

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### UTAH



259,786  
96.7%

Small Businesses  
of Utah Businesses

520,366  
47.2%

Small Business Employees  
of Utah Employees



#### EMPLOYMENT

20,229  
net new jobs<sup>1</sup>



#### DIVERSITY

52.2%  
increase in minority  
ownership<sup>2</sup>



#### TRADE

85.7%  
of Utah exporters<sup>3</sup>

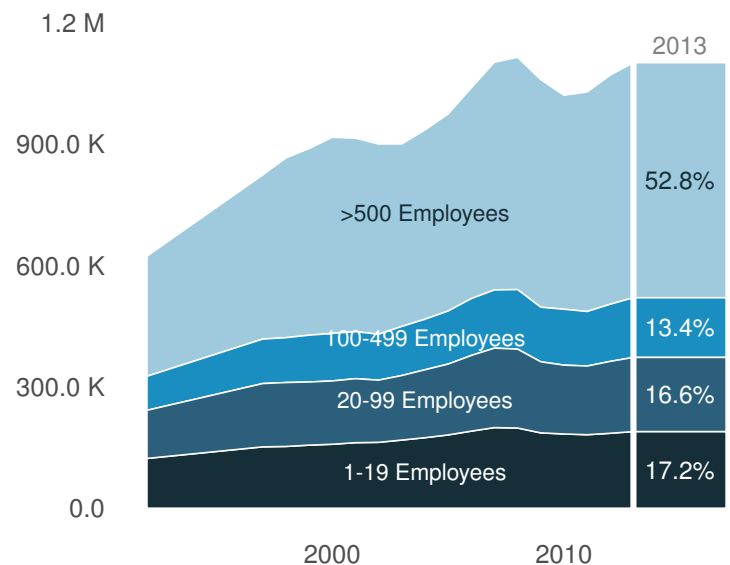
### OVERALL UTAH ECONOMY

- In the third quarter of 2015, Utah grew at an annual rate of 2.9% which was faster than the overall US growth rate of 1.9%. By comparison, Utah's 2014 growth of 4.6% was down from the 2013 level of 4.8%. (Source: BEA)
- The employment situation in Utah improved. At the close of 2015, unemployment was 3.4%, down from 3.6% at the close of 2014. This was below the national unemployment rate of 5.0%. (Source: CPS)

### EMPLOYMENT

- Utah small businesses employed 520,366 people, or 47.2% 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 increased 3.5% in 2015. This was below the previous year's increase of 4.0%. (Source: CES)
- The number of proprietors increased in 2014 by 1.2% relative to the previous year. (Source: BEA)
- Small businesses created 20,229 net jobs in 2013. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 4,317 net jobs. The smallest gains were in firms employing 50 to 99 employees which added 1,146 net jobs. (Source: BDS)

Figure 1: Utah 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.

<sup>1,3</sup> Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

<sup>2</sup> 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, 57,104 loans under \$100,000 (and valued at \$848.5 million) were issued by Utah lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income<sup>4</sup> for individuals who were self-employed at their own incorporated businesses was \$47,676 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$17,666. (Source: ACS)

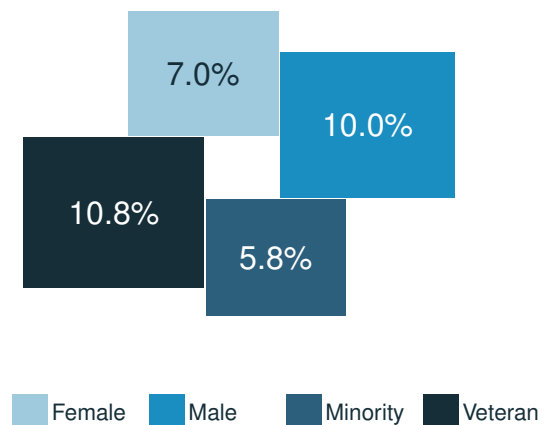
<sup>4</sup> Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## BUSINESS OWNER DEMOGRAPHICS

Figure 2: Utah Changes in Business Ownership by Demographic Group

African American-owned	●	58.0%
Asian-owned	●	35.3%
Hawaiian/Pacific Islander-owned	●	92.8%
Hispanic-owned	●	48.7%
Native American/Alaskan-owned	●	8.8%
Minority-owned	●	52.2%
Nonminority-owned	●	1.5%

Figure 3: Utah Self-Employment within Demographic Group

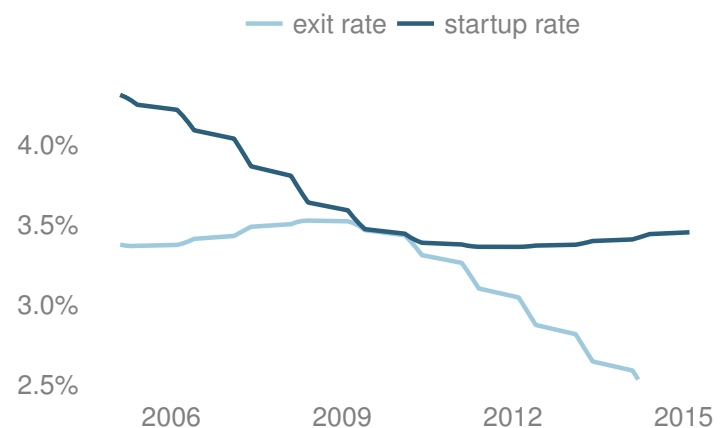


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Utah, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American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

## BUSINESS TURNOVER

- In the second quarter of 2014, 2,850 establishments started up<sup>5</sup> in Utah and 2,112 exited.<sup>6</sup> Startups generated 9,815 new jobs while exits caused 6,541 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: Utah Private Startup and Exit Rates



<sup>5</sup> **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.

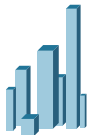




<sup>6</sup> **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

## INTERNATIONAL TRADE

- A total of 3,494 companies exported goods from Utah in 2013. Among these, 2,996, or 85.7%, were small firms; they generated 31.0% of Utah's total known export value. (Source: ITA)

## SMALL BUSINESSES BY INDUSTRY

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

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	8,685	8,045	32,335	41,020
Construction	8,262	7,687	16,521	24,783
Health Care and Social Assistance	6,233	5,619	12,870	19,103
Retail Trade	5,654	5,013	21,126	26,780
Other Services (except Public Administration)	4,173	3,902	27,493	31,666
Real Estate and Rental and Leasing	4,073	3,921	30,809	34,882
Accommodation and Food Services	3,637	2,705	2,020	5,657
Administrative, Support, and Waste Management	3,585	3,229	12,722	16,307
Finance and Insurance	2,971	2,757	8,925	11,896
Manufacturing	2,831	2,201	3,967	6,798
Wholesale Trade	2,806	2,175	3,718	6,524
Transportation and Warehousing	1,861	1,625	5,619	7,480
Educational Services	959	764	6,756	7,715
Arts, Entertainment, and Recreation	921	789	10,938	11,859
Information	849	675	3,927	4,776
Mining, Quarrying, and Oil and Gas Extraction	397	333	509	906
Agriculture, Forestry, Fishing and Hunting	79	75	1,426	1,505
Utilities	72	63	157	229
<b>Total</b>	<b>58,048</b>	<b>51,578</b>	<b>201,838</b>	<b>259,886</b>

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: Utah 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	62,979	127,970	49.2%
Accommodation and Food Services	62,374	100,021	62.4%
Construction	54,684	63,222	86.5%
Retail Trade	53,354	137,665	38.8%
Professional, Scientific, and Technical Services	50,342	87,039	57.8%
Manufacturing	48,814	112,234	43.5%
Administrative, Support, and Waste Management	33,346	119,021	28.0%
Wholesale Trade	31,723	53,158	59.7%
Other Services (except Public Administration)	25,179	42,504	59.2%
Finance and Insurance	20,206	56,886	35.5%
Transportation and Warehousing	16,340	47,856	34.1%
Educational Services	14,406	43,222	33.3%
Real Estate and Rental and Leasing	13,265	17,589	75.4%
Information	12,777	37,863	33.7%
Arts, Entertainment, and Recreation	11,230	20,773	54.1%
Mining, Quarrying, and Oil and Gas Extraction	3,930	11,086	35.5%
Utilities	1,076	s	-
Agriculture, Forestry, Fishing and Hunting	511	533	95.9%
<b>Total</b>	<b>516,536</b>	<b>1,078,642</b>	<b>47.9%</b>

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

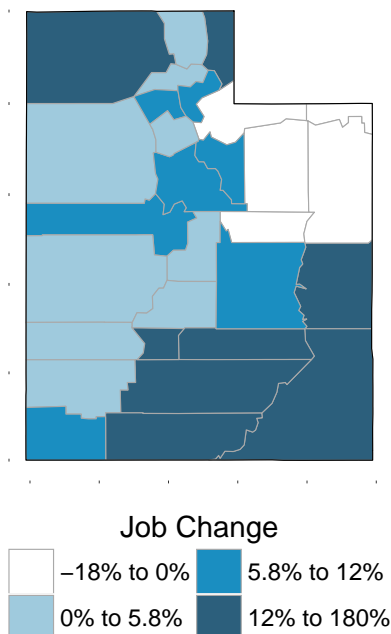


Table 3: Abbreviations and Resources

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>

