

Kentucky

Small businesses totaled 333,057 in Kentucky in 2009. They represent 96.7 percent of all employers and employ 48 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Kentucky's health and well-being.

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

- Kentucky's economy struggled in 2010, with real gross state product decreasing 0.4 percent and private-sector employment decreasing 0.4 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Kentucky's small businesses are very small as 79.2 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 714,275 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 Kentucky represented 53.5 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Kentucky declined over the last decade. Veteran 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.

Kentucky Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	67,300	69,175	70,087
Large employers (500+ employees)	2,306	2,335	2,213
Nonemployers	265,757	270,572	226,193
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	174	502	92,330
Woman-owned	86	89	10,608
Equally male/female-owned	66	99	13,243
African American-owned	10	10	772
Asian-owned	6	17	1,897
Hispanic-owned	4	7	813
Native American/Alaskan-owned	1	--	--
Hawaiian/Pacific Islander-owned	0	0	5
Veteran-owned	49	106	19,237
Publicly held, unclassified	11	796	267,599
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	1,438	-0.4	-5.3
Government employment	331	2.0	7.6
Self-employed (incorp. & uninc.)	172	-13.2	-10.4
Female self-employment	55	-6.8	-2.5
Male self-employment	117	-16.0	-13.7
Minority self-employment	15	10.4	-1.4
Veteran self-employment	27	35.6	27.6
Unemployment Rate (Percent)	10.5	-0.2†	6.3‡
Business Turnover			
Quarterly establishment openings	14,867	-1.4	7.6
Quarterly establishment closings	15,612	-8.8	16.8
Business bankruptcies	530	-12.0	49.3
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	7.6	8.9	9.4
Number of bank branches	1,827	1,859	1,617
No. of bus. loans under \$100,000‡	37,024	74,093	42,978
Total value of business loans under \$100,000 (\$million)‡	560	818	621
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 Kentucky 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	265.8	69.6	58.7	67.3	1,486.5	257.7	714.3
Forestry, etc. and agriculture support	4.9	0.3	0.2	0.3	1.7	0.7	1.7
Mining	1.7	0.5	0.4	0.5	22.7	2.0	10.6
Utilities	0.2	0.1	0.1	0.1	8.2	0.3	2.5
Construction	42.7	8.1	7.3	8.0	70.8	28.9	64.1
Manufacturing	3.5	3.5	2.1	3.1	214.7	12.6	77.6
Wholesale trade	4.0	3.6	2.5	3.2	71.8	11.5	38.5
Retail trade	26.7	10.0	8.7	9.7	222.4	41.0	82.0
Transportation and warehousing	13.2	2.5	2.0	2.3	83.9	7.8	19.3
Information	2.6	0.8	0.5	0.7	33.5	2.6	8.0
Finance and insurance	7.4	3.1	2.6	2.9	68.6	9.2	26.6
Real estate and rental and leasing	23.2	2.8	2.6	2.7	18.4	7.5	12.7
Professional, scientific, and technical svcs.	27.3	7.5	6.8	7.3	64.9	23.5	45.6
Management of companies and enterprises	--	0.5	0.1	0.3	24.9	0.2	3.7
Admin., support, waste mgt., remed. svcs.	27.4	3.4	2.8	3.2	76.8	10.8	33.9
Educational services	5.4	0.8	0.6	0.7	27.6	2.8	15.5
Health care and social assistance	17.2	8.0	6.7	7.9	238.4	36.3	109.8
Arts, entertainment, and recreation	10.9	1.3	1.0	1.2	17.6	4.5	14.2
Accommodation and food services	3.1	5.3	3.7	5.1	153.4	23.3	94.0
Other services (except public admin.)	44.4	8.7	8.0	8.6	66.0	32.3	54.2
Unclassified	--	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, 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	37,900	9,739	2,878	2,148	5,211	5,989	25,965	11,935
2006 - 2007	-3,159	9,465	632	-2,097	-1,818	-4,585	1,597	-4,756
2007 - 2008	20,696	7,621	-1,565	-3,528	-1,701	1,294	2,121	18,575
2008 - 2009	-83,672	5,601	-3,997	-6,392	-16,222	-19,839	-40,849	-42,823

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	3.6	3.6	3.7	4.0	12.0	14.2	14.7	14.2
Expansions	18.1	19.0	18.9	19.0	65.8	72.3	67.9	77.9
Contractions	19.8	18.8	19.1	19.1	71.6	65.9	68.4	68.3
Closings	3.9	4.3	3.6	3.8	11.8	14.4	12.9	11.8

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.