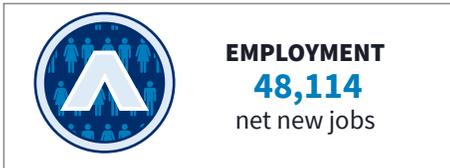


2020 Small Business Profile

New Jersey

908,209 Small Businesses
99.6% of New Jersey Businesses

1.8 million Small Business Employees
49.9% of New Jersey Employees



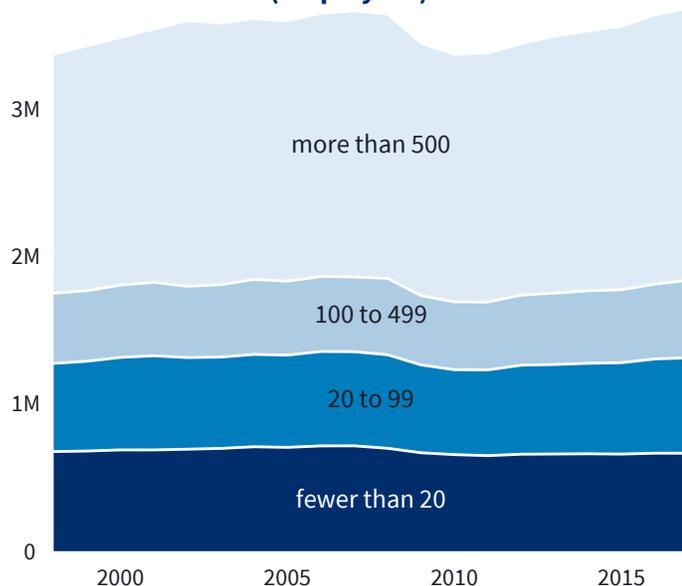
A note on COVID-19: This report uses the most up-to-date government data to present a unique snapshot of small businesses. The BLS employment estimates capture the early stages of the pandemic. All other sources reflect data collected prior to the pandemic.

Overall Economy

- In the fourth quarter of 2019, New Jersey grew at an annual rate of **0.7%**, which was slower than the overall US growth rate of **2.1%**. New Jersey's 2019 overall growth rate of **1.5%** was down from the 2018 rate of **2.2%**. (Source: [BEA](#))
- In April 2020, the unemployment rate was **15.3%**, up from **3.4%** in April 2019. This was above the April 2020 national unemployment rate of **14.7%**. (Source: [CPS](#))

Employment

Figure 1: New Jersey Employment by Business Size (Employees)



- New Jersey small businesses employed **1.8 million** people, or **49.9%** of the private workforce, in 2017. (Source: [SUSB](#))
- Firms with fewer than 20 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment decreased **21.2%** during the 12-month period ending in April 2020. This was below the increase of **1.2%** during the prior 12-month period. (Source: [CES](#))
- The number of proprietors increased in 2018 by **3.7%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **48,114** net jobs in 2019. Firms employing fewer than 20 employees experienced the largest gains, adding **32,920** net jobs. The smallest gains were in firms employing 20 to 99 employees, which added **5,911** net jobs. (Source: [BDM](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). These profiles define small businesses as firms with fewer than 500 employees. Net small business job change, self-employed minorities, and exporter share statistics are based on 2019 Business Employment Dynamics (BDM), 2018 American Community Survey (ACS), and 2018 International Trade Administration (ITA) data, respectively.

Income and Finance

- The median income for self-employed individuals at their own incorporated businesses was **\$57,770** in 2018. For self-employed individuals at their own unincorporated firms, median income was **\$32,743**. (Source: [ACS](#))
- The total number of banks decreased by **6** between June 2018 and June 2019 to **71** banks. During the same period, the number of banks with assets under \$1 billion decreased by **6** to **44** banks. (Source: [FDIC](#))
- In 2018, New Jersey lending institutions reporting under the Community Reinvestment Act issued **258,871** loans under \$100,000, a total value of **\$3.7 billion**. (Source: [FFIEC](#))

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

Self-Employment Demographics

Figure 2: New Jersey Self-Employment Rates by Gender & Demographic, 2018

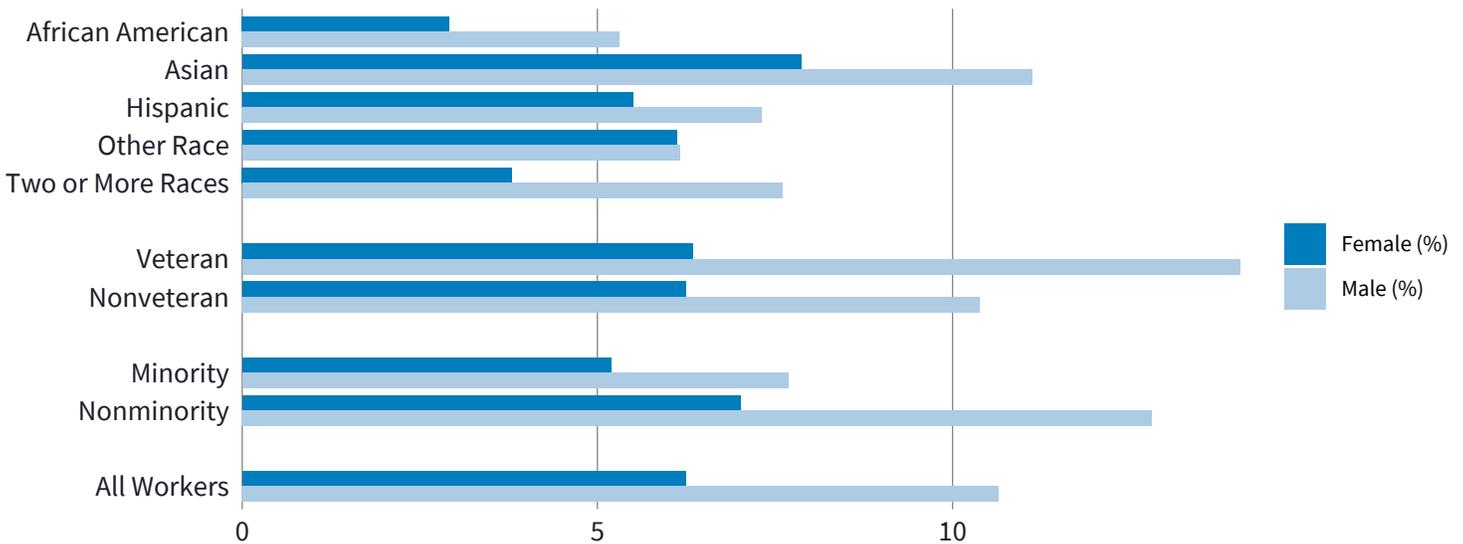
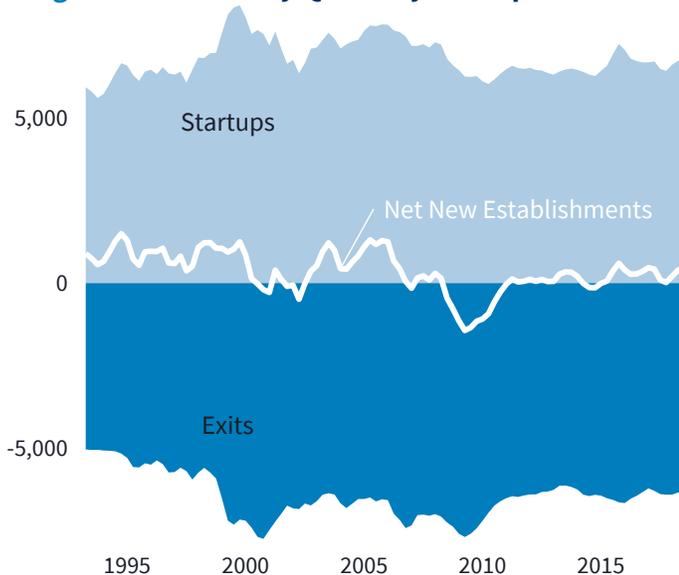


Figure 2 shows the self-employment rate for each demographic group by gender according to the 2018 American Community Survey (ACS). Other Race includes those who selected Alaska Native, American Indian, Native Hawaiian, Pacific Islander, or Some Other Race.

Turnover among Establishments with Employees

Figure 3: New Jersey Quarterly Startups and Exits



- In the fourth quarter of 2018, **6,883** establishments started up, generating **25,021** 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, **7,012** establishments exited, resulting in **24,043** 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 2018. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: [BDM](#))

The BDM data covers only business establishments with employees. BDM refers to startups as births and exits as deaths. These terms are distinct from the BDM 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 20,633 firms exported goods from New Jersey in 2018. Of these, 18,953, or 91.9%, were small firms, which generated 41.4% of New Jersey's \$31.8 billion in total exports. (Source: ITA)

Small Business Employment by Industry and Self-Employment by County

Table 1: New Jersey Employment by Industry, 2017

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Health Care and Social Assistance	291,118	598,540	48.6
Accommodation and Food Services	206,447	322,693	64.0
Professional, Scientific, and Technical Services	193,596	319,455	60.6
Retail Trade	160,033	462,415	34.6
Wholesale Trade	145,048	271,598	53.4
Other Services (except Public Administration)	141,976	156,103	91.0
Construction	138,862	157,678	88.1
Manufacturing	133,928	222,454	60.2
Administrative, Support, and Waste Management	119,287	337,135	35.4
Transportation and Warehousing	69,864	174,563	40.0
Educational Services	62,672	105,893	59.2
Finance and Insurance	48,451	193,659	25.0
Arts, Entertainment, and Recreation	47,675	65,563	72.7
Real Estate and Rental and Leasing	39,982	60,005	66.6
Information	22,120	90,309	24.5
Management of Companies and Enterprises	12,255	118,747	10.3
Utilities	1,054	20,117	5.2
Agriculture, Forestry, and Fishing and Hunting	1,048	1,078	97.2
Mining, Quarrying, and Oil and Gas Extraction	454	1,144	39.7
Industries Not Classified	294	294	100.0
Total	1,836,164	3,679,443	49.9

Figure 4: New Jersey Self-Employment Rates by County, 2018

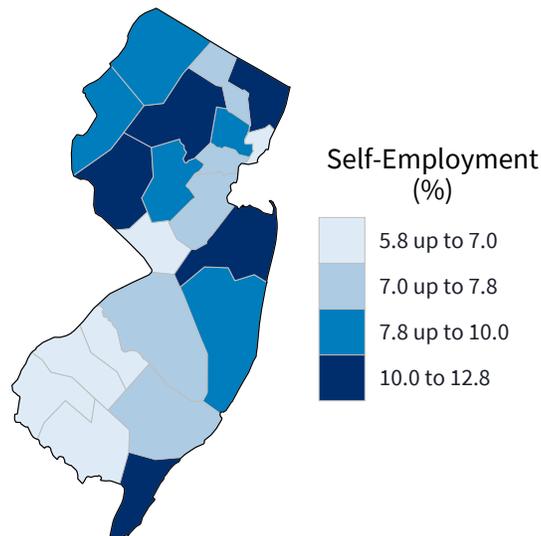


Table 2: New Jersey Small Businesses by Industry and Firm Size, 2017

Industry	1-19 Employees	1-499 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	24,172	26,549	117,492	144,041
Real Estate and Rental and Leasing	6,915	7,376	102,518	109,894
Other Services (except Public Administration)	21,525	22,951	77,616	100,567
Transportation and Warehousing	5,415	6,400	81,163	87,563
Construction	20,038	21,419	55,354	76,773
Health Care and Social Assistance	18,115	21,228	53,643	74,871
Retail Trade	19,793	21,485	51,455	72,940
Administrative, Support, and Waste Management	10,870	12,224	45,504	57,728
Arts, Entertainment, and Recreation	2,884	3,493	38,853	42,346
Accommodation and Food Services	15,444	18,364	10,790	29,154
Finance and Insurance	5,021	5,674	23,381	29,055
Educational Services	2,804	3,553	25,239	28,792
Wholesale Trade	9,735	11,817	14,107	25,924
Manufacturing	4,869	6,621	6,706	13,327
Information	1,611	1,937	10,541	12,478
Agriculture, Forestry, and Fishing and Hunting	210	223	2,063	2,286
Utilities	57	75	422	497
Mining, Quarrying, and Oil and Gas Extraction	35	46	71	117
Total	169,715	191,291	716,918	908,209

Tables 1 and 2 display data from the 2017 Statistics of U.S. Businesses (SUSB). Table 2 includes additional data from the 2017 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 2018 American Community Survey (ACS).

References

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

- ACS American Community Survey, 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
- CES Current Employment Statistics, BLS
- CPS Current Population Survey, BLS
- FDIC 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