FACT SHEET | WHAT IS A MICROBUSINESS?

- **Firms with 0-4 Employees are MICROBUSINESSES**
  91% of firms in the U.S. are microbusinesses, firms with 0-4 employees. These **24.7 million** businesses averaging **$84,000 in revenue** each contribute **$2 trillion** to the economy, and supply more than **30 million jobs** for owners and their employees. Most microbusinesses are nonemployers without formal staff on the payroll but a third of them will hire contractors*, providing economic opportunities for at least **7 million** more.

- **The Majority of all U.S. Firms are Microbusinesses**
  91% of **27.2 million** total have 0-4 Employees

- **Microbusinesses are Important Sources of Job Creation and Local Economic Activity**
  - **22 million** nonemployer firms provide jobs for owners
    - average **$45,000** each in revenue
    - contribute **$1 trillion** to our economy
  - **2.6 million** employer firms provide jobs for 8 million staff and owners
    - average **$408,000** each in revenue
    - contribute another **$1 trillion** to our economy

- **Revenues for Nonemployers Grow with Age**

- **Nonemployer Firms are Young**

- **Women Own 38% of Micros, Up from 30% in 2007**

- **Only Nonemployer Firms Increased from 2007 to 2012, Driven by Women of Color**

** Content Source: https://www.amiba.net/resources/multiplier-effect/

Source for all data: Survey of Business Owners 2012, U.S. Census, except where noted

From 2007 - 2012, the number of Employer Firms decreased by 5%, while the number of Nonemployer Firms increased 4%. The gain was driven primarily by women of color (Hispanic, Black, Asian, Native American, and Hawaiians/ Pacific Islander). 83% of the firm gain is from Hispanic and Black businesses, with each gaining over 600,000 firms from 2007 to 2012.