

2025 Small Business Profile

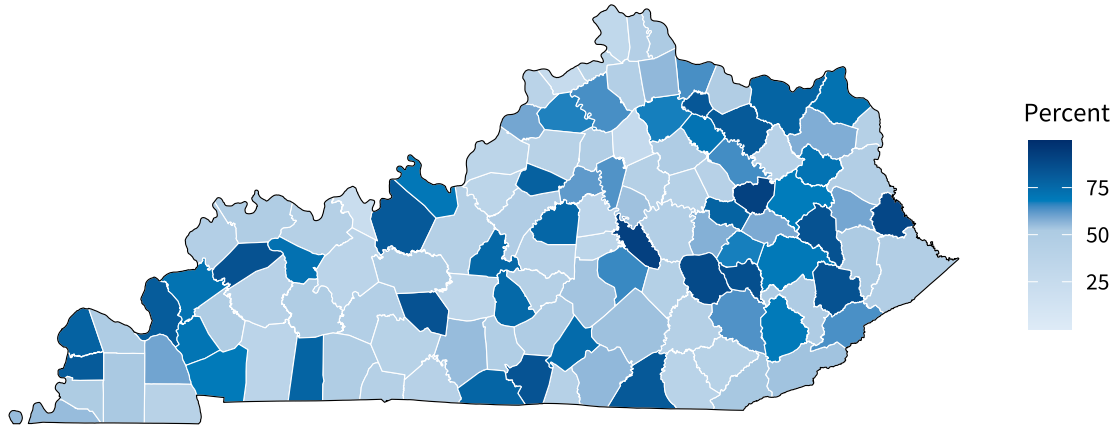
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

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Kentucky

393,860 small businesses
99.3 percent of Kentucky businesses

710,613 small business employees
42.6 percent of Kentucky employees



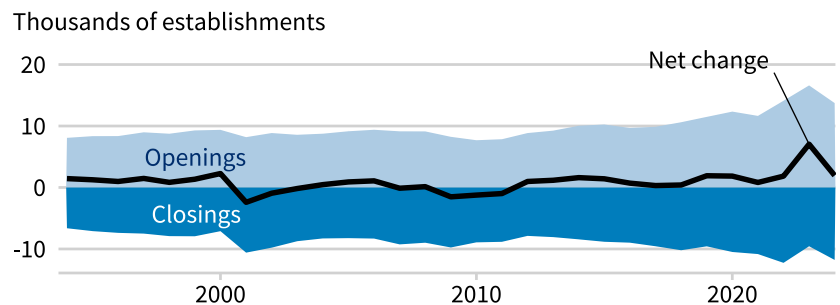
Share of employees working at small businesses by county

Sources of original data: [Nonemployer Statistics](#) (Census), [Statistics of U.S. Businesses](#) (Census)

Employer and employment dynamics

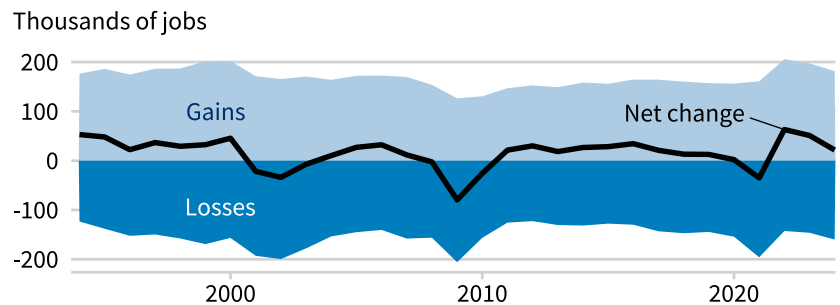
Establishments

Between March 2023 and March 2024, 13,733 Kentucky establishments opened and 11,786 closed, for a net increase of 1,947. Employment expanded at 26,532 establishments and contracted at 25,098. Small businesses accounted for 12,964 openings and for 11,181 closings.



Employment

Opening and expanding Kentucky establishments added 181,507 jobs, while closing and contracting establishments lost 159,964, for a net increase of 21,543 jobs. Small businesses gained 130,244 jobs and lost 108,201, for a net increase of 22,043 jobs.



Counts include temporary closures and reopenings.

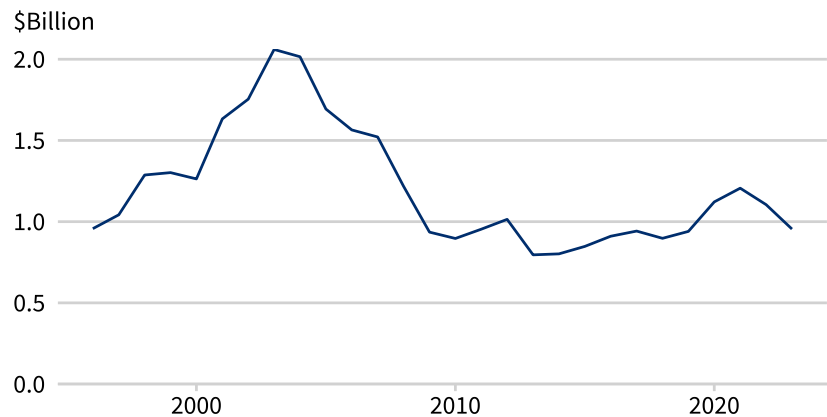
Source: [Business Employment Dynamics](#) (Bureau of Labor Statistics)

Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2023, reporting banks issued \$954.5 million in loans to Kentucky businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$1 million or less was \$2.6 billion. Total reported new lending to businesses through loans of \$100,000 or less was \$926.4 million.

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

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	Without employees	1–19 employees	20–499 employees	All small businesses
Construction	43,189	7,009	760	50,958
Other Services (except Public Administration)	40,154	7,987	551	48,692
Professional, Scientific, and Technical Services	33,424	6,749	589	40,762
Transportation and Warehousing	36,726	1,904	390	39,020
Administrative, Support, and Waste Management	35,154	2,903	454	38,511
Real Estate and Rental and Leasing	33,289	3,209	194	36,692
Retail Trade	27,265	7,784	903	35,952
Health Care and Social Assistance	22,628	6,143	1,188	29,959
Arts, Entertainment, and Recreation	16,537	1,022	221	17,780
Accommodation and Food Services	6,193	4,206	1,612	12,011
Finance and Insurance	7,190	2,590	270	10,050
Educational Services	7,957	630	160	8,747
Manufacturing	4,513	1,874	885	7,272
Wholesale Trade	4,319	1,886	667	6,872
Agriculture, Forestry, Fishing and Hunting	4,902	233	11	5,146
Information	3,241	573	129	3,943
Mining, Quarrying, and Oil and Gas Extraction	1,189	171	55	1,415
Utilities	187	42	30	259
Management of Companies and Enterprises	*	37	185	222
Industries not classified	*	86	0	86
All industries	328,057	56,991	8,812	393,860

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2022 (Census); [Statistics of U.S. Businesses](#), 2022 (Census)



Small business exports

A total of 4,637 identified firms exported goods worth \$38.1 billion from Kentucky in 2023. Of those exporters, 3,661—or 79.0 percent—were small. At \$4.1 billion, exports by small firms made up 10.7 percent of exports by identified firms.

Source: [A profile of U.S. importing and exporting companies, 2022-2023](#) (Census)

Business ownership share by demographic group

Women



Women made up 47.1 percent of workers and owned 42.6 percent of businesses.

Veterans



Veterans made up 4.7 percent of workers and owned 6.3 percent of businesses.

Hispanics



Hispanics made up 4.0 percent of workers and owned 4.9 percent of businesses.

Ownership shares include equal and majority ownership.

Sources of original data: [American Community Survey](#), 2022 5-Year Data (Census); [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Business count by owner demographic group or location type

Group	Without employees	%	With employees	%	Total businesses
Female	133,000	91.5	12,412	8.5	145,412
Male	181,000	82.9	37,305	17.1	218,305
Owned equally by both groups	9,200	55.7	7,328	44.3	16,528
Veteran	18,500	86.7	2,837	13.3	21,337
Not Veteran	303,000	85.1	52,920	14.9	355,920
Owned equally by both groups	1,500	53.8	1,289	46.2	2,789
Hispanic	17,000	93.6	1,169	6.4	18,169
Not Hispanic	306,000	84.6	55,773	15.4	361,773
Owned equally by both groups	250	70.6	104	29.4	354
Rural	115,000	89.3	13,752	10.7	128,752
Urban	179,000	81.0	42,025	19.0	221,025
American Indian and Alaska Native	2,100	*	*	*	*
Asian	9,800	72.9	3,634	27.1	13,434
Black or African American	27,500	95.8	1,202	4.2	28,702
Native Hawaiian and Other Pacific Islander	300	93.2	22	6.8	322
White	288,000	84.7	52,022	15.3	340,022
Hispanic or Racial Minority	53,500	89.6	6,179	10.4	59,679
White and Not Hispanic	269,000	84.2	50,421	15.8	319,421
Owned equally by both groups	850	65.6	446	34.4	1,296

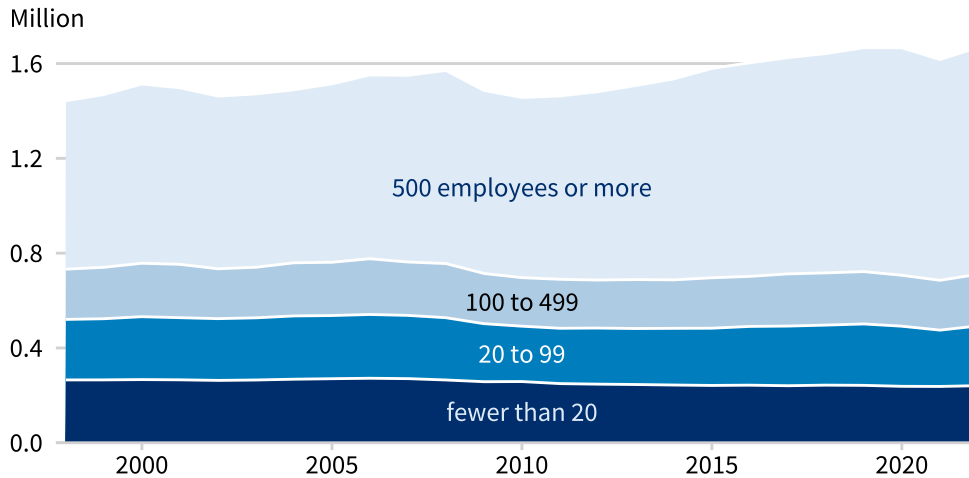
* Not available

Counts include only businesses classifiable by owner demographic group or location type.

Sources: [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Total Kentucky employment by business size

Source of original data: [Statistics of U.S. Businesses](#) (Census)



Kentucky small businesses employed 710,613 workers in 2022, accounting for 42.6 percent of total employment.

Small business employment and payroll by industry

Industry	Employers		Employees		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Retail Trade	8,687	95.9	72,647	33.7	2,889,103	40.1
Other Services (except Public Administration)	8,538	98.7	52,623	83.2	1,792,503	82.0
Construction	7,769	98.9	65,753	83.6	3,897,299	77.5
Professional, Scientific, and Technical Services	7,338	96.4	48,645	63.7	3,066,469	57.6
Health Care and Social Assistance	7,331	96.8	104,712	39.7	4,786,067	31.2
Accommodation and Food Services	5,818	96.4	105,644	61.2	2,130,526	61.9
Real Estate and Rental and Leasing	3,403	97.2	13,629	73.0	648,025	66.7
Administrative, Support, and Waste Management	3,357	92.4	38,151	32.9	1,547,967	35.3
Finance and Insurance	2,860	91.2	24,917	35.8	1,554,656	27.3
Manufacturing	2,759	86.6	74,494	29.2	4,060,880	25.6
Wholesale Trade	2,553	86.2	32,855	44.5	2,110,251	41.8
Transportation and Warehousing	2,294	89.8	25,220	19.7	1,274,714	18.4
Arts, Entertainment, and Recreation	1,243	97.9	15,652	81.5	444,016	78.4
Educational Services	790	94.3	14,164	48.4	466,600	47.9
Information	702	84.7	8,331	31.2	449,075	27.9
Agriculture, Forestry, Fishing and Hunting	244	99.6	1,392	99.1	59,226	99.4
Mining, Quarrying, and Oil and Gas Extraction	226	92.2	4,200	55.4	317,496	50.2
Management of Companies and Enterprises	222	53.6	4,867	11.0	347,792	8.6
Industries not classified	86	100.0	104	100.0	2,869	100.0
Utilities	72	81.8	2,613	32.3	218,861	26.7
All industries	65,803	96.0	710,613	42.6	32,064,395	37.2

Percentages were calculated by dividing industry totals for small employers by industry totals for all employers.

Source: [Statistics of U.S. Businesses](#), 2022 (Census)

About this profile

Small businesses are generally defined here as firms with fewer than 500 employees. Statistics of U.S. Businesses and Nonemployer Statistics by Demographics are produced through a partnership between the Office of Advocacy and the Census Bureau. Where notes say "Source of original data," values may have been approximated because of missing values in the original data. Electronic versions of this and other [geographic profiles](#) are available online, along with technical notes about data, methods, and definitions. Visit advocacy.sba.gov for additional resources.