

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

WASHINGTON




555,285
98.0% Small Businesses
of Washington Businesses

1.3 million
51.7% Small Business Employees
of Washington Employees

1.3 million
51.7% Small Business Employees
of Washington Employees



EMPLOYMENT
43,690
net new jobs¹



DIVERSITY
29.9%
increase in minority
ownership²



TRADE
89.9%
of Washington
exporters³

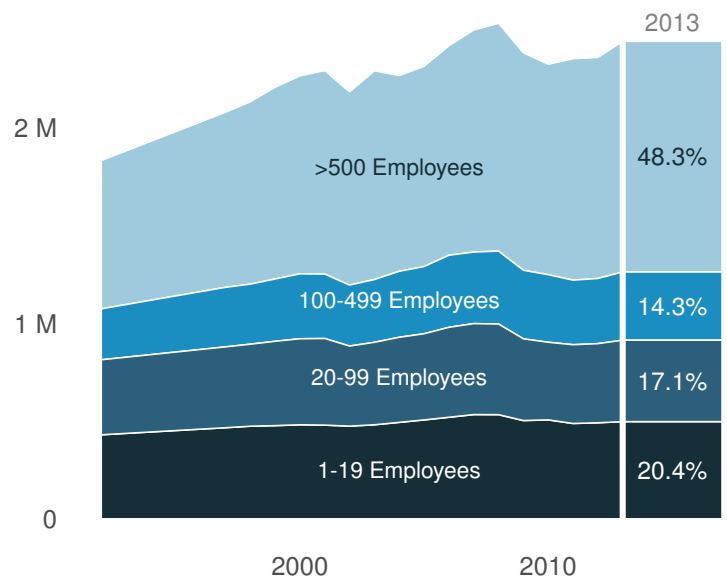
OVERALL WASHINGTON ECONOMY

- In the third quarter of 2015, Washington grew at an annual rate of **0.8%** which was slower than the overall US growth rate of **1.9%**. By comparison, Washington's 2014 growth of **5.1%** was up from the 2013 level of **3.0%**. (Source: BEA)
- The employment situation in Washington improved. At the close of 2015, unemployment was **5.8%**, down from **5.9%** at the close of 2014. This was above the national unemployment rate of **5.0%**. (Source: CPS)

EMPLOYMENT

- Washington small businesses employed **1.3 million** people, or **51.7%** 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 **3.1%** in 2015. This was below the previous year's increase of **3.3%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.4%** relative to the previous year. (Source: BEA)
- Small businesses created **43,690** net jobs in 2013. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding **10,553** net jobs. The smallest gains were in firms employing 250 to 499 employees which added **3,547** net jobs. (Source: BDS)

Figure 1: Washington 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, 118,364 loans under \$100,000 (and valued at \$1.5 billion) were issued by Washington 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 \$48,320 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$22,829. (Source: ACS)

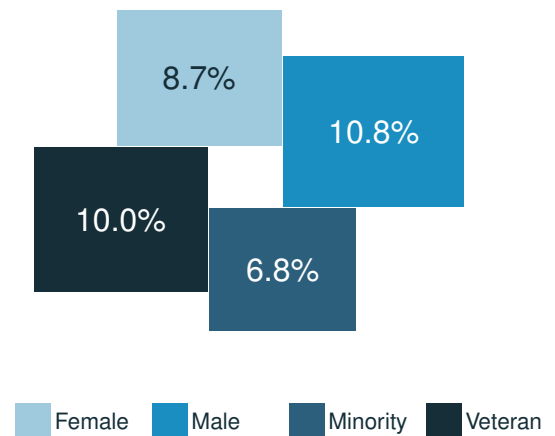
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Washington Changes in Business Ownership by Demographic Group

African American-owned	○	-
Asian-owned	●	23.2%
Hawaiian/Pacific Islander-owned	●●	53.7%
Hispanic-owned	●	37.3%
Native American/Alaskan-owned	●	13.0%
Minority-owned	●	29.9%
Nonminority-owned	○	-4.3%

Figure 3: Washington Self-Employment within Demographic Group

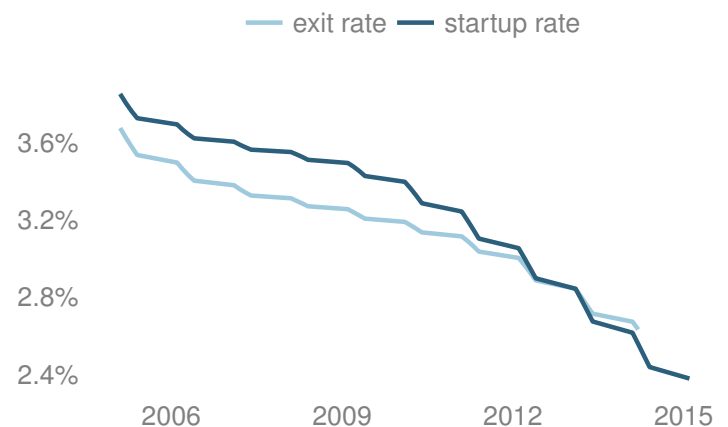


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Washington, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American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

BUSINESS TURNOVER

- In the second quarter of 2014, 4,480 establishments started up⁵ in Washington and 8,495 exited.⁶ Startups generated 14,864 new jobs while exits caused 20,527 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: Washington Private Startup and Exit Rates



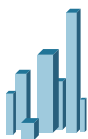




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

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 12,646 companies exported goods from Washington in 2013. Among these, 11,365, or 89.9%, were small firms; they generated 24.2% of Washington's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

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

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Construction	19,610	18,370	29,855	49,465
Professional, Scientific, and Technical Services	18,675	17,255	76,665	95,340
Health Care and Social Assistance	16,048	14,385	32,056	48,104
Other Services (except Public Administration)	15,012	14,064	50,444	65,456
Retail Trade	13,977	12,507	37,765	51,742
Accommodation and Food Services	12,942	10,724	5,120	18,062
Administrative, Support, and Waste Management	7,866	7,153	27,818	35,684
Real Estate and Rental and Leasing	7,469	7,090	51,293	58,762
Wholesale Trade	6,995	5,638	7,579	14,574
Manufacturing	6,233	4,904	8,748	14,981
Finance and Insurance	4,640	4,239	11,203	15,843
Transportation and Warehousing	3,923	3,361	18,764	22,687
Arts, Entertainment, and Recreation	2,569	2,113	27,117	29,686
Educational Services	2,418	2,016	13,637	16,055
Information	1,864	1,523	7,123	8,987
Agriculture, Forestry, Fishing and Hunting	1,376	1,264	7,704	9,080
Utilities	180	158	324	504
Mining, Quarrying, and Oil and Gas Extraction	117	99	231	348
Total	141,914	126,863	413,446	555,360

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: Washington Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	183,017	375,679	48.7%
Accommodation and Food Services	162,622	240,639	67.6%
Retail Trade	122,512	312,494	39.2%
Construction	118,825	137,831	86.2%
Professional, Scientific, and Technical Services	116,816	193,509	60.4%
Manufacturing	107,234	246,382	43.5%
Other Services (except Public Administration)	93,727	109,597	85.5%
Wholesale Trade	76,074	124,713	61.0%
Administrative, Support, and Waste Management	63,513	139,248	45.6%
Arts, Entertainment, and Recreation	39,633	60,590	65.4%
Finance and Insurance	35,640	98,936	36.0%
Real Estate and Rental and Leasing	32,840	45,375	72.4%
Transportation and Warehousing	32,767	86,375	37.9%
Educational Services	31,391	53,095	59.1%
Information	24,861	123,018	20.2%
Agriculture, Forestry, Fishing and Hunting	10,623	12,763	83.2%
Utilities	1,501	s	-
Mining, Quarrying, and Oil and Gas Extraction	1,045	2,361	44.3%
Total	1,254,641	2,362,605	53.1%

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

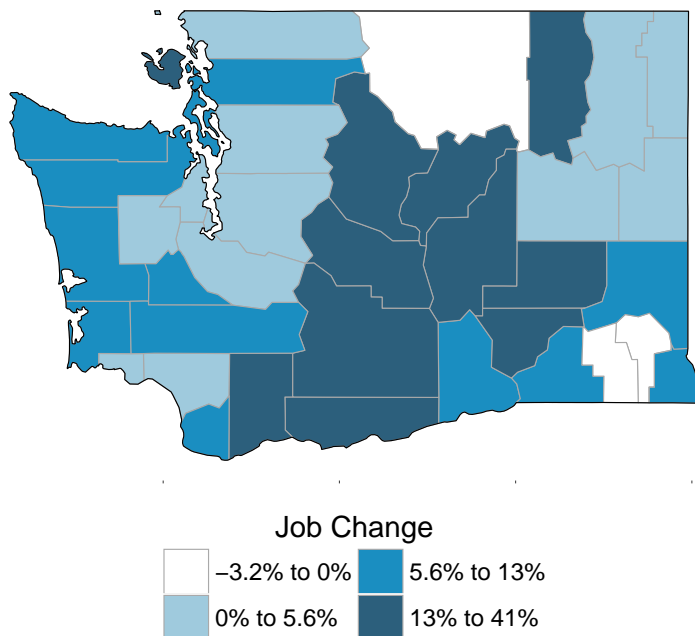


Table 3: Abbreviations and Resources

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>

