

Kentucky

340,746 Small Businesses

65,516 Small Businesses with Employees

275,230 Small Businesses without Employees (Nonemployers)

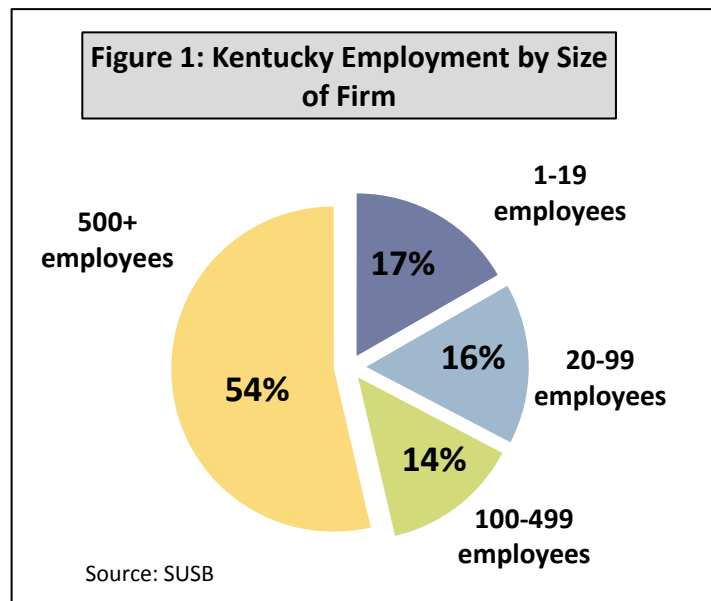
686,517 Workers Employed by Small Businesses

State Economy Overall

- Kentucky's economy grew at a slower rate than the United States in 2013. Kentucky's real gross state product increased by **1.6 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Kentucky has improved. The unemployment rate in Kentucky declined from **8.2 percent** in October 2013 to **6.2 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Kentucky's small businesses employed about half or **686,517** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **96.5 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 Kentucky, small businesses created **19,712** 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 **1.1 percent** relative to the previous year.
- The state's private-sector employment growth increased by **2.3 percent** over the 12-month period ending in October 2014; this was the same as 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, **53,491** loans under \$100,000 (and valued at **\$664.7 million**) were issued by Community Reinvestment Act lending institutions in Kentucky. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$40,676** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$20,593**. (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, **36.1 percent** of female-owned businesses were in the other services industry, and female-owned firms made up **18.1 percent** of this industry.

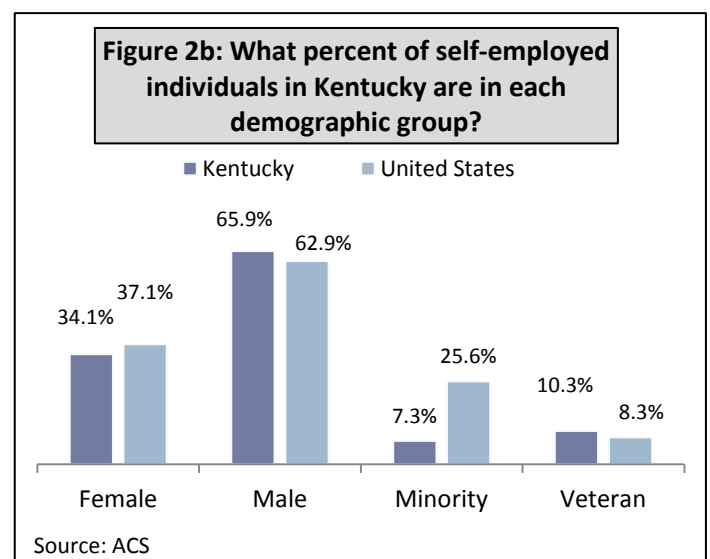
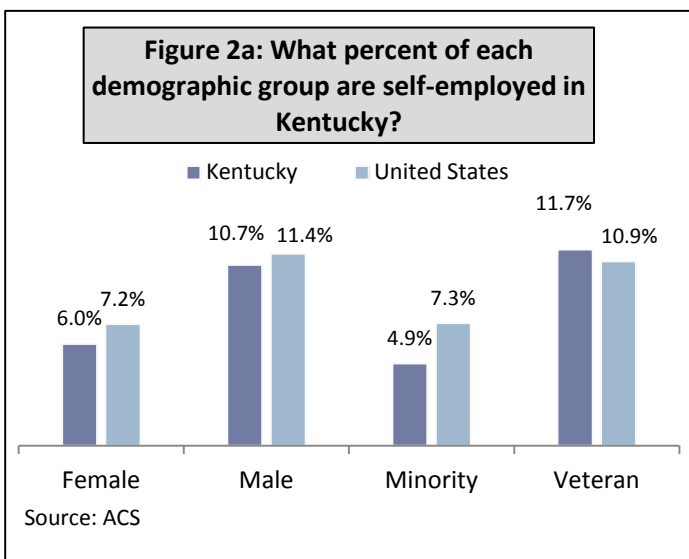
Table 1: Top Industry by Demographic Group in Kentucky, 2007

Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Other services	36.1	18.1
Male	Construction	72.1	22.9
American Indian and Alaska Native	*	*	*
Asian	Other services	3.5	27.0
Black or African American	Other services	4.8	19.9
Native Hawaiian and Other Pacific Islander	*	*	*
White	Construction	97.1	17.3
Hispanic	Construction	1.2	18.3
Veteran	Construction	8.8	15.5

*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 **6.0 percent** of females were self-employed, and **Figure 2b** shows that **34.1 percent** of all self-employed people were female.



Business Turnover

- In 2010, **5,460** establishments opened in Kentucky, and **67.6 percent** survived through 2012. In 2013, **7,099** establishments opened, and **78.3 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **4,333** establishments opened and **3,988** closed in the state of Kentucky. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

International Trade

- A total of **4,569** companies exported goods from the state in 2012. Of these, **3,634** or **79.5 percent** were small firms; they generated over one-fourth (**26.3 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.

Table 2: Number of Kentucky Small Firms by Industry, 2012
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Retail trade	9,050	8,071	27,705	36,755
Other services (except public admin.)	8,514	7,939	48,405	56,919
Health care & social assistance	8,220	7,094	17,987	26,207
Professional, scientific, & tech. svcs.	7,303	6,764	28,207	35,510
Construction	7,098	6,458	39,481	46,579
Accommodation & food services	5,235	3,867	3,160	8,395
Admin., supp., waste mgt., remed. svcs.	3,127	2,689	28,190	31,317
Wholesale trade	3,111	2,410	4,309	7,420
Manufacturing	2,947	2,048	3,860	6,807
Finance & insurance	2,826	2,516	7,348	10,174
Real estate & rental & leasing	2,648	2,465	26,500	29,148
Transportation & warehousing	2,184	1,891	12,840	15,024
Arts, entertainment, & recreation	1,167	988	11,970	13,137
Educational services	731	574	5,706	6,437
Information	653	513	2,727	3,380
Mining, quarrying, and oil & gas extrac.	411	289	1,868	2,279
Unclassified	277	277	*	277
Management of comp. & enterprises	256	45	*	256
Forestry, etc. & agriculture support	213	198	4,793	5,006
Utilities	79	51	174	253
Total	65,516	57,097	275,230	340,746

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 Kentucky industries with the most small business employment were: health care and social assistance; accommodation and food services; and retail trade (**Table 3**).

Table 3: Employment in Kentucky 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	109,173	251,737	43.4
Accommodation & food services	92,281	154,807	59.6
Retail trade	76,585	202,648	37.8
Manufacturing	70,098	210,479	33.3
Construction	55,801	60,807	91.8
Other services (except public admin.)	52,850	65,293	80.9
Professional, scientific, & tech. svcs.	45,283	65,291	69.4
Wholesale trade	36,292	69,094	52.5
Admin., supp., waste mgt., remed. svcs.	35,132	96,074	36.6
Finance & insurance	25,905	67,821	38.2
Transportation & warehousing	19,846	84,076	23.6
Educational services	15,418	29,161	52.9
Arts, entertainment, & recreation	13,281	16,371	81.1
Real estate & rental & leasing	12,405	19,200	64.6
Information	8,930	29,623	30.1
Mining, quarrying, and oil & gas extraction	8,560	20,933	40.9
Management of comp. & enterprises	4,322	27,715	15.6
Utilities	2,543	8,320	30.6
Forestry, etc. & agriculture support	1,540	1,601	96.2
Unclassified	272	272	100.0
Total	686,517	1,481,323	46.3

Source: SUSB.

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 .