



The
SUPPORT
CENTER

Your Partner in Small Business Growth



Key Facts about Small Businesses in North Carolina

July 2015

Small businesses make up the vast majority of businesses in the state.

In 2012, 96% of employer firms in North Carolina had less than 100 employees, accounting for 27% of total annual payroll in the state. These businesses generated an estimated \$195.5 billion in receipts. In the same year, 87% of employer firms had less than 20 employees.¹

Small businesses create jobs—even during recessions.

Small businesses create more jobs during periods of high unemployment, compared to large businesses.² In fact, very small businesses—those with 1 to 4 employees—were the only businesses that created jobs each year between 2007 and 2010.³ In 2012, small businesses created almost 45,000 net new jobs, the biggest gain occurring among firms with 1-4 employees.

Access to affordable capital is critical for small businesses, especially now.

In fiscal year 2013, the Small Business Administration's North Carolina district office processed 917 small business loans totaling almost \$465 million, the second largest dollar volume ever.⁴

While small businesses are job creators, their employment outcome depends heavily on access to capital, particularly during recessions. A study by the Federal Reserve Bank of Boston found that during the Great Recession, unemployment in small firms increased as access to capital became more restricted.⁵

Almost all new businesses are small businesses.

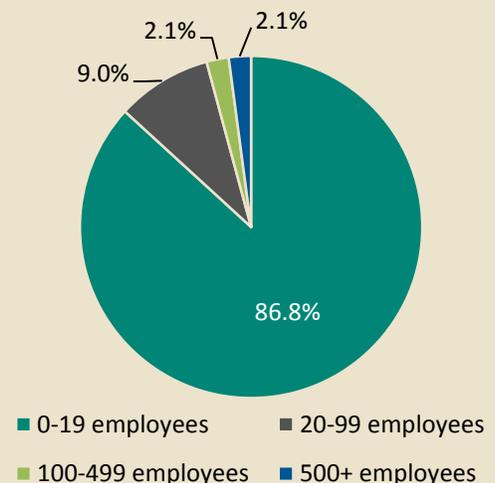
Of the businesses started in 2012, 98% had fewer than 20 employees. Only 1 business with greater than 500 employees—the SBA's definition of small business—was started in 2012.⁶

Small businesses represent a range of industries in North Carolina.

The top five industries for firms in North Carolina with less than 100 employees are construction; retail trade; professional, scientific and technical services; healthcare and social assistance; and other services, except public administration. Within these industries, at least 95% of the businesses are firms with less than 100 employees.⁷

Businesses in North Carolina

By number of employees



The Support Center's mission is to foster economic development in underserved communities by providing capital, business services, and policy research to support small businesses.

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¹ U.S. Census Bureau, Statistics of U.S. Businesses, 2012.

² Moscarini, Giuseppe and Fabien Postel-Vinay. "The Contribution of Large and Small Employers to Job Creation in Times of High and Low Unemployment." National Bureau of Economic Research. June 2011.

³ U.S. Census Bureau, Statistics of U.S. Businesses, 2012.

⁴ Small Business & Technology Development Center. "2014 State of Small Business and Entrepreneurship."

⁵ Duygan-Bump, Burcu, Alexey Levkov et al. "Financing Constraints and Unemployment: Evidence from the Great Recession." Federal Reserve Bank of Boston. Working Paper No. QAU10-6. December 14, 2011.

⁶ U.S. Census Bureau, Business Dynamic Statistics, 2012.

⁷ U.S. Census Bureau, Statistics of U.S. Businesses, 2012.