

North Carolina

Small businesses significantly impact North Carolina's economy. They represent 98.0 percent of all employers and employ 47.8 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 806,223 in 2010.

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

- North Carolina's economy was strong in 2011, with real gross state product increasing 3.6 percent and private-sector employment increasing 1.6 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 1.5 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in North Carolina had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.4 percent.
- Most of North Carolina's small businesses are very small as 79.1 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in North Carolina improved over the last decade. Minority self-employment fared the best compared with other demographic groups.

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 www.sba.gov/updates to subscribe to Advocacy's Listservs.

North Carolina Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	165,537	166,386	160,311
Large employers (500+ employees)	3,401	3,412	3,332
Nonemployers	640,686	631,347	462,182
Level in 2007* (000)			
	Firms		Employment Receipts(\$M)
Business Owner Demographics			
Male-owned	421	1,205	220,767
Woman-owned	226	250	27,215
Equally male/female-owned	127	225	27,670
African American-owned	84	58	3,864
Asian-owned	20	44	5,221
Hispanic-owned	21	19	3,256
Native American/Alaskan-owned	8	8	792
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	121	277	53,428
Publicly held, unclassified	25	1,791	515,864
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	3,223	1.6	-2.4
Government employment	699	-1.0	13.6
Self-employed (incorp. & uninc.)	486	11.2	44.4
Female self-employment	170	16.6	51.8
Male self-employment	316	8.4	40.7
Minority self-employment	103	38.5	86.5
Veteran self-employment	47	25.7	-18.3
Unemployment Rate (Percent)	10.5	-0.4†	6.8‡
Business Turnover			
Quarterly establishment openings	42,758	1.7	16.7
Quarterly establishment closings	39,453	-4.9	8.9
Business bankruptcies	1,147	-18.6	157.8
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	24.3	23.7	20.3
Number of bank branches	2,760	2,779	2,448
No. of bus. loans under \$100,000‡	68,405	98,027	139,921
Total value of business loans under \$100,000 (\$million)‡	1,530	1,522	2,081

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 Carolina by Industry and Firm Size, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	640.7	168.9	147.4	165.5	3,234.6	594.2	1,545.4
Forestry, etc. and agriculture support	7.6	0.8	0.7	0.7	4.4	3.0	4.1
Mining	0.2	0.1	0.1	0.1	2.8	0.4	1.3
Utilities	0.5	0.1	0.1	0.1	19.6	0.4	3.4
Construction	85.0	22.7	21.0	22.5	174.6	74.6	147.7
Manufacturing	9.4	8.0	5.4	7.4	399.9	28.7	149.0
Wholesale trade	10.7	9.5	7.3	8.9	161.8	29.9	88.3
Retail trade	54.0	20.6	18.4	20.1	438.4	77.0	152.2
Transportation and warehousing	24.9	4.5	3.7	4.2	104.5	12.5	33.4
Information	7.6	1.8	1.3	1.6	74.2	4.9	18.1
Finance and insurance	19.3	6.3	5.5	6.0	164.4	17.2	40.4
Real estate and rental and leasing	69.7	7.5	7.0	7.3	47.3	16.6	32.9
Professional, scientific, and technical svcs.	77.9	20.8	19.1	20.4	179.9	58.2	109.9
Management of companies and enterprises	0.0	1.0	0.1	0.6	73.5	0.4	10.9
Admin., support, waste mgt., remed. svcs.	65.5	10.0	8.6	9.7	223.6	32.1	94.2
Educational services	16.8	2.3	1.8	2.2	86.8	7.5	37.0
Health care and social assistance	46.4	17.6	14.4	17.3	541.3	77.9	259.8
Arts, entertainment, and recreation	30.3	3.2	2.7	3.1	54.8	10.8	38.5
Accommodation and food services	8.1	13.6	10.5	13.3	338.0	64.3	194.1
Other services (except public admin.)	106.8	20.8	19.4	20.6	144.0	77.3	129.6
Unclassified	0.0	0.4	0.4	0.4	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, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-67,041	11,870	-2,577	-5,904	-22,893	-6,641	-26,145	-40,896
2009	-213,260	1,679	-16,366	-22,146	-55,229	-45,605	-137,667	-75,593
2008	27,144	20,054	-75	-3,140	-56	6,641	23,424	3,720
2007	58,107	27,414	5,542	1,205	6,744	-7,663	33,242	24,865

Note: Data source differs from previous publications.

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

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	11.2	10.2	10.6	10.7	39.4	37.8	40.0	38.6
Expansions	42.5	43.5	41.8	42.8	161.8	164.0	157.9	164.0
Contractions	42.5	42.3	42.3	42.7	144.2	151.9	152.0	153.5
Closings	10.5	9.8	9.2	9.9	35.7	35.0	37.2	38.3

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 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.