

Macro Roundup Article

Headline: [America is in the Midst of an Extraordinary Startup Boom](#)

Article Link: <https://www.economist.com/finance-and-economics/2024/05/12/america-is-in-the-midst-of-an-extraordinary-startup-boom>

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Tweet: The monthly average of US new business formation is 80% higher than during the decade before COVID, vs. 20% in Europe . Between 2020-23, US startups created more than 100% of net new jobs.

Summary: Last year applications to form businesses reached 5.5m, a record. Although they have slowed a touch this year, the monthly average is still about 80% higher than during the decade prior to covid, compared with just a 20% rise in Europe. Startups normally play an outsized role in creating employment in America, as elsewhere. By definition, every startup job counts as new, whereas mature companies have more churn. That difference has become even starker. In the four years before the pandemic, established firms added one net job for every four created by startups; in the four years since the pandemic, established firms have actually lost one job for every four created by startups.

Related Articles: High Tech Business Entry In The Pandemic Era 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, News article, Weekly

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