

Alabama

393,400 Small Businesses

71,759 Small Businesses with Employees

321,641 Small Businesses without Employees (Nonemployers)

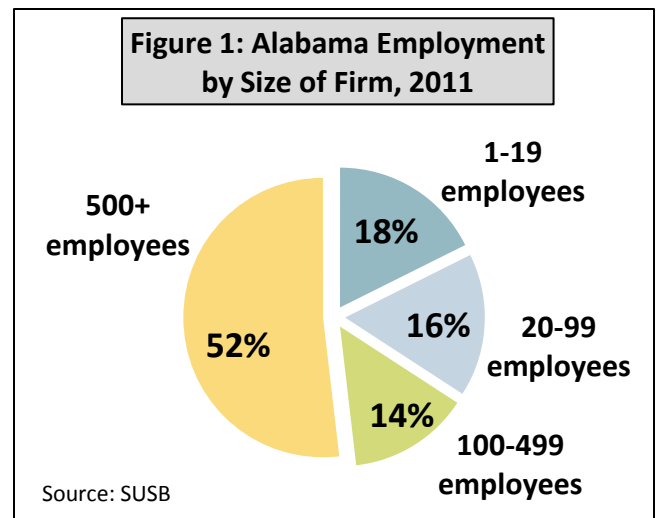
757,475 Workers Employed by Small Businesses

State Economy Overall

- Alabama's economy grew at a slower rate than the United States in 2012. Alabama's real gross state product increased by **1.2 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Alabama has improved. The unemployment rate in Alabama declined from **7.1 percent** in December 2012 to **6.1 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Alabama's small businesses employed about half or **757,475** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **96.8 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, retail trade, and accommodation & food services (**Table 4**).
- In Alabama, small businesses created **5,552** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.2 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **7.2 percent** in the 3rd quarter of 2013 and totaled **\$14.4 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **65,721** loans under \$100,000 (and valued at **\$946.7 million**) were issued by Community Reinvestment Act lending institutions in Alabama. (Source: FFIEC)

Business Owner Demographics

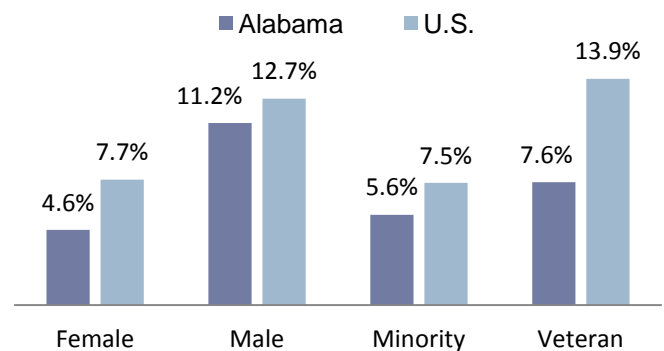
- In 2011, there were an estimated **111,000** woman-owned businesses and **73,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Alabama Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	212,000	53.5
Woman Owned	111,000	28.1
Equally Male and Female Owned	61,000	15.4
Minority Owned	73,000	18.4
Veteran Owned	47,000	11.8

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/al10.pdf.

Figure 2: Alabama Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employment workers within a demographic group.

Business Turnover

- **Table 2** gives Alabama's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **3,551** establishments opened and **3,571** closed in the state of Alabama. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Alabama

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	8,452	37.8
2007	8,851	46
2010	6,484	66.4

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **3,952** companies exported goods from the state in 2012. Of these, **3,229** or **81.7 percent** were small firms; they generated about a fifth (**18.2 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Alabama Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Retail trade	10,930	9,877	27,040	37,970
Other services (except public admin.)	10,135	9,413	68,020	78,155
Professional, scientific, & tech. svcs.	8,142	7,482	30,990	39,132
Health care & social assistance	7,829	6,718	23,487	31,316
Construction	7,555	6,822	42,658	50,213
Accommodation & food services	5,436	4,256	4,927	10,363
Wholesale trade	3,786	3,012	5,022	8,808
Manufacturing	3,457	2,436	4,293	7,750
Admin., supp., waste mgt., remed. svcs.	3,290	2,820	39,244	42,534
Finance & insurance	2,950	2,600	8,173	11,123
Real estate & rental & leasing	2,772	2,560	28,956	31,728
Transportation & warehousing	2,220	1,868	13,035	15,255
Arts, entertainment, & recreation	990	849	10,723	11,713
Forestry, etc. & agriculture support	771	716	4,609	5,380
Educational services	745	583	6,544	7,289
Information	634	503	2,924	3,558
Management of comp. & enterprises	259	41	0	259
Mining	156	112	722	878
Unclassified	155	155	0	155
Utilities	87	63	274	361
Total	71,759	62,813	321,641	393,400

Table 4: Employment in Alabama by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	112,569	235,237	48
Retail trade	89,915	225,793	40
Accommodation & food services	84,686	149,907	56
Manufacturing	80,070	227,628	35
Other services (except public admin.)	68,483	79,528	86
Construction	64,272	79,757	81
Professional, scientific, & tech. svcs.	57,012	93,488	61
Wholesale trade	43,172	69,928	62
Admin., supp., waste mgt., remed. svcs.	42,213	133,471	32
Finance & insurance	26,030	69,040	38
Transportation & warehousing	23,196	55,452	42
Real estate & rental & leasing	16,141	23,837	68
Educational services	14,285	29,099	49
Arts, entertainment, & recreation	11,729	17,292	68
Information	9,597	33,300	29
Forestry, etc. & agriculture support	5,554	6,066	92
Management of comp. & enterprises	3,779	19,592	19
Mining	2,695	7,809	35
Utilities	1,894	16,731	11
Unclassified	D	D	D
Total	757,475	1,573,138	48

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

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

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .