



Office of Advocacy  
Regulation. Research. Outreach.

OFFICE OF ECONOMIC RESEARCH

# ANNUAL REPORT

FY2024

[advocacy.sba.gov](https://advocacy.sba.gov)

Created by Congress in 1976, the Office of Advocacy (Advocacy) of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. Appointed by the President and confirmed by the U.S. Senate, the Chief Counsel for Advocacy directs the office. The Chief Counsel advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policymakers. Economic research, policy analyses, and small business outreach help identify issues of concern. Regional Advocates and an office in Washington, D.C., support the Chief Counsel's efforts.

The views expressed here by Advocacy do not necessarily reflect the position of the Administration or the SBA because Advocacy is an independent entity within the U.S. Small Business Administration.

For more information on the Office of Advocacy, visit <https://advocacy.sba.gov> or call (202) 205-6533.

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## Introduction

The Office of Advocacy (Advocacy) was created by Congress to monitor the health of small businesses and promote policies to support their development and growth. Established in 1976, the founding Congressional mandate and primary function of Advocacy was to “examine the role of small business within the American economy and the contribution which small business can make in improving competition, encouraging economic and social mobility ... and providing an avenue through which new and untested products and services can be brought to the marketplace.”<sup>1</sup> This function is carried out by Advocacy’s economics team, the Office of Economic Research (OER).

To provide continued support of this mission, in FY 2024, OER produced new research on small businesses, presented economic analysis to federal agencies and stakeholders, and, in conjunction with Advocacy’s legal team, the Office of Interagency Affairs, reviewed and evaluated federal regulatory proposals for small business impacts. Throughout the year, Advocacy produced 20 new research products on small businesses and gave 25 economic presentations.

In fiscal year 2024 (October 2023 through September 2024), OER added two new research products to its publication roster: *Small Business Spotlights* and the *Small Business Rural Area Profile*. *Small Business Spotlights* are a new research report series providing brief analysis of timely topics. In FY 2024, OER published two spotlights: one on small business job creation and the other languages spoken by U.S. business owners. The new rural profile, now covering rural areas, metropolitan areas, congressional districts, states, territories, and an U.S. national profile, capture small business economic activity in the geographic area and highlight key small business statistics in business dynamics, employment, lending, exports, industry trends, and owner demographics.

OER research shined new light on several important small business topics. In a new report, released in April 2024, *An Examination of Entrepreneurship among Americans with Disabilities: Demographics and Economic Outcomes amid the COVID-19 Pandemic*, the authors found that business owners with disabilities were disproportionately affected by the pandemic. In *Patterns of Small Business and Young Business Hires Pre & Post COVID-19 by Region*, the author found that after the first year of the pandemic, the strongest growth areas in small business hiring were in the South and West; in hospitality, trade, and health care sectors; and by firms with less than 20 employees.

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<sup>1</sup> Public Law 94-305, 1976.

Through research, OER mapped new terrain in small business contributions to international trade, the falling share of small businesses' percentage of overall receipts, and the small business makeup of the childcare industry.

To achieve Advocacy's regulatory mission, OER regulatory economists updated Advocacy's Regulatory Flexibility Act training presentation slides to reflect economic analysis on small businesses. In addition, OER recommended federal agencies lower costs of regulatory proposals on small businesses before issuing new regulations to small businesses, which they are mandated to comply.

OER research products range from in-depth and detailed analysis such as economic studies and small business profiles to shorter, timely products such as fact sheets and issue briefs. FY 2024 research publications are listed and described in this report by the following categories:

- Employment
- Business Owner Demographics
- General Small Business
- International Trade
- Regulation

Advocacy partners with the U.S. Census Bureau to collect and publish economic data on small businesses covering industry counts, number of firms and establishments, employment, payroll, and business owner demographics. OER uses this data to conduct economic analysis of federal regulations during the regulatory development process and to publish small business statistics for policymakers and stakeholders. Detailed in the Small Business Data Resources section of this report, OER co-sponsors the production of economic data series on small businesses with the Census Bureau. In FY24, new data was expanded to cover firm age characteristics of nonemployers and industry statistics on receipts.

To access Advocacy's research publications, visit: [advocacy.sba.gov/category/research/](https://advocacy.sba.gov/category/research/). The research webpage is navigable by the following report categories:

- [Facts About Small Business](#) (OER infographics, FAQs, bulletins, and fact sheets)
- [State Profiles](#) (OER's annual publications on small business statistics by geographic area)
- [Economic Studies](#) (issue briefs and contracted economic studies)
- [Research Spotlights](#) (brief analysis of timely topics)
- [Small Business Data Resources](#) (links to public economic datasets on small businesses)

## Advocacy Research Reports by Topic, FY 2024

Advocacy produced 20 research reports in FY 2024 on a variety of topics, which are listed below by topic and release date. Two reports, *An Examination of Entrepreneurship among Americans with Disabilities: Demographics and Economic Outcomes amid the COVID-19 Pandemic* and *Patterns of Small Business and Young Business Hires Pre & Post COVID-19 by Region* were produced by contracted researchers. The rest of the research products were produced in-house by Advocacy economists.

### Employment

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#### [All Grown Up: How Small Business Jobs Transition through the Economy](#)

**Author:** Robert Press

**Released:** June 2024

**Description:** A decade of economic data to answer a simple question: Where do all the small business jobs go? This article sheds light on how small business jobs matriculate through the economy and what this means for businesses and job creation.

#### [Patterns of Small Business and Young Business Hires Pre & Post COVID-19 by Region](#)

**Author:** Kathryn Kobe, ION Economics, LLC

**Released:** January 2024

**Description:** The COVID-19 pandemic brought unprecedented issues to American entrepreneurs and examined how small businesses respond to economic shock. This report examines the small business job market before and after COVID-19, and sheds light on the experiences of business owners and job seekers during this time.

### Business Demographics

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#### [Small Business Facts: Hispanic Ownership Statistics 2024](#)

**Authors:** OER Staff

**Released:** September 2024

**Description:** Advocacy released its newest infographic spotlighting Hispanic-owned businesses in the U.S. Hispanics are the majority business owners of over 5 million firms, which employ nearly 3 million workers. According to the latest official data, Hispanic business owners represented 14.5% of business owners in 2022, a 13% increase from 2021.

### **Facts About Small Business: Asian American Pacific Islander Ownership Statistics 2024**

**Authors:** OER Staff

**Released:** May 2024

**Description:** Advocacy newest infographic spotlights Asian American and Pacific Islander-owned businesses. Asian American and Pacific Islanders own over 3 million firms, employing 5.2 million people. Advocacy's infographics use the most recent Census Bureau data to show the contributions of Asian American and Pacific Islander-owned businesses to the U.S. economy.

### **An Examination of Entrepreneurship among Americans with Disabilities: Demographics and Economic Outcomes amid the COVID-19 Pandemic**

**Author:** Premier Quantitative Consulting, Inc.

**Released:** April 2024

**Description:** Entrepreneurship empowers people with disabilities and provides a unique opportunity for them to create an accommodating work environment specific to their needs. In this report, we examine economic data of U.S. business owners with disabilities throughout the pandemic and we explore how COVID-19 contributed to the challenges that those business owners faced.

### **Women Ownership Statistics 2024**

**Author:** OER Staff

**Released:** March 2024

**Description:** Advocacy has released its newest infographic spotlighting women-owned businesses. Women own more than 12 million businesses and employ over 10.7 million workers. Advocacy's infographic uses the most recent Census Bureau data to show how women-owned businesses contribute to the American economy.

### **Facts About Small Business: Black Ownership Statistics**

**Author:** OER Staff

**Released:** February 2024

**Description:** Advocacy released an updated infographic showcasing Black-owned businesses. Black business owners own 3.5 million businesses and employ more than 1.2 million people. This represents an annual increase of over 7 percent in people employed by Black entrepreneurs. The infographic uses the most recent Census Bureau data to show the contributions of Black-owned businesses in the United States.

### **Facts About Small Business: Native American-Owned Businesses**

**Author:** OER Staff

**Released:** November 2023

**Description:** Advocacy has released its newest infographic spotlighting Native American-owned businesses. Native Americans own 341,064 businesses and employ over 215,000 Americans. Advocacy's infographic uses the most recent Census Bureau data to show the contributions of Native American-owned businesses to the U.S. economy.

### **Facts About Small Business: Veteran Ownership Statistics**

**Author:** OER Staff

**Released:** November 2023

**Description:** Advocacy's newest infographic spotlights veteran-owned businesses. Veterans own more than 1.9 million businesses and employ almost 5.5 million Americans. The infographic uses the latest annual Census Bureau data for employers and nonemployers to show the contributions of veteran small businesses.

## **General Small Business**

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### **The Childcare Industry: A Small Business Perspective**

**Authors:** Jonathan Plante

**Released:** September 2024

**Description:** The information in this issue brief fills a data gap in childcare industry research by taking a closer look at the numbers from a small business perspective. We review more than two decades of data to develop a clear picture of the state of the childcare industry today.

### **Small Business Economic Bulletin, Third Quarter**

**Authors:** Brian Headd and Victoria Williams

**Released:** September 2024

**Description:** Current data indicates that small businesses continue to grow and financing for small businesses is increasingly showing signs of life. Overall, the share of financing requested and received by small firms has rebounded to pre-pandemic levels.



### **Rural Areas 2024 Small Business Profile**

**Authors:** Daniel Wilmoth

**Released:** August 2024

**Description:** In metropolitan areas, small businesses accounted for 47.1 percent of employment. Outside of metropolitan areas, small businesses accounted for 56.6 percent. However, the small business share of employment outside of metropolitan areas has steadily declined since 2012. This Rural Areas Profile outlines the most up to date economic activity data of the rural areas in this country. We explore small business trends, industries, demographics, lending, and employment growth over recent years.

### **Frequently Asked Questions About Small Business, 2024**

**Authors:** OER Staff

**Released:** July 2024

**Description:** Advocacy's most popular publication, Frequently Asked Questions About Small Business, gathers the most up-to-date statistics about American small businesses in one place. The FAQ About Small Business is a convenient place to find facts about the state of the small business economy such as: the percentage and number of small businesses, employment and payroll of small businesses, and percent of small business gross domestic product.

### **Small Business Facts: Characteristics of Family-Owned Businesses**

**Authors:** Victoria Williams

**Released:** April 2024

**Description:** Family-owned businesses are central to the U.S. economy. Advocacy has released a fact sheet outlining recent data about these businesses. Review the recent trends in family-owned business employment and learn more about the common characteristics of family-owned businesses in this newest release.

### **Small Business Economic Bulletin, Second Quarter**

**Authors:** Brian Headd and Victoria Williams

**Released:** May 2024

**Description:** Advocacy's second-quarter economic bulletin analyzes the current state of the small business economy. Entrepreneurship rates remain strong, with self-employment and business applications both high. However, finance indicators have shown mixed signs, with rising interest rates and lower demand from small businesses.

### **Unpacking the Declining Receipts Share of Small Firms**

**Author:** Robert Press

**Released:** May 2024

**Description:** In this issue brief, a detailed look at how the receipts share for small businesses has declined over recent years is examined. This brief explores the historical data of small business receipts and compares receipt growth among industries over time.

### **Small Business Economic Bulletin, December 2023**

**Authors:** Brian Headd and Victoria Williams

**Released:** January 2024

**Description:** Advocacy's winter economic bulletin analyzes the current state of the small business economy. Most small business indicators, including the number of firms and job creation numbers, look positive. However, there are lending worries as the supply and demand for small business bank loans weakens and small businesses turn to nontraditional lenders.

### **2023 Small Business Profiles for The States, Territories, And Nation**

**Author:** Daniel Wilmoth

**Released:** November 2023

**Description:** Advocacy's annual State Profiles gather the latest federal small business economic data into state-by-state snapshots of small business economic activity. The 2023 State Profiles uses the latest business dynamics data to highlight changes to employment and establishment openings and closings by state since the pandemic. Additionally, the profiles highlight each state's new small business lending by large banks, small business statistics by industry, small business exports, and business owner demographics using the latest federal data.

## **International Trade**

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### **What Do We Know About Small Businesses that Export?**

**Author:** Amanda Radwanski

**Released:** March 2024

**Description:** This issue brief takes a detailed look at small businesses that trade and export. While most businesses that export are small businesses, the bulk of U.S. export sales comes from large businesses. The brief discusses challenges small businesses face when entering the trade market as well as gain insight about how small businesses are currently navigating the export landscape. Regulation

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### **Report on the Regulatory Flexibility Act, Annual Report FY 2023**

**Author:** Advocacy Staff

**Released:** June 2024

**Description:** Advocacy’s “Report on the Regulatory Flexibility Act, FY 2023,” provides details on RFA activity in FY 2023. As the voice of small business in government, the Office of Advocacy works diligently to bring small businesses’ voices into the regulatory process.

In FY 2023, Advocacy submitted 46 formal comment letters to regulatory agencies, representing significant efforts by the office to serve as a watchdog for the RFA. In addition, Advocacy had 28 regulatory roundtables, captured reductions in regulatory burden for small businesses in four federal rules issued, and held RFA trainings to 139 federal officials in nine agencies throughout FY 2023.

## Small Business Data Resources

The Office of Advocacy provides links to the latest downloadable, publicly available data on small businesses from federal sources on its [Data on Small Business](#) webpage. The data covers small businesses, those with employees (employer firms) and those without employees (non-employer firms). Non-employer firms make up the bulk of small businesses, but employer firms contain the larger share of sales. For comparison purposes, statistics are also provided for large firms in the datasets. The employer data contains information for large firms. For research purposes, Advocacy defines a small business as an independent business having fewer than 500 employees.

In addition, banking data on small businesses is assembled in Advocacy's [small lending report series](#). While the employment size of a firm is used to define a small business, the banking data uses loan size of \$1 million or less to define small business loans.

The data are provided in a user-friendly format that allows researchers, policymakers, small business trade associations, small businesses, and the media to obtain the data needed to investigate the role and status of small firms in the economy.

Advocacy offers the small business community a list of hyperlinked [Small Business Data Resources](#) useful for researchers and policymakers. This invaluable research tool links to the main small business databases from federal agencies and the private sector. Data series cover a range of key topics such as demographics, employment, exports, finance, firm size data, income, geography, and industry.

### Small Business Economic Data

Data on employer firms by size of business are provided annually in Census Bureau's Statistics of U.S. Businesses (SUSB) and Business Dynamics Statistics (BDS) data series, as well as quarterly in the Bureau of Labor Statistics Business Employment Dynamics (BED) program. BDS and BED also provide data on age of business. The data programs are based on the universe of private-sector businesses in the U.S.

Detailed data on owner and business characteristics are available from the Annual Business Survey (ABS) conducted by the Census Bureau. The ABS replaces the Annual Survey of Entrepreneurs (ASE), and the Census Bureau's Survey of Business Owners (SBO). Owner

demographic data of nonemployer firms is now available in Census Bureau's Nonemployer Statistics by Demographics.

### **Statistics of U.S. Businesses**

Advocacy partially funds the Statistics of U.S. Businesses (SUSB) program, an employer firm size annual data series produced by the U.S. Census Bureau. An employer firm is defined as an aggregation of all establishments owned by a parent company. The SUSB's employer data include the number of firms, number of establishments, employment, and annual payroll for employment firm size categories by location and industry. In addition to firm size data, receipt data and size categories are available, but only in years ending in 2 or 7.

Industry information is available at the NAICS 6-digit level, providing data for over 1,000 industries. Geographic data for some of the data items is also available at the county and metropolitan statistical area level, but this data tends to be aggregated to a relatively high industry level.

### **Business Dynamics Statistics**

Census Bureau's Business Dynamics Statistics (BDS) provides another source of employer firm data, but by the age of the firm. BDS contains annual data for states, major industry, and some metropolitan statistical area data. The data series provides historical data going back to 1977, but the most current data lags a few years. BDS provides the number of firms, establishments, and employment by firm age, along with some dynamics so firm and job creation can be analyzed.

### **Business Employment Dynamics**

The Bureau of Labor Statistics' Business Employment Dynamics (BED) data program provides quarterly data with a focus on employment changes from establishment entry, growth, decline, and exit. BLS presents the data in two ways to capture seasonal firms by listing establishment openings, establishments that did not exist in the previous quarter, and establishment births, establishments that did not exist in the previous year. Classifications are similar for closings and deaths. Some employment data are by firm size such as in job creation and destruction tables, but a considerable amount of BED is establishment-based and does not contain an establishment or firm size component. These quarterly data date from 1992.

## **Nonemployer Statistics**

Census Bureau's Nonemployer Statistics provides data on the number of businesses without employees and receipts by state, metropolitan statistical area, and county with industry detail. A nonemployer firm is defined as one that has no paid employees, has annual business receipts of \$1,000 or more, and is subject to federal income taxes. Nonemployers account for about three percent of business receipts, and about 80 percent of all businesses. Nonemployer businesses can have more than one owner and referring to nonemployers as self-employed (a class of worker) is not entirely accurate.

## **Nonemployer Statistics by Demographics (NES-D)**

Advocacy partially funds the Census Bureau's Nonemployer Statistics by Demographics (NES-D); a relatively new data program providing annual estimates of the number and receipts of nonemployer business owners by race, ethnicity, sex, and veteran status.

The NES-D dataset spotlights the owners of nonemployers, which are businesses without employees. The data set illustrates how different groups fare in an important type of entrepreneurship. This annually released data is an important benchmark for tracking impacts of the COVID-19 pandemic on differing owner demographics. Tables for the NES-D data program are available for owner characteristics, sales size of firm, and legal form of organization. Additionally, the NES-D data series offers both industry detail and state and metro area breakdowns. NES-D is in the process of adding business age data to its data releases.

## **Annual Business Survey**

The Annual Business Survey (ABS) is conducted by the U.S. Census Bureau and the National Science Foundation's National Center for Science and Engineering Statistics. The ABS provides annual data on select economic and demographic characteristics of employer businesses. The ABS replaced the Annual Survey of Entrepreneurs (ASE). The ABS provides information similar to the ASE on demographic characteristics for employer businesses and their owners. Data covers all nonfarm employer businesses for the number of businesses, receipts, annual payroll, and employment by sex, race, ethnicity, and veteran status. Industry information is available at the 2-digit NAICS level for demographic and veteran status by state, and the top 50 metropolitan statistical areas. ABS data versions reference the prior year.

### **Business Trends and Outlook Survey**

Census' Business Trends and Outlook Survey (BTOS) is a bi-weekly survey of businesses resulting in a new economic indicator on businesses performance and expectations. With industry and geographic data and being so close to having data released in real time, policy makers can better understand the plight of small businesses in the face of adversity which can result in timely assistance to mitigate issues. Additionally, one could evaluate policy actions with such rich data.

The BTOS started in mid-2022, and in some ways BTOS is a natural evolution of the discontinued Census Small Business Pulse Survey which was invaluable in understanding the small business economy during COVID-19. BTOS tracks revenues, employment, inventories, the supply chain, closures, prices, impacts from disasters and other relevant business variables.

### **Call Report and Community Reinvestment Act Data**

The Federal Deposit Insurance Corporation provides comprehensive banking data for all FDIC insured institutions on a quarterly basis. Unlike the previous databases, the definition of a small business differs since it is defined by loan size as opposed to the size of the firm. Both the Call Report and CRA data define a small business loan as loans of \$1 million or less. The data contains the lending institution's name, geographic location, loan size, and assets.

### **Other Small Business Data Sources**

Other small business data sources used to study small businesses: The American Community Survey ([ACS](#)), Current Population Survey ([CPS](#)), and Survey of Consumer Finances ([SCF](#)). The ACS is a yearly household survey that is conducted by the Census Bureau that provides information on jobs, occupations, and education attainments in the United States. The CPS is a household monthly survey that is conducted by the Census Bureau, and contains supplemental data on earnings, education, health insurance coverage, contingent workers, unemployment insurance, and veteran status. The SCF is a household survey that is normally sponsored by the Federal Reserve in cooperation with the Department of the Treasury every three years. This survey provides information on the balance sheets, pensions, income, and demographic characteristics of U.S. families over time.