

North Dakota

Small businesses totaled 61,760 in North Dakota in 2009. They represent 96.0 percent of all employers and employ 60.2 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to North Dakota's health and well-being.

This profile uses the latest available data to illustrate the status of North Dakota's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- North Dakota's economy was strong in 2010, with real gross state product increasing 2.0 percent and private-sector employment increasing 2.4 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of North Dakota's small businesses are very small as 71.4 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 178,324 workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in North Dakota represented 43.4 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in North Dakota surged over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was higher than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

North Dakota Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	17,137	17,215	16,593
Large employers (500+ employees)	708	707	570
Nonemployers	44,623	46,052	39,624
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	28	105	19,556
Woman-owned	15	16	1,656
Equally male/female-owned	15	19	2,670
African American-owned	0	--	--
Asian-owned	0	1	145
Hispanic-owned	0	1	17
Native American/Alaskan-owned	1	1	185
Hawaiian/Pacific Islander-owned	0	-	-
Veteran-owned	10	23	4,232
Publicly held, unclassified	3	142	39,960
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	296	2.4	15.9
Government employment	80	2.7	10.3
Self-employed (incorp. & uninc.)	57	33.2	37.0
Female self-employment	21	67.6	65.6
Male self-employment	35	18.6	24.1
Minority self-employment	3	125.1	421.7
Veteran self-employment	4	-22.2	-34.7
Unemployment Rate (Percent)	3.9	-0.4†	1.0†
Business Turnover			
Quarterly establishment openings	4,286	13.2	31.8
Quarterly establishment closings	3,745	1.4	8.4
Business bankruptcies	70	7.7	-23.9
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	4.5	3.6	2.3
Number of bank branches	444	445	410
No. of bus. loans under \$100,000‡	291,821	14,798	4,225
Total value of business loans under \$100,000 (\$million)‡	3,597	227	131
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.			
* Latest available data. †Percentage point change. ‡Data are for CRA loans.			

**Table 1: Firms and Employment in North Dakota by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	44.6	17.8	15.0	17.1	296.1	62.4	178.3
Forestry, etc. and agriculture support	1.1	0.1	0.1	0.1	0.5	0.3	D
Mining	0.5	0.2	0.1	0.2	6.9	0.6	2.5
Utilities	0.0	0.0	0.0	0.0	D	0.1	1.5
Construction	5.2	2.5	2.3	2.4	17.0	8.0	15.5
Manufacturing	0.6	0.7	0.5	0.6	24.4	2.6	12.5
Wholesale trade	0.6	1.1	0.7	0.9	18.7	3.5	11.9
Retail trade	5.3	2.4	1.9	2.3	44.6	10.2	24.1
Transportation and warehousing	2.3	1.0	0.8	0.9	11.6	2.6	7.4
Information	0.4	0.2	0.1	0.2	7.6	0.9	3.6
Finance and insurance	2.1	1.0	0.9	1.0	18.1	2.7	8.6
Real estate and rental and leasing	3.6	0.7	0.6	0.7	3.7	1.7	3.2
Professional, scientific, and technical svcs.	4.6	1.4	1.3	1.4	10.6	4.5	8.1
Management of companies and enterprises	--	0.1	0.0	0.1	9.4	0.1	0.7
Admin., support, waste mgt., remed. svcs.	2.8	0.8	0.7	0.8	11.8	2.5	6.7
Educational services	1.1	0.1	0.1	0.1	4.5	0.4	3.5
Health care and social assistance	5.4	1.4	1.2	1.4	53.2	5.9	25.3
Arts, entertainment, and recreation	2.0	0.4	0.3	0.4	5.0	1.2	4.4
Accommodation and food services	0.6	1.5	1.1	1.5	31.5	6.7	26.3
Other services (except public admin.)	6.5	2.3	2.1	2.2	12.9	8.0	12.1
Unclassified	--	0.0	0.0	0.0	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 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, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	8,156	2,191	152	697	597	1,708	5,345	2,811
2006 - 2007	14,251	2,509	531	36	-527	644	3,193	11,058
2007 - 2008	11,881	2,816	-24	1,260	642	1,645	6,339	5,542
2008 - 2009	-8,874	2,587	-18	-462	-1,169	-1,804	-866	-8,008

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	0.9	1.0	1.1	1.3	2.7	3.4	4.8	4.3
Expansions	4.8	4.9	5.1	5.0	17.1	17.0	17.9	19.5
Contractions	4.9	4.8	4.7	5.0	16.1	15.9	14.4	15.1
Closings	1.0	0.8	1.0	0.9	2.7	2.5	2.7	2.9

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

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.