

2020 Small Business Profile

West Virginia



113,779 Small Businesses
98.9% of West Virginia Businesses

269,789 Small Business Employees
49.1% of West Virginia Employees



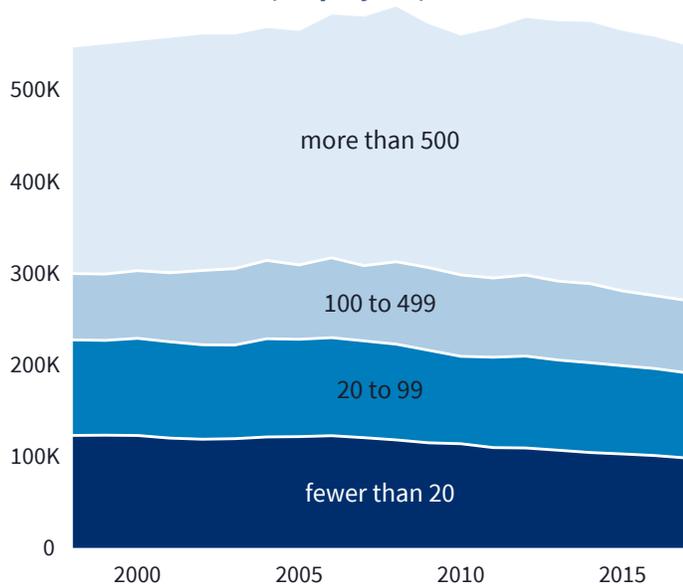
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, West Virginia grew at an annual rate of **-0.1%**, which was slower than the overall US growth rate of **2.1%**. West Virginia's 2019 overall growth rate of **1.0%** was down from the 2018 rate of **2.3%**. (Source: BEA)
- In April 2020, the unemployment rate was **15.2%**, up from **4.7%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: CPS)

Employment

Figure 1: West Virginia Employment by Business Size (Employees)



- West Virginia small businesses employed **269,789** people, or **49.1%** 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 **16.5%** during the 12-month period ending in April 2020. This was below the increase of **0.4%** during the prior 12-month period. (Source: CES)
- The number of proprietors increased in 2018 by **1.8%** relative to the previous year. (Source: BEA)
- Small businesses created **4,270** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **3,005** net jobs. The largest losses were in firms employing 100 to 499 employees, which lost **406** 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 **\$40,071** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$21,585**. (Source: [ACS](#))
- The total number of banks decreased by **2** between June 2018 and June 2019 to **50** banks. During the same period, the number of banks with assets under \$1 billion decreased by **2** to **45** banks. (Source: [FDIC](#))
- In 2018, West Virginia lending institutions reporting under the Community Reinvestment Act issued **19,670** loans under \$100,000, a total value of **\$311.7 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: West Virginia Self-Employment Rates by Gender & Demographic, 2018

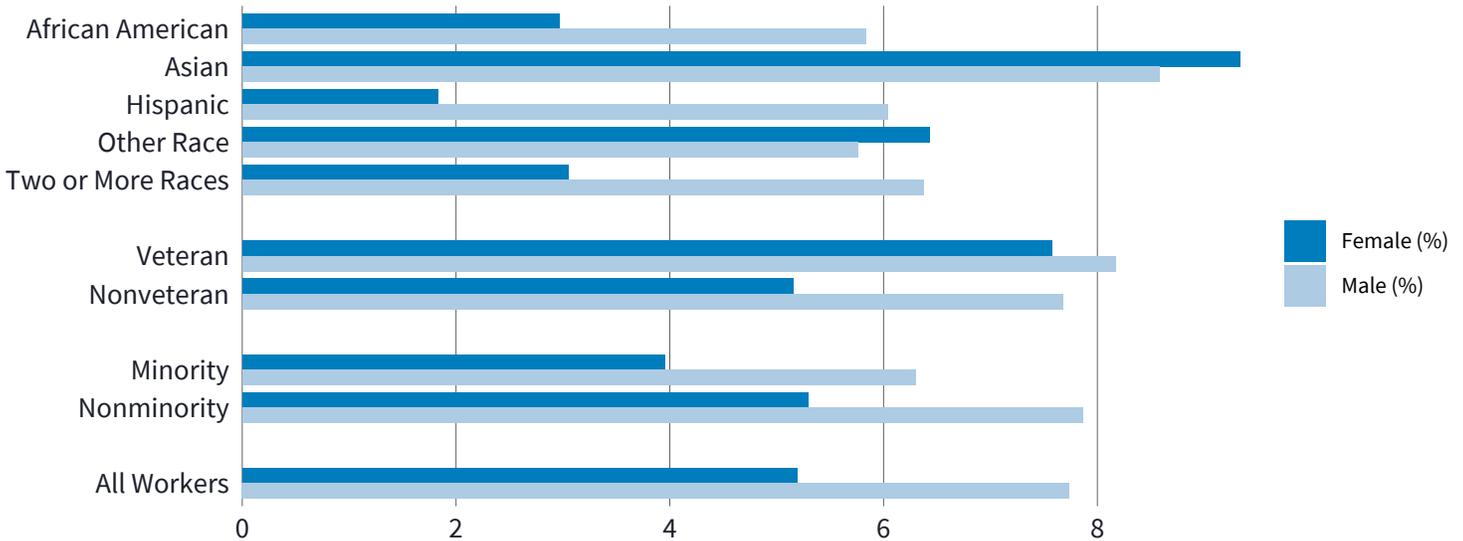
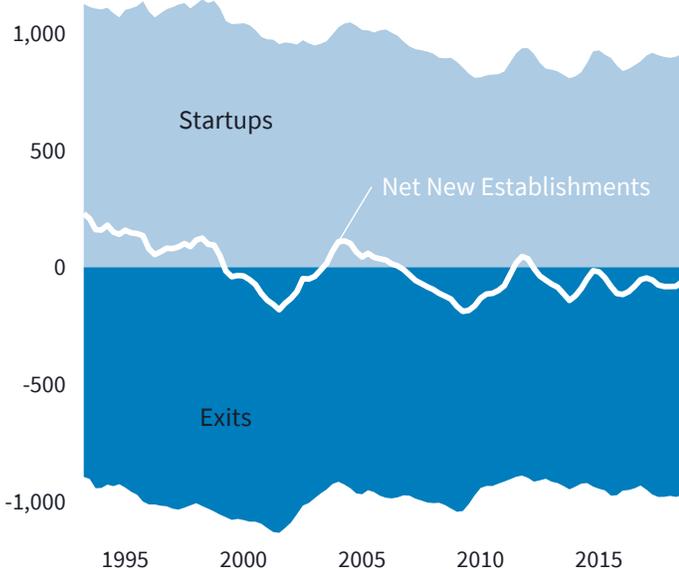


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: West Virginia Quarterly Startups and Exits



- In the fourth quarter of 2018, **932** establishments started up, generating **3,323** new jobs in West Virginia. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **884** establishments exited, resulting in **3,074** 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 1,045 firms exported goods from West Virginia in 2018. Of these, 815, or 78.0%, were small firms, which generated 24.1% of West Virginia's \$7.3 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: West Virginia Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	57,172	133,216	42.9
Accommodation and Food Services	40,384	68,056	59.3
Retail Trade	30,335	82,055	37.0
Construction	21,202	23,523	90.1
Other Services (except Public Administration)	21,109	23,586	89.5
Professional, Scientific, and Technical Services	17,260	24,345	70.9
Manufacturing	17,143	48,815	35.1
Administrative, Support, and Waste Management	13,647	32,792	41.6
Wholesale Trade	10,253	17,973	57.0
Finance and Insurance	8,418	16,936	49.7
Transportation and Warehousing	6,648	14,556	45.7
Arts, Entertainment, and Recreation	5,892	7,157	82.3
Mining, Quarrying, and Oil and Gas Extraction	5,243	18,452	28.4
Educational Services	5,010	8,997	55.7
Real Estate and Rental and Leasing	3,859	6,321	61.1
Information	2,380	10,048	23.7
Management of Companies and Enterprises	1,874	5,466	34.3
Utilities	1,082	6,222	17.4
Agriculture, Forestry, and Fishing and Hunting	845	864	97.8
Industries Not Classified	33	33	100.0
Total	269,789	549,413	49.1

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

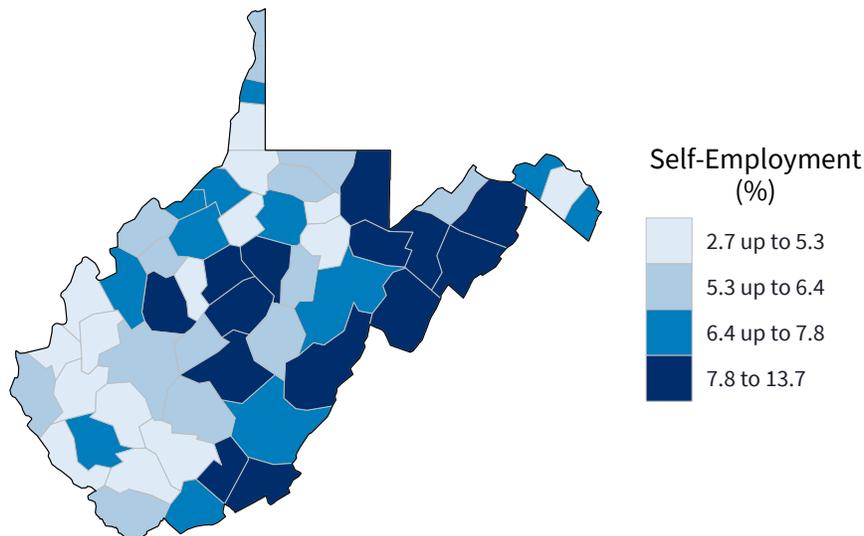


Table 2: West Virginia Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	3,782	3,997	14,916	18,913
Retail Trade	2,628	3,045	10,828	13,873
Construction	2,795	3,013	8,991	12,004
Professional, Scientific, and Technical Services	2,064	2,328	9,561	11,889
Health Care and Social Assistance	2,409	2,996	6,977	9,973
Real Estate and Rental and Leasing	1,013	1,069	8,665	9,734
Administrative, Support, and Waste Management	995	1,158	7,079	8,237
Transportation and Warehousing	802	914	4,114	5,028
Arts, Entertainment, and Recreation	570	644	4,338	4,982
Accommodation and Food Services	1,930	2,498	1,303	3,801
Finance and Insurance	878	994	2,120	3,114
Educational Services	199	255	2,675	2,930
Mining, Quarrying, and Oil and Gas Extraction	291	371	2,087	2,458
Manufacturing	660	913	1,224	2,137
Wholesale Trade	618	868	1,239	2,107
Agriculture, Forestry, and Fishing and Hunting	256	260	1,269	1,529
Information	151	189	873	1,062
Utilities	32	40	84	124
Total	22,091	25,436	88,343	113,779

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