

North Carolina

Small businesses totaled 786,749 in North Carolina in 2009. They represent 98.0 percent of all employers and employ 47.3 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to North Carolina's health and well-being.

This profile uses the latest available data to illustrate the status of North Carolina's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- North Carolina's economy struggled in 2010, with real gross state product decreasing 1.6 percent and private-sector employment decreasing 1.3 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of North Carolina's small businesses are very small as 78.5 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 1.6 million workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in North Carolina represented 81.6 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in North Carolina surged over the last decade. Male and female self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was higher than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

North Carolina Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	166,386	172,732	160,311
Large employers (500+ employees)	3,412	3,464	3,332
Nonemployers	620,363	629,728	462,182
Level in 2007* (000)			
	Firms	Employment	Receipts(\$M)
Business Owner Demographics			
Male-owned	421	1,205	220,767
Woman-owned	226	250	27,215
Equally male/female-owned	127	225	27,670
African American-owned	84	58	3,864
Asian-owned	20	44	5,221
Hispanic-owned	21	19	3,256
Native American/Alaskan-owned	8	8	792
Hawaiian/Pacific Islander-owned	0	0	26
Veteran-owned	121	277	53,428
Publicly held, unclassified	25	1,791	515,864
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	3,158	-1.3	-4.3
Government employment	704	-0.7	14.5
Self-employed (incorp. & uninc.)	436	7.1	29.4
Female self-employment	145	12.7	29.4
Male self-employment	291	4.5	29.4
Minority self-employment	66	-13.7	19.8
Veteran self-employment	46	74.5	-19.7
Unemployment Rate (Percent)	10.6	-0.2†	6.9‡
Business Turnover			
Quarterly establishment openings	42,062	-3.7	14.8
Quarterly establishment closings	41,468	-18.5	14.5
Business bankruptcies	1,409	3.1	216.6
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	23.9	21.3	20.3
Number of bank branches	2,779	2,790	2,448
No. of bus. loans under \$100,000‡	39,743	188,623	139,921
Total value of business loans under \$100,000 (\$million)‡	552	2,330	2,081
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.			
* Latest available data. †Percentage point change. ‡Data are for CRA loans.			

**Table 1: Firms and Employment in North Carolina by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	620.4	169.8	147.5	166.4	3,353.9	600.7	1,585.0
Forestry, etc. and agriculture support	7.3	0.8	0.7	0.7	4.2	2.9	4.0
Mining	0.2	0.1	0.1	0.1	3.1	0.4	1.1
Utilities	0.6	0.1	0.1	0.1	18.7	0.4	3.4
Construction	86.8	23.9	22.0	23.8	197.3	82.1	168.7
Manufacturing	9.2	8.3	5.6	7.6	439.6	29.8	157.5
Wholesale trade	10.7	9.5	7.4	9.0	168.4	30.5	90.8
Retail trade	53.4	21.0	18.6	20.5	447.4	78.3	157.7
Transportation and warehousing	24.2	4.5	3.6	4.2	108.1	12.5	35.2
Information	7.5	1.7	1.3	1.6	77.2	4.9	18.5
Finance and insurance	19.3	6.4	5.6	6.1	169.7	17.5	42.3
Real estate and rental and leasing	64.1	7.6	7.1	7.5	48.2	16.9	33.0
Professional, scientific, and technical svcs.	76.0	20.5	18.7	20.1	180.2	58.9	112.5
Management of companies and enterprises	--	1.0	0.1	0.6	75.9	0.4	10.6
Admin., support, waste mgt., remed. svcs.	62.8	9.9	8.4	9.5	246.2	32.0	93.4
Educational services	16.0	2.2	1.7	2.2	84.9	7.3	36.4
Health care and social assistance	45.1	17.4	14.2	17.1	539.7	76.9	257.5
Arts, entertainment, and recreation	29.1	3.1	2.6	3.1	55.1	10.4	38.0
Accommodation and food services	7.6	13.4	10.3	13.1	343.3	62.4	193.8
Other services (except public admin.)	100.5	20.6	19.2	20.5	146.3	75.8	130.3
Unclassified	--	0.3	0.3	0.3	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 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, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	114,164	31,414	9,942	10,822	17,385	13,194	82,757	31,407
2006 - 2007	46,104	29,336	4,763	1,615	4,276	-9,845	30,145	15,959
2007 - 2008	-2,165	20,945	544	-2,631	-1,985	-687	16,186	-18,351
2008 - 2009	-230,353	4,029	-16,149	-21,988	-54,030	-50,133	-138,271	-92,082

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	9.9	9.1	11.6	11.4	35.1	35.8	42.4	43.7
Expansions	40.2	43.3	41.5	41.5	147.2	167.9	154.6	159.1
Contractions	44.7	41.8	42.4	43.2	153.1	149.1	152.2	156.4
Closings	10.9	10.1	10.5	9.9	35.1	38.6	40.8	36.8

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

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.