

## NEWS RELEASE

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**REVERSAL OF ECONOMIC FORTUNE: MID-ATLANTIC PROSPERITY,  
DRIVEN BY NEW YORK, COMING TO A RAPID CLOSE IN 2008  
Retrenchment in Financial Services, Credit Crunch Bode Ill for Future**

New Brunswick, N.J. –Private-sector employment growth in the Middle Atlantic states (New Jersey, New York, and Pennsylvania) during 2007 surprisingly outpaced the nation’s growth, driven largely by the impact of record Wall Street profits on New York’s economy. However, a contraction is now well underway due to “very aggressive” downsizing in the financial services industry, the credit crunch and the collapse of the housing market.

These are among the conclusions drawn in “Reversal of Economic Fortune: Regional and State Prosperity at Risk,” a new Rutgers Regional Report issued today by James W. Hughes, dean of the Edward J. Bloustein School of Planning and Public Policy, and University Professor Joseph J. Seneca, and Research Associate Will Irving. Through an analysis of recently issued U.S. Bureau of Labor Statistics data, Hughes and Seneca found that the Middle Atlantic states of New Jersey, New York and Pennsylvania, as a Census division, overcame four decades of sub-par performance in 2007 by beating the national growth rate for new jobs created.

The strong regional performance was mostly attributed to New York State, where 85,700 of the region’s 117,500 new private-sector jobs were created. Pennsylvania added 28,100 jobs, eighth highest in the nation, while New Jersey ranked 35<sup>th</sup> with a gain of just 3,700 jobs. The surprising performance of the Middle Atlantic states underscored the turbulent nature of the jobs picture in 2007 as previously high-flying Arizona, California and Florida went from boom-to-bust. In 2006, they had been on the very upper rungs of the nation’s job growth ladder, but experienced job losses just a year later.

Such a sharp reversal of economic fortune may be in store for New York, as financial restructuring is likely to dominate 2008. With a national recession, and significant and still unfolding losses in the financial sector, it also has worrisome implications for New Jersey, whose 2007 private-sector job growth virtually flat lined.

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**Rutgers Regional Report 27 was written by Dean James W. Hughes, University Professor Joseph J. Seneca, and Research Associate Will Irving, all of the Edward J. Bloustein School of Planning and Public Policy, Rutgers University.**