

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

TEXAS



2.6 million
99.8%

Small Businesses
of Texas Businesses

4.6 million
45.9%

Small Business Employees
of Texas Employees



EMPLOYMENT
178,892
net new jobs



DIVERSITY
1.1 million
minority-owned
businesses



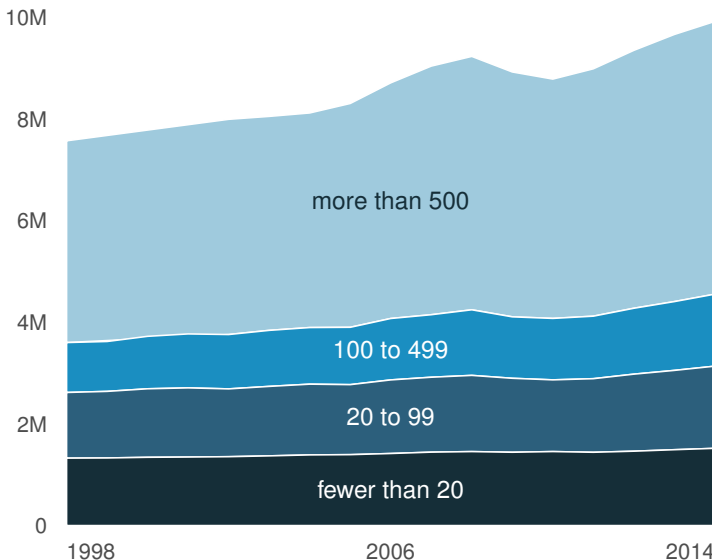
TRADE
93.1%
of Texas exporters

OVERALL TEXAS ECONOMY

- In the second quarter of 2016, Texas grew at an annual rate of **-0.8%**, which was slower than the overall US growth rate of **1.2%**. Texas's 2015 growth rate of **4.8%** was unchanged from the 2014 rate of **4.8%**. (Source: [BEA](#))
- In November 2016, the unemployment rate was **4.6%**, unchanged from **4.6%** at the close of 2015. This was equal to the November 2016 national unemployment rate of **4.6%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Texas Employment by Business Size (Employees)



- Texas small businesses employed **4.6 million** people, or **45.9%** of the private workforce, in 2014. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: [SUSB](#))
- During the year ending November 2016, private-sector employment increased **2.1%**. This was above the previous year's increase of **0.8%**. (Source: [CPS](#))
- The number of proprietors increased in 2015 by **2.5%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **178,892** net jobs in 2014. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding **35,199** net jobs. The smallest gains were in firms employing 5 to 9 employees, which added **16,810** net jobs. (Source: [BDS](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, **421,254** loans under \$100,000 (valued at **\$6.2 billion**) were issued by Texas lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$51,859** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$22,181**. (Source: [ACS](#))

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

Figure 2: Texas Small Business Ownership, 2012

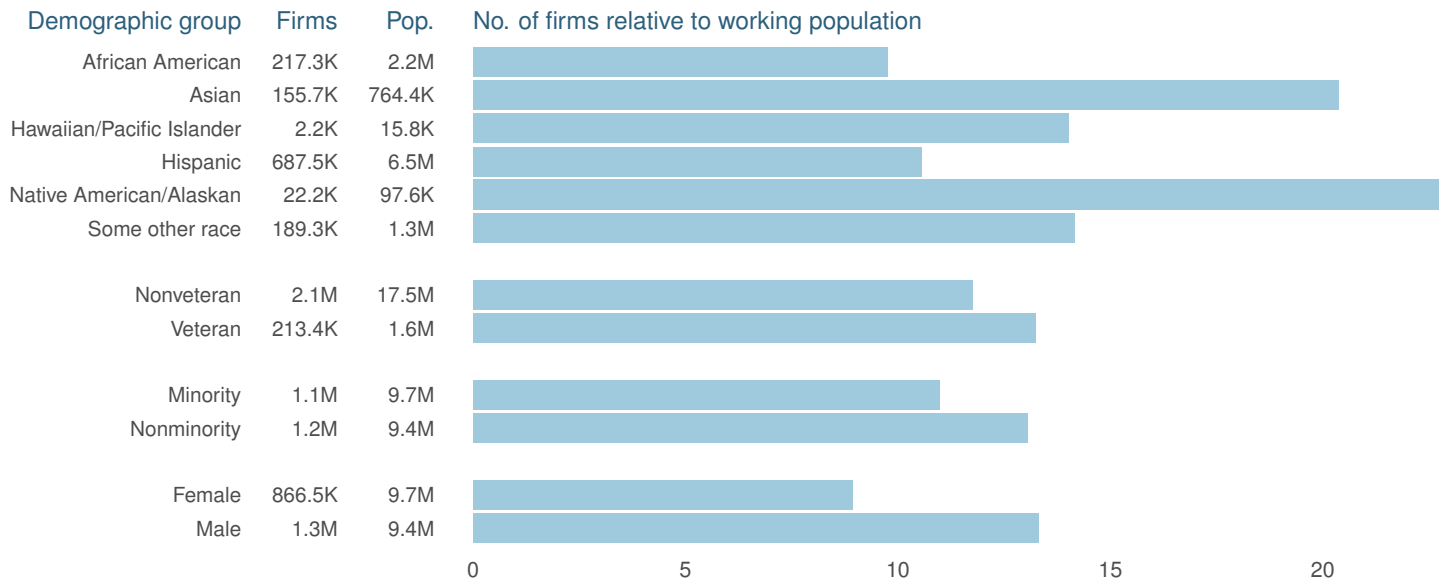
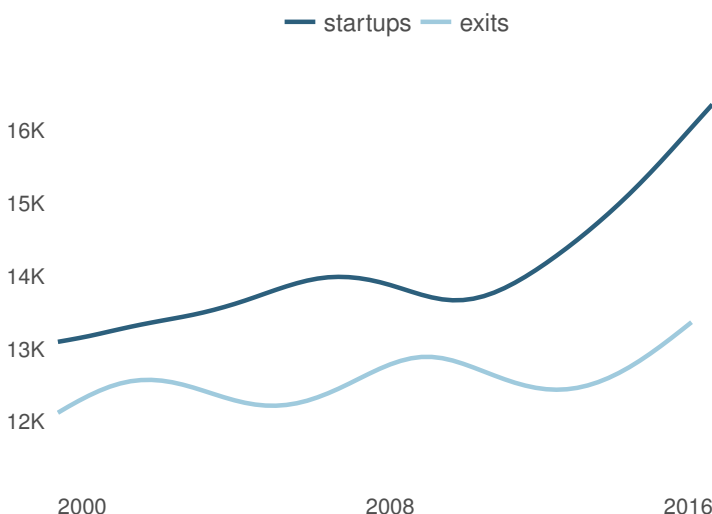


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 9 female-owned firms per 100 working age females or $866.5K \div 9.7M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: Texas Quarterly Startups and Exits



- In the second quarter of 2015, **16,545** establishments started up, generating **69,598** new jobs in Texas. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **14,660** establishments exited resulting in **58,635** jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: [BDM](#))
- Figure 3 displays quarterly startups and exits from 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings.

INTERNATIONAL TRADE

- A total of 41,881 companies exported goods from Texas in 2014. Among these, 39,005, or 93.1%, were small firms; they generated 37.6% of Texas's \$270.0 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Texas Employment by Industry, 2014





 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	663,927	1,411,362	47%
Accommodation and Food Services	592,705	1,068,269	55%
Construction	425,743	609,840	70%
Professional, Scientific, and Technical Services	393,187	664,995	59%
Retail Trade	383,763	1,242,045	31%
Other Services (Except Public Administration)	358,176	434,963	82%
Manufacturing	342,812	807,515	42%
Administrative, Support, and Waste Management	316,361	915,477	35%
Wholesale Trade	277,857	511,123	54%
Finance and Insurance	158,570	495,507	32%
Transportation and Warehousing	140,891	407,143	35%
Real Estate and Rental and Leasing	116,574	187,448	62%
Mining, Quarrying, and Oil and Gas Extraction	104,327	250,806	42%
Educational Services	92,987	177,409	52%
Arts, Entertainment, and Recreation	76,142	128,127	59%
Information	56,103	231,382	24%
Utilities	13,552	52,851	26%
Agriculture, Forestry, and Fishing and Hunting	6,216	7,782	80%
Total	4,553,243	9,920,214	46%

Figure 4: Texas Small Business Percent of Employment by County

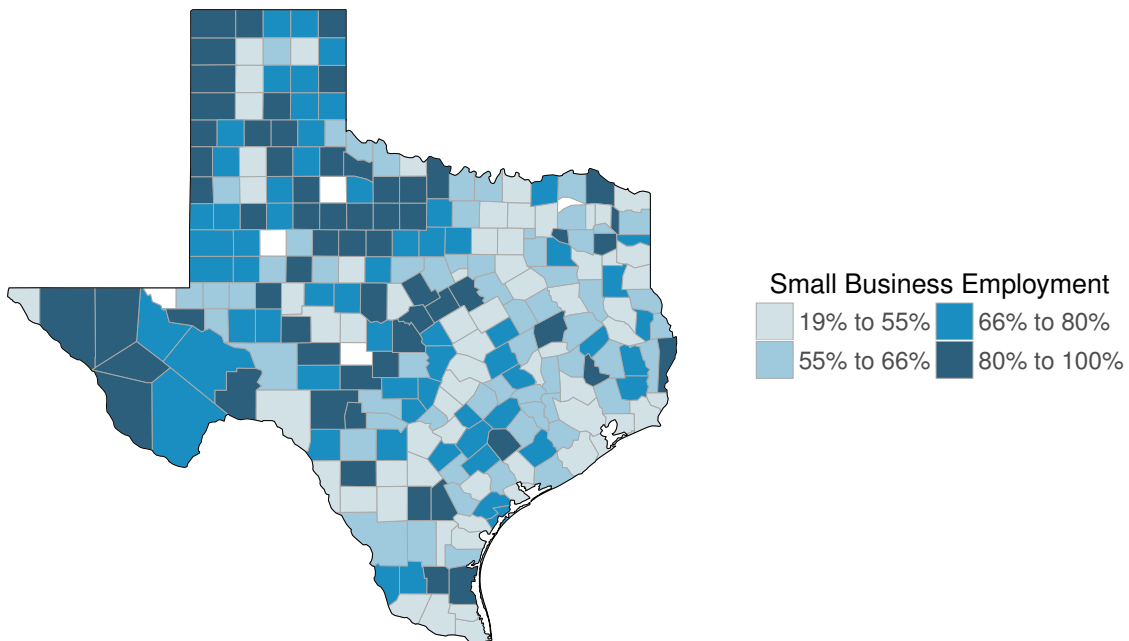







Table 2: Texas Small Businesses by Industry and Firm Size, 2014

				
Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (Except Public Administration)	44,727	40,760	324,512	369,239
Professional, Scientific, and Technical Services	59,638	55,239	270,855	330,493
Construction	39,230	34,422	273,286	312,516
Administrative, Support, and Waste Management	21,749	18,327	228,836	250,585
Retail Trade	44,807	40,808	182,912	227,719
Health Care and Social Assistance	50,957	44,243	155,875	206,832
Real Estate and Rental and Leasing	19,968	18,728	179,186	199,154
Transportation and Warehousing	13,336	11,427	128,270	141,606
Arts, Entertainment, and Recreation	5,869	4,998	87,439	93,308
Finance and Insurance	18,987	17,328	71,125	90,112
Accommodation and Food Services	34,547	25,782	40,591	75,138
Wholesale Trade	24,539	20,361	36,179	60,718
Educational Services	5,746	4,587	52,524	58,270
Manufacturing	16,639	12,238	33,339	49,978
Mining, Quarrying, and Oil and Gas Extraction	7,188	5,883	40,324	47,512
Information	4,192	3,427	23,592	27,784
Agriculture, Forestry, and Fishing and Hunting	976	910	19,128	20,104
Utilities	929	777	2,729	3,658
Total	413,777	361,282	2,150,702	2,564,479

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

- ACS American Community Survey, 5-year estimates, U.S. Census Bureau
- BEA Bureau of Economic Analysis
- BDM Business Employment Dynamics, BLS
- BDS Business Dynamics Statistics, U.S. Census Bureau
- BLS Bureau of Labor Statistics, U.S. Department of Labor
- CES Current Employment Statistics, BLS
- CEW Census of Employment and Wages, BLS
- CPS Current Population Survey, BLS
- FDIC Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration
- NES Nonemployer Statistics, U.S. Census Bureau
- SBO Survey of Business Owners, U.S. Census Bureau
- SUSB Statistics of U.S. Businesses, U.S. Census Bureau

