

- ✓ The number of small businesses in the United States depends on the definition of the term.
- ✓ If everyone who files a tax return with business income is included, about 24 million businesses exist. However, those whose principal occupation is owning or operating a small business number 12 million, and the other 12 million work in their business part-time. (NFIB Small Business Policy Guide, William J. Dennis Jr., November 2000.)
- ✓ Seven out of 10 small-business owners start their business with less than \$20,000 (Wells Fargo/NFIB Series on Business Starts and Stops, William J. Dennis Jr., November 1998).
- ✓ Fourteen percent of Inc. magazine's 500 fastest-growing companies in the United States started with less than \$1,000. (Inc., October 2002).
- ✓ Most ideas for businesses originate from other work or hobbies; sometimes the ideas are related to educational courses, chance happenings or suggestions. (New Business in America, William J. Dennis Jr., The NFIB Education Foundation)
- ✓ More than 60 percent of all businesses in the United States employ between 0 and 4 people. Another 18 percent employ 5 to 9. And additional 11 percent employ 10 to 19. Thus, four of five employing businesses have fewer than 20 people working in them. (NFIB Small Business Policy Guide, William J. Dennis Jr., November 2000).

## Small Business and Jobs\*

- ✓ Small firms with fewer than 500 people employed 52 percent of the non-farm, private-sector work force in 1998 and were responsible for 51 percent of the private-sector business share of the nation's gross domestic product (GDP).
- ✓ Small firms provide most initial on-the-job training and exposure to the labor force for new entrants. They are also more likely to employ younger workers, older workers, former welfare recipients and women.
- ✓ The largest job creators were small businesses with one to four employees, which created about 143,000 net new jobs through new firm births and another 838,000 through expansions over the 1995-1996 period. Small companies with 20-99 employees added 78,000 net new jobs, or about 4.2 percent of the small firm total.
- ✓ From 1994-1998, about 11.1 million net new jobs were added to the economy. According to Cognetics Inc. data by firm size, virtually all were generated by small firms with fewer than 500 employees. Large companies continued to downsize, and separations exceeded hires. Small businesses with 1 to 4 employees generated 60.2 percent of the net new jobs over this period; firms with 5 to 19 employees created another 18.3 percent.