

Small Business Data Dashboard

Topics Covered

- Economic Activity
- Regional Employment
- Diverse Ownership
- Innovation
- Business Dynamism
- Longevity

Small businesses are an economically important component of the US economy and a key driver of production, employment, and growth. As such, comprehending the evolving role of small businesses is crucial for many policymakers, economists, and state and local officials. To complement and frame the research we conduct using JPMorgan Chase's unique data on small businesses, we have assembled data from other sources that help provide a broad picture of the state of the small business sector.

Small businesses with fewer than 500 employees account for 99 percent of all business establishments in the US and are pervasive across the entire country. These businesses accounted for 45 percent of GDP in 2010, although this share is lower than earlier in the decade. Notably, business startup rates and exit rates have also fallen significantly over the past decade. Small businesses account for 34 percent of exports and 21 percent of patents granted in the US.

Small businesses employ nearly half of all US employees (48 percent) and contribute over 45 percent to net job creation. However, of the total 28.7 million small businesses, most—23 million—are non-employer businesses. In addition, most employer businesses have relatively few employees—a full 88 percent of all employer businesses have fewer than 20 employees. Moreover, small businesses are very young. Over half are less than 10 years old and nearly half of small businesses exit within the first five years.

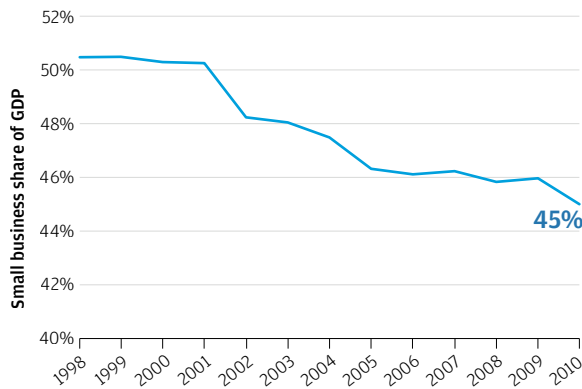
Finally, the smallest businesses have relatively diverse ownership. The smaller the business, the more likely it is to be owned by a woman or a member of a racial or ethnic minority (although women and minorities still constitute a minority of all small business owners).

This dashboard offers additional details about the state of the small business sector in the US. We will update it periodically as new data become available.

Economic Activity

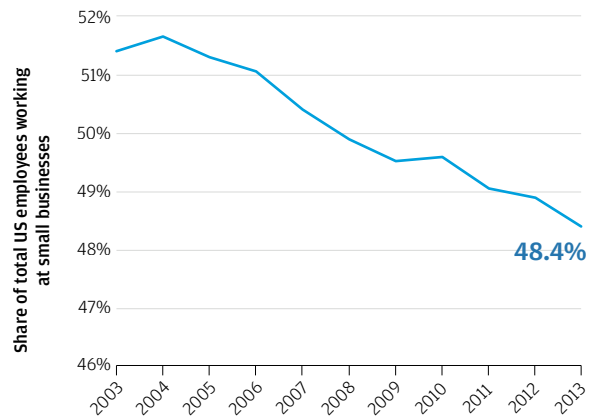
Small businesses are an anchor of the US economy.

Small businesses accounted for 45 percent of GDP in 2010, down from 50 percent in the late 1990s.



Source: SBA - Small Business GDP: Update 2002-2010, by Kathryn Kobe, Economic Consulting Services, LLC, UC Berkeley Washington, DC 20036. Published January 2012 https://www.sba.gov/sites/default/files/rs390tot_0.pdf

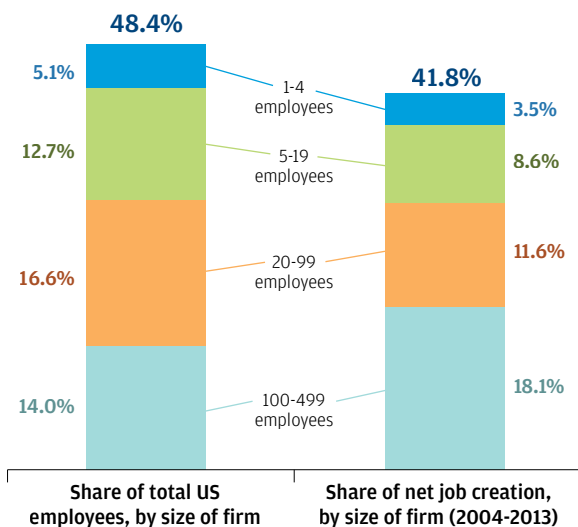
48 percent of all US employees work for small businesses, down from 52 percent in the early 2000s.



Source: Business Dynamics Statistics, 2013

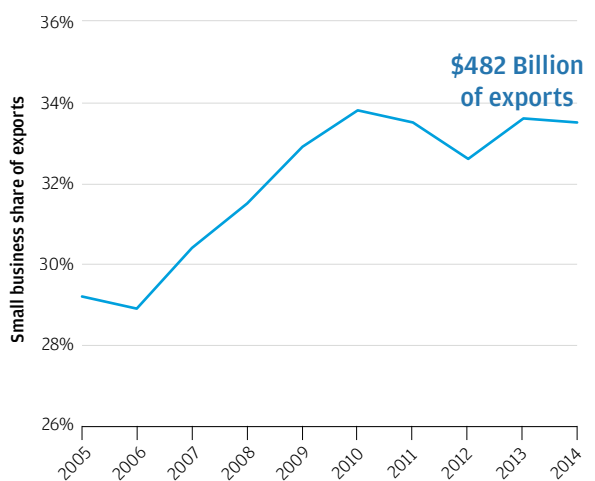
18 percent of all US employees work for businesses with fewer than 20 employees.

Small businesses account for over 41 percent of net job creation.



Source: Business Dynamics Statistics, 2013

Small businesses produced 34 percent of US exports in 2014, up significantly since 2006.

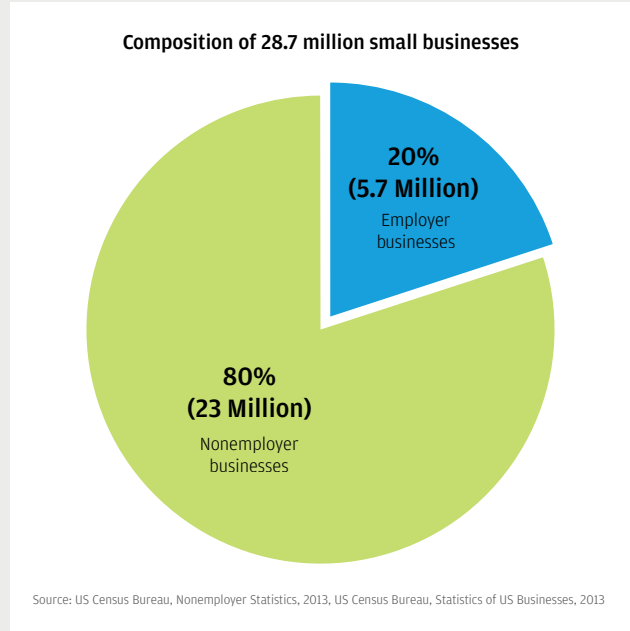
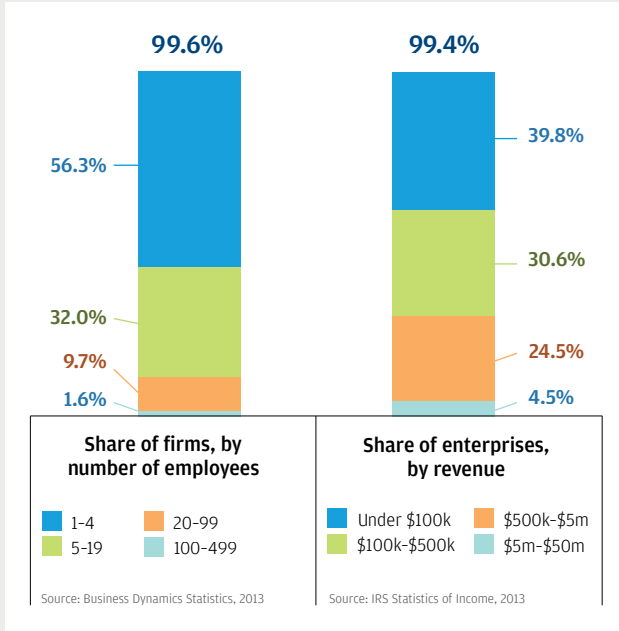


Note that a small business in this table is defined as a business with fewer than 500 employees.

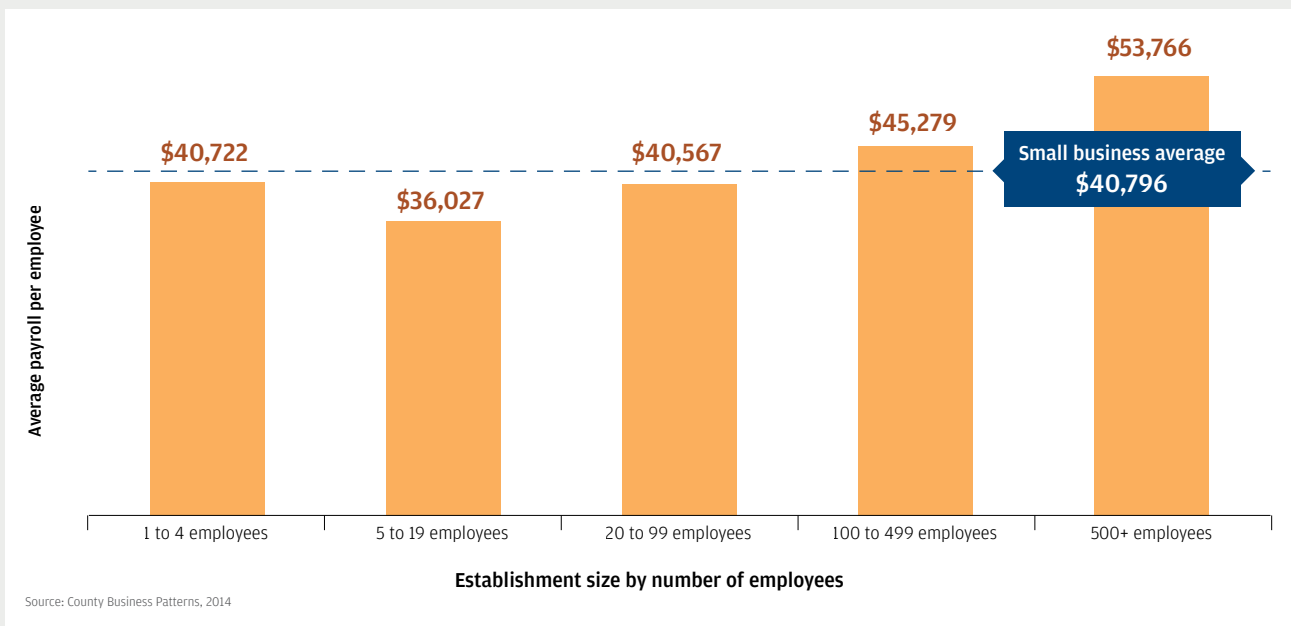
Source: US Census Bureau, A Profile of US Importing and Exporting Companies

Over 99 percent of America's 28.7 million firms are small businesses. The vast majority (88 percent) of employer firms have fewer than 20 employees, and nearly 40 percent of all enterprises have under \$100k in revenue.

20 percent of small businesses are employer businesses and 80 percent are nonemployer businesses.



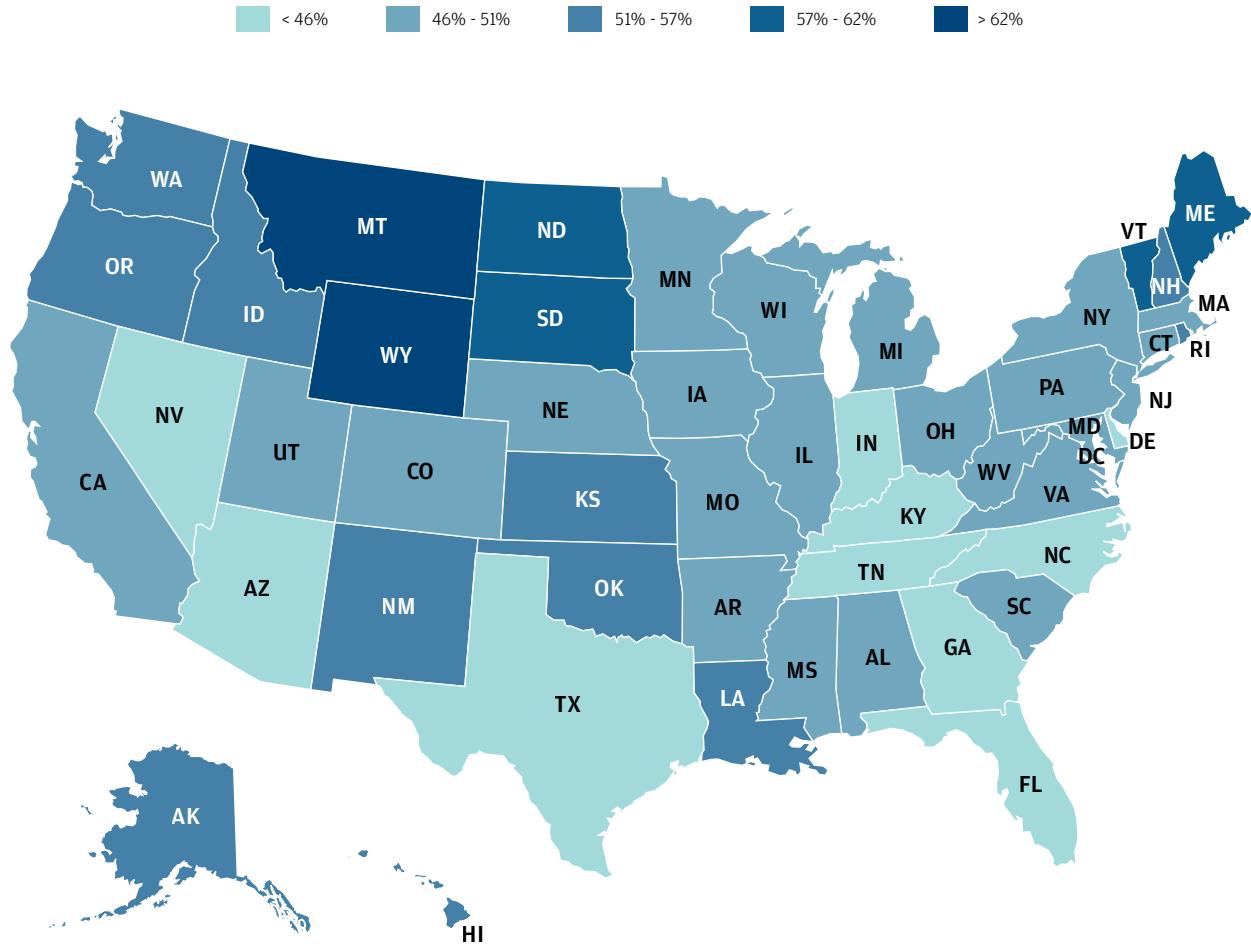
The average small business employee earned \$40,796 in 2014. In general, the larger the business, the higher the average employee pay. The smallest businesses (those with 1-4 employees) are an exception.



Regional Employment

Small businesses are prevalent across all states

Small Business Employment Share, 2013

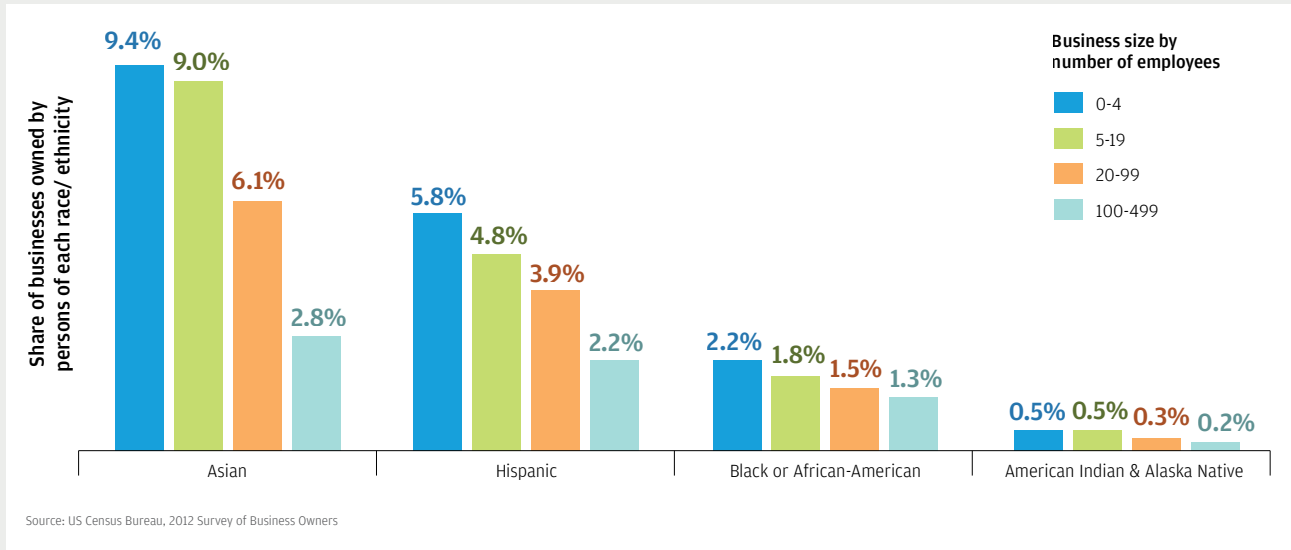


Source: US Census, Statistics of US Businesses, 2013

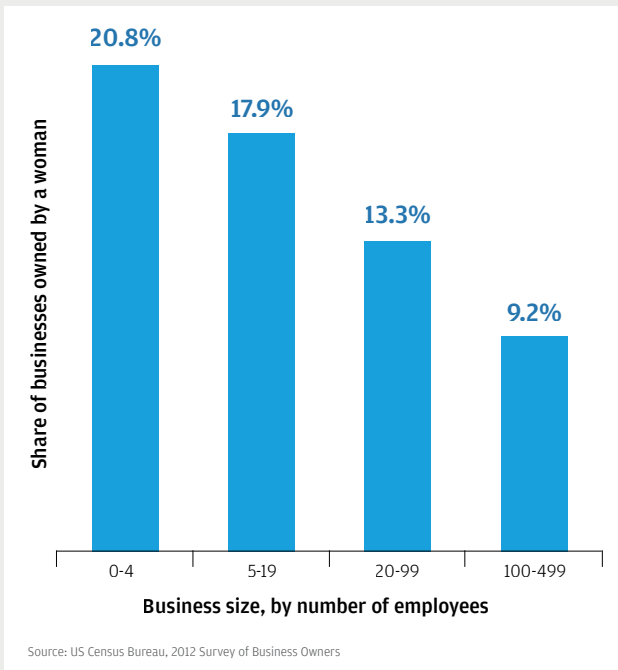
Diverse Ownership

Smaller businesses are more likely to be owned by women and minorities.

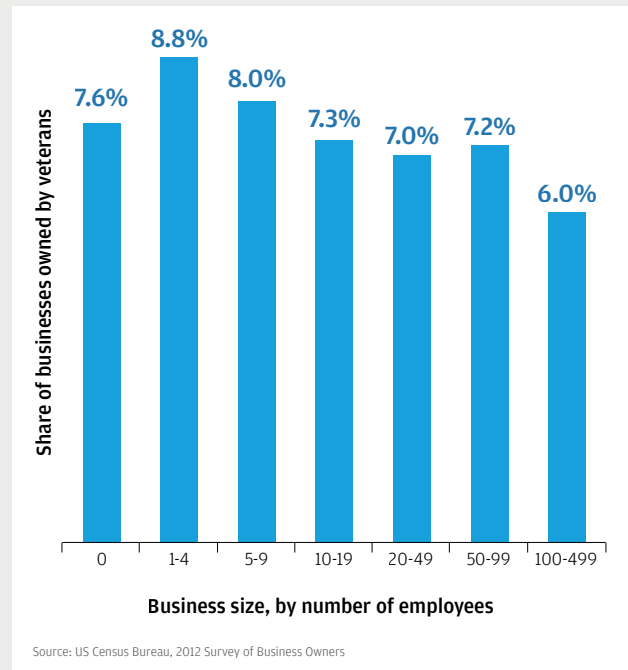
The smaller the business, the more likely it is to have minority ownership.



The smaller the business, the more likely it is to be owned by a woman.

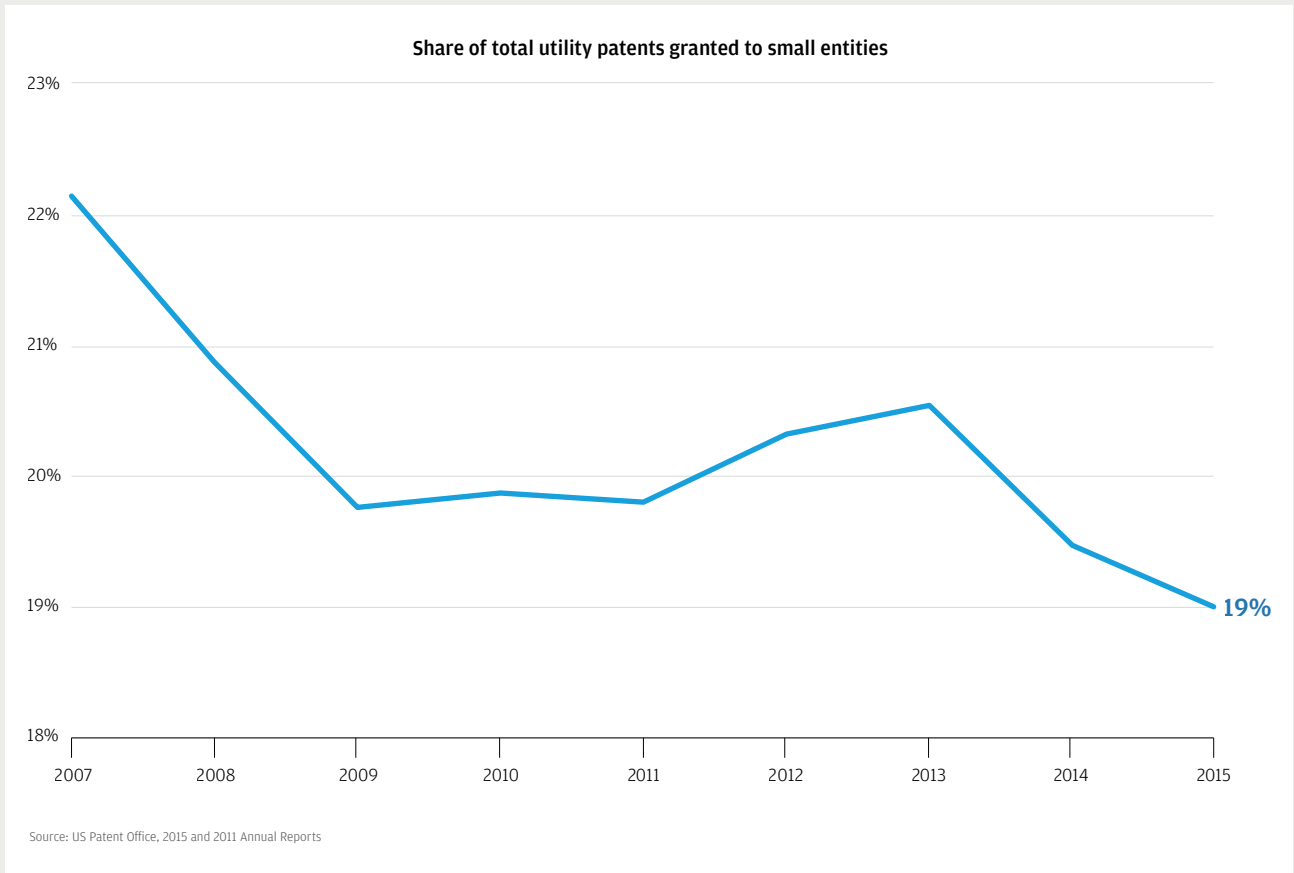


Roughly 8 percent of small businesses are owned by veterans.



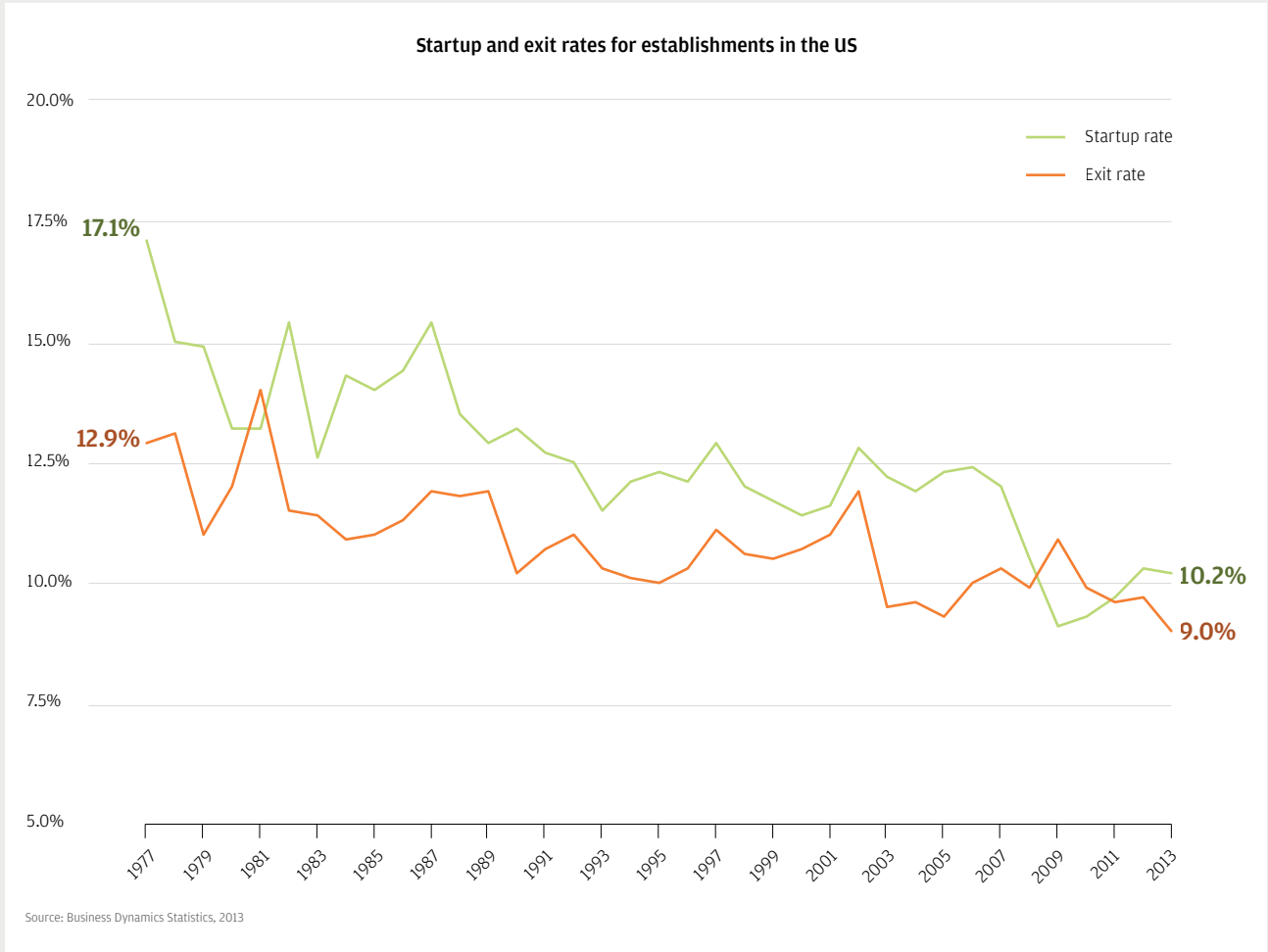
Innovation

Small businesses generated 19 percent of patents in the United States in 2015



Business Dynamism

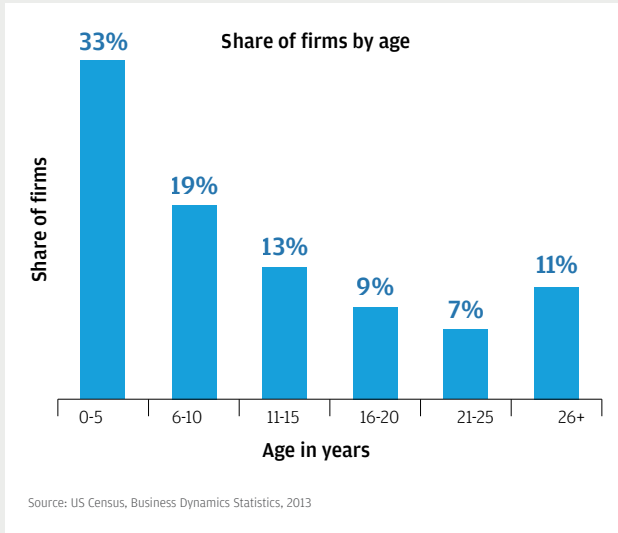
Business startup rates have decreased significantly over the last thirty years, as have business exit rates.



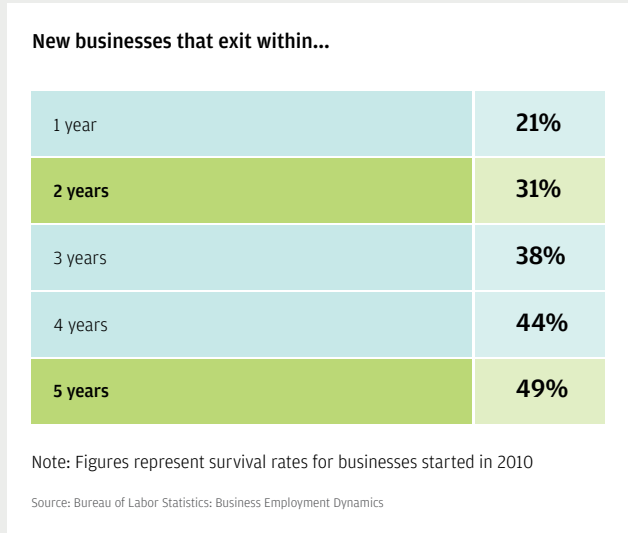
Longevity

A large share of small businesses are young businesses.

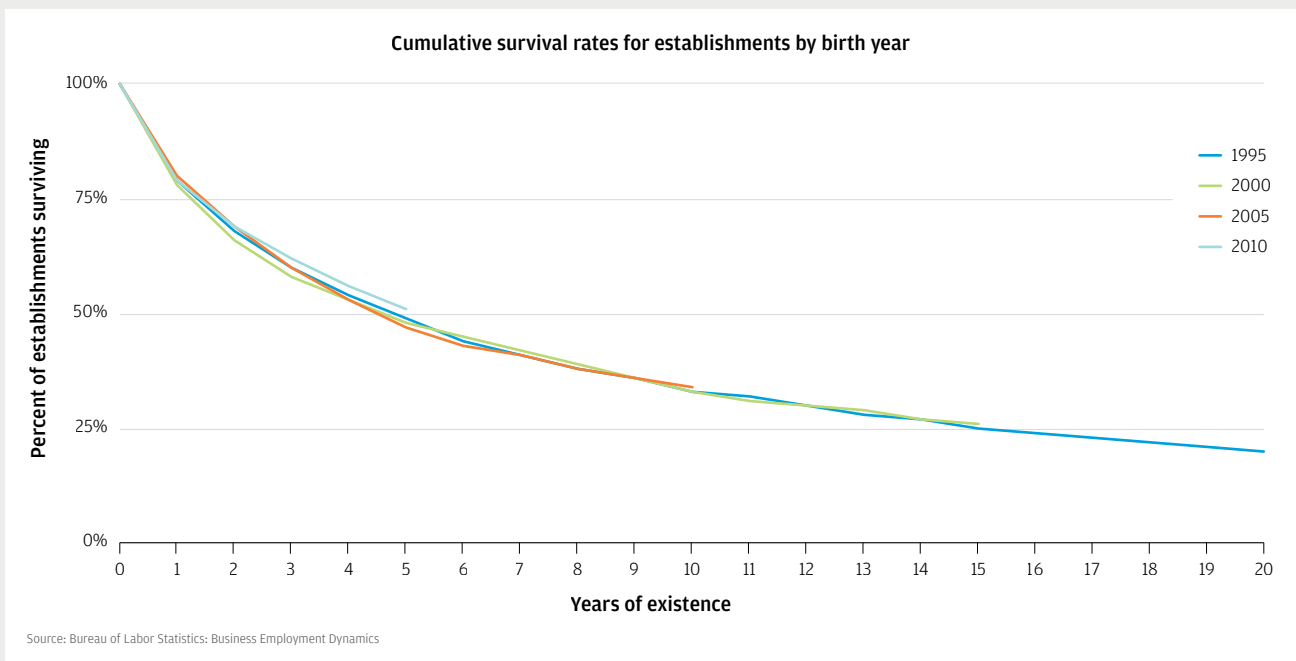
52 percent of small businesses are 10 years old or less, and 33 percent of small businesses are 5 years old or less.



Roughly a third of new businesses exit within their first two years, and half exit within their first five years.



The survival rate of new businesses has been remarkably consistent over time.



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