25%	54%	43%	67%	
26% - 50%	17%	19%	14%	
51% - 75%	10%	13%	6%	
76% - 100%	19%	25%	13%	

Source: GoDaddy Venture Forward National Survey. February 2023 (N=3,609)



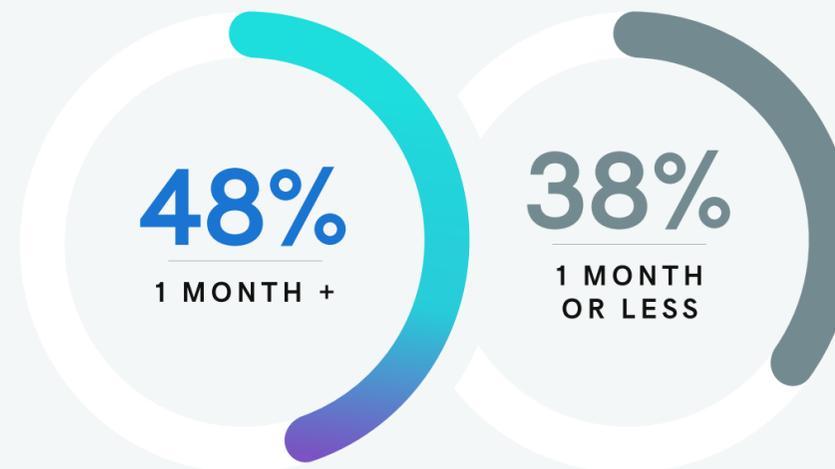
Half of those contributing 51% or more to household income are generating around **\$60K+/year**.



Women make up almost half of those contributing over 51% to household income.

Are microbusinesses financially stable?

Cash on hand



Source: GoDaddy Venture Forward National Survey. February 2023 (N=3,609)

Upward Trajectory in Outlook and Revenue Performance

TAKEAWAYS

Entrepreneurs tend to have a more positive outlook on the next 6 months for their own businesses than the economy as a whole. This finding has been true since we started asking in 2020.

Another positive trend emerged as shown on the right: the monthly revenue from a typical microbusiness grew over the last year.

Positive outlook for my **business** vs. the **economy** ¹



Population of respondents reporting monthly revenue earned from their microbusinesses ²



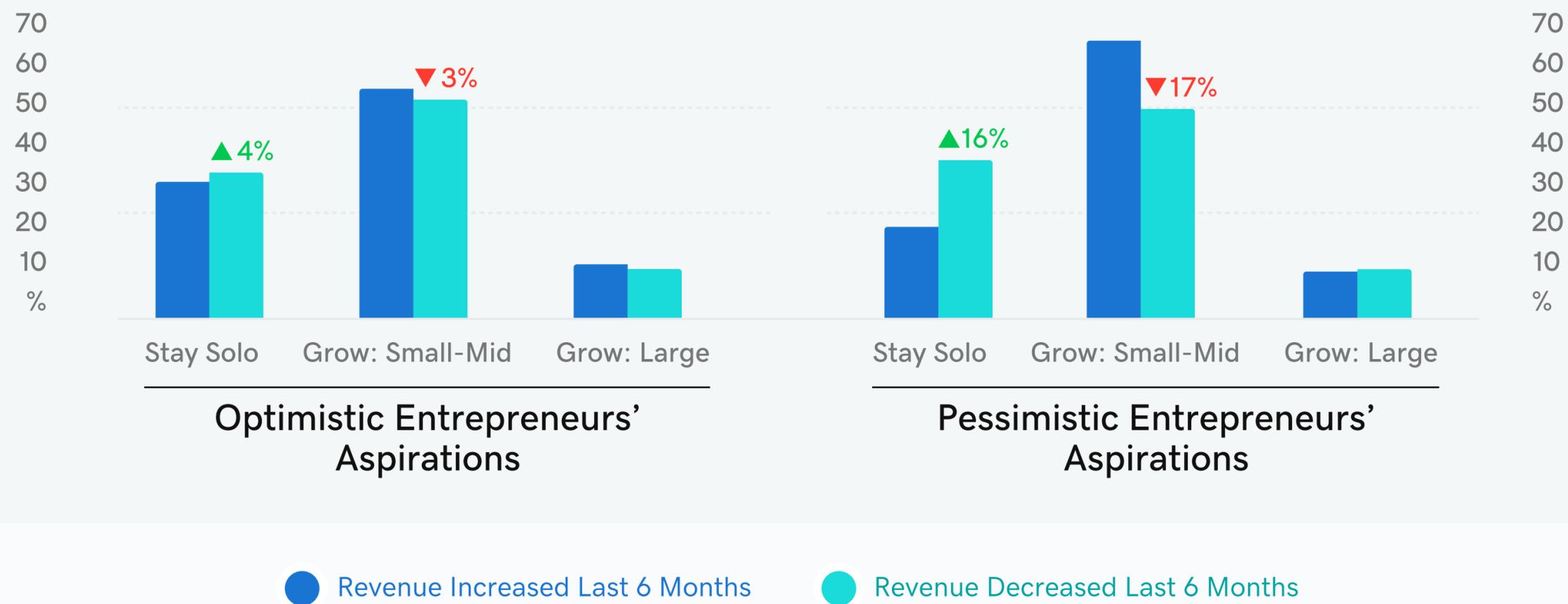
Source: GoDaddy Venture Forward National Surveys: July 2020-August 2023.

1. "What is your overall expectation for your business or organization over the next 6 months?"; "What is your overall expectation for the national economy over the next 6 months?"

2. "What is the average monthly revenue for this business?"

A Positive Outlook Is Directly Related to Long-Term Ambition

Optimists are less rattled by recent revenue performance when it comes to long-term aspirations. They also tend to dream bigger.



Original question: "Which of the following statements best describes your ambitions for your business in the long term?"
 Source: GoDaddy Venture Forward National Survey, February 2023 (N=3,609).

Do Microbusinesses Differ From Small Businesses?

Motivations for entrepreneurship are consistent regardless of size of business or long-term goal.

39% said “**being my own boss**” is achieving the American Dream, yet just 6% started for that reason.

Source: GoDaddy American Dream Survey June 2023 (N>1,000)

COMPARISON

“What are your long-term aspirations for your business?”

LESS THAN 10 EMPLOYEES



- Small Business (33%)
- Mid-Size (16%)
- Corporate (8%)

GREATER THAN 10 EMPLOYEES



- Small Business (30%)
- Mid-Size (38%)
- Corporate (22%)

Source: GoDaddy American Dream Survey June 2023 (N>1,000), and Venture Forward Survey Feb 2023 (N > 3,600).

COMPARISON

“What are the top reasons you started your business?”

Fewer than 10 Employees | More than 10 Employees



Source: GoDaddy American Dream Survey June 2023 (N>1,000), and Venture Forward Survey Feb 2023 (N > 3,600).

GoDaddy Special Report

The Changing American Dream

Small Business Survey Results

SUMMER 2023



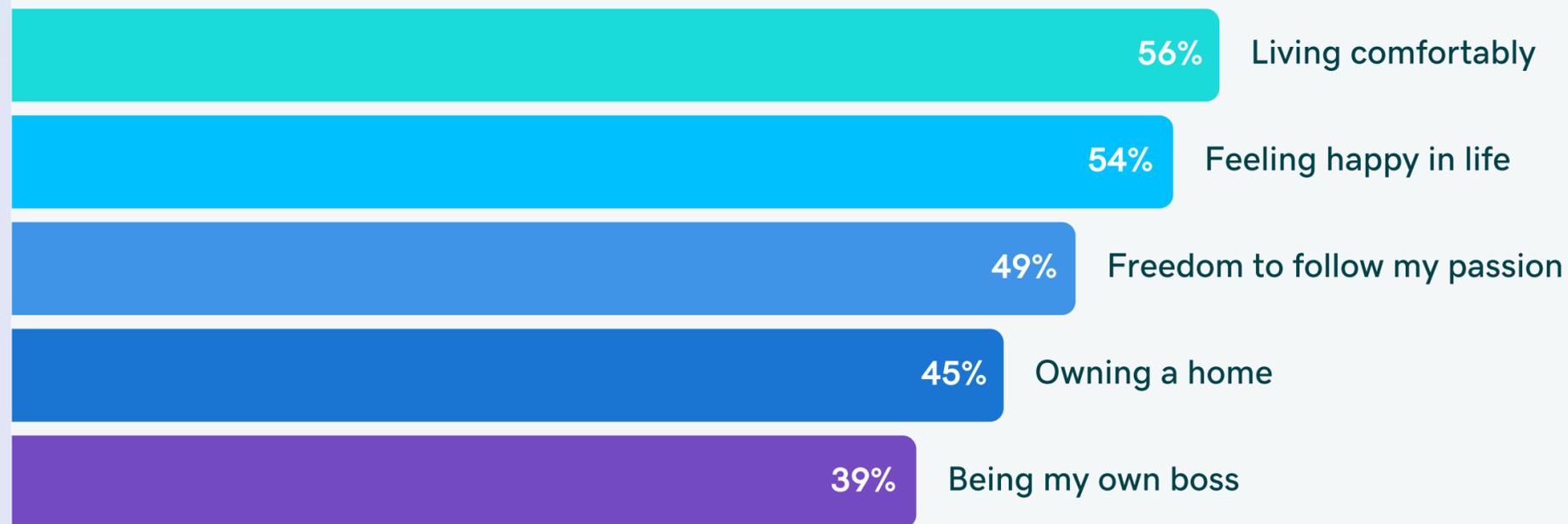
GoDaddy conducted a survey of online and physical-presence U.S. small business owners in June 2023 to understand their motivations behind entrepreneurship and the latest perceptions of the American Dream. The following are some highlights, and the full report is available for download [here](#).

Defining the American Dream Today

“Which of the following indicates you have achieved the American Dream?”

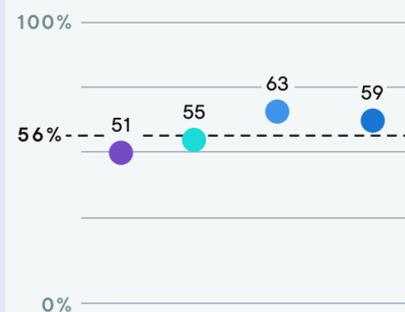


Feeling happy in life, living a comfortable lifestyle, and having the freedom to pursue passions are **more important** than owning a home.



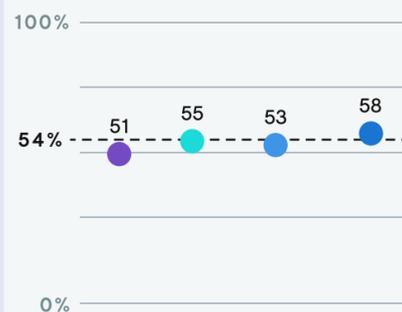
“Living a **comfortable lifestyle**”

56%



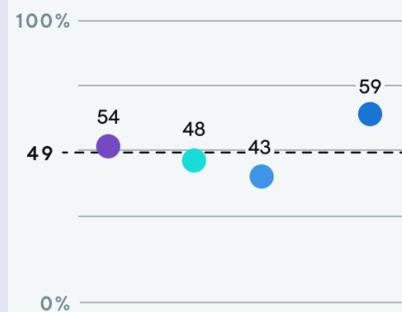
“Feeling **happy** with my life”

54%



“Freedom to pursue my own **passions and interests**”

49%



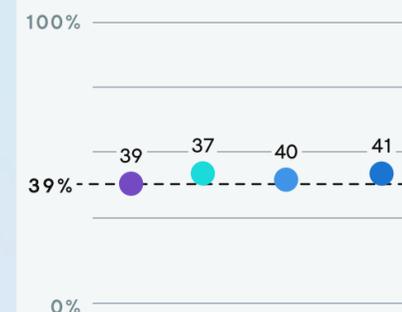
“Owning my own **home**”

45%



“Being **my own boss**”

39%



● Gen Z ● Millennials ● Gen X ● Boomers --- Average Response

Changing Perceptions of the American Dream

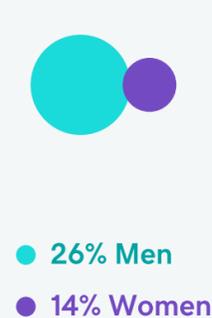
A third of U.S. business owners believe the American Dream has changed significantly in their lifetime, and women's perception has changed more than men's.

CHANGE

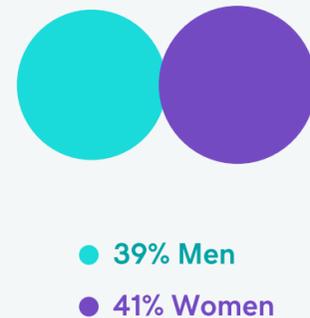
“Has your perception of the American Dream changed since you were a child?”



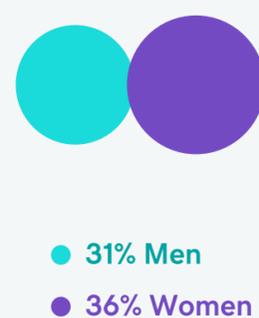
BREAKDOWN



BREAKDOWN



BREAKDOWN



Source: GoDaddy Survey. June 2023. (N>1,000)



Both women and Gen Z are less confident in achieving what they define as the American Dream.

OPTIMISM

“How confident are you in achieving the American Dream?”

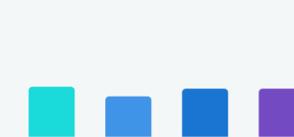


AGE BREAKDOWN



- 56% Gen Z (18-24)
- 66% Millennials (25-39)
- 60% Gen X (40-54)
- 62% Boomers (55+)

AGE BREAKDOWN



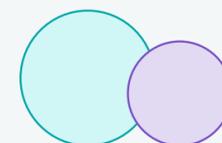
- 26% Gen Z (18-24)
- 21% Millennials (25-39)
- 25% Gen X (40-54)
- 25% Boomers (55+)

AGE BREAKDOWN



- 19% Gen Z (18-24)
- 11% Millennials (25-39)
- 16% Gen X (40-54)
- 12% Boomers (55+)

GENDER BREAKDOWN



- 71% Men
- 55% Women

GENDER BREAKDOWN



- 18% Men
- 27% Women

GENDER BREAKDOWN



- 9% Men
- 17% Women

03 | CLOSING

Where We've Been...And Where We're Going

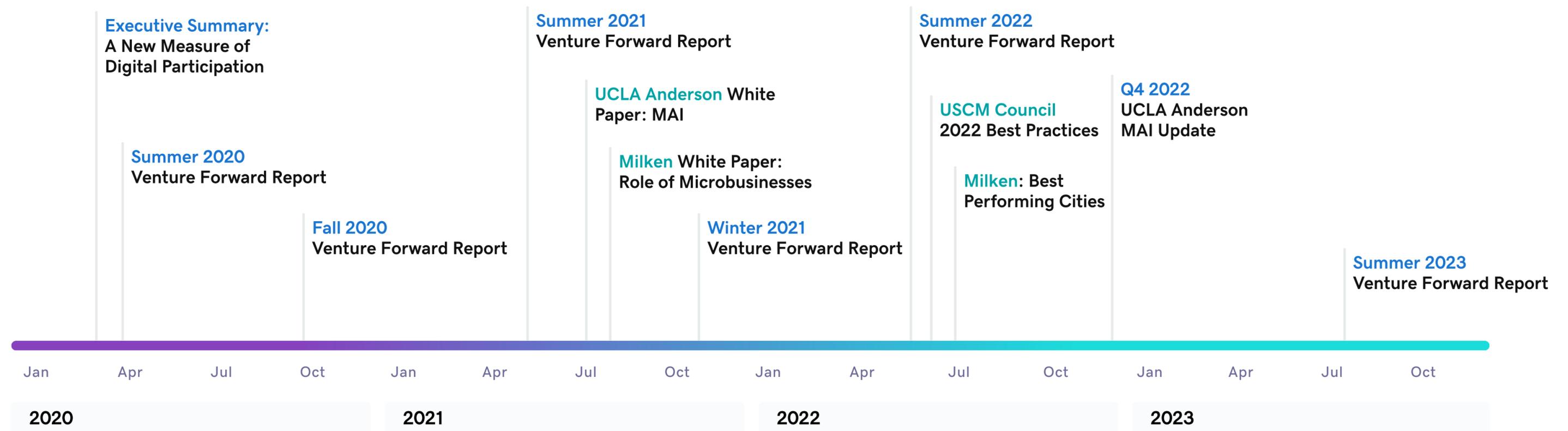
A timeline of key reports, resources, and a selection of recent highlights.



Timeline: Venture Forward Microbusiness Reports

Over the years, we're proud to have published and partnered on key reports.

Select any listed below to download.



View more [data downloads](#), recent [press](#), and our [research methodology](#) at [Venture Forward](#)



Using Data Insights to Support Entrepreneurs

Our Venture Forward research initiative goes beyond merely reporting on the findings of our proprietary small business data analyses. We use our research to proactively engage and support civic leaders, policymakers and influencers who care deeply about nurturing entrepreneurial growth in communities around the world. We also dive deeply on trending topics to develop unique insights on the perspectives of small business owners.

Here are a few examples. More are available on the [Venture Forward](#) website.



PANEL

Venture Forward was proud to host a panel at the African American Mayor's Association Conference in Washington, D.C., with Mayor Bibb (Cleveland) and Mayor Cantrell (New Orleans).



DATA FORWARD

Microbusinesses have a major impact on local economies, creating significantly more value than the income they generate for their owners.



REPORT

In Spring 2023, GoDaddy surveyed U.S. small businesses on their biggest challenges, their perception of generative AI, and their use of generative AI to overcome challenges.



MICROBUSINESS PROFILE

A use case of a husband and wife team in England, as part of a greater look at the cost-of-living crisis that threatens the British microbusiness economy.

We're here to support entrepreneurs

Contact GoDaddy's Venture Forward research team at VentureForward@GoDaddy.com

