

Kentucky

Small businesses significantly impact Kentucky's economy. They represent 96.7 percent of all employers and employ 47.8 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 339,703 in 2010.

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

- Kentucky's economy was strong in 2011, with real gross state product increasing 3.4 percent and private-sector employment increasing 1.4 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 696,652 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 Kentucky had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.7 percent.
- Most of Kentucky's small businesses are very small as 79.7 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 Kentucky declined over the last decade. Female 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.

Kentucky Small Business Facts			
	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	67,248	67,300	70,087
Large employers (500+ employees)	2,324	2,306	2,213
Nonemployers	272,455	271,015	226,193
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	174	502	92,330
Woman-owned	86	89	10,608
Equally male/female-owned	66	99	13,243
African American-owned	10	10	772
Asian-owned	6	17	1,897
Hispanic-owned	4	7	813
Native American/Alaskan-owned	1	n.a.	n.a.
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	49	106	19,237
Publicly held, unclassified	11	796	267,599
	Level in 2011*	% Change from	
		2010	2000
Workforce (Thousands)			
Private-sector employment	1,461	1.4	-3.9
Government employment	330	-0.2	7.2
Self-employed (incorp. & uninc.)	177	-2.8	-7.9
Female self-employment	63	9.5	11.7
Male self-employment	114	-8.5	-16.1
Minority self-employment	9	-13.0	-37.6
Veteran self-employment	17	-15.3	-20.5
Unemployment Rate (Percent)	9.5	-0.7†	5.3‡
Business Turnover			
Quarterly establishment openings	16,230	9.2	17.5
Quarterly establishment closings	16,340	4.7	22.2
Business bankruptcies	480	-9.4	35.2
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	8.3	7.6	9.4
Number of bank branches	1,808	1,827	1,617
No. of bus. loans under \$100,000‡	27,678	37,024	42,978
Total value of business loans under \$100,000 (\$million)‡	552	560	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, 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	272.5	69.6	58.9	67.2	1,456.8	258.3	696.7
Forestry, etc. and agriculture support	4.9	0.2	0.2	0.2	1.9	0.8	1.8
Mining	1.8	0.5	0.3	0.5	21.2	1.8	8.6
Utilities	0.2	0.1	0.1	0.1	8.3	0.3	2.5
Construction	41.4	7.7	7.0	7.6	64.3	27.5	59.4
Manufacturing	3.6	3.4	2.1	3.0	203.0	12.3	71.8
Wholesale trade	4.2	3.5	2.5	3.1	67.9	11.5	36.9
Retail trade	27.1	9.9	8.6	9.6	217.7	40.9	80.6
Transportation and warehousing	13.0	2.5	1.9	2.2	79.9	7.6	19.6
Information	2.6	0.8	0.5	0.7	31.8	2.5	8.6
Finance and insurance	7.3	3.1	2.5	2.9	66.8	8.9	26.5
Real estate and rental and leasing	26.2	2.8	2.6	2.7	18.0	7.6	12.7
Professional, scientific, and technical svcs.	27.8	7.5	6.8	7.3	65.5	23.7	45.0
Management of companies and enterprises	0.0	0.4	0.1	0.3	25.4	0.2	3.6
Admin., support, waste mgt., remed. svcs.	28.0	3.4	2.8	3.2	82.0	10.6	33.1
Educational services	5.3	0.7	0.6	0.7	27.9	2.8	15.8
Health care and social assistance	17.7	8.1	6.8	7.9	241.4	37.2	110.2
Arts, entertainment, and recreation	11.3	1.2	1.0	1.2	17.0	4.7	13.8
Accommodation and food services	3.3	5.4	3.8	5.2	150.6	24.0	91.2
Other services (except public admin.)	46.8	8.9	8.2	8.8	65.7	33.0	54.3
Unclassified	0.0	0.7	0.7	0.7	0.4	0.4	0.4

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	-17,061	7,641	214	-1,468	-8,234	-7,742	-9,589	-7,472
2009	-71,854	5,129	-4,215	-6,837	-15,595	-17,352	-38,870	-32,984
2008	21,939	7,051	-1,449	-3,652	-2,348	553	155	21,784
2007	8,612	9,046	550	-1,565	-163	-878	6,990	1,622

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	4.2	4.4	4.3	12.2	14.3	14.6	13.0
Expansions	19.1	18.8	19.0	18.8	68.9	72.4	74.1	74.2
Contractions	19.0	19.1	19.0	19.1	70.8	66.6	67.9	68.2
Closings	4.2	4.5	3.7	4.0	12.6	13.7	10.5	13.5

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