NEWARK, NJ

Headlines

- Total nonfarm employment rose 0.2% month-on-month in April, twice the pace of the state and national average.
- The unemployment rate has been falling since September 2025 and is at the lowest level since September 2024.
- The primary reason for the falling jobless rate is five straight monthly declines in the number of unemployed with the decrease accelerating to -4.5% in April, the sharpest decline since August 2022.
- Average hourly earnings increased 4.6% year-on-year in April and have been above 4.0% for the first four months of the year.
- Annual home price growth in Newark has outpaced U.S. growth for 43 consecutive months.

KEY FACTS

Population: 2.3 mil.
(ranked 34/411 MSAs)
Source: Bureau of Census; Moody's Analytics

GDP: 1.7%
(ranked 277/411 MSAs)
Source: Bureau of Economic Analysis; Moody's Analytics

Job Growth: 0.3%
(ranked 153/411 MSAs)
Source: Bureau of Labor Statistics

HPI Growth: 6.7%
(ranked 23/411 MSAs)
Source: CoreLogic, Inc.; Moody's Analytics

"According to the Cotality Case-Shiller Home Price Index, home prices rose 4.7% year-on-year in March compared to the U.S. growth rate of just 0.7%."

The Newark Metro Division labor market has performed relatively well. **Total nonfarm employment rose 0.2% month-on-month in April, twice the pace of the state and national average**. Gains were mostly concentrated in three sectors: professional & business services (+0.9%), manufacturing (+0.8%) and leisure & hospitality (+0.6%, offsetting the decline in March). These three sectors were 32% of total employment in April and more than offset sharp losses in other services (-0.8%, following a 0.5% decline in March), financial activities (-0.7% for the second straight month) and information (-0.6%). There were also modest drops in trade, transportation & utilities (-0.2%) and education & healthcare (-0.1%).

The modest monthly advance pushed the year-on-year growth rate up to 0.4%, double the U.S. average but down from 0.8% in April 2025. Moreover, that marks the fifth consecutive month in which growth in the metro division topped national growth. The only two sectors with above-average growth were education & healthcare (+4.6%, the sixty-first straight month of annual gains) and professional & business services (+1.2%), although growth was also positive in government (+0.2%). Large declines in manufacturing (-1.8%, the ninth straight drop), other services (-2.5%), information (-2.9%) and leisure & hospitality (-3.3%) limited overall growth.

The comparatively quicker pace of recent job growth in Newark pushed the unemployment rate down to 4.9%. **The unemployment rate has been falling since September 2025 and is at the lowest level since September 2024.** Nonetheless, that marks the forty-first successive month in which the metro division jobless rate has exceeded the U.S. average. More encouragingly, the unemployment rate is comfortably below the long-run average of 5.9% from 1990-2025. **The primary reason for the falling jobless rate is five straight monthly declines in the number of unemployed with the decrease accelerating to -4.5% in April, the sharpest decline since August 2022.**

In spite of a much higher unemployment rate relative to the national average, wage growth has been strong. **Average hourly earnings increased 4.6% year-on-year in April and have been above 4.0% for the first four months of the year.** Furthermore, annual growth in the metro division has exceeded the U.S. average by at least a percentage point for each month in 2026. The recent strong wage growth should provide a near-term boost to consumer spending.

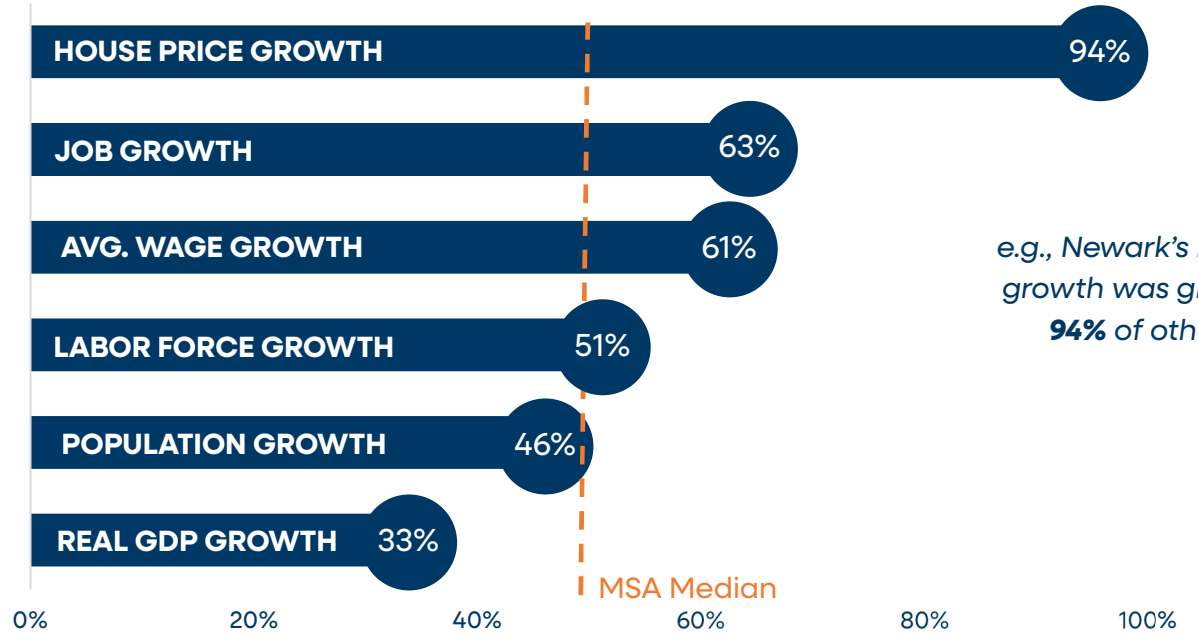
The Newark residential housing market was showing nascent signs of rebounding last fall but weakened recently. Existing home sales fell month-on-month for the past four months with the decline accelerating to -12.5% in March, the sharpest decrease since July 2010 (-12.9%). That pushed the year earlier growth rate down to -10.7% following 10 consecutive increases. Home sales are down 47.2% from February 2020 – well below the 28.3% decline in U.S. home sales – amid affordability challenges.

Despite weak home demand in the metro division, home prices continue to rise. According to the Cotality Case-Shiller Home Price Index, home prices rose 4.7% year-on-year in March compared to the U.S. growth rate of just 0.7%. Moreover, **annual home price growth in Newark has outpaced U.S. growth for 43 consecutive months**. The primary reason for continued solid home price gains is limited inventory. The number of homes for sale in the metro division in April is down 23.5% from the pre-pandemic level in February 2020.

Newark's economy is expected to slow in the near term as labor shortages limit hiring in healthcare and trade policy uncertainty pressures growth in the logistics industry, which has been a recent driver of job growth. In the long-run, the high cost of living will lead to out-migration, which will weigh on labor force growth, keeping the Newark metro division an underperformer compared to the nation.

Key Charts and Figures

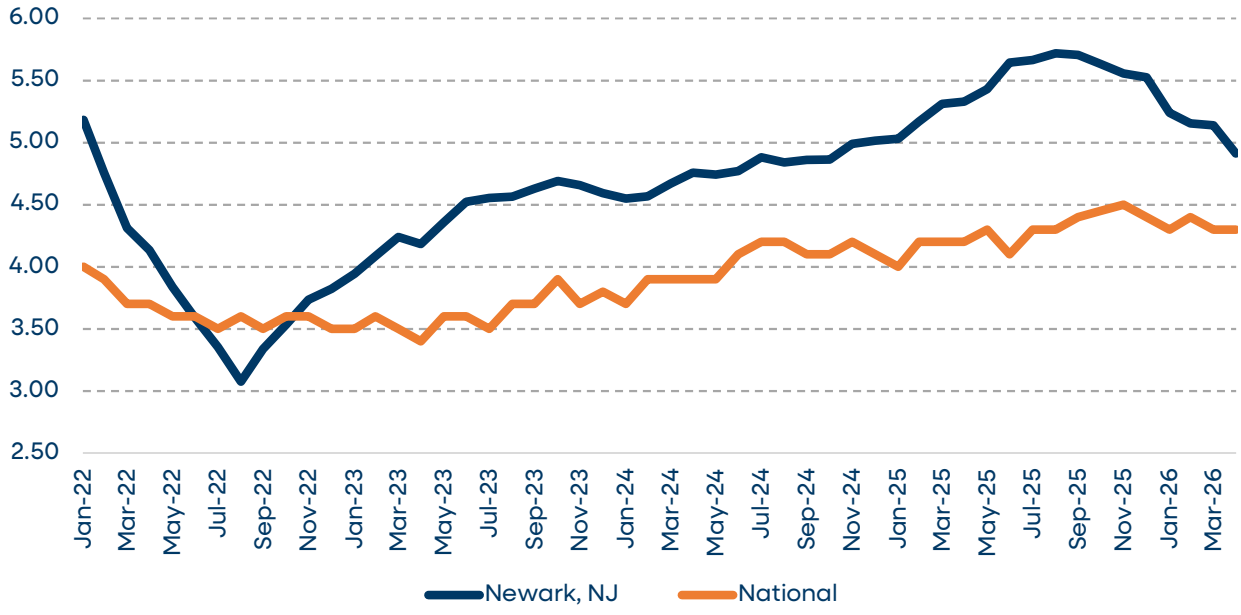
Figure 1: Key Metric Percentiles – Newark, NJ vs. the Rest of the Country



e.g., Newark's house price growth was greater than ***94%*** *of other MSAs*

Sources: Bureau of Economic Analysis; Moody's; Bureau of Labor Statistics; CoreLogic, Inc.; U.S. Census Bureau

Figure 2: Unemployment Rate: Newark, NJ vs. National Average*



Sources: Bureau of Labor Statistics

*The October 2025 unemployment rates are an approximation. The official figures were not published due to the federal government shutdown during that month.

Disclosures

The material presented and the views expressed herein are of a general nature and does not constitute the provision of investment or economic advice to any person, or a recommendation of any particular securities, financial instruments, strategies or banking services. Opinions and forecasts expressed herein are subject to change without notice. Relevant information was obtained from sources deemed reliable. Such information is not guaranteed as to its accuracy. You should seek the advice of an investment professional to tailor a financial plan to your needs.

Forward-looking statements are necessarily subject to numerous assumptions, risks and uncertainties, which change over time. Future events or circumstances may change our outlook and may also affect the nature of the assumptions, risks and uncertainties to which our forward-looking statements are subject. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake any obligation to update forward-looking statements. Actual results or future events could differ, possibly materially, from those anticipated in forward-looking statements, as well as from historical performance. As a result, we caution against placing undue reliance on any forward-looking statements.

"PNC" is a registered mark of The PNC Financial Services Group, Inc.

© 2026 The PNC Financial Services Group, Inc. All rights reserved.