

2023 Small Business Profile

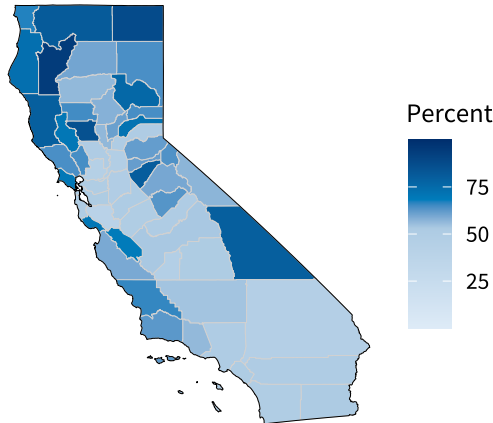
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

California

4.1 million small businesses
99.8 percent of California businesses

7.5 million small business employees
47.6 percent of California employees



Share of employees working at small businesses by county

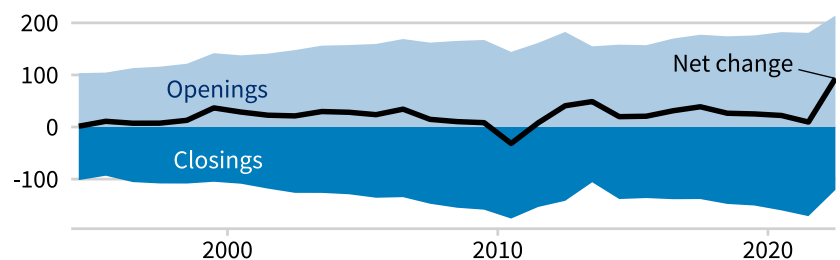
Source of original data: [Statistics of US Businesses](#) (Census)

Business dynamics

Establishments

Between March 2021 and March 2022, 213,893 California establishments opened and 120,730 closed, for a net increase of 93,163. Employment expanded at 318,767 establishments and contracted at 203,349. Small businesses accounted for 130,888 openings and 91,314 closings.

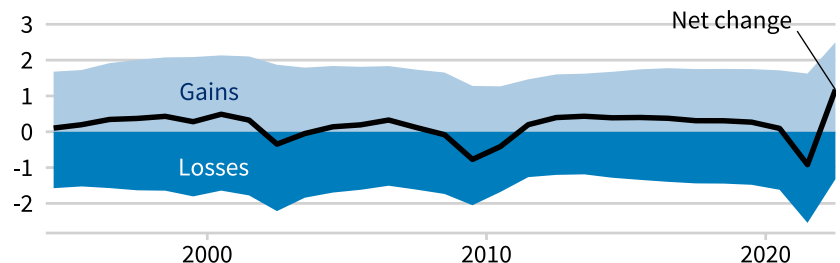
Thousands of establishments



Employment

Opening and expanding California establishments added 2.5 million jobs, while closing and contracting establishments lost 1.3 million, for a net increase of 1.2 million jobs. Small businesses contributed a net increase of 769,454 jobs, or 65.5 percent of that total.

Millions of jobs



Counts include temporary closures and reopenings

Source: [Business Employment Dynamics](#) (BLS)

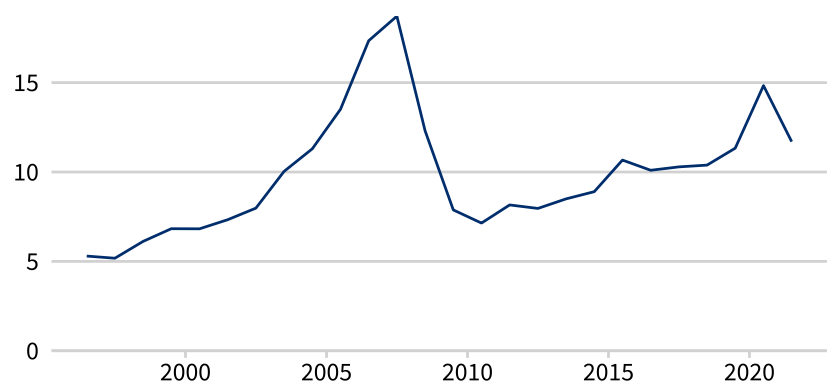
Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2021, reporting banks issued \$11.7 billion in loans to California businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$18.1 billion. Total reported new lending to businesses through loans of \$1 million or less was \$45.6 billion.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million

\$Billion



Small business count by size and industry

Industry	Without employees	1–19 employees	20–499 employees	All small businesses
Professional, Scientific, and Technical Services	552,844	118,497	8,052	679,393
Transportation and Warehousing	453,770	22,566	2,600	478,936
Other Services (except Public Administration)	322,527	66,271	5,046	393,844
Real Estate and Rental and Leasing	340,839	46,806	2,029	389,674
Health Care and Social Assistance	265,228	88,085	9,371	362,684
Administrative, Support, and Waste Management	290,510	34,304	5,064	329,878
Construction	249,186	71,737	7,452	328,375
Retail Trade	257,684	62,329	6,149	326,162
Arts, Entertainment, and Recreation	198,174	27,111	2,027	227,312
Accommodation and Food Services	58,230	52,840	15,158	126,228
Finance and Insurance	89,371	27,673	1,898	118,942
Wholesale Trade	58,796	40,888	6,272	105,956
Educational Services	87,569	11,423	2,816	101,808
Information	60,390	17,375	2,112	79,877
Manufacturing	44,360	25,323	7,128	76,811
Agriculture, Forestry, Fishing and Hunting	14,470	1,717	238	16,425
Mining, Quarrying, and Oil and Gas Extraction	2,802	330	87	3,219
Management of Companies and Enterprises	*	483	1,421	1,904
Utilities	1,335	494	56	1,885
Industries not classified	*	1,554	12	1,566
Total	3,348,085	717,198	81,569	4,146,852

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2020 (Census); [Statistics of US Businesses](#), 2020 (Census)



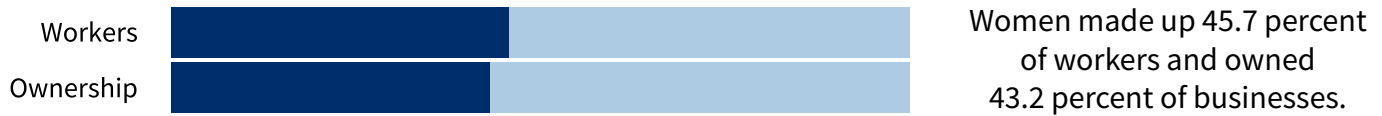
Small business exports

A total of 63,860 identified firms exported goods worth \$163.9 billion from California in 2021. Of those exporters, 60,700—or 95.1 percent—were small. Exports by small firms reached \$69.1 billion, making up 42.2 percent of exports by identified firms.

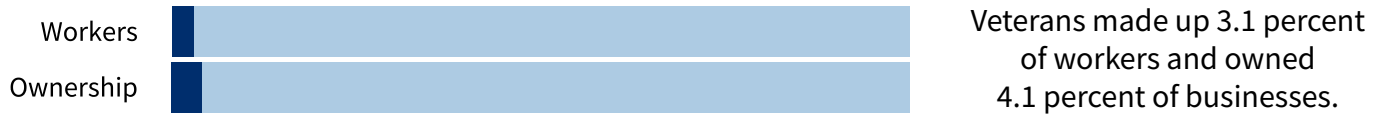
Source: [A profile of US importing and exporting companies, 2020-2021](#) (Census)

Business ownership share by demographic group

Women



Veterans



Hispanics



Racial minorities



Ownership shares include equal and majority ownership

Sources of original data: [American Community Survey](#), 2019 5-Year Data (Census); [Annual Business Survey](#), 2019 (Census); [Nonemployer Statistics by Demographics](#), 2019 (Census)

Business count by owner demographic group

	Without employees	With employees	Total businesses
Ownership			
Female	1,420,000	161,766	1,581,766
Male	1,882,000	442,847	2,324,847
Owned equally by both groups	62,000	122,396	184,396
Veteran	116,000	31,432	147,432
Not Veteran	3,242,000	681,088	3,923,088
Owned equally by both groups	6,200	14,489	20,689
Hispanic	890,000	77,606	967,606
Not Hispanic	2,466,000	637,092	3,103,092
Owned equally by both groups	8,200	12,311	20,511
American Indian and Alaska Native	51,500	4,263	55,763
Asian	755,000	159,959	914,959
Black or African American	244,000	13,718	257,718
Native Hawaiian and Other Pacific Islander	22,500	1,868	24,368
White	2,386,000	545,979	2,931,979
Hispanic or Racial Minority	1,758,000	253,431	2,011,431
White and Not Hispanic	1,592,000	452,378	2,044,378
Owned equally by both groups	15,000	21,199	36,199

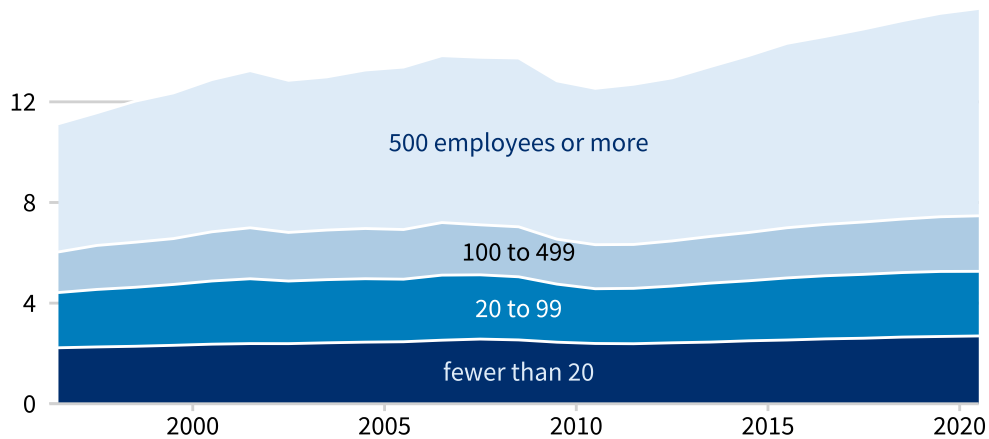
Counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey](#), 2019 (Census); [Nonemployer Statistics by Demographics](#), 2019 (Census)

Total California employment by business size

Source of original data: [Statistics of US Businesses](#) (Census)

Million



California small business employment grew by 23.8 percent between 1996 and 2020, which exceeded the national small business employment growth rate.

Small business employment and payroll by industry

Industry	Employers		Employees		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Professional, Scientific, and Technical Services	126,549	99.1	768,147	58.3	74,021,471	47.8
Health Care and Social Assistance	97,456	99.4	989,252	46.0	48,043,716	34.9
Construction	79,189	99.6	689,686	80.1	45,420,927	74.4
Other Services (except Public Administration)	71,317	99.5	494,387	78.4	16,617,301	76.9
Retail Trade	68,478	99.0	588,245	35.0	23,975,116	40.5
Accommodation and Food Services	67,998	99.3	1,101,378	62.0	20,571,013	58.7
Real Estate and Rental and Leasing	48,835	99.4	222,650	69.6	13,973,344	64.5
Wholesale Trade	47,160	97.6	479,285	58.3	33,704,291	45.0
Administrative, Support, and Waste Management	39,368	98.1	461,017	27.9	20,871,514	22.2
Manufacturing	32,451	96.7	572,379	49.3	32,833,928	36.9
Finance and Insurance	29,571	97.9	200,324	31.4	23,408,153	26.5
Arts, Entertainment, and Recreation	29,138	99.4	185,725	50.7	11,344,658	68.2
Transportation and Warehousing	25,166	97.5	205,944	31.0	9,958,255	26.2
Information	19,487	97.5	195,041	26.7	22,763,042	15.4
Educational Services	14,239	98.6	243,231	53.2	9,566,261	46.6
Agriculture, Forestry, Fishing and Hunting	1,955	98.3	19,919	64.2	1,021,582	71.3
Management of Companies and Enterprises	1,904	63.1	39,884	10.8	3,697,929	6.1
Industries not classified	1,566	100.0	2,439	100.0	86,515	100.0
Utilities	550	92.1	4,695	8.0	527,373	6.3
Mining, Quarrying, and Oil and Gas Extraction	417	88.3	6,914	39.1	544,906	33.4
Total	798,767	99.2	7,470,542	47.6	412,951,295	36.5

Source: [Statistics of US Businesses](#), 2020 (Census)

About this profile

Small businesses are generally defined here as firms with fewer than 500 employees. Figures or statistics may involve approximations because of missing or problematic data. Where notes identify the source of "original data," a value is approximate in at least one profile. The Technical Notes provide details on data, methods, and definitions. Electronic versions of this and other [geographic profiles](#) are available online. Visit [advocacy.sba.gov](#) for additional resources.