

Micro-business, THE job creators*

From 2004 to 2010, U.S. micro-businesses (1 to 4 employees) created a net of 5.5 million jobs; large businesses (those with greater than 500 employees) lost 1.8 million jobs during the same period.

Very small businesses created jobs every year and mostly created more jobs than any other firm size. The only exception was in 2006 when micro-businesses created 1,001,960 jobs and large firms created 1,072,710 jobs.

During 2009 and 2010, micro-businesses were the only firm size that created jobs.

Firms with 20-99 employees and 100-499 employees suffered heavy job losses, losing 1.5 million and 1.0 million, respectively. The recession years were particularly hard for these firms as far as job losses.

Micro-businesses were net job creators in all 50 states and the District of Columbia, the only firm size to be able to claim that.

- Firms with 5-9 employees were net job creators in 41 states.
- Firms with 10-19 employees were net job creators in 11 states.
- Firms with 20-99 employees were net job creators in 6 states.
- Firms with 100-499 were net job creators in 10 states.
- Firms with more than 500 employees were net job creators in 17 states.

In all but two states, New Hampshire and Alaska, micro-businesses created more net jobs than businesses with more than 500 employees.

California had the most net jobs created by micro-business, followed by Florida, Texas, New York and Illinois.

State	Net Jobs created by Micro-biz
California	719,830
Florida	522,193
Texas	431,368
New York	384,598
Illinois	202,903
Pennsylvania	178,769
Georgia	155,543
New Jersey	149,486
Washington	149,287
North Carolina	147,258

Out of those ten, five were states in which total net new jobs was negative.

Only 13 states had total positive net job creation that exceeded the net job creation by micro-business. In other words, if there had been no net jobs created by micro-businesses, 16 states would have had worse job losses than they experienced and 31 states would have had net job losses instead of positive job creation.

*The SBA gathered data from U.S. Department of Commerce, Bureau of the Census, and Business Dynamic Statistics. All data is aggregate for years 2004-2010 unless otherwise noted.