

## California

California's 718,220 small employers and 2,757,179 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.\* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- California's real gross state product increased by 0.4% and private-sector employment decreased by 1.3% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The accommodation and food services industry was the state's largest small business employer in 2006; retail trade was the largest overall employer (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in California was 718,220 in 2006, accounting for 99.2% of the state's employers and 52.1% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

### For Further Information

- Data on all states and territories is available at [www.sba.gov/advo/research/profiles](http://www.sba.gov/advo/research/profiles).
- For other small business data and analysis, visit [www.sba.gov/advo/research](http://www.sba.gov/advo/research), call (202) 205-6533, or email [advocacy@sba.gov](mailto:advocacy@sba.gov).
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit [www.sba.gov/advo/rsslibrary.html](http://www.sba.gov/advo/rsslibrary.html)

\* Small employer data from 2006; nonemployer from 2007.

### California Small Business Facts

	2007†	2006	2000
<b>Number of Businesses</b>			
Small employers (<500 employees)	n.a.	718,220	658,898
Large employers (500+ employees)	n.a.	5,660	5,687
Nonemployers	2,757,179	2,645,256	2,103,178
	2002‡	% Share in 2002	% Change 1997–2002
<b>Business Owner Demographics</b>			
Male-owned	1,625,297	55.9	20.4
Woman-owned	870,496	29.9	24.3
Equally male/female-owned	346,753	11.9	-25.6
African American-owned	112,815	3.9	42.6
Asian-owned	371,530	12.8	18.7
Hispanic-owned	427,678	14.7	27.1
Native American/Alaskan-owned	38,125	1.3	n.a.
Hawaiian and Pacific Islander-owned	7,074	0.2	128.8
	2008‡	% Change from	
		2007	2000
<b>Workforce (Thousands) /Unemployment (%)</b>			
Private-sector employment	13,042	-1.3	3.2
Government employment	2,456	1.3	9.9
Self-employed (incorp. & uninc.)	2,174	-6.4	15.8
Female self-employment	765	-9.0	8.9
Male self-employment	1,409	-4.9	19.9
Minority self-employment	356	-7.3	16.1
Veteran self-employment	165	-12.8	-29.2
Unemployment rate (%)	7.2	1.8	2.3
<b>Business Turnover</b>			
Quarterly establishment openings	165,478	-7.4	-1.8
Quarterly establishment closings	180,074	3.6	13.7
Business bankruptcies	6,404	82.7	39.4
	2008‡	2007	2000
<b>Income and Finance</b>			
Proprietors' income (\$billion)	148.4	149.9	117.3
Number of bank branches	7,313	7,122	6,195
No. of bus. loans under \$100,000‡	n.a.	2,203,725	556,579
Total value of business loans under \$100,000 (\$million)‡	n.a.	26,357	6,211
Source: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Administration, Office of Advocacy ( <a href="http://www.sba.gov/advo/research/sbl_08study.pdf">www.sba.gov/advo/research/sbl_08study.pdf</a> , Table 4b.) n.a. not available.			
† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.			

**Table 1. Firms and Employment in California by Industry and Firm Size, 2006 and 2007  
(Nonfarm, Thousands)**

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	2,757.2	723.9	637.7	718.2	13,834.3	2,526.6	7,201.9
Forestry, etc. and agriculture support	13.3	2.0	1.7	1.9	23.8	5.7	20.2
Mining	5.2	0.7	0.5	0.6	21.3	2.4	8.2
Utilities	1.4	0.5	0.4	0.5	59.8	1.6	5.5
Construction	224.2	76.8	67.6	76.6	958.4	273.3	795.2
Manufacturing	43.8	41.7	30.3	40.5	1,449.8	168.7	797.1
Wholesale trade	59.5	52.5	44.1	51.4	825.7	187.8	541.0
Retail trade	232.4	76.7	68.6	76.0	1,700.8	289.2	691.9
Transportation and warehousing	126.9	16.9	14.0	16.3	453.2	57.6	170.0
Information	54.9	14.3	12.1	13.9	525.8	38.8	143.4
Finance and insurance	93.3	31.7	28.6	31.1	733.7	89.0	241.3
Real estate and rental and leasing	306.3	41.9	39.4	41.6	327.9	112.0	224.4
Professional, scientific, and technical svcs.	478.2	105.0	96.5	104.0	1,224.9	305.3	683.0
Management of companies and enterprises	--	3.1	0.5	2.0	292.5	1.2	38.6
Admin., support, waste mgt., remed. svcs.	218.6	36.2	30.6	35.6	1,153.0	120.4	461.9
Educational services	63.5	9.6	7.4	9.5	317.4	34.8	165.9
Health care and social assistance	250.9	81.0	73.4	80.6	1,556.7	313.0	772.9
Arts, entertainment, and recreation	171.0	18.3	16.4	18.2	302.5	43.5	161.1
Accommodation and food services	36.0	56.0	44.9	55.6	1,321.9	249.0	809.0
Other services (except public admin.)	377.8	63.6	58.2	63.3	581.4	230.0	468.0
Unclassified	--	3.3	3.3	3.3	3.5	3.2	3.5

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html) for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

**Table 2: Net Job Change by Firm Size, 2003–2006 (Nonfarm)**

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	270,165	121,415	31,681	13,293	-10,217	-4,192	151,980	118,185
2004 - 2005	127,469	128,749	25,006	6,843	-32,781	-16,130	111,687	15,782
2005 - 2006	451,231	140,266	48,578	54,001	88,089	39,742	370,676	80,555

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html).)

**Table 3: Establishment and Employment Turnover by Quarter, 2008 (Nonfarm, Thousands)**

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	40.4	177.3	185.6	46.2	160.7	722.7	791.7	178.5
Quarter 2	41.4	169.6	189.4	44.1	179.7	744.8	790.6	201.8
Quarter 3	38.9	164.6	187.1	46.1	149.0	674.7	794.9	173.5
Quarter 4	44.7	156.5	196.7	43.7	166.4	654.5	840.7	180.9

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see [www.bls.gov/bdm/home.htm](http://www.bls.gov/bdm/home.htm).)

Note: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.