



Small Business Credit Survey: Pennsylvania Insights

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The past year has been especially challenging for small business owners as they continue to weather the effects of the ongoing COVID-19 pandemic. This brief summarizes small business conditions in Pennsylvania between 2019 and 2020 using 2021 Small Business Credit Survey: Report on Employer Firms data.² Moreover, this brief highlights employer firm performance and challenges, information about emergency funding, and expected challenges in the next 12 months.

Performance and Challenges

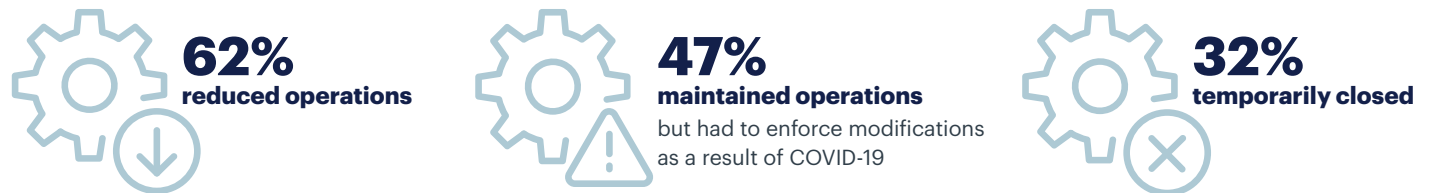
Revenue Change in the Past 12 Months³

The COVID-19 pandemic prompted an increase in safety protocols such as curfews, social distancing measures, and even lockdowns of business and residential activity that have constrained economic activity. The Small Business Credit Survey found that from a sample size of 632 businesses, approximately:



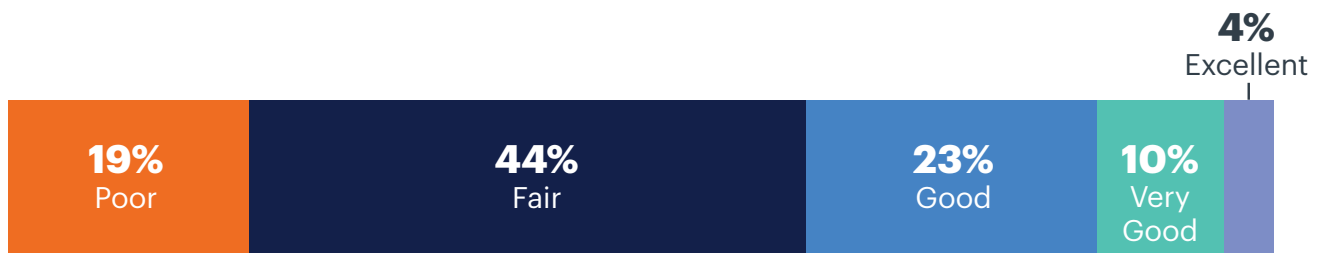
Impact of COVID-19 on Small Businesses

Pennsylvania small businesses experienced changes in revenue due to policies implemented as a result of COVID-19. Because of government mandates, some businesses had to close, reduce operations, or maintain operations with modifications, whereas others did not face a significant impact or were able to expand operations. Of the 637 small businesses that responded, approximately:



Current Financial Condition

A substantial majority of Pennsylvania firms reported that their financial condition was fair or good:



(Sample size: 637 small businesses)

¹ Note: This brief has been updated since its initial release to reflect a change in the Small Business Credit Survey 2020 weighting scheme, which now more accurately reflects methods used in prior vintages of the data set. For more information, please reference the data appendix for the SBCS 2021 Report on Employer Firms at www.fedsmallbusiness.org/survey.

² The Small Business Credit Survey is a national sample of small businesses, or firms with fewer than 500 employees, aimed at providing insight into firms' financing and debt needs and experiences. Analysis of this data set is issued through a series of reports. See www.fedsmallbusiness.org/survey/2021/report-on-employer-firms.

³ Revenue change figures in the Small Business Credit Survey are based on the previous 12 months.

Emergency Funding

During the pandemic, many small business owners found themselves applying for emergency assistance because of a lack of revenue. There were multiple emergency assistance programs that were available: the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL) Program loans, EIDL Program grants, loans from state or local government funds, grants from state or local government funds, grants from nonprofits or foundations, Main Street Lending Program loans, and other funding sources, or small businesses did not apply for emergency assistance.

Four pandemic relief programs stood out in terms of the share of small business owners who applied: PPP loans (81 percent), EIDL loans (41 percent), grants from state and local governments (42 percent), and EIDL grants (40 percent).

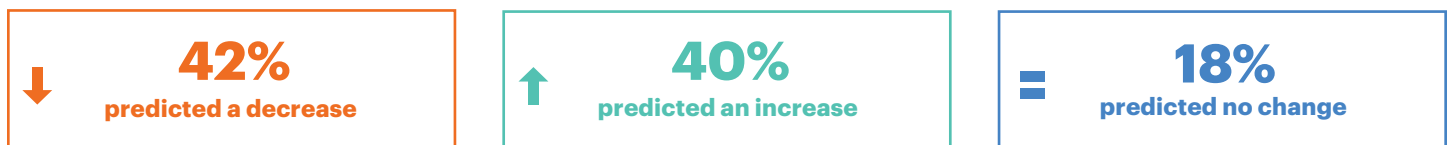
Emergency Assistance Type	Estimates (%)
Paycheck Protection Program	81
Grant from state/local government fund	42
EIDL loan	41
EIDL grant	40
Grant from nonprofit or foundation	19
Loan from state/local government fund	10
Did not apply for emergency assistance	7
Main Street Lending Program loan	4
Other types of funding	1

(Sample size: 629 small businesses)

Of the small business owners who did not apply for PPP loans, the majority did not fill out applications because they did not qualify for the loan or forgiveness, they found alternate funding sources, or they could not find a lender who would accept the application. However, only 10 percent of small business owners who did not apply for PPP loans did not need the funding.

Looking Ahead⁴

When small business owners were asked what their expected revenue change would look like in the next 12 months, of the 636 firm owners who responded,

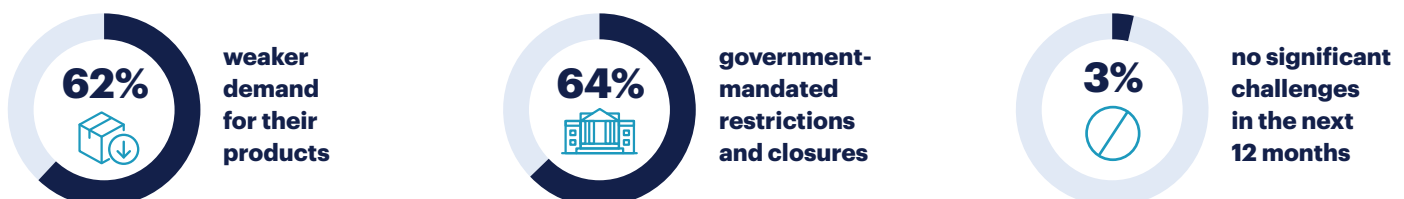


In terms of employment changes, based on the responses of 627 small business owners,



Challenges Small Businesses May Face

(Sample size: 637 firms)



Other challenges that small business owners may face include limited credit availability, supply chain disruptions, labor shortages, personal/family challenges, and other unidentified challenges.

⁴Expected change figures in the Small Business Credit Survey are based on estimates for the 12 months following the survey.