



STATE OF NEW JERSEY

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT



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New Jersey Employment Growth in 2006 Revised Upward to 33,900 Jobs;

January 2007 Estimate Shows Employment Growth up by 4,600 to Record High; Unemployment Rate at 4.2 Percent

Trenton, February 28, 2007 – Revised employment figures for 2006 show that New Jersey gained 33,900 jobs over the year, a 65 percent upward revision from the original estimate of 20,500 jobs. The state also set a new record-high employment level for January 2007 while unemployment came in below the national rate.

"While job growth in 2006 was stronger than it first appeared, we are working to make 2007 even stronger," said Governor Jon S. Corzine. "We will continue to partner with the private sector to support a strong business climate in New Jersey and, together, build a strong economic future. We are gratified that companies like Bayer Pharmaceutical, Campbell Soup, Citigroup, Unilever and Verizon are committed to expanding their operations in our state."

"Last year, hiring at firms in the professional, scientific and technical services sectors made up almost 40 percent of our job gains. This strength is reflected in a recent study in which New Jersey was ranked at the forefront of all states in building an innovation economy," said Labor Commissioner David J. Socolow. "Governor Corzine's economic growth strategy targets state investments to expand New Jersey's high-tech core economy, in order to create more jobs in these industry sectors which typically pay above-average wages."

"Our economy is off to a good start for 2007, with 6,400 new private sector jobs added in January to payrolls in our state. This gain was offset by a decline in public employment over the month," added Socolow.

In January 2007, employment in the Garden State reached 4,090,100 as New Jersey employers added 4,600 workers to their payrolls during the month based on seasonally adjusted data. According to preliminary

estimates from the New Jersey Department of Labor and Workforce Development's monthly survey of employers, the net gain in jobs represents an increase of 6,400 jobs in the private sector coupled with a decrease of 1,800 in public sector jobs. New Jersey's unemployment rate was 4.2 percent. In comparison, the United States unemployment rate for January 2007 was 4.6 percent.

Previously issued nonfarm employment estimates, including those for 2006, have been revised to new employment benchmarks required by the United States Bureau of Labor Statistics. Additionally, seasonally adjusted estimates have been revised to incorporate the experience of 2006. Unadjusted nonfarm wage and salary employment data has been revised back to 2004 while seasonally adjusted data have been updated back to 2002. (See technical note)

As a result of the annual adjustment process — conducted each year at this time by every state — the previously announced 20,500 seasonally adjusted job gain over the December 2005 to December 2006 period has been revised upward to 33,900. The revised gain from December 2004 to December 2005 was 28,200.

Private sector employers that recorded significant growth in 2006 were centered in the professional and business services (+13,500) and the educational and health services (+10,600) supersectors.

Other supersectors that recorded job gains in 2006 were leisure and hospitality (+3,300), information (+2,200), financial activities (+1,700) and other services (+1,700). Payrolls were lower in manufacturing (-6,700) and trade, transportation, and utilities (-900).

In 2006, revised figures show that public sector employment gained 6,900 jobs, with the majority of the growth at the local government level. Local government consists of employees on municipal and county payrolls and includes local education.

Labor force estimates for New Jersey have also been revised for 2006. For the year, revised unemployment averaged 4.6 percent and fluctuated in a range of 4.3 to 4.7 percent.

Over the month, December 2006 to January 2007, the increase of 4,600 that lifted total non-farm employment in New Jersey to a new record high of 4,090,100 was due primarily to gains in leisure and hospitality (+1,500), construction (+1,500) and trade, transportation and utilities (+1,400).

Elsewhere in the private sector, gains were recorded in other services (+1,000) and professional and business services (+900). Other services include employers such as automotive repair, personal care services and religious organizations. Employment in professional and business services has now expanded for nine consecutive months.

Moving lower over the month were employment levels in government (-1,800), information (-200) and educational and health services (-200). The decline in government was mainly at the local government level.

Compared with January of last year, the unadjusted workweek for manufacturing workers fell by 0.4 hour to 41.6 hours, average hourly earnings increased by \$0.59 to \$16.95 and weekly earnings rose by \$18.00 to \$705.12. Over the month, the workweek decreased by 0.4 hour, hourly earnings fell by \$0.13 and weekly earnings declined by \$12.24.

Technical Notes

Labor Force/Unemployment

Current monthly resident labor force, employment and unemployment estimates are developed using a modeling procedure based on statistical regression techniques. The procedure uses the following variables: (1) responses to the U.S. Bureau of Labor Statistics' monthly current population Survey (CPS) of about 1,500 households in New Jersey; (2) unemployment insurance claimant data; and (3) estimates of nonfarm wage and salary employment obtained from the New Jersey Department of Labor and Workforce Development's monthly survey of a sample of employers. In addition, the estimates use new seasonal adjustment factors which

incorporate the experience of 2006.

Both seasonally adjusted estimates and not seasonally adjusted estimates were revised back to 2002. Revised sub-state estimates will be released on a flow basis between March and June 2007.

Users should note that "final" estimates for the previous month will not be developed due to U.S. Bureau of

Labor Statistics budget reductions. End-of-the-year adjustments will continue to be made.

Nonfarm Employment (Current Employment Statistics Survey)

The nonfarm employment estimates are developed each month from the CES survey sample of approximately 6,000 employers in New Jersey. The estimates have been revised to a 2006 "benchmark" or universe count of employment derived from unemployment insurance records of over 276,000 New Jersey employers. This procedure is done every year at this time. This year, revisions to the not seasonally adjusted estimates were made back to 2004. Seasonally adjusted estimates were revised back to 2002 based on the experience through 2006.

For more information on the annual benchmarking process, please refer to the March 2007 issue of New Jersey Economic Indicators.

Press Release Tables

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