Reality Check: Some Facts About Big and Small Businesses

- More than half of U.S. workers (53 percent in 2016) were employed by firms with 500 or more employees.[1]
- One in five workers in 2007 (20 percent) were employed in firms with fewer than 10 workers—yet those firms employed 42 percent of low-wage workers. By contrast, 44 percent of workers were employed in firms with more than 500 workers—and those firms employed just 28 percent of low-wage workers.[2]
- Workers in firms with more than 500 employees earn 38 percent more than workers in with less than 100.[3]
- Workers in companies with more than 500 employees receive 85 percent more overtime and bonuses, 2.5 times more paid leave and insurance, and 3.9 times more retirement benefits than workers in companies with fewer than 100 employees.[4]
- Firms with 100-plus employees are almost twice as likely to offer paid life and disability insurance.[5]
- The 4 largest firms in any industry have on average 37 percent higher productivity and 17 percent higher wages for production workers.[6]
- Stores with 500-plus employees pay high-school educated workers 26 percent more than stores with fewer than 10 employees, and they pay workers with some college education 36 percent more.[7]
- If the United States had the same firm-size distribution as Europe (which has more small firms), then average annual household income in America would be $5,200 lower. Shrinking the size of large firms in the United States to match Canada's firm-size structure, would decrease U.S. per capita GDP by 3.4 percent.[8]
- Establishments with less than 250 workers are 4 times more likely to lay off their employees than establishments with more than 5,000 workers.[9]
- In 2012, workers in goods-producing industries were injured 25 percent less frequently in firms with more than 1,000 employees than they were in firms with 10 to 49 employees.[10]
- Large businesses in 2017 employed a higher share of women than small business (48 percent to 45 percent), and 8 percent more veterans.[11]
- One older study found that African Americans comprised 13.3 percent of the workforce in firms with more than 500 employees, but 7.9 percent of the workforce in companies with fewer than 10 employees.[12]
- The average net worth of a business-owning household was five times greater in 2005 than a non-business-owning household in ($984,307 versus $190,023).[13]
- Between 2000 and 2011, the median net employment growth for firms less than five years old is "about zero."[14]
- Small businesses generate 35.1 percent of new jobs but also 33.9 percent of job losses.[15]
- When firms with more than 1,000 workers add more workers than firms with fewer than 50 workers, the overall unemployment rate goes down.[16]

- Many small businesses are exempt from regulatory requirements, including the Clean Air Act, the Occupational Safety and Health Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Age Discrimination in Employment Act, Title I of the Americans with Disabilities Act, and Title VII of the Civil Rights Act.[17]

- The federal tax code enables small businesses to pay $180 billion per year less than they would pay otherwise just because they are small.[18]

- Federal income tax paid as a share of total net income in 2013 was 18.2 percent for corporations with more than $250 million in sales, but just 4.6 percent for firms with less than $5 million.[19]

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