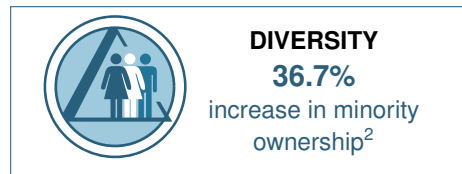


SMALL BUSINESS PROFILE

PENNSYLVANIA

1 million
98.2% Small Businesses
of Pennsylvania Businesses

2.4 million
46.9% Small Business Employees
of Pennsylvania Employees



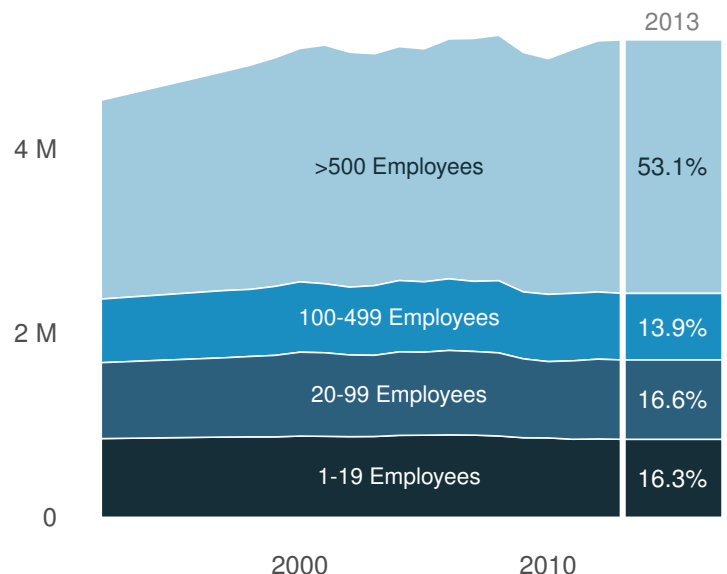
OVERALL PENNSYLVANIA ECONOMY

- In the third quarter of 2015, Pennsylvania grew at an annual rate of **2.5%** which was faster than the overall US growth rate of **1.9%**. By comparison, Pennsylvania's 2014 growth of **3.4%** was up from the 2013 level of **2.5%**. (Source: BEA)
- At the close of 2015, unemployment was **4.7%**, down from **5.3%** at the close of 2014. This was below the national unemployment rate of **5.0%**. (Source: CPS)

EMPLOYMENT

- Pennsylvania small businesses employed **2.4 million** people, or **46.9%** of the private workforce, in 2013. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- Private-sector employment increased **0.8%** in 2015. This was below the previous year's increase of **1.6%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.3%** relative to the previous year. (Source: BEA)
- Small businesses lost **5,519** net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding **4,496** net jobs. The largest losses were in firms employing 50 to 99 employees which lost **3,832** net jobs. (Source: BDS)

Figure 1: Pennsylvania Employment by Firm Size



The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. **Small businesses are defined as firms employing fewer than 500 employees.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 178,413 loans under \$100,000 (and valued at \$3.1 billion) were issued by Pennsylvania lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$50,783 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$24,268. (Source: ACS)

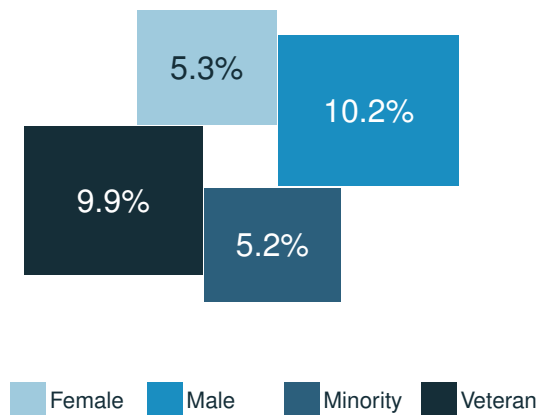
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: Pennsylvania Changes in Business Ownership by Demographic Group

African American-owned	●	27.1%
Asian-owned	●	26.5%
Hawaiian/Pacific Islander-owned	●	25.1%
Hispanic-owned	●	52.8%
Native American/Alaskan-owned	●	34.1%
Minority-owned	●	36.7%
Nonminority-owned	○	-3.6%

Figure 3: Pennsylvania Self-Employment within Demographic Group

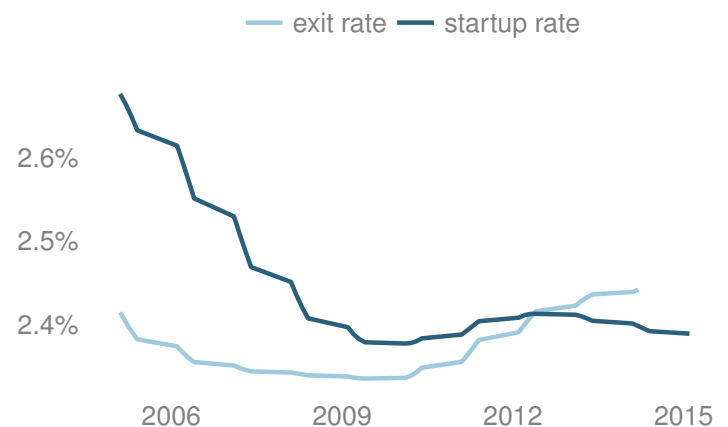


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Pennsylvania, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 6,651 establishments started up⁵ in Pennsylvania and 6,423 exited.⁶ Startups generated 22,431 new jobs while exits caused 19,134 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Pennsylvania Private Startup and Exit Rates



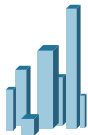




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 15,644 companies exported goods from Pennsylvania in 2013. Among these, 13,943, or 89.1%, were small firms; they generated 35.6% of Pennsylvania's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: Pennsylvania Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Other Services (except Public Administration)	33,327	31,283	106,933	140,260
Professional, Scientific, and Technical Services	26,493	24,100	114,471	140,964
Retail Trade	25,860	22,989	78,681	104,541
Construction	25,754	23,819	90,943	116,697
Health Care and Social Assistance	23,664	19,707	62,655	86,319
Accommodation and Food Services	22,307	18,390	12,243	34,550
Administrative, Support, and Waste Management	12,627	11,098	54,629	67,256
Manufacturing	11,821	8,344	13,875	25,696
Wholesale Trade	11,366	9,093	14,052	25,418
Finance and Insurance	8,757	7,938	25,242	33,999
Real Estate and Rental and Leasing	6,773	6,214	83,117	89,890
Transportation and Warehousing	6,426	5,331	32,113	38,539
Arts, Entertainment, and Recreation	4,158	3,455	43,037	47,195
Educational Services	3,151	2,249	24,546	27,697
Information	2,274	1,822	10,205	12,479
Mining, Quarrying, and Oil and Gas Extraction	770	618	3,287	4,057
Agriculture, Forestry, Fishing and Hunting	477	452	7,653	8,130
Utilities	155	110	846	1,001
Total	226,160	197,012	778,528	1,004,688

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Pennsylvania Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	390,952	960,789	40.7%
Accommodation and Food Services	280,109	444,226	63.1%
Manufacturing	263,830	539,575	48.9%
Retail Trade	247,061	655,853	37.7%
Other Services (except Public Administration)	215,319	238,856	90.1%
Professional, Scientific, and Technical Services	192,443	320,473	60.0%
Construction	182,727	217,920	83.9%
Wholesale Trade	139,830	246,563	56.7%
Administrative, Support, and Waste Management	135,802	306,581	44.3%
Finance and Insurance	73,385	265,897	27.6%
Transportation and Warehousing	72,891	206,938	35.2%
Educational Services	71,844	257,804	27.9%
Arts, Entertainment, and Recreation	54,702	101,846	53.7%
Real Estate and Rental and Leasing	43,069	60,940	70.7%
Information	30,921	116,681	26.5%
Mining, Quarrying, and Oil and Gas Extraction	11,380	33,228	34.2%
Agriculture, Forestry, Fishing and Hunting	2,527	2,575	98.1%
Utilities	2,394	29,612	8.1%
Total	2,411,186	5,006,357	48.2%

Figure 5: Pennsylvania County-Level Job Changes, 2015 (CEW)

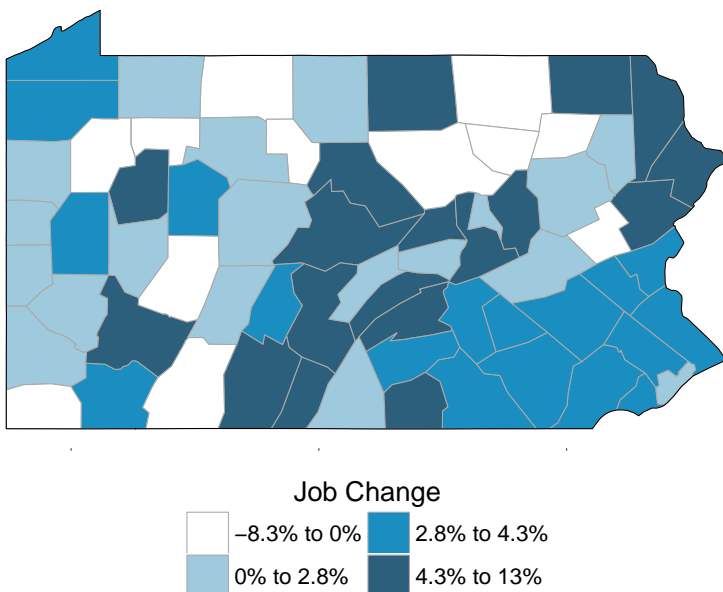


Table 3: Abbreviations and Resources

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

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

