

# 2021 Small Business Profile

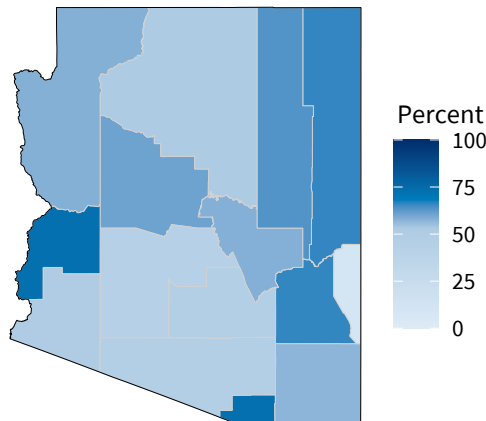
U.S. SMALL BUSINESS ADMINISTRATION  
**OFFICE OF ADVOCACY**

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## Arizona

**611,097** small businesses  
**99.5 percent** of Arizona businesses

**1.1 million** small business employees  
**42.9 percent** of Arizona employees



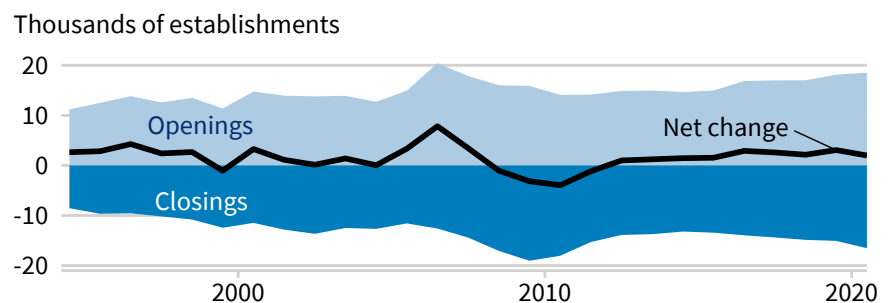
### Share of employees working at small businesses by county

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

## Business dynamics

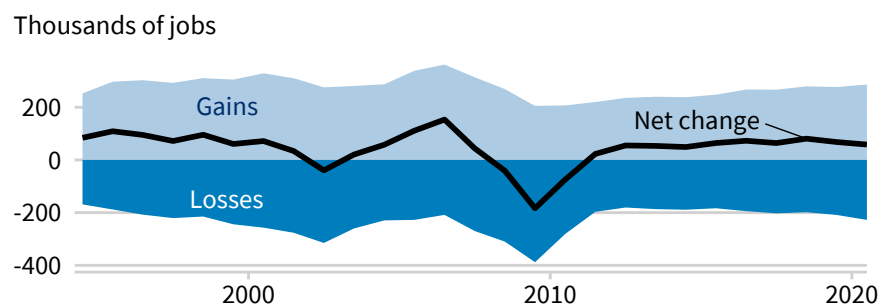
### Establishments

Between March 2019 and March 2020, 18,512 Arizona establishments opened and 16,531 closed, for a net increase of 1,981. Employment expanded at 33,638 and contracted at 31,788. Small businesses accounted for 18,326 openings and 16,295 closings.



### Employment

Opening and expanding Arizona establishments added 285,955 jobs, while closing and contracting establishments lost 227,613, for a net increase of 58,342 jobs. Small businesses contributed a net increase of 42,360 jobs, or 72.6 percent of that total.



Counts include temporary closures and reopenings

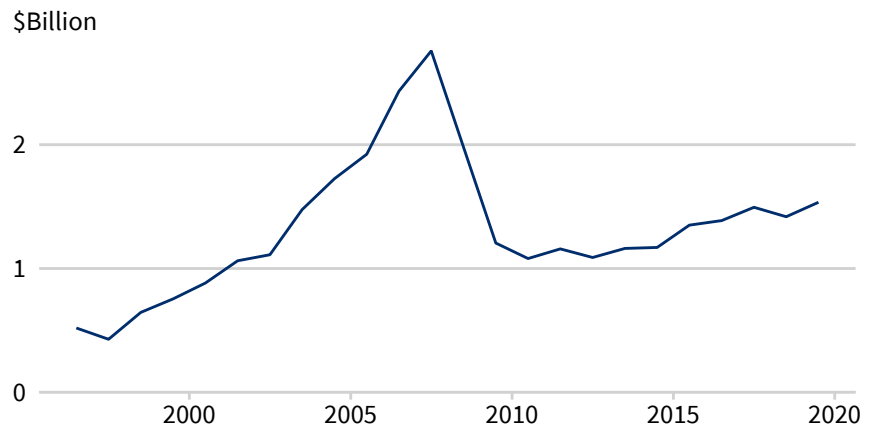
Source: [Business Employment Dynamics](#) (BLS)

## 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 Arizona businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$2.1 billion, and total reported new lending to businesses through loans of \$1 million or less was \$4.3 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
Professional, Scientific, and Technical Services	72,305	15,452	1,118	88,875
Real Estate and Rental and Leasing	64,664	7,819	344	72,827
Other Services (except Public Administration)	55,680	9,437	847	65,964
Administrative, Support, and Waste Management	48,825	6,267	936	56,028
Construction	42,964	10,904	1,486	55,354
Health Care and Social Assistance	40,286	12,310	1,706	54,302
Retail Trade	41,533	8,249	995	50,777
Transportation and Warehousing	46,762	2,279	449	49,490
Arts, Entertainment, and Recreation	26,983	1,475	321	28,779
Finance and Insurance	14,316	4,624	328	19,268
Educational Services	15,054	1,492	441	16,987
Accommodation and Food Services	8,066	6,432	2,474	16,972
Wholesale Trade	7,547	3,896	896	12,339
Manufacturing	7,097	2,854	918	10,869
Information	6,311	1,080	232	7,623
Agriculture, Forestry, Fishing and Hunting	2,802	201	24	3,027
Mining, Quarrying, and Oil and Gas Extraction	1,117	95	33	1,245
Utilities	281	130	20	431
Management of Companies and Enterprises	*	97	253	350
Industries not classified	*	190	2	192
Total	502,593	95,213	13,291	611,097

\* Not reported by the Census Bureau

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



### Small business exports

A total of 7,848 identified firms exported goods worth \$23.2 billion from Arizona in 2019. Of those exporters, 6,812—or 86.8 percent—were small. Small firms exported goods worth \$5.6 billion, making up 24.0 percent of exports by identified firms.

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

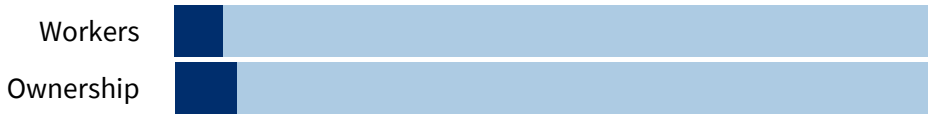
## Business ownership share by demographic group

### Women



Women made up 46.6 percent of workers and owned 45.3 percent of businesses.

### Veterans



Veterans made up 6.4 percent of workers and owned 8.1 percent of businesses.

### Hispanics



Hispanics made up 31.0 percent of workers and owned 19.1 percent of businesses.

### Racial minorities



Racial minorities made up 19.1 percent of workers and owned 10.7 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

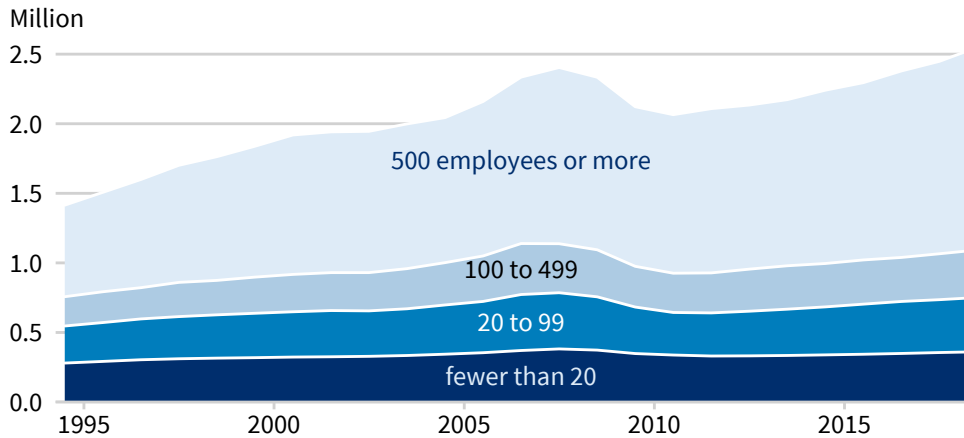
Ownership	Without employees	With employees	Total
Female	203,000	21,252	224,252
Male	259,000	56,902	315,902
Owned equally by both groups	14,000	22,985	36,985
Veteran	34,000	7,155	41,155
Not veteran	439,000	90,925	529,925
Owned equally by both groups	2,600	3,059	5,659
Hispanic	99,000	7,665	106,665
Not Hispanic	375,000	91,411	466,411
Owned equally by both groups	1,600	2,060	3,660
American Indian and Alaska Native	3,400	610	4,010
Asian	25,000	6,790	31,790
Black or African American	22,500	1,647	24,147
Native Hawaiian and Other Pacific Islander	900	149	1,049
White	423,000	92,103	515,103
Hispanic or racial minority	143,000	16,438	159,438
White and not Hispanic	330,000	81,885	411,885
Owned equally by both groups	2,300	2,812	5,112

Counts include only businesses classifiable by owner demographic group

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

## Total Arizona employment by business size

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



Arizona small business employment grew by 44.4 percent between 1994 and 2018, which exceeded the national small business employment growth rate.

## Small business employment and payroll by industry

Industry	Employers		Employment		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Professional, Scientific, and Technical Services	16,570	97.6	85,861	54.8	5,689,734	47.2
Health Care and Social Assistance	14,016	98.0	170,302	44.9	7,573,391	39.1
Construction	12,390	98.8	128,869	79.9	6,462,907	72.6
Other Services (except Public Administration)	10,284	98.6	77,843	84.2	2,385,482	76.0
Retail Trade	9,244	95.5	83,618	25.8	2,973,350	29.5
Accommodation and Food Services	8,906	97.1	171,722	55.0	3,236,267	51.4
Real Estate and Rental and Leasing	8,163	97.9	30,637	55.1	1,534,828	51.2
Administrative, Support, and Waste Management	7,203	94.7	86,006	29.8	3,021,910	28.3
Finance and Insurance	4,952	92.7	27,786	15.9	1,923,750	14.7
Wholesale Trade	4,792	90.5	46,357	47.4	2,589,044	39.7
Manufacturing	3,772	92.7	68,035	45.0	3,175,783	33.1
Transportation and Warehousing	2,728	91.5	27,518	29.0	1,142,006	23.0
Educational Services	1,933	96.7	33,200	53.8	1,186,858	49.1
Arts, Entertainment, and Recreation	1,796	96.7	27,181	52.8	942,230	52.5
Information	1,312	87.1	14,659	25.0	992,988	25.0
Management of Companies and Enterprises	350	52.9	7,050	11.4	444,099	8.6
Agriculture, Forestry, Fishing and Hunting	225	98.7	1,939	91.5	64,348	91.9
Industries not classified	192	100.0	276	100.0	7,719	100.0
Utilities	150	85.2	2,252	18.1	170,486	13.1
Mining, Quarrying, and Oil and Gas Extraction	128	84.8	1,807	17.6	140,771	18.1
Total	108,504	97.0	1,092,918	42.9	45,657,951	37.1

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>.