

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

WEST VIRGINIA



115,673
98.9%

Small Businesses
of West Virginia Businesses

288,211
50.1%

Small Business Employees
of West Virginia Employees



EMPLOYMENT
2,872
net jobs lost



DIVERSITY
5,769
minority-owned
businesses



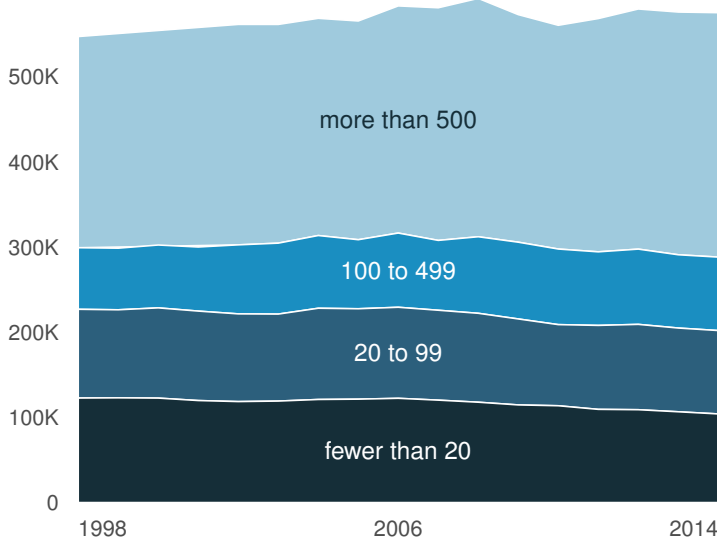
TRADE
76.0%
of West Virginia
exporters

OVERALL WEST VIRGINIA ECONOMY

- In the second quarter of 2016, West Virginia grew at an annual rate of **-0.8%**, which was slower than the overall US growth rate of **1.2%**. West Virginia's 2015 growth rate of **1.4%** was up from the 2014 rate of **1.0%**. (Source: [BEA](#))
- In November 2016, the unemployment rate was **6.0%**, down from **6.2%** at the close of 2015. This was above the November 2016 national unemployment rate of **4.6%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: West Virginia Employment by Business Size (Employees)



- West Virginia small businesses employed **288,211** people, or **50.1%** 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 **1.7%**. This was above the previous year's increase of **0.3%**. (Source: [CPS](#))
- The number of proprietors increased in 2015 by **2.3%** relative to the previous year. (Source: [BEA](#))
- Small businesses lost **2,872** net jobs in 2014. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding **978** net jobs. The largest losses were in firms employing 1 to 4 employees, which lost **1,635** 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, 16,152 loans under \$100,000 (valued at \$254.6 million) were issued by West Virginia lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was \$41,821 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$19,317. (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: West Virginia Small Business Ownership, 2012

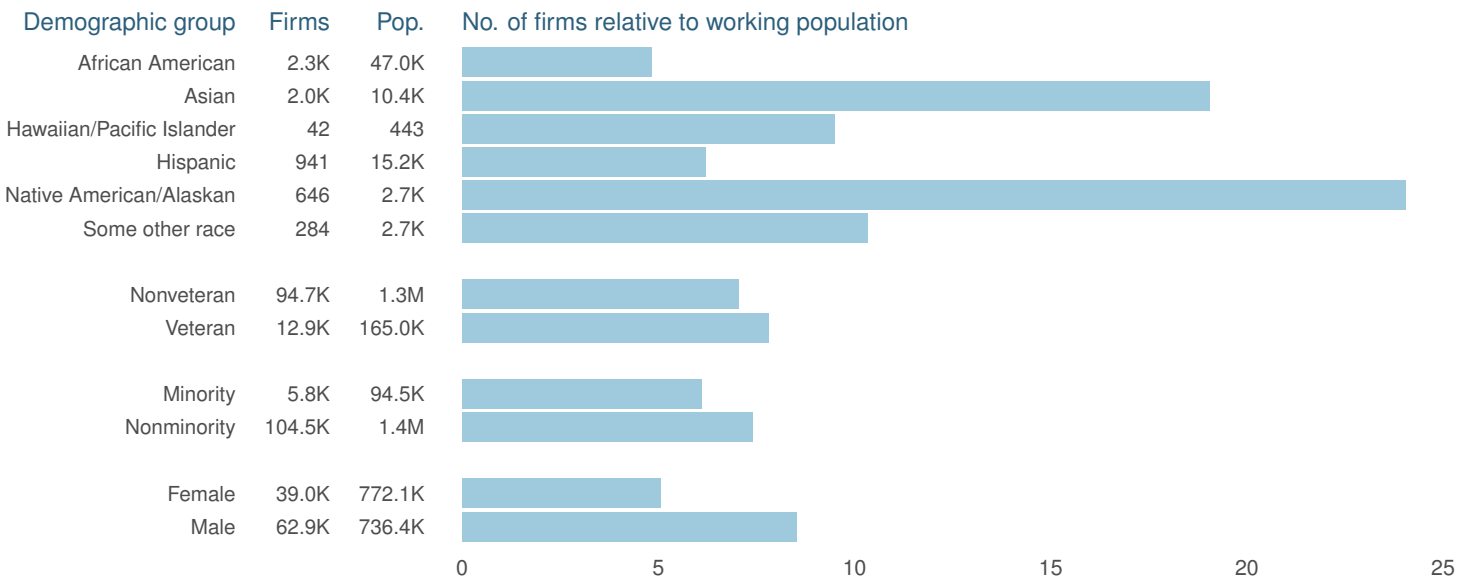
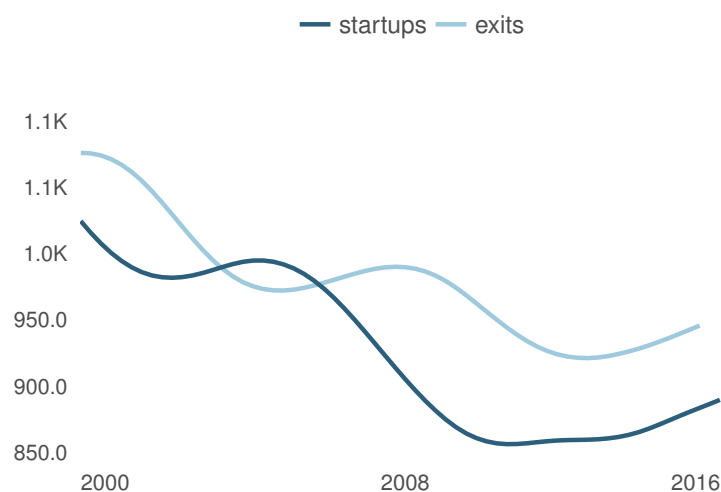


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 5 female-owned firms per 100 working age females or $39.0K \div 772.1K \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: West Virginia Quarterly Startups and Exits



- In the second quarter of 2015, 823 establishments started up, generating 3,400 new jobs in West Virginia. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, 951 establishments exited resulting in 3,372 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 1,098 companies exported goods from West Virginia in 2014. Among these, 834, or 76.0%, were small firms; they generated 46.1% of West Virginia's \$7.1 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: West Virginia Employment by Industry, 2014





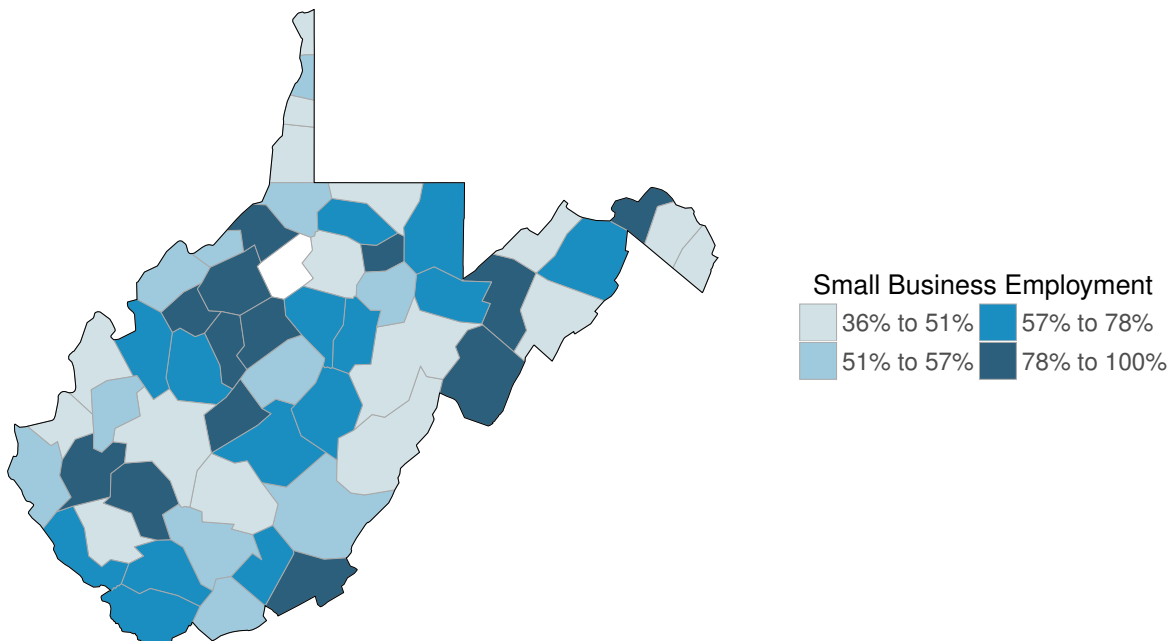
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	58,938	132,829	44%
Accommodation and Food Services	41,204	66,171	62%
Retail Trade	32,217	85,753	38%
Construction	22,766	25,234	90%
Other Services (Except Public Administration)	22,416	25,017	90%
Professional, Scientific, and Technical Services	19,415	26,406	74%
Manufacturing	19,266	49,589	39%
Administrative, Support, and Waste Management	14,203	32,084	44%
Wholesale Trade	11,534	21,045	55%
Finance and Insurance	9,309	18,006	52%
Mining, Quarrying, and Oil and Gas Extraction	8,703	29,194	30%
Transportation and Warehousing	7,026	14,135	50%
Arts, Entertainment, and Recreation	6,504	7,799	83%
Educational Services	4,331	10,148	43%
Real Estate and Rental and Leasing	4,189	6,403	65%
Information	2,759	10,468	26%
Utilities	980	6,271	16%
Agriculture, Forestry, and Fishing and Hunting	827	843	98%
Total	288,211	575,228	50%

Figure 4: West Virginia Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

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

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (Except Public Administration)	4,054	3,832	15,427	19,481
Retail Trade	3,295	2,872	10,346	13,641
Construction	3,162	2,909	9,050	12,212
Professional, Scientific, and Technical Services	2,493	2,229	9,413	11,906
Health Care and Social Assistance	3,183	2,604	7,267	10,450
Real Estate and Rental and Leasing	1,068	1,012	8,570	9,638
Administrative, Support, and Waste Management	1,149	996	7,239	8,388
Arts, Entertainment, and Recreation	670	589	4,212	4,882
Transportation and Warehousing	951	833	3,536	4,487
Accommodation and Food Services	2,533	1,954	1,306	3,839
Mining, Quarrying, and Oil and Gas Extraction	444	334	3,137	3,581
Finance and Insurance	1,030	908	2,138	3,168
Educational Services	242	190	2,524	2,766
Wholesale Trade	966	723	1,393	2,359
Manufacturing	980	699	1,271	2,251
Agriculture, Forestry, and Fishing and Hunting	247	242	1,219	1,466
Information	203	158	886	1,089
Utilities	45	34	110	155
Total	26,629	23,172	89,044	115,673

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

