

Washington

549,391 Small Businesses

139,402 Small Businesses with Employees

409,989 Small Businesses without Employees (Nonemployers)

1,221,819 Workers Employed by Small Businesses

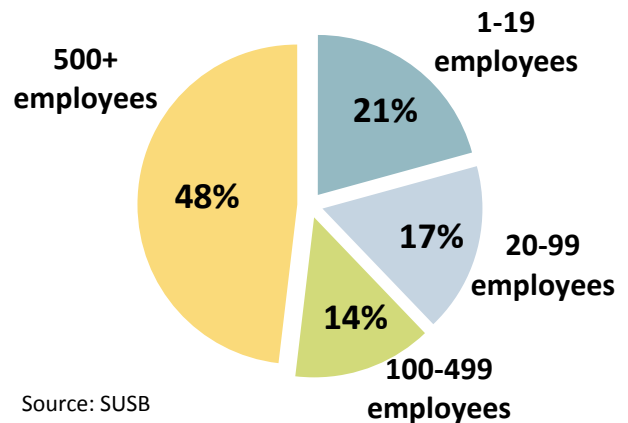
State Economy Overall

- Washington's economy grew at a faster rate than the United States in 2012. Washington's real gross state product increased by **3.6 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Washington has improved. The unemployment rate in Washington declined from **7.6 percent** in December 2012 to **6.6 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Washington's small businesses employed over half or **1.2 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **98.0 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: health care & social assistance, accommodation & food services, and retail trade (**Table 4**).
- In Washington, small businesses had a net loss of **8,699** jobs in 2011. The biggest loss 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 **2.7 percent**, which was above the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: Washington Employment by Size of Firm, 2011



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 **8.1 percent** in the 3rd quarter of 2013 and totaled **\$24.1 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, **123,048** loans under \$100,000 (and valued at **\$1.5 billion**) were issued by Community Reinvestment Act lending institutions in Washington. (Source: FFIEC)

Business Owner Demographics

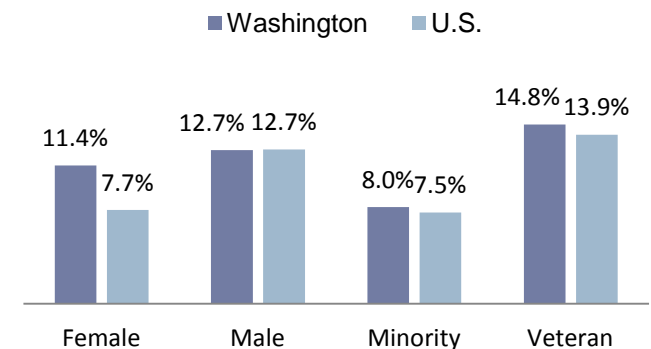
- In 2011, there were an estimated **158,000** woman-owned businesses and **72,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Washington Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	239,000	43.3
Woman Owned	158,000	28.7
Equally Male and Female Owned	134,000	24.3
Minority Owned	72,000	13.0
Veteran Owned	48,000	8.7

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/wa10.pdf.

Figure 2: Washington Self-Employment Demographics, 2012



Source: CPS

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

Business Turnover

- **Table 2** gives Washington's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **8,565** establishments opened and **8,919** closed in the state of Washington. (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 Washington

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	12,121	38.7
2007	14,824	42.8
2010	10,721	66.3

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

International Trade

- A total of **12,510** companies exported goods from the state in 2012. Of these, **11,262** or **90 percent** were small firms; they generated about a quarter (**23.8 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Washington 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
Construction	19,484	18,361	32,118	51,602
Professional, scientific, & tech. svcs.	18,281	16,979	76,116	94,397
Health care & social assistance	15,748	14,079	32,861	48,609
Other services (except public admin.)	14,846	13,896	50,500	65,346
Retail trade	13,930	12,470	36,630	50,560
Accommodation & food services	12,708	10,688	5,188	17,896
Admin., supp., waste mgt., remed. svcs.	7,580	6,886	27,646	35,226
Real estate & rental & leasing	7,101	6,738	50,247	57,348
Wholesale trade	6,950	5,660	7,778	14,728
Manufacturing	6,212	4,924	8,399	14,611
Finance & insurance	4,629	4,236	11,538	16,167
Transportation & warehousing	3,857	3,302	16,992	20,849
Arts, entertainment, & recreation	2,499	2,089	25,953	28,452
Educational services	2,230	1,854	12,720	14,950
Information	1,763	1,450	6,798	8,561
Forestry, etc. & agriculture support	1,328	1,231	7,951	9,279
Management of comp. & enterprises	465	118	0	465
Unclassified	387	386	0	387
Utilities	179	159	319	498
Mining	127	106	235	362
Total	139,402	125,480	409,989	549,391

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

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	183,358	370,319	50
Accommodation & food services	152,201	225,621	67
Retail trade	122,149	305,352	40
Professional, scientific, & tech. svcs.	112,425	166,080	68
Construction	110,725	126,386	88
Manufacturing	103,215	226,738	46
Other services (except public admin.)	92,252	107,306	86
Wholesale trade	72,551	120,694	60
Admin., supp., waste mgt., remed. svcs.	62,843	145,105	43
Arts, entertainment, & recreation	37,017	59,240	62
Finance & insurance	35,057	94,607	37
Transportation & warehousing	32,792	83,641	39
Real estate & rental & leasing	32,325	44,540	73
Educational services	29,529	50,548	58
Information	22,411	115,126	19
Forestry, etc. & agriculture support	9,675	11,649	83
Management of comp. & enterprises	7,852	89,996	9
Mining	1,524	2,839	54
Utilities	1,510	D	D
Unclassified	D	D	D
Total	1,221,819	2,355,123	52

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 .