

New Jersey

Small businesses totaled 762,422 in New Jersey in 2009. They represent 98.4 percent of all employers and employ 50.3 percent of the private-sector workforce. Being such a large part of the state's economy, these businesses are central to New Jersey's health and well-being.

This profile uses the latest available data to illustrate the status of New Jersey's small businesses. (Note that a small business is defined as one with fewer than 500 employees.)

- New Jersey's economy struggled in 2010, with real gross state product decreasing 0.7 percent and private-sector employment decreasing 0.9 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Most of New Jersey's small businesses are very small as 74.5 percent of all businesses did not have employees and most employers have fewer than 20 employees.
- Small businesses employed 1.7 million workers in 2009 (Table 1) with most of the employment coming from firms with 20-499 employees.
- While the employment situation in 2008-2009 was weak (Table 2), small businesses in New Jersey represented all of the net new jobs from 2005-2008.
- Self-employment in New Jersey surged over the last decade. Male self-employment fared the best compared with other demographic groups during the decade.*
- Throughout 2010, the number of opening establishments was lower than closing establishments and the net employment change from this turnover was positive (Table 3).

For Further Information

- Data on all states and territories are available at www.sba.gov/advocacy/848.
- For other small business data and analysis, visit www.sba.gov/advocacy/847, call (202) 205-6533, or email advocacy@sba.gov.
- Visit <http://web.sba.gov/list> to subscribe to Advocacy's Listservs.

* Because of the relatively low number of veterans in the survey data source, the veteran self-employment figure is susceptible to large fluctuations.

New Jersey Small Business Facts			
	2009*	2008	2000
Number of Businesses			
Small employers (<500 employees)	192,244	199,382	198,984
Large employers (500+ employees)	3,201	3,218	3,229
Nonemployers	570,178	580,217	482,699
Level in 2007* (000)			
	Firms	Employment	Receipts(\$)
Business Owner Demographics			
Male-owned	450	1,357	282,002
Woman-owned	213	255	34,966
Equally male/female-owned	92	153	26,218
African American-owned	60	25	2,963
Asian-owned	68	115	27,489
Hispanic-owned	68	48	8,030
Native American/Alaskan-owned	3	2	231
Hawaiian/Pacific Islander-owned	0	0	32
Veteran-owned	82	208	47,602
Publicly held, unclassified	26	1,867	735,390
	Level in 2010*	% Change from 2009 2000	
Workforce (Thousands)			
Private-sector employment	3,212	-0.9	-5.7
Government employment	643	-1.4	9.2
Self-employed (incorp. & uninc.)	353	-9.5	14.6
Female self-employment	88	-11.9	-1.2
Male self-employment	265	-8.7	21.0
Minority self-employment	71	-30.6	2.2
Veteran self-employment	28	-21.9	-26.8
Unemployment Rate (Percent)	9.5	0.4†	5.8†
Business Turnover			
Quarterly establishment openings	39,354	-3.9	-27.2
Quarterly establishment closings	39,501	-14.1	-22.4
Business bankruptcies	1,422	-9.5	115.5
	2010*	2009	2000
Income and Finance			
Proprietors' income (\$billion)	37.6	33.8	26.9
Number of bank branches	3,338	3,348	3,010
No. of bus. loans under \$100,000‡	19,133	180,772	126,867
Total value of business loans under \$100,000 (\$million)‡	254	2,206	1,477
Source: U.S. Dept. of Commerce, Census Bureau, Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Admin. Office of the U.S. Courts; Federal Deposit Insurance Corporation; and U.S. Small Business Admin., Office of Advocacy.			
* Latest available data. †Percentage point change. ‡Data are for CRA loans.			

**Table 1: Firms and Employment in New Jersey by Industry and Firm Size, 2009
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	570.2	195.4	172.4	192.2	3,443.2	667.1	1,731.8
Forestry, etc. and agriculture support	2.1	0.2	0.2	0.2	1.6	0.7	0.9
Mining	0.1	0.1	0.0	0.1	1.4	D	0.7
Utilities	0.3	0.1	0.0	0.1	18.0	0.1	0.8
Construction	52.8	21.7	20.2	21.6	144.3	66.1	130.1
Manufacturing	6.0	8.1	5.8	7.7	252.4	32.0	148.1
Wholesale trade	13.4	13.9	11.1	13.2	257.0	46.9	147.0
Retail trade	45.3	23.5	21.3	23.0	444.6	79.6	157.5
Transportation and warehousing	33.8	6.0	4.8	5.7	157.8	18.1	67.0
Information	9.4	2.2	1.6	2.0	104.5	6.5	25.0
Finance and insurance	21.7	6.5	5.5	6.2	201.9	18.6	53.5
Real estate and rental and leasing	71.0	7.3	6.8	7.2	60.3	22.1	38.8
Professional, scientific, and technical svcs.	104.6	28.4	25.9	28.0	325.8	82.0	183.9
Management of companies and enterprises	--	1.0	0.1	0.5	127.6	0.5	10.8
Admin., support, waste mgt., remed. svcs.	38.7	11.9	10.3	11.6	261.8	33.8	112.1
Educational services	19.0	3.1	2.3	3.0	92.5	11.4	54.1
Health care and social assistance	47.9	21.7	18.8	21.4	514.1	94.6	266.5
Arts, entertainment, and recreation	31.3	3.3	2.7	3.2	52.1	10.0	41.7
Accommodation and food services	8.9	16.5	14.1	16.3	277.2	65.5	158.6
Other services (except public admin.)	63.9	22.1	20.7	22.0	148.2	78.2	134.6
Unclassified	--	0.3	0.3	0.3	D	D	D

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advocacy/849/12162 for data from other years, and for starts, closures, job creation and destruction by industry and by size category.)

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

Table 2: Net Job Change by Firm Size, 2005–2009 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2005 - 2006	47,100	30,744	6,742	6,809	8,196	-1,934	50,557	-3,457
2006 - 2007	347	26,769	-922	-1,069	-6,023	-1,105	17,650	-17,303
2007 - 2008	-16,089	20,667	-3,813	-5,441	1,207	-12,578	42	-16,131
2008 - 2009	-193,579	6,552	-14,474	-17,775	-43,232	-35,334	-104,263	-89,316

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advocacy/849/12162.)

Table 3: Establishment and Employment Turnover by Quarter, 2010 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	8.9	10.6	9.5	10.3	32.5	45.7	35.3	38.3
Expansions	42.0	45.1	43.3	44.5	143.8	178.5	155.9	166.4
Contractions	46.6	44.0	45.7	45.0	162.3	156.7	167.9	164.7
Closings	10.9	9.9	9.9	8.8	31.5	34.2	29.8	31.0

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, Business Employment Dynamics. (For more detailed data see www.bls.gov/bdm/.)

Note: These figures contain all firm sizes; Census data from 2009 show that 85 percent of establishment births and deaths were in firms with fewer than 500 employees.