



Office of Advocacy News Release

Advocacy: the voice of small business in government

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“High-Impact” Firms Create Most Jobs And Growth ***Study Highlights Impact Of Established Firms***

WASHINGTON, D.C. – “High-impact” firms create America’s new jobs and growth, according to a study released today by the Office of Advocacy of the U.S. Small Business Administration. Distributed across all industries, high-impact firms account for almost all employment and revenue growth in the economy, the study concludes.

“While high-impact firms make up about five percent of firms with employees, their effects are huge,” said Brian Headd, an economist with the Office of Advocacy. “Surprisingly, the study also shows that these firms are on average around 25 years old, they are not predominantly high-tech, and they exist in every region of the country.”

Released at the International Council for Small Business 2008 World Conference by Zoltan Acs, the study *High-Impact Firms: Gazelles Revisited*, defines high-impact firms as those whose sales have at least doubled over a four-year period and which have an employment “growth quantifier” (the firm’s absolute change in employment multiplied by the percent change) of two or more.

The study notes that such firms are found across all industries and in all geographic regions. It ranks regions, states, metropolitan statistical areas, and counties by their percentage of high-impact firms. The study finds, with some data limitations, that high-impact firms are not start-ups but are on average around 25 years old, and that they come in all size classes. The report also documents that over the periods studied, nearly all job losses came from large, low-impact firms.

Given the available data, the authors were unable to determine what factors drove firms to become high-impact or how to identify which firms would become high-impact.

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, a complete copy of the report and rankings of high-impact firms by region, state, MSA, and county, visit the Office of Advocacy website at 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, or call (202) 205-6533.