

Pennsylvania

Pennsylvania's small businesses are key to the state's well-being. They account for a significant share of the state's economic production and hiring. This profile from the Office of Advocacy uses the latest available data to illustrate the status and contributions of Pennsylvania small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- Small businesses totaled 994,745 in the state in 2008. Of these, 233,072 were employers, and they accounted for 49.3% of private-sector jobs in the state (Table 1). Small firms made up 98.3% of the state's employers.
- Pennsylvania's real gross state product increased by 1.1% and private-sector employment decreased by 4% in 2009. By comparison, real GDP in the United States grew 0.7% and private-sector employment declined by 5.5%.
- Business ownership is becoming more inclusive in the state. The number of both women and minority business owners has grown. In particular, minority-owned businesses numbered 96,578 in 2007, a 63.5% increase over 2002.
- The state's small business employment has undergone major shifts in recent years (Table 2).
- The state's businesses showed signs of stability and improvement in the fourth quarter of 2009 compared to the first quarter (Table 3).

For Further Information

- Data on all states and territories is 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 <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

Pennsylvania Small Business Facts

	2008*	2007	2000
Number of Businesses			
Small employers (<500 employees)	233,072	236,630	233,605
Large employers (500+ employees)	3,983	3,943	3,913
Nonemployers	761,673	771,520	632,469
	Level in 2007*	% Share in 2007	% Change 2002-2007
Business Owner Demographics			
Male-owned	553,215	56.3	2.1
Woman-owned	265,083	27.0	16.7
Equally male/female-owned	133,838	13.6	72.3
African American-owned	44,710	4.6	80.6
Asian-owned	31,444	3.2	38.9
Hispanic-owned	22,797	2.3	106.8
Native American/Alaskan-owned	2,892	0.3	n.a.
Hawaiian/Pacific Islander-owned	507	0.1	74.2
Veteran-owned	96,068	9.8	n.a.
	Level in 2009*	% Change from 2008 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	4,741	-4.0	-2.5
Government employment	722	0.7	4.2
Self-employed (incorp. & uninc.)	587	2.2	12.0
Female self-employment	169	-0.6	8.3
Male self-employment	418	3.4	13.6
Minority self-employment	57	-17.1	78.3
Veteran self-employment	63	-4.2	-27.6
Unemployment rate (%)	8.1	2.8†	3.9†
Business Turnover			
Quarterly establishment openings	52,770	-4.4	-2.9
Quarterly establishment closings	55,266	0.7	19.2
Business bankruptcies	1,480	24.1	1.7
	2009*	2008	2000
Income and Finance			
Proprietors' income (\$billion)	40.7	43.1	31.4
Number of bank branches	4,789	4,822	4,530
No. of bus. loans under \$100,000‡	227,189	342,114	152,900
Total value of business loans under \$100,000 (\$million)‡	3,127	4,323	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, 2008
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	761.7	237.1	203.7	233.1	5,231.0	882.7	2,567.4
Forestry, etc. and agriculture support	7.6	0.5	0.5	0.5	2.9	1.3	2.8
Mining	3.3	0.8	0.6	0.8	21.1	2.9	9.7
Utilities	0.6	0.2	0.1	0.1	30.9	0.5	2.2
Construction	98.4	28.5	26.1	28.4	257.2	97.5	217.1
Manufacturing	13.8	13.8	9.1	13.1	638.7	55.5	306.4
Wholesale trade	14.2	13.0	9.9	12.3	248.0	46.1	151.4
Retail trade	80.5	28.1	24.3	27.5	676.8	111.8	276.2
Transportation and warehousing	33.6	6.7	5.3	6.3	209.3	21.6	74.4
Information	10.1	2.6	1.9	2.4	128.3	9.1	32.9
Finance and insurance	25.7	9.7	8.5	9.4	276.9	31.6	80.3
Real estate and rental and leasing	74.2	7.2	6.4	7.0	68.5	21.8	45.9
Professional, scientific, and technical svcs.	111.6	27.5	24.6	27.0	313.6	86.0	198.1
Management of companies and enterprises	--	1.4	0.1	0.8	146.8	0.6	18.8
Admin., support, waste mgt., remed. svcs.	53.1	13.0	11.0	12.6	307.2	41.6	148.2
Educational services	22.6	3.1	2.1	2.9	235.9	10.7	66.7
Health care and social assistance	62.8	25.3	21.1	24.9	905.6	109.9	391.4
Arts, entertainment, and recreation	40.2	4.4	3.6	4.3	85.2	14.6	56.8
Accommodation and food services	11.6	21.7	17.8	21.5	432.2	92.1	269.1
Other services (except public admin.)	97.6	33.0	30.7	32.8	245.7	127.0	218.6
Unclassified	--	0.2	0.2	0.2	0.3	0.3	0.3

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.)

Table 2: Net Job Change by Firm Size, 2004–2007 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	-14,693	26,220	2,388	334	-1,825	-866	26,251	-40,944
2005 - 2006	104,149	29,765	7,705	7,874	8,360	6,634	60,338	43,811
2006 - 2007	13,383	28,844	302	-1,680	-9,703	-5,023	643	12,740

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

Table 3: Establishment and Employment Turnover by Quarter, 2009 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	13.0	53.6	69.8	14.3	39.9	191.9	264.7	53.7
Quarter 2	12.7	56.8	67.8	13.2	44.0	210.9	259.0	43.2
Quarter 3	13.2	56.3	64.1	14.0	41.7	209.2	235.3	50.6
Quarter 4	13.9	59.3	61.2	13.8	44.3	219.3	219.5	45.3

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

Note: These figures contain all firm sizes; Census data from 2007 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.