

2025 Small Business Profile

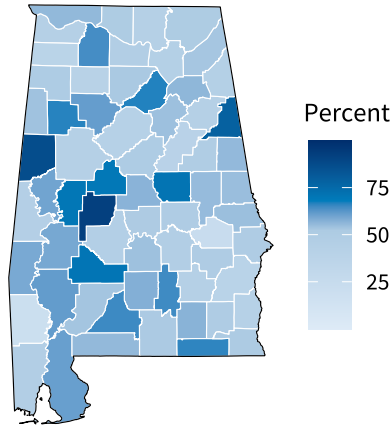
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Alabama

465,610 small businesses
99.4 percent of Alabama businesses

816,850 small business employees
46.0 percent of Alabama employees



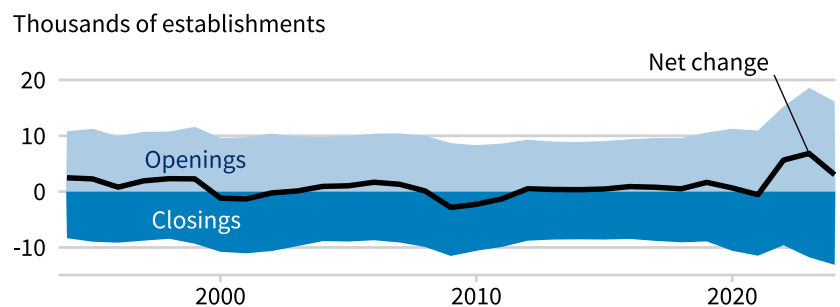
Share of employees working at small businesses by county

Sources of original data: [Nonemployer Statistics](#) (Census), [Statistics of U.S. Businesses](#) (Census)

Employer and employment dynamics

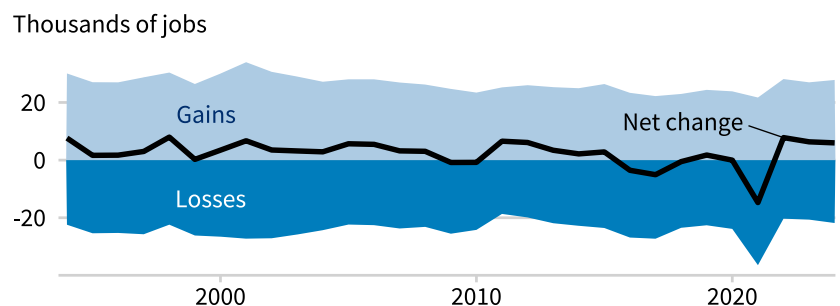
Establishments

Between March 2023 and March 2024, 16,141 Alabama establishments opened and 13,115 closed, for a net increase of 3,026. Employment expanded at 29,569 establishments and contracted at 28,506. Small businesses accounted for 14,917 openings and for 11,983 closings.



Employment

Opening and expanding Alabama establishments added 27,816 jobs, while closing and contracting establishments lost 21,831, for a net increase of 5,985 jobs. Small businesses contributed a net increase of 4,814 jobs, or 80.4 percent of that total.



Counts include temporary closures and reopenings.

Source: [Business Employment Dynamics](#) (Bureau of Labor Statistics)

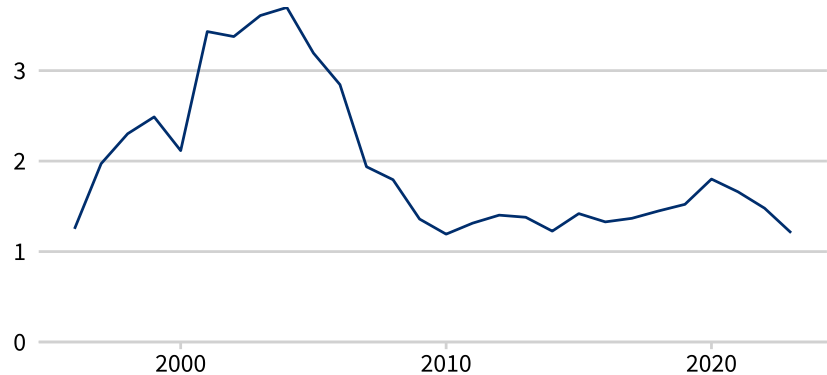
Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2023, reporting banks issued \$1.2 billion in loans to Alabama businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$1 million or less was \$3.9 billion. Total reported new lending to businesses through loans of \$100,000 or less was \$1.1 billion.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million

\$Billion



Small business count by size and industry

Industry	Without employees	1–19 employees	20–499 employees	All small businesses
Other Services (except Public Administration)	55,137	9,721	712	65,570
Administrative, Support, and Waste Management	53,885	3,450	565	57,900
Construction	45,245	7,512	955	53,712
Professional, Scientific, and Technical Services	40,179	7,524	767	48,470
Retail Trade	31,797	9,446	1,042	42,285
Real Estate and Rental and Leasing	38,420	3,493	229	42,142
Transportation and Warehousing	33,996	2,347	410	36,753
Health Care and Social Assistance	26,625	6,404	1,330	34,359
Arts, Entertainment, and Recreation	16,749	1,006	196	17,951
Accommodation and Food Services	9,535	4,965	1,603	16,103
Finance and Insurance	8,883	2,549	282	11,714
Educational Services	10,085	705	188	10,978
Manufacturing	5,634	2,256	1,001	8,891
Wholesale Trade	5,340	2,481	754	8,575
Agriculture, Forestry, Fishing and Hunting	4,742	699	48	5,489
Information	3,506	603	126	4,235
Mining, Quarrying, and Oil and Gas Extraction	298	79	35	412
Utilities	172	68	30	270
Management of Companies and Enterprises	*	40	178	218
Industries not classified	*	101	0	101
All industries	390,228	65,387	9,995	465,610

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2022 (Census); [Statistics of U.S. Businesses](#), 2022 (Census)



Small business exports

A total of 4,181 identified firms exported goods worth \$25.8 billion from Alabama in 2023. Of those exporters, 3,337—or 79.8 percent—were small. At \$4.2 billion, exports by small firms made up 16.4 percent of exports by identified firms.

Source: [A profile of U.S. importing and exporting companies, 2022-2023](#) (Census)

Business ownership share by demographic group

Women



Women made up 47.4 percent of workers and owned 46.3 percent of businesses.

Veterans



Veterans made up 5.6 percent of workers and owned 7.8 percent of businesses.

Hispanics



Hispanics made up 4.2 percent of workers and owned 4.0 percent of businesses.

Ownership shares include equal and majority ownership.

Sources of original data: [American Community Survey](#), 2022 5-Year Data (Census); [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Business count by owner demographic group or location type

Group	Without employees	%	With employees	%	Total businesses
Female	178,000	92.6	14,122	7.4	192,122
Male	198,000	81.9	43,637	18.1	241,637
Owned equally by both groups	8,600	53.9	7,345	46.1	15,945
Veteran	27,500	86.7	4,212	13.3	31,712
Not Veteran	355,000	85.7	59,366	14.3	414,366
Owned equally by both groups	1,800	54.1	1,526	45.9	3,326
Hispanic	16,000	92.5	1,293	7.5	17,293
Not Hispanic	368,000	85.3	63,615	14.7	431,615
Owned equally by both groups	350	64.2	195	35.8	545
Rural	135,000	89.4	15,926	10.6	150,926
Urban	215,000	82.4	46,048	17.6	261,048
American Indian and Alaska Native	4,300	*	*	*	*
Asian	12,000	68.4	5,543	31.6	17,543
Black or African American	101,000	97.1	3,027	2.9	104,027
Native Hawaiian and Other Pacific Islander	450	94.5	26	5.5	476
White	271,000	82.8	56,276	17.2	327,276
Hispanic or Racial Minority	130,000	92.7	10,197	7.3	140,197
White and Not Hispanic	254,000	82.4	54,274	17.6	308,274
Owned equally by both groups	1,000	61.2	633	38.8	1,633

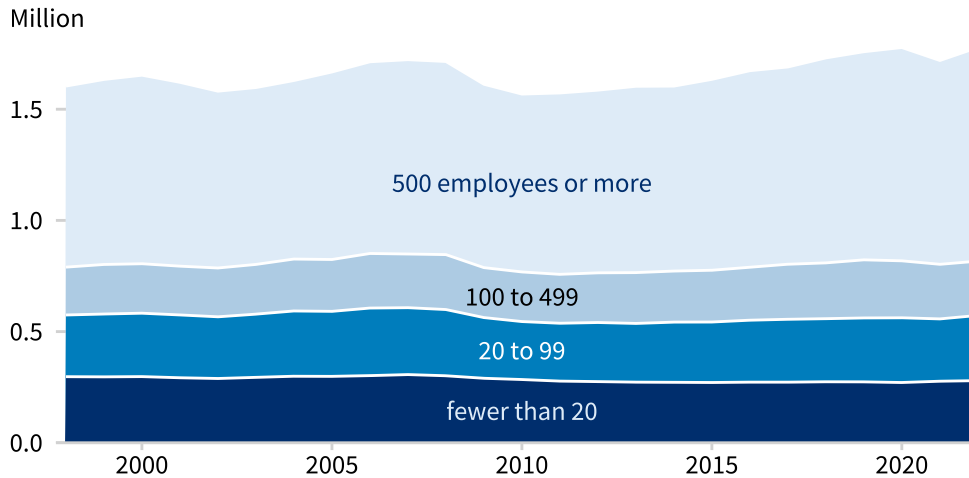
* Not available

Counts include only businesses classifiable by owner demographic group or location type.

Sources: [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

Total Alabama employment by business size

Source of original data: [Statistics of U.S. Businesses](#) (Census)



Small businesses accounted for 46.0 percent of Alabama employment in 2022, which exceeded the national small business employment share.

Small business employment and payroll by industry

Industry	Employers		Employees		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Retail Trade	10,488	96.6	87,336	37.5	3,531,567	45.8
Other Services (except Public Administration)	10,433	98.9	66,582	84.4	2,056,456	75.2
Construction	8,467	98.8	77,609	77.3	4,638,066	74.7
Professional, Scientific, and Technical Services	8,291	96.4	64,855	55.4	5,038,490	49.3
Health Care and Social Assistance	7,734	97.4	116,931	44.0	5,903,836	40.3
Accommodation and Food Services	6,568	96.9	105,560	58.1	2,137,977	57.7
Administrative, Support, and Waste Management	4,015	93.5	50,904	30.3	2,067,450	30.1
Real Estate and Rental and Leasing	3,722	97.0	17,224	67.5	981,936	65.0
Manufacturing	3,257	88.0	82,726	30.9	4,304,364	25.6
Wholesale Trade	3,235	87.7	42,478	56.1	2,897,669	54.4
Finance and Insurance	2,831	90.9	24,413	33.0	1,620,894	25.2
Transportation and Warehousing	2,757	92.5	27,372	38.3	1,374,118	37.0
Arts, Entertainment, and Recreation	1,202	97.8	15,332	78.9	378,490	82.7
Educational Services	893	96.0	15,556	65.1	500,107	61.1
Agriculture, Forestry, Fishing and Hunting	747	98.5	5,312	96.6	272,704	94.1
Information	729	84.4	8,706	29.8	557,506	25.6
Management of Companies and Enterprises	218	54.8	3,595	16.5	314,224	12.3
Mining, Quarrying, and Oil and Gas Extraction	114	77.6	1,770	36.1	137,776	31.6
Industries not classified	101	100.0	139	100.0	4,876	100.0
Utilities	98	86.7	2,450	17.6	203,467	12.8
All industries	75,382	96.4	816,850	46.0	38,921,973	41.3

Percentages were calculated by dividing industry totals for small employers by industry totals for all employers.

Source: [Statistics of U.S. Businesses](#), 2022 (Census)

About this profile

Small businesses are generally defined here as firms with fewer than 500 employees. Statistics of U.S. Businesses and Nonemployer Statistics by Demographics are produced through a partnership between the Office of Advocacy and the Census Bureau. Where notes say "Source of original data," values may have been approximated because of missing values in the original data. Electronic versions of this and other [geographic profiles](#) are available online, along with technical notes about data, methods, and definitions. Visit advocacy.sba.gov for additional resources.