

Alabama

Small businesses significantly impact Alabama's economy. They represent 96.9 percent of all employers and employ 49.0 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 393,768 in 2010.

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

- Alabama's economy was strong in 2011, with real gross state product increasing 1.7 percent and private-sector employment increasing 0.2 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 768,302 workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Alabama had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.5 percent.
- Most of Alabama's small businesses are very small as 80.9 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was lower than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in Alabama improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

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 www.sba.gov/updates to subscribe to Advocacy's Listservs.

Alabama Small Business Facts			
	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	73,163	74,686	77,597
Large employers (500+ employees)	2,355	2,349	2,255
Nonemployers	320,605	313,667	223,103
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	205	665	119,255
Woman-owned	107	100	12,840
Equally male/female-owned	59	89	10,765
African American-owned	57	17	1,259
Asian-owned	7	18	2,392
Hispanic-owned	4	7	860
Native American/Alaskan-owned	3	5	554
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	64	144	27,415
Publicly held, unclassified	11	760	251,666
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	1,486	0.2	-5.9
Government employment	380	-1.8	8.2
Self-employed (incorp. & uninc.)	169	-3.8	16.3
Female self-employment	56	-6.7	8.4
Male self-employment	113	-2.3	20.7
Minority self-employment	22	-36.2	55.5
Veteran self-employment	13	-27.5	2.0
Unemployment Rate (Percent)	9	-0.5†	4.9‡
Business Turnover			
Quarterly establishment openings	14,335	0.7	-12.2
Quarterly establishment closings	14,770	-5.5	-13.0
Business bankruptcies	641	-14.6	44.0
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	11.1	11.2	8.7
Number of bank branches	1,570	1,578	1,429
No. of bus. loans under \$100,000‡	36,874	41,947	68,801
Total value of business loans under \$100,000 (\$million)‡	838	763	1,202

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 Alabama by Industry and Firm Size, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	320.6	75.5	64.2	73.2	1,568.1	284.4	768.3
Forestry, etc. and agriculture support	4.8	0.8	0.8	0.8	6.0	3.8	5.5
Mining	0.7	0.2	0.1	0.2	7.2	0.5	2.8
Utilities	0.3	0.1	0.1	0.1	16.5	0.3	1.9
Construction	44.2	8.1	7.2	8.0	88.6	30.6	69.9
Manufacturing	4.1	4.0	2.6	3.6	229.0	14.3	79.7
Wholesale trade	4.9	4.3	3.1	3.9	70.4	14.5	43.6
Retail trade	27.2	11.5	10.1	11.1	224.7	43.9	91.5
Transportation and warehousing	13.4	2.4	1.9	2.2	54.3	7.3	22.4
Information	2.8	0.8	0.5	0.7	36.4	2.5	9.9
Finance and insurance	8.2	3.2	2.6	3.0	69.4	8.8	26.1
Real estate and rental and leasing	29.4	3.0	2.7	2.9	24.8	8.0	16.4
Professional, scientific, and technical svcs.	31.2	8.5	7.6	8.3	93.8	26.9	58.6
Management of companies and enterprises	0.0	0.5	0.0	0.3	16.0	0.1	3.9
Admin., support, waste mgt., remed. svcs.	38.8	3.6	2.9	3.3	118.0	11.6	43.1
Educational services	6.6	0.8	0.6	0.7	29.6	2.8	13.9
Health care and social assistance	22.7	8.0	6.7	7.9	236.3	38.5	113.4
Arts, entertainment, and recreation	10.5	1.0	0.9	1.0	19.4	3.6	13.3
Accommodation and food services	4.9	5.6	4.3	5.4	146.7	25.5	82.1
Other services (except public admin.)	65.9	10.3	9.5	10.2	80.7	40.5	70.0
Unclassified	0.0	0.2	0.2	0.2	0.2	0.2	0.2

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, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-36,099	6,410	-1,755	-2,665	-7,773	-1,202	-6,985	-29,114
2009	-93,330	2,782	-6,186	-9,450	-22,916	-17,565	-53,335	-39,995
2008	3,354	8,907	-427	-2,407	-2,650	981	4,404	-1,050
2007	21,548	14,060	2,698	1,242	-140	-2,538	15,322	6,226

Note: Data source differs from previous publications.

Source: U.S. Dept. of Commerce, Bureau of the Census, Business Dynamic Statistics. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	3.4	3.5	3.7	3.8	13.2	14.5	14.4	14.1
Expansions	20.2	20.4	21.4	20.1	71.4	71.1	74.8	70.8
Contractions	20.9	21.1	20.5	21.4	70.2	73.8	68.4	73.7
Closings	4.0	3.7	3.4	3.7	14.4	14.2	12.4	13.1

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 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.