

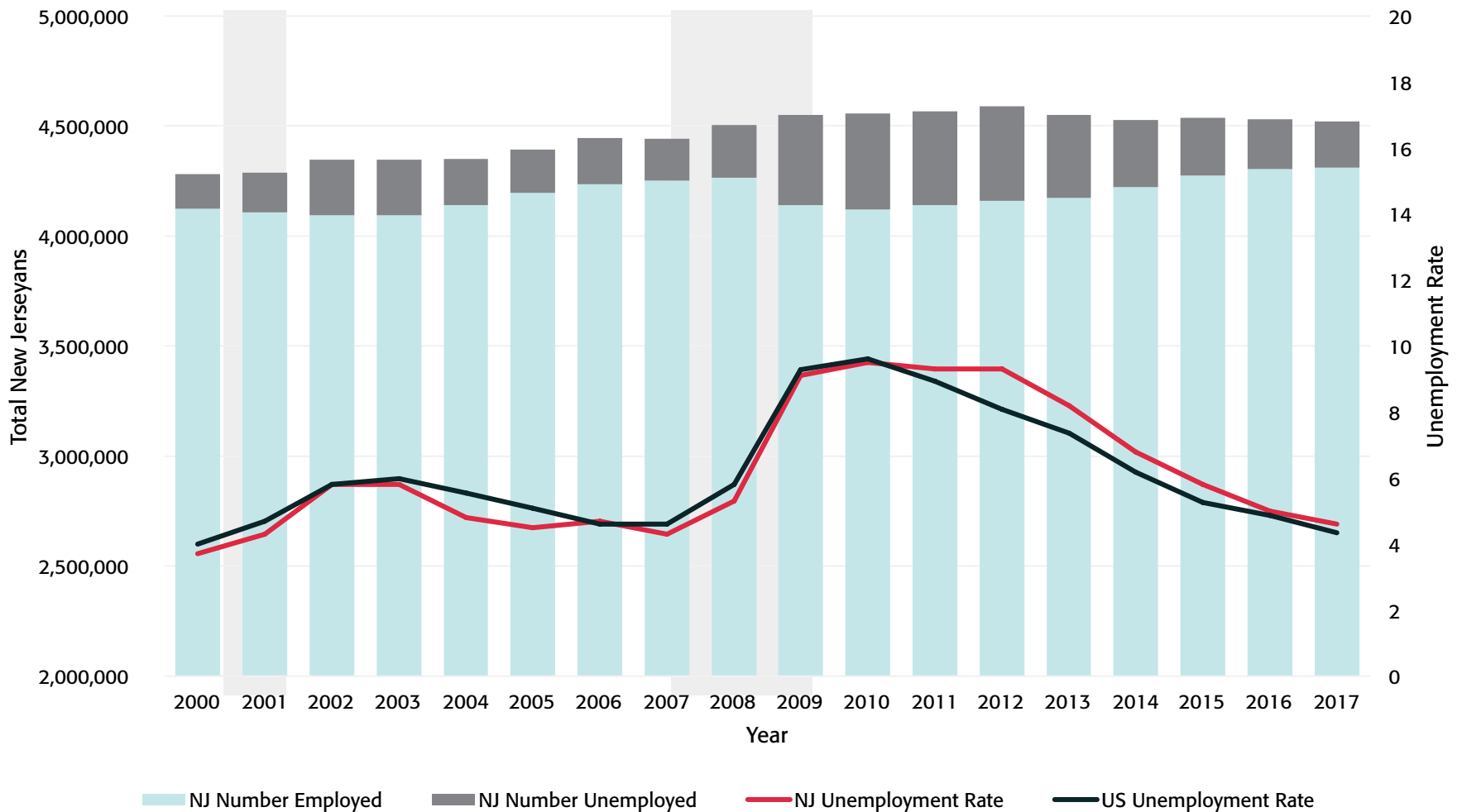


# Workforce Development and Labor Trends in New Jersey

Carl Van Horn, Ph.D.

Distinguished Professor of Public Policy and Director  
John J. Heldrich Center for Workforce Development  
Edward J. Bloustein School of Planning and Public Policy  
Rutgers University

# New Jersey Employment (2000-2017)

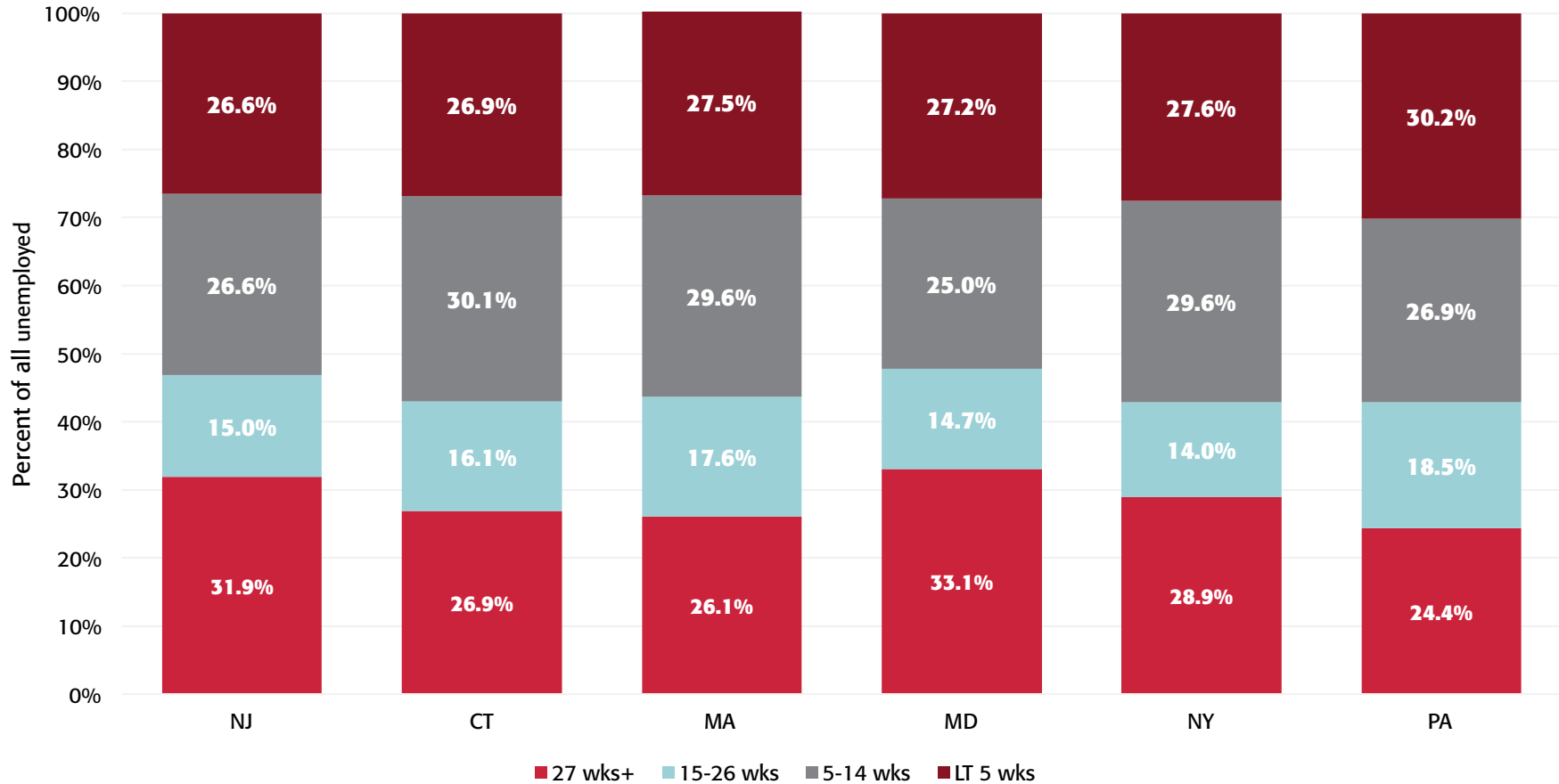


John J. Heldrich Center for Workforce Development

Source: BLS CPS, Local Area Unemployment Statistics

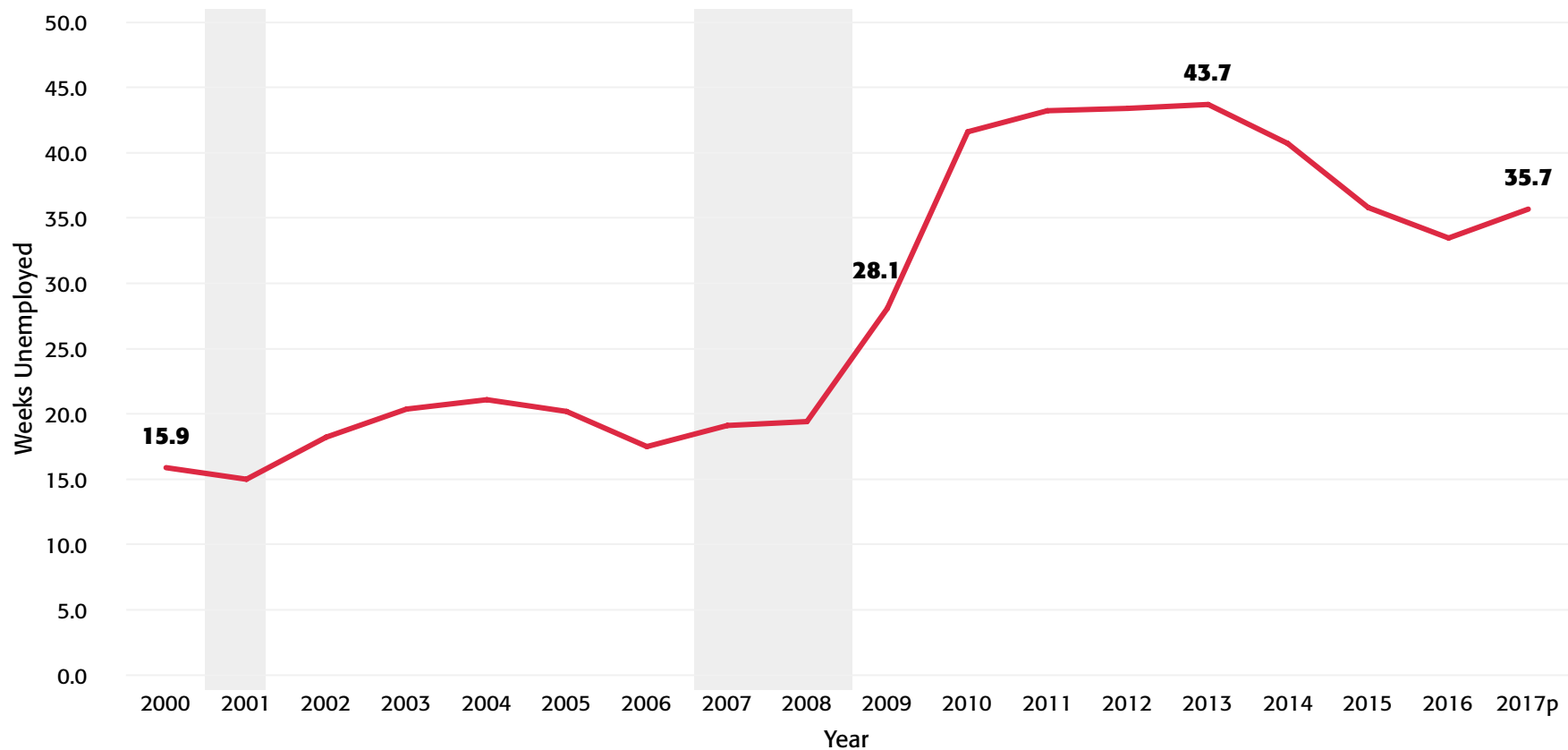
# Unemployment tends to last longer for those out of work in New Jersey

Unemployed by Duration of Unemployment (2017 preliminary figures)



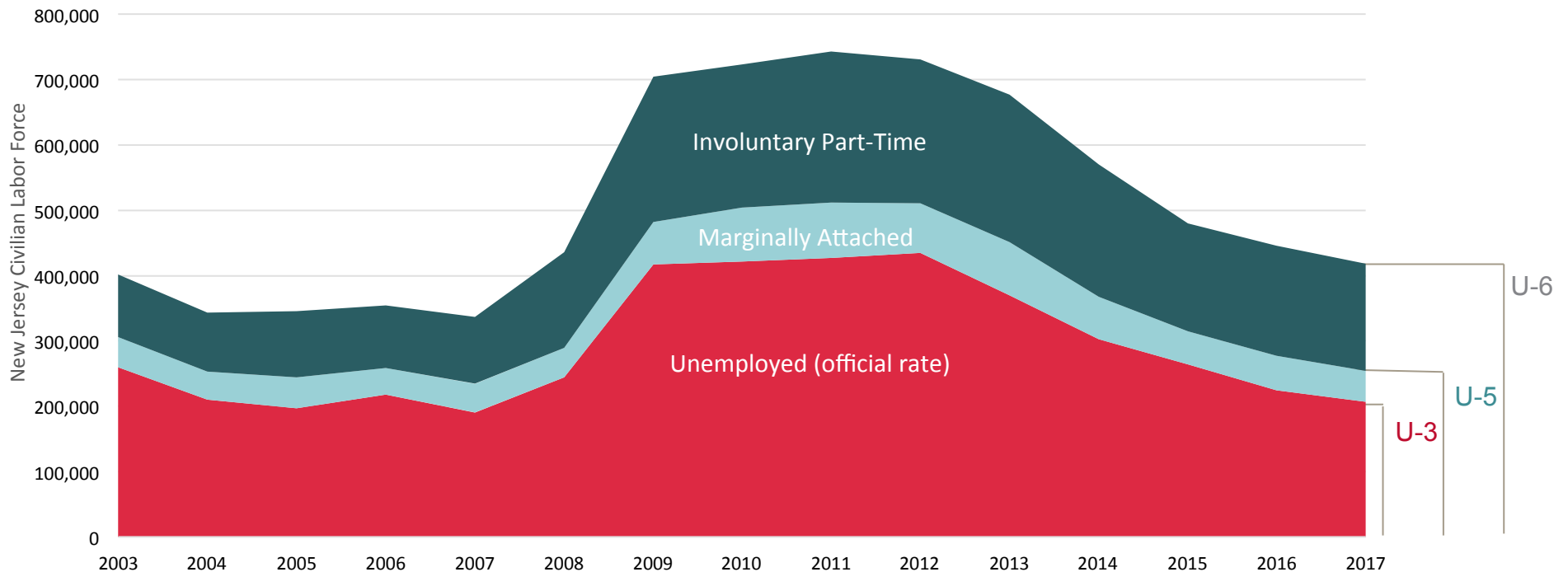
# Currently, the mean duration of unemployment for those in New Jersey is around 36 weeks

Mean Duration of Unemployment in New Jersey (Annual Averages 2000-2017)



# The official unemployment rate does not capture all individuals looking for work

Alternate Measures of Unemployment in New Jersey (2003-2017)



**U-3: total unemployed, as a percent of the civilian labor force (definition for the official unemployment rate)**

U-4: U-3 + discouraged workers

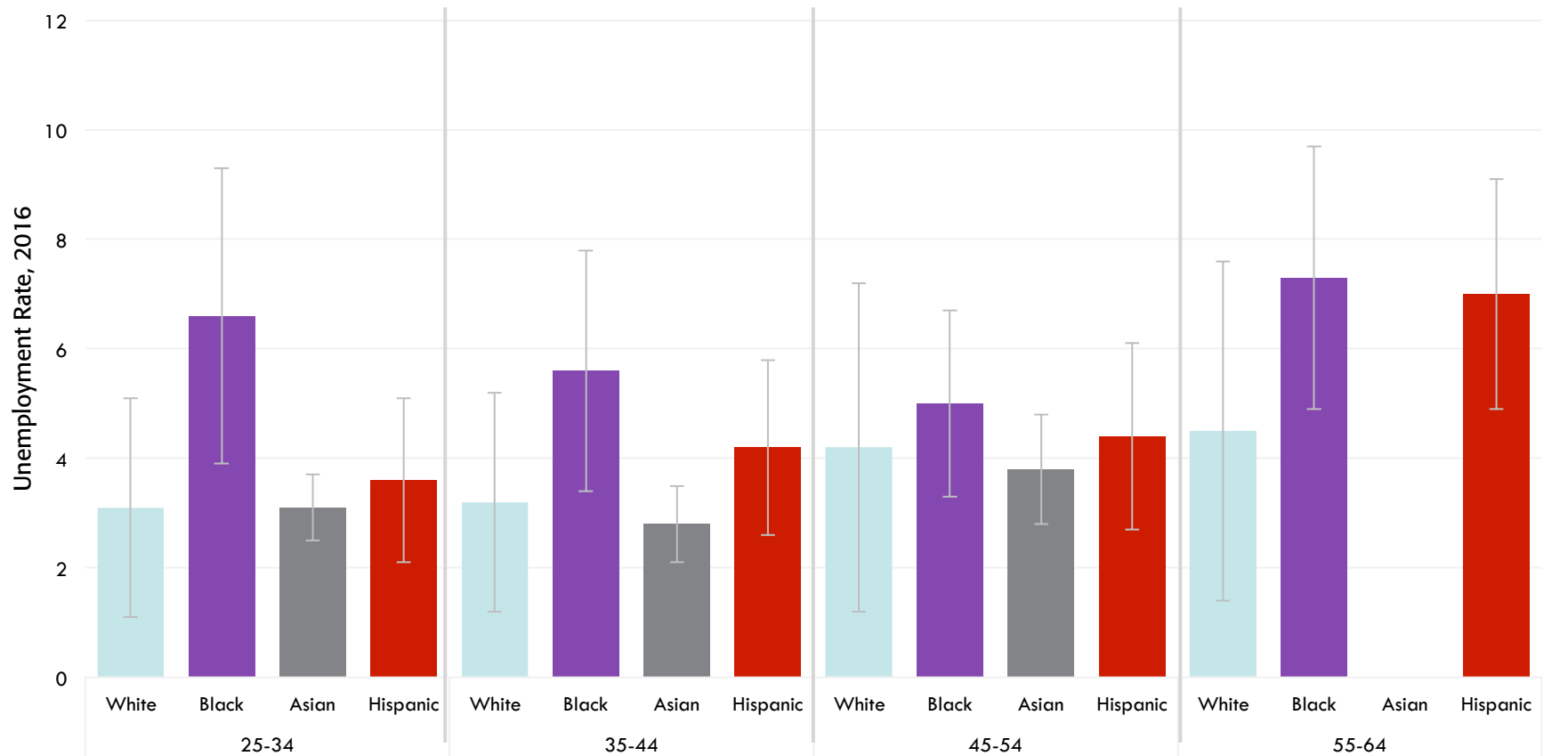
U-5: U-3 + marginally attached workers

U-6: U-5 + Persons employed part-time for economic reasons

John J. Heldrich Center for Workforce Development

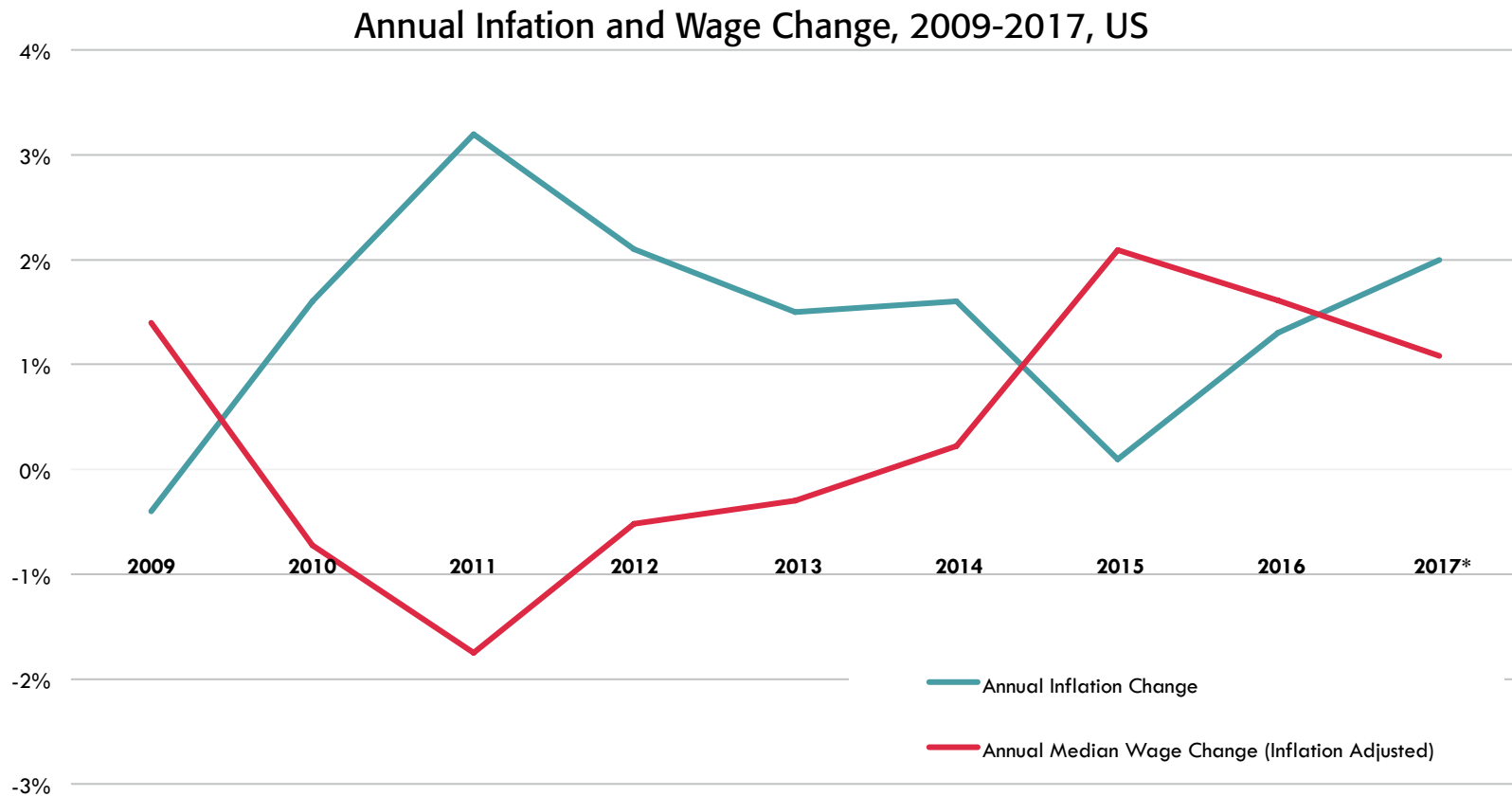
# The unemployment rate for black New Jerseyans was nearly double that of white residents aged 25 to 34

Unemployment Rate by race and age, NJ, 2016



Sample size for 55-64 age group, Asian was too small for reliable estimate

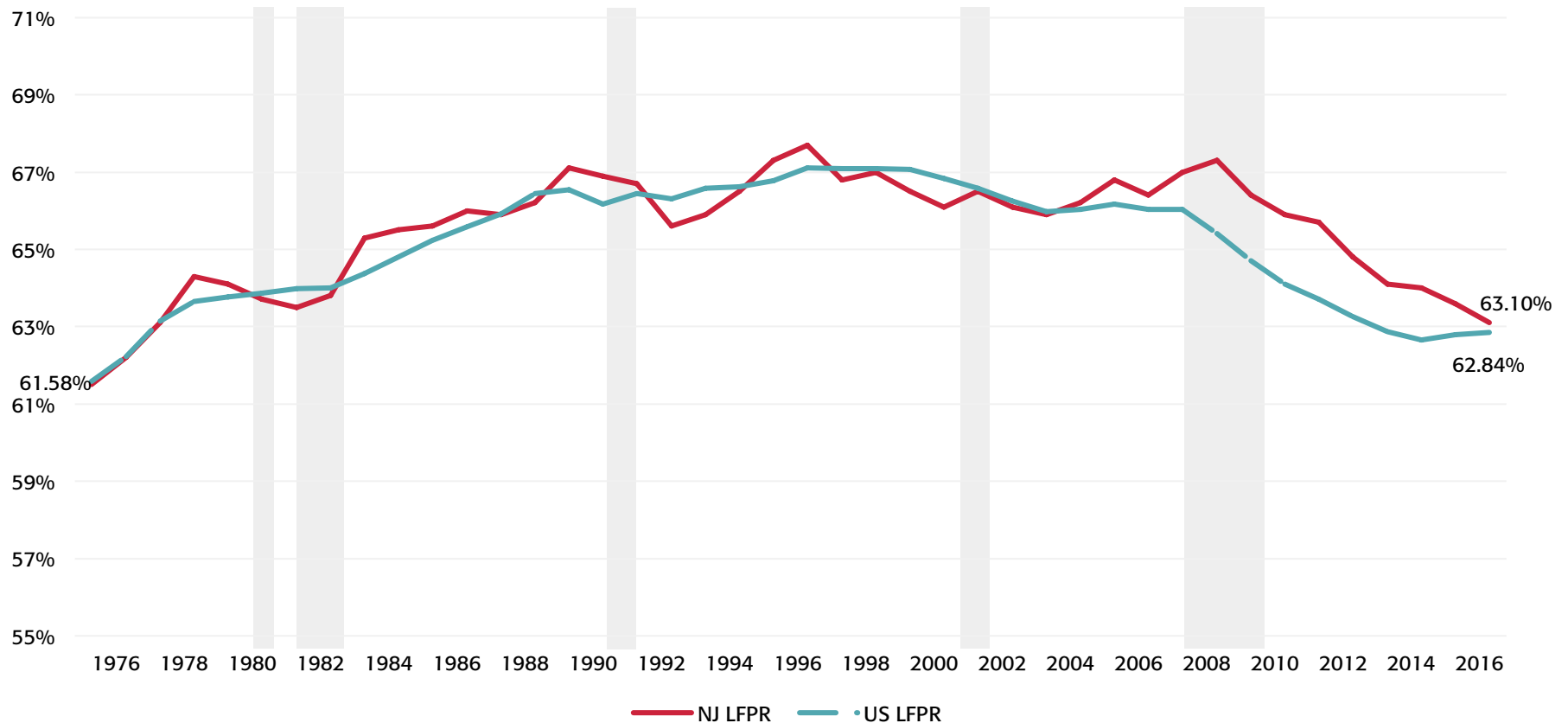
# Nationally, inflation tends to outpace annual median wage changes



\*Inflation change estimate for 2017 is based on the change in the CPI from Q3 2016 to Q3 2017

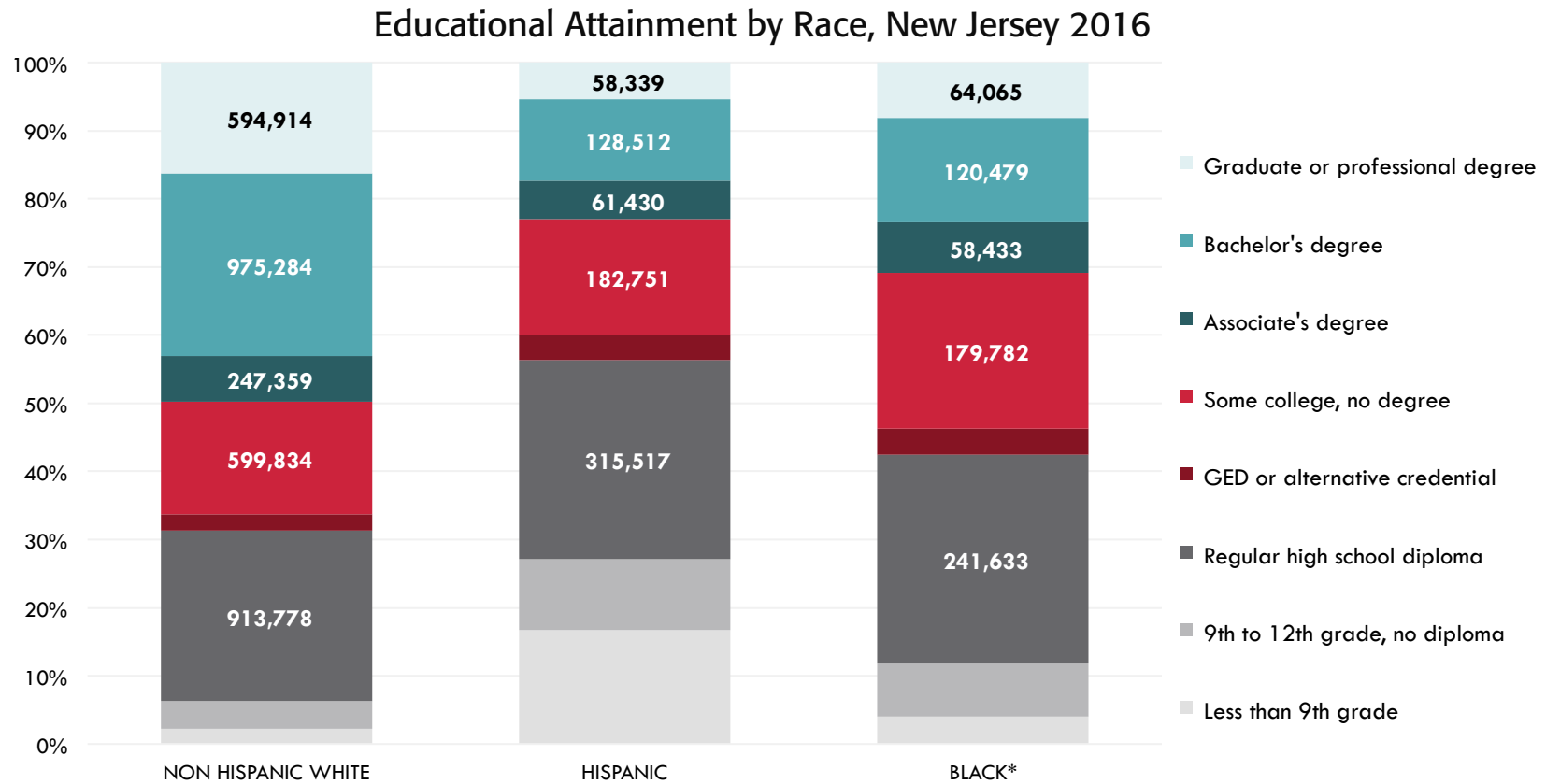
The percentage of people in the labor force—those who are either already working or looking for work—has fallen to the lowest level in three decades

Labor Force Participation Rate for NJ & US (1976-2017)



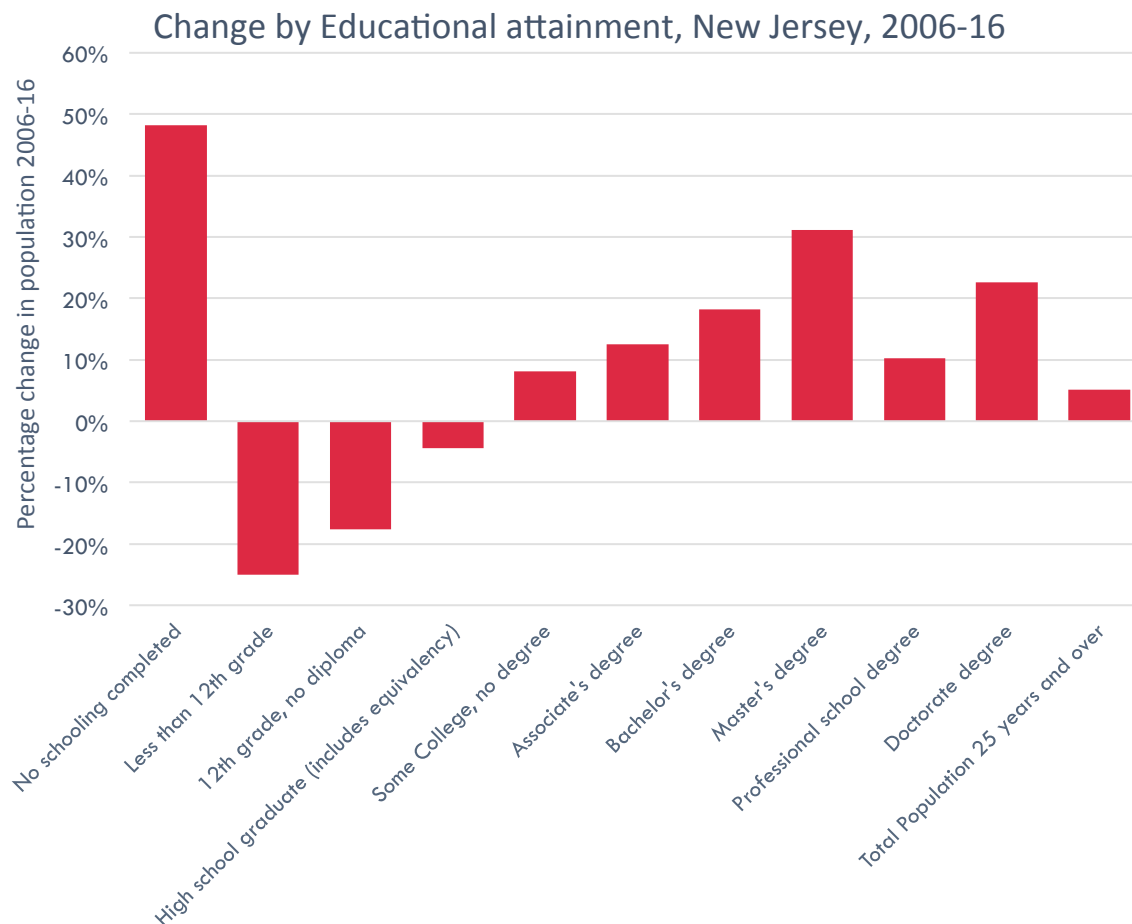


# Half of all non-Hispanic white New Jersey residents attain an Associate's degree or higher, compared to 30% of black residents, and less than 25% of Hispanic residents



\* Black includes some Hispanics

## Improvements in Educational attainment, but gaps remain



Between 2006 and 2016, total population over 25 years age is estimated to have gone up by 5%

- Population with no schooling completed went up by 48%
- Population with some college (no degree) or less went down by 5%
- Population with associate's degree or higher went up by 20%

# What are the new realities of the American labor market?

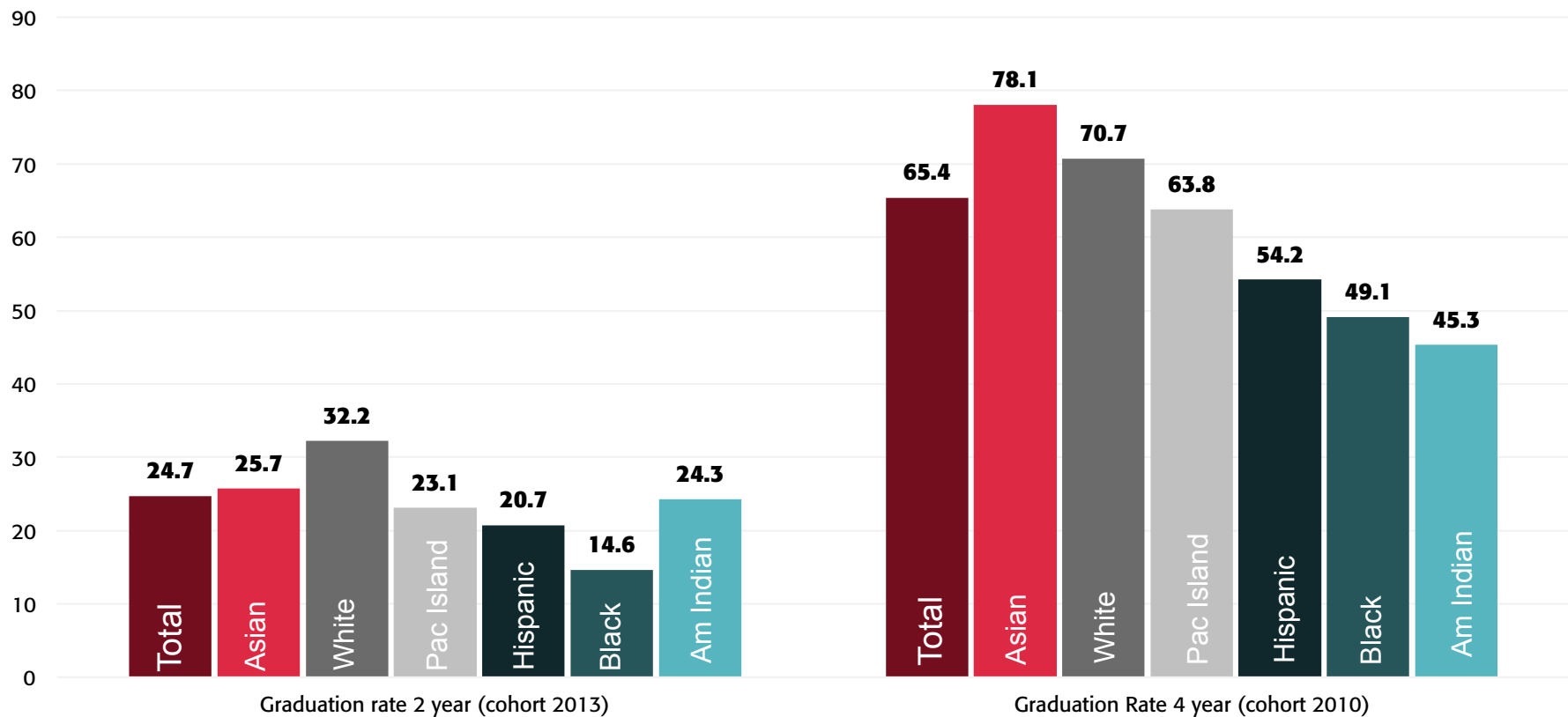
- Fewer stable and permanent jobs;
- Rising expectation that the workforce is better prepared before they begin working; and
- Increasingly difficult for students and workers - and labor market experts - to predict where specific jobs will be in 5, 10, or 20 years.

## What are the implications for Education, Education Leaders, and Policy Makers?

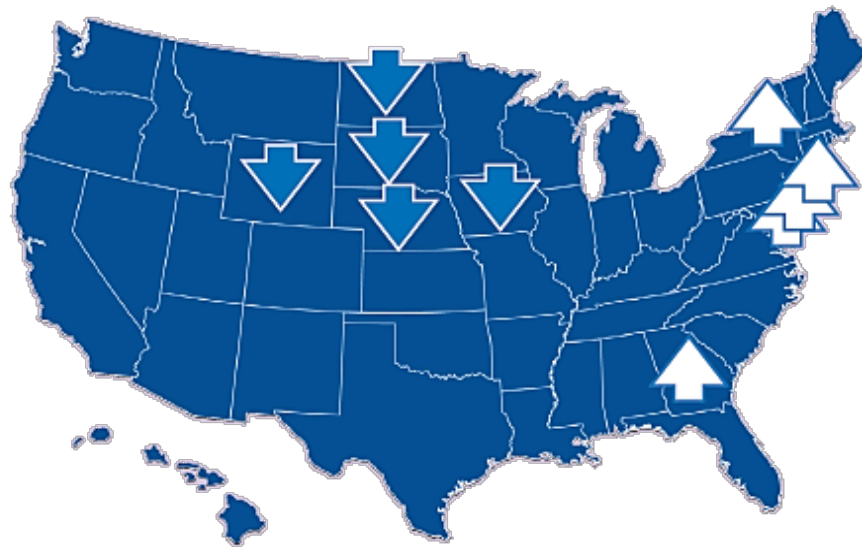
- More pressure on schools and colleges to deliver better prepared graduates;
- Graduates increasingly accepting jobs previously held by graduates of lower-level degrees; and
- Proliferation of degree programs and certificates.

# College graduation rates in New Jersey remain lower for minority students

Graduation rates for New Jersey's two-year (cohort 2013) and four-year (cohort 2010) institutions



# New Jersey remains in the top five states with the highest average student loan balance



States with the **highest** average student loan total balance



District of Columbia	\$52.5K
Maryland	\$39.9K
Georgia	\$38.7K
New York	\$36.8K
New Jersey	\$36.5K

States with the **lowest** average student loan total balance



Nebraska	\$29.2K
Iowa	\$28.9K
South Dakota	\$28.8K
North Dakota	\$28.7K
Wyoming	\$27.8K

## How are employers responding?

- Employers regularly report that recent high school and college graduates are not adequately prepared for labor market success.
- Employers increasingly require more educational credentials.

# What should educators and policy makers do?

- New Jersey must make an effort to increase high school and college completion rates.
- Public workforce development programs must do a better job of serving the needs of unemployed job seekers.
- New Jersey's education and workforce programs must provide better services to those who need the most help.
- Education and training programs must be transformed by deploying more cost-effective strategies and innovative technology.



# Workforce Development Initiatives



- For those eligible, assistance should be more closely tied to participation in training and other workforce-related activities.
- More active interventions will help these workers find employment more quickly and avoid the consequences of long-term unemployment.

## Workforce Development Initiatives



- New Jersey workforce development programs should allocate more to “on-the-job” programs and training for industry-certified credentials.
- Public funding of specific community-college based training programs for the unemployed should be made available when the curriculum leads to the attainment of an industry-supported credential.

## Workforce Development Initiatives



- The state should expand and enrich high-quality, Internet-based software platforms to deliver workforce development and reemployment services.
- Job seekers and students need timely access to ongoing career management supports, industry-recognized training programs, and accurate information about skill needs and occupational requirements.

# Workforce Development Initiatives



- New Jersey state government should integrate and analyze information to inform citizens and policymakers about the quality, cost, and benefits of education and workforce training programs.
- The New Jersey Education to Earnings Data System (NJEEEDS), housed at Rutgers University, will serve as a data resource to provide this critical information.

## Contact Information

**For more information, please contact:**

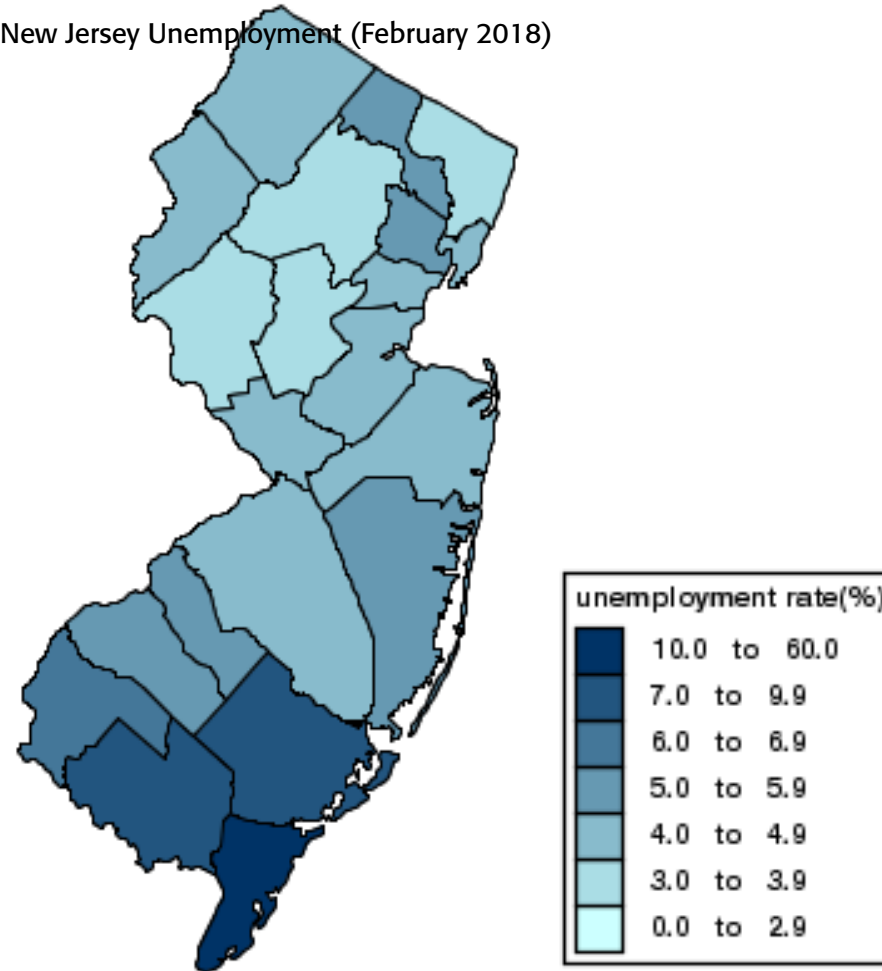
**Carl Van Horn, Ph.D.**

Distinguished Professor of Public Policy and Director  
John J. Heldrich Center for Workforce Development  
Edward J. Bloustein School of Planning and Public Policy  
Rutgers University

**Phone: (732) 932-1153**  
**Email: [vanhorn@rci.rutgers.edu](mailto:vanhorn@rci.rutgers.edu)**

# The unemployment rate varies throughout the state

New Jersey Unemployment (February 2018)

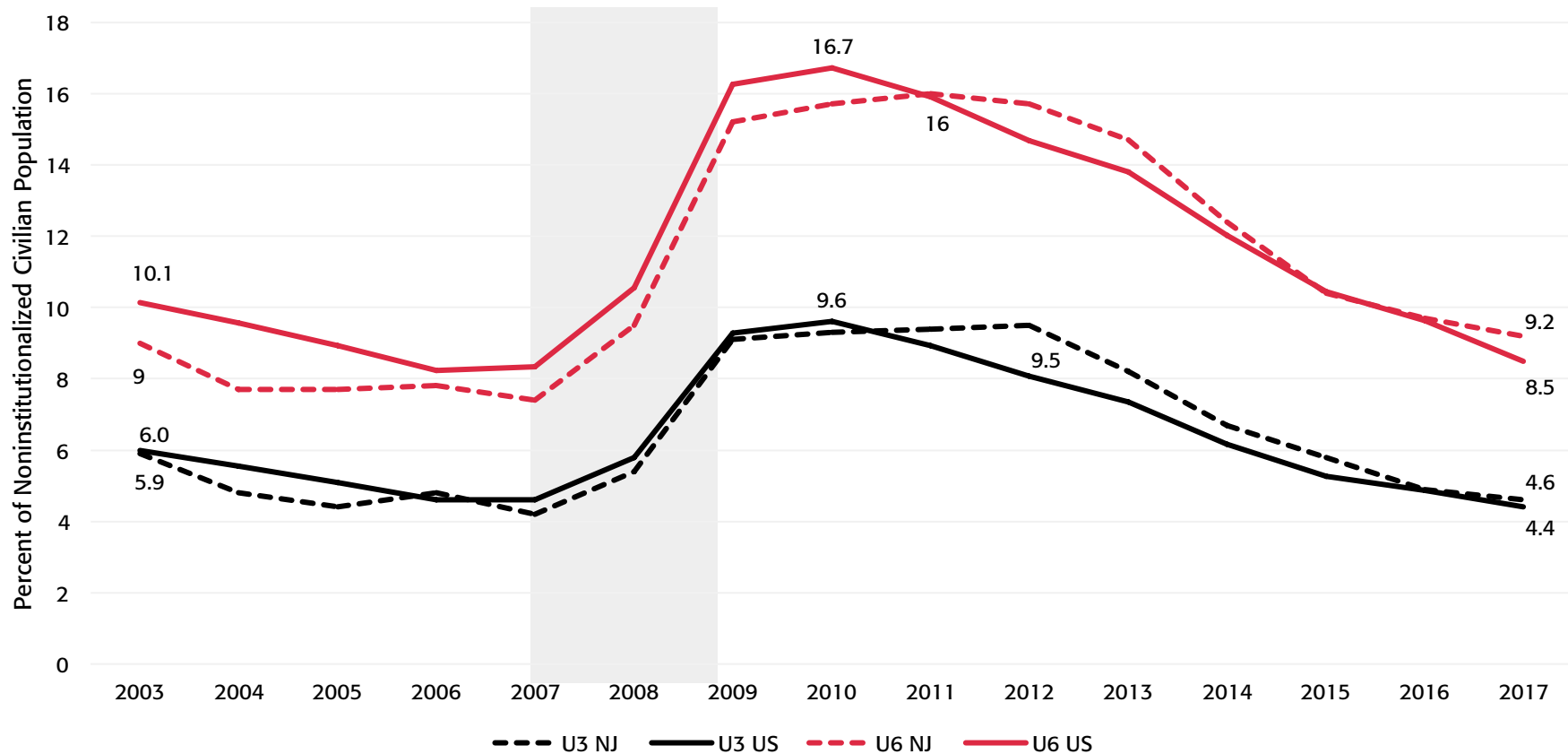


John J. Heldrich Center for Workforce Development

Source: BLS CPS, Local Area Unemployment Statistics Map

# Alternate Measures of Unemployment

Unemployment Measures (U-3 and U-6 for US and NJ, 2003-2016)



# Educational Attainment in NJ

Educational Attainment for population 25 years and over, 2016 estimates

