

## Macro Roundup Article

**Headline:** [High Tech Business Entry In The Pandemic Era](#)

**Article Link:** <https://www.federalreserve.gov/econres/notes/feds-notes/high-tech-business-entry-in-the-pandemic-era-20240419.html>

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**Summary:** High tech industries made a large, disproportionate contribution to the aggregate net establishment entry surge after 2019. Net entry in high tech industries was higher than in non-tech industries during the post-2019 period, even relative to the time before the pandemic; this can be seen in figure 1. We find suggestive evidence that, at least through early 2023, high tech establishment births rose more for incumbent firms than for new firms. However, both kinds of firms saw elevated tech births, and timely business application data suggest new firm creation in key tech industries has remained strong through early 2024—pointing to high anticipated new firm entry over the next couple of years. Both kinds of investment can be thought of as an extensive margin of business activity. Such investments, regardless of organizational form, could be important contributors to aggregate productivity growth over time and may provide hints into the dynamics of high tech investments in the pandemic and post-pandemic economy. Related: [Surging Business Formation in the Pandemic: Causes and Consequences?](#) and [The Startup Surge Continues: Business Applications on Track for Second-Largest Annual Total on Record and Latinos Are Starting U.S. Businesses at a Torrid Pace](#)

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Database, GDP, Innovation/Research, Op-Ed/Blog Post, Productivity, Startups, Weekly

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