

# Contribution of the Commercial Banking and Savings Institutions Sectors to the New Jersey Economy

**February 2019**

Submitted to:

**NEW JERSEY BANKERS ASSOCIATION**

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The brain can only absorb what  
the seat can endure.

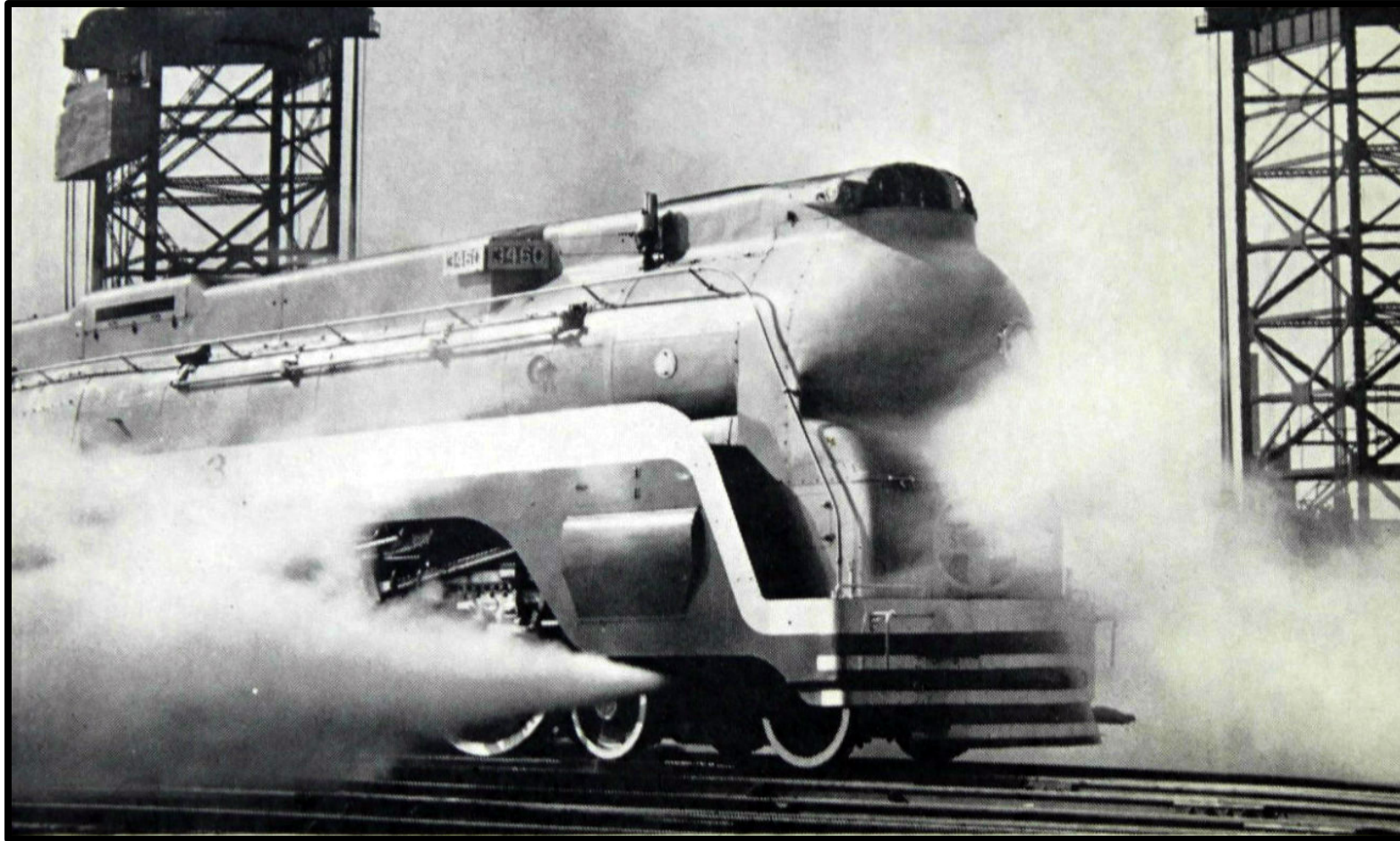
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# Banking: Crucial to a Growing Economy



# **Commercial Banks and Savings Institutions: A Major New Jersey Economic Locomotive**



# **Believe It or Not**

**The Second Longest U.S. Economic  
Expansion in History**

**June 2009 – March 2019**

**117 Months in Length**



# March 9, 2019: Bull Market's 10<sup>th</sup> Anniversary





# Everybody's a Genius in a Bull Market





## **The Current National Expansion**

**120 Months in Length**

**June 2009-June 2019**

**Tied for Longest in History**

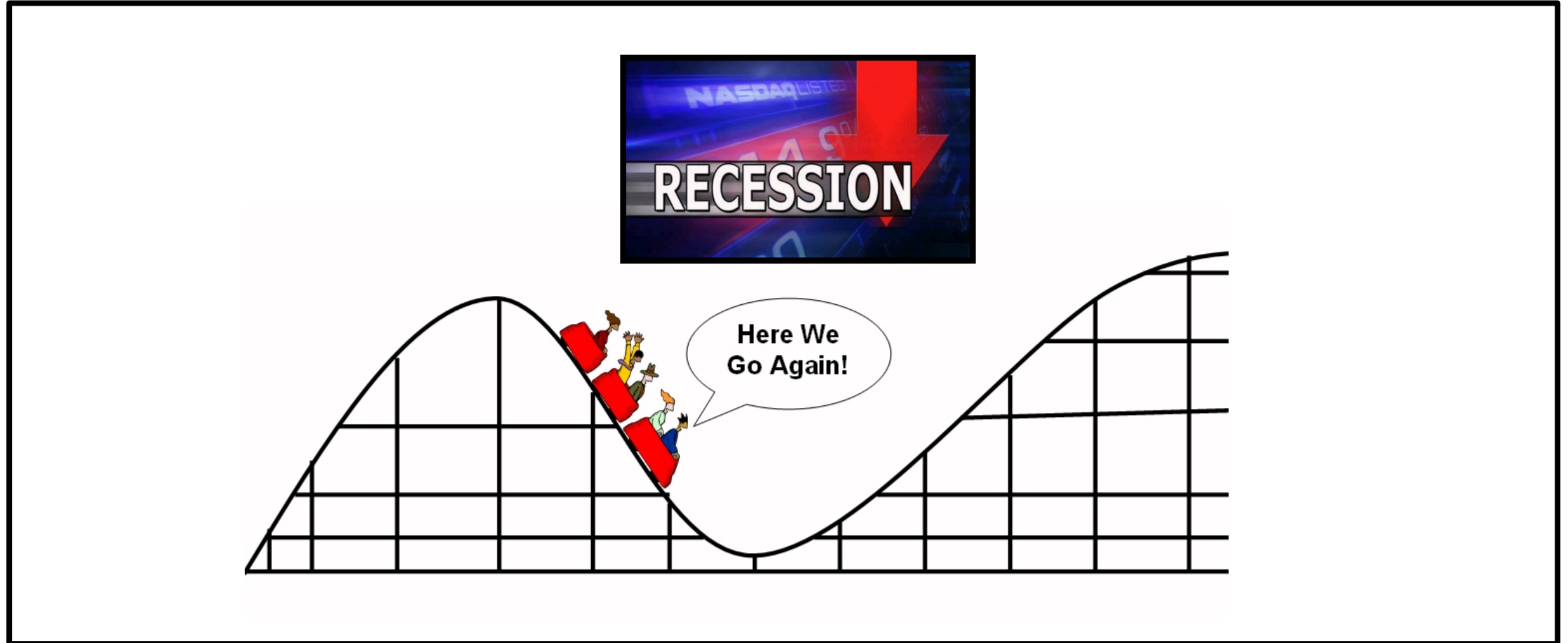




**July 2019: The Tie is Broken**

**July 2019: 121Months in Length**  
*The New Longest Expansion in U.S. History*

# We Have Yet to Invent a Boom That Lasts Forever



# R/ECON™ Input-Output



# Direct Employment: 48,000 Jobs





# Indirect Employment: 141,000 Jobs



# Total Employment: 189,000 Jobs



# Banking = 5% of New Jersey's Private-Sector Employment





# Banking = 4+ Years of Private-Sector Employment Growth in NJ





# New Jersey Employment: Share of Nation

# Total Employment: 2.8%

# Banking Industry: 3.3%



# 2001-2017 Banking Job-Growth Comparisons

**New Jersey**                      **+19.8%**

**United States**                      **-3.5%**



# Fundamental Structural Disruptions to Pre-Recession Assumptions and Protocols



# 2008-2017 Banking Job-Growth Comparisons

**New Jersey**      **-2.0%**

**United States**      **-7.8%**





# 2008-2017 Establishment Comparisons

**New Jersey**                      **-13.4%**

**United States**                      **-2.0%**



# **2017 Direct Banking Industry Profile**

<b>Total Establishments</b>	<b>3,045</b>
<b>Total Direct Employment</b>	<b>48,000 jobs</b>
<b>Total Direct Wages</b>	<b>\$4.8 billion</b>
<b>Gross Domestic Product (Direct)</b>	<b>\$8.7 billion</b>

# Banking Industry Total Impact

	<u>Direct</u>	<u>Indirect</u>	<u>Total</u>
Employment	48,000	141,000	189,000
Wages	\$4.8 billion	\$9.9 billion	\$14.7 billion
GDP	\$8.7 billion	\$13.7 billion	\$22.4 billion

# **Banking Industry Tax Impact (Direct and Indirect)**

**Annual State Tax Revenue:** **\$726 million**

**Annual Local Tax Revenue:** **\$598 million**



# Bottom Line Impact



# Quality of Jobs and Wages?



# 2017 Average Annual Pay

## Banking Industry

New Jersey	\$100,000
United States	\$80,000

<u>All NJ Industries</u>	\$64,000
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• Elise Amendola/Associated Press

# 2012-2017 Change in Average Annual Pay in New Jersey

	<u>Absolute</u>	<u>Percent</u>
<u>Banking Industry</u>	\$27,600	38.2%
<u>All NJ Industries</u>	\$5,400	9.2%



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# Minimum Wage Comparisons

<b>2017 N.J. Bank Teller Average Hourly Wage:</b>	<b>\$15.21</b>
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<b>2019 N.J. Minimum Wage:</b>	<b>\$8.85</b>
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<b>2024 N.J. Minimum Wage:</b>	<b>\$15.00</b>
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# Community Engagement



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