

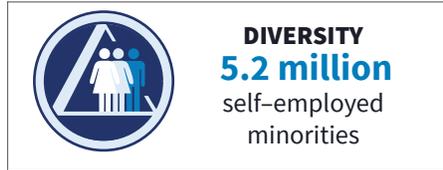
2020 Small Business Profile

United States



31.7 million Small Businesses
99.9% of United States Businesses

60.6 million Small Business Employees
47.1% of United States Employees



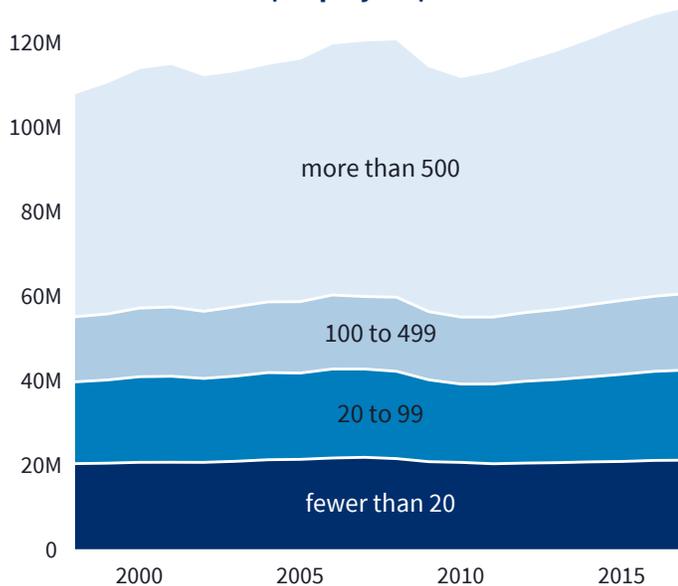
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, the United States grew at an annual rate of **2.1%**. The United States' 2019 overall growth rate of **2.3%** was down from the 2018 rate of **2.9%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **14.7%**, up from **3.6%** in April 2019. (Source: [CPS](#))

Employment

Figure 1: United States Employment by Business Size (Employees)



- United States small businesses employed **60.6 million** people, or **47.1%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with 20 to 99 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **14.6%** during the 12-month period ending in April 2020. This was below the increase of **1.6%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.1%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **1.6 million** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **1.1 million** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **249,900** net jobs. (Source: [BDM](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.

Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$51,816** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$26,084**. (Source: [ACS](#))
- The total number of banks decreased by **239** between June 2018 and June 2019 to **5,303** banks. During the same period, the number of banks with assets under \$1 billion decreased by **261** to **4,511** banks. (Source: [FDIC](#))
- In 2018, United States lending institutions reporting under the Community Reinvestment Act issued **6.6 million** loans under \$100,000, a total value of **\$98.2 billion**. (Source: [FFIEC](#))

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed. The decline in the number of banks with assets under \$1 billion may exceed the change in the total number of banks due to mergers and asset balance changes.

Self-Employment Demographics

Figure 2: United States Self-Employment Rates by Gender & Demographic, 2018

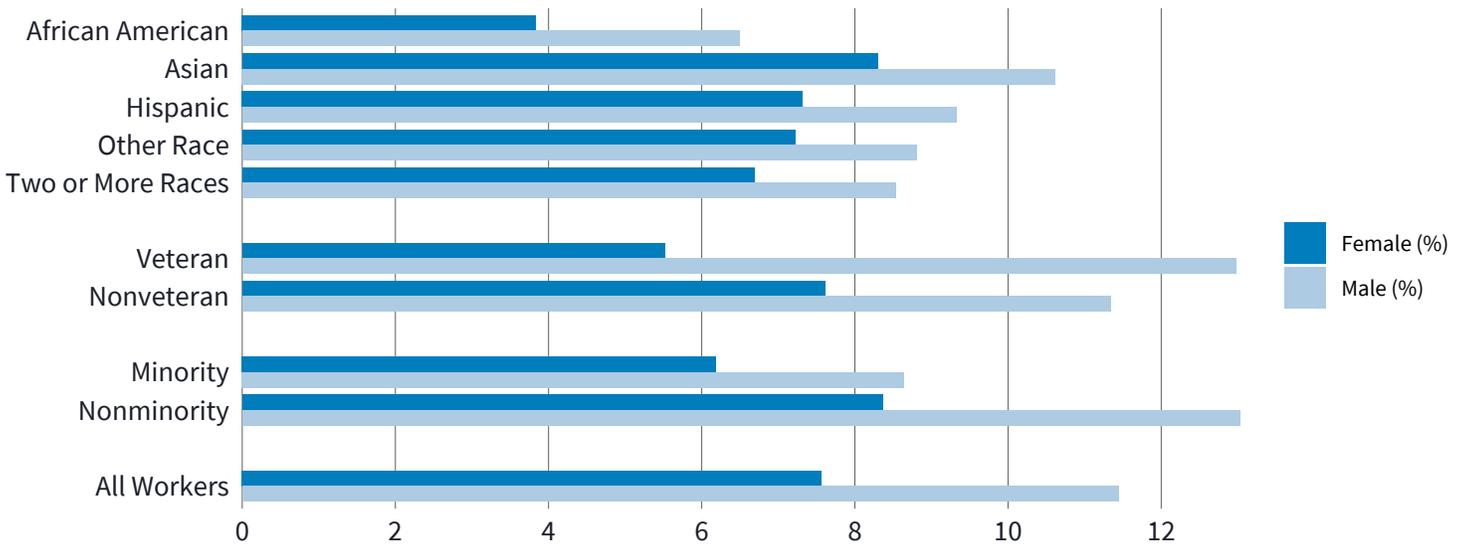
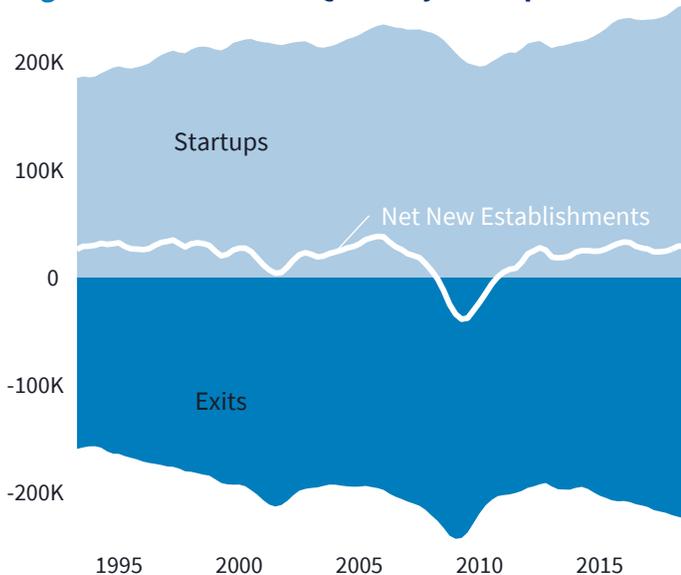


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: United States Quarterly Startups and Exits



- In the fourth quarter of 2018, **249,000** establishments started up, generating **863,000** 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, **222,000** establishments exited, resulting in **762,000** 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 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM 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 292,793 firms exported goods from the United States in 2018. Of these, 285,334, or 97.5%, were small firms, which generated 32.0% of the United States' \$1.5 trillion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: United States Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	8,984,159	20,241,438	44.4
Accommodation and Food Services	8,542,661	14,088,211	60.6
Retail Trade	5,526,296	15,705,808	35.2
Construction	5,373,702	6,533,061	82.3
Professional, Scientific, and Technical Services	5,190,980	8,905,549	58.3
Manufacturing	5,039,772	11,721,785	43.0
Other Services (except Public Administration)	4,697,878	5,534,978	84.9
Administrative, Support, and Waste Management	3,754,463	11,897,056	31.6
Wholesale Trade	3,413,157	6,115,476	55.8
Finance and Insurance	1,909,993	6,408,168	29.8
Transportation and Warehousing	1,685,388	4,866,282	34.6
Educational Services	1,645,962	3,688,541	44.6
Real Estate and Rental and Leasing	1,451,546	2,148,006	67.6
Arts, Entertainment, and Recreation	1,428,531	2,368,928	60.3
Information	984,379	3,507,966	28.1
Management of Companies and Enterprises	423,295	3,462,498	12.2
Mining, Quarrying, and Oil and Gas Extraction	244,367	578,098	42.3
Agriculture, Forestry, and Fishing and Hunting	136,591	164,046	83.3
Utilities	111,747	644,703	17.3
Industries Not Classified	11,214	11,214	100.0
Total	60,556,081	128,591,812	47.1

Figure 4: United States Self-Employment Rates by County, 2018

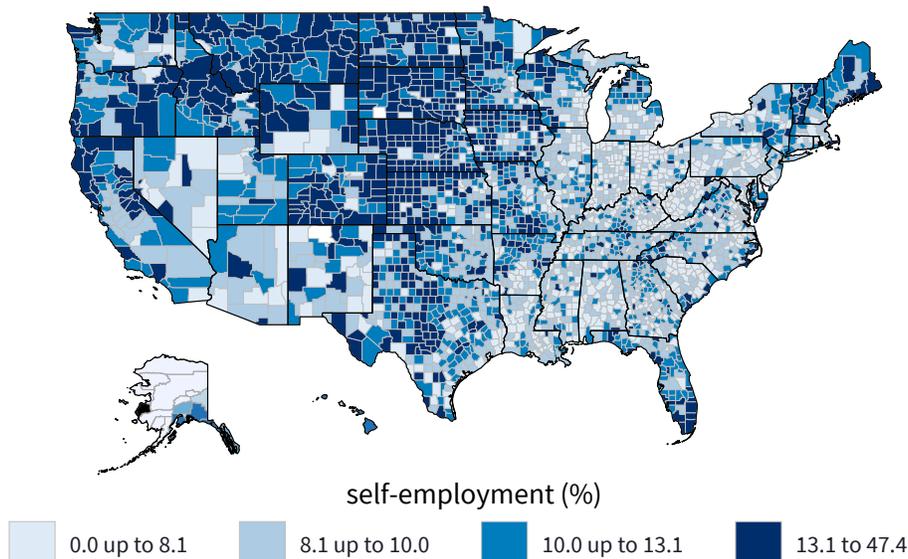


Table 2: United States Small Businesses by Industry and Firm Size, 2017

				
Industry	1–19 Employees	1–499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	649,612	695,268	3,740,305	4,435,573
Professional, Scientific, and Technical Services	757,638	807,932	3,535,071	4,343,003
Construction	643,304	700,393	2,494,089	3,194,482
Real Estate and Rental and Leasing	295,084	308,106	2,784,753	3,092,859
Retail Trade	589,200	645,685	2,093,459	2,739,144
Health Care and Social Assistance	561,991	650,689	1,941,097	2,591,786
Administrative, Support, and Waste Management	305,247	343,791	2,143,437	2,487,228
Transportation and Warehousing	163,167	182,688	2,205,648	2,388,336
Arts, Entertainment, and Recreation	112,643	129,287	1,436,152	1,565,439
Finance and Insurance	220,285	236,657	732,196	968,853
Accommodation and Food Services	413,464	537,443	402,772	940,215
Educational Services	73,163	92,148	741,870	834,018
Wholesale Trade	253,458	294,909	399,261	694,170
Manufacturing	185,612	244,098	348,476	592,574
Information	67,876	78,430	349,905	428,335
Agriculture, Forestry, and Fishing and Hunting	21,184	22,535	250,537	273,072
Mining, Quarrying, and Oil and Gas Extraction	15,808	18,720	88,882	107,602
Utilities	4,535	5,752	13,761	19,513
Total	5,339,918	5,976,761	25,701,671	31,678,432

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 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 2018 American Community Survey (ACS). Data for areas 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/xvSPA>.

- ACS American Community Survey, 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
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC 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