

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

WASHINGTON



574,455
99.5%

Small Businesses
of Washington Businesses

1.3 million
51.4%

Small Business Employees
of Washington Employees



EMPLOYMENT
42,672
net new jobs



DIVERSITY
92,772
minority-owned
businesses



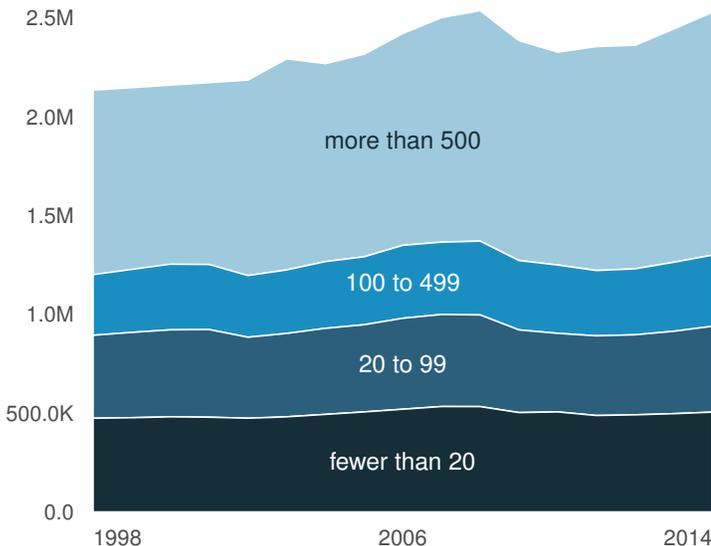
TRADE
89.7%
of Washington
exporters

OVERALL WASHINGTON ECONOMY

- In the second quarter of 2016, Washington grew at an annual rate of 2.3%, which was faster than the overall US growth rate of 1.2%. Washington's 2015 growth rate of 3.0% was up from the 2014 rate of 2.8%. (Source: BEA)
- In November 2016, the unemployment rate was 5.3%, down from 5.8% at the close of 2015. This was above the November 2016 national unemployment rate of 4.6%. (Source: CPS)

EMPLOYMENT

Figure 1: Washington Employment by Business Size (Employees)



- Washington small businesses employed 1.3 million people, or 51.4% of the private workforce, in 2014. (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)
- During the year ending November 2016, private-sector employment increased 4.1%. This was above the previous year's increase of 1.6%. (Source: CPS)
- The number of proprietors increased in 2015 by 3.1% relative to the previous year. (Source: BEA)
- Small businesses created 42,672 net jobs in 2014. Among the seven BDS size-classes, firms employing 20 to 49 employees experienced the largest gains, adding 8,330 net jobs. The smallest gains were in firms employing 250 to 499 employees, which added 2,548 net jobs. (Source: BDS)

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. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: FDIC)
- In 2014, 118,364 loans under \$100,000 (valued at \$1.5 billion) were issued by Washington lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$49,518 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$23,478. (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.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Washington Small Business Ownership, 2012

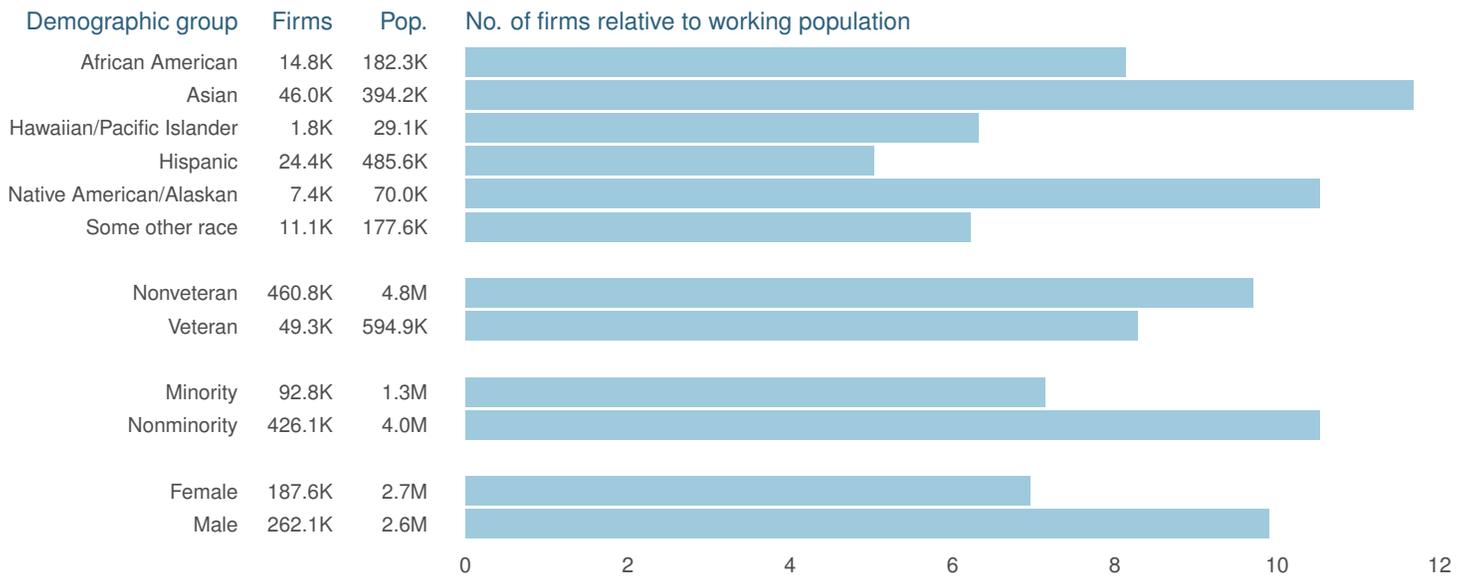
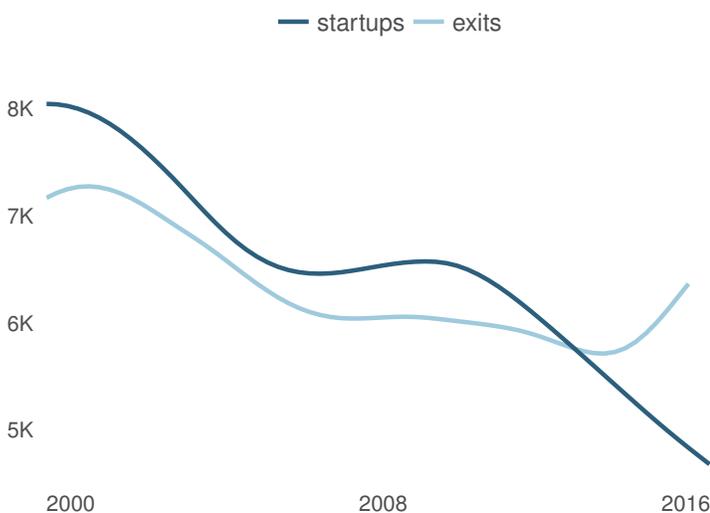


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 7 female-owned firms per 100 working age females or $187.6K \div 2.7M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: Washington Quarterly Startups and Exits



- In the second quarter of 2015, 4,966 establishments started up, generating 16,830 new jobs in Washington. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 6,747 establishments exited resulting in 16,740 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The 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.

INTERNATIONAL TRADE

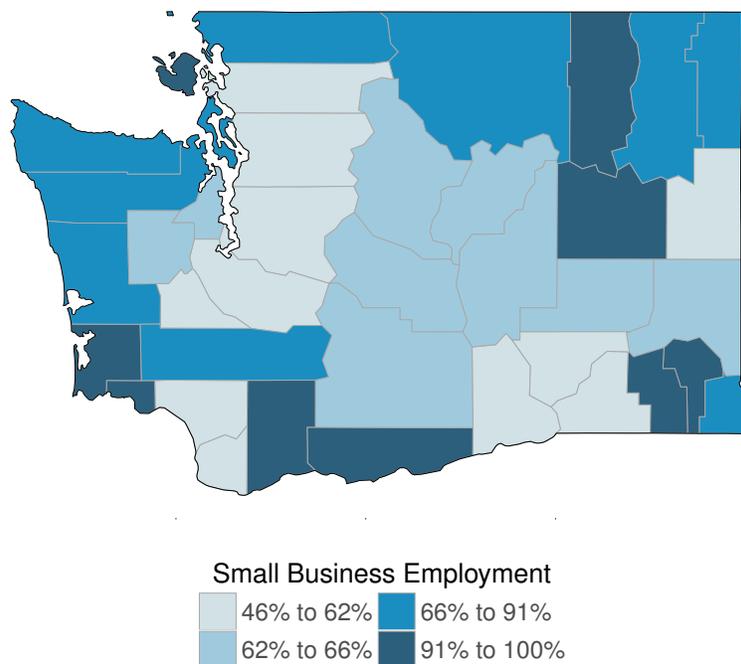
- A total of 12,656 companies exported goods from Washington in 2014. Among these, 11,352, or 89.7%, were small firms; they generated 20.3% of Washington's \$84.1 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Washington Employment by Industry, 2014

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	185,771	384,476	48%
Accommodation and Food Services	169,928	253,614	67%
Construction	127,869	149,268	86%
Retail Trade	124,607	322,099	39%
Professional, Scientific, and Technical Services	118,962	195,908	61%
Manufacturing	109,583	257,814	43%
Other Services (Except Public Administration)	95,773	110,459	87%
Wholesale Trade	76,727	126,931	60%
Administrative, Support, and Waste Management	68,591	143,193	48%
Arts, Entertainment, and Recreation	39,122	60,456	65%
Transportation and Warehousing	34,045	91,175	37%
Real Estate and Rental and Leasing	34,039	46,666	73%
Finance and Insurance	33,842	99,671	34%
Educational Services	32,589	54,666	60%
Information	24,896	125,983	20%
Agriculture, Forestry, and Fishing and Hunting	11,226	13,097	86%
Utilities	1,428	s	-
Mining, Quarrying, and Oil and Gas Extraction	1,052	2,505	42%
Total	1,299,824	2,528,874	51%

Figure 4: Washington Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: Washington Small Businesses by Industry and Firm Size, 2014



Industry



1-499 Employees



1-20 Employees



Nonemployer Firms



Total Small Firms

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	18,969	17,522	80,316	99,285
Other Services (Except Public Administration)	15,151	14,165	51,228	66,379
Real Estate and Rental and Leasing	7,750	7,356	53,463	61,213
Retail Trade	14,048	12,563	38,967	53,015
Construction	20,193	18,822	30,731	50,924
Health Care and Social Assistance	16,109	14,405	32,515	48,624
Administrative, Support, and Waste Management	7,975	7,223	28,340	36,315
Arts, Entertainment, and Recreation	2,598	2,163	28,659	31,257
Transportation and Warehousing	4,011	3,441	21,979	25,990
Accommodation and Food Services	12,919	10,569	5,565	18,484
Educational Services	2,474	2,054	15,393	17,867
Finance and Insurance	4,682	4,309	11,215	15,897
Manufacturing	6,212	4,843	8,967	15,179
Wholesale Trade	6,934	5,616	7,737	14,671
Information	1,941	1,592	7,271	9,212
Agriculture, Forestry, and Fishing and Hunting	1,391	1,272	7,719	9,110
Utilities	172	152	360	532
Mining, Quarrying, and Oil and Gas Extraction	121	103	245	366
Total	143,785	128,728	430,670	574,455

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. 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, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

