

The Microbusiness Activity Index and Local Entrepreneurship



William Yu
Economist
UCLA Anderson Forecast

The GoDaddy/UCLA Microbusiness Activity Index (MAI) is a barometer for everyday entrepreneurs.



Infrastructure

- Broadband/computer
- Human capital



Participation

- GD ventures density & growth



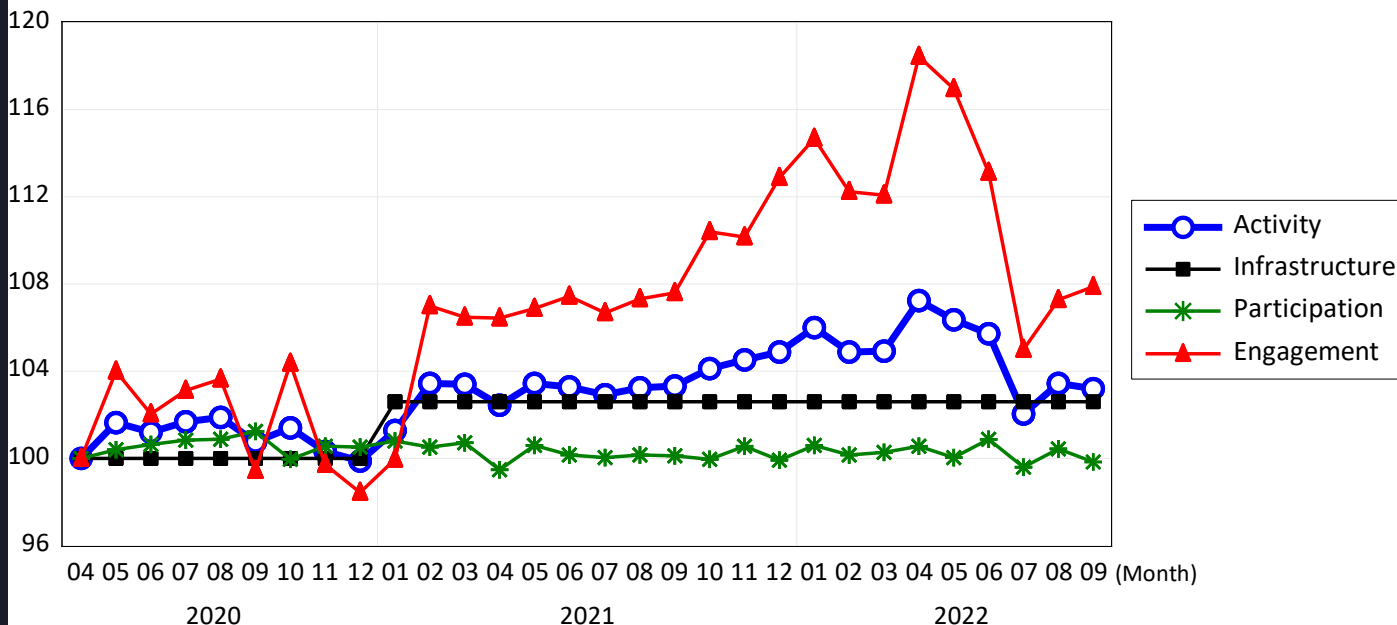
Engagement

- Various online/website activities

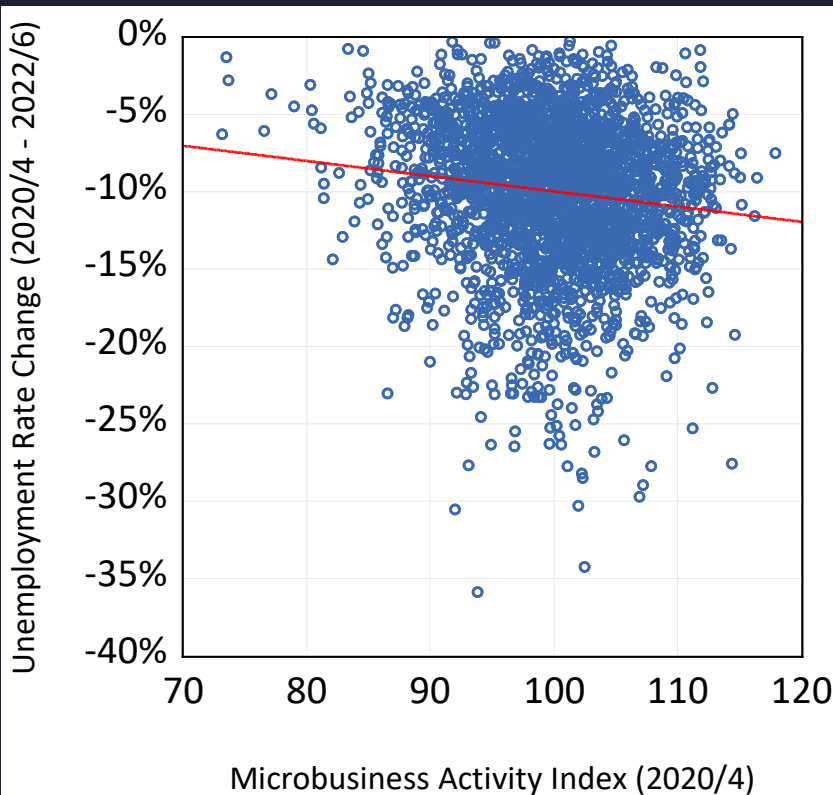
<https://www.anderson.ucla.edu/about/centers/ucla-anderson-forecast/projects-and-partnerships/godaddy>
<https://www.godaddy.com/ventureforward/explore-the-data/?section=mai&cfips=6073>

The MAI increased in 2021 and 2022 driven mostly by surging engagement index during the pandemic

Figure 1. Microbusiness Activity and Sub-Indices (Even-Weight, U.S.)

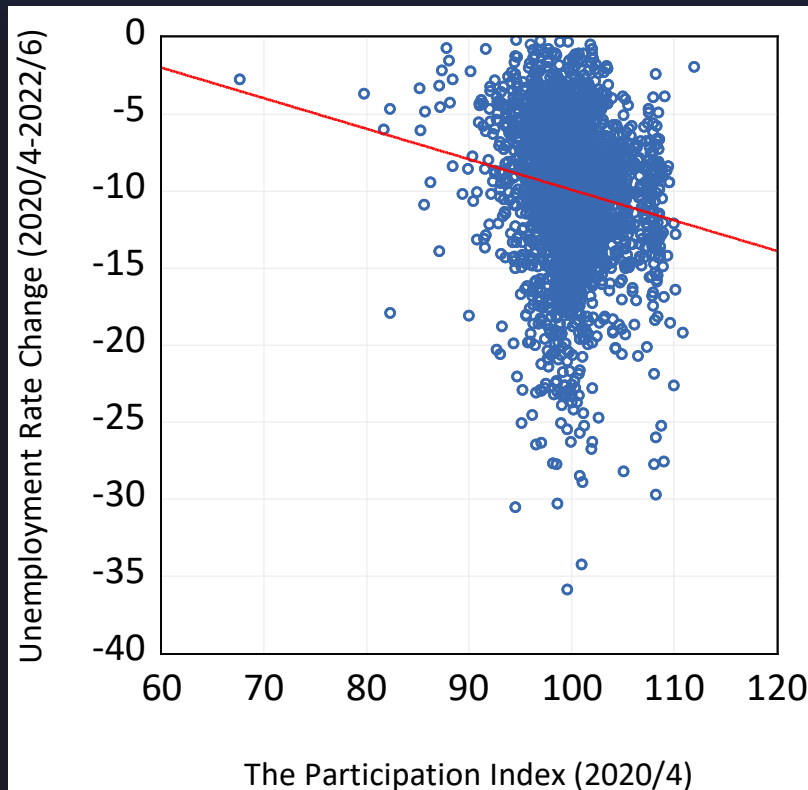


Counties with high MAI in Apr 2020 had larger unemployment declines in the following two years. One MAI increase is correlated to 0.1 percentage point decrease of unemployment rate.

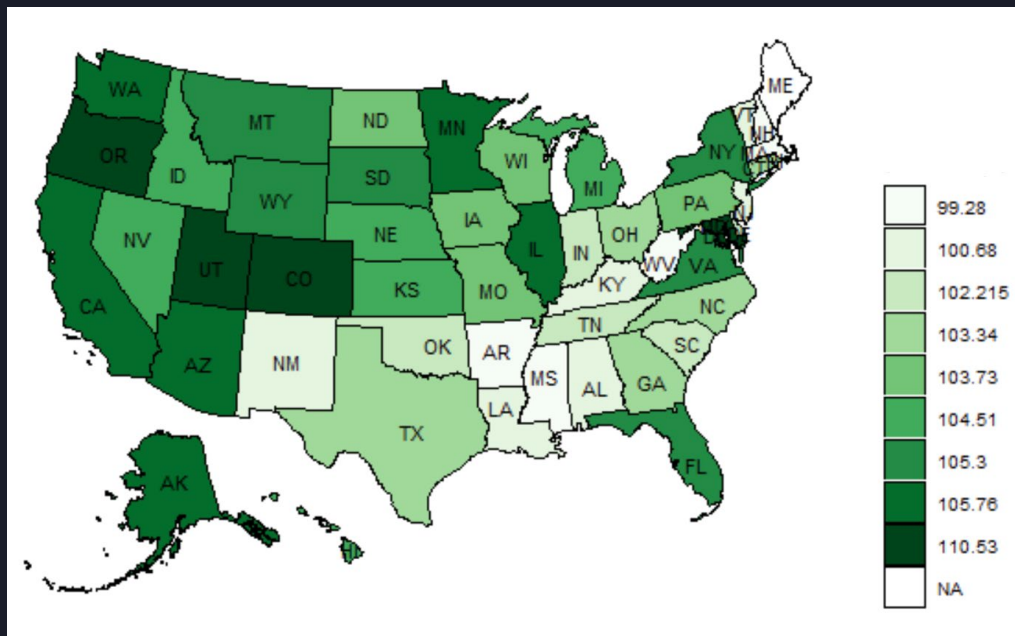


The negative correlation between MAI and unemployment is mostly driven by the participation.

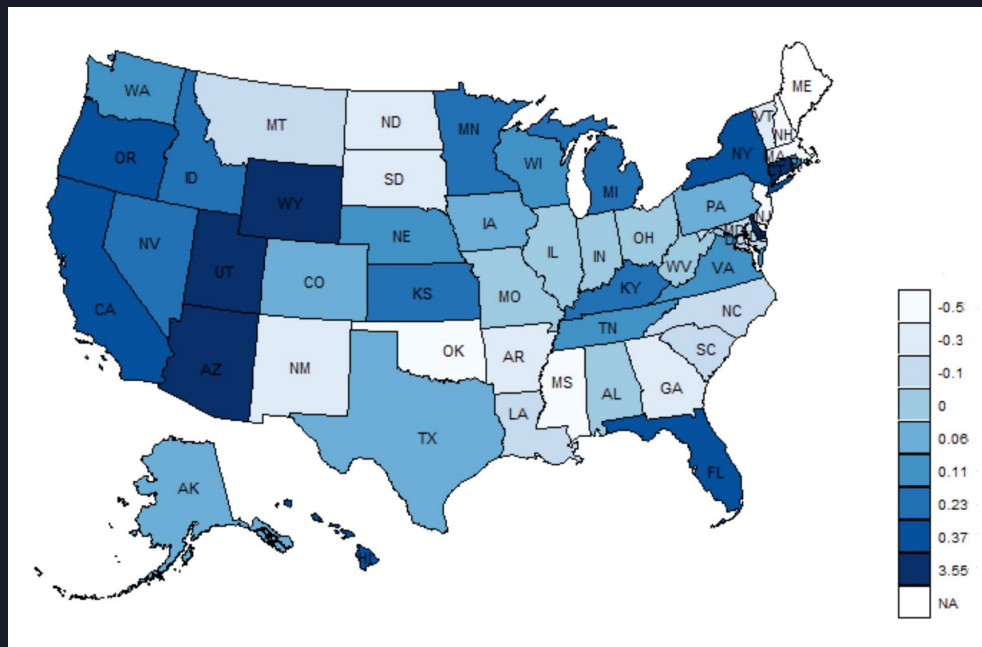
One participation increase is correlated to 0.2 percentage point decrease of unemployment rate.



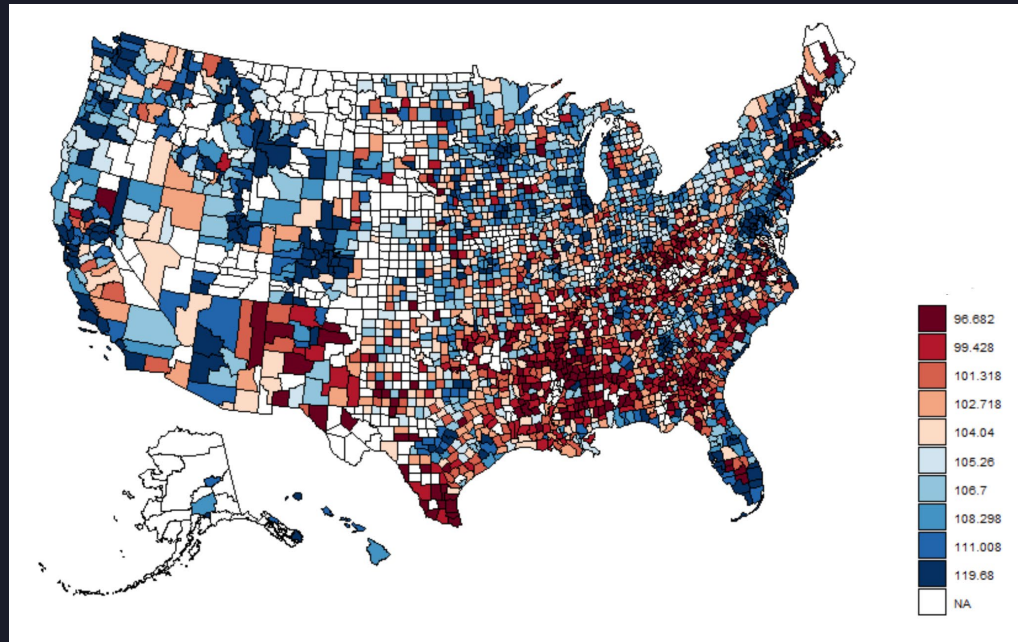
Colorado, Utah, Oregon have highest MAIs due to the high participation

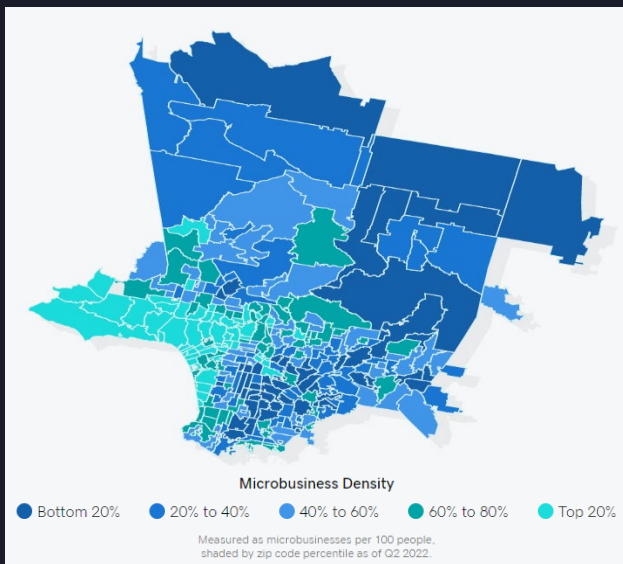


Connecticut, Delaware, Utah, and Wyoming had highest increases in MAI from 2021 to 2022.

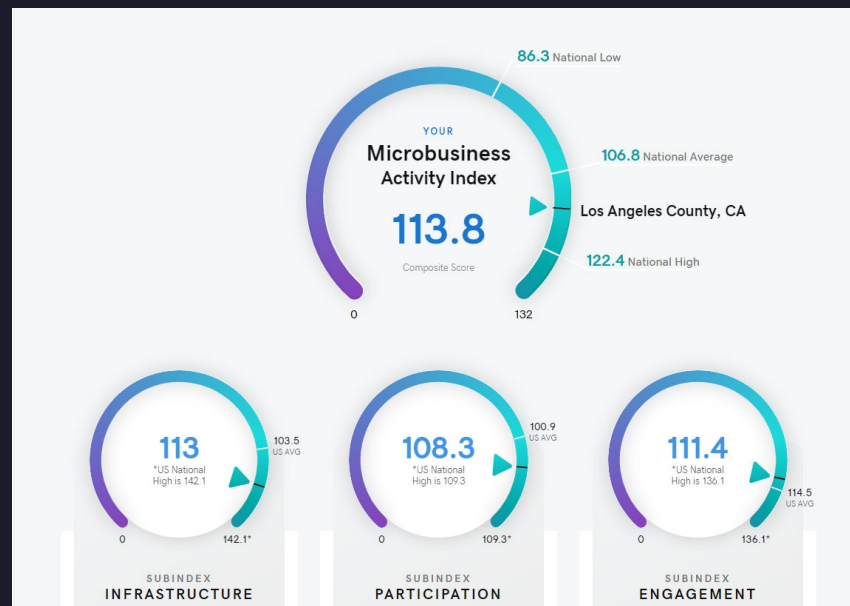


Counties had varied MAIs in Sept. 2022.



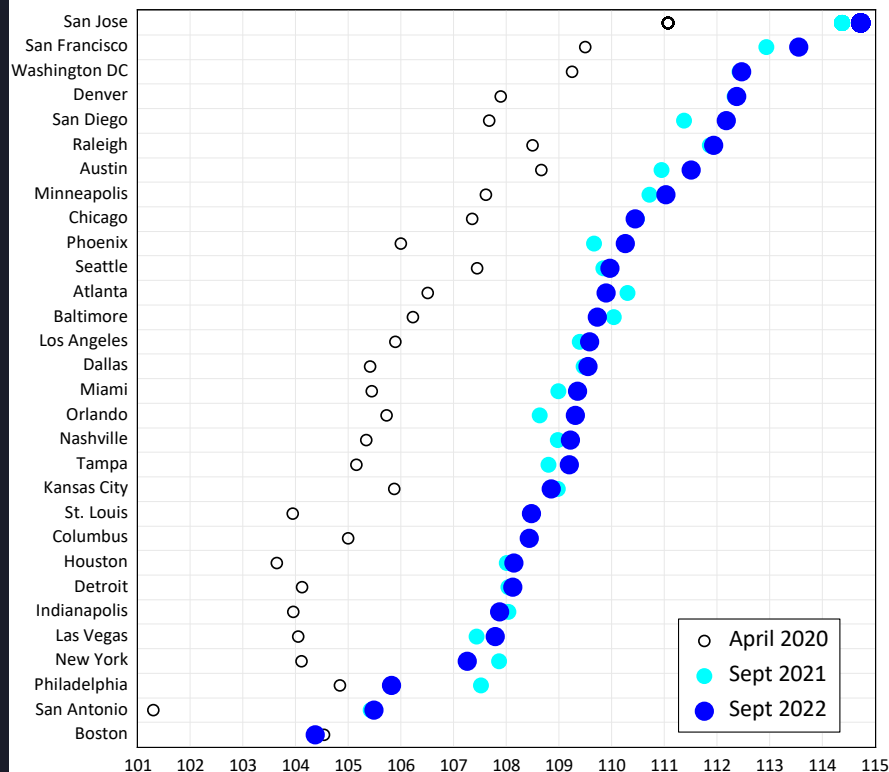


GoDaddy provides this interactive venture forward site for MAI details.

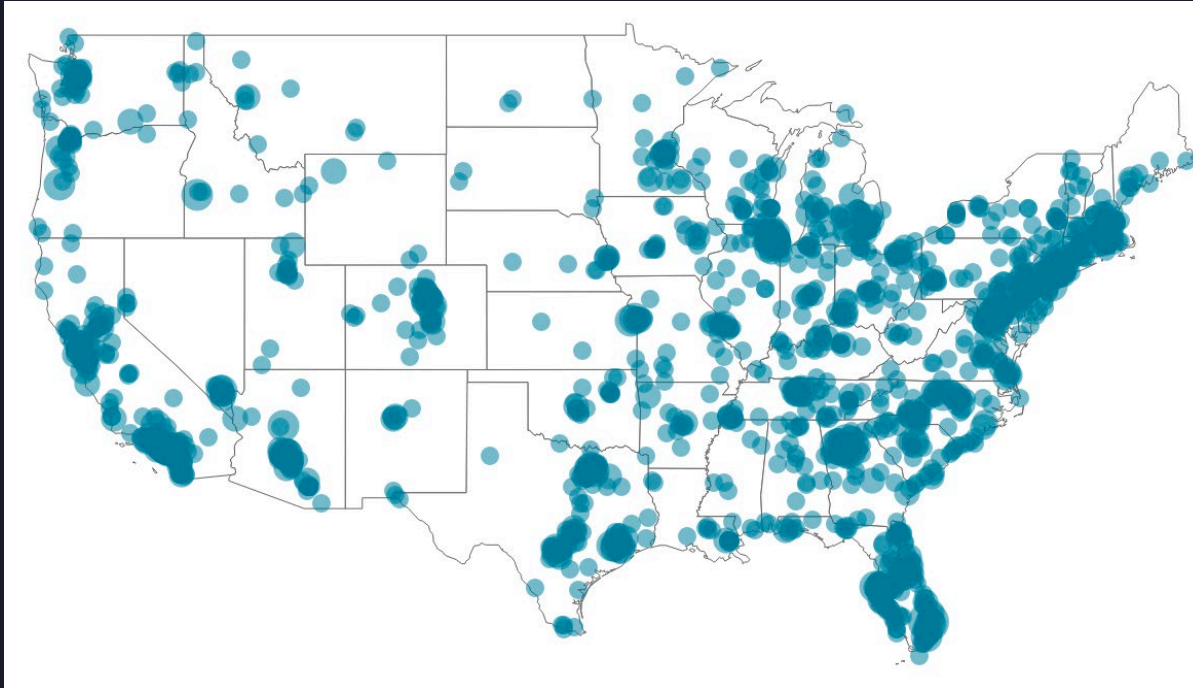


San Jose, San Francisco, DC, Denver, and San Diego had highest MAIs among 30 largest metros in Sept 2022.

Figure 6. Microbusiness Activity Index, Selected 30 Metros, April 2020, Sept 2021, and Sept 2022

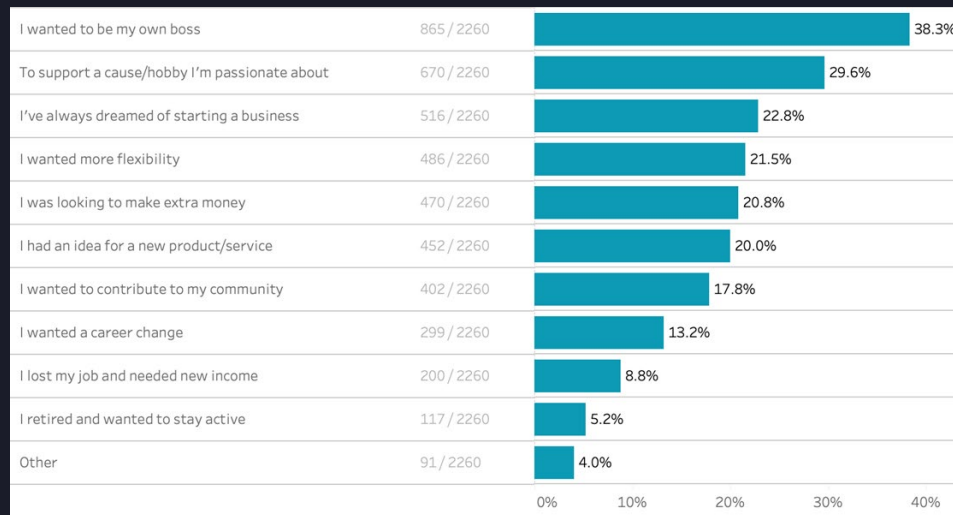
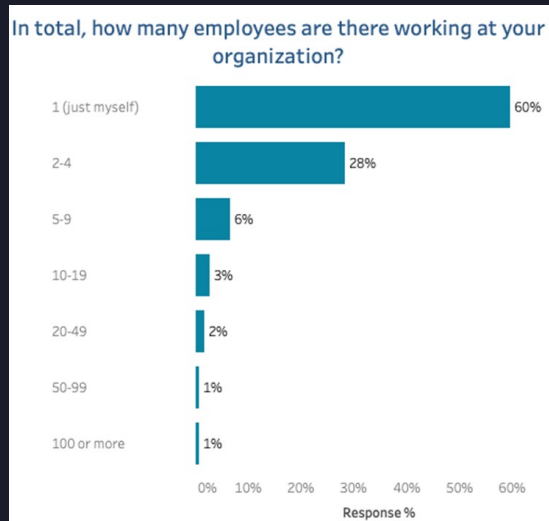


GoDaddy surveyed 2,289 microbusiness owners across the U.S. in February 2022.



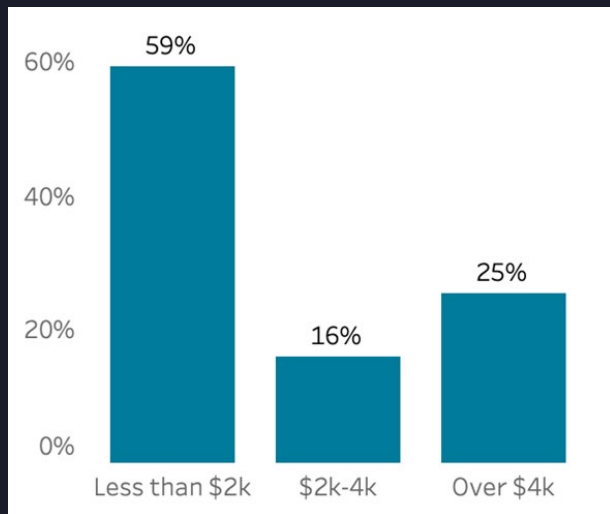
Source: GoDaddy Venture Forward National Survey Summary
*not pictured: HI (8 respondents) and AK (6 respondents)
*dots designate **business** zip codes

- 60% of business owners are solopreneurs. 40% created more than 1 job.
- Motivations of these entrepreneurs are all supportive to a healthy economy and society.



Microbusiness and everyday entrepreneurs created value and revenue locally and nation wide.

Q. What is your estimated average gross monthly income from your business?



Q. Where do you conduct your business?

