

Bottom Lines: Jobless rates in 3 counties decline a bit

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By KEVIN POST, Business Editor

The job market in the South Jersey Shore region — the worst east of the Mississippi River for several months — may be finally showing some improvement.

Seasonally adjusted federal data released this week by the Federal Reserve Bank of Philadelphia showed the May unemployment rate in Cape May County fell to 10 percent, down from 10.5 percent the month before and 12.4 percent a year ago.

Atlantic County's jobless rate edged down to 10.6 percent from 10.7 percent in April and 12.3 percent in May 2013. Cumberland County's rate was unchanged from the prior month at 10.4 percent, but down from 12.4 percent a year ago.

The improvement in the Cape May County market is not quite as strong as the rate suggests, since residential employment actually fell a bit, from 52,400 in April to 52,100 in May. That means fewer people without jobs are being counted as unemployed, for various reasons.

Atlantic County, on the other hand, saw the number of those employed grow to 114,000 from 113,500 the month before. Even the county's leisure and hospitality sector added 300 jobs in May, putting it at 43,300 jobs.

Unfortunately, that's not likely to last with the announced closing Aug. 31 of the Showboat Casino Hotel and the possible closing of Revel Casino Hotel by Sept. 1 if a buyer isn't found for it.

Even a year ago, when the Atlantic County jobless rate was 12.3 percent, 116,700 people in the county were employed, 46,600 of them in leisure and hospitality.

Falling jobless rates without job creation might mean some people aren't looking for work, or that they're leaving the area to look for work elsewhere.

Businesses approve

Business organizations praised Gov. Chris Christie this week for vetoing an increase in the state corporate tax and an increase in the personal income tax, which would have affected the 92 percent of businesses that are unincorporated and pay personal income tax instead.

"The governor has sent the right message to the businesses of New Jersey and that is, 'In order to remain competitive, we cannot raise taxes.' We appreciate the governor's continued commitment to the business community and to the economy of the state," Melanie Willoughby, acting president of the N.J. Business & Industry Association, said in a statement.

She said if their taxes go up, businesses would have less revenue to spend in other areas, such as employee wages and benefits, and business investment.

The Chamber of Commerce of Southern New Jersey commended the governor for recognizing that tax increases ultimately kill jobs and chase private sector investment out of the state.

“The CCSNJ has consistently opposed business tax increases to fund spending increases, urging additional reforms in public employee pension and health care benefits,” Debra P. DiLorenzo, the chamber’s president and CEO, said in a statement.

The Cape May County Chamber of Commerce asked its members about the income tax increase: “Should the state raise taxes on the highest earners to raise revenue to help the pension crisis?”

The chamber said 57 percent of responding members said no, and 43 said yes.

The tax increases were inserted into the state budget by Democrats in control of the Legislature (and then removed by Christie using the line-item veto). One local Democratic legislator resisted his party to vote against increasing the corporate business tax.

Assemblyman Vince Mazzeo, D-Atlantic, said he couldn’t support that, coming from business himself. He owns and operates B.F. Mazzeo Fruits & Produce in Northfield.

“New Jersey is way behind in coming back from the recession. The last thing we need is to tax the corporations and business guys. They’re the ones who provide the jobs,” Mazzeo said.

Sal Risalvato, executive director of the New Jersey Gasoline, Convenience Store, and Automotive Association, was happy about another thing absent from the state budget — a tax on e-cigarettes.

He said the association was “grateful that there were legislators who were willing to hear our concerns and recognize the potentially devastating effects of imposing a 75 percent tax on e-cigarettes and other tobacco products, such as cigars.”

Risalvato called e-cigarettes, which deliver nicotine without burning tobacco, “a much healthier option for both the e-cigarette user and people near the smoker.”

Card success

Shifting welfare payments from checks to debit cards and direct bank deposits has been associated with a substantial drop in street crime, according to a working paper published by the National Bureau of Economic Research.

Over the two decades when states implemented the federally required transition, significant effects were observed for burglary, larceny and assault, and a weaker effect was seen for robbery, said authors Richard Wright, Erdal Tekin, Volkan Topalli, Chandler McClellan, Timothy Dickinson and Richard Rosenfeld.

“The old system required a significant proportion of welfare recipients with no access to conventional bank accounts to cash their benefits at independent check-cashing establishments, which are also hot spots of street crime,” the report said.

Electronic benefit payments reduced the amount of cash on the streets that could be taken or used for illegal purposes, the authors said.