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LARGE FIRMS INCREASING JOB GAINS

A common question that is asked by the citizens of the United States is whether or not more jobs are created from small companies or larger companies. For quite a while, people have believed that it is the smaller companies that help with the increase in job gains. However, new statistical information that was recently released by the Bureau of Labor Statistics shows that it is actually the larger companies that are helping to increase job gains in the United States. Nathan Clausen, the economist for the Bureau of Labor Statistic, has said that the most growth of employment has taken place within larger firms. Clausen is in charge of creating new statistics for when it comes to employment, job gains, and job growth. Figures show employment from the spring of 1990, during the month of April when employment reached a high, all the way up until March 2011, a period of time in which employment hit an all-time low due to the Great Recession, which began in 2007 and lasted for two years, ending in 2009. During this span of many years, statistics show that it was the larger companies, known for having nearly 500 employees or more had actually risen by 29 percent. However, the smaller companies, with less than 50 employees, had only risen by less than half of the amount of the larger companies. The smaller companies, all of which had less than 49 employers, experienced a growth of about 10.5 percent during this period. If the private sector grew at that exact same pace, instead of rising by the amount of 19 percent, millions of people would be without jobs, meaning that the unemployment rate would have been shockingly high, at about 14 percent. Employment within smaller companies seems to have had stability during good economic times and bad economic times. During the recession, the employment numbers seem to fall while they rise drastically during expansions. And, after the recession in 2001, there were more people working for smaller companies instead of the larger companies. It seems as though during specific turning points within the economy, it is the small companies that are nimble. During the summer months of 2007, the smaller companies began to make layoffs, reducing the number of employees and their positions. It was not for another seven months that the larger companies began following suit, eliminating positions and cutting back on employers. And, the smaller companies started adding workers back to the workforce four months before the larger companies began adding more employment opportunities. Aside from smaller companies and larger companies, it also depends on what these types of companies are. Some companies hire seasonal workers, specifically retail companies, which can lead to temporary employment gains.