

2019 Small Business Profile

United States



30.7 million Small Businesses
99.9% of United States Businesses

59.9 million Small Business Employees
47.3% of United States Employees



EMPLOYMENT
1.8 million
net new jobs



DIVERSITY
8.7 million
minority-owned
business employees



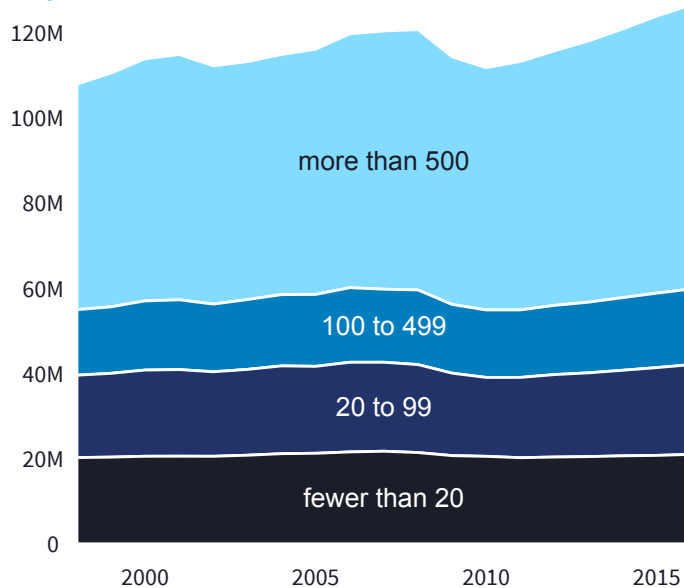
TRADE
280,229
small business
exporters

Overall United States Economy

- Multiple economic indicators consistently signaled a strengthening US economy in 2018. In the third quarter of 2018, the United States grew at an annual rate of **3.4%**. The United States's 2017 growth rate of **2.2%** was up from the 2016 rate of **1.6%**. (Source: [BEA](#))
- The employment situation in the United States continued to improve. In February 2019, the unemployment rate was **3.8%**, down from **4.1%** in February 2018. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- United States small businesses employed **59.9 million** people, or **47.3%** of the private workforce, in 2016. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **1.1%** during the 12-month period ending in February 2019. This was below the increase of **1.8%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.9%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **1.8 million** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **1.2 million** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **259,591** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

Income and Finance

- The number of banks decreased by **271** between June 2016 and June 2017 to **5,787** banks. (Source: [FDIC](#))
- In 2017, **6.1 million** loans under \$100,000 (valued at **\$90.8 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 **\$51,419** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$25,240**. (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.

Employer Business Owner Demographics

Figure 2: United States Employees per Business by Owner's Demographic, 2016

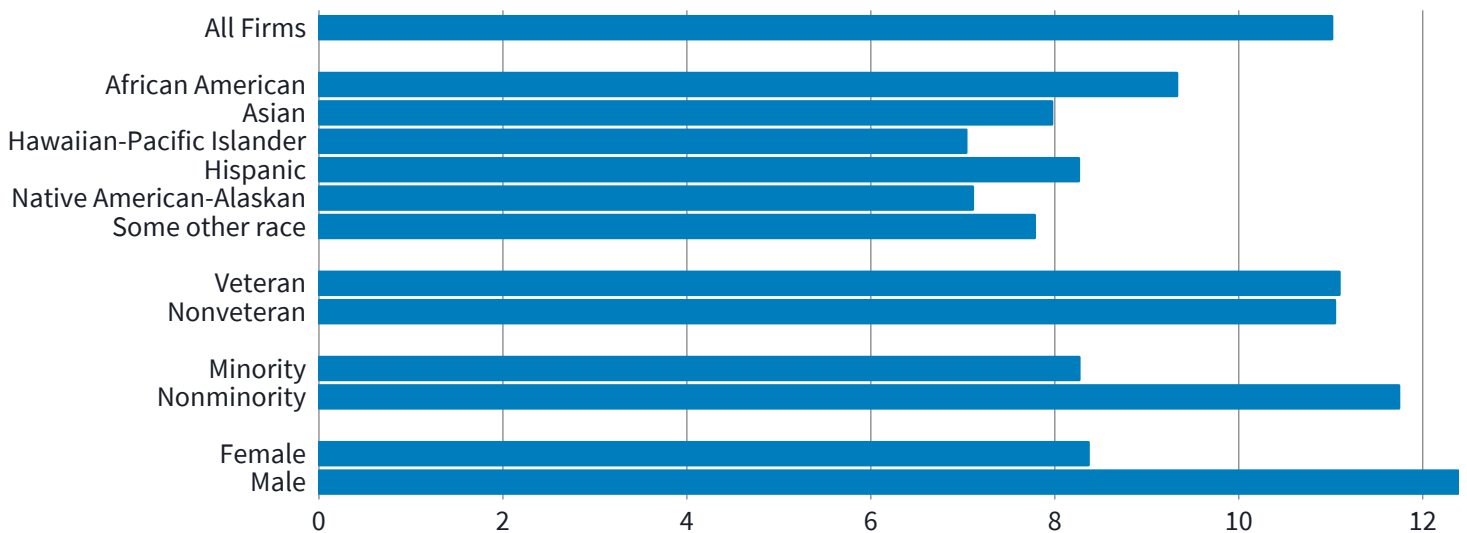
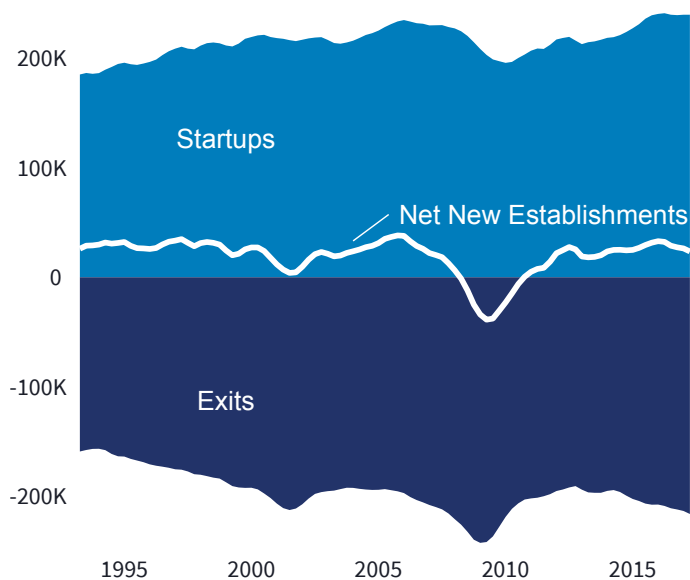


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE).

Turnover among Establishments with Employees

Figure 3: United States Quarterly Startups and Exits



- In the third quarter of 2017, **241,000** establishments started up, generating **851,000** 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, **226,000** establishments exited resulting in **763,000** 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 1993 to 2017. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BLS data covers only business establishments with employees. 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. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

International Trade

- A total of 287,314 companies exported goods from the United States in 2016. Of these, 280,229, or 97.5%, were small firms; they generated 33.3% of the United States's \$1.3 trillion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: United States Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	8,827,665	19,735,708	44.7
Accommodation and Food Services	8,311,349	13,704,017	60.6
Retail Trade	5,578,660	15,967,893	34.9
Construction	5,196,519	6,311,264	82.3
Professional, Scientific, and Technical Services	5,182,179	8,799,893	58.9
Manufacturing	5,108,012	11,590,420	44.1
Other Services (except Public Administration)	4,689,910	5,499,244	85.3
Administrative, Support, and Waste Management	3,690,079	11,628,509	31.7
Wholesale Trade	3,446,199	6,110,748	56.4
Finance and Insurance	1,920,108	6,336,795	30.3
Transportation and Warehousing	1,667,017	4,729,709	35.2
Educational Services	1,630,541	3,677,275	44.3
Real Estate and Rental and Leasing	1,434,649	2,111,418	67.9
Arts, Entertainment, and Recreation	1,411,192	2,311,437	61.1
Information	906,836	3,447,950	26.3
Management of Companies and Enterprises	401,312	3,380,437	11.9
Mining, Quarrying, and Oil and Gas Extraction	244,160	587,017	41.6
Agriculture, Forestry, and Fishing and Hunting	134,578	160,411	83.9
Utilities	111,076	638,917	17.4
Industries not classified	23,176	23,176	100.0
Total	59,915,217	126,752,238	47.3

Figure 4: United States Self-Employment Rates by County, 2017

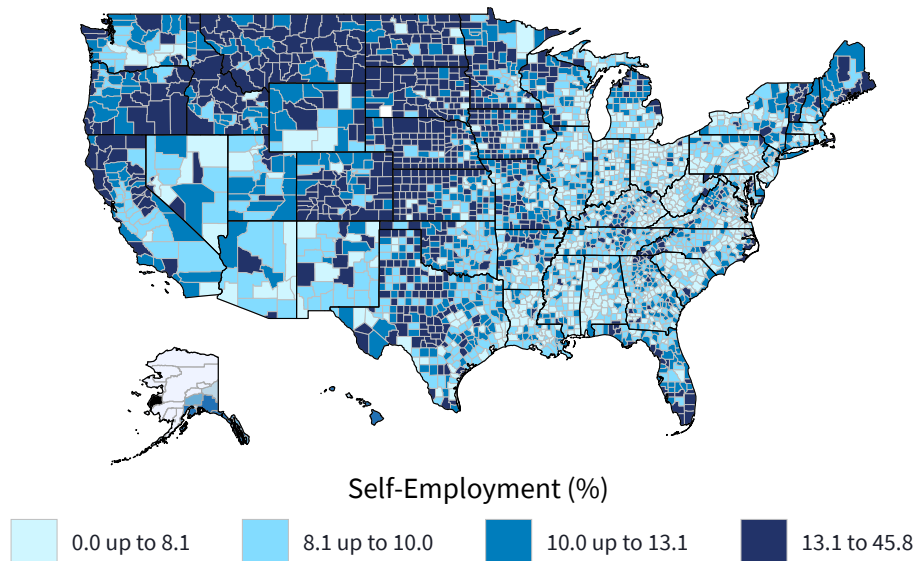







Table 2: United States Small Businesses by Industry and Firm Size, 2016

				
Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	688,950	643,403	3,680,410	4,369,360
Professional, Scientific, and Technical Services	802,476	752,427	3,441,179	4,243,655
Construction	682,292	626,743	2,471,026	3,153,318
Real Estate and Rental and Leasing	298,838	285,871	2,678,028	2,976,866
Retail Trade	648,729	592,057	2,003,669	2,652,398
Health Care and Social Assistance	657,311	571,372	1,953,802	2,611,113
Administrative, Support, and Waste Management	336,997	299,496	2,082,724	2,419,721
Transportation and Warehousing	179,166	159,882	1,864,990	2,044,156
Arts, Entertainment, and Recreation	125,441	109,099	1,383,841	1,509,282
Finance and Insurance	236,273	219,695	716,791	953,064
Accommodation and Food Services	525,323	405,202	382,958	908,281
Educational Services	90,421	71,558	717,924	808,345
Wholesale Trade	300,128	258,585	406,938	707,066
Manufacturing	246,125	186,786	349,146	595,271
Information	74,614	64,976	337,194	411,808
Agriculture, Forestry, and Fishing and Hunting	21,730	20,394	236,228	257,958
Mining, Quarrying, and Oil and Gas Extraction	19,937	16,959	86,587	106,524
Utilities	5,698	4,484	19,613	25,311
Total	5,934,985	5,305,960	24,813,048	30,748,033

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS). Data for counties shown in white in Figure 4 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses.

References

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS American Community Survey, US Census Bureau
- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau