

United States

The United States' 26.8 million small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the country. (Note that a small business is defined here as one with fewer than 500 employees.)

- The United States had 6.0 million small employers in 2006, representing 99.7% of the nation's employers and 50.2% of its private-sector employment.
- The health care and social assistance industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses created 78.9% of the nation's net new jobs from 2004 to 2005 (Table 2).
- The United States' real gross domestic product increased by 2.0% in 2007. Growth in the New England, the Rocky Mountain, Mid-Atlantic, and Southwest regions was above the national average; growth in the Great Lakes, Southeast, and Far West regions was below the national average; and the Plains region grew at the national level. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit Advocacy's research homepage, www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2006.

United States Small Business Facts

	Level in 2006†	% Change from 2005 2000	
Number of Businesses			
Small employers (<500 employees)	6,004,056	0.6	6.5
Large employers (500+ employees)	18,071	3.4	5.4
Nonemployers	20,768,555	1.8	25.6
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	13,184,033	15.9	
Woman-owned	6,489,259	19.8	
Equally male/female-owned	2,693,360	-26.0	
African American-owned	1,197,567	45.4	
Asian-owned	1,103,587	23.5	
Hispanic-owned	1,573,464	31.1	
Native American/Alaskan-owned	201,387	NA	
Hawaiian and Pacific Islander-owned	28,948	49.4	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	115,420	1.1	4.0
Government employment	22,203	1.0	6.8
Self-employed (incorp. & uninc.)	16,219	0.5	13.0
Female self-employment	5,429	-0.3	10.4
Male self-employment	10,790	0.9	14.4
Minority self-employment	1,862	-2.8	34.8
Veteran self-employment	1,728	-7.4	-15.4
Unemployment rate (%)	4.6	0.0	0.6
Business Turnover			
Quarterly establishment openings	1,464,000	-1.2	4.9
Quarterly establishment closings	1,442,000	3.3	9.3
Business bankruptcies	28,322	43.8	-55.7
Income and Finance			
Proprietors' income (\$billion)	1,041.6	2.7	42.6
Bank branches	97,274	2.7	13.8
No. of bus. loans under \$100,000	21,570,000	13.5	NA
Total value of business loans under \$100,000 (\$billion)	159.7	8.9	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in the United States by Industry and Firm Size, 2006
(Non-farm, thousands)**

Industry	Nonemployer firms	Employer firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	20,768.6	6,022.1	5,377.6	6,004.1	119,917.2	21,609.5	60,223.7
Forestry, etc. and agriculture support	228.8	22.9	21.4	22.8	165.7	(D)	(D)
Mining	101.9	20.6	17.2	20.2	554.3	71.9	244.5
Utilities	17.1	6.6	5.2	6.4	614.4	21.3	109.2
Construction	2,549.2	791.6	723.3	790.5	7,338.8	2,700.9	6,264.7
Manufacturing	311.1	286.0	210.9	282.0	13,631.7	1,180.8	6,056.2
Wholesale trade	387.0	334.6	286.2	331.5	6,030.6	1,232.2	3,685.7
Retail trade	1,857.6	725.6	656.4	723.3	15,767.9	2,828.3	6,314.3
Transportation and warehousing	1,002.0	171.9	150.8	169.8	4,306.4	541.8	1,629.6
Information	317.7	75.0	63.8	73.9	3,396.2	250.3	894.0
Finance and insurance	758.2	263.0	241.2	261.3	6,647.1	788.5	2,183.9
Real estate and rental and leasing	2,420.9	306.0	290.9	304.8	2,216.8	786.1	1,521.0
Professional, scientific, and technical svcs.	2,904.1	772.0	721.3	769.1	8,054.1	2,294.5	4,958.0
Management of companies and enterprises	--	26.8	5.7	19.7	2,915.6	14.7	351.7
Admin., support, waste mgt., remed. svcs.	1,482.3	323.3	282.4	319.6	10,003.6	1,029.0	3,732.5
Educational services	482.2	73.8	56.6	72.7	2,979.5	259.1	1,333.9
Health care and social assistance	1,728.5	605.8	527.0	602.0	16,451.4	2,545.0	7,946.4
Arts, entertainment, and recreation	1,001.8	115.0	99.0	114.4	1,973.7	362.2	(D)
Accommodation and food services	287.3	467.1	372.2	465.3	11,381.2	2,055.2	6,848.9
Other services (except public admin.)	2,930.8	672.1	624.8	670.7	5,458.6	2,546.7	4,663.6
Unclassified	--	27.0	26.9	27.0	29.5	(D)	(D)

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html 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, 2002–2005 (Non-farm)

	Total	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
2003 - 2004	1,675,885	1,087,128	336,236	201,247	199,298	66,209	1,890,118	-214,233
2002 - 2003	995,659	1,106,977	307,690	158,795	304,162	112,702	1,990,326	-994,667

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	380	1,556	1,566	357	1,437	6,213	5,985	1,348
Quarter 3	367	1,519	1,585	359	1,428	5,821	6,134	1,350
Quarter 2	352	1,555	1,574	364	1,387	6,257	6,008	1,395
Quarter 1	358	1,577	1,545	355	1,351	6,158	5,796	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: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.