## SMALL BUSINESSES IN 2019

In this factsheet, small businesses are defined as businesses with fewer than 20 employees.

### SMALL BUSINESSES* DOMINATE OUR INDUSTRIES

<table>
<thead>
<tr>
<th>Total Number</th>
<th>Number of Businesses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>546,732</td>
<td>0-19 employees</td>
<td>388,323</td>
</tr>
<tr>
<td></td>
<td>20+ employees</td>
<td>6,918</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>395,241</td>
</tr>
</tbody>
</table>

**Source:** Business Demography Statistics, February 2019

### 97% OF BUSINESSES HAVE FEWER THAN 20 EMPLOYEES (530,301 BUSINESSES) (See Chart 1)

### 388,323 BUSINESSES HAVE NO EMPLOYEES (See Chart 1)

### 71% OF BUSINESSES HAVE NO EMPLOYEES (See Chart 1)

### 28% OF EMPLOYEES ARE EMPLOYED BY SMALL BUSINESSES (See Chart 2)

### SMALL BUSINESSES EMPLOY 650,000 PEOPLE (See Chart 2)

### THE ‘RENTAL, HIRING & REAL ESTATE SERVICES’ INDUSTRY HAS THE HIGHEST NUMBER OF SMALL BUSINESSES. (See Chart 4)

### $52,560 WAS THE AVERAGE SALARY OF EMPLOYEES IN SMALL BUSINESSES (See Chart 3)

### $58,183 WAS THE AVERAGE SALARY OF EMPLOYEES IN SMALL BUSINESSES (See Chart 3)

**Source:** Business Demography Statistics, February 2019

### Chart 2: Number of Employees by Employee Size Group

<table>
<thead>
<tr>
<th>Employee Size Group</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 employees</td>
<td>237,000</td>
</tr>
<tr>
<td>6-19 employees</td>
<td>413,000</td>
</tr>
<tr>
<td>20-49 employees</td>
<td>313,700</td>
</tr>
<tr>
<td>50 or More Employees</td>
<td>1,321,300</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,285,000</td>
</tr>
</tbody>
</table>

**Source:** Business Demography Statistics, February 2019

### Chart 3: Average Salaries & Wages per Employee

<table>
<thead>
<tr>
<th>Employee Size Group</th>
<th>Average Salary (2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-19 employees</td>
<td>$52,560</td>
</tr>
<tr>
<td>20+ employees</td>
<td>$58,183</td>
</tr>
</tbody>
</table>

**Source:** Statistics New Zealand Annual Enterprise Survey 2019

*Small businesses are defined here as those with fewer than 20 employees. There is no official definition of a small business in New Zealand, however “businesses with fewer than 20 employees” has traditionally been used and referred to in some legislation. Australia also uses the same definition which enables comparisons to be made. Internationally there is no universally used definition for a small business: many economies use a limit higher than 20 employees.
18% of self-employed people work in the construction industry.

42% of economic value add is estimated to be produced by small businesses.

40% of all jobs created in the year ending December 2018 were in small business with 1-19 employees.

The smaller the business, the lower the survival rate.

Deaths of small businesses have been relatively stable in the last decade. Births have been more volatile, with more start-ups since 2013.

Large businesses are twice as likely to undertake research & development.

The number of zero-employee businesses has increased in the last years while the number of employing businesses has been stable.

Construction: 75,717
Professional, scientific & technical services: 59,943
Agriculture, forestry & fishing: 45,969
Rental, hiring & real estate: 28,896
Retail trade: 24,378
All others: 191,088

Chart 5: Self-Employed by Industry

Chart 6: Economic Value Add by Business Size

Chart 7: Annual Job Creation by Employing Businesses

Chart 8: Average Business Survival Rates by Size

Chart 9: Births and Deaths of Employing Small Business

Chart 10: Percentage of Businesses Undertaking Research & Development by Size

Chart 11: Number of Businesses by Size 2010-2019

Source: Linked Employee-Employer Data, 2018

Data source: Annual Enterprise Survey, 2019

Note: R&D data isn’t available for businesses with 0-5 employees.