

NJ's Occupational Mix is Diverse and Earns Above Average Wages

by Jason Timian, Labor Market Analyst



Getting a read on New Jersey's workforce and earnings situation is not as easy as taking a simple snapshot of the economy. Instead, it requires tools like the Occupational Employment Statistics (OES) Survey of employers which is more like getting hundreds of businesses to take "selfies" and then putting them together to form the bigger picture.

Like all states, New Jersey, in conjunction with the U.S. Bureau of Labor Statistics (BLS), conducts the OES survey of employers. Although employers are not mandated to respond to this survey, their answers provide important labor market data for developing the state's employment picture.

The OES survey asks a sample of employers of varying sizes and from all industry sectors about the number of employees in their workforce, the occupations of these workers and the compensation or wages these workers receive. The results of these surveys provide insight into a number of key aspects of New Jersey occupations, wages and employment density and trends that are important to employers, policy makers, workforce agencies, those engaged in economic development, as well as to workers and students mapping out their career opportunities. Since the survey is consistent across all states, it also provides a basis for comparison among states.

New Jersey Overview

Some of the 2013 data reveals that New Jersey ranks 11th among the states in total occupational employment with 3,821,070 jobs. While New Jersey is the fifth smallest state in terms of land area, the Garden State has the most residents and the most jobs per square mile. According to the 2013 OES survey, with nearly 520 jobs per square mile, the employment density of New Jersey far surpasses Rhode Island, the second-densest state for employment (and population) with 441 jobs per square mile.

New Jersey ranks 11th among the states in total occupational employment

The average annual salary in New Jersey is \$52,800, which ranks seventh among all states, and is 14 percent higher than the national average of \$46,440. Massachusetts at \$56,410 leads all states (the District of Columbia has an average annual salary of \$77,040) while Mississippi has the lowest average annual salary at \$36,070 or 78 percent of the national average.

The median salary (50% earning more, 50% earning less) in New Jersey is \$40,250. It is very common for a state's mean salary to be significantly higher than its median salary for a variety of reasons. States that have the largest differences, like California and New York, tend to have larger employment bases, including a larger portion of their workforce employed in lower paying service occupations (such as cashiers and food service workers) that will draw the median salary downward. These states also are likely to host business headquarters (management of companies) and other higher earning industries, which draw the mean salary upward. New Jersey ranks fifth

Table 1. Employment Density

State	Employment per Square Mile	State Rank
New Jersey	519.6	1
Rhode Island	441.2	2
Massachusetts	417.7	3
Connecticut	337.8	4
Maryland	261.1	5
Delaware	211.5	6
New York	183.2	7

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among states with the largest difference between mean and median salary, and suggests that it has a strong and diverse workforce with opportunities for both job-holding and advancement.

Wage Analysis

While average, or mean, wage and salary analysis is probably the most common measure produced through the OES survey, at times it may be more useful to look at the median and percentile breakdowns. Simply put, the median, or 50th percentile, salary of an occupation or data set indicates that 50 percent of workers make more while 50 percent make less. Similarly, the 25th percentile designates the value where 25 percent make less while 75 percent make more, and the 90th percentile shows where 90 percent make less and only 10 percent make more. When related to occupational wage or salary analysis, this information can show the range of salaries that generally are earned in individual occupations, occupational groups, and within metropolitan statistical areas (MSAs), or states as a whole.

Chart 1 shows the wage distributions at various percentiles for all occupations in both New Jersey and the United States. The data shows that wages at the 10th and 25th percentile are relatively close. The major divergence between salaries at the state and national levels

begins to occur at the median, where the difference exceeds \$5,000. This trend continues at the 75th and 90th percentile, where the difference more than doubles. In other words, this chart shows that workers in New Jersey on the lower end of the salary scale tend to earn near or slightly above national rates, while middle to upper level workers make much more than their national counterparts.

Major Occupational Groups

Using the Standard Occupational Classification (SOC) system developed by the U.S. Bureau of Labor Statistics (BLS), there are 821 detailed occupations that are classified into 22 major occupational groups.

In New Jersey, the office and administrative support occupations group had the largest employment of 660,650 in 2013, or about 17 percent of all employment. Sales and related occupations ranked second, employing another 406,930 jobholders. Transportation and material moving, education, training and library, and food service occupations round out the top five occupational groups. Combined, these groups accounted for nearly two million jobs, or

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51 percent of all employment in the state. The smallest occupational group was farming, fishing and forestry occupations, which employed roughly 3,000 workers.

In terms of average annual salary, management occupa-

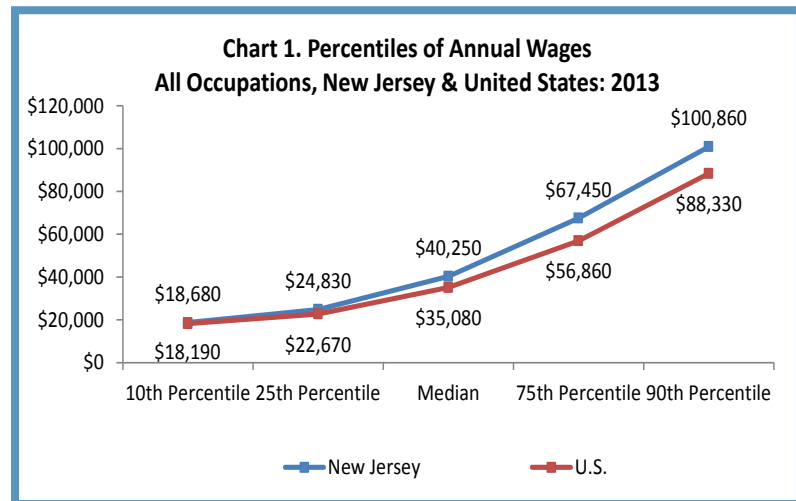
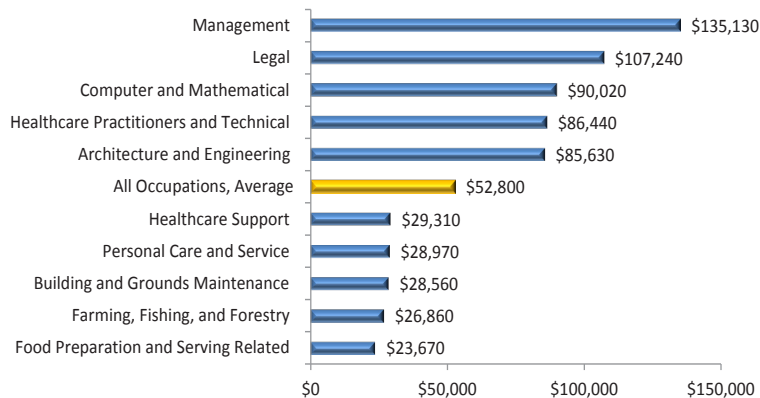


Chart 2. Mean annual salary for highest and lowest paid major occupational groups, New Jersey 2013



tions were paid \$135,130, by far the highest among all occupational groups, as illustrated in Chart 2. The legal occupational group, the second smallest in terms of employment, was paid the second highest salary (\$107,240). Computer and mathematical, health care practitioner and technical, and architectural and engineering occupations completed the top five, each earning an average of more than \$85,000 per year. Most occupations that are classified in these five groups typically require higher levels of education and experience.

The lowest paying occupational group was food service and related occupations at just \$23,670 per year, which is less than half of the statewide average salary. Most of the occupations in this group are typically paid an hourly

wage, and many of the workers are employed on a part-time basis. The second lowest paid group is farming, fishing and forestry with a salary of roughly \$26,860 per year on average. Building and grounds maintenance, personal care, and health care support occupations round out the top five, each making an annual average salary of less than \$30,000. All but farming, fishing and forestry occupations are categorized as service occupations, and are typically attainable to those with lower levels of education and experience.

Top Detailed Occupations

Table 2 shows that the top ten largest occupations in terms of employment collectively accounted for more than 20 percent of all employment in the state. Most of this list is comprised of service and sales occupations that earned average wages below the statewide average of \$52,800. In fact, registered nurse, which ranks fifth with roughly 75,410 in employment, is the only occupation with an above average wage. Retail salespersons and cashiers top the employment list, each employing more than 99,000 people. Hand laborers and material movers and stock and general office clerks round out the top five.

Eight of the top ten highest paid occupations in 2013 were in the health care practitioner group. The remaining two were both management occupations. There were five occupations that earned an annual average wage exceeding \$200,000: surgeons, obstetricians and gynecologists, orthodontists, general internists, and psychiatrists. Each of these occupations requires a doctoral or professional degree.

Excluding management and health care practitioner occupations, the highest paid occupations in

**Table 2. Occupations with the Most Employment
New Jersey: 2013**

Occupation	Average Wage	Employment
Retail Salespersons	\$26,770	129,440
Cashiers	\$20,600	99,010
Hand Laborers & Material Movers	\$26,240	78,550
Office Clerks, General	\$32,700	76,950
Registered Nurses	\$77,360	75,410
Janitors & Cleaners	\$27,720	67,790
Customer Service Representatives	\$37,270	61,460
Secretaries & Administrative Assistants	\$39,540	60,970
Stock Clerks & Order Fillers	\$25,570	60,950
Waiters & Waitresses	\$21,900	56,210

**Table 3. Highest Paying Occupations
Excluding Health Care and Management
New Jersey: 2013**

Occupation	Average Wage	Employment
Judges, Magistrate Judges, & Magistrates	\$133,350	1,000
Lawyers	\$133,330	18,740
Biochemists & Biophysicists	\$125,090	3,560
Software Developers, Systems Software	\$114,630	8,310
Operations Research Analysts	\$113,570	1,520
Computer Network Architects	\$112,380	5,030
Chemical Engineers	\$108,030	1,640
Electronics Engineers, Except Computer	\$106,350	3,380
Actuaries	\$105,600	1,000
Information Security Analysts	\$102,750	1,820

New Jersey were either legal or STEM (science, technology, engineering, and math) occupations, as shown in Table 3. Judges and attorneys were the top two occupations on this list, earning an average salary of \$133,350 and \$133,330, respectively. Each requires extensive schooling and experience for job entry. The next eight occupations

are all classified as STEM, and can be attained with a bachelor's or, more often, a master's degree. Each has a significant employment presence in New Jersey and all earned an average wage exceeding six figures in 2013.

About the Occupational Employment Statistics Survey

Every year, the Occupational Employment Statistics (OES) survey provides detailed employment and wage data for more than 800 occupations. Its sample is selected and designed to represent business establishments of all sizes, industries, and geographic locations. This national cooperative effort between the United States Bureau of Labor Statistics and state workforce agencies covers all 50 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands. Data is disseminated for these areas, and also is available by the 380 metropolitan statistical areas (MSA) within them. Collection methods are consistent across state workforce agencies to ensure continuity and to promote accurate comparisons across multiple areas. More information on OES sampling and estimation methodology can be found at www.bls.gov/oes/current/methods_statement.pdf. The data reflected in this report is from 2013, which is the most current set of estimates produced by OES.

More OES Data Available

For more information from New Jersey's 2013 OES survey results, visit http://lwd.dol.state.nj.us/labor/lpa/employ/oeswage/oeswage_index.html. On this page, there is employment and wage information available by geography (statewide and MSA) and by major industry sector. Similar data for the other 49 states, the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands can be found at <http://www.bls.gov/oes/current/oesrcst.htm>.

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