



# New Jersey Economic Update

June 19, 2015

## Summary

Nonfarm payroll employment in New Jersey increased by 10,100 jobs and the unemployment rate was unchanged at 6.5 percent in May according to data released by the Bureau of Labor Statistics (BLS).

## New Jersey Unemployment Rate

During May, the unemployment rate in New Jersey was unchanged at 6.5 percent. The number of people counted as unemployed rose by 163 in May to 297,144, while the labor force grew by 12,425 to 4,564,895. Among the 50 states and the District of Columbia, 43 posted lower unemployment rates for the month than New Jersey. A year earlier, the unemployment rate in New Jersey stood at 6.6 percent.

The 10 year peak for the unemployment rate in New Jersey was 9.8 percent in January 2010. The series high for the unemployment rate in New Jersey occurred in January 1977 when the unemployment rate reached 10.7 percent. The 10 year low for the unemployment rate in New Jersey was 4.2 percent in May 2007. The series low for the unemployment rate in New Jersey occurred in May 2000 when the unemployment rate reached 3.5 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was inched up to 5.5 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.3 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



## New Jersey Payroll Employment

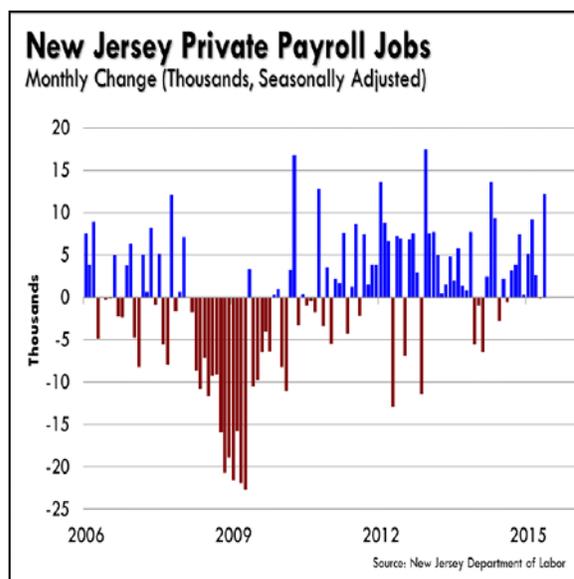
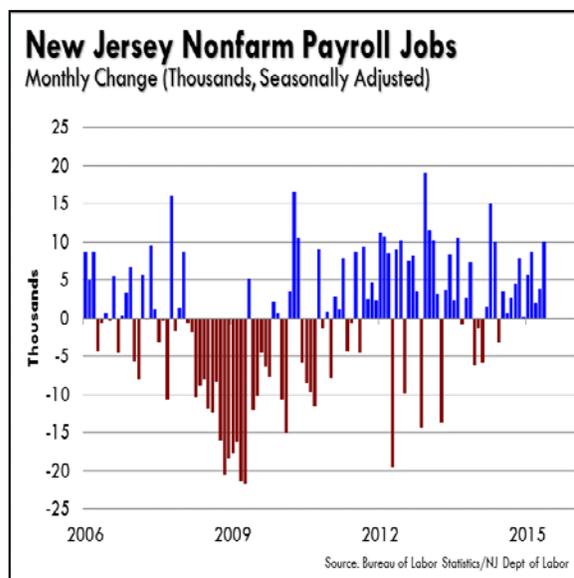
New Jersey nonfarm payrolls increased by 10,100 jobs, or 0.25 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 3,900. Over the past 12 months nonfarm payrolls in New Jersey increased by 46,100, or 1.16 percent. New Jersey nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally nonfarm payrolls increased by 280,000 jobs in May, or 0.20 percent. Over the 12 month period ending in May 2015, nonfarm payrolls grew by 3,058,000 jobs, or 2.21 percent. New Jersey ranks 35th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During May, New Jersey private sector payrolls increased by 12,200, or 0.36 percent. Private sector payrolls declined by 100 jobs in the prior month. Over the past 12 months, private sector payrolls in New Jersey increased by 42,400, or 1.27 percent. New Jersey private sector payroll employment has increased in 9 of the past 12 months.

Nationally, private sector payroll jobs increased by 262,000 in May, or 0.22 percent. Over the past 12 months, the nation's economy has added 2,958,000 private sector payroll jobs, an increase of 2.53 percent. New Jersey ranks 38th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in New Jersey declined by 2,100, or 0.34 percent. Federal government payroll employment declined by 300, or 0.60 percent. State government payroll employment declined by 1,100, or 0.75 percent, while local government payroll employment declined by 700, or 0.16 percent.



Over the past year, total government payroll employment increased by 3,700, or 0.60 percent. State government payroll employment declined by 200, or 0.14 percent. Local government payroll employment increased by 3,300, or 0.78 percent.

The best performing sectors on a seasonally adjusted basis during May were Educational & Health Services (+2,700) and Professional & Business Services (+2,600). The poorest performing sectors during the month were Total Government (-2,100) and Construction (-700).

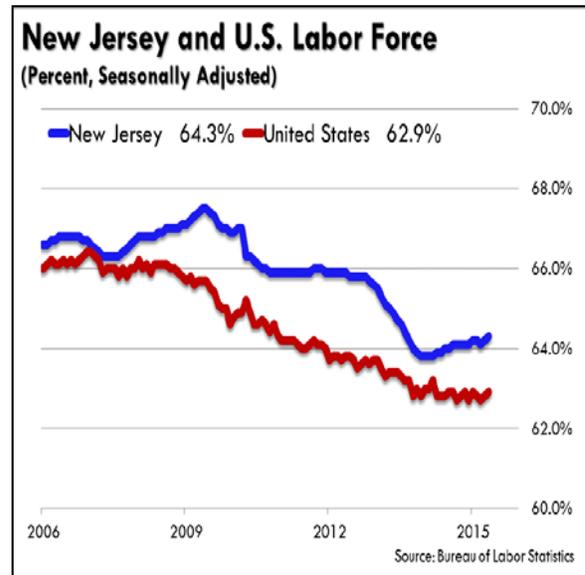
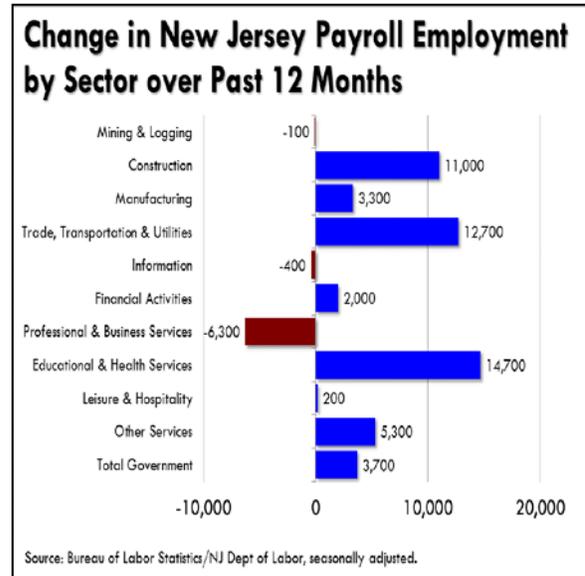
The best performing sectors during the last twelve months were Educational & Health Services (+14,700) and Trade, Transportation & Utilities (+12,700). The poorest performing sectors for the year were Professional & Business Services (-6,300) and Information (-400).

#### Other New Jersey Labor Force Statistics

The labor force participation rate in New Jersey rose to 64.3 percent in May from 64.2 percent the prior month. Among the 50 states and the District of Columbia, 23 have a higher labor force participation rate than New Jersey. The labor force participation rate in New Jersey is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in New Jersey was 67.5 percent in June 2009. The series high for the labor force participation rate in New Jersey occurred in March 1997 when the labor force participation rate hit 67.9 percent. The 10 year low for the labor force participation rate was 63.8 percent in March 2014. The series low for the labor force participation rate occurred in January 1976 when the labor force participation rate hit 60.9 percent.

The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in May. That rate is 0.1 percentage point higher than a year earlier.



The employment-to-population ratio, or the percentage of the New Jersey civilian noninstitutionalized population 16 years and older counted as employed, rose to 60.1 percent in May from 60.0 percent the prior month. Among the 50 states and the District of Columbia, 26 have higher employment-to-population ratios than New Jersey. The employment-to-population ratio in New Jersey is 0.4 percentage point higher than a year earlier.

The 10 year high for the employment-to-population ratio in New Jersey was 63.8 percent in December 2006. The series high for the employment-to-population ratio in New Jersey occurred in April 2000 when the employment-to-population ratio hit 64.4 percent. The 10 year low for the employment-to-population ratio was 59.2 percent in December 2013. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 54.7 percent.

The national employment-to-population ratio ticked up to 59.4 percent in May. At 59.4 percent, the national employment-to-population ratio has finally risen back to the level it was at when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in May 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for May is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Thursday, July 2. The national employment report is being released on Thursday instead of Friday due to the Independence Day holiday.

