

Pennsylvania

Small businesses totaled 972,102 in Pennsylvania in 2009. They represent 98.3 percent of all employers and employ 48.5 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to Pennsylvania's health and well-being.

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 mixed in 2010, with real gross state product increasing 0.6 percent and private-sector employment remaining flat (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of Pennsylvania's small businesses are very small as 76.2 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 2.4 million workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in Pennsylvania represented 72.4 percent of the net new private-sector jobs from 2005-2008.
- Self-employment in Pennsylvania declined over the last decade. Minority self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was higher than closing establishments and the net employment change from this turnover was positive (Table 3).

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 <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

Pennsylvania Small Business Facts

	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	228,800	233,072	233,605
Large employers (500+ employees)	3,955	3,983	3,913
Nonemployers	743,302	761,673	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	0	0	21
Veteran-owned	135	341	66,908
Publicly held, unclassified	30	2,713	724,856
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	4,859	0.0	-2.2
Government employment	757	0.0	4.4
Self-employed (incorp. & uninc.)	523	-18.7	-1.6
Female self-employment	147	-28.5	-16.2
Male self-employment	376	-14.1	5.6
Minority self-employment	54	7.3	60.9
Veteran self-employment	40	-1.7	-46.4
Unemployment Rate (Percent)	8.7	0.7†	4.5†
Business Turnover			
Quarterly establishment openings	54,296	0.6	-0.2
Quarterly establishment closings	50,681	-11.3	9.3
Business bankruptcies	1,401	-5.3	-3.7
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	40.1	36.5	36.8
Number of bank branches	4,719	4,789	4,530
No. of bus. loans under \$100,000‡	140,142	227,189	152,900
Total value of business loans under \$100,000 (\$million)‡	2,429	3,127	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, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	743.3	232.8	200.8	228.8	5,044.6	863.4	2,445.2
Forestry, etc. and agriculture support	7.2	0.5	0.5	0.5	2.8	1.3	2.2
Mining	3.1	0.8	0.6	0.8	20.5	2.9	10.2
Utilities	0.5	0.2	0.1	0.1	32.0	0.5	2.2
Construction	94.6	27.2	25.1	27.1	233.6	89.2	192.0
Manufacturing	13.2	13.3	8.9	12.5	574.7	53.7	277.8
Wholesale trade	13.7	12.7	9.7	12.0	239.0	44.9	143.7
Retail trade	77.4	27.4	23.9	26.9	654.8	108.3	257.7
Transportation and warehousing	32.0	6.5	5.1	6.1	197.1	21.1	71.3
Information	9.9	2.6	1.9	2.4	125.9	9.0	33.0
Finance and insurance	24.8	9.4	8.2	9.1	271.6	29.8	77.4
Real estate and rental and leasing	69.8	7.0	6.2	6.8	63.9	21.3	44.2
Professional, scientific, and technical svcs.	110.6	27.2	24.3	26.7	313.4	85.3	191.9
Management of companies and enterprises	--	1.4	0.1	0.8	143.1	0.6	16.7
Admin., support, waste mgt., remed. svcs.	52.0	12.8	10.9	12.4	268.9	40.6	138.4
Educational services	22.7	3.1	2.1	2.9	241.0	10.4	67.9
Health care and social assistance	62.3	25.4	21.1	25.0	917.8	110.8	388.7
Arts, entertainment, and recreation	39.5	4.3	3.5	4.2	82.9	14.5	55.1
Accommodation and food services	11.5	21.5	17.8	21.3	420.1	92.6	259.6
Other services (except public admin.)	98.2	32.9	30.7	32.7	241.1	126.2	215.0
Unclassified	--	0.3	0.3	0.3	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, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
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	12,740	643
2007 - 2008	37,481	26,811	-122	-3,071	3,395	12,080	39,093	-1,612
2008 - 2009	-189,051	15,446	-12,605	-16,065	-50,403	-47,376	-111,003	-78,048

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, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	13.2	13.3	13.7	14.1	38.5	46.3	44.5	48.7
Expansions	57.9	62.4	61.2	62.9	211.1	234.1	221.1	231.3
Contractions	61.8	59.6	60.7	59.0	206.4	201.4	214.3	209.7
Closings	13.4	10.6	12.2	14.6	41.9	33.5	38.5	46.5

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 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.