

New Jersey

Small businesses significantly impact New Jersey's economy. They represent 98.4 percent of all employers and employ 50.2 percent of the private-sector labor force. Small businesses are crucial to the fiscal condition of the state and numbered 795,258 in 2010.

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 was strong in 2011, with real gross state product increasing 1.4 percent and private-sector employment increasing 0.8 percent (Bureau of Economic Analysis, Bureau of Labor Statistics).
- Small businesses employed 1.7 million workers in 2010 (Table 1) with most of the employment coming from firms with 20-499 employees.
- The employment situation from 2007-2010 was weak, and small businesses in New Jersey had a net job loss (Table 2). The unemployment rate in 2010-2011 decreased by 0.3 percent.
- Most of New Jersey's small businesses are very small as 75.7 percent of all businesses have no employees, and most employers have fewer than 20 employees.
- In 2011, the number of opening establishments was higher than closing establishments, and the net employment change from this turnover was positive (Table 3).
- Self-employment in New Jersey improved over the last decade. Male self-employment fared the best compared with other demographic groups.

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 www.sba.gov/updates to subscribe to Advocacy's Listservs.

New Jersey Small Business Facts

	2010*	2009	2000
Number of Businesses			
Small employers (<500 employees)	190,535	192,244	198,984
Large employers (500+ employees)	3,187	3,201	3,229
Nonemployers	604,723	597,883	482,699
Level in 2007* (000)			
	Firms		Employment Receipts(\$M)
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	-	-	-
Veteran-owned	82	208	47,602
Publicly held, unclassified	26	1,867	735,390
	Level in	% Change from	
	2011*	2010	2000
Workforce (Thousands)			
Private-sector employment	3,236	0.8	-5.0
Government employment	620	-3.1	5.3
Self-employed (incorp. & uninc.)	358	-4.0	16.2
Female self-employment	91	-15.8	2.1
Male self-employment	267	0.8	21.9
Minority self-employment	75	-26.0	8.1
Veteran self-employment	29	-22.2	-23.4
Unemployment Rate (Percent)	9.3	-0.3†	5.6‡
Business Turnover			
Quarterly establishment openings	39,494	0.4	-27.0
Quarterly establishment closings	38,268	-3.1	-24.8
Business bankruptcies	1,215	-14.6	84.1
	2011*	2010	2000
Income and Finance			
Proprietors' income (\$billion)	39.6	37.6	26.9
Number of bank branches	3,320	3,338	3,010
No. of bus. loans under \$100,000‡	96,762	142,823	126,867
Total value of business loans under \$100,000 (\$million)‡	1,971	1,861	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, 2010
(Nonfarm, Thousands)**

Industry	Nonemployer Firms	Employer Firms			Employment		
		All Firms Total	1-19 Employees	1-499 Employees	All Firms Total	1-19 Employees	1-499 Employees
Total	604.7	193.7	171.2	190.5	3,367.2	654.6	1,689.3
Forestry, etc. and agriculture support	2.2	0.2	0.2	0.2	1.7	0.6	0.9
Mining	0.1	0.1	0.0	0.1	1.3	0.2	0.7
Utilities	0.3	0.1	0.0	0.1	18.0	0.1	1.0
Construction	53.8	20.7	19.5	20.6	132.6	62.1	116.9
Manufacturing	6.1	7.8	5.6	7.4	235.2	30.6	139.9
Wholesale trade	14.0	13.6	10.9	13.0	251.5	45.7	141.0
Retail trade	46.0	23.2	21.0	22.7	429.2	77.6	155.9
Transportation and warehousing	34.6	5.9	4.7	5.6	152.7	17.2	64.7
Information	9.9	2.1	1.6	2.0	98.0	6.2	22.7
Finance and insurance	22.4	6.3	5.4	6.0	195.3	18.4	50.6
Real estate and rental and leasing	86.4	7.2	6.6	7.1	56.0	21.6	37.6
Professional, scientific, and technical svcs.	107.9	28.3	25.8	27.8	317.4	80.1	178.4
Management of companies and enterprises	0.0	1.0	0.1	0.5	128.5	0.4	10.3
Admin., support, waste mgt., remed. svcs.	40.1	11.9	10.4	11.6	257.2	33.6	109.3
Educational services	19.0	3.1	2.3	3.0	94.6	11.2	54.4
Health care and social assistance	50.6	21.8	18.9	21.6	524.4	94.5	270.5
Arts, entertainment, and recreation	32.3	3.2	2.7	3.2	53.1	9.8	41.0
Accommodation and food services	9.5	16.8	14.5	16.7	275.0	66.6	160.6
Other services (except public admin.)	69.5	22.2	20.7	22.0	145.2	77.6	132.7
Unclassified	0.0	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, 2007–2010 (Nonfarm)

	Total Net New Jobs	Employment Size of Firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2010	-55,740	13,651	-3,359	-4,713	-20,630	-10,216	-25,267	-30,473
2009	-180,491	4,615	-15,066	-18,484	-40,958	-32,390	-102,283	-78,208
2008	-1,632	18,499	-4,392	-4,647	1,186	-8,131	2,515	-4,147
2007	27,849	24,814	-1,092	-1,698	-3,958	-1,343	16,723	11,126

Note: Data source differs from previous publications.

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

Table 3: Establishment and Employment Turnover by Quarter, 2011 (Nonfarm, Thousands)

	Establishments				Employment			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Openings	9.2	10.3	9.9	10.1	32.6	44.6	36.4	42.8
Expansions	44.0	45.0	44.6	44.0	154.6	175.6	168.6	166.6
Contractions	45.4	43.9	44.9	45.1	162.1	161.6	167.4	161.9
Closings	10.2	9.3	9.7	9.1	34.8	30.0	27.9	34.0

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 2010 show that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.