

Tennessee

Small businesses significantly impact Tennessee's economy. They represent 97.0 percent of all employers and employ 44.9 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 560,545 in 2010.

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

- Tennessee's economy was strong in 2011, with real gross state product increasing 4.0 percent and private-sector employment increasing 1.9 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 1.0 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 weak, and small businesses in Tennessee had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.6 percent.
- Most of Tennessee's small businesses are very small as 82.6 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 Tennessee improved over the last decade. Male 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.

Tennessee Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	95,000	96,063	99,446
Large employers (500+ employees)	2,976	2,992	2,981
Nonemployers	465,545	457,490	339,361
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	297	826	147,947
Woman-owned	141	125	18,342
Equally male/female-owned	93	139	17,731
African American-owned	46	16	2,013
Asian-owned	11	26	3,186
Hispanic-owned	9	12	1,410
Native American/Alaskan-owned	3	2	565
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	89	188	37,035
Publicly held, unclassified	14	1,308	348,843
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	2,224	1.9	-4.7
Government employment	432	-0.2	8.2
Self-employed (incorp. & uninc.)	317	2.1	34.9
Female self-employment	111	3.5	30.4
Male self-employment	207	1.3	37.4
Minority self-employment	39	-20.6	18.2
Veteran self-employment	31	-3.9	-4.5
Unemployment Rate (Percent)	9.2	-0.6†	5.2‡
Business Turnover			
Quarterly establishment openings	15,954	0.5	-10.2
Quarterly establishment closings	15,856	-3.7	-11.3
Business bankruptcies	961	-12.7	49.9
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	26.7	25.0	18.6
Number of bank branches	2,293	2,298	1,976
No. of bus. loans under \$100,000‡	42,842	56,845	78,564
Total value of business loans under \$100,000 (\$million)‡	903	990	1,130

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 Tennessee 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	465.5	98.0	82.9	95.0	2,264.0	366.8	1,017.6
Forestry, etc. and agriculture support	4.6	0.2	0.2	0.2	1.3	0.8	1.2
Mining	0.3	0.1	0.1	0.1	3.3	0.5	2.1
Utilities	0.3	0.1	0.0	0.0	3.5	0.1	2.4
Construction	67.4	9.8	8.8	9.8	98.2	36.6	84.2
Manufacturing	6.2	5.4	3.6	4.9	287.0	20.2	99.8
Wholesale trade	7.2	5.5	3.9	5.0	113.0	18.7	58.8
Retail trade	40.1	14.1	12.4	13.6	301.7	53.1	107.4
Transportation and warehousing	20.5	3.1	2.4	2.8	113.4	9.7	31.2
Information	6.5	1.4	1.0	1.2	47.9	4.5	13.4
Finance and insurance	13.1	4.6	3.8	4.3	110.5	12.7	41.8
Real estate and rental and leasing	37.8	3.8	3.4	3.7	32.8	11.0	21.8
Professional, scientific, and technical svcs.	50.7	10.0	9.0	9.8	101.2	32.9	66.8
Management of companies and enterprises	0.0	0.7	0.1	0.4	71.2	D	7.0
Admin., support, waste mgt., remed. svcs.	48.6	5.3	4.3	5.0	185.5	18.4	61.0
Educational services	9.4	1.1	0.8	1.1	57.0	4.0	26.4
Health care and social assistance	34.3	11.0	9.3	10.8	367.8	49.6	156.0
Arts, entertainment, and recreation	25.7	2.2	1.9	2.1	29.8	8.0	21.4
Accommodation and food services	7.0	7.9	5.9	7.7	229.5	35.6	121.1
Other services (except public admin.)	85.8	13.1	12.0	13.0	108.9	50.2	93.5
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	-28,816	11,332	-653	-799	-8,406	-986	488	-29,304
2009	-160,427	3,850	-8,594	-13,166	-31,194	-28,366	-77,470	-82,957
2008	13,507	11,615	-595	-2,112	-2,405	6,916	13,419	88
2007	33,888	15,785	2,838	-238	5,351	15,094	38,830	-4,942

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	3.9	4.1	4.2	3.8	14.7	16.3	17.4	15.4
Expansions	26.9	27.5	27.9	27.0	106.4	110.6	110.8	121.1
Contractions	26.9	26.6	26.4	27.2	95.6	97.6	103.3	101.7
Closings	4.0	4.1	3.7	4.0	12.7	12.8	13.8	14.9

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.