

# 2021 Small Business Profile

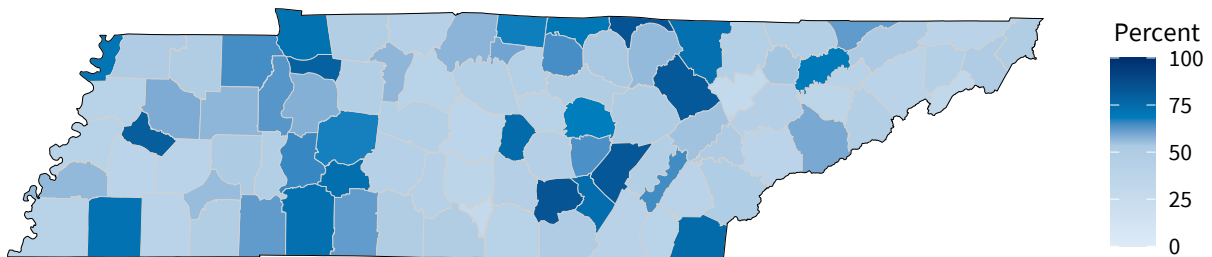
U.S. SMALL BUSINESS ADMINISTRATION  
**OFFICE OF ADVOCACY**

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## Tennessee

**636,842** small businesses  
**99.5 percent** of Tennessee businesses

**1.1 million** small business employees  
**42.4 percent** of Tennessee employees



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

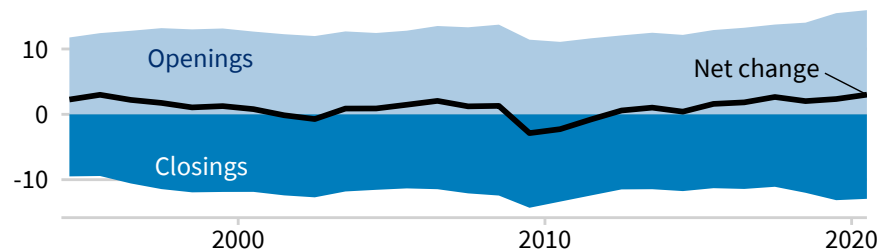
Source of data: [Statistics of US Businesses](#) (Census)

## Business dynamics

### Establishments

Between March 2019 and March 2020, 15,941 Tennessee establishments opened and 12,932 closed, for a net increase of 3,009. Employment expanded at 38,244 and contracted at 37,973. Small businesses accounted for 15,683 openings and 12,605 closings.

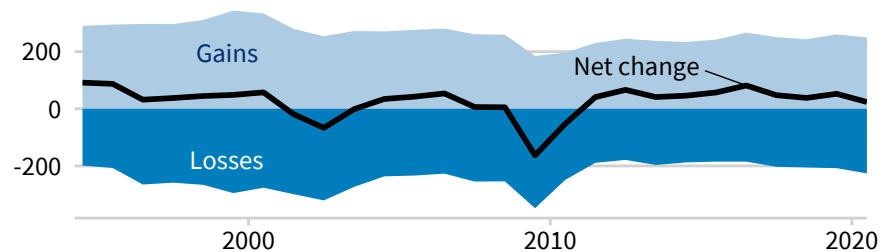
Thousands of establishments



### Employment

Opening and expanding Tennessee establishments added 249,846 jobs, while closing and contracting establishments lost 226,139, for a net increase of 23,707 jobs. Small businesses gained 206,602 jobs and lost 175,273, for a net increase of 31,329 jobs.

Thousands of jobs



Counts include temporary closures and reopenings

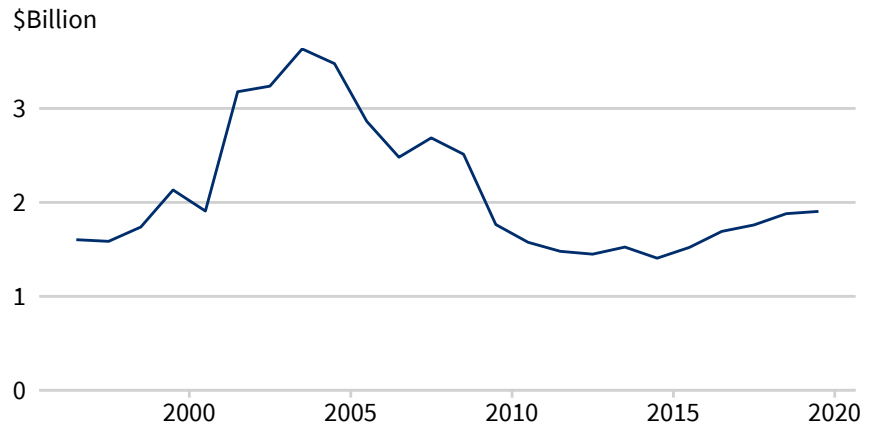
Source: [Business Employment Dynamics](#) (BLS)

## Small business loans





The Community Reinvestment Act requires large banks to report new small business loans. In 2019, reporting banks issued \$1.9 billion in loans to Tennessee businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$1.4 billion, and total reported new lending to businesses through loans of \$1 million or less was \$5.0 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)	73,642	12,118	1,074	86,834
Construction	65,876	8,802	1,199	75,877
Professional, Scientific, and Technical Services	62,839	9,002	938	72,779
Administrative, Support, and Waste Management	62,773	4,646	895	68,314
Retail Trade	46,510	11,837	1,279	59,626
Real Estate and Rental and Leasing	47,395	3,661	325	51,381
Health Care and Social Assistance	38,857	8,497	1,762	49,116
Transportation and Warehousing	39,715	2,354	537	42,606
Arts, Entertainment, and Recreation	36,578	2,255	346	39,179
Accommodation and Food Services	10,294	6,564	2,576	19,434
Finance and Insurance	14,068	3,634	485	18,187
Educational Services	15,161	938	350	16,449
Wholesale Trade	6,802	3,419	1,120	11,341
Manufacturing	6,327	3,218	1,389	10,934
Information	7,875	1,145	225	9,245
Agriculture, Forestry, Fishing and Hunting	4,817	218	15	5,050
Management of Companies and Enterprises	*	65	308	373
Mining, Quarrying, and Oil and Gas Extraction	219	61	23	303
Utilities	239	16	30	285
Industries not classified	*	224	1	225
Total	539,987	82,589	14,266	636,842

\* Not reported by the Census Bureau

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



### Small business exports

A total of 7,356 identified firms exported goods worth \$29.0 billion from Tennessee in 2019. Of those exporters, 6,070—or 82.5 percent—were small. Small firms exported goods worth \$4.2 billion, making up 14.6 percent of exports by identified firms.

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

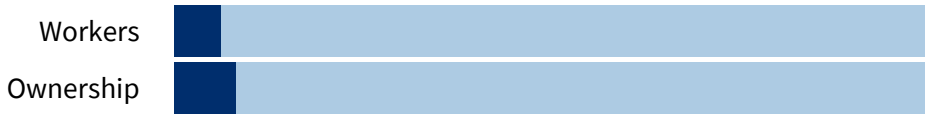
## Business ownership share by demographic group

### Women



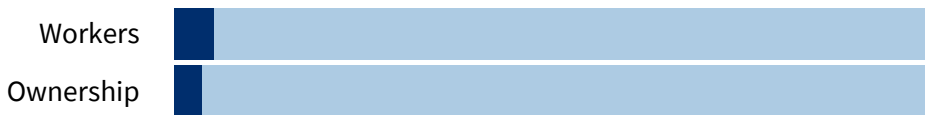
Women made up 48.1 percent of workers and owned 42.6 percent of businesses.

### Veterans



Veterans made up 6.0 percent of workers and owned 8.1 percent of businesses.

### Hispanics



Hispanics made up 5.2 percent of workers and owned 3.7 percent of businesses.

### Racial minorities



Racial minorities made up 21.0 percent of workers and owned 16.8 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

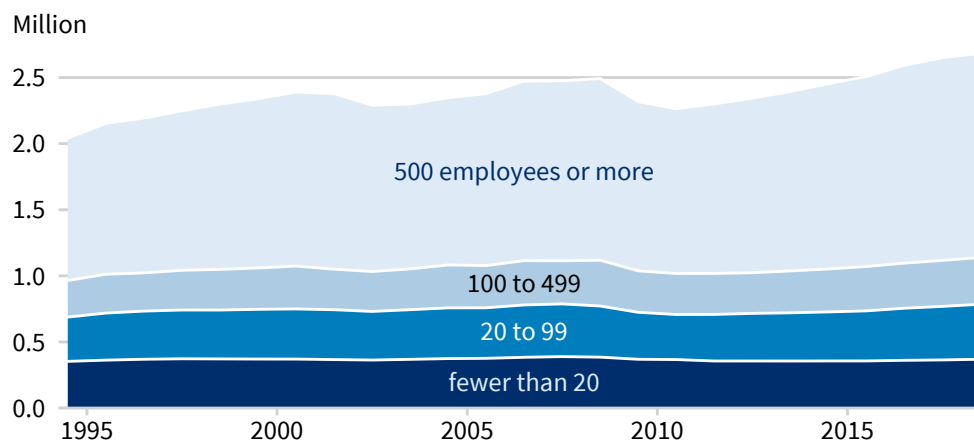
Ownership	Without employees	With employees	Total
Female	221,000	14,863	235,863
Male	288,000	57,442	345,442
Owned equally by both groups	7,600	12,832	20,432
Veteran	36,500	7,485	43,985
Not veteran	479,000	74,941	553,941
Owned equally by both groups	1,800	*	*
Hispanic	19,500	1,675	21,175
Not Hispanic	497,000	82,798	579,798
Owned equally by both groups	300	*	*
American Indian and Alaska Native	800	211	1,011
Asian	13,000	5,953	18,953
Black or African American	78,000	2,539	80,539
Native Hawaiian and Other Pacific Islander	200	*	*
White	425,000	76,094	501,094
Hispanic or racial minority	109,000	10,346	119,346
White and not Hispanic	408,000	73,454	481,454
Owned equally by both groups	700	1,339	2,039

\* 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 Tennessee 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	%
Other Services (except Public Administration)	13,192	98.9	98,078	84.2	2,669,074	78.6
Retail Trade	13,116	96.8	109,405	34.5	3,694,621	41.9
Health Care and Social Assistance	10,259	97.4	160,412	38.2	7,196,384	33.0
Construction	10,001	98.9	97,566	84.1	5,242,260	81.9
Professional, Scientific, and Technical Services	9,940	96.6	70,578	57.6	4,489,659	52.1
Accommodation and Food Services	9,140	97.0	165,198	55.4	2,971,544	55.4
Administrative, Support, and Waste Management	5,541	93.7	79,927	29.4	2,916,617	32.6
Manufacturing	4,607	89.0	107,172	32.0	4,952,925	27.3
Wholesale Trade	4,539	89.7	60,866	51.0	3,729,053	48.3
Finance and Insurance	4,119	92.2	39,192	31.6	2,742,025	27.0
Real Estate and Rental and Leasing	3,986	96.2	24,379	66.1	1,169,110	63.0
Transportation and Warehousing	2,891	89.7	37,292	25.2	1,686,545	24.4
Arts, Entertainment, and Recreation	2,601	98.3	27,872	69.1	1,499,079	77.6
Information	1,370	89.5	15,103	30.5	814,340	25.8
Educational Services	1,288	95.3	31,525	47.1	1,071,795	44.5
Management of Companies and Enterprises	373	51.1	8,162	8.7	610,536	6.3
Agriculture, Forestry, Fishing and Hunting	233	99.1	1,734	95.4	58,292	96.4
Industries not classified	225	100.0	304	100.0	7,907	100.0
Mining, Quarrying, and Oil and Gas Extraction	84	88.4	1,705	58.7	104,694	57.8
Utilities	46	78.0	2,375	76.1	179,136	73.8
Total	96,855	96.6	1,138,845	42.4	47,805,596	38.0

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>.