



# Research Brief

The Commonwealth's Official Source for Population and Economic Statistics

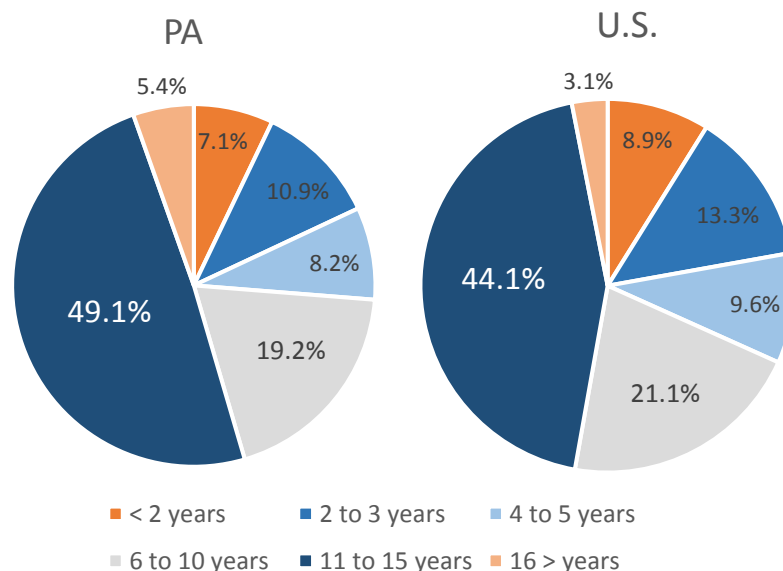
September 1, 2016

## Inaugural Annual Survey of Entrepreneurs Released: Portrait of America's Business Owners Now Available Annually for Pennsylvania

**PENN STATE HARRISBURG** – The U.S. Census Bureau today released statistics from its inaugural Annual Survey of Entrepreneurs. According to the new data, 15,102, or 7.1 percent, of the Keystone State's 212,828 employer firms have been in business for less than 2 years in 2014. Nationally, 8.9 percent of firms were fewer than 24 months old. In contrast to these young firms, 5.4 percent of Pennsylvania firms had been in business for 16 years or more. Nearly half (49.1 percent) of employer firms in the commonwealth have been in business between 11 and 15 years. Figure 1. shows the distribution of employer firms by years in business for Pennsylvania and the U.S in 2014.

The Annual Survey of Entrepreneurs supplements the Survey of Business Owners, which is conducted every five years, and seeks to provide a timelier socio-economic portrait of the nation's employer firms by gender, ethnicity, race, and veteran status. Additionally, the new survey includes the number of years a firm has been in business, which is not covered in the Survey of Business Owners. The survey is a public-private partnership among the U.S. Census Bureau, the Ewing Marion Kauffman Foundation and the Minority Business Development Agency.

Figure 1. Distribution of Employer Firms by Years in Business, PA & US: 2014



The 2014 Annual Survey of Entrepreneurs also provides statistics on employees, payroll and sales/receipts. According to the survey, the state's firms employed 4.9 million people with an annual payroll of \$238.2 billion. This equated to \$47,873 per employee, \$1,124 less than the national per employee payroll figure of \$48,997. More than 61,000 employer firms, or 28.9 percent, had receipts of \$1.0 million or more. In contrast, 15,783, or 7.4 percent, had receipts of less than \$50,000.

### **Firms by Demographic Characteristics and Veteran Status**

In 2014, there were 18,421 minority-owned firms with paid employees, comprising 9.3 percent of all employer firms in Pennsylvania. Nationally, 18.4 percent of employer firms were minority-owned in 2014. Commonwealth minority-owned firms employed 131,287 people (6.2 percent of all employees in firms). Among minority-owned employer firms, 12.7 percent had been in business for less than two years, while only 1.2 percent had been in business for 16 or more years.

Women owned approximately 37,000 employer firms, or 18.8 percent, while men owned 70.9 percent of employer firms in the Keystone State in 2014. The remaining 10.3 percent of employer firms were equally male/female-owned in 2014. Of women firms, 9.7 percent had been in business for less than two years and 2.8 percent had been in business for 16 or more years. Men-owned employer firms had corresponding figures of 6.8 percent in business less than 2 years and 4.1 percent 16 years or more.

Veterans owned 16,565 employer firms, or 8.4 percent of employer firms in Pennsylvania. Of these, 5.9 percent had been in business for less than two years, while 5.0 percent had been in business for 16 or more years.

### **NAICS Sector**

Sectors with the highest percentage of employer firms in Pennsylvania were professional, scientific and technical services (12.8 percent); construction (12.2 percent); retail trade (11.9 percent); health care and social assistance (10.8 percent); accommodation and food services (10.7 percent). Together these firms employed more than half (51.0 percent) of all employees in employer-based firms.

The accommodation and food services had the largest percent of minority-owned employer firms. In 2014, more than one-in-five of employer firms (22.6 percent) in this sector were minority-owned. The next largest industry sector in terms of minority ownership was retail trade with 13.8 percent of firms.

For employer firms in the educational services and the health care and social assistance sector in Pennsylvania, more than half (52.9 percent) were women-owned in 2014. The state's Agriculture, forestry, fishing and hunting; Mining, quarrying, and oil and gas extraction; Construction; and Management of companies and enterprises sectors had less than 10.0 percent women-owned employer firms in 2014.

The Utilities sector (17.5 percent) had the largest percent of veteran ownership among Pennsylvania employer firms, the lowest was in Agriculture, forestry, fishing and hunting sector.

## **More about the new Survey of Entrepreneurs**

The tables released today provide estimates of receipts, payroll and employment for the nation, states and the District of Columbia, and the 50 most populous metropolitan statistical areas. Firm size data are available by sales size (the number of firms with sales/receipts of \$1.0 million or more) and employment size (the number of firms with 500 employees or more).

Each year's release of the Annual Survey of Entrepreneurs will contain a module focusing on different topics. Later this month, the Census Bureau will release statistics from the 2014 module on the characteristics of businesses and their owners, including information on business innovation and research and development activities.

The newly released Annual Survey of Entrepreneurs statistics are not directly comparable to the Survey of Business Owners due to significant changes in methodologies. Please contact the Pennsylvania State Data Center for with any questions regarding this new survey.

Source: U.S. Census Bureau, 2014 Annual Survey of Entrepreneurs.

The Pennsylvania State Data Center is the commonwealth's official source for population and economic statistics. It is based at Penn State Harrisburg's Institute of State and Regional Affairs.

**Editors: For additional data, contact the Pennsylvania State Data Center's State Capital Office at 717.772.2710. For faculty comment on this topic, please contact Penn State Harrisburg's Public Information Office at 717.948.6029.**