

Macro Roundup Article

Headline: [The Decline of Job Creation at New Establishments](#)

Article Link: <https://www.bls.gov/opub/btn/volume-12/the-decline-of-job-creation-at-new-establishments.htm>

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Summary: The increasing number of establishment births in combination with the decreasing number of jobs generated by those births suggests that the average size of new businesses has been shrinking in recent decades. This theory can be examined through a measure informally nicknamed “birth weight,” that is calculated as the level of gross job gains from establishment births divided by the level of establishment births. While the number of new business establishments tends to rise and fall with the business cycle of the overall economy, the decline in jobs created by establishment births raises questions regarding the changing nature of startups. The average “birth weight” has been steadily declining over the last 20 years from a high of 6.4 employees per establishment birth in 1996 to a low of 2.7 employees per establishment birth in 2021. Related: [Surging Business Formation in the Pandemic: Causes and Consequences](#)

Primary Topic: Startups

Topics: Government/NGO, Productivity, Startups, Weekly

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