

**“GAZELLE” JOBS**

**Jobs in gazelle companies (companies with annual sales revenue that has grown 20 percent or more for four straight years) as a share of total employment.**

**Why Is This Important?** The degree to which a state’s economy is composed of new, rapidly growing firms known as gazelles is indicative of the degree to which the state’s economy is dynamic and adaptive, which is a key driver of the New Economy. It is not small firms per se that are the key, it is the relatively small number of fast-growing firms of all sizes that account for the lion’s share of new jobs created in the 1990s. Between 1993 and 1999, the number of gazelles grew almost 40 percent, to over 350,000.

**The Rankings:** While the high-ranking states in the 1999 *Index* tended to be Western and Southern states experiencing high rates of overall job growth, in the 2002 *Index* many high-ranking states are not particularly fast-growing, such as California, Connecticut, Maryland, Massachusetts, and Washington. These states were able to incubate new, fast-growing, often technology-based, entrepreneurial companies. More remote agricultural, natural resource, and tourism-dependent states (e.g., Alaska, Hawaii, Montana, North Dakota, Wyoming), and some older industrial states whose economies are dominated by larger, more established firms, (e.g., Delaware, West Virginia, and Wisconsin), produced relatively fewer gazelles.

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Jobs in fast-growing companies as a percentage of total employment		
<b>The top five</b>		
1	Washington	16.5%
2	Arizona	15.7%
3	California	15.6%
4	Massachusetts	15.4%
5	Texas	15.2%
	<b>U.S. average</b>	<b>13.8%</b>

Source: Cognetics, 1999 data.

