

Arizona

Arizona's 107,490 small employers and 389,134 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- Arizona's real gross state product decreased by 0.6% and private-sector employment decreased by 3.3% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The construction industry was the state's largest small business employer in 2006; retail trade was the largest overall employer (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in Arizona was 107,490 in 2006, accounting for 97.4% of the state's employers and 48.8% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

For Further Information

- Data on all states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit www.sba.gov/advo/rsslibrary.html

* Small employer data from 2006; nonemployer from 2007.

Arizona Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	107,490	90,320
Large employers (500+ employees)	n.a.	2,911	2,684
Nonemployers	389,134	367,018	268,969
	2002‡	% Share in 2002	% Change 1997-2002
Business Owner Demographics			
Male-owned	199,506	52.3	30.9
Woman-owned	109,748	28.8	23.6
Equally male/female-owned	59,787	15.7	-25.0
African American-owned	6,330	1.7	76.7
Asian-owned	10,215	2.7	48.1
Hispanic-owned	35,104	9.2	21.5
Native American/Alaskan-owned	6,548	1.7	n.a.
Hawaiian and Pacific Islander-owned	348	0.1	40.9
	2008‡	% Change from	
		2007	2000
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,175	-3.3	14.2
Government employment	408	2.2	28.9
Self-employed (incorp. & uninc.)	314	-2.3	28.5
Female self-employment	106	-2.3	26.8
Male self-employment	208	-2.3	29.4
Minority self-employment	26	-6.0	132.8
Veteran self-employment	27	-24.3	-34.3
Unemployment rate (%)	5.5	1.7	1.5
Business Turnover			
Quarterly establishment openings	29,937	-7.4	22.5
Quarterly establishment closings	34,414	8.7	53.6
Business bankruptcies	1,069	123.2	39.7
	2008‡	2007	2000
Income and Finance			
Proprietors' income (\$billion)	14.2	14.7	10.6
Number of bank branches	1,379	1,279	938
No. of bus. loans under \$100,000‡	n.a.	302,082	66,165
Total value of business loans under \$100,000 (\$million)‡	n.a.	3,581	719

Source: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/sbl_08study.pdf, Table 4b.) n.a. not available.

† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.

**Table 1. Firms and Employment in Arizona by Industry and Firm Size, 2006 and 2007
(Nonfarm, Thousands)**

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	389.1	110.4	94.1	107.5	2,335.1	370.5	1,139.2
Forestry, etc. and agriculture support	2.1	0.2	0.2	0.2	1.4	(D)	(D)
Mining	0.3	0.2	0.1	0.2	10.0	0.5	(D)
Utilities	0.3	0.2	0.1	0.1	10.4	0.5	2.1
Construction	34.7	15.9	13.5	15.8	249.4	57.9	199.0
Manufacturing	6.5	4.7	3.3	4.4	179.1	18.0	80.1
Wholesale trade	7.2	5.8	4.3	5.3	97.0	17.8	52.5
Retail trade	36.5	11.5	9.8	11.0	331.4	42.7	107.0
Transportation and warehousing	15.7	2.8	2.2	2.6	78.1	8.1	24.6
Information	5.3	1.3	1.0	1.1	53.8	3.5	13.7
Finance and insurance	15.5	5.6	4.8	5.2	143.9	13.7	35.4
Real estate and rental and leasing	61.0	7.8	7.3	7.7	51.1	16.9	34.0
Professional, scientific, and technical svcs.	58.6	15.2	13.8	14.8	134.1	41.0	85.9
Management of companies and enterprises	--	0.6	0.1	0.3	56.9	0.2	6.4
Admin., support, waste mgt., remed. svcs.	30.1	7.3	6.0	7.0	240.1	23.0	94.2
Educational services	9.6	1.5	1.1	1.5	44.0	5.2	26.6
Health care and social assistance	29.8	11.8	10.4	11.6	265.8	45.3	129.0
Arts, entertainment, and recreation	19.6	1.6	1.3	1.6	46.8	5.1	27.8
Accommodation and food services	4.5	7.8	5.6	7.6	254.0	33.5	141.3
Other services (except public admin.)	51.7	9.7	8.7	9.6	87.2	36.5	75.4
Unclassified	--	0.5	0.5	0.5	0.6	(D)	0.6

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html 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, 2003–2006 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	47,333	19,410	8,320	7,173	16,819	12,441	64,163	-16,830
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

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2008 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	6.8	25.2	28.7	8.7	26.8	104.3	127.4	30.1
Quarter 2	7.5	23.5	29.7	8.6	29.9	105.3	132.4	36.6
Quarter 3	7.6	23.3	28.8	7.9	29.6	107.0	131.3	28.7
Quarter 4	8.0	21.7	31.4	9.1	29.9	97.5	156.0	38.4

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 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.