

2019 Small Business Profile

Washington

608,956 Small Businesses
99.5% of Washington Businesses

1.4 million Small Business Employees
51.4% of Washington Employees



EMPLOYMENT
62,697
net new jobs



DIVERSITY
197,023
minority-owned
business employees



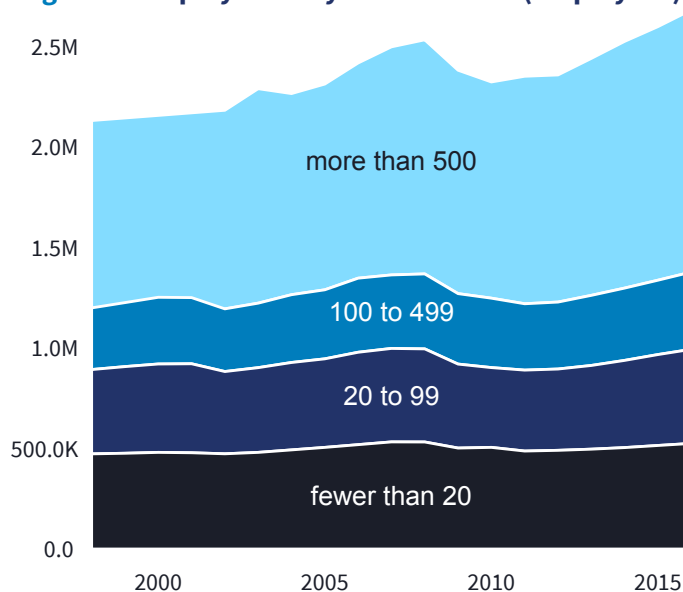
TRADE
10,890
small business
exporters

Overall Washington Economy

- In the third quarter of 2018, Washington grew at an annual rate of **5.8%**, which was faster than the overall US growth rate of **3.4%**. Washington's 2017 growth rate of **4.7%** was up from the 2016 rate of **3.8%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **4.5%**, down from **4.6%** in February 2018. This was above the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Washington small businesses employed **1.4 million** people, or **51.4%** 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 increased **2.5%** during the 12-month period ending in February 2019. This was above the increase of **2.0%** 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 **62,697** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **35,184** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **10,538** 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 decreased by 4 between June 2016 and June 2017 to 48 banks. (Source: FDIC)
- In 2017, 123,156 loans under \$100,000 (valued at \$1.8 billion) were issued by Washington lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$54,732 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$26,157. (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: Washington Employees per Business by Owner's Demographic, 2016

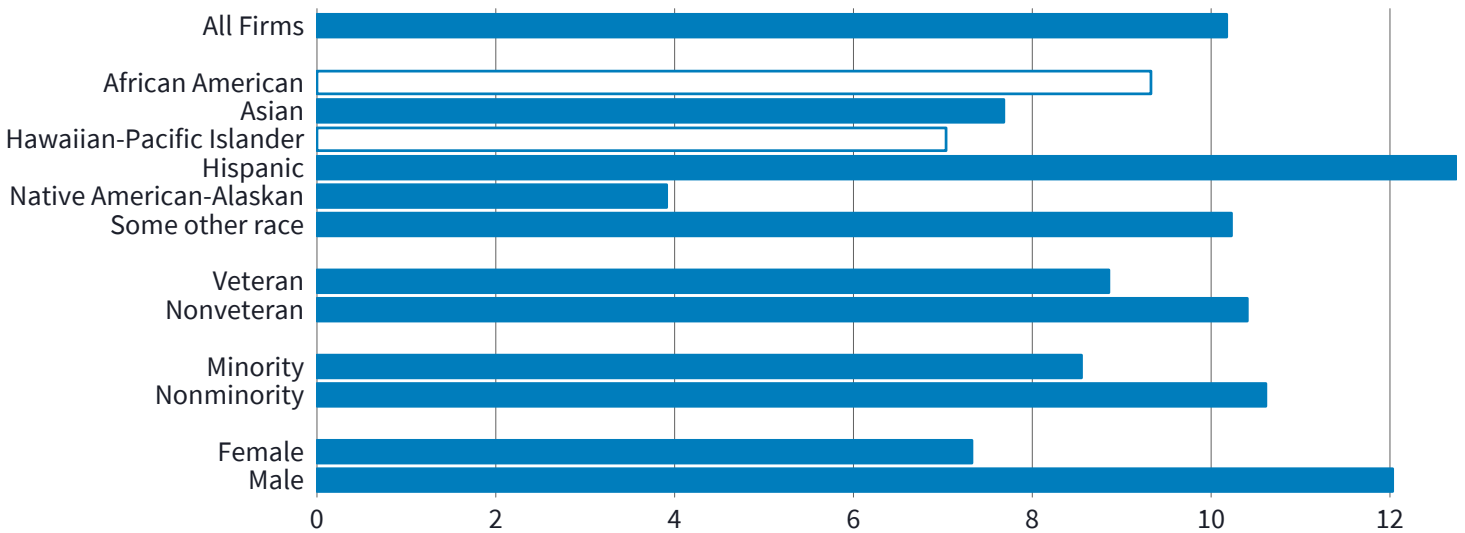
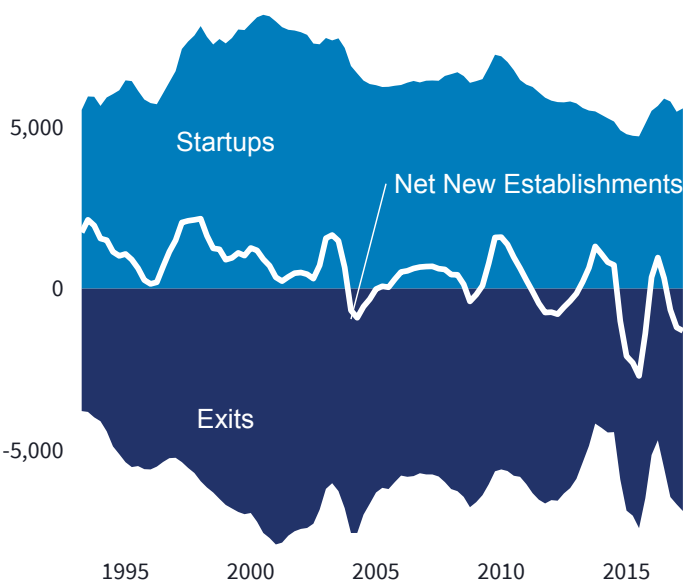


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information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

Turnover among Establishments with Employees

Figure 3: Washington Quarterly Startups and Exits



- In the third quarter of 2017, 5,918 establishments started up, generating 16,130 new jobs in Washington. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 4,802 establishments exited resulting in 13,806 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 **12,147** companies exported goods from Washington in 2016. Of these, **10,890**, or **89.7%**, were small firms; they generated **17.3%** of Washington's **\$73.4 billion** in total exports. (Source: *ITA*)

Small Business Employment by Industry and Self-Employment by County

Table 1: Washington Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	191,411	407,355	47.0
Accommodation and Food Services	187,203	280,232	66.8
Construction	149,498	175,002	85.4
Retail Trade	133,646	336,572	39.7
Professional, Scientific, and Technical Services	130,735	201,766	64.8
Manufacturing	111,494	265,401	42.0
Other Services (except Public Administration)	97,027	117,245	82.8
Wholesale Trade	78,197	134,403	58.2
Administrative, Support, and Waste Management	73,235	155,830	47.0
Arts, Entertainment, and Recreation	40,302	61,784	65.2
Transportation and Warehousing	36,165	99,199	36.5
Real Estate and Rental and Leasing	35,877	48,351	74.2
Finance and Insurance	34,138	98,196	34.8
Educational Services	31,039	54,997	56.4
Information	25,719	132,733	19.4
Agriculture, Forestry, and Fishing and Hunting	11,343	12,969	87.5
Management of Companies and Enterprises	9,316	90,880	10.3
Utilities	1,438	9,246	15.6
Mining, Quarrying, and Oil and Gas Extraction	1,131	2,550	44.4
Industries not classified	644	644	100.0
Total	1,379,558	2,685,355	51.4

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

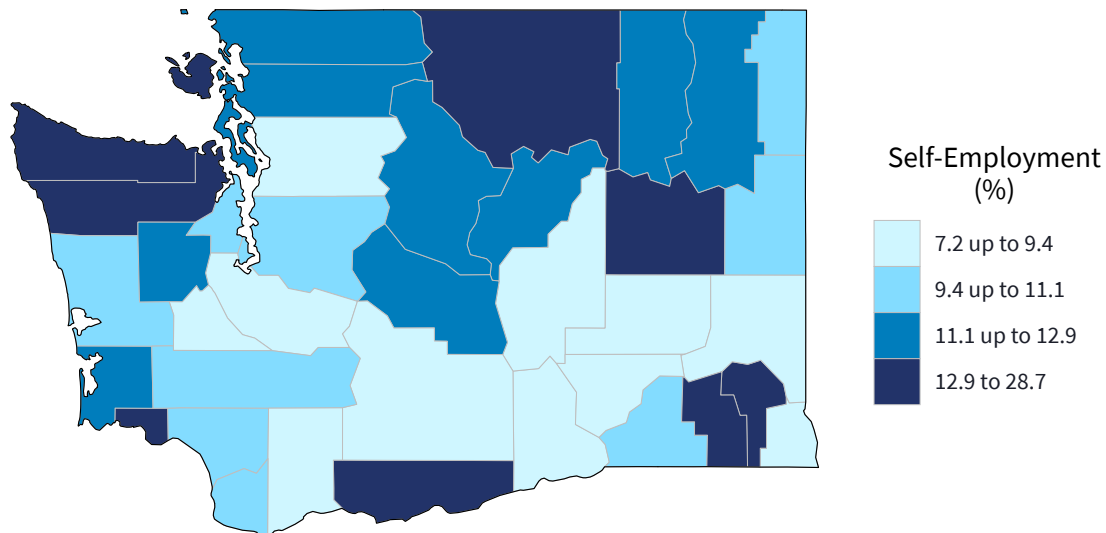


Table 2: Washington Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	19,885	18,333	84,057	103,942
Other Services (except Public Administration)	15,488	14,513	51,981	67,469
Real Estate and Rental and Leasing	8,521	8,128	56,868	65,389
Retail Trade	14,182	12,600	40,644	54,826
Construction	22,102	20,492	32,263	54,365
Health Care and Social Assistance	16,318	14,512	32,761	49,079
Transportation and Warehousing	4,221	3,635	35,614	39,835
Administrative, Support, and Waste Management	8,394	7,565	28,974	37,368
Arts, Entertainment, and Recreation	2,721	2,260	30,823	33,544
Accommodation and Food Services	13,431	10,752	6,098	19,529
Educational Services	2,559	2,163	16,612	19,171
Finance and Insurance	4,658	4,301	11,202	15,860
Manufacturing	6,235	4,853	8,810	15,045
Wholesale Trade	6,884	5,547	7,529	14,413
Information	1,956	1,599	7,443	9,399
Agriculture, Forestry, and Fishing and Hunting	1,352	1,233	7,362	8,714
Utilities	169	146	333	502
Mining, Quarrying, and Oil and Gas Extraction	115	96	216	331
Total	149,366	133,314	459,590	608,956

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