

## New Jersey

**809,780** Small Businesses

**189,498** Small Businesses with Employees

**620,282** Small Businesses without Employees (Nonemployers)

**1,735,727** Workers Employed by Small Businesses

### State Economy Overall

- New Jersey's economy grew at a slower rate than the United States in 2013. New Jersey's real gross state product increased by **1.1 percent** compared to **2.2 percent** for U.S. gross domestic product. (Source: BEA)
- The employment picture in New Jersey has improved. The unemployment rate in New Jersey declined from **7.7 percent** in October 2013 to **6.6 percent** in October 2014. This is above the national average of **5.8 percent** for the same time period. (Source: BLS)

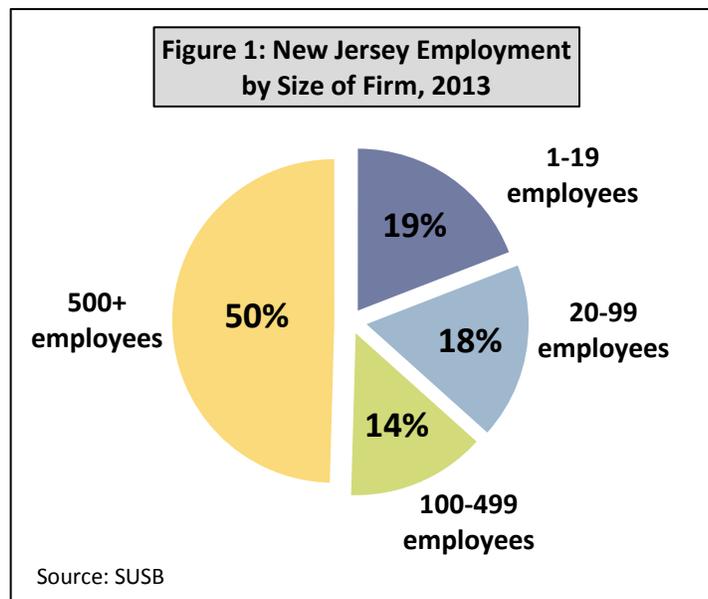
### Employment

- New Jersey's small businesses employed half or **1.7 million** of the state's private workforce in 2012. (Source: SUSB)
- Almost all firms with employees are small. They make up **98.3 percent** of all employers in the state. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.

- In New Jersey, small businesses created **61,329** net new jobs in 2012. 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 in 2013 decreased by **4.1 percent** relative to the previous year.

- The state's private-sector employment growth increased by **0.5 percent** over the 12-month period ending in October 2014; this was below the national average growth rate of **2.3 percent**. (Source: BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2007 to 2014. 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

- The number of banks reported in the Call Reports between June 2013 and June 2014 declined. (Source: FDIC)
- 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)
- The median income for individuals who are self-employed at their own incorporated businesses for the past 12 months was **\$60,089** in 2013. For individuals self-employed at their own unincorporated firms, this figure was **\$28,542**. (Source: ACS)

Note: 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

- **Table 1** shows the top industry for nine business owner demographics. For example, **27.5 percent** of female-owned businesses were in the professional, scientific, and technical services industry, and female-owned firms made up **17.3 percent** of this industry.

**Table 1: Top Industry by Demographic Group in New Jersey, 2007**

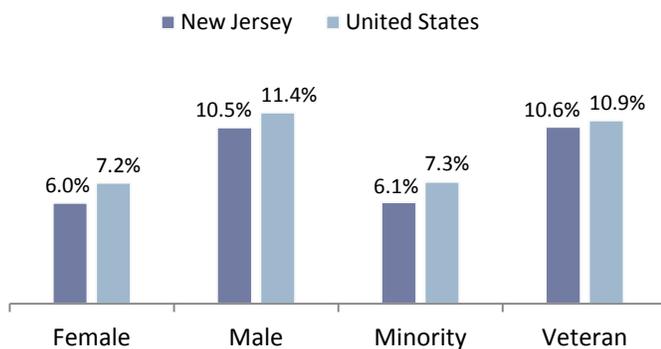
Demographic Group of Business Owners	Most Common Industry	% of Industry in Demographic Group	% of Demographic Group in Industry
Female	Prof., sci., & tech. services	27.5	17.3
Male	Prof., sci., & tech. services	59.2	17.7
American Indian and Alaska Native	Health care & social assistance	0.8	18.8
Asian	Prof., sci., & tech. services	11.2	22.2
Black or African American	Health care & social assistance	15.1	16.8
Native Hawaiian and Other Pacific Islander	*	*	*
White	Prof., sci., & tech. services	81.6	17.5
Hispanic	Transportation and warehousing	27.0	16.8
Veteran	Prof., sci., & tech. services	10.5	22.9

\*Indicates that the sample size was too small to be representative of the population. For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

Source: U.S. Department of Commerce, Census Bureau, 2007 Survey of Business Owners via American FactFinder.

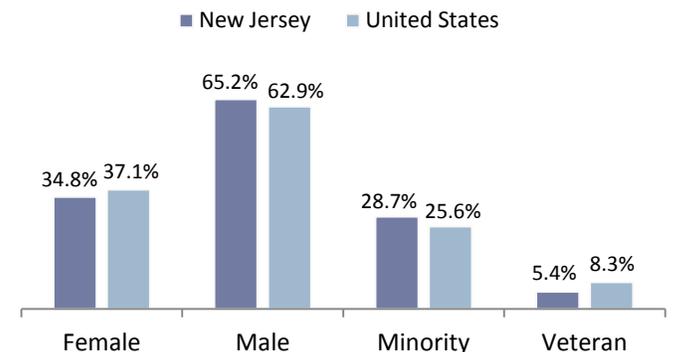
- Figures **2a** and **2b** show the demographic makeup of the self-employed in four demographic groups. For example, **Figure 2a** shows that **6.0 percent** of females were self-employed, and **Figure 2b** shows that **34.8 percent** of all self-employed people were female.

**Figure 2a: What percent of each demographic group are self-employed in New Jersey?**



Source: ACS

**Figure 2b: What percent of self-employed individuals in New Jersey are in each demographic group?**



Source: ACS

## Business Turnover

- In 2010, **19,103** establishments opened in New Jersey, and **66.7 percent** survived through 2012. In 2013, **20,170** establishments opened, and **78.7 percent** survived through 2014. (Source: BLS, BED)
- In the 1st quarter of 2014, **8,762** establishments opened and **9,676** closed in the state of New Jersey. (Source: BED)
- Business bankruptcies declined from 2010 to 2014, signaling a stronger state economy. (Source: U.S. Courts)

## 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)

## Small Businesses and Employment by Industry

- **Table 2** ranks the state's industries by the number of small employer firms. For comparison, the three most common industries for small employer firms across the United States are professional, scientific, and technical services; other services (except public administration); and retail trade.

**Table 2: Number of New Jersey Small Firms by Industry, 2012**  
(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.	27,458	25,267	109,543	137,001
Other services (except public admin.)	22,082	20,772	72,638	94,720
Retail trade	22,049	20,423	48,118	70,167
Health care & social assistance	21,778	18,900	50,978	72,756
Construction	19,918	18,760	53,368	73,286
Accommodation & food services	17,217	14,822	9,976	27,193
Wholesale trade	12,831	10,680	14,255	27,086
Admin., supp., waste mgt., remed. svcs.	11,883	10,585	41,180	53,063
Manufacturing	7,098	5,249	6,676	13,774
Real estate & rental & leasing	6,931	6,489	88,126	95,057
Transportation & warehousing	5,947	5,036	35,285	41,232
Finance & insurance	5,873	5,201	22,846	28,719
Educational services	3,231	2,524	20,169	23,400
Arts, entertainment, & recreation	3,180	2,638	33,862	37,042
Information	1,855	1,523	10,423	12,278
Management of comp. & enterprises	443	119	*	443
Forestry, etc. & agriculture support	224	212	2,107	2,331
Unclassified	151	150	*	151
Utilities	78	62	657	735
Mining, quarrying, and oil & gas extrac.	55	41	75	130
<b>Total</b>	<b>189,498</b>	<b>169,357</b>	<b>620,282</b>	<b>809,780</b>

Source: SUSB and Nonemployer Statistics. \*Data for nonemployers not collected in these two categories.

See [www.sba.gov/advocacy/additional-data-state-profiles](http://www.sba.gov/advocacy/additional-data-state-profiles) for more detailed data.

- **Table 3** shows small firm employment by industry. The three New Jersey industries with the most small business employment were: health care and social assistance; professional, scientific, and technical services; and accommodation and food services (**Table 3**).

**Table 3: Employment in New Jersey by Industry and Firm Size, 2012  
(ranked by small firm employment)**

Industry	Employment		Small Firm % of Industry Employment
	Small Firms	Total Firms	
Health care & social assistance	275,937	546,066	50.5
Professional, scientific, & tech. svcs.	183,136	311,978	58.7
Accommodation & food services	174,426	291,694	59.8
Retail trade	153,777	436,542	35.2
Wholesale trade	146,171	254,465	57.4
Manufacturing	143,739	231,143	62.2
Other services (except public admin.)	134,373	149,640	89.8
Admin., supp., waste mgt., remed. svcs.	118,877	281,986	42.2
Construction	116,717	130,879	89.2
Transportation & warehousing	66,892	156,707	42.7
Educational services	55,321	98,988	55.9
Finance & insurance	49,762	194,502	25.6
Arts, entertainment, & recreation	44,470	55,560	80.0
Real estate & rental & leasing	37,501	54,730	68.5
Information	21,796	90,870	24.0
Management of comp. & enterprises	9,773	131,949	7.4
Forestry, etc. & agriculture support	1,190	D	D
Utilities	1,006	18,729	5.4
Mining, quarrying, and oil & gas extraction	688	1,187	58.0
Unclassified	175	175	100.0
<b>Total</b>	<b>1,735,727</b>	<b>3,440,470</b>	<b>50.5</b>

Source: SUSB. (D) indicates data suppressed to protect the confidentiality of individual firms.

For more detailed information on businesses in your state, see [www.sba.gov/advocacy/847/841921](http://www.sba.gov/advocacy/847/841921).

## Abbreviations and Resources

ACS	American Community Survey, U.S. Census Bureau, <a href="http://www.census.gov/acs">www.census.gov/acs</a> .
BEA	Bureau of Economic Analysis, U.S. Department of Commerce, <a href="http://www.bea.gov">www.bea.gov</a> .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, <a href="http://www.bls.gov/bdm">www.bls.gov/bdm</a> .
BDS	Business Dynamics Statistics, U.S. Census Bureau, <a href="http://www.census.gov/ces/dataproducts/bds">www.census.gov/ces/dataproducts/bds</a> .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, <a href="http://www.bls.gov">www.bls.gov</a> .
CEA	Council of Economic Advisers, <a href="http://www.whitehouse.gov/administration/eop/cea">www.whitehouse.gov/administration/eop/cea</a> .
FDIC	Federal Deposit Insurance Corporation, <a href="http://www.fdic.gov">www.fdic.gov</a> .
FFIEC	Federal Financial Institutions Examination Council, <a href="http://www.ffiec.gov">www.ffiec.gov</a> .
ITA	International Trade Administration, U.S. Department of Commerce, <a href="http://www.trade.gov">www.trade.gov</a> .
Nonemployer Statistics	Nonemployer Statistics, U.S. Census Bureau, <a href="http://www.census.gov/econ/nonemployer">www.census.gov/econ/nonemployer</a> .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, <a href="http://www.census.gov/econ/susb">www.census.gov/econ/susb</a> .
U.S. Courts	Administrative Office of the U.S. Courts, <a href="http://www.uscourts.gov">www.uscourts.gov</a> .