



## Frequently Asked Questions (FAQ) About Data and Methodology in the 2017 Small Business Economic Profiles

### 1. What new data series are used in the 2017 edition of the Small Business Profiles?

One new data series was introduced in the 2017 Profiles: county-level employment statistics by business size. These are provided by the Census Bureau's Statistics of U.S. Businesses ([SUSB](#)), and they are used to generate the Figure 4 maps of the percent of employees working for small businesses by county in 2014.

### 2. How is the small business percent of all businesses calculated for my state?

In previous editions, the number of small businesses was reported as the sum of both *employer* and *non-employer* businesses. In contrast, the small business percent of all businesses was calculated as the number of small business *employers* divided by the number of all businesses *with employees*. Thus, past estimates excluded non-employers. For consistency, the small business percent of all businesses is now calculated as the sum of small businesses, employers, and non-employers divided by the sum of all employer and non-employer businesses.

### 3. Which version of the American Community Survey is used in the report?

All statistics based on the American Community Survey ([ACS](#)) use 5-year estimates. The 5-year estimates are best suited for analyzing small populations, such as minority demographic groups in small states because these estimates are the only [ACS](#) estimates covering the entire US population. Note that Figure 2 uses 2012 ACS data to coincide with the 2012 SBO.

### 4. What's the difference between net jobs lost and/or gained and change in the unemployment rate?

These two measures differ in year, source, and definition. Net job change is measured for 2014 by the Census Bureau's [BDS](#) and is defined on the agency's [website](#). The unemployment rate is measured for multiple years by the [BLS](#) and is defined on its [website](#).

### 5. How were the values in Figure 3 processed?

The Business Employment Dynamics' ([BDM](#)) startup and exit data measure quarterly startups and exits of establishments. The raw series span the years 1993 to 2015. To make trends easier to discern, they were smoothed using a standard Hodrick-Prescott filter. Smoothing highlights low-frequency trends in otherwise noisy data. The selected smoothing parameter,  $\lambda = 1,600$ , is based on the [Ravn-Uhlig](#) recommendations for quarterly time series.



## 6. What are the seven BDS small firm-size categories?

The seven **BDS** small firm size categories are:

1. 1 to 4
2. 5 to 9
3. 10 to 19
4. 20 to 49
5. 50 to 99
6. 100 to 249
7. 250 to 499

See the **BDS website** for further details.

## 7. In Table 1 and Table 2, what does "s" mean?

The "s" is used to flag data withheld by the Census Bureau to avoid releasing information that does not meet publication standards. See **SUSB Glossary**.

## 8. In Table 1, why is the difference between columns 1 and 2 sometimes less than 500 employees?

Employment and firm level tabulations by firm-size and industry are provided by the Statistics of U.S. Businesses (**SUSB**). When a firm with more than 500 employees has establishments in multiple industries, it is possible for fewer than 500 of its employees to be counted in a single industry, even though they are classified as large-firm employees. For this reason, total employment in certain industries sometimes exceeds small business employment by fewer 500 employees.

## 9. What is the "other services (except public administration)" industry?

According to **BLS**, the "other services (except public administration)" sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, and advocacy. The sector also provides drycleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

## 10. Do "Nonminority" and "Non-Hispanic White" mean the same thing?

Yes. We use the SBO term "Nonminority" in lieu of "Non-Hispanic White." Also, the sum of the top demographic groups in Figure 2 generally exceeds the reported Minority total because the Hispanic group includes persons counted as members of other race and ethnicity categories.