

## Macro Roundup Article

**Headline:** Job Quits, New-Business Applications and the Postpandemic Pace of U.S. Business Formation

**Article Link:** <https://www.stlouisfed.org/on-the-economy/2024/aug/job-quits-new-business-applications-postpandemic-us-business-formation>

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**Summary:** We found a positive association between business applications and job quits. The strength of this relationship—which we measured by calculating the correlation between job quits and business applications at the state level within each year—varies over time, growing in magnitude during 2020 to 2023 (and particularly in 2022). This may imply that, after the lockdowns early in the pandemic, the relationship between business applications and job quits was stronger than in previous years. However, business applications have remained high through 2024 relative to the 2010s—both on aggregate and within the work-from-home-friendly industries, like professional services—while job quits have returned to previous levels. This suggests that the rise in job quits following the onset of the COVID-19 pandemic (i.e., the Great Resignation) cannot fully explain the persistent increase in applications for new businesses.

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**Primary Topic:** Growth

**Topics:** Business Cycle, GDP, Growth, Op-Ed/Blog Post, Weekly

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