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### **Coronavirus Economic Downshift: New Jersey Defies the National Deceleration**

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# Coronavirus Economic Downshift: New Jersey Defies the National Deceleration

## Introduction

*New Jersey's economy appears to be defying the national trend of decelerating recovery momentum. The state's job growth rate increased in July 2020 compared with that of June while that of the nation plunged; in fact, the state's July employment growth rate was nearly triple that of the United States (3.6 percent versus 1.3 percent).* The coronavirus had delivered one of the most stunning economic “gut-punches” to New Jersey in March and April, plunging the state into a deep economic abyss. Yet, the New Jersey economy made a remarkable rebound the last three months; by July, it had climbed about four-tenths of its way out of this black hole.

*But, the prognosis for full recovery from the “Great Contraction” in the state, as well as the nation, is still daunting. A multiyear economic ascent will be necessary to return to pre-pandemic conditions—or to fully adjust to new post-pandemic normals—as substantial headwinds remain to be surmounted.* A surprising outcome is the scale of the current struggle of New York City, particularly Manhattan, to regain its economic footing (see page 18). During the past decade, while New Jersey's economy was beset by modest growth, an ebullient New York City attained superstar city status, and it provided a potent support structure for the Garden State. While this is now challenged by the many shocks of COVID-19, going forward New Jersey and New York will be linked together in confronting and eventually overcoming painful economic hurdles.

## Overview

This is the fourth issue of **Fast Track Research Notes**, the Rutgers Regional Report monthly series that focuses on the impact of the coronavirus pandemic on the economies of the

United States and New Jersey.<sup>1</sup> Issue Number 1 benchmarked the precipitous employment contraction of March and April 2020 that resulted from the deliberate shutdown of the economy in order to counteract the devastating health effects of COVID-19.<sup>2</sup> Economic indicators plummeted at a pace and scale never experienced before.

Issue Number 2 detailed the seismic trend reversal that occurred in May: a sharp pivot from severe contraction to employment recovery.<sup>3</sup> As the economy started to reopen, it brought back workers who had been largely shed during March and April.<sup>4</sup> The process of recapturing lost economic activity suggested that the worst of the pandemic's immediate shocks were attenuating.<sup>5</sup> Issue Number 3 then examined the strengthening in June of the rebound that started in May.<sup>6</sup> Record-shattering employment gains in June stood in sharp contrast to record-shattering employment losses in February. But, the failure to suppress the coronavirus pandemic was threatening to slow the national economic recovery despite June's accelerating growth.

***This fourth issue confirms the loss of national economic momentum that did occur in July, but New Jersey did not suffer this fate. The coronavirus struck back nationally with spreading flare-ups slowing economic growth. In contrast, New Jersey fully maintained its economic momentum. Although the state suffered far greater rates of employment decline in March and April, its three-month recovery rate (41.1 percent) is now fully competitive with that (41.9 percent) of the nation (tables 2 and 4).***

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<sup>1</sup> Our basic assumption is that you cannot manage a problem unless you can measure it. Close economic monitoring will prove to be vital for the foreseeable future and not an intermittent option.

<sup>2</sup> <https://soar.libraries.rutgers.edu/search-results?key=soar&q1field=objectid&q1=rutgers-lib:63658>

<sup>3</sup> <https://soar.libraries.rutgers.edu/search-results?key=soar&q1field=objectid&q1=rutgers-lib:63791>

<sup>4</sup> These were workers in industry sectors that were immediately and severely impacted by lockdown orders throughout the country, such as accommodation and food services.

<sup>5</sup> However, the long-term economic shocks were still looming, ranging from operational adjustments by, and restructuring of, corporate America and other institutions to the failure of small businesses as the broader economy reshapes itself, e.g., bigger retail chains—"big boxes"—have been the beneficiaries of new shopping habits and forced closing policies early in the pandemic.

<sup>6</sup> <https://soar.libraries.rutgers.edu/search-results?key=soar&q1field=objectid&q1=rutgers-lib:63967>

*For the United States, this loss of momentum should not precipitate an economic stall, but it does put on the back burner any fantasy of an economy roaring back to pre-pandemic life. At best, it currently remains a “half-open” economy. In contrast, New Jersey appears to be surmounting its severe early pandemic-driven economic setbacks, gaining better traction than originally anticipated.*

Nonetheless, both New Jersey and the United States still face a long road back to full recovery. New Jersey needs to recapture 490,000 jobs to return to the employment level of February 2020, while the nation needs to add 12.9 million jobs. These are daunting numbers. Moreover, the rehiring bursts of the last three months may have run their course. There are still formidable challenges in maintaining stronger growth going forward: grappling with the aftershocks of long-lasting economic damage—such as the persistence of historically high levels of unemployment; difficulties in adapting to new normals—such as permanent shifts in consumer and business behavior; potential transformations in the way organizations work; continued governmental cutbacks arising from fiscal shortfalls; and the impacts of the inevitable restructuring of many parts of the economy—with some adjustments already coming into focus while others remain unclear. Other uncertainties abound, such as continued coronavirus flareups or a more widespread second wave, deferred corporate hiring and investment, renewal (and scale) of federal stimulus programs, and issues of school reopenings and potential re-closings, to name but a few. *At this point in time, the sum of these critical uncertainties renders attempts at precise forecasting an exercise in imprecision.*

## **The United States Momentum Loss**

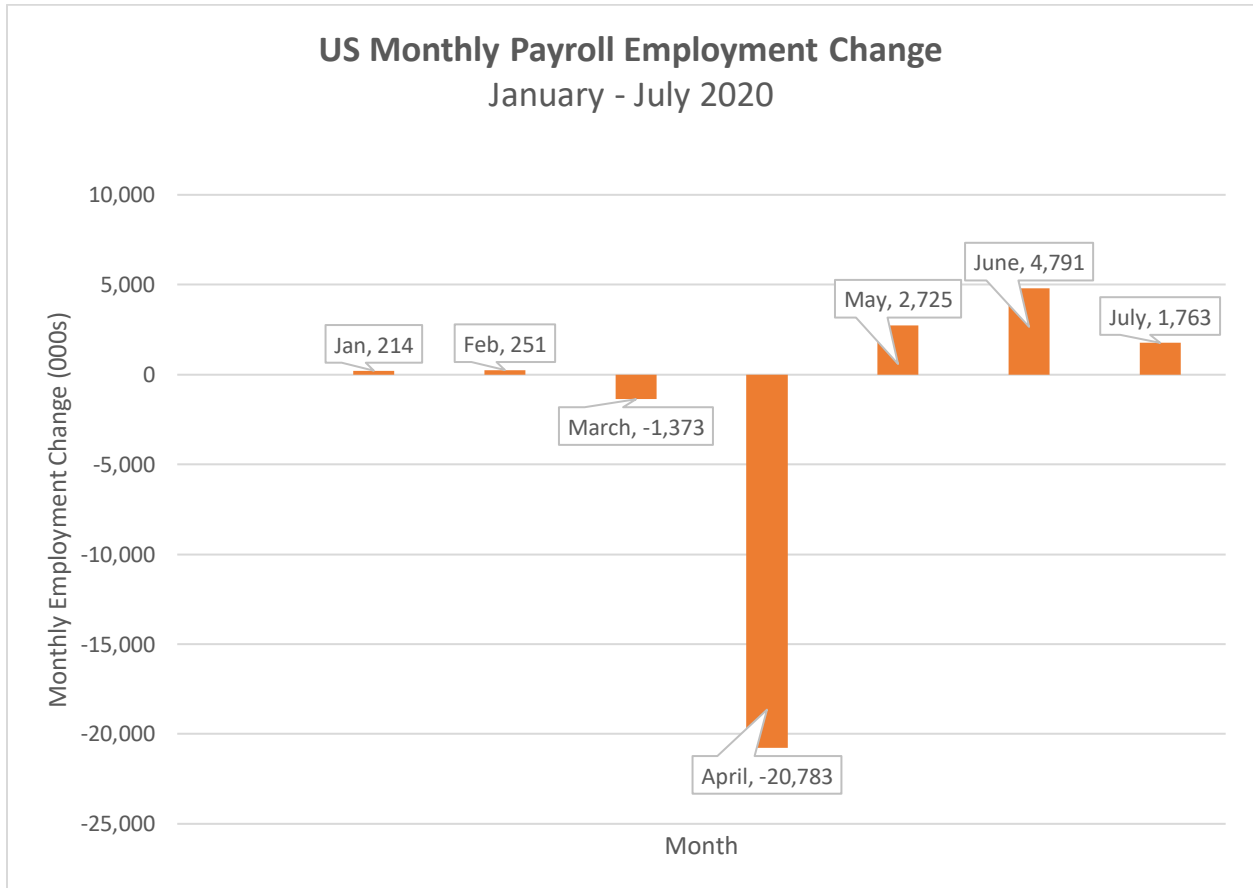
The nation’s 2020 near-death economic experience—the ferocious two-month loss of 22.2 million jobs in the abrupt shutdown of March (-1.4 million jobs) and April (-20.8 million jobs) —is moving ever distant in the rearview mirror (chart 1). The reopening and expansion of the economy in May, June, and July resulted in a three-month employment rebound totaling 9.3 million jobs.<sup>7</sup> However, the rehiring bursts of May (+2.7 million jobs) and June (+4.8 million

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<sup>7</sup> This seismic trend reversal was examined in the second and third issues of Fast Track Research Notes: the sharp pivot from record monthly employment losses in April (-20.8 million jobs) to record monthly employment gains in

jobs) attenuated in July (+1.8 million jobs), confirming fears that the recovery’s momentum would be buffeted by headwinds as the third quarter unfolded.

**Chart 1**

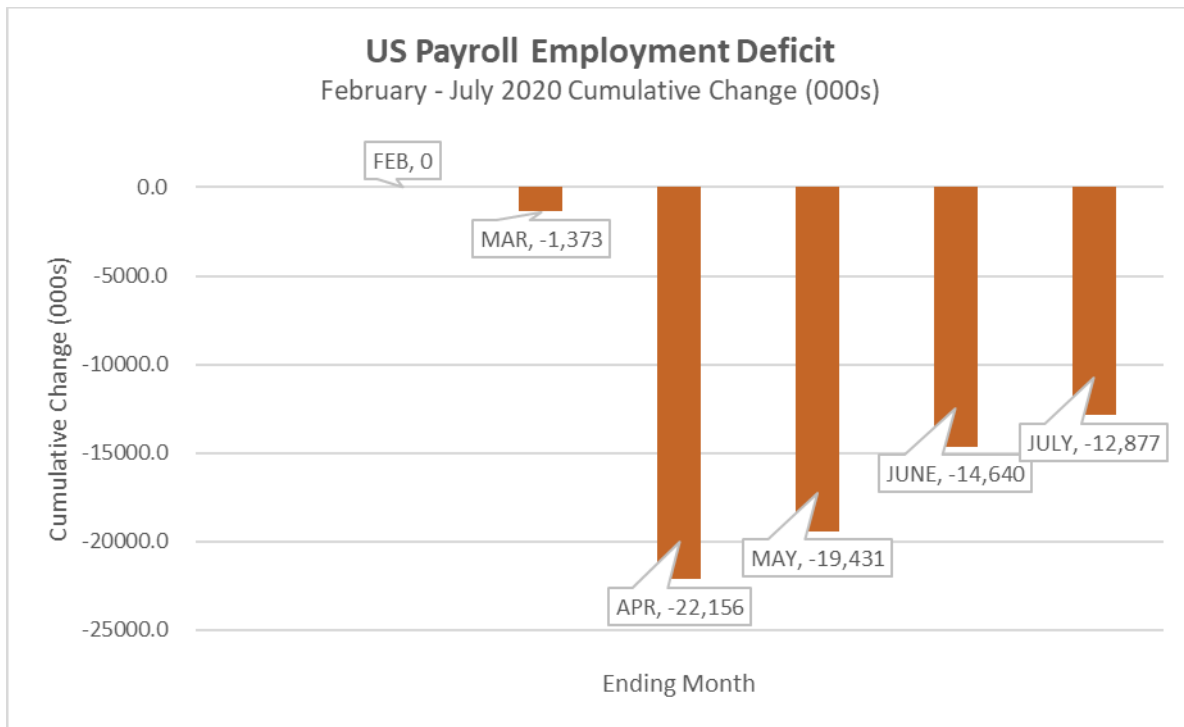


May (+2.7 million jobs). At the time, this pivot flummoxed almost the entire cadre of economic forecasters, many of whom did not expect such a quick return to growth.

This upside surprise to most expectations was repeated in June’s jaw-dropping monthly employment gains (+4.8 million jobs), which greatly eclipsed the all-time high of May. From the perspective of this lofty two-month record-setting perch, the downward shift to the 1.8 million job increase of July does appear precipitous, even though a monthly increase of 1.8 million jobs stands as the third highest on record. It would have been “eye-popping fantastic” if it had been achieved in any pre-pandemic month dating back to 1939, when payroll employment statistics were first compiled by the U.S. Bureau of Labor Statistics.

While the aggregate employment rebounds of May, June and July represent positive beginning steps in the long recovery from the economy’s deep contractions of March and April, huge employment deficits remain to be surmounted.<sup>8</sup> *By July, the nation had recaptured 9.3million of the 22.2 million jobs lost during the contraction. This represents a 42 percent recovery rate, but the employment deficit is still a formidable 12.9 million jobs (chart 2).*

**Chart 2**



In March, the start of the Great Contraction, the first employment deficit was registered (-1.4 million jobs). The deficit quickly peaked in April (-22.2 million jobs), a result of the largest one-month employment decline (-20.8 million jobs) in the nation’s history (charts 2 and 1). The deficit then steadily contracted over the next three months (chart 2), with the largest decrease occurring in June—to 14.6 million jobs from 19.4 million jobs in May—the result of the record-breaking employment gain (+4.8 million jobs) of June. In contrast, the shrinkage of the deficit in

<sup>8</sup> The employment deficit represents the number of jobs needed to return to the pre-pandemic employment level of February 2020.

July—to 12.9 million from 14.7 million in June—was the smallest of the nascent recovery, due to the corresponding deceleration of employment growth that month.

### **Other National Monthly Metrics**

Other national metrics followed the same pattern of the nation’s employment gains—three straight months of growth, with a distinct trend moderation in July. Seasonally adjusted retail sales rose 1.2 percent in July, down sharply from the 8.4 percent increase of June, and a record-breaking 18.2 percent in May. (In a recovery first, July’s retail sales surpassed their February pre-pandemic peak.) The growth of industrial production (the output of factories, mines, and utilities) also decelerated in July, when it increased by 3.0 percent, down from 5.7 percent in June. These statistics provide further confirmation of the loss of national economic momentum.<sup>9</sup>

### **Quarterly Metrics: Second Quarter 2020 U.S. Gross Domestic Product (GDP)**

*The second quarter of 2020 was one of the most economically volatile in the history of the United States.* This was documented extensively via employment metrics in Issue Number 3 of the Fast Track Research Notes series. Then, on July 30, 2020, this economic performance was confirmed by the release of the “advance” second quarter estimate of the nation’s Gross Domestic Product (GDP). GDP is the most comprehensive indicator of the nation’s overall economic output, reported quarterly by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce.<sup>10</sup> Its real rate of change (plus or minus) is a key benchmark indicator of the pace of overall economic activity of the nation.

While a vitally important statistic, GDP is a lagging indicator, reported almost one month after the quarter being measured has ended. It often affirms what already has been indicated by

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<sup>9</sup> The deceleration in the growth measured by these economic indicators between June and July was not unexpected. As we noted in Fast Track Research Notes Issue Number 3, the national upsurge and spread of the coronavirus starting in mid-June had sparked concern of a flareup-driven economic fizzle. This growing apprehension was underpinned by the increasing recognition that virus containment is a critical factor in sustaining the pace of economic recovery. The spread of the coronavirus did start to short-circuit the speed of the recovery in July but, fortunately, fears of the nation slipping into absolute employment decline did not materialize.

<sup>10</sup> The “second” estimate for the second quarter based on more complete data will be released on August 27, 2020, with the third reading (final estimate) released on September 30, 2020.

employment data and other metrics. GDP change is generally presented in two ways. One is the direct rate of change quarter-to-quarter, while the other is the annualized growth rate. The latter extrapolates what would happen over a full year if the economy contracted or expanded at the same rate as the quarter being measured.

Not surprisingly, *the U.S. economy experienced a record quarterly decline in GDP in the second quarter of 2020*—a consequence of the near total coronavirus-driven economic shutdown that lasted for much of the quarter in most of the country. The “advance” estimate showed the economy contracting at a seasonally adjusted (real) annual rate of -32.9 percent. This record plunge in GDP was consistent with the record decline in payroll employment in the second quarter. The BEA reports quarterly GDP as an annual rate because it allows easy comparisons to other time periods, with the result that the 32.9 percent decline was the headline metric. But the actual quarterly change (from Q1 to Q2) was less forbidding, although still record-setting (-9.5 percent). The annualized 32.9 percent decline is how much the economy would contract if the second quarter decline (-9.5 percent) continued for an entire year, adjusting for seasonality and compounding effects. Whatever metric is employed, there is no way to sugarcoat the cataclysmic results, fully reconfirming previous analyses based on employment and other metrics.

In the eurozone, where quarter-to-quarter-change is the preferred metric, GDP declined by 12.1 percent in the second quarter of 2020, the fastest decline in its history, and considerably greater than that of the United States (-9.5 percent). The eurozone’s second quarter seasonally adjusted annual growth rate (-40.3 percent) was also greater than that of the United States (-32.9 percent).<sup>11</sup> The second quarter data for the United Kingdom was even more distressing, with an annualized growth rate of -59.8 percent and a first- to second-quarter decline of -20.4 percent.<sup>12</sup> Thus, the United States is certainly not alone among the western industrialized nations in suffering the devastating impact of the coronavirus-driven economic contraction.

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<sup>11</sup> Part of this disparity was caused by the earlier economic shutdown in the eurozone.

<sup>12</sup> The subtleties of analyzing quarterly data are revealed by the U.K.’s oversized number. The U.K. instituted a lockdown (at the end of March) weeks later than other European countries. Thus, the shutdown encompassed most of the second quarter in the U.K., while its European neighbors already had begun to reopen.



In Asia, Japan's second quarter GDP decline (-7.8 percent) in 2020 was its worst decrease on record, nearly matching that of the United States (-9.5 percent). So, too was its annualized drop of 27.8 percent, versus a 32.9 percent annualized decline for the United States. However, the economy of Japan had entered 2020 already shrinking, and it suffered a 0.6 percent GDP decline in the first quarter. Nonetheless, it may be recovering faster than the U.S. or the eurozone, since it was the first major nation to officially fall into recession.

***Looking forward, just as payroll employment in the United States set monthly growth records in May and June following the record decline of April, so too will third quarter GDP growth likely set a new growth record following the record decline in the second quarter.***

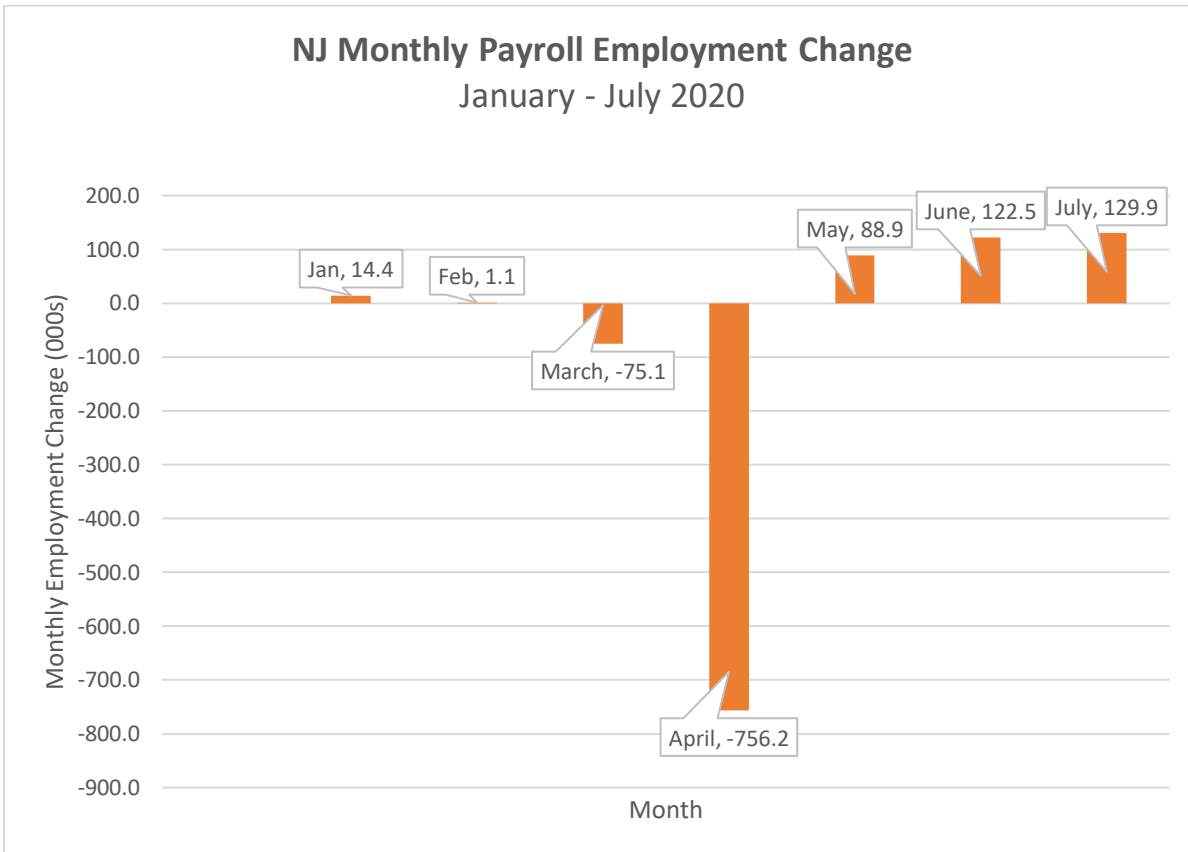
Unfortunately, the advance third quarter estimate will not be available until October 29, 2020, long after the release of multiple other more-timely economic statistics. ***However, the likely potential of a “through-the-roof” headline GDP number—revealing a sharp pivot to growth in the third quarter—will come nowhere close to compensating for the second quarter plunge.*** It should also not obscure the fact that difficulties in suppressing the coronavirus pandemic will still be hobbling the economic recovery and prolonging the downturn.

## **New Jersey's Continued Momentum**

During the unprecedented two-month employment contraction (February 2020-April 2020), New Jersey lost 831,300 jobs. This represented a loss of 19.6 percent of its total employment base—nearly one out of five jobs. (This was far greater than the 14.5 percent decline [-22.2 million jobs] suffered by the nation.) The subsequent reopening and expansion of the New Jersey economy in May, June, and July resulted in a three-month employment rebound totaling 341,300 jobs (chart 3).

However, in contrast to the nation, the powerful rehiring upswing of June (+122,500 jobs) was eclipsed by the gain in July (+129,900 jobs). Both months now stand as record-setting monthly employment increases. The faltering of national job growth momentum was nowhere to be found in New Jersey.

**Chart 3**



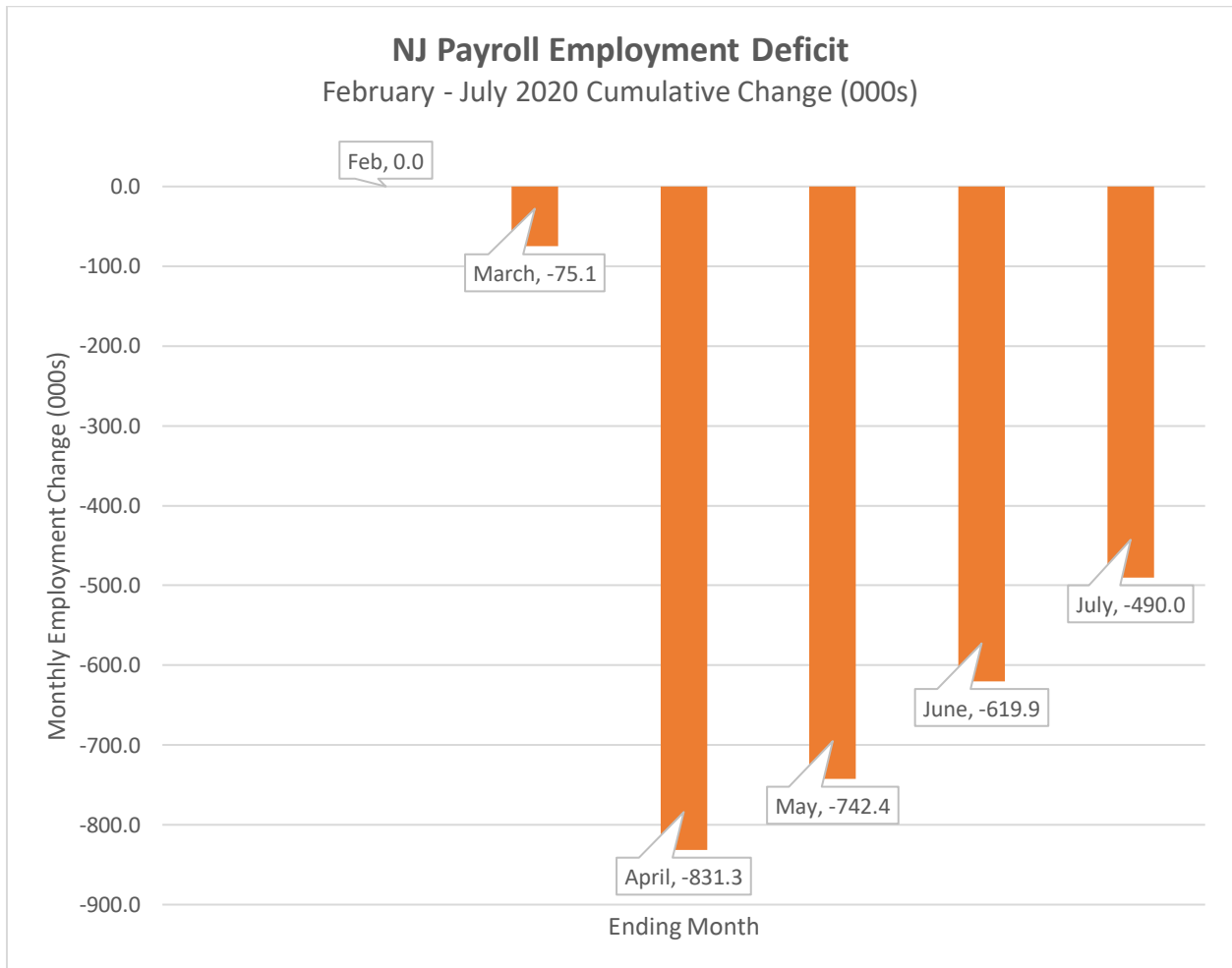
The surprising endurance of the state’s three-month economic bounce back from the April 2020 trough, evidenced by July’s employment growth surpassing that of June, is a positive step forward in reducing the still enormous employment deficit. The deficit—the number of jobs needed to return to the pre-pandemic employment level of February 2020—stood at 831,300 jobs in April (chart 4). By July, the “arrears” had been sharply reduced to just below (490,000) one-half million jobs.

However, a major caveat is worth repeating at this point. In previous Rutgers Regional Reports analyzing annual data, we carefully noted: “Three years do not a trend make.”<sup>13</sup> This admonition is certainly worth repeating for the compressed data intervals of this analysis: “Three

<sup>13</sup> James W. Hughes, Connie O. Hughes, and Joseph J. Seneca, “Urbs, Burbs, and the Immigration Locomotive” (Rutgers Regional Report Number 41, February 2020) <https://rucore.libraries.rutgers.edu/rutgers-lib/62431/PDF/1/play/>

months do not a trend make.” Nonetheless, the employment growth and deficit reduction trends are encouraging despite ever-present concerns and uncertainties (charts 3 and 4).

**Chart 4**



### **Detailing the Three-Month (April 2020-July 2020) Employment Rebound**

#### ***United States***

Table 1 details the employment change by detailed industrial sector for the first three months of the economic reopening of the United States Economy. Between April 2020 and July 2020, the nation’s total employment increased by 9.3 million jobs (+6.6 percent). The private sector (+9.4 million jobs or +8.0 percent) accounted for all the growth since government employment continued to contract (-156,000 jobs or -0.7 percent), although at a slower pace.

<b>Table 1</b>				
<b>United States</b>				
<b>April 2020-July 2020 Nonagricultural Wage and Salary Employment</b>				
<b>Seasonally Adjusted (2019 Benchmark)</b>				
<b>(In Thousands)</b>				
	<b>2020</b>	<b>2020</b>	<b>Change: Apr-July</b>	
	<b>Apr</b>	<b>July</b>	<b>Number</b>	<b>Percent</b>
<b>TOTAL NONFARM</b>	130,303	139,582	9,279	6.6%
<b>TOTAL PRIVATE SECTOR</b>	108,527	117,962	9,435	8.0%
<b>Goods-Producing</b>	18,698	19,928	1,230	6.2%
<b>Mining, Logging, and Construction</b>	7,209	7,816	607	7.8%
<b>Mining and Logging</b>	653	621	-32	-5.2%
<b>Construction</b>	6,556	7,195	639	8.9%
<b>Manufacturing</b>	11,489	12,112	623	5.1%
Durable Goods	7,126	7,574	448	5.9%
Non-Durable Goods	4,363	4,538	175	3.9%
<b>Service-Providing</b>	111,605	119,654	8,049	6.7%
<b>Private Service-Providing</b>	89,829	98,034	8,205	8.4%
<b>Trade, Transportation, and Utilities</b>	24,475	26,123	1,648	6.3%
Wholesale Trade	5,537	5,618	81	1.4%
Retail Trade	13,288	14,759	1,471	10.0%
Transportation, Warehousing, and Utilities	5,651	5,746	95	1.7%
<b>Information</b>	2,609	2,564	-45	-1.8%
<b>Financial Activities</b>	8,556	8,629	73	0.8%
Finance and Insurance	6,443	6,455	12	0.2%
Real Estate and Rental & Leasing	2,124	2,174	51	2.3%
<b>Professional and Business Services</b>	19,254	19,902	648	3.3%
Professional, Scientific, and Technical Services	9,147	9,299	152	1.6%
Management of Companies and Enterprises	2,356	2,332	-24	-1.0%
Adm./Suppt. and Waste Mgt./Remed. Services	7,752	8,271	519	6.3%
<b>Education and Health Services</b>	21,805	22,975	1,170	5.1%
Educational Services	3,318	3,474	156	4.5%
Health Care and Social Assistance	18,488	19,501	1,014	5.2%
<b>Leisure and Hospitality</b>	8,549	12,527	3,978	31.8%
Arts, Entertainment, and Recreation	1,143	1,570	427	27.2%
Accommodation and Food Services	7,406	10,957	3,551	32.4%
<b>Other Services</b>	4,571	5,314	743	14.0%
<b>GOVERNMENT</b>	21,776	21,620	-156	-0.7%
Federal Government	2,893	2,912	19	0.7%
State Government	4,993	4,999	6	0.1%
Local Government	13,890	13,709	-181	-1.3%

Source: United States Bureau of Labor Statistics

<b>Table 2</b>			
<b>United States</b>			
<b>Recovery Gains (April 2020-July 2020) vs. Pandemic Losses (February 2020-April 2020)</b>			
<b>Seasonally Adjusted (2019 Benchmark)</b>			
<b>(In Thousands)</b>			
	<b>Pandemic Loss (Feb-Apr)</b>	<b>Recovery (Apr-July)</b>	<b>Recovery Share of Loss</b>
<b>TOTAL NONFARM</b>	-22,160	9,279	41.9%
<b>TOTAL PRIVATE SECTOR</b>	-21,191	9,435	44.5%
<b>Goods-Producing</b>	-2,507	1,230	49.1%
<b>Mining, Logging, and Construction</b>	-1,144	607	53.1%
<b>Mining and Logging</b>	-61	-32	-
<b>Construction</b>	-1,083	639	59.0%
<b>Manufacturing</b>	-1,363	623	45.7%
Durable Goods	-932	448	48.1%
Non-Durable Goods	-431	175	40.6%
<b>Service-Providing</b>	-19,653	8,049	41.0%
<b>Private Service-Providing</b>	-18,684	8,205	43.9%
<b>Trade, Transportation, and Utilities</b>	-3,355	1,648	49.1%
Wholesale Trade	-397	81	20.4%
Retail Trade	-2,384	1,471	61.7%
Transportation, Warehousing, and Utilities	-574	95	16.6%
<b>Information</b>	-285	-45	-
<b>Financial Activities</b>	-289	73	25.3%
Finance and Insurance	-44	12	28.5%
Real Estate and Rental & Leasing	-235	51	21.5%
<b>Professional and Business Services</b>	-2,296	648	28.2%
Professional, Scientific, and Technical Services	-561	152	27.1%
Management of Companies and Enterprises	-92	-24	-
Adm./Suppt. and Waste Mgt./Remed. Services	-1,643	519	31.6%
<b>Education and Health Services</b>	-2,781	1,170	42.1%
Educational Services	-511	156	30.5%
Health Care and Social Assistance	-2,270	1,014	44.7%
<b>Leisure and Hospitality</b>	-8,318	3,978	47.8%
Arts, Entertainment, and Recreation	-1,329	427	32.1%
Accommodation and Food Services	-6,988	3,551	50.8%
<b>Other Services</b>	-1,370	743	54.2%
<b>GOVERNMENT</b>	-969	-156	-
Federal Government	26	19	-73.1%
State Government	-206	6	-
Local Government	-789	-181	-

Source: United States Bureau of Labor Statistics

*The headline growth sectors were still those that had been hardest hit during the shutdown in economic activity engineered to counteract the devastating effects of the coronavirus, suggesting rehiring rather than net new growth.* Rebounding strongly were accommodation and food services (+3.6 million jobs or +32.4 percent), retail trade (+1.5 million jobs or +10.0 percent), and health care and social assistance (+1.0 million jobs or +5.2 percent). These three sectors combined (6.0 million jobs) accounted for approximately two-thirds (65.0 percent) of the total employment gain (9.3 million jobs) of the three-month period.

Table 2 details the April-to-July rebound (or economic reopening) share of the February-to-April pandemic-driven employment loss. *Overall, the nation has now recovered more than four in ten (41.9 percent) of the jobs lost during the contraction.* The highest recovery rates occurred in retail trade (61.7 percent), construction (59.0 percent), other services (54.2 percent), accommodation and food services (50.8 percent), manufacturing (45.7 percent), and health care and social assistance (44.7 percent). In contrast, local government, information, mining and logging, and management of companies and enterprises continued to lose jobs during the recovery.

## **Detailing the Three-Month (April 2020-July 2020) Employment Rebound**

### *New Jersey*

Table 3 provides for New Jersey what table 1 provides for the United States—the full detailing by industry sector of the three-month reopening of the economy. *Between April 2020 and July 2020, total employment in the state grew by 341,300 jobs. This represents a rate of increase (+10.0 percent) that surpassed by far that of the nation (+6.6 percent).* This stronger bounce back is not surprising, since New Jersey (along with New York) suffered disproportionately during the February-to-April contraction. It also reflects that economic momentum was maintained in the state while it slowed nationally because of the impact of the coronavirus spread.

The private sector (+ 366,900 jobs or +13.0 percent) accounted for all of the growth since government employment continued to contract (-25,600 jobs or -4.4 percent), with almost all of

<b>Table 3</b>				
<b>New Jersey</b>				
<b>April 2020-July 2020 Nonagricultural Wage and Salary Employment</b>				
<b>Seasonally Adjusted (2019 Benchmark)</b>				
<b>(In Thousands)</b>				
	<b>2020</b>	<b>2020</b>	<b>Change: Apr-July</b>	
	<b>Apr</b>	<b>July</b>	<b>Number</b>	<b>Percent</b>
<b>TOTAL NONFARM</b>	3,410.6	3,751.9	341.3	10.0%
<b>TOTAL PRIVATE SECTOR</b>	2,829.6	3,196.5	366.9	13.0%
<b>Goods-Producing</b>	339.9	387.3	47.4	13.9%
<b>Mining, Logging, and Construction</b>	123.3	148.0	24.7	20.0%
<b>Mining and Logging</b>	1.4	1.5	0.1	7.1%
<b>Construction</b>	121.9	146.5	24.6	20.2%
<b>Manufacturing</b>	216.6	239.3	22.7	10.5%
Durable Goods	96.5	112.4	15.9	16.5%
Non-Durable Goods	120.1	126.9	6.8	5.7%
<b>Service-Providing</b>	3,070.7	3,364.6	293.9	9.6%
<b>Private Service-Providing</b>	2,489.7	2,809.2	319.5	12.8%
<b>Trade, Transportation, and Utilities</b>	737.4	829.2	91.8	12.4%
Wholesale Trade	186.2	206.0	19.8	10.6%
Retail Trade	365.9	420.9	55.0	15.0%
Transportation, Warehousing, and Utilities	185.3	202.3	17.0	9.2%
<b>Information</b>	62.2	62.5	0.3	0.5%
<b>Financial Activities</b>	237.6	239.1	1.5	0.6%
Finance and Insurance	185.9	186.0	0.1	0.1%
Real Estate and Rental & Leasing	51.7	53.1	1.4	2.7%
<b>Professional and Business Services</b>	592.1	624.0	31.9	5.4%
Professional, Scientific, and Technical Services	280.8	281.5	0.7	0.2%
Management of Companies and Enterprises	81.8	82.7	0.9	1.1%
Adm./Suppt. and Waste Mgt./Remed. Services	229.5	259.8	30.3	13.2%
<b>Education and Health Services</b>	600.0	648.8	48.8	8.1%
Educational Services	93.5	97.7	4.2	4.5%
Health Care and Social Assistance	506.5	551.1	44.6	8.8%
<b>Leisure and Hospitality</b>	145.1	256.2	111.1	76.6%
Arts, Entertainment, and Recreation	20.6	34.1	13.5	65.5%
Accommodation and Food Services	124.5	222.1	97.6	78.4%
<b>Other Services</b>	115.3	149.4	34.1	29.6%
<b>GOVERNMENT</b>	581.0	555.4	-25.6	-4.4%
Federal Government	48.8	49.0	0.2	0.4%
State Government	138.6	137.1	-1.5	-1.1%
Local Government	393.6	369.3	-24.3	-6.2%

Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research

the decline taking place in local government (-24,300 jobs or -6.2 percent). State government employment declined by 1,500 jobs (-1.1 percent).

The headline employment growth sectors of New Jersey did not vary substantially from the national experience. Bouncing back were those sectors that had been hardest hit during the stay-at-home economic lockdown imposed to counteract the public health damages of the coronavirus. Strong gains were registered by accommodation and food services (+97,600 jobs or +78.4 percent), retail trade (+55,000 jobs or +15.0 percent), and health care and social assistance (+44,600 jobs or +8.8 percent). These three sectors combined (+197,200 jobs) accounted for 57.8 percent of the total employment gain (+341,300 jobs) of the three-month period, a slightly smaller share than that of the nation (65.0 percent).

Table 4 details the April-to-July recovery (or economic reopening) share of the February-to-April pandemic loss. ***With the strong re-employment gains of the last three months, New Jersey has now recovered over four-in-ten (41.1 percent) of its losses. This compares with an almost identical recovery share (41.9 percent) for the nation*** and is a marked relative improvement of the comparable recovery shares that were previously measured in May and June. Specifically, as of July, the state has regained 341,300 jobs of the 831,300 jobs lost during the February-to-April contraction. As a result, New Jersey needs to add 490,000 jobs to achieve full employment recovery.

Of the major industrial sectors, the highest job-recovery rates in New Jersey occurred in manufacturing (62.4 percent); other services (58.6 percent); trade, transportation, and utilities (58.4 percent); construction (55.2 percent); and leisure and hospitality (42.9 percent). The three sectors most important to the state's vast office markets – financial activities, professional and business services, and information – had either minuscule or below-average growth during this recovery period.



<b>Table 4</b>			
<b>New Jersey</b>			
<b>Recovery Gains (April 2020-July 2020) vs. Pandemic Losses (February 2020-April 2020)</b>			
<b>Seasonally Adjusted (2019 Benchmark)</b>			
<b>(In Thousands)</b>			
	<b>Pandemic Loss (Feb-Apr)</b>	<b>Recovery Apr-July</b>	<b>Recovery Share of Loss</b>
<b>TOTAL NONFARM</b>	-831.3	341.3	41.1%
<b>TOTAL PRIVATE SECTOR</b>	-804.4	366.9	45.6%
<b>Goods-Producing</b>	-81.2	47.4	58.4%
<b>Mining, Logging, and Construction</b>	-44.7	24.7	55.3%
<b>Mining and Logging</b>	-0.1	0.1	100.0%
<b>Construction</b>	-44.6	24.6	55.2%
<b>Manufacturing</b>	-36.4	22.7	62.4%
Durable Goods	-21.7	15.9	73.3%
Non-Durable Goods	-14.7	6.8	46.3%
<b>Service-Providing</b>	-750.1	293.9	39.2%
<b>Private Service-Providing</b>	-723.2	319.5	44.2%
<b>Trade, Transportation, and Utilities</b>	-157.2	91.8	58.4%
Wholesale Trade	-29.4	19.8	67.3%
Retail Trade	-86.9	55.0	63.3%
Transportation, Warehousing, and Utilities	-40.9	17.0	41.6%
<b>Information</b>	-4.2	0.3	-
<b>Financial Activities</b>	-15.9	1.5	9.4%
Finance and Insurance	-5.3	0.1	-
Real Estate and Rental & Leasing	-10.6	1.4	13.2%
<b>Professional and Business Services</b>	-98.2	31.9	32.5%
Professional, Scientific, and Technical Services	-22.8	0.7	3.1%
Management of Companies and Enterprises	-6.8	0.9	13.2%
Adm./Suppt. and Waste Mgt./Remed. Services	-68.6	30.3	44.2%
<b>Education and Health Services</b>	-130.6	48.8	37.4%
Educational Services	-22.5	4.2	-
Health Care and Social Assistance	-108.1	44.6	41.3%
<b>Leisure and Hospitality</b>	-258.9	111.1	42.9%
Arts, Entertainment, and Recreation	-54.1	13.5	25.0%
Accommodation and Food Services	-204.8	97.6	47.7%
<b>Other Services</b>	-58.2	34.1	58.6%
<b>GOVERNMENT</b>	-26.9	-25.6	-
Federal Government	-0.3	0.2	66.7%
State Government	-3.4	-1.5	-
Local Government	-23.2	-24.3	-
Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research			

## **New York City and New Jersey: New Dynamics**

New York City and much of New Jersey are tightly linked together—economically and demographically—within an integrated multi-state metropolitan region centered on Manhattan. *New Jersey had been the regional economic locomotive in the post-World War II decades of the twentieth century, but by the 2010s a new normal asserted itself.<sup>14</sup> New York City assumed the mantle of regional driver, while New Jersey’s economic leadership receded. But New York City became so much more—a powerful national supercharged growth engine.*

At least in substantial part, this role reflected the global emergence of dominant superstar cities, which was a consequence of an innovation-based industrial revolution. The result was an economy where superstar employees, work for superstar firms, that are agglomerated into superstar cities—cities that became potent magnets attracting the cutting-edge digital elite. What have emerged are concentrations of entrenched top tech firms and global superstar talent in a few favored places, and New York City arguably became the nation’s leading superstar city.

The superstar city phenomenon became a key support structure for modestly-growing, post-2010 New Jersey—its economic and demographic linkages to New York City were major advantages. However, challenges emerged with the coronavirus pandemic. These are made evident by a review of the underlying metrics (table 5). In February 2010, the employment bases of New Jersey and New York City were similar in magnitude, with New Jersey’s just slightly larger. That would quickly end. *New York City’s employment grew by 26.3 percent in the 10-year (February 2010-February 2020) period that followed, gaining nearly a million (978,300) jobs—more than double the 405,600-job gain (+10.6 percent) of New Jersey.* Despite this lag, the Garden State took advantage of the city’s robust economic transformation and expansion. Approximately 400,000 New Jersey residents earn their incomes in New York City, many in high-paying jobs, while many interdependent industries cross geopolitical boundaries.

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<sup>14</sup> In 1950, New Jersey’s total employment base (1.7 million jobs) was less than one-half of the size (3.5 million jobs) of New York City. By 2010 New Jersey’s total employment base (3.8 million jobs) was slightly greater than that of New York City (3.7 million jobs). In the six-decade period (1950 to 2010), New Jersey added 2.1 million jobs while New York City gained just 200,000 jobs, a ten-to-one employment growth ratio. Much of New Jersey’s advance came during the second half of the twentieth century (1950 to 2000), the era of unrelenting demographic and economic suburbanization.

<b>Table 5</b>						
<b>New Jersey vs. New York City</b>						
<b>Employment Change</b>						
<b>February 2010 - July 2020</b>						
<b>Seasonally Adjusted</b>						
					<b>Employment Change</b>	
					<b>Number</b>	<b>Percent</b>
<b>Employment Gain (February 2010 - February 2020)</b>						
					978,300	26.3%
					405,600	10.6%
<b>Employment Loss (February 2020 - April 2020)</b>						
					-944,100	-20.1%
					-831,300	-19.6%
<b>Reopening Employment Gains (April 2020 - July 2020)</b>						
					161,200	4.3%
					341,300	10.0%
					<b>Recovery Rates</b>	
					<b>Rates</b>	
<b>Recovery Rates (April 2020 - July 2020)</b>						
					17.1%	
					41.1%	
					<b>Unemployment Rates</b>	
					<b>June 2020</b>	<b>July 2020</b>
<b>Unemployment Rates (June 2020 &amp; July 2020)</b>						
					20.3%	19.8%
					16.8%	13.8%
Source: United States Bureau of Labor Statistics						

But the 2010-to-2020 dynamic of superstar New York assisting New Jersey has been challenged by the coronavirus. The pandemic-driven downside numbers and metrics are illustrative. Both jurisdictions were pummeled by COVID-19 and the associated economic

shutdown. Between February 2020 and April 2020, New York City's massive employment losses (-944,100 jobs or -20.1 percent) were just slightly greater than those (-831,300 jobs or -19.6 percent) of New Jersey (table 5). The city and New Jersey seemingly were in negative lockstep.

However, the April 2020-July 2020 economic rebound exhibited sharp divergences in economic performance. ***New Jersey's recovery (or reopening) gains have been more than double those of New York City.*** New Jersey added 341,300 jobs (a 10.0-percent growth rate) while New York City regained only 161,200 jobs (or +4.3 percent). ***New Jersey has recovered 41.1 percent of its job losses, compared with just 17.1 percent for New York City.*** As a point of reference, the nation as a whole has regained 41.9 percent (table 2), almost identical to what has taken place in New Jersey.

Not surprisingly, this divergence is reflected in unemployment rates (table 5). In June, New York City's rate stood at 20.3 percent, considerably higher than New Jersey's 16.8 percent. The city's rate then decreased only slightly in July to 19.8 percent, while New Jersey's had a much more substantial drop to 13.8 percent. As a point of reference, the national unemployment rate in July was 10.2 percent.

***Has New York City lost its economic mojo and its regional locomotive role?*** There are certainly unique factors that underlie the lag and they may change in the months ahead. The city had been bolstered by the growth of the experiential economy, which depends heavily on close human interactions, such as theaters, museums, public events, tourist visitations and specific "trophy" destinations, and restaurants. New York City, particularly Manhattan, has unparalleled concentrations of these experiential functions. All are now challenged by social distancing and closings. The city is also uniquely dependent on public transit, which has now become a commutation disadvantage. Moreover, high-rise, elevator-dependent office buildings now pose unique challenges, and their current low occupancy rates are punishing the support sectors of the office ecosystem that depend on the purchasing power of the daily workforce. These and other factors have been contributing to the city's plodding pace of recovery.

While it is questionable whether New Jersey can depend on the city to bolster its economic fortunes during the current recovery, new post-pandemic normals will emerge going forward. Midtown Manhattan is not about to expire any time soon, and New Jersey and all the

component parts of the broad New York metropolitan region will be linked together in confronting new and painful economic realities. The journey ahead looks to be long and slow.

## **Pandemic-Driven Structural Transformations**

Fast Track Research Notes Issue Number 2 noted that *one economic shock of the pandemic was the vast increase in the pace of structural changes already underway, as the coronavirus served as a “gasoline-on-the-fire” accelerant.* Illustrative is the coronavirus-driven supercharged shift to online shopping, which condensed into a matter of months the anticipated multi-year wave of retail bankruptcies and bricks-and-mortar meltdowns.

*In addition, the coronavirus is also spawning fundamentally new protocols.* For instance, it exposed outmoded work processes and workplace systems. Legacy corporate working structures are being rethought and reshaped, promising to upend and transform the vast office ecosystems of the state and region.<sup>15</sup> What were short-term *interruptions* have become more-persistent *disruptions* which in turn may be leading to lasting *restructurings*.

There are other potential but highly uncertain fundamental shifts, of course. For example, in the pre-pandemic transportation era, young environmentally-concerned millennials with green ideals—differing from their automobile-centric baby-boom parents—swore off car ownership as a point of pride. Committed to sustainable lifestyles, they viewed gasoline-powered vehicles as indulgent, carbon-spewing, climate-changing transportation instruments of an inglorious past.

*But, with the emergence of public transit health concerns and the hazards of close physical proximity, automobiles as a transportation alternative may have a different image: safe, hermetically-sealed, disease-resistant, socially-isolated mobility machines.* Widespread adoption of this shift in perspective has the potential to reshape workplace preferences and restructure economic geography, with highly negative effects on public transit and urban traffic congestion. Obviously, the shelf-life of this speculative structural change is quite uncertain.

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<sup>15</sup> It is increasingly acknowledged that work is a thing that people do rather than a place where people go, i.e., work as an activity rather than a dedicated location, and it may not be necessary to bring all employees to a single location in order to achieve effective collaboration and creativity.

## **Housing: The New Live, Work, Play (LWP) Habitat<sup>16</sup>**

The coronavirus also has the potential to reconfigure the future of housing, analogous to what it is doing to traditional retailing, work processes and workplaces, and transportation. For example, one housing dimension is the acceleration of maturing millennials into the next phase of shelter consumption. Pre-pandemic, they may have had a multi-year plan to move to more friendly family-raising environments, i.e., suburbs, as they fully transitioned into the child-rearing stage of the life cycle. *Anecdotal evidence suggests that a three- to five-year decisionmaking time horizon may have been advanced to three- to five-months—hastening the leap from undecided, on-the-fence positions to more urgent immediate choices.*<sup>17</sup>

*Concurrently, the established functions of housing may be redefined and expanded by the impact of social distancing—such as internalizing activities and amenities that were generously provided by the external environment.* To some degree, this would be a return to the pre-industrial era, when the “business” of housing was both residential shelter and economic activity. The essence of the nineteenth century industrial revolution was the move of craft production and work from the home to the factory—dispersed home-based production shifted to centralized industrial structures. In an industrialized state and nation, the role of housing was distinctly narrowed from its earlier multi-functional purposes.<sup>18</sup>

Now, a twenty-first century “counter” revolution may be unfolding—post-industrial work shifting from centralized offices to dispersed residences. *The tasks assigned to housing could potentially be expanding markedly in scope.* Housing will not only maintain its primary role as

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<sup>16</sup> This term was first applied to millennials in the post-recession years; 24-7 live-work-play (LWP) described their preferential lifestyles and locational choices. The latter was offered by dense, walkable, multi-functional environments, whose easily accessible amenities compensated for having to reside in expensive shoebox-sized dwelling units. This was also aligned with corporate locational preferences. See: James W. Hughes and Joseph J. Seneca, “Move Over Millennials: New Jersey’s Unfolding Generational Disruptions” (Rutgers Regional Report Number 40, July 2019). <https://rucore.libraries.rutgers.edu/rutgers-lib/60534/PDF/1/play/>

<sup>17</sup> Consistent with this premise is the record increase in July’s existing home sales reported by the National Association of Realtors. <https://www.nar.realtor/newsroom/existing-home-sales-continue-record-pace-soar-24-7-in-july>

<sup>18</sup> Limited home-based businesses increasingly were allowed in local zoning ordinances over the past several decades as long as the activities did not negatively affect neighbors. The focus of such ordinances was on more intense business operations distinct from simple home-based offices.

basic residential shelter, but it also may become multifunctional, including serving as a remote workplace, as work becomes more flexible and mobile. Central office computer umbilical cords, already weakened by the introduction of sophisticated mobile information technology a decade ago, have been disappearing, with most knowledge-based workers fully untethered.

*However, the home as a workplace is not the only new dynamic. Housing also may have to incorporate within it much more substantial, preferably dedicated, educational and recreational components.*<sup>19</sup> With the long-term future of education—both K-12 and higher—yet to be determined, the home will have to serve as a remote learning environment or classroom, at least part time. In addition, with social distancing protocols constraining public venues, housing may have to incorporate specific spaces for health-related and recreational activities, be it outdoor pools or internal home gyms. *Such changes would vastly increase the scope of housing as “finished machines” not only for living, but also for working, educating, and playing.*<sup>20</sup>

*Thus, the coronavirus and social distancing protocols are suggesting a new shelter dynamic: the house as a comprehensive, multi-functional LWP environment.* This expansion of purpose has the capacity to reshape the entire housing landscape.

### **A Brief Historic Housing Note**

A major distortion in the function of housing occurred in the late twentieth and early twenty-first centuries: Housing began to assume the additional role of financial instrument and, in the extreme, a speculative tool. The belief in homeownership as a “super piggy bank” gained widespread credence—a painless way of saving and capital accumulation.<sup>21</sup> The prevailing wisdom was that home prices moved only upward, and growing house values would ultimately pay for the college education of children and then become a comfortable retirement nest egg. Widespread mantra: Whenever possible buy more housing, you can’t lose. One of the worst excesses was using housing as an ATM machine that dispensed the cash needed to maintain a

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<sup>19</sup> Visits to the doctor’s office may be replaced by telemedicine from the home.

<sup>20</sup> This is a paraphrase of the iconic statement by Le Corbusier, one of the pioneers of modern architecture: “A house is a machine for living in.”

<sup>21</sup> It was also the only leveraged investment available to most of the nation’s middle class.

standard of living. Soaring homeownership rates reached their apogee in the housing and credit bubbles that emerged in the early years of the twenty-first century.

The bursting of these speculative bubbles largely negated the “piggy-bank” and speculative functions of housing as the nation was buffeted by the Great 2007-2009 Recession.<sup>22</sup> To the dismay of the over-leveraged and over-housed, it was discovered that housing prices could not only retreat, but plummet, with equity easily turning negative. In a remarkable pivot, homeownership often became a financial millstone when home prices slipped below the face value of mortgages.<sup>23</sup> The term “underwater” entered the housing lexicon as the questionable premise of the “American Dream” was exposed.

This brief historical note may be relevant in setting the context for evaluating the sustainability of what are being viewed, at least potentially, as long-term fundamental structural transformations generated by the coronavirus and its aftershocks. What had become a national mania—living large and over-consuming housing—eventually came to an inglorious end. The same fate may await other trends that supposedly represented new normals.

*Fast Track Research Notes Issue Number 5 is scheduled to be released on September 21, 2020. It will incorporate data for the month of August 2020 that will help to determine if the national loss of momentum continues, and whether New Jersey can continue to defy the national trend and strengthen its recovery. It will also continue to evaluate New York City’s economic performance.*

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<sup>22</sup> In selected high-demand locations of sophisticated cutting-edge economic growth—where difficult-to-build environments fostered housing shortages—the “piggy-bank” role quickly returned.

<sup>23</sup> It also became a liability in terms of inhibiting geographic mobility—if you can’t sell your house, you can’t move.



# Appendix

This appendix provides additional historic tabular material to support the analyses of this report.

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New Jersey February 2010-February 2020 Nonagricultural Wage and Salary Employment

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New Jersey February 2020-April 2020 Nonagricultural Wage and Salary Employment

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New Jersey Expansion Gains (February 2010-February 2020) vs. Pandemic Losses (February 2020-April 2020)

<b>Table A-1</b>				
<b>United States</b>				
<b>February 2010-February 2020 Nonagricultural Wage and Salary Employment</b>				
<b>Seasonally Adjusted (2019 Benchmark)</b>				
<b>(In Thousands)</b>				
	<b>2010</b>	<b>2020</b>	<b>Change: 2010-2020</b>	
	<b>Feb</b>	<b>Feb</b>	<b>Number</b>	<b>Percent</b>
<b>TOTAL NONFARM</b>	129,698.0	152,463.0	22,765.0	17.6
<b>TOTAL PRIVATE SECTOR</b>	107,222.0	129,718.0	22,496.0	21.0
<b>Goods-Producing</b>	17,627.0	21,205.0	3,578.0	20.3
<b>Mining, Logging, and Construction</b>	6,174.0	8,353.0	2,179.0	35.3
<b>Mining and Logging</b>	674.0	714.0	40.0	5.9
<b>Construction</b>	5,500.0	7,639.0	2,139.0	38.9
<b>Manufacturing</b>	11,453.0	12,852.0	1,399.0	12.2
Durable Goods	6,985.0	8,058.0	1,073.0	15.4
Non-Durable Goods	4,468.0	4,794.0	326.0	7.3
<b>Service-Providing</b>	112,071.0	131,258.0	19,187.0	17.1
<b>Private Service-Providing</b>	89,595.0	108,513.0	18,918.0	21.1
<b>Trade, Transportation, and Utilities</b>	24,461.0	27,830.0	3,369.0	13.8
Wholesale Trade	5,379.3	5,934.2	554.9	10.3
Retail Trade	14,397.1	15,672.0	1,274.9	8.9
Transportation, Warehousing, and Utilities	4,684.2	6,224.2	1,540.0	32.9
<b>Information</b>	2,737.0	2,894.0	157.0	5.7
<b>Financial Activities</b>	7,724.0	8,845.0	1,121.0	14.5
Finance and Insurance	5,772.7	6,486.4	713.7	12.4
Real Estate and Rental & Leasing	1,951.7	2,358.5	406.8	20.8
<b>Professional and Business Services</b>	16,591.0	21,550.0	4,959.0	29.9
Professional, Scientific, and Technical Services	7,466.2	9,707.6	2,241.4	30.0
Management of Companies and Enterprises	1,859.4	2,447.3	587.9	31.6
Adm./Suppt. and Waste Mgt./Remed. Services	7,265.2	9,395.0	2,129.8	29.3
<b>Education and Health Services</b>	19,839.0	24,586.0	4,747.0	23.9
Educational Services	3,112.5	3,828.5	716.0	23.0
Health Care and Social Assistance	16,726.9	20,757.7	4,030.8	24.1
<b>Leisure and Hospitality</b>	12,927.0	16,867.0	3,940.0	30.5
Arts, Entertainment, and Recreation	1,885.9	2,472.4	586.5	31.1
Accommodation and Food Services	11,041.1	14,394.1	3,353.0	30.4
<b>Other Services</b>	5,316.0	5,941.0	625.0	11.8
<b>GOVERNMENT</b>	22,476.0	22,745.0	269.0	1.2
Federal Government	2,872.0	2,867.0	-5.0	-0.2
State Government	5,147.0	5,199.0	52.0	1.0
Local Government	14,457.0	14,679.0	222.0	1.5

Source: United States Bureau of Labor Statistics

<b>Table A-2</b>					
<b>United States</b>					
<b>February 2020-April 2020 Nonagricultural Wage and Salary Employment</b>					
<b>Seasonally Adjusted (2019 Benchmark)</b>					
<b>(In Thousands)</b>					
	<b>2020</b>	<b>2020</b>	<b>Change: Feb-Apr</b>		
	<b>Feb</b>	<b>Apr</b>	<b>Number</b>	<b>Percent</b>	
<b>TOTAL NONFARM</b>	152,463.0	130,303	-22,160	-14.5	
<b>TOTAL PRIVATE SECTOR</b>	129,718.0	108,527	-21,191	-16.3	
<b>Goods-Producing</b>	21,205.0	18,698	-2,507	-11.8	
<b>Mining, Logging, and Construction</b>	8,353.0	7,209	-1,144	-13.7	
<b>Mining and Logging</b>	714.0	653	-61	-8.5	
<b>Construction</b>	7,639.0	6,556	-1,083	-14.2	
<b>Manufacturing</b>	12,852.0	11,489	-1,363	-10.6	
Durable Goods	8,058.0	7,126	-932	-11.6	
Non-Durable Goods	4,794.0	4,363	-431	-9.0	
<b>Service-Providing</b>	131,258.0	111,605	-19,653	-15.0	
<b>Private Service-Providing</b>	108,513.0	89,829	-18,684	-17.2	
<b>Trade, Transportation, and Utilities</b>	27,830.0	24,475	-3,355	-12.1	
Wholesale Trade	5,934.2	5,537	-397	-6.7	
Retail Trade	15,672.0	13,288	-2,384	-15.2	
Transportation, Warehousing, and Utilities	6,224.2	5,651	-574	-9.2	
<b>Information</b>	2,894.0	2,609	-285	-9.8	
<b>Financial Activities</b>	8,845.0	8,556	-289	-3.3	
Finance and Insurance	6,486.4	6,443	-44	-0.7	
Real Estate and Rental & Leasing	2,358.5	2,124	-235	-10.0	
<b>Professional and Business Services</b>	21,550.0	19,254	-2,296	-10.7	
Professional, Scientific, and Technical Services	9,707.6	9,147	-561	-5.8	
Management of Companies and Enterprises	2,447.3	2,356	-92	-3.8	
Adm./Suppt. and Waste Mgt./Remed. Services	9,395.0	7,752	-1,643	-17.5	
<b>Education and Health Services</b>	24,586.0	21,805	-2,781	-11.3	
Educational Services	3,828.5	3,318	-511	-13.3	
Health Care and Social Assistance	20,757.7	18,488	-2,270	-10.9	
<b>Leisure and Hospitality</b>	16,867.0	8,549	-8,318	-49.3	
Arts, Entertainment, and Recreation	2,472.4	1,143	-1,329	-53.8	
Accommodation and Food Services	14,394.1	7,406	-6,988	-48.5	
<b>Other Services</b>	5,941.0	4,571	-1,370	-23.1	
<b>GOVERNMENT</b>	22,745.0	21,776	-969	-4.3	
Federal Government	2,867.0	2,893	26	0.9	
State Government	5,199.0	4,993	-206	-4.0	
Local Government	14,679.0	13,890	-789	-5.4	

Source: United States Bureau of Labor Statistics

<b>Table A-3</b>			
<b>United States</b>			
<b>Expansion Gains (February 2010-February 2020) vs. Pandemic Losses (February 2020-April 2020)</b>			
<b>Seasonally Adjusted (2019 Benchmark)</b>			
<b>(In Thousands)</b>			
	<b>Expansion</b>	<b>Pandemic</b>	<b>Ratio:</b>
	<b>Gain</b>	<b>Loss</b>	<b>Loss to Gain</b>
<b>TOTAL NONFARM</b>	22,765.0	-22,160	0.97
<b>TOTAL PRIVATE SECTOR</b>	22,496.0	-21,191	0.94
<b>Goods-Producing</b>	3,578.0	-2,507	0.70
<b>Mining, Logging, and Construction</b>	2,179.0	-1,144	0.53
<b>Mining and Logging</b>	40.0	-61	
<b>Construction</b>	2,139.0	-1,083	0.51
<b>Manufacturing</b>	1,399.0	-1,363	0.97
Durable Goods	1,073.0	-932	0.87
Non-Durable Goods	326.0	-431	1.32
<b>Service-Providing</b>	19,187.0	-19,653	1.02
<b>Private Service-Providing</b>	18,918.0	-18,684	0.99
<b>Trade, Transportation, and Utilities</b>	3,369.0	-3,355	1.00
Wholesale Trade	554.9	-397	0.72
Retail Trade	1,274.9	-2,384	1.87
Transportation, Warehousing, and Utilities	1,540.0	-574	0.37
<b>Information</b>	157.0	-285	1.82
<b>Financial Activities</b>	1,121.0	-289	0.26
Finance and Insurance	713.7	-44	0.06
Real Estate and Rental & Leasing	406.8	-235	0.58
<b>Professional and Business Services</b>	4,959.0	-2,296	0.46
Professional, Scientific, and Technical Services	2,241.4	-561	0.25
Management of Companies and Enterprises	587.9	-92	0.16
Adm./Suppt. and Waste Mgt./Remed. Services	2,129.8	-1,643	0.77
<b>Education and Health Services</b>	4,747.0	-2,781	0.59
Educational Services	716.0	-511	0.71
Health Care and Social Assistance	4,030.8	-2,270	0.56
<b>Leisure and Hospitality</b>	3,940.0	-8,318	2.11
Arts, Entertainment, and Recreation	586.5	-1,329	2.27
Accommodation and Food Services	3,353.0	-6,988	2.08
<b>Other Services</b>	625.0	-1,370	2.19
<b>GOVERNMENT</b>	269.0	-969	3.60
Federal Government	-5.0	26	-
State Government	52.0	-206	3.96
Local Government	222.0	-789	3.55
Source: United States Bureau of Labor Statistics			

<b>Table A-4</b>				
<b>New Jersey</b>				
<b>February 2010-February 2020 Nonagricultural Wage and Salary Employment</b>				
<b>Seasonally Adjusted (2019 Benchmark)</b>				
<b>(In Thousands)</b>				
	<b>2010</b>	<b>2020</b>	<b>Change: 2010-2020</b>	
	<b>Feb</b>	<b>Feb</b>	<b>Number</b>	<b>Percent</b>
<b>TOTAL NONFARM</b>	<b>3,836.0</b>	4,241.9	405.9	10.6
<b>TOTAL PRIVATE SECTOR</b>	3,192.7	3,634.0	441.3	13.8
<b>Goods-Producing</b>	387.1	421.1	34.0	8.8
<b>Mining, Logging, and Construction</b>	132.3	168.0	35.7	27.0
<b>Mining and Logging</b>	1.5	1.5	0.0	0.0
<b>Construction</b>	130.8	166.5	35.7	27.3
<b>Manufacturing</b>	254.8	253.0	-1.8	-0.7
Durable Goods	114.4	118.2	3.8	3.3
Non-Durable Goods	140.4	134.8	-5.6	-4.0
<b>Service-Providing</b>	3,448.9	3,820.8	371.9	10.8
<b>Private Service-Providing</b>	2,805.6	3,212.9	407.3	14.5
<b>Trade, Transportation, and Utilities</b>	802.7	894.6	91.9	11.4
Wholesale Trade	207.2	215.6	8.4	4.1
Retail Trade	433.9	452.8	18.9	4.4
Transportation, Warehousing, and Utilities	161.6	226.2	64.6	40.0
<b>Information</b>	79.4	66.4	-13.0	-16.4
<b>Financial Activities</b>	249.3	253.5	4.2	1.7
Finance and Insurance	194.9	191.2	-3.7	-1.9
Real Estate and Rental & Leasing	54.4	62.3	7.9	14.5
<b>Professional and Business Services</b>	585.5	690.3	104.8	17.9
Professional, Scientific, and Technical Services	276.6	303.6	27.0	9.8
Management of Companies and Enterprises	74.9	88.6	13.7	18.3
Adm./Suppt. and Waste Mgt./Remed. Services	234.0	298.1	64.1	27.4
<b>Education and Health Services</b>	600.0	730.6	130.6	21.8
Educational Services	87.8	116.0	28.2	32.1
Health Care and Social Assistance	512.2	614.6	102.4	20.0
<b>Leisure and Hospitality</b>	329.5	404.0	74.5	22.6
Arts, Entertainment, and Recreation	51.3	74.7	23.4	45.6
Accommodation and Food Services	278.2	329.3	51.1	18.4
<b>Other Services</b>	159.2	173.5	14.3	9.0
<b>GOVERNMENT</b>	643.3	607.9	-35.4	-5.5
Federal Government	58.8	49.1	-9.7	-16.5
State Government	153.4	142.0	-11.4	-7.4
Local Government	431.1	416.8	-14.3	-3.3

Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research

<b>Table A-5</b>				
<b>New Jersey</b>				
<b>February 2020-April 2020 Nonagricultural Wage and Salary Employment</b>				
<b>Seasonally Adjusted (2019 Benchmark)</b>				
<b>(In Thousands)</b>				
	<b>2020</b>	<b>2020</b>	<b>Change: Feb-Apr</b>	
	<b>Feb</b>	<b>Apr</b>	<b>Number</b>	<b>Percent</b>
<b>TOTAL NONFARM</b>	4,241.9	3,410.6	-831.3	-19.6
<b>TOTAL PRIVATE SECTOR</b>	3,634.0	2,829.6	-804.4	-22.1
<b>Goods-Producing</b>	421.1	339.9	-81.2	-19.3
<b>Mining, Logging, and Construction</b>	168.0	123.3	-44.7	-26.6
<b>Mining and Logging</b>	1.5	1.4	-0.1	-6.7
<b>Construction</b>	166.5	121.9	-44.6	-26.8
<b>Manufacturing</b>	253.0	216.6	-36.4	-14.4
Durable Goods	118.2	96.5	-21.7	-18.4
Non-Durable Goods	134.8	120.1	-14.7	-10.9
<b>Service-Providing</b>	3,820.8	3,070.7	-750.1	-19.6
<b>Private Service-Providing</b>	3,212.9	2,489.7	-723.2	-22.5
<b>Trade, Transportation, and Utilities</b>	894.6	737.4	-157.2	-17.6
Wholesale Trade	215.6	186.2	-29.4	-13.6
Retail Trade	452.8	365.9	-86.9	-19.2
Transportation, Warehousing, and Utilities	226.2	185.3	-40.9	-18.1
<b>Information</b>	66.4	62.2	-4.2	-6.3
<b>Financial Activities</b>	253.5	237.6	-15.9	-6.3
Finance and Insurance	191.2	185.9	-5.3	-2.8
Real Estate and Rental & Leasing	62.3	51.7	-10.6	-17.0
<b>Professional and Business Services</b>	690.3	592.1	-98.2	-14.2
Professional, Scientific, and Technical Services	303.6	280.8	-22.8	-7.5
Management of Companies and Enterprises	88.6	81.8	-6.8	-7.7
Adm./Suppt. and Waste Mgt./Remed. Services	298.1	229.5	-68.6	-23.0
<b>Education and Health Services</b>	730.6	600.0	-130.6	-17.9
Educational Services	116.0	93.5	-22.5	-19.4
Health Care and Social Assistance	614.6	506.5	-108.1	-17.6
<b>Leisure and Hospitality</b>	404.0	145.1	-258.9	-64.1
Arts, Entertainment, and Recreation	74.7	20.6	-54.1	-72.4
Accommodation and Food Services	329.3	124.5	-204.8	-62.2
<b>Other Services</b>	173.5	115.3	-58.2	-33.5
<b>GOVERNMENT</b>	607.9	581.0	-26.9	-4.4
Federal Government	49.1	48.8	-0.3	-0.6
State Government	142.0	138.6	-3.4	-2.4
Local Government	416.8	393.6	-23.2	-5.6

Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research

<b>Table A-6</b>			
<b>New Jersey</b>			
<b>Expansion Gains (February 2010-February 2020) vs. Pandemic Losses (February 2020-April 2020)</b>			
<b>Seasonally Adjusted (2019 Benchmark)</b>			
<b>(In Thousands)</b>			
	<b>Expansion</b>	<b>Pandemic</b>	<b>Ratio:</b>
	<b>Gain</b>	<b>Loss</b>	<b>Loss to Gain</b>
<b>TOTAL NONFARM</b>	405.9	-831.3	2.05
<b>TOTAL PRIVATE SECTOR</b>	441.3	-804.4	1.82
<b>Goods-Producing</b>	34.0	-81.2	2.39
<b>Mining, Logging, and Construction</b>	35.7	-44.7	1.25
<b>Mining and Logging</b>	0.0	-0.1	
<b>Construction</b>	35.7	-44.6	1.25
<b>Manufacturing</b>	-1.8	-36.4	-
Durable Goods	3.8	-21.7	5.71
Non-Durable Goods	-5.6	-14.7	-
<b>Service-Providing</b>	371.9	-750.1	2.02
<b>Private Service-Providing</b>	407.3	-723.2	1.78
<b>Trade, Transportation, and Utilities</b>	91.9	-157.2	1.71
Wholesale Trade	8.4	-29.4	3.50
Retail Trade	18.9	-86.9	4.60
Transportation, Warehousing, and Utilities	64.6	-40.9	0.63
<b>Information</b>	-13.0	-4.2	-
<b>Financial Activities</b>	4.2	-15.9	3.79
Finance and Insurance	-3.7	-5.3	-
Real Estate and Rental & Leasing	7.9	-10.6	1.34
<b>Professional and Business Services</b>	104.8	-98.2	0.94
Professional, Scientific, and Technical Services	27.0	-22.8	0.84
Management of Companies and Enterprises	13.7	-6.8	0.50
Adm./Suppt. and Waste Mgt./Remed. Services	64.1	-68.6	1.07
<b>Education and Health Services</b>	130.6	-130.6	1.00
Educational Services	28.2	-22.5	0.80
Health Care and Social Assistance	102.4	-108.1	1.06
<b>Leisure and Hospitality</b>	74.5	-258.9	3.48
Arts, Entertainment, and Recreation	23.4	-54.1	2.31
Accommodation and Food Services	51.1	-204.8	4.01
<b>Other Services</b>	14.3	-58.2	4.07
<b>GOVERNMENT</b>	-35.4	-26.9	-
Federal Government	-9.7	-0.3	-
State Government	-11.4	-3.4	-
Local Government	-14.3	-23.2	-
Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research			

