



NYU | TANDON

The Entrepreneurship Wave!

2017-2022

PRESENTED BY: Group 2

13 Dec 2022

Pandemic Fuels US Entrepreneurship Boom!



Number of New Business Applications
Pre-Pandemic (2017-20): **10,216,444**



Number of New Business Applications
Post-Pandemic (2020-22): **14,020,429**

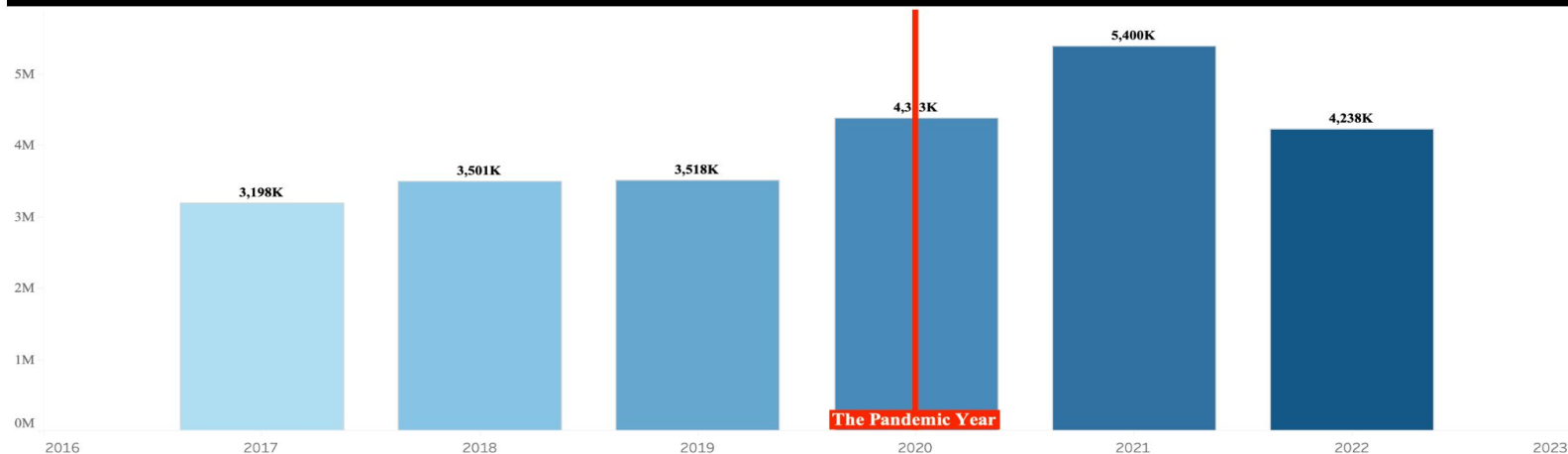


Change in the Number of Business
Applications post pandemic: **37%**



Total Number of NAICS Industries : **20**

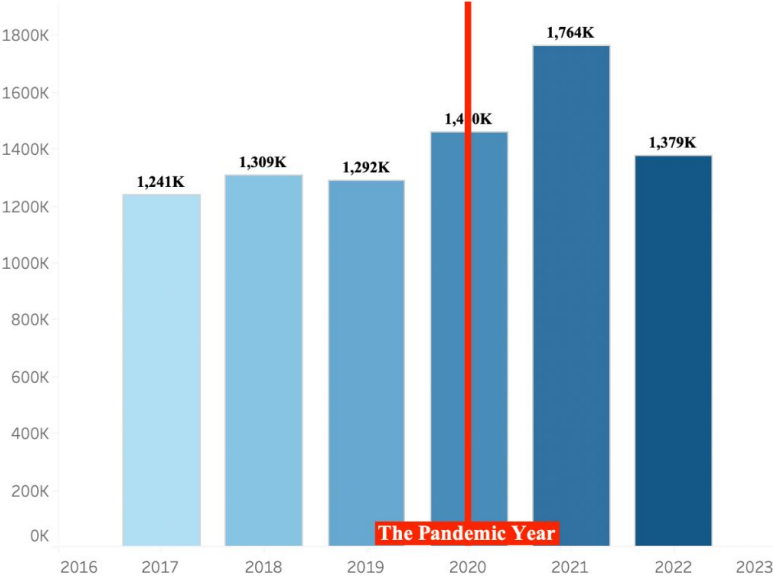
2021 witnessed the highest number of new business applications!



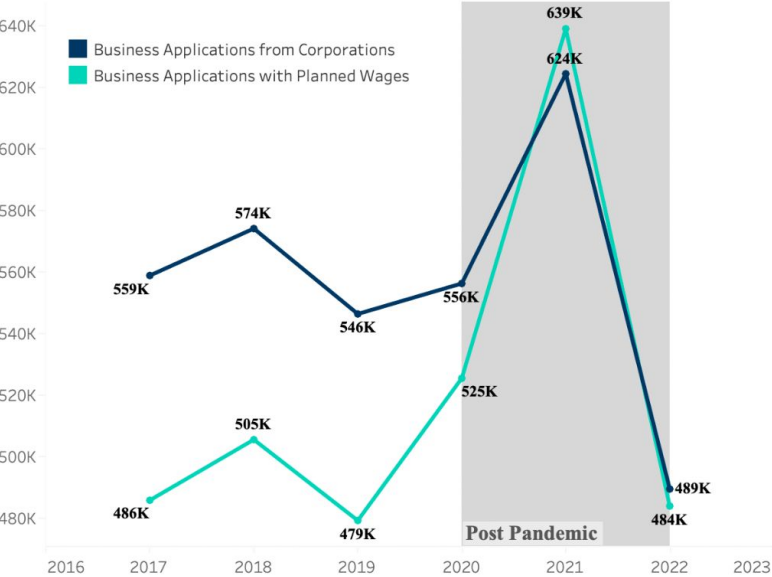
A Promising Road to Employment!

The pandemic stimulated the development of new business applications, with approximately one-third of the applications considered high propensity.

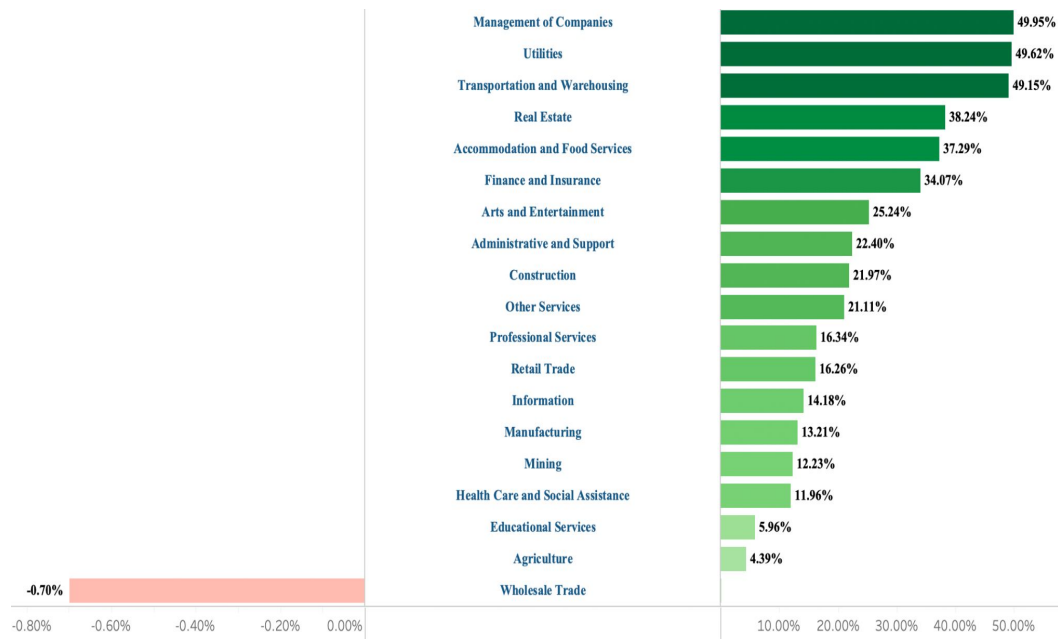
2021 witnessed the highest number of new high-propensity business applications!



There was an increase in new business applications with wage projections in 2021.



An Increase In New Business Applications (2020-2021)



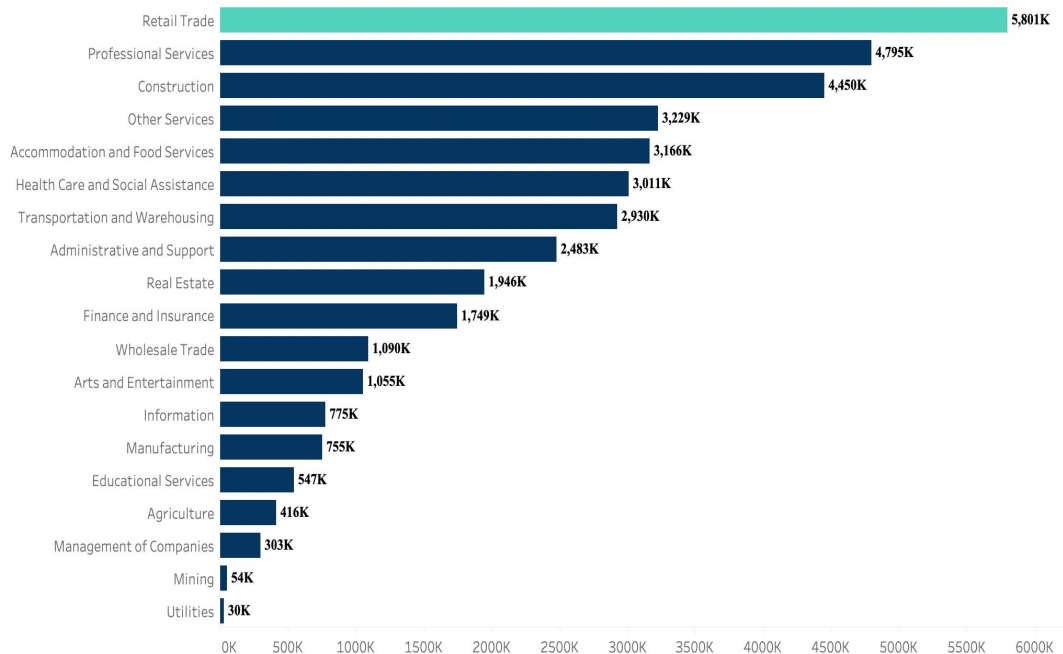
- By showing a record-high surge in new business applications in the year 2021, the pandemic may have shifted the patterns of American entrepreneurship.
- **Management of Companies, Utilities, Transportation, and Warehousing** were the top 3 industries that significantly changed between 2020 and 2021.
- A sharp rise in the number of new high-propensity company applications suggests the creation of employment, leading to a significant drop in unemployment in 2022.

Top Three Industries

Since working from home has become a convenient option, retail has seen the most significant increase in the business category, as have professional services and construction (due to sub-construction).



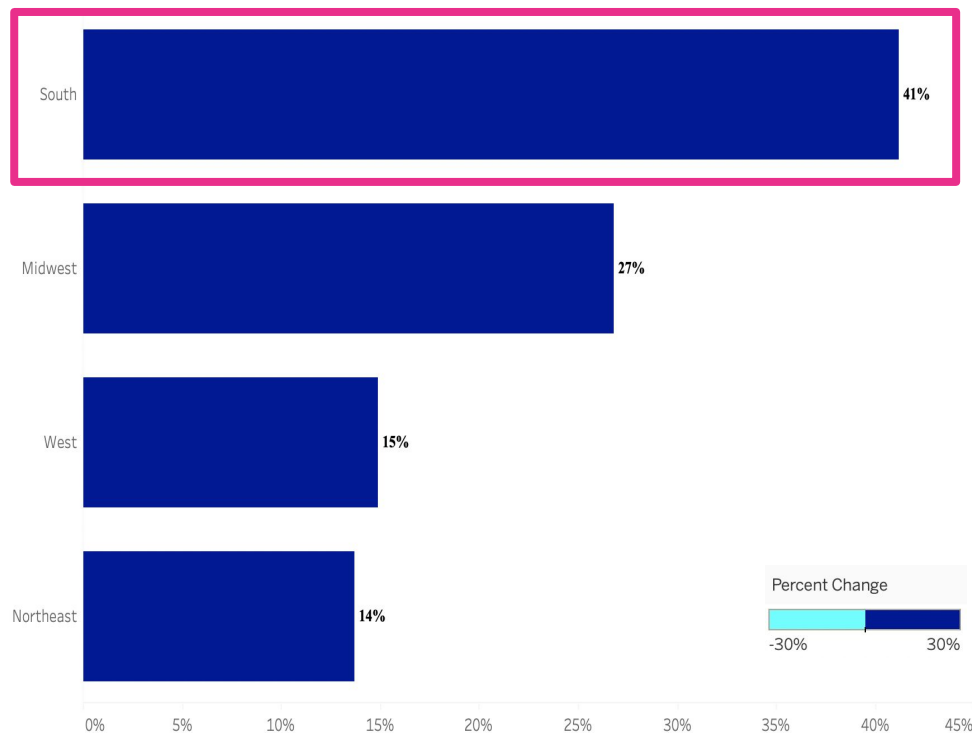
The Good Old Retail Sector!



- **Retail** trade had the **highest business applications**, driven by online retailers.
- Online retail applications have increased since the early 2000s, but they've nearly tripled since the pandemic began.
- New retailers are 25% of all new business applications since February 2020, compared to about 14% pre-pandemic.
- While retail had the most extensive total business applications, about 30% were "high propensity."

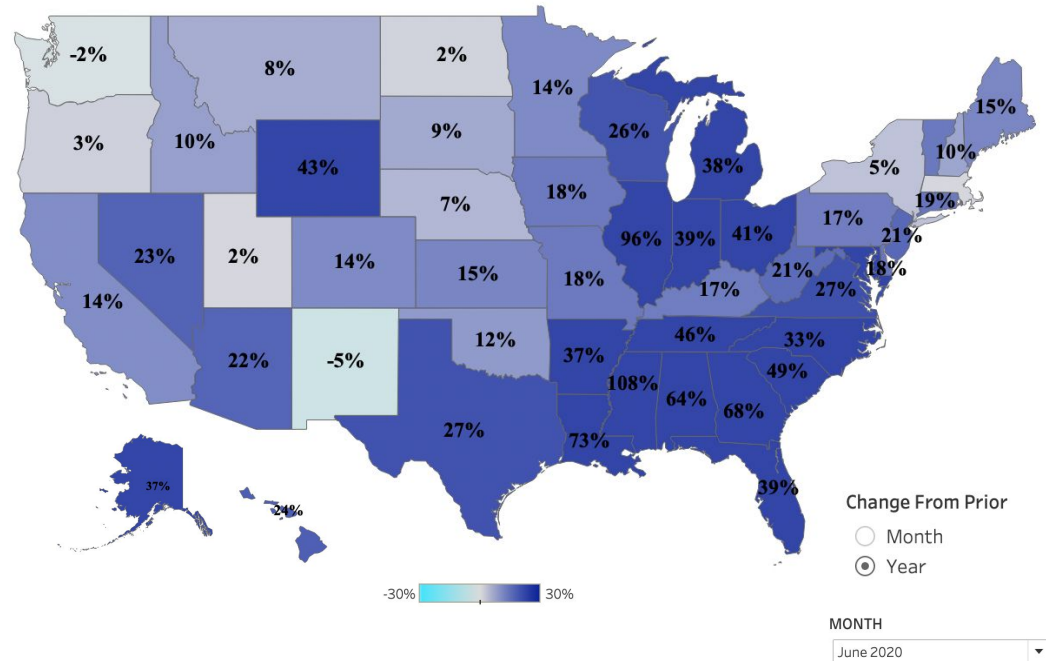
The South Dominates!

- In 2019-20, Business Applications **increased by 41% in the South**, 27% in the Midwest, 15% in the West, and 14% in the Northeast.
- In 2020-21, Business applications increased by 34% in the South, 31% in the Midwest, 32% in the West, and 31% in the Northeast.
- Entrepreneurs in the South seemed to be more bullish in 2020. Six of the ten states with the most significant year-over-year growth in business applications in 2020 were in the South.



More Than Thirty States Enjoy Startup Boom During Covid!

- The first half of 2020 saw stagnant growth in new business applications, whereas from June onwards, business applications spiked to a record high.
- Due to challenging economic conditions, the government provided unemployment benefits.
- The pandemic inspired people with dreams of entrepreneurship to pursue them.



During The Pandemic, Four States Noticed A Significant Decline



New Mexico

▼5%



Illinois

▼5%



Washington

▼2%



Alaska

▼5%

During the pandemic startup boom, only four states had lower business applications (2020 and 2021) compared to non pandemic years: **Alaska, Illinois, Washington and New Mexico.**

Key Takeaways

1



Ka-ching!

Create policies that support high-propensity business applications since they will stimulate economic growth. High propensity means that the business is likely to have a payroll, and payroll is a sign the business is likely to succeed and create jobs.

2



Hit or miss?

Even though the retail industry receives the most business applications, just 33% of those are projected to be successful. The employment contribution of the online retail sector is minimal; hence regulations on this sector's policies are required.

3



An untapped market!

The lowest number of new business applications were submitted in the northeast, home to two of the most cosmopolitan cities in the world, including Boston and New York. Government should carry out more research into this untapped gold mine.