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NEWS RELEASE

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Unemployment Rate in New Jersey Cracks 5 Percent for First Time Since 1990

New Jersey's unemployment rate for November dipped below the 5 percent mark for the first time in seven-and-one-half years and the number of jobs in New Jersey rose by 8,500 over the month, according to preliminary results from the New Jersey Department of Labor's monthly survey of employers.

"Putting people to work in New Jersey has been one of our highest priorities and breaking the 5 percent level is one more signal that our programs are working. The unemployment rate has fallen more than a full percentage point since November of 1996 and job growth has helped us set an all-time record for employment in New Jersey," Gov. Christie Whitman said.

"November's employment increase of 8,500 jobs brings to 223,400 the number of new jobs created in New Jersey since January of 1994," Whitman said.

The Labor Department's report comes a week after a survey by the New Jersey Business and Industry Association found that employer confidence and predictions of new job creation in New Jersey, too, are at their highest levels in recent years. It also followed a survey this week by the Bureau of Labor Statistics and the New Jersey Department of Labor that showed that workers in New Jersey generally were paid higher wages -- and often significantly higher wages -- in their occupations than workers nationwide.

"Helping to create jobs is one of the best steps we can take to help families in New Jersey. Creating new jobs has helped New Jerseyans at all socio-economic levels -- from entry-level positions to high-tech employment, job growth has taken major strides in New Jersey," the Governor said.

The 4.9 percent unemployment rate for November was the lowest since June of 1990 when the rate was also 4.9 percent. The jobless rate for October was 5.2 percent.

Preliminary tabulations from the Labor Department's monthly survey of employers showed that seasonally adjusted employment climbed by 8,500 from October to a new high of 3,733,100 in November.

Also, based on more complete employer reporting for the prior month, the previously released October estimate of total nonagricultural wage and salary employment was revised upward by 200 to 3,724,600 for a gain of 6,700 from September.

The Department's survey of employers found that employment growth from October to November was greatest in the services division, up by 6,800. Business services rose by 2,200 due to an increase of 2,600 in temporary help and employment agencies. Health care added 1,200 jobs, split about equally between hospitals and other health services. Increases in a variety of recreational and service activities (cinemas, concert and stage halls, parking garages, etc.) totaled 1,600 over the month. Membership organizations, educational services and legal services posted gains of 400, 300 and 200 respectively. On the downside, employment in hotels and casinos declined by 200.

Manufacturing employment rose by 1,500 from October to a seasonally adjusted level of 481,800 in November. Almost all of the over-the-month gain resulted from a 1,400 rise in production worker payrolls. An increase of 600 jobs in industrial machinery manufacturers was due to a return to work by employees from a temporary furlough for several months to reduce inventories. Additionally, there were gains of 400 in printing and publishing and 300 each in fabricated metals and food processing. Changes throughout the rest of manufacturing was small and offsetting.

Jobholding in finance/insurance/real estate advanced by 800 over the month. Half of the increase was due to gains in security and commodity brokerages. The over-the-year increase of 2,700 in security and commodity brokerages has accounted for more than two out of three of the job gains in finance/insurance/real estate.

Retail trade employment edged upward by 300 in November. Gains of 1,400 in miscellaneous retail stores (pharmacies, toy stores, liquor stores and gift shops, etc.) and 600 in apparel shops were largely offset by declines of 600 in eating and drinking places, 400 in department and variety stores, and 300 in food stores as well as fractional decreases in furniture and furnishings stores and automotive retail. Wholesale trade employment was essentially unchanged over the month.

Construction employment in November stood at a seasonally adjusted level of 128,300, unchanged from October. Over the year, construction employment was ahead by 4,100.

On a preliminary basis, the seasonally adjusted average workweek of production workers in New Jersey's factories increased over the month by 0.2 hour to 42.1 hours in November. This matched last year's 11-month average workweek of 42.1 hours that excludes the blizzard-shortened workweek of January 1996.

The Labor Department's month employer survey also found that the average hourly earnings of manufacturing production workers in New Jersey grew by nine cents from October to an estimated \$14.30 during the November survey week.

Average weekly earnings of all production workers rose over the month by \$9.51 to \$607.75 in November. By industry, average weekly earnings of production workers ranged from a low of \$340.16 in apparel to a high of \$1,118.84 in petroleum and coal products. Weekly earnings are computed from hourly earnings and not seasonally adjusted workweek hours.

Compared with a year ago, production workers' hourly earnings have grown by 41 cents, or 3.0 percent, while weekly earnings have increased by \$17.42.

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