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

Alexandra Rosen
GoDaddy
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Entrepreneurship is powerful.
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.
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?

Our Research Looks At Three Things:

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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 with fewer than 10 employees

95%

Microbusinesses generate income

26% Main Source
42% Supplemental
32% No 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 in 3 contributes 51% or more to household income

Source: GoDaddy Venture Forward U.S. National Survey. August 2023 (N-U.S.= 3,525)
Each additional microbusiness per 100 people in a county increases household median income by almost $500/year.

Source: 2021 – American Community Survey

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

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 woman.
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%

Source: GoDaddy Venture Forward U.S. National Survey. August 2023 (N=3,525)
### Why did you start your business?

- To be my own boss: 43%
- Support a cause of hobby: 32%
- Flexibility with time: 29%
- I can have more success on my own: 27%
- Make extra money: 26%
- Dreamt of starting a business: 23%
- Idea for new product/service: 19%
- To contribute to my community: 18%
- To have fun: 15%
- Wanted a career change: 13%

### Microbusiness owners agree:
Life is better as an entrepreneur

- Better: 63%
- No different: 31%
- Worse: 6%

Source: GoDaddy Venture Forward U.S. National Survey. August 2023 (N=3,525)
Financial Needs When Getting Started

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

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FIRST</th>
<th>RECENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Online</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Equipment</td>
<td>18%</td>
<td>16%</td>
</tr>
<tr>
<td>Inventory</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Website</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td>New Product</td>
<td>6%</td>
<td>11%</td>
</tr>
</tbody>
</table>

67% REQUIRED LESS THAN $5,000 TO START

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

- NONE: 13%
- $1-$5,000: 54%
- $5,001-$25,000: 19%
- $25,000+: 13%
Top Challenges when first starting a business:

- Marketing my business online (social media, ads, promotions, etc.) - 42%
- Access to financial capital - 23%
- Getting my business website online effectively - 22%
- Marketing my business using traditional media (print, radio, TV, etc.) - 21%
- Finding employees, independent contractors or consultants with necessary skills - 14%
- Networking with other business owners - 14%
- Taxes - 14%
- Rising costs on wages and materials - 12%
- Licensing/permits - 12%
- Affordable space - 10%

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

- Very easy: 22%
- Very hard: 15%

Source: GoDaddy Venture Forward U.S. National Survey. August 2023 (N-U.S. = 3,525)
Arizona’s Thriving Entrepreneurship: 630,000+ Microbusinesses

10% growth since August 2019

State of Arizona Microbusinesses by Quarter

- Aug 2019: 568,030
- Feb 2020: 610,339
- Aug 2020: 632,733
- Feb 2021: 610,339
- Aug 2021: 569,465
- Feb 2022: 610,339
- Aug 2022: 632,733
- Feb 2023: 640,000

Microbusiness Density

- June 2023
- About 11 microbusinesses per 100 people

GoDaddy
A Closer Look At Tucson’s 50,000+ Microbusinesses
8% growth since August 2019

City of Tucson Microbusinesses by Quarter

August 2019 = 48,008
February 2020 = 48,777
August 2020 = 50,280
February 2021 = 48,794
August 2021 = 50,280
February 2022 = 48,777
August 2022 = 50,280
February 2023 = 48,008

Top 20%
60% to 80%
40% to 60%
20% to 40%
Bottom 20%

Microbusiness Density
Measured as microbusinesses per 100 people, shaded by zip code percentile as of Q1 2023.

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


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.
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
Contact us:
arozen@godaddy.com
godaddy.com/ventureforward