

Hawaii

118,121 Small Businesses

24,003 Small Businesses with Employees

94,118 Small Businesses without Employees (Nonemployers)

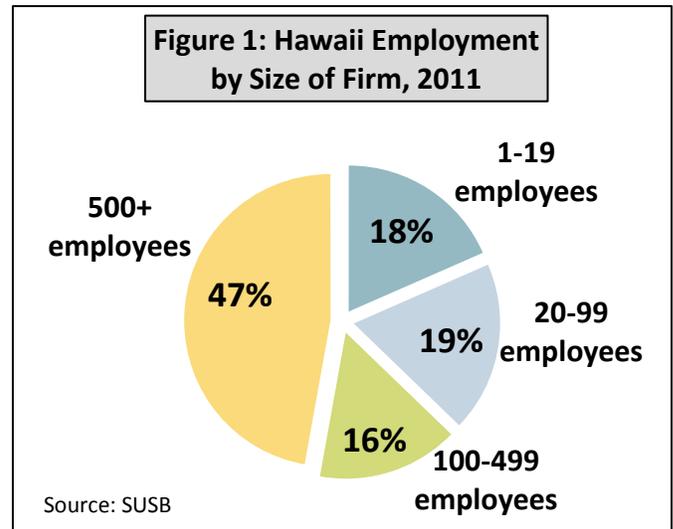
256,569 Workers Employed by Small Businesses

State Economy Overall

- Hawaii's economy grew at a slower rate than the United States in 2012. Hawaii's real gross state product increased by **1.6 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Hawaii has improved. The unemployment rate in Hawaii declined from **5.2 percent** in December 2012 to **4.5 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Hawaii's small businesses employed over half or **256,569** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **96.3 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: accommodation & food services, health care & social assistance, and retail trade (**Table 4**).
- In Hawaii, small businesses created **3,421** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **2.5 percent**, which was above the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **8.5 percent** in the 3rd quarter of 2013 and totaled **\$4.4 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **25,776** loans under \$100,000 (and valued at **\$320 million**) were issued by Community Reinvestment Act lending institutions in Hawaii. (Source: FFIEC)

Business Owner Demographics

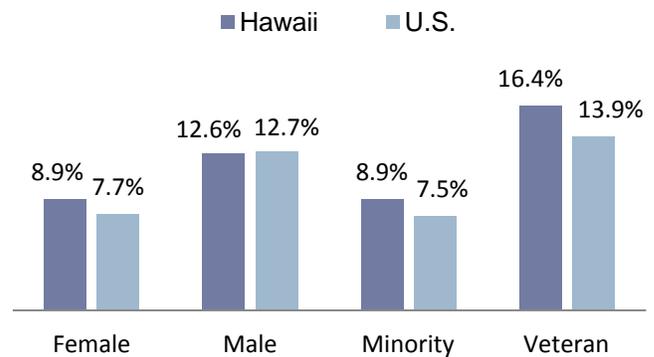
- In 2011, there were an estimated **37,000** woman-owned businesses and **68,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Hawaii Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	57,000	47.6
Woman Owned	37,000	31.0
Equally Male and Female Owned	20,000	17.2
Minority Owned	68,000	56.9
Veteran Owned	10,000	8.6

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/hi10.pdf.

Figure 2: Hawaii Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives Hawaii's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **1,221** establishments opened and **1,637** closed in the state of Hawaii. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Hawaii

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	2,456	42.3
2007	2,333	50.2
2010	1,837	69.7

Source: BLS, BED. *Data year ending in March.

- A total of **889** companies exported goods from the state in 2012. Of these, **763** or **85.8 percent** were small firms; they generated about half (**46.8 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Hawaii Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Other services (except public admin.)	3,025	2,773	14,862	17,887
Health care & social assistance	2,827	2,569	7,332	10,159
Professional, scientific, & tech. svcs.	2,818	2,570	13,875	16,693
Retail trade	2,718	2,409	8,827	11,545
Accommodation & food services	2,637	2,014	1,710	4,347
Construction	2,571	2,315	7,213	9,784
Real estate & rental & leasing	1,524	1,418	10,939	12,463
Admin., supp., waste mgt., remed. svcs.	1,439	1,206	7,935	9,374
Wholesale trade	1,363	1,127	2,549	3,912
Manufacturing	754	639	2,000	2,754
Finance & insurance	690	599	2,830	3,520
Transportation & warehousing	585	429	2,746	3,331
Educational services	445	334	2,285	2,730
Arts, entertainment, & recreation	433	327	5,904	6,337
Information	259	223	1,155	1,414
Management of comp. & enterprises	118	19	0	118
Unclassified	42	42	0	42
Forestry, etc. & agriculture support	33	30	1,856	1,889
Utilities	17	12	83	100
Mining	6	4	17	23
Total	24,003	21,014	94,118	118,121

Table 4: Employment in Hawaii by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Accommodation & food services	47,363	93,510	51
Health care & social assistance	32,573	65,145	50
Retail trade	25,996	66,913	39
Construction	22,093	25,234	88
Other services (except public admin.)	21,838	25,407	86
Admin., supp., waste mgt., remed. svcs.	19,634	45,688	43
Professional, scientific, & tech. svcs.	18,369	25,450	72
Wholesale trade	13,675	18,471	74
Transportation & warehousing	10,362	26,167	40
Manufacturing	8,786	12,118	73
Arts, entertainment, & recreation	8,505	10,256	83
Educational services	8,042	19,967	40
Real estate & rental & leasing	7,521	12,154	62
Finance & insurance	6,973	18,783	37
Information	2,128	8,184	26
Management of comp. & enterprises	1,916	8,467	23
Forestry, etc. & agriculture support	161	161	100
Unclassified	35	35	100
Mining	D	138	D
Utilities	D	3,300	D
Total	256,569	485,548	53

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

(D) Data suppressed to protect the confidentiality of individual firms.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .