

Pennsylvania

Pennsylvania's 236,775 small employers and 771,520 nonemployers make significant contributions to the state's economy, and they bring innovative products and services to the marketplace.* They are an important source of employment and opportunity throughout the state. This profile by the Office of Advocacy uses the latest statistics to describe the small business contribution in the greatest possible detail. (Note: A small business is defined as one with fewer than 500 employees.)

- Pennsylvania's real gross state product increased by 1.1% and private-sector employment had a negligible decrease in 2008. By comparison, real GDP growth in the United States was 0.7% and private-sector employment declined by 0.7%.
- The health care and social assistance industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses are a major force in the state's net job change, as shown in Table 2.
- The number of small employers in Pennsylvania was 236,775 in 2006, accounting for 98.4% of the state's employers and 49.9% of its private-sector employment. (Source: U.S. Dept. of Commerce; Bureau of the Census.)

For Further Information

- Data on all 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.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news, and research reports.
- For RSS feeds, visit www.sba.gov/advo/rsslibrary.html

* Small employer data from 2006; nonemployer from 2007.

Pennsylvania Small Business Facts

	2007†	2006	2000
Number of Businesses			
Small employers (<500 employees)	n.a.	236,775	233,605
Large employers (500+ employees)	n.a.	3,861	3,913
Nonemployers	771,520	742,056	632,469
	2002‡	% Share in 2002	% Change 1997-2002
Business Owner Demographics			
Male-owned	541,628	62.0	8.0
Woman-owned	227,117	26.0	11.9
Equally male/female-owned	77,668	8.9	-33.1
African American-owned	24,757	2.8	25.1
Asian-owned	22,631	2.6	31.1
Hispanic-owned	11,023	1.3	39.7
Native American/Alaskan-owned	n.a.	n.a.	n.a.
Hawaiian and Pacific Islander-owned	291	0.0	117.2
	2008‡	% Change from	
		2007	2000
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	4,936	0.0	1.6
Government employment	722	0.9	3.5
Self-employed (incorp. & uninc.)	575	3.2	9.6
Female self-employment	170	10.8	8.9
Male self-employment	404	0.2	9.9
Minority self-employment	56	54.8	93.3
Veteran self-employment	66	-2.2	-24.4
Unemployment rate (%)	5.4	1.0	1.2
Business Turnover			
Quarterly establishment openings	55,211	1.7	1.6
Quarterly establishment closings	54,881	2.5	18.3
Business bankruptcies	1,193	17.3	-18.0
	2008‡	2007	2000
Income and Finance			
Proprietors' income (\$billion)	43.0	42.1	31.4
Number of bank branches	4,822	4,758	4,530
No. of bus. loans under \$100,000‡	n.a.	414,879	152,900
Total value of business loans under \$100,000 (\$million)‡	n.a.	4,754	1,867
Source: 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; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/sbl_08study.pdf , Table 4b.) n.a. not available.			
† Latest available data; certain figures are economywide. ‡ Data are for CRA loans.			

Table 1. Firms and Employment in Pennsylvania by Industry and Firm Size, 2006 and 2007 (Nonfarm, Thousands)

Industry	Nonemployer Firms (2007)	Employer Firms (2006)			Employment (2006)		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	771.5	240.6	207.2	236.8	5,189.9	894.7	2,587.3
Forestry, etc. and agriculture support	7.6	0.5	0.5	0.5	2.7	(D)	(D)
Mining	3.3	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	102.2	29.4	26.9	29.3	257.3	101.1	224.5
Manufacturing	14.1	14.1	9.3	13.3	663.8	56.6	313.1
Wholesale trade	14.5	13.3	10.3	12.6	241.8	48.1	151.5
Retail trade	84.8	29.6	25.6	29.0	679.2	116.7	288.6
Transportation and warehousing	34.9	6.7	5.3	6.3	208.1	21.4	74.2
Information	10.1	2.8	2.1	2.5	129.7	9.8	32.7
Finance and insurance	26.5	10.1	8.8	9.7	306.4	32.2	80.9
Real estate and rental and leasing	77.1	7.5	6.7	7.3	69.1	22.7	48.2
Professional, scientific, and technical svcs.	111.9	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.	52.8	12.6	10.6	12.2	306.2	39.9	143.5
Educational services	21.5	2.9	1.9	2.8	231.7	10.0	65.5
Health care and social assistance	61.3	25.1	20.9	24.7	860.8	110.0	388.4
Arts, entertainment, and recreation	40.0	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.)	96.7	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, 2003–2006 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2003 - 2004	77,026	36,430	11,153	7,111	17,077	6,068	77,839	-813
2004 - 2005	-14,693	26,220	2,388	334	-1,825	-866	26,251	-40,944
2005 - 2006	104,149	29,765	7,705	7,874	8,360	6,634	60,338	43,811

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, 2008 (Nonfarm, Thousands)

	Establishments				Employment Change Due To:			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 1	14.0	63.2	65.3	14.1	45.5	222.3	226.3	47.9
Quarter 2	13.7	62.2	65.2	13.0	51.4	236.3	236.3	46.2
Quarter 3	13.8	60.1	66.2	13.6	46.6	220.9	245.1	45.3
Quarter 4	13.7	58.5	67.9	14.1	42.7	212.8	263.4	46.9

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: These figures contain all firm sizes; Census data from 2006 show that 86 percent of establishment births and deaths were in firms with fewer than 500 employees.