

# Regional Focus: North Jersey

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

## Payrolls Increase for Fourth Consecutive Year in Northern Region

Over-the-year from September 2013 to September 2014, total nonfarm employment in the Northern Region (Bergen-Hudson-Passaic and Newark-Union labor areas) increased by 15,900 jobs to reach a non-seasonally adjusted level of 1,883,400. In comparison, the state's payrolls, which increased at a slower rate than the region (+0.1% vs. +0.9% respectively), were up by 4,400 jobs from the same month a year ago. This year marked the fourth consecutive year of September-to-September regional payroll advances which total a cumulative 60,000 jobs.

Over-the-year, trade, transportation and utilities (T/T/U), which accounts for 22 percent of the region's employment base, was the regional job growth leader (+11,200 jobs or +2.8%). As the economy continues to improve after the recent downturn, consumer demand for goods has been rising which helps the region's transportation network and concentration of warehouses continue to be an economic driver in the area. Payrolls in transportation and warehousing advanced by 5,600 over the year (+6.6%). Retail trade's 4,500 job gain (+2.3%) accounted for 40 percent of the gain in the T/T/U supersector.

The professional and business services supersector (+6,900 jobs or +2.2%) was the second fastest growing industry over the past year. Administrative/support waste management/remediation services (+4,900 jobs or +3.7%) experienced the largest gain within professional and business services. The increase in professional and business services was aided by consumer products and electronics company Haier America, which opened its North American headquarters in Wayne (Passaic County). The official opening in August brought 200 jobs from the firm's Manhattan office to New Jersey. Other supersectors that experienced job growth over the year were government (+4,300 jobs or +1.6%) and leisure and hospitality (+1,600 jobs or +1.1%). Financial activities (-2,600 jobs or -1.9%) experienced the largest job loss over the period.

### Bergen-Hudson-Passaic Labor Area the Region's Job Growth Leader

Over-the-year, total nonfarm payrolls advanced in both of the region's labor areas. The Bergen-Hudson-Passaic Labor Area (BHP) led the region in employment growth, with an increase of 9,300 jobs or 1.1 percent to total 892,900 jobs in September 2014. This year marked the labor area's fifth consecutive September-to-September payroll increase. Payrolls in

### Change in Nonfarm Employment September 2013 - September 2014p (not seasonally adjusted)

	Region		State	
	Net	%	Net	%
Total Nonfarm Employment	15,900	0.9	4,400	0.1
Private Sector	11,600	0.7	6,300	0.2
Construction	-1,800	-2.8	-9,400	-6.5
Manufacturing	-700	-0.6	1,400	0.6
Trade, Trans. & Utilities	11,200	2.8	18,000	2.2
Information	-1,000	-2.8	-1,300	-1.8
Financial Activities	-2,600	-1.9	-3,500	-1.4
Prof. & Business Svcs.	6,900	2.2	10,200	1.6
Ed. & Health Svcs.	-1,500	-0.5	8,900	1.4
Leisure & Hospitality	1,600	1.1	-11,900	-3.2
Other Services	-500	-0.6	-6,100	-3.7
Government	4,300	1.6	-1,900	-0.3

Source: NJLWD, Current Employment Statistics



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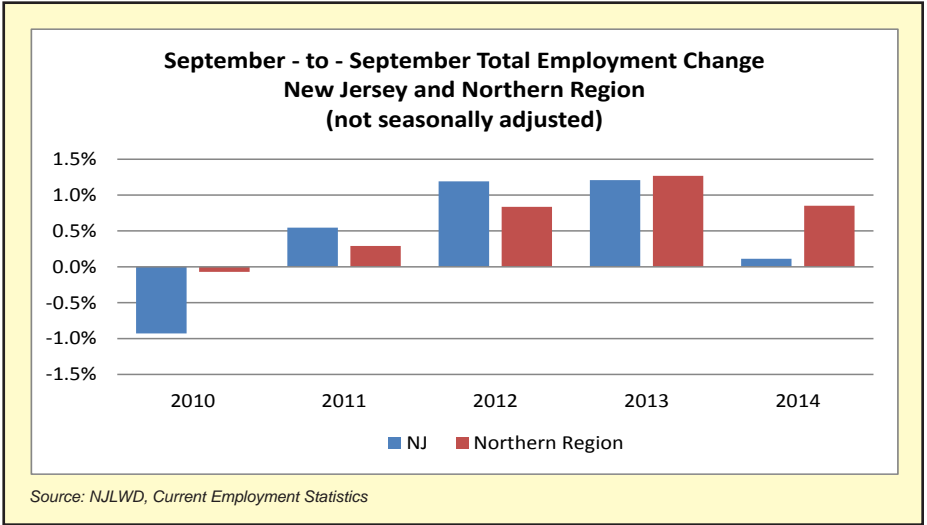
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the Newark-Union Labor Area were up by 6,600 jobs or 0.7 percent to total 990,500 jobs in September 2014. The Northern Region, which is made up of two of the state's three largest labor areas, accounts for nearly half of all statewide employment (47.6%). The Newark-Union and BHP labor areas rank second and third, respectively, behind only the Edison Labor Area (Central Region), whose level of employment totaled 1,025,800 jobs in September 2014.

Total Nonfarm Employment (unadjusted September data, employment in thousands)						
	2009	2010	2011	2012	2013	2014
New Jersey	3,877.6	3,841.6	3,862.6	3,908.6	3,955.8	3,960.2
Northern Region	1,824.8	1,823.5	1,828.8	1,844.1	1,867.5	1,883.4
Bergen-Hudson-Passaic Labor Area (Bergen, Hudson and Passaic counties)	854.4	860.9	865.8	872.7	883.6	892.9
Newark-Union Labor Area (Essex, Hunterdon, Morris, Sussex and Union counties)	970.4	962.6	963.0	971.4	983.9	990.5

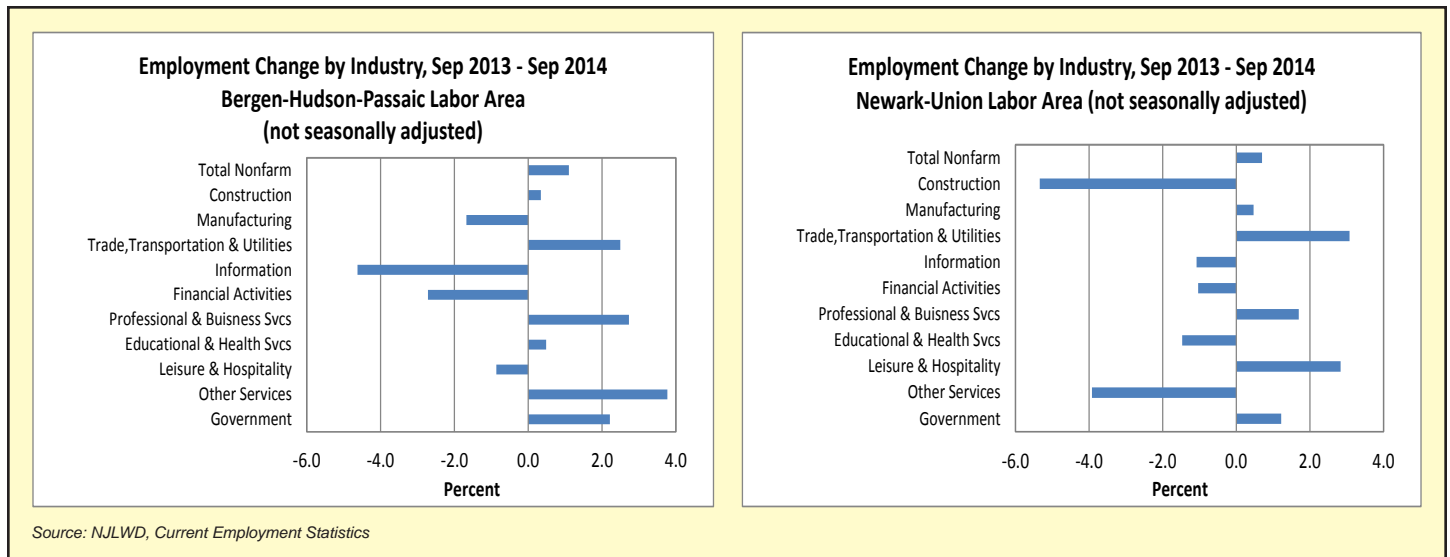
Source: NJLWD, Current Employment Statistics



In the BHP Labor Area, the trade, transportation and utilities (+5,100 or +2.5%), professional and business services (+4,000 or +2.7%) and government (+2,400 or +2.2%) supersectors posted the largest payroll gains. Within T/T/U, retail trade was up by 4,300 jobs or 4.2 percent. The admin/support waste management/remediation services industry (+3,300 or +5.5%) experienced the largest gain within the professional and business services sector. Other services (+1,300 or +3.8%) and educational and health services (+700 or +0.5%) also experienced notable gains. Financial activities (-1,900 or -2.7%) experienced the largest job loss over the period. Other industries that declined over the year were: manufacturing (-1,000 or -1.7%), information (-800 or -4.6%) and leisure and hospitality (-600 or -0.9%). Medical device manufacturer Care Fusion located in Totowa (Passaic County) contributed to the loss in manufacturing employment. The San Diego-based company is shutting down their facility in Totowa and began waves of layoffs in August, which will affect 390 employees.

In the Newark-Union Labor Area, the trade, transportation and utilities (+6,100 or 3.1%), professional and business services (+2,900 or +1.7%) and leisure and hospitality (+2,200 or +2.8%) supersectors experienced the largest payroll gains. Transportation and warehousing accounted for the majority of the growth within T/T/U (+5,100 or +10.6). Professional and business services payrolls advanced over the year on the strength of payroll increases in admin/support waste management/remediation services industry (+1,600 or +2.2%). Government employment was also up over the period (+1,900 or +1.2%), while manufacturing posted a slight gain (+300 or +0.5%). Educational and health services (-2,200 or -1.5%) experienced the largest job loss over the period. However, nursing and residential care facilities were up by 900 jobs (+4.1%) over the year which helped offset some of the job loss. Other industries that declined over the year were: construction (-1,900 or -5.3%); other services (-1,800 or -3.9%); financial activities (-700 or -1.0%) and information (-200 or -1.1%).

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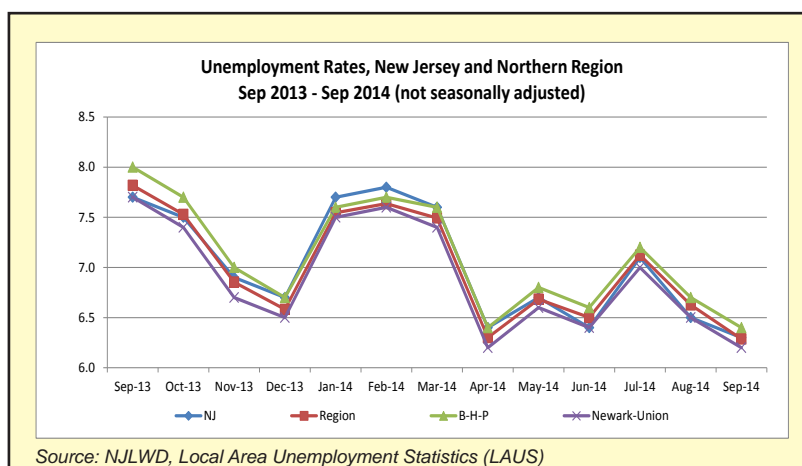


## LABOR FORCE DATA

In September 2014, the non-seasonally adjusted unemployment rate for the Northern Region (6.3%) was identical to the statewide rate. The region's September 2014 rate of 6.3 percent is 1.5 percentage points lower than the September 2013 rate of 7.8 percent. Resident employment in the region was up by 26,300 (+1.4%), while the regional labor force was down by 5,600 (-0.3%) since September 2013. There were 32,300 (-19.8%) less unemployed Northern Region residents than in the same month a year ago.

Both of the region's labor areas showed improved unemployment rates over the year due to increased resident employment and a stable labor force. In the Newark-Union Labor Area, the unemployment rate during September 2014 was 6.2 percent, down 1.5 percentage points from September 2013 (7.7%). In the area, unemployment rates ranged from a high of 7.6 percent in Essex County to a low of 4.6 percent in Morris and Hunterdon Counties. The Bergen-Hudson-Passaic Labor Area's September 2014 unemployment rate of 6.4 percent was a 1.6 percentage point improvement over the same month a year ago (September 2013, 8.0%). By county, the area's unemployment rates for September 2014 were: Passaic County, 7.5 percent; Hudson County, 7.1 percent and Bergen County, 5.3 percent.

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)



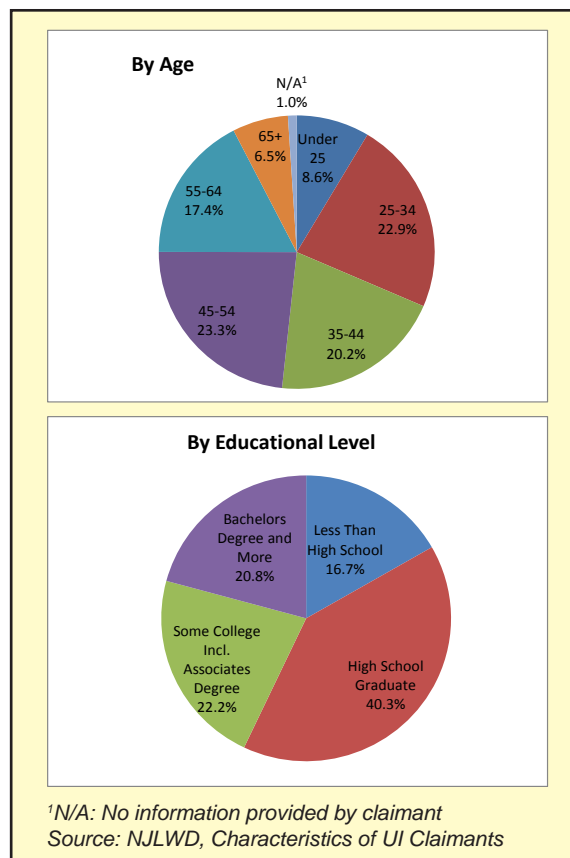
### CHARACTERISTICS OF NEW JERSEY'S INSURED UNEMPLOYED NORTHERN REGION, THIRD QUARTER 2014

CLAIMANTS BY OCCUPATIONAL GROUP		
	Number	Percent
Management	7,276	7.9
Business and financial	3,723	4.1
Professional and related	13,731	15.0
Services	16,715	18.2
Sales and related	7,018	7.7
Office and administrative support	13,386	14.6
Farming, fishing and forestry	134	0.1
Construction and extraction	5,589	6.1
Installation, maintenance and repair	2,619	2.9
Production	8,114	8.8
Transportation and material moving	12,940	14.1
Military	395	0.4

In the third quarter of 2014, 46 percent of New Jersey's insured unemployed claiming continued benefits resided in the Northern Region. During the quarter, 91,688 regional residents claimed benefits, an improvement of 48,075 (-34.4%) from the third quarter of 2013. In comparison, the number of claimants statewide declined at nearly the same rate (-33.7% or -100,584 claimants) from the same quarter a year ago.

The Newark-Union Labor Area had the region's county with the most claimants (Essex County, 20,262 claimants) as well as the county with the least claimants (Hunterdon County, 2,324 claimants). The three-county Bergen (14,487)/Hudson (14,125)/Passaic (14,161) Labor Area was responsible for nearly 47 percent of the region's claimants.

The majority of the Northern Region's residents who claimed unemployment insurance benefits during the third quarter of 2014 were previously employed in the services (18.2%) and professional and related (15.0%) occupational groups.



## REGIONAL INCOME, POVERTY AND HEALTH INSURANCE COVERAGE: 2013

According to figures from the American Community Survey (ACS) for 2013, four out of the nine counties in the Northern Region had a higher median household income than the state (\$70,165). With a median household income of \$110,457, Hunterdon County led the region as well as the state. Three of the top five New Jersey counties ranked by median household income were in the Northern Region: Hunterdon, Morris and Sussex ranked 1, 2 and 4, respectively.

Median household income was below the statewide level in five of the counties in the Northern Region: Essex County (\$53,610), Hudson County (\$56,079), Passaic County (\$58,898), Union County (\$64,593) and Warren County (\$67,208).

The northern counties of Hunterdon (3.3%) and Morris (4.3%) had the lowest proportions of persons living below the poverty threshold statewide.

Among the Northern Region's nine counties, Hunterdon had the lowest percentage of residents without health insurance (5.4%) in 2013, followed by Morris (7.9%) and Warren (9.7%). At the other end of the spectrum, the counties with the highest percentage of residents that were uninsured statewide were in the northern region: Hudson (22.7%); Passaic (19.1%) and Essex (17.4%). Essex, Hudson and Passaic counties incorporate densely populated urban areas which historically have had lower household incomes, higher proportions of population living below the poverty level and without health insurance.

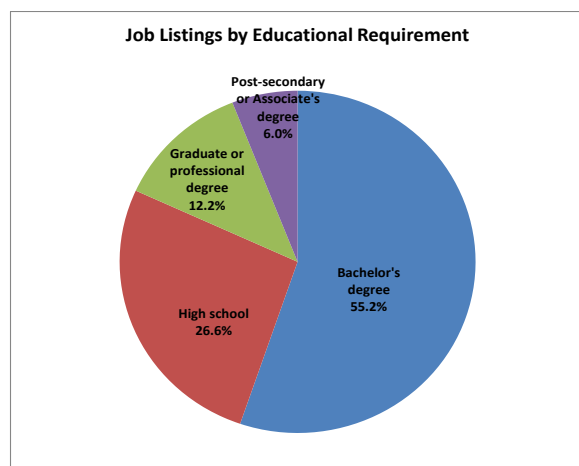
Income, Poverty and Health Insurance Coverage, New Jersey and the Northern Region: 2013			
	Median Household Income (dollars)	Percent Persons below poverty level	Health Insurance Coverage: Percent Uninsured
New Jersey	\$70,165	11.4%	13.2%
Bergen County	\$81,670	8.2%	12.8%
Essex County	\$53,610	17.8%	17.4%
Hudson County	\$56,079	19.7%	22.7%
Hunterdon County	\$110,457	3.3%	5.4%
Morris County	\$100,176	4.3%	7.9%
Passaic County	\$58,898	16.6%	19.1%
Sussex County	\$88,407	5.8%	10.0%
Union County	\$64,593	11.5%	17.2%
Warren County	\$67,208	9.3%	9.7%

Source: U.S. Census Bureau, 2013 American Community Survey 1-Year Estimates

## REGIONAL JOB OUTLOOK JULY 2014 - SEPTEMBER 2014

The New Jersey Department of Labor and Workforce Development through its agreement with Burning Glass Technologies is able to provide the following labor market information aggregated from online employer job listings during the quarter. This data provides valuable insight regarding current employer demand for characteristics such as skills and educational requirements. Note that this data is not meant to represent all available employment opportunities but rather should be viewed in terms of analysis of labor market demand.

JOB LISTINGS BY COUNTY	
County	Listings
Hudson	24,526
Bergen	18,480
Morris	16,310
Essex	15,737
Union	11,159
Passaic	6,788
Hunterdon	2,106
Sussex	1,740
Warren	1,629



In the Northern Region during the most recent quarter, employers in the professional, scientific and technical services, ambulatory health care services, educational services, credit intermediation and related activities, and insurance carriers and related activities, exhibited the most occupational demand based on online job listing activities. Concentrated in Hudson, Bergen, Morris, and Essex counties, employers indicated that they were interested in filling positions for software developers, sales representatives, registered nurses, retail salespersons, computer systems analysts and customer service representatives. Skills that were actively sought by employers included accounting, sales, technology-related SQL, Oracle and JAVA, collaborating, scheduling, and mathematics.

Of the regional job listings in the second quarter for which educational requirements were provided, more than half required a bachelor's degree.

**OCCUPATIONS WITH THE MOST LISTINGS**

Occupation	Listings
Software Developers, Applications	3,103
Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	2,514
Registered Nurses	2,227
Retail Salespersons	2,223
Computer Systems Analysts	1,337
Customer Service Representatives	1,279
Marketing Managers	1,255
First-Line Supervisors of Retail Sales Workers	1,212
Heavy and Tractor-Trailer Truck Drivers	1,187
Clinical Psychologists	1,185
Medical and Health Services Managers	1,065
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	1,049
Sales Managers	963
Management Analysts	830
Financial Analysts	827

**INDUSTRIES WITH THE MOST JOB LISTINGS**

Industry	Listings
Professional, Scientific, and Technical Services	4,705
Ambulatory Health Care Services	3,646
Educational Services	3,290
Credit Intermediation and Related Activities	2,924
Insurance Carriers and Related Activities	2,656
Hospitals	2,647
Chemical Manufacturing	1,967
General Merchandise Stores	1,714
Food Services and Drinking Places	1,660
Administrative and Support Services	1,205
National Security and International Affairs	1,191
Accommodation	1,128
Securities, Commodity Contracts, and Other Financial Investments and Related Activities	1,022
Nursing and Residential Care Facilities	729
Social Assistance	612

**TOP SKILLS IN DEMAND**

Skill	Listings
Accounting	4,340
Sales	3,982
SQL	2,945
Collaboration	2,708
Scheduling	2,703
Oracle	2,589
Mathematics	2,490
JAVA	2,178
Repair	2,171
Business Development	1,963
SAP	1,910
Merchandising	1,904
Business Process	1,777
Decision Making	1,698
Inspection	1,572

**EMPLOYERS WITH SIGNIFICANT ONLINE JOB LISTING ACTIVITY**

Sears
JP Morgan Chase Company
Barnabas Health
Macy's
Celgene Corporation
Prudential
Automatic Data Processing Incorporated
Bank of America
Toys"R"Us, Inc
World Travel Holdings
PricewaterhouseCoopers
Novartis
The Bank of New York Mellon
Genesis Healthcare Corporation
The PNC Financial Services Group, Inc.

Source: Burning Glass Technologies, Labor Insight

Prepared by: New Jersey Department of Labor and Workforce Development, Bureau of Labor Market Information

**TLD Supports Regional Economic Development**

New Jersey's location and regional transportation assets such as a major international airport and a seaport whose cargo volume ranks third nationally combine to make the transportation, logistics and distribution (TLD) industry cluster an important part of the region's economy. Just over 50 percent (51.7%) of the state's TLD jobs are concentrated in the region. Current regional developments related to this cluster include new and expanded distribution centers and a major renovation of Newark Liberty International Airport's terminal C.

New Jersey's prominence in the warehousing and distribution industry was further cemented as Imperial Bag and Paper opened its new 535,000-sq.ft. office and warehouse distribution center in Jersey City (Hudson County) in September. The new facility consolidates operations previously located at four sites in Bayonne. The 80 year-old company operates about 100 trucks and employs over 425 drivers as well as 85 sales representatives and the new facility has accommodations for 225 office staff.

Driscoll Foods, a food distribution firm, has outgrown its current facility in Clifton (Passaic County). To accommodate growth, the company will build a new

400,000-sq.ft. distribution facility at the former Bayer Healthcare campus in nearby Wayne (Passaic County). Construction for the new building and relocation of the operations is estimated to take between 18-24 months. The move will keep 215 of the company's workers in the state. Also, with additional space to allow for growth, the company is expecting to create about 139 new jobs.

United Airlines is planning a \$120 million transformation at Newark Liberty International Airport's terminal C. The project, which includes renovating the dining, retail, and waiting areas, is expected to take about 18 months. This project also includes a change in vendors. While the existing vendor, HMSHost, is expected to lay off about 108 workers, the new vendor is anticipated to offer the workers employment under a new contract with OTG Management LLC.

### **Haier Opens Headquarters in Wayne**

Haier America, a major appliance and consumer electronics manufacturer and distributor, officially opened its 56,000-sq.ft. North American headquarters in Wayne (Passaic County) in August. The move brings 200 jobs from Manhattan to New Jersey. The company plans to expand its North American presence and cited New Jersey's technical and innovative workforce as an important reason for moving to New Jersey. The company anticipates that the number of jobs at the Wayne headquarters will grow as business expands throughout North America.

### **Redevelopment Brings New Retail and Dining Options to the Region**

Several redevelopment projects are bringing new retail and dining space to the Northern Region. In Wayne (Passaic County), the Wayne Towne Center is being redeveloped and new stores including a 148,000-sq.ft. Costco with a 16-pump gas station and a 70,000-sq.ft. Dick's Sporting Goods are being added. Costco, which opened in October, replaced a smaller location. Dick's Sporting Goods opened in November. Vornado Realty Trust is rebuilding the center with the help of a \$13.5 million incentive from the state's Economic Development Authority.

Redevelopment is underway at the 440,000-sq.ft. long-vacant Hahne & Co. Department Store located in Newark (Essex County). Renovation plans include over 85,000-sq.ft. of retail and office space along with rental apartments. Whole Foods supermarket will anchor the ground floor retail space, marking the second major grocery store to come to Newark. In addition, Rutgers University plans to lease three floors for a campus-related art program initiative; the University expects to occupy the space by 2016. The project is located adjacent to the new Prudential tower currently under construction.

These developments will offset regional job loss from the closure of two Kmart stores. For economic reasons, Kmart has decided to close about 130 stores nationwide; two store locations in Northern New Jersey will be affected. In December 2014, the Paramus (Bergen County) and Randolph (Morris County) stores will close resulting in a combined loss of approximately 160 jobs.

### **Hyatt House Hotel Begins Construction in Jersey City**

The historic First National Bank of Jersey City building will soon be home to a 258-room hotel. Construction began in September on a Hyatt House hotel in the Exchange Place section of Jersey City (Hudson County). The project is expected to bring 350 construction jobs, 80 permanent jobs and 60 part-time hotel jobs to the city. The 13-story extended stay hotel will feature 10,000-sq.ft. of street-level retail space and a roof top outdoor lounge. It is anticipated that the hotel could open by December 2015.

### **Businesses Expand to New Jersey**

Pharmaceutical company Actavis, recently acquired Forest Laboratories with locations in Long Island and Manhattan NY. The company is moving Forest Labs' New York operations to New Jersey. The consolidation will result in about 400 jobs moving to Jersey City (Hudson County), Elizabeth (Union County) and the Parsippany-Troy Hills (Morris County) area where Actavis already maintains its administrative headquarters. The jobs are in occupational areas such as finance, human resources, information technology and manufacturing. The move is expected to be completed by mid-2015.

HNTB Corporation, a Kansas City-based architecture and engineering firm, plans to lease about 11,000-sq.ft. of space in Newark (Essex County). The company will relocate some of HNTB's current New York City-based operations to Newark. The company also has growth plans, which includes hiring about 35 new full-time workers.

### **Newark Job Training Center Breaks Ground**

Construction on the Newark Housing Authority's new Training, Recreational and Education Center (TREC) located along Ludlow Street in Newark began in September. The facility's focus will be jobs for neighborhood residents. The center is expected to be finished in 18 months and is funded by grants from U.S. Department of Housing and Urban Development and the New Jersey Economic Development Authority.