

Alabama

Alabama's small businesses are key to the state's well-being. They account for a significant share of the state's economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status and contributions of Alabama small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 388,853 in the state in 2008. Of these, 77,465 were employers, and they accounted for 49.3% of private-sector jobs in the state (Table 1). Small firms made up 97.1% of the state's employers.
- Alabama's real gross state product increased by 0.7% and private-sector employment decreased by 6.8% in 2009. By comparison, real GDP in the United States grew 0.7% and private-sector employment declined by 5.5%.
- Business ownership is becoming more inclusive in the state. The number of both women and minority business owners has grown. In particular, minority-owned businesses numbered 70,556 in 2007, an 84.6% increase over 2002.
- The state's small business employment has undergone major shifts in recent years (Table 2).
- The state's businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is 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.

Alabama Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	77,465	79,264	77,597
Large employers (500+ employees)	2,347	2,301	2,255
Nonemployers	311,388	313,813	223,103
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	204,850	53.5	8.7
Woman-owned	107,531	28.1	31.4
Equally male/female-owned	59,032	15.4	96.8
African American-owned	56,702	14.8	97.8
Asian-owned	6,949	1.8	62.7
Hispanic-owned	4,443	1.2	76.0
Native American/Alaskan-owned	3,071	0.8	5.5
Hawaiian/Pacific Islander-owned	255	0.1	165.6
Veteran-owned	45,099	11.8	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	1,463	-6.8	-5.1
Government employment	366	0.1	8.9
Self-employed (incorp. & uninc.)	163	-11.0	-18.2
Female self-employment	52	-4.2	-19.7
Male self-employment	111	-13.8	-17.5
Minority self-employment	32	26.6	24.4
Veteran self-employment	20	-31.2	-27.6
Unemployment rate (%)	10.1	4.9†	6.0†
Business Turnover			
Quarterly establishment openings	13,699	-5.3	-16.1
Quarterly establishment closings	16,717	1.3	-1.5
Business bankruptcies	819	52.8	84.0
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	11.2	12.2	7.3
Number of bank branches	1,581	1,564	1,429
No. of bus. loans under \$100,000‡	81,353	110,989	68,801
Total value of business loans under \$100,000 (\$million)‡	1,119	1,481	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, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	311.4	79.8	67.5	77.5	1,714.7	301.3	846.3
Forestry, etc. and agriculture support	4.5	0.9	0.8	0.9	6.4	4.0	6.1
Mining	0.7	0.2	0.1	0.2	7.7	0.6	2.9
Utilities	0.3	0.1	0.1	0.1	14.9	0.3	1.9
Construction	49.2	9.8	8.6	9.7	112.5	37.5	93.3
Manufacturing	4.1	4.4	2.8	4.0	278.6	15.9	95.0
Wholesale trade	4.9	4.5	3.3	4.1	79.7	15.6	49.6
Retail trade	28.0	12.1	10.5	11.7	243.8	46.9	101.6
Transportation and warehousing	13.9	2.7	2.1	2.5	59.8	7.8	25.0
Information	2.8	0.8	0.6	0.7	38.4	2.8	10.8
Finance and insurance	8.8	3.3	2.8	3.2	73.3	9.5	27.1
Real estate and rental and leasing	26.8	3.4	3.1	3.3	27.2	9.1	18.9
Professional, scientific, and technical svcs.	30.9	8.7	7.8	8.5	95.6	28.3	61.3
Management of companies and enterprises	--	0.5	0.0	0.3	18.1	0.2	4.5
Admin., support, waste mgt., remed. svcs.	35.2	3.7	2.9	3.4	132.3	12.4	45.7
Educational services	7.3	0.8	0.6	0.8	27.6	3.0	14.2
Health care and social assistance	20.0	8.1	6.8	7.9	239.3	38.4	115.7
Arts, entertainment, and recreation	10.3	1.1	0.9	1.0	18.0	3.8	13.2
Accommodation and food services	4.5	5.6	4.2	5.4	159.6	24.6	87.6
Other services (except public admin.)	59.0	10.5	9.6	10.4	82.0	40.4	71.8
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, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	38,904	10,715	2,592	51	-772	5,027	17,613	21,291
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	-1,238	9,373

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, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	3.5	18.9	25.3	4.6	13.9	60.7	99.9	16.3
Quarter 2	3.3	19.4	24.0	4.3	13.1	67.6	89.6	16.4
Quarter 3	3.2	19.5	22.7	4.2	13.7	69.9	81.8	20.4
Quarter 4	3.7	19.5	22.0	3.7	15.0	70.1	76.0	14.1

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)

Note: These figures contain all firm sizes; Census data from 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.