

## 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](http://www.sba.gov/advo/research/profiles).
- For other small business data and analysis, visit [www.sba.gov/advo/research](http://www.sba.gov/advo/research), call (202) 205-6533, or email [advocacy@sba.gov](mailto:advocacy@sba.gov).
- To learn about state efforts to adopt or implement regulatory flexibility, visit [www.sba.gov/advo/laws/law\\_modeleg.html](http://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](http://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	
<b>Number of Businesses</b>			
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	
<b>Business Owner Demographics</b>			
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	
<b>Workforce (Thousands) /Unemployment (%)</b>			
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
<b>Business Turnover</b>			
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
<b>Income and Finance</b>			
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](http://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](http://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](http://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](http://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.