

Alabama

Small businesses totaled 380,106 in Alabama in 2009. They represent 97.0 percent of all employers and employ 48.9 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Alabama's health and well-being.

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

- Alabama's economy struggled in 2010, with real gross state product decreasing 1.1 percent and private-sector employment decreasing 1.3 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Alabama's small businesses are very small as 79.9 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 787,606 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in Alabama represented all of the net new jobs from 2005-2008.
- Self-employment in Alabama surged over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was positive (Table 3).

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 <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Alabama Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	74,686	77,465	77,597
Large employers (500+ employees)	2,349	2,347	2,255
Nonemployers	305,420	311,388	223,103
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	205	665	119,255
Woman-owned	107	100	12,840
Equally male/female-owned	59	89	10,765
African American-owned	57	17	1,259
Asian-owned	7	18	2,392
Hispanic-owned	4	7	860
Native American/Alaskan-owned	3	5	554
Hawaiian/Pacific Islander-owned	0	--	--
Veteran-owned	64	144	27,415
Publicly held, unclassified	11	760	251,666
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	1,482	-1.3	-6.2
Government employment	387	0.8	10.0
Self-employed (incorp. & uninc.)	169	-6.3	16.1
Female self-employment	57	-6.1	8.6
Male self-employment	112	-6.4	20.3
Minority self-employment	36	32.4	149.3
Veteran self-employment	14	-7.7	4.7
Unemployment Rate (Percent)	9.5	-0.2†	5.4†
Business Turnover			
Quarterly establishment openings	14,233	-0.9	-12.8
Quarterly establishment closings	15,622	-9.9	-8.0
Business bankruptcies	751	-8.3	68.8
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	11.2	11.2	8.7
Number of bank branches	1,578	1,581	1,429
No. of bus. loans under \$100,000‡	12,140	81,353	68,801
Total value of business loans under \$100,000 (\$million)‡	219	1,119	1,202
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 Alabama by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	305.4	77.0	65.4	74.7	1,612.3	290.0	787.6
Forestry, etc. and agriculture support	4.3	0.8	0.8	0.8	5.9	3.7	5.6
Mining	0.6	0.2	0.1	0.2	7.7	0.5	3.0
Utilities	0.3	0.1	0.1	0.1	16.5	0.3	1.9
Construction	45.7	8.7	7.7	8.7	95.6	32.6	80.3
Manufacturing	4.0	4.1	2.7	3.7	246.3	15.2	83.8
Wholesale trade	4.7	4.4	3.2	4.0	74.6	14.9	45.7
Retail trade	27.0	11.7	10.2	11.3	228.7	44.9	92.4
Transportation and warehousing	13.0	2.5	2.0	2.3	56.2	7.4	22.7
Information	2.7	0.8	0.5	0.7	38.2	2.6	10.4
Finance and insurance	8.2	3.2	2.7	3.0	71.5	9.2	26.9
Real estate and rental and leasing	23.7	3.2	2.9	3.1	25.3	8.6	16.7
Professional, scientific, and technical svcs.	30.4	8.6	7.7	8.4	94.2	27.3	59.6
Management of companies and enterprises	--	0.4	0.0	0.3	17.2	0.2	4.0
Admin., support, waste mgt., remed. svcs.	36.5	3.6	2.9	3.4	115.8	12.0	41.8
Educational services	7.1	0.8	0.6	0.7	28.5	2.8	14.3
Health care and social assistance	21.1	8.1	6.8	7.9	240.0	39.0	113.7
Arts, entertainment, and recreation	10.2	1.1	0.9	1.0	18.4	3.8	12.8
Accommodation and food services	4.5	5.6	4.3	5.4	151.2	25.0	82.4
Other services (except public admin.)	61.5	10.3	9.5	10.2	80.1	39.8	69.3
Unclassified	--	0.1	0.1	0.1	0.2	0.2	0.2

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, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	44,234	12,368	4,063	3,737	10,251	5,150	35,569	8,665
2006 - 2007	8,135	14,585	2,307	379	-1,671	-6,227	9,373	-1,238
2007 - 2008	-7,399	9,072	-15	-2,751	-3,071	-285	2,950	-10,349
2008 - 2009	-103,616	3,452	-5,874	-9,199	-23,405	-20,803	-55,829	-47,787

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

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	3.4	3.3	3.5	4.0	14.2	17.0	15.0	18.4
Expansions	19.7	20.5	20.4	20.3	68.5	73.4	73.5	72.3
Contractions	21.4	21.2	21.2	21.2	70.9	70.7	76.7	74.9
Closings	4.0	4.0	4.0	3.6	12.4	13.3	17.2	14.6

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 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.