

Texas

Small businesses totaled 2.2 million in Texas in 2009. They represent 98.7 percent of all employers and employ 46 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Texas's health and well-being.

This profile uses the latest available data to illustrate the status of Texas's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Texas's economy struggled in 2010, with real gross state product decreasing 4.3 percent and private-sector employment decreasing 0.1 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Texas's small businesses are very small as 82.5 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 4.1 million workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in Texas represented 68.3 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Texas surged over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are 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.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Texas Small Business Facts

| | 2009* | 2008 | 2000 |
|---|-----------------------|--------------------------------|----------------------|
| Number of Businesses | | | |
| Small employers (<500 employees) | 387,082 | 391,010 | 364,013 |
| Large employers (500+ employees) | 5,296 | 5,402 | 5,026 |
| Nonemployers | 1,844,130 | 1,835,870 | 1,271,401 |
| Level in 2007* (000) | | | |
| | Firms | Employment | Receipts(\$M) |
| Business Owner Demographics | | | |
| Male-owned | 1,091 | 2,912 | 601,654 |
| Woman-owned | 610 | 588 | 82,100 |
| Equally male/female-owned | 411 | 660 | 91,897 |
| African American-owned | 154 | 73 | 6,148 |
| Asian-owned | 114 | 207 | 36,222 |
| Hispanic-owned | 448 | 396 | 45,672 |
| Native American/Alaskan-owned | 19 | 13 | 2,984 |
| Hawaiian/Pacific Islander-owned | 1 | 1 | 334 |
| Veteran-owned | 312 | 623 | 132,946 |
| Publicly held, unclassified | 53 | 4,553 | 1,759,992 |
| | Level in 2010* | % Change from 2009 2000 | |
| Workforce (Thousands) | | | |
| Private-sector employment | 8,482 | -0.1 | 7.8 |
| Government employment | 1,860 | 2.1 | 19.1 |
| Self-employed (incorp. & uninc.) | 1,034 | -8.6 | 7.3 |
| Female self-employment | 347 | -5.1 | 11.4 |
| Male self-employment | 687 | -10.2 | 5.4 |
| Minority self-employment | 406 | -10.8 | 52.9 |
| Veteran self-employment | 113 | 1.9 | -24.4 |
| Unemployment Rate (Percent) | 8.2 | 0.6† | 3.8† |
| Business Turnover | | | |
| Quarterly establishment openings | 83,469 | -1.0 | 7.3 |
| Quarterly establishment closings | 84,201 | -5.2 | 12.2 |
| Business bankruptcies | 4,109 | -10.0 | 58.5 |
| | 2010* | 2009 | 2000 |
| Income and Finance | | | |
| Proprietors' income (\$billion) | 116.8 | 101.0 | 87.4 |
| Number of bank branches | 6,965 | 6,948 | 4,801 |
| No. of bus. loans under \$100,000‡ | 297,654 | 475,233 | 302,508 |
| Total value of business loans under \$100,000 (\$million)‡ | 4,198 | 5,690 | 3,879 |
| 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 Texas by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

| Industry | Nonemployer Firms | Employer Firms | | | Employment | | |
|---|----------------------|----------------|-------------------|--------------------|------------|-------------------|--------------------|
| | | Total | 1-19 Employees | 1-499 Employees | Total | 1-19 Employees | 1-499 Employees |
| Total | 1,844.1 | 392.4 | 339.9 | 387.1 | 8,925.1 | 1,442.3 | 4,106.9 |
| Forestry, etc. and agriculture support | 18.3 | 1.0 | 0.9 | 1.0 | 6.9 | 3.4 | 6.2 |
| Mining | 34.2 | 6.3 | 5.2 | 6.1 | 170.2 | 21.2 | 69.2 |
| Utilities | 2.6 | 0.9 | 0.7 | 0.9 | 47.9 | 3.0 | 12.6 |
| Construction | 258.6 | 39.6 | 34.6 | 39.3 | 592.1 | 148.5 | 423.7 |
| Manufacturing | 27.6 | 17.9 | 12.6 | 16.9 | 784.4 | 70.1 | 331.7 |
| Wholesale trade | 32.1 | 24.6 | 19.6 | 23.6 | 479.1 | 88.0 | 260.7 |
| Retail trade | 158.9 | 44.4 | 39.9 | 43.7 | 1,149.3 | 170.6 | 361.6 |
| Transportation and warehousing | 100.0 | 12.1 | 9.9 | 11.5 | 358.9 | 41.0 | 117.8 |
| Information | 21.1 | 4.4 | 3.4 | 4.1 | 236.9 | 14.5 | 52.0 |
| Finance and insurance | 67.0 | 19.0 | 16.9 | 18.5 | 460.9 | 54.4 | 149.8 |
| Real estate and rental and leasing | 138.8 | 18.5 | 17.1 | 18.2 | 169.5 | 50.4 | 102.4 |
| Professional, scientific, and technical svcs. | 236.7 | 53.9 | 49.3 | 53.1 | 568.1 | 160.6 | 340.5 |
| Management of companies and enterprises | -- | 2.5 | 0.4 | 1.5 | 262.8 | 1.2 | 28.8 |
| Admin., support, waste mgt., remed. svcs. | 196.2 | 21.3 | 17.5 | 20.6 | 841.6 | 72.5 | 282.0 |
| Educational services | 41.2 | 5.0 | 3.9 | 4.9 | 145.5 | 18.2 | 80.6 |
| Health care and social assistance | 136.6 | 46.7 | 40.3 | 46.3 | 1,216.5 | 199.9 | 588.9 |
| Arts, entertainment, and recreation | 72.7 | 5.5 | 4.6 | 5.4 | 115.2 | 20.6 | 67.8 |
| Accommodation and food services | 34.1 | 30.3 | 22.9 | 29.9 | 912.2 | 133.1 | 493.2 |
| Other services (except public admin.) | 267.6 | 43.1 | 39.1 | 42.8 | 404.9 | 169.1 | 335.1 |
| Unclassified | -- | 1.5 | 1.5 | 1.5 | 2.2 | 2.1 | 2.2 |

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, 2005–2009 (Nonfarm)

| | Total Net New Jobs | Employment Size of Firm | | | | | | |
|-------------|-----------------------|-------------------------|--------|---------|---------|---------|----------|----------|
| | | 1-4 | 5-9 | 10-19 | 20-99 | 100-499 | <500 | 500+ |
| 2005 - 2006 | 396,612 | 67,648 | 28,050 | 28,825 | 78,553 | 50,228 | 253,304 | 143,308 |
| 2006 - 2007 | 307,513 | 74,843 | 19,609 | 16,428 | 38,554 | 45,887 | 195,321 | 112,192 |
| 2007 - 2008 | 189,838 | 71,892 | 15,484 | 11,475 | 36,724 | 26,253 | 161,828 | 28,010 |
| 2008 - 2009 | -305,126 | 47,918 | -7,669 | -14,181 | -63,197 | -75,820 | -112,949 | -192,177 |

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, 2010 (Nonfarm, Thousands)

| | Establishments | | | | Employment | | | |
|--------------|----------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
| | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 |
| Openings | 20.5 | 20.2 | 20.0 | 22.8 | 81.1 | 76.7 | 75.7 | 84.5 |
| Expansions | 102.1 | 105.7 | 105.2 | 110.6 | 386.5 | 415.5 | 419.3 | 429.4 |
| Contractions | 107.3 | 105.0 | 105.0 | 101.9 | 367.9 | 371.8 | 372.8 | 364.3 |
| Closings | 20.6 | 21.0 | 21.6 | 21.0 | 66.3 | 76.3 | 76.4 | 76.5 |

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

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.