New Quarterly Workforce Indicators by Firm Age and Size
We have been working on multiple enhancements to Local Employment Dynamics data in recent years

In particular:
- Integrating new sources of data
- Enhancing currently available statistics
- Adding new data products
We continue to integrate new information on workers and firms:

**LBD (firm age & size)**
- QCEW

**Firm Data**

**Jobs Data**
- OPM data (federal workers)
- UI wage data
- Schedule C (self-employed)

**Person Data**
- Decennial Census (race, education)
- Social Security (age, sex)
- American Community Survey (race, education)

**Quarterly Workforce Indicators**
- OnTheMap
- Job-to-Job Flows (in development)

**2009 vs. Today**
New in 2012: QWI and OnTheMap Federal Employment

Federal Workers are not in state UI data and those jobs have been unavailable in previous releases of QWI and OnTheMap.

- Federal jobs are now included in OnTheMap
- A supplemental QWI for federal workers is being rolled out state-by-state.
New in 2012: QWI by Firm Age and Firm Size

Detailed employment and wage information by national age of firm (5 age classes)

- Start-ups
- Young firms
- Established firms (including new establishments in established firms)

...And by size of firm (5 size classes)

- Small businesses
- Medium-sized businesses
- Large firms (including smaller establishments of large national firms)
Why care about jobs at young firms?

New firms contribute disproportionately to job creation, relative to employment share

-- Young firms have an important role in job creation and employment growth
-- Yet little is known about the characteristics of the jobs created by new firms

Calculated from Quarterly Workforce Indicators, 23-state sample, 1998-2011
More on how the data are linked

LBD (firm age & size)

About 92-95% of LEHD jobs can be linked to the Longitudinal Business Database (LBD) via EIN. The LBD contains age and size from longitudinally linked Business Register data. Notable challenges:
- First use of EIN to link production data. Some EIN cleanup, creation of completed EIN.
- State-specific EIN quality problems – CA, WA
- New EINs disproportionately missing link to LBD

QCEW

If link fails, size and age are imputed using firm characteristics from the QCEW (QCEW size, QCEW age).
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Some findings from the QWI on young firms

We have used new QWI data to examine hiring, separations, and wages at startups. Findings to appear in a Kaufman Foundation brief in next few months.

- Use a 28-state pooled sample of QWI states from 1998-2011 (56% of US employment).
- All results are seasonally adjusted, private sector employment only (universe of QWI-FAS).
Young firms hire many workers relative to their size

Hires & Separations as a Share of Employment: Young vs. Established Firms
Despite high churn, job creation is 40% of hiring at young firms

Shares of Hires and Separations due to Job Creation and Destruction in Young vs. Established Firms

![Graph showing the share of accessions or separations as a function of years from 1999 to 2011 for different age groups of firms.](image-url)
Wages at young firms (relative to established firms) have been falling

Ratio of Real Wages: Young/Established, Small/Large
To sum up

New QWI w/age and size information allow for better understanding of worker dynamics and wages at young firms
Young firms:
   Despite very high churn, higher share of hiring at young firms are new jobs
   Wages at young firms are lower and falling

Next:
   Examine demographics of hiring at startups
How to access the new QWI data with firm age and size information

Instructions on 'What's New' section of LEHD website

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