



THE SOUTH JERSEY ECONOMIC REVIEW

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¹ (See Charts 1 and 3) In fact, the upward revisions to these two South Jersey metropolitan areas' employment estimates ranked as the largest in the state. ² (See Table 1) The upward revisions received by these two metro areas stood in stark contrast to the downward revision that Ocean City received. (See Chart 2)

As Charts 1 through 3 show, because the employment estimates produced via the annual benchmark revision process incorporate information drawn from a far more complete record of New Jersey employers (as opposed to the much smaller sample generally used to estimate monthly payroll employment), they provide a more accurate picture of recent job trends in the South Jersey region.

Which industries accounted for the recent revisions?

Atlantic City. Two industries accounted for the majority of Atlantic City's 2005 upward revision

of 2,000 jobs: restaurants and bars and government. Both industries' 2005 employment levels were increased by 1,000 as a result of the benchmarking process. One other notable upward revision occurred in construction which saw its 2005 employment estimate increased by 300. Industries that saw their 2005 employment estimates revised downward included: professional and business services (-300), and financial activities (-300). The metro area's retail trade sector, similarly, saw its 2005 job estimate lowered (-100).

Ocean City. As a result of the benchmarking process, Ocean City's 2005 employment estimate was revised downward by 1,800 jobs (-4%). A downward revision of 600 jobs (to a revised 8,800 from an original estimate of 9,400) in the accommodations industry accounted for a large part of the revision. Other industries that saw their job estimates lowered included retail (-200), and educational and health services (-200).

Vineland-Millville-Bridgeton. Several industries were responsible for the upward revision to Vineland-Millville-Bridgeton's 2005 employment estimate, which constituted 1,000 jobs. Wholesale

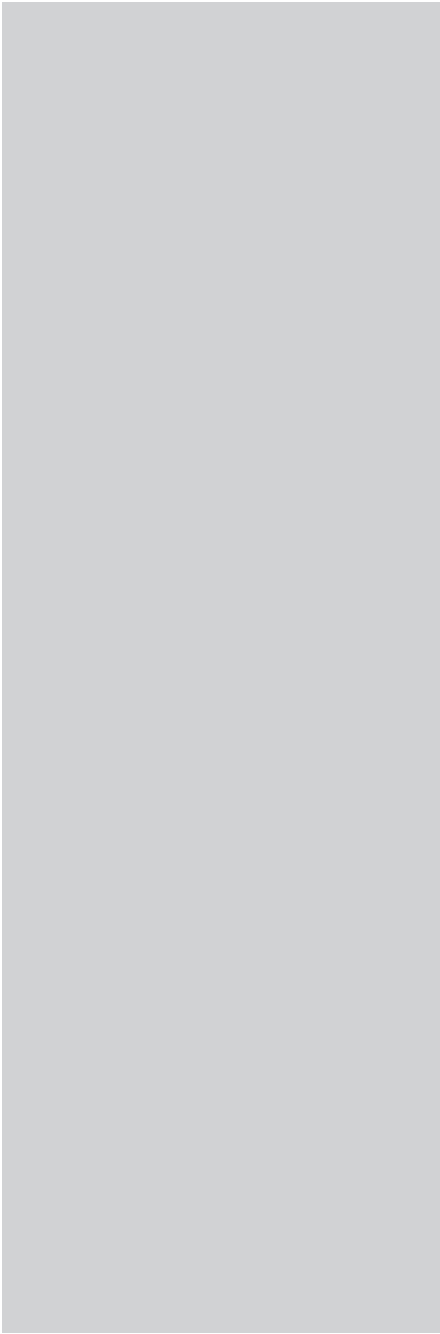
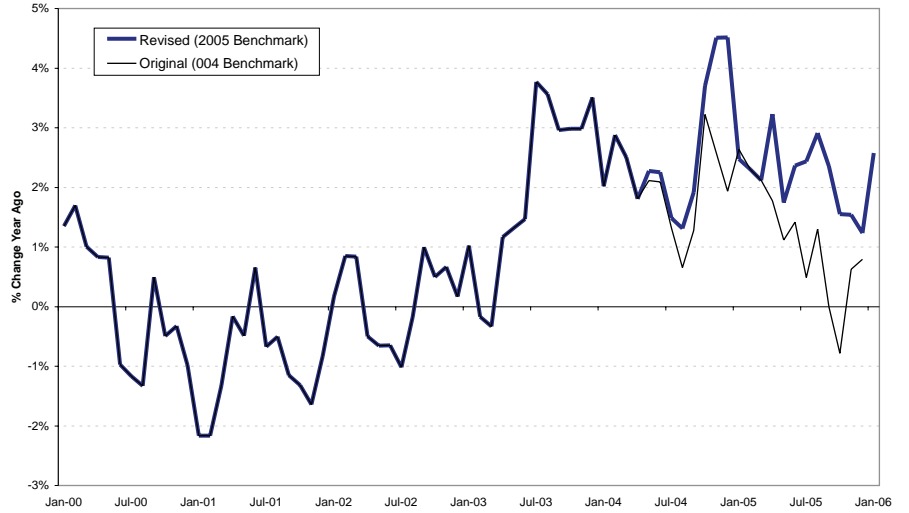
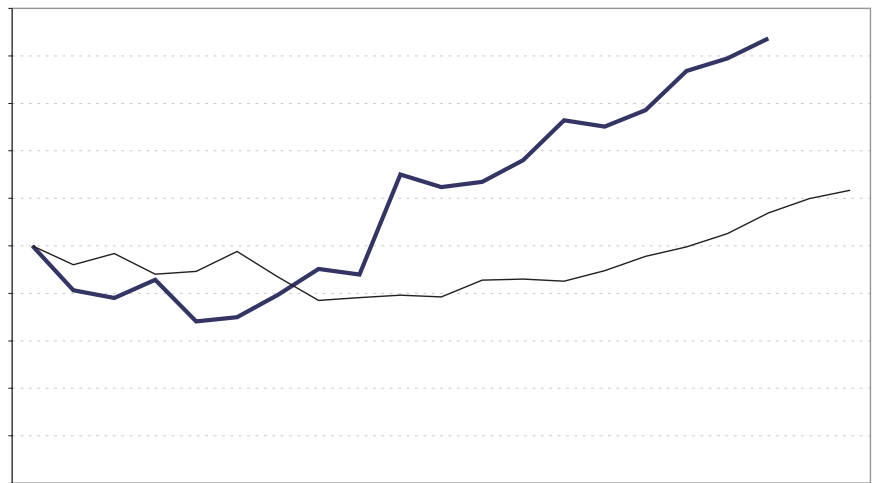


Chart 3: Revisions to Vineland-Millville-Bridgeton's employment data show that job growth in 2004 and 2005 was stronger than originally estimated

Total Nonfarm Employment
January 2000 to January 2006



Source: New Jersey Department of Labor and Workforce Development.



October 2004 strike that affected employment in the hotel casino industry.⁶ Official estimates (i.e., the newly benchmarked payroll

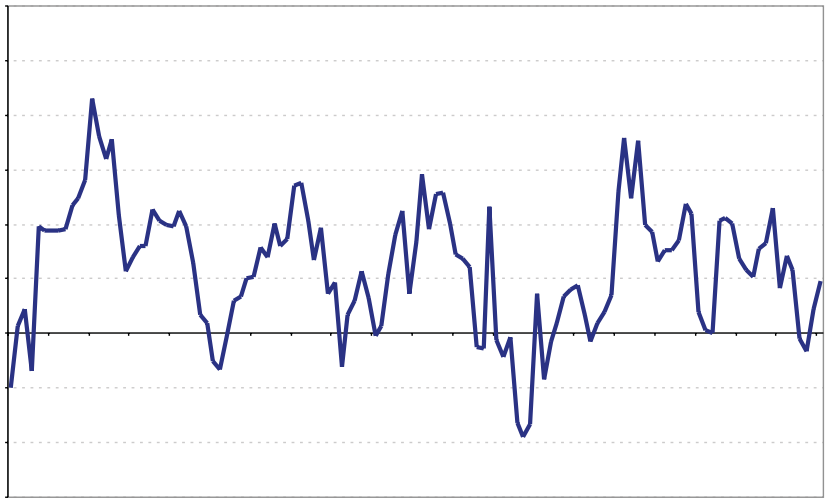


Table 4: The appreciation of single-family home prices in Atlantic City is among the nation's largest.
Top 15 Metro Areas Ranked by 2005 Sales Price Growth

Rank	Metropolitan Area	2003	2004	2005*							
1	Phoenix-Mesa-Scottsdale, AZ	152.5	169.4	247.4	46.0%	29.6	8.4	13.3%	7.8%	5.8%	4.4%
2	Cape Coral-Fort Myers, FL	151.9	187.2	269.2	43.8%	31.5	8.5	15.9%	11.7%	11.4%	9.5%
3	Orlando, FL	145.1	169.6	243.6	43.6%	28.1	8.7	12.4%	9.4%	9.4%	4.2%
4	Sarasota-Bradenton-Venice, FL	193.3	255.7	354.2	38.5%	37.1	9.5	10.0%	11.1%	10.8%	4.8%
5	Palm Bay-Melbourne-Titusville, FL	123.7	153.4	209.0	36.2%	28.7	7.3	8.7%	8.4%	8.3%	3.7%
6	Deltona-Daytona Beach-Ormond Beach, FL	124.9	148.6	194.0	30.6%	25.2	7.7	7.6%	6.5%	7.0%	2.8%
7	Ocala, FL	N/A	110.1	143.5	30.3%	23.5	6.1	11.9%	7.8%	7.7%	6.3%
8	Tucson, AZ	156.3	177.3	231.0	30.3%	25.9	8.9	6.9%	6.8%	5.0%	3.2%
9	Miami-Fort Lauderdale-Miami Beach, FL	231.6	286.4	371.1	29.6%	N/A	N/A	6.6%	5.6%	6.4%	1.4%
10	Tampa-St.Petersburg-Clearwater, FL	138.1	159.7	205.3	28.6%	29.9	6.9	7.6%	6.6%	6.7%	2.8%
11	Honolulu, HI	380.0	460.0	590.0	28.3%	32.5	18.2	2.8%	5.1%	4.5%	0.8%
12	Atlantic City, NJ	166.5	197.9	251.7	27.2%	31.7	7.9	6.2%	2.5%	3.8%	2.2%
13	Riverside-San Bernardino-Ontario, CA	221.0	296.4	374.2	26.2%	24.5	15.3	15.7%	6.7%	7.6%	3.4%
14	Hagerstown-Martinsburg, MD-WV	141.8	165.9	209.3	26.2%	26.8	7.8	9.5%	2.2%	3.2%	3.9%
15	Washington-Arlington-Alexandria, DC-VA-MD-WV	277.9	339.8	424.7	25.0%	44.1	9.6	6.6%	5.8%	5.4%	1.6%
	Median for group	154.4	177.3	247.4	0.3	29.1	8.5	8.7%	6.7%	6.7%	3.4%

have been generated in recent years appear on the payrolls of establishments (construction companies) whose home base lies outside the metropolitan area.

⁶ See footnote two.

⁷ On the national level, the manufacturing sector began losing jobs at a significant rate in early 2001 in conjunction with the onset of the national recession which began in March 2001.

⁸ Data availability dictated the choice of time periods used; the second quarter of 2005 represents the last quarter for which covered employment and wage data are (at the time of publication) publicly available. At the same time, the second quarter of 2002 represented the Atlantic City metropolitan area's last cyclical employment trough. Thus, the analysis presented examines the quality of job growth in the Atlantic City metro area since its last cyclical employment trough.

⁹ Methodology. Data are from the state's "covered" employment program (ES-202) and are for private-sector employment only. Industry shares (for the major industries shown) of total employment are calculated at the two points in time. The difference in each industry's share over the period is then calculated. These differences are negative for industries contracting ("contracting industries") as a share of total employment and positive for industries gaining ("gaining industries") as a share of total employment. Industry weights are then created by taking each industry's "share change" as a share of the total change in its group, i.e., "contracting" or "gaining" industries. Thus, the set of weights sum to one for each group.

These weights are then multiplied by average annual wages for the industries using average annual wage data drawn from the state's unemployment insurance program. The average annual wages are based on the latest four quarters of wage data available, i.e., third quarter 2004 to second quarter 2005. This wage vector is held constant so that the resulting

