

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### VIRGINIA



706,626  
99.5%

Small Businesses  
of Virginia Businesses

1.5 million  
47.0%

Small Business Employees  
of Virginia Employees



**EMPLOYMENT**  
33,908  
net new jobs



**DIVERSITY**  
184,956  
minority-owned  
businesses



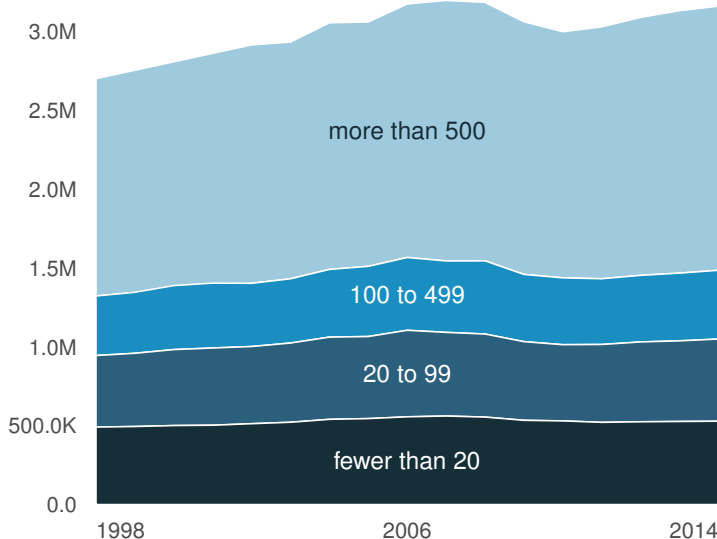
**TRADE**  
86.1%  
of Virginia exporters

#### OVERALL VIRGINIA ECONOMY

- In the second quarter of 2016, Virginia grew at an annual rate of 0.6%, which was slower than the overall US growth rate of 1.2%. Virginia's 2015 growth rate of 2.0% was up from the 2014 rate of 0.2%. (Source: BEA)
- In November 2016, the unemployment rate was 4.2%, unchanged from 4.2% at the close of 2015. This was below the November 2016 national unemployment rate of 4.6%. (Source: CPS)

#### EMPLOYMENT

Figure 1: Virginia Employment by Business Size (Employees)



- Virginia small businesses employed 1.5 million people, or 47.0% of the private workforce, in 2014. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- During the year ending November 2016, private-sector employment increased 0.5%. This was below the previous year's increase of 0.8%. (Source: CPS)
- The number of proprietors increased in 2015 by 3.1% relative to the previous year. (Source: BEA)
- Small businesses created 33,908 net jobs in 2014. Among the seven BDS size-classes, firms employing 20 to 49 employees experienced the largest gains, adding 8,069 net jobs. The smallest gains were in firms employing 1 to 4 employees, which added 1,055 net jobs. (Source: BDS)

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, **119,426** loans under \$100,000 (valued at **\$1.7 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 **\$51,611** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$22,275**. (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.

## BUSINESS OWNER DEMOGRAPHICS

Figure 2: Virginia Small Business Ownership, 2012

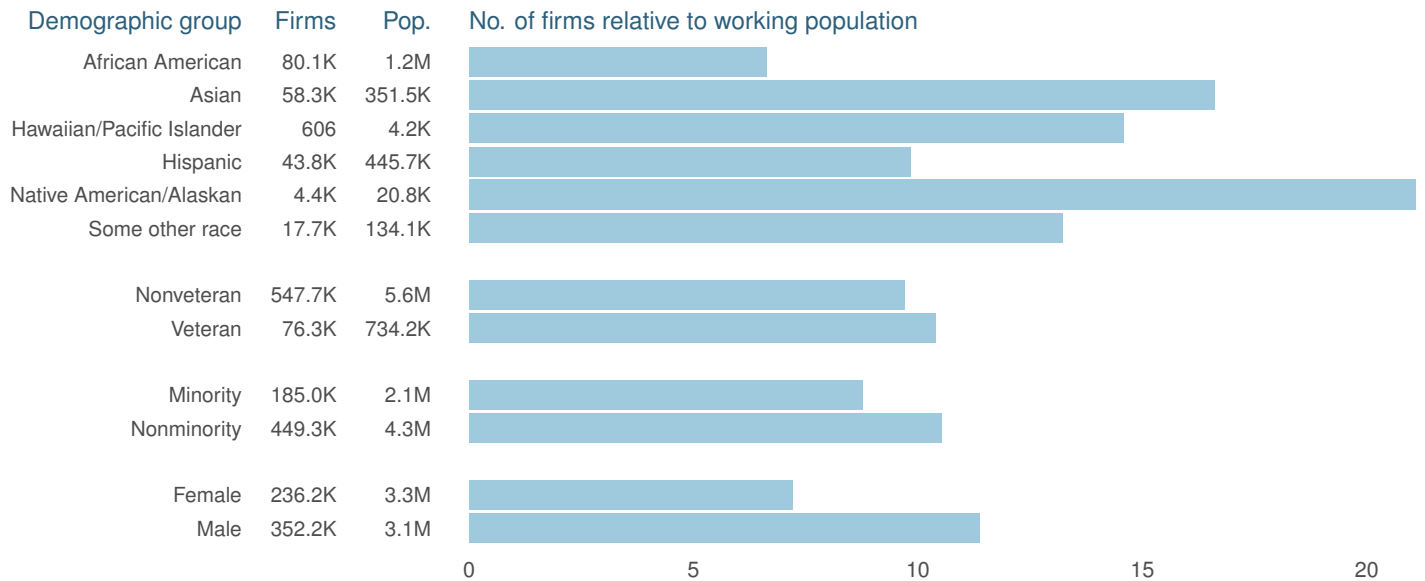
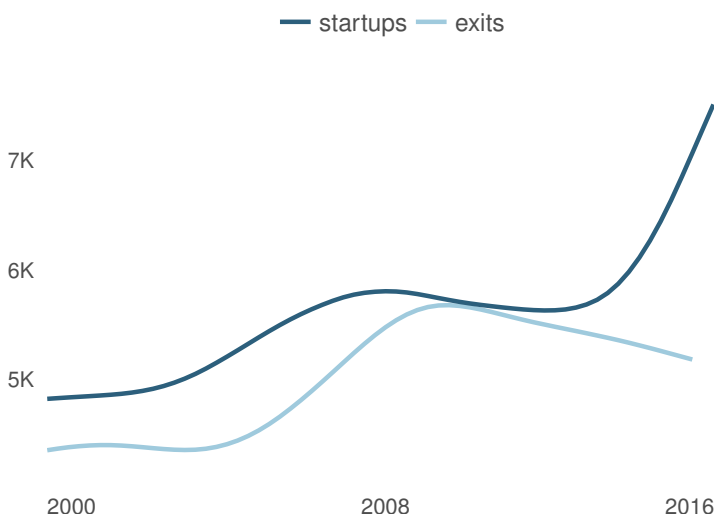


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 7 female-owned firms per 100 working age females or  $236.2K \div 3.3M \times 100$ . ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

## BUSINESS TURNOVER

Figure 3: Virginia Quarterly Startups and Exits



- In the second quarter of 2015, **6,673** establishments started up, generating **22,415** 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, **5,242** establishments exited resulting in **17,518** 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The 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.

## INTERNATIONAL TRADE

- A total of 7,704 companies exported goods from Virginia in 2014. Among these, 6,630, or 86.1%, were small firms; they generated 30.1% of Virginia's \$17.9 billion in total known exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Virginia Employment by Industry, 2014

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Professional, Scientific, and Technical Services	214,997	435,023	49%
Health Care and Social Assistance	195,885	427,084	46%
Accommodation and Food Services	181,698	330,740	55%
Construction	143,051	169,620	84%
Other Services (Except Public Administration)	141,961	163,419	87%
Retail Trade	130,746	420,574	31%
Administrative, Support, and Waste Management	109,885	248,561	44%
Manufacturing	82,508	232,965	35%
Wholesale Trade	57,485	102,045	56%
Educational Services	41,857	76,434	55%
Finance and Insurance	40,797	157,131	26%
Transportation and Warehousing	34,912	99,705	35%
Real Estate and Rental and Leasing	33,920	53,529	63%
Arts, Entertainment, and Recreation	31,875	56,434	56%
Information	25,559	93,753	27%
Agriculture, Forestry, and Fishing and Hunting	3,216	3,847	84%
Mining, Quarrying, and Oil and Gas Extraction	3,045	9,772	31%
Utilities	2,144	14,403	15%
<b>Total</b>	<b>1,485,352</b>	<b>3,160,539</b>	<b>47%</b>

Figure 4: Virginia Small Business Percent of Employment by County

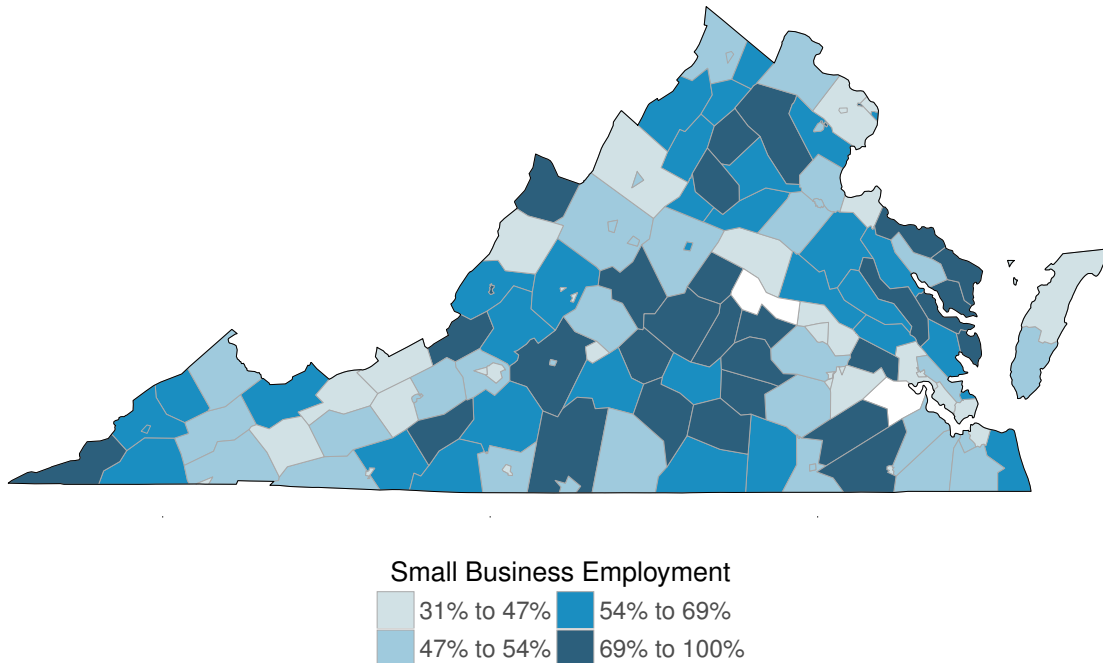


Table 2: Virginia Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	25,184	22,563	91,085	116,269
Other Services (Except Public Administration)	19,621	18,103	81,863	101,484
Construction	18,672	17,038	60,559	79,231
Real Estate and Rental and Leasing	6,287	5,858	63,577	69,864
Retail Trade	15,032	13,543	43,214	58,246
Health Care and Social Assistance	14,124	11,980	42,254	56,378
Administrative, Support, and Waste Management	8,622	7,372	46,681	55,303
Transportation and Warehousing	3,825	3,281	30,574	34,399
Arts, Entertainment, and Recreation	2,589	2,166	31,269	33,858
Educational Services	2,637	2,123	20,133	22,770
Accommodation and Food Services	12,328	9,689	8,103	20,431
Finance and Insurance	5,200	4,729	14,614	19,814
Wholesale Trade	5,086	4,072	7,110	12,196
Manufacturing	4,187	3,112	5,912	10,099
Information	1,757	1,375	7,998	9,755
Agriculture, Forestry, and Fishing and Hunting	647	616	4,991	5,638
Utilities	66	44	446	512
Mining, Quarrying, and Oil and Gas Extraction	157	104	214	371
<b>Total</b>	<b>146,029</b>	<b>128,222</b>	<b>560,597</b>	<b>706,626</b>

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

**REFERENCES**

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

- ACS American Community Survey, 5-year estimates, U.S. Census Bureau
- BEA Bureau of Economic Analysis
- BDM Business Employment Dynamics, BLS
- BDS Business Dynamics Statistics, U.S. Census Bureau
- BLS Bureau of Labor Statistics, U.S. Department of Labor
- CES Current Employment Statistics, BLS
- CEW Census of Employment and Wages, BLS
- CPS Current Population Survey, BLS
- FDIC Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration
- NES Nonemployer Statistics, U.S. Census Bureau
- SBO Survey of Business Owners, U.S. Census Bureau
- SUSB Statistics of U.S. Businesses, U.S. Census Bureau

