



# Business Dynamics Statistics: firm startups & related measures

Report by Dr. Ama Abrokwhah, January 2025

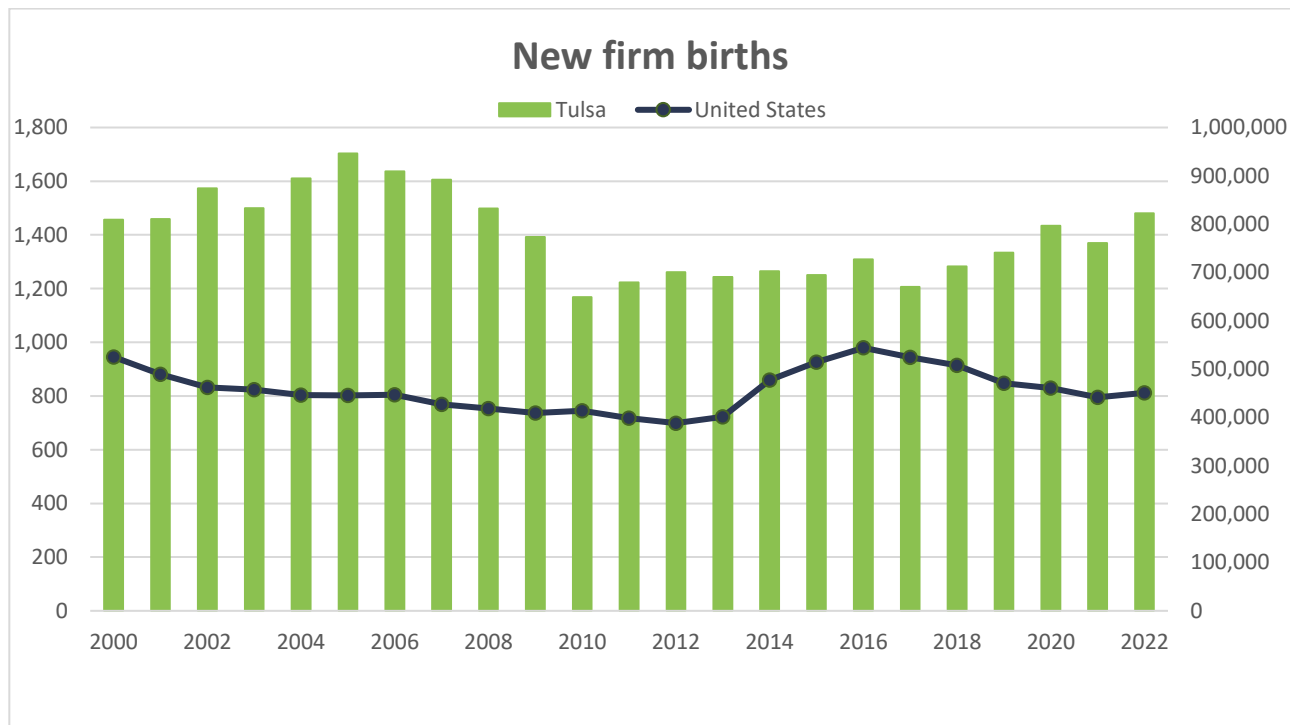
## Summary

- New businesses formed in the Tulsa metro reached 1,480 in 2022, the highest in over a decade
- The Tulsa region experienced an 8.1% growth in new business formation between 2021 and 2022, outperforming both the state and the nation during this period
- Existing firms were responsible for creating over 74% of all new jobs in the region in 2022
- With a high-tech job intensity of 3.4%, Tulsa ranks first in the state for the highest percentage of high tech jobs as a share of total employment

In 2022, new business formation in Tulsa reached 1,480, marking an 8.1% increase from the previous year, which is higher than both the state and national averages. Nationally, 524,913 new firms were established in 2022, reflecting a 7.2% rise from the previous year.

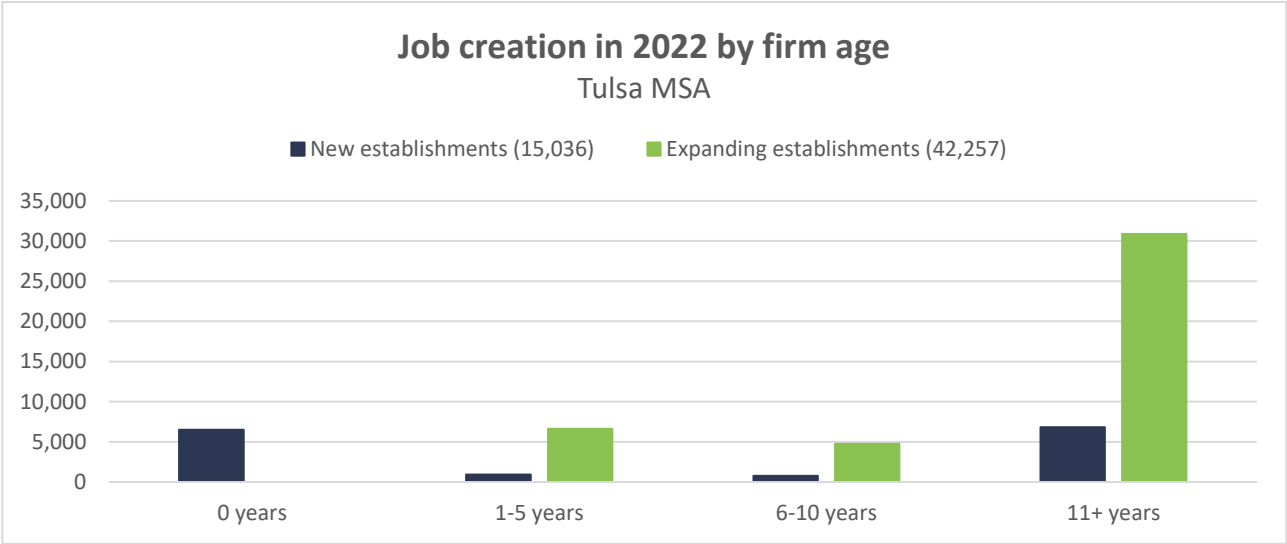
Tulsa is ranked second in the state for the number of new businesses established in 2022. Among major metropolitan areas with populations exceeding one million nationwide, Tulsa holds the 47<sup>th</sup> position. This ranking is higher over its rankings based on population size and economy, both of which were 54<sup>th</sup> in the same year.

Of the top 55 metropolitan areas within the nation, 48 experienced an increase in new business creation in 2022, compared to 41 in 2021 and 25 in 2020. Within Oklahoma, only the Tulsa and Enid metropolitan areas recorded growth in new firm establishments in 2022.

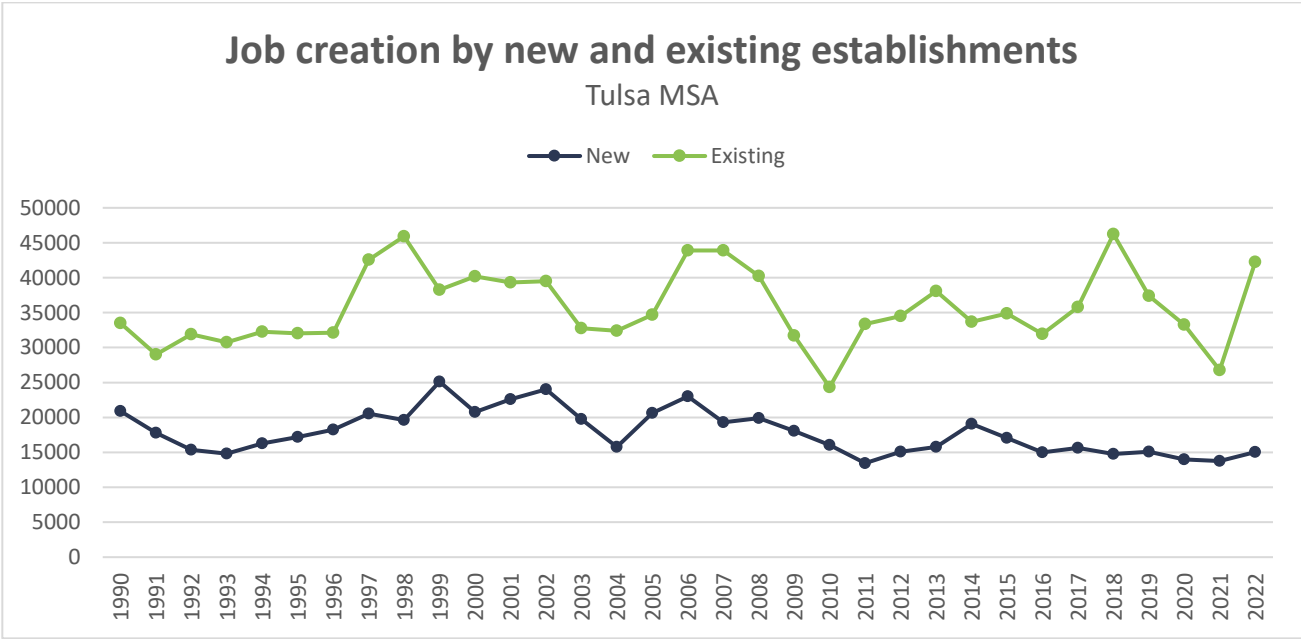


This data is sourced from the U.S. Census Bureau's September release of new data from the [Business Dynamics Statistics \(BDS\)](#) program. The BDS has become a vital tool for providing insights into business formation and growth, labor market dynamics, and other economic features essential for understanding current and historical U.S. entrepreneurial activity. Based on the Census Bureau's Longitudinal Business Database, which encompasses the universe of employer companies (not a sample survey), the BDS tracks economic activity at both the firm and establishment levels over an extended period. It monitors the annual number of new businesses (startups and new locations) and the creation and destruction of jobs at the

establishment level by firm age, size, and industry (based on the March 12 payroll period of a given year), offering a comprehensive view of the dynamics underlying aggregate net employment growth.



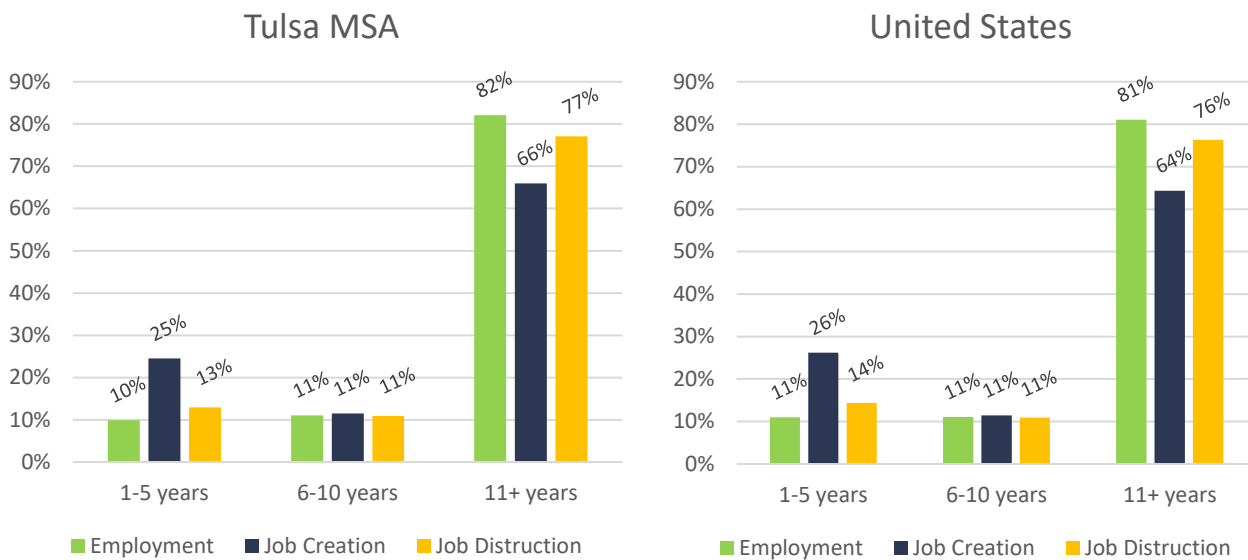
In 2022, new establishments in the Tulsa metro area generated 15,306 jobs. These new establishments included both startups (firms less than one year old) and new branches of existing firms of various ages. Additionally, expansions at existing establishments created another 42,240 jobs. Altogether, new and established firms contributed to a total of 57,276 new jobs.



Both new and existing establishments in the Tulsa metro area saw significant job growth in 2022 compared to 2021. New firms experienced a 9.4% increase in job creation, while existing firms saw a remarkable 57.8% growth. Notably, existing firms were responsible for over 74% of all new jobs created in the region that year. This highlights the substantial contribution of established businesses to the local job market. The share of employment in new and young firms is indeed a crucial measure of startup density. These firms tend to contribute more significantly to job creation than their overall share of employment. In Tulsa, new and young firms account for similar proportions of both employment and job creation as they do nationwide. This indicates that Tulsa's entrepreneurial landscape is comparable to the national average in terms of the impact of new and young businesses on the job market.



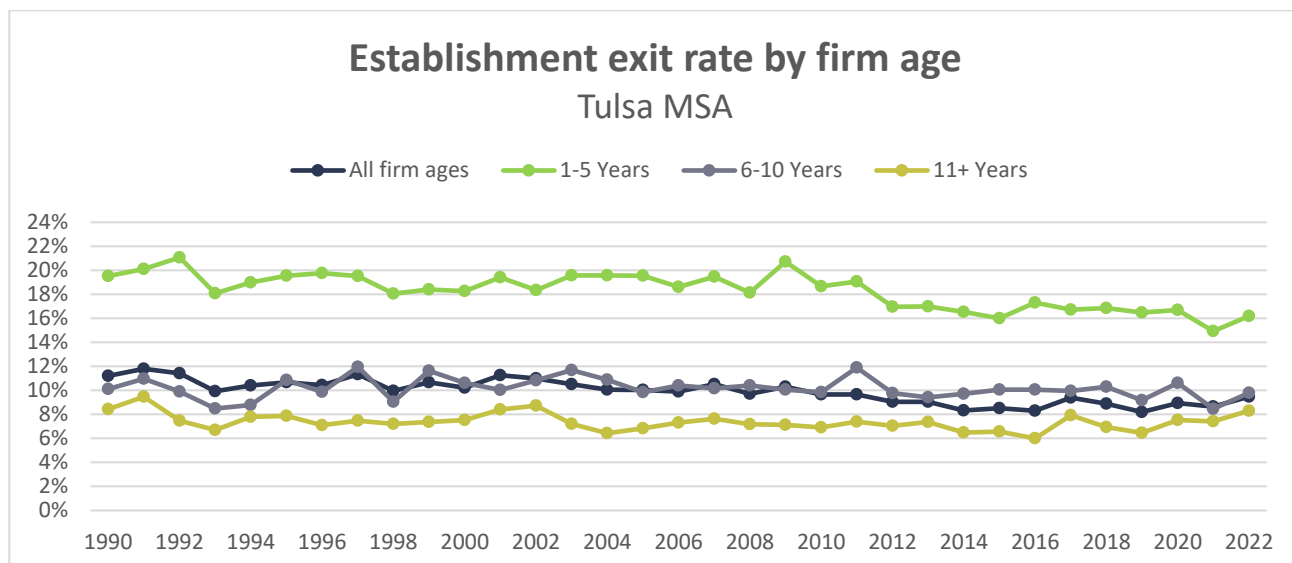
## Share of employment & job creation/destruction in 2022 by firm age



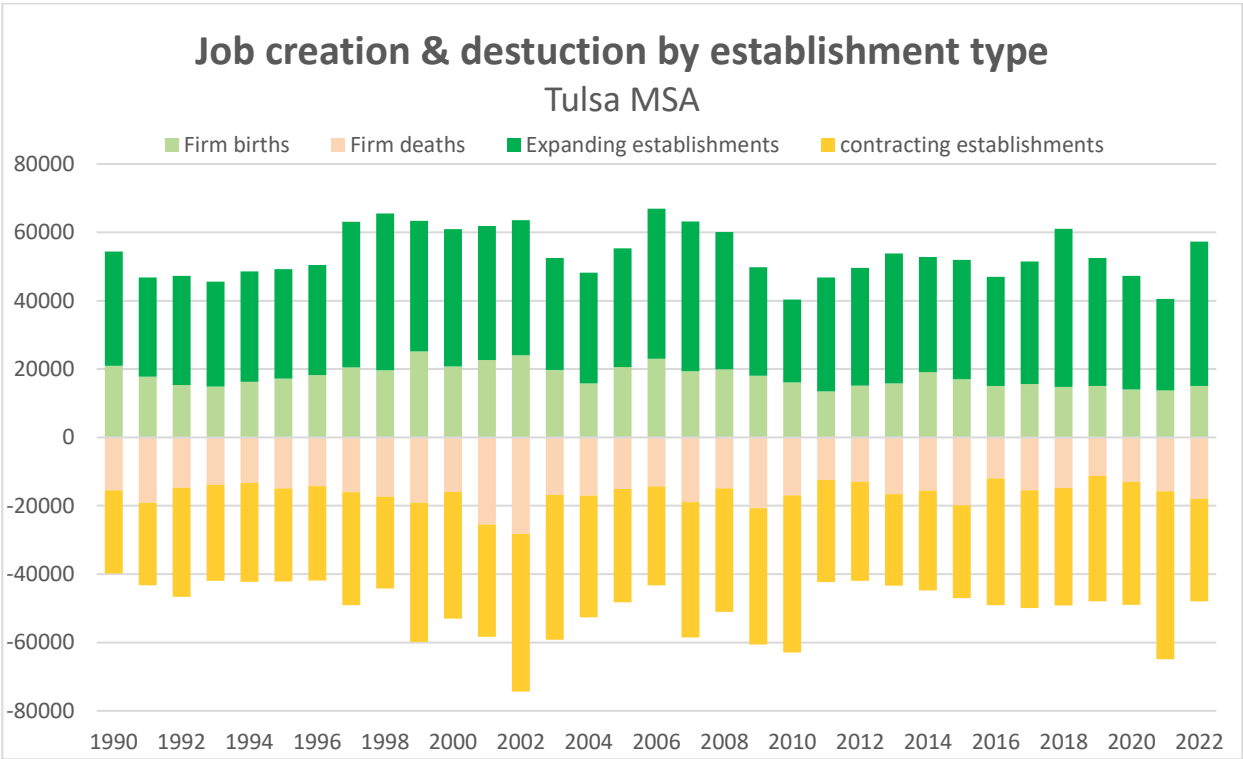
The Business Dynamics Statistics (BDS) dataset offers valuable insights into business exits and job destruction. In 2022, 766 establishments exited in Tulsa, representing 9.5% of businesses. Nationally, the exit rate for 2022 was 9.6%. This data indicates that Tulsa's business exit rate is slightly below the national average, suggesting a relatively stable business environment in the region.

Nationally, nearly a quarter of new businesses exit within their first year, highlighting the challenges that startups face in their initial stages. While the current Business Dynamics Statistics (BDS) release does not provide detailed firm age data at the metro level, it does offer valuable insights for young firms, those aged 1 to 5 years.

In 2022, 16.2% of establishments of young firms exited in Tulsa, which is slightly lower than the national rate of 16.7%. This suggests that young firms in Tulsa have a marginally better survival rate compared to the national average. When we look at other metropolitan areas in Oklahoma, the exit rates for young firms varied. In Fort Smith, the exit rate was 14.7%, indicating a relatively stable environment for young businesses. Oklahoma City had an exit rate of 16.6%, closely aligning with the national average. Enid and Lawton, however, had higher exit rates at 19.8% and 20.3%, respectively, suggesting that young firms in these areas faced more significant challenges.

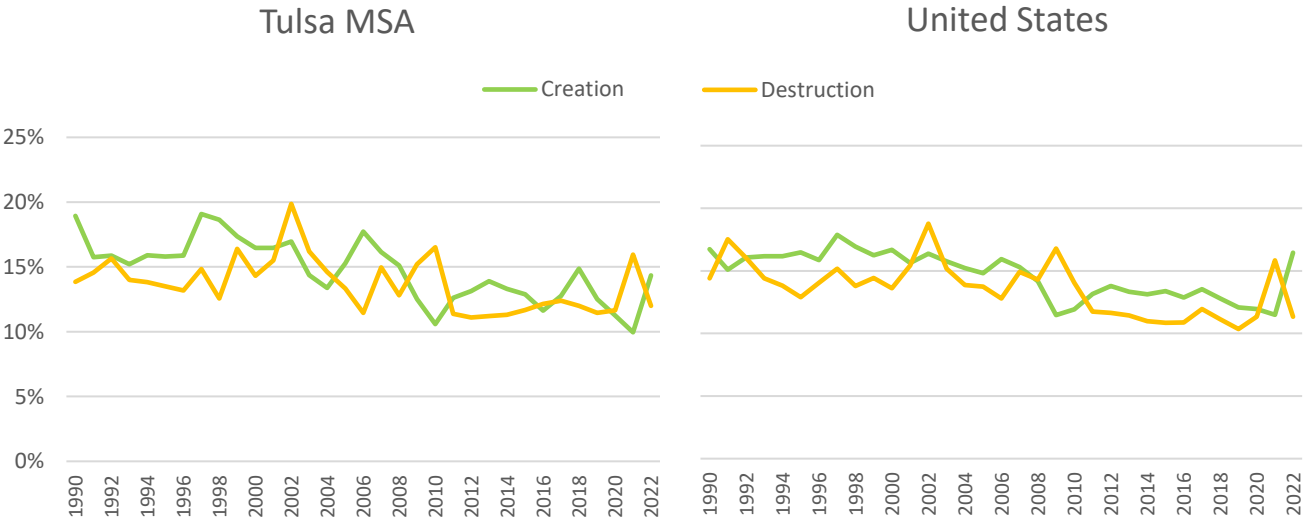


The graph below provides a detailed summary of job dynamics in Tulsa, highlighting the jobs created by new businesses, jobs created by continuing businesses, jobs destroyed by businesses closing, and jobs lost due to layoffs by continuing businesses. This visualization offers a comprehensive view of the economic activity in the region, showcasing both the positive contributions of new and existing businesses and the challenges faced by businesses that have closed or reduced their workforce.

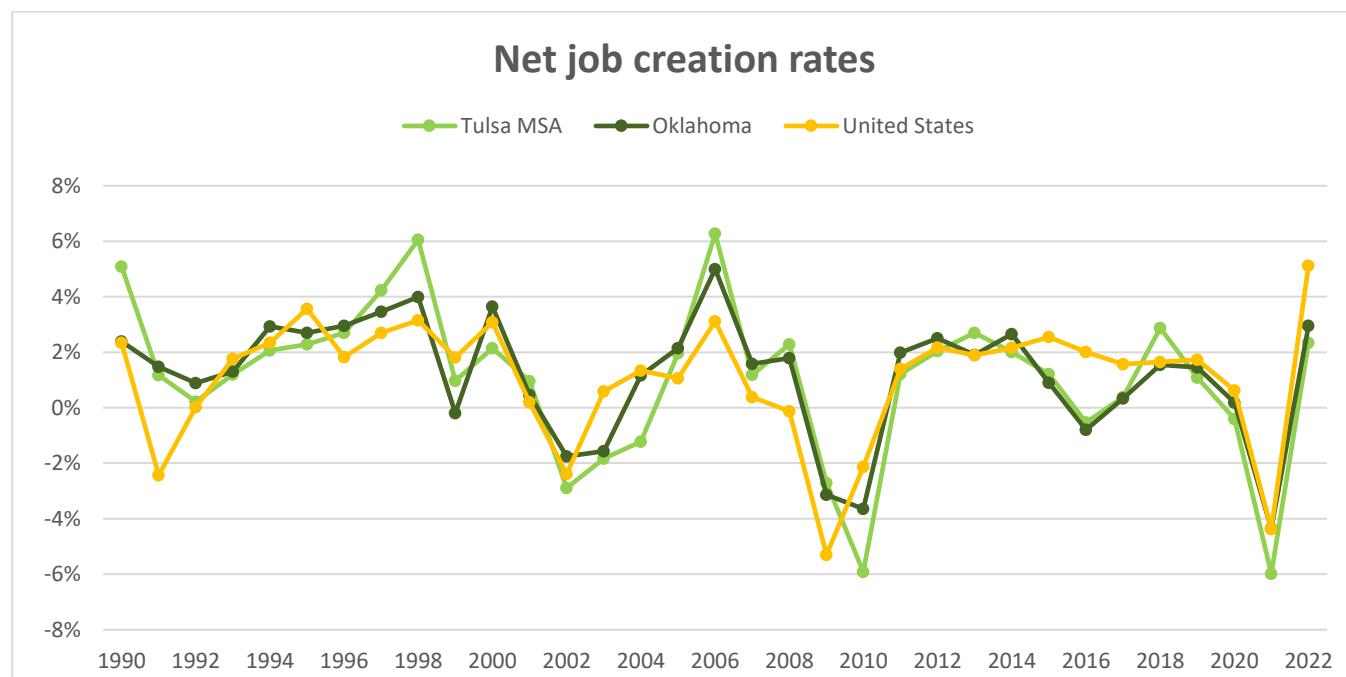


In 2022, Tulsa experienced a significant turnaround in job creation. A total of 57,276 jobs were created, with 15,036 of these jobs coming from new businesses and 42,240 from continuing existing businesses. However, the region also saw 47,934 jobs lost, with 17,886 jobs lost due to business closures and 30,048 because of layoffs by continuing businesses. Despite these losses, the net result was a positive net job creation of 9,342 jobs, translating to a growth rate of 2.3%.

### Job creation & destruction rate



This marks a substantial improvement from 2021, when Tulsa faced a negative net job creation of -24,339 jobs, resulting in a net job creation rate of -5.9%. The positive shift in 2022 highlights the resilience and recovery of the local economy, driven by both new and existing businesses contributing to job growth.



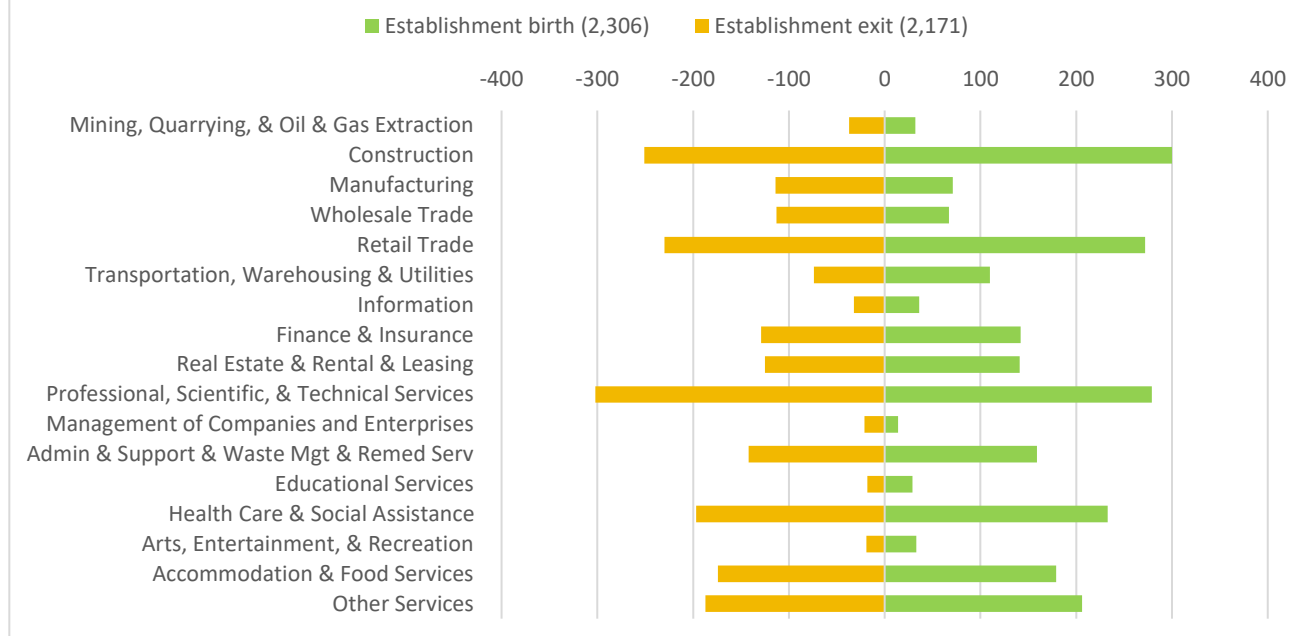
In 2022, Tulsa saw a total of 2,306 establishment births. The construction industry led the way with 300 new establishments, followed by the professional, scientific, and technical services industry with 279 new establishments. The retail trade sector (272), health care and social assistance (233), other services (206), and accommodation and food services (179) also contributed significantly to the creation of new establishments.

On the other hand, Tulsa experienced a total of 2,171 establishment exits in 2022. The professional, scientific, and technical services industry had the highest number of exits, with 302 establishments closing. The construction industry saw 251 exits, while the retail trade sector experienced 230 exits.

This data highlights the dynamic nature of Tulsa's business environment in 2022, with a notable number of new establishments being created across various industries, while also experiencing a significant number of exits. The construction industry saw the highest number of new establishments, while the professional, scientific, and technical services industry had the most exits.

## Establishment births & exits in 2022 by industry

### Tulsa MSA



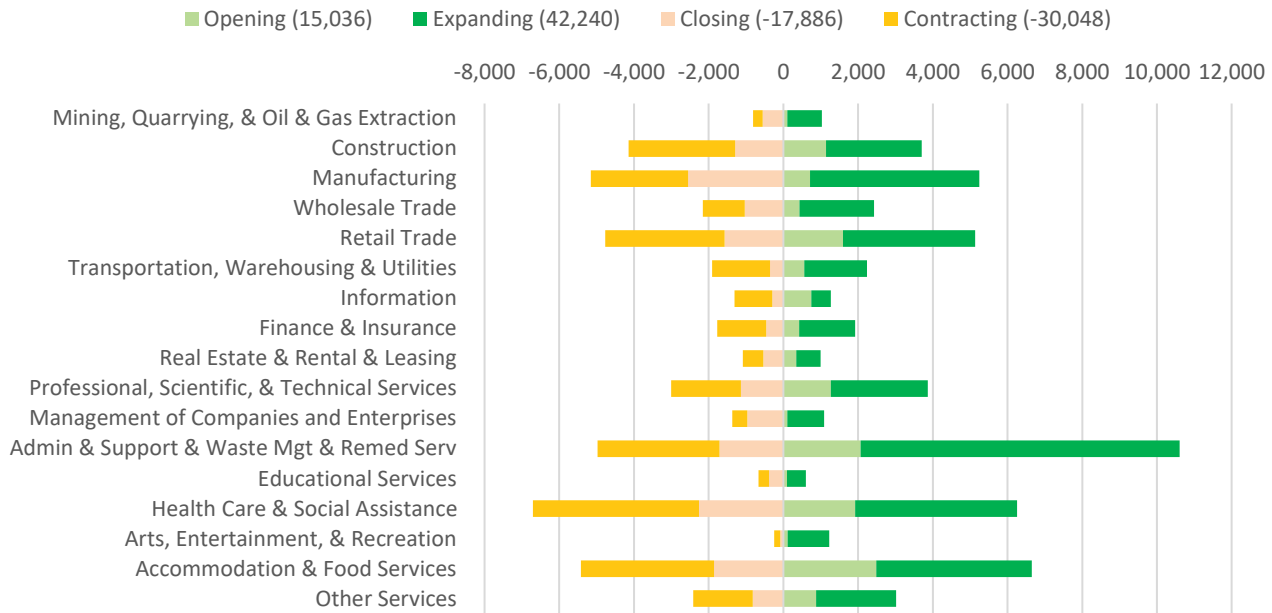
Tulsa's job market in 2022 saw a mixed performance across different industries. While 11 major industry groups experienced more job creation than destruction, six industries faced the opposite trend. A total of 57,276 jobs were created in the Tulsa MSA. This includes 15,036 jobs from new establishments and 42,240 jobs from expanding existing establishments. The industries with the highest job creation were Admin & Support & Waste Management & Remediation Services, which created the most jobs with 2,063 from new establishments and 8,546 from expanding establishments, totaling 10,609 jobs.

A total of 47,934 jobs were lost in the Tulsa MSA. This includes 17,886 jobs lost due to business closures and 30,048 jobs lost due to layoffs by continuing businesses. The industries with the highest job destruction were Health Care & Social Assistance, which saw the most job destruction with 2,261 jobs lost due to business closures and 4,444 jobs lost due to layoffs, totaling 6,705 jobs destroyed.

The net result for 2022 was a positive net job creation of 9,342 jobs in the Tulsa MSA, translating to a growth rate of 2.3%. This marks a significant improvement from 2021, when the region faced a negative net job creation of -24,339 jobs, resulting in a net job creation rate of -5.9%.

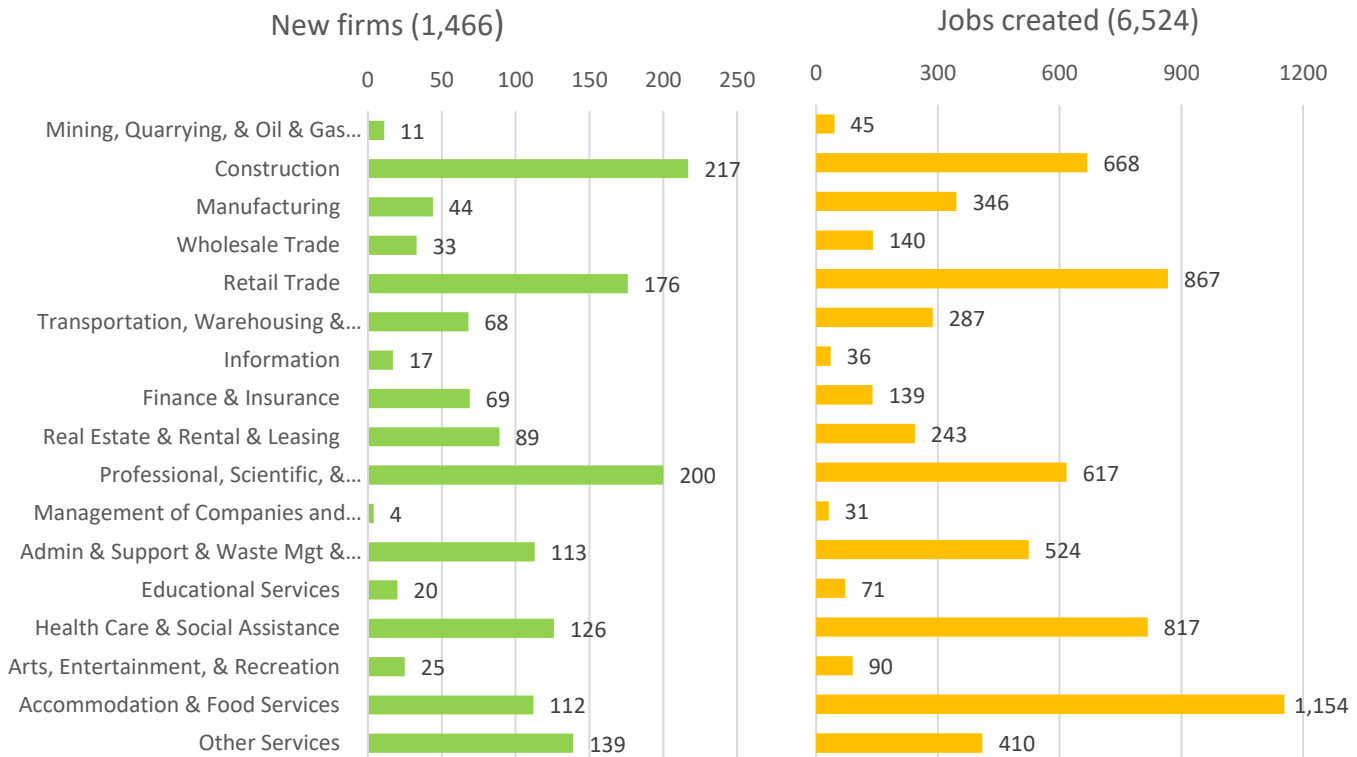
## Jobs created/lost in 2022 by industry

Tulsa MSA



## New firms & jobs created by new firms in 2022 by industry

Tulsa MSA





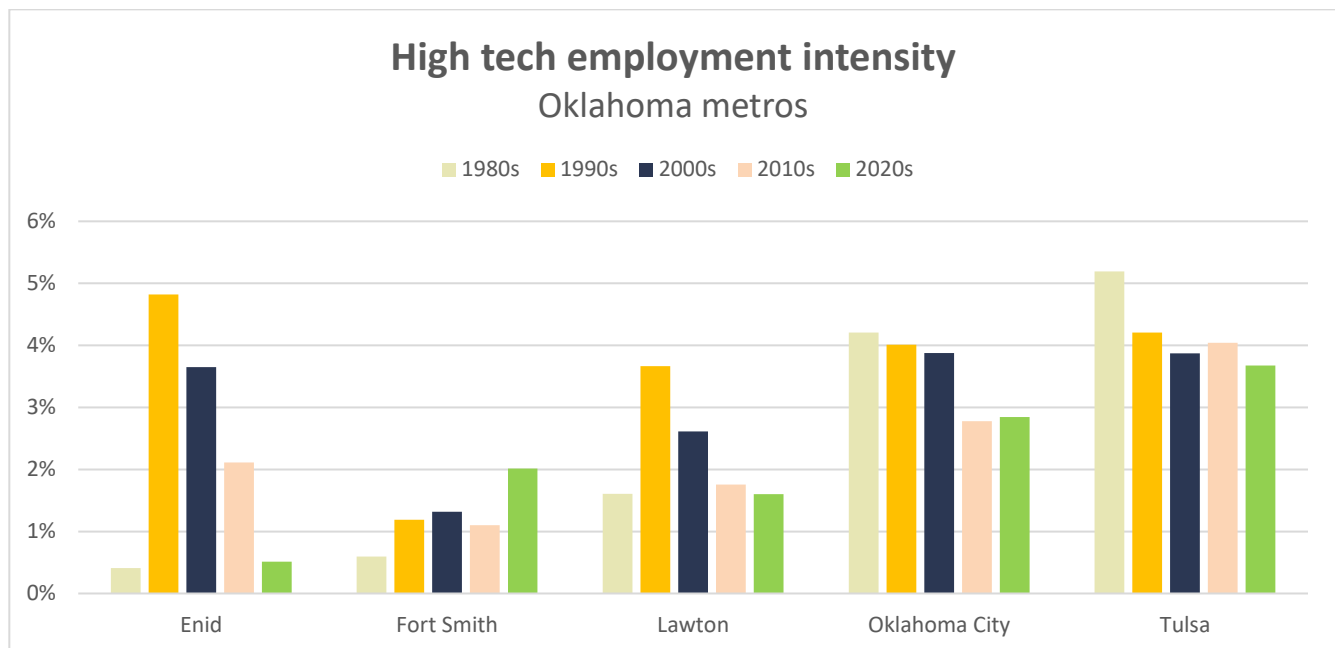
The Census Bureau began producing “[experimental data products](#),” treating topics like globally-engaged firms and innovative firms. One of these products, released following last year's Business Dynamics Statistics (BDS) release, focuses on the [high tech sector](#). High tech sector comprises [11 manufacturing and nonmanufacturing industries](#) that employ high concentrations of science, technology, engineering, and math (STEM) occupations. These tables currently provide indicators for the high tech intensity of metropolitan areas through 2022.

## Oklahoma metros high tech employment intensity 2022

	High tech firms	Jobs at high tech firms	High tech jobs as a % of all jobs	Rank
Tulsa MSA	762	13,586	3.4%	1
Oklahoma City MSA	1,008	15,567	2.7%	2
Fort Smith MSA	93	1,966	2.2%	3
Lawton MSA	27	475	1.4%	4
Enid MSA	23	108	0.5%	5

In 2022, Tulsa stands out among the metros within the state for its high tech job concentration, with nearly 762 high tech firms employing 13,586 people, which accounts for 3.4% of all jobs in the area. This significant presence of high tech industries highlights Tulsa's role as a key player in the state's technological landscape.

Over the past four decades, data reveals that metropolitan areas exhibit varying patterns of high tech employment intensity. Tulsa's high tech employment intensity reached its peak in the 1980s. Despite this peak, Tulsa has managed to maintain a strong share of high tech employment over time compared to other metros within the state. This sustained high tech employment share underscores the city's resilience and adaptability in the evolving technological sector.



## Conclusion

Tulsa has demonstrated remarkable resilience and growth in its business landscape. The region saw the formation of 1,480 new businesses, marking an 8.1% increase from the previous year, which is higher than both the state and national averages. This surge in new business formation underscores Tulsa's dynamic and supportive environment for entrepreneurs.

Moreover, existing firms in Tulsa played a significant role in job creation, contributing to over 74% of all new jobs in the region. This highlights the strength and stability of established businesses in Tulsa, which continue to drive economic growth and provide employment opportunities.

Tulsa also stands out in the high-tech sector, with a job intensity of 3.4%, the highest in the state. This indicates that Tulsa is a leading hub for high-tech jobs, attracting talent and fostering innovation in the region.

In terms of job creation, Tulsa experienced a net positive growth, with 57,276 new jobs created in 2022. This marks a significant turnaround from the previous year, showcasing the region's ability to recover and thrive even in challenging times.

Overall, the data paints a positive picture of Tulsa's economic landscape. The region's strong performance in new business formation, job creation, and high-tech employment highlights its vibrant and resilient economy. Tulsa is well-positioned to continue its growth trajectory, making it an attractive destination for businesses and job seekers alike.

For additional information on the evolution of job growth and employment at U.S. firms over the last 40 years with respect to firm age, size, and industry, there are two recent Census Bureau publications: [\*Business Dynamics Statistics High-Tech Industries Are Concentrated in Five Coastal Metro Areas\*](#), Feb. 2023

[\*Business Dynamics Statistics Trace Evolution of Job Growth, Employment at U.S. Firms Over Four Decades\*](#), Feb. 2022