

New U.S. Department of the Treasury Analysis Shows Growth of Small Business and Entrepreneurship During the Biden-Harris Administration

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Small businesses have created over 70 percent of net new jobs since 2019, and the United States is averaging 430,000 new business applications per month in 2024, 50 percent more than in 2019


Through programs like the State Small Business Credit Initiative and Emergency Capital Investment Program, the Biden-Harris Administration has made access to capital a top priority

WASHINGTON- Today, the U.S. Department of the Treasury published a new analysis on small business and entrepreneurship in the post-COVID economic expansion. The analysis shows that entrepreneurship has surged during the Biden-Harris Administration, and that the role of small business in our economy and labor markets is poised to grow further. Important headwinds remain, but given the recent progress, it is important to recognize the central role small businesses play in the U.S. economy.

“President Biden and I know that small businesses are the backbone of our communities,” **said Vice President Kamala Harris.** “Thanks to our Administration’s historic investments in the success and growth of small businesses, there have been a record breaking 19 million new small business applications since President Biden and I took office — including in overlooked and underserved communities. As I’ve traveled the country, I’ve had the privilege to meet so many of the inspiring entrepreneurs and workers who power these businesses. I will never stop fighting to ensure they have the resources, support, and opportunity to not only survive, but thrive.”

“Small businesses and hard-working entrepreneurs are at the core of the American economy and supporting them has been a central priority of President Biden, Vice President Harris, and Secretary Yellen from their first day in office,” **Deputy Secretary of the Treasury Wally Adeyemo said.** “This report underscores the historically fast and broad growth of small

businesses during the Biden-Harris Administration, with 19 million new businesses started on our watch. This outcome was not an accident – at Treasury and across the Administration we’ve put in place programs like the State Small Business Credit Initiative and Emergency Capital Investment Program that have played a key role in providing funding for entrepreneurs starting or growing businesses, hiring workers, and innovating and manufacturing in communities across America. Each one of these new small businesses represents a vote of confidence in the future of the American economy. Our Administration’s mission is to make sure they have every opportunity they need to grow and thrive.”

Under Secretary Yellen’s leadership, Treasury created the Office of Capital Access to focus on getting small businesses the money they need to invest in their dreams. Through this office’s [State Small Business Credit Initiative \(SSBCI\)](#), we allocate billions to states, territories, and Tribal governments, [including](#)  \$3 billion going towards equity and venture funding, which is often the hardest type of funding for small businesses to get. For example, in March, Vice President Kamala Harris, Deputy Secretary of the Treasury Wally Adeyemo, and North Carolina Governor Roy Cooper announced North Carolina’s award of \$32 million in federal funds from the American Rescue Plan (ARP) to 10 venture capital firms under SSBCI. One recipient, Nex Cubed, has a HBCU Founders Fund that helps to launch and scale entrepreneurial endeavors led by alumni, students, and faculty from HBCUs, and places an initial investment of \$120,000 in selected start-ups. Another recipient, LeVert Ventures, invests in precision agriculture, crop protection, and indoor agriculture, supporting economic growth for rural communities.

Key conclusions from the analysis:

- **Small businesses created over 70 percent of net new jobs since 2019.** In the previous business cycle, small businesses created 64 percent of net new jobs.
- **Small business optimism is rebounding as inflation falls.** Multiple measures of business optimism show substantial increases in recent months. More than 70 percent of small business leaders expect revenues to grow over the next year, the most since the pandemic.
- **Entrepreneurship continues to surge: the United States is averaging 430,000 new business applications per month in 2024, 50 percent more than in 2019.** The subset of applications for businesses most likely to hire employees has also risen to 140,000 per month, 30 percent more than in 2019.

- **Entrepreneurs are also growing more diverse: forty-three percent of self-employed Americans are female, more than ever before.** Black, Asian, and Hispanic shares of self-employed Americans are also near all-time highs. Opportunity in this expansion is applying more broadly than before.

Beyond SSBCI, Treasury's [Emergency Capital Investment Program \(ECIP\)](#) is allowing mission-driven community lenders to increase lending to small businesses. In 2022, Vice President Kamala Harris and Secretary Yellen [announced over \\$8.5 billion for these financial institutions](#), and in just 18 months, ECIP participants have originated a total of over \$58 billion in loans, more than a third of which went to the most underserved borrowers and places. In 2022, Vice President Harris also announced the creation of the Economic Opportunity Coalition, a public-private partnership with some of America's leading companies as members and with bipartisan support. The Economic Opportunity Coalition set a goal of member companies depositing \$3 billion into community lenders, which will allow many of the institutions for received ECIP funding to lend more with greater access to deposits and liquidity.

The implementation of the Inflation Reduction Act, CHIPS and Science Act, and the Bipartisan Infrastructure Law are channeling public capital and encouraging more private investment in economically disadvantaged communities that larger corporations may overlook. The SBA is guaranteeing more small-dollar 7(a) loans to help the smallest businesses, while the Consumer Financial Protection Bureau has finalized a new rule to make small business lending more transparent. Finally, the Administration's pro-competition agenda is explicitly pro-small business, including by banning the noncompete agreements that reduce labor market dynamism and new business formation.

[Full text of the analysis is available here.](#)

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