

Small Business Growth: Searching for Stylized Facts

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Office of Advocacy Working Paper

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Purpose

While firm size data exists, little firm age data exists. This has hampered efforts to understand the life-cycle of firms overall and by industry. There is a need to document the dynamics of new firms and the effect of the business cycle on the growth, decline and survival of firms.

Overall Findings

Growing firms are generally a constant share of the economy with a minor business cycle effect; firms with employment growth outnumber firms with employment decline, and fast growing firms in a given year tend to revert to the mean in later years.

Highlights

- About 35 percent of employer (private sector, nonfarm, single-establishment) firms had no employment change from one year to the next, about 11 percent closed each year, about 25 percent shrank in employment each year and about 28 percent grew in employment each year.

- The employment change categories fluctuated little over the ten-year period from 1992 to 2002, but the growing firms' share did shrink around the 2000 to 2002 downturn, suggesting a slight business cycle effect.

- A cohort of new firms mirrored the growth distribution of the universe by about their fifth or sixth year.

- The number of firms by size class peaks in their start-up year and declines over time. Most firms start in the 1-4 employment size class and do not grow beyond this size class.

- Fast growing firms (defined as having a 50 percent or more increase in annual employment with at least a five-employee increase) were a small share of all firms, numbering 139,761 out of the universe of 4,234,118 firms, or three percent in 1992.

- Fast growing firms had higher rates of shrinkage in employment following their large one-year employment increase. The year after fast growth, 55 percent of fast growers declined in employment versus the universe's 25 percent. Former fast growers continued to have higher rates of employment decline for at least eight years after their large employment growth.

- Most firms remain a one-location firm as few expand to multiple locations or merged with other firms. Although data issues exist, no more than 119,000 single-establishment firms became part of multi-establishment firms during the decade of analysis.

- Firm survival rates were very similar for firms born in 1992 and 1997 with a 50 percent survival rate after four years for both time periods. This gives the impression that survival rates fluctuate little over time. The survival rates here mirrored survival rates found a few decades ago using D&B data, giving further evidence that survival rates fluctuate little over time and verifying the findings from studies using D&B data.

- Industries that grew in employment did not necessarily have higher rates of fast growers but industries with high rates of fast growers tended to have high rates of decliners. So while some industries tended to be volatile, this did not seem to impact their overall employment.

- The authors showed that a publicly available reoccurring firm age dataset could be developed from existing Census data while maintaining the privacy of individual firms. Their work could be used as a blueprint for others to develop such a dataset.

Scope and Methodology

The report uses special tabulations from the U.S. Census Bureau's Statistics of U.S. Businesses

(SUSB) database to provide descriptive information showing how employer firms start, grow, are acquired or merged, or decline and close from 1992 to 2002. The tables are listed in the appendix and contain establishment and employment counts for cohorts, along with limited industry detail.

SUSB is based on Census' County Business Patterns, which is an establishment data set, but SUSB contains firm identifiers so firm data can be created. The special tabulations used focus on single-establishment firms to avoid firm age confusion caused by mergers and spin-offs. Focusing on single-establishment firms limits the study as the few firms that have explosive growth and open new establishments are excluded. Considering few firms become part of multi-establishment firms, the study focuses on the bulk of firms.

Nine propositions on the firm life-cycle were made and observations were used to verify or reject the propositions

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Small Business Growth: Searching for Stylized Facts

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and

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Abstract

Using special tabulations from the U.S. Census Bureau, we use aggregate data to follow a cohort of firms over 10 years from their formation and the universe of existing firms to track their growth/decline in employment. We created a table to show the employment change categories for a cohort of new single establishment firms drawn from the 1992 universe of single establishment firms from 1992 to 2002. We also created tables to show the employment change categories for the universe of single establishment firms in the cohort defining declining and growing firms as separate sub-cohorts. Some industry detail is also described. We offer propositions related to firm growth and use data contained in the tables to seek verification.

The tables provide evidence that growing firms are generally a constant share of the cohort with a minor business cycle effect; firms with employment growth outnumber firms with employment decline; and fast growing firms in a given year tend to revert to the mean in later years. We divided the dataset into 83 industrial sectors and found that industry performance does not seem to have much impact on the number of fast growing or declining firms and industries with many fast growing firms also tend to have many fast declining firms.

The empirical findings of this paper establish some basic stylized facts about the life cycle of firms and they suggest the need for creating recurring firm age data.

Introduction

In Robert Lucas' (1978) seminal paper on firm size, he predicted that the world would be taken over by large businesses (and used a fried chicken franchise as his example). With the benefit of hindsight, this has largely not occurred. Advances in technology, shifts in consumer tastes toward services, more available financing, and other factors have allowed new and continuing small businesses to maintain their share of the economy.

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The statements, findings, conclusions, and recommendations found in this study are those of the authors and do not necessarily reflect the views of the Office of Advocacy, the United States Small Business Administration, or the United States government, or the New Jersey Institute of Technology.

Not only have small businesses maintained their share, but the bulk of those businesses are very small. Data from the U.S. Census Bureau's Statistics of U.S. Businesses (SUSB) shows that the median employer firm's size was four employees and the mean was 23 in recent years. Firms with fewer than 20 employees are almost all single establishment firms, as they averaged 1.01 establishments per firm while firms with 20-99 employees averaged 1.32 establishments. These two categories constitute 99 percent of all firms in the U.S. Most firms with 1 to 99 employees start and stay small. This steady state is not surprising considering many owners have minimal interest in growing. The National Federation of Independent Business (2001) found only about half of its member firms (over 600,000) wanted to grow and only about 10 percent wanted to be "growth" firms. With these smaller firms continuing to be a large component of our dynamic economy, we need to know more about their life-cycle dynamics.

The purpose of this paper is to document the year-to-year dynamics of the U.S. small business sector by following cohorts of small businesses through time. Comparative aggregate statistics derived from the U.S. Census Bureau's published tables seem to show a stable economy. However, they hide individual firm dynamics as they start, grow, shrink, and exit.

We begin this paper with a brief overview of the research on business dynamics. This review is followed by a series of propositions and presentations of tables that suggest conclusions about these propositions. We conclude with a discussion of caveats.

Research On Small Business Formation, Growth, Decline And Closure

Theoretically, existing firms could live forever, and they could grow and shrink as necessary to meet competitive conditions. But firms do not survive forever, very few last 100 years or more. Contradictions such as these make it clear that theoretical discussions of the life cycle of firms must conform to empirical observations. Over the last thirty years, researchers have carried out significant research relating to firm formation, growth, survival, decline, and closure while focusing on industry and firm characteristics.² These small firm dynamic studies have taken three main paths: proportional growth, net job creation, and business survival. However, since most of the early findings were based on Dun & Bradstreet microdata and not a universal dataset, economists and statisticians were skeptical of the results because of the possibility of bias in the data collection methods (Williams, 1993). Second party data would be needed to verify the results.³

With regard to economic research on growth, the focus has been on the Law of Proportional Effects, or Gibrat's Law. Gibrat's Law states that firm growth rate is independent of firm size. Research results testing Gibrat's Law have been mixed. Simon and Bonini (1958) studied five hundred largest firms in the U.S. during 1954-56 and found that there was no difference in growth rates by size of these large firms. However, Evans (1987, 1987b)

² A very comprehensive review of the research in the 1980s and 1990s can be found in Caves (1998). More recent research is summarized in Haltiwanger, (2006).

³ Data by firm size data has been evolving. Although it dates back to 1954, the U.S. Census Bureau's Economic Census did not include most industries until 1992. And Census' other historical candidate, County Business Patterns, contains annual snapshots of the number of establishments (or business locations) not firms (or the entirety of the organization) and does not track establishments across years.

found that firm growth rate was negatively related to firm size. In other words, small firms grow faster than large firms do. Hall (1987) used data from manufacturing firms and found the same negative relationship between firm growth and size. Norton (1992) used the Compustat data files over a twenty-year period and found the negative relationship between size and growth rate to be quite robust.

While not a focus of this paper, the net employment growth by firm size has been at the center of a contentious debate the last few decades. David Birch (1979) used the D&B micro data and became a pioneer in small business research by finding that small firms created the majority of net new jobs in the U.S. between 1968 and 1976. At the time, Birch's research results were rejected by many (Davis, Haltiwanger and Schu, 1996). Following Birch (1987), Kirchoff (1994), also found that small startup firms created the majority of net new jobs in the U.S.⁴ Birch's job generation findings have largely been corroborated using the more widely accepted SUSB (Acs, Armington, and Robb, 1999) and Bureau of Labor Statistics data (U.S. Bureau of Labor Statistics, 2005 and Okolie, 2004).

Finally, business survival has been another topic of research. Studying manufacturing, Dunne, Roberts and Samuelson (1988) documented longitudinal cohort of survival rates using the longitudinal Census of Manufactures data file. Their results showed that survival of manufacturing firms was much greater than the frequently quoted "failure" rates. Using Dun & Bradstreet based micro data, Phillips and Kirchoff (1989) found survival rates of new businesses were much greater than the Dunne, et. al. finding and what was widely believed at the time. They also documented the increase of survival rates as firms become older and grow, and differences among industries and firm age. Audretsch and Acs (1994) evaluated much of the available research on the D&B based data and concluded that the patterns it yields, such as survival rates, are consistent with those from official Census records. Phillips and Kirchoff's (1989) results were also corroborated using U.S. Census Bureau (Headd, 2003) and Bureau of Labor Statistics data (Knaup, 2005). Headd (2003) also discovered that many firm closures occur when owners perceive the firm as successful, calling into question the use of closure as a proxy for failure.

This research is useful for economists but it fails to yield a theory of why firms form, grow, decline, or close. Theory does not tell us why 10 to 12 percent of employer firms enter and exit each year, or how some new and existing firms grow while others, similar in many respects, decline, or close. In the absence of a true economic theory of firm dynamics, we prefer to offer a descriptive approach that shows what actually occurs.⁵ This empirical approach seeking stylized facts is also recommended by Coad (2007).

⁴ D&B data has been recently used for establishment growth analysis in California. A detailed explanation of the NETS database and its analysis can be found in: Neumark, David, Junfu Zhang and Brandon Wall, *Business Establishment Dynamics and Employment Growth*, Public Policy Institute of California, November 2005.

⁵ Business school literature on business strategy and factors leading to individual firm growth is understood as important by the authors but not viewed as germane to this paper.

While proportional growth, net job creation, and business survival have garnered much attention from researchers, there has been a dearth of basic facts about firm growth that only a longitudinal database of the universe of firms can offer.⁶

Methodology

We use special tabulations from the U.S. Census Bureau's SUSB database to provide descriptive information showing how employer firms start, grow, are acquired, merged, or decline and close.⁷

SUSB is essentially an extension of Census County Business Patterns (CBP) with the addition of firm identifying codes on each establishment enabling the creation of either establishment or firm tabulations.⁸ CBP is populated from the Census Bureau's Company Organization Survey and the Economic Census in years ending in 2 and 7. SUSB contains individual establishment records for every year from 1989 through 2004 and is updated annually.⁹ As an extension of the static annual data SUSB tables, a longitudinally linked database of the universe of establishments Census created the "Business Information Tracking Series" (BITS).¹⁰

Per our request, Census extracted from BITS all records of firms identified as single establishment start-ups with employees. The U.S. Census Bureau produces special tabulations (at cost) as long as the results do not compromise the privacy of the underlying businesses.¹¹

Since BITS is a longitudinal file of establishments, it is difficult to determine the business age of multi-establishment firms. Multi-establishment firms can engage in mergers and spin-offs of establishments so it is not always clear which establishment's age would constitute the firm's age. To work around this issue, only single establishment firms with paid employees are tracked in this study, however single establishment firms becoming part of multi-establishment firms were recorded for completeness.

⁶ Note that the numerical results contained in the research are drawn from the entire population of non-farm firms in the U.S. Thus statistical tests for differences are meaningless since these are true differences drawn from the true population.

⁷ The authors would like to thank Trey Cole, U.S. Census Bureau, for his efforts in producing the tables. The authors would also like to acknowledge that the Office of Advocacy, U.S. Small Business Administration funded the special tabulations.

⁸ For published SUSB data see www.census.gov/csd/susb/susb.htm and/or www.sba.gov/advo/research/data.html. For an extended description of the methodology to create the data, see Armington (2004).

⁹ Census differentiates businesses as establishments and enterprises (firms). Establishments are places where work is performed. Firms are owners of establishments. Firms can have as few as one establishment or as many as hundreds. For example, the typical barbershop has one establishment. On the other hand, some of the largest companies can have over 1,000 establishments in the U.S.

¹⁰ In late-2005, the Bureau of Labor Statistics began to analyze its firm size data. They expanded their Business Employment Dynamics (BED) program to include quarterly job gains and losses by firm size dating back to mid-1992.

¹¹ Privacy considerations are a major reason for the nature of the data results presented herein as the authors did not have direct access to the data.

Excluding multi-establishment firms most likely excludes some high growth companies that Birch (1987) referred to as “gazelles,” as gazelles would be expected to open other establishments early in their life. This study therefore examines the garden-variety growth of most firms, not the dramatic growth of a few companies. Focusing on these single establishment firms limits our study but renders it far from irrelevant because few firms have multiple establishments.

We follow various cohorts in the attached appendix tables. We created a cohort to contain only those establishments that are not in the BITS file in 1991 but appear in the file for the first time in 1992 (i.e. have payroll in 1992 but not in 1991). This is the definition of “start-up” firms throughout this research. Using this same set of rules, we created a second research cohort containing all firms identified as single establishment start-ups in 1997. In both the 1992 and 1997 research cohort files, the total number of firms declines over time until the files end in 2002. This decline in number of firms is due to the closures that occur. Other cohorts followed include all single establishment companies in 1992 and cohorts of growth firms (from 1992-1993 percent employment increase of 50 percent or more and a minimum increase of five employees with another set using a minimum increase of 20 employees).¹²

Appendix A contains seven detailed tables on the life cycle of firms and their employment along with a brief description of the tables. Table A below summarizes the data.

¹² These tables are similar to tables produced by the U.S. Small Business Administration’s Small Business Data Base (SBDB) from Dun & Bradstreet (D&B) data a few decades ago. The SBDB covered the period of 1976 through 1988. Thus, the tables presented herein may serve as a comparison with the SBDB tables and as a way to determine societal changes that have occurred over the last two decades.

Table A: Summary of the Dynamics of Single Establishment Firms

| | All Firms | | Firms Started in 1992 | | Fast Growing Firms* | |
|--|-----------|-----------|-----------------------|-----------|---------------------|-----------|
| | 1992-1993 | 2001-2002 | 1992-1993 | 2001-2002 | 1992-1993 | 2001-2002 |
| Initial year number of single estab. firms | 4,234,118 | 4,774,866 | 538,145 | 171,605 | 139,761 | 78,034 |
| Closures | 484,561 | 579,600 | 135,636 | 16,664 | - | 5,956 |
| Became part of a multi-estab. firm: | 2,705 | 42,014 | ** 471 | 4,230 | - | 5,165 |
| with only one other estab. & <500 empl. | 837 | 34,801 | ** 89 | 2,429 | - | - |
| with more than one estab. & <500 empl. | 835 | 3,295 | 153 | 959 | - | - |
| with only one other estab. & 500+ empl. | 39 | 620 | 4 | 31 | - | - |
| with more than one estab. & 500+ empl. | 994 | 3,298 | 225 | 811 | - | - |
| Continuing as a single-estab. firm | 3,746,852 | 4,153,252 | 402,038 | 150,711 | 139,761 | 66,913 |
| Employment Change: | | | | | | |
| was -50.0% or less | 302,751 | 335,802 | 41,580 | 12,146 | - | 5,481 |
| was between -25.0% and -49.9% | 337,080 | 396,532 | 27,830 | 15,302 | - | 8,486 |
| was between -0.1% and -24.9% | 417,162 | 495,259 | 18,818 | 17,968 | - | 16,053 |
| was 0 | 1,491,217 | 1,668,836 | 157,534 | 61,573 | - | 12,319 |
| was between 0 and 24.9% | 365,919 | 398,343 | 16,855 | 13,993 | - | 12,676 |
| was between 25.0% and 49.9% | 272,157 | 283,733 | 22,634 | 10,650 | - | 5,442 |
| was between 50.0% and 99.9% | 228,400 | 243,096 | 30,441 | 8,507 | 47,495 | 3,355 |
| was between 100.0% and 199.9% | 215,513 | 229,520 | 48,722 | 7,513 | 38,900 | 1,866 |
| was 200.0% or greater | 116,653 | 102,131 | 37,624 | 3,059 | 53,366 | 1,235 |

* Annual employment growth of 50% or more in 1992-1993 with a minimum employment increase of five.

** Most likely inflated from corrections due to adjustments made from the Economic Census.

Source: Office of Advocacy, U.S. Small Business Administration, from data provided by the U.S. Census Bureau, Statistics of U.S. Businesses, special tabulations.

Propositions

Based upon previous research, discussions with many academics, business owners and economists, we developed nine propositions about business growth and we examine these using the special tabulations to shed light on the issues. These propositions emerge from earlier research literature or widely held views regarding small businesses. Following the statements of the propositions are a priori beliefs based on existing research followed by the results. The statistics reflect the period 1992 to 2002.

Proposition 1. Growing single establishment small firms are generally a constant percentage of an industry/economy, and that number fluctuates little over time

The view of many small business economists is that small businesses are a shock absorber for the economy, so the belief is that small growing firms would not fluctuate as much as large established firms (Boden, 1987, Popkin, 2003 and Kirchhoff and Phillips, 1988). During a downturn, large firm cutbacks leave openings for

small/new firms to fill. The number of new firms fluctuates little from year to year. This could lead to small businesses as a whole showing little fluctuation over time.

Results

With the limited number of categories, and the fact that employment changes are in percentages rather than number of employees (which would probably be more appropriate considering that most of the firms have fewer than five employees), using the tables to find the distribution of growth is problematic. But zero employment change was clearly the mode at a consistent 35 to 36 percent of the single establishment firm cohort during the decade of analysis (Table B).¹³ Table B shows that the share of small single establishment firms that achieve employment growth of 50 percent or more varied little from 1992 to 1999, fluctuating between 12.4 and 13.4 percent. However, the low percentage of high growth firms (11.4 and 12.0 respectively) appearing during the 2000 – 2002 economic downturn suggests a business cycle effect. This slight business cycle effect also appears in the subtotal of all declining firms. But like growing firms, declining firms' share of the total fluctuated little over the period analyzed.

Overall, both growing firms and declining firms are generally a constant share of this cohort, with some business cycle effect. The proposition is accepted.

Table B. Percent of Continuing Single Establishment Firms by Employment Change Category

| | 1992- 1993 | 1993- 1994 | 1994- 1995 | 1995- 1996 | 1996- 1997 | 1997- 1998 | 1998- 1999 | 1999- 2000 | 2000- 2001 | 2001- 2002 |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Closed | 11.4 | 11.5 | 11.2 | 11.2 | 11.3 | 11.5 | 11.5 | 11.4 | 11.5 | 12.1 |
| Became part of a multi-estab. | 0.1 | 0.1 | 0.1 | 0.2 | 0.9* | 0.1 | 0.1 | 0.1 | 0.1 | 0.9* |
| Decline of 50% or more | 7.2 | 7.7 | 6.8 | 6.8 | 6.5 | 6.7 | 6.5 | 6.3 | 6.6 | 7.0 |
| Decline of 25 to 49.9% | 8.0 | 7.7 | 7.5 | 7.8 | 7.6 | 7.7 | 7.6 | 7.4 | 7.9 | 8.3 |
| Decline of 0.1 to 24.9% | 9.9 | 9.5 | 9.4 | 10.0 | 9.7 | 10.0 | 10.0 | 9.8 | 10.5 | 10.4 |
| Decline Sub Total | 25.1 | 24.9 | 23.7 | 24.6 | 23.8 | 24.4 | 24.1 | 23.5 | 25.0 | 25.7 |
| No change | 35.2 | 34.8 | 35.5 | 35.8 | 35.7 | 36.0 | 36.3 | 36.2 | 36.5 | 35.0 |
| Increase of 0.1 to 24.9% | 8.6 | 8.9 | 9.2 | 9.0 | 9.0 | 9.0 | 9.2 | 9.5 | 9.2 | 8.3 |
| Increase of 25 to 49.9% | 6.4 | 6.7 | 6.9 | 6.5 | 6.5 | 6.5 | 6.5 | 6.8 | 6.3 | 5.9 |
| Increase of 50% or more | 13.2 | 13.1 | 13.4 | 12.6 | 12.8 | 12.4 | 12.4 | 12.6 | 11.4 | 12.0 |
| Increase Sub Total | 28.2 | 28.7 | 29.5 | 28.1 | 28.3 | 27.9 | 28.1 | 28.9 | 26.9 | 26.2 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Represents 4,234,118 firms in the 1992 to 1993 period. Closures are not included in the following year, while births are.

* Most likely inflated from corrections due to adjustments made from the Economic Census.

¹³ The results suffer from the standard problem that increasing employees from 1 to 2 is a 100 percent increase while decreasing from 2 to 1 is a 50 percent decrease.

Proposition 2. The number of shrinking single establishment firms is essentially the same as the number of growing firms.

Perline, Axtell, and Teitelbaum (2006) showed the growth distribution of firms centered around zero. However, firms tend to start small for various reasons (not the least of which is financial constraints) and if things go well, grow. This gives the impression that growing firms would outnumber decliners. To test this proposition, we examine the number of firms with employment growth and compare this to the number with employment decline.

Results

Making the judgment that the number of births and deaths cancel each other out, Table B above shows that the percent of firms with employment growth was consistently greater than the percent declining. Over the ten-year period analyzed in Table B above, the annual share of growers was 28.1 percent while the share of decliners was 24.5 percent. We view this 3.6 percent difference to be significant enough to reject the proposition that the number of decliners offsets the number of growers.¹⁴

Proposition 3. Businesses grow rapidly in their first few years followed by tempered growth.

It is widely believed that small businesses grow rapidly in their first few years followed by tempered or no growth. Although it has been argued that existing firm growth has centered around zero, positive net job generation figures for firms with 1-4 employees hints that new firms' growth distribution would be positive. However, following Gibrat's Law, one would believe that growth would be relatively flat over time. Many of the studies verifying Gibrat's Law exclude start-up firms initial growth, so including them would seem to indicate that a chart showing growth on the y-axis and time on the x-axis would have an initial rise for the first few years followed by a flat line. Alternatively, growth can occur in "spurts" a phenomena Birch (1987) perceived in his research with D&B data. Birch found that fast growth in year "t" was followed by zero or negative growth in year "t+1" and this was followed by one or more growth years in the following two to three years (t+2 or t+3).¹⁵

Results

The first row in Table C shows that new single establishment firms had sharply declining closure rates over time as 25.2 percent closed in the first year while 9.7 percent closed in the tenth year. By about the fifth or sixth year the growth distribution for new firms is similar to the universe of single establishment firms as shown by comparing 1996-1997 for Tables B and C. The largest difference among these columns is the small difference between Table B's 9.7 percent of firms declining 0.1 to 24.9 percent in employment versus Table C's 7.6 percent. Until this convergence, the universe of new firms tended to have more extreme (50 percent or more) growth than decline. It is likely that this is simply an artifact of them being smaller and thus any employment

¹⁴ With regard to employment, growers out gained shrinkers as the net employment gain was positive. And although the figures are not listed, single establishment firms represented 50 percent of the private sector total net employment gain from 1992 to 2002.

¹⁵ The data presented herein is not adequate to identify the "spurt" phenomena in this cohort of firms.

change is a larger percent change for the firm.¹⁶ Surprisingly, the percentage of new firms that had employment growth during each year of their first decade was within about one percent of the percentage of the universe with annual employment growth (comparing the growth subtotals for Table B and C). The results of this analysis are ambiguous, but considering the average employment firm size is so low, the percentage categories are magnifying what is likely occurring. On the other hand, as employment increases, it becomes harder to maintain the rate of the increase.

Another interesting finding is that with a few exceptions, for this birth year cohort, the number of firms and the amount of employment in employment firm size categories peaks in year one and declines over time (Table 4).¹⁷ This means fewer firms grow into the larger employment size categories than firm closures in the larger employment size categories. However, the ranks of the smaller size classes decline much quicker than the larger size classes.

These results do not provide adequate evidence to support or reject the proposition.

Table C. Percent of Single Establishment Firms Started in 1992 by Employment Change Categories

| | 1992- 1993 | 1993- 1994 | 1994- 1995 | 1995- 1996 | 1996- 1997 | 1997- 1998 | 1998- 1999 | 1999- 2000 | 2000- 2001 | 2001- 2002 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Closed | 25.2 | 17.9 | 15.0 | 13.3 | 12.2 | 11.4 | 10.5 | 9.9 | 9.5 | 9.7 |
| Became part of a multi. | 0.1 | 0.2 | 0.3 | 0.5 | 1.4 | 1.5 | 1.6 | 1.7 | 1.7 | 2.5* |
| Decline of 50% or more | 7.7 | 10.2 | 8.2 | 8.0 | 7.5 | 7.5 | 7.0 | 6.6 | 6.8 | 7.1 |
| Decline of 25 to 49.9% | 5.2 | 6.9 | 7.3 | 8.0 | 8.0 | 8.1 | 8.0 | 8.2 | 8.5 | 8.9 |
| Decline of 0.1 to 24.9% | 3.5 | 5.1 | 6.2 | 7.3 | 7.6 | 8.4 | 8.9 | 9.2 | 10.1 | 10.5 |
| Subtotal | 16.4 | 22.2 | 21.7 | 23.3 | 23.1 | 24 | 23.9 | 24 | 25.4 | 26.5 |
| No change | 29.3 | 31.9 | 34.2 | 35.3 | 35.7 | 36.1 | 36.8 | 36.8 | 37.6 | 35.9 |
| Increase of 0.1 to 24.9% | 3.1 | 4.7 | 5.9 | 6.7 | 7.2 | 7.5 | 8.2 | 8.7 | 8.8 | 8.2 |
| Increase of 25 to 49.9% | 4.2 | 5.7 | 6.4 | 6.5 | 6.6 | 6.8 | 6.8 | 7.1 | 6.6 | 6.2 |
| Increase of 50% or More | 21.7 | 17.2 | 16.5 | 14.4 | 13.9 | 12.7 | 12.1 | 11.8 | 10.3 | 11.1 |
| Subtotal | 29.0 | 27.6 | 28.8 | 27.6 | 27.7 | 27 | 27.1 | 27.6 | 25.7 | 25.5 |

Represents 538,145 firms in the 1992 to 1993 period and declines to 171,605 firms by the 2001 to 2002 period.

* Most likely inflated from corrections due to adjustments made from the Economic Census.

Proposition 4. Fast growers have persistent growth and thus do not experience decline to the mean after their fast growth.

Only 21 percent of cohort firms had 10 or more employees in 2002, giving the impression that growth would last only a few years for most firms. Recent research by Perline, Axtell, and Teitelbaum (2006) found that the distribution of existing firms changes little over time and that growth has persistence. However, Dunne and

¹⁶ Haltiwanger (2006) reports this same observation although he measures this up and down variation in employment and labels it “volatility.” He finds that volatility decreases with age and size of firm.

¹⁷ Note that this observation was borne out of discussions with Scott Shane of Case Western Reserve University.

Hughes (1994) who focused on “larger” small firms found prior growth rates to be poor predictors of future growth rates. Birch (1987) also noted from analysis of his data that firms having periods of rapid growth frequently experienced periods of slow growth or decline shortly thereafter. The “larger firm” focus in Dunne and Hughes research causes us to believe that persistence will match the dataset including the very small firms (Perline, Axtell and Teitelbaum, 2006).

We have some concern that firms growing into multi-establishment firms and thus leaving the growth tables would skew the results. However, the second data row of Table C shows that single establishment firms becoming part of multi-establishment firms is a relatively rare occurrence.

Results

The year after fast growth (minimum employment increase of 5 employees), a disproportionate number of firms experienced decline in employment. The number of single establishment firms that grew fast from 1992 to 1993 and had employment declines from 1993 to 1994 was 55 percent (Table D). This was much higher than the figure of around 25 percent of single establishment firms declining in employment. In addition, over the next few years, the former fast growers from 1992 to 1993 continued to outpace the universe in the percent of single establishments declining in employment. The results indicate that being a fast grower is generally a one-year phenomena, possibly growth related to a short-term project, followed by reverting to the mean. The proposition is rejected.

Table D. Percent of Growth Firms That Have Annual Employment Declines vs. Declines for All Firms

| | 1993- 1994 | 1994- 1995 | 1995- 1996 | 1996- 1997 | 1997- 1998 | 1998- 1999 | 1999- 2000 | 2000- 2001 | 2001- 2002 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Cohort of firms with 50 percent or more employment growth, and a min. inc. of 5 employees, 1992-1993 | 55.0 | 37.5 | 38.3 | 35.3 | 36.0 | 35.0 | 34.3 | 37.4 | 38.5 |
| Universe of all single establishment firms | 24.9 | 23.7 | 24.7 | 23.8 | 24.5 | 24.1 | 23.5 | 25.1 | 25.7 |

Proposition 5. Small single establishment firms tend to merge with or be acquired by small multi-establishment firms.

Merger research (Armington and Robb, 1998) finds small firms joining small firms and large firms joining large firms. They also found that the combined smalls tend to expand in employment and smalls that merge with large firms tend to shrink thereafter. This gives the impression that small firms merge to broaden product offerings, increase distribution capabilities, or create economies of scale to compete in an expanding market.

Results

The data in Table E show that, on average, small single establishment firms are slightly more likely to join firms

with fewer than 500 employees.¹⁸ However, considering most establishments belong to firms with fewer than 500 employees, large firms are almost as active merging with or acquiring small single establishment firms. Excluding economic census years, single establishment firms joined small multiple establishment firms with more than one other establishment (28.3 percent of joiners) at slightly higher rates than joining with one other establishment. This suggests that singles becoming part of multis is at least slightly more likely to be a merger of sorts rather than a single establishment opening a new location. It is also interesting to note that single establishment firms becoming part of a multiple establishment firm is a relatively rare occurrence, as shown in the second data row of Table B. From 1992 to 2002 and excluding the cleanup associated with the economic census years, the average percentage of singles becoming part of a multi was 0.1 percent. Considering the noisy nature of the data and the small numbers of events with regard to mergers and spin-offs, the results for this question are tenuous.

Table E. Average Annual Number of Single Establishment Firms Joining Other Firms by Firm Size

| Size of firm joined | Number of other establishments in joined firm | Annual Avg. | Percent |
|---------------------|---|--------------|-------------|
| <500 Employees | One other establishment | 1,181 | 27.0 |
| | More than one establishment | <u>1,236</u> | <u>28.3</u> |
| | Total | 2,417 | 55.2 |
| 500+ Employees | One other establishment | 65 | 1.5 |
| | More than one establishment | <u>1,893</u> | <u>43.3</u> |
| | Total | <u>1,958</u> | <u>44.8</u> |
| Total | | 4,374 | 100.0 |

Note: Excludes Economic Census years 1997 and 2002, which were artificially high due to limited information in non-Economic Census years for firms with fewer than 250 employees.

Proposition 6. Survival rates are similar over differing time periods.

Using different data sources, survival rates from the 1980s found by Phillips and Kirchhoff (1989), and survival rates from the 1990's found by Headd (2003) and Knaup (2005) were very similar. Survival rates are not expected to differ much across time except as affected by changes in the national economy.

Results

Similar to the other studies mentioned above, survival rates hovered around 50 percent after about 4 years, not the unsubstantiated and often misquoted 10 percent after the first year (see Table F). The data also show virtually identical survival rates for two separate periods. Comparing starts in only two periods does limit the findings however.

¹⁸ We recognize that many of the single-establishment firms joining multi-establishment firms around economic census years are in need of correction. This is common among firms with less than 500 employees but not with firms with 500 or more employees as the latter are surveyed on a more consistent basis.

The U. S. Small Business Administration’s Small Business Data Base (SBDB) survival rates (Phillips and Kirchoff, 1989) are not significantly different than that of the BITS. Both data sources reveal survival rates of a similar pattern and magnitude. This reinforces the conclusions of Audresch and Acs (1994) that the D&B data was closely representative of the reality of the U.S. economy during the 1978 – 1988 period. Furthermore, the similarity between the SBDB and BITS survival rates suggests that survival remained relatively constant from 1978 through 2002. Proposition 6 is accepted with careful caveats about the limited periods covered by the data.

Table F. Survival Rates (percentages)*

| Year | 1** | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|-----------------------|-----|----|----|----|----|----|----|----|----|----|
| Firms started in 1992 | 75 | 64 | 56 | 50 | 45 | 40 | 37 | 34 | 31 | 29 |
| Firms started in 1997 | 75 | 64 | 56 | 50 | 44 | -- | -- | -- | -- | -- |

*This does not include firms that became part of multiple establishment firms. After 5 years, multis were only one percent of the original single establishment firms.

** Technically this probably averages 1.5 years as the data captures a firm’s existence in March whereas the firm started some time in the 12 months before the March in which it was identified.

Industry Analysis

To facilitate industry analysis, we show the characteristics of 83 industries from 1998 to 2002. This period consistently used NAICS codes for industry identification. This industry detail allows focus on three additional questions.

Proposition 7. Growing industries will have a greater percentage of growing small firms.

It is likely that growing industries will attract new firms because of the growth in product and market expansions. The size of the subset of firms studied here are very small and their growth is probably more related to entering markets with innovations, filling niche markets, or achieving economies of scale. Whatever the case, an expanding industry will be an attractive opportunity for growth oriented small firms. Caves (1978) finds evidence of significant business turnover in growing industries and this turnover is correlated with the industry growth. Firm entries and exits are essentially the domain of very small firms. We are hypothesizing that growing firms are either expanding an industry or filling niches in expanding industries.¹⁹

Results

The 83 industries defined by their three-digit NAICS code from 1998 to 2002 were ranked from highest to lowest by percentage of employment growth. The highest 28 industries were considered high growth: the next 27 medium growth, and the last 28 low growth. We also ranked the 83 industries by the share of firms considered fast growers (employment increase of 50 percent with a minimum employment increase of 5). Table G shows

¹⁹ For an extended discussion of the relationship of entrepreneurship and economic growth, see Carree and Thurik, 2005.

the results of this analysis. No significant relationship appears between high growth industries and percent of high growth firms. In addition, a Chi Square test of this three-by-three matrix is not significant and the numbers do not show any appearance of a relationship. Proposition 7 is not supported.

Table G: Number of Industries by Proportion of Fast Growers and Industry Employment Growth, 1998 to 2002

| | | Fast Growers | | |
|----------------------------|--------|--------------|--------|-----|
| | | High | Medium | Low |
| Industry Employment Growth | High | 11 | 8 | 9 |
| | Medium | 7 | 6 | 14 |
| | Low | 10 | 13 | 5 |

Proposition 8. Industries with many growing firms also tend to have many declining firms.

SUSB data shows geographic areas and industries having similar levels of entry and exit. This leads one to believe that industries would also have similar levels of growing and declining firms.

Results

Table H analyzes 83 industry categories from 1998 to 2002. It is apparent that Table H shows high correlation between an industry having fast growers and fast decliners as most industries are in the same category for both growers and decliners. A Chi Square test shows a statistically significant relationship here. This indicates that some industries tend to be volatile and some tend to be stable. Proposition 8 is supported by this result.

Table H: Number of Industries by Proportion of Fast Growers and Fast Decliners, 1998 to 2002

| | | Fast Growers | | |
|----------------|--------|--------------|--------|-----|
| | | High | Medium | Low |
| Fast Decliners | High | 21 | 7 | 0 |
| | Medium | 7 | 17 | 3 |
| | Low | 0 | 3 | 25 |

Proposition 9. Growing firms tend more toward high-tech industries.

The high-tech industries are often thought of as those industries with gazelles whereas low-tech industries are often thought to be dominated by stable firms milking cash cows. Considering that high-tech is more associated with service industries, and that services' share of the economy is growing, this leads one to believe that growing firms would tend toward high-tech.

Results

Computer & electronic product mfg (NAICS 334), Publishing industries (NAICS 511), Information & data processing services (NAICS 514), and Professional, scientific & technical services (NAICS 541), are arguably the industries most perceived as high-tech. Table I shows slightly lower rates of fast growers and decliners

among the four industries deemed high-tech. But realistically, the industry classification used in Table I is not precise enough to answer this question accurately.

Table I. Percent of Fast Growing and Declining Firms: High Tech vs. Total

| | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 |
|---|-----------|-----------|-----------|-----------|
| Fast Growing (50% annual increase 5 emp. minimum) | | | | |
| Total | 3.0 | 3.2 | 2.8 | 2.6 |
| High-tech | 2.7 | 2.9 | 2.7 | 1.9 |
| Fast Declining (50% annual decrease, 5 emp. min.) | | | | |
| Total | 1.5 | 1.5 | 1.6 | 2.0 |
| High-tech | 1.1 | 1.1 | 1.2 | 1.8 |

Words of Caution

Although the dataset used represents the universe of employers, concerns exist. Data processing, the use of aggregates over microdata, the period chosen, and using employment as a proxy for firm size need to be considered in accepting or questioning the results above.

First, several data processing issues exist. Table A clearly shows the effect of the cleanup associated with Census' conducting the more inclusive Economic Census in years 1992 and 1997 versus the Company Organization Survey completed by a sample of firms in the intermediate years. Mergers show a spike but as a share of all firms, they are a small percentage. The results also suffer from the standard problem that increasing from 1 employee to 2 is doubling while decreasing from 2 employees to 1 is a 50 percent decline. But results from Table 4 give the impression that firms tend to stay in their first year's employment size class, so the base employment size tends to be the employment level of year one. Additionally, the small employment movements indicated by Tables 1 through 4 indicate that growth/decline categories focusing on the number of employees added/subtracted would have produced better results. The last point shows the difficulties in working with aggregate data; more precise life cycles of firms could be followed with microdata.

Second, the period of 1992 to 2002 may turn out to be unique since service industries were rising sharply relative to manufacturing in the economy. In addition, the late 1990's saw a technology bubble in the venture capital markets. Furthermore, baby-boomers were in their most productive decade. Additionally, the data captures only the number of employees and not the quality or quantities of labor hours. Measuring payroll dollars is an option, but this would also require adjustments for inflation industry by industry – a complex data adjustment.

Next Steps

The results of the attached tables give us an idea of what longitudinal data for firms with one establishment can provide. This information could be used as a baseline to develop annual business age data. Discussions with

interested data producers and funders will facilitate the process of getting a new valuable data source on business age.²⁰

Because of the limitation of studying single establishment firms, one feature of business growth that is not completely captured here is those firms Birch named “gazelles.” Using the definition of annual employment growth of 50 percent or more with employment growth of a minimum of 5 employees, about 3 percent of firms are fast growers. This is a relatively rare event indicating that the use of administrative data as apposed to survey data is needed to track them, but such data is difficult to obtain because of the problems of business firm confidentiality. In addition, mergers and spin-offs will need to be recorded more accurately to study fast growers.

Finally, the theory and reasons behind why the findings occurred in this empirical paper need to be analyzed more closely along with overcoming the limitation of the available datasets having only a few descriptive variables.

Conclusions

We probably know more about the life cycle of ants than we do the life cycle of businesses. This is not surprising considering the dearth of information by business age and the proliferation of animal science television shows. Simply stated, industrial organization and small business researchers are deprived of firm age data. The creation of tables following the growth and decline of single establishment firms (one-location companies) from U.S. Census data is an attempt to generate interest and rectify the situation. Because few firms grow beyond 500 employees and the few that do open branch establishments, this is essential a study of small and new businesses.

By analyzing the 1992 to 2002 period, we followed the ten-year life cycle of single establishment small firms. We also followed growth firms and displayed the distribution of growth among the universe of single establishment small firms. Single establishment firms were an integral to the economy during the decade of analysis as they accounted for about half of the private sector net employment increase.

The story developed here is that most firms do not grow much after start up, growing firms are generally a constant share of the universe with a minor business cycle effect, firms with employment growth slightly outnumber firms with employment decline, fast growing firms in one year tend to revert to the mean in later years, and business survival rates seem steady over time. Certain industries tend to be more volatile (lots of growing and declining firms) or steady (few growing or declining firms) but an industry’s overall growth or decline did not seem to impact this by much.

²⁰ Feedback to the authors is sought after so specifications and data can be created by business age.

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Appendix (Add Tables)

To add to the previous research mentioned above, we commissioned Census to create tables from SUSB' BITS to follow business growth. Below are brief descriptions of the tables for employer firms.

Table 1 – The universe of single establishment firms, and their associated employment, are listed by annual employment percentage change category, including joining multiple establishment firms, from March 1992 to March 2002.

Table 2 – Firms born between March 1991 and March 1992, and their associated employment, are listed by annual employment percentage change category, including joining multiple establishment firms, and followed from March 1992 to March 2002.

Table 3 – Firms deemed fast growers (50 employment increase with a minimum employment increase of 5 or 20) from March 1992 to March 1993 are listed by annual employment percentage change category, including joining multiple establishment firms, and followed from March 1992 to March 2002.

Table 4 – The annual employment size categories, including joining multiple establishment firms, are listed for the number of firms born between March 1991 and March 1992 and born between March 1996 and March 1997 and followed to March 2002.

Table 5 – Lists the number of single establishment firms (50 percent employment change for 83 industry categories from March 1998 to March 2002.

Table 6 – Lists the number of single establishment, fast growing and declining firms (50 percent employment change with a minimum employment change of 5) for 83 industry categories from March 1998 to March 2002.

Table 7 – Lists the number of single establishment, fast growing and declining firms (50 percent employment change with a minimum employment change of 20 employees) for 83 industry categories from March 1998 to March 2002.

Table 1: Growth Distribution for Single-Establishment Employer Enterprises with Initial-Year Employment: 1992-2002

| | 1992-1993 | 1993-1994 | 1994-1995 | 1995-1996 | 1996-1997 | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Number of Enterprises | | | | | | | | | | |
| Initial Year Total | 4,234,118 | 4,311,214 | 4,381,017 | 4,481,831 | 4,588,414 | 4,613,854 | 4,667,660 | 4,706,762 | 4,741,033 | 4,774,866 |
| Closures | 484,561 | 494,150 | 488,699 | 503,882 | 517,374 | 532,237 | 536,372 | 534,802 | 545,536 | 579,600 |
| Became Part of a Multi-Estab. Enterprise with Fewer Than 500 Emp. | 1,672 | 3,152 | 2,080 | 5,282 | 40,336 | 2,080 | 1,698 | 1,686 | 1,683 | 38,096 |
| Multiunit Enterprise Has Only One Other Establishment | 837 | 1,372 | 893 | 3,225 | 24,161 | 817 | 801 | 766 | 735 | 34,801 |
| Multiunit Enterprise Has More Than One Other Establishment | 835 | 1,780 | 1,187 | 2,057 | 16,175 | 1,263 | 897 | 920 | 948 | 3,295 |
| Became Part of a Multi-Estab. Enterprise with 500 or More Emp. | 1,033 | 2,021 | 2,033 | 2,383 | 1,889 | 2,611 | 1,877 | 2,059 | 1,644 | 3,918 |
| Multiunit Enterprise Has Only One Other Establishment | 39 | 60 | 72 | 140 | 118 | 71 | 41 | 60 | 38 | 620 |
| Multiunit Enterprise Has More Than One Other Establishment | 994 | 1,961 | 1,961 | 2,243 | 1,771 | 2,540 | 1,836 | 1,999 | 1,606 | 3,298 |
| Continuing as a Single-Establishment Enterprise - Total | 3,746,852 | 3,811,891 | 3,888,205 | 3,970,284 | 4,028,815 | 4,076,926 | 4,127,713 | 4,168,215 | 4,192,170 | 4,153,252 |
| Employment Change is -50.0% or Less | 302,751 | 332,248 | 296,282 | 305,570 | 300,125 | 310,118 | 304,465 | 295,598 | 315,214 | 335,802 |
| Employment Change is Between -25.0% and -49.9% | 337,080 | 332,839 | 329,367 | 350,329 | 347,022 | 357,529 | 353,152 | 349,912 | 376,423 | 396,532 |
| Employment Change is Between -0.1% and -24.9% | 417,162 | 408,638 | 413,252 | 449,552 | 443,025 | 460,600 | 465,970 | 462,359 | 499,104 | 495,259 |
| Employment Change is 0 | 1,491,217 | 1,498,610 | 1,556,485 | 1,603,999 | 1,636,722 | 1,661,905 | 1,692,110 | 1,703,006 | 1,729,220 | 1,668,836 |
| Employment Change is Between 0 and 24.9% | 365,919 | 384,733 | 404,639 | 402,334 | 415,017 | 413,970 | 429,528 | 447,053 | 433,957 | 398,343 |
| Employment Change is Between 25.0% and 49.9% | 272,157 | 288,570 | 300,844 | 291,958 | 299,526 | 298,747 | 304,939 | 317,828 | 296,786 | 283,733 |
| Employment Change is Between 50.0% and 99.9% | 228,400 | 241,457 | 250,257 | 239,941 | 248,685 | 245,707 | 248,047 | 256,451 | 239,975 | 243,096 |
| Employment Change is Between 100.0% and 199.9% | 215,513 | 216,928 | 225,639 | 218,322 | 227,212 | 220,948 | 221,358 | 225,332 | 209,174 | 229,520 |
| Employment Change is 200.0% or Greater | 116,653 | 107,868 | 111,440 | 108,279 | 111,481 | 107,402 | 108,144 | 110,676 | 92,317 | 102,131 |
| Number of Employees | | | | | | | | | | |
| Initial Year Total | 39,605,098 | 41,146,160 | 42,111,843 | 44,152,252 | 45,437,045 | 44,799,043 | 45,613,493 | 46,950,510 | 48,946,631 | 49,862,267 |
| Closures | 2,722,654 | 2,865,552 | 2,627,124 | 2,896,869 | 3,016,120 | 2,997,636 | 3,026,229 | 2,957,577 | 3,028,836 | 3,327,967 |
| Became Part of a Multi-Estab. Enterprise with Fewer Than 500 Emp. | 92,386 | 150,414 | 115,113 | 236,966 | 1,815,578 | 119,568 | 99,268 | 104,845 | 99,661 | 1,850,443 |
| Multiunit Enterprise Has Only One Other Establishment | 48,630 | 83,487 | 61,686 | 154,847 | 886,091 | 54,629 | 53,402 | 55,747 | 51,960 | 1,744,722 |
| Multiunit Enterprise Has More Than One Other Establishment | 43,756 | 66,927 | 53,427 | 82,119 | 929,487 | 64,939 | 45,866 | 49,098 | 47,701 | 105,721 |
| Became Part of a Multi-Estab. Enterprise with 500 or More Emp. | 140,533 | 323,271 | 326,428 | 430,324 | 511,914 | 354,104 | 274,765 | 329,367 | 255,352 | 850,860 |
| Multiunit Enterprise Has Only One Other Establishment | 27,305 | 40,729 | 46,384 | 108,464 | 82,819 | 37,928 | 20,828 | 60,782 | 30,677 | 473,141 |
| Multiunit Enterprise Has More Than One Other Establishment | 113,228 | 282,542 | 280,044 | 321,860 | 429,095 | 316,176 | 253,937 | 268,585 | 224,675 | 377,719 |
| Continuing as a Single-Establishment Enterprise - Total | 36,649,525 | 37,806,923 | 39,043,178 | 40,588,093 | 40,093,433 | 41,327,735 | 42,213,231 | 43,558,721 | 45,562,782 | 43,832,997 |
| Employment Change is -50.0% or Less | 2,686,963 | 2,782,986 | 2,384,679 | 2,618,680 | 2,432,110 | 2,625,173 | 2,427,551 | 2,394,272 | 2,817,497 | 3,459,194 |
| Employment Change is Between -25.0% and -49.9% | 3,511,686 | 3,394,743 | 3,407,177 | 3,956,065 | 3,627,053 | 3,978,494 | 3,799,179 | 3,778,556 | 4,438,710 | 5,143,942 |
| Employment Change is Between -0.1% and -24.9% | 9,603,473 | 9,618,850 | 10,057,387 | 11,226,947 | 10,391,630 | 11,199,971 | 11,345,589 | 11,332,148 | 12,733,800 | 12,503,033 |
| Employment Change is 0 | 5,598,098 | 5,604,792 | 5,808,775 | 6,017,122 | 6,096,271 | 6,188,198 | 6,336,656 | 6,375,192 | 6,569,212 | 6,236,928 |
| Employment Change is Between 0 and 24.9% | 9,759,243 | 10,408,900 | 10,934,917 | 10,785,332 | 11,228,346 | 11,134,601 | 11,860,246 | 12,608,026 | 12,595,987 | 10,793,264 |
| Employment Change is Between 25.0% and 49.9% | 2,918,239 | 3,215,461 | 3,497,283 | 3,245,838 | 3,407,711 | 3,365,086 | 3,550,241 | 3,866,597 | 3,505,323 | 3,068,135 |
| Employment Change is Between 50.0% and 99.9% | 1,562,463 | 1,747,668 | 1,863,938 | 1,707,636 | 1,821,451 | 1,786,421 | 1,835,497 | 2,037,455 | 1,871,595 | 1,687,418 |
| Employment Change is Between 100.0% and 199.9% | 720,208 | 749,441 | 792,177 | 748,233 | 790,047 | 763,128 | 775,359 | 841,207 | 763,295 | 682,070 |
| Employment Change is 200.0% or Greater | 289,152 | 284,082 | 296,845 | 282,240 | 298,814 | 286,663 | 282,913 | 325,268 | 267,363 | 259,013 |

Note: Time period is from March of the beginning year to March of the end year. The ranges for employment change are inclusive.

Source: 1989-2002 Business Information Tracking Series. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/epcd/subs/introusb.htm and www.census.gov/csd/subs/defterm.html.

Table 2: Growth Distribution for Single-Establishment Enterprises Starting in 1992 with Initial-Year Employment: 1992-2002

| | 1992-1993 | 1993-1994 | 1994-1995 | 1995-1996 | 1996-1997 | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of Enterprises | | | | | | | | | | |
| Initial Year Total | 538,145 | 402,509 | 343,375 | 302,849 | 270,889 | 244,089 | 221,396 | 202,293 | 185,829 | 171,605 |
| Closures | 135,636 | 72,096 | 51,531 | 40,296 | 33,026 | 27,710 | 23,311 | 20,098 | 17,717 | 16,664 |
| Became Part of a Multi-Estab. Enterprise with Fewer Than 500 Emp. | 242 | 516 | 603 | 865 | 2,951 | 2,847 | 2,707 | 2,495 | 2,366 | 3,388 |
| Multiunit Enterprise Has Only One Other Establishment | 89 | 199 | 225 | 388 | 1,546 | 1,481 | 1,408 | 1,322 | 1,237 | 2,429 |
| Multiunit Enterprise Has More Than One Other Establishment | 153 | 317 | 378 | 477 | 1,405 | 1,366 | 1,299 | 1,173 | 1,129 | 959 |
| Became Part of a Multi-Estab. Enterprise with 500 or More Emp. | 229 | 424 | 512 | 642 | 715 | 813 | 819 | 845 | 812 | 842 |
| Multiunit Enterprise Has Only One Other Establishment | 4 | 9 | 9 | 15 | 19 | 16 | 16 | 12 | 13 | 31 |
| Multiunit Enterprise Has More Than One Other Establishment | 225 | 415 | 503 | 627 | 696 | 797 | 803 | 833 | 799 | 811 |
| Continuing as a Single-Establishment Enterprise - Total | 402,038 | 329,473 | 290,729 | 261,046 | 234,197 | 212,719 | 194,559 | 178,855 | 164,934 | 150,711 |
| Employment Change is -50.0% or Less | 41,580 | 41,238 | 28,176 | 24,311 | 20,370 | 18,209 | 15,584 | 13,310 | 12,709 | 12,146 |
| Employment Change is Between -25.0% and -49.9% | 27,830 | 27,837 | 24,971 | 24,196 | 21,617 | 19,839 | 17,734 | 16,586 | 15,798 | 15,302 |
| Employment Change is Between -0.1% and -24.9% | 18,818 | 20,689 | 21,227 | 22,233 | 20,670 | 20,606 | 19,695 | 18,702 | 18,815 | 17,968 |
| Employment Change is 0 | 157,534 | 128,355 | 117,354 | 106,782 | 96,594 | 88,204 | 81,520 | 74,432 | 69,792 | 61,573 |
| Employment Change is Between 0 and 24.9% | 16,855 | 19,096 | 20,280 | 20,221 | 19,398 | 18,389 | 18,126 | 17,616 | 16,419 | 13,993 |
| Employment Change is Between 25.0% and 49.9% | 22,634 | 22,956 | 22,093 | 19,599 | 18,008 | 16,539 | 15,045 | 14,279 | 12,254 | 10,650 |
| Employment Change is Between 50.0% and 99.9% | 30,441 | 26,014 | 22,785 | 18,580 | 16,226 | 13,932 | 12,275 | 11,212 | 9,206 | 8,507 |
| Employment Change is Between 100.0% and 199.9% | 48,722 | 28,822 | 22,999 | 17,278 | 14,980 | 11,997 | 10,301 | 9,006 | 7,310 | 7,513 |
| Employment Change is 200.0% or Greater | 37,624 | 14,466 | 10,844 | 7,846 | 6,334 | 5,004 | 4,279 | 3,712 | 2,631 | 3,059 |
| Number of Employees | | | | | | | | | | |
| Initial Year Total | 2,924,794 | 2,735,693 | 2,538,914 | 2,489,615 | 2,380,498 | 2,245,491 | 2,171,769 | 2,107,822 | 2,078,706 | 1,979,807 |
| Closures | 646,154 | 378,449 | 272,177 | 217,474 | 188,000 | 164,645 | 146,870 | 122,020 | 122,395 | 116,073 |
| Became Part of a Multi-Estab. Enterprise with Fewer Than 500 Emp. | 7,328 | 17,511 | 17,945 | 30,147 | 125,452 | 81,822 | 77,984 | 74,278 | 73,326 | 127,065 |
| Multiunit Enterprise Has Only One Other Establishment | 2,995 | 7,164 | 8,595 | 15,452 | 55,495 | 41,750 | 39,701 | 38,532 | 36,781 | 95,760 |
| Multiunit Enterprise Has More Than One Other Establishment | 4,333 | 10,347 | 9,350 | 14,695 | 69,957 | 40,072 | 38,283 | 35,746 | 36,545 | 31,305 |
| Became Part of a Multi-Estab. Enterprise with 500 or More Emp. | 21,756 | 99,349 | 116,207 | 167,807 | 192,692 | 205,629 | 238,982 | 253,503 | 245,281 | 258,561 |
| Multiunit Enterprise Has Only One Other Establishment | 8,993 | 3,768 | 4,176 | 5,139 | 6,649 | 6,199 | 6,210 | 5,416 | 8,620 | 14,991 |
| Multiunit Enterprise Has More Than One Other Establishment | 12,763 | 95,581 | 112,031 | 162,668 | 186,043 | 199,430 | 232,772 | 248,087 | 236,661 | 243,570 |
| Continuing as a Single-Establishment Enterprise - Total | 2,249,556 | 2,240,384 | 2,132,585 | 2,074,187 | 1,874,354 | 1,793,395 | 1,707,933 | 1,658,021 | 1,637,704 | 1,478,108 |
| Employment Change is -50.0% or Less | 288,116 | 323,215 | 211,111 | 196,804 | 157,269 | 140,980 | 119,586 | 106,089 | 109,347 | 133,164 |
| Employment Change is Between -25.0% and -49.9% | 248,661 | 255,089 | 234,482 | 246,859 | 214,913 | 200,041 | 178,448 | 164,599 | 186,258 | 191,227 |
| Employment Change is Between -0.1% and -24.9% | 387,121 | 404,441 | 424,106 | 462,984 | 410,505 | 441,272 | 409,021 | 396,083 | 421,548 | 401,727 |
| Employment Change is 0 | 345,621 | 327,868 | 323,756 | 314,532 | 296,905 | 280,976 | 272,962 | 257,840 | 249,376 | 221,787 |
| Employment Change is Between 0 and 24.9% | 377,327 | 412,780 | 448,387 | 448,243 | 430,393 | 402,388 | 424,008 | 423,964 | 422,817 | 326,076 |
| Employment Change is Between 25.0% and 49.9% | 197,261 | 215,328 | 220,840 | 199,776 | 188,400 | 174,940 | 168,114 | 175,554 | 139,890 | 116,030 |
| Employment Change is Between 50.0% and 99.9% | 177,579 | 170,243 | 164,268 | 127,309 | 110,317 | 100,736 | 90,207 | 91,341 | 77,651 | 60,789 |
| Employment Change is Between 100.0% and 199.9% | 141,426 | 94,034 | 77,641 | 58,508 | 49,724 | 39,654 | 34,800 | 31,306 | 24,439 | 20,467 |
| Employment Change is 200.0% or Greater | 86,444 | 37,386 | 27,994 | 19,172 | 15,928 | 12,408 | 10,787 | 11,245 | 6,378 | 6,841 |

Notes: The ranges for employment change are inclusive.

The number of enterprises starting in 1992 is defined as the number of single-establishment enterprises with 0 employment as of March 12, 1991 and positive employment as of March 12, 1992.

The number of enterprises and corresponding employment for each span of years is defined by the number of 1992 start-up enterprises with positive employment as of March 12 in the initial year.

Source: 1989-2002 Business Information Tracking Series. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/epcd/susb/introub.htm and www.census.gov/csd/susb/defterm.html

Table 3: Growth Distribution for Fast-Growing Single-Establishment Enterprises in 1992: 1992-2002

| | 1992-1993 | 1993-1994 | 1994-1995 | 1995-1996 | 1996-1997 | 1997-1998 | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of Enterprises - Percent Employment Increase of 50% or More and a Minimum Increase of 5 Employees from 1992-1993 | | | | | | | | | | |
| Initial Year Total | 139,761 | 139,761 | 127,967 | 117,780 | 109,302 | 101,496 | 94,378 | 88,279 | 82,883 | 78,034 |
| Closures | - | 11,794 | 11,169 | 9,617 | 8,757 | 7,995 | 6,900 | 6,195 | 5,597 | 5,956 |
| Has Become Part of a Multi-Establishment Enterprise | - | 439 | 705 | 1,209 | 4,385 | 4,472 | 4,372 | 4,233 | 4,071 | 5,165 |
| Continuing as a Single-Establishment Enterprise - Total | 139,761 | 127,528 | 116,093 | 106,954 | 96,160 | 89,029 | 83,106 | 77,851 | 73,215 | 66,913 |
| Employment Change is -50.0% or Less | - | 30,339 | 11,847 | 9,625 | 7,716 | 6,997 | 5,875 | 5,034 | 5,117 | 5,481 |
| Employment Change is Between -25.0% and -49.9% | - | 21,665 | 14,109 | 13,176 | 10,942 | 10,236 | 9,037 | 8,239 | 8,320 | 8,486 |
| Employment Change is Between -0.1% and -24.9% | - | 24,831 | 21,995 | 22,342 | 19,955 | 19,266 | 18,160 | 16,967 | 17,555 | 16,053 |
| Employment Change is 0 | - | 8,393 | 15,396 | 15,944 | 15,697 | 15,092 | 14,831 | 14,138 | 13,805 | 12,319 |
| Employment Change is Between 0 and 24.9% | - | 19,885 | 22,134 | 20,779 | 19,375 | 18,182 | 17,599 | 16,913 | 15,321 | 12,676 |
| Employment Change is Between 25.0% and 49.9% | - | 10,865 | 13,450 | 11,490 | 10,025 | 9,037 | 8,375 | 7,979 | 6,555 | 5,442 |
| Employment Change is Between 50.0% and 99.9% | 47,495 | 7,581 | 9,291 | 7,334 | 6,557 | 5,412 | 4,934 | 4,548 | 3,612 | 3,355 |
| Employment Change is Between 100.0% and 199.9% | 38,900 | 2,979 | 4,890 | 3,836 | 3,567 | 2,935 | 2,594 | 2,475 | 1,944 | 1,866 |
| Employment Change is 200.0% or Greater | 53,366 | 990 | 2,981 | 2,428 | 2,326 | 1,872 | 1,701 | 1,558 | 986 | 1,235 |
| Number of Enterprises - Percent Employment Increase of 50% or More and a Minimum Increase of 20 Employees from 1992-1993 | | | | | | | | | | |
| Initial Year Total | 24,602 | 24,602 | 22,426 | 20,695 | 19,165 | 17,736 | 16,546 | 15,515 | 14,647 | 13,846 |
| Closures | - | 2,176 | 1,887 | 1,666 | 1,549 | 1,314 | 1,140 | 978 | 888 | 1,052 |
| Has Become Part of a Multi-Establishment Enterprise | - | 243 | 388 | 643 | 1,759 | 1,817 | 1,788 | 1,727 | 1,652 | 1,954 |
| Continuing as a Single-Establishment Enterprise - Total | 24,602 | 22,183 | 20,151 | 18,386 | 15,857 | 14,605 | 13,618 | 12,810 | 12,107 | 10,840 |
| Employment Change is -50.0% or Less | - | 6,198 | 2,297 | 1,736 | 1,275 | 1,155 | 979 | 819 | 862 | 944 |
| Employment Change is Between -25.0% and -49.9% | - | 3,237 | 2,259 | 2,157 | 1,725 | 1,538 | 1,361 | 1,292 | 1,327 | 1,396 |
| Employment Change is Between -0.1% and -24.9% | - | 4,428 | 4,382 | 4,700 | 3,933 | 3,842 | 3,593 | 3,362 | 3,517 | 3,185 |
| Employment Change is 0 | - | 420 | 1,304 | 1,400 | 1,402 | 1,391 | 1,350 | 1,310 | 1,337 | 1,145 |
| Employment Change is Between 0 and 24.9% | - | 4,102 | 4,872 | 4,457 | 4,003 | 3,778 | 3,639 | 3,455 | 3,101 | 2,437 |
| Employment Change is Between 25.0% and 49.9% | - | 1,796 | 2,272 | 1,775 | 1,565 | 1,322 | 1,256 | 1,233 | 988 | 773 |
| Employment Change is Between 50.0% and 99.9% | 6,938 | 1,292 | 1,493 | 1,109 | 985 | 786 | 733 | 704 | 525 | 466 |
| Employment Change is Between 100.0% and 199.9% | 5,808 | 524 | 766 | 587 | 541 | 453 | 393 | 356 | 279 | 260 |
| Employment Change is 200.0% or Greater | 11,856 | 186 | 506 | 465 | 428 | 340 | 314 | 279 | 171 | 234 |

Notes: The ranges for employment change are inclusive.

The number of fast-growing enterprises is defined as the number of single-establishment enterprises with: positive employment as of March 12 in both 1992 and 1993, a percent increase employment of 50% or more, and a minimum net increase in employment of either 5 or 20 employees.

Source: 1989-2002 Business Information Tracking Series. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/epcd/sub/introusb.htm and www.census.gov/csd/sub/defterm.html.

Table 4: Enterprise Size Distribution for Single-Establishment Enterprises Starting in 1992 and 1997, Respectively, Tracked Through 2002

| | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Enterprises Starting in 1992 | | | | | | | | | | | |
| No Longer in Operation | 0 | 135,636 | 194,770 | 235,296 | 267,256 | 294,056 | 316,749 | 335,852 | 352,316 | 366,540 | 380,008 |
| Has Become Part of a Multi-Estab. Enterprise with Fewer Than 500 Emp. | 0 | 242 | 526 | 607 | 868 | 2,967 | 2,859 | 2,716 | 2,503 | 2,376 | 3,406 |
| Has Become Part of a Multi-Estab. Enterprise with 500 or More Emp. | 0 | 229 | 436 | 519 | 647 | 717 | 819 | 826 | 848 | 819 | 850 |
| Continuing as a Single-Establishment Enterprise - Total | 538,145 | 402,038 | 342,413 | 301,723 | 269,374 | 240,405 | 217,718 | 198,751 | 182,478 | 168,410 | 153,881 |
| Enterprise Has 1-4 Employees | 403,547 | 273,242 | 225,092 | 190,592 | 165,343 | 144,918 | 128,509 | 114,977 | 102,983 | 94,188 | 86,137 |
| Enterprise Has 5-9 Employees | 78,875 | 71,839 | 64,749 | 59,772 | 55,275 | 50,522 | 46,526 | 42,888 | 39,937 | 36,798 | 33,647 |
| Enterprise Has 10-19 Employees | 33,766 | 34,424 | 31,605 | 30,269 | 28,478 | 26,442 | 24,889 | 23,540 | 22,432 | 20,925 | 19,585 |
| Enterprise Has 20-99 Employees | 20,155 | 20,737 | 19,175 | 19,272 | 18,537 | 16,962 | 16,276 | 15,806 | 15,549 | 14,932 | 13,261 |
| Enterprise Has 100-249 Employees | 1,411 | 1,403 | 1,422 | 1,422 | 1,378 | 1,243 | 1,204 | 1,216 | 1,239 | 1,238 | 987 |
| Enterprise Has 250-499 Employees | 258 | 277 | 258 | 280 | 255 | 217 | 219 | 229 | 236 | 234 | 192 |
| Enterprise Has 500+ Employees | 133 | 116 | 112 | 116 | 108 | 101 | 95 | 95 | 102 | 95 | 72 |
| Enterprises Starting in 1997 | | | | | | | | | | | |
| No Longer in Operation | 0 | 0 | 0 | 0 | 0 | 0 | 144,310 | 210,015 | 255,874 | 292,357 | 324,399 |
| Has Become Part of a Multi-Estab. Enterprise with Fewer Than 500 Emp. | 0 | 0 | 0 | 0 | 0 | 0 | 398 | 559 | 611 | 638 | 2,835 |
| Has Become Part of a Multi-Estab. Enterprise with 500 or More Emp. | 0 | 0 | 0 | 0 | 0 | 0 | 482 | 688 | 820 | 817 | 972 |
| Continuing as a Single-Establishment Enterprise - Total | 0 | 0 | 0 | 0 | 0 | 584,451 | 439,261 | 373,189 | 327,146 | 290,639 | 256,245 |
| Enterprise Has 1-4 Employees | 0 | 0 | 0 | 0 | 0 | 444,306 | 304,537 | 247,082 | 208,030 | 181,143 | 158,209 |
| Enterprise Has 5-9 Employees | 0 | 0 | 0 | 0 | 0 | 81,739 | 74,840 | 67,885 | 62,439 | 56,361 | 51,260 |
| Enterprise Has 10-19 Employees | 0 | 0 | 0 | 0 | 0 | 35,842 | 36,234 | 34,833 | 33,133 | 30,598 | 27,440 |
| Enterprise Has 20-99 Employees | 0 | 0 | 0 | 0 | 0 | 20,616 | 21,673 | 21,383 | 21,348 | 20,377 | 17,723 |
| Enterprise Has 100-249 Employees | 0 | 0 | 0 | 0 | 0 | 1,507 | 1,559 | 1,574 | 1,693 | 1,662 | 1,247 |
| Enterprise Has 250-499 Employees | 0 | 0 | 0 | 0 | 0 | 313 | 285 | 289 | 361 | 349 | 262 |
| Enterprise Has 500+ Employees | 0 | 0 | 0 | 0 | 0 | 128 | 133 | 143 | 142 | 149 | 104 |

Notes: The enterprise size employee ranges are inclusive and represent the enterprise size as of the year in the column header.

The number of enterprises starting in 1992 is defined as the number of single-establishment enterprises with 0 employment as of March 12, 1991 and positive employment as of March 12, 1992.

The number of enterprises starting in 1997 is defined as the number of single-establishment enterprises with 0 employment as of March 12, 1996 and positive employment as of March 12, 1997.

The number of enterprises that are no longer in operation in a given year are the number of 1992 or 1997 enterprise start-ups, respectively, with 0 employment as of March 12 of the given year.

Source: 1989-2003 Business Information Tracking Series. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/epcd/sub/introusb.htm and www.census.gov/csd/sub/defterm.html.

Table 5: Initial Year Single-Establishment Enterprises: 1998-2002

| | | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank |
|--|-------|-----------|-----------|-----------|-----------|------|
| Initial-Year Single-Establishment Enterprises with 1 or More Employees | | | | | | |
| Total | -- | 4,667,660 | 4,706,762 | 4,741,033 | 4,774,866 | -- |
| Forestry, fishing, hunting, and ag. support | 11 | 21,454 | 21,400 | 20,703 | 21,368 | -- |
| Mining | 21 | 16,254 | 15,343 | 15,192 | 15,682 | -- |
| Utilities | 22 | 5,302 | 5,374 | 5,687 | 6,093 | -- |
| Construction | 23 | 575,370 | 587,661 | 596,533 | 590,814 | -- |
| Manufacturing | 31-33 | 272,983 | 268,166 | 264,056 | 264,210 | -- |
| Wholesale trade | 42 | 298,220 | 294,674 | 292,414 | 287,680 | -- |
| Retail trade | 44-45 | 614,418 | 608,187 | 609,841 | 614,131 | -- |
| Transportation & warehousing | 48-49 | 124,754 | 127,413 | 128,907 | 130,166 | -- |
| Information | 51 | 58,572 | 59,749 | 62,428 | 62,375 | -- |
| Finance & insurance | 52 | 179,531 | 183,330 | 185,316 | 190,289 | -- |
| Real estate & rental & leasing | 53 | 197,817 | 199,651 | 200,927 | 203,972 | -- |
| Professional, scientific & technical services | 54 | 529,282 | 543,981 | 554,469 | 569,147 | -- |
| Management of companies & enterprises | 55 | 3,848 | 4,545 | 4,959 | 5,048 | -- |
| Admin, support, waste mgt, remediation srv. | 56 | 240,738 | 243,874 | 244,523 | 251,132 | -- |
| Educational services | 61 | 48,764 | 50,237 | 51,627 | 53,913 | -- |
| Health care and social assistance | 62 | 458,384 | 458,186 | 462,148 | 472,682 | -- |
| Arts, entertainment & recreation | 71 | 73,740 | 74,456 | 75,412 | 77,236 | -- |
| Accommodation & food services | 72 | 339,128 | 339,640 | 339,100 | 342,021 | -- |
| Other services (except public administration) | 81 | 587,901 | 589,914 | 591,420 | 592,355 | -- |
| Auxiliaries (exc corporate, subsidiary & reg. mgt) | 95 | 1 | 3 | 5 | 4 | -- |
| Unclassified establishments | 99 | 21,199 | 30,978 | 35,366 | 24,548 | -- |
| Forestry and logging | 113 | 11,851 | 11,660 | 11,332 | 11,019 | -- |
| Fishing, hunting & trapping | 114 | 1,552 | 1,610 | 1,664 | 1,720 | -- |
| Agriculture & forestry support activities | 115 | 8,051 | 8,130 | 7,707 | 8,629 | -- |
| Oil & gas extraction | 211 | 5,663 | 5,272 | 5,279 | 5,334 | -- |
| Mining (except oil & gas) | 212 | 3,731 | 3,635 | 3,636 | 3,627 | -- |
| Mining support activities | 213 | 6,860 | 6,436 | 6,277 | 6,721 | -- |
| Utilities | 221 | 5,302 | 5,374 | 5,687 | 6,093 | -- |
| Building, developing & general contracting | 233 | 174,814 | 179,221 | 179,775 | 180,320 | -- |
| Heavy construction | 234 | 33,501 | 33,425 | 33,127 | 34,364 | -- |
| Special trade contractors | 235 | 367,055 | 375,015 | 383,631 | 376,130 | -- |
| Food mfg | 311 | 18,907 | 18,168 | 17,970 | 18,239 | -- |
| Beverage & tobacco product mfg | 312 | 1,725 | 1,742 | 1,828 | 2,126 | -- |
| Textile mills | 313 | 3,032 | 2,965 | 2,927 | 2,940 | -- |
| Textile product mills | 314 | 5,728 | 5,836 | 5,625 | 5,688 | -- |
| Apparel manufacturing | 315 | 13,480 | 12,485 | 12,647 | 12,485 | -- |
| Leather & allied product mfg | 316 | 1,386 | 1,348 | 1,370 | 1,390 | -- |
| Wood product mfg | 321 | 13,391 | 13,224 | 13,159 | 13,180 | -- |
| Paper mfg | 322 | 2,944 | 2,895 | 2,847 | 2,850 | -- |
| Printing & related support activities | 323 | 36,205 | 35,120 | 33,662 | 32,761 | -- |
| Petroleum & coal products mfg | 324 | 713 | 721 | 700 | 703 | -- |
| Chemical mfg | 325 | 7,295 | 7,279 | 7,275 | 7,313 | -- |
| Plastics & rubber products mfg | 326 | 10,826 | 10,708 | 10,406 | 10,207 | -- |
| Nonmetallic mineral product mfg | 327 | 9,585 | 9,498 | 9,339 | 9,441 | -- |
| Primary metal mfg | 331 | 3,175 | 3,341 | 3,748 | 4,143 | -- |
| Fabricated metal product mfg | 332 | 51,916 | 51,246 | 50,214 | 50,243 | -- |
| Machinery mfg | 333 | 23,452 | 23,069 | 22,437 | 22,202 | -- |
| Computer & electronic product mfg | 334 | 12,178 | 11,971 | 11,779 | 11,857 | -- |
| Electrical equip, appliance & component mfg | 335 | 4,663 | 4,627 | 4,605 | 4,519 | -- |
| Transportation equipment mfg | 336 | 8,939 | 8,813 | 8,667 | 8,620 | -- |
| Furniture & related product mfg | 337 | 17,148 | 16,970 | 16,768 | 17,489 | -- |
| Miscellaneous mfg | 339 | 26,295 | 26,140 | 26,083 | 25,814 | -- |
| Wholesale trade, durable goods | 421 | 191,274 | 189,208 | 188,157 | 185,066 | -- |
| Wholesale trade, nondurable goods | 422 | 106,946 | 105,466 | 104,257 | 102,614 | -- |
| Motor vehicle & parts dealers | 441 | 81,558 | 80,434 | 81,262 | 81,978 | -- |
| Furniture & home furnishing stores | 442 | 40,038 | 39,902 | 40,297 | 41,491 | -- |

Table 5: Initial Year Single-Establishment Enterprises: 1998-2002 - continued

| | | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank |
|--|-----|-----------|-----------|-----------|-----------|------|
| Electronics & appliance stores | 443 | 26,262 | 26,416 | 26,593 | 27,543 | -- |
| Bldg material & garden equip & supp dealers | 444 | 56,587 | 55,938 | 55,777 | 57,649 | -- |
| Food & beverage stores | 445 | 92,592 | 93,168 | 96,228 | 98,202 | -- |
| Health & personal care stores | 446 | 37,029 | 36,650 | 36,654 | 36,977 | -- |
| Gasoline stations | 447 | 58,137 | 56,268 | 54,778 | 53,727 | -- |
| Clothing & clothing accessories stores | 448 | 58,533 | 57,023 | 56,484 | 56,752 | -- |
| Sporting goods, hobby, book & music stores | 451 | 37,818 | 37,002 | 36,136 | 35,717 | -- |
| General merchandise stores | 452 | 8,449 | 8,730 | 8,749 | 8,654 | -- |
| Miscellaneous store retailers | 453 | 88,318 | 88,296 | 87,501 | 86,761 | -- |
| Nonstore retailers | 454 | 29,097 | 28,360 | 29,382 | 28,680 | -- |
| Air transportation | 481 | 1,833 | 1,850 | 1,947 | 1,988 | -- |
| Water transportation | 483 | 1,051 | 1,063 | 1,071 | 1,056 | -- |
| Truck transportation | 484 | 77,900 | 80,079 | 81,077 | 81,288 | -- |
| Transit & ground passenger transportation | 485 | 12,269 | 12,064 | 12,144 | 12,202 | -- |
| Pipeline transportation | 486 | 94 | 95 | 95 | 109 | -- |
| Scenic & sightseeing transportation | 487 | 1,544 | 1,560 | 1,561 | 1,638 | -- |
| Transportation support activities | 488 | 20,792 | 21,112 | 21,152 | 21,511 | -- |
| Couriers & messengers | 492 | 6,107 | 6,321 | 6,464 | 6,772 | -- |
| Warehousing & storage | 493 | 3,164 | 3,269 | 3,396 | 3,602 | -- |
| Publishing industries | 511 | 23,128 | 22,172 | 21,683 | 21,226 | -- |
| Motion picture & sound recording industries | 512 | 13,534 | 13,719 | 13,770 | 14,098 | -- |
| Broadcasting & telecommunications | 513 | 12,775 | 13,457 | 14,026 | 13,952 | -- |
| Information & data processing services | 514 | 9,135 | 10,401 | 12,949 | 13,099 | -- |
| Monetary authorities - central bank | 521 | 1 | 2 | 5 | 13 | -- |
| Credit intermediation & related activities | 522 | 37,493 | 39,441 | 39,623 | 40,564 | -- |
| Security, commodity contracts & like activity | 523 | 30,872 | 31,873 | 33,784 | 36,628 | -- |
| Insurance carriers & related activities | 524 | 110,578 | 111,246 | 110,888 | 111,937 | -- |
| Funds, trusts, & other financial vehicles (part) | 525 | 587 | 768 | 1,016 | 1,147 | -- |
| Real estate | 531 | 167,862 | 170,625 | 173,224 | 176,747 | -- |
| Rental & leasing services | 532 | 28,602 | 27,640 | 26,315 | 25,767 | -- |
| Lessors of other nonfinancial intangible asset | 533 | 1,353 | 1,386 | 1,388 | 1,458 | -- |
| Professional, scientific & technical services | 541 | 529,282 | 543,981 | 554,469 | 569,147 | -- |
| Management of companies & enterprises | 551 | 3,848 | 4,545 | 4,959 | 5,048 | -- |
| Administrative & support services | 561 | 228,737 | 232,230 | 233,282 | 239,299 | -- |
| Waste management & remediation services | 562 | 12,001 | 11,644 | 11,241 | 11,833 | -- |
| Educational services | 611 | 48,764 | 50,237 | 51,627 | 53,913 | -- |
| Ambulatory health care services | 621 | 352,760 | 351,445 | 354,070 | 361,002 | -- |
| Hospitals | 622 | 2,192 | 2,188 | 2,230 | 2,295 | -- |
| Nursing & residential care facilities | 623 | 24,451 | 25,078 | 25,128 | 25,724 | -- |
| Social assistance | 624 | 78,981 | 79,475 | 80,720 | 83,661 | -- |
| Performing arts, spectator sports, & related industries | 711 | 23,657 | 23,938 | 24,600 | 25,579 | -- |
| Museums, historical sites & like institutions | 712 | 4,527 | 4,630 | 4,672 | 4,910 | -- |
| Amusement, gambling & recreation industries | 713 | 45,556 | 45,888 | 46,140 | 46,747 | -- |
| Accommodation | 721 | 38,871 | 39,003 | 39,207 | 40,038 | -- |
| Food services & drinking places | 722 | 300,257 | 300,637 | 299,893 | 301,983 | -- |
| Repair & maintenance | 811 | 191,152 | 190,412 | 188,717 | 188,264 | -- |
| Personal & laundry services | 812 | 135,125 | 135,470 | 136,836 | 136,214 | -- |
| Religious, grantmaking, civic, prof & like organizations | 813 | 261,624 | 264,032 | 265,867 | 267,877 | -- |

Source: 1989-2003 Business Information Tracking Series. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/epcd/susb/introusb.htm and www.census.gov/csd/susb/defterm.html.

Table 6: Industry Distribution of Fast-Growing and Fast-Declining Single-Establishment Enterprises (5 employees): 1998-2002

| | | Fast-Growing, with an Increase of 5 or More Employees | | | | | Fast-Declining, with a Decrease of 5 or More Employees | | | | |
|--|-------|---|-----------|-----------|-----------|------|--|-----------|-----------|-----------|------|
| | | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank |
| Total | -- | 141,461 | 150,372 | 130,598 | 125,910 | | 71,649 | 68,345 | 77,097 | 94,414 | |
| Forestry, fishing, hunting, and ag. support | 11 | 706 | 689 | 533 | 567 | 12 | 485 | 459 | 531 | 506 | 8 |
| Mining | 21 | 390 | 682 | 685 | 468 | 8 | 555 | 275 | 290 | 459 | 6 |
| Utilities | 22 | 84 | 119 | 103 | 98 | 18 | 47 | 35 | 54 | 81 | 18 |
| Construction | 23 | 30,508 | 29,553 | 23,828 | 22,656 | 3 | 13,258 | 13,913 | 15,696 | 17,482 | 2 |
| Manufacturing | 31-33 | 9,785 | 10,758 | 8,590 | 6,933 | 9 | 5,516 | 4,571 | 5,619 | 9,124 | 9 |
| Wholesale trade | 42 | 7,727 | 8,498 | 7,293 | 6,190 | 14 | 4,174 | 3,599 | 4,055 | 5,491 | 13 |
| Retail trade | 44-45 | 13,150 | 14,290 | 12,810 | 13,262 | 16 | 7,267 | 6,942 | 7,992 | 9,433 | 14 |
| Transportation & warehousing | 48-49 | 4,370 | 4,532 | 3,823 | 3,409 | 10 | 2,031 | 1,979 | 2,346 | 2,891 | 10 |
| Information | 51 | 2,840 | 3,305 | 3,115 | 1,627 | 2 | 1,229 | 1,152 | 1,522 | 2,240 | 3 |
| Finance & insurance | 52 | 3,479 | 3,098 | 3,195 | 3,177 | 19 | 1,506 | 1,956 | 1,617 | 2,010 | 20 |
| Real estate & rental & leasing | 53 | 3,349 | 3,579 | 3,051 | 3,082 | 20 | 1,925 | 1,887 | 1,939 | 2,188 | 19 |
| Professional, scientific & technical services | 54 | 13,234 | 14,474 | 13,384 | 10,216 | 15 | 5,578 | 5,649 | 6,368 | 9,449 | 15 |
| Management of companies & enterprises | 55 | 113 | 141 | 145 | 87 | 11 | 56 | 68 | 76 | 84 | 11 |
| Admin, support, waste mgt, remediation srv. | 56 | 11,346 | 12,138 | 9,855 | 9,729 | 4 | 5,784 | 5,428 | 6,243 | 7,604 | 5 |
| Educational services | 61 | 1,855 | 2,026 | 1,958 | 2,221 | 6 | 815 | 749 | 841 | 1,111 | 12 |
| Health care and social assistance | 62 | 11,449 | 12,410 | 12,197 | 13,139 | 13 | 5,610 | 4,990 | 5,233 | 6,461 | 16 |
| Arts, entertainment & recreation | 71 | 3,258 | 3,601 | 2,780 | 3,173 | 5 | 1,812 | 1,677 | 2,073 | 2,157 | 4 |
| Accommodation & food services | 72 | 12,889 | 14,252 | 12,351 | 13,982 | 7 | 8,064 | 7,377 | 8,111 | 8,412 | 7 |
| Other services (except public administration) | 81 | 10,717 | 11,656 | 10,671 | 11,849 | 17 | 5,777 | 5,464 | 6,096 | 7,199 | 17 |
| Auxiliaries (exc corporate, subsidiary & reg. mgt) | 95 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Unclassified establishments | 99 | 212 | 570 | 231 | 45 | 21 | 160 | 175 | 394 | 32 | 21 |
| Forestry and logging | 113 | 380 | 360 | 271 | 316 | 53 | 286 | 265 | 325 | 273 | 27 |
| Fishing, hunting & trapping | 114 | 40 | 33 | 35 | 27 | 69 | 23 | 32 | 25 | 37 | 44 |
| Agriculture & forestry support activities | 115 | 286 | 296 | 227 | 224 | 45 | 176 | 162 | 181 | 196 | 34 |
| Oil & gas extraction | 211 | 74 | 115 | 115 | 71 | 80 | 97 | 46 | 56 | 78 | 68 |
| Mining (except oil & gas) | 212 | 155 | 187 | 148 | 162 | 17 | 130 | 114 | 131 | 172 | 5 |
| Mining support activities | 213 | 161 | 380 | 422 | 235 | 18 | 328 | 115 | 103 | 209 | 16 |
| Utilities | 221 | 84 | 119 | 103 | 98 | 75 | 47 | 35 | 54 | 81 | 80 |
| Building, developing & general contracting | 233 | 8,013 | 7,995 | 6,165 | 6,183 | 26 | 3,943 | 4,073 | 4,552 | 5,056 | 24 |
| Heavy construction | 234 | 2,849 | 2,777 | 1,950 | 2,078 | 4 | 1,246 | 1,205 | 1,423 | 1,734 | 3 |
| Special trade contractors | 235 | 19,646 | 18,781 | 15,713 | 14,395 | 13 | 8,069 | 8,635 | 9,721 | 10,692 | 23 |
| Food mfg | 311 | 754 | 691 | 642 | 663 | 39 | 354 | 393 | 380 | 538 | 35 |
| Beverage & tobacco product mfg | 312 | 105 | 100 | 103 | 90 | 5 | 56 | 28 | 46 | 78 | 12 |
| Textile mills | 313 | 113 | 113 | 99 | 101 | 42 | 109 | 84 | 84 | 126 | 8 |
| Textile product mills | 314 | 180 | 189 | 139 | 148 | 52 | 100 | 103 | 100 | 160 | 40 |
| Apparel manufacturing | 315 | 807 | 857 | 584 | 550 | 7 | 707 | 499 | 595 | 790 | 2 |
| Leather & allied product mfg | 316 | 41 | 45 | 44 | 39 | 48 | 46 | 31 | 45 | 66 | 6 |
| Wood product mfg | 321 | 626 | 635 | 413 | 439 | 29 | 318 | 272 | 415 | 515 | 15 |
| Paper mfg | 322 | 127 | 131 | 105 | 90 | 34 | 44 | 39 | 66 | 125 | 31 |
| Printing & related support activities | 323 | 652 | 722 | 577 | 491 | 79 | 382 | 349 | 431 | 572 | 71 |

Table 6: Industry Distribution of Fast-Growing and Fast-Declining Single-Establishment Enterprises (5 employees): 1998-2002 - continued

| | Fast-Growing, with an Increase of 5 or More Employees | | | | | Fast-Declining, with a Decrease of 5 or More Employees | | | | | |
|---|---|-----------|-----------|-----------|-------|--|-----------|-----------|-----------|-------|----|
| | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | |
| Petroleum & coal products mfg | 324 | 30 | 35 | 23 | 28 | 25 | 13 | 17 | 23 | 30 | 13 |
| Chemical mfg | 325 | 283 | 333 | 278 | 245 | 30 | 126 | 110 | 134 | 223 | 39 |
| Plastics & rubber products mfg | 326 | 557 | 604 | 387 | 322 | 19 | 222 | 202 | 292 | 421 | 18 |
| Nonmetallic mineral product mfg | 327 | 442 | 461 | 321 | 342 | 24 | 205 | 185 | 244 | 297 | 26 |
| Primary metal mfg | 331 | 103 | 195 | 178 | 123 | 12 | 78 | 63 | 96 | 193 | 7 |
| Fabricated metal product mfg | 332 | 1,671 | 1,996 | 1,580 | 1,041 | 49 | 1,003 | 724 | 896 | 1,930 | 36 |
| Machinery mfg | 333 | 658 | 749 | 689 | 450 | 54 | 463 | 356 | 442 | 885 | 33 |
| Computer & electronic product mfg | 334 | 585 | 757 | 778 | 355 | 9 | 353 | 265 | 272 | 607 | 11 |
| Electrical equip, appliance & component mfg | 335 | 192 | 229 | 196 | 103 | 33 | 93 | 91 | 73 | 207 | 25 |
| Transportation equipment mfg | 336 | 416 | 489 | 347 | 272 | 20 | 194 | 171 | 252 | 334 | 17 |
| Furniture & related product mfg | 337 | 685 | 669 | 448 | 468 | 43 | 247 | 226 | 337 | 467 | 45 |
| Miscellaneous mfg | 339 | 758 | 758 | 659 | 573 | 57 | 403 | 363 | 396 | 560 | 56 |
| Wholesale trade, durable goods | 421 | 4,863 | 5,400 | 4,700 | 3,719 | 60 | 2,573 | 2,232 | 2,522 | 3,446 | 61 |
| Wholesale trade, nondurable goods | 422 | 2,864 | 3,098 | 2,593 | 2,471 | 58 | 1,601 | 1,367 | 1,533 | 2,045 | 57 |
| Motor vehicle & parts dealers | 441 | 1,600 | 1,813 | 1,558 | 1,778 | 71 | 843 | 765 | 916 | 1,096 | 77 |
| Furniture & home furnishing stores | 442 | 942 | 1,023 | 862 | 861 | 63 | 409 | 412 | 484 | 576 | 72 |
| Electronics & appliance stores | 443 | 751 | 775 | 704 | 561 | 55 | 346 | 329 | 421 | 509 | 57 |
| Bldg material & garden equip & supp dealers | 444 | 1,266 | 1,478 | 1,094 | 1,279 | 66 | 617 | 594 | 746 | 846 | 67 |
| Food & beverage stores | 445 | 1,872 | 2,085 | 2,129 | 2,232 | 67 | 1,110 | 1,098 | 1,286 | 1,623 | 62 |
| Health & personal care stores | 446 | 741 | 873 | 876 | 901 | 65 | 438 | 372 | 440 | 558 | 69 |
| Gasoline stations | 447 | 1,489 | 1,403 | 1,268 | 1,320 | 62 | 953 | 912 | 945 | 1,214 | 51 |
| Clothing & clothing accessories stores | 448 | 1,030 | 1,127 | 1,088 | 1,134 | 77 | 643 | 636 | 610 | 746 | 76 |
| Sporting goods, hobby, book & music stores | 451 | 782 | 828 | 716 | 741 | 73 | 413 | 389 | 434 | 475 | 75 |
| General merchandise stores | 452 | 165 | 183 | 156 | 184 | 72 | 111 | 86 | 123 | 131 | 63 |
| Miscellaneous store retailers | 453 | 1,773 | 1,929 | 1,594 | 1,690 | 74 | 1,000 | 988 | 1,137 | 1,158 | 70 |
| Nonstore retailers | 454 | 739 | 773 | 765 | 581 | 59 | 384 | 361 | 450 | 501 | 59 |
| Air transportation | 481 | 109 | 93 | 87 | 52 | 14 | 31 | 31 | 45 | 68 | 29 |
| Water transportation | 483 | 37 | 55 | 66 | 43 | 10 | 36 | 26 | 37 | 37 | 9 |
| Truck transportation | 484 | 2,573 | 2,601 | 2,129 | 1,993 | 50 | 1,246 | 1,203 | 1,464 | 1,609 | 50 |
| Transit & ground passenger transportation | 485 | 541 | 539 | 451 | 424 | 27 | 195 | 193 | 229 | 371 | 40 |
| Pipeline transportation | 486 | 5 | 3 | 10 | 11 | 3 | 2 | 1 | 1 | 3 | 44 |
| Scenic & sightseeing transportation | 487 | 68 | 72 | 52 | 61 | 23 | 43 | 39 | 33 | 46 | 21 |
| Transportation support activities | 488 | 644 | 730 | 648 | 522 | 47 | 310 | 302 | 338 | 467 | 49 |
| Couriers & messengers | 492 | 224 | 238 | 224 | 179 | 41 | 97 | 118 | 115 | 189 | 35 |
| Warehousing & storage | 493 | 169 | 201 | 156 | 124 | 8 | 71 | 66 | 84 | 101 | 20 |
| Publishing industries | 511 | 1,015 | 1,042 | 804 | 445 | 40 | 383 | 358 | 402 | 661 | 39 |
| Motion picture & sound recording industries | 512 | 466 | 516 | 415 | 347 | 44 | 320 | 283 | 309 | 392 | 24 |
| Broadcasting & telecommunications | 513 | 722 | 839 | 893 | 465 | 6 | 355 | 340 | 383 | 573 | 8 |
| Information & data processing services | 514 | 637 | 908 | 1,003 | 370 | 2 | 171 | 171 | 428 | 614 | 3 |
| Monetary authorities - central bank | 521 | 0 | 0 | 1 | 2 | 1 | 0 | 1 | 0 | 0 | 1 |
| Credit intermediation & related activities | 522 | 1,648 | 1,192 | 1,399 | 1,509 | 35 | 567 | 987 | 602 | 577 | 38 |
| Security, commodity contracts & like activity | 523 | 649 | 791 | 687 | 525 | 70 | 345 | 326 | 433 | 543 | 53 |

Table 6: Industry Distribution of Fast-Growing and Fast-Declining Single-Establishment Enterprises (5 employees): 1998-2002 - continued

| | Fast-Growing, with an Increase of 5 or More Employees | | | | | Fast-Declining, with a Decrease of 5 or More Employees | | | | | |
|--|---|-----------|-----------|-----------|--------|--|-----------|-----------|-----------|-------|----|
| | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | |
| Insurance carriers & related activities | 524 | 1,164 | 1,093 | 1,081 | 1,119 | 83 | 587 | 638 | 568 | 876 | 69 |
| Funds, trusts, & other financial vehicles (part) | 525 | 18 | 22 | 27 | 22 | 36 | 7 | 4 | 14 | 14 | 42 |
| Real estate | 531 | 2,546 | 2,617 | 2,284 | 2,380 | 82 | 1,376 | 1,417 | 1,482 | 1,614 | 65 |
| Rental & leasing services | 532 | 760 | 907 | 717 | 648 | 56 | 515 | 443 | 437 | 548 | 38 |
| Lessors of other nonfinancial intangible asset | 533 | 43 | 55 | 50 | 54 | 37 | 34 | 27 | 20 | 26 | 27 |
| Professional, scientific & technical services | 541 | 13,234 | 14,474 | 13,384 | 10,216 | 61 | 5,578 | 5,649 | 6,368 | 9,449 | 49 |
| Management of companies & enterprises | 551 | 113 | 141 | 145 | 87 | 46 | 56 | 68 | 76 | 84 | 30 |
| Administrative & support services | 561 | 10,842 | 11,593 | 9,401 | 9,253 | 15 | 5,509 | 5,205 | 5,987 | 7,310 | 10 |
| Waste management & remediation services | 562 | 504 | 545 | 454 | 476 | 22 | 275 | 223 | 256 | 294 | 21 |
| Educational services | 611 | 1,855 | 2,026 | 1,958 | 2,221 | 21 | 815 | 749 | 841 | 1,111 | 29 |
| Ambulatory health care services | 621 | 7,378 | 8,069 | 8,085 | 8,812 | 64 | 4,193 | 3,594 | 3,734 | 4,474 | 51 |
| Hospitals | 622 | 40 | 39 | 37 | 41 | 78 | 24 | 25 | 31 | 30 | 44 |
| Nursing & residential care facilities | 623 | 1,057 | 1,114 | 1,064 | 1,152 | 16 | 410 | 382 | 383 | 481 | 31 |
| Social assistance | 624 | 2,974 | 3,188 | 3,011 | 3,134 | 31 | 983 | 989 | 1,085 | 1,476 | 36 |
| Performing arts, spectator sports, & related industries | 711 | 1,004 | 1,050 | 811 | 802 | 32 | 622 | 578 | 717 | 832 | 5 |
| Museums, historical sites & like institutions | 712 | 135 | 136 | 128 | 120 | 51 | 38 | 48 | 42 | 67 | 50 |
| Amusement, gambling & recreation industries | 713 | 2,119 | 2,415 | 1,841 | 2,251 | 11 | 1,152 | 1,051 | 1,314 | 1,258 | 7 |
| Accommodation | 721 | 1,442 | 1,538 | 1,314 | 1,376 | 38 | 811 | 837 | 920 | 1,010 | 13 |
| Food services & drinking places | 722 | 11,447 | 12,714 | 11,037 | 12,606 | 28 | 7,253 | 6,540 | 7,191 | 7,402 | 12 |
| Repair & maintenance | 811 | 2,919 | 3,071 | 2,769 | 2,802 | 81 | 1,574 | 1,457 | 1,606 | 2,055 | 49 |
| Personal & laundry services | 812 | 2,315 | 2,680 | 2,589 | 2,546 | 76 | 1,316 | 1,217 | 1,400 | 1,814 | 46 |
| Religious, grantmaking, civic, prof & like organizations | 813 | 5,483 | 5,905 | 5,313 | 6,501 | 68 | 2,887 | 2,790 | 3,090 | 3,330 | 40 |

Fast-growing enterprises are single-establishment enterprises with: positive employment as of March 12 in both the initial and subsequent years, a percent employment increase of 50% or more, and a minimum net increase of either 5 or 20 employees.

Fast-declining enterprises are single-establishment enterprises with: positive employment as of March 12 in both the initial and subsequent years, a percent employment decrease of 50% or more, and a minimum net decrease of either 5 or 20 employees.

Source: 1989-2003 Business Information Tracking Series. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/epcd/susb/introusb.htm and www.census.gov/csd/susb/defterm.html.

Table 7: Industry Distribution of Fast-Growing and Fast-Declining Single-Establishment Enterprises (20 Employees): 1998-2002

| | | Fast-Growing, with an Increase of 20 or More Employees | | | | | Fast-Declining, with a Decrease of 20 or More Employees | | | | |
|--|-------|--|-----------|-----------|-----------|------|---|-----------|-----------|-----------|------|
| | | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank |
| Total | -- | 25,495 | 28,554 | 24,869 | 21,104 | | 12,859 | 12,277 | 14,433 | 18,979 | |
| Forestry, fishing, hunting, and ag. support | 11 | 110 | 110 | 84 | 67 | 13 | 65 | 67 | 83 | 99 | 10 |
| Mining | 21 | 83 | 141 | 150 | 88 | 9 | 130 | 74 | 69 | 112 | 6 |
| Utilities | 22 | 17 | 21 | 19 | 16 | 15 | 6 | 7 | 14 | 10 | 16 |
| Construction | 23 | 5,609 | 5,416 | 4,454 | 3,829 | 6 | 2,360 | 2,522 | 2,691 | 3,592 | 7 |
| Manufacturing | 31-33 | 2,370 | 2,533 | 2,022 | 1,433 | 8 | 1,495 | 1,232 | 1,552 | 2,519 | 4 |
| Wholesale trade | 42 | 1,261 | 1,439 | 1,282 | 952 | 14 | 714 | 613 | 709 | 983 | 12 |
| Retail trade | 44-45 | 1,400 | 1,685 | 1,507 | 1,380 | 18 | 743 | 743 | 915 | 995 | 17 |
| Transportation & warehousing | 48-49 | 712 | 756 | 650 | 517 | 10 | 381 | 350 | 444 | 566 | 11 |
| Information | 51 | 687 | 1,140 | 993 | 328 | 1 | 257 | 262 | 421 | 691 | 2 |
| Finance & insurance | 52 | 617 | 561 | 577 | 451 | 16 | 273 | 336 | 292 | 352 | 15 |
| Real estate & rental & leasing | 53 | 472 | 567 | 497 | 400 | 17 | 246 | 246 | 286 | 299 | 18 |
| Professional, scientific & technical services | 54 | 2,211 | 2,881 | 2,900 | 1,498 | 12 | 813 | 866 | 1,106 | 1,948 | 13 |
| Management of companies & enterprises | 55 | 40 | 41 | 56 | 21 | 3 | 20 | 20 | 23 | 33 | 3 |
| Admin, support, waste mgt, remediation srv. | 56 | 3,068 | 3,414 | 2,752 | 2,661 | 2 | 1,450 | 1,363 | 1,722 | 2,253 | 1 |
| Educational services | 61 | 362 | 438 | 414 | 464 | 5 | 171 | 176 | 202 | 297 | 9 |
| Health care and social assistance | 62 | 1,996 | 2,155 | 1,982 | 2,124 | 11 | 1,078 | 875 | 969 | 1,120 | 14 |
| Arts, entertainment & recreation | 71 | 760 | 810 | 665 | 705 | 4 | 416 | 402 | 464 | 490 | 5 |
| Accommodation & food services | 72 | 2,495 | 3,062 | 2,593 | 2,797 | 7 | 1,547 | 1,446 | 1,642 | 1,637 | 8 |
| Other services (except public administration) | 81 | 1,218 | 1,357 | 1,260 | 1,373 | 19 | 685 | 668 | 811 | 983 | 19 |
| Auxiliaries (exc corporate, subsidiary & reg. mgt) | 95 | 0 | 0 | 0 | 0 | 21 | 0 | 0 | 0 | 0 | 21 |
| Unclassified establishments | 99 | 7 | 27 | 12 | 0 | 20 | 9 | 9 | 18 | 0 | 20 |
| Forestry and logging | 113 | 31 | 34 | 23 | 22 | 70 | 16 | 19 | 32 | 30 | 62 |
| Fishing, hunting & trapping | 114 | 9 | 3 | 4 | 2 | 67 | 2 | 7 | 3 | 8 | 51 |
| Agriculture & forestry support activities | 115 | 70 | 73 | 57 | 43 | 38 | 47 | 41 | 48 | 61 | 24 |
| Oil & gas extraction | 211 | 12 | 22 | 16 | 7 | 69 | 11 | 6 | 13 | 5 | 70 |
| Mining (except oil & gas) | 212 | 35 | 39 | 34 | 35 | 25 | 36 | 38 | 35 | 53 | 8 |
| Mining support activities | 213 | 36 | 80 | 100 | 46 | 26 | 83 | 30 | 21 | 54 | 19 |
| Utilities | 221 | 17 | 21 | 19 | 16 | 62 | 6 | 7 | 14 | 10 | 68 |
| Building, developing & general contracting | 233 | 1,267 | 1,297 | 965 | 931 | 45 | 580 | 652 | 677 | 915 | 46 |
| Heavy construction | 234 | 784 | 726 | 530 | 497 | 2 | 340 | 337 | 355 | 486 | 5 |
| Special trade contractors | 235 | 3,558 | 3,393 | 2,959 | 2,401 | 35 | 1,440 | 1,533 | 1,659 | 2,191 | 40 |
| Food mfg | 311 | 183 | 165 | 155 | 135 | 34 | 87 | 110 | 101 | 120 | 30 |
| Beverage & tobacco product mfg | 312 | 28 | 25 | 25 | 19 | 7 | 11 | 8 | 11 | 24 | 17 |
| Textile mills | 313 | 38 | 34 | 30 | 25 | 20 | 37 | 25 | 33 | 41 | 6 |
| Textile product mills | 314 | 37 | 44 | 30 | 34 | 46 | 27 | 28 | 29 | 38 | 34 |
| Apparel manufacturing | 315 | 287 | 210 | 137 | 108 | 8 | 270 | 195 | 215 | 295 | 1 |
| Leather & allied product mfg | 316 | 11 | 14 | 10 | 3 | 42 | 12 | 10 | 21 | 23 | 2 |
| Wood product mfg | 321 | 133 | 142 | 89 | 95 | 33 | 73 | 63 | 99 | 121 | 20 |
| Paper mfg | 322 | 40 | 27 | 40 | 25 | 13 | 17 | 16 | 24 | 47 | 13 |
| Printing & related support activities | 323 | 119 | 136 | 103 | 73 | 65 | 72 | 78 | 77 | 106 | 58 |

Table 7: Industry Distribution of Fast-Growing and Fast-Declining Single-Establishment Enterprises (20 Employees): 1998-2002 - continued

| | Fast-Growing, with an Increase of 20 or More Employees | | | | | Fast-Declining, with a Decrease of 20 or More Employees | | | | | |
|---|--|-----------|-----------|-----------|------|---|-----------|-----------|-----------|------|----|
| | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | |
| Petroleum & coal products mfg | 324 | 8 | 7 | 7 | 8 | 19 | 2 | 3 | 6 | 6 | 26 |
| Chemical mfg | 325 | 72 | 59 | 73 | 52 | 31 | 31 | 18 | 25 | 61 | 41 |
| Plastics & rubber products mfg | 326 | 176 | 177 | 87 | 93 | 12 | 72 | 72 | 101 | 154 | 12 |
| Nonmetallic mineral product mfg | 327 | 98 | 94 | 57 | 54 | 37 | 52 | 41 | 54 | 81 | 27 |
| Primary metal mfg | 331 | 37 | 64 | 44 | 23 | 10 | 26 | 23 | 35 | 67 | 3 |
| Fabricated metal product mfg | 332 | 315 | 411 | 295 | 220 | 48 | 226 | 149 | 225 | 464 | 37 |
| Machinery mfg | 333 | 138 | 158 | 131 | 97 | 50 | 119 | 86 | 125 | 222 | 28 |
| Computer & electronic product mfg | 334 | 170 | 260 | 334 | 84 | 3 | 114 | 75 | 96 | 250 | 7 |
| Electrical equip, appliance & component mfg | 335 | 53 | 59 | 60 | 17 | 22 | 33 | 31 | 22 | 64 | 16 |
| Transportation equipment mfg | 336 | 149 | 160 | 118 | 77 | 6 | 69 | 70 | 94 | 110 | 11 |
| Furniture & related product mfg | 337 | 127 | 139 | 82 | 80 | 47 | 61 | 58 | 80 | 100 | 44 |
| Miscellaneous mfg | 339 | 151 | 148 | 115 | 111 | 53 | 84 | 73 | 79 | 125 | 49 |
| Wholesale trade, durable goods | 421 | 735 | 875 | 830 | 500 | 60 | 383 | 358 | 413 | 566 | 59 |
| Wholesale trade, nondurable goods | 422 | 526 | 564 | 452 | 452 | 55 | 331 | 255 | 296 | 417 | 52 |
| Motor vehicle & parts dealers | 441 | 261 | 367 | 287 | 357 | 59 | 166 | 147 | 177 | 196 | 61 |
| Furniture & home furnishing stores | 442 | 73 | 80 | 74 | 65 | 77 | 32 | 37 | 47 | 51 | 75 |
| Electronics & appliance stores | 443 | 98 | 117 | 113 | 52 | 61 | 34 | 29 | 50 | 72 | 67 |
| Bldg material & garden equip & supp dealers | 444 | 110 | 138 | 125 | 110 | 74 | 64 | 60 | 68 | 89 | 74 |
| Food & beverage stores | 445 | 256 | 288 | 271 | 242 | 68 | 151 | 166 | 173 | 173 | 65 |
| Health & personal care stores | 446 | 66 | 80 | 76 | 64 | 75 | 34 | 31 | 44 | 41 | 76 |
| Gasoline stations | 447 | 127 | 131 | 135 | 112 | 72 | 68 | 78 | 86 | 95 | 72 |
| Clothing & clothing accessories stores | 448 | 75 | 88 | 96 | 95 | 79 | 38 | 31 | 45 | 52 | 82 |
| Sporting goods, hobby, book & music stores | 451 | 60 | 67 | 52 | 64 | 78 | 28 | 33 | 32 | 35 | 80 |
| General merchandise stores | 452 | 15 | 20 | 21 | 17 | 73 | 10 | 9 | 18 | 11 | 71 |
| Miscellaneous store retailers | 453 | 125 | 137 | 98 | 106 | 82 | 52 | 54 | 85 | 76 | 81 |
| Nonstore retailers | 454 | 134 | 172 | 159 | 96 | 54 | 66 | 68 | 90 | 104 | 55 |
| Air transportation | 481 | 21 | 21 | 24 | 13 | 18 | 4 | 10 | 15 | 17 | 21 |
| Water transportation | 483 | 9 | 14 | 17 | 6 | 16 | 9 | 10 | 10 | 12 | 10 |
| Truck transportation | 484 | 375 | 363 | 292 | 250 | 57 | 220 | 185 | 222 | 261 | 54 |
| Transit & ground passenger transportation | 485 | 107 | 128 | 109 | 100 | 30 | 47 | 52 | 62 | 98 | 36 |
| Pipeline transportation | 486 | 3 | 0 | 2 | 0 | 9 | 0 | 0 | 1 | 1 | 35 |
| Scenic & sightseeing transportation | 487 | 9 | 13 | 6 | 6 | 51 | 9 | 5 | 5 | 8 | 43 |
| Transportation support activities | 488 | 111 | 126 | 113 | 86 | 52 | 50 | 43 | 70 | 89 | 53 |
| Couriers & messengers | 492 | 39 | 51 | 50 | 33 | 40 | 24 | 32 | 34 | 58 | 25 |
| Warehousing & storage | 493 | 38 | 40 | 37 | 23 | 17 | 18 | 13 | 25 | 22 | 23 |
| Publishing industries | 511 | 243 | 348 | 253 | 85 | 23 | 82 | 79 | 115 | 197 | 38 |
| Motion picture & sound recording industries | 512 | 95 | 135 | 82 | 63 | 41 | 59 | 68 | 67 | 96 | 31 |
| Broadcasting & telecommunications | 513 | 185 | 278 | 302 | 96 | 4 | 82 | 76 | 101 | 175 | 14 |
| Information & data processing services | 514 | 164 | 379 | 356 | 84 | 1 | 34 | 39 | 138 | 223 | 4 |
| Monetary authorities - central bank | 521 | 0 | 0 | 0 | 0 | 83 | 0 | 0 | 0 | 0 | 83 |
| Credit intermediation & related activities | 522 | 313 | 215 | 251 | 243 | 43 | 121 | 170 | 107 | 105 | 50 |
| Security, commodity contracts & like activity | 523 | 104 | 162 | 146 | 86 | 58 | 66 | 67 | 93 | 108 | 57 |

Table 7: Industry Distribution of Fast-Growing and Fast-Declining Single-Establishment Enterprises (20 Employees): 1998-2002 - continued

| | Fast-Growing, with an Increase of 20 or More Employees | | | | | Fast-Declining, with a Decrease of 20 or More Employees | | | | | |
|--|--|-----------|-----------|-----------|-------|---|-----------|-----------|-----------|-------|----|
| | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | 1998-1999 | 1999-2000 | 2000-2001 | 2001-2002 | Rank | |
| Insurance carriers & related activities | 524 | 192 | 182 | 173 | 117 | 80 | 84 | 99 | 88 | 136 | 79 |
| Funds, trusts, & other financial vehicles (part) | 525 | 8 | 2 | 7 | 5 | 28 | 2 | 0 | 4 | 3 | 47 |
| Real estate | 531 | 379 | 440 | 394 | 316 | 71 | 196 | 193 | 234 | 225 | 73 |
| Rental & leasing services | 532 | 89 | 110 | 85 | 73 | 64 | 45 | 53 | 47 | 65 | 63 |
| Lessors of other nonfinancial intangible asset | 533 | 4 | 17 | 18 | 11 | 29 | 5 | 0 | 5 | 9 | 48 |
| Professional, scientific & technical services | 541 | 2,211 | 2,881 | 2,900 | 1,498 | 56 | 813 | 866 | 1,106 | 1,948 | 60 |
| Management of companies & enterprises | 551 | 40 | 41 | 56 | 21 | 21 | 20 | 20 | 23 | 33 | 22 |
| Administrative & support services | 561 | 2,942 | 3,286 | 2,672 | 2,545 | 11 | 1,379 | 1,313 | 1,666 | 2,174 | 18 |
| Waste management & remediation services | 562 | 126 | 128 | 80 | 116 | 27 | 71 | 50 | 56 | 79 | 33 |
| Educational services | 611 | 362 | 438 | 414 | 464 | 32 | 171 | 176 | 202 | 297 | 45 |
| Ambulatory health care services | 621 | 1,100 | 1,245 | 1,071 | 1,075 | 63 | 740 | 527 | 583 | 652 | 66 |
| Hospitals | 622 | 28 | 25 | 23 | 22 | 14 | 17 | 20 | 24 | 25 | 9 |
| Nursing & residential care facilities | 623 | 372 | 379 | 361 | 421 | 5 | 141 | 133 | 127 | 172 | 29 |
| Social assistance | 624 | 496 | 506 | 527 | 606 | 44 | 180 | 195 | 235 | 271 | 56 |
| Performing arts, spectator sports, & related industries | 711 | 273 | 305 | 236 | 228 | 15 | 171 | 167 | 216 | 214 | 15 |
| Museums, historical sites & like institutions | 712 | 32 | 21 | 25 | 24 | 49 | 4 | 9 | 7 | 10 | 69 |
| Amusement, gambling & recreation industries | 713 | 455 | 484 | 404 | 453 | 24 | 241 | 226 | 241 | 266 | 32 |
| Accommodation | 721 | 283 | 334 | 267 | 288 | 39 | 174 | 188 | 211 | 204 | 39 |
| Food services & drinking places | 722 | 2,212 | 2,728 | 2,326 | 2,509 | 36 | 1,373 | 1,258 | 1,431 | 1,433 | 42 |
| Repair & maintenance | 811 | 290 | 302 | 298 | 243 | 81 | 169 | 140 | 172 | 241 | 78 |
| Personal & laundry services | 812 | 204 | 270 | 282 | 237 | 76 | 108 | 111 | 142 | 165 | 77 |
| Religious, grantmaking, civic, prof & like organizations | 813 | 724 | 785 | 680 | 893 | 66 | 408 | 417 | 497 | 577 | 64 |

Fast-growing enterprises are single-establishment enterprises with: positive employment as of March 12 in both the initial and subsequent years, a percent employment increase of 50% or more, and a minimum net increase of either 5 or 20 employees.

Fast-declining enterprises are single-establishment enterprises with: positive employment as of March 12 in both the initial and subsequent years, a percent employment decrease of 50% or more, and a minimum net decrease of either 5 or 20 employees.

Source: 1989-2003 Business Information Tracking Series. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see www.census.gov/epcd/subb/introusb.htm and www.census.gov/csd/subb/defterm.html.