

# 2025 Small Business Profile

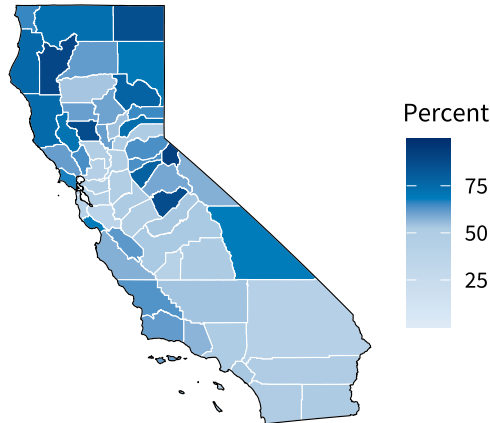
U.S. SMALL BUSINESS ADMINISTRATION  
**OFFICE OF ADVOCACY**

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## California

**4.3 million** small businesses  
**99.8 percent** of California businesses

**7.6 million** small business employees  
**47.4 percent** of California employees



### Share of employees working at small businesses by county

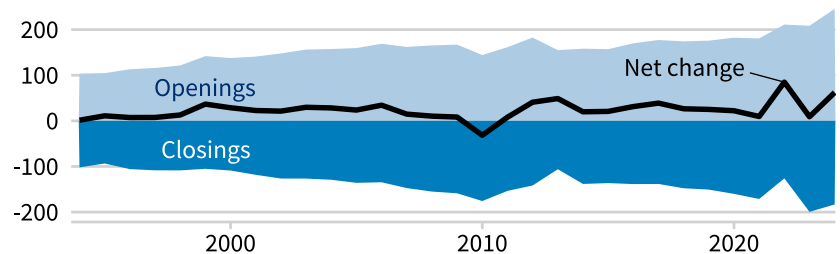
Sources of original data: [Nonemployer Statistics](#) (Census), [Statistics of U.S. Businesses](#) (Census)

## Employer and employment dynamics

### Establishments

Between March 2023 and March 2024, 245,382 California establishments opened and 183,211 closed, for a net increase of 62,171. Employment expanded at 254,710 establishments and contracted at 251,404. Small businesses accounted for 132,020 openings and 104,071 closings.

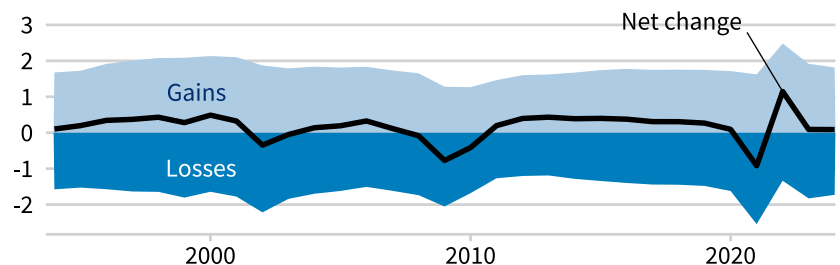
Thousands of establishments



### Employment

Opening and expanding California establishments added 1.8 million jobs, while closing and contracting establishments lost 1.7 million, for a net increase of 87,185 jobs. Small businesses contributed a net increase of 86,885 jobs, or 99.7 percent of that total.

Millions of jobs



Counts include temporary closures and reopenings.

Source: [Business Employment Dynamics](#) (Bureau of Labor Statistics)

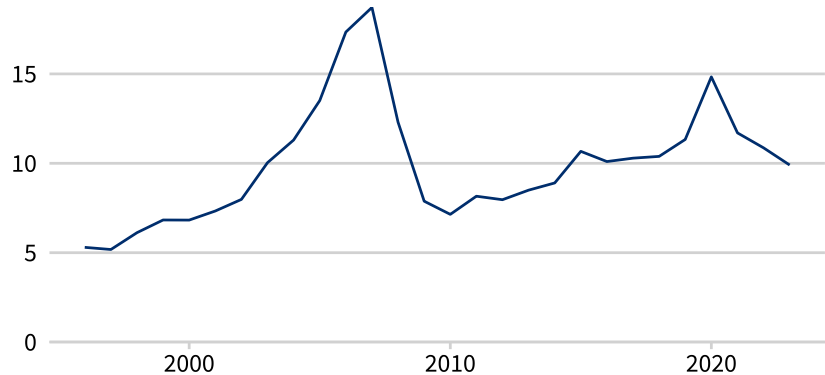
## Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2023, reporting banks issued \$9.9 billion in loans to California businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$1 million or less was \$29.7 billion. Total reported new lending to businesses through loans of \$100,000 or less was \$15.7 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	571,235	123,579	8,319	703,133
Transportation and Warehousing	512,257	30,228	3,053	545,538
Other Services (except Public Administration)	341,461	69,729	4,794	415,984
Real Estate and Rental and Leasing	352,733	50,479	2,043	405,255
Health Care and Social Assistance	283,111	92,157	9,858	385,126
Administrative, Support, and Waste Management	290,375	35,789	5,160	331,324
Construction	238,400	75,950	7,478	321,828
Retail Trade	235,168	63,805	6,517	305,490
Arts, Entertainment, and Recreation	230,347	29,778	2,063	262,188
Accommodation and Food Services	67,157	55,846	15,569	138,572
Finance and Insurance	90,181	28,023	1,892	120,096
Wholesale Trade	64,530	40,518	6,063	111,111
Educational Services	92,533	12,170	2,820	107,523
Information	69,618	18,232	1,972	89,822
Manufacturing	45,542	25,096	7,010	77,648
Agriculture, Forestry, Fishing and Hunting	14,189	1,761	269	16,219
Mining, Quarrying, and Oil and Gas Extraction	2,590	349	92	3,031
Utilities	1,523	605	64	2,192
Management of Companies and Enterprises	*	475	1,355	1,830
Industries not classified	*	1,075	2	1,077
All industries	3,502,950	754,987	82,847	4,340,784

\* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2022 (Census); [Statistics of U.S. Businesses](#), 2022 (Census)



### Small business exports

A total of 61,340 identified firms exported goods worth \$165.7 billion from California in 2023. Of those exporters, 57,949—or 94.5 percent—were small. At \$70.1 billion, exports by small firms made up 42.3 percent of exports by identified firms.

Source: [A profile of U.S. importing and exporting companies, 2022-2023](#) (Census)

## Business ownership share by demographic group

### Women



Women made up 45.5 percent of workers and owned 43.8 percent of businesses.

### Veterans



Veterans made up 2.8 percent of workers and owned 3.5 percent of businesses.

### Hispanics



Hispanics made up 38.6 percent of workers and owned 26.1 percent of businesses.

Ownership shares include equal and majority ownership.

Sources of original data: [American Community Survey](#), 2022 5-Year Data (Census); [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

## Business count by owner demographic group or location type

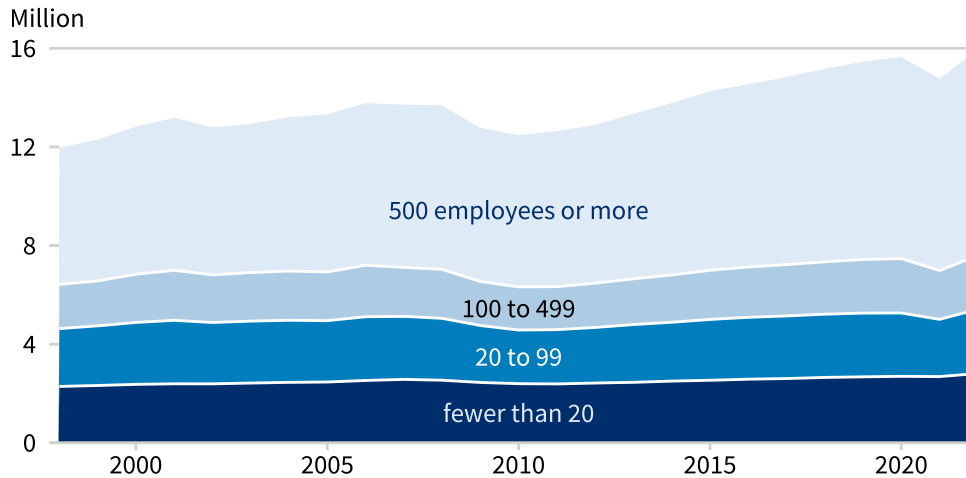
Group	Without employees	%	With employees	%	Total businesses
Female	1,468,000	88.9	183,842	11.1	1,651,842
Male	1,867,000	79.9	469,788	20.1	2,336,788
Owned equally by both groups	68,500	40.8	99,341	59.2	167,841
Veteran	104,000	79.3	27,220	20.7	131,220
Not Veteran	3,293,000	82.1	715,683	17.9	4,008,683
Owned equally by both groups	6,000	37.3	10,068	62.7	16,068
Hispanic	964,000	90.7	98,720	9.3	1,062,720
Not Hispanic	2,430,000	79.1	642,114	20.9	3,072,114
Owned equally by both groups	9,700	44.4	12,137	55.6	21,837
Rural	137,000	81.0	32,215	19.0	169,215
Urban	3,145,000	81.2	727,479	18.8	3,872,479
American Indian and Alaska Native	54,000	85.2	9,359	14.8	63,359
Asian	821,000	82.5	174,335	17.5	995,335
Black or African American	268,000	94.1	16,826	5.9	284,826
Native Hawaiian and Other Pacific Islander	24,000	91.0	2,381	9.0	26,381
White	2,336,000	80.9	553,297	19.1	2,889,297
Hispanic or Racial Minority	1,900,000	86.7	291,607	13.3	2,191,607
White and Not Hispanic	1,486,000	77.1	441,805	22.9	1,927,805
Owned equally by both groups	18,000	47.9	19,560	52.1	37,560

Counts include only businesses classifiable by owner demographic group or location type. Percentages represent shares of row totals.

Sources: [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

## Total California employment by business size

Source of original data: [Statistics of U.S. Businesses](#) (Census)



California small business employment grew by 18.3 percent between 1998 and 2022, 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	131,898	99.0	805,645	56.3	87,375,101	46.3
Health Care and Social Assistance	102,015	99.4	1,013,023	45.6	56,895,310	35.3
Construction	83,428	99.6	703,903	80.5	51,367,383	74.3
Other Services (except Public Administration)	74,523	99.6	490,888	82.6	21,504,675	80.6
Accommodation and Food Services	71,415	99.4	1,110,793	65.3	32,969,341	64.3
Retail Trade	70,322	99.0	599,194	35.5	29,990,567	41.7
Real Estate and Rental and Leasing	52,522	99.4	228,085	70.1	16,739,185	63.8
Wholesale Trade	46,581	97.6	466,114	57.8	38,329,809	45.6
Administrative, Support, and Waste Management	40,949	98.0	472,435	26.5	25,456,346	19.8
Transportation and Warehousing	33,281	98.2	243,388	33.0	13,641,563	29.9
Manufacturing	32,106	96.6	561,697	48.4	37,651,930	36.4
Arts, Entertainment, and Recreation	31,841	99.6	191,027	57.3	16,361,949	69.3
Finance and Insurance	29,915	97.9	197,209	29.8	25,404,272	25.8
Information	20,204	97.4	192,459	24.2	25,770,417	14.6
Educational Services	14,990	98.7	244,160	55.9	11,561,562	49.1
Agriculture, Forestry, Fishing and Hunting	2,030	98.7	22,507	67.5	1,242,786	74.8
Management of Companies and Enterprises	1,830	64.1	39,139	10.6	4,061,095	5.8
Industries not classified	1,077	100.0	1,577	100.0	72,311	100.0
Utilities	669	93.2	5,719	8.7	719,397	7.1
Mining, Quarrying, and Oil and Gas Extraction	441	89.3	6,726	42.1	674,175	37.7
All industries	837,834	99.2	7,595,688	47.4	497,789,174	36.6

Percentages were calculated by dividing industry totals for small employers by industry totals for all employers.

Source: [Statistics of U.S. Businesses](#), 2022 (Census)

### About this profile

Small businesses are generally defined here as firms with fewer than 500 employees. Statistics of U.S. Businesses and Nonemployer Statistics by Demographics are produced through a partnership between the Office of Advocacy and the Census Bureau. Where notes say "Source of original data," values may have been approximated because of missing values in the original data. Electronic versions of this and other [geographic profiles](#) are available online, along with technical notes about data, methods, and definitions. Visit [advocacy.sba.gov](https://advocacy.sba.gov) for additional resources.