

NEW JERSEY POPULATION AND POLICY

As people move out, here's how to keep them in

Peter Kasabach

Guest Columnist

Residents are fleeing Sunbelt states. In 2015, 237,206 residents moved out of North Carolina and 445,320 residents moved out of Florida.

If these were actual headlines in the media, one would be led to think these states were in dire straits and must take immediate steps to make themselves more attractive to residents and employers. While the statistics are correct, they tell only part of the story. They don't show how many people were added to these states — only how many left. In fact, both states had a net population increase from 2014 to 2015, of 1.0 percent and 1.8 percent respectively, and are generally viewed favorably for their growth and economic development.

Last month, the American Community Survey released its new population data, and a number of the resulting news articles led with alarmist headlines that New Jersey is losing thousands and thousands

of taxpayers. But looking at that one data source paints an incomplete picture.

Using the Census Bureau's more authoritative annual population estimates program shows that New Jersey's population grew by 19,169 from 2014 to 2015. While this growth rate of 0.2 percent is small, it is still positive.

However, the state's slow rate of population growth is cause for concern. A handful of business organizations and lobbyists continually point to the state's high taxes as the main force behind the outmigration. Fix that, the logic goes, and we won't keep losing all these taxpayers.

We wish it were that simple. The full picture is much more complex.

Six in 10 New Jerseyans did move to places that have lower state-local tax burdens (measured by the Tax Foundation as the total amount residents pay in state and local taxes) than the country's average 9.9 percent.

But 4 in 10 moved to states with higher-than-average tax burdens, includ-

The big number

0.2%

N.J.'s population growth from 2014 to 2015 — one of the lowest rates in the nation

ing New York, California, Massachusetts and Maryland. Outmigration from New Jersey to lower-tax states tended to be to warmer climates (Florida, North Carolina, Texas and Georgia). New Hampshire has the seventh-lowest tax burden in the country at 7.9 percent, but didn't even break into the top 20 states where New Jerseyans relocated. (Maybe New Hampshire's average January temperature of 20.6 degrees had something to do with that.)

National census data show that people move for a variety of reasons and that job-related and family-related issues were the cause for nearly half of all moves from 2014 to 2015.

We at New Jersey Future recognize that retaining our residents and attract-

3 suggestions for improvement

- 1) Development, where residents can live, work, and play
- 2) Increase transit funding
- 3) Increase affordable housing

ing a diverse, talented pool of newcomers to New Jersey are essential for the state's economic growth, but we need to look at solutions beyond the state's tax environment. Here are some strategies that we think have promise:

› **Increasing center-based, transit-oriented development, where residents can live, work and play.** There is a growing demand for walkable neighborhoods with a vibrant mix of housing, employment and amenities. Not only can downtown revitalization be an economic engine for the state, but smart-growth development has been shown to generate 10 times more tax revenue than traditional suburban development.

› **Increasing transit**

funding to ensure safe and timely commutes.

New Jersey is fortunate to have one of the most extensive transit systems in the country, but it has recently been plagued by overcrowding, safety and financial concerns. A dedicated transportation fund for operations would help get the trains and buses to their destinations on time. The state must also increase capital investments in transit projects and efforts to modernize the entire network in order to power the state's economy by giving millions access to jobs, goods and services.

› **Supporting a "homes for all" policy.** New Jersey has very limited affordable-housing options. We have the highest rate of 18- to 34-year-olds still living at home with their parents. We need to increase the supply and variety of housing options, including rental units, for early-career households and public servants such as teachers and police. We need to build low-income housing closer to transportation

hubs, in order to ensure access to jobs. And we need more options for older residents to stay in the communities that they love.

New Jersey has many assets that are attractive to businesses and residents. Rather than touting and building on these assets and promoting New Jersey to out-of-state businesses and entrepreneurs, some in the business community have a habit of highlighting data selectively, with the unintended consequence of damaging the state's reputation. For New Jersey to succeed, we need to understand what the true population migration picture is, and all the dynamics behind it, so that we can craft policies that will allow the state to take advantage of its assets and continue to grow, and to increase the rate of growth, in a long-term, sustainable manner.

Peter Kasabach is the executive director of New Jersey Future, a nonpartisan not-for-profit organization that advocates for financially sustainable growth and development policies in New Jersey.