

# Small Business Growth is Booming Under Democrats, Far Faster than Growth Under Trump

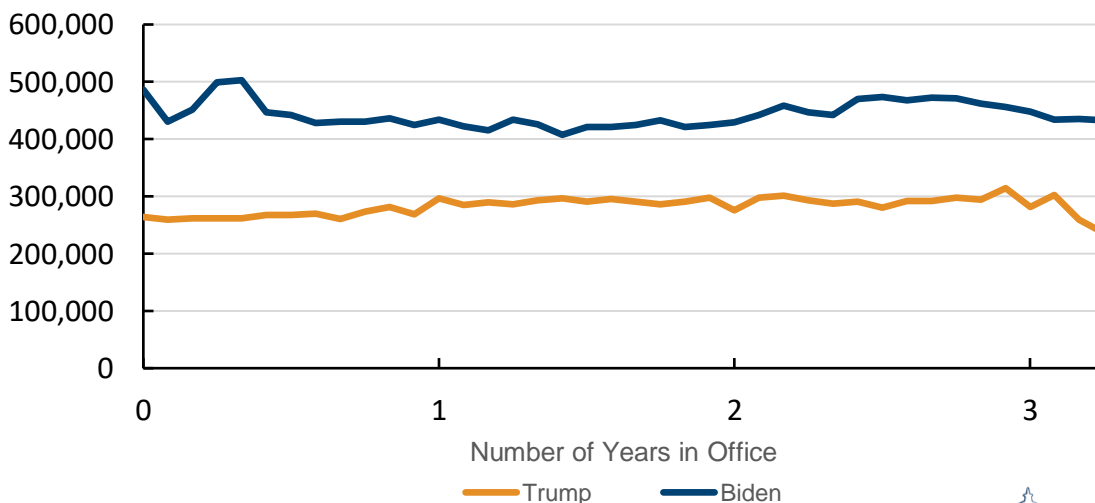
When more entrepreneurs can start and grow their businesses, it drives economic opportunity, creates local jobs, strengthens the middle class, and diversifies our economy. Democrats in Congress passed vital investments in the economic recovery and key infrastructure that laid the groundwork for a record-breaking **16 million** new business applications from 2021 through 2023. This increase far outpaces business growth under the former president, or under any past Republican. Democrats’ policies are working for American small business owners across the country and the next chapter in economic opportunity is underway.

## Small business entrepreneurship is thriving

- From 2021 through 2023, the United States saw **16 million** new business [applications](#); more than any other three-year period in history. This stretch included an annual [record](#) of 5.5 million new businesses applications in 2023.
- This growth is happening throughout the country, with business applications higher in 2023 than in 2019 and in **all 50 states and the District of Columbia (see table on page 3)**.
- For example, new business applications in New Mexico surged from about 17,500 in 2019 to approximately 34,000 in 2023, with continued growth in early 2024.

## Business Applications Under the First Three Years of President Biden are Higher Than They Were Under Trump

Monthly business applications filed under President Biden and former President Trump from January 2021 to April 2024 and January 2017 to April 2020, respectively



Source: Census Bureau Business Formation Statistics  
 Note: Data are seasonally adjusted.

- The U.S. averaged 443,302 monthly business applications though the first 3+ years of President Biden’s first term, significantly higher than the 282,362 applications under Trump during the same amount of time in office.
- A recent survey of entrepreneurs found that small business owners’ outlook on the economy is at a 22-year [high](#).

### **Small business growth drives a strong U.S. economy and provides jobs people can raise a family on**

- In 2023, small businesses made up [99.9%](#) of all businesses in the United States and drove nearly 44% of all U.S. output.
- Over the last 10 years small businesses have contributed to [more than half](#) of all net job growth in the United States.
- While self-employment is a common reason to start a new business, the United States is also setting [records](#) for applications for likely employer businesses, i.e. the types of new businesses that are most likely to employ additional workers.
- After falling between 2007 and 2019, the percent of Black families owning a business [doubled](#) between 2019 and 2022 [from](#) 4.8% to 11%. The share of new Latino small business owners has also [surged](#). Research shows that these new business owners are especially likely to start employer businesses and create additional jobs.
- Small businesses are also the backbone of [thriving](#) local economies and have been shown to create [more jobs](#) on net than big companies. Research also indicates locally-led small business growth is [key](#) to driving economic prosperity in rural communities.
- By [increasing](#) rural access to broadband, Democrats are also investing in the future of rural small business and their capacity to grow their online presence.

### **Democrats have fueled new investment in small businesses through landmark bills and executive actions**

- Congressional Democrats have committed [billions](#) to directly support small business. Their actions have helped spur the [economic recovery](#), boosted [infrastructure](#), invested in [clean energy](#), and bolstered American [semiconductor](#) production.
- By [passing](#) the Small Business Innovation Research and Small Business Technology Transfer (SBIR and STTR) programs Extension Act of 2022, Democrats ensured that, [through](#) “[America’s Seed Fund](#),” small businesses that are focused on innovative research and development will keep our country at the forefront of creating cutting edge technology.
- Democrats are also [freeing up credit](#) for entrepreneurs across the country, targeting an issue that is [vital](#) for small businesses’ hiring and overall success.
- Democratic initiatives like [Smart Growth](#) and the [Rural Partners Network](#) ensure business development is locally-led and that investments spread across the local economy.

The numbers are clear that business growth is booming under President Biden, due to the strong economic recovery and policies passed by Democrats in Congress. This positive trend will continue to support the U.S. economy at every level while creating a new generation of U.S. entrepreneurs.

### Annual New Business Applications by U.S. Geography, 2019 and 2023

Geography	2019 Applications	2023 Applications	Geography	2019 Applications	2023 Applications
Alaska	8,156	8,949	Montana	14,156	23,813
Alabama	41,575	71,917	Nebraska	14,909	21,595
Arizona	77,028	126,194	Nevada	42,697	65,996
Arkansas	25,480	38,815	New Hampshire	11,098	16,181
California	368,586	559,320	New Jersey	112,967	161,251
Colorado	86,885	143,204	New Mexico	17,514	33,889
Connecticut	32,947	48,472	New York	230,001	314,534
Delaware	25,977	55,497	North Carolina	104,231	171,300
District of Columbia	12,370	14,841	North Dakota	6,845	8,968
Florida	394,871	669,541	Ohio	95,450	148,460
Georgia	173,120	277,837	Oklahoma	41,149	53,484
Hawaii	14,559	19,231	Oregon	39,403	56,798
Idaho	21,606	31,375	Pennsylvania	103,375	154,695
Illinois	118,344	174,899	Rhode Island	8,458	11,660
Indiana	54,175	94,295	South Carolina	51,929	92,440
Iowa	22,065	33,546	South Dakota	7,750	11,318
Kansas	22,564	33,335	Tennessee	59,210	97,152
Kentucky	33,111	55,508	Texas	306,667	501,379
Louisiana	54,264	80,552	Utah	50,006	71,997
Maine	10,006	14,115	Vermont	5,568	7,513
Maryland	75,748	102,591	Virginia	88,317	132,420
Massachusetts	57,387	76,379	Washington	71,138	97,689
Michigan	94,918	148,484	West Virginia	9,966	15,297
Minnesota	46,297	69,187	Wisconsin	43,928	65,521
Mississippi	31,449	53,307	Wyoming	19,015	58,972
Missouri	58,934	90,479	<b>U.S Total</b>	<b>3,518,169</b>	<b>5,486,192</b>

Source: Census Bureau Business Formation Statistics

Note: Data are seasonally adjusted.