

2020 Small Business Profile

North Carolina



934,604 Small Businesses
99.6% of North Carolina Businesses

1.7 million Small Business Employees
45.3% of North Carolina Employees



EMPLOYMENT
62,614
net new jobs



DIVERSITY
120,268
self-employed minorities



TRADE
9,607
small business exporters

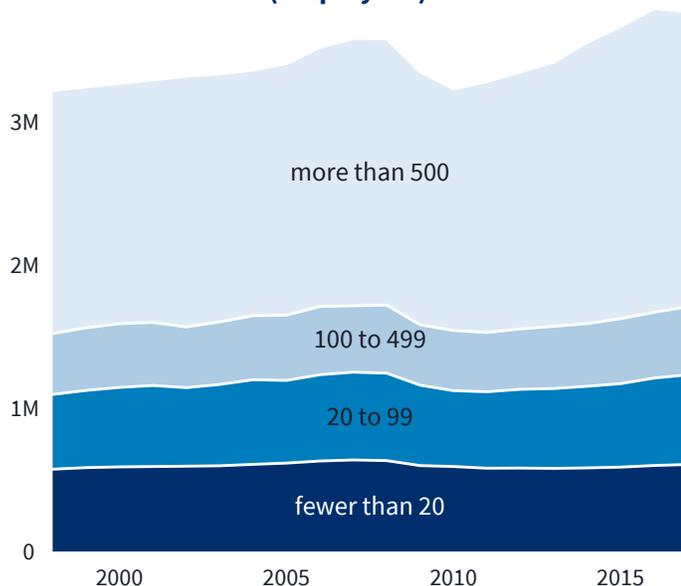
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, North Carolina grew at an annual rate of **2.4%**, which was faster than the overall US growth rate of **2.1%**. North Carolina's 2019 overall growth rate of **2.3%** was down from the 2018 rate of **2.4%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **12.2%**, up from **4.1%** in April 2019. This was below the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

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



- North Carolina small businesses employed **1.7 million** people, or **45.3%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with 20 to 99 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **14.3%** during the 12-month period ending in April 2020. This was below the increase of **2.4%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **2.9%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **62,614** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **40,060** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **9,443** net jobs. (Source: [BDM](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.

Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$50,074** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$22,024**. (Source: [ACS](#))
- The total number of banks decreased by **2** between June 2018 and June 2019 to **48** banks. During the same period, the number of banks with assets under \$1 billion decreased by **2** to **37** banks. (Source: [FDIC](#))
- In 2018, North Carolina lending institutions reporting under the Community Reinvestment Act issued **180,714** loans under \$100,000, a total value of **\$2.9 billion**. (Source: [FFIEC](#))

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

Self-Employment Demographics

Figure 2: North Carolina Self-Employment Rates by Gender & Demographic, 2018

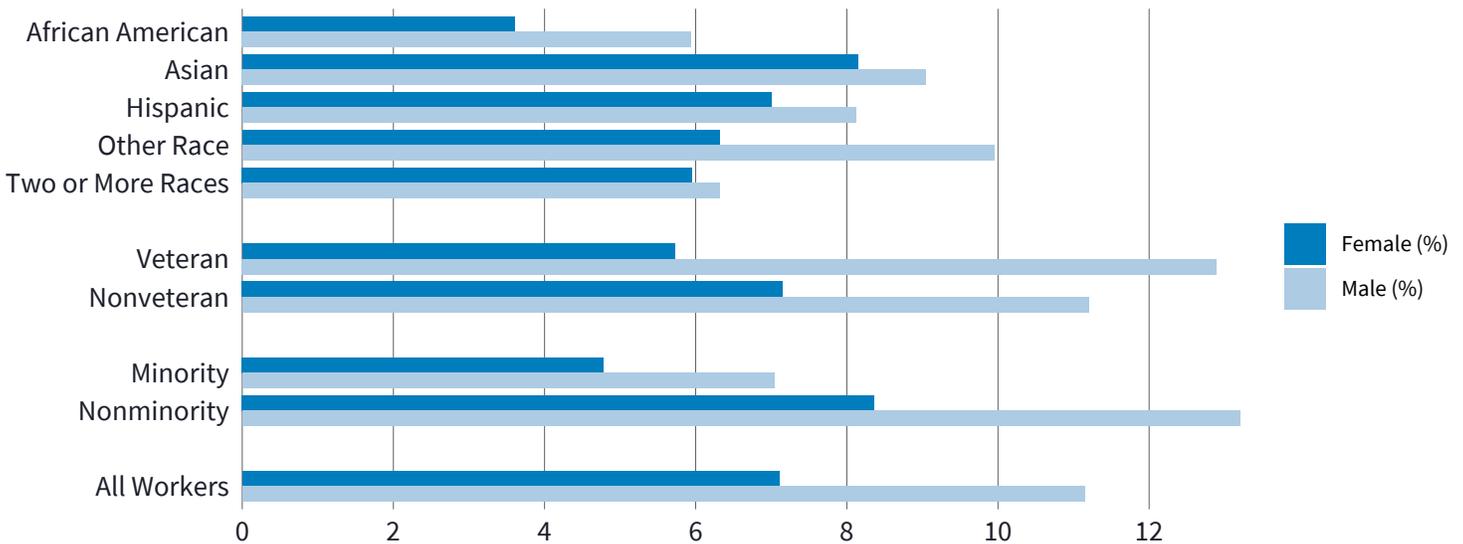
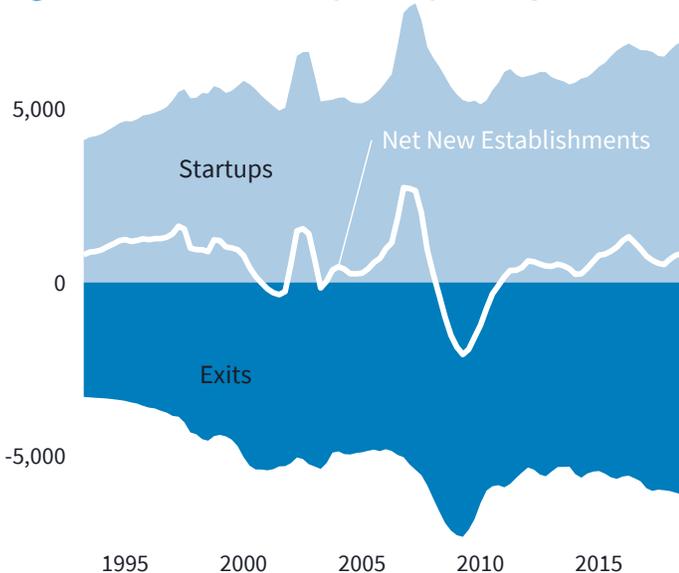


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: North Carolina Quarterly Startups and Exits



- In the fourth quarter of 2018, **5,956** establishments started up, generating **21,269** 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, **6,191** establishments exited, resulting in **20,506** 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 1993 to 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

International Trade

- A total of **11,046** firms exported goods from North Carolina in 2018. Of these, **9,607**, or **87.0%**, were small firms, which generated **22.5%** of North Carolina's **\$29.2 billion** in total exports. (Source: [ITA](#))

Small Business Employment by Industry and Self-Employment by County

Table 1: North Carolina Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	258,348	434,293	59.5
Health Care and Social Assistance	255,237	598,661	42.6
Construction	166,593	196,503	84.8
Retail Trade	158,480	491,408	32.3
Manufacturing	153,178	439,141	34.9
Other Services (except Public Administration)	141,472	160,140	88.3
Professional, Scientific, and Technical Services	123,935	222,731	55.6
Administrative, Support, and Waste Management	114,632	289,033	39.7
Wholesale Trade	92,450	192,151	48.1
Educational Services	45,987	103,634	44.4
Arts, Entertainment, and Recreation	41,946	66,617	63.0
Finance and Insurance	38,523	184,794	20.8
Transportation and Warehousing	37,616	125,854	29.9
Real Estate and Rental and Leasing	36,900	54,841	67.3
Information	23,001	89,137	25.8
Management of Companies and Enterprises	12,588	95,670	13.2
Agriculture, Forestry, and Fishing and Hunting	4,548	5,053	90.0
Utilities	3,750	21,327	17.6
Mining, Quarrying, and Oil and Gas Extraction	1,337	3,020	44.3
Industries Not Classified	369	369	100.0
Total	1,710,890	3,774,377	45.3

Figure 4: North Carolina Self-Employment Rates by County, 2018

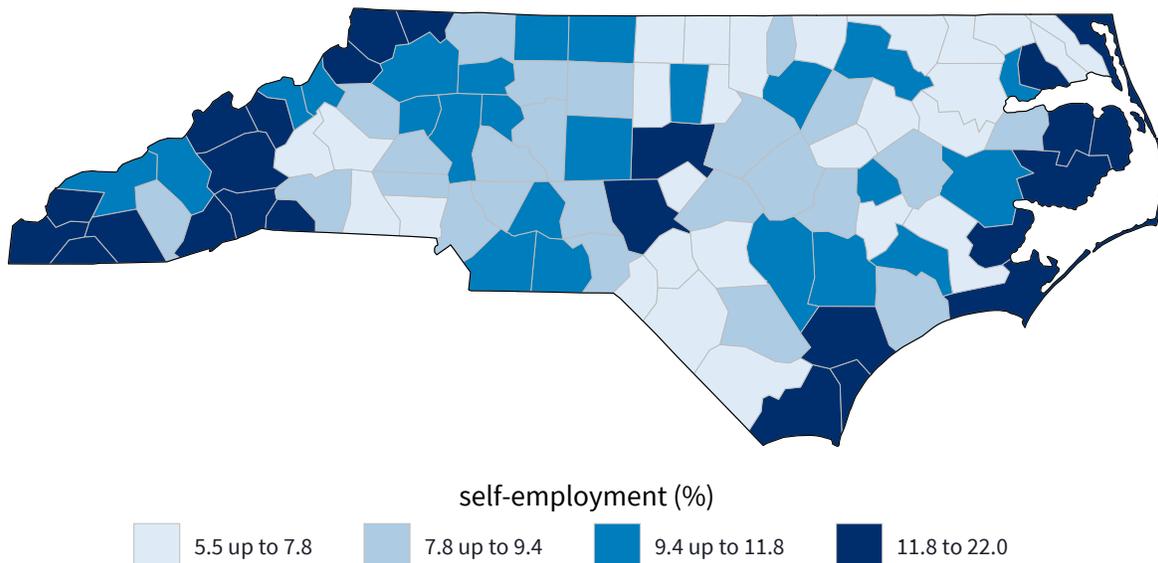


Table 2: North Carolina Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	20,770	22,186	124,959	147,145
Professional, Scientific, and Technical Services	20,576	22,153	92,555	114,708
Construction	20,766	22,663	87,757	110,420
Real Estate and Rental and Leasing	8,590	9,026	81,182	90,208
Administrative, Support, and Waste Management	9,509	10,831	77,662	88,493
Retail Trade	17,890	19,732	65,455	85,187
Health Care and Social Assistance	13,987	16,898	51,021	67,919
Transportation and Warehousing	4,288	4,861	47,103	51,964
Arts, Entertainment, and Recreation	3,018	3,540	40,573	44,113
Educational Services	2,167	2,705	23,320	26,025
Accommodation and Food Services	11,054	15,140	10,808	25,948
Finance and Insurance	5,763	6,229	19,684	25,913
Wholesale Trade	6,770	8,365	11,043	19,408
Manufacturing	5,149	7,145	10,360	17,505
Information	1,484	1,788	8,696	10,484
Agriculture, Forestry, and Fishing and Hunting	769	808	7,886	8,694
Utilities	91	138	395	533
Mining, Quarrying, and Oil and Gas Extraction	65	90	179	269
Total	152,919	173,966	760,638	934,604

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2018 American Community Survey (ACS).

References

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

- ACS American Community Survey, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau