

Tennessee

Tennessee's small businesses are key to the state's well-being. They account for a significant share of the state's economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status and contributions of Tennessee small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 552,653 in the state in 2008. Of these, 99,339 were employers, and they accounted for 45.0% of private-sector jobs in the state (Table 1). Small firms made up 97.0% of the state's employers.
- Tennessee's real gross state product increased by 0.5% and private-sector employment decreased by 6.8% in 2009. By comparison, real GDP in the United States grew 0.7% and private-sector employment declined by 5.5%.
- Business ownership is becoming more inclusive in the state. The number of both women and minority business owners has grown. In particular, minority-owned businesses numbered 68,401 in 2007, a 65.7% increase over 2002.
- The state's small business employment has undergone major shifts in recent years (Table 2).
- The state's businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

Tennessee Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	99,339	101,709	99,446
Large employers (500+ employees)	3,059	3,037	2,981
Nonemployers	453,314	459,681	339,361
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	297,455	54.5	8.9
Woman-owned	141,396	25.9	19.9
Equally male/female-owned	92,693	17.0	80.8
African American-owned	45,762	8.4	70.7
Asian-owned	11,238	2.1	55.2
Hispanic-owned	8,728	1.6	102.9
Native American/Alaskan-owned	2,707	0.5	-24.1
Hawaiian/Pacific Islander-owned	n.a.	n.a.	n.a.
Veteran-owned	64,718	11.9	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,149	-6.8	-6.1
Government employment	416	0.0	9.9
Self-employed (incorp. & uninc.)	302	-8.7	7.2
Female self-employment	80	-12.4	-13.5
Male self-employment	222	-7.3	17.4
Minority self-employment	47	18.2	81.1
Veteran self-employment	36	-10.6	-11.9
Unemployment rate (%)	10.5	3.8†	6.5†
Business Turnover			
Quarterly establishment openings	15,373	-8.3	-13.5
Quarterly establishment closings	18,651	1.5	4.3
Business bankruptcies	1,273	43.4	98.6
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	23.8	25.7	15.2
Number of bank branches	2,332	2,302	1,976
No. of bus. loans under \$100,000‡	109,178	149,320	78,564
Total value of business loans under \$100,000 (\$million)‡	1,441	1,961	1,130

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.
* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in Tennessee by Industry and Firm Size, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	453.3	102.4	86.0	99.3	2,492.7	385.1	1,118.2
Forestry, etc. and agriculture support	4.7	0.3	0.2	0.3	1.4	0.9	1.4
Mining	0.4	0.1	0.1	0.1	4.1	0.6	2.6
Utilities	0.3	0.1	0.0	0.0	3.5	0.1	2.3
Construction	75.4	11.4	10.0	11.3	126.9	44.3	112.7
Manufacturing	6.1	6.0	3.9	5.4	363.8	22.3	119.4
Wholesale trade	7.0	5.9	4.1	5.3	127.1	19.9	66.1
Retail trade	41.9	14.6	12.7	14.1	326.8	56.2	120.5
Transportation and warehousing	21.9	3.3	2.5	3.0	138.8	10.9	35.4
Information	6.2	1.4	1.1	1.3	50.0	4.7	14.2
Finance and insurance	13.5	4.9	4.1	4.6	115.4	13.6	42.7
Real estate and rental and leasing	37.4	4.2	3.8	4.1	36.5	12.0	23.2
Professional, scientific, and technical svcs.	49.3	10.3	9.2	10.1	109.0	33.6	69.2
Management of companies and enterprises	--	0.7	0.1	0.4	73.6	0.2	7.4
Admin., support, waste mgt., remed. svcs.	45.5	5.5	4.4	5.2	209.3	18.7	68.7
Educational services	8.8	1.1	0.8	1.0	53.0	3.9	26.1
Health care and social assistance	29.9	11.0	9.2	10.7	358.9	48.9	157.2
Arts, entertainment, and recreation	24.5	2.2	1.9	2.2	34.8	8.2	24.0
Accommodation and food services	6.5	8.0	5.8	7.7	246.7	35.8	127.9
Other services (except public admin.)	73.8	13.2	12.1	13.1	113.1	50.2	97.0
Unclassified	--	0.2	0.2	0.2	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/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

Table 2: Net Job Change by Firm Size, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	21,965	15,270	3,760	-608	-5,777	-3,922	8,723	13,242
2005 - 2006	90,518	16,713	6,138	7,150	20,645	10,310	60,956	29,562
2006 - 2007	26,873	16,568	2,920	-887	3,853	-229	4,648	22,225

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	3.8	23.4	32.8	4.7	15.0	84.9	143.2	17.6
Quarter 2	3.8	24.9	30.1	5.0	17.9	100.3	140.1	19.3
Quarter 3	3.8	24.9	29.0	4.6	15.7	99.3	116.5	18.1
Quarter 4	3.9	25.9	27.9	4.3	16.8	103.4	102.6	15.4

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

Note: These figures contain all firm sizes; Census data from 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.