

2016 THE KAUFFMAN
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mainstreet entrepreneurship

METROPOLITAN AREA
AND CITY TRENDS

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About the Kauffman Index of Entrepreneurship Series

The Kauffman Index of Entrepreneurship series is an umbrella of annual reports that measure U.S. entrepreneurship across national, state, and metro levels. Rather than focusing on inputs, the Kauffman Index focuses primarily on entrepreneurial outputs—the actual results of entrepreneurial activity, such as new companies, business density, and growth rates. The Kauffman Index series consists of three in-depth studies—Startup Activity, Main Street Entrepreneurship, and Growth Entrepreneurship.

The Kauffman Index of Startup Activity is an early indicator of the beginnings of entrepreneurship in the United States, focusing on new business creation, market opportunity, and startup density. The Kauffman Index of Main Street Entrepreneurship measures business ownership, survival rates, and density of established, local small businesses. The Kauffman Index of Growth Entrepreneurship focuses on the growth of entrepreneurial businesses, as measured by growth in both revenue and employment.

In this release, we present the Kauffman Index of Main Street Entrepreneurship, a comprehensive indicator of local, small business activity in the United States. The Main Street Entrepreneurship Index integrates several high-quality sources of timely entrepreneurship information into one composite indicator, relying on three components to measure Main Street entrepreneurship:

- Rate of Business Owners
- Survival Rate
- Established Small Business Density

The Kauffman Index of Entrepreneurship series represents extensive research and attempts to present a balanced perspective on how to measure entrepreneurship. However, because we recognize that entrepreneurship is a complex phenomenon, we expect to further revise and enhance the Index in the coming years.

The specific indicators from each report help tell America's entrepreneurship story. National, state, and local leaders can access all the reports, along with the data relevant to their locales, at www.kauffmanindex.org.

Main Street Entrepreneurship Executive Summary

The Kauffman Index of Main Street Entrepreneurship is a comprehensive indicator of small business activity in the United States, integrating high-quality sources of timely information into one composite indicator. The Index captures business activity in all industries and is based on both a nationally representative sample size of roughly 900,000 responses each year and on the universe of all employer businesses in the United States on a dataset covering approximately five million businesses. The focus here is on business owners based on a location, survival rates of firms, and established small businesses—employer firms five years old and older and with fewer than fifty employees. As such, we examine both the business owners and the businesses they own.

Main Street entrepreneurship is an important aspect of the U.S. economy and society. Established small businesses make up almost 68 percent of all employer firms in the United States¹ and are a source of local economic activity

This report represents trends in Main Street entrepreneurship activity of the past two decades for the forty largest metropolitan areas in the United States by population. Two separate reports look at these same trends in all fifty states and at the national level. Some Main Street Entrepreneurship Index components, when available, also are reported by demographic groups.

The Main Street Entrepreneurship Index—an indicator of the number of established small businesses, the survival rate of companies, and the number of business owners in a location—experienced an increase in the 2016 Index, reaching a level higher than that preceding the Great Recession, as shown in Figure 1 on page 5. The increase was driven by an increase in business survival rates, an indicator of how likely a new firm is to take root and become established in a community. The Survival Rate of American businesses is the main driver of the recent improvements in Main Street Entrepreneurship in the United States, and has reached a three-decade high of 48.7 percent—meaning that almost half of new businesses make it to their fifth year of operation. Survival rates declined dramatically during the Great Recession, falling for five years in a row and reaching a low of 42.9 percent in 2011. Survival rates have increased every year since then and, in 2014, reached a level higher than that preceding the recession. Each of these trends is covered in the *Kauffman Index of Main Street Entrepreneurship* | *National Trends* report.

1. Authors' calculations from U.S. Census Bureau Business Dynamics Statistics data.

The Main Street Entrepreneurship Index—an indicator of the number of established small businesses, the survival rate of companies, and the number of business owners in a location—experienced an increase in the 2016 Index, reaching a level higher than that preceding the Great Recession.

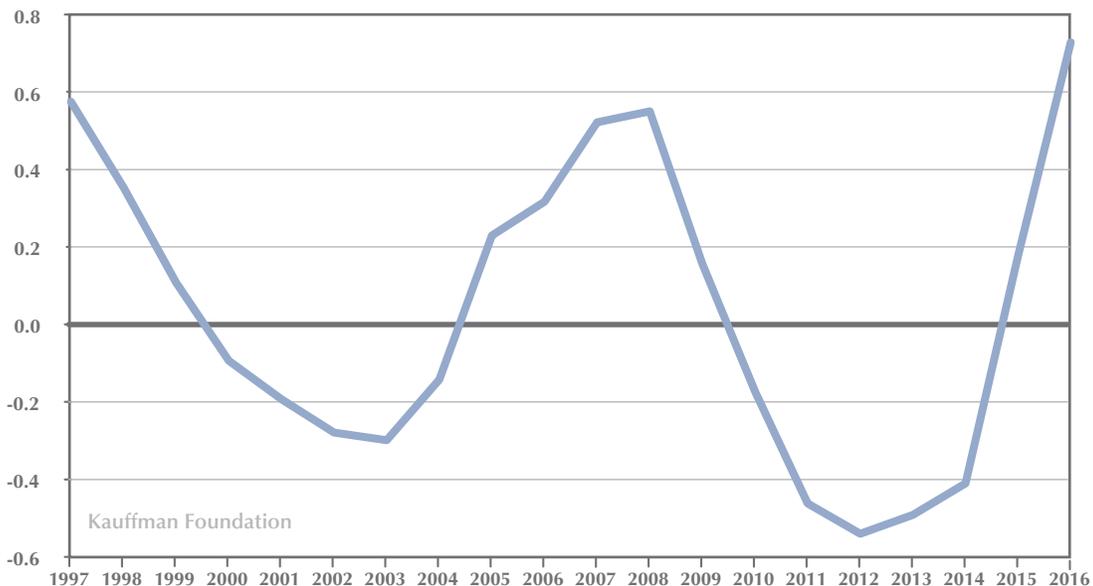
Looking at state-level indicators, Main Street entrepreneurship activity was higher in the Index for 2016 than in the previous year, with forty-seven of the fifty U.S. states showing higher Main Street Entrepreneurship measures in the 2016 Index than in the 2015 Index—the exception being Alaska, Delaware, and Louisiana. Among the twenty-five larger states, the five states with the highest Main Street entrepreneurship activity were Minnesota, Wisconsin, Massachusetts, Colorado, and Pennsylvania. Among the twenty-five smaller states, the five states with the highest Main Street entrepreneurship activity were South Dakota, Vermont, Montana, North Dakota, and Maine. An analysis of state-level Main Street business activity can be found in the *Kauffman Index of Main Street Entrepreneurship* | *State Trends* report.

Key findings for Main Street entrepreneurship activity at the metro level include:

Main Street Entrepreneurship and Rankings

- Main Street entrepreneurship activity was higher in thirty-eight of the forty U.S. metros covered in the 2016 Index when compared to the 2015 Index. The exceptions to this were the metros of San Jose and Nashville.
- The five metros with the highest Main Street entrepreneurship activity were, in order, Pittsburgh, Boston, Portland, San Francisco, and Washington, D.C.

Figure 1
Kauffman Index of Main Street Entrepreneurship (1997–2016)



SOURCE: Authors' calculations using the CPS and BDS. For an interactive version, please see: www.kauffmanindex.org.

- While there was some modest movement within the top fifteen metros with the most Main Street entrepreneurship activity in the 2016 Index, twelve of the top fifteen metros in the 2015 Index were present in the 2016 Index. In addition to the five metros above, this top fifteen includes the metros of Minneapolis, Los Angeles, Providence, Austin, Miami, Cleveland, Baltimore, San Diego, Chicago, and Denver.

Rate of Business Owners

- Looking inside the components of the Main Street Entrepreneurship Index, the Rate of Business Owners varies widely across metro areas in the 2016 Index, going from approximately thirty-nine business owners for every 1,000 adults (Virginia Beach metro) to a high of ninety-four business owners for every 1,000 adults (Miami metro).

Survival Rate

- Survival rate—the third component of the Index—also has high variation across metros. It ranged from an estimated 45.44 percent of firms surviving through their first five years of operation in Orlando, Fla., to a survival rate of 54.0 percent of firms in Boston, Mass.

Established Small Business Density

- In the 2016 Index, the Established Small Business Density ranged from 496.6 established small businesses per 1,000 firms in Las Vegas, Nev., to 694.2 established small businesses per 1,000 firms in Pittsburgh, Penn.

Select Demographic Trends for Metros on Main Street Entrepreneurship

Below are select demographic trends at the metropolitan level for the latest year, calculated on a three-year moving average and including only metros with at least 1,000 survey responses per sub-demographic group per metro.

Female Business Owners

- The five metropolitan areas with the highest Rate of Business Owners for females were, in this order, Portland, Ore.; San Francisco, Calif.; Miami, Fla.; San Diego, Calif.; and Los Angeles, Calif.

Younger Business Owners—Ages Twenty to Thirty-Four

- The five metropolitan areas with the highest Rate of Business Owners for younger adults were, in this order, Miami, Fla.; Austin, Texas; Nashville, Tenn.; Tampa, Fla.; and San Diego, Calif.

Older Business Owners—Ages Fifty-Five to Sixty-Four

- The five metropolitan areas with the highest Rate of Business Owners for older adults were, in this order, Portland, Ore.; Austin, Texas; San Francisco, Calif.; Miami, Fla.; and San Diego, Calif.

Understanding Main Street Entrepreneurship—A Look at the Indicators

The United States has a great tradition of both big and small business. In this report, we focus on small businesses and, specifically, on measures of what we call “Main Street” entrepreneurship. The Kauffman Index of Main Street Entrepreneurship presents an index measure of small business activity in the United States—across national, state, and metropolitan-area levels. The Index captures business activity along three dimensions. First, it captures the Rate of Business Owners in the economy—the annual percentage of adults owning businesses, on average. Second, it estimates the Survival Rate, a measure of the percentage of businesses that become established and are still in operation five years after founding. Third, it captures Established Small Business Density, the ratio of established small employer businesses to the number of employer firms in the economy. The combination of these three distinct and important dimensions provides a view of small business activity in the country, across national, state, and metropolitan-area levels. These businesses make up a large share of firms in the nation, with established small businesses representing almost 68 percent of all employer firms in the United States, according to the Census’s Business Dynamics Statistics.

The Main Street Entrepreneurship Index captures all types of small business activity and is based on nationally representative sample sizes of more than 900,000 observations each year and on administrative data covering the universe of employer business entities—approximately five million businesses. The separate components of the Index also provide evidence on potentially different trends in small business activity—trends we analyze based on the Rate of Business Owners from household surveys, and Survival Rate and Established Small Business Density measures from business-level data. The Main Street Entrepreneurship Index improves over other possible measures of business activity because of its timeliness, exclusion of “casual” businesses, and inclusion of all types of business activity, regardless of industry.

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Rate of Business Owners



Survival Rate



Established Small Business Density

The Components of the Kauffman Index of Main Street Entrepreneurship

The Kauffman Index of Main Street Entrepreneurship provides a broad index measure of small business activity in the United States, looking at both businesses and business owners.

On the business side, the Index tracks locally established small businesses with employees. This means employer businesses five years old or older—so that we are not looking at startups and young businesses—with fewer than fifty employees.

On the firm owner side, we track local business owners—incorporated or unincorporated, with or without employees.

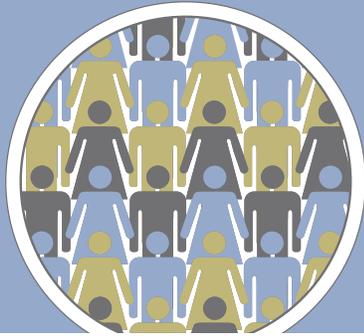
The Main Street Entrepreneurship Index is an equally weighted index of three normalized measures of business activity. The three component measures of the Main Street Index are:

- i. The **Rate of Business Owners** in the economy, calculated as the percentage of adults owning businesses as their main jobs.
- ii. The **Survival Rate** of firms, calculated as the percentage of firms that remain in operation throughout their first five years. For instance, the 2015 cohort consists of the percentage of firms that started five years ago (in 2010) and are still in business in 2015.
- iii. The **Established Small Business Density**, measured as the number of established small employer businesses normalized by the total number of firms.

Before presenting trends in the Main Street Entrepreneurship Index, we briefly discuss each component measure (see Methodology and Framework for more details).

First, the Rate of Business Owners captures the percentage of the adult population that owns a business. The Rate of Business Owners as measured here captures all business owners, including those who

Rate of Business Owners



- Broad measure of business ownership.
- Measures the percentage of the U.S. adult population that owns a business as their main job.
- Includes entrepreneurs with incorporated or unincorporated businesses, with or without employees.
- Data based on the Current Population Survey jointly produced by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics.
- What the number means:
 - For example, the United States Rate of Business Owners was 6.02 percent in the 2016 Index. This means that six out of every 100 adults own businesses in the United States.

own incorporated or unincorporated businesses, and those who are employers or non-employers. The Rate of Business Owners is calculated from data from the Current Population Survey (CPS), a monthly survey conducted by the U.S. Bureau of the Census and the Bureau of Labor Statistics. Although the Rate of Business Owners also captures owners of large firms, it is overwhelmingly represented by owners of small businesses.

The second component, the Survival Rate of firms, estimates the percentage of firms in a given year that started operating five years ago and are still in business. The calculation method we use is based on Reedy and Litan (2011). The underlying data come from the U.S. Census Business Dynamics Statistics (BDS) and are taken from the universe of businesses with payroll tax records

in the United States, as recorded by the Internal Revenue Service—a dataset that covers approximately five million businesses.

The third component measure of the Main Street Entrepreneurship Index is a measure of the ratio of established small employer businesses to the total number of firms. These established small employer businesses generally are larger than established non-employer businesses are. The data for this indicator also come from the U.S. Census Business Dynamics Statistics. With established small businesses representing a large share of all businesses, they are an important group for economic activity in the “Main Street” economy.

In this report, we present national estimates of the Main Street Entrepreneurship Index first. We then

Survival Rate



- Proxy of the rate at which new firms survive their first five years and thus become established.
- The percentage of firms that remain in operation over their first five years.
- Data based on the U.S. Census Business Dynamics Statistics.
- What the number means:
 - For example, the 2014 Survival Rate of firms for the United States was 48.7 percent. That means that, in 2014, for every 100 firms that started operating in 2009 in the United States, an estimated forty-nine employer businesses survived through their first five years of operation.

Established Small Business Density



- A ratio of the number of established small businesses by total business population.
- Established small businesses are defined as employer firms over the age of five employing at least one, but less than fifty, employees.
- Measures the number of established small businesses normalized by the business population of an area.
- Data based on the U.S. Census Business Dynamics Statistics.
- What the number means:
 - For example, the 2016 Index of Established Small Business Density for the United States was 676.1. That means that, for every 1,000 U.S. firms, there were 676 employer businesses five years of age or older, employing fewer than fifty employees.

present trends in each of the three component measures of the Index. The first component measure, the Rate of Business Owners, provides information that allows for a presentation of trends by demographic groups.

We understand “Main Street” is a concept that can take different forms, from industry-based perspectives, to size-based, to location-based. We recognize there are other approaches to the idea and welcome further explorations on indicators of Main Street entrepreneurship.

A Big-Tent Approach to Entrepreneurship

The Kauffman Index of Entrepreneurship—the umbrella under which all Kauffman Index reports reside—attempts to view the complex phenomenon of entrepreneurship from many angles, each adding insight into the people and businesses that contribute to America’s overall entrepreneurial dynamism.

Entrepreneurship is not a monolithic phenomenon, and it includes many moving parts. Creating new businesses is a different economic activity from running small businesses, which, in turn, is different from growing businesses. The Kauffman Index attempts to measure

concretely these different aspects of entrepreneurship—Startup Activity, Main Street Entrepreneurship, and Growth. The Kauffman Index of Startup Activity focuses on the beginnings of entrepreneurship—specifically, new business creation, market opportunity, and startup density. The Kauffman Index of Main Street Entrepreneurship focuses on local business ownership, survival rates, and the prevalence of local small businesses. The Kauffman Index of Growth Entrepreneurship focuses on growing companies. Together, these three indices present a more holistic view of entrepreneurship in America.

Each of the indices that make up the Kauffman Index is constructed to give a spectrum of entrepreneurship measures from an industry-agnostic perspective. Table A summarizes the approach we use across the reports.

While at first pass, one might expect certain patterns that appear in the Startup Activity Index to be tied to patterns that appear in future years of the Main Street and Growth Entrepreneurship Indices, we have taken steps to mitigate direct relationships. Different locations will have different performances on each of the indices, and high (or low) levels of activity in any given index does not necessarily cause or imply high (or low) levels of activity in the others.

Each of the indices that make up the Kauffman Index is constructed to give a spectrum of entrepreneurship measures from an industry-agnostic perspective.

Table A
Summary of Components Used Across Reports

Startup Activity	Main Street Entrepreneurship	Growth Entrepreneurship
 <p>Rate of New Entrepreneurs The percentage of adults transitioning into entrepreneurship at a given point in time</p>	 <p>Rate of Business Owners The total number of business owners in a location at a given point in time</p>	 <p>Rate of Startup Growth The average growth of a cohort of new startups in their first five years</p>
 <p>Opportunity Share of New Entrepreneurs The percentage of new entrepreneurs driven primarily by “opportunity” vs. “necessity”</p>	 <p>Survival Rate of Firms The percentage of firms in operation throughout their first five years</p>	 <p>Share of Scaleups The number of businesses that started small and grew to employ at least fifty people by their tenth year of operation as a percentage of all businesses ten years and younger</p>
 <p>Startup Density The number of new employer businesses, normalized by population</p>	 <p>Established Small Business Density The number of businesses five years old and older with less than fifty employees, normalized by population</p>	 <p>High-Growth Company Density The number of fast-growing companies with at least \$2 million dollars in annual revenue, normalized by business population</p>

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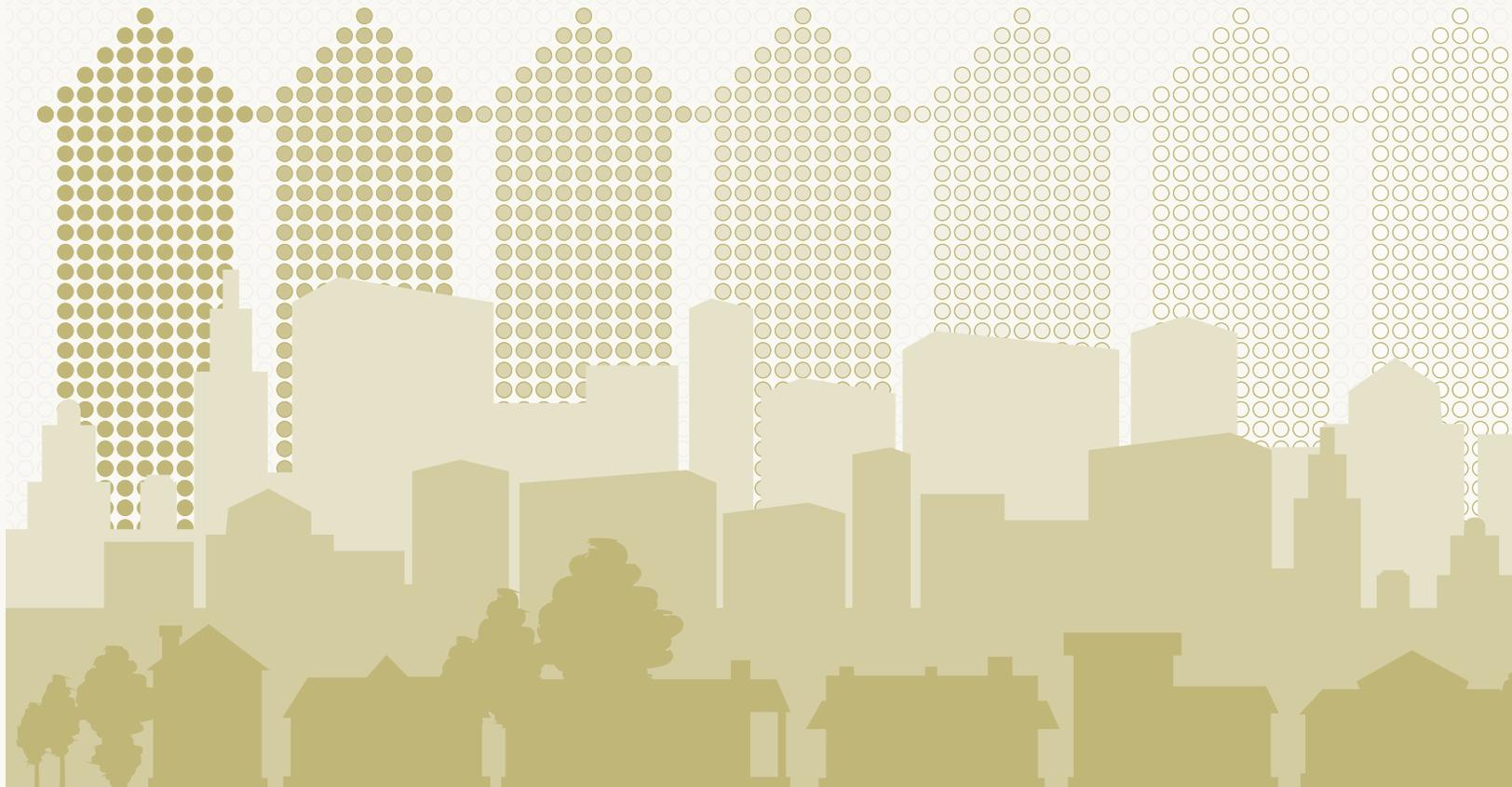


TABLE 1
Metro Rankings—Kauffman Index of Main Street Entrepreneurship

Rank 2016	Index 2016	City (Main)	Metropolitan Area	Rank 2015	Change in Rank	Rate of Business Owners	Established Small Business Density	Survival Rate
1	1.54	Pittsburgh	Pittsburgh	2	1	5.25%	694.20	53.78%
2	1.42	Boston	Boston-Cambridge-Quincy	1	-1	5.51%	668.26	53.97%
3	1.35	Portland	Portland-Vancouver-Hillsboro	4	1	7.56%	615.14	51.16%
4	1.22	San Francisco	San Francisco-Oakland-Fremont	3	-1	7.53%	624.89	50.01%
5	1.00	Washington, D.C.	Washington-Arlington-Alexandria	5	0	6.16%	628.69	52.42%
6	0.91	Minneapolis	Minneapolis-St. Paul-Bloomington	8	2	6.35%	646.97	50.38%
7	0.89	Los Angeles	Los Angeles-Long Beach-Santa Ana	6	-1	7.83%	627.18	47.40%
8	0.85	Providence	Providence-New Bedford-Fall River	7	-1	5.75%	690.09	49.14%
9	0.77	Austin	Austin-Round Rock-San Marcos	15	6	7.96%	527.83	52.31%
10	0.69	Miami	Miami-Fort Lauderdale-Pompano Beach	17	7	9.39%	576.89	45.08%
11	0.56	Cleveland	Cleveland-Elyria-Mentor	9	-2	4.44%	685.72	51.52%
12	0.54	Baltimore	Baltimore-Towson	16	4	4.90%	651.78	52.15%
13	0.43	San Diego	San Diego-Carlsbad-San Marcos	10	-3	7.44%	598.67	47.83%
14	0.36	Chicago	Chicago-Joliet-Naperville	13	-1	5.31%	650.13	50.24%
15	0.35	Denver	Denver-Aurora-Broomfield	19	4	7.33%	588.66	48.29%
16	0.33	Columbus	Columbus	14	-2	5.78%	615.50	50.81%
17	0.32	Philadelphia	Philadelphia-Camden-Wilmington	12	-5	4.82%	666.41	50.39%
18	0.31	New York	New York-Northern New Jersey-Long Island	21	3	5.78%	638.48	49.38%
19	0.29	Sacramento	Sacramento-Arden-Arcade-Roseville	29	10	6.59%	608.33	48.83%
20	0.02	Nashville	Nashville-Davidson-Murfreesboro-Franklin	11	-9	7.34%	583.57	46.88%
21	-0.01	Seattle	Seattle-Tacoma-Bellevue	28	7	5.81%	619.90	48.74%
22	-0.09	Milwaukee	Milwaukee-Waukesha-West Allis	18	-4	5.57%	657.11	46.79%
23	-0.14	Kansas City	Kansas City	23	0	6.18%	614.67	47.42%
24	-0.34	Houston	Houston-Sugar Land-Baytown	24	0	5.79%	579.19	49.55%
25	-0.35	Cincinnati	Cincinnati-Middletown	30	5	4.41%	645.05	49.39%
26	-0.39	Indianapolis	Indianapolis-Carmel	22	-4	5.77%	605.96	47.79%
27	-0.39	Detroit	Detroit-Warren-Livonia	26	-1	4.46%	653.95	48.51%
28	-0.40	Tampa	Tampa-St. Petersburg-Clearwater	33	5	6.18%	598.50	47.06%
29	-0.47	Dallas	Dallas-Fort Worth-Arlington	27	-2	6.11%	578.17	48.06%
30	-0.51	San Jose	San Jose-Sunnyvale-Santa Clara	20	-10	5.92%	593.25	47.50%
31	-0.52	Virginia Beach	Virginia Beach-Norfolk-Newport News	34	3	3.90%	640.05	50.18%
32	-0.66	St. Louis	St. Louis	25	-7	5.19%	624.37	46.90%
33	-0.69	Atlanta	Atlanta-Sandy Springs-Marietta	32	-1	6.32%	593.38	45.51%
34	-0.95	Riverside	Riverside-San Bernardino-Ontario	37	3	5.23%	591.43	47.25%
35	-0.98	Charlotte	Charlotte-Gastonia-Rock Hill	35	0	5.30%	572.43	48.04%
36	-0.99	San Antonio	San Antonio-New Braunfels	31	-5	5.56%	575.61	47.08%
37	-1.22	Orlando	Orlando-Kissimmee-Sanford	39	2	6.19%	554.49	45.44%
38	-1.34	Phoenix	Phoenix-Mesa-Glendale	36	-2	6.24%	575.16	43.47%
39	-1.98	Jacksonville	Jacksonville	38	-1	4.33%	574.05	45.50%
40	-3.56	Las Vegas	Las Vegas-Paradise	40	0	4.63%	496.61	41.27%

For an interactive version of the rankings, please see: www.kauffmanindex.org.

Metro Trends in Main Street Entrepreneurship

The Kauffman Index of Main Street Entrepreneurship calculates a broad index measure of small and local business activity across the top forty metropolitan areas in the United States by population, according to the Bureau of Economic Analysis data.

The index takes the dual approach of tracking business owners and small business entities. On the owner side, the Index measures Rate of Business Owners—the percentage of the adult population owning a business, with or without employees, by location. On the business entity side, the Index tracks the Survival Rate of firms—the estimated percentage of firms that make it through their fifth year of operation; and the Established Small Business

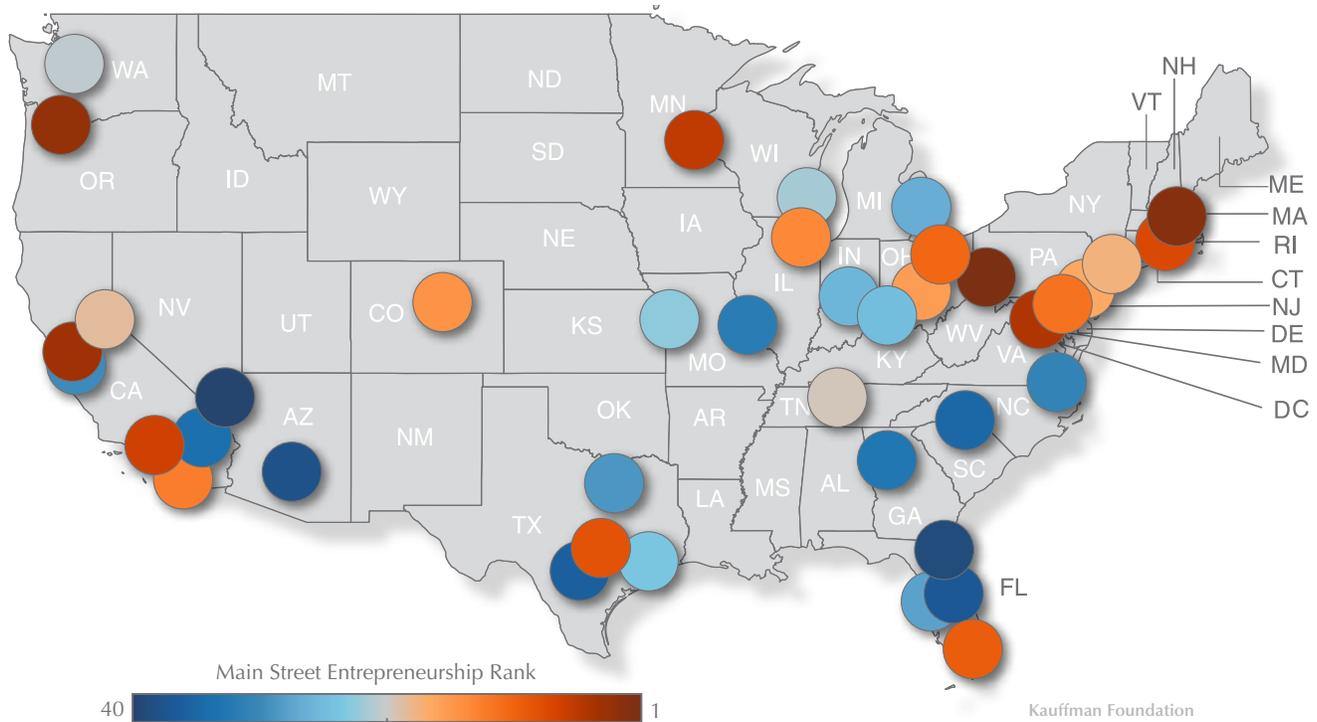
Density—the number of employer firms five years old or older with fewer than fifty employees for every 1,000 firms of a location.

Main Street business activity varies widely across metros, as shown in the map in Figure 2. Cities with the most Main Street entrepreneurial activity in 2016 largely are located in the Northeast and Midwest regions of the country—with some West Coast cities also showing high performance.

As shown on the Main Street Entrepreneurship numbers in the National Trends report, the 2016 Index shows an increase in Main Street activity, continuing the positive trend since 2013. The increase was driven by an increase in business survival rates, an indicator of how likely a new firm is to take root and become established in a community. For the first time, the Index has exceeded its pre-recession level, as shown in Figure 1.

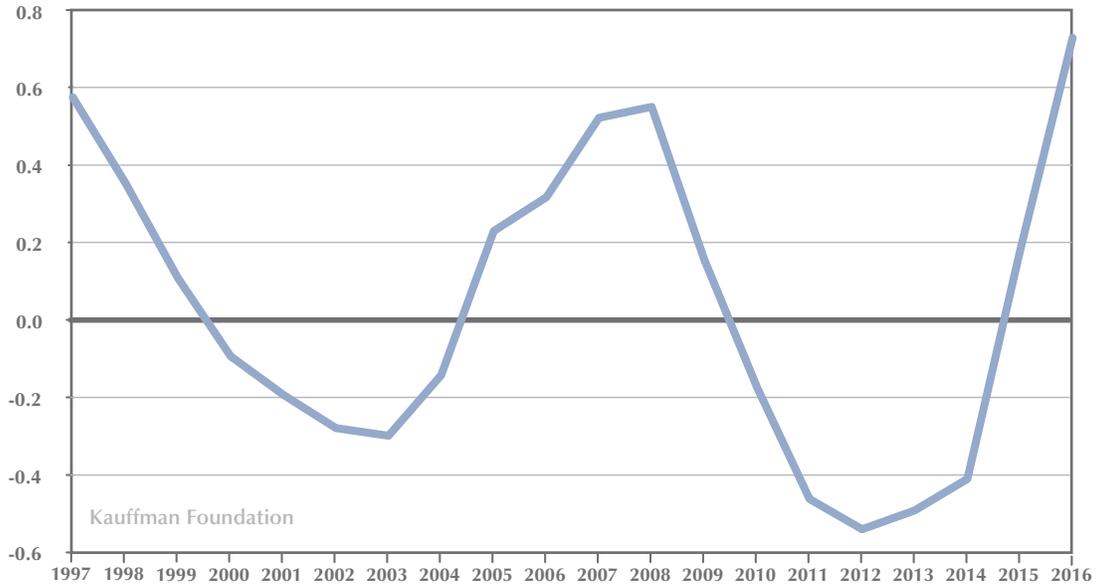
Figure 2

2016 Ranks for the Kauffman Index of Main Street Entrepreneurship by Metropolitan Area



For an interactive version of the map, please see: www.kauffmanindex.org.

Figure 1
Kauffman Index of Main Street Entrepreneurship (1997–2016)



SOURCE: Authors' calculations using the CPS and BDS. For an interactive version, please see: www.kauffmanindex.org.

The vast majority of metros followed a similar positive trajectory in the 2016 Index, with thirty-eight of them experiencing an increase in Main Street entrepreneurship activity. The exceptions to this were the metros of San Jose and Nashville.

While most metros experienced an increase in Main Street entrepreneurship activity, changes in metropolitan-area rankings—which measure relative yearly performance across metros, as opposed to performance relative to a state’s own Main Street entrepreneurship rates in the previous year—were different. The rankings are largely stable, with few larger swings but many smaller shifts. Fifteen metros experienced an increase in their rankings, five saw no change, and twenty had a negative shift in their ranked positions. See page 15.

Although there were some changes in rankings within the top fifteen metros with the highest indicators of Main Street entrepreneurship, the top fifteen themselves remained largely unchanged—only three metros (Miami, Baltimore, and Denver) in the top fifteen in 2016 were not there in the 2015 Index. Among these fifteen, the ones to experience the biggest increase in rankings were Miami and Austin, which moved up seven and six spots, respectively.

The fifteen cities with the highest levels of Main Street entrepreneurial activity are listed in the table below:

Fifteen Cities with the Most Main Street Entrepreneurial Activity		
Rank 2016	City (Main)	Metropolitan Area
1	Pittsburgh	Pittsburgh
2	Boston	Boston-Cambridge-Quincy
3	Portland	Portland-Vancouver-Hillsboro
4	San Francisco	San Francisco-Oakland-Fremont
5	Washington, D.C.	Washington-Arlington-Alexandria
6	Minneapolis	Minneapolis-St. Paul-Bloomington
7	Los Angeles	Los Angeles-Long Beach-Santa Ana
8	Providence	Providence-New Bedford-Fall River
9	Austin	Austin-Round Rock-San Marcos
10	Miami	Miami-Fort Lauderdale-Pompano Beach
11	Cleveland	Cleveland-Elyria-Mentor
12	Baltimore	Baltimore-Towson
13	San Diego	San Diego-Carlsbad-San Marcos
14	Chicago	Chicago-Joliet-Naperville
15	Denver	Denver-Aurora-Broomfield

Fifteen Metros with Positive Shifts in Rank—Kauffman Index of Main Street Entrepreneurship

City (Main)	Metropolitan Area	Rank 2016	Rank 2015	Change
Sacramento	Sacramento-Arden-Arcade-Roseville	19	29	10
Seattle	Seattle-Tacoma-Bellevue	21	28	7
Miami	Miami-Fort Lauderdale-Pompano Beach	10	17	7
Austin	Austin-Round Rock-San Marcos	9	15	6
Cincinnati	Cincinnati-Middletown	25	30	5
Tampa	Tampa-St. Petersburg-Clearwater	28	33	5
Baltimore	Baltimore-Towson	12	16	4
Denver	Denver-Aurora-Broomfield	15	19	4
Virginia Beach	Virginia Beach-Norfolk-Newport News	31	34	3
New York	New York-Northern New Jersey-Long Island	18	21	3
Riverside	Riverside-San Bernardino-Ontario	34	37	3
Minneapolis	Minneapolis-St. Paul-Bloomington	6	8	2
Orlando	Orlando-Kissimmee-Sanford	37	39	2
Pittsburgh	Pittsburgh	1	2	1
Portland	Portland-Vancouver-Hillsboro	3	4	1

Twenty Metros with Negative Shifts in Rank—Kauffman Index of Main Street Entrepreneurship

City (Main)	Metropolitan Area	Rank 2016	Rank 2015	Change
San Jose	San Jose-Sunnyvale-Santa Clara	30	20	-10
Nashville	Nashville-Davidson-Murfreesboro-Franklin	20	11	-9
St. Louis	St. Louis	32	25	-7
Philadelphia	Philadelphia-Camden-Wilmington	17	12	-5
San Antonio	San Antonio-New Braunfels	36	31	-5
Indianapolis	Indianapolis-Carmel	26	22	-4
Milwaukee	Milwaukee-Waukesha-West Allis	22	18	-4
San Diego	San Diego-Carlsbad-San Marcos	13	10	-3
Cleveland	Cleveland-Elyria-Mentor	11	9	-2
Columbus	Columbus	16	14	-2
Dallas	Dallas-Fort Worth-Arlington	29	27	-2
Phoenix	Phoenix-Mesa-Glendale	38	36	-2
Boston	Boston-Cambridge-Quincy	2	1	-1
Chicago	Chicago-Joliet-Naperville	14	13	-1
San Francisco	San Francisco-Oakland-Fremont	4	3	-1
Providence	Providence-New Bedford-Fall River	8	7	-1
Detroit	Detroit-Warren-Livonia	27	26	-1
Los Angeles	Los Angeles-Long Beach-Santa Ana	7	6	-1
Atlanta	Atlanta-Sandy Springs-Marietta	33	32	-1
Jacksonville	Jacksonville	39	38	-1

In the following sections, we discuss metro-level trends for each component of the Main Street Entrepreneurship Index: 1) Rate of Business Owners, 2) Survival Rate, and 3) Established Small Business Density.



Metro Trends in Rate of Business Owners

The rate of Business Owners component of the Kauffman Index measures the percentage of the adult population that owns a business in a location. It captures all business owners, including those who own incorporated or unincorporated businesses and those with or without employees. The data source for this measure

is the Bureau of Labor Statistics and U.S. Census Bureau's Current Population Survey. We calculate this measure for states on a three-year moving average from 1998 to 2015—the latest year with data available.

The Rate of Business Owners varies widely across metropolitan areas, from 3.90 percent in Virginia Beach to 9.39 percent in Miami. Virginia Beach's Rate of Business Owners means that approximately thirty-nine of every 1,000 adults are business owners. Miami's Rate of Business Owners means that approximately ninety-four of every 1,000 adults are business owners.

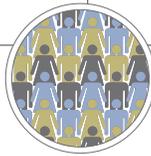
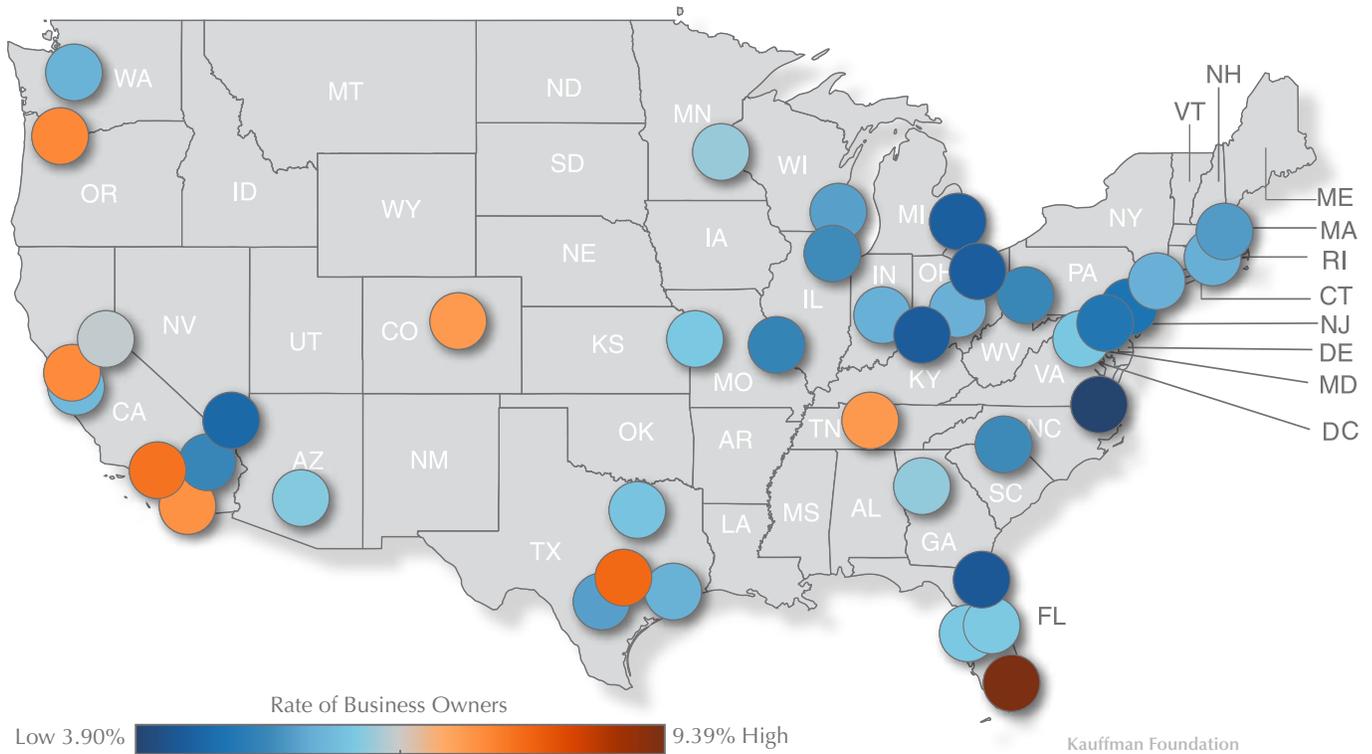


Figure 3
2016 Rate of Business Owners Component of the Kauffman Index of Main Street Entrepreneurship by Metropolitan Area



For an interactive version of the map, please see: www.kauffmanindex.org.



Metro Trends in Survival Rate of Firms

The Survival Rate component of the Kauffman Index of Main Street Entrepreneurship estimates the percentage of new firms that are still active after five years of operation. This is a yearly measure calculated from the U.S. Census Business Dynamics Statistics.

We present this indicator from 1982 to 2014, the latest year for which the data were available at the time of data collection for this report.

The Survival Rate as measured on the Kauffman Index gives us an indicator of how likely a new firm

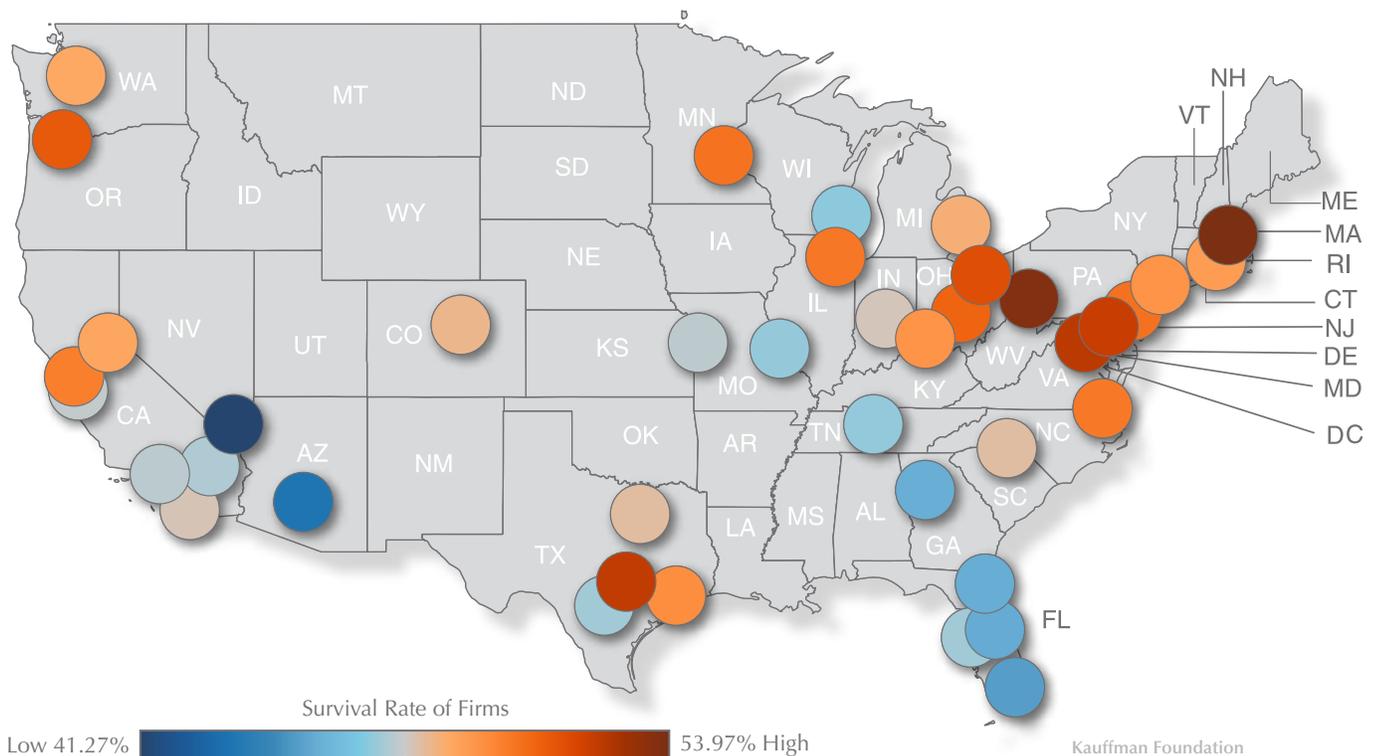
is to take root and become established in a community. This indicator is based on previous work by the Kauffman Foundation examining business survival by cohort over time (Reedy and Litan 2011).

Among the forty largest metros, the Survival Rate ranged in 2014 from 41.27 percent of firms in the Las Vegas metropolitan area that started operating in 2009 surviving through their first five years of operation, to 53.97 percent of such firms in the Boston metropolitan area.

Compared to the national Survival Rate of 48.7 percent, nineteen of the forty largest metros had higher survival rates.



Figure 4
2016 Survival Rate of Firms Component of the Kauffman Index of Main Street Entrepreneurship by Metropolitan Area



For an interactive version of the map, please see: www.kauffmanindex.org.



Metro Trends in Established Small Business Density

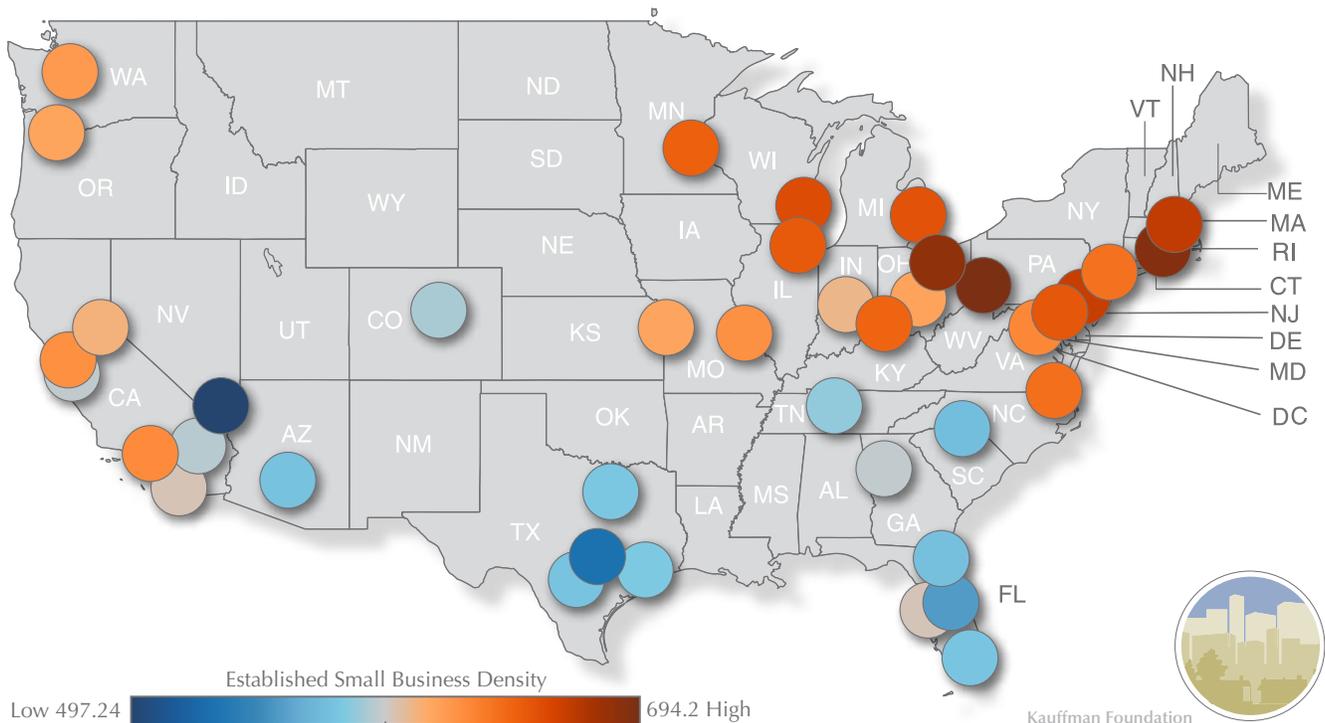
Focusing on Established Small Business Density, Figure 5 reports results for trends in established small employer businesses. Established Small Business Density is the ratio of the number of established small employer businesses (five years of age or older with fewer than fifty employees) divided by the total employer business population (in 1,000s). This is a yearly measure calculated from the U.S. Census Business Dynamics Statistics.

We present this indicator going back from 1981 to 2012, the latest year for which the data are available. This measure differs from the Rate of Business Owners in two key ways: 1) the Rate of Business Owners is a measure based on individuals—the business owners themselves. As such, it tracks individuals who own businesses rather than tracking the business entity. 2) It is a very broad measure of business ownership, including all business owners,

regardless of how many people their businesses employ, if any, and it includes self-employed individuals with no employees. Small Business Density only includes businesses employing at least one, but less than fifty, persons—thus being a slightly more mature measure of Main Street entrepreneurship activity. Both researchers and entrepreneurs have suggested density as a key indicator of vibrancy in entrepreneurial ecosystems in the context of startups and young firms (Stangler and Bell-Masterson 2015 and Feld 2012). Here, we use the density concept as a measure on the context of small businesses.

The Established Small Business Density has a high variation across metropolitan areas, from 497.24 established small businesses per 1,000 of the firm population in the Las Vegas, Nev., metropolitan area to 694.20 established small businesses per 1,000 of the firm population in the Pittsburgh, Penn., metropolitan area. Compared to the U.S. Established Small Business Density of 676.1 established small businesses per 1,000 firms, only three of the forty metros studied here had higher density levels.

Figure 5
2016 Established Small Business Density Component of the Kauffman Index of Main Street Entrepreneurship by Metropolitan Area



For an interactive version of the map, please see: www.kauffmanindex.org.

Appendix:

METRO PROFILES ORDERED BY RANK AND METRO BUSINESS OWNER DEMOGRAPHICS

TABLE 1
Metro Rankings—Kauffman Index of Main Street Entrepreneurship

Rank 2016	Index 2016	City (Main)	Metropolitan Area	Rank 2015	Change in Rank	Rate of Business Owners	Established Small Business Density	Survival Rate
1	1.54	Pittsburgh	Pittsburgh	2	1	5.25%	694.20	53.78%
2	1.42	Boston	Boston-Cambridge-Quincy	1	-1	5.51%	668.26	53.97%
3	1.35	Portland	Portland-Vancouver-Hillsboro	4	1	7.56%	615.14	51.16%
4	1.22	San Francisco	San Francisco-Oakland-Fremont	3	-1	7.53%	624.89	50.01%
5	1.00	Washington, D.C.	Washington-Arlington-Alexandria	5	0	6.16%	628.69	52.42%
6	0.91	Minneapolis	Minneapolis-St. Paul-Bloomington	8	2	6.35%	646.97	50.38%
7	0.89	Los Angeles	Los Angeles-Long Beach-Santa Ana	6	-1	7.83%	627.18	47.40%
8	0.85	Providence	Providence-New Bedford-Fall River	7	-1	5.75%	690.09	49.14%
9	0.77	Austin	Austin-Round Rock-San Marcos	15	6	7.96%	527.83	52.31%
10	0.69	Miami	Miami-Fort Lauderdale-Pompano Beach	17	7	9.39%	576.89	45.08%
11	0.56	Cleveland	Cleveland-Elyria-Mentor	9	-2	4.44%	685.72	51.52%
12	0.54	Baltimore	Baltimore-Towson	16	4	4.90%	651.78	52.15%
13	0.43	San Diego	San Diego-Carlsbad-San Marcos	10	-3	7.44%	598.67	47.83%
14	0.36	Chicago	Chicago-Joliet-Naperville	13	-1	5.31%	650.13	50.24%
15	0.35	Denver	Denver-Aurora-Broomfield	19	4	7.33%	588.66	48.29%
16	0.33	Columbus	Columbus	14	-2	5.78%	615.50	50.81%
17	0.32	Philadelphia	Philadelphia-Camden-Wilmington	12	-5	4.82%	666.41	50.39%
18	0.31	New York	New York-Northern New Jersey-Long Island	21	3	5.78%	638.48	49.38%
19	0.29	Sacramento	Sacramento-Arden-Arcade-Roseville	29	10	6.59%	608.33	48.83%
20	0.02	Nashville	Nashville-Davidson-Murfreesboro-Franklin	11	-9	7.34%	583.57	46.88%
21	-0.01	Seattle	Seattle-Tacoma-Bellevue	28	7	5.81%	619.90	48.74%
22	-0.09	Milwaukee	Milwaukee-Waukesha-West Allis	18	-4	5.57%	657.11	46.79%
23	-0.14	Kansas City	Kansas City	23	0	6.18%	614.67	47.42%
24	-0.34	Houston	Houston-Sugar Land-Baytown	24	0	5.79%	579.19	49.55%
25	-0.35	Cincinnati	Cincinnati-Middletown	30	5	4.41%	645.05	49.39%
26	-0.39	Indianapolis	Indianapolis-Carmel	22	-4	5.77%	605.96	47.79%
27	-0.39	Detroit	Detroit-Warren-Livonia	26	-1	4.46%	653.95	48.51%
28	-0.40	Tampa	Tampa-St. Petersburg-Clearwater	33	5	6.18%	598.50	47.06%
29	-0.47	Dallas	Dallas-Fort Worth-Arlington	27	-2	6.11%	578.17	48.06%
30	-0.51	San Jose	San Jose-Sunnyvale-Santa Clara	20	-10	5.92%	593.25	47.50%
31	-0.52	Virginia Beach	Virginia Beach-Norfolk-Newport News	34	3	3.90%	640.05	50.18%
32	-0.66	St. Louis	St. Louis	25	-7	5.19%	624.37	46.90%
33	-0.69	Atlanta	Atlanta-Sandy Springs-Marietta	32	-1	6.32%	593.38	45.51%
34	-0.95	Riverside	Riverside-San Bernardino-Ontario	37	3	5.23%	591.43	47.25%
35	-0.98	Charlotte	Charlotte-Gastonia-Rock Hill	35	0	5.30%	572.43	48.04%
36	-0.99	San Antonio	San Antonio-New Braunfels	31	-5	5.56%	575.61	47.08%
37	-1.22	Orlando	Orlando-Kissimmee-Sanford	39	2	6.19%	554.49	45.44%
38	-1.34	Phoenix	Phoenix-Mesa-Glendale	36	-2	6.24%	575.16	43.47%
39	-1.98	Jacksonville	Jacksonville	38	-1	4.33%	574.05	45.50%
40	-3.56	Las Vegas	Las Vegas-Paradise	40	0	4.63%	496.61	41.27%

For an interactive version of the rankings, please see: www.kauffmanindex.org.

Main Street Rank

2016	2015
1	2



Pittsburgh

Metro: Pittsburgh | State: Pennsylvania
Metro Profile

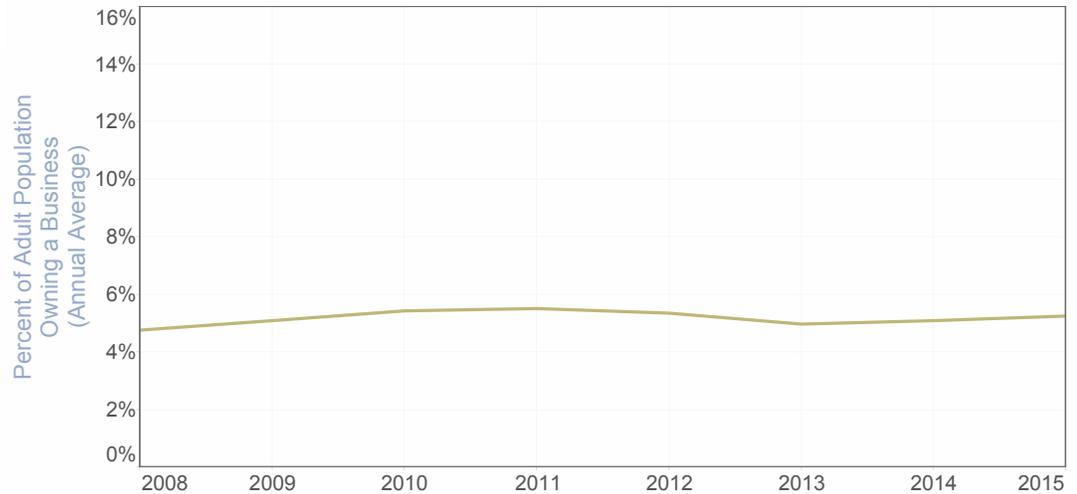
Rate of Business Owners

2016 Component	2015 Component
5.25%	5.09%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



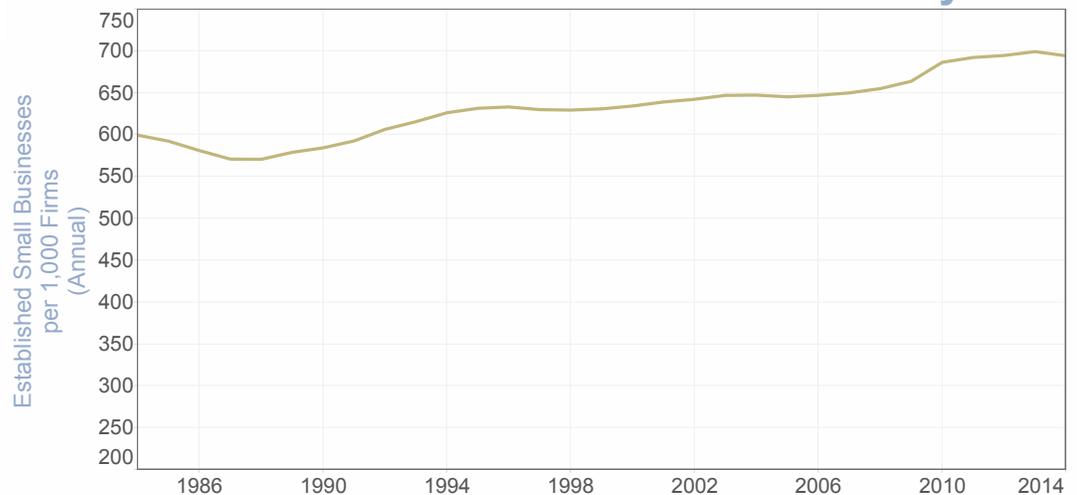
Established Small Business Density

2016 Component	2015 Component
694.2	699.2

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



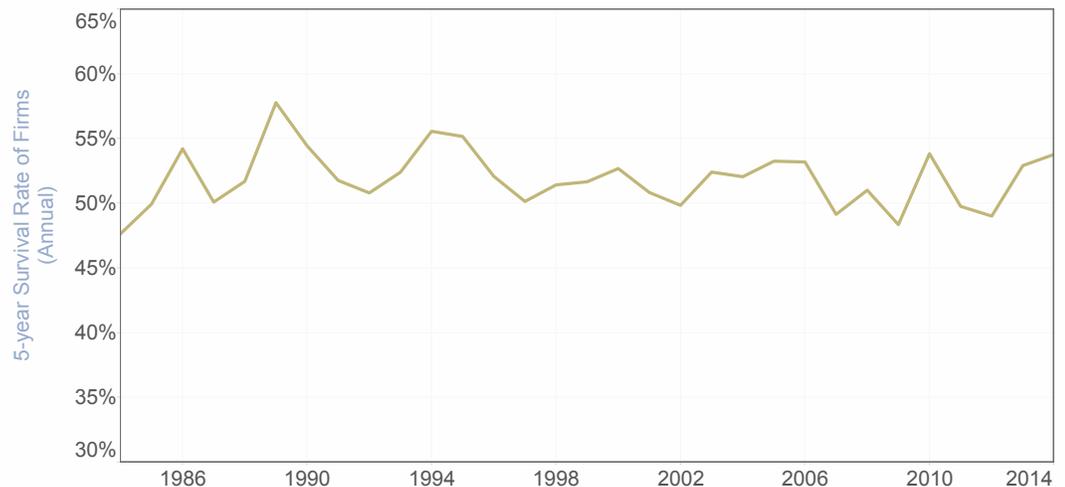
Survival Rate

2016 Component	2015 Component
53.78%	52.92%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Pittsburgh

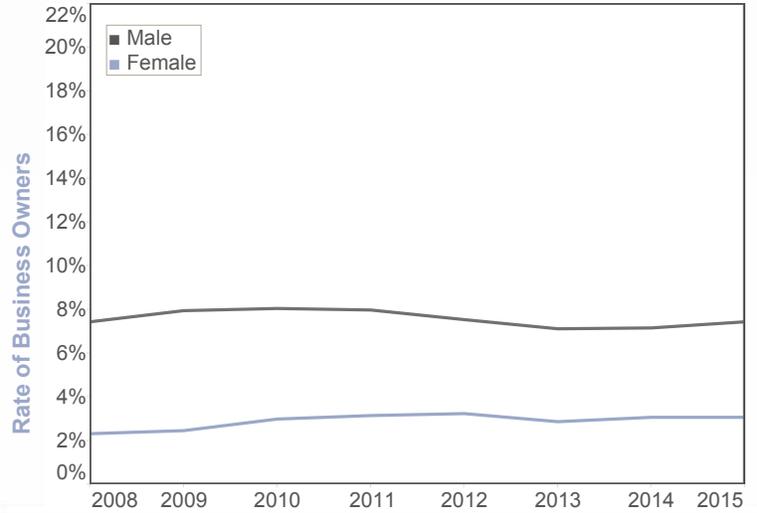
Metro: Pittsburgh | State: Pennsylvania

Business Owner Demographics

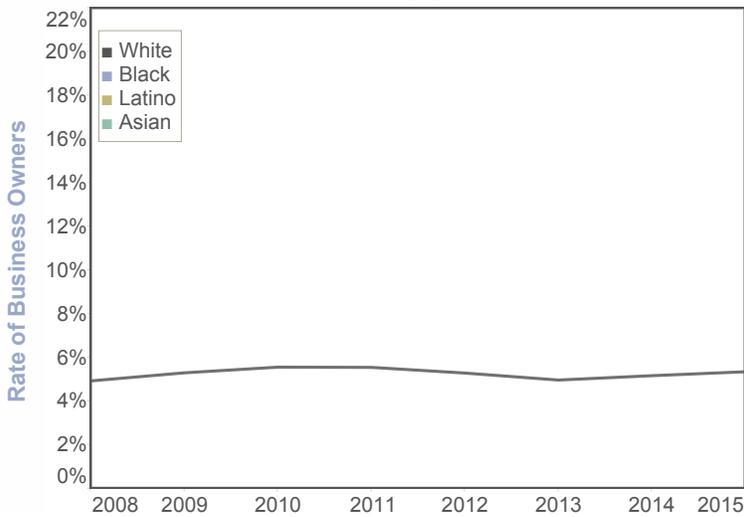
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

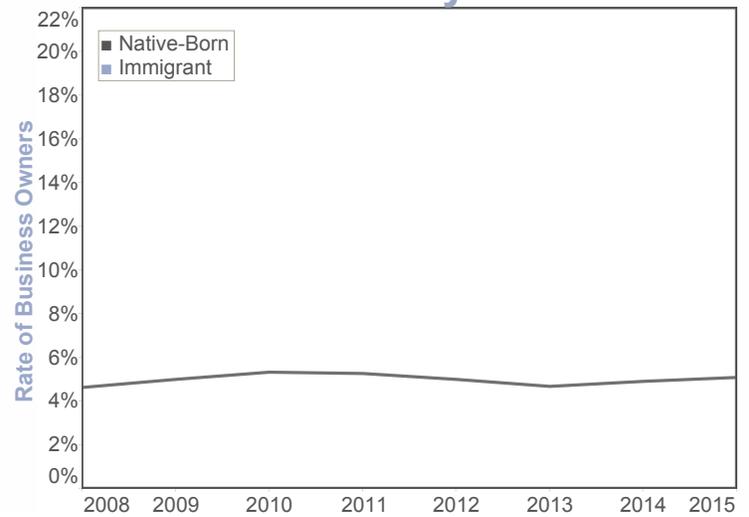
Gender



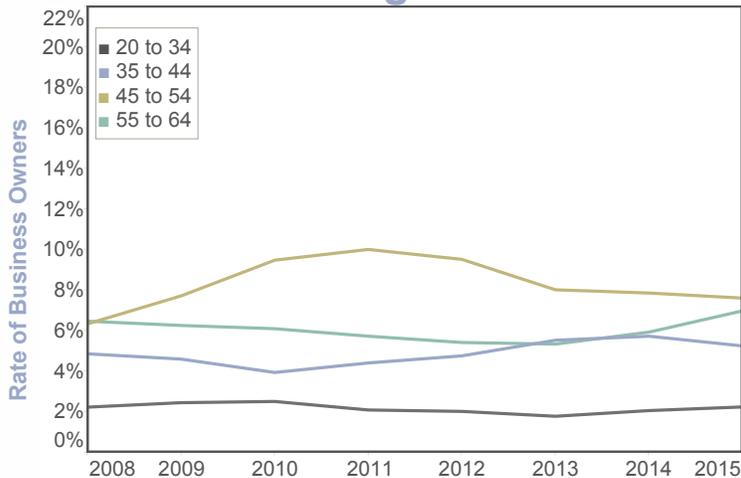
Race



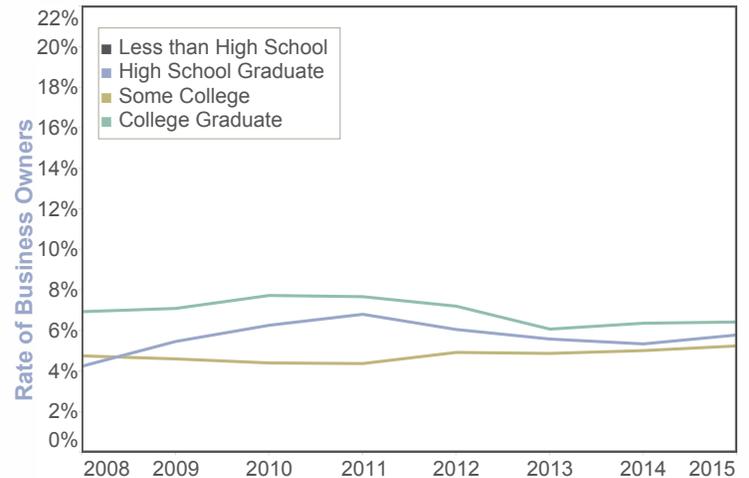
Nativity



Age



Education



Main Street Rank

2016	2015
2	1



Boston

Metro: Boston-Cambridge-Quincy | State: Massachusetts-New Hampshire
Metro Profile

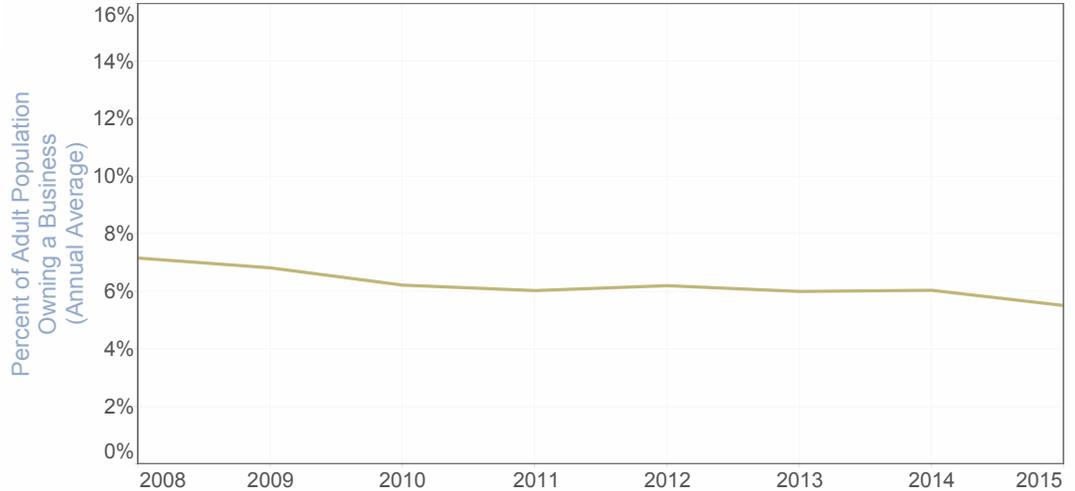
Rate of Business Owners

2016 Component	2015 Component
5.51%	6.04%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



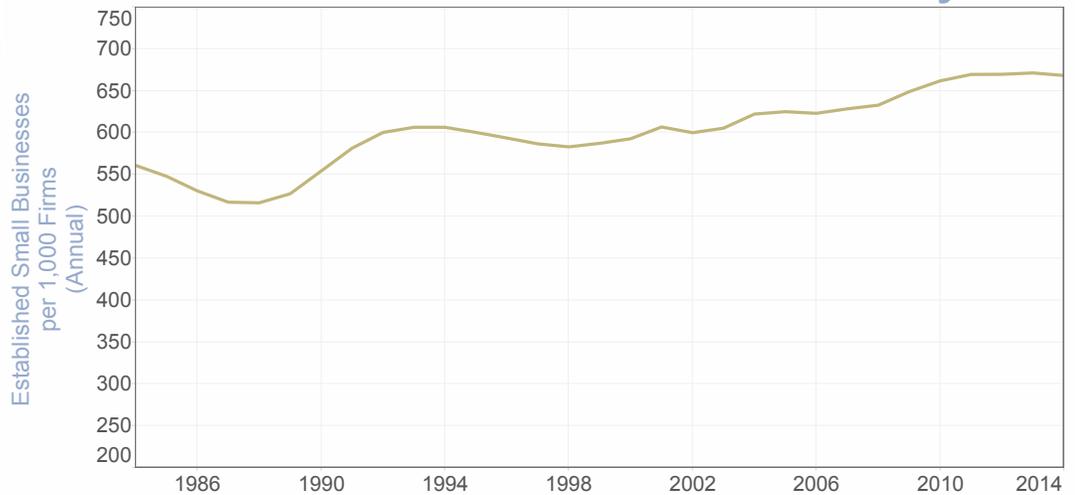
Established Small Business Density

2016 Component	2015 Component
668.3	671.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



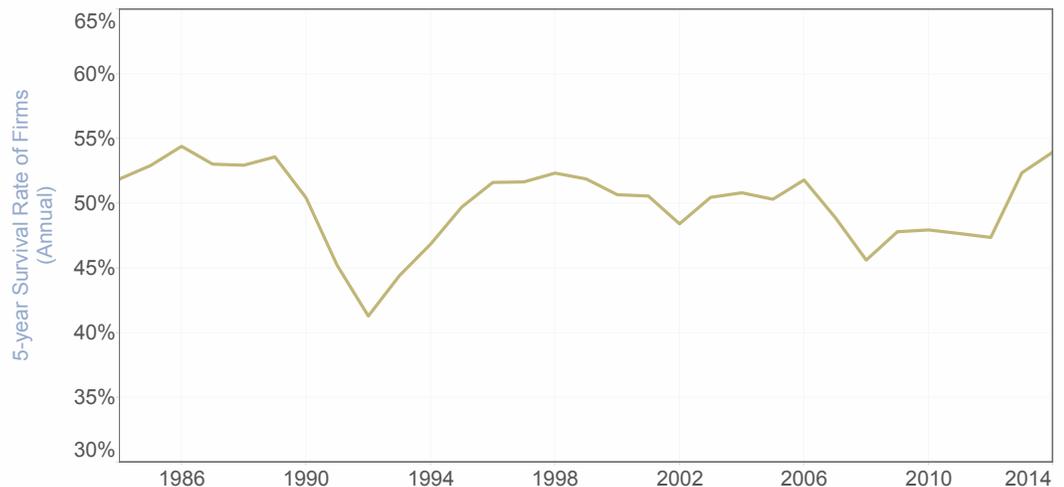
Survival Rate

2016 Component	2015 Component
53.97%	52.36%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Boston

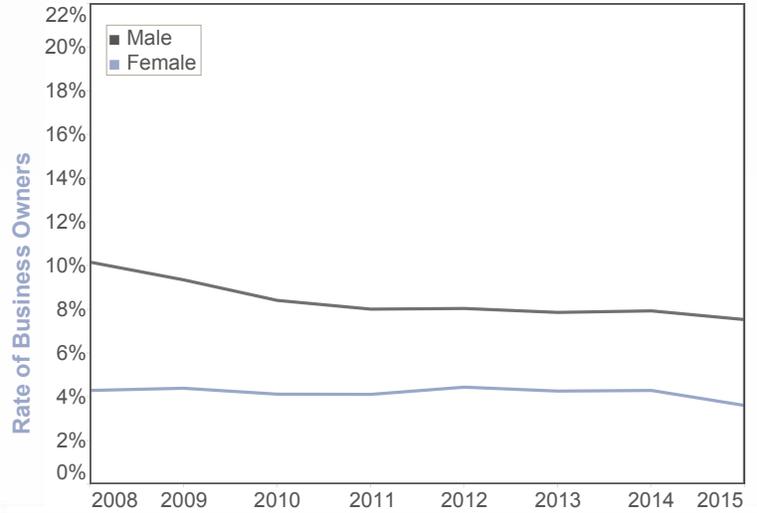
Metro: Boston-Cambridge-Quincy | State: Massachusetts-New Hampshire

Business Owner Demographics

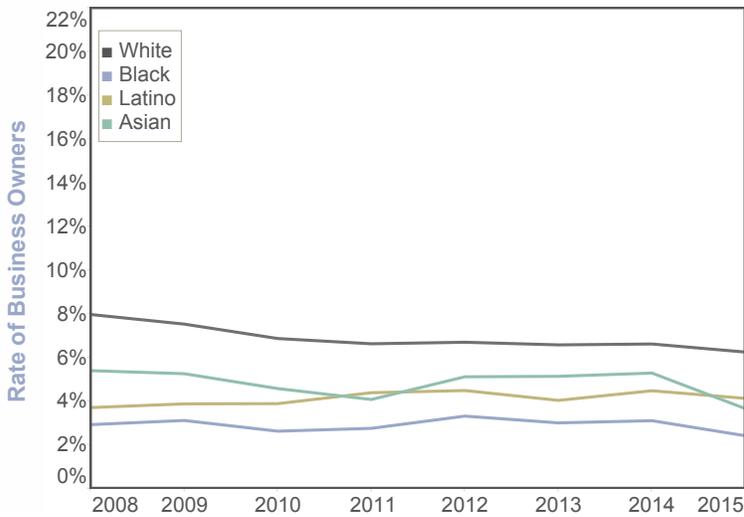
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

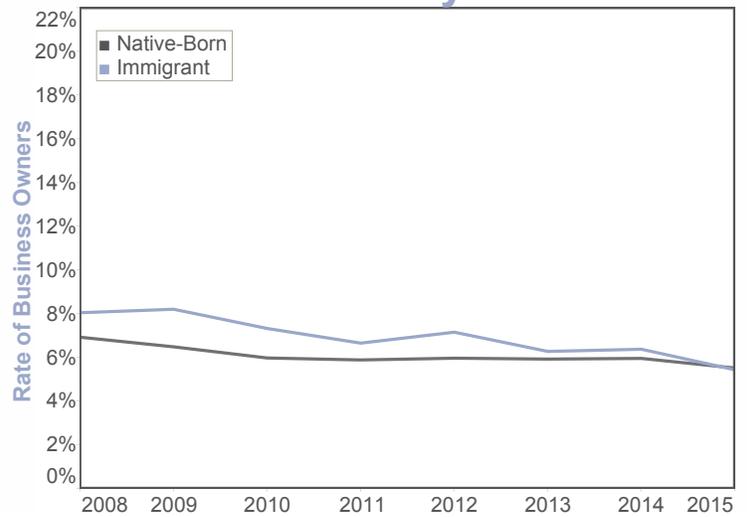
Gender



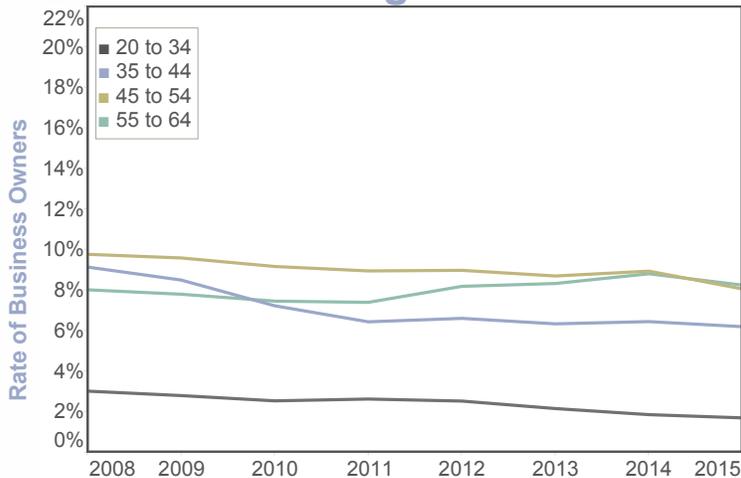
Race



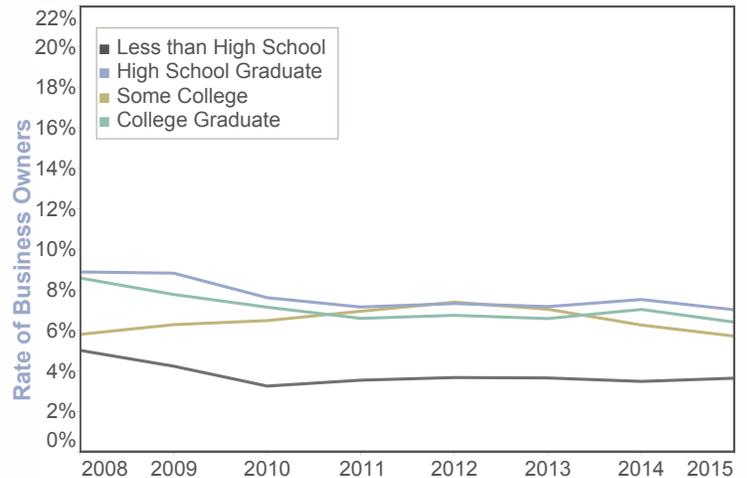
Nativity



Age



Education



Main Street Rank

2016	2015
3	4



Portland

Metro: Portland-Vancouver-Hillsboro | State: Oregon-Washington
Metro Profile

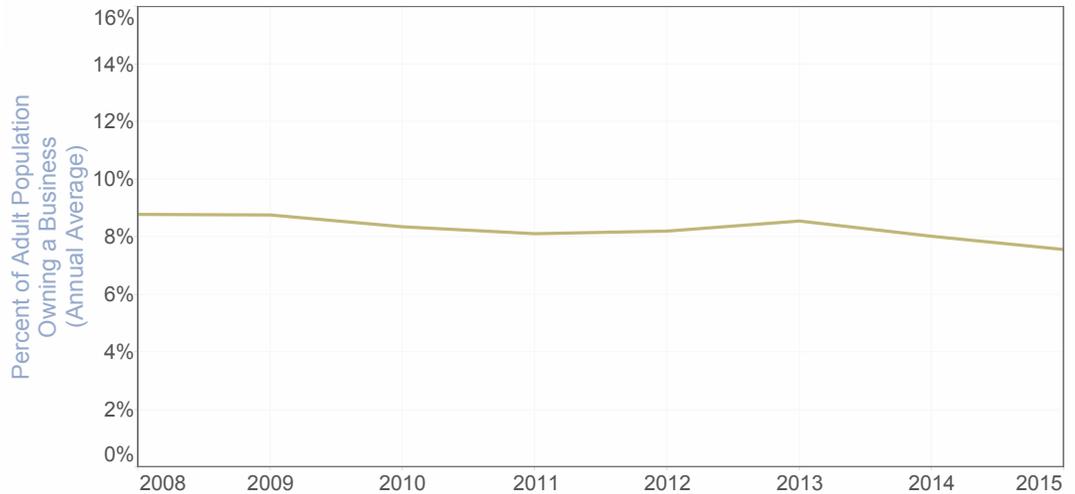
Rate of Business Owners

2016 Component	2015 Component
7.56%	8.02%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



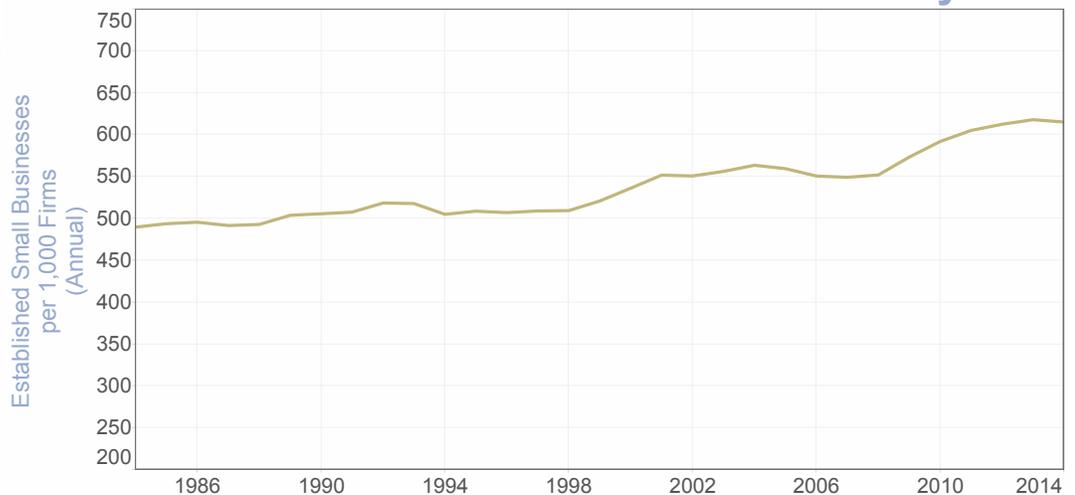
Established Small Business Density

2016 Component	2015 Component
615.1	617.9

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



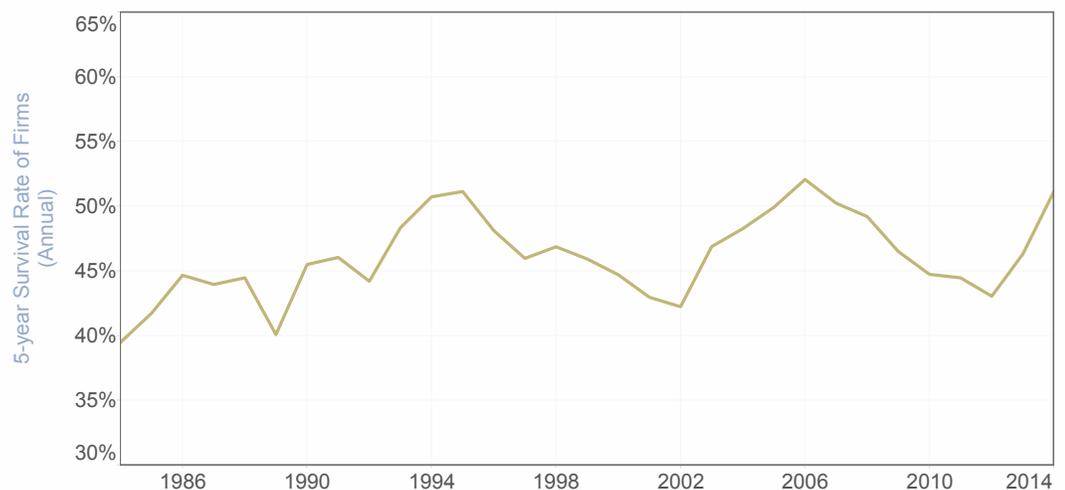
Survival Rate

2016 Component	2015 Component
51.16%	46.32%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Portland

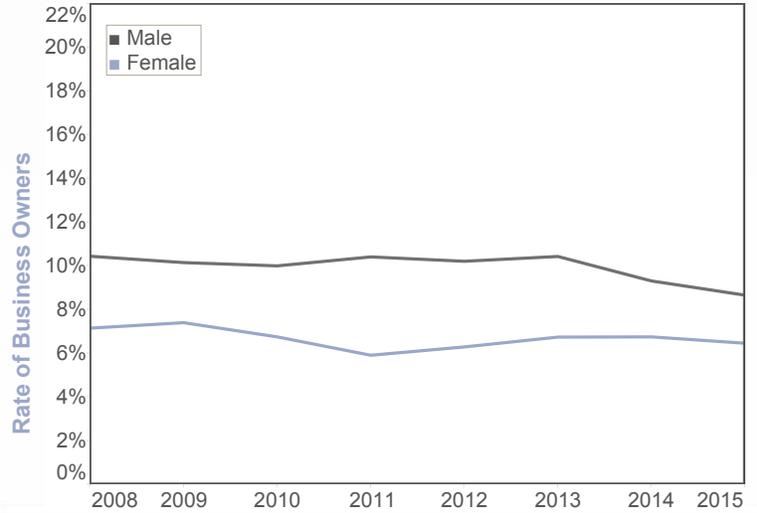
Metro: Portland-Vancouver-Hillsboro | State: Oregon-Washington

Business Owner Demographics

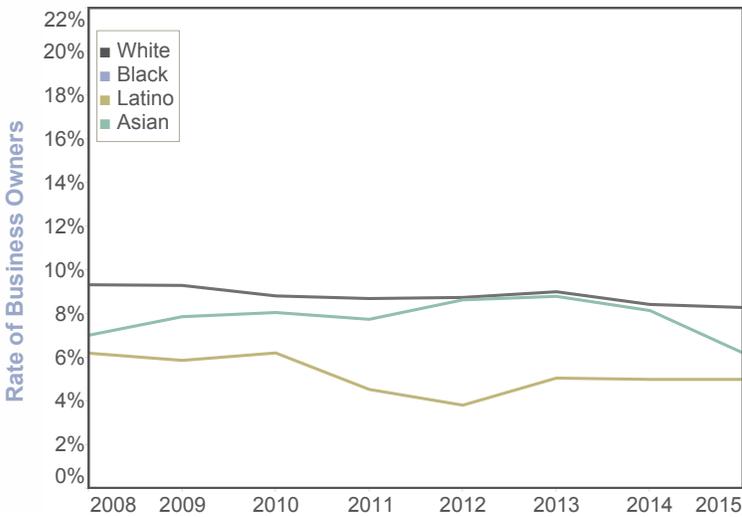
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

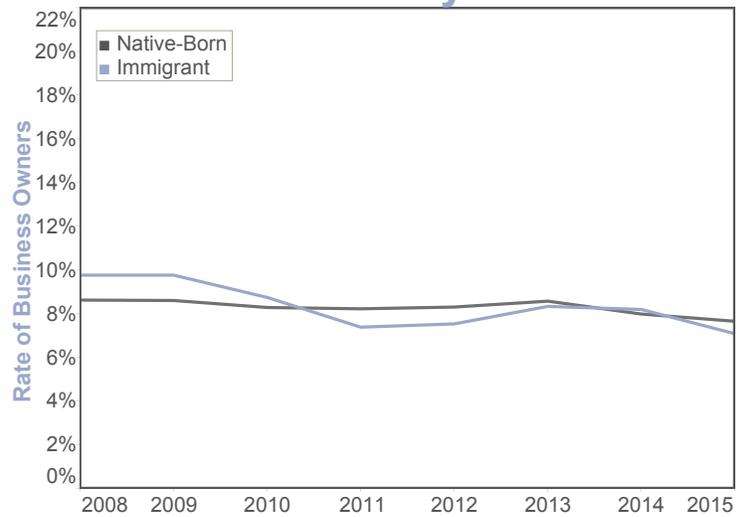
Gender



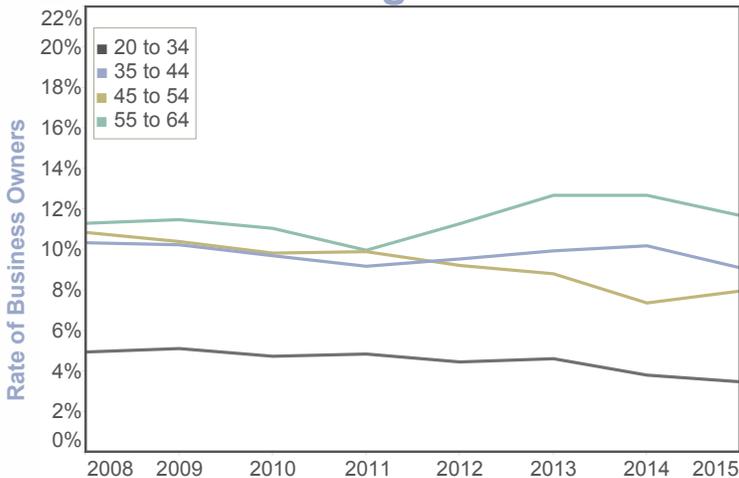
Race



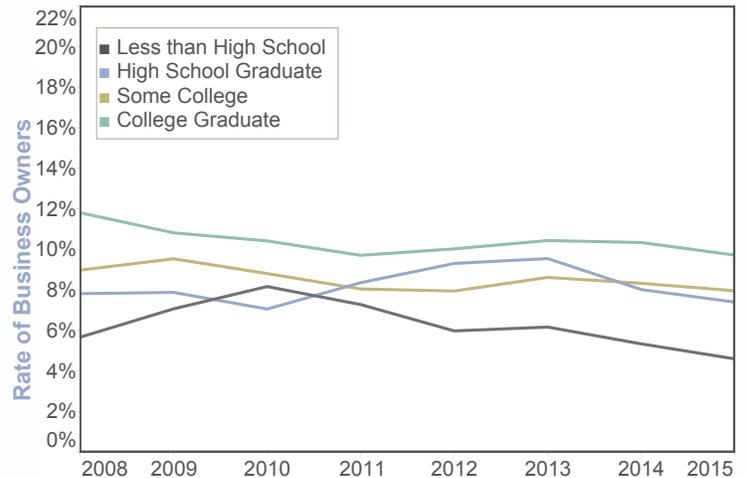
Nativity



Age



Education



Main Street Rank

2016	2015
4	3



San Francisco

Metro: San Francisco-Oakland-Fremont | State: California
Metro Profile

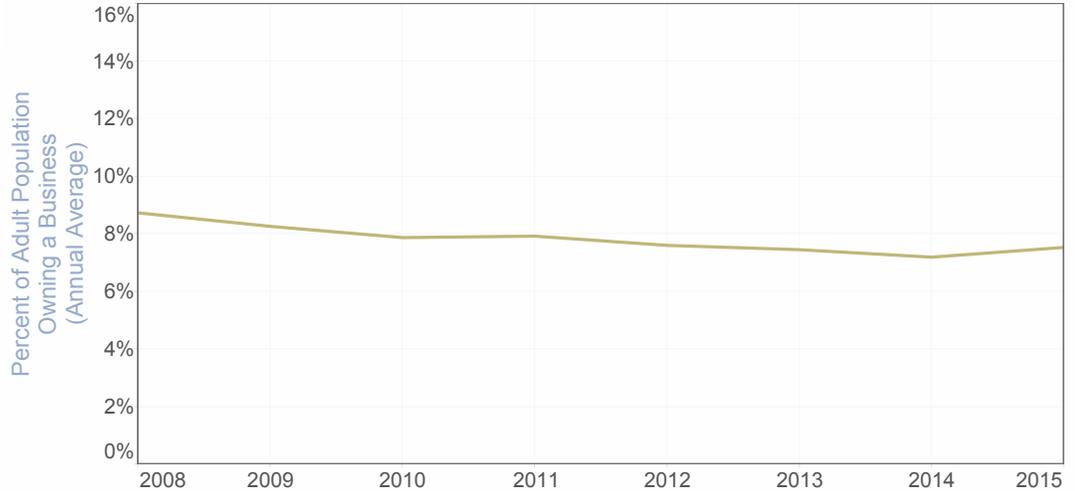
Rate of Business Owners

2016 Component	2015 Component
7.53%	7.19%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



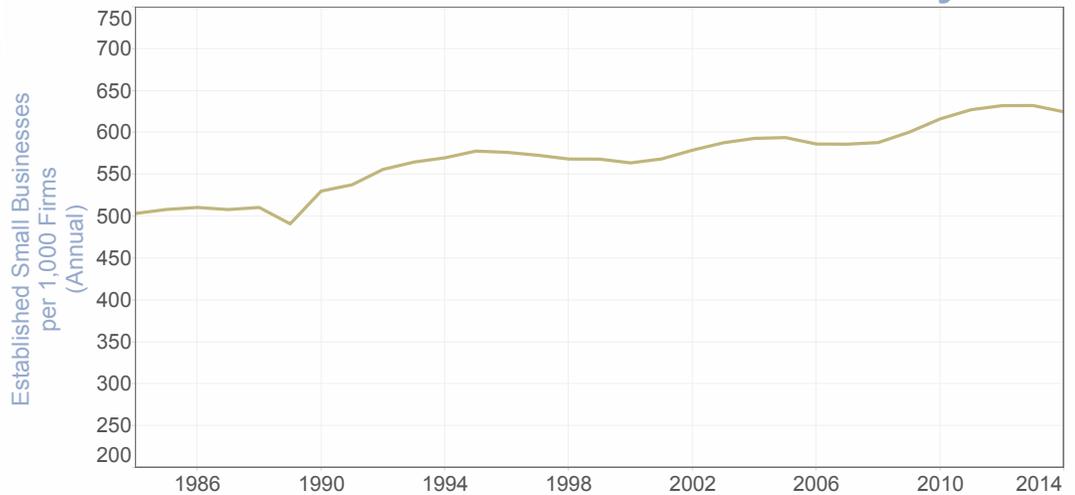
Established Small Business Density

2016 Component	2015 Component
624.9	632.4

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



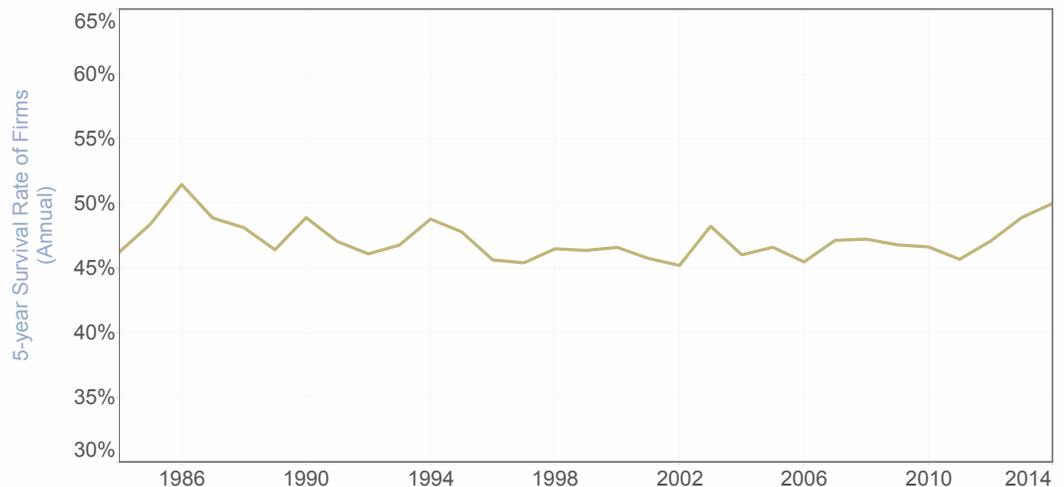
Survival Rate

2016 Component	2015 Component
50.01%	48.91%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



San Francisco

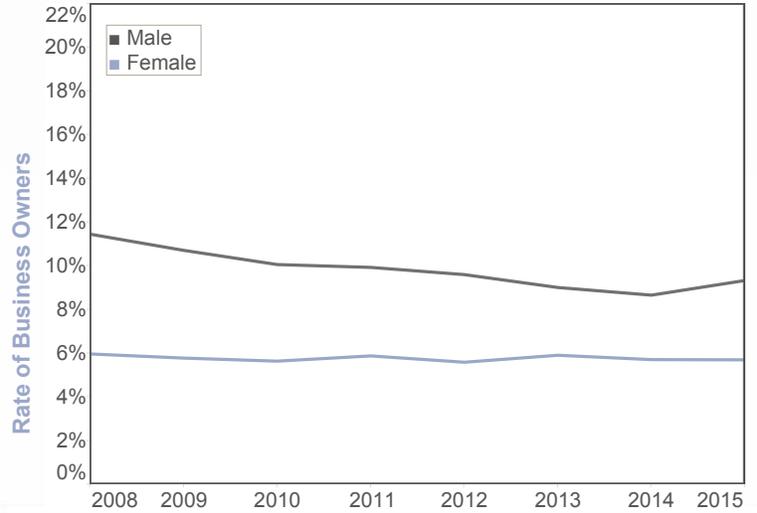
Metro: San Francisco-Oakland-Fremont | State: California

Business Owner Demographics

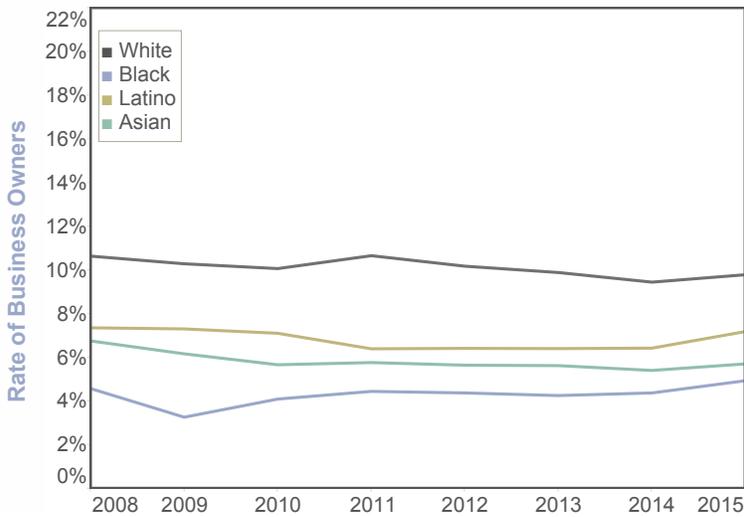
Rate of Business Owners by Demographic Group

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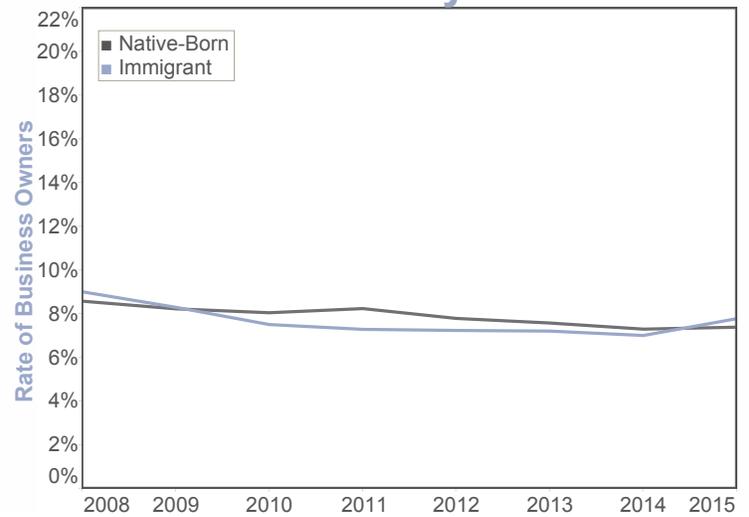
Gender



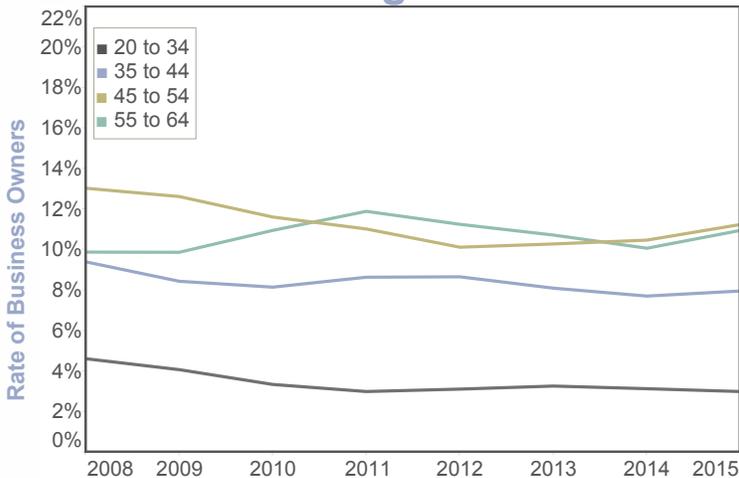
Race



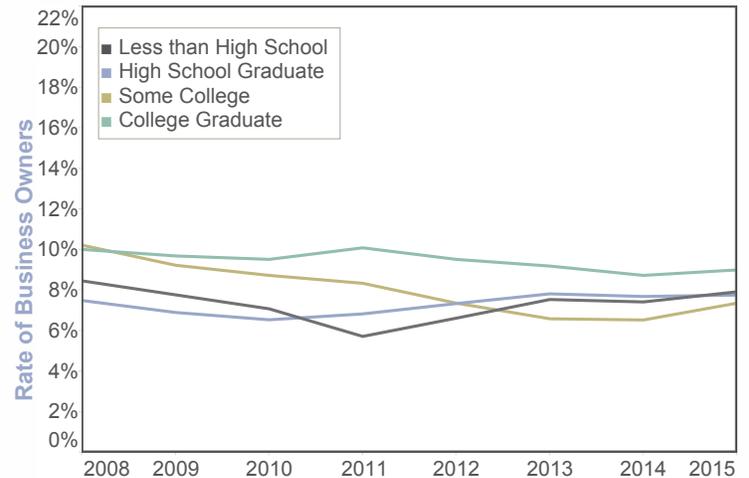
Nativity



Age



Education



Main Street Rank

2016	2015
5	5



Washington, D.C.

Metro: Washington-Arlington-Alexandria | State: District of Columbia-Virginia-Maryland-West Virginia
Metro Profile

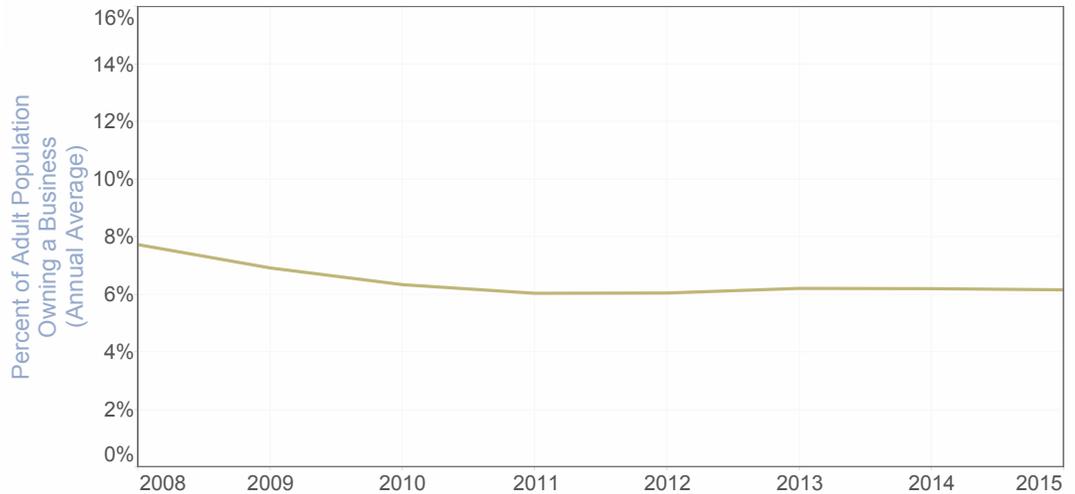
Rate of Business Owners

2016 Component	2015 Component
6.16%	6.20%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



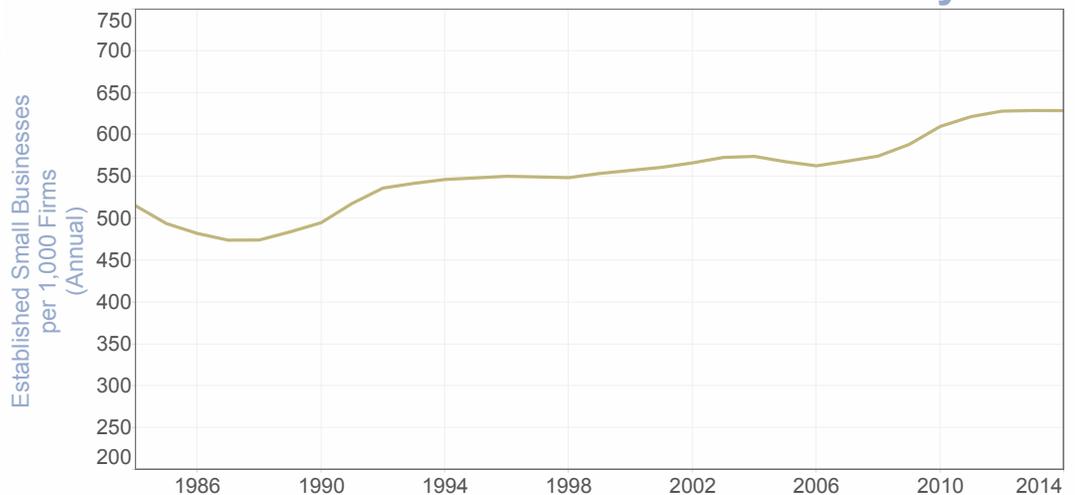
Established Small Business Density

2016 Component	2015 Component
628.7	628.8

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



Survival Rate

2016 Component	2015 Component
52.42%	49.64%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Washington, D.C.

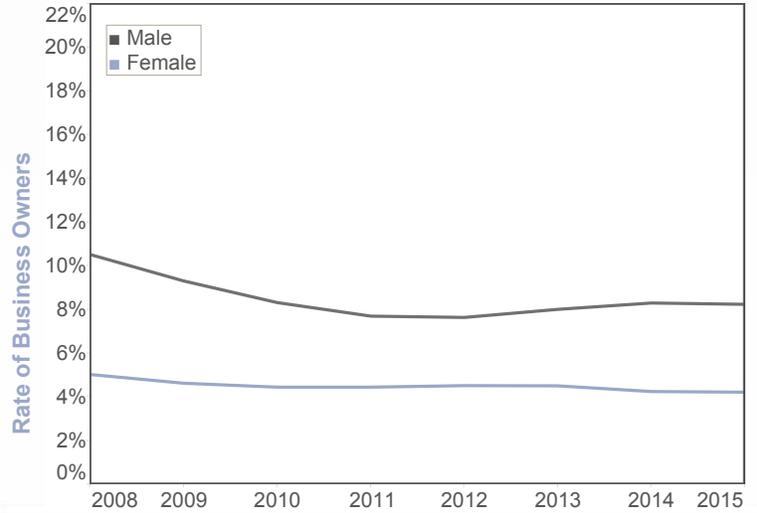
Metro: Washington-Arlington-Alexandria | State: District of Columbia-Virginia-Maryland-West Virginia

Business Owner Demographics

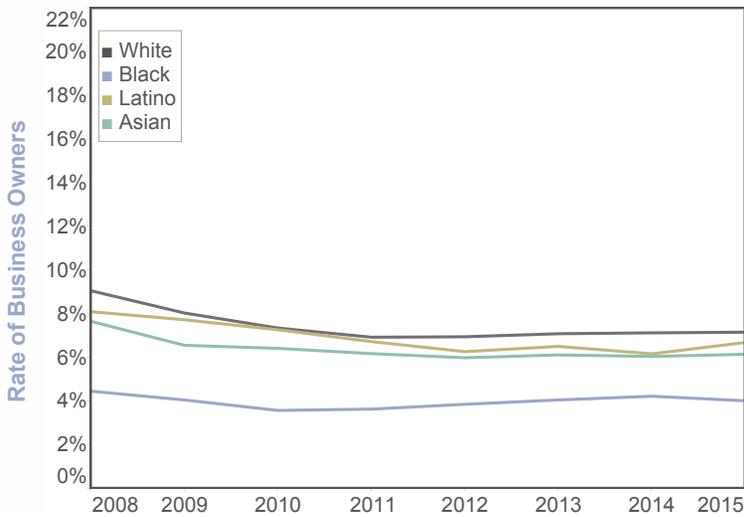
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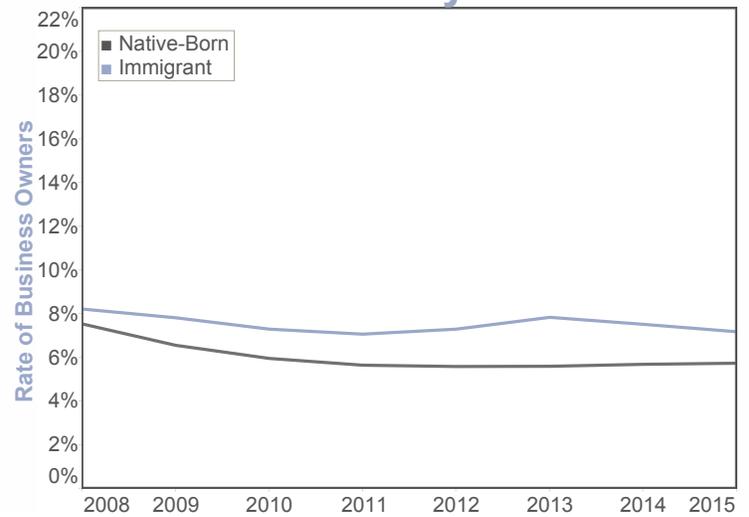
Gender



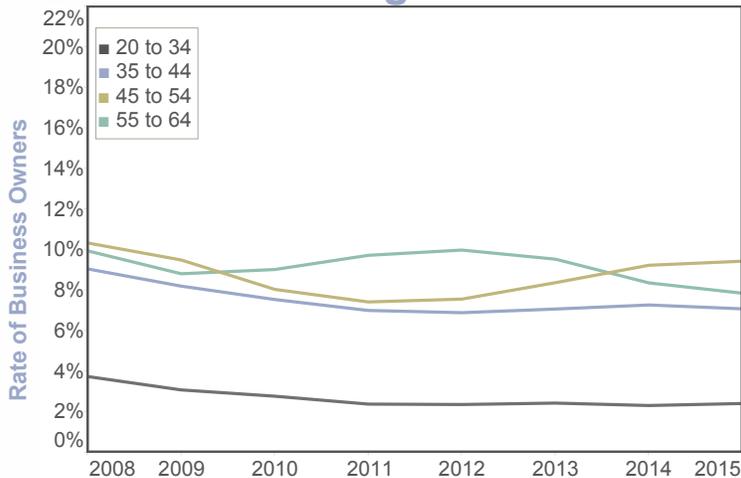
Race



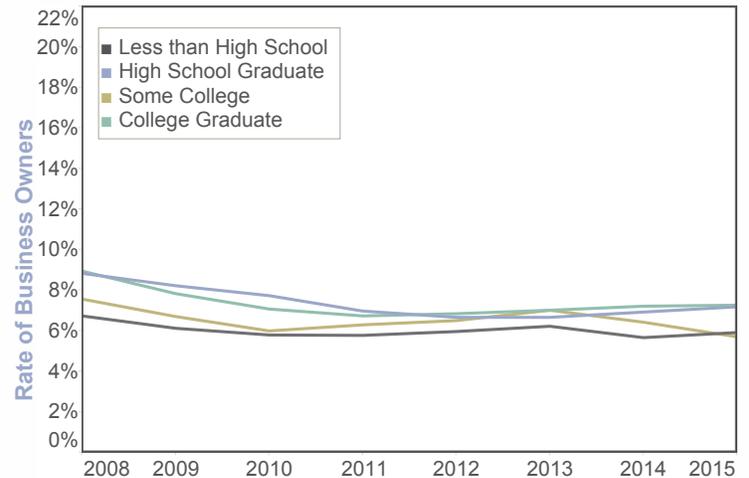
Nativity



Age



Education



Main Street Rank

2016	2015
6	8



Minneapolis

Metro: Minneapolis-St. Paul-Bloomington | State: Minnesota-Wisconsin
Metro Profile

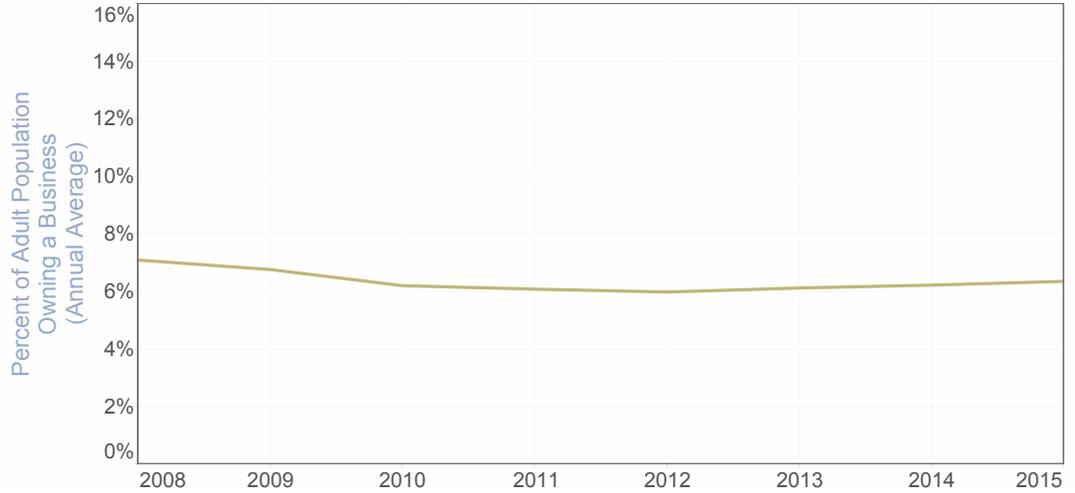
Rate of Business Owners

2016 Component	2015 Component
6.35%	6.22%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



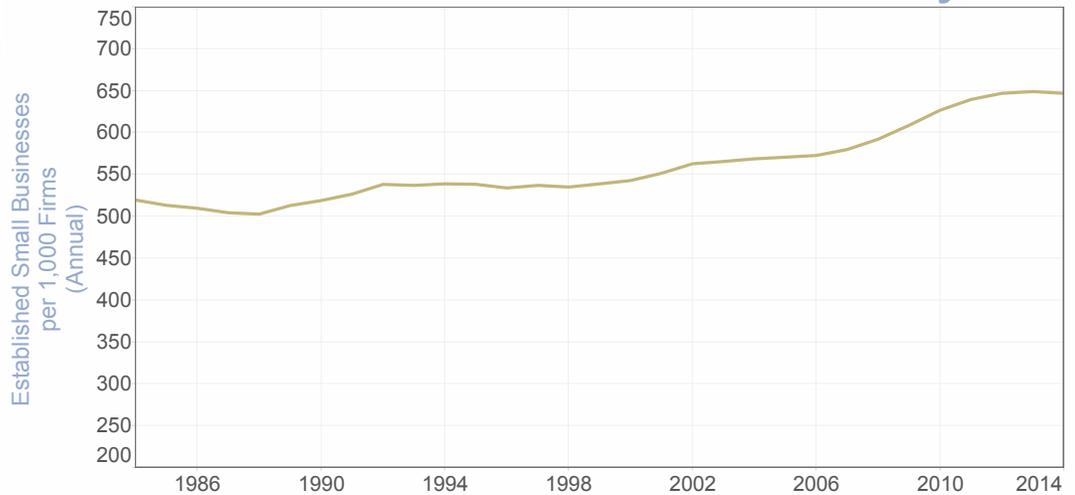
Established Small Business Density

2016 Component	2015 Component
647.0	649.1

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



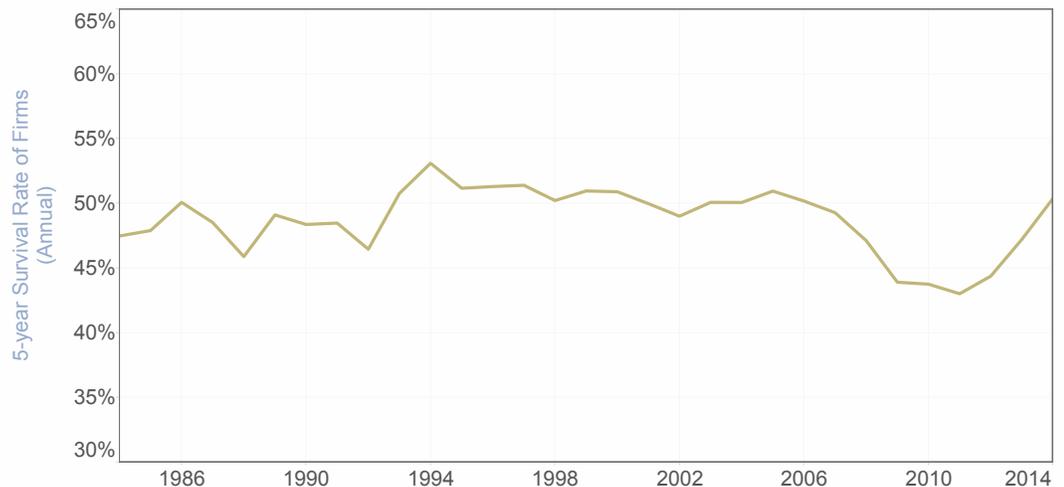
Survival Rate

2016 Component	2015 Component
50.38%	47.22%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Minneapolis

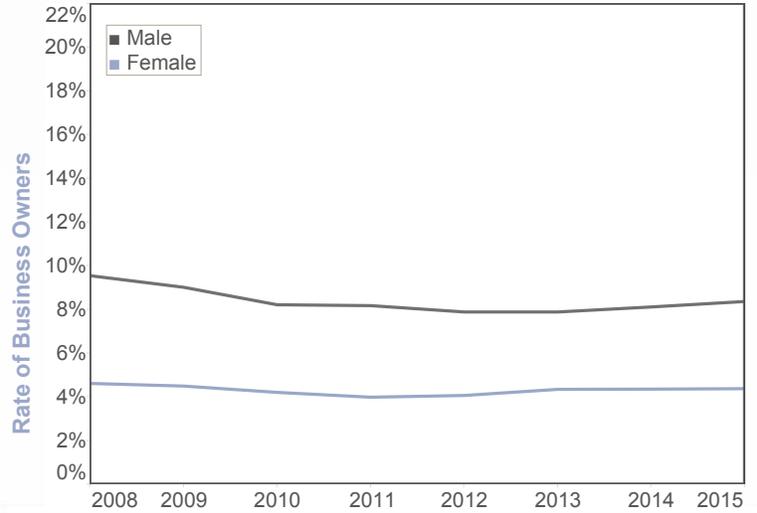
Metro: Minneapolis-St. Paul-Bloomington | State: Minnesota-Wisconsin

Business Owner Demographics

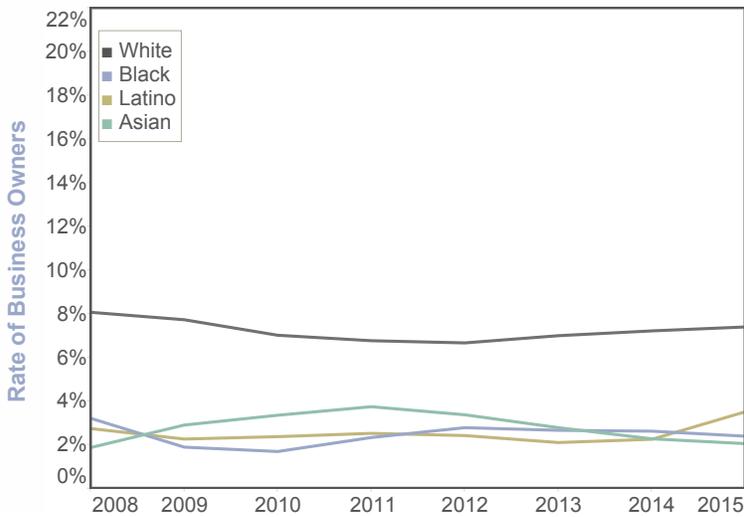
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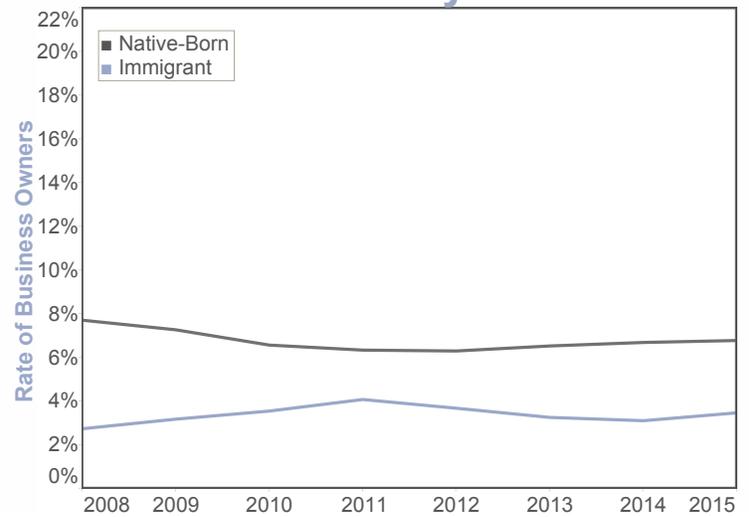
Gender



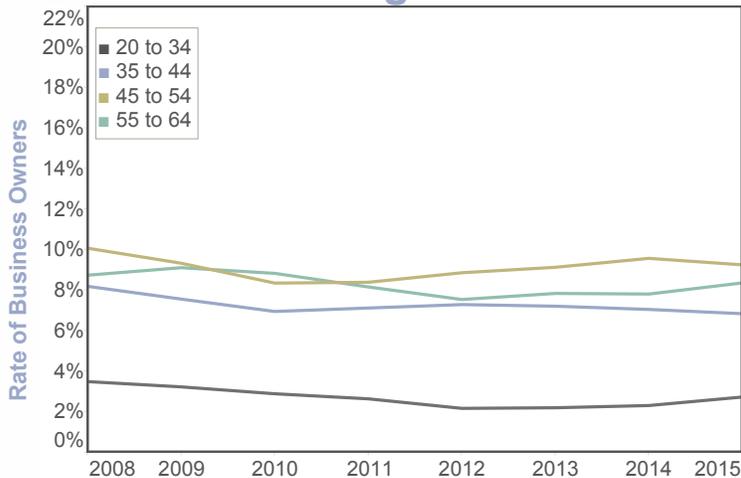
Race



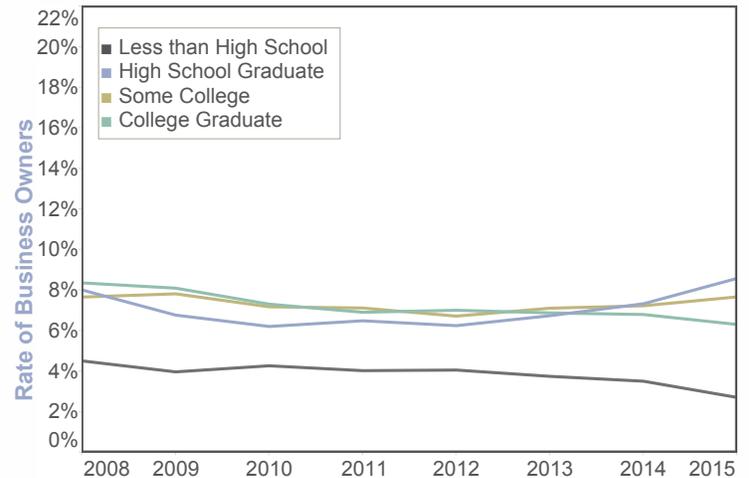
Nativity



Age



Education



Main Street Rank

2016	2015
7	6



Los Angeles

Metro: Los Angeles-Long Beach-Santa Ana | State: California
Metro Profile

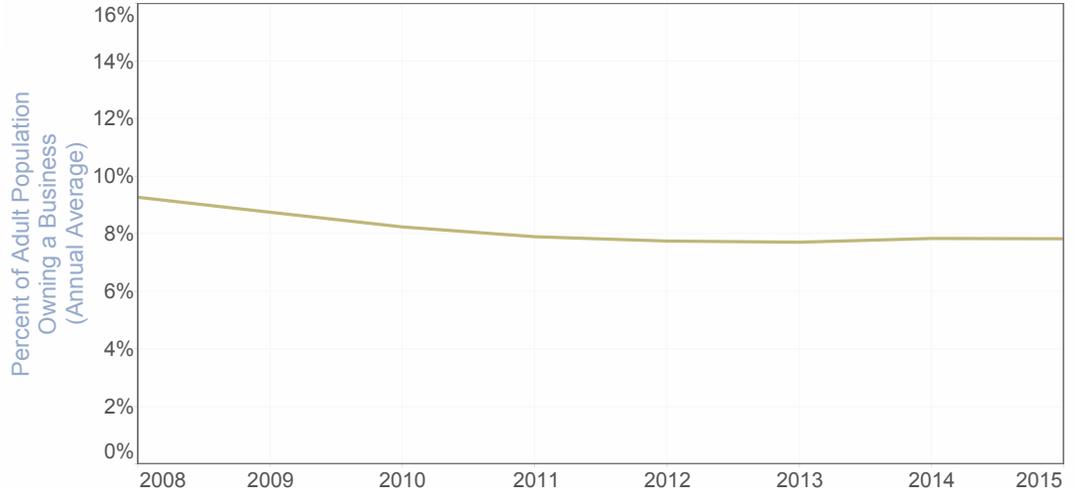
Rate of Business Owners

2016 Component	2015 Component
7.83%	7.84%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



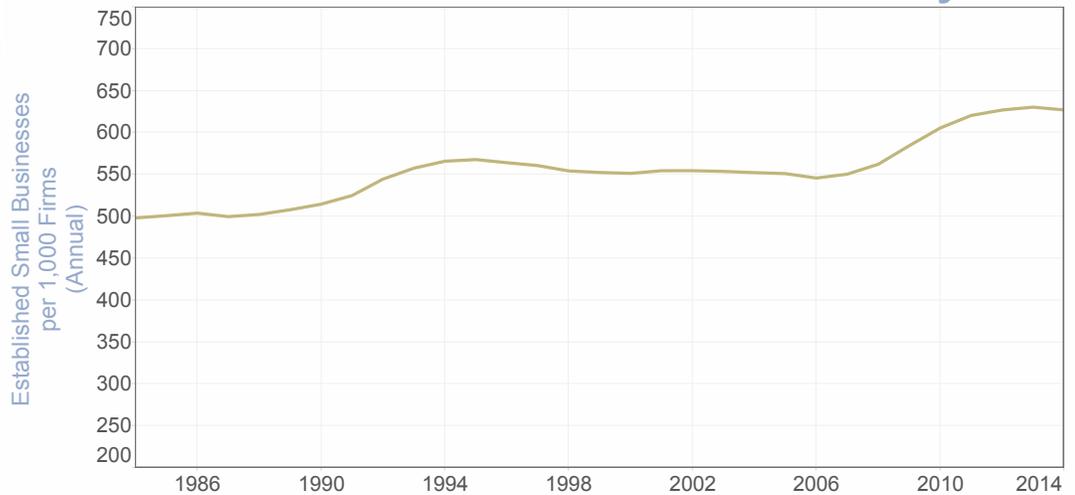
Established Small Business Density

2016 Component	2015 Component
627.2	630.5

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



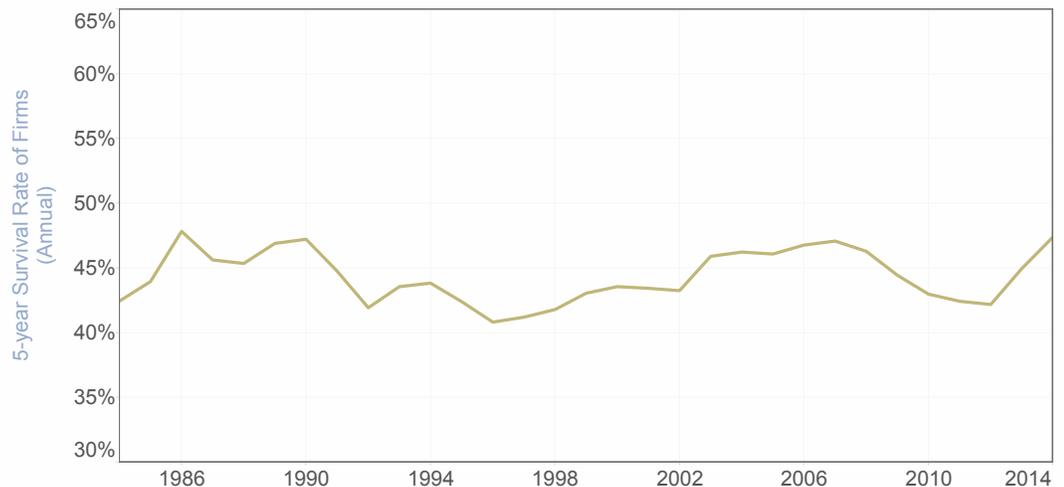
Survival Rate

2016 Component	2015 Component
47.40%	44.97%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Los Angeles

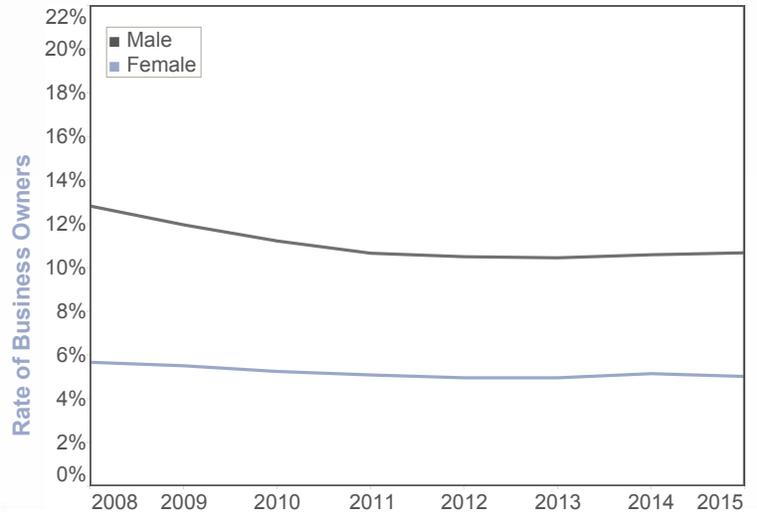
Metro: Los Angeles-Long Beach-Santa Ana | State: California

Business Owner Demographics

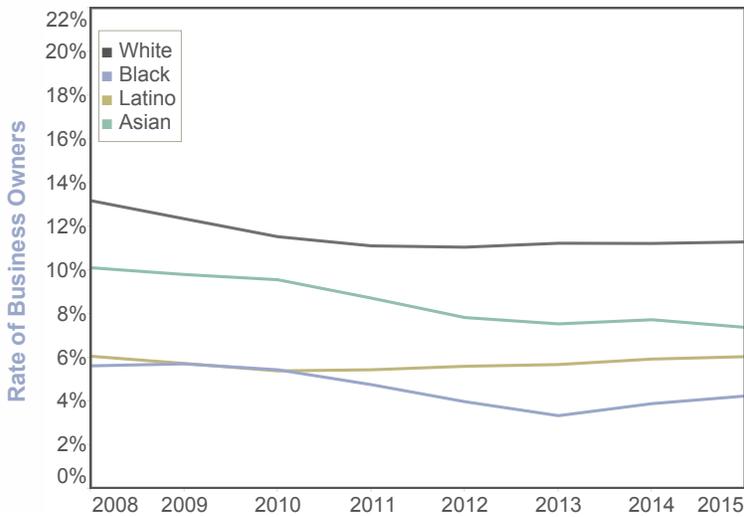
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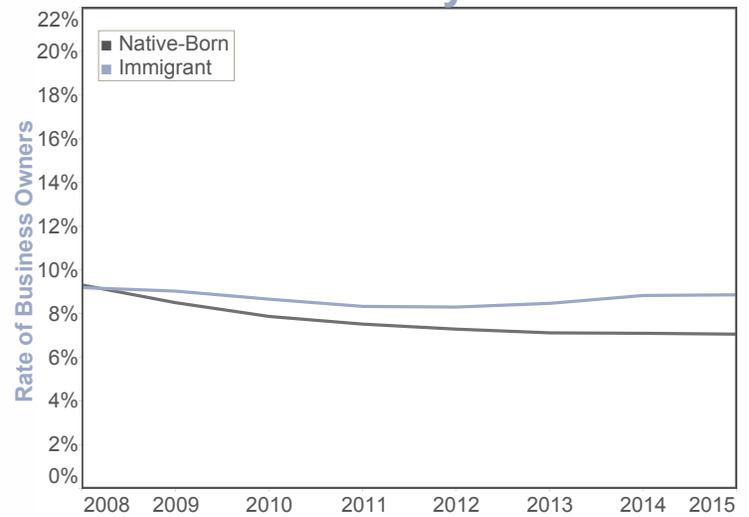
Gender



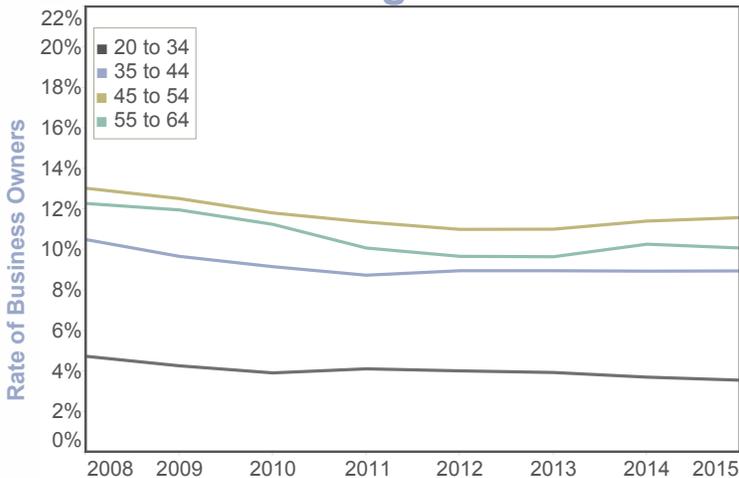
Race



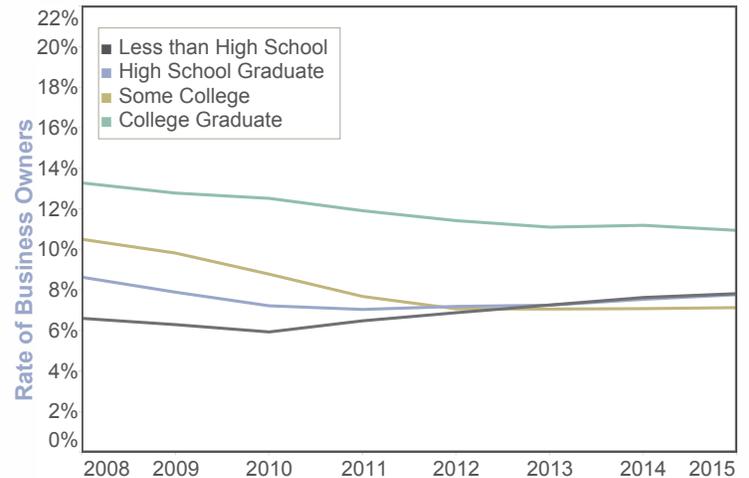
Nativity



Age



Education



Main Street Rank

2016	2015
8	7



Providence

Metro: Providence-New Bedford-Fall River | State: Rhode Island-Massachusetts
Metro Profile

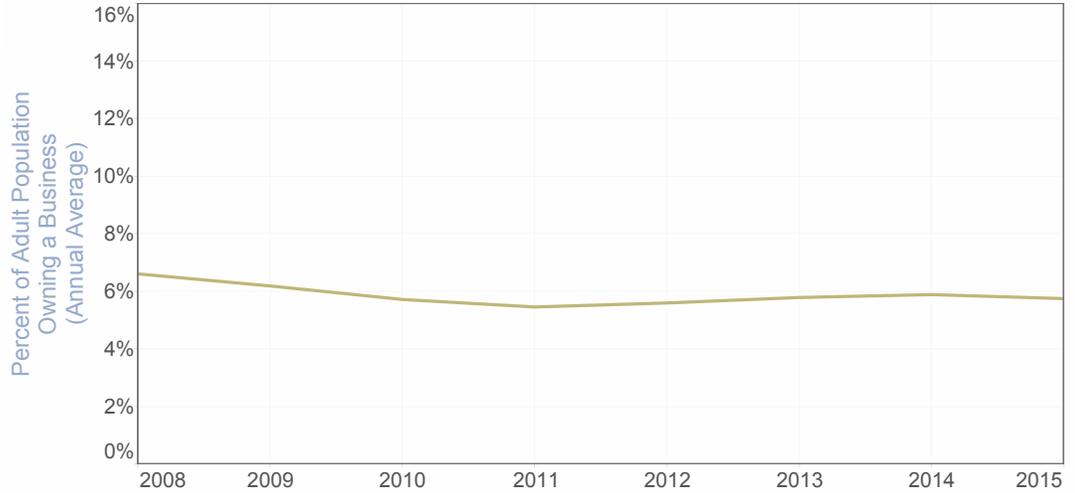
Rate of Business Owners

2016 Component	2015 Component
5.75%	5.89%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



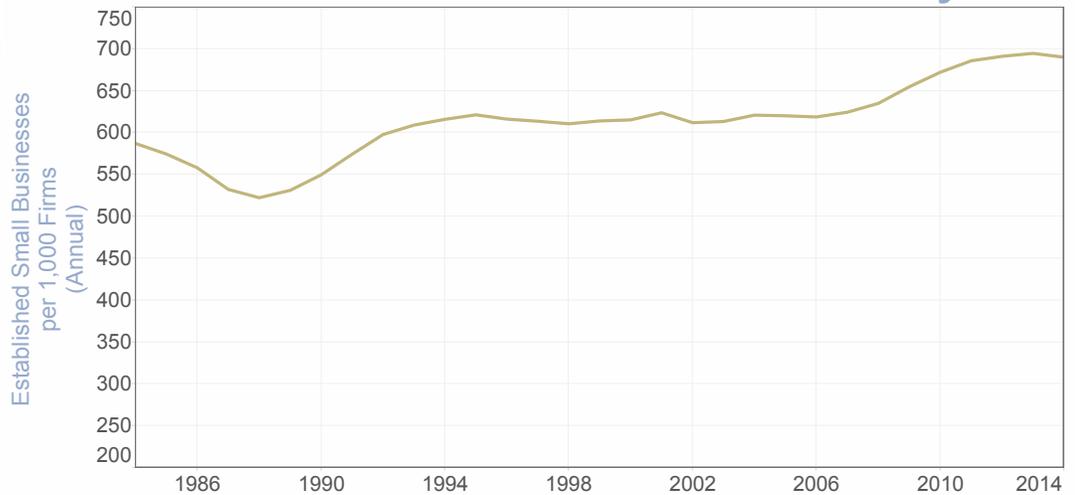
Established Small Business Density

2016 Component	2015 Component
690.1	694.7

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



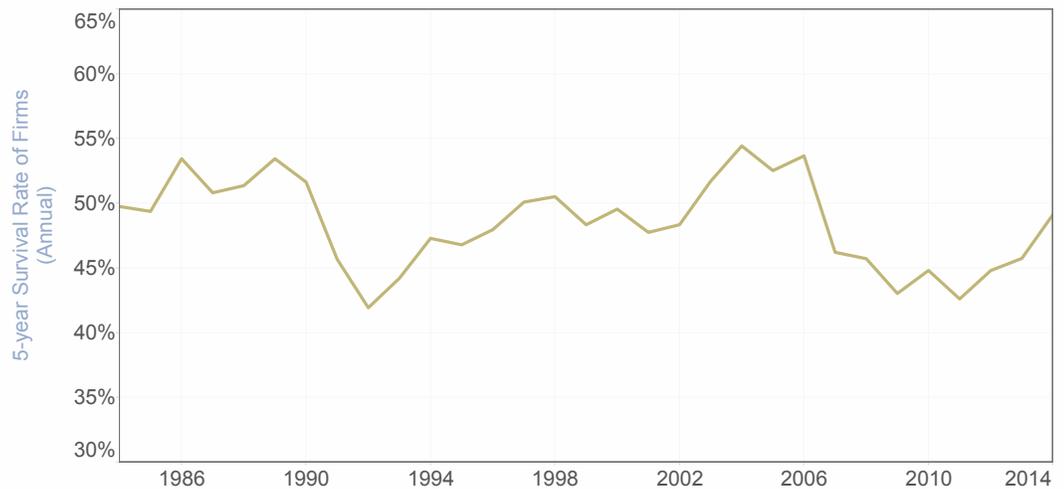
Survival Rate

2016 Component	2015 Component
49.14%	45.75%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Providence

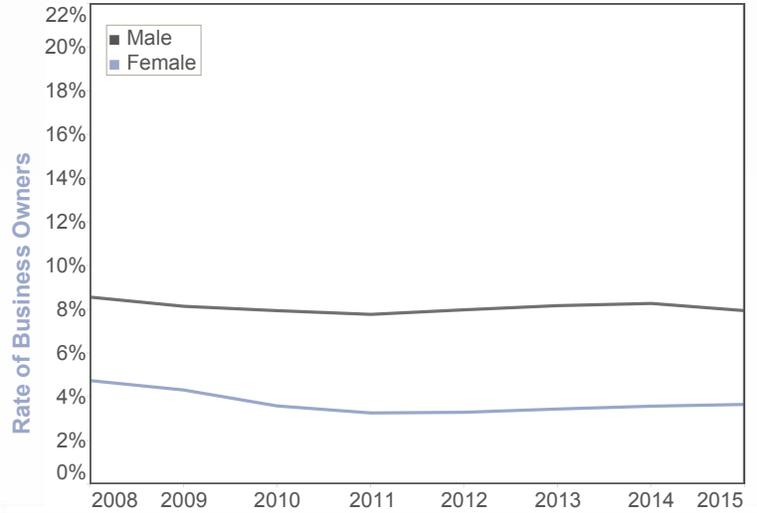
Metro: Providence-New Bedford-Fall River | State: Rhode Island-Massachusetts

Business Owner Demographics

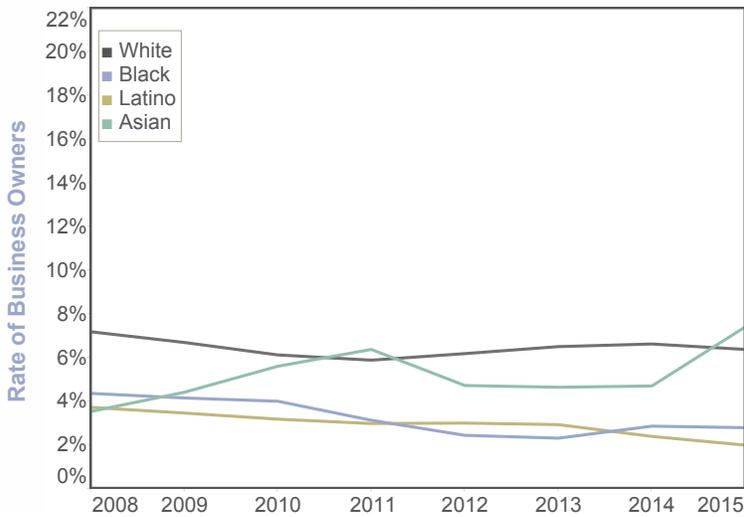
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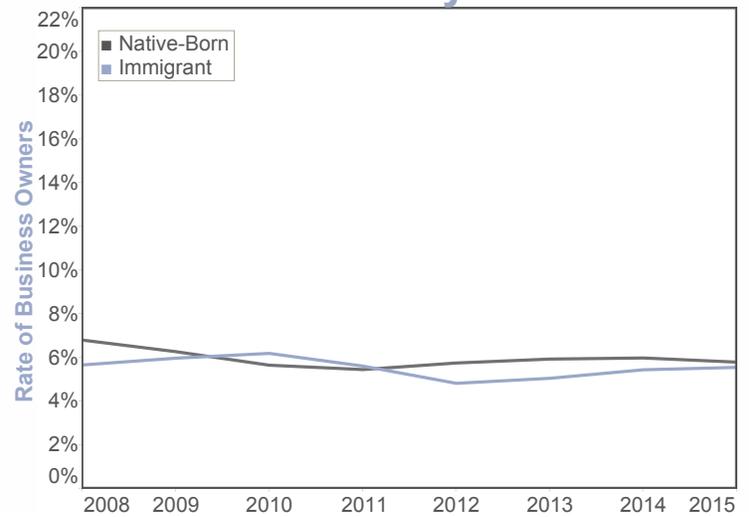
Gender



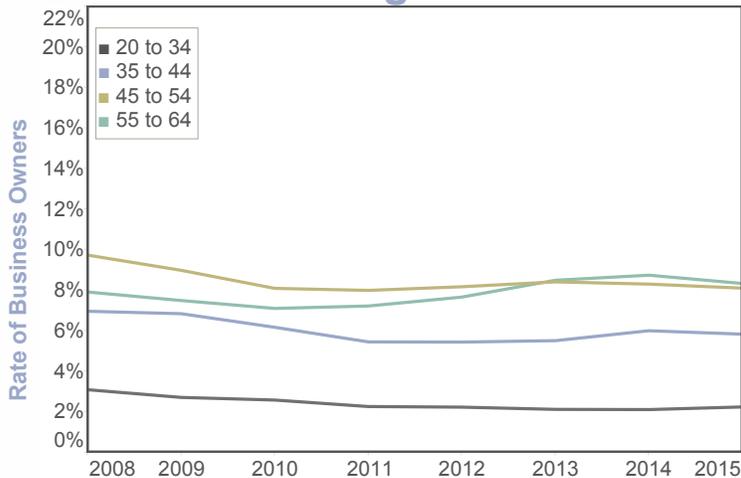
Race



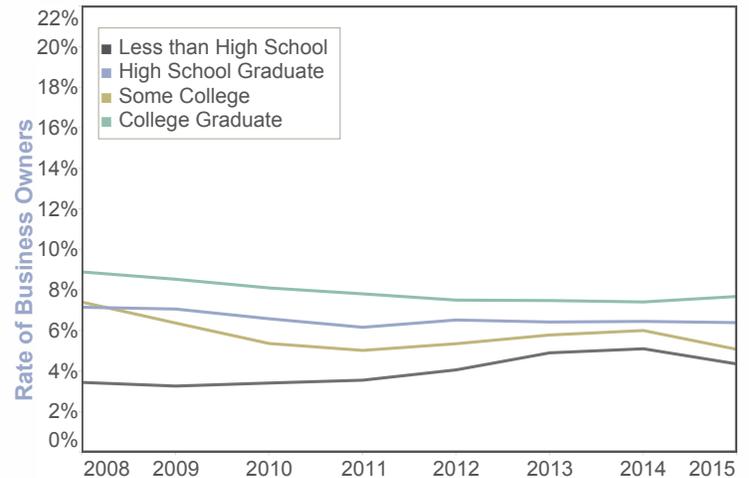
Nativity



Age



Education



Main Street Rank

2016	2015
9	15



Austin

Metro: Austin-Round Rock-San Marcos | State: Texas
Metro Profile

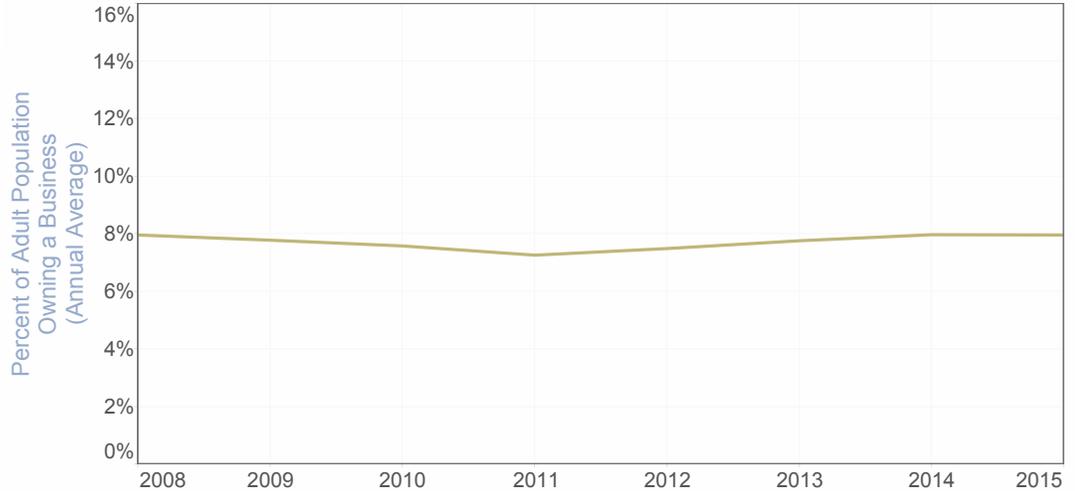
Rate of Business Owners

2016 Component	2015 Component
7.96%	7.97%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



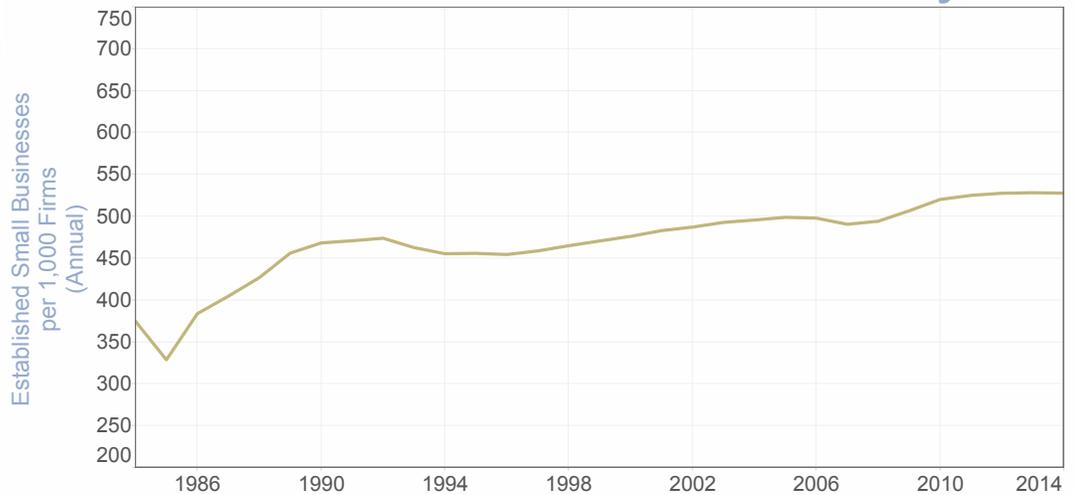
Established Small Business Density

2016 Component	2015 Component
527.8	528.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



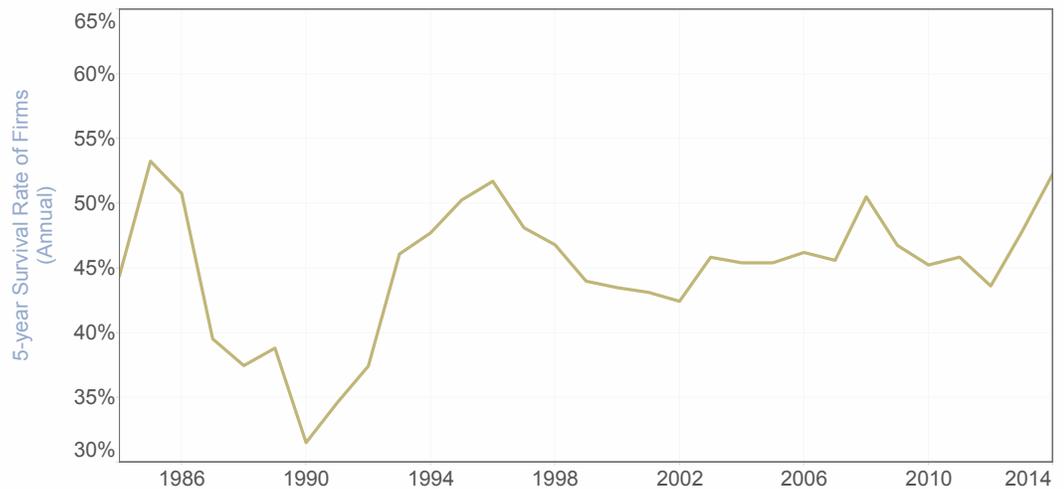
Survival Rate

2016 Component	2015 Component
52.31%	47.80%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Austin

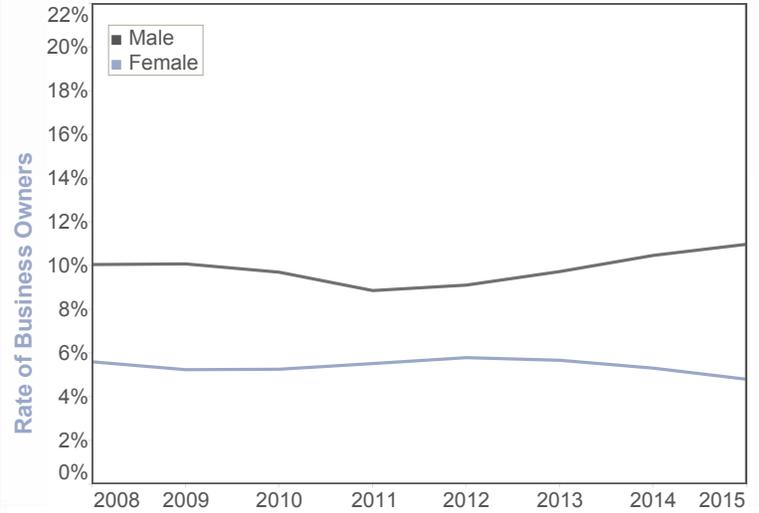
Metro: Austin-Round Rock-San Marcos | State: Texas

Business Owner Demographics

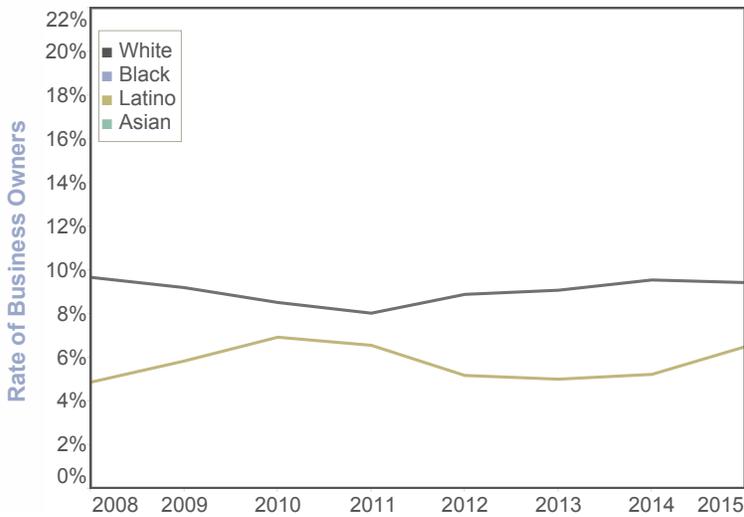
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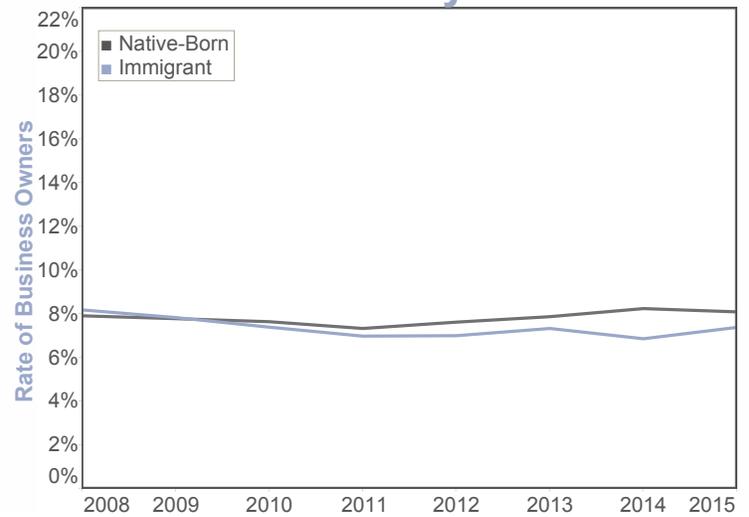
Gender



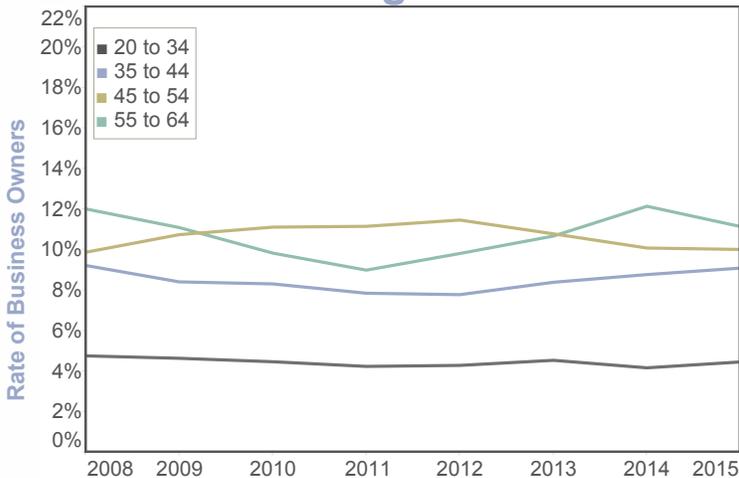
Race



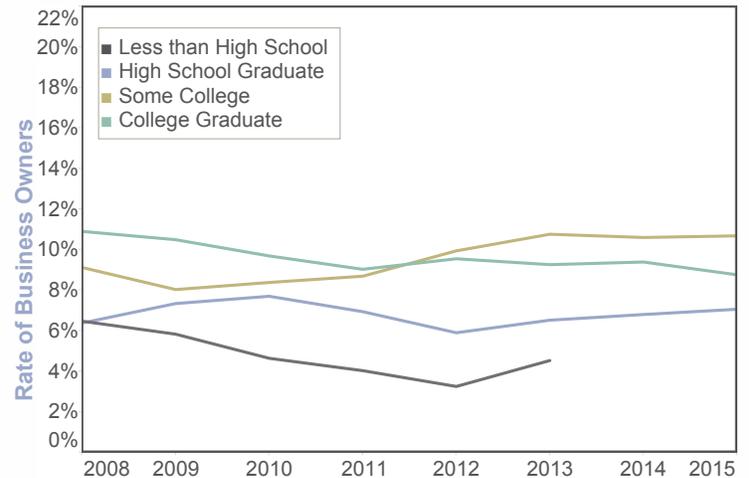
Nativity



Age



Education



Main Street Rank

2016	2015
10	17



Miami

Metro: Miami-Fort Lauderdale-Pompano Beach | State: Florida
Metro Profile

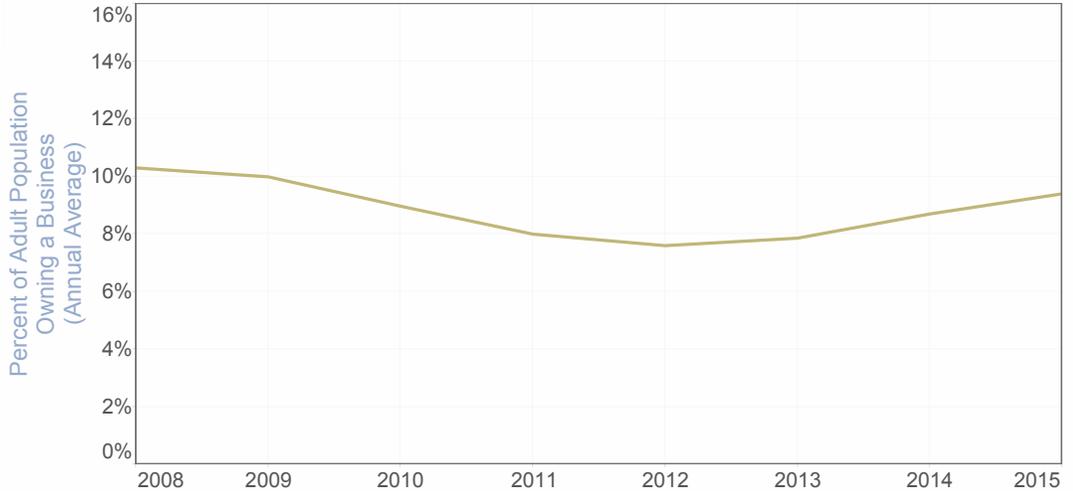
Rate of Business Owners

2016 Component	2015 Component
9.39%	8.69%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



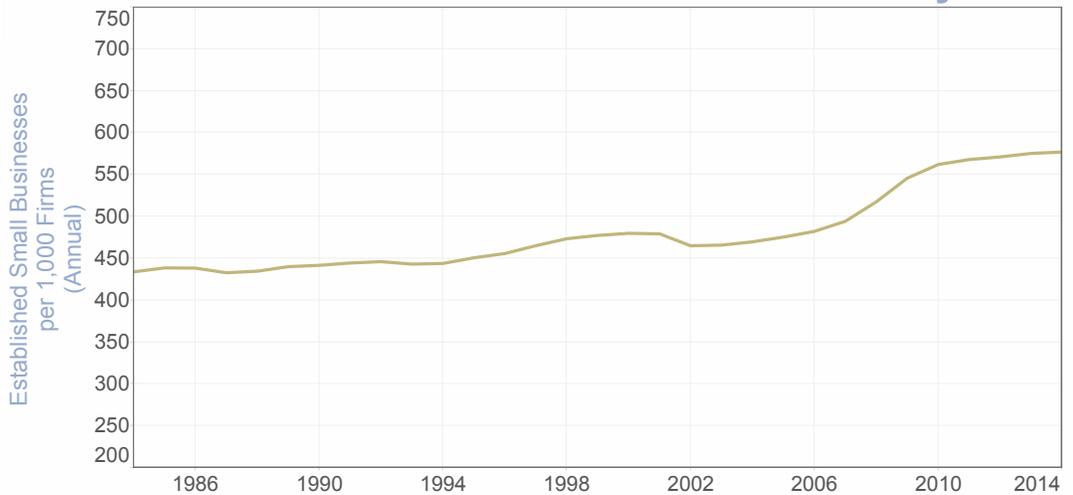
Established Small Business Density

2016 Component	2015 Component
576.9	575.2

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



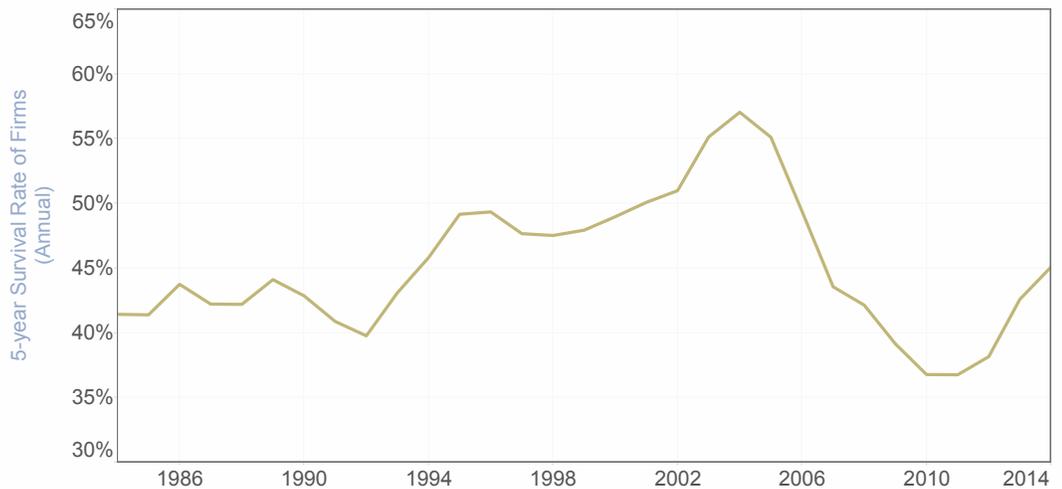
Survival Rate

2016 Component	2015 Component
45.08%	42.59%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Miami

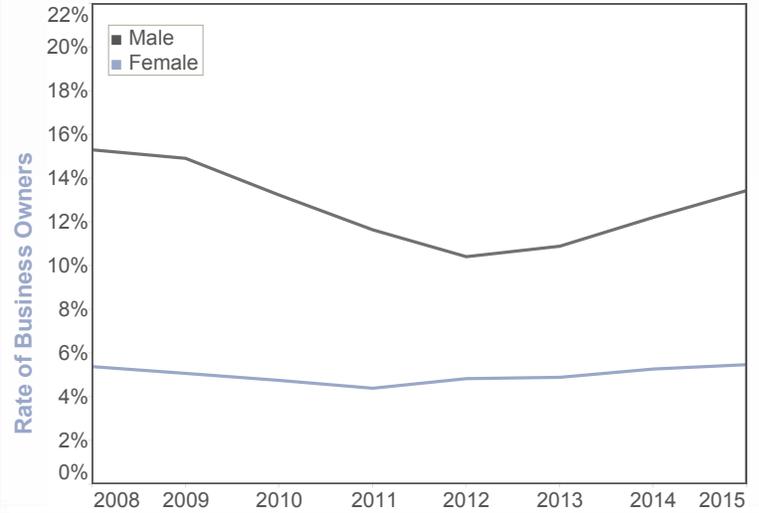
Metro: Miami-Fort Lauderdale-Pompano Beach | State: Florida

Business Owner Demographics

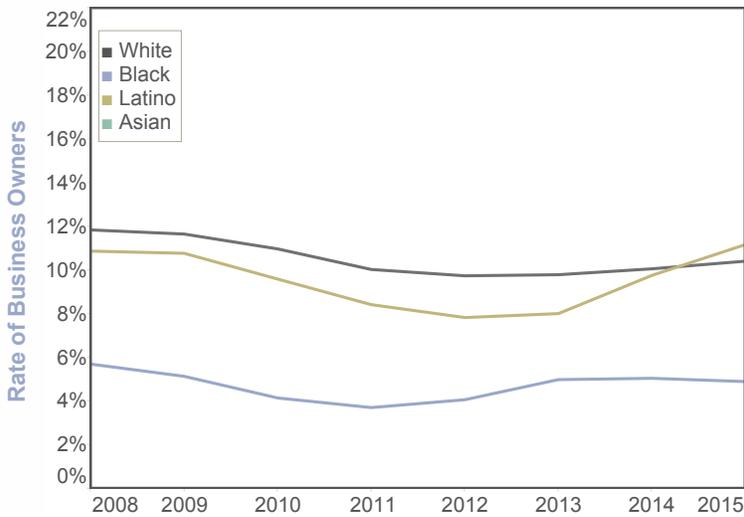
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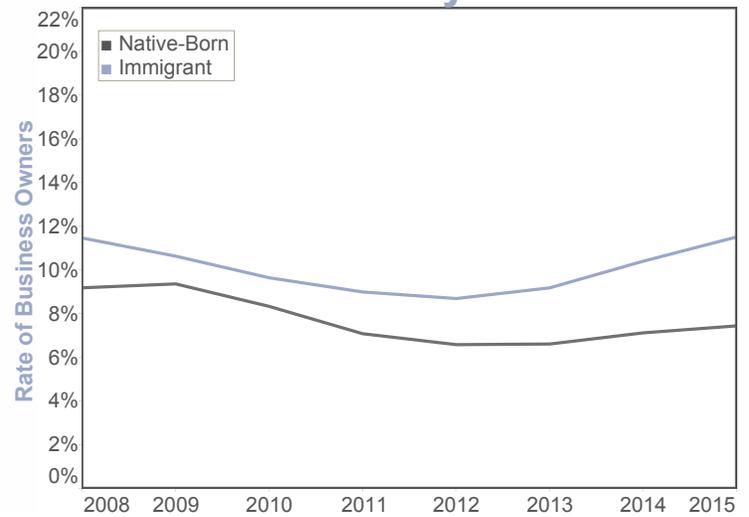
Gender



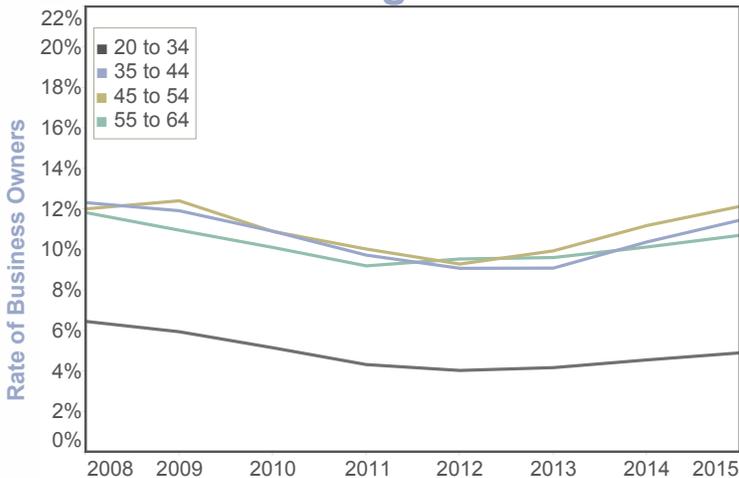
Race



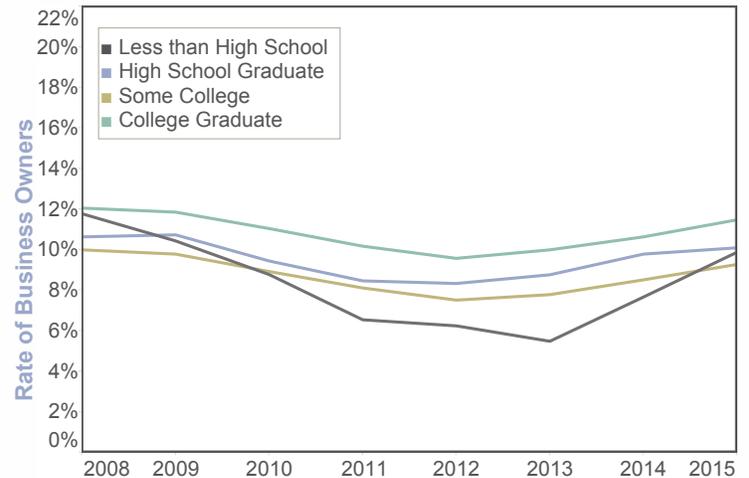
Nativity



Age



Education



Main Street Rank

2016	2015
11	9



Cleveland

Metro: Cleveland-Elyria-Mentor | State: Ohio
Metro Profile

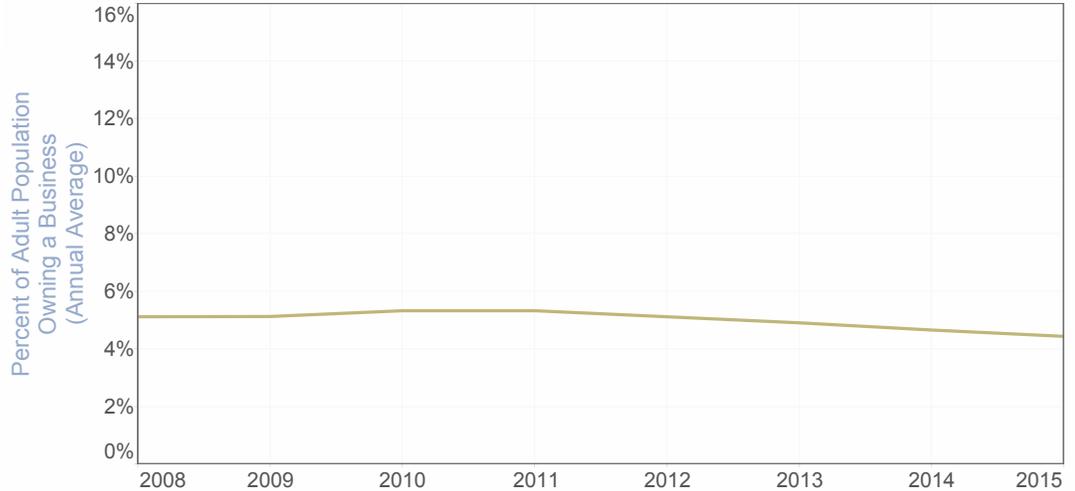
Rate of Business Owners

2016 Component	2015 Component
4.44%	4.66%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



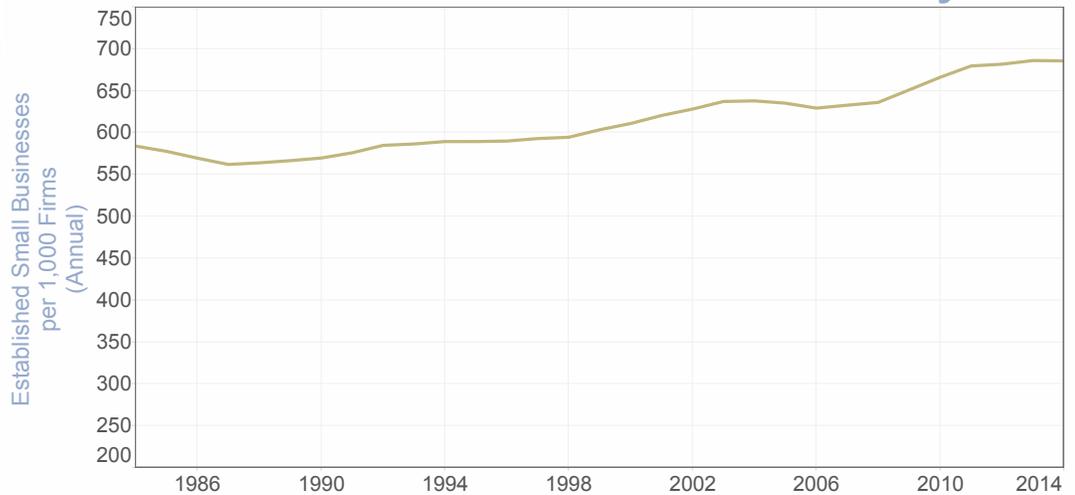
Established Small Business Density

2016 Component	2015 Component
685.7	686.1

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



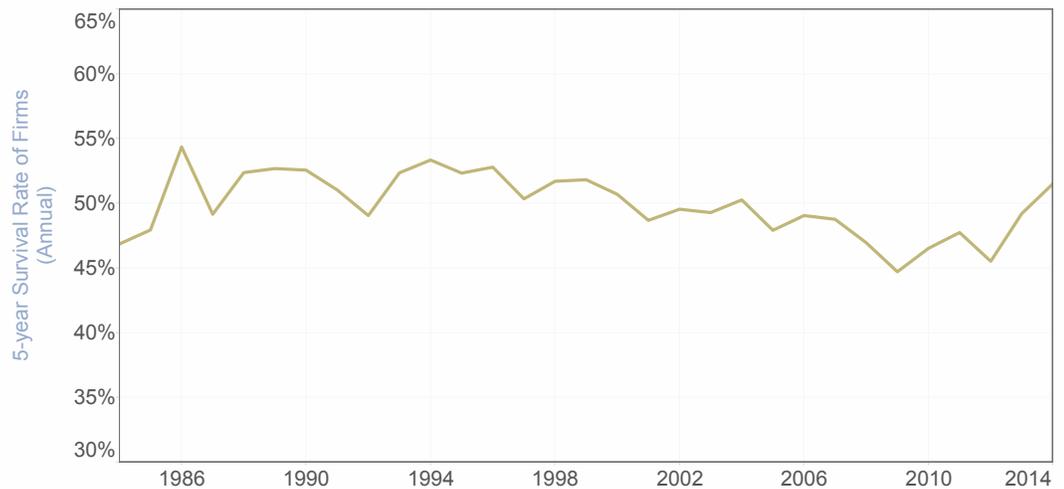
Survival Rate

2016 Component	2015 Component
51.52%	49.22%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Cleveland

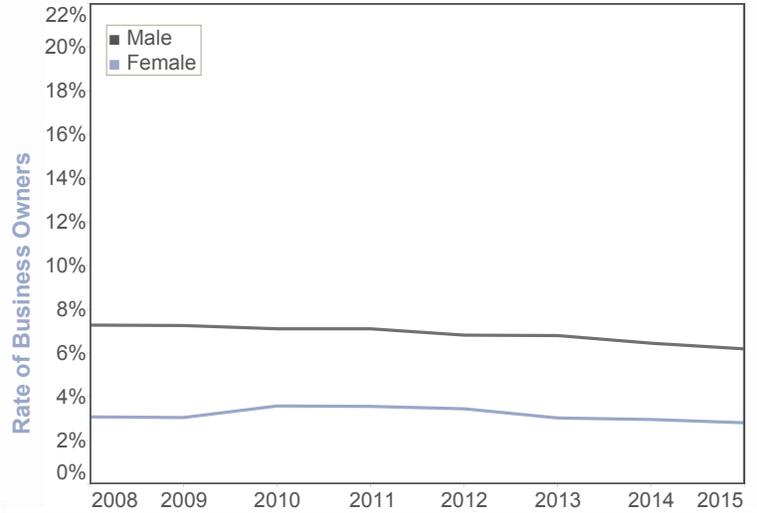
Metro: Cleveland-Elyria-Mentor | State: Ohio

Business Owner Demographics

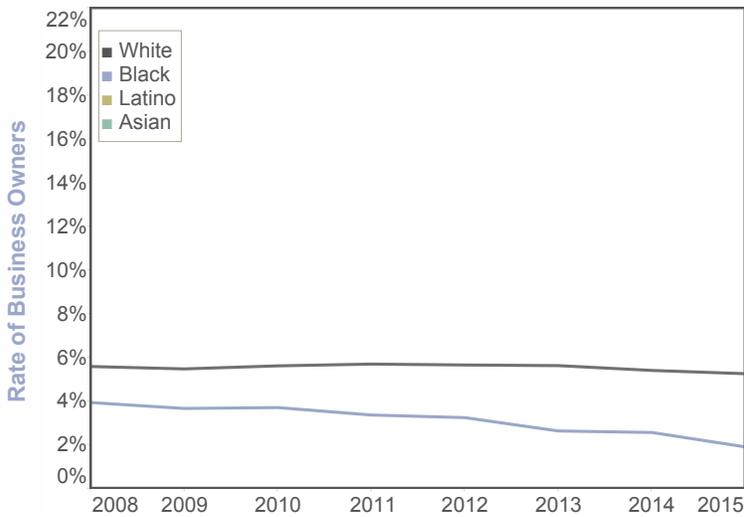
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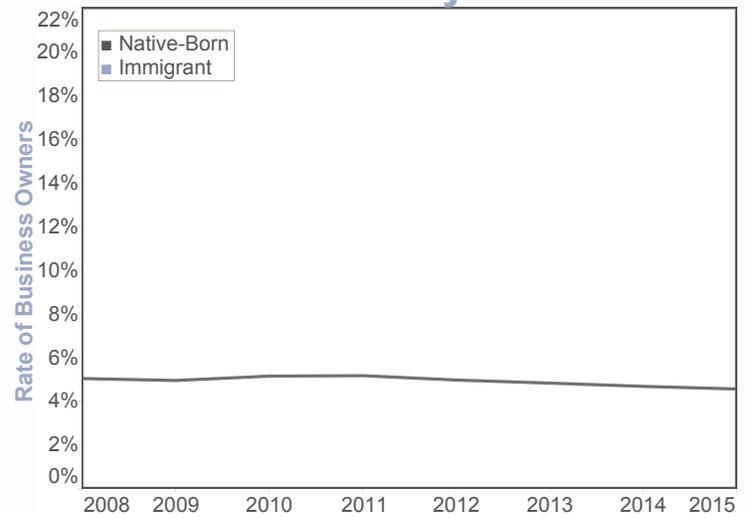
Gender



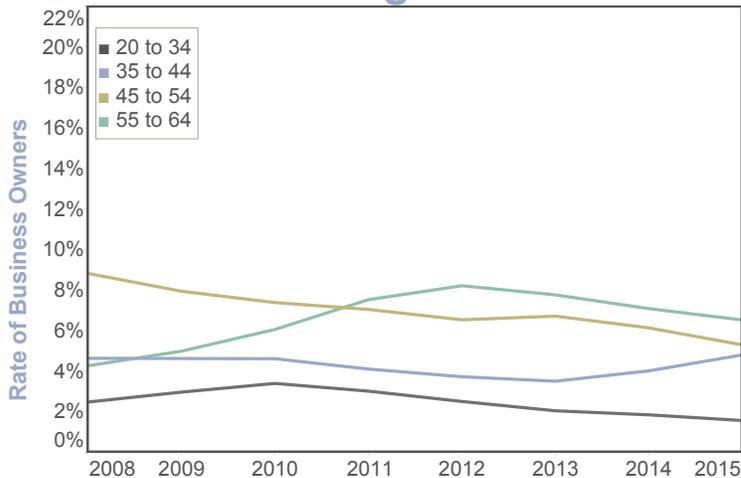
Race



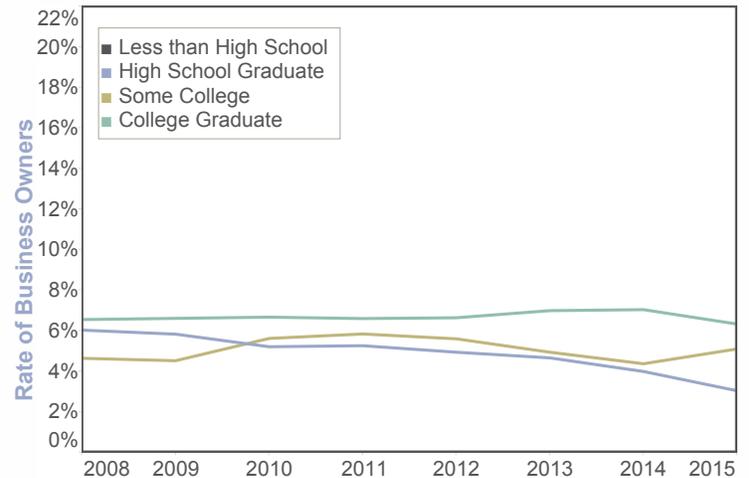
Nativity



Age



Education



Main Street Rank

2016	2015
12	16



Baltimore

Metro: Baltimore-Towson | State: Maryland
Metro Profile

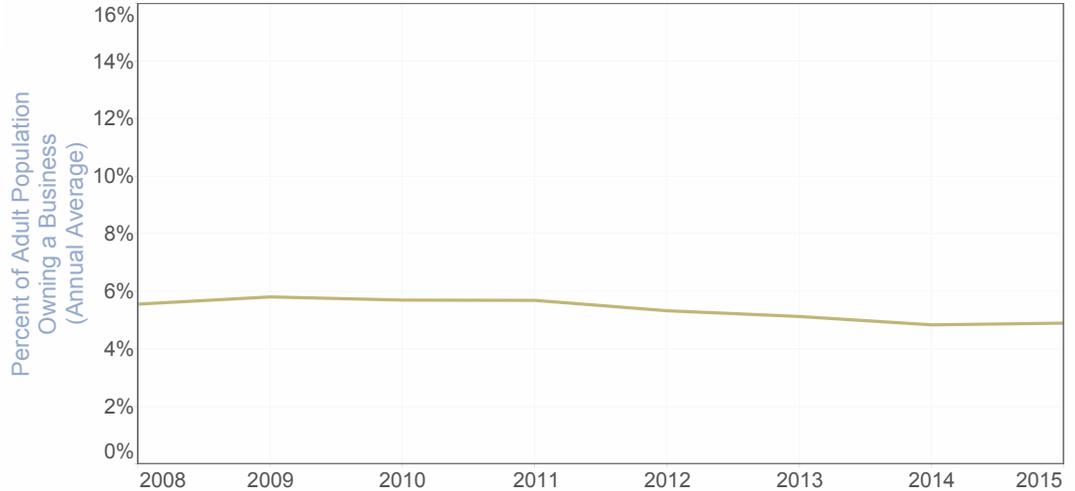
Rate of Business Owners

2016 Component	2015 Component
4.90%	4.84%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



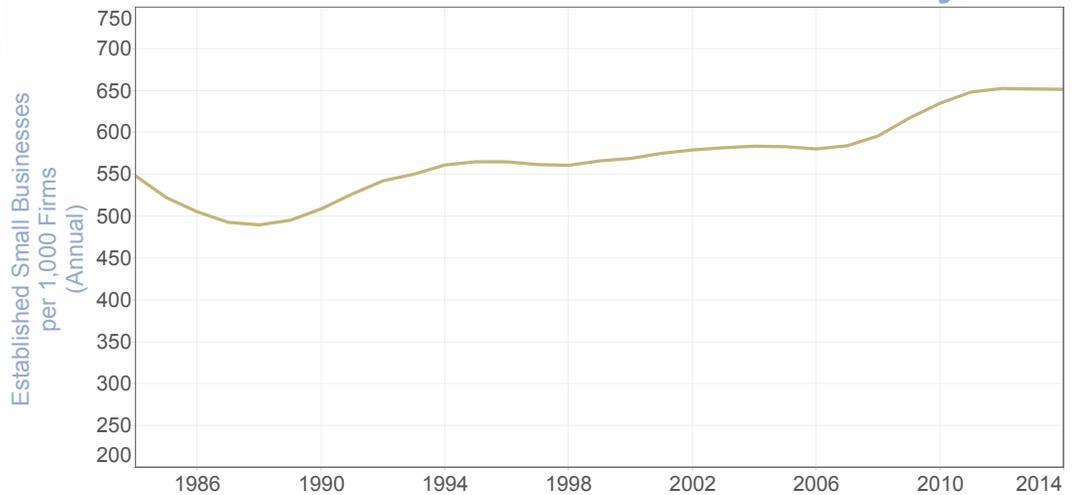
Established Small Business Density

2016 Component	2015 Component
651.8	652.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



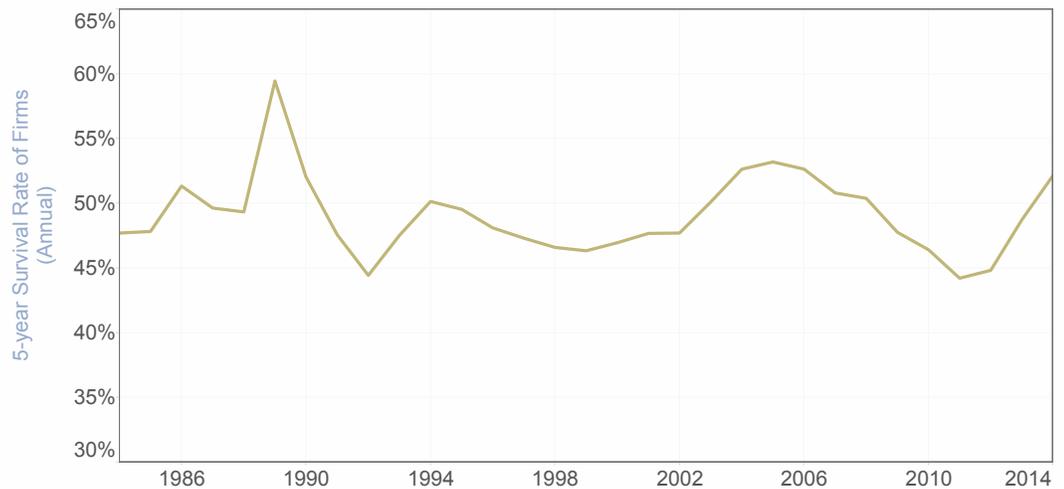
Survival Rate

2016 Component	2015 Component
52.15%	48.73%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Baltimore

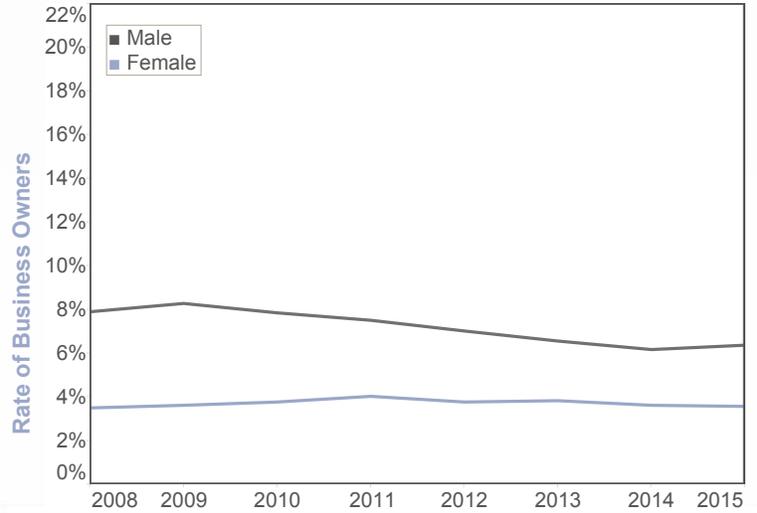
Metro: Baltimore-Towson | State: Maryland

Business Owner Demographics

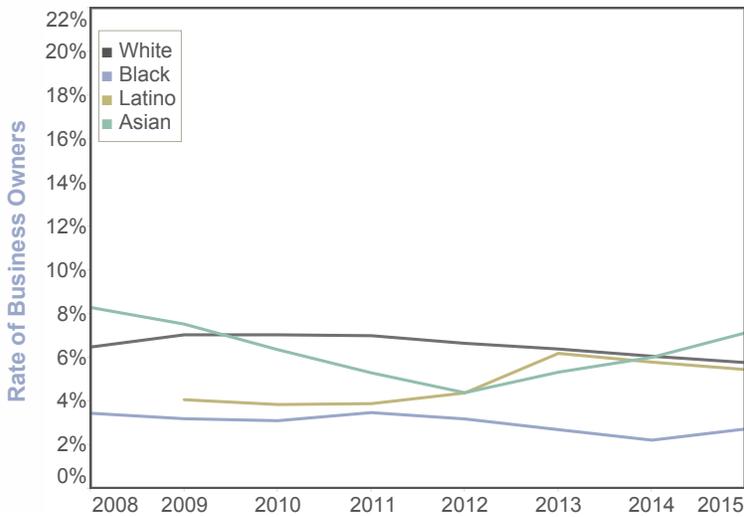
Rate of Business Owners by Demographic Group

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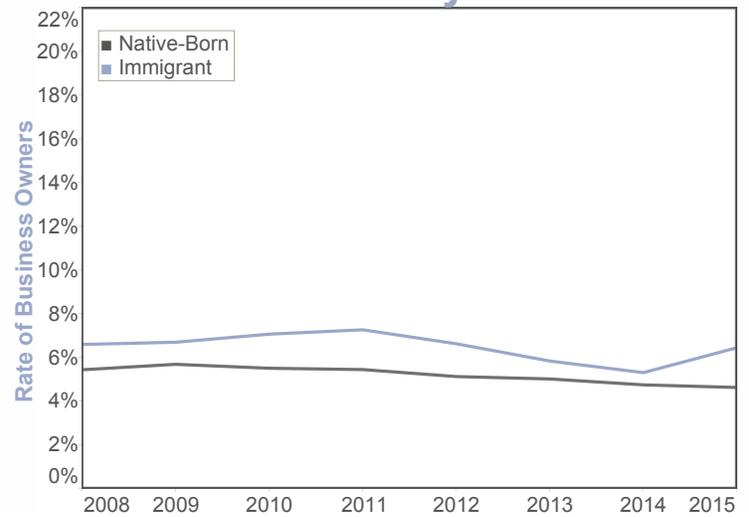
Gender



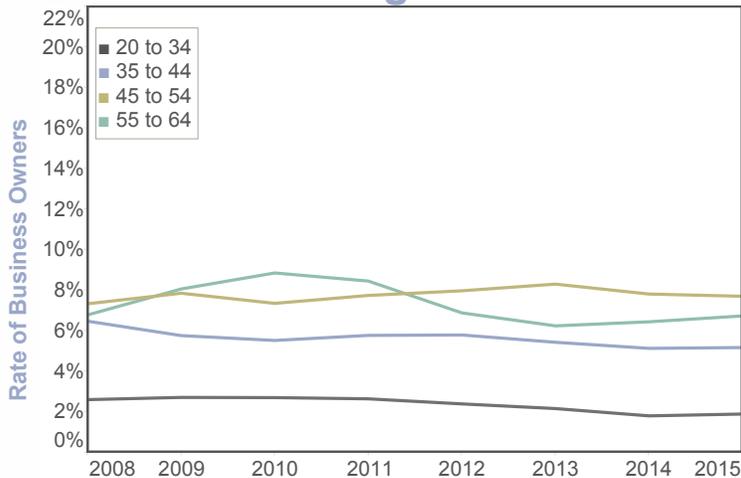
Race



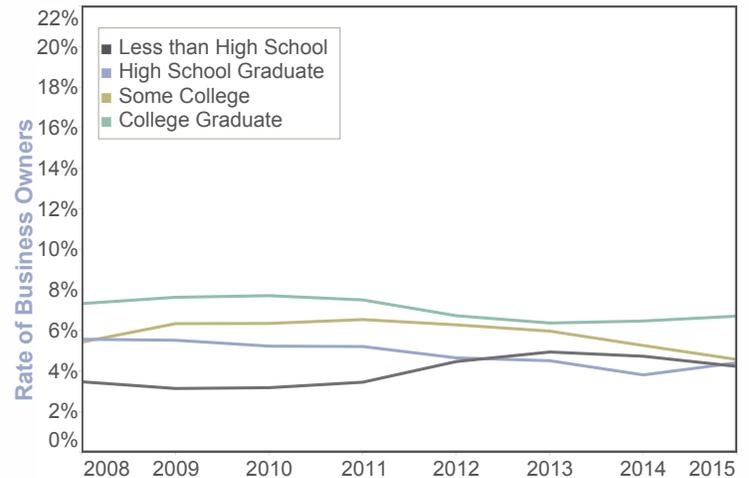
Nativity



Age



Education



Main Street Rank

2016	2015
13	10



San Diego

Metro: San Diego-Carlsbad-San Marcos | State: California
Metro Profile

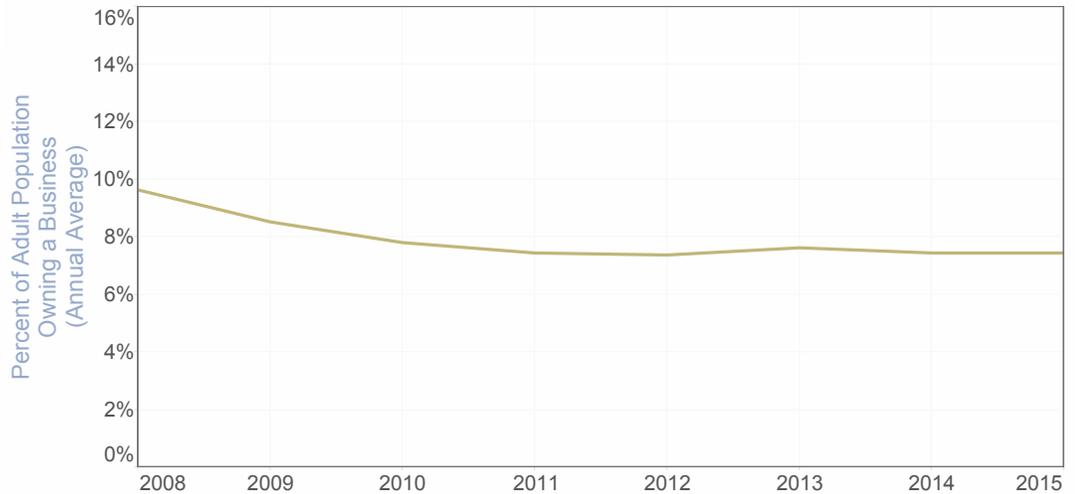
Rate of Business Owners

2016 Component	2015 Component
7.44%	7.44%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



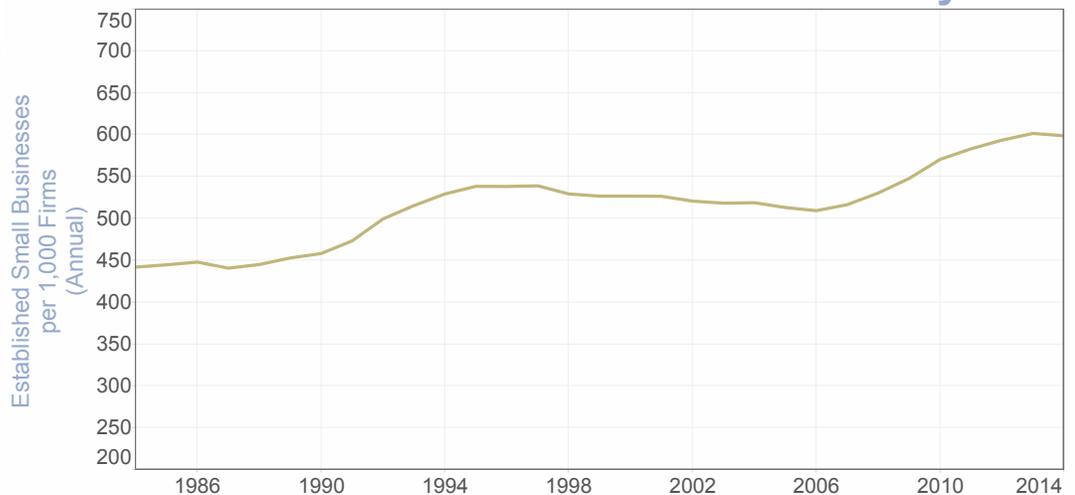
Established Small Business Density

2016 Component	2015 Component
598.7	601.5

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



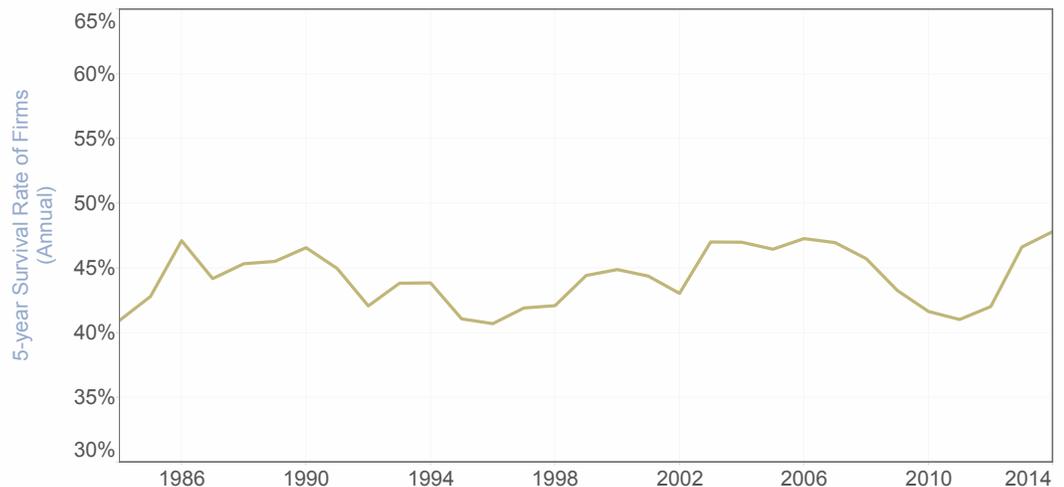
Survival Rate

2016 Component	2015 Component
47.83%	46.63%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



San Diego

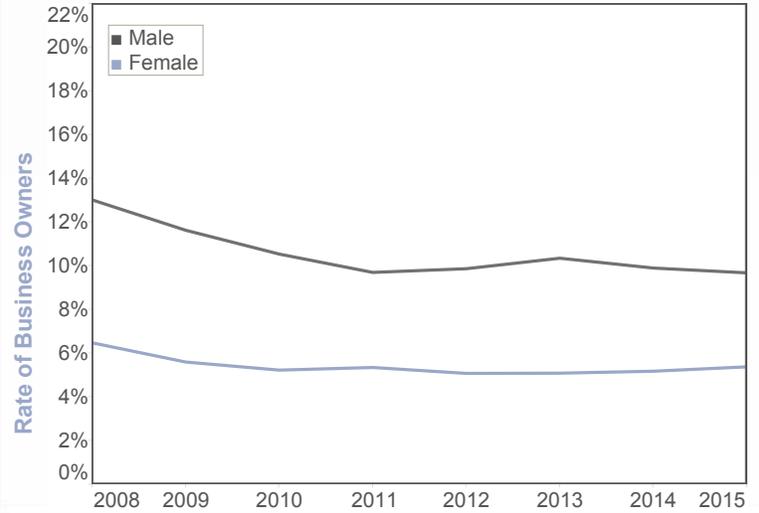
Metro: San Diego-Carlsbad-San Marcos | State: California

Business Owner Demographics

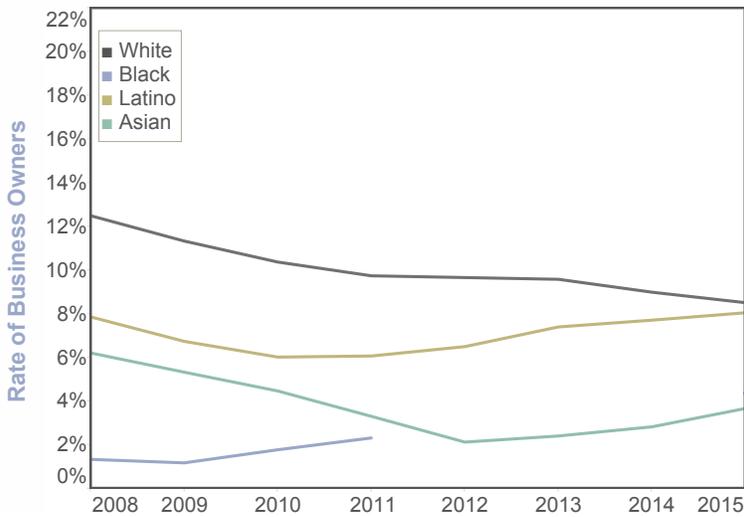
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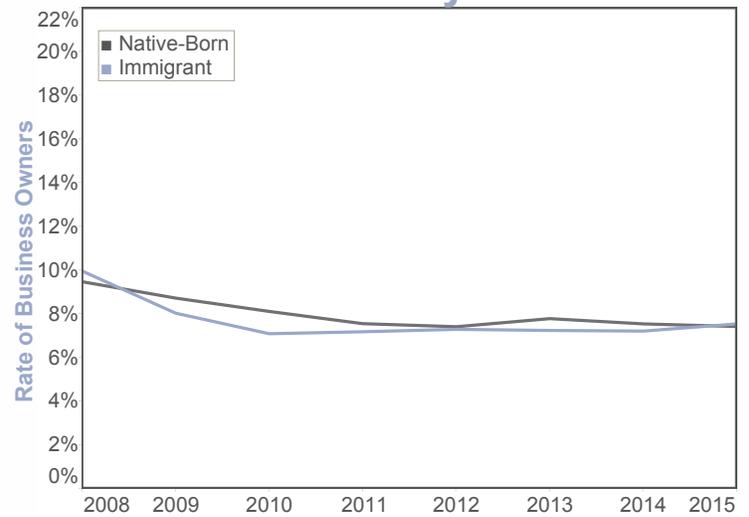
Gender



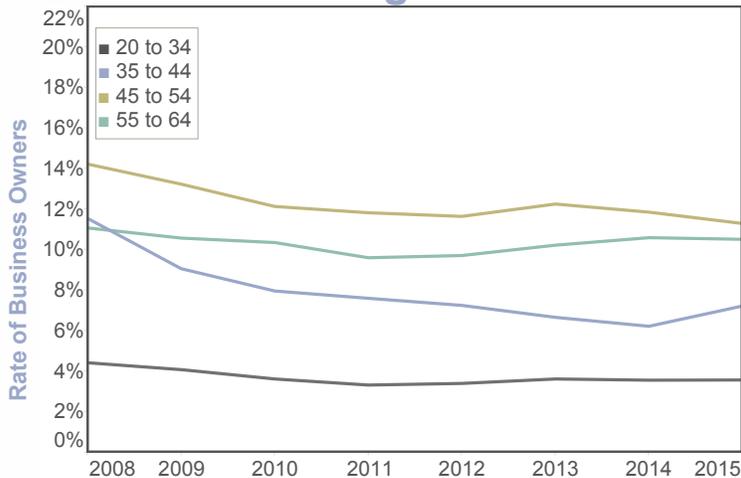
Race



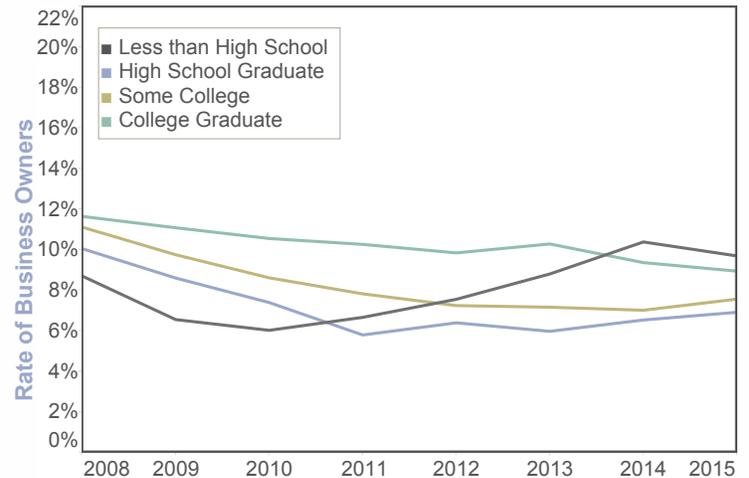
Nativity



Age



Education



Main Street Rank

2016	2015
14	13



Chicago

Metro: Chicago-Joliet-Naperville | State: Illinois-Indiana-Wisconsin
Metro Profile

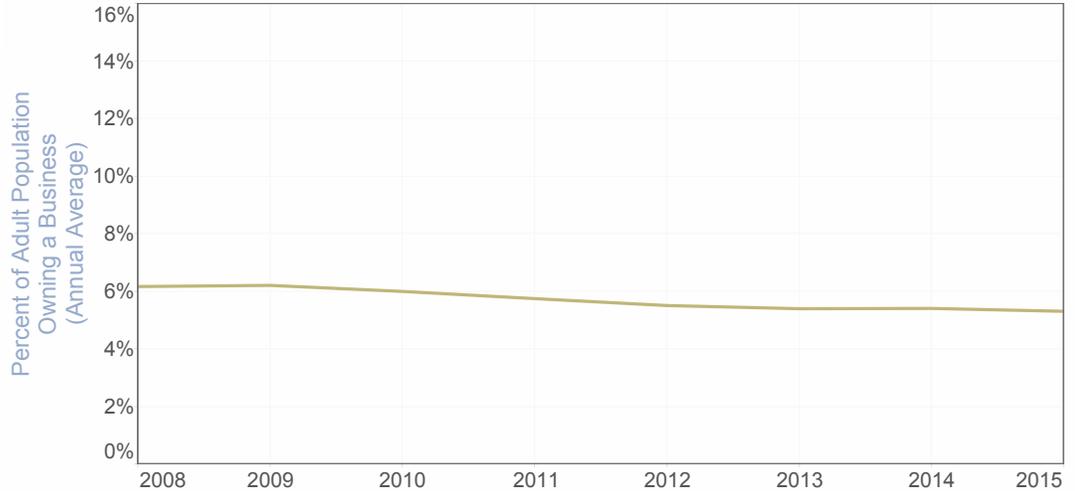
Rate of Business Owners

2016 Component	2015 Component
5.31%	5.41%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



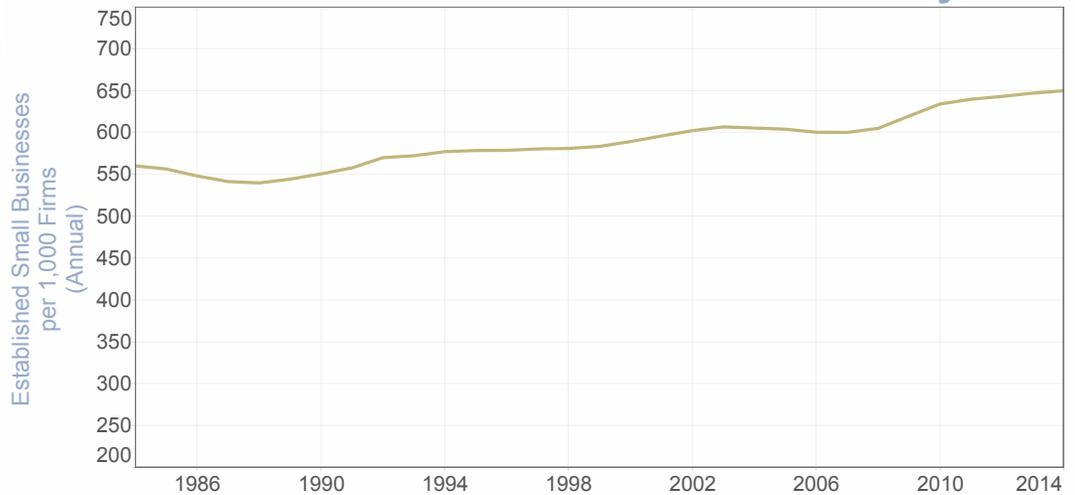
Established Small Business Density

2016 Component	2015 Component
650.1	647.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



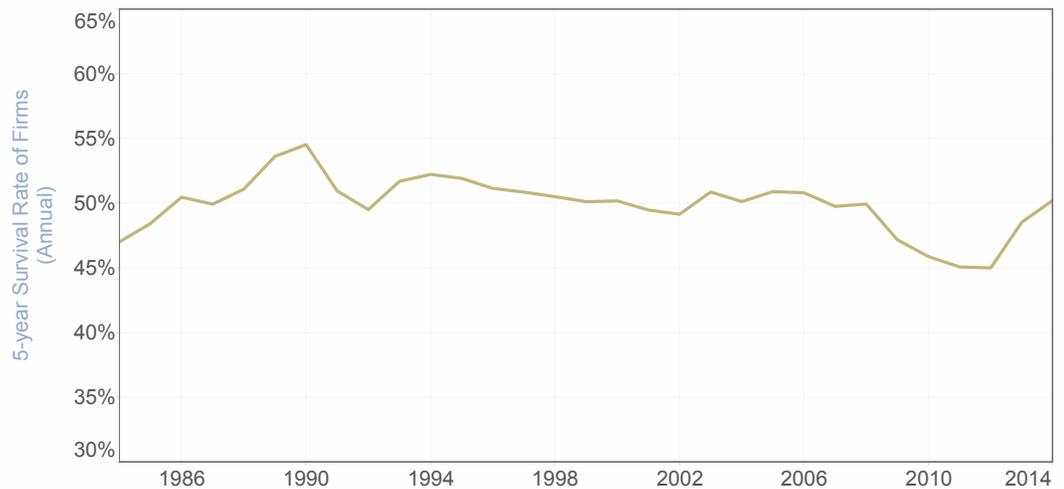
Survival Rate

2016 Component	2015 Component
50.24%	48.55%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Chicago

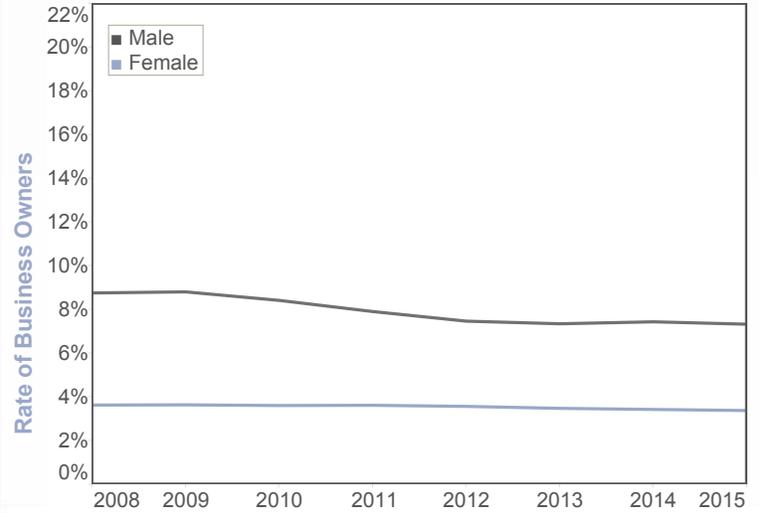
Metro: Chicago-Joliet-Naperville | State: Illinois-Indiana-Wisconsin

Business Owner Demographics

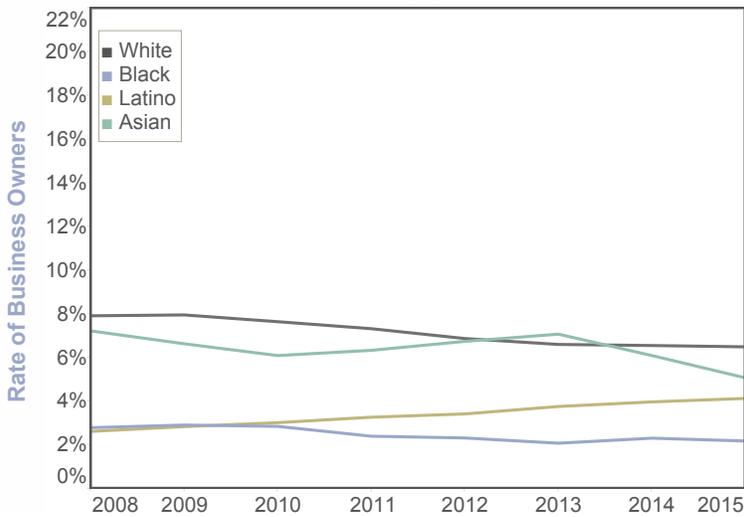
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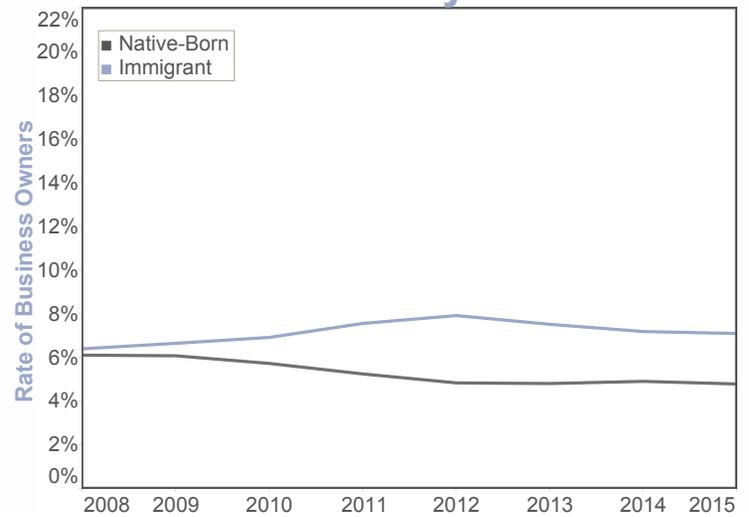
Gender



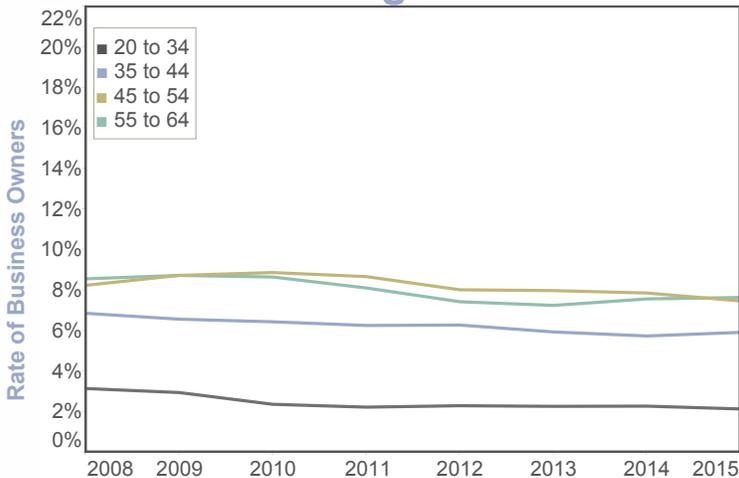
Race



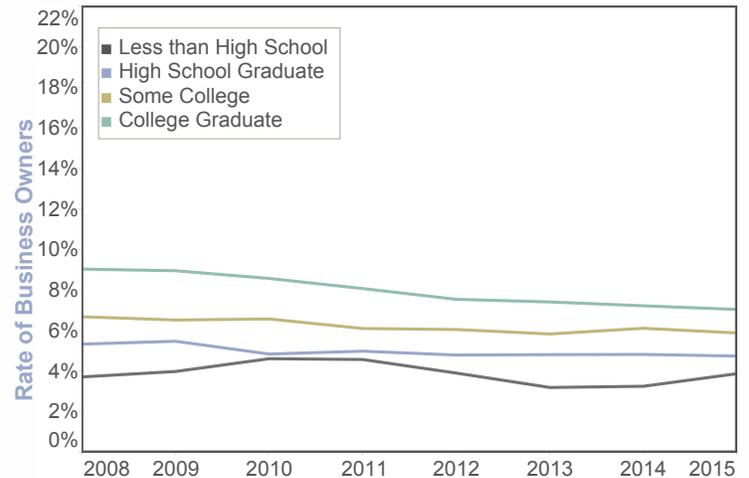
Nativity



Age



Education



Main Street Rank

2016	2015
15	19



Denver

Metro: Denver-Aurora-Broomfield | State: Colorado
Metro Profile

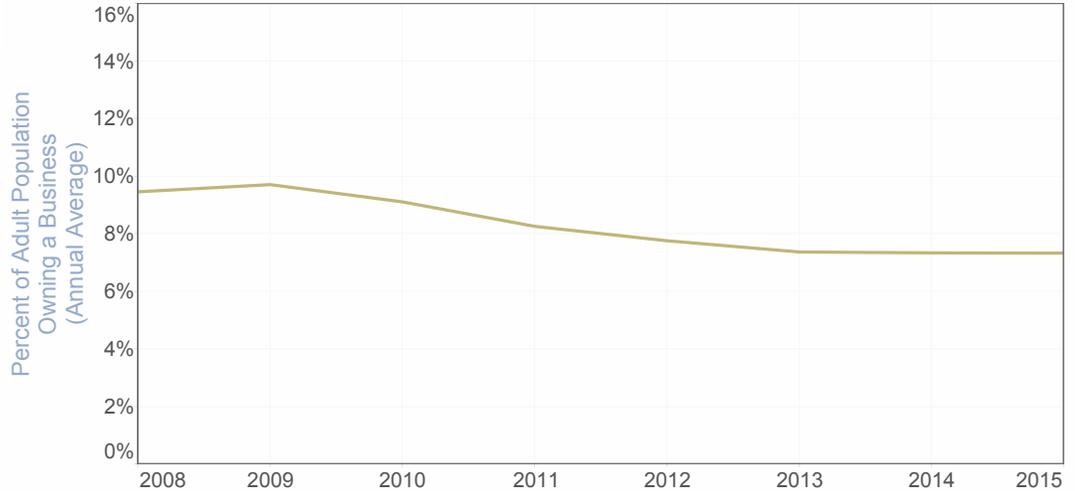
Rate of Business Owners

2016 Component	2015 Component
7.33%	7.34%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



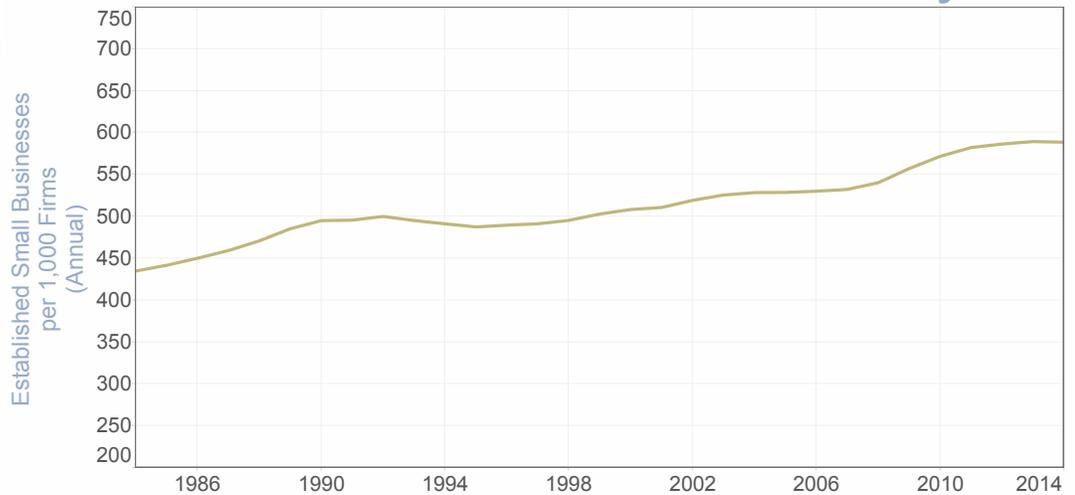
Established Small Business Density

2016 Component	2015 Component
588.7	589.4

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



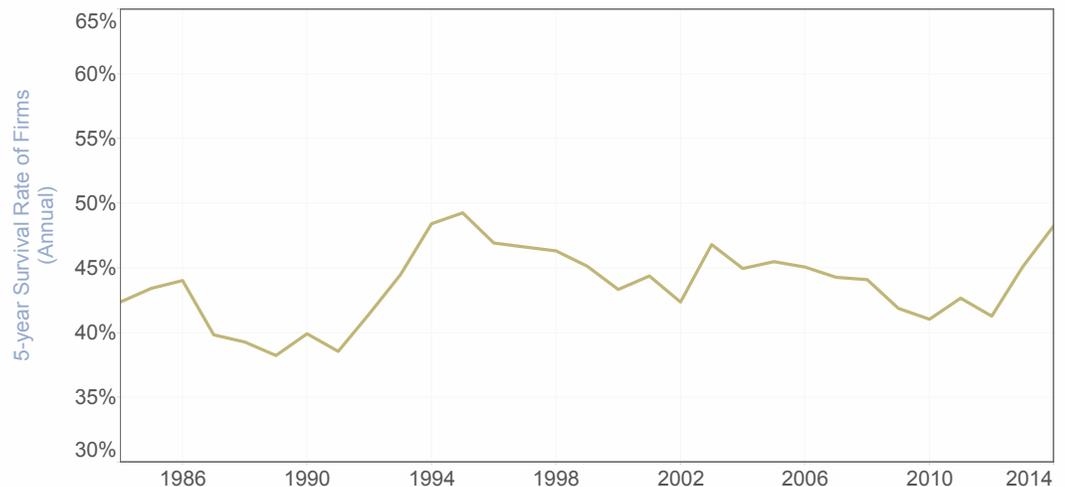
Survival Rate

2016 Component	2015 Component
48.29%	45.12%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Denver

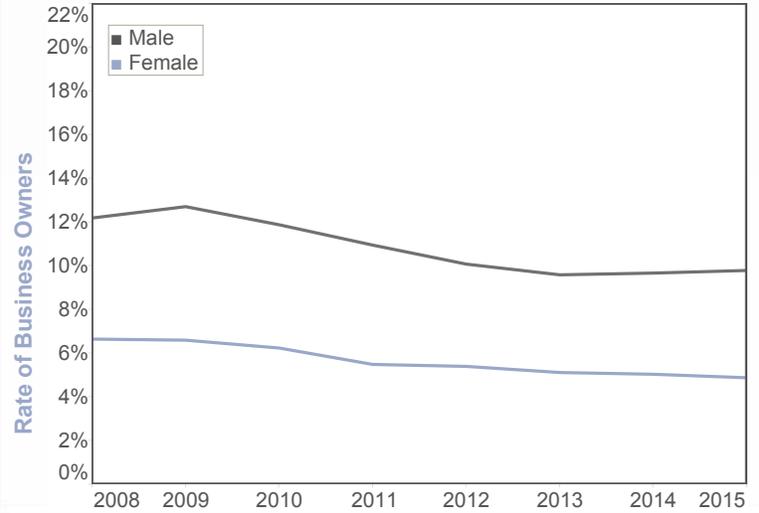
Metro: Denver-Aurora-Broomfield | State: Colorado

Business Owner Demographics

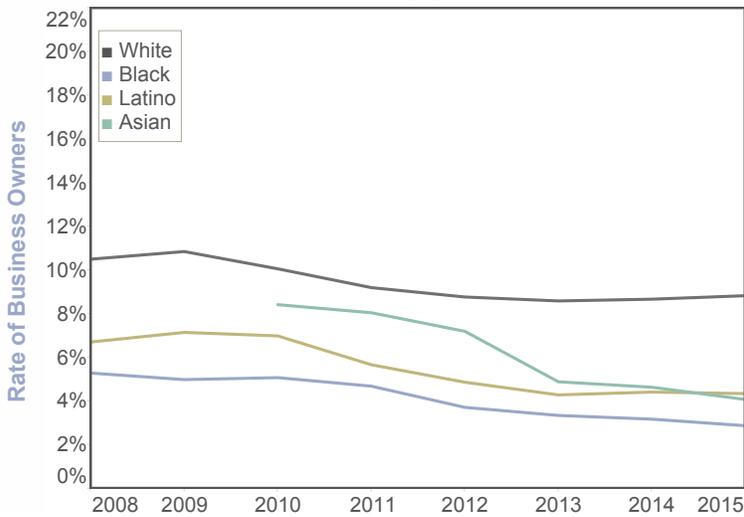
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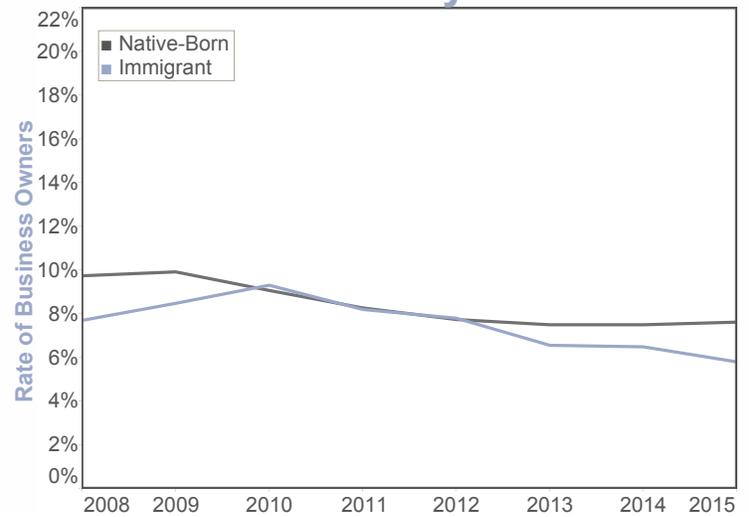
Gender



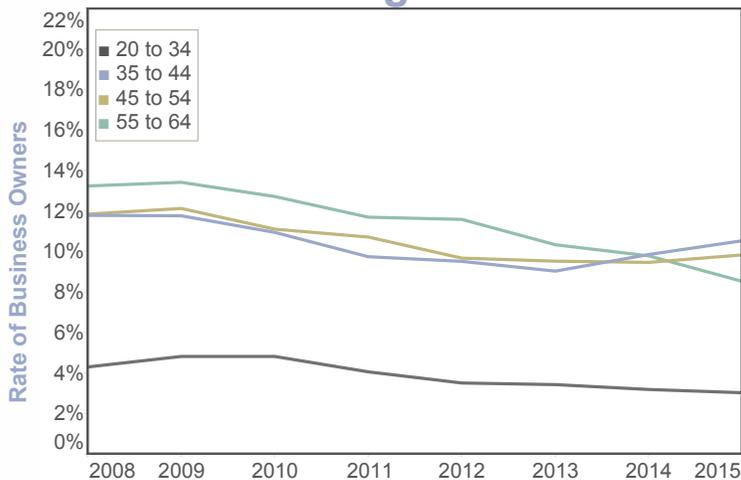
Race



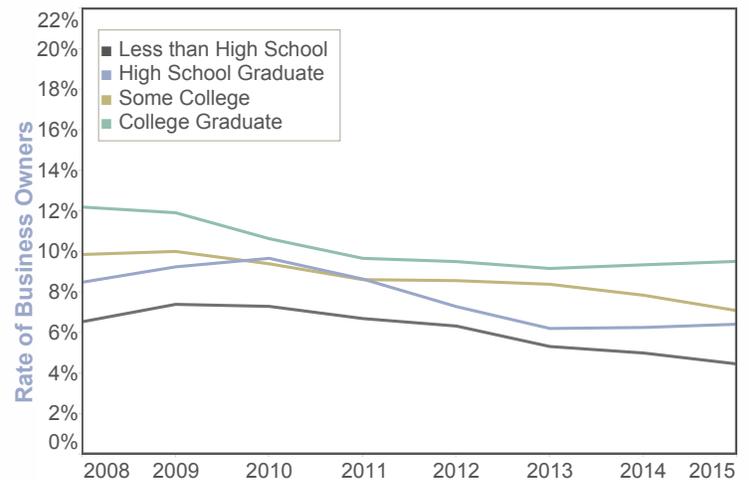
Nativity



Age



Education



Main Street Rank

2016	2015
16	14



Columbus

Metro: Columbus | State: Ohio
Metro Profile

Rate of Business Owners

2016 Component	2015 Component
5.78%	6.21%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



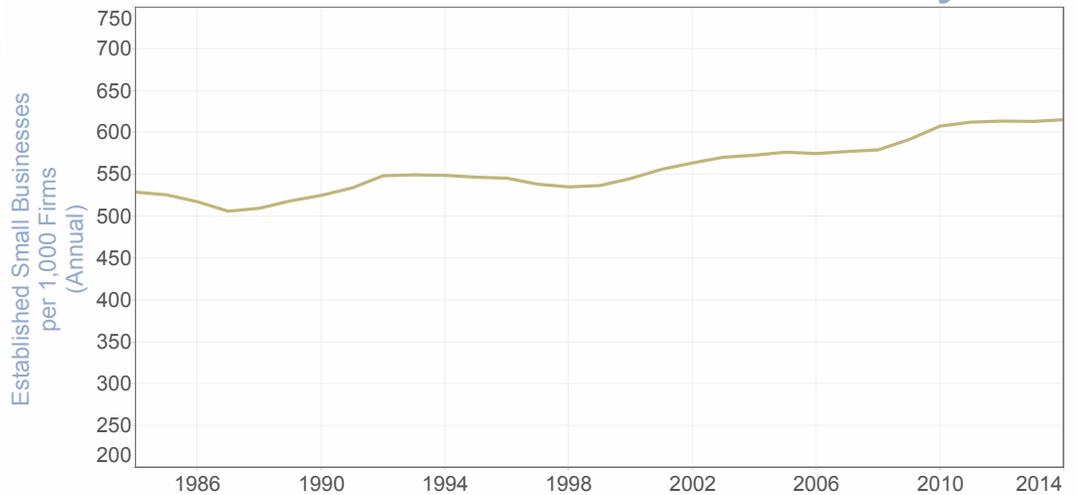
Established Small Business Density

2016 Component	2015 Component
615.5	613.4

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



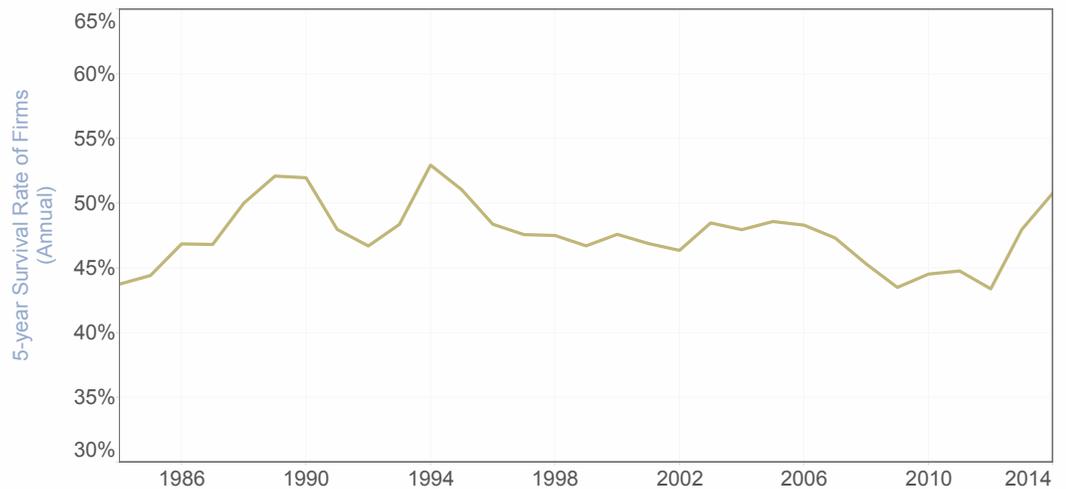
Survival Rate

2016 Component	2015 Component
50.81%	47.99%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Columbus

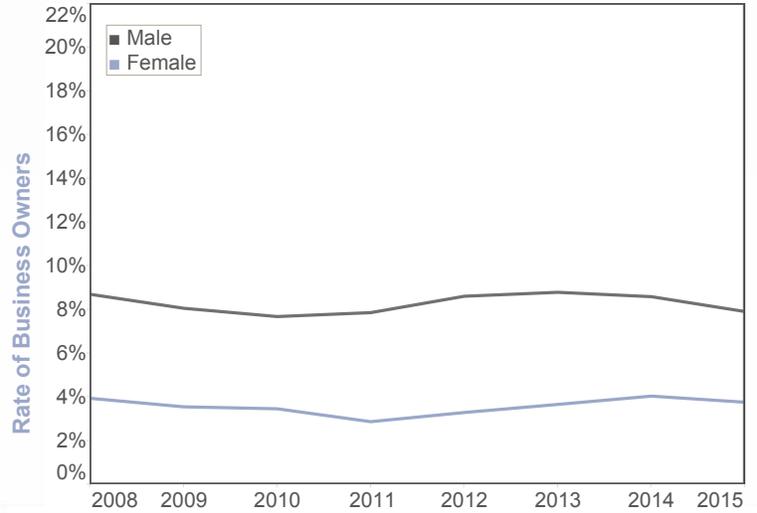
Metro: Columbus | State: Ohio

Business Owner Demographics

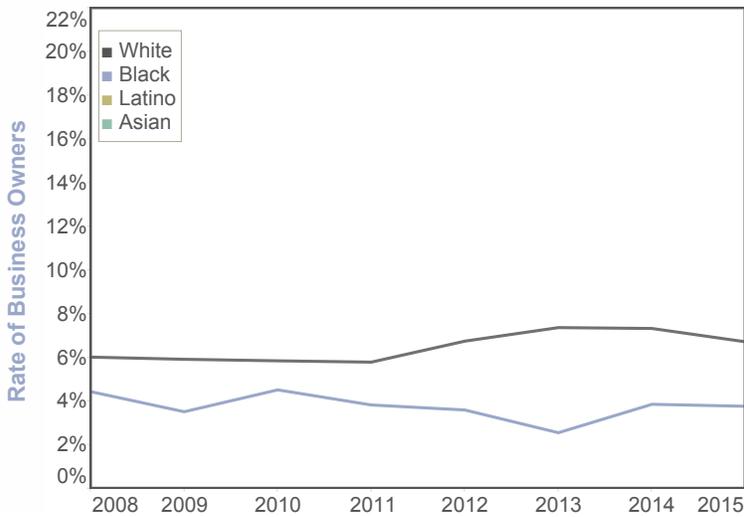
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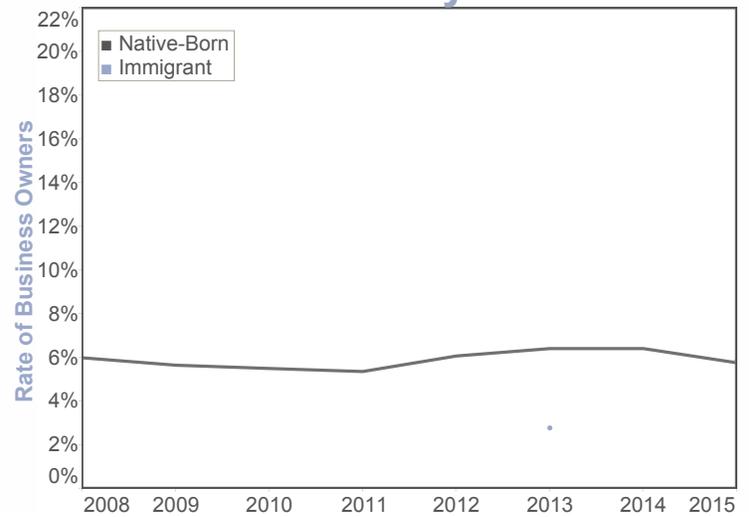
Gender



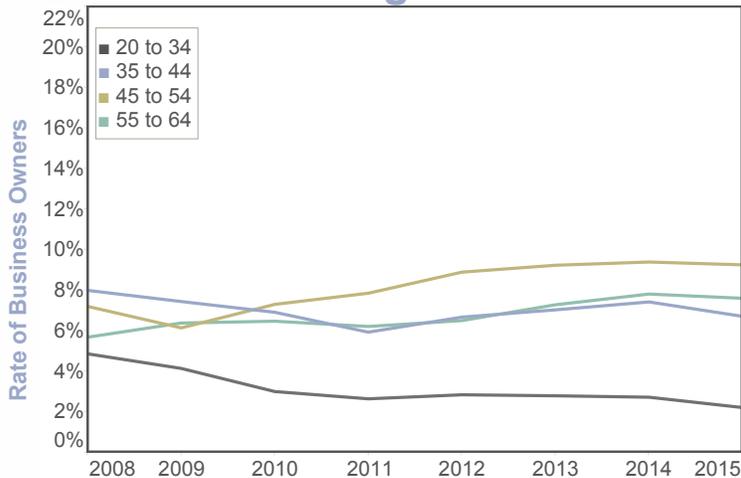
Race



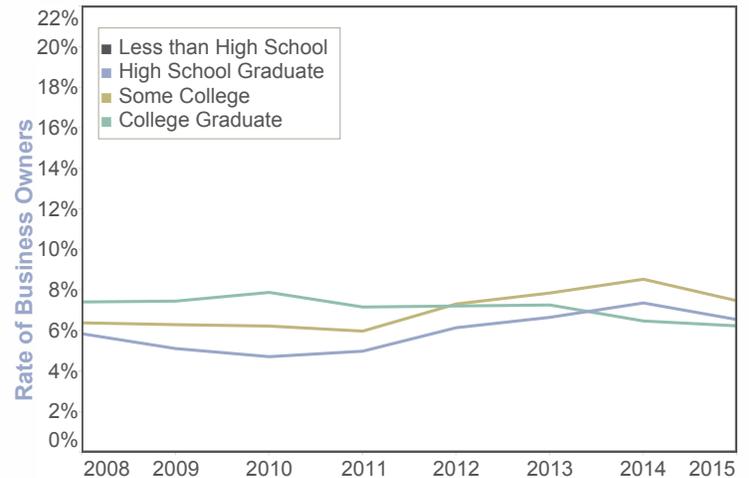
Nativity



Age



Education



Main Street Rank

2016	2015
17	12



Philadelphia

Metro: Philadelphia-Camden-Wilmington | State: Pennsylvania-New Jersey-Delaware-Maryland
Metro Profile

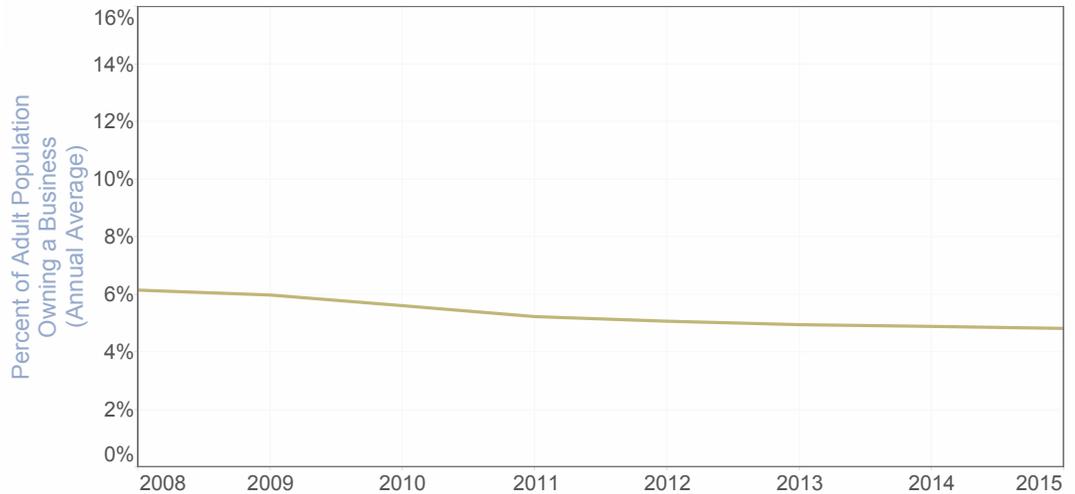
Rate of Business Owners

2016 Component	2015 Component
4.82%	4.89%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



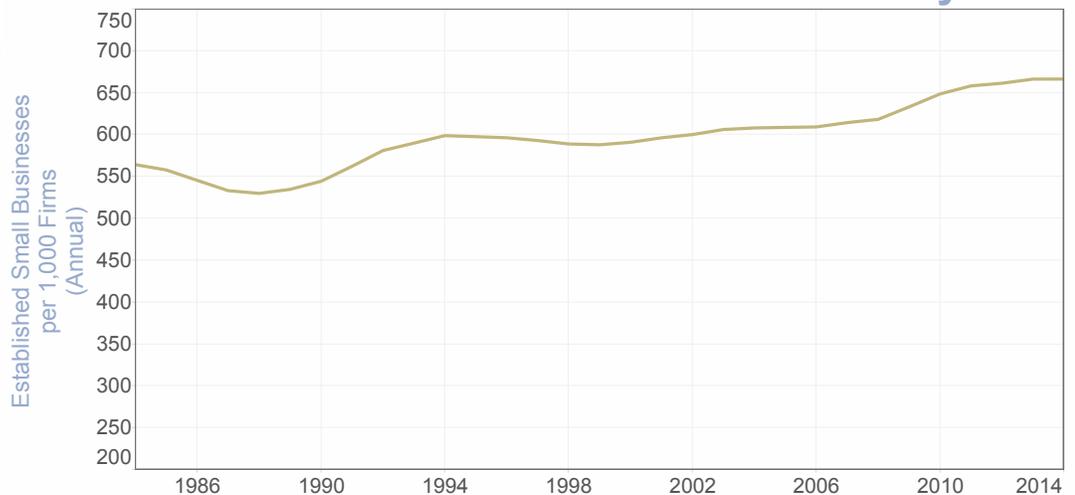
Established Small Business Density

2016 Component	2015 Component
666.4	666.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



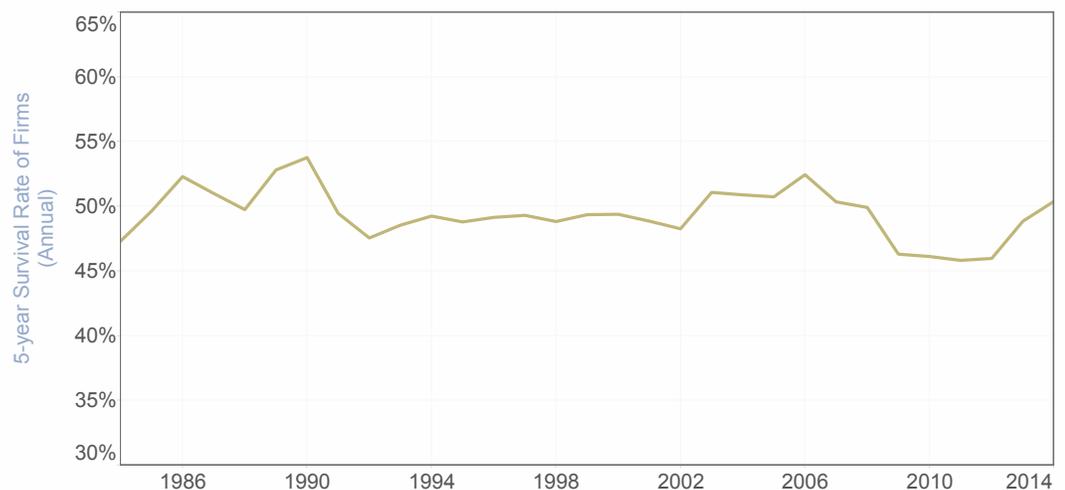
Survival Rate

2016 Component	2015 Component
50.39%	48.85%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Philadelphia

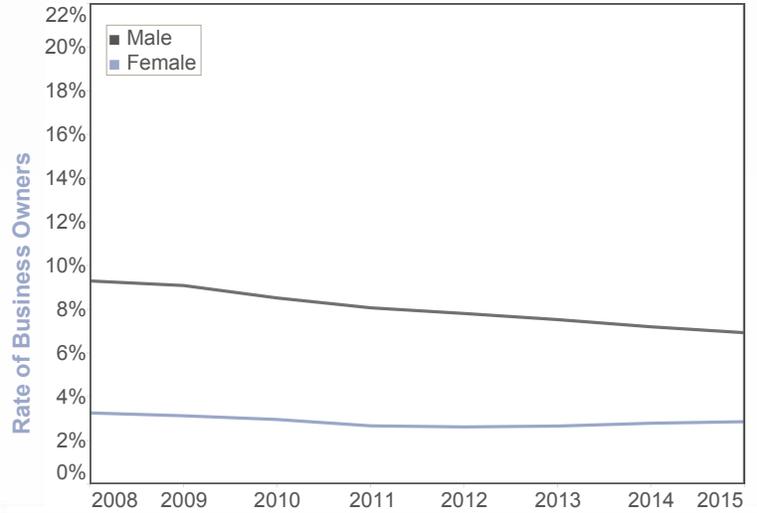
Metro: Philadelphia-Camden-Wilmington | State: Pennsylvania-New Jersey-Delaware-Maryland

Business Owner Demographics

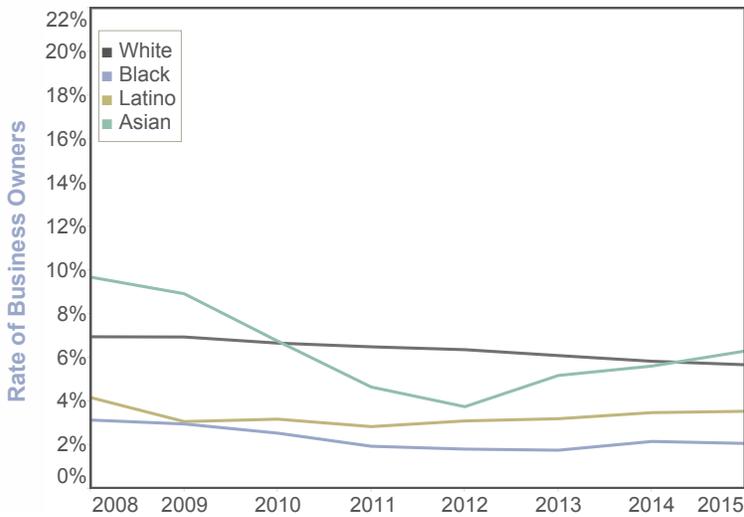
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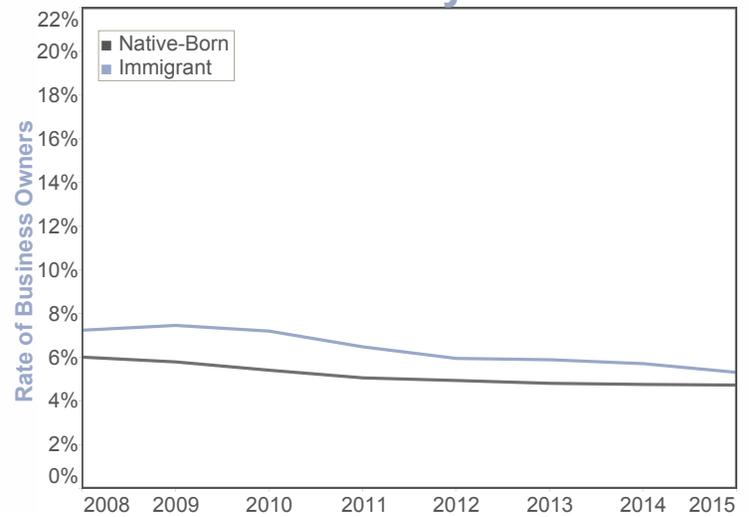
Gender



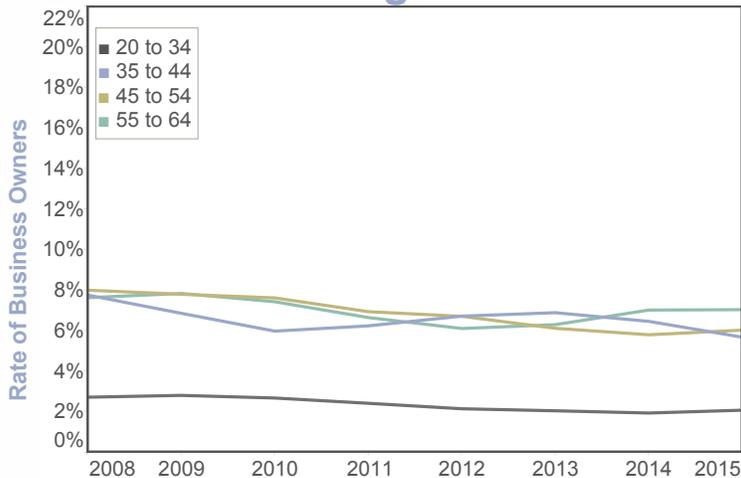
Race



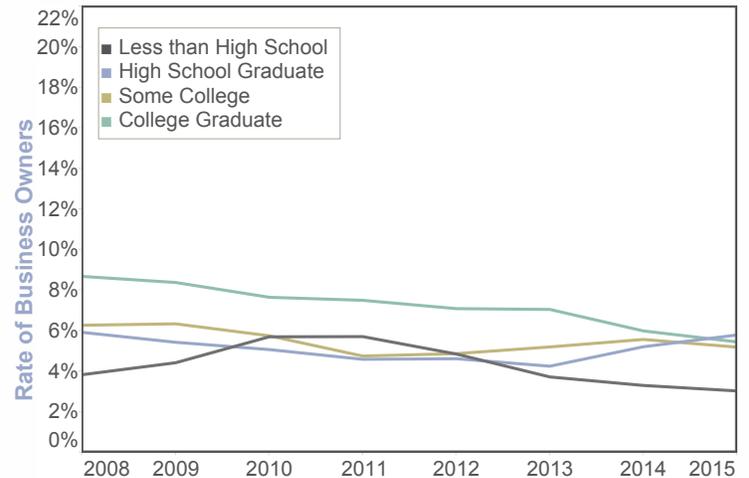
Nativity



Age



Education



Main Street Rank

2016	2015
18	21



New York

Metro: New York-Northern New Jersey-Long Island | State: New York-New Jersey-Pennsylvania
Metro Profile

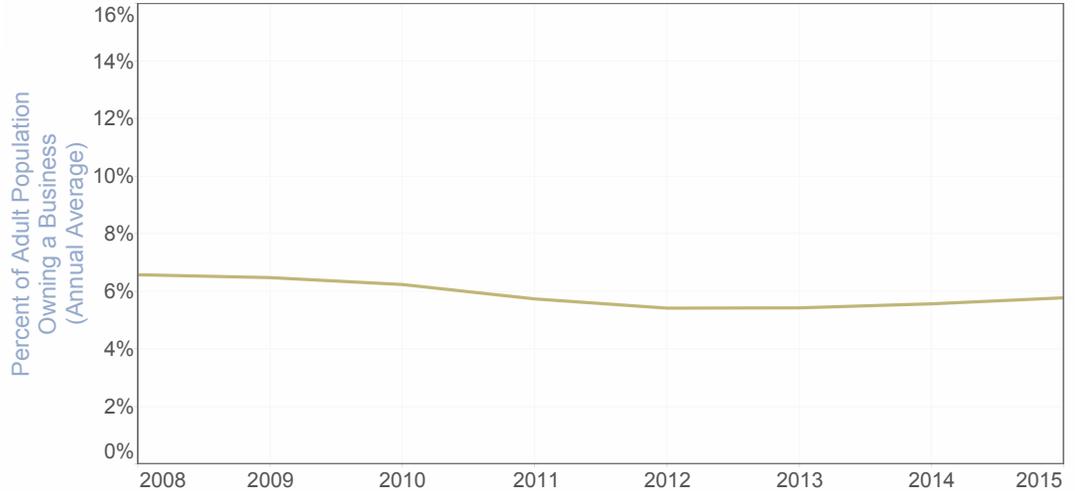
Rate of Business Owners

2016 Component	2015 Component
5.78%	5.57%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



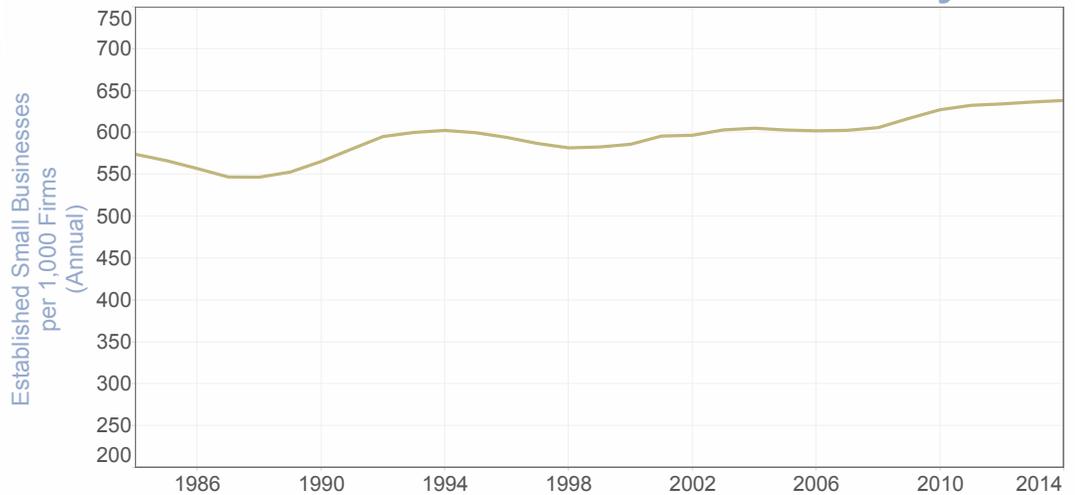
Established Small Business Density

2016 Component	2015 Component
638.5	636.7

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



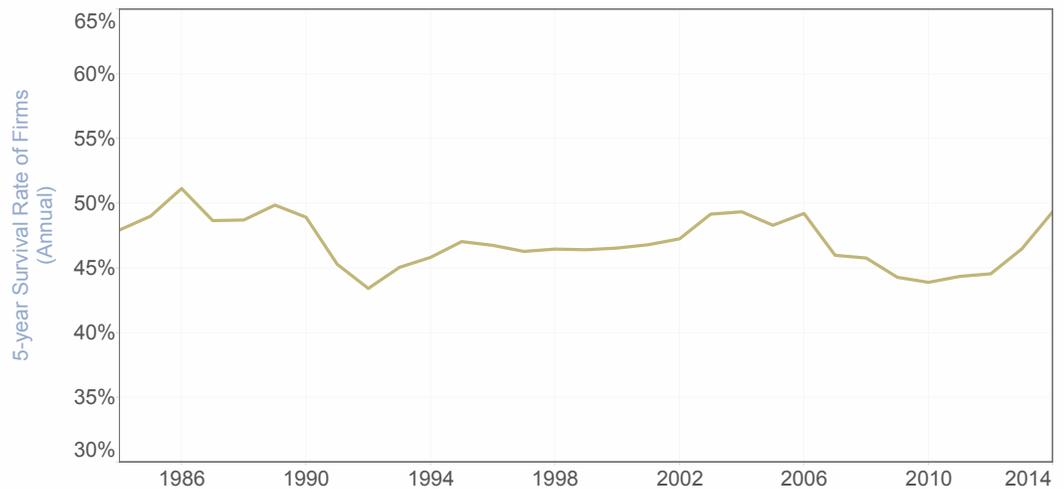
Survival Rate

2016 Component	2015 Component
49.38%	46.49%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



New York

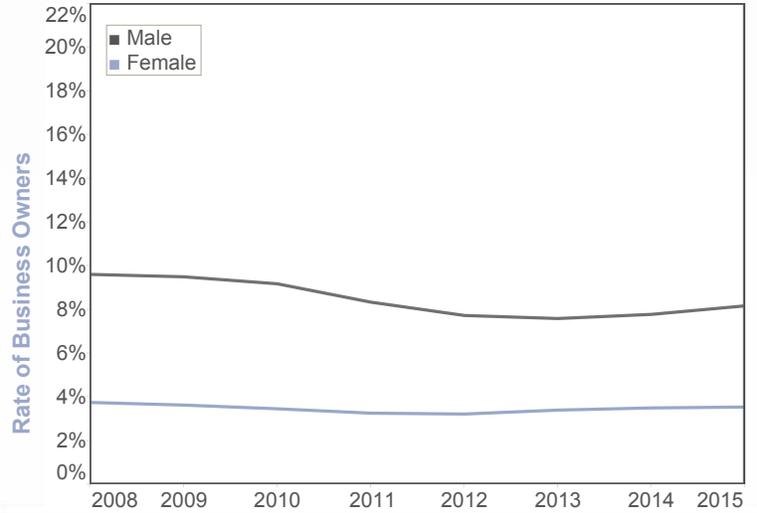
Metro: New York-Northern New Jersey-Long Island | State: New York-New Jersey-Pennsylvania

Business Owner Demographics

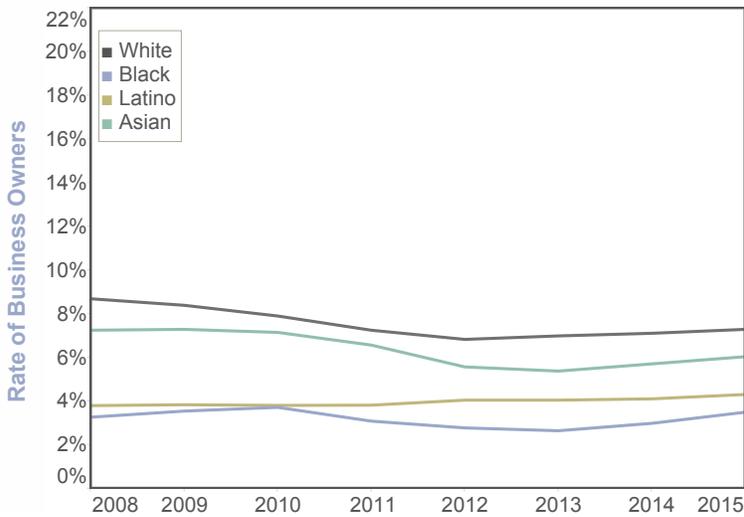
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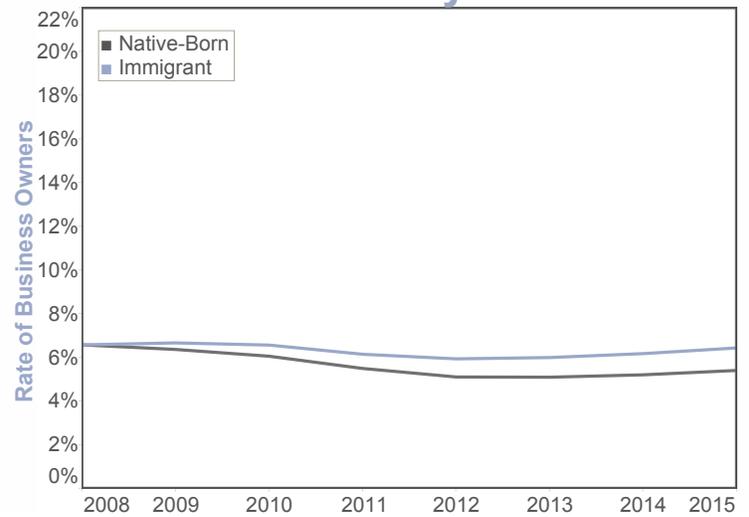
Gender



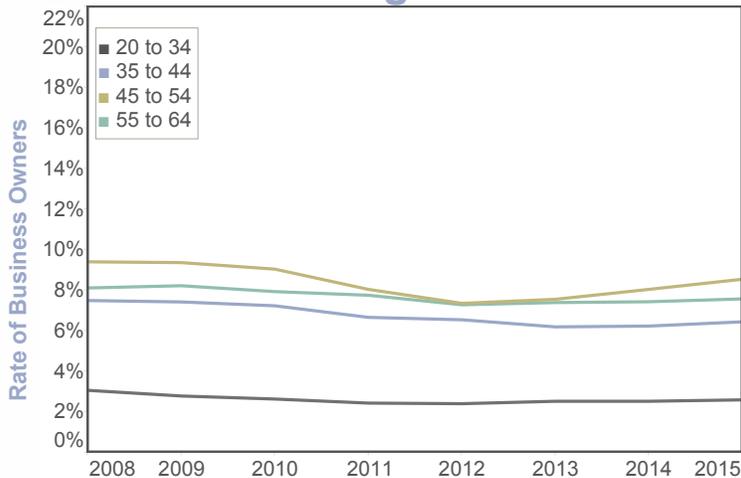
Race



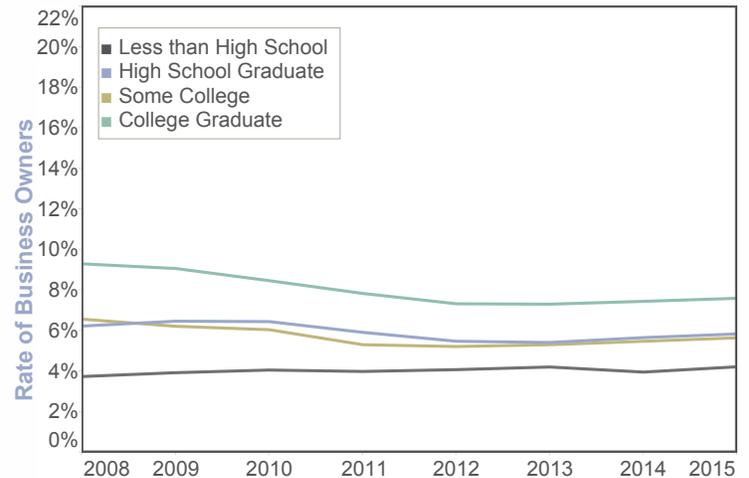
Nativity



Age



Education



Main Street Rank

2016	2015
19	29



Sacramento

Metro: Sacramento-Arden-Arcade-Roseville | State: California
Metro Profile

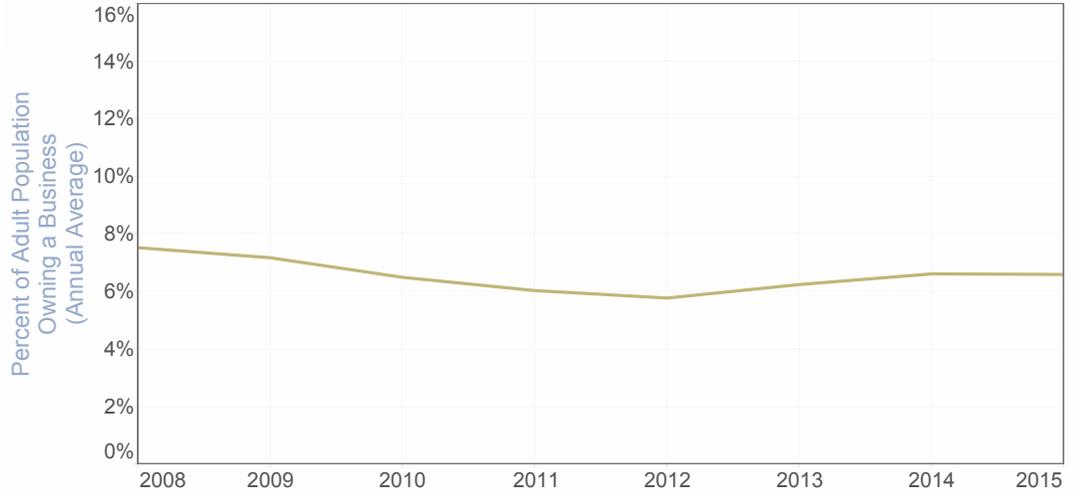
Rate of Business Owners

2016 Component	2015 Component
6.59%	6.61%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



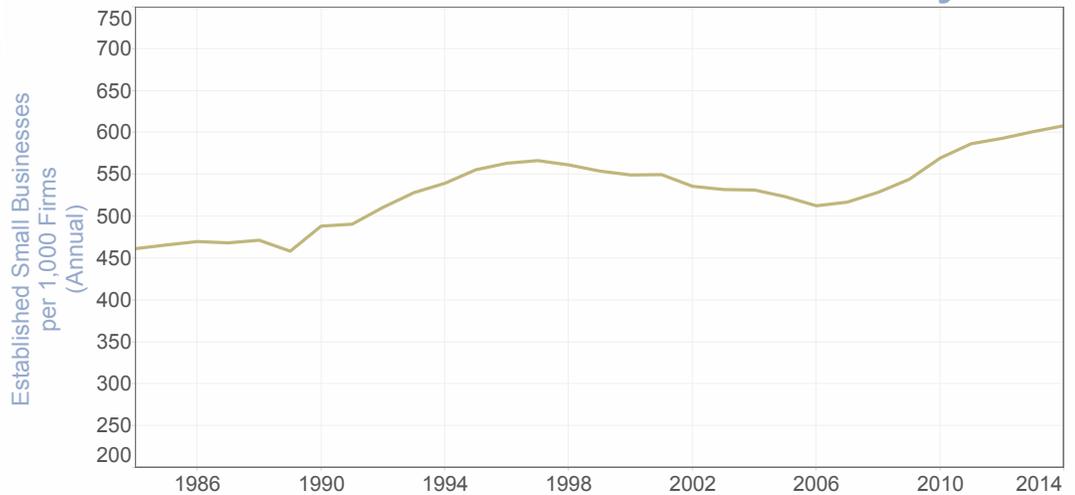
Established Small Business Density

2016 Component	2015 Component
608.3	601.2

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



Survival Rate

2016 Component	2015 Component
48.83%	43.23%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Sacramento

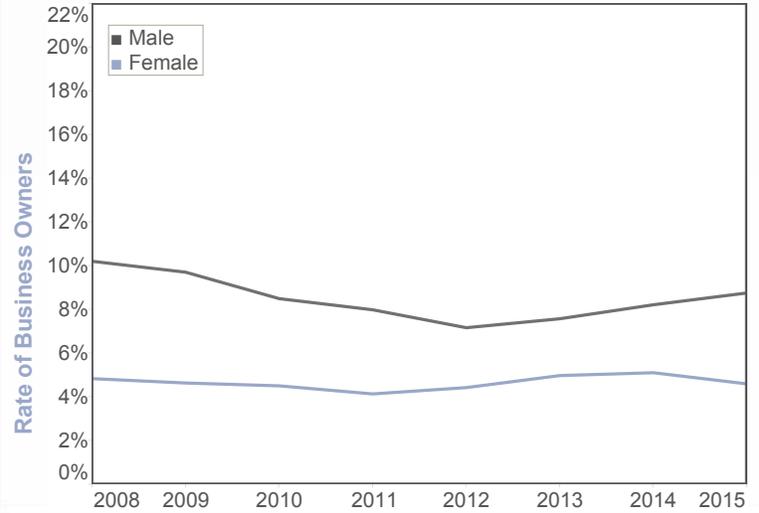
Metro: Sacramento-Arden-Arcade-Roseville | State: California

Business Owner Demographics

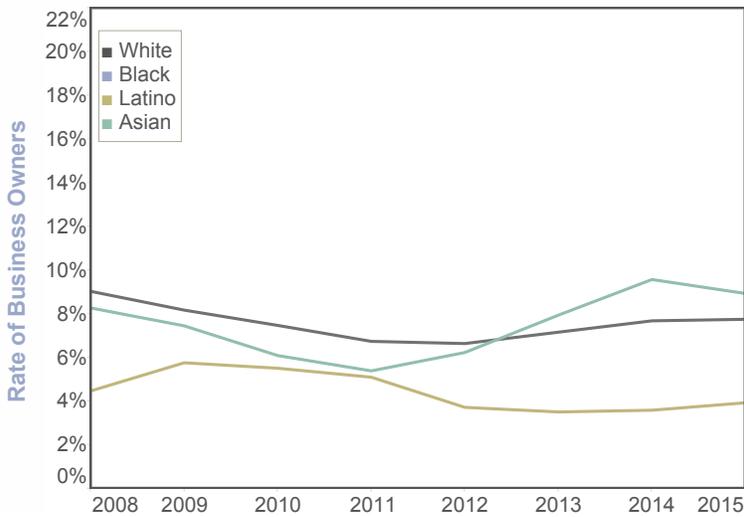
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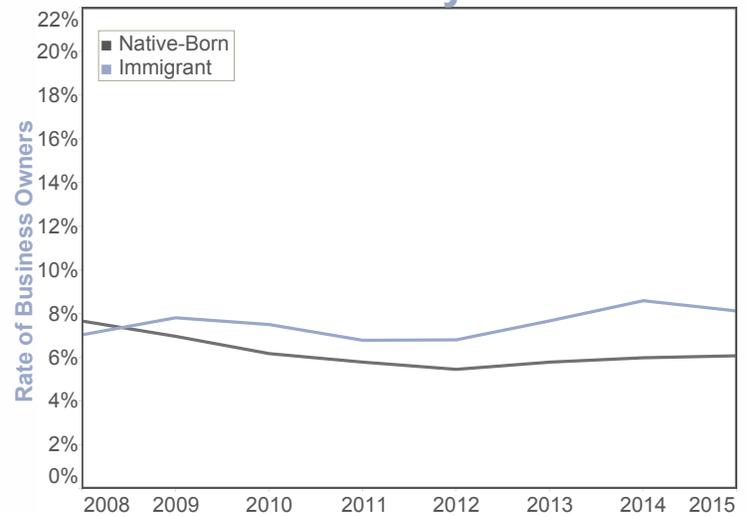
Gender



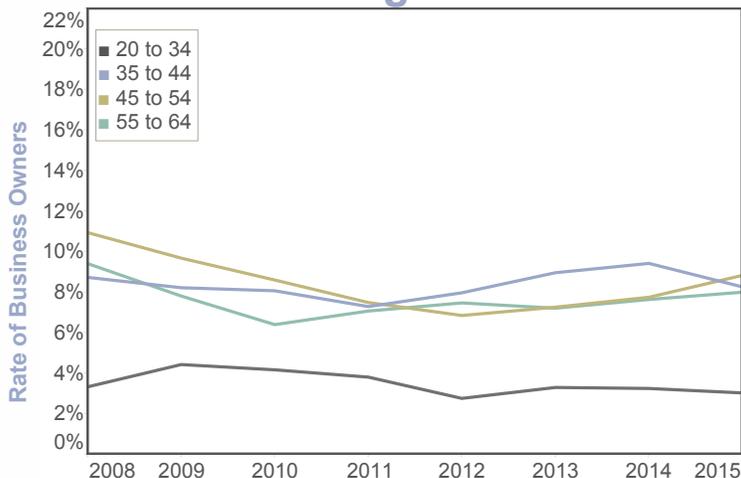
Race



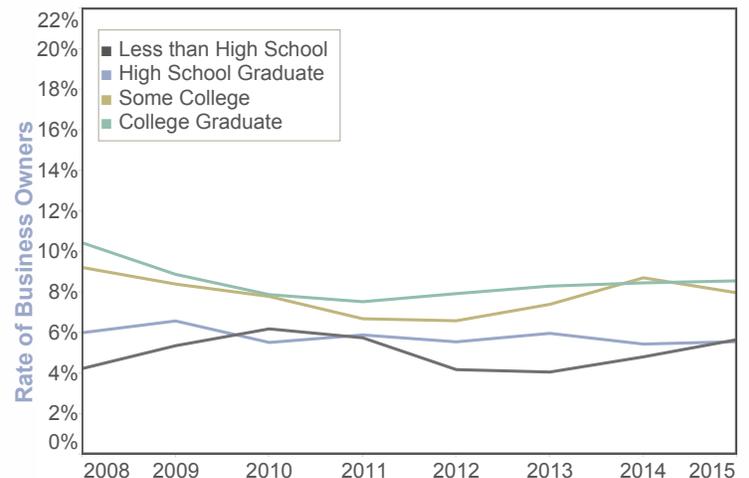
Nativity



Age



Education



Main Street Rank

2016	2015
20	11



Nashville

Metro: Nashville-Davidson-Murfreesboro-Franklin | State: Tennessee
Metro Profile

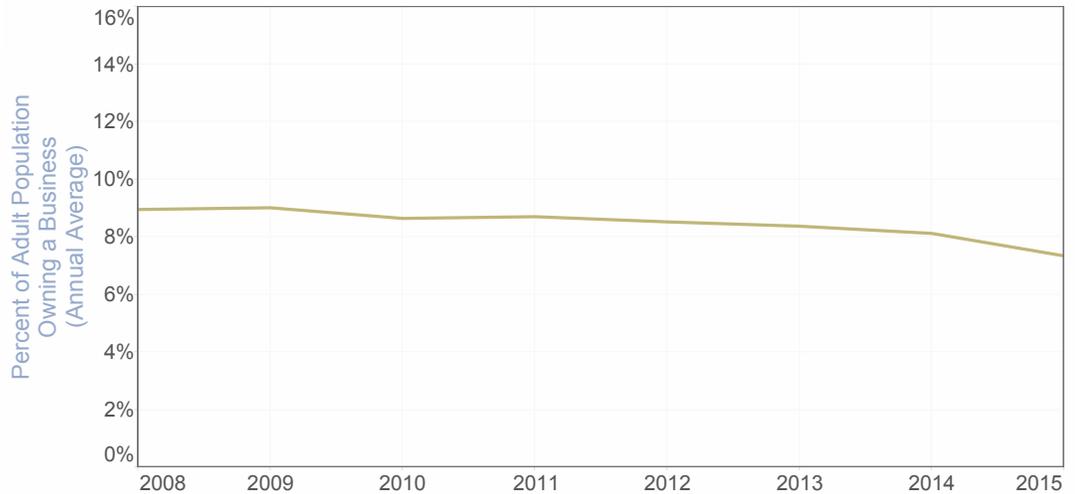
Rate of Business Owners

2016 Component	2015 Component
7.34%	8.12%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



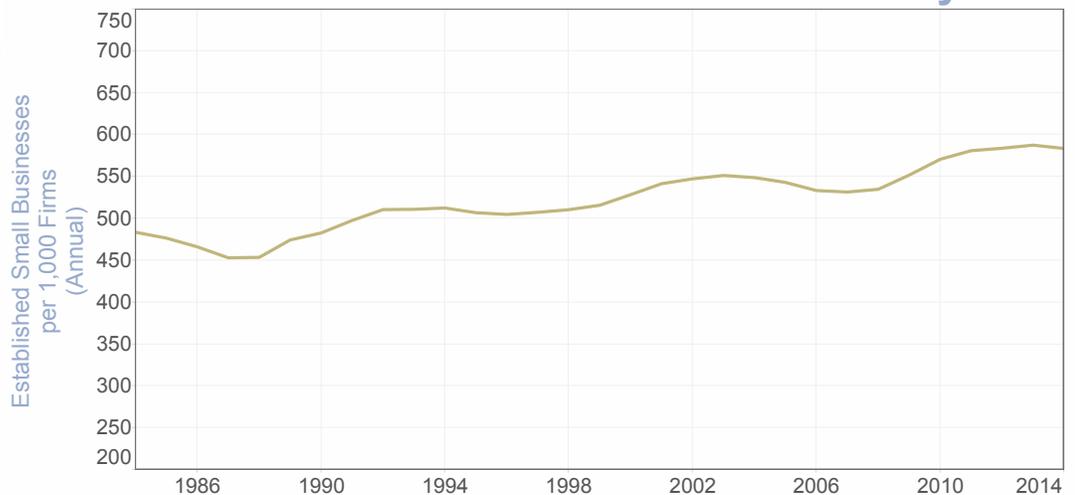
Established Small Business Density

2016 Component	2015 Component
583.6	587.5

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



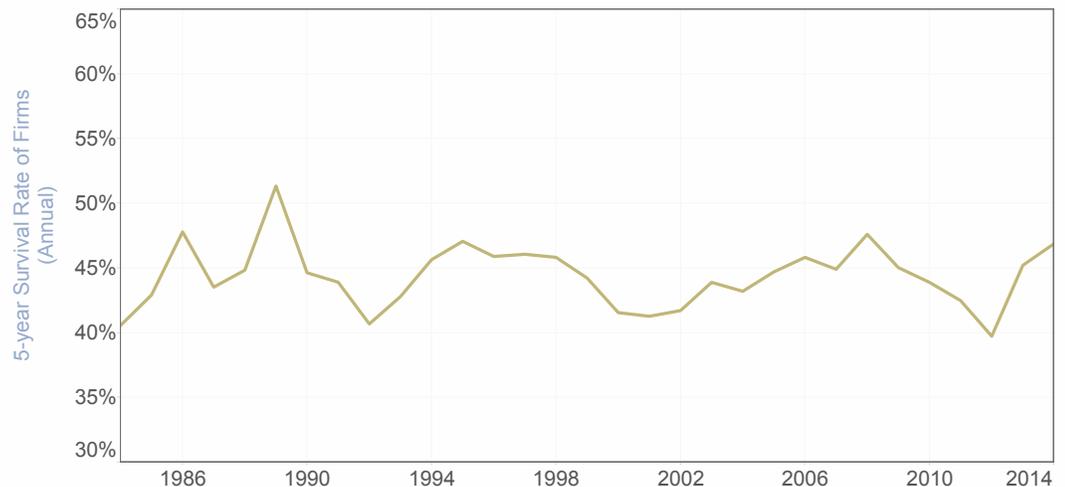
Survival Rate

2016 Component	2015 Component
46.88%	45.22%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Nashville

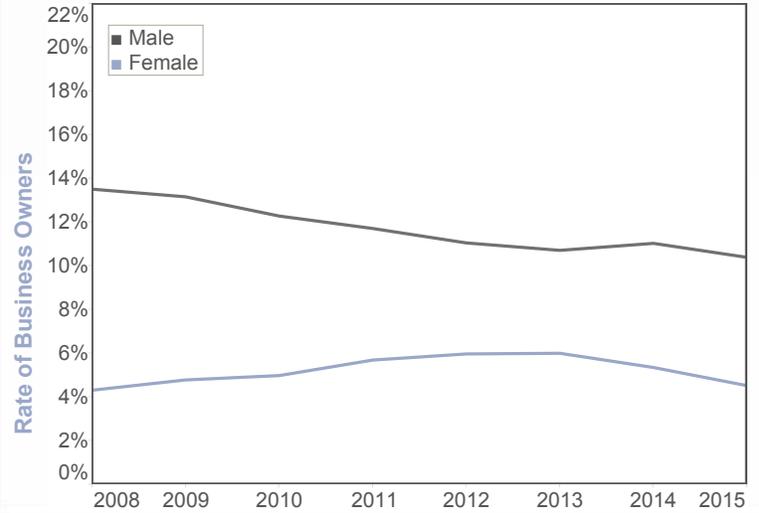
Metro: Nashville-Davidson-Murfreesboro-Franklin | State: Tennessee

Business Owner Demographics

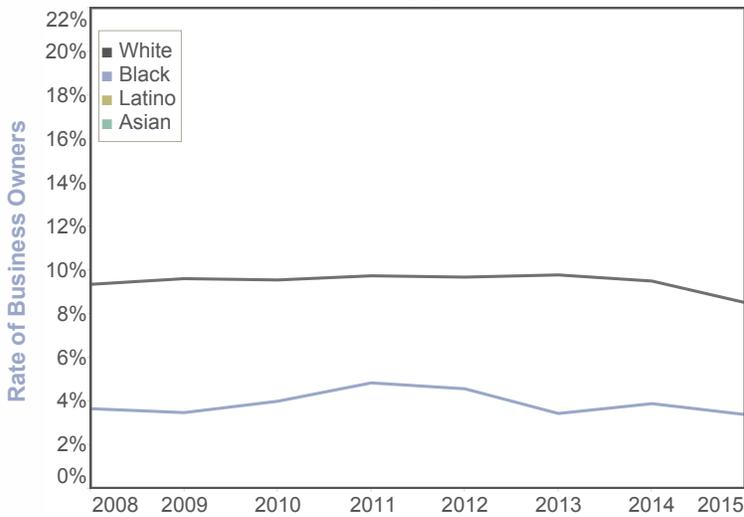
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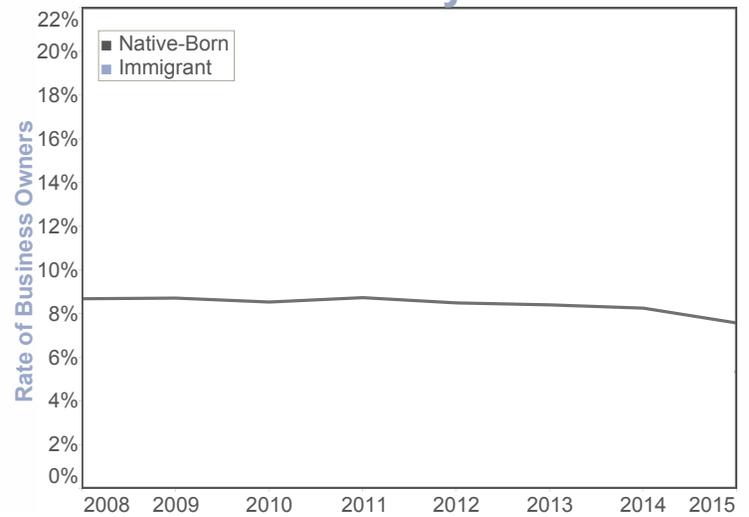
Gender



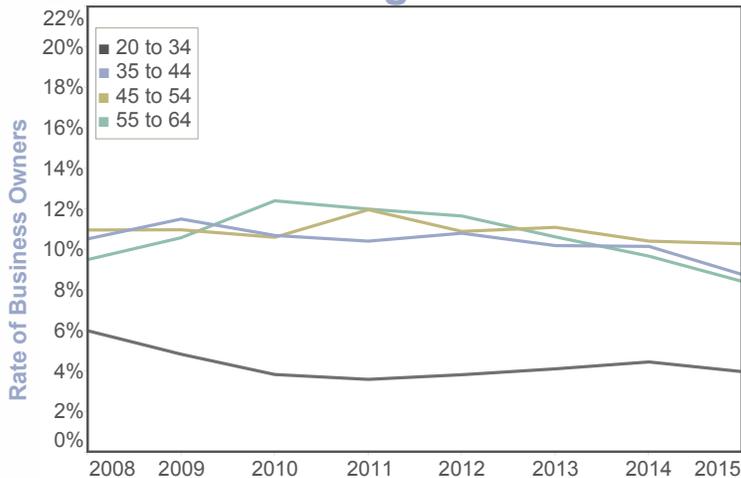
Race



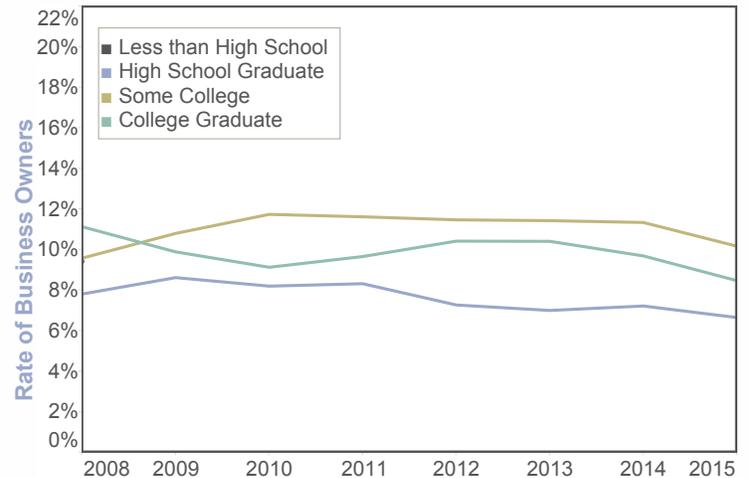
Nativity



Age



Education



Main Street Rank

2016	2015
21	28



Seattle

Metro: Seattle-Tacoma-Bellevue | State: Washington
Metro Profile

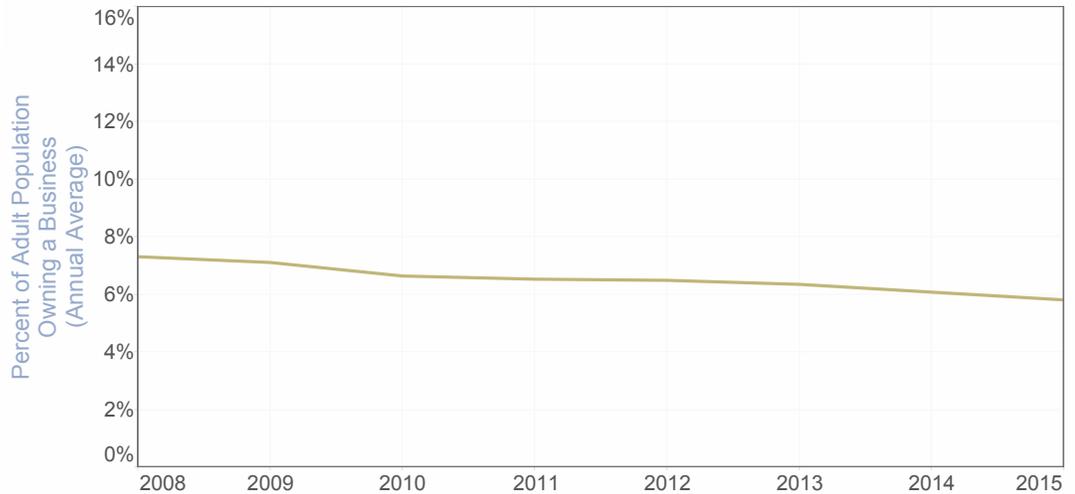
Rate of Business Owners

2016 Component	2015 Component
5.81%	6.08%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



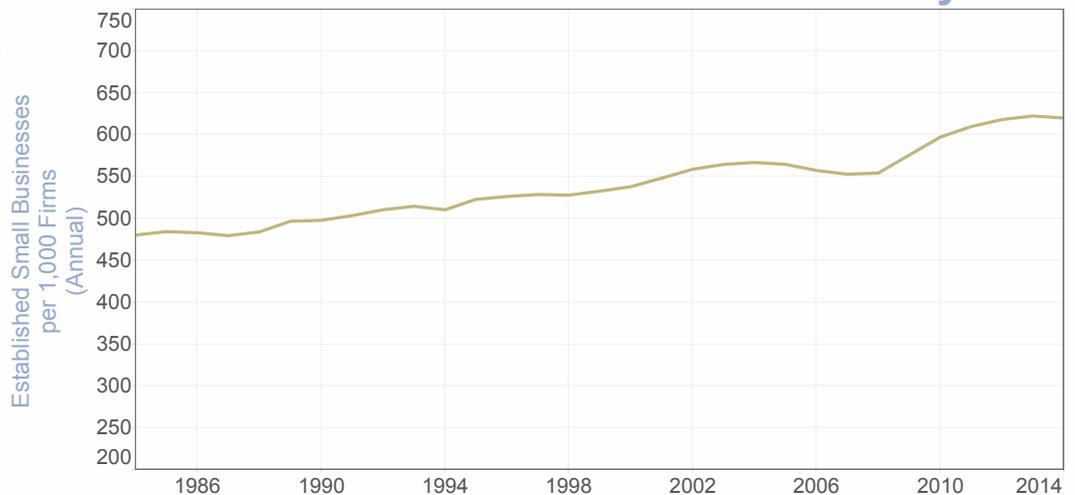
Established Small Business Density

2016 Component	2015 Component
619.9	622.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



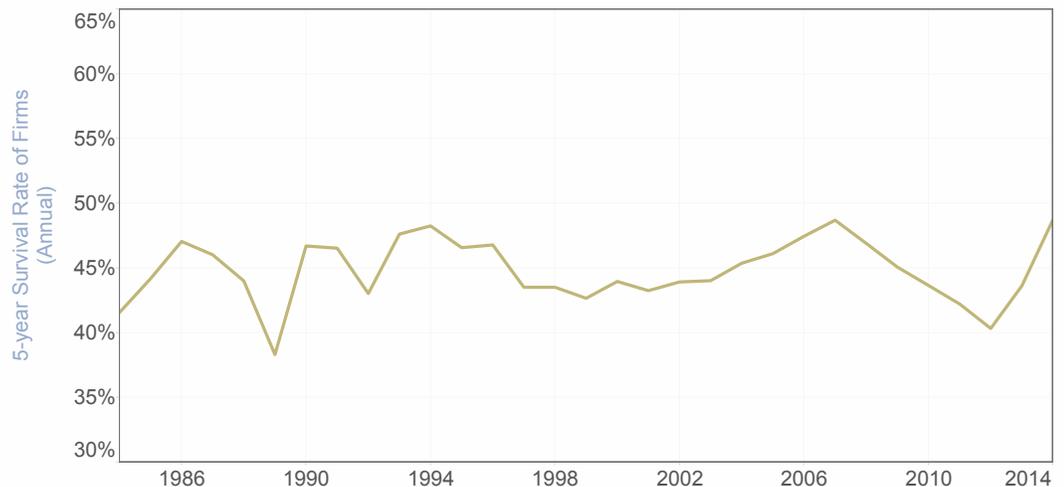
Survival Rate

2016 Component	2015 Component
48.74%	43.63%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Seattle

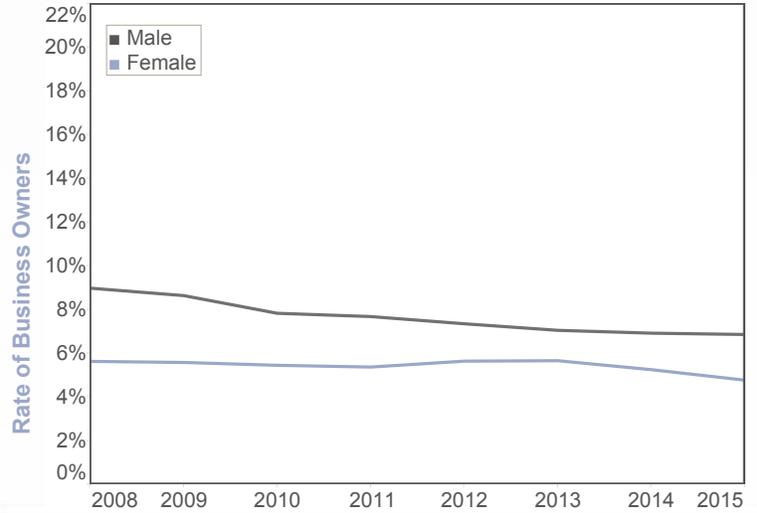
Metro: Seattle-Tacoma-Bellevue | State: Washington

Business Owner Demographics

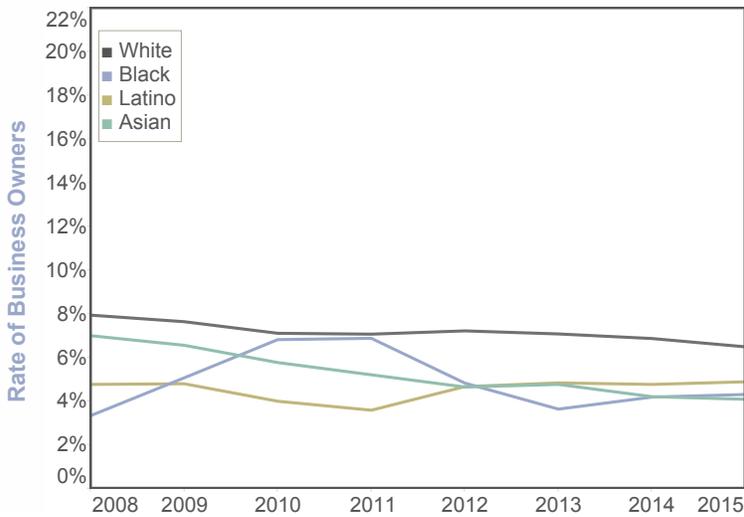
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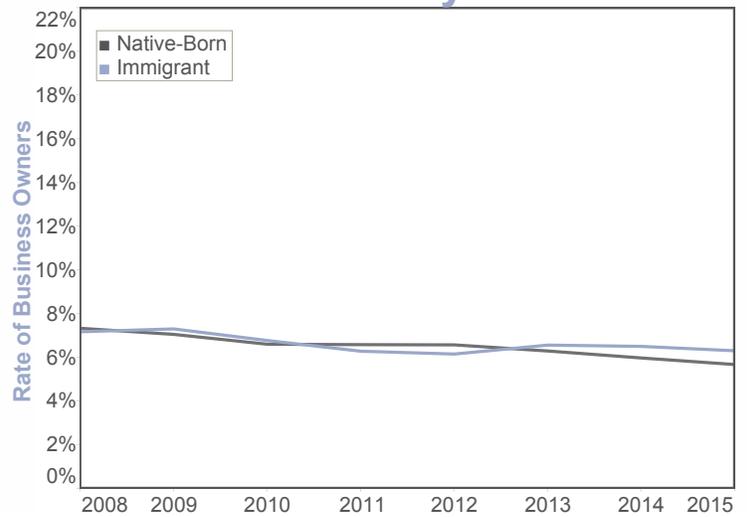
Gender



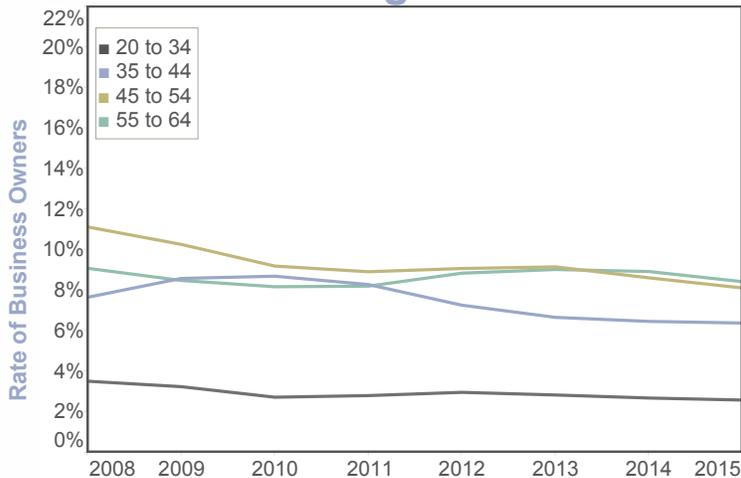
Race



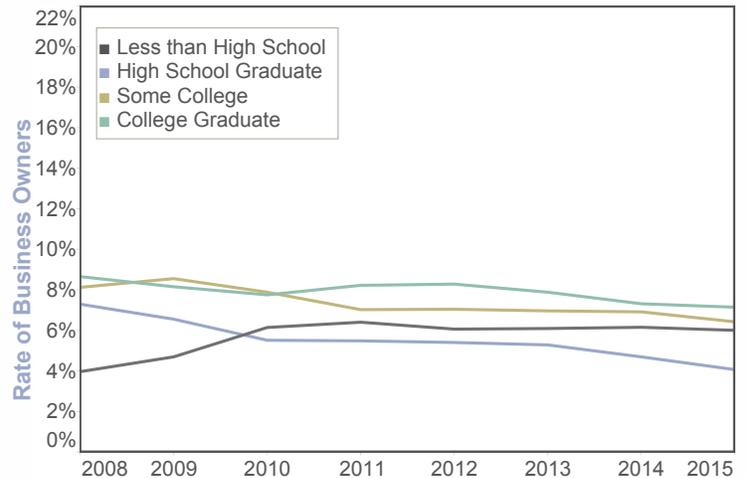
Nativity



Age



Education



Main Street Rank

2016	2015
22	18



Milwaukee

Metro: Milwaukee-Waukesha-West Allis | State: Wisconsin
Metro Profile

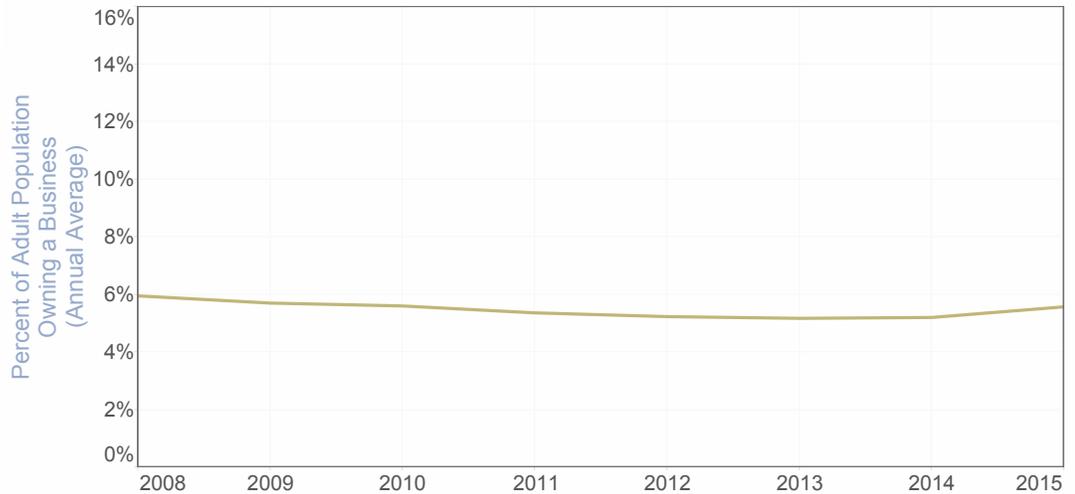
Rate of Business Owners

2016 Component	2015 Component
5.57%	5.20%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



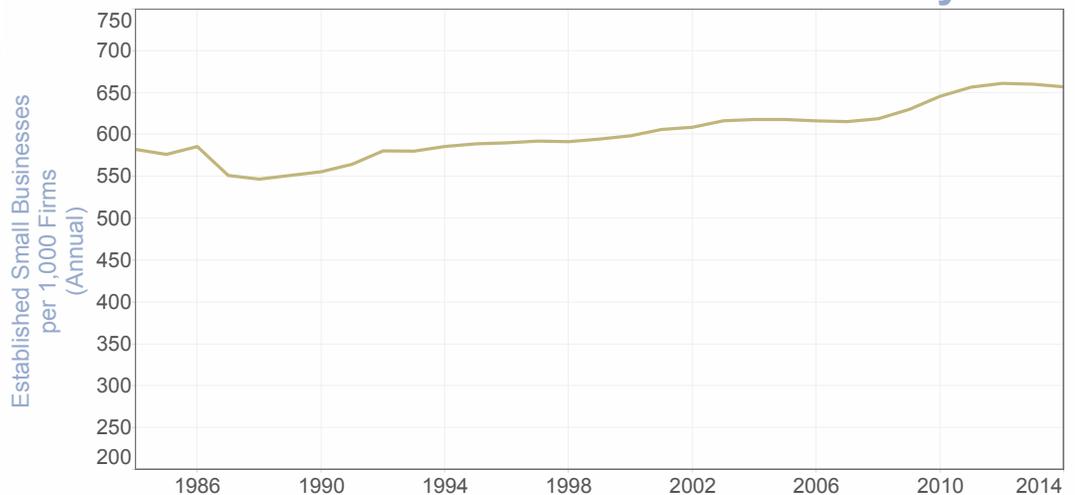
Established Small Business Density

2016 Component	2015 Component
657.1	660.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



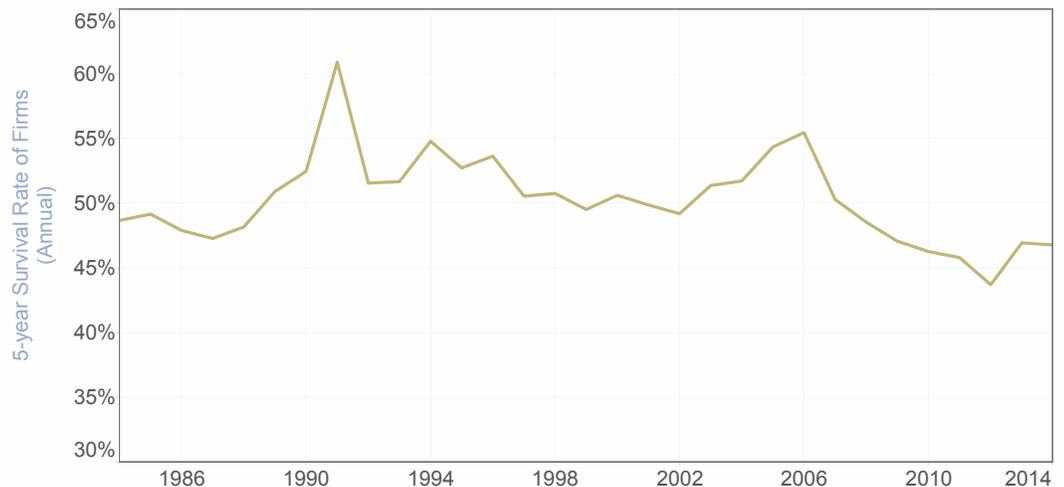
Survival Rate

2016 Component	2015 Component
46.79%	46.95%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Milwaukee

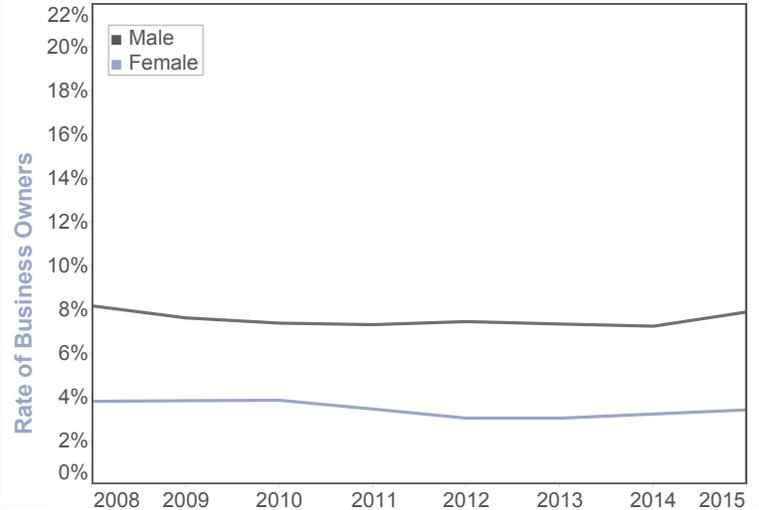
Metro: Milwaukee-Waukesha-West Allis | State: Wisconsin

Business Owner Demographics

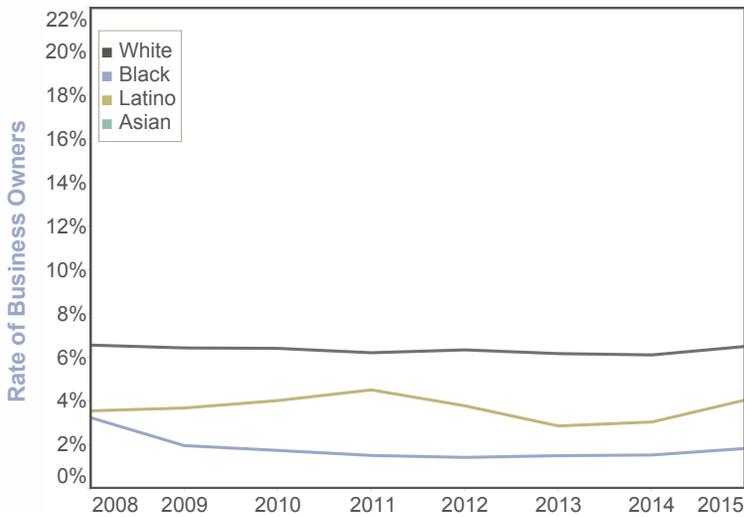
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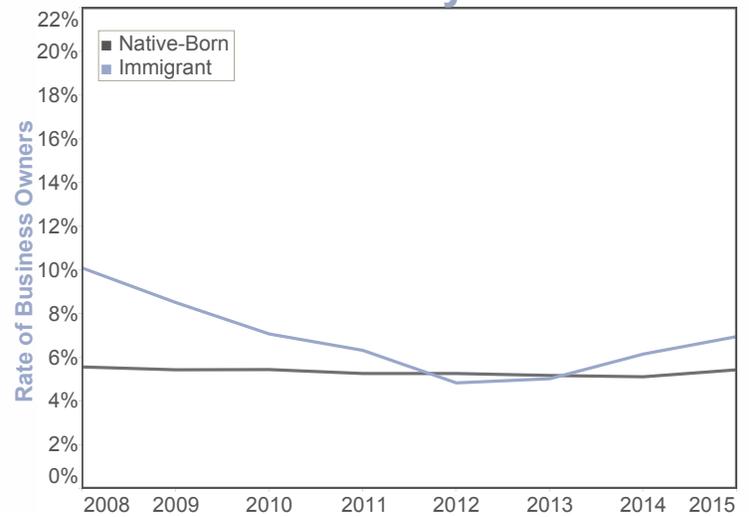
Gender



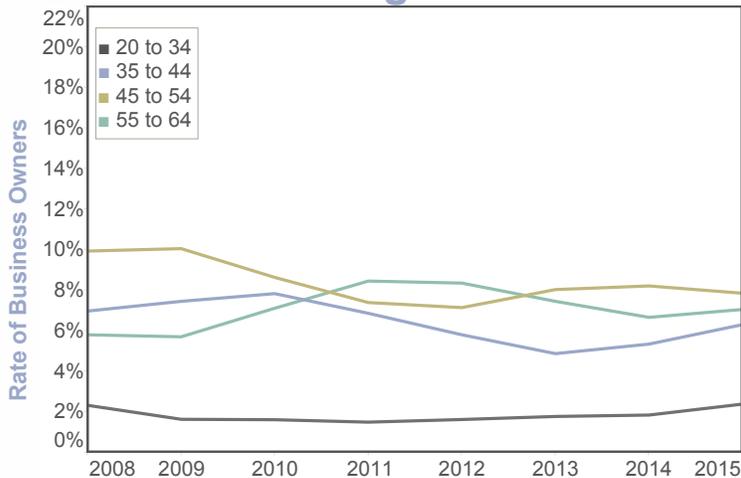
Race



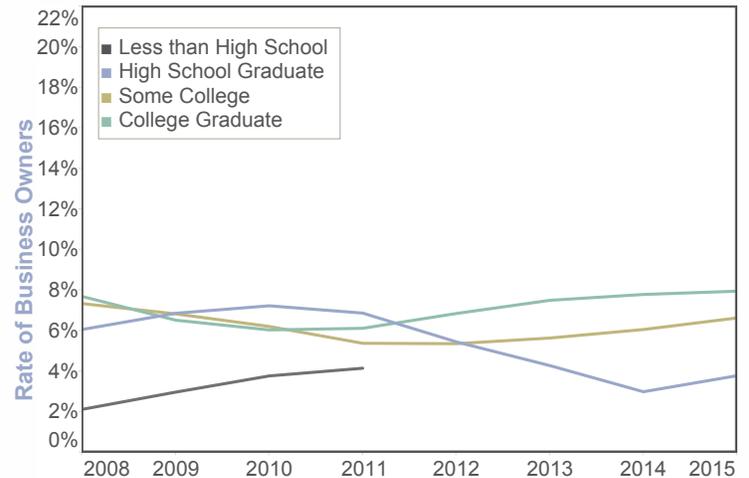
Nativity



Age



Education



Main Street Rank

2016	2015
23	23



Kansas City

Metro: Kansas City | State: Missouri-Kansas
Metro Profile

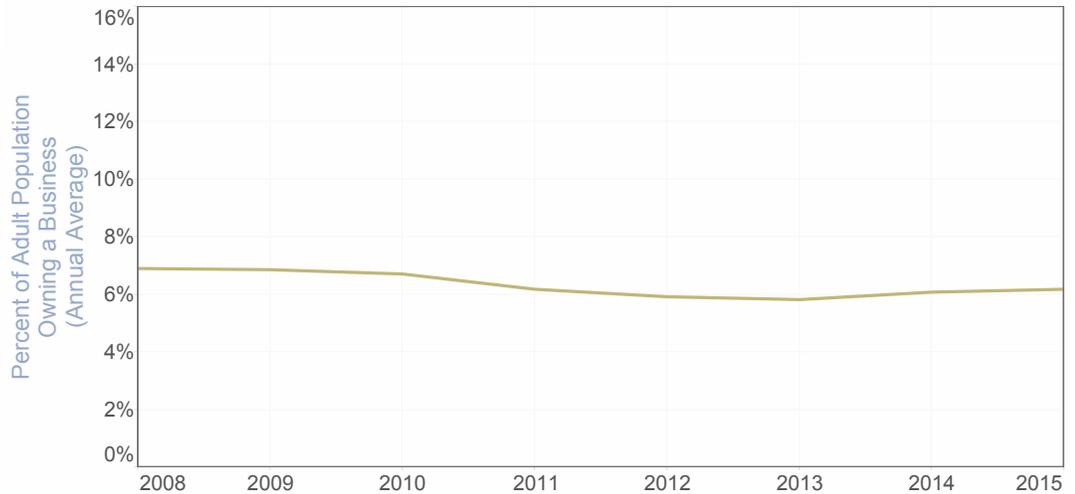
Rate of Business Owners

2016 Component	2015 Component
6.18%	6.08%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



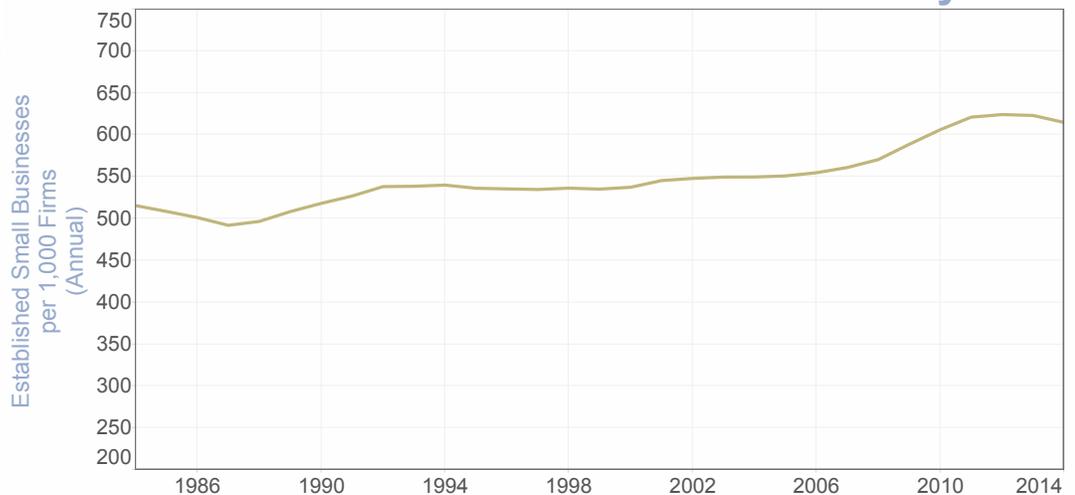
Established Small Business Density

2016 Component	2015 Component
614.7	623.0

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



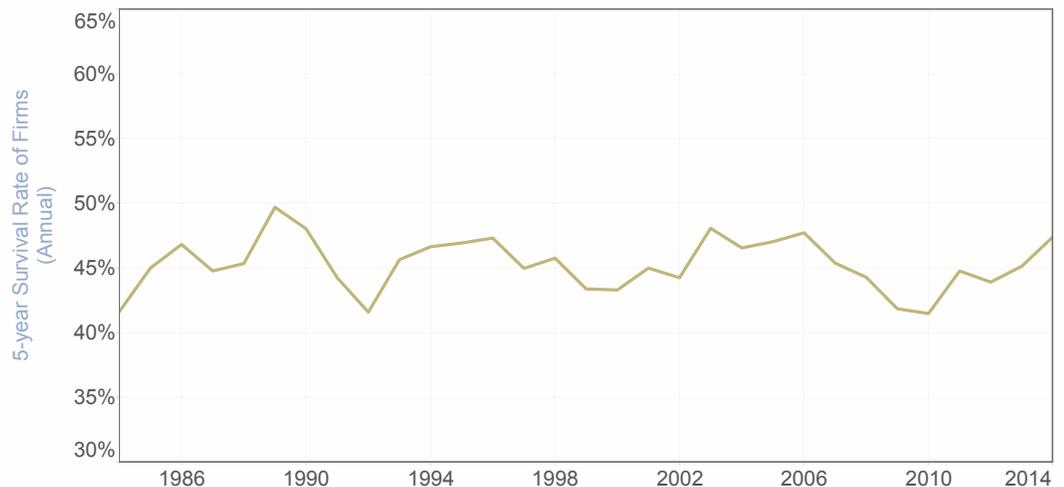
Survival Rate

2016 Component	2015 Component
47.42%	45.15%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Kansas City

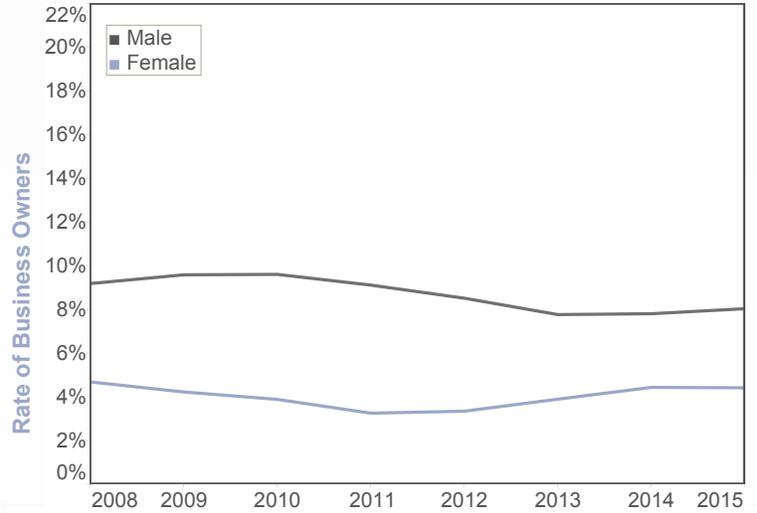
Metro: Kansas City | State: Missouri-Kansas

Business Owner Demographics

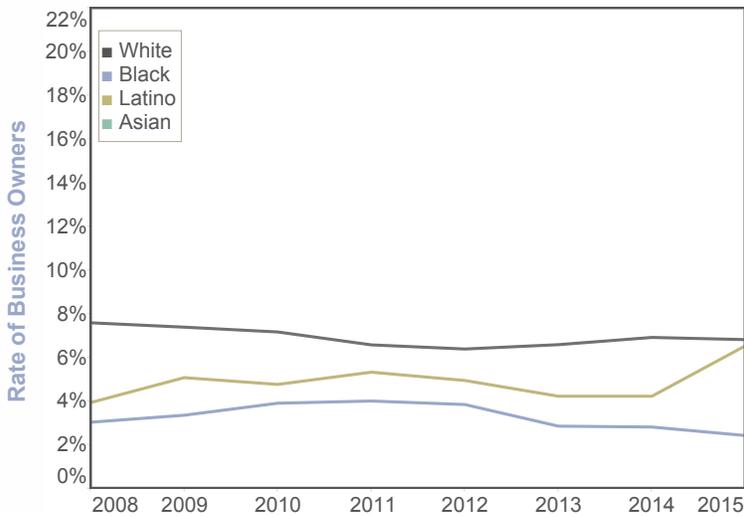
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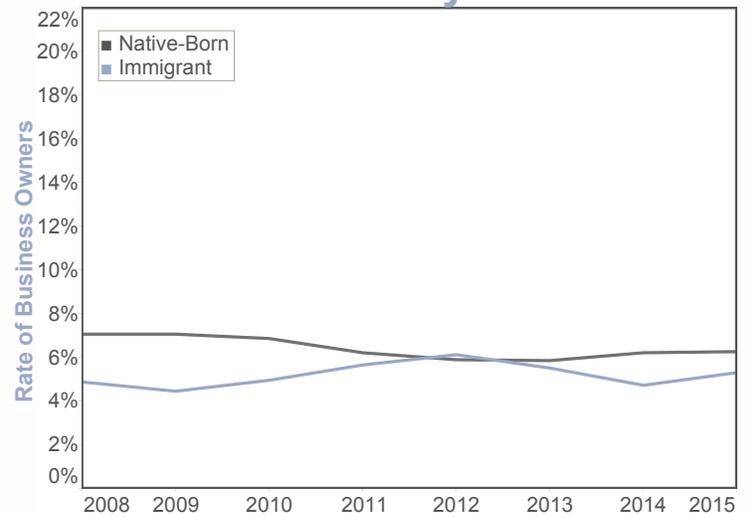
Gender



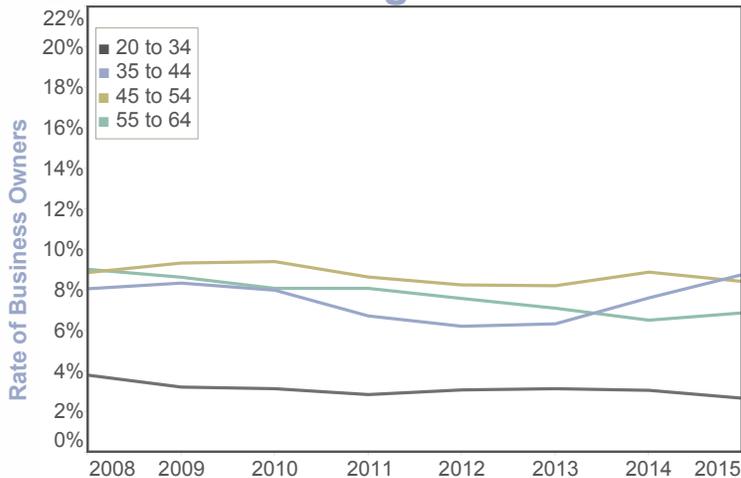
Race



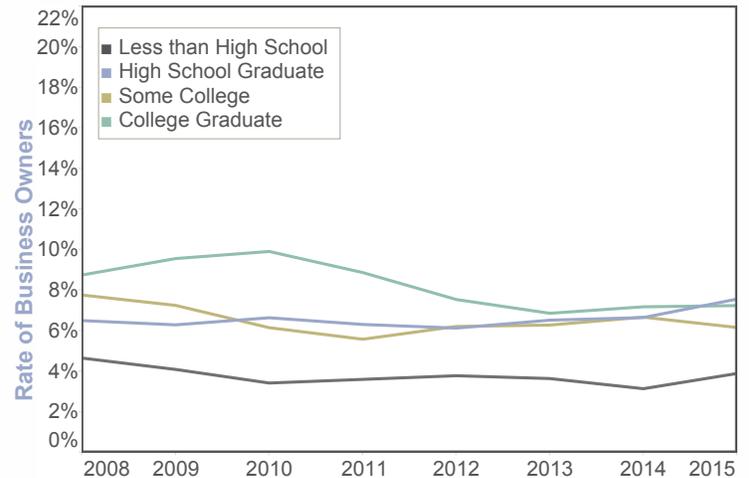
Nativity



Age



Education



Main Street Rank

2016	2015
24	24



Houston

Metro: Houston-Sugar Land-Baytown | State: Texas
Metro Profile

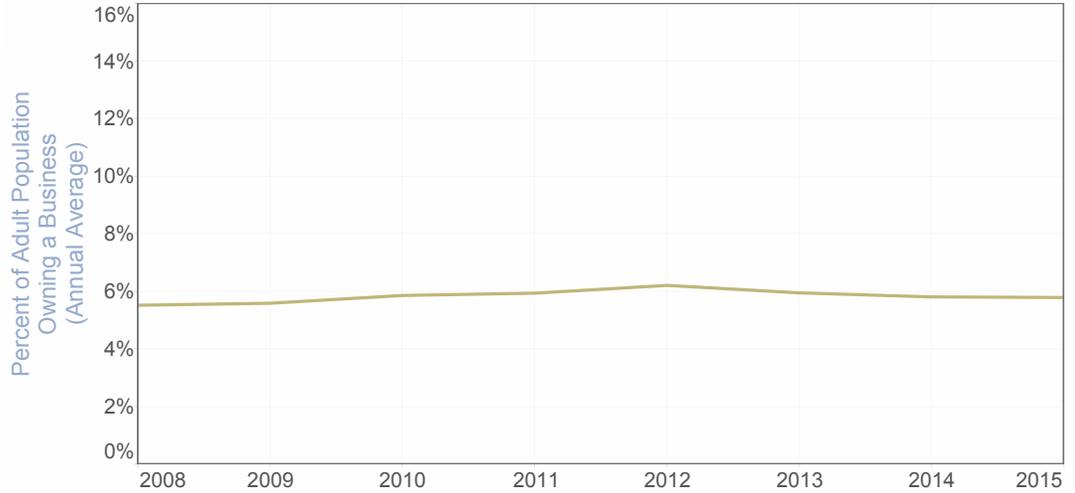
Rate of Business Owners

2016 Component	2015 Component
5.79%	5.81%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



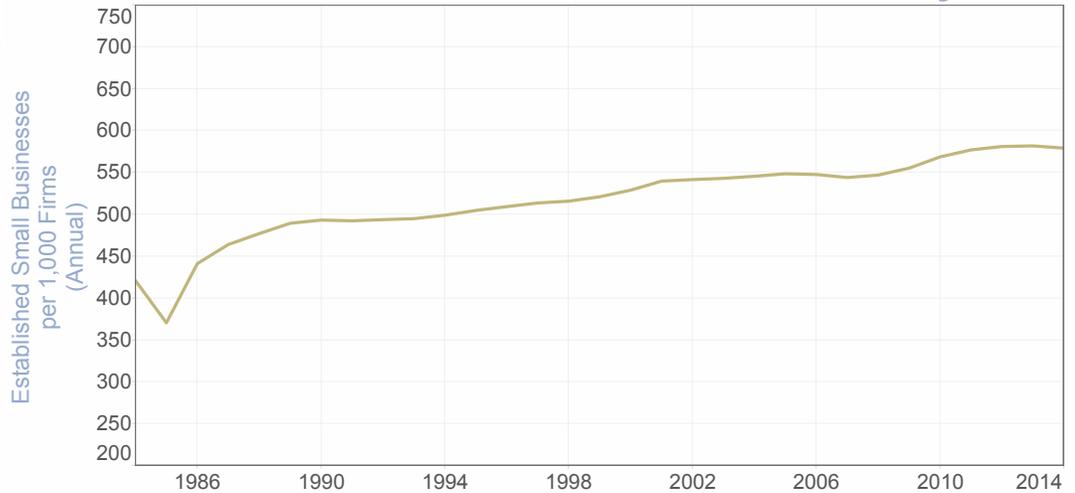
Established Small Business Density

2016 Component	2015 Component
579.2	581.8

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



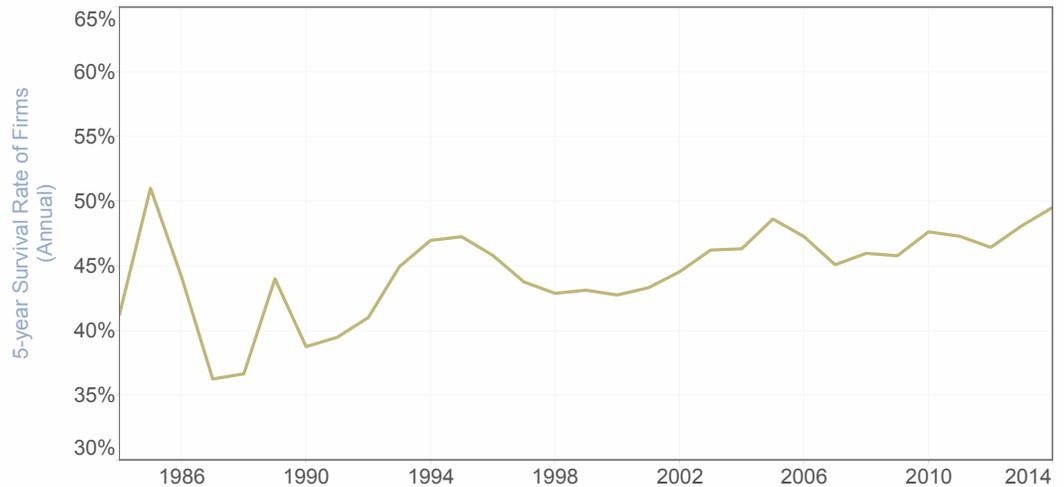
Survival Rate

2016 Component	2015 Component
49.55%	48.12%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Houston

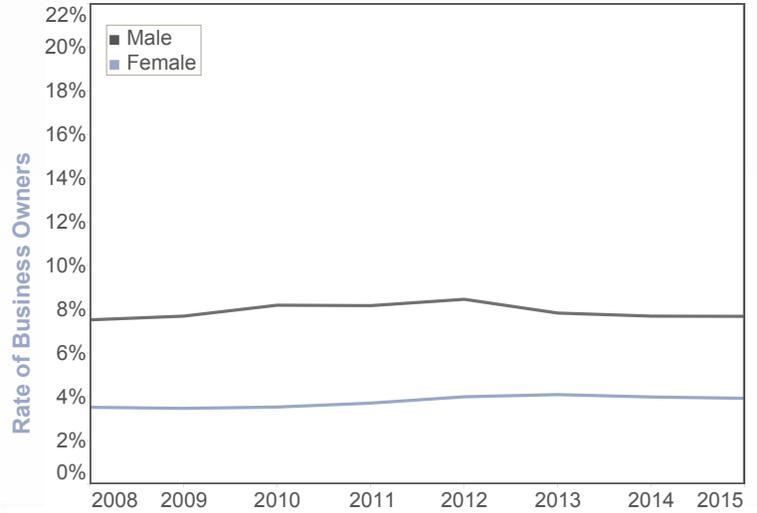
Metro: Houston-Sugar Land-Baytown | State: Texas

Business Owner Demographics

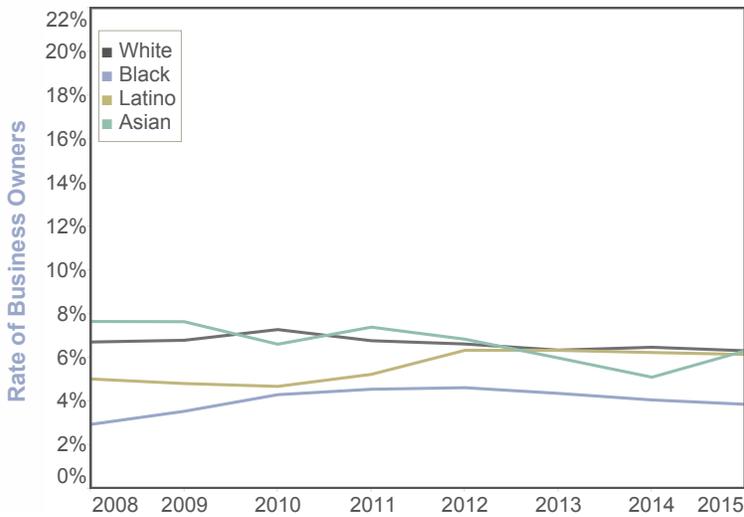
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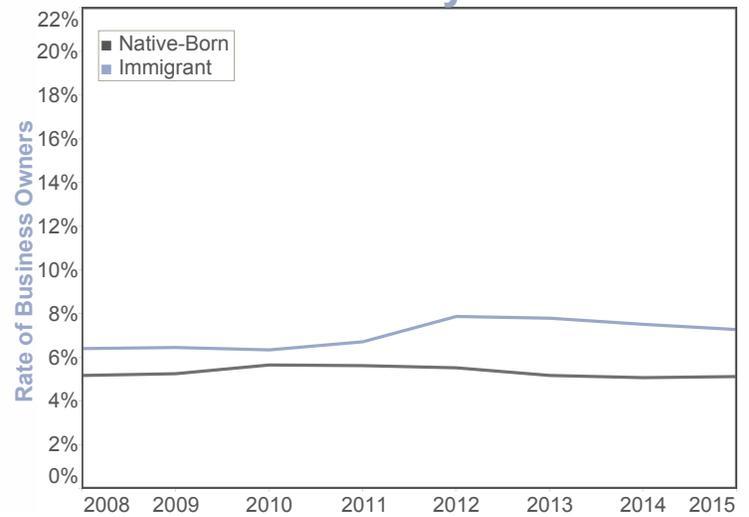
Gender



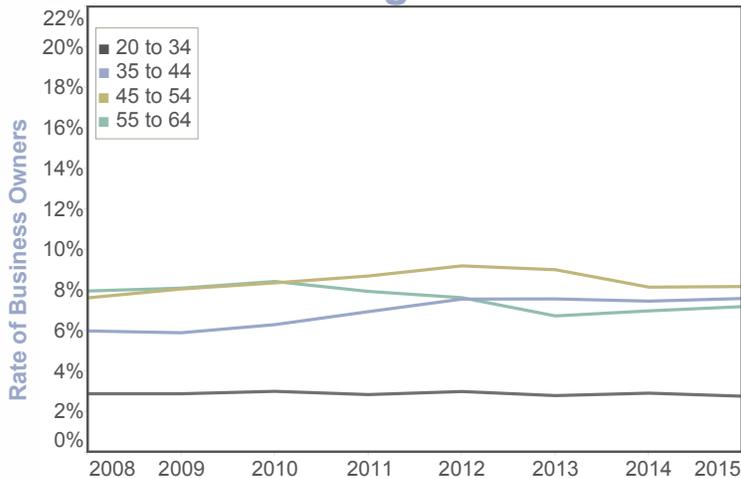
Race



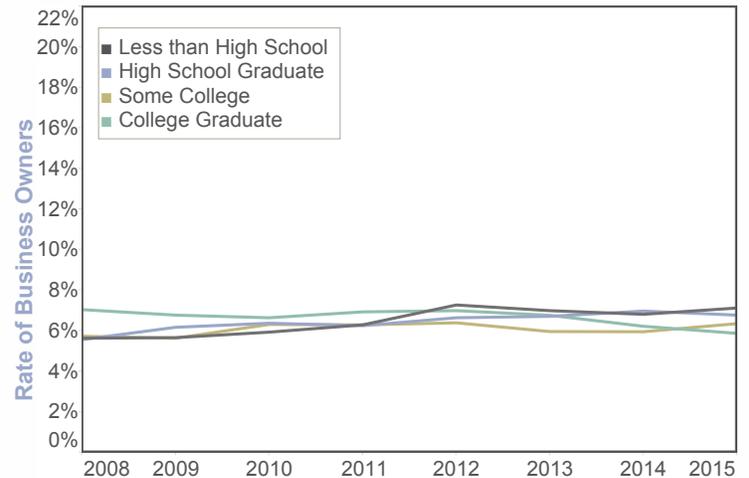
Nativity



Age



Education



Main Street Rank

2016	2015
25	30



Cincinnati

Metro: Cincinnati-Middletown | State: Ohio-Kentucky-Indiana
Metro Profile

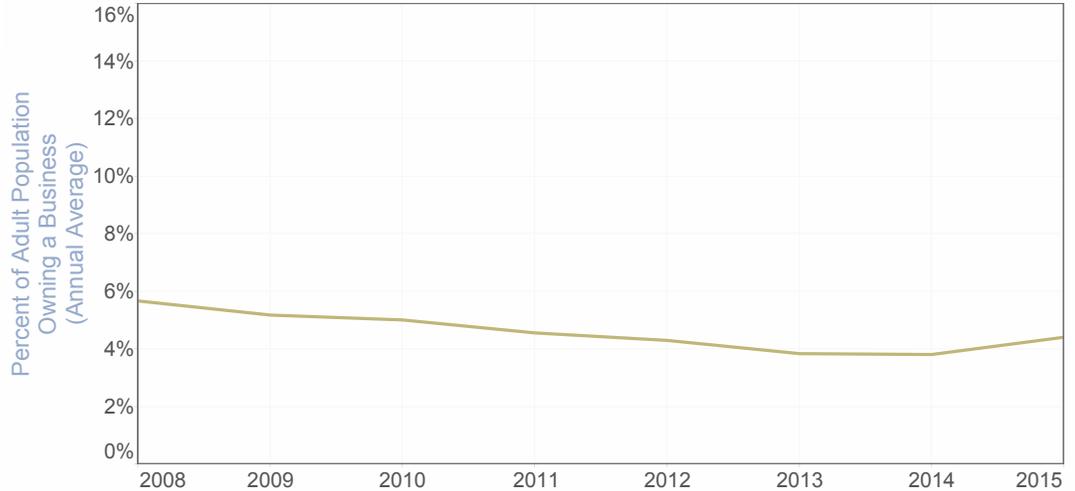
Rate of Business Owners

2016 Component	2015 Component
4.41%	3.81%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



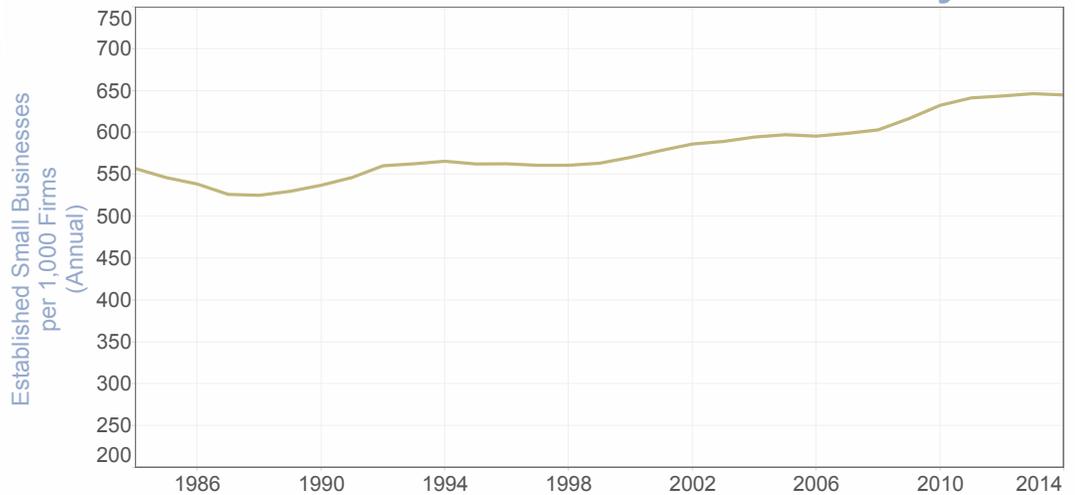
Established Small Business Density

2016 Component	2015 Component
645.1	646.6

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



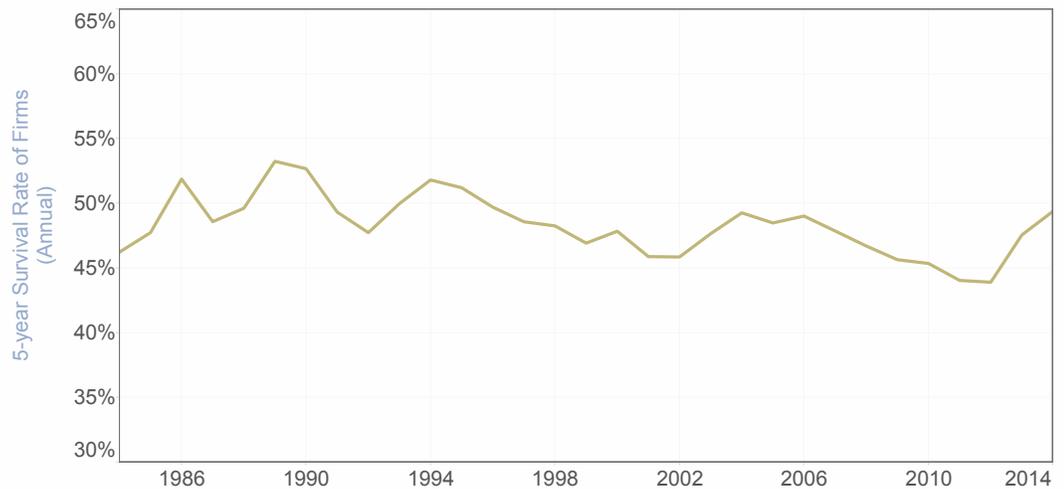
Survival Rate

2016 Component	2015 Component
49.39%	47.56%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Cincinnati

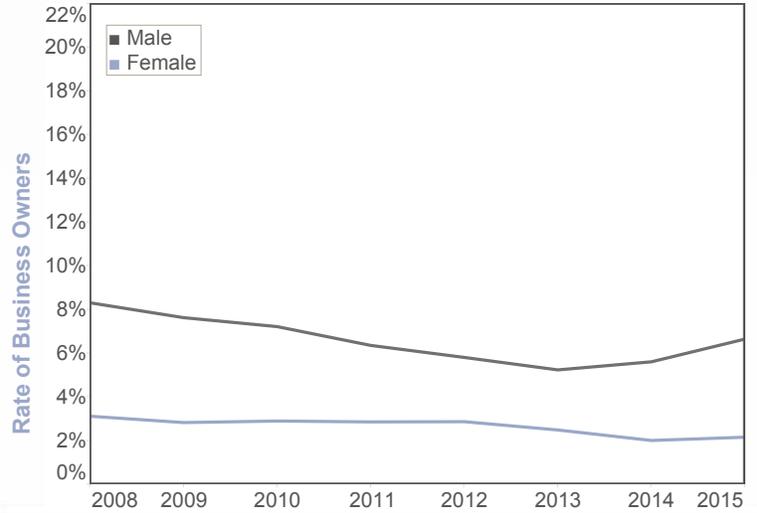
Metro: Cincinnati-Middletown | State: Ohio-Kentucky-Indiana

Business Owner Demographics

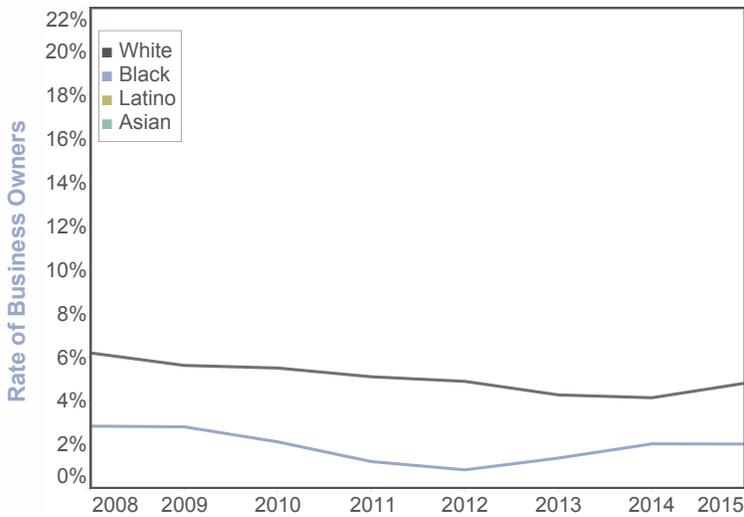
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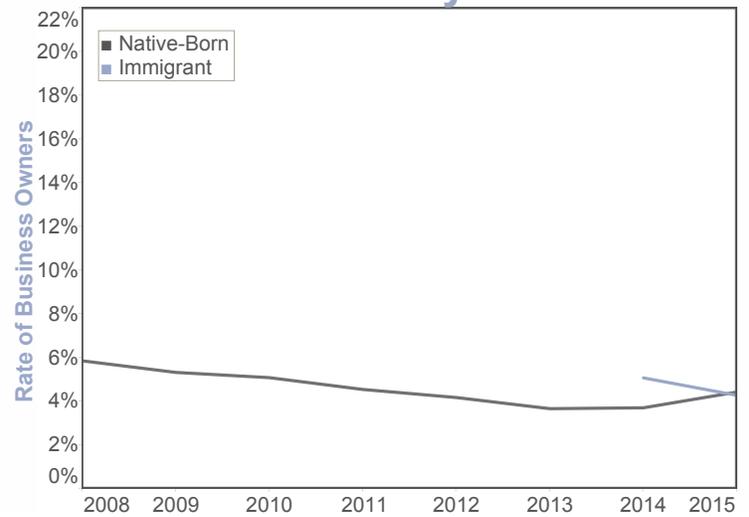
Gender



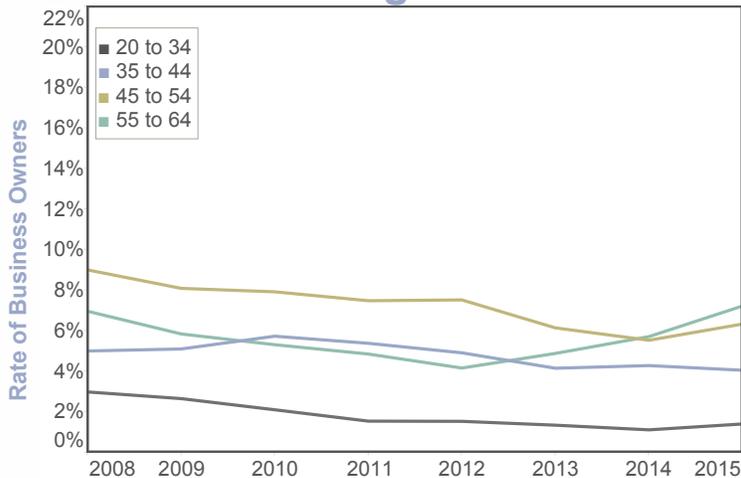
Race



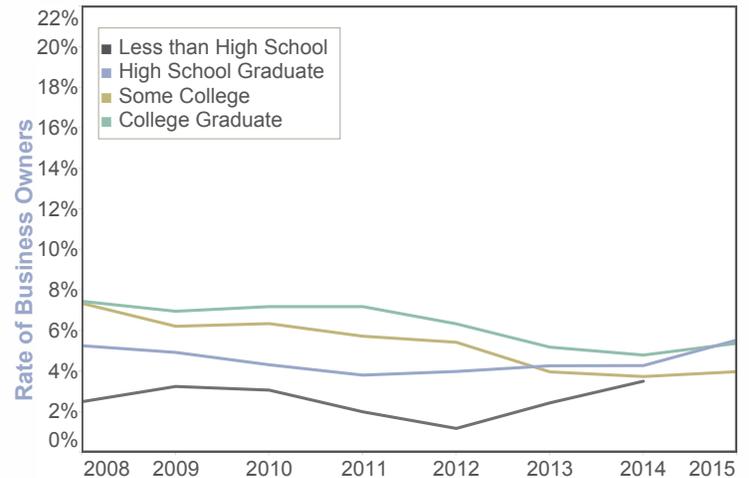
Nativity



Age



Education



Main Street Rank

2016	2015
26	22



Indianapolis

Metro: Indianapolis-Carmel | State: Indiana
Metro Profile

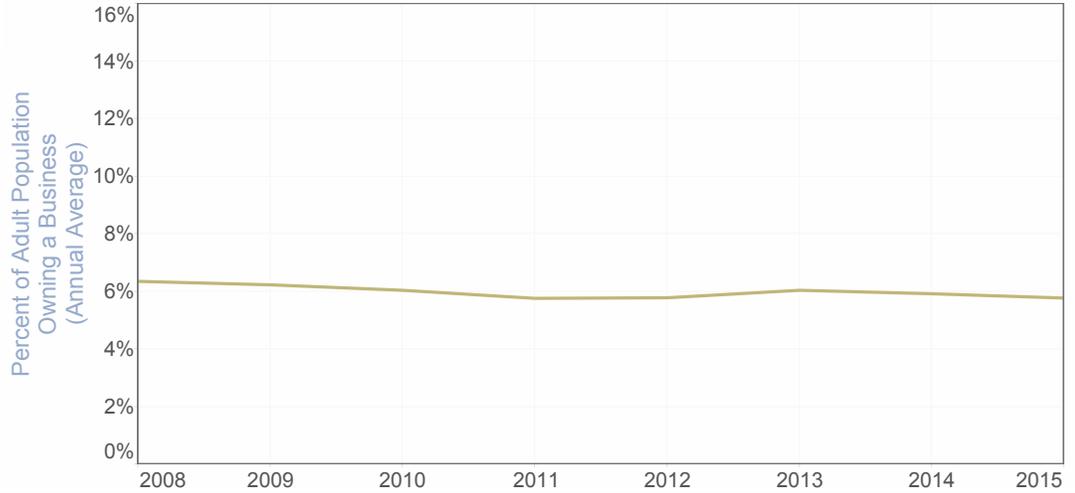
Rate of Business Owners

2016 Component	2015 Component
5.77%	5.92%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



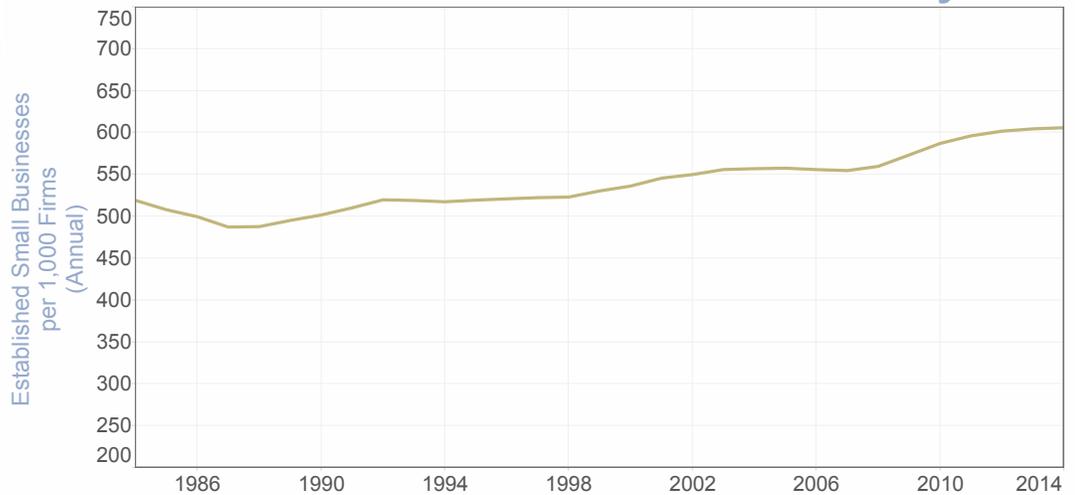
Established Small Business Density

2016 Component	2015 Component
606.0	604.6

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



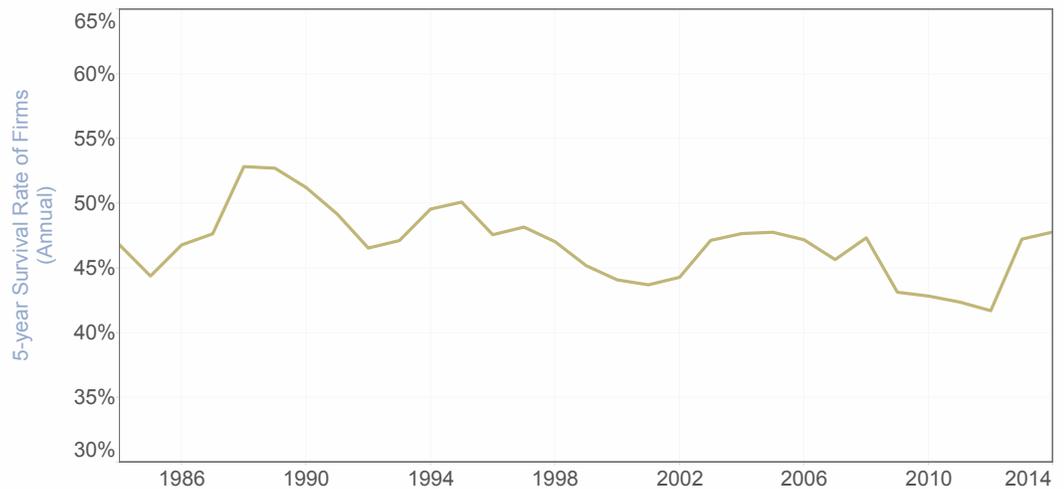
Survival Rate

2016 Component	2015 Component
47.79%	47.24%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Indianapolis

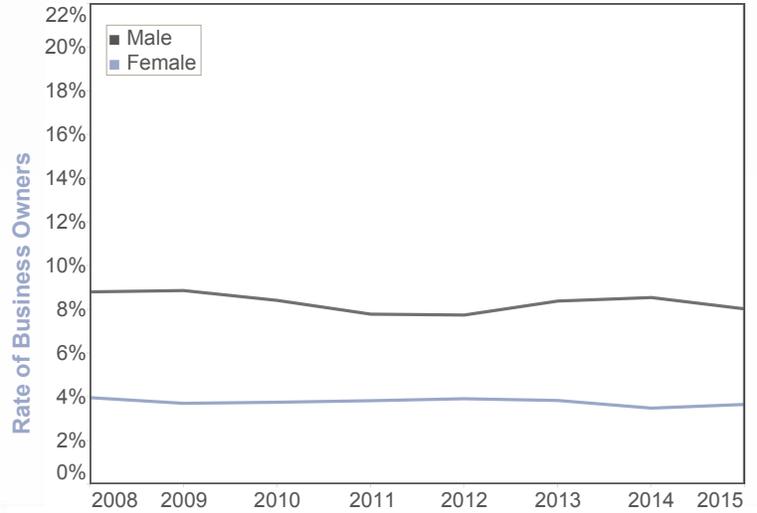
Metro: Indianapolis-Carmel | State: Indiana

Business Owner Demographics

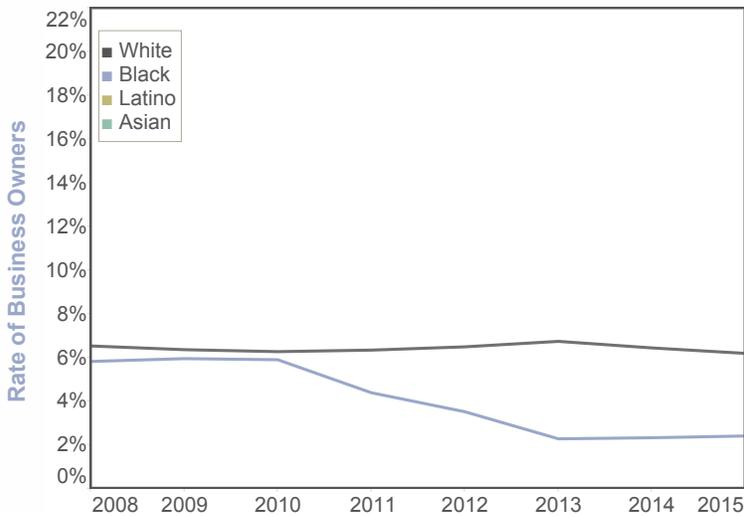
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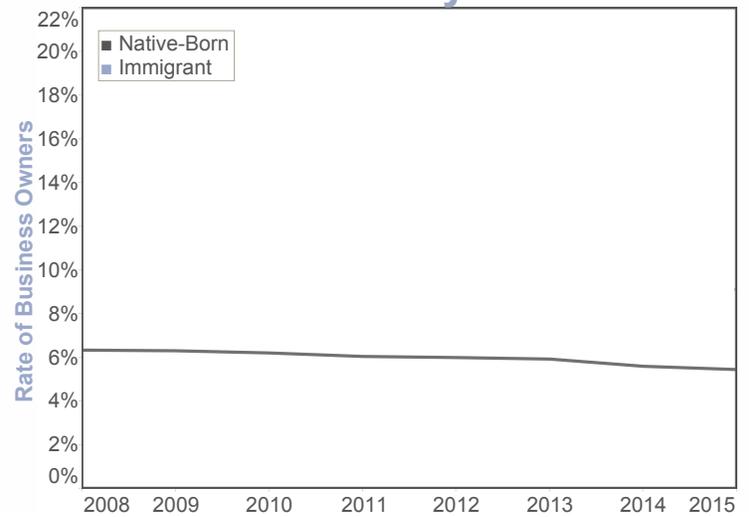
Gender



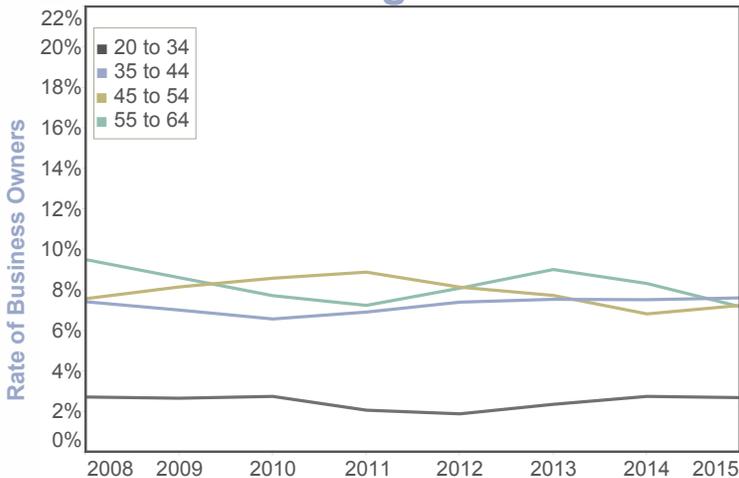
Race



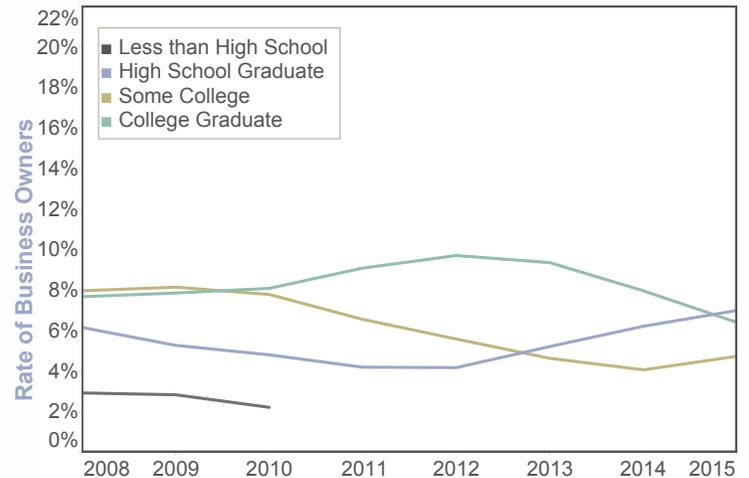
Nativity



Age



Education



Main Street Rank

2016	2015
27	26



Detroit

Metro: Detroit-Warren-Livonia | State: Michigan
Metro Profile

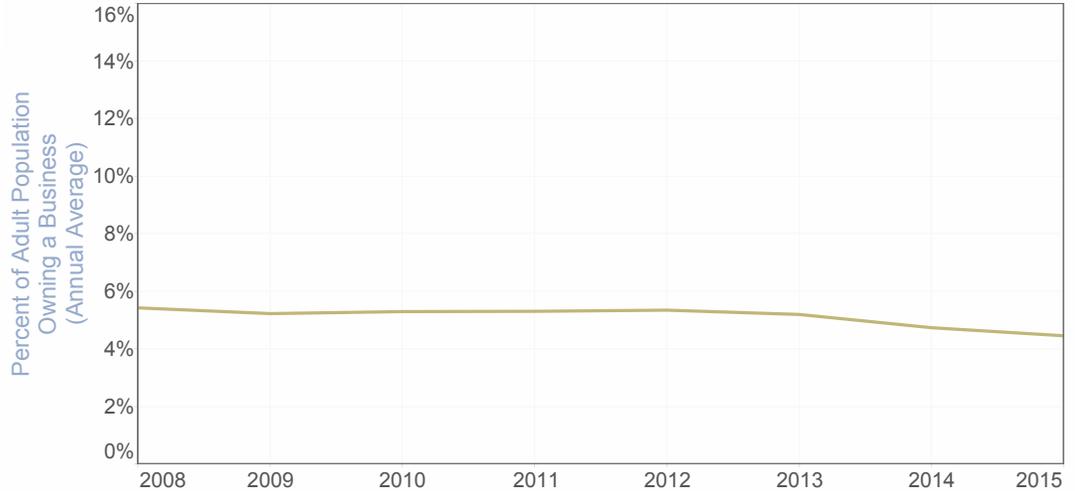
Rate of Business Owners

2016 Component	2015 Component
4.46%	4.74%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



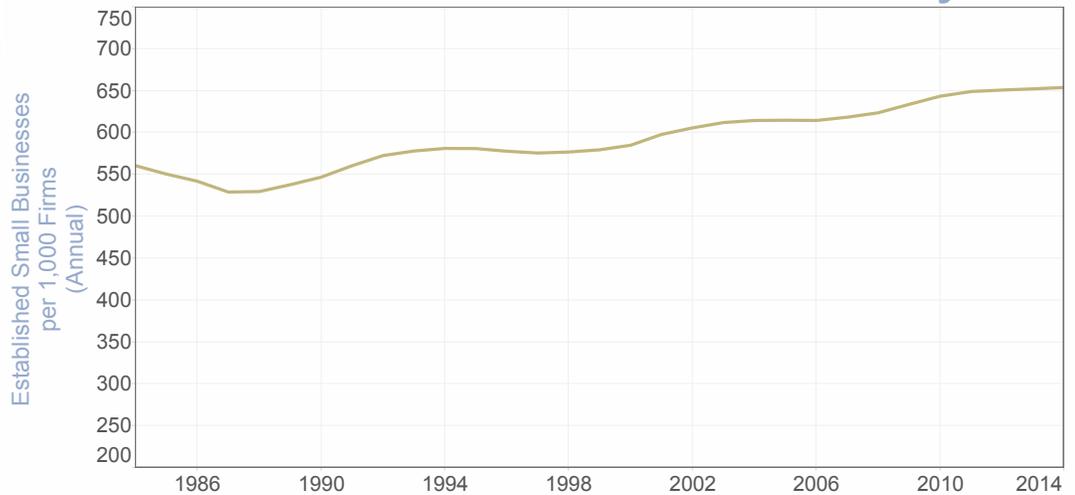
Established Small Business Density

2016 Component	2015 Component
654.0	652.3

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



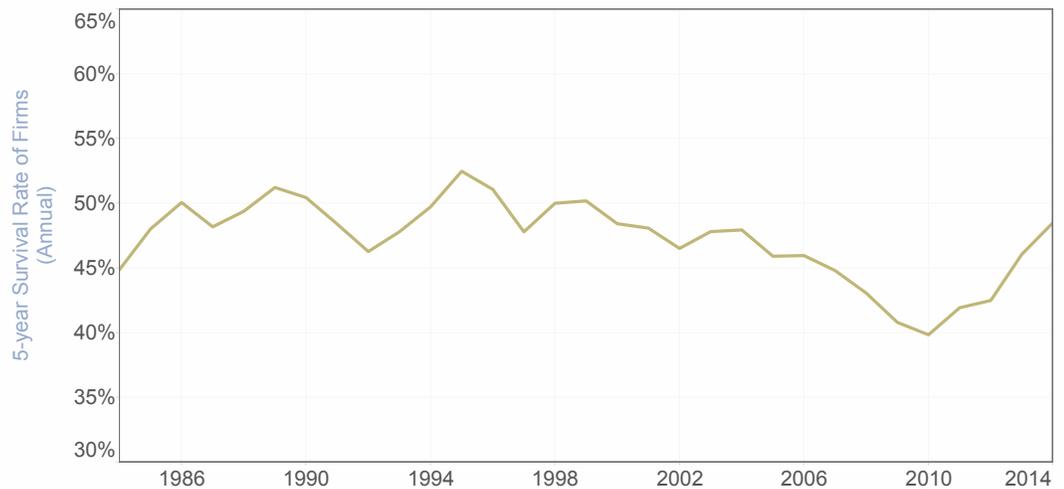
Survival Rate

2016 Component	2015 Component
48.51%	46.07%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Detroit

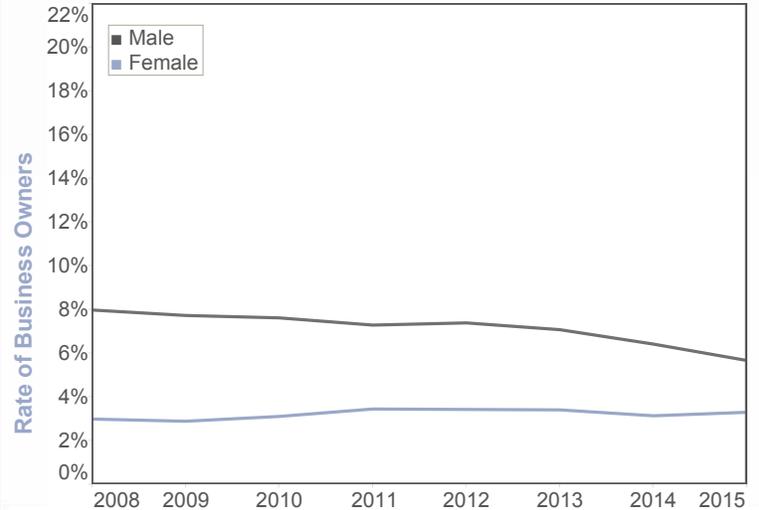
Metro: Detroit-Warren-Livonia | State: Michigan

Business Owner Demographics

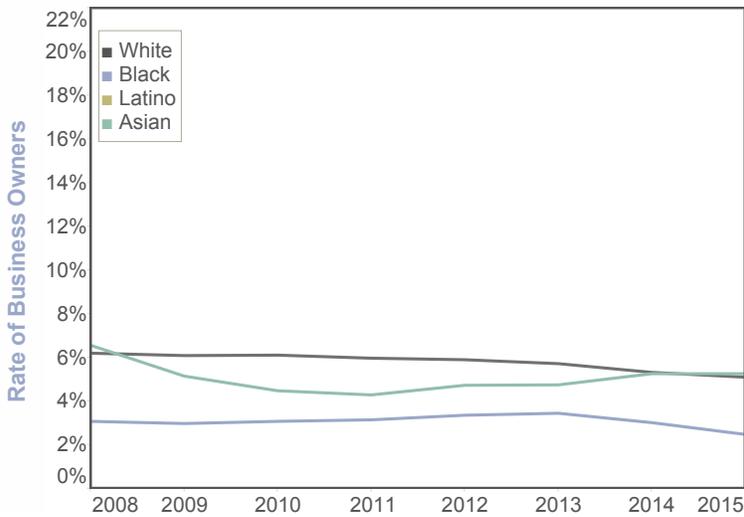
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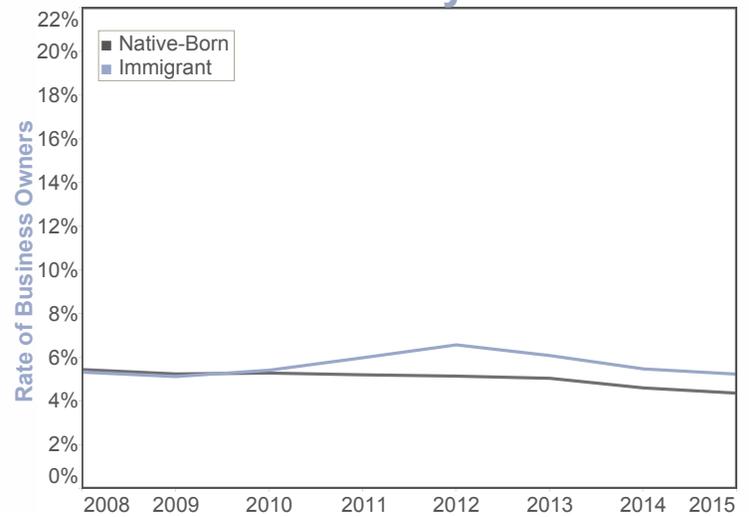
Gender



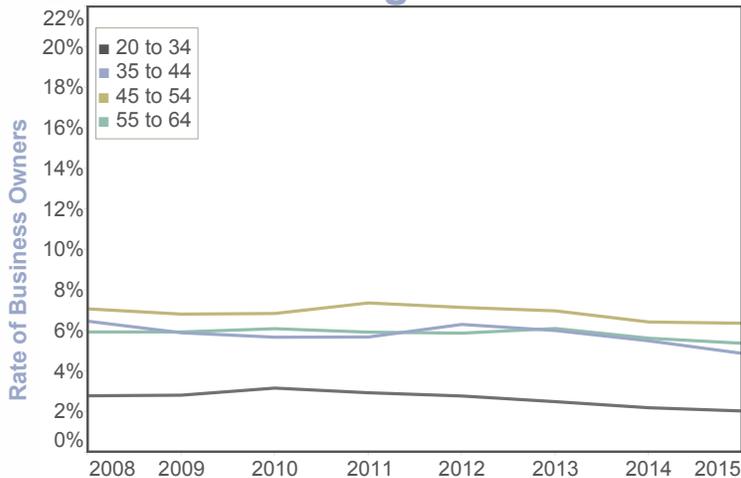
Race



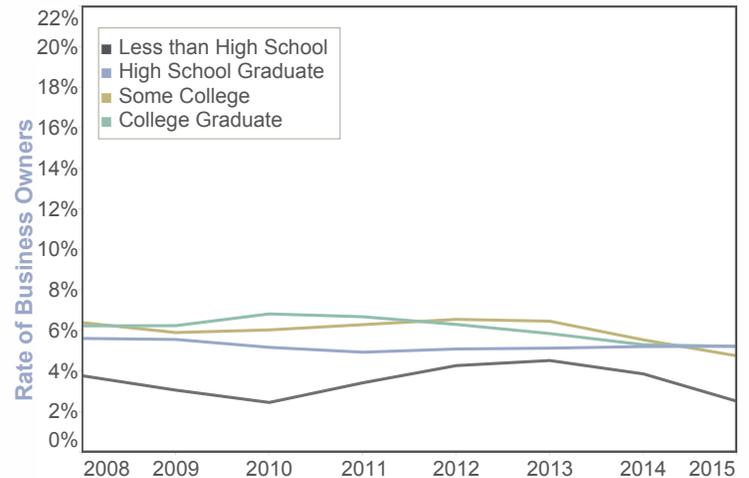
Nativity



Age



Education



Main Street Rank

2016	2015
28	33



Tampa

Metro: Tampa-St. Petersburg-Clearwater | State: Florida
Metro Profile

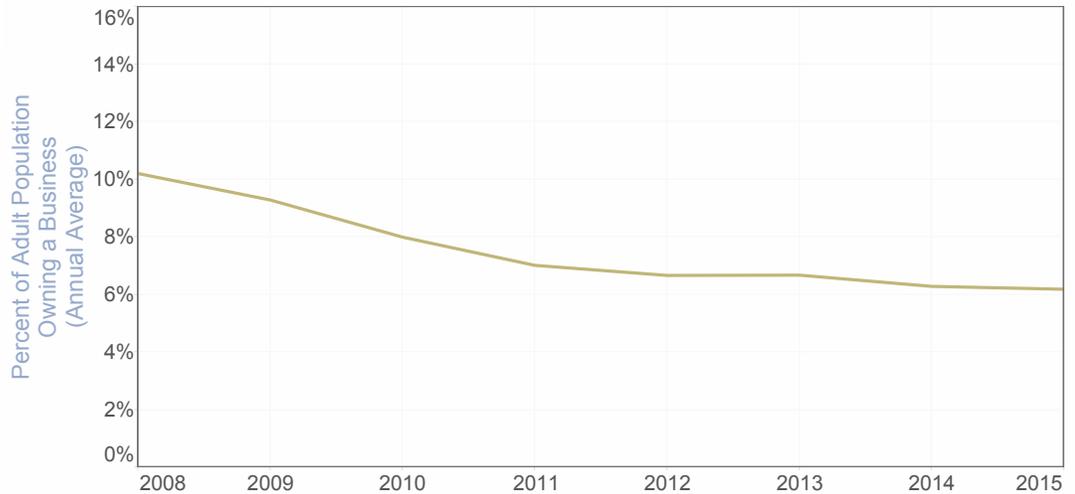
Rate of Business Owners

2016 Component	2015 Component
6.18%	6.28%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



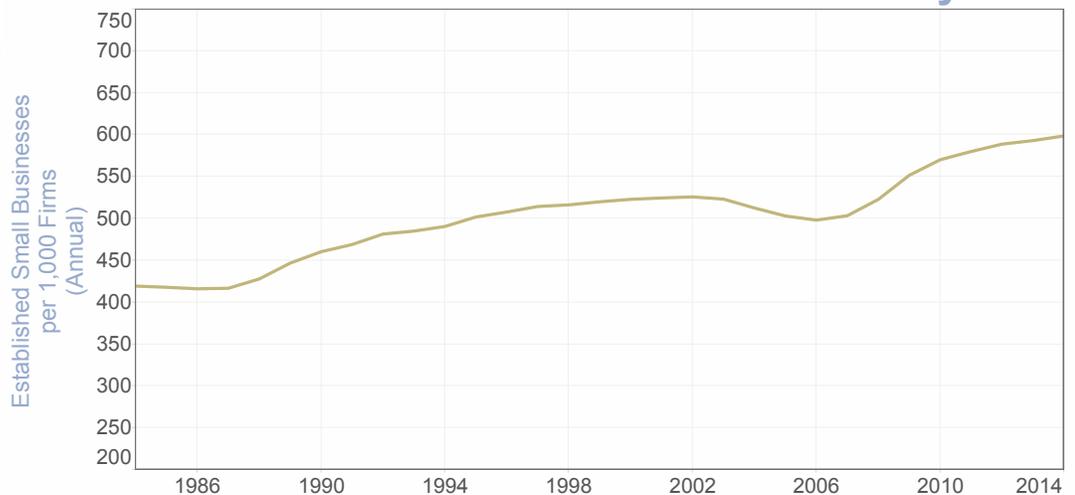
Established Small Business Density

2016 Component	2015 Component
598.5	593.0

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



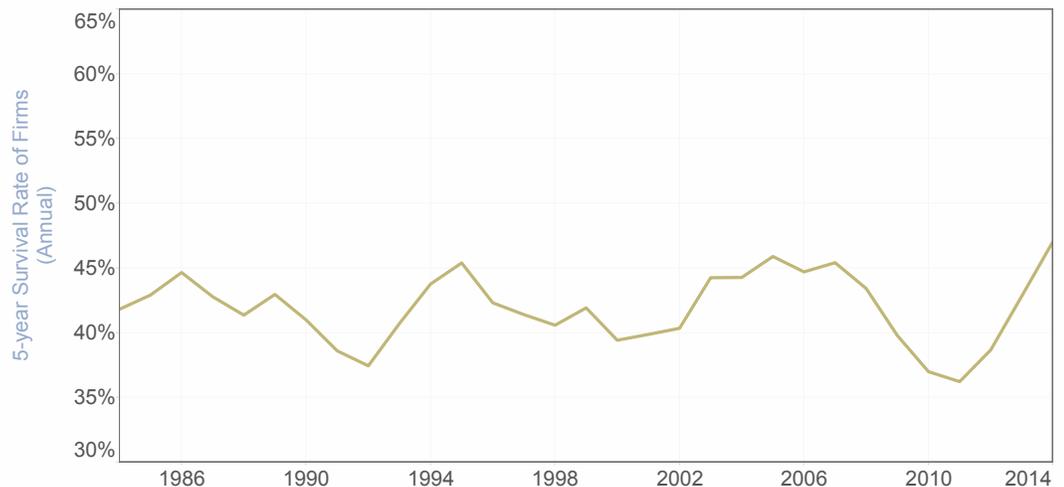
Survival Rate

2016 Component	2015 Component
47.06%	42.85%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Tampa

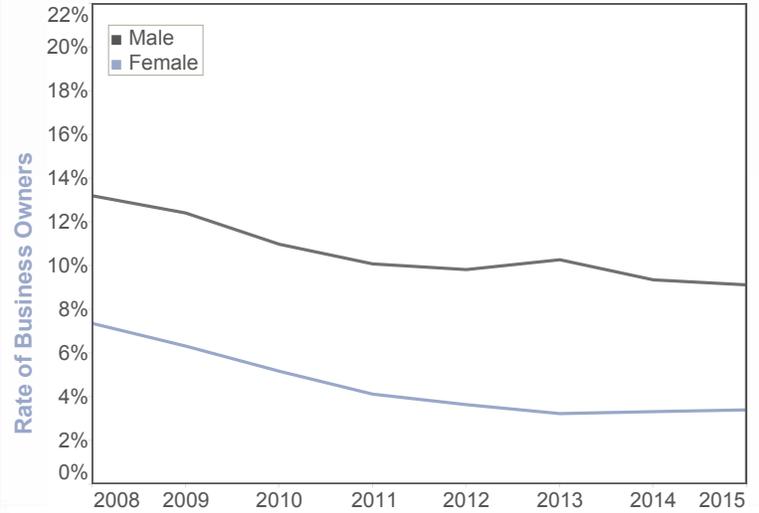
Metro: Tampa-St. Petersburg-Clearwater | State: Florida

Business Owner Demographics

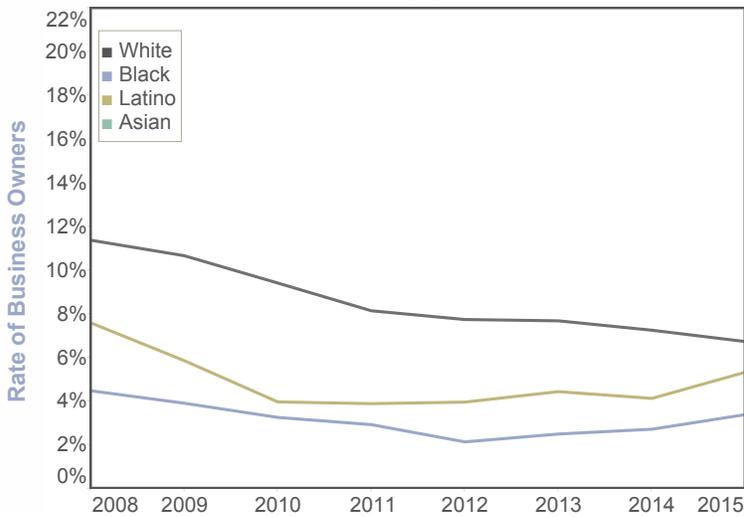
Rate of Business Owners by Demographic Group

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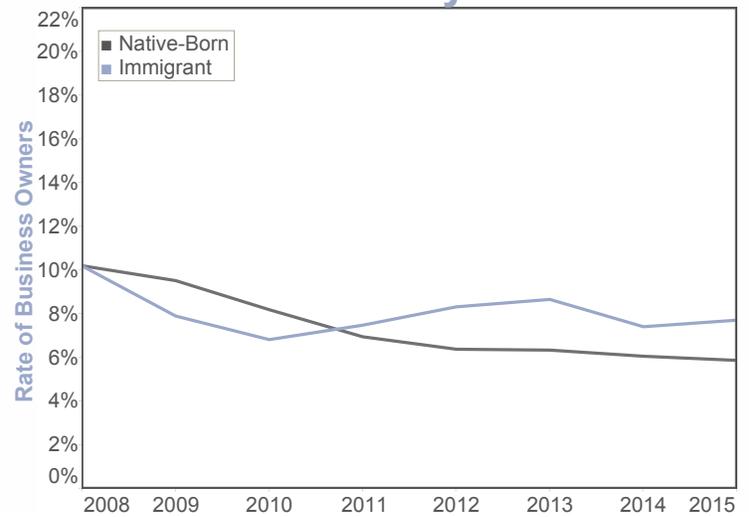
Gender



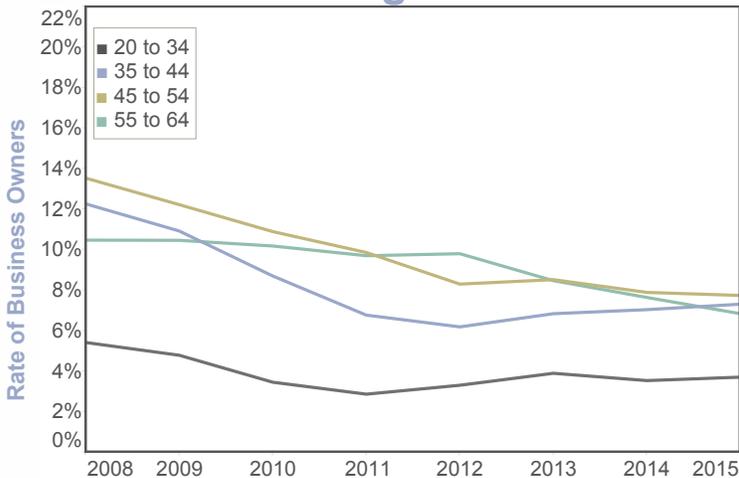
Race



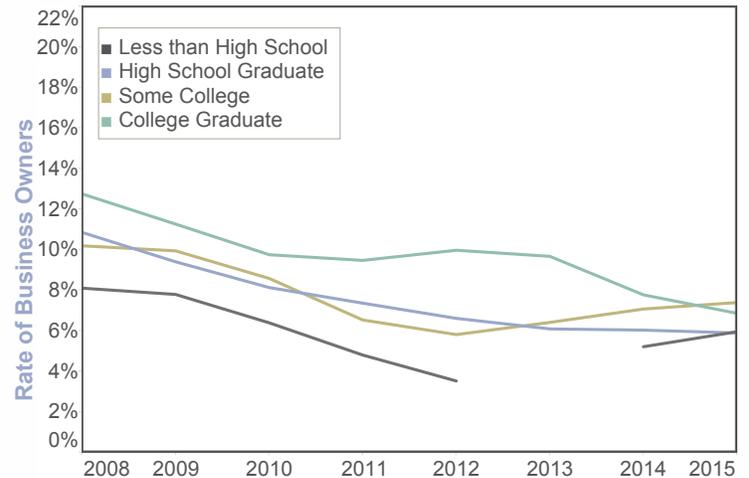
Nativity



Age



Education



Main Street Rank

2016	2015
29	27



Dallas

Metro: Dallas-Fort Worth-Arlington | State: Texas
Metro Profile

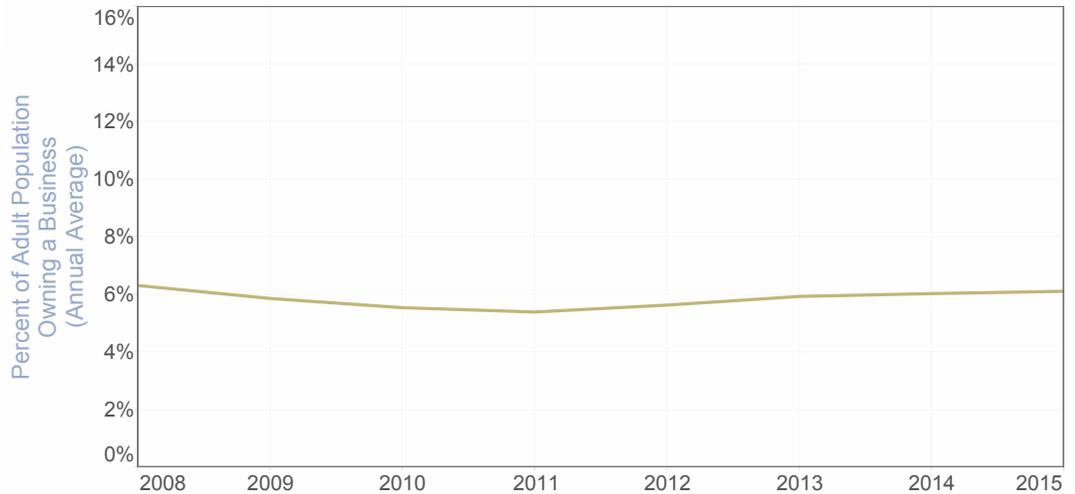
Rate of Business Owners

2016 Component	2015 Component
6.11%	6.03%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



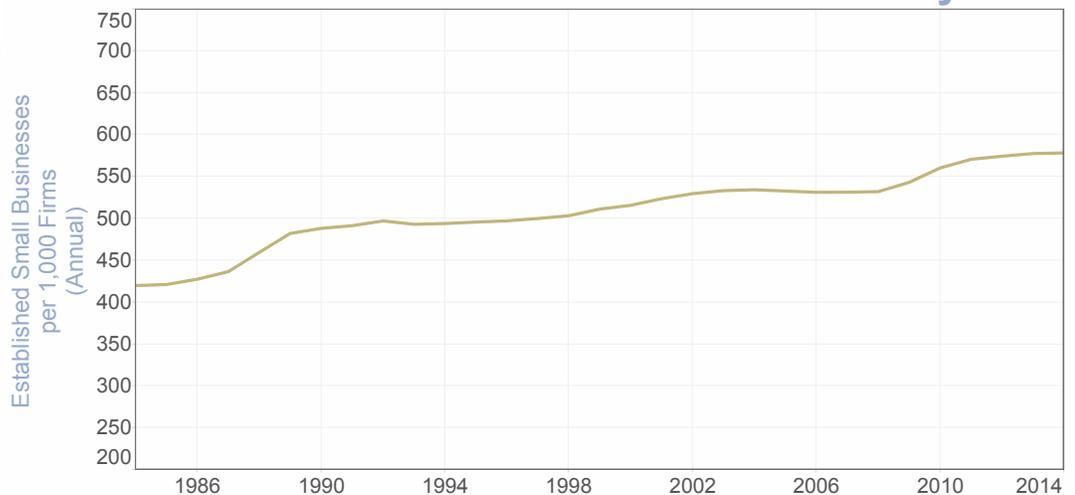
Established Small Business Density

2016 Component	2015 Component
578.2	577.5

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



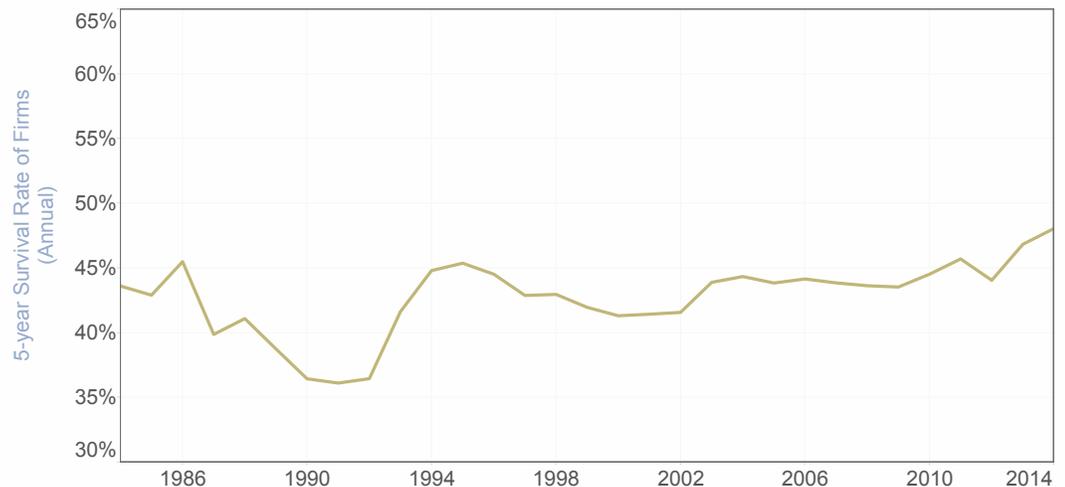
Survival Rate

2016 Component	2015 Component
48.06%	46.84%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Dallas

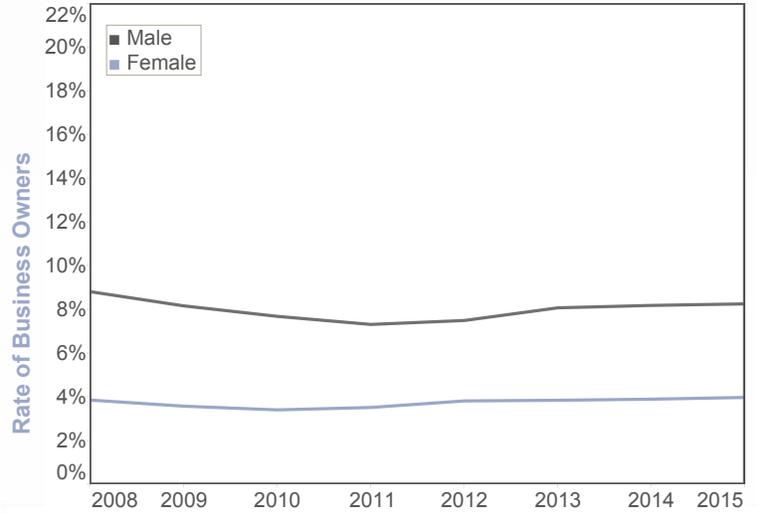
Metro: Dallas-Fort Worth-Arlington | State: Texas

Business Owner Demographics

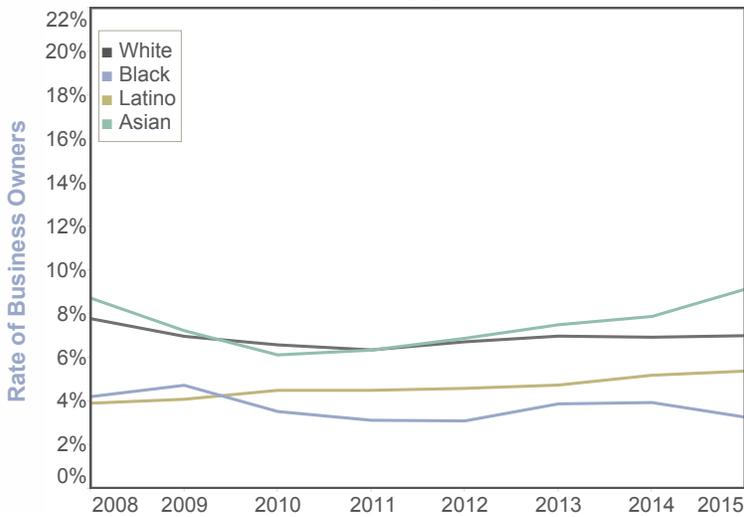
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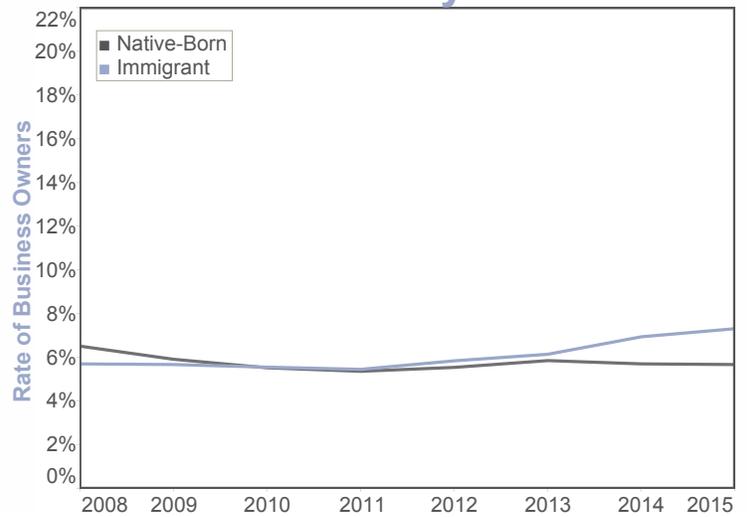
Gender



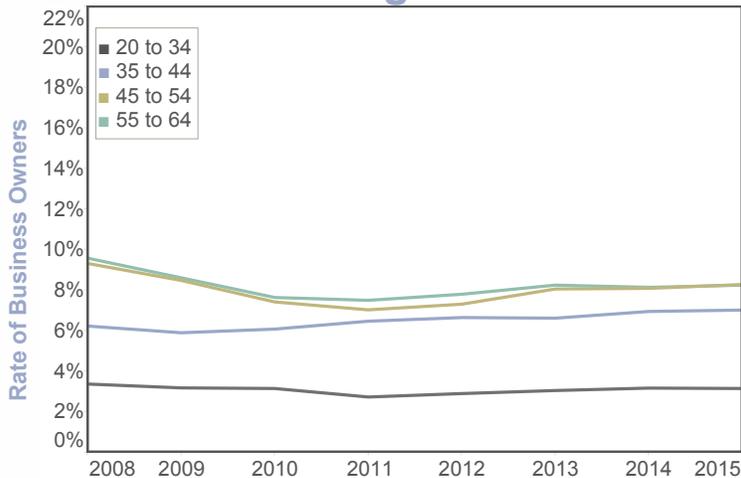
Race



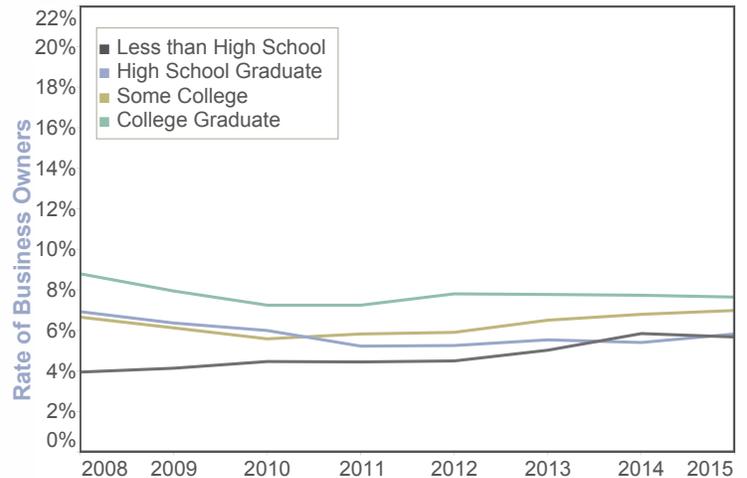
Nativity



Age



Education



Main Street Rank

2016	2015
30	20



San Jose

Metro: San Jose-Sunnyvale-Santa Clara | State: California
Metro Profile

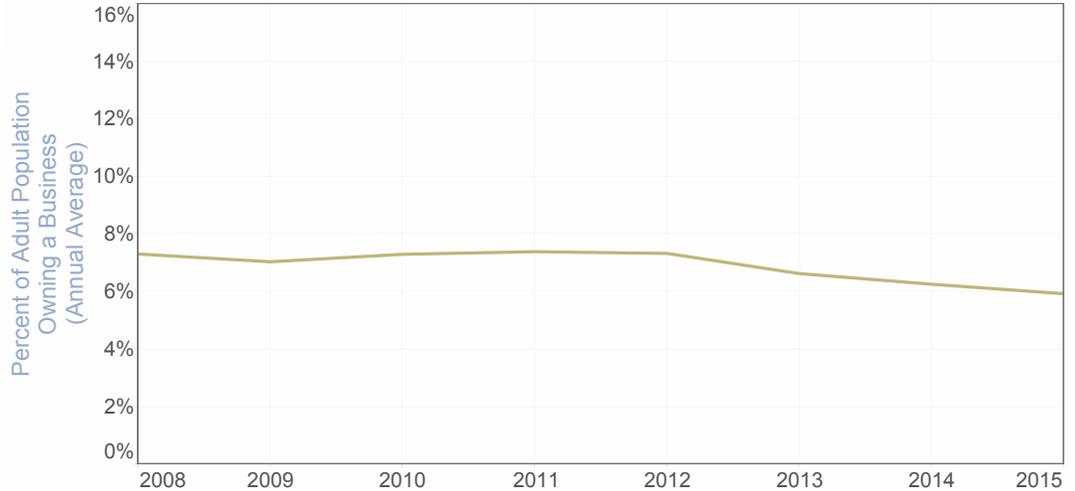
Rate of Business Owners

2016 Component	2015 Component
5.92%	6.25%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



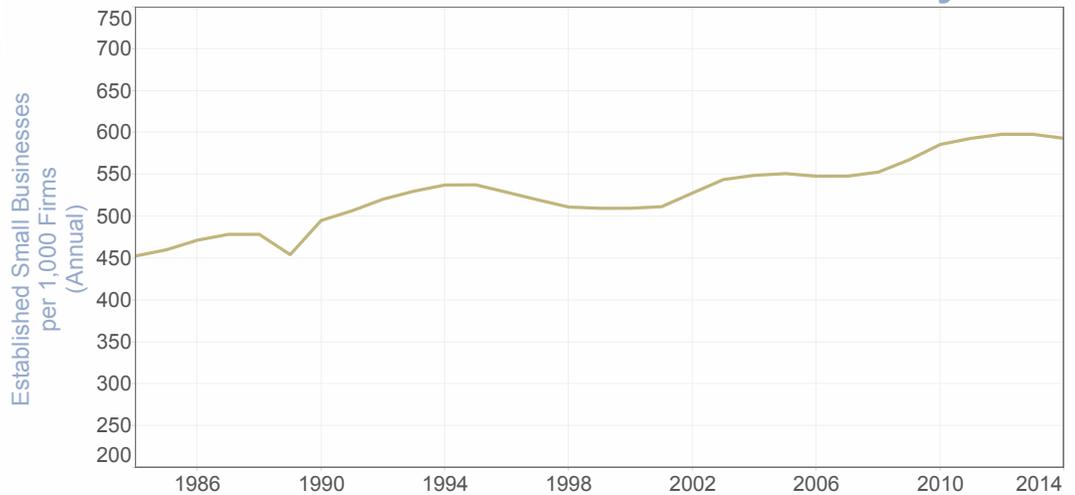
Established Small Business Density

2016 Component	2015 Component
593.2	598.0

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



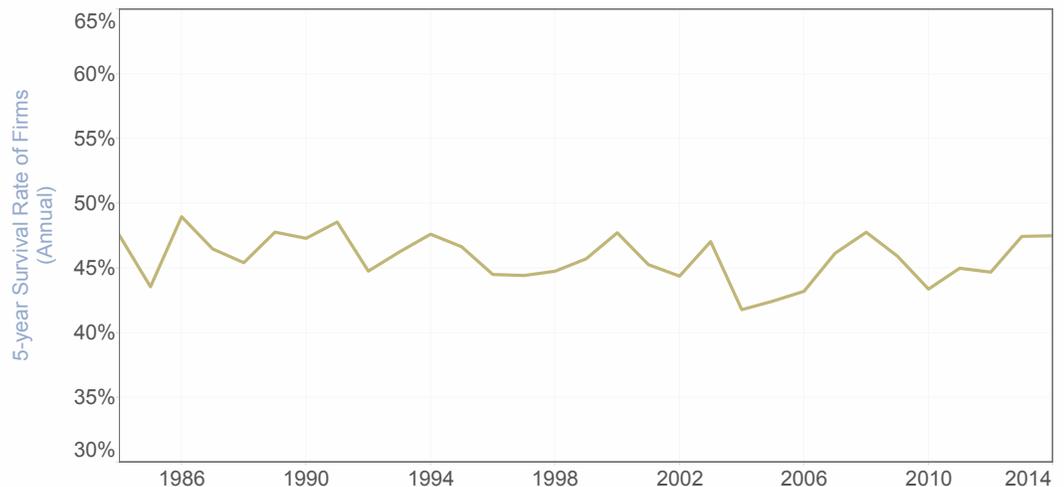
Survival Rate

2016 Component	2015 Component
47.50%	47.45%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



San Jose

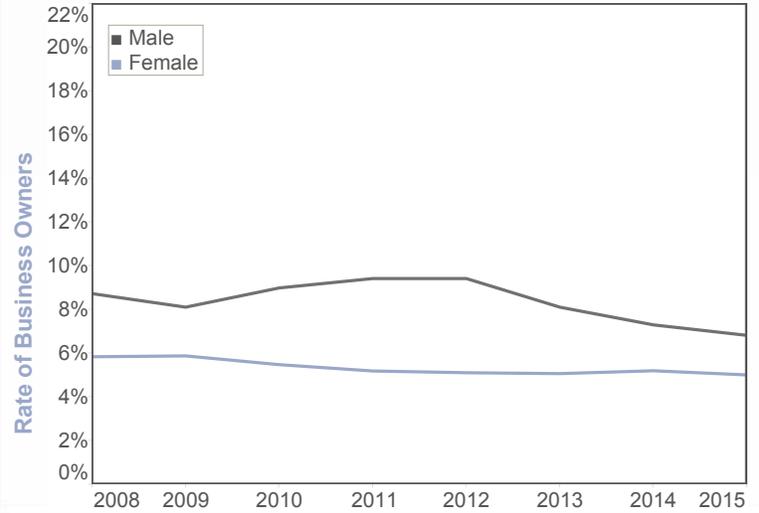
Metro: San Jose-Sunnyvale-Santa Clara | State: California

Business Owner Demographics

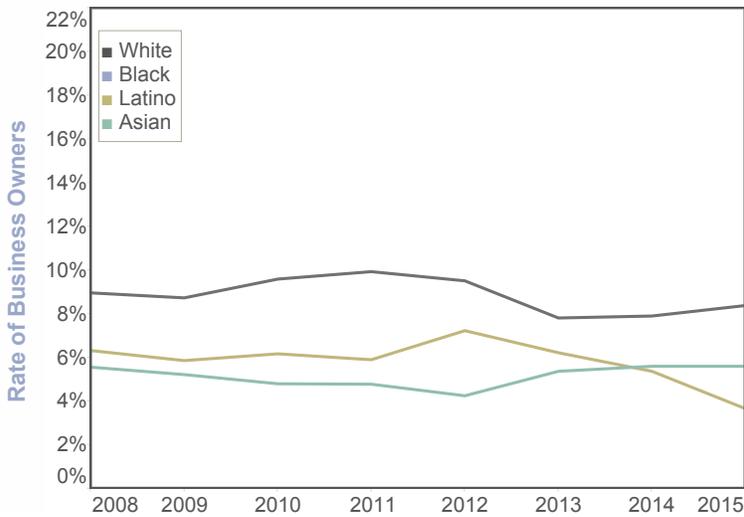
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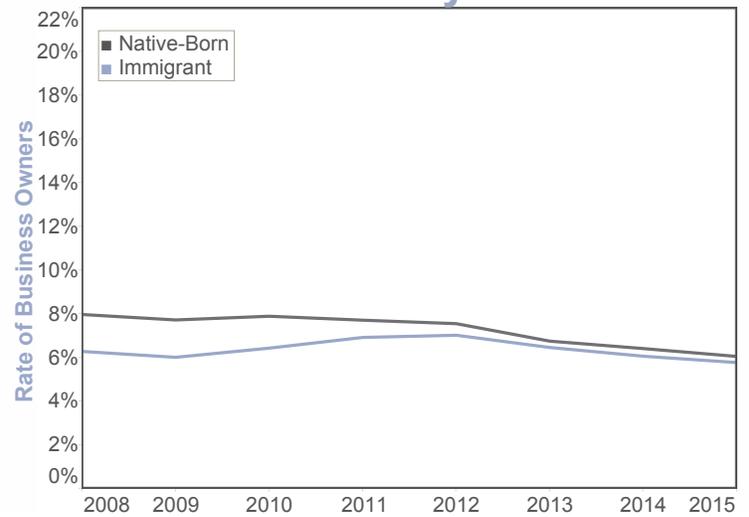
Gender



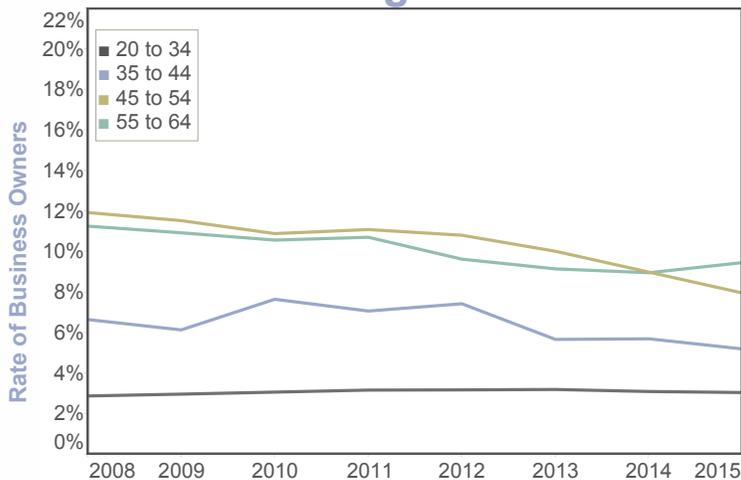
Race



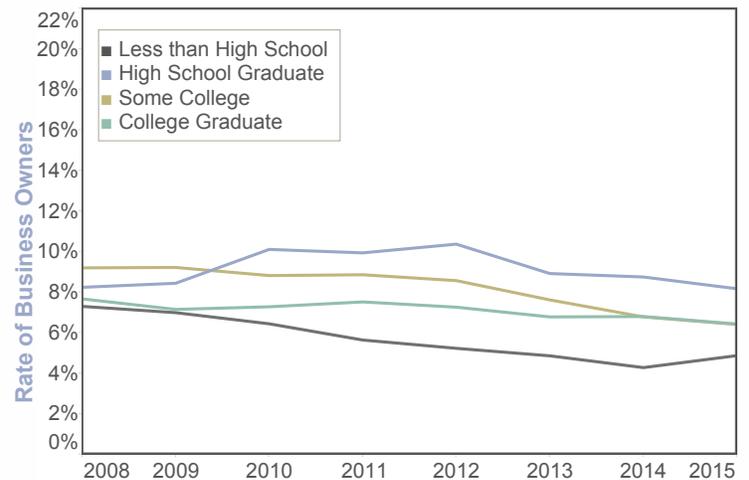
Nativity



Age



Education



Main Street Rank

2016	2015
31	34



Virginia Beach

Metro: Virginia Beach-Norfolk-Newport News | State: Virginia-North Carolina
Metro Profile

Rate of Business Owners

2016 Component	2015 Component
3.90%	4.19%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



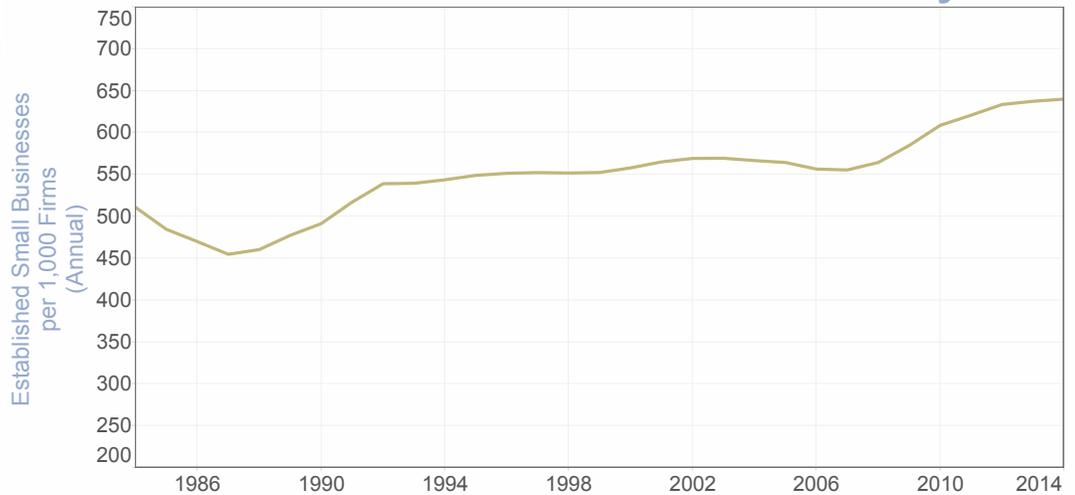
Established Small Business Density

2016 Component	2015 Component
640.1	637.5

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



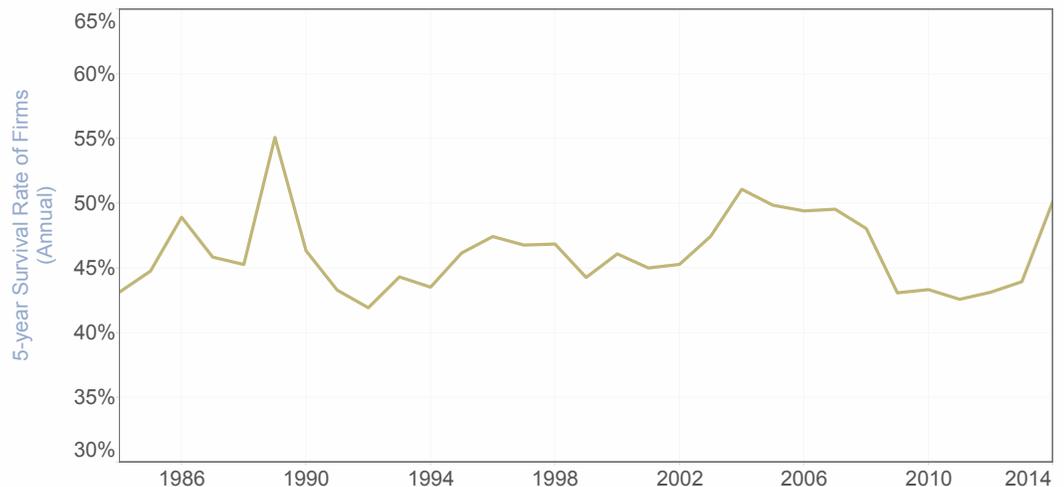
Survival Rate

2016 Component	2015 Component
50.18%	43.95%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Virginia Beach

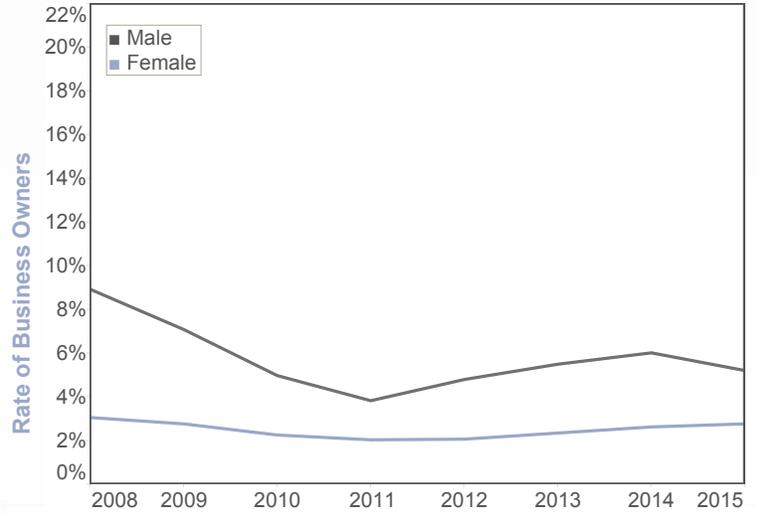
Metro: Virginia Beach-Norfolk-Newport News | State: Virginia-North Carolina

Business Owner Demographics

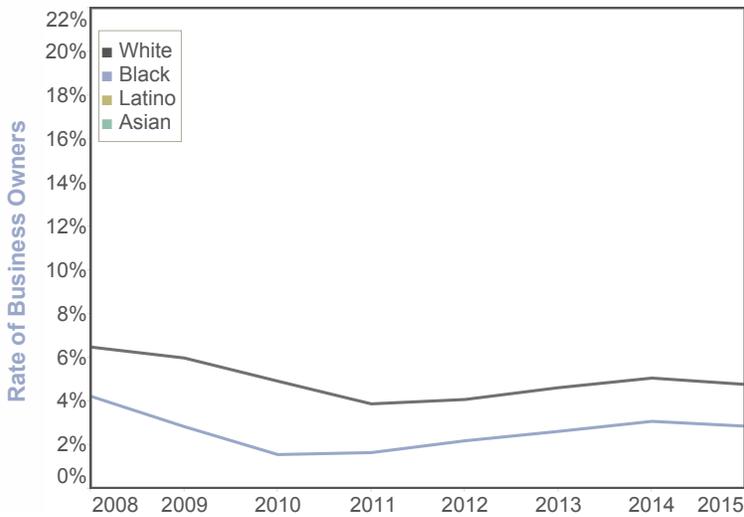
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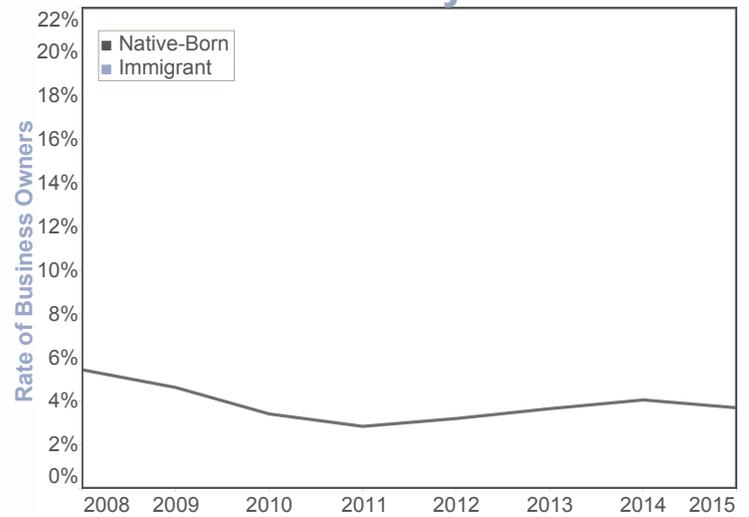
Gender



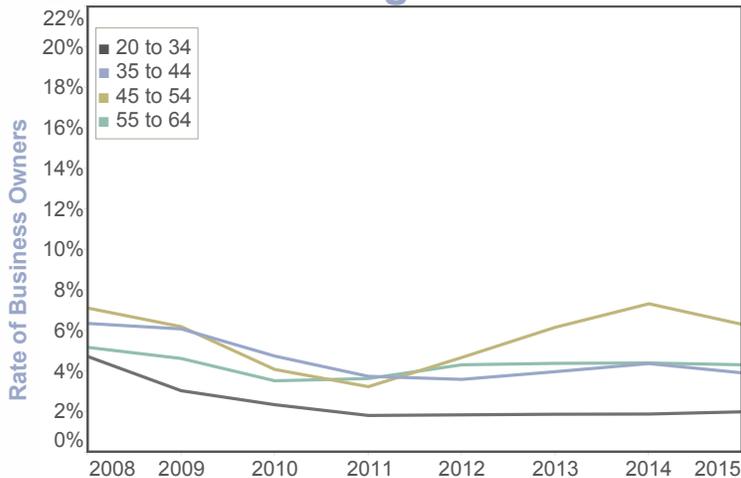
Race



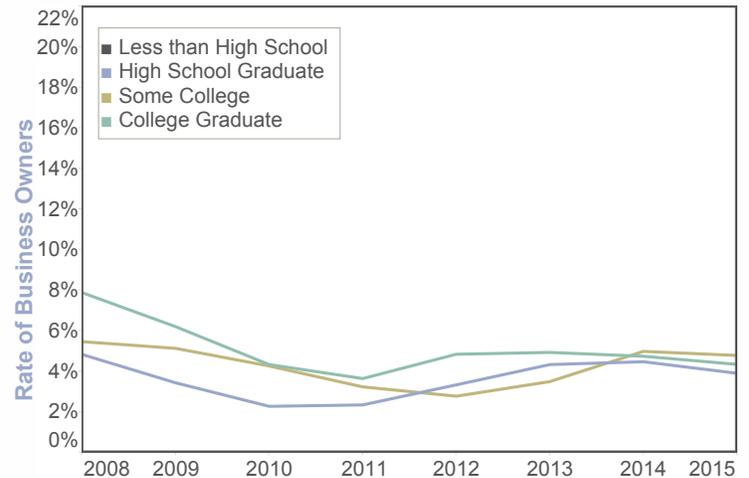
Nativity



Age



Education



Main Street Rank

2016	2015
32	25



St. Louis

Metro: St. Louis | State: Missouri-Illinois
Metro Profile

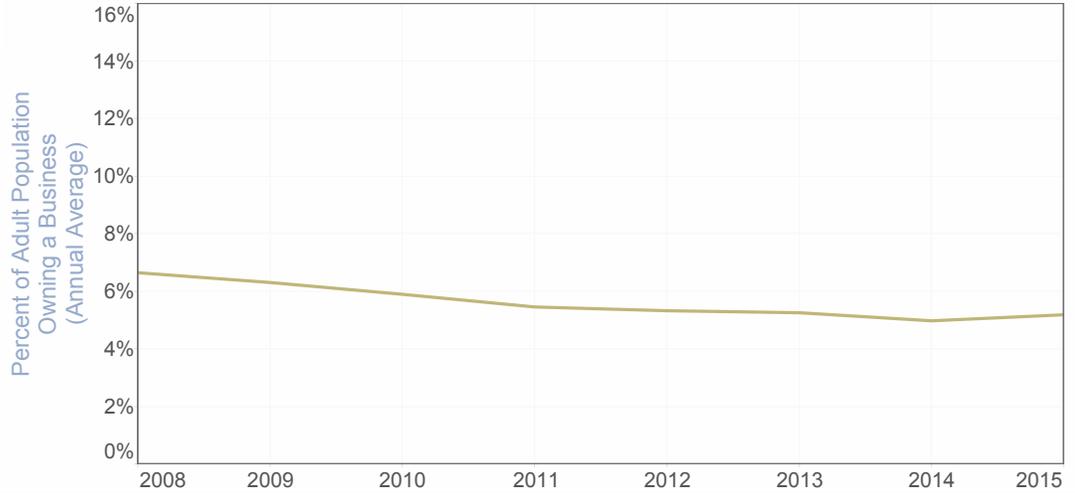
Rate of Business Owners

2016 Component	2015 Component
5.19%	4.98%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



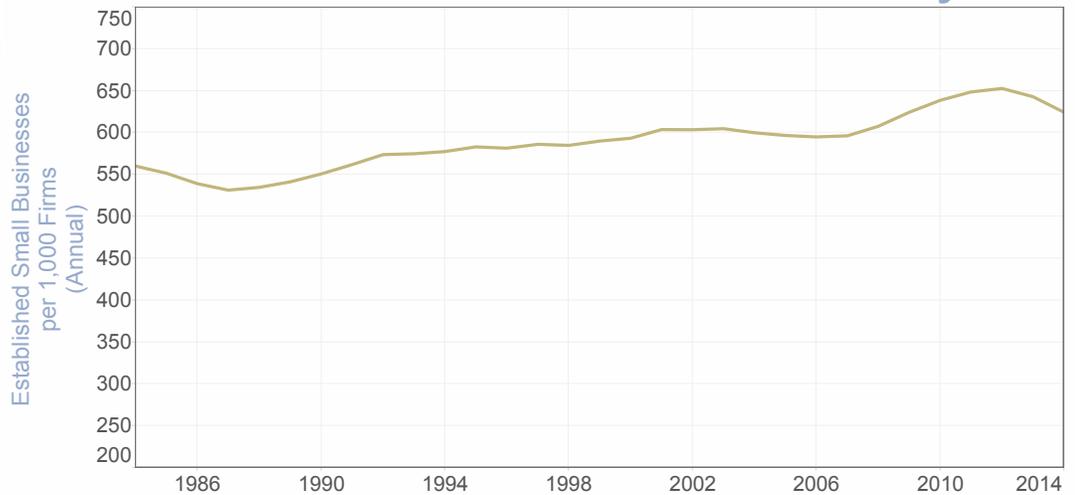
Established Small Business Density

2016 Component	2015 Component
624.4	642.9

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



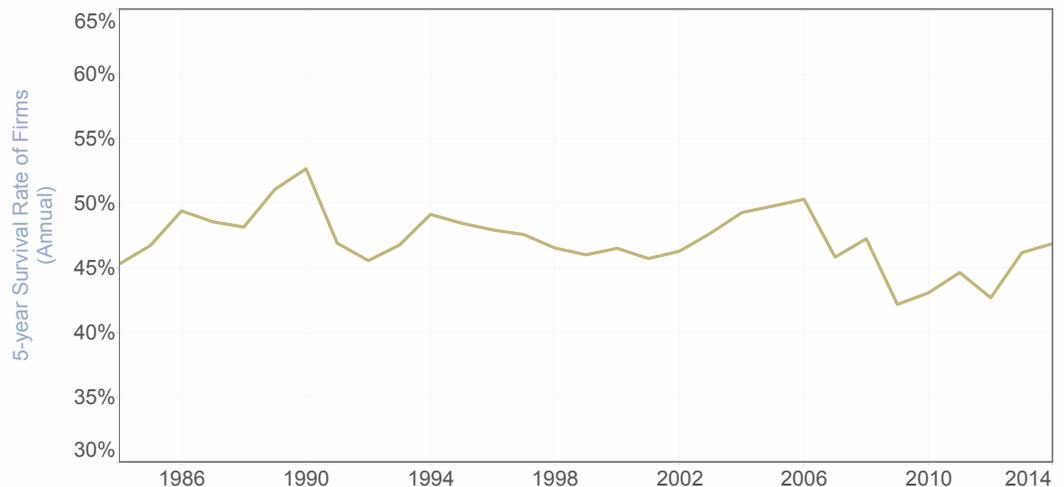
Survival Rate

2016 Component	2015 Component
46.90%	46.19%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



St. Louis

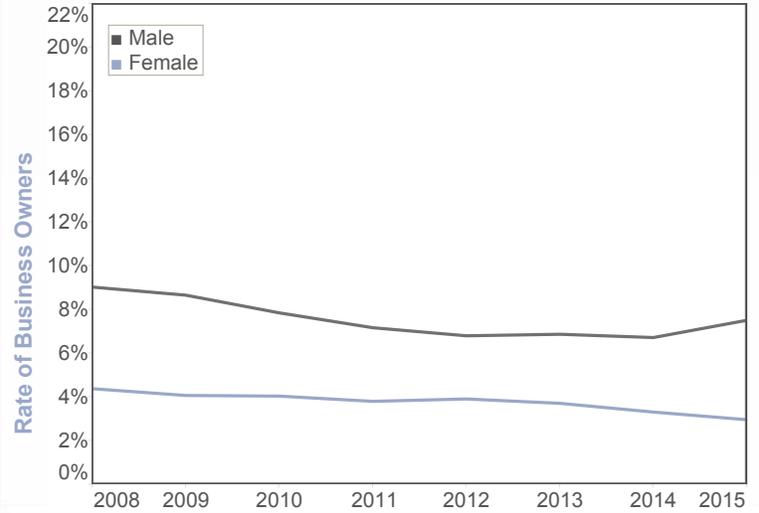
Metro: St. Louis | State: Missouri-Illinois

Business Owner Demographics

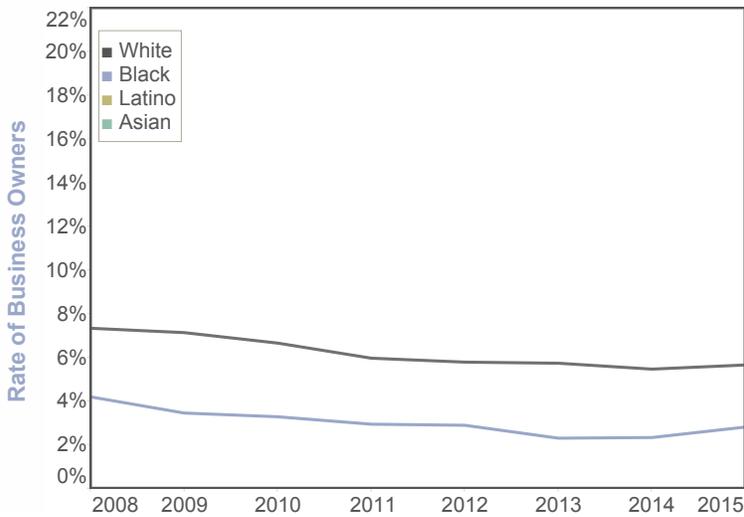
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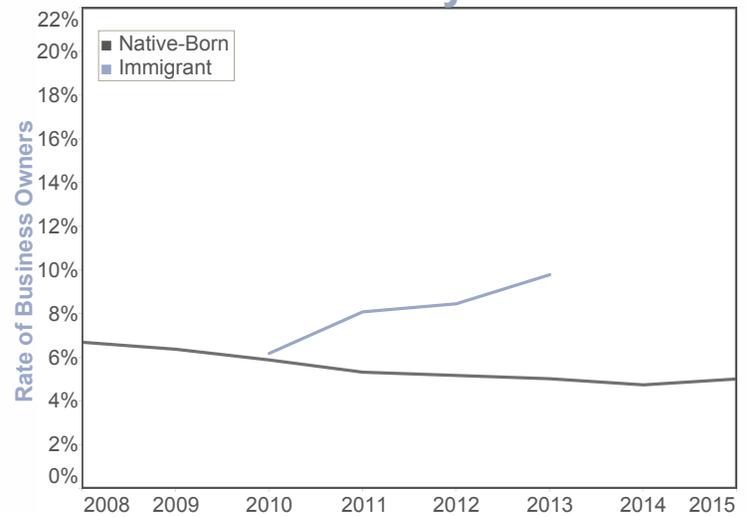
Gender



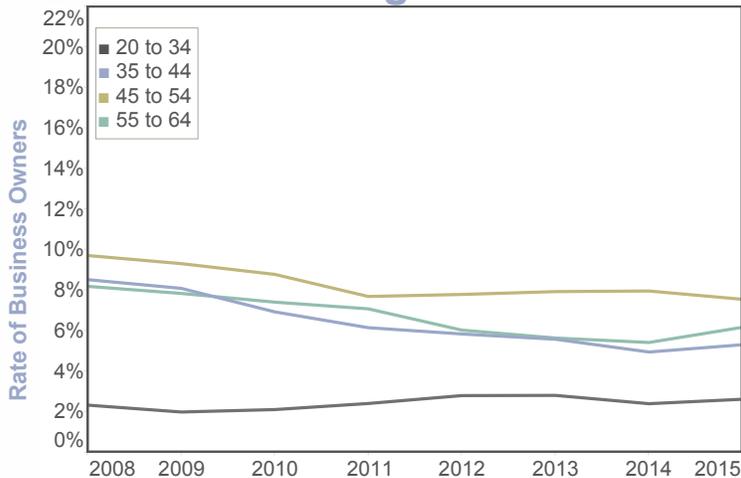
Race



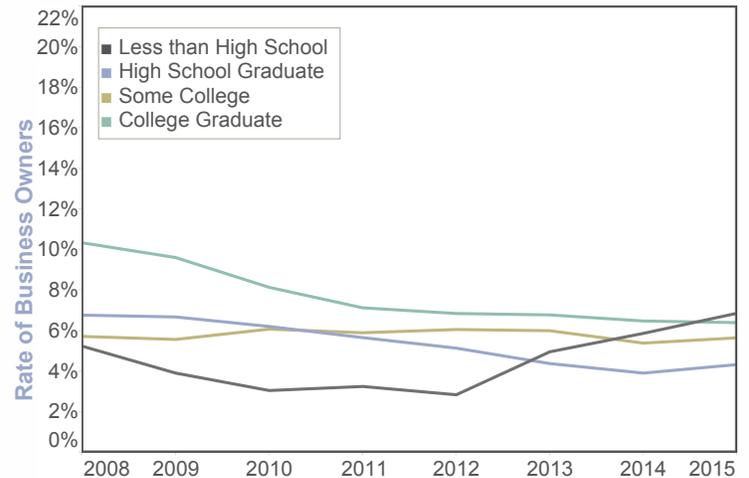
Nativity



Age



Education



Main Street Rank

2016	2015
33	32



Atlanta

Metro: Atlanta-Sandy Springs-Marietta | State: Georgia
Metro Profile

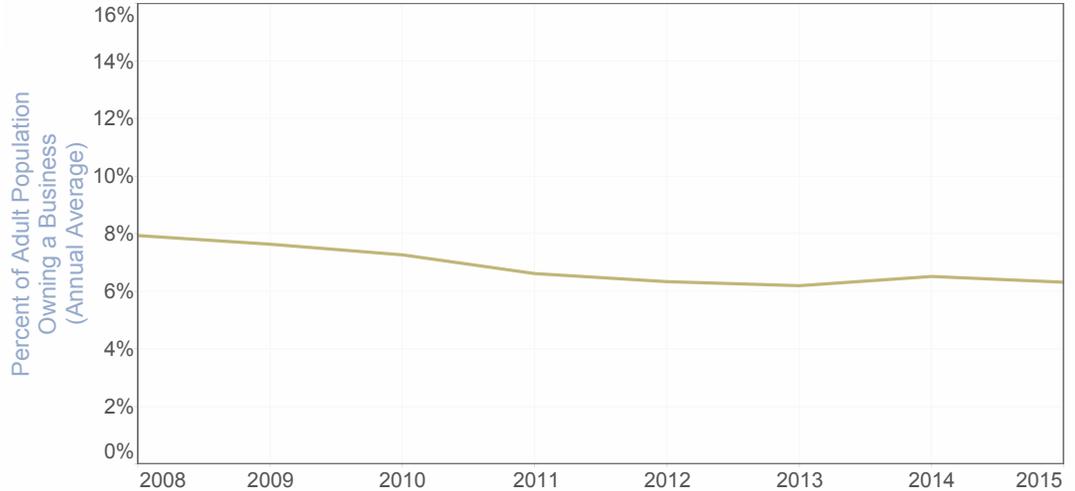
Rate of Business Owners

2016 Component	2015 Component
6.32%	6.52%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



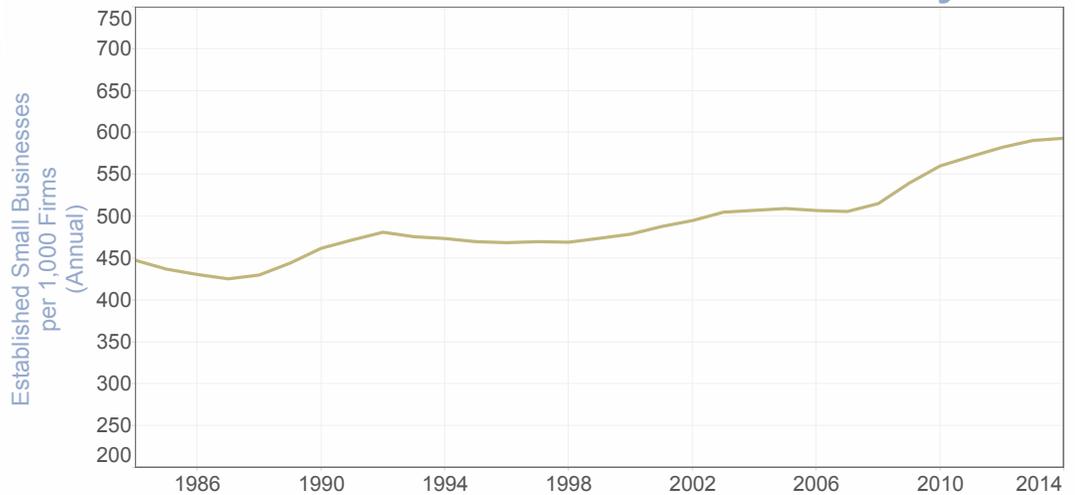
Established Small Business Density

2016 Component	2015 Component
593.4	590.7

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



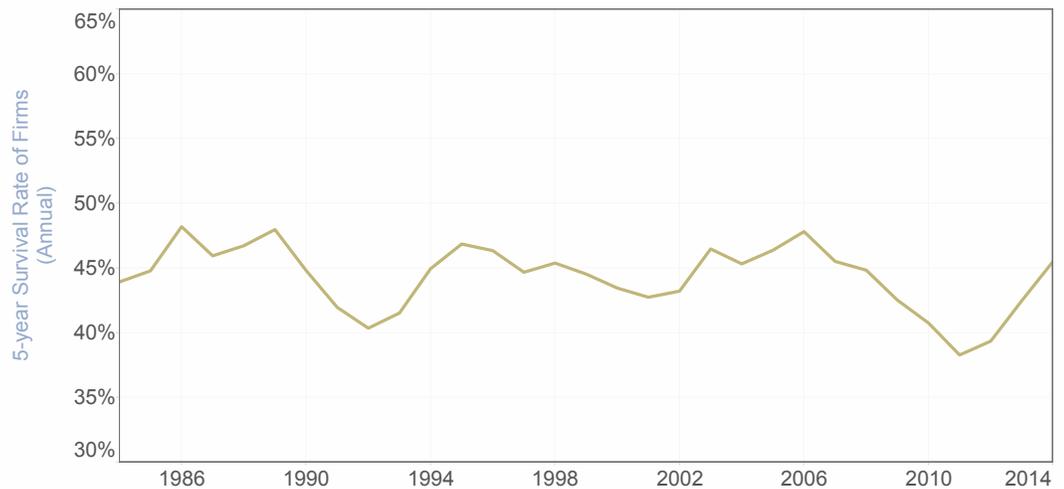
Survival Rate

2016 Component	2015 Component
45.51%	42.49%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Atlanta

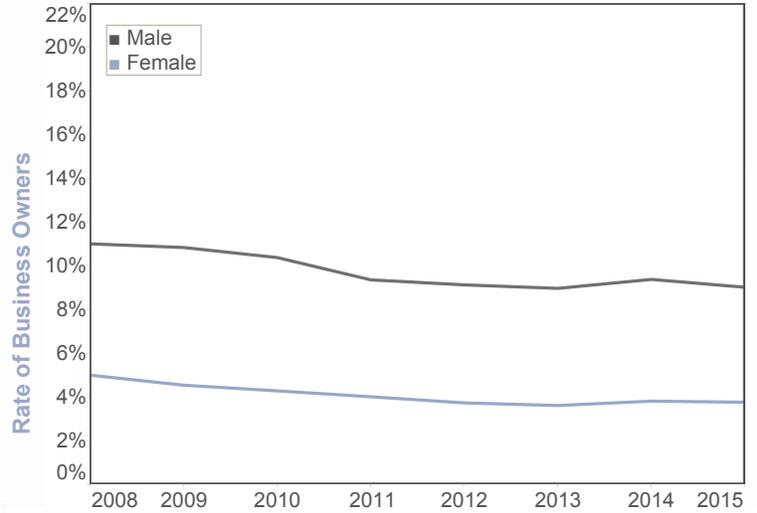
Metro: Atlanta-Sandy Springs-Marietta | State: Georgia

Business Owner Demographics

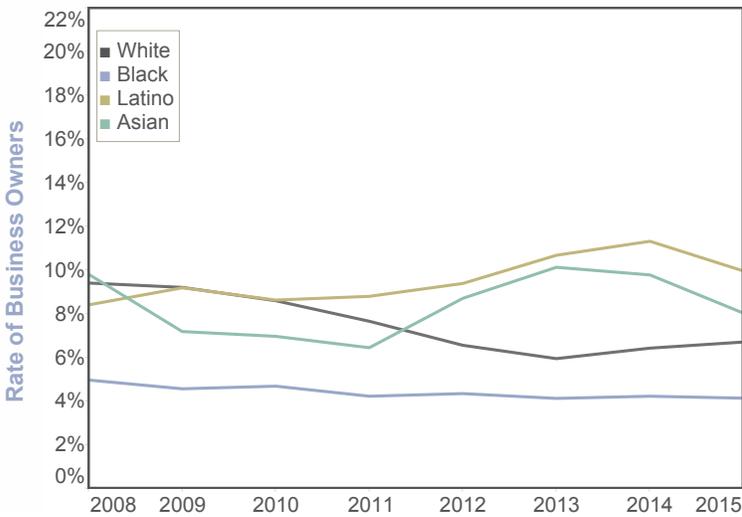
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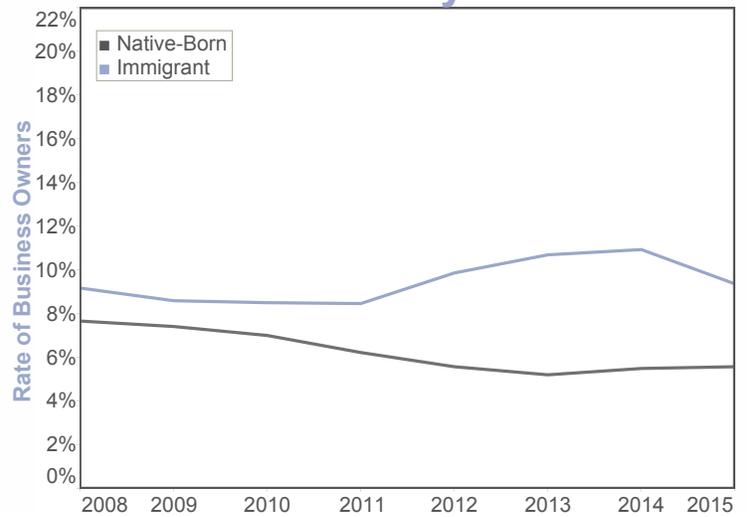
Gender



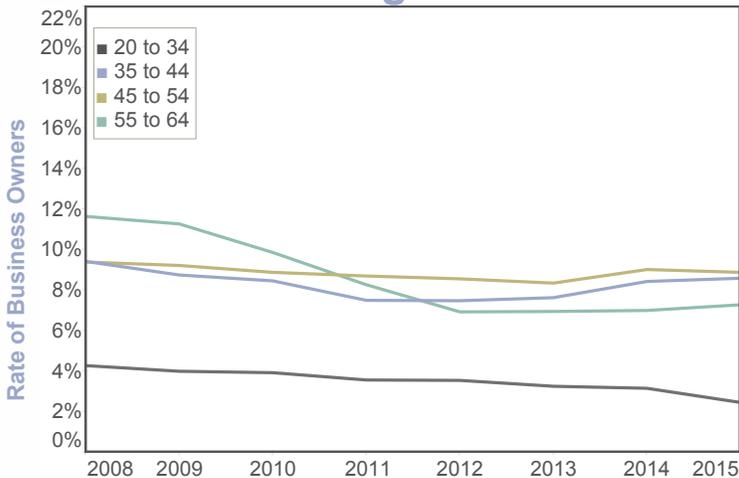
Race



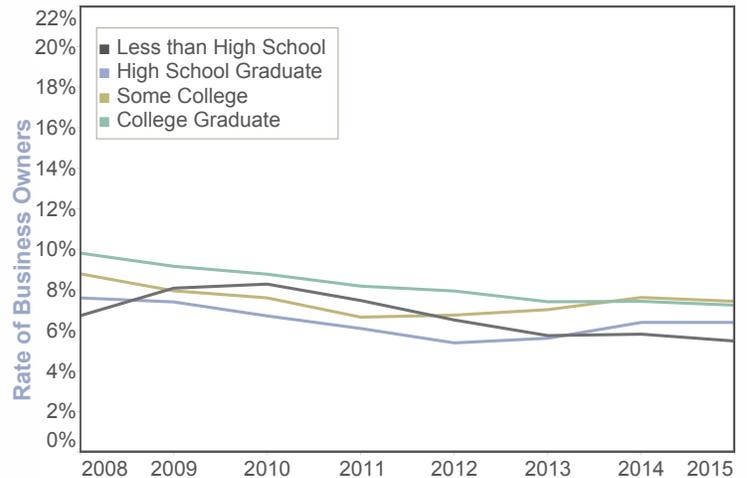
Nativity



Age



Education



Main Street Rank

2016	2015
34	37



Riverside

Metro: Riverside-San Bernardino-Ontario | State: California
Metro Profile

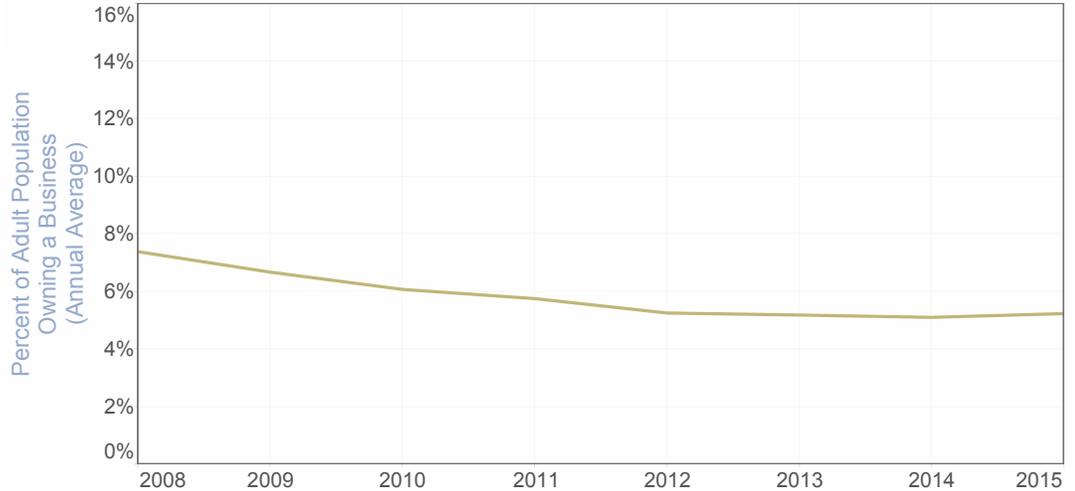
Rate of Business Owners

2016 Component	2015 Component
5.23%	5.10%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



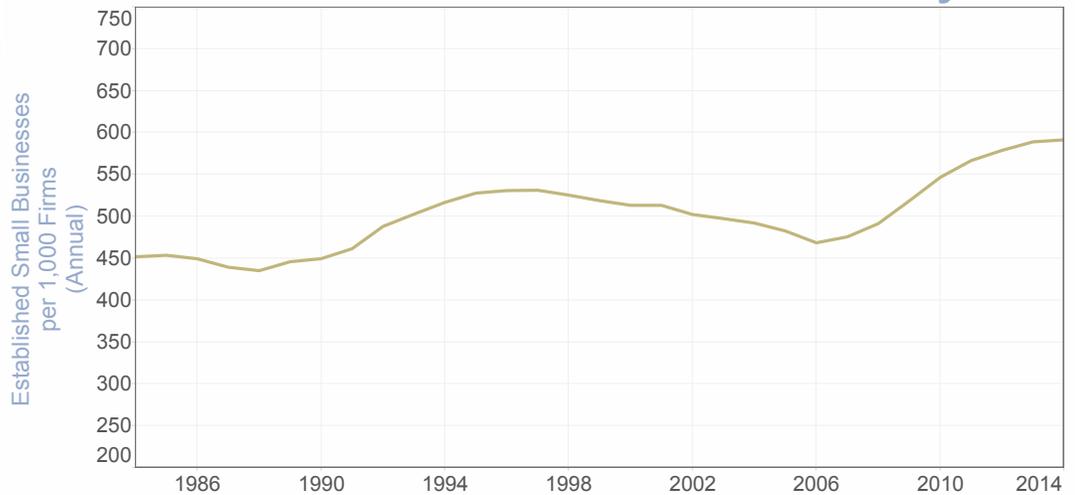
Established Small Business Density

2016 Component	2015 Component
591.4	589.1

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



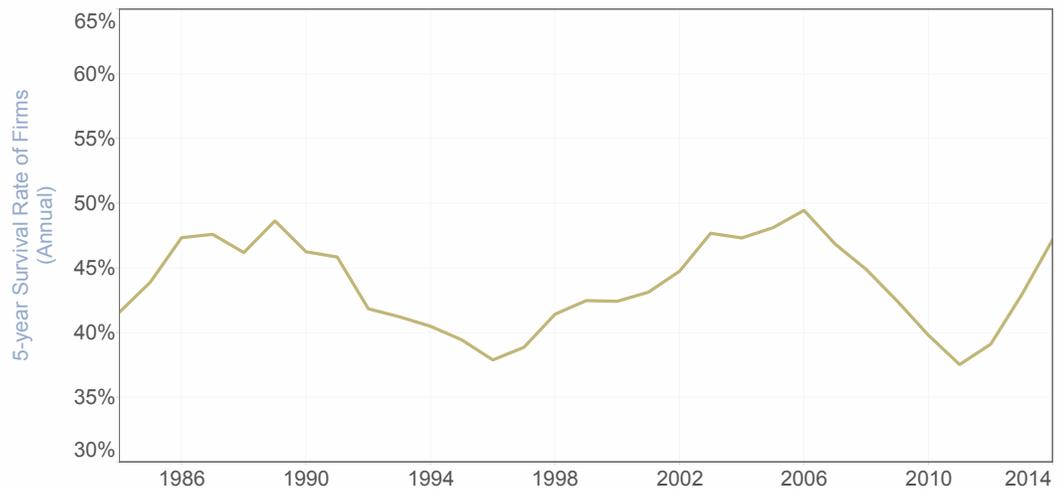
Survival Rate

2016 Component	2015 Component
47.25%	42.96%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Riverside

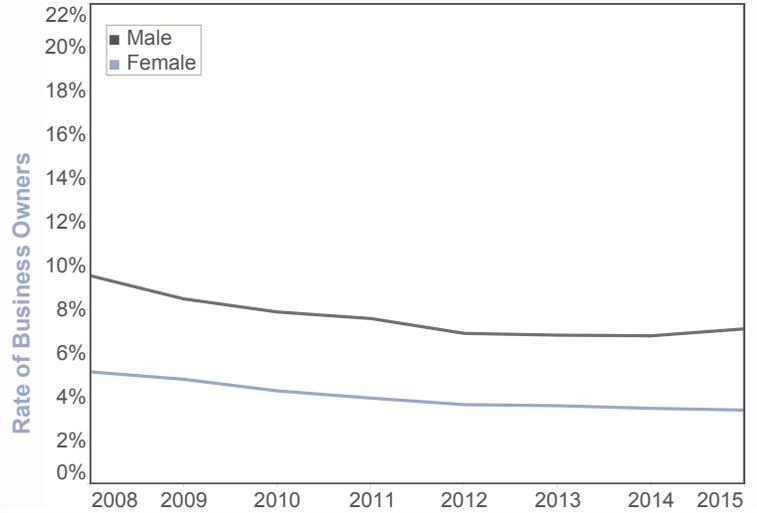
Metro: Riverside-San Bernardino-Ontario | State: California

Business Owner Demographics

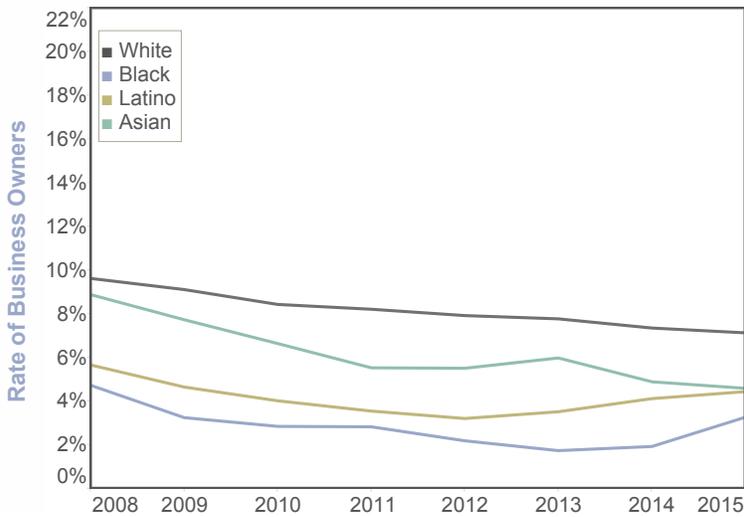
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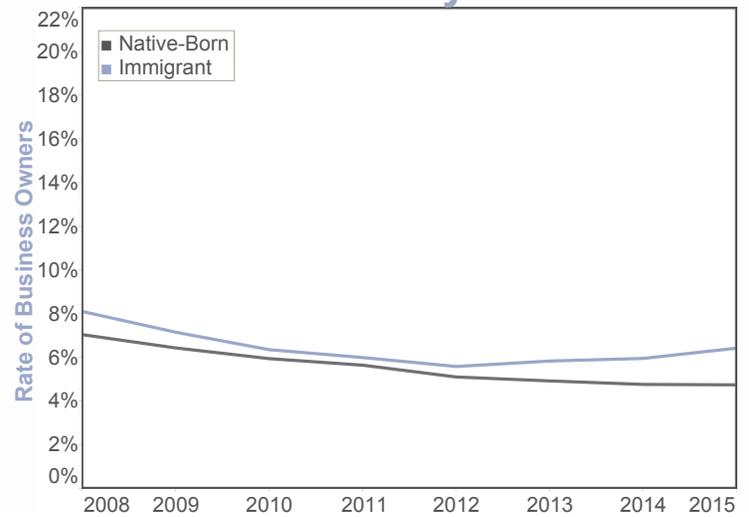
Gender



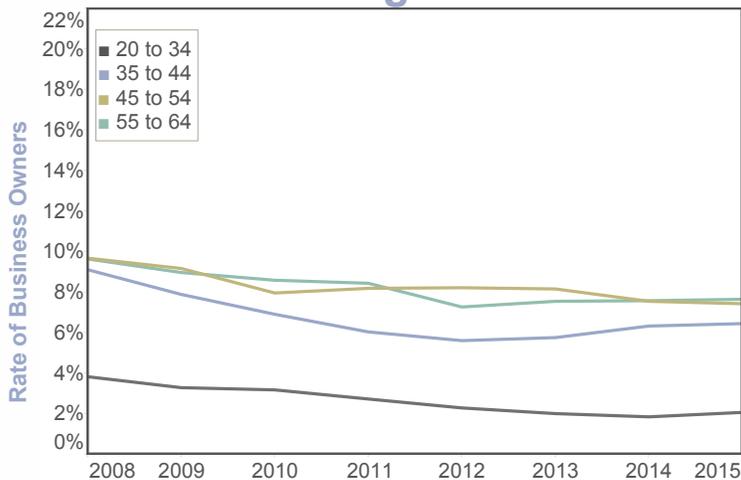
Race



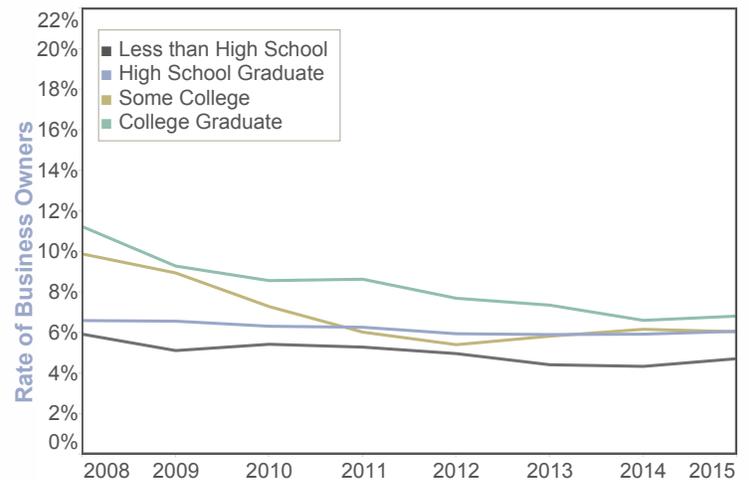
Nativity



Age



Education



Main Street Rank

2016	2015
35	35



Charlotte

Metro: Charlotte-Gastonia-Rock Hill | State: North Carolina-South Carolina
Metro Profile

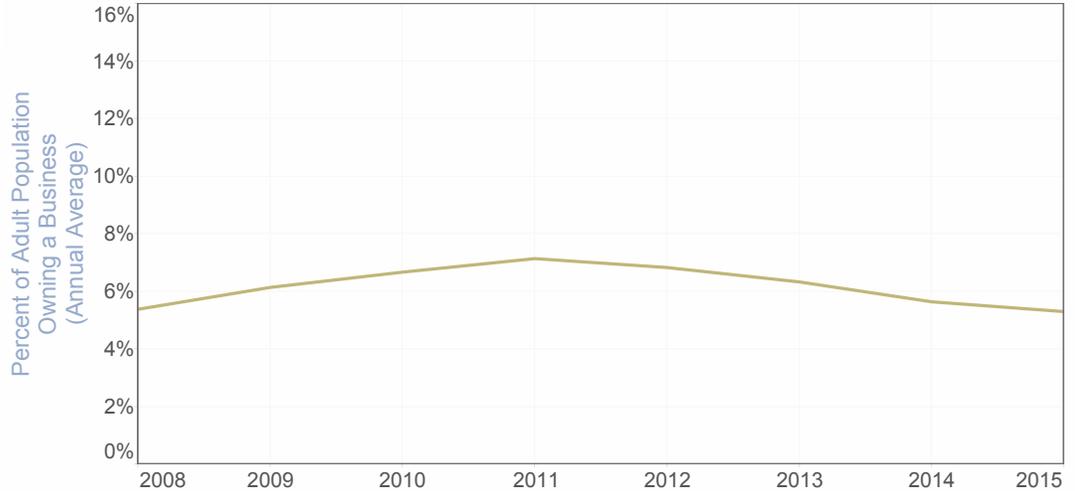
Rate of Business Owners

2016 Component	2015 Component
5.30%	5.64%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



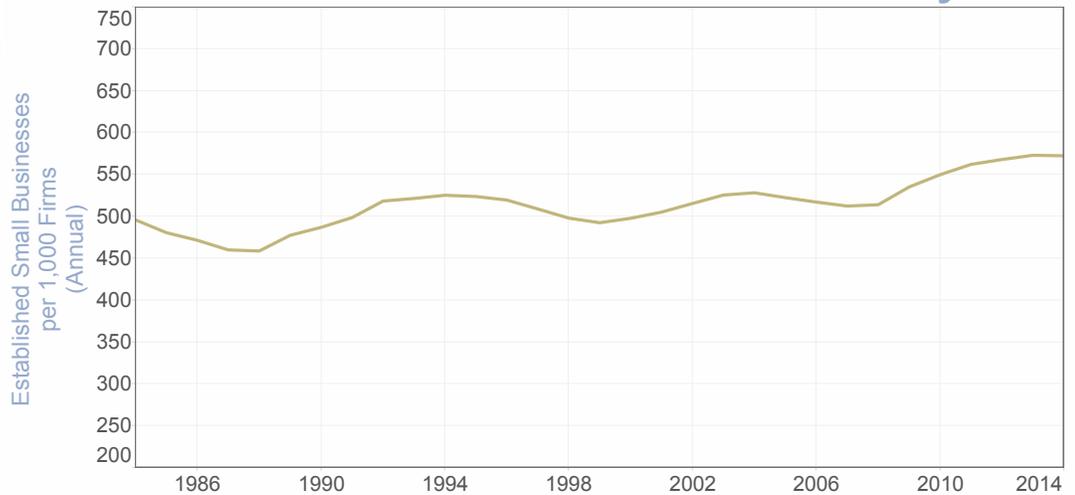
Established Small Business Density

2016 Component	2015 Component
572.4	573.0

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



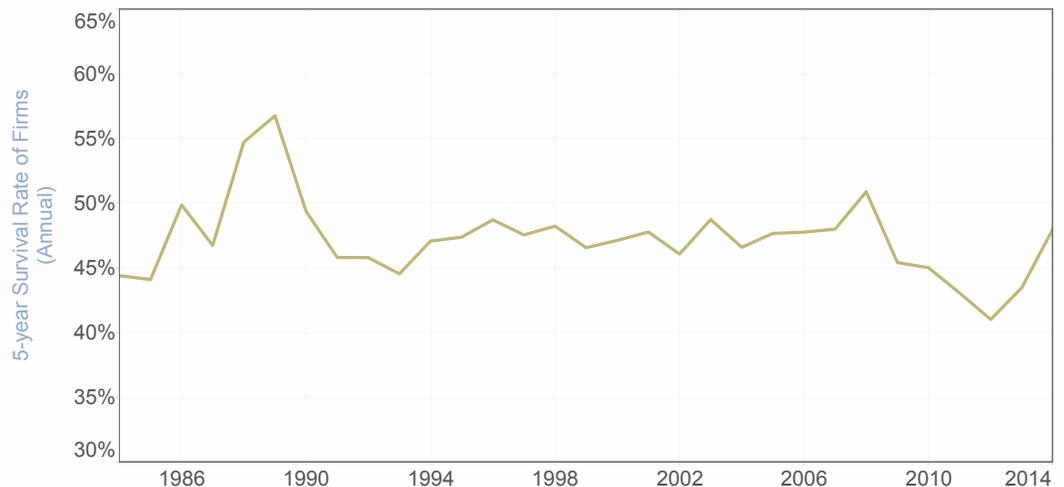
Survival Rate

2016 Component	2015 Component
48.04%	43.50%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Charlotte

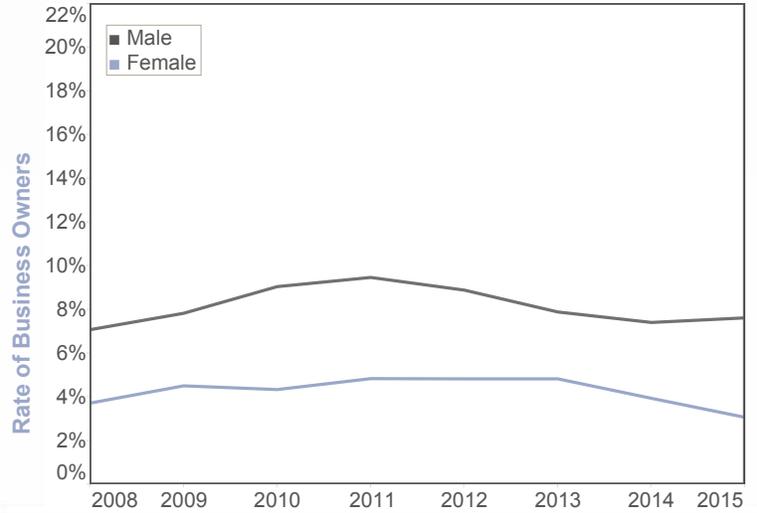
Metro: Charlotte-Gastonia-Rock Hill | State: North Carolina-South Carolina

Business Owner Demographics

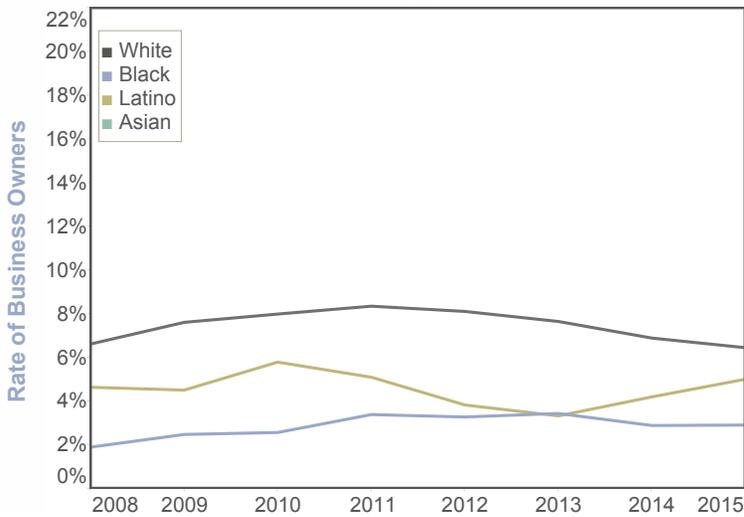
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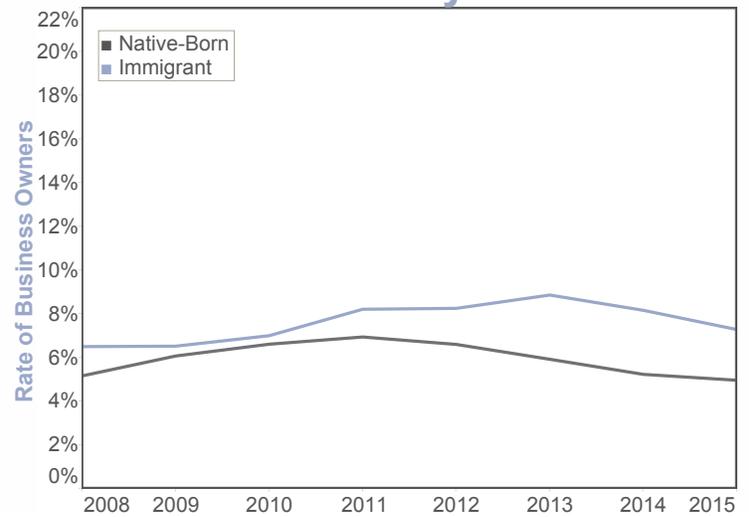
Gender



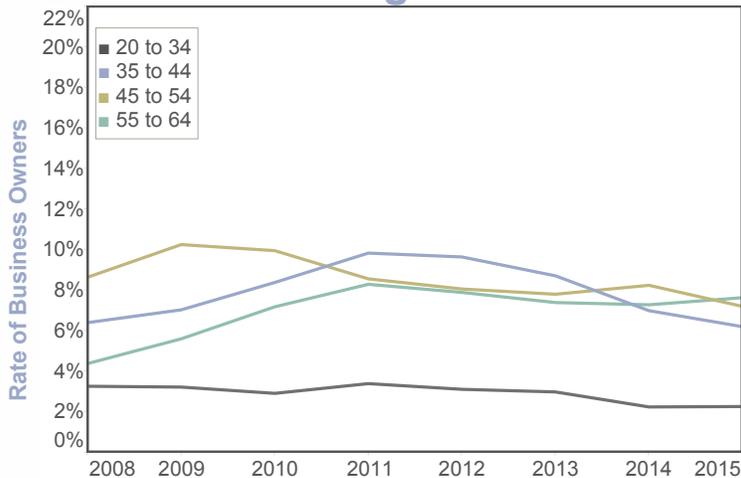
Race



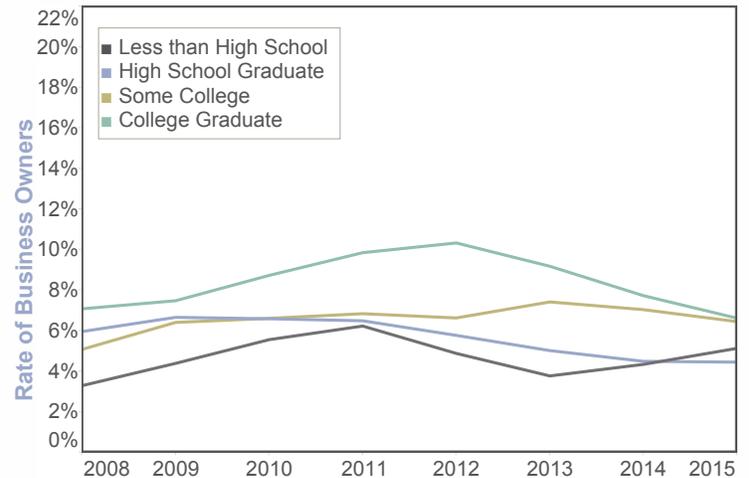
Nativity



Age



Education



Main Street Rank

2016	2015
36	31



San Antonio

Metro: San Antonio-New Braunfels | State: Texas
Metro Profile

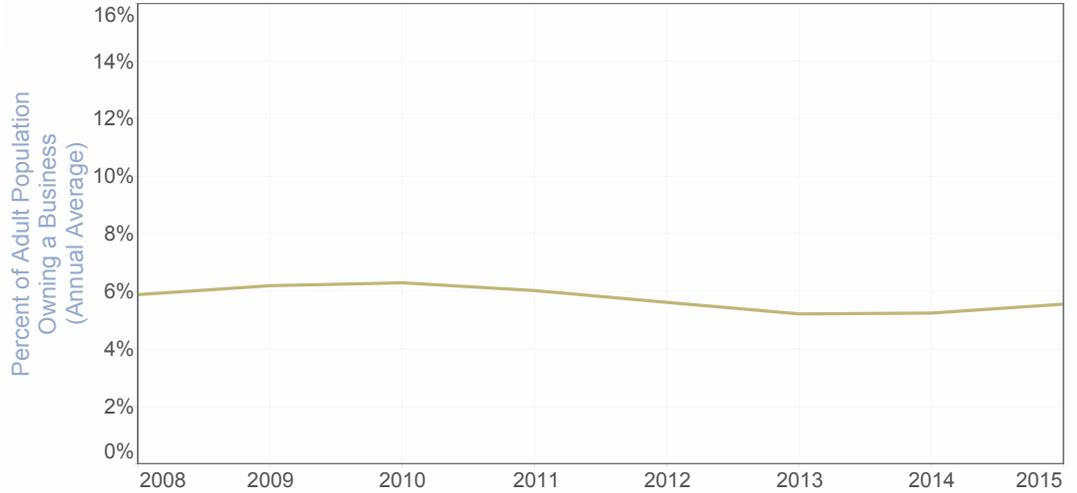
Rate of Business Owners

2016 Component	2015 Component
5.56%	5.25%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



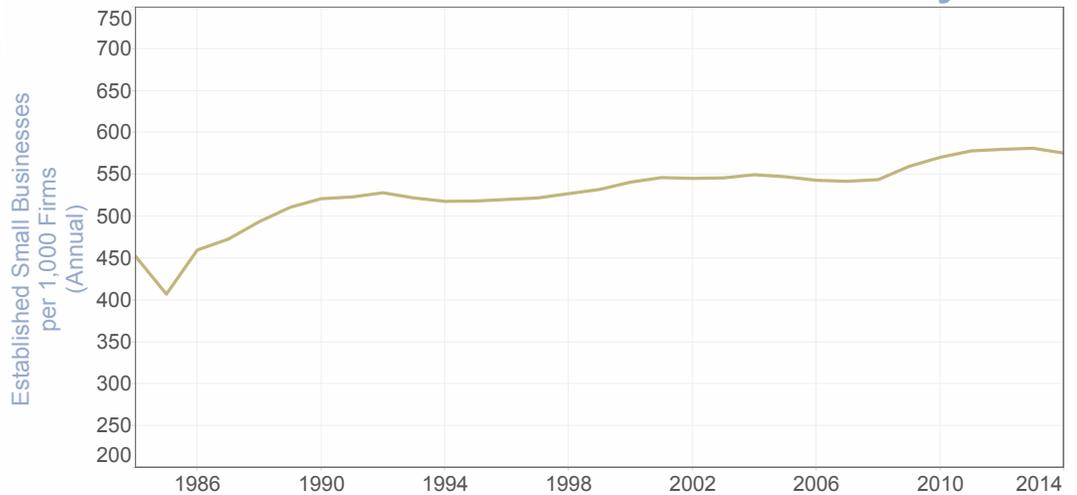
Established Small Business Density

2016 Component	2015 Component
575.6	581.4

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



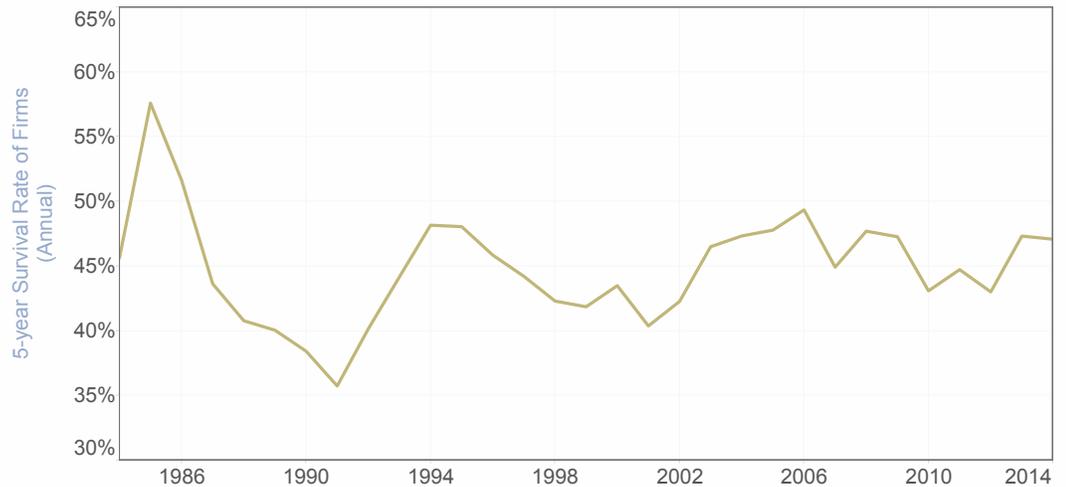
Survival Rate

2016 Component	2015 Component
47.08%	47.32%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



San Antonio

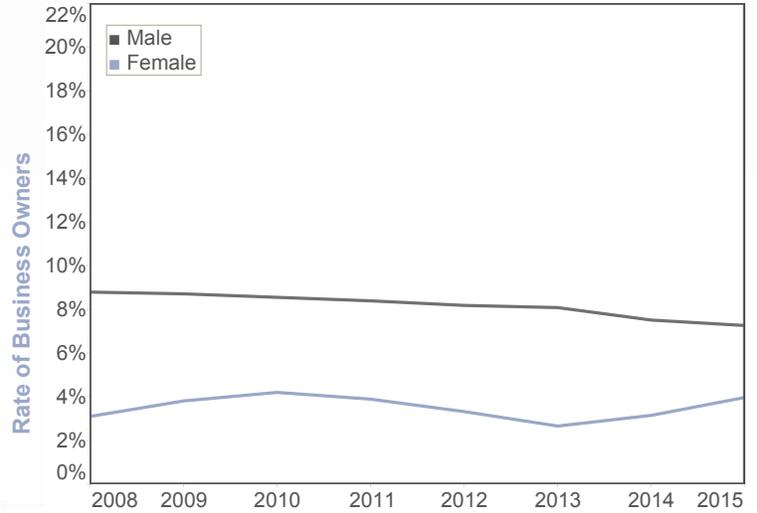
Metro: San Antonio-New Braunfels | State: Texas

Business Owner Demographics

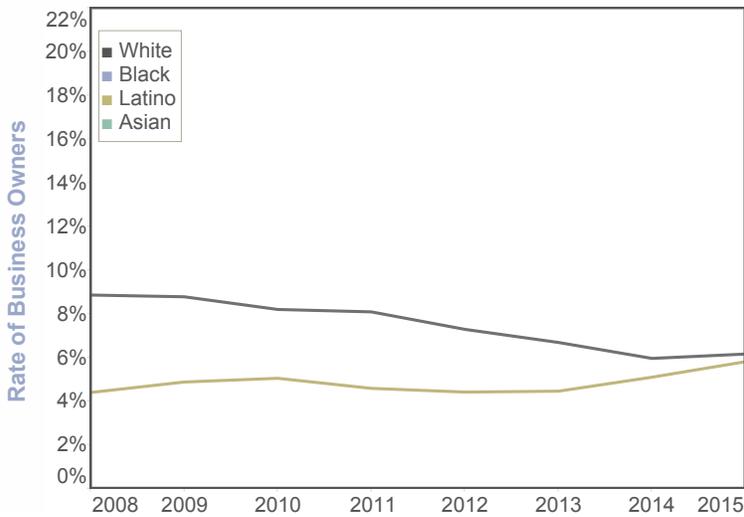
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

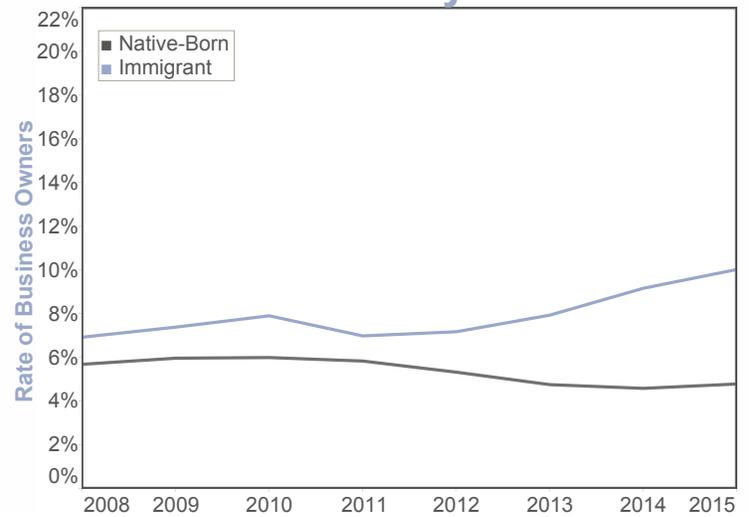
Gender



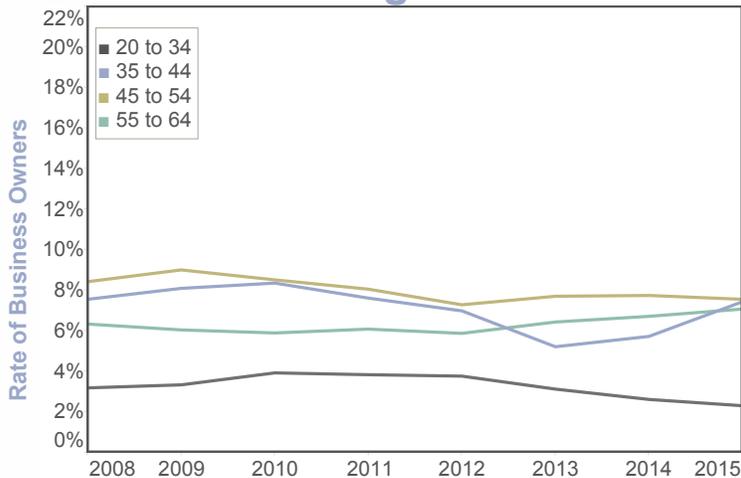
Race



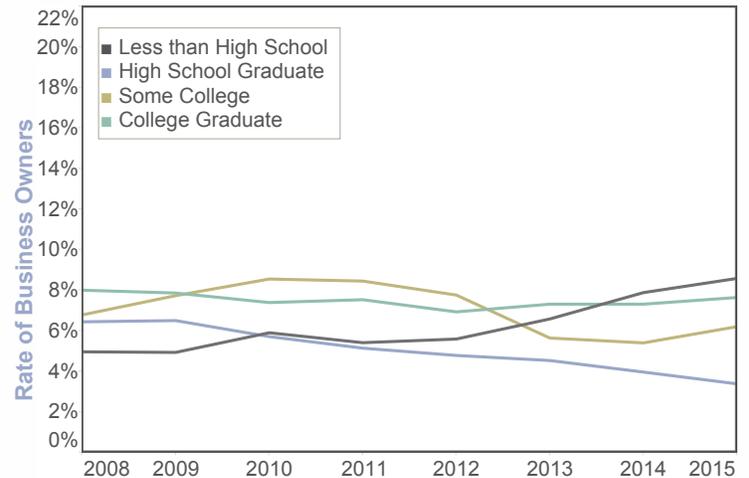
Nativity



Age



Education



Main Street Rank

2016	2015
37	39



Orlando

Metro: Orlando-Kissimmee-Sanford | State: Florida
Metro Profile

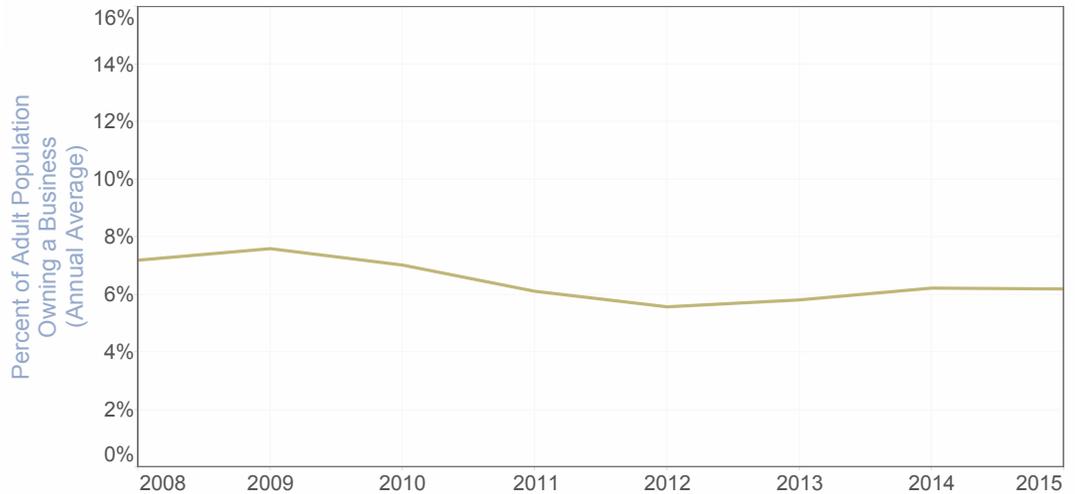
Rate of Business Owners

2016 Component	2015 Component
6.19%	6.22%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



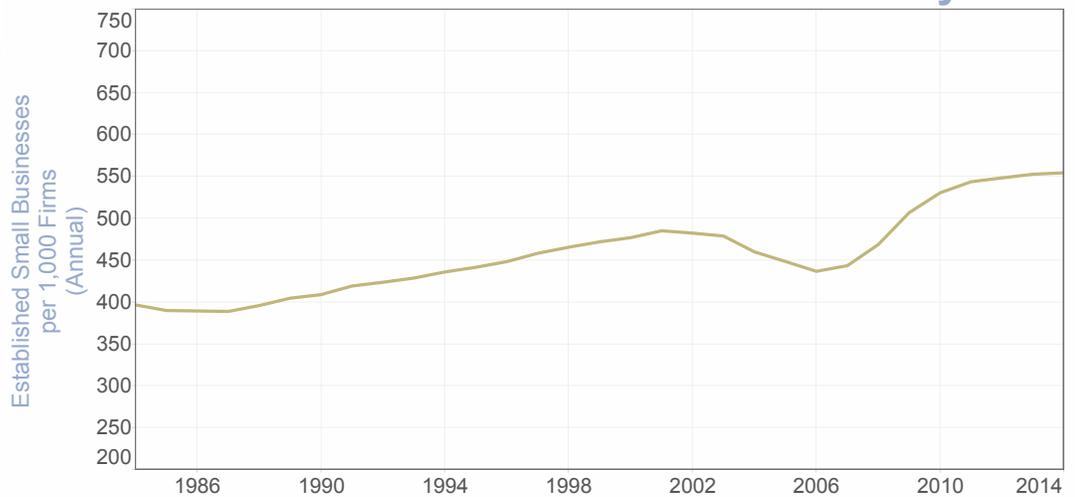
Established Small Business Density

2016 Component	2015 Component
554.5	552.8

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



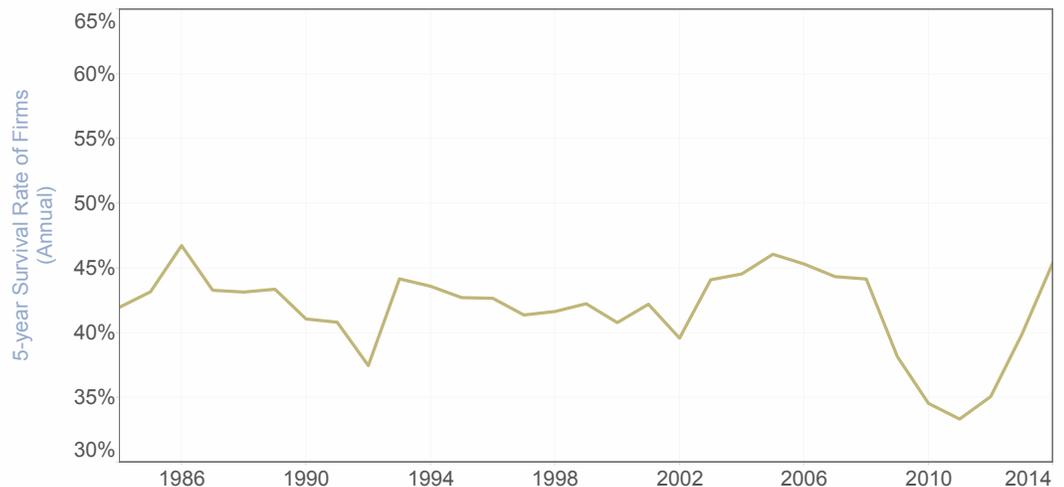
Survival Rate

2016 Component	2015 Component
45.44%	39.88%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Orlando

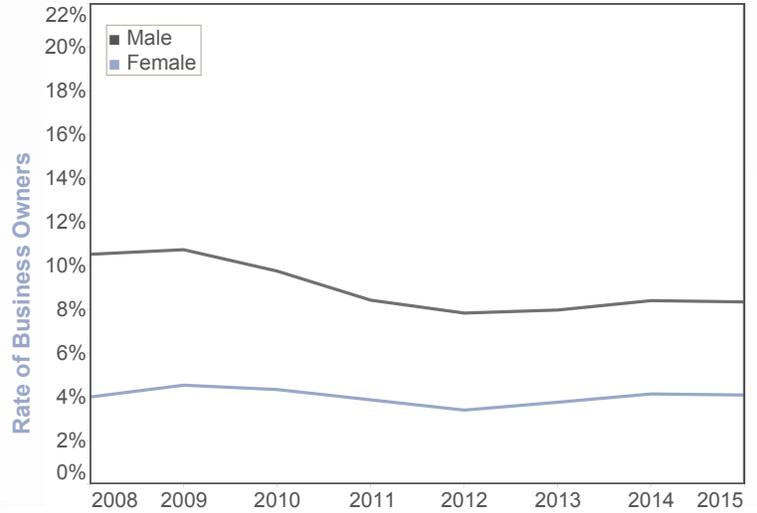
Metro: Orlando-Kissimmee-Sanford | State: Florida

Business Owner Demographics

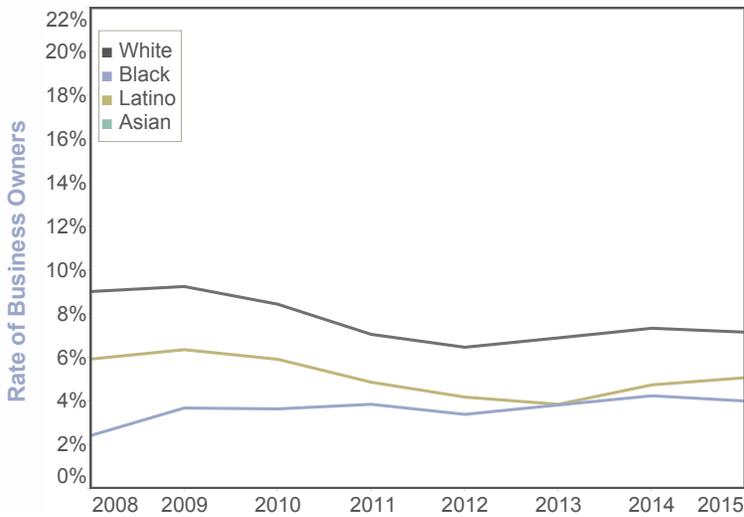
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

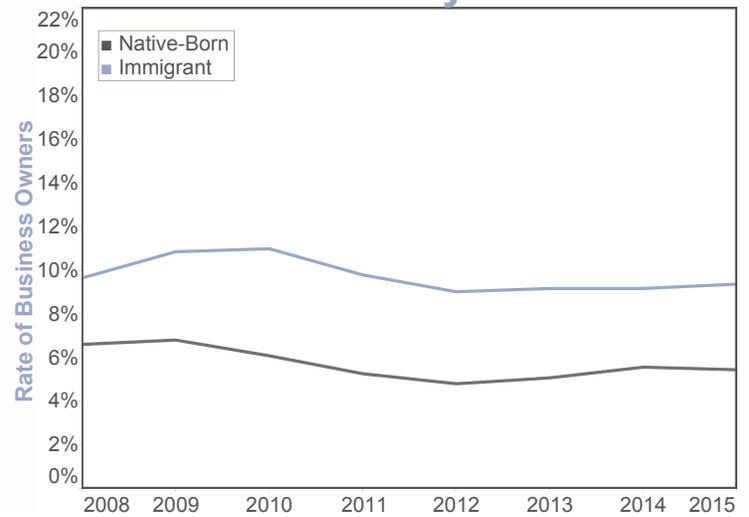
Gender



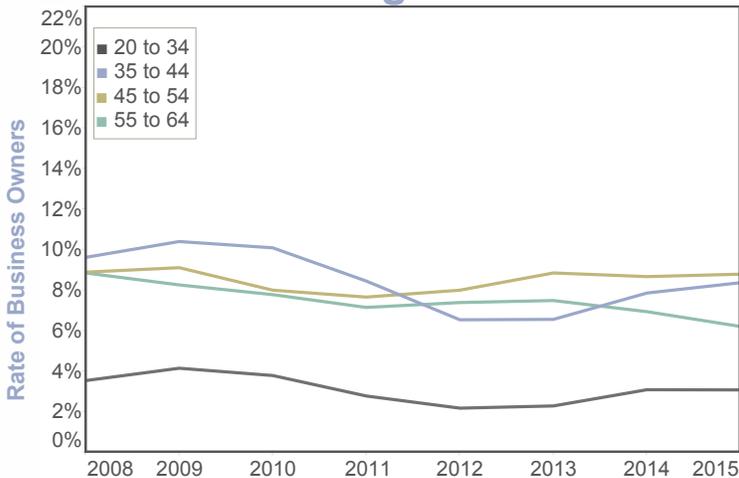
Race



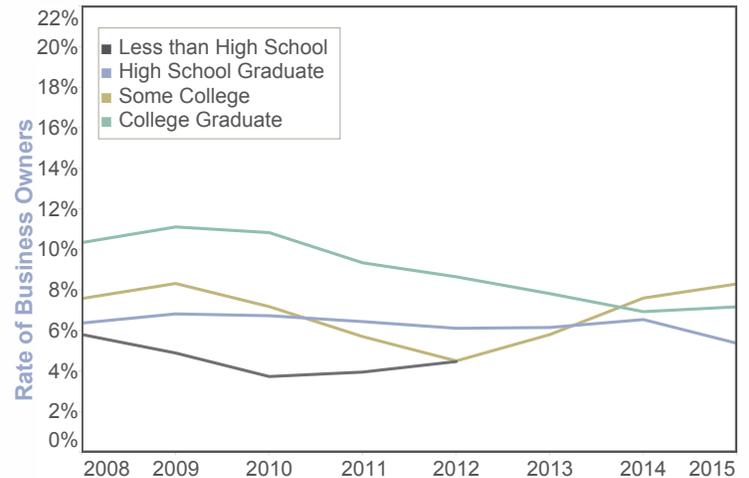
Nativity



Age



Education



Main Street Rank

2016	2015
38	36



Phoenix

Metro: Phoenix-Mesa-Glendale | State: Arizona
Metro Profile

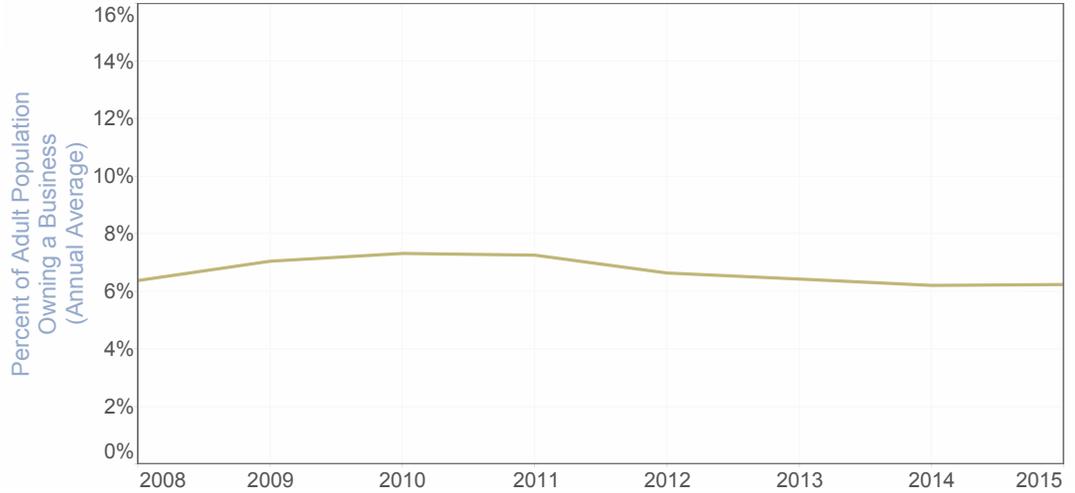
Rate of Business Owners

2016 Component	2015 Component
6.24%	6.21%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



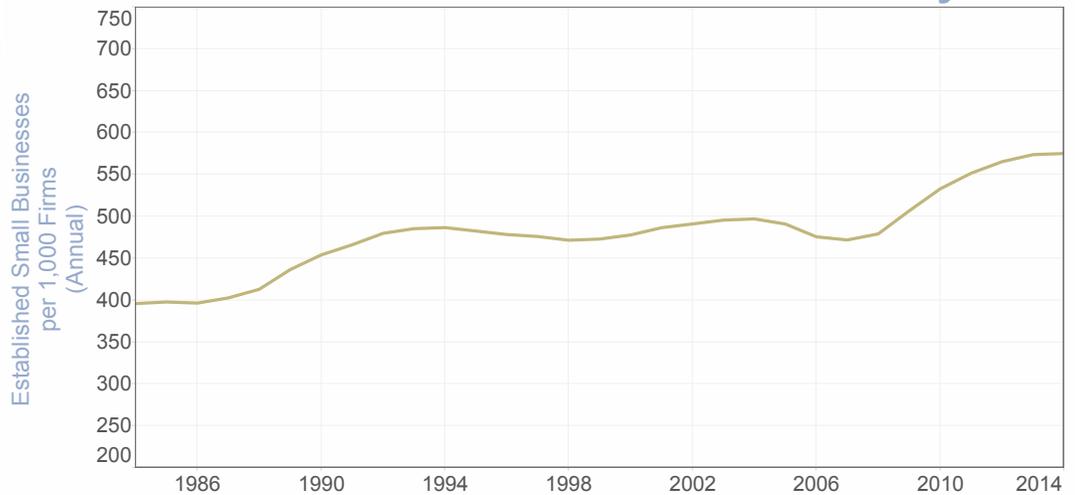
Established Small Business Density

2016 Component	2015 Component
575.2	573.8

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



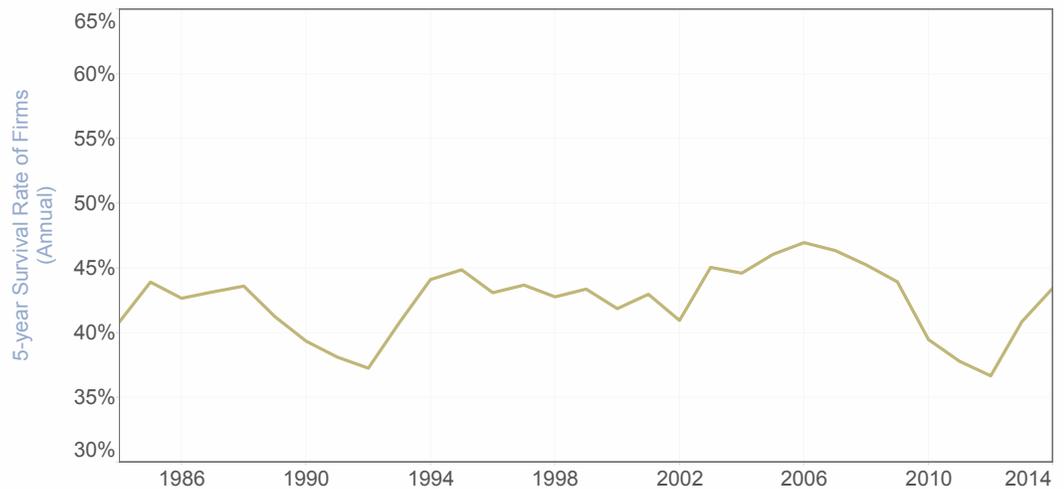
Survival Rate

2016 Component	2015 Component
43.47%	40.86%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Phoenix

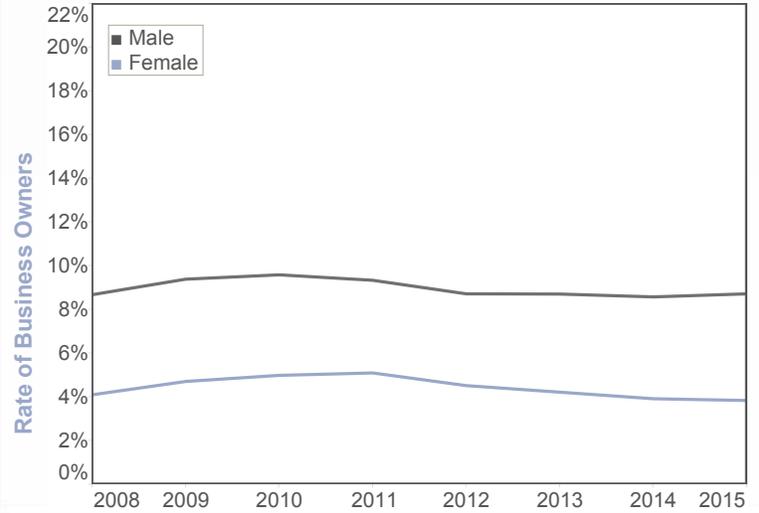
Metro: Phoenix-Mesa-Glendale | State: Arizona

Business Owner Demographics

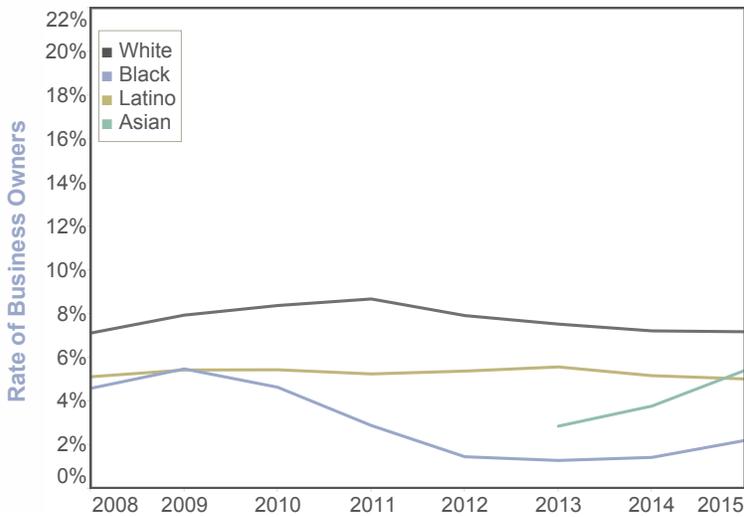
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

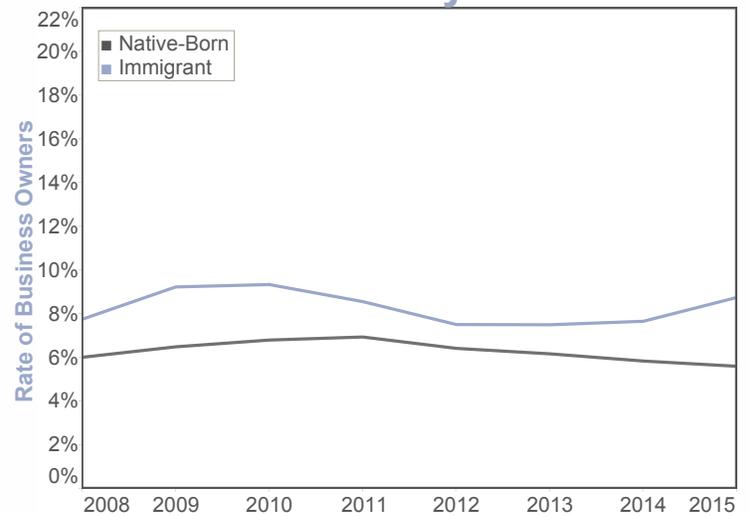
Gender



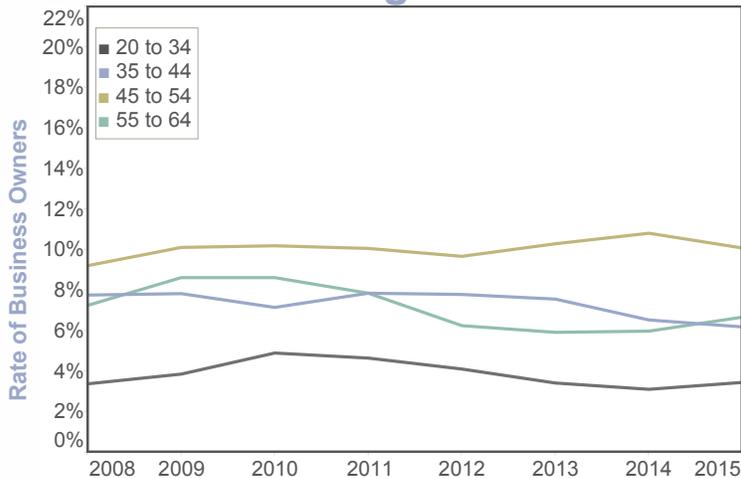
Race



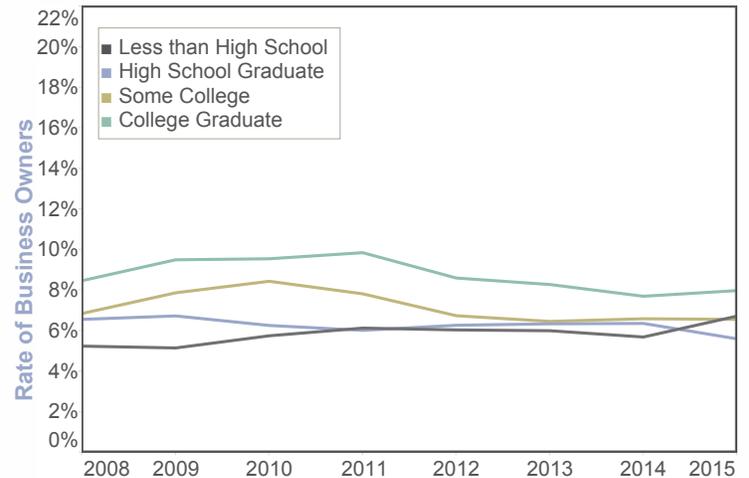
Nativity



Age



Education



Main Street Rank

2016	2015
39	38



Jacksonville

Metro: Jacksonville | State: Florida
Metro Profile

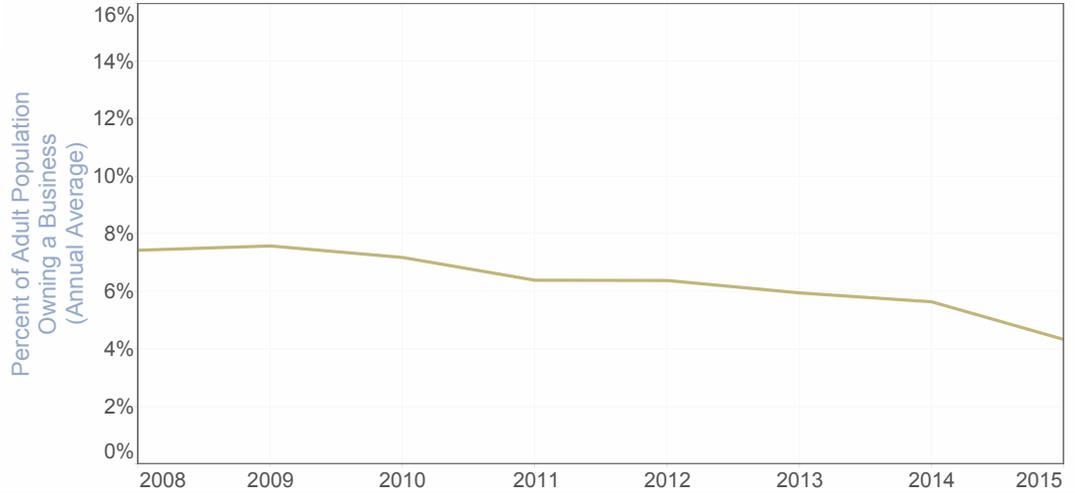
Rate of Business Owners

2016 Component	2015 Component
4.33%	5.64%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



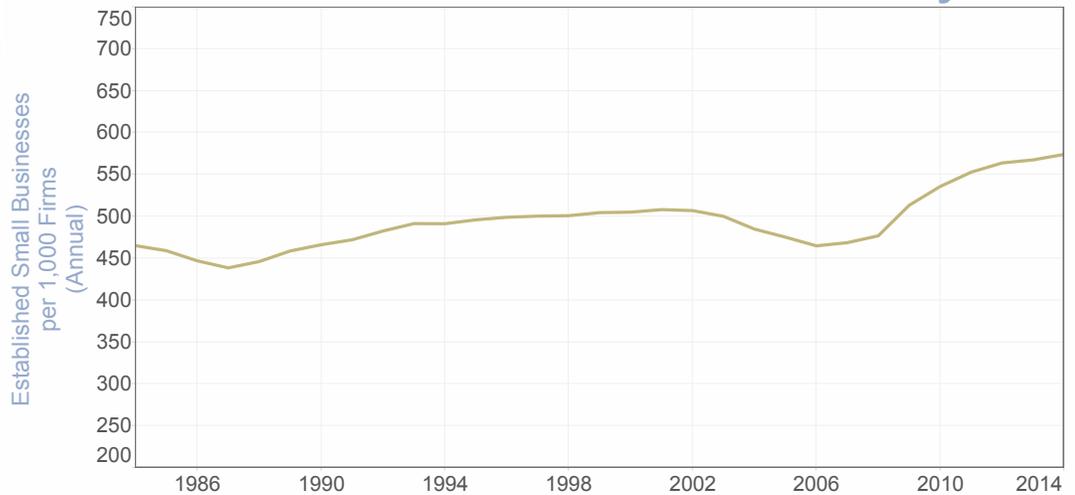
Established Small Business Density

2016 Component	2015 Component
574.0	567.5

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



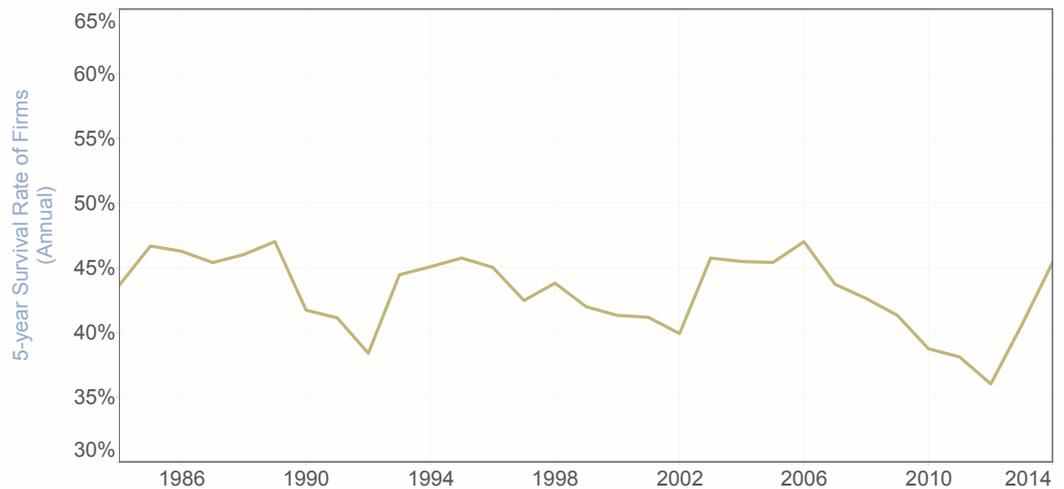
Survival Rate

2016 Component	2015 Component
45.50%	40.62%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Jacksonville

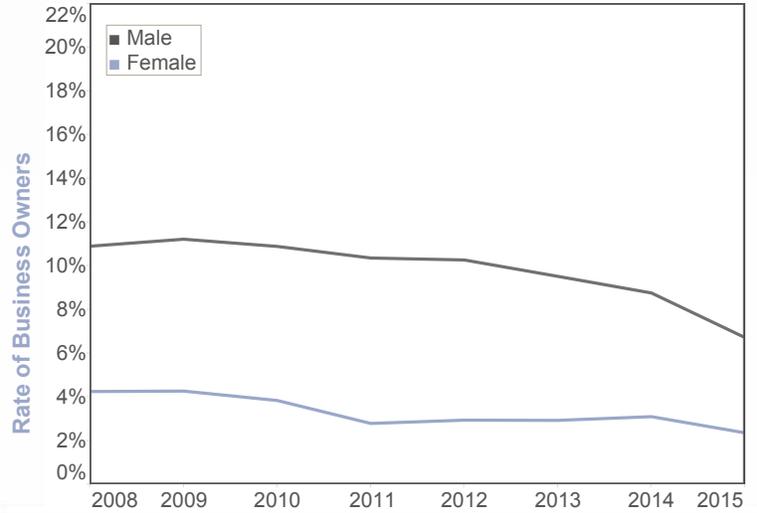
Metro: Jacksonville | State: Florida

Business Owner Demographics

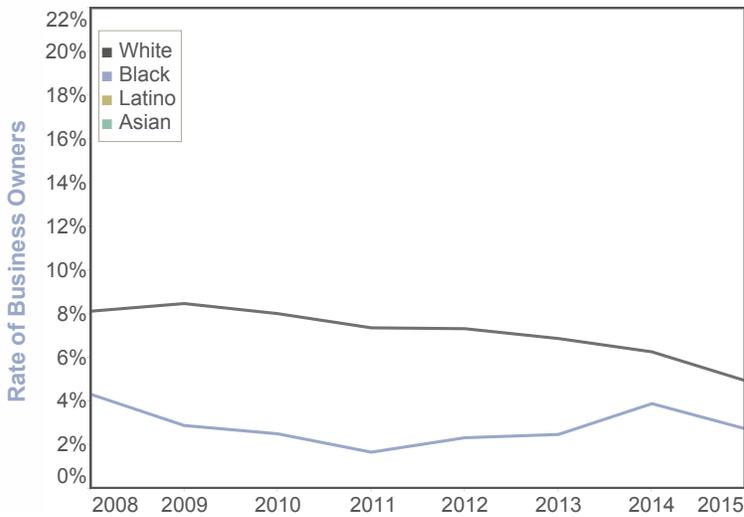
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

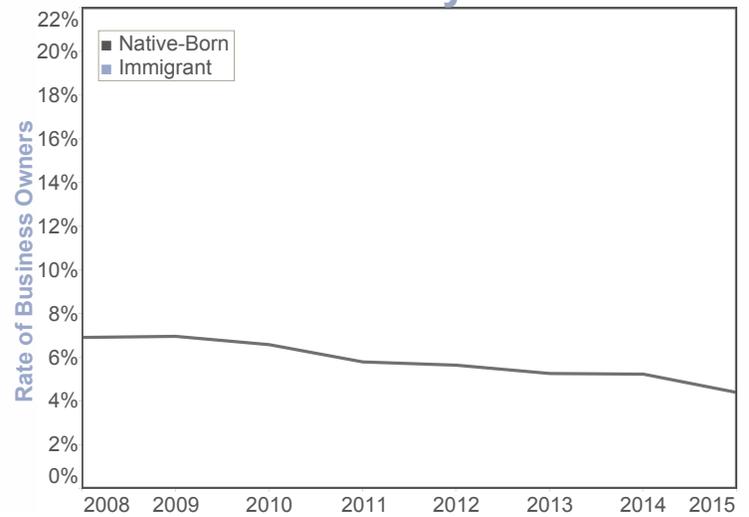
Gender



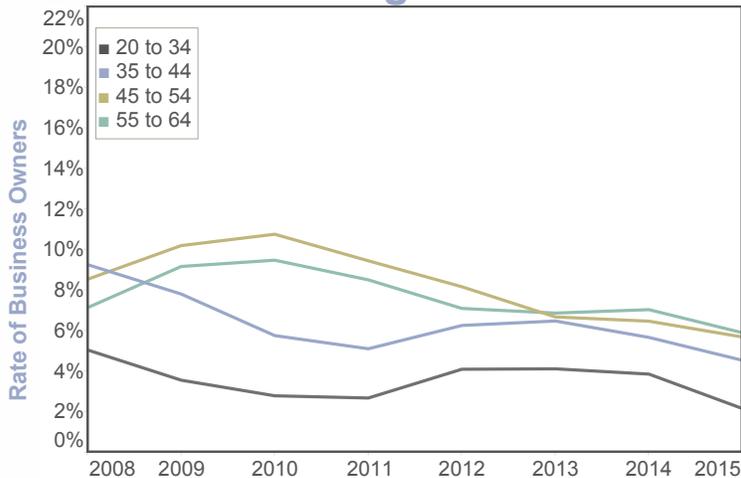
Race



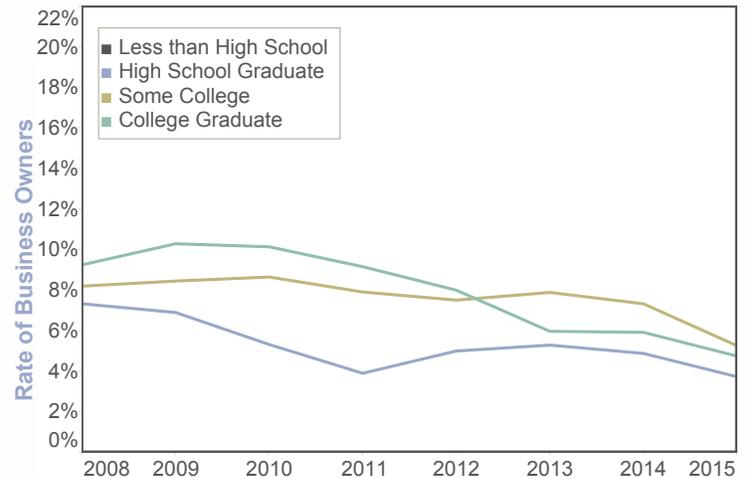
Nativity



Age



Education



Main Street Rank

2016	2015
40	40



Las Vegas

Metro: Las Vegas-Paradise | State: Nevada
Metro Profile

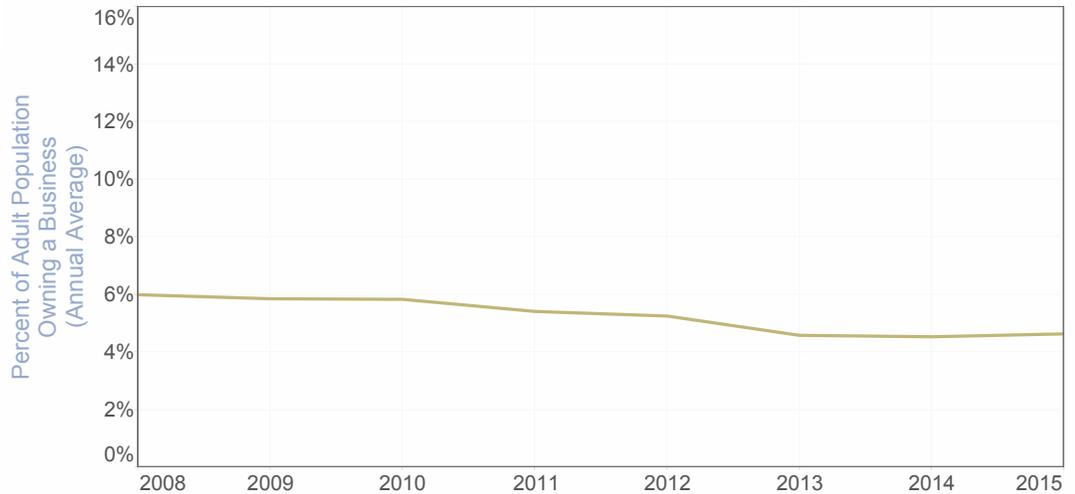
Rate of Business Owners

2016 Component	2015 Component
4.63%	4.53%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS. Yearly measure.

Rate of Business Owners



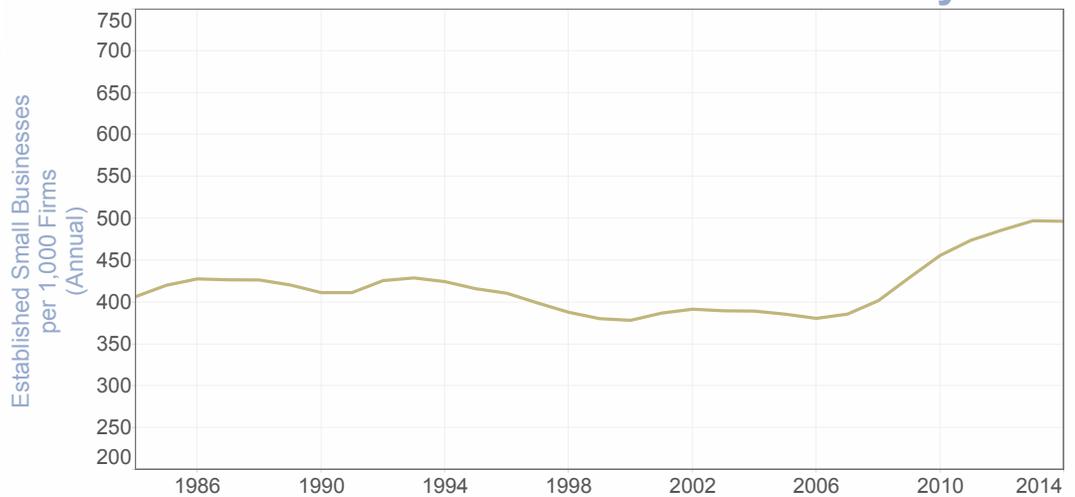
Established Small Business Density

2016 Component	2015 Component
496.6	497.2

Number of established small businesses per 1,000 firms. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS.

Established Small Business Density



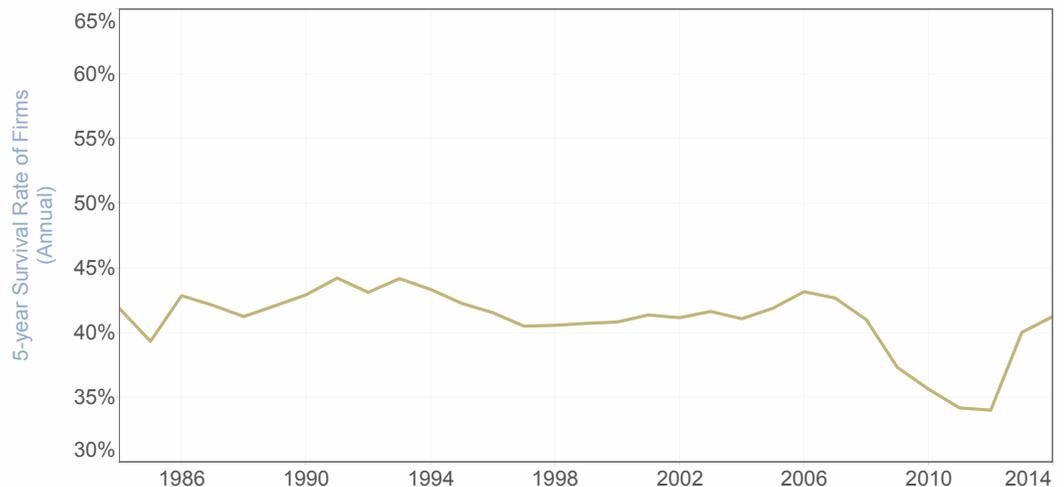
Survival Rate

2016 Component	2015 Component
41.27%	40.04%

Percentage of firms that remained in operation through their first five years.

Source: Author calculations from BDS.

Survival Rate



Las Vegas

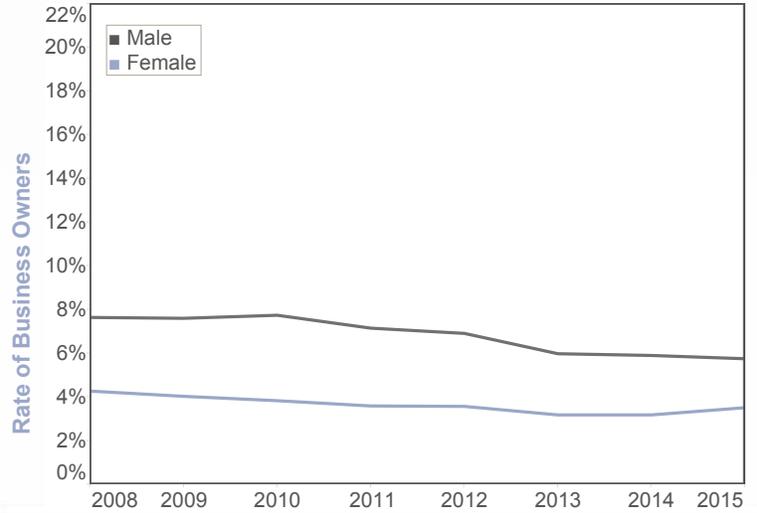
Metro: Las Vegas-Paradise | State: Nevada

Business Owner Demographics

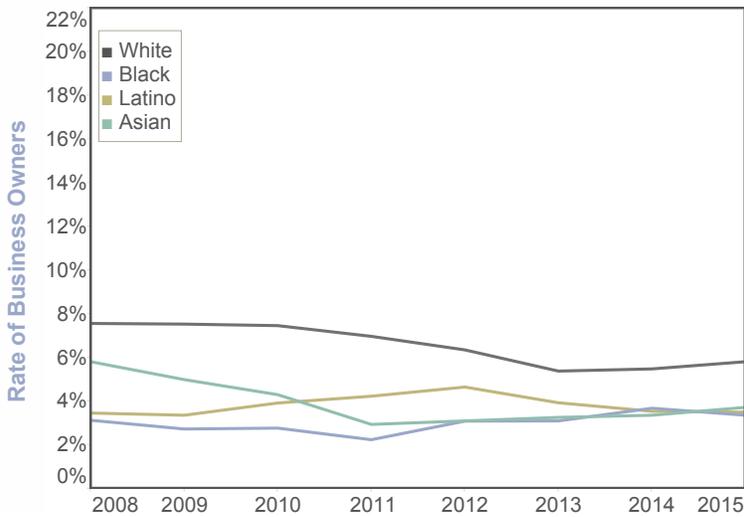
Rate of Business Owners by Demographic Group

The Rate of Business Owners is the percent of the adult population owning a business as their main job, calculated using a three-year moving average. We are able to calculate this rate for select demographic groups, including gender, race, nativity, age, and education. The Rate of Business Owners is calculated using the Current Population Survey.

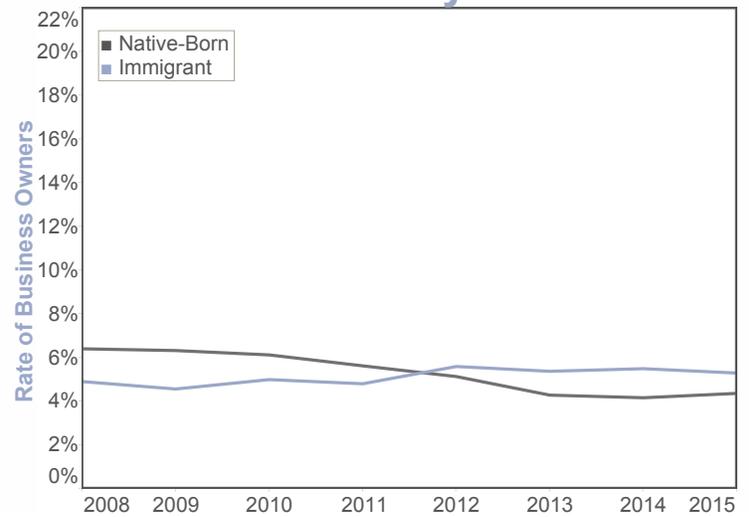
Gender



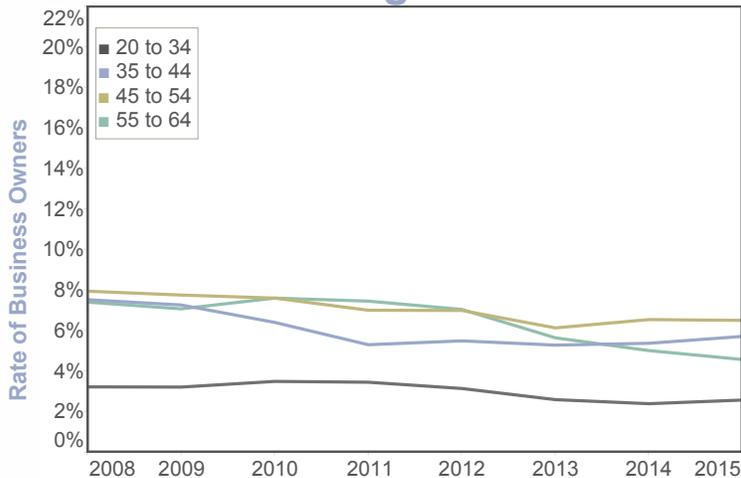
Race



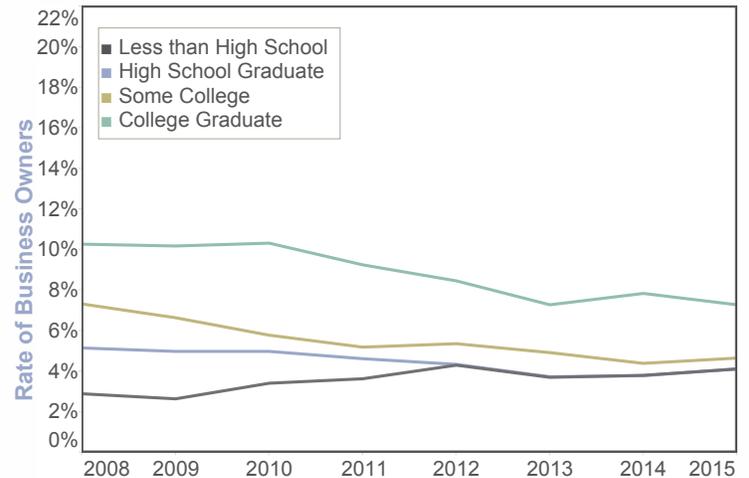
Nativity



Age



Education





Rate of Business Owners



Survival Rate



Established Small Business Density

Methodology and Framework

In this part of the report, we discuss the methodology and framework for the Kauffman Index of Main Street Entrepreneurship across all geographic levels: national, state, and metropolitan area.

Definitions of Main Street Entrepreneurship Index Components

The Kauffman Index of Main Street Entrepreneurship is calculated based on three components: the Rate of Business Owners, the Survival Rate of firms, and the Established Small Business Density. In this section, we provide detailed definitions of each one of these components.



Component A: Rate of Business Owners

Component A of the Kauffman Index of Main Street Entrepreneurship comes from the Current Population Survey (CPS) and is calculated by author Rob Fairlie. The CPS microdata capture all business owners, including those who own incorporated or unincorporated businesses and those

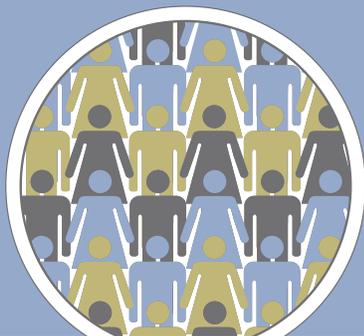
who are employers or non-employers. To create the Rate of Business Owners, all individuals who own businesses as their main jobs are identified as business owners. Additionally, only business owners who report owning businesses as their main jobs with fifteen or more usual hours worked in the survey month are counted.² Using these criteria, the Rate of Business Owners is defined as the percent of the adult, working-age (ages twenty to sixty-four) population that owns a business.

The main job is defined as the one with the most hours worked. Individuals who own side businesses will, therefore, not be counted if they are working more hours on a wage/salary job. The requirement that business owners work fifteen or more hours per week in the survey month is imposed to rule out part-time business owners and very small business activities. It may, therefore, result in an understatement of the percent of individuals owning any type of business. But, the goal here is to capture business ownership activities with at least some work effort (i.e., roughly two or more days per week).

The Rate of Business Owners is a parallel measure to the Rate of New Entrepreneurs (formerly the Kauffman Index of Entrepreneurial Activity, Fairlie 2014), which is a component measure of the related report, Kauffman Index of Startup Activity (Fairlie et al. 2015).³ The Rate of New Entrepreneurs captures business creation (or the flow

2. The U.S. Bureau of Labor Statistics reports total numbers for unincorporated and incorporated self-employed workers from the CPS, but does not impose any hours-worked restrictions or report breakouts by demographic group or geographical area (See <http://www.bls.gov/news.release/empst109.htm>).
 3. See Fairlie 2014 and www.kauffmanindex.org for previous reports.

Rate of Business Owners



- Broad measure of business ownership.
- Measures the percentage of the U.S. adult population that owns a business as their main job.
- Includes entrepreneurs with incorporated or unincorporated businesses, with or without employees.
- Data based on the Current Population Survey jointly produced by the U.S. Census Bureau and the U.S. Bureau of Labor Statistics.
- What the number means:
 - For example, the United States Rate of Business Owners was 6.02 percent in the 2016 Index. This means that six out of every 100 adults own businesses in the United States.

into business ownership). The Rate of Business Owners captures current business ownership (or the stock of business ownership). Other than this major difference in measurement, many definitions and restrictions are similar.

The CPS sample was designed to produce national and state estimates of the unemployment rate and additional labor force characteristics of the civilian, non-institutional population ages sixteen and older. The total national sample size is drawn to ensure a high level of precision for the monthly national unemployment rate. For each of the fifty states, the sample also is designed to guarantee precise estimates of average annual unemployment rates, resulting in varying sample rates by state (Polivka 2000). Sampling weights provided by the CPS, which also adjust for non-response and post-stratification raking, are used for all national and state-level estimates. The CPS also can be used to calculate

metropolitan-area estimates, but only for the largest metropolitan areas in the United States. For example, the Bureau of Labor Statistics reports annual labor-force participation and unemployment rates for the largest fifty-four metropolitan statistical areas.⁴ We focus on the forty largest metropolitan statistical areas in our analysis and calculate moving averages when needed to ensure adequate precision in all reported estimates.



Component B: Survival Rate

The Survival Rate of firms component of the Kauffman Index of Main Street Entrepreneurship uses U.S. Census Bureau data from the Business Dynamics Statistics.

It estimates the percentage of firms that survive beyond their first five years of operation. The calculation method we use is based on Reedy and Litan (2011).

Survival Rate



- Proxy of the rate at which new firms survive their first five years and thus become established.
- The percentage of firms that remain in operation over their first five years.
- Data based on the U.S. Census Business Dynamics Statistics.
- What the number means:
 - For example, the 2014 Survival Rate of firms for the United States was 48.7 percent. That means that, in 2014, for every 100 firms that started operating in 2009 in the United States, an estimated forty-nine employer businesses survived through their first five years of operation.

4. See http://www.bls.gov/opub/gp/pdf/gp13_27.pdf for Bureau of Labor Statistics use of the CPS at the metropolitan-area level.

Established Small Business Density



- A ratio of the number of established small businesses by total business population.
- Established small businesses are defined as employer firms over the age of five employing at least one, but less than fifty, employees.
- Measures the number of established small businesses normalized by the business population of an area.
- Data based on the U.S. Census Business Dynamics Statistics.
- What the number means:
 - For example, the 2016 Index of Established Small Business Density for the United States was 676.1. That means that, for every 1,000 U.S. firms, there were 676 employer businesses five years of age or older, employing fewer than fifty employees.



Component C: Established Small Business Density

The Established Small Business Density component of the Kauffman Index of Main Street Entrepreneurship uses U.S. Census Bureau data from the Business Dynamics Statistics. It measures the number of established small employer firms normalized by the population of a given area. We define established small businesses here as employer firms that are at least five years of age and employ less than fifty employees, and we divide the number of established small businesses in a region by every 1,000 firms in the area to arrive at the Established Small Business Density measure.

Small businesses are defined as firms with fewer than fifty employees based on the European Commission's definition of small businesses.⁵ The U.S. Small Business Association (SBA) uses various definitions of small businesses, varying by industry, but generally defines small businesses as those with fewer than 500 employees.⁶ Firms with fewer than 500 employees represent 99.8 percent of all firms in the United States, so this definition, while helpful, is not used here, allowing for a narrower definition and more nuanced look at the varying trends among states and metropolitan areas.

The choice for established firms was made so that the Main Street Entrepreneurship Index did not measure startups and young firms.

Our definition here is loosely based on the entrepreneurship density measure suggested by our Kauffman Foundation colleagues Stangler and Bell-Masterson (2015) in their "Measuring an Entrepreneurial Ecosystem" paper. The measure used in their study is based on young firms instead of established small firms.

Calculating the Main Street Entrepreneurship Index

The Kauffman Index of Main Street Entrepreneurship provides a broad index measure of small business activity in the United States. It is an equally weighted index of three normalized measures of business activity. The three component measures of the Main Street Entrepreneurship Index are: i) the Rate of Business Owners among the U.S. adult population, ii) the Survival Rate of firms, and iii) the Established Small Business Density (established small employer businesses, normalized by population).

Each of these measures is normalized by subtracting the mean and dividing by the standard deviation for that measure (i.e., creating a z-score for each variable).⁷ This creates a comparable scale for including the three measures in the Main Street Entrepreneurship Index. We use national annual estimates from 1996 to the latest year available (2015) to calculate the mean and standard deviations for each of the CPS-based components.

Similarly, we use national annual numbers from 1995 to the latest year available (2014) to calculate the mean

5. The definition comes from the European Union recommendation 2003/261 found at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361&locale=en>.

6. <https://www.sba.gov/content/summary-size-standards-industry-sector>.

7. This is one of the normalization methods recommended by the Organisation for Economic Co-operation and Development (OECD) and the Joint Research Centre from the European Commission in the Handbook on Construction Composite Indicators (2008).

and standard deviation for the BDS-based component of the Index. The same normalization method is used for all three geographical levels—national, state, and metropolitan area—for comparability and consistency over time.

The components we use for the national-level Main Street Entrepreneurship Index are all annual numbers. The Rate of Business Owners covers years from 1996 to the latest year available (2015). The Survival Rate and the Established Small Business Density covers years from 1995 to the latest year available (2014) at the time we started assembling the data for this report.

The Rate of Business Owners component of the state-level Main Street Entrepreneurship Index is calculated on three-year moving averages with the same yearly coverage as the national-level numbers. The reason we do three-year moving averages on the sample-based CPS measures is to reduce sampling issues. Because these are three-year moving averages with annual estimates starting in 1996, the first year for which three-year moving averages are available is 1998. The Established Small Business Density component of the Index is presented yearly, from 1995 to the latest year available (2014) at the time we started assembling the data.

For the metropolitan-area level Main Street Entrepreneurship Index, we present the Rate of Business Owners component on a three-year moving average from 2008 to the latest year available (2015). Because these are three-year moving averages, annual estimates are first calculated in 2008. The Survival Rate and the Established Small Business Density components of the Index are presented yearly, from 1995 to the latest year available (2014) at the time we started assembling the data.

We recognize “Main Street” entrepreneurship is a broad concept with many potential interpretations. We also understand there are other approaches to the concept and welcome conversations on the topic as we further explore indicators of Main Street entrepreneurship.

Data Sources and Component Measures

Data Sources

In this section, we discuss the underlying data sources used to calculate each component of the Main Street Entrepreneurship Index.

Rate of Business Owners

To calculate the Rate of Business Owners, the underlying dataset used is the basic monthly files of the Current Population Survey. These surveys, conducted monthly by the U.S. Census Bureau and the Bureau of Labor Statistics, represent the entire U.S. population and contain observations for more than 130,000 people each month. Combining the monthly files creates a sample size of roughly 900,000 adults ages twenty to sixty-four each year.

Survival Rate and Established Small Business Density

We use a firm-level dataset to calculate both the Survival Rate and the Established Small Business Density.

For the firm-level dataset, we use the U.S. Census Business Dynamics Statistics, which is constructed using administrative payroll tax records from the Internal Revenue Service (IRS). The BDS data present, among other things, numbers of firms tabulated by employment size, by firm age, and by geography (national, state, and metropolitan area).

For calculating the Survival Rate of firms, we use the BDS data to calculate the percentage of firms that started operating five years ago and are still in operation.

For calculating the Established Small Business Density, we make use of that data to calculate the number of employer firms five years of age and older with fewer than fifty employees by different geographical levels. We then normalize this number by the total number of firms in the area to arrive at the Established Small Business Density of an area.

Standard Errors and Confidence Intervals

Rate of Business Owners

The analysis of the Rate of Business Owners by state includes confidence intervals that indicate confidence bands of approximately 0.007 around the Rate of Business Owners. While larger states have smaller confidence bands of 0.003 to 0.005, the smallest states have larger confidence bands of approximately 0.009 to 0.011.⁸ Oversampling in the CPS ensures that these small states have sample sizes of at least roughly 10,000 observations per year and, therefore, provides a minimum level of precision.

8. For more discussion on issues related to calculating standard errors on estimates from the CPS, see Fairlie (2014).

Survival Rate and Established Small Business Density

Because the BDS is based on administrative data covering the universe of employer businesses, sampling concerns like standard errors and confidence intervals are irrelevant. Nonetheless, nonsampling errors still could occur. These could be caused, for example, by data entry issues with the IRS payroll tax records or by businesses submitting incorrect employment data to the IRS. However, these are probably randomly distributed and are unlikely to cause significant biases in the data.⁹ Please see Jarmin and Miranda (2002) for a complete discussion of potential complications on the dataset caused by changes in the administrative data on which the BDS is based.

Advantages Over Other Possible Measures of Main Street Entrepreneurship Activity

The Kauffman Index of Main Street Entrepreneurship has several advantages over other possible measures of Main Street entrepreneurship activity based on household or business-level data. We chose to use two distinct datasets: one based on individuals (CPS) and the other based on businesses (BDS). This allows us to study both business owners and the businesses they own. These datasets have complementary strengths that make this Index a robust measure of Main Street entrepreneurship activity.

Rate of Business Owners

The Rate of Business Owners component of the Index is based on the CPS, and this dataset provides three prominent advantages as a timely and broad measure of small business ownership activity. First, the CPS data are available only a couple of months after the end of the year, whereas even relatively timely data, such as the American Community Survey (ACS), take more than a year to be released. Second, this component of the Main Street Entrepreneurship Index includes all types of business activities (employers, non-employers, unincorporated and incorporated businesses), but does not include small-scale side business activities, such as consulting gigs and casual businesses (because only the main job activity is recorded, and the individual must devote fifteen or more

hours a week to working in the business). Third, the CPS data include detailed information on demographic characteristics of the owner, whereas most business-level datasets contain no information on the owner (e.g., employer and non-employer data).

Survival Rate and Established Small Business Density

The Survival Rate and the Established Small Business Density components of the Main Street Entrepreneurship Index, based on the BDS, present four main advantages compared to other business-level datasets. First, the BDS is based on administrative data covering the overall employer business population. As such, it has no potential sampling issues. Second, it has detailed coverage across all levels of geography, including metropolitan areas. Third, it provides firm-level data, rather than just establishment-level data. Fourth, it provides detailed employment-level and age breakdowns of firms, allowing us to clearly identify established small firms (over the age of five with fewer than fifty employees).

A dataset that is similar to the BDS data we use is the Business Employment Dynamics (BED) product from the Bureau of Labor Statistics. We chose not to use it for this report because of two distinct advantages we see the BDS having over the BED. First, the BDS tracks firm-level data, as opposed to the establishment-level data tracked by the BED. Second, the BDS has data available at the metropolitan level, while the BED does not.

Because the BED tracks establishments rather than firms, the BDS numbers are different than the BED numbers. Nonetheless, the trends on the two datasets move largely in tandem, and usually point in the same direction.

9. Based on "Reliability of the Data" section of the Business Dynamics Overview page. <http://www.census.gov/ces/dataproducts/bds/overview.html#reliability>.

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NOTES



This is the 2016 Main Street Entrepreneurship release version of the Kauffman Index.
For past Kauffman Index releases, please see www.kauffmanindex.org.

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