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 72,900 in 2018, or 2.1 percent of the state’s private sector workers. Nationally, the proportion was just 1.1 percent.
- New Jersey’s biopharmaceutical & life sciences sector employment is comprised of three primary components: pharmaceutical sector (42.6%), biotechnology (40.7%) and medical device manufacturing (16.1%). In 2018, the state’s pharmaceuticals employment accounted for 8.9 percent of pharmaceuticals jobholding in the U.S.
- New Jersey biopharmaceutical & life science employers paid over $11.4 billion in wages in 2018, or 5.0 percent of the state’s total wages.
- The state’s highly educated workforce is seen in this sector as over half (54%) of its workers hold a Bachelor’s degree or higher: Bachelor’s (42%), Master’s/Doctoral (12%) degree.

**Transportation, Distribution, Logistics Industry Sector**
- In 2018, transportation, distribution and logistics (TDL) employed 406,530 workers in New Jersey; or 11.7 percent of the state’s private sector workers, a higher percentage than for the nation (8.9%).
- TDL contributed more than $66.9 billion to the state’s Real Gross Domestic Product in 2018.
- In 2018, the state’s TDL employers paid more than $29.4 billion in total wages.
- New Jersey offers access to the nation’s freight rail network and is also home to several key transportation facilities necessary for a strong TDL industry sector including top ranking seaports and two major international airports.

**Financial Services Industry Sector**
- Despite a relatively small employment base (6.4% of New Jersey’s total private sector employment in 2018) financial services contributed over $33 billion (over 7.0%) to the state’s Real Gross Domestic Product in 2018.
- 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 2018, almost $27.8 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 (18.5%).

**Retail Trade Industry Sector**
- Retail trade jobholding totaled 454,460 in 2018 accounting for 13.1 percent of the state’s private sector workers.
- New Jersey retailers paid over $15.7 billion in wages during 2018, or 6.9 percent of all private sector wages. The average annual wage for retail trade was $34,620.
- Retail trade is characterized by a large number of seasonal and part-time jobs and typically employs more younger workers when compared to other industries. Nearly one of every four retail workers are under 25 years old compared with the private sector as a whole where roughly one in 10 workers are under 25.
- The retail segment that posted the largest employment gain from 2010 to 2018 was motor vehicle and parts dealers (+7,630) while the segment with the most employment, food and beverage stores, added 5,470 jobs.
Manufacturing Industry Sector
- The manufacturing industry sector contributed more than $47 billion to New Jersey’s Real Gross Domestic Product in 2018, or about 8.5 percent of all state output.
- In 2018, there were 245,600 people employed in New Jersey in industries classified as manufacturing, or about 6 percent of statewide employment.
- Chemical manufacturing industries, the sector’s largest segment, employed nearly 43,000 in 2018, or about 18 percent of all manufacturing workers in the state. The state’s jobholding in chemical manufacturing represents 5.1 percent of U.S. chemical manufacturing employment.
- The state’s manufacturing industry establishments paid a total of nearly $20 billion in wages in 2018, or roughly 8.7 percent of New Jersey’s total wages.

Health Care Industry Sector
- The health care sector contributed nearly $40.9 billion to New Jersey’s Real Gross Domestic Product (GDP) in 2017, or roughly 7.5 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 (48%), hospitals (33%) and nursing and residential care facilities (18%).
- From 1990 to 2018, New Jersey’s health care sector added 226,800 jobs, while all other private sector industries combined had a net gain of 269,400.
- The outlook for New Jersey’s health care employment is bright. From 2016 through 2026, it is projected that 78,300 jobs will be added, an annual increase of 1.5 percent.
- Health care employers paid nearly $28.3 billion in total wages in 2018, or roughly 12.5 percent of all wages paid in the private sector statewide.

Technology Industry Sector
- In 2018, the technology sector accounted for 182,420 jobs or 5.3 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 $129,260 in 2018, nearly double the statewide average ($65,360) for all industries. Employers in the sector paid more than $23.5 billion in wages, or about 10.3 percent of the total wages paid in all industries.
- Employment within the technology sector can primarily be found within the following sectors: professional, scientific and technical services (76.8%) and information (23.2%).

Construction and Energy Industry Sector
- In 2018, New Jersey’s construction industry averaged 157,150 in total employment, an increase of 2,240 (+1.4%) jobs from 2017. The large majority (64.4%) of these workers are classified as specialty trade contractors. The average annual wage for construction workers in 2018 was $72,660.
- The utilities industry has seen a slight increase in its annual average employment of 2.2 percent per year for the last five years. This is an additional 1,590 jobs since 2013, for a total of 15,180 in 2018.
- New Jersey is home to 370 utility establishments; nearly half of those establishments are classified as power generation and supply.
- During the five-year period (2013-2018), the utility industry has seen an increase in its annual average earnings from $107,210 to $123,360 (or 15.1 percent).

Leisure and Hospitality Industry Sector
- Leisure and hospitality jobholding totaled 385,960 in 2018, or 11.1 percent of the state’s private sector workers.
- New Jersey leisure and hospitality employers paid over $10.1 billion in wages during 2018, or 4.5 percent of the state total. The average annual wage for the sector in 2018 was $26,320.
- Three of every 10 jobs (30.3%) in the sector are concentrated in three counties: Bergen, Atlantic and Monmouth. Middlesex and Essex counties ranked fourth and fifth, respectively.
- The number of leisure and hospitality jobs is projected to increase by nearly 56,000 from 2016 to 2026. The projected rate of job growth (+12.9%) is nearly twice the rate projected for all industries combined (+6.6%).

For more information on New Jersey’s key industry clusters, contact the Bureau of Labor Market Information at (609) 633-0553 or visit the Office of Research and Information website at https://nj.gov.labor/lpa/LMI_index.html January 2020