



**STEVE SWEENEY CENTER
FOR PUBLIC POLICY**

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**New Jersey Economic Outlook: Continued strong personal income growth
would help cushion ‘any relatively modest and short’ recession**

GLASSBORO – Coming off a year in which the state set new highs in jobs, output and income, New Jersey’s continued strong personal income growth in 2023 would serve to cushion any relatively short and modest recession, according to the **New Jersey Economic Outlook** by Charles Steindel, a former chief economist for the New Jersey Treasury Department

Dr. Steindel’s analysis, prepared for the Sweeney Center’s Multi-Year Budget Workgroup, cited the Federal Reserve’s interest rate increases, a drop in retail sales and industrial production in the latter part of 2022, an ongoing slippage in homebuilding and in housing sales, and layoffs by major companies as factors that are slowing economic growth in 2023.

“This independent five-year economic forecast by Dr. Steindel, who prepared economic projections for both Treasury and the Federal Reserve Bank of New York, is an important addition to the public debate heading into the Governor’s Budget Address,” said Steve Sweeney, who chairs the Sweeney Center Advisory Board. “His projection that any recession would most likely be mild and short will be welcome news for the Legislature as it heads into its budget deliberations.”

The projections by Dr. Steindel, who also served as a senior vice president at the Federal Reserve Bank of New York, are in line with those put forward by the Multi-Year Budget Workgroup last June in its report, *Comparing Multi-Year Revenue Forecasts With Current Services Budget Projections*, which put the odds on a mild recession or slowdown at 80%.

The Multi-Year Budget Workgroup will update its five-year forecast of state revenue collections and whether those revenues would be sufficient to cover the cost of maintaining state services at current levels later this year after the state’s April income tax receipts are tallied.
