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Fact Sheet: Changing New Jersey's Negative Business Climate

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Between December 2006 and December 2009, New Jersey Lost More Than 224,000 Private Sector Jobs

- This represented a 6.5% decline in New Jersey's private sector workforce*
- Between December 2006 and December 2009, New Jersey Lost More Than 224,000 Private Sector Jobs
- New York experienced a 3.2% decline during the same period*

New Jersey's Unemployment Rate Averaged 9.2% In 2009, Higher Than PA and NY

- Pennsylvania's unemployment rate averaged 8.4% in 2009*
- New York's unemployment rate averaged 8.1% in 2009*

In February 2010 New Jersey's Unemployment Rate Of 9.8% Remained Higher Than The National Average

- Pennsylvania's unemployment rate averaged 8.4% in 2009*
- New York's unemployment rate in February 2010 was 8.8%*

More Than \$70 Billion In Wealth Left New Jersey Between 2004 And 2008

- According to a report released by the Center on Wealth and Philanthropy at Boston College, New Jersey lost \$70 billion in wealth due to the capital flight of affluent households between 2004 and 2008.
- The report found wealthy households in New Jersey were leaving for other states — mainly Florida, Pennsylvania and New York — at a faster rate than they were being replaced.
- Findings from the Boston College report show that about 302,780 households left New Jersey between 2004 and 2008, only slightly lower than the 323,350 households that moved into the state.
- The average net worth of the departing households was about 70 percent higher, at \$618,330. (Star Ledger, Feb 2010)

New Jersey Has One of the Worst State Business Tax and Growth Climates

- According to a National Tax Foundation Report, New Jersey had some of worst tax rankings in the country: 41st in Corporate Tax Index; 47th in individual Income Tax; 38th in Sales Tax; 25th in Unemployment Tax and 50th in Property Taxes. (National Tax Foundation, Sept. 2009)
- New Jersey ranked 45th in Forbes Best States for Business — ranking 49th for business costs; 20th in Labor costs; 47th in regulatory environment; 44th in economic climate; 24th in growth prospects and 5th in quality of life. (Forbes, Sept 23, 2009)
- New Jersey's "Small Business Survival" Index rating by the Small Business & Entrepreneurship Council is the worst of all 50 states, and only surpassed by the District of Columbia in hostility to small businesses. (Small Business Entrepreneurship Council, April 2009)

New Jersey Is Especially Hostile To Small Businesses, Having Ranked 50th In SBE's "Small Business Survival Index" In 2009

- New Jersey remains at a regional disadvantage when it comes to business taxation. Tax rates on businesses and corporations in the state are 9.36%, compared to 9.99% for PA and 8.307% for NY.
- Further, New Jersey's top marginal personal income tax rate in 2009 was 10.75%, compared to 3.07% in PA and 8.97% in NY. According to SBEC, 90% of businesses file taxes as individuals and are subject to personal income tax rates. (Small Business Entrepreneurship Council, April 2009)

*Sources: US Bureau of Labor Statistics/seasonally adjusted; NJ Dept. of Labor.

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