

# Small Business Quarterly Bulletin

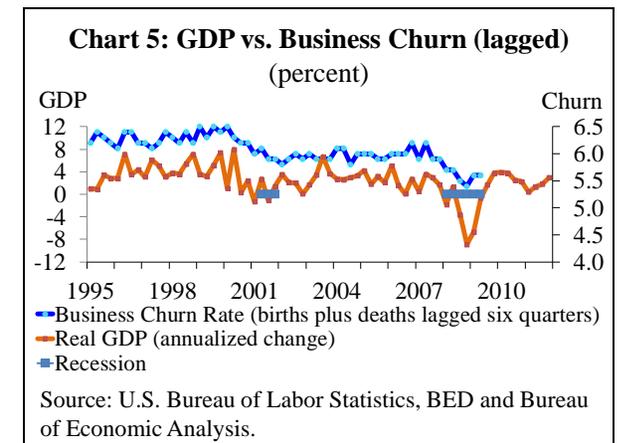
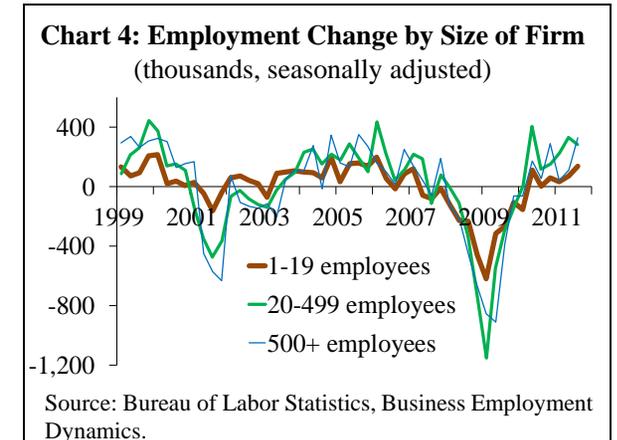
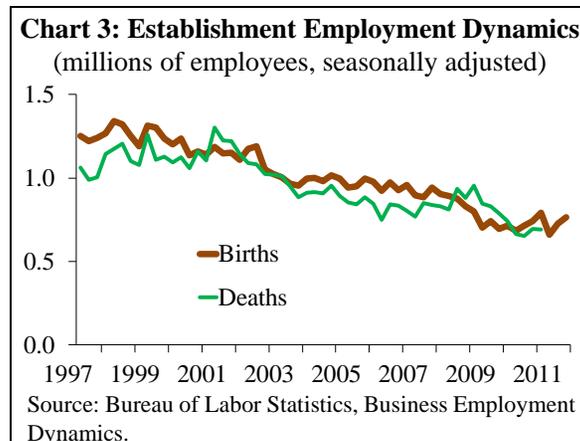
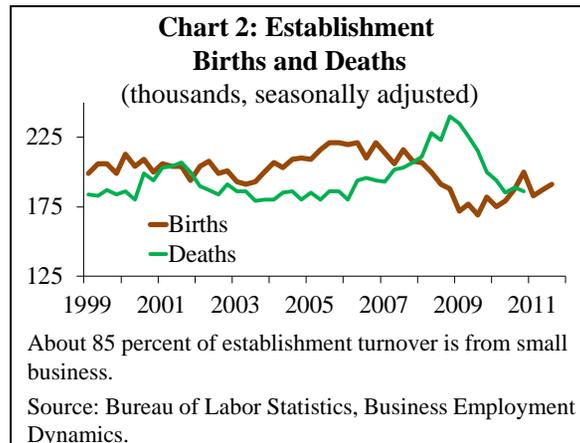
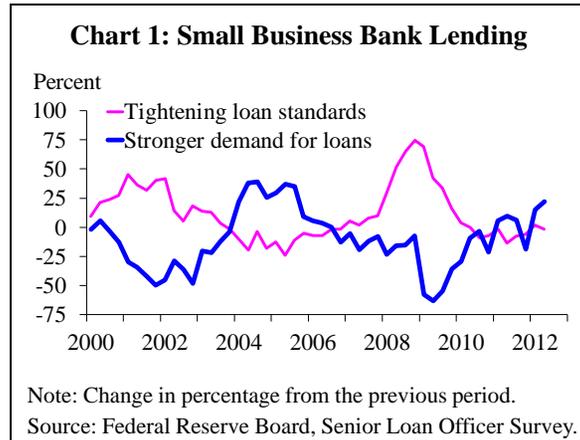
First Quarter 2012  
by Brian Headd, Economist

While small firms with 20-499 employees provided three-quarters of the net employment growth since the end of the downturn, more recently, even the very small firms (fewer than 20 employees) and large firms (500 or more employees) showed solid net increases (Chart 4). Increases were driven by existing firms, as birth and death employment essentially netted each other out leaving little to no impact on the overall employment level. The decline in employment from births over the last decade has been accompanied by a corresponding decline in employment from deaths.

The number of births has risen since the end of the downturn and deaths have declined; when combined they are referred to as business churn. Business churn is needed to keep the economy from stagnating, and churn has been declining. However, the lower churn rate seems to follow the overall decline in the economy by about 18 months.

Overall, the small business trends are positive with the employment increases mentioned above, proprietors' income up, and business bankruptcies trending down over the last few years.

See the table on the other side for the most recent quarterly small business data.



For additional information visit,  
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											Annual Data (or Year End)									
	2009 Q4	2010				2011				2012 Q1	1995	2000	2005	2006	2007	2008	2009	2010	2011	
Self-employed (000) * †																				
Unincorporated	9,622	9,632	9,977	9,680	9,309	9,476	9,627	9,249	9,252	9,232	10,482	10,214	10,464	10,586	10,413	10,080	9,831	9,681	9,449	
Incorporated	5,520	5,446	5,254	5,036	5,263	5,169	5,155	4,950	5,199	5,130	na	4,459	5,254	5,499	5,735	5,784	5,466	5,191	5,127	
Businesses, turnover																				
Establishments (000)																				
Births	182	175	179	188	200	183	187	191	-	-	751	826	867	870	845	786	701	742	-	
Deaths	200	194	185	189	186	-	-	-	-	-	651	759	737	763	804	901	877	754	-	
Business bankruptcies*	15,020	14,607	14,452	13,957	13,030	12,376	12,304	11,705	11,149	10,998	51,959	35,472	39,201	19,695	28,322	43,533	60,837	56,282	47,806	
Employment																				
Nonfarm payroll (millions)	129.32	129.43	130.02	129.89	130.35	130.92	131.31	131.69	132.19	132.87	117.30	131.79	133.70	136.09	137.60	136.79	130.81	129.87	131.36	
Net private-sector job creation (000)																				
Total‡	-238	-254	721	205	582	252	578	753	-	-	2,405	1,905	2,148	1,737	735	-3,575	-5,473	1,131	-	
<20 employees	-109	-154	112	2	59	31	71	136	-	-	487	275	479	321	-33	-1,043	-1,312	-74	-	
20-499 employees	-138	4	404	119	152	226	332	282	-	-	1,088	772	756	801	370	-1,212	-2,134	646	-	
500+ employees	-63	-63	170	54	291	43	110	329	-	-	830	905	910	508	304	-1,475	-2,224	449	-	
Finance, Sales & Income (\$billion unless noted)																				
Tightening lending standards (percent of responses)	16.1	3.7	0.0	-9.1	-7.1	-1.9	-13.5	-7.8	-6.3	1.9	-1.8	27.3	-5.3	-1.8	9.6	74.5	16.1	-7.1	-6.3	
Loan demand (percent of responses)	-35.7	-29.6	-9.3	-3.6	-21.4	5.6	9.6	5.8	-18.8	15.1	7.2	-12.8	8.9	-13.0	-7.7	-7.4	-35.7	-21.4	-18.1	
C&I loans outstanding §	1,305	1,245	1,219	1,209	1,208	1,225	1,256	1,293	1,331	1,380	691	1,056	988	1,128	1,301	1,526	1,433	1,220	1,276	
Manufacturing & trade sales §	1,028	990	1,079	1,077	1,119	1,104	1,204	1,204	1,218	1,194	655	834	1,004	1,066	1,124	1,154	980	1,066	1,182	
Proprietors' income	949	982	1,026	1,057	1,082	1,096	1,107	1,114	1,120	1,133	516	818	1,070	1,133	1,090	1,098	941	1,036	1,109	
Economy (percent)																				
Real GDP change†	3.8	3.9	3.8	2.5	2.3	0.4	1.3	1.8	3.0	1.9	2.5	4.1	3.1	2.7	1.9	-0.3	-3.5	3.0	1.7	
Chained CPI*	-0.1	0.8	0.0	0.3	0.3	1.7	1.0	0.6	-0.5	1.4	2.8	3.4	2.9	2.9	2.5	3.7	-0.5	1.4	2.8	
Unemployment rate †	9.9	9.7	9.5	9.6	9.4	8.9	9.1	9.0	8.5	8.2	5.6	4.0	5.1	4.6	4.6	5.8	9.9	9.4	8.5	

\* Not seasonally adjusted.

† Annualized quarterly figures, from last month of quarter where applicable.

‡ Totals may not add because indeterminate firm sizes.

§ Monthly averages.

Sources: U.S. Small Business Administration, Office of Advocacy, from data provided by the U.S. Bureau of Labor Statistics (Business Employment Dynamics), Administrative Office of the U.S. Courts, Federal Reserve Board of Governors (Senior Loan Officer Survey, Assets & Liabilities of Commercial Banks in the United States), U.S. Census Bureau and Bureau of Economic Analysis.