

Tennessee

Tennessee's 100,607 small employers and 459,681 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.)

- Tennessee's real gross state product increased by 0.5% and private-sector employment decreased by 1.2% 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 Tennessee was 100,607 in 2006, accounting for 97.1% of the state's employers and 45.1% 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.

Tennessee Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	100,607	99,446
Large employers (500+ employees)	n.a.	2,952	2,981
Nonemployers	459,681	436,143	339,361
	2002‡	% Share in 2002	% Change 1997–2002
Business Owner Demographics			
Male-owned	273,177	60.1	15.4
Woman-owned	117,935	26.0	18.2
Equally male/female-owned	51,255	11.3	-28.2
African American-owned	26,811	5.9	32.8
Asian-owned	7,241	1.6	39.9
Hispanic-owned	4,301	0.9	18.2
Native American/Alaskan-owned	3,565	0.8	n.a.
Hawaiian and Pacific Islander-owned	94	n.a.	-21.7
	2008‡	% Change from	
		2007	2000
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	2,307	-1.2	0.8
Government employment	416	1.6	9.8
Self-employed (incorp. & uninc.)	331	-1.4	17.5
Female self-employment	91	-6.7	-1.3
Male self-employment	240	0.8	26.7
Minority self-employment	30	-13.4	31.1
Veteran self-employment	40	8.5	-1.4
Unemployment rate (%)	6.4	1.6	2.4
Business Turnover			
Quarterly establishment openings	16,770	-17.9	-5.6
Quarterly establishment closings	18,378	11.2	2.7
Business bankruptcies	888	65.4	38.5
	2008‡	2007	2000
Income and Finance			
Proprietors' income (\$billion)	22.9	22.8	15.2
Number of bank branches	2,302	2,270	1,976
No. of bus. loans under \$100,000‡	n.a.	182,793	78,564
Total value of business loans under \$100,000 (\$million)‡	n.a.	2,209	1,130
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 Tennessee 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	459.7	103.6	87.3	100.6	2,473.4	384.1	1,114.9
Forestry, etc. and agriculture support	4.9	0.3	0.3	0.3	1.4	1.0	(D)
Mining	0.4	0.1	0.1	0.1	3.3	(D)	(D)
Utilities	0.3	0.1	0.0	0.1	3.2	0.1	2.4
Construction	81.0	11.6	10.2	11.5	123.7	44.5	110.8
Manufacturing	6.4	6.0	3.8	5.4	393.4	21.7	125.3
Wholesale trade	7.4	6.0	4.3	5.5	120.6	20.6	64.7
Retail trade	43.9	15.1	13.1	14.6	333.0	57.1	125.4
Transportation and warehousing	23.3	3.4	2.6	3.1	120.5	10.8	36.6
Information	6.1	1.5	1.1	1.3	53.3	4.7	14.5
Finance and insurance	13.9	5.0	4.2	4.7	117.9	14.5	44.3
Real estate and rental and leasing	40.4	4.4	4.0	4.2	38.2	12.6	25.0
Professional, scientific, and technical svcs.	49.2	10.5	9.3	10.2	126.7	34.0	69.9
Management of companies and enterprises	--	0.7	0.1	0.4	71.9	0.2	6.5
Admin., support, waste mgt., remed. svcs.	43.8	5.3	4.2	5.0	196.9	18.0	65.7
Educational services	8.2	1.1	0.8	1.0	48.0	3.7	24.4
Health care and social assistance	28.7	10.9	9.2	10.7	344.3	48.5	152.1
Arts, entertainment, and recreation	24.1	2.2	1.9	2.1	30.5	7.9	23.4
Accommodation and food services	6.5	7.7	5.7	7.5	232.0	33.4	122.5
Other services (except public admin.)	71.1	13.3	12.2	13.2	114.1	50.1	97.8
Unclassified	--	0.3	0.3	0.3	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, 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	47,270	16,052	6,871	5,046	7,915	5,045	40,929	6,341
2004 - 2005	21,965	15,270	3,760	-608	-5,777	-3,922	8,723	13,242
2005 - 2006	90,518	16,713	6,138	7,150	20,645	10,310	60,956	29,562

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	4.6	28.6	30.1	4.5	18.8	115.0	120.6	17.4
Quarter 2	4.2	27.7	31.1	4.9	20.2	111.5	128.6	22.4
Quarter 3	4.0	26.8	30.8	4.4	18.7	107.5	138.6	19.7
Quarter 4	4.1	25.2	32.5	4.6	17.0	100.9	144.6	18.1

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.