

Federal Reserve Bank of New York

# Outlook for New Jersey Employment

Rae D. Rosen

July 8, 2011

The views expressed here are those of the presenters and do not necessarily represent the views of the Federal Reserve Bank of New York or the Federal Reserve System.

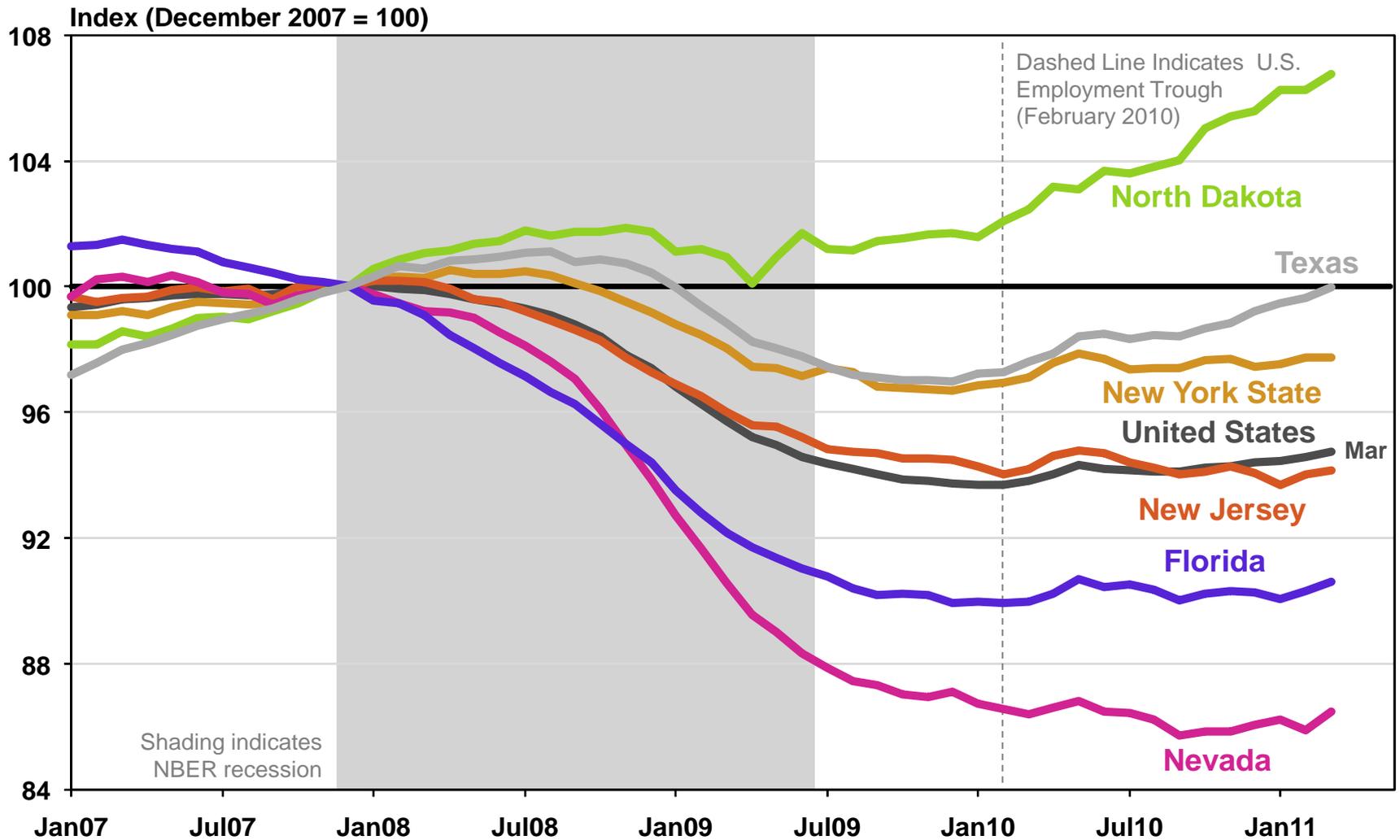
# Overview

## ■ Employment Trends in the Region

- **Downturn:** NJ losses on par with U.S. Cutbacks in NJ state and local government occurred earlier compared to most of the region. NYC job losses less severe than the nation or NJ.
- **Upturn:** Employment across most of the region has begun to rebound, to varying degrees, despite substantial job losses in state and local government.
- **Outlook:** Employment growth in the region will hinge on continued job creation in the private-services sector and, in particular, on the growth of the US economy.

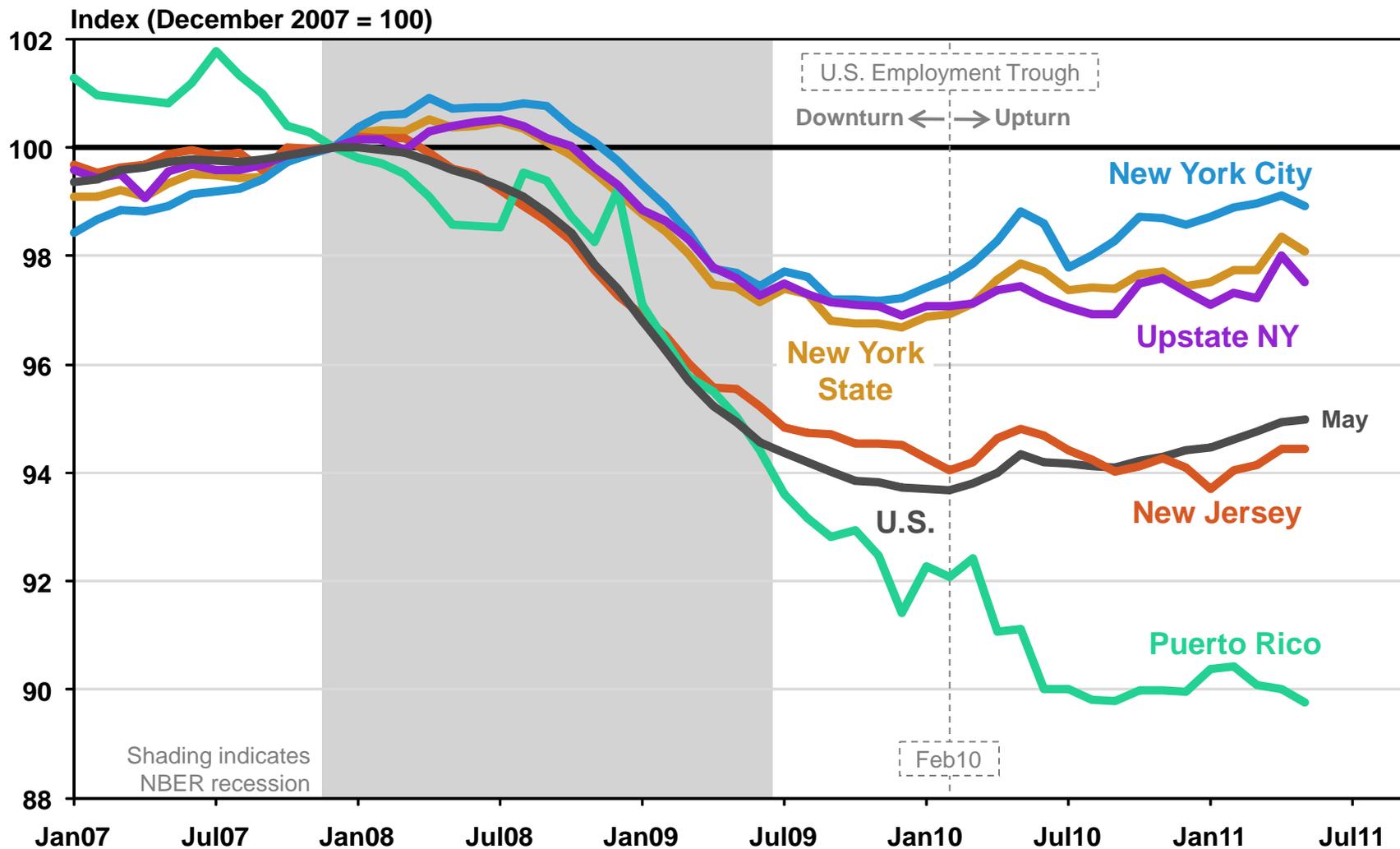
# Total Employment

## Seasonally Adjusted Index



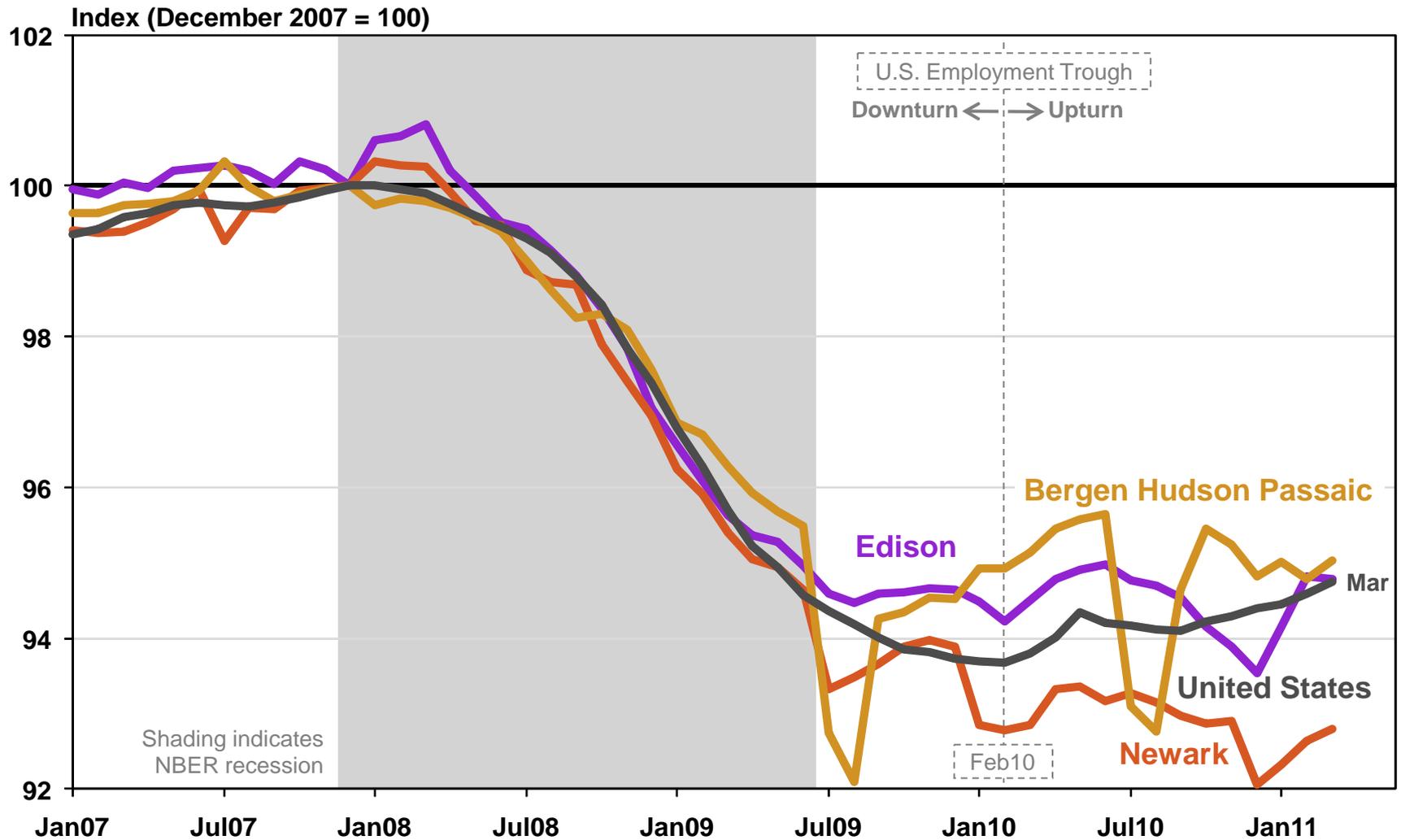
# Total Employment

## Seasonally Adjusted Index



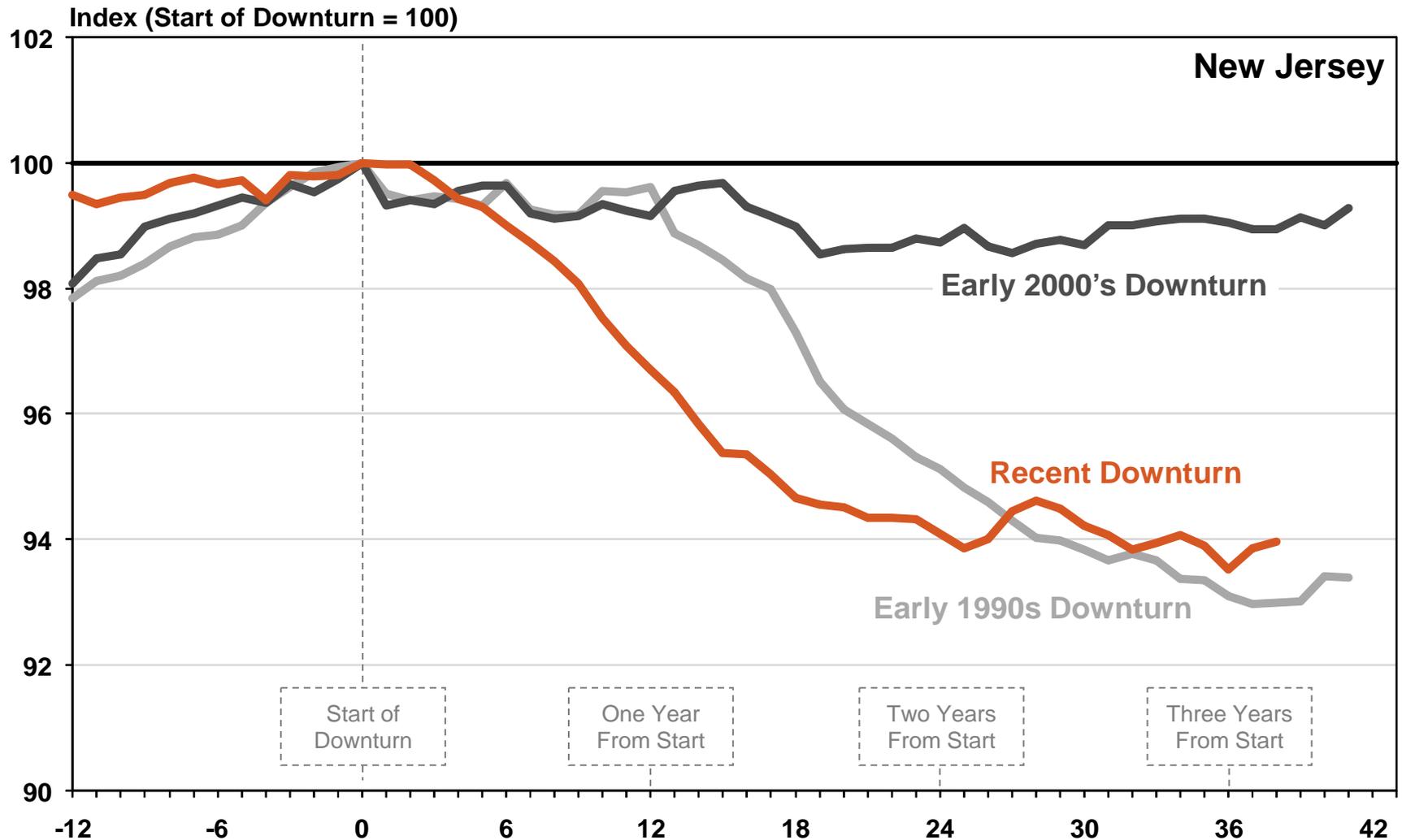
# Total Employment

## Seasonally Adjusted Index



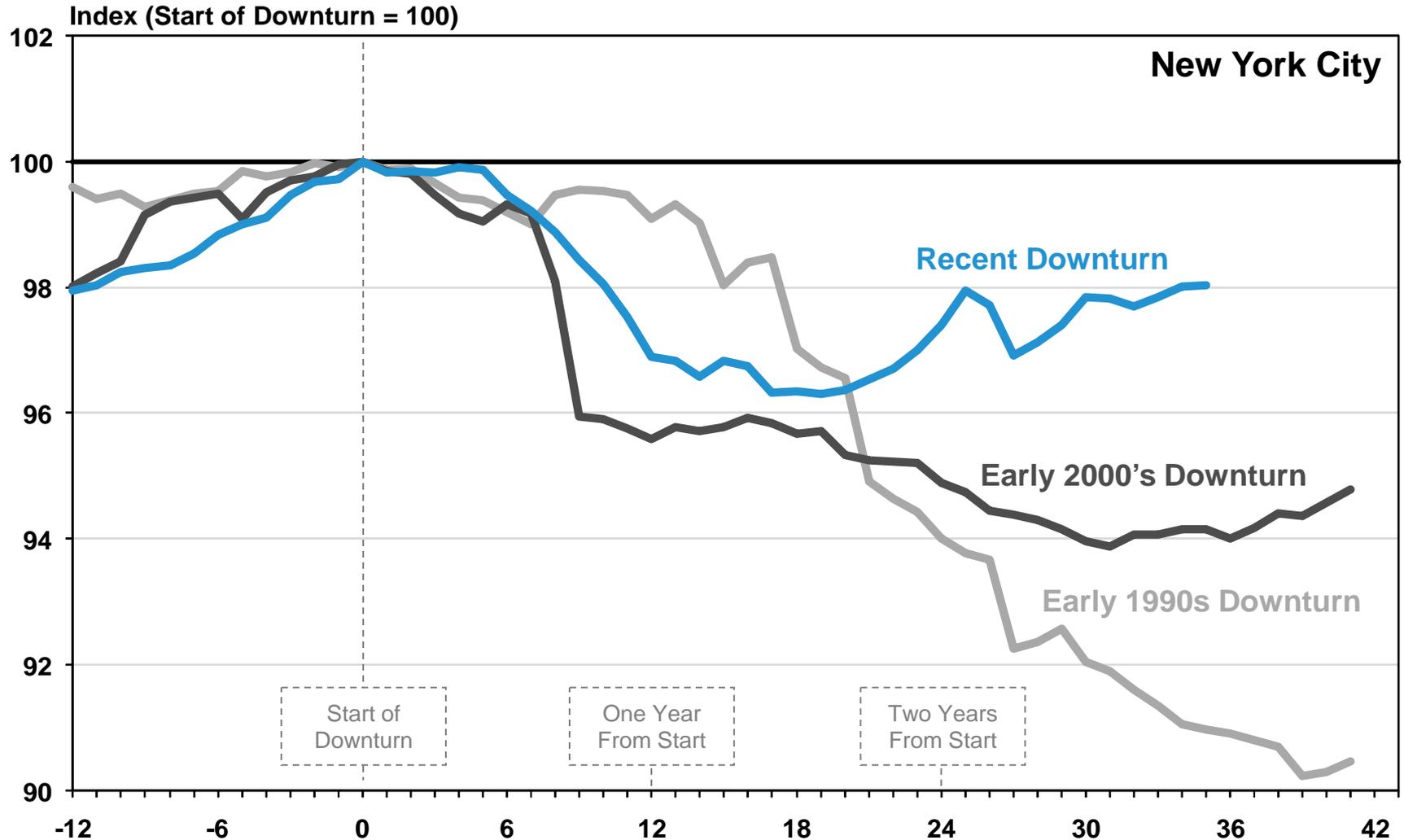
# Last Three Downturns: New Jersey

Total Employment Indexed to Local Employment Peaks



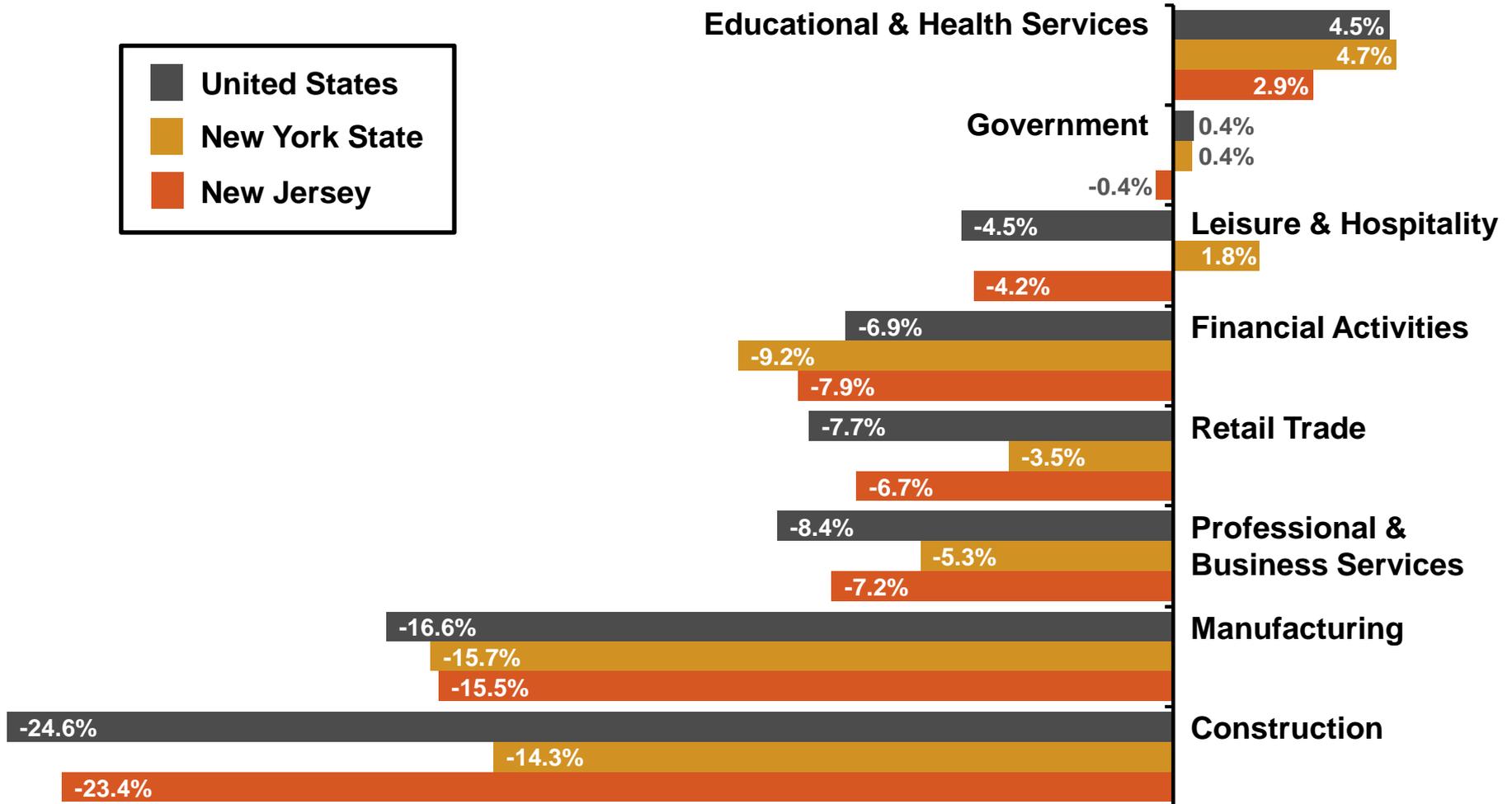
# Last Three Downturns: New York City

Total Employment Indexed to Local Employment Peaks



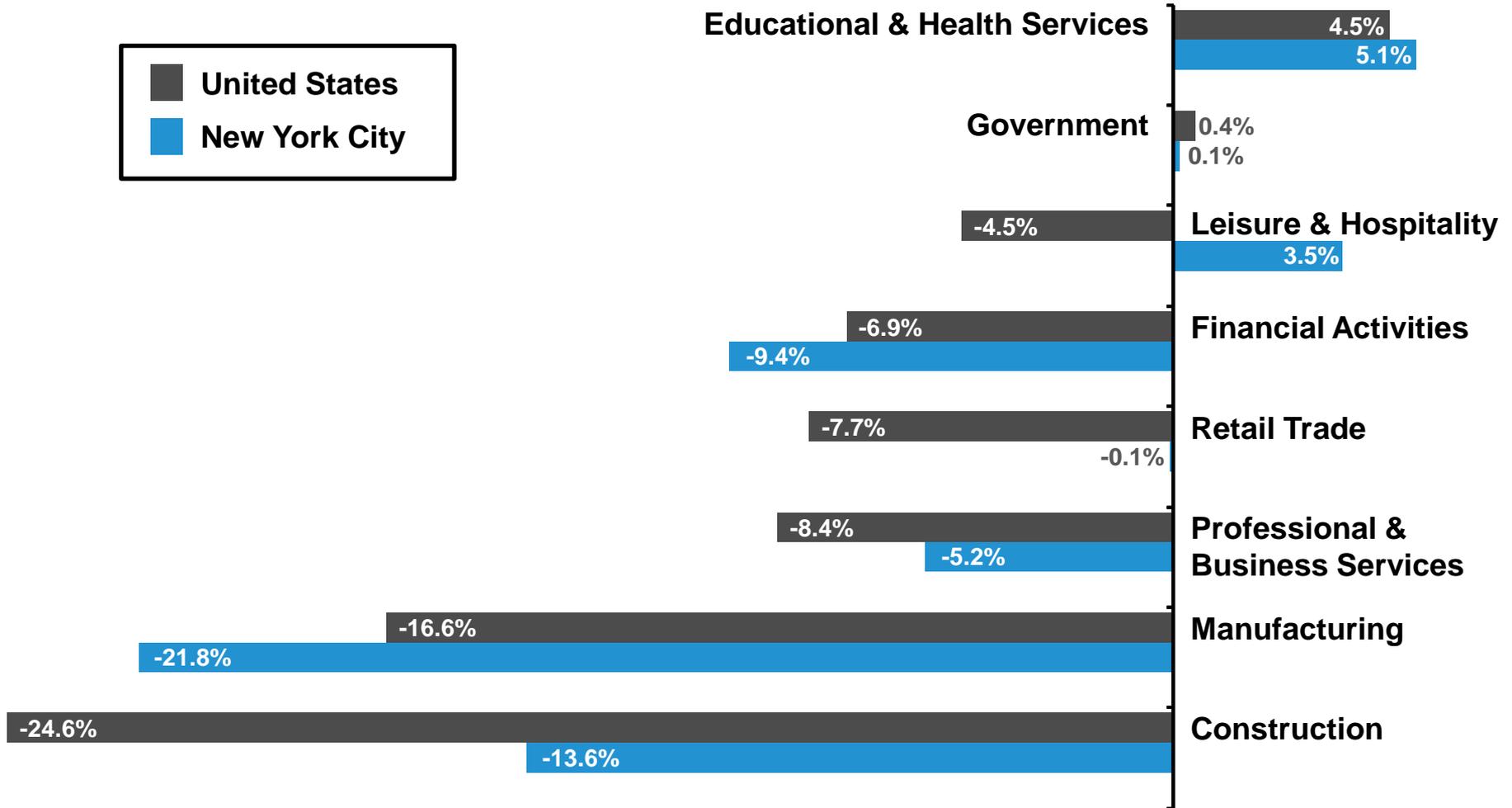
# Employment Change in the Downturn

Percent Change December 2007 to February 2010



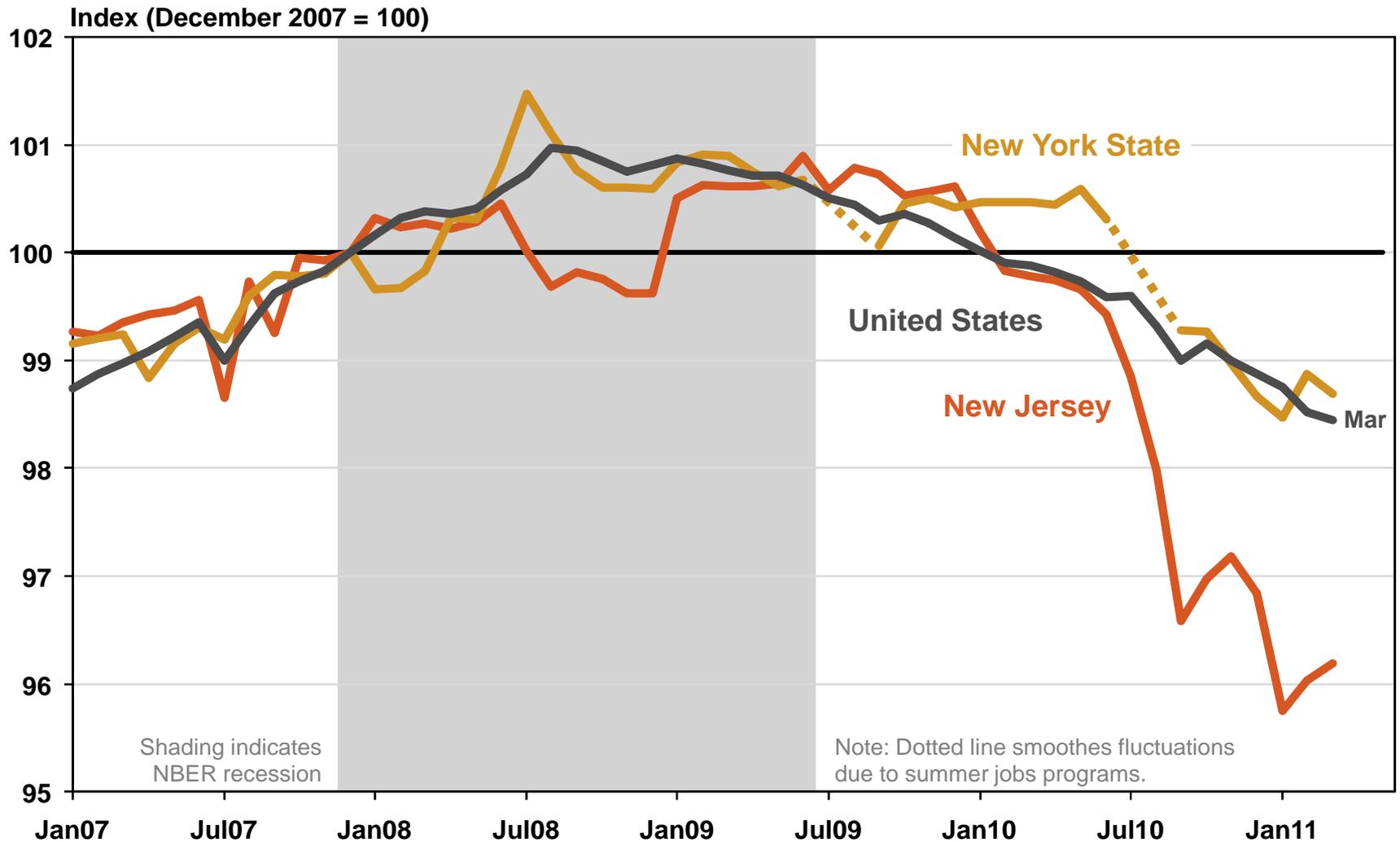
# Employment Change in the Downturn

Percent Change December 2007 to February 2010



# State and Local Government

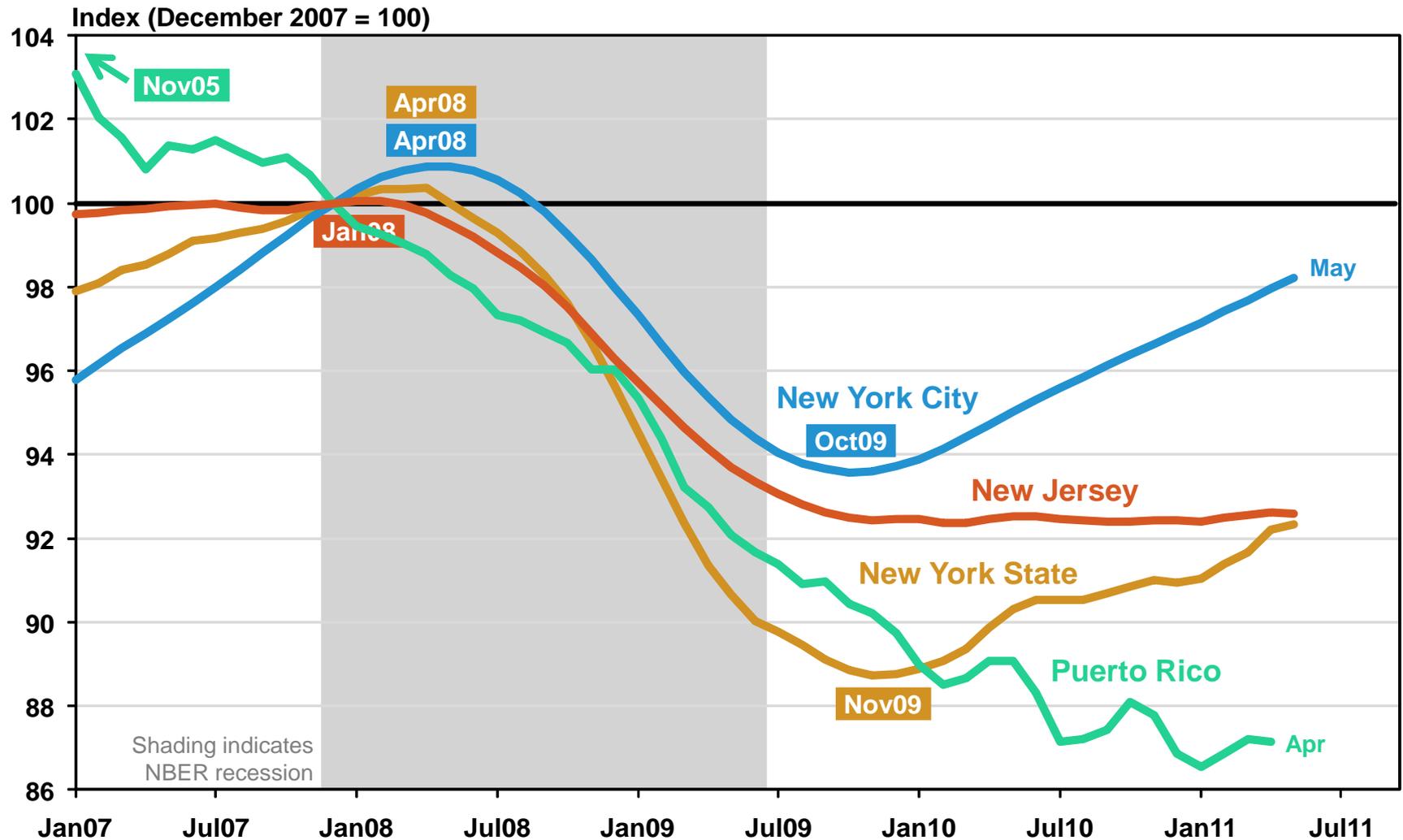
## Seasonally Adjusted Index



**Upturn**

# Regional Economic Activity

## Index of Coincident Economic Indicators (CEI)

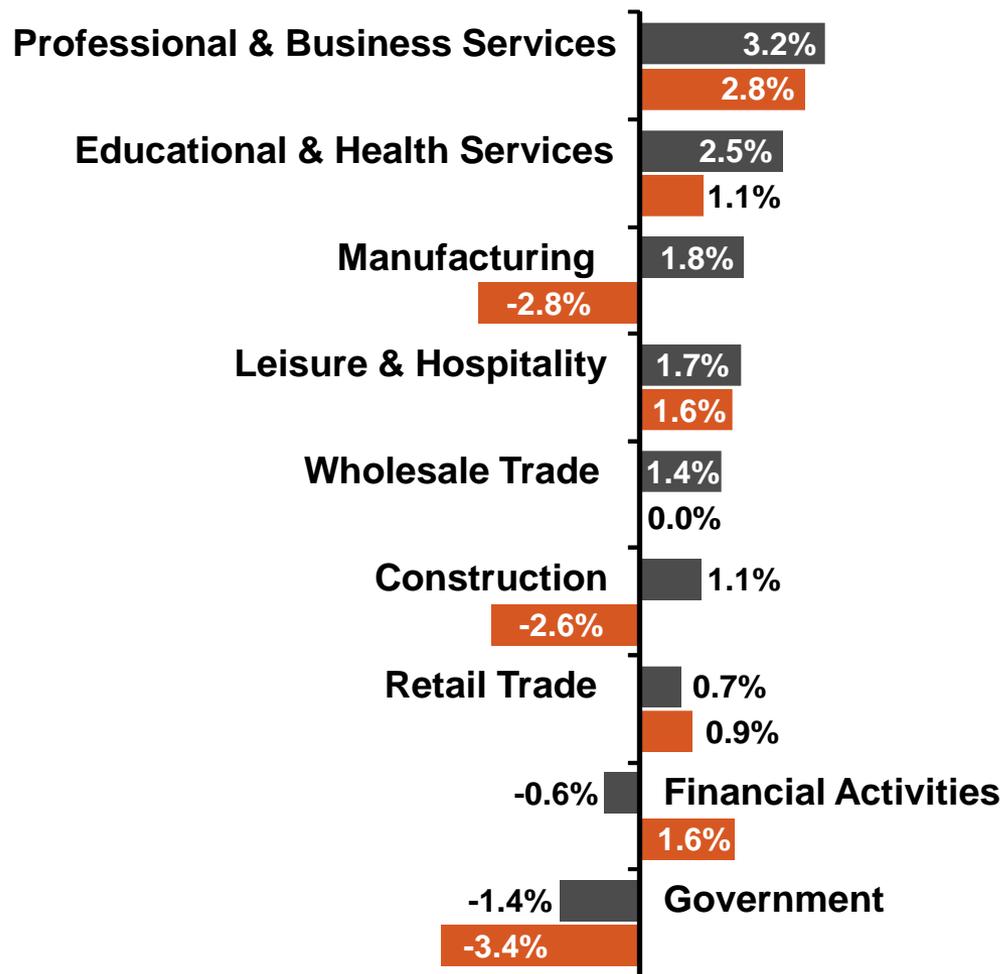


Source: Federal Reserve Bank of New York; Puerto Rico Government Development Bank

Note: The Puerto Rico composite index is based on a different methodology than the indexes produced by the FRBNY.

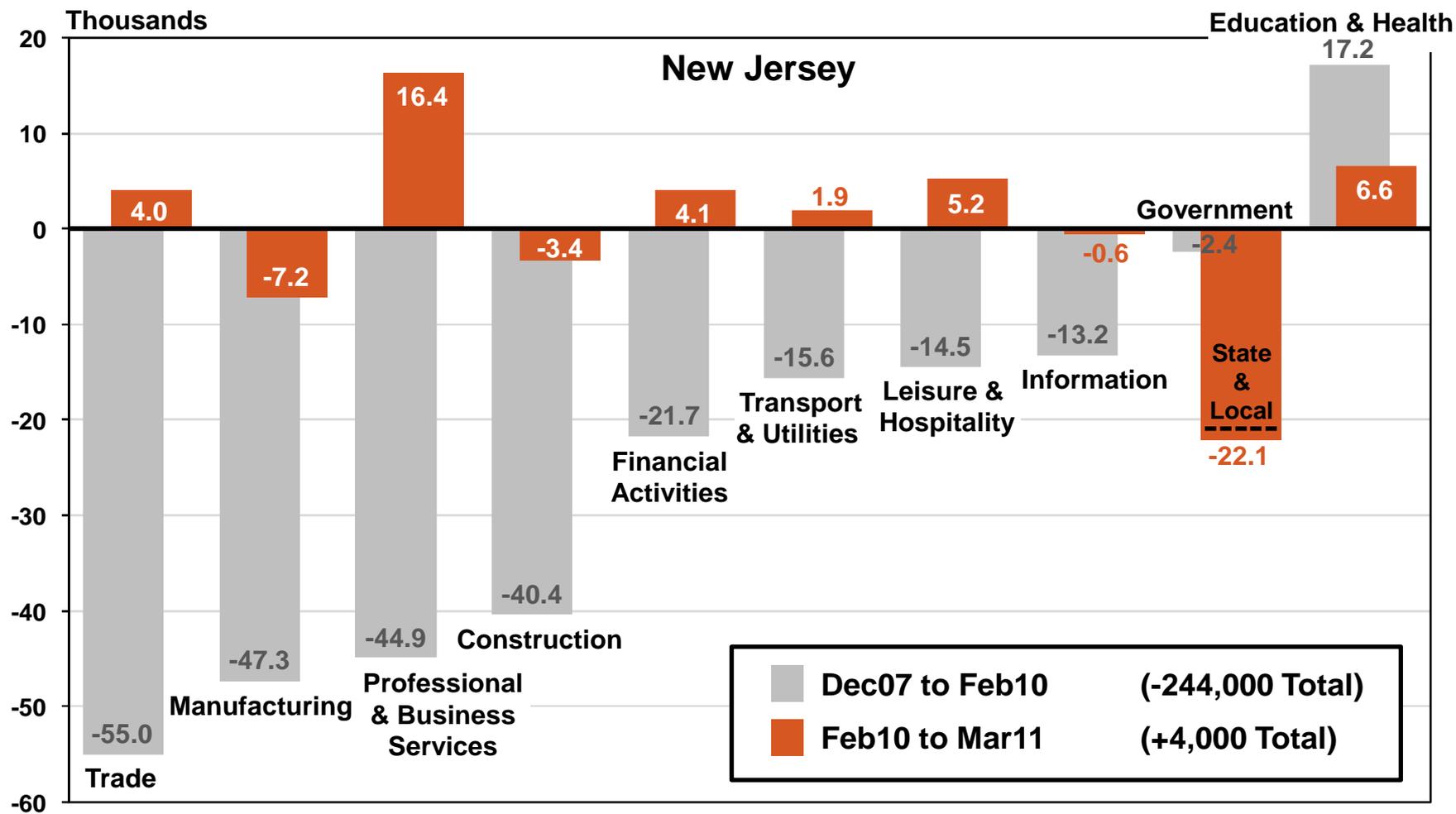
# Employment Change in the Upturn

Percent Change February 2010 to March 2011



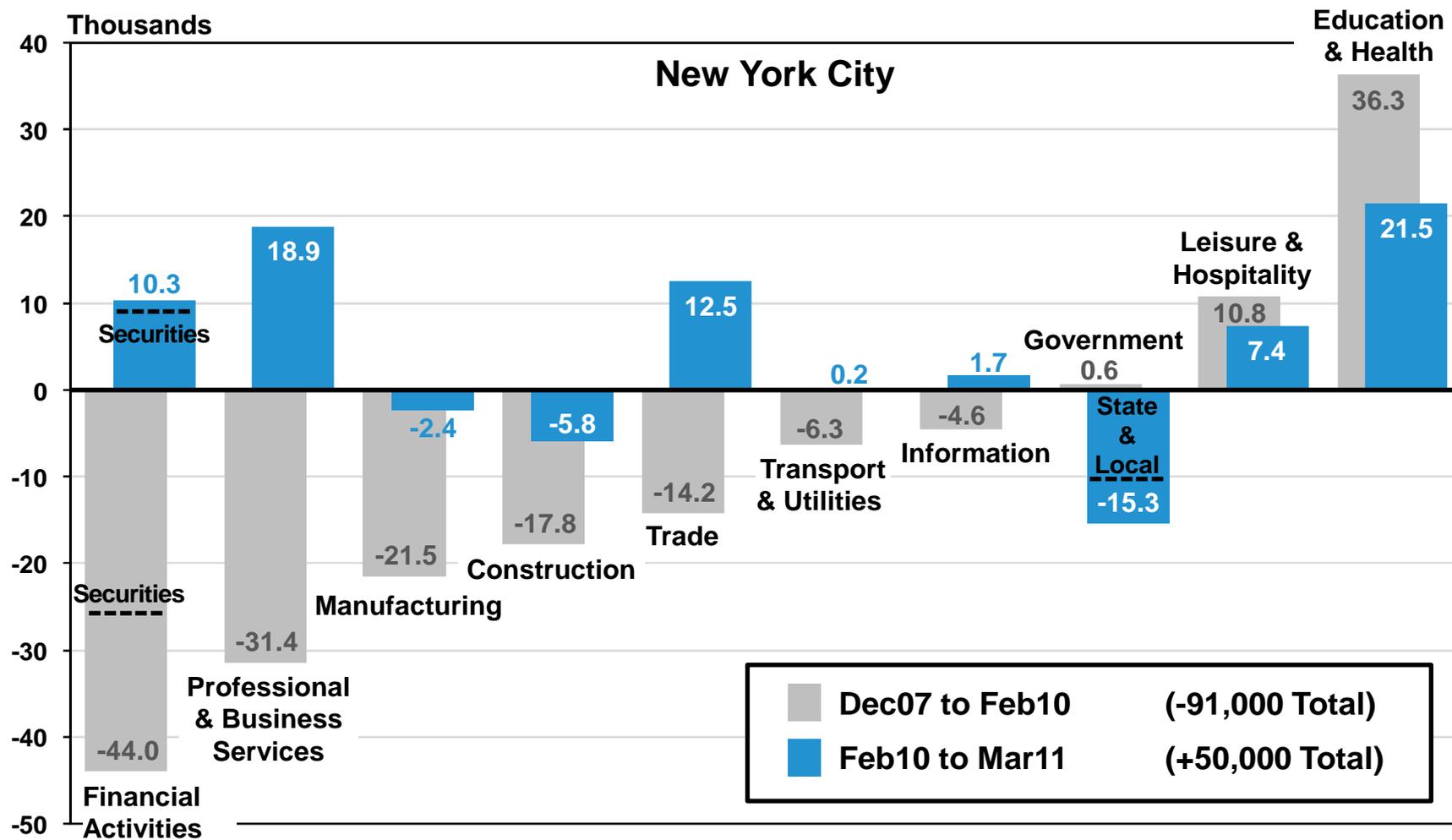
# Sectoral Job Changes: New Jersey

December 2007 to February 2010 / February 2010 to March 2011



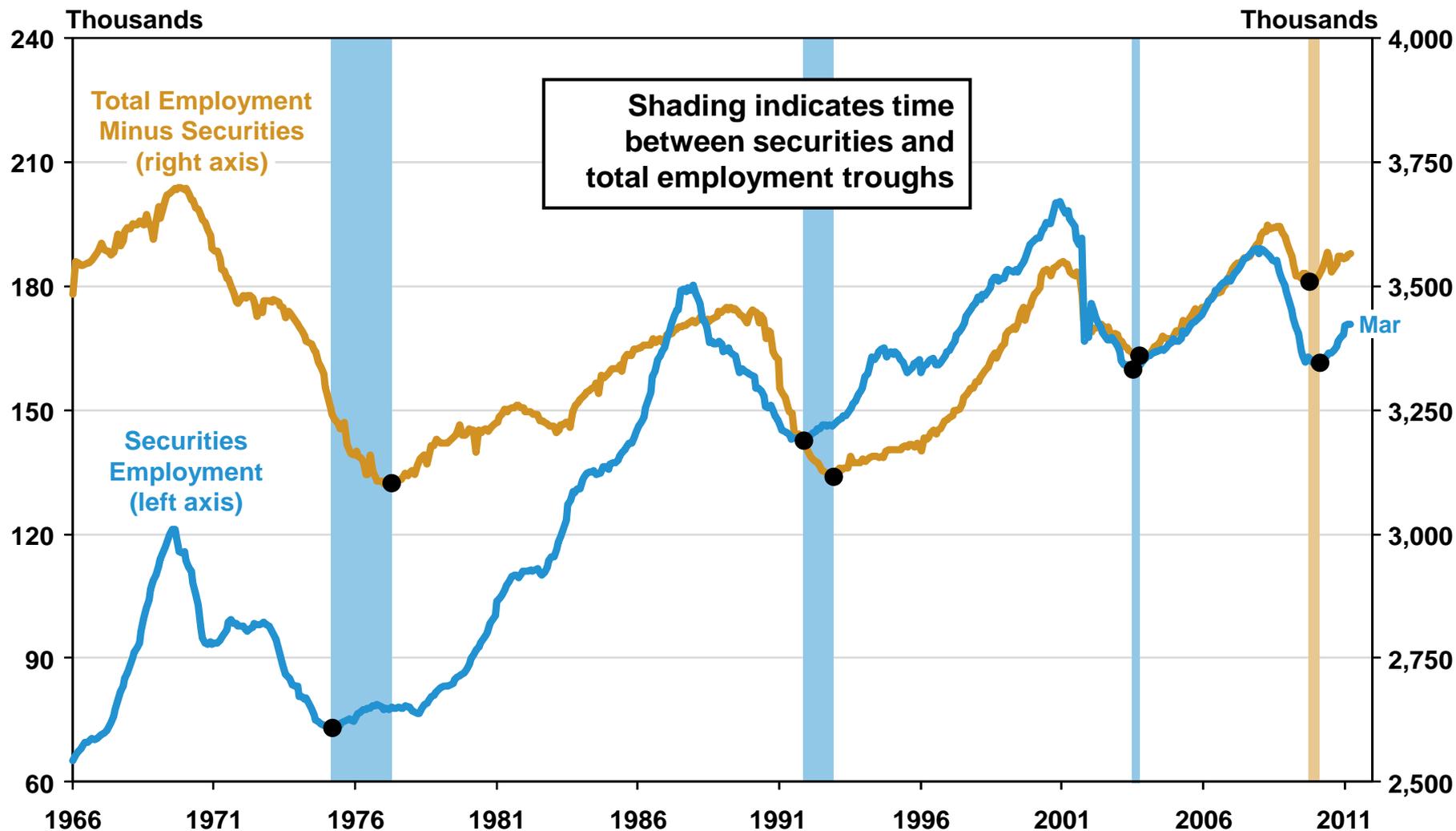
# Sectoral Job Changes: New York City

December 2007 to February 2010 / February 2010 to March 2011



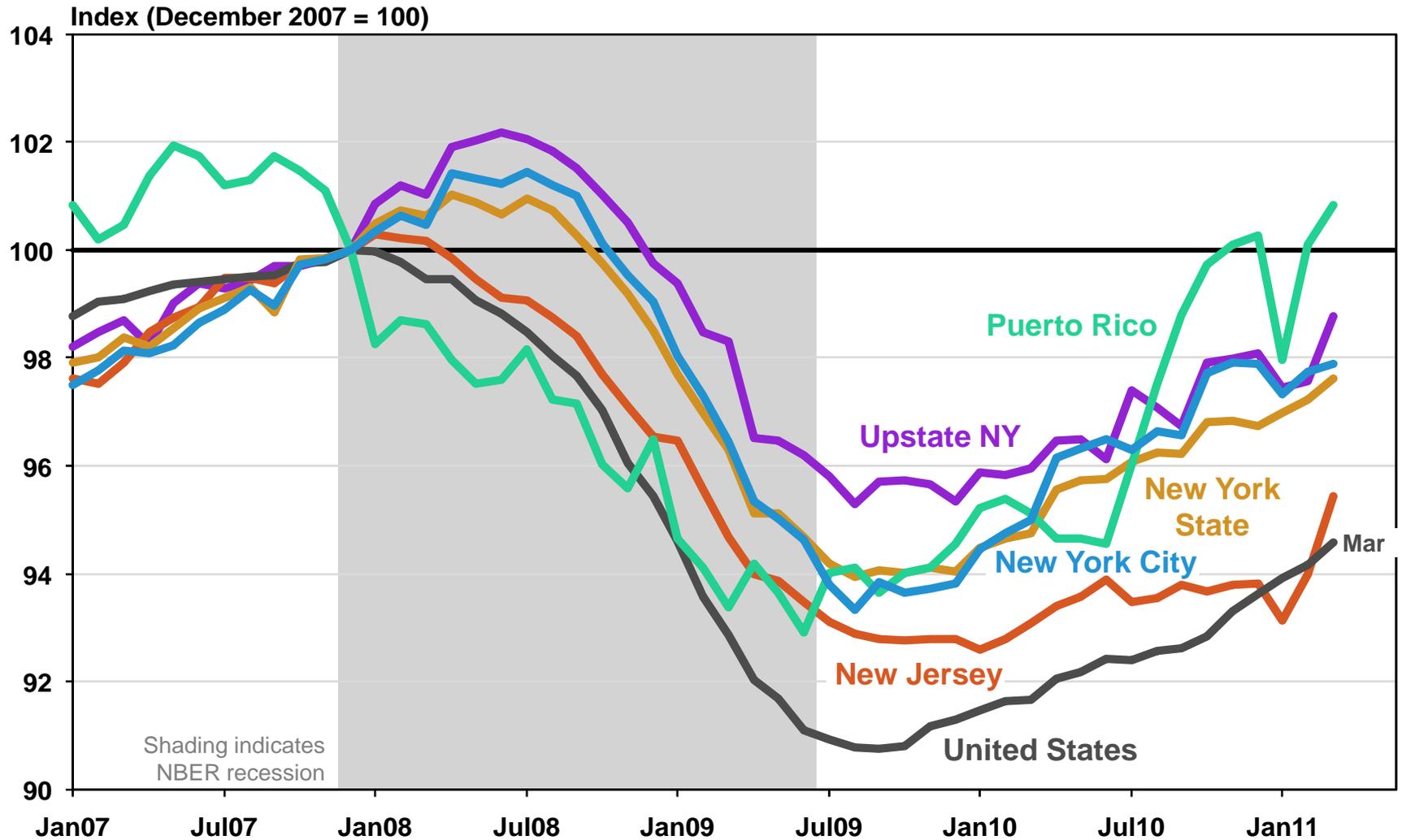
# New York City Securities Employment

Seasonally Adjusted Levels



# Professional and Business Services

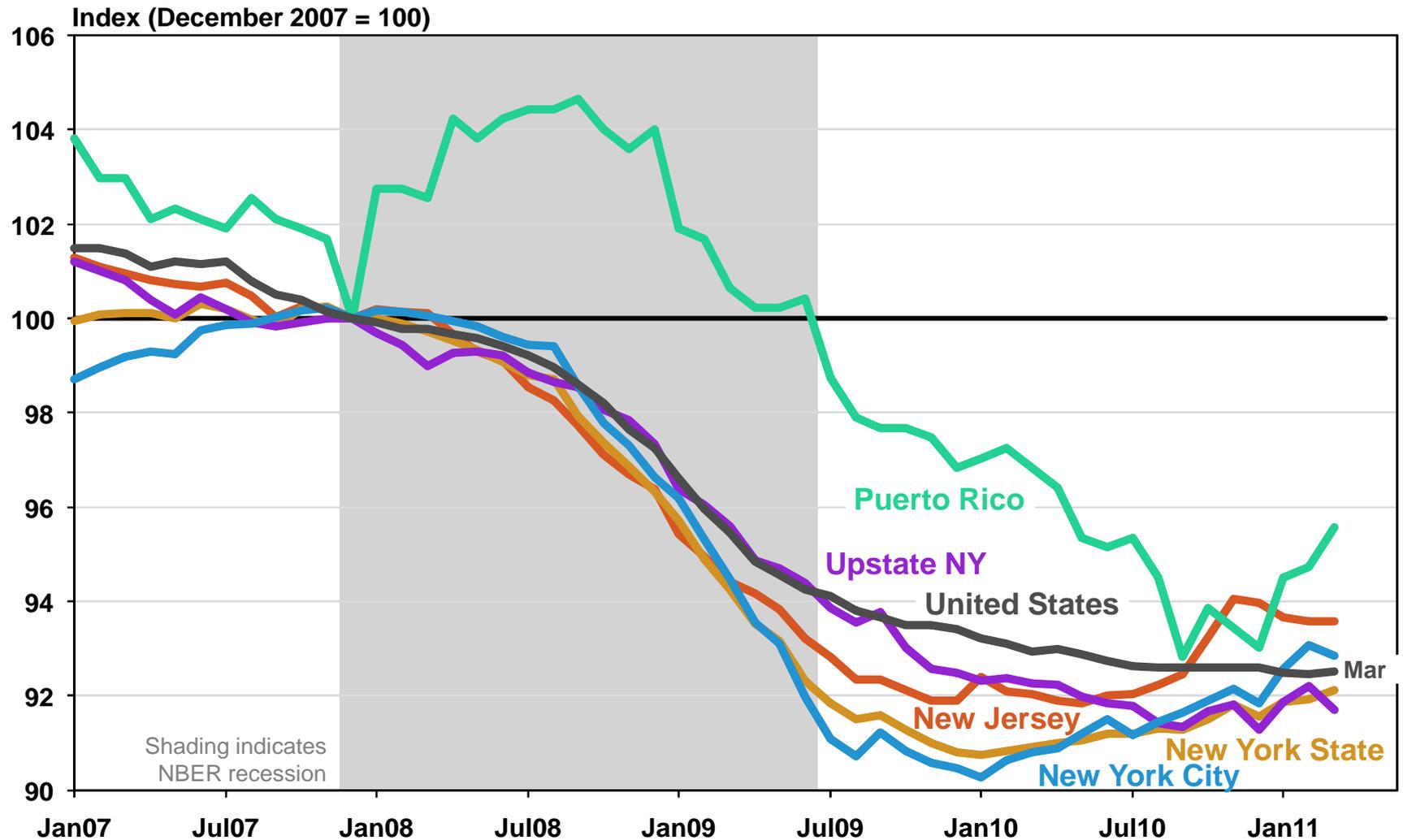
## Seasonally Adjusted Index



Shading indicates NBER recession

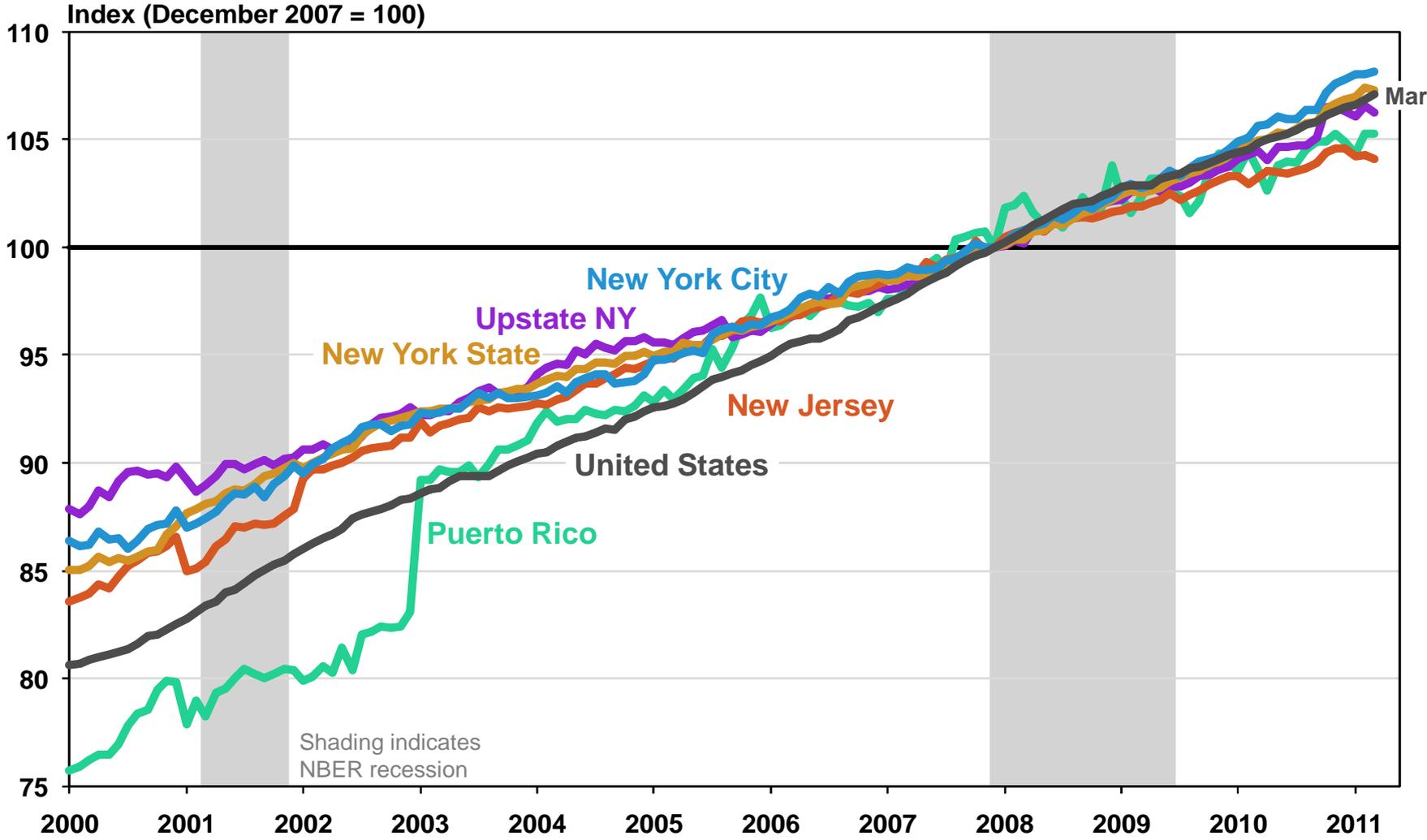
# Financial Activities Employment

## Seasonally Adjusted Index



# Education and Health

## Seasonally Adjusted Index



Mar

# Increase in Online Job Listings and Occupations Driving the Gains

2010Q1 - 2011Q1

## United States

Up 18.0%

1. Computer
2. Healthcare Practitioners
3. Transportation
4. Management
5. Retail and Other Sales

## New York State

Up 20.0%

- Management
- Computer
- Business and Financial
- Healthcare Practitioners
- Retail and Other Sales

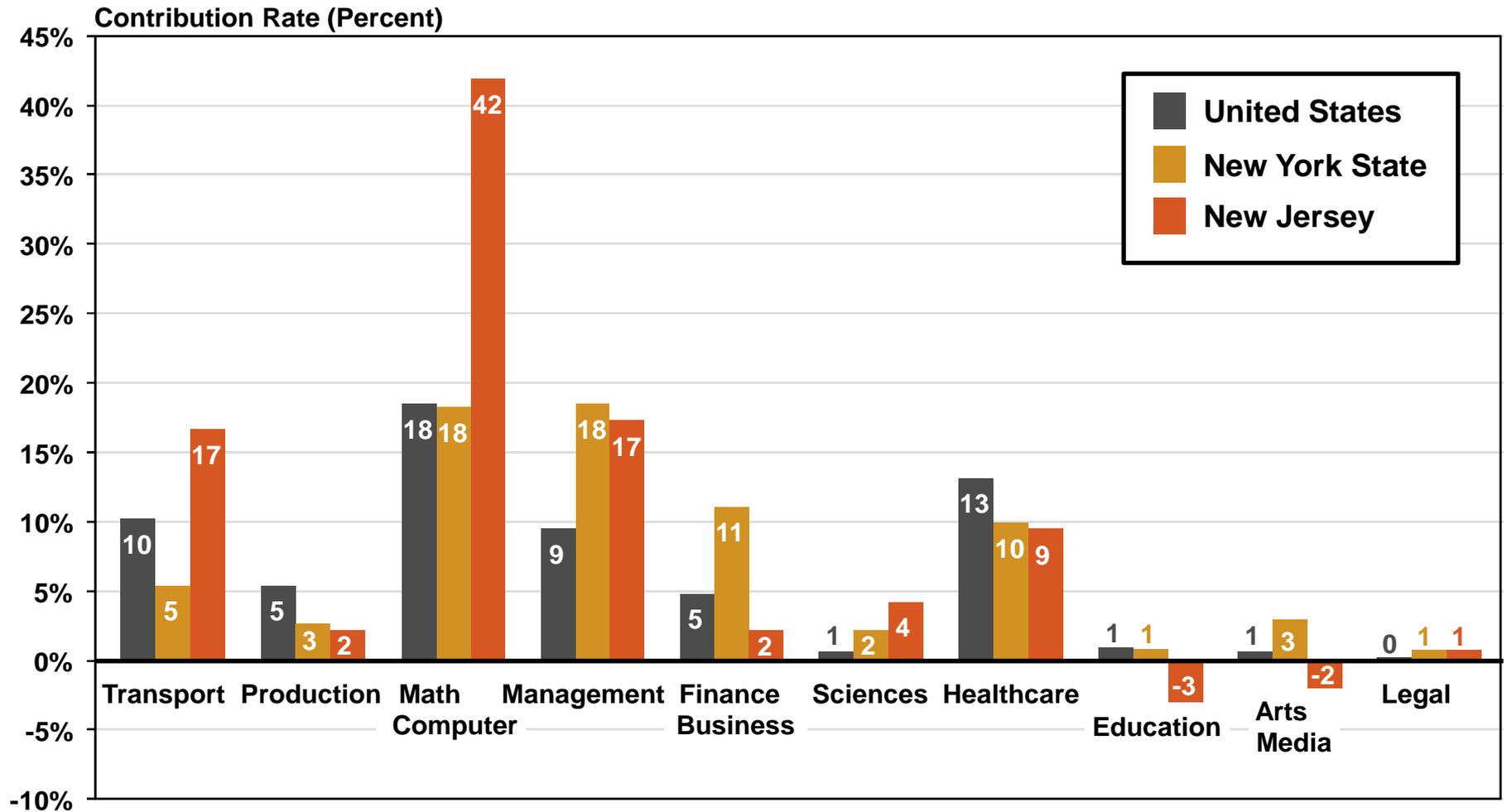
## New Jersey

Up 8.2%

- Computer
- Management
- Transportation
- Healthcare Practitioners
- Food Preparation

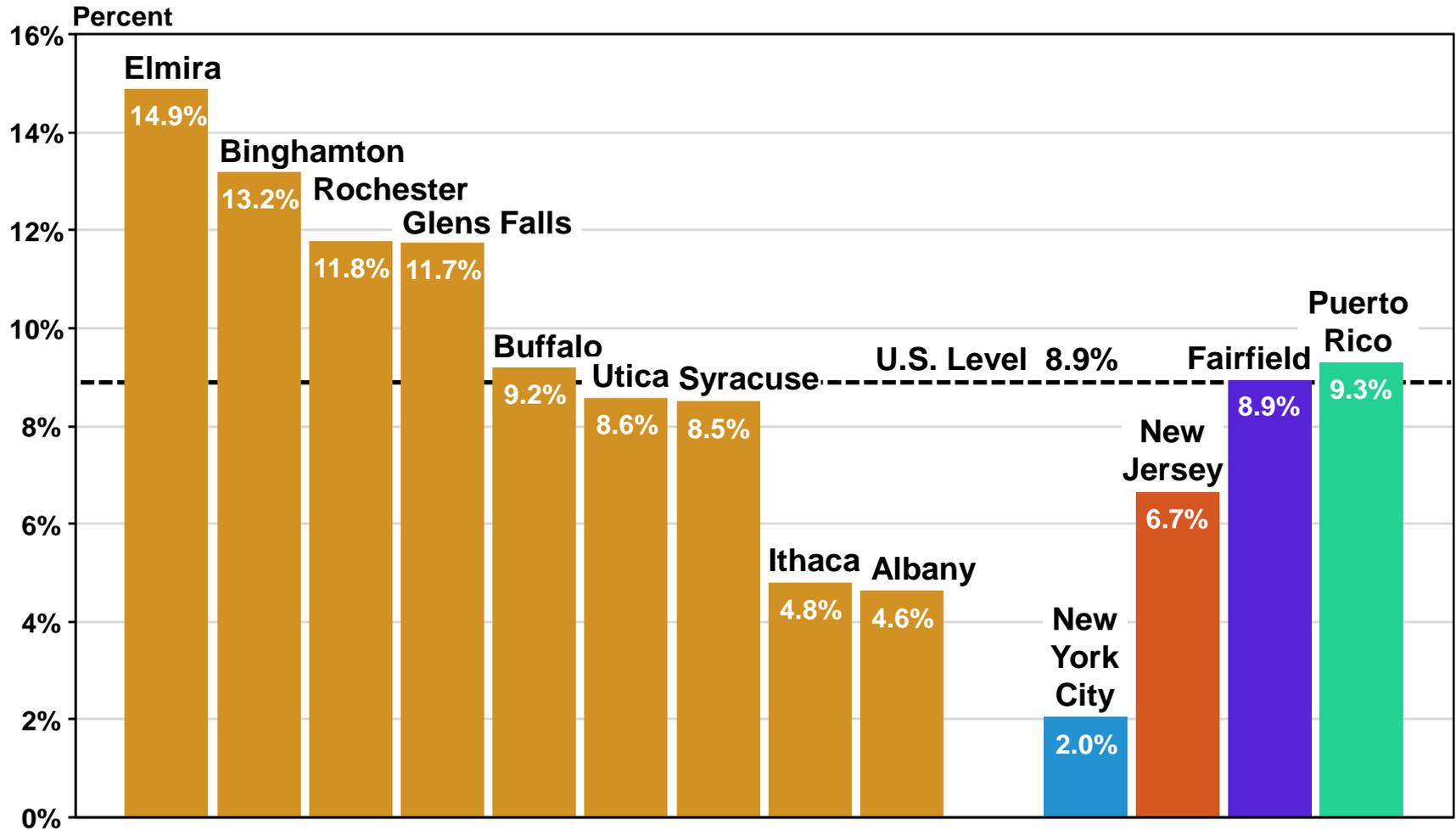
# Online Job Listings by Occupation

Contribution to Net Increase in Listings 2010Q1 - 2011Q1



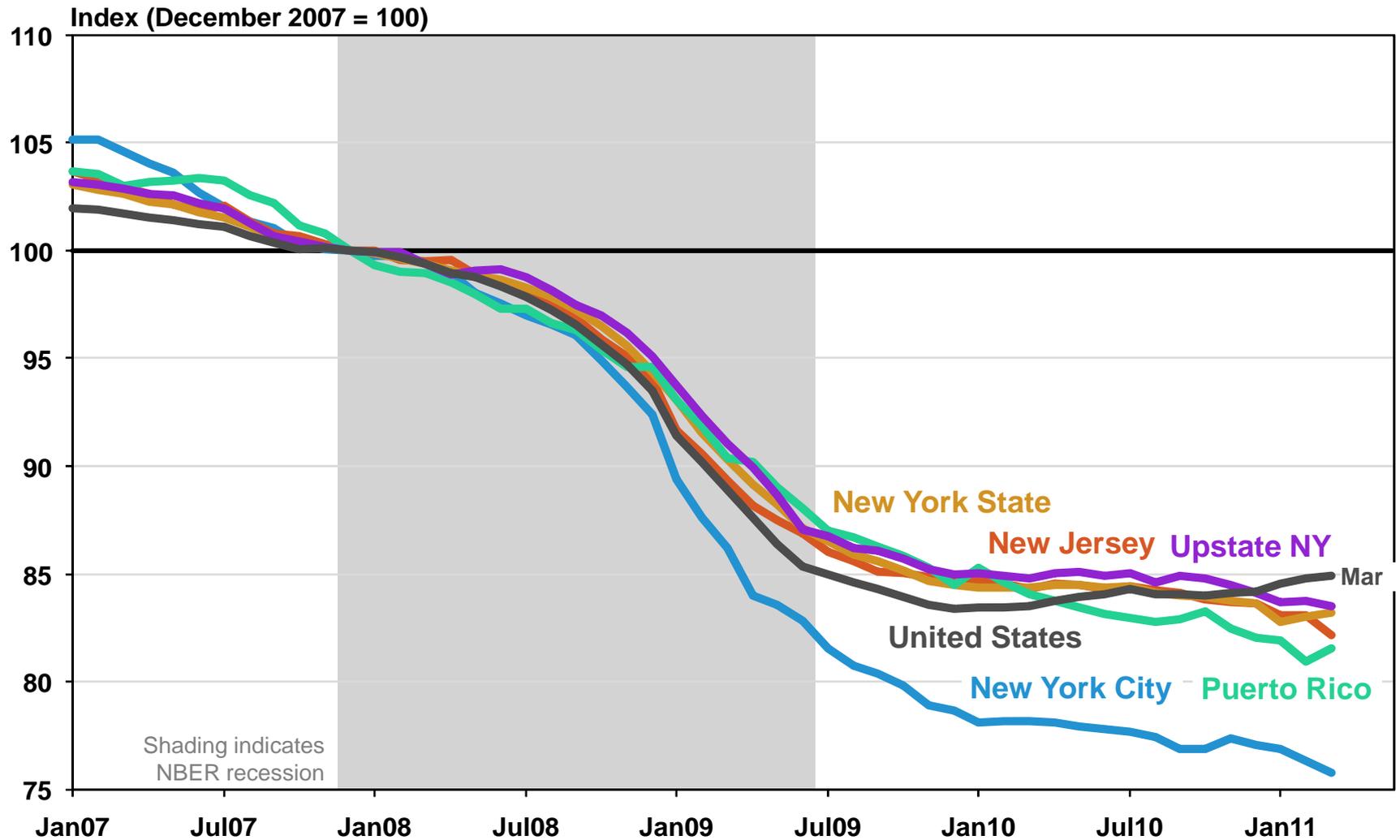
# Manufacturing

Share of Total Employment, 2010-2011



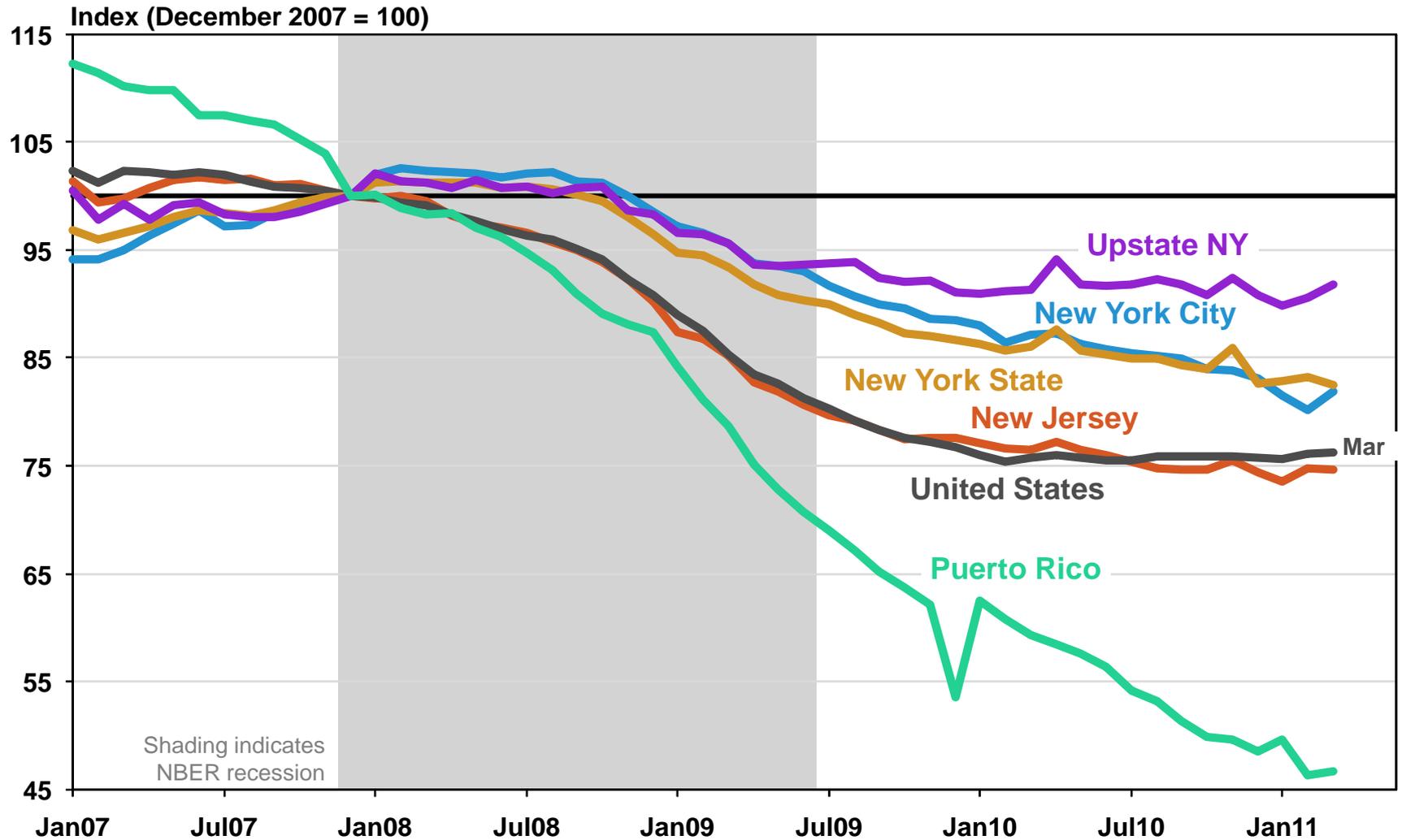
# Manufacturing Employment

## Seasonally Adjusted Index



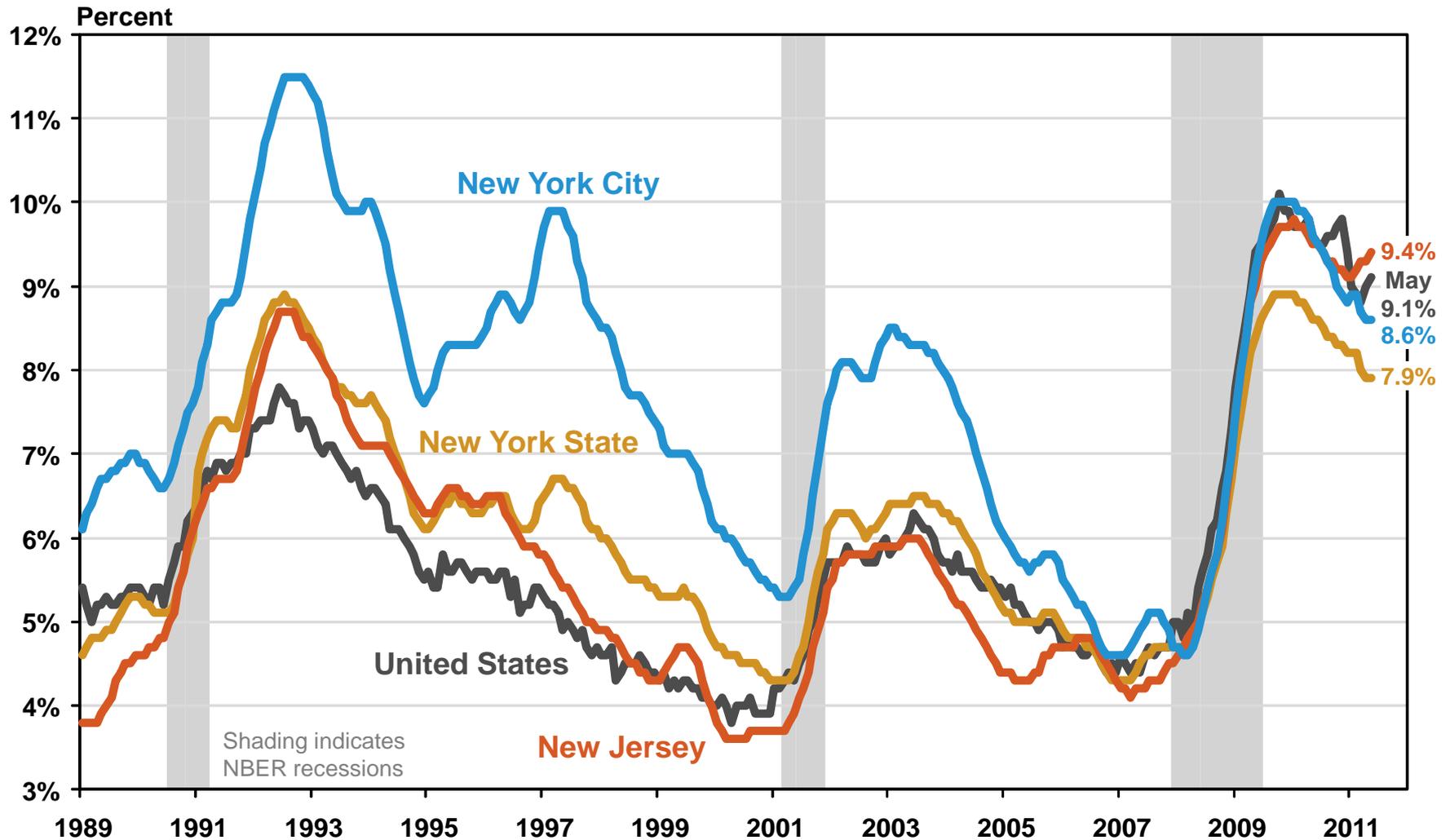
# Construction Employment

## Seasonally Adjusted Index



# Unemployment Rate

## Long-Term Trends



# Summary

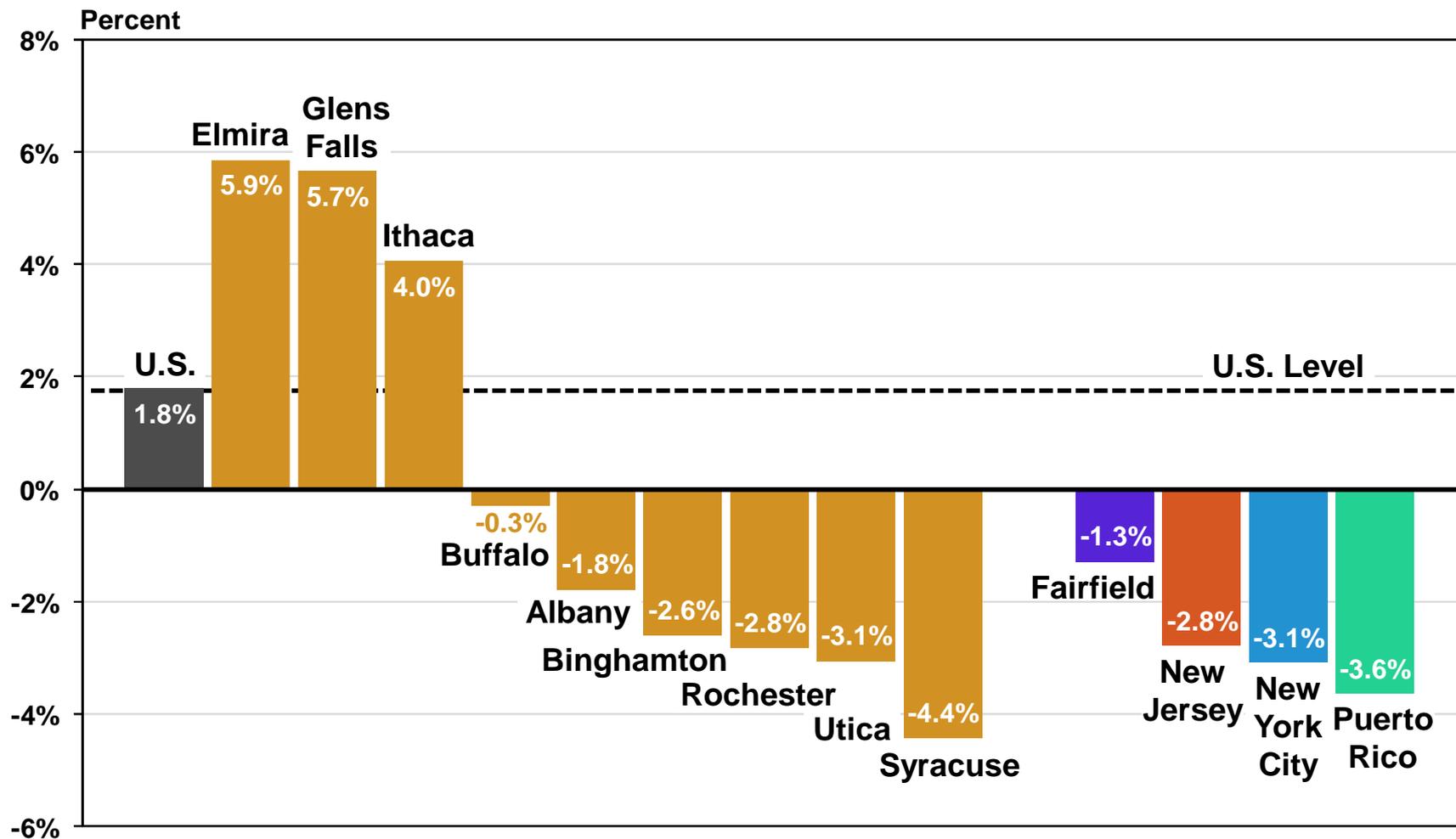
- There has been substantial regional variation in the **downturn**
- **Recovery** of jobs to date
  - Strength in most private services
  - Modest losses in Manufacturing and Construction
  - Mounting losses in State & Local Government
- **Outlook**
  - Health & Education, Leisure & Hospitality, Professional & Business Services, and Financial Activities are likely to continue to contribute to growth going forward
  - A pickup in online job listings in the region over the past year has been driven largely, but not entirely, by higher-skill occupations
  - Downside risks from state and local government fiscal restraint



# Appendix

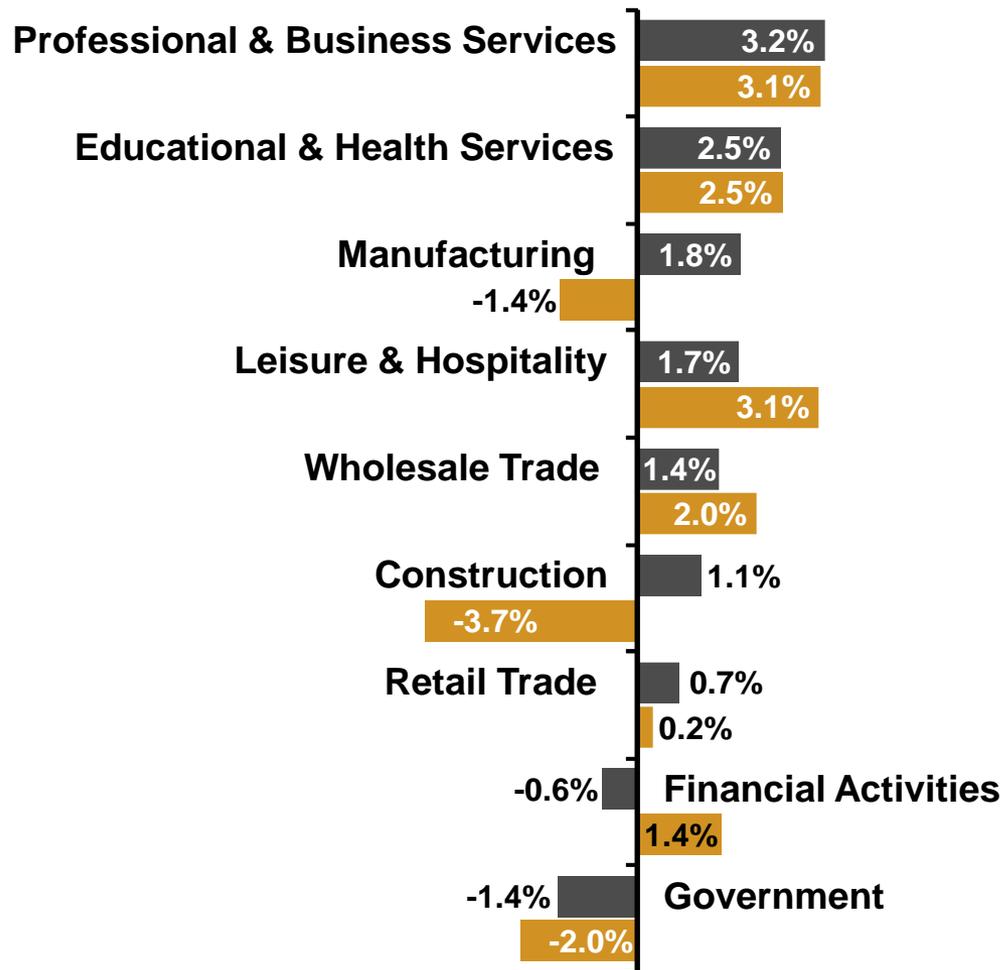
# Manufacturing

February 2010 to March 2011 Percent Change



# Employment Change in the Upturn

Percent Change February 2010 to March 2011



# Unemployment

February 2010 and March 2011

