

Small Business Sector Continues To Improve

By Brian Headd, Economist

Overall small business indicators are improving. Promising signs include rising proprietors' income (Figure 1), a low level of business bankruptcies (Figure 2), and establishment births consistently outnumbering establishment deaths (Figure 3).

Private-sector employment is also showing positive signs. The bulk of net new employment is taking place in relatively large gains of 20 or more employees (Figure 4). These net employment gains are coming from existing establishments (Figure 5).

While the number of establishment births has been rising in recent years, the average employment of these new establishments is in a long-term declining trend (Figure 6). However, the two most recent quarters show an uptick in size.

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Office of Advocacy
U.S. Small Business Administration
409 Third Street, S.W.
Washington, DC 20416
P (202) 205-6533
F (202) 205-6928
advocacy@sba.gov

