

Pennsylvania

Small businesses significantly impact Pennsylvania's economy. They represent 98.3 percent of all employers and employ 48.6 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 989,659 in 2010.

This profile uses the latest available data to illustrate the status of Pennsylvania's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Pennsylvania's economy was strong in 2011, with real gross state product increasing 3.6 percent and private-sector employment increasing 1.7 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 2.4 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in Pennsylvania had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.6 percent.
- Most of Pennsylvania's small businesses are very small as 76.7 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was lower than closing establishments, and the net employment change from this turnover was negative (Table 3).
- Self-employment in Pennsylvania declined over the last decade. Minority self-employment fared the best compared with other demographic groups.

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit www.sba.gov/updates to subscribe to Advocacy's Listservs.

Pennsylvania Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	227,254	228,800	233,605
Large employers (500+ employees)	3,938	3,955	3,913
Nonemployers	762,405	758,863	632,469
Level in 2007* (000)			
	Firms		Employment Receipts(\$M)
Business Owner Demographics			
Male-owned	553	1,822	343,256
Woman-owned	265	288	40,739
Equally male/female-owned	134	260	32,285
African American-owned	45	22	2,610
Asian-owned	31	59	10,603
Hispanic-owned	23	15	2,657
Native American/Alaskan-owned	3	2	283
Hawaiian/Pacific Islander-owned	-	-	-
Veteran-owned	135	341	66,908
Publicly held, unclassified	30	2,713	724,856
	Level in 2011*	% Change from	
		2010	2000
Workforce (Thousands)			
Private-sector employment	4,943	1.7	-0.5
Government employment	744	-2.2	2.2
Self-employed (incorp. & uninc.)	520	-4.3	-2.2
Female self-employment	150	-13.7	-14.5
Male self-employment	370	0.0	3.9
Minority self-employment	55	12.8	62.4
Veteran self-employment	42	-1.5	-43.9
Unemployment Rate (Percent)	7.9	-0.6†	3.7‡
Business Turnover			
Quarterly establishment openings	54,929	1.2	1.0
Quarterly establishment closings	57,766	14.0	24.5
Business bankruptcies	1,208	-13.8	-17.0
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	43.1	40.1	36.8
Number of bank branches	4,711	4,720	4,530
No. of bus. loans under \$100,000‡	107,496	140,142	152,900
Total value of business loans under \$100,000 (\$million)‡	2,577	2,429	1,867

Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.

* Latest available data. †Percentage point change. ‡Data are for CRA loans.

**Table 1: Firms and Employment in Pennsylvania by Industry and Firm Size, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	762.4	231.2	199.8	227.3	4,976.2	861.7	2,419.0
Forestry, etc. and agriculture support	7.3	0.5	0.5	0.5	3.0	1.3	2.3
Mining	3.5	0.8	0.6	0.8	22.7	2.8	10.1
Utilities	0.6	0.2	0.1	0.1	31.1	0.5	2.3
Construction	94.3	26.5	24.6	26.4	220.9	88.4	181.7
Manufacturing	13.4	12.9	8.8	12.2	542.7	52.5	261.8
Wholesale trade	13.8	12.5	9.6	11.8	233.7	44.8	139.4
Retail trade	76.5	27.2	23.7	26.7	645.0	107.9	254.9
Transportation and warehousing	32.0	6.5	5.1	6.2	190.0	21.2	70.8
Information	10.1	2.5	1.9	2.3	115.8	8.8	31.0
Finance and insurance	25.1	9.3	8.1	8.9	261.8	29.3	75.9
Real estate and rental and leasing	79.3	6.9	6.1	6.7	63.6	20.6	43.2
Professional, scientific, and technical svcs.	112.8	27.3	24.4	26.7	308.8	84.8	190.6
Management of companies and enterprises	0.0	1.4	0.2	0.8	141.8	0.6	17.7
Admin., support, waste mgt., remed. svcs.	53.8	12.9	11.0	12.5	273.4	40.9	135.8
Educational services	22.4	3.1	2.1	3.0	244.7	10.3	69.0
Health care and social assistance	63.0	24.7	20.4	24.3	929.3	109.4	396.1
Arts, entertainment, and recreation	40.2	4.2	3.5	4.2	85.6	14.4	55.0
Accommodation and food services	11.9	22.0	18.1	21.7	421.8	94.3	266.1
Other services (except public admin.)	102.4	33.1	30.9	32.9	240.2	128.3	214.9
Unclassified	0.0	0.4	0.4	0.4	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

(D) Data suppressed to protect the confidentiality of individual firms.

Table 2: Net Job Change by Firm Size, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-39,269	21,453	1,510	-4,141	-15,997	-6,893	-4,068	-35,201
2009	-178,793	12,103	-13,558	-16,435	-51,006	-37,709	-106,605	-72,188
2008	74,306	25,079	-336	-4,062	3,104	11,613	35,398	38,908
2007	54,711	27,719	706	-1,016	-5,339	1,603	23,673	31,038

Note: Data source differs from previous publications.

Source: U.S. Dept. of Commerce, Bureau of the Census, Business Dynamic Statistics. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	12.7	14.3	10.9	17.1	36.8	47.8	36.3	58.2
Expansions	60.5	61.9	62.0	61.7	219.5	228.8	228.2	218.8
Contractions	61.4	60.4	59.6	59.2	202.8	205.1	213.6	198.3
Closings	13.9	14.2	15.6	14.1	42.6	44.3	52.3	47.4

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.