

Black Country Business Demography - 2020¹

Key Points

- The number of active enterprises in the Black Country increased from 39,345 in 2019 to 40,415 in 2020. This equates to an increase of 2.7% - considerably surpassing the national average growth of 0.4% - despite the Covid-19 pandemic.
- There were 336 enterprises per 10,000 population for the Black Country area in 2020, compared to 469 per 10,000 population for England. This represents a closing of the gap since 2019.
- The number of enterprise births in the Black Country increased from 5,500 in 2019 to 5,520 in 2020 (+0.4%), while England overall decreased by 8.0% over this period.
- There were 46 enterprise births per 10,000 population in the Black Country area in 2020, compared to 57 per 10,000 population for England. The gap has closed since 2019 though.
- The number of enterprise deaths in the Black Country decreased from 4,465 in 2019 to 3,920 in 2020 (-12.2%), while England decreased by 2.2% over this period.
- Of the 5,500 births in 2019, 90.5% (4,975) of Black Country enterprises survived through the first year, which is above the England average of 88.2%.
- Of the 5,235 births in 2017, 49.2% (2,575) of Black Country enterprises were still active after 3 years, which is below the England average of 53.0%.
- Of the 5,145 births in 2015, 37.9% (1,950) of Black Country enterprises were still active after 5 years, below the England average of 39.5%.
- The Black Country experienced a 3.3% increase in high growth enterprises from 150 in 2019 to 155 in 2020; the England average decreased by 4.1% over this period.

Full Summary

Active Enterprises

- Despite the pandemic, the number of active enterprises in the Black Country increased from 39,345 in 2019 to 40,415 in 2020. This represents 2.7% growth, a considerably higher rate of growth than the national (+0.5%) and regional (+0.9%) averages.
- The high growth was driven by Sandwell and Dudley in particular, who had the fastest year-on-year businesses growth across the 7 Met West Midlands. Sandwell's business base increased by 6.3% from 10,475 enterprises in 2019 to 11,135 in 2020, whereas Dudley's increased by 2.6% to 11,480. All four local authorities saw faster growth than the national average.
- There were 336 enterprises per 10,000 population for the Black Country area in 2020, compared to 469 per 10,000 population for England. For the Black Country to reach the national average of 469 per 10,000 population requires an additional 16,002 active enterprises. This represents a slight closing of the gap from 2019 (BC = 328 and England = 469).

¹ Source: ONS, Business Demography, November 2021

- The number of active enterprises per 10,000 population varies from 315 in Walsall to 338 in Sandwell, to 332 in Wolverhampton and 356 in Dudley in 2019.

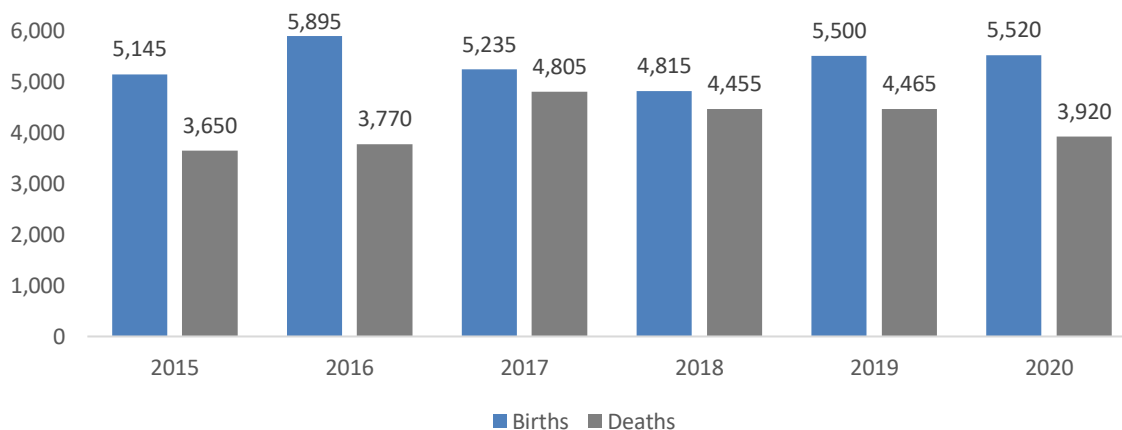
The following table shows active enterprises for the Black Country and England between 2015 and 2020:

	2015	2016	2017	2018	2019	2020	Num. Change 2019-2020	% Change 2019-2020
Dudley	10,395	10,675	10,775	10,740	11,195	11,480	285	2.6%
Sandwell	9,020	9,835	10,125	10,055	10,475	11,135	660	6.3%
Walsall	8,080	8,570	8,805	8,775	8,960	9,020	60	0.7%
Wolverhampton	7,455	8,405	8,800	8,760	8,715	8,780	65	0.8%
Black Country	34,950	37,485	38,505	38,330	39,345	40,415	1,015	2.7%
England	2,347,740	2,498,605	2,575,355	2,571,980	2,639,250	2,653,080	13,830	0.5%

Enterprises Births and Deaths

- For a sustained period, there has been a greater number of enterprise births than deaths in the Black Country. In 2020, there were 1,600 more births than deaths, an increase on the difference that is likely to have been affected by Covid-enforced protections for business closures. Nevertheless, this is the largest gap between births and deaths since 2016.
- The number of enterprise births in the Black Country increased from 5,500 in 2019 to 5,520 in 2020 (+0.4%), while England overall decreased by 8.0% over this period.
- There were 46 enterprise births per 10,000 population in the Black Country area in 2020, compared to 57 per 10,000 population for England. For the Black Country to reach the national average, an additional 1,320 enterprise births are required each year. Positively, this requirement has reduced since 2019 when it was almost 2,000.
- The number of enterprise deaths in the Black Country decreased from 4,465 in 2019 to 3,920 in 2020 (-12.2%), while England decreased by 2.2% over this period.
- The data reflects that, positively, Black Country business births grew faster than the national average in 2020, while the number of business deaths fell greater than comparators.

The following chart shows enterprises births and deaths for the Black Country between 2015 and 2020:



- The number of enterprise births per 10,000 population varies from 37 in Dudley to 41 in Walsall, to 47 in Wolverhampton and 58 in Sandwell in 2020. Growth in recent years has been driven by Sandwell, which has reported a 28% increase in enterprise births since 2017 and now has a higher per 10,000 of population rate than the England average (57)

The following table shows enterprise births for the Black Country area and England between 2015 and 2020:

	2015	2016	2017	2018	2019	2020	Num. Change 2019-2020	% Change 2019-2020
Dudley	1,250	1,290	1,235	1,225	1,470	1,180	-290	-19.7%
Sandwell	1,540	1,640	1,490	1,365	1,565	1,910	345	22.0%
Walsall	1,175	1,265	1,095	1,095	1,220	1,185	-35	-2.9%
Wolverhampton	1,180	1,700	1,415	1,130	1,245	1,245	0	0.0%
Black Country	5,145	5,895	5,235	4,815	5,500	5,520	20	0.4%
England	344,065	373,580	335,280	331,305	349,675	321,650	-28,025	-8.0%

- There has been a decrease in enterprise deaths in all but one of the Black Country Local Authorities. Sandwell, Walsall and Wolverhampton all experienced decreases in enterprise deaths from 2019 to 2020, whereas deaths in Dudley rose slightly by 1.9% (+20).

The following table shows enterprise deaths for the Black Country area and England between 2015 and 2020

	2015	2016	2017	2018	2019	2020	Num. Change 2019-2020	% Change 2019-2020
Dudley	1,035	995	1,240	1,060	1,075	1,095	20	1.9%
Sandwell	895	1,060	1,335	1,160	1,260	1,040	-220	-17.5%
Walsall	920	890	1,085	950	1,020	855	-165	-16.2%
Wolverhampton	800	825	1,145	1,285	1,110	930	-180	-16.2%
Black Country	3,650	3,770	4,805	4,455	4,465	3,920	-545	-12.2%
England	249,995	248,655	311,285	281,220	288,965	282,565	-6,400	-2.2%

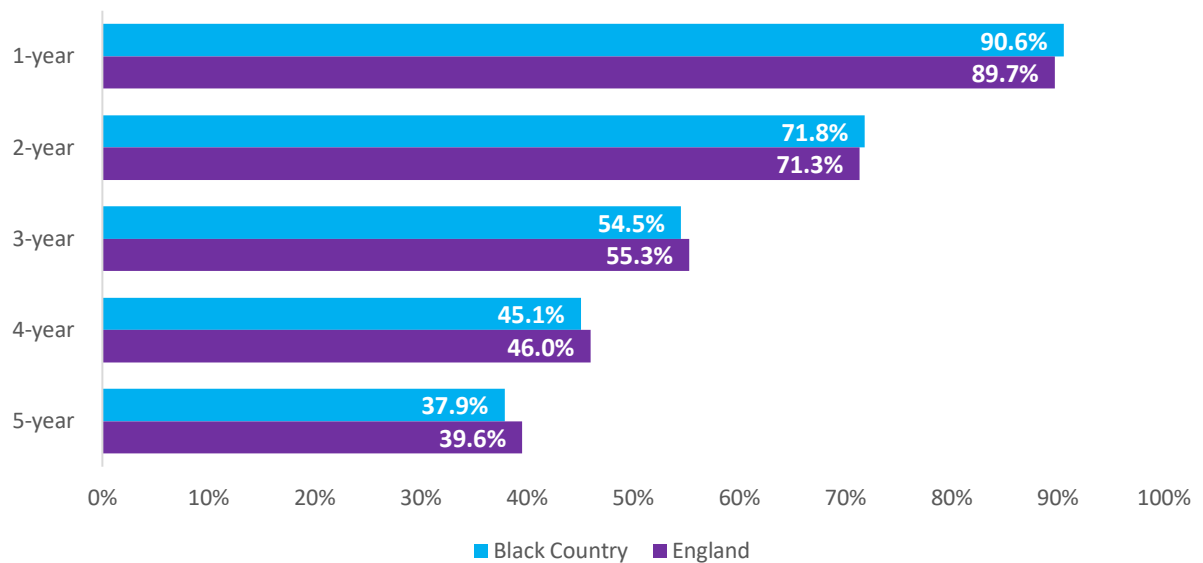
Enterprise Survival Rates

Enterprise survival rates show the percentage of businesses that survived in 2020 and in previous years.

As with previous years, the findings suggest the Black Country performs better on short-term survival (1–2-year enterprise survival rates are higher in the Black Country than the England average), but lag behind when it comes to longer-term survival (3–5 years enterprise survival rates in England are higher than in the Black Country).

- Of the 5,500 births in 2019, 90.5% (4,975) of Black Country enterprises survived through the first year, which is above the England average of 88.2%.
- Of the 5,235 births in 2017, 49.2% (2,575) of Black Country enterprises were still active after 3 years, which is below the England average of 53.0%.
- Of the 5,145 births in 2015, 37.9% (1,950) of Black Country enterprises were still active after 5 years, below the England average of 39.6%.

The following chart shows from 2015 enterprise births the five-year survival rates for the Black Country and England:



High Growth Enterprises²

- The Black Country experienced a 3.3% increase in high growth enterprises from 150 in 2019 to 155 in 2020; the England average decreased by 4.1% over this period.
- The number of high growth firms in Sandwell increased by 15 between 2019 and 2020, from 25 to 40 (+60%). All other Black Country local authority areas either decreased slightly (Dudley and Walsall, both decreasing by 5) or stayed the same (Wolverhampton remaining at 35 high growth companies).

The following tables shows high growth enterprises for the Black Country area and England between 2015 and 2020

	2015	2016	2017	2018	2019	2020	Num. Change 2019-2020	% Change 2019-2020
Dudley	35	30	40	55	50	45	-5	-10.0%
Sandwell	40	45	35	35	25	40	15	60.0%
Walsall	30	45	45	40	40	35	-5	-12.5%
Wolverhampton	35	45	45	40	35	35	0	0.0%
Black Country	140	165	165	170	150	155	5	3.3%
England	10,650	11,910	11,535	12,225	11,070	10,620	-450	-4.1%

² ONS use the following methodology / definition for high growth enterprise analysis:

All enterprises with average annualised growth greater than 20% per annum, over a three-year period. Growth can be measured by the number of employees or by turnover. For this analysis growth has been measured using employment.