

2018 SMALL BUSINESS PROFILE

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

ALASKA



71,841 Small Businesses
99.1% of Alaska Businesses

142,448 Small Business Employees
53.2% of Alaska Employees

EMPLOYMENT
2,364
net new jobs

DIVERSITY
13,680
minority-owned
businesses

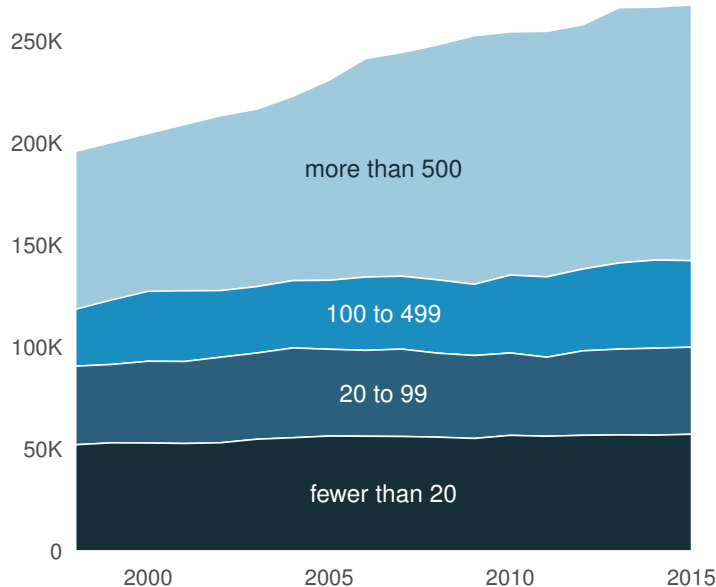
TRADE
418
small business
exporters

OVERALL ALASKA ECONOMY

- In the third quarter of 2017, Alaska grew at an annual rate of **1.9%**, which was slower than the overall US growth rate of **3.4%**. Alaska's 2016 growth rate of **-5.4%** was down from the 2015 rate of **0.3%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **7.3%**, up from **7.0%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Alaska Employment by Business Size (Employees)



- Alaska small businesses employed **142,448** people, or **53.2%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **0.4%** during the 12-month period ending in January 2018. This was below the decrease of **0.3%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **1.4%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **2,364** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **2,561** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **1,009** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks was unchanged at 5 between June 2016 and June 2017. (Source: FDIC)
- In 2016, 14,036 loans under \$100,000 (valued at \$228.9 million) were issued by Alaska lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$60,559 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$30,817. (Source: ACS)

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Alaska Employees per Business by Owner's Demographic, 2015

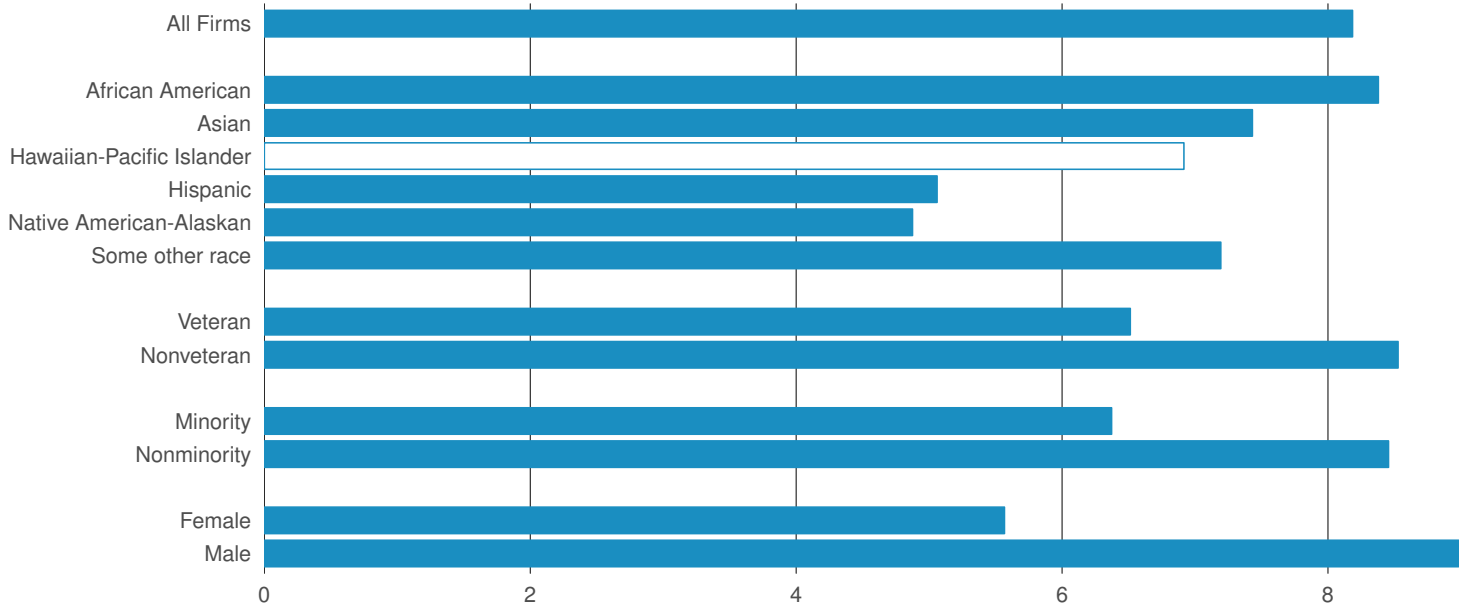
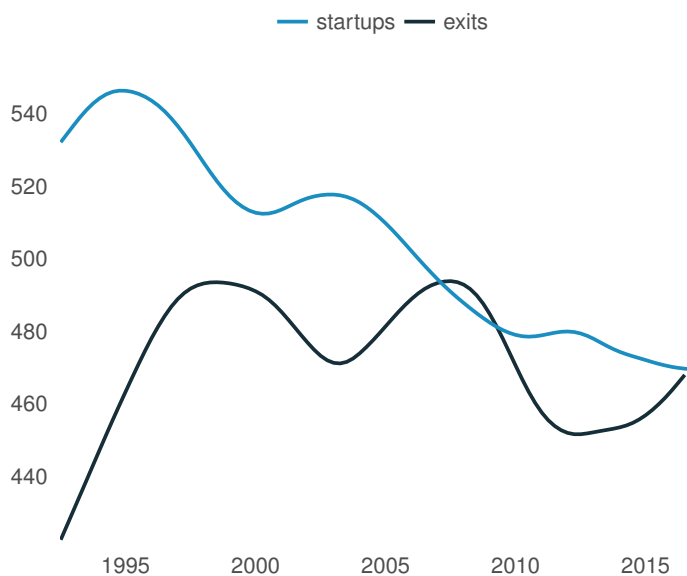


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Alaska Quarterly Startups and Exits



- In the third quarter of 2016, 456 establishments started up, generating 1,559 new jobs in Alaska. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 504 establishments exited resulting in 1,589 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

INTERNATIONAL TRADE

- A total of 589 companies exported goods from Alaska in 2015. Of these, 418, or 71.0%, were small firms; they generated 38.4% of Alaska's \$4.2 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Alaska Employment by Industry, 2015





 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	27,732	49,240	56.3
Accommodation and Food Services	20,955	28,112	74.5
Retail Trade	15,349	35,221	43.6
Construction	13,494	18,581	72.6
Professional, Scientific, and Technical Services	11,030	18,662	59.1
Other Services (except Public Administration)	9,262	9,867	93.9
Administrative, Support, and Waste Management	6,830	17,628	38.7
Transportation and Warehousing	6,804	18,736	36.3
Wholesale Trade	5,009	9,125	54.9
Manufacturing	4,282	12,294	34.8
Finance and Insurance	3,560	7,340	48.5
Real Estate and Rental and Leasing	3,527	4,455	79.2
Arts, Entertainment, and Recreation	3,206	4,639	69.1
Educational Services	2,701	3,025	89.3
Information	2,429	6,711	36.2
Mining, Quarrying, and Oil and Gas Extraction	2,041	13,566	15.0
Management of Companies and Enterprises	1,840	7,821	23.5
Utilities	1,765	2,081	84.8
Agriculture, Forestry, and Fishing and Hunting	556	819	67.9
Industries not classified	76	76	100.0
Total	142,448	267,999	53.2

Figure 4: Alaska Small Business Employment by County, 2015

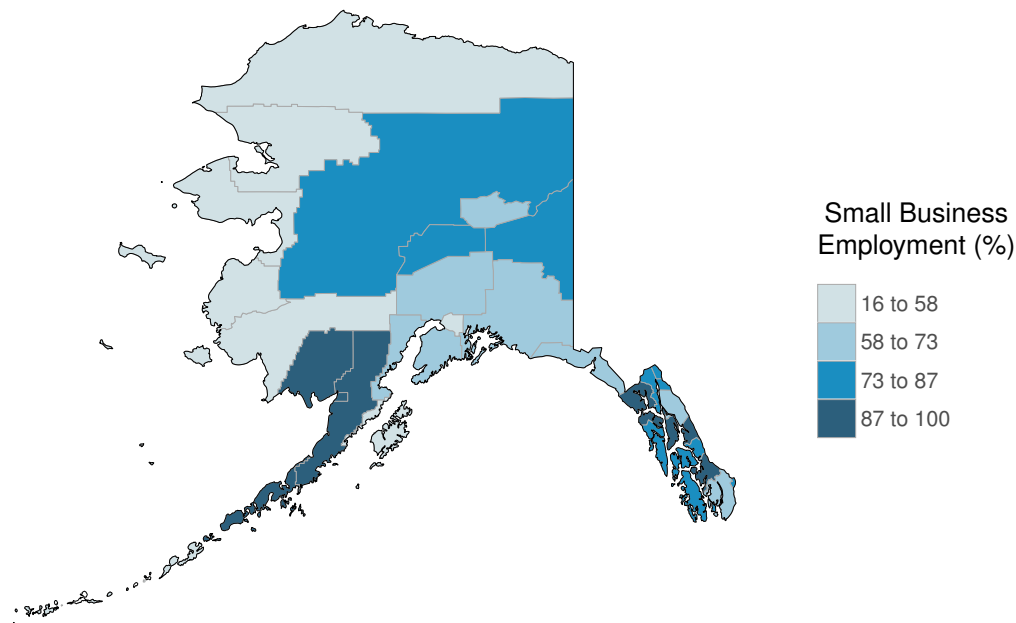


Table 2: Alaska Small Businesses by Industry and Firm Size, 2015






 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Construction	2,416	2,270	4,441	6,857
Health Care and Social Assistance	2,005	1,750	3,721	5,726
Accommodation and Food Services	1,786	1,515	1,754	3,540
Retail Trade	1,747	1,561	4,289	6,036
Other Services (except Public Administration)	1,629	1,528	5,563	7,192
Professional, Scientific, and Technical Services	1,581	1,435	6,933	8,514
Administrative, Support, and Waste Management	904	830	3,136	4,040
Transportation and Warehousing	805	713	2,440	3,245
Real Estate and Rental and Leasing	781	730	5,113	5,894
Arts, Entertainment, and Recreation	528	482	3,489	4,017
Agriculture, Forestry, and Fishing and Hunting	439	435	8,886	9,325
Manufacturing	422	362	1,167	1,589
Wholesale Trade	413	308	642	1,055
Finance and Insurance	365	323	1,310	1,675
Educational Services	229	197	1,800	2,029
Information	179	145	491	670
Mining, Quarrying, and Oil and Gas Extraction	120	98	290	410
Utilities	55	38	56	111
Total	16,320	14,740	55,521	71,841

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau