

2019 Small Business Profile

North Dakota



73,142 Small Businesses
98.8% of North Dakota Businesses

198,964 Small Business Employees
57.3% of North Dakota Employees



EMPLOYMENT
10,494
net jobs lost



DIVERSITY
6,364
minority-owned
business employees



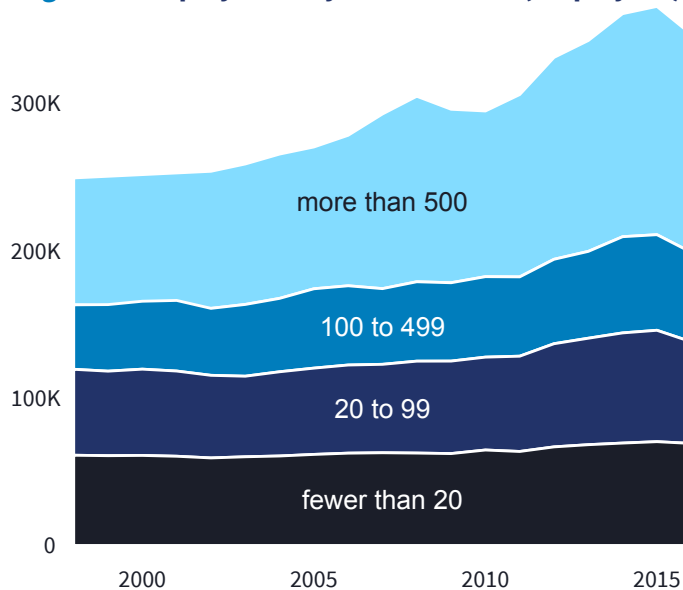
TRADE
1,289
small business
exporters

Overall North Dakota Economy

- In the third quarter of 2018, North Dakota grew at an annual rate of **3.8%**, which was faster than the overall US growth rate of **3.4%**. North Dakota's 2017 growth rate of **-0.5%** was up from the 2016 rate of **-6.5%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **2.4%**, down from **2.7%** in February 2018. This was below the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- North Dakota small businesses employed **198,964** people, or **57.3%** of the private workforce, in 2016. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **0.2%** during the 12-month period ending in February 2019. This was above the decrease of **1.4%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **1.6%** relative to the previous year. (Source: [BEA](#))
- Small businesses lost **10,494** net jobs in 2016. Firms employing fewer than 20 employees experienced the smallest losses, losing **1,118** net jobs. The largest losses were in firms employing 20 to 99 employees, which lost **5,136** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

Income and Finance

- The number of banks decreased by **1** between June 2016 and June 2017 to **77** banks. (Source: [FDIC](#))
- In 2017, **12,188** loans under \$100,000 (valued at **\$226.8 million**) were issued by North Dakota lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$51,012** in 2017. For individuals self-employed at their own unincorporated firms, this figure was **\$35,085**. (Source: [ACS](#))

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

Employer Business Owner Demographics

Figure 2: North Dakota Employees per Business by Owner's Demographic, 2016

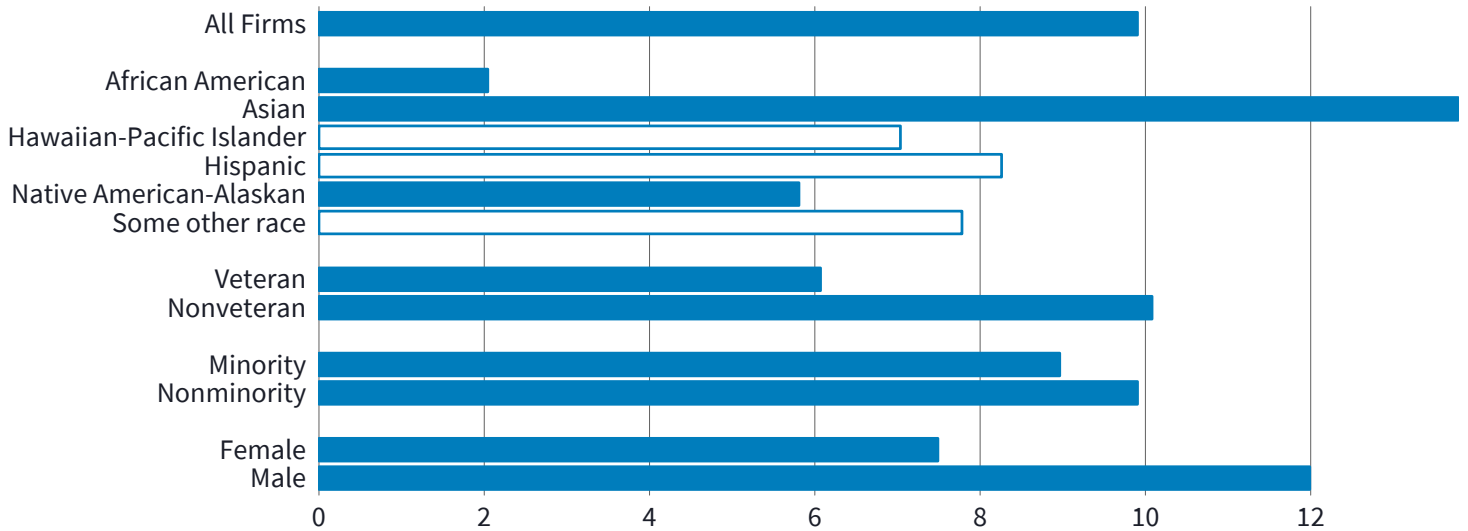
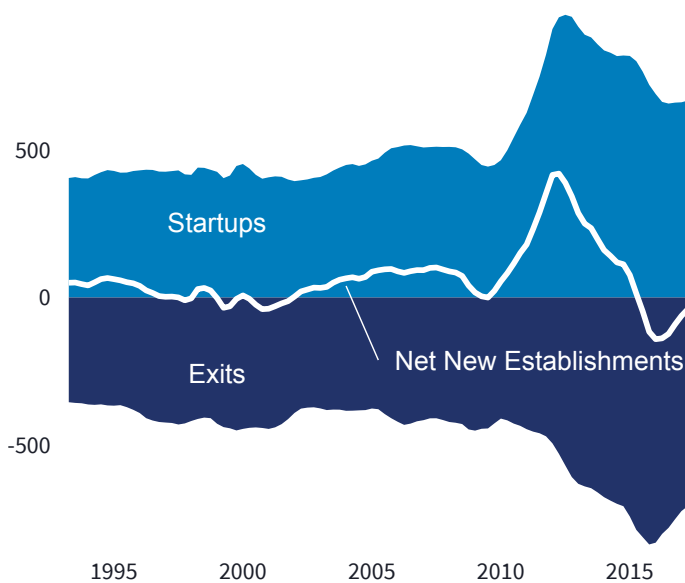


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

Turnover among Establishments with Employees

Figure 3: North Dakota Quarterly Startups and Exits



- In the third quarter of 2017, **665** establishments started up, generating **2,300** new jobs in North Dakota. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **659** establishments exited resulting in **2,445** 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 2017. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS 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 **1,526** companies exported goods from North Dakota in 2016. Of these, **1,289**, or **84.5%**, were small firms; they generated **36.7%** of North Dakota's **\$4.7 billion** in total exports. (Source: **ITA**)

Small Business Employment by Industry and Self-Employment by County

Table 1: North Dakota Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	31,066	38,071	81.6
Health Care and Social Assistance	26,698	61,322	43.5
Retail Trade	24,720	50,760	48.7
Construction	20,640	23,362	88.3
Wholesale Trade	13,133	22,893	57.4
Other Services (except Public Administration)	12,925	14,024	92.2
Professional, Scientific, and Technical Services	11,666	15,817	73.8
Manufacturing	10,853	23,984	45.3
Transportation and Warehousing	9,355	15,806	59.2
Administrative, Support, and Waste Management	7,864	14,294	55.0
Finance and Insurance	7,837	17,843	43.9
Mining, Quarrying, and Oil and Gas Extraction	5,065	16,424	30.8
Arts, Entertainment, and Recreation	4,358	5,659	77.0
Real Estate and Rental and Leasing	3,815	5,479	69.6
Educational Services	3,378	4,403	76.7
Information	3,135	7,274	43.1
Utilities	1,397	3,546	39.4
Management of Companies and Enterprises	666	5,472	12.2
Agriculture, Forestry, and Fishing and Hunting	321	442	72.6
Industries not classified	72	72	100.0
Total	198,964	346,947	57.3

Figure 4: North Dakota Self-Employment Rates by County, 2017

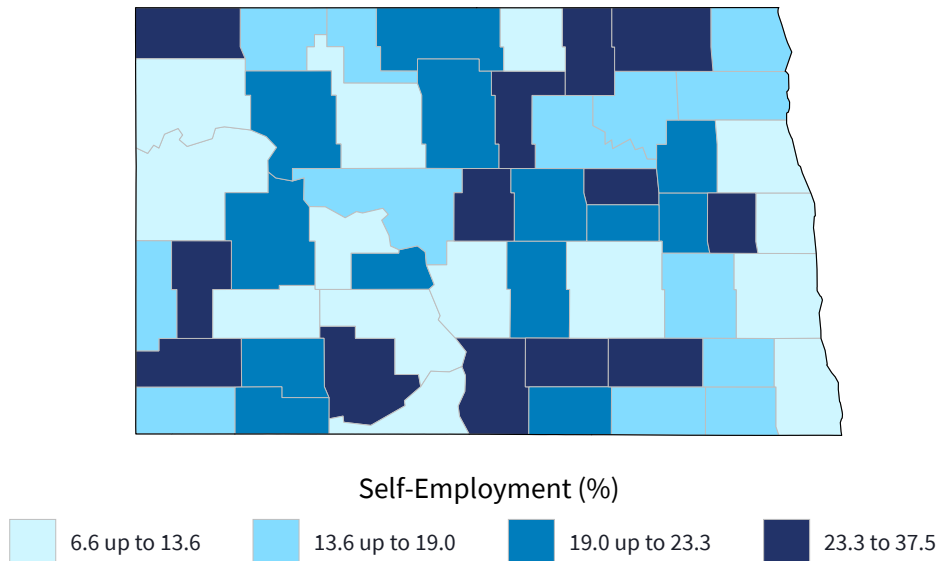


Table 2: North Dakota Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	2,351	2,212	7,587	9,938
Construction	2,940	2,715	5,627	8,567
Real Estate and Rental and Leasing	871	809	7,499	8,370
Retail Trade	2,091	1,756	6,127	8,218
Professional, Scientific, and Technical Services	1,617	1,450	5,210	6,827
Health Care and Social Assistance	1,534	1,265	4,879	6,413
Transportation and Warehousing	1,250	1,120	3,044	4,294
Administrative, Support, and Waste Management	942	839	3,310	4,252
Finance and Insurance	993	902	2,273	3,266
Arts, Entertainment, and Recreation	407	355	2,435	2,842
Accommodation and Food Services	1,746	1,298	684	2,430
Wholesale Trade	955	680	748	1,703
Educational Services	145	104	1,359	1,504
Agriculture, Forestry, and Fishing and Hunting	106	104	1,369	1,475
Manufacturing	592	452	647	1,239
Mining, Quarrying, and Oil and Gas Extraction	377	287	789	1,166
Information	189	138	434	623
Utilities	39	20	43	82
Total	19,078	16,556	54,064	73,142

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 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 2017 American Community Survey (ACS).

References

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS American Community Survey, US Census Bureau
- ASE Annual Survey of Entrepreneurs, 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
- CPS Current Population Survey, BLS
- FDIC Call Reports, 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