



Office of Advocacy at the U.S. Small Business Administration
Regulation. Research. Outreach.

OFFICE OF ECONOMIC RESEARCH
ANNUAL REPORT
FY2025

advocacy.sba.gov

The Office of Advocacy (Advocacy) at the Small Business Administration (SBA) was created by Congress in 1976 and provides an independent voice for small business within the executive branch. Appointed by the President and confirmed by the Senate, the Chief Counsel for Advocacy directs the office. The Chief Counsel advances the views, concerns, and interests of small businesses before Congress, the White House, federal agencies, federal courts, and state policy makers. Regional advocates and an office in Washington, DC support the Chief Counsel's efforts.

The statutory mission of Advocacy includes examining the role of small business in the economy. The Office of Economic Research accomplishes this objective by publishing small business research products and sponsoring and disseminating small business data and statistics. This report catalogues the research and data products published by Advocacy in Fiscal Year 2025.

The views expressed by Advocacy do not necessarily reflect the position of the Administration or the SBA, because Advocacy is an independent entity within the SBA. Advocacy can be contacted by emailing advocacy@sba.gov or calling (202) 205- 6533. To learn more about small businesses, regulatory issues, and Advocacy, connect with Advocacy through one of the following channels.

Stay Connected

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Introduction

The Office of Advocacy (Advocacy), located at the U.S. Small Business Administration, is an independent voice for small business within the executive branch. That statutory mission of Advocacy includes instructions 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.”¹

To support this mission, the Office of Economic Research (OER) provides a variety of timely and relevant research products, including infographics, issue briefs, fact sheets, and research studies. Discussions with small businesses and other stakeholders allow OER to report on issues that are currently affecting small businesses. In Fiscal Year 2025 (October 1, 2024, through September 30, 2025), OER published articles on manufacturing, artificial intelligence, and other pertinent topics. This report catalogues Fiscal Year 2025 publications, which are organized using the categories below:

*OER provides a variety of **timely and relevant research products**, including infographics, issue briefs, fact sheets, and research studies.*

- Access to Capital
- Business Demographics
- Employment
- Entrepreneurship
- General Small Business
- Regulation & Technology

In addition to producing research publications, Advocacy partners with the U.S. Census Bureau to collect and publish small business data. Economists throughout the federal government use this data to conduct economic analysis of federal regulations during the regulatory development process and to publish small

business statistics for policymakers and stakeholders. It is also used extensively by the research community and in OER publications to provide rich descriptions of the small business community.

¹ Public Law 94-305, 1976.

To access OER's research, please visit the [Research Publications](#) page on our website, where products are organized into the following categories:

- [Economic Bulletins](#) (frequent updates on the status of small businesses)
- [Economic Studies](#) (issue briefs and contracted economic studies)
- [Frequently Asked Questions](#) (the most requested statistics about small businesses)
- [Research Spotlights](#) (brief analyses of timely topics)
- [Small Business Facts](#) (infographics and fact sheets)
- [State Profiles](#) (annual publications of small business statistics by geographic region)

Advocacy Research Reports by Topic

In Fiscal Year 2025, OER delivered 18 presentations and published 21 research products. The research products are listed below by subject, with the newest items first in each category. These research products range from short and simple spotlights, fact sheets, and issue briefs to lengthy and complex economic research studies and geographic profiles.

Access to Capital

[Frequently Asked Questions about Small Business Finance, 2024](#)

Author: Office of Economic Research

Released: October 2024

Advocacy's Small Business Finance Frequently Asked Questions (FAQ) publication presents a broad range of finance data concerning small businesses in the United States. The Finance FAQ report is a convenient place to find information on small business financing, types and amounts of capital used by small businesses, the role different lending options play for small businesses, and characteristics of capital access by business owner demographic.

Business Demographics

[2025 Small Business Profile for Rural Areas](#)

Author: Daniel Wilmoth

Released: September 2025

Small businesses play a big role in the U.S. economy, especially in rural areas. The 2025 Small Business Profile for Rural Areas presents the latest economic data on small rural businesses in the U.S. While small businesses accounted for about 48 percent of employment in metropolitan areas, they accounted for over 56 percent of employment outside of metropolitan areas. This profile also reports statistics on industry makeup, demographics, farms, and lending outside of urban areas.

[2025 Small Business Profiles for the U.S. Territories](#)

Author: Daniel Wilmoth

Released: June 2025

The 2025 Profiles for the U.S. Territories show how many small businesses operate in each territory, broken down by firm size and industry. This report also provides statistics on small business employment and payroll, as well as details on new small business loans.

[2025 Small Business Profiles for the States and Nation](#)

Author: Daniel Wilmoth

Released: June 2025

The 2025 State Profiles provide state-level overviews of business dynamics, small business loans, industry breakdowns, business ownership demographics, and small business exports. The profiles also present data about small business openings and closings and employment changes across the country.

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

Author: Office of Economic Research

Released: November 2024

This new infographic spotlights veteran-owned businesses. Veterans were the majority owners of over 1.6 million firms, which employed nearly 3.3 million workers. According to the latest official data, veterans represent 5.5 percent of business owners in the U.S.

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

Author: Office of Economic Research

Released: November 2024

Advocacy's new infographic spotlights Native American-owned businesses in the U.S. Native Americans owned over 400,000 firms, which employed over 300,000 workers. According to the latest official data, Native Americans owned 1.2 percent of firms in the U.S. in 2021.

2024 Small Business Profiles for the States, Territories, and Nation

Author: Daniel Wilmoth

Released: November 2024

The 2024 State Profiles use the latest data from the federal government to describe small businesses in the states, territories, and nation. Topics covered include business dynamics, small business loans, and small business exports.

2024 Small Business Profiles for Major Metropolitan Areas

Author: Daniel Wilmoth

Released: October 2024

Advocacy's Office of Economic Research compiles the latest small business economic activity data for major metropolitan areas in the U.S. The metropolitan area profiles are part of Advocacy's state profile series, which provides user-friendly snapshots of national, state, and local small business statistics.

Employment

Facts About Small Business: Manufacturing Statistics 2025

Author: Office of Economic Research

Released: March 2025

Advocacy's infographic spotlights manufacturing statistics in the United States. According to the latest official data, small manufacturing firms represent 98 percent of manufacturing firms and employ 4.8 million workers.

Entrepreneurship

Working for Yourself: How the Self-Employed Use Time Differently

Author: Robert Press

Released: August 2025

Entrepreneurship provides many benefits for business owners. One of the most cited is the ability to manage your time and daily schedule according to your personal needs.

This issue brief explores exactly how self-employed individuals use their time when compared to the average salary and wage earners. Pre- and post-pandemic data are used to assess time use differences in daily activities and work patterns as well as the implications for the benefits of entrepreneurship.

On the Mend: How COVID-19 Transformed Healthcare Entrepreneurship

Author: Jonathan Plante

Released: December 2024

The impact of the COVID-19 pandemic will have a ripple effect on the U.S. economy for years to come. In this spotlight, we explore an industry sector that's seen an uptick in entrepreneurial activity – the healthcare sector. We review data on new business applications and firm entries to analyze changes to the sector since the pandemic and examine the drivers of recent sector trends.

General Small Business

Economic Bulletin, Second Quarter 2025

Author: Victoria Williams

Released: September 2025

Advocacy's quarterly Economic Bulletin analyzes the state of the small business economy. Recent data indicates a surge in optimism from community bankers in anticipation of a lower regulatory burden. The Community Bank Sentiment Index has been above 100 for two consecutive quarters for the first time in the survey's history.

Annual Report on the Office of Economic Research, FY24

Author: Office of Economic Research

Released: August 2025

To support Advocacy's mission of examining the contributions of small businesses to the American economy, OER spent FY 2024 providing timely and relevant research products, analyzing proposed regulations for small business impacts, and promoting and presenting its research and statistics to small business stakeholders.

During the fiscal year, Advocacy produced 20 new research products on small businesses and gave 25 economic presentations. OER also added two new research products to its publication roster: Research Spotlights and the Small Business Rural Area Profile. Research Spotlights are a new report series providing brief analysis of timely topics.

Annual Report on the Office of Economic Research, FY23

Author: Office of Economic Research

Released: August 2025

In FY 2023, OER provided relevant research products, analyzed proposed regulations for small business impacts, and promoted and presented its research and statistics to small business stakeholders. OER published 20 research products, including a series on pandemic impacts.

Additionally, OER gave 14 economic presentations to stakeholders, worked with Advocacy's attorneys to review hundreds of federal agency regulatory proposals, described small business economic impacts in Advocacy's public comment letters, and helped save small businesses \$91.3 million in cost savings through economic analysis and recommendations for relief in the federal regulatory development process.

Small Business Facts: Small Firms Lead in Onshoring

Author: Brian Headd

Released: August 2025

Onshoring, the act of transitioning the manufacture of goods by U.S. companies from overseas to domestic production, has been a recent focus of federal policymakers. Onshoring is a relatively rare phenomenon for businesses, but small firms made up 99.4 percent of all onshorers in 2022. The available data also indicates that the Wholesale, Retail, and Manufacturing industries represent 70 percent of all onshoring firms.

Small Business Economic Bulletin, First Quarter

Author: Brian Headd and Victoria Williams

Released: May 2025

Advocacy's quarterly Economic Bulletin analyzes the state of the small business economy. Recent data indicates that new business applications remain high, but business closures continue to increase. Additionally, new manufacturing business applications remain above pre-pandemic levels, but fell at the end of 2024.

Small business employment fell at the midpoint of 2024, the second quarterly drop since 2020. Finance indicators show rising business loan demand and an improved outlook from community bankers.

Small Business Economic Bulletin, Fourth Quarter

Author: Brian Headd and Victoria Williams

Released: January 2025

Advocacy's fourth quarter economic bulletin analyzes the current state of the small business economy. Quarterly small business employment growth is close to historic trends and employer births remain high. However, small business borrowing has tapered off.

The Eye of the Storm: Small Businesses and Natural Disasters

Author: Robert Press

Released: October 2024

In this spotlight, we discuss how natural disasters disproportionately affect small businesses. This spotlight analyzes the relationship between firm size and exposure to natural disasters and provides a breakdown of the top disasters that affect small businesses.

Regulation and Technology

AI in Business: Small Firms Closing In

Author: Robert Press

Released: September 2025

Since the release of ChatGPT in November 2022, conversations about the future of business have featured artificial intelligence (AI) at the forefront. Recent data indicate that large firms have outpaced small firms in adopting AI into their business practices, but small firms have closed the AI use gap recently. In this spotlight, we review the latest data on AI use and explore the AI adoption divide between large and small firms and its implications.

Biden Rules Certified Under the Regulatory Flexibility Act, Report and Data

Author: Chief Counsel Mulligan

Released: August 2025

This report provides a comprehensive analysis of more than 12,000 rules by federal agencies that were certified as not having a meaningful effect on small businesses. Through this expansive review, Mulligan found a substantial number of rules that had not been properly certified in accordance with the Regulatory Flexibility Act. Mulligan's report encompasses the full four years of the Biden Administration, offering a broad and complete analysis.

First 100 Days: Cutting Red Tape for Small Business

Author: Advocacy Staff

Released: April 2025

This article highlights the accomplishments made on the behalf of small businesses during the first 100 days of the Trump-Vance Administration by cutting red tape for small businesses and saving \$48.0 billion in regulatory burden.

Data

OER sponsors two data products created by the Census Bureau, Statistics of U.S. Businesses (SUSB) and Nonemployer Statistics by Demographics (NES-D). SUSB provides key statistics by firm size for firms with employees and plays a central role in both small business research and in analysis of the effects of regulations on small businesses. NES-D is the primary source of information about the characteristics of owners of firms without employees. In addition, OER publishes online a guide to sources of small business data.

Statistics of U.S. Businesses

Advocacy funds the SUSB 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. SUSB's employer data includes the number of firms, number of establishments, employment, and annual payroll by firm size, location and industry. Receipt data are also available, but only in years ending in 2 or 7.

Firm size categories in annual data are based on the number of employees. Size categories based on receipts are available in years ending in 2 or 7. Industry information is available for national data at the NAICS 6-digit level, providing data for over 1,000 industries. Data is also available at the county, congressional district, and metropolitan statistical area level, but for some geographic levels data is aggregated to a relatively high industry level.

Nonemployer Statistics by Demographics (NES-D)

Advocacy partially funds the NES-D data series produced by the U.S. Census Bureau, a relatively new series providing annual estimates of the number and receipts of nonemployer business owners by race, ethnicity, sex, and veteran status. Other aspects of firms addressed in NES-D data include legal form of organization, urban status, industry, and geography.

Small Business Data Resources

Advocacy provides links to the latest downloadable data on small businesses from federal sources on its [Small Business Data Resources](#) webpage. Data series cover a range of key topics such as demographics, employment, exports, finance, firm size, income, geography, and industry. The data sets are provided in a user-friendly format that allows researchers, policymakers, small business trade associations, small businesses, and the media to investigate the role and status of small firms in the economy.

In addition to SUSB, data on employer firms by size of business are provided annually in the Business Dynamics Statistics (BDS) series from the Census Bureau and quarterly in the Business Employment Dynamics (BED) series from the Bureau of Labor Statistics. 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). Data on businesses without employees is available from Census through the annual Nonemployer Statistics (NES) series.

The Business Trends and Outlook Survey (BTOS) is a bi-weekly survey of businesses conditions. With industry and geographic data and publication soon after collection, policy makers can better understand the plight of small businesses in the face of current challenges, which can result in timely assistance to mitigate issues. BTOS tracks revenues, employment, inventories, the supply chain, closures, prices, impacts from disasters, and other relevant business variables.

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

Other data sources used to study small businesses include 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 monthly household 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.



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