

2020 Small Business Profile

Virginia



766,826 Small Businesses
99.5% of Virginia Businesses

1.6 million Small Business Employees
47.1% of Virginia Employees



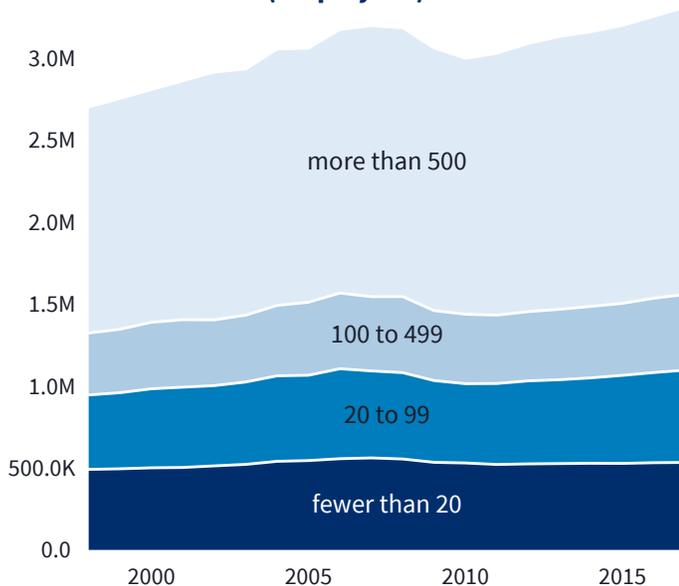
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Virginia grew at an annual rate of **2.1%**, which was the same as the overall US growth rate. Virginia's 2019 overall growth rate of **1.9%** was down from the 2018 rate of **2.6%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **10.6%**, up from **2.9%** in April 2019. This was below the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Virginia Employment by Business Size (Employees)



- Virginia small businesses employed **1.6 million** people, or **47.1%** 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 **10.2%** during the 12-month period ending in April 2020. This was below the increase of **1.2%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.3%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **39,397** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **29,300** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **3,428** 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 **\$54,830** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$24,748**. (Source: [ACS](#))
- The total number of banks decreased by **3** between June 2018 and June 2019 to **72** banks. During the same period, the number of banks with assets under \$1 billion decreased by **4** to **50** banks. (Source: [FDIC](#))
- In 2018, Virginia lending institutions reporting under the Community Reinvestment Act issued **155,362** loans under \$100,000, a total value of **\$2.3 billion**. (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. The decline in the number of banks with assets under \$1 billion may exceed the change in the total number of banks due to mergers and asset balance changes.

Self-Employment Demographics

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

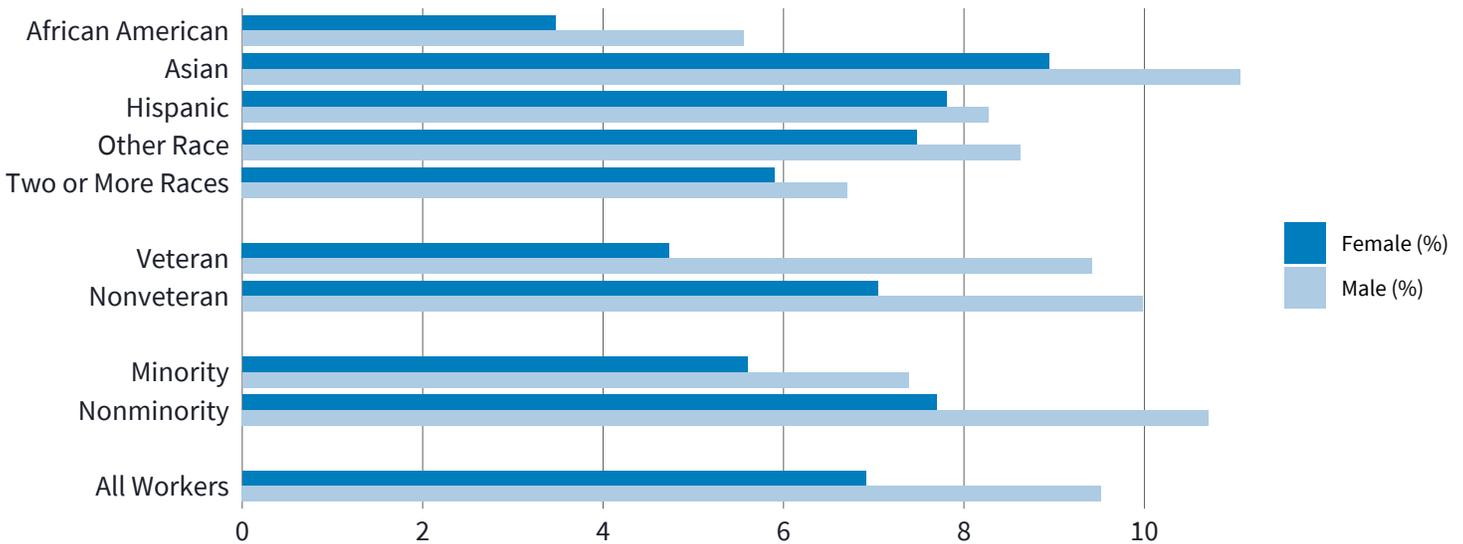
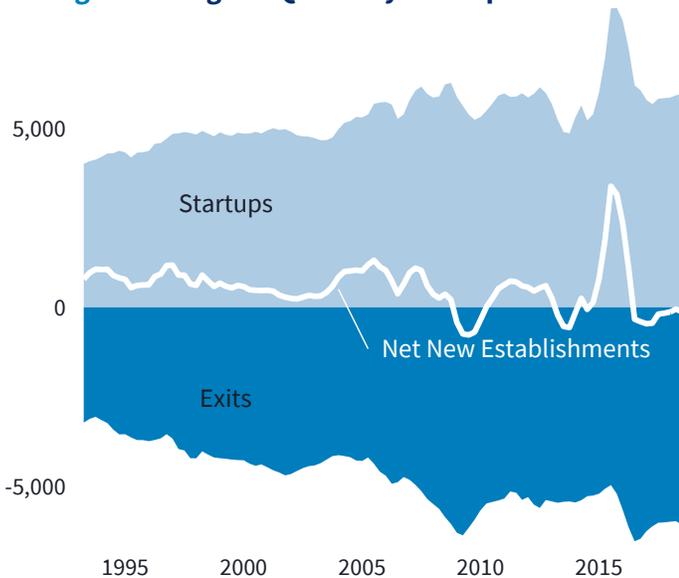


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Virginia Quarterly Startups and Exits



- In the fourth quarter of 2018, **5,861** establishments started up, generating **22,695** new jobs in Virginia. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **6,385** establishments exited, resulting in **21,560** 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 7,274 firms exported goods from Virginia in 2018. Of these, 6,143, or 84.5%, were small firms, which generated 29.0% of Virginia's \$17.3 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Virginia Employment by Industry, 2017

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Professional, Scientific, and Technical Services	233,757	465,821	50.2
Accommodation and Food Services	210,433	362,593	58.0
Health Care and Social Assistance	204,085	452,188	45.1
Construction	155,183	183,294	84.7
Other Services (except Public Administration)	146,400	168,010	87.1
Retail Trade	130,488	424,559	30.7
Administrative, Support, and Waste Management	109,841	258,441	42.5
Manufacturing	79,892	236,287	33.8
Wholesale Trade	53,229	104,516	50.9
Educational Services	43,477	81,212	53.5
Finance and Insurance	40,178	154,996	25.9
Transportation and Warehousing	36,163	103,520	34.9
Real Estate and Rental and Leasing	34,802	55,152	63.1
Arts, Entertainment, and Recreation	33,029	61,389	53.8
Information	28,920	97,995	29.5
Management of Companies and Enterprises	9,196	74,784	12.3
Agriculture, Forestry, and Fishing and Hunting	3,725	4,354	85.6
Mining, Quarrying, and Oil and Gas Extraction	2,786	6,106	45.6
Utilities	2,165	15,112	14.3
Industries Not Classified	213	213	100.0
Total	1,557,962	3,310,542	47.1

Figure 4: Virginia Self-Employment Rates by County, 2018

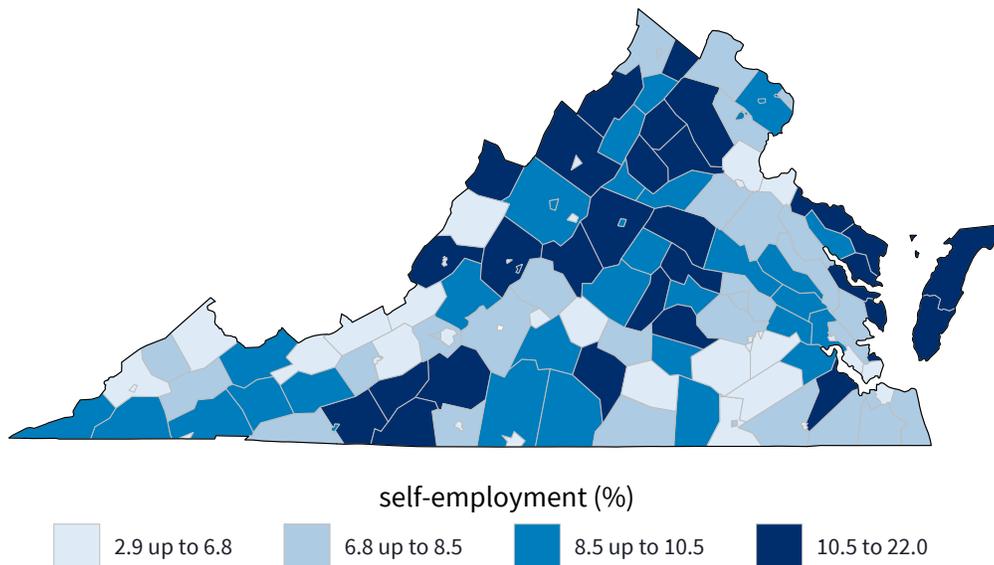


Table 2: Virginia Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	23,024	25,864	96,105	121,969
Other Services (except Public Administration)	18,827	20,441	86,328	106,769
Construction	17,518	19,305	59,962	79,267
Real Estate and Rental and Leasing	6,405	6,847	68,593	75,440
Retail Trade	13,234	14,758	48,699	63,457
Transportation and Warehousing	3,431	3,988	57,581	61,569
Health Care and Social Assistance	12,232	14,606	43,724	58,330
Administrative, Support, and Waste Management	7,593	8,884	48,940	57,824
Arts, Entertainment, and Recreation	2,302	2,743	35,025	37,768
Educational Services	2,283	2,807	21,883	24,690
Accommodation and Food Services	9,738	12,932	9,178	22,110
Finance and Insurance	4,729	5,189	14,557	19,746
Wholesale Trade	3,809	4,781	6,880	11,661
Manufacturing	3,125	4,185	5,976	10,161
Information	1,457	1,879	8,008	9,887
Agriculture, Forestry, and Fishing and Hunting	637	672	5,152	5,824
Mining, Quarrying, and Oil and Gas Extraction	98	135	224	359
Utilities	44	68	231	299
Total	130,659	149,780	617,046	766,826

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