



SMALL BUSINESSES IN 2021

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



→ SMALL BUSINESSES * DOMINATE OUR INDUSTRIES

97%

OF BUSINESSES HAVE FEWER THAN 20 EMPLOYEES (546,123 BUSINESSES)
(See Chart 1)

400,488

BUSINESSES HAVE NO EMPLOYEES
(See Chart 1)

71%

OF BUSINESSES HAVE NO EMPLOYEES
(See Chart 1)

29.3%

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

679,000

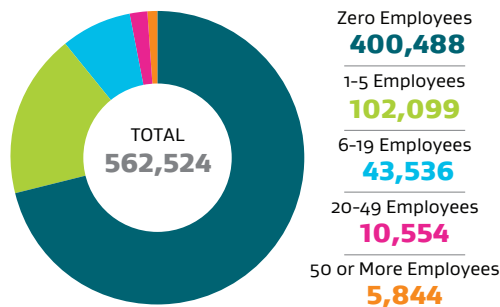
PEOPLE
(See Chart 2)

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

\$54,602

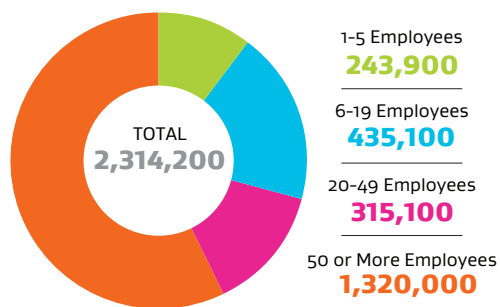
WAS THE AVERAGE SALARY OF EMPLOYEES IN SMALL BUSINESSES IN 2020
(See Chart 3)

Chart 1: Number of Businesses by Employee Size Group



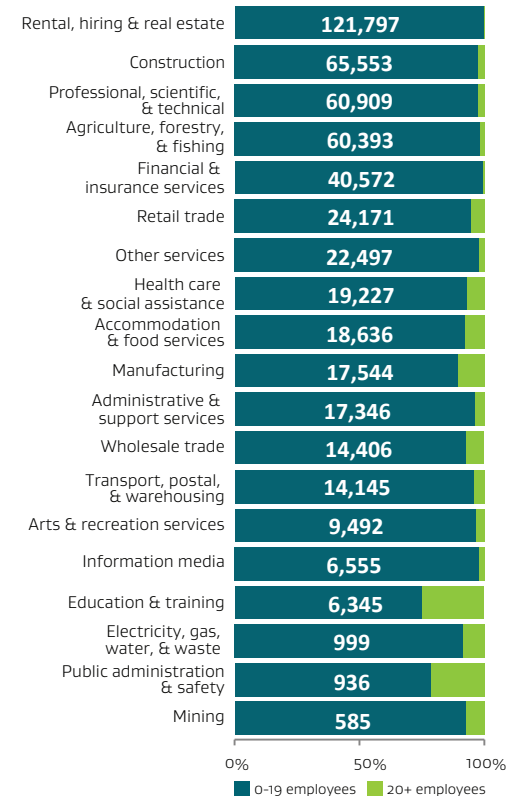
Source: Business Demography Statistics, February 2021

Chart 2: Number of Employees by Employee Size Group



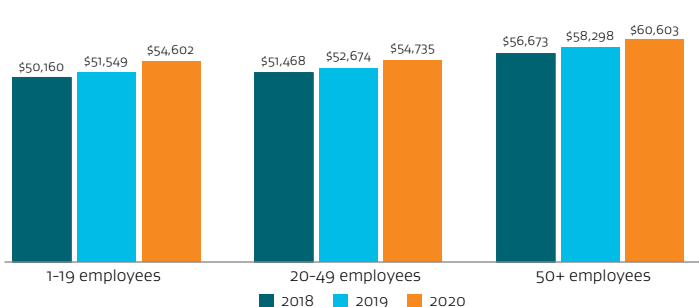
Source: Business Demography Statistics, February 2021

Chart 4: Number and Percentage of Small Businesses by Industry



Source: Business Demography Statistics, February 2021

Chart 3: Average Salaries & Wages per Employee



Source: Statistics New Zealand Annual Enterprise Survey 2020

*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
(See Chart 5)

41%

OF ECONOMIC VALUE ADD IS ESTIMATED TO BE PRODUCED BY SMALL BUSINESSES
(See Chart 6)

45%

OF ALL JOBS CREATED IN THE YEAR ENDING DECEMBER 2020 WERE IN SMALL BUSINESSES WITH 1-19 EMPLOYEES
(See Chart 7)

THE SMALLER THE BUSINESS, THE LOWER THE SURVIVAL RATE
(See Chart 8)

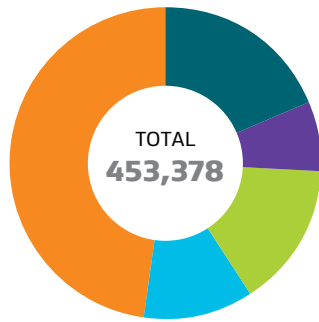
DEATHS OF SMALL BUSINESSES HAVE BEEN RELATIVELY STABLE IN THE LAST DECADE. BIRTHS HAVE BEEN MORE VOLATILE, WITH MORE START-UPS SINCE 2013
(See Chart 9)

62%

OF BUSINESSES HAVE THEIR OWN WEBSITE
(See Better for Business Digital Index research, 2021)

THE NUMBER OF ZERO-EMPLOYEE BUSINESSES HAS INCREASED SIGNIFICANTLY OVER THE PAST DECADE WHILE THE NUMBER OF EMPLOYING BUSINESSES HAS INCREASED SLIGHTLY
(See Chart 11)

Chart 5: Self-Employed by Industry



Source: Linked Employee-Employer Data, 2020

Construction

80,220

Professional, scientific & technical services

64,314

Agriculture, forestry & fishing

47,304

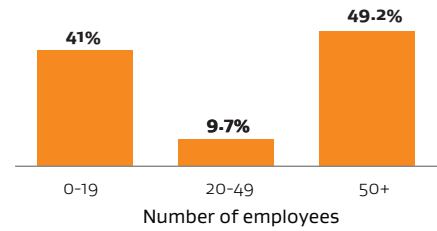
Rental, hiring & real estate

29,580

All others

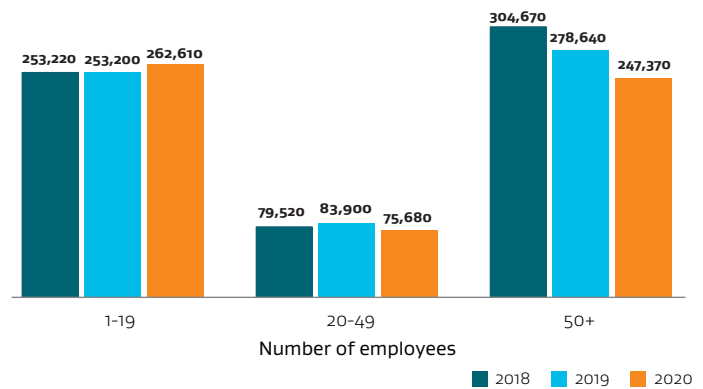
231,960

Chart 6: Economic Value Add by Business Size



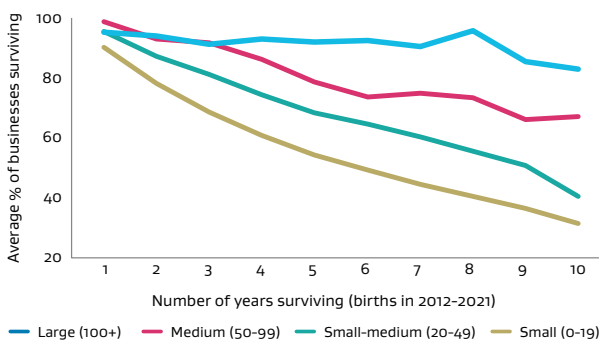
Data source: Annual Enterprise Survey 2020

Chart 7: Annual Job Creation by Employing Businesses



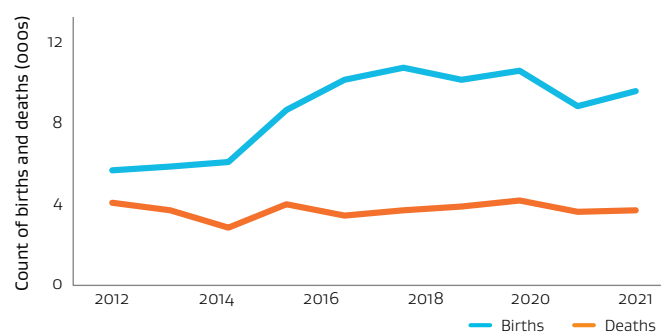
Source: Linked Employee-Employer Data, 2020

Chart 8: Average Business Survival Rates by Size



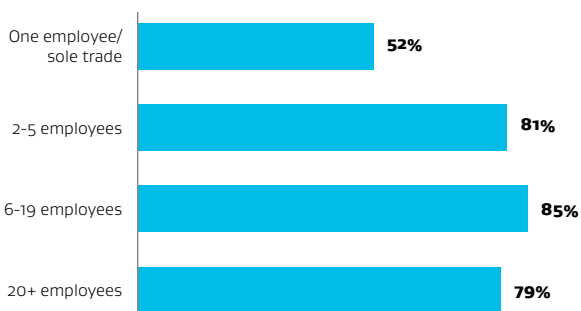
Source: Business Demography Statistics, February 2021

Chart 9: Births and Deaths of Employing Small Businesses



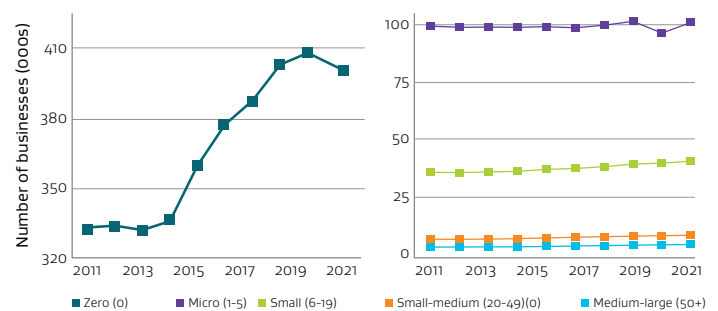
Source: Business Demography Statistics, February 2021

Chart 10: Cloud Accounting Usage by Business Size



Source: Better for Business Digital Index research, 2021.

Chart 11: Number of Businesses by Size 2011-2021



Source: Business Demography Statistics, February 2021