

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

WEST VIRGINIA



115,162
95.6% Small Businesses
of West Virginia Businesses

290,950
50.5% Small Business Employees
of West Virginia Employees



EMPLOYMENT
6,469
net jobs lost¹



DIVERSITY
30.3%
increase in minority
ownership²



TRADE
75.5%
of West Virginia
exporters³

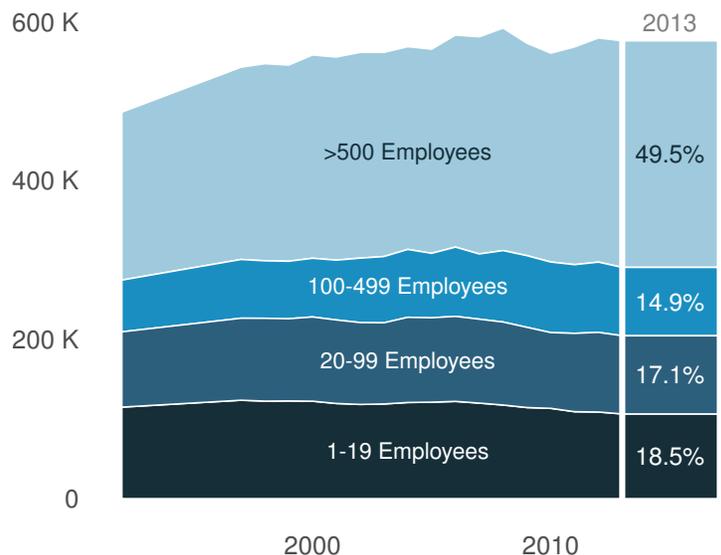
OVERALL WEST VIRGINIA ECONOMY

- In the third quarter of 2015, West Virginia had an annual growth rate of **-2.0%** which was slower than the overall US growth rate of **1.9%**. By comparison, West Virginia's 2014 growth of **6.0%** was up from the 2013 level of **2.2%**. (Source: BEA)
- At the close of 2015, unemployment was **6.2%**, down from **6.5%** at the close of 2014. This was above the national unemployment rate of **5.0%**. (Source: CPS)

EMPLOYMENT

- West Virginia small businesses employed **290,950** people, or **50.5%** of the private workforce, in 2013. (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)
- Private-sector employment decreased **1.7%** in 2015. This was below the previous year's decrease of **0.3%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.6%** relative to the previous year. (Source: BEA)
- Small businesses lost **6,469** net jobs in 2013. Among the seven BDS size-classes, firms employing 50 to 99 employees experienced the smallest losses, losing **51** net jobs. The largest losses were in firms employing 100 to 249 employees which lost **1,766** net jobs. (Source: BDS)

Figure 1: West Virginia Employment by Firm Size



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.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 was unchanged. (Source: FDIC)
- In 2014, 16,152 loans under \$100,000 (and valued at \$254.6 million) were issued by West Virginia lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$42,450 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$18,785. (Source: ACS)

⁴ 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: West Virginia Changes in Business Ownership by Demographic Group

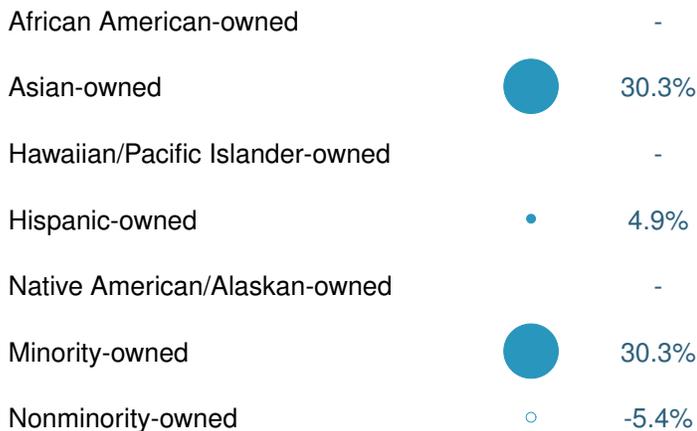
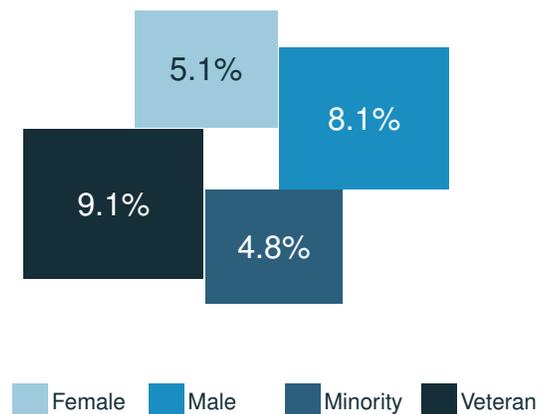


Figure 3: West Virginia Self-Employment within Demographic Group

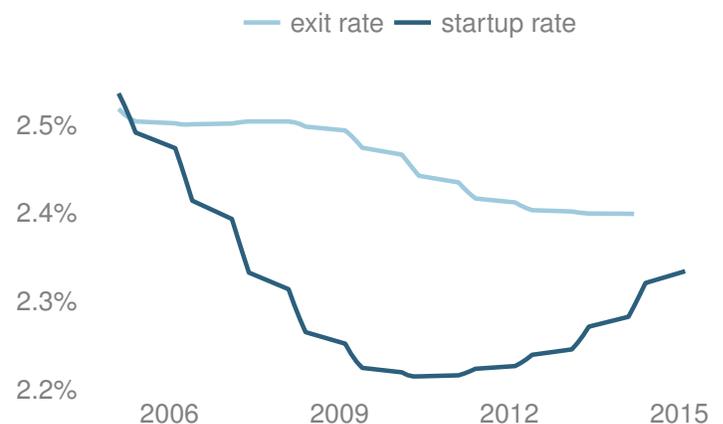


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for West Virginia, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 921 establishments started up⁵ in West Virginia and 991 exited.⁶ Startups generated 3,899 new jobs while exits caused 3,902 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: West Virginia Private Startup and Exit Rates



⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 1,121 companies exported goods from West Virginia in 2013. Among these, 846, or 75.5%, were small firms; they generated 30.9% of West Virginia's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: West Virginia Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	4,081	3,849	14,988	19,069
Retail Trade	3,373	2,924	10,621	13,994
Health Care and Social Assistance	3,240	2,657	7,270	10,510
Construction	3,216	2,975	8,970	12,186
Accommodation and Food Services	2,563	1,983	1,299	3,862
Professional, Scientific, and Technical Services	2,525	2,256	9,193	11,718
Administrative, Support, and Waste Management	1,173	1,024	7,235	8,408
Real Estate and Rental and Leasing	1,087	1,034	8,372	9,459
Finance and Insurance	1,036	918	2,219	3,255
Wholesale Trade	1,003	743	1,340	2,343
Manufacturing	992	715	1,267	2,259
Transportation and Warehousing	957	842	3,526	4,483
Arts, Entertainment, and Recreation	658	578	4,106	4,764
Mining, Quarrying, and Oil and Gas Extraction	432	333	3,204	3,636
Educational Services	247	190	2,337	2,584
Agriculture, Forestry, Fishing and Hunting	221	216	1,283	1,504
Information	209	166	863	1,072
Utilities	45	35	109	154
Total	27,058	23,438	88,202	115,260

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: West Virginia Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	59,088	130,136	45.4%
Accommodation and Food Services	40,903	65,591	62.4%
Retail Trade	33,545	86,476	38.8%
Construction	23,812	25,569	93.1%
Other Services (except Public Administration)	22,914	25,054	91.5%
Professional, Scientific, and Technical Services	19,295	25,086	76.9%
Manufacturing	19,034	49,475	38.5%
Administrative, Support, and Waste Management	14,408	33,003	43.7%
Wholesale Trade	11,932	21,606	55.2%
Finance and Insurance	9,026	17,880	50.5%
Mining, Quarrying, and Oil and Gas Extraction	8,158	33,574	24.3%
Transportation and Warehousing	7,270	13,857	52.5%
Arts, Entertainment, and Recreation	6,577	9,610	68.4%
Educational Services	4,727	9,997	47.3%
Real Estate and Rental and Leasing	4,497	6,151	73.1%
Information	2,550	11,225	22.7%
Utilities	939	s	-
Agriculture, Forestry, Fishing and Hunting	748	756	98.9%
Total	289,423	565,046	51.2%

Figure 5: West Virginia County-Level Job Changes, 2015 (CEW)

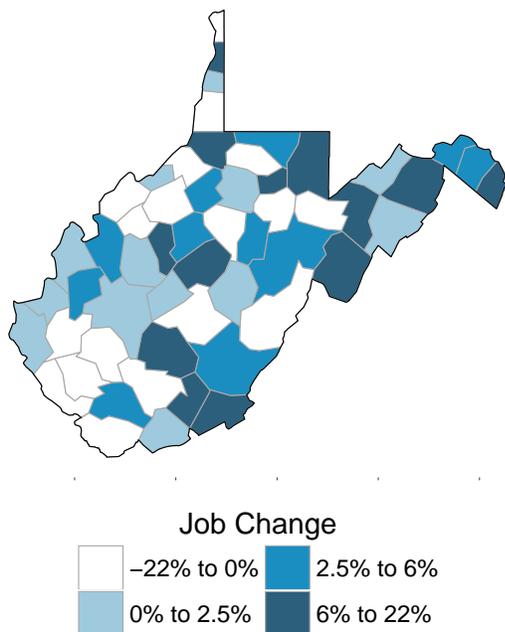


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US 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, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

