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Mr. Kevin Quinn  
Chairman  
New Jersey Economic Development Authority  
36 West State Street  
Trenton, NJ 08625

**Subject: Camden's employment climate shows signs of strength and growth**

Dear Mr. Quinn:

I am in receipt of your letter dated July 24, 2019 about employment numbers associated with Camden companies that have received tax incentives. As the Chairman of a powerful state entity and for reasons of privity, I am sure you will be able to communicate with the companies directly.

That said, I am pleased to provide you an assessment of Camden's employment climate considering the fact that the "eds and meds" sector has become a significant economic contributor and more companies are expanding or moving to the city for the first time since 1960s due to the state's tax incentive program.

After 50 years of social and economic isolation, Camden is on a growth trajectory. The city is safest it has been in decades, K-12 education has improved in tangible ways, over a thousand new housing units are being rehabilitated or built in neighborhoods and new park and road infrastructure projects are being advanced. There can be no doubt that many challenges remain. As someone who was born in the city and has been a life-long resident, I can attest to the fact that the progress and growth in the city is demonstrable, but could disappear if the political climate continues to deteriorate.

On July 18, 2019, Governor Phil Murphy's administration released statewide and municipal unemployment figures. ([https://nj.gov/labor/lpa/employ/uirate/lfest\\_index.html](https://nj.gov/labor/lpa/employ/uirate/lfest_index.html)). According to the data, Camden's unemployment rate fell to 6.6%, which represents at least a 30-year low (Chart -1). The New Jersey Department of Labor and Workforce only has data going back to 1990.

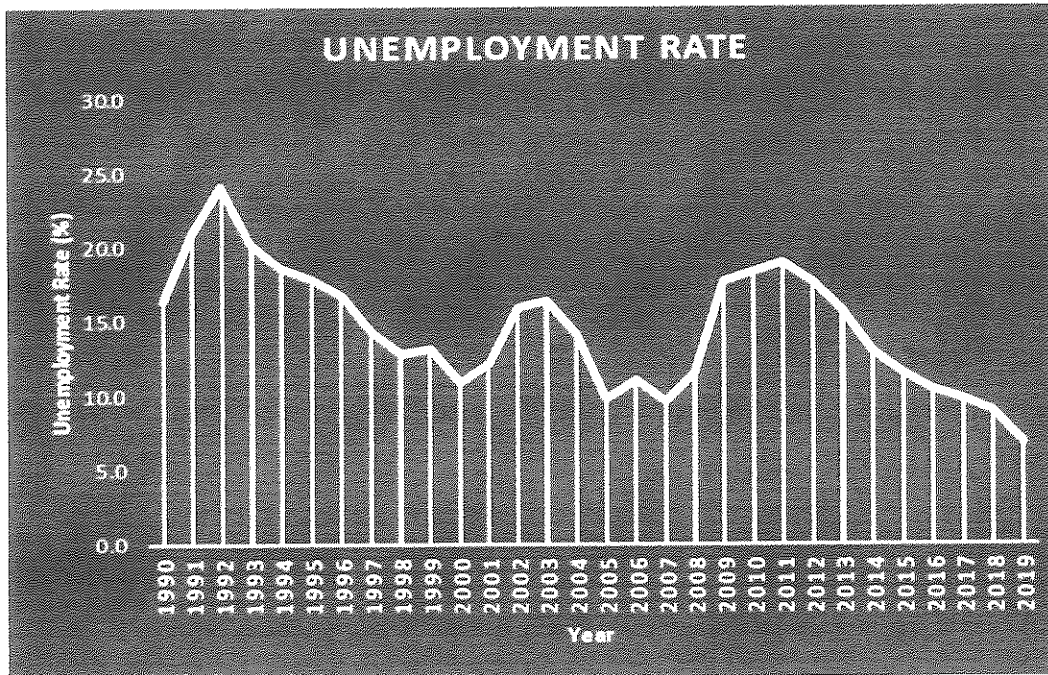


Chart 1  
Source: New Jersey Dept. of Labor & Workforce

It is probable that the jobless rate in the city is the lowest it has been much longer, perhaps even a half a century, considering the fact that the city lost almost 48% of its employment base between 1960-1970.<sup>1</sup> Regardless, as is evidenced by Chart 1, the unemployment rate in Camden was as high as 24% in 1992 and more recently, particularly after 2011, has fallen precipitously.



Chart 2  
Source: New Jersey Dept. of Labor & Workforce

<sup>1</sup> Howard Gillette, Jr. *Camden After the Fall: Decline and Renewal in a Post-Industrial City*. Philadelphia: University of Pennsylvania Press, 2005. Pg. 43.

The import of Camden's current unemployment rate cannot be understated. As recently as 2012, Camden had the dubious distinction of being the poorest city in America. In that year, the annual average unemployment rate was 17.7%. Even during periods of economic growth in the nation and New Jersey, finding a stable economic footing always seemed to elude Camden and its residents. Equally important, during national and regional downcycles, Camden experienced an exacerbated and arguably disproportionate negative impact. For example, as Chart 2 shows, in 1999, when the United States was experiencing the longest economic expansion in history. The national and state unemployment rates were 4.2% and 4.5% respectively, while Camden's was at 13.1%. In 2010, at the peak of the great recession, the unemployment rate in the United States was 9.6% and New Jersey's was 9.5% - Camden's unemployment was at 18.3%. These data points are important to understand how far Camden has progressed from the depths of economic isolation. There are three contributing factors to Camden's renaissance and the current job climate.

First, Camden has always had a strong "eds and meds" presence, which in recent years has become a substantial contributor to improving the city's economic climate. Premier institutions like MD Anderson at Cooper, Virtua and Our Lady of Lourdes Hospitals, Coriell Institute for Medical Research, Cooper Medical School at Rowan University, Rutgers University - Camden, Camden County College and K-12 schools have continued to invest capital to expand and reinforce Camden's emerging role as a research, health care and education player. This growing sector has brought more opportunities for Camden residents as well.

According to a report released by the Rowan University/Rutgers – Camden Board Governors study, almost 40% of jobs in the city are in the "eds and meds" sector.<sup>2</sup> In New Jersey, "eds and meds" is the fastest growing sector and will represent 1 out of 6 jobs in the state by 2020.<sup>3</sup> There are signs that the sector will continue to grow as the demand for health care workers is strong in the city and the region over the next decade.

Second, the strength of the Southern New Jersey economy is strong and is providing employment opportunities for regional residents, including those who live in Camden. For example, according to the latest New Jersey Department of Labor and Workforce reports, the average unemployment rate in Camden, Burlington and Gloucester Counties is 3.06%, which is below even the state's rate of 3.5%. Camden residents are employed throughout the region in various economic sectors. It is encouraging that in an increasingly mobile economy Camden residents are able to participate in the broader job market.

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<sup>2</sup> Rowan University/Rutgers – Camden Board of Governors, Eds and Meds as an Economic Engine for the City of Camden and the State of New Jersey, 2015. Pg. 10.

<sup>3</sup> Id. at 8.

Finally, the number of companies expanding in and moving to Camden is beginning to positively impact the employment conditions in Camden. Not since the early 20<sup>th</sup> century, has Camden seen such an inward migration of businesses. The Economic Opportunity Act has been a driving force to attract businesses to Camden and in some cases help those companies already here expand their operations. As a direct result of the tax incentives, some 15 companies have chosen to establish or deepen their roots in Camden with more arriving over the next few years, should the current destabilizing political climate subside.

Today, Camden is fortunate to have multi-national companies like Campbell's Soup, and Subaru, and national companies like American Water, and EMR in the city as well as smaller companies like Contemporary Graphics, and Camden Yards. Regardless of the size, companies are becoming meaningful contributors to the city by working in earnest to offer Camden residents employment opportunities.

A preliminary analysis conducted by Cooper's Ferry Partnership (CFP) of the companies' employment data show positive signs for the city's economy in general and Camden residents in particular. It is important to note that CFP has not been able to obtain employment data from all companies that received tax credit awards. CFP determines that just based on the companies that responded, over 4600 new jobs have come to Camden and at least 1250 Camden residents are working in these entities, including some of the largest and smallest mentioned above.

As an objective matter, many of these companies have invested capital and employed Camden residents even before New Jersey Economic Development Authority (NJEDA) has certified their tax incentive award, let alone provided a single dollar in tax credits. For example, according to the NJEDA's report on "completed and certified" Economic Opportunity Act projects, dated May, 24, 2019, only nine companies have been deemed complete. Currently, there are at least seven additional companies that have relocated or expanded their operations in Camden and have offered employment opportunities to Camden residents – even without officially being certified by the NJEDA.

The aggregate number of Camden residents working in these companies is worthy of note considering that the first EOA application was certified and completed in 2014 and many companies relocated to the city ranging from a little less than 15 months to two months ago. They include, but are not limited to: Subaru, American Water, NFI, The Michaels Organization, EMR and Connor Strong & Buckelew. The recent arrival of these companies underscores the fact that the process of engaging residents for employment is just beginning. In fact, many have already participated in job fairs, and have successfully recruited Camden residents to work in their facilities.

In 2015, the Congressional Research Service published a paper highlighting the employment-to-population ratio (EPR) as one of the most effective ways to measure employment growth. It is an even more effective measure than the unemployment rate because it specifically measures the number of people with jobs, as opposed to the number of people who want a job but don't have one. Unlike the unemployment rate, the EPR won't change if people just stop looking for

work. As the Pew Research Center points out, many labor economists prefer to focus on labor force members between 25 and 54 years old, because this eliminates most students and retirees as well.

The state does not release age specific employment data, but the American Community Survey administered by the federal Census Bureau releases estimates on these figures each year. Based on the most recent data available, 2017, Camden City had an EPR of 61.71% for 25- to 54-year-olds, the highest EPR for that age group since at least 2009. For every 100 adults in Camden between the ages of 25 and 54, roughly 62 had jobs. In 2013, just 54 of every 100 were working.

It is a fact that Camden still has a lot of work to do as compared to the state as a whole. Using the same data, as of 2017 New Jersey had an EPR of 78.76 percent. But, while we still have more progress to make, the gap between Camden's EPR and the state's was smaller in 2017 than any other year this decade. Given this year's unemployment data, I would expect to see these trends continue when the 2018 data is released.

Another effective measurement of a healthy economy supported by a number of experts is wage growth. Fortunately, the state Department of Labor releases municipal wage data each year for a number of sectors. In 2018, the average weekly wage for a construction job in Camden was \$1,291, a nearly 50 percent increase from the average in 2010, \$861. Similar growth is seen over the same span in retail (23 percent), transportation/warehousing (11 percent), and manufacturing (7 percent). Overall, average weekly wages in private sector jobs increased by approximately 16 percent from 2010 to 2018.

The fragility of progress is not lost on those who work daily to nurture and grow the city's path to full prosperity. The current political climate is bound to have repercussions on the city's ability to build on the economic progress. It took 50 years for the city to recover from the depths of socioeconomic depression; people – residents, elected, businesses and faith leaders – have shown that tangible and measurable progress can be achieved if we work cooperatively and with a united front.

In talking about the city's recent unemployment rate, North Camden resident and Councilwoman Felicia Reyes Morton, recently said "[N]o one in a position of responsibility has said Camden achieved its maximum potential; we have shown with factual evidence how the city and its residents are flourishing." This statement underscores the approach by responsible people to logically and methodically build on the progress made in public safety, employment, education and health care until all residents have the opportunity to succeed.

In conclusion, Camden's employment climate shows signs of strength and growth. The "eds and meds" sector has proven once again to be a stabilizing force, while new entrants are beginning the process of engaging residents to provide employment opportunities. Camden's tryst with destiny can become a reality because of the continued dedication of residents,

business, faith and elected leaders, but could just as easily become elusive should the political climate deteriorate further.

Sincerely,

A handwritten signature in black ink, appearing to be 'Frank Moran', written over the word 'Sincerely,'.

Hon. Frank Moran  
Mayor, City of Camden

cc: Hon. Nilsa Cruz Perez, Senator, 5<sup>th</sup> Legislative District  
Hon. Patricia Jones, Assemblywoman, 5<sup>th</sup> Legislative District  
Hon: William Spearman, Assemblyman, 5<sup>th</sup> Legislative District  
Hon. Louis Cappelli, Jr., Freeholder Director, Camden County