

# Office of Advocacy

U.S. Small Business Administration

## ***NEWS RELEASE***

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## Growth And Decline Trends For Small Business

Study Released At The Center for Economic Studies, U.S. Census Bureau Bureau

WASHINGTON, D.C. – Small business growth and decline tends to persist and is not easily reversed, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration. The authors will discuss the report during an economic roundtable before The Center for Economic Studies of the U.S. Census Bureau.

“We know that overall small business is a dynamic sector of the economy,” said Dr. Chad Moutray, Chief Economist of the Office of Advocacy. “This study shows that the growing and declining firms tend to stay in the same mode over time. Consequently, policies that affect growth or decline can have an impact on small businesses over a longer term than originally anticipated.”

Drs. Rich Perline, Robert Axtell, and Daniel Teitelbaum of NuTech Solutions wrote *Volatility and Asymmetry of Small Firm Growth Rates Over Increasing Time Frames* with funding from the Office of Advocacy. Perline and Axtell will present the report to The Center for Economic Studies.

The report followed up a study from 2005 that examined firm growth rates by size of firm and industry type. That report found that firm growth tends to be relatively more concentrated among fast and slow growth firms. The current study examined growth rates over a five-year period, using special tabulations of the Census Bureau’s Business File dataset.

The Office of Advocacy, the “small business watchdog” of the federal government, examines the role and status of small business in the economy and independently represents the views of small business to federal agencies, Congress, and the President. It is the source for small business statistics presented in user-friendly formats, and it funds research into small business issues.

For more information and a complete copy of the report, visit the Office of Advocacy website at [www.sba.gov/advo](http://www.sba.gov/advo).

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The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The presidentially appointed Chief Counsel for Advocacy advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. For more information, visit [www.sba.gov/advo](http://www.sba.gov/advo), or call (202) 205-6533.