

Pennsylvania

999,591 Small Businesses

225,382 Small Businesses with Employees

774,209 Small Businesses without Employees (Nonemployers)

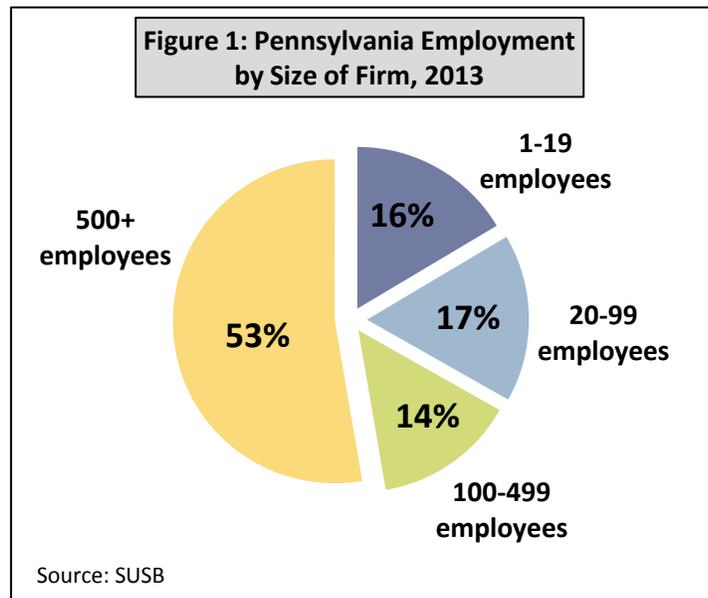
2,445,023 Workers Employed by Small Businesses

State Economy Overall

- Pennsylvania's economy grew at a slower rate than the United States in 2013. Pennsylvania's real gross state product increased by **0.7 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in Pennsylvania has improved. The unemployment rate in Pennsylvania declined from **7.1 percent** in October 2013 to **5.4 percent** in October 2014. This is below the national average of **5.8 percent** for the same time period. (Source: BLS)

Employment

- Pennsylvania's small businesses employed about half or **2.4 million** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **98.2 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- In Pennsylvania, small businesses created **72,264** net new jobs in 2012. 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 in 2013 decreased by **1.3 percent** relative to the previous year.
- The state's private-sector employment growth increased by **1.0 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. 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

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- 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)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$51,193** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$25,630**. (Source: ACS)

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

Business Owner Demographics

- **Table 1** shows the top industry for nine business owner demographics. For example, **47.4 percent** of female-owned businesses were in the health care and social assistance industry, and female-owned firms made up **15.3 percent** of this industry.

Table 1: Top Industry by Demographic Group in Pennsylvania, 2007

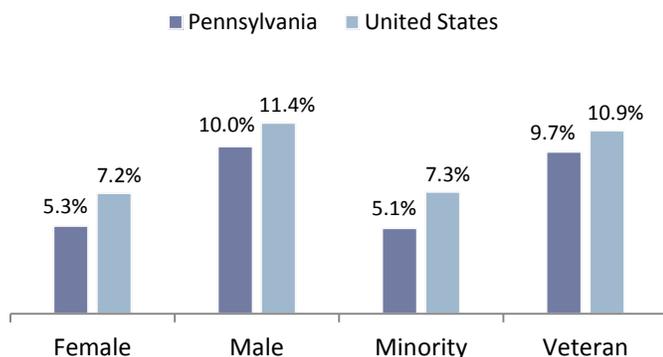
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Health care & social assistance	47.4	15.3
Male	Construction	82.3	19.4
American Indian and Alaska Native	Arts, entertainment, & rec	0.9	14.5
Asian	Other services	5.6	19.1
Black or African American	Health care & social assistance	14.4	27.6
Native Hawaiian and Other Pacific Islander	*	*	*
White	Prof., sci., & tech. services	92.0	14.7
Hispanic	Other services	3.6	16.8
Veteran	Construction	12.5	16.9

*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

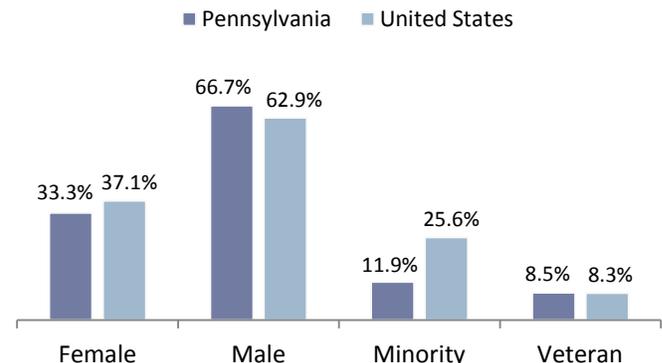
- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **5.3 percent** of females were self-employed, and **Figure 2b** shows that **33.3 percent** of all self-employed people were female.

Figure 2a: What percent of each demographic group are self-employed in Pennsylvania?



Source: ACS

Figure 2b: What percent of self-employed individuals in Pennsylvania are in each demographic group?



Source: ACS

Business Turnover

- In 2010, **19,484** establishments opened in Pennsylvania, and **70.5 percent** survived through 2012. In 2013, **22,822** establishments opened, and **77.3 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **12,975** establishments opened and **12,032** closed in the state of Pennsylvania. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

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)

Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Other services (except public admin.)	33,178	31,111	105,754	138,932
Professional, scientific, & tech. svcs.	26,402	24,020	114,435	140,837
Retail trade	25,961	23,054	79,085	105,046
Construction	25,752	23,830	91,156	116,908
Health care & social assistance	24,013	20,010	62,641	86,654
Accommodation & food services	22,001	18,105	12,171	34,172
Admin., supp., waste mgt., remed. svcs.	12,576	11,030	54,867	67,443
Manufacturing	12,065	8,569	14,067	26,132
Wholesale trade	11,553	9,238	14,011	25,564
Finance & insurance	8,773	7,930	25,539	34,312
Real estate & rental & leasing	6,626	6,053	81,039	87,665
Transportation & warehousing	6,442	5,314	31,447	37,889
Arts, entertainment, & recreation	4,091	3,393	42,478	46,569
Educational services	3,095	2,229	23,465	26,560
Information	2,309	1,868	10,350	12,659
Mining, quarrying, and oil & gas extrac.	803	624	3,392	4,195
Management of comp. & enterprises	786	113	*	786
Forestry, etc. & agriculture support	483	458	7,440	7,923
Utilities	164	118	872	1,036
Unclassified	124	124	*	124
Total	225,382	196,989	774,209	999,591

Source: SUSB and Nonemployer Statistics. *Data for nonemployers not collected in these two categories.

See www.sba.gov/advocacy/additional-data-state-profiles for more detailed data.

- **Table 3** shows small firm employment by industry. The three Pennsylvania industries with the most small business employment were: health care and social assistance; accommodation and food services; and manufacturing (**Table 3**).

**Table 3: Employment in Pennsylvania by Industry and Firm Size, 2012
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	397,019	969,403	41.0
Accommodation & food services	277,638	437,440	63.5
Manufacturing	267,069	547,925	48.7
Retail trade	248,517	649,337	38.3
Other services (except public admin.)	214,257	239,890	89.3
Professional, scientific, & tech. svcs.	192,288	313,836	61.3
Construction	183,377	221,831	82.7
Wholesale trade	141,524	247,012	57.3
Admin., supp., waste mgt., remed. svcs.	139,420	302,174	46.1
Transportation & warehousing	75,362	203,872	37.0
Finance & insurance	73,553	259,747	28.3
Educational services	69,563	258,785	26.9
Arts, entertainment, & recreation	55,405	100,817	55.0
Real estate & rental & leasing	42,195	60,076	70.2
Information	31,301	118,234	26.5
Management of comp. & enterprises	18,257	171,593	10.6
Mining, quarrying, and oil & gas extraction	12,992	34,796	37.3
Utilities	2,633	29,717	8.9
Forestry, etc. & agriculture support	2,551	2,609	97.8
Unclassified	D	D	D
Total	2,445,023	5,169,196	47.3

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see www.sba.gov/advocacy/847/841921.

Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, www.census.gov/acs .
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 .
CEA	Council of Economic Advisers, www.whitehouse.gov/administration/eop/cea .
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 .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, www.census.gov/econ/nonemployer .
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 .