

Small Business Facts

SMALL BUSINESS JOB CREATION

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Small business employment rebounded after recession

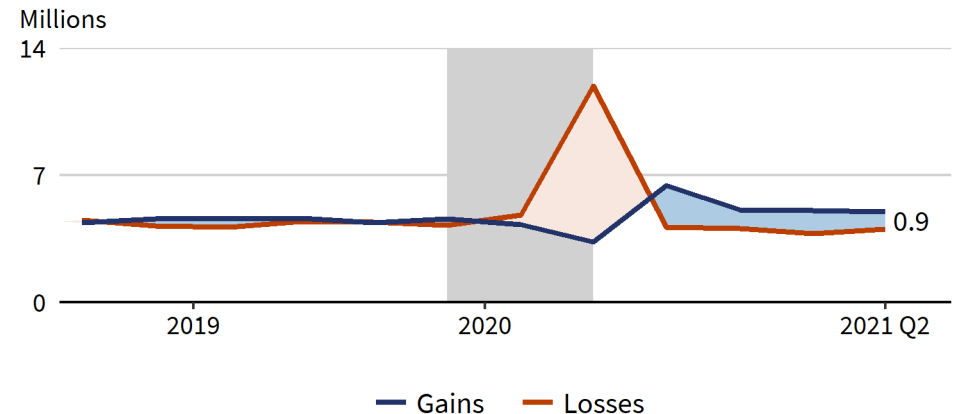
The COVID-19 pandemic brought economic recession and the most severe decline in employment since the Great Depression. The [Business Employment Dynamics](#) data series published by the Bureau of Labor Statistics shows changes in employment by business size. During the first two quarters of 2020, small business employment declined by 9.1 million. The net loss of 8.6 million jobs in the second quarter of 2020 is the biggest quarterly loss since the beginning of the data series in 1992. However, small business employment grew rapidly after the recession. The four quarters following the recession are the four quarters of highest growth in the data series. Growth in those quarters totaled 5.5 million jobs, offsetting 60 percent of the decline during the first two quarters of 2020. In the second quarter of 2021, the most recent quarter for which data are available, small business employment grew by 939,000.

Small businesses have accounted for 2 out of every 3 jobs added in the past 25 years

Small businesses create majority of employment growth

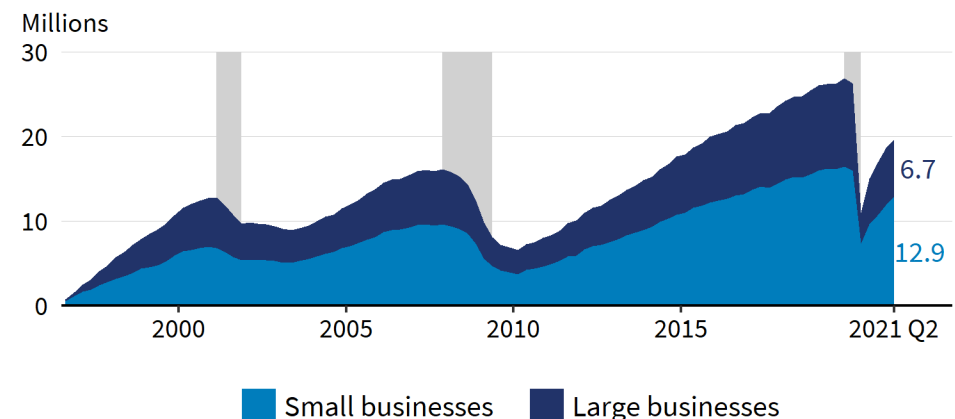
Large businesses, those with 500 or more employees, also had big employment declines during the recession. However, their recovery was more limited. During the first two quarters of 2020, employment by large businesses fell by 6.8 million. In the four quarters following the recession, employment by large businesses rose by 3.1 million, offsetting 46 percent of the decline. Despite the jobs lost during the recession, large businesses generated 6.7 million net new jobs over the past 25 years. During the same period, small businesses generated 12.9 million net new jobs, meaning small businesses have accounted for 66 percent of employment growth over the last 25 years.

Job gains and losses at small businesses



Gray areas indicate economic recession.
Source: Business Employment Dynamics, Bureau of Labor Statistics

Net job creation over 25 years



Gray areas indicate economic recession.
Source: Business Employment Dynamics, Bureau of Labor Statistics