

West Virginia

118,040 Small Businesses

27,767 Small Businesses with Employees

90,273 Small Businesses without Employees (Nonemployers)

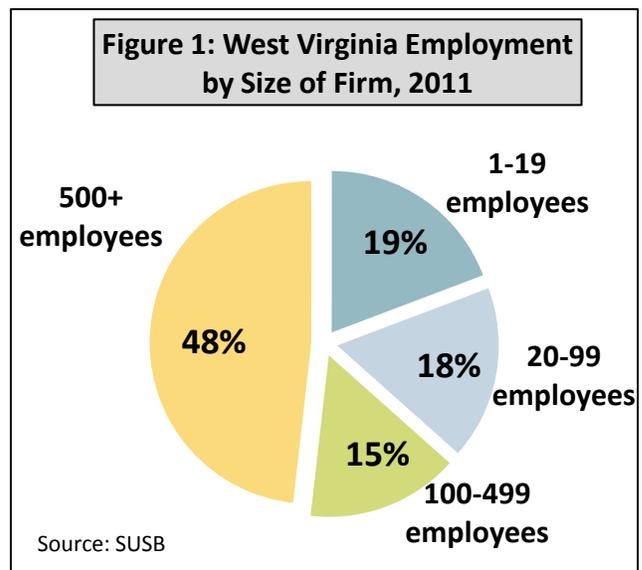
294,394 Workers Employed by Small Businesses

State Economy Overall

- West Virginia's economy grew at a faster rate than the United States in 2012. West Virginia's real gross state product increased by **3.3 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in West Virginia has improved. The unemployment rate in West Virginia declined from **7.5 percent** in December 2012 to **5.9 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- West Virginia's small businesses employed over half or **294,394** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **95.8 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and retail trade (**Table 4**).
- In West Virginia, small businesses had a net loss of **963** jobs in 2011. The biggest loss was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment decreased in 2013 by **0.4 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **5.3 percent** in the 3rd quarter of 2013 and totaled **\$5.1 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **20,325** loans under \$100,000 (and valued at **\$251.1 million**) were issued by Community Reinvestment Act lending institutions in West Virginia. (Source: FFIEC)

Business Owner Demographics

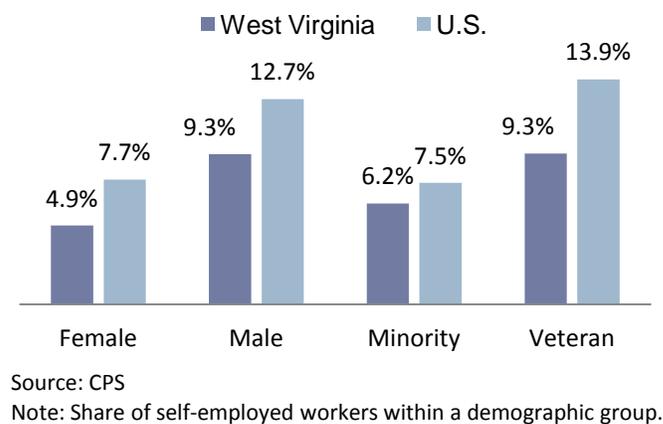
- In 2011, there were an estimated **33,000** woman-owned businesses and **4,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All West Virginia Businesses, 2011

| | Number of All Businesses ^e | Share of All Businesses (%) [*] |
|-------------------------------|---------------------------------------|--|
| Male Owned | 62,000 | 51.9 |
| Woman Owned | 33,000 | 28.0 |
| Equally Male and Female Owned | 19,000 | 16.2 |
| Minority Owned | 4,000 | 3.7 |
| Veteran Owned | 15,000 | 12.6 |

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/wv10.pdf.

Figure 2: West Virginia Self-Employment Demographics, 2012



Business Turnover

- **Table 2** gives West Virginia's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **1,463** establishments opened and **1,722** closed in the state of West Virginia. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in West Virginia

| | Establishments Opened [*] | Share Surviving Until 2012 (%) |
|------|------------------------------------|--------------------------------|
| 2002 | 2,890 | 33.5 |
| 2007 | 2,909 | 47.7 |
| 2010 | 2,340 | 70.5 |

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **1,119** companies exported goods from the state in 2012. Of these, **861** or **76.9 percent** were small firms; they generated over a third (**35.4 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of West Virginia Small Firms by Industry, 2011
(ranked by number of small employer firms)

| Industry | Employer Firms With 1-499 Employees | Employer Firms With 1-19 Employees | Nonemployer Firms | Total Small Firms |
|---|--|---------------------------------------|----------------------|----------------------|
| Other services (except public admin.) | 4,180 | 3,949 | 15,261 | 19,441 |
| Retail trade | 3,602 | 3,141 | 10,296 | 13,898 |
| Construction | 3,430 | 3,191 | 9,467 | 12,897 |
| Health care & social assistance | 3,324 | 2,760 | 8,291 | 11,615 |
| Accommodation & food services | 2,609 | 2,048 | 1,324 | 3,933 |
| Professional, scientific, & tech. svcs. | 2,530 | 2,275 | 9,472 | 12,002 |
| Admin., supp., waste mgt., remed. svcs. | 1,175 | 1,022 | 7,472 | 8,647 |
| Real estate & rental & leasing | 1,087 | 1,035 | 8,228 | 9,315 |
| Manufacturing | 1,054 | 755 | 1,195 | 2,249 |
| Finance & insurance | 1,023 | 905 | 2,238 | 3,261 |
| Wholesale trade | 1,009 | 756 | 1,329 | 2,338 |
| Transportation & warehousing | 992 | 883 | 3,711 | 4,703 |
| Arts, entertainment, & recreation | 638 | 575 | 3,903 | 4,541 |
| Mining | 462 | 348 | 3,456 | 3,918 |
| Educational services | 257 | 201 | 2,352 | 2,609 |
| Forestry, etc. & agriculture support | 219 | 215 | 1,276 | 1,495 |
| Information | 208 | 160 | 882 | 1,090 |
| Management of comp. & enterprises | 104 | 16 | 0 | 104 |
| Unclassified | 59 | 59 | 0 | 59 |
| Utilities | 50 | 39 | 120 | 170 |
| Total | 27,767 | 24,304 | 90,273 | 118,040 |

Table 4: Employment in West Virginia by Industry and Firm Size, 2011
(ranked by small firm employment)

| Industry | Employment | | Small Firm Share of Industry Employment (%) |
|---|----------------|----------------|--|
| | Small Firms | Total Firms | |
| Health care & social assistance | 59,644 | 126,591 | 47 |
| Accommodation & food services | 39,525 | 61,426 | 64 |
| Retail trade | 34,670 | 85,982 | 40 |
| Other services (except public admin.) | 23,310 | 25,775 | 90 |
| Construction | 23,307 | 24,875 | 94 |
| Manufacturing | 20,050 | 52,104 | 38 |
| Professional, scientific, & tech. svcs. | 18,948 | 24,522 | 77 |
| Admin., supp., waste mgt., remed. svcs. | 14,635 | 32,335 | 45 |
| Wholesale trade | 11,708 | 18,935 | 62 |
| Mining | 10,365 | 33,413 | 31 |
| Finance & insurance | 8,988 | 18,058 | 50 |
| Transportation & warehousing | 7,727 | 14,455 | 53 |
| Arts, entertainment, & recreation | 5,792 | 11,380 | 51 |
| Educational services | 5,456 | 9,735 | 56 |
| Real estate & rental & leasing | 4,301 | 5,937 | 72 |
| Information | 2,866 | 10,768 | 27 |
| Management of comp. & enterprises | 1,427 | 5,127 | 28 |
| Utilities | 953 | 6,196 | 15 |
| Forestry, etc. & agriculture support | 622 | 630 | 99 |
| Unclassified | D | D | D |
| Total | 294,394 | 568,344 | 52 |

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

(D) Data suppressed to protect the confidentiality of individual firms.

Abbreviations and Resources

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|--------------------|---|
| BEA | Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov . |
| BED | Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm . |
| BDS | Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds . |
| BLS | Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov . |
| CPS | Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps . |
| FDIC | Federal Deposit Insurance Corporation, www.fdic.gov . |
| FFIEC | Federal Financial Institutions Examination Council, www.ffiec.gov . |
| ITA | International Trade Administration, U.S. Department of Commerce, www.trade.gov . |
| SBO | Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo . |
| SUSB | Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb . |
| U.S. Courts | Administrative Office of the U.S. Courts, www.uscourts.gov . |