

Texas

Texas's 2.1 million 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.)

- Texas had 386,422 small employers in 2006, representing 98.7% of the state's employers and 46.8% of its private-sector employment.
- The health care and social assistance industry was the state's largest small business employer in 2006; retail trade was the largest overall employer (Table 1).
- Small businesses created 44.3% of the state's net new jobs from 2004 to 2005 (Table 2).
- Texas's real gross state product increased by 4.1% 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 2006.

Texas Small Business Facts

	Level in 2006†	% Change from 2005 2000	
Number of Businesses			
Small employers (<500 employees)	386,422	1.4	6.2
Large employers (500+ employees)	5,105	3.3	1.6
Nonemployers	1,736,997	3.0	36.6
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	1,018,189	24.1	
Woman-owned	468,705	22.9	
Equally male/female-owned	207,591	-29.3	
African American-owned	88,768	46.9	
Asian-owned	77,834	31.2	
Hispanic-owned	319,340	32.8	
Native American/Alaskan-owned	16,204	NA	
Hawaiian and Pacific Islander-owned	1,391	53.2	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	8,631	3.3	9.7
Government employment	1,728	1.2	10.6
Self-employed (incorp. & uninc.)	1,124	-2.1	4.1
Female self-employment	367	-3.2	8.0
Male self-employment	757	-1.6	2.3
Minority self-employment	139	24.9	26.5
Veteran self-employment	133	-16.1	-22.7
Unemployment rate (%)	4.3	-0.6	-0.1
Business Turnover			
Quarterly establishment openings	87,942	-2.6	13.3
Quarterly establishment closings	83,248	3.3	11.0
Business bankruptcies	2,480	19.2	-53.4
Income and Finance			
Proprietors' income (\$billion)	136.9	5.9	64.3
Bank branches	6,573	5.0	36.9
No. of bus. loans under \$100,000	222,424	-5.9	NA
Total value of business loans under \$100,000 (\$million)	5,904	-5.4	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 Texas by Industry and Firm Size, 2006
(Non-farm, thousands)**

Industry	Nonemployer firms	Employer firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	1,737.0	391.5	340.0	386.4	8,711.5	1,417.8	4,074.7
Forestry, etc. and agriculture support	18.5	1.1	1.0	1.1	7.7	3.8	6.2
Mining	36.3	6.1	5.1	5.9	143.8	19.7	61.6
Utilities	2.3	1.1	1.0	1.1	39.2	4.0	12.3
Construction	253.2	39.9	35.0	39.7	553.8	146.9	418.9
Manufacturing	27.6	18.6	13.1	17.6	846.5	72.2	360.1
Wholesale trade	31.6	24.9	19.9	23.9	463.5	89.4	258.0
Retail trade	157.4	46.1	41.3	45.4	1,128.1	173.1	382.6
Transportation and warehousing	100.1	12.3	10.0	11.7	352.5	40.3	117.4
Information	21.9	4.7	3.6	4.4	255.8	15.1	56.7
Finance and insurance	71.3	19.3	17.1	18.8	453.2	55.0	153.8
Real estate and rental and leasing	153.5	18.9	17.6	18.7	169.0	50.9	103.7
Professional, scientific, and technical svcs.	222.7	52.8	48.3	52.1	551.7	156.7	339.6
Management of companies and enterprises	--	2.3	0.4	1.4	244.3	1.1	26.1
Admin., support, waste mgt., remed. svcs.	149.2	20.5	16.9	19.8	868.6	67.7	282.9
Educational services	34.1	4.6	3.5	4.5	136.8	16.5	73.8
Health care and social assistance	120.4	44.3	38.5	43.9	1,126.4	185.6	539.1
Arts, entertainment, and recreation	61.1	5.6	4.7	5.6	110.9	21.5	68.5
Accommodation and food services	30.5	28.6	21.7	28.3	850.6	124.6	471.0
Other services (except public admin.)	245.5	43.5	39.5	43.2	406.6	171.4	340.0
Unclassified	--	2.1	2.1	2.1	2.4	2.2	2.4

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.)

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	173,451	57,324	11,814	4,838	-4,664	7,506	76,818	96,633
2003 - 2004	63,968	69,418	22,990	14,113	19,376	6,629	132,526	-68,558
2002 - 2003	60,319	75,489	25,214	17,756	24,248	-3,634	139,073	-78,754

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	23.5	114.9	105.9	21.8	98.1	467.4	397.4	90.5
Quarter 3	20.8	113.0	107.1	20.8	90.7	448.0	411.7	85.4
Quarter 2	22.1	113.4	105.0	19.8	92.8	461.1	401.5	83.6
Quarter 1	21.5	112.9	102.0	20.9	93.2	449.6	383.6	78.2

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.