

Texas

Small businesses significantly impact Texas's economy. They represent 98.7 percent of all employers and employ 46.4 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 2.3 million in 2010.

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 was strong in 2011, with real gross state product increasing 7.0 percent and private-sector employment increasing 3.1 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 4.1 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was up, and small businesses in Texas represented all of the net new jobs (Table 2). The unemployment rate in 2010-2011 decreased by 0.3 percent.
- Most of Texas's small businesses are very small as 83.1 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in Texas improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

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 www.sba.gov/updates to subscribe to Advocacy's Listservs.

Texas Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	389,129	387,082	364,013
Large employers (500+ employees)	5,263	5,296	5,026
Nonemployers	1,934,472	1,879,376	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	-	-	-
Veteran-owned	312	623	132,946
Publicly held, unclassified	53	4,553	1,759,992
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	8,743	3.1	11.1
Government employment	1,814	-2.3	16.1
Self-employed (incorp. & uninc.)	1,126	0.3	16.8
Female self-employment	380	5.3	22.0
Male self-employment	745	-2.1	14.3
Minority self-employment	467	0.0	75.9
Veteran self-employment	104	6.2	-30.4
Unemployment Rate (Percent)	7.9	-0.3†	3.5‡
Business Turnover			
Quarterly establishment openings	87,955	5.4	13.1
Quarterly establishment closings	83,154	-1.2	10.8
Business bankruptcies	3,513	-14.5	35.5
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	124.5	116.5	87.4
Number of bank branches	6,885	6,965	4,801
No. of bus. loans under \$100,000‡	232,600	297,654	302,508
Total value of business loans under \$100,000 (\$million)‡	4,208	4,198	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, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	1,934.5	394.4	343.0	389.1	8,785.2	1,456.0	4,076.2
Forestry, etc. and agriculture support	19.4	1.0	0.9	1.0	6.4	3.3	5.6
Mining	37.1	6.3	5.3	6.2	162.7	21.5	69.5
Utilities	2.6	0.9	0.8	0.9	47.5	3.1	13.1
Construction	258.4	38.3	33.8	38.1	539.5	144.3	387.2
Manufacturing	28.9	17.5	12.6	16.6	730.6	68.6	315.1
Wholesale trade	33.0	24.5	19.7	23.6	455.3	88.4	249.6
Retail trade	162.9	44.3	39.9	43.7	1,127.0	171.3	357.2
Transportation and warehousing	102.8	12.0	9.8	11.4	351.4	39.7	114.6
Information	22.2	4.4	3.4	4.0	230.2	14.0	48.2
Finance and insurance	70.2	19.0	16.9	18.5	452.4	54.4	150.7
Real estate and rental and leasing	156.2	18.5	17.2	18.3	169.1	50.9	104.9
Professional, scientific, and technical svcs.	244.3	54.7	50.2	53.9	565.6	162.2	340.1
Management of companies and enterprises	0.0	2.5	0.4	1.6	257.1	1.3	29.4
Admin., support, waste mgt., remed. svcs.	206.9	21.2	17.5	20.6	830.3	72.8	283.2
Educational services	42.1	5.1	3.9	4.9	150.4	18.6	80.7
Health care and social assistance	145.5	48.3	41.6	47.8	1,280.3	207.6	621.7
Arts, entertainment, and recreation	76.2	5.5	4.7	5.4	113.8	20.5	67.4
Accommodation and food services	36.5	31.4	24.0	31.0	908.7	140.1	498.8
Other services (except public admin.)	289.3	43.3	39.4	43.1	405.1	171.7	337.4
Unclassified	0.0	1.5	1.5	1.5	1.7	D	1.7

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, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-85,726	53,570	8,424	2,526	-23,066	-11,540	29,914	-115,640
2009	-242,232	43,819	-10,095	-16,966	-62,706	-60,899	-106,847	-135,385
2008	229,968	68,691	14,916	12,469	34,129	20,347	150,552	79,416
2007	356,064	70,898	21,605	18,923	48,075	50,475	209,976	146,088

Note: Data source differs from previous publications.

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

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	21.7	21.6	21.8	22.9	79.8	82.6	82.7	87.1
Expansions	109.5	110.0	113.3	111.5	407.4	430.1	457.5	435.2
Contractions	103.8	105.8	104.5	105.6	363.3	370.9	372.2	379.6
Closings	20.6	20.7	20.5	21.4	67.3	71.3	69.8	76.8

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 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.