

ISSUE BRIEF

Microbusinesses in Southwest Florida

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Data provided by FGCU Small Business Development Corporation

Introduction

In this issue brief, we expand the analysis from our previously [published issue brief that examined microbusinesses in Lee County, Florida](#) by expanding the geographical area to all of Southwest Florida (defined as the five-county area encompassing Charlotte, Collier, Glades, Hendry and Lee counties). Information in this Issue Brief was collected on July 29, 2022 from USA Reference database. The database represents a list of establishment-level records that is continuously updated to provide the most up-to-date information about businesses. US Reference provided 72,800 records containing all establishments with no more than 500 employees located in the entire region. The list included some records for individuals (primarily in the Health Care and Social Assistance industry) that worked for the same establishment. These records were removed from the analysis. Furthermore, all establishments that were in Public Administration were removed. This reduced the total number of records to 62,268.

Establishments were classified based on the actual number of employees reported. For this paper, we define an establishment with less than five employees as a microbusiness. Furthermore, four other ranges based on employee size were used to identify Small Business Enterprises (SBE): 5 to 10 employees (SBE 1), 11 to 20 employees (SBE 2), 21 to 50 employees (SBE 3), and 51 to 500 employees (SBE 4) following the Small Business Administration classification. Similar to the previous issue brief, we focus on features of microbusiness characteristics in Southwest Florida.

Establishments by Employee Size

More than six out of every 10 establishments in Southwest Florida are considered microbusinesses, measuring at 61.7 percent. Furthermore, 24.1 percent of businesses were classified as SBE 1, 7.7 percent of businesses were SBE 2, 4.2 percent of establishments were SBE 3, and 2.3 percent of businesses were SBE 4.

The treemap on the next page helps illustrate the distribution of establishments by county in the region. Microbusiness establishments represent a majority of total establishments within each county.

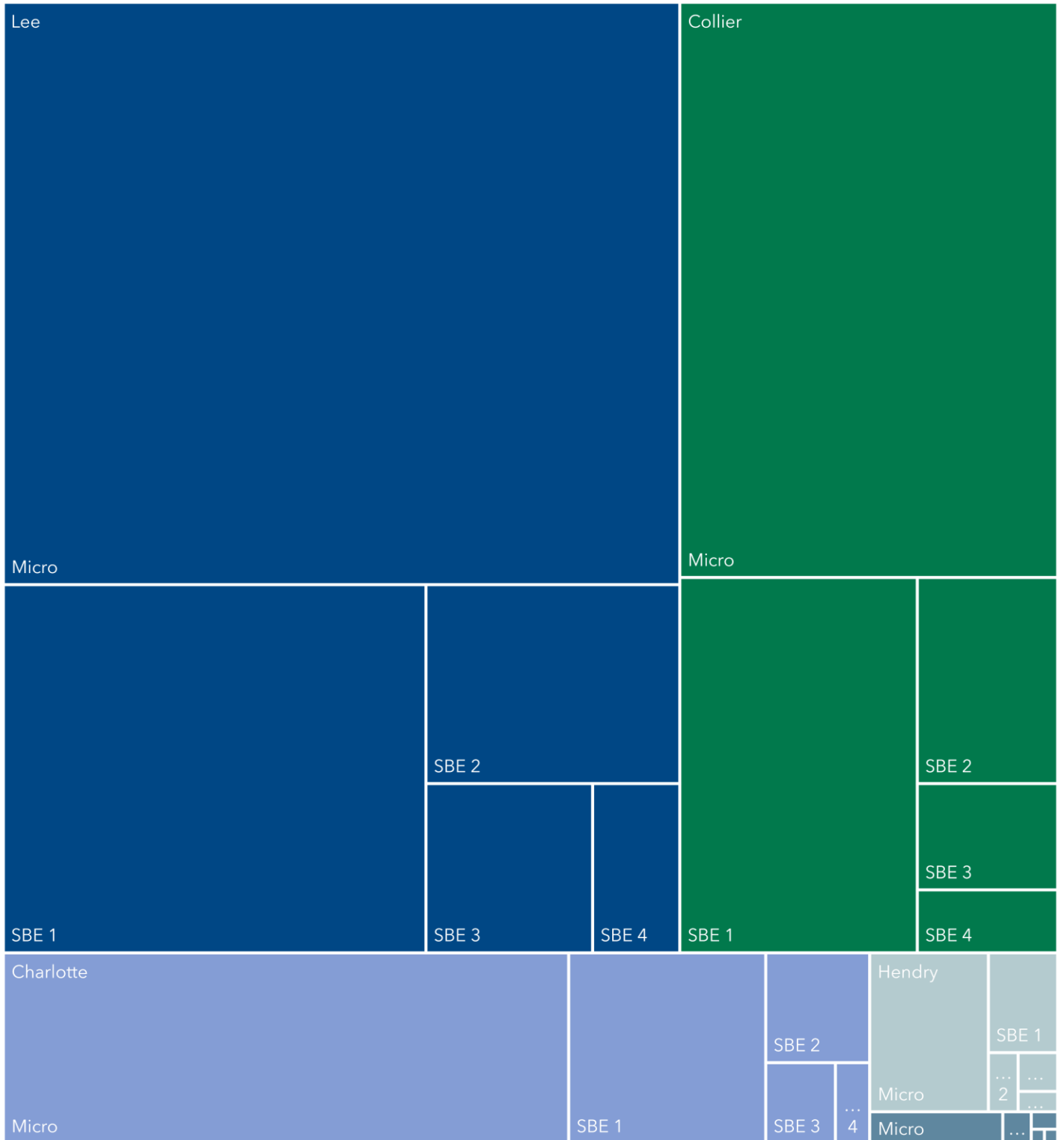
Establishments by Employee Size		
Southwest Florida		
Establishment Size	Count	Percent of total
Micro	38,410	61.7%
SBE 1	15,013	24.1%
SBE 2	4,819	7.7%
SBE 3	2,611	4.2%
SBE 4	1,415	2.3%
Total	62,268	100.0%

Source: RERI analysis of data obtained from USA Reference data. Data obtained on July 29, 2022

Establishments by Employee Size

Southwest Florida

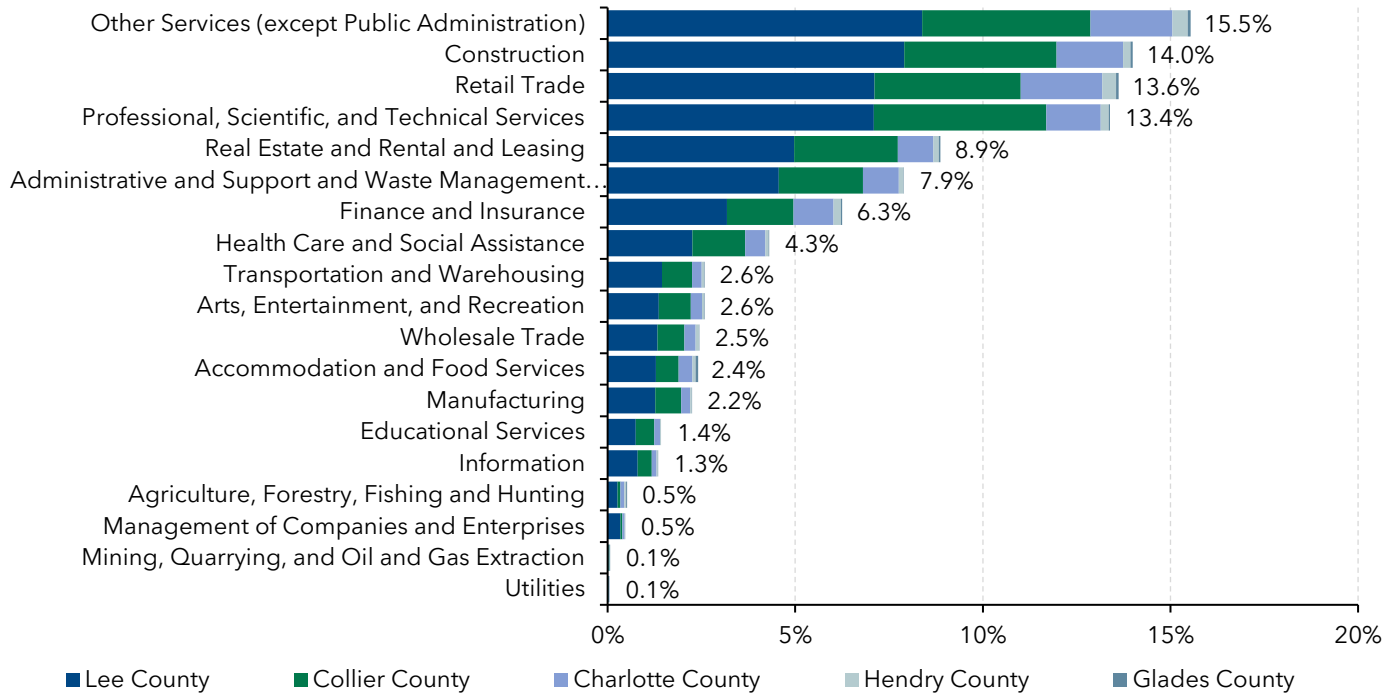
■ Charlotte ■ Collier ■ Glades ■ Hendry ■ Lee



Source: RERI analysis of data obtained from USA Reference data. Data obtained on July 29, 2022
 Prepared by the Regional Economic Research Institute

Microbusiness Establishments by Industry

Southwest Florida



Source: RERI analysis of data obtained from USA Reference data. Data obtained on July 29, 2022
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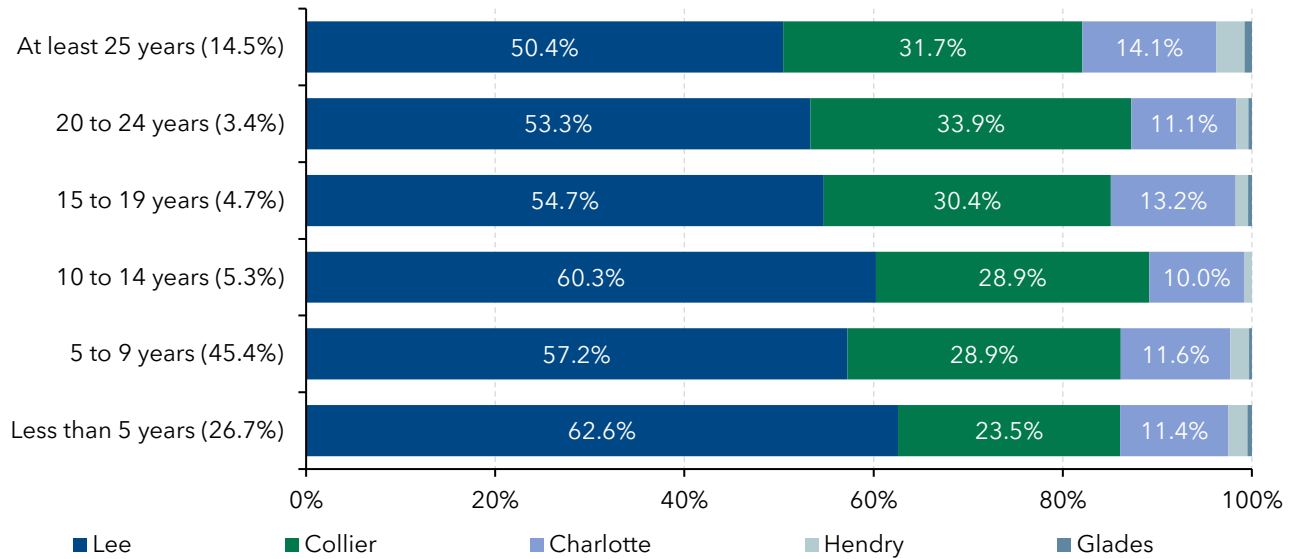
Microbusiness Establishments by Industry

When looking specifically at microbusiness establishments, we see that a few industries represent the type of primary economic activity for majority of these establishments. The other services industry was the primary economic activity for 15.5 percent of microbusiness establishments in Southwest Florida.¹ Construction was the next highest industry on this list at 14.0 percent, followed by retail trade (13.6 percent), professional, scientific and technical services (13.4 percent) and real estate and rental and leasing (8.9 percent). The top five industries comprised of 65.4 percent of all microbusiness establishments in Southwest Florida.

¹ Other services industry typically comprises of establishments that engage in activities such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing drycleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

Microbusiness Establishments by Firm Age

Southwest Florida



Source: RERI analysis of data obtained from USA Reference data. Data obtained on July 29, 2022
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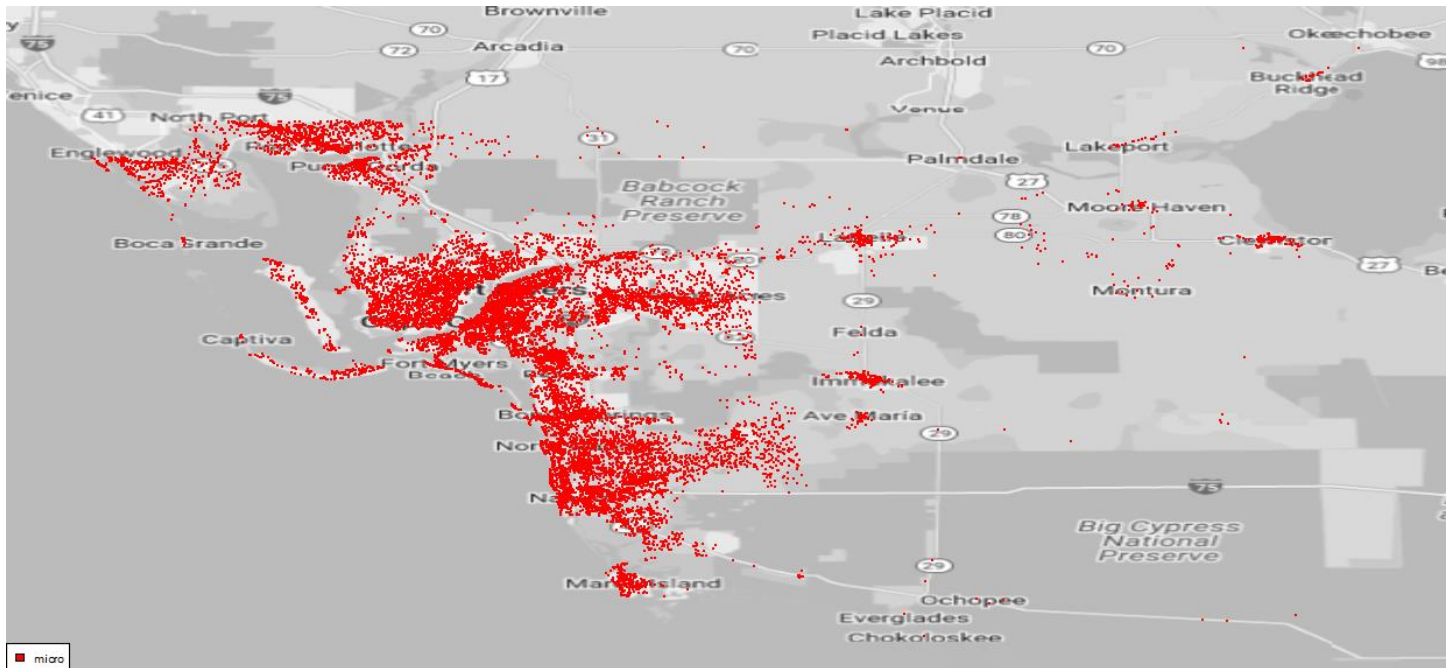
Microbusiness Establishments by Firm Age

When looking at the age of the microbusiness establishments, we see that majority are under 10 years of age, with 26.7 percent less than five years old and 45.4 percent between five and nine years old. Furthermore, 5.3 percent of microbusiness establishments were between 10 and 14 years old, 4.7 percent were between 15 and 19 years old, and 3.4 percent were between 20 and 25 years old. Microbusiness establishments in Southwest Florida that have been around for the past quarter century totaled 14.5 percent of all microbusiness establishments.

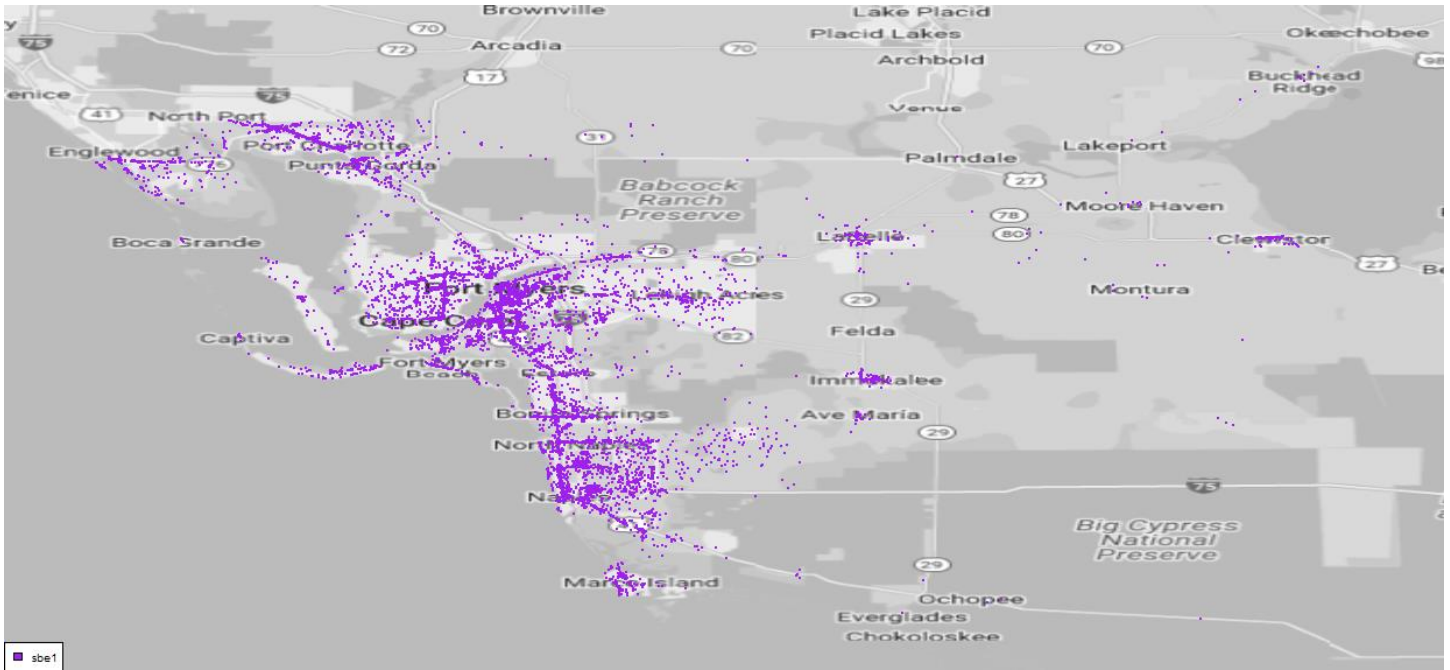
Spatial Analysis of Small Businesses

The charts below depict where each type of small business is primarily located in Southwest Florida.

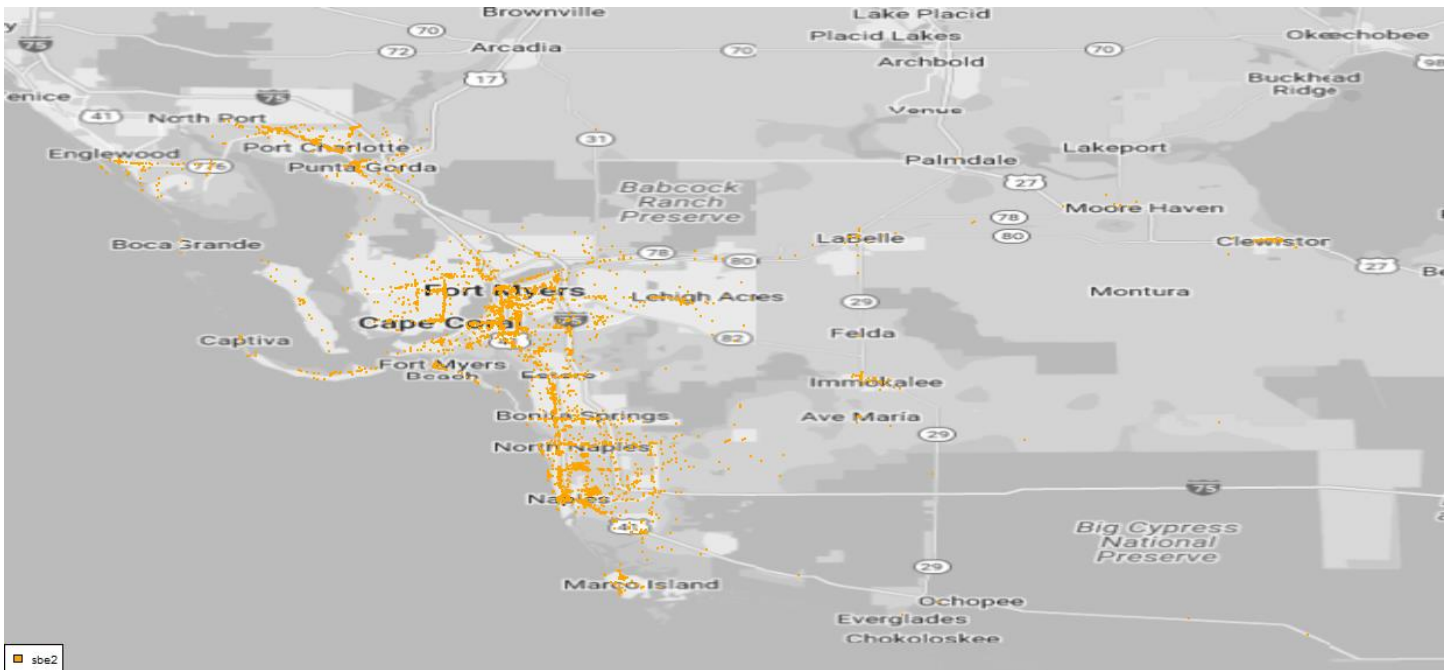
Microbusiness Establishments



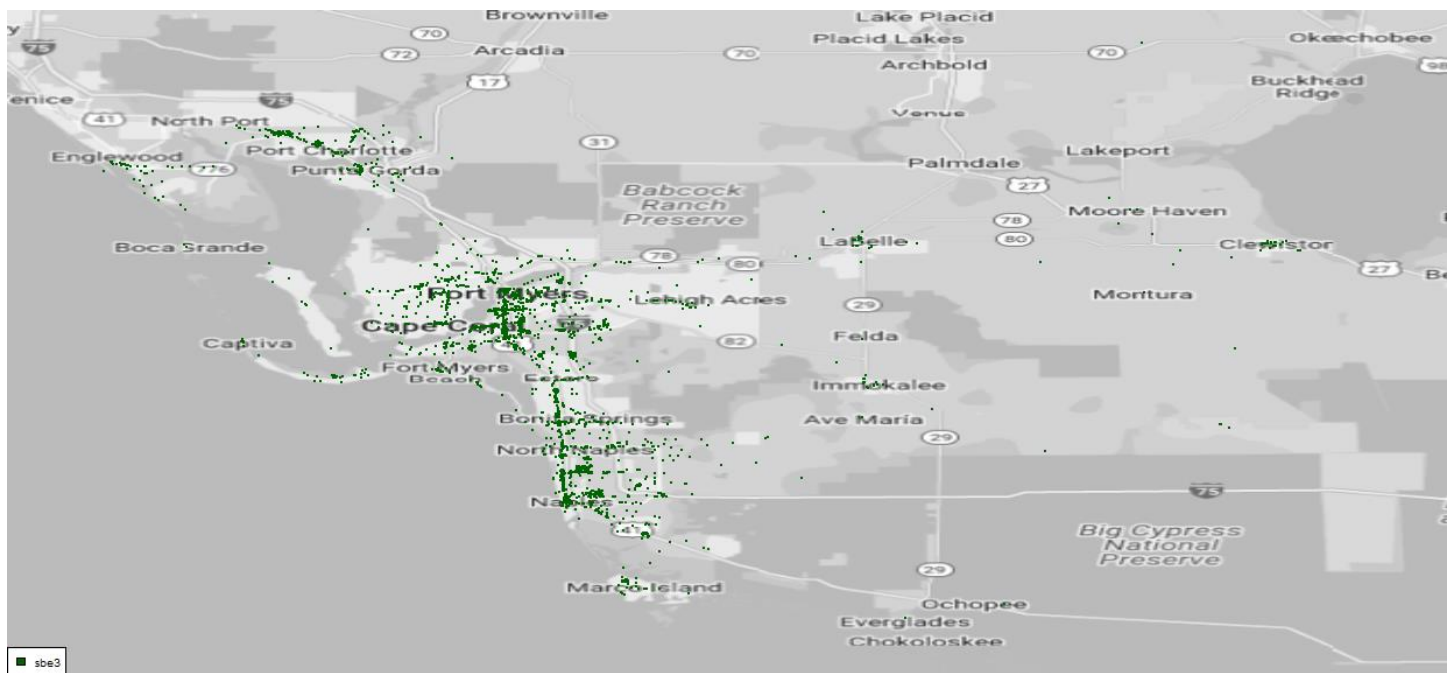
SBE1 Establishments



SBE2 Establishments



SBE3 Establishments



SBE4 Establishments

