

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### NEW JERSEY

**843,989**  
**99.6%** Small Businesses  
of New Jersey Businesses

**1.8 million**  
**50.0%** Small Business Employees  
of New Jersey Employees

**1.8 million**  
**50.0%** Small Business Employees  
of New Jersey Employees



**EMPLOYMENT**  
**21,497**  
net new jobs



**DIVERSITY**  
**237,187**  
minority-owned  
businesses



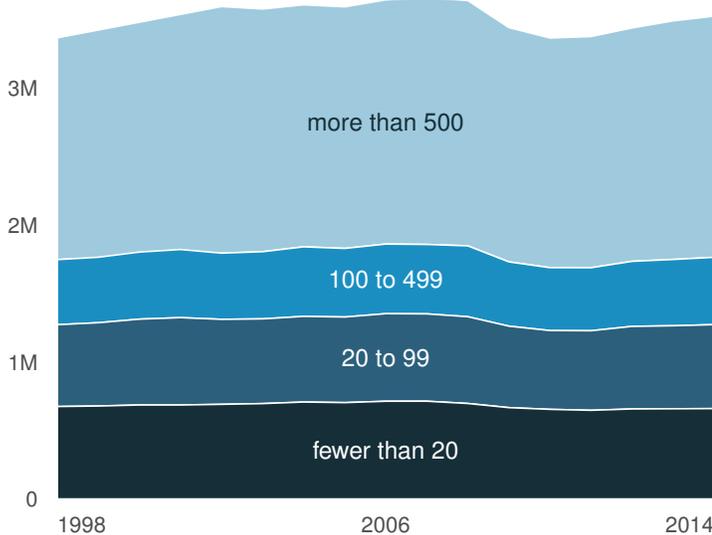
**TRADE**  
**92.2%**  
of New Jersey  
exporters

#### OVERALL NEW JERSEY ECONOMY

- In the second quarter of 2016, New Jersey grew at an annual rate of **1.7%**, which was faster than the overall US growth rate of **1.2%**. New Jersey's 2015 growth rate of **2.0%** was up from the 2014 rate of **0.2%**. (Source: BEA)
- In November 2016, the unemployment rate was **5.0%**, up from **4.8%** at the close of 2015. This was above the November 2016 national unemployment rate of **4.6%**. (Source: CPS)

#### EMPLOYMENT

Figure 1: New Jersey Employment by Business Size (Employees)



- New Jersey small businesses employed **1.8 million** people, or **50.0%** of the private workforce, in 2014. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- During the year ending November 2016, private-sector employment decreased **0.2%**. This was below the previous year's increase of **1.9%**. (Source: CPS)
- The number of proprietors increased in 2015 by **3.3%** relative to the previous year. (Source: BEA)
- Small businesses created **21,497** net jobs in 2014. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding **7,813** net jobs. The smallest gains were in firms employing 1 to 4 employees, which added **1,060** net jobs. (Source: BDS)

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

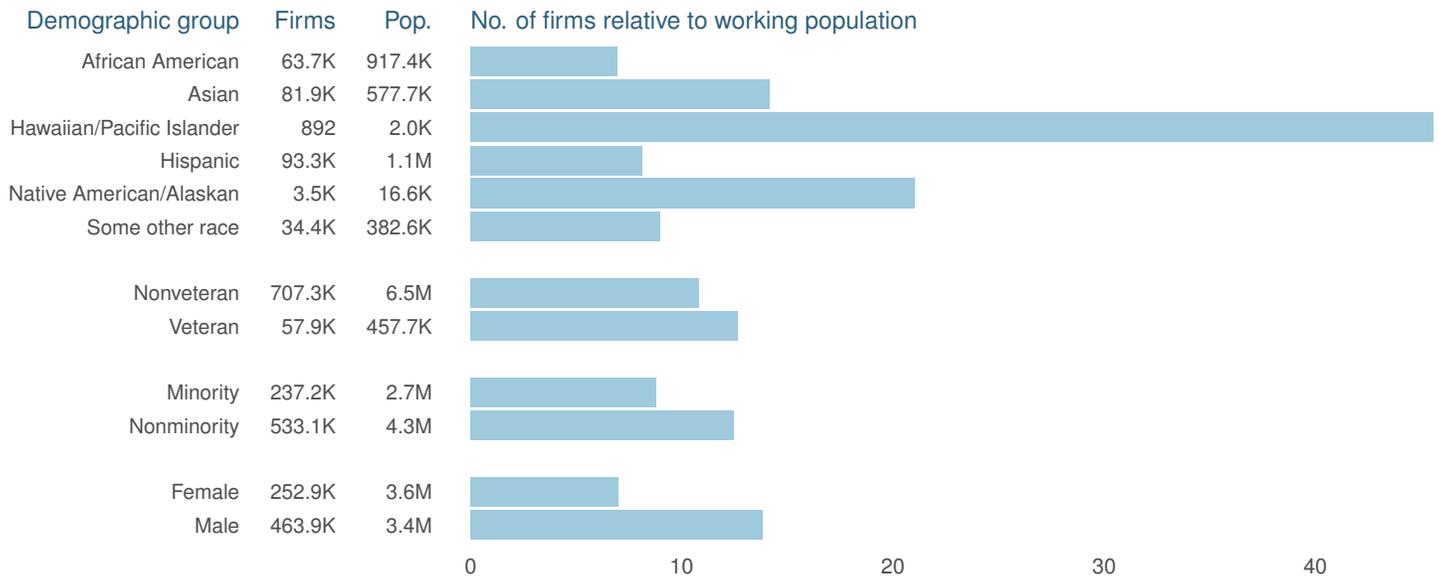
## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, **194,471** loans under \$100,000 (valued at **\$3.0 billion**) were issued by New Jersey lending institutions reporting under the Community Reinvestment Act. (Source: [FFIEC](#))
- The median income for individuals self-employed at their own incorporated businesses was **\$60,140** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$29,212**. (Source: [ACS](#))

*Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.*

## BUSINESS OWNER DEMOGRAPHICS

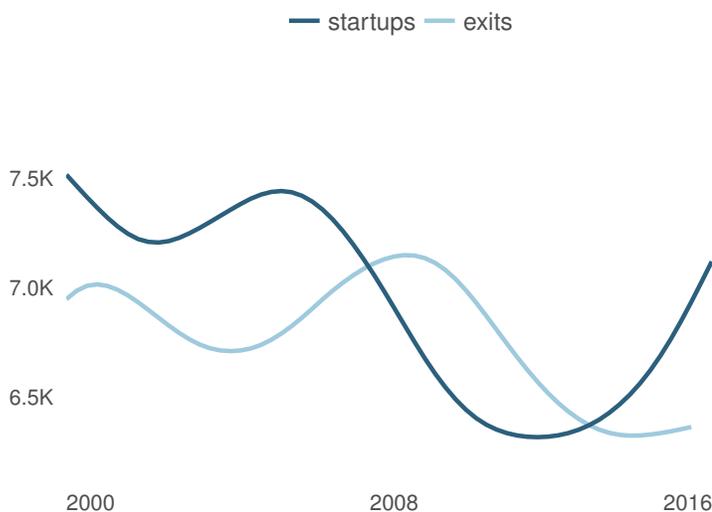
Figure 2: New Jersey Small Business Ownership, 2012



*Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 7 female-owned firms per 100 working age females or  $252.9K \div 3.6M \times 100$ . ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.*

## BUSINESS TURNOVER

Figure 3: New Jersey Quarterly Startups and Exits



- In the second quarter of 2015, **7,336** establishments started up, generating **30,530** new jobs in New Jersey. Startups are counted when business establishments hire at least one employee for the first time. (Source: [BDM](#))
- In the same period, **7,077** establishments exited resulting in **25,898** jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: [BDM](#))
- Figure 3 displays quarterly startups and exits from 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

*The BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings.*

## INTERNATIONAL TRADE

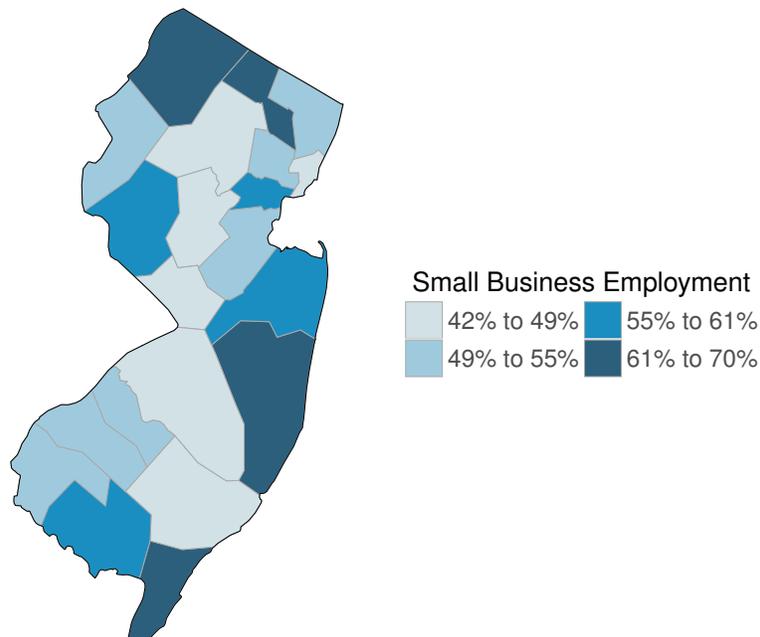
- A total of 20,647 companies exported goods from New Jersey in 2014. Among these, 19,036, or 92.2%, were small firms; they generated 43.8% of New Jersey's \$32.0 billion in total known exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: New Jersey Employment by Industry, 2014

 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Health Care and Social Assistance	282,037	561,829	50%
Professional, Scientific, and Technical Services	186,186	317,085	59%
Accommodation and Food Services	183,672	299,182	61%
Retail Trade	159,211	456,680	35%
Wholesale Trade	144,816	256,430	56%
Manufacturing	138,718	221,901	63%
Other Services (Except Public Administration)	136,547	152,445	90%
Construction	123,301	139,076	89%
Administrative, Support, and Waste Management	118,833	304,316	39%
Transportation and Warehousing	66,469	157,962	42%
Educational Services	57,732	99,780	58%
Finance and Insurance	48,168	192,521	25%
Arts, Entertainment, and Recreation	46,384	58,775	79%
Real Estate and Rental and Leasing	37,690	54,487	69%
Information	21,099	93,305	23%
Utilities	1,021	20,650	5%
Agriculture, Forestry, and Fishing and Hunting	880	896	98%
Mining, Quarrying, and Oil and Gas Extraction	647	1,392	46%
<b>Total</b>	<b>1,764,993</b>	<b>3,526,716</b>	<b>50%</b>

Figure 4: New Jersey Small Business Percent of Employment by County



## SMALL BUSINESSES BY INDUSTRY

Table 2: New Jersey Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	27,441	25,199	113,394	140,835
Real Estate and Rental and Leasing	6,994	6,564	93,634	100,628
Other Services (Except Public Administration)	22,339	21,011	76,421	98,760
Construction	20,734	19,521	55,603	76,337
Health Care and Social Assistance	21,548	18,652	53,628	75,176
Retail Trade	21,934	20,241	49,391	71,325
Administrative, Support, and Waste Management	12,121	10,801	43,430	55,551
Transportation and Warehousing	6,157	5,254	41,198	47,355
Arts, Entertainment, and Recreation	3,229	2,676	35,894	39,123
Finance and Insurance	5,842	5,198	22,982	28,824
Accommodation and Food Services	17,637	15,042	10,554	28,191
Wholesale Trade	12,300	10,193	14,516	26,816
Educational Services	3,354	2,632	22,641	25,995
Manufacturing	6,864	5,065	6,838	13,702
Information	1,829	1,511	10,332	12,161
Agriculture, Forestry, and Fishing and Hunting	203	191	2,073	2,276
Utilities	77	61	680	757
Mining, Quarrying, and Oil and Gas Extraction	56	41	62	118
<b>Total</b>	<b>190,718</b>	<b>170,242</b>	<b>653,271</b>	<b>843,989</b>

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

## REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

