



"SAIL INTO ENTREPRENEURSHIP ...in Norfolk VA...America's First Region"

NORFOLK IS #1: According to the SBA Office of Advocacy study, *High-Impact Firms: Gazelles Revisited*, on average, these firms represent between 2 and 3 percent of all firms, exist in all industries, and account for almost all employment and revenue growth in the economy.

While some industries have a higher percentage of these firms, they are not limited to high-technology industries. The study defines high-impact firms as an enterprise whose sales have doubled over the most recent four-year period and have an employment growth quantifier of two or more. On average, high-impact firms are smaller and younger than other firms.

From 2002 to 2006 there were 376,605 high-impact firms in the United States. From 1994-2006, **businesses with less than 20 employees** represented almost 94% of high-impact firms and 33.5% percent of job growth among high-impact firms. Firms with 20 to 499 employees represented 5.9% and 24.1% respectively. In the four years after a high-impact firm undergoes high-growth, only 3% fail.

High-impact firms are fairly strong resulting in high growth and lower job losses during economic downturns. They interact with the economy through innovation, productivity growth, or employment change. Data from the study suggests that local economic development officials would benefit from recognizing the value of cultivating high-growth firms versus trying to increase entrepreneurship overall or utilizing resources to attract relocating companies.

Source - *High-Impact Firms: Gazelles Revisited*, SBA Office of Advocacy, June 2008
<http://www.sba.gov/advo/research/rs328tot.pdf>

LARGE MSAS	STATE	RANK	# OF HIGH IMPACT FIRMS	TOTAL FIRMS	% HIGH IMPACT FIRMS
Norfolk-Virginia Beach-Newport News	VA	1	1,813	70,323	2.58
Raleigh-Durham-Chapel Hill	NC	2	2,124	84,618	2.51
Phoenix-Mesa	AZ	3	4,932	197,548	2.5
Pittsburgh	PA	4	2,675	109,040	2.45
Charlotte-Gastonia-Rock Hill	NC	5	2,389	97,753	2.44