

# Casting a Wide Net: Online Activities of Small and New Businesses in the United States



Businesses, particularly new businesses, are using the web in diverse ways as they pursue their commercial activities. While newly released data shows overall incidence of a reported website among the population of U.S. businesses was only about a quarter in 2007, young businesses in 2007 were more likely than not to have a website. Online sales were reported by 6 percent of all U.S. businesses in 2007, compared with more than a quarter of young firms. Additionally, among online sellers, young firms were about twice as likely to generate more than 50 percent of revenues online. In examining differential outcomes from online activities, our analysis shows having a business website had the earliest and most long-lasting effects among startups.

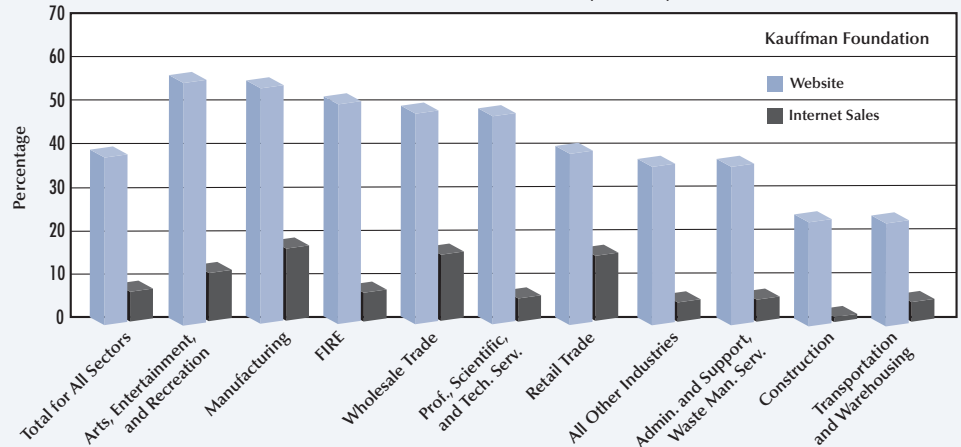
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The Foundation of Entrepreneurship

## Prevalence of Internet Activities

	Website	Internet Sales
All Firms	24.8%	6.0%
Young Firms	51.5%	26.8%
Employer Firms Only	40.5%	7.3%
Asian	26.5%	4.8%
Black	35.2%	4.7%
Hispanic	29.8%	4.5%
White	39.9%	7.4%
Female-owned	39.8%	7.4%

Source: Survey of Business Owners, 2007. Kauffman Firm Survey microdata

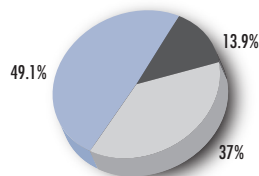
## Prevalence of Internet Activities by Industry: 2007



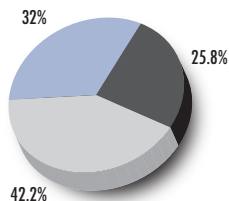
Source: Employer firms only. Survey of Business Owners, 2007.

## Internet Sales as a Percentage of Total Sales\*

### All Firms Selling Online, 2007



### Young Firms Selling Online, 2007



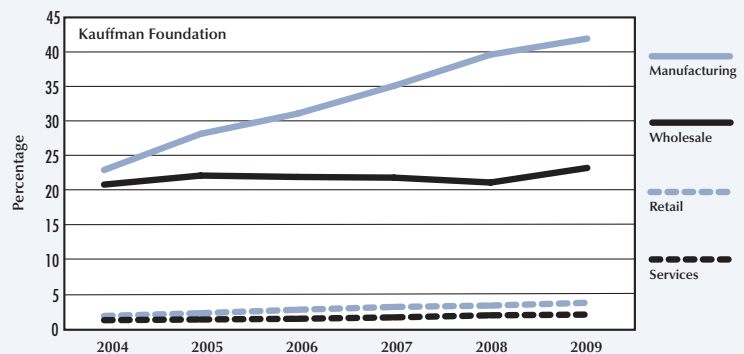
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- Online sales less than 5% revenues
- Online sales 51%-100%\*
- Online sales 5%-50%

\*SBO category breaks at 5%-49% and 50%-100%

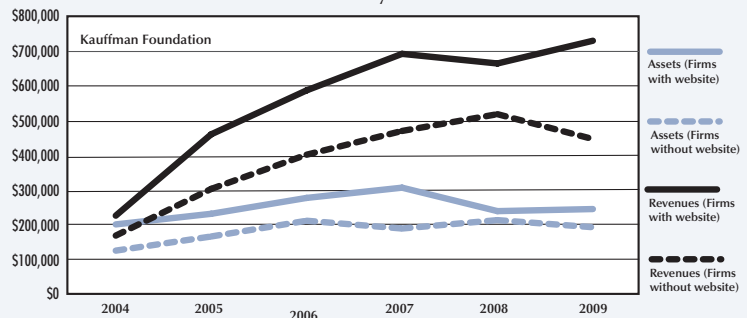
Source: Employee Firms Only, Survey of Business Owners, 2007; Kauffman Firm Survey microdata, 2007

## E-Commerce Sales as a Percentage of Total Sales, United States: 2004-2009



Source: U.S. Census Bureau, 2009 Annual Survey of Manufacturers, 2007 Economic Census—Manufacturing, 2009 Annual Wholesale Trade Survey, 2009 Annual Retail Trade Survey, and 2009 Service Annual Survey.

## Assets and Revenues by Use of Website



Source: Kauffman Firm Survey microdata.