

Arizona

Small businesses totaled 481,046 in Arizona in 2009. They represent 97.2 percent of all employers and employ 46 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Arizona's health and well-being.

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 struggled in 2010, with real gross state product decreasing 2.3 percent and private-sector employment decreasing 2.3 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Arizona's small businesses are very small as 78.5 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 975,437 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 Arizona represented 53.2 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Arizona surged over the last decade. Female 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 negative (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.

Arizona Small Business Facts			
	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	101,228	106,803	90,320
Large employers (500+ employees)	2,963	3,020	2,684
Nonemployers	379,818	381,653	268,969
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
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 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	1,961	-2.3	4.5
Government employment	417	-1.4	13.7
Self-employed (incorp. & uninc.)	317	-20.9	63.0
Female self-employment	115	-14.1	93.2
Male self-employment	202	-24.3	49.8
Minority self-employment	91	-28.7	82.7
Veteran self-employment	25	-31.4	-8.4
Unemployment Rate (Percent)	10.0	0.3†	6.0†
Business Turnover			
Quarterly establishment openings	29,515	-2.7	20.7
Quarterly establishment closings	31,520	-7.7	40.6
Business bankruptcies	1,636	1.3	113.9
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	17.0	15.0	12.2
Number of bank branches	1,381	1,405	938
No. of bus. loans under \$100,000‡	27,313	126,677	66,165
Total value of business loans under \$100,000 (\$million)‡	450	1,687	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, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	379.8	104.2	89.5	101.2	2,122.3	348.6	975.4
Forestry, etc. and agriculture support	2.0	0.2	0.2	0.2	1.3	0.5	1.2
Mining	0.3	0.2	0.1	0.1	12.0	0.5	1.9
Utilities	0.3	0.2	0.1	0.1	11.7	0.4	2.1
Construction	33.6	13.1	11.6	13.0	146.8	46.7	116.4
Manufacturing	6.2	4.3	3.1	4.0	145.5	16.2	64.4
Wholesale trade	7.0	5.6	4.2	5.1	94.4	16.4	47.9
Retail trade	33.4	10.5	9.0	10.0	316.2	38.9	88.6
Transportation and warehousing	14.5	2.6	2.0	2.4	78.1	7.8	22.6
Information	5.3	1.3	0.9	1.1	52.0	3.4	12.2
Finance and insurance	14.4	5.1	4.4	4.8	131.9	12.1	28.5
Real estate and rental and leasing	52.8	6.4	5.9	6.2	43.2	13.3	26.3
Professional, scientific, and technical svcs.	58.8	15.1	13.7	14.7	120.2	39.3	80.1
Management of companies and enterprises	--	0.6	0.1	0.3	41.6	0.2	5.5
Admin., support, waste mgt., remed. svcs.	32.5	7.2	5.9	6.8	203.0	22.5	83.5
Educational services	9.9	1.6	1.2	1.6	49.7	5.8	26.5
Health care and social assistance	31.0	12.8	11.3	12.6	302.6	48.5	140.6
Arts, entertainment, and recreation	19.2	1.5	1.2	1.5	45.0	4.4	24.1
Accommodation and food services	4.6	7.8	5.8	7.6	242.3	35.5	131.6
Other services (except public admin.)	54.1	9.5	8.6	9.4	84.5	35.8	71.1
Unclassified	--	0.2	0.2	0.2	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	173,144	24,413	14,655	14,321	35,670	23,465	112,524	60,620
2006 - 2007	67,039	21,595	6,139	2,157	-2,268	-11,502	16,121	50,918
2007 - 2008	-69,340	12,935	-2,785	-6,221	-21,525	-20,121	-37,717	-31,623
2008 - 2009	-213,256	2,738	-12,501	-17,565	-49,192	-37,015	-113,535	-99,721

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	7.0	6.6	7.6	8.3	23.6	22.6	26.9	29.3
Expansions	22.6	22.9	22.2	24.0	92.7	98.3	98.3	112.0
Contractions	24.6	24.0	24.1	22.9	101.3	98.6	100.6	87.2
Closings	8.2	7.9	7.8	7.6	22.5	28.2	28.0	26.1

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