

Texas

Small businesses totaled 2.2 million in Texas in 2009. They represent 98.7 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 Texas's health and well-being.

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

- Texas's economy struggled in 2010, with real gross state product decreasing 4.3 percent and private-sector employment decreasing 0.1 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Texas's small businesses are very small as 82.5 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 4.1 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 Texas represented 68.3 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Texas surged over the last decade. Minority 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.

Texas Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	387,082	391,010	364,013
Large employers (500+ employees)	5,296	5,402	5,026
Nonemployers	1,844,130	1,835,870	1,271,401
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	1,091	2,912	601,654
Woman-owned	610	588	82,100
Equally male/female-owned	411	660	91,897
African American-owned	154	73	6,148
Asian-owned	114	207	36,222
Hispanic-owned	448	396	45,672
Native American/Alaskan-owned	19	13	2,984
Hawaiian/Pacific Islander-owned	1	1	334
Veteran-owned	312	623	132,946
Publicly held, unclassified	53	4,553	1,759,992
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	8,482	-0.1	7.8
Government employment	1,860	2.1	19.1
Self-employed (incorp. & uninc.)	1,034	-8.6	7.3
Female self-employment	347	-5.1	11.4
Male self-employment	687	-10.2	5.4
Minority self-employment	406	-10.8	52.9
Veteran self-employment	113	1.9	-24.4
Unemployment Rate (Percent)	8.2	0.6†	3.8†
Business Turnover			
Quarterly establishment openings	83,469	-1.0	7.3
Quarterly establishment closings	84,201	-5.2	12.2
Business bankruptcies	4,109	-10.0	58.5
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	116.8	101.0	87.4
Number of bank branches	6,965	6,948	4,801
No. of bus. loans under \$100,000‡	297,654	475,233	302,508
Total value of business loans under \$100,000 (\$million)‡	4,198	5,690	3,879
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 Texas 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	1,844.1	392.4	339.9	387.1	8,925.1	1,442.3	4,106.9
Forestry, etc. and agriculture support	18.3	1.0	0.9	1.0	6.9	3.4	6.2
Mining	34.2	6.3	5.2	6.1	170.2	21.2	69.2
Utilities	2.6	0.9	0.7	0.9	47.9	3.0	12.6
Construction	258.6	39.6	34.6	39.3	592.1	148.5	423.7
Manufacturing	27.6	17.9	12.6	16.9	784.4	70.1	331.7
Wholesale trade	32.1	24.6	19.6	23.6	479.1	88.0	260.7
Retail trade	158.9	44.4	39.9	43.7	1,149.3	170.6	361.6
Transportation and warehousing	100.0	12.1	9.9	11.5	358.9	41.0	117.8
Information	21.1	4.4	3.4	4.1	236.9	14.5	52.0
Finance and insurance	67.0	19.0	16.9	18.5	460.9	54.4	149.8
Real estate and rental and leasing	138.8	18.5	17.1	18.2	169.5	50.4	102.4
Professional, scientific, and technical svcs.	236.7	53.9	49.3	53.1	568.1	160.6	340.5
Management of companies and enterprises	--	2.5	0.4	1.5	262.8	1.2	28.8
Admin., support, waste mgt., remed. svcs.	196.2	21.3	17.5	20.6	841.6	72.5	282.0
Educational services	41.2	5.0	3.9	4.9	145.5	18.2	80.6
Health care and social assistance	136.6	46.7	40.3	46.3	1,216.5	199.9	588.9
Arts, entertainment, and recreation	72.7	5.5	4.6	5.4	115.2	20.6	67.8
Accommodation and food services	34.1	30.3	22.9	29.9	912.2	133.1	493.2
Other services (except public admin.)	267.6	43.1	39.1	42.8	404.9	169.1	335.1
Unclassified	--	1.5	1.5	1.5	2.2	2.1	2.2

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	396,612	67,648	28,050	28,825	78,553	50,228	253,304	143,308
2006 - 2007	307,513	74,843	19,609	16,428	38,554	45,887	195,321	112,192
2007 - 2008	189,838	71,892	15,484	11,475	36,724	26,253	161,828	28,010
2008 - 2009	-305,126	47,918	-7,669	-14,181	-63,197	-75,820	-112,949	-192,177

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	20.5	20.2	20.0	22.8	81.1	76.7	75.7	84.5
Expansions	102.1	105.7	105.2	110.6	386.5	415.5	419.3	429.4
Contractions	107.3	105.0	105.0	101.9	367.9	371.8	372.8	364.3
Closings	20.6	21.0	21.6	21.0	66.3	76.3	76.4	76.5

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.