



Contents

- P1: Industry Population, Time Series
- P2: Failure Rates
- P3: Industry Market Volume, Average Annual Sales
- P4: Sales Trends by Employment Class
- P5: Employment Class Trends
- P6: Sales per Employee, Industry Startup Trends and Activity
- P7: Industry Vitality Trends
- P9: About the Data

Time Series Coverage:	
	2008
	2009
	2010
	2011q2

Industry Population Analyzed				
as of:	2008	2009	2010	2011q2
Firms	167,259	169,990	172,753	180,137
Establishments	173,087	175,485	181,199	189,028
Small Businesses	159,772	162,772	164,708	172,147
Branches	5,828	5,495	8,446	8,891

The **Industry Population** table displays the number of firms in the industry for four groups:

Establishments: Firms plus Branch operations.

Firms: Independent companies.

Small Businesses: In order to focus the analysis on the small businesses of greatest interest to our users, the analysis defines small businesses as single site firms with fewer than 25 employees. All small businesses are also “firms”.

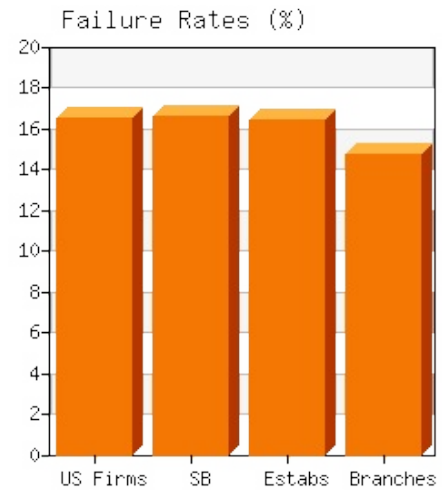
Branches: Subsidiary facilities of firms; non-headquarters operations.

Startups: Startup information is consolidated in the section Startup Activity and Trends on P5.

The **Time Series:** The report analyzes trends in three running years, each for the twelve months (real time) ending 2008, 2009 and 2010. Content is adjusted to account for time lags in raw data. We adjust the time series to compensate; the dates shown generally reflect the actual time series shown in the Time Series table. In some tables “2010” denotes the “snapshot” at the end of the time series. “2008” is the snapshot at the start of the time series.

Failure Rates

Failure Rates	
2010q2 to 2011q2	Failure Rates
Establishments:	16.40%
Firms:	16.47%
Small Businesses:	16.55%
Branches:	14.73%



Failure Rates: Failure rates track the actual experience of business establishments, firms, small businesses, branches and startups doing business at the start of the time series, and still in operation today. Startup failure rates are displayed separately in the section Startup Activity and Trends on P5.

"Survivors" are business operations within a given category which have maintained operations during the time series.

Failure rates for all industries are specific to the selected industry and market area. The failure rate times series may be up to six months shorter for business segments within these industry groups: NAICS-722xxx; NAICS-541110; NAICS-621111.

Firms which have experienced a transfer in ownership but continue as independent firms are considered "survivors". Firms which relocate but maintain independent operations are considered survivors if they do not move out of the jurisdiction being analyzed. Firms which are purchased or merge and become subsidiary locations, or whose location is terminated, are grouped with the "failures". Any business entity which does not evidence ongoing operations (for example, by registering with government agencies, credit reporting services or business directories) is considered to have ceased viable operations and is classified with the "failures".

The Failure rate analysis is developed for discrete business segments by segregating the original pool of tracked firms by industry classification, location, and population segment (all firms, small businesses, startups etc.) That beginning universe is segregated and tracked to develop the failure rate for that group.

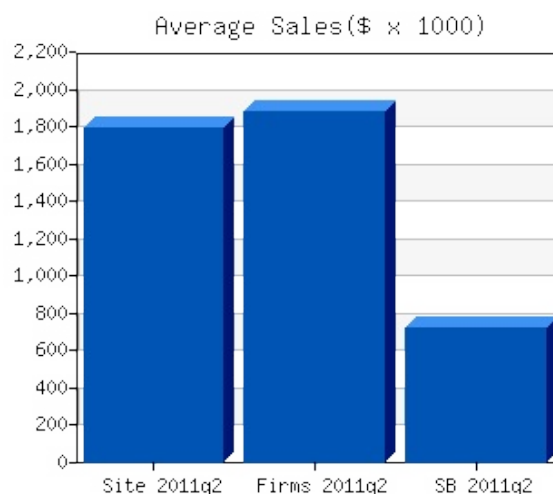
As a result, failure rates occasionally reflect performance above 100% or below 0% due to business migration among industries (changes in primary business line) or (in the case of location-specific failure rates) due to business relocations during the analysis period. Migrants within a NAICS-2 industry sector are considered as survivors in the in-migrant classification.

Industry Market Volume, Average Sales and Sales Trends by Employment Class

Annual Market Volume (\$)	
as of	
2008	329,716,495,843
2009	326,953,631,953
2010	327,838,603,136
2011q2	338,429,428,470

Annual Market Volume reports sales volume of US industry business operations, based on the number of industry employees and sales per employee data developed by BizMiner. This number includes headquarters operations and branches of any industry firms located within the US. It excludes branch operations located outside the US. Local subsidiaries of firms headquartered outside the country are included. Statistics in our reports are always based on firms that identify a particular classification as their primary line of business. This is important for researchers assessing market volume, which in our reports is based on businesses primarily in a given classification, and does not include sales data for firms which may operate this type of business as a secondary or tertiary line.

Average Annual Sales			
as of	Site Sales	Firms	Small Business
2008 Avg Sales:	1,904,921	1,971,293	724,792
2009 Avg Sales:	1,863,146	1,923,370	718,719
2010 Avg Sales:	1,809,274	1,897,730	720,664
2011q2 Avg Sales:	1,790,367	1,878,734	715,027
Change:	-6.0%	-4.7%	-1.3%



Average Annual Sales: The Average Annual Sales table displays “snapshot” average dollar sales for all industry sites (including branches), firms, and small businesses in each of the three years in the time series. The **Change** rows express the growth or decline of these snapshots in percentage terms.

While there is significant overlap of firms in each category between years, results can be affected by business failures, mergers and the migration of companies between the three categories. Migration between business classifications has a much lesser impact in most cases.

Sales Trends by Employment Class

The Market Volume by Employment Class table displays the total market sales of industry operations which fall into each of eleven employment brackets. Data is displayed in millions of dollars for each of the three years of the time series. Projected sales of operations for which sales cannot be ascertained are noted in the Unknown column and are based on average industry site sales in the market area.

Market Volume by Employment Class (\$ Million)											
as of	1 to 4	5 to 9	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	>1,000	Unknown	Total
2008	85,878.3	26,277.3	43,536.6	27,569.6	29,459.8	31,393.4	18,633.4	58,748.9	26,817.4	-18,598.2	329,716.5
2009	89,029.5	27,533.0	44,384.1	26,724.4	26,584.0	28,709.5	12,491.0	9,093.5	24,369.3	38,035.4	326,953.6
2010	49,610.8	37,612.3	39,774.4	29,162.1	34,709.2	38,357.9	27,553.7	25,029.6	44,616.3	1,412.4	327,838.6
2011q2	52,339.9	39,917.2	39,648.7	28,967.7	34,141.4	41,032.1	28,617.9	25,797.3	45,352.2	2,615.1	338,429.4

The Percent Market Volume by Employment Class table displays the market share within each employment class, making it easy to see whether the market is dominated by small or larger operations.

Percent Market Volume by Employment Class											
as of	1 to 4	5 to 9	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	>1,000	Unknown	Total
2008	26.05%	7.97%	13.20%	8.36%	8.93%	9.52%	5.65%	17.82%	8.13%	-5.64%	100.00%
2009	27.23%	8.42%	13.58%	8.17%	8.13%	8.78%	3.82%	2.78%	7.45%	11.63%	100.00%
2010	15.13%	11.47%	12.13%	8.90%	10.59%	11.70%	8.40%	7.63%	13.61%	0.43%	100.00%
2011q2	15.47%	11.79%	11.72%	8.56%	10.09%	12.12%	8.46%	7.62%	13.40%	0.77%	100.00%

The Average Sales by Employment Class table calculates the average sales within each operational employment bracket, suggesting benchmarks for operations within each.

Average Sales by Employment Class x 1,000											
as of	1 to 4	5 to 9	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	>1,000	unknown	Total
2008	632	1,681	4,483	9,152	18,490	36,822	46,731	93,429	750,103	-3,482	1,905
2009	625	1,707	4,551	9,291	18,771	47,203	94,985	190,926	750,872	19,347	1,863
2010	400	1,188	2,678	6,214	12,162	26,527	61,367	121,503	381,336	1,801	1,809
2011q2	404	1,190	2,685	6,236	12,172	26,627	61,676	122,844	374,811	1,777	1,790

Employment data is detailed on P6.

Employment Class Trends

Establishments by Employment Class: Using the same general format as the previous Market Volume by Employment Class table, the Establishments by Employment Class analysis displays the distribution of industry establishments (not just firms, and including branches) among ten employment size categories. An eleventh column on the right reports the number of industry establishments which do not identify employment data, followed by total establishment figures. The Unknown column reflects a projection made for non-reporting firms, based on average industry operational scale. This analysis method makes it possible to observe significant shifts in employment, toward larger or smaller operations.

Establishments by Employment Class											
as of	1 to 4	5 to 9	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	>1,000	unknown	Total
2008	135,882	15,630	9,711	3,012	1,593	853	399	629	36	5,342	173,087
2009	142,523	16,132	9,752	2,876	1,416	608	132	48	32	1,966	175,485
2010	124,131	31,669	14,850	4,693	2,854	1,446	449	206	117	784	181,199
2011q2	129,468	33,535	14,767	4,645	2,805	1,541	464	210	121	1,472	189,028

Total Employment by Class: This table presents the total employment reported in each employment class bracket. The Unknown column reflects a projection made for non-reporting firms, based on average industry operational scale.

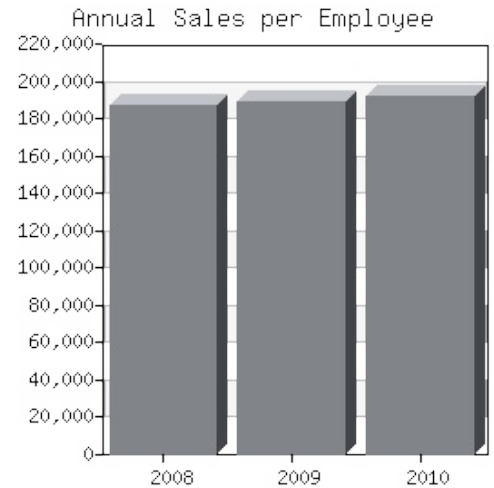
Total Employment by Class											
as of	1 to 4	5 to 9	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	>1,000	unknown	Total
2008	459,731	140,670	233,064	147,588	157,707	168,058	99,750	314,500	143,561	0	1,765,067
2009	469,474	145,188	234,048	140,924	140,184	151,392	65,868	47,952	128,505	200,570	1,724,105
2010	258,708	196,139	207,414	152,073	181,000	200,027	143,686	130,523	232,663	7,397	1,709,630
2011q2	272,129	207,540	206,144	150,611	177,510	213,337	148,792	134,127	235,798	13,703	1,759,691

The **Average Employment by Class** table calculates the average number of employees within each employment bracket.

Average Employment by Class											
as of	1 to 4	5 to 9	10 to 24	25 to 49	50 to 99	100 to 249	250 to 499	500 to 999	>1,000	unknown	Total
2008	3	9	24	49	99	197	250	500	3,988	0	10
2009	3	9	24	49	99	249	499	999	4,016	102	10
2010	2	6	14	32	63	138	320	634	1,989	9	9
2011q2	2	6	14	32	63	138	321	639	1,949	9	9

Sales Per Employee

Annual Sales per Employee	
as of	Industry
2008 SPE:	186,801
2009 SPE:	189,637
2010 SPE:	191,764
2011q2 SPE:	192,335



Sales per Employee: As a common indicator of productivity Sales per Employee data is presented for each of the three years in the time series. Local reports generally calculate industry-specific local sale per employee data. Where localized data is unavailable, industry-specific projections may be applied from larger market areas.

Industry Startup Trends and Activity

Industry Entrepreneurship Performance: This analysis considers only startup firms, excluding new branch operations. Corresponding small business and industry-wide benchmarks for average annual sales, market volume and share, and failure rates can be found beginning on P2 of the report.

Industry Entrepreneurship Performance	
2011q2 Startup Firms	22,133
Average Startup Sales	729,148
Total Startup Firm Market Volume	16,138,241,828
Startup Firm Market Share	4.77%
2010q2 Startup Firms	13,465
Year-end 2011q2 Startup Survivors	9,420
Startup Firm Failure Rate	30.04%

Industry Startup Activity	
Industry Startup Firms	22,133
Industry New Branches	1,346
Industry Startup Rate	12.42%
US All-Industry Startup Rate	7.97%
Industry Startup Index	1.56

Industry Startup Activity: The Industry Startup Rate considers both new firms and newly developed branch operations. It measures the percentage of industry startups which indicate one year or less of operation during the one-year period reflected by the Time Series table -- and which maintained operation through the end of the time series. These startup operations are compared to the number of all operations in the industry for which ages can be identified to create the Startup Rate. This is then compared to the US All-Industry Startup Rate, the national economy-wide startup percentage. The Industry Startup Index benchmarks the industry rate against national all-industry patterns, expressed as a two-digit decimal where the all-industry rate equals 1.00. An Index of 1.10 indicates an industry rate 10% above the national all-industry average.

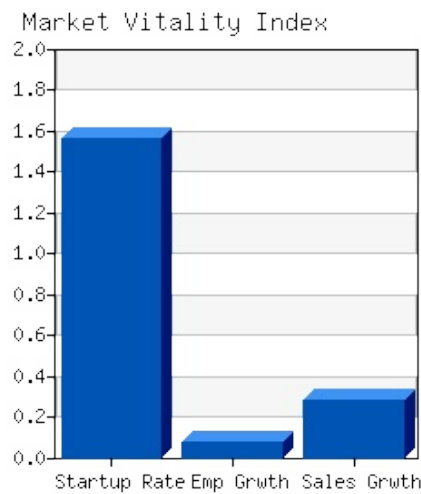
Industry Vitality Trends

Sales Growth Index (2011q2)	
Industry Sales Growth Rate	2.64%
Sales Growth Index	0.28

Employment Growth Index (2011q2)	
Industry Emp Growth Rate	-1.08%
Employment Growth Index	0.08

Sales Growth Index and **Employment Growth Index**: The **Sales Growth Index** compares the change in total sales over the time series displayed in the report. The industry specific growth rate is displayed, followed by a two-decimal index benchmarking the industry against economy-wide growth percentages. The US Index equals 1.00 in all cases, so an Index of 1.10 indicates an industry growth rate 10% above the economy-wide average. Similarly, the **Employment Growth Index** compares the change in total employment over the time series reflected by the report. Again, the industry specific growth rate is displayed, followed by a two-decimal index benchmarking the industry against economy-wide growth percentages.

US Industry = 1.00 in all market vitality index ratings



Industry Concentrations (% of total area)				
	2008	2009	2010	2011q2
Establishments	1.1810%	1.2017%	1.5319%	1.3655%
Employment	1.3896%	1.3741%	1.3209%	1.2130%
Sales	0.9333%	1.2594%	0.9468%	0.8750%

Industry Concentrations: The **Establishment Concentration** compares the number of operating establishments in this industry and market area to those in the market area economy overall for each of three years. The **Employment Concentration** is comparably analyzed, displaying reported employment in the local industry to the economy. The corporate-based **Sales Concentration** shows the industry percentage of total local economy-wide sales. (Corporate-based sales data attributes company-wide sales to the location of headquarters operations.) In each case, the three year trend indicates the increasing or decreasing importance of the industry for the economic metric under review.

Consolidation Trends	
Industry Branch Concentration 2008:	3.37%
Industry Branch Concentration 2009:	3.13%
Industry Branch Concentration 2010:	4.66%
Industry Branch Concentration 2011q2:	4.70%
All US Branch Concentration 2008:	12.84%
All US Branch Concentration 2009:	13.04%
All US Branch Concentration 2010:	12.78%
All US Branch Concentration 2011q2:	12.01%

Consolidation Trends: The Consolidation Trends table displays three years of national all industry-specific data reflecting the percentage of branch operations to all establishments (**Industry Branch Concentration**), and compares that to three years of economy-wide data reflecting national all-industry branch operation percentages (**All US Branch Concentration**). Taken together, the two measures indicate increasing or decreasing trends toward industry consolidation, either as a stand-alone metric or benchmarked against economy-wide patterns.

About the Data

Raw data analyzed for BizMiner reports is sourced from an array of the nation's government and private statistical sources. None of these raw data sources creates the final measures reflected in BizMiner industry profiles. In total, BizMiner accesses over a billion sourced data points from 15 million business operations for each of its twice annual updates covering a 3-5 year time series. Historical data and BizMiner algorithms are used to inform and test projections for non-reporting firms. Data elements are sourced specifically from:

- IRS SOI Corporation Income Tax Returns
- IRS SOI Corporation Tax Book
- IRS SOI 1040 Schedule C Income Tax Returns
- IRS SOI Statistics of Income- Individual Tax Statistics
- US Economic Census of Manufactures
- US Census Economy Overview
- US Census Annual Survey of Manufactures
- US Census Annual Retail Trade Survey
- US Census Annual Wholesale Trade Survey
- US Census Quarterly Financial Reports
- US Census County Business Patterns
- Bureau of Labor Statistics Monthly Employment Reports
- Bureau of Labor Statistics Monthly Unemployment Reports
- US Census Wholesale Trade Report
- US Census Quarterly (New Housing) Sales by Price and Financing
- US Census Total Construction Spending
- US Census Retail Trade Report
- US Census Quarterly Services Survey
- Commercial Real Estate Survey
- Credit Reporting Agencies
- InfoGroup, Inc.
- Business Directories

While 100% firm coverage is desirable for analysis purposes, the greatest value of BizMiner reports rests in discerning patterns of activity, which are reflected in the large samples used to develop our reports. The overall current coverage of the databases surpasses 13 million active business operations at any point in time.

As is the case with any databases this large, some errors are inevitable. Some firms are missed and specific information on others is lacking from the database. Not all information received is uniform or complete, resulting in the need to develop projection algorithms for specific industry segments and metrics in some report series. No representation is made as to the accuracy of the databases utilized or the results of subsequent analyses. Neither the Brandow Company nor its resellers has undertaken independent primary research to confirm the accuracy of the data utilized in the Profile analyses. Neither the Brandow Company nor its resellers are responsible for conclusions drawn or decisions made based upon this data or analysis. In no event will the Brandow Company or its resellers be liable for any damages, direct, indirect, incidental or consequential resulting from the use of the information contained in BizMiner reports.

BizMiner
2601 Market Street

Camp Hill, PA 17011

717-909-6000
fax: 717-763-1232

www.bizminer.com
services@bizminer.com

© 1998-2011 The Brandow Company. All rights reserved.