



MAGNIFIED
STATS

2.6%

NJ annual GDP
growth rate
(2022, preliminary)

14.2%

Real estate, rental,
and leasing
percentage of
total state GDP
(Q4 2022)

7

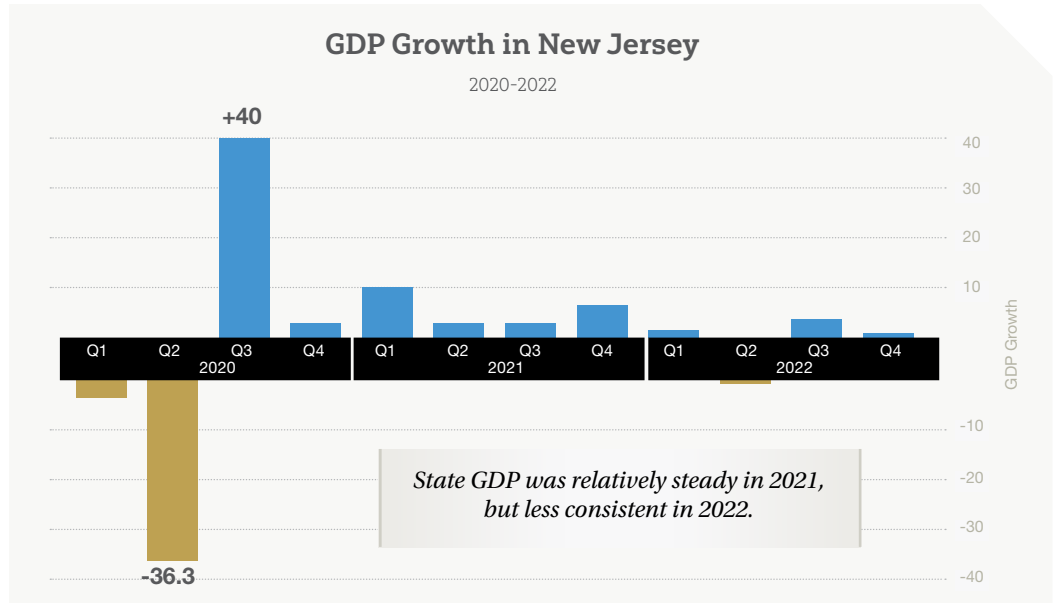
Consecutive
quarters of GDP
growth in NJ
before Q2 2022



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GDP Growth Uneven in 2022

IN MANY WAYS, 2021 was a year marked for its return to stability following the ups and downs of 2020. Unfortunately, that stability waned in 2022 as a new sense of economic uncertainty had many questioning the likelihood of a recession for parts of the year. While employment rebounded in many industries and unemployment fell to pre-pandemic levels, New Jersey’s economic performance was a bit rockier.

GDP by Quarter: State GDP growth in 2021 was relatively steady, with quarterly growth rates ranging from 3.1% (Q2) to 10.3% (Q1). In 2022, however, growth was less consistent.

In Q1 of 2022, GDP grew by 1.7% from the preceding quarter and totaled \$579.6 billion in chained dollars. In Q2, quarterly GDP fell for the first time since the start of the pandemic in Q2 2022 and declined by 1.0%. It is impor-

tant to note that New Jersey was not unique in this regard; national GDP declined 0.6% in the same quarter.

Fortunately, GDP growth rebounded in the months that followed and increased at quarterly rates of 3.9% and 1.1% in Q3 and Q4, respectively.

According to the Bureau of Economic Analysis (BEA), New Jersey ended 2022 with a preliminary annualized growth rate of 2.6% from the prior year, slightly faster than the national growth rate of 2.1%.

Industry Contributions: At year’s end, New Jersey’s largest industry (as defined by BEA) as a percentage of total GDP was real estate, rental and leasing, which accounted for 14.2% of New Jersey’s GDP in Q4.

In terms of contributing to the state’s GDP, professional, scientific, and technical services accounted for the second largest segment (11.7%),

followed by government and government enterprises (9.9%), manufacturing (8.9%), and healthcare and social assistance (8.6%).

Economic Tracking: Unfortunately, the period of heightened economic uncertainty that began in 2020 and reemerged in 2022 – if it ever really went away – is likely to continue as we navigate 2023.

To help bring up-to-date information to the public, Focus NJ tracks these and other measures of New Jersey’s economic performance on our website at focusnj.org/economic-tracker. The interactive dashboard is updated frequently to reflect the latest economic figures from the Census Bureau, Bureau of Labor Statistics, BEA, and others. The dashboard is fully interactive and allows for comparisons between states as far back as 2018. 📍

—Kyle Sullender
Executive Director, Focus NJ