

Small Business Innovation Continues to Propel U.S. Economy Due in Part to App Economy Growth

Washington, DC -- Integral to small businesses, the app economy supports a vibrant ecosystem that bolsters innovation, creativity, and economic growth across the United States. Today's report released by ACT| The App Association highlights the app economy's remarkable growth of 6 percent in 2022, employing over 6.1 million Americans. This thriving community drives economic expansion and enhances profits through efficient products and services, with 81 percent of businesses planning to invest in app-related products and services in the coming year.

The app economy drives job creation, growth, and new opportunities:

- **The app economy is valued at \$1.8 trillion**, fueled by consumer demand, enterprise applications, and internet of things (IoT) innovations.
- **Over 6.1 million people are employed in the app economy**, working in various roles, including developers, software engineers, systems managers, and other professional functions such as business development, marketing, and sales.
- **The average salary in the app economy is \$121,000**, nearly double the national average.
- **The app economy supports 770,000 small businesses**, providing numerous opportunities for entrepreneurs.
- **Two-thirds of businesses utilize enterprise apps**, surpassing the 175 billion consumer downloads last year.
- **A staggering 6 billion app-enabled IoT devices are in use and** will continue to play a key role in the IoT market's growth.

While the app economy has made incredible leaps, some worrisome trends risk holding it back:

- **Data privacy concerns** – In 2022, over 300 million American records were compromised, underscoring the urgent need for a unified, nationwide framework for data privacy and security across all states and territories, which should include enhanced consumer protections as a foremost priority.

- **Platform fragmentation** – There are multiple mobile operating systems, each with its own tools and requirements for app privacy and security. This can make it difficult and costly for consumers and developers alike. Privacy and data security remain top concerns for consumers, and developers face the challenge of creating and maintaining apps across multiple platforms.
- **Digital divide** – 14.5 million Americans cannot access, benefit from, or contribute to the app economy because they lack broadband access (of at least 25 Mbps download and 3 Mbps upload).
- **Skilled workforce demand** – Demand for computer science-related jobs is projected to grow by 21 percent over the next two years, but just over 103,000 U.S. college graduates earned computer science degrees in the last year.

The app economy remains a key driver of job creation, economic growth, and new opportunities for small businesses. Policymakers and other key stakeholders must address the challenges facing the app economy and small businesses to ensure continued growth and progress.

About ACT | The App Association

ACT | The App Association is a global trade association for small and medium-sized technology companies. Our members are entrepreneurs, innovators, and independent developers within the global app ecosystem that engage with verticals across every industry. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology.