

2025 Small Business Profile

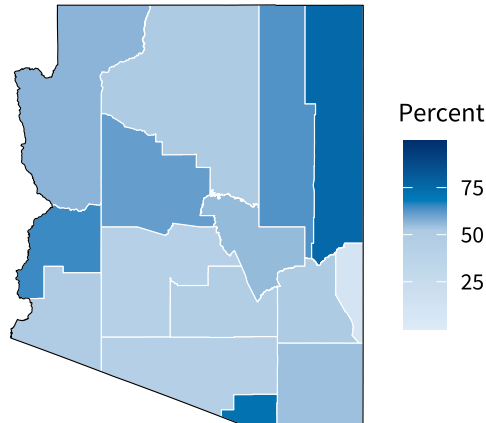
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Arizona

706,640 small businesses
99.5 percent of Arizona businesses

1.2 million small business employees
42.6 percent of Arizona employees



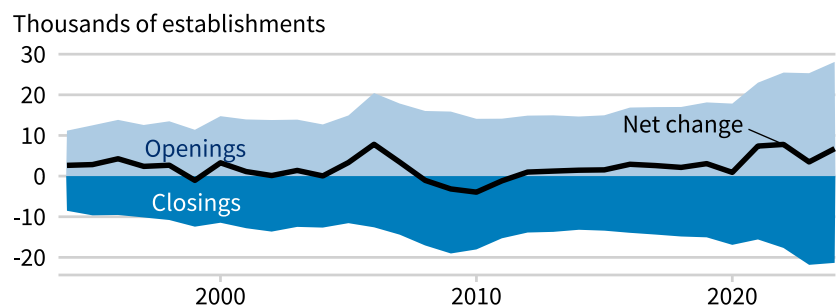
Share of employees working at small businesses by county

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

Employer and employment dynamics

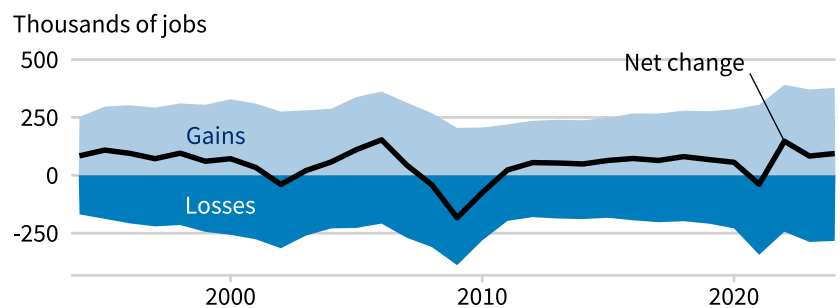
Establishments

Between March 2023 and March 2024, 28,101 Arizona establishments opened and 21,351 closed, for a net increase of 6,750. Employment expanded at 39,207 establishments and contracted at 35,137. Small businesses accounted for 26,603 openings and for 19,993 closings.



Employment

Opening and expanding Arizona establishments added 377,554 jobs, while closing and contracting establishments lost 283,417, for a net increase of 94,137 jobs. Small businesses contributed a net increase of 80,016 jobs, or 85.0 percent of that total.



Counts include temporary closures and reopenings.

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

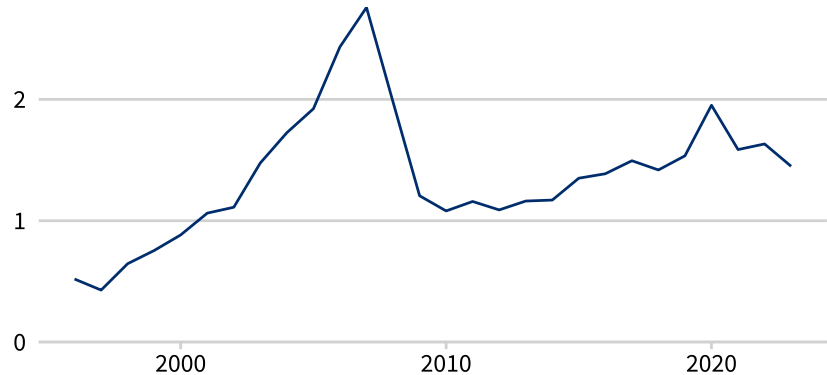
Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2023, reporting banks issued \$1.4 billion in loans to Arizona businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$1 million or less was \$4.3 billion. Total reported new lending to businesses through loans of \$100,000 or less was \$2.1 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
Professional, Scientific, and Technical Services	82,566	17,184	1,228	100,978
Real Estate and Rental and Leasing	67,717	9,972	372	78,061
Transportation and Warehousing	73,320	2,945	552	76,817
Other Services (except Public Administration)	60,090	10,853	888	71,831
Construction	52,367	12,799	1,676	66,842
Administrative, Support, and Waste Management	56,202	6,852	955	64,009
Health Care and Social Assistance	47,272	13,572	1,995	62,839
Retail Trade	42,064	8,681	1,080	51,825
Arts, Entertainment, and Recreation	32,135	1,755	324	34,214
Finance and Insurance	15,548	5,147	387	21,082
Accommodation and Food Services	11,225	6,972	2,612	20,809
Educational Services	16,724	1,637	463	18,824
Wholesale Trade	8,017	3,938	883	12,838
Manufacturing	8,159	2,875	939	11,973
Information	7,375	1,204	222	8,801
Agriculture, Forestry, Fishing and Hunting	3,009	183	28	3,220
Mining, Quarrying, and Oil and Gas Extraction	1,082	106	39	1,227
Utilities	379	128	22	529
Management of Companies and Enterprises	*	126	228	354
Industries not classified	*	176	0	176
All industries	585,251	107,013	14,376	706,640

* Not reported by the Census Bureau

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



Small business exports

A total of 7,478 identified firms exported goods worth \$25.9 billion from Arizona in 2023. Of those exporters, 6,426—or 85.9 percent—were small. At \$7.1 billion, exports by small firms made up 27.3 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 45.9 percent of workers and owned 46.2 percent of businesses.

Veterans



Veterans made up 5.3 percent of workers and owned 6.5 percent of businesses.

Hispanics



Hispanics made up 31.8 percent of workers and owned 23.0 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	255,000	90.8	25,786	9.2	280,786
Male	304,000	82.5	64,372	17.5	368,372
Owned equally by both groups	15,000	42.8	20,063	57.2	35,063
Veteran	33,500	85.1	5,876	14.9	39,376
Not Veteran	538,000	84.1	101,623	15.9	639,623
Owned equally by both groups	2,400	46.9	2,722	53.1	5,122
Hispanic	141,000	92.2	11,872	7.8	152,872
Not Hispanic	431,000	81.8	96,186	18.2	527,186
Owned equally by both groups	2,200	50.4	2,163	49.6	4,363
Rural	37,000	83.5	7,313	16.5	44,313
Urban	491,000	82.3	105,285	17.7	596,285
American Indian and Alaska Native	16,000	92.3	1,342	7.7	17,342
Asian	39,000	83.6	7,678	16.4	46,678
Black or African American	44,000	95.5	2,062	4.5	46,062
Native Hawaiian and Other Pacific Islander	2,500	93.2	183	6.8	2,683
White	486,000	83.1	98,910	16.9	584,910
Hispanic or Racial Minority	222,000	90.8	22,370	9.2	244,370
White and Not Hispanic	349,000	80.5	84,545	19.5	433,545
Owned equally by both groups	3,400	50.7	3,307	49.3	6,707

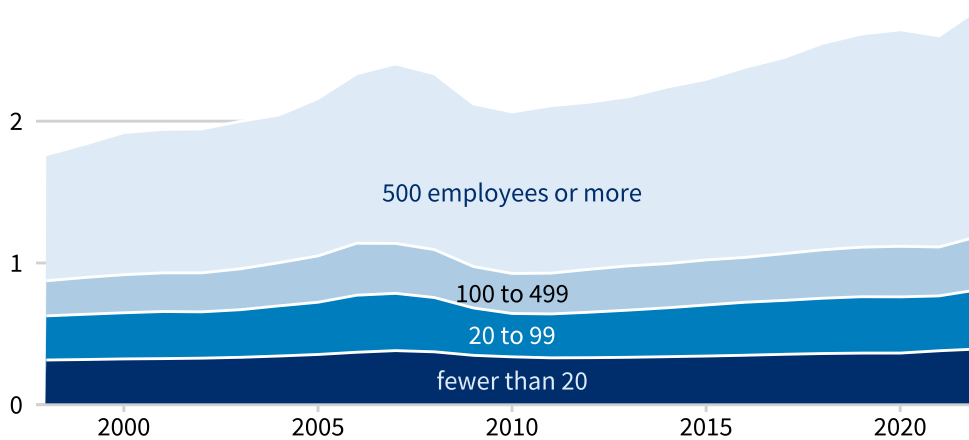
Counts include only businesses classifiable by owner demographic group or location type. Percentages represent shares of row totals.

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

Total Arizona employment by business size

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

Million



Arizona small business employment grew by 35.7 percent between 1998 and 2022, which exceeded the national small business employment growth rate.

Small business employment and payroll by industry

Industry	Employers		Employees		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Professional, Scientific, and Technical Services	18,412	97.6	98,625	51.7	7,721,506	48.0
Health Care and Social Assistance	15,567	97.9	193,567	47.0	9,864,359	40.5
Construction	14,475	98.7	150,178	76.1	9,292,827	69.1
Other Services (except Public Administration)	11,741	98.6	81,238	83.1	3,146,046	77.3
Real Estate and Rental and Leasing	10,344	98.2	34,829	58.1	2,259,106	56.7
Retail Trade	9,761	95.8	88,956	25.4	4,200,599	30.1
Accommodation and Food Services	9,584	97.2	174,464	54.6	4,369,968	52.4
Administrative, Support, and Waste Management	7,807	94.9	86,120	29.1	3,969,712	27.9
Finance and Insurance	5,534	93.0	31,700	17.3	2,622,145	16.7
Wholesale Trade	4,821	90.0	46,129	44.5	3,297,911	38.2
Manufacturing	3,814	92.0	69,482	40.6	3,851,648	29.0
Transportation and Warehousing	3,497	92.6	36,065	28.4	1,794,551	24.8
Educational Services	2,100	96.5	36,798	49.2	1,478,295	45.7
Arts, Entertainment, and Recreation	2,079	97.0	28,811	51.4	1,250,018	52.0
Information	1,426	87.8	16,616	30.6	1,439,359	30.3
Management of Companies and Enterprises	354	55.2	5,967	8.9	511,063	8.1
Agriculture, Forestry, Fishing and Hunting	211	99.5	1,910	98.4	94,716	97.8
Industries not classified	176	100.0	167	100.0	7,469	100.0
Utilities	150	84.7	2,782	21.8	244,982	17.0
Mining, Quarrying, and Oil and Gas Extraction	145	85.8	1,985	16.4	150,782	13.8
All industries	121,389	97.1	1,186,389	42.6	61,567,062	37.9

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.