

Texas

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

- Small businesses totaled 2.2 million in the state in 2008. Of these, 391,010 were employers, and they accounted for 45.9% of private-sector jobs in the state (Table 1). Small firms made up 98.6% of the state's employers.

- Texas's real gross state product increased by 2% and private-sector employment decreased by 4% 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 723,162 in 2007, a 47.3% 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.
- 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.

Texas Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	391,010	392,345	364,013
Large employers (500+ employees)	5,402	5,339	5,026
Nonemployers	1,835,870	1,819,963	1,271,401
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	1,091,501	50.4	7.2
Woman-owned	610,279	28.2	30.2
Equally male/female-owned	410,710	19.0	97.8
African American-owned	154,255	7.1	73.8
Asian-owned	114,593	5.3	47.2
Hispanic-owned	447,486	20.7	40.1
Native American/Alaskan-owned	19,083	0.9	17.8
Hawaiian/Pacific Islander-owned	1,267	0.1	-8.9
Veteran-owned	199,615	9.2	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	8,366	-4.0	8.0
Government employment	1,741	2.4	15.7
Self-employed (incorp. & uninc.)	1,142	-0.1	5.8
Female self-employment	375	2.3	10.4
Male self-employment	767	-1.2	3.7
Minority self-employment	462	9.4	63.1
Veteran self-employment	116	-4.1	-32.4
Unemployment rate (%)	7.6	2.7†	3.2‡
Business Turnover			
Quarterly establishment openings	82,391	-7.2	6.1
Quarterly establishment closings	89,627	-1.1	19.5
Business bankruptcies	4,567	46.2	76.2
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	126.4	141.3	83.3
Number of bank branches	6,948	6,887	4,801
No. of bus. loans under \$100,000‡	475,233	764,977	302,508
Total value of business loans under \$100,000 (\$million)‡	5,690	8,653	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, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	1,835.9	396.4	342.5	391.0	9,232.0	1,455.3	4,245.2
Forestry, etc. and agriculture support	18.5	1.1	1.0	1.0	8.0	3.7	7.2
Mining	38.5	6.4	5.3	6.2	181.5	20.9	75.7
Utilities	2.7	0.9	0.7	0.9	47.2	3.0	12.5
Construction	262.0	41.2	35.7	40.9	633.0	152.2	456.5
Manufacturing	27.9	18.7	13.1	17.7	849.3	73.4	361.9
Wholesale trade	32.0	25.1	19.9	24.0	491.0	90.4	271.4
Retail trade	159.5	45.4	40.7	44.7	1,171.0	174.8	383.4
Transportation and warehousing	105.1	12.5	10.2	11.9	376.4	42.2	126.2
Information	21.4	4.5	3.4	4.2	253.4	14.7	54.9
Finance and insurance	70.8	19.4	17.2	18.9	471.4	54.9	153.9
Real estate and rental and leasing	148.4	19.0	17.6	18.7	177.9	52.6	105.9
Professional, scientific, and technical svcs.	234.8	53.9	49.3	53.1	601.5	162.5	345.4
Management of companies and enterprises	--	2.5	0.4	1.5	253.6	1.2	28.7
Admin., support, waste mgt., remed. svcs.	188.4	21.6	17.7	20.9	945.1	72.5	297.9
Educational services	39.3	4.9	3.8	4.8	142.2	17.8	78.7
Health care and social assistance	128.1	46.0	39.8	45.5	1,188.3	195.5	578.0
Arts, entertainment, and recreation	71.0	5.6	4.7	5.5	113.5	20.8	68.4
Accommodation and food services	32.9	29.9	22.5	29.5	909.4	130.5	494.1
Other services (except public admin.)	254.5	43.1	39.0	42.8	417.4	170.7	343.5
Unclassified	--	0.9	0.9	0.9	1.1	D	1.1

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, 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	173,451	57,324	11,814	4,838	-4,664	7,506	76,818	96,633
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	112,192	195,321

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, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	20.8	97.3	120.6	23.6	88.4	346.7	512.6	87.4
Quarter 2	19.9	95.5	120.9	22.4	86.1	356.2	511.0	87.2
Quarter 3	19.4	96.8	112.9	22.2	76.2	364.3	435.1	84.6
Quarter 4	22.2	101.0	109.4	21.4	86.6	387.7	402.7	77.2

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 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.