

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

NORTH DAKOTA



73,021
98.8%

Small Businesses
of North Dakota Businesses

209,576
58.1%

Small Business Employees
of North Dakota Employees



EMPLOYMENT
10,985
net new jobs



DIVERSITY
3,180
minority-owned
businesses



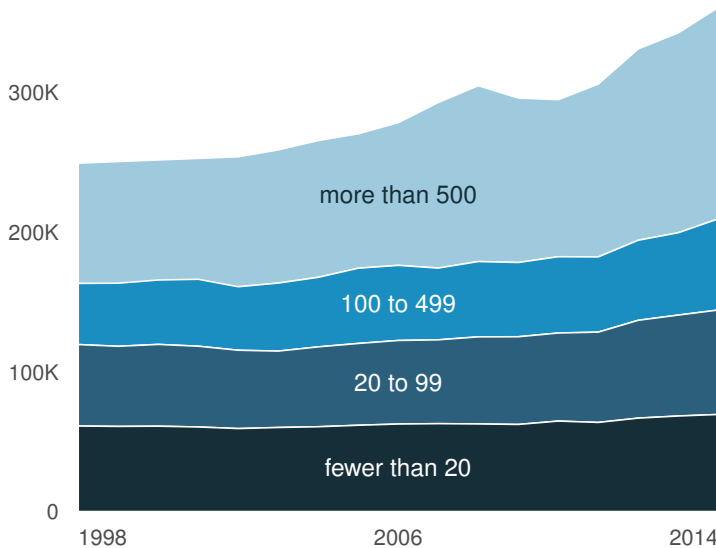
TRADE
82.3%
of North Dakota
exporters

OVERALL NORTH DAKOTA ECONOMY

- In the second quarter of 2016, North Dakota grew at an annual rate of -5.6%, which was slower than the overall US growth rate of 1.2%. North Dakota's 2015 growth rate of -2.6% was down from the 2014 rate of 6.7%. (Source: BEA)
- In November 2016, the unemployment rate was 2.9%, up from 2.7% at the close of 2015. This was below the November 2016 national unemployment rate of 4.6%. (Source: CPS)

EMPLOYMENT

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



- North Dakota small businesses employed 209,576 people, or 58.1% 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 3.8%. This was above the previous year's decrease of 1.4%. (Source: CPS)
- The number of proprietors increased in 2015 by 1.8% relative to the previous year. (Source: BEA)
- Small businesses created 10,985 net jobs in 2014. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 3,902 net jobs. The smallest gains were in firms employing 5 to 9 employees, which added 442 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, 14,604 loans under \$100,000 (valued at \$241.8 million) were issued by North Dakota lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was \$52,392 in 2015. For individuals self-employed at their own unincorporated firms, this figure was \$35,779. (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 Dakota Small Business Ownership, 2012

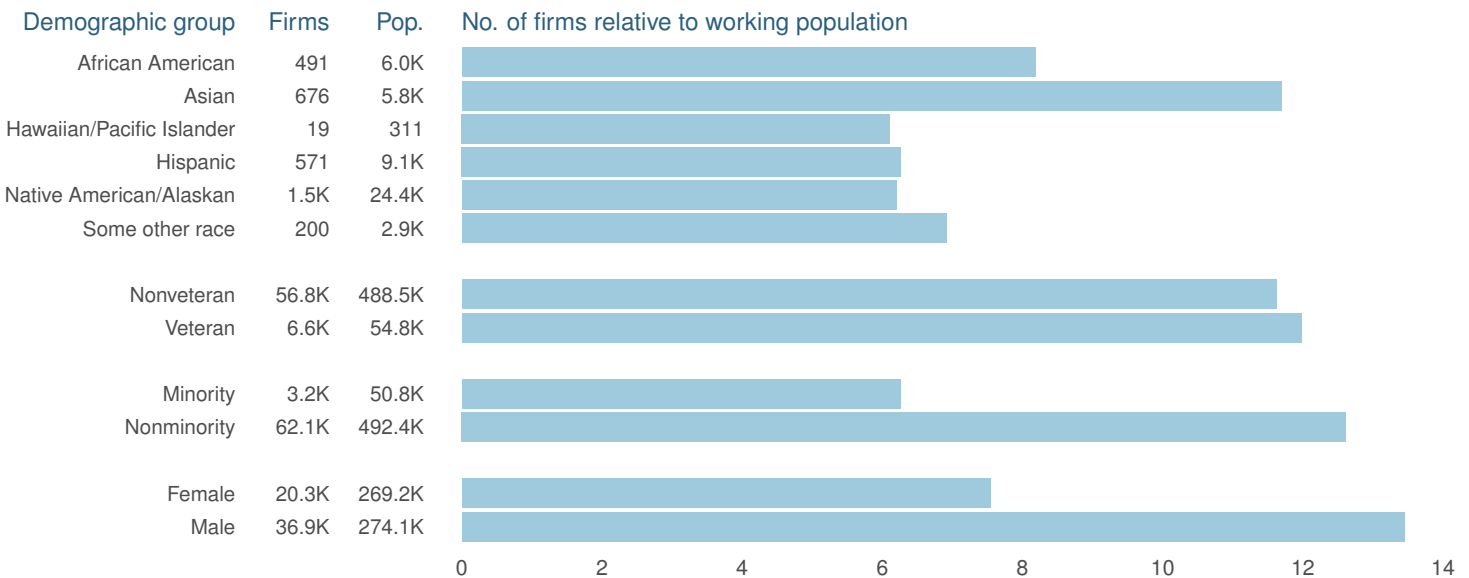
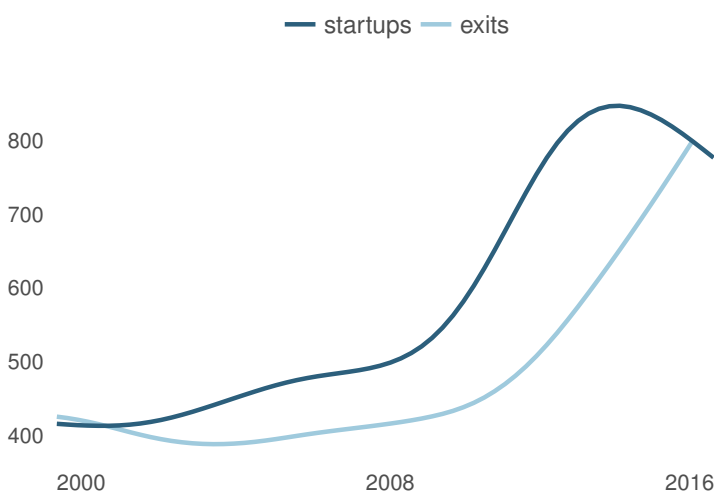


Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 8 female-owned firms per 100 working age females or $20.3K \div 269.2K \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: North Dakota Quarterly Startups and Exits



- In the second quarter of 2015, 723 establishments started up, generating 2,771 new jobs in North Dakota. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, 908 establishments exited resulting in 3,593 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

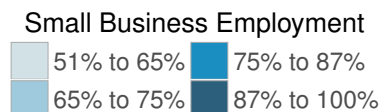
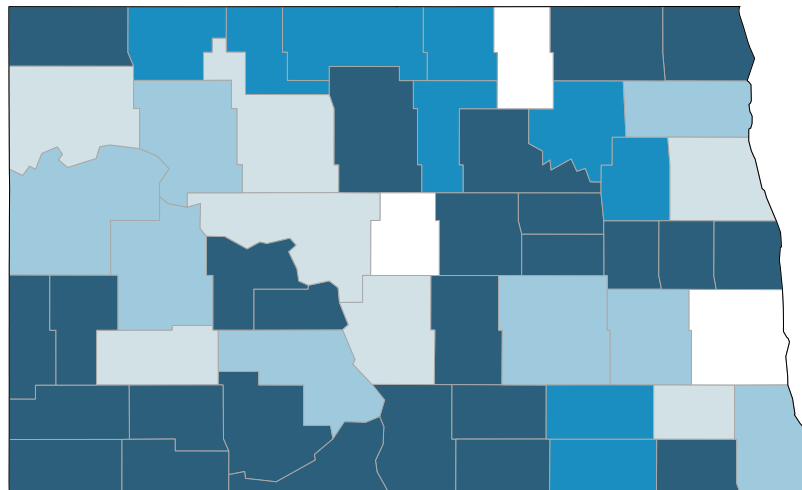
- A total of 1,804 companies exported goods from North Dakota in 2014. Among these, 1,484, or 82.3%, were small firms; they generated 23.4% of North Dakota's \$4.6 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: North Dakota Employment by Industry, 2014

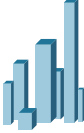




Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	30,403	38,022	80%
Retail Trade	26,333	51,115	52%
Health Care and Social Assistance	25,893	59,713	43%
Construction	21,175	24,304	87%
Wholesale Trade	14,140	23,754	60%
Other Services (Except Public Administration)	13,144	14,103	93%
Manufacturing	12,017	24,862	48%
Transportation and Warehousing	11,632	19,777	59%
Professional, Scientific, and Technical Services	11,292	15,641	72%
Mining, Quarrying, and Oil and Gas Extraction	8,761	25,691	34%
Finance and Insurance	8,620	17,594	49%
Administrative, Support, and Waste Management	8,220	15,265	54%
Arts, Entertainment, and Recreation	4,450	5,628	79%
Real Estate and Rental and Leasing	4,054	5,501	74%
Educational Services	3,737	4,830	77%
Information	3,270	6,769	48%
Utilities	1,417	s	-
Agriculture, Forestry, and Fishing and Hunting	378	501	75%
Total	209,576	360,970	58%

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



SMALL BUSINESSES BY INDUSTRY

Table 2: North Dakota 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)		2,387	2,248	7,287	9,674
Construction		3,010	2,789	5,886	8,896
Retail Trade		2,133	1,784	5,930	8,063
Real Estate and Rental and Leasing		883	824	7,083	7,966
Professional, Scientific, and Technical Services		1,623	1,458	5,101	6,724
Health Care and Social Assistance		1,506	1,248	5,126	6,632
Transportation and Warehousing		1,481	1,326	2,981	4,462
Administrative, Support, and Waste Management		915	816	3,373	4,288
Finance and Insurance		997	901	2,464	3,461
Arts, Entertainment, and Recreation		391	336	2,274	2,665
Accommodation and Food Services		1,698	1,254	717	2,415
Wholesale Trade		963	659	726	1,689
Mining, Quarrying, and Oil and Gas Extraction		413	303	1,024	1,437
Agriculture, Forestry, and Fishing and Hunting		110	108	1,311	1,421
Educational Services		136	89	1,176	1,312
Manufacturing		631	474	638	1,269
Information		190	136	426	616
Utilities		43	24	65	108
Total		19,433	16,823	53,588	73,021

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

