

PART IX:

Industry Overview

Overview

ATF's Federal Firearms Licensing Center issues and renews FFLs in accordance with the Gun Control Act of 1968 (GCA). ATF's Federal Explosives Licensing Center issues and renews Federal explosives licenses (FEL) and permits submitted by industry members who manufacture, deal in, and import or receive explosive materials in accordance with the Organized Crime Control Act of 1970 and Safe Explosives Act of 2002. ATF issues nine types of FFLs and five types of explosives licenses and permits⁷³.

The nine FFL types are:

- Type 01 - *Dealer in Firearms Other Than Destructive Devices.*
- Type 02 - *Pawnbroker in Firearms Other Than Destructive Devices.*
- Type 03 - *Collector of Curios and Relics.*
- Type 06 - *Manufacturer of Ammunition for Firearms Other Than Ammunition for Destructive Devices or Armor Piercing Ammunition.*
- Type 07 - *Manufacturer of Firearms Other Than Destructive Devices.*
- Type 08 - *Importer of Firearms Other Than Destructive Devices or Ammunition for Firearms Other Than Destructive Devices, or Ammunition Other Than Armor Piercing Ammunition.*
- Type 09 - *Dealer in Destructive Devices.*
- Type 10 - *Manufacturer of Destructive Devices, Ammunition for Destructive Devices or Armor Piercing Ammunition.*
- Type 11 - *Importer of Destructive Devices, Ammunition for Destructive Devices or Armor Piercing Ammunition.*

Type 01, 02, 07, 08, 09, 10, and 11 FFLs are authorized to engage in commerce involving firearms. Type 06 FFLs are only authorized to engage in commerce involving the manufacturing of ammunition (an FFL is not required to simply sell ammunition). Type 03 FFLs are not authorized to engage in the business of manufacturing, importing, or dealing in firearms. They are solely authorized to enhance personal collections of curio and relic firearms.

National FFL Population Trends

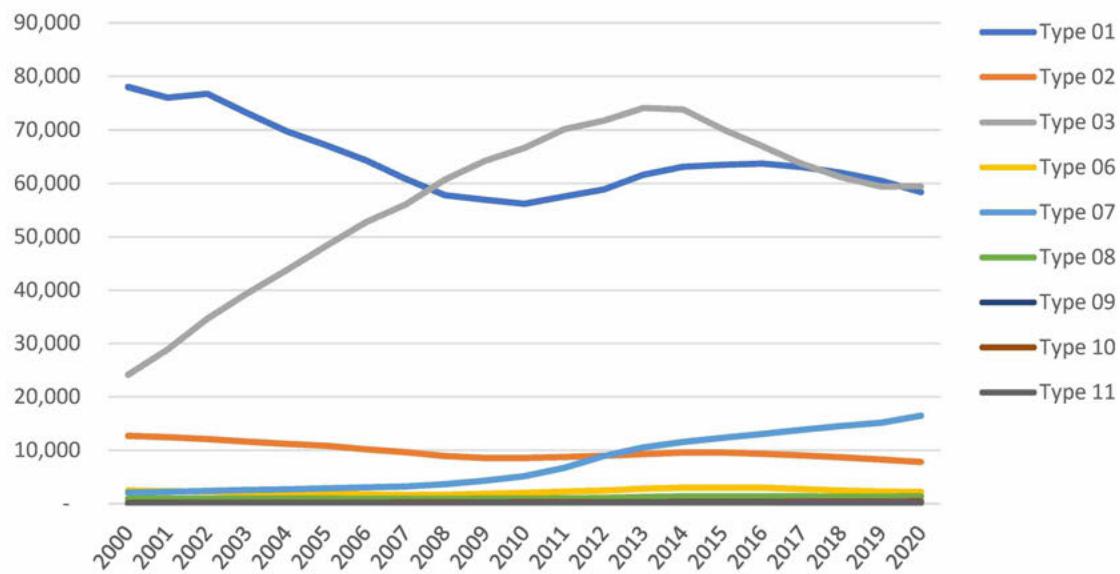
Cumulative Review of All FFL Types

Table IO-01 in Appendix IO – Industry Overview and Figure IO-01 examine the total number of licensees by FFL type from 2000 to 2020. For each year, the total number of licensees is based on those FFLs that were active at any time in that year.

Overall, from 2000 (120,684) to 2020 (146,586) the population for all FFL types grew by nearly 22% with most of the growth occurring within the first half of the period. However, there are major differences

over time in population trends across different types of FFLs. Specifically, Type 03 FFLs increased by more than 146% between 2000 (24,143) and 2020 (59,457) (with the greatest increase occurring between 2000 to 2013), while overall the population of all other FFLs, excluding Type 03 FFLs, decreased by almost 10% over this period.

Figure IO-01: Total Number of FFLs by FFL Type, 2000 – 2020



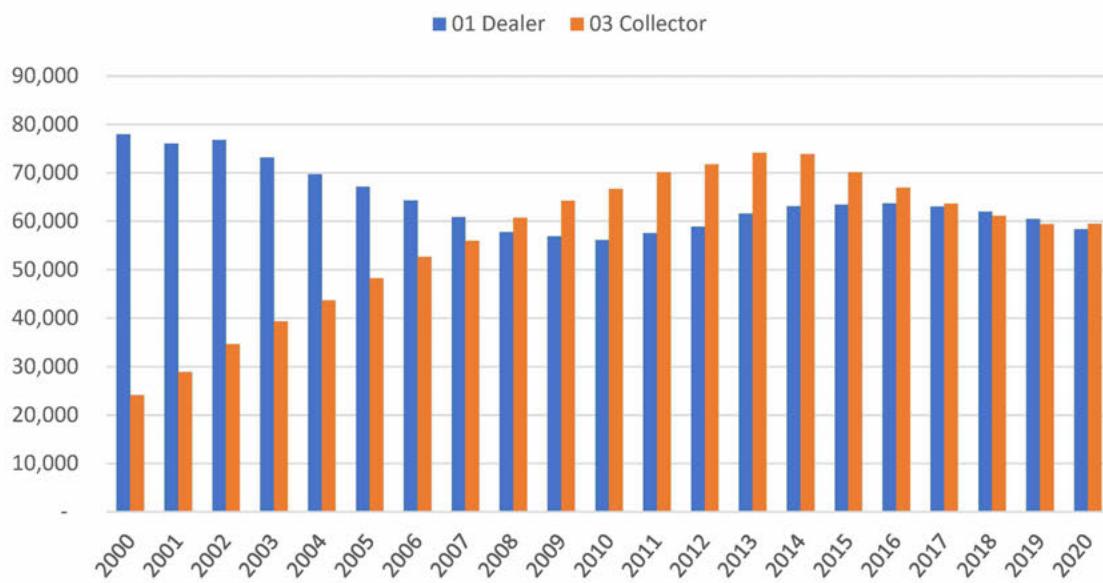
The number of Type 01 FFLs and Type 02 FFLs decreased by more than 25% and approximately 39% respectively from 2000 to 2020, and both declines were concentrated from 2000 to 2010. In contrast to the declines in population for Type 01 and Type 02 FFLs, most other types of FFLs reflected large population increases from 2000 to 2020. Specifically, the Type 07 FFL population increased by more than 694%, the Type 08 FFL population increased by approximately 51%, the Type 09 FFL population increased by more than 914%, the Type 10 FFL population increased by almost 213%, and the Type 11 FFL population increased by nearly 290% between 2000 and 2020.

See Table IO-01 in Appendix IO – Industry Overview for a detailed breakdown and analysis of the national FFL population by FFL type between 2000 and 2020.

Comparison of Type 01 and 03 FFL Populations

As reflected in Figure IO-02, Type 01 FFLs steadily decreased between 2000 and 2010 and then leveled off between 2010 and 2020. In contrast, Type 03 FFLs steadily increased between 2000 and 2013 and then began a steady decline between 2013 and 2020. To some degree, the decline in the Type 01 FFL population from 2000 to 2010 corresponds with the increase in Type 03 FFLs during this same time.

Figure IO-02: Comparison of Type 01 to Type 03 FFL Populations, 2000 – 2020

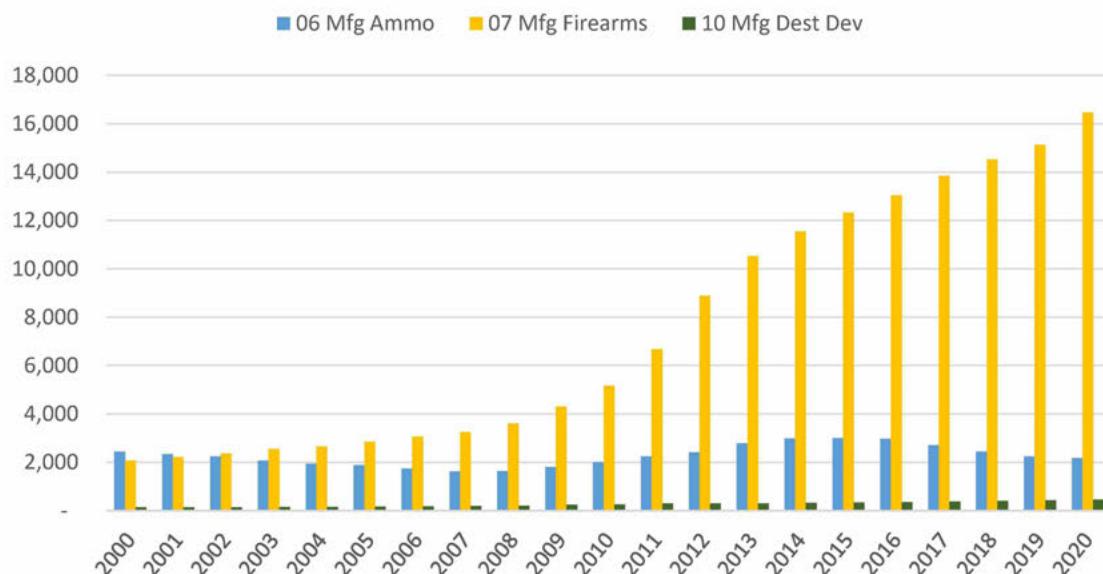


See Table IO-01 in Appendix IO – Industry Overview for a detailed breakdown and analysis of the national FFL population by FFL type between 2000 and 2020.

Comparison of Type 06, 07, and 10 FFL Populations

While the number of Type 07 FFLs increased between 2000 and 2020, the number of Type 06 FFLs declined by more than 10% over this period. As reflected in Figure IO-03, Type 07 FFLs had the greatest increase in population among licensed manufacturers and experienced the largest growth after 2008.

Figure IO-03: Comparison of Type 06, 07, and 10 FFL Populations, 2000 – 2020



See Table IO-01 in Appendix IO – Industry Overview for a detailed breakdown and analysis of the national FFL population by FFL type between 2000 and 2020.

National Trends in Overall Population Share by FFL Type

This section examines national trends in the population share of the different FFL types from 2000 to 2020. Population share is the proportion that each FFL type represents within the total FFL population for a particular year.

Table IO-2a presents the population share by FFL type for 2000, 2010 and 2020. Overall, the population share of Type 01 FFLs dropped from nearly 65% of all FFLs in 2000 (78,018), to approximately 40% in 2010 (56,176) and showed little change in population share between 2010 to 2020 (58,353). Type 02 FFLs dropped from about 11% in 2000 (12,702) to 5% in 2020 (7,808). Type 03 FFLs increased in population share from 20% of all FFLs in 2000 (24,143), to nearly 48% in 2010 (66,657), with a modest decrease to approximately 41% in 2020 (59,457). Type 07 FFLs increased in population share from nearly 2% of all FFLs in 2000 (2,074), to approximately 4% in 2010 (5,169), and then increased to more than 11% in 2020 (16,473). In 2020, FFL Types 01, 02, 03, and 07, represented nearly 97% of all FFLs.

Table IO-02a: Total Annual Population Share by FFL Type – 2000, 2010, and 2020

FFL Type	2000		2010		2020	
	Total	%	Total	%	Total	%
Not Identified	138	0.1%	33	0.0%	3	0%
Type 01	78,018	64.6%	56,176	40.1%	58,353	39.8%
Type 02	12,702	10.5%	8,562	6.1%	7,808	5.3%
Type 03	24,143	20.0%	66,657	47.6%	59,457	40.6%
Type 06	2,443	2.0%	2,012	1.4%	2,189	1.5%
Type 07	2,074	1.7%	5,169	3.7%	16,473	11.2%
Type 08	927	0.8%	971	0.7%	1,398	1.0%
Type 09	14	0.0%	49	0.0%	142	0.1%
Type 10	148	0.1%	270	0.2%	463	0.3%
Type 11	77	0.1%	163	0.1%	300	0.2%
Total	120,684	100.0%	140,062	100.0%	146,586	100.0%

See Table IO-02 and IO-02b in Appendix IO – Industry Overview for a detailed breakdown and analysis of the overall population share by FFL type between 2000 and 2020 including and excluding Type 03 FFLs.

National Trends in FFL Turnover

Between 2000 and 2020, 295,426 new FFLs were issued, while during the same period, 257,652 FFLs were discontinued, creating an overall net gain of 37,774 FFLs. FFLs may discontinue their license for a variety of reasons including, but not limited to, going out of business, a change in ownership, or a change in the type of business being conducted, such as changing from a dealer to manufacturer of firearms.⁷⁴ See Table IO-03 in Appendix IO – Industry Overview for a detailed account of new and discontinued FFLs by FFL Type between 2000 and 2020.

FFL Population Turnover by FFL Type

As reflected in Table IO-03a, both Type 01 (15,982) and Type 02 (4,045) FFLs had a net decrease in its respective FFL population between 2000 and 2020. In contrast, Type 03 (41,745) and Type 07 (14,381) FFLs showed significant net increases during this same period.

Table IO-03a: Comparison of New FFLs to Discontinued FFLs by FFL Type, 2000 – 2020

Type of Market Action	Not ID'd	Type 01	Type 02	Type 03	Type 06	Type 07	Type 08	Type 09	Type 10	Type 11	Total
New FFLs	0	94,203	14,164	151,883	5,444	25,568	2,772	224	711	457	295,426
OOB FFLs	136	(110,185)	(18,209)	(110,138)	(5,098)	(11,187)	(2,068)	(90)	(336)	(205)	(257,652)
Net Change	136	(15,982)	(4,045)	41,745	346	14,381	704	134	375	252	37,774

As reflected in Table IO-03b, Type 01 (3,934) and 02 (1,397) FFLs similarly showed net deceases between 2016 and 2020. In contrast, Type 03 FFLs exhibited a very large net increase between 2000 and 2020 and saw a modest reversal of this pattern with a net decrease of 6,820 FFLs between 2016 and 2020.

Table IO-03b: Comparison of New FFLs to OOB FFLs by FFL Type, 2016 – 2020

Type of Market Action	Not ID'd	Type 01	Type 02	Type 03	Type 06	Type 07	Type 08	Type 09	Type 10	Type 11	Total
New FFLs	0	21,653	2,371	26,103	1,087	10,400	778	103	240	145	62,880
OOB FFLs	8	(25,587)	(3,768)	(32,923)	(1,584)	(5,853)	(667)	(38)	(112)	(81)	(70,621)
Net Change	8	(3,934)	(1,397)	(6,820)	(497)	4,547	111	65	128	64	(7,741)

FFLs by Zoned Premises and Legal Structure

As reflected in Table IO-04a, approximately 73% of all FFLs operate their business from either a residential (33%), commercial (29%) or agricultural/rural (11%) zoned premises. Moreover, 36% of Type 01, 33% of Type 07, and 23% of Type 08 FFLs operate from a residential location. FFLs are permitted to operate their business from any location not prohibited by state or local zoning laws or ordinances. For the total number of FFLs by FFL type associated with zoned premises, see Table IO-04 in Appendix IO – Industry Overview.

Table IO-04a: Percentage Breakdown of Zoned Premises⁷⁵ by FFL Type⁷⁶, 2020

Premises Location	Type 01	Type 02	Type 06	Type 07	Type 08	Type 09	Type 10	Type 11	% Total
Not Available	5.5%	4.0%	4.3%	4.2%	6.2%	7.0%	5.4%	6.3%	5.1%
Agricultural/Rural	11.9%	2.6%	15.2%	11.5%	6.2%	4.2%	7.6%	4.7%	10.9%
Commercial (Retail & Office)	27.2%	64.9%	16.4%	21.8%	30.3%	46.5%	25.7%	31.7%	29.4%
Exempt, Government, Historical	7.2%	8.2%	7.2%	7.1%	6.9%	6.3%	8.2%	7.7%	7.3%
Industrial (General & Heavy)	3.9%	3.7%	9.4%	12.3%	18.2%	16.2%	31.1%	29.7%	6.1%
Recreational	0.8%	0.7%	0.4%	0.8%	1.1%	0.0%	0.2%	0.0%	0.7%
Residential	36.2%	9.9%	37.6%	33.0%	22.6%	12.0%	7.6%	9.3%	32.8%
Vacant Land	4.9%	4.0%	6.3%	5.8%	4.4%	4.9%	5.6%	4.0%	5.0%
All Other	2.4%	2.1%	3.2%	3.5%	4.1%	2.8%	8.6%	6.7%	2.7%
Total # of FFLs	58,353	7,808	2,189	16,473	1,398	142	463	300	87,126

As reflected in Table IO-05a, Type 01 FFLs are predominately licensed as sole proprietors (46%) or limited liability companies (LLC) (31%). In contrast, Type 02 FFLs are predominately licensed as corporations (44%) or LLCs (32%). Type 07 FFLs (55%) and Type 08 FFLs (47%) are predominately licensed as LLC. For the total number of FFLs by FFL type and business legal structure composition, see Table IO-05 in Appendix IO – Industry Overview.

Table IO-05a: Percentage Breakdown of Business Legal Structure Composition by FFL Type, 2020 (Excludes Type 03 FFLs)

Business Legal Structure	Type 01	Type 02	Type 06	Type 07	Type 08	Type 09	Type 10	Type 11	% Total
Not Available	3.2%	3.7%	2.5%	1.9%	4.4%	2.8%	1.1%	3.3%	3.0%
Sole Proprietor	46.4%	17.1%	40.1%	22.6%	13.1%	2.8%	2.8%	1.7%	38.1%
Partnership	3.2%	3.8%	2.8%	1.6%	0.9%	0.7%	0.0%	0.3%	2.8%
Corporation	16.7%	43.7%	14.6%	19.2%	34.6%	60.6%	54.4%	59.0%	20.2%
Other (LLCs)	30.6%	31.7%	40.0%	54.7%	46.9%	33.1%	41.7%	35.7%	35.8%
Total # of FFLs	58,353	7,808	2,189	16,473	1,398	142	463	300	87,126

State and Territory Trends in FFL Population

Nationally, the FFL population increased by 21% from 2000 (120,684) to 2020 (146,586). However, there were significant differences in population trends across states and territories. Over this period, 14 states and territories experienced FFL population decreases, ranging from -3% to -63%. The remaining forty-one states and territories experienced FFL population increases, ranging from less than 1% to more than 173%.⁷⁷

As reflected in Table IO-06a, DC⁷⁸ (173%), Rhode Island (102%), and Massachusetts (98%) experienced the greatest increases in FFL populations from 2000 to 2020.

Table IO-06a: Top Ten States/Territories with Highest Percentage Change Increase in FFL Population, 2000 – 2020

State or Territory	% Change 2000 to 2020
DC	173.3%
RI	101.6%
MA	97.7%
MD	95.9%
UT	70.2%
SC	62.8%
AZ	61.4%
NH	56.7%
DE	55.1%
CO	48.2%

See Table IO-06 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and the percentage change in FFL population between 2000 and 2020.

Overall Population Share by States/Territories for All FFL Types

Population share has remained stable among the top ten states with the largest population share between 2000 and 2020. As reflected in Table IO-06b, the top ten leading states comprised more than 44% of all FFLs in 2000 and approximately 45% in 2020.

Table IO-06b: Top Ten States/Territories by Highest FFL Population Share - 2000 and 2020

State or Territory	% Total of FFL Population 2000	State or Territory	% Total of FFL Population 2020
	2000		2020
TX	7.8%	TX	8.3%
CA	6.4%	CA	6.6%
FL	4.7%	FL	5.5%
PA	4.4%	PA	4.6%
MI	4.0%	IL	3.5%
OH	3.7%	NC	3.5%
MO	3.4%	OH	3.4%
IL	3.4%	MO	3.2%
NY	3.4%	VA	3.0%
GA	3.0%	MA	3.0%
Total Top Ten	44.2%	Total Top Ten	44.6%
Other States	55.8%	Other States	55.4%

See Table IO-06 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and its percentage of overall FFL population between 2000 and 2020.

Type 01 FFLs

As reflected in Table IO-07 in Appendix IO – Industry Overview, the number of Type 01 FFLs decreased by more than 25% from 2000 to 2020 nationally, with only three states Colorado (5%), South Carolina (23%), and Utah (4%) showing growth. The remaining 52 states⁷⁹ and territories experienced declines in their Type 01 FFL populations, ranging from -4% to -62%.

As reflected in Table IO-07a, Massachusetts (62%), California (55%) and Alaska (54%) experienced the greatest declines in their Type 01 FFL populations.

Table IO-07a: Top Ten States/Territories by Highest Percentage Change Decrease in Type 01 FFL Population Totals Between 2000 and 2020

State or Territory	% Change 2000 to 2020
MA	-61.9%
CA	-55.3%
AK	-53.6%
MP	-50.0%
HI	-42.5%
MI	-41.6%
VT	-37.8%
CT	-37.0%
IL	-36.7%
RI	-36.6%

See Table IO-07 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and the percentage change in Type 01 FFL population between 2000 and 2020.

Population Share of States and Territories

As reflected in Table IO-07b, the top ten states comprised nearly 44% of the Type 01 FFL population in 2000 and more than 42% in 2020. Nine of the ten leading states in 2000 were also among the ten leading states in 2020. Texas maintained the greatest share of Type 01 FFLs for both years, accounting for nearly 8% in 2000 and more than 9% in 2020.

Table IO-07b: Top Ten States/Territories by Highest Type 01 FFL Population Share - 2000 and 2020

States & Territories	% Total of Type 01 FFL Population 2000	States & Territories	% Total of Type 01 FFL Population 2020
TX	7.7%	TX	9.3%
CA	6.0%	PA	4.5%
PA	4.8%	FL	4.4%
MI	4.6%	OH	3.9%
OH	4.1%	NC	3.6%
FL	3.7%	MI	3.6%
NY	3.6%	CA	3.6%
IL	3.5%	MO	3.4%
MO	3.1%	NY	3.1%
IN	2.8%	IL	2.9%
Total Top Ten	43.9%	Total Top Ten	42.3%
Other States	56.1%	Other States	57.7%

See Table IO-07 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and its percentage of overall Type 01 FFL population between 2000 and 2020.

Type 02 FFLs

As reflected in Table IO-08 in Appendix IO – Industry Overview, the number of Type 02 FFLs decreased by more than 38% from 2000 to 2020 nationally, with only three states, Maine (19%) Ohio (9%), and Oregon (25%) showing growth and six states (Arizona, Hawaii, New Jersey, New Hampshire, Rhode Island, and Vermont) showing no change. The remaining states and territories⁸⁰ experienced declines in their Type 02 FFL populations, ranging from -2% to -75%. Table IO-08a presents the top ten states and territories that experienced the greatest declines in their Type 02 FFL populations.

Table IO-08a: Top Ten States/Territories by Highest Percentage Change Decrease in Type 02 FFL Population Totals Between 2000 and 2020

State or Territory	% Change 2000 to 2020
MA	-75.0%
PA	-73.9%
CA	-70.0%
AK	-65.3%
NM	-61.5%
WY	-61.2%
MS	-56.4%
AL	-53.2%
OK	-52.7%
TN	-51.0%

See Table IO-08 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and the percentage change in Type 02 FFL population between 2000 and 2020.

Population Share of States and Territories

As reflected in Table IO-08b, the top ten states comprised nearly 61% of the entire Type 02 FFL population in 2000, and approximately 59% in 2020. Nine of the ten leading states in 2000 were also among the ten leading states in 2020. Texas maintained the greatest share of Type 02 FFLs for both years, accounting for approximately 14% in both 2000 and 2020.

Table IO-08b: Top Ten States/Territories by Highest Type 02 FFL Population Share - 2000 and 2020

State or Territory	% Total of Type 02 FFL Population 2000	State or Territory	% Total of Type 02 FFL Population 2020
	2000		2020
TX	14.3%	TX	14.0%
GA	8.2%	FL	8.3%
FL	7.9%	GA	7.1%
NC	4.8%	NC	5.8%
AL	4.6%	AR	4.8%
AR	4.6%	KY	4.4%
OK	4.3%	MO	4.0%
TN	4.2%	AL	3.5%
KY	4.0%	TN	3.4%
MS	3.7%	OK	3.3%
Total Top Ten	60.5%	Total Top Ten	58.7%
Other States	39.5%	Other States	41.3%

See Table IO-08 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and its percentage of overall Type 02 FFL population between 2000 and 2020.

Type 03 FFLs

As reflected in Table IO-09 in Appendix IO – Industry Overview, the Type 03 FFL population increased by approximately 146% between 2000 and 2020, with only one state, New Jersey (-8%) and two territories, Guam (-86%) and U.S. Virgin Islands (-67%) showing declines. The remaining states and territories⁸¹ all experienced increases in their Type 03 FFL populations, ranging from more than 54% to nearly 343%.

Table IO-09a presents the top ten states and territories that experienced the greatest increases in their Type 03 FFL populations.

Table IO-09a: Top Ten States/Territories by Highest Percentage Change Increase in Type 03 FFL Population Totals Between 2000 and 2020

State or Territory	% Change 2000 to 2020
DC	342.9%
WA	288.5%
PR	266.7%
UT	240.2%
MD	238.5%
MA	230.8%
NH	223.9%
RI	213.9%
ND	211.9%
SD	198.1%

See Table IO-09 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and the percentage change in Type 03 FFL population between 2000 and 2020.

Population Share of States and Territories

As reflected in Table IO-09b, the top ten leading states comprised approximately 52% and 54% of the national population share for Type 03 FFLs in 2000 and 2020, respectively. Seven of the ten leading states in 2000 were also among the ten leading states in 2020. California maintained the greatest national population share of Type 03 FFLs for both years, accounting for more than 9% in 2000 and 11% in 2020.

Table IO-09b: Top Ten States/Territories by Highest Type 03 FFL Population Share – 2000 and 2020

State or Territory	% Total of Type 03 FFL Population 2000	State or Territory	% Total of Type 03 FFL Population 2020
CA	9.3%	CA	11.2%
FL	6.1%	MA	6.2%
PA	5.4%	FL	5.9%
TX	4.9%	PA	5.7%
MO	4.7%	TX	5.3%
MA	4.6%	IL	5.1%
IL	4.6%	MD	4.1%
NY	4.5%	VA	3.6%
MI	4.2%	NY	3.2%
OH	3.4%	WA	3.2%
Total Top Ten Other States	51.7%	Total Top Ten Other States	53.5%
	48.3%		46.5%

See Table IO-09 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and its percentage of overall Type 03 FFL population between 2000 and 2020.

Type 07 FFLs

As reflected in Table IO-10 in Appendix IO – Industry Overview, the population of Type 07 FFLs increased by more than 694% between 2000 and 2020. All states and territories⁸² that had a Type 07 FFL during this time experienced increases in their Type 07 FFL populations, ranging from 160% to 1900%.

Table IO-10a presents the top ten states and territories that experienced the greatest increases in their Type 07 FFL populations.

Table IO-10a: Top Ten States/Territories by Highest Percentage Change Increase in Type 07 FFL Population Totals Between 2000 and 2020

State or Territory	% Change 2000 to 2020
RI	1900.0%
CO	1681.5%
IA	1600.0%
MS	1483.3%
ND	1433.3%
AK	1362.5%
UT	1348.5%
TX	1248.0%
KS	1247.1%
LA	1190.0%

See Table IO-10 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and the percentage change in Type 07 FFL population between 2000 and 2020.

Population Share of States and Territories

As reflected in Table IO-10b, the top ten leading states comprised approximately 47% and 48% of the national population share for Type 07 FFLs in 2000 and 2020, respectively. Six of the ten leading states

in 2000 were also among the ten leading states in 2020. Texas displaced California as the lead contributor of Type 07 FFLs in 2020, capturing more than 12% of the national population share compared to approximately 8% by California in 2000. Among states that were lead contributors in both years, Texas showed the greatest change in its share of the national population of Type 07 FFLs, from more than 7% in 2000 to approximately 12% in 2020.

Table IO-10b: Top Ten States/Territories by Highest Type 07 FFL Population Share – 2000 and 2020

State or Territory	% Total of Type 07 FFL Population 2000	State or Territory	% Total of Type 07 FFL Population 2020
CA	7.7%	TX	12.3%
TX	7.2%	FL	6.1%
FL	6.3%	AZ	5.8%
AZ	4.8%	OH	3.9%
PA	4.2%	NC	3.8%
OH	3.9%	CA	3.8%
TN	3.7%	PA	3.2%
CT	3.4%	GA	3.1%
MA	3.2%	CO	2.9%
MN	3.0%	UT	2.9%
Total Top Ten	47.4%	Total Top Ten	47.8%
Other States	52.6%	Other States	52.2%

See Table IO-10 in Appendix IO – Industry Overview for a detailed breakdown of states/territories and its percentage of overall Type 07 FFL population between 2000 and 2020.

Type 06, 08, 09, 10, and 11 FFLs

As reflected in Tables IO-11 through IO-14, the population of Type 08, 09, 10, and 11 FFLs increased by approximately 51%, 914%, 213%, and 290%, respectively. Increases in states and territories ranged from 16% to 800% for Type 08 FFLs, approximately 267% to 800% for Type 09 FFLs, 25% to 900% for Type 10 FFLs, and approximately 38% to 800% for Type 11 FFLs. The greatest increase in Type 08 FFLs was observed in Puerto Rico. The greatest increase for Type 09 FFLs occurred in California, Pennsylvania, and Texas. The greatest increase for Type 10 FFLs occurred in Texas and Utah. The greatest increase in Type 11 FFLs occurred in Maryland and South Carolina.

In contrast, as reflected in Table IO-15 in Appendix IO – Industry Overview, the population of Type 06 FFLs decreased by more than 10% between 2000 and 2020, with only nineteen states showing growth, and the remaining states and territories experiencing declines or no growth in their Type 06 FFL populations.

Population Share of States and Territories

The states with the greatest population share of Type 08, 09, 10, and 11 FFLs changed from 2000 to 2020. In 2000, California had the most Type 08 FFLs at nearly 15%, but in 2020, Florida became the leading state for Type 08 FFLs at approximately 12%. Within the Type 09 FFL population, in 2000, Florida had the highest population share at more than 21%, but in 2020 Virginia took over that distinction with more than 12% of the Type 09 FFL population. In 2000, California had the most Type 10 FFLs at nearly 12%, but in 2020, the leading states were Florida and Texas at nearly 11% each. For Type 11 FFLs, California,

and Virginia each had more than 10% of the population in 2000, but in 2020, the leading state was Florida at approximately 16% of the entire Type 11 FFL population.

Conversely, population share amongst states for Type 06 FFLs remained consistent, with Texas as the leading state with more than 7% in 2000 and 9% in 2020.

Summary

Significant changes in the FFL population occurred during the period 2000 to 2020. Type 01 FFLs decreased by 25%, while Type 03 FFLs increased by 146%. Moreover, there were nearly the same amount of Type 03 FFLs (41%) as Type 01 FFLs (40%) by 2020, with Type 01 FFLs comprising the overwhelming majority (65%) of FFL types in 2000.

Type 07 FFLs experienced the greatest percentage increase in population starting from 2,074 in 2000 to 16,473 in 2020, at which time they represented 11% of all FFLs. Furthermore, a second group of FFLs (Types 09, 10, and 11) that held small population shares in 2000 experienced significant increases in their populations over this period.

Overall, the total FFL population increased by approximately 22% from 2000 to 2020. This growth is largely driven by Type 03 FFLs. Excluding Type 03 FFLs, the total FFL population decreased by approximately 10% during this time. Despite these changes, the population share for each FFL type by states and territories remained relatively stable over the period.

Not unlike other small businesses in the U.S., the firearms industry was characterized by steady turnover. Overall, approximately 284 new licensees joined the industry each week and 248 discontinued their FFL, resulting in a net gain of 36 licensees per week. Of those FFLs with active licenses in 2020, the majority operated their businesses from areas that were either residential (33%), commercial (29%) or agricultural/rural (11%) locations.