

Arizona

Arizona'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 Arizona small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 488,456 in the state in 2008. Of these, 106,803 were employers, and they accounted for 47.3% of private-sector jobs in the state (Table 1). Small firms made up 97.3% of the state's employers.
- Arizona's real gross state product decreased by 0.6% and private-sector employment decreased by 8.3% 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 85,272 in 2007, a 52.8% 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.

Arizona Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	106,803	110,324	90,320
Large employers (500+ employees)	3,020	2,974	2,684
Nonemployers	381,653	389,134	268,969
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	219,922	44.7	10.2
Woman-owned	138,146	28.1	25.9
Equally male/female-owned	114,774	23.3	92.0
African American-owned	10,069	2.0	59.1
Asian-owned	16,380	3.3	60.4
Hispanic-owned	52,667	10.7	50.0
Native American/Alaskan-owned	9,110	1.9	39.1
Hawaiian/Pacific Islander-owned	n.a.	n.a.	n.a.
Veteran-owned	48,103	9.8	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	1,994	-8.3	4.7
Government employment	408	-1.4	27.1
Self-employed (incorp. & uninc.)	358	13.9	46.3
Female self-employment	121	14.2	44.9
Male self-employment	237	13.7	47.1
Minority self-employment	102	8.3	147.1
Veteran self-employment	36	31.9	-13.3
Unemployment rate (%)	9.1	3.2†	5.1†
Business Turnover			
Quarterly establishment openings	29,255	-2.3	19.7
Quarterly establishment closings	32,530	-5.5	45.2
Business bankruptcies	1,615	51.1	111.1
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	15.7	16.9	10.6
Number of bank branches	1,405	1,379	938
No. of bus. loans under \$100,000‡	126,677	246,083	66,165
Total value of business loans under \$100,000 (\$million)‡	1,687	3,001	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, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	381.7	109.8	93.7	106.8	2,334.1	373.4	1,094.3
Forestry, etc. and agriculture support	2.0	0.2	0.2	0.2	1.4	0.5	1.3
Mining	0.3	0.2	0.1	0.2	11.0	0.5	2.2
Utilities	0.3	0.2	0.1	0.1	D	D	2.3
Construction	33.4	15.4	13.3	15.3	208.3	57.1	162.6
Manufacturing	6.2	4.7	3.3	4.3	165.9	17.7	75.0
Wholesale trade	7.1	5.8	4.3	5.3	100.5	17.5	52.5
Retail trade	34.8	11.2	9.6	10.7	343.5	43.0	103.5
Transportation and warehousing	14.8	2.8	2.1	2.5	82.3	8.1	24.6
Information	5.3	1.3	1.0	1.2	54.5	3.7	14.5
Finance and insurance	15.1	5.5	4.8	5.2	138.6	13.3	30.7
Real estate and rental and leasing	55.6	6.9	6.3	6.7	50.8	14.5	29.9
Professional, scientific, and technical svcs.	58.4	15.5	14.1	15.2	126.9	42.0	84.5
Management of companies and enterprises	--	0.6	0.1	0.3	51.0	0.1	6.2
Admin., support, waste mgt., remed. svcs.	31.0	7.4	6.1	7.1	252.5	23.9	97.0
Educational services	10.0	1.6	1.2	1.6	48.1	5.7	25.8
Health care and social assistance	30.6	12.7	11.1	12.4	287.4	47.5	138.2
Arts, entertainment, and recreation	19.5	1.6	1.3	1.6	46.7	4.6	27.1
Accommodation and food services	4.6	8.0	5.8	7.8	259.5	35.5	140.4
Other services (except public admin.)	52.5	9.7	8.8	9.6	91.6	37.5	75.7
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, 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	113,657	19,967	8,693	7,464	15,192	17,322	68,638	45,019
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	50,918	16,121

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	7.5	20.4	30.2	8.5	27.3	86.0	144.7	32.3
Quarter 2	7.2	20.4	28.6	9.4	28.5	85.9	132.2	35.2
Quarter 3	6.9	23.9	25.9	8.3	25.4	101.7	115.3	28.8
Quarter 4	7.7	22.4	26.3	6.4	25.4	102.9	104.9	28.9

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.