

## Alabama

**386,661** Small Businesses

**71,279** Small Businesses with Employees

**315,382** Small Businesses without Employees (Nonemployers)

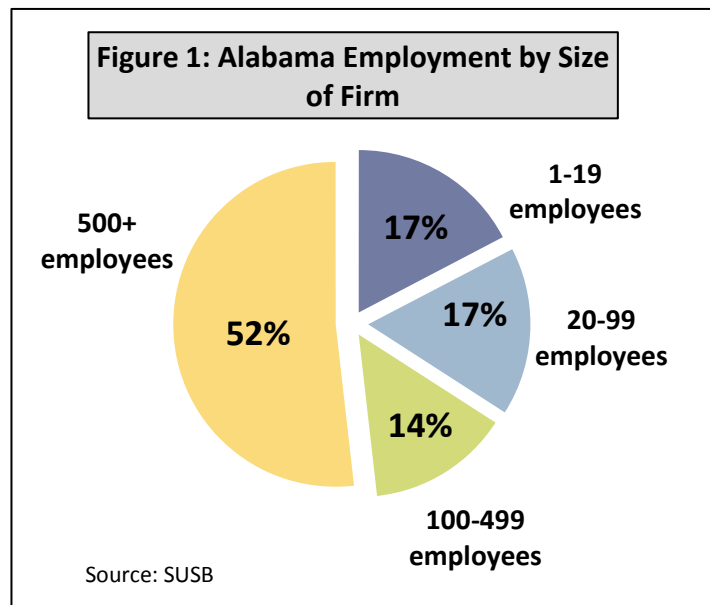
**764,207** Workers Employed by Small Businesses

### State Economy Overall

- Alabama's economy grew at a slower rate than the United States in 2013. Alabama's real gross state product increased by **0.8 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Alabama has remained constant. The unemployment rate in Alabama stayed the same at **6.3 percent** in October 2013 to **6.3 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

### Employment

- Alabama's small businesses employed about half or **764,207** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **96.8 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Alabama, small businesses created **24,890** net new jobs in 2012. 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 in 2013 decreased by **4.7 percent** relative to the previous year.
- The state's private-sector employment growth **increased by 2.0 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. 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

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- 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)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$48,710** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$20,328**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## Business Owner Demographics

- Table 1** shows the top industry for nine business owner demographics. For example, **42.9 percent** of female-owned businesses were in the other services industry, and female-owned firms made up **22.3 percent** of this industry.

**Table 1: Top Industry by Demographic Group in Alabama, 2007**

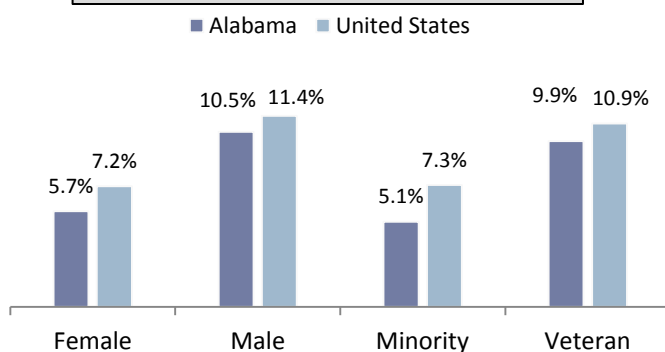
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Other services	42.9	22.3
Male	Construction	76.8	23.1
American Indian and Alaska Native	*	*	*
Asian	Other services	3.9	31.8
Black or African American	Other services	28.0	27.5
Native Hawaiian and Other Pacific Islander	*	*	*
White	Construction	89.7	18.1
Hispanic	Construction	1.7	23.2
Veteran	Construction	11.6	15.9

\*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

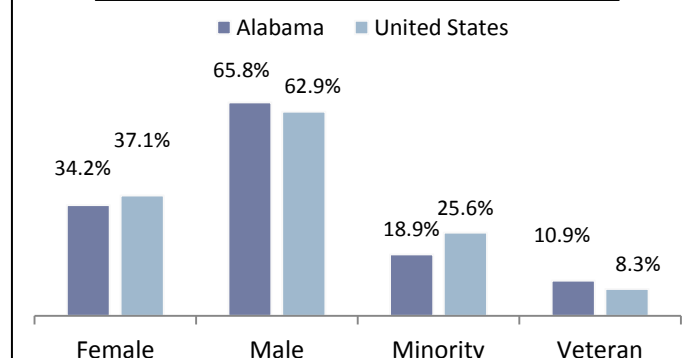
- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **5.7 percent** of females were self-employed, and **Figure 2b** shows that **34.2 percent** of all self-employed people were female.

**Figure 2a: What percent of each demographic group are self-employed in Alabama?**



Source: ACS

**Figure 2b: What percent of self-employed individuals in Alabama are in each demographic group?**



Source: ACS

## Business Turnover

- In 2010, **6,484** establishments opened in Alabama, and **66.4 percent** survived through 2012. In 2013, **7,445** establishments opened, and **79.7 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **3,537** establishments opened and **3,522** closed in the state of Alabama. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

## 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)

## Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

**Table 2: Number of Alabama Small Firms by Industry, 2012**  
(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	10,794	9,728	27,725	38,519
Other services (except public admin.)	10,085	9,363	64,913	74,998
Professional, scientific, & tech. svcs.	8,058	7,382	31,470	39,528
Health care & social assistance	7,822	6,667	22,176	29,998
Construction	7,263	6,523	40,485	47,748
Accommodation & food services	5,491	4,255	4,880	10,371
Wholesale trade	3,837	3,010	5,063	8,900
Manufacturing	3,470	2,443	4,472	7,942
Admin., supp., waste mgt., remed. svcs.	3,329	2,817	37,924	41,253
Finance & insurance	2,946	2,594	8,092	11,038
Real estate & rental & leasing	2,782	2,577	28,996	31,778
Transportation & warehousing	2,196	1,837	12,910	15,106
Arts, entertainment, & recreation	1,002	851	11,149	12,151
Forestry, etc. & agriculture support	758	705	4,540	5,298
Educational services	745	577	6,663	7,408
Information	645	516	2,963	3,608
Management of comp. & enterprises	263	35	*	263
Mining, quarrying and oil & gas extrac.	162	107	693	855
Utilities	92	65	268	360
Unclassified	68	68	*	68
<b>Total</b>	<b>71,279</b>	<b>62,073</b>	<b>315,382</b>	<b>386,661</b>

Source: SUSB and Nonemployer Statistics. \*Data for nonemployers not collected in these two categories.

See [www.sba.gov/advocacy/additional-data-state-profiles](http://www.sba.gov/advocacy/additional-data-state-profiles) for more detailed data.

- **Table 3** shows small firm employment by industry. The three Alabama industries with the most small business employment were: health care and social assistance; retail trade; and accommodation and food services (**Table 3**).

**Table 3: Employment in Alabama by Industry and Firm Size, 2012  
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	114,659	237,705	48.2
Retail trade	88,225	222,992	39.6
Accommodation & food services	86,866	155,254	56.0
Manufacturing	81,153	232,510	34.9
Other services (except public admin.)	69,698	79,302	87.9
Construction	63,802	77,901	81.9
Professional, scientific, & tech. svcs.	55,962	90,224	62.0
Admin., supp., waste mgt., remed. svcs.	45,047	138,781	32.5
Wholesale trade	44,173	71,121	62.1
Finance & insurance	25,713	70,913	36.3
Transportation & warehousing	23,600	56,594	41.7
Real estate & rental & leasing	15,798	22,689	69.6
Educational services	13,617	28,889	47.1
Arts, entertainment, & recreation	12,056	17,540	68.7
Information	9,137	31,770	28.8
Forestry, etc. & agriculture support	5,510	6,028	91.4
Management of comp. & enterprises	4,082	19,756	20.7
Mining, quarrying and oil & gas extraction	2,962	9,388	31.6
Utilities	2,085	16,342	12.8
Unclassified	D	D	D
<b>Total</b>	<b>764,207</b>	<b>1,585,761</b>	<b>48.2</b>

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

## Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, <a href="http://www.census.gov/acs">www.census.gov/acs</a> .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, <a href="http://www.bea.gov">www.bea.gov</a> .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.bls.gov/bdm">www.bls.gov/bdm</a> .
BDS	Business Dynamics Statistics, U.S. Census Bureau, <a href="http://www.census.gov/ces/dataproducts/bds">www.census.gov/ces/dataproducts/bds</a> .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, <a href="http://www.bls.gov">www.bls.gov</a> .
CEA	Council of Economic Advisers, <a href="http://www.whitehouse.gov/administration/eop/cea">www.whitehouse.gov/administration/eop/cea</a> .
FDIC	Federal Deposit Insurance Corporation, <a href="http://www.fdic.gov">www.fdic.gov</a> .
FFIEC	Federal Financial Institutions Examination Council, <a href="http://www.ffiec.gov">www.ffiec.gov</a> .
ITA	International Trade Administration, U.S. Department of Commerce, <a href="http://www.trade.gov">www.trade.gov</a> .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, <a href="http://www.census.gov/econ/nonemployer">www.census.gov/econ/nonemployer</a> .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, <a href="http://www.census.gov/econ/susb">www.census.gov/econ/susb</a> .
U.S. Courts	Administrative Office of the U.S. Courts, <a href="http://www.uscourts.gov">www.uscourts.gov</a> .