

SMALL BUSINESS PROFILE

UNITED STATES



28.8 million
99.7% Small Businesses of US Businesses

56.8 million
48.0% Small Business Employees of US Employees

EMPLOYMENT
1.1 million net new jobs¹

DIVERSITY
38.1% increase in minority ownership²

TRADE
97.7% of US exporters³

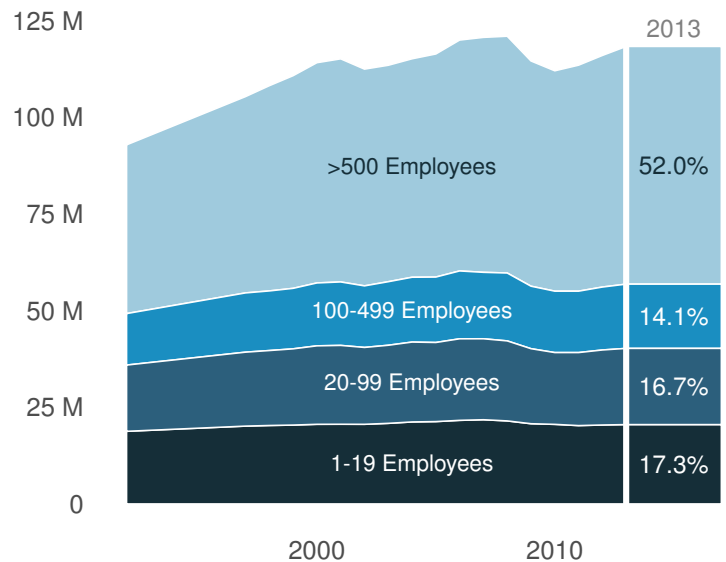
OVERALL US ECONOMY

- Multiple economic indicators, including real gross domestic product (GDP), consistently signaled a strengthening US economy in 2015. In the third quarter of 2015, the United States grew at an annual rate of 1.9%. By comparison, the United States's 2014 growth of 4.1% was up from the 2013 level of 3.2%. (Source: BEA)
- The employment situation in the United States improved. At the close of 2015, unemployment was 5.0%, down from 5.6% at the close of 2014. (Source: CPS)

EMPLOYMENT

- US small businesses employed 56.8 million people, or 48.0% of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased 2.2% in 2015. This was below the previous year's increase of 2.5%. (Source: CES)
- The number of proprietors increased in 2014 by 1.3% relative to the previous year. (Source: BEA)
- Small businesses created 1.1 million net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding 257,245 net jobs. The smallest gains were in firms employing 5 to 9 employees which added 84,020 net jobs. (Source: BDS)

Figure 1: US Employment by Firm Size



The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. **Small businesses are defined as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.
^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.
² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 5.2 million loans under \$100,000 (and valued at \$73.6 billion) were issued by US lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$49,204 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$22,209. (Source: ACS)

⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: US Changes in Business Ownership by Demographic Group

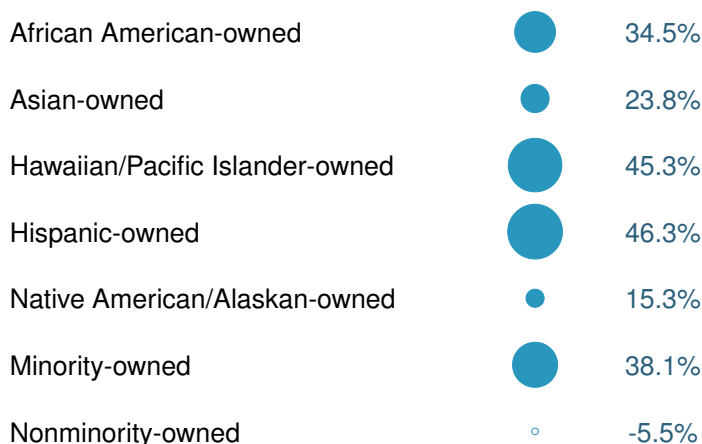
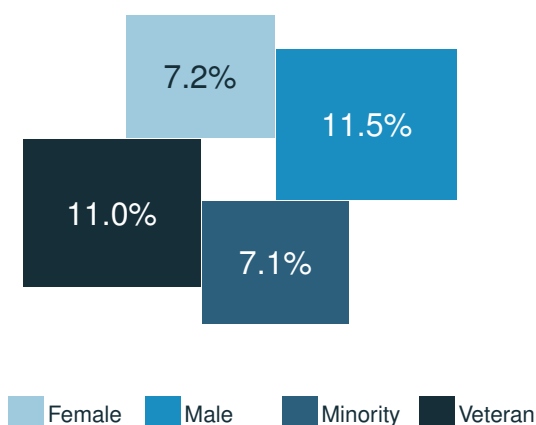


Figure 3: US Self-Employment within Demographic Group

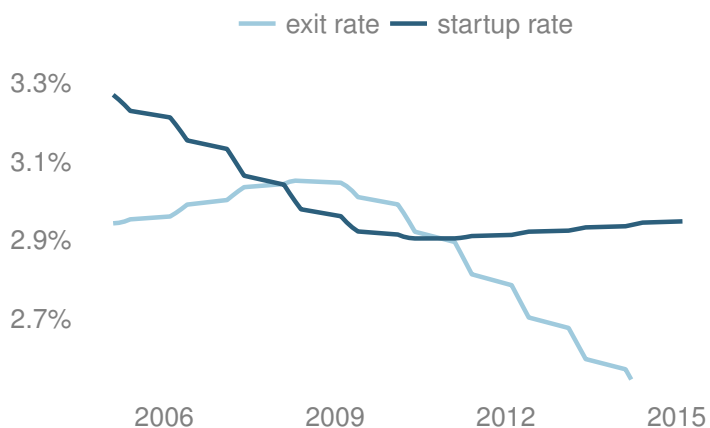


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for the United States, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 220,000 establishments started up⁵ in the United States and 205,000 exited.⁶ Startups generated 805,000 new jobs while exits caused 717,000 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: US Private Startup and Exit Rates



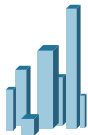




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 304,223 companies exported goods from the United States in 2013. Among these, 297,343, or 97.7%, were small firms; they generated 33.6% of the United States's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: US Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	778,090	731,341	3,235,906	4,013,996
Other Services (except Public Administration)	670,468	626,850	3,583,742	4,254,210
Retail Trade	649,764	595,280	1,906,597	2,556,361
Construction	645,479	598,039	2,368,442	3,013,921
Health Care and Social Assistance	642,586	561,706	1,959,723	2,602,309
Accommodation and Food Services	502,076	397,330	346,280	848,356
Administrative, Support, and Waste Management	325,474	289,799	2,032,516	2,357,990
Wholesale Trade	309,568	267,370	406,469	716,037
Real Estate and Rental and Leasing	275,298	262,850	2,448,282	2,723,580
Manufacturing	248,155	188,964	343,025	591,180
Finance and Insurance	233,184	216,130	706,394	939,578
Transportation and Warehousing	167,496	149,262	1,102,255	1,269,751
Arts, Entertainment, and Recreation	116,159	100,867	1,256,694	1,372,853
Educational Services	85,151	67,144	616,952	702,103
Information	70,792	61,051	326,526	397,318
Mining, Quarrying, and Oil and Gas Extraction	21,594	18,222	106,610	128,204
Agriculture, Forestry, Fishing and Hunting	21,323	19,997	239,863	261,186
Utilities	5,715	4,511	19,344	25,059
Total	5,768,372	5,156,713	23,005,620	28,773,992

Totals for Tables 1 and 2 differ from SUSB's nationwide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: US Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	8,515,106	18,598,711	45.8%
Accommodation and Food Services	7,454,788	12,395,387	60.1%
Retail Trade	5,370,419	15,023,362	35.7%
Manufacturing	5,059,759	11,276,438	44.9%
Professional, Scientific, and Technical Services	4,869,277	8,275,350	58.8%
Other Services (except Public Administration)	4,536,340	5,282,688	85.9%
Construction	4,526,389	5,470,181	82.7%
Administrative, Support, and Waste Management	3,523,802	10,185,297	34.6%
Wholesale Trade	3,463,622	5,908,763	58.6%
Finance and Insurance	1,918,122	6,063,761	31.6%
Transportation and Warehousing	1,585,539	4,287,236	37.0%
Educational Services	1,532,214	3,513,469	43.6%
Real Estate and Rental and Leasing	1,361,352	1,972,105	69.0%
Arts, Entertainment, and Recreation	1,315,721	2,112,000	62.3%
Information	871,065	3,266,084	26.7%
Mining, Quarrying, and Oil and Gas Extraction	288,789	732,186	39.4%
Agriculture, Forestry, Fishing and Hunting	132,812	154,496	86.0%
Utilities	110,352	638,575	17.3%
Total	56,435,468	115,156,089	49.0%

Figure 5: US County-Level Job Changes, 2015
(CEW)

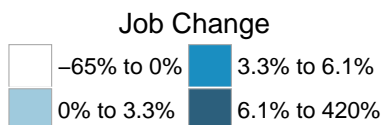
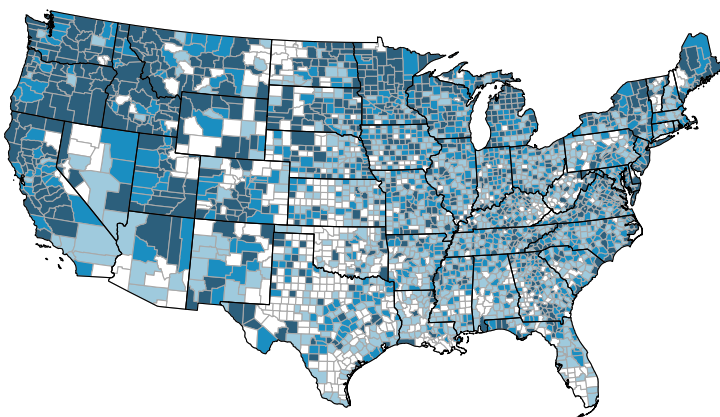


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

