

2019 Small Business Profile

West Virginia



113,410 Small Businesses
98.9% of West Virginia Businesses

275,145 Small Business Employees
49.2% of West Virginia Employees



EMPLOYMENT
3,097
net jobs lost



DIVERSITY
12,954
minority-owned
business employees



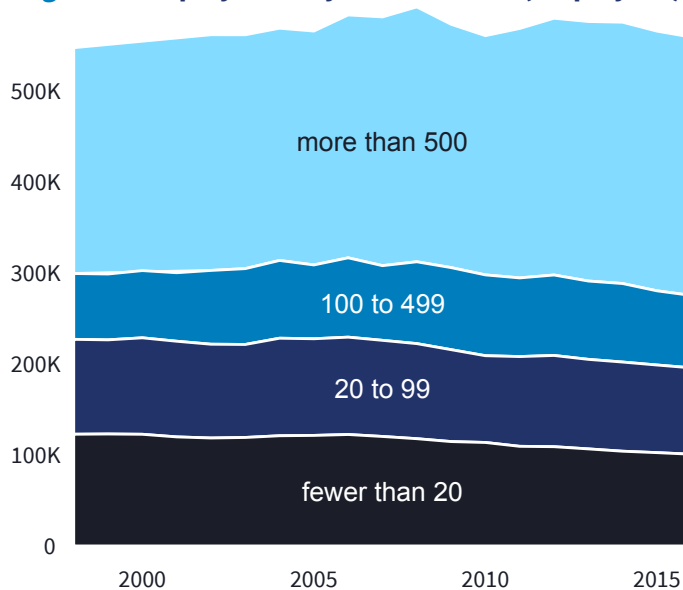
TRADE
805
small business
exporters

Overall West Virginia Economy

- In the third quarter of 2018, West Virginia grew at an annual rate less than **0.1%**, which was slower than the overall US growth rate of **3.4%**. West Virginia's 2017 growth rate of **2.2%** was up from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **5.2%**, down from **5.4%** 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)



- West Virginia small businesses employed **275,145** people, or **49.2%** 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 **1.0%** during the 12-month period ending in February 2019. This was above the increase of **0.3%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.7%** relative to the previous year. (Source: [BEA](#))
- Small businesses lost **3,097** net jobs in 2016. Firms employing fewer than 20 employees experienced the smallest losses, losing **85** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **1,767** 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 2 between June 2016 and June 2017 to 57 banks. (Source: FDIC)
- In 2017, 17,674 loans under \$100,000 (valued at \$272.8 million) were issued by West Virginia lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$45,060 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$22,750. (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: West Virginia Employees per Business by Owner's Demographic, 2016

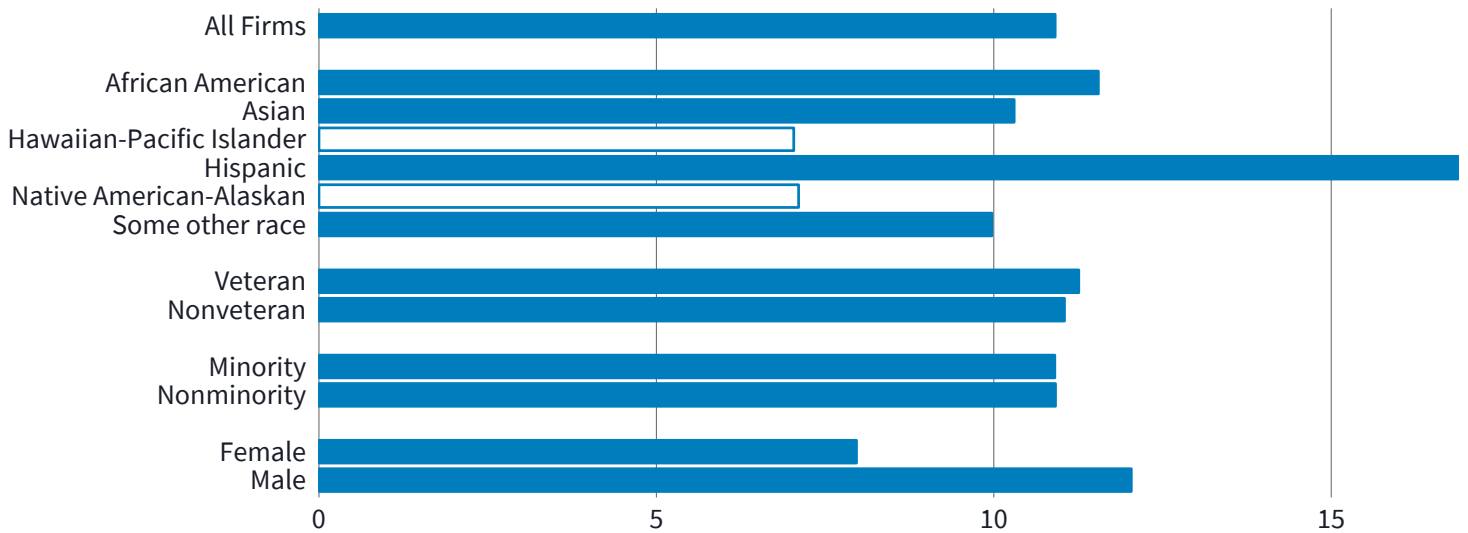
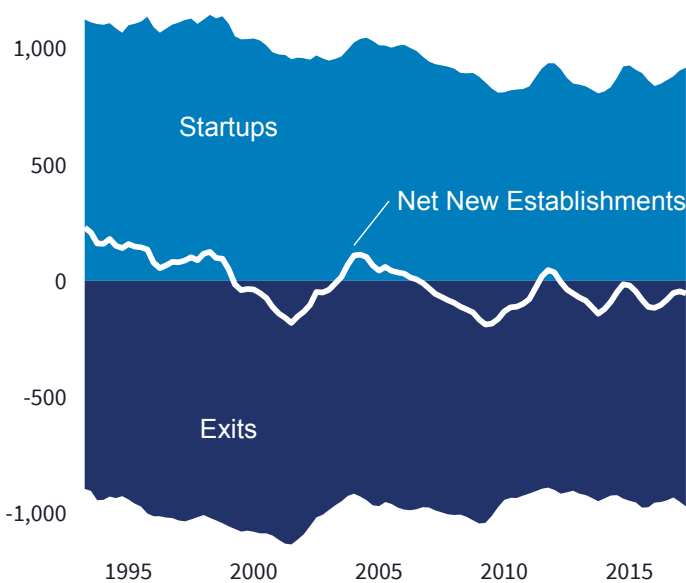


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information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

Turnover among Establishments with Employees

Figure 3: West Virginia Quarterly Startups and Exits



- In the third quarter of 2017, 862 establishments started up, generating 4,023 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, 1,051 establishments exited resulting in 3,910 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 1,047 companies exported goods from West Virginia in 2016. Of these, 805, or 76.9%, were small firms; they generated 29.5% of West Virginia's \$4.7 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: West Virginia Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	57,151	134,188	42.6
Accommodation and Food Services	40,734	68,310	59.6
Retail Trade	32,067	86,580	37.0
Construction	21,893	24,133	90.7
Other Services (except Public Administration)	21,201	23,682	89.5
Professional, Scientific, and Technical Services	18,607	25,026	74.4
Manufacturing	17,665	47,274	37.4
Administrative, Support, and Waste Management	12,673	33,332	38.0
Wholesale Trade	10,769	18,455	58.4
Finance and Insurance	9,154	17,092	53.6
Transportation and Warehousing	6,786	14,882	45.6
Arts, Entertainment, and Recreation	6,448	7,430	86.8
Mining, Quarrying, and Oil and Gas Extraction	5,242	19,766	26.5
Educational Services	4,893	8,831	55.4
Real Estate and Rental and Leasing	4,044	6,569	61.6
Information	2,376	10,492	22.6
Management of Companies and Enterprises	1,634	5,396	30.3
Agriculture, Forestry, and Fishing and Hunting	874	886	98.6
Utilities	818	6,465	12.7
Industries not classified	116	116	100.0
Total	275,145	558,905	49.2

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

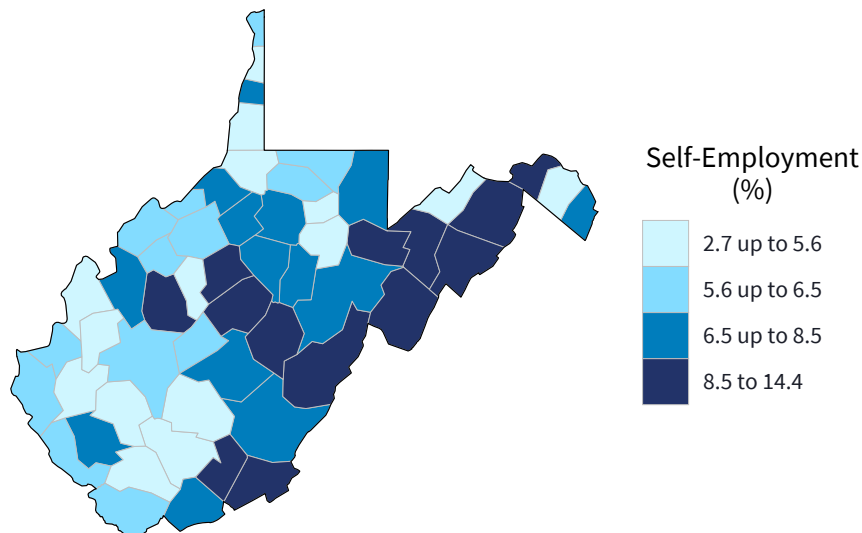


Table 2: West Virginia Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	3,991	3,789	15,254	19,245
Retail Trade	3,148	2,732	10,122	13,270
Construction	3,061	2,830	9,297	12,358
Professional, Scientific, and Technical Services	2,388	2,125	9,411	11,799
Health Care and Social Assistance	3,041	2,470	7,029	10,070
Real Estate and Rental and Leasing	1,041	983	8,726	9,767
Administrative, Support, and Waste Management	1,141	993	7,001	8,142
Arts, Entertainment, and Recreation	637	560	4,365	5,002
Transportation and Warehousing	906	787	3,829	4,735
Accommodation and Food Services	2,478	1,891	1,276	3,754
Finance and Insurance	1,018	900	2,120	3,138
Educational Services	246	190	2,560	2,806
Mining, Quarrying, and Oil and Gas Extraction	394	318	1,972	2,366
Wholesale Trade	893	658	1,319	2,212
Manufacturing	937	676	1,208	2,145
Agriculture, Forestry, and Fishing and Hunting	270	267	1,242	1,512
Information	191	158	842	1,033
Utilities	42	35	98	140
Total	25,739	22,407	87,671	113,410

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