

United States

Small businesses are key to the nation's well-being. They account for a significant share of the U.S. economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status of small business and their contributions to the U.S. economy. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 27.3 million in 2008. Of these, approximately 6 million were employers, and they accounted for 49.6% of U.S. private-sector jobs (Table 1). Small firms made up 99.7% of U.S. employers.
- Real GDP growth in the United States increased by 0.7%, and private-sector employment decreased by 5.5% in 2009.
- Business ownership is becoming more inclusive in the United States, with gains in women- and minority-business ownership. Minority-owned businesses numbered 5.8 million in 2007, a 45.6% increase over 2002; women-owned businesses totaled 7.8 million, a 20.1% increase over the five-year span.
- Small business employment has undergone major shifts in recent years (Table 2).
- Businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

United States Small Business Facts			
	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	5,911,663	6,031,344	5,635,391
Large employers (500+ employees)	18,469	18,311	17,153
Nonemployers	21,351,320	21,708,021	16,529,955
	Level in 2007*	% Share in 2007	% Change 2002–2007
Business Owner Demographics			
Male-owned	13,910,634	51.3	5.5
Woman-owned	7,793,425	28.7	20.1
Equally male/female-owned	4,602,312	17.0	70.9
African American-owned	1,921,907	7.1	60.5
Asian-owned	1,552,505	5.7	40.7
Hispanic-owned	2,260,309	8.3	43.7
Native American/Alaskan-owned	237,386	0.9	17.9
Hawaiian/ Pacific Islander-owned	38,881	0.1	34.3
Veteran-owned	2,449,477	9.0	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	106,947	-5.5	-2.8
Government employment	21,617	0.2	9.1
Self-employed (incorp. & uninc.)	15,314	-3.8	6.7
Female self-employment	5,207	-1.6	5.9
Male self-employment	10,107	-4.9	7.1
Minority self-employment	3,300	-3.0	47.8
Veteran self-employment	1,490	-7.0	-27.1
Unemployment rate (%)	9.3	3.5†	5.3†
Business Turnover			
Quarterly establishment openings	1,374,000	-3.8	-1.2
Quarterly establishment closings	1,574,000	1.2	20.1
Business bankruptcies	60,837	39.7	72.7
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	1,021.0	1,106.6	730.5
Number of bank branches	98,943	98,525	84,871
No. of bus. loans under \$100,000‡	5,834,586	10,249,355	3,965,304
Total value of business loans under \$100,000 (\$million)‡	73,330	119,652	51,887
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Administration, Office of Advocacy.			
*Latest available data. †Percentage point change. ‡Data are for CRA loans.			

**Table 1: Firms and Employment in the United States by Industry and Firm Size, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	21,351.3	5,930.1	5,295.0	5,911.7	120,903.6	21,461.7	59,694.0
Forestry, etc. and agriculture support	230.9	21.9	20.5	21.8	167.0	70.6	140.8
Mining	108.7	21.3	17.8	20.9	629.3	73.9	267.8
Utilities	18.3	5.8	4.4	5.6	639.4	18.1	108.5
Construction	2,528.0	761.5	697.6	760.3	7,043.6	2,587.0	5,921.3
Manufacturing	314.5	281.6	208.7	277.6	13,096.2	1,164.7	5,850.5
Wholesale trade	388.3	328.8	280.2	325.6	6,165.2	1,202.9	3,694.7
Retail trade	1,875.4	693.1	628.7	690.9	15,614.8	2,743.8	6,005.1
Transportation and warehousing	1,039.5	169.9	149.0	167.7	4,438.9	545.6	1,620.6
Information	306.4	72.7	61.3	71.7	3,434.2	242.9	916.5
Finance and insurance	733.5	253.4	232.6	251.7	6,511.6	751.5	2,094.1
Real estate and rental and leasing	2,130.4	283.6	269.1	282.4	2,196.3	739.9	1,445.1
Professional, scientific, and technical svcs.	3,028.7	771.7	721.8	768.7	8,032.8	2,300.0	4,910.5
Management of companies and enterprises	--	27.6	5.3	20.2	2,887.4	15.2	368.9
Admin., support, waste mgt., remed. svcs.	1,826.5	332.2	290.9	328.5	10,224.6	1,065.4	3,764.5
Educational services	551.7	78.6	60.7	77.4	3,141.3	278.1	1,408.0
Health care and social assistance	1,811.6	621.0	539.5	617.0	17,217.3	2,612.3	8,210.6
Arts, entertainment, and recreation	1,121.4	115.4	99.4	114.6	2,069.3	360.2	1,330.5
Accommodation and food services	308.3	476.9	379.3	474.9	11,926.3	2,138.8	7,005.4
Other services (except public admin.)	3,029.4	667.0	620.7	665.6	5,452.6	2,536.1	4,615.2
Unclassified	--	12.9	12.9	12.9	15.4	D	15.4

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	1,241,428	897,296	141,057	-11,959	-131,095	83,803	979,102	262,326
2005 - 2006	3,598,320	1,001,960	295,521	292,065	590,139	345,925	2,525,610	1,072,710
2006 - 2007	537,202	932,600	81,166	-27,147	-120,782	-240,560	-88,075	625,277

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	325	1,272	1,711	417	1,143	4,603	7,045	1,441
Quarter 2	343	1,332	1,621	394	1,304	5,116	6,598	1,401
Quarter 3	328	1,331	1,522	397	1,184	5,112	5,852	1,408
Quarter 4	378	1,367	1,489	366	1,306	5,322	5,546	1,275

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)

Note: These figures contain all firm sizes; Census data from 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.