

## Macro Roundup Article

**Headline:** [Surging Business Formation in the Pandemic: Causes and Consequences?](#)

**Article Link:** [https://www.brookings.edu/wp-content/uploads/2023/09/4\\_Decker-Haltiwanger\\_unembargoed.pdf](https://www.brookings.edu/wp-content/uploads/2023/09/4_Decker-Haltiwanger_unembargoed.pdf)

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Publication	Brookings Papers On Economic Activity
Publication Date	October 02, 2023

**Tweet:** Ryan Decker and John Haltiwanger argue that the 30% increase in new business formation vs. 2019 implies “significant economic restructuring across industry, geography, and the firm size and age distribution.” @UpdatedPriors @JHaltiwanger\_UM

**Summary:** The pandemic sparked rapid, dramatic changes to the composition of consumer demand and to preferences for work and lifestyle, and these patterns have continued to evolve through mid-2023. From the standpoint of potential entrepreneurs, these dramatic changes presented opportunities—both to meet newly formed consumer and business needs and to change the career trajectories of the entrepreneurs themselves. Entrepreneurs made plans and applied to start businesses both early on and through mid-2023; some of these plans have resulted in new firms and establishments that hired workers in large numbers. Entrepreneurial opportunities and the demand for employees at these new firms appear to have played an important role in the “Great Resignation,” as some quitting workers likely flowed toward new businesses (as either entrepreneurs or new hires). Taken together, these patterns imply significant economic restructuring across industry, geography, and the firm size and age distribution. Related: [Surging Business Formation in the Pandemic: Causes and Consequences](#) and [Creative Destruction After the Pandemic and Business Formation Boom](#)

**Primary Topic:** Business Cycle

**Topics:** Academic paper, Business Cycle, GDP, Weekly

**Permalink:** <https://www.edwardconard.com/macro-roundup/ryan-decker-and-john-haltiwanger-argue-that-the-30-increase-in-new-business-formation-vs-2019-implies-significant-economic-restructuring-across-industry-geography-and-the-firm-size-and-age?view=detail>

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