

Arizona

Small businesses significantly impact Arizona's economy. They represent 97.1 percent of all employers and employ 44.8 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 495,227 in 2010.

This profile uses the latest available data to illustrate the status of Arizona's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Arizona's economy was strong in 2011, with real gross state product increasing 3.5 percent and private-sector employment increasing 1.5 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 925,994 workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Arizona had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 1.0 percent.
- Most of Arizona's small businesses are very small as 79.5 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 negative (Table 3).
- Self-employment in Arizona improved over the last decade. Female 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.

Arizona Small Business Facts			
	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	99,232	101,228	90,320
Large employers (500+ employees)	2,943	2,963	2,684
Nonemployers	395,995	388,958	268,969
Level in 2007* (000)			
	Firms		Employment Receipts(\$M)
Business Owner Demographics			
Male-owned	220	771	121,416
Woman-owned	138	145	18,130
Equally male/female-owned	115	244	31,059
African American-owned	10	5	398
Asian-owned	16	31	3,956
Hispanic-owned	53	55	6,400
Native American/Alaskan-owned	9	7	609
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	81	182	34,387
Publicly held, unclassified	19	1,138	303,238
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	1,995	1.5	6.3
Government employment	410	-1.4	11.9
Self-employed (incorp. & uninc.)	311	-12.8	60.0
Female self-employment	107	-11.3	80.8
Male self-employment	204	-13.6	50.9
Minority self-employment	76	-20.7	51.7
Veteran self-employment	26	-7.0	-5.0
Unemployment Rate (Percent)	9.5	-1†	5.5‡
Business Turnover			
Quarterly establishment openings	30,030	1.7	22.8
Quarterly establishment closings	29,889	-5.2	33.3
Business bankruptcies	1,351	-17.4	76.6
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	18.1	16.9	12.2
Number of bank branches	1,362	1,381	938
No. of bus. loans under \$100,000‡	77,099	95,499	66,165
Total value of business loans under \$100,000 (\$million)‡	1,292	1,380	719

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 Arizona 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	396.0	102.2	88.2	99.2	2,065.2	338.1	926.0
Forestry, etc. and agriculture support	2.1	0.2	0.2	0.2	1.3	0.5	1.2
Mining	0.3	0.2	0.1	0.2	10.4	0.5	1.7
Utilities	0.3	0.2	0.1	0.1	D	0.4	2.2
Construction	34.5	11.9	10.7	11.8	120.7	40.2	95.3
Manufacturing	6.5	4.1	3.0	3.8	137.3	15.1	57.2
Wholesale trade	7.2	5.4	4.1	5.0	89.9	15.8	44.6
Retail trade	33.8	10.2	8.8	9.8	304.2	37.1	84.9
Transportation and warehousing	15.1	2.6	2.0	2.3	70.1	7.2	20.9
Information	5.5	1.3	0.9	1.1	51.6	3.4	12.3
Finance and insurance	14.6	4.9	4.3	4.6	125.4	11.5	26.2
Real estate and rental and leasing	56.7	6.3	5.8	6.2	42.0	13.3	25.4
Professional, scientific, and technical svcs.	59.9	15.0	13.7	14.7	126.8	38.8	77.3
Management of companies and enterprises	0.0	0.6	0.1	0.3	42.9	0.2	6.1
Admin., support, waste mgt., remed. svcs.	34.8	7.1	5.9	6.8	206.1	22.3	78.9
Educational services	9.8	1.7	1.2	1.6	56.2	6.0	27.0
Health care and social assistance	32.7	13.1	11.5	12.8	308.1	49.8	141.1
Arts, entertainment, and recreation	19.7	1.5	1.2	1.4	42.6	4.3	23.9
Accommodation and food services	4.9	7.8	5.8	7.6	235.7	36.0	130.4
Other services (except public admin.)	57.7	9.5	8.6	9.4	81.2	35.4	69.2
Unclassified	0.0	0.2	0.2	0.2	D	D	D

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.)

(D) Data suppressed to protect the confidentiality of individual firms.

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	-47,185	7,362	-4,477	-7,360	-22,925	-4,175	-31,575	-15,610
2009	-198,186	1,390	-13,126	-20,429	-50,578	-38,404	-121,147	-77,039
2008	-56,668	11,975	-3,480	-5,749	-21,167	-15,412	-33,833	-22,835
2007	66,027	20,347	6,595	3,055	-844	-11,903	17,250	48,777

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	7.0	7.4	7.8	7.8	21.8	26.1	26.0	28.7
Expansions	23.9	23.9	23.9	23.7	94.5	100.2	111.2	112.3
Contractions	23.1	22.9	23.3	23.4	96.4	94.7	91.9	93.5
Closings	7.5	7.7	7.1	7.5	23.5	28.0	25.4	29.1

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.