

CareerBuilder and Economic Modeling Specialists Release List of Best and Worst States for New Establishments

CHICAGO, Jan. 30, 2014 /PRNewswire/ -- CareerBuilder and Economic Modeling Specialists Intl. (EMSI) released a new study that provides a window into the health of the business landscape in the U.S. The study explores net growth in private-sector business establishments from 2001 to 2012, ranking the best and worst states for new establishments post-recession and shedding light on national trends.

The analysis was based on data from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages, which has been updated through 2012. A business establishment¹ is defined as a single physical location that produces some form of economic activity. One company can have multiple establishments (e.g., each coffee shop in a large metro area is considered a single establishment even if it's part of a chain of coffee shops).

The U.S. produced between 115,000 to 210,000 net new private-sector establishments each year from 2001 to 2007. In subsequent years, net new establishment formation bottomed out during the recession and hasn't approached 100,000 per year since the downturn.

"Net new business establishments in the U.S. have tracked closely with the performance of the economy and labor market overall, showing a notable decline following the last recession," said Matt Ferguson, CEO of CareerBuilder and co-author of [The Talent Equation](#). "The number of private-sector business establishments grew just 2 percent from 2009 to 2012 after growing 12 percent from 2001 to 2007. Growth patterns are poised to be stronger in 2014 and beyond as the economy becomes more energized, which will in turn help to influence the creation of new jobs."

Best States for Establishment Growth

Texas - From 2009 to 2012, Texas accounted for 22% of all net new business establishments in the U.S.

- Nearly 30,000 more establishments in 2012 than 2009, up 5%
- 579,166 total establishments in 2012
- Biggest gains: health care and social assistance (12% growth since 2009, an increase of 6,385 establishments); mining and oil and gas extraction (12%, 1,001); accommodation and food services (10%, 4,276); professional, scientific, and technical services (9%, 5,979)

New York – From 2009 to 2012, New York accounted for 16% of all net new establishments in the U.S.

- 21,000 more establishments in 2012 than 2009, up 4%
- 591,448 total establishments in 2012
- Biggest gains: private educational services (10% growth since 2009, an increase of 707 establishments); accommodation and food services (9%, 3,759); administrative and support and

waste management and remediation services (6%, 1,810); health care and social assistance (3%, 1,446)

Illinois – From 2009 to 2012, Illinois accounted for 14% of all net new establishments in the U.S.

- 18,000 more establishments in 2012 than 2009, up 5%
- 383,103 total establishments in 2012
- Biggest gains: transportation and warehousing (15% growth since 2009, an increase of 1,943 establishments); other services, except public administration² (11%, 4,125); professional, scientific, and technical services (10%, 4,956); health care and social assistance (7%, 1,910)

Florida – From 2009 to 2012, Florida accounted for 10% of all net new establishments in the U.S.

- 13,000 more establishments in 2012 than 2009, up 2%
- 601,598 total establishments in 2012
- Biggest gains: accommodation and food services (10% growth since 2009, an increase of 3,932 establishments); health care and social assistance (7%, 3,799); retail trade (6%, 4,336); professional, scientific, and technical services (5%, 4,655)

Washington – From 2009 to 2012, Washington accounted for 9% of all net new establishments in the U.S.

- Nearly 12,000 more establishments in 2012 than 2009, up 5%
- 231,238 total establishments in 2012
- Biggest gains: other services, except public administration (28% growth since 2009, an increase of 15,647 establishments); health care and social assistance (5%, 746); professional, scientific, and technical services (2%, 434)

Worst States for Establishment Growth

Michigan

- Nearly 14,000 fewer business establishments in 2012 than 2009, down 6%
- 232,331 total establishments in 2012
- Biggest losses: construction (-16% since 2009, a decline of 3,734 establishments); finance and insurance (-9%, decline of 1,143); real estate (-7%, decline of 484)

New Jersey

- 5,500 fewer business establishments in 2012 than 2009, down 2%

- 254,384 total establishments in 2012
- Biggest losses: construction (-12% since 2009, a loss of 2,934 establishments); manufacturing (-10%, decline of 1,034); finance and insurance (-6%, decline of 720); retail trade (-3%, decline of 1,110)

Idaho

- 2,800 fewer business establishments in 2012 than 2009, down 5%
- 50,255 total establishments in 2012
- Biggest losses: construction (-22% since 2009, a loss of 1,928 establishments); real estate and rental and leasing (-18%, decline of 435); finance and insurance (-7%, decline of 209)

Colorado

- 2,800 fewer business establishments in 2012 than 2009, down 2%
- 168,968 total establishments in 2012
- Biggest losses: construction (-17% since 2009, a loss of 3,496 establishments); real estate and rental and leasing (-7%, decline of 718); manufacturing (-7%, decline of 381); finance and insurance (-5%, decline of 572)

Kansas

- 2,700 fewer business establishments in 2012 than 2009, down 3%
- 79,284 total establishments in 2012
- Biggest losses: other services, except public administration (-24% since 2009, a loss of 1,974 establishments); construction (-9%, decline of 690); manufacturing (-7%, decline of 228)

California

- 2,500 fewer business establishments in 2012 than 2009, down 0.2%
- 1,303,474 total establishments in 2012
- Biggest losses: construction (-13% since 2009, a decline of 9,735 establishments); finance and insurance (-7%, decline of 3,435); manufacturing (-7%, decline of 2,922)

¹*Business establishment data is different than numbers on business starts and closures. A firm can close an establishment and still have a presence in a metro area or state at other locations, or an existing business could expand its number of establishments by opening a new location.*

²According to the Bureau of Labor Statistics, "other services, except public administration" is defined as "establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities such as equipment and machinery repairing, promoting or administering religious activities, grantmaking, advocacy, and providing dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services."

About EMSI

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