

2018 SMALL BUSINESS PROFILE

VIRGINIA



723,962 Small Businesses
99.5% of Virginia Businesses

1.5 million Small Business Employees
47.0% of Virginia Employees



EMPLOYMENT
34,566
net new jobs



DIVERSITY
184,956
minority-owned
businesses



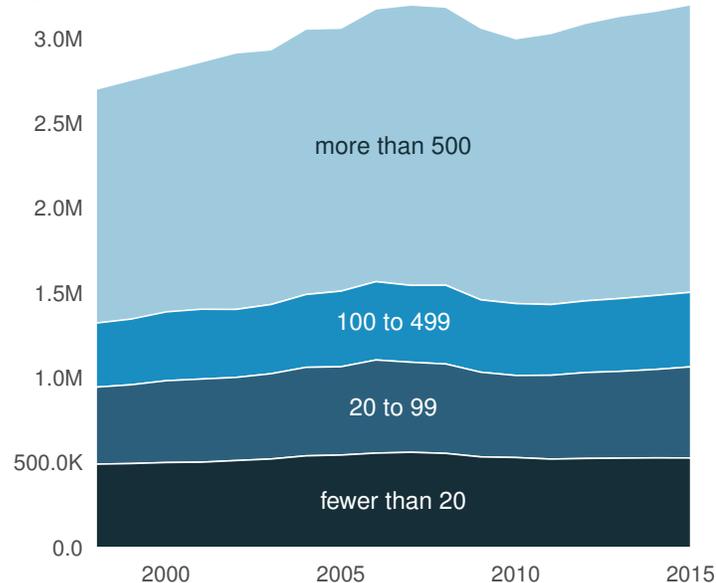
TRADE
6,131
small business
exporters

OVERALL VIRGINIA ECONOMY

- In the third quarter of 2017, Virginia grew at an annual rate of **2.3%**, which was slower than the overall US growth rate of **3.4%**. Virginia's 2016 growth rate of **0.5%** was down from the 2015 rate of **2.2%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **3.6%**, down from **4.0%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

Figure 1: Virginia Employment by Business Size (Employees)



- Virginia small businesses employed **1.5 million** people, or **47.0%** of the private workforce, in 2015. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **1.3%** during the 12-month period ending in January 2018. This was below the increase of **1.6%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.5%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **34,566** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **24,812** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **654** net jobs. (Source: [SUSB](#))

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 for this profile as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks decreased by 10 between June 2016 and June 2017 to 80 banks. (Source: FDIC)
- In 2016, 138,129 loans under \$100,000 (valued at \$2.0 billion) were issued by Virginia lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$51,492 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$22,481. (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.

EMPLOYER BUSINESS OWNER DEMOGRAPHICS

Figure 2: Virginia Employees per Business by Owner's Demographic, 2015

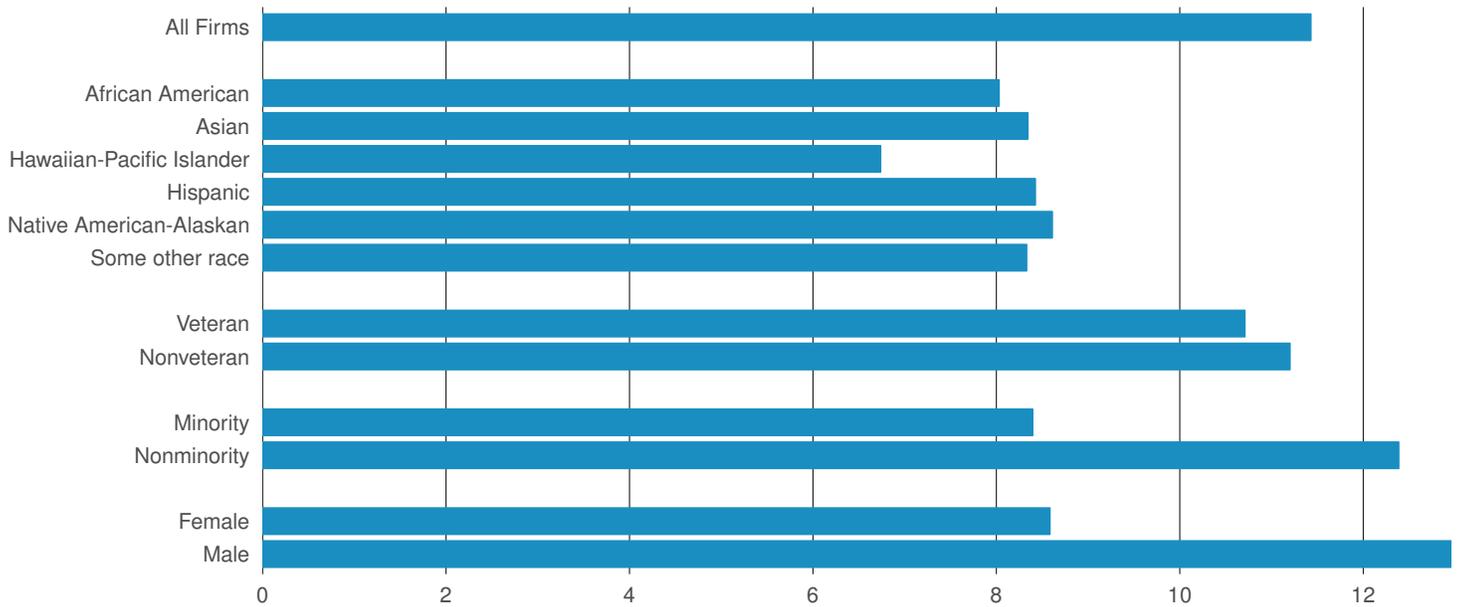
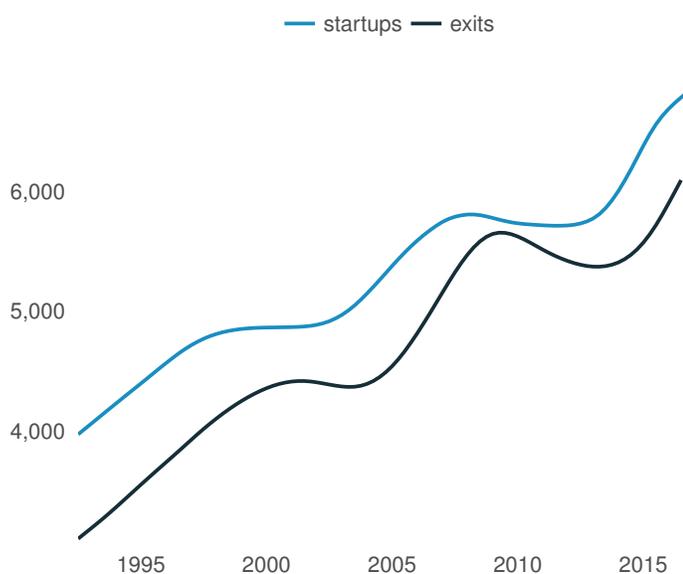


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE).

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Virginia Quarterly Startups and Exits



- In the third quarter of 2016, 4,980 establishments started up, generating 18,847 new jobs in Virginia. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 7,008 establishments exited resulting in 24,647 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 1992 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. 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. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

INTERNATIONAL TRADE

- A total of 7,247 companies exported goods from Virginia in 2015. Of these, 6,131, or 84.6%, were small firms; they generated 26.6% of Virginia's \$16.5 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Virginia Employment by Industry, 2015

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Professional, Scientific, and Technical Services	220,000	437,548	50.3
Health Care and Social Assistance	196,014	435,558	45.0
Accommodation and Food Services	191,179	340,122	56.2
Construction	143,866	172,653	83.3
Other Services (except Public Administration)	143,248	162,852	88.0
Retail Trade	132,423	423,864	31.2
Administrative, Support, and Waste Management	109,808	245,379	44.8
Manufacturing	82,737	236,645	35.0
Wholesale Trade	56,943	103,178	55.2
Finance and Insurance	41,948	157,892	26.6
Educational Services	41,670	79,198	52.6
Transportation and Warehousing	34,894	102,124	34.2
Real Estate and Rental and Leasing	32,585	53,455	61.0
Arts, Entertainment, and Recreation	31,654	58,065	54.5
Information	25,673	94,665	27.1
Management of Companies and Enterprises	9,749	67,733	14.4
Agriculture, Forestry, and Fishing and Hunting	3,470	4,169	83.2
Mining, Quarrying, and Oil and Gas Extraction	3,314	8,583	38.6
Utilities	2,092	14,470	14.5
Industries not classified	565	565	100.0
Total	1,503,832	3,198,718	47.0

Figure 4: Virginia Small Business Employment by County, 2015

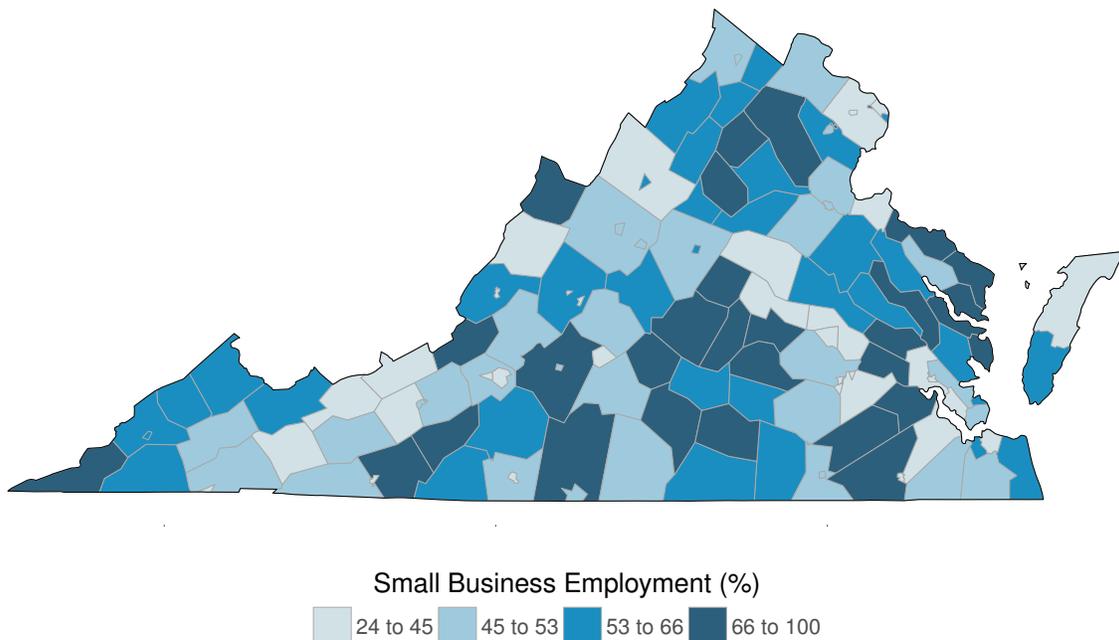


Table 2: Virginia Small Businesses by Industry and Firm Size, 2015

 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Professional, Scientific, and Technical Services	25,667	23,007	92,907	118,574
Other Services (except Public Administration)	19,868	18,313	83,299	103,167
Construction	18,901	17,216	59,612	78,513
Retail Trade	15,049	13,523	44,125	59,174
Health Care and Social Assistance	14,250	12,079	43,301	57,551
Accommodation and Food Services	12,481	9,668	8,290	20,771
Administrative, Support, and Waste Management	8,594	7,344	46,652	55,246
Real Estate and Rental and Leasing	6,413	5,985	65,460	71,873
Finance and Insurance	5,231	4,758	14,441	19,672
Wholesale Trade	4,972	3,954	7,325	12,297
Manufacturing	4,177	3,101	6,220	10,397
Transportation and Warehousing	3,858	3,324	38,375	42,233
Educational Services	2,687	2,172	20,958	23,645
Arts, Entertainment, and Recreation	2,619	2,206	32,115	34,734
Information	1,769	1,398	7,846	9,615
Agriculture, Forestry, and Fishing and Hunting	667	632	4,897	5,564
Mining, Quarrying, and Oil and Gas Extraction	161	105	187	348
Utilities	63	41	436	499
Total	147,516	129,345	576,446	723,962

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau