

Arizona

511,828 Small Businesses

98,257 Small Businesses with Employees

413,571 Small Businesses without Employees (Nonemployers)

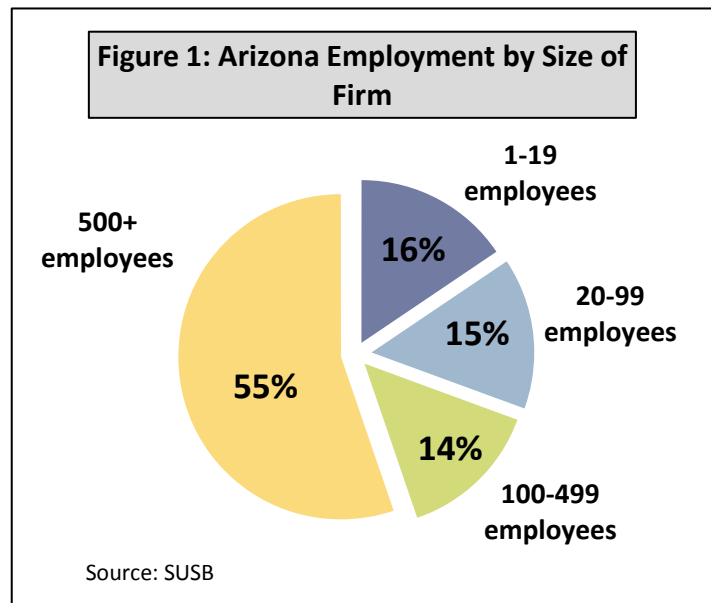
955,194 Workers Employed by Small Businesses

State Economy Overall

- Arizona's economy grew at a slower rate than the United States in 2013. Arizona's real gross state product increased by **1.1 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Arizona has improved. The unemployment rate in Arizona declined from **7.8 percent** in October 2013 to **6.8 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Arizona's small businesses employed over two-fifths or **955,194** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **97.1 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Arizona, small businesses created **39,248** net new jobs in 2012. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed in 2013 increased by **2.2 percent** relative to the previous year.
- The state's private-sector employment growth increased by **3.0 percent** over the 12-month period ending in October 2014; this was above the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **106,748** loans under \$100,000 (and valued at **\$1.3 billion**) were issued by Community Reinvestment Act lending institutions in Arizona. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$46,656** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$21,428**. (Source: ACS)

Note: Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

Business Owner Demographics

- **Table 1** shows the top industry for nine business owner demographics. For example, **28.0 percent** of female-owned businesses were in the professional, scientific, and technical services industry, and female-owned firms made up **14.9 percent** of this industry.

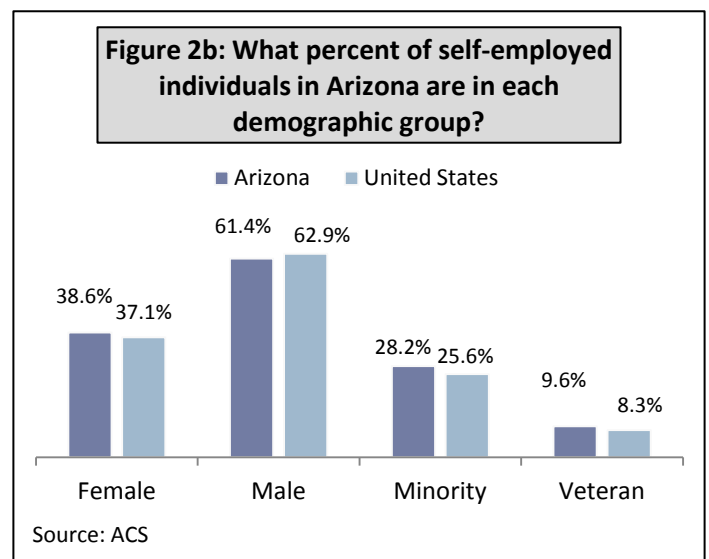
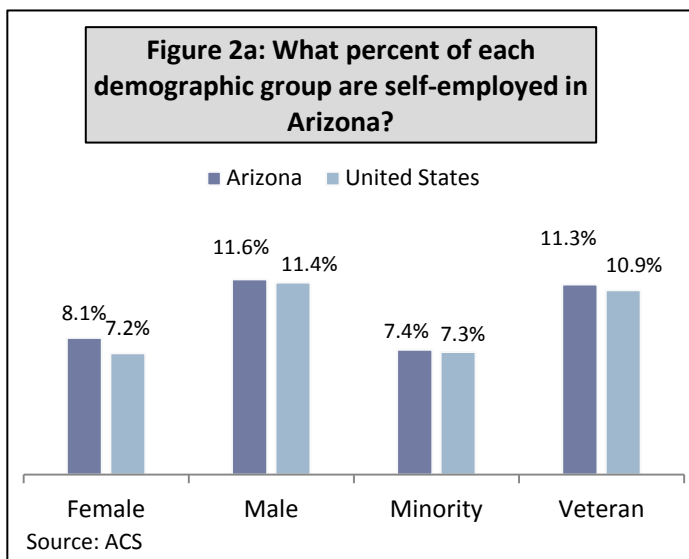
Table 1: Top Industry by Demographic Group in Arizona, 2007

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Prof., sci., & tech. services	28.0	14.9
Male	Prof., sci., & tech. services	49.3	16.4
American Indian and Alaska Native	Health care & social assistance	3.1	14.2
Asian	Other services	8.1	27.2
Black or African American	Health care & social assistance	5.0	21.0
Native Hawaiian and Other Pacific Islander	*	*	*
White	Prof., sci., & tech. services	91.7	15.4
Hispanic	Other services	15.0	15.6
Veteran	Prof., sci., & tech. services	12.2	18.6

*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **8.1 percent** of females were self-employed, and **Figure 2b** shows that **38.6 percent** of all self-employed people were female.



Business Turnover

- In 2010, **9,842** establishments opened in Arizona, and **65.7 percent** survived through 2012. In 2013, **10,776** establishments opened, and **78.0 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **6,867** establishments opened and **6,865** closed in the state of Arizona. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

International Trade

- A total of **7,934** companies exported goods from the state in 2012. Of these, **6,946** or **87.5 percent** were small firms; they generated over a quarter (**27.3 percent**) of the state's total known export value. (Source: ITA)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	14,761	13,740	61,695	76,456
Health care & social assistance	12,918	11,570	33,924	46,842
Construction	10,855	9,749	34,702	45,557
Other services (except public admin.)	9,487	8,721	62,082	71,569
Retail trade	9,277	8,338	35,465	44,742
Accommodation & food services	7,699	5,752	5,158	12,857
Admin., supp., waste mgt., remed. svcs.	6,703	5,832	37,639	44,342
Real estate & rental & leasing	6,320	5,988	57,193	63,513
Wholesale trade	4,979	4,057	7,428	12,407
Finance & insurance	4,553	4,230	14,733	19,286
Manufacturing	3,772	2,917	6,897	10,669
Transportation & warehousing	2,396	2,012	15,923	18,319
Educational services	1,676	1,296	10,679	12,355
Arts, entertainment, & recreation	1,489	1,196	21,447	22,936
Information	1,096	906	5,748	6,844
Management of comp. & enterprises	335	73	*	335
Forestry, etc. & agriculture support	187	168	2,161	2,348
Mining, quarrying, and oil & gas extrac.	164	129	390	554
Utilities	135	117	307	442
Unclassified	97	97	*	97
Total	98,257	86,831	413,571	511,828

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three Arizona industries with the most small business employment were: health care and social assistance; accommodation and food services; and construction (**Table 3**).

Table 3: Employment in Arizona by Industry and Firm Size, 2012 (ranked by small firm employment)			
Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	147,965	317,929	46.5
Accommodation & food services	138,104	255,022	54.2
Construction	93,419	118,824	78.6
Retail trade	81,350	287,369	28.3
Admin., supp., waste mgt., remed. svcs.	79,803	228,209	35.0
Professional, scientific, & tech. svcs.	79,061	124,293	63.6
Other services (except public admin.)	71,718	84,101	85.3
Manufacturing	63,696	138,205	46.1
Wholesale trade	45,923	92,425	49.7
Educational services	29,332	77,837	37.7
Real estate & rental & leasing	26,361	42,434	62.1
Arts, entertainment, & recreation	26,318	40,197	65.5
Finance & insurance	25,169	131,233	19.2
Transportation & warehousing	22,659	79,507	28.5
Information	11,572	44,531	26.0
Management of comp. & enterprises	6,598	46,803	14.1
Mining, quarrying, and oil & gas extraction	2,362	10,839	21.8
Utilities	2,276	12,905	17.6
Forestry, etc. & agriculture support	1,409	1,490	94.6
Unclassified	D	D	D
Total	955,194	2,134,252	44.8

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .