

CONTACT

Colleen Madden Blumenfeld, **Vice President of Public Relations**

Office: **312-422-5074**

Mobile: **314-807-1568**

colleenmadden@challengergray.com

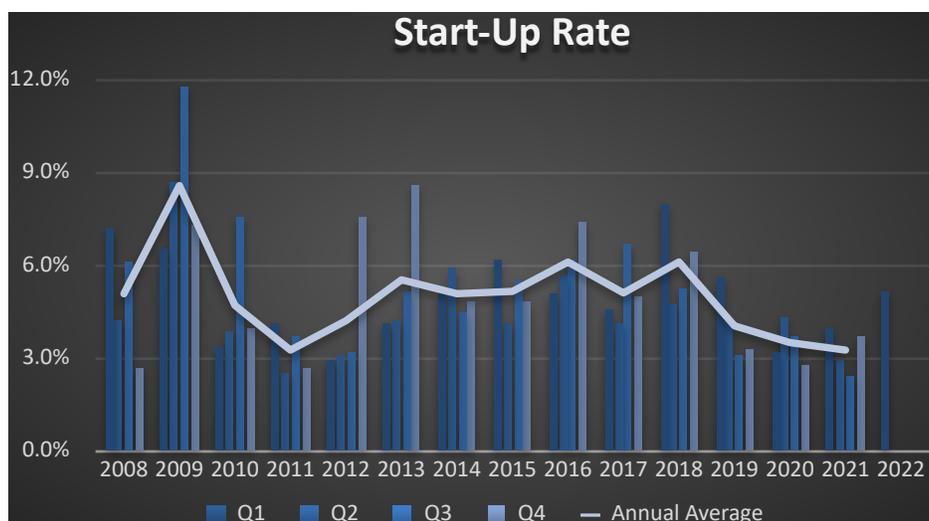
For Immediate Release

Survey: Start-Up Activity Explodes in Q1

HIGHEST RATE OF ENTREPRENEURS SINCE Q1 2019

CHICAGO, May 19, 2022 – As workers across the country reconsidered their professional priorities amid record-high job openings and rising wages, the rate of job seekers who started their own businesses in the first quarter of 2022 hit the highest rate since the first quarter of 2019, according to survey results released Thursday by global outplacement and executive coaching firm Challenger, Gray & Christmas, Inc.

According to the survey conducted quarterly of over 3,000 job seekers in the U.S., 5.2% of job seekers started their own businesses in the first quarter, up from 3.7% in the final quarter of 2021 and 4% in the first quarter of 2021. It is the highest rate since 5.6% of job seekers started businesses in Q1 2019.



This follows a year of record applications for business openings, according to the U.S. Census Bureau. Last year, 5.4 million applications for new businesses were filed, up from the previous

record of 4.4 million set in 2020. In April, the department's [Business Formation Statistics](#) revealed 423,153 applications for new businesses, up 1.6% from March.

More workers identified as self-employed at the end of 2021, as well. According to seasonally adjusted data for non-agricultural workers from the [Bureau of Labor Statistics](#), 9.3 million workers were self-employed last year, up 8% from the 8.7 million self-employed workers at the end of 2020.

Meanwhile, funding soared for start-ups over the last two years. According to data from CB Insight, global venture capital activity hit \$178 billion in the final quarter of 2021. Though funding retreated slightly in the first quarter of 2022 to \$143 billion, it is still the fourth highest quarter for funding on record. For the technology sector, according to a report from Crunchbase, funding for tech start-ups hit nearly \$330 billion, up 92% from the previous year.

“Certainly, the Great Resignation included workers leaving positions to pursue their own businesses. Low interest rates and availability of capital made it an ideal time to attempt entrepreneurial endeavors,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

This could be a boon to employment. According to the Federal Reserve Bank of St. Louis, each start-up employs four people on average in 2019, down from 5 people in 1994. If that figure holds for each start-up application filed in 2021, that could be nearly 22 million new jobs.

“Right now, workers are looking for flexibility. Those Americans who left their jobs to start businesses certainly make their own hours and work independently,” said Challenger

Start-ups seem particularly enticing for job seekers who are further along in their careers. According to Challenger, of the new businesses started in the first quarter, nearly 70% were founded by workers over the age of 40.

“Older job seekers draw on the breadth of their experience, institutional knowledge, and networks to embark on new ventures. For those who may want to start winding down their careers, contract or consulting work allows for greater freedom in selecting projects and setting work schedules,” said Challenger.

Recent economic uncertainty may impact start-up activity in the near future, warns Challenger.

“That said, we may be careening toward another downturn as interest rates rise and consumers and businesses battle inflation,” he said.

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