

North Carolina

North Carolina's 754,039 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- North Carolina had 170,544 small employers in 2005, representing 98.1% of the state's employers and 48.4% of its private-sector employment.
- The health care and social assistance industry was the state's largest small business employer in 2005; manufacturing was the largest overall employer (Table 1).
- Small businesses created 54.8% of the state's net new jobs from 2004 to 2005 (Table 2).
- North Carolina's real gross state product increased by 2.2% in 2007. By comparison, growth in the Southeast region was 1.5% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2005.

North Carolina Small Business Facts

	Level in 2005†	% Change from 2004 2000	
Number of Businesses			
Small employers (<500 employees)	170,544	2.3	6.4
Large employers (500+ employees)	3,310	2.1	-0.7
Nonemployers	583,495	5.9	26.2
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	377,276	16.0	
Woman-owned	173,874	24.3	
Equally male/female-owned	71,542	-24.6	
African American-owned	52,122	30.6	
Asian-owned	13,695	73.5	
Hispanic-owned	9,043	24.4	
Native American/Alaskan-owned	5,971	NA	
Hawaiian and Pacific Islander-owned	191	22.4	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	3,451	2.7	4.8
Government employment	695	2.3	11.7
Self-employed (incorp. & uninc.)	521	24.6	21.9
Female self-employment	167	31.4	17.4
Male self-employment	354	21.6	24.1
Minority self-employment	70	33.1	24.9
Veteran self-employment	63	12.8	-1.4
Unemployment rate (%)	4.7	-	1.0
Business Turnover			
Quarterly establishment openings	45,620	-3.3	24.5
Quarterly establishment closings	38,691	4.9	6.8
Business bankruptcies	597	48.1	-53.4
Income and Finance			
Proprietors' income (\$billion)	19.7	-3.0	24.6
Bank branches	2,676	2.7	9.3
No. of bus. loans under \$100,000	346,413	10.1	NA
Total value of business loans under \$100,000 (\$million)	7,827	23.0	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

Table 1. Firms and Employment in North Carolina by Industry and Firm Size, 2005 and 2006 (Non-farm, thousands)

Industry	Nonemployer firms (2006)	Employer firms (2005)			Employment (2005)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	604.6	173.9	151.3	170.5	3,410.0	618.2	1,652.1
Forestry, etc. and agriculture support	7.5	0.9	0.9	0.9	(D)	3.5	(D)
Mining	0.2	0.1	0.1	0.1	3.5	(D)	(D)
Utilities	0.6	0.1	0.1	0.1	19.7	0.4	3.5
Construction	96.4	26.9	24.7	26.8	221.8	97.6	194.1
Manufacturing	9.0	8.9	5.8	8.2	554.4	32.7	192.5
Wholesale trade	10.8	9.9	7.6	9.3	163.9	32.5	95.5
Retail trade	54.0	22.9	20.3	22.4	449.9	85.8	180.9
Transportation and warehousing	24.8	5.0	4.1	4.8	115.9	13.9	41.0
Information	7.4	1.7	1.3	1.6	74.7	5.1	16.9
Finance and insurance	19.5	6.5	5.7	6.2	178.3	18.2	41.6
Real estate and rental and leasing	71.1	8.0	7.5	7.9	50.4	17.9	34.3
Professional, scientific, and technical svcs.	71.3	19.9	18.2	19.5	174.9	57.9	113.4
Management of companies and enterprises	--	0.9	0.1	0.5	77.2	0.3	8.2
Admin., support, waste mgt., remed. svcs.	52.3	9.5	8.2	9.2	262.1	30.9	100.8
Educational services	13.5	1.9	1.5	1.9	75.0	6.2	31.9
Health care and social assistance	38.6	15.9	13.2	15.7	470.8	71.5	233.0
Arts, entertainment, and recreation	24.6	3.1	2.6	3.1	48.7	10.2	38.2
Accommodation and food services	7.1	12.5	9.5	12.2	315.2	56.0	187.2
Other services (except public admin.)	95.9	20.8	19.4	20.7	147.6	76.4	131.8
Unclassified	--	0.6	0.6	0.6	(D)	(D)	(D)

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

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

Table 2: Net Job Change by Firm Size, 2002–2005 (Non-farm)

	Total	Employment size of firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	48,872	24,990	4,830	188	-10,019	6,778	26,767	22,105
2003 - 2004	21,218	29,837	11,775	10,286	10,525	-5,864	56,559	-35,341
2002 - 2003	10,197	28,643	9,814	4,154	12,024	-3,813	50,822	-40,625

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	12.2	47.6	47.9	9.7	48.5	185.0	181.2	38.6
Quarter 3	11.1	47.0	47.6	9.6	46.3	175.0	178.7	41.0
Quarter 2	10.2	47.7	47.7	10.2	44.9	185.4	179.3	44.4
Quarter 1	12.1	48.8	46.0	9.1	53.3	185.4	167.1	36.5

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/home.htm.)

Note: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.