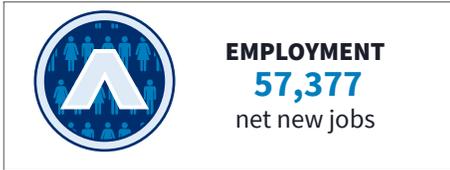


2020 Small Business Profile

Pennsylvania

1.1 million Small Businesses
99.6% of Pennsylvania Businesses

2.5 million Small Business Employees
46.2% of Pennsylvania Employees



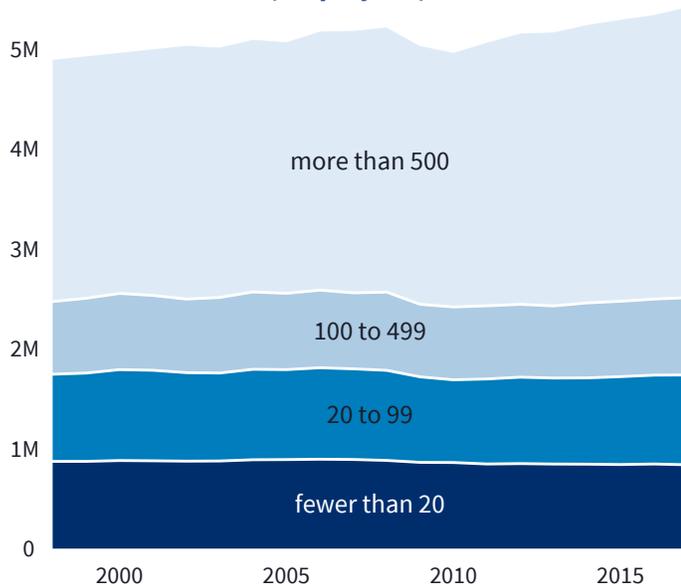
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, Pennsylvania grew at an annual rate of **2.1%**, which was the same as the overall US growth rate. Pennsylvania's 2019 overall growth rate of **2.3%** was down from the 2018 rate of **2.6%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **15.1%**, up from **4.1%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: Pennsylvania Employment by Business Size (Employees)



- Pennsylvania small businesses employed **2.5 million** people, or **46.2%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with 20 to 99 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **19.2%** during the 12-month period ending in April 2020. This was below the increase of **1.1%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.1%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **57,377** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **34,585** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **9,417** net jobs. (Source: [BDM](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.

Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$52,181** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$26,744**. (Source: [ACS](#))
- The total number of banks decreased by **10** between June 2018 and June 2019 to **144** banks. During the same period, the number of banks with assets under \$1 billion decreased by **9** to **100** banks. (Source: [FDIC](#))
- In 2018, Pennsylvania lending institutions reporting under the Community Reinvestment Act issued **214,544** loans under \$100,000, a total value of **\$3.4 billion**. (Source: [FFIEC](#))

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

Self-Employment Demographics

Figure 2: Pennsylvania Self-Employment Rates by Gender & Demographic, 2018

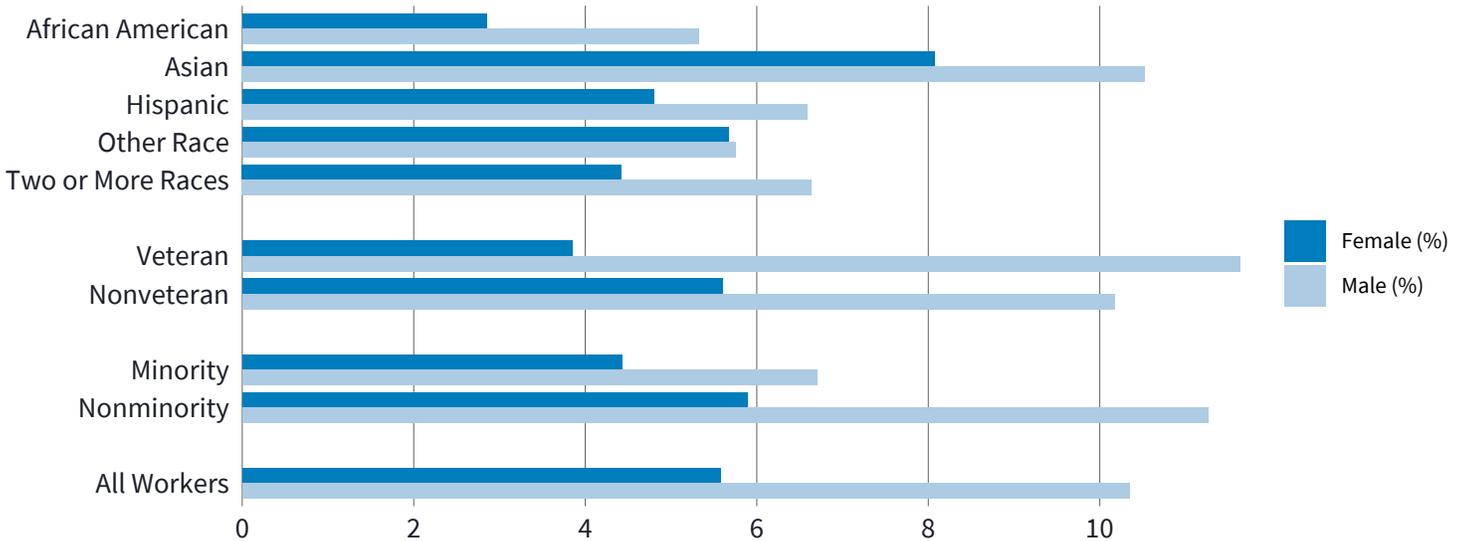
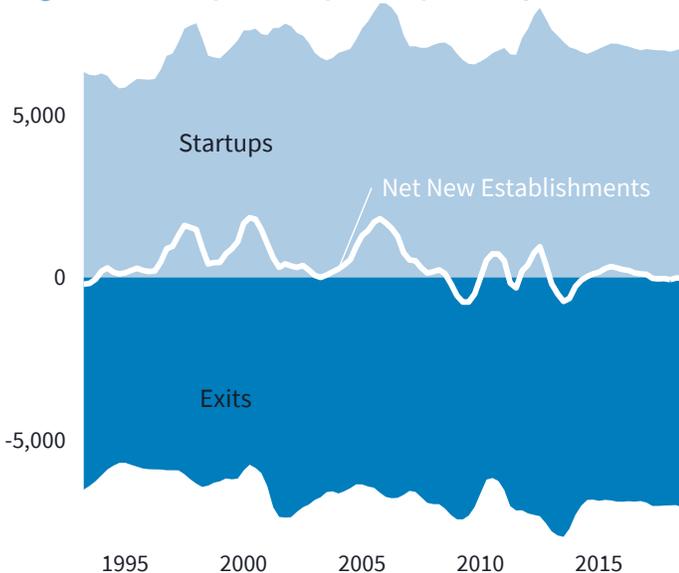


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: Pennsylvania Quarterly Startups and Exits



- In the fourth quarter of 2018, **7,343** establishments started up, generating **23,238** new jobs in Pennsylvania. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **7,293** establishments exited, resulting in **21,013** jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: [BDM](#))
- Figure 3 displays quarterly startups and exits from 1993 to 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

International Trade

- A total of 15,762 firms exported goods from Pennsylvania in 2018. Of these, 13,971, or 88.6%, were small firms, which generated 34.2% of Pennsylvania's \$37.6 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: Pennsylvania Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	412,593	1,032,307	40.0
Accommodation and Food Services	306,221	485,966	63.0
Manufacturing	260,938	542,823	48.1
Retail Trade	241,221	660,206	36.5
Other Services (except Public Administration)	214,708	242,956	88.4
Professional, Scientific, and Technical Services	199,385	335,128	59.5
Construction	198,013	236,522	83.7
Administrative, Support, and Waste Management	140,914	336,825	41.8
Wholesale Trade	136,463	253,810	53.8
Transportation and Warehousing	78,389	227,874	34.4
Finance and Insurance	75,151	282,003	26.6
Educational Services	74,640	268,467	27.8
Arts, Entertainment, and Recreation	59,819	111,307	53.7
Real Estate and Rental and Leasing	45,590	65,887	69.2
Information	32,571	113,339	28.7
Management of Companies and Enterprises	20,662	181,240	11.4
Mining, Quarrying, and Oil and Gas Extraction	9,977	24,074	41.4
Agriculture, Forestry, and Fishing and Hunting	2,743	2,769	99.1
Utilities	2,346	29,868	7.9
Industries Not Classified	289	289	100.0
Total	2,512,633	5,433,660	46.2

Figure 4: Pennsylvania Self-Employment Rates by County, 2018

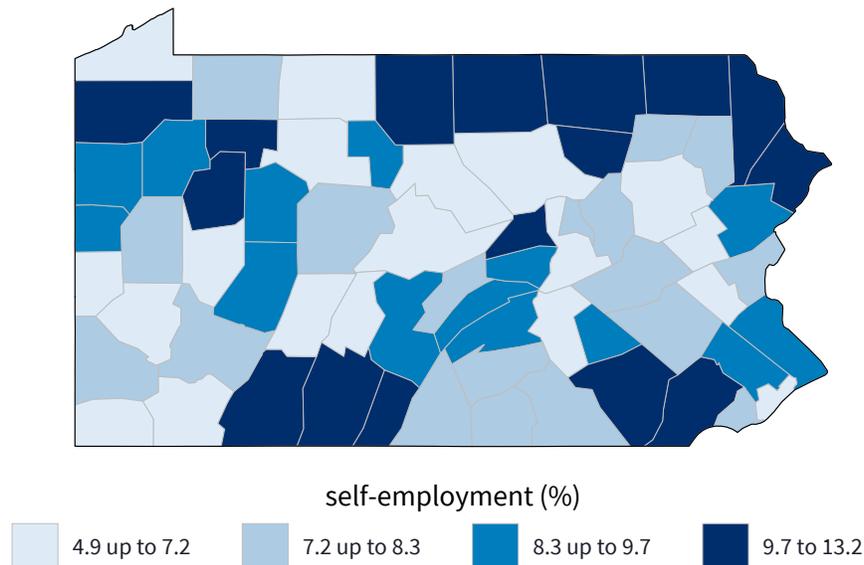


Table 2: Pennsylvania Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	23,998	26,552	120,408	146,960
Other Services (except Public Administration)	31,497	33,581	107,995	141,576
Construction	24,121	26,254	92,321	118,575
Retail Trade	22,057	24,852	83,370	108,222
Real Estate and Rental and Leasing	6,807	7,365	93,483	100,848
Health Care and Social Assistance	18,999	23,210	61,748	84,958
Transportation and Warehousing	5,609	6,732	67,082	73,814
Administrative, Support, and Waste Management	11,378	13,028	56,279	69,307
Arts, Entertainment, and Recreation	3,689	4,458	49,419	53,877
Accommodation and Food Services	18,342	22,761	13,324	36,085
Finance and Insurance	7,936	8,737	25,522	34,259
Educational Services	2,402	3,338	28,956	32,294
Manufacturing	8,110	11,509	13,994	25,503
Wholesale Trade	8,346	10,532	13,442	23,974
Information	1,906	2,380	10,512	12,892
Agriculture, Forestry, and Fishing and Hunting	510	535	8,207	8,742
Mining, Quarrying, and Oil and Gas Extraction	529	687	2,414	3,101
Utilities	131	179	560	739
Total	196,444	225,751	849,036	1,074,787

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2018 American Community Survey (ACS).

References

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xvSPA>.

- ACS American Community Survey, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau