

# Small business an important economic engine

Compiled by Roger Nacker, Wisconsin Economic Development Institute.

QUESTIONS? Contact Bill Pinkovitz at [bill.pinkovitz@ces.uwex.edu](mailto:bill.pinkovitz@ces.uwex.edu).

**S**mall business is generally recognized to be a significant component of metropolitan economies and a major generator of new jobs. Consequently, the encouragement of entrepreneurial activity is an important element in many economic development efforts.

There are many ways to measure small business. According to the U.S. Small Business Administration, Wisconsin had 116,137 small employers in 2005, representing 98 percent of the state's employers and 53.5 percent of its private-sector employment.

## The economy

Week Four:  
Entrepreneurial  
economic activity

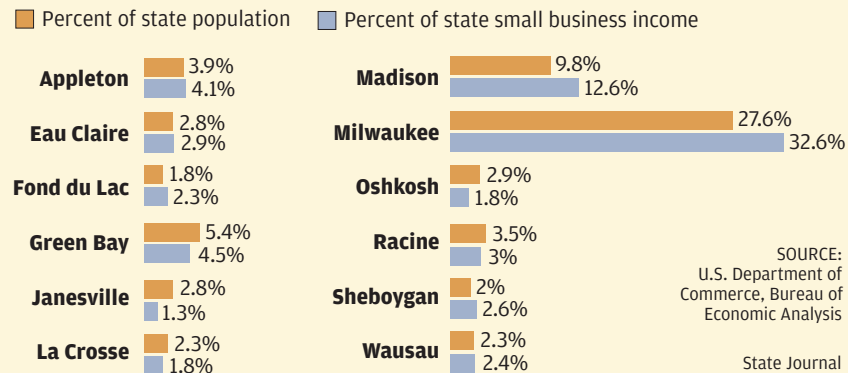
Some businesses do not have employees, outside of family members. In 2007, Wisconsin was home to 288,000 self-employed (both incorporated and unincorporated businesses).

Unincorporated businesses are usually sole proprietorships or partnerships. The income produced by this group is called proprietor's income.

In 2007, proprietor's income accounted for 6.5 percent of all personal income in Wisconsin. However, this income is not generated proportionately around the state.

## Comparing small business income in Wisconsin

Small business income compared to population for select Wisconsin cities in 2006:



SOURCE:  
U.S. Department of  
Commerce, Bureau of  
Economic Analysis

State Journal

Economic Snapshot is a weekly feature provided by the

