



## What is a Small Business?

- The U.S. Small Business Administration's Office of Advocacy defines "a small business as an independent business having fewer than 500 employees."  
<https://cdn.advocacy.sba.gov/wp-content/uploads/2019/09/24153946/Frequently-Asked-Questions-Small-Business-2019-1.pdf>
- The problem with this number, which is mainly used for government programs and contracting, is that the size doesn't look like a small business to most people.
- The U.S. Census Bureau is a little more helpful in painting a clearer picture on the number of small businesses in the country:
  - 0 to 4 employees                      3,665,182
  - 5 to 9 employees                      1,013,878
  - 10 to 19 employees                      626,900
  - 20 to 99 employees                      538,283
  - 100 to 499 employees                      90,742
  - 500+ employees                      19,699
- 61% of businesses in the United States have four or fewer employees; businesses with fewer than 20 make up 89% of all businesses in the country.  
<https://www.census.gov/data/tables/2016/econ/susb/2016-susb-annual.html>
- According to the latest Census Bureau tally, the number of businesses without any employees has grown to 25,701,671. These are people such as independent contractors, real estate agents, etc.  
<https://www.census.gov/newsroom/press-releases/2019/nonemployer-businesses.html>
- So, what is a small business? That's up to each media's own editorial policy to decide, but 60% of members of the National Federation of Independent Business, America's Voice of Small Business for 77 years, have 5 or fewer employees.