

THE STAR-LEDGER

Despite Misleading Headlines, New Jersey is Still Growing. Here's How We Can Grow More.

By Peter Kasabach

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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, one might think these states were in dire straits and must take immediate steps to stem the exodus. While the statistics are correct, they tell only part of the story: They don't show how many people were added to these states. In fact, both had a net population increase from 2014 to 2015 of 1.0 percent and 1.8 percent respectively.

In November the American Community Survey (ACS) released its new population data, and several resulting news articles led with alarmist headlines that New Jersey is losing 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.

Nonetheless, if we want to boost the state's growth, it's important to focus on all the reasons for the outmigration, and what we can do to reduce it.

A handful of business organizations and lobbyists like to point to the state's high taxes as the main force behind the outmigration. Fix that, they say, 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 four in 10 moved to states with higher-than-average tax burdens. Outmigration from New Jersey to lower-tax states tended to be to warmer climates: 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.)

Why do they move? National census data show that job-related and family-related issues, not taxes, were the cause for nearly half of all moves from 2014 to 2015.

Retaining our residents and attracting a diverse, talented pool of newcomers 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 we think have promise:

- **Increasing center-based, transit-oriented development.** 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 has 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 network in order to improve access to the jobs, goods and services that power the state's economy.
- **Supporting a "homes for all" policy.** New Jersey has very limited affordable-housing options. We have the highest rate of 18-34 year olds still living with their parents. We need to increase the supply and variety of housing options for early-career households and public servants like 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 that allow older residents to stay in the communities they love.

New Jersey has many assets that are attractive to businesses and residents. But highlighting data selectively only serves to damage 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 we can craft policies that will allow the state to take advantage of its assets and continue to grow in a long-term, sustainable manner.

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