

2019 Small Business Profile

New Jersey

884,049 Small Businesses
99.6% of New Jersey Businesses

1.8 million Small Business Employees
49.8% of New Jersey Employees

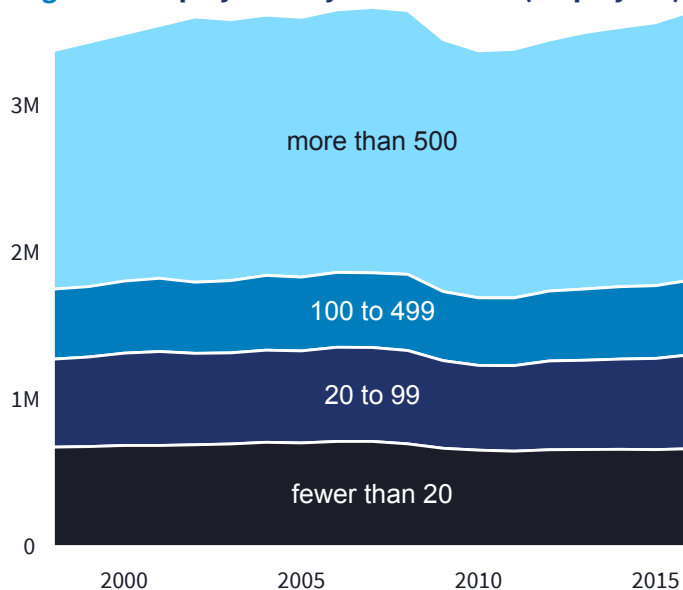


Overall New Jersey Economy

- In the third quarter of 2018, New Jersey grew at an annual rate of **3.3%**, which was slower than the overall US growth rate of **3.4%**. New Jersey's 2017 growth rate of **1.6%** was up from the 2016 rate of less than **0.1%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **4.0%**, down from **4.5%** in February 2018. This was above the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

Employment

Figure 1: Employment by Business Size (Employees)



- New Jersey small businesses employed **1.8 million** people, or **49.8%** of the private workforce, in 2016. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **0.9%** during the 12-month period ending in February 2019. This was above the decrease of **0.7%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **2.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **61,305** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **40,510** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **9,075** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

Income and Finance

- The number of banks decreased by 4 between June 2016 and June 2017 to 85 banks. (Source: FDIC)
- In 2017, 245,186 loans under \$100,000 (valued at \$3.7 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 \$61,313 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$30,712. (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.

Employer Business Owner Demographics

Figure 2: New Jersey Employees per Business by Owner's Demographic, 2016

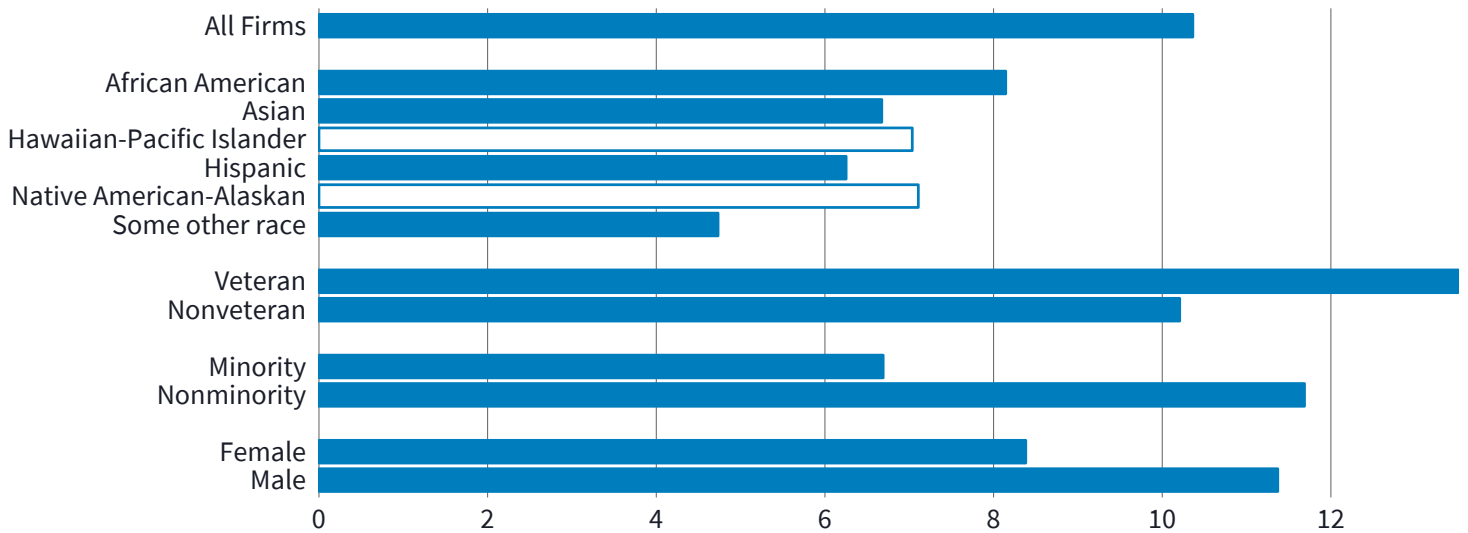
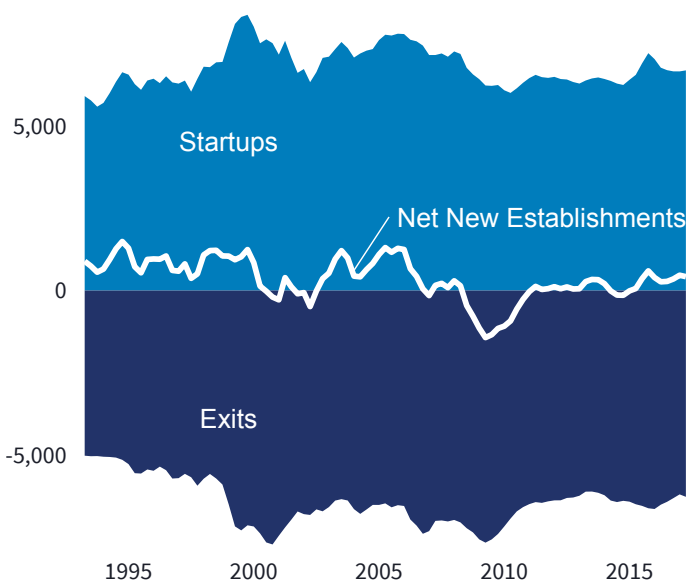


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

Turnover among Establishments with Employees

Figure 3: New Jersey Quarterly Startups and Exits



- In the third quarter of 2017, 6,089 establishments started up, generating 29,260 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, 6,967 establishments exited resulting in 22,864 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 1993 to 2017. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. 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. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

International Trade

- A total of **20,281** companies exported goods from New Jersey in 2016. Of these, **18,606**, or **91.7%**, were small firms; they generated **40.8%** of New Jersey's **\$27.4 billion** in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: New Jersey Employment by Industry, 2016

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	284,798	584,649	48.7
Accommodation and Food Services	194,729	310,558	62.7
Professional, Scientific, and Technical Services	191,145	328,347	58.2
Retail Trade	159,363	464,603	34.3
Wholesale Trade	144,692	264,210	54.8
Other Services (except Public Administration)	140,622	155,185	90.6
Construction	136,834	155,246	88.1
Manufacturing	136,165	218,742	62.2
Administrative, Support, and Waste Management	122,507	326,154	37.6
Transportation and Warehousing	70,130	164,419	42.7
Educational Services	60,946	109,275	55.8
Finance and Insurance	47,480	198,374	23.9
Arts, Entertainment, and Recreation	47,002	63,917	73.5
Real Estate and Rental and Leasing	39,612	58,847	67.3
Information	20,174	86,792	23.2
Management of Companies and Enterprises	10,817	124,389	8.7
Utilities	1,207	20,003	6.0
Agriculture, Forestry, and Fishing and Hunting	982	1,001	98.1
Mining, Quarrying, and Oil and Gas Extraction	513	1,193	43.0
Industries not classified	389	389	100.0
Total	1,810,107	3,636,293	49.8

Figure 4: New Jersey Self-Employment Rates by County, 2017

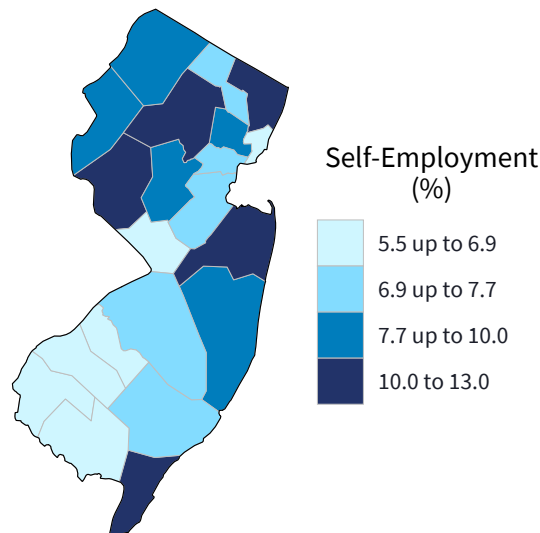


Table 2: New Jersey Small Businesses by Industry and Firm Size, 2016

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	26,979	24,644	116,289	143,268
Real Estate and Rental and Leasing	7,246	6,795	99,105	106,351
Other Services (except Public Administration)	22,698	21,299	76,432	99,130
Construction	21,182	19,757	55,150	76,332
Health Care and Social Assistance	21,313	18,312	54,045	75,358
Transportation and Warehousing	6,345	5,365	67,795	74,140
Retail Trade	21,584	19,888	50,537	72,121
Administrative, Support, and Waste Management	12,088	10,776	43,744	55,832
Arts, Entertainment, and Recreation	3,313	2,724	37,805	41,118
Finance and Insurance	5,781	5,150	23,201	28,982
Accommodation and Food Services	18,008	15,211	10,648	28,656
Educational Services	3,504	2,767	24,208	27,712
Wholesale Trade	11,901	9,841	14,220	26,121
Manufacturing	6,647	4,890	6,898	13,545
Information	1,806	1,508	10,448	12,254
Agriculture, Forestry, and Fishing and Hunting	208	195	1,989	2,197
Utilities	79	59	668	747
Mining, Quarrying, and Oil and Gas Extraction	61	47	57	118
Total	190,810	169,608	693,239	884,049

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS).

References

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS American Community Survey, US Census Bureau
- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau