

# 2018 SMALL BUSINESS PROFILE

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### HAWAII



**128,863** Small Businesses  
**99.3%** of Hawaii Businesses

**271,340** Small Business Employees  
**51.8%** of Hawaii Employees

**EMPLOYMENT**  
**3,718**  
net new jobs

**DIVERSITY**  
**74,187**  
minority-owned  
businesses

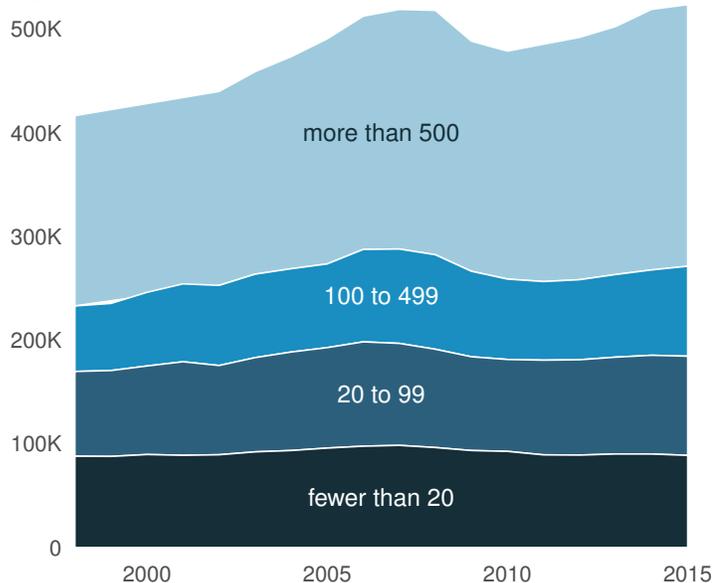
**TRADE**  
**720**  
small business  
exporters

### OVERALL HAWAII ECONOMY

- In the third quarter of 2017, Hawaii grew at an annual rate of **1.3%**, which was slower than the overall US growth rate of **3.4%**. Hawaii's 2016 growth rate of **1.9%** was down from the 2015 rate of **3.2%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **2.1%**, down from **2.7%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

### EMPLOYMENT

Figure 1: Hawaii Employment by Business Size (Employees)



- Hawaii small businesses employed **271,340** people, or **51.8%** 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 decreased **0.2%** during the 12-month period ending in January 2018. This was below the increase of **1.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.7%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **3,718** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **2,303** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **271** 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 was unchanged at 8 between June 2016 and June 2017. (Source: FDIC)
- In 2016, 28,338 loans under \$100,000 (valued at \$455.2 million) were issued by Hawaii lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$49,619 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$25,065. (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: Hawaii Employees per Business by Owner's Demographic, 2015

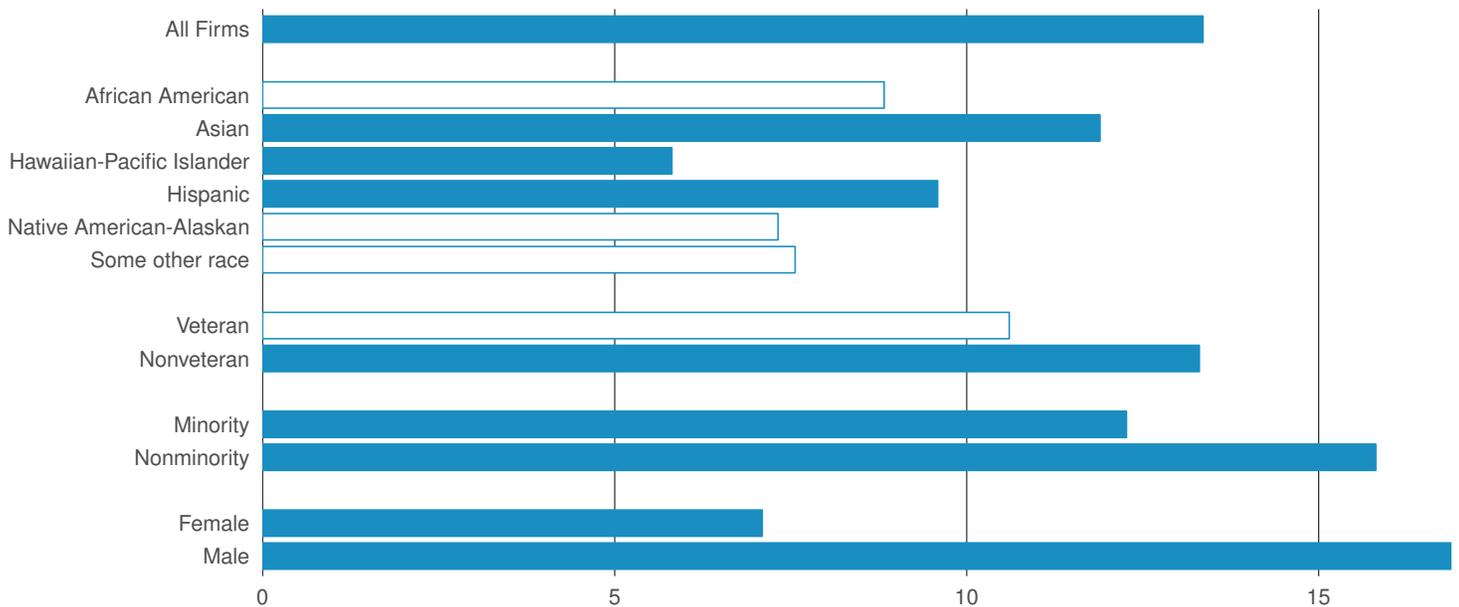
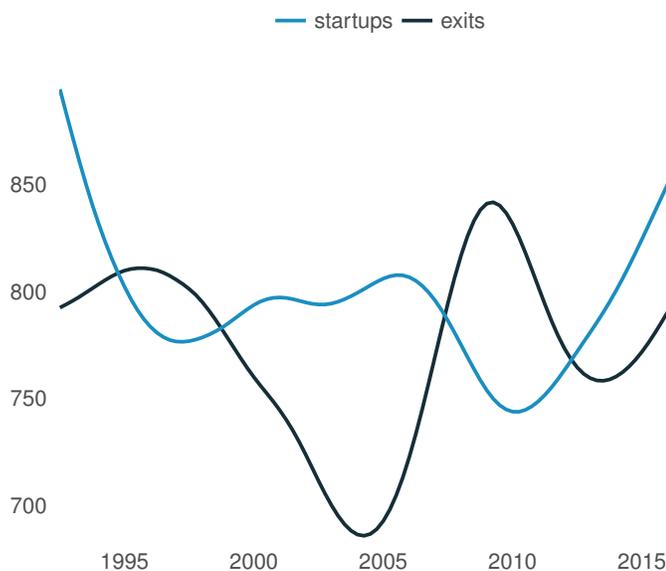


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding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

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Hawaii Quarterly Startups and Exits



- In the third quarter of 2016, 830 establishments started up, generating 4,310 new jobs in Hawaii. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 783 establishments exited resulting in 2,517 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 847 companies exported goods from Hawaii in 2015. Of these, 720, or 85.0%, were small firms; they generated 69.4% of Hawaii's \$598.0 million in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Hawaii Employment by Industry, 2015

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Accommodation and Food Services	53,506	104,743	51.1
Health Care and Social Assistance	33,485	69,873	47.9
Retail Trade	26,906	71,688	37.5
Construction	25,095	29,518	85.0
Other Services (except Public Administration)	22,087	25,471	86.7
Administrative, Support, and Waste Management	21,256	60,148	35.3
Professional, Scientific, and Technical Services	16,827	22,734	74.0
Wholesale Trade	13,466	18,856	71.4
Transportation and Warehousing	11,123	29,911	37.2
Manufacturing	9,777	12,449	78.5
Arts, Entertainment, and Recreation	9,213	11,289	81.6
Educational Services	8,921	16,832	53.0
Real Estate and Rental and Leasing	7,825	12,735	61.4
Finance and Insurance	7,079	18,975	37.3
Information	2,021	8,116	24.9
Management of Companies and Enterprises	1,805	6,258	28.8
Utilities	555	3,688	15.0
Mining, Quarrying, and Oil and Gas Extraction	167	167	100.0
Agriculture, Forestry, and Fishing and Hunting	165	165	100.0
Industries not classified	61	61	100.0
<b>Total</b>	<b>271,340</b>	<b>523,677</b>	<b>51.8</b>

Figure 4: Hawaii Small Business Employment by County, 2015



Table 2: Hawaii 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)	3,065	2,812	16,284	19,349
Health Care and Social Assistance	2,853	2,577	7,886	10,739
Professional, Scientific, and Technical Services	2,818	2,579	15,327	18,145
Accommodation and Food Services	2,785	2,072	2,053	4,838
Construction	2,695	2,392	7,815	10,510
Retail Trade	2,558	2,250	10,059	12,617
Real Estate and Rental and Leasing	1,520	1,421	12,091	13,611
Administrative, Support, and Waste Management	1,490	1,249	8,697	10,187
Wholesale Trade	1,274	1,055	2,641	3,915
Manufacturing	719	593	2,228	2,947
Finance and Insurance	652	566	2,884	3,536
Transportation and Warehousing	633	468	4,064	4,697
Arts, Entertainment, and Recreation	457	344	6,531	6,988
Educational Services	453	343	2,791	3,244
Information	250	214	1,161	1,411
Agriculture, Forestry, and Fishing and Hunting	33	29	1,983	2,016
Utilities	18	12	202	220
Mining, Quarrying, and Oil and Gas Extraction	8	5	10	18
<b>Total</b>	<b>24,156</b>	<b>21,008</b>	<b>104,707</b>	<b>128,863</b>

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES). Data for counties shown in white in Figure 4 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses.

**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