

Driving Growth: The Integral Role of Small Businesses in the U.S. Economic Landscape

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Abstract

This comprehensive research endeavor undertakes an exhaustive examination of the far-reaching influence exerted by small businesses on the intricate fabric of the U.S. economy. Employing a meticulously crafted methodology that combines random interviews with a diverse array of small and medium enterprises across the United States and an extensive review of secondary sources, this study endeavors to unravel the multifaceted effects and ramifications of small businesses. From serving as engines of job creation and catalysts for local economic development to driving industrial expansion and fostering innovation, the pivotal role played by small businesses in shaping the economic landscape of the nation becomes increasingly apparent. Furthermore, this research undertakes a critical analysis of the myriad challenges and negative externalities that often beset small businesses, offering incisive insights and strategic recommendations aimed at mitigating these obstacles and fortifying resilience. The robust findings derived from this study not only underscore the indispensable contributions of small businesses to the vitality and dynamism of the U.S. economy but also serve as a clarion call for policymakers, stakeholders, and entrepreneurs alike to redouble efforts in fostering an environment conducive to the sustained growth and prosperity of small businesses. By equipping stakeholders with actionable insights and tailored solutions, this research seeks to empower small businesses to navigate the complexities of the U.S. business landscape and thrive amidst evolving economic paradigms.

Keywords

Small Business, U.S. Business, Entrepreneurs, Stakeholders, Economy

1. Introduction

Small businesses serve as indispensable cornerstones in fortifying the economic foundation of any nation, and the United States epitomizes this reality. Beyond mere commercial endeavors, these enterprises embody the essence of economic dynamism, acting as catalysts for job creation, innovation, and social mobility. In the intricate tapestry of the American economy, small businesses weave threads of opportunity, offering not just employment but pathways to self-sufficiency and upward mobility, particularly for segments such as the unemployed youth seeking to chart their career trajectories. Their nimbleness and adaptability make them not only vital contributors to economic growth but also resilient engines that drive prosperity even in times of uncertainty. By reducing unemployment rates and fostering entrepreneurial spirit, small businesses play a pivotal role in shaping a landscape of opportunity, where individuals can transform ideas into enterprises and aspirations into achievements (Parro, 2024; Rana et al., 2022). Despite facing challenges inherent to their scale, the aggregate impact of these enterprises on the US economic canvas remains overwhelmingly positive, bolstering resilience, fostering innovation, and fueling prosperity. As this research endeavors to delve into the nuanced effects of small businesses on the American economic fabric, it seeks not only to elucidate their myriad contributions but also to identify and address any underlying challenges, thereby paving the way for informed policies and strategies to optimize their role as engines of economic growth and societal advancement.

Small businesses are indispensable drivers of economic growth, not only within the United States but also across the globe. Their significance in fostering prosperity cannot be overstated, as they play a pivotal role in job creation, innovation, and local economic development. In the USA, these businesses, typically defined by the U.S. Small Business Administration as entities with 20 to 500 employees, form a dynamic sector that fuels economic expansion and mitigates unemployment (Jabin et al., 2024; Orzechowski, 2020). Encouraging the formation of small and medium enterprises (SMEs) among young entrepreneurs is a strategic imperative for governments, aiming to address unemployment rates and promote sustainable economic development. With nearly 33.19 million small businesses in the USA, their collective efforts have led to the creation of over 17.3 million new jobs, representing a significant portion of overall job growth (Amon et al., 2020; Main, 2024; Rowinski, 2022). Moreover, these enterprises often prioritize local recruitment, thereby contributing to the vitality of immediate communities and fostering social cohesion (Abdelnabi et al., 2022; Md Abdullah Al Mahmud et al., 2024; Rahman Sobuz et al., 2023; Rakibul Hasan et al., 2024; Rowinski, 2022). Arofatkhan (2023) underscores the multifaceted role of small businesses, highlighting their capacity to drive innovation, spur entrepreneurship, and stimulate local economies. However, despite their immense potential, small businesses face a myriad of challenges, including limited access to capital, regulatory constraints, and educational barriers (Rahman, 2022). The

scarcity of financial resources poses a significant hurdle for aspiring entrepreneurs, hindering the realization of innovative business ideas and stifling entrepreneurial endeavors. Furthermore, inadequate educational and training opportunities compound these challenges, limiting the skill development and knowledge acquisition necessary for business success. While existing research acknowledges these obstacles, there remains a notable gap in understanding the comprehensive array of challenges that impede the transformative impact of small businesses on the U.S. economy. Addressing these challenges demands a holistic approach, encompassing supportive policies, targeted financial assistance, regulatory reforms, and enhanced educational initiatives. By surmounting these barriers, small businesses can unleash their full potential, driving sustainable economic growth, fostering innovation, and creating widespread prosperity for communities across the nation.

2. Research Significance

This research paper delves into the profound impact of small businesses on the US economy, elucidating their multifaceted contributions and significance within the research domain. Through comprehensive discussions, analyses, and evaluations, it aims to uncover pivotal insights into the role of small businesses in fostering economic development. Building upon previous studies, which have consistently underscored the positive implications of small business establishment, this paper endeavors to address pertinent issues and bridge existing research gaps. By identifying key factors shaping the landscape of small businesses and their consequential effects on economic growth, it aspires to offer actionable solutions to mitigate potential challenges. Moreover, this research endeavors to serve as a beacon, illuminating the transformative potential of small enterprises and providing invaluable insights for future endeavors in economic policymaking and business strategy.

3. Background and Theory

3.1. Small Business and Economic Growth

Arofatkhan (2023) articulates a compelling argument for the pivotal role small businesses play as engines driving significant economic growth in developing countries. Emphasizing their status as vital catalysts, he underscores their capacity to not only spur employment creation but also to alleviate poverty and foster social integration. *Arofatkhan (2023)* elucidates that the defining characteristics of small businesses lie in their employee count and constrained annual sales volume, yet their impact transcends mere metrics. He astutely observes the diverse roles these enterprises play within economies, attributing their efficacy to inherent flexibility and responsiveness to market demands and innovations. Through a comprehensive examination, *Arofatkhan (2023)* advocates for nurturing and supporting small businesses to unleash their full potential, aligning with objectives of sustainability and inclusive economic advancement. His research culmi-

nates in a resolute assertion: small businesses in developing contexts serve as vital agents in maximizing economic growth through job creation, innovation, and the invigoration of local economies.

Olaniyi and Adekanmbi (2022) shed light on the pivotal role of small and medium enterprises (SMEs) in fostering economic growth and development. Their research underscores how SMEs serve as indispensable drivers of economic progress, particularly through their utilization of local raw materials, which not only fosters employment generation but also facilitates rural development. By tapping into local resources, SMEs contribute to the mobilization of local savings and forge linkages with larger industries, thus promoting regional balance and providing avenues for self-employment. Furthermore, the provision of training facilities and employment opportunities underscores the multifaceted impact of SMEs on economic prosperity. Concurrently, De Sordi et al. (2024) delve into the nuanced nature of small businesses, emphasizing the need for a comprehensive understanding of diverse enterprise concepts. Their study illuminates the importance of delineating between different categories of businesses, ranging from micro to medium-sized enterprises, to better grasp their respective contributions to social and economic welfare. By refining definitions and classifications, De Sordi et al. (2024) advocate for a more nuanced approach to SMEs, one that recognizes their varying sizes and capacities. Ultimately, both studies converge on the significance of SMEs as engines of growth, emphasizing their capacity to generate employment, maximize economic output, and foster social gains.

3.2. Effects on Small Business

Alwafi (2022) delineates the pivotal role entrepreneurs play in shaping the economic landscape of a nation. Through innovative endeavors and the establishment of small ventures, they not only redefine the way of life and work but also catalyze the amelioration of living standards within local communities. By creating entrepreneurial firms, these visionaries directly contribute to job creation and foster conditions conducive to societal prosperity. Alwafi (2022) underscores the entrepreneurial spirit as a driving force behind the inception of new businesses, especially when suitable job opportunities are scarce. This underscores the importance of nurturing entrepreneurial mindsets among the younger generation, encouraging them to leverage their creativity to identify market niches and generate income while simultaneously fostering employment opportunities. Moreover, the establishment of new enterprises contributes significantly to national income and the generation of wealth by introducing novel products and advancing existing ones. Entrepreneurs leverage technology and innovative services to tap into new markets, thereby further bolstering economic growth and job creation. Alwafi (2022) also highlights the transformative potential of entrepreneurs in effecting social change, as they challenge traditional paradigms and introduce goods and services that disrupt obsolete norms, thus fostering a culture of innovation and reducing dependency on outdated practices.

In essence, through their ventures, entrepreneurs not only drive economic progress but also serve as agents of social transformation, lifting millions out of poverty and reducing unemployment rates.

Roomi (2023) astutely articulates the pivotal role small businesses play in catalyzing economic growth, not only within local communities but also on a national scale. Through their agility and responsiveness, small businesses emerge as formidable job creators, fostering employment opportunities vital for societal prosperity. Moreover, their propensity for innovation and entrepreneurial spirit cultivates a dynamic environment conducive to driving advancements, thereby fueling economic evolution. By fostering healthy competition and promoting market diversity, small businesses inject vitality into economies, curbing monopolies and ensuring a diverse array of goods and services. Their contributions extend beyond economic realms, shaping community identity and enriching societal fabric through active participation in local and global trade. With their hallmark adaptability, small businesses serve as agents of social and cultural amelioration, swiftly responding to evolving market dynamics and societal needs. Thus, their multifaceted impact underscores their indispensable role in fostering economic stability and societal progress.

3.3. Challenges for Small Business

Roomi (2023) delineates a comprehensive critique of the challenges faced by small-scale businesses in the contemporary market landscape. Emphasizing their restricted brand recognition compared to industry giants like Coca-Cola and Apple Inc., Roomi (2023) underscores the consequential disparity in visibility, which poses a formidable obstacle to survival and growth. The inherent disadvantage extends to higher operational costs, stemming from the inability to leverage economies of scale enjoyed by larger enterprises. Consequently, small businesses grapple with constrained budgets, impeding their capacity to invest in essential areas like online advertising, thereby compromising their promotional strategies and market positioning. Moreover, the inability to innovate in pricing strategies further compounds their predicament, as they are compelled to contend with higher costs without the latitude to differentiate their offerings effectively. In essence, Roomi (2023) illuminates the systemic hurdles constraining the competitive efficacy and viability of small businesses in an increasingly cutthroat market milieu.

Engidaw (2022) study delved into the multifaceted challenges faced by small businesses amidst the backdrop of the COVID-19 pandemic, drawing insights from developed countries like Ethiopia. He underscored how both small and large enterprises grappled with the profound impacts of the crisis, encountering hurdles such as dwindling revenues, job losses, and a deceleration of economic activity that dampened market performance. To navigate these turbulent waters, many businesses resorted to measures aimed at slashing operational costs, including the unfortunate termination of lower-level management personnel. Engidaw (2022) advocated for governmental intervention, suggesting collaborative

efforts with affluent stakeholders to mitigate these challenges. He emphasized the imperative for small businesses to prioritize effective management and communication with employees, suppliers, and other stakeholders, as fostering these relationships could yield cost-saving opportunities. This research underscores the pivotal role of strategic partnerships and proactive measures in bolstering the resilience of small businesses in times of crisis.

3.4. Factors Affecting Small Businesses

Debarliev (2015) delved into the intricate dynamics influencing the growth trajectories of small businesses, particularly within transitioning economies. Focused on elucidating the nexus between strategic characteristics and economic-cultural contexts, the research identified six pivotal factors shaping the growth landscape of small enterprises, crucial for national economic vitality. Foremost among these factors is the resource and procedural agility inherent to small businesses, enabling nimble operations within constrained environments. Additionally, the acquisition and application of requisite skills and knowledge emerge as linchpins for sustainable growth, underlining the indispensability of competent owners and employees. Moreover, strategic orientations tailored to the scale and scope of small enterprises proves instrumental in fostering growth momentum. Complementing these internal dynamics, astute planning endeavors and adept navigation of external market landscapes emerge as vital determinants of sustained market positioning. Notably, the study underscores the profound impact of internal factors, such as corporate culture and management education, alongside strategic planning, in shaping the growth trajectory of small businesses. By elucidating these multifaceted influences, the research offers valuable insights into fostering robust growth paradigms essential for small enterprise success amidst evolving economic milieus.

In a e-blog post, Delfino (2024) delves into the multifaceted landscape of small business growth, pinpointing four pivotal factors that wield substantial influence in this realm. Foremost among these factors are the behavioral and personal traits exhibited by business owners, where individual personality and attitude emerge as potent accelerators of growth trajectories. Additionally, Delfino (2024) underscores the critical significance of business structure and management practices, emphasizing their pivotal role in shaping the rational decision-making processes integral to operational success. Furthermore, he highlights the significance of external determinants such as geographic location, recognizing the nuanced interplay between local dynamics and business viability. Notably, Delfino (2024) also underscores the indispensable role of suppliers, emphasizing how factors like labor costs and availability can profoundly shape growth prospects. Despite the formidable array of challenges posed by these factors, Delfino (2024) maintains an optimistic outlook, contending that the direct involvement of business owners fosters adaptability and enables the strategic deployment of diverse tactics to mitigate adverse impacts, ultimately steering small ventures toward sustainable growth.

4. Methods

Narrative research is a qualitative approach aimed at gathering and analyzing relevant data to understand the impact of past experiences or concepts on present events and ideas. By examining stories and social behaviors, researchers can explore various issues and elucidate the reasons and effects of particular phenomena or experiences. Within this framework, IPA stands out as an inductive research method. IPA entails commencing the research with specific instances and utilizing them to refine broader theories (Delfino, 2024). Through data collection and analysis, researchers uncover themes and meanings to comprehend how individuals construct meaning from their experiences. This qualitative method provides valuable insights into how individuals make sense of their circumstances, facilitating a deeper understanding of human perception and behavior within different contexts. **Figure 1** shows the overall workflow of this study.

4.1. Data Collection

Primary data serves as the bedrock of authenticity in the realm of data and information, meticulously collected directly from original sources. Interviews stand as a prime example, offering an avenue for small business owners to contribute their invaluable insights. In contrast, secondary data takes precedence, comprising information gathered by entities other than the researcher. This encompasses an extensive array of sources, including publications, databases, and studies conducted by various parties. Such secondary data finds its home in a plethora of mediums such as websites, academic journals, research papers, blogs, and books, furnishing a wealth of relevant findings across diverse academic disciplines.

4.2. Procedures

In the next phase of the research process, the focus shifts towards establishing comprehensive criteria for inclusion and meticulously gathering data from pertinent and potential sources. Building upon the groundwork laid by formulated research questions and a thorough literature review, this step is crucial in ensuring the integrity and breadth of the ensuing analysis. The criteria for inclusion will serve as guiding principles, delineating the boundaries within which data will be sourced and evaluated. Simultaneously, efforts will be directed towards the consolidation and utilization of previously collected data, enriching the analytical framework with firsthand insights. Through a methodical approach to data collection, encompassing existing literature and proprietary data sets, this phase aims to furnish the research endeavor with a robust foundation for subsequent analysis and interpretation.

4.3. Ethical Considerations

The research endeavor outlined adheres to a meticulous set of principles, with a

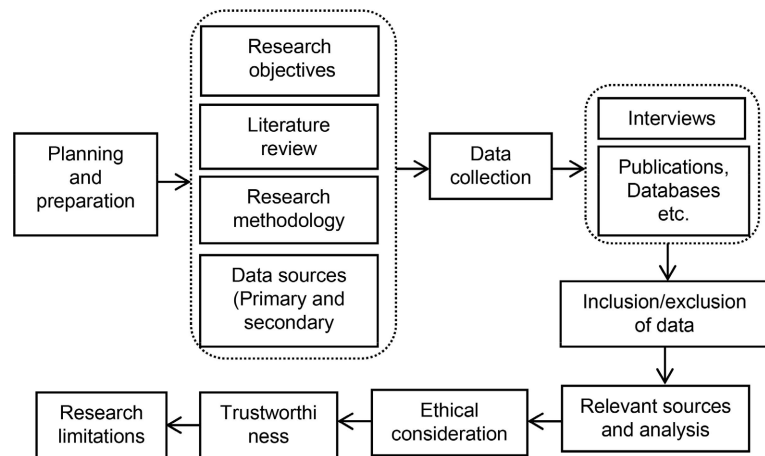


Figure 1. Workflow of this study.

steadfast commitment to upholding the highest standards of ethical conduct and confidentiality in accordance with the Data Privacy Act of 2012. Grounded in these principles, the collection of data from pertinent sources will be conducted with utmost respect for privacy and confidentiality. The overarching aim of this research is to delve into real-life phenomena, with a specific focus on comprehending the efficacy of treatments, probing behavioral patterns, and seeking avenues for enhancing quality of life. Embedded within this pursuit is a conscientious acknowledgment of moral imperatives and ethical frameworks, ensuring that every facet of the research process is governed by a steadfast dedication to integrity and respect for all involved stakeholders.

4.4. Trustworthiness

Trust is an essential currency in qualitative research, forged through rigorous adherence to ethical considerations. Central to establishing trustworthiness is the researcher's commitment to comparing information and descriptions within the same context, ensuring consistency and reliability. This practice not only lends credibility to the research findings but also fosters a sense of rationality, facilitating wider acceptance within academic and policy circles. Moreover, this approach lays a sturdy foundation for future research endeavors, enabling scholars to build upon existing insights and delve deeper into issues pertinent to public policy. Ultimately, by upholding these standards of integrity and thoroughness, qualitative research not only contributes to the body of knowledge but also serves as a reliable compass for informed decision-making.

4.5. Research Limitations

While acknowledging the potential limitations, this research recognizes that the small sample size in the interview segment does not inherently invalidate its findings. Instead, it views this constraint as an opportunity to delve deeper into specific cases, offering valuable insights that may resonate across broader contexts. However, the overarching challenge lies in navigating time constraints,

which often restrict the depth and breadth of research endeavors. Additionally, limited access to pertinent resources, whether it be equipment, documents, or tools, poses a considerable hurdle in comprehensively addressing the research questions. Moreover, while interviewing the owner of two businesses provides a valuable perspective, it may not encapsulate the entirety of the landscape. Nonetheless, the interviewee's experiences serve as a conduit for understanding the common challenges faced by entrepreneurs in small businesses across the United States. Thus, despite these constraints, this research endeavors to shed light on significant themes and issues prevalent in this domain, contributing to a richer understanding of the subject matter.

5. Findings

5.1. Interview

In this section, we present the outcomes yielded by the interviewees (see **Table 1**).

5.2. Secondary Outcomes

5.2.1. Small Businesses in USA

In the United States, adherence to size standards set forth by the Small Business Administration (SBA) (Dilger, 2013) is pivotal for businesses seeking eligibility for government contracts designated for small enterprises. As per SBA guidelines, companies must conform to size standards corresponding to their respective North American Industry Classification System (NAICS) (Habibur Rahman Sobuz et al., 2024; O'Connor, 2000; Zaman et al., 2024) codes, wherein manufacturing entities typically comprise 500 employees or fewer, while non-manufacturing ventures generally boast average annual receipts under \$7.5 million. To access contract opportunities reserved for small businesses, registration with the federal government's System for Award Management (SAM) (Lambert, 2011) is imperative. Furthermore, strict compliance with all pertinent laws and regulations is obligatory. With meticulous attention to these protocols, businesses can enhance their prospects of securing government contracts. Additionally, the Department of Defense maintains a steadfast commitment to safeguarding its systems and data, underscoring the critical importance of diligence and adherence to regulatory standards (Delfino, 2024). As per U.S. statistics, there is a steady development in the number of employments through small business (see **Figure 2**).

5.2.2. Job Creation

Small businesses in the United States wield a significant impact on both the economy and society at large, as highlighted by recent surveys and research findings. With a resounding 86% of adults acknowledging their positive influence, it's clear that these enterprises, typically characterized by having fewer than 500 employees and often just 1 to 4 staff members, hold a special place in the national consciousness (see **Figure 3**). Despite their modest size, small businesses

Table 1. Results of the interviewers.

| Interviewer | Opinion |
|---|---|
| <p>True Smoke Shop 266 S Rampart Blvd Los Angeles, CA 90057 Owner: Garbour Harzour</p> | <p>I started this business in January 2024. I am expecting that I need to survive during the first two quarters or half of the year, as I was not busy. I do believe that my business will be busier than in the first six months. That is why I want to say that one can be successful if they are patient enough.</p> |
| <p>Crest Liquor Store 2543 W 3rd Street Los Angeles, CA 90057 Owner: Garbour Harzour</p> | <p>This business was established in this location almost 40 years ago but I came to purchase this store in September 2021 during the second wave of COVID-19. Frankly speaking, it was a quite difficult period to survive as an owner of this small business. Still, I needed to accept the risk and around the first year, I had to survive. However, my perseverance and hard work as well as good customer service brought a bright smile that I could not expect. It is now going to be well to pay 5 employees salary and all utilities business after that I have savings a good amount at every individual month.</p> |

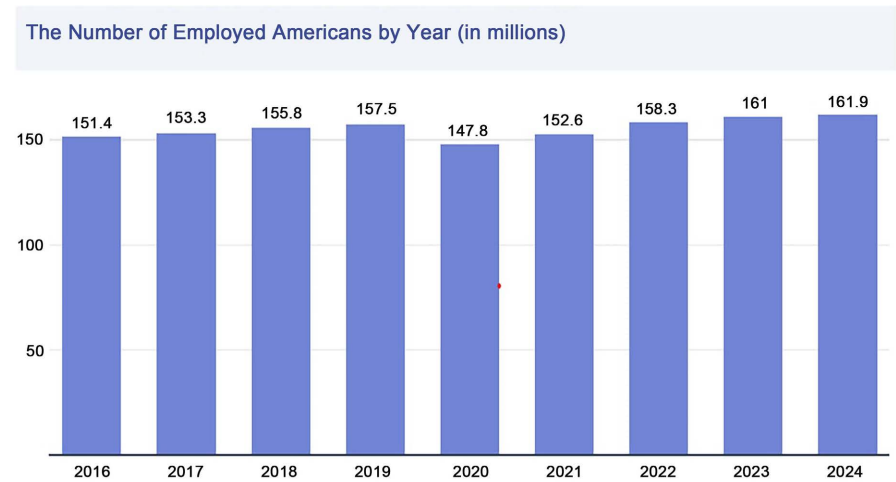


Figure 2. Overall scenario of small business in USA (Main, 2024).

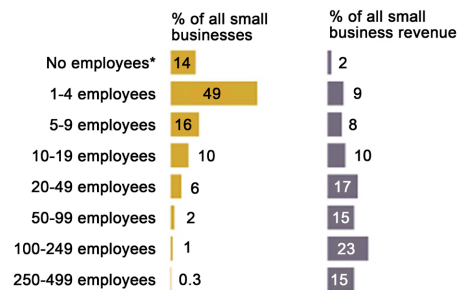


Figure 3. Percentages of job creation (Delfino, 2024).

collectively employ a staggering 56.4 million workers, contributing over \$16.2 trillion in revenue by the close of 2021. Their contribution to job creation is sub-

stantial, with an impressive 12.9 million new net jobs generated over a recent period, although smaller in scale compared to large corporations (Delfino, 2024). The proliferation of small businesses, which have doubled in number since 1982, is indicative of their growing importance in driving innovation, fostering employment opportunities, and fueling economic expansion. Notably, the profitability of these ventures has soared in recent years, with over 65% reporting profitability in 2022, up from 40% in 2018 (Ahammad et al., 2023; Akid, Wasiew et al., 2021; Delfino, 2024), underscoring their resilience and adaptability in dynamic market conditions. However, amidst their success, small business owners grapple with challenges such as inflation, with over half citing it as a top concern. Nevertheless, small businesses continue to distinguish themselves by offering personalized experiences and nimble operations that often outshine their larger counterparts, further solidifying their indispensable role in the fabric of the American economy.

5.2.3. Local Economy

Small and startup businesses play a vital role in the fabric of local economies across the United States, generating incomes and offering employment opportunities within communities (Seaman et al., 2017). Despite their positive impact, the proliferation of small businesses can sometimes exert downward pressure on local economies. Nevertheless, their significance cannot be understated. These enterprises often require minimal initial investment, enabling them to swiftly adapt and evolve their operations to meet changing demands and market conditions. Moreover, they serve as hotbeds of innovation, providing young entrepreneurs with the opportunity to experiment and test new approaches to various operational challenges. Consequently, small businesses collectively contribute substantially to the overall U.S. economy, fostering an environment conducive to their growth and sustainability. Statistical data from the Small Business Administration reveals regional disparities, with California boasting the highest number of small businesses followed by states like Texas, Florida, New York, and Georgia, while states such as North Dakota, Alaska, and Wyoming have fewer small businesses (Delfino, 2024). Additionally, the distribution of small businesses ownership across gender lines remains uneven, with a significant majority still owned by men, despite the increasing presence of women-owned enterprises (see Figure 4). This disparity underscores the ongoing need for efforts to promote equity and inclusivity within the small business landscape nationwide.

5.2.4. Industrial Development

Small businesses play a pivotal role in shaping various industries, particularly in manufacturing and mining, where they account for over 80% of companies. With size standards often capped at 500 employees, these enterprises are the backbone of employment within their sectors (Delfino, 2024; Mansour et al., 2024; Sobuz et al., 2023). For instance, in general building and heavy construction, the size standard of \$33.5 million in average annual receipts reflects the predominance of smaller players. Their significance extends beyond mere numbers,

Small Business Ownership by Demographics

Source: Small Business Administration

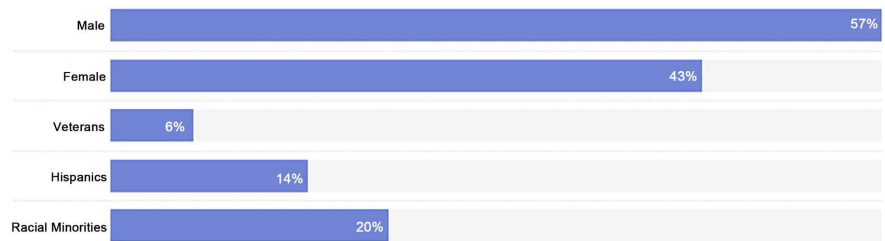


Figure 4. Small business ownership (Main, 2024).

as small businesses are hotbeds of innovation, constantly driving forward new ideas and technologies. Moreover, their contribution to infrastructure development and manufacturing growth is invaluable, aiding governmental efforts and fostering a robust economy. In essence, the sustained growth and viability of small businesses are essential for ensuring not just sectorial prosperity, but the overall health of the economy.

6. Discussions

6.1. Interview

The owner of two stores highlighted in the interview stands as an exemplar for countless small business owners, who navigate a path marked by dedication and risk-taking. For these entrepreneurs, the allure of reaping the rewards of their ventures is matched only by their unwavering commitment to their business operations. Bolstered by initial successes, they harbor aspirations of expanding their enterprise, driven by a fervent desire to amplify their profits. Despite grappling with the formidable challenges inherent in the nascent stages of small-scale entrepreneurship, their resilience paves the way for sustained viability and substantial returns in the long haul. While their enterprises may boast modest staffing, the aspirations they embody echo the ambitions of millions of kindred spirits in the entrepreneurial landscape. Through their endeavors, they play a pivotal role in curbing unemployment rates, thereby injecting vitality into the broader economy of the nation.

6.2. Secondary Research

Small businesses in the United States play a pivotal role in driving economic growth and fostering employment opportunities. Governed by the policies of the Small Business Administration (SBA), these enterprises, which range from 1 to 4 employees, constitute a significant portion of the country's economic landscape. With millions of such entities operating nationwide, their collective contribution cannot be overstated. Through initiatives supported by both local and federal governments aimed at promoting entrepreneurial endeavors and innovative business concepts, small businesses have become vital engines of job creation.

This has led to a notable reduction in unemployment rates and a simultaneous decrease in poverty levels. While the impact of individual small businesses with minimal staffing may seem modest in isolation, their cumulative effect on both local communities and the broader national economy is profound. As such, their role in bolstering solvency ratios and fostering socio-economic stability underscores their indispensable value to society as a whole. (Source: [SBA, 2024](#); [Shahana et al., 2024](#)).

The landscape of small businesses in the United States is evolving rapidly, with significant growth observed not only in major states but also in remote areas like North Dakota and Alaska ([Walker, 2023](#)). This surge in entrepreneurial activity signifies a promising trend wherein job opportunities are burgeoning across the country, thereby bolstering the nation's economic vitality. Key sectors such as manufacturing, mining, retail services, and real estate are witnessing a proliferation of small businesses, underlining their crucial role in driving local economies ([Delfino, 2024](#)). However, amidst this burgeoning growth, challenges loom large, with lack of a solid business model and inadequate funds posing significant obstacles for aspiring entrepreneurs ([Mcintyre et al., 2017](#)). Yet, it is the resilience and dedication of these individuals that often determine their success, with commitment and effective skills playing pivotal roles in navigating the competitive small business landscape. Indeed, while the path to success may be fraught with challenges, those who persevere with unwavering commitment stand poised to unlock the vast potential of the small business sector.

7. Conclusion

This research endeavors to meticulously dissect the multifaceted realm of small businesses within the United States, commencing with a comprehensive exploration of their definition and conceptual framework. Delving deeper, it scrutinizes the intricate interplay of positive and negative ramifications these enterprises impart on the national landscape. Drawing from an extensive array of scholarly contributions, encompassing insights from various luminaries in the field, the literature review meticulously examines the spectrum of effects, encompassing realms such as job creation, local economic dynamics, and broader industrial development, while also keenly acknowledging the attendant challenges and adverse impacts. Methodologically, the research adopts an inductive approach, navigating through both primary and secondary data sources with equal emphasis. Anchored by interviews as the primary research modality, supplemented by an exhaustive review of pertinent literature comprising books, articles, and research papers, the study meticulously curates a nuanced analysis, thereby furnishing a deeper understanding of the intricate tapestry woven by small businesses in the United States.

Recommendations

- Small businesses should prioritize innovation and creativity that can help

them grow, compete, and sustain in the long run (Sobuz et al., 2024). To compete in the market efficiently, they need to indulge in fostering productivity. Therefore, they should be organized, creative, and consistent in terms of providing greater customer service.

- Small businesses should conduct their operation sustainably where sustainability is one of the most emerging trends in the business field. As a result, small businesses can create a sustainable business that can help them survive and thrive through the creation of potential business strategies (Akid, Shah et al., 2021; Masocha, 2019); to maximize their profitability and lower other harmful environmental effects.
- Small businesses should invest in the local community in the U.S. because this investment can aid in boosting the local economy and find a more positive outlook on the community to the public (Aditto et al., 2023). In addition, these small businesses can focus on ameliorating the lives of employees.

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Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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