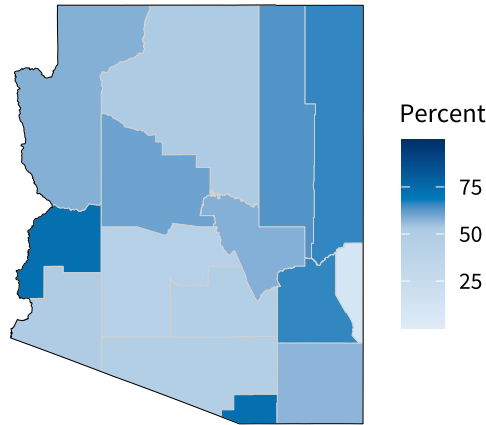


Arizona

641,025 small businesses
99.5 percent of Arizona businesses

1.1 million small business employees
42.5 percent of Arizona employees



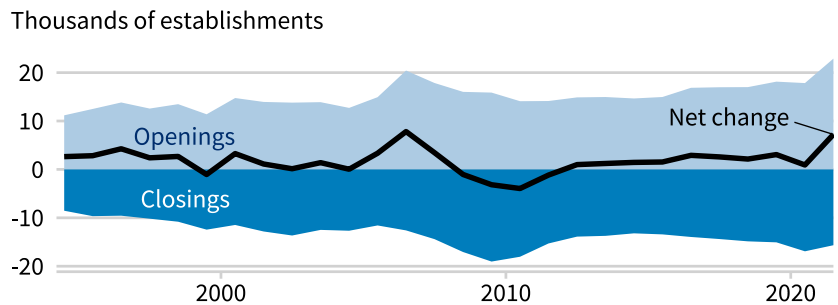
Share of employees working at small businesses by county

Source of data: [Statistics of US Businesses](#) (Census)

Business dynamics

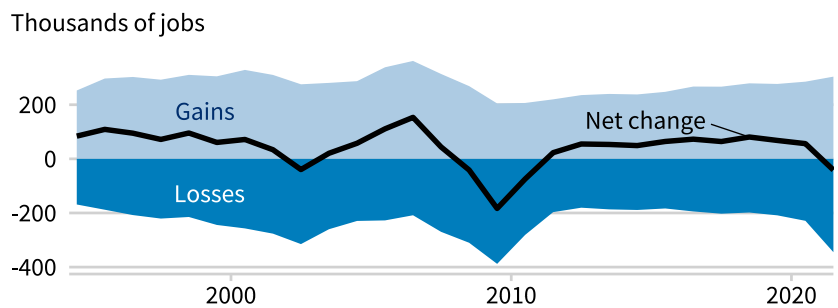
Establishments

Between March 2020 and March 2021, 22,894 Arizona establishments opened and 15,665 closed, for a net increase of 7,229. Employment expanded at 32,685 establishments and contracted at 35,948. Small businesses accounted for 21,668 openings and 14,497 closings.



Employment

Opening and expanding Arizona establishments added 303,760 jobs, while closing and contracting establishments lost 345,016, for a net decrease of 41,256 jobs. Small businesses gained 199,949 jobs and lost 206,192, for a net decrease of 6,243 jobs.



Counts include temporary closures and reopenings

Source: [Business Employment Dynamics](#) (BLS)

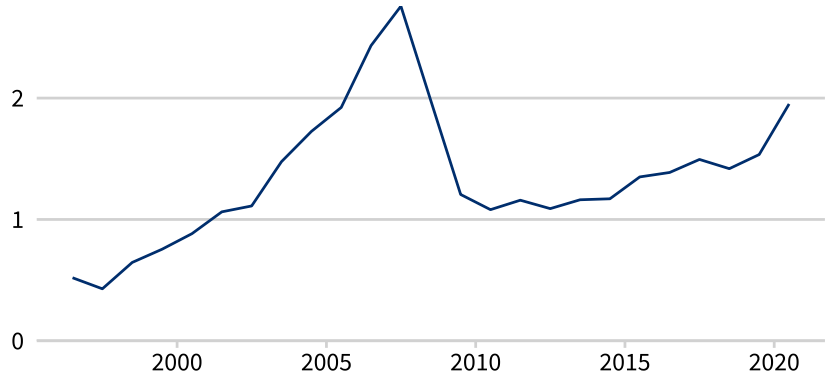
Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2020, reporting banks issued \$2.0 billion in loans to Arizona businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$2.9 billion. Total reported new lending to businesses through loans of \$1 million or less was \$8.1 billion.





Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million

\$Billion



Small business count by size and industry

Industry				
	No employees	1–19 employees	20–499 employees	All small businesses
Professional, Scientific, and Technical Services	76,222	15,731	1,131	93,084
Real Estate and Rental and Leasing	66,503	8,257	345	75,105
Other Services (except Public Administration)	55,041	9,648	875	65,564
Construction	46,900	11,201	1,535	59,636
Administrative, Support, and Waste Management	52,189	6,261	945	59,395
Transportation and Warehousing	53,396	2,344	463	56,203
Health Care and Social Assistance	41,775	12,497	1,802	56,074
Retail Trade	42,388	8,295	995	51,678
Arts, Entertainment, and Recreation	29,129	1,534	332	30,995
Finance and Insurance	14,738	4,725	337	19,800
Educational Services	17,538	1,523	441	19,502
Accommodation and Food Services	9,136	6,515	2,450	18,101
Wholesale Trade	7,525	3,857	879	12,261
Manufacturing	7,344	2,841	912	11,097
Information	6,544	1,071	232	7,847
Agriculture, Forestry, Fishing and Hunting	2,866	185	26	3,077
Mining, Quarrying, and Oil and Gas Extraction	1,098	91	33	1,222
Utilities	290	129	21	440
Management of Companies and Enterprises	*	101	241	342
Industries not classified	*	176	1	177
Total	530,622	96,911	13,492	641,025

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2019 (Census); [Statistics of US Businesses](#), 2019 (Census)



Small business exports

A total of 7,265 identified firms exported goods worth \$18.1 billion from Arizona in 2020. Of those exporters, 6,251—or 86.0 percent—were small. Exports by small firms reached \$4.6 billion, making up 25.3 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2019-2020](#) (Census)

Business ownership share by demographic group

Women



Women made up 46.6 percent of workers and owned 45.4 percent of businesses.

Veterans



Veterans made up 6.4 percent of workers and owned 7.9 percent of businesses.

Hispanics



Hispanics made up 31.0 percent of workers and owned 19.6 percent of businesses.

Racial minorities



Racial minorities made up 19.1 percent of workers and owned 11.1 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey, 2018](#) (Census and IPUMS); [Annual Business Survey, 2018](#) (Census); [Nonemployer Statistics by Demographics, 2018](#) (Census)

Business count by owner demographic group

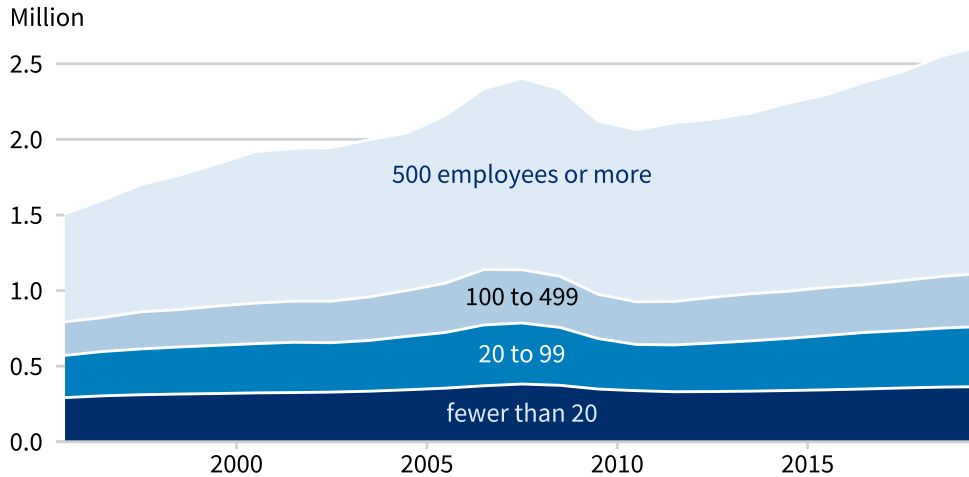
	Without employees	With employees	Total businesses
Ownership			
Female	211,000	21,252	232,252
Male	267,000	56,902	323,902
Owned equally by both groups	14,500	22,985	37,485
Veteran	34,000	7,155	41,155
Not Veteran	455,000	90,925	545,925
Owned equally by both groups	2,700	3,059	5,759
Hispanic	105,000	7,665	112,665
Not Hispanic	385,000	91,411	476,411
Owned equally by both groups	1,700	2,060	3,760
American Indian and Alaska Native	3,400	610	4,010
Asian	26,500	6,790	33,290
Black or African American	24,500	1,647	26,147
Native Hawaiian and Other Pacific Islander	1,000	149	1,149
White	435,000	92,103	527,103
Hispanic or Racial Minority	152,000	16,438	168,438
White and Not Hispanic	337,000	81,885	418,885
Owned equally by both groups	2,400	2,812	5,212

Counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey, 2018](#) (Census); [Nonemployer Statistics by Demographics, 2018](#) (Census)

Total Arizona employment by business size

Source of data: [Statistics of US Businesses](#) (Census)



Arizona small business employment grew by 40.2 percent between 1995 and 2019, which exceeded the national small business employment growth rate.

Small business employment and payroll by industry

Industry	Employers		Employees		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Professional, Scientific, and Technical Services	16,862	97.5	87,344	54.2	5,997,532	46.3
Health Care and Social Assistance	14,299	98.0	176,121	45.7	7,967,104	39.3
Construction	12,736	98.8	134,309	77.4	6,982,304	70.4
Other Services (except Public Administration)	10,523	98.6	78,700	82.8	2,511,087	76.6
Retail Trade	9,290	95.4	82,935	25.3	3,068,856	29.2
Accommodation and Food Services	8,965	97.0	170,381	53.6	3,326,528	49.7
Real Estate and Rental and Leasing	8,602	98.0	31,497	58.9	1,635,997	57.6
Administrative, Support, and Waste Management	7,206	94.5	87,526	28.9	3,208,970	29.0
Finance and Insurance	5,062	93.0	28,942	16.4	2,196,264	15.8
Wholesale Trade	4,736	90.2	46,696	46.7	2,725,979	38.5
Manufacturing	3,753	92.6	67,795	43.8	3,268,306	32.8
Transportation and Warehousing	2,807	91.6	28,837	28.0	1,245,946	23.1
Educational Services	1,964	96.6	35,128	53.7	1,224,610	46.9
Arts, Entertainment, and Recreation	1,866	96.6	28,333	51.7	1,006,886	51.1
Information	1,303	86.6	14,425	24.7	1,001,655	23.1
Management of Companies and Enterprises	342	52.5	6,152	10.6	434,125	9.1
Agriculture, Forestry, Fishing and Hunting	211	98.6	1,948	85.0	70,727	92.2
Industries not classified	177	100.0	317	100.0	6,799	100.0
Utilities	150	85.2	2,344	18.7	183,358	14.0
Mining, Quarrying, and Oil and Gas Extraction	124	84.4	1,762	16.5	141,676	17.8
Total	110,403	97.0	1,111,492	42.5	48,204,709	37.2

Source: [Statistics of US Businesses](#), 2019 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or problematic data. Data analyzed here largely predate the COVID-19 pandemic, which has had [impacts on businesses](#) that have differed by industry, geography, and demographic group. Electronic versions of this and other [geographic profiles](#) are available online. Visit advocacy.sba.gov for additional resources.