

NEWS RELEASE

Nov. 10, 2008

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ECONOMIC FORECAST WARNS OF 'LOST EMPLOYMENT DECADE'

**For first time since Great Depression, New Jersey
could end decade with fewer jobs than when it began**

New Brunswick, N.J. – New Jersey could exit the first decade of the 21st Century with fewer private sector jobs than it had when it entered, a “lost employment decade” not seen since the Great Depression of the 1930’s, according to a new Rutgers economic forecast issued by Dean James W. Hughes and Professor Joseph J. Seneca of the Edward J. Bloustein School of Planning and Public Policy. But the Sitar-Rutgers Regional Report also found a potential silver lining in the current dire economy – New Jersey’s regional cost advantage may better position the state to weather the recessionary storm.

The full report is available at: <http://www.policy.rutgers.edu/reports/sitar/sitanov08.pdf>

Weak job growth following the national recession at the start of the decade coupled with employment losses reported through September show New Jersey’s private sector employment is already down 14,900 jobs since 2000 with “significant additional losses expected to occur over the next 18 months or so,” Hughes and Seneca reported. Depending on the length and depth of the current recession, “it could be—and we stress *could be* at this point in time—the first time since the 1930s’ Great Depression that we may have fewer private-sector jobs at the end of a decade than at the beginning.”

However, they also noted the experience of the recession of the late 1980s and early 1990s may again work to New Jersey’s benefit. “New Jersey’s much lower office rents may again gain relevance—significant relevance,” Hughes and Seneca wrote in the report. “This was the case during the 1989–1992 Wall Street meltdown. Even though the “Street” was hemorrhaging jobs, financial employment grew on the New Jersey side of the Hudson River.”