

# SMALL BUSINESS PROFILE

## HAWAII




**122,566**  
**96.2%** Small Businesses  
of Hawaii Businesses

**263,364**  
**52.4%** Small Business Employees  
of Hawaii Employees



**EMPLOYMENT**  
**5,652**  
net new jobs<sup>1</sup>



**DIVERSITY**  
**8.3%**  
increase in minority  
ownership<sup>2</sup>



**TRADE**  
**87.1%**  
of Hawaii exporters<sup>3</sup>

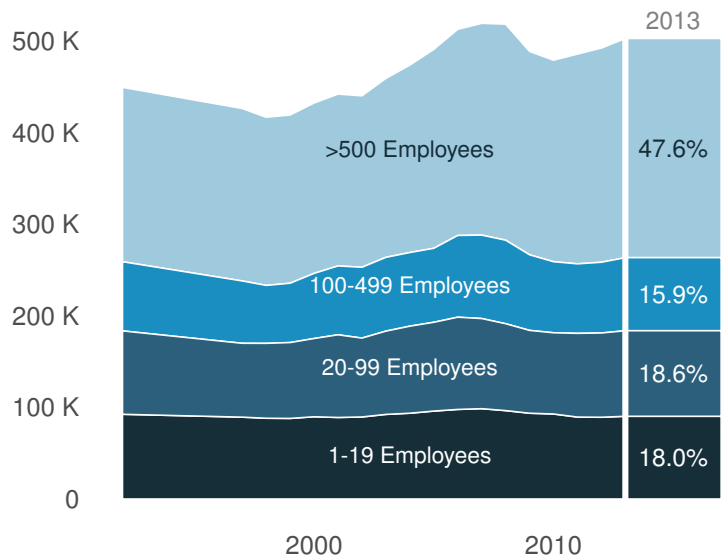
### OVERALL HAWAII ECONOMY

- In the third quarter of 2015, Hawaii grew at an annual rate of **3.8%** which was faster than the overall US growth rate of **1.9%**. By comparison, Hawaii's 2014 growth of **2.7%** was up from the 2013 level of **2.6%**. (Source: BEA)
- The employment situation in Hawaii improved. At the close of 2015, unemployment was **3.3%**, down from **4.1%** at the close of 2014. This was below the national unemployment rate of **5.0%**. (Source: CPS)

### EMPLOYMENT

- Hawaii small businesses employed **263,364** people, or **52.4%** of the private workforce, in 2013. (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)
- Private-sector employment increased **3.0%** in 2015. This was above the previous year's increase of **0.4%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.5%** relative to the previous year. (Source: BEA)
- Small businesses created **5,652** net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding **1,372** net jobs. The smallest gains were in firms employing 100 to 249 employees which added **254** net jobs. (Source: BDS)

Figure 1: Hawaii Employment by Firm Size



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.** Hyperlinks to data sources and report generation information are provided in Table 3.

<sup>1,3</sup> Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

<sup>2</sup> Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 23,079 loans under \$100,000 (and valued at \$330.3 million) were issued by Hawaii lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income<sup>4</sup> for individuals who were self-employed at their own incorporated businesses was \$45,721 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$24,072. (Source: ACS)

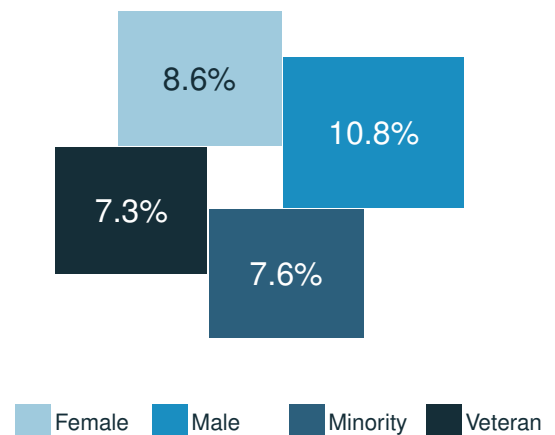
<sup>4</sup> Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## BUSINESS OWNER DEMOGRAPHICS

Figure 2: Hawaii Changes in Business Ownership by Demographic Group

African American-owned	●	36.8%
Asian-owned	●	7.2%
Hawaiian/Pacific Islander-owned	●	27.5%
Hispanic-owned	●	26.7%
Native American/Alaskan-owned	○	-3.3%
Minority-owned	●	8.3%
Nonminority-owned	○	-7.4%

Figure 3: Hawaii Self-Employment within Demographic Group

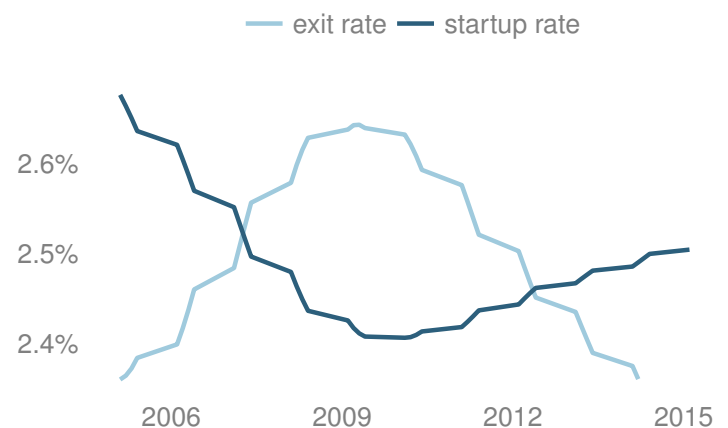


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Hawaii, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

## BUSINESS TURNOVER

- In the second quarter of 2014, 781 establishments started up<sup>5</sup> in Hawaii and 782 exited.<sup>6</sup> Startups generated 2,535 new jobs while exits caused 2,928 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Hawaii Private Startup and Exit Rates



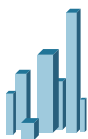




<sup>5</sup> **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

<sup>6</sup> **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 862 companies exported goods from Hawaii in 2013. Among these, 751, or 87.1%, were small firms; they generated 59.4% of Hawaii's total known export value. (Source: ITA)

## SMALL BUSINESSES BY INDUSTRY

Table 1: Hawaii Small Firms by Industry, 2013  
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	3,043	2,791	15,630	18,673
Health Care and Social Assistance	2,828	2,567	7,720	10,548
Professional, Scientific, and Technical Services	2,777	2,543	14,342	17,119
Accommodation and Food Services	2,712	2,049	1,789	4,501
Retail Trade	2,699	2,400	9,812	12,511
Construction	2,609	2,340	7,303	9,912
Real Estate and Rental and Leasing	1,529	1,424	11,196	12,725
Administrative, Support, and Waste Management	1,456	1,213	8,288	9,744
Wholesale Trade	1,342	1,113	2,644	3,986
Manufacturing	722	605	2,199	2,921
Finance and Insurance	667	574	2,691	3,358
Transportation and Warehousing	612	449	3,022	3,634
Arts, Entertainment, and Recreation	465	347	6,083	6,548
Educational Services	461	355	2,437	2,898
Information	251	212	1,130	1,381
Agriculture, Forestry, Fishing and Hunting	33	31	2,021	2,054
Utilities	18	13	171	189
Mining, Quarrying, and Oil and Gas Extraction	6	5	12	18
<b>Total</b>	<b>24,230</b>	<b>21,031</b>	<b>98,490</b>	<b>122,720</b>

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Hawaii Employment by Industry and Firm Size, 2013  
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	49,407	101,216	48.8%
Health Care and Social Assistance	33,526	67,974	49.3%
Retail Trade	26,520	70,051	37.9%
Construction	23,311	27,075	86.1%
Other Services (except Public Administration)	21,686	25,080	86.5%
Administrative, Support, and Waste Management	21,455	50,261	42.7%
Professional, Scientific, and Technical Services	16,761	22,384	74.9%
Wholesale Trade	13,668	18,852	72.5%
Transportation and Warehousing	11,136	27,868	40.0%
Arts, Entertainment, and Recreation	9,119	11,116	82.0%
Manufacturing	8,873	12,172	72.9%
Educational Services	8,318	17,981	46.3%
Real Estate and Rental and Leasing	7,631	12,181	62.6%
Finance and Insurance	7,229	20,125	35.9%
Information	2,179	8,244	26.4%
Utilities	559	3,656	15.3%
Agriculture, Forestry, Fishing and Hunting	138	138	100.0%
Mining, Quarrying, and Oil and Gas Extraction	s	101	-
<b>Total</b>	<b>261,516</b>	<b>496,475</b>	<b>52.7%</b>

Figure 5: Hawaii County-Level Job Changes, 2015 (CEW)

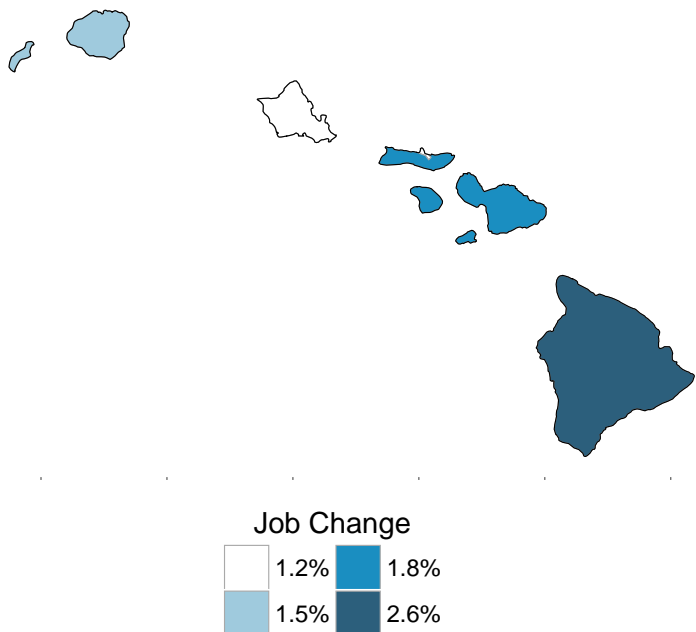


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US 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, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

