

Regional Focus: North Jersey

Data and analysis for the Bergen-Hudson-Passaic and Newark-Union labor areas

North Jersey Payrolls Expand

Over the last year from June 2011 to June 2012, total nonfarm employment in the Northern Region, consisting of Bergen, Hudson, Passaic, Essex, Hunterdon, Morris, Sussex, and Union counties, increased by 23,000 jobs to reach a not seasonally adjusted level of 1,879,200. This gain comes after four years of decline over the June-to-June period. The region's employment increased by 1.2 percent from June 2011 to June 2012, which was slightly less than the statewide employment increase of 1.4 percent.

Regional employment advanced in all sectors except construction (-1,700 or -2.8%), information (-2,100 or -5.7%), and government (-3,000 or -1.1%). Professional and business services experienced the most significant job growth (+7,000 or +2.3%) followed by trade, transportation and utilities (+6,900 or +1.7%). Professional, scientific, and technical services accounted for a majority of the gain in the professional and business services sector (+6,700 or +5.0%). Other industries that experienced job growth during the period were leisure and hospitality (+6,200), educational and health services (+3,800), manufacturing (+2,800), other services (+2,500), and financial services (+600). Accommodation and food services accounted for nearly half of the job gain in leisure and hospitality (+2,700 or +2.3%).

Newark-Union Labor Area the Regional Job Growth Leader

Over the year, employment advanced in both of the region's labor areas. Employment in the Newark-Union Labor Area increased by 15,400 or 1.6 percent to total 990,900 nonfarm jobs in June 2012. Payrolls in the Bergen-Hudson-Passaic (BHP) Labor Area were up by 7,600 jobs or 0.9 percent since June 2011 reaching 888,300 in June 2012. The Northern Region, which is made up of two of the state's largest labor areas, accounts for nearly half of all statewide employment (47.2%). The Newark-Union and BHP labor areas rank second and third, respectively, behind only the Edison Labor Area (Central Region, 1,007,300 jobs in June 2012).

In the BHP Labor Area, professional and business services (+4,700 or +3.4%) and manufacturing (+2,700 or +4.4%) experienced the largest job gains. Professional, scientific, and technical services account for nearly 70 percent of the job gains seen in professional and business services (+3,300 or +6.0%). The greatest loss occurred in government (-2,100 or -1.8%). Financial activities (-1,700 or



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Change in Nonfarm Employment June 2011 - June 2012 (not seasonally adjusted)				
	Region		State	
	Net	%	Net	%
Total Nonfarm Employment	23,000	1.2	54,500	1.4
Private Sector	26,000	1.6	49,200	1.5
Construction	-1,700	-2.8	-5,300	-3.9
Manufacturing	2,800	2.2	-5,000	-2.0
Trade, Trans. & Utilities	6,900	1.7	7,100	0.9
Information	-2,100	-5.7	-8,600	-11.1
Financial Activities	600	0.4	-700	-0.3
Prof. & Business Svcs.	7,000	2.3	9,900	1.6
Ed. & Health Svcs.	3,800	1.3	25,800	4.2
Leisure & Hospitality	6,200	4.4	18,300	5.0
Other Services	2,500	3.2	7,700	4.6
Government	-3,000	-1.1	5,300	0.8

Source: NJLWD, Current Employment Statistics

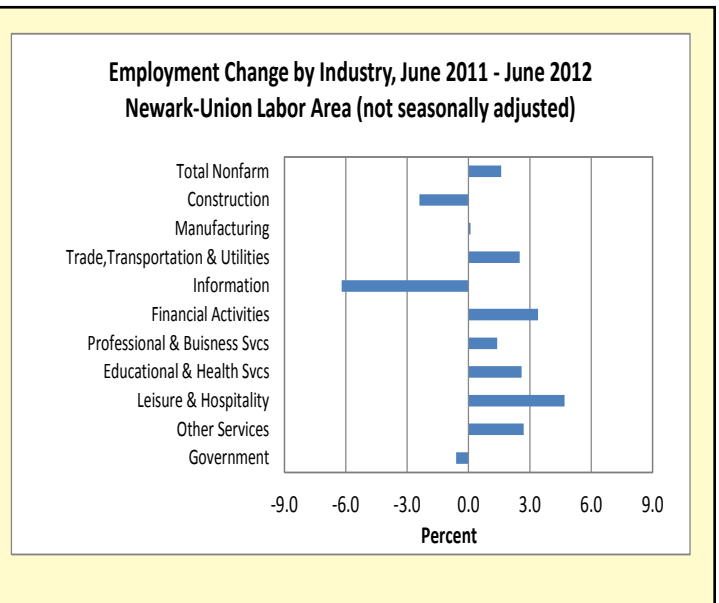
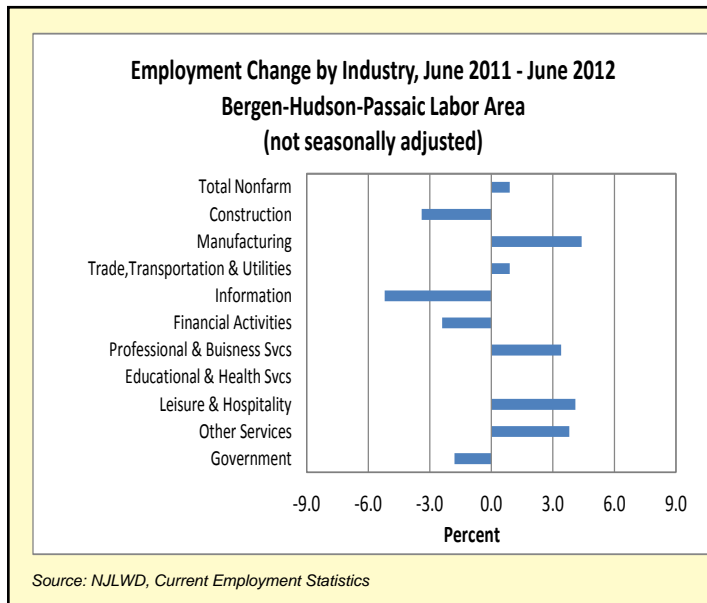
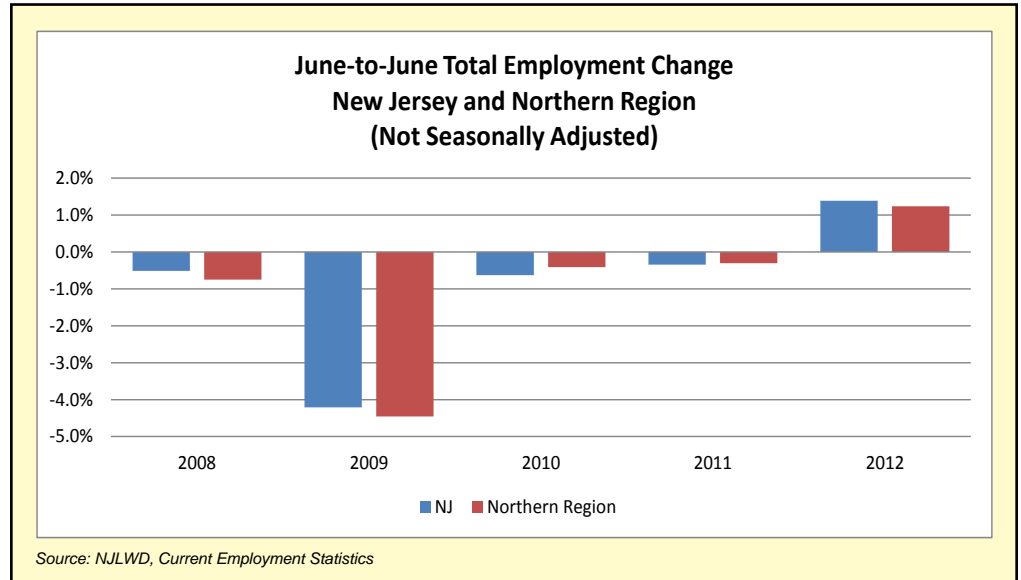


-2.4%), information (-1,000 or -5.2%), and construction (-900 or -3.4%) also shed employment from the same month a year ago. Nearly all of the employment loss in the financial activities sector occurred in the finance and insurance industry (-1,800 or -3.2%).

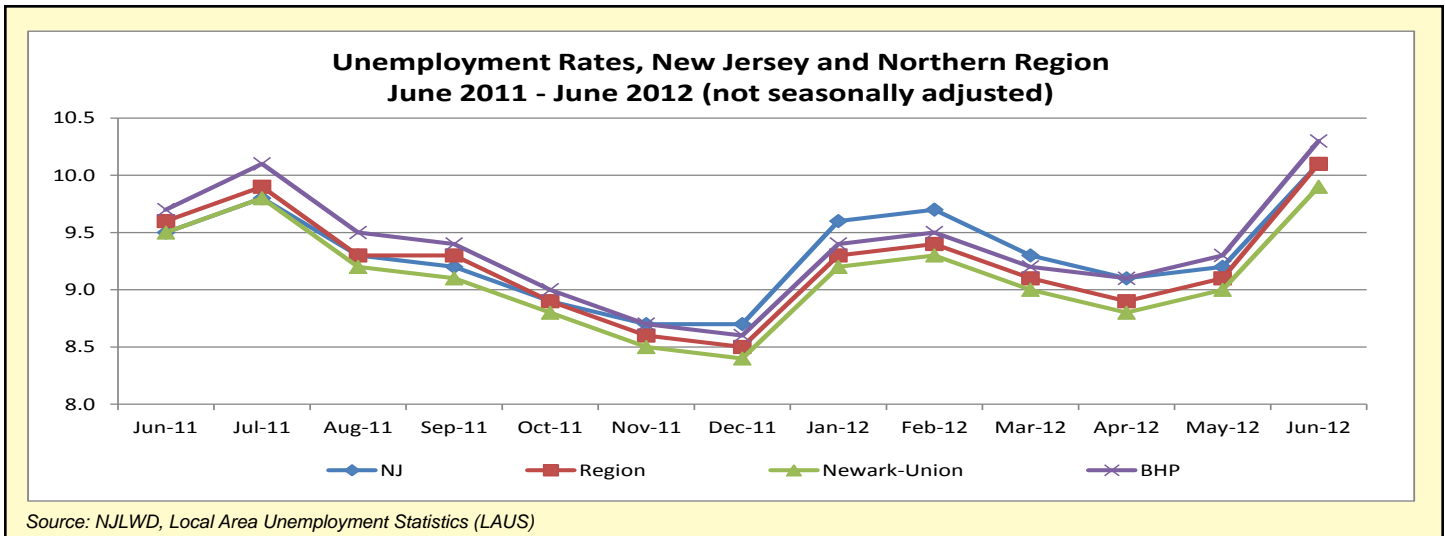
In the Newark-Union Labor Area, which consists of Morris, Essex, Union, Sussex, and Hunterdon counties, the greatest employment growth occurred in trade, transportation and utilities (+5,000 or +2.5%) and education and health services (+3,800 or +2.6%). Health care and social assistance accounted for 84 percent of the job gain in health services (+3,200 or +2.6%). Information experienced the greatest loss of jobs (-1,100 or -6.2%) in the labor area followed by government (-900 or -0.6%) and construction (-800 or -2.4%). Payroll losses in telecommunications (-6,400) accounted for the majority of the decline in the information sector.

Total Nonfarm Employment (unadjusted June data, employment in thousands)						
	2007	2008	2009	2010	2011	2012
New Jersey	4,159.6	4,138.3	3,964.0	3,939.2	3,925.7	3,980.2
Northern Region	1,971.6	1,956.8	1,869.6	1,861.9	1,856.2	1,879.2
Bergen-Hudson-Passaic Labor Area (Bergen, Hudson and Passaic counties)	918.7	911.4	875.2	877.6	880.7	888.3
Newark-Union Labor Area (Essex, Hunterdon, Morris, Sussex and Union counties)	1,052.9	1,045.4	994.4	984.3	975.5	990.9

Source: NJLWD, Current Employment Statistics



More detailed data from the Current Employment Statistics (CES) program can be found at: http://lwd.dol.state.nj.us/labor/lpa/employ/ces/ces_index.html



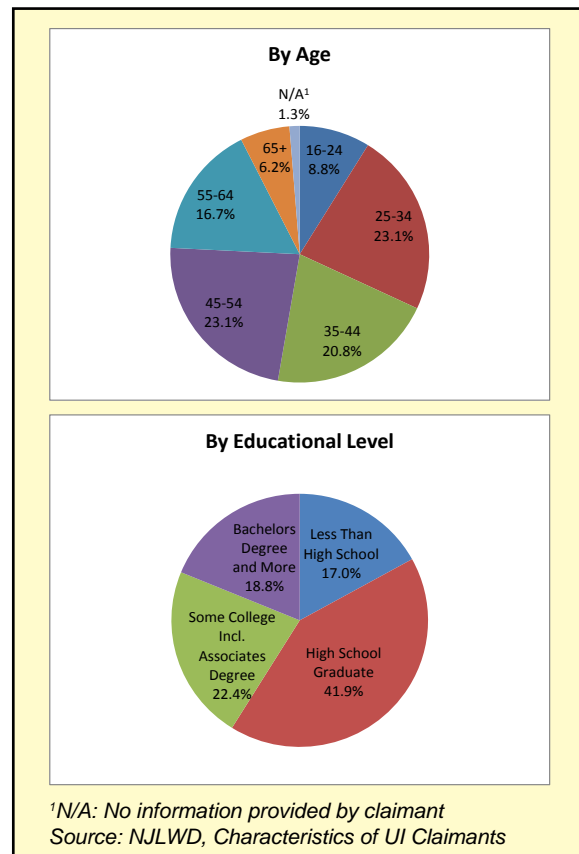
- In June 2012, the not seasonally adjusted unemployment rate for the Northern Region and the state were equal at 10.1 percent. Over the year, the region's unemployment rate changed from a low of 8.5 percent in December 2011 to a high of 10.1 percent in June 2012.
- The region's labor force accounts for nearly half of the state's labor force (46.2%). The number of labor force participants is slightly higher in the Newark-Union Labor Area (1,089,200 or 50.9% of regional labor force) than in the Bergen-Hudson-Passaic (1,051,700 or 49.1% of regional labor force) labor area.

More detailed data from the Local Area Unemployment Statistics (LAUS) program can be found at:
http://lwd.dol.state.nj.us/labor/lpa/employ/uirate/lfest_index.html

CHARACTERISTICS OF NEW JERSEY'S INSURED UNEMPLOYED NORTHERN REGION SECOND QUARTER 2012

CLAIMANTS BY OCCUPATIONAL GROUP		
	Number	Percent
Management	14,360	8.6
Business and Financial	5,150	3.1
Professional and Related	19,154	11.5
Services	26,872	16.1
Sales and Related	13,849	8.3
Office and Administrative Support	29,671	17.8
Farming, Fishing and Forestry	544	0.3
Construction and Extraction	12,592	7.6
Installation, Maintenance and Repair	6,067	3.6
Production	16,861	10.1
Transportation and Material Moving	20,204	12.1
Military	892	0.5

- The majority of the Northern Region's residents who collected unemployment insurance benefits during the second quarter of 2012 were previously employed in the office and administrative support (17.8%) and services (16.1%) occupational groups.
- More than half (58.8%) of the claimants in the region had no further education beyond high school.



Financial Services in Northern New Jersey

Northern New Jersey continues to draw finance and insurance employers to the region. With its close proximity to Manhattan, Hudson County is an attractive location for banks that are looking to expand in the New York area, without paying for New York real estate. Within the last couple of months alone, Jersey City has added the presence of two major banks.

Fidelity Investments expanded its Jersey City location by opening new offices along the waterfront and bringing in 600 workers, most of which were relocated from New York. The firm is a major player in the industry, managing approximately \$1.6 million in assets as of last quarter. Roughly 240 new jobs are said to be included in the number of workers brought in.

The Bank of Tokyo-Mitsubishi UFJ, Ltd. has also expanded operations in Jersey City's Harborside Financial Center, signing a long-term lease extension and adding over 100,000-sq.ft. of new space to its offices already located there. The multinational firm will be adding between 400 and 500 employees to the Harborside location, many of them coming from Japan.

New Jersey Still a Key Player in the Pharmaceutical Industry

New Jersey, often referred to as the "Medicine Chest of the Nation" has seen its pharmaceutical sector involved in several mergers and acquisitions over the past few years. This has included major companies — such as Hunterdon County based-Merck & Co. with Union County based-Schering-Plough, and California based-Genentech with Essex County based-Roche. Many of these reorganizations, such as Roche (which announced in July

2012 that it is shutting the Nutley location causing the loss of over 1,000 jobs) are still having a negative impact on this sector's employment. This has also led to the perception that New Jersey may be losing its importance within the industry. However, while the restructurings have caused some employment loss, pharmaceutical-related establishments are still growing in the Garden State. In fact, between 2007 and 2011, the number of pharmaceutical establishments has grown twice as fast statewide (+14.0%) than nationally (+6.5%). While over this period establishments grew in Northern New Jersey (+4.7%), growth was particularly strong in the Newark-Union Labor Area (9.3%). Some recent projects include:

- Switzerland-based Ferring Pharmaceuticals purchased a 25-acre site in Parsippany-Troy Hills (Morris County) in order to expand its U.S. operations center. The expansion is expected to generate jobs for management, administration and support, commercial operations, manufacturing and product development positions.
- Amneal Pharmaceuticals, a producer of generic pharmaceuticals, recently leased over 70,000-sq.ft. of space in East Hanover (Morris County) to accommodate expansion plans. Like many other pharma firms, Amneal attributes New Jersey's skilled workforce and collaboration with the state's institutions of higher education towards its success.
- Thorlabs recently opened a new 120,000-sq.ft. facility in Newton (Sussex County). The company also intends to expand another facility, its 40,000-sq.ft. machine shop, which is located in Andover Township (Sussex County) in the future.

Intercensal Population Estimates for New Jersey and the Southern Region: 2010 to 2011				
	Population		Change	
	2010	2011	Number	Percent
New Jersey	8,791,894	8,821,155	29,261	0.3%
Northern Region	4,239,658	4,258,736	19,078	0.4%

Source: U.S. Census Bureau, Population Division

Intercensal population estimates reconcile the postcensal estimates (2000-based estimates, prepared prior to the 2010 Census) with the 2010 Census counts and provide a consistent time series of population estimates that reflect the most recent census results. Detailed intercensal population data can be found at: http://lwd.dol.state.nj.us/labor/lpa/dmograph/est/est_index.html

ren, Sussex and Hunterdon counties) declined from 2010 to 2011. Hudson County's population increase was the highest both numerically (6,958) and on a percentage basis (1.1%) in the state in 2011. Hudson County's population was bolstered by a 6,373 increase in net international migration. With 911,000 estimated residents in 2011, Bergen County was the state's most populous county accounting for 10.3 percent of the total population statewide.

- Over forty-eight percent of the state's residents lived in the nine-county Northern Region in 2011, according to the U.S. Census Bureau's 2011 intercensal population estimates. The region's over-the-year population gain of 19,078 represented 65.2 percent of the statewide increase. The region's gain was due entirely to a natural increment (births minus deaths) increase as more residents migrated out of the region than into.
- Of the nine counties in the Northern Region, the six northeastern counties experienced a population increase while the three northwestern counties (War-