

Regional Focus: North Jersey

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

North Jersey Records Employment Growth

Over the last year from March 2012 to March 2013, total nonfarm employment in the Northern Region, consisting of Bergen, Hudson, Passaic, Essex, Hunterdon, Morris, Sussex, and Union counties, increased by 14,600 jobs to reach a non-seasonally adjusted level of 1,854,600. After two years of recessionary decline in 2009 and 2010, this year marks the third consecutive increase for employment over the March-to-March period. The region's 0.8 percent increase in jobholding from March 2012 to March 2013 was slightly less than the statewide employment increase of 1.1 percent.

Regional employment advanced in all industry sectors except information (-1,000 or -2.6%), government (-1,000 or -0.4%), and construction (-200 or -0.4%). This is the fourth consecutive year that government overall has experienced a decrease going back to 2010. Trade, transportation and utilities experienced the most significant job growth (+4,500 or +1.1%) followed by leisure and hospitality (+3,200 or +2.4%). Retail trade accounted for the majority of the gain in trade, transportation and utilities (+4,400 or +2.3%) while accommodation and food services was responsible for the majority of the growth within leisure and hospitality (+2,000 or +2.4%). Other industries that experienced increases in payrolls during the period were professional and business services (+2,900 or 1.0%), educational and health services (+1,700 or 0.6%), and financial activities (+700 or 0.5%).

Bergen-Hudson-Passaic Labor Area the Regional Job Growth Leader

Over the year, employment advanced in both of the region's labor areas. The Newark-Union Labor Area increased by 4,600 jobs or 0.5 percent to total 972,600 nonfarm jobs in March 2013 and payrolls in the Bergen-Hudson-Passaic (BHP) Labor Area were up by 10,000 or 1.1 percent since March 2012 reaching a level of 882,000. The Northern

Region, which is made up of two of the state's largest labor areas, accounts for nearly half of all statewide employment (47.6%). The Newark-Union and BHP labor areas rank second and third for jobholding, respectively, behind the Edison Labor Area (Central Region, 1,002,200 jobs in March 2013).

In the BHP Labor Area, trade, transportation and utilities (+3,700 or +1.8%) and educational and health services (+2,900 or +2.0%) experienced the largest job gains. Retail trade accounted for 65 percent of the job gain seen in



Change in Nonfarm Employment March 2012 - March 2013 (not seasonally adjusted)				
	Region		State	
	Net	%	Net	%
Total Nonfarm Employment	14,600	0.8	44,200	1.1
Private Sector	15,600	1.0	34,900	1.1
Construction	-200	-0.4	500	0.4
Manufacturing	0	0.0	2,100	0.9
Trade, Trans. & Utilities	4,500	1.1	7,500	0.9
Information	-1,000	-2.6	-4,200	-5.3
Financial Activities	700	0.5	1,200	0.5
Prof. & Business Svcs.	2,900	1.0	9,700	1.6
Ed. & Health Svcs.	1,700	0.6	10,800	1.7
Leisure & Hospitality	3,200	2.4	4,300	1.3
Other Services	3,800	4.9	4,000	2.5
Government	-1,000	-0.4	9,300	1.5

Source: NJLWD, Current Employment Statistics

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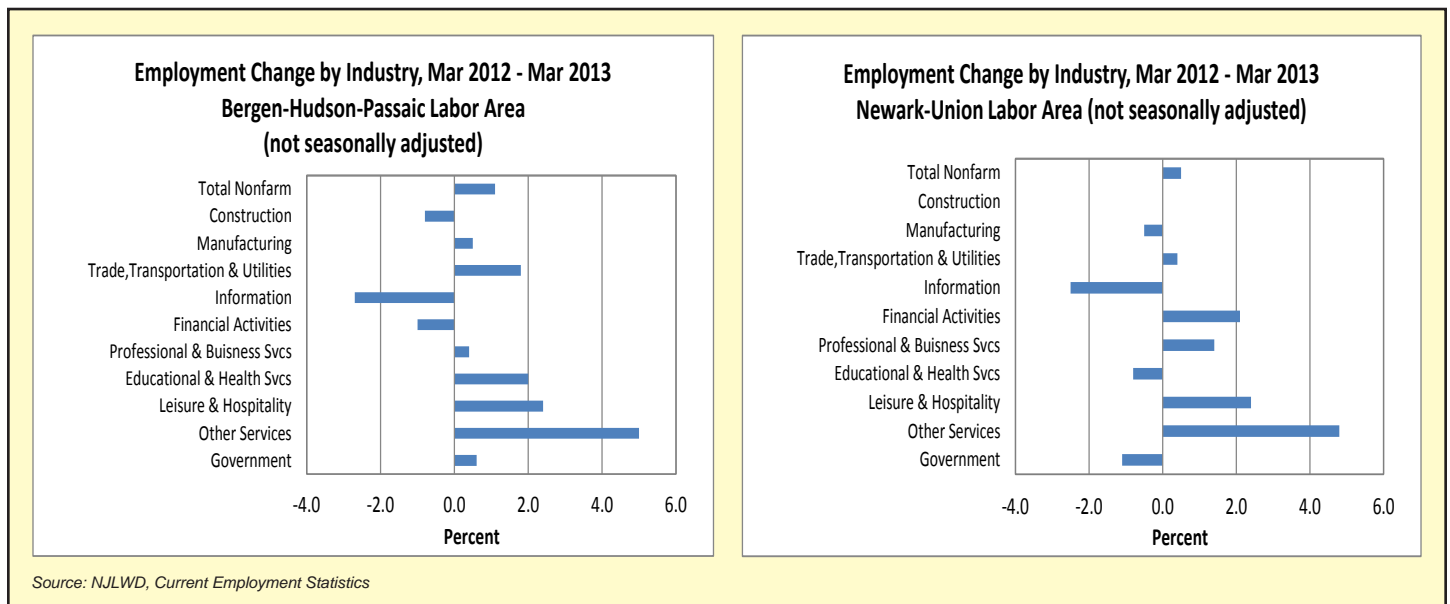
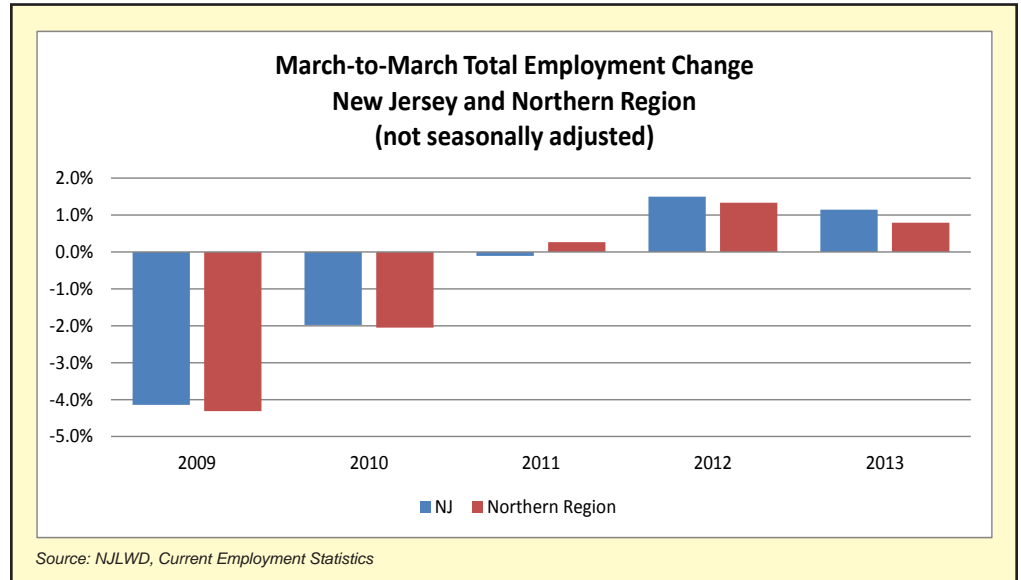


trade transportation and utilities (+2,400 or +2.4%). The greatest loss occurred in financial activities (-700 or -1.0%), due to a significant payroll decline in the securities, commodities and contracts industry component (-2,300 or -10.6%). Information (-500 or -2.7%), and construction (-200 or -0.8%) also shed jobs from March 2012.

In the Newark-Union Labor Area, the greatest employment growth occurred in the professional and business services (+2,300 or +1.4%) and the leisure and hospitality (+1,500 or +2.4%) industry sectors. Administrative support and waste management accounted for the largest gain (+3,200 or +4.8%) within the professional and business services sector. Government experienced the greatest loss of jobs (-1,700 or -1.1%) in the labor area followed by educational and health services (-1,200 or -0.8%). Payroll losses in social assistance (-300) accounted for the largest drop in educational and health services.

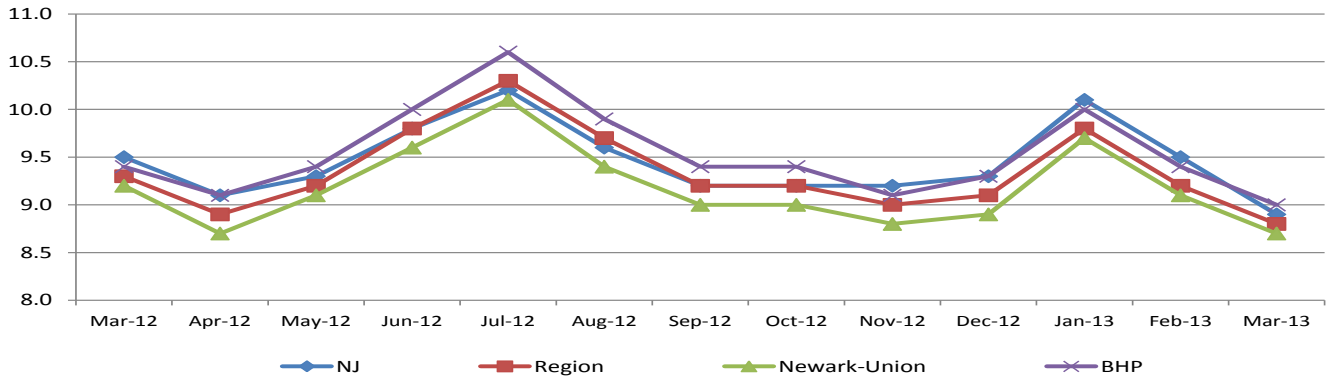
Total Nonfarm Employment (unadjusted March data, employment in thousands)						
	2008	2009	2010	2011	2012	2013
New Jersey	4,041.4	3,874.0	3,797.4	3,793.3	3,850.2	3,894.4
Northern Region	1,932.2	1,848.9	1,811.0	1,815.8	1,840.0	1,854.6
Bergen-Hudson-Passaic Labor Area (Bergen, Hudson and Passaic counties)	899.4	867.0	856.0	861.6	872.0	882.0
Newark-Union Labor Area (Essex, Hunterdon, Morris, Sussex and Union counties)	1,032.8	981.9	955.0	954.2	968.0	972.6

Source: NJLWD, Current Employment Statistics



More detailed data from the Current Employment Statistics (CES) program can be found at: http://lwd.dol.state.nj.us/labor/lpa/employment/ces/ces_index.html

**Unemployment Rates, New Jersey and Northern Region
 March 2012 - March 2013 (not seasonally adjusted)**



Source: NJLWD, Local Area Unemployment Statistics (LAUS)

- In March 2013, the not seasonally adjusted unemployment rate for the Northern Region (8.8%) was 0.5 percentage point lower than the March 2012 rate (9.3%). Over the year, the region's unemployment rate ranged from a high of 10.3 percent in July 2012 to a low of 8.8 percent in March 2013. The March 2013 unadjusted unemployment rate for the region was nearly equal to the statewide rate of 8.9 percent.
- The region's labor force accounts for nearly half of the state's labor force (46.5%). The number of labor force participants is slightly higher in the Newark-Union Labor Area (1,079,800 or 50.7% of regional labor force) than in the Bergen-Hudson-Passaic (1,050,000 or 49.3% of regional labor force) Labor Area.

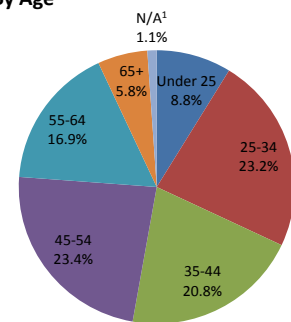
More detailed data from the Local Area Unemployment Statistics (LAUS) program can be found at:
http://lwd.dol.state.nj.us/labor/lpa/employ/uirate/lfest_index.html

**CHARACTERISTICS OF NEW JERSEY'S
 INSURED UNEMPLOYED
 NORTHERN REGION, FIRST QUARTER 2013**

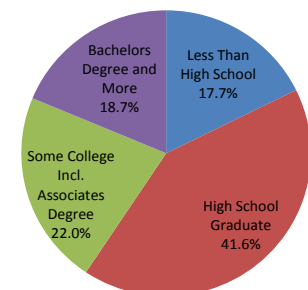
CLAIMANTS BY OCCUPATIONAL GROUP		
	Number	Percent
Management	13,128	8.5
Business and Financial	4,915	3.2
Professional and Related	16,758	10.9
Services	26,091	16.9
Sales and Related	12,425	8.1
Office and Administrative Support	25,437	16.5
Farming, Fishing and Forestry	447	0.3
Construction and Extraction	12,049	7.8
Installation, Maintenance and Repair	5,504	3.6
Production	16,963	11.0
Transportation and Material Moving	19,555	12.7
Military	775	0.5

- The majority of the Northern Region's residents who collected unemployment insurance benefits during the first quarter of 2013 were previously employed in services (16.9%) and office and administrative support (16.5%) occupational groups.
- More than half (59.3%) of the claimants in the region had no further education beyond high school.

By Age



By Educational Level



¹N/A: No information provided by claimant

Source: NJLWD, Characteristics of UI Claimants

Employers Look to the Regions's Urban Areas

The shift in people wanting to be situated closer to where they work is fueling interest in urban areas. Similar to the industrial revolution when people moved to the cities to be closer to the factories, this renewed interest of living and working in close proximity has stimulated economic development projects in the region, along with drawing new residents and attracting new businesses to the cities. Several urbanized places within northern New Jersey are experiencing revitalization.

The Bergen-Hudson-Passaic Labor Area has seen recent economic activity around its more densely populated urban areas that also take advantage of the area's transportation centers and ports. The area's largest municipality (Jersey City, population 250,323) is benefiting from several warehouses and distribution centers being developed for expanding firms such as Peapod (grocery) and Imperial Bag & Paper (multiple products), (together about 800 jobs). There are also projects in progress to accommodate the city's growing population, such as the \$125 million rehabilitation and transformation of the former Jersey City Medical Center into apartment and retail use and a \$202 million residential and retail project near Journal Square.

In Westwood (Bergen County), Hackensack University Medical Center is reopening Pascack Valley Hospital which closed for economic reasons in 2007. HackensackUMC at Pascack Valley is scheduled to open June 1 and plans to hire about 300 workers in healthcare, support and administrative occupations.

Newark (Essex County) has seen a population increase over the last decade after a forty year decline which has helped spur economic development. Recent developments include the renovation of the Damascus Bakeries' distribution hub, the Teachers Village mixed-use project (which recently broke ground for its next

phase) and Panasonic North America's newly constructed corporate headquarters. In addition, Phone.com, a cloud-based phone company, is expanding. The company, which currently has a staff of 31, recently relocated to the Enterprise Development Center on the New Jersey Institute of Technology's campus and is planning to hire 10. Saint Michael's Medical Center completed a \$30 million renovation and expansion of its emergency department. The expanded center will have a staff of 500 according to hospital administrators.

In Parsippany-Troy Hills (Morris County) notable economic developments include two manufacturers, Ferring Pharmaceuticals (175 jobs) and solar manufacturer SIEL America (35 jobs), opening U.S. manufacturing locations. Also, medical device and implant manufacturer Biomet Spine and Bone Healing Technologies is leasing space to accommodate its headquarters.

Data Centers continue to experience strong growth in Northern New Jersey

The northern region continues to see strong demand for data center services prompting continued development. Recently announced developments include:

- In Clifton (Passaic County), Telx plans to open a \$200 million, 215,000-sq.ft.data center in June adjacent to a 280,000-sq.ft. structure the company had been leasing and using as a data center and recently purchased.
- Coesite Realty purchased a 280,000-sq.ft. building in Secaucus (Hudson County) with plans to convert into a data center.
- Internap, looking to meet increased demand in the region, leased a 100,000-sq.ft. building in Secaucus that it plans to convert into a data center and estimates the center will be operational by the third quarter of 2013.

Northern Region Counties, 2010-2020 Projected Annual Job Openings			
	Annual Average Job Openings		
	Total	Growth	Replacements
New Jersey	132,940	35,070	97,870
Bergen	15,630	4,260	11,370
Essex	11,190	2,380	8,820
Hudson	8,340	2,300	6,050
Hunterdon	1,680	420	1,260
Morris	9,880	2,780	7,100
Passaic	5,790	1,340	4,450
Sussex	1,440	420	1,020
Union	7,070	1,240	5,840
Warren	1,230	300	930

- The recently released 2010-2020 industry and occupational employment projections for the State of New Jersey were developed by the New Jersey Department of Labor and Workforce Development, Division of Labor Market and Demographic Research, as part of the Division's economic and demographic projections series. The projections are neither predictions nor forecasts. For more detailed projections data, click [here: http://lwd.dol.state.nj.us/labor/lpa/employ/indoccpj/indoccpj_index.html](http://lwd.dol.state.nj.us/labor/lpa/employ/indoccpj/indoccpj_index.html).
- Occupational projections estimate a breakdown of annual average job openings due to two factors: actual growth and replacement demand. Openings due to growth are new job opportunities representing growth in the employment base of an occupation. Openings due to replacement demand are an estimate of employment opportunities to replace a worker in the current workforce. This does not increase the employment base, but still represents an employment opportunity. The need to replace a worker can occur from a variety of reasons, including promotion, termination, and retirement.