

- The average registered apprenticeship program in North Carolina yields a 170% return on investment for the employer. This means that for every \$1 invested in apprentices, employers receive an average of \$1.70 in additional value.¹⁰
- The offshore wind industry is expected to create a \$140 billion supply chain and tens of thousands of new jobs in the United States by 2035. A 2021 report by leading industry consulting group BVG Associates highlighted North Carolina’s advantages as a manufacturing location for offshore wind, ranking first among East Coast states and fifth in the nation in the value of its manufacturing sector’s GDP.¹¹

Supporting Small Business Growth and Development

Supporting the growth and development of small businesses is essential to North Carolina’s economy. These recommendations support existing small businesses and invest in small business growth and development.

Recommendation Detail

Small Business UI Tax Reduction - Reduces UI taxes for businesses with 500 or fewer employees. UI taxes will be cut the most for the smallest businesses—those with 50 or fewer employees in the state. Table 2 shows how the UI tax cuts will phase out for larger businesses.

Table 2: Unemployment Insurance Tax Reductions by Business Size

| Number of NC Employees | Number of Employers | Percent of Total NC Payroll | UI Tax Cut* |
|------------------------|---------------------|-----------------------------|-------------|
| 1 to 50 | 278,469 | 29% | 15% |
| 51 to 100 | 6,597 | 9% | 10% |
| 101 to 250 | 3,846 | 13% | 10% |
| 251 to 500 | 1,270 | 10% | 5% |
| More than 500 | 1,053 | 40% | 0% |

* UI tax cut is in addition to offsetting each employer’s proposed Strategic Workforce Trust (SWFT) assessment with an equal reduction in UI taxes.

One NC Small Business - Fosters job creation and economic development by providing \$1 million annually and \$8 million nonrecurring to help North Carolina small businesses obtain and leverage highly competitive funding from the federal Small Business Innovative Research (SBIR) and Small Business Technology Transfer program. Nonrecurring funding is provided for this program from the Economic Development Project Reserve (EDPR).

NC Defense Innovation Network - Establishes the Defense Innovation Network by providing \$2 million nonrecurring of EDPR funds. This network will work to grow and increase federal funding for the state’s defense innovation economy. North Carolina lags in defense research and development contracts relative to defense-related personnel, ranking 26th in contracts but 4th in personnel. Funds would support a strategic defense review council, a virtual business accelerator, a marketing campaign, and grants for defense-focused companies applying for the One North Carolina Small Business Program.

¹⁰ <https://www.commerce.nc.gov/blog/2020/10/28/new-survey-shows-apprenticeships-are-impactful-and-growing-north-carolina>

¹¹ BVG Associates, [Building North Carolina’s Offshore Wind Supply Chain](#)

