

SMALL BUSINESS PROFILE

NEW JERSEY




820,303
98.3% Small Businesses
of New Jersey Businesses

1.7 million
50.1% Small Business Employees
of New Jersey Employees

1.7 million
50.1% Small Business Employees
of New Jersey Employees



EMPLOYMENT
27,888
net new jobs¹



DIVERSITY
30.0%
increase in minority
ownership²



TRADE
92.1%
of New Jersey
exporters³

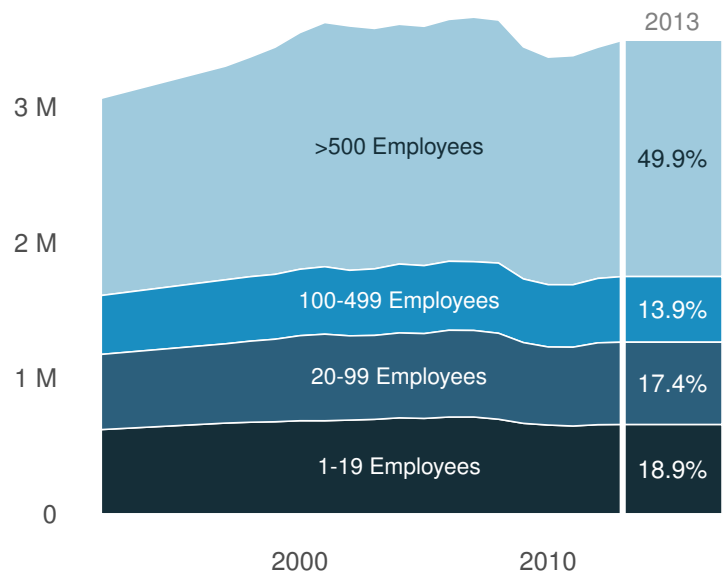
OVERALL NEW JERSEY ECONOMY

- In the third quarter of 2015, New Jersey grew at an annual rate of **1.5%** which was slower than the overall US growth rate of **1.9%**. By comparison, New Jersey's 2014 growth of **3.3%** was up from the 2013 level of **2.2%**. (Source: BEA)
- The employment situation in New Jersey improved. At the close of 2015, unemployment was **4.8%**, down from **6.4%** at the close of 2014. This was below the national unemployment rate of **5.0%**. (Source: CPS)

EMPLOYMENT

- New Jersey small businesses employed **1.7 million** people, or **50.1%** of the private workforce, in 2013. (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)
- Private-sector employment increased **1.9%** in 2015. This was above the previous year's increase of **0.9%**. (Source: CES)
- The number of proprietors increased in 2014 by **1.2%** relative to the previous year. (Source: BEA)
- Small businesses created **27,888** net jobs in 2013. Among the seven BDS size-classes, firms employing 250 to 499 employees experienced the largest gains, adding **8,310** net jobs. The smallest gains were in firms employing 10 to 19 employees which added **1,938** net jobs. (Source: BDS)

Figure 1: New Jersey Employment by Firm Size



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.** Hyperlinks to data sources and report generation information are provided in Table 3.

^{1,3} Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

² Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 194,471 loans under \$100,000 (and valued at \$3 billion) were issued by New Jersey lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income⁴ for individuals who were self-employed at their own incorporated businesses was \$57,754 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$29,586. (Source: ACS)

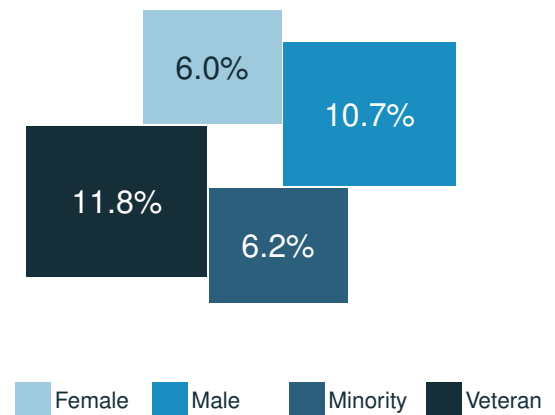
⁴ Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

BUSINESS OWNER DEMOGRAPHICS

Figure 2: New Jersey Changes in Business Ownership by Demographic Group

African American-owned	•	5.5%
Asian-owned	•	20.9%
Hawaiian/Pacific Islander-owned	●	96.9%
Hispanic-owned	•	36.5%
Native American/Alaskan-owned	•	21.5%
Minority-owned	•	30.0%
Nonminority-owned	•	-5.3%

Figure 3: New Jersey Self-Employment within Demographic Group

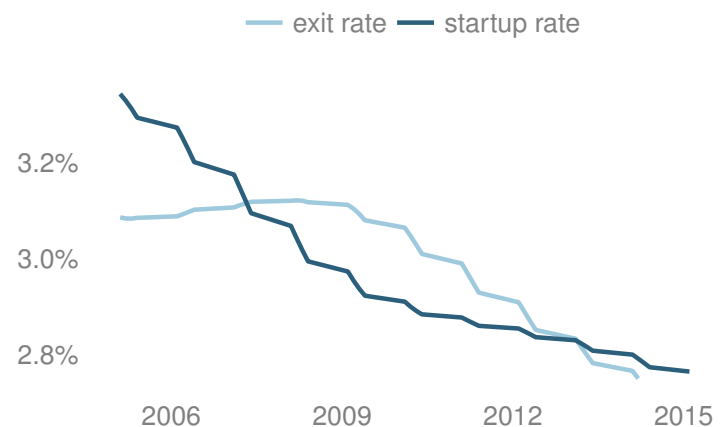


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for New Jersey, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

BUSINESS TURNOVER

- In the second quarter of 2014, 6,417 establishments started up⁵ in New Jersey and 6,844 exited.⁶ Startups generated 27,792 new jobs while exits caused 27,377 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: New Jersey Private Startup and Exit Rates



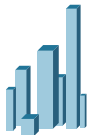




⁵ **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

⁶ **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 20,711 companies exported goods from New Jersey in 2013. Among these, 19,077, or 92.1%, were small firms; they generated 45.6% of New Jersey's total known export value. (Source: ITA)

SMALL BUSINESSES BY INDUSTRY

Table 1: New Jersey Small Firms by Industry, 2013
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	27,643	25,395	110,136	137,779
Other Services (except Public Administration)	22,240	20,925	73,774	96,014
Retail Trade	22,017	20,403	48,442	70,459
Health Care and Social Assistance	21,757	18,897	52,000	73,757
Construction	20,519	19,334	54,056	74,575
Accommodation and Food Services	17,490	14,965	9,897	27,387
Wholesale Trade	12,617	10,483	14,047	26,664
Administrative, Support, and Waste Management	12,054	10,761	41,994	54,048
Real Estate and Rental and Leasing	6,975	6,539	90,597	97,572
Manufacturing	6,930	5,118	6,624	13,554
Transportation and Warehousing	6,107	5,196	36,425	42,532
Finance and Insurance	5,850	5,196	22,745	28,595
Educational Services	3,329	2,624	21,064	24,393
Arts, Entertainment, and Recreation	3,197	2,653	34,370	37,567
Information	1,835	1,507	10,385	12,220
Agriculture, Forestry, Fishing and Hunting	220	207	2,092	2,312
Utilities	81	63	682	763
Mining, Quarrying, and Oil and Gas Extraction	55	42	65	120
Total	190,916	170,308	629,395	820,311

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: New Jersey Employment by Industry and Firm Size, 2013
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	278,672	553,578	50.3%
Professional, Scientific, and Technical Services	184,297	307,495	59.9%
Accommodation and Food Services	181,769	297,477	61.1%
Retail Trade	154,032	445,176	34.6%
Wholesale Trade	145,750	257,654	56.6%
Manufacturing	139,491	221,052	63.1%
Other Services (except Public Administration)	134,336	150,477	89.3%
Construction	121,828	138,817	87.8%
Administrative, Support, and Waste Management	119,889	303,691	39.5%
Transportation and Warehousing	66,604	158,946	41.9%
Educational Services	56,241	100,489	56.0%
Finance and Insurance	48,304	198,540	24.3%
Arts, Entertainment, and Recreation	45,751	56,971	80.3%
Real Estate and Rental and Leasing	37,826	53,733	70.4%
Information	21,684	94,715	22.9%
Utilities	1,000	19,059	5.2%
Agriculture, Forestry, Fishing and Hunting	967	2,013	48.0%
Mining, Quarrying, and Oil and Gas Extraction	597	1,329	44.9%
Total	1,739,038	3,361,212	51.7%

Figure 5: New Jersey County-Level Job Changes, 2015 (CEW)

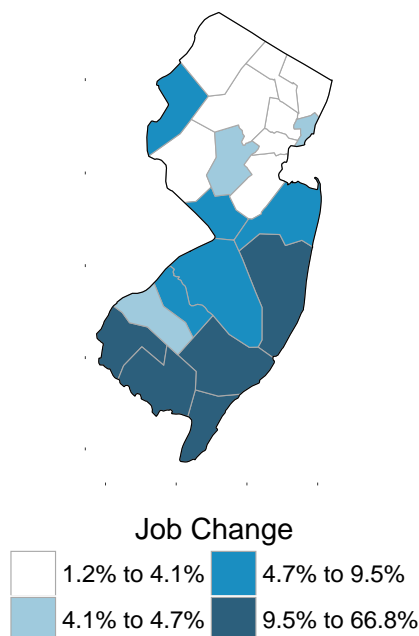


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US 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, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

