



NORTH CAROLINA
**DEPARTMENT of
COMMERCE**

Roy Cooper
GOVERNOR

Machelle Baker Sanders
SECRETARY

April 1, 2024

Dear Governor Cooper, Senator Berger, and Speaker Moore,

As Secretary of the North Carolina Department of Commerce, it is my responsibility to develop the state's comprehensive strategic economic development plan every four years and to evaluate the state's economic performance annually.

The [*First in Talent*](#) plan was released in July of 2021 and is in effect until the end of Fiscal Year 2024-2025. In compliance with [G.S. 143B-434.01\(k\)](#), a summary of progress made to date on the goals and objectives in the *First in Talent* plan and the 2024 Annual Evaluation of North Carolina's Economic Performance is enclosed for your review.

The 2024 Annual Evaluation of North Carolina's Economic Performance summarizes the state's economic progress in eight key economic indicators. The indicators show that North Carolina's economy is strong, with significant capital investment and job creation in 2023, steady unemployment rates, and job growth in industries like education and health services, construction, leisure and hospitality, and financial activities. The Department's Labor and Economic Analysis Division's [analytics site](#) includes economic data and user-friendly dashboards to support the enclosed analysis, including current labor market information, unemployment insurance claim data, industry and occupation projections, and workforce service delivery data.

The *First in Talent* plan sets the state's economic development strategy to expand the labor pool and more closely align economic and workforce development, but it can only be accomplished through continued investments made by the General Assembly, partnership from public and private entities, and a shared vision for an economy that works for all North Carolinians.

Sincerely,

A handwritten signature in cursive script that reads "Machelle Baker Sanders".

Machelle Baker Sanders
Secretary
North Carolina Department of Commerce

2024 First in Talent Annual Update

The [First in Talent Strategic Economic Development Plan for the State of North Carolina](#) is centered around three goals to improve outcomes for North Carolina's workforce, businesses, and communities. At the center of each goal is North Carolina's workforce, and the need to expand North Carolina's talent pool to meet business needs and increase community capacity for economic growth.

In 2023, the NC Department of Commerce, local workforce development boards, educational institutions, and state agencies partnered on initiatives to increase student completion of industry-valued credentials, serve job seekers with barriers, like the justice-involved population and veterans, and invest in rural communities needed to attract residents, workers, and businesses.

CNBC named North Carolina as America's Top State for Business for the second year in a row in 2023. In the CNBC study, "workforce" was the most heavily evaluated factor, and North Carolina ranked first in the category. The national recognition signifies the impact of North Carolina's continued efforts to address workforce barriers like childcare and to increase capacity for workforce development programs that serve populations that are underrepresented in the workforce.

The *First in Talent* strategic vision for North Carolina is embedded in the state's workforce system and recognized among economic development partners. The Commerce Department hosted a *First in Talent* Town Hall in July of 2023 to celebrate achievements from partners that also advance the strategies and tactics in the Plan. The town hall featured panelists from the NC Department of Public Instruction, the NC Department of Information Technology, the Golden LEAF Foundation, the Appalachian Regional Commission (ARC), Little People Preschool, The Learning Center of Perquimans County, and leadership from Commerce's Division of Workforce Solution, the Rural Economic Development Division, and the Office of Science, Technology, and Innovation.

The list below highlights some of the new initiatives that are complete or underway that advance the strategies and tactics identified in the First in Talent plan. The list is not exhaustive and foreshadows the continued state-wide focus on addressing workforce barriers in the next year, until the plan expires in 2025, and beyond.

Goal 1- Prepare North Carolina's **workforce** for career and entrepreneurial success.

- The NC Department of Commerce created a new position devoted to addressing the insufficient supply of high-quality and affordable child care in North Carolina. The new Child Care Business Liaison will partner with businesses, local communities, government, and philanthropy organizations to develop strategies employers can utilize to provide child care support to their employees. (*Strategy 1, Tactic 1*)
- Jobseekers representing nearly 6,000 eligible veterans, over 2,500 individuals with disabilities, and over 8,000 justice-involved individuals received Wagner-Peyser services at areas Career Centers during the cohort period of 7/1/2022 to 6/30/2023. (*Strategy 4, Tactics 4.1, 4.2, 4.3*)
- The Division of Workforce Solutions (DWS) launched the new NCWorks Mobile Career Center unit in 2023. As part of the state's Rapid Response program, the new mobile unit was dispatched to Haywood County to assist the workers affected by the layoffs at Pactiv Evergreen. (*Strategy 4*)
- DWS strengthened its partnership with the Department of Adult Correction (DAC). DWS developed informative videos about NCWorks services which can be presented to individuals while they are

still incarcerated. The work in 2023 served as a segue into DWS' focus in 2024, per EO 303 to support justice-involved job seekers and to increase the number of second chance employers hiring people following release. (*Strategy 1, Tactic 4.2*)

- The NCWorks Commission Local Innovation Committee awarded two \$225,000 Local Innovation Fund Grants totaling \$450,000. Capital Area Workforce Development Board partnered with Hope Renovations for the Building Hope—Preparing Gender Minorities for Careers in Construction. This grant addresses the need for construction workers as well as gender pay disparities while increasing the number of women trained in various skilled trades. Western Piedmont Workforce Development Board partnered with the OPT-IN and J.E.T. Creating Opportunities for Opportunity Youth initiatives for their grant project. This grant will support local youth who are not engaged in the workforce or in school. It matches recent high school graduates with local employers for a paid exploratory internship. (*Strategy 2, Strategy 4*)

Goal 2- Prepare North Carolina's **businesses** for success by growing and attracting a talented workforce.

- The Caregiving Workforce Strategic Leadership Council, coordinated by the NC Department of Commerce and the NC Department of Health and Human Services, released a report that offers a roadmap of initiatives the state will take to strengthen and support its healthcare workforce. The report, [Investing in North Carolina's Caregiving Workforce](#), includes recommendations to strengthen North Carolina's nursing, direct care, and behavioral health workforce (*Tactics 5.2, 5.3*)
- Commerce's Labor and Economic Analysis Division, on behalf of the Governor's Office, prepared North Carolina's HUBZone Petition, to allow more counties and census tracts in North Carolina to be eligible for the US SBA's Governor Designated HUBZone Program. Certified HUBZone businesses in qualified areas received preferred access to bid on federal contracts. (*Strategy 7, Tactics 7.1, 7.3*)
- The Commerce Department partnered with Duke Masters of Public Policy students to research the growing semiconductor industry in North Carolina and identify ways to optimize the state's supply chain to attract and grow the semiconductor industry in the state. The report and recommendations were informed by interviews with industry leaders and provided the Department with useful information. (*Tactic 8.2*)
- The NC Department of Commerce and the Danish Energy Agency signed a memorandum of understanding to cooperate on offshore wind energy and related sectors. A delegation from North Carolina visited Denmark and a Danish delegation visited North Carolina and met with Administration principals, Duke Energy leadership, and Utilities Commissioners. The Department facilitated introductions between Maersk Training's Business Development team and North Carolina Ports, workforce, and education leaders. (*Tactic 8.3*)
- The Department of Commerce partnered in the development of the grant award, Clean Carolinas, the National Science Foundation's Type 1 Innovation Engine Award. Led by principal investigators at UNC-Charlotte, Clean Carolinas is a consortium of North and South Carolina state agencies, academic institutions, and industry partners laying the groundwork for application for a Type 2 Award (\$160M) to stand up a use-inspired clean energy technology innovation engine driving advanced manufacturing and clean energy deployments in the eastern Carolinas. (*Tactic 8.3*)

Goal 3- Prepare **communities** across North Carolina to be more competitive in growing and attracting a talented workforce and businesses.

- The Rural Economic Development Division (REDD) awarded more than \$77 million to local communities, supporting over 115 economic development projects throughout the state through the various grant programs it manages. REDD activities are firmly committed to delivering impactful programs that help transform rural communities. The Division expanded its base of community partners, increased its investments in rural communities, and elevated the level of engagement with communities and external stakeholders. *(Tactics 12.2 and 13.2)*
- REDD received 22 applications during the Fall 2023 grant cycle of the Community Development Block Grant-Neighborhood Revitalization program. Applicants requested nearly \$20 million with \$12.48 million available for grants that support housing and community development activities. Of the available amount, \$4.8 million is set aside for the Rural Community Development Fund that supports community development projects that may not be directly related to housing. Rural Community Development Funds are available to local governments in Tier 1 counties. *(Tactic 9.1)*



2024 Annual Evaluation of North Carolina Economic Performance

Pursuant to [G.S. 143B-434.01](#), the Department of Commerce annually reports on the state's Comprehensive Strategic Economic Development Plan and evaluates North Carolina's economic performance. This report evaluates key economic indicators as outlined by statute.

DATA TOOLS FOR ECONOMIC ANALYSIS

[G.S. 143B-434.01\(k\)](#) calls for analysis of the eight data points listed below. Technical tools developed by the agency, such as the Demand Driven Data Delivery System (D4), enable users to readily retrieve similar information at a city, county, region, and statewide level. In addition, Commerce produces numerous publications that provide more detailed analysis than is required by statute and have a wider readership than this report. These resources include:

- [Analytics.nccommerce.com](#) is the main repository for the Labor and Economic Division's (LEAD) data, dashboards and publications, including labor supply and demand, industry and occupational projections, regional labor market overviews and other visualizations.
- [Demand Driven Data Delivery System](#) (D4) is North Carolina's official labor market data source and contains the most current and historical labor market information available at the statewide, regional, and local levels.
- [NC Today](#) is a monthly review of labor market conditions in North Carolina on various aspects of the economy. Topics include employment and unemployment statistics, unemployment insurance benefit claims, retail sales, residential building permits, manufacturing hours worked, and other economic indicators.
- [Area Profiles](#) are economic and demographic overviews available by county, workforce board area, and prosperity zone. In addition to labor market information, these profiles include data on populations including demographics, educational attainment, and commuting patterns.
- [NCcareers.org](#) is an online resource for students, parents, educators, job seekers and career counselors looking for high quality job and career information. Within NCcareers.org, users can identify their skills/interests; explore occupations and local job/employer needs; identify education and training opportunities and prepare to enter/re-enter the job market.
- [NCWorks Online](#) is a one-stop online resource for job seekers and employers in North Carolina. Job seekers can search for jobs, create resumes, and find education and training. Employers can find candidates, post jobs, and search labor market information.

ANALYSIS OF KEY ECONOMIC INDICATORS

REALIZED CAPITAL INVESTMENT

The NC Community Investment Report (CIR) is a tool that collects and analyzes project-level data from across North Carolina to measure economic development activity. CIR relies on partners across the state to report projects and does not necessarily capture every announced job or dollar invested in the state.

In 2023, North Carolina's economic development community reported 149 economic development projects across the state. Reported projects contributed a total of 14,674 announced jobs and about \$15.61 billion in announced investment. The state's largest manufacturing capital investment project in 2023 was undertaken by Toyota Battery Manufacturing (\$8) billion in Randolph County). The state's largest manufacturing job creation project was Toyota Battery Manufacturing (3,000 jobs in Randolph County). The largest non-manufacturing capital investment project was Impact Data (\$130 million in Guilford County) and the largest non-manufacturing job creation announcement was Alpitronic (300 jobs in Mecklenburg County).

Consistent with past years, there were more manufacturing projects in 2023 than any other project type. Manufacturing projects accounted for over 82 percent of total announced jobs and 95 percent of total announced investment.

In 2023, 40 Foreign Direct Investment (FDI) projects from 16 different countries announced 7,300 announced jobs and more than \$12.32 billion in investment in North Carolina. Because of the size of the Toyota Battery Manufacturing projects, Japan represented the most announced jobs (3,396) and investment (\$10.36 billion).

NET JOB CHANGE

Net job change is the difference in employment level between two points in time. According to the Current Employment Statistics (CES) program, North Carolina's seasonally adjusted total nonfarm employment reached 4,977,200 in January 2024, growing 1.5 percent from the year before. Total private employment increased by 1.4 percent, while Government employment grew by 2.6 percent.

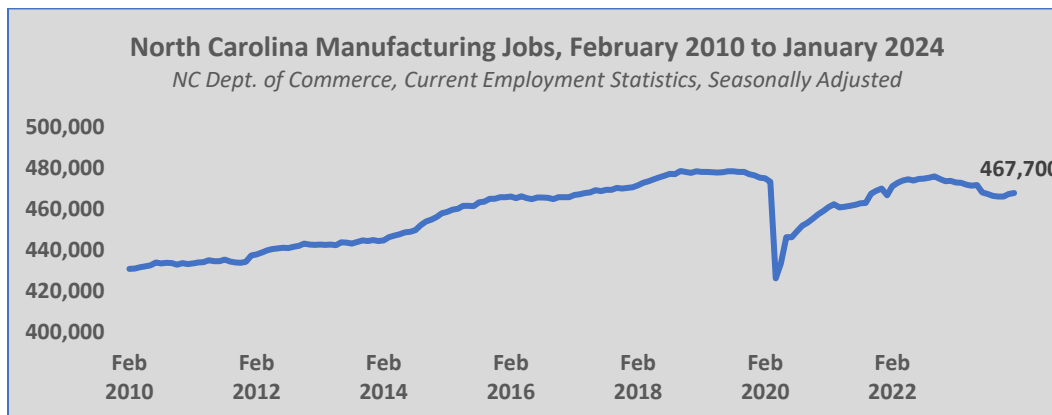
Most industry sectors reported seasonally adjusted job increases over the year, led by Education and Health Services (3.8%), Construction (3.4%), Leisure and Hospitality (3.4%), Financial Activities (2.5%) and Other Services (1.3%). Professional and Business Services (0.4%) and Trade, Transportation and Utilities (0.1%) had slight increases, while Manufacturing (-1.3%) and Information (-3.1%) declined over the year.

Net Job Change by Industry <i>NC Dept. of Commerce, Current Employment Statistics, Seasonally Adjusted</i>				
Industry	January 2023	January 2024*	Change	% Change
Trade, Transportation, and Utilities	928,000	928,600	600	0.1%
Wholesale Trade	206,500	212,400	5,900	2.9%
Retail trade	521,300	520,500	-800	-0.2%
Transportation, Warehousing, and Utilities	200,200	195,700	-4,500	-2.2%
Government	732,800	751,500	18,700	2.6%
Federal	77,100	80,600	3,500	4.5%
State Government	205,300	208,300	3,000	1.5%
Local Government	450,400	462,600	12,200	2.7%
Professional and Business Services	745,000	748,300	3,300	0.4%
Professional, Scientific, and Technical	325,400	336,100	10,700	3.3%
Management of Companies and Enterprises	87,200	85,200	-2,000	-2.3%
Administrative and Waste Services	332,400	327,000	-5,400	-1.6%
Education and Health Services	655,700	680,300	24,600	3.8%
Educational Services	104,400	111,300	6,900	6.6%
Health Care and Social Assistance	551,300	569,000	17,700	3.2%
Leisure and Hospitality	519,200	536,900	17,700	3.4%
Arts, Entertainment, and Recreation	75,200	80,800	5,600	7.4%
Accommodation and Food Services	444,000	456,100	12,100	2.7%
Manufacturing	473,700	467,700	-6,000	-1.3%
Durable Goods	254,500	249,000	-5,500	-2.2%
Nondurable Goods	219,200	218,700	-500	-0.2%
Financial Activities	303,300	310,800	7,500	2.5%
Finance and Insurance	232,600	235,300	2,700	1.2%
Real Estate and Rental and Leasing	70,700	75,500	4,800	6.8%
Construction	257,000	265,800	8,800	3.4%
Other Services	195,700	198,200	2,500	1.3%
Information	86,000	83,300	-2,700	-3.1%
Mining and Logging	5,600	5,800	200	3.6%
TOTAL (Nonfarm)	4,902,000	4,977,200	75,200	1.5%
TOTAL (Private)	4,169,200	4,225,700	56,500	1.4%

*January 2024 data are preliminary and subject to revision.

MANUFACTURING CHANGES

Although the “Great Recession” officially ended in June 2009, the state’s Manufacturing jobs bottomed out in February 2010. From February 2010 through 2019, Manufacturing jobs increased steadily in the state, before plummeting in April 2020 due to the onset of the pandemic. Since then, Manufacturing jobs nearly recovered to 2019 levels before declining over the past year. In January 2024 there were 7,200 (-1.5%) fewer Manufacturing jobs than in January 2020.



Over the past year (January 2023 to January 2024), not seasonally adjusted Manufacturing jobs decreased by 6,600 (-1.4%). Manufacturing industries with net increases over the year include Food Manufacturing (2.3%), Chemicals Manufacturing (2.2%), Machinery Manufacturing (0.3%) and Beverage and Tobacco Product Manufacturing (4.3%). All other manufacturing industries had declines over the year, including large declines in Furniture & Related Products Manufacturing (-8.8%) and Textile Mills (-5.6%).

Manufacturing Jobs by Industry <i>NC Dept. of Commerce, Current Employment Statistics, Not Seasonally Adjusted</i>				
Industry	January 2023	January 2024*	Change	% Change
Manufacturing	472,000	465,400	-6,600	-1.4%
Food	57,100	58,400	1,300	2.3%
Chemical	46,200	47,200	1,000	2.2%
Fabricated Metal Product	38,500	38,100	-400	-1.0%
Machinery	38,200	38,300	100	0.3%
Plastics & Rubber Products	36,700	36,000	-700	-1.9%
Transportation Equipment	35,800	35,400	-400	-1.1%
Furniture & Related Products	33,000	30,100	-2,900	-8.8%
Computer & Electronic Products	28,800	28,500	-300	-1.0%
Textile Mills	23,300	22,000	-1,300	-5.6%
Electrical Equipment & Appliances	22,100	21,500	-600	-2.7%
Wood Products	18,500	18,300	-200	-1.1%
Beverage & Tobacco Product Manufacturing	14,000	14,600	600	4.3%
Printing & Related Support Activities	11,300	10,800	-500	-4.4%
Textile Product Mills	5,200	5,000	-200	-3.8%
Apparel	5,200	4,800	-400	-7.7%

*January 2024 data are preliminary and subject to revision.

FIRM AND ESTABLISHMENT CHANGES

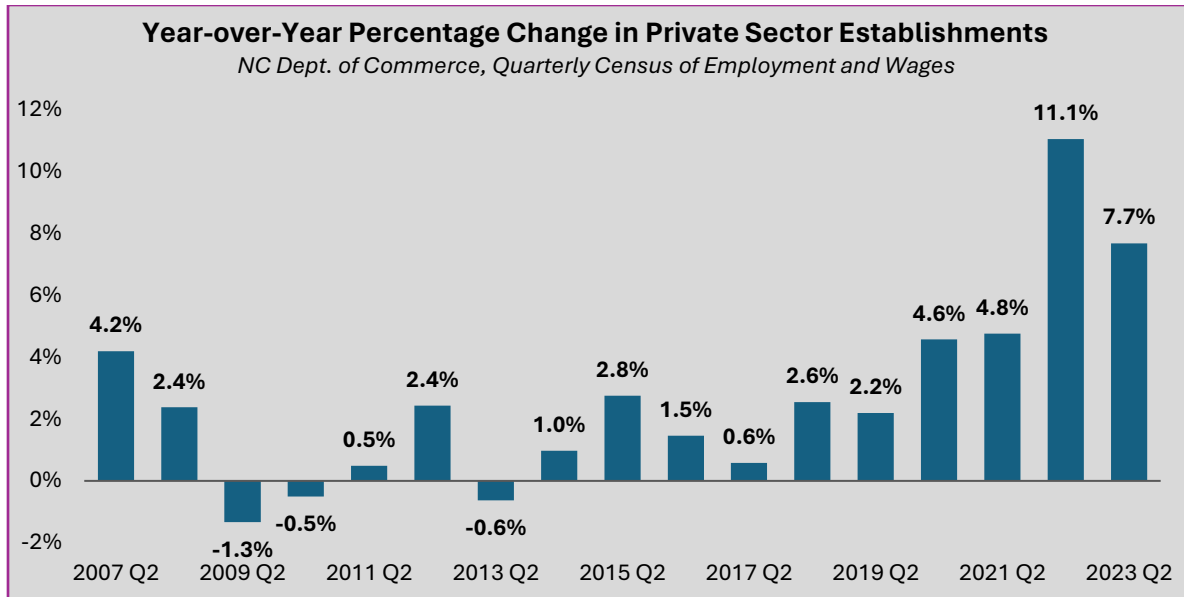
A **firm** is a business organization consisting of one or more **establishments** under common ownership or control. The most recently available data from the Census Bureau's Business Dynamic Statistics (BDS) show that there were 166,064 firms in North Carolina in 2021 (a 2.0% increase over 2020). While BDS does not produce data on firm-births, the data shows that North Carolina experienced about 13,331 firm deaths in 2021.

BDS also provides dynamic establishment change data, including numbers of establishment births and deaths. These data show that North Carolina experienced 23,116 establishment births in 2021. This works out to an establishment birth rate of 10.6 [= (establishment births / total establishments) * 100], the state's highest establishment birth rate since 2007. In general, the data show a gradually declining establishment birth rate from the late 1970s to the late aughts, then relative stability from 2010 to the present. North Carolina's establishment birth rate was roughly equal to the nation's in 2021, which has generally followed similar trends over recent decades.

North Carolina also experienced 20,373 establishment deaths in 2021, which works out to an establishment death rate of 9.3 [= (establishment deaths / total establishments) * 100], the state's highest since 2011. In general, the state's establishment death rate has also been declining since 1978, though not as quickly or consistently as the birth rate. North Carolina's establishment death rate is lower than the nation's rate of 10.3, which has also been in decline over recent decades.

For North Carolina in 2021, establishment births were associated with the creation of 156,505 jobs (33% of total job creation), while establishment deaths were associated with the loss of 149,806 jobs (27% of total job losses).

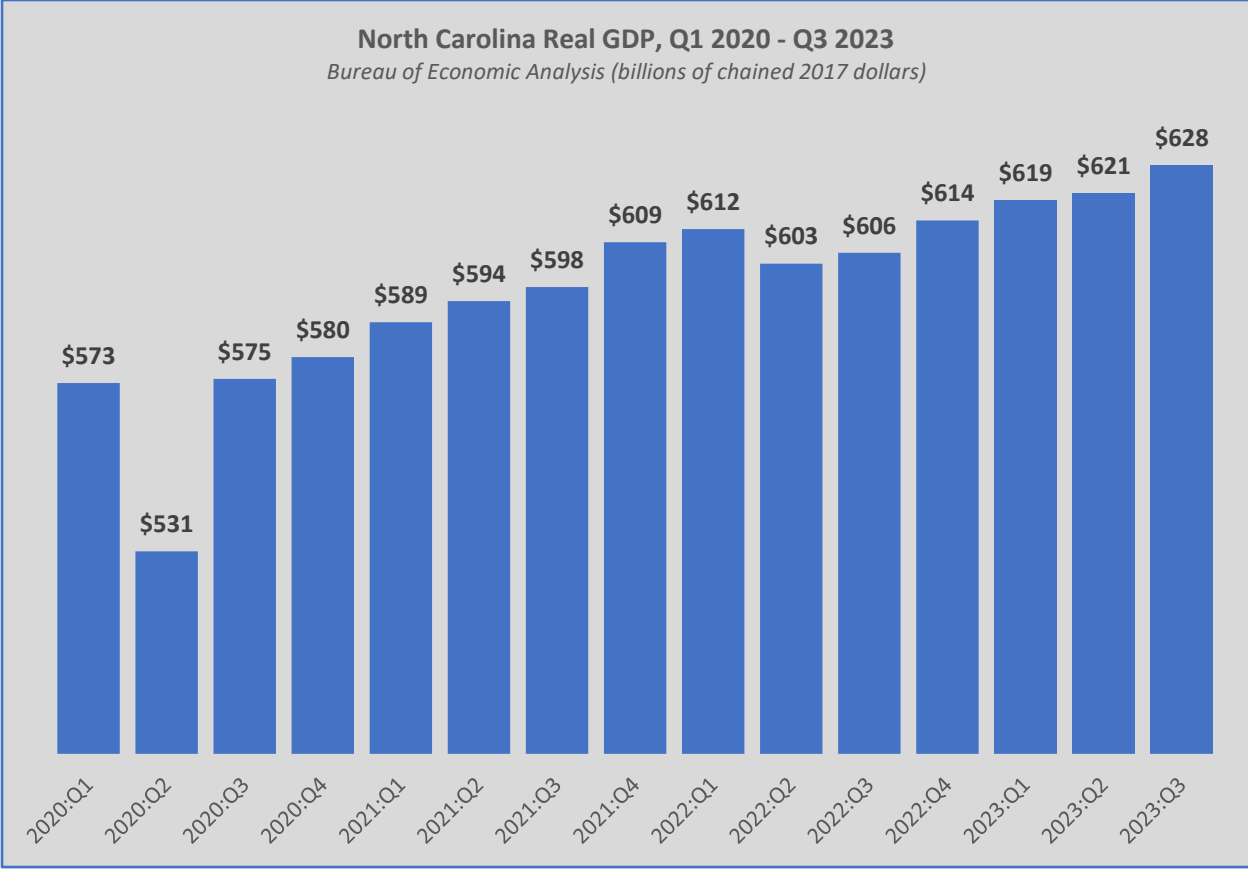
A more recent source for establishment data is the Quarterly Census of Employment and Wages (QCEW). According to QCEW, private sector establishments in North Carolina grew 7.7 percent from 2022 Q2 to 2023 Q2. Quarterly QCEW data show that private business establishment growth slowed during the worst of the COVID-19 pandemic but did not turn negative. Following the third quarter of 2020, establishment growth quickly recovered to strong levels and has remained strong since.



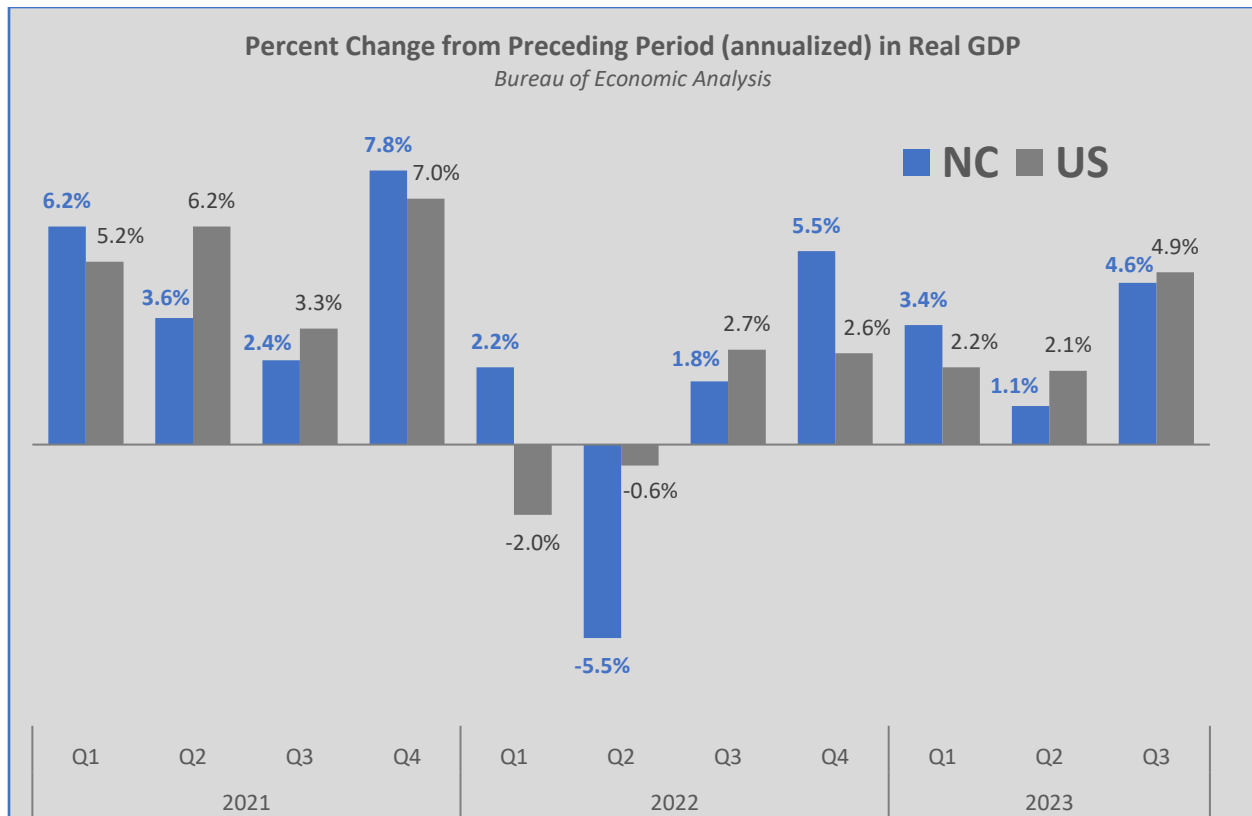
STATUS AND PERFORMANCE OF KEY SECTORS

One of the most common ways to measure a state's overall economic performance or strength is to look at gross domestic product (state GDP), the total market value of all goods and services produced in the state. According to the Bureau of Economic Analysis, from the first quarter of 2020 to the third quarter of 2023, North Carolina's real GDP (in chained 2017 dollars) increased from \$573 billion to \$628 billion, an increase of 9.5 percent. During this same period, the nation's real GDP grew by 8.8 percent.

Following a large decline during the second quarter of 2020 due to the onset of the pandemic, the state's [real gross state product](#) increased at a rapid pace before declining slightly in the second quarter of 2022. Since that decline, real GDP has grown every quarter since, with particularly robust growth in the third quarter of 2023.



North Carolina’s recent economic performance has largely mirrored that of the US, with substantial quarter-to-quarter increases in real GDP over the course of 2021 followed by a dip in 2022 and growth over the past several quarters.



Over the past four quarters, North Carolina's real GDP grew by 3.6% overall. Within this total, Private industries' GDP increased by 3.9 percent, while Government GDP grew by 1.3 percent. The largest private industry contribution to GSP came from Manufacturing, making up 14.2 percent of GDP in the 3rd quarter of 2023, followed by Real Estate (12.1%), Professional, Scientific, and Technical Services (8.9%), Finance and Insurance (8.0%) and Health Care and Social Assistance (7.3%).

The largest percentage increases in Real GDP occurred in Information (14.2%), Retail trade (12.5%), and Utilities (10.7%), followed by Professional, Scientific, and Technical Services (9.0%), Health Care and Social Assistance (8.4%) and Construction (8.0%). Real GDP decreased in a few industries, including Agriculture (-38.4%), Management of Companies (-4.5%) and Other Services (-3.7%). Military GDP also shrunk by 3.9 percent over the four quarters.

The state's private service-providers grew by 4.6 percent over the year while goods-production grew by 2.1 percent. Within Manufacturing, durable goods (e.g. cars, appliances, etc.) production grew by 0.7 percent and nondurables (e.g. chemicals, food, etc.) grew by 3.7 percent.

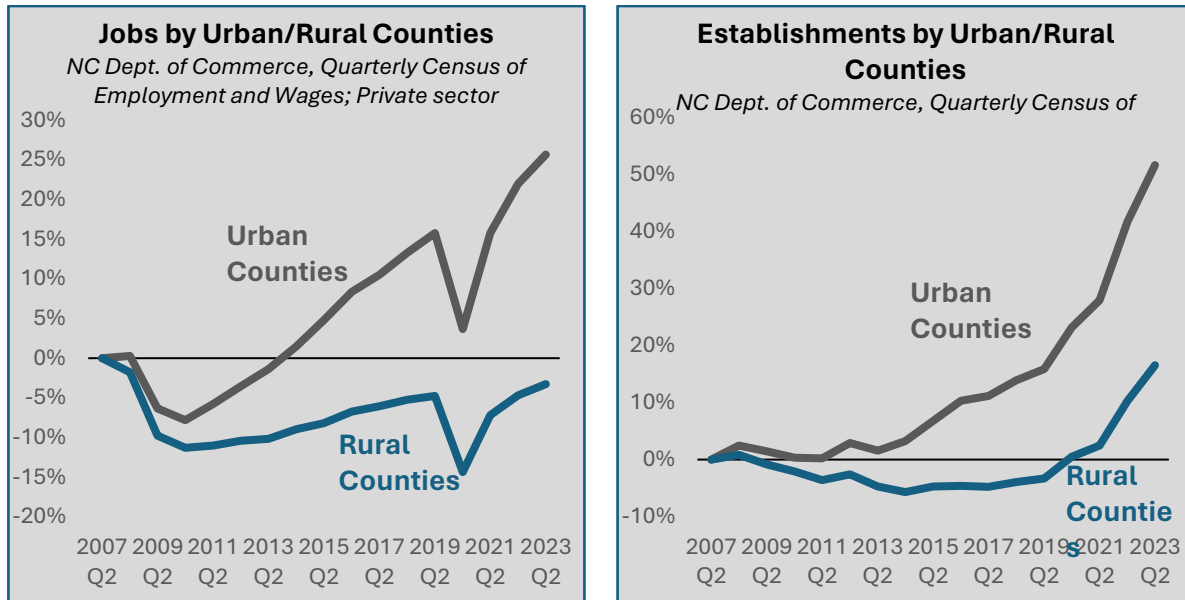
North Carolina Real GDP by Industrial Sector, Q3 2022-Q3 2023 <i>Bureau of Economic Analysis (in millions of chained 2017 dollars)</i>				
Description	2022 Q3	2023 Q3	Change	% Change
All industry total	\$606,213	\$628,133	\$21,920	3.6%
Private industries	\$532,970	\$553,925	\$20,956	3.9%
Manufacturing	\$87,193	\$89,269	\$2,076	2.4%
Real estate and rental and leasing	\$74,865	\$75,897	\$1,032	1.4%
Professional, scientific, and technical services	\$51,103	\$55,710	\$4,607	9.0%
Finance and insurance	\$49,809	\$50,081	\$272	0.5%
Health care and social assistance	\$42,171	\$45,701	\$3,530	8.4%
Retail trade	\$33,631	\$37,820	\$4,189	12.5%
Wholesale trade	\$32,625	\$32,665	\$40	0.1%
Information	\$28,094	\$32,089	\$3,995	14.2%
Construction	\$24,225	\$26,175	\$1,950	8.0%
Admin & support and waste mgmt. & remediation	\$23,215	\$23,659	\$444	1.9%
Management of companies and enterprises	\$17,513	\$16,727	-\$785	-4.5%
Accommodation and food services	\$16,466	\$16,610	\$144	0.9%
Transportation and warehousing	\$15,230	\$16,001	\$772	5.1%
Other services (except government)	\$12,512	\$12,055	-\$457	-3.7%
Utilities	\$9,542	\$10,566	\$1,024	10.7%
Educational services	\$7,512	\$7,914	\$402	5.4%
Arts, entertainment, and recreation	\$5,400	\$5,622	\$222	4.1%
Agriculture, forestry, fishing and hunting	\$4,174	\$2,571	-\$1,603	-38.4%
Mining, quarrying, and oil and gas extraction	\$693	\$742	\$49	7.0%
Government and government enterprises	\$73,411	\$74,367	\$956	1.3%
Federal civilian	\$11,369	\$12,141	\$771	6.8%
Military	\$11,100	\$10,671	-\$429	-3.9%
State and local	\$50,967	\$51,583	\$616	1.2%

RURAL BUSINESS DEVELOPMENT

The following table provides North Carolina's most recent county-level Quarterly Census of Employment and Wages (QCEW) data on employment and business establishments, aggregated by counties' urban/rural status.¹ Like most places in the U.S., urban county job growth has outpaced rural county job growth over recent years in our state. And recovery from the coronavirus pandemic has proceeded differently in the labor markets of rural and urban economies. A slightly higher portion of urban jobs were lost during the pandemic recession, but urban job growth has consistently outpaced growth in rural job markets since then. From 2020 Q2 to 2023 Q2, North Carolina's urban county jobs grew 21.2 percent (519,000 jobs), while rural county jobs grew 12.9 percent (109,000 jobs).

¹ Counties with population density over 250 people per square mile, according to the 2020 U.S. Census, are considered urban. Under this definition, urban counties are Alamance, Buncombe, Cabarrus, Catawba, Cumberland, Davidson, Durham, Forsyth, Gaston, Guilford, Henderson, Iredell, Johnston, Lincoln, Mecklenburg, New Hanover, Onslow, Orange, Pitt, Rowan, Union, and Wake.

On the other hand, the number of private business establishments has risen through the pandemic in both rural and urban counties (though business establishments in rural counties have grown more slowly). From 2020 Q2 to 2023 Q2, North Carolina's urban county business establishments grew 23.1 percent (45,000 establishments), while rural county establishments grew 16.0 percent (12,000 establishments).



While the number of jobs in rural counties has now returned to pre-pandemic levels, rural job markets still have not recovered all their job losses from the Great Recession. Rural counties had 3.3 percent fewer jobs in the second quarter of 2023 than in 2007.

STATUS OF MINORITY-OWNED BUSINESSES

The timeliest data for assessing minority-owned businesses in North Carolina is available through the Census Bureau's Annual Business Survey (ABS), which is published annually and covers employer firms—those firms with paid employees. According to ABS, 14.7 percent (26,275) of North Carolina's employer firms were minority-owned in 2021. Minority-owned firms employed 5.4 percent (200,352) of employees in the state in that year. As a comparison, 20.9 percent of US employer firms were minority-owned and employed 7.7 percent of total employees in that same year.

A separate Census product called the Nonemployer Statistics by Demographics series (NES-D) includes demographic information about nonemployer firms—those firms without paid employees. According to NES-D, 31.8 percent (263,000) of the state's nonemployer firms were minority-owned in 2020. At the national level, 36.7 percent of nonemployer firms were minority-owned in 2020.

DEVELOPMENT CAPACITY

The N.C. Department of Commerce annually ranks the state's 100 counties based on economic well-being and assigns each a Tier designation. The 40 most distressed counties are designated as Tier 1, the next 40 as Tier 2, and the 20 least distressed as Tier 3. This Tier system is incorporated into various state programs to encourage economic activity in the less prosperous areas of the state.

For more information about the Tier system, please refer to:

<https://www.commerce.nc.gov/grants-incentives/county-distress-rankings-tiers>