

## Alabama

**386,661** Small Businesses

**71,279** Small Businesses with Employees

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

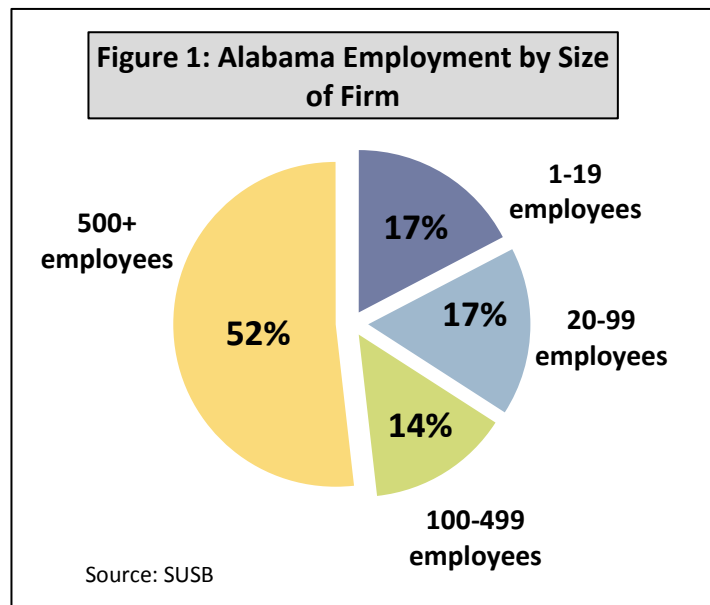
**764,207** Workers Employed by Small Businesses

### 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 decreased by **0.2 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.6 percent**. (Source: BEA, 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.

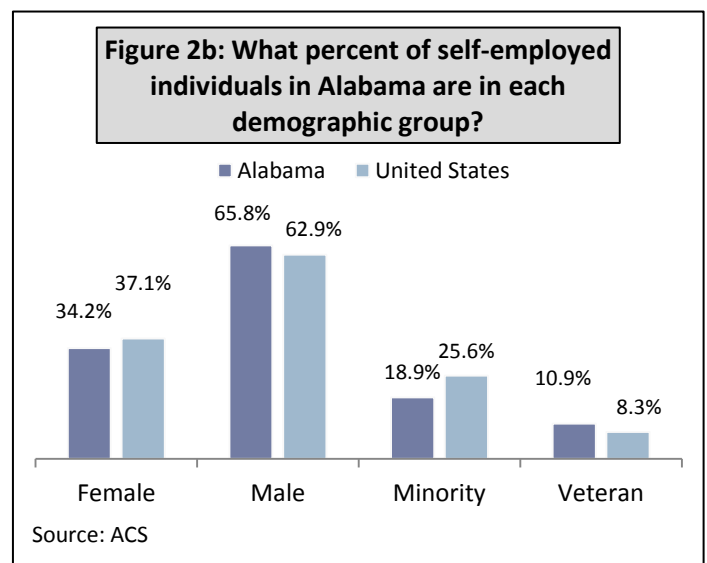
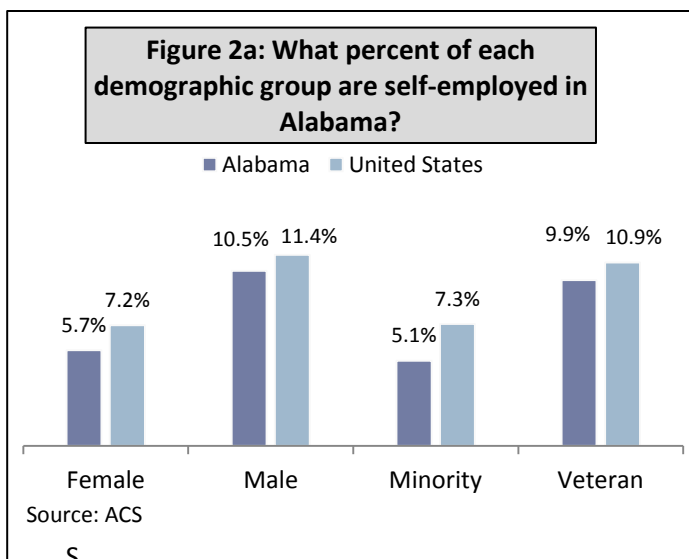
**Table 1: Top Industry by Demographic Group in Alabama, 2007**

| 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.



## 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<br>With 1-499 Employees | Employer Firms<br>With 1-19 Employees | Nonemployer<br>Firms | Total Small<br>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> .   |