

Pennsylvania

997,243 Small Businesses

225,050 Small Businesses with Employees

772,193 Small Businesses without Employees (Nonemployers)

2,430,201 Workers Employed by Small Businesses

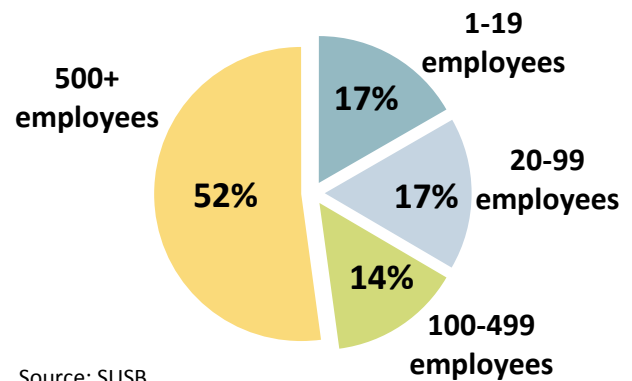
State Economy Overall

- Pennsylvania's economy grew at a slower rate than the United States in 2012. Pennsylvania's real gross state product increased by **1.7 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Pennsylvania has improved. The unemployment rate in Pennsylvania declined from **7.9 percent** in December 2012 to **6.9 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

Employment

- Pennsylvania's small businesses employed about half or **2.4 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **98.3 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and manufacturing (**Table 4**).
- In Pennsylvania, small businesses created **39,131** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **0.6 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: Pennsylvania Employment by Size of Firm, 2011



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **6.3 percent** in the 3rd quarter of 2013 and totaled **\$51.2 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **197,313** loans under \$100,000 (and valued at **\$3 billion**) were issued by Community Reinvestment Act lending institutions in Pennsylvania. (Source: FFIEC)

Business Owner Demographics

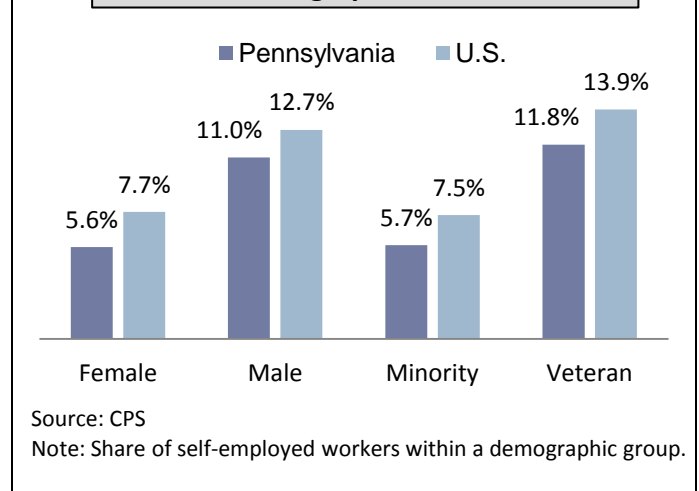
- In 2011, there were an estimated **270,000** woman-owned businesses and **98,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Pennsylvania Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	564,000	56.3
Woman Owned	270,000	27.0
Equally Male and Female Owned	136,000	13.6
Minority Owned	98,000	9.8
Veteran Owned	98,000	9.8

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/pa10.pdf.

Figure 2: Pennsylvania Self-Employment Demographics, 2012



Business Turnover

- **Table 2** gives Pennsylvania's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **13,450** establishments opened and **14,370** closed in the state of Pennsylvania. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Pennsylvania

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	23,951	42.7
2007	21,187	51.8
2010	19,484	70.5

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **15,655** companies exported goods from the state in 2012. Of these, **13,941** or **89.1 percent** were small firms; they generated over a third (**34.7 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Pennsylvania Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Other services (except public admin.)	32,769	30,749	106,027	138,796
Professional, scientific, & tech. svcs.	26,467	24,153	114,179	140,646
Retail trade	26,173	23,225	77,925	104,098
Construction	25,910	24,013	93,027	118,937
Health care & social assistance	24,096	20,147	63,966	88,062
Accommodation & food services	21,752	18,048	12,359	34,111
Admin., supp., waste mgt., remed. svcs.	12,369	10,824	54,563	66,932
Manufacturing	12,041	8,596	13,496	25,537
Wholesale trade	11,593	9,377	13,976	25,569
Finance & insurance	8,723	7,888	25,248	33,971
Real estate & rental & leasing	6,571	6,012	79,860	86,431
Transportation & warehousing	6,403	5,352	31,816	38,219
Arts, entertainment, & recreation	4,115	3,439	41,048	45,163
Educational services	3,017	2,149	22,721	25,738
Information	2,268	1,834	10,151	12,419
Mining	805	649	3,547	4,352
Management of comp. & enterprises	804	149	0	804
Forestry, etc. & agriculture support	494	471	7,406	7,900
Unclassified	334	334	0	334
Utilities	146	109	878	1,024
Total	225,050	197,306	772,193	997,243

Table 4: Employment in Pennsylvania by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	400,474	944,517	42
Accommodation & food services	268,688	430,984	62
Manufacturing	265,329	546,956	49
Retail trade	251,741	646,970	39
Other services (except public admin.)	210,936	237,738	89
Professional, scientific, & tech. svcs.	192,171	310,331	62
Construction	179,002	219,744	81
Admin., supp., waste mgt., remed. svcs.	140,631	296,807	47
Wholesale trade	140,521	235,931	60
Finance & insurance	75,895	256,020	30
Transportation & warehousing	73,327	196,806	37
Educational services	69,851	256,967	27
Arts, entertainment, & recreation	54,112	89,022	61
Real estate & rental & leasing	42,556	62,125	69
Information	30,741	124,689	25
Management of comp. & enterprises	18,143	157,835	11
Mining	10,889	29,288	37
Forestry, etc. & agriculture support	2,473	3,245	76
Utilities	2,368	31,783	7
Unclassified	D	D	D
Total	2,430,201	5,078,111	48

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

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

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .