

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### HAWAII



126,600  
99.3%

Small Businesses  
of Hawaii Businesses

267,796  
51.6%

Small Business Employees  
of Hawaii Employees



**EMPLOYMENT**  
6,672  
net new jobs



**DIVERSITY**  
74,187  
minority-owned  
businesses



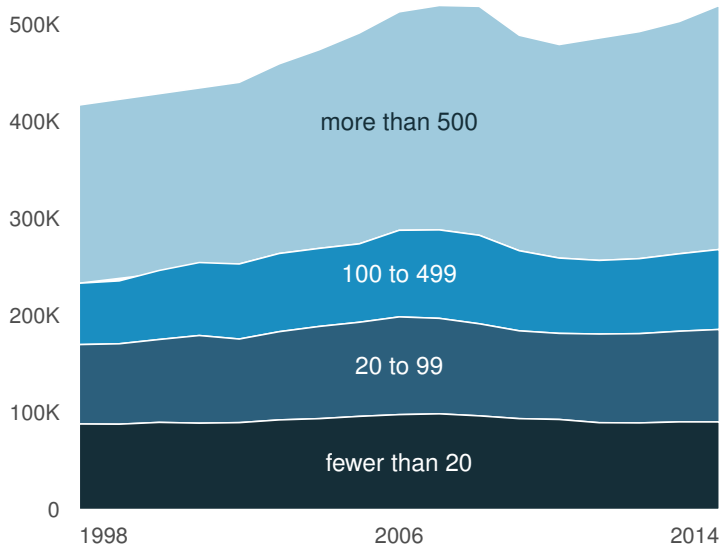
**TRADE**  
86.5%  
of Hawaii exporters

#### OVERALL HAWAII ECONOMY

- In the second quarter of 2016, Hawaii grew at an annual rate of **0.3%**, which was slower than the overall US growth rate of **1.2%**. Hawaii's 2015 growth rate of **2.3%** was up from the 2014 rate of **0.3%**. (Source: [BEA](#))
- In November 2016, the unemployment rate was **3.0%**, down from **3.3%** at the close of 2015. This was below the November 2016 national unemployment rate of **4.6%**. (Source: [CPS](#))

#### EMPLOYMENT

Figure 1: Hawaii Employment by Business Size (Employees)



- Hawaii small businesses employed **267,796** people, or **51.6%** 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 **2.8%**. This was above the previous year's increase of **2.1%**. (Source: [CPS](#))
- The number of proprietors increased in 2015 by **3.6%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **6,672** net jobs in 2014. Among the seven BDS size-classes, firms employing 20 to 49 employees experienced the largest gains, adding **2,029** net jobs. The largest losses were in firms employing 5 to 9 employees, which lost **301** 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.

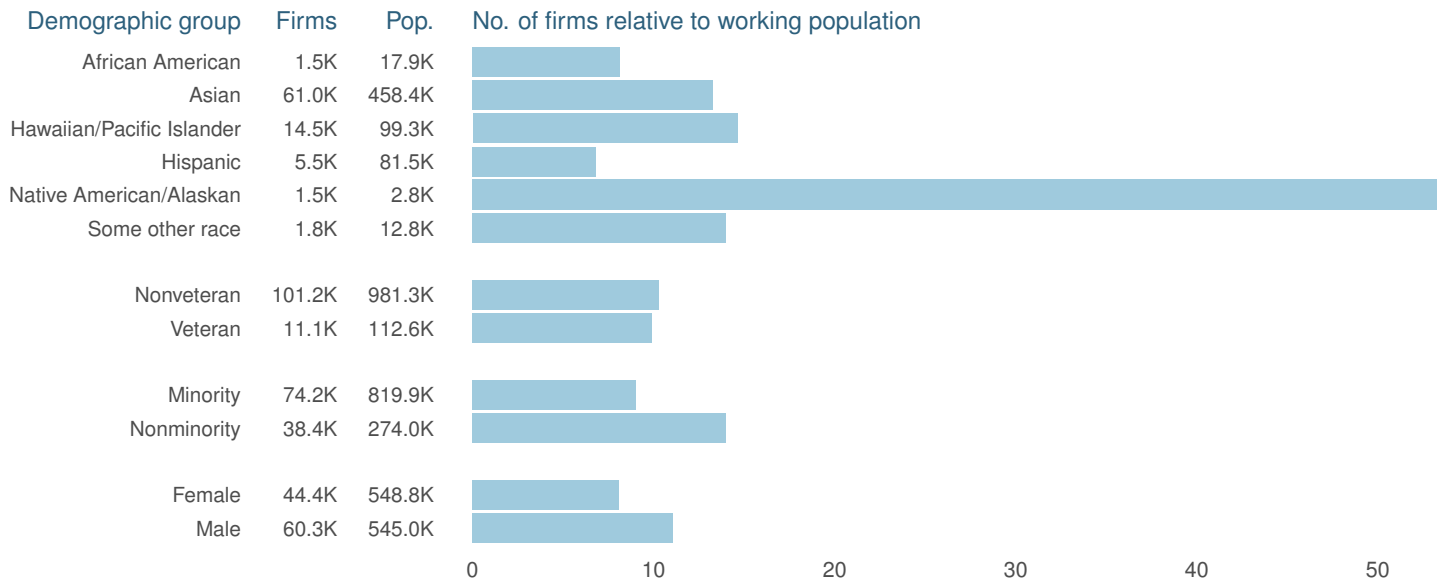
## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 was unchanged. (Source: [FDIC](#))
- In 2014, **23,079** loans under \$100,000 (valued at **\$330.3 million**) were issued by Hawaii lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$47,728** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$23,566**. (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

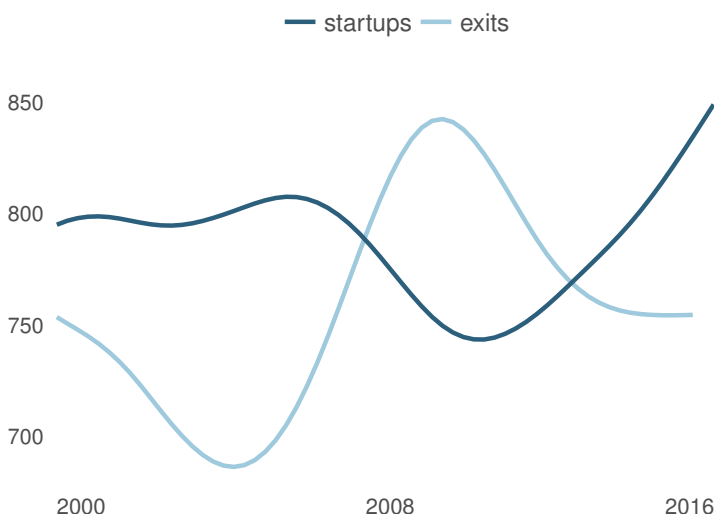
Figure 2: Hawaii Small Business Ownership, 2012



*Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 8 female-owned firms per 100 working age females or  $44.4K \div 548.8K \times 100$ . 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: Hawaii Quarterly Startups and Exits



- In the second quarter of 2015, **831** establishments started up, generating **2,973** new jobs in Hawaii. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **797** establishments exited resulting in **3,001** 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 883 companies exported goods from Hawaii in 2014. Among these, 764, or 86.5%, were small firms; they generated 71.8% of Hawaii's \$913.0 million in total known exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Hawaii Employment by Industry, 2014





 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Accommodation and Food Services	51,249	104,888	49%
Health Care and Social Assistance	33,446	68,461	49%
Retail Trade	27,506	70,860	39%
Construction	23,654	27,802	85%
Other Services (Except Public Administration)	22,115	25,549	87%
Administrative, Support, and Waste Management	21,076	57,775	36%
Professional, Scientific, and Technical Services	17,188	23,499	73%
Wholesale Trade	13,626	19,068	71%
Transportation and Warehousing	11,440	29,238	39%
Arts, Entertainment, and Recreation	9,221	11,344	81%
Manufacturing	9,028	11,958	75%
Educational Services	8,645	18,687	46%
Real Estate and Rental and Leasing	7,804	12,186	64%
Finance and Insurance	7,206	19,244	37%
Information	1,960	8,228	24%
Utilities	529	3,648	15%
Agriculture, Forestry, and Fishing and Hunting	143	143	100%
Mining, Quarrying, and Oil and Gas Extraction	s	152	-
<b>Total</b>	<b>267,796</b>	<b>519,130</b>	<b>52%</b>

Figure 4: Hawaii Small Business Percent of Employment by County

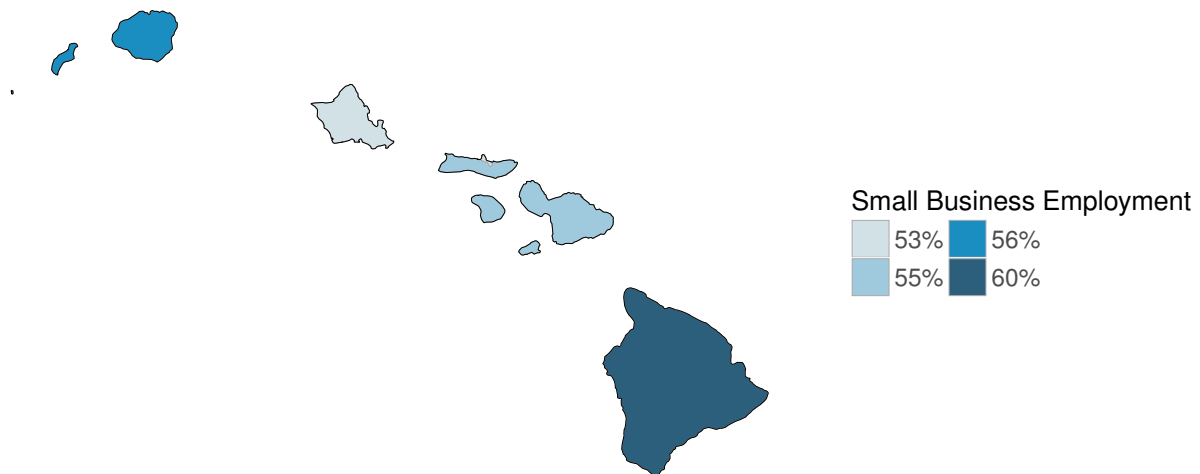


Table 2: Hawaii Small Businesses by Industry and Firm Size, 2014



Industry



1-499 Employees



1-20 Employees



Nonemployer Firms



Total Small Firms

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (Except Public Administration)	3,050	2,804	16,168	19,218
Professional, Scientific, and Technical Services	2,765	2,531	15,186	17,951
Real Estate and Rental and Leasing	1,530	1,427	11,689	13,219
Retail Trade	2,623	2,314	10,067	12,690
Health Care and Social Assistance	2,853	2,586	7,874	10,727
Construction	2,658	2,378	7,544	10,202
Administrative, Support, and Waste Management	1,455	1,210	8,606	10,061
Arts, Entertainment, and Recreation	478	356	6,378	6,856
Accommodation and Food Services	2,739	2,045	1,887	4,626
Wholesale Trade	1,298	1,077	2,672	3,970
Transportation and Warehousing	622	458	3,299	3,921
Finance and Insurance	653	566	2,806	3,459
Educational Services	453	352	2,676	3,129
Manufacturing	715	589	2,224	2,939
Agriculture, Forestry, and Fishing and Hunting	29	26	2,110	2,139
Information	248	216	1,168	1,416
Utilities	17	12	182	199
Mining, Quarrying, and Oil and Gas Extraction	7	5	8	15
<b>Total</b>	<b>24,056</b>	<b>20,977</b>	<b>102,544</b>	<b>126,600</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

