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Media Contact:

Nicole Kirgan

nicole@taftcommunications.com

New Jersey's Clean Energy Transition Could Generate \$34.1 Billion in Statewide Economic Activity, Nearly 300,000 Job-Years by 2050

TRENTON — New Jersey stands to gain an average of \$1.3 billion in economic activity and 11,000 well-paying jobs annually if the state accelerates efforts to transition to 100% clean energy, fully electrifies its transportation and building infrastructure, and ensures meaningful job standards are in place by 2050, according to a study released today by the Applied Economic Clinic (AEC).

This projection is not guaranteed. The first of AEC's two companion reports, *Economic Impacts of a Clean Energy Transition in New Jersey*, examines the difference between a "business as usual" scenario in which existing state policies remain status quo versus a complete clean energy transition that New Jersey advocates aspire to achieve by 2050. The transition could generate nearly 300,000 total job-years (one job-year is equivalent to one person working full-time for one year).

"Switching from dirty fossil fuels to renewables, batteries, and electrification will create new, good-paying jobs in New Jersey, including entry-level jobs for new workers in the field," **said study co-author Dr. Elizabeth Stanton, AEC Director and Senior Economist.** "Making these jobs available to the state's diverse workforce will require public policy to reduce employment barriers, including bias against women and people of color, lack of childcare or transportation, and hiring practices that benefit friends and relatives of people already working in the field."

The second report, *Barriers and Opportunities for Green Jobs in New Jersey*, assesses diversity and inclusion in New Jersey's current clean energy workforce and addresses pathways to remove existing barriers to those jobs, especially in underrepresented populations and in communities most affected by pollution and climate change.

"New Jersey's clean energy sector employs far more white men than any other race, with Black, Indigenous and People of Color (BIPOC) often passed over for employment. We must prioritize equitable outcomes from start-to-finish by intentionally considering how women, veterans, and BIPOC are offered seats at

the decision-making table,” **said Marcus Sibley, New Jersey Environmental and Climate Justice Chairman with the National Association for the Advancement of Colored People (NAACP).** “The state must continue promoting inclusive hiring and procurement practices if it expects to improve disparities among vulnerable communities disproportionately impacted by inadequate job training, unemployment, pollution, and related adverse health effects.”

If New Jersey embraces more ambitious clean energy policies and strong labor standards, the study found the state’s clean energy transition will generate about 11,000 jobs annually in the offshore wind, energy efficiency and storage, electrification and solar industries between 2025 and 2050. Over this period, cumulative clean energy job gains are anticipated to be 6.6 times higher than job losses expected from a reduction in gas-fired power plants and oil heating. Ambitious clean energy policies are significant economic drivers compared to the “business as usual” scenario.

“With strong labor standards, union support, and adequate training, high-quality clean energy jobs will offer competitive wages and benefits and fewer occupational safety hazards,” **said Debra Coyle, Executive Director of the New Jersey Work Environment Council.** “We recognize that it will be essential to provide adequate resources for workers caught in the transition to retrain and utilize their valuable skills in this new space.”

Enacted in 2007, New Jersey’s Global Warming Response Act aims to achieve an 80% reduction in statewide greenhouse gas emissions by 2050. In 2018, Gov. Phil Murphy signed an Executive Order increasing this commitment to 100% clean energy in New Jersey by 2050, and signed another in 2019 increasing the state’s offshore wind commitment from 3.5 gigawatts (GW) by 2030 to 7.5 GW by 2035.

“New Jersey’s clean energy transition will lead to meaningful employment opportunities as well as critical environmental and public health improvements. This is especially crucial for environmental justice communities, which have been disproportionately harmed by previous energy policies and often excluded from economic benefits,” **said Drew Tompkins, Coordinator of the Jersey Renews Coalition.** “Communities throughout the state will also benefit from enhanced grid resilience, lower electric bills, optimized land use and expanded transportation options – all of which help address historic inequities that these communities face while moving us forward in the fight against climate change.”

Shifting to clean energy in New Jersey is necessary to curb greenhouse gas emissions and reduce harmful pollutants emitted from dirty power plants, while

helping to prevent frequent and extreme weather events, sea-levels rising, and damage to health, ecosystems, and infrastructure, the report found. Powering homes, churches, schools, and businesses with clean, renewable energy will lead to a stronger, fairer, healthier, and more resilient state as New Jersey rebounds from the COVID-19 pandemic.

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