

Regional Focus: South Jersey

Data and analysis for the Atlantic City, Camden, Ocean City, and Vineland/Millville/Bridgeton 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.

Region's Employment Levels Rise as a Whole

Over the 12-month period ending September 2012, based on not seasonally adjusted data, total nonagricultural payrolls in the Southern Region advanced by 13,200. During this time, employment in the region rose by 1.8 percent, faster than the state's rate (+1.1%). The region's increase was entirely the result of gains in the service-providing sector as the goods-producing sector which consists of construction and manufacturing relinquished 3,500 jobs.

Employment growth in many sectors in the south compared favorably to the state. The two most significant differences were in educational and health services (+7.3% for the region and +3.4%, statewide) and professional and business services (+1.6% vs. +0.8%) which added jobs at nearly double the rate of the state. Although the construction (-7.5% vs. -8.9%), information (-1.1% vs. -1.9%) and manufacturing (-2.4% vs. -2.5%) sectors shed employment, regional job loss occurred at a slower pace than statewide.

Other services (+1.4% vs. +6.1%, respectively), leisure and hospitality (+4.7% vs. +5.0%) and trade, transportation and utilities grew at a slower rate (T/T/U, +0.2% vs. +1.2%) in the region than the Garden State.

Two Largest Labor Areas Lead the Way

Since September 2011, the Atlantic City Labor Area was the job growth leader with a gain of 6,600 or 4.8 percent. The Camden Labor Area also had a significant increase (+5,000 jobs) but rose only 1.0 percent due to the sheer size of its employment base.

Jobholding in the Ocean City Labor Area was up by 1,900 or 4.1 percent. With a slight job loss 300 or 0.5 percent, the Vineland Millville Bridgeton Labor (VMB) was the only area in the region to decline.

In the Atlantic City Labor Area, the major contributor to the rise in employment was leisure and hospitality (+5,700 or 11.9%) with casino hotels adding 2,700 jobs. Retail trade (+900 or 6.0%) and government (+300 or 1.3%) added jobs while construction shed payrolls (-500 jobs or -8.2%).

In the Camden Labor Area, the most significant payroll in-



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Change in Nonfarm Employment September 2011 - September 2012 (not seasonally adjusted)				
	Region		State	
	Net	%	Net	%
Total Nonfarm Employment	13,200	1.8	43,100	1.1
Private Sector	13,000	2.1	42,200	1.3
Construction ¹	-2,400	-7.5	-12,500	-9.0
Manufacturing ¹	-1,100	-2.4	-6,300	-2.5
Trade, Trans. & Utilities	-1,800	-1.2	10,000	1.2
Information ¹	-100	-1.1	-1,400	-1.9
Financial Activities ¹	0	0.0	-300	-0.1
Prof. & Business Svcs. ¹	1,400	1.6	4,800	0.8
Ed. & Health Svcs.	8,400	7.3	20,900	3.4
Leisure & Hospitality	5,100	4.7	17,100	5.0
Other Services ¹	400	1.4	9,900	6.1
Government	200	0.2	900	0.1

Source: NJLWD, Current Employment Statistics

¹Employment does not include data for Cape May County

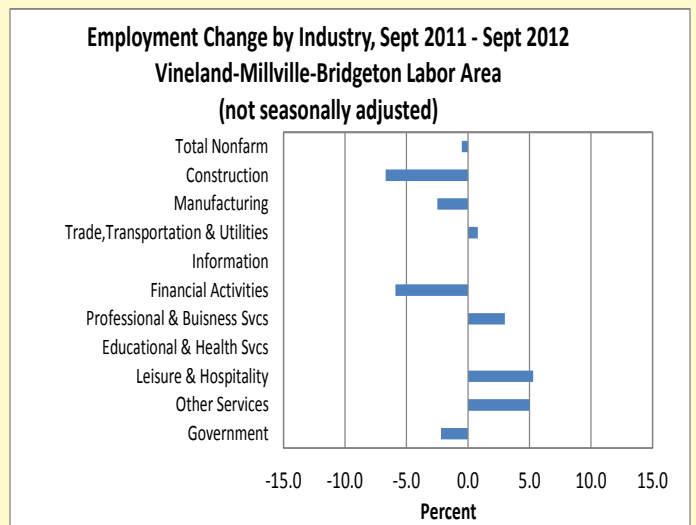
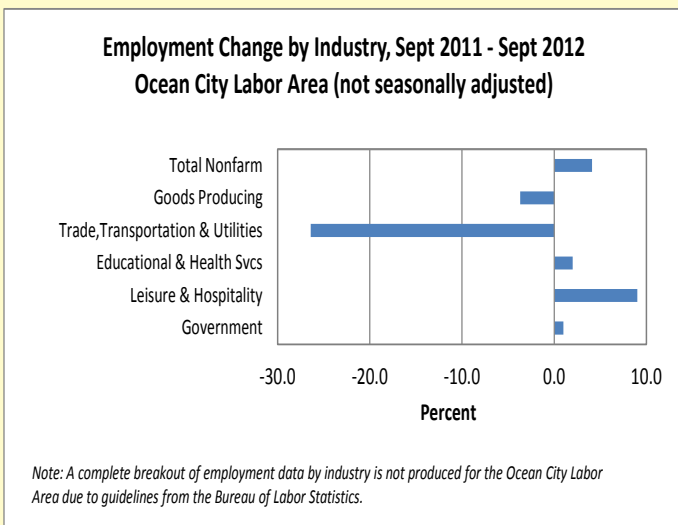
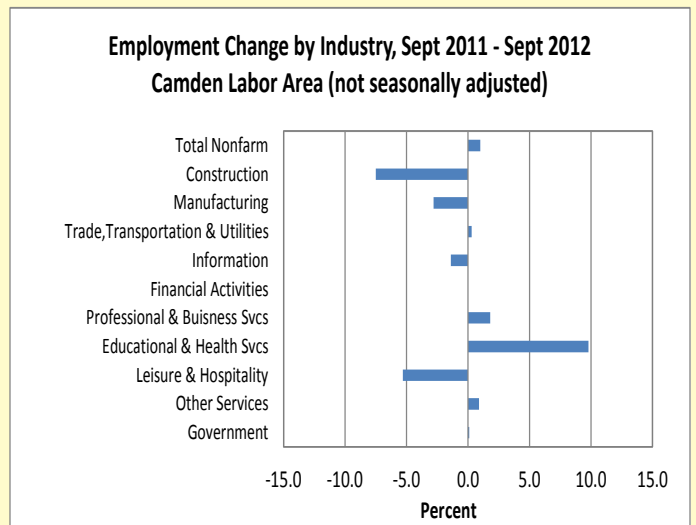
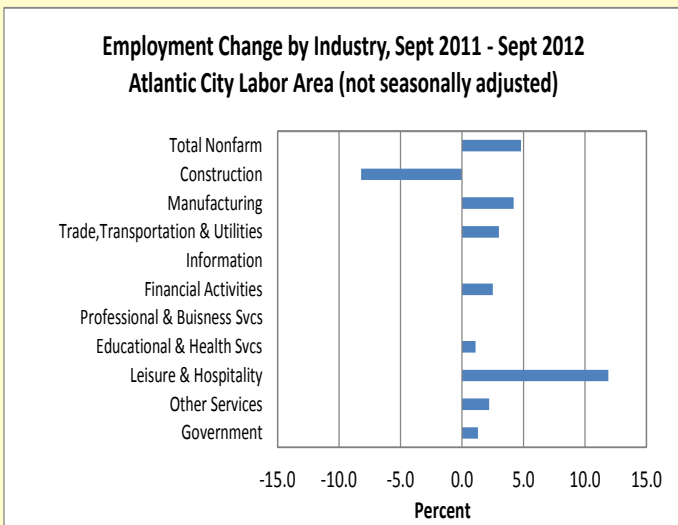
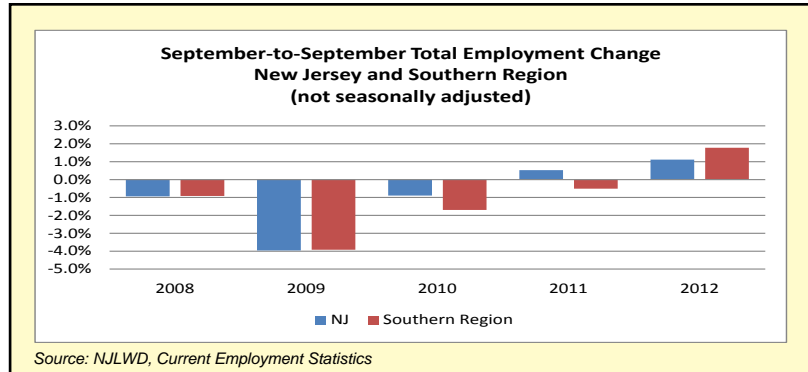


creases occurred in educational and health services (+8,100 or +9.8%) with health care and social assistance contributing three-quarters of the gain, and professional and business services (+1,300 or +1.8%). While T/T/U as a sector was up just 300 jobs, retail trade increased by 1,100 jobs. The largest payroll losses occurred in leisure and hospitality (-2,200 or -5.3%), construction (-1,700 or -7.5%) and manufacturing (-1,000 or -2.8%).

Ocean City's largest employment sector, leisure & hospitality, which accounts for 44 percent of private sector jobs, rose by 1,400 (+9.0%) over the year. In VMB, minor payroll declines occurred in government (-300), construction (-200) and manufacturing (-200).

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
Southern Region	798.4	791.1	760.1	747.2	743.4	756.6
Atlantic City Labor Area (Atlantic County)	151.3	149.8	141.2	139.3	138.4	145.0
Camden Labor Area (Burlington, Camden, Gloucester counties)	537.4	532.0	511.1	501.5	500.3	505.3
Ocean City Labor Area (Cape May County)	48.1	48.1	48.3	48.5	46.4	48.3
Vineland-Millville-Bridgeton Labor Area (Cumberland County)	61.6	61.2	59.5	57.9	58.3	58.0

Source: NJLWD, Current Employment Statistics

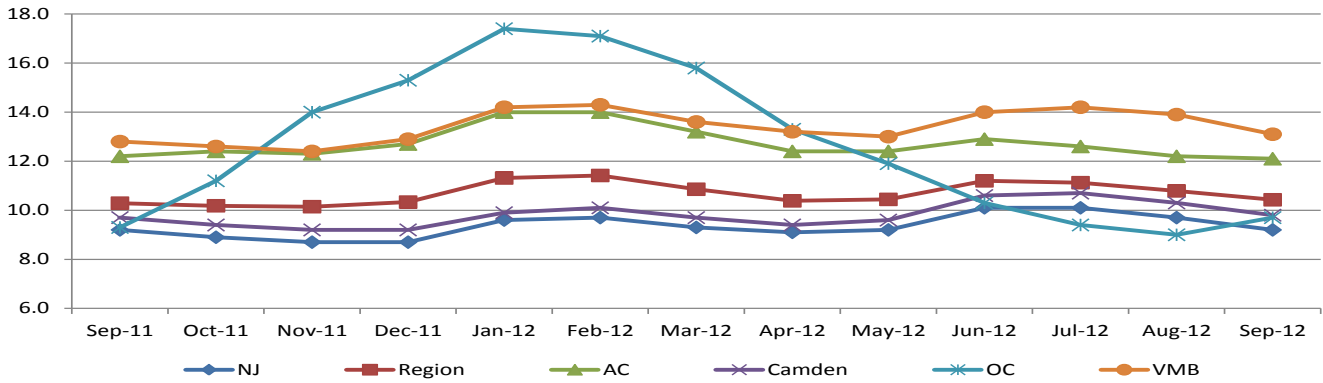


Source: NJLWD, Current Employment Statistics

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

LABOR FORCE DATA

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



Source: NJLWD, Local Area Unemployment Statistics (LAUS)

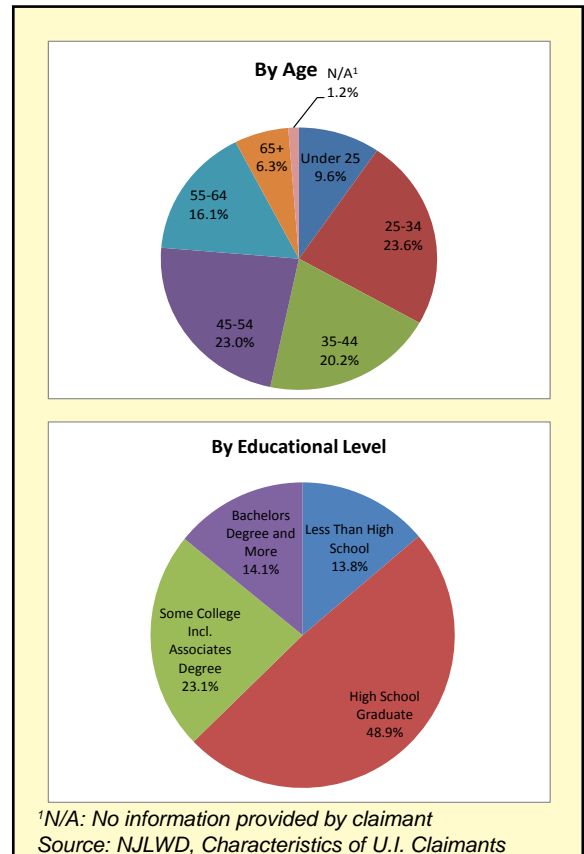
- New Jersey's unadjusted unemployment rate for September 2012 was 9.2 percent, a rate equal to the rate for the same month a year ago. At 10.4 percent in September 2012, the unadjusted unemployment rate for the Southern Region was up slightly over the rate of 10.3 percent reached in September 2011.
- During the twelve month period through September 2012, the region's civilian labor force grew by 3,900 or 0.4 percent. In comparison, the state's labor force remained virtually unchanged (-900 or 0.0%) over the same period.
- Due to its highly seasonal nature, the Ocean City Labor Area's monthly unemployment rates (not seasonally adjusted) swing widely from summer to winter — from lower than statewide single digit levels during the peak tourist season months of July and August — to rates well into the double digits in January and February.

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 SOUTHERN REGION THIRD QUARTER 2012

CLAIMANTS BY OCCUPATIONAL GROUP		
	Number	Percent
Management	6,538	7.6
Business and Financial	2,225	2.6
Professional and Related	9,629	11.2
Services	16,948	19.7
Sales and Related	6,853	7.9
Office and Administrative Support	12,731	14.8
Farming, Fishing and Forestry	202	0.2
Construction and Extraction	8,985	10.4
Installation, Maintenance and Repair	3,443	4.0
Production	7,619	8.8
Transportation and Material Moving	10,177	11.8
Military	668	0.8

- Claimants residing in the Southern Region accounted for nearly one-quarter (24.7%) of New Jerseyans claiming benefits during the third quarter of 2012. The number of claimants by county in the region are as follows: Atlantic (17,797); Burlington (17,406); Camden (23,455); Cape May (3,970); Cumberland (8,702); Gloucester (11,686) and Salem (3,215).



Atlantic City Developments

Several entertainment-related developments that continue the trend of transforming Atlantic City from a gambling mecca to an all-inclusive tourist destination are currently in the pipeline. One of the largest economic developments is Resorts Hotel and Casino's \$35 million proposed Jimmy Buffet-themed Margaritaville complex. The complex will primarily consist of restaurant and retail space.

Other ventures include the recently completed \$150 million transformation of the former Trump Marina Hotel Casino into the Golden Nugget Atlantic City and the \$21 million makeover project at the Steel Pier. The latter is the first phase of a \$100 million dollar makeover that will eventually transform the pier into an enclosed year-round entertainment complex. Additionally, Harrah's Resort Atlantic City recently proposed the construction of a \$134 million convention center.

Hard Rock International recently withdrew plans to construct a new casino along the boardwalk citing market conditions.

Educational and Medical Institutions Combine to Spur Economic Growth

Institutions of higher learning and medical facilities are some of the largest employers in the area. Much like national and statewide trends, education and medical-related establishments by combining resources continue to be a leading catalyst for economic growth in the Southern Region. This collaboration of educational and medical institutions is illustrated by Camden City's Higher Education and Healthcare Taskforce. Dubbed "Eds" and "Meds" the

task force which began in 2002 is comprised of eight core members — CAMcare, Camden County College, Cooper University Hospital, Lourdes Health System, Rowan University, Rutgers-Camden, The University of Medicine and Dentistry of New Jersey and Virtua have continued to facilitate economic expansion in the region.

Economic development projects included the recently-completed \$55 million Rutgers-Camden graduate dormitory, the 200,000-sq.ft. Cooper Medical School of Rowan University and the Cooper Cancer Institute. Lourdes is also constructing an ambulatory care center in Cherry Hill Township. It will house their growing cardiology care center as well as other medical services.

(Hopeful) Sign of Things to come "Insourcing"?

A Bordentown Township (Burlington County) manufacturer, Princeton Tec, (outdoor lighting products) that had outsourced half of its manufacturing jobs to China five years ago in an effort to cut costs started bringing the jobs back to the U.S. three years ago due to logistics. Producing products domestically has helped the company deliver products to customers faster. Princeton Tec plans to hire more employees as it phases out foreign operations entirely over the next two years.

Rising fuel costs and wages in overseas markets combined with the recent announcement of a federal initiative in tandem with the states to provide tax incentives to companies that bring jobs back to the U.S. could help continue this emerging trend of "in-sourcing" work.

Residential Building Permits: Annual 2010 - 2011				
	Total		Single-Family	
	2010	2011	2010	2011
New Jersey	13,535	12,952	7,378	6,475
Southern Region	3,182	2,965	2,196	1,909
<i>Source: U.S. Census Bureau, Manufacturing & Construction Division</i>				

- According to recently released final annual residential building permit figures for 2011, the total number of units authorized to be built in the region was down slightly from 2010.
- Cape May was one of just four counties statewide that saw a slight rise in the number of single-family building permits issued from 2010 to 2011. The increase of 33 units was second only to Monmouth's rise of 44.
- In a longer-term view, due to the availability of more land, several counties in the region were leaders in

the total number of single-family housing units authorized for construction during the 2002-2011 period. Atlantic County (3rd), Gloucester (5th), Burlington (6th), Camden (8th) and Cape May (10th) all ranked in the top ten of the state's 21 counties. After reaching a high of 10,618 in 2005, the total number of permits authorized in the region has declined slightly each year. After facing four years of decline, the statewide level of permitting activity rose slightly in 2010 before dropping again in 2011 by 583 units.