

Small Business Fact Sheet
As assembled by Adam Hines – The Mountaineer Partnership
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Business Incubation and SBA Startup Business Owners

Job Creation/Job Growth

-From 1980-2005, firms less than 5 yrs. old accounted for ALL net job growth in the US.

Business Dynamics Statistics Briefing, January 2009

Conclusion: Small business are responsible for the bulk of the jobs created

Small Business Support

-72% of survey respondents say that government should do more to encourage individuals to start businesses.

-63% of survey respondents say they prefer government to give individuals incentives to start their own business as opposed to allowing government to create new jobs through big corporations.

Kauffman Foundation Poll, March 2009
Entrepreneurship and Economic Recovery

-70% of US registered voters think the health of the economy depends on success of entrepreneurs.

Luntz, Maslansky Strategic Research Survey, Sept 2008

Conclusion: People want and would support more incentives given to individual entrepreneurs

-40% US Young people under 21 say they would like to start their own business someday.

Harris Interactive Survey, July/August 2007

Conclusion: We could keep young talent local if their entrepreneurial desires were supported

Small Business Impact on the Economy

The estimated 29.6 million small businesses in the United States:

- Employ just over half of the country's private sector workforce
- Hire 40 percent of high tech workers, such as scientists, engineers and computer workers
- Represent 97.3 percent of all the exporters of goods
- Represent 99.7 percent of all employer firms
- Generate a majority of the innovations that come from United States companies

Source: U.S. Small Business Administration Office of Advocacy, September 2009

Self employment tends to fall as the economy grows. That's especially true among laid-off workers who start tiny companies after failing to find work in slow times. Conversely, Entrepreneurship grows as the economy slows. Many of the largest companies were started in periods of slow or no growth in the overall economy.

(Source: USA Today, July 17, 2005)

Business Incubation Fact Sheet

Return on Investment

-Researchers from the US Dept of Commerce Economic Development Administration (EDA) found that business incubators are the most effective means of creating jobs-more effective than roads and bridges, industrial parks, commercial buildings, and sewer and water projects. In Fact, incubators provide up to 20 times more jobs than community infrastructure projects (e.g. water and sewer projects) at a **cost of \$144 to \$216 per incubator job created compared with \$2920 to \$6,872 per job created for infrastructure projects.**

1997 Study by the EDA found that 87% of all firms that graduated from an NBIA member business incubator programs were still in business, with 84% of those businesses remaining in the community in which they were incubated.

NBIA Publications, January 27th, 2009/ US DOC EDA

-Where do small business owners go for advice? **52 percent from individual mentors; 51 percent from social networks;** 44 percent from trade associations; 36 percent from business advisors; 31 percent from the Internet and 27 percent from Chambers of Commerce

(Source: American Express)

-Angel Investors participating in organized groups achieve an average of 27% internal rate of return.

Returns to Angel Investors in Groups, November 2007

Jobs Creation

Incubator graduates create jobs, revitalize neighborhoods and commercialize new technologies, thus strengthening local, regional and even national economies.

NBIA estimates that in 2005 alone, North American incubators assisted more than 27,000 start-up companies that provided full-time employment for more than 100,000 workers and generated annual revenue of more than \$17 billion.

NBIA estimates that every 50 jobs created by an incubator client generate approximately 25 more jobs in the same community.

Source: 2006 State of the Business Incubation Industry

According to a 1997 study by the EDA, Business incubators reduce the risk of small business failures. Historically, NBIA member incubators have reported that 87 percent of all firms that have graduated from their incubators are still in business and 84% of those businesses remain in the community in which they were incubated.

Source: Business Incubation Works