

NEWS RELEASE

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C-SUITE SURVEY SHOWS ECONOMIC OPTIMISM AT NATIONAL LEVEL; NEW JERSEY STILL HAS ROOM FOR IMPROVEMENT

NEW BRUNSWICK, N.J. – The attitude of New Jersey business leaders toward the state's economy and business climate appears to have returned to the general optimism levels of 2007, according to the Real Estate and Economic Policy Research Consortium's latest "C-Suite Survey" of the state's chief business leadership. The findings, presented at the consortium's conference and webinar on June 27, found that an overwhelming majority—82 percent—of respondents indicated the health of the national economy is "good" or "excellent," compared to 61.5 percent in 2007. By contrast, in 2012—the early stages of the current expansion—only 8.1 percent considered the economy to be "good," and zero indicated "excellent." Regarding New Jersey, expectations are weaker with 36 percent of respondents indicating they believe the state's economy will improve.

The project presents longitudinal data points for a number of key economic indicators estimated from samples of significant New Jersey business leadership in baseline to five-year and ten-year intervals (2007, 2012, and 2017), as well as baseline to four-year and eight-year intervals (2009, 2013, and 2017).

"The goal of the Consortium is to promote positive change for New Jersey's economy," said James W. Hughes, distinguished professor and dean of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University-New Brunswick, which conducted the survey. "By identifying essential economic indicators and market trends and exploring how demographic changes are affecting business practices in New Jersey, our key stakeholders hope to aid in the development of policy recommendations to support stronger growth of the economy within New Jersey and the Northeast region."

The 2017 survey marks the first year that any respondent rated New Jersey's economy as "excellent," at 3.3 percent of responses. Generally, respondents' assessment of the New Jersey economy mirrors the pattern for the national economy, but shows a more modest overall evaluation: 38 percent of respondents rated New Jersey's economy as "good" or "excellent," compared to 40 percent in 2007, and only 11 percent in 2012.

The results of the survey show that ratings for New Jersey as a place to do business have remained mostly consistent—primarily rated as "fair"—with ratings of 46.6 percent, 47.6 percent and 59.0 percent in 2007, 2012, and 2017, respectively. The modest increase in the "fair" rating in 2017 comes mostly from a concurrent decrease in the "poor" rating. Similarly, respondents predominantly rated New Jersey "fair" as a place to expand their companies, reaching 57.4 percent in 2017. The "poor" rating decreased steadily from 37.6 percent in 2007 to a low of 21.3 percent in 2017.

Hughes and Marc D. Weiner, J.D., Ph.D., Associate Research Professor and study director at Rutgers University-New Brunswick, presented the full survey findings at the event. The results also reflect significant shifts in the perception of economic improvement in New Jersey:

- 78 percent expect their revenues to increase over the next twelve months—the highest figure from any recorded survey so far. Similarly, only 22 percent expected revenues to decrease, the lowest of any survey.
- Cost reduction remains a significant factor, with 62 percent in 2017 indicating plans to reduce costs; but this is lower than 76 percent in 2009 and 75 percent in 2013. Taken together with the previous point, the anticipation of less cost reduction and increased revenue indicates, at a minimum, cautious optimism.
- Overwhelmingly, respondents’ firms are strongly committed to retaining their presence in New Jersey, with 96.8 percent of respondents indicating that their firms are either “very” (84 percent) or “somewhat” (13 percent) committed to retaining their presence in New Jersey.

“Companies’ plans for the coming year, as indicated in the current survey, reflect this positive outlook,” Hughes added. “Again, while there is room for improvement, this is good news for New Jersey.” Respondents indicated these advantages and disadvantages to doing business in New Jersey:

- Advantages: Respondents indicated that the availability of a qualified workforce is a major advantage for New Jersey business, as is an excellent public education system. Further, geography matters. New Jersey’s location in the Northeast along a major business corridor is a major asset, which is augmented by the presence of accessible air travel.
- Disadvantages: Respondents named cost of living, cost of housing, lower affordability (i.e., high cost) of workforce, and congestion as business disadvantages for New Jersey

The Real Estate and Economic Policy Research Consortium gathering, which took place at the Bloustein School’s Civic Square Building on the Rutgers University-New Brunswick campus, brought together key stakeholders from New Jersey’s business, professional and educational communities. The 2015-2017 consortium members, organized by the Bloustein School, are commercial real estate services firm CBRE, professional services network PwC, law firm Riker Danzig Scherer Hyland & Perretti, PNC Bank, and design, planning, and development firm The Kimmerle Group.

The conference concluded with a panel of top executives, who discussed the survey and their own perceptions of the state’s changing business climate. Thomas Bracken, President and CEO, New Jersey Chamber of Commerce, served as moderator. Panel participants included Linda Bowden, New Jersey Regional President PNC Financial Services; Gil Medina, Executive Vice President, CBRE, Inc.; Mitch Roschelle, Partner and Business Development Leader, PwC; Frank Vitolo, Esq., Partner, Riker Danzig Scherer Hyland & Perretti, LLP; and George Kimmerle, AIA, PP, President, The Kimmerle Group. Former New Jersey Governor James Florio, who attended the presentation in person, said, “The results of the survey will prove very valuable to the incoming governor.”

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