

Business Formation Statistics Descriptives

Inder Majumdar

02/02/2026

Exploring the Business Formation Statistics Data

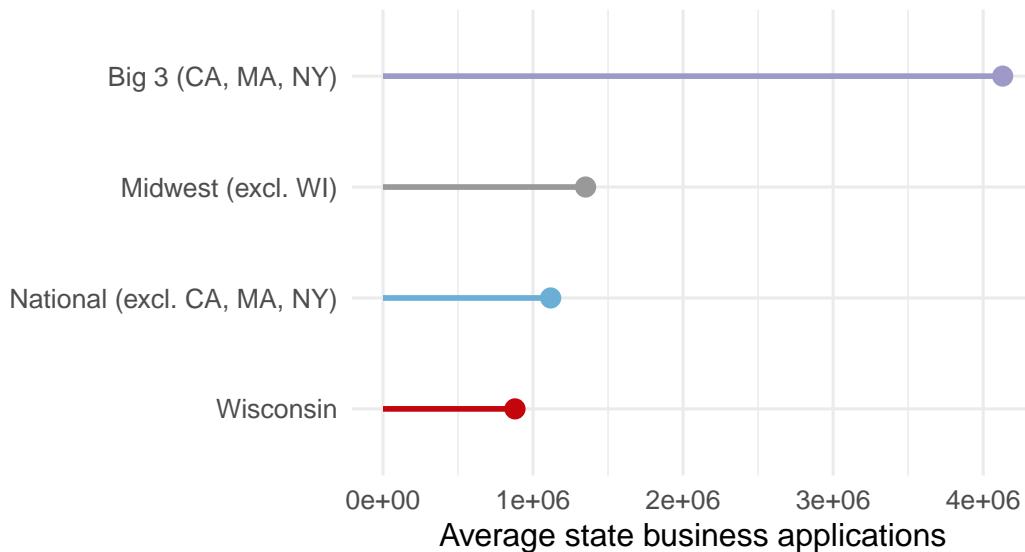
US Census Business Formation Statistics are found here: <https://www.census.gov/econ/bfs/data.html>

Before editing the figures, I'd like to get a sense of how Business Formation has changed in Wisconsin compared to other states (and inform intuition on how this will impact our Pitchbook/CORI outcomes of interest).

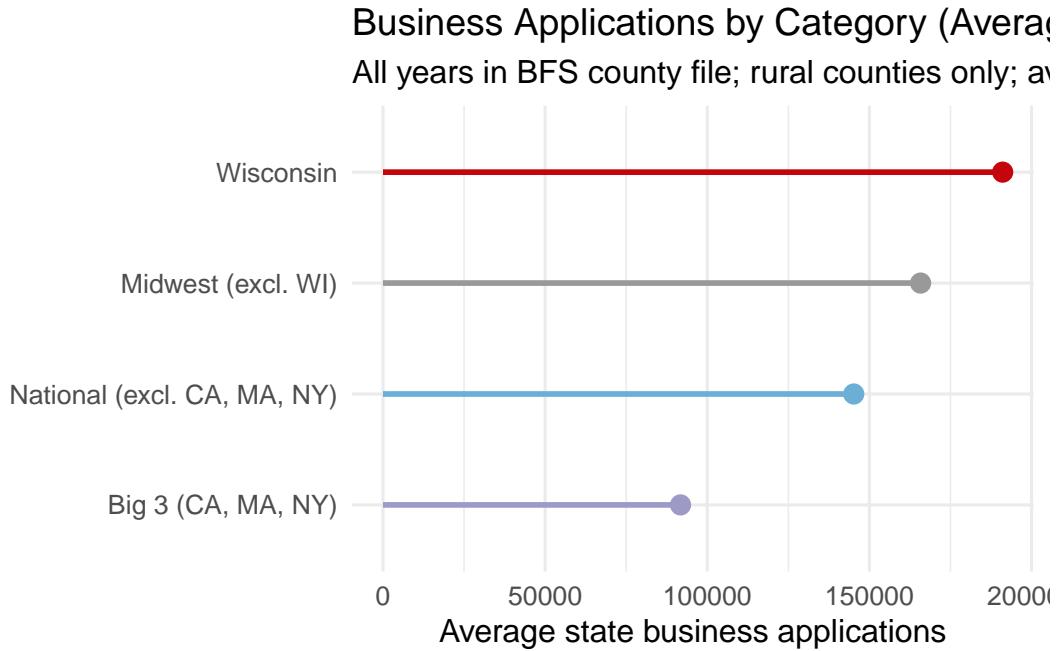
How does Wisconsin Compare to other states w.r.t Business Applications (2005 to present)?

Below is a pie chart, showing the average state in each category for business applications.

Business Applications by Category (Average)
All years in BFS county file; average across states



There are some obvious population effects at play here. Let's zoom in on rural counties with the same average-state framing:

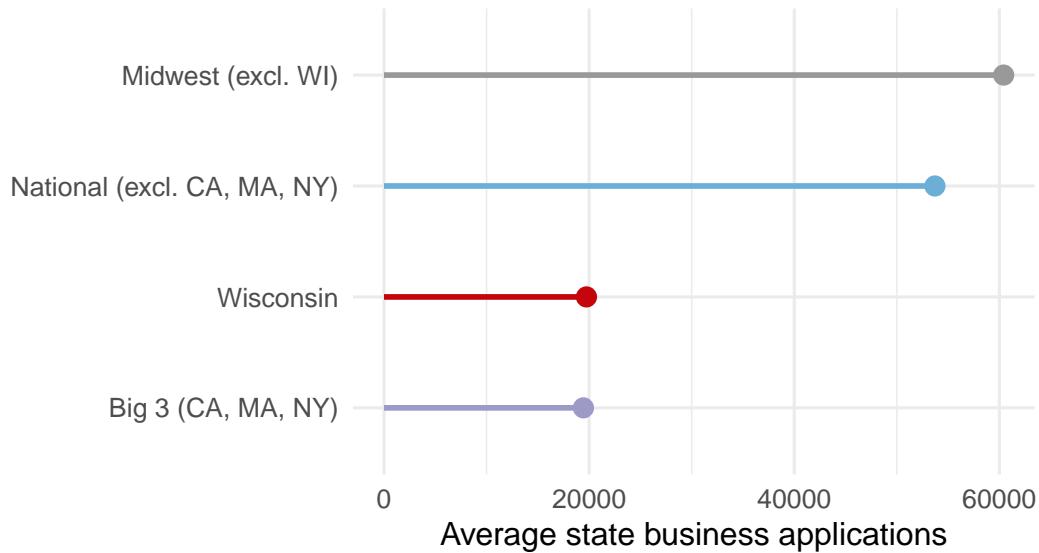


This pattern is striking. When I select only rural counties (RUCC codes > 3), Wisconsin leads compared to the “average” other state across categories. One way to interpret this is that while other metro areas are a hub for business formation, Wisconsin’s rural counties outperform the rural areas of other categories in expectation (I’ll need to refine this wording a bit...).

Descriptive patterns suggest that these patterns might be driven by adjacency effects. Look what happens when I select only on rural counties that are not adjacent to a metro area using RUCC definitions:

Business Applications by Category (Average)

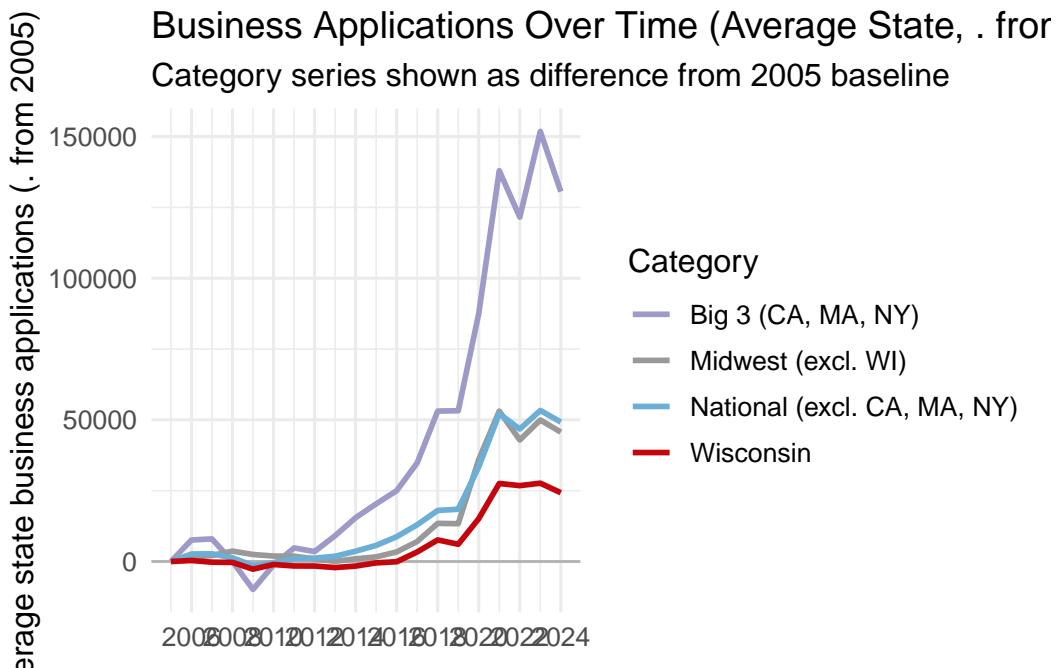
All years in BFS county file; rural counties only (n=160)



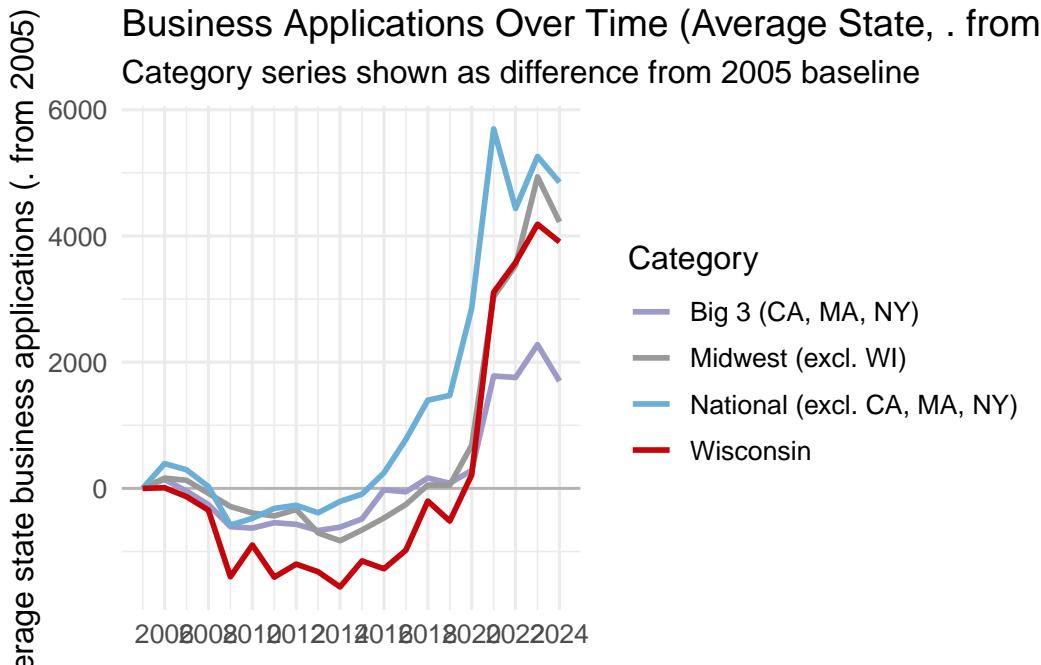
Business Formation Over Time

The above graphs provide some intuition in the aggregate, but I'd like to see trends over time. Is the pattern we're seeing in the aggregate driven by a recent trend upwards? Or have Wisconsin's rural counties persistently outperformed relative to our benchmarks?

Below is a time series of yearly business formation data. I normalized the Y axis so the first value is an intercept, so we can view the time series as relative to 2005 values.

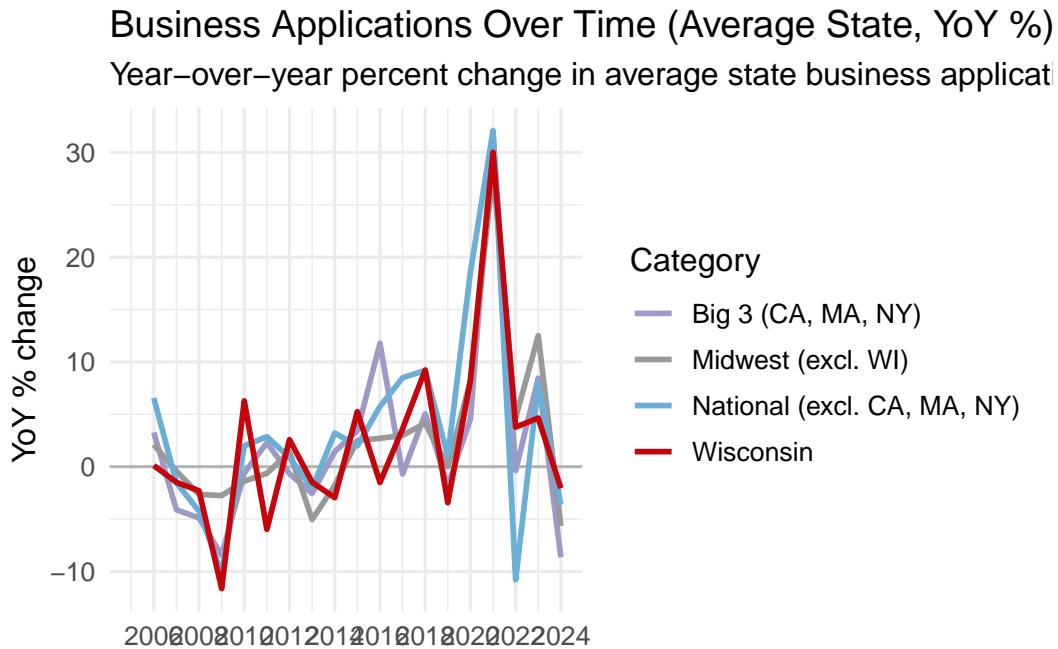


Repeating the same exercise for rural counties only, we see that Wisconsin saw a sharper contraction than what was typical in other regions of the country during the Great Financial Crisis.



Nonetheless, rural counties experienced a period of acute growth in business formation from

approx. 2011 onwards, after a trough around the great recession. The next graph shows rural business formation growth in terms of YoY percent change:



For completeness, I'm including a county map characterizing percent change between 2005 and 2024, though I find the map less informative than the above graphs.

Wisconsin county map: % change (2005 → 2024)



===	4%
===	5%
===	5%
===	6%
=====	6%
=====	7%
=====	8%
=====	8%
=====	9%
=====	9%
=====	10%
=====	11%
=====	11%
=====	12%
=====	12%
=====	13%
=====	14%
=====	14%
=====	15%
=====	15%
=====	16%
=====	16%

=====	17%
=====	18%
=====	18%
=====	19%
=====	19%
=====	20%
=====	21%
=====	21%
=====	22%
=====	22%
=====	23%
=====	24%
=====	24%
=====	25%
=====	25%
=====	26%
=====	26%
=====	27%
=====	28%
=====	28%
=====	29%

=====	29%
=====	30%
=====	31%
=====	31%
=====	32%
=====	32%
=====	33%
=====	34%
=====	34%
=====	35%
=====	35%
=====	36%
=====	36%
=====	37%
=====	38%
=====	38%
=====	39%
=====	39%
=====	40%
=====	41%
=====	41%
=====	42%

===== 	42%
===== 	43%
===== 	44%
===== 	44%
===== 	45%
===== 	45%
===== 	46%
===== 	46%
===== 	47%
===== 	48%
===== 	48%
===== 	49%
===== 	49%
===== 	50%
===== 	51%
===== 	51%
===== 	52%
===== 	52%
===== 	53%
===== 	54%
===== 	54%

=====	55%
=====	55%
=====	56%
=====	56%
=====	57%
=====	58%
=====	58%
=====	59%
=====	59%
=====	60%
=====	61%
=====	61%
=====	62%
=====	62%
=====	63%
=====	64%
=====	64%
=====	65%
=====	65%
=====	66%
=====	66%
=====	67%

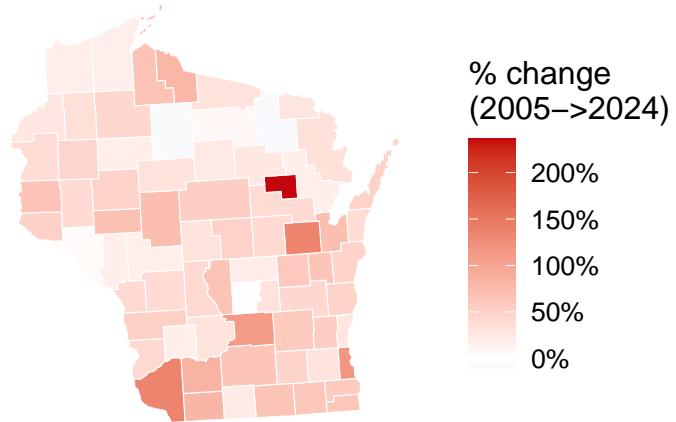
===== 	68%
===== 	68%
===== 	69%
===== 	69%
===== 	70%
===== 	71%
===== 	71%
===== 	72%
===== 	72%
===== 	73%
===== 	74%
===== 	74%
===== 	75%
===== 	75%
===== 	76%
===== 	76%
===== 	77%
===== 	78%
===== 	78%
===== 	79%
===== 	79%

=====	80%
=====	81%
=====	81%
=====	82%
=====	82%
=====	83%
=====	84%
=====	84%
=====	85%
=====	85%
=====	86%
=====	86%
=====	87%
=====	88%
=====	88%
=====	89%
=====	89%
=====	90%
=====	91%
=====	91%
=====	92%
=====	92%

=====	93%
=====	94%
=====	94%
=====	95%
=====	95%
=====	96%
=====	96%
=====	97%
=====	98%
=====	98%
=====	99%
=====	99%
=====	100%

Business Applications in Wisconsin by County

Percent change from 2005 to 2024



Percent change uses county totals for 2005 and 2024.

What sectors drove changes in Wisconsin's Business Formation Growth?

The Business Formation Statistics provided by the US Census unfortunately does not contain data by NAICS code. However, the County Business Patterns contains break-outs by both NAICS code and county. As of writing, 2023 is the latest vintage available - so I will use data from 2010 to 2023 to