

Pennsylvania

Pennsylvania's 978,831 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- Pennsylvania had 236,775 small employers in 2006, representing 98.4% of the state's employers and 49.9% of its private-sector employment.
- The health care and social assistance industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses created all of the state's net new jobs from 2004 to 2005 (Table 2).
- Pennsylvania's real gross state product increased by 1.6% in 2007. By comparison, growth in the Mid-Atlantic region was 2.8% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2006.

Pennsylvania Small Business Facts

| | Level in 2006† | % Change from 2005 2000 | |
|-----------------------------------------------------------|-------------------|----------------------------|-------|
| Number of Businesses | | | |
| Small employers (<500 employees) | 236,775 | -0.9 | 1.4 |
| Large employers (500+ employees) | 3,861 | 0.8 | -1.3 |
| Nonemployers | 742,056 | 1.5 | 17.3 |
| | Level in 2002† | % Change from 1997 | |
| Business Owner Demographics | | | |
| Male-owned | 541,628 | 8.0 | |
| Woman-owned | 227,117 | 11.9 | |
| Equally male/female-owned | 77,668 | -33.1 | |
| African American-owned | 24,757 | 25.1 | |
| Asian-owned | 22,631 | 31.1 | |
| Hispanic-owned | 11,023 | 39.7 | |
| Native American/Alaskan-owned | NA | NA | |
| Hawaiian and Pacific Islander-owned | 291 | 117.2 | |
| | Level in 2007† | % Change from 2006 2000 | |
| Workforce (Thousands) /Unemployment (%) | | | |
| Private-sector employment | 5,051 | 0.8 | 1.7 |
| Government employment | 744 | -0.2 | 2.7 |
| Self-employed (incorp. & uninc.) | 557 | 1.3 | 6.2 |
| Female self-employment | 154 | 3.8 | -1.8 |
| Male self-employment | 403 | 0.4 | 9.7 |
| Minority self-employment | 36 | 28.2 | 24.8 |
| Veteran self-employment | 68 | 5.1 | -22.7 |
| Unemployment rate (%) | 4.4 | -0.2 | 0.2 |
| Business Turnover | | | |
| Quarterly establishment openings | 53,901 | -6.4 | -0.8 |
| Quarterly establishment closings | 51,508 | -1.8 | 11.1 |
| Business bankruptcies | 1,017 | 37.1 | -41.9 |
| Income and Finance | | | |
| Proprietors' income (\$billion) | 42 | 5.4 | 33.9 |
| Bank branches | 4,758 | 1.2 | 5.0 |
| No. of bus. loans under \$100,000 | 200,385 | -11.5 | NA |
| Total value of business loans under \$100,000 (\$million) | 5,797 | 0.3 | NA |

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in Pennsylvania by Industry and Firm Size, 2006
(Non-farm, thousands)**

| Industry | Nonemployer firms | Employer firms | | | Employment | | |
|-----------------------------------------------|-------------------|----------------|----------------|-----------------|------------|----------------|-----------------|
| | | Total | 1-19 Employees | 1-499 Employees | Total | 1-19 Employees | 1-499 Employees |
| Total | 742.1 | 240.6 | 207.2 | 236.8 | 5,189.9 | 894.7 | 2,587.3 |
| Forestry, etc. and agriculture support | 7.5 | 0.5 | 0.5 | 0.5 | 2.7 | (D) | (D) |
| Mining | 3.2 | 0.8 | 0.6 | 0.7 | 18.3 | (D) | (D) |
| Utilities | 0.6 | 0.3 | 0.2 | 0.2 | 31.5 | 0.8 | 3.0 |
| Construction | 99.2 | 29.4 | 26.9 | 29.3 | 257.3 | 101.1 | 224.5 |
| Manufacturing | 13.6 | 14.1 | 9.3 | 13.3 | 663.8 | 56.6 | 313.1 |
| Wholesale trade | 14.4 | 13.3 | 10.3 | 12.6 | 241.8 | 48.1 | 151.5 |
| Retail trade | 81.6 | 29.6 | 25.6 | 29.0 | 679.2 | 116.7 | 288.6 |
| Transportation and warehousing | 32.6 | 6.7 | 5.3 | 6.3 | 208.1 | 21.4 | 74.2 |
| Information | 10.5 | 2.8 | 2.1 | 2.5 | 129.7 | 9.8 | 32.7 |
| Finance and insurance | 26.2 | 10.1 | 8.8 | 9.7 | 306.4 | 32.2 | 80.9 |
| Real estate and rental and leasing | 78.3 | 7.5 | 6.7 | 7.3 | 69.1 | 22.7 | 48.2 |
| Professional, scientific, and technical svcs. | 108.0 | 27.8 | 24.9 | 27.3 | 316.0 | 86.8 | 201.6 |
| Management of companies and enterprises | -- | 1.3 | 0.2 | 0.7 | 129.5 | 0.5 | 15.0 |
| Admin., support, waste mgt., remed. svcs. | 44.5 | 12.6 | 10.6 | 12.2 | 306.2 | 39.9 | 143.5 |
| Educational services | 19.8 | 2.9 | 1.9 | 2.8 | 231.7 | 10.0 | 65.5 |
| Health care and social assistance | 58.7 | 25.1 | 20.9 | 24.7 | 860.8 | 110.0 | 388.4 |
| Arts, entertainment, and recreation | 35.5 | 4.5 | 3.7 | 4.4 | 77.8 | 15.3 | 57.1 |
| Accommodation and food services | 11.5 | 21.4 | 17.6 | 21.2 | 411.0 | 90.0 | 265.7 |
| Other services (except public admin.) | 96.4 | 33.2 | 30.9 | 33.0 | 248.5 | 127.6 | 219.9 |
| Unclassified | -- | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html 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, 2002–2005 (Non-farm)

| | Total | 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 |
| 2003 - 2004 | 77,026 | 36,430 | 11,153 | 7,111 | 17,077 | 6,068 | 77,839 | -813 |
| 2002 - 2003 | -18,254 | 31,872 | 5,471 | -1,108 | 7,723 | 4,023 | 47,981 | -66,235 |

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

| | Establishments | | | | Employment | | | |
|-----------|----------------|------------|--------------|----------|------------|------------|--------------|----------|
| | Openings | Expansions | Contractions | Closings | Openings | Expansions | Contractions | Closings |
| Quarter 4 | 13.7 | 64.9 | 63.9 | 12.7 | 49.6 | 239.8 | 230.7 | 44.8 |
| Quarter 3 | 13.8 | 62.0 | 64.7 | 13.0 | 46.1 | 220.7 | 239.4 | 46.0 |
| Quarter 2 | 13.3 | 64.6 | 63.3 | 13.3 | 50.7 | 251.6 | 227.8 | 43.1 |
| Quarter 1 | 13.2 | 63.3 | 65.0 | 12.4 | 44.9 | 237.4 | 224.0 | 42.5 |

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: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.