

Exercise 1-4: Answer Key - Role of small business in America

Below are several pieces of information about small business in the US. Not all of the below points are true. Make a "check" mark by the points below you think are false:

Small firms:

1. Employ more than half of all private sector employees.
2. Create more than 50 percent of nonfarm private gross domestic product (GDP).
3. Produce 13 to 14 times more patents per employee than large patenting firms.
4. Are employers of 39 percent of high tech workers (such as scientists, engineers, and computer workers).
5. Made up 97 percent of all identified exporters and produced 29 percent of the known export value in FY 2001.
6. Provide 83% of the world's steel.

Answer: Only #6 is false. Much of manufacturing is generally considered to a "big business".

Takeaway: Many underestimate the impact of small business on our nation's economy.