



Frequently Asked Questions (FAQ) About Data and Methodology in the 2018 Small Business Economic Profiles

1. What new data series are used in the 2018 edition of the Small Business Profiles?

The Census Bureau's Annual Survey of Entrepreneurs ([ASE](#)), the latest federal business demographic data, was newly added to the 2018 profiles. Released more recently than the Survey of Business Owners used in the 2017 profiles, the ASE provides annual data on select economic and demographic characteristics of employer businesses and their owners by gender, ethnicity, race, and veteran status. ASE statistics were used to generate the Figure 2 bar chart showing the average number of employees per employer business by owner's demographic group.

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

The small business percent of all businesses is calculated as the sum of small employer and non-employer businesses divided by the sum of all employer and non-employer businesses.

3. What are the net jobs lost/gained and unemployment rate definitions?

Net job change is measured for 2015 by the Census Bureau's [SUSB](#) 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](#).

4. 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 1992 to 2017. To make trends easier to discern, the data was 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.

5. What are the SUSB small firm-size categories discussed in the Employment section?

The size categories match Figure 2 in which the categories of fewer than 20 employees, 20 to 99 employees, and 100 to 499 employees are highlighted in the US, DC, and state profiles. See the [SUSB website](#) for further details.

6. 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 than 500 employees.



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

According to [Census](#), 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.

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

The terms "Nonminority" and "Non-Hispanic White" are synonymous. Figure 2 uses the "Nonminority" estimate provided by the ASE.

9. In the Territory profiles, what are the size categories described in Figure 1?

The unit of analysis in Figure 1 of the Territory profiles is establishments. According to the Census Bureau's County Business Patterns (CBP), an establishment is defined as a single physical location at which business is conducted or services or industrial operations are performed. An establishment is not necessarily equivalent to a firm, which may consist of one or more establishments. The size categories describe the number of employees working at establishments having fewer than 20 employees, 20 to 49 employees, 50 to 99 employees and 100 to 499 employees. Establishments having more than 500 employees are not shown. See the [CBP website](#) for further details.