

North Carolina

833,107 Small Businesses

163,606 Small Businesses with Employees

669,501 Small Businesses without Employees (Nonemployers)

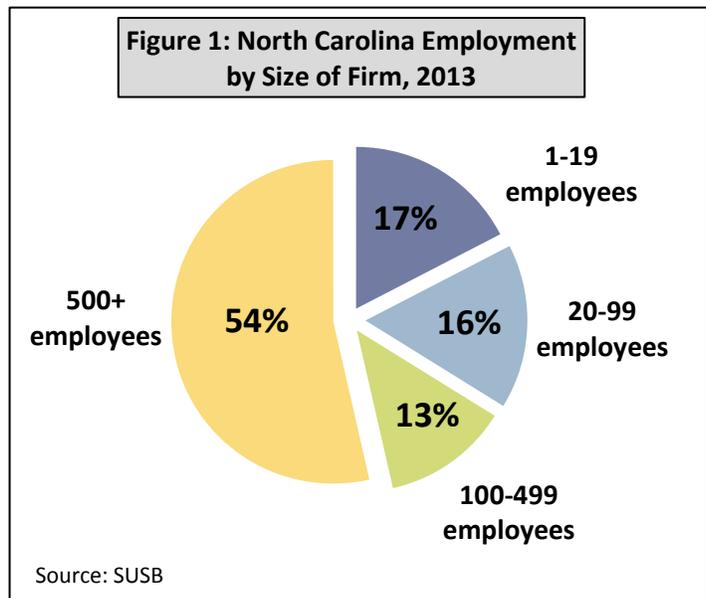
1,555,997 Workers Employed by Small Businesses

State Economy Overall

- North Carolina's economy grew at a faster rate than the United States in 2013. North Carolina's real gross state product increased by **2.3 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in North Carolina has improved. The unemployment rate in North Carolina declined from **7.5 percent** in October 2013 to **6.3 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- North Carolina's small businesses employed about half or **1.6 million** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **97.9 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In North Carolina, small businesses created **44,958** net new jobs in 2012. 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 in 2013 decreased by **4.9 percent** relative to the previous year.
- The state's private-sector employment growth increased by **3.0 percent** over the 12-month period ending in October 2014; this was above the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. 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

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- In 2012, **146,757** loans under \$100,000 (and valued at **\$2.0 billion**) were issued by Community Reinvestment Act lending institutions in North Carolina. (Source: FFIEC)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$42,052** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$21,347**. (Source: ACS)

Note: 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

- **Table 1** shows the top industry for nine business owner demographics. For example, **40.4 percent** of female-owned businesses were in the other services industry, and female-owned firms made up **17.7 percent** of this industry.

Table 1: Top Industry by Demographic Group in North Carolina, 2007

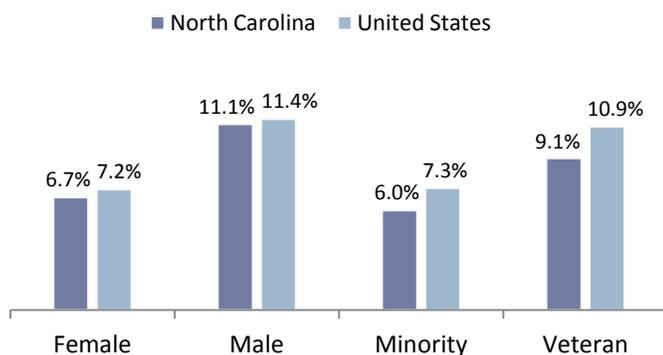
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Other services	40.4	17.7
Male	Construction	75.4	22.8
American Indian and Alaska Native	Construction	1.9	29.8
Asian	Other services	5.7	27.8
Black or African American	Other services	15.2	17.9
Native Hawaiian and Other Pacific Islander	*	*	*
White	Construction	90.4	17.5
Hispanic	Construction	4.8	28.8
Veteran	Construction	11.1	16.7

*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

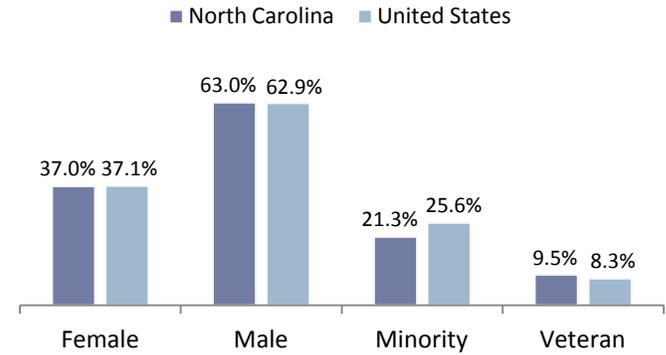
- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **6.7 percent** of females were self-employed, and **Figure 2b** shows that **37.0 percent** of all self-employed people were female.

Figure 2a: What percent of each demographic group are self-employed in North Carolina?



Source: ACS

Figure 2b: What percent of self-employed individuals in North Carolina are in each demographic group?



Source: ACS

Business Turnover

- In 2010, **14,674** establishments opened in North Carolina, and **68.7 percent** survived through 2012. In 2013, **16,841** establishments opened, and **78.9 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **10,286** establishments opened and **10,209** closed in the state of North Carolina. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

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)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Table 2: Number of North Carolina Small Firms by Industry, 2012
(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
Other services (except public admin.)	20,779	19,484	115,340	136,119
Professional, scientific, & tech. svcs.	20,623	19,231	82,457	103,080
Construction	20,558	19,095	81,845	102,403
Retail trade	19,564	17,835	57,309	76,873
Health care & social assistance	16,912	14,132	47,770	64,682
Accommodation & food services	13,749	10,646	8,924	22,673
Admin., supp., waste mgt., remed. svcs.	9,813	8,652	70,361	80,174
Wholesale trade	8,896	7,308	11,231	20,127
Manufacturing	7,376	5,405	10,352	17,728
Real estate & rental & leasing	7,277	6,869	69,662	76,939
Finance & insurance	6,025	5,568	19,872	25,897
Transportation & warehousing	4,250	3,723	25,888	30,138
Arts, entertainment, & recreation	3,243	2,749	33,358	36,601
Educational services	2,340	1,892	18,218	20,558
Information	1,587	1,340	8,474	10,061
Forestry, etc. & agriculture support	775	747	7,693	8,468
Management of comp. & enterprises	573	100	*	573
Unclassified	149	149	*	149
Utilities	137	93	546	683
Mining, quarrying, and oil & gas extrac.	111	86	201	312
Total	163,606	144,945	669,501	833,107

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three North Carolina industries with the most small business employment were: health care and social assistance; accommodation and food services; and manufacturing (**Table 3**).

**Table 3: Employment in North Carolina by Industry and Firm Size, 2012
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	250,437	542,718	46.1
Accommodation & food services	206,636	357,984	57.7
Manufacturing	151,867	408,716	37.2
Retail trade	150,056	451,869	33.2
Construction	136,762	162,429	84.2
Other services (except public admin.)	131,319	145,943	90.0
Professional, scientific, & tech. svcs.	114,700	197,064	58.2
Admin., supp., waste mgt., remed. svcs.	100,728	266,227	37.8
Wholesale trade	91,049	170,283	53.5
Finance & insurance	39,110	165,247	23.7
Arts, entertainment, & recreation	39,102	56,862	68.8
Educational services	38,437	91,281	42.1
Transportation & warehousing	34,342	105,586	32.5
Real estate & rental & leasing	32,744	47,518	68.9
Information	17,526	75,084	23.3
Management of comp. & enterprises	11,674	79,909	14.6
Forestry, etc. & agriculture support	4,472	4,829	92.6
Utilities	3,575	19,705	18.1
Mining, quarrying, and oil & gas extraction	1,287	2,723	47.3
Unclassified	D	D	D
Total	1,555,997	3,352,151	46.4

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
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 .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
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 .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
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 .