

2019 Small Business Profile

Alaska



73,354 Small Businesses
99.1% of Alaska Businesses

141,147 Small Business Employees
53.0% of Alaska Employees



EMPLOYMENT
794
net jobs lost



DIVERSITY
12,735
minority-owned
business employees



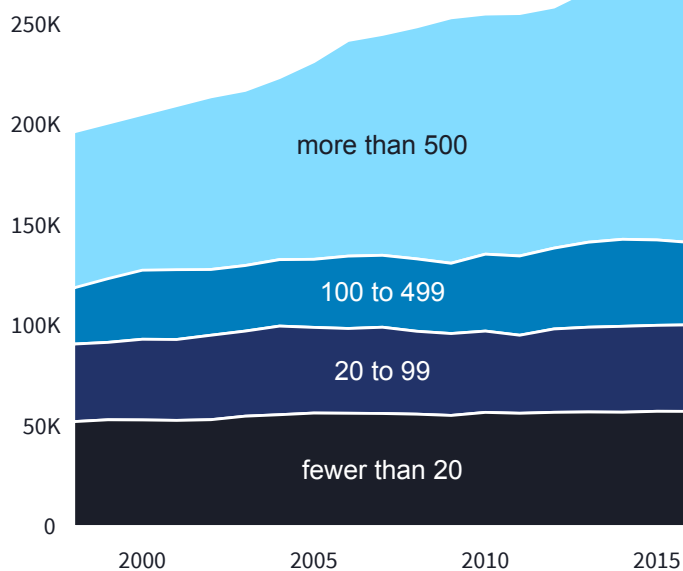
TRADE
544
small business
exporters

Overall Alaska Economy

- In the third quarter of 2018, Alaska grew at an annual rate of **1.0%**, which was slower than the overall US growth rate of **3.4%**. Alaska's 2017 growth rate of **-0.5%** was up from the 2016 rate of **-2.0%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **6.5%**, down from **6.7%** in February 2018. This was above the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- Alaska small businesses employed **141,147** people, or **53.0%** 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 decreased **0.5%** during the 12-month period ending in February 2019. This was above the decrease of **0.9%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.5%** relative to the previous year. (Source: [BEA](#))
- Small businesses lost **794** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **1,915** net jobs. The largest losses were in firms employing 100 to 499 employees, which lost **2,020** 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 was unchanged at 5 between June 2016 and June 2017. (Source: FDIC)
- In 2017, 13,535 loans under \$100,000 (valued at \$221.2 million) were issued by Alaska lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$60,106 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$30,832. (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: Alaska Employees per Business by Owner's Demographic, 2016

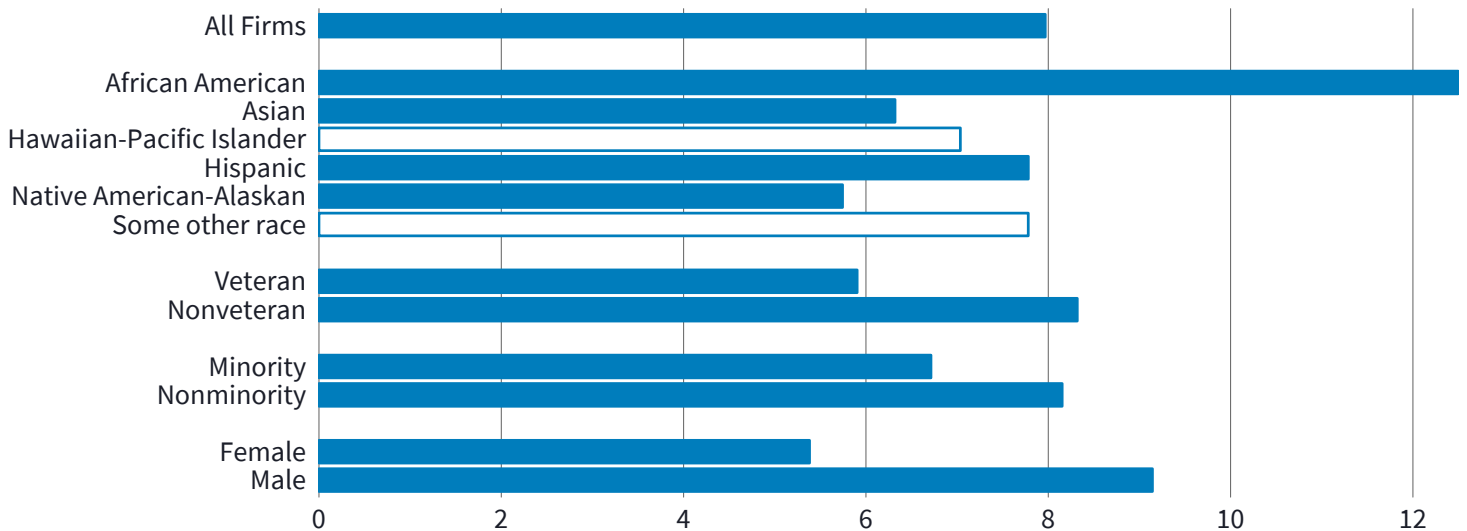
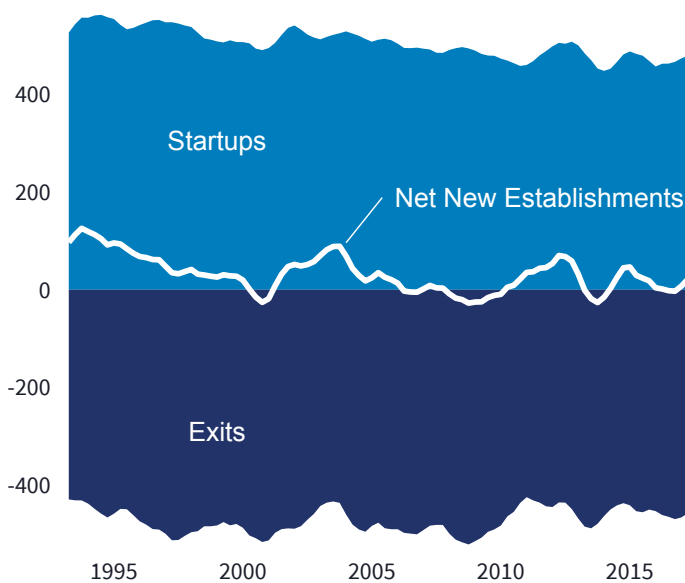


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

Turnover among Establishments with Employees

Figure 3: Alaska Quarterly Startups and Exits



- In the third quarter of 2017, 491 establishments started up, generating 1,825 new jobs in Alaska. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 498 establishments exited resulting in 1,605 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 746 companies exported goods from Alaska in 2016. Of these, 544, or 72.9%, were small firms; they generated 55.5% of Alaska's \$4.2 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Alaska Employment by Industry, 2016





|  Industry |  Small Business Employment |  Total Private Employment |  Small Business Employment Share |
|---|---|--|---|
| Health Care and Social Assistance | 28,051 | 49,799 | 56.3 |
| Accommodation and Food Services | 21,022 | 28,606 | 73.5 |
| Retail Trade | 14,552 | 35,101 | 41.5 |
| Construction | 12,787 | 17,022 | 75.1 |
| Professional, Scientific, and Technical Services | 11,634 | 19,498 | 59.7 |
| Other Services (except Public Administration) | 9,079 | 9,787 | 92.8 |
| Transportation and Warehousing | 7,183 | 18,655 | 38.5 |
| Administrative, Support, and Waste Management | 6,532 | 17,035 | 38.3 |
| Wholesale Trade | 4,814 | 9,306 | 51.7 |
| Manufacturing | 4,102 | 12,701 | 32.3 |
| Finance and Insurance | 3,721 | 7,602 | 48.9 |
| Real Estate and Rental and Leasing | 3,637 | 4,489 | 81.0 |
| Arts, Entertainment, and Recreation | 3,153 | 4,534 | 69.5 |
| Educational Services | 2,737 | 3,105 | 88.1 |
| Information | 2,454 | 6,759 | 36.3 |
| Utilities | 1,754 | 2,066 | 84.9 |
| Mining, Quarrying, and Oil and Gas Extraction | 1,704 | 11,838 | 14.4 |
| Management of Companies and Enterprises | 1,546 | 7,477 | 20.7 |
| Agriculture, Forestry, and Fishing and Hunting | 634 | 641 | 98.9 |
| Industries not classified | 51 | 51 | 100.0 |
| Total | 141,147 | 266,072 | 53.0 |

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

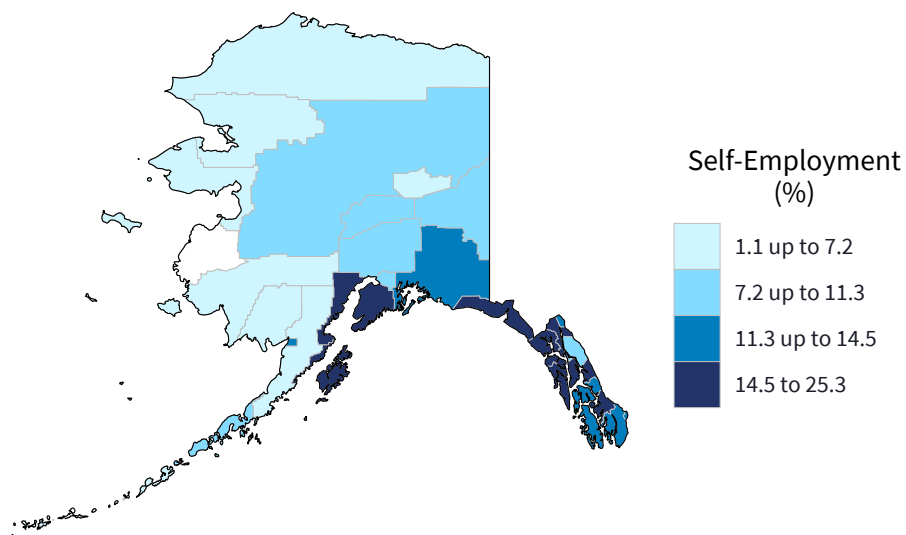


Table 2: Alaska Small Businesses by Industry and Firm Size, 2016

| Industry | 1-499 Employees | 1-19 Employees | Nonemployer Firms | Total Small Firms |
|--|-----------------|----------------|-------------------|-------------------|
| Agriculture, Forestry, and Fishing and Hunting | 450 | 443 | 8,442 | 8,892 |
| Professional, Scientific, and Technical Services | 1,622 | 1,467 | 6,830 | 8,452 |
| Other Services (except Public Administration) | 1,639 | 1,548 | 5,560 | 7,199 |
| Construction | 2,415 | 2,281 | 4,543 | 6,958 |
| Retail Trade | 1,741 | 1,558 | 4,576 | 6,317 |
| Real Estate and Rental and Leasing | 796 | 748 | 5,138 | 5,934 |
| Health Care and Social Assistance | 2,040 | 1,787 | 3,738 | 5,778 |
| Administrative, Support, and Waste Management | 887 | 810 | 3,174 | 4,061 |
| Arts, Entertainment, and Recreation | 533 | 491 | 3,466 | 3,999 |
| Accommodation and Food Services | 1,796 | 1,522 | 1,816 | 3,612 |
| Transportation and Warehousing | 817 | 717 | 2,394 | 3,211 |
| Finance and Insurance | 369 | 325 | 2,833 | 3,202 |
| Educational Services | 227 | 191 | 1,825 | 2,052 |
| Manufacturing | 418 | 363 | 1,160 | 1,578 |
| Wholesale Trade | 403 | 303 | 598 | 1,001 |
| Information | 182 | 145 | 512 | 694 |
| Mining, Quarrying, and Oil and Gas Extraction | 110 | 89 | 294 | 404 |
| Utilities | 55 | 37 | 47 | 102 |
| Total | 16,408 | 14,836 | 56,946 | 73,354 |

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). Data for counties shown in white in Figure 4 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses.

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