

2021 Small Business Profile

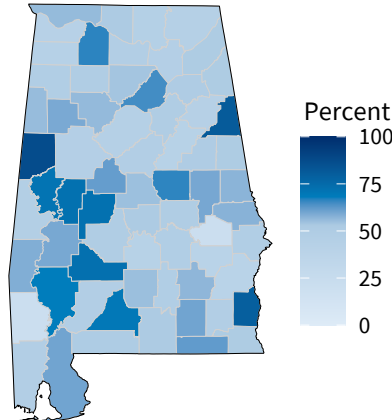
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Alabama

408,374 small businesses
99.4 percent of Alabama businesses

809,024 small business employees
46.7 percent of Alabama employees



Share of employees working at small businesses by county

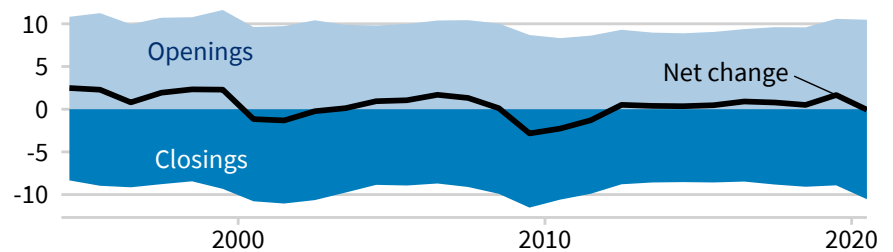
Source of data: [Statistics of US Businesses](#) (Census)

Business dynamics

Establishments

Between March 2019 and March 2020, 10,475 Alabama establishments opened and 10,539 closed, for a net decrease of 64. Employment expanded at 26,549 and contracted at 27,563. Small businesses accounted for 10,192 openings and 10,214 closings.

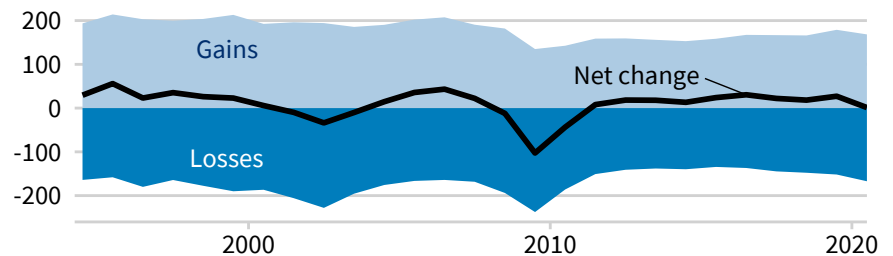
Thousands of establishments



Employment

Opening and expanding Alabama establishments added 168,423 jobs, while closing and contracting establishments lost 167,234, for a net increase of 1,189 jobs. Small businesses gained 141,402 jobs and lost 138,820, for a net increase of 2,582 jobs.

Thousands of jobs



Counts include temporary closures and reopenings

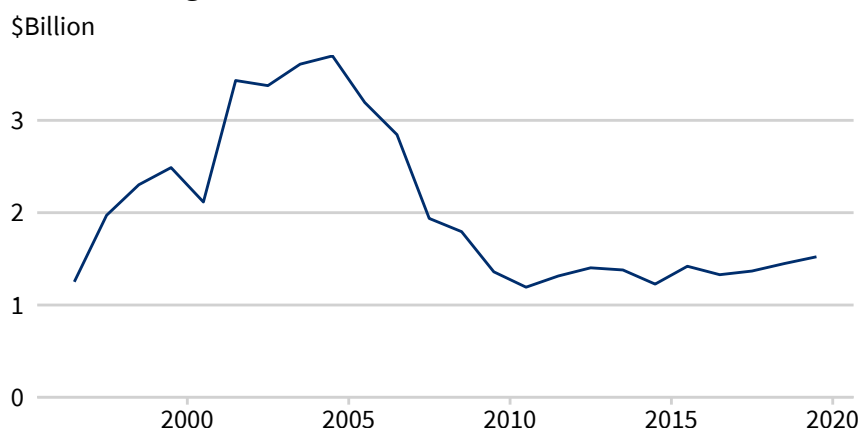
Source: [Business Employment Dynamics](#) (BLS)

Small business loans





The Community Reinvestment Act requires large banks to report new small business loans. In 2019, reporting banks issued \$1.5 billion in loans to Alabama businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$1.1 billion, and total reported new lending to businesses through loans of \$1 million or less was \$4.0 billion.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	<div>     </div>			
	No employees	1–19 employees	20–499 employees	All small businesses
Other Services (except Public Administration)	50,719	9,349	762	60,830
Administrative, Support, and Waste Management	45,978	2,973	546	49,497
Construction	41,398	6,580	857	48,835
Professional, Scientific, and Technical Services	36,104	7,405	741	44,250
Retail Trade	30,198	9,449	978	40,625
Real Estate and Rental and Leasing	33,527	2,918	222	36,667
Health Care and Social Assistance	24,404	6,423	1,301	32,128
Transportation and Warehousing	18,536	2,003	356	20,895
Arts, Entertainment, and Recreation	13,925	920	179	15,024
Accommodation and Food Services	6,246	4,443	1,567	12,256
Finance and Insurance	8,424	2,583	309	11,316
Educational Services	9,241	620	180	10,041
Wholesale Trade	4,992	2,671	776	8,439
Manufacturing	4,663	2,272	1,014	7,949
Agriculture, Forestry, Fishing and Hunting	4,373	721	51	5,145
Information	3,141	559	125	3,825
Mining, Quarrying, and Oil and Gas Extraction	417	85	39	541
Management of Companies and Enterprises	*	49	211	260
Utilities	159	65	27	251
Industries not classified	*	111	0	111
Total	336,445	62,139	9,790	408,374

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2018 (Census); [Statistics of US Businesses](#), 2018 (Census)



Small business exports

A total of 4,205 identified firms exported goods worth \$20.0 billion from Alabama in 2019. Of those exporters, 3,354—or 79.8 percent—were small. Small firms exported goods worth \$2.6 billion, making up 13.2 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2018–2019](#) (Census)

Business ownership share by demographic group

Women



Women made up 47.7 percent of workers and owned 43.3 percent of businesses.

Veterans



Veterans made up 6.4 percent of workers and owned 9.1 percent of businesses.

Hispanics



Hispanics made up 3.9 percent of workers and owned 2.7 percent of businesses.

Racial minorities



Racial minorities made up 30.0 percent of workers and owned 21.9 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey](#), 2018 (Census and IPUMS); [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Business count by owner demographic group

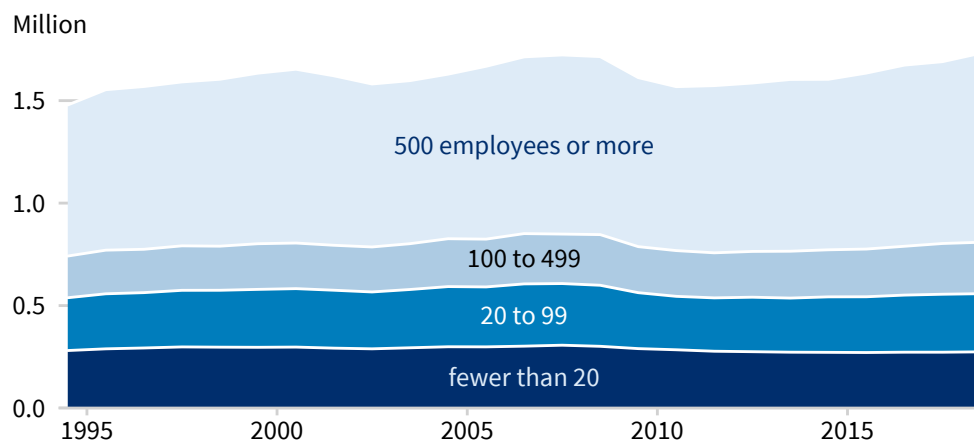
Ownership	Without employees	With employees	Total
Female	142,000	12,112	154,112
Male	176,000	43,746	219,746
Owned equally by both groups	7,000	6,925	13,925
Veteran	26,500	5,252	31,752
Not veteran	297,000	55,506	352,506
Owned equally by both groups	1,700	2,024	3,724
Hispanic	9,200	1,033	10,233
Not Hispanic	316,000	61,608	377,608
Owned equally by both groups	150	*	*
American Indian and Alaska Native	900	441	1,341
Asian	7,700	5,005	12,705
Black or African American	69,000	1,972	70,972
Native Hawaiian and Other Pacific Islander	150	*	*
White	247,000	55,801	302,801
Hispanic or racial minority	85,500	8,178	93,678
White and not Hispanic	239,000	54,316	293,316
Owned equally by both groups	450	*	*

* Not reported by the Census Bureau; counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Total Alabama employment by business size

Source of data: [Statistics of US Businesses](#) (Census)



Small business employment and payroll by industry

Industry	Employers		Employment		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Retail Trade	10,427	96.6	87,313	38.3	2,712,234	44.3
Other Services (except Public Administration)	10,111	98.9	68,799	83.7	1,738,483	76.6
Professional, Scientific, and Technical Services	8,146	97.0	63,021	60.1	4,374,406	54.7
Health Care and Social Assistance	7,724	97.6	121,232	45.4	5,339,407	42.2
Construction	7,437	98.7	70,398	81.9	3,539,584	76.7
Accommodation and Food Services	6,010	96.8	105,643	55.6	1,644,957	54.8
Administrative, Support, and Waste Management	3,519	93.3	46,921	30.2	1,560,951	32.4
Wholesale Trade	3,447	89.0	42,573	57.5	2,382,422	55.0
Manufacturing	3,286	88.4	82,907	32.1	3,704,328	26.8
Real Estate and Rental and Leasing	3,140	96.8	17,070	73.5	719,930	71.5
Finance and Insurance	2,892	92.3	25,363	35.8	1,433,264	27.7
Transportation and Warehousing	2,359	91.5	24,881	39.1	1,045,913	34.5
Arts, Entertainment, and Recreation	1,099	97.8	14,175	68.7	282,077	77.3
Educational Services	800	95.5	14,358	54.7	387,355	49.2
Agriculture, Forestry, Fishing and Hunting	772	98.3	5,541	89.0	227,580	86.6
Information	684	85.3	9,688	28.3	540,124	26.7
Management of Companies and Enterprises	260	58.2	4,617	24.0	354,492	18.7
Mining, Quarrying, and Oil and Gas Extraction	124	80.0	2,381	46.2	177,379	42.5
Industries not classified	111	100.0	129	100.0	3,554	100.0
Utilities	92	83.6	2,014	12.7	158,218	9.6
Total	71,929	96.5	809,024	46.7	32,326,658	42.4

Source: [Statistics of US Businesses](#), 2018 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or otherwise problematic data. Data analyzed here predate the COVID-19 pandemic, the impacts of which have differed by industry, geography, and demographic group. More information about [the impacts of the pandemic](#), electronic versions of these and other [geographic profiles](#), and additional resources are available at <http://advocacy.sba.gov>.