

New Jersey

New Jersey's 779,140 small businesses provide economic opportunities to diverse groups of people and bring innovative products and services to the marketplace.* This profile from the Office of Advocacy compiles the latest facts and figures on the status and role of small business in the state. (Note that a small business is defined here as one with fewer than 500 employees.)

- New Jersey had 205,321 small employers in 2006, representing 98.5% of the state's employers and 51.1% of its private-sector employment.
- The health care and social assistance industry was the state's largest small business and overall employer in 2006 (Table 1).
- Small businesses created all of the state's net new jobs from 2004 to 2005 (Table 2).
- New Jersey's real gross state product increased by 1.1% in 2007. By comparison, growth in the Mid-Atlantic region was 2.8% and the United States, 2.0%. (Source: U.S. Dept. of Commerce: Bureau of Economic Analysis)

For Further Information

- Data on all the states and territories is available at www.sba.gov/advo/research/profiles.
- For other small business data and analysis, visit www.sba.gov/advo/research, call (202) 205-6533, or email advocacy@sba.gov.
- To learn about state efforts to adopt or implement regulatory flexibility, visit www.sba.gov/advo/laws/law_modeleg.html.
- Visit <http://web.sba.gov/list> to subscribe to listservs for Advocacy's newsletter, press releases, regulatory news and research reports.
- Visit www.sba.gov/advo/rsslibrary.html for RSS feeds.

* The number of small businesses is the number of small employers plus the number of nonemployers in 2006.

New Jersey Small Business Facts

	Level in 2006†	% Change from 2005 2000	
Number of Businesses			
Small employers (<500 employees)	205,321	-0.4	3.2
Large employers (500+ employees)	3,144	0.8	-2.6
Nonemployers	573,819	0.1	18.9
	Level in 2002†	% Change from 1997	
Business Owner Demographics			
Male-owned	435,681	10.0	
Woman-owned	185,197	19.2	
Equally male/female-owned	65,294	-26.4	
African American-owned	36,280	36.9	
Asian-owned	51,957	26.7	
Hispanic-owned	49,841	38.0	
Native American/Alaskan-owned	2,613	NA	
Hawaiian and Pacific Islander-owned	448	3.5	
	Level in 2007†	% Change from 2006 2000	
Workforce (Thousands) /Unemployment (%)			
Private-sector employment	3,426	0.1	0.6
Government employment	648	0.2	10.1
Self-employed (incorp. & uninc.)	419	-2.9	12.2
Female self-employment	123	-7.3	8.5
Male self-employment	296	-0.9	13.8
Minority self-employment	75	2.2	85.9
Veteran self-employment	29	-2.7	-32.1
Unemployment rate (%)	4.2	-0.5	0.5
Business Turnover			
Quarterly establishment openings	43,429	-3.3	-19.4
Quarterly establishment closings	41,506	-5.6	-18.3
Business bankruptcies	864	75.3	-22.9
Income and Finance			
Proprietors' income (\$billion)	35.7	1.3	41.5
Bank branches	3,351	2.2	11.3
No. of bus. loans under \$100,000	23,348	3.3	NA
Total value of business loans under \$100,000 (\$million)	681	3.1	NA

Sources: U.S. Dept. of Commerce, Bureau of the Census and Bureau of Economic Analysis; U.S. Dept. of Labor, Bureau of Labor Statistics; Administrative Office of the U.S. Courts; Federal Deposit Insurance Corporation, Summary of Deposits; and U.S. Small Business Administration, Office of Advocacy (www.sba.gov/advo/research/lending.html).

† Latest available data; certain figures are economywide.

**Table 1. Firms and Employment in New Jersey by Industry and Firm Size, 2006
(Non-farm, thousands)**

Industry	Nonemployer firms	Employer firms			Employment		
		Total	1-19 Employees	1-499 Employees	Total	1-19 Employees	1-499 Employees
Total	573.8	208.5	184.1	205.3	3,645.4	713.7	1,862.0
Forestry, etc. and agriculture support	2.2	0.2	0.2	0.2	1.1	0.6	(D)
Mining	0.1	0.1	0.1	0.1	2.4	0.2	(D)
Utilities	0.3	0.1	0.1	0.1	18.0	0.2	0.7
Construction	55.8	25.4	23.7	25.3	181.4	84.0	161.8
Manufacturing	6.3	8.9	6.2	8.5	297.0	35.5	174.5
Wholesale trade	13.7	14.8	11.9	14.2	271.2	50.1	159.7
Retail trade	43.9	26.1	23.6	25.6	461.6	89.4	182.6
Transportation and warehousing	32.7	6.5	5.2	6.2	170.7	19.3	74.4
Information	10.5	2.3	1.8	2.2	113.3	7.0	26.0
Finance and insurance	24.2	6.8	5.7	6.5	227.6	20.4	60.7
Real estate and rental and leasing	88.8	8.2	7.7	8.1	62.5	24.9	42.9
Professional, scientific, and technical svcs.	102.7	30.3	27.6	29.8	295.1	86.3	187.3
Management of companies and enterprises	--	1.0	0.1	0.5	165.2	0.4	11.2
Admin., support, waste mgt., remed. svcs.	31.4	12.2	10.5	11.8	306.2	35.9	124.3
Educational services	17.1	2.9	2.2	2.8	90.6	10.2	51.0
Health care and social assistance	46.1	21.4	18.6	21.2	494.4	92.6	258.6
Arts, entertainment, and recreation	29.1	3.4	2.9	3.4	47.2	10.5	39.7
Accommodation and food services	8.3	16.4	14.1	16.2	284.9	65.3	163.0
Other services (except public admin.)	60.6	22.9	21.3	22.7	154.2	80.2	140.8
Unclassified	--	0.9	0.9	0.9	0.7	0.7	0.7

Source: U.S. Dept. of Commerce, Bureau of the Census, Statistics of U.S. Businesses. (See www.sba.gov/advo/research/data.html 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, 2002–2005 (Non-farm)

	Total	Employment size of firm						
		1-4	5-9	10-19	20-99	100-499	<500	500+
2004 - 2005	-17,642	23,010	-132	-665	-5,643	-10,203	6,367	-24,009
2003 - 2004	33,962	34,153	9,294	3,612	7,827	5,408	60,294	-26,332
2002 - 2003	-19,767	31,931	4,540	258	894	274	37,897	-57,664

Source: U.S. Dept. of Commerce, Bureau of the Census. (For more detailed data see www.sba.gov/advo/research/data.html.)

Table 3: Establishment and Employment Turnover by Quarter, 2007 (Non-farm, thousands)

	Establishments				Employment			
	Openings	Expansions	Contractions	Closings	Openings	Expansions	Contractions	Closings
Quarter 4	10.9	47.6	50.4	9.9	44.5	184.0	181.4	37.4
Quarter 3	12.4	45.8	50.2	10.2	50.6	163.6	190.4	36.8
Quarter 2	10.5	48.5	47.8	10.3	47.3	195.4	174.4	38.6
Quarter 1	9.7	46.9	49.6	11.0	34.3	166.6	178.6	37.6

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

Note: The establishment turnover figures contain all firm sizes, but Census data from 2005 showed that 87 percent of establishment births and deaths were in firms with fewer than 500 employees.