

Kentucky

Kentucky's 70,785 small employers and 278,100 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- Kentucky's real gross state product decreased by 0.1% and private-sector employment decreased by 0.7% in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The health care and social assistance industry was the state's largest small business employer in 2006; manufacturing was the largest overall employer (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in Kentucky was 70,785 in 2006, accounting for 97.0% of the state's employers and 50.0% of its private-sector employment. (Source: U.S. Dept. of Commerce: Bureau of the Census.)

For Further Information

- Data on all 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.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit www.sba.gov/advo/rsslibrary.html

* Small employer data from 2006; nonemployer from 2007.

Kentucky Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	70,785	70,087
Large employers (500+ employees)	n.a.	2,207	2,213
Nonemployers	278,100	267,161	226,193
	2002‡	% Share in 2002	% Change 1997–2002
Business Owner Demographics			
Male-owned	174,979	58.2	10.1
Woman-owned	77,159	25.7	17.0
Equally male/female-owned	39,370	13.1	-22.9
African American-owned	7,592	2.5	34.9
Asian-owned	3,236	1.1	28.7
Hispanic-owned	2,094	0.7	41.4
Native American/Alaskan-owned	1,324	0.4	n.a.
Hawaiian and Pacific Islander-owned	60	0.0	-25.0
	2008‡	% Change from	
		2007	2000
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	1,491	-0.7	0.8
Government employment	301	0.0	5.8
Self-employed (incorp. & uninc.)	203	3.0	1.6
Female self-employment	66	0.9	9.1
Male self-employment	136	4.0	-1.6
Minority self-employment	10	144.2	118.2
Veteran self-employment	23	0.3	-23.3
Unemployment rate (%)	6.4	0.9	2.2
Business Turnover			
Quarterly establishment openings	15,444	-6.7	11.9
Quarterly establishment closings	16,394	3.1	22.8
Business bankruptcies	521	67.5	46.8
	2008‡	2007	2000
Income and Finance			
Proprietors' income (\$billion)	9.5	9.3	7.7
Number of bank branches	1,828	1,814	1,617
No. of bus. loans under \$100,000‡	n.a.	109,370	42,978
Total value of business loans under \$100,000 (\$million)‡	n.a.	1,156	621
Source: 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; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/sbl_08study.pdf , Table 4b.) n.a. not available.			
† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.			

**Table 1. Firms and Employment in Kentucky by Industry and Firm Size, 2006 and 2007
(Nonfarm, Thousands)**

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	278.1	73.0	61.5	70.8	1,552.0	272.2	776.4
Forestry, etc. and agriculture support	5.1	0.3	0.3	0.3	(D)	0.9	(D)
Mining	1.8	0.6	0.4	0.5	22.7	2.0	12.3
Utilities	0.2	0.1	0.1	0.1	8.4	0.3	2.7
Construction	47.0	9.2	8.3	9.1	85.8	34.5	77.5
Manufacturing	3.9	3.7	2.2	3.3	256.7	13.2	89.0
Wholesale trade	4.4	3.8	2.7	3.4	69.1	12.9	42.5
Retail trade	30.2	11.0	9.4	10.6	227.9	45.4	95.4
Transportation and warehousing	15.2	2.8	2.2	2.5	80.5	8.2	22.6
Information	2.6	0.9	0.6	0.8	32.6	3.0	9.2
Finance and insurance	7.7	3.2	2.7	3.0	67.6	9.7	29.4
Real estate and rental and leasing	25.7	3.0	2.8	2.9	19.4	8.4	13.5
Professional, scientific, and technical svcs.	27.8	7.6	6.9	7.5	63.5	23.6	46.1
Management of companies and enterprises	--	0.5	0.1	0.3	27.0	0.2	4.0
Admin., support, waste mgt., remed. svcs.	26.4	3.3	2.7	3.1	91.7	10.6	36.6
Educational services	5.2	0.7	0.5	0.7	27.9	(D)	(D)
Health care and social assistance	16.4	8.0	6.7	7.8	231.2	35.7	111.0
Arts, entertainment, and recreation	11.1	1.3	1.1	1.3	17.8	4.8	(D)
Accommodation and food services	3.1	5.2	3.6	5.0	150.3	22.2	92.2
Other services (except public admin.)	44.1	9.0	8.3	8.9	69.9	33.8	58.4
Unclassified	--	0.2	0.2	0.2	(D)	(D)	(D)

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, 2003–2006 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	16,307	10,932	4,351	2,082	972	2,892	21,229	-4,922
2004 - 2005	22,936	9,778	2,442	1,103	-310	757	13,770	9,166
2005 - 2006	37,900	9,739	2,878	2,148	5,211	5,989	25,965	11,935

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, 2008 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	3.6	19.8	20.7	4.2	14.0	75.8	80.5	13.6
Quarter 2	3.9	19.5	21.0	3.9	15.5	76.8	79.1	15.3
Quarter 3	3.8	18.8	21.0	4.0	16.0	66.8	84.1	14.3
Quarter 4	4.1	18.5	21.6	4.4	14.0	71.9	90.4	15.8

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: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.