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Coronavirus Economic Pivot: Precipitous Fall to Recovery Crawl?

James W. Hughes
University Professor
Dean Emeritus of the Edward J. Bloustein School of Planning and Public Policy
Rutgers, The State University of New Jersey

Connie O. Hughes
Former Chief, Management & Policy, NJ Governor's Office
Former President & Commissioner NJ Board of Public Utilities
Former Deputy Commissioner NJ Department of Labor

Joseph J. Seneca
University Professor Emeritus
Vice President for Academic Affairs Emeritus
Distinguished Professor of Economics Emeritus
Rutgers, The State University of New Jersey

Introduction

The convulsive economic shocks of the *Great Coronavirus-Driven Contraction* (February 2020-April 2020) were finally curtailed in May 2020. Most negative employment metrics turned sharply positive as a crucial economic pivot took place. It is becoming more apparent that the economic paths of New Jersey (and the nation) following the record decade-long employment expansion from February 2010 to February 2020 will consist of three empirically identifiable stages.[1]

Stage 1 was the ***Great Coronavirus-Driven Contraction*** (February 2020-April 2020), the precipitous economic collapse deliberately engineered to contain the Covid-19 pandemic.

Stage 2 is the ***Economic Reopening*** (April 2020 – in progress), representing the thawing of the deep economic freeze imposed in Stage 1. This bounce back suggests that the worst of the pandemic's economic shocks are over, and the process of recapturing lost economic activity has begun.

Stage 3, the ***Long Recovery Crawl*** will then commence. Following the initial re-employment surge (Stage 2), there will be a multiyear journey back to full recovery, a trek hindered by unanticipated aftershocks of the contraction (Stage 1), challenges in absorbing its lasting economic damage, struggles to adapt to new "normals" and organizational protocols, and a fundamental ongoing restructuring of the economy whose adjustments are still to be determined.

Specifying the time span for achieving full recovery in New Jersey is fraught with difficulty, but recovery will likely be a multiyear process that could consume major portions of the decade of the 2020s.

The First Deliberate Recession

The *Great Coronavirus-Driven Contraction*, which began in February 2020, is unique in many ways, but the most significant is that it was the first deliberately induced recession – the first recession we knew was coming and that was purposely engineered.[2] Parallel public-policy and private-market

[1] Appendix tables A-5 and A-6 detail the remarkable ten-year period (February 2010-February 2020) of sustained employment growth for New Jersey and the United States.

[2] On June 8, 2020, the Business Cycle Dating Committee of the National Bureau of Economic Research (NBER), which maintains a chronology of the peaks and troughs of U.S. business cycles, determined that February 2020 marked the peak of the record-long economic expansion and the beginning of a recession. This confirms the

decisions were made to intentionally shut down activity in the vast American economy to counteract the devastating health effects of Covid-19 – a necessary and painful sacrifice of livelihoods in order to save lives. As we pointed out in *Fast Track Research Notes Issue Number 1*, the brunt of the draconian lockdown led to an off-the-scale national and state employment collapse in April 2020, the month when the American economy fell off a steep cliff.[3]

The Cruelest Month: April 2020

The magnitude of April 2020's economic contraction has little or no historic parallel. Revised national data, released on June 5, 2020, reconfirm that April was indeed nothing less than the cruelest month. The full depth of that month's economic pain was accentuated by a revised employment loss (-20.7 million jobs) that was greater than that first reported (-20.0 million jobs). This also reconfirmed our initial conclusion that April 2020 will live forever in economic infamy.[4]

The revised 22.1 million payroll jobs lost in the United States in the two-month period between February and April wiped out 97 percent of the employment gains (22.8 million jobs) of the preceding ten years (February 2010-February 2020). This is worse than the 94 percent "wipeout" originally reported.

In contrast to the nation, New Jersey's revised April 2020 data, released on June 18, 2020, showed modest improvement (+1,500 jobs) in its employment losses. The state lost 831,300 jobs between February and April rather than 832,800 jobs. **This two-month revised contraction was still more than double the employment gain (+405,900 jobs) of the preceding ten-year (February 2010-February 2020) expansion.**

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assumption made in *Fast Track Research Notes Issue Number 1* that the recession (contraction) started in February 2020.

[3] *Issue Number 1 (Coronavirus Economic Shocks)* also pointed out that the *Great Coronavirus-Driven Contraction's* severity was such that it became a full-fledged member of what can now be called the infamous "economic trilogy" – the three worst economic downturns of the twentieth and twenty-first centuries. It was preceded by the *Great Depression* of the 1930s and the *Great Recession* of 2007-2009. See: https://rucore.libraries.rutgers.edu/rutgers-lib/63658/PDF/1/play/

[4] The worst monthly employment loss in the United States prior to April 2020 was a decline of 1.96 million payroll jobs in September 1945, when an economy geared to massive production for World War II began a rapid transition to peace. During the Great 2007-2009 Recession, the largest monthly employment loss was 800,000 jobs in March 2009. The decline of 20.7 million jobs in April 2020 was twenty-six times greater than the March 2009 loss and ten times as large as the loss incurred in September 1945.

May 2020: The Economic Reopening

The sheer enormity of April's total payroll employment losses (-20.7 million jobs) spawned a significant "bounce back" in the United States in May (+2.5 million jobs). Business reopenings with social distancing and other restrictions created the illusion that a return to normal was about to commence. While such an upturn is a welcome and positive development, it must be pointed out that more than three-fifths (63.4 percent) of the May re-employment took place in restaurants (accommodation and food services) and retail trade, two below-average-paying sectors that were hit hardest by the mandatory shutdowns of March and April. In contrast, the high-paying, knowledge-linked jobs managed to achieve stabilization. Nonetheless, **the axis of economic change distinctly shifted to the positive in May.**[5]

In New Jersey, the May bounce back – albeit from a far deeper employment hole – was stronger than that of the nation. In both cases, slightly more than one-out-of-ten total jobs were recovered. During the Economic Reopening (to date), the state recaptured 10.4 percent (+86,800 jobs) of the 831,300 jobs lost during the Great Contraction. New Jersey's employment "deficit" was reduced to approximately three-quarters of a million (744,500) jobs.

The depth of the contraction, its potential long-lasting economic scars, inevitable and widespread industry restructurings to come, plus potential further secondary shocks promise an uncertain and tortuously long journey to simply return to where we once were with respect to national and state output and employment.

The Coming Recovery Crawl?

There is a growing consensus that the scale of economic destruction worldwide was so precipitous that even with an eventual sustained recovery, the global economy will remain smaller than its pre-coronavirus size for years to come. The damage to the incomes of households, businesses, and governments has been profound and promises to be long-lasting. This is even more so the case for New Jersey and New York, both ravaged much more severely by pandemic-driven economic disruptions and with higher levels of Covid-19 mortality and morbidity than any other states.

[5] Paralleling the employment rebound nationally was the change in the pattern of retail sales. In April 2020, U.S. retail sales (-14.7 percent) had the largest monthly drop on record, the result of the coronavirus lockdown. In May 2020, as restrictions were being eased and stimulus payments flowed to households, retail sales rose by a record 17.7 percent. Still, retail spending in May 2020 remained below pre-pandemic levels.

There have been numerous phrases attempting to capture what has happened and what will unfold: "a slow recovery from a steep fall"; "a painful climb out of a deep economic hole"; "a plunging elevator ride down followed by a slow escalator ride up"; and "a fast-lane freefall followed by a slow-lane bounce back." Our favorite to describe the pivot to the economic future to come: "the precipitous fall to the recovery crawl."

The Daunting Recovery Arithmetic

Significant parts of the economy lurched into positive motion in May, suggesting that the worst of the plunge may be past. But simple – (perhaps overly simple) – arithmetic portends a recovery time frame that is nothing less than daunting. Two New Jersey actual scenarios tell the tale. The first is based on the experience of the recovery from the Great 2007-2009 Recession. It took almost nine years (eight years and eleven months) from the start of that recession for New Jersey to return to its pre-recession employment peak.[6] And for that recession, the state had to recapture a loss of "only" 253,300 jobs, compared to triple the loss experienced during the Great 2010 Contraction (831,300 jobs). **If the time frame of the full employment recovery from the Great Recession is repeated for the aftermath of the Great Contraction, New Jersey would not fully recover its job losses until January 2029.** This is just eleven months shy of the start of the new decade of the 2030s. Obviously, this is a disconcerting length of time, but it is simply based on historical precedent.

A second alternative possibility is to assume that New Jersey could, in this recovery, replicate the best job growth period in its history. Monthly total nonfarm employment statistics were first compiled by the U.S. Bureau of Labor Statistics (BLS) in 1939. In the ensuing eight decades, the strongest employment growth in New Jersey took place between 1982 and 1988, when the state gained an average of 93,000 jobs per year. Assuming the state could replicate this "best-in-class" annual growth again, it would take nine years to recapture the Great Contraction's job losses.[7] **Full recovery would not then be achieved until April 2029, just three months later than the previous scenario.**

[6] Total employment had peaked in New Jersey in January 2008 at 4,089,300 jobs. It then lost 253,300 jobs before total employment bottomed out at 3,836,000 jobs in February 2010. Economic recovery then resumed but it was not until December 2016 that employment finally surpassed its January 2008 pre-recession peak (4,089,300 jobs). This was eight years and eleven months later.

[7] This calculation is simply the division of the 833,300 jobs needed for full recovery by 93,000 jobs per year, yielding 8.96 (nine) years.

Both alternatives assume that the balance of the decade of the 2020s does not suffer another recessionary setback. This may not be realistic since the average length of post-World War II economic expansion in the United States has only been five years. Nonetheless, potentially mitigating these extraordinary long-term recovery estimates is the likelihood of a short-term recapturing of a significant share of the mandated February 2020-April 2020 employment shutdown. It may be possible to have a sustained monthly bounce back similar in scale to that which took place in May 2020, driven by easily re-opened businesses and supported by massive fiscal and monetary policies. Thus, it is conceivable that the initial pace of recovery (Stage 2 *Economic Reopening)* will constitute "rapid-fire" reemployment. As noted earlier, however, the relief from the lifting of intentional shutdowns will not eliminate many longer-lasting obstacles to full economic lift-off. Once the low-hanging "return-to-work" fruit is harvested, a slow grueling employment comeback is then likely. **Nonetheless, a mid-decade recovery of all job losses, rather than an end-of-decade full recuperation, is certainly a possibility.**

At this point in time, with only a single month (May 2020) of reemployment data, it is simply too soon to make any informed judgements on how long it will take for a full recovery of the state's staggering loss of jobs. But we will return to this crucial issue in future *Fast Track Research Notes* when more employment data are available, which will enable the strength and trajectory of the recovery to be better assessed.

One hundred years ago, the United States was just entering the Roaring Twenties (1920s). This was a decade of growth and general prosperity. Just six months ago, there was speculation that we were about to again reenter the Roaring Twenties – this time the roaring 2020s. Unfortunately – as is now so painfully realized – the coronavirus put an end to that over-the-rainbow fantasy. Instead, a near-death economic experience opened the decade, followed by what is destined to be an extended recovery period.

Structural Transformations

The pandemic also has been a "gasoline on the fire" accelerant, vastly increasing the pace of structural change already underway, e.g., rising e-commerce and remote work practices. As the economy reopens, one of its key sectors – the office industry ecosystem – is embarking on a fundamental transformation as the world of work is revolutionized. The evolution to a post-pandemic resilient office market will reshape virtually every organization and industry in New Jersey's economy. This issue is given substantial attention following the section on benchmarking and tracking of the economic reopening.

Benchmarking and Tracking the Economic Reopening

The most recent metrics documenting the "economic rebirth" following the *Great Contraction* are detailed in this section for New Jersey and the United States. The May 2020 employment reports (released in June) from both the New Jersey Department of Labor and Workforce Development and the U.S. Bureau of Labor Statistics also included revised data for April 2020. The revised tabulations did not alter any of our conclusions regarding the severity of the *Great Contraction*. However, the data did reveal that the downturn was somewhat more severe for the nation, and a little less so for New Jersey. It also showed that the May 2020 employment rebound was somewhat stronger in New Jersey.

New Jersey

The revised April 2020 employment data and the change from February 2020 are detailed in table 1. The revisions to the employment metrics of the Great Contraction were relatively minor in size but they were positive, with the total employment loss reduced by 1,500 jobs. The unprecedented scale of employment decline (-831,300 jobs or -19.6 percent) was, however, mostly unchanged. The former stunning conclusion that we made still remains: nearly one-fifth of New Jersey's employment base was lost during this traumatic two-month period.

Table 2 is a most welcomed new tabulation for the *Fast Track Research Note* reports! It is, hopefully, the first in a series of monthly updates that will document the full emergence of Stage 2 (*Economic Reopening*) of New Jersey's 2020 economic odyssey: the phase of re-employment now (beginning in May 2020) underway as the American economy begins its comeback from the depths of the largest job deficit in its history. The state's total employment growth in May 2020 (+86,800 jobs or +2.5 percent) was, in a single month, more than double the average full year gain (+40,600 jobs) of the ten-year expansion that took place between February 2010 and February 2020. It was the greatest single month job gain in the state's history.

The largest rebound in May was registered by the accommodation and food services sector (+32,200 jobs), which grew by more than a quarter (+25.9 percent). Symmetrically, this was the hardest hit sector during the previous February to April contraction, when it lost 204,800 jobs (table 1). Also showing strong growth was manufacturing (+18,500 jobs or +8.5 percent) and trade, transportation, and utilities (+16,700 jobs or +2.3 percent), as detailed in table 2. Health care and social services showed a modest bounce back (+4,100 jobs or +0.8 percent).

Table 1					
New Jersey					
February 2020-April 2020 (Revised) Nonagricultural Wage and Salary Employment					
Seasonally Adjusted (2019 Benchmark)					
(In Thousands)					
		Revised			
	2020	2020		Change: Feb-Apr	
	Feb	Apr		Number	Percent
TOTAL NONFARM	4,241.9	3,410.6		-831.3	-19.6
TOTAL PRIVATE SECTOR	3,634.0	2,829.6		-804.4	-22.1
Goods-Producing	421.1	339.9		-81.2	-19.3
Mining, Logging, and Construction	168.0	123.3		-44.7	-26.6
Mining and Logging	1.5	1.4		-0.1	-6.7
Construction	166.5	121.9		-44.6	-26.8
Manufacturing	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
Service-Providing	3,820.8	3,070.7		-750.1	-19.6
Private Service-Providing	3,212.9	2,489.7		-723.2	-22.5
Trade, Transportation, and Utilities	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
Information	66.4	62.2		-4.2	-6.3
Financial Activities	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
Professional and Business Services	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
Education and Health Services	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
Leisure and Hospitality	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
Other Services	173.5	115.3		-58.2	-33.5
GOVERNMENT	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

Table 2					
New Jersey					
April 2020 (Revised)-May 2020 Nonagricultural Wage and Salary Employment					
Seasonally Adjusted (2019 Benchmark)					
(In Thousands)					
	Revised 2020 Apr	2020 May	Change: Apr-May Number	Change: Apr-May Percent
TOTAL NONFARM	3,410.6	3,497.4	86.8	2.5%
TOTAL PRIVATE SECTOR	2,829.6	2,921.8	92.2	3.3%
Goods-Producing	339.9	372.5	32.6	9.6%
Mining, Logging, and Construction	123.3	137.4	14.1	11.4%
Mining and Logging	1.4	1.4	0.0	0.0%
Construction	121.9	136.0	14.1	11.6%
Manufacturing	216.6	235.1	18.5	8.5%
Durable Goods	96.5	111.8	15.3	15.9%
Non-Durable Goods	120.1	123.3	3.2	2.7%
Service-Providing	3,070.7	3,124.9	54.2	1.8%
Private Service-Providing	2,489.7	2,549.3	59.6	2.4%
Trade, Transportation, and Utilities	737.4	754.1	16.7	2.3%
Wholesale Trade	186.2	194.0	7.8	4.2%
Retail Trade	365.9	373.2	7.3	2.0%
Transportation, Warehousing, and Utilities	185.3	186.9	1.6	0.9%
Information	62.2	60.6	-1.6	-2.6%
Financial Activities	237.6	237.8	0.2	0.1%
Finance and Insurance	185.9	184.8	-1.1	-0.6%
Real Estate and Rental & Leasing	51.7	53.0	1.3	2.5%
Professional and Business Services	592.1	597.9	5.8	1.0%
Professional, Scientific, and Technical Services	280.8	280.2	-0.6	-0.2%
Management of Companies and Enterprises	81.8	81.3	-0.5	-0.6%
Adm./Suppt. and Waste Mgt./Remed. Services	229.5	236.4	6.9	3.0%
Education and Health Services	600.0	603.4	3.4	0.6%
Educational Services	93.5	92.8	-0.7	-0.7%
Health Care and Social Assistance	506.5	510.6	4.1	0.8%
Leisure and Hospitality	145.1	175.6	30.5	21.0%
Arts, Entertainment, and Recreation	20.6	18.9	-1.7	-8.3%
Accommodation and Food Services	124.5	156.7	32.2	25.9%
Other Services	115.3	119.9	4.6	4.0%
GOVERNMENT	581.0	575.6	-5.4	-0.9%
Federal Government	48.8	48.7	-0.1	-0.2%
State Government	138.6	140.3	1.7	1.2%
Local Government	393.6	386.6	-7.0	-1.8%

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

In contrast, the higher-paying sectors of information (-1,600 jobs or -2.6 percent); finance and insurance (-1,100 jobs or -0.6 percent); professional, scientific, and technical services (-600 jobs or -0.2 percent); and management of companies and enterprises (-500 jobs or -0.6 percent) failed to achieve positive gains (table 2). And employment in local government continued to contract (-7,000 jobs or -1.8 percent).

The long road to recovery is evident in the data of table 3, which indicates for each employment sector the share of the February-April pandemic-driven contraction that was recovered in May. Overall, the state has recovered 10.4 percent of its employment losses, a significant achievement given the unprecedented scale of employment contraction. Manufacturing (50.8 percent) and construction (31.6 percent) had the highest recovery rates, while accommodation and food services had the greatest absolute recovery (+32,200 jobs).

The Nation

This section documents the national employment gains that took place in May 2020, following the short two-month period when the nation lost 14.5 percent (-22.1 million jobs) of its total employment base. Table 4 provides the revised April job losses by employment sector for the February through April contraction. The revisions indicate a larger loss of 642,000 payroll jobs compared to the initial estimate.[8] These additional job losses are distributed differentially among the various employment sectors resulting in larger absolute and percentage losses in most sectors.[9]

As was the case for New Jersey (table 2), the data in table 5 are also a most welcome addition to the post-February 2020 monthly tabulations for the nation. Hopefully, it will presage sustained employment gains in the months ahead as Stage 2 matures. Nationally, employment growth resumed in May 2020, as many states re-opened economic activities that had been tightly closed during March and

[8] The total loss for February through April is now estimated at 22.1 million payroll jobs (-14.5 percent) versus the initial estimate of 21.4 million jobs (-14.0 percent). Thus, there is a larger jobs deficit to recover in order to return the American economy to the pre-pandemic payroll employment level of February 2020 (152.5 million jobs).

[9] Table A-2 in the appendix provides revised ratios (based on revised April 2020 data) of the national payroll employment declines by sector for the February 2020-April 2020 period compared to the job gains of the ten-year economic expansion (February 2010-February 2020). The revised total loss of 22.1 million payroll jobs noted in the text now means that the national economy gave up 97 percent of the job gains of ten years in just two months of pandemic-induced job losses (versus the original estimate of 94 percent).

Table 3			
New Jersey			
Recovery Gains (April 2020-May 2020) vs. Pandemic Losses (February 2020-April 2020)			
Seasonally Adjusted (2019 Benchmark)			
(In Thousands)			
	Pandemic Loss (Feb-Apr)	May Recovery Apr-May	Recovery Share of Loss
TOTAL NONFARM	-831.3	86.8	10.4%
TOTAL PRIVATE SECTOR	-804.4	92.2	11.5%
Goods-Producing	-81.2	32.6	40.1%
Mining, Logging, and Construction	-44.7	14.1	31.5%
Mining and Logging	-0.1	0.0	0.0%
Construction	-44.6	14.1	31.6%
Manufacturing	-36.4	18.5	50.8%
Durable Goods	-21.7	15.3	70.5%
Non-Durable Goods	-14.7	3.2	21.8%
Service-Providing	-750.1	54.2	7.2%
Private Service-Providing	-723.2	59.6	8.2%
Trade, Transportation, and Utilities	-157.2	16.7	10.6%
Wholesale Trade	-29.4	7.8	26.5%
Retail Trade	-86.9	7.3	8.4%
Transportation, Warehousing, and Utilities	-40.9	1.6	3.9%
Information	-4.2	-1.6	-38.1%
Financial Activities	-15.9	0.2	1.3%
Finance and Insurance	-5.3	-1.1	-20.8%
Real Estate and Rental & Leasing	-10.6	1.3	12.3%
Professional and Business Services	-98.2	5.8	5.9%
Professional, Scientific, and Technical Services	-22.8	-0.6	-2.6%
Management of Companies and Enterprises	-6.8	-0.5	-7.4%
Adm./Suppt. and Waste Mgt./Remed. Services	-68.6	6.9	10.1%
Education and Health Services	-130.6	3.4	2.6%
Educational Services	-22.5	-0.7	-3.1%
Health Care and Social Assistance	-108.1	4.1	3.8%
Leisure and Hospitality	-258.9	30.5	11.8%
Arts, Entertainment, and Recreation	-54.1	-1.7	-3.1%
Accommodation and Food Services	-204.8	32.2	15.7%
Other Services	-58.2	4.6	7.9%
GOVERNMENT	-26.9	-5.4	-20.1%
Federal Government	-0.3	-0.1	-33.3%
State Government	-3.4	1.7	50.0%
Local Government	-23.2	-7.0	-30.2%
Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research			

Table 4					
United States					
February 2020-April 2020 (Revised) Nonagricultural Wage and Salary Employment					
Seasonally Adjusted (2019 Benchmark)					
(In Thousands)					
		Revised			
	2020	**2020**		**Change: Feb-Apr**	
	Feb	**Apr**		**Number**	**Percent**
TOTAL NONFARM	152,463.0	130,403		-22,060	-14.5
TOTAL PRIVATE SECTOR	129,718.0	108,638		-21,080	-16.3
Goods-Producing	21,205.0	18,713		-2,492	-11.8
Mining, Logging, and Construction	8,353.0	7,231		-1,122	-13.4
Mining and Logging	714.0	652		-62	-8.7
Construction	7,639.0	6,579		-1,060	-13.9
Manufacturing	12,852.0	11,482		-1,370	-10.7
Durable Goods	8,058.0	7,124		-934	-11.6
Non-Durable Goods	4,794.0	4,358		-436	-9.1
Service-Providing	131,258.0	111,690		-19,568	-14.9
Private Service-Providing	108,513.0	89,925		-18,588	-17.1
Trade, Transportation, and Utilities	27,830.0	24,498		-3,332	-12.0
Wholesale Trade	5,934.2	5,540		-395	-6.6
Retail Trade	15,672.0	13,301		-2,371	-15.1
Transportation, Warehousing, and Utilities	6,224.2	5,657		-567	-9.1
Information	2,894.0	2,616		-278	-9.6
Financial Activities	8,845.0	8,563		-282	-3.2
Finance and Insurance	6,486.4	6,440		-46	-0.7
Real Estate and Rental & Leasing	2,358.5	2,123		-236	-10.0
Professional and Business Services	21,550.0	19,267		-2,283	-10.6
Professional, Scientific, and Technical Services	9,707.6	9,159		-549	-5.7
Management of Companies and Enterprises	2,447.3	2,354		-94	-3.8
Adm./Suppt. and Waste Mgt./Remed. Services	9,395.0	7,754		-1,641	-17.5
Education and Health Services	24,586.0	21,818		-2,768	-11.3
Educational Services	3,828.5	3,323		-505	-13.2
Health Care and Social Assistance	20,757.7	18,495		-2,263	-10.9
Leisure and Hospitality	16,867.0	8,585		-8,282	-49.1
Arts, Entertainment, and Recreation	2,472.4	1,155		-1,318	-53.3
Accommodation and Food Services	14,394.1	7,430		-6,964	-48.4
Other Services	5,941.0	4,578		-1,363	-22.9
GOVERNMENT	22,745.0	21,765		-980	-4.3
Federal Government	2,867.0	2,887		20	0.7
State Government	5,199.0	4,995		-204	-3.9
Local Government	14,679.0	13,883		-796	-5.4
Source: United States Bureau of Labor Statistics					

April. Consequently, the economy added 3.1 million private-sector jobs as the readily restarted activities within retail trade, accommodation and food services, health care, and other related sectors brought workers back. As seen in table 5, the leisure and hospitality sector added 1.2 million jobs in May. This represents nearly half (48.7 percent) of the total employment gains for the month (1.2 million jobs out of 2.5 million jobs)![10]

Other areas with notable rehiring were construction (464,000 jobs) and manufacturing (225,000 jobs) within the goods-producing sector. In the private service-providing sector, retail trade employment rose by 368,000 jobs and education and health employment increased by 424,000 jobs as routine physician and hospital care activity resumed after being restricted in March and April in order to focus health care resources on treatment of Covid-19.

However, it is noteworthy that employment in state and local government continued to decline in May with the loss of an additional 571,000 jobs as decreasing tax revenues deeply pressured public budgets.[11] This loss of public-sector employment explains the lower total employment gains (2.5 million jobs) versus total private-sector gains (3.1 million jobs).

Additional encouraging data appear in table 6 which lists the employment gains in May as a percentage of the pandemic-driven job losses of March and April. Total private-sector employment recovered 14.7 percent of its job losses. As shown earlier in table 4, the leisure and hospitality sector accounted for the largest share of the contraction's total job losses (8.3 million jobs out of 22.1 million jobs). Therefore, it is not surprising that leisure and hospitality also had the greatest employment gains (+1.2 million jobs) and recovered 15.0 percent of its recessionary losses (table 6). Within that sector, accommodation and food services had a recovery rate of 17.6 percent.

Nevertheless, a long recovery road lies ahead as the national economy in May (132.9 million jobs) remained 19.6 million jobs below its February 2020 level (152.5 million jobs). If the economic recovery, tentatively documented here, is sustained by reviving consumer spending and income growth, job increases can be expected to continue in those sectors that were initially the most negatively affected. However, further potentially potent obstacles to the recovery may lie ahead.

[10] Almost all rehiring (1.2 million jobs) occurred in the accommodation and food services subsector.

[11] The three-month (February 2020-May 2020) cumulative loss in state and local government payroll employment is 1.6 million jobs.

Table 5					
United States					
April 2020 (Revised)-May 2020 Nonagricultural Wage and Salary Employment					
Seasonally Adjusted (2019 Benchmark)					
(In Thousands)					
	Revised 2020 Apr	2020 May	Change: Apr-May Number	Change: Apr-May Percent
TOTAL NONFARM	130,403	132,912	2,509	1.9%
TOTAL PRIVATE SECTOR	108,638	111,732	3,094	2.8%
Goods-Producing	18,713	19,382	669	3.5%
Mining, Logging, and Construction	7,231	7,675	444	5.8%
Mining and Logging	652	632	-20	-3.2%
Construction	6,579	7,043	464	6.6%
Manufacturing	11,482	11,707	225	1.9%
Durable Goods	7,124	7,243	119	1.6%
Non-Durable Goods	4,358	4,464	106	2.4%
Service-Providing	111,690	113,530	1,840	1.6%
Private Service-Providing	89,925	92,350	2,425	2.6%
Trade, Transportation, and Utilities	24,498	24,866	368	1.5%
Wholesale Trade	5,540	5,561	21	0.4%
Retail Trade	13,301	13,669	368	2.7%
Transportation, Warehousing, and Utilities	5,657	5,636	-21	-0.4%
Information	2,616	2,578	-38	-1.5%
Financial Activities	8,563	8,596	33	0.4%
Finance and Insurance	6,440	6,449	8	0.1%
Real Estate and Rental & Leasing	2,123	2,147	24	1.1%
Professional and Business Services	19,267	19,394	127	0.7%
Professional, Scientific, and Technical Services	9,159	9,199	40	0.4%
Management of Companies and Enterprises	2,354	2,332	-22	-0.9%
Adm./Suppt. and Waste Mgt./Remed. Services	7,754	7,864	109	1.4%
Education and Health Services	21,818	22,242	424	1.9%
Educational Services	3,323	3,357	33	1.0%
Health Care and Social Assistance	18,495	18,885	391	2.1%
Leisure and Hospitality	8,585	9,824	1,239	12.6%
Arts, Entertainment, and Recreation	1,155	1,172	18	1.5%
Accommodation and Food Services	7,430	8,652	1,222	14.1%
Other Services	4,578	4,850	272	5.6%
GOVERNMENT	21,765	21,180	-585	-2.8%
Federal Government	2,887	2,873	-14	-0.5%
State Government	4,995	4,911	-84	-1.7%
Local Government	13,883	13,396	-487	-3.6%
Source: United States Bureau of Labor Statistics				

Table 6					
United States					
Recovery Gains (April 2020-May 2020) vs. Pandemic Losses (February 2020-April 2020)					
Seasonally Adjusted (2019 Benchmark)					
(In Thousands)					
	Pandemic Loss (Feb-Apr)		May Recovery Apr-May		Recovery Share of Loss
TOTAL NONFARM	-22,060		2,509		11.4%
TOTAL PRIVATE SECTOR	-21,080		3,094		14.7%
Goods-Producing	-2,492		669		26.8%
Mining, Logging, and Construction	-1,122		444		39.6%
Mining and Logging	-62		-20		-32.3%
Construction	-1,060		464		43.8%
Manufacturing	-1,370		225		16.4%
Durable Goods	-934		119		12.7%
Non-Durable Goods	-436		106		24.3%
Service-Providing	-19,568		1,840		9.4%
Private Service-Providing	-18,588		2,425		13.0%
Trade, Transportation, and Utilities	-3,332		368		11.0%
Wholesale Trade	-395		21		5.4%
Retail Trade	-2,371		368		15.5%
Transportation, Warehousing, and Utilities	-567		-21		-3.8%
Information	-278		-38		-13.7%
Financial Activities	-282		33		11.7%
Finance and Insurance	-46		8		18.2%
Real Estate and Rental & Leasing	-236		24		10.2%
Professional and Business Services	-2,283		127		5.6%
Professional, Scientific, and Technical Services	-549		40		7.3%
Management of Companies and Enterprises	-94		-22		-23.3%
Adm./Suppt. and Waste Mgt./Remed. Services	-1,641		109		6.7%
Education and Health Services	-2,768		424		15.3%
Educational Services	-505		33		6.6%
Health Care and Social Assistance	-2,263		391		17.3%
Leisure and Hospitality	-8,282		1,239		15.0%
Arts, Entertainment, and Recreation	-1,318		18		1.3%
Accommodation and Food Services	-6,964		1,222		17.6%
Other Services	-1,363		272		20.0%
GOVERNMENT	-980		-585		-59.7%
Federal Government	20		-14		70.0%
State Government	-204		-84		-41.2%
Local Government	-796		-487		-61.2%
Source: United States Bureau of Labor Statistics					

Two Dangerous Rogue Waves Ahead?

The encouraging national employment report for May 2020 created a much-welcomed sense that an economic recovery had begun, albeit one with a very long uphill road ahead. A palpable feeling of relief was felt throughout the economy, bordering on wish fulfillment, rather than being rooted in compelling measures of economic performance.

A more cautious perspective is warranted. Certainly, additional months of sustained gains in income, employment and output are necessary before any declaration can be made that a recovery, of whatever strength or shape, is underway. This is particularly so since there are two distinct, but reinforcing potentially damaging waves that could quite readily dampen, if not destroy, any nascent recovery.

The first is that the employment impacts of the pandemic are likely to spread well beyond the initially affected sectors that were severely damaged by the massive lockdown (such as accommodation and food services, and retail trade). Although a second wave of job losses may take time to emerge, it may have the potential to be extensive and permanent, resulting in large negative multiplier effects on income and consumer spending, putting a significant drag on economic activity.[12]

Numerous sectors are likely to be affected in this second wave of employment losses. An example is state and local government, whose jobs losses started accumulating in May even as the total employment rebounded. All indications are that these losses will continue. In addition, businesses and organizations of all types, facing revenue shortfalls, will closely examine supervisory positions and are likely to reduce staffing levels as well as exercise caution in replacement and hiring.

The second dangerous wave ahead is, of course, a possible resurgence in the pandemic. Evidence already exists that the easing of stay-at-home and business-closing restrictions along with the inconsistent behavior of humans with respect to self-protection measures such as distancing and masking has led to rising cases of the virus in many areas of the country. Public health models all point to higher incidence levels of the disease and increases in deaths. Several states and localities have already scaled back or delayed previously planned additional steps to further open economic activity.

[12] The U.S. Bureau of Labor Statistics report on *The Employment Situation-May 2020* documented the rising number of "*permanent*" job losses, in contrast to the "*on temporary layoff*" classification that dominated the initially impacted service-providing industry sectors. Such *permanent* layoffs increased to 2.3 million in May 2020, up from 2.0 million in April 2020. The employment situation report is available monthly on the website bls.gov.

Looming even larger as a risk is the possible return of extensive pandemic conditions in the coming autumn and winter, a pattern that occurred during the global influenza pandemic of 1918-1919. Such an event has the potential to again place the economy under significant operating constraints.

Neither of these two economically damaging waves is a certainty. The employment recovery, stoked by massive liquidity injections and special lending programs by the Federal Reserve along with additional fiscal stimulus, could create a sustained self-fulfilling boost to the economy. Earlier than expected effective therapeutic and vaccine development along with enhanced, consistent, and near universal personal protection efforts by all persons could reduce the recurrence of the pandemic both in the short run and later this year. Nevertheless, the dangers of two rogue waves are real. The economy, like the country's public health, remains at significant risk. Wish fulfillment and reality are deeply different.

An Example of Accelerating Structural Change

The pandemic-inspired economic turmoil is causing upheavals across every type of work activity and every single sector of the economy. Particularly impacted is New Jersey's broad office-market ecosystem, which houses – to a greater and lesser degree – the major work activities of every organization and industry. A transformative restructuring of the state's vast interconnected office networks to a new "normal" – or perhaps a new "abnormal" – is already well underway.

The Post-Coronavirus Office Economy

New Jersey, and the nation, again confront a fundamental question: Will the magnitude of distress in office markets caused by the pandemic match the recent disruptive distress of bricks and mortar retailing caused by the rise of e-commerce? The office is central to the knowledge-intensive economies of New Jersey and the United States. But a watershed moment for the world of work is approaching. The "Spring of Economic Confinement" – March 2020 through June 2020 – spawned remote, out-of-the-office, work-at-home practices that were quickly embraced by many organizations and their white-collar employees, at least at first blush. Apps such as Zoom and WebEx seemingly bridged geographically-distant work environments, enabling effective on-demand visual and audio interconnections. Moreover, many of these adaptations resulted in significant cost savings, an attribute that will be increasingly attractive to organizations as recovery from the recession promises to be long and uncertain.

Concurrently, however, concerns were also raised that remote working, severing more jobs from physical location, and diminishing close-proximity, face-to-face interactions would eventually inhibit

innovation, erode valuable organizational cultures, reduce institutional memory, and fray personal relationships. The prevalent pre-pandemic assumption was that open, unencumbered, and interactive workplace design would foster "intellectual collisions" – fleeting run-ins and serendipitous interactions that would generate creative ideas – and promote collaboration, enhance team building and cohesion, and facilitate communication. Office densification became the norm (which also had the benefit of reducing costs). But these pre-pandemic workplace protocols now represent virtually everything discouraged by social-distancing/crowd-avoiding imperatives.

Time will tell whether or not today's most overhyped phrase emanating from many organizational leaders – "Working from home, works very well, it can be extended" – will have staying power in terms of economic and organizational efficiency. It is possible that organizations transformed into "dispersed, remote efficient machines of productivity" could be a pipe dream.

Now that the stay-at-home "quarantines" are starting to be lifted, a plethora of subsequent back-to-work uncertainties have emerged. At the forefront are a series of rational questions: "Will people choose to work at home or will they, having been bored and isolated, jump at the chance to flock back to the office in droves?" "Has at-home, life-work integration transformed expectations going back to the office?" "Is there a new awareness of the impact of the physical environment on health and well-being?" "When it's time to go back to the office, will it still be there in terms of cost effectiveness in a new pandemic-changed economy?" If it is there, "Will it be there in a form that is recognizable, particularly to millennials and the next-gen digital elite?" "Will the once trendy 'cool and fun' necessities that attracted young talent to the workplace be replaced by the new 'safe and resilient' imperatives, which are orthogonal to the interest of millennial workers that drove the original changes in office forms?" "Will new office behavior require an unprecedented level of peer accountability?" "Will the new office health precautions and safety intrusions severely restrict work productivity and output – and make the workplace more ominous and forbidding?"[13]

[13] The list of what constitutes a safe, welcoming, health-fortified office is long and growing: sustained health monitoring including contact-free temperature kiosks; ubiquitous hand sanitizers; anti-congregating and anti-mingling regulations and tactics; the dis-assembly of amenities (kitchens, food courts, social spaces, etc.) where employees previously clustered; capacity limitations/reductions in conference and meeting rooms; spatial workstation separation and plexiglass shields; single-directional hallways, corridors, and stairways, as well as elevator density controls; staggered work hours to limit high-rise building density and elevator choke points; face masks as permanent attire; self-cleaning surfaces and elevator buttons, hand-free door openers, keyless entry technology, and touchless bathrooms and elevator controls; and vast technology upgrading such as employee tracking in smart offices, social-distancing sensors and cameras, and HVAC system upgrading, filtering, and monitoring. The monetary costs attendant to these new necessities will not be trivial, nor will their potentially unpleasant and tiresome working conditions that they create.

The post-pandemic office has yet to be invented, but the office industry is certainly not gridlocked. There is a relentless ambition to craft future "best-of-class" internal office layouts, and to try to figure out how the broader office ecosystem will be reshaped. At this stage of alternative scenarios, the one that appears least likely is that every organization will bring every employee back to pre-pandemic office space. A return to past practices is no longer an option. Instead, there may be a significant rebalancing of office ecologies as hybrid work models are tested. These would involve de-densified, coronavirus-resistant central offices (with tightly scheduled workforce shifts), and a range of remote work options. The latter would not only focus on balanced work-at-home versus work-at-office options, but also the establishment of smaller, multiple, satellite office facilities as innovative hybrid work models are tested.[14]

More remote working of various types does not necessarily translate into reduced central office space consumption. Counterbalancing the impact of fewer workers at principal offices is the need for additional space per person (de-densification) to meet social distancing requirements. Concurrently, increased utilization of satellite work sites implies additional square footage, and therefore potentially significant higher costs at a time when further cost reductions are dictated by macroeconomic conditions.

A broad office question that will be confronted in the post-coronavirus era is whether there will be a fundamental redefinition of the underlying assumptions of what we now call an office market? This would be analogous to the redefinition caused by online shopping of the underlying assumptions that underpin today's retail markets. The new era may be one defined by new dimensions of flexible job mobility, in which work-at-home, remote work at satellite facilities, and centralized work at the "front" or main office are options that will need to be constantly monitored, evaluated, and adjusted. It may also be one where the office ecosystem has a new dispersed multi-nodal regional real estate footprint. A post-pandemic resilient office economy is only in its initial stages of formulation.

In particular, elevator density controls promise to be the Achilles heel for high-rise office recovery; decreasing elevator capacities vastly increase the time necessary just to access a building in the morning and depart it at night. This could be much more ominous than the strict security arrangements post 9/11, adding further stress to high-rise office environments.

[14] There is anecdotal evidence that substantial inquiries are being made by companies headquartered in high-rise office buildings in central locations about the availability of space in less-central locales for small satellite operations. At this stage of "exploration," predominantly short-term lease options (one to two years versus the more traditional five-to-seven-year standard) are being considered. This makes sense given the uncertain success of multiple-location strategies at this time.

The Federal Reserve and its Mid-Year Monetary Policy Report

The actions of the Federal Reserve play a critical role in the economic life of the United States.[15] Monitoring its deliberations and reports is essential in tracking and evaluating the nation's economy. One of its more widely anticipated and influential prominent reports to Congress is the Monetary Policy Report, which discusses economic developments and prospects for the future. Thus, a brief review of the most recent submission to Congress is warranted.

For many, many years the major concerns of central bankers, both in the United States and elsewhere, were to contain any trend toward accelerating inflation and to steer the economy to high employment levels. Balancing those goals, which were viewed as tradeoffs, was a formidable and delicate task.

In 1955, then Federal Reserve Board Chair William McChesney Martin Jr. provided a metaphor that became an iconic image of the role of central banks. He noted that the Fed would be required, by its mission, to take "precautionary action" and be "in the position of the chaperone who has ordered the punch bowl to be removed just when the party was really warming up." Thus, when the economy started to tend toward increased inflation, the Fed would put the brakes on by raising interest rates and selling U.S. securities, even if these were unpopular policy actions for consumers, businesses, and perhaps the national administration.

How the world has changed! In contrast, the Fed, in 2008-2009, and then again with even greater force since March 2020 in response to the staggering economic crisis of the pandemic, has provided the nation's economy with the largest punch bowl ever. The Fed's balance sheet is now over $7 trillion, short-term interest rates are near zero, and the Fed has implemented an extensive portfolio of special facilities and actions all designed to provide further liquidity and stability to credit markets of all types.

Moreover, Jerome H. Powell, the current Fed chair, has indicated that the Fed will continue to do so for as long as it takes to bring the economy back to a sustainable growth and high employment path. The Fed has, well before the current pandemic-induced recession, also said it would welcome inflation rising to a 2 percent per year rate. So deep is the distress of the economy, the former tradeoff concerns between inflation and rising economic growth are long forgotten, or at least shelved for the foreseeable future. Mr. Powell has recently been quoted as saying that "We are not even thinking about thinking

[15] The Federal Reserve System (FRS) is the central bank of the United States and is often referred to simply as "the Fed."

about raising interest rates." A permanent punch bowl of massive liquidity for the U.S. economy is future Fed policy going forward.

The Fed's recent mid-year assessment of the economy was pessimistic in several key dimensions. First, it forecast a long and difficult recovery period for those made jobless by the recession. Second, it forecast a 6.5 percent decline in real Gross Domestic Product (GDP) in 2020, growth of 5 percent in 2021, and 3.5 percent in 2022, with an output gap (the difference between actual and potential GDP) of $1.5 trillion at the end of this year. It noted that real GDP would have to increase by an unlikely 2.2 percent per year on a sustained basis to again reach its potential level by 2030!

The Fed also has called separately for additional fiscal stimulus to assist the recovery. It has frequently restated its own pledge to provide a high liquidity and low interest rate environment for years into the future.

The pivot out of the *Great Contraction* (Stage 1) to the *Economic Reopening* (Stage 2) by the United States and New Jersey that occurred in May 2020 was earlier than had been widely expected. The question now is the strength and durability of the new upward employment trajectory. The task of *Fast Track Research Notes Issue Number 3* to be released the week of July 20, 2020 will be to examine the next set of data to craft a preliminary answer to this question.

Appendix

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

List of Tables

Table A-1
New Jersey
Expansion Gains (February 2010-February 2020) vs. Pandemic Losses (February 2020-April 2020)
Seasonally Adjusted (2019 Benchmark)
(In Thousands)

	Expansion Gain	Pandemic Loss	Ratio: Loss to Gain
TOTAL NONFARM	405.9	-831.3	2.05
TOTAL PRIVATE SECTOR	441.3	-804.4	1.82
Goods-Producing	34.0	-81.2	2.39
Mining, Logging, and Construction	35.7	-44.7	1.25
Mining and Logging	0.0	-0.1	
Construction	35.7	-44.6	1.25
Manufacturing	-1.8	-36.4	(20.22)
Durable Goods	3.8	-21.7	5.71
Non-Durable Goods	-5.6	-14.7	2.63
Service-Providing	371.9	-750.1	2.02
Private Service-Providing	407.3	-723.2	1.78
Trade, Transportation, and Utilities	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
Information	-13.0	-4.2	(0.32)
Financial Activities	4.2	-15.9	3.79
Finance and Insurance	-3.7	-5.3	(1.43)
Real Estate and Rental & Leasing	7.9	-10.6	1.34
Professional and Business Services	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
Education and Health Services	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
Leisure and Hospitality	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
Other Services	14.3	-58.2	4.07
GOVERNMENT	-35.4	-26.9	(0.76)
Federal Government	-9.7	-0.3	(0.03)
State Government	-11.4	-3.4	(0.30)
Local Government	-14.3	-23.2	(1.62)

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

Table A-2
United States
Expansion Gains (February 2010-February 2020) vs. Pandemic Losses (February 2020-April 2020)
Seasonally Adjusted (2019 Benchmark)
(In Thousands)

	Expansion Gain	Pandemic Loss	Ratio: Loss to Gain
TOTAL NONFARM	22,765.0	-22,060	0.97
TOTAL PRIVATE SECTOR	22,496.0	-21,080	0.94
Goods-Producing	3,578.0	-2,492	0.70
Mining, Logging, and Construction	2,179.0	-1,122	0.51
Mining and Logging	40.0	-62	
Construction	2,139.0	-1,060	0.50
Manufacturing	1,399.0	-1,370	0.98
Durable Goods	1,073.0	-934	0.87
Non-Durable Goods	326.0	-436	1.34
Service-Providing	19,187.0	-19,568	1.02
Private Service-Providing	18,918.0	-18,588	0.98
Trade, Transportation, and Utilities	3,369.0	-3,332	0.99
Wholesale Trade	554.9	-395	0.71
Retail Trade	1,274.9	-2,371	1.86
Transportation, Warehousing, and Utilities	1,540.0	-567	0.37
Information	157.0	-278	1.77
Financial Activities	1,121.0	-282	0.25
Finance and Insurance	713.7	-46	0.06
Real Estate and Rental & Leasing	406.8	-236	0.58
Professional and Business Services	4,959.0	-2,283	0.46
Professional, Scientific, and Technical Services	2,241.4	-549	0.24
Management of Companies and Enterprises	587.9	-94	0.16
Adm./Suppt. and Waste Mgt./Remed. Services	2,129.8	-1,641	0.77
Education and Health Services	4,747.0	-2,768	0.58
Educational Services	716.0	-505	0.71
Health Care and Social Assistance	4,030.8	-2,263	0.56
Leisure and Hospitality	3,940.0	-8,282	2.10
Arts, Entertainment, and Recreation	586.5	-1,318	2.25
Accommodation and Food Services	3,353.0	-6,964	2.08
Other Services	625.0	-1,363	2.18
GOVERNMENT	269.0	-980	3.64
Federal Government	-5.0	20	4.00
State Government	52.0	-204	3.92
Local Government	222.0	-796	3.59

Source: United States Bureau of Labor Statistics

Table A-3			
New Jersey			
Share of United States Pandemic Employment Loss (February 2020-April 2020)			
Seasonally Adjusted (2019 Benchmark)			
(In Thousands)			
	NJ Loss	US Loss	NJ Loss Share of Nation
TOTAL NONFARM	-831.3	-22,060	3.8%
TOTAL PRIVATE SECTOR	-804.4	-21,080	3.8%
Goods-Producing	-81.2	-2,492	3.3%
Mining, Logging, and Construction	-44.7	-1,122	4.0%
Mining and Logging	-0.1	-62	0.2%
Construction	-44.6	-1,060	4.2%
Manufacturing	-36.4	-1,370	2.7%
Durable Goods	-21.7	-934	2.3%
Non-Durable Goods	-14.7	-436	3.4%
Service-Providing	-750.1	-19,568	3.8%
Private Service-Providing	-723.2	-18,588	3.9%
Trade, Transportation, and Utilities	-157.2	-3,332	4.7%
Wholesale Trade	-29.4	-395	7.5%
Retail Trade	-86.9	-2,371	3.7%
Transportation, Warehousing, and Utilities	-40.9	-567	7.2%
Information	-4.2	-278	1.5%
Financial Activities	-15.9	-282	5.6%
Finance and Insurance	-5.3	-46	11.5%
Real Estate and Rental & Leasing	-10.6	-236	4.5%
Professional and Business Services	-98.2	-2,283	4.3%
Professional, Scientific, and Technical Services	-22.8	-549	4.2%
Management of Companies and Enterprises	-6.8	-94	7.3%
Adm./Suppt. and Waste Mgt./Remed. Services	-68.6	-1,641	4.2%
Education and Health Services	-130.6	-2,768	4.7%
Educational Services	-22.5	-505	4.5%
Health Care and Social Assistance	-108.1	-2,263	4.8%
Leisure and Hospitality	-258.9	-8,282	3.1%
Arts, Entertainment, and Recreation	-54.1	-1,318	4.1%
Accommodation and Food Services	-204.8	-6,964	2.9%
Other Services	-58.2	-1,363	4.3%
GOVERNMENT	-26.9	-980	2.7%
Federal Government	-0.3	20	-1.5%
State Government	-3.4	-204	1.7%
Local Government	-23.2	-796	2.9%
Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research			
United States Bureau of Labor Statistics			

Table A-4			
New Jersey			
Share of United States Recovery (Reopening) Growth (April 2020-May 2020)			
Seasonally Adjusted (2019 Benchmark)			
(In Thousands)			
	NJ Gain	US Gain	NJ Share of Nation
TOTAL NONFARM	86.8	2,509	3.5%
TOTAL PRIVATE SECTOR	92.2	3,094	3.0%
Goods-Producing	32.6	669	4.9%
Mining, Logging, and Construction	14.1	444	3.2%
Mining and Logging	0.0	-20	0.0%
Construction	14.1	464	3.0%
Manufacturing	18.5	225	8.2%
Durable Goods	15.3	119	12.9%
Non-Durable Goods	3.2	106	3.0%
Service-Providing	54.2	1,840	2.9%
Private Service-Providing	59.6	2,425	2.5%
Trade, Transportation, and Utilities	16.7	368	4.5%
Wholesale Trade	7.8	21	36.4%
Retail Trade	7.3	368	2.0%
Transportation, Warehousing, and Utilities	1.6	-21	-7.5%
Information	-1.6	-38	4.2%
Financial Activities	0.2	33	0.6%
Finance and Insurance	-1.1	8	-13.1%
Real Estate and Rental & Leasing	1.3	24	5.4%
Professional and Business Services	5.8	127	4.6%
Professional, Scientific, and Technical Services	-0.6	40	-1.5%
Management of Companies and Enterprises	-0.5	-22	2.3%
Adm./Suppt. and Waste Mgt./Remed. Services	6.9	109	6.3%
Education and Health Services	3.4	424	0.8%
Educational Services	-0.7	33	-2.1%
Health Care and Social Assistance	4.1	391	1.0%
Leisure and Hospitality	30.5	1,239	2.5%
Arts, Entertainment, and Recreation	-1.7	18	-9.7%
Accommodation and Food Services	32.2	1,222	2.6%
Other Services	4.6	272	1.7%
GOVERNMENT	-5.4	-585	0.9%
Federal Government	-0.1	-14	0.7%
State Government	1.7	-84	-2.0%
Local Government	-7.0	-487	1.4%
Source: New Jersey Department of Labor and Workforce Development, Economic & Demographic Research			
United States Bureau of Labor Statistics			

Table A-5
New Jersey
February 2010-February 2020 Nonagricultural Wage and Salary Employment
Seasonally Adjusted (2019 Benchmark)
(In Thousands)

	2010 Feb	2020 Feb	Change: 2010-2020 Number	Change: 2010-2020 Percent
TOTAL NONFARM	**3,836.0**	4,241.9	405.9	10.6
TOTAL PRIVATE SECTOR	3,192.7	3,634.0	441.3	13.8
Goods-Producing	387.1	421.1	34.0	8.8
Mining, Logging, and Construction	132.3	168.0	35.7	27.0
Mining and Logging	1.5	1.5	0.0	0.0
Construction	130.8	166.5	35.7	27.3
Manufacturing	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
Service-Providing	3,448.9	3,820.8	371.9	10.8
Private Service-Providing	2,805.6	3,212.9	407.3	14.5
Trade, Transportation, and Utilities	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
Information	79.4	66.4	-13.0	-16.4
Financial Activities	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
Professional and Business Services	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
Education and Health Services	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
Leisure and Hospitality	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
Other Services	159.2	173.5	14.3	9.0
GOVERNMENT	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

Table A-6
United States
February 2010-February 2020 Nonagricultural Wage and Salary Employment
Seasonally Adjusted (2019 Benchmark)
(In Thousands)

	2010 Feb	2020 Feb	Change: 2010-2020 Number	Change: 2010-2020 Percent
TOTAL NONFARM	129,698.0	152,463.0	22,765.0	17.6
TOTAL PRIVATE SECTOR	107,222.0	129,718.0	22,496.0	21.0
Goods-Producing	17,627.0	21,205.0	3,578.0	20.3
Mining, Logging, and Construction	6,174.0	8,353.0	2,179.0	35.3
Mining and Logging	674.0	714.0	40.0	5.9
Construction	5,500.0	7,639.0	2,139.0	38.9
Manufacturing	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
Service-Providing	112,071.0	131,258.0	19,187.0	17.1
Private Service-Providing	89,595.0	108,513.0	18,918.0	21.1
Trade, Transportation, and Utilities	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
Information	2,737.0	2,894.0	157.0	5.7
Financial Activities	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
Professional and Business Services	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
Education and Health Services	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
Leisure and Hospitality	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
Other Services	5,316.0	5,941.0	625.0	11.8
GOVERNMENT	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

Table A-7		
New Jersey		
2018 Average Annual Pay		
		Average
		Annual Pay
TOTAL NONFARM		$ 65,727
TOTAL PRIVATE SECTOR		$ 65,353
Goods-Producing		$ 76,088
Mining, Logging, and Construction		NA
Mining and Logging		NA
Construction		$ 72,658
Manufacturing		$ 80,088
Durable Goods		
Non-Durable Goods		
Service-Providing		NA
Private Service-Providing		$ 63,895
Trade, Transportation, and Utilities		$ 53,723
Wholesale Trade		$ 88,753
Retail Trade		$ 34,618
Transportation, Warehousing, and Utilities		$ 54,246
Information		$ 114,630
Financial Activities		$ 115,066
Finance and Insurance		$ 130,606
Real Estate and Rental & Leasing		$ 67,104
Professional and Business Services		$ 90,784
Professional, Scientific, and Technical Services		$ 112,049
Management of Companies and Enterprises		$ 170,665
Adm./Suppt. and Waste Mgt./Remed. Services		$ 45,074
Education and Health Services		$ 53,402
Educational Services		$ 51,594
Health Care and Social Assistance		$ 53,650
Leisure and Hospitality		$ 26,316
Arts, Entertainment, and Recreation		$ 37,383
Accommodation and Food Services		$ 23,948
Other Services		$ 36,518
GOVERNMENT		$ 68,003
Federal Government		$ 83,702
State Government		$ 75,706
Local Government		$ 63,526
Source: Quaterly Census of Employment and Wages		