

# 2020 Small Business Profile

## Washington



**630,819** Small Businesses  
**99.5%** of Washington Businesses

**1.4 million** Small Business Employees  
**50.7%** of Washington Employees



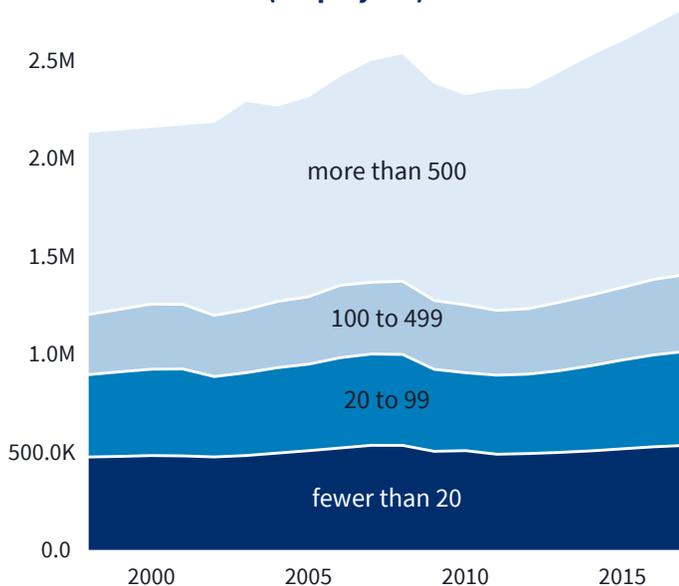
*A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.*

### Overall Economy

- In the fourth quarter of 2019, Washington grew at an annual rate of **3.4%**, which was faster than the overall US growth rate of **2.1%**. Washington's 2019 overall growth rate of **3.8%** was down from the 2018 rate of **5.8%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **15.4%**, up from **4.4%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

### Employment

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



- Washington small businesses employed **1.4 million** people, or **50.7%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with fewer than 20 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **16.3%** during the 12-month period ending in April 2020. This was below the increase of **2.7%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.4%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **36,957** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **31,035** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **2,379** 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 **\$56,640** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$27,114**. (Source: [ACS](#))
- The total number of banks decreased by **5** between June 2018 and June 2019 to **41** banks. During the same period, the number of banks with assets under \$1 billion decreased by **6** to **25** banks. (Source: [FDIC](#))
- In 2018, Washington lending institutions reporting under the Community Reinvestment Act issued **136,306** loans under \$100,000, a total value of **\$2.0 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: Washington Self-Employment Rates by Gender & Demographic, 2018**

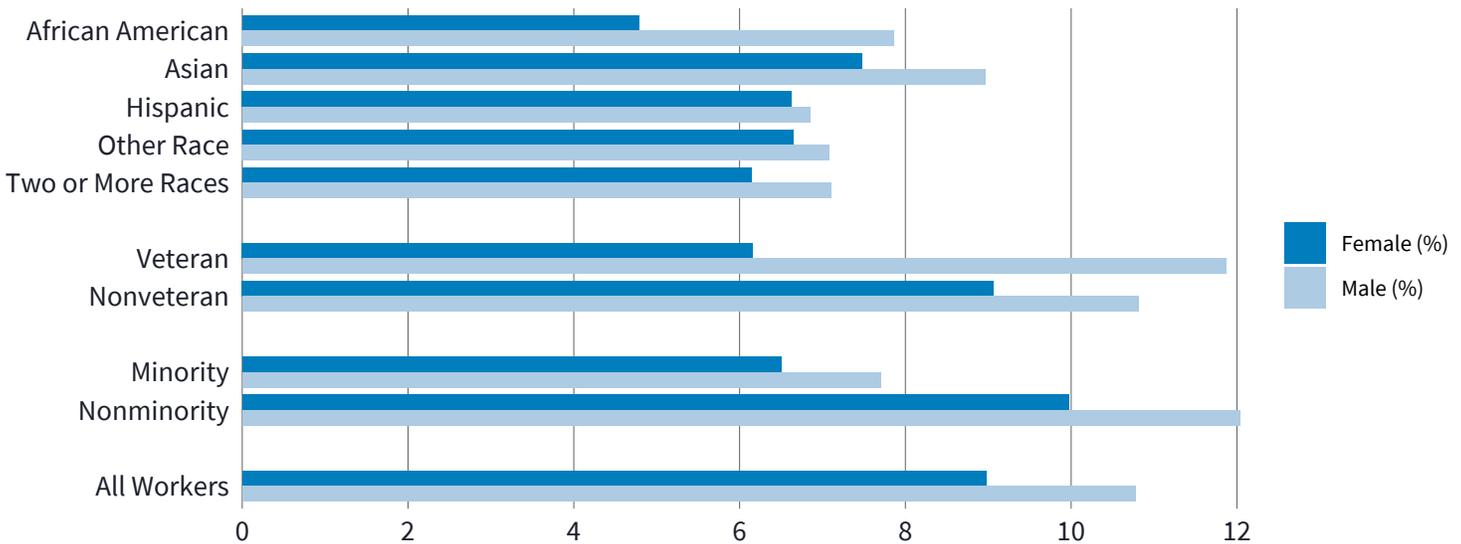
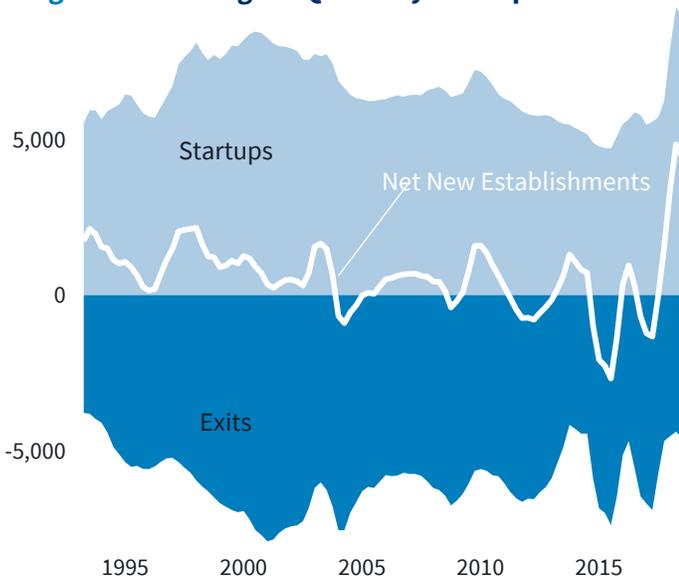


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

## Turnover among Establishments with Employees

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



- In the fourth quarter of 2018, **4,244** establishments started up, generating **16,840** 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, **4,561** establishments exited, resulting in **13,300** 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

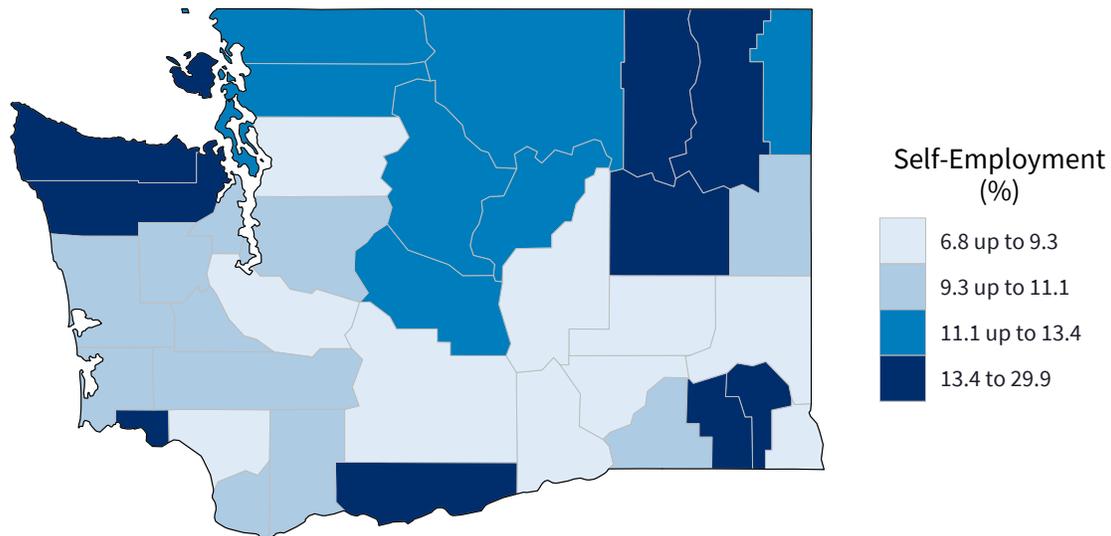
- A total of 12,631 firms exported goods from Washington in 2018. Of these, 11,315, or 89.6%, were small firms, which generated 18.7% of Washington's \$73.6 billion in total exports. (Source: ITA)

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

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

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	193,247	428,500	45.1
Accommodation and Food Services	191,384	289,701	66.1
Construction	161,599	190,419	84.9
Retail Trade	135,112	338,081	40.0
Professional, Scientific, and Technical Services	128,073	207,890	61.6
Manufacturing	110,389	262,967	42.0
Other Services (except Public Administration)	97,460	118,390	82.3
Wholesale Trade	77,859	135,563	57.4
Administrative, Support, and Waste Management	73,957	157,069	47.1
Arts, Entertainment, and Recreation	41,695	64,016	65.1
Transportation and Warehousing	37,502	98,405	38.1
Real Estate and Rental and Leasing	36,841	50,377	73.1
Finance and Insurance	35,371	102,192	34.6
Educational Services	31,736	54,213	58.5
Information	28,387	140,677	20.2
Agriculture, Forestry, and Fishing and Hunting	11,206	14,211	78.9
Management of Companies and Enterprises	9,161	103,905	8.8
Utilities	1,445	9,716	14.9
Mining, Quarrying, and Oil and Gas Extraction	1,384	2,099	65.9
Industries Not Classified	269	269	100.0
<b>Total</b>	<b>1,404,077</b>	<b>2,768,660</b>	<b>50.7</b>

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



**Table 2: Washington 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	18,596	20,180	85,703	105,883
Other Services (except Public Administration)	14,724	15,721	52,995	68,716
Real Estate and Rental and Leasing	8,591	9,008	58,455	67,463
Retail Trade	12,527	14,152	42,925	57,077
Construction	21,580	23,311	32,028	55,339
Transportation and Warehousing	3,743	4,365	45,598	49,963
Health Care and Social Assistance	14,714	16,595	32,599	49,194
Administrative, Support, and Waste Management	7,840	8,711	29,411	38,122
Arts, Entertainment, and Recreation	2,355	2,822	32,354	35,176
Accommodation and Food Services	10,864	13,686	6,582	20,268
Educational Services	2,223	2,643	16,730	19,373
Finance and Insurance	4,384	4,764	11,451	16,215
Manufacturing	4,842	6,210	8,440	14,650
Wholesale Trade	5,416	6,761	7,225	13,986
Information	1,756	2,163	7,682	9,845
Agriculture, Forestry, and Fishing and Hunting	1,260	1,381	7,581	8,962
Utilities	148	171	330	501
Mining, Quarrying, and Oil and Gas Extraction	97	119	242	361
<b>Total</b>	<b>135,888</b>	<b>152,488</b>	<b>478,331</b>	<b>630,819</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