

Texas

2,366,053 Small Businesses

390,433 Small Businesses with Employees

1,975,620 Small Businesses without Employees (Nonemployers)

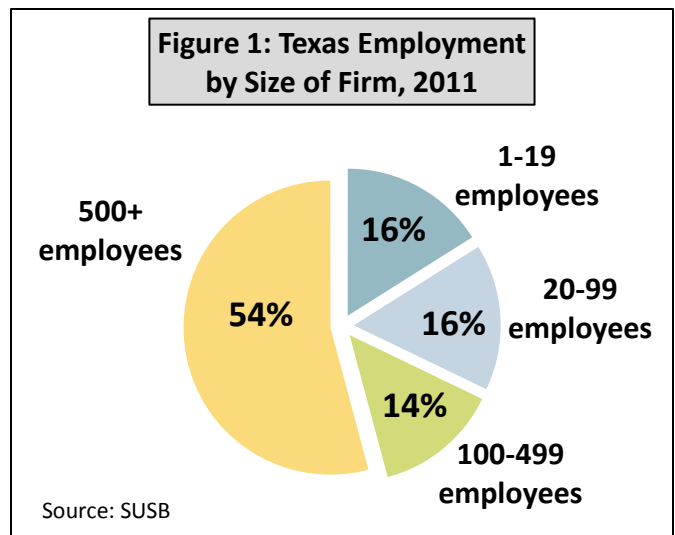
4,119,801 Workers Employed by Small Businesses

State Economy Overall

- Texas's economy grew at a faster rate than the United States in 2012. Texas's real gross state product increased by **4.8 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Texas has improved. The unemployment rate in Texas declined from **6.1 percent** in December 2012 to **6 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Texas's small businesses employed about half or **4.1 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **98.6 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and construction (**Table 4**).
- In Texas, small businesses created **139,251** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **3.3 percent**, which was above the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **6.8 percent** in the 3rd quarter of 2013 and totaled **\$172.4 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **403,654** loans under \$100,000 (and valued at **\$5.2 billion**) were issued by Community Reinvestment Act lending institutions in Texas. (Source: FFIEC)

Business Owner Demographics

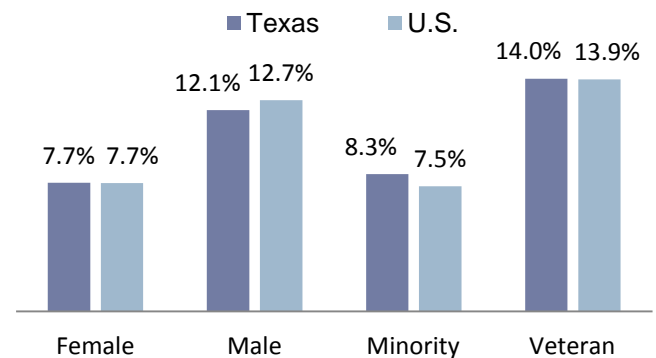
- In 2011, there were an estimated **669,000** woman-owned businesses and **792,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Texas Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	1,195,000	50.4
Woman Owned	669,000	28.2
Equally Male and Female Owned	451,000	19.0
Minority Owned	792,000	33.4
Veteran Owned	218,000	9.2

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/tx10.pdf.

Figure 2: Texas Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives Texas's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **21,972** establishments opened and **21,902** closed in the state of Texas. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Texas

	Establishments Opened*	Share Surviving Until 2012 (%)
2002	43,834	35.7
2007	46,304	48.9
2010	38,760	68.3

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **40,737** companies exported goods from the state in 2012. Of these, **37,921** or **93.1 percent** were small firms; they generated about a third (**30.6 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Texas Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	54,753	50,965	249,623	304,376
Health care & social assistance	48,503	42,209	151,367	199,870
Retail trade	43,587	39,813	164,592	208,179
Other services (except public admin.)	43,034	39,366	303,630	346,664
Construction	37,024	32,792	253,791	290,815
Accommodation & food services	31,850	24,450	37,537	69,387
Wholesale trade	23,501	19,600	34,121	57,622
Admin., supp., waste mgt., remed. svcs.	20,563	17,474	212,837	233,400
Finance & insurance	18,352	16,728	70,061	88,413
Real estate & rental & leasing	18,053	16,942	157,322	175,375
Manufacturing	16,495	12,403	30,781	47,276
Transportation & warehousing	11,801	10,155	104,667	116,468
Mining	6,424	5,475	39,068	45,492
Arts, entertainment, & recreation	5,486	4,703	79,008	84,494
Educational services	5,077	4,056	42,741	47,818
Information	4,048	3,405	22,324	26,372
Management of comp. & enterprises	1,505	366	0	1,505
Unclassified	1,298	1,294	0	1,298
Forestry, etc. & agriculture support	957	901	19,586	20,543
Utilities	891	763	2,564	3,455
Total	390,433	343,470	1,975,620	2,366,053

Table 4: Employment in Texas by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	631,184	1,314,698	48
Accommodation & food services	514,040	937,879	55
Construction	374,435	532,505	70
Retail trade	357,709	1,152,579	31
Professional, scientific, & tech. svcs.	345,502	578,855	60
Other services (except public admin.)	337,718	410,598	82
Manufacturing	318,553	733,679	43
Admin., supp., waste mgt., remed. svcs.	292,745	858,662	34
Wholesale trade	251,134	457,938	55
Finance & insurance	149,770	464,679	32
Transportation & warehousing	120,052	357,981	34
Real estate & rental & leasing	102,624	166,259	62
Educational services	82,273	158,497	52
Mining	76,860	186,950	41
Arts, entertainment, & recreation	68,333	115,612	59
Information	48,098	232,005	21
Management of comp. & enterprises	28,002	272,040	10
Utilities	13,374	48,070	28
Forestry, etc. & agriculture support	5,989	6,771	88
Unclassified	1,406	1,406	100
Total	4,119,801	8,987,663	46

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .