

2020 Small Business Profile

U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

Alaska

73,298 Small Businesses
99.1% of Alaska Businesses

137,271 Small Business Employees
52.4% of Alaska Employees



EMPLOYMENT
2,277
net new jobs



DIVERSITY
10,413
self-employed minorities



TRADE
587
small business exporters

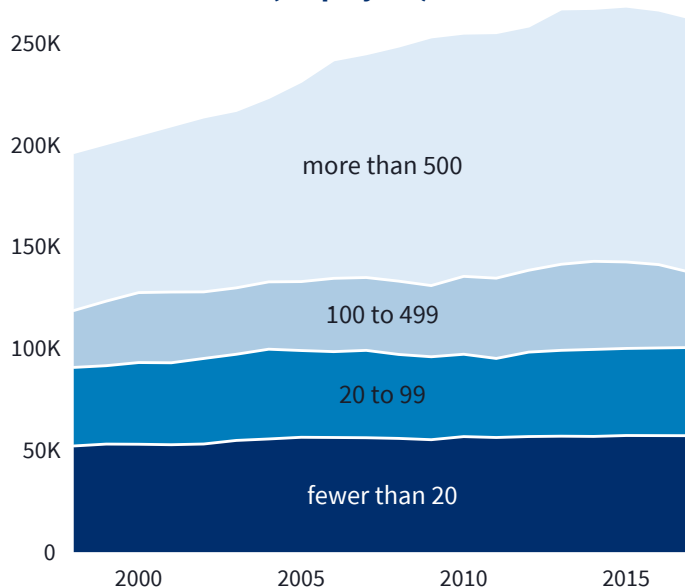
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Alaska grew at an annual rate of **0.4%**, which was slower than the overall US growth rate of **2.1%**. Alaska's 2019 overall growth rate of **2.5%** was up from the 2018 rate of **0.7%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **12.9%**, up from **6.1%** in April 2019. This was below the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Alaska Employment by Business Size (Employees)



- Alaska small businesses employed **137,271** people, or **52.4%** 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 **16.3%** during the 12-month period ending in April 2020. This was below the increase of **1.3%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.1%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **2,277** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **2,621** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **339** 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 **\$60,098** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$32,438**. (Source: [ACS](#))
- The total number of banks was unchanged at **5** between June 2018 and June 2019. During the same period, the number of banks with assets under \$1 billion was unchanged at **3**. (Source: [FDIC](#))
- In 2018, Alaska lending institutions reporting under the Community Reinvestment Act issued **12,998** loans under \$100,000, a total value of **\$225.2 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: Alaska Self-Employment Rates by Gender & Demographic, 2018

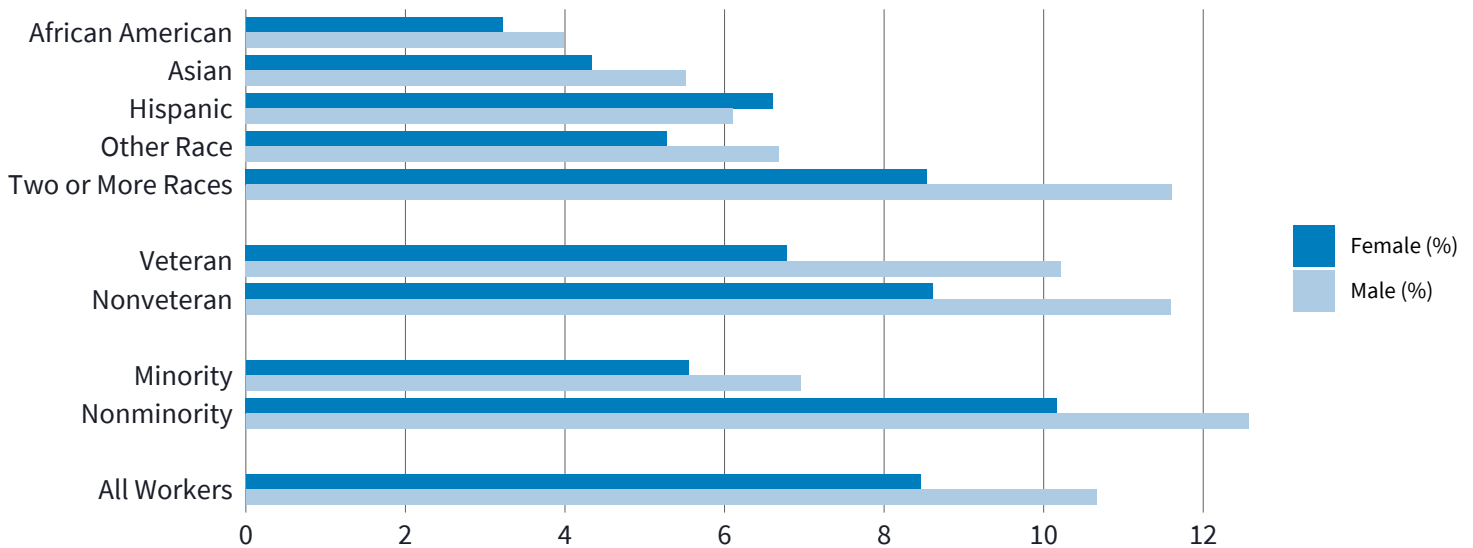
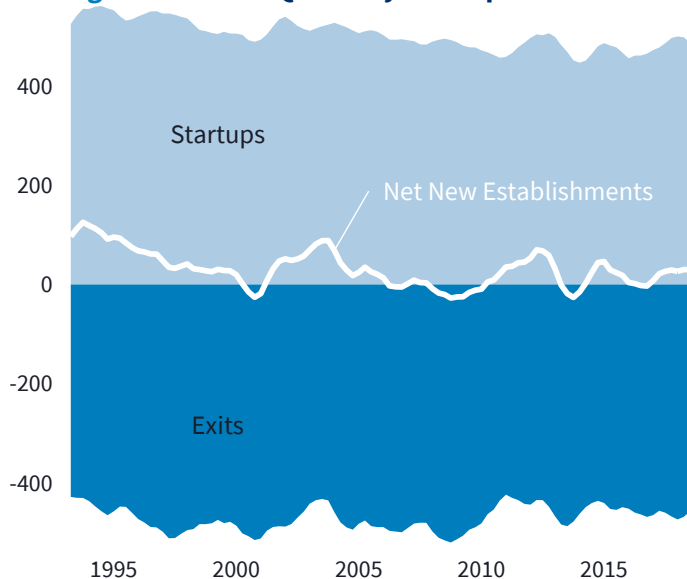


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Alaska Quarterly Startups and Exits



- In the fourth quarter of 2018, **444** establishments started up, generating **1,687** 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, **440** establishments exited, resulting in **1,419** 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 806 firms exported goods from Alaska in 2018. Of these, 587, or 72.8%, were small firms, which generated 53.3% of Alaska's \$4.6 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Alaska Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	27,961	52,228	53.5
Accommodation and Food Services	20,110	27,820	72.3
Retail Trade	13,618	33,530	40.6
Construction	12,354	16,732	73.8
Professional, Scientific, and Technical Services	10,217	18,380	55.6
Other Services (except Public Administration)	9,305	10,022	92.8
Administrative, Support, and Waste Management	7,294	17,987	40.6
Transportation and Warehousing	6,527	18,993	34.4
Wholesale Trade	4,492	8,787	51.1
Manufacturing	4,127	12,348	33.4
Real Estate and Rental and Leasing	3,681	4,508	81.7
Finance and Insurance	3,417	7,352	46.5
Arts, Entertainment, and Recreation	3,266	4,825	67.7
Educational Services	2,784	3,308	84.2
Information	2,433	6,781	35.9
Mining, Quarrying, and Oil and Gas Extraction	1,941	9,830	19.7
Utilities	1,755	2,070	84.8
Management of Companies and Enterprises	1,444	6,006	24.0
Agriculture, Forestry, and Fishing and Hunting	517	540	95.7
Industries Not Classified	28	28	100.0
Total	137,271	262,075	52.4

Figure 4: Alaska Self-Employment Rates by County, 2018

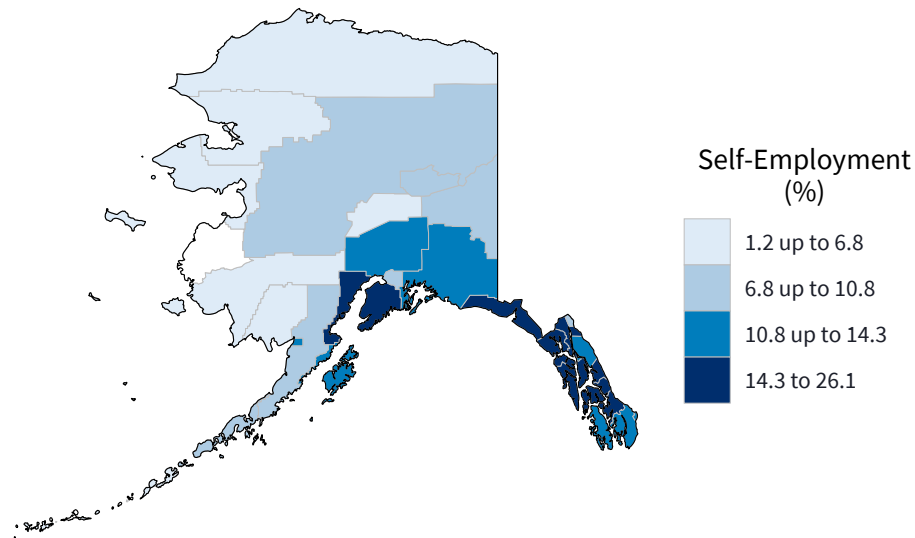







Table 2: Alaska Small Businesses by Industry and Firm Size, 2017

 Industry	 1–19 Employees	 1–499 Employees	 Nonemployer Firms	 Total Small Firms
Agriculture, Forestry, and Fishing and Hunting	469	474	8,614	9,088
Professional, Scientific, and Technical Services	1,470	1,612	6,786	8,398
Other Services (except Public Administration)	1,540	1,641	5,668	7,309
Retail Trade	1,539	1,721	5,089	6,810
Construction	2,237	2,362	4,421	6,783
Real Estate and Rental and Leasing	763	815	5,244	6,059
Health Care and Social Assistance	1,834	2,095	3,411	5,506
Administrative, Support, and Waste Management	827	909	3,291	4,200
Arts, Entertainment, and Recreation	500	542	3,498	4,040
Transportation and Warehousing	742	834	2,941	3,775
Accommodation and Food Services	1,574	1,844	1,809	3,653
Finance and Insurance	317	361	1,695	2,056
Educational Services	196	238	1,756	1,994
Manufacturing	381	430	1,167	1,597
Wholesale Trade	312	415	554	969
Information	146	181	544	725
Mining, Quarrying, and Oil and Gas Extraction	71	97	278	375
Utilities	35	54	30	84
Total	14,956	16,502	56,796	73,298

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). Data for areas 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/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