

## Alabama

Alabama's 78,406 small employers and 313,813 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.\* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- Alabama's real gross state product increased by 0.7% and private-sector employment decreased by 1.4% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The health care and social assistance industry was the state's largest small business employer in 2006; manufacturing was the largest overall employer (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in Alabama was 78,406 in 2006, accounting for 97.2% of the state's employers and 49.7% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

### For Further Information

- Data on all states and territories is available at [www.sba.gov/advo/research/profiles](http://www.sba.gov/advo/research/profiles).
- For other small business data and analysis, visit [www.sba.gov/advo/research](http://www.sba.gov/advo/research), call (202) 205-6533, or email [advocacy@sba.gov](mailto:advocacy@sba.gov).
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit [www.sba.gov/advo/rsslibrary.html](http://www.sba.gov/advo/rsslibrary.html)

\* Small employer data from 2006; nonemployer from 2007.

### Alabama Small Business Facts

	2007†	2006	2000
<b>Number of Businesses</b>			
Small employers (<500 employees)	n.a.	78,406	77,597
Large employers (500+ employees)	n.a.	2,250	2,255
Nonemployers	313,813	293,874	223,103
	2002‡	% Share in 2002	% Change 1997–2002
<b>Business Owner Demographics</b>			
Male-owned	188,389	60.9	13.3
Woman-owned	81,821	26.4	17.7
Equally male/female-owned	30,000	9.7	-31.5
African American-owned	28,666	9.3	50.3
Asian-owned	4,270	1.4	30.3
Hispanic-owned	2,524	0.8	-13.5
Native American/Alaskan-owned	2,910	0.9	n.a.
Hawaiian and Pacific Islander-owned	96	0.0	159.5
	2008‡	% Change from	
		2007	2000
<b>Workforce (Thousands) /Unemployment (%)</b>			
Private-sector employment	1,570	-1.4	1.9
Government employment	366	1.7	8.9
Self-employed (incorp. & uninc.)	183	-9.0	-8.1
Female self-employment	54	-0.4	-16.1
Male self-employment	129	-12.2	-4.3
Minority self-employment	22	-39.7	-7.2
Veteran self-employment	30	-3.7	5.3
Unemployment rate (%)	5.0	1.5	0.9
<b>Business Turnover</b>			
Quarterly establishment openings	14,468	-10.8	-11.4
Quarterly establishment closings	16,501	6.2	-2.7
Business bankruptcies	536	75.2	20.4
	2008‡	2007	2000
<b>Income and Finance</b>			
Proprietors' income (\$billion)	10.9	10.9	7.3
Number of bank branches	1,564	1,495	1,429
No. of bus. loans under \$100,000‡	n.a.	139,599	68,801
Total value of business loans under \$100,000 (\$million)‡	n.a.	1,795	1,202
Source: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Administration, Office of Advocacy ( <a href="http://www.sba.gov/advo/research/sbl_08study.pdf">www.sba.gov/advo/research/sbl_08study.pdf</a> , Table 4b.) n.a. not available.			
† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.			

**Table 1. Firms and Employment in Alabama by Industry and Firm Size, 2006 and 2007  
(Nonfarm, Thousands)**

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	313.8	80.7	68.5	78.4	1,713.4	302.0	851.3
Forestry, etc. and agriculture support	4.6	0.9	0.9	0.9	6.7	4.4	(D)
Mining	0.7	0.2	0.1	0.2	8.0	(D)	3.2
Utilities	0.3	0.1	0.1	0.1	14.4	(D)	(D)
Construction	53.0	10.1	8.9	10.0	111.1	38.4	95.4
Manufacturing	4.4	4.4	2.8	4.0	291.2	15.8	98.7
Wholesale trade	5.2	4.6	3.4	4.2	79.5	16.0	49.6
Retail trade	29.9	12.6	10.9	12.2	247.2	48.3	104.4
Transportation and warehousing	15.1	2.7	2.2	2.5	59.2	8.1	24.6
Information	2.8	0.9	0.6	0.7	39.4	3.1	9.5
Finance and insurance	8.8	3.3	2.8	3.2	70.7	9.7	26.8
Real estate and rental and leasing	29.3	3.3	3.0	3.2	25.1	8.8	17.9
Professional, scientific, and technical svcs.	30.7	8.7	7.8	8.5	97.5	28.3	62.0
Management of companies and enterprises	--	0.4	0.0	0.3	19.1	0.1	4.6
Admin., support, waste mgt., remed. svcs.	33.8	3.6	3.0	3.4	128.8	12.0	45.2
Educational services	6.3	0.8	0.6	0.7	26.9	2.7	14.8
Health care and social assistance	18.4	8.0	6.7	7.8	233.2	37.7	112.7
Arts, entertainment, and recreation	10.2	1.1	0.9	1.1	17.3	3.8	12.9
Accommodation and food services	4.3	5.4	4.0	5.2	152.5	22.6	85.9
Other services (except public admin.)	56.0	10.6	9.7	10.5	85.2	40.9	74.2
Unclassified	--	0.3	0.3	0.3	0.3	0.3	0.3

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html) for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

**Table 2: Net Job Change by Firm Size, 2003–2006 (Nonfarm)**

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	32,123	15,238	6,102	4,758	8,132	2,928	37,158	-5,035
2004 - 2005	38,904	10,715	2,592	51	-772	5,027	17,613	21,291
2005 - 2006	44,234	12,368	4,063	3,737	10,251	5,150	35,569	8,665

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html).)

**Table 3: Establishment and Employment Turnover by Quarter, 2008 (Nonfarm, Thousands)**

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	3.6	22.5	23.6	3.9	14.8	81.7	85.5	16.7
Quarter 2	3.5	21.5	24.9	4.1	15.8	77.0	89.7	14.1
Quarter 3	3.7	21.9	24.3	4.1	16.4	77.6	90.1	16.0
Quarter 4	3.6	20.0	25.6	4.3	15.5	67.5	102.2	16.8

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see [www.bls.gov/bdm/home.htm](http://www.bls.gov/bdm/home.htm).)

Note: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.