

## Hawaii

Hawaii's 116,236 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.\* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- Hawaii had 25,883 small employers in 2006, representing 96.9% of the state's employers and 56.1% of its private-sector employment.
- The accommodation and food services industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses created 58% of the state's net new jobs from 2004 to 2005 (Table 2).
- Hawaii's real gross state product increased by 3.0% in 2007. By comparison, growth in the Far West region was 1.9% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

### For Further Information

- Data on all the states and territories is available at [www.sba.gov/advo/research/profiles](http://www.sba.gov/advo/research/profiles).
- For other small business data and analysis, visit [www.sba.gov/advo/research](http://www.sba.gov/advo/research), call (202) 205-6533, or email [advocacy@sba.gov](mailto:advocacy@sba.gov).
- To learn about state efforts to adopt or implement regulatory flexibility, visit [www.sba.gov/advo/laws/law\\_modeleg.html](http://www.sba.gov/advo/laws/law_modeleg.html).
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit [www.sba.gov/advo/rsslibrary.html](http://www.sba.gov/advo/rsslibrary.html) for RSS feeds.

\* The number of small businesses is the number of small employers plus the number of nonemployers in 2006.

### Hawaii Small Business Facts

|   | Level in<br>2006† | % Change from<br>2005 2000 |       |
|---|-------------------|----------------------------|-------|
| <b>Number of Businesses</b>                               |                   |                            |       |
| Small employers (<500 employees)                          | 25,883            | 1.6                        | 10.0  |
| Large employers (500+ employees)                          | 840               | 3.2                        | 5.1   |
| Nonemployers  | 90,353            | 3.0                        | 22.4  |
|   | Level in<br>2002† | % Change from<br>1997      |       |
| <b>Business Owner Demographics</b>                        |                   |                            |       |
| Male-owned  | 50,984            | 4.2                        |       |
| Woman-owned   | 29,943            | 16.0                       |       |
| Equally male/female-owned                                 | 13,864            | -11.7                      |       |
| African American-owned                                    | 817               | 28.1                       |       |
| Asian-owned   | 44,924            | 2.8                        |       |
| Hispanic-owned  | 3,095             | -25.5                      |       |
| Native American/Alaskan-owned                             | 892               | NA                         |       |
| Hawaiian and Pacific Islander-owned                       | 8,359             | 20.7                       |       |
|   | Level in<br>2007† | % Change from<br>2006 2000 |       |
| <b>Workforce (Thousands) /Unemployment (%)</b>            |                   |                            |       |
| Private-sector employment                                 | 502               | 1.2                        | 14.9  |
| Government employment                                     | 122               | 0.6                        | 6.5   |
| Self-employed (incorp. & uninc.)                          | 73                | -9.3                       | 0.3   |
| Female self-employment                                    | 28                | -9.9                       | 1.0   |
| Male self-employment                                      | 45                | -8.9                       | -0.1  |
| Minority self-employment                                  | 46                | -0.1                       | 17.9  |
| Veteran self-employment                                   | 11                | -10.7                      | 5.9   |
| Unemployment rate (%)                                     | 2.6               | 0.1                        | -1.4  |
| <b>Business Turnover</b>                                  |                   |                            |       |
| Quarterly establishment openings                          | 5,074             | -5.8                       | -0.2  |
| Quarterly establishment closings                          | 6,062             | 21.9                       | 33.1  |
| Business bankruptcies                                     | 56                | 124                        | -24.3 |
| <b>Income and Finance</b>                                 |                   |                            |       |
| Proprietors' income (\$billion)                           | 3                 | -5.5                       | 2.9   |
| Bank branches   | 288               | -0.3                       | -5.6  |
| No. of bus. loans under \$100,000                         | 26,089            | -9.9                       | NA    |
| Total value of business loans under \$100,000 (\$million) | 472               | 0.8                        | NA    |

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy ([www.sba.gov/advo/research/lending.html](http://www.sba.gov/advo/research/lending.html)).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in Hawaii by Industry and Firm Size, 2006  
(Non-farm, thousands)**

| Industry                                      | Nonemployer firms | Employer firms |                |                 | Employment |                |                 |
|---|-------------------|----------------|----------------|-----------------|------------|----------------|-----------------|
|   |                   | Total          | 1-19 Employees | 1-499 Employees | Total      | 1-19 Employees | 1-499 Employees |
| Total   | 90.4              | 26.7           | 22.6           | 25.9            | 512.5      | 97.7           | 287.6           |
| Forestry, etc. and agriculture support        | 1.6               | 0.0            | 0.0            | 0.0             | (D)        | (D)            | (D)             |
| Mining  | 0.0               | 0.0            | 0.0            | 0.0             | (D)        | (D)            | (D)             |
| Utilities                                     | 0.1               | 0.0            | 0.0            | 0.0             | 2.8        | (D)            | (D)             |
| Construction                                  | 7.3               | 2.8            | 2.5            | 2.8             | 32.1       | 10.6           | 28.2            |
| Manufacturing                                 | 2.0               | 0.9            | 0.7            | 0.9             | 15.2       | 3.9            | 11.2            |
| Wholesale trade                               | 2.5               | 1.7            | 1.3            | 1.5             | 20.8       | 6.1            | 15.2            |
| Retail trade                                  | 9.2               | 3.4            | 2.8            | 3.2             | 72.6       | 13.1           | 32.4            |
| Transportation and warehousing                | 2.5               | 0.7            | 0.5            | 0.6             | 30.0       | 2.4            | 11.0            |
| Information                                   | 1.1               | 0.4            | 0.3            | 0.3             | 10.5       | 1.1            | 2.9             |
| Finance and insurance                         | 3.0               | 0.9            | 0.7            | 0.8             | 20.1       | 2.5            | 7.2             |
| Real estate and rental and leasing            | 11.7              | 1.8            | 1.6            | 1.7             | 16.1       | 5.1            | 9.8             |
| Professional, scientific, and technical svcs. | 13.3              | 3.1            | 2.7            | 3.0             | 25.8       | 9.3            | 19.0            |
| Management of companies and enterprises       | --                | 0.2            | 0.0            | 0.1             | 5.7        | 0.1            | 1.6             |
| Admin., support, waste mgt., remed. svcs.     | 6.5               | 1.6            | 1.3            | 1.5             | 41.8       | 5.7            | 21.9            |
| Educational services                          | 1.9               | 0.5            | 0.4            | 0.5             | 17.4       | 1.9            | 8.4             |
| Health care and social assistance             | 6.6               | 2.9            | 2.6            | 2.8             | 61.9       | 11.4           | 33.9            |
| Arts, entertainment, and recreation           | 5.8               | 0.5            | 0.3            | 0.5             | 12.4       | (D)            | (D)             |
| Accommodation and food services               | 1.4               | 2.7            | 2.0            | 2.7             | 101.2      | 12.0           | 51.6            |
| Other services (except public admin.)         | 13.8              | 3.1            | 2.8            | 3.1             | 25.7       | 10.9           | 22.1            |
| Unclassified                                  | --                | 0.1            | 0.1            | 0.1             | (D)        | (D)            | (D)             |

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html) for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

**Table 2: Net Job Change by Firm Size, 2002–2005 (Non-farm)**

|             | Total  | Employment size of firm |       |       |       |         |        |       |
|-------------|--------|-------------------------|-------|-------|-------|---------|--------|-------|
|             |        | 1-4                     | 5-9   | 10-19 | 20-99 | 100-499 | <500   | 500+  |
| 2004 - 2005 | 17,679 | 3,789                   | 997   | 606   | 2,351 | 2,519   | 10,262 | 7,417 |
| 2003 - 2004 | 13,596 | 4,042                   | 1,350 | 592   | 1,613 | -672    | 6,925  | 6,671 |
| 2002 - 2003 | 17,879 | 4,952                   | 2,296 | 1,549 | 5,340 | 2,753   | 16,890 | 989   |

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see [www.sba.gov/advo/research/data.html](http://www.sba.gov/advo/research/data.html).)

**Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)**

|           | Establishments |            |              |          | Employment |            |              |          |
|-----------|----------------|------------|--------------|----------|------------|------------|--------------|----------|
|           | Openings       | Expansions | Contractions | Closings | Openings   | Expansions | Contractions | Closings |
| Quarter 4 | 1.4            | 7.1        | 7.0          | 1.5      | 5.2        | 22.3       | 21.1         | 4.9      |
| Quarter 3 | 1.1            | 6.9        | 7.3          | 1.6      | 3.9        | 22.0       | 24.2         | 6.6      |
| Quarter 2 | 1.3            | 7.2        | 7.1          | 1.5      | 5.1        | 24.3       | 21.7         | 5.4      |
| Quarter 1 | 1.2            | 6.9        | 6.9          | 1.5      | 4.9        | 22.6       | 22.0         | 4.7      |

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see [www.bls.gov/bdm/home.htm](http://www.bls.gov/bdm/home.htm).)

Note: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.