

Regional Focus: Central Jersey

Data and analysis for the Edison and Trenton-Ewing labor areas

This issue of Regional Focus is based on data through September 2012 and does not reflect any impact on the region or state from Hurricane Sandy which struck New Jersey October 29, 2012, after this issue was completed. Later issues of Regional Focus will reflect the impact of that devastating storm.

Central Region Experiences Moderate Job Growth Over-the-Year

Employment in the Central Region (Mercer, Middlesex, Monmouth, Ocean and Somerset counties) increased by 11,100 jobs or 0.9 percent over-the-year from September 2011 to September 2012. This was a slightly slower pace than the increase of 1.1 percent posted statewide (+43,100 jobs). Private sector jobholding increased at an equal rate in both the region and the state (+1.3%) during the period.

With a numerical gain of 8,100 jobs, educational and health services was the regional leader in jobs creation. This was also true statewide where firms in educational and health services posted a gain of 20,900 over September 2011. However, on a percentage basis, employment expansion in leisure and hospitality (+6.9%) out-paced educational and health services (+4.2%) regionally. Statewide, both other services (+6.1%) and leisure and hospitality (+5.0%) created jobs at a faster pace than educational and health services (+3.4%).

Edison Gains Jobs; Trenton-Ewing Achieves Lower Unemployment Rate

In the Edison Labor Area (Monmouth, Middlesex, Ocean & Somerset counties), total employment ticked up by 9,700 jobs or 1.0 percent over the year. Leisure and hospitality led the increasing sectors with a gain of 6,800 jobs or 7.4 percent. Accommodations and food services accounted for three-quarters (+75.0%) of the increase in this sector. Other job creating sectors were trade, transportation and utilities (+5,900 jobs), educational and health services (+4,500), other services (+2,500), and information (+200).

With a loss of 4,800 jobs, construction had the greatest payroll decline in the Edison Labor Area over the year ending with September 2012. Financial activities relinquished 1,700 jobs primarily from weakness in securities and commodities contractors, and insurance carriers and related activities (-400 jobs each). The government (-1,500 jobs), manufacturing (-1,300), and professional and business services (-900) sectors also showed a drop in jobholding.

The Edison Labor Area continues to be impacted by



Focus on Central Jersey is a quarterly publication of the New Jersey Department of Labor Division of Labor Market and Demographic Research. For questions regarding the material in this publication contact Vin Samuel at (609)777-2189 or email vin.samuel@dol.state.nj.us

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**Change in Nonfarm Employment
September 2011 - September 2012
(not seasonally adjusted)**

	Region		State	
	Net	%	Net	%
Total Nonfarm Employment	11,100	0.9	43,100	1.1
Private Sector	12,900	1.3	42,200	1.3
Construction	-5,100	-11.9	-12,500	-9.0
Manufacturing	-1,500	-2.2	-6,300	-2.5
Trade, Trans. & Utilities	6,400	2.6	10,000	1.2
Information	100	0.3	-1,400	-1.9
Financial Activities	-1,900	-2.6	-300	-0.1
Prof. & Business Svcs.	-2,500	-1.2	4,800	0.8
Ed. & Health Svcs.	8,100	4.2	20,900	3.4
Leisure & Hospitality	6,800	6.9	17,100	5.0
Other Services	2,500	4.7	9,900	6.1
Government	-1,800	-0.9	900	0.1

Source: NJLWD, Current Employment Statistics



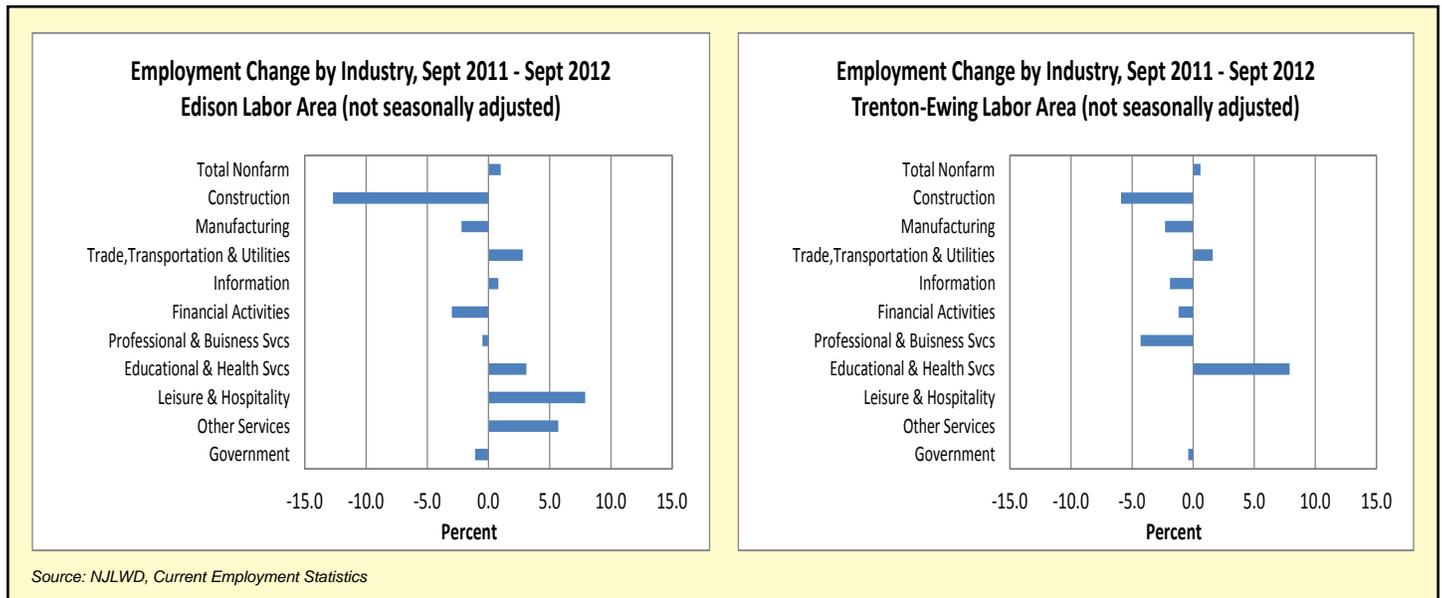
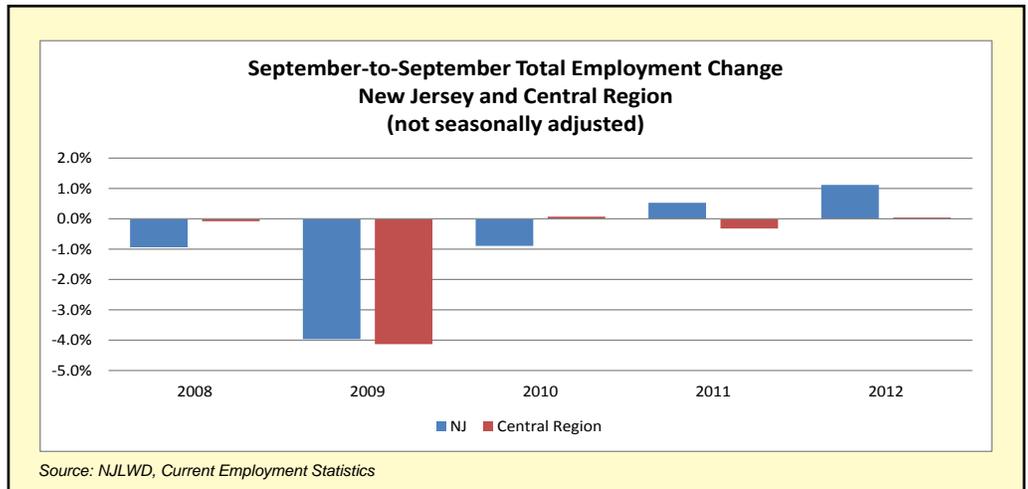
the closing of Fort Monmouth in Monmouth County. Consequently, the area saw a loss of 600 federal government jobs. Employment losses in both the state (-600 jobs) and local government (-300) contributed to the decline in public sector jobs over the year.

Since September 2011, employment in the Trenton-Ewing Labor Area was up by 1,400 jobs, or 0.6 percent. The greatest contributor to this increase was educational and health services (+3,600 jobs). Most of these new employment opportunities were in educational services (+3,500 jobs), as the area has a high concentration of private secondary schools and private universities. Trade, transportation and utilities (+500) was the only other sector that posted an increase in jobs over the year; the retail trade component accounted for all of the gain (+700 jobs).

Professional and business services (-1,600 jobs) led the declining sectors in the Trenton-Ewing Labor Area from the same month a year ago. Construction and government shed 300 jobs each, manufacturing and financial activities each lost 200 jobs, while information declined by 100 jobs. The government sector saw a loss in state government (-500 jobs) and gains in both federal and local government (+100 jobs each).

Total Nonfarm Employment (unadjusted September data, employment in thousands)						
	2007	2008	2009	2010	2011	2012
New Jersey	4,076.5	4,038.3	3,878.3	3,843.7	3,864.0	3,907.1
Central Region	1,281.5	1,272.5	1,222.8	1,221.7	1,220.6	1,231.7
Edison Labor Area (Middlesex, Monmouth, Ocean, Somerset counties)	1,042.0	1,029.4	985.8	981.6	979.9	989.6
Trenton-Ewing Labor Area (Mercer County)	239.5	243.1	237.0	240.1	240.7	242.1

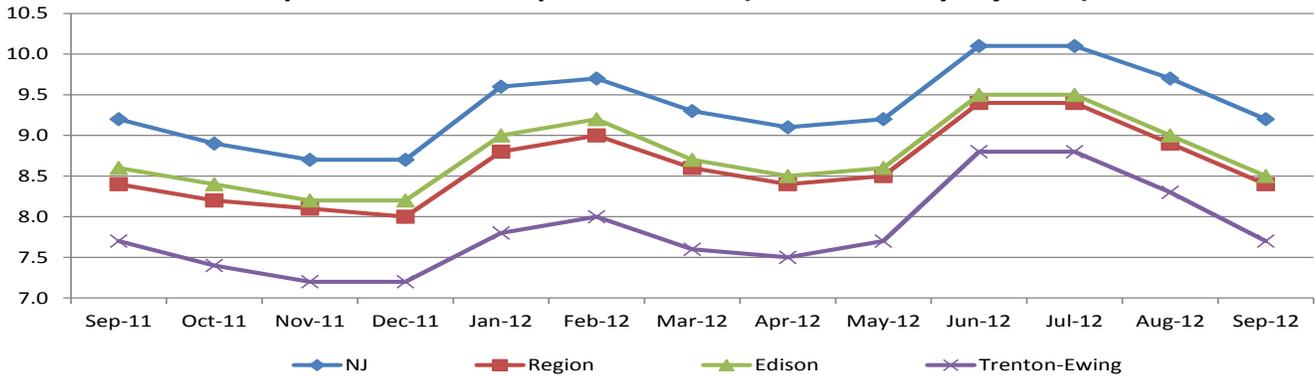
Source: NJLWD, Current Employment Statistics



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

LABOR FORCE DATA

**Unemployment Rates, New Jersey and Central Region
September 2011 - September 2012 (not seasonally adjusted)**



Source: NJLWD, Local Area Unemployment Statistics (LAUS)

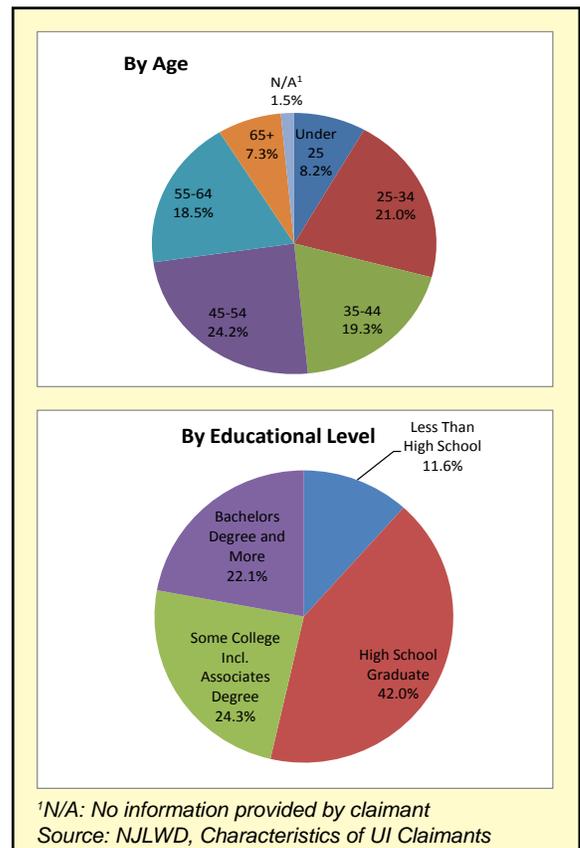
- In September 2012, the unadjusted unemployment rate for the Central Region was 8.4 percent, a rate below the unadjusted state rate of 9.2 percent. The rate for both the region and the state was unchanged from the same month a year ago.
- With an unadjusted unemployment rate of 7.7 percent in September 2012, the Trenton-Ewing Labor Area had the lowest unemployment rate among the state's labor areas.
- The Edison Labor Area has the state's largest labor force totaling 1,209,500 and accounted for 26.6 percent of the labor force statewide.

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 CENTRAL REGION THIRD QUARTER 2012

CLAIMANTS BY OCCUPATIONAL GROUP		
	Number	Percent
Management	9,803	10.2
Business and Financial	3,509	3.6
Professional and Related	14,054	14.6
Services	14,722	15.2
Sales and Related	8,077	8.4
Office and Administrative Support	16,195	16.8
Farming, Fishing and Forestry	200	0.2
Construction and Extraction	7,568	7.8
Installation, Maintenance and Repair	3,489	3.6
Production	7,355	7.6
Transportation and Material Moving	10,816	11.2
Military	604	0.6

- As was seen in the second quarter, unemployed persons previously employed in the office and administrative support occupational group represented the largest group of unemployment claimants in the Central Region during the third quarter of 2012. This group accounted for 16.8 percent of the 96,564 region's claimants.



Employment Contributions of the Grocery Sector

The creation of new jobs is always welcome news. Consequently, signs of retail business openings and the jobs that they bring to the Central Region command the attention of residents and economic development professionals alike. Analysis of job posting data for the region shows a large number of openings in the retail sector. While this sector offers a wide array of occupations, many are typically entry-level positions.

According to Current Employment Statistics data, since 1990, employment in the region's retail sector ranged from an annual average low of 122,700 jobs in 1991 to a high of 151,200 in 2004. The retail sector lost a significant number of jobs during the recession, declining from an annual average of 150,400 jobs in 2007 to 140,500 in 2009. After adding jobs for two consecutive years, average annual employment for retail trade was 1.4 percent higher in 2011 than in 2009. Regional jobholding in retail trade accounted for 32.2 percent of statewide retail employment in 2011.

Food and beverage stores are an important part of the retail sector making up 23.7 percent of employment statewide, as of September 2012, according to unadjusted Current Employment Statistics. But the sub-sector has been undergoing several changes in recent decades which have impacted employment. One trend is replacing smaller stores in growing suburban areas with larger markets that include amenities such as coffee bars, banking, and prepared food sections complete with in-store

dining. These larger stores typically offer more employment opportunities which helps create jobs. Also, offering a more diversified range of products and services can help grocery stores compete with increased competition. Big box retailers have been expanding their grocery departments, thereby competing with traditional grocers for a share of the grocery dollar.

In the last decade, the grocery industry experienced a series of closures and consolidations due to corporate restructuring. Some of the most recent closings occurred when the Great Atlantic and Pacific Tea Company (A&P) closed Pathmark subsidiaries in Somerset, Monmouth and Middlesex counties and a Super Fresh in Mercer County.

New Grocery-Related Developments

Retail space left vacant due to company restructuring has created opportunities for other grocers to enter or expand in the Central Region market. In Mercer County, examples include Trader Joe's (West Windsor) and Bottom Dollar (Hamilton). In Monmouth County, a Whole Foods supermarket plans to open in Marlboro.

The announcement that The Fresh Grocer is opening with 300 jobs in the City of New Brunswick (Middlesex County) is welcome news. This will be the city's first new supermarket in more than 20 years. Warehouse clubs and supercenters with large grocery departments are also expanding in the area. In neighboring North Brunswick, BJ's Wholesale Club and Costco each plan to open stores along Route 1.

**Residential Building Permits:
Annual 2010 - 2011**

	Total		Single-Family	
	2010	2011	2010	2011
New Jersey	13,535	12,952	7,378	6,475
Central Region	5,179	2,896	4,002	2,582

Source: U.S. Census Bureau, Manufacturing & Construction Division

- Applications for permits to construct new residential buildings are often used as an indicator of the level of potential construction jobs generated in an area during a certain period. The continued decline of authorized construction remains a function of a housing industry that has yet to rebound from the "Great Recession". In the Central Region of the state, the total number of residential housing units authorized to be built declined by 1,177 units from 2010 to 2011. Single-family units declined by 314 units. Statewide, total planned construction declined by 583 units while single-family permits were down by 903 units during 2011.
- Monmouth County was one of only four counties that experienced an increase in single-family building permits during 2011 (+40 units). However, every county in the region experienced an over-the-year gain the number of multi-family authorizations in 2011. Regionally, multi-family permitting activity totaled 2,283 units in 2011.