

New Jersey Key Industry Sectors

New Jersey has a richly diverse population; proximity to major metropolitan areas and a history of invention and innovation from electronics and pharmaceuticals to biotechnology research that impressively continues to grow. New Jersey's commitment to investment, collaboration and talent development supports growth in key industry sectors that drive economic expansion. In the Garden State, these key sectors have found an ideal location — within a day's drive of 40 percent of the U.S. population; a talented, productive and highly educated workforce with a high density of residents who possess advanced degrees and 52 colleges and universities. Here is a brief look at some key industry sectors that drive the state's economy:

Biopharmaceutical & Life Sciences Industry Sector

- New Jersey's biopharmaceutical & life sciences sector employment totaled 76,430 in 2019, or 2.2 percent of the state's private sector workers. Nationally, the proportion was just 1.2 percent.
- New Jersey's biopharmaceutical & life sciences sector employment is comprised of three primary components: pharmaceutical sector (43.8%), biotechnology (40.9%) and medical device manufacturing (15.3%). In 2019, the state's pharmaceuticals employment accounted for 8.0 percent of pharmaceuticals jobholding in the U.S.
- New Jersey biopharmaceutical & life science employers paid over \$12.4 billion in wages in 2019, or 5.3 percent of the state's total wages.
- NJ's highly educated workforce is seen in this sector as over two-thirds (70.7%) of its workers hold a Bachelor's degree or higher: Bachelor's (34.8%), Master's/Doctoral (35.9%) degree.



Transportation, Distribution, Logistics Industry Sector

- In 2019, transportation, distribution and logistics (TDL) average employment totaled 414,610 workers in New Jersey; or 11.8 percent of the state's private sector workers, a higher percentage than for the nation (9.0%).
- TDL contributed more than \$66.9 billion to the state's Real Gross Domestic Product (GDP) in 2019, the sixth highest dollar amount per state nationwide. The Journal of Commerce has noted that one-third of the nation's GDP is produced within 250 miles of the Port of New York and New Jersey.
- In 2019, the state's TDL employers paid more than \$30.4 billion in total wages.



Financial Services Industry Sector

- Despite a relatively small employment base (6.3% of New Jersey's total private sector employment in 2019) financial services contributed over \$33.3 billion (almost 7.0%) to the state's Real GDP in 2019.
- The financial services sector relies heavily on information and technology. New Jersey has remained in the forefront of technological advancement by becoming a national leader in developing data centers to support the industry. Of more than 60 data centers located in the state, more than one-third are located in Hudson County. (Source: datacentermap.com)
- In 2019, almost \$28.6 billion in total wages were paid by New Jersey's employers in financial services industries. The greatest concentration of jobs within the financial services industry sector is found in Hudson County (18.1%).



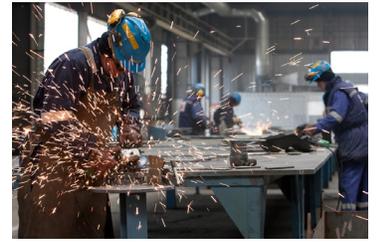
Retail Trade Industry Sector

- Retail trade jobholding totaled 447,280 in 2019, or 12.7 percent of the state's private sector workers.
- New Jersey retailers paid over \$16.2 billion in wages during 2019, or 6.9 percent of all private sector wages. The average annual wage for the industry in 2019 was \$36,280.
- Retail trade is characterized by a large number of seasonal and part-time jobs and by workers who are younger than average for all industries. Nearly one-quarter (23.0%) of workers are under 25 years old compared with just over one in 10 (11.7%) for all industries.
- The retail segment that posted the largest employment gain from 2010 to 2019 was motor vehicle and parts dealers (+8,300) while the segment with the most employment, food and beverage stores, added 4,770 jobs. The fastest-growing industry within retail was non-store retailers (34.4%).



Manufacturing Industry Sector

- The manufacturing industry sector contributed more than \$50 billion to New Jersey's Real Gross Domestic Product in 2019, or about 9.1 percent of all state output.
- In 2019, there were 250,000 people employed in New Jersey in industries classified as manufacturing, or about 7.0 percent of statewide employment.
- Chemical manufacturing industries, the sector's largest segment, employed nearly 44,600 in 2019, or about 18 percent of all manufacturing workers in the state. The state's jobholding in chemical manufacturing represents 5.3 percent of U.S. chemical manufacturing employment.
- The state's manufacturing industry establishments paid a total of more than \$20 billion in wages in 2019, or roughly 8.7 percent of New Jersey's total wages.



Health Care Industry Sector

- The health care sector contributed over \$44 billion to New Jersey's Real Gross Domestic Product (GDP) in 2019, or roughly 8.5 percent of all state output (latest available from the U.S. Bureau of Economic Analysis).
- Health care sector employment is comprised of three industry groups: ambulatory health care services (49%), hospitals (32%) and nursing and residential care facilities (19%).
- From 1990 to 2019, New Jersey's health care sector added 231,700 jobs, while all other private sector industries combined had a net gain of 270,100.
- The outlook for New Jersey's health care employment is bright. From 2018 through 2028, it is projected that 64,860 jobs will be added, an annual increase of 1.2 percent.
- Health care employers paid nearly \$29.8 billion in total wages in 2019, or roughly 12.7 percent of all wages paid in the private sector statewide.



Technology Industry Sector

- In 2019, New Jersey's technology sector accounted for 183,350 jobs or 4.1 percent of New Jersey's private sector employment. Nationally the sector was responsible for 5.9 percent of all private sector employment.
- The annual average wage for the technology sector was \$133,900 in 2019, nearly double the statewide average (\$67,040) for all industries. Employers in the sector paid more than \$24.5 billion in wages, or about 10.4 percent of the total wages paid in all industries.
- Technology sector employment can primarily be found within the following sectors: professional, scientific and technical services (78%) and information (22%).



Construction and Energy Industry Sector

- In 2019, New Jersey's construction industry averaged 159,460 in total employment, an increase of 2,310 (+1.4%) jobs from 2018. The large majority (64.8%) of these workers are classified as specialty trade contractors. The average annual wage for construction workers in 2019 was \$74,640.
- The utilities industry has seen a slight increase in its annual average employment of 2.2 percent per year for the last ten years. This is an additional 2,890 jobs since 2009, for a total of 14,610 in 2019.
- New Jersey is home to 370 utility establishments; nearly half of those establishments are classified as power generation and supply.
- Over the past five years (2014 to 2019), the utility industry has seen an increase in its annual average earnings from \$107,210 to \$122,180 (+14%).



Leisure and Hospitality Industry Sector

- Leisure and hospitality jobholding totaled 391,520 in 2019, or 11.2 percent of the state's private sector workers.
- New Jersey leisure and hospitality employers paid over \$10.3 billion in wages during 2019, or 4.4 percent of the state total. The average annual wage for the sector in 2019 was \$26,350.
- Three of every 10 jobs (30.7%) in the sector are concentrated in three counties: Bergen, Atlantic and Monmouth. Essex and Middlesex counties ranked fourth and fifth, respectively.
- Payrolls in leisure and hospitality are projected to increase by nearly 49,400 from 2018 to 2028. The rate of job growth is faster than that projected for the state overall (+12.7% leisure and hospitality vs. +5.6% all industries).

