

United States

Small businesses have a significant impact on the United States economy. They represent 99.7 percent of all employers, and employ 49.1 percent of the private-labor force. Small businesses are crucial to the nation's fiscal condition and they numbered 27.8 million in 2010.

This profile uses the latest available data to illustrate the status of U.S. small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- The U.S. economy was strong in 2011, with real gross domestic product increasing 3.9 percent and private-sector employment increasing 1.6 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- The nation's small businesses employed 55.0 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in the United States had a net job loss (Table 2). The national unemployment rate in 2010-2011 decreased by 0.7 percent.
- Most of the country's small businesses are very small as 79.4 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit www.sba.gov/updates to subscribe to Advocacy's Listservs.

United States Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	5,717,302	5,749,797	5,635,391
Large employers (500+ employees)	17,236	17,509	17,153
Nonemployers	22,110,628	21,695,828	16,529,955
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	13,901	41,051	7,909,151
Woman-owned	7,792	7,520	1,014,366
Equally male/female-owned	4,602	8,055	1,091,626
African American-owned	1,922	910	97,145
Asian-owned	1,550	2,808	453,574
Hispanic-owned	2,260	1,908	279,921
Native American/Alaskan-owned	237	185	27,494
Hawaiian/Pacific Islander-owned	38	38	5,250
Veteran-owned	3,667	8,241	1,633,750
Publicly held, unclassified	798	60,684	19,043,686
	Level in 2011*	% Change from	
		2010	2000
Workforce (Thousands)			
Private-sector employment	109,061	1.6	-1.6
Government employment	22,265	-1.5	6.3
Self-employed (incorp. & uninc.)	14,631	-1.9	5.8
Female self-employment	5,029	-1.6	4.3
Male self-employment	9,602	-2.1	6.5
Minority self-employment	3,211	-3.5	29.9
Veteran self-employment	1,288	-1.8	-36.5
Unemployment rate (percent)	8.9	-0.7†	5.0‡
Business Turnover			
Quarterly establishment openings	1,433,703	1.4	2.8
Quarterly establishment closings	1,424,390	-0.7	8.5
Business bankruptcies	47,806	-15.1	35.7
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	1,104.3	1,033.7	820.6
Number of bank branches	97,680	97,955	84,871
No. of bus. loans under \$100,000‡	2,963,313	3,924,532	3,965,304
Total value of business loans under \$100,000 (\$million)‡	54,914	56,893	51,887

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.

* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in the United States by Industry and Firm Size, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	22,110.6	5,734.5	5,160.4	5,717.3	111,970.1	20,573.8	54,996.7
Forestry, etc. and agriculture support	236.7	21.0	19.7	20.9	156.1	66.6	131.3
Mining	105.9	20.8	17.6	20.5	581.6	73.3	244.0
Utilities	16.6	5.8	4.4	5.6	638.1	18.2	109.8
Construction	2,424.2	670.2	623.8	669.3	5,389.3	2,171.8	4,545.8
Manufacturing	318.4	258.7	197.7	255.2	10,862.8	1,068.9	4,919.4
Wholesale trade	393.4	314.0	270.7	311.2	5,598.5	1,144.7	3,335.3
Retail trade	1,821.6	664.1	607.9	662.0	14,496.6	2,594.6	5,400.4
Transportation and warehousing	1,021.2	162.3	143.2	160.2	4,012.0	518.5	1,482.1
Information	311.1	70.1	59.7	69.1	3,124.0	229.0	826.8
Finance and insurance	716.8	237.9	218.6	236.4	5,928.7	702.2	1,959.4
Real estate and rental and leasing	2,343.1	267.1	253.9	266.0	1,946.4	694.7	1,337.6
Professional, scientific, and technical svcs.	3,121.4	766.2	719.7	763.4	7,822.4	2,235.4	4,664.2
Management of companies and enterprises	0.0	27.5	5.2	20.2	2,833.0	15.3	370.1
Admin., support, waste mgt., remed. svcs.	1,937.3	322.8	285.6	319.5	8,977.3	1,022.2	3,388.7
Educational services	567.3	79.7	61.7	78.4	3,273.5	282.1	1,415.5
Health care and social assistance	1,934.8	631.4	549.0	627.4	17,787.9	2,652.9	8,350.4
Arts, entertainment, and recreation	1,154.0	113.9	98.7	113.1	2,003.6	353.6	1,259.1
Accommodation and food services	328.8	482.3	388.8	480.3	11,312.1	2,198.2	6,776.0
Other services (except public admin.)	3,357.7	663.6	620.1	662.3	5,204.4	2,510.4	4,458.9
Unclassified	0.0	20.5	20.5	20.5	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 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, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-1,808,520	623,940	-42,059	-164,414	-624,218	-323,520	-530,271	-1,278,249
2009	-5,698,100	369,639	-362,033	-531,103	-1,472,626	-1,214,625	-3,210,748	-2,487,352
2008	863,446	680,208	-34,925	-105,290	-98,217	79,121	520,897	342,549
2007	1,363,891	882,536	91,451	-999	10,395	-77,083	906,300	457,591

Note: Data source differs from previous publications.

Source: U.S. Dept. of Commerce, Bureau of the Census, Business Dynamic Statistics. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	340.0	356.0	364.0	375.0	1,108.0	1,265.0	1,313.0	1,312.0
Expansions	1,437.0	1,461.0	1,484.0	1,455.0	5,230.0	5,627.0	5,745.0	5,542.0
Contractions	1,432.0	1,408.0	1,425.0	1,435.0	4,969.0	5,083.0	5,160.0	5,212.0
Closings	357.0	364.0	343.0	360.0	1,117.0	1,231.0	1,145.0	1,274.0

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.