

THE RICHARD S THE SOUT

About the SJER

The SJER is part of a broader and on-going Stockton College initiative whose aim is to provide the region's stakeholders and policy-makers timely, high-quality research products and technical assistance that focus on the region's economy, its development, and its residents' well-being. The SJER is produced and distributed exclusively as an electronic journal. If you would like to be electronically notified of future releases of the Review, send an email to sjer@loki.stockton.edu with the subject line "Subscribe SJER".



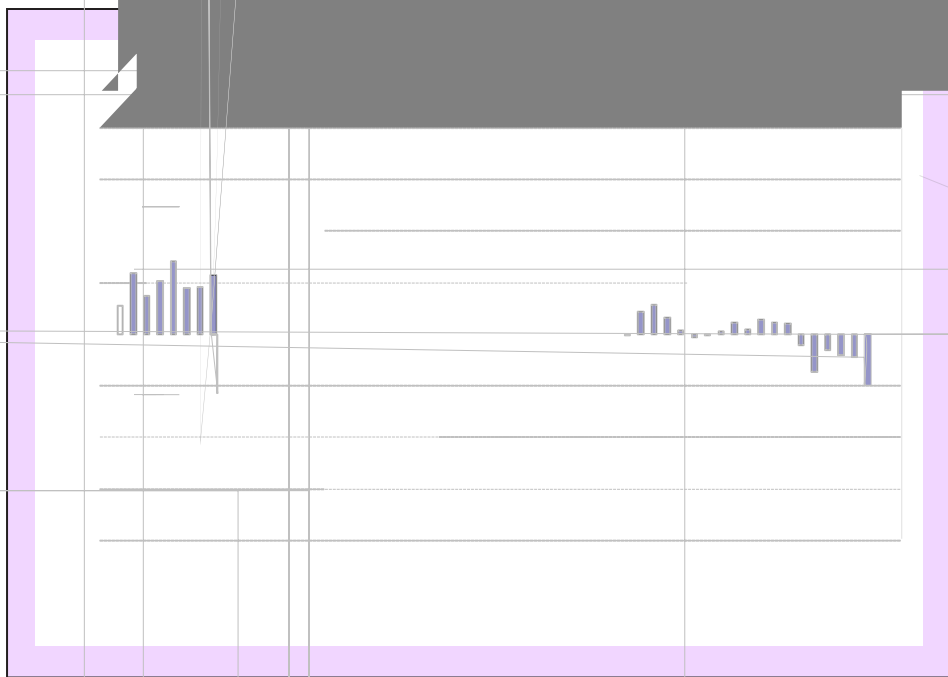
In This Issue

Current Situation	1
Casino Industry Reeling	5
Bankruptcies Up in SJ.....	6
Housing Market Woes	7
2009 Outlook	8

*Similar
southern
Unfortu
that the
to deter
may he
phase b
hold un*

CURREN

New Jersey
The state's
as the rate
product fe
Despite tha
expanded i
modest yea
through the
last May, h
eight conse
job loss (t
months' los



cont'd from page 2

above the statewide rate. (See Figure 2) The significant rise in the rate of unemployment over the past year reflected a 67% increase in the number of unemployed persons in the metropolitan area, as the unemployment roll rose to 13,200 in December from 7,900 in December, 2007.

Figure 4 provides information on job growth across the state's metropolitan areas and divisions. Two points stand out. First, all the state's metropolitan areas and divisions were contracting in December on a year-on-year basis, suggesting that no part of the state has remained immune from the events of last year's final quarter and the deepening national recession. Second, the southern region of the state (as comprised of its two southern metropolitan areas, Atlantic City and Vineland-Millville-Bridgeton) has been harder hit in relative terms compared to other regions in the state. Specifically, average monthly employment last year in these two southern metropolitan areas was down 0.9%

from its prior year average. For the combined Newark-Edison metropolitan divisions, average employment over the same period was down 0.3%, while employment in the combined Trenton-Camden metropolitan areas was up 0.1%.

Atlantic City's Industries in Detail

Figure 5 provides detailed employment data for industries in the Atlantic City metropolitan area over several periods. As shown, it is clear that the bulk of job losses experienced in the local economy over the past two years occurred primarily in 2007 – not 2008. Official New Jersey Department of Labor employment estimates indicate that 3,900 jobs were lost in 2007, whereas 1,000 were lost last year. (As noted, total establishment employment in the metropolitan area peaked during the most recent business cycle expansion in September, 2006, more than one year ahead of the onset of the national recession in December, 2007.)

The vast majority of jobs lost during 2007 occurred in the casino industry. As noted, approximately 2,200 casino jobs were lost when the Sands casino closed in late 2006. Owing to their timing, these job losses reduced metropolitan area employment primarily in 2007. Beyond the casino industry, the rest of the job losses recorded in 2007

occurred primarily in the manufacturing, construction, and government sectors.

While last year's job loss was smaller than the prior year's, it should be noted that last year's losses were more broadly based, as declines occurred in: manufacturing, construction, restaurants and bars, financial activities, professional & business services, and wholesale trade. (Losses in state government employment were partially offset by gains in federal and local government.)

There is one important caveat that should be noted regarding the above analysis, as it complicates the analytical interpretation of the metropolitan area's overall employment trend over the past year. In particular, there is a marked difference between the New Jersey Department of Labor's and the New Jersey Casino Control Commission's estimate of casino employment in Atlantic City. On one hand, this difference is neither surprising (as the methodologies used to generate the two series are dissimilar) nor problematic (as the basic long-term trends in these two series are quite similar). On the other hand, as Figure 5 reveals, the difference between the two series over the past year or so translate into important differences in terms of gauging the metropolitan area's overall employment trajectory and, thus the recent health of its labor market.

cont'd on page 5

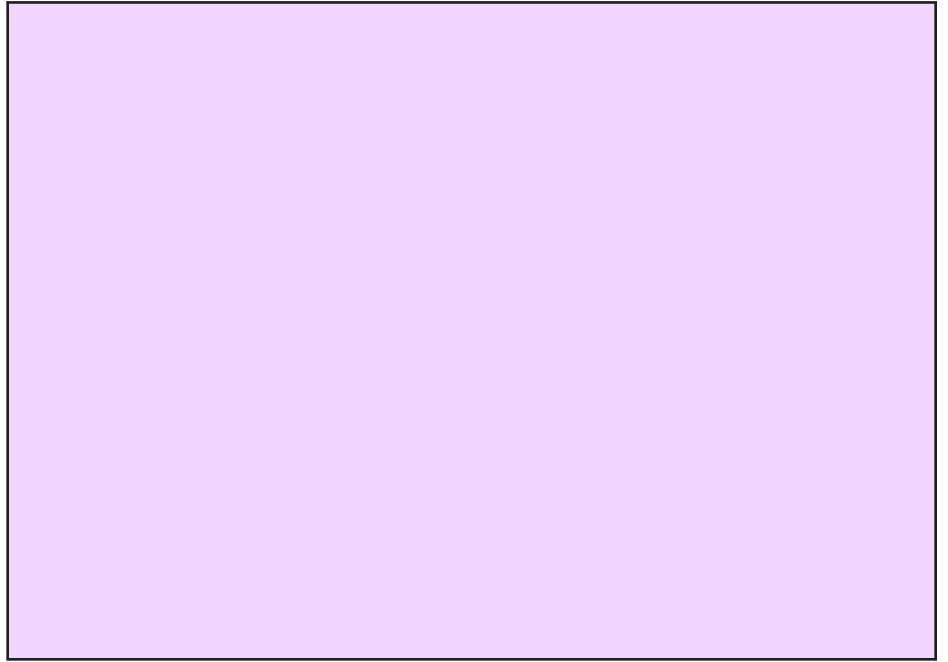
Metropolitan Area/Division	Employment			Average Employment			
	Dec. 2007	Dec. 2008	% Change	2007	2008	Change	% Change
Atlantic City	149.6	145.3	-2.9%	150.2	149.3	-1.0	-0.6%
Bergen-Hudson-Passaic	924.5	906.1	-2.0%	907.5	905.3	-2.2	-0.2%
Camden, NJ Metropolitan Division	550.1	543.0	-1.3%	540.9	541.6	0.7	0.1%
Edison-New Brunswick, NJ Metropolitan Division	1,049.0	1,030.4	-1.8%	1,041.8	1,037.2	-4.6	-0.4%
Newark-Union, NJ-PA Metropolitan Division	1,048.9	1,042.5	-0.6%	1,036.3	1,034.4	-1.9	-0.2%
Trenton-Ewing	240.9	237.9	-1.2%	237.8	238.0	0.2	0.1%
Vineland-Millville-Bridgeton	62.4	61.3	-1.8%	62.0	61.0	-1.0	-1.7%
New Jersey	10,116.1	9,815.3	-2.9%	9,815.3	9,761.3	-54.0	-0.5%

FIGURE 5: INDUSTRY EMPLOYMENT DETAIL FOR ATLANTIC CITY METROPOLITAN AREA

	AVERAGE EMPLOYMENT (000)		2006-2007		2006-2007		2007-2008		2007-2008		
	2006	2007	2008	Change	% Change	Change	% Change	4q2007	4q2008	Change	% Change
Total Establishment Employment	154.2	150.2	149.3	-3.9	-2.6%	-1.0	-0.6%	149.4	147.4	-2.0	-1.3%
Total Establishment Employment w/NJCCC casino employment*	157.4	153.3	151.1	-4.1	-2.6%	-2.2	-1.4%	152.0	148.4	-3.6	-2.4%
Total Private Sector	130.8	127.6	126.7	-3.2	-2.5%	-0.9	07.7%	126.5	124.6	-1.9	-1.5%
Manufacturing	4.2	3.8	3.7	-0.3	-8.0%	-0.2	-4.1%	3.8	3.6	-0.2	-4.4%
Natural Resources, Mining & Construction	7.1	6.9	6.5	-0.2	-2.7%	-0.5	-6.7%	6.7	6.3	-0.4	-5.5%
Leisure and Hospitality	58.5	54.7	54.4	-3.9	-6.6%	-0.3	-0.5%	53.2	52.6	-0.5	-1.0%
Accommodation	44.8	41.1	41.2	-3.8	-8.4%	0.1	0.2%	40.5	40.7	0.1	0.3%
Casino Hotels	41.9	38.6	38.9	-3.3	-7.9%	0.3	0.8%	38.1	38.3	0.1	-3.7%
NJCCC Casino Hotels	45.1	41.7	40.7	-3.5	-7.7%	-0.9	-2.3%	40.8	39.3	-1.5	-3.7%
Food Services and Drinking Places	11.6	11.8	11.8	0.2	1.7%	-0.1	-0.4%	11.8	11.7	-0.1	-0.8%
Accommodation and Food Services	56.4	52.9	52.9	-3.6	-6.3%	0.0	0.1%	52.3	52.4	0.0	0.1%
Educational, Health and Social Services	18.1	18.2	18.5	0.1	0.5%	0.3	1.5%	18.3	18.6	0.2	1.3%
Hospitals	6.2	6.2	6.4	0.1	1.5%	0.1	1.9%	6.3	6.4	0.1	1.6%
Financial Activities	4.5	4.5	4.4	0.0	-0.0%	-0.2	-3.9%	4.5	4.2	-0.3	-6.7%
Information	1.1	1.1	1.2	0.1	6.2%	0.0	0.7%	1.1	1.1	0.0	-2.9%
Professional and Business Services	11.1	11.5	11.3	0.4	3.5%	-0.2	-2.0%	11.6	11.2	-0.4	-3.2%
Other Services	4.3	4.4	4.5	0.1	3.5%	0.1	1.9%	4.4	4.5	0.1	2.3%
Retail Trade	16.0	16.4	16.6	0.4	2.3%	0.2	1.4%	17.0	16.8	-0.2	-1.2%
Wholesale Trade	2.9	3.0	2.8	0.1	2.8%	-0.2	-6.1%	3.0	2.7	-0.3	-10.0%
Transportation and Warehousing, Utilities	2.9	2.9	3.0	0.0	1.1%	0.0	0.6%	3.0	3.0	0.0	0.0%
Government	23.4	22.7	22.6	-0.7	-3.1%	-0.1	-0.4%	22.9	22.8	-0.1	-0.3%
Federal Government	2.7	2.7	2.8	0.0	-0.9%	0.1	2.2%	2.8	2.8	0.0	0.0%
State Government	4.4	3.9	3.6	-0.5	-11.7%	0.3	-6.8%	3.9	3.7	-0.2	-6.0%
Local Government	16.2	16.0	16.2	-0.2	-1.1%	0.1	0.8%	16.2	16.4	0.2	1.0%

* NJDOL total establishment employment estimate for AC minus NJDOL casino employment estimate plus New Jersey Casino Control Commission casino employment estimate. Sources: New Jersey Department of Labor & Workforce Development, New Jersey Casino Control Commission, and author's calculations.

cont'd from



35% over the same period. More troubling,

