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.
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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.

― New York Times
April 2020, covering Venture Forward

“Tiny Digital Businesses Play Key Role in Local Economies”
Microbusinesses Have Major Impact

- Each additional microbusiness per 100 people in a county increases household median income by almost $500/year.
- About seven new jobs are created by each microbusiness entrepreneur on a county-level.

Source: 2021 – American Community Survey
Source: 2022 – Bureau of Labor Statistics
Recent Snapshot: Microbusiness Density by City (Q2 2023)

<table>
<thead>
<tr>
<th>Microbusinesses per 100 people (Q2 2023)</th>
<th>Core Based Statistical Area (CBSA)</th>
<th>% All Cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.2</td>
<td>Small Cities (Micropolitans with pop. &lt; 250k)</td>
<td>79%</td>
</tr>
<tr>
<td>6.3</td>
<td>Midsized Cities (Metropolitans with pop. 250k - 2m)</td>
<td>17%</td>
</tr>
<tr>
<td>10.2</td>
<td>Large Cities (Metropolitans with pop. 2M+)</td>
<td>4%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Change in Microbusinesses Density (Q2 2020 - Q2 2023)</th>
<th>Counties</th>
<th>% All Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>+14%</td>
<td>Rural</td>
<td>60%</td>
</tr>
<tr>
<td>+6%</td>
<td>Suburban</td>
<td>28%</td>
</tr>
<tr>
<td>+6%</td>
<td>Urban</td>
<td>12%</td>
</tr>
</tbody>
</table>
Which U.S. Cities Rank Highest in Microbusinesses?

Cities* Ranked by Microbusiness Counts and Concentration
June 2023

<table>
<thead>
<tr>
<th>Top 10 Cities (by Count)</th>
<th>Microbusiness Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>New York, NY</td>
<td>469,294</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>323,390</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>319,595</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>297,083</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>289,701</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>239,359</td>
</tr>
<tr>
<td>Brooklyn, NY</td>
<td>201,388</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>195,264</td>
</tr>
<tr>
<td>Austin, TX</td>
<td>191,029</td>
</tr>
<tr>
<td>Fort Lauderdale, FL</td>
<td>163,085</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Top 10 Cities (by Density)</th>
<th>Density (microbusiness/100 people)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottsdale, AZ</td>
<td>38</td>
</tr>
<tr>
<td>Irvine, CA</td>
<td>38</td>
</tr>
<tr>
<td>Tulsa, OK</td>
<td>37</td>
</tr>
<tr>
<td>New York, NY</td>
<td>35</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>27</td>
</tr>
<tr>
<td>Fort Lauderdale, FL</td>
<td>25</td>
</tr>
<tr>
<td>Pittsburgh, PA</td>
<td>25</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>22</td>
</tr>
<tr>
<td>Austin, TX</td>
<td>22</td>
</tr>
<tr>
<td>Irving, TX</td>
<td>20</td>
</tr>
</tbody>
</table>

*Cities with population over 250K
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](#).
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!

Which Industries Saw The Greatest Change In Online Revenue Growth?

<table>
<thead>
<tr>
<th>Top 5 Industries (by % Gain)</th>
<th>Bottom 5 Industries (by % Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td><strong>Y/Y Change</strong></td>
</tr>
<tr>
<td>Media</td>
<td>465%</td>
</tr>
<tr>
<td>Personal Services</td>
<td>415%</td>
</tr>
<tr>
<td>Business</td>
<td>197%</td>
</tr>
<tr>
<td>Software</td>
<td>197%</td>
</tr>
<tr>
<td>Pets</td>
<td>194%</td>
</tr>
</tbody>
</table>

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
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

**Employee Count**

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

- 62% 1 Employee
- 33% 2-9 Employees
- 5% 10+ Employees

**Income Breakdown**

“What’s your average monthly revenue?”

- 30% Revenue < $500
- 40% Revenue $500-5K
- 30% Revenue $5K+

**Launch Year**

“What year did you start?”

- 40% 2019 or Before
- 11% During 2020
- 11% During 2021
- 18% 2022 or After

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**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](https://example.com).

**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).
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?”

- Very Easy: 22%
- Easy: 6%
- Neutral: 8%
- Hard: 7%
- Very Hard: 15%

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?

1 in 3

Microbusinesses contribute 51% or more to household income*

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

48% 1 MONTH +
38% 1 MONTH OR LESS

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

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

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

<table>
<thead>
<tr>
<th>% of Household Income</th>
<th>Entire Sample</th>
<th>Pre-Pandemic</th>
<th>Post-Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% - 25%</td>
<td>54%</td>
<td>43%</td>
<td>67%</td>
</tr>
<tr>
<td>26% - 50%</td>
<td>17%</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>51% - 75%</td>
<td>10%</td>
<td>13%</td>
<td>6%</td>
</tr>
<tr>
<td>76% - 100%</td>
<td>19%</td>
<td>25%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: GoDaddy Venture Forward National Survey. February 2023 (N=3,609)
UPWARD TREND IN OUTLOOK AND REVENUE PERFORMANCE

Positive outlook for my business vs. the economy

<table>
<thead>
<tr>
<th></th>
<th>Jul '20</th>
<th>Jul '21</th>
<th>Feb '22</th>
<th>Aug '22</th>
<th>Feb '23</th>
<th>Aug '23</th>
</tr>
</thead>
<tbody>
<tr>
<td>28%</td>
<td>52%</td>
<td>69%</td>
<td>73%</td>
<td>60%</td>
<td>73%</td>
<td>72%</td>
</tr>
<tr>
<td>51%</td>
<td>48%</td>
<td>37%</td>
<td>32%</td>
<td>34%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

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.

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?”

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

Population of respondents reporting monthly revenue earned from their microbusinesses

Revenue $<5K  Revenue $5-15K  Revenue $15K+

Aug '22 Survey  Feb '23 Survey  Aug '23 Survey
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)

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Less Than 10 Employees</th>
<th>Greater Than 10 Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business</td>
<td>33%</td>
<td>30%</td>
</tr>
<tr>
<td>Mid-Size</td>
<td>16%</td>
<td>38%</td>
</tr>
<tr>
<td>Corporate</td>
<td>8%</td>
<td>22%</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Reason</th>
<th>Fewer than 10 Employees</th>
<th>More than 10 Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>I wanted to be my own boss</td>
<td>82%</td>
<td>80%</td>
</tr>
<tr>
<td>Support a cause/hobby I’m passionate about</td>
<td>9%</td>
<td>1%</td>
</tr>
<tr>
<td>Always dreamed of owning own business</td>
<td>17%</td>
<td>25%</td>
</tr>
<tr>
<td>Wanted/needed flexibility</td>
<td>91%</td>
<td>90%</td>
</tr>
<tr>
<td>Can have more success on my own</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Looking for extra money</td>
<td>26%</td>
<td>26%</td>
</tr>
</tbody>
</table>

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

- Living comfortably: 56%
- Feeling happy in life: 54%
- Freedom to follow my passion: 49%
- Owning a home: 45%
- Being my own boss: 39%

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

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

<table>
<thead>
<tr>
<th></th>
<th>No</th>
<th>Yes, Somewhat</th>
<th>Yes, Completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakdown</td>
<td>19%</td>
<td>40%</td>
<td>34%</td>
</tr>
</tbody>
</table>

**Optimism**

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

<table>
<thead>
<tr>
<th>Very Confident</th>
<th>Neutral</th>
<th>Least Confident</th>
</tr>
</thead>
<tbody>
<tr>
<td>62%</td>
<td>23%</td>
<td>14%</td>
</tr>
</tbody>
</table>

**Age Breakdown**

- Very Confident:
  - Gen Z (18-24): 56%
  - Millennials (25-39): 66%
  - Gen X (40-54): 60%
  - Boomers (55+): 62%
- Neutral:
  - Gen Z (18-24): 26%
  - Millennials (25-39): 21%
  - Gen X (40-54): 25%
  - Boomers (55+): 25%
- Least Confident:
  - Gen Z (18-24): 19%
  - Millennials (25-39): 11%
  - Gen X (40-54): 16%
  - Boomers (55+): 12%

**Gender Breakdown**

- Very Confident:
  - Men: 71%
  - Women: 55%
- Neutral:
  - Men: 18%
  - Women: 27%
- Least Confident:
  - Men: 9%
  - Women: 17%

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

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

- Executive Summary: A New Measure of Digital Participation
- Summer 2020 Venture Forward Report
- Fall 2020 Venture Forward Report
- Winter 2021 Venture Forward Report
- Summer 2021 Venture Forward Report
- UCLA Anderson White Paper: Role of Microbusinesses
- Milken White Paper: Role of Microbusinesses
- Milken: Best Performing Cities
- USCM Council 2022 Best Practices
- Q4 2022 UCLA Anderson MAI Update
- Summer 2022 Venture Forward Report
- Summer 2023 Venture Forward Report

View more data downloads, recent press, and our research methodology at Venture Forward

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