

TABLE 2 **Entry and Exit Variables for the U.S. Manufacturing Sector**
(Averages over 387 Four-Digit SIC Industries)

	1963–1967	1967–1972	1972–1977	1977–1982
Entry Rate (<i>ER</i>):				
All firms	.414	.516	.518	.517
Smallest firms deleted	.307	.427	.401	.408
Entrant Market Share (<i>ESH</i>):				
All firms	.139	.188	.146	.173
Smallest firms deleted	.136	.185	.142	.169
Entrant Relative Size (<i>ERS</i>):				
All firms	.271	.286	.205	.228
Smallest firms deleted	.369	.359	.280	.324
Exit Rate (<i>XR</i>):				
All firms	.417	.490	.450	.500
Smallest firms deleted	.308	.390	.338	.372
Exiter Market Share (<i>XSH</i>):				
All firms	.148	.195	.150	.178
Smallest firms deleted	.144	.191	.146	.173
Exiter Relative Size (<i>XRS</i>):				
All firms	.247	.271	.221	.226
Smallest firms deleted	.367	.367	.310	.344

²⁰ When we include the smallest firms in each industry, the entry rate increases by approximately 10 percentage points in each year.

²¹ The market share of all entering firms varies from .139 to .188 over time. It falls by approximately .4 percentage points when the smallest firms are deleted. This indicates that entrants account for approximately 55% of the industry output, which is deleted when small firms are excluded.

²² When all firms are included, the exit rate increases by approximately 11 percentage points in each year, but the market share increases by only .4 percentage points.