

Bloustein Center Demographic Study

1. In order to understand the future direction and economic development options for Sussex County, it is essential to understand the broader demographic, economic, and technological changes that are shaping the larger region.
 - a. In the second half of the twentieth century, the north-central New Jersey-New York City metropolitan region experienced an extended period of unbridled automobile-driven suburbanization. A regional economy that was once highly centralized and concentrated became decentralized and dispersed.
 - b. The 1970 to 1980 period saw “baby-boomer” driven new household configurations, which redefined shelter in the region, leading to more diversified and higher-density housing types in the suburbs. In addition to baby-boom housing demand, more comprehensive retailing and services emerged as the overall suburban population achieved critical mass. A hallmark of this era was the proliferation of the enclosed super regional mall.
 - c. The 1980 to 2000 period heralded another new development era, one of further decentralization and suburbanization, and a complete structural economic transformation. New Jersey changed from an aging manufacturing state – a state hemorrhaging blue-collar, industrial-age jobs and physical plant – to a post-industrial, information-age, white collar service economy, comprising legions of high-wage, middle-skilled, knowledge-based baby-boom workers. Households in the child-rearing stage of the life cycle dominated, and baby boomers demanded family-raising shelter in ever-larger single-family units, ultimately culminating in “McMansions.”
2. As the 2000s have evolved, there has been an unexpected economic role reversal. New York City has re-emerged as the dominant driving economic force in the region. By 2013, it had not only regained employment parity with New Jersey, but surpassed it. **New regional dynamics are now emerging, with new geographic consequences.**
 - a. Growth in employment slowed and its structural composition changed dramatically; new demographics have begun to reshape the workforce, workplace geography, and housing markets; profound advances in information technology and the forces of globalization have fundamentally altered knowledge-based work and business models, and suburban office corridors have aged, sometimes badly, and may be approaching obsolescence. These changes, at a minimum, suggest **a much less suburban-centric future** in the region.
 - b. The baby-boom echo, born between 1977 and 1995, otherwise known as **millennials**, represent the second great population bulge of the 20th century, falling just short of the size of the original baby boom. **They are now heavily renters, and are a tech-savvy, 24-hour lifestyle generation, wanting to live in higher density activity environments.** And they don't find one dimensional office campuses particularly attractive. Basically, they did not experience the urban decay nor the bad days of public

transit of the 1970s-80s. Thus, their basic life perspectives are quite different from those of their baby boom parents.

3. In the first decade (2000-2010) of the new century, the population growth rate in Sussex County (+3.4 percent) dropped in absolute and relative terms, falling below that of New Jersey (+4.5 percent) and the 13-county North Jersey region (+3.6 percent).
 - a. This pattern of deceleration continued between 2010 and 2012. The only counties in the 13-county region to experience population declines during this 2-year period were Sussex (-1.2 percent), Hunterdon (-1.0 percent), and Warren (-1.0 percent).
 - b. In 2012, 21.2 percent of New Jersey's population was foreign born; the region was even higher (25.7 percent), more than one out of four. Sussex County, with just 7.3 percent of the population foreign born, had the lowest share in the 13-county region. So, the lack of international migration in the context of the emergence of net domestic migration losses has been a contributing factor to Sussex County's population decline post 2010.
4. These metrics, particularly the post-2010 numerical indicators, paint a picture of a state, region, and county undergoing a major transformation. **The unbridled suburbanization and peripheral expansion of the twentieth century has been replaced by an economic, demographic and development shift to more inlying areas.**
 - a. Suburbanization, particularly at the metropolitan perimeter, has slowed considerably. This deceleration may well have actually been "accelerated" by the Great Recession, where many economic activities responded rapidly to what they envisioned to be new fundamentals.
 - b. Multifamily housing in transit-accessible locations – or in areas easily accessible to job concentrations – emerged as the "hot" shelter market sector from just before the Great Recession (2007-2009) and then its aftermath. As long as such market conditions prevail, Sussex County will be at a significant disadvantage.
 - c. While Sussex County experienced a small decline in its total population from 2005 to 2012 (-2.6 %), the decrease in the county's school enrollment over that period was much more pronounced. **School enrollment in Sussex County dropped** from 28,231 pupils in the 2004-2005 school year to 22,298 pupils in the 2012-2013 school year, **a decline of almost 6,000 students, or 21%**. This was more than double the decline for any other county in the 13-county North Jersey region, which had an overall enrollment decline of -22,576 pupils (-2.3%).
 - d. This suggests a relative lack of new young households in the family-raising stage of the life cycle moving to Sussex, and/or resident households transitioning into the post-child rearing stage of the life cycle staying in place and/or not being replaced by younger households.
5. Projections for 2010-2030

- a. Population in Sussex County is expected to grow at a slightly lower rate than that of the region (8.8%, versus 9% in the 13-county region).
- b. In contrast to population growth, labor force growth in Sussex County is projected to lag that of the region and state. The county's projected labor force growth rate of 5.1% from 2010 to 2030 is the second lowest rate in the 13-county region.
- c. This projection of relatively slow population and labor force growth in Sussex County over the two-decade period beginning in 2010 is consistent with the sluggish growth patterns in the county's population and employment over the first 12 years of the 21st century.

eConsult Solutions Study

1. Sussex County faces challenges from surrounding counties and states as populations and high income jobs are migrating to other areas within the State and beyond.
2. Because residents and visitors are attracted to the natural environment and scenery of Sussex County, especially as a getaway from the New York metropolitan area, rural areas of the County find themselves in a difficult position. **The alternative to unplanned and uneconomic growth is growth oriented toward centers.**
3. There is a segment of Sussex County's population, particularly empty nesters and retirees, who may opt for **smaller homes in a compact community center**. This can be an attractive option because there's little maintenance, and there are often more acceptable housing options with amenities and basic requirements, like grocery stores and pharmacies, within a safe walking distance. Another group of people to be considered are those who find it difficult to sell their homes, or who may be struggling to pay their mortgage loans due to financial constraints and other setbacks. Sussex County has had some of the highest foreclosure rates in the region in the last few years.
4. **Millennials have strong growth potential and as a group, they prefer towns and cities that follow patterns of Smart Growth and compact development more so than have previous generations.** They want to be near a range of activities and amenities, such as a variety of shops, restaurants and bars, parks and public plazas, and inviting streetscaping and to be able to get to these locations via different modes, like biking, walking and public transportation. They also prefer smaller living quarters in multi-family housing. They, along with an increasing number of the "Baby Boomer" generation are not able or are not willing to purchase a home. They are renters.
5. There is some demand for smaller scale commercial development (see Thor Labs). Newton, for example, implemented form-based zoning in 2010, which places importance on layout rather than site uses. The ordinance calls for smaller commercial lots and setback maximums, which would allow businesses to be closer together and would make it easier for pedestrians to move between businesses.

6. Newton is the County Seat of Sussex. U.S. Route 206 passes through Newton and is the town's main street as well as "Sussex County's Downtown" along with the Spring Street/Sparta Avenue commercial neighborhoods. The daytime population is approximately 20,000. **Newton is a Designated Regional Center and a Smart Growth Area.**