

The State of Madison

Week 3: Business births and deaths

QUESTIONS? Contact Professor Bill Pinkovitz of the UW-Extension at bill.pinkovitz@ces.uwex.edu.

Economic Snapshot is a weekly feature provided by the



Business 'births and deaths' show health of Thrive Region

Thrive's "State of the Madison Region Report" compares the net increase in the number of business establishments in the eight-county region to five other peer regions. The number of establishments in this region increased 9 percent between 2001 and 2007. That compares to an average increase of 10.2 percent in the peer regions.

The net growth provides a useful indicator and gauge of the regional economy, especially when compared to similar regions. However, measuring the net change does not fully convey the dynamic nature of the business environment.

The U.S. Census Bureau has information that provides a glimpse of the substantial

changes occurring in the regional business community. Although the Census terms these changes "business births and deaths," they are not actually births or deaths. Rather, a business birth is simply defined as an establishment that had no employees in the previous period and now has at least one. According to the Census, a business death occurs when an establishment with employees in the previous period has zero in the current period.

The following chart provides business birth and death data for the Thrive Region. Similar data is available at: www.census.gov/econ/susb/. A copy of the "State of the Madison Region Report" is available at: www.thrivehere.org/regionalmetrics.

Business births and deaths in the Madison region, 2005 to 2006

County	Enterprises with employees, 2006	Births	Deaths
Columbia	1,357	137	131
Dane	12,187	1,320	1,063
Dodge	1,725	164	167
Green	859	76	78
Iowa	524	57	55
Jefferson	1,832	170	148
Rock	3,209	314	289
Sauk	1,582	162	135
Thrive Region	23,275	2,400	2,066

Source: U.S. Census Bureau