Tennessee

Small businesses totaled 544,579 in Tennessee in 2009. They represent 97.0 percent of all employers and employ 44.8 percent of the private-sector workforce. Being such a large part of the state’s economy, these businesses are central to Tennessee’s health and well-being.

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

- Tennessee’s economy struggled in 2010, with real gross state product decreasing 1.6 percent and private-sector employment decreasing 0.5 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Tennessee’s small businesses are very small as 81.9 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 1 million 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 Tennessee represented 73.1 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Tennessee surged over the last decade. Male 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.

### Tennessee Small Business Facts

<table>
<thead>
<tr>
<th></th>
<th>2009*</th>
<th>2008</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Businesses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small employers (&lt;500 employees)</td>
<td>96,063</td>
<td>99,339</td>
<td>99,446</td>
</tr>
<tr>
<td>Large employers (500+ employees)</td>
<td>2,992</td>
<td>3,059</td>
<td>2,981</td>
</tr>
<tr>
<td>Nonemployers</td>
<td>448,516</td>
<td>453,314</td>
<td>339,361</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Firms</th>
<th>Employment</th>
<th>Receipts ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Owner Demographics</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male-owned</td>
<td>297</td>
<td>826</td>
</tr>
<tr>
<td>Woman-owned</td>
<td>141</td>
<td>125</td>
</tr>
<tr>
<td>Equally male/female-owned</td>
<td>93</td>
<td>139</td>
</tr>
<tr>
<td>African American-owned</td>
<td>46</td>
<td>16</td>
</tr>
<tr>
<td>Asian-owned</td>
<td>11</td>
<td>26</td>
</tr>
<tr>
<td>Hispanic-owned</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Native American/Alaskan-owned</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Hawaiian/Pacific Islander-owned</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Veteran-owned</td>
<td>89</td>
<td>188</td>
</tr>
<tr>
<td>Publicly held, unclassified</td>
<td>14</td>
<td>1,308</td>
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<table>
<thead>
<tr>
<th><strong>Business Turnover</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly establishment openings</td>
<td>15,872</td>
<td>-3.0</td>
</tr>
<tr>
<td>Quarterly establishment closings</td>
<td>16,469</td>
<td>-16.2</td>
</tr>
<tr>
<td>Business bankruptcies</td>
<td>1,101</td>
<td>-13.5</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>Income and Finance</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proprietors’ income ($billion)</td>
<td>25.0</td>
<td>23.6</td>
</tr>
<tr>
<td>Number of bank branches</td>
<td>2,298</td>
<td>2,332</td>
</tr>
<tr>
<td>No. of bus. loans under $100,000‡</td>
<td>56,845</td>
<td>109,178</td>
</tr>
<tr>
<td>Total value of business loans under $100,000 (Smillion)‡</td>
<td>990</td>
<td>1,441</td>
</tr>
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</table>


* Latest available data. †Percentage point change. ‡Data are for CRA loans.
### Table 1: Firms and Employment in Tennessee by Industry and Firm Size, 2009 (Nonfarm, Thousands)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Firms</th>
<th>1-19</th>
<th>1-499</th>
<th>1-19</th>
<th>1-499</th>
<th>1-19</th>
<th>1-499</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>448.5</td>
<td>99.1</td>
<td>83.6</td>
<td>96.1</td>
<td>2,318.0</td>
<td>369.0</td>
<td>1,038.0</td>
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<tr>
<td>Forestry, etc. and agriculture support</td>
<td>4.6</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>1.3</td>
<td>0.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Mining</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>3.3</td>
<td>0.5</td>
<td>1.9</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.3</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>3.6</td>
<td>0.0</td>
<td>2.4</td>
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<tr>
<td>Construction</td>
<td>69.1</td>
<td>10.2</td>
<td>9.1</td>
<td>10.2</td>
<td>104.2</td>
<td>38.0</td>
<td>93.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5.9</td>
<td>5.6</td>
<td>3.7</td>
<td>5.1</td>
<td>311.2</td>
<td>20.8</td>
<td>103.0</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>6.9</td>
<td>5.7</td>
<td>4.0</td>
<td>5.2</td>
<td>114.3</td>
<td>18.8</td>
<td>61.2</td>
</tr>
<tr>
<td>Retail trade</td>
<td>40.0</td>
<td>14.1</td>
<td>12.3</td>
<td>13.7</td>
<td>307.8</td>
<td>53.0</td>
<td>109.9</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>20.5</td>
<td>3.1</td>
<td>2.4</td>
<td>2.8</td>
<td>127.4</td>
<td>9.9</td>
<td>31.0</td>
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<tr>
<td>Information</td>
<td>6.2</td>
<td>1.4</td>
<td>1.1</td>
<td>1.3</td>
<td>50.0</td>
<td>4.5</td>
<td>14.0</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>13.0</td>
<td>4.7</td>
<td>3.9</td>
<td>4.4</td>
<td>114.7</td>
<td>13.4</td>
<td>42.6</td>
</tr>
<tr>
<td>Real estate and rental and leasing</td>
<td>34.0</td>
<td>4.0</td>
<td>3.5</td>
<td>3.8</td>
<td>34.3</td>
<td>11.2</td>
<td>21.3</td>
</tr>
<tr>
<td>Professional, scientific, and technical svcs.</td>
<td>49.4</td>
<td>10.1</td>
<td>9.1</td>
<td>9.9</td>
<td>100.7</td>
<td>33.0</td>
<td>65.9</td>
</tr>
<tr>
<td>Management of companies and enterprises</td>
<td>--</td>
<td>0.7</td>
<td>0.1</td>
<td>0.4</td>
<td>71.2</td>
<td>0.2</td>
<td>6.8</td>
</tr>
<tr>
<td>Admin., support, waste mgt., remed. svcs.</td>
<td>47.2</td>
<td>5.3</td>
<td>4.3</td>
<td>5.0</td>
<td>181.9</td>
<td>18.3</td>
<td>61.1</td>
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<tr>
<td>Educational services</td>
<td>9.2</td>
<td>1.1</td>
<td>0.8</td>
<td>1.0</td>
<td>54.3</td>
<td>3.9</td>
<td>26.1</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>32.0</td>
<td>10.9</td>
<td>9.2</td>
<td>10.7</td>
<td>362.0</td>
<td>48.8</td>
<td>157.2</td>
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<tr>
<td>Arts, entertainment, and recreation</td>
<td>24.6</td>
<td>2.2</td>
<td>1.9</td>
<td>2.1</td>
<td>30.5</td>
<td>7.8</td>
<td>21.7</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>6.8</td>
<td>7.9</td>
<td>5.8</td>
<td>7.6</td>
<td>234.9</td>
<td>36.1</td>
<td>121.7</td>
</tr>
<tr>
<td>Other services</td>
<td>78.3</td>
<td>13.1</td>
<td>12.0</td>
<td>13.0</td>
<td>110.0</td>
<td>49.5</td>
<td>95.4</td>
</tr>
<tr>
<td>Unclassified</td>
<td>--</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Total Net Employment Size of Firm</th>
<th>New Jobs</th>
<th>1-4</th>
<th>5-9</th>
<th>10-19</th>
<th>20-99</th>
<th>100-499</th>
<th>&lt;500</th>
<th>500+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 - 2006</td>
<td>90,518</td>
<td>16,713</td>
<td>6,138</td>
<td>7,150</td>
<td>20,645</td>
<td>10,310</td>
<td>60,956</td>
<td>29,562</td>
</tr>
<tr>
<td>2006 - 2007</td>
<td>26,873</td>
<td>16,568</td>
<td>2,920</td>
<td>-887</td>
<td>3,853</td>
<td>-229</td>
<td>22,225</td>
<td>4,648</td>
</tr>
<tr>
<td>2007 - 2008</td>
<td>17,072</td>
<td>13,837</td>
<td>-62</td>
<td>-2,188</td>
<td>-2,927</td>
<td>6,492</td>
<td>15,152</td>
<td>1,920</td>
</tr>
<tr>
<td>2008 - 2009</td>
<td>-174,034</td>
<td>4,893</td>
<td>-8,100</td>
<td>-13,897</td>
<td>-32,874</td>
<td>-28,417</td>
<td>-78,395</td>
<td>-95,639</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Establishments</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Openings</td>
<td>3.8</td>
<td>4.1</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Expansions</td>
<td>25.0</td>
<td>27.4</td>
<td>26.5</td>
<td>27.0</td>
</tr>
<tr>
<td>Contractions</td>
<td>28.1</td>
<td>26.7</td>
<td>27.0</td>
<td>26.9</td>
</tr>
<tr>
<td>Closings</td>
<td>3.8</td>
<td>4.6</td>
<td>4.1</td>
<td>4.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Openings</td>
<td>13.3</td>
<td>20.4</td>
<td>15.1</td>
<td>15.9</td>
</tr>
<tr>
<td>Expansions</td>
<td>95.2</td>
<td>114.2</td>
<td>107.8</td>
<td>112.0</td>
</tr>
<tr>
<td>Contractions</td>
<td>98.3</td>
<td>102.7</td>
<td>109.4</td>
<td>98.4</td>
</tr>
<tr>
<td>Closings</td>
<td>12.8</td>
<td>16.1</td>
<td>15.6</td>
<td>14.3</td>
</tr>
</tbody>
</table>


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.