

2018 SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

WEST VIRGINIA



114,391 Small Businesses
98.9% of West Virginia Businesses

280,213 Small Business Employees
49.6% of West Virginia Employees

EMPLOYMENT
2,774
net jobs lost

DIVERSITY
5,769
minority-owned
businesses

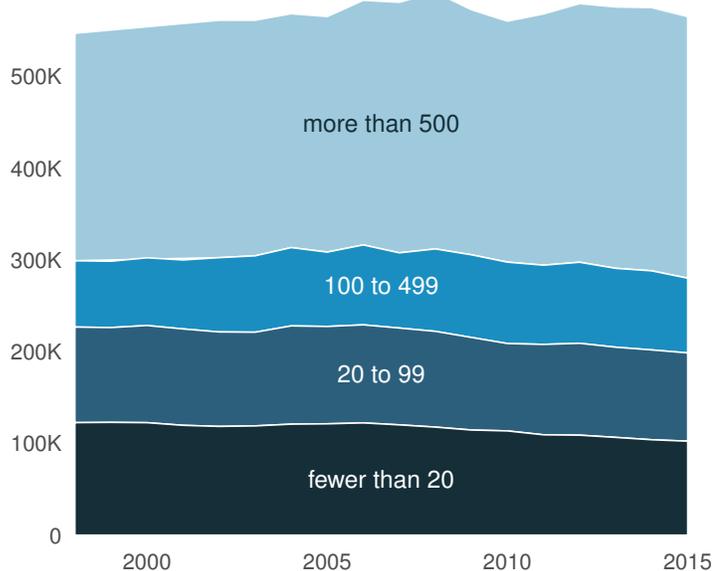
TRADE
826
small business
exporters

OVERALL WEST VIRGINIA ECONOMY

- In the third quarter of 2017, West Virginia grew at an annual rate of **2.9%**, which was slower than the overall US growth rate of **3.4%**. West Virginia's 2016 growth rate of **-1.1%** was down from the 2015 rate of **0.7%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **5.4%**, up from **5.3%** in January 2017. This was above the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

EMPLOYMENT

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



- West Virginia small businesses employed **280,213** people, or **49.6%** 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 **0.6%** during the 12-month period ending in January 2018. This was below the increase of **0.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **1.8%** relative to the previous year. (Source: [BEA](#))
- Small businesses lost **2,774** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **418** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **1,976** 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 2 between June 2016 and June 2017 to 57 banks. (Source: FDIC)
- In 2016, 16,528 loans under \$100,000 (valued at \$263.7 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 \$42,418 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$19,962. (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: West Virginia Employees per Business by Owner's Demographic, 2015

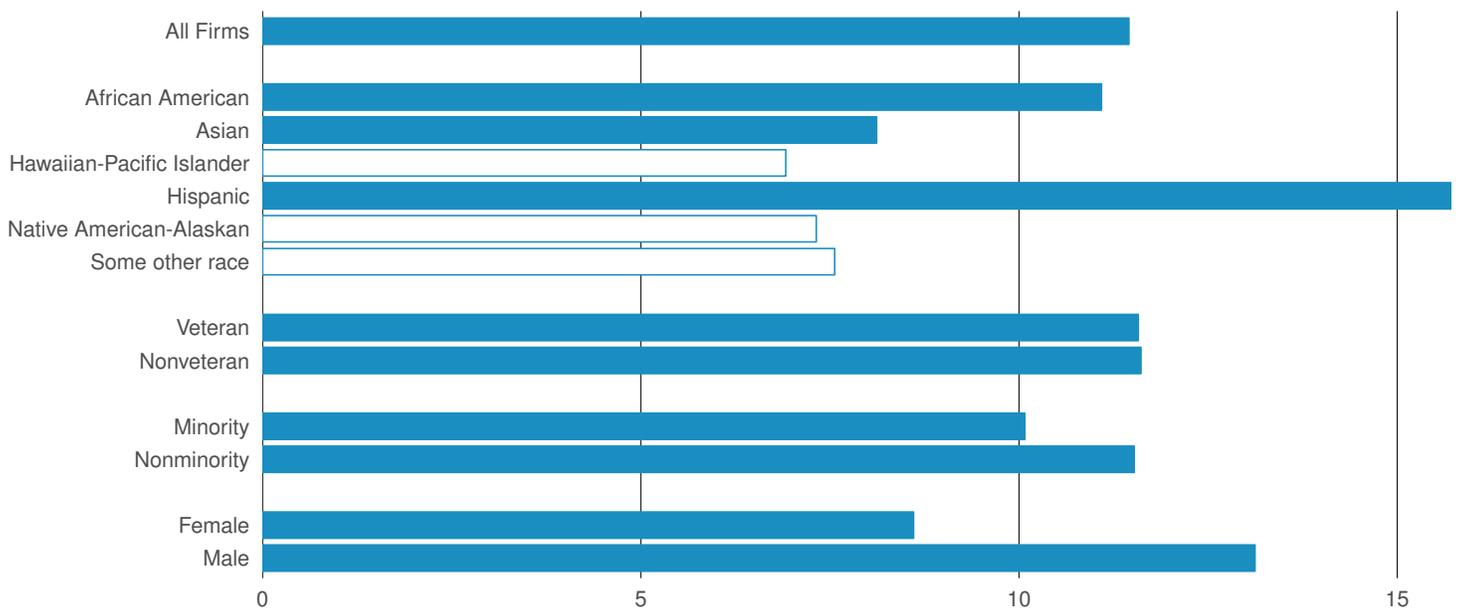
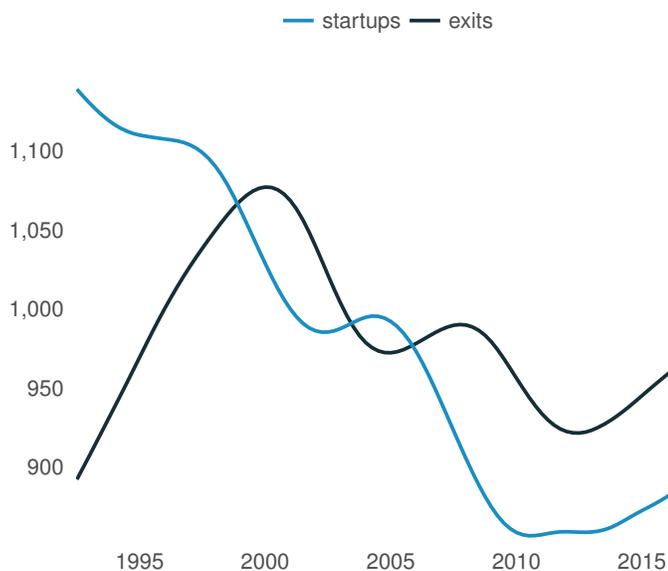


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: West Virginia Quarterly Startups and Exits



- In the third quarter of 2016, 888 establishments started up, generating 3,788 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, 1,020 establishments exited resulting in 3,783 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 1,086 companies exported goods from West Virginia in 2015. Of these, 826, or 76.1%, were small firms; they generated 25.4% of West Virginia's \$5.5 billion in total exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: West Virginia Employment by Industry, 2015

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	56,836	130,862	43.4
Accommodation and Food Services	40,692	67,254	60.5
Retail Trade	32,271	85,720	37.6
Other Services (except Public Administration)	21,622	24,306	89.0
Construction	21,528	24,183	89.0
Professional, Scientific, and Technical Services	19,035	26,802	71.0
Manufacturing	18,712	48,347	38.7
Administrative, Support, and Waste Management	14,925	32,234	46.3
Wholesale Trade	11,391	22,128	51.5
Finance and Insurance	9,269	17,458	53.1
Transportation and Warehousing	7,045	14,144	49.8
Arts, Entertainment, and Recreation	6,422	7,406	86.7
Mining, Quarrying, and Oil and Gas Extraction	6,034	25,252	23.9
Educational Services	4,333	10,010	43.3
Real Estate and Rental and Leasing	4,133	5,894	70.1
Information	2,625	10,517	25.0
Management of Companies and Enterprises	1,467	5,482	26.8
Agriculture, Forestry, and Fishing and Hunting	921	934	98.6
Utilities	844	6,394	13.2
Industries not classified	108	108	100.0
Total	280,213	565,435	49.6

Figure 4: West Virginia Small Business Employment by County, 2015

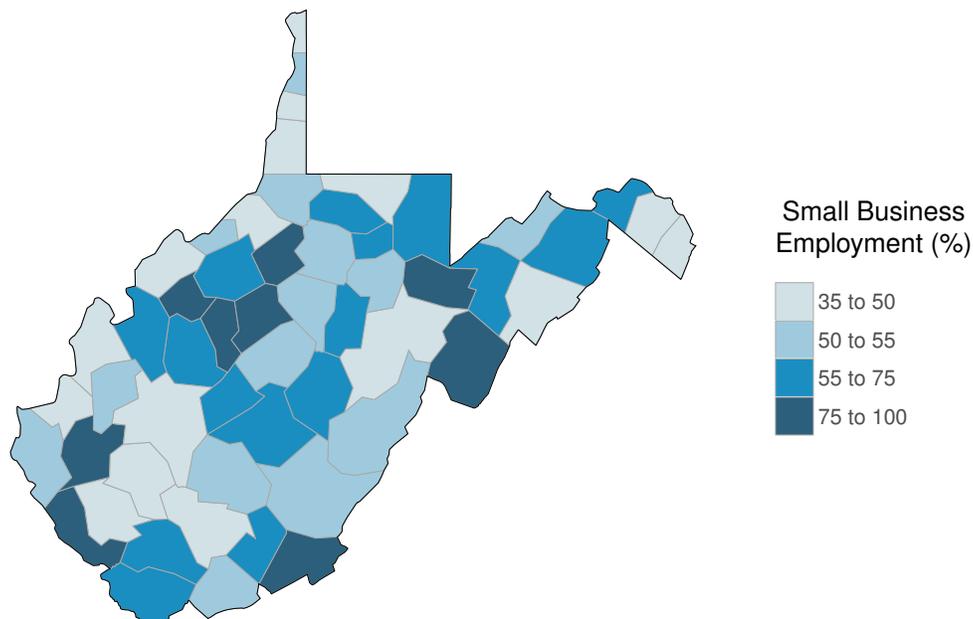


Table 2: West Virginia Small Businesses by Industry and Firm Size, 2015

 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Other Services (except Public Administration)	4,009	3,810	15,303	19,312
Retail Trade	3,245	2,825	10,272	13,517
Health Care and Social Assistance	3,098	2,523	7,078	10,176
Construction	3,090	2,864	9,078	12,168
Accommodation and Food Services	2,504	1,929	1,302	3,806
Professional, Scientific, and Technical Services	2,462	2,190	9,455	11,917
Administrative, Support, and Waste Management	1,168	1,009	7,040	8,208
Real Estate and Rental and Leasing	1,062	1,005	8,674	9,736
Finance and Insurance	1,023	901	2,138	3,161
Manufacturing	968	684	1,248	2,216
Transportation and Warehousing	933	813	3,547	4,480
Wholesale Trade	927	684	1,363	2,290
Arts, Entertainment, and Recreation	660	579	4,323	4,983
Mining, Quarrying, and Oil and Gas Extraction	421	333	2,562	2,983
Agriculture, Forestry, and Fishing and Hunting	271	268	1,250	1,521
Educational Services	244	190	2,523	2,767
Information	197	157	875	1,072
Utilities	42	33	105	147
Total	26,255	22,858	88,136	114,391

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