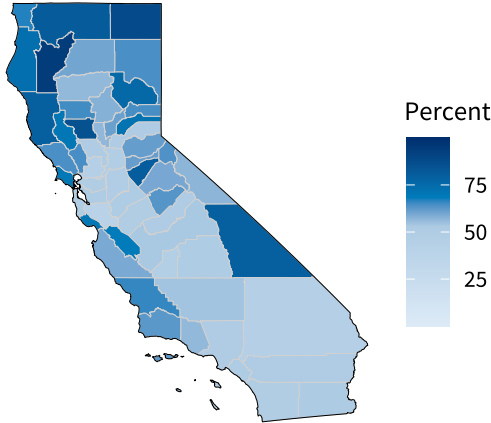


California

4.2 million small businesses
99.8 percent of California businesses

7.4 million small business employees
47.9 percent of California employees



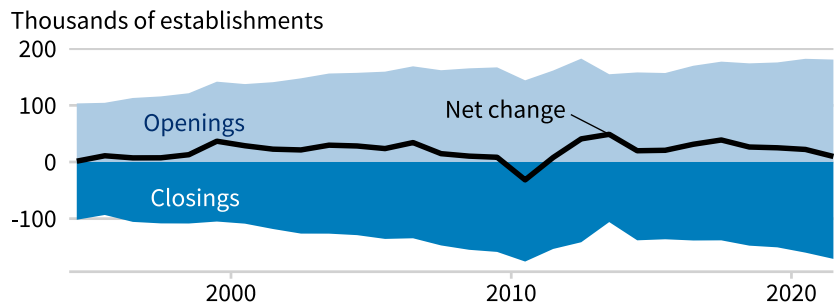
Share of employees working at small businesses by county

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

Business dynamics

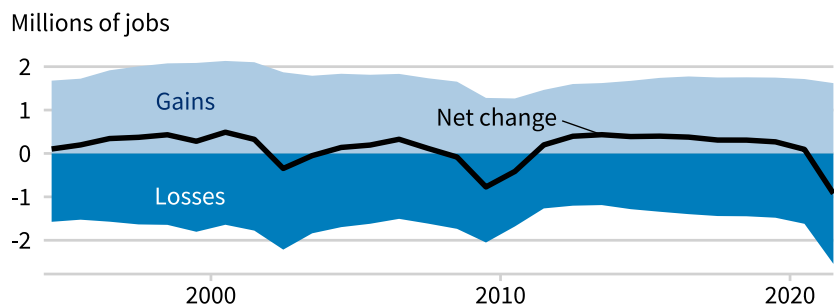
Establishments

Between March 2020 and March 2021, 180,829 California establishments opened and 171,061 closed, for a net increase of 9,768. Employment expanded at 206,972 establishments and contracted at 295,970. Small businesses accounted for 115,067 openings and 104,693 closings.



Employment

Opening and expanding California establishments added 1.6 million jobs, while closing and contracting establishments lost 2.5 million, for a net decrease of 923,649 jobs. Small businesses gained 1.1 million jobs and lost 1.6 million, for a net decrease of 579,931 jobs.



Counts include temporary closures and reopenings

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

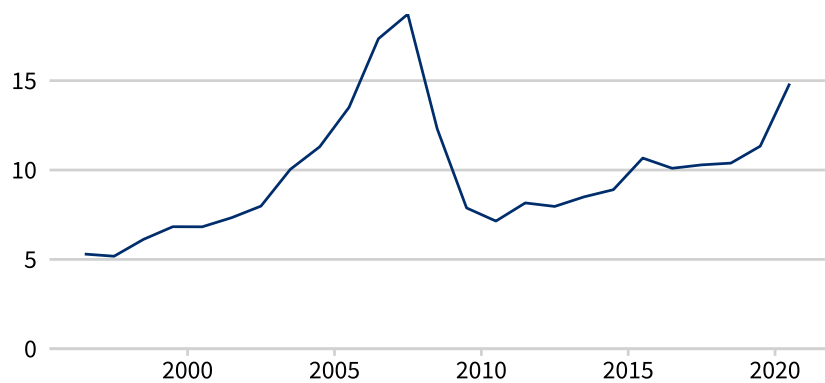
Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2020, reporting banks issued \$14.8 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 \$22.1 billion. Total reported new lending to businesses through loans of \$1 million or less was \$60.2 billion.





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

New lending to businesses with revenues under \$1 million

\$Billion



Small business count by size and industry

| Industry |  |  |  |  |
|--|---|--|---|---|
| | No employees | 1–19 employees | 20–499 employees | All small businesses |
| Professional, Scientific, and Technical Services | 583,377 | 113,720 | 8,002 | 705,099 |
| Transportation and Warehousing | 430,900 | 19,650 | 2,424 | 452,974 |
| Other Services (except Public Administration) | 350,973 | 65,194 | 5,032 | 421,199 |
| Real Estate and Rental and Leasing | 342,061 | 44,784 | 2,031 | 388,876 |
| Health Care and Social Assistance | 274,106 | 86,320 | 9,145 | 369,571 |
| Administrative, Support, and Waste Management | 298,898 | 33,978 | 4,900 | 337,776 |
| Construction | 246,911 | 70,799 | 7,291 | 325,001 |
| Retail Trade | 244,491 | 62,193 | 6,251 | 312,935 |
| Arts, Entertainment, and Recreation | 233,994 | 25,887 | 2,021 | 261,902 |
| Accommodation and Food Services | 61,291 | 53,811 | 16,004 | 131,106 |
| Educational Services | 107,856 | 10,858 | 2,784 | 121,498 |
| Finance and Insurance | 90,187 | 26,796 | 1,927 | 118,910 |
| Wholesale Trade | 60,139 | 41,553 | 6,461 | 108,153 |
| Information | 69,348 | 16,702 | 2,097 | 88,147 |
| Manufacturing | 45,211 | 25,930 | 7,337 | 78,478 |
| Agriculture, Forestry, Fishing and Hunting | 14,442 | 1,691 | 229 | 16,362 |
| Mining, Quarrying, and Oil and Gas Extraction | 3,227 | 337 | 93 | 3,657 |
| Management of Companies and Enterprises | * | 450 | 1,449 | 1,899 |
| Utilities | 1,255 | 458 | 53 | 1,766 |
| Industries not classified | * | 1,363 | 6 | 1,369 |
| Total | 3,458,667 | 701,859 | 82,086 | 4,242,612 |

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2019 (Census); [Statistics of US Businesses](#), 2019 (Census)



Small business exports

A total of 63,416 identified firms exported goods worth \$146.2 billion from California in 2020. Of those exporters, 60,154—or 94.9 percent—were small. Exports by small firms reached \$58.3 billion, making up 39.9 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2019-2020](#) (Census)

Business ownership share by demographic group

Women



Women made up 45.9 percent of workers and owned 43.1 percent of businesses.

Veterans



Veterans made up 3.5 percent of workers and owned 4.4 percent of businesses.

Hispanics



Hispanics made up 37.8 percent of workers and owned 23.4 percent of businesses.

Racial minorities



Racial minorities made up 37.0 percent of workers and owned 27.3 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey, 2018](#) (Census and IPUMS); [Annual Business Survey, 2018](#) (Census); [Nonemployer Statistics by Demographics, 2018](#) (Census)

Business count by owner demographic group

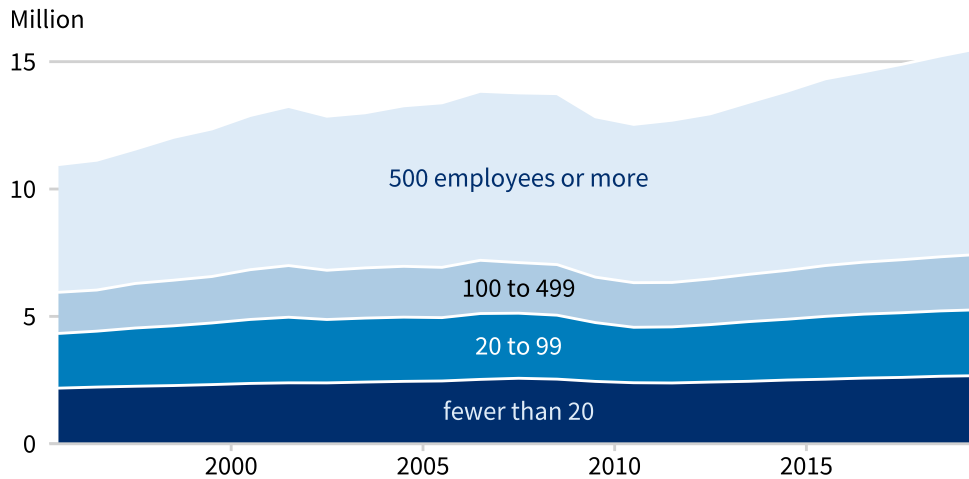
| | Without employees | With employees | Total businesses |
|--|-------------------|----------------|------------------|
| Ownership | | | |
| Female | 1,422,000 | 149,927 | 1,571,927 |
| Male | 1,883,000 | 436,714 | 2,319,714 |
| Owned equally by both groups | 60,500 | 122,196 | 182,696 |
| Veteran | 122,000 | 33,427 | 155,427 |
| Not Veteran | 3,238,000 | 658,934 | 3,896,934 |
| Owned equally by both groups | 6,300 | 16,474 | 22,774 |
| Hispanic | 860,000 | 71,739 | 931,739 |
| Not Hispanic | 2,498,000 | 624,721 | 3,122,721 |
| Owned equally by both groups | 7,900 | 12,378 | 20,278 |
| American Indian and Alaska Native | 15,000 | 3,573 | 18,573 |
| Asian | 686,000 | 154,495 | 840,495 |
| Black or African American | 213,000 | 13,016 | 226,016 |
| Native Hawaiian and Other Pacific Islander | 13,000 | 1,939 | 14,939 |
| White | 2,428,000 | 535,852 | 2,963,852 |
| Hispanic or Racial Minority | 1,647,000 | 240,558 | 1,887,558 |
| White and Not Hispanic | 1,706,000 | 447,535 | 2,153,535 |
| Owned equally by both groups | 13,000 | 20,747 | 33,747 |

Counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey, 2018](#) (Census); [Nonemployer Statistics by Demographics, 2018](#) (Census)

Total California employment by business size

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



California small business employment grew by 25.0 percent between 1995 and 2019, 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 | 121,722 | 99.0 | 748,973 | 59.0 | 70,818,592 | 49.8 |
| Health Care and Social Assistance | 95,465 | 99.4 | 966,917 | 46.0 | 47,069,682 | 35.1 |
| Construction | 78,090 | 99.6 | 678,247 | 81.0 | 44,920,020 | 75.0 |
| Other Services (except Public Administration) | 70,226 | 99.5 | 486,563 | 79.6 | 17,771,134 | 77.6 |
| Accommodation and Food Services | 69,815 | 99.3 | 1,132,302 | 62.9 | 26,846,871 | 59.9 |
| Retail Trade | 68,444 | 99.0 | 597,596 | 35.6 | 23,929,844 | 41.2 |
| Wholesale Trade | 48,014 | 97.7 | 492,541 | 59.5 | 33,830,389 | 45.9 |
| Real Estate and Rental and Leasing | 46,815 | 99.3 | 219,031 | 70.1 | 13,654,312 | 64.9 |
| Administrative, Support, and Waste Management | 38,878 | 98.0 | 451,100 | 26.4 | 20,626,482 | 23.8 |
| Manufacturing | 33,267 | 96.8 | 587,931 | 50.0 | 33,429,449 | 38.8 |
| Finance and Insurance | 28,723 | 97.9 | 196,593 | 31.4 | 21,723,274 | 26.8 |
| Arts, Entertainment, and Recreation | 27,908 | 99.4 | 184,797 | 49.9 | 12,954,202 | 62.5 |
| Transportation and Warehousing | 22,074 | 97.1 | 185,156 | 31.1 | 9,334,737 | 26.9 |
| Information | 18,799 | 97.5 | 192,381 | 27.6 | 22,555,920 | 17.8 |
| Educational Services | 13,642 | 98.6 | 239,482 | 53.8 | 9,738,755 | 48.5 |
| Agriculture, Forestry, Fishing and Hunting | 1,920 | 98.5 | 19,425 | 66.7 | 1,001,900 | 74.3 |
| Management of Companies and Enterprises | 1,899 | 62.6 | 40,812 | 11.5 | 3,751,166 | 7.0 |
| Industries not classified | 1,369 | 100.0 | 2,303 | 100.0 | 88,887 | 100.0 |
| Utilities | 511 | 91.6 | 3,757 | 6.6 | 342,845 | 4.4 |
| Mining, Quarrying, and Oil and Gas Extraction | 430 | 88.1 | 7,536 | 41.7 | 655,018 | 37.1 |
| Total | 783,945 | 99.2 | 7,433,443 | 47.9 | 415,043,479 | 38.5 |

Source: [Statistics of US Businesses](#), 2019 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or problematic data. Data analyzed here largely predate the COVID-19 pandemic, which has had [impacts on businesses](#) that have differed by industry, geography, and demographic group. Electronic versions of this and other [geographic profiles](#) are available online. Visit advocacy.sba.gov for additional resources.