

SMALL BUSINESS PROFILE

VIRGINIA




681,517
97.7% Small Businesses
of Virginia Businesses

1.5 million
46.9% Small Business Employees
of Virginia Employees


Small Business Employees
of Virginia Employees



EMPLOYMENT
26,105
net new jobs¹



DIVERSITY
33.8%
increase in minority
ownership²



TRADE
86.3%
of Virginia exporters³

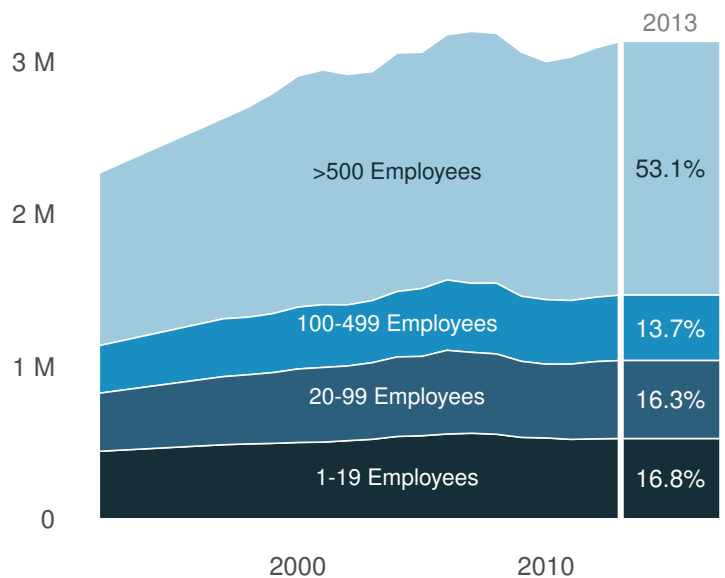
OVERALL VIRGINIA ECONOMY

- In the third quarter of 2015, Virginia grew at an annual rate of **1.2%** which was slower than the overall US growth rate of **1.9%**. By comparison, Virginia's 2014 growth of **2.4%** was up from the 2013 level of **1.7%**. (Source: BEA)
- The employment situation in Virginia improved. At the close of 2015, unemployment was **4.2%**, down from **4.8%** at the close of 2014. This was below the national unemployment rate of **5.0%**. (Source: CPS)

EMPLOYMENT

- Virginia small businesses employed **1.5 million** people, or **46.9%** of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased **1.9%** in 2015. This was above the previous year's increase of **1.2%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.3%** relative to the previous year. (Source: BEA)
- Small businesses created **26,105** net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding **6,162** net jobs. The smallest gains were in firms employing 1 to 4 employees which added **2,009** net jobs. (Source: BDS)

Figure 1: Virginia Employment by Firm Size



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 as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 119,426 loans under \$100,000 (and valued at \$1.7 billion) were issued by Virginia lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$51,258 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$22,135. (Source: ACS)

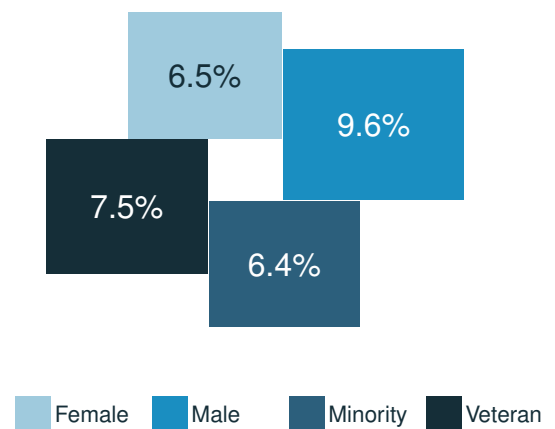
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Virginia Changes in Business Ownership by Demographic Group

African American-owned	●	26.5%
Asian-owned	●	31.0%
Hawaiian/Pacific Islander-owned	●	49.6%
Hispanic-owned	●	53.5%
Native American/Alaskan-owned	●	30.7%
Minority-owned	●	33.8%
Nonminority-owned	○	-4.4%

Figure 3: Virginia Self-Employment within Demographic Group

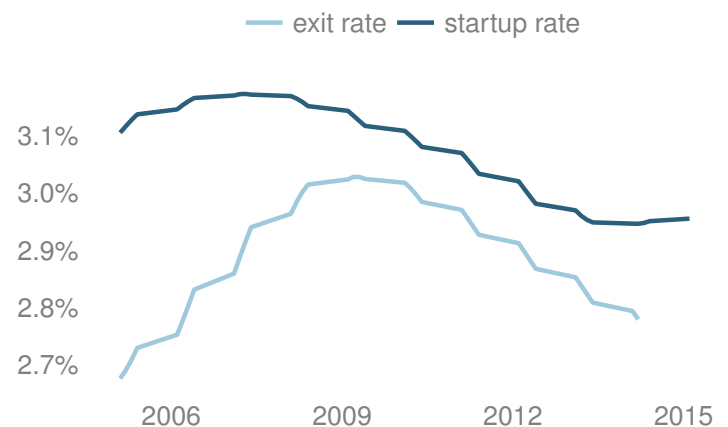


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Virginia, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 6,322 establishments started up⁵ in Virginia and 5,655 exited.⁶ Startups generated 19,817 new jobs while exits caused 19,065 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Virginia Private Startup and Exit Rates



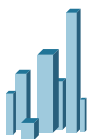




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 7,678 companies exported goods from Virginia in 2013. Among these, 6,626, or 86.3%, were small firms; they generated 28.3% of Virginia's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Virginia Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	24,810	22,199	87,225	112,035
Other Services (except Public Administration)	19,573	18,055	78,461	98,034
Construction	18,727	17,167	58,403	77,130
Retail Trade	15,188	13,678	41,746	56,934
Health Care and Social Assistance	14,071	11,974	40,527	54,598
Accommodation and Food Services	12,175	9,591	7,517	19,692
Administrative, Support, and Waste Management	8,672	7,444	45,423	54,095
Real Estate and Rental and Leasing	6,231	5,810	61,682	67,913
Finance and Insurance	5,250	4,757	14,568	19,818
Wholesale Trade	5,245	4,216	7,017	12,262
Manufacturing	4,186	3,138	5,763	9,949
Transportation and Warehousing	3,760	3,218	25,714	29,474
Educational Services	2,600	2,081	18,281	20,881
Arts, Entertainment, and Recreation	2,529	2,109	30,236	32,765
Information	1,735	1,360	7,857	9,592
Agriculture, Forestry, Fishing and Hunting	649	619	5,004	5,653
Mining, Quarrying, and Oil and Gas Extraction	154	103	219	373
Utilities	63	39	424	487
Total	145,618	127,558	536,067	681,685

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Virginia Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Professional, Scientific, and Technical Services	213,411	438,370	48.7%
Health Care and Social Assistance	192,655	416,774	46.2%
Accommodation and Food Services	177,975	323,113	55.1%
Other Services (except Public Administration)	141,338	162,661	86.9%
Construction	140,967	167,463	84.2%
Retail Trade	130,270	415,557	31.3%
Administrative, Support, and Waste Management	106,619	244,879	43.5%
Manufacturing	82,117	232,762	35.3%
Wholesale Trade	57,899	104,358	55.5%
Educational Services	42,746	75,206	56.8%
Finance and Insurance	40,296	160,979	25.0%
Transportation and Warehousing	33,719	95,463	35.3%
Real Estate and Rental and Leasing	32,853	53,307	61.6%
Arts, Entertainment, and Recreation	31,337	55,512	56.5%
Information	25,948	92,779	28.0%
Agriculture, Forestry, Fishing and Hunting	3,283	3,941	83.3%
Mining, Quarrying, and Oil and Gas Extraction	2,934	8,667	33.9%
Utilities	2,205	14,041	15.7%
Total	1,458,572	3,065,832	47.6%

Figure 5: Virginia County-Level Job Changes, 2015 (CEW)

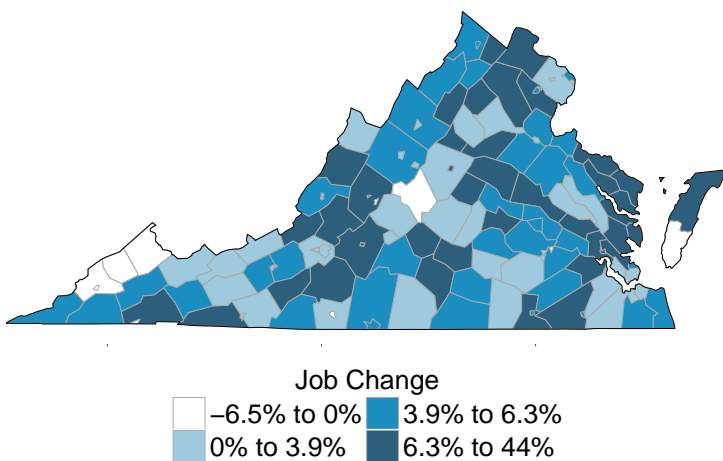


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

