

2019 Small Business Profile

Virginia



745,886 Small Businesses
99.5% of Virginia Businesses

1.5 million Small Business Employees
47.2% of Virginia Employees



EMPLOYMENT
50,960
net new jobs



DIVERSITY
256,237
minority-owned
business employees



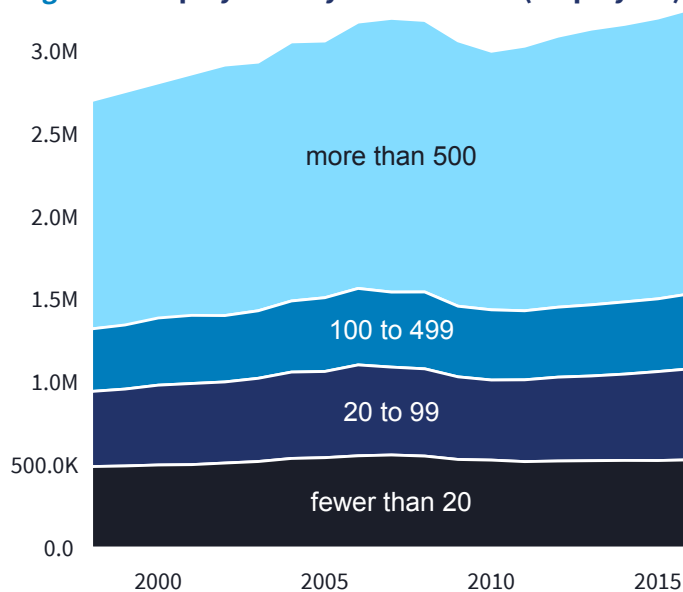
TRADE
6,127
small business
exporters

Overall Virginia Economy

- In the third quarter of 2018, Virginia grew at an annual rate of **3.3%**, which was slower than the overall US growth rate of **3.4%**. Virginia's 2017 growth rate of **1.8%** was up from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **2.9%**, down from **3.2%** in February 2018. This was below the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Virginia small businesses employed **1.5 million** people, or **47.2%** 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 **1.1%** during the 12-month period ending in February 2019. This was below the increase of **1.5%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.8%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **50,960** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **28,248** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **10,564** 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 **10** between June 2016 and June 2017 to **80** banks. (Source: [FDIC](#))
- In 2017, **142,905** loans under \$100,000 (valued at **\$2.1 billion**) were issued by Virginia lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$52,404** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$25,219**. (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: Virginia Employees per Business by Owner's Demographic, 2016

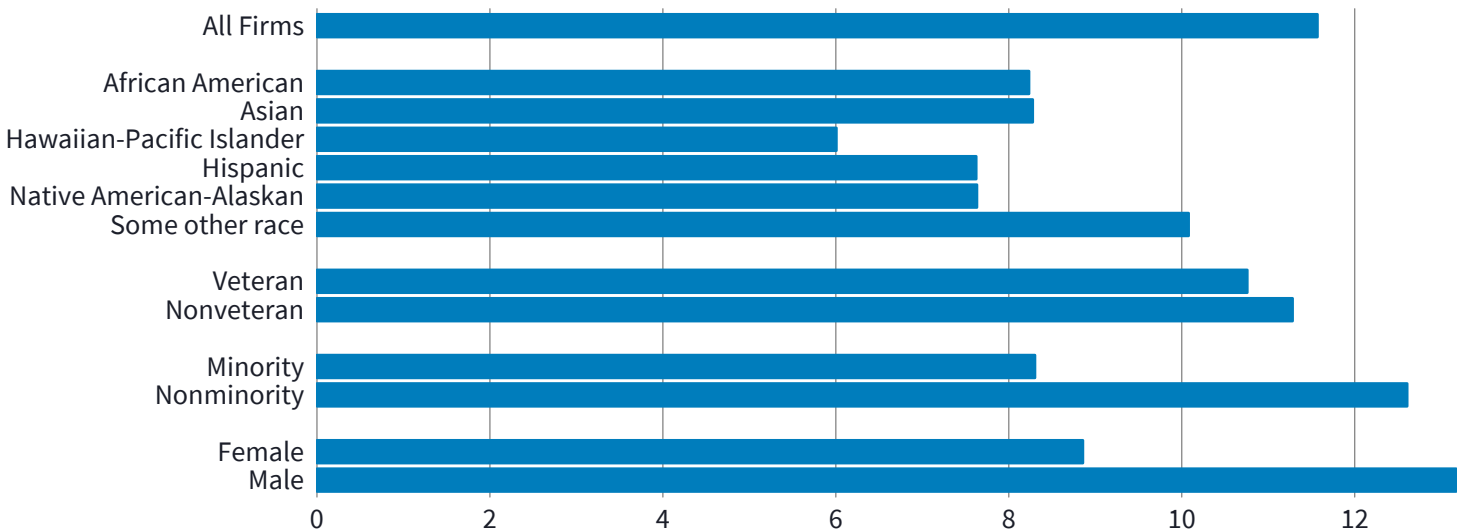
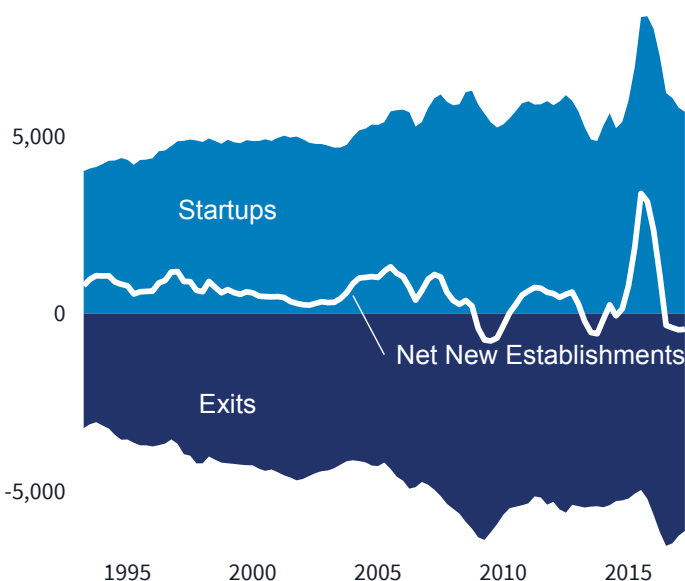


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE).

Turnover among Establishments with Employees

Figure 3: Virginia Quarterly Startups and Exits



- In the third quarter of 2017, **5,930** establishments started up, generating **21,963** 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, **6,334** establishments exited resulting in **21,736** 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 7,250 companies exported goods from Virginia in 2016. Of these, 6,127, or 84.5%, were small firms; they generated 29.7% of Virginia's \$15.1 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Virginia Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Professional, Scientific, and Technical Services	231,958	460,280	50.4
Accommodation and Food Services	200,648	352,666	56.9
Health Care and Social Assistance	199,975	438,562	45.6
Construction	150,151	178,228	84.2
Other Services (except Public Administration)	145,219	164,222	88.4
Retail Trade	131,241	430,293	30.5
Administrative, Support, and Waste Management	108,581	245,131	44.3
Manufacturing	82,875	240,375	34.5
Wholesale Trade	55,385	106,045	52.2
Educational Services	43,244	79,710	54.3
Finance and Insurance	40,726	153,431	26.5
Transportation and Warehousing	35,134	104,296	33.7
Real Estate and Rental and Leasing	33,227	55,031	60.4
Arts, Entertainment, and Recreation	32,154	61,118	52.6
Information	26,215	87,084	30.1
Management of Companies and Enterprises	9,037	70,063	12.9
Agriculture, Forestry, and Fishing and Hunting	3,552	4,186	84.9
Mining, Quarrying, and Oil and Gas Extraction	3,012	7,750	38.9
Utilities	2,252	15,151	14.9
Industries not classified	550	550	100.0
Total	1,535,136	3,254,172	47.2

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

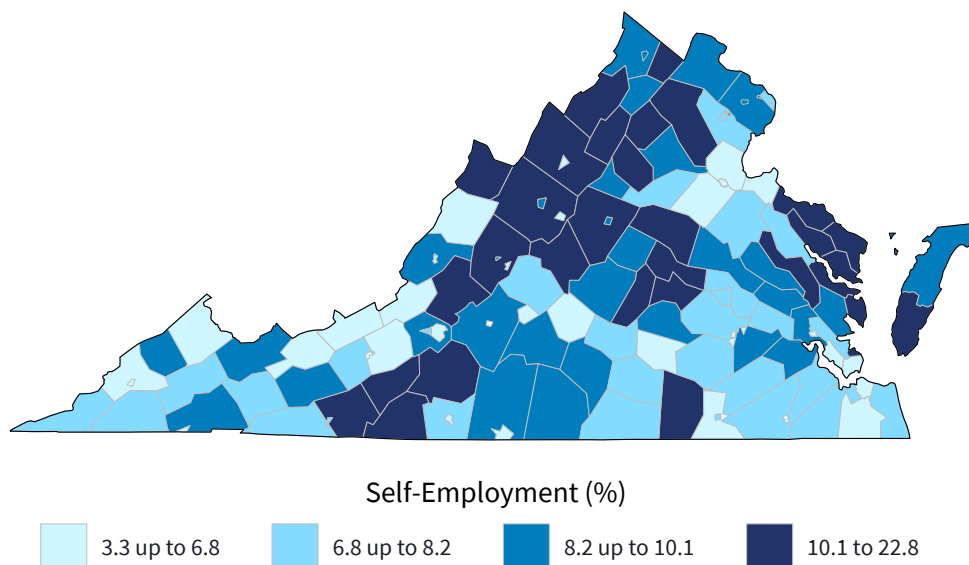


Table 2: Virginia Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	25,842	23,057	94,719	120,561
Other Services (except Public Administration)	20,097	18,499	84,756	104,853
Construction	19,003	17,254	60,599	79,602
Real Estate and Rental and Leasing	6,672	6,244	67,000	73,672
Retail Trade	14,904	13,408	46,696	61,600
Health Care and Social Assistance	14,419	12,193	43,556	57,975
Administrative, Support, and Waste Management	8,711	7,461	47,658	56,369
Transportation and Warehousing	3,933	3,392	48,047	51,980
Arts, Entertainment, and Recreation	2,674	2,249	33,226	35,900
Educational Services	2,700	2,169	20,993	23,693
Accommodation and Food Services	12,623	9,649	8,662	21,285
Finance and Insurance	5,215	4,758	14,529	19,744
Wholesale Trade	4,865	3,878	7,281	12,146
Manufacturing	4,181	3,107	6,175	10,356
Information	1,766	1,409	8,022	9,788
Agriculture, Forestry, and Fishing and Hunting	658	622	4,881	5,539
Utilities	64	41	409	473
Mining, Quarrying, and Oil and Gas Extraction	162	111	200	362
Total	148,477	129,908	597,409	745,886

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