

California

3,622,304 Small Businesses

696,239 Small Businesses with Employees

2,926,065 Small Businesses without Employees (Nonemployers)

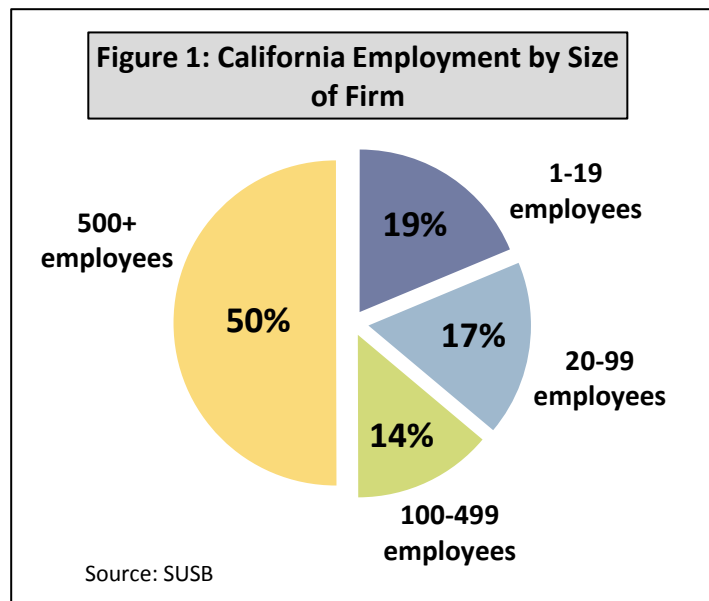
6,471,608 Workers Employed by Small Businesses

State Economy Overall

- California's economy grew at a slower rate than the United States in 2013. California's real gross state product increased by **2.0 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in California has improved. The unemployment rate in California declined from **8.6 percent** in October 2013 to **7.3 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- California's small businesses employed half or **6.5 million** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **99.2 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In California, small businesses created **271,515** net new jobs in 2012. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed in 2013 increased by **0.2 percent** relative to the previous year.
- The state's private-sector employment growth increased by **2.5 percent** over the 12-month period ending in October 2014; this was slightly below the national average growth rate of **2.6 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **758,453** loans under \$100,000 (and valued at **\$9.6 billion**) were issued by Community Reinvestment Act lending institutions in California. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$56,029** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$23,842**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

Business Owner Demographics

- **Table 1** shows the top industry for nine business owner demographics. For example, **30.2 percent** of female-owned businesses were in the professional, scientific, and technical services industry, and female-owned firms made up **16.9 percent** of this industry.

Table 1: Top Industry by Demographic Group in California, 2007

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Prof., sci., & tech. services	30.2	16.9
Male	Prof., sci., & tech. services	51.7	17.8
American Indian and Alaska Native	Other services	2.1	18.5
Asian	Other services	19.8	15.5
Black or African American	Health care & social assistance	8.9	21.4
Native Hawaiian and Other Pacific Islander	Health care & social assistance	0.4	13.5
White	Prof., sci., & tech. services	80.5	17.8
Hispanic	Admin., support, etc. services	35.8	16.2
Veteran	Prof., sci., & tech. services	8.4	20.4

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **9.6 percent** of females were self-employed, and **Figure 2b** shows that **39.3 percent** of all self-employed people were female.

Figure 2a: What percent of each demographic group are self-employed in California?

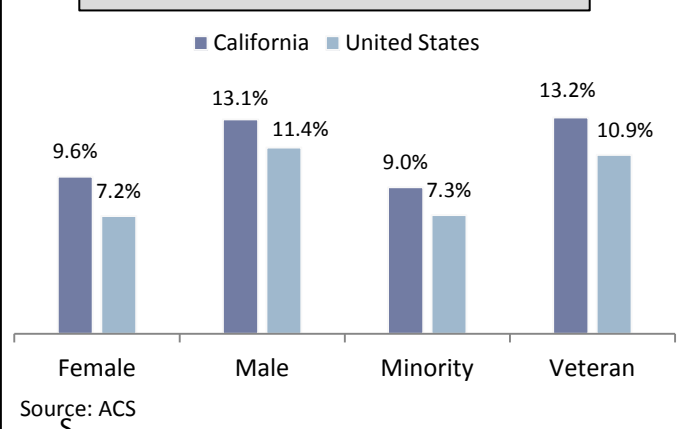
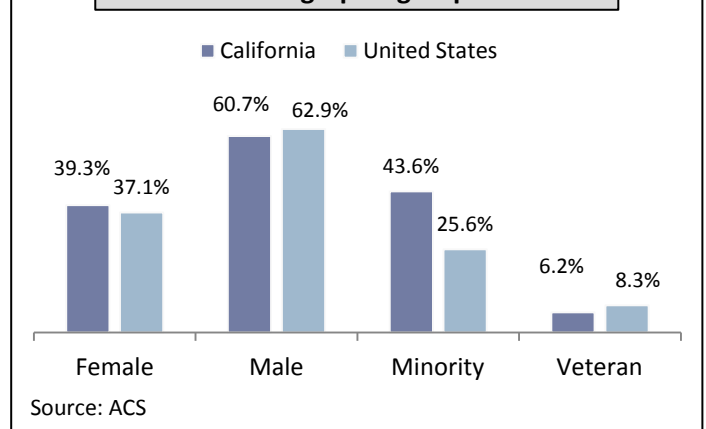


Figure 2b: What percent of self-employed individuals in California are in each demographic group?



Business Turnover

- In 2010, **59,134** establishments opened in California, and **67.7 percent** survived through 2012. In 2013, **103,395** establishments opened, and **79.4 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **62,938** establishments opened and **58,205** closed in the state of California. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

International Trade

- A total of **75,012** companies exported goods from the state in 2012. Of these, **71,921** or **95.9 percent** were small firms; they generated over two-fifths (**44.6 percent**) of the state's total known export value. (Source: ITA)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Table 2: Number of California Small Firms by Industry, 2012
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	105,851	98,911	510,600	616,451
Health care & social assistance	86,709	79,197	266,155	352,864
Retail trade	67,544	61,784	225,506	293,050
Construction	64,596	59,363	216,569	281,165
Other services (except public admin.)	63,270	58,507	453,196	516,466
Accommodation & food services	58,520	46,845	39,730	98,250
Wholesale trade	50,364	43,555	61,167	111,531
Real estate & rental & leasing	38,176	36,183	303,819	341,995
Manufacturing	35,323	27,313	45,927	81,250
Admin., supp., waste mgt., remed. svcs.	35,214	30,815	248,479	283,693
Finance & insurance	26,982	24,949	83,765	110,747
Arts, entertainment, & recreation	19,684	17,918	189,071	208,755
Transportation & warehousing	16,661	14,460	128,267	144,928
Information	14,654	12,803	59,482	74,136
Educational services	11,050	8,651	74,298	85,348
Management of comp. & enterprises	2,073	435	*	2,073
Forestry, etc. & agriculture support	1,876	1,648	13,464	15,340
Unclassified	1,045	1,043	*	1,045
Mining, quarrying, and oil & gas extrac.	579	453	5,120	5,699
Utilities	477	423	1,450	1,927
Total	696,239	624,718	2,926,065	3,622,304

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three California industries with the most small business employment were: accommodation and food services; health care and social assistance; and professional, scientific, and technical services (**Table 3**).

**Table 3: Employment in California by Industry and Firm Size, 2012
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Accommodation & food services	869,436	1,398,509	62.2
Health care & social assistance	822,811	1,742,808	47.2
Professional, scientific, & tech. svcs.	635,179	1,128,912	56.3
Manufacturing	621,924	1,138,370	54.6
Retail trade	555,114	1,539,979	36.0
Wholesale trade	499,938	806,841	62.0
Construction	483,721	566,131	85.4
Other services (except public admin.)	445,826	549,507	81.1
Admin., supp., waste mgt., remed. svcs.	399,842	1,167,386	34.3
Real estate & rental & leasing	196,502	274,643	71.5
Educational services	193,964	381,636	50.8
Finance & insurance	193,937	586,829	33.0
Transportation & warehousing	161,858	439,204	36.9
Arts, entertainment, & recreation	159,139	293,032	54.3
Information	150,980	537,357	28.1
Management of comp. & enterprises	44,565	285,828	15.6
Forestry, etc. & agriculture support	20,754	27,692	74.9
Mining, quarrying, and oil & gas extraction	10,450	24,459	42.7
Utilities	4,639	D	D
Unclassified	1,029	1,029	100.0
Total	6,471,608	12,952,818	50.0

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .