

North Carolina

819,038 Small Businesses

162,421 Small Businesses with Employees

656,617 Small Businesses without Employees (Nonemployers)

1,531,252 Workers Employed by Small Businesses

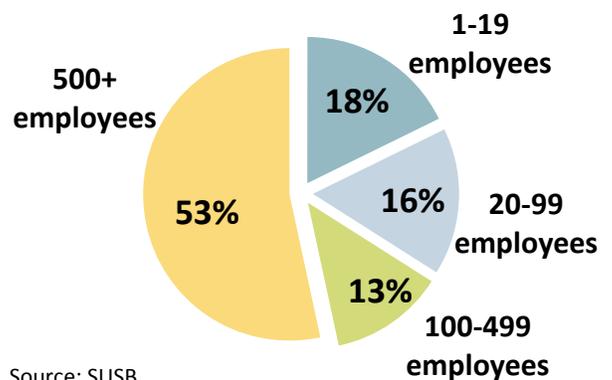
State Economy Overall

- North Carolina's economy grew at a faster rate than the United States in 2012. North Carolina's real gross state product increased by **2.7 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in North Carolina has improved. The unemployment rate in North Carolina declined from **9.2 percent** in December 2012 to **6.9 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

Employment

- North Carolina's small businesses employed about half or **1.5 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **97.9 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and retail trade (**Table 4**).
- In North Carolina, small businesses created **20,441** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **2.1 percent**, which was the same as the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: North Carolina Employment by Size of Firm, 2011



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **7.3 percent** in the 3rd quarter of 2013 and totaled **\$26.3 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **146,757** loans under \$100,000 (and valued at **\$2 billion**) were issued by Community Reinvestment Act lending institutions in North Carolina. (Source: FFIEC)

Business Owner Demographics

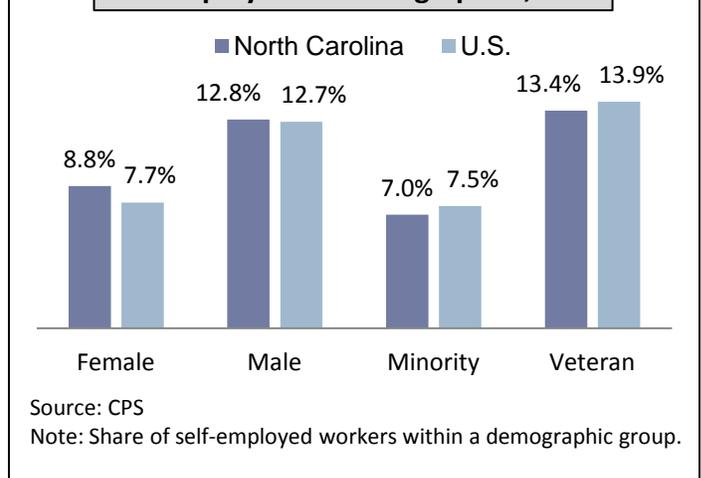
- In 2011, there were an estimated **232,000** woman-owned businesses and **136,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All North Carolina Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	433,000	52.7
Woman Owned	232,000	28.2
Equally Male and Female Owned	131,000	15.9
Minority Owned	136,000	16.5
Veteran Owned	87,000	10.6

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/nc10.pdf.

Figure 2: North Carolina Self-Employment Demographics, 2012



Business Turnover

- **Table 2** gives North Carolina's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **10,127** establishments opened and **8,802** closed in the state of North Carolina. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in North Carolina

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	15,697	36.8
2007	25,296	47
2010	14,674	68.7

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **10,653** companies exported goods from the state in 2012. Of these, **9,299** or **87.3 percent** were small firms; they generated about a quarter (**23.4 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of North Carolina Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Construction	21,024	19,528	83,825	104,849
Other services (except public admin.)	20,486	19,218	113,233	133,719
Professional, scientific, & tech. svcs.	20,265	18,966	79,482	99,747
Retail trade	19,616	17,882	55,031	74,647
Health care & social assistance	17,014	14,257	48,061	65,075
Accommodation & food services	13,429	10,530	8,652	22,081
Admin., supp., waste mgt., remed. svcs.	9,631	8,552	68,744	78,375
Wholesale trade	8,722	7,208	11,097	19,819
Manufacturing	7,227	5,276	9,977	17,204
Real estate & rental & leasing	7,062	6,682	68,891	75,953
Finance & insurance	5,905	5,433	19,345	25,250
Transportation & warehousing	4,203	3,690	25,308	29,511
Arts, entertainment, & recreation	3,192	2,719	31,447	34,639
Educational services	2,256	1,845	17,100	19,356
Information	1,552	1,298	8,067	9,619
Forestry, etc. & agriculture support	741	709	7,645	8,386
Management of comp. & enterprises	585	112	0	585
Unclassified	359	359	0	359
Utilities	130	90	542	672
Mining	109	88	170	279
Total	162,421	144,278	656,617	819,038

Table 4: Employment in North Carolina by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	251,509	540,739	47
Accommodation & food services	197,199	345,321	57
Retail trade	150,899	446,456	34
Manufacturing	149,650	403,297	37
Construction	138,236	168,911	82
Other services (except public admin.)	129,098	144,684	89
Professional, scientific, & tech. svcs.	110,070	185,488	59
Admin., supp., waste mgt., remed. svcs.	95,192	248,998	38
Wholesale trade	88,248	164,372	54
Finance & insurance	39,729	163,441	24
Arts, entertainment, & recreation	38,353	54,240	71
Educational services	37,983	88,389	43
Transportation & warehousing	34,685	105,856	33
Real estate & rental & leasing	31,794	45,817	69
Information	17,503	73,347	24
Management of comp. & enterprises	11,577	78,216	15
Forestry, etc. & agriculture support	4,375	4,708	93
Utilities	3,412	18,944	18
Mining	1,228	2,856	43
Unclassified	D	D	D
Total	1,531,252	3,284,592	47

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

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

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .