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New Jersey's Unemployment Rate Again Below 5.0 Percent in December; Employment rose by 13,400 Jobs Over the Month

New Jersey continued to show economic strength right through the end of 1997. The seasonally adjusted unemployment rate, at 4.9 percent, was unchanged in December from the 4.9 percent November rate. Prior to November, the rate had not been below 5.0 percent since June 1990.

Over the month, the number of jobs in New Jersey also rose by 13,400 in December from the November level bringing total job growth during the year to 78,100. Since January 1994 New Jersey has had a net increase of 237,100 jobs according to the New Jersey Labor Department.

"New Jersey's economy grew quite steadily during the past year and we are poised to keep moving forward in 1998," said Governor Christie Whitman. "Our focus on making New Jersey a better place to live, work and do business has helped make these good economic reports possible."

According to the New Jersey Labor department, the seasonally adjusted unemployment rate in December was 4.9 percent for the second straight month and down 1.2 percentage points below the December 1996 rate of 6.1 percent.

On a preliminary basis, the annual average unemployment rate for 1997 declined to 5.4 percent from the 1996 average of 6.2 percent, the lowest since the 1990 annual average rate of 5.1 percent.

Preliminary results from the Labor Department's monthly survey of employers, the number of persons working in New Jersey surged by 13,400 on a seasonally adjusted basis from November to a new-all time high of 3,746,800 in December. The gain of 78,100 jobs since last December made 1997 the best year for job creation in New Jersey since 1988 when 81,200 jobs were gained. The comparable gains in 1996 and 1995 were 59,700 and 21,200.

All major industry divisions contributed to December's employment growth. As a result of the latest over-the-month gain, the net number of jobs created since January 1994 stands at 237,100.

Based on more complete employer reporting for the prior month, the previously released November estimate of total nonagricultural wage and salary employment was revised upward by 300 to 3,733,400, for a gain of 8,800 from October.

Department analysts noted that December's increase was the largest single month gain (other than for a rebound from severe weather conditions or a major strike) since an increase of 23,800 from March to April 1994.

The Department's latest monthly survey of employers found that employment growth was greatest in December in retail trade, up by 4,900. Eating and drinking places led retail trade with an increase of 1,900 jobs over the month. There were also gains of 1,500 in miscellaneous retail (pharmacies, toy stores, liquor stores, card and gift shops, etc.) and 900 in department and variety stores as well as several small increases elsewhere in retail trade. Wholesale trade edged up by 300. From December 1996 to December 1997, 19,300 new trade jobs were created, compared with 11,500 in the same period a year earlier. Almost four-out-of-ten new trade jobs in 1997 were in eating and drinking establishments.

Jobholding in the services division rose over the month by 3,700. A variety of recreational and service activities (cinemas, museums, car repairs, actuarial services, etc.) together posted an increase of 900. There were also gains of 700 in engineering/management services, 600 in social services, 500 in hotels and casinos, 400 each in business services and health care, and 300 in membership organizations. Services employment grew by a total of 43,500 jobs in 1997, accounting for over one-half of job growth over the year. In 1996, there were 44,200 jobs added to services employment. Almost half of the new service jobs in 1997 were in three sectors: personnel supply agencies (11,200), engineering and management services (4,900), and computer and data processing services (5,500).

On the strength of a 2,700 gain in production workers, manufacturing employment increased by 1,100 from November to a level of 483,000 in December after seasonal adjustment. Department analysts noted that this marked the third consecutive monthly gain in factory employment. Small gains throughout durable goods manufacturing accounted for an employment increase of 800 from November. In nondurable goods, gains of 700 in apparel and 500 in printing and publishing were partially offset by a decline of 900 in chemicals. Although declining marginally by 300 over the year, 1997 was the best year for manufacturing job performance since a gain of 1,800 was reported in 1984.

Construction employment advanced over the month by 700 to 128,800 in December, its highest level since January 1991. For all of 1997, construction employment expanded by 4,800, compared with 3,200 in 1996, as all major construction components of special trades, general contractors and heavy construction shared in the 1997 increase.

Gains in nonrail transportation activities (trucking and warehousing, air transportation, etc.) accounted for the 700 job increase in the transportation/communications/public utilities division. Over the year, 3,900 jobs were added to this division primarily from hiring in air transportation, compared with 2,600 in 1996.

Finance/insurance/real estate rose by 300 over the month due essentially to increased staffing at security and commodity brokerages. The year 1997 saw the addition of 3,400 jobs, compared with 3,700 in 1996 for this industry division; 2,700 of the 1997 job gain occurred at security and commodity brokerages.

On a preliminary basis, the seasonally adjusted average workweek of production workers in New Jersey's factories decreased over the month by 0.2 hours to 42.0 hours in December. The 1997 preliminary annual average factory workweek of 42.1 hours matched the 11 month average workweek of 42.1 hour that excludes the blizzard shortened workweek of January 1996.

The Labor Department's monthly employer survey also found that the average hourly earnings of manufacturing production workers in New Jersey increased by a dime from November to an estimated \$14.48 during the December survey week.

Average weekly earnings of production workers grew over the month by \$10.05 to \$622.64 in December. Weekly earnings are computed from hourly earnings and not seasonally adjusted workweek hours.

Compared with a year ago, production workers' hourly earnings have increased by 31 cents, or 2.2 percent, while weekly earnings have risen by \$10.50.

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