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Attached is a report of private sector wage changes compiled by the New Jersey Department of Labor and Workforce Development ("NJLWD"). The first table shows changes in average wages in employment for major industry groups in New Jersey between 2003 and 2004. The calculations were made by dividing total wages paid by covered private sector employers in particular industry groups by the number of jobs reported by those employers at their work sites. Table one also shows changes in the average wages of state and local government jobs covered under the state's unemployment insurance system, as well as changes in the average wages of federal government jobs in New Jersey covered by the federal unemployment insurance system.

The second table shows changes in the average wages of private sector jobs covered under the state's unemployment insurance system between 2003 and 2004. Statistics are broken down by county and include a statewide average. These calculations were made by dividing total wages paid by covered private sector employers by the number of jobs reported by those employers at their work sites.

As was the case with the last two reports, the first table in this report uses the North American Industry Classification System (NAICS) to assign and tabulate economic data by industry. Prior NJLWD Reports had used the 1987 Standard Industrial Classification (SIC) system to assign and tabulate such data. The attached document from the NJLWD website describes NAICS and explains that "[d]ue to major differences in NAICS and SIC structures ... data for 2001 and forward is not comparable to the SIC-based data for earlier years." The document also states that the new industrial groupings used by NAICS better reflect the workings of the U.S. and New Jersey economies. Also attached is an NJLWD document explaining "covered employment" for purposes of the New Jersey Unemployment Compensation Law.

Further information compiled by NJLWD can be obtained at its website: www.state.nj.us/labor under Statistics & Analysis/New Jersey's Economy.

**NEW JERSEY
AVERAGE ANNUAL WAGES
FOR JOBS COVERED BY UNEMPLOYMENT INSURANCE
BY NAICS INDUSTRY SECTOR
2003 and 2004**

NAICS Industry Sector	2003	2004	Net Change	% Change
Total Private Sector *	\$45,979	\$47,639	\$1,660	3.6%
Utilities	\$77,159	\$80,081	\$2,922	3.8%
Construction	\$50,366	\$51,349	\$983	2.0%
Manufacturing	\$56,079	\$59,203	\$3,124	5.6%
Wholesale Trade	\$64,280	\$64,847	\$567	0.9%
Retail Trade	\$28,135	\$28,411	\$276	1.0%
Transportation/Warehousing	\$39,935	\$42,099	\$2,164	5.4%
Information	\$68,866	\$72,531	\$3,665	5.3%
Finance/Insurance	\$78,219	\$82,611	\$4,392	5.6%
Real Estate/Rental/Leasing	\$43,083	\$47,642	\$4,559	10.6%
Professional/Technical Services	\$69,469	\$72,691	\$3,222	4.6%
Management of Companies/Enterprises	\$95,017	\$102,037	\$7,020	7.4%
Administrative/Waste Services	\$30,877	\$32,280	\$1,403	4.5%
Educational Services	\$40,249	\$37,445	-\$2,804	-7.0%
Health Care/Social Assistance	\$39,684	\$41,587	\$1,903	4.8%
Arts/Entertainment/Recreation	\$27,429	\$26,591	-\$838	-3.1%
Accommodation/Food Service	\$18,426	\$18,926	\$500	2.7%
Other Services **	\$29,130	\$30,574	\$1,444	5.0%
Total Government	\$48,401	\$50,421	\$2,020	4.2%
Federal Government	\$55,756	\$59,407	\$3,651	6.5%
State Government	\$51,343	\$54,351	\$3,008	5.9%
Local Government	\$46,236	\$47,713	\$1,477	3.2%
TOTAL	\$46,349	\$48,069	\$1,720	3.7%

* Also includes smaller categories not shown separately: agriculture, mining, forestry, fishing and those firms which have failed to provide sufficient information for industrial classification.

** Also includes repair, maintenance, personal and laundry services and membership associations/organizations and private households.

*** For additional historical employment and wage data for New Jersey, please go to the Labor Planning and Analysis - New Jersey Employment & Wage Data web site:
<http://www.wnjin.state.nj.us/OneStopCareerCenter/LaborMarketInformation/lmi14/index.html>

**PRIVATE SECTOR
AVERAGE ANNUAL WAGES
FOR JOBS COVERED BY UNEMPLOYMENT INSURANCE
BY COUNTY
2003 AND 2004**


County	2003	2004	% Change
Atlantic	\$ 32,234	\$ 33,294	3.3%
Bergen	\$ 48,895	\$ 50,295	2.9%
Burlington	\$ 40,094	\$ 41,518	3.6%
Camden	\$ 38,256	\$ 38,922	1.7%
Cape May	\$ 26,037	\$ 27,236	4.6%
Cumberland	\$ 31,821	\$ 33,126	4.1%
Essex	\$ 48,076	\$ 51,021	6.1%
Gloucester	\$ 33,324	\$ 35,091	5.3%
Hudson	\$ 50,285	\$ 53,607	6.6%
Hunterdon	\$ 48,688	\$ 51,678	6.1%
Mercer	\$ 47,000	\$ 49,084	4.4%
Middlesex	\$ 49,565	\$ 50,877	2.6%
Monmouth	\$ 40,826	\$ 41,623	2.0%
Morris	\$ 56,173	\$ 58,593	4.3%
Ocean	\$ 30,752	\$ 32,033	4.2%
Passaic	\$ 39,709	\$ 41,295	4.0%
Salem	\$ 42,881	\$ 44,579	4.0%
Somerset	\$ 62,327	\$ 62,888	0.9%
Sussex	\$ 32,971	\$ 33,619	2.0%
Union	\$ 48,300	\$ 50,242	4.0%
Warren	\$ 39,842	\$ 40,746	2.3%
Total Private Sector*	\$ 45,979	\$ 47,639	3.6%

* Also includes firms which have failed to provide sufficient geographical information as to the location of the business.

** For additional historical employment and wage data for New Jersey, please go to the Labor Planning and Analysis - New Jersey Employment & Wage Data web site: <http://www.wnjin.state.nj.us/OneStopCareerCenter/LaborMarketInformation/lmi14/index.html>

Source: ES-202 Report, New Jersey Department of Labor

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New Jersey Department of Labor and Workforce Development

NJLWD Home Program Areas Mission Statement
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Labor Planning and Analysis

New Jersey's Many Faces Demographic Data

New Jersey's Economy Economic Data

New Jersey of Tomorrow Data Projections

LMI Press Releases and Publications

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Helpful Software

LMI A to Z

Labor Market Information Email List

EMPLOYMENT & WAGE DATA

This directory contains tabulations of employment and wage data for employers covered under the New Jersey Unemployment Compensation Law. Employment and wage information up to and including year 2000 data are provided under the 1987 Standard Industrial Classification System (SIC).

Beginning with the release of 2001 annual and 2002 quarterly data the program has switched to the 2002 version of the North American Industry Classification System (NAICS) as the basis for the assignment and tabulation of economic data by industry. NAICS is the product of a cooperative effort on the part of the statistical agencies of the United States, Canada and Mexico. NAICS provides a common and consistent classification system for the three countries. Due to major differences in NAICS and SIC structures however, data for 2001 and forward is not comparable to the SIC-based data for earlier years.

NAICS uses a production-oriented approach to categorize economic units. Units with similar production processes are classified in the same industry. NAICS focuses on how products and services are created, as opposed to the SIC focus on what is produced. This approach yields significantly different industry groupings than those produced by the SIC approach.

NAICS provides data users with new industrial groupings that better reflect the workings of the US and New Jersey economies and will allow for the improved measurement of new industries. For example, a new industry sector called Information brings together units that turn information into a commodity with units that distribute the commodity and units that provide information services. Information's major components are publishing, broadcasting,

telecommunications, information services, and data processing. Under the SIC system, these units were spread across the manufacturing, communications, business services, and amusement services groups. Another new sector of interest is Professional, Scientific, and Technical Services. This sector is comprised of establishments engaged in activities where human capital is the major input.

Some industry sectors such as Construction will show little employment difference in the migration from SIC to the NAICS system. However, an industry such as Manufacturing is likely to show a significant change. For example, companies in the pharmaceutical industry have been classified in Manufacturing under SIC, whether or not the locations were engaged in actual manufacturing production. Under NAICS, employment at pharmaceutical corporate headquarters, will now become part of a new service-providing sector Management of Companies and Enterprises, while employment at pharmaceutical research and development facilities will become part of the Professional, Scientific and Technical Services sector. While the shift of employment to these new sectors will result in lower manufacturing employment numbers under NAICS, the level of overall total industry employment would remain the same.

Users interested in more information about NAICS can access the Bureau of Labor Statistics Web site at <http://www.bls.gov/bis/naics.htm> or the Bureau of the Census Web site at <http://www.census.gov/epcd/www/naics.html>. The 2002 NAICS manual is available from the National Technical Information Service at <http://www.ntis.gov/products/bestsellers/naics.asp>.

For more information on these files, contact William Saley at (609)984-5586.

Quarterly Data: Statewide NAICS at the sector, 3-digit and 4-digit level. County at the NAICS sector level.

Fourth Quarter 2004:

All Areas in Excel Format

Third Quarter 2004:

APPENDIX

Explanation of "Covered Employment"

The covered employment data illustrated in this report refer to the workers of employers subject to the New Jersey Unemployment Compensation Law. Basically, this includes employing units which in either the current or the preceding calendar year paid remuneration for employment in the amount of \$1,000.00 or more.

The term "employment" does not include the following:

1. Agricultural labor performed prior to January 1, 1978 or agricultural labor performed after December 31, 1977 in employing units not meeting specific remunerative or employment level requirements;
2. Domestic service performed in a private home prior to January 1, 1978 or domestic service performed in a private home after December 31, 1977 where an employing unit paid cash remuneration of less than \$1,000.00 for such service in every quarter in the current or preceding calendar year;
3. Service performed by an individual in the employ of his/her son or daughter, or his/her father or mother;
4. Service performed in the employ of state hospitals or state institutions of higher learning prior to January 1, 1978;
5. Service performed in the employ of this State or any of its political divisions prior to January 1, 1978;
6. Service performed in the employ of any other states or their political subdivisions exempt from the Federal Unemployment Tax Act;
7. Service performed in the employ of the United States Government or of an instrumentality of the United States, unless the Congress of the United States permits coverage;

8. Services performed in the employ of fraternal beneficiary societies, orders or associations operating under the lodge system or for the exclusive benefit of the members of a fraternity itself operating under the lodge system and providing for the payment of life, sick, accident, or other benefits to the members of such society, order or association, or their dependents;
9. Services performed as a member of the board of directors, board of trustees, a board of managers, or a committee of any bank, building and loan, or savings and loan association, incorporated or organized under the laws of this State or the United States where such services do not constitute the principal employment of the individual;
10. Service with respect to which unemployment compensation is payable under an unemployment insurance program established by an act of Congress;
11. Service performed by agents of mutual fund brokers or dealers in the sale of mutual funds or other securities, by agents of insurance companies, exclusive of industrial insurance agents, or by agents of investment companies, if the compensation to such agents for such services is wholly on a commission basis;
12. Services performed by real estate salespersons or brokers who are compensated wholly on a commission basis;
13. Services performed in the employ of a veterans' organization chartered by an act of Congress or of any auxiliary thereof, no part of the net earnings of which organization, or auxiliary thereof, insures to the benefit of any private shareholder or individual;
14. Service performed for or in behalf of the owner or operator of any theater, ballroom, amusement hall or other place of entertainment, not in excess of 10 weeks in any calendar year for the same owner or operator, by any leader or musician of a band or orchestra, commonly called a "name band", entertainer, vaudeville artist, actor, actress, singer or other entertainers;
15. Services performed after January 1, 1973 by an individual for a labor union organization, known and recognized as a union local, as a member of a committee or committees reimbursed by the union local for time lost from regular employment, or as a part-time officer of a union local and the remuneration for such services is less
16. Services performed in a sale or distribution of merchandise by home-to-home salespersons or in-the-home demonstra-

tors whose remuneration consists wholly of commissions or commissions and bonuses;

17. Service performed in the employ of a foreign government, including service as a consular, nondiplomatic representative, or other officer or employee;
18. Service performed in the employ of an instrumentality wholly owned by a foreign government if a reciprocal exemption is granted by that government;
19. Service in the employ of an international organization entitled to enjoy the privileges, exemptions and immunities under the International Organization Immunities Act;
20. Service covered by an election duly approved by an agency charged with the administration of any other state or Federal Unemployment Compensation or Employment Security Law;
21. Service in a school, college, or university by a student or by the spouse of a student, if the spouse is advised that the employment is part of a program of financial aid for the student;
22. Service performed by an individual under the age of 22 enrolled at a nonprofit or public educational institution as part of a work-study program, if the institution certified the employee as a participant in the program;
23. Service performed in the employ of a hospital as a student nurse, or intern, or by a patient of the hospital;
24. Services performed in the employ of a church or convention of association of churches, or an organization operated primarily for religious purposes;
25. Services performed by a duly ordained, commissioned, or a licensed minister of a church in the exercise of his/her ministry or by a member of a religious order in the exercise of duties required by such order;
26. Service performed by an individual in the exercise of duties as an elected official, member of a legislative body, or a member of the Judiciary, of a state or political subdivision;

- 27. Service performed by an individual in the exercise of duties as a member of the State National Guard or Air National Guard, or as an employee serving on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency;
- 28. Service performed by an individual in the exercise of duties in a position which, under or pursuant to the laws of New Jersey, is designated as a major nontenure policymaking position;
- 29. Services performed by an individual receiving rehabilitation or remunerative work in a facility conducted for the purpose of carrying out a program of rehabilitation;
- 30. Services performed by an individual receiving work-relief or work-training as part of an unemployment work-relief or work-training program;
- 31. Service performed by an inmate of a custodial or penal institution;
- 32. Service performed in the employ of a elementary or secondary school operating under a church charter.

Statements included here are intended for general information and do not have the effect of law or regulation.
For a complete description of exemptions with caveats, please see New Jersey Unemployment Compensation Law
R.S. 43:21-19(i)(7).

