

## SMALL BUSINESS ANALYSIS—STATE AND NATIONAL COMPARISON

**Table 1—Small Businesses with Less than 500 Employees and 1 to 19 Employees**

	Total No. of Small Firms	Total No. of Firms Employing Less than 500	Percentage of Firms Less than 500	Total No. of Firms 1 to 19 Employees	Percentage of Firms 1 to 19 Employees
<b>Mountain View Businesses (based on business license data as of June 2020)</b>	3,012	2,950	97%	2,667	89%
<b>California Small Businesses</b>	4,131,508	757,458	18%	676,913	16%
<b>U.S. Small Businesses</b>	31,678,432	5,976,761	19%	5,339,918	17%

NOTE: The columns “Total No. of Small Firms” at the State and national level probably include firms with more than 500 employees but are still considered small businesses. Consequently, the comparison above is not based on comparable data; it is only an illustrative example.

Table 2 shows a comparison with the number of nonemployer firms at the State and national level. A nonemployer firm is a small business that has no employees, has income greater than \$1,000, and is subject to Federal income. These are considered independent contractors. Four out of five businesses in the U.S. are nonemployers. The number of nonemployer firms has increased 58 percent since 1997, from 15.4 million to 24.3 million in 2015, while the number of employer firms grew 6 percent in the same period. Based on business license data, 1,371, or 45 percent, of Mountain View businesses have only one employee, many of whom are independent contractors and home-based businesses; others may be operators of businesses with another type of legal structure like a corporation.

**Table 2—Nonemployer Firms**

	Total No. of Small Firms	Total No. of Nonemployer Firms (one employee)	Percentage of Nonemployer Firms (one employee)
<b>Mountain View</b>	3,012*	1,371	45%
<b>California Small Businesses</b>	4,131,508	3,374,050	82%
<b>U. S. Small Businesses</b>	31,678,432	25,701,671	81%

\*Five Mountain View firms that employ more than 500 were not included in the total.

**Table 3–Small Businesses by Industry Category**

<b>INDUSTRY CATEGORY</b>	<b>Percentage of U.S. Small Businesses with Less than 500 Employees</b>	<b>Percentage of California Small Businesses with Less than 500 Employees</b>	<b>Percentage of Mountain View Businesses with Less than 500 Employees</b>
Professional, scientific, and technical services	14%	15%	17%
Other services except public administration	11%	9%	30%
Transportation and warehousing	3%	3%	.003%
Real estate, rental, and leasing	5%	5%	4%
Health care and social assistance	11%	12%	10%
Retail trade	11%	9%	9%
Construction	11%	9%	2%
Administrative, support, and waste management	6%	5%	1%
Arts, entertainment, and recreation	2%	3%	.006%
Accommodation and food services	9%	9%	7%
Finance and insurance	4%	4%	1%
Wholesale trade	5%	7	.008%
Educational services	92%	2%	1%
Information	1%	2%	.002%
Manufacturing	4%	5%	17%
Agriculture, forestry, fishing	.003%	.003%)	0
Mining, quarrying and oil and gas extraction	.003%	.0006%	0
Utilities	.00096%	.00008%	003%
<b>TOTAL</b>	<b>5,976,761</b>	<b>757,458</b>	<b>3,012 (less 5 that employ &gt; 500)</b>

The types of small businesses are another important component of the business profile. Table 3 in the Attachments shows a list of industry categories used by the SBA for small businesses. The table shows the number of firms with less than 500 employees for each industry category. Again, the table provides subjective illustrative examples as the City’s business license category codes do not always match those at the State and national level.

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