

2019 Small Business Profile

Hawaii



132,640 Small Businesses
99.3% of Hawaii Businesses

275,115 Small Business Employees
52.1% of Hawaii Employees



EMPLOYMENT
6,560
net new jobs



DIVERSITY
122,872
minority-owned
business employees



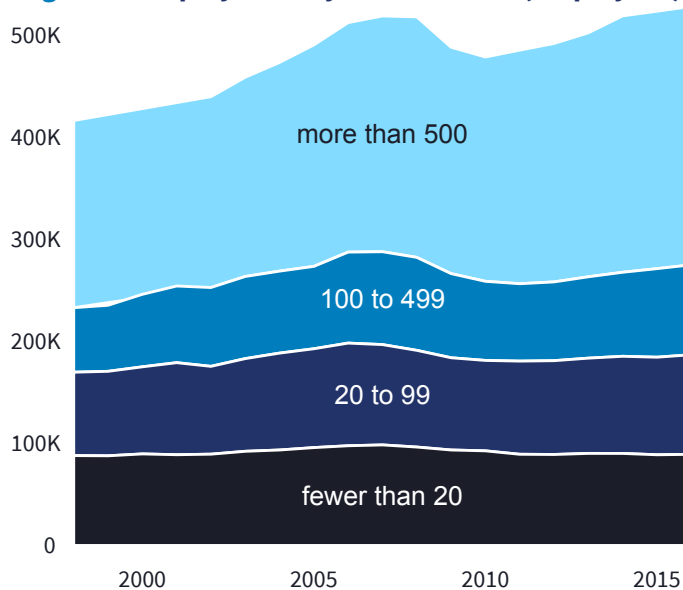
TRADE
679
small business
exporters

Overall Hawaii Economy

- In the third quarter of 2018, Hawaii grew at an annual rate of **2.0%**, which was slower than the overall US growth rate of **3.4%**. Hawaii's 2017 growth rate of **1.2%** was down from the 2016 rate of **2.0%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **2.7%**, up from **2.3%** in February 2018. This was below the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Hawaii small businesses employed **275,115** people, or **52.1%** of the private workforce, in 2016. (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 **1.2%** during the 12-month period ending in February 2019. This was below the decrease of **0.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.9%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **6,560** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **4,398** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **469** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). 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, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 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 2017, **27,691** loans under \$100,000 (valued at **\$428.2 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 **\$54,510** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$30,347**. (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, 2016

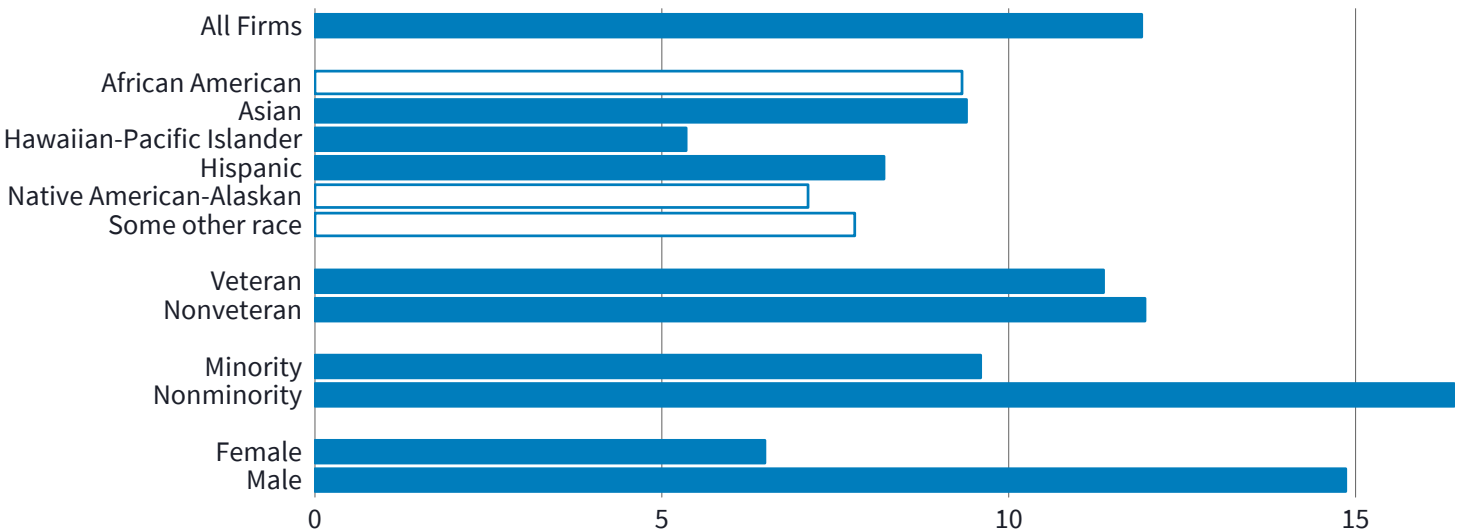
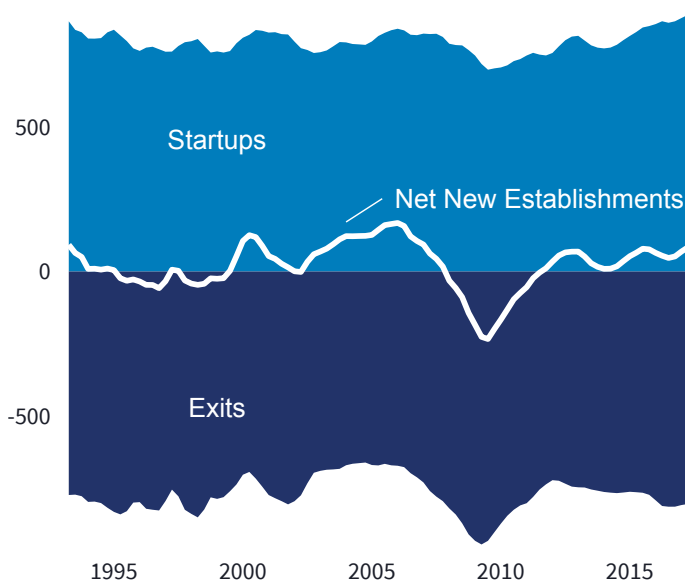


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

Turnover among Establishments with Employees

Figure 3: Hawaii Quarterly Startups and Exits



- In the third quarter of 2017, **908** establishments started up, generating **5,351** 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, **820** establishments exited resulting in **2,566** 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 1993 to 2017. 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 781 companies exported goods from Hawaii in 2016. Of these, 679, or 86.9%, were small firms; they generated 63.6% of Hawaii's \$440.0 million in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Hawaii Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	54,111	107,940	50.1
Health Care and Social Assistance	33,735	71,052	47.5
Construction	27,904	33,488	83.3
Retail Trade	26,413	70,647	37.4
Administrative, Support, and Waste Management	21,733	55,128	39.4
Other Services (except Public Administration)	21,419	25,580	83.7
Professional, Scientific, and Technical Services	16,532	22,782	72.6
Wholesale Trade	13,593	19,345	70.3
Transportation and Warehousing	11,544	30,155	38.3
Manufacturing	10,048	13,040	77.1
Arts, Entertainment, and Recreation	9,215	11,380	81.0
Educational Services	8,700	18,190	47.8
Real Estate and Rental and Leasing	8,181	11,945	68.5
Finance and Insurance	7,049	19,060	37.0
Information	2,059	8,202	25.1
Management of Companies and Enterprises	1,871	6,395	29.3
Utilities	586	3,664	16.0
Mining, Quarrying, and Oil and Gas Extraction	176	176	100.0
Agriculture, Forestry, and Fishing and Hunting	151	151	100.0
Industries not classified	95	95	100.0
Total	275,115	528,415	52.1

Figure 4: Hawaii Self-Employment Rates by County, 2017

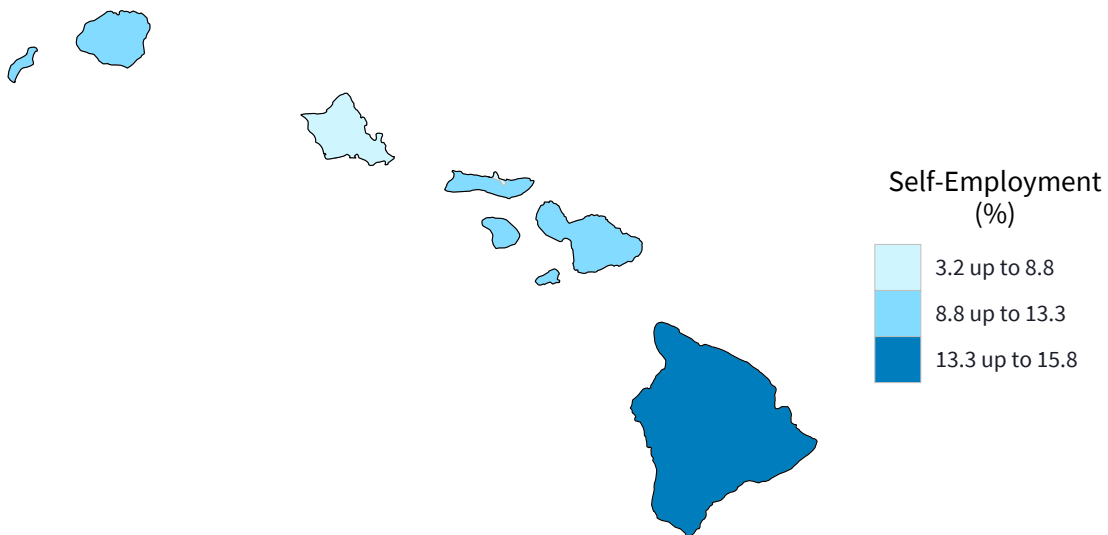


Table 2: Hawaii Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	3,061	2,815	16,605	19,666
Professional, Scientific, and Technical Services	2,783	2,541	15,516	18,299
Real Estate and Rental and Leasing	1,544	1,441	12,490	14,034
Retail Trade	2,533	2,228	10,450	12,983
Health Care and Social Assistance	2,820	2,541	8,059	10,879
Construction	2,785	2,441	7,865	10,650
Administrative, Support, and Waste Management	1,496	1,245	8,994	10,490
Arts, Entertainment, and Recreation	469	358	6,639	7,108
Transportation and Warehousing	648	476	5,678	6,326
Accommodation and Food Services	2,894	2,149	2,217	5,111
Wholesale Trade	1,256	1,039	2,585	3,841
Finance and Insurance	645	562	2,872	3,517
Educational Services	470	366	2,885	3,355
Manufacturing	729	599	2,195	2,924
Agriculture, Forestry, and Fishing and Hunting	33	30	1,894	1,927
Information	252	212	1,159	1,411
Utilities	19	13	193	212
Mining, Quarrying, and Oil and Gas Extraction	7	4	12	19
Total	24,332	21,099	108,308	132,640

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS).

References

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS American Community Survey, US Census Bureau
- 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
- SUSB Statistics of US Businesses, US Census Bureau