

# 2020 Small Business Profile

## Hawaii

**135,567** Small Businesses  
**99.3%** of Hawaii Businesses

**275,908** Small Business Employees  
**50.7%** of Hawaii Employees



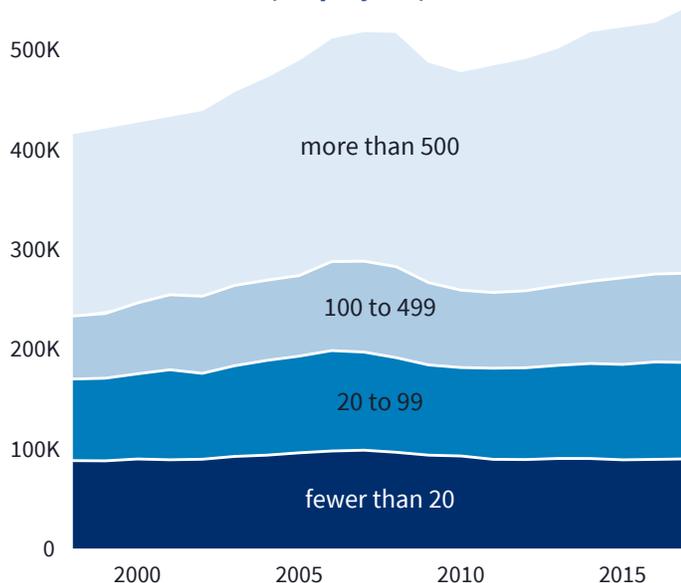
*A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.*

### Overall Economy

- In the fourth quarter of 2019, Hawaii grew at an annual rate of **2.3%**, which was faster than the overall US growth rate of **2.1%**. Hawaii's 2019 overall growth rate of **1.0%** was down from the 2018 rate of **2.4%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **22.3%**, up from **2.7%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

### Employment

**Figure 1: Hawaii Employment by Business Size (Employees)**



- Hawaii small businesses employed **275,908** people, or **50.7%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with 20 to 99 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **20.8%** during the 12-month period ending in April 2020. This was below the decrease of **1.1%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses lost **365** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **1,216** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **1,045** net jobs. (Source: [BDM](#))

*The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.*

## Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$48,073** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$25,445**. (Source: [ACS](#))
- The total number of banks was unchanged at **8** between June 2018 and June 2019. During the same period, the number of banks with assets under \$1 billion was unchanged at **3**. (Source: [FDIC](#))
- In 2018, Hawaii lending institutions reporting under the Community Reinvestment Act issued **31,571** loans under \$100,000, a total value of **\$491.3 million**. (Source: [FFIEC](#))

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

## Self-Employment Demographics

**Figure 2: Hawaii Self-Employment Rates by Gender & Demographic, 2018**

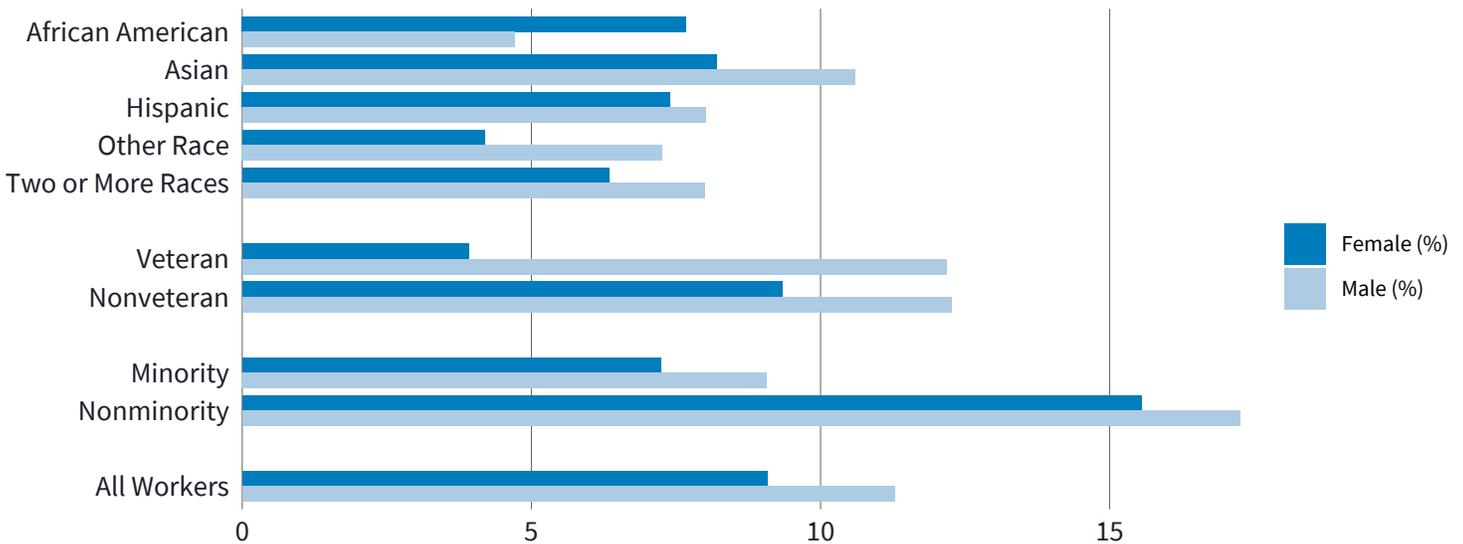
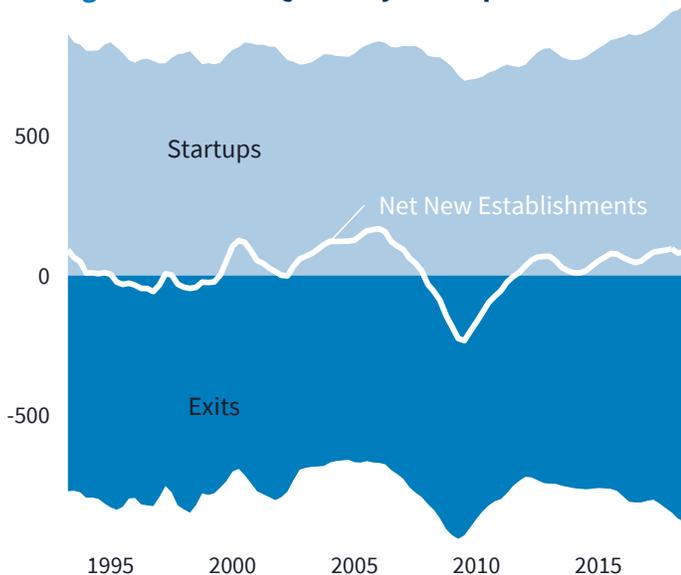


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

## Turnover among Establishments with Employees

**Figure 3: Hawaii Quarterly Startups and Exits**



- In the fourth quarter of 2018, **1,079** establishments started up, generating **3,669** 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, **843** establishments exited, resulting in **2,654** 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 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM 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 791 firms exported goods from Hawaii in 2018. Of these, 684, or 86.5%, were small firms, which generated 65.6% of Hawaii's \$457.0 million in total exports. (Source: ITA)

## Small Business Employment by Industry and Self-Employment by County

**Table 1: Hawaii Employment by Industry, 2017**

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	56,066	113,250	49.5
Health Care and Social Assistance	34,331	71,950	47.7
Retail Trade	26,280	70,256	37.4
Construction	26,106	31,783	82.1
Administrative, Support, and Waste Management	21,794	62,015	35.1
Other Services (except Public Administration)	21,360	25,975	82.2
Professional, Scientific, and Technical Services	16,676	22,922	72.8
Wholesale Trade	12,559	19,026	66.0
Transportation and Warehousing	12,201	31,655	38.5
Manufacturing	9,895	12,711	77.8
Arts, Entertainment, and Recreation	9,287	11,512	80.7
Educational Services	8,287	18,547	44.7
Real Estate and Rental and Leasing	8,254	12,836	64.3
Finance and Insurance	7,182	20,010	35.9
Information	2,473	8,416	29.4
Management of Companies and Enterprises	2,360	7,124	33.1
Utilities	408	3,679	11.1
Mining, Quarrying, and Oil and Gas Extraction	173	173	100.0
Agriculture, Forestry, and Fishing and Hunting	171	171	100.0
Industries Not Classified	45	45	100.0
<b>Total</b>	<b>275,908</b>	<b>544,056</b>	<b>50.7</b>

**Figure 4: Hawaii Self-Employment Rates by County, 2018**



**Table 2: Hawaii Small Businesses by Industry and Firm Size, 2017**

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	2,865	3,114	16,563	19,677
Professional, Scientific, and Technical Services	2,594	2,841	15,633	18,474
Real Estate and Rental and Leasing	1,463	1,571	12,829	14,400
Retail Trade	2,238	2,552	10,924	13,476
Administrative, Support, and Waste Management	1,311	1,549	9,324	10,873
Construction	2,472	2,796	8,052	10,848
Health Care and Social Assistance	2,535	2,830	7,969	10,799
Transportation and Warehousing	490	668	6,862	7,530
Arts, Entertainment, and Recreation	349	460	6,727	7,187
Accommodation and Food Services	2,171	2,925	2,402	5,327
Wholesale Trade	1,015	1,225	2,470	3,695
Finance and Insurance	567	653	2,876	3,529
Educational Services	369	470	2,952	3,422
Manufacturing	598	724	2,098	2,822
Agriculture, Forestry, and Fishing and Hunting	39	43	1,904	1,947
Information	217	264	1,210	1,474
Utilities	11	18	190	208
<b>Total</b>	<b>21,322</b>	<b>24,564</b>	<b>111,003</b>	<b>135,567</b>

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 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 2018 American Community Survey (ACS).

**References**

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

- ACS American Community Survey, 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
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC 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