

Arizona

Arizona's 461,459 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- Arizona had 103,314 small employers in 2005, representing 97.4% of the state's employers and 48.6% of its private-sector employment.
- The construction industry was the state's largest small business employer in 2005; retail trade was the largest overall employer (Table 1).
- Small businesses created 60.4% of the state's net new jobs from 2004 to 2005 (Table 2).
- Arizona's real gross state product increased by 1.8% in 2007. By comparison, growth in the Southwest region was 3.7% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2005.

Arizona Small Business Facts

	Level in 2005†	% Change from 2004 2000	
Number of Businesses			
Small employers (<500 employees)	103,314	4.9	14.4
Large employers (500+ employees)	2,799	1.9	4.3
Nonemployers	358,145	7	33.2
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	199,506	30.9	
Woman-owned	109,748	23.6	
Equally male/female-owned	59,787	-25.0	
African American-owned	6,330	76.7	
Asian-owned	10,215	48.1	
Hispanic-owned	35,104	21.5	
Native American/Alaskan-owned	6,548	NA	
Hawaiian and Pacific Islander-owned	348	40.9	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,243	0.8	19.6
Government employment	423	3.5	15.3
Self-employed (incorp. & uninc.)	322	14.8	31.5
Female self-employment	109	11.4	29.7
Male self-employment	213	16.5	32.4
Minority self-employment	28	26.8	147.8
Veteran self-employment	36	4.8	-13.1
Unemployment rate (%)	3.8	-0.3	-0.2
Business Turnover			
Quarterly establishment openings	31,510	-4.0	28.9
Quarterly establishment closings	32,343	17	44.3
Business bankruptcies	479	83.5	-79.8
Income and Finance			
Proprietors' income (\$billion)	14.6	-9.0	38.4
Bank branches	1,279	4.9	36.4
No. of bus. loans under \$100,000	7,053	-99.5	NA
Total value of business loans under \$100,000 (\$million)	192	-95.4	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in Arizona by Industry and Firm Size, 2005 and 2006
(Non-farm, thousands)**

Industry	Nonemployer firms (2006)	Employer firms (2005)			Employment (2005)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	367.0	106.1	90.9	103.3	2,159.8	354.7	1,049.9
Forestry, etc. and agriculture support	2.0	0.2	0.2	0.2	1.5	(D)	(D)
Mining	0.3	0.2	0.1	0.2	8.9	0.5	(D)
Utilities	0.3	0.2	0.1	0.2	10.4	0.5	2.1
Construction	32.1	14.9	12.8	14.8	211.6	54.7	172.5
Manufacturing	6.0	4.6	3.3	4.3	167.9	17.7	76.3
Wholesale trade	7.0	5.7	4.3	5.2	95.0	17.8	50.7
Retail trade	33.6	11.3	9.7	10.8	306.1	41.5	100.6
Transportation and warehousing	14.3	2.7	2.1	2.5	72.7	7.7	22.1
Information	5.6	1.3	1.0	1.2	51.8	3.6	11.1
Finance and insurance	15.0	5.3	4.5	4.9	131.3	13.1	31.0
Real estate and rental and leasing	62.8	7.4	6.9	7.3	48.1	14.9	31.1
Professional, scientific, and technical svcs.	54.9	14.6	13.3	14.3	118.9	38.5	80.2
Management of companies and enterprises	--	0.6	0.1	0.3	56.1	0.2	7.3
Admin., support, waste mgt., remed. svcs.	24.6	7.0	5.7	6.7	221.2	21.7	85.3
Educational services	8.3	1.4	1.1	1.4	38.8	4.9	23.4
Health care and social assistance	28.6	11.3	9.9	11.1	252.4	43.3	123.1
Arts, entertainment, and recreation	17.2	1.6	1.3	1.5	43.9	4.9	26.2
Accommodation and food services	4.2	7.6	5.6	7.4	238.8	32.8	131.1
Other services (except public admin.)	50.2	9.4	8.5	9.3	83.9	35.5	72.0
Unclassified	--	0.4	0.4	0.4	0.4	(D)	0.4

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2002–2005 (Non-farm)

	Total	Employment size of firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	113,657	19,967	8,693	7,464	15,192	17,322	68,638	45,019
2003 - 2004	47,333	19,410	8,320	7,173	16,819	12,441	64,163	-16,830
2002 - 2003	44,670	18,244	5,454	4,717	11,568	11,943	51,926	-7,256

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	8.8	26.3	28.5	8.2	35.4	121.4	140.3	34.1
Quarter 3	7.3	26.6	27.6	7.9	29.7	125.5	126.6	34.3
Quarter 2	7.9	27.1	27.5	8.3	33.4	120.8	123.7	34.3
Quarter 1	7.5	27.5	26.7	7.9	33.7	123.1	123.7	29.5

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)

Note: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.