

# **The Economic Impact of the North Dakota Small Business Development Center Network on the State of North Dakota in 2023**

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## Introduction

The North Dakota Small Business Development Center (NDSBDC) network provides business consultancy services in the state of North Dakota. Services provided vary based on customer need and can include marketing planning, business record management, financial projections, and many other services. The NDSBDC requested the Institute of Policy and Business Analytics (IPBA) perform an economic impact analysis of network activity for calendar year 2023. This report provides a brief overview of methodology and details the results of the economic impact analysis.

IPBA conducted the analysis using the IMPLAN economic impact software system. This approach looks at an estimated change or **direct effect**, uses business and industry supply chains and consumer spending patterns to predict **indirect effects** and **induced effects**, respectively. When added to the direct effect these three components sum to the **total effect**. The direct effect in this case are **jobs created** and **jobs retained** at NDSBDC client firms in calendar 2023. NDSBDC tracked these numbers by 2-digit NAICS and IPBA summed them for a the direct job effect.

NDSBDC reported also sales data and capital infusions though not with the consistency of the jobs data. With more and more complete jobs data the determination was made to forgo further analysis with incomplete sales data in favor of the jobs analysis.

## Summary results:

**Direct effects:** The data provided by NDSBDC for 2023 indicated 582 jobs created or retained at client businesses. Using IMPLAN we the estimated labor income and economic output associated with the distribution of the jobs across the various economic sectors to be \$34,978,318.74 in labor income and \$137,530,202.15 in output.

## Economic Impacts (Total Effects):

The job impacts show that indirect and induced effects generate a further 341.82 jobs beyond the direct impact of 582. The total jobs impact is 923.84, with an implied multiplier of 1.587. Indirect and induced effects also added to the income and output impacts. The indirect and induced effects further increased labor income in North Dakota by \$14,452,439.55 and \$10,181,248.08 for a total effect of \$59,612,006.39, with implied multiplier of 1.704. The output total effect of \$218,600,380.48 implies a multiplier of 1.589. The complete set of detailed effects is provided in table 1 below. In addition, a breakout by regional center is provided in table 2 and figure 1.

Table 1. Aggregate job, income, and output impacts of ND SBDC Network

<b>Impact</b>	<b>Employment</b>	<b>Labor Income</b>	<b>Output</b>
<b>Direct</b>	582.00	34,978,318.74	137,530,202.15
<b>Indirect</b>	176.55	14,452,439.55	52,103,971.83
<b>Induced</b>	165.27	10,181,248.08	28,966,206.48

Table 2. Job Impacts By ND SBDC Location

<b>Impact</b>	<b>Bismarck</b>	<b>Bowman</b>	<b>Devils Lake</b>	<b>Dickinson</b>	<b>Fargo</b>	<b>Grand Forks</b>	<b>Minot</b>	<b>Williston</b>
<b>Direct</b>	11	20	51	33	121	97	89	160
<b>Indirect</b>	6.07	3.04	13.85	5.91	52.3	24	35.16	36.22
<b>Induced</b>	4.45	3.15	12.5	8.86	43.04	26.77	28.98	37.52

Table 3. Labor income impacts by ND SBDC region

<b>Impact</b>	<b>Bismarck</b>	<b>Bowman</b>	<b>Devils Lake</b>	<b>Dickinson</b>	<b>Fargo</b>	<b>Grand Forks</b>	<b>Minot</b>	<b>Williston</b>
<b>Direct</b>	\$810,986.21	\$743,291.55	\$2,824,293.41	\$2,178,780.11	\$8,243,914.35	\$6,167,955.65	\$5,569,377.51	\$8,439,719.95
<b>Indirect</b>	\$511,979.38	\$210,096.85	\$926,773.70	\$447,480.09	\$4,542,907.53	\$1,903,067.32	\$3,085,385.01	\$2,824,749.67
<b>Induced</b>	\$274,231.73	\$194,296.58	\$770,235.57	\$545,723.36	\$2,650,886.86	\$1,649,308.50	\$1,785,010.83	\$2,311,554.65

Table 4. Output impacts by ND SBDC region

<b>Impact</b>	<b>Bismarck</b>	<b>Bowman</b>	<b>Devils Lake</b>	<b>Dickinson</b>	<b>Fargo</b>	<b>Grand Forks</b>	<b>Minot</b>	<b>Williston</b>
<b>Direct</b>	\$4,502,429.76	\$2,300,136.09	\$9,785,287.55	\$4,766,032.98	\$40,587,060.41	\$18,806,622.98	\$27,025,313.96	\$29,757,318.42
<b>Indirect</b>	\$1,818,017.56	\$727,043.13	\$3,221,032.85	\$1,486,090.97	\$16,193,680.83	\$6,649,143.67	\$10,974,912.31	\$11,034,050.51
<b>Induced</b>	\$780,204.73	\$552,783.56	\$2,191,362.03	\$1,552,607.56	\$7,541,924.34	\$4,692,371.26	\$5,078,458.13	\$6,576,494.87

Figure 1. Economic impact by ND SBDC region

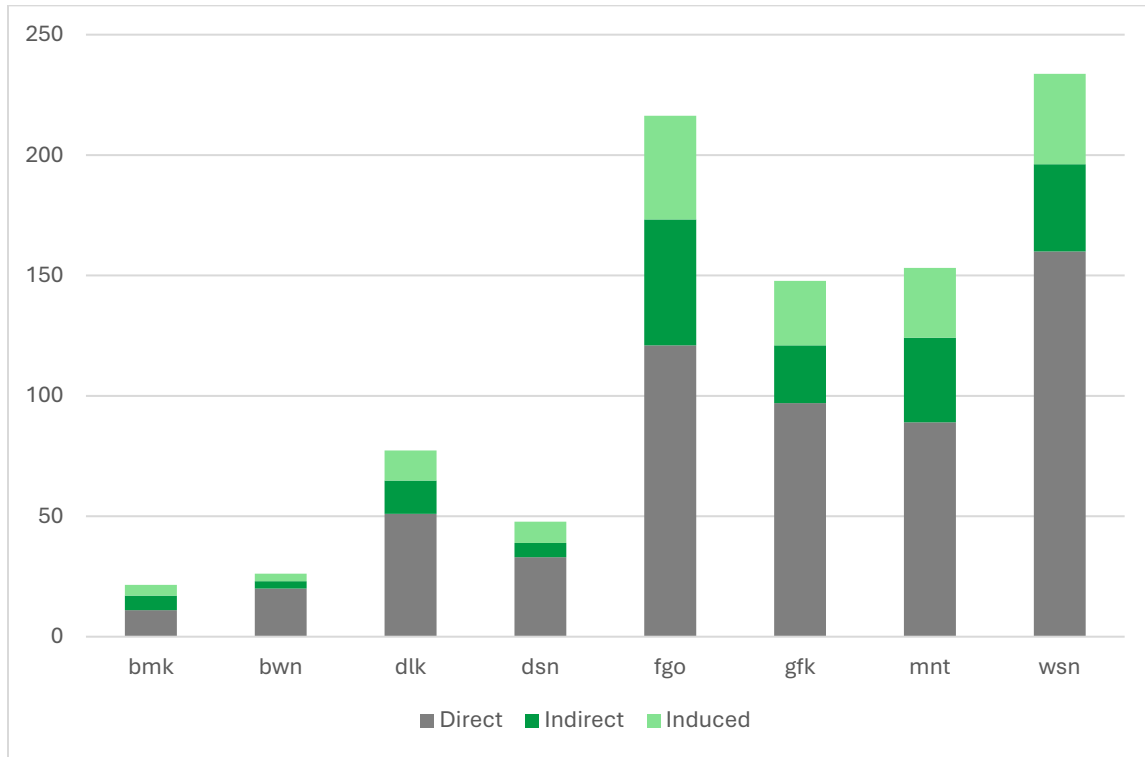


Figure 2. Labor income effects by ND SBDC region

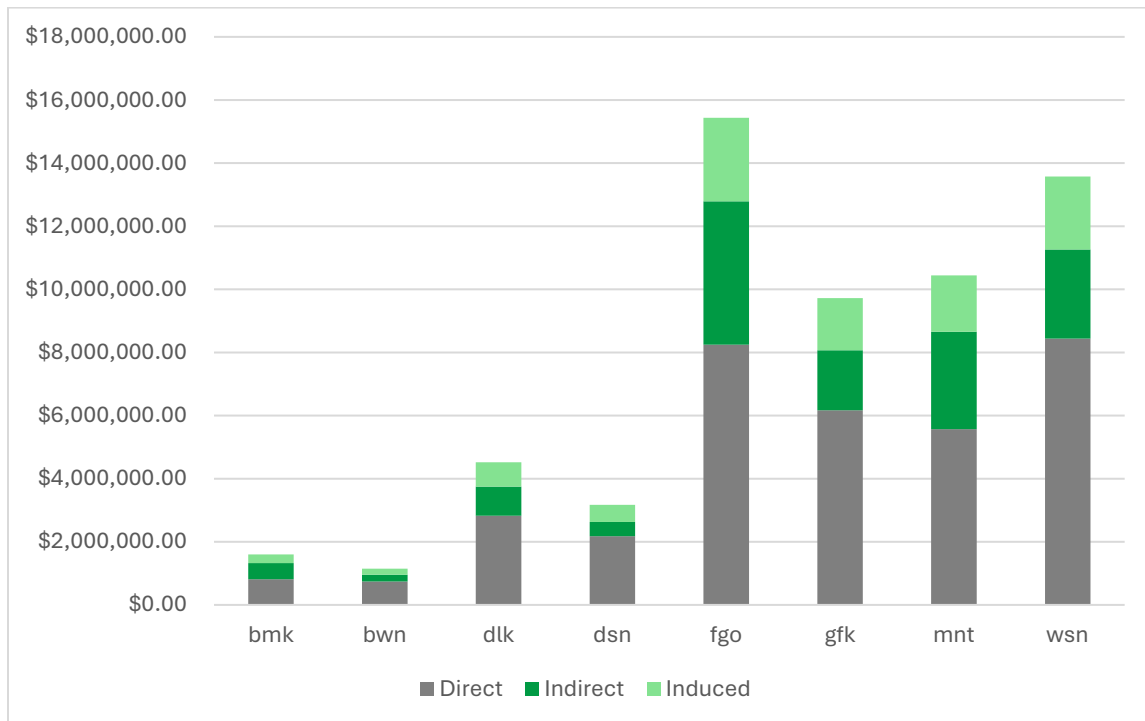


Figure 3. Output effects by ND SBDC region

