

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

NORTH CAROLINA



871,376
99.6%

Small Businesses
of North Carolina Businesses

1.6 million
44.8%

Small Business Employees
of North Carolina Employees



EMPLOYMENT
34,295
net new jobs



DIVERSITY
183,333
minority-owned
businesses



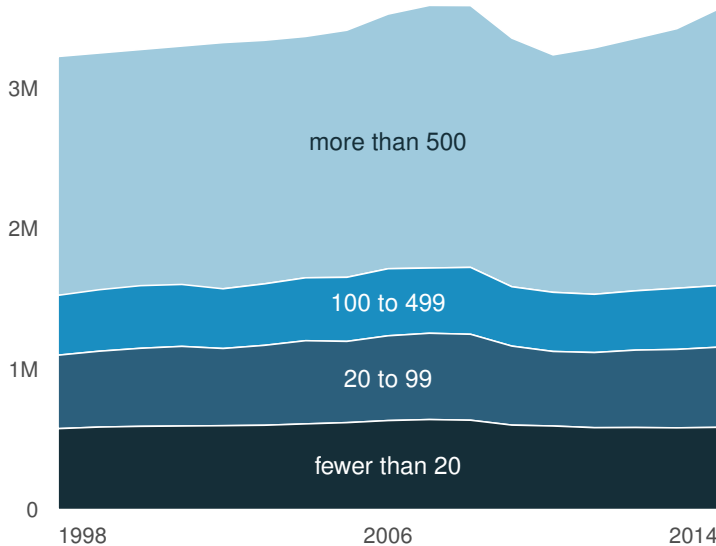
TRADE
87.7%
of North Carolina
exporters

OVERALL NORTH CAROLINA ECONOMY

- In the second quarter of 2016, North Carolina grew at an annual rate of 1.5%, which was faster than the overall US growth rate of 1.2%. North Carolina's 2015 growth rate of 2.0% was up from the 2014 rate of 1.9%. (Source: BEA)
- In November 2016, the unemployment rate was 5.0%, down from 5.6% at the close of 2015. This was above the November 2016 national unemployment rate of 4.6%. (Source: CPS)

EMPLOYMENT

Figure 1: North Carolina Employment by Business Size (Employees)



- North Carolina small businesses employed 1.6 million people, or 44.8% of the private workforce, in 2014. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- During the year ending November 2016, private-sector employment increased 2.9%. This was above the previous year's increase of 2.0%. (Source: CPS)
- The number of proprietors increased in 2015 by 3.0% relative to the previous year. (Source: BEA)
- Small businesses created 34,295 net jobs in 2014. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding 10,252 net jobs. The smallest gains were in firms employing 1 to 4 employees, which added 1,081 net jobs. (Source: BDS)

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: FDIC)
- In 2014, 139,200 loans under \$100,000 (valued at \$2.2 billion) were issued by North Carolina lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$43,652 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$20,813. (Source: ACS)

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: North Carolina Small Business Ownership, 2012

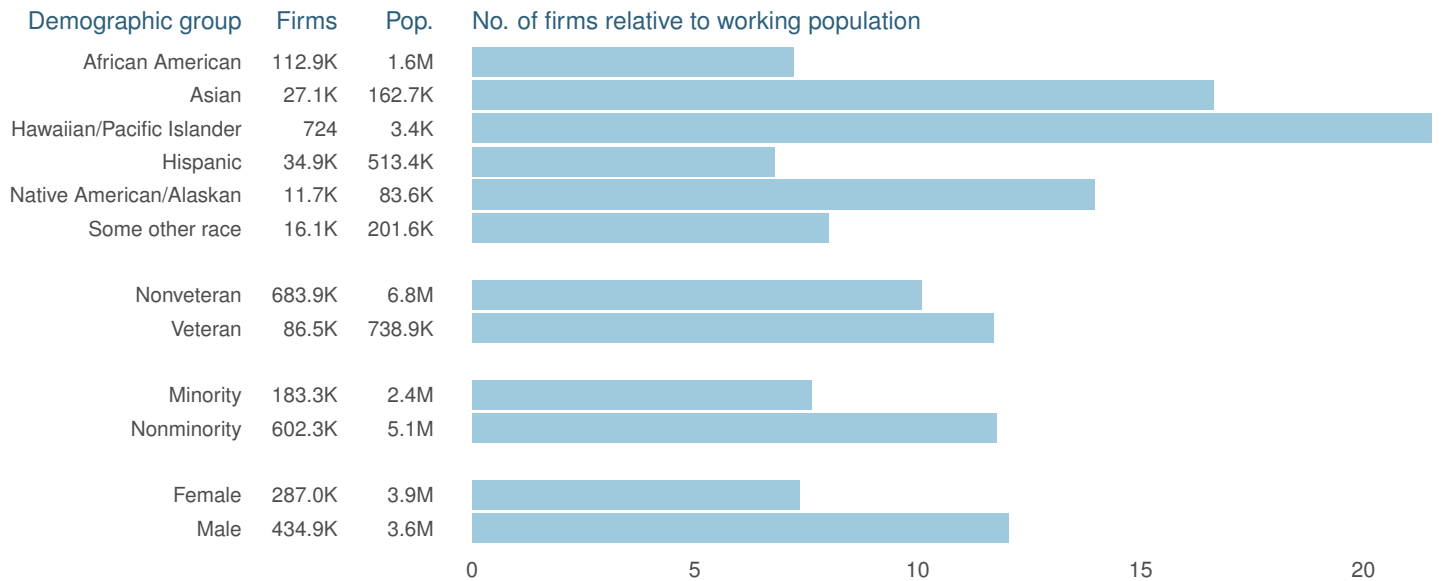
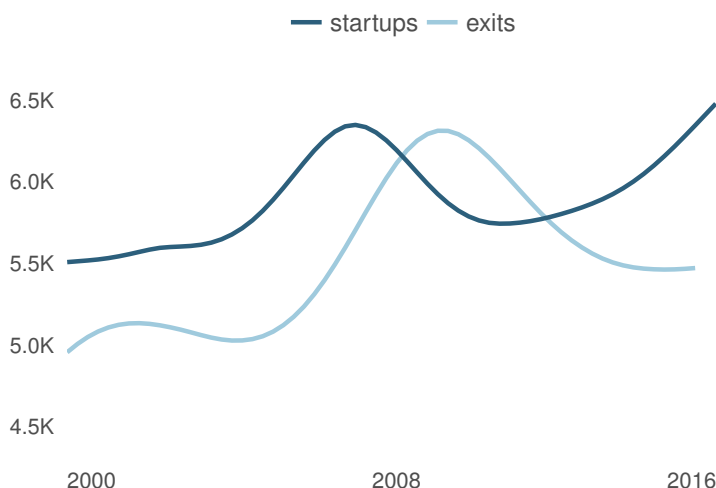


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 7 female-owned firms per 100 working age females or $287.0K \div 3.9M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: North Carolina Quarterly Startups and Exits



- In the second quarter of 2015, 6,339 establishments started up, generating 24,122 new jobs in North Carolina. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 6,606 establishments exited resulting in 24,094 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings.

INTERNATIONAL TRADE

- A total of 10,886 companies exported goods from North Carolina in 2014. Among these, 9,544, or 87.7%, were small firms; they generated 25.8% of North Carolina's \$27.6 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: North Carolina Employment by Industry, 2014





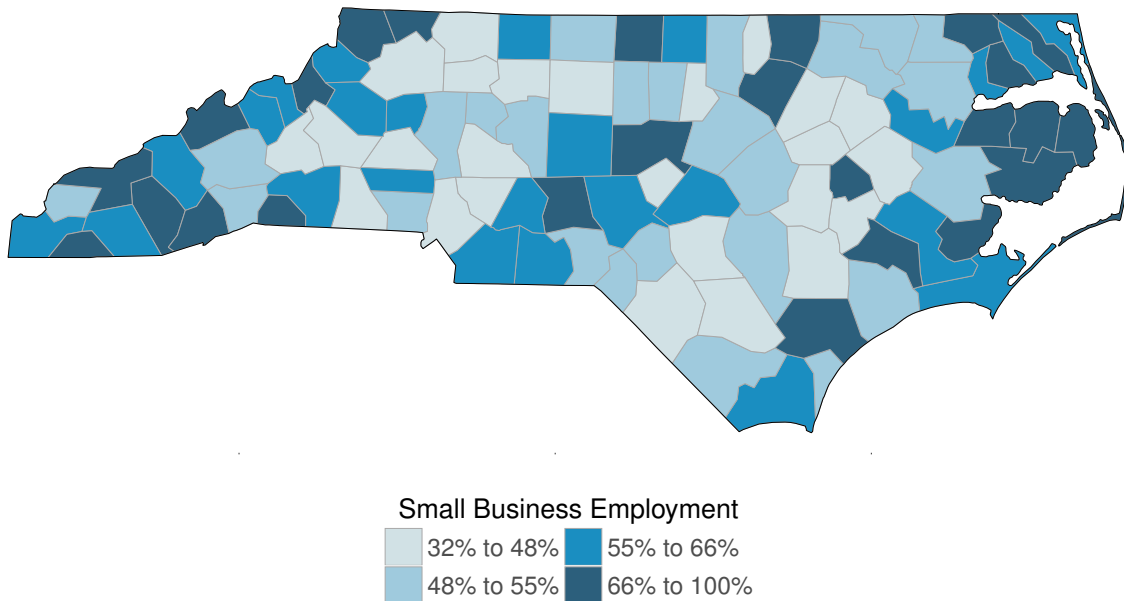
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	249,974	560,309	45%
Accommodation and Food Services	221,232	379,757	58%
Retail Trade	153,350	469,243	33%
Manufacturing	151,597	408,132	37%
Construction	142,187	167,929	85%
Other Services (Except Public Administration)	133,679	148,355	90%
Professional, Scientific, and Technical Services	117,272	203,500	58%
Administrative, Support, and Waste Management	104,434	355,469	29%
Wholesale Trade	90,319	174,694	52%
Educational Services	39,907	94,867	42%
Finance and Insurance	39,093	172,319	23%
Arts, Entertainment, and Recreation	38,749	60,055	65%
Transportation and Warehousing	35,682	113,804	31%
Real Estate and Rental and Leasing	34,304	51,023	67%
Information	19,426	80,535	24%
Agriculture, Forestry, and Fishing and Hunting	4,282	4,671	92%
Utilities	3,458	19,494	18%
Mining, Quarrying, and Oil and Gas Extraction	1,634	3,233	51%
Total	1,593,376	3,560,448	45%

Figure 4: North Carolina Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: North Carolina Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Other Services (Except Public Administration)	21,006	19,681	122,411	143,417
Professional, Scientific, and Technical Services	20,995	19,541	87,043	108,038
Construction	20,605	18,991	86,591	107,196
Administrative, Support, and Waste Management	10,045	8,860	72,993	83,038
Real Estate and Rental and Leasing	7,749	7,322	73,557	81,306
Retail Trade	19,329	17,573	59,029	78,358
Health Care and Social Assistance	16,629	13,878	50,028	66,657
Arts, Entertainment, and Recreation	3,299	2,809	36,065	39,364
Transportation and Warehousing	4,354	3,821	29,619	33,973
Finance and Insurance	6,049	5,603	19,726	25,775
Accommodation and Food Services	14,032	10,673	9,457	23,489
Educational Services	2,445	1,979	20,915	23,360
Wholesale Trade	8,588	7,011	11,693	20,281
Manufacturing	7,188	5,216	10,673	17,861
Information	1,625	1,366	8,281	9,906
Agriculture, Forestry, and Fishing and Hunting	769	733	7,665	8,434
Utilities	135	92	628	763
Mining, Quarrying, and Oil and Gas Extraction	99	75	164	263
Total	164,838	145,617	706,538	871,376

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

