Online microbusinesses represent a small but growing segment that can bring new dollars into a community, especially those well-connected with internet service. While traditional data sources from the U.S. Census Bureau or Bureau of Labor Statistics cover a range of business characteristics, microbusiness activities are more complex to define and track over time. However, with the help of domain name provider GoDaddy, monthly data on more than 20 million U.S. online microbusinesses can shed light on which sectors are making the most revenue and where these firms are located.

Microbusinesses are typically very small; 62% are sole entrepreneurs and nearly nine out of ten have fewer than five employees. Most use microbusinesses as supplemental income to a regular job – just over half make less than $2,500 a month. However, nearly eight in ten owners using the business for supplemental income hope to turn it into full-time employment or a major source of income.

The top microbusiness categories in Missouri have similarities with national trends, as Health-Medical and Retail rank second and third as top sales categories in one out of five U.S. counties, just behind Beauty (e.g., salons, make up) microbusinesses. Health-Medical service increases may reflect the growing demand of aging citizens, especially for services like in-home care. Although Fashion microbusinesses were a top revenue category in 13% of Missouri counties in June 2023, they are less significant than two years earlier when they...
were a top sales sector in 22% of counties; this category has also declined nationally over this same time. The increased significance of Sports and Outdoors microbusinesses over the last two years indicate that consumers are shifting spending toward outdoor experiences and recreation.

**Microbusiness Density**

Microbusiness density, the number of active microbusinesses per 100 people (age 18+), was 6.0 for Missouri in the second quarter of 2023. Of Missouri’s bordering states, Oklahoma and Illinois had the highest microbusiness densities at 8.5 and 8.4, respectively. Arkansas had the lowest microbusiness density at 3.7.

Microbusiness density was higher in Missouri’s metro counties, which averaged 6.8 businesses per 100 people compared to 3.0 for nonmetro counties. Higher microbusiness densities are common around larger cities in Missouri and the U.S., given the improved infrastructure typically available in these communities.

Several nonmetro counties around tourism destinations such as Branson, the Lake of the Ozarks and the town of Eminence also had relatively higher microbusiness densities.

**Additional Resources**

- GoDaddy provides online microbusiness density and activity index data for most U.S. counties. Online business activity research in 2021 and 2022 indicated that increases in microbusiness density, coupled with higher broadband adoption levels, had positive spillover effects on the economy in terms of lower unemployment rates and higher incomes.
- Missouri Small Business Development Centers (SBDC) offer free resources and counseling to Missourians interested in scaling a part-time gig into a full-time business.

All Missouri Economy Indicators briefs in this series are available at [http://muext.us/MissouriEconomyIndicators](http://muext.us/MissouriEconomyIndicators)

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