

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

UNITED STATES



29.6 million
99.9%

Small Businesses
of United States Businesses

57.9 million
47.8%

Small Business Employees
of United States Employees



EMPLOYMENT
1.4 million
net new jobs



DIVERSITY
8.0 million
minority-owned
businesses



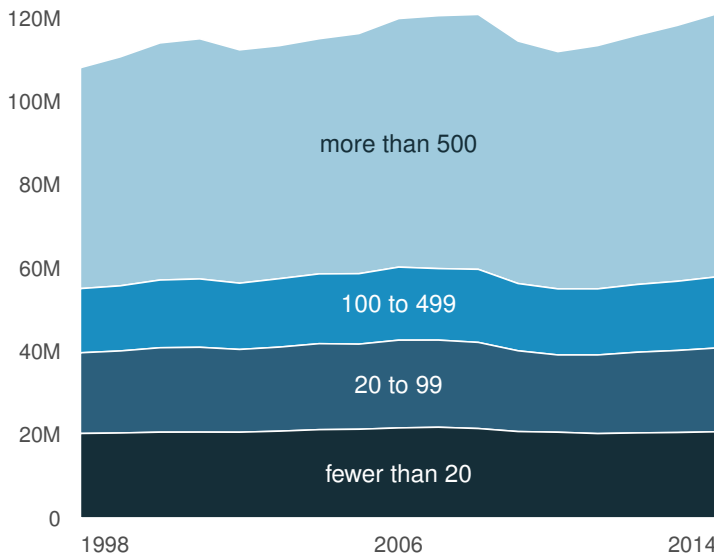
TRADE
97.7%
of United States
exporters

OVERALL UNITED STATES ECONOMY

- Multiple economic indicators consistently signaled a strengthening US economy in 2016. In the second quarter of 2016, the United States grew at an annual rate of **1.2%**. The United States's 2015 growth rate of **2.5%** was up from the 2014 rate of **2.2%**. (Source: BEA)
- The employment situation in the United States continued to improve. In December 2016, the unemployment rate was **4.7%**, down from **5.0%** at the close of 2015. (Source: CPS)

EMPLOYMENT

Figure 1: United States Employment by Business Size (Employees)



- United States small businesses employed **57.9 million** people, or **47.8%** of the private workforce, in 2014. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- During the year ending December 2016, private-sector employment increased **1.4%**. This was below the previous year's increase of **1.7%**. (Source: CPS)
- The number of proprietors increased in 2015 by **2.9%** relative to the previous year. (Source: BEA)
- Small businesses created **1.4 million** net jobs in 2014. Among the seven BDS size-classes, firms employing 20 to 49 employees experienced the largest gains, adding **279,691** net jobs. The smallest gains were in firms employing 5 to 9 employees, which added **114,447** net jobs. (Source: BDS)

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, 5.2 million loans under \$100,000 (valued at \$73.6 billion) were issued by United States lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was \$49,804 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$22,424. (Source: [ACS](#))

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

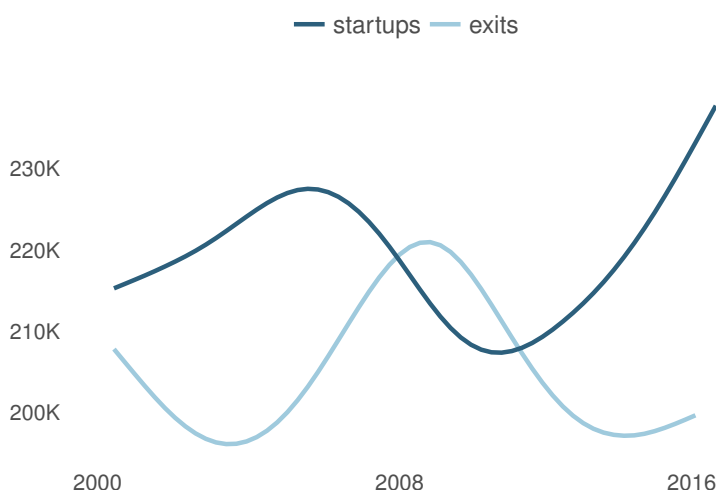
Figure 2: United States Small Business Ownership, 2012



Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 8 female-owned firms per 100 working age females or $9.9M \div 125.2M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: United States Quarterly Startups and Exits



- In the second quarter of 2015, 234,000 establishments started up, generating 839,000 new jobs in the United States. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, 213,000 establishments exited resulting in 735,000 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: [BDM](#))
- Figure 3 displays quarterly startups and exits from 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings.

INTERNATIONAL TRADE

- A total of 304,466 companies exported goods from the United States in 2014. Among these, 297,519, or 97.7%, were small firms; they generated 33.4% of the United States's \$1.4 trillion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: United States Employment by Industry, 2014





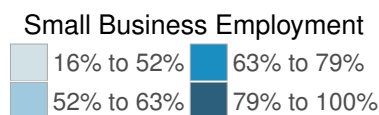
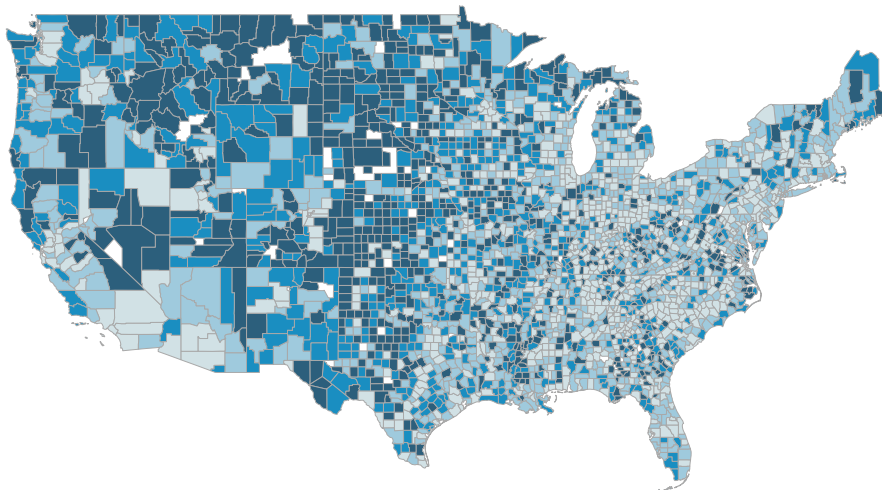
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	8,585,726	18,852,038	46%
Accommodation and Food Services	7,712,638	12,791,928	60%
Retail Trade	5,444,994	15,372,632	35%
Manufacturing	5,115,574	11,424,251	45%
Professional, Scientific, and Technical Services	4,975,653	8,619,574	58%
Construction	4,726,142	5,705,146	83%
Other Services (Except Public Administration)	4,584,117	5,347,121	86%
Administrative, Support, and Waste Management	3,582,293	10,579,324	34%
Wholesale Trade	3,472,629	5,966,747	58%
Finance and Insurance	1,930,262	6,078,713	32%
Transportation and Warehousing	1,610,300	4,406,767	37%
Educational Services	1,564,776	3,562,364	44%
Real Estate and Rental and Leasing	1,390,267	2,021,372	69%
Arts, Entertainment, and Recreation	1,344,150	2,170,121	62%
Information	895,314	3,364,530	27%
Mining, Quarrying, and Oil and Gas Extraction	309,203	758,971	41%
Agriculture, Forestry, and Fishing and Hunting	133,704	156,363	86%
Utilities	111,648	637,840	18%
Total	57,894,592	121,069,944	48%

Figure 4: United States Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: United States Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (Except Public Administration)	674,514	630,321	3,680,189	4,354,703
Professional, Scientific, and Technical Services	786,915	739,410	3,363,252	4,150,167
Construction	653,598	603,833	2,442,519	3,096,117
Real Estate and Rental and Leasing	281,567	268,892	2,543,791	2,825,358
Health Care and Social Assistance	646,954	565,139	1,986,042	2,632,996
Retail Trade	648,572	593,352	1,960,682	2,609,254
Administrative, Support, and Waste Management	327,706	291,391	2,075,368	2,403,074
Arts, Entertainment, and Recreation	118,566	103,075	1,311,429	1,429,995
Transportation and Warehousing	171,251	152,552	1,250,881	1,422,132
Finance and Insurance	234,350	217,435	715,767	950,117
Accommodation and Food Services	506,725	397,554	364,001	870,726
Educational Services	86,549	68,347	677,143	763,692
Wholesale Trade	306,839	264,889	416,799	723,638
Manufacturing	248,152	188,361	350,346	598,498
Information	72,028	62,164	331,061	403,089
Agriculture, Forestry, and Fishing and Hunting	21,075	19,752	237,817	258,892
Mining, Quarrying, and Oil and Gas Extraction	22,376	18,766	109,866	132,242
Utilities	5,726	4,518	19,984	25,710
Total	5,806,382	5,205,640	23,836,937	29,643,319

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

