

Dynamics of Employer Establishments, 2002-2003

A Working Paper

by

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for



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The Office of Advocacy is collaborating with the National Women's Business Council and the U.S. Census Bureau to produce 2002-2006 datasets for a new study of the dynamics of employer establishments. The establishment data are available by business type (privately or publicly held*), industry, and receipts size, and by business owner's gender, race, ethnicity, and geographic location. All of the employer establishments in the datasets were already in operation in 2002, so no data are shown for business openings. The establishments were identified in the 2002 Survey of Business Owners and their expansions, contractions, and deaths (and the corresponding employment changes) are tracked using the 1989-2006 Business Information Tracking Series.

The first set of data, tracking 2002-2003 establishment dynamics, is available, with 2004-2006 data to be added later. Tables A-D provide a brief summary. Highlights are as follows:

- Of the total establishments in operation in 2002, by 2003, 9.9 percent were closed, 31.6 percent had expanded, and 25.3 percent had contracted: the result was a net total job loss over the 2002-2003 period of more than 2.5 million. (Note that this net job loss does not reflect the total job change over the period because the employment of any businesses created over the 2002-2003 period is not included in this dataset.)
- The total employment as of 2002 was divided evenly between publicly and non-publicly held employer establishments. However, 98 percent (almost 2.5 million) of these net job losses over the 2002-2003 period were in publicly held establishments and 2 percent (51,000) were in non-publicly held establishments.
- Despite the net job losses overall, small establishments with less than \$1 million in receipts had net job gains over the period.
- Industries experiencing net job gains included health care and social assistance; educational services; arts, entertainment and recreation; and agriculture support.
- Of the non-publicly held establishments, those owned by minorities and women had net job gains.
- By state, the three big net job gainers (in non-publicly held establishments) were Florida, New York, and Washington; while the three largest net job losers were Texas, Colorado, and Pennsylvania.

The full sets of data posted on line include:

Tables 1 and 2: data by industry.

Tables 3 and 4: data by state.

Tables 1 and 3: data for all firms, (publicly and non-publicly held).

Tables 2 and 4: data by gender, ethnicity, and race.

* "Publicly held" as defined here refers to companies that are publicly held or cannot be classified by gender, ethnicity, or race. For detailed definitions, see

<http://www.census.gov/econ/susb/definitions.html>.

SOURCE: 2002 Survey of Business Owners and 1989-2006 Business Information Tracking Series. For additional information, see <http://www.census.gov/econ/susb/> and <http://www.census.gov/econ/sbo/>. Questions may be directed to Ying Lowrey at ying.lowrey@sba.gov.

Table A. Rates of Establishment Death, Expansion, Contraction, and Net Change in Employment by Industry and Type of Business: 2002-2003 (percent except net job change figures)

NAICS sectors	Total				Publicly Held				Non-publicly Held			
	Deaths	Expansions	Contractions	Net Job Change	Deaths	Expansions	Contractions	Net Job Change	Deaths	Expansions	Contractions	Net Job Change
Total	9.9	31.6	25.3	-2,544,028	8.6	31.6	28.5	-2,492,979	10.3	31.6	24.5	-51,050
11: Ag. Support, Forestry, Fishing, and Hunting	11.4	27.7	25.3	132	10.4	28.6	31.5	-722	11.5	27.6	24.7	854
21: Mining	9.5	28.4	25.2	-31,252	11.2	25.6	28.7	-24,375	8.9	29.3	24.1	-6,877
22: Utilities	6.6	25.4	26.3	-13,647	5.8	25.2	27.3	-12,722	9.9	25.9	22.5	-925
23: Construction	11.2	33.2	26.8	-130,375	9.6	33.4	27.5	-40,658	11.3	33.2	26.8	-89,717
31-33: Manufacturing	8.3	32.8	33.8	-675,274	7.4	33.4	39.4	-457,225	8.5	32.7	32.8	-218,049
42: Wholesale Trade	9.3	29.4	25.1	-135,474	10.8	26.5	26.5	-149,252	8.9	30.0	24.8	13,779
44-45: Retail Trade	8.8	33.2	27.0	-111,198	5.6	34.7	31.4	-144,273	9.9	32.7	25.4	33,074
48-49: Transportation and Warehousing	12.9	30.9	24.7	-298,776	11.7	27.8	30.1	-284,201	13.1	31.5	23.7	-14,575
51: Information	12.6	25.4	22.4	-276,995	11.6	19.4	21.2	-236,544	13.4	30.2	23.3	-40,450
52: Finance and Insurance	9.6	29.1	21.2	-362,479	10.5	27.7	25.5	-413,842	8.8	30.3	17.7	51,363
53: Real Estate and Rental and Leasing	9.6	27.2	18.3	-1,961	9.3	24.8	24.1	-42,137	9.6	27.7	17.0	40,176
54: Professional, Scientific, and Technical Services	11.0	27.7	21.4	-169,366	12.1	30.0	29.4	-148,182	10.9	27.4	20.7	-21,184
55: Management of Companies and Enterprises	11.6	28.9	25.5	-152,436	14.5	27.2	24.3	-118,121	7.3	31.4	27.2	-34,315
56: Admin., Support, Waste Mngt., and Remediation	13.0	32.1	25.7	-399,700	17.5	30.3	28.1	-412,911	12.2	32.4	25.3	13,211
61: Educational Services	8.9	38.7	26.0	57,195	4.8	42.6	31.5	45,319	11.8	36.0	22.2	11,877
62: Health Care and Social Assistance	6.4	35.0	24.6	264,070	5.5	39.6	28.5	61,424	6.8	33.4	23.3	202,646
71: Arts, Entertainment, and Recreation	9.7	31.4	24.7	3,155	3.9	32.8	28.7	-11,716	11.7	30.9	23.3	14,870
72: Accommodation and Food Services	10.3	36.2	32.0	-57,207	8.2	33.9	33.7	-22,630	10.7	36.6	31.7	-34,577
81: Other Services (except Public Administration)	10.0	29.4	23.2	-13,522	8.2	29.0	21.7	-14,993	10.2	29.5	23.4	1,470
95: Auxiliaries	10.5	28.3	29.5	-72,075	12.2	27.5	28.6	-68,364	6.0	30.3	31.7	-3,712
99: Unclassified	38.9	39.0	4.5	33,157	30.5	46.7	3.8	3,145	39.4	38.6	4.5	30,012

Table B. Rates of Establishment Death, Expansion, Contraction, and Net Change in Employment by Establishment Receipts Size and Type of Business: 2002-2003 (percent except net job change figures)

Establishment Receipts Size (\$1,000)	Total				Publicly Held				Non-publicly Held			
	Deaths	Expansions	Contractions	Net Job Change	Deaths	Expansions	Contractions	Net Job Change	Deaths	Expansions	Contractions	Net Job Change
1: Total	9.9	31.6	25.3	-2,544,028	8.6	31.6	28.5	-2,492,979	10.3	31.6	24.5	-51,050
2: <25	40.1	26.9	5.9	28,797	24.6	26.2	6.8	-11,399	41.3	27.0	5.8	40,196
3: 25-49	27.3	24.9	9.5	27,717	17.5	25.8	10.6	4,475	27.9	24.9	9.5	23,243
4: 50-99	18.2	24.4	13.4	27,019	12.1	26.0	14.8	8,956	18.6	24.4	13.3	18,063
5: 100-499	8.5	28.3	22.9	133,498	6.7	31.2	23.5	26,825	8.5	28.2	22.9	106,673
6: 500-999	4.6	35.0	30.9	36,762	4.6	37.3	30.5	10,735	4.6	34.9	31.0	26,026
7: 1,000+	5.9	36.3	32.1	-2,797,821	8.5	31.8	30.0	-2,532,570	4.0	39.7	33.7	-265,250

Table C. Rates of Establishment Death, Expansion, Contraction, and Net Change in Employment by Non-publicly Owned Establishment Owner's Gender, Race, and Ethnicity: 2002-2003 (percent except net job change figures)

Race or Ethnicity of Business Owners	Total				Male				Female				Equally Male/Female Owned			
	Deaths	Expansions	Contractions	Net Job Change	Deaths	Expansions	Contractions	Net Job Change	Deaths	Expansions	Contractions	Net Job Change	Deaths	Expansions	Contractions	Net Job Change
1: Total	10.3	31.6	24.5	-51,050	9.8	31.8	24.9	-126,662	11.7	31.1	22.9	73,529	10.9	31.5	24.8	1,945
2: White	10.1	31.4	24.7	-80,973	9.7	31.6	25.0	-147,535	11.6	30.7	23.1	63,692	10.8	31.3	24.8	2,870
3: Black	14.2	33.8	22.6	16,605	13.6	32.8	23.1	6,543	15.4	34.9	21.0	9,591	14.5	36.5	24.3	471
4: Asian	11.1	33.6	23.1	16,043	10.8	33.8	22.8	22,038	11.4	34.4	22.2	-1,215	12.1	31.8	25.4	-4,780
5: Other	12.1	34.6	23.4	-2,062	12.2	33.6	24.1	-7,574	14.5	35.1	22.3	1,610	10.7	35.7	22.8	3,764
6: Hispanic	11.9	34.3	23.6	63,779	11.8	34.2	23.9	42,764	12.2	34.8	22.4	20,745	11.9	33.9	23.5	270
7: Non-Hispanic	10.2	31.5	24.6	-114,829	9.7	31.7	24.9	-169,426	11.7	31.0	23.0	52,784	10.9	31.5	24.8	1,675

Table D. Rates of Establishment Death, Expansion, Contraction, and Net Change in Employment by Non-publicly Owned Establishment Owner's Geographic Location: 2002-2003 (percent except net job change figures)

Geographic Location of Business Owners	Deaths	Expansions	Contractions	Net Job Change	Geographic Location of Business Owners	Deaths	Expansions	Contractions	Net Job Change
United States	10.3	31.6	24.5	-51,050	Missouri	10.1	32.1	24.4	9,317
Alabama	10.8	32.7	24.8	63	Montana	8.0	32.4	23.5	1,551
Alaska	10.3	32.5	25.4	-466	Nebraska	8.5	30.3	24.0	321
Arizona	12.0	32.8	24.5	3,725	Nevada	12.7	36.0	23.5	15,021
Arkansas	11.0	31.1	25.6	-2,784	New Hampshire	10.2	30.8	23.1	-4,338
California	11.2	32.7	25.3	-24,092	New Jersey	10.6	30.6	24.3	-13,473
Colorado	11.8	30.1	24.3	-29,777	New Mexico	9.6	34.6	24.6	6,496
Connecticut	9.0	29.9	26.6	-14,400	New York	9.9	29.7	22.2	28,457
Delaware	9.3	32.0	22.9	-3,031	North Carolina	10.3	31.7	25.1	4,812
District of Columbia	9.7	31.0	24.6	-1,500	North Dakota	8.7	29.1	24.2	-1,720
Florida	12.3	32.3	21.0	83,240	Ohio	8.9	31.1	26.8	-21,071
Georgia	11.4	32.1	23.8	-6,819	Oklahoma	10.0	30.3	25.5	-10,604
Hawaii	7.8	34.9	21.6	13,955	Oregon	10.1	33.5	22.8	226
Idaho	11.0	34.6	22.6	4,194	Pennsylvania	8.4	30.8	25.5	-29,534
Illinois	9.3	30.4	24.6	4,016	Rhode Island	8.6	29.9	24.5	-2,688
Indiana	9.3	31.6	26.9	-276	South Carolina	9.9	32.5	25.9	837
Iowa	9.2	30.2	24.4	-9,104	South Dakota	9.0	29.7	23.4	609
Kansas	9.2	30.0	25.6	-7,341	Tennessee	10.8	32.1	25.7	1,674
Kentucky	9.8	32.3	24.9	-5,388	Texas	11.1	32.0	25.4	-35,407
Louisiana	9.6	32.7	24.7	4,769	Utah	12.3	33.2	23.7	-1,476
Maine	9.1	30.3	22.9	-2,309	Vermont	8.6	29.5	24.7	-4,515
Maryland	9.4	32.2	25.0	15,163	Virginia	9.8	32.3	25.0	-3,798
Massachusetts	8.9	30.8	25.0	-5,874	Washington	11.1	33.7	23.9	25,529
Michigan	9.4	30.7	26.2	-28,360	West Virginia	8.6	32.0	26.0	-4,478
Minnesota	9.5	30.9	23.6	-1,978	Wisconsin	8.1	32.0	25.0	5,244
Mississippi	10.3	31.5	26.6	-6,313	Wyoming	9.1	33.6	23.7	2,645