

The Star-Ledger

Published: Sunday, July 1st, 2012

"New Jersey's citizens are working at the highest rate in three years."

- Jennifer Beck on Monday, June 25th, 2012 in a speech on the state Senate floor

Jennifer Beck claims New Jersey residents are working at the highest rate in three years

The Truth-O-Meter Says:



Legislators armed themselves with job statistics before dueling over tax cut proposals in the state budget last week.

Some Democrats argued that the responsible course of action was delaying any tax cuts considering the state's high unemployment rate. Gov. Chris Christie wanted a 10 percent income tax cut. Democrats had offered two plans focused on reducing the property tax burden but passed a budget that tied any tax cut to the state meeting Christie's revenue projections.

State Sen. Jennifer Beck, a Republican from Monmouth County, pointed to other labor data to show New Jersey's economy is starting to recover.

"New Jersey's citizens are working at the highest rate in three years. That's good news," she said in her June 25 speech on the state Senate floor. "We have more businesses expanding their footprint in this state. We've seen almost \$8 billion in public-private investment over the last two and a half years. All of those are good signs and today in delivering this budget without a tax cut I think we're giving a kick in the shins to our citizens because we have the revenue now to be able to deliver that relief and it should be our foremost and top priority."

PolitiFact New Jersey checked Beck's claim that residents are "working at the highest rate in

three years."

Beck cited labor data showing that roughly 4.17 million New Jersey residents were employed in May.

"The last time that New Jersey had this many people employed was in February of 2009, more than 3 years ago," Beck said in an e-mail. PolitiFact New Jersey confirmed that's accurate.

But raw numbers are not a rate.

Joseph Seneca, a professor at the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, agreed that the number of New Jerseyans working is the highest in three years, but said "the confusion would be the word rate."

"Usually a rate is expressed per unit of something," Seneca said, as in per thousand or per unit of time.

And when comparing the number of employed people to the labor force, the statistics tell a different story.

The employment rate is essentially the opposite of the unemployment rate.

The unemployment rate is calculated by taking the number of people who are unemployed but looking for work and dividing it by the labor force. The labor force includes employed people and people who are unemployed but looking for work.

People who are unemployed but aren't looking for work are not included in the labor force.

New Jersey's unemployment rate -- and therefore the employment rate -- has fluctuated some in the past three years, but overall has remained relatively even.

In May of 2009 the unemployment rate was 8.9 percent and the employment rate was about 91 percent.

Since then both rates have varied, but in May of this year, the unemployment rate was 9.2 percent and the employment rate was 90.8 percent.

So, as a rate, fewer New Jerseyans are working now than three years ago.

In response, Beck pointed to the rate of employment compared to the total state population, but that includes individuals who are younger than 16, as well as people who are institutionalized and active duty service members.

Excluding those groups of individuals, as the U.S. Bureau of Labor Statistics does, about 61.4 percent of New Jersey's population was employed in May 2009. In May 2012, roughly 60 percent of the population was employed.

"What is unassailably true is that the employment level is the highest in 3 years. It is my belief that New Jersey is moving in the right direction," Beck said.

Our ruling

Beck said that "New Jersey's citizens are working at the highest rate in three years."

To support her claim, Beck pointed to the number of employed residents, which is at the highest level since more than three years ago.

But Beck said rate and the percent of employed residents ticked down slightly from May 2009 to May 2012.

We rate this statement False.

Sources:

New Jersey Legislature, Video of State Senate Session, June 25, 2012

Interview, via phone and e-mail, with state Sen. Jennifer Beck, June 26 - 28, 2012

New Jersey Department of Labor and Workforce Development, New Jersey Sees Largest Monthly Job Gain in More than Seven Years Employers add 17,600 jobs in May, June 14, 2012

New Jersey Department of Labor and Workforce Development, NJ Monthly Seasonally Adjusted Estimates: 1976-2012, accessed June 26, 2012

E-mail interview with Harry Holzer, Professor of Public Policy at the Georgetown Public Policy Institute, June 26 & 27, 2012

E-mail interview with Daniel J.B. Mitchell, professor-emeritus at UCLA Anderson School of Management, June 27, 2012

Interview with Joseph Seneca, university professor at the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, June 27, 2012

U.S. Bureau of Labor Statistics, Civilian Noninstitutional Population and Associated Rate and Ratio Measures for Model-Based Areas, accessed June 27, 2012

PolitiFact New Jersey, New Jersey's unemployment rate is the 5th highest in the nation, senator says, June 27, 2012

U.S. Bureau of Labor Statistics, Civilian Noninstitutional Population and Associated Rate and Ratio Measures for Model-Based Areas, accessed June 27, 2012

U.S. Bureau of Labor Statistics, How the Government Measures Unemployment, accessed June 27, 2012

Written by: Erin O'Neill

Researched by: Erin O'Neill

Edited by: Caryn Shinske