

New Jersey

803,664 Small Businesses

188,522 Small Businesses with Employees

615,142 Small Businesses without Employees (Nonemployers)

1,689,016 Workers Employed by Small Businesses

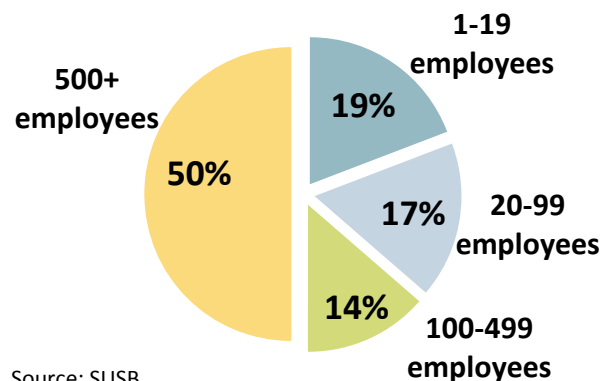
State Economy Overall

- New Jersey's economy grew at a slower rate than the United States in 2012. New Jersey's real gross state product increased by **1.3 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in New Jersey has improved. The unemployment rate in New Jersey declined from **9.6 percent** in December 2012 to **7.3 percent** in December 2013. This is above the national average of **6.7 percent**. (Source: BLS)

Employment

- New Jersey's small businesses employed half or **1.7 million** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **98.3 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance; professional, scientific & technical services; and accommodation & food services (**Table 4**).
- In New Jersey, small businesses created **24,007** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.4 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: New Jersey Employment by Size of Firm, 2011



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **7.7 percent** in the 3rd quarter of 2013 and totaled **\$43.2 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **189,354** loans under \$100,000 (and valued at **\$2.6 billion**) were issued by Community Reinvestment Act lending institutions in New Jersey. (Source: FFIEC)

Business Owner Demographics

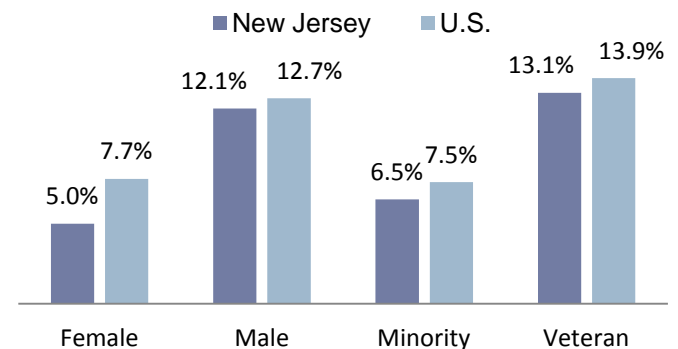
- In 2011, there were an estimated **220,000** woman-owned businesses and **188,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All New Jersey Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	465,000	57.6
Woman Owned	220,000	27.3
Equally Male and Female Owned	95,000	11.8
Minority Owned	188,000	23.3
Veteran Owned	64,000	7.9

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/nj10.pdf.

Figure 2: New Jersey Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives New Jersey's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **10,043** establishments opened and **8,823** closed in the state of New Jersey. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in New Jersey

	Establishments Opened [*]	Share Surviving Until 2012 (%)
2002	22,468	30.9
2007	22,786	44.5
2010	19,103	66.7

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **21,051** companies exported goods from the state in 2012. Of these, **19,443** or **92.4 percent** were small firms; they generated over two-fifths (**42.5 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of New Jersey Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	27,482	25,398	108,920	136,402
Retail trade	22,271	20,671	46,779	69,050
Other services (except public admin.)	21,895	20,592	73,085	94,980
Health care & social assistance	21,667	18,913	51,539	73,206
Construction	20,078	18,907	53,483	73,561
Accommodation & food services	16,735	14,548	10,021	26,756
Wholesale trade	12,722	10,637	14,311	27,033
Admin., supp., waste mgt., remed. svcs.	11,597	10,386	40,456	52,053
Manufacturing	7,191	5,372	6,438	13,629
Real estate & rental & leasing	6,864	6,430	86,908	93,772
Finance & insurance	5,856	5,201	22,695	28,551
Transportation & warehousing	5,764	4,859	35,063	40,827
Arts, entertainment, & recreation	3,165	2,658	33,171	36,336
Educational services	3,056	2,376	19,336	22,392
Information	1,886	1,563	10,230	12,116
Management of comp. & enterprises	485	123	0	485
Unclassified	282	281	0	282
Forestry, etc. & agriculture support	219	209	2,178	2,397
Utilities	72	56	459	531
Mining	61	45	70	131
Total	188,522	169,113	615,142	803,664

Table 4: Employment in New Jersey by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Health care & social assistance	271,473	535,404	51
Professional, scientific, & tech. svcs.	179,341	316,803	57
Accommodation & food services	164,917	276,848	60
Retail trade	153,409	434,372	35
Wholesale trade	141,668	249,652	57
Manufacturing	141,666	234,139	61
Other services (except public admin.)	131,854	144,659	91
Construction	114,248	127,730	89
Admin., supp., waste mgt., remed. svcs.	108,086	265,808	41
Transportation & warehousing	66,357	155,704	43
Educational services	53,056	95,866	55
Finance & insurance	48,754	188,812	26
Arts, entertainment, & recreation	41,461	53,698	77
Real estate & rental & leasing	36,770	55,286	67
Information	22,266	93,646	24
Management of comp. & enterprises	10,637	127,459	8
Utilities	1,145	18,639	6
Forestry, etc. & agriculture support	914	1,832	50
Mining	709	1,206	59
Unclassified	D	D	D
Total	1,689,016	3,377,848	50

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

(D) Data suppressed to protect the confidentiality of individual firms.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .