

Business Failures Decreased in 1998

Business starts near 1997 number

During 1998 New Hampshire reported 708 business starts and 322 business failures. Roughly the same number of establishments started business in the state in 1997 and in 1998, while fewer businesses failed in 1998 than in 1997.

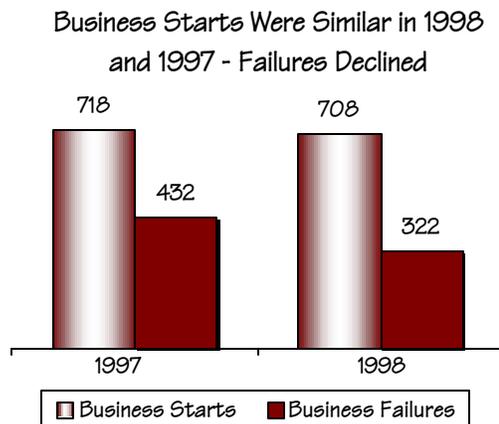
All New England states saw fewer business closings in 1998 than in 1997. Business starts remained fairly constant in all New England states except Massachusetts and Vermont where the numbers decreased -9.1 and -10.3 percent, respectively.

A recently released Bureau of the Census publication, *Statistical Abstract of the United States: 1999*, included data compiled by the Dun and Bradstreet Corporation on starts and failures. Their definition of a business start is a “newly opened active estab-

lishment.” Not included are changes in ownership of previously operating businesses; mergers; or changes in the business name, location, or legal type.

Business failures are defined as “businesses involved in court proceedings or voluntary actions involving losses to creditors.” Not included are businesses that “discontinue operations for reasons such as loss of capital, inadequate profits, ill health, retirement, etc.” At the same time, no firm conclusion may be reached as to the influence of new business starts on the economy of a region. What is not revealed by these two indicators is the size or type of business, total employment, value added of the goods and services produced, and other related measures of economic activity.

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Business Starts and Failures - New England States

	Business Starts		Business Failures		Percent Change	
	1997	1998	1997	1998	Starts 97-98	Failures 97-98
Connecticut	2,123	2,069	640	530	-2.5%	-17.2%
Maine	570	577	398	259	1.2%	-34.9%
Massachusetts	3,766	3,425	1,687	1,200	-9.1%	-28.9%
New Hampshire	718	708	432	322	-1.4%	-25.5%
Rhode Island	511	544	188	150	6.5%	-20.2%
Vermont	291	261	150	80	-10.3%	-46.7%
United States	166,740	155,141	84,342	71,857	-7.0%	-14.8%

Source: U.S. Census Bureau, <www.census.gov/prod/99pubs/99statab/sec17.pdf>