

Office of the Governor

PO BOX 004
TRENTON, NJ 08625

NEWS RELEASE

CONTACT: Jayne O'Connor
Julie Plocinik
609-777-2600

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New Jersey's Economy Generated 6,100 New Jobs in January; Unemployment Rate Remained at 4.9 Percent for Third Straight Month

New Jersey's economy continued to grow and expand at a steady pace in January. The unemployment rate remained at 4.9 percent for the third straight month as employment levels rose by 6,100.

The New Jersey economy is the strongest it has been in many years," Gov. Whitman said. "We have more people working than ever before and the New Jersey Council of Economic Advisors projects that we will see continued economic growth and expansion of employment opportunities for our state's workers in 1998. The economic success New Jersey has enjoyed over the past four years is, in large part due to the fact that we have welcomed business - - and the jobs it creates -- back home to New Jersey."

The latest over-the-month gain, coupled with routine year-end revisions, increased nonfarm payrolls in New Jersey to a new all-time high of 3, 772, 600. The routine year-end revisions also placed the net number of jobs created in the state over the 12-month period ending in December, 1997 at 87,500. The past year was the best year for job creation in New Jersey since 1984 when 135,300 jobs were added. New Jersey has added 264,900 jobs since January, 1994.

New Jersey Department of Labor analysts noted that as a result of the routine annual revisions, data on the labor force, resident employment and unemployment, and the unemployment rate have been revised on a seasonally adjusted basis back to 1993. After making these adjustments, the unemployment rate for 1997 averaged 5.1 percent, down from the previously reported preliminary rate of 5.4 percent. The annual average unemployment rate for 1997 is at its lowest rate since 1990.

The Labor Department also announced revisions to previously issued estimates. The revisions showed that out of the 87,500 jobs gained in 1997, 48,400 were in the services division, primarily in business services (25,400), health care (8,000) and engineering/management (5,400). Trade employment grew by 17,800, with slightly better than one out of three new jobs located in eating and drinking places.

The next largest increase in 1997 occurred in finance/insurance/real estate, up by 7,200, of which one-third was due to additional staffing at security and commodity brokerages. The newly benchmarked series also showed gains in 1997 of 5,700 in transportation/communications/utilities, 3,600 in construction and 3,400 in manufacturing. Last year's increase in manufacturing was the first over-the -year gain since an increase of 1,800 was recorded in 1984.

In addition to revisions to seasonally adjusted employment estimates, unadjusted data were revised back to 1996 at the total nonfarm payroll employment level; some selected industries contain revisions back to either 1995 or 1982. (An explanation of the annual revisions process is included at the end of the press release narrative.)

According to preliminary tabulations from the Labor Department's latest monthly survey of employers, construction grew by 3,300 from December to 135,200 in January on a seasonally- adjusted basis.

Jobholding in finance/insurance/real estate increased by 1,800 over the month, with small gains and losses in most components. The largest increase of 600 occurred in security and commodity services.

Manufacturing employment rose by 1,600 from December to a January level of 486,000 after seasonal adjustment. Based on revised data, this marked the third consecutive monthly gain. In nondurable goods, increased employment in drug manufacturing, due in part to the addition of about 400 workers at facilities operated by Bristol-Myers Squib, boosted jobholding by 1,000. A gain of 600 in durable goods employment was concentrated in stone/clay/glass, which may have also been helped by the mild weather. Over the year manufacturing was up by 1,900.

Employment in the services division was up by a relatively modest 700 in January. Underlying the increase was a mix of employment changes. The largest gain occurred in engineering/management services, up by 1,900 due to strength in management/public relations and accounting services. Dropping by 700 as a result of decreased staffing at temporary help and employment agencies, business services posted the largest decrease of any services division industry.

Transportation/communications/public utilities rose marginally by 100 as most industries in this division remained relatively unchanged.

Trade employment fell over the month by 1,600 as a gain of 300 in wholesale trade was more than offset by a 1,900 decline in retail trade employment. There was a drop of 1,100 in building materials/hardware stores due to the closure of Rickel's Home Center stores throughout New Jersey. Miscellaneous retail (pharmacies, catalog sales, card and gift shops, etc.) and apparel stores each declined by 600, and department and variety stores decreased by 300. On the plus side, eating and drinking places posted a gain of 300.

On a preliminary basis, the seasonally adjusted workweek of production workers in New Jersey's factories decreased over the month by 0.2 hour to 41.9 hours in January. This was also 0.2 hour less than the revised 1997 annual average workweek of 42.1 hours.

The Labor Department's employer survey found that the average hourly earnings of manufacturing production workers in New Jersey decreased by 13 cents from December to an estimated \$14.41 during the January survey week.

Average weekly earnings of manufacturing production workers also declined over the month by \$22.88 to \$602.34. 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 26 cents, or 1.8 percent, while weekly earnings have increased by \$6.62.