

# Regional Focus: North Jersey

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

## Employment Growth Continues in Northern Region

From December 2011 to December 2012, total nonfarm employment in the Northern Region, consisting of the Bergen-Hudson-Passaic and Newark-Union labor areas, increased by 23,100 jobs to reach a not seasonally adjusted level of 1,891,100. The region's employment increased at a slower pace than the state (1.2% vs. 1.7%, respectively) over the year. This year marked the second consecutive year of December-to-December payroll advances in the region after three years of recessionary decline.

Regional employment advanced in all sectors, except information (remained unchanged), manufacturing (-500 or -0.4%), and government (-1,900 or -0.7%). Professional and business services was the region's job growth leader (+6,200 jobs or +2.0%) followed by other services (+4,800 or +6.2%). Administrative and support and waste management and remediation services accounted for nearly 90 percent of the gain in the professional and business services sector (+6,200 or +5.0%). Other industries that experienced job growth over the year were trade, transportation and utilities (+4,800 jobs or 1.2%), educational and health services (+3,400 or +1.2%), financial activities (+3,100 jobs or +2.3%), leisure and hospitality (+2,900 or +2.2%), and construction (+300 or 0.5%). In financial activities, 74.1 percent of the job growth occurred in the finance and insurance component (+2,300 jobs or +2.1%). More than half of the gain in the trade, transportation and utilities industry sector can be attributed to hiring in retail trade (+2,600 jobs).

## Newark-Union Labor Area the Regional Job Growth Leader

Jobholding advanced in both of the region's labor areas from the same month a year ago. Total nonfarm employment in the Newark-Union Labor Area increased by 9,900 or 1.0 percent to total 991,800 in December 2012. Payrolls in the Bergen-Hudson-Passaic

(BHP) Labor Area were up by 13,200 or 1.5 percent since December 2011 reaching 899,300 in December 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 (47.6%).

In the BHP Labor Area, professional and business services (+4,100 or +2.9%), trade, transportation and utilities (+3,700 or +1.8%), and other services (+2,700 or +8.1%) experienced the largest payroll gains. Hiring in professional, scientific, and technical services accounted



Change in Nonfarm Employment December 2011 - December 2012 (not seasonally adjusted)				
	Region		State	
	Net	%	Net	%
Total Nonfarm Employment	23,100	1.2	65,900	1.7
Private Sector	25,000	1.6	57,800	1.8
Construction	300	0.5	-1,200	-0.9
Manufacturing	-500	-0.4	-300	-0.1
Trade, Trans. & Utilities	4,800	1.2	10,100	1.2
Information	0	0.0	-1,100	-1.4
Financial Activities	3,100	2.3	3,400	1.4
Prof. & Business Svcs.	6,200	2.0	20,200	3.3
Ed. & Health Svcs.	3,400	1.2	15,600	2.5
Leisure & Hospitality	2,900	2.2	5,700	1.7
Other Services	4,800	6.2	5,500	3.4
Government	-1,900	-0.7	8,100	1.3

Source: NJLWD, Current Employment Statistics

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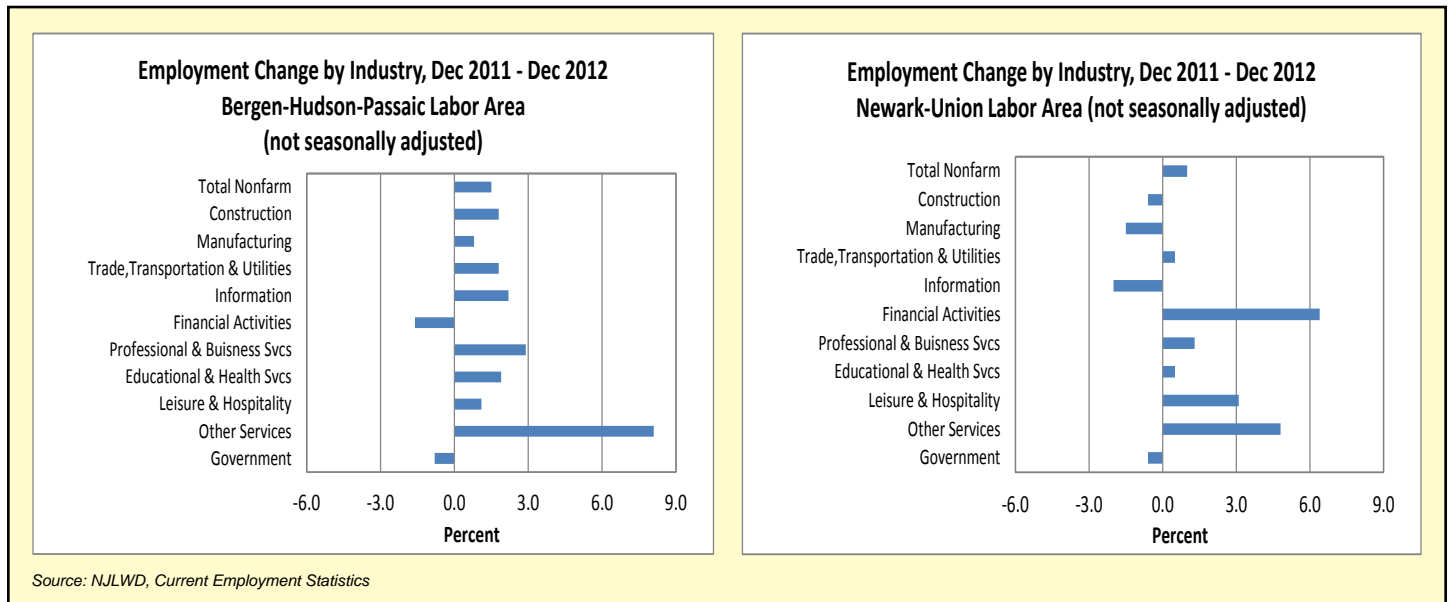
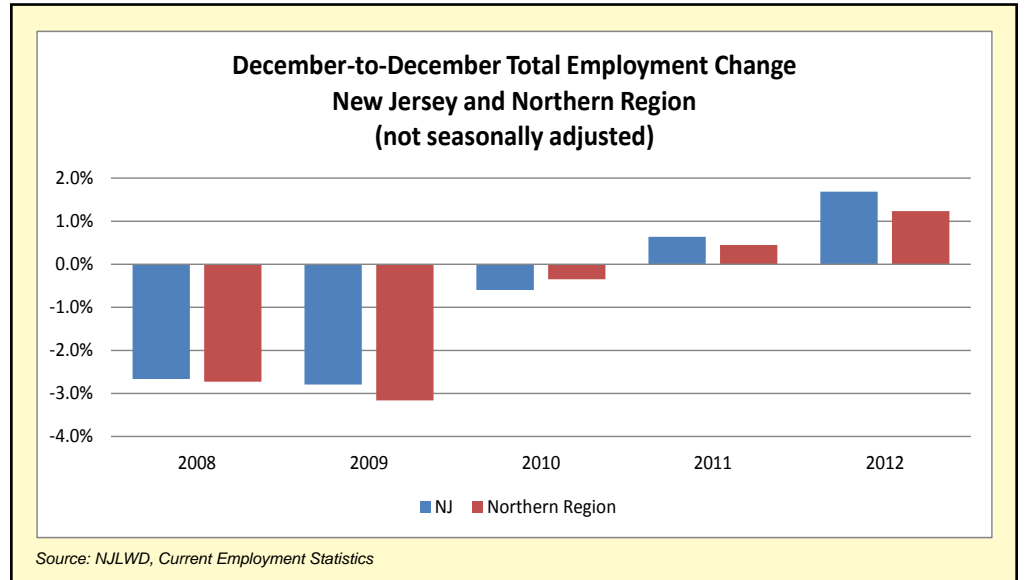


for approximately 64 percent of the employment growth in professional and business services (+2,600 or +4.6%). Retail trade was responsible for nearly half of the employment growth in trade, transportation and utilities (+1,700 or 1.6%). The government (-1,000 or -0.8%) and financial activities (-1,100 or -1.6%) sectors shed employment.

In the Newark-Union Labor Area, financial activities added the most jobs from the same month a year ago (+4,200 jobs or +6.4%). Leisure and hospitality (+2,200 or +3.1%), other services (+2,100 or +4.8%), professional and business services (+2,100 or 1.3%), trade, transportation and utilities (+1,100 or +0.5%), and educational and health services (+700 or +0.5%) were the other major industry sectors that experienced payroll expansion. Within the labor area, manufacturing experienced the largest decline in employment (-1,000 jobs or -1.5%). Non-durable goods manufacturing lost 1,000 jobs, while durable goods manufacturing was unchanged. Government (-900 jobs or -0.6%), information (-400 or -2.0%) and construction (-200 or -0.6%) also shed employment over the period.

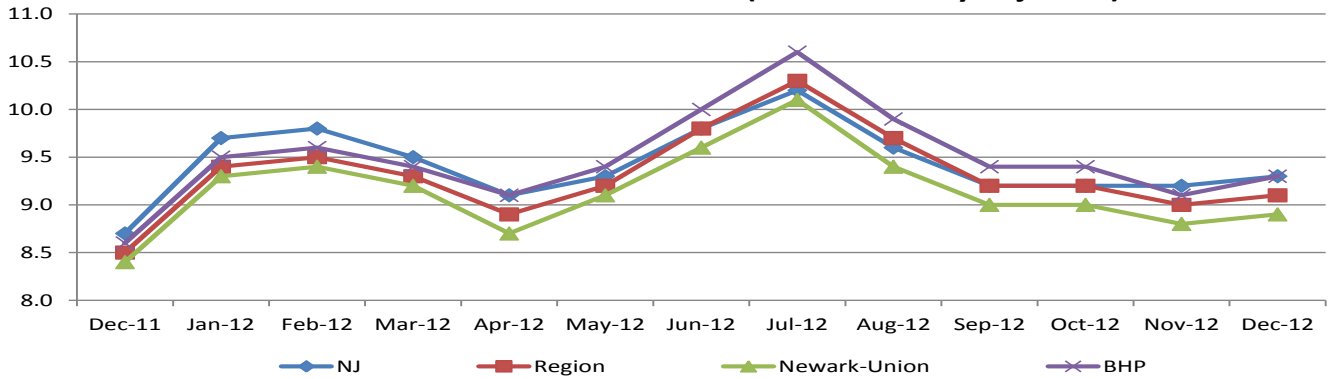
Total Nonfarm Employment (unadjusted December data, employment in thousands)						
	2007	2008	2009	2010	2011	2012
New Jersey	4,125.2	4,015.3	3,903.1	3,879.9	3,904.7	3,970.6
Northern Region	1,981.1	1,927.1	1,866.2	1,859.7	1,868.0	1,891.1
Bergen-Hudson-Passaic Labor Area (Bergen, Hudson and Passaic counties)	928.5	906.1	877.5	882.3	886.1	899.3
Newark-Union Labor Area (Essex, Hunterdon, Morris, Sussex and Union counties)	1,052.6	1,021.0	988.7	977.4	981.9	991.8

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/employment/ces/ces\\_index.html](http://lwd.dol.state.nj.us/labor/lpa/employment/ces/ces_index.html)

**Unemployment Rates, New Jersey and Northern Region  
 December 2011 - December 2012 (not seasonally adjusted)**



Source: NJLWD, Local Area Unemployment Statistics (LAUS)

- In December 2012, the not seasonally adjusted unemployment rate for the Northern Region was slightly lower than the rate for the state as a whole (9.1% vs. 9.3%, respectively). Over the year, the region's unemployment rate ranged from a low of 8.9 percent in April 2012 to a high of 10.3 percent in July of 2012.
- The region's labor force accounts for nearly half of the state's labor force (46.4%). The number of labor force participants is slightly higher in the Newark-Union Labor Area (1,091,000 or 50.7% of the region's labor force) than in the Bergen-Hudson-Passaic (1,060,900 or 49.3% of the region's 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](http://lwd.dol.state.nj.us/labor/lpa/employ/uirate/lfest_index.html)

**CHARACTERISTICS OF NEW JERSEY'S INSURED UNEMPLOYED  
 NORTHERN REGION, FOURTH QUARTER 2012**

CLAIMANTS BY OCCUPATIONAL GROUP		
	Number	Percent
Management	13,280	8.2
Business and Financial	4,857	3.0
Professional and Related	18,811	11.6
Services	26,276	16.2
Sales and Related	12,474	7.7
Office and Administrative Support	27,938	17.2
Farming, Fishing and Forestry	486	0.3
Construction and Extraction	10,794	6.7
Installation, Maintenance and Repair	6,172	3.8
Production	19,654	12.1
Transportation and Material Moving	20,492	12.6
Military	805	0.5

CLAIMANTS BY COUNTY		
	Number	Percent
Bergen	25,118	15.5%
Essex	33,820	20.8%
Hudson	24,520	15.1%
Hunterdon	4,557	2.8%
Morris	14,720	9.1%
Passaic	25,064	15.4%
Sussex	6,501	4.0%
Union	22,473	13.8%
Warren	5,530	3.4%

Source: NJLWD, Characteristics of UI Claimants

- The majority of the Northern Region's residents who claimed unemployment insurance benefits during the fourth quarter of 2012 were previously employed in the office and administrative support (17.2%) and services (16.2%) occupational groups.
- Essex County residents filing for unemployment insurance residents accounted for one-fifth of the region's claimants. The county's claimants accounted for 9.2 percent of all claimants statewide during the fourth quarter of 2012.

## Financial Firms Continue Migration to Hudson County

Since the summer of 2012, Jersey City experienced several positive developments in the financial activities sector. Fidelity Investments and the Bank of Tokyo-Mitsubishi expanded their presence in the region. Depository Trust and Clearing Corporation moved workers across the river from New York City. Financial services firms are seeking more cost efficient options which Hudson County offers in addition to being in close proximity with existing Manhattan firms.

Fidelity Investments, which has had a presence in Jersey City's Harborside Financial Center since 2002, moved to a larger office space within the city to accommodate the relocation of 240 workers (mostly from New York); the company now employs approximately 600 at the new location.

The Bank of Tokyo-Mitsubishi, also in Harborside Financial Center, added more than 100,000-sq.ft. of office space to their footprint as part of an expansion lease. The bank intends to add between 400 and 500 new employees at the facility, many of them coming from Japan.

The Depository Trust and Clearing Corporation (DTCC) had already planned to move a large part of their nearly 2,000-person Northeast workforce from lower Manhattan to the Newport Office Center in Jersey City beginning in early 2013; however, Superstorm Sandy expedited the process when it damaged DTCC's headquarters.

## Regional Developments

New commercial developments and redevelopment projects in the Northern Region have been attracting new firms in addition to providing area com-

panies room to grow. In Hoboken (Hudson County), work on the final phase of the The Waterfront Corporate Center III is underway. Many well-known companies are already tenants at the center, such as Marsh & McLennan, John Wiley & Sons, Sumitomo Trust & Banking and Mizuho Securities. Work on the last phase is expected to create more than 600 construction jobs. One future tenant who has committed to a lease is Pearson, a publishing company that will be relocating about 900 employees from Upper Saddle River and Old Tappan (Bergen County) in 2014.

A former brownfield site located in Jersey City (Hudson County), is being transformed into a build-to-suit distribution center. Construction of the Pulaski Distribution Center is expected to create over 600 jobs. Future tenants include Peapod (Online grocer) and Imperial Bag are expected to create 770 new permanent jobs and retain over 450 jobs.

Numerous technology related companies have been attracted to The University Heights Science Park, a collaborative venture located in Newark (Essex County) supported by nearby educational institutions (University of Medicine and Dentistry of New Jersey, Rutgers-Newark, NJIT and Essex County College) and government and private industries. One recent client includes Biotrial S.A., a clinical research organization, which plans to build its North American headquarters here creating 100 jobs. Building, is expected to begin in early 2013, could create 150-200 construction jobs.

## Transportation Firm Adds Jobs

Swissport USA, a ground services company located at Newark Liberty International Airport, is currently looking to hire 1,000 workers for a new cargo and baggage handling operation.

Northern Region Counties, 2010-2020 Projected Nonfarm Employment Change					
	2010 Jobs	2020 Jobs	Change: 2010-2020		
			Number	Percent	
				Total	Annual
New Jersey	3,850,800	4,160,100	309,300	8.0	0.8
Bergen	444,600	480,100	35,500	8.0	0.8
Essex	357,700	375,200	17,500	4.9	0.5
Hudson	240,750	260,300	19,550	8.1	0.8
Hunterdon	48,550	51,850	3,300	6.8	0.7
Morris	283,600	308,400	24,800	8.7	0.8
Passaic	177,450	187,950	10,500	5.9	0.6
Sussex	39,700	43,450	3,750	9.4	0.9
Union	231,350	239,500	8,150	3.5	0.3
Warren	36,650	38,800	2,150	5.9	0.6

- The recently released 2010-2020 industry and occupational employment projections for the State of New Jersey were developed by the New Jersey Department of Labor and Workforce Development, Division of Labor Market and Demographic Research, as part of the Division's economic and demographic projections series. The projections are neither predictions nor forecasts. For more detailed projections data, click [here: http://lwd.dol.state.nj.us/lpa/employ/indoccpj/indoccpj\\_index.html](http://lwd.dol.state.nj.us/lpa/employ/indoccpj/indoccpj_index.html).