

New Jersey's Finance Industry

Prepared by:
New Jersey Department of Labor & Workforce Development
Office of Research & Information
Bureau of Labor Market Information
Winter 2019-2020



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THE GOAL OF THIS REPORT IS TO GET AN “IDEA” OF WHAT THE FINANCE INDUSTRY MEANS TO NEW JERSEY

Identify the types of industries and establishments that make up the finance industry sector based on a standard industry classification system

Describe any similarities and differences among its components with regard to such variables as employment, wage, occupation type, education, and demographic characteristics

Examine any present distinctions within the sector and its components that give New Jersey a competitive advantage compared to neighboring states, regions or the nation, or show areas where New Jersey could improve to add to the state’s economy

Analyze the current state of the finance industry sector and provide an outlook for employment into the future



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INTRODUCTION

The finance industry is a vital component, not only of New Jersey's economy, but for the national and global economies as well. It provides the fuel that **promotes job creation** and **sustains economic growth and innovation**.

A robust finance industry:

- Provides businesses with new ways to lower the cost of capital
- Stimulates global investment and trade
- Presents investors with a wide array of products and services to increase return and manage risk

Industry Description/Overview

The industry encompasses a broad range of organizations that deal with the management of money. Some of these organizations conduct transactions involving the creation, liquidation, or change in ownership of financial assets. Others act as facilitators of these financial transactions.



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INDUSTRY OBJECTIVES



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INDUSTRY DESCRIPTION

Finance industry firms fall under four main categories due to the nature of their transactions:

- Banking
- Investing (Securities and Commodities)
- Insurance
- Accounting

Among the organizations in these categories are commercial banks, credit card companies, insurance companies, consumer finance companies, stock and commodity brokerages, accounting firms, payroll services, tax preparation services and investment funds as well as some government sponsored enterprises.

The main activities in this industry include:

- Taking deposits and/or issuing securities
- Pooling financial risk by underwriting insurance and annuities
- Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs
- Administering accounting, bookkeeping, payroll and tax preparation services

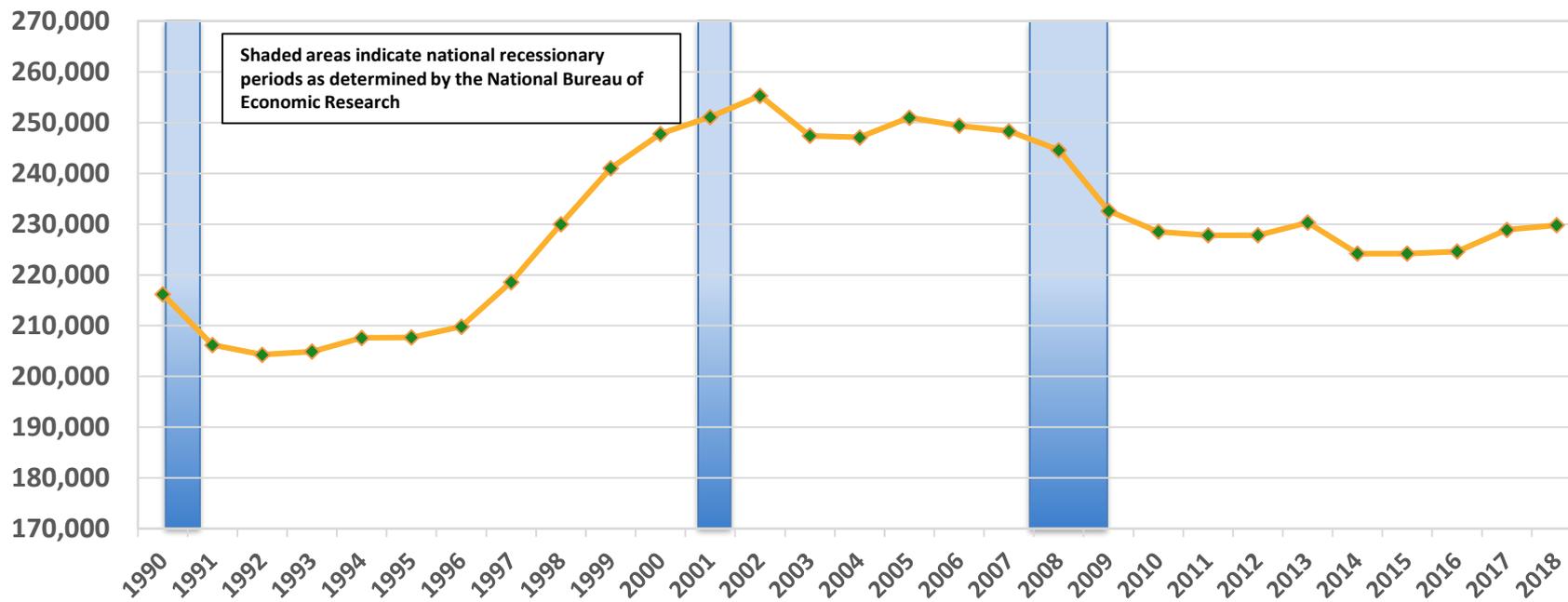


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INDUSTRY DATA



1990-2018 ANNUAL AVERAGE EMPLOYMENT CURRENT EMPLOYMENT STATISTICS DATA



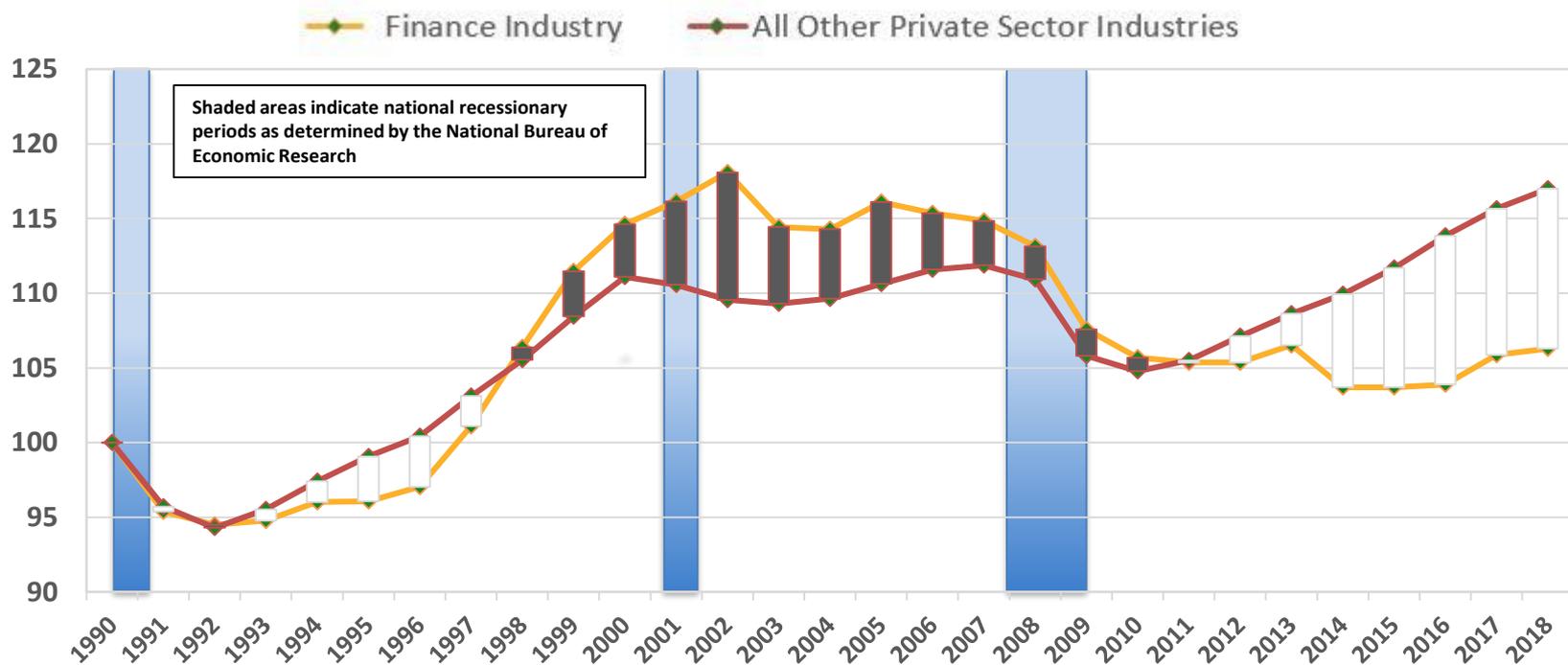
Regardless of three recessions during the 1990 to 2018 period, New Jersey's finance industry sector still enjoys a net accumulation of approximately 13,600 jobs.



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Source: NJLWD, Current Employment Statistics, 1990-2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, January 2020

FINANCE INDUSTRY EMPLOYMENT VS. ALL OTHER NEW JERSEY PRIVATE SECTOR INDUSTRIES



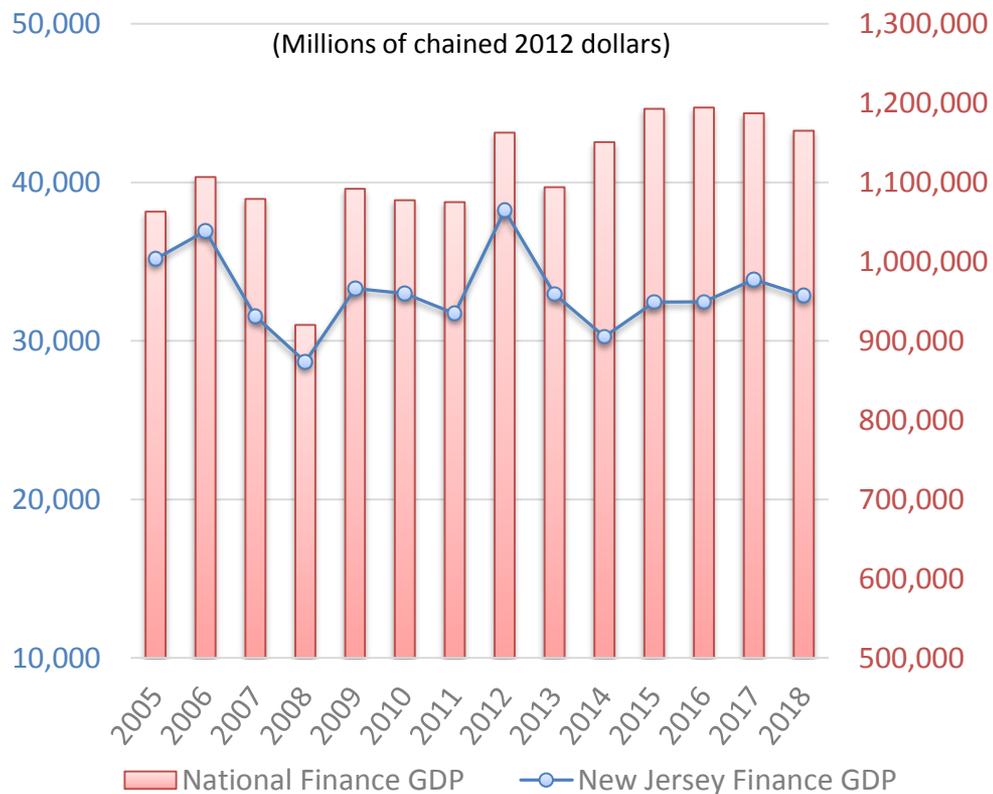
Indexed to 1990, the finance sector enjoyed substantial employment gains through the late 1990s and into the mid-2000s. For a number of years, the sector outperformed the balance of all other private sector industries until the fallout from the burst of the housing bubble and the subsequent recession brought the two back in line. Since 2011-2012 however, recovery of the finance sector has lagged behind that of the rest of the private sector as a whole and the disparity continues to grow.



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Source: NJLWD, Current Employment Statistics, 1990-2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, January 2020

GROSS DOMESTIC PRODUCT



Gross Domestic Product of the Financial Services Sector

According to the U.S. Bureau of Economic Analysis, in 2018, finance organizations conducted transactions that equated to over \$1.1 trillion (or 7.13 percent of the nation's total Gross Domestic Product for the industry).

In New Jersey alone, the financial services industry contributed almost \$33 billion. Even with a relatively small share of total employment, New Jersey's finance sector accounted for approximately 6.6 percent of Gross State Product.

Regarding the finance sector alone, New Jersey accounts for 2.82 percent of the entire nation's GDP for this sector.



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Source: U.S. Bureau of Economic Analysis
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

INDUSTRY SECTOR FAST FACTS

- In 2018, New Jersey's finance sector employed 222,060 workers, accounting for 6.4 percent of all private sector jobs in the state.
- From 2013 to 2018, New Jersey's finance sector saw an employment incline of almost 5,300 jobs (a 2.4 percent rise over the five year period).
- Combined, the Insurance Carriers and Related Activities component along with the Credit Intermediation and Related Activities component made up 65.5 percent of New Jersey's finance employment in 2018.
- The average annual wage for workers in the finance sector increased 17.1 percent to over \$125,000 between 2013 and 2018.
- The 36 highest paying occupations in the sector each earn a mean annual wage of more than \$100,000 and account for more than 54,000 workers or 24.4 percent of finance employment.



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Source: NJLWD, Quarterly Census of Employment and Wages, 2017
Annual Averages
Prepared by New Jersey Department of Labor & Workforce
Development, October 2018

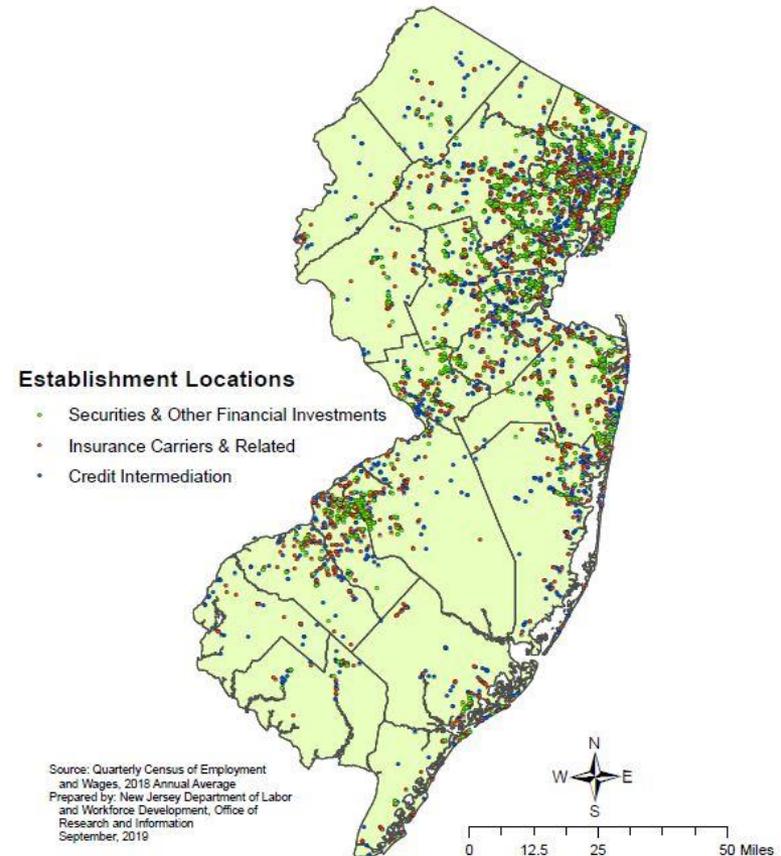
FINANCE ESTABLISHMENTS

Finance Establishments Across the State

As illustrated, the majority of New Jersey's financial services establishments are located near Manhattan and Philadelphia. This is a classic example of economies of agglomeration; the economic concept used to describe the benefits that firms gain from locating near one another. Even within industry sectors, competition between firms often attracts more customers, suppliers and educated or experienced workers to specific areas.

Almost 54 percent of the industry sector's employees worked in establishments located in the six northeastern counties (Bergen, Hudson, Passaic, Morris, Essex and Union) in 2018.

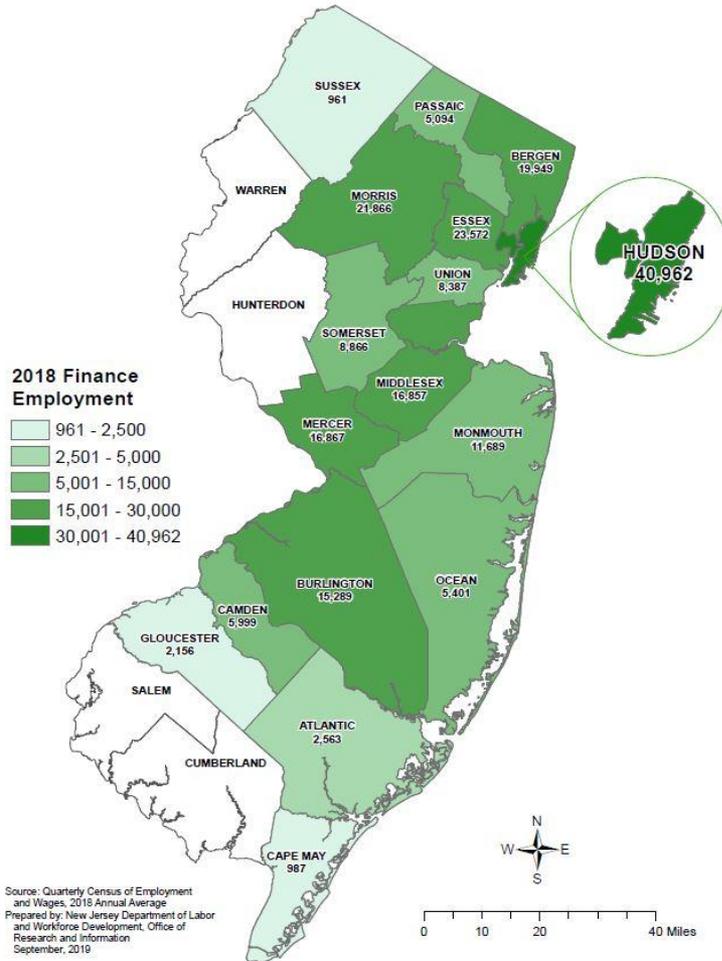
*Establishment Locations by Finance Subsector
New Jersey, 2018*



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Source: NJLWD, Quarterly Census of Employment and Wages, 2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, January 2020

FINANCE SECTOR EMPLOYMENT BY COUNTY



Finance Employment by County - 2018

Hudson County is New Jersey's smallest county (by land area), yet it is home to far more of the state's finance sector workers than any other county. With almost 41,000 industry jobs, Hudson County accounts for 18.5 percent of New Jersey's sector employment due to its proximity to Manhattan, one of the largest financial centers in the world.

Almost 48 percent of the state's financial services sector employment is concentrated in only four Northern counties (Hudson, Essex, Morris and Bergen).



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Source: NJLWD, Quarterly Census of Employment and Wages, 2018 Annual Averages
 Prepared by New Jersey Department of Labor & Workforce Development, January 2020

EMPLOYMENT CONCENTRATION BY COMPONENT

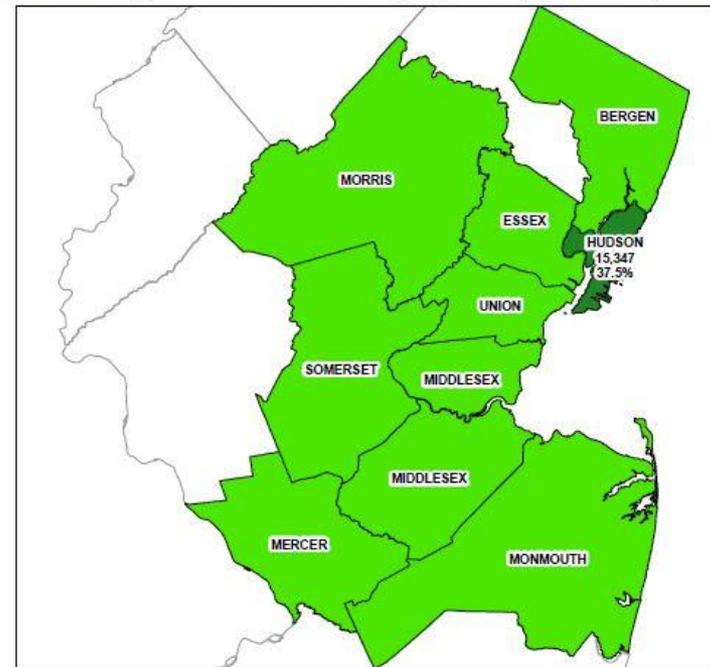
Securities, Commodity Contracts, and Other Financial Investments and Related Activities

Hudson County is home to the highest concentration of workers statewide employed in the Securities, Commodities, and Other Financial Investments component. Almost 38 percent of the county's total finance employment falls into this component primarily due to its proximity to Wall Street.

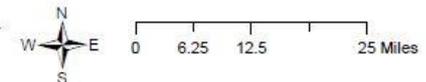
The exception to this paradigm is Mercer County (second highest concentration). The investment subsector component composes almost 30 percent of the county's finance employment concentration as a result of several large investment banks, trading firms and hedge funds claiming a Princeton address, a convenient location along the Northeast Corridor and centered between Philadelphia and Manhattan.

The shaded counties shown on the map represent nine of the top ten counties in the state with the highest concentration of employment for this specific component.

Employment of Securities, Commodity Contracts, and Other Financial Investments and Related Activities and Percentage of Finance Sector Employment by New Jersey County



Source: Quarterly Census of Employment and Wages, 2018 Annual Averages
Prepared by: New Jersey Department of Labor and Workforce Development, Office of Research and Information
September, 2019

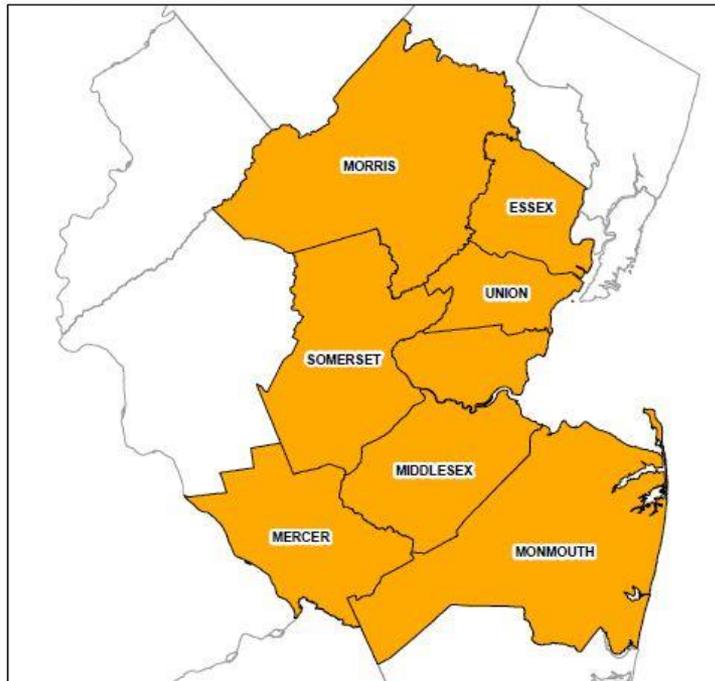


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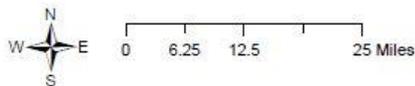
Source: NJLWD, Quarterly Census of Employment and Wages, 2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, January 2020

EMPLOYMENT CONCENTRATION BY COMPONENT

Employment of Insurance Carriers and Related Activities and Percentage of Finance Sector Employment by New Jersey County



Source: Quarterly Census of Employment
and Wages, 2018 Annual Averages
Prepared by: New Jersey Department of Labor
and Workforce Development, Office of
Research and Information
September, 2019



Insurance Carriers and Related Activities

As illustrated on the previous page, location often determines employment concentration within the major industry components.

Seven of the top counties for employment concentration in the insurance carriers and related activities component are located in the north-central part of the state.



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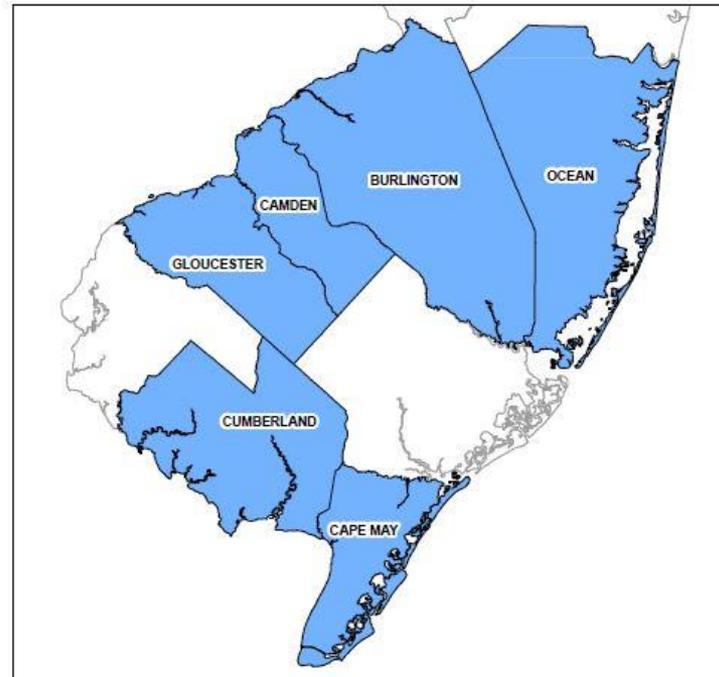
Source: NJLWD, Quarterly Census of Employment and Wages, 2018
Annual Averages
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EMPLOYMENT CONCENTRATION BY COMPONENT

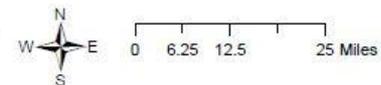
Credit Intermediation and Related Activities

Six of the top eight counties whose highest concentration of county finance employment resides in the Credit Intermediation component are located across Southern New Jersey. This high concentration comes mostly from scattered commercial bank branches in counties that hold a low overall finance sector employment base, and with very little presence of insurance or investment activity. Burlington County is the exception in this case with multiple finance company headquarter operations boosting employment significantly.

Employment of Credit Intermediation and Related Activities and Percentage of Finance Sector Employment by New Jersey County



Source: Quarterly Census of Employment and Wages, 2018 Annual Averages
Prepared by: New Jersey Department of Labor and Workforce Development, Office of Research and Information
September, 2019



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Source: NJLWD, Quarterly Census of Employment and Wages, 2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, January 2020

EMPLOYMENT BY REGION: 2018

Area	Region	Establishments	Annual Averages		Total Wages	Employment %
			Employment	Wages		
New Jersey		15,437	222,060	\$125,373	\$27,840,420,132	
Northern Region		7,864	133,726	\$142,264	\$15,434,226,635	60.2%
Hudson	North	830	40,962	\$167,093	\$6,844,454,409	
Essex	North	1,061	23,572	\$144,674	\$3,410,257,134	
Morris	North	1,290	21,866	\$137,599	\$3,008,731,284	
Bergen	North	2,025	19,949	\$111,292	\$2,220,161,694	
Somerset	North	644	8,866	\$141,464	\$1,254,221,906	
Union	North	881	8,387	\$106,504	\$893,249,948	
Passaic	North	620	5,094	\$82,748	\$421,516,534	
Sussex	North	161	961	\$67,950	\$65,299,752	
Hunterdon	North	ND	ND	ND	ND	
Warren	North	ND	ND	ND	ND	
Central Region		4,010	50,814	\$106,636	\$5,418,622,597	22.9%
Mercer	Central	720	16,867	\$109,903	\$1,853,740,170	
Middlesex	Central	1,174	16,857	\$122,801	\$2,070,060,476	
Monmouth	Central	1,393	11,689	\$97,737	\$1,142,449,625	
Ocean	Central	723	5,401	\$65,242	\$352,372,326	
Southern Region		2,358	28,748	\$87,494	\$2,515,285,147	12.9%
Burlington	South	760	15,289	\$98,834	\$1,511,079,041	
Camden	South	654	5,999	\$87,035	\$522,122,105	
Atlantic	South	314	2,563	\$72,092	\$184,771,085	
Gloucester	South	302	2,156	\$56,876	\$122,624,869	
Cape May	South	143	987	\$61,601	\$60,800,428	
Cumberland	South	ND	ND	ND	ND	
Salem	South	ND	ND	ND	ND	
Undistributed		1,218	8,774	\$141,774	\$1,243,924,211	4.0%

* ND: Data for industries with few units or for industries where one employer makes up a significant portion of industry employment have been suppressed.



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Source: NJLWD, Quarterly Census of Employment and Wages, 2018
Annual Averages
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

SUBSECTOR BREAKDOWN

The finance sector is broken down into the following six subsectors:

NAICS	Description	2017 Annual Averages		
		Establishments	Employment	Wages
521	Monetary Authorities - Central Bank	ND	ND	ND
522	Credit Intermediation and Related Activities	4,653	72,890	\$106,730
523	Securities, Commodities, and Other Financial Investments and Related Activities	2,948	37,905	\$189,358
524	Insurance Carriers and Related Activities	3,816	72,518	\$123,185
525	Funds, Trusts, and Other Financial Vehicles	ND	ND	ND
5412	Accounting, Tax Preparation, Bookkeeping, and Payroll Services	3,940	38,533	\$100,450

The Insurance Carriers and Related Activities component combined with the Credit Intermediation and Related Activities component made up roughly two thirds of New Jersey's finance employment in 2018. The Securities, Commodities, and Other Financial Investments and Related Activities subsector and the Accounting, Tax Preparation, Bookkeeping, and Payroll Services equally make up the final third of finance industry employment.

* ND: Data for industries with few units or for industries where one employer makes up a significant portion of industry employment have been suppressed.



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Source: NJLWD, Quarterly Census of Employment and Wages, 2018 Annual Averages
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LOCATION QUOTIENT

Location quotient is a way of quantifying the concentration of an industry in a region versus a larger geographic area.

The bubble charts on the following pages are used to show three data points at once.

- The size of the bubble represents the amount of employment in the subsector.
- The location of the bubble on the Y-axis represents 2018 annual average wages for the subsector.
- The location of the bubble on the X-axis represents the location quotient of the subsector.



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LOCATION QUOTIENT

In this case, the location quotient compares the concentration of the industry subsectors in the state to those of the nation. Industries with a location quotient above 1 are known as “basic industries” which (in theory) export a good or service from the state and in return, bring in wealth.

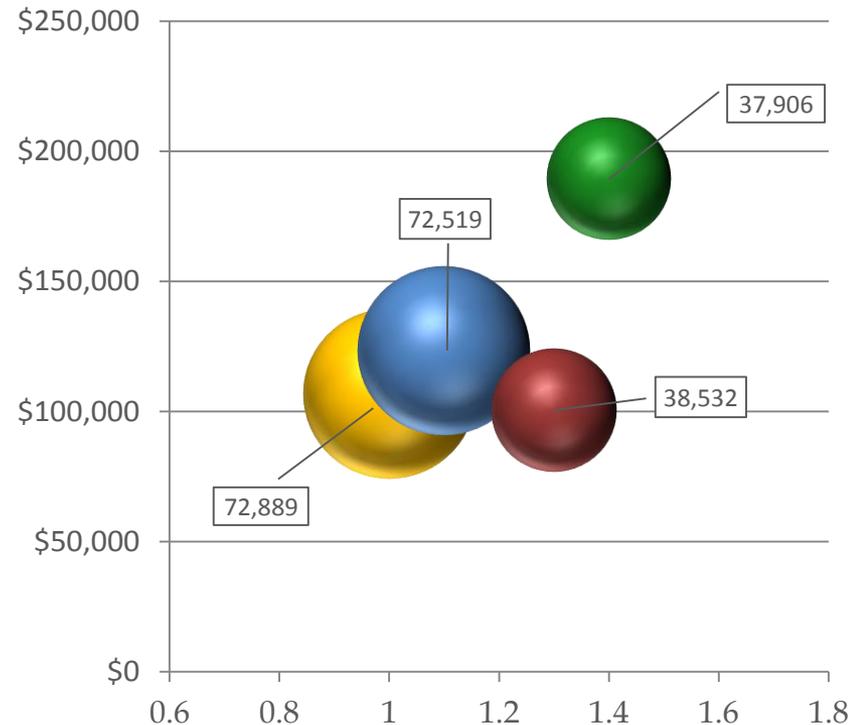
**Securities, Commodity Contracts,
and Other Financial Investments and
Related Activities**

**Insurance Carriers and Related
Activities**

**Credit Intermediation and Related
Activities**

**Accounting, Tax Preparation,
Bookkeeping and Payroll Services**

**Monetary Authorities – Central Bank (NAICS 521)
and Funds, Trusts, and Other Financial Vehicles
(NAICS 525) contain non-disclosable data and
therefore cannot be plotted**

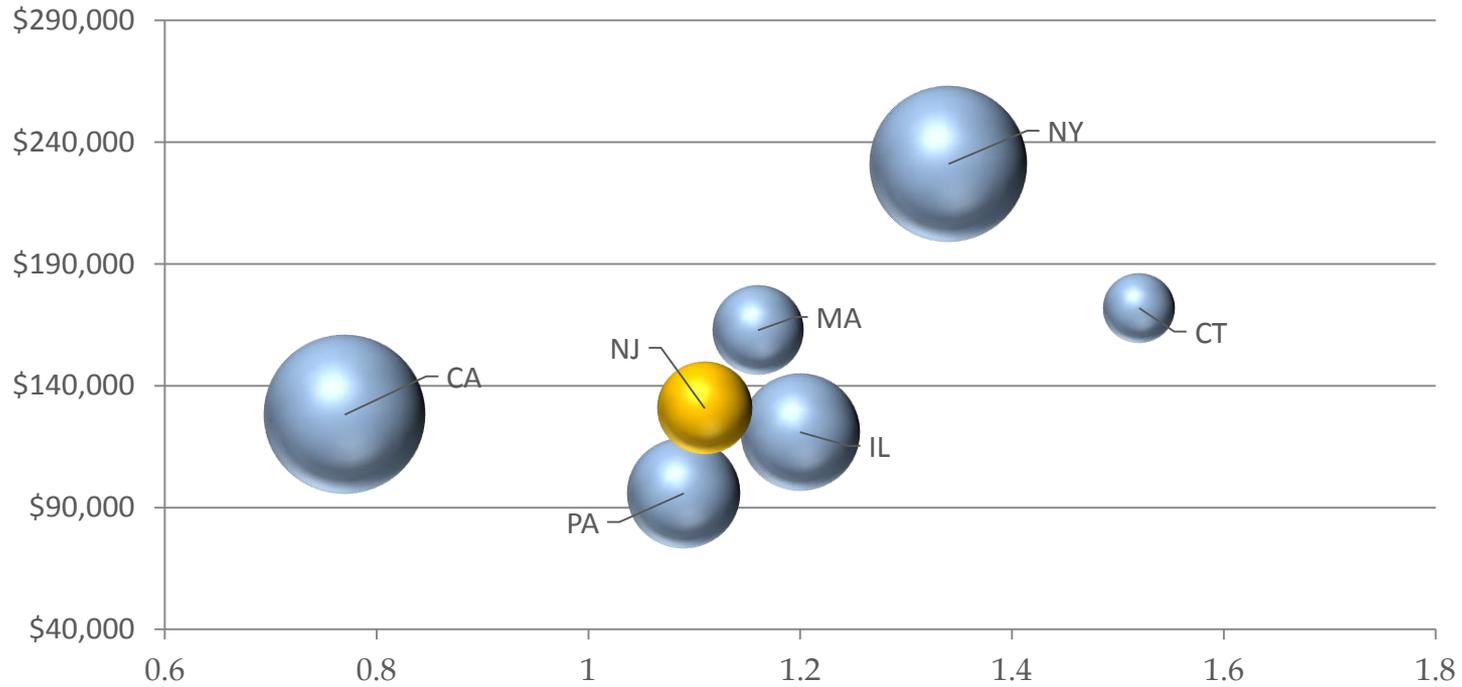


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Source: NJLWD, Quarterly Census of Employment and Wages, 2018
Annual Averages
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

LOCATION QUOTIENT

New Jersey's location quotient vs. other relevant states



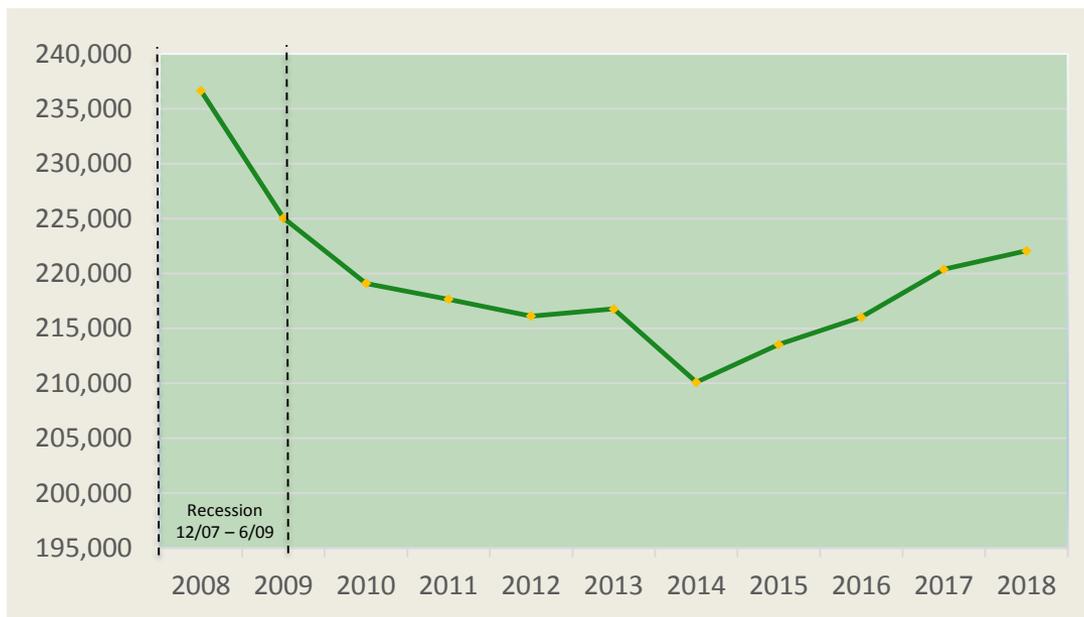
The chart shows the state's position against other states selected due to either their proximity to New Jersey or their significant financial services sector employment. (Accounting, Tax Preparation, Bookkeeping and Payroll Services industry is not included)



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Source: U.S. Bureau of Labor Statistics, Quarterly Census of
Employment and Wages, 2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EMPLOYMENT TREND 2008-2018



Annual Average Employment

The finance industry sector began showing a loss in employment even before the start of the most recent recession (December, 2007 – June, 2009) and continued to shed workers through the following four years. A brief correction took place in 2013 (+0.3%) before falling again in 2014 (-3.1%).

The industry finally regained its composure between 2014 and 2015 with a modest 1.6 percent gain followed by a 1.2 percent gain in 2016. Growth continued at the rate of 2.0 percent and 0.8% in 2017 and 2018 respectively.

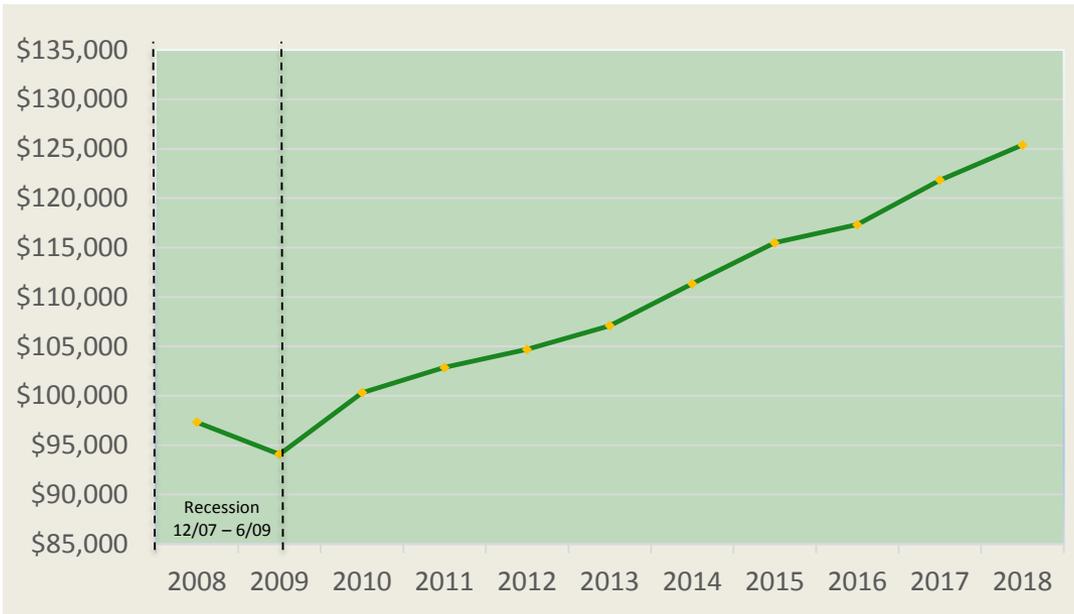
New Jersey's finance sector employment remains 7.3 percent lower from its peak in 2006 compared to 0.9 percent growth in the sector at the national level, which reflects the significance the industry sector has on the state's inhabitants. Approximately 220,000 finance sector workers were employed in New Jersey in 2018.



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Source: NJLWD, Quarterly Census of Employment and Wages, 2008-2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, January 2020

INDUSTRY WAGES TREND 2008-2018



Annual Average Wages

More than \$27.8 billion in total wages were paid by New Jersey's employers in the finance sector in 2018.

With an annual average wage of \$125,374, the state's finance sector workers earned an average wage 19.9 percent higher than sector workers nationally, 91.9 percent higher than the state's average wage for all private sector employment, and well more than double the nation's average for all private sector industries (119.2 percent higher).

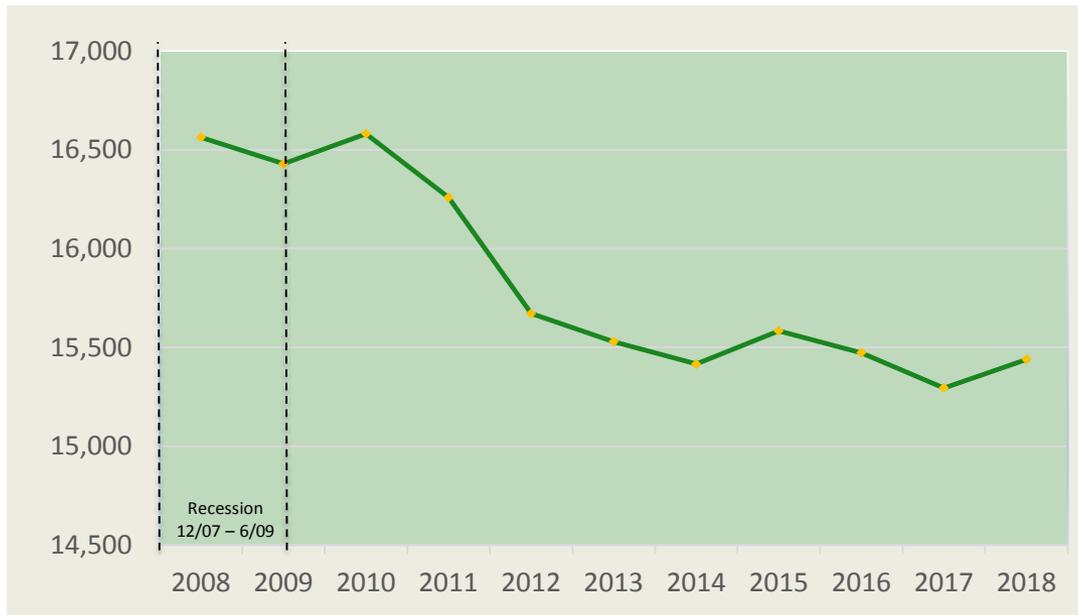
The average annual wage for New Jersey's finance sector dropped only in 2009 following the Great Recession, consistent with the trend for the total private sector's annual average wage, which also faced a recessionary decline in 2009.



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Source: NJLWD, Quarterly Census of Employment and Wages, 2008-2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, October 2018

ESTABLISHMENT TREND 2008-2018



Annual Average Establishments

Along with a decline in employment from 2006 onward came a decline in New Jersey's industry establishment count. Finance sector establishments have dropped 6.8 percent over the ten year period. The multitude of mergers and acquisitions along with the subsequent consolidations among finance institutions are largely to blame.

Over this period, the state also encountered several finance sector firms moving away from Wall Street and into New Jersey for more competitive real estate levels and lower corporate tax rates, offsetting some unit declines.



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Source: NJLWD, Quarterly Census of Employment and Wages, 2008-2018 Annual Averages
Prepared by New Jersey Department of Labor & Workforce Development, January 2020

OCCUPATIONAL DATA



EMPLOYMENT BY MAJOR OCCUPATIONAL GROUP

Occupational Group	Employment	% of sector
43 Office and Administrative Support Occupations	75,070	34.1%
13 Business and Financial Operations Occupations	61,590	28.0%
41 Sales and Related Occupations	29,580	13.4%
15 Computer and Mathematical Occupations	24,290	11.0%
11 Management Occupations	21,660	9.8%
23 Legal Occupations	2,800	1.3%
<i>All Other Occupational Groups Combined</i>	<i>4,460</i>	<i>2.3%</i>
Total (All Finance Occupations)	220,010	100%

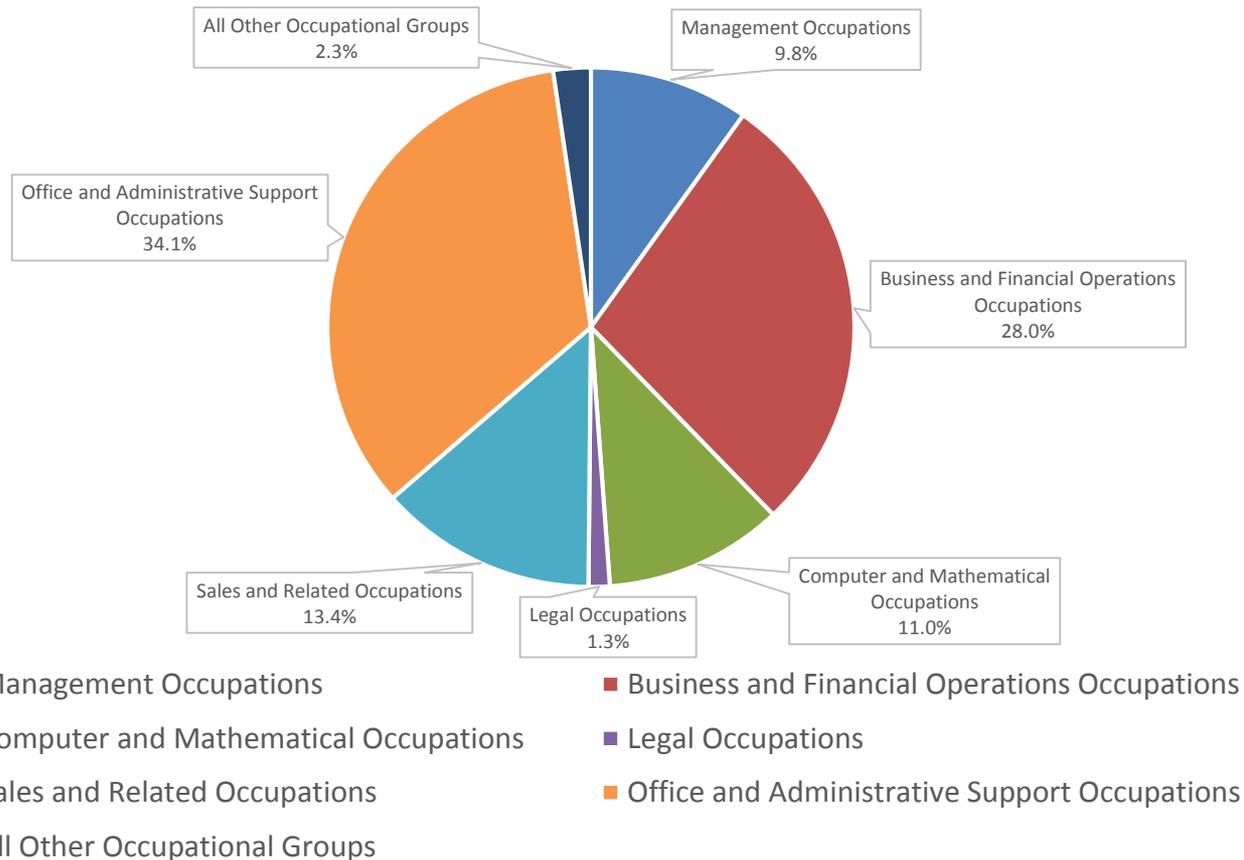
More than 75 percent of all finance employment in New Jersey falls under three major occupational groups: Office and Administrative Support, Business and Financial Operations, and Sales and Related Occupations.



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Source: Occupational Employment Statistics Wage Survey, 2018
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EMPLOYMENT BY MAJOR OCCUPATIONAL GROUP



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Source: Occupational Employment Statistics Wage Survey, 2018
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

TOP OCCUPATIONS (BY EMPLOYMENT) WITHIN EACH MAJOR OCCUPATIONAL GROUP

Office and Administrative Support Occupations		Management Occupations	
Tellers	13,130	Financial Managers	9,230
Customer Service Representatives	12,180	Computer and Information Systems Managers	2,800
Insurance Claims and Policy Processing Clerks	7,540	General and Operations Managers	2,600
Business and Financial Operations Occupations		Computer and Mathematical Occupations	
Accountants and Auditors	13,260	Software Developers, Applications	6,950
Claims Adjusters, Examiners, and Investigators	9,490	Computer Systems Analysts	3,240
Financial Analysts	5,800	Computer Occupations, All Other	2,500
Sales and Related Occupations		Legal Occupations	
Securities, Commodities, and Financial Services Sales Agents	14,160	Lawyers	1,390
Insurance Sales Agents	9,920	Title Examiners, Abstractors, and Searchers	720
Sales Representatives, Services, All Other	2,120	Paralegals and Legal Assistants	510

The 18 occupations listed above display the diversity of educational requirements for finance sector workers. From Tellers and Customer Service Representatives with high school diplomas to the professional degrees of Lawyers, the education levels of finance workers greatly varies.



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Source: Occupational Employment Statistics Wage Survey, 2018
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EDUCATION REQUIREMENTS OF THE TOP 13 FINANCE OCCUPATIONS BY EMPLOYMENT

There are over 130 different occupations identified in New Jersey's finance sector. The top 13 occupations in the sector (by employment) account for almost 119,000 jobs, or 54 percent of the state's finance jobs.

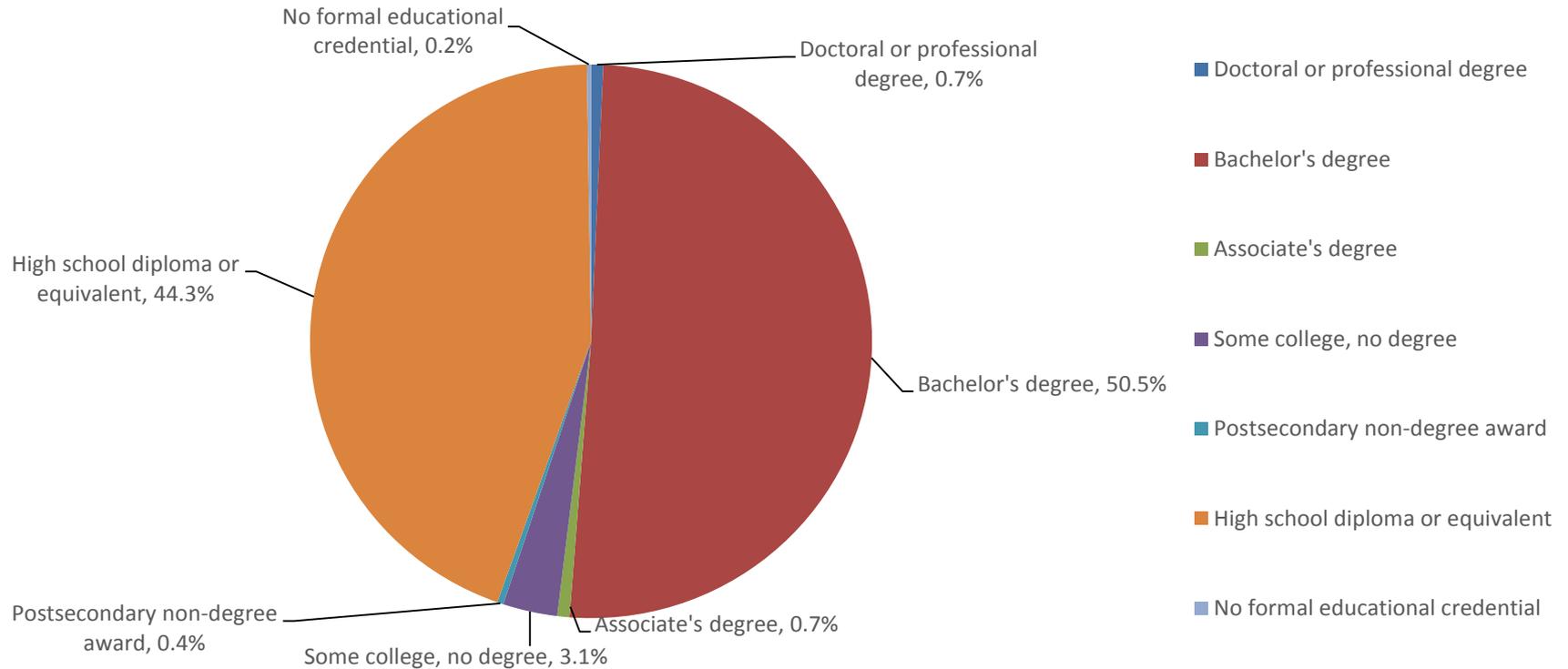
Occupation	Employment	Annual Avg. Wages	Education Requirements
Securities, Commodities, and Financial Services Sales Agents	14,160	\$98,850	Bachelor's degree
Accountants and Auditors	13,260	\$90,399	Bachelor's degree
Tellers	13,130	\$32,948	High school diploma or equivalent
Customer Service Representatives	12,180	\$40,332	High school diploma or equivalent
Insurance Sales Agents	9,920	\$76,162	High school diploma or equivalent
Claims Adjusters, Examiners, and Investigators	9,490	\$74,262	High school diploma or equivalent
Financial Managers	9,230	\$175,877	Bachelor's degree
Insurance Claims and Policy Processing Clerks	7,540	\$47,181	High school diploma or equivalent
Software Developers, Applications	6,950	\$107,637	Bachelor's degree
First-Line Supervisors of Office and Administrative Support Workers	6,690	\$62,909	High school diploma or equivalent
Financial Analysts	5,800	\$106,098	Bachelor's degree
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	5,370	\$42,605	High school diploma or equivalent
Bookkeeping, Accounting, and Auditing Clerks	5,190	\$46,863	Some college, no degree



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Source: NJLWD, Industry-Occupation Employment Matrix, 2018
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EDUCATION REQUIREMENTS OF FINANCIAL SERVICES SECTOR OCCUPATIONS



Some occupations have further requirements such as licenses that must also be obtained. For example:

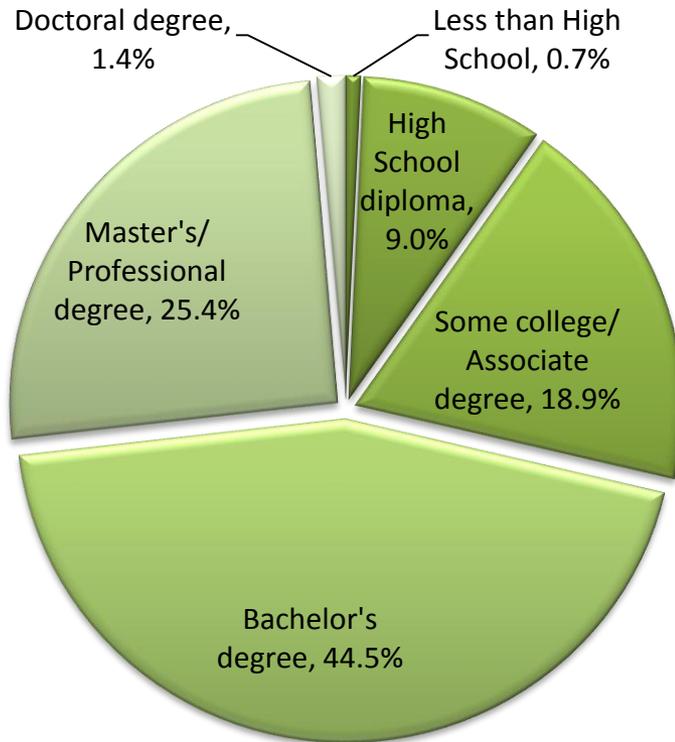
- Securities brokers need a series 7 license
- Series 63 or 66 for financial advisors
- CMB for mortgage bankers, etc.



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Source: NJLWD, Industry-Occupation Employment Matrix, 2018
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EDUCATION LEVEL OF NEW JERSEY RESIDENTS WHO WORK IN THE FINANCE INDUSTRY



U.S. Census Bureau 2017 American Community Survey data shows that, in actuality, 71.3 percent of New Jersey's finance sector resident workforce holds a bachelor's degree or higher.

New Jersey ranks sixth in the nation with 38.1 percent of residents 25 years and over who have completed a bachelor's degree... and eighth in the nation with 14.7 percent of residents over 25 who have completed an advanced degree.

New Jersey's finance sector employers (and all employers) enjoy a rich talent pool.

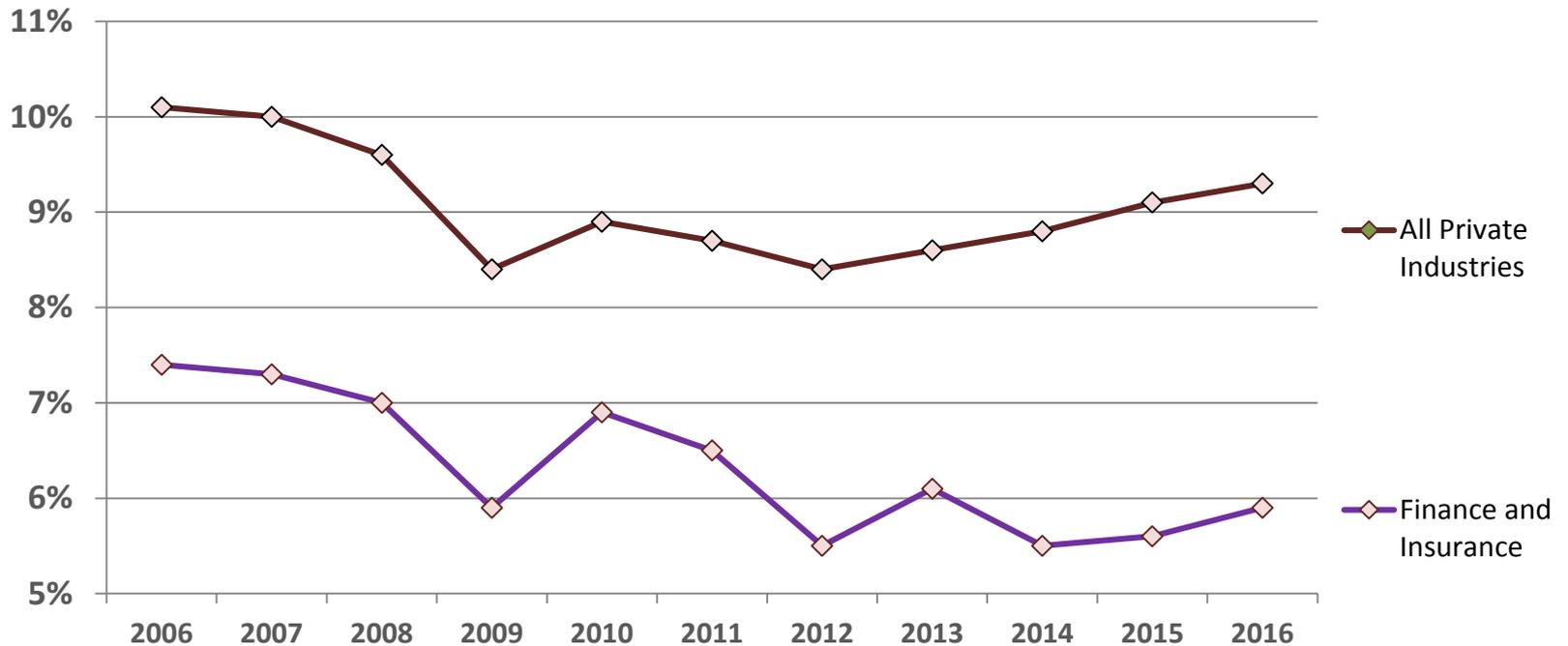


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Source: 2017 American Community Survey Public Use Microdata
Sample (5% sample)
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EMPLOYMENT TURNOVER RATE

Finance vs. All Private Industries



Historically, the financial services industry sector has enjoyed a significantly lower turnover rate than most industry sectors. Higher average pay could certainly be a top contributing factor.

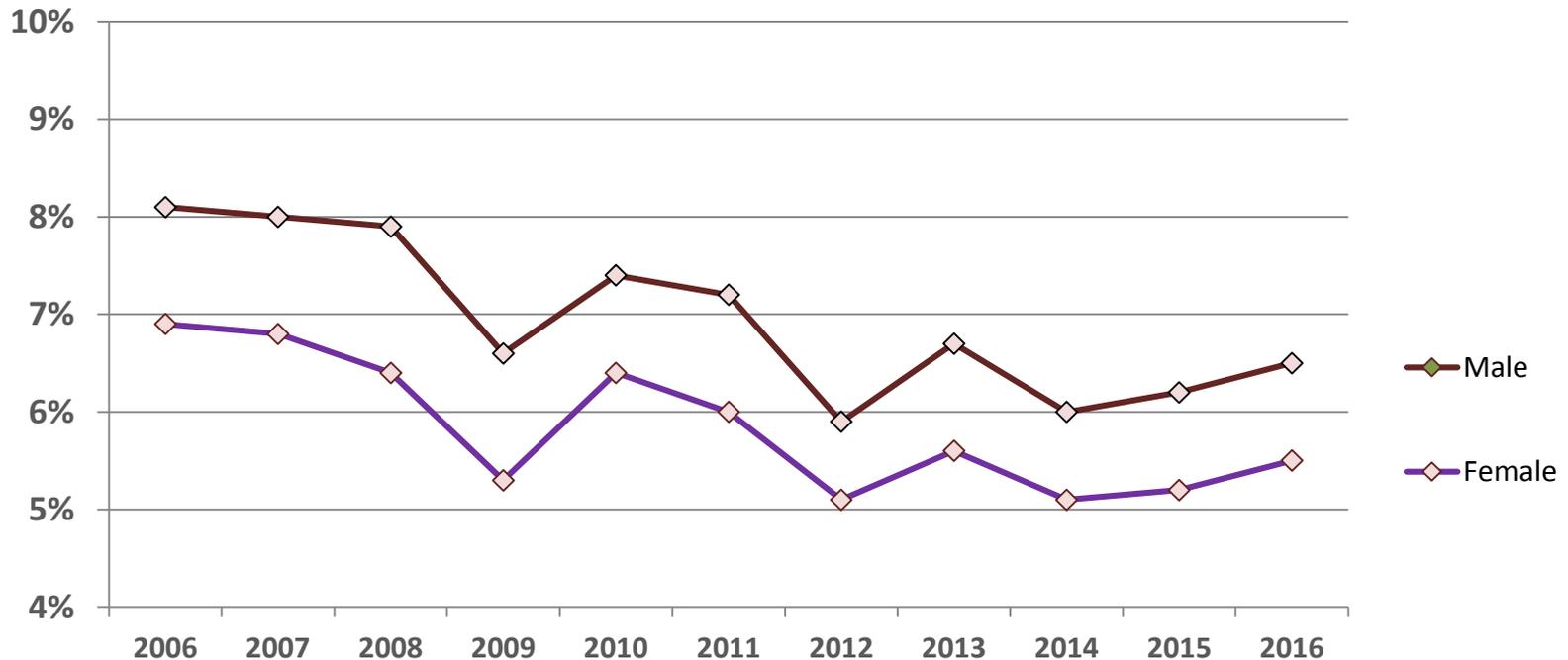
Note: 2006-2015 yearly averages (Private Ownership). 2016 data uses average of Q3, 2016 (most recent data) + 3 prior quarters.



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Source: U.S. Census Bureau – Local Employment Dynamics Quarterly
Workforce Indicators
Prepared by New Jersey Department of Labor & Workforce
Development, October 2018

FINANCE EMPLOYMENT TURNOVER BY GENDER



The latest available Quarterly Workforce Indicator data shows the financial services sector workforce is composed of approximately 46.9 percent male workers and 53.1 percent female workers. Males averaged a 1.1 percent higher turnover rate than female workers over the 2006 – 2016 period.

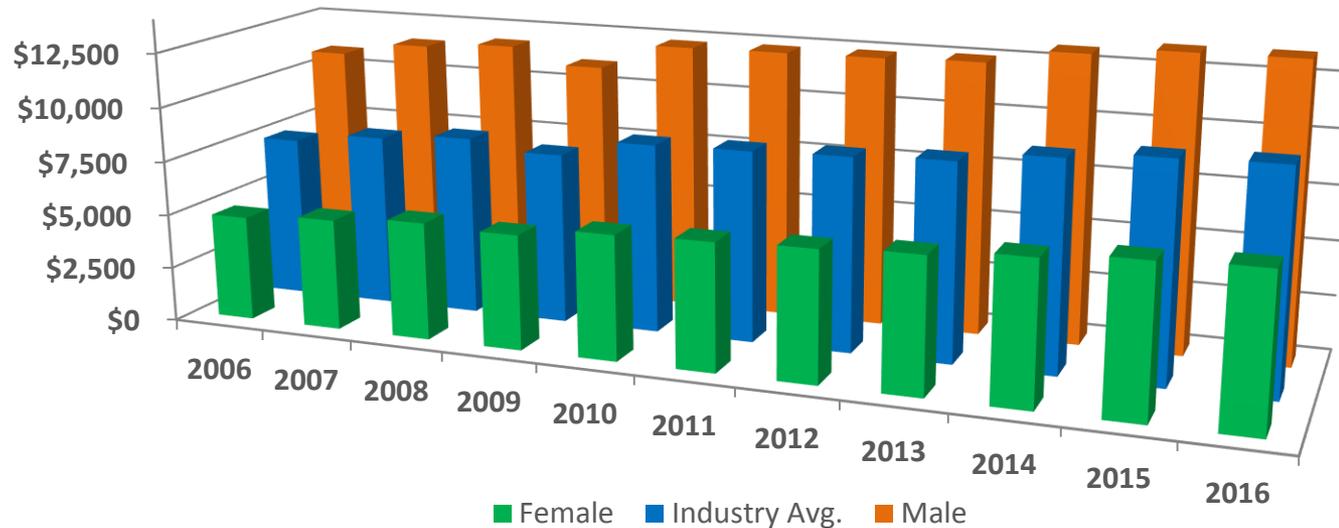
Note: 2006-2015 yearly averages (Private Ownership). 2016 data uses average of Q3, 2016 (most recent data) + 3 prior quarters.



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Information

Source: U.S. Census Bureau – Local Employment Dynamics Quarterly Workforce Indicators
Prepared by New Jersey Department of Labor & Workforce Development, October 2018

AVERAGE MONTHLY EARNINGS BY GENDER



Over the 2006 – 2016 period, earnings of male financial services workers averaged almost double (or more) that of females in the sector. The most logical explanation is taken from census data that shows females dominating the share of the largest occupation in the industry (Bank Tellers) which pays well below the average wage. At the same time, males dominated the employment share in the second largest occupation (Securities, Commodities, and Financial Sales Agents) which pays much higher than the average wage. However, the earnings gap between male and female finance workers slowly but steadily declined almost every year over the period as more women are steadily entering higher paying finance occupations.

Note: 2006-2016 yearly averages (Private Ownership).

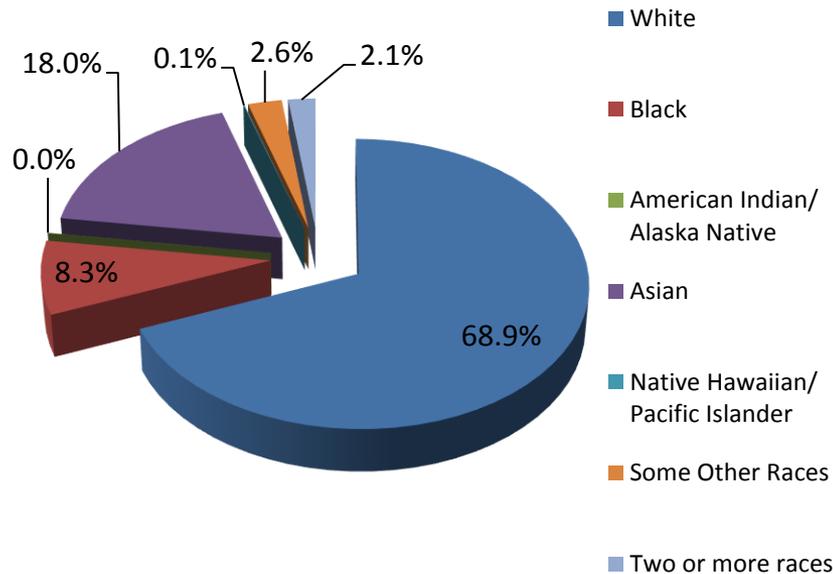


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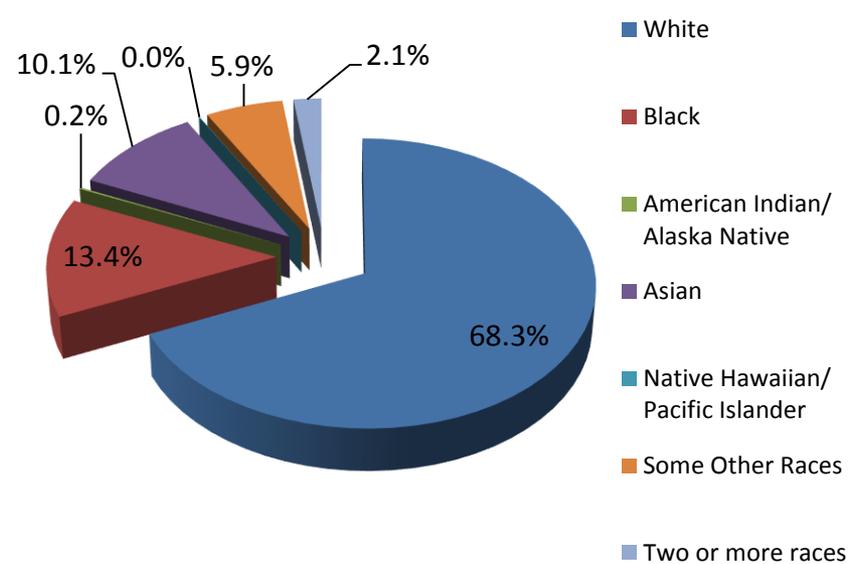
Source: U.S. Census Bureau – Local Employment Dynamics Quarterly
Workforce Indicators
Prepared by New Jersey Department of Labor & Workforce
Development, October 2018

NEW JERSEY RESIDENT BREAKDOWN BY RACE

Financial Services Industry



All Private Industries



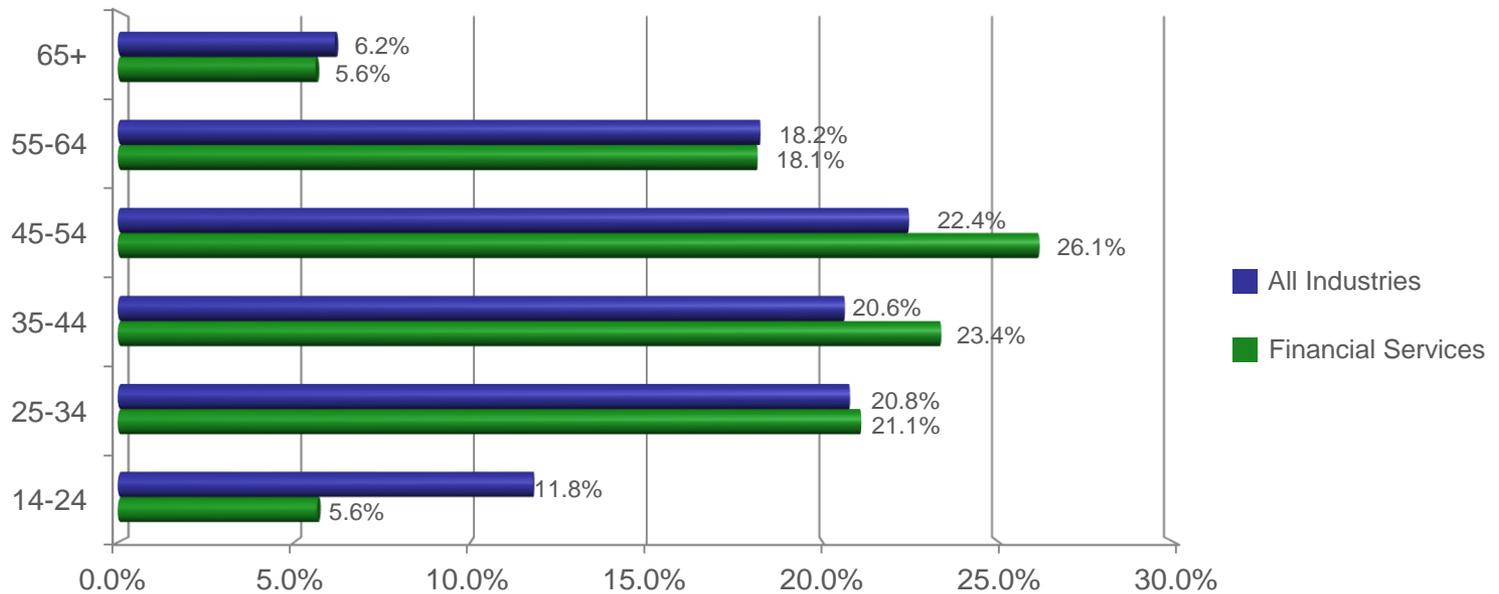
The races of Finance Sector workers are fairly consistent with those of all industries as a whole.



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Source: U.S. Census Bureau – American Community Survey, 2017
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

EMPLOYMENT PERCENTAGE BY AGE



Almost 71 percent of New Jersey's Finance Industry workers are distributed between 25 and 54 years of age.



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Source: U.S. Census Bureau – American Community Survey, 2017
Prepared by New Jersey Department of Labor & Workforce
Development, January 2020

INDUSTRY AND OCCUPATIONAL PROJECTIONS 2016-2026



INDUSTRY PROJECTIONS AND OUTLOOK

Long-term industry projections call for a 3.2 percent gain in financial services sector employment to 192,880 workers by 2026 from its 2016 level (or -0.3% annually). This marks the first long-term projected employment gain for the industry in many years.

The industry looks to a wide variety of economic indicators such as loan activity, corporate and venture capital investment, exports, housing starts, etc. for guidance on how to carry its future operations. Over the past few years, some of those indicators have continued to show improvement as the economy continues to stabilize and strengthen.

Along with a projected gain in employment, wages would also be expected to increase steadily.



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Source: 2016 - 2026 Industry and Occupational Employment Projections
Prepared by New Jersey Department of Labor & Workforce Development, October 2018

OCCUPATIONAL PROJECTIONS

According to industry and occupational projections, the top ten financial services industry sector occupations in NJ (by 2017 employment) are expected to see an employment increase of 1.6 percent from 2016 to 2026 for a total of nearly 1,600 added jobs.

Of those top ten occupations, Financial Managers jobs are projected to grow at the fastest rate (14.4%) over the ten year period, followed by Insurance Claims and Policy Processing Clerks which are projected to grow at a rate of 8.8 percent.

Due to current industry trends, automation and computerized trading, Teller jobs are expected to drop by more than seven percent while Securities, Commodities, and Financial Services Sales Agents jobs decrease by a little more than two percent between 2016 and 2026.



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Source: 2016 - 2026 Industry and Occupational Employment Projections
Prepared by New Jersey Department of Labor & Workforce Development, October 2018

NEW JERSEY DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT

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NEW JERSEY FINANCE INDUSTRY SECTOR CONTACT INFORMATION

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