



Office of Advocacy

U.S. Small Business Administration

Small Business Economic Indicators for 1999

A reference guide to the latest data on small business activity, including state and industry data.

Office of Advocacy

U.S. Small Business Administration

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The Office of Advocacy of the U.S. Small Business Administration was established in 1976 by Congress under Public Law 94-305 to, among other things, examine the current role of small business in the economy, present current and historical data on the small business sector, and the state of competition. In fulfillment of this mandate, the Office of Advocacy funds research and publishes reports such as *The State of Small Business*, *State Small Business Profiles*, *the Small Business FAQ*, and *Small Business Economic Indicators*.

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EXECUTIVE SUMMARY

In 1999, real gross domestic product increased 4.1 percent and private sector employment increased by 1.8 percent, continuing the longest economic expansion in U.S. history. Output, employment, productivity, and income rose, while inflation was tame. Small businesses contributed significantly to the economy's growth.¹ Small business indicators were positive: the number of employer firms increased, business terminations declined, employment in small business rose, and business bankruptcies fell. Small businesses continued to employ more workers than large companies; they employed 68.2 million people in 1999, or 58 percent of the private-sector workforce. Small business fared well across the country as only three states, Alabama, Hawaii, and Indiana, saw the number of employer firms decline, and only nine states had increases in business bankruptcies. Although production costs increased, revenues did too. With increased inputs, such as hours worked and loans, productivity and output both rose.

- The number of employer firms increased by 2.0 percent, from an estimated 5.68 million in 1998 to an estimated 5.79 million in 1999, but with a significant amount of churning (the number of start-ups remained high and closures changed little). Other indicators of business vitality loan amounts, employment, output, profits, income, and productivity increased.
- Self-employment as a primary occupation decreased by 2.1 percent but remained at a high level (going from 10.3 million in 1998 to 10.1 million in 1999). The rate of self-employment, which hovered at around 8 percent during the 1980s through the mid-1990s, fell to around 7.5 percent in recent years. The growth of jobs with desirable wages and benefits may be a factor in this slight decline.
- The number of employer firm births remained extremely high an estimated 588,900 though this was a slight decrease from 1998's estimated 591,200. Employer firm terminations decreased by 1.7 percent, going from an estimated 537,900 in 1998 to an estimated 528,600 in 1999. Business bankruptcies decreased 14.8 percent, reaching their lowest level since at least 1980.
- Income performance was strong. Nonfarm sole proprietors' income increased 7.2 percent, rising from \$595.2 billion in 1998 to \$638.2 billion in 1999. Corporations (a category that includes larger small businesses and large businesses) saw profits increase 5.2 percent, from \$848.4 billion in 1998 to \$892.7 billion in 1999.
- The wage and salary index, a major cost indicator for small businesses, grew 3.5 percent from December 1998 to December 1999. Another business cost, the interest paid on loans, is indicated by the prime rate, which decreased slightly, from 8.35 percent in 1998 to 8.0 percent in 1999. However the prime rate increased throughout 1999.
- Small business employment (including self-employed incorporated) reached 68.2 million. Services and retail trade are the largest sectors with 25.2 million and 12.7 million employees, respectively. Business services grew the most, with 539,400 net new jobs. In percentage terms, the catch-all category, "services, not elsewhere classified" grew the fastest, with a 9.0 percent increase.²

¹ Little data based on firm size is available, so proxy variables such as employer firms, new employer firms, business terminations, bankruptcies, and nonfarm sole proprietors are used as small business indicators. Almost all businesses are small (99.7 percent of employer firms have fewer than 500 employees), so trends in the total number of businesses provide insight into the status of small business. Since most large businesses are corporations, nonfarm sole proprietors' income relates mostly to small business. However small corporations generate much of the small business income and there is no proxy or direct category that contains such data.

² Much of this category appears to consist of consulting and the consulting activities. Under the Census Bureau's new industry classification system, North American Industrial Classification System (NAICS), this falls under the general category of "professional, scientific, and technical services."

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1. ECONOMIC OVERVIEW

The year 1999 was a good one for the U.S. economy. Real gross domestic product grew 4.1 percent, and private sector employment grew 1.8 percent, while inflation (measured by the consumer price index) increased by only 2.2 percent. Small businesses' contribution to this growth is significant, but difficult to quantify (see Appendix B).³

The estimated number of employer firms increased, as the number of new firms (588,900) outnumbered firm terminations (528,600)⁴ Although both numbers were lower than in 1998, the difference between start-ups and terminations rose slightly. There was also a substantial decline in the number of business bankruptcies from 44,197 in 1998 to 37,639 in 1999.⁵ Births and closures led to about a 10 percent turnover rate—9.3 percent of the employer firms that existed at the start of 1999 closed and 10.4 percent of the employer firms at the end of 1999 were new that year. The result was a 2.0 percent rise in the number of employer firms in 1999 (to an estimated total of 5.8 million), an increase over the yearly average of 1.4 percent between 1990 and 1998.⁶

Self-employment slightly decreased, and not surprisingly. In the context of a tight employment market, self-employed individuals were more likely to be enticed into working for an employer and employees were less likely to leave to start their own firms.

While firms' costs increased, so did revenues. Wages, as measured by the total compensation index, rose 3.4 percent from 1998 to 1999. Interest rates (as measured by the prime rate) increased during 1999 rising from 7.75 percent to 8.5 percent (however the 1999 prime rate average was lower than the 1998 average as the prime rate decreased throughout 1998). Nevertheless, nonfarm proprietors' income increased 7.2 percent from 1998 to 1999 and corporate profits increased 5.2 percent. These higher returns were the result of increased output (4.7 percent), hours worked (1.5 percent), and the dollar amount of loans (5.8 percent). Above all, productivity increased 3.2 percent for the entire economy, as output grew faster than hours worked.

Most of the increase in hours worked was the result of an increase in employment. During 1999, private sector employment grew by 2.1 million or 1.8 percent to 117.1 million workers. Small firms (including the self-employed) employed 68.1 million or 58.2 percent of this total. Small firms represented about 90 percent of the total employment in agricultural services and construction and about 40 percent of employment in the combined industry of transportation, communication, and public utilities.

With high levels of firm births, low inflation, increased employment, increased credit, and increased productivity, small businesses appear on course. However, concerns loom on the horizon over taxes, quality of labor, and competition from large business.⁷

³ The Office of Advocacy often defines a small firm as one with fewer than 500 employees. Industry definitions are available from SBA's Office of Size Standards (www.sba.gov/size).

⁴ Advocacy estimates.

⁵ Business terminations include all employer firms that close, while business bankruptcies are firms that owe debts and file in court for legal protection.

⁶ Figures are estimated, hence firm births minus firm deaths may not equal the change in the number of firms.

⁷ National Federation of Independent Business Education Foundation, *Small Business Economic Trends*, September 2000.

Data Tables

The following data tables, found in Appendix A, give an economic overview for 1999.

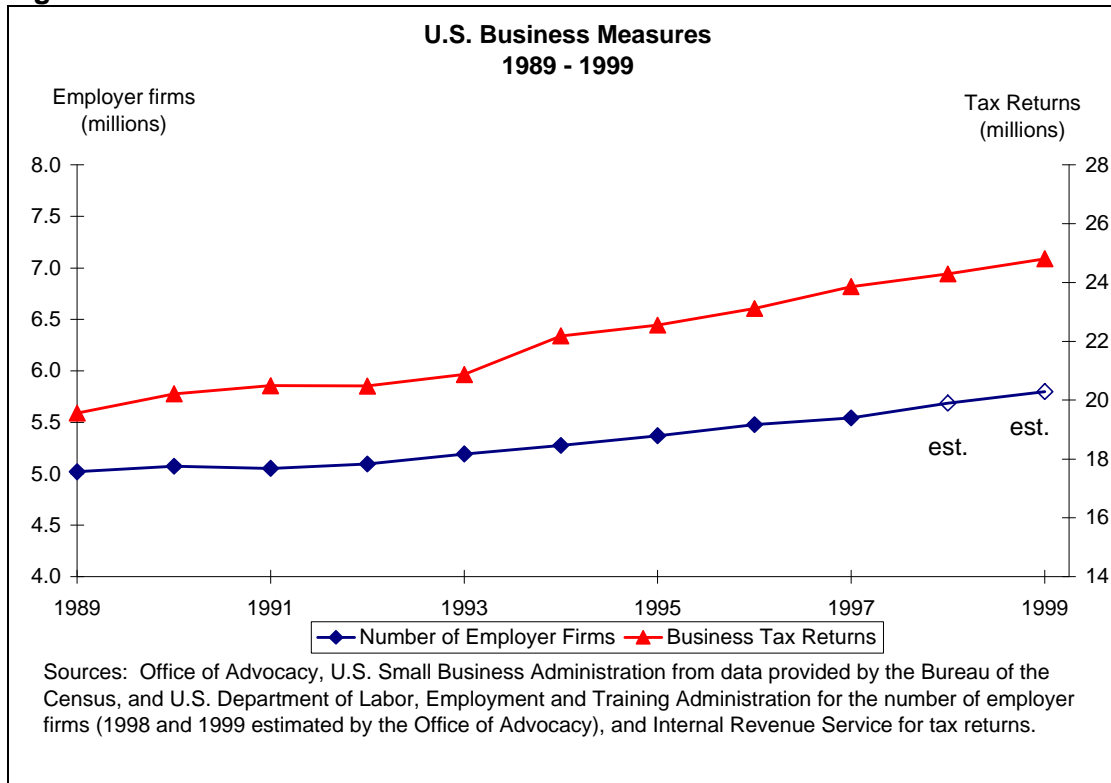
Table 1.1	Macroeconomic Indicators, 1990–1999
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2. NUMBER OF FIRMS

The number of firms in each state contains two components: employer firms and self-employed individuals. Employer firms are those firms with employees. Self-employment data include individuals whose primary occupation is “self-employed,” few of whom have employees. Discrepancies may arise, however, since figures for employer firms and self-employment sometimes overlap, some self-employed businesses have employees, and many self-employed individuals have more than one business.

The number of businesses has increased steadily over the past 10 years. Employer firms have made up most of this increase, growing 15.5 percent in 10 years or 1.5 percent annually. Growth of self-employed businesses (firms without employees) has been flat for the period, despite annual fluctuations. The number of business tax returns (a more expansive definition of the number of businesses) has increased 26.8 percent over the period (representing over 5 million tax returns).⁸ Growth of tax returns and self-employment stagnated during the 1990-1991 recession; growth of employer firms leveled off a year earlier (see Figure 2.1).

Figure 2.1

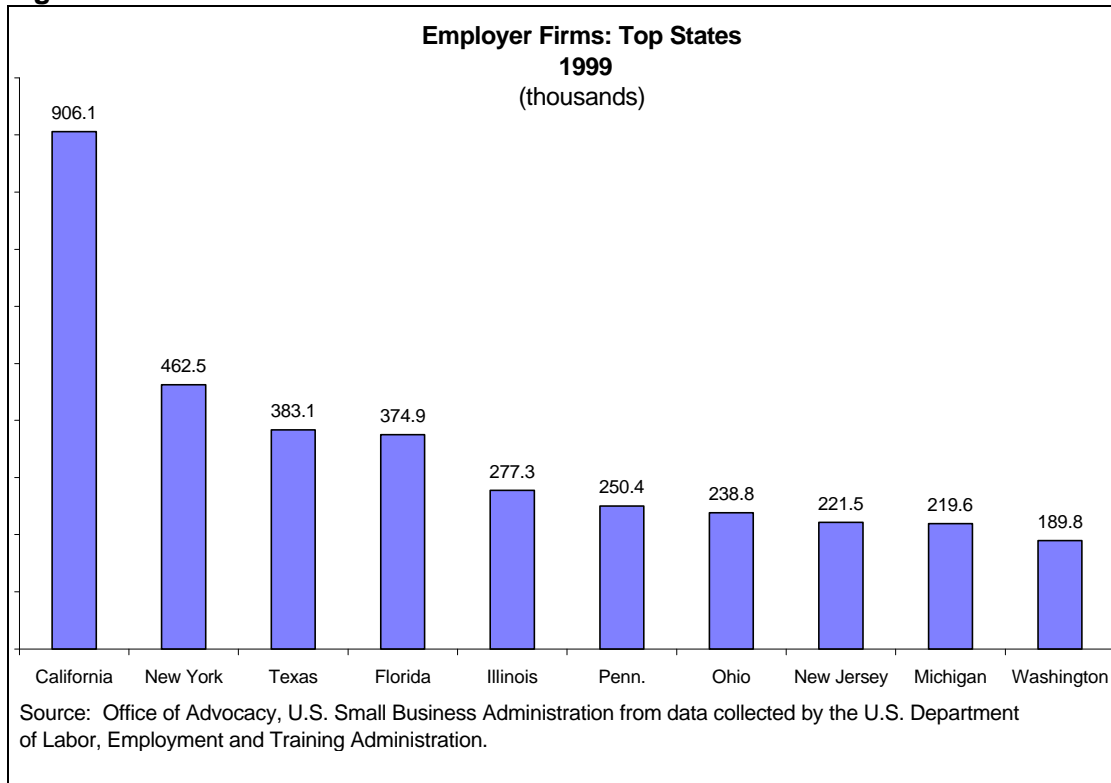


⁸ It is unclear why business tax returns have increased at a much greater rate than either employer firms or self-employment.

Employer Firms

The number of employer firms increased 2.0 percent nationwide in 1999, from an estimated 5,685,900 in 1998 to an estimated 5,797,500 in 1999.⁹ The number of employer firms increased in 46 states and the District of Columbia, declined in three states, and one state (New Jersey) did not report data. Utah had the largest increase in the number of employer firms (5.8 percent) followed by Nevada (4.2 percent). Alabama had the largest decline (-1.3 percent), while Indiana and Hawaii had declines of less than 1 percent. The number of firms in all three states is still well above the levels in the early to mid-1990s. California had the highest number of employer firms (906,092 or 15.6 percent of all employer firms); the rest of the top five were New York—462,473 employer firms, Texas—383,148, Florida—374,867, and Illinois—277,313. These five states combined accounted for more than one-third of all U.S. employer firms (Figure 2.2 and Table 2.1).

Figure 2.2



⁹ Employer firms are required to file quarterly reports with the U.S. Department of Labor's Employment and Training Administration (ETA), which generates tabulations by state from the filings. The U.S. totals for 1998 and 1999 are estimated using the 1997 Census's count of employer firms and trends observed in the annual percent increase in the sum of the ETA's 1998 and 1999 state data. This estimation process avoids the overcounting that would result from totaling the state data, since some firms exist in more than one state.

Self-Employment

Self-employment as a primary occupation declined by 2.1 percent nationwide, from 10,303,000 in 1998 to 10,087,000 in 1999 (Figure 2.3).¹⁰ Kentucky had the highest increase (18.7 percent). New Hampshire, Georgia, Connecticut, and North Carolina also posted double-digit increases. Arkansas, Missouri and West Virginia had decreases of just over 15 percent. California had the highest state total, representing about 15 percent of all self-employed in the United States.

The total number of self-employed seems more volatile than the number of employer firms, possibly indicating a larger proportion entering and exiting each year. Self-employment declined during the recessionary period in the early 1990s, and since 1993, it has leveled off (Figure 2.3). Rather than stimulate self-employment, the economic boom of the mid-to-late 1990s has had little effect on the total. A tight labor market may have kept employees from going out on their own. The decline in the influx of women into the labor force may also have contributed to the leveling off trend.

The self-employment rate declined in the 1960s and early 1970s as the economy moved from an agricultural base toward an industrial base (Figure 2.4). But from the late 1970s to the early 1980s, the rate increased, surprising analysts who had expected the decline to continue, signaling the demise of small business. The rate has fluctuated at around 8 percent since then, demonstrating the acceptance and viability of self-employment as an alternative to working for an employer.

Data Tables

The following data tables, found in Appendix A, relate to the number of U.S. firms in 1999.

Table 2.1	Number of Businesses by State, 1998–1999
Table 2.2	Number of Employer Firms by State, 1990–1999

¹⁰ Self-employment data used here come from the Bureau of Labor Statistics' Local Area Unemployment Statistics division and are based on the monthly Current Population Survey, a joint venture of the Census Bureau and the Bureau of Labor Statistics. Self-employment here is defined as the monthly average of unincorporated individuals whose primary employment is self-employment activities. Using a more expansive definition—anyone with self-employment earnings during 1999—raises the self-employment totals by about 1.5 million, most of which are likely to be small part-time ventures.

Figure 2.3

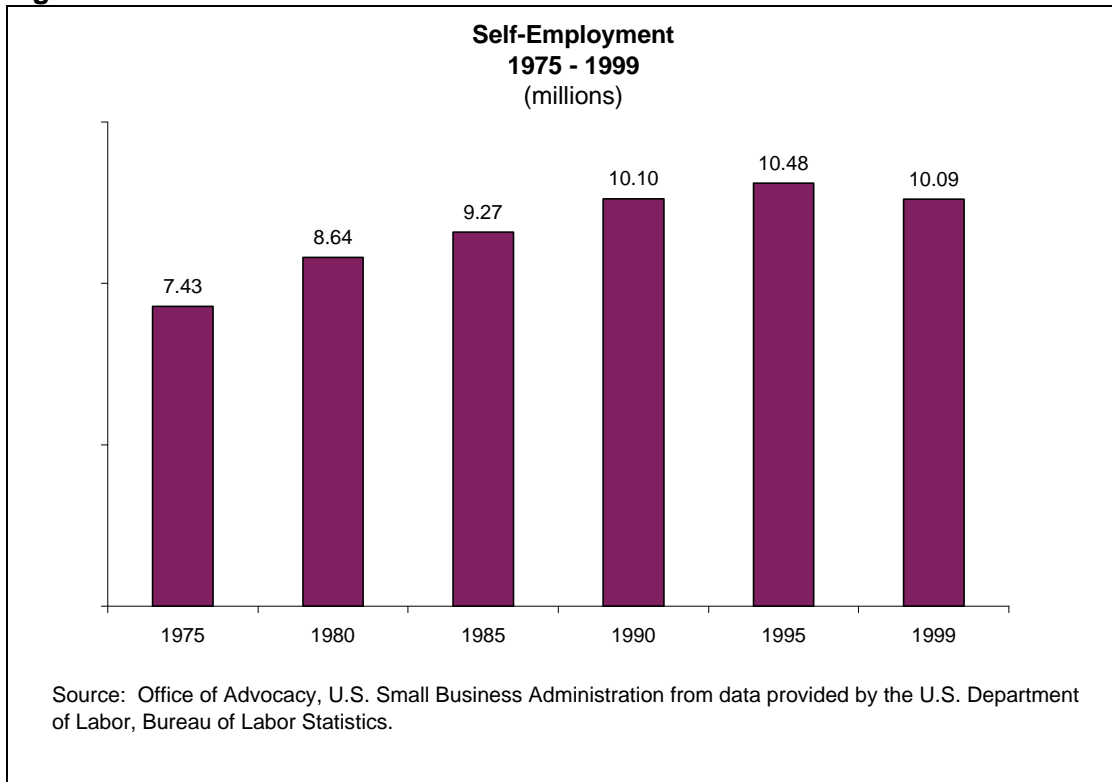
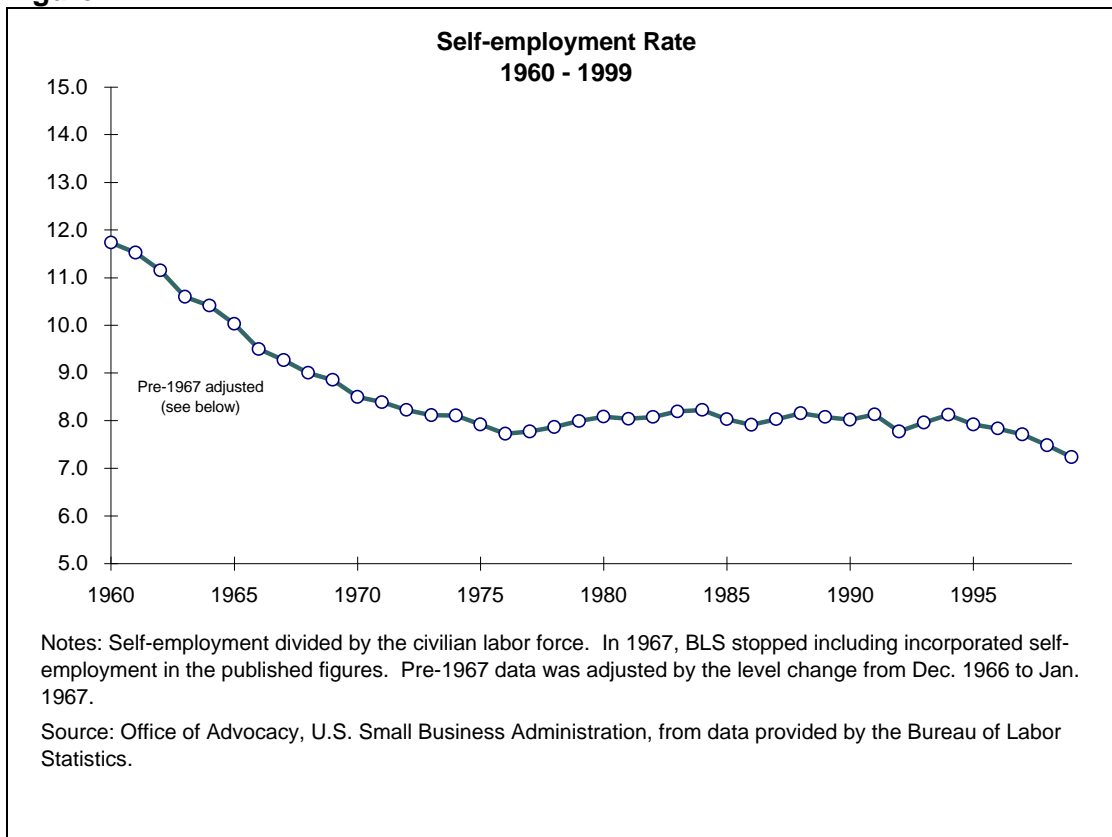


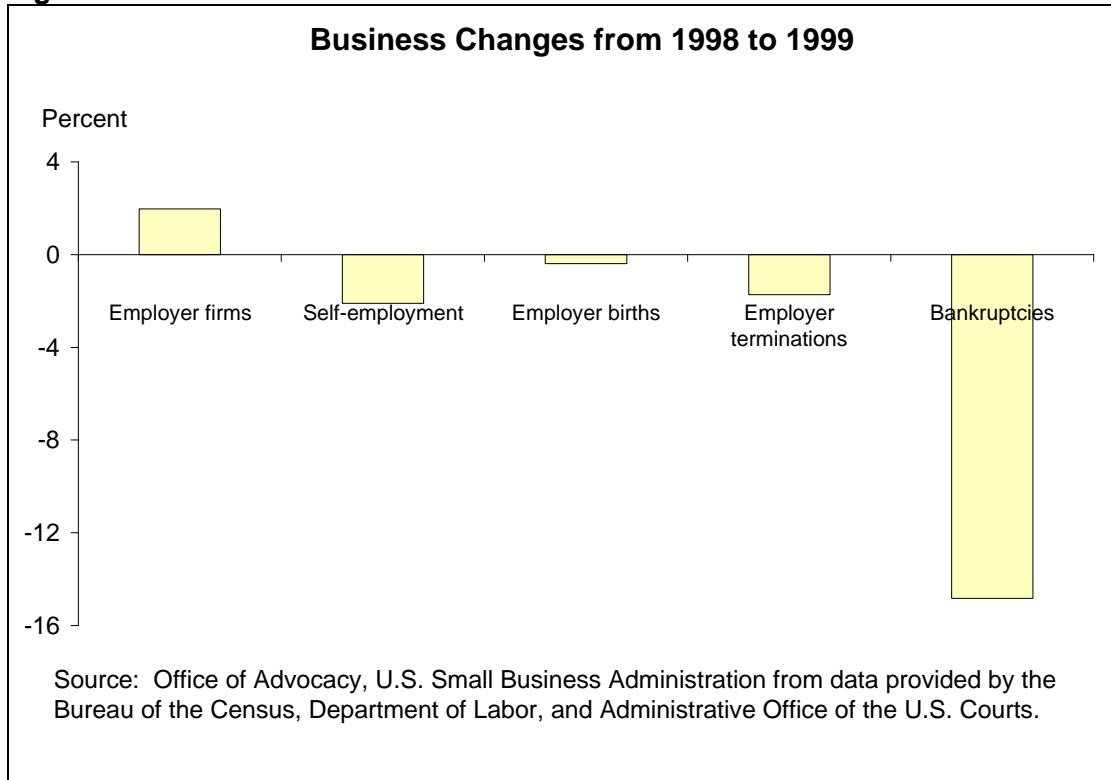
Figure 2.4



3. BUSINESS TURNOVER

The indicators used to track business turnover are the number of new employer firms, business terminations, and business bankruptcies.¹¹ For the entire United States in 1999, these measures had only slight changes with the exception of business bankruptcies, which declined significantly. New employer firms were created at a rate of 10.4 percent in 1999 and terminated at a rate of 9.3 percent (Figure 3.1).¹²

Figure 3.1

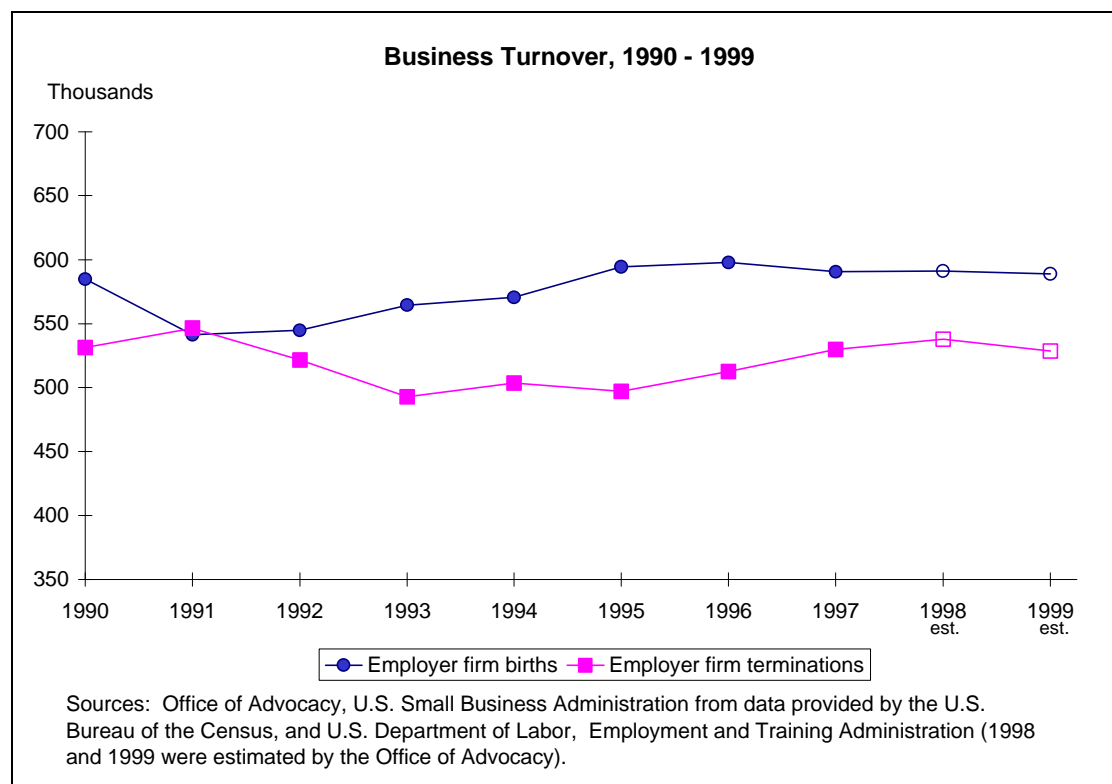


Firms births and terminations generally move in opposite directions (Figure 3.2). The increased number of terminations in the late 1990s owed in part to the increased number of businesses during those years.

¹¹ Little data is available on new and terminated self-employment ventures. However, information from William J. Dennis, Jr., *Business Starts and Stops, November 1998*, (Wells Fargo/National Federation of Independent Business series) indicates that in 1997, 3.6 million new businesses were formed. Subtracting employer firms from this figure seems to indicate that self-employment turnover (or volatility) is about twice that of employer firms.

¹² About half of new employer firms survive at least four years. See U.S. Small Business Administration, Office of Advocacy, *Small Business FAQ* (www.sba.gov/advo/stats).

Figure 3.2



New Firms

Employer firm births in the United States decreased 0.4 percent from an estimated 591,200 in 1998 to an estimated 588,900 in 1999, but remained above the average of 575,500 for the earlier part of the decade.¹³ Employer firm births increased or remained the same in the East and South and decreased or saw no change in the Midwest and West. Changes varied across states. The number of firm births increased from the previous year in 29 states and the District of Columbia and decreased in 21 states (Table 3.1).¹⁴ Vermont led the country with a 30.9 percent increase in firm births (following on a rather low 11.7 percent increase in 1998). New Mexico was second, with a 26.2 percent increase. The rate of firm births shows the number of new firms compared to the total number of firms existing at the beginning of the year. Washington had the highest rate of new employer firms at 20.9 percent, followed by Nevada (20.4 percent), and Utah (19.9 percent) (Table 3.2).

Business Terminations

Employer firm deaths decreased by 1.7 percent from an estimated 537,900 in 1998 to an estimated 528,600 in 1999.¹⁵ The high level of new employer start-ups in recent years and the decline in business

¹³ New employer firm data are collected from quarterly reports filed by state employment security agencies with the ETA. U.S. estimates for 1998 and 1999 are based on the number of employer firms reported in the Census Bureau's *1997 Statistics of U.S. Businesses* and the yearly percentage increases in the sum of ETA's state data for 1998 and 1999. This method is used to avoid overcounting since some firms exist in more than one state.

¹⁴ New Jersey did not report data for 1999.

¹⁵ The ETA reports business terminations (or employer firm deaths) from quarterly state employment security agencies' data. If a firm has employees, it is required to file quarterly under Federal Unemployment Tax Act. It can take up to eight quarters for a terminated firm to be removed from the ETA's list of filings. Thus, the number of firms per state is overstated. Another discrepancy may arise when a buyout or merger results in the creation of a

terminations bodes well for the survival of firms. Note that business termination is not synonymous with failure. The Census Bureau reported in the *Characteristics of Business Owners, 1992*¹⁶ that 57.4 percent of owners of firms with employees and 36.4 percent of owners of firms without employees felt that their businesses were successful at closure.¹⁷

The number of firm deaths increased in 22 states and the District of Columbia and decreased in 28 states (Table 3.1).¹⁸ The District of Columbia led with a 40.4 percent increase, but D.C.'s termination figures have been very erratic over the past ten years so the increase may be due to reporting issues. Utah was second with 31.7 percent increase, but it has had high numbers of new employer firms in recent years. Four other states had termination rates over 25 percent: Colorado (38.9 percent), Arkansas (29.8 percent), Kansas (29.7 percent), and South Dakota (25.4 percent). Large jumps and declines in Colorado and Arkansas in recent years also indicate that reporting issues may be a factor in these sizable declines.

Washington had the highest rate of business terminations at 22.5 percent, followed by Utah's 19.3 percent, with Nevada (18.4 percent) having the fourth highest termination rate (Table 3.2). Recently, these three states have shown high rates of turnover, and high rates of growth. Nevada and Utah have been in the top five for growth in gross state product over the past 10 years with Washington being number 11.¹⁹

Business Bankruptcies

Business bankruptcies decreased by 14.8 percent during 1999, declining from 44,197 in 1998 to 37,639 in 1999.²⁰ This is the lowest level in at least 19 years. All regions of the country except the mid-Atlantic had decreases in business bankruptcies. The mid-Atlantic result was a consequence of Delaware's extremely large increase, which is likely to have been the result of a one-time occurrence for a few very large consolidated cases, which were reorganizations, not liquidations.²¹

Of the 50 states and the District of Columbia, nine had increases, and 42 had decreases in the percentage change of bankruptcies. In fact, 10 states had decreases of 25 percent or more. California had the largest decline (41.3 percent) followed by Washington (36.5 percent). Delaware's 468.5 percent increase (see explanation above) was the largest and New Mexico's 63.9 percent increase was the second largest.

successor firm (which is not listed) and a termination, so the total number of new firms may increase even though the number of terminations exceeds the number of new firms. This has been corrected in the U.S. totals. U.S. estimates for 1998 and 1999 are based on the number of employer firms reported in the *1997 Statistics of U.S. Businesses* and the yearly increases in ETA's state totals for 1998 and 1999.

¹⁶ <http://www.census.gov/prod/3/97pubs/cbo-9201.pdf>

¹⁷ U.S. Department of Commerce, Bureau of the Census, *1992 Economic Census: Characteristics of Business Owners* (www.census.gov/prod/3/97pubs/cbo-9201.pdf).

¹⁸ New Jersey did not report data for 1999.

¹⁹ U.S. Department of Commerce, Bureau of Economic Analysis.

²⁰ Data on business bankruptcy are provided by the Administrative Office of the U.S. Courts. A bankruptcy is the legal recognition that a company is insolvent (cannot satisfy its creditors or discharge its liabilities). A bankruptcy occurs when a business files a petition under the bankruptcy laws to restructure (Chapter 11) or completely liquidate (Chapter 7). Farm businesses are liquidated under the provisions of Chapter 12; Chapter 13 allows adjustment to debts according to an approved plan. These data do not include bankruptcies of owners who rely mainly on personal credit. Owners' increasing use of personal credit in recent years could be skewing trends in business bankruptcies. For more information, see Administrative Office of the U.S. Courts, *Bankruptcy Basics*, June 2000 (www.uscourts.gov/bankbasic.pdf).

²¹ Delaware attracts national corporations, therefore bankruptcy changes may not actually reflect the state's economic climate. Delaware's court district, the 3rd, is the only one to have more reorganizations (Chapter 11) than liquidations (Chapter 7).

Data Tables

The following data tables, found in Appendix A, relate to business turnover during 1999.

Table 3.1	Business Turnover by State, 1998–1999
Table 3.2	Employer Firm Formation and Termination Rates by State, 1999
Table 3.3	Employer Firm Births by State, 1989–1999
Table 3.4	Employer Firm Terminations by State, 1989–1999
Table 3.5	Business Bankruptcies by State, 1989–1999

4. INCOME

Income performance was strong in 1999.²² Nonfarm sole proprietors' income was up and corporations (a category that includes larger small businesses and large businesses) saw profits increase 5.2 percent, from \$848.4 billion in 1998 to \$892.7 billion in 1999.

Nonfarm Sole Proprietorships' and Partnerships' Income

Nationally, nonfarm proprietors' income increased 7.2 percent, rising from \$595.2 billion in 1998 to \$638.2 billion in 1999 (accounting for inflation, the increase was 4.9 percent).²³

Nonfarm proprietors' income increased by more than the rate of inflation (2.2 percent) in all states and the District of Columbia. Nebraska led the country with a 9.2 percent increase, followed by Colorado (9.0 percent). The growth in this measure of income was distributed rather evenly around the country; all states and the District of Columbia had single digit increases, and even the state with the slowest increase, Louisiana, had quite respectable growth of 4.1 percent.

Wage and Salary Income

Labor costs are of major importance to small businesses, since they tend to be more labor intensive than large firms. Wage and salary income increased 6.7 percent, from \$4.2 trillion in 1998 to \$4.5 trillion in 1999.²⁴ This cost increase was much higher than the rate of inflation, but at the same time, employment increased by about 2 percent. So the cost increase may indicate that more work was done, not just that businesses paid more for it.

Wage and salary costs increased in the single digits in all states and the District of Columbia. Washington led the country with a 9.9 percent increase, followed by Colorado and California. Only Alaska and Louisiana had increases lower than the inflation rate of 2.2 percent. Wage and salary changes generally corresponded to nonfarm proprietors' income changes. The difference between these measures was 3 percent or less in every state but Alaska. As with nonfarm proprietors' income, growth was generally higher in the East and West and slightly lower in the Midwest and South (Table 4.1).

State Corporate Tax Receipts

State corporation tax collections are an indicator of corporate earnings (including larger small businesses and large businesses) as well as a cost to business.²⁵ In spite of the solid economy, state corporation taxes

²² Small business income is approximated using the income of nonfarm proprietors (sole proprietorships and partnerships) and state corporate tax receipts. Nonfarm sole proprietorships and partnerships are mostly small firms; they represent about 80 percent of all small firms but only 15 percent of small firm income. The remaining 20 percent of small firms are corporations, which produce about 85 percent of small business income. Since corporation data are not available on a timely basis, state corporate tax receipts are used to measure of income, but they cannot be separated by firm size. Changes in state tax laws also complicate the use this data to measure corporate income.

²³ These estimates are derived from income data provided by the U.S. Department of Commerce's Bureau of Economic Analysis. This data set includes inventory valuation and capital consumption adjustments and excludes employer pension contributions and other non-labor sources of income. State-level data on the number of nonfarm proprietors and on income per nonfarm proprietor are not available in a timely fashion.

²⁴ Wage and salary data come from the U.S. Department of Commerce's Bureau of Economic Analysis. Yearly comparisons are complicated by changes in overall employment levels, hours worked, and changing skills and productivity. Note that about half of all private workers work for small firms.

²⁵ State corporate tax receipts are an indicator of corporation income and are provided by the Census Bureau. Texas, Wyoming, Nevada, and Washington reported no state corporation taxes and information for the District of Columbia

decreased 1.3 percent from 1998 to 1999. Overall, corporate taxes decreased from 6.5 percent of total state taxes in 1998 to 6.1 percent in 1999.

Changes in state corporate taxes were more volatile than other small business financial indicators. They ranged from Maine's 37.7 percent increase to Alaska's 23.2 percent decrease. Overall, corporate taxes increased in 19 states and decreased in 27 states. Four states have no state corporation taxes.

Data Tables

Information on small business income is contained in Appendix A:

Table 4.1 Financial Information by State, 1998–1999

is not available. This cumulative data includes both incorporated small businesses and large businesses. This variable can be misleading, however, because it does not capture the number of corporations (or small corporations), states may have changed their tax laws making comparisons difficult, and changes in profits may not be fully reflected in taxable income in the same year due to definitional differences. A comparison to the change in corporate profits listed in Table 1.1 implies that state corporation taxes are weakly correlated; however, this is the only current measure available to evaluate the income performance of the larger small businesses by state.

5. EMPLOYMENT

U.S. employment increased during 1999, according to both the Current Population Survey (CPS) and the Bureau of Labor Statistics (BLS)²⁶ The CPS's more inclusive data set, which includes farms and the self-employed, rose by 2.1 million to 117.1 million (1.8 percent). (See Table 5.1.) Nonfarm private sector employment (BLS) rose by 2.4 million to 108.5 million (2.3 percent). (See Tables 5.2 and 5.3.)

Both sources showed employment increases in agriculture, construction, wholesale trade, retail trade, and services, and a decrease in mining. They differed with respect to manufacturing; the transportation, communication, and public utility industry; and the finance, insurance, and real estate industry. Agriculture had the largest percent increase and mining had the largest decrease, according to both sources. The changes in agricultural and mining employment may be the result of widening globalization, which has opened new export markets for U.S. food producers and subjected U.S. mine products to the world recession and depressed commodity prices.

Employment in small firms increased by almost 1.5 million in 1999. These employment data are insufficient to show which firm size category created these jobs, since firms change size classes as they are born, close, expand, and shrink.

At the two-digit SIC level, the fastest growing industry in terms of employment was "services, not elsewhere classified" (9.0 percent).²⁷ At the more specific three-digit SIC level, management and public relations (12.0 percent) were the fastest growing industries. Business services generated the most net new jobs (539,400 jobs) at the two-digit SIC level. Computer and data processing services generated the most (181,400 jobs) at the three-digit SIC level. Service industries dominated all of the growth categories at both industry levels.²⁸

Data Tables

The following data tables, found in Appendix A, provide information about employment in 1999.

Table 5.1	Employment by Major Industry and Firm Size, 1998–1999
Table 5.2	Nonfarm Private Employment by Industry, 1998–1999
Table 5.3	Fastest and Largest Growing Industries in Employment, 1998–1999

²⁶ Employment data are taken from the Current Population Survey (CPS) and Bureau of Labor Statistics (BLS). The CPS data represent private sector workers, including farm employment and the self-employed. BLS data is used to identify the industries in which employment is growing the fastest in percentage terms and absolute numbers. BLS data is based on nonfarm employer payrolls.

²⁷ BLS data is used to show the specific industries in which employment is growing the fastest in percentage terms and absolute numbers at the two- and three-digit standard industrial classification (SIC) levels. The two-digit SIC level divides the economy into about 75 industries, while the three-digit level has about 250 industry categories.

²⁸ The North American Industry Classification System (NAICS) will provide a better breakout of services.

Figure 5.1

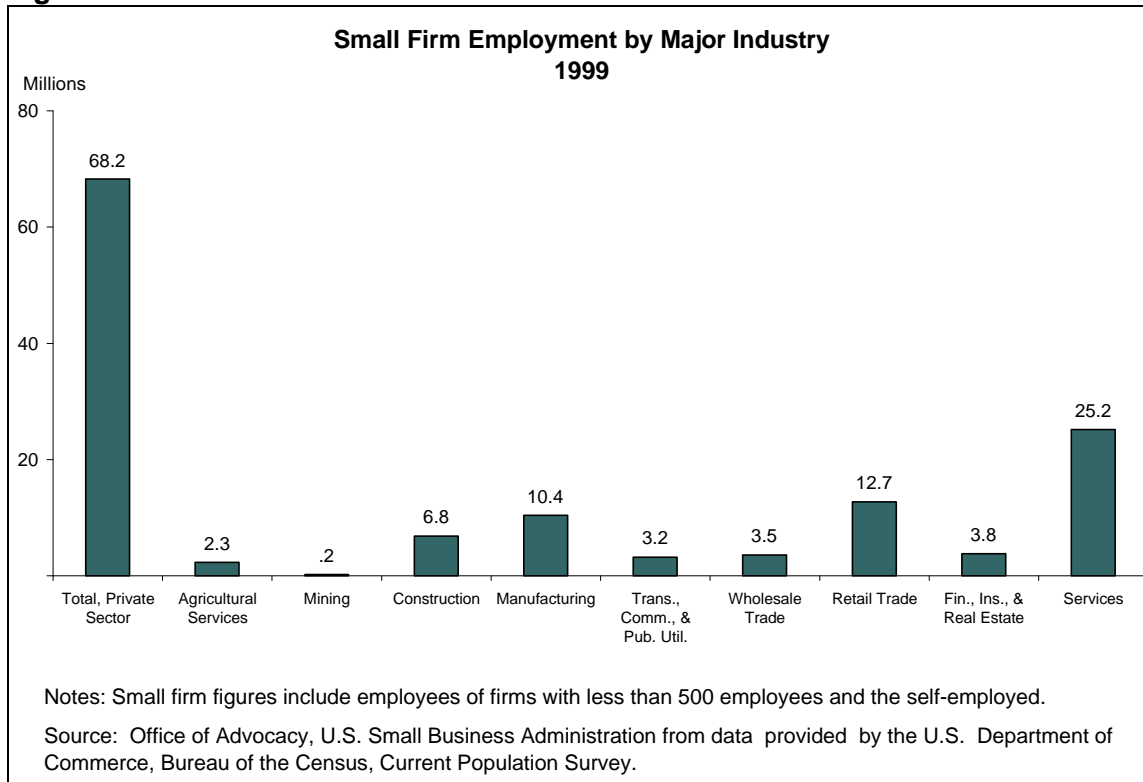


Figure 5.2

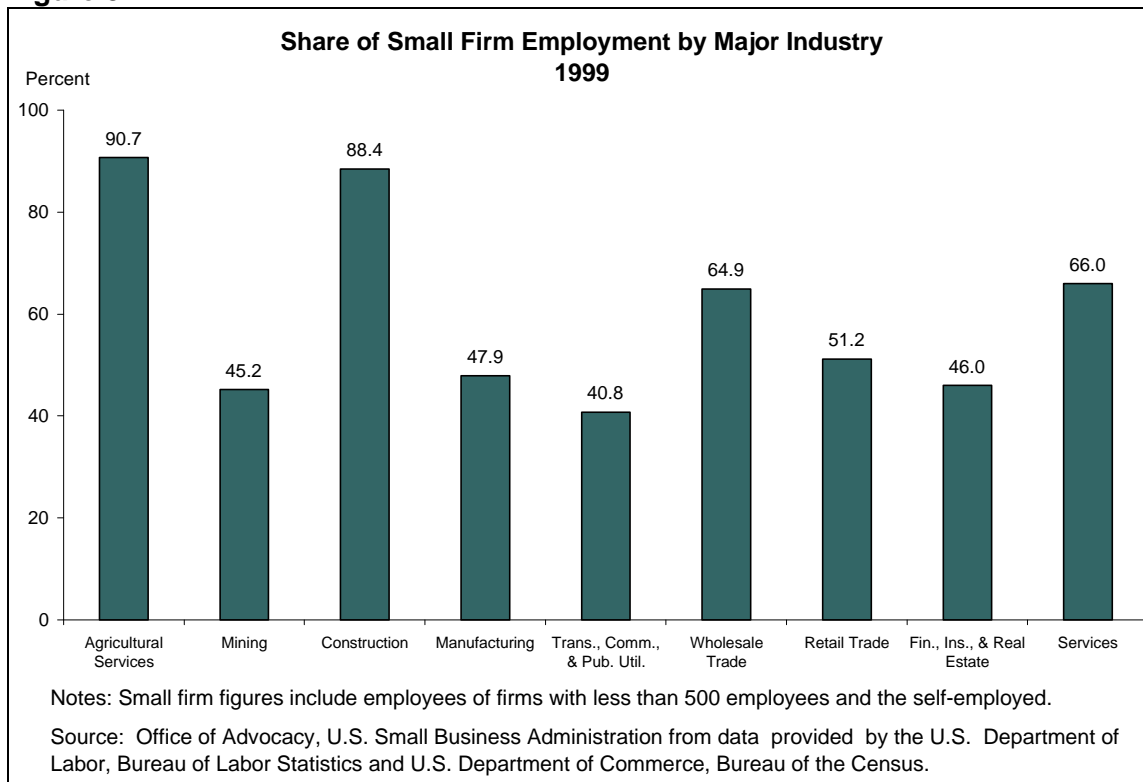
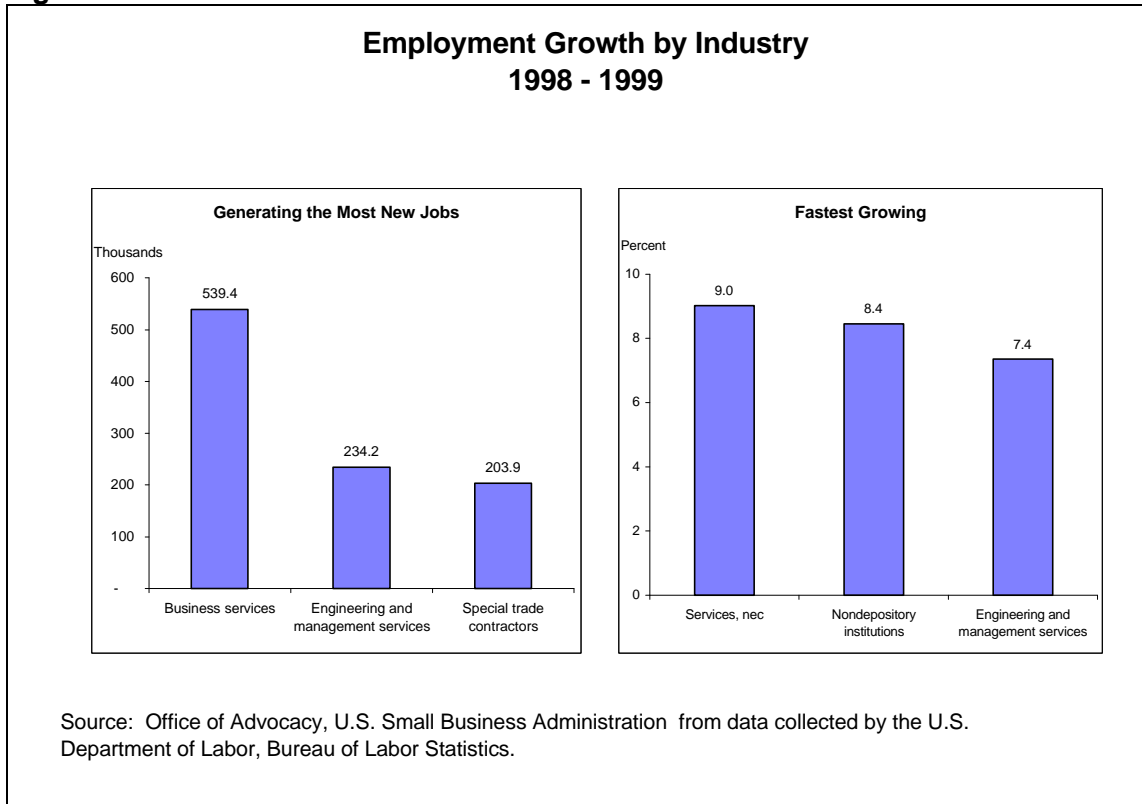


Figure 5.3



APPENDIX A: DATA TABLES

Table 1.1 Macroeconomic Indicators, 1990–1999

	1990	1997	1998	1999	Percent Change 1998-1999
Gross Domestic Product (GDP) (billions of dollars) (1)					
Current dollars	5,803.2	8,300.8	8,759.9	9,256.1	5.7
Constant dollars (billions of 1992 dollars)	6,707.9	8,144.8	8,495.7	8,848.2	4.1
Personal consumption expenditures	4,474.5	5,417.3	5,681.8	5,983.6	5.3
Sales (billions of dollars) (2)					
Manufacturing	242.7	327.5	337.7	355.0	5.1
Wholesale trade	149.5	206.7	211.3	226.8	7.4
Retail trade	153.7	218.0	228.8	249.5	9.0
Income (billions of dollars)					
Compensation of employees (2)	3,352.8	4,675.7	5,011.2	5,331.7	6.4
Corporate profits (3)	397.1	838.5	848.4	892.7	5.2
Output and productivity (business sector indexes, 1992=100)					
Output	97.0	122.3	128.6	134.7	4.7
Hours of all persons worked	102.6	113.8	116.4	118.1	1.5
Productivity (output per hour)	94.5	107.5	110.5	114.0	3.2
Employment and compensation					
Nonfarm private employment (millions) (2)	91.1	103.1	106.0	108.5	2.3
Unemployment rate (percent)	5.6	4.9	4.5	4.2	(6.7)
Total compensation cost index (Dec.) (June 1989=100)	107.0	135.1	139.8	144.6	3.4
Wage and salary index (Dec) (June 1989=100)	106.1	132.3	137.4	142.2	3.5
Employee benefits cost index (Dec.) (June 1989=100)	109.4	141.8	145.2	150.2	3.4
Bank loans, interest rates, and yields					
Bank commercial & industrial loans (billions of dollars)	645.8	856.1	951.8	1,007.0	5.8
Prime rate (percent)	10.01	8.44	8.35	8.00	(4.2)
U.S. Treasury 10-year bond yields (percent)	8.55	6.35	5.26	5.65	7.4
Investments by nonfarm nonfinancial corporate business					
Capital expenditures	430.5	759	831.5	887.5	6.7
Increase in financial assets	107.9	286.9	261.8	614.8	134.8
Federal budget (fiscal year)					
Receipts	1,032.0	1,579.3	1,721.8	1,827.5	6.1
Outlays	1,253.2	1,601.2	1,652.6	1,703.0	3.0
Surplus or deficit ()	(221.2)	(21.9)	69.2	124.5	79.9
Price indices (inflation measures)					
Consumer price index (urban) (1982-84 = 100)	130.7	160.5	163.0	166.6	2.2
Producer price index (finished goods) (1982 = 100)	119.2	131.8	130.7	133.1	1.8
GDP implicit price deflator (1992 = 100)	86.5	101.9	103.1	104.6	1.5

(1) *Small Business Share of Private, Nonfarm Gross Domestic Product* by Joel Popkin and Company (Office of Advocacy funded study) found small businesses (fewer than 500 employees) created 51 percent of the total nonfarm private output in 1992.

(2) Statistics of U.S. Businesses, Bureau of the Census, showed that in 1997, small firms (fewer than 500 employees) accounted for 24.8 percent of manufacturing sales, 52.6 percent of retail sales, 46.8 percent of wholesale sales, 46.5 percent of annual payroll, and 51.8 percent of total nonfarm private employment.

(3) With inventory valuation adjustment and capital consumption adjustments.

Source: U.S. Small Business Administration, Office of Advocacy, from the Council of Economic Advisers, *Economic Indicators*, March 1998 and March 2000.

Table 1.2 Indicators Related to Small Business, 1990–1999

	1990	1997	1998	1999	Percent Change 1998-1999
Number of businesses (1)					
Employer firms (2)	5,073,795	5,541,918	5,685,900 e.	5,797,500 e.	2.0
Self-employment	10,098,000	10,513,000	10,303,000	10,087,000	(2.1)
Business turnover					
Employer firm births (2)	584,892	590,644	591,200 e.	588,900 e.	(0.4)
Employer firm terminations (2)	531,400	530,003	537,900 e.	528,600 e.	(1.7)
Bankruptcies	63,912	53,819	44,197	37,639	(14.8)
Income (billions of constant 1999 dollars)					
Wage and salary income	3,511.2	4,036.7	4,280.2	4,467.8	4.4
Nonfarm proprietors' income	449.4	572.4	608.4	638.2	4.9
State corporate taxes	27.7	31.7	31.8	30.7	(3.5)
Private sector employment (millions) (3)					
Total	NA	113.6	115.1	117.1	1.8
Small business (<500 empl.)	NA	65.6	66.9	68.2	---
Large business (500+ empl.)	NA	48.0	48.2	48.9	---

(1) These measures overlap when the self-employed have employees. Self-employment presented here represents individuals whose primary occupation is self-employment (about another 1 million are self-employed as secondary occupations).

(2) Data for 1998 and 1999 are estimated from 1997 data from the Bureau of the Census, yearly percent changes in similar data provided by the Department of Labor, Employment and Training Administration and rounded. Births and terminations are from prior year's March through current year's March.

(3) Size of employer determined from employee responses. Year to year changes do not necessarily represent job creation as firms can change size classes (see Small Business Growth by Major Industry from the Office of Advocacy, <http://www.sba.gov/advo/stats/>).

Sources: U.S. Small Business Administration, Office of Advocacy, from data provided by the Bureau of the Census, Bureau of Labor Statistics, Employment and Training Administration, Bureau of Economic Analysis and Administrative Office of the U.S. Courts.

Table 1.3 State Rankings of Business Activity, 1998–1999

State	Number of Businesses		Business Turnover			Nonfarm Proprietors' Income
	Employer Firms	Self-Employment	Employer Firm Births	Employer Firm Terminations	Bankruptcies	
Alabama	51	33	6	8	46	41
Alaska	42	39	17	13	16	49
Arizona	27	15	29	22	7	7
Arkansas	37	51	14	50	43	32
California	11	27	33	41	51	4
Colorado	9	36	46	51	21	2
Connecticut	34	4	18	37	20	29
Delaware	14	19	4	3	1	14
District of Columbia	8	7	28	1	15	38
Florida	44	18	15	15	14	24
Georgia	5	3	13	28	36	3
Hawaii	49	26	5	4	40	47
Idaho	6	16	11	34	35	6
Illinois	39	8	36	18	11	28
Indiana	50	45	44	14	30	40
Iowa	38	11	7	9	47	31
Kansas	24	32	51	49	48	37
Kentucky	28	1	40	20	34	26
Louisiana	20	48	32	10	10	51
Maine	19	17	37	47	32	9
Maryland	29	37	38	40	49	13
Massachusetts	46	29	34	7	39	5
Michigan	7	13	47	31	18	46
Minnesota	26	43	10	46	33	20
Mississippi	13	28	3	16	28	39
Missouri	47	50	41	33	23	36
Montana	10	44	22	39	25	34
Nebraska	30	12	24	35	3	22
Nevada	2	23	27	30	44	1
New Hampshire	3	2	50	6	24	12
New Jersey	48	19	30	23	9	25
New Mexico	16	47	2	42	2	43
New York	15	10	9	44	29	15
North Carolina	17	5	43	27	27	50
North Dakota	40	34	23	38	4	35
Ohio	12	35	35	24	6	44
Oklahoma	45	22	49	45	19	45
Oregon	43	25	8	11	5	19
Pennsylvania	23	41	26	17	26	42
Rhode Island	25	19	31	19	17	27
South Carolina	18	40	45	36	41	17
South Dakota	22	46	12	48	31	11
Tennessee	36	42	39	32	13	23
Texas	31	9	16	21	22	21
Utah	1	31	21	2	8	10
Vermont	21	14	1	29	12	18
Virginia	35	38	19	12	42	16
Washington	4	6	20	5	50	8
West Virginia	41	49	42	25	38	48
Wisconsin	32	30	48	43	45	33
Wyoming	33	24	25	26	37	30

Note: Ranks are based on percent changes. States with the highest level of each indicator are ranked first.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the Employment and Training Administration, Bureau of Labor Statistics, Administrative Office of the U.S. Courts, Bureau of Economic Analysis, and Bureau of the Census.

Table 1.4 U.S. Business Measures, 1975–1999

Year	Real GDP	Employer Firms	Establishments (a)	Self Emp. (000)	Self Emp. Rate (%)	Nonfarm Bus. Tax Returns	New Employer Firms	Employer Terminations	Bankruptcies
1999	8,876	5,797,500 e.	NA	10,087	7.2	24,809,200	588,900 e.	528,600 e.	37,639
1998	8,516	5,685,900 e.	NA	10,303	7.5	24,285,900	591,200 e.	537,900 e.	44,197
1997	8,160	5,541,918	6,894,869	10,513	7.7	23,857,100	590,644	530,003	53,819
1996	7,813	5,478,047	6,738,476	10,490	7.8	23,115,300	597,792	512,402	53,200
1995	7,544	5,369,068	6,612,721	10,482	7.9	22,555,200	594,369	497,246	50,516
1994	7,348	5,276,964	6,509,065	10,648	8.1	22,191,000	570,587	503,563	50,845
1993	7,063	5,193,642	6,401,233	10,280	8.0	20,874,796	564,504	492,651	62,399
1992	6,880	5,095,356	6,319,300	9,960	7.8	20,476,775	544,596	521,606	69,848
1991	6,676	5,051,025	6,200,859	10,274	8.1	20,498,855	541,141	546,518	70,605
1990	6,708	5,073,795	6,175,559	10,097	8.0	20,219,400	584,892	531,400	63,912
1989	6,592	5,021,315	6,106,922	10,008	8.1	19,560,700	NA	NA	62,449
1988	6,368	4,954,645	6,016,367	9,917	8.2	18,619,400	NA	NA	62,845
1987	6,113	NA	5,937,061	9,624	8.0	18,351,400	NA	NA	81,463
1986	5,912	NA	5,806,973	9,327	7.9	17,524,600	NA	NA	79,926
1985	5,717	NA	5,701,485	9,269	8.0	16,959,900	NA	NA	70,644
1984	5,505	NA	5,517,715	9,338	8.2	16,077,000	NA	NA	64,211
1983	5,132	NA	5,306,787	9,143	8.2	15,245,000	NA	NA	62,412
1982	4,919	NA	4,633,960	8,898	8.1	14,546,000	NA	NA	69,242
1981	5,021	NA	4,586,510	8,735	8.0	13,858,000	NA	NA	48,086
1980	4,901	NA	4,543,167	8,643	8.1	13,021,600	NA	NA	43,252
1979	4,912	NA	4,535,653	8,384	8.0	NA	NA	NA	NA
1978	4,761	NA	4,409,223	8,047	7.9	NA	NA	NA	NA
1977	4,512	NA	4,352,295	7,694	7.8	NA	NA	NA	NA
1976	4,312	NA	4,142,809	7,428	7.7	NA	NA	NA	NA
1975	4,084	NA	4,114,262	7,427	7.9	NA	NA	NA	NA

NA = Not Available

(a) Units with paid employees in the fourth quarter through 1983. 1984 on includes units active in any quarter of the year.

Sources: U.S. Small Business Administration, Office of Advocacy, from data provided by sources below:

Real Gross Domestic Product (GDP) from the Bureau of Economic Analysis.

Employer firms from the U.S. Census Bureau with estimates for 1998 and 1999 (see Table 1.2 for details).

Establishments from the U.S. Census Bureau.

Self employment (primary occupation) from the Bureau of Labor Statistics and the self employment rate is based on the civilian labor force.

Nonfarm business tax returns from the U.S. Department of Commerce, Internal Revenue Service.

New employer firms from the U.S. Census Bureau with estimates for 1998 and 1999 (see Table 1.2 for details).

Employer terminations from the U.S. Census Bureau with estimates for 1998 and 1999 (see Table 1.2 for details).

Bankruptcies from the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division (business bankruptcy filings).

Table 2.1 Number of Businesses by State, 1998–1999

	Employer Firms				Self-Employment (Thousands)			
	1998	1999	Percent Change	Rank	1998	1999 e.	Percent Change	Rank
United States	5,685,900	e. 5,797,500	e. 2.0		10,306	10,087	(2.1)	
Alabama	87,256	86,139	(1.3)	51	154	143	(7.1)	33
Alaska	16,038	16,136	0.6	42	36	33	(8.3)	39
Arizona	99,654	101,149	1.5	27	157	160	1.9	15
Arkansas	59,061	59,554	0.8	37	113	89	(21.2)	51
California	881,400	906,092	2.8	11	1,582	1,507	(4.7)	27
Colorado	124,948	128,889	3.2	9	186	171	(8.1)	36
Connecticut	94,517	95,351	0.9	34	112	125	11.6	4
Delaware	23,537	24,178	2.7	14	23	23	-	19
District of Columbia	25,181	25,986	3.2	8	13	14	7.7	7
Florida	373,610	374,867	0.3	44	426	430	0.9	18
Georgia	178,172	184,458	3.5	5	255	288	12.9	3
Hawaii	27,496	27,489	(0.0)	49	50	48	(4.0)	26
Idaho	36,780	38,025	3.4	6	67	68	1.5	16
Illinois	275,207	277,313	0.8	39	323	346	7.1	8
Indiana	124,386	123,620	(0.6)	50	207	186	(10.1)	45
Iowa	68,324	68,859	0.8	38	157	164	4.5	11
Kansas	65,681	66,773	1.7	24	144	134	(6.9)	32
Kentucky	85,473	86,644	1.4	28	123	146	18.7	1
Louisiana	93,915	95,947	2.2	20	164	141	(14.0)	48
Maine	36,961	37,785	2.2	19	73	74	1.4	17
Maryland	126,313	127,817	1.2	29	183	168	(8.2)	37
Massachusetts	164,343	164,803	0.3	46	239	226	(5.4)	29
Michigan	212,401	219,552	3.4	7	294	303	3.1	13
Minnesota	124,538	126,451	1.5	26	249	225	(9.6)	43
Mississippi	51,475	52,907	2.8	13	95	90	(5.3)	28
Missouri	126,399	126,699	0.2	47	222	184	(17.1)	50
Montana	30,286	31,223	3.1	10	72	65	(9.7)	44
Nebraska	43,672	44,142	1.1	30	99	103	4.0	12
Nevada	41,196	42,922	4.2	2	59	57	(3.4)	23
New Hampshire	37,460	39,004	4.1	3	52	60	15.4	2
New Jersey	221,548	221,548	e. -	48	211	211	-	19
New Mexico	40,622	41,712	2.7	16	80	71	(11.3)	47
New York	450,255	462,473	2.7	15	522	546	4.6	10
North Carolina	164,930	169,351	2.7	17	261	290	11.1	5
North Dakota	18,524	18,661	0.7	40	50	46	(8.0)	34
Ohio	232,249	238,755	2.8	12	361	332	(8.0)	35
Oklahoma	73,571	73,812	0.3	45	155	150	(3.2)	22
Oregon	97,643	98,027	0.4	43	181	174	(3.9)	25
Pennsylvania	246,154	250,367	1.7	23	429	389	(9.3)	41
Rhode Island	31,724	32,215	1.5	25	27	27	-	19
South Carolina	84,853	86,924	2.4	18	118	107	(9.3)	40
South Dakota	21,702	22,141	2.0	22	55	49	(10.9)	46
Tennessee	108,774	109,688	0.8	36	274	248	(9.5)	42
Texas	379,071	383,148	1.1	31	788	826	4.8	9
Utah	49,619	52,507	5.8	1	76	71	(6.6)	31
Vermont	19,976	20,391	2.1	21	38	39	2.6	14
Virginia	156,098	157,469	0.9	35	207	190	(8.2)	38
Washington	182,678	189,769	3.9	4	235	255	8.5	6
West Virginia	38,441	38,701	0.7	41	61	51	(16.4)	49

Table 2.1 Number of Businesses by State, 1998–1999

	Employer Firms				Self-Employment (Thousands)			
	1998	1999	Percent Change	Rank	1998	1999 e.	Percent Change	Rank
Wisconsin	120,266	121,400	0.9	32	220	206	(6.4)	30
Wyoming	18,181	18,347	0.9	33	28	27	(3.6)	24

Notes: Employer firms and self-employment overlaps as some of the self-employed have employees. States do not add to the total as firms can be in more than one state. U.S. totals are estimated from 1997 Bureau of the Census data, percent changes in the state totals and rounded. The self-employed are aged 16 and over whose primary occupation is self-employment and state figures do not add to the total because of processing and weighting. New Jersey fourth quarter new firms and terminations was estimated.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the Employment and Training Administration, U.S. Census Bureau and Bureau of Labor Statistics.

Table 2.2 Number of Employer Firms by State, 1990–1999

State	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
United States	5,073,795	5,051,025	5,095,356	5,193,642	5,276,964	5,369,068	5,478,047	5,541,918	5,685,900 e.	5,797,500 e.
Yearly Change (%)	1.0	(0.4)	0.9	1.9	1.6	1.7	2.0	1.2	2.6	2.0
Alabama	80,289	77,513	77,804	80,321	82,479	83,038	85,797	86,841	87,256	86,139
Alaska	13,176	13,254	13,852	14,467	14,895	15,214	15,631	15,788	16,038	16,136
Arizona	79,109	79,890	81,758	83,964	88,805	91,244	93,837	97,009	99,654	101,149
Arkansas	49,066	50,302	51,530	52,908	53,914	56,649	57,808	58,526	59,061	59,554
California	767,697	780,469	781,207	779,098	785,892	764,169	800,091	837,802	881,400	906,092
Colorado	89,419	91,401	94,546	98,399	104,625	109,695	114,521	120,898	124,948	128,889
Connecticut	95,132	93,865	92,427	91,757	92,451	93,135	92,941	94,289	94,517	95,351
Delaware	18,368	18,903	20,073	20,799	21,329	21,554	22,739	24,116	23,537	24,178
District of Columbia	20,865	20,255	21,818	22,162	23,145	24,161	23,409	23,050	25,181	25,986
Florida	311,377	315,442	320,089	330,027	336,697	343,017	348,339	355,429	373,610	374,867
Georgia	142,831	144,680	146,111	150,052	156,096	160,715	169,367	173,643	178,172	184,458
Hawaii	26,588	26,877	27,052	26,974	27,151	26,775	26,974	26,881	27,496	27,489
Idaho	26,209	27,113	28,300	30,018	31,717	33,326	34,626	36,003	36,780	38,025
Illinois	248,675	251,257	250,856	258,679	261,962	265,927	266,358	270,471	275,207	277,313
Indiana	109,077	108,524	110,899	114,781	116,731	119,805	121,801	123,555	124,386	123,620
Iowa	61,956	62,884	63,573	64,338	65,472	66,350	66,971	67,453	68,324	68,859
Kansas	58,573	58,488	59,154	60,664	61,931	63,374	64,074	65,155	65,681	66,773
Kentucky	71,381	71,972	72,941	74,515	75,599	76,970	78,044	78,958	85,473	86,644
Louisiana	80,449	80,917	82,428	83,838	86,316	87,371	88,027	90,539	93,915	95,947
Maine	33,676	33,381	34,213	35,619	36,716	34,431	34,662	36,660	36,961	37,785
Maryland	112,823	112,937	113,396	115,542	119,025	122,202	121,932	125,755	126,313	127,817
Massachusetts	151,995	148,474	147,123	145,855	150,651	153,829	158,096	162,792	164,343	164,803
Michigan	178,726	184,203	186,979	191,760	195,658	203,374	204,323	208,598	212,401	219,552
Minnesota	100,061	101,678	104,476	105,842	109,343	112,477	124,514	121,688	124,538	126,451
Mississippi	45,781	46,816	46,077	47,223	48,023	49,089	49,916	50,852	51,475	52,907
Missouri	126,548	127,390	128,441	130,196	133,595	123,007	117,612	125,833	126,399	126,699
Montana	23,867	24,192	24,806	25,776	26,692	27,499	28,749	29,259	30,286	31,223
Nebraska	39,785	39,615	39,480	41,456	41,780	42,332	42,878	43,344	43,672	44,142
Nevada	28,423	29,442	29,918	31,333	33,484	34,951	37,122	39,518	41,196	42,922
New Hampshire	32,921	32,060	31,499	32,442	33,460	34,584	35,575	36,622	37,460	39,004
New Jersey	204,807	202,489	199,207	202,118	203,906	209,145	214,648	212,820	223,509	235,493
New Mexico	33,767	33,931	34,589	36,097	37,338	38,640	39,969	40,462	40,622	41,712
New York	491,566	489,480	481,452	481,190	483,631	488,360	445,277	446,048	450,255	462,473
North Carolina	134,990	136,086	137,873	140,893	144,289	149,462	154,759	159,745	164,930	169,351
North Dakota	17,766	17,776	17,847	17,988	18,367	18,467	18,667	18,831	18,524	18,661
Ohio	207,701	209,655	212,227	215,518	221,814	223,751	225,489	228,772	232,249	238,755
Oklahoma	64,901	65,579	66,651	68,528	69,648	70,722	71,627	72,648	73,571	73,812
Oregon	77,338	78,370	81,275	84,360	89,061	92,717	94,384	97,147	97,643	98,027
Pennsylvania	233,679	234,321	234,355	233,948	234,182	236,746	236,276	238,308	246,154	250,367
Rhode Island	27,806	31,053	31,817	32,546	32,271	30,430	30,816	31,155	31,724	32,215
South Carolina	70,624	71,804	72,409	73,933	76,312	77,822	80,353	82,673	84,853	86,924
South Dakota	18,888	19,081	19,444	19,897	20,453	20,905	21,196	21,370	21,702	22,141
Tennessee	93,666	94,361	95,813	98,099	101,382	104,633	106,644	108,263	108,774	109,688
Texas	318,352	326,114	333,878	343,910	355,080	360,735	368,663	375,357	379,071	383,148
Utah	32,687	33,887	35,833	37,993	40,596	42,358	45,281	47,465	49,619	52,507
Vermont	18,986	18,814	19,355	19,442	19,399	19,681	19,742	20,014	19,976	20,391
Virginia	128,895	130,922	132,832	136,987	142,238	147,710	149,916	152,460	156,098	157,469
Washington	134,944	136,858	142,895	153,471	163,783	162,525	167,647	174,516	182,678	189,769
West Virginia	35,098	35,353	35,912	36,589	37,480	37,900	38,253	37,970	38,441	38,701
Wisconsin	103,039	104,998	107,054	109,472	111,715	115,278	116,965	118,766	120,266	121,222
Wyoming	15,059	15,107	15,670	16,372	16,959	17,219	17,601	18,000	18,181	18,347

Notes: State data is from the Department of Labor and U.S. data 1989 - 1997 is from the U.S. Census Bureau. State totals do not add to the U.S. figure as firms can be in more than one state. U.S. 1998 and 1999 are estimated from 1997 data from the Census, yearly percent changes of the state totals and rounded. U.S. figures are for March of the previous year to March of the current year.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Labor (ETA) and U.S. Census Bureau.

Table 3.1 Business Turnover by State, 1998–1999

	New Employer Firms				Business Terminations				Business Bankruptcies			
	1998	1999	Percent Change	Rank	1998	1999	Percent Change	Rank	1998	1999	Percent Change	Rank
United States	591,200 e	588,900 e	(0.4)		537,900 e	528,600 e	(1.7)		44,197	37,639	(14.8)	
Alabama	10,158	10,847	6.8	6	12,006	13,390	11.5	8	603	434	(28.0)	46
Alaska	2,319	2,374	2.4	17	2,501	2,651	6.0	13	127	115	(9.4)	16
Arizona	12,506	12,513	0.1	29	14,957	14,996	0.3	22	762	781	2.5	7
Arkansas	5,374	5,531	2.9	14	6,905	4,850	(29.8)	50	408	295	(27.7)	43
California	158,571	155,707	(1.8)	33	117,412	107,745	(8.2)	41	8,546	5,014	(41.3)	51
Colorado	20,671	19,109	(7.6)	46	16,603	10,138	(38.9)	51	402	347	(13.7)	21
Connecticut	9,169	9,375	2.2	18	12,132	11,523	(5.0)	37	164	142	(13.4)	20
Delaware	3,324	3,767	13.3	4	2,768	3,442	24.3	3	372	2,115	468.5	1
District of Columbia	3,532	3,556	0.7	28	3,359	4,716	40.4	1	88	81	(8.0)	15
Florida	59,445	61,118	2.8	15	56,535	59,582	5.4	15	1,867	1,723	(7.7)	14
Georgia	29,261	30,133	3.0	13	27,417	26,800	(2.3)	28	1,197	933	(22.1)	36
Hawaii	3,242	3,563	9.9	5	3,222	3,888	20.7	4	114	87	(23.7)	40
Idaho	5,637	5,877	4.3	11	6,408	6,176	(3.6)	34	435	340	(21.8)	35
Illinois	28,882	28,222	(2.3)	36	29,868	30,885	3.4	18	1,474	1,394	(5.4)	11
Indiana	14,304	13,515	(5.5)	44	15,870	16,797	5.8	14	613	501	(18.3)	30
Iowa	5,474	5,842	6.7	7	6,667	7,404	11.1	9	283	196	(30.7)	47
Kansas	7,758	5,755	(25.8)	51	8,809	6,194	(29.7)	49	264	172	(34.8)	48
Kentucky	9,498	9,158	(3.6)	40	9,050	9,111	0.7	20	356	281	(21.1)	34
Louisiana	10,477	10,333	(1.4)	32	10,064	11,086	10.2	10	600	589	(1.8)	10
Maine	5,136	5,007	(2.5)	37	6,086	4,720	(22.4)	47	244	197	(19.3)	32
Maryland	19,436	18,820	(3.2)	38	20,264	18,631	(8.1)	40	1,231	795	(35.4)	49
Massachusetts	16,693	16,375	(1.9)	34	17,528	19,667	12.2	7	739	566	(23.4)	39
Michigan	26,183	23,512	(10.2)	47	19,765	19,221	(2.8)	31	721	634	(12.1)	18
Minnesota	12,231	12,783	4.5	10	12,066	10,274	(14.9)	46	1,975	1,584	(19.8)	33
Mississippi	6,180	7,353	19.0	3	7,357	7,622	3.6	16	244	201	(17.6)	28
Missouri	14,286	13,685	(4.2)	41	19,602	18,898	(3.6)	33	424	358	(15.6)	23
Montana	3,904	3,977	1.9	22	4,280	3,946	(7.8)	39	145	121	(16.6)	25
Nebraska	4,117	4,179	1.5	24	5,422	5,203	(4.0)	35	129	158	22.5	3
Nevada	8,344	8,405	0.7	27	7,766	7,567	(2.6)	30	428	309	(27.8)	44
New Hampshire	5,103	4,256	(16.6)	50	5,261	6,165	17.2	6	417	348	(16.5)	24
New Jersey	26,059	26,059 e	-	30	27,167	27,167 e	-	23	876	877	0.1	9
New Mexico	4,519	5,703	26.2	2	6,949	6,351	(8.6)	42	338	554	63.9	2
New York	57,290	60,674	5.9	9	60,115	53,566	(10.9)	44	2,279	1,872	(17.9)	29
North Carolina	25,007	23,724	(5.1)	43	23,700	23,218	(2.0)	27	534	442	(17.2)	27
North Dakota	1,527	1,550	1.5	23	2,396	2,212	(7.7)	38	87	100	14.9	4
Ohio	23,447	22,918	(2.3)	35	24,419	24,151	(1.1)	24	1,161	1,195	2.9	6
Oklahoma	9,690	8,427	(13.0)	49	9,463	8,198	(13.4)	45	833	728	(12.6)	19
Oregon	12,876	13,685	6.3	8	15,458	16,665	7.8	11	2,660	2,939	10.5	5
Pennsylvania	29,418	29,741	1.1	26	31,284	32,359	3.4	17	1,685	1,397	(17.1)	26
Rhode Island	3,600	3,572	(0.8)	31	3,944	3,985	1.0	19	130	116	(10.8)	17
South Carolina	11,564	10,910	(5.7)	45	11,647	11,086	(4.8)	36	254	191	(24.8)	41
South Dakota	1,938	2,013	3.9	12	2,346	1,749	(25.4)	48	186	152	(18.3)	31
Tennessee	15,951	15,445	(3.2)	39	17,566	17,046	(3.0)	32	869	802	(7.7)	13
Texas	51,767	52,999	2.4	16	56,756	56,919	0.3	21	2,696	2,302	(14.6)	22
Utah	9,688	9,874	1.9	21	7,267	9,572	31.7	2	460	464	0.9	8
Vermont	1,933	2,530	30.9	1	2,603	2,543	(2.3)	29	88	83	(5.7)	12
Virginia	20,842	21,270	2.1	19	20,689	22,031	6.5	12	1,138	841	(26.1)	42
Washington	37,362	38,105	2.0	20	34,953	41,059	17.5	5	996	632	(36.5)	50
West Virginia	4,432	4,214	(4.9)	42	5,562	5,493	(1.2)	25	329	253	(23.1)	38

Table 3.1 Business Turnover by State, 1998–1999

	New Employer Firms				Business Terminations				Business Bankruptcies			
	1998	1999	Percent Change	Rank	1998	1999	Percent Change	Rank	1998	1999	Percent Change	Rank
Wisconsin	13,865	12,447	(10.2)	48	14,764	13,358	(9.5)	43	1,137	819	(28.0)	45
Wyoming	2,245	2,271	1.2	25	2,888	2,842	(1.6)	26	89	69	(22.5)	37

Notes: U.S. totals for new firms and terminations are estimated from 1996 Bureau of the Census data, percent changes in the state totals and rounded. States do not add to the total as firms can be in more than one state. New firms are employer firms that plan to begin to hire employees. Business terminations are business closings. Note that a third category for states, successor firm (often the reincarnation of a bought firm) is not listed. Business bankruptcies are firms that file for bankruptcy with the U.S. court system. New Jersey fourth quarter 1998 figures were estimated and 1999 figures were chaotic, so 1998 figures were used.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by U.S. Department of Labor, Employment and Training Administration for new employer firms and business terminations; and Administrative Office of the U.S. Courts, Statist

Table 3.2 Employer Firm Formation and Termination Rates by State, 1999

State	Firms at the Beginning of 1999	Rate of Firm Formations		Rate of Firm Terminations	
		Percent	Rank	Percent	Rank
United States	5,685,900 e.	10.4		9.3	
Alabama	87,256	12.4	28	15.3	13
Alaska	16,038	14.8	11	16.5	7
Arizona	99,654	12.6	26	15.0	14
Arkansas	59,061	9.4	47	8.2	49
California	881,400	17.7	4	12.2	33
Colorado	124,948	15.3	9	8.1	50
Connecticut	94,517	9.9	44	12.2	34
Delaware	23,537	16.0	7	14.6	20
District of Columbia	25,181	14.1	15	18.7	3
Florida	373,610	16.4	6	15.9	9
Georgia	178,172	16.9	5	15.0	15
Hawaii	27,496	13.0	23	14.1	22
Idaho	36,780	16.0	8	16.8	6
Illinois	275,207	10.3	42	11.2	40
Indiana	124,386	10.9	37	13.5	25
Iowa	68,324	8.6	50	10.8	43
Kansas	65,681	8.8	49	9.4	46
Kentucky	85,473	10.7	39	10.7	44
Louisiana	93,915	11.0	35	11.8	39
Maine	36,961	13.5	20	12.8	29
Maryland	126,313	14.9	10	14.7	19
Massachusetts	164,343	10.0	43	12.0	35
Michigan	212,401	11.1	34	9.0	47
Minnesota	124,538	10.3	41	8.2	48
Mississippi	51,475	14.3	13	14.8	18
Missouri	126,399	10.8	38	15.0	17
Montana	30,286	13.1	22	13.0	28
Nebraska	43,672	9.6	46	11.9	37
Nevada	41,196	20.4	2	18.4	4
New Hampshire	37,460	11.4	32	16.5	8
New Jersey	221,548	11.8	30	12.3	32
New Mexico	40,622	14.0	16	15.6	11
New York	450,255	13.5	21	11.9	38
North Carolina	164,930	14.4	12	14.1	24
North Dakota	18,524	8.4	51	11.9	36
Ohio	232,249	9.9	45	10.4	45
Oklahoma	73,571	11.5	31	11.1	41
Oregon	97,643	14.0	17	17.1	5
Pennsylvania	246,154	12.1	29	13.1	26
Rhode Island	31,724	11.3	33	12.6	31
South Carolina	84,853	12.9	24	13.1	27
South Dakota	21,702	9.3	48	8.1	51
Tennessee	108,774	14.2	14	15.7	10
Texas	379,071	14.0	18	15.0	16
Utah	49,619	19.9	3	19.3	2

Table 3.2 Employer Firm Formation and Termination Rates by State, 1999

State	Firms at the Beginning of 1999	Rate of Firm Formations		Rate of Firm Terminations	
		Percent	Rank	Percent	Rank
Vermont	19,976	12.7	25	12.7	30
Virginia	156,098	13.6	19	14.1	23
Washington	182,678	20.9	1	22.5	1
West Virginia	38,441	11.0	36	14.3	21
Wisconsin	120,266	10.3	40	11.1	42
Wyoming	18,181	12.5	27	15.6	12

Notes: State totals do not add to the U.S. figure as firms can be in more than one state. U.S. 1997 and 1998 are estimated from 1996 data from the Bureau of the Census, yearly percent changes of the state totals and rounded. New Jersey for the fourth quarter 1998 was estimated. A termination is a business that ceases to exist. A buyout or merger could create a termination and a successor firm. Some state terminations could turn into successor firms, and not actually close. Successor firms are not listed. Ranks are based on percent changes.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Labor, Employment and Training Administration and Bureau of the Census.

Table 3.4 Employer Firm Terminations by State, 1989–1999

State	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
United States	NA	531,400	546,518	521,606	492,651	503,563	497,246	512,402	530,003	537,900 e	528,600 e
Yearly Change (%)	---	---	2.8	(4.6)	(5.6)	2.2	(1.3)	1.8	3.4	1.5	(1.7)
Closing Rate (%)	---	---	10.8	10.3	9.7	9.7	9.4	9.7	9.7	9.7	9.3
Alabama	11,404	10,927	14,478	11,710	9,794	10,603	10,968	11,458	11,741	12,006	13,390
Alaska	3,552	3,382	2,581	2,110	2,460	2,478	2,530	2,492	2,691	2,501	2,651
Arizona	13,392	14,235	13,011	12,531	13,114	11,087	15,431	17,157	15,077	14,957	14,996
Arkansas	8,771	7,252	7,348	6,982	7,633	7,006	4,872	7,719	5,691	6,905	4,850
California	132,141	135,767	124,345	124,137	127,500	107,923	152,945	107,936	117,222	117,412	107,745
Colorado	15,722	12,864	11,236	13,465	15,206	14,371	17,933	10,953	14,305	16,603	10,138
Connecticut	11,741	11,994	12,242	12,017	11,946	11,644	11,619	12,598	11,481	12,132	11,523
Delaware	1,793	1,422	2,490	1,749	2,116	2,523	3,193	5,628	3,786	2,768	3,442
District of Columbia	4,340	3,715	3,998	3,125	4,106	4,536	3,302	5,695	3,519	3,359	4,716
Florida	51,683	54,009	55,539	55,317	52,320	56,976	52,467	54,191	63,768	56,535	59,582
Georgia	24,136	24,448	24,527	25,481	24,917	35,200	23,161	24,441	25,187	27,417	26,800
Hawaii	3,390	3,385	3,486	3,612	3,729	3,492	3,953	3,746	3,933	3,222	3,888
Idaho	3,835	3,337	3,500	4,028	4,019	4,697	4,861	5,431	5,696	6,408	6,176
Illinois	34,661	29,173	26,771	31,250	28,087	31,051	30,260	34,400	28,596	29,868	30,885
Indiana	16,338	10,632	15,919	13,462	11,873	14,255	14,129	14,838	15,434	15,870	16,797
Iowa	7,686	6,971	7,410	7,542	7,822	7,902	7,702	7,507	7,465	6,667	7,404
Kansas	8,958	8,788	8,303	7,364	7,609	7,969	8,387	7,860	8,116	8,809	6,194
Kentucky	11,079	11,276	10,356	10,691	10,020	10,151	9,307	9,359	10,068	9,050	9,111
Louisiana	12,178	10,883	10,536	10,719	10,910	10,384	11,347	13,634	11,242	10,064	11,086
Maine	4,683	4,737	4,593	3,876	3,496	3,799	4,676	4,529	4,263	6,086	4,720
Maryland	16,198	17,945	18,842	18,426	16,975	16,049	16,256	20,147	11,666	20,264	18,631
Massachusetts	18,415	17,539	18,914	17,263	17,994	13,688	15,417	14,702	15,479	17,528	19,667
Michigan	21,645	28,676	15,055	18,010	17,527	19,267	20,340	26,059	19,368	19,765	19,221
Minnesota	11,097	13,614	12,500	11,041	10,684	12,960	12,458	11,532	12,616	12,066	10,274
Mississippi	7,334	7,200	6,768	6,997	6,475	7,778	7,077	7,159	6,989	7,357	7,622
Missouri	16,870	16,674	16,674	17,022	17,031	16,104	17,588	19,067	18,760	19,602	18,898
Montana	3,613	3,453	3,345	3,536	3,421	4,023	4,066	4,324	4,481	4,280	3,946
Nebraska	5,255	6,144	5,295	5,570	5,142	5,145	4,645	4,803	5,343	5,422	5,203
Nevada	5,017	4,888	5,328	5,927	5,592	5,618	6,483	6,752	6,870	7,766	7,567
New Hampshire	5,491	6,018	5,599	5,317	4,591	4,818	5,044	5,141	6,025	5,261	6,165
New Jersey	26,645	25,538	27,472	28,961	24,836	27,155	25,667	25,898	26,054	27,167	27,167
New Mexico	5,598	4,943	5,242	4,876	4,493	5,847	5,240	5,838	6,960	6,949	6,351
New York	64,230	63,627	62,015	63,000	58,267	58,966	56,813	55,640	63,321	60,115	53,566
North Carolina	22,153	21,643	22,882	26,103	24,516	24,413	23,389	23,112	22,657	23,700	23,218
North Dakota	2,297	2,265	1,944	2,010	1,964	1,754	2,045	1,968	1,831	2,396	2,212
Ohio	20,897	23,863	22,490	20,287	20,642	18,154	28,091	26,330	25,276	24,419	24,151
Oklahoma	8,919	9,397	8,856	8,640	7,974	8,914	8,623	8,897	9,161	9,463	8,198
Oregon	11,792	11,921	13,347	11,799	12,995	12,716	13,022	16,569	11,762	15,458	16,665
Pennsylvania	28,019	27,929	29,668	29,731	26,724	26,462	27,254	31,180	30,967	31,284	32,359
Rhode Island	3,993	3,863	3,963	3,858	3,681	4,277	5,985	3,595	3,941	3,944	3,985
South Carolina	10,280	10,736	10,785	10,605	9,320	8,879	10,391	10,815	10,891	11,647	11,086
South Dakota	2,162	2,370	2,194	2,375	2,135	2,347	2,360	2,433	2,696	2,346	1,749
Tennessee	15,433	18,902	15,051	14,858	17,494	14,600	15,896	16,191	16,727	17,566	17,046
Texas	54,310	53,831	53,232	50,249	53,243	52,063	56,027	55,751	56,901	56,756	56,919
Utah	6,271	5,774	5,754	6,122	6,563	7,005	7,654	8,243	8,824	7,267	9,572
Vermont	2,915	2,687	2,963	2,178	2,897	2,800	2,577	2,876	2,697	2,603	2,543
Virginia	18,333	21,438	19,820	19,809	18,848	18,618	18,493	22,558	22,317	20,689	22,031
Washington	20,497	23,087	22,952	25,328	23,654	26,061	30,847	31,984	35,394	34,953	41,059
West Virginia	4,954	4,408	4,645	4,364	4,493	3,997	5,119	4,749	5,989	5,562	5,493
Wisconsin	12,036	11,591	11,355	11,736	11,675	12,242	13,054	14,124	13,381	14,764	13,358
Wyoming	3,234	2,900	2,736	2,197	2,178	2,523	2,735	2,930	2,448	2,888	2,842

Notes: State data is from the Department of Labor and U.S. data 1989 - 1997 (March) is from the U.S. Census Bureau. State totals do not add to the U.S. figure as firms can be in more than one state. U.S. 1998 and 1999 are estimated from 1997 data from the Census, yearly percent changes of the state totals and rounded. New Jersey fourth quarter 1998 figures were estimated and 1999 figures were chaotic, so 1998 figures were used.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Labor, Education and Training Administration, and U.S. Census Bureau.

Table 3.5 Business Bankruptcies by State, 1989–1999

State	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
United States	62,449	63,912	70,605	69,848	62,399	50,845	50,516	53,200	53,819	44,197	37,639
Yearly Change (%)	---	2.3	10.5	(1.1)	(10.7)	(18.5)	(0.6)	4.6	1.2	(17.9)	(14.8)
Alabama	1,334	1,356	1,431	1,318	1,727	717	796	772	876	603	434
Alaska	208	164	170	196	172	162	159	183	147	127	115
Arizona	2,401	2,377	2,194	2,050	1,642	965	1,045	879	845	762	781
Arkansas	454	467	497	577	444	373	422	486	539	408	295
California	7,094	7,391	12,295	12,215	12,943	11,938	12,097	11,748	11,137	8,546	5,014
Colorado	3,805	1,088	611	1,143	1,118	670	610	779	518	402	347
Connecticut	218	445	380	379	310	206	205	230	205	164	142
Delaware	64	114	126	243	163	120	277	239	214	372	2,115
District of Columbia	73	129	181	134	119	118	100	119	100	88	81
Florida	2,021	2,842	3,031	2,986	2,599	2,218	1,949	2,026	2,162	1,867	1,723
Georgia	2,339	2,366	2,941	2,475	1,923	1,708	496	1,801	1,642	1,197	933
Hawaii	129	74	77	163	190	157	159	187	187	114	87
Idaho	359	365	225	515	414	351	391	460	532	435	340
Illinois	2,397	2,041	2,354	2,586	2,189	1,751	1,624	1,806	1,788	1,474	1,394
Indiana	1,093	1,090	1,083	1,263	1,056	886	842	756	683	613	501
Iowa	960	893	748	660	489	482	556	574	505	283	196
Kansas	552	560	527	600	591	372	419	419	411	264	172
Kentucky	1,155	1,324	1,016	692	440	422	473	431	449	356	281
Louisiana	1,372	1,338	1,089	865	743	570	562	621	674	600	589
Maine	205	318	353	398	321	296	274	267	310	244	197
Maryland	480	1,356	1,633	1,642	1,575	1,243	1,493	1,468	1,678	1,231	795
Massachusetts	1,158	1,838	2,073	2,420	1,899	1,300	1,116	1,041	965	739	566
Michigan	1,579	1,633	1,571	1,793	1,339	1,098	1,072	1,072	1,106	721	634
Minnesota	1,511	1,771	1,797	1,494	2,057	1,962	1,901	2,249	2,477	1,975	1,584
Mississippi	337	288	411	481	346	218	283	281	299	244	201
Missouri	1,169	1,319	1,216	1,034	787	653	521	663	733	424	358
Montana	354	223	207	240	195	162	171	219	278	145	121
Nebraska	391	425	384	350	243	190	212	274	280	129	158
Nevada	406	354	480	540	494	391	390	429	399	428	309
New Hampshire	320	490	598	164	153	111	92	92	187	417	348
New Jersey	1,132	1,120	1,303	1,561	1,870	1,354	1,195	1,066	1,111	876	877
New Mexico	302	348	333	476	388	287	322	389	383	338	554
New York	2,505	2,606	4,030	4,642	3,904	3,411	3,374	3,263	3,153	2,279	1,872
North Carolina	1,005	1,280	1,390	1,179	946	782	726	703	720	534	442
North Dakota	211	209	191	180	164	120	118	152	155	87	100
Ohio	1,447	1,778	1,402	1,862	1,546	728	1,052	1,065	1,006	1,161	1,195
Oklahoma	1,720	1,716	1,258	1,096	1,019	873	946	1,388	1,369	833	728
Oregon	890	1,061	1,177	1,105	905	844	781	751	1,434	2,660	2,939
Pennsylvania	1,310	1,751	2,173	2,448	2,272	1,925	1,770	1,870	1,885	1,685	1,397
Rhode Island	170	327	333	364	266	177	162	181	180	130	116
South Carolina	312	404	479	234	186	221	337	257	345	254	191
South Dakota	320	388	356	284	200	164	172	216	221	186	152
Tennessee	1,528	1,274	1,720	1,866	1,263	631	949	1,085	1,066	869	802
Texas	6,479	5,318	4,412	4,813	3,542	3,258	3,410	3,468	3,466	2,696	2,302
Utah	723	895	830	551	319	222	242	294	434	460	464
Vermont	226	179	200	218	154	134	167	142	164	88	83
Virginia	2,462	2,958	3,309	1,963	1,971	1,396	1,261	1,342	1,356	1,138	841
Washington	2,196	1,978	2,184	1,622	1,406	1,101	1,335	1,419	1,374	996	632
West Virginia	401	381	437	468	304	310	314	325	367	329	253
Wisconsin	1,048	1,366	1,271	1,161	985	995	1,067	1,150	1,213	1,137	819
Wyoming	124	136	118	139	108	102	109	103	91	89	69

Note: Bankruptcy data exclude Guam, Puerto Rico, and the Virgin Islands. A business bankruptcy is the legal recognition that a company is insolvent (i.e., not able to satisfy creditors or discharge liabilities); must restructure or completely liquidate. A business bankruptcy originates in the filing of a bankruptcy petition under Chapter 7, 11, 12, or 13 of the federal bankruptcy laws.

Source: U.S. Small Business Administration, Office of Advocacy, from the Administrative Office of the U.S. Courts, Statistical Analysis and Reports Division.

Table 4.1 Financial Information by State, 1998–1999
(billions of dollars unless noted)

	Nonfarm Proprietors' Income				Wage-and-Salary Income				State Corporate Taxes				
			Percent				Percent				Per Capita		
	1998	1999	Change	Rank	1998	1999	Change	Rank	1998	1999	Change	Rank	(Dollars)
United States	595.2	638.2	7.2		4,187.8	4,467.8	6.7		31.1	30.7	(1.3)		112.8
Alabama	5.5	5.9	5.9	41	53.2	55.6	4.6	42	0.24	0.23	(4.4)	30	53.3
Alaska	1.5	1.6	4.6	49	10.0	10.2	1.4	51	0.28	0.21	(23.2)	50	341.9
Arizona	7.9	8.6	8.4	7	64.1	69.1	7.8	8	0.53	0.55	3.3	18	114.1
Arkansas	3.7	4.0	6.4	32	28.4	29.9	5.5	34	0.25	0.21	(16.1)	45	83.2
California	96.5	104.9	8.7	4	518.4	566.7	9.3	3	5.59	5.46	(2.3)	29	164.7
Colorado	11.8	12.9	9.0	2	69.6	76.3	9.7	2	0.27	0.30	11.0	9	74.2
Connecticut	9.5	10.1	6.6	29	69.2	73.5	6.2	24	0.53	0.47	(11.3)	42	144.6
Delaware	1.1	1.2	7.4	14	14.0	14.9	6.6	19	0.21	0.23	13.3	7	308.6
District of Columbia	2.5	2.6	6.0	38	32.1	34.8	8.6	6	NA	NA	NA	NA	NA
Florida	22.0	23.5	7.0	24	197.5	209.8	6.2	25	1.27	1.27	(0.3)	24	83.8
Georgia	15.4	16.8	8.8	3	120.4	130.3	8.2	7	0.74	0.79	7.2	14	101.8
Hawaii	2.4	2.5	4.9	47	17.7	18.3	3.1	49	0.06	0.05	(15.1)	43	44.2
Idaho	2.6	2.8	8.4	6	14.0	15.0	7.6	10	0.12	0.10	(18.3)	47	76.8
Illinois	29.0	31.0	6.8	28	210.2	222.5	5.8	29	1.96	2.10	7.3	13	173.5
Indiana	8.9	9.5	6.0	40	86.5	90.9	5.1	40	0.93	0.99	6.6	16	166.5
Iowa	4.7	5.0	6.5	31	38.5	40.5	5.2	37	0.20	0.23	19.2	3	81.7
Kansas	5.1	5.4	6.1	37	37.0	39.1	5.5	33	0.31	0.25	(17.0)	46	95.6
Kentucky	5.3	5.6	6.9	26	48.5	51.6	6.4	20	0.33	0.31	(6.5)	36	78.8
Louisiana	7.5	7.8	4.0	51	52.8	53.6	1.6	50	0.36	0.29	(20.4)	48	65.5
Maine	2.2	2.4	8.1	9	15.3	16.3	6.6	18	0.11	0.15	37.7	1	117.7
Maryland	8.6	9.3	7.5	13	81.6	87.1	6.7	14	0.38	0.40	6.9	15	78.3
Massachusetts	16.1	17.5	8.6	5	123.5	134.2	8.6	5	1.35	1.25	(7.8)	39	202.4
Michigan	15.1	15.9	5.4	46	157.5	166.6	5.8	30	2.35	2.37	0.5	19	239.9
Minnesota	8.5	9.1	7.3	20	83.8	89.4	6.7	15	0.75	0.78	3.5	17	163.2
Mississippi	3.6	3.8	6.0	39	28.6	29.9	4.3	43	0.24	0.23	(6.1)	34	82.9
Missouri	9.7	10.3	6.2	36	79.7	84.0	5.4	36	0.36	0.28	(22.7)	49	50.6
Montana	1.7	1.8	6.3	34	9.0	9.4	4.3	44	0.09	0.09	(0.9)	25	101.5
Nebraska	3.4	3.6	7.1	22	23.8	25.2	5.9	28	0.14	0.14	(5.0)	32	81.1
Nevada	4.4	4.8	9.2	1	29.9	32.6	9.2	4	0.00	0.00	-	20	0.0
New Hampshire	2.7	2.9	7.7	12	18.6	19.8	6.6	17	0.24	0.26	8.3	11	213.0
New Jersey	22.5	24.0	7.0	25	152.6	160.4	5.1	39	1.18	1.33	13.2	8	163.8
New Mexico	2.3	2.5	5.6	43	19.7	20.4	3.3	47	0.18	0.16	(8.9)	41	94.2
New York	56.6	60.8	7.4	15	342.2	366.1	7.0	12	3.13	2.89	(7.7)	38	158.7
North Carolina	11.6	12.1	4.3	50	111.6	119.3	6.9	13	1.00	0.92	(7.9)	40	120.3
North Dakota	1.1	1.1	6.3	35	7.7	8.0	4.3	45	0.08	0.09	13.4	6	147.7
Ohio	17.4	18.4	5.6	44	170.3	178.3	4.7	41	0.77	0.75	(1.9)	28	66.8
Oklahoma	7.6	8.0	5.5	45	37.8	39.3	3.9	46	0.22	0.19	(15.9)	44	55.8
Oregon	6.5	7.0	7.3	19	47.7	50.7	6.3	23	0.28	0.32	16.2	5	97.8
Pennsylvania	27.8	29.4	5.8	42	177.6	186.8	5.1	38	1.56	1.54	(1.6)	27	128.2
Rhode Island	1.7	1.8	6.8	27	14.3	15.0	5.4	35	0.07	0.07	(4.9)	31	66.9
South Carolina	5.0	5.4	7.4	17	48.9	51.9	6.1	26	0.21	0.23	8.5	10	59.7
South Dakota	1.5	1.6	7.7	11	8.5	9.1	7.3	11	0.04	0.05	32.8	2	69.3
Tennessee	12.8	13.7	7.1	23	76.9	81.2	5.6	32	0.61	0.57	(5.9)	33	104.2
Texas	63.5	68.1	7.2	21	293.5	313.0	6.6	16	0.00	0.00	-	20	0.0
Utah	3.6	3.8	7.7	10	28.6	30.5	6.4	21	0.19	0.18	(6.2)	35	84.6
Vermont	1.2	1.2	7.3	18	7.8	8.3	6.3	22	0.05	0.05	8.3	12	83.7
Virginia	10.5	11.3	7.4	16	111.8	120.6	7.8	9	0.45	0.41	(7.0)	37	60.3
Washington	12.3	13.3	8.2	8	94.0	103.4	9.9	1	0.00	0.00	-	20	0.0
West Virginia	2.3	2.4	4.8	48	18.0	18.6	3.2	48	0.22	0.26	18.8	4	145.6
Wisconsin	7.6	8.1	6.4	33	78.7	83.4	6.0	27	0.68	0.67	(1.4)	26	127.8
Wyoming	1.1	1.2	6.5	30	6.0	6.3	5.7	31	0.00	0	-	20	0.0

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by Bureau of Economic Analysis, and U.S. Census Bureau.

Table 5.1 Employment by Major Industry and Firm Size, 1998–1999
(thousands of people unless noted)

	Total	Employment size of firm						Percent	
		< 10	10-24	25-99	100-499	500-999	1000+	<500	<500
1999									
Total, Private Sector	117,148.5	19,873.7	13,007.1	17,854.4	17,489.7	6,426.7	42,496.9	68,224.9	58.2
Agricultural Services	2,544.8	1,155.2	536.9	401.0	215.2	50.8	185.8	2,308.2	90.7
Mining	551.3	32.0	39.7	77.4	100.2	38.6	263.5	249.2	45.2
Construction	7,733.6	2,573.9	1,447.1	1,763.7	1,052.9	261.5	634.5	6,837.6	88.4
Manufacturing	21,701.6	1,161.1	1,412.6	3,153.7	4,663.0	1,452.0	9,859.1	10,390.5	47.9
Trans., Comm., & Pub. Util.	7,899.1	723.6	520.4	960.7	1,015.6	385.5	4,293.3	3,220.3	40.8
Wholesale Trade	5,458.2	813.0	684.0	1,101.3	946.6	376.1	1,537.3	3,544.8	64.9
Retail Trade	24,816.4	3,944.4	3,337.8	3,359.4	2,055.6	899.9	11,219.2	12,697.2	51.2
Fin., Ins., & Real Estate	8,294.7	1,100.1	716.4	918.1	1,081.3	483.1	3,995.7	3,815.9	46.0
Services	38,148.7	8,370.3	4,312.2	6,119.1	6,359.4	2,479.1	10,508.5	25,161.1	66.0
1998									
Total, Private Sector	115,063.7	19,351.7	12,753.1	17,260.6	17,534.1	6,722.6	41,441.6	66,899.5	58.1
Agricultural Services	2,413.4	1,188.8	462.5	335.5	234.9	50.7	140.9	2,221.8	92.1
Mining	604.8	43.8	61.1	66.1	110.6	43.3	280.0	281.6	46.6
Construction	7,593.8	2,591.1	1,474.9	1,630.0	1,040.9	207.0	649.8	6,737.0	88.7
Manufacturing	21,197.8	977.5	1,320.9	2,926.7	4,722.6	1,803.1	9,447.0	9,947.7	46.9
Trans., Comm., & Pub. Util.	7,919.9	743.8	527.3	953.8	997.8	420.2	4,277.0	3,222.7	40.7
Wholesale Trade	5,215.7	746.7	730.2	1,116.4	961.0	230.8	1,430.5	3,554.3	68.1
Retail Trade	24,532.7	3,739.7	3,196.8	3,345.0	2,045.8	933.1	11,272.3	12,327.3	50.2
Fin., Ins., & Real Estate	8,409.9	1,197.4	660.7	899.7	1,173.4	509.5	3,969.2	3,931.2	46.7
Services	37,175.7	8,122.8	4,318.7	5,987.3	6,247.1	2,524.9	9,974.9	24,675.9	66.4

Notes: Figures based upon responses by workers stating the size of their longest employer during the year.
Not comparable with Table 4.2, as this table includes self-employed persons and is based on a worker survey.

Source: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Department of Commerce, Bureau of the Census, Current Population Survey (March supplement).

Table 5.2 Nonfarm Private Employment by Industry, 1998–1999
(thousands of jobs unless noted)

SIC Codes (1987)	Industry	Annual Employment		Absolute change	Percent change	Percent small 1997
		1998	1999			
--	Total private	106,007.0	108,455.0	2,448.0	2.3	51.8
Major Industries						
700	Agricultural services	705.5	758.6	53.1	7.5	89.2
1000	Mining	590.0	535.0	(55.0)	(9.3)	39.8
1500	Construction	5,985.0	6,273.0	288.0	4.8	89.3
2000	Manufacturing	18,772.0	18,432.0	(340.0)	(1.8)	39.1
4000	Transportation, commun. and public utilities	6,600.0	6,792.0	192.0	2.9	35.5
5000	Wholesale trade	6,831.0	7,004.0	173.0	2.5	64.8
5200	Retail trade	22,296.0	22,787.0	491.0	2.2	50.7
6000	Finance, insurance, and real estate	7,407.0	7,632.0	225.0	3.0	42.0
7000	Services	36,820.5	38,241.4	1,420.9	3.9	55.1
Specific Industries						
740	Veterinary services	192.7	201.8	9.1	4.7	97.6
780	Landscape and horticultural services	459.1	503.2	44.1	9.6	84.0
1000	Metal mining	50.4	48.7	(1.7)	(3.4)	17.8
1010	Iron ores	8.4	8.0	(0.4)	(4.8)	3.0
1020	Copper ores	15.1	14.6	(0.5)	(3.3)	6.5
1200	Coal mining	91.6	84.8	(6.8)	(7.4)	37.4
1220	Bituminous coal and lignite mining	85.6	78.9	(6.7)	(7.8)	33.9
1300	Oil and gas extraction	339.2	293.1	(46.1)	(13.6)	39.9
1310	Crude petroleum and natural gas	138.4	126.8	(11.6)	(8.4)	33.0
1380	Oil and gas field services	196.1	162.6	(33.5)	(17.1)	47.9
1400	Nonmetallic minerals, except fuels	108.8	108.7	(0.1)	(0.1)	52.7
1420	Crushed and broken stone	42.2	42.8	0.6	1.4	53.0
1440	Sand and gravel	36.0	36.1	0.1	0.3	72.2
1470	Chemical and fertilizer minerals	11.7	11.6	(0.1)	(0.9)	15.6
1500	General building contractors	1,372.3	1,433.7	61.4	4.5	87.8
1520	Residential building construction	699.6	742.2	42.6	6.1	97.0
1530	Operative builders	27.1	28.6	1.5	5.5	80.0
1540	Nonresidential building construction	645.6	663.0	17.4	2.7	81.8
1600	Heavy construction, except building	838.3	861.8	23.5	2.8	75.5
1610	Highway and street construction	253.2	263.7	10.5	4.1	85.6
1620	Heavy construction, except highway	585.2	598.1	12.9	2.2	72.1
1700	Special trade contractors	3,774.1	3,978.0	203.9	5.4	92.9
1710	Plumbing, heating, and air-conditioning	827.4	865.0	37.6	4.5	92.1
1720	Painting and paper hanging	203.7	211.5	7.8	3.8	97.5
1730	Electrical work	726.8	767.8	41.0	5.6	90.5
1740	Masonry, stonework, and plastering	498.5	534.7	36.2	7.3	94.9
1750	Carpentry and floor work	273.7	290.2	16.5	6.0	97.5
1760	Roofing, siding, and sheet metal work	249.9	261.4	11.5	4.6	97.7
2000	Food and kindred products	1,685.6	1,684.7	(0.9)	(0.1)	27.6
2010	Meat products	494.2	500.9	6.7	1.4	17.7
2020	Dairy products	140.3	141.0	0.7	0.5	31.8
2030	Preserved fruits and vegetables	229.4	226.5	(2.9)	(1.3)	30.7
2040	Grain mill products	124.9	124.3	(0.6)	(0.5)	34.7
2050	Bakery products	206.4	207.3	0.9	0.4	29.7
2060	Sugar and confectionery products	97.3	93.3	(4.0)	(4.1)	33.9
2070	Fats and oils	33.1	34.3	1.2	3.6	26.7
2080	Beverages	182.3	183.1	0.8	0.4	33.3
2090	Miscellaneous food and kindred products	177.7	174.0	(3.7)	(2.1)	48.1
2100	Tobacco products	40.6	38.6	(2.0)	(4.9)	9.0
2110	Cigarettes	26.7	25.7	(1.0)	(3.7)	1.2
2200	Textile mill products	598.1	561.6	(36.5)	(6.1)	30.6
2210	Broadwoven fabric mills, cotton	71.0	64.7	(6.3)	(8.9)	13.7
2220	Broadwoven fabric mills, synthetics	62.9	59.6	(3.3)	(5.2)	15.3
2230	Broadwoven fabric mills, wool	12.7	10.2	(2.5)	(19.7)	29.1
2240	Narrow fabric mills	21.2	21.1	(0.1)	(0.5)	52.3
2250	Knitting mills	159.4	143.0	(16.4)	(10.3)	43.9
2260	Textile finishing, except wool	65.1	61.0	(4.1)	(6.3)	45.9
2270	Carpets and rugs	63.9	65.5	1.6	2.5	19.5

Small Business Economic Indicators for 1999

Table 5.2 Nonfarm Private Employment by Industry, 1998–1999

(thousands of jobs unless noted)

SIC Codes (1987)	Industry	Annual Employment		Absolute change	Percent change	Percent small 1997
		1998	1999			
2280	Yarn and thread mills	87.1	82.7	(4.4)	(5.1)	18.2
2290	Miscellaneous textile goods	54.9	53.8	(1.1)	(2.0)	49.6
2300	Apparel and other textile products	763.3	684.6	(78.7)	(10.3)	57.3
2310	Men's and boys' suits and coats	26.7	23.3	(3.4)	(12.7)	36.9
2320	Men's and boys' furnishings	185.0	156.5	(28.5)	(15.4)	38.6
2330	Women's and misses' outerwear	229.6	203.2	(26.4)	(11.5)	77.3
2340	Women's and children's undergarments	31.1	27.2	(3.9)	(12.5)	45.0
2360	Girls' and children's outerwear	25.5	20.9	(4.6)	(18.0)	67.0
2380	Miscellaneous apparel and accessories	32.2	30.1	(2.1)	(6.5)	70.8
2390	Miscellaneous fabricated textile products	216.3	208.1	(8.2)	(3.8)	62.3
2400	Lumber and wood products	813.0	826.2	13.2	1.6	63.8
2410	Logging	79.4	76.6	(2.8)	(3.5)	94.1
2420	Sawmills and planing mills	183.3	180.3	(3.0)	(1.6)	66.4
2430	Millwork, plywood, and structural members	307.5	324.9	17.4	5.7	61.3
2440	Wood containers	55.2	55.0	(0.2)	(0.4)	93.8
2450	Wood buildings and mobile homes	99.1	101.0	1.9	1.9	33.9
2490	Miscellaneous wood products	88.5	88.4	(0.1)	(0.1)	61.9
2500	Furniture and fixtures	530.4	540.1	9.7	1.8	50.7
2510	Household furniture	282.6	285.7	3.1	1.1	45.2
2520	Office furniture	69.4	69.2	(0.2)	(0.3)	37.2
2530	Public building and related furniture	45.9	49.0	3.1	6.8	45.6
2540	Partitions and fixtures	92.6	94.6	2.0	2.2	78.3
2590	Miscellaneous furniture and fixtures	39.8	41.6	1.8	4.5	58.8
2600	Paper and allied products	674.7	659.0	(15.7)	(2.3)	28.3
2620	Paper mills	154.8	148.8	(6.0)	(3.9)	10.3
2630	Paperboard mills	48.2	46.9	(1.3)	(2.7)	6.1
2650	Paperboard containers and boxes	219.2	214.7	(4.5)	(2.1)	38.9
2670	Miscellaneous converted paper products	240.6	237.1	(3.5)	(1.5)	37.3
2700	Printing and publishing	1,564.7	1,553.3	(11.4)	(0.7)	50.7
2710	Newspapers	442.5	442.2	(0.3)	(0.1)	28.4
2720	Periodicals	138.3	140.6	2.3	1.7	56.7
2730	Books	127.2	122.5	(4.7)	(3.7)	37.8
2740	Miscellaneous publishing	91.0	92.1	1.1	1.2	54.2
2750	Commercial printing	581.4	578.3	(3.1)	(0.5)	72.4
2760	Manifold business forms	41.3	40.0	(1.3)	(3.1)	48.3
2780	Blankbooks and bookbinding	63.9	60.9	(3.0)	(4.7)	62.0
2790	Printing trade services	50.3	48.9	(1.4)	(2.8)	76.7
2800	Chemicals and allied products	1,042.8	1,034.7	(8.1)	(0.8)	21.1
2810	Industrial inorganic chemicals	115.4	111.5	(3.9)	(3.4)	15.5
2820	Plastics materials and synthetics	157.0	151.2	(5.8)	(3.7)	12.9
2830	Drugs	279.0	289.5	10.5	3.8	20.9
2840	Soap, cleaners, and toilet goods	155.5	152.4	(3.1)	(2.0)	40.3
2850	Paints and allied products	52.3	53.1	0.8	1.5	42.8
2860	Industrial organic chemicals	137.7	133.9	(3.8)	(2.8)	15.1
2870	Agricultural chemicals	52.0	51.6	(0.4)	(0.8)	34.4
2890	Miscellaneous chemical products	93.9	91.6	(2.3)	(2.4)	44.7
2900	Petroleum and coal products	140.3	137.4	(2.9)	(2.1)	18.5
2910	Petroleum refining	96.0	92.1	(3.9)	(4.1)	6.7
2950	Asphalt paving and roofing materials	29.8	30.4	0.6	2.0	43.9
3000	Rubber and miscellaneous plastics products	1,008.9	1,018.6	9.7	1.0	44.4
3010	Tires and inner tubes	79.2	77.0	(2.2)	(2.8)	4.4
3020	Rubber and plastics footwear	6.3	5.4	(0.9)	(14.3)	36.6
3050	Hose, belting, gaskets, and packing	70.8	70.4	(0.4)	(0.6)	31.0
3060	Fabricated rubber products, nec	112.3	111.4	(0.9)	(0.8)	43.1
3080	Miscellaneous plastics products, nec	740.4	754.5	14.1	1.9	50.9
3100	Leather and leather products	82.9	73.7	(9.2)	(11.1)	47.0
3110	Leather tanning and finishing	12.3	10.8	(1.5)	(12.2)	41.6
3140	Footwear, except rubber	35.8	31.4	(4.4)	(12.3)	31.5
3160	Luggage	9.4	7.9	(1.5)	(16.0)	78.0
3170	Handbags and personal leather goods	8.9	7.8	(1.1)	(12.4)	(D)

Small Business Economic Indicators for 1999

Table 5.2 Nonfarm Private Employment by Industry, 1998–1999
(thousands of jobs unless noted)

SIC Codes (1987)	Industry	Annual Employment		Absolute change	Percent change	Percent small 1997
		1998	1999			
3200	Stone, clay, and glass products	563.2	569.4	6.2	1.1	47.1
3210	Flat glass	16.7	16.8	0.1	0.6	5.1
3220	Glass and glassware, pressed or blown	71.3	69.6	(1.7)	(2.4)	11.1
3230	Products of purchased glass	63.1	63.0	(0.1)	(0.2)	40.1
3240	Cement, hydraulic	17.4	17.5	0.1	0.6	25.7
3250	Structural clay products	33.4	33.6	0.2	0.6	38.0
3260	Pottery and related products	38.4	37.3	(1.1)	(2.9)	50.4
3270	Concrete, gypsum, and plaster products	229.0	237.7	8.7	3.8	68.0
3290	Miscellaneous nonmetallic mineral products	78.5	78.1	(0.4)	(0.5)	43.9
3300	Primary metal industries	711.6	689.6	(22.0)	(3.1)	29.2
3310	Blast furnaces and basic steel products	231.5	222.1	(9.4)	(4.1)	15.1
3320	Iron and steel foundries	131.0	126.1	(4.9)	(3.7)	36.7
3330	Primary nonferrous metals	39.0	37.2	(1.8)	(4.6)	11.4
3350	Nonferrous rolling and drawing	170.3	167.5	(2.8)	(1.6)	21.6
3360	Nonferrous foundries (castings)	92.5	90.7	(1.8)	(1.9)	58.4
3400	Fabricated metal products	1,500.8	1,488.5	(12.3)	(0.8)	57.8
3410	Metal cans and shipping containers	36.6	35.5	(1.1)	(3.0)	18.2
3420	Cutlery, handtools, and hardware	126.2	124.0	(2.2)	(1.7)	40.4
3430	Plumbing and heating, except electric	57.5	58.3	0.8	1.4	40.9
3440	Fabricated structural metal products	463.7	467.7	4.0	0.9	69.0
3450	Screw machine products, bolts, etc	106.5	103.8	(2.7)	(2.5)	79.2
3460	Metal forgings and stampings	257.2	256.6	(0.6)	(0.2)	50.3
3470	Metal services, nec	144.0	141.7	(2.3)	(1.6)	83.4
3480	Ordinance and accessories, nec	41.2	39.6	(1.6)	(3.9)	19.0
3490	Miscellaneous fabricated metal products	267.9	261.5	(6.4)	(2.4)	53.7
3500	Industrial machinery and equipment	2,202.7	2,129.2	(73.5)	(3.3)	47.3
3510	Engines and turbines	83.5	84.0	0.5	0.6	9.9
3520	Farm and garden machinery	104.3	95.7	(8.6)	(8.2)	36.2
3530	Construction and related machinery	253.4	243.4	(10.0)	(3.9)	45.0
3540	Metalworking machinery	352.4	339.1	(13.3)	(3.8)	70.8
3550	Special industry machinery	179.1	169.5	(9.6)	(5.4)	58.5
3560	General industrial machinery	269.1	260.9	(8.2)	(3.0)	41.7
3570	Computer and office equipment	379.1	360.2	(18.9)	(5.0)	20.3
3580	Refrigeration and service machinery	200.0	201.0	1.0	0.5	28.3
3590	Misc industrial and commercial machinery	381.9	375.6	(6.3)	(1.6)	83.5
3600	Electronic and other electrical equipment	1,703.9	1,661.4	(42.5)	(2.5)	28.3
3610	Electric distribution equipment	82.2	82.3	0.1	0.1	30.9
3620	Electrical industrial apparatus	153.2	146.8	(6.4)	(4.2)	31.0
3630	Household appliances	116.7	118.0	1.3	1.1	11.0
3640	Electric lighting and wiring equipment	182.8	176.8	(6.0)	(3.3)	35.8
3650	Household audio and video equipment	81.5	81.8	0.3	0.4	45.5
3660	Communications equipment	281.6	274.5	(7.1)	(2.5)	24.0
3670	Electronic components and accessories	660.0	638.9	(21.1)	(3.2)	35.7
3690	Misc electrical equipment and supplies	146.0	142.2	(3.8)	(2.6)	31.0
3700	Transportation equipment	1,884.0	1,855.0	(29.0)	(1.5)	16.0
3710	Motor vehicles and equipment	989.8	1,000.1	10.3	1.0	17.1
3720	Aircraft and parts	523.7	489.7	(34.0)	(6.5)	9.4
3730	Ship and boat building and repairing	165.9	164.0	(1.9)	(1.1)	36.2
3740	Railroad equipment	36.9	34.9	(2.0)	(5.4)	14.2
3760	Guided missiles, space vehicles, and parts	91.7	86.9	(4.8)	(5.2)	1.6
3790	Miscellaneous transportation equipment	54.5	56.9	2.4	4.4	44.9
3800	Instruments and related products	867.6	838.8	(28.8)	(3.3)	28.5
3810	Search and navigation equipment	161.5	155.0	(6.5)	(4.0)	7.3
3820	Measuring and controlling devices	304.2	294.2	(10.0)	(3.3)	41.1
3840	Medical instruments and supplies	279.1	276.7	(2.4)	(0.9)	36.9
3850	Ophthalmic goods	34.9	33.4	(1.5)	(4.3)	31.3
3860	Photographic equipment and supplies	81.1	73.2	(7.9)	(9.7)	19.9
3870	Watches, clocks, watchcases, and parts	6.7	6.3	(0.4)	(6.0)	33.6
3900	Miscellaneous manufacturing industries	392.5	387.4	(5.1)	(1.3)	66.9
3910	Jewelry, silverware, and plated ware	50.1	49.6	(0.5)	(1.0)	75.2

Table 5.2 Nonfarm Private Employment by Industry, 1998–1999

(thousands of jobs unless noted)

SIC Codes (1987)	Industry	Annual Employment		Absolute change	Percent change	Percent small 1997
		1998	1999			
3930	Musical instruments	16.3	16.4	0.1	0.6	59.6
3940	Toys and sporting goods	105.6	101.2	(4.4)	(4.2)	60.6
3950	Pens, pencils, office, and art supplies	30.7	29.8	(0.9)	(2.9)	60.8
3960	Costume jewelry and notions	22.0	20.5	(1.5)	(6.8)	67.5
3990	Miscellaneous manufactures	167.8	169.8	2.0	1.2	73.7
4000	Railroad transportation	230.7	230.2	(0.5)	(0.2)	(D)
4100	Local and interurban passenger transit	467.9	482.1	14.2	3.0	60.6
4110	Local and suburban transportation	235.3	242.3	7.0	3.0	63.9
4120	Taxicabs	31.1	31.4	0.3	1.0	82.9
4130	Intercity and rural bus transportation	25.6	28.1	2.5	9.8	31.4
4150	School buses	140.8	145.9	5.1	3.6	51.9
4200	Trucking and warehousing	1,744.9	1,812.9	68.0	3.9	52.0
4210	Trucking and courier services, except air	1,573.1	1,630.9	57.8	3.7	50.8
4220	Public warehousing and storage	166.3	176.4	10.1	6.1	68.3
4400	Water transportation	180.0	180.9	0.9	0.5	47.3
4440	Water transportation of freight, nec	14.7	15.1	0.4	2.7	40.4
4490	Water transportation services	120.4	119.9	(0.5)	(0.4)	52.7
4500	Transportation by air	1,183.2	1,237.3	54.1	4.6	10.6
4510	Air transportation, scheduled	1,007.8	1,051.5	43.7	4.3	4.5
4580	Airports, flying fields, and services	128.3	136.0	7.7	6.0	35.6
4600	Pipelines, except natural gas	13.9	13.3	(0.6)	(4.3)	10.3
4700	Transportation services	455.2	468.6	13.4	2.9	68.8
4720	Passenger transportation arrangement	219.4	221.8	2.4	1.1	69.4
4730	Freight transportation arrangement	182.9	195.1	12.2	6.7	76.7
4800	Communications	1,469.4	1,521.9	52.5	3.6	18.9
4810	Telephone communications	1,006.8	1,047.7	40.9	4.1	9.9
4830	Radio and television broadcasting	246.9	247.5	0.6	0.2	48.4
4840	Cable and other pay television services	181.1	189.2	8.1	4.5	16.3
4900	Electric, gas, and sanitary services	854.7	844.6	(10.1)	(1.2)	18.2
4910	Electric services	364.2	361.5	(2.7)	(0.7)	18.8
4920	Gas production and distribution	136.4	131.7	(4.7)	(3.4)	7.8
4930	Combination utility services	158.6	153.3	(5.3)	(3.3)	2.5
4950	Sanitary services	162.4	164.3	1.9	1.2	46.2
5000	Wholesale trade - durable goods	4,042.0	4,146.0	104.0	2.6	69.1
5010	Motor vehicles, parts, and supplies	518.0	532.4	14.4	2.8	69.7
5020	Furniture and home furnishings	165.7	170.9	5.2	3.1	84.3
5030	Lumber and other construction materials	263.6	275.9	12.3	4.7	77.0
5040	Professional and commercial equipment	918.3	981.6	63.3	6.9	53.2
5050	Metals and minerals, except petroleum	152.6	154.6	2.0	1.3	68.4
5060	Electrical goods	548.3	553.9	5.6	1.0	57.5
5070	Hardware, plumbing, and heating equipment	306.0	307.3	1.3	0.4	75.1
5080	Machinery, equipment, and supplies	834.9	838.8	3.9	0.5	80.2
5090	Misc wholesale trade durable goods	334.7	330.2	(4.5)	(1.3)	79.6
5100	Nondurable goods	2,789.0	2,858.0	69.0	2.5	58.5
5110	Paper and paper products	278.9	289.3	10.4	3.7	43.1
5120	Drugs, proprietaries, and sundries	238.4	258.0	19.6	8.2	36.0
5130	Apparel, piece goods, and notions	224.3	225.9	1.6	0.7	76.4
5140	Groceries and related products	921.6	936.8	15.2	1.6	51.3
5150	Farm-product raw materials	107.6	109.9	2.3	2.1	81.5
5160	Chemicals and allied products	155.3	161.0	5.7	3.7	60.0
5170	Petroleum and petroleum products	155.0	153.5	(1.5)	(1.0)	67.5
5180	Beer, wine, and distilled beverages	155.9	162.6	6.7	4.3	77.2
5190	Misc wholesale trade nondurable goods	552.3	561.2	8.9	1.6	68.2
5200	Building materials and garden supplies	947.7	987.3	39.6	4.2	57.3
5210	Lumber and other building materials	574.9	603.6	28.7	5.0	44.2
5230	Paint, glass, and wallpaper stores	64.4	66.9	2.5	3.9	65.8
5250	Hardware stores	166.3	168.9	2.6	1.6	85.4
5260	Retail nurseries and garden stores	97.5	102.1	4.6	4.7	88.5
5300	General merchandise stores	2,729.7	2,774.6	44.9	1.6	2.8
5310	Department stores	2,425.5	2,472.1	46.6	1.9	0.4

Table 5.2 Nonfarm Private Employment by Industry, 1998–1999

(thousands of jobs unless noted)

SIC Codes (1987)	Industry	Annual Employment		Absolute change	Percent change	Percent small 1997
		1998	1999			
5330	Variety stores	120.7	119.0	(1.7)	(1.4)	20.8
5390	Miscellaneous general merchandise stores	183.5	183.5	-	-	15.7
5400	Food stores	3,481.5	3,483.1	1.6	0.0	36.5
5410	Grocery stores	3,065.8	3,059.2	(6.6)	(0.2)	31.6
5420	Meat and fish markets	47.6	48.0	0.4	0.8	86.9
5450	Dairy products stores	13.3	14.4	1.1	8.3	(D)
5460	Retail bakeries	206.4	206.2	(0.2)	(0.1)	93.1
5500	Automotive dealers and service stations	2,341.2	2,405.7	64.5	2.8	78.6
5510	New and used car dealers	1,047.8	1,081.4	33.6	3.2	91.5
5530	Auto and home supply stores	398.0	405.3	7.3	1.8	48.5
5540	Gasoline service stations	689.4	701.5	12.1	1.8	68.1
5590	Automotive dealers, nec	9.7	10.1	0.4	4.1	(D)
5600	Apparel and accessory stores	1,142.7	1,179.8	37.1	3.2	29.2
5610	Men's and boys' clothing stores	82.3	79.6	(2.7)	(3.3)	51.8
5620	Women's clothing stores	272.2	276.4	4.2	1.5	32.4
5650	Family clothing stores	380.6	404.1	23.5	6.2	16.4
5660	Shoe stores	216.2	221.3	5.1	2.4	31.3
5700	Furniture and home furnishings stores	1,026.0	1,085.0	59.0	5.8	58.7
5710	Furniture and home furnishings stores	525.7	548.7	23.0	4.4	70.5
5720	Household appliance stores	67.5	68.3	0.8	1.2	85.9
5730	Radio, television, and computer stores	432.8	468.0	35.2	8.1	43.8
5800	Eating and drinking places	7,760.1	7,904.3	144.2	1.9	64.5
5900	Miscellaneous retail establishments	2,867.3	2,967.5	100.2	3.5	55.7
5910	Drug stores and proprietary stores	645.6	674.9	29.3	4.5	28.2
5920	Liquor stores	111.0	110.9	(0.1)	(0.1)	57.7
5930	Used merchandise stores	119.6	126.3	6.7	5.6	78.3
5940	Miscellaneous shopping goods stores	1,013.0	1,051.3	38.3	3.8	59.5
5960	Nonstore retailers	346.4	345.5	(0.9)	(0.3)	56.6
5980	Fuel dealers	95.5	97.6	2.1	2.2	73.7
5990	Retail stores, nec	536.1	561.1	25.0	4.7	82.3
6000	Depository institutions	2,042.2	2,046.5	4.3	0.2	32.4
6020	Commercial banks	1,468.4	1,464.7	(3.7)	(0.3)	24.0
6030	Savings institutions	257.7	255.7	(2.0)	(0.8)	39.8
6060	Credit unions	178.8	185.9	7.1	4.0	93.3
6100	Nondepository institutions	658.1	713.7	55.6	8.4	34.9
6140	Personal credit institutions	185.2	193.3	8.1	4.4	20.6
6150	Business credit institutions	122.7	132.1	9.4	7.7	26.8
6160	Mortgage bankers and brokers	327.9	364.7	36.8	11.2	52.1
6200	Security and commodity brokers	644.8	679.1	34.3	5.3	27.6
6210	Security brokers and dealers	481.9	506.6	24.7	5.1	19.5
6230	Commodity contracts brokers, dealers, exch.	26.4	25.6	(0.8)	(3.0)	14.2
6280	Security and commodity services	136.4	146.9	10.5	7.7	48.2
6300	Insurance carriers	1,597.5	1,634.6	37.1	2.3	9.4
6310	Life insurance	532.1	545.5	13.4	2.5	4.4
6320	Medical service and health insurance	356.2	367.4	11.2	3.1	10.5
6330	Fire, marine, and casualty insurance	548.3	553.4	5.1	0.9	8.2
6360	Title insurance	85.4	90.9	5.5	6.4	13.4
6400	Insurance agents, brokers, and service	746.3	767.0	20.7	2.8	77.3
6510	Real estate operators and lessors	582.8	584.0	1.2	0.2	87.5
6530	Real estate agents and managers	727.9	771.0	43.1	5.9	81.0
6550	Subdividers and developers	122.0	129.4	7.4	6.1	68.7
6700	Holding and other investment offices	248.0	266.2	18.2	7.3	52.0
6710	Holding offices	107.3	115.5	8.2	7.6	39.2
7000	Hotels and other lodging places	1,775.8	1,798.6	22.8	1.3	43.1
7010	Hotels and motels	1,718.6	1,736.7	18.1	1.1	42.5
7200	Personal services	1,194.7	1,205.9	11.2	0.9	76.0
7210	Laundry, cleaning, and garment services	435.9	433.8	(2.1)	(0.5)	78.8
7220	Photographic studios, portrait	59.9	51.9	(8.0)	(13.4)	57.0
7230	Beauty shops	410.5	420.0	9.5	2.3	88.6
7260	Funeral service and crematories	99.4	99.8	0.4	0.4	76.7

Table 5.2 Nonfarm Private Employment by Industry, 1998–1999
(thousands of jobs unless noted)

SIC Codes (1987)	Industry	Annual Employment		Absolute change	Percent change	Percent small 1997
		1998	1999			
7290	Miscellaneous personal services	174.1	186.6	12.5	7.2	56.4
7300	Business services	8,584.0	9,123.4	539.4	6.3	45.7
7310	Advertising	268.2	281.2	13.0	4.8	59.4
7320	Credit reporting and collection	143.9	149.8	5.9	4.1	64.9
7330	Mailing, reproduction, and stenographic serv.	316.1	324.6	8.5	2.7	71.0
7340	Services to buildings	950.3	988.2	37.9	4.0	65.0
7350	Misc equipment rental and leasing	258.3	267.9	9.6	3.7	68.7
7360	Personnel supply services	3,229.7	3,404.7	175.0	5.4	30.3
7370	Computer and data processing services	1,599.3	1,780.7	181.4	11.3	51.1
7380	Miscellaneous business services	1,818.2	1,926.4	108.2	6.0	51.1
7500	Auto repair, services, and parking	1,144.1	1,184.5	40.4	3.5	78.5
7510	Automotive rentals, without drivers	199.9	207.8	7.9	4.0	30.8
7520	Automobile parking	73.4	74.9	1.5	2.0	43.9
7530	Automotive repair shops	635.6	663.2	27.6	4.3	95.3
7540	Automotive services, except repair	235.2	238.7	3.5	1.5	87.1
7600	Miscellaneous repair services	381.9	396.7	14.8	3.9	78.7
7620	Electrical repair shops	113.4	118.7	5.3	4.7	65.4
7800	Motion pictures	573.4	600.1	26.7	4.7	39.3
7810	Motion picture production and services	252.1	265.4	13.3	5.3	35.8
7830	Motion picture theaters	138.1	144.2	6.1	4.4	29.5
7840	Video tape rental	165.3	170.5	5.2	3.1	58.6
7900	Amusement and recreation services	1,600.8	1,695.9	95.1	5.9	70.4
7930	Bowling centers	81.8	82.0	0.2	0.2	83.5
7990	Misc amusement and recreation services	1,189.3	1,268.4	79.1	6.7	69.0
8000	Health services	9,845.9	9,972.6	126.7	1.3	41.0
8010	Offices and clinics of medical doctors	1,802.9	1,865.2	62.3	3.5	79.5
8020	Offices and clinics of dentists	645.9	666.6	20.7	3.2	99.0
8040	Offices and clinics of other hlth practioners	449.7	452.4	2.7	0.6	88.8
8050	Nursing and personal care facilities	1,762.0	1,755.1	(6.9)	(0.4)	53.2
8060	Hospitals	3,926.1	3,969.7	43.6	1.1	9.4
8070	Medical and dental laboratories	198.5	202.1	3.6	1.8	58.0
8080	Home health care services	671.6	654.6	(17.0)	(2.5)	45.9
8100	Legal services	972.5	1,001.9	29.4	3.0	90.3
8200	Educational services	2,177.1	2,269.5	92.4	4.2	46.2
8210	Elementary and secondary schools	653.6	688.1	34.5	5.3	92.1
8220	Colleges and universities	1,248.8	1,281.8	33.0	2.6	16.1
8240	Vocational schools	86.2	93.8	7.6	8.8	80.9
8300	Social services	2,643.8	2,782.3	138.5	5.2	80.5
8320	Individual and family services	713.5	755.0	41.5	5.8	83.4
8330	Job training and related services	369.4	390.4	21.0	5.7	66.3
8350	Child day care services	604.5	632.3	27.8	4.6	84.6
8360	Residential care	746.7	780.7	34.0	4.6	79.9
8390	Social services, nec	209.8	224.0	14.2	6.8	80.6
8400	Museums & botanical & zoological gardens	92.6	94.4	1.8	1.9	81.5
8600	Membership organizations	2,361.1	2,401.6	40.5	1.7	91.2
8610	Business associations	108.7	111.6	2.9	2.7	88.0
8620	Professional organizations	61.5	65.7	4.2	6.8	91.3
8630	Labor organizations	142.9	146.2	3.3	2.3	92.0
8640	Civic and social associations	455.2	472.7	17.5	3.8	87.6
8700	Engineering and management services	3,185.3	3,419.5	234.2	7.4	62.4
8710	Engineering and architectural services	905.2	943.9	38.7	4.3	68.5
8720	Accounting, auditing, and bookkeeping	632.2	668.8	36.6	5.8	67.4
8730	Research and testing services	614.0	649.0	35.0	5.7	53.8
8740	Management and public relations	1,033.9	1,157.9	124.0	12.0	59.6
8900	Services, nec	52.1	56.8	4.7	9.0	75.3

nec = Not elsewhere classified, (D) = Disclosure (data suppressed to protect the confidentiality of individual firms).

Note: Agricultural services employment levels by firm size were disclosed for 1997 so 1996's percent small business was used.

Source: U.S. Small Business Administration, Office of Advocacy, from employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics and employment firm size data provided by the U.S. Department of Commerce, Bureau of the Census.

Table 5.3 Fastest and Largest Growing Industries in Employment, 1998–1999
(thousands)

SIC Codes (1987)	Industry	Annual Employment		Absolute Change 1998-1999	Percent Change 1998-1999	Percent Small 1997
		1998	1999			
Fastest Growing Industries in Employment, Ranked by Percent Change						
	Two-digit SIC level					
8900	Services, nec	52.1	56.8	4.7	9.0	75.3
6100	Nondepository institutions	658.1	713.7	55.6	8.4	34.9
8700	Engineering and management services	3,185.3	3,419.5	234.2	7.4	62.4
6700	Holding and other investment offices	248.0	266.2	18.2	7.3	52.0
7300	Business services	8,584.0	9,123.4	539.4	6.3	45.7
	Three-digit SIC level					
8740	Management and public relations	1,033.9	1,157.9	124.0	12.0	59.6
7370	Computer and data processing services	1,599.3	1,780.7	181.4	11.3	51.1
6160	Mortgage bankers and brokers	327.9	364.7	36.8	11.2	52.1
4130	Intercity and rural bus transportation	25.6	28.1	2.5	9.8	31.4
780	Landscape and horticultural services	459.1	503.2	44.1	9.6	84.0
Industries Generating the Most Jobs, Ranked by Absolute Change						
	Two-digit SIC level					
7300	Business services	8,584.0	9,123.4	539.4	6.3	45.7
8700	Engineering and management services	3,185.3	3,419.5	234.2	7.4	62.4
1700	Special trade contractors	3,774.1	3,978.0	203.9	5.4	92.9
5800	Eating and drinking places	7,760.1	7,904.3	144.2	1.9	64.5
8300	Social services	2,643.8	2,782.3	138.5	5.2	80.5
	Three-digit SIC level					
7370	Computer and data processing services	1,599.3	1,780.7	181.4	11.3	51.1
7360	Personnel supply services	3,229.7	3,404.7	175.0	5.4	30.3
8740	Management and public relations	1,033.9	1,157.9	124.0	12.0	59.6
7380	Miscellaneous business services	1,818.2	1,926.4	108.2	6.0	51.1
7990	Misc amusement and recreation services	1,189.3	1,268.4	79.1	6.7	69.0

Source: U.S. Small Business Administration, Office of Advocacy, from employment data provided by the U.S. Department of Labor, Bureau of Labor Statistics and employment firm size data provided by the U.S. Department of Commerce, Bureau of the Census.

APPENDIX B: A NOTE ON DATA

We have solid numbers on the share of small firms with regard to the private sector output (or private sector GDP) and employment, as small firms represent about half of the private sector output, and about half of the private sector employment.²⁹ This leads to the question of which group of businesses grew in output and employment.³⁰ While no current data is available, data for most of the 1990s shows that small firms represented about three-quarters of the employment growth and 90 percent of the new business location growth.³¹ With small firms representing most of the growth in the economy, it is not surprising that almost all firms start small, have room to grow, and often need to grow to a certain level to reach economies of scale. Large firms are often at the other end of the lifecycle.³²

Since almost all businesses are small (99.7 percent of the 5.5 million employer firms in 1997 had fewer than 500 employees) economic indicators such as the number of businesses, new employer firms, business terminations, and bankruptcies, give small business trends. However most current financial data are not disaggregated by firm size, and small firms represent only about half of the financial totals, making financial indicators difficult to interpret.

²⁹ See Joel Popkin et al., *Small Business Share of Private, Nonfarm Gross Domestic Product* (1997), a report prepared for the Office of Advocacy, and U.S. Small Business Administration, Office of Advocacy, *Small Business Growth by Major Industry* (1998). Both reports can be found at www.sba.gov/advo/research.

³⁰ As firms grow or shrink, they are counted in different size categories. Hence, a comparison of small firms' share of output and employment over time does not show which group caused overall growth or decline.

³¹ While small firms contribute substantially to the growth of the economy, the small firm share hovers at around half of the private sector economy, as some small firms become large firms and some large firms shrink into small firms.

³² Comparing small and large firm growth is difficult. Like animals and plants, most firms start small, fight to survive, and hopefully grow to maturity; many older and larger firms have already reached maturity and grow more slowly.