

## Kentucky

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

- Small businesses totaled 339,747 in the state in 2008. Of these, 69,175 were employers, and they accounted for 49.2% of private-sector jobs in the state (Table 1). Small firms made up 96.7% of the state's employers.
- Kentucky's real gross state product decreased by 0.1% and private-sector employment decreased by 5.5% 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 20,216 in 2007, a 44.8% 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](http://www.sba.gov/advocacy/848).
- For other small business data and analysis, visit [www.sba.gov/advocacy/847](http://www.sba.gov/advocacy/847), call (202) 205-6533, or email [advocacy@sba.gov](mailto:advocacy@sba.gov).
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

### Kentucky Small Business Facts

	2008*	2007	2000
<b>Number of Businesses</b>			
Small employers (<500 employees)	69,175	70,562	70,087
Large employers (500+ employees)	2,335	2,286	2,213
Nonemployers	270,572	278,100	226,193
	<b>Level in 2007*</b>	<b>% Share in 2007</b>	<b>% Change 2002-2007</b>
<b>Business Owner Demographics</b>			
Male-owned	174,279	51.6	-0.4
Woman-owned	86,464	25.6	12.1
Equally male/female-owned	66,262	19.6	68.3
African American-owned	10,381	3.1	36.7
Asian-owned	5,559	1.6	71.8
Hispanic-owned	3,679	1.1	75.7
Native American/Alaskan-owned	1,015	0.3	-23.3
Hawaiian/Pacific Islander-owned	85	0.0	41.7
Veteran-owned	31,503	9.3	n.a.
	<b>Level in 2009*</b>	<b>% Change from 2008 2000</b>	
<b>Workforce (Thousands) /Unemployment (%)</b>			
Private-sector employment	1,409	-5.5	-4.7
Government employment	301	0.4	6.3
Self-employed (incorp. & uninc.)	194	-4.1	-2.6
Female self-employment	65	-1.5	7.5
Male self-employment	129	-5.4	-7.0
Minority self-employment	13	-9.2	84.3
Veteran self-employment	22	-6.6	-28.4
Unemployment rate (%)	10.5	3.9†	6.3‡
<b>Business Turnover</b>			
Quarterly establishment openings	14,624	-5.3	6.0
Quarterly establishment closings	16,792	2.4	25.8
Business bankruptcies	602	15.5	69.6
	<b>2009*</b>	<b>2008</b>	<b>2000</b>
<b>Income and Finance</b>			
Proprietors' income (\$billion)	9.6	10.3	7.7
Number of bank branches	1,859	1,828	1,617
No. of bus. loans under \$100,000‡	74,093	87,627	42,978
Total value of business loans under \$100,000 (\$million)‡	818	976	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, 2008  
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	270.6	71.5	60.1	69.2	1,570.8	264.9	756.1
Forestry, etc. and agriculture support	4.9	0.3	0.3	0.3	1.9	0.8	1.8
Mining	1.8	0.6	0.4	0.5	22.4	1.9	11.0
Utilities	0.2	0.1	0.1	0.1	8.0	0.3	2.6
Construction	44.4	8.7	7.8	8.6	78.9	31.5	72.2
Manufacturing	3.7	3.7	2.2	3.2	247.6	13.2	86.6
Wholesale trade	4.2	3.7	2.5	3.3	74.9	11.9	41.1
Retail trade	28.0	10.4	8.9	10.0	230.5	43.2	88.8
Transportation and warehousing	14.2	2.6	2.0	2.4	85.9	7.7	21.2
Information	2.6	0.8	0.6	0.7	33.9	2.5	9.0
Finance and insurance	7.6	3.2	2.7	3.0	68.4	9.4	27.2
Real estate and rental and leasing	24.5	3.0	2.7	2.9	19.7	7.9	13.3
Professional, scientific, and technical svcs.	27.6	7.6	6.9	7.5	65.7	23.5	46.4
Management of companies and enterprises	--	0.5	0.1	0.3	26.8	0.1	4.1
Admin., support, waste mgt., remed. svcs.	26.6	3.4	2.8	3.2	97.3	10.7	36.3
Educational services	5.4	0.8	0.6	0.7	26.6	2.8	16.0
Health care and social assistance	16.9	8.1	6.8	7.9	239.4	36.5	109.5
Arts, entertainment, and recreation	11.0	1.3	1.1	1.3	18.4	4.8	15.0
Accommodation and food services	3.1	5.3	3.7	5.1	156.7	23.3	97.3
Other services (except public admin.)	44.1	8.8	8.1	8.7	68.0	32.8	56.6
Unclassified	--	0.1	0.1	0.1	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](http://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, 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	22,936	9,778	2,442	1,103	-310	757	13,770	9,166
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	-4,756	1,597

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see [www.sba.gov/advocacy/849/12162](http://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	3.5	17.2	22.4	4.6	13.8	60.4	94.4	15.8
Quarter 2	3.4	17.7	21.3	4.2	13.7	66.8	87.5	14.6
Quarter 3	3.6	17.8	20.1	4.0	14.1	69.0	75.8	13.4
Quarter 4	4.1	18.5	19.5	4.1	13.7	76.4	72.6	14.4

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see [www.bls.gov/bdm/home.htm](http://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.