

2002 Small Business Profile: UNITED STATES

The events of 2001 posed critical challenges to the United States. Nevertheless, the economic health of United States benefited from its small businesses (those with fewer than 500 employees). Small businesses are an important source of new jobs in the nation. The small business sector also provides opportunities for women and minorities and is a continual source of innovation and invention. These qualities proved to be economically beneficial to United States last year.

Number of Businesses. The number of employer businesses in 2001 increased by 1.6 percent, and the number of self-employed individuals decreased by an estimated 0.8 percent. Employer businesses numbered 5,819,300 in 2001. The most recent data by firm size (1999) indicate that 99.7 percent of businesses in the nation were small. In 2001, an estimated 9,826,000 individuals were self-employed. (Source: U.S. Dept. of Labor, Employment and Training Administration; U.S. Dept. of Commerce, Census Bureau; U.S. Dept. of Labor, Bureau of Labor Statistics)

Women-Owned Businesses. Women owned 26.0 percent of the nation's firms in 1997 and generated \$818.7 billion in revenues. Of the total women-owned businesses, 15.6 percent had employees. (Source: U.S. Dept. of Labor, Bureau of Labor Statistics, U.S. Dept. of Commerce, Census Bureau)

Minority-Owned Businesses. The latest (1997) Census data indicate that minority-owned businesses totaled 3,039,000 and made up 14.6 percent of the nation's businesses, of which 20.2 percent were employer firms. (Source: U.S. Dept. of Commerce, Census Bureau)

Business Turnover. In 2001, there were 574,500 new employer firms, or 5.0 percent fewer new employer firms than in 2000. Business bankruptcies totaled 39,719 in 2001, an increase of 12.8 percent over 2000, while business terminations amounted to 585,800, an increase of 4.5 percent over 2000. (Source: U.S. Dept. of Labor, Employment and Training Administration; Administrative Office of the U.S. Courts; U.S. Dept. of Commerce, Census Bureau)

Employment. Small businesses employed 55,729,092 or 50.3 percent of the nation's 110,705,661 employees (non-farm private sector) in 1999. The industry with the most small business employees was manufacturing. The total number of small employer firms in 1999 was 5,591,003 (Table 1). (Source: U.S. Dept. of Commerce, Census Bureau, Statistics of U.S. Businesses)

Small Business Income. Proprietors' income—a partial measure of small business income—totaled \$745.1 billion in 2001, an increase of 4.0 percent over 2000. (Source: U.S. Dept. of Commerce)

Finance. Often, small businesses use commercial lenders and rely on local bank services. Over the last five years, the number of banks in the nation has decreased. The Office of Advocacy has identified the small-business-friendly banks within the United States and has published the names in its banking studies report. (See Table 2 for the number of banks by asset size.) Small businesses seeking loans should also consider lenders that participate in the SBA's preferred or certified loan programs; for a list of these lenders, call the Small Business Answer Desk at (800) 827-5722.

For additional information on the Office of Advocacy's research reports, data, and analyses on small business, visit www.sba.gov/advo/stats or call (202) 205-6530.

Sign up at <http://web.sba.gov/list> for email delivery of:

- Advocacy's News Releases,
- Advocacy's monthly newsletter, *The Small Business Advocate*,
- Advocacy's Small Business Research and Statistics,
- Advocacy's Regulatory Communications.

Note: Data on women-owned and minority-owned firms are not comparable between 1992 and 1997, so growth rates are not available. Data on minority owners may not sum to the total because an owner may belong to more than one minority group.

Table 1. Firms and Employment in United States by Industry and Firm Size (Thousands), 1999

Industry	Non-employer Firms	Employer Firms		Employment	
		Total	<500	Total	<500
Total	16,152.6	5,607.7	5,591.0	110,705.7	55,729.1
Agriculture, forestry, fishing, and hunting	226	26.3	26.1	192.2	*
Mining	81	18.8	18.5	456.6	*
Utilities	14	6.7	6.4	667.1	102.4
Construction	1,986	691.5	690.5	6,201.6	5,426.8
Manufacturing	289	311.9	307.2	16,659.9	6,841.3
Wholesale trade	395	358.6	355.3	5,972.0	3,834.3
Retail trade	1,761	730.3	727.9	14,476.6	6,382.1
Transportation and warehousing	719	155.2	154.0	3,627.1	1,524.2
Information	221	77.1	76.0	3,234.5	913.5
Finance and insurance	667	223.5	221.9	5,965.2	1,916.2
Real estate; rental and leasing	1,648	242.8	241.6	1,873.8	1,323.7
Professional, scientific, and technical services	2,388	654.5	652.2	6,432.4	4,189.6
Management of companies and enterprises	N/A	26.9	20.3	2,788.3	313.7
Admin., support, waste mgnt., and remed., services	989.7	299.4	296.3	8,366.5	3,376.8
Educational services	262.6	59.6	58.7	2,431.7	1,143.2
Health care and social assistance	1,253.9	524.3	520.9	13,865.0	6,510.4
Arts, entertainment, and recreation	748.7	96.0	95.5	1,640.0	1,133.4
Accommodation and food services	210.4	411.6	410.0	9,638.0	5,848.6
Other services	2,292.6	656.9	655.6	5,151.5	4,428.4
Auxiliary, except corp, subsidiary, and regional managing	N/A	5.5	3.1	959.3	55.1
Unclassified	N/A	98.0	98.0	106.3	106.3

* Data suppressed to protect the confidentiality of individual firms.

Source: U.S. Department of Commerce, Census Bureau.

Table 2. Number of Banks in United States by Asset Size, 1996 – 2001

Number of Banks						Number of Banks by Asset Size, 2001				
1996	1997	1998	1999	2000	2001	Below \$100M	\$100M–\$500M	\$500M–\$1B	\$1B–\$10B	Over \$10B
9,670	9,293	8,966	8,659	8,459	8,158	4,648	2,763	320	304	77

Source: U.S. Small Business Administration, Office of Advocacy, from data collected by the Federal Reserve Board.

The full list of small-business-friendly banks can be found on the Office of Advocacy's website at www.sba.gov/advo/lending.