

Small Business Trends In 2019: 7 Surprising Statistics

[30.2 million small businesses](#) keep the economy going strong. Small business owners face unique challenges, and long-term success is somewhat unpredictable.

As of 2019, small business trends show that business growth is steady. Thorough planning and knowledge of small business trends can help owners boost their chances of success.

If you're an aspiring small business owner, you should stay up-to-date on these trends. The compilation of 13 statistics below gives an insight into small business finances, success, failures, and more.

1. Small businesses account for nearly ½ of private-sector employment.

Small businesses have employed about ½ of the U.S. workforce for many years. Reports from the Small Business Administration (SBA) show that:

- In 2017, small businesses accounted for 47.5 percent of private-sector employees.
- In 2012, small businesses accounted for 49.2 percent of private-sector employment.
- In 2014, small businesses employed 48.3 percent of private-sector employees.

There have been minor fluctuations in this trend based on this data, but the average is consistently around 50 percent.

(Source: [U.S. Small Business Administration](#))

2. 64% of small businesses are started with \$10,000 or less.

Many small business owners start their companies with limited funds. A vast majority of owners don't use business loans during the startup process. A 2019 Intuit report reveals that:

- 64% of small businesses are started with less than \$10,000.
- 75% of small business owners use their personal savings to cover startup costs.

The report goes on to state that non-business loans can be more beneficial for entrepreneurs. A \$10,000 is significantly smaller than the standard business loan. Intuit suggests the use of micro-loans and personal loans as two options for covering startup costs.

(Source: [Intuit Quickbooks](#))

3. More small businesses open each year compared to small business closings.

The latest 2019 quarterly economic bulletin published by the Small Business Administration highlights a positive small business trend. For several years, the number of small business openings has been higher than small business closings.

- Since 2011, the rate of small business openings has stayed higher than the rate of small business location closures.
- In 2013, there were about 406,000 startups and 401,000 firm closures. This data defines startups as small businesses less than a year old.

The success of small businesses varies based on industry. A report from the Bureau Of Labor Statistics that healthcare and social assistance industries have the highest survival rates. The same data shows that the construction industry has the lowest survival rate.

(Sources: [U.S. Small Business Administration](#) and [U.S. Bureau Of Labor Statistics](#))
establishments increased by 21%.

4. 73% of small businesses invest in social media marketing.

Internet marketing is crucial to the success of any business. According to a 2019 survey, 73% of small businesses invest in social media marketing.

A report from 2018 showed that 61% of small businesses invested in social media marketing. The social media marketing trend steadily rises each year. It's easy to understand why the trend keeps growing.

Platforms like Facebook, Twitter, and Instagram let owners interact with and engage potential customers. This practice is particularly helpful for new businesses. Social media marketing puts a 'face' to a name and builds trust for brands.

(Sources: [The Manifest](#) and [BizTrack](#))

5. Around 1/2 of small businesses survive at least five years.

The survival rate of new businesses is fairly promising based on Small Business Administration reports. The data shows that:

- 79.9% of small businesses survive for one year.

- 45.4% to 51.4% of small businesses survive for five years.
- About 1/3 of small businesses survive for ten years or more.

However, it's important to note that survival rates vary by industry. Healthcare and social assistance are the most successful industry category, and construction is the least successful industry.

(Source: [U.S. Small Business Administration](#) and [LendingTree](#))

6. 33% of small business owners say that a lack of cash flow is their main challenge.

LendingClub's yearly State of Small Business survey asked small business owners what their top challenges are. The 2019 survey results show that these are the main issues:

- 33% cited lack of capital or cash flow.
- 15% cited marketing and advertising.
- 13% cited time management.
- 13% cited recruiting and retaining employees.
- 13% cite administrative work like bookkeeping and payroll.
- 6% cited report managing and providing benefits.

This year's results are consistent with previous years. Cash flow, marketing, and time management are consistently the top three small business owner challenges.

(Source: [Lending Club](#))

7. 62% of small businesses use their websites as their primary digital marketing channels.

There are plenty of digital marketing methods available for small business owners. A 2018 survey showed that 62% prefer to market through their websites. Additionally:

- 61% use social media marketing.
- 39% use email marketing.
- 25% use search engine optimization (SEO).
- 20% use content marketing.
- 10% use augmented/virtual reality marketing.

The same survey reported that in-house employees are responsible for 43% of small business marketing. Only 23% reported using the services of digital marketing agencies.

(Source: [Clutch](#))

Takeaway

Reading these statistics gives a great perspective into the small business world. The number of small businesses continues to climb, so it's essential to stand out from the crowd. When mapping out your business, keep the figures above in mind to stay ahead of the competition and maximize your success.