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Contact: Kathryn Tobias

Small Businesses Are Important Players in U.S. Business and Job Growth

WASHINGTON, D.C. – Small businesses will play an important role in the nation’s economic future. The Office of Advocacy’s Small Business Profile for the United States, released today, provides details about small business employment, business starts and closings, bank lending in 2008, the demographics of business ownership, and firm and employment change by major industry and firm size.

“The United States continues to depend on the health and ingenuity of its small business sector for the nation’s economic growth,” said Susan Walthall, Acting Chief Counsel for Advocacy. “In today’s economic climate, it is especially important for policymakers to keep small business concerns in mind as they formulate policy.”

In 2008, the United States saw an increase of 0.7 percent in GDP and a private sector employment decline of 0.7 percent. The U.S. profile also shows that:

- Small employers in the United States numbered 6 million in 2006 (latest data). There were also 20.8 million nonemployers, which increased to 21.7 million by 2007.
- Small businesses added 2.5 million net new jobs in 2005-2006. Overall, they employed 50.2 percent of the nation’s nonfarm private workforce in 2006.
- Businesses owned by women, and by Asian Americans, African Americans, Hispanic Americans, and Hawaiians and Pacific Islanders all increased significantly over the most recent period for which Census data are available.

As additional small business data become available over the coming months, they will be incorporated in a new edition of the state profiles, to be issued in early 2010.

For more information and a complete copy of the state and territory small business profiles, visit the Office of Advocacy website at www.sba.gov/advo/research/profiles/.

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The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. For more information, visit www.sba.gov/advo, or call (202) 205-6533.