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.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email 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

* Small employer data from 2006; nonemployer from 2007.

### Alabama Small Business Facts

<table>
<thead>
<tr>
<th>Number of Businesses</th>
<th>2007†</th>
<th>2006</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small employers (&lt;500 employees)</td>
<td>n.a.</td>
<td>78,406</td>
<td>77,597</td>
</tr>
<tr>
<td>Large employers (500+ employees)</td>
<td>n.a.</td>
<td>2,250</td>
<td>2,255</td>
</tr>
<tr>
<td>Nonemployers</td>
<td>313,813</td>
<td>293,874</td>
<td>223,103</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2002†</th>
<th>% Share in 2002</th>
<th>% Change 1997–2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male-owned</td>
<td>188,389</td>
<td>60.9</td>
</tr>
<tr>
<td>Woman-owned</td>
<td>81,821</td>
<td>26.4</td>
</tr>
<tr>
<td>Equally male/female-owned</td>
<td>30,000</td>
<td>9.7</td>
</tr>
<tr>
<td>African American-owned</td>
<td>28,666</td>
<td>9.3</td>
</tr>
<tr>
<td>Asian-owned</td>
<td>4,270</td>
<td>1.4</td>
</tr>
<tr>
<td>Hispanic-owned</td>
<td>2,524</td>
<td>0.8</td>
</tr>
<tr>
<td>Native American/Alaskan-owned</td>
<td>2,910</td>
<td>0.9</td>
</tr>
<tr>
<td>Hawaiian and Pacific Islander-owned</td>
<td>96</td>
<td>0.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Workforce (Thousands)/Unemployment (%)</th>
<th>2008†</th>
<th>% Change from 2007</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private-sector employment</td>
<td>1,570</td>
<td>-1.4</td>
<td>1.9</td>
</tr>
<tr>
<td>Government employment</td>
<td>366</td>
<td>1.7</td>
<td>8.9</td>
</tr>
<tr>
<td>Self-employed (incorp. &amp; uninc.)</td>
<td>183</td>
<td>-9.0</td>
<td>-8.1</td>
</tr>
<tr>
<td>Female self-employment</td>
<td>54</td>
<td>-0.4</td>
<td>-16.1</td>
</tr>
<tr>
<td>Male self-employment</td>
<td>129</td>
<td>-12.2</td>
<td>-4.3</td>
</tr>
<tr>
<td>Minority self-employment</td>
<td>22</td>
<td>-39.7</td>
<td>-7.2</td>
</tr>
<tr>
<td>Veteran self-employment</td>
<td>30</td>
<td>-3.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Unemployment rate (%)</td>
<td>5.0</td>
<td>1.5</td>
<td>0.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Turnover</th>
<th>2008†</th>
<th>2007</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly establishment openings</td>
<td>14,468</td>
<td>-10.8</td>
<td>-11.4</td>
</tr>
<tr>
<td>Quarterly establishment closings</td>
<td>16,501</td>
<td>6.2</td>
<td>2.7</td>
</tr>
<tr>
<td>Business bankruptcies</td>
<td>536</td>
<td>75.2</td>
<td>20.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income and Finance</th>
<th>2008†</th>
<th>2007</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proprietors’ income ($billion)</td>
<td>10.9</td>
<td>10.9</td>
<td>7.3</td>
</tr>
<tr>
<td>Number of bank branches</td>
<td>1,564</td>
<td>1,495</td>
<td>1,429</td>
</tr>
<tr>
<td>No. of bus. loans under $100,000†</td>
<td>n.a.</td>
<td>139,599</td>
<td>68,801</td>
</tr>
<tr>
<td>Total value of business loans under $100,000 ($million)‡</td>
<td>n.a.</td>
<td>1,795</td>
<td>1,202</td>
</tr>
</tbody>
</table>

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 (www.sba.gov/advo/research/sbl_08study.pdf, 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)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>1-19</td>
<td>1-499</td>
</tr>
<tr>
<td>Total</td>
<td>313.8</td>
<td>80.7</td>
<td>68.5</td>
</tr>
<tr>
<td>Forestry, etc. and agriculture support</td>
<td>4.6</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Mining</td>
<td>0.7</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Construction</td>
<td>53.0</td>
<td>10.1</td>
<td>8.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.4</td>
<td>4.4</td>
<td>2.8</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>5.2</td>
<td>4.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Retail trade</td>
<td>29.9</td>
<td>12.6</td>
<td>10.9</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>15.1</td>
<td>2.7</td>
<td>2.2</td>
</tr>
<tr>
<td>Information</td>
<td>2.8</td>
<td>0.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>8.8</td>
<td>3.3</td>
<td>2.8</td>
</tr>
<tr>
<td>Real estate and rental and leasing</td>
<td>29.3</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Professional, scientific, and technical svcs.</td>
<td>30.7</td>
<td>8.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>--</td>
<td>0.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Admin., support, waste mgt., remed. svcs.</td>
<td>33.8</td>
<td>3.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Educational services</td>
<td>6.3</td>
<td>0.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>18.4</td>
<td>8.0</td>
<td>6.7</td>
</tr>
<tr>
<td>Arts, entertainment, and recreation</td>
<td>10.2</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>4.3</td>
<td>5.4</td>
<td>4.0</td>
</tr>
<tr>
<td>Other services (except public admin.)</td>
<td>56.0</td>
<td>10.6</td>
<td>9.7</td>
</tr>
<tr>
<td>Unclassified</td>
<td>--</td>
<td>0.3</td>
<td>0.3</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Total Net New Jobs</th>
<th>Employment Size of Firm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-4</td>
</tr>
<tr>
<td>2003 - 2004</td>
<td>32,123</td>
</tr>
<tr>
<td>2004 - 2005</td>
<td>38,904</td>
</tr>
<tr>
<td>2005 - 2006</td>
<td>44,234</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Establishments</th>
<th>Employment Change Due To:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Openings</td>
<td>Expansions</td>
</tr>
<tr>
<td>Quarter 1</td>
<td>3.6</td>
<td>22.5</td>
</tr>
<tr>
<td>Quarter 2</td>
<td>3.5</td>
<td>21.5</td>
</tr>
<tr>
<td>Quarter 3</td>
<td>3.7</td>
<td>21.9</td>
</tr>
<tr>
<td>Quarter 4</td>
<td>3.6</td>
<td>20.0</td>
</tr>
</tbody>
</table>


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.