

# **Small Business Growth by Major Industry, 1988–1995**

Office of Advocacy  
U.S. Small Business Administration  
Washington, D.C.: 1998

### Library of Congress Cataloging-in-Publication Data

Small business growth by major industry, 1988–1995

p. cm.

Includes bibliographical references (p. ).

1. Small business—United States—Statistics. 2. Industrial statistics —United States. I. United States. Small Business Administration.

HD2346.U5S62 1998

338.6'42'0973021 — dc21

98-36846

CIP

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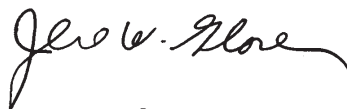
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# Foreword

For many years, as part of its mandate from Congress, the Small Business Administration's Office of Advocacy has taken the lead in investigating the role of small business in the U.S. economy and examining it with the available statistical tools. With the publication of this report, I am pleased to present an invaluable new resource for quantifying the vital economic role played by small businesses in our nation's economic life.

With considerable financial support from the Office of Advocacy, the Bureau of the Census has gathered together a set of statistics that allow us for the first time to take a detailed look at the dynamics of business formation and growth over an extended, and relatively recent, period of time. The analysis of these data by the Office of Advocacy shows the role played by small firms in the 1988–1995 time period as they were created, as they died off, or as they grew into large firms. This so-called “churning” is at the heart of the cycle of change that is continually reallocating our nation's financial, human, and material resources. Small business, it should come as no surprise, is at the vital center of this process.

This report is part of a continuing publication effort by the Office of Advocacy that is designed to concentrate on the small-business sector that dominates the U.S. economy. It was made possible by the cooperation and assistance of the Bureau of the Census, and was prepared by the Office of Advocacy's Office of Economic Research. For more information about our research efforts, I invite you to visit our Internet site at <http://www.sba.gov/ADVO/>.



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## **Abbreviations**

CBP	County Business Patterns
COS	Company Organization Survey
IRS	Internal Revenue Service
MSA	Metropolitan Statistical Area
SSEL	Standard Statistical Establishment Unit
SUSB	Statistics of U.S. Businesses

# Executive Summary

*Small Business Growth by Major Industry, 1988–1995* shows how small businesses account for much of the U.S. economy's growth, are responsible for much of the "churning" of the economy, and have maintained their share of the economy.

Highlights of the report include:

- From 1990 to 1995, small employer firms (those with fewer than 500 employees) accounted for 90.1 percent of the 371,547 net new establishments, and 76.5 percent of the 6.85 million net new jobs.
- From 1990 to 1995, the service sector was responsible for 58.9 percent of net new establishments, and 84.8 percent of net new jobs.
- The business services and health services industries represented 49.0 percent of service-sector employment in 1990, but accounted for 63.8 percent of the net new jobs in services from 1990 to 1995.
- Of U.S. employment, 13.3 percent in 1995 was in firms that did not exist before 1990, while 12.6 percent in 1990 was in firms that had ceased to exist by 1995.
- From 1990 to 1995, the difference between jobs generated by firm births and those lost to firm deaths accounted for 21.8 percent of net new jobs. Expansions less contractions of continuing firms accounted for 78.2 percent of these net new jobs. Small firms accounted for 67.7 percent of net new jobs from firm births and deaths, and 78.9 percent of net new jobs from continuing firms.
- In 1995, small firms averaged about one establishment and 10 employees each, while large firms had an average of more than 50 establishments and more than 3,000 employees each.
- Small businesses represented a steady share of the number of firms from 1988 to 1995, while their share of employment declined slightly. This led to an increase in average firm size.
- Small businesses became more important employers in the manufacturing and construction sectors and less important in the retail trade and service sectors.
- Much of the decrease in small firms' static share of employment in the services sector was probably caused by some small firms growing into large firms.
- A decline in employment in large manufacturing firms accounted

for much of the gain in the small-firm share of manufacturing employment.

This report was prepared by the U.S. Small Business Administration's Office of Advocacy, under the general supervision of Bruce D. Phillips, director of its Office of Economic Research. Comments may be directed to Brian Headd, staff economist and author of the report, at (202) 205-6593. For additional information, visit the Office of Advocacy's Internet site at <http://www.sba.gov/ADVO/>.

# Overview

This report presents a summation of the firm-size data compiled by the Bureau of the Census and funded by the Office of Advocacy over the last eight years. It focuses on small business growth and its changing share of the U.S. economy. The data define these changes by quantifying employer firm births, employer firm deaths, establishment changes, and employment changes by firm size; and small business' changing share of the employer firms, establishments, employment, and payroll.

Two different types of data are used in this report: static and dynamic. Small business' static shares of employer firms, establishments (business locations), employment, and payroll show the changing importance of small businesses over time. Small business' dynamic growth is measured by using the beginning year employment size of firm to classify firm size, tracking changes in establishments and employment for these firm sizes. Static and dynamic data differ in their end-year classification of employment size of firm. Static data reclassify firms as their employment changes over time, while dynamic data do not reclassify firms by their ending year employment size of firm, thus capturing growth. (In dynamic data, firms stay in their firm-size class for analysis regardless of whether they changed firm-size classes.) To determine which industries are driving the overall changes, major industries are also analyzed.

Analysis of the data shows that small businesses accounted for much of the growth in business establishments and employment in the U.S. economy between 1988 and 1995. From 1990 to 1995, 371,547 net new business locations were created. Small firms represented 90.1 percent, and very small firms (those with fewer than 20 employees) represented 68.4 percent of these net new establishments. By industry, services (excluding the finance, insurance, real estate and transportation, communications, and public utilities industries) were responsible for most of this establishment increase (58.9 percent of the total).

During this same period, 6.85 million net new private-sector jobs were created. Small firms generated 76.5 percent of these net new jobs, and very small firms (those with fewer than 20 employees) created 49.0 percent. The services sector created much of the overall growth, with 5.81 million net new jobs (84.8 percent of the total).

This report also finds that small businesses are responsible for much of the “churning,” or turnover, in the U.S. economy. From 1990 to 1995, small businesses were responsible for 99.9 percent of the employer firm births and deaths. Firms starting after 1990 that survived until 1995 numbered 1.8 million. Firms existing in 1990 but not surviving until 1995 numbered 1.5 million.<sup>1</sup> Overall, from 1989 to 1995, 2.9 million firms were born and 2.6 million firms died. Only in the recessionary period of 1990 to 1991 did firm deaths outnumber firm births. Of the 2.3 million firm births from 1990 to 1995, 79.1 percent survived until 1995.<sup>2</sup>

While small firms were accounting for much of the net new establishments and employment, turbulence in the economy of firm births, firm deaths, and large firms shrinking into small firms has held small business’ static share of firms relatively constant from 1988 to 1995. However, their static share of employment and payroll has declined slightly over this period. The decline of the share of small firms in employment (from 54.6 percent to 52.5 percent) and payroll (from 48.6 percent to 46.7 percent) might represent small firms growing into large firms, and it might also indicate an increase in the barriers to entry (and survival) of new firms. Another possibility is that small firms are switching from labor to capital for production; however, the data in this report do not measure capital (or assets). Overall in 1995 (the latest available data), small firms represented 99.7 percent of firms, 52.5 percent of employment, 46.7 percent of payroll, and 47.0 percent of estimated receipts.

From 1988 to 1995, the share of small firms within industries has had slight changes. With regard to employment, small business’ static share in services shows a decrease from 62.4 percent in 1988 to 56.3 percent in 1995, and a similar decrease in retail trade from 56.3 percent to 52.0 percent. Manufacturing’s small firm share of employment increased slightly during the period.

1. A survey from the Bureau of the Census found that the percentage of employer firms closing while the owner felt the business was unsuccessful was 42.6 percent. Therefore an estimate of the number of firms in 1990 that closed by 1995 and were unsuccessful is a little over 600,000. See U.S. Department of Commerce, Bureau of the Census, *Characteristics of Business Owners 1992*, pub. no. CBO92-1 (Washington, D.C.: U.S. Government Printing Office, 1997). (Also available on the Internet at <http://www.census.gov/prod/www/titles.html#ent>).

2. The Office of Advocacy plans to fund the Bureau of the Census to calculate firm births and deaths by major industry.

## Source of the Data

Data for this report were extracted from the Statistics of U.S. Businesses (SUSB). Since 1990, the Office of Advocacy has contracted with the Bureau of the Census to provide data on private, non-farm employers by employment size of firm. Because of the time needed to collect and process these data, there is a delay of about two years in reporting. Therefore, the latest data cover 1995.<sup>3</sup>

The data include the number of employer firms, number of establishments, employment, annual payroll and estimated receipts by location — national, state, or metropolitan statistical area (MSA) — and industry. The data are available by employment size of firm, which includes the following employer firm sizes: 0, 1–4, 5–9, 10–19, 20–99, 100–499, and 500 or more employees. (Self-employed individuals without employees throughout the year are not counted in these data.)<sup>4</sup> When evaluating all industries, the Office of Advocacy often defines a firm with fewer than 500 employees as small. This report focuses on the employment size classes of firms with fewer than 20 employees, firm with fewer than 500 employees, and firms with 500 or more employees. The report does not analyze estimated receipts. Receipts are estimated from payroll, and may not indicate real changes over time.<sup>5</sup> Static data are available from 1988 to 1995.

The SUSB produces static and dynamic data. Static data indicates the importance of firm size classes, and the changing importance of firm size classes over time.<sup>6</sup> Static firm-size data report the number

3. The data are available on the Internet at [http://www.sba.gov/ADVO/stats/int\\_data.html](http://www.sba.gov/ADVO/stats/int_data.html).

4. The SUSB includes all firms that had payroll during the year, and measures their March employment. This results in an employment size class of 0 (new firms and seasonal firms), with annual payroll and no employees. Beginning in 1992, the SUSB broke out the 0 size class from the 0–4 size class. For 1995, the firm employment size class 0 represented 12.8 percent of firms, and 1.0 percent of the annual payroll. To maintain consistency, the static figures include the 0 size class.

5. Estimated receipts in 1995 were \$15.8 trillion, of which 47.0 percent was from small firms (\$7.4 trillion). In addition, calculating productivity from the SUSB would be complicated by the lack of data on work hours, skill levels of the workers, capital intensity of firms, or value added by firms.

6. The following is an example of static firm size data. Suppose that in year one, there were 200 small firms, representing two-thirds of all firms and 100 large firms, representing one-third of all firms. In year two, there were 375 small firms, representing three-fourths of all businesses and 125 large firms, representing one-fourth of all businesses. Small firms became more important to the economy, as they increased their share of all businesses from two-thirds to three-fourths. However static data do not account for business starts, closures, and changes of employment size class and therefore cannot measure job creation.

of employer firms, number of establishments, employment, annual payroll, and estimated receipts by employment size of firm. Firms are defined by their employment size of firm on a yearly basis. Because firms can change employment size classes from year to year, static firm size data cannot indicate the performance of employment size classes (that is, the data cannot measure growth). However, comparisons of static firm-size data over time can illustrate the changing importance of small and large firms by location (national, state, or MSA), and/or by industry.

Dynamic data indicate the growth of employment firm size classes over time.<sup>7</sup> Dynamic data report establishments and employment classified by beginning-year employment size of firm. They also report changes in establishments and employment during the period. A firm is defined by its employment size at the beginning of the year, and remains in the same category for the end-year (or end-of-period) figure.<sup>8</sup> Firm births after the beginning year are an exception, and are classified by their ending year firm size. Dynamic data measure the performance of firm employment size classes in job creation and other measures.<sup>9</sup> Dynamic data do not include firms in the size class of “0,” therefore caution is needed when comparing beginning year dynamic data to static data. Dynamic data are available as yearly changes from 1989 to 1995, and as a five-year change from 1990 to 1995.

See Appendix B, “The Creation of the Statistics of Small Businesses,” (page 42) for a description of the process that the Bureau of the Census uses to calculate the SUSB data. Note that the SUSB

7. The following is an example of dynamic firm-size data. In the beginning year, small firms had 200 establishments, while large firms had 100 establishments. During the year, 50 new small firms (original establishments) formed, 10 new large firms formed, 25 original establishments of small firms closed, and 5 original establishments of large firms closed. By year end, small firms had a net addition of 25 firms and large firms had a net addition of 5 firms. These data track firms over time and allow for the calculation of job creation figures for small and large firms.

8. Different methods have been used to determine the employment size of a firm for job creation. The SUSB dynamic data use the beginning year employment size of a firm. Other researchers, such as John Haltiwanger, director of the Bureau of the Census’ Center for Economic Studies, have used a firm’s average employment size over a period of time. This method avoids the often explosive growth of very young (and often small) firms; and avoids a firm’s employment peaks or valleys, tending back to their average employment level.

9. The Office of Advocacy has also funded David L. Birch of Cognetics, Inc., to study job creation.

uses the term “employment size of enterprise” and this report uses the term “employment size of firm” to describe all of a company’s employment (employment in all states and all industries for the company).

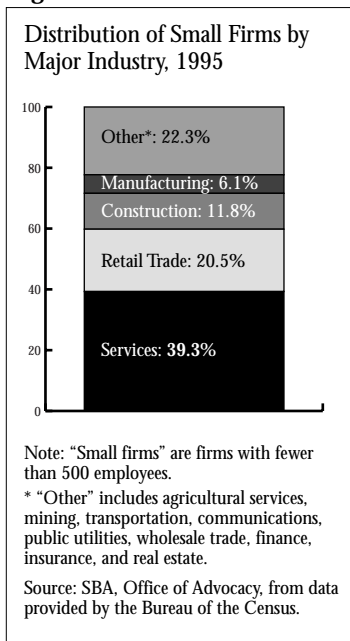
# Static Changes

## Employer Firms

Firms are an aggregation of all establishments owned by a parent company. The share of firms that are small businesses (fewer than 500 employees) has remained constant over the years. From 1988 to 1995, the share remained at 99.7 percent. For the smaller firm employment size class of less than 20 employees, the figure has fluctuated slightly, but appears relatively constant over the years (Table A.1). Because of small firms' dominance in the number of firms, very small fluctuations in the share of firms can indicate real changes. For example, doubling the number of large firms in 1995 would only decrease small firms' share of firms by 0.3 percent. A reduction in the share of small firms can indicate an increase in the barriers to market entry for small firms.

The number of firms in both small- and large-firm size categories has increased. For small firms, the figure grew from 4.44 million in 1988 to 4.81 million in 1995 (a small-firm increase of 363,060 net new firms). Much of the small-firm increase was in service firms, which had an increase 277,444 net new small firms during the period. In addition, only the recessionary period, 1990–1991, saw a decrease in the number of small, large, and very small (fewer than 20 employees) firms.

Figure 1



By major industry in 1995, small firms dominated the agricultural services (including forestry and fishing); construction; transportation, communications, and public utilities; retail; and services industries, with more than 99.5 percent of the firms in each industry. Small firms were least represented in the mining industry, but still represented more than 98 percent of the industry's firms.

Changes for the period 1988 to 1995 indicate that the combined industry of agricultural services had the largest percentage increase — 39.9 percent — in the number of firms. Business services also had a large increase, rising 29.3 percent. Mining was the only industry (excluding "unclassified") that saw a reduction in the number of firms during this period, declining 13.8 percent (Table 1).

In 1995, services and retail trade accounted for 59.8 percent of small firms (Figure 1). The industry distribution within the small firm sector changed from 1988 to 1995. Services went from 37.0 percent to 39.3 percent of all small firms, while retail trade went from 22.1 percent to 20.5 percent of all small firms. Services represent a larger percentage of large firms as well, rising from 50.2 per-

**Table 1. Change in the Number of Employer Firms by Industry, 1988–1995**

<i>Industry</i>	<i>Amount</i>	<i>Percent</i>
<b>Total, all industries</b>	<b>414,423</b>	<b>8.4</b>
Agricultural services	28,929	36.9
Mining	-3,450	-13.8
Construction	57,889	10.1
Manufacturing	9,902	3.1
Transportation, communications, and public utilities	35,859	20.7
Wholesale trade	37,266	10.1
Retail trade	5,431	0.5
Eating and drinking places	42,707	13.7
Finance, insurance, and real estate	30,941	7.7
Services	279,467	15.2
Business services	69,115	29.3
Health services	26,874	6.7
Unclassified	-69,435	-56.7

Note: The aggregation of industries differs from the total because firms can be in more than one industry.

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

cent to 54.8 percent. In fact, large service firm growth of 2,023 net new firms drove the overall net increase of 2,620 new large firms realized in this period.

From 1988 to 1995, the share of small firms within industries has remained relatively constant. Small firms are becoming slightly more important in the combined industry of transportation, communications, and public utilities (from 99.11 percent to 99.21 percent of firms). But small businesses are becoming slightly less important in mining (from 98.27 percent to 98.14 percent of firms) and services (from 99.65 percent to 99.60 percent of firms), particularly health services.

## **Establishments**

Establishments are business locations with any reported payroll during the year. A decline in the small-business share of establishments may signal the crowding out of small retailers by national chains, small retailers growing into national chains, or other factors. From 1988 to 1995, small business' static share of establishments decreased from 88.8 percent to 87.7 percent (Table A.2). The decrease was caused by large firms' 20.9-percent increase in the number of establishments, while small firms had a smaller, 8.5-percent increase. Considering that small firms showed a reasonable increase in the number of establishments, and the robust U.S. economy during this time period, the slight decrease in small firms' share

of establishments is probably not significant.

From 1988 to 1995, 596,354 net new establishments were created, a 9.9-percent increase. All major industries increased in the number of establishments from 1988 to 1995, except mining. Services had the largest absolute increase — at 308,486 establishments — and agricultural services had the largest percentage increase, 36.8 percent.

The increase in the number of large-firm establishments of 140,444 from 1988 to 1995 was attributable to growth in the services and retail trade sectors. The increase in the number of small-firm establishments of 455,910 over this same period was driven by growth in the services; finance, insurance, and real estate; and construction industries. While the number of small-firm retail trade establishments decreased overall, a sub-industry — eating and drinking places — showed an increase in the number of small-firm establishments.

The few large firms (comprising some 0.3 percent of all firms) often have many business locations, while small firms often occupy just one location. In 1995, establishments per firm was 1.2 for all firm sizes, 1.0 for very small firms (those with fewer than 20 employees), 1.1 for small firms, and 52.7 for large firms. These figures remained relatively stable from 1988 to 1995. For all major industries during this period, very small firms and small firms had about one establishment per firm. In 1995, large firms in retailing had the most establishments per large firm with 113.7, followed by finance, insurance, and real estate, with 48.3 (Table A.3). Within the retail trade sector, the eating and drinking places industry averaged 75.7 establishments per large firm.

From 1988 to 1995, within large firms, the transportation, communication, and public utility sector's increase of 5.8 establishments per large firm was the largest absolute increase (from 31.0 to 36.8). The largest percentage increase was in the construction industry: 27.3 percent (from 5.6 to 7.2 establishments per firm). The retail trade and finance, insurance, and real estate sectors also had large absolute increases, of about 5 establishments per large firm. Within services, health services had a large percentage increase in establishments per large firm (38.3 percent), as did business services (23.2 percent).

## Employment

From 1988 to 1995, small business' static share of employment decreased slightly — from 54.6 percent to 52.5 percent. This may be the result of small firms growing into large firms. During this same period, static large-firm employment increased 19.4 percent,

while static small-firm employment increased 9.9 percent (Table A.4). Note that static data do not measure job creation, as firms can change employment-size class from year to year (for job creation, see the dynamic growth section entitled “Employment” on page 13).

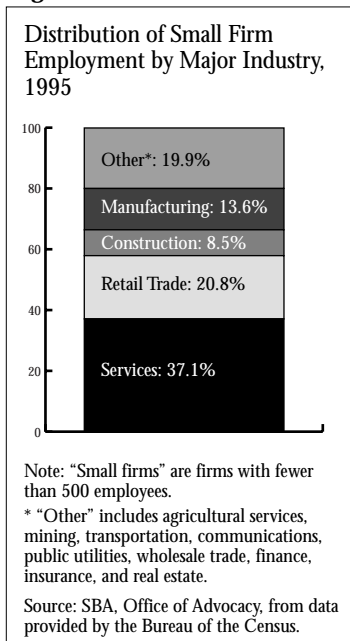
In 1995, small firms dominated the agricultural services and construction industries, with more than 88 percent of employment in each industry. Small firms were less represented in the more capital-intensive industries of transportation, communications, and public utilities with 36.3 percent of that industry’s employment in 1995, followed by manufacturing (38.5 percent) and mining (38.6 percent).

From 1988 to 1995, small business employment decreased in manufacturing and mining. Small business’ static share of employment in mining remained relatively constant because of similar losses to both small and large firm categories. By 1995, manufacturing had 589,254 fewer jobs in large firms than 1988, while small firms had only 34,532 fewer jobs. This caused small firms’ share of employment in manufacturing to increase from 37.4 percent to 38.5 percent. Small firms’ static share of employment in services shows a sharp decrease from 62.4 percent in 1988 to 56.3 percent in 1995. However, absolute small firm employment in services increased every year from 1988 to 1995. Retail trade’s small-firm static share of employment decreased from 56.3 percent to 52.0 percent, but retail trade’s absolute small-firm employment did decrease in a few of the years studied.

Services’ static share of small firm employment increased from 32.9 percent in 1988 to 37.1 percent in 1995. Only manufacturing and retail trade had noticeable declines in small-firm employment (from 15.0 percent to 13.6 percent and from 22.2 percent to 20.8 percent, respectively). In 1995, services, retail trade, and manufacturing represented 71.6 percent of all small business employment (Figure 2).

Also in 1995, the average employment per firm was 18.7 for all firm sizes, 4.1 for very small firms (fewer than 20 employees), 9.8 for small firms, and 3,086.1 for large firms. For all firm sizes, average employment per firm rose from 17.7 in 1988 to 18.7 in 1995. In 1995, employment per small firm was lowest for agricultural services (5.2), followed by construction (7.2). Employment per large firm was highest for retail trade (3,438.2), followed by manufacturing (2,328.5). Overall, manufacturing had the highest employment per firm, with an average of 56.3.

**Figure 2**



## Payroll

Not surprisingly, small firms' static share of payroll has followed the small-firm static share of employment, and decreased slightly. Small firms represented 48.6 percent of private-sector payroll in 1988, and 47.0 percent in 1995. Most of the decrease occurred from 1988 to 1992. In fact, the figure has remained relatively stable from 1992 to 1995. For very small firms (fewer than 20 employees), the payroll share has declined every year from 1988 to 1995 (17 percent in 1995).

By major industry, small-firm payroll dominated the agricultural services and construction industries, accounting for more than 85 percent of each industry's payroll in 1995. Also in 1995, small firms had the lowest share payroll in the transportation, communications, and public utilities industry, with only 26.6 percent.

Small firms' share of payroll in the agricultural services industry rose from 82.9 percent in 1988 to 87.0 percent in 1995. However, over the same period, small firms' payroll share in retail trade went from 56.8 percent to 51.5 percent, and in services from 61.4 percent to 54.8 percent. The service industry's share decrease was driven by declines in both business services (from 55.8 percent to 48.8 percent) and health services (from 52.5 percent to 43.7 percent).

# Dynamic Growth

## Employer Firm Births and Deaths

Firm births and deaths are part of the cycle of change that reallocates the economy's finance, employment, and material resources. Firms are often born and survive by applying new ideas and new vigor, replacing outmoded firms. These start-up firms may need to grow to reach an optimal size to take advantage of scale economies. Small firms are the driving force behind this cycle.

Most firms start small and never grow to become large firms (or shrink before they die). From 1994 to 1995, small firms (fewer than 500 employees) represented more than 99.9 percent of the new firms and more than 99.9 percent of the firm deaths. Very small firms (fewer than 20 employees) represented 95.7 percent of the firm births and 95.0 percent of the firm deaths. These figures reflect small firms' strong presence in the turbulence that recharges the economy.

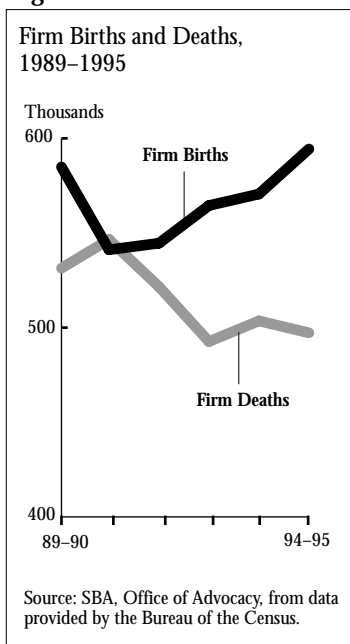
The SUSB dynamic data provide two different lengths of time for study, 1990–1995, and yearly changes from 1989 to 1995. The 1990 to 1995 period tracks firms and allows a long time span for comparisons of two snapshots of the U.S. economy, but misses what occurs in the middle, such as the firm births after 1990 that died by 1995. The 1989 to 1995 yearly changes allow for comparisons of different years. (Note that longer periods show huge small-firm growth since most firms start small.)

From 1990 to 1995, 1.8 million firms were born and survived until 1995, while 1.5 million firms existing in 1990 died by 1995. This resulted in 250,412 net new firms. New firms surviving until 1995 were responsible for 13.30 million jobs, while firms existing in 1990 that died by 1995 resulted in 11.81 million job losses. This revolving door created 1.50 million net new jobs (21.8 percent of the total), with continuing firms accounting for the remaining 5.36 million net new jobs (78.2 percent). Overall, 13.3 percent of the employment in 1995 was in firms that did not exist in 1990.

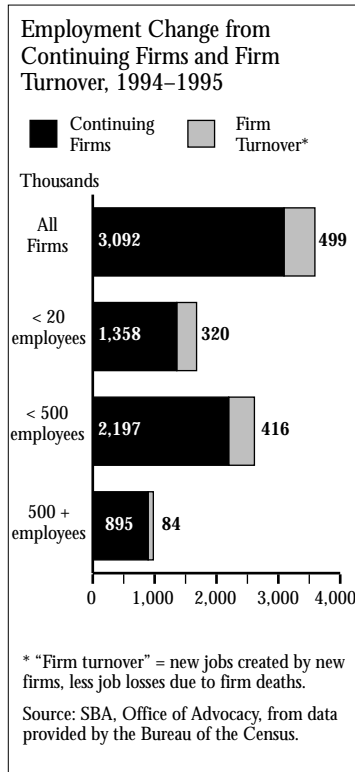
From 1989 to 1995, firm births averaged around 560,000 a year, and firm deaths averaged around 510,000 a year (Figure 3). Only in 1990 to 1991, a recessionary period, did firm deaths outnumber firm births. In most years, large firm deaths outnumbered large firm births. This is most likely a result of few firms starting large, while some of the large firm deaths began as small firm births.

From 1994 to 1995, 594,369 firms were born and 497,246 firms

Figure 3



**Figure 4**



died. Also in the 1994 to 1995 period, using the static data's 1994 number of firms as the base (excluding firms with 0 employees), the birth rate was 13.0 percent and the death rate was 10.8 percent. Small firms from 1994 to 1995 were responsible for 91.8 percent of the jobs from firm creation, and 93.3 percent of job losses due to firm deaths. Very small firms were responsible for 55.3 percent of the new firm jobs, and 53.7 percent of the firm death job losses. Of the employment growth in continuing firms, small firms accounted for 71.1 percent, and very small firms accounted for 43.9 percent. For all employment size classes, continuing firms accounted for most of the net new jobs (Figure 4).

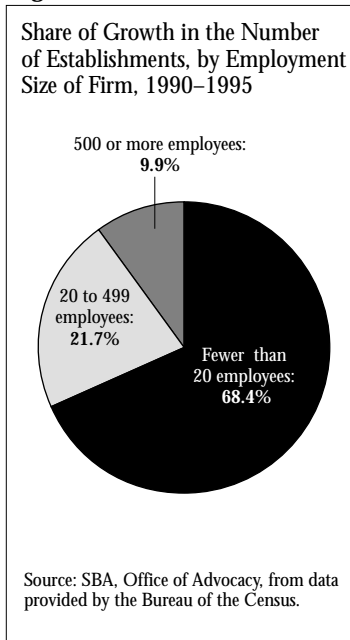
## Establishments

An increase in net new establishments (or business locations) has expanded the economy into new areas and revitalized existing areas. Most of the net new establishments are a consequence of firm births minus deaths, which the previous section showed were dominated by small firms. Continuing firms accounted for the remaining number of net new establishments. From 1994 to 1995, firm births minus deaths accounted for 89.7 percent of the net new establishments, and from 1990 to 1995 this figure was 67.4 percent (continuing firms account for the balance).

From 1990 to 1995, 371,547 net new establishments were created in the U.S. economy. In addition, the number of establishments increased every year from 1990 to 1995. Small firms represented 90.1 percent of this creation, and very small firms (fewer than 20 employees) represented 68.4 percent (Figure 5). Small firms' dominance in establishment creation is not surprising considering that from 1990 to 1995, small firms owned about 88 percent of establishments and very small firms owned about 74 percent of total establishments.

Also from 1990 to 1995, the service industry created most of the

**Figure 5**



establishment increase, with 218,994 net new establishments (58.9 percent of the total), followed by the finance, insurance and real estate industry's increase of 59,088 (15.9 percent of the total). Only mining declined (a loss of 3,060 net establishments).

Small-firm establishment changes from 1990 to 1995 dominated agricultural services, construction, and services, representing more than 90 percent of the total establishment changes. Only in retail trade did large firms create more establishments than small firms; however small firms represented 94.7 percent of the increase in a sub-industry, eating and drinking places. Small-firm establishment gains in manufacturing and wholesale trade masked large-firm establishment losses.

The number of establishments increased every year from 1989 to 1995, even during the recessionary period of 1990 to 1991. The number of establishments created by small firms also increased every year; however, large firms had a decline in establishments from 1992 to 1993 and from 1991 to 1992.

The largest change was from 1994 to 1995, which saw 108,320 net new establishments. Very small firms (those with fewer than 20 employees) were responsible for 90,440 of the net new establishments (83.5 percent of the total) in that period. Services accounted for 41.8 percent of the total net new establishments.

## Employment

Most of the labor force is taking part in the economy's recent expansion, as shown by employment increases and lowered unemployment rates. From 1990 to 1995, 6.85 million net new jobs were created in the U.S. economy. Small firms created 76.5 percent, and very small firms (fewer than 20 employees), 49.0 percent (Figure 6). In addition to favorable economic conditions in this time period, this job growth may be a result of small firms growing in employment to reach efficient scale economies.

Services accounted for much of the overall growth, with 5.81 million net new jobs (Table 2). Of these new jobs, 2.05 million were in health services and 1.66 million were in business services. Retail trade also posted healthy gains, with 1.35 million net new jobs, largely driven by eating and drinking places (670,343 net new jobs). Manufacturing had substantial losses (690,522 net lost jobs). Also recording losses were construction (194,897 net lost jobs) and mining (73,480 net lost jobs).

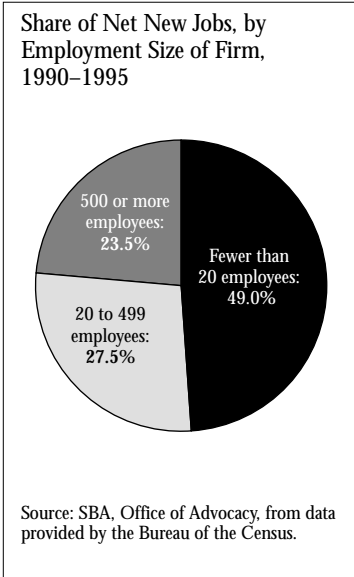
From 1990 to 1995, 62.2 percent of the net new service jobs were from small firms. In retail trade, 64.3 percent of the net new jobs came from large firms and, in the aggregate, all of those in small retail firms came from eating and drinking places. The large gain of

**Table 2. Net New Jobs by Industry, 1990–1995**

<i>Industry</i>	<i>Number of Net New Jobs</i>		
	<i>All Firms</i>	<i>Small Firms ( &lt; 500 employees)</i>	<i>Large Firms ( 500+ employees)</i>
<b>Total, all industries</b>	<b>6,853,784</b>	<b>5,241,479</b>	<b>1,612,305</b>
Services	5,809,614	3,615,704	2,193,910
Retail trade	1,353,120	482,667	870,453
Manufacturing	-690,522	375,710	-1,066,232
Other industries	381,572	767,398	-385,826

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

**Figure 6**



375,710 jobs posted by small manufacturing firms helped offset the loss of 1.07 million jobs among large manufacturing firms. Small-firm gains in the transportation, communications, and public utilities industry and the finance, insurance, and real estate industry also helped offset large-firm losses.

During the recessionary period from 1990 to 1991, the U.S. economy lost 1.16 million jobs, driven by manufacturing losses of 817,880 jobs, and construction losses of 589,125 jobs. During this same period, services gained 657,746 jobs, of which 391,838 were in health services. The yearly increase from 1994 to 1995 was the largest job increase (3.59 million jobs) during the five-year period, with only the finance, insurance, and real estate industry losing jobs. Services accounted for much of this growth. Manufacturing has been up and down, but the trend now appears positive, as that sector created 498,515 jobs from 1994 to 1995 (78.7 percent of which was in small firms). Services recorded increases in every year, and business services appears to be supplanting health services as the job-creating force in the aggregated industry of services, creating over 400,000 more jobs than health services from 1993 to 1995.

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Industry	Year	Firms				Percent of Total Industry Firms		Percent of Size Class by Industry	
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
Wholesale Trade	1995	405,435	345,929	402,099	3,336	85.32	99.18	7.20	7.51
	1994	400,375	342,369	397,088	3,287	85.51	99.18	7.23	7.55
	1993	397,233	340,062	394,022	3,211	85.61	99.19	7.29	7.61
	1992	380,328	325,446	377,220	3,108	85.57	99.18	7.12	7.42
	1991	377,669	321,445	374,557	3,112	85.11	99.18	7.10	7.44
	1990	374,283	316,217	371,073	3,210	84.49	99.14	6.97	7.33
	1989	370,674	312,937	367,469	3,205	84.42	99.14	6.96	7.34
	1988	368,169	311,646	365,011	3,158	84.65	99.14	7.01	7.39
Retail Trade	1995	1,099,619	967,681	1,096,675	2,944	88.00	99.73	20.13	20.48
	1994	1,093,640	965,350	1,090,757	2,883	88.27	99.74	20.38	20.73
	1993	1,090,076	963,573	1,087,260	2,816	88.40	99.74	20.67	20.99
	1992	1,089,071	962,104	1,086,190	2,881	88.34	99.74	21.04	21.38
	1991	1,104,036	977,754	1,101,240	2,796	88.56	99.75	21.59	21.86
	1990	1,109,703	979,712	1,106,842	2,861	88.29	99.74	21.60	21.88
	1989	1,104,567	975,623	1,101,754	2,813	88.33	99.75	21.71	22.00
	1988	1,094,188	968,028	1,091,451	2,737	88.47	99.75	21.78	22.09
	Eating and Drinking Places (b)	1995	354,188	287,654	353,209	979	81.22	99.72	5.98
1994		348,364	284,066	347,413	951	81.54	99.73	6.00	6.60
1993		343,473	280,246	342,593	880	81.59	99.74	6.01	6.62
1992		330,961	269,529	330,073	888	81.44	99.73	5.89	6.50
1991		328,310	268,394	327,427	883	81.75	99.73	5.93	6.50
1990		325,194	264,774	324,279	915	81.42	99.72	5.84	6.41
1989		N.A.	N.A.	N.A.	N.A.	--	--	--	--
1988		311,481	254,272	310,639	842	81.63	99.73	5.72	6.29
Finance, Insurance, and Real Estate	1995	433,790	400,691	430,802	2,988	92.37	99.31	8.33	8.05
	1994	426,951	393,482	423,972	2,979	92.16	99.30	8.31	8.06
	1993	426,778	392,925	423,756	3,022	92.07	99.29	8.43	8.18
	1992	411,466	377,856	408,393	3,073	91.83	99.25	8.26	8.04
	1991	409,863	376,886	406,949	2,914	91.95	99.29	8.32	8.08
	1990	419,963	385,576	417,202	2,761	91.81	99.34	8.50	8.25
	1989	409,605	375,644	406,852	2,753	91.71	99.33	8.36	8.12
	1988	402,849	369,488	400,206	2,643	91.72	99.34	8.31	8.10
Services	1995	2,114,127	1,918,185	2,105,662	8,465	90.73	99.60	39.90	39.33
	1994	2,074,177	1,885,308	2,065,824	8,353	90.89	99.60	39.81	39.26
	1993	2,030,895	1,845,796	2,022,735	8,160	90.89	99.60	39.60	39.06
	1992	1,963,563	1,784,923	1,955,841	7,722	90.90	99.61	39.03	38.49
	1991	1,962,388	1,788,144	1,954,957	7,431	91.12	99.62	39.48	38.81
	1990	1,921,767	1,750,283	1,914,429	7,338	91.08	99.62	38.59	37.84
	1989	1,872,348	1,708,882	1,865,186	7,162	91.27	99.62	38.03	37.25
	1988	1,834,660	1,679,925	1,828,218	6,442	91.57	99.65	37.80	36.99
	Business Services (c)	1995	304,677	268,168	302,079	2,598	88.02	99.15	5.58
1994		294,457	259,426	291,939	2,518	88.10	99.14	5.48	5.55
1993		278,910	244,697	276,516	2,394	87.73	99.14	5.25	5.34
1992		264,458	231,744	262,237	2,221	87.63	99.16	5.07	5.16
1991		279,862	247,232	277,750	2,112	88.34	99.25	5.46	5.51
1990		268,890	236,540	266,731	2,159	87.97	99.20	5.22	5.27
1989		N.A.	N.A.	N.A.	N.A.	--	--	--	--
1988		235,562	206,803	233,560	2,002	87.79	99.15	4.65	4.73
Health Services (c)	1995	425,349	387,760	422,267	3,082	91.16	99.28	8.07	7.89

Table A.1: Employer Firms by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Firms				Percent of Total Industry Firms		Percent of Size Class by Industry	
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
	1994	425,281	388,842	422,129	3,152	91.43	99.26	8.21	8.02
	1993	424,346	388,379	421,177	3,169	91.52	99.25	8.33	8.13
	1992	419,178	385,106	416,232	2,946	91.87	99.30	8.42	8.19
	1991	417,106	384,814	414,292	2,814	92.26	99.33	8.50	8.22
	1990	410,409	379,374	407,667	2,742	92.44	99.33	8.36	8.06
	1989	N.A.	N.A.	N.A.	N.A.	--	--	--	--
	1988	398,475	371,502	396,285	2,190	93.23	99.45	8.36	8.02
Unclassified	1995	52,981	52,521	52,977	4	99.13	99.99	1.09	0.99
	1994	48,989	48,668	48,989	0	99.34	100.00	1.03	0.93
	1993	49,070	48,844	49,070	0	99.54	100.00	1.05	0.95
	1992	71,361	71,102	71,361	0	99.64	100.00	1.55	1.40
	1991	29,027	28,735	29,027	0	98.99	100.00	0.63	0.58
	1990	64,767	63,874	64,721	46	98.62	99.93	1.41	1.28
	1989	100,436	98,763	100,382	54	98.33	99.95	2.20	2.00
	1988	122,416	120,359	122,350	66	98.32	99.95	2.71	2.48

N.A. = Not available

Note: Employment is measured in March, thus leading to firms with zero employment and some annual payroll.

(a) Firms are an aggregation of all establishments owned by a parent company.

(b) "Eating and drinking places" is included in the retail trade industry.

(c) "Business services" and "health services" are included in the services industry.

(d) The aggregation of all industries is greater than the total because firms can be in more than one industry.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.2: Establishments by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Establishments				Percent of Total Industry Estab.		Percent of Size Class by Industry	
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
All Industries	1995	6,612,721	4,799,047	5,798,936	813,785	72.57	87.69	100.00	100.00
	1994	6,509,065	4,819,039	5,724,681	784,384	74.04	87.95	100.00	100.00
	1993	6,401,233	4,737,660	5,654,835	746,398	74.01	88.34	100.00	100.00
	1992	6,319,300	4,656,110	5,571,896	747,404	73.68	88.17	100.00	100.00
	1991	6,200,859	4,616,497	5,457,366	743,493	74.45	88.01	100.00	100.00
	1990	6,175,559	4,596,135	5,447,605	727,954	74.42	88.21	100.00	100.00
	1989	6,106,922	4,569,885	5,402,086	704,836	74.83	88.46	100.00	100.00
	1988	6,016,367	4,526,307	5,343,026	673,341	75.23	88.81	100.00	100.00
Agricultural Services, Forestry, and Fishing	1995	108,666	102,445	107,506	1,160	94.28	98.93	2.13	1.85
	1994	104,495	98,808	103,393	1,102	94.56	98.95	2.05	1.81
	1993	100,685	94,654	99,721	964	94.01	99.04	2.00	1.76
	1992	97,548	91,606	96,499	1,049	93.91	98.92	1.97	1.73
	1991	93,050	87,506	92,048	1,002	94.04	98.92	1.90	1.69
	1990	89,206	83,741	88,184	1,022	93.87	98.85	1.82	1.62
	1989	84,676	79,574	83,716	960	93.97	98.87	1.74	1.55
	1988	79,540	74,846	78,571	969	94.10	98.78	1.65	1.47
Mining	1995	27,406	18,340	22,790	4,616	66.92	83.16	0.38	0.39
	1994	28,348	18,946	23,505	4,843	66.83	82.92	0.39	0.41
	1993	28,570	19,188	23,814	4,756	67.16	83.35	0.41	0.42
	1992	29,224	19,562	24,405	4,819	66.94	83.51	0.42	0.44
	1991	30,863	20,514	25,766	5,097	66.47	83.49	0.44	0.47
	1990	30,943	20,511	25,841	5,102	66.29	83.51	0.45	0.47
	1989	31,079	20,588	26,027	5,052	66.24	83.74	0.45	0.48
	1988	31,881	21,105	26,679	5,202	66.20	83.68	0.47	0.50
Construction	1995	636,580	582,009	631,839	4,741	91.43	99.26	12.13	10.90
	1994	621,771	571,375	617,384	4,387	91.89	99.29	11.86	10.78
	1993	600,299	551,853	596,140	4,159	91.93	99.31	11.65	10.54
	1992	590,627	542,732	586,500	4,127	91.89	99.30	11.66	10.53
	1991	588,544	539,099	584,172	4,372	91.60	99.26	11.68	10.70
	1990	603,534	546,875	599,062	4,472	90.61	99.26	11.90	11.00
	1989	595,337	539,579	590,992	4,345	90.63	99.27	11.81	10.94
	1988	578,825	524,356	574,444	4,381	90.59	99.24	11.58	10.75
Manufacturing	1995	390,435	242,804	341,830	48,605	62.19	87.55	5.06	5.89
	1994	387,240	242,689	340,023	47,217	62.67	87.81	5.04	5.94
	1993	387,337	242,992	340,732	46,605	62.73	87.97	5.13	6.03
	1992	387,616	243,127	341,193	46,423	62.72	88.02	5.22	6.12
	1991	381,514	237,334	333,906	47,608	62.21	87.52	5.14	6.12
	1990	385,933	238,551	338,567	47,366	61.81	87.73	5.19	6.21
	1989	382,619	234,630	335,419	47,200	61.32	87.66	5.13	6.21
	1988	378,171	231,848	332,151	46,020	61.31	87.83	5.12	6.22
Transportation, Communications, and Public Utilities	1995	285,654	184,846	224,777	60,877	64.71	78.69	3.85	3.88
	1994	276,606	177,709	217,732	58,874	64.25	78.72	3.69	3.80
	1993	267,175	170,535	210,482	56,693	63.83	78.78	3.60	3.72
	1992	259,176	163,002	203,604	55,572	62.89	78.56	3.50	3.65
	1991	249,984	159,508	195,624	54,360	63.81	78.25	3.46	3.58
	1990	242,241	157,416	191,346	50,895	64.98	78.99	3.42	3.51
	1989	239,409	155,405	188,785	50,624	64.91	78.85	3.40	3.49
	1988	231,638	151,022	183,958	47,680	65.20	79.42	3.34	3.44

Table A.2: Establishments by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Establishments			Percent of Total Industry Estab.		Percent of Size Class by Industry		
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
Wholesale Trade	1995	518,432	353,206	452,506	65,926	68.13	87.28	7.36	7.80
	1994	513,093	350,393	449,681	63,412	68.29	87.64	7.27	7.86
	1993	509,604	348,762	447,472	62,132	68.44	87.81	7.36	7.91
	1992	493,298	334,391	431,826	61,472	67.79	87.54	7.18	7.75
	1991	487,757	329,691	423,329	64,428	67.59	86.79	7.14	7.76
	1990	484,619	324,464	420,492	64,127	66.95	86.77	7.06	7.72
	1989	480,117	321,600	417,892	62,225	66.98	87.04	7.04	7.74
	1988	476,843	320,842	416,350	60,493	67.28	87.31	7.09	7.79
Retail Trade	1995	1,571,073	990,360	1,236,379	334,694	63.04	78.70	20.64	21.32
	1994	1,565,544	989,241	1,235,874	329,670	63.19	78.94	20.53	21.59
	1993	1,554,437	988,191	1,238,617	315,820	63.57	79.68	20.86	21.90
	1992	1,567,940	989,705	1,245,820	322,120	63.12	79.46	21.26	22.36
	1991	1,569,659	1,007,149	1,248,959	320,700	64.16	79.57	21.82	22.89
	1990	1,574,905	1,008,760	1,255,094	319,811	64.05	79.69	21.95	23.04
	1989	1,562,200	1,004,963	1,253,206	308,994	64.33	80.22	21.99	23.20
	1988	1,541,796	997,834	1,245,070	296,726	64.72	80.75	22.05	23.30
Eating and Drinking Places (b)	1995	462,122	290,242	387,993	74,129	62.81	83.96	6.05	6.69
	1994	454,086	286,896	382,832	71,254	63.18	84.31	5.95	6.69
	1993	446,618	282,805	379,242	67,376	63.32	84.91	5.97	6.71
	1992	436,318	272,163	367,300	69,018	62.38	84.18	5.85	6.59
	1991	428,016	270,763	357,936	70,080	63.26	83.63	5.87	6.56
	1990	424,242	267,294	354,962	69,280	63.01	83.67	5.82	6.52
	1989	416,440	262,421	348,455	67,985	63.02	83.67	5.74	6.45
	1988	405,807	256,668	341,204	64,603	63.25	84.08	5.67	6.39
Finance, Insurance, and Real Estate	1995	629,479	408,589	485,125	144,354	64.91	77.07	8.51	8.37
	1994	617,745	401,756	479,688	138,057	65.04	77.65	8.34	8.38
	1993	609,492	401,771	481,787	127,705	65.92	79.05	8.48	8.52
	1992	598,166	387,326	469,149	129,017	64.75	78.43	8.32	8.42
	1991	585,436	384,583	458,295	127,141	65.69	78.28	8.33	8.40
	1990	563,761	386,633	440,138	123,623	68.58	78.07	8.41	8.08
	1989	548,697	377,136	429,610	119,087	68.73	78.30	8.25	7.95
	1988	537,672	371,094	422,953	114,719	69.02	78.66	8.20	7.92
Services	1995	2,392,015	1,941,207	2,243,207	148,808	81.15	93.78	40.45	38.68
	1994	2,345,234	1,909,990	2,208,412	136,822	81.44	94.17	39.63	38.58
	1993	2,294,559	1,870,988	2,166,995	127,564	81.54	94.44	39.49	38.32
	1992	2,224,339	1,810,911	2,101,534	122,805	81.41	94.48	38.89	37.72
	1991	2,185,025	1,809,404	2,066,240	118,785	82.81	94.56	39.19	37.86
	1990	2,135,627	1,771,537	2,024,160	111,467	82.95	94.78	38.54	37.16
	1989	2,081,122	1,731,018	1,975,360	105,762	83.18	94.92	37.88	36.57
	1988	2,036,748	1,703,401	1,940,081	96,667	83.63	95.25	37.63	36.31
Business Services (c)	1995	356,436	270,355	317,792	38,644	75.85	89.16	5.63	5.48
	1994	343,366	261,798	308,515	34,851	76.24	89.85	5.43	5.39
	1993	325,954	247,147	293,797	32,157	75.82	90.13	5.22	5.20
	1992	311,290	234,278	279,808	31,482	75.26	89.89	5.03	5.02
	1991	321,507	249,235	290,943	30,564	77.52	90.49	5.40	5.33
	1990	308,188	238,515	280,084	28,104	77.39	90.88	5.19	5.14
	1989	291,730	225,058	265,405	26,325	77.15	90.98	4.92	4.91
	1988	271,844	209,039	247,668	24,176	76.90	91.11	4.62	4.64

Table A.2: Establishments by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Establishments				Percent of Total Industry Estab.		Percent of Size Class by Industry	
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
Health Services (c)	1995	481,220	394,573	448,834	32,386	81.99	93.27	8.22	7.74
	1994	478,425	396,243	449,742	28,683	82.82	94.00	8.22	7.86
	1993	474,109	396,016	448,875	25,234	83.53	94.68	8.36	7.94
	1992	467,154	392,709	444,087	23,067	84.06	95.06	8.43	7.97
	1991	454,222	390,463	433,260	20,962	85.96	95.39	8.46	7.94
	1990	445,894	385,168	426,334	19,560	86.38	95.61	8.38	7.83
	1989	439,000	381,097	420,562	18,438	86.81	95.80	8.34	7.79
	1988	432,198	378,045	415,558	16,640	87.47	96.15	8.35	7.78
Unclassified	1995	52,981	52,521	52,977	4	99.13	99.99	1.09	0.91
	1994	48,989	48,668	48,989	0	99.34	100.00	1.01	0.86
	1993	49,075	48,844	49,075	0	99.53	100.00	1.03	0.87
	1992	71,366	71,102	71,366	0	99.63	100.00	1.53	1.28
	1991	29,027	28,735	29,027	0	98.99	100.00	0.62	0.53
	1990	64,790	63,874	64,721	69	98.59	99.89	1.39	1.19
	1989	101,666	98,764	101,079	587	97.15	99.42	2.16	1.87
	1988	123,253	120,359	122,769	484	97.65	99.61	2.66	2.30

Note: Employment is measured in March, thus leading to firms with zero employment and some annual payroll.

(a) Firms are an aggregation of all establishments owned by a parent company.

(b) "Eating and drinking places" is included in the retail trade industry.

(c) "Business services" and "health services" are included in the services industry.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.3: Establishments per Firm by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Establishments per Firm			
		Total	Employment Size of Firm (a)		
			0-19	<500	500+
All Industries	1995	1.2	1.0	1.1	52.7
	1994	1.2	1.0	1.1	52.3
	1993	1.2	1.0	1.1	51.0
	1992	1.2	1.0	1.1	52.9
	1991	1.2	1.0	1.1	53.2
	1990	1.2	1.0	1.1	51.9
	1989	1.2	1.0	1.1	50.8
	1988	1.2	1.0	1.1	52.5
	Agricultural Services, Forestry, and Fishing	1995	1.0	1.0	1.0
1994		1.0	1.0	1.0	8.8
1993		1.0	1.0	1.0	7.5
1992		1.0	1.0	1.0	8.1
1991		1.0	1.0	1.0	7.7
1990		1.0	1.0	1.0	7.9
1989		1.0	1.0	1.0	7.9
1988		1.0	1.0	1.0	8.1
Mining		1995	1.3	1.0	1.1
	1994	1.3	1.0	1.1	11.7
	1993	1.3	1.0	1.1	11.5
	1992	1.3	1.0	1.1	11.8
	1991	1.3	1.0	1.1	12.3
	1990	1.3	1.0	1.1	11.8
	1989	1.3	1.0	1.1	11.7
	1988	1.3	1.0	1.1	12.0
	Construction	1995	1.0	1.0	1.0
1994		1.0	1.0	1.0	6.9
1993		1.0	1.0	1.0	6.4
1992		1.0	1.0	1.0	6.4
1991		1.0	1.0	1.0	6.3
1990		1.0	1.0	1.0	5.9
1989		1.0	1.0	1.0	5.5
1988		1.0	1.0	1.0	5.6
Manufacturing		1995	1.2	1.0	1.1
	1994	1.2	1.0	1.1	10.0
	1993	1.2	1.0	1.1	10.0
	1992	1.2	1.0	1.1	10.1
	1991	1.2	1.0	1.1	10.4
	1990	1.2	1.0	1.1	10.1
	1989	1.2	1.0	1.1	9.9
	1988	1.2	1.0	1.1	9.9
	Transportation, Communications, and Public Utilities	1995	1.4	1.0	1.1
1994		1.4	1.0	1.1	35.9
1993		1.4	1.0	1.1	35.0
1992		1.4	1.0	1.1	34.6
1991		1.4	1.0	1.1	34.3
1990		1.3	1.0	1.1	31.4
1989		1.3	1.0	1.1	32.3
1988		1.3	1.0	1.1	31.0

Table A.3: Establishments per Firm by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Establishments per Firm			
		Total	Employment Size of Firm (a)		
			0-19	<500	500+
Wholesale Trade	1995	1.3	1.0	1.1	19.8
	1994	1.3	1.0	1.1	19.3
	1993	1.3	1.0	1.1	19.3
	1992	1.3	1.0	1.1	19.8
	1991	1.3	1.0	1.1	20.7
	1990	1.3	1.0	1.1	20.0
	1989	1.3	1.0	1.1	19.4
	1988	1.3	1.0	1.1	19.2
Retail Trade	1995	1.4	1.0	1.1	113.7
	1994	1.4	1.0	1.1	114.3
	1993	1.4	1.0	1.1	112.2
	1992	1.4	1.0	1.1	111.8
	1991	1.4	1.0	1.1	114.7
	1990	1.4	1.0	1.1	111.8
	1989	1.4	1.0	1.1	109.8
	1988	1.4	1.0	1.1	108.4
Eating and Drinking Places (b)	1995	1.3	1.0	1.1	75.7
	1994	1.3	1.0	1.1	74.9
	1993	1.3	1.0	1.1	76.6
	1992	1.3	1.0	1.1	77.7
	1991	1.3	1.0	1.1	79.4
	1990	1.3	1.0	1.1	75.7
	1989	N.A.	N.A.	N.A.	N.A.
	1988	1.3	1.0	1.1	76.7
Finance, Insurance, and Real Estate	1995	1.5	1.0	1.1	48.3
	1994	1.4	1.0	1.1	46.3
	1993	1.4	1.0	1.1	42.3
	1992	1.5	1.0	1.1	42.0
	1991	1.4	1.0	1.1	43.6
	1990	1.3	1.0	1.1	44.8
	1989	1.3	1.0	1.1	43.3
	1988	1.3	1.0	1.1	43.4
Services	1995	1.1	1.0	1.1	17.6
	1994	1.1	1.0	1.1	16.4
	1993	1.1	1.0	1.1	15.6
	1992	1.1	1.0	1.1	15.9
	1991	1.1	1.0	1.1	16.0
	1990	1.1	1.0	1.1	15.2
	1989	1.1	1.0	1.1	14.8
	1988	1.1	1.0	1.1	15.0
Business Services (c)	1995	1.2	1.0	1.1	14.9
	1994	1.2	1.0	1.1	13.8
	1993	1.2	1.0	1.1	13.4
	1992	1.2	1.0	1.1	14.2
	1991	1.1	1.0	1.0	14.5
	1990	1.1	1.0	1.1	13.0
	1989	N.A.	N.A.	N.A.	N.A.
	1988	1.2	1.0	1.1	12.1

Table A.3: Establishments per Firm by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Establishments per Firm			
		Total	Employment Size of Firm (a)		
			0-19	<500	500+
Health Services (c)	1995	1.1	1.0	1.1	10.5
	1994	1.1	1.0	1.1	9.1
	1993	1.1	1.0	1.1	8.0
	1992	1.1	1.0	1.1	7.8
	1991	1.1	1.0	1.0	7.4
	1990	1.1	1.0	1.0	7.1
	1989	N.A.	N.A.	N.A.	N.A.
	1988	1.1	1.0	1.0	7.6
Unclassified	1995	1.0	1.0	1.0	1.0
	1994	1.0	1.0	1.0	-
	1993	1.0	1.0	1.0	-
	1992	1.0	1.0	1.0	-
	1991	1.0	1.0	1.0	-
	1990	1.0	1.0	1.0	1.5
	1989	1.0	1.0	1.0	10.9
	1988	1.0	1.0	1.0	7.3

N.A. = Not available

Note: Employment is measured in March, thus leading to firms with zero employment and some annual payroll.

(a) Firms are an aggregation of all establishments owned by a parent company.

(b) "Eating and drinking places" is included in the retail trade industry.

(c) "Business services" and "health services" are included in the services industry.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.4: Employment by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Employment				Percent of Total Industry Empl.		Percent of Size Class by Industry	
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
All Industries	1995	100,314,946	19,569,861	52,652,510	47,662,436	19.51	52.49	100.00	100.00
	1994	96,721,594	19,195,318	51,007,688	45,713,906	19.85	52.74	100.00	100.00
	1993	94,773,913	19,070,191	50,316,063	44,457,850	20.12	53.09	100.00	100.00
	1992	92,825,797	18,772,644	49,200,841	43,624,956	20.22	53.00	100.00	100.00
	1991	92,307,559	18,712,812	49,002,613	43,304,946	20.27	53.09	100.00	100.00
	1990	93,469,275	18,911,906	50,166,797	43,302,478	20.23	53.67	100.00	100.00
	1989	91,626,094	18,626,776	49,353,860	42,272,234	20.33	53.86	100.00	100.00
	1988	87,844,303	18,319,642	47,914,723	39,929,580	20.85	54.55	100.00	100.00
Agricultural Services, Forestry, and Fishing	1995	630,287	361,202	560,327	69,960	57.31	88.90	1.85	1.06
	1994	586,155	341,600	523,648	62,507	58.28	89.34	1.78	1.03
	1993	588,556	336,195	534,174	54,382	57.12	90.76	1.76	1.06
	1992	593,811	331,705	523,471	70,340	55.86	88.15	1.77	1.06
	1991	545,156	310,466	487,766	57,390	56.95	89.47	1.66	1.00
	1990	534,125	298,927	477,367	56,758	55.97	89.37	1.58	0.95
	1989	498,774	277,952	442,059	56,715	55.73	88.63	1.49	0.90
	1988	471,827	261,197	410,505	61,322	55.36	87.00	1.43	0.86
Mining	1995	627,531	76,430	243,139	384,392	12.18	38.75	0.39	0.46
	1994	607,745	78,115	247,191	360,554	12.85	40.67	0.41	0.48
	1993	608,309	80,156	248,979	359,330	13.18	40.93	0.42	0.49
	1992	650,241	81,904	257,718	392,523	12.60	39.63	0.44	0.52
	1991	716,425	88,772	294,299	422,126	12.39	41.08	0.47	0.60
	1990	723,420	88,638	287,666	435,754	12.25	39.76	0.47	0.57
	1989	713,360	88,437	280,966	432,394	12.40	39.39	0.47	0.57
	1988	736,777	92,401	290,315	446,462	12.54	39.40	0.50	0.61
Construction	1995	5,040,598	2,211,245	4,501,594	539,004	43.87	89.31	11.30	8.55
	1994	4,710,200	2,118,677	4,191,304	518,896	44.98	88.98	11.04	8.22
	1993	4,525,346	2,065,951	4,025,084	500,262	45.65	88.95	10.83	8.00
	1992	4,501,728	2,040,623	3,986,596	515,132	45.33	88.56	10.87	8.10
	1991	4,680,166	2,045,614	4,099,826	580,340	43.71	87.60	10.93	8.37
	1990	5,258,524	2,172,737	4,627,949	630,575	41.32	88.01	11.49	9.23
	1989	5,135,544	2,143,946	4,543,336	592,208	41.75	88.47	11.51	9.21
	1988	4,995,795	2,097,499	4,419,136	576,659	41.99	88.46	11.45	9.22
Manufacturing	1995	18,611,108	1,347,832	7,163,999	11,447,109	7.24	38.49	6.89	13.61
	1994	18,098,698	1,334,109	6,972,720	11,125,978	7.37	38.53	6.95	13.67
	1993	18,183,981	1,345,715	7,002,312	11,181,669	7.40	38.51	7.06	13.92
	1992	18,166,798	1,351,278	6,946,812	11,219,986	7.44	38.24	7.20	14.12
	1991	18,390,674	1,331,701	6,910,681	11,479,993	7.24	37.58	7.12	14.10
	1990	19,167,922	1,353,611	7,218,049	11,949,873	7.06	37.66	7.16	14.39
	1989	19,534,078	1,341,627	7,324,166	12,209,912	6.87	37.49	7.20	14.84
	1988	19,234,894	1,326,606	7,198,531	12,036,363	6.90	37.42	7.24	15.02
Transportation, Communications, and Public Utilities	1995	5,924,706	725,709	2,152,395	3,772,311	12.25	36.33	3.71	4.09
	1994	5,713,841	696,980	2,061,968	3,651,873	12.20	36.09	3.63	4.04
	1993	5,621,889	685,168	2,011,803	3,610,086	12.19	35.79	3.59	4.00
	1992	5,520,912	662,372	1,957,195	3,563,717	12.00	35.45	3.53	3.98
	1991	5,590,526	654,648	1,924,968	3,665,558	11.71	34.43	3.50	3.93
	1990	5,594,752	664,664	1,979,775	3,614,977	11.88	35.39	3.51	3.95
	1989	5,438,191	657,401	1,934,172	3,504,019	12.09	35.57	3.53	3.92
	1988	5,293,212	644,164	1,872,146	3,421,066	12.17	35.37	3.52	3.91

Table A.4: Employment by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Employment				Percent of Total Industry Empl.		Percent of Size Class by Industry	
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
Wholesale Trade	1995	6,606,534	1,616,906	4,429,291	2,177,243	24.47	67.04	8.26	8.41
	1994	6,366,549	1,608,033	4,299,244	2,067,305	25.26	67.53	8.38	8.43
	1993	6,258,484	1,614,012	4,228,723	2,029,761	25.79	67.57	8.46	8.40
	1992	6,095,217	1,547,624	4,064,973	2,030,244	25.39	66.69	8.24	8.26
	1991	6,225,619	1,562,596	4,150,176	2,075,443	25.10	66.66	8.35	8.47
	1990	6,332,437	1,562,757	4,234,151	2,098,286	24.68	66.86	8.26	8.44
	1989	6,192,885	1,559,334	4,200,751	1,992,134	25.18	67.83	8.37	8.51
	1988	5,994,021	1,554,003	4,101,865	1,892,156	25.93	68.43	8.48	8.56
Retail Trade	1995	21,086,617	4,405,883	10,964,646	10,121,971	20.89	52.00	22.51	20.82
	1994	20,322,081	4,359,184	10,683,652	9,638,429	21.45	52.57	22.71	20.95
	1993	19,778,588	4,379,299	10,607,503	9,171,085	22.14	53.63	22.96	21.08
	1992	19,681,419	4,434,500	10,629,534	9,051,885	22.53	54.01	23.62	21.60
	1991	19,626,546	4,460,478	10,648,372	8,978,174	22.73	54.25	23.84	21.73
	1990	19,861,604	4,499,772	10,907,253	8,954,351	22.66	54.92	23.79	21.74
	1989	19,478,857	4,465,112	10,834,148	8,644,709	22.92	55.62	23.97	21.95
	1988	18,867,211	4,427,483	10,619,471	8,247,740	23.47	56.29	24.17	22.16
Eating and Drinking Places (b)	1995	7,302,917	1,488,875	4,792,416	2,510,501	20.39	65.62	7.61	9.10
	1994	7,019,385	1,463,367	4,625,040	2,394,345	20.85	65.89	7.62	9.07
	1993	6,815,776	1,454,375	4,576,343	2,239,433	21.34	67.14	7.63	9.10
	1992	6,659,295	1,401,611	4,430,137	2,229,158	21.05	66.53	7.47	9.00
	1991	6,518,379	1,373,530	4,331,476	2,186,903	21.07	66.45	7.34	8.84
	1990	6,576,794	1,346,210	4,367,196	2,209,598	20.47	66.40	7.12	8.71
	1989	6,433,943	1,319,564	4,268,999	2,164,944	20.51	66.35	7.08	8.65
	1988	6,208,348	1,293,809	4,158,021	2,050,327	20.84	66.97	7.06	8.68
Finance, Insurance, and Real Estate	1995	6,984,830	1,252,906	3,002,669	3,982,161	17.94	42.99	6.40	5.70
	1994	6,991,421	1,242,588	3,014,609	3,976,812	17.77	43.12	6.47	5.91
	1993	6,891,117	1,242,772	3,028,262	3,862,855	18.03	43.94	6.52	6.02
	1992	6,904,478	1,203,408	2,963,066	3,941,412	17.43	42.92	6.41	6.02
	1991	6,862,377	1,185,795	2,933,633	3,928,744	17.28	42.75	6.34	5.99
	1990	6,983,931	1,243,216	3,092,095	3,891,836	17.80	44.27	6.57	6.16
	1989	6,819,379	1,215,529	3,024,269	3,795,110	17.82	44.35	6.53	6.13
	1988	6,662,355	1,197,385	2,979,584	3,682,771	17.97	44.72	6.54	6.22
Services	1995	34,709,644	7,499,092	19,545,758	15,163,886	21.61	56.31	38.32	37.12
	1994	33,255,911	7,357,383	18,944,359	14,311,552	22.12	56.97	38.33	37.14
	1993	32,262,429	7,272,399	18,574,009	13,688,420	22.54	57.57	38.13	36.91
	1992	30,665,625	7,081,689	17,825,908	12,839,717	23.09	58.13	37.72	36.23
	1991	29,623,508	7,035,209	17,506,330	12,117,178	23.75	59.10	37.60	35.73
	1990	28,880,444	6,935,273	17,222,797	11,657,647	24.01	59.63	36.67	34.33
	1989	27,535,086	6,735,626	16,540,803	10,994,283	24.46	60.07	36.16	33.51
	1988	25,252,106	6,546,060	15,747,976	9,504,130	25.92	62.36	35.73	32.87
Business Services (c)	1995	6,951,775	946,226	3,338,638	3,613,137	13.61	48.03	4.84	6.34
	1994	6,364,997	928,289	3,191,279	3,173,718	14.58	50.14	4.84	6.26
	1993	5,949,822	902,103	3,075,305	2,874,517	15.16	51.69	4.73	6.11
	1992	5,465,351	872,869	2,920,075	2,545,276	15.97	53.43	4.65	5.94
	1991	5,327,915	919,041	2,950,502	2,377,413	17.25	55.38	4.91	6.02
	1990	5,258,530	893,428	2,910,728	2,347,802	16.99	55.35	4.72	5.80
	1989	4,911,786	851,024	2,761,550	2,150,236	17.33	56.22	4.57	5.60
	1988	4,522,689	794,761	2,562,491	1,960,198	17.57	56.66	4.34	5.35
Health Services (c)	1995	10,991,224	1,725,219	4,470,376	6,520,848	15.70	40.67	8.82	8.49

Table A.4: Employment by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Employment			Percent of Total Industry Empl.		Percent of Size Class by Industry		
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
	1994	10,743,655	1,717,048	4,385,299	6,358,356	15.98	40.82	8.95	8.60
	1993	10,507,120	1,712,957	4,339,854	6,167,266	16.30	41.30	8.98	8.63
	1992	9,817,753	1,686,437	4,065,764	5,751,989	17.18	41.41	8.98	8.26
	1991	9,282,506	1,654,152	3,918,448	5,364,058	17.82	42.21	8.84	8.00
	1990	8,882,294	1,616,647	3,793,991	5,088,303	18.20	42.71	8.55	7.56
	1989	8,516,873	1,567,982	3,651,863	4,865,010	18.41	42.88	8.42	7.40
	1988	7,294,245	1,523,830	3,429,992	3,864,253	20.89	47.02	8.32	7.16
Unclassified	1995	93,091	72,656	88,692	4,399	78.05	95.27	0.37	0.17
	1994	68,993	58,649	68,993	0	85.01	100.00	0.31	0.14
	1993	55,214	48,524	55,214	0	87.88	100.00	0.25	0.11
	1992	45,568	37,541	45,568	0	82.38	100.00	0.20	0.09
	1991	46,562	37,533	46,562	0	80.61	100.00	0.20	0.10
	1990	132,116	92,311	119,695	12,421	69.87	90.60	0.49	0.24
	1989	279,940	141,812	229,190	50,750	50.66	81.87	0.76	0.46
	1988	336,105	172,844	275,194	60,911	51.43	81.88	0.94	0.57

Note: Employment is measured in March, thus leading to firms with zero employment and some annual payroll.

(a) Firms are an aggregation of all establishments owned by a parent company.

(b) "Eating and drinking places" is included in the retail trade industry.

(c) "Business services" and "health services" are included in the services industry.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.5: Employment per Firm by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Employment per Firm			
		Total	Employment Size of Firm (a)		
			0-19	<500	500+
All Industries	1995	18.7	4.1	9.8	3,086.1
	1994	18.3	4.1	9.7	3,048.2
	1993	18.2	4.1	9.7	3,039.0
	1992	18.2	4.1	9.7	3,089.1
	1991	18.3	4.1	9.7	3,098.3
	1990	18.4	4.2	9.9	3,088.0
	1989	18.2	4.1	9.9	3,047.1
	1988	17.7	4.1	9.7	3,113.7
Agricultural Services, Forestry, and Fishing	1995	5.9	3.5	5.2	510.7
	1994	5.7	3.5	5.1	500.1
	1993	5.9	3.6	5.4	424.9
	1992	6.2	3.6	5.4	541.1
	1991	5.9	3.6	5.3	441.5
	1990	6.1	3.6	5.4	436.6
	1989	6.0	3.5	5.3	464.9
	1988	6.0	3.5	5.2	511.0
Mining	1995	29.1	4.2	11.5	956.2
	1994	27.3	4.2	11.3	873.0
	1993	27.1	4.2	11.3	865.9
	1992	28.3	4.2	11.4	959.7
	1991	29.5	4.4	12.3	1,014.7
	1990	29.8	4.4	12.0	1,008.7
	1989	29.3	4.4	11.7	1,000.9
	1988	29.4	4.4	11.8	1,033.5
Construction	1995	8.0	3.8	7.2	813.0
	1994	7.7	3.7	6.8	821.0
	1993	7.6	3.7	6.8	774.4
	1992	7.7	3.8	6.8	801.1
	1991	8.0	3.8	7.0	837.4
	1990	8.8	4.0	7.8	825.4
	1989	8.7	4.0	7.7	744.0
	1988	8.7	4.0	7.7	739.3
Manufacturing	1995	56.3	5.6	22.0	2,328.5
	1994	55.2	5.5	21.6	2,346.8
	1993	55.4	5.6	21.6	2,396.9
	1992	55.4	5.6	21.5	2,449.8
	1991	57.1	5.6	21.8	2,513.7
	1990	58.6	5.7	22.4	2,545.8
	1989	60.3	5.7	22.9	2,555.4
	1988	60.0	5.7	22.8	2,581.8
Transportation, Communications, and Public Utilities	1995	28.4	4.0	10.4	2,279.3
	1994	28.4	4.0	10.3	2,226.8
	1993	29.1	4.1	10.5	2,225.7
	1992	29.9	4.1	10.7	2,220.4
	1991	30.8	4.2	10.7	2,312.7
	1990	30.9	4.3	11.0	2,231.5
	1989	30.5	4.3	10.9	2,237.6
	1988	30.6	4.3	10.9	2,222.9

Table A.5: Employment per Firm by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Employment per Firm			
		Total	Employment Size of Firm (a)		
			0-19	<500	500+
Wholesale Trade	1995	16.3	4.7	11.0	652.7
	1994	15.9	4.7	10.8	628.9
	1993	15.8	4.7	10.7	632.1
	1992	16.0	4.8	10.8	653.2
	1991	16.5	4.9	11.1	666.9
	1990	16.9	4.9	11.4	653.7
	1989	16.7	5.0	11.4	621.6
	1988	16.3	5.0	11.2	599.2
Retail Trade	1995	19.2	4.6	10.0	3,438.2
	1994	18.6	4.5	9.8	3,343.2
	1993	18.1	4.5	9.8	3,256.8
	1992	18.1	4.6	9.8	3,141.9
	1991	17.8	4.6	9.7	3,211.1
	1990	17.9	4.6	9.9	3,129.8
	1989	17.6	4.6	9.8	3,073.1
	1988	17.2	4.6	9.7	3,013.4
Eating and Drinking Places (b)	1995	20.6	5.2	13.6	2,564.4
	1994	20.1	5.2	13.3	2,517.7
	1993	19.8	5.2	13.4	2,544.8
	1992	20.1	5.2	13.4	2,510.3
	1991	19.9	5.1	13.2	2,476.7
	1990	20.2	5.1	13.5	2,414.9
	1989	N.A.	N.A.	N.A.	N.A.
	1988	19.9	5.1	13.4	2,435.1
Finance, Insurance, and Real Estate	1995	16.1	3.1	7.0	1,332.7
	1994	16.4	3.2	7.1	1,334.9
	1993	16.1	3.2	7.1	1,278.2
	1992	16.8	3.2	7.3	1,282.6
	1991	16.7	3.1	7.2	1,348.2
	1990	16.6	3.2	7.4	1,409.6
	1989	16.6	3.2	7.4	1,378.5
	1988	16.5	3.2	7.4	1,393.4
Services	1995	16.4	3.9	9.3	1,791.4
	1994	16.0	3.9	9.2	1,713.3
	1993	15.9	3.9	9.2	1,677.5
	1992	15.6	4.0	9.1	1,662.7
	1991	15.1	3.9	9.0	1,630.6
	1990	15.0	4.0	9.0	1,588.7
	1989	14.7	3.9	8.9	1,535.1
	1988	13.8	3.9	8.6	1,475.3
Business Services (c)	1995	22.8	3.5	11.1	1,390.7
	1994	21.6	3.6	10.9	1,260.4
	1993	21.3	3.7	11.1	1,200.7
	1992	20.7	3.8	11.1	1,146.0
	1991	19.0	3.7	10.6	1,125.7
	1990	19.6	3.8	10.9	1,087.4
	1989	N.A.	N.A.	N.A.	N.A.
	1988	19.2	3.8	11.0	979.1
Health Services (c)	1995	25.8	4.4	10.6	2,115.8

Table A.5: Employment per Firm by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Employment per Firm			
		Total	Employment Size of Firm (a)		
			0-19	<500	500+
	1994	25.3	4.4	10.4	2,017.2
	1993	24.8	4.4	10.3	1,946.1
	1992	23.4	4.4	9.8	1,952.5
	1991	22.3	4.3	9.5	1,906.2
	1990	21.6	4.3	9.3	1,855.7
	1989	N.A.	N.A.	N.A.	N.A.
	1988	18.3	4.1	8.7	1,764.5
Unclassified	1995	1.8	1.4	1.7	1,099.8
	1994	1.4	1.2	1.4	-
	1993	1.1	1.0	1.1	-
	1992	0.6	0.5	0.6	-
	1991	1.6	1.3	1.6	-
	1990	2.0	1.4	1.8	270.0
	1989	2.8	1.4	2.3	939.8
	1988	2.7	1.4	2.2	922.9

N.A. = Not available

Note: Employment is measured in March, thus leading to firms with zero employment and some annual payroll.

(a) Firms are an aggregation of all establishments owned by a parent company.

(b) "Eating and drinking places" is included in the retail trade industry.

(c) "Business services" and "health services" are included in the services industry.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.6: Annual Payroll by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Payroll (\$000)				Percent of Total		Percent of Size	
		Total	Employment Size of Firm (a)			Industry Payroll		Class by Industry	
			0-19	<500	500+	0-19	<500	0-19	<500
All Industries	1995	2,665,921,824	454,009,065	1,252,135,244	1,413,786,580	17.03	46.97	100.00	100.00
	1994	2,487,959,727	432,791,911	1,176,418,685	1,311,541,042	17.40	47.28	100.00	100.00
	1993	2,363,208,106	415,254,636	1,116,443,440	1,246,764,666	17.57	47.24	100.00	100.00
	1992	2,272,392,408	399,804,694	1,066,948,306	1,205,444,102	17.59	46.95	100.00	100.00
	1991	2,145,015,851	381,544,608	1,013,014,303	1,132,001,548	17.79	47.23	100.00	100.00
	1990	2,103,971,179	375,313,660	1,007,156,385	1,096,814,794	17.84	47.87	100.00	100.00
	1989	1,989,941,554	357,259,587	954,137,110	1,035,804,444	17.95	47.95	100.00	100.00
	1988	1,858,652,147	342,168,460	902,566,839	956,085,308	18.41	48.56	100.00	100.00
Agricultural Services, Forestry, and Fishing	1995	12,102,236	6,747,009	10,529,016	1,573,220	55.75	87.00	1.49	0.84
	1994	11,205,411	6,375,154	9,735,952	1,469,459	56.89	86.89	1.47	0.83
	1993	10,255,107	5,816,341	8,972,875	1,282,232	56.72	87.50	1.40	0.80
	1992	10,049,561	5,568,353	8,685,639	1,363,922	55.41	86.43	1.39	0.81
	1991	9,120,610	5,061,590	7,953,246	1,167,364	55.50	87.20	1.33	0.79
	1990	8,724,020	4,796,351	7,604,988	1,119,032	54.98	87.17	1.28	0.76
	1989	7,956,128	4,441,141	6,900,023	1,056,105	55.82	86.73	1.24	0.72
	1988	7,500,456	4,037,813	6,218,758	1,281,698	53.83	82.91	1.18	0.69
Mining	1995	25,698,581	2,227,780	8,056,939	17,641,642	8.67	31.35	0.49	0.64
	1994	25,120,696	2,218,374	7,994,081	17,126,615	8.83	31.82	0.51	0.68
	1993	24,620,409	2,233,822	7,813,757	16,806,652	9.07	31.74	0.54	0.70
	1992	25,594,083	2,121,360	7,716,440	17,877,643	8.29	30.15	0.53	0.72
	1991	26,218,161	2,285,010	8,317,963	17,900,198	8.72	31.73	0.60	0.82
	1990	26,671,410	2,357,457	8,298,679	18,372,731	8.84	31.11	0.63	0.82
	1989	25,005,283	2,184,267	7,636,307	17,368,976	8.74	30.54	0.61	0.80
	1988	24,871,993	2,236,106	7,536,404	17,335,589	8.99	30.30	0.65	0.83
Construction	1995	147,320,503	54,555,927	126,747,498	20,573,005	37.03	86.04	12.02	10.12
	1994	136,553,421	52,744,331	117,846,927	18,706,494	38.63	86.30	12.19	10.02
	1993	125,518,445	49,292,448	107,721,515	17,796,930	39.27	85.82	11.87	9.65
	1992	122,174,048	47,372,956	104,040,233	18,133,815	38.77	85.16	11.85	9.75
	1991	123,010,082	45,455,431	103,158,299	19,851,783	36.95	83.86	11.91	10.18
	1990	132,972,138	46,410,702	112,531,097	20,441,041	34.90	84.63	12.37	11.17
	1989	129,338,075	46,036,748	110,203,033	19,135,042	35.59	85.21	12.89	11.55
	1988	123,164,980	44,286,841	105,234,517	17,930,463	35.96	85.44	12.94	11.66
Manufacturing	1995	630,965,899	33,359,627	194,238,774	436,727,125	5.29	30.78	7.35	15.51
	1994	597,908,096	32,603,495	185,904,440	412,003,656	5.45	31.09	7.53	15.80
	1993	575,961,849	31,891,719	179,417,803	396,544,046	5.54	31.15	7.68	16.07
	1992	563,235,341	31,332,195	174,128,631	389,106,710	5.56	30.92	7.84	16.32
	1991	545,157,710	29,438,300	164,515,271	380,642,439	5.40	30.18	7.72	16.24
	1990	543,898,226	29,223,238	165,956,947	377,941,279	5.37	30.51	7.79	16.48
	1989	533,982,185	28,069,734	160,762,524	373,219,661	5.26	30.11	7.86	16.85
	1988	513,349,110	27,191,930	154,949,720	358,399,390	5.30	30.18	7.95	17.17
Transportation, Communications, and Public Utilities	1995	200,893,921	16,366,530	53,483,078	147,410,843	8.15	26.62	3.60	4.27
	1994	190,885,378	15,485,410	50,349,398	140,535,980	8.11	26.38	3.58	4.28
	1993	182,117,612	14,419,585	46,940,441	135,177,171	7.92	25.77	3.47	4.20
	1992	175,532,266	13,540,815	45,127,629	130,404,637	7.71	25.71	3.39	4.23
	1991	169,082,574	12,878,346	42,007,810	127,074,764	7.62	24.84	3.38	4.15
	1990	165,930,849	12,780,093	42,062,054	123,868,795	7.70	25.35	3.41	4.18
	1989	154,037,389	12,303,126	39,900,636	114,136,753	7.99	25.90	3.44	4.18
	1988	148,071,069	11,677,101	37,746,546	110,324,523	7.89	25.49	3.41	4.18

Table A.6: Annual Payroll by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Payroll (\$000)				Percent of Total		Percent of Size	
		Total	Employment Size of Firm (a)			Industry Payroll		Class by Industry	
			0-19	<500	500+	0-19	<500	0-19	<500
Wholesale Trade	1995	226,998,566	48,877,273	137,056,135	89,942,431	21.53	60.38	10.77	10.95
	1994	210,169,795	47,033,765	128,826,435	81,343,360	22.38	61.30	10.87	10.95
	1993	200,757,826	45,258,821	121,565,996	79,191,830	22.54	60.55	10.90	10.89
	1992	190,880,997	42,480,345	114,639,749	76,241,248	22.25	60.06	10.63	10.74
	1991	183,066,346	40,724,707	110,168,479	72,897,867	22.25	60.18	10.67	10.88
	1990	181,249,158	39,948,119	109,887,928	71,361,230	22.04	60.63	10.64	10.91
	1989	171,384,401	38,527,485	105,112,729	66,271,672	22.48	61.33	10.78	11.02
	1988	160,666,783	37,053,613	99,852,559	60,814,224	23.06	62.15	10.83	11.06
Retail Trade	1995	300,073,188	57,717,897	154,525,741	145,547,447	19.23	51.50	12.71	12.34
	1994	282,315,625	56,040,812	147,759,315	134,556,310	19.85	52.34	12.95	12.56
	1993	265,297,525	54,121,824	140,049,866	125,247,659	20.40	52.79	13.03	12.54
	1992	258,722,421	54,182,839	137,050,579	121,671,842	20.94	52.97	13.55	12.85
	1991	247,516,015	53,230,262	132,886,152	114,629,863	21.51	53.69	13.95	13.12
	1990	242,369,258	51,670,196	132,155,508	110,213,750	21.32	54.53	13.77	13.12
	1989	230,486,129	49,739,213	127,662,204	102,823,925	21.58	55.39	13.92	13.38
	1988	217,332,457	48,166,077	123,360,171	93,972,286	22.16	56.76	14.08	13.67
Eating and Drinking Places (b)	1995	69,302,480	13,555,890	43,161,236	26,141,244	19.56	62.28	2.99	3.45
	1994	64,545,618	13,022,042	40,727,865	23,817,753	20.17	63.10	3.01	3.46
	1993	60,986,888	12,492,395	39,107,798	21,879,090	20.48	64.12	3.01	3.50
	1992	57,873,636	11,787,920	36,868,214	21,005,422	20.37	63.70	2.95	3.46
	1991	54,896,220	11,298,401	35,115,158	19,781,062	20.58	63.97	2.96	3.47
	1990	53,086,472	10,662,483	33,843,055	19,243,417	20.09	63.75	2.84	3.36
	1989	49,768,821	10,113,538	31,940,014	17,828,807	20.32	64.18	2.83	3.35
	1988	46,363,391	9,599,388	30,203,735	16,159,656	20.70	65.15	2.81	3.35
Finance, Insurance, and Real Estate	1995	255,882,857	35,431,584	92,639,971	163,242,886	13.85	36.20	7.80	7.40
	1994	238,780,746	32,873,578	86,624,574	152,156,172	13.77	36.28	7.60	7.36
	1993	232,099,601	33,337,441	87,646,287	144,453,314	14.36	37.76	8.03	7.85
	1992	221,042,316	30,517,107	81,280,517	139,761,799	13.81	36.77	7.63	7.62
	1991	200,394,099	28,482,255	74,254,378	126,139,721	14.21	37.05	7.46	7.33
	1990	198,342,124	29,460,724	75,916,388	122,425,736	14.85	38.28	7.85	7.54
	1989	185,205,243	27,920,936	71,482,468	113,722,775	15.08	38.60	7.82	7.49
	1988	176,104,171	26,868,163	68,659,842	107,444,329	15.26	38.99	7.85	7.61
Services	1995	864,399,439	197,369,219	473,351,840	391,047,599	22.83	54.76	43.47	37.80
	1994	794,020,216	186,480,154	440,377,220	353,642,996	23.49	55.46	43.09	37.43
	1993	745,774,734	178,127,317	415,509,902	330,264,832	23.88	55.72	42.90	37.22
	1992	703,826,217	171,435,217	392,943,731	310,882,486	24.36	55.83	42.88	36.83
	1991	640,877,720	163,489,030	369,180,171	271,697,549	25.51	57.61	42.85	36.44
	1990	601,553,639	157,183,749	351,005,276	250,548,363	26.13	58.35	41.88	34.85
	1989	548,118,560	145,411,052	320,914,642	227,203,918	26.53	58.55	40.70	33.63
	1988	480,821,876	137,570,210	294,961,214	185,860,662	28.61	61.35	40.21	32.68
Business Services (c)	1995	164,548,994	25,874,186	80,241,415	84,307,579	15.72	48.76	5.70	6.41
	1994	142,419,609	24,380,196	73,255,147	69,164,462	17.12	51.44	5.63	6.23
	1993	128,231,376	22,239,488	66,389,582	61,841,794	17.34	51.77	5.36	5.95
	1992	115,414,899	21,386,270	61,218,375	54,196,524	18.53	53.04	5.35	5.74
	1991	107,434,798	21,094,051	58,644,806	48,789,992	19.63	54.59	5.53	5.79
	1990	102,957,877	20,323,104	56,439,804	46,518,073	19.74	54.82	5.41	5.60
	1989	91,955,595	18,481,203	51,262,015	40,693,580	20.10	55.75	5.17	5.37
	1988	82,395,988	16,744,483	45,970,189	36,425,799	20.32	55.79	4.89	5.09
Health Services (c)	1995	320,574,983	67,602,163	140,103,282	180,471,701	21.09	43.70	14.89	11.19

Table A.6: Annual Payroll by Major Industry and Firm Size, 1988 — 1995

Industry	Year	Payroll (\$000)				Percent of Total Industry Payroll		Percent of Size Class by Industry	
		Total	Employment Size of Firm (a)			0-19	<500	0-19	<500
			0-19	<500	500+				
	1994	300,682,761	65,128,946	132,080,680	168,602,081	21.66	43.93	15.05	11.23
	1993	287,270,177	63,912,176	127,277,025	159,993,152	22.25	44.31	15.39	11.40
	1992	270,818,052	62,692,871	119,631,959	151,186,093	23.15	44.17	15.68	11.21
	1991	237,758,858	60,408,536	111,737,719	126,021,139	25.41	47.00	15.83	11.03
	1990	216,545,585	57,372,035	103,583,004	112,962,581	26.49	47.83	15.29	10.28
	1989	198,486,074	52,638,757	93,736,357	104,749,717	26.52	47.23	14.73	9.82
	1988	161,639,837	49,815,497	84,787,389	76,852,448	30.82	52.45	14.56	9.39
Unclassified	1995	1,586,634	1,356,219	1,506,252	80,382	85.48	94.93	0.30	0.12
	1994	1,000,343	936,838	1,000,343	0	93.65	100.00	0.22	0.09
	1993	804,998	755,318	804,998	0	93.83	100.00	0.18	0.07
	1992	1,335,158	1,253,507	1,335,158	0	93.88	100.00	0.31	0.13
	1991	572,534	499,677	572,534	0	87.27	100.00	0.13	0.06
	1990	2,260,357	1,483,031	1,737,520	522,837	65.61	76.87	0.40	0.17
	1989	4,428,161	2,625,885	3,562,544	865,617	59.30	80.45	0.74	0.37
	1988	6,769,252	3,080,606	4,047,108	2,722,144	45.51	59.79	0.90	0.45

Note: Employment is measured in March, thus leading to firms with zero employment and some annual payroll.

(a) Firms are an aggregation of all establishments owned by a parent company.

(b) "Eating and drinking places" is included in the retail trade industry.

(c) "Business services" and "health services" are included in the services industry.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.7: Employer Firm Births and Deaths by Employment Size of Firm, 1989 — 1995

	Period	Industry	Total	Beginning year employment size of firm			Percent of Size Class	
				<20	<500	500+	<20	<500
Firms	1994-1995	Firm births	594,369	568,896	594,119	250	95.7	100.0
		Firm deaths	497,246	472,441	496,874	372	95.0	99.9
		Net change	97,123	96,455	97,245	-122	99.3	-
	1993-1994	Firm births	570,587	546,437	570,337	250	95.8	100.0
		Firm deaths	503,563	476,667	503,125	438	94.7	99.9
		Net change	67,024	69,770	67,212	-188	-	-
	1992-1993	Firm births	564,504	539,601	564,093	411	95.6	99.9
		Firm deaths	492,651	466,550	492,266	385	94.7	99.9
		Net change	71,853	73,051	71,827	26	-	100.0
	1991-1992	Firm births	544,596	519,014	544,278	318	95.3	99.9
		Firm deaths	521,606	492,746	521,176	430	94.5	99.9
		Net change	22,990	26,268	23,102	-112	-	-
	1990-1991	Firm births	541,141	515,870	540,889	252	95.3	100.0
		Firm deaths	546,518	516,964	546,149	369	94.6	99.9
		Net change	-5,377	-1,094	-5,260	-117	-	-
	1989-1990	Firm births	584,892	558,478	584,660	232	95.5	100.0
		Firm deaths	531,400	502,685	530,991	409	94.6	99.9
		Net change	53,492	55,793	53,669	-177	-	-
	1990-1995	Firm births	1,797,117	1,679,831	1,795,661	1,456	93.5	99.9
		Firm deaths	1,546,705	1,426,040	1,545,007	1,698	92.2	99.9
		Net change	250,412	253,791	250,654	-242	-	-

continued on next page

Table A.7: Employer Firm Births and Deaths by Employment Size of Firm, 1989 — 1995

	Period	Industry	Total	Beginning year employment size of firm			Percent of Size Class	
				<20	<500	500+	<20	<500
Employment	1994-1995	Firm births	3,322,001	1,836,153	3,049,456	272,545	55.3	91.8
		Firm deaths	2,822,627	1,516,552	2,633,587	189,040	53.7	93.3
		Continuing firms	3,092,193	1,358,182	2,197,436	894,757	43.9	71.1
		Net change	3,591,567	1,677,783	2,613,305	978,262	46.7	72.8
	1993-1994	Firm births	3,105,753	1,760,322	2,889,507	216,246	56.7	93.0
		Firm deaths	3,077,307	1,549,072	2,800,933	276,374	50.3	91.0
		Continuing firms	1,916,014	1,100,290	1,504,776	411,238	57.4	78.5
		Net change	1,944,460	1,311,540	1,593,350	351,110	67.5	81.9
	1992-1993	Firm births	3,438,106	1,750,662	3,053,765	384,341	50.9	88.8
		Firm deaths	2,906,260	1,515,896	2,697,656	208,604	52.2	92.8
		Continuing firms	1,416,407	1,241,062	1,431,127	-14,720	87.6	-
		Net change	1,948,253	1,475,828	1,787,236	161,017	75.8	91.7
	1991-1992	Firm births	3,200,969	1,703,491	2,863,799	337,170	53.2	89.5
		Firm deaths	3,126,463	1,602,579	2,894,127	232,336	51.3	92.6
		Continuing firms	448,605	1,041,557	875,026	-426,421	-	-
		Net change	523,111	1,142,469	844,698	-321,587	-	-
	1990-1991	Firm births	3,105,363	1,712,856	2,907,351	198,012	55.2	93.6
		Firm deaths	3,208,099	1,723,159	3,044,470	163,629	53.7	94.9
		Continuing firms	-1,058,980	561,228	-570,399	-488,581	-	-
		Net change	-1,161,716	550,925	-707,518	-454,198	-	-
	1989-1990	Firm births	3,211,064	1,886,311	3,090,643	120,421	58.7	96.2
		Firm deaths	3,198,829	1,683,174	2,988,436	210,393	52.6	93.4
		Continuing firms	1,830,946	1,313,100	1,300,511	530,435	71.7	71.0
		Net change	1,843,181	1,516,237	1,402,718	440,463	82.3	76.1
	1990-1995	Firm births	13,304,645	6,514,382	12,126,607	1,178,038	49.0	91.1
		Firm deaths	11,808,721	5,611,968	11,113,149	695,572	47.5	94.1
		Continuing firms	5,357,860	2,457,482	4,228,021	1,129,839	45.9	78.9
		Net change	6,853,784	3,359,896	5,241,479	1,612,305	49.0	76.5

Notes: 1990-1995 represents firm births that survived until 1995, and firm deaths are firms that existed in 1990. Represents activity from March of the beginning year to March of the ending year. Establishments with no employment in the first quarter of the beginning year were excluded. New firm births are classified by their employment size at the first quarter. Percent of size class is not calculated when size classes change in opposite directions. Firm births represent new original establishments and deaths represent closed original establishments.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.8: Dynamic Establishment Changes by Major Industry and Firm Size, 1989 — 1995

Period	Industry	Establishment Changes			Percent of Total		Percent of Size		
		Total	Beginning year employment size of firm			Industry Establ.		Class by Industry	
			<20	<500	500+	<20	<500	<20	<500
1994-1995	Total	108,320	90,440	90,785	17,535	100.0	100.0	83.5	83.8
	Agricultural services	4,212	4,163	4,179	33	4.6	4.6	98.8	99.2
	Mining	-603	-323	-394	-209	-0.4	-0.4	53.6	65.3
	Construction	19,961	20,048	19,776	185	22.2	21.8	-	99.1
	Manufacturing	2,490	2,923	2,453	37	3.2	2.7	-	98.5
	Trans., comm., & pub. util.	7,483	7,124	6,672	811	7.9	7.3	95.2	89.2
	Wholesale trade	5,906	6,033	5,531	375	6.7	6.1	-	93.7
	Retail trade	6,548	2,469	2,834	3,714	2.7	3.1	37.7	43.3
	Eating & drinking places	7,026	2,579	4,560	2,466	2.9	5.0	36.7	64.9
	Fin., ins., & real estate	10,213	4,764	4,574	5,639	5.3	5.0	46.6	44.8
	Services	45,298	36,533	38,351	6,947	40.4	42.2	80.7	84.7
	Business services	15,258	12,409	12,921	2,337	13.7	14.2	81.3	84.7
	Health services	1,945	-554	-50	1,995	-0.6	-0.1	-	-
	Unclassified	6,812	6,706	6,809	3	7.4	7.5	98.4	100.0
1993-1994	Total	72,502	62,737	58,975	13,527	100.0	100.0	86.5	81.3
	Agricultural services	3,027	3,075	2,968	59	4.9	5.0	-	98.1
	Mining	-554	-411	-493	-61	-0.7	-0.8	74.2	89.0
	Construction	14,341	14,788	14,352	-11	23.6	24.3	-	-
	Manufacturing	530	2,283	1,045	-515	3.6	1.8	-	-
	Trans., comm., & pub. util.	5,866	5,363	5,048	818	8.5	8.6	91.4	86.1
	Wholesale trade	1,002	2,136	1,238	-236	3.4	2.1	-	-
	Retail trade	1,599	-2,894	-3,171	4,770	-4.6	-5.4	-	-
	Eating & drinking places	4,262	1,649	2,957	1,305	2.6	5.0	38.7	69.4
	Fin., ins., & real estate	7,105	2,654	1,961	5,144	4.2	3.3	37.4	27.6
	Services	34,342	30,581	30,783	3,559	48.7	52.2	89.0	89.6
	Business services	10,821	10,060	9,625	1,196	16.0	16.3	93.0	88.9
	Health services	1,895	-148	256	1,639	-0.2	0.4	-	13.5
	Unclassified	5,244	5,162	5,244	0	8.2	8.9	98.4	100.0
1992-1993	Total	51,673	68,639	61,450	-9,777	100.0	100.0	-	-
	Agricultural services	1,573	1,729	1,610	-37	2.5	2.6	-	-
	Mining	-867	-557	-718	-149	-0.8	-1.2	64.2	82.8
	Construction	7,332	8,191	7,381	-49	11.9	12.0	-	-
	Manufacturing	340	1,773	755	-415	2.6	1.2	-	-
	Trans., comm., & pub. util.	4,359	4,913	4,316	43	7.2	7.0	-	99.0
	Wholesale trade	836	3,344	1,506	-670	4.9	2.5	-	-
	Retail trade	-5,436	636	-1,748	-3,688	0.9	-2.8	-	32.2
	Eating & drinking places	3,943	5,110	6,478	-2,535	7.4	10.5	-	-
	Fin., ins., & real estate	-110	6,193	4,986	-5,096	9.0	8.1	-	-
	Services	34,955	33,764	34,671	284	49.2	56.4	96.6	99.2
	Business services	7,152	8,571	8,287	-1,135	12.5	13.5	-	-
	Health services	4,574	2,528	3,509	1,065	3.7	5.7	55.3	76.7
	Unclassified	8,691	8,653	8,691	0	12.6	14.1	99.6	100.0
1991-1992	Total	100,944	38,657	102,450	-1,506	100.0	100.0	38.3	-

Table A.8: Dynamic Establishment Changes by Major Industry and Firm Size, 1989 — 1995

Period	Industry	Establishment Changes				Percent of Total		Percent of Size	
		Total	Beginning year employment size of firm			Industry Establ.		Class by Industry	
			<20	<500	500+	<20	<500	<20	<500
	Agricultural services	2,367	2,435	2,380	-13	6.3	2.3	-	-
	Mining	-1,006	-757	-851	-155	-2.0	-0.8	75.2	84.6
	Construction	-4,663	-3,754	-4,544	-119	-9.7	-4.4	80.5	97.4
	Manufacturing	-1,627	-366	-168	-1,459	-0.9	-0.2	22.5	10.3
	Trans., comm., & pub. util.	8,207	3,332	6,724	1,483	8.6	6.6	40.6	81.9
	Wholesale trade	4,982	2,970	7,967	-2,985	7.7	7.8	59.6	-
	Retail trade	12,535	-4,676	12,711	-176	-12.1	12.4	-	-
	Eating & drinking places	10,620	3,151	11,707	-1,087	8.2	11.4	29.7	-
	Fin., ins., & real estate	15,081	6,688	14,182	899	17.3	13.8	44.3	94.0
	Services	64,858	32,545	63,839	1,019	84.2	62.3	50.2	98.4
	Business services	6,471	2,168	6,176	295	5.6	6.0	33.5	95.4
	Health services	15,806	7,320	14,539	1,267	18.9	14.2	46.3	92.0
	Unclassified	210	240	210	0	0.6	0.2	-	100.0
1990-1991	Total	36,536	54	24,599	11,937	-	100.0	0.1	67.3
	Agricultural services	1,934	1,927	1,915	19	-	7.8	99.6	99.0
	Mining	-116	25	-37	-79	-	-0.2	-	31.9
	Construction	-17,072	-15,413	-16,994	-78	-	-69.1	90.3	99.5
	Manufacturing	-1,573	-282	-1,422	-151	-	-5.8	17.9	90.4
	Trans., comm., & pub. util.	6,471	855	3,659	2,812	-	14.9	13.2	56.5
	Wholesale trade	-405	148	-375	-30	-	-1.5	-	92.6
	Retail trade	-7,753	-9,897	-9,250	1,497	-	-37.6	-	-
	Eating & drinking places	3,758	1,371	2,525	1,233	-	10.3	36.5	67.2
	Fin., ins., & real estate	26,659	3,881	24,269	2,390	-	98.7	14.6	91.0
	Services	34,489	24,670	28,925	5,564	-	117.6	71.5	83.9
	Business services	8,886	6,424	6,645	2,241	-	27.0	72.3	74.8
	Health services	6,277	4,498	5,531	746	-	22.5	71.7	88.1
	Unclassified	-6,098	-5,860	-6,091	-7	-	-24.8	96.1	99.9
1989-1990	Total	67,798	50,603	52,183	15,615	100.0	100.0	74.6	77.0
	Agricultural services	4,013	4,011	3,990	23	7.9	7.6	100.0	99.4
	Mining	-322	-182	-294	-28	-0.4	-0.6	56.5	91.3
	Construction	7,563	8,297	7,538	25	16.4	14.4	-	99.7
	Manufacturing	2,502	3,486	2,514	-12	6.9	4.8	-	-
	Trans., comm., & pub. util.	2,117	2,333	2,341	-224	4.6	4.5	-	-
	Wholesale trade	2,024	1,742	975	1,049	3.4	1.9	86.1	48.2
	Retail trade	5,159	-3,641	-2,066	7,225	-7.2	-4.0	-	-
	Eating & drinking places	4,067	1,698	3,809	258	3.4	7.3	41.8	93.7
	Fin., ins., & real estate	10,339	5,385	5,930	4,409	10.6	11.4	52.1	57.4
	Services	38,113	32,354	34,922	3,191	63.9	66.9	84.9	91.6
	Business services	11,838	10,522	11,003	835	20.8	21.1	88.9	92.9
	Health services	5,813	5,071	5,503	310	10.0	10.5	87.2	94.7
	Unclassified	-3,710	-3,182	-3,667	-43	-6.3	-7.0	85.8	98.8
1990-1995	Total	371,547	254,220	334,812	36,735	100.0	100.0	68.4	90.1
	Agricultural services	13,767	13,683	13,704	63	5.4	4.1	99.4	99.5

Table A.8: Dynamic Establishment Changes by Major Industry and Firm Size, 1989 — 1995

Period	Industry	Establishment Changes			Percent of Total		Percent of Size		
		Total	Beginning year employment size of firm			Industry Establ.		Class by Industry	
			<20	<500	500+	<20	<500	<20	<500
	Mining	-3,060	-1,820	-2,429	-631	-0.7	-0.7	59.5	79.4
	Construction	22,874	26,275	22,838	36	10.3	6.8	-	99.8
	Manufacturing	275	5,829	2,512	-2,237	2.3	0.8	-	-
	Trans., comm., & pub. util.	33,763	21,506	27,140	6,623	8.5	8.1	63.7	80.4
	Wholesale trade	18,835	19,606	21,409	-2,574	7.7	6.4	-	-
	Retail trade	4,429	-9,795	1,529	2,900	-3.9	0.5	-	34.5
	Eating & drinking places	31,936	17,997	30,238	1,698	7.1	9.0	56.4	94.7
	Fin., ins., & real estate	59,088	22,121	47,651	11,437	8.7	14.2	37.4	80.6
	Services	218,994	154,048	197,850	21,144	60.6	59.1	70.3	90.3
	Business services	44,320	32,340	37,817	6,503	12.7	11.3	73.0	85.3
	Health services	30,855	11,405	22,599	8,256	4.5	6.7	37.0	73.2
	Unclassified	2,582	2,767	2,608	-26	1.1	0.8	-	-

Notes: Represents activity from March of the beginning year to March of the ending year. Establishments with no employment in the first quarter of the beginning year were excluded. New firm births are classified by their employment size at the first quarter. Percent of size class by industry is not calculated when size classes change in opposite directions. Business and health services are included in services. Eating and drinking places is included in retail trade.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

Table A.9: Dynamic Employment Changes by Major Industry and Firm Size, 1988 — 1995

Period	Industry	Employment Changes				Percent of Total		Percent of Size	
		Total	Beginning year employment size of firm			Industry Empl.		Class by Industry	
			<20	<500	500+	<20	<500	<20	<500
1994-1995	Total	3,591,567	1,677,783	2,613,305	978,262	100.0	100.0	46.7	72.8
	Agricultural services	42,180	39,412	37,680	4,500	2.3	1.4	93.4	89.3
	Mining	20,701	4,286	1,510	19,191	0.3	0.1	20.7	7.3
	Construction	320,001	314,178	329,091	-9,090	18.7	12.6	98.2	-
	Manufacturing	498,515	161,403	392,403	106,112	9.6	15.0	32.4	78.7
	Trans., comm., & pub. util.	201,015	87,302	135,517	65,498	5.2	5.2	43.4	67.4
	Wholesale trade	276,163	131,049	218,650	57,513	7.8	8.4	47.5	79.2
	Retail trade	734,056	242,766	363,961	370,095	14.5	13.9	33.1	49.6
	Eating & drinking places	260,320	112,418	189,597	70,723	6.7	7.3	43.2	72.8
	Fin., ins., & real estate	-15,982	49,956	24,386	-40,368	3.0	0.9	-	-
	Services	1,486,219	625,159	1,083,651	402,568	37.3	41.5	42.1	72.9
	Business services	620,354	159,210	382,963	237,391	9.5	14.7	25.7	61.7
	Health services	221,955	86,351	160,036	61,919	5.1	6.1	38.9	72.1
	Unclassified	28,699	22,272	26,456	2,243	1.3	1.0	77.6	92.2
1993-1994	Total	1,944,460	1,311,540	1,593,350	351,110	100.0	100.0	67.5	81.9
	Agricultural services	-2,417	18,701	-7,362	4,945	1.4	-0.5	-	-
	Mining	-5,386	4,373	499	-5,885	0.3	0.0	-	-
	Construction	185,767	253,710	196,859	-11,092	19.3	12.4	-	-
	Manufacturing	-53,371	126,098	156,484	-209,855	9.6	9.8	-	-
	Trans., comm., & pub. util.	93,037	68,881	83,573	9,464	5.3	5.2	74.0	89.8
	Wholesale trade	97,315	93,778	116,613	-19,298	7.2	7.3	96.4	-
	Retail trade	535,643	160,823	188,757	346,886	12.3	11.8	30.0	35.2
	Eating & drinking places	199,388	88,809	111,860	87,528	6.8	7.0	44.5	56.1
	Fin., ins., & real estate	103,000	66,273	68,551	34,449	5.1	4.3	64.3	66.6
	Services	975,292	506,368	773,796	201,496	38.6	48.6	51.9	79.3
	Business services	412,035	138,459	295,792	116,243	10.6	18.6	33.6	71.8
	Health services	233,131	74,926	147,268	85,863	5.7	9.2	32.1	63.2
	Unclassified	15,580	12,535	15,580	0	1.0	1.0	80.5	100.0
1992-1993	Total	1,948,253	1,475,828	1,787,236	161,017	100.0	100.0	75.8	91.7
	Agricultural services	2,418	35,306	17,568	-15,150	2.4	1.0	-	-
	Mining	-46,704	2,605	-8,401	-38,303	0.2	-0.5	-	18.0
	Construction	52,798	233,209	78,331	-25,533	15.8	4.4	-	-
	Manufacturing	33,815	126,151	176,889	-143,074	8.5	9.9	-	-
	Trans., comm., & pub. util.	84,615	75,249	89,989	-5,374	5.1	5.0	88.9	-
	Wholesale trade	41,354	92,538	65,688	-24,334	6.3	3.7	-	-
	Retail trade	313,604	197,640	170,564	143,040	13.4	9.5	63.0	54.4
	Eating & drinking places	98,578	112,833	131,678	-33,100	7.6	7.4	-	-
	Fin., ins., & real estate	-39,462	91,218	100,900	-140,362	6.2	5.6	-	-
	Services	1,482,298	598,975	1,072,191	410,107	40.6	60.0	40.4	72.3
	Business services	375,679	141,292	294,855	80,824	9.6	16.5	37.6	78.5
	Health services	622,508	95,041	312,454	310,054	6.4	17.5	15.3	50.2
	Unclassified	23,517	22,937	23,517	0	1.6	1.3	97.5	100.0
1991-1992	Total	523,111	1,142,469	844,698	-321,587	100.0	100.0	-	-

Table A.9: Dynamic Employment Changes by Major Industry and Firm Size, 1988 — 1995

Period	Industry	Employment Changes			Percent of Total		Percent of Size		
		Total	Beginning year employment size of firm			Industry Empl.		Class by Industry	
			<20	<500	500+	<20	<500	<20	<500
	Agricultural services	30,687	(D)	19,570	11,117	-	2.3	-	63.8
	Mining	-52,600	298	-26,062	-26,538	0.0	-3.1	-	49.5
	Construction	-169,372	127,350	-115,942	-53,430	11.1	-13.7	-	68.5
	Manufacturing	-336,622	79,675	1,669	-338,291	7.0	0.2	-	-
	Trans., comm., & pub. util.	-74,908	58,500	45,203	-120,111	5.1	5.4	-	-
	Wholesale trade	-84,905	67,086	1,843	-86,748	5.9	0.2	-	-
	Retail trade	66,055	153,709	61,968	4,087	13.5	7.3	-	93.8
	Eating & drinking places	138,132	106,093	116,820	21,312	9.3	13.8	76.8	84.6
	Fin., ins., & real estate	33,927	91,154	82,494	-48,567	8.0	9.8	-	-
	Services	1,110,382	529,909	773,488	336,894	46.4	91.6	47.7	69.7
	Business services	206,577	96,122	138,079	68,498	8.4	16.3	46.5	66.8
	Health services	541,241	129,106	283,813	257,428	11.3	33.6	23.9	52.4
	Unclassified	467	(D)	467	0	-	0.1	-	100.0
1990-1991	Total	-1,161,716	550,925	-707,518	-454,198	100.0	100.0	-	60.9
	Agricultural services	5,957	24,158	6,858	-901	0.0	-1.0	-	-
	Mining	2,273	8,362	5,151	-2,878	1.5	-0.7	-	-
	Construction	-589,125	-70,292	-525,619	-63,506	-12.8	74.3	11.9	89.2
	Manufacturing	-817,880	46,662	-268,737	-549,143	8.5	38.0	-	32.9
	Trans., comm., & pub. util.	10,865	32,012	-14,053	24,918	5.8	2.0	-	-
	Wholesale trade	-82,927	35,254	-75,805	-7,122	6.4	10.7	-	91.4
	Retail trade	-281,121	42,398	-245,932	-35,189	7.7	34.8	-	87.5
	Eating & drinking places	-67,826	73,112	-38,639	-29,187	13.3	5.5	-	57.0
	Fin., ins., & real estate	-39,776	27,582	-32,215	-7,561	5.0	4.6	-	81.0
	Services	657,746	419,914	467,961	189,785	76.2	-66.1	63.8	71.1
	Business services	38,319	102,124	89,601	-51,282	18.5	-12.7	-	-
	Health services	391,838	93,624	184,368	207,470	17.0	-26.1	23.9	47.1
	Unclassified	-27,728	-15,125	-25,127	-2,601	0.0	3.6	54.5	90.6
1989-1990	Total	1,843,181	1,516,237	1,402,718	440,463	100.0	100.0	82.3	76.1
	Agricultural services	34,735	42,786	34,482	253	0.0	2.5	-	99.3
	Mining	10,187	10,170	9,662	525	0.7	0.7	99.8	94.8
	Construction	117,596	238,861	106,832	10,764	15.8	7.6	-	90.8
	Manufacturing	-374,780	116,658	-47,769	-327,011	7.7	-3.4	-	12.7
	Trans., comm., & pub. util.	150,036	73,736	90,855	59,181	4.9	6.5	49.1	60.6
	Wholesale trade	142,707	97,867	69,728	72,979	6.5	5.0	68.6	48.9
	Retail trade	348,021	211,185	118,177	229,844	13.9	8.4	60.7	34.0
	Eating & drinking places	121,041	113,740	114,797	6,244	7.5	8.2	94.0	94.8
	Fin., ins., & real estate	157,536	96,639	103,643	53,893	6.4	7.4	61.3	65.8
	Services	1,285,167	634,762	945,652	339,515	41.9	67.4	49.4	73.6
	Business services	329,235	143,729	256,135	73,100	9.5	18.3	43.7	77.8
	Health services	359,328	122,537	220,840	138,488	8.1	15.7	34.1	61.5
	Unclassified	-28,024	-6,427	-28,544	520	0.0	-2.0	22.9	-
1990-1995	Total	6,853,784	3,359,896	5,241,479	1,612,305	100.0	100.0	49.0	76.5
	Agricultural services	78,548	88,699	76,285	2,263	2.6	1.5	-	97.1

Table A.9: Dynamic Employment Changes by Major Industry and Firm Size, 1988 — 1995

Period	Industry	Employment Changes			Percent of Total		Percent of Size		
		Total	Beginning year employment size of firm			Industry Empl.		Class by Industry	
			<20	<500	500+	<20	<500	<20	<500
	Mining	-73,480	-44	-29,972	-43,508	0.0	-0.6	0.1	40.8
	Construction	-194,897	317,078	-69,741	-125,156	9.4	-1.3	-	35.8
	Manufacturing	-690,522	288,143	375,710	-1,066,232	8.6	7.2	-	-
	Trans., comm., & pub. util.	291,929	190,556	306,520	-14,591	5.7	5.8	65.3	-
	Wholesale trade	264,035	282,524	331,543	-67,508	8.4	6.3	-	-
	Retail trade	1,353,120	311,586	482,667	870,453	9.3	9.2	23.0	35.7
	Eating & drinking places	670,343	256,442	488,693	181,650	7.6	9.3	38.3	72.9
	Fin., ins., & real estate	12,853	167,833	150,615	-137,762	5.0	2.9	-	-
	Services	5,809,614	1,706,713	3,615,704	2,193,910	50.8	69.0	29.4	62.2
	Business services	1,655,452	354,073	881,144	774,308	10.5	16.8	21.4	53.2
	Health services	2,050,511	309,429	1,008,513	1,041,998	9.2	19.2	15.1	49.2
	Unclassified	2,584	6,808	2,148	436	0.2	0.0	-	83.1

Notes: Represents activity from March of the beginning year to March of the ending year. Establishments with no employment in the first quarter of the beginning year were excluded. New firm births are classified by their employment size at the first quarter. (D) = Disclosure. Percent of size class by industry is not calculated when size classes change in opposite directions. Business and health services are included in services. Eating and drinking places is included in retail trade.

Source: U.S. Small Business Administration, Office of Advocacy, based on data provided by the U.S. Department of Commerce, Bureau of the Census.

## Appendix B: The Creation of the Statistics of U.S. Businesses

The Statistics of U.S. Businesses (SUSB) is an aggregation of microdata describing individual business locations. The data are analyzed by the SBA's Office of Advocacy to determine small business' role in major industries.

The following discussion lists the steps the Bureau of the Census uses to create the microdata and aggregations for SUSB:<sup>10</sup>

- To develop microdata, the Bureau of the Census assembles data from a number of sources to construct an annual business name register, or Standard Statistical Establishment List (SSEL). Census uses the SSEL to draw business samples, organize business censuses, and store annual business statistics for each establishment. The SSEL incorporates data from the Internal Revenue Service (IRS) Business Master File (to obtain names and addresses of business tax filers) and IRS Form 941 (to obtain payroll and employment reported with Social Security tax payments). In addition, the Census Bureau's annual Company Organization Survey (COS), its annual survey of manufactures, the economic census, current industrial reports, and other Census current surveys are used to find linked establishments that create multi-unit enterprises. Missing payroll data are imputed from prior year reported data, or other currently reported payroll data, and missing employment data are imputed from the (more frequently) reported first-quarter payroll data. Since 1991, Census has obtained and improved some establishment industry classifications through periodic comparisons with establishment data from the Bureau of Labor Statistics.

- To select relevant microdata from the SSEL, the Bureau of the Census runs the County Business Patterns (CBP) program to select data from the SSEL for all businesses that had any payroll payments during the year. It further edits the key data for the selected records to ensure they are reported consistently with the previous year's data. The selected records are aggregated to produce CBP tables on establishments by industry, state, and county. The CBP tables contain

10. Ken Sausman of the Bureau of the Census provided some of the information used in this appendix. The Census Bureau maintains an Internet site for the Statistics of U.S. Businesses at <http://www.census.gov/epcd/www/sb001.html>.

information on establishments, employment (on March 12), and annual payroll by industry, state, and county.

- To produce the SUSB microdata, the Bureau of the Census selects records from the CBP microdata file, which contains a code linking establishments that are part of multi-establishment (or multi-unit) firms. In addition, codes for metropolitan statistical areas (MSAs) are calculated for each establishment in an MSA and, if necessary, an MSA code is added to establishment records.

- To produce the SUSB static tables, the Census Bureau runs the SUSB tabulation programs on the SUSB microdata, aggregating the employment of commonly-owned establishments to create enterprise employment. This enterprise employment is appended to each establishment record. Annual receipts are estimated from the establishments payroll using receipts-to-payroll ratios developed from the most recent Economic Censuses. Estimated receipts by establishment are included in each establishment record. To produce state tables, Census aggregates firms, establishments, employment, annual payroll, and estimated receipts within a state by employment size of enterprise. Note that the overall U.S. employment of the enterprise is used to determine the employment size class for enterprises within states. Similar methods are used to create industry and MSA tables. The SUSB static tables contain information on firms, establishments, employment (on March 12), annual payroll, and estimated receipts by employment size of enterprise for industries, states, and MSAs.

- To produce the SUSB dynamic tables, the Bureau of the Census constructs the SUSB composite file using a longitudinal pointer file to track the identity of each establishment in the tabulation files for different years. The longitudinal pointer file is constructed by linking records for establishments in each new SUSB tabulation file to those in the file from the previous year, matching first on Census identification number. If this does not match, then a variety of other characteristics are used to search for continuing establishments. This facilitates tracking individual establishments whose identification numbers have been changed because of changes in ownership or legal form or structure. Use of the longitudinal pointer file prevents the double counting of establishments that exist under more than one identity during a year, and it greatly reduces the incidence of false births and deaths occurring as a result of identification number changes. The SUSB dynamic tables contain information on establishments (the number of establishments, establishment births, and establishment closures), and employment (employment from surviving establishments, establishment births, and establishment closures) for start and end years by employment size of enterprise. In addi-

tion, national figures are broken out for the establishment and employment changes in both original and secondary locations.