

North Dakota

67,677 Small Businesses

17,846 Small Businesses with Employees

49,831 Small Businesses without Employees (Nonemployers)

182,314 Workers Employed by Small Businesses

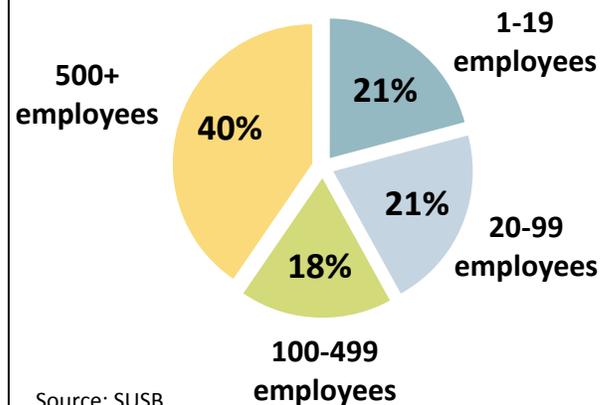
State Economy Overall

- North Dakota's economy grew at a faster rate than the United States in 2012. North Dakota's real gross state product increased by **13.4 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in North Dakota has improved. The unemployment rate in North Dakota declined from **3.2 percent** in December 2012 to **2.6 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- North Dakota's small businesses employed three-fifths or **182,314** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **95.9 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: accommodation & food services, health care & social assistance, and retail trade (**Table 4**).
- In North Dakota, small businesses created **7,769** 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 increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **4.2 percent**, which was above the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: North Dakota 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 **9.6 percent** in the 3rd quarter of 2013 and totaled **\$2.8 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, **18,798** loans under \$100,000 (and valued at **\$250.7 million**) were issued by Community Reinvestment Act lending institutions in North Dakota. (Source: FFIEC)

Business Owner Demographics

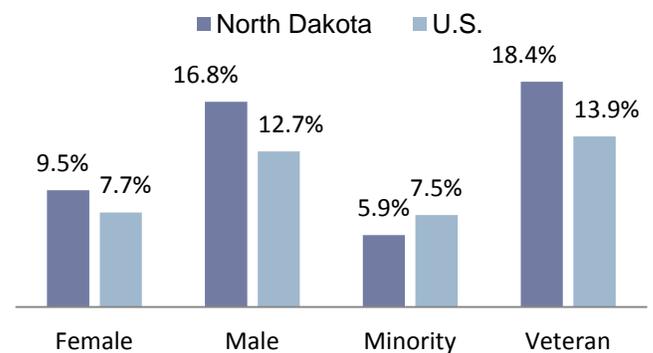
- In 2011, there were an estimated **17,000** woman-owned businesses and **2,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All North Dakota Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	31,000	46.0
Woman Owned	17,000	24.7
Equally Male and Female Owned	16,000	23.9
Minority Owned	2,000	2.9
Veteran Owned	7,000	10.0

^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/nd10.pdf.

Figure 2: North Dakota Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives North Dakota's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **1,357** establishments opened and **1,209** closed in the state of North Dakota. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	1,032	45.1
2007	1,437	56.2
2010	1,212	74.2

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

International Trade

- A total of **1,977** companies exported goods from the state in 2012. Of these, **1,669** or **84.4 percent** were small firms; they generated over a third (**36.4 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of North Dakota 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	2,640	2,454	5,554	8,194
Other services (except public admin.)	2,283	2,155	6,926	9,209
Retail trade	2,184	1,854	5,454	7,638
Accommodation & food services	1,551	1,157	644	2,195
Professional, scientific, & tech. svcs.	1,439	1,323	4,851	6,290
Health care & social assistance	1,410	1,171	5,286	6,696
Transportation & warehousing	1,237	1,130	2,658	3,895
Finance & insurance	1,003	915	2,318	3,321
Wholesale trade	921	646	705	1,626
Admin., supp., waste mgt., remed. svcs.	777	700	3,126	3,903
Real estate & rental & leasing	720	667	5,947	6,667
Manufacturing	622	469	615	1,237
Arts, entertainment, & recreation	383	339	2,052	2,435
Mining	281	214	813	1,094
Information	183	135	451	634
Educational services	129	89	1,127	1,256
Forestry, etc. & agriculture support	112	109	1,250	1,362
Management of comp. & enterprises	59	14	0	59
Unclassified	45	45	0	45
Utilities	30	13	54	84
Total	17,846	15,585	49,831	67,677

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

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Accommodation & food services	25,990	32,104	81
Health care & social assistance	25,481	56,464	45
Retail trade	24,427	45,321	54
Construction	16,424	17,940	92
Manufacturing	13,424	23,280	58
Wholesale trade	12,095	20,133	60
Other services (except public admin.)	11,880	12,770	93
Professional, scientific, & tech. svcs.	8,751	11,279	78
Finance & insurance	8,119	16,779	48
Transportation & warehousing	7,621	13,822	55
Admin., supp., waste mgt., remed. svcs.	7,157	11,943	60
Mining	4,552	14,862	31
Arts, entertainment, & recreation	4,145	5,335	78
Educational services	3,531	4,624	76
Real estate & rental & leasing	3,311	3,975	83
Information	3,198	6,971	46
Utilities	1,142	D	D
Management of comp. & enterprises	632	4,387	14
Forestry, etc. & agriculture support	353	431	82
Unclassified	D	D	D
Total	182,314	306,064	60

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 .