



**POPULATION, HOUSEHOLD  
AND EMPLOYMENT  
TRENDS & PROJECTIONS:  
WHERE ARE WE HEADED?**

**SOMERSET COUNTY PLANNING BOARD**

**JUNE 5, 2008**

# **OVERVIEW OF COUNTY PROJECTION UPDATE PROCESS**

Robert Bzik, PP, AICP, Director of Planning  
Somerset County Planning Board

# PROJECTIONS AS A PLANNING TOOL

- **Aid in identifying public policy, community service and program needs**
  - Education
  - Economic Development
  - Human Services
  - Housing
- **Valuable for assessing the capacity of natural and manmade infrastructure and infrastructure investment decisions**
  - Water
  - Sewer
  - Transportation
  - Energy
- **Help shape land use plans and policies**
  - Redevelopment
  - Open space preservation

# WHY FREQUENT UPDATES ARE NEEDED

- **New land use plans, policies & regulations**
  - Adoption of Highlands Regional Master Plan
  - Updated Municipal Master Plans and Zoning Ordinances
  - Expanded environmental regulations and **development** constraints
- **Changing regional and local economic and market conditions**
  - Downturn in the housing and financial industries
  - Increasing tax burdens
  - Slower income gains
- **National and global forces**
  - Rising energy costs and food prices
  - Decreased consumer spending,
  - Weak dollar, trade deficit

# OVERVIEW OF 2004 COUNTY PROJECTIONS



- Undertaken in 2004 as part of Cross Acceptance and County Smart Growth Strategic Plan Processes
- Developed with assistance from Rutgers and Municipalities
- Coordinated with NJTPA
- Viewed as interim until Plan Endorsement is completed at the municipal and county level

# 2008 COUNTY PROJECTION UPDATE

The development of updated projections are needed at this time for:

- Submission to SPC for potential inclusion in the updated SDRP
- Completion of the updated Countywide Wastewater Management Plan
- Inclusion in County Smart Growth Strategic Plan
- Facilitation of County and Municipal Plan Endorsement and Highlands Plan Conformance
- Evaluation of Third Round COAH Projections

# OVERVIEW OF 2008 COUNTY PROJECTION UPDATE PROCESS

- County to provide information and outreach to municipalities
- Municipalities requested to review, refine and submit updated projections through 2030 in 5 year intervals (or inform County if no changes to the Cross Acceptance Projections are needed)
- Municipalities requested to submit documentation substantiating changes

# MUNICIPAL DOCUMENTATION REQUESTED



- List of proposed and approved development and redevelopment projects
  - Include projects intended to address COAH requirements
- Copies of plans and studies associated with targeted growth areas and anticipated construction timeline
- Local business relocations, new establishments and anticipated occupancy of existing vacant inventory

# 2008 PROJECTION UPDATE CONSIDERATIONS



- Local demographic and economic trends
- Redevelopment, adaptive re-use and brownfield initiatives
- Growth areas identified in Master Plans (TODs, TDR Receiving Areas, etc.)
- Vacant developable land
- Environmental and infrastructure constraints
- Affordable housing obligations
- Approved development projects
- Local and regional housing market and economic conditions



# **State of the County's Economy**

John Maddocks, Executive Vice President,  
Economic Development

Somerset County Business Partnership



# **RESIDENTIAL CONSTRUCTION TRENDS AND ISSUES**

Joanne Harkins, Vice President  
Regulatory Affairs  
NJ Builders Association



# **EVALUATION OF TRENDS AND PROJECTIONS**

Laurette Kratina, PP, AICP,  
Supervising Planner

Somerset County Planning Board

# RECENTLY UTILIZED PROJECTIONS

- **NJ DEPT. OF LABOR** – updated every two years
- **MPO – NORTH JERSEY TRANSPORTATION PLANNING AUTHORITY** – Feb. 2005
- **CENTER FOR URBAN POLICY RESEARCH (CUPR), RUTGERS** – Prepared for the County in 2004
- **COUNTY CROSS ACCEPTANCE PROJECTIONS** – March 2005, for inclusion in the updated State Plan
  - SGSP Build-out 2004

# NJ DEPT. OF LABOR AND WORKFORCE DEVELOPMENT (NJLWD) POPULATION, LABOR FORCE AND EMPLOYMENT, 2006 – NEW JERSEY AND COUNTIES

Developed using Economic-Demographic Model for consistency with NJLWD's Employment Projections:

- Cohort-Component Method
  - Base Population July 1, 2004 estimate by age, race and Hispanic Origin
  - Age-specific fertility and mortality rates applied by race and Hispanic origin
  - Migration of persons under and over 65 years of age
    - Based on projected civilian labor market – Labor supply versus labor demand
      - Labor force participation rates by age, race, sex and Hispanic Origin
      - Historical growth rates by industry
      - Net labor force migration (balance between demand and supply)

# **NJLWD PROJECTION UPDATE CURRENTLY UNDERWAY**

- STATEWIDE PROJECTIONS TO BE RELEASED EARLY JUNE
- COUNTY LEVEL PROJECTIONS TO BE RELEASED THIS AUTUMN

# NJTPA – POPULATION, HOUSEHOLD AND EMPLOYMENT FORECASTS – 2005, SOMERSET COUNTY AND MUNICIPALITIES

Comprised of Socio-economic forecasts developed at the TAZ level to support travel demand model through 2030

- Cohort Component Module
  - 1990 and 2000 Census data applied through Cohort Survival
    - Natural increase
    - Net migration and senior migration
- Demand for labor and its potential to produce change in net migration after adjustments for regional commuting patterns
- Household formation rates by age group
- Development potential and capacity of MCDs and TAZs to accommodate regional forecasts
  - Consideration of “trend breakers” identified through outreach process
  - Regional accessibility, corridor/nodes, vacant land, SDRP

# NJTPA PROJECTIONS UNDERWAY

Update of demographic projections at the County and TAZ levels underway for the 2035 Regional Transportation Plan Update

- Straight-line extrapolation of the currently adopted County-level projections
- Adjustments will be made to reflect:
  - SDRP and Highlands RMP
  - Overall level and pattern of development
  - Major planned/proposed projects
  - Concentrations of special population groups (Seniors, disabled and low-income)
  - Planned/proposed land preservation initiatives
- Scenarios will focus on how and where growth will occur
- Anticipated Completion – Autumn 2008

# CUPR – RUTGERS: POPULATION, HOUSEHOLDS AND EMPLOYMENT GROWTH TARGETS 2010 & 2020 – SOMERSET COUNTY AND MUNICIPALITIES

Utilized three projection scenarios, and recommended use of the average of all three in the County Smart Growth Strategic Plan:

- Scenario 1- multiple regression controlled at the county level using the average of NJDOL, May 2004 and NJTPA, 2002 projections
- Scenario 2 –multiple regression of population for 1990, 2000, 2001 and 2002 linked to estimate of available land
- Scenario 3 – Trend analysis projecting average growth from 1980 – 2000 linked to available land

# BUILDOUT VERSUS PROJECTIONS

- No timeline
- Useful for scenario testing
- Can serve as projection “caps” or “controls”
- Important tool for addressing capacity and sustainability
- Can be used in conjunction with projections to support planning and investment decisions

Build-out analyses are underway for:

- Highlands Regional Master Plan
- Plan Endorsement & Plan Conformance
- County Wastewater Management Plan
- County Smart Growth Strategic Plan
- COAH Third Round Rules

# SOMERSET COUNTY CROSS ACCEPTANCE PROJECTIONS, 2005 – SOMERSET COUNTY AND MUNICIPALITIES

The interim Cross Acceptance Projections were developed through an open public process:

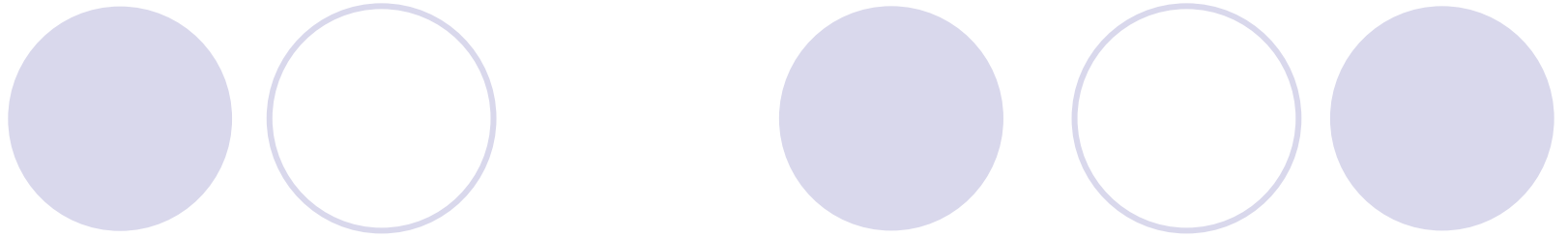
- Assessment of growth targets prepared by CUPR at Rutgers for the County SGSP
- Evaluation of Build-out Scenarios prepared by NCNBR for the County SGSP
- Review of MPO and NJDOL projections provided in the 2004 Preliminary SDRP
- Municipal feedback received on all of the above during Cross Acceptance

# USE OF CROSS ACCEPTANCE PROJECTIONS TO DATE

- Included in Final County Cross Acceptance Report adopted 3-05
- Accepted by NJTPA as its 2005 Population and Household Projections for Somerset County (and redistributed its November 2004 Employment Projections in accordance with the municipal distribution represented by Cross Acceptance Employment Projections)
- Used to initiate update of projections during County WMP Process
- Integrated into draft SGSP (update anticipated)
- Evaluated during Plan Endorsement Process

# UPDATE OF COUNTY PROJECTIONS HAS COMMENCED: MORE REFINEMENTS ANTICIPATED IN THE FUTURE

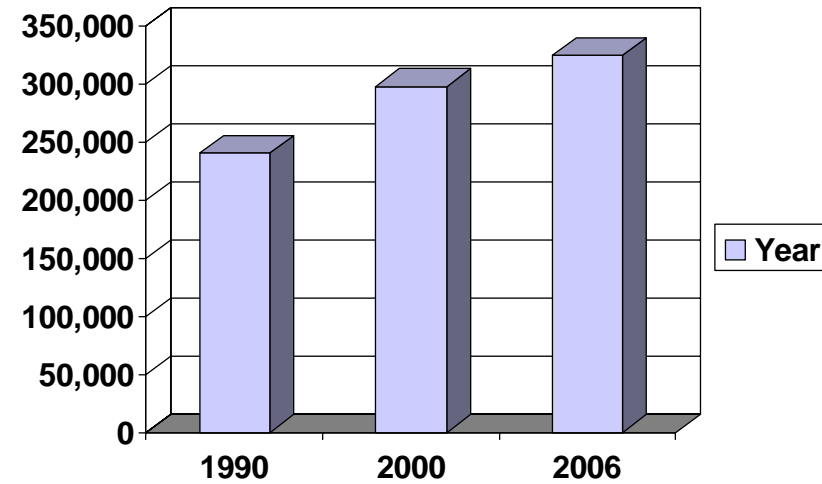
- To reflect additional analyses performed by the Highlands Council
- Based on results of Plan Endorsement and Plan Conformance Processes
- To coordinate with NJLWD and NJTPA projections
- As part of Municipal Third Round COAH Planning Process
- In accordance with routine periodic updates



**SUMMARY OF POPULATION,  
HOUSEHOLD AND EMPLOYMENT  
TRENDS  
AND  
EVALUATION OF CURRENTLY  
AVAILABLE PROJECTIONS**

# POPULATION TRENDS

Timeframe	Average Annual Increase
1990-2000	2.38%
2000-2006	1.49%



# DEMOGRAPHIC TRENDS INFLUENCING POPULATION GROWTH

## ● Age Group Trends

- Senior population increasing as senior housing options expand within the County
- Baby Boom Generation dominates the County's age structure
- Recent increase in school-age children - Baby Boom Echo

## ● Migration Trends

- In-migration of non-white and Hispanic persons driving population growth and barely offsetting out-migration of New Jerseyans moving to other states (NY, PA, FL) since 2000.

# ASSESSMENT OF POPULATION PROJECTIONS

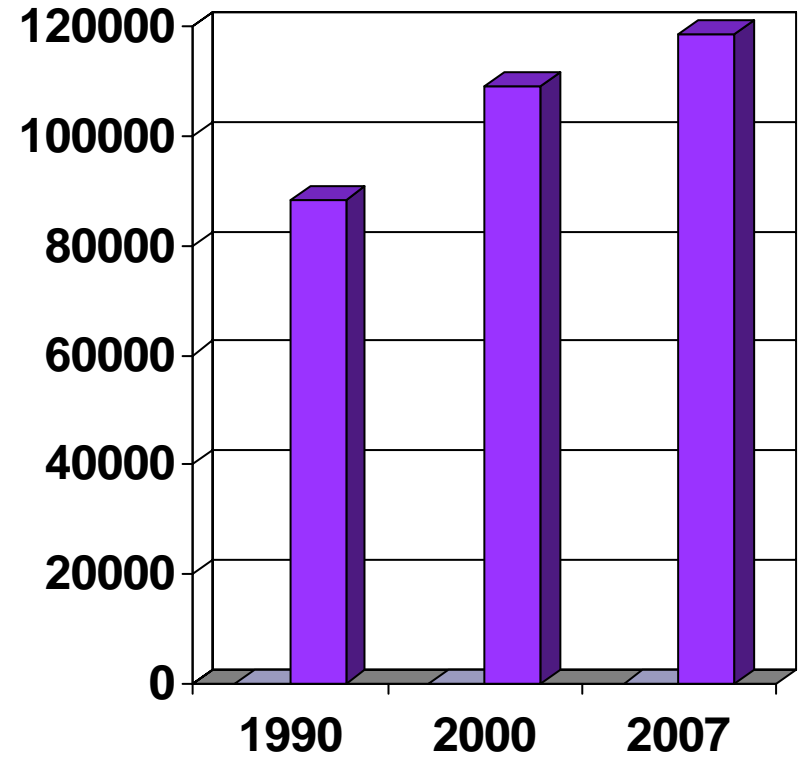
Source	Population Change 2006 - 2020	
Cross Acceptance	25,050	7.73%
NJLWD	35,514	10.95%

Revised population projections are needed that reflect growth inhibiting factors such as:

- recent changes in migration patterns
- significant downturn in the housing and financial industries
- lengthy permit approval and redevelopment process

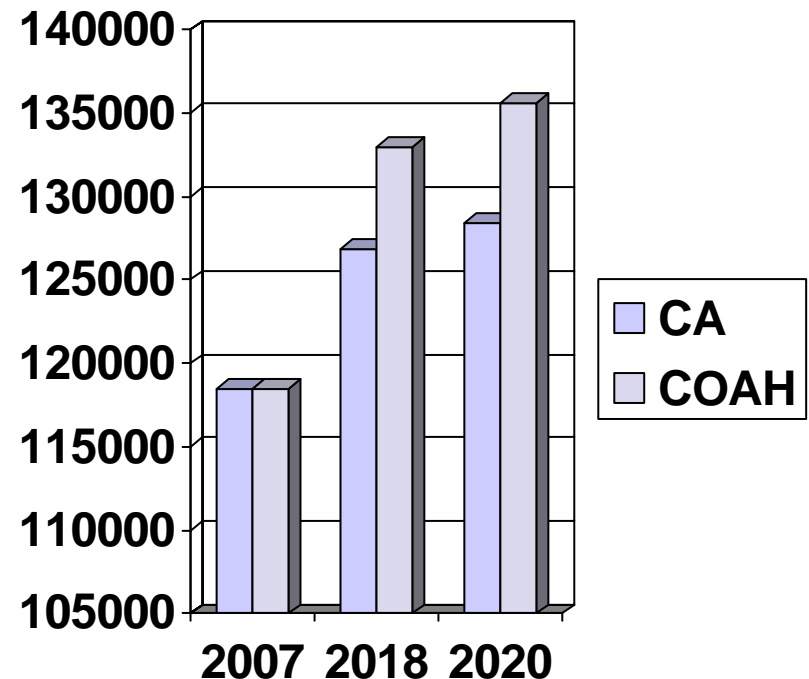
# HOUSEHOLD TRENDS

Timeframe	Average Annual Increase
1990 - 2000	2.34%
2000 - 2007	1.25%



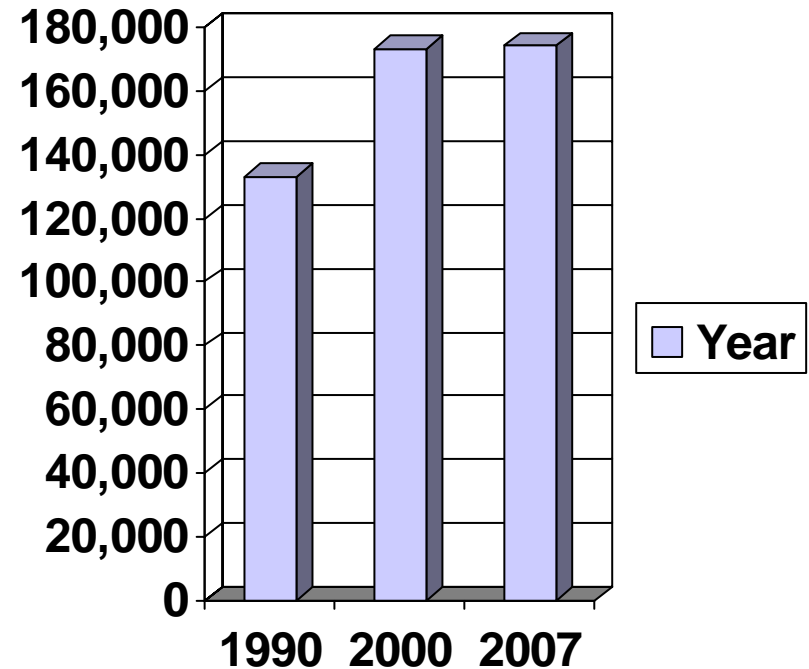
# ASSESSMENT OF HOUSING PROJECTIONS

The difference between the Cross Acceptance Household Projections and COAH 2018 Housing Unit Projections suggest the need for closer examination of these figures particularly at the local level.



# EMPLOYMENT TRENDS

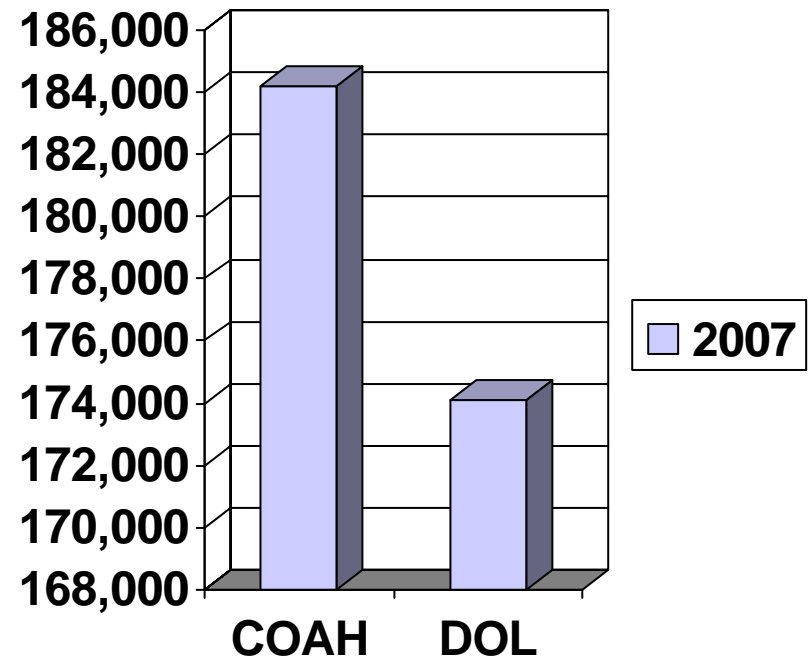
- Employment increased by 30.4 percent or 40,448 jobs during the 1990s
- Only a minor increase of 770 jobs took place since 2000



# ASSESSMENT OF EMPLOYMENT PROJECTIONS

- Both Cross Acceptance and COAH Projections are overly optimistic based on current conditions
- The Dept. of Labor's projections also represent a significant over-estimation of job growth

2007 Actual employment in comparison with extrapolation of COAH Projection



# COUNTY-LEVEL FINDINGS AND RECOMMENDATIONS

- Somerset County is faring better than other areas of the State and nation with regard to housing and employment growth, despite current recessionary conditions (Proximity to employment centers, regional accessibility and quality of life are key factors in its success).
- Differences among various sources of County-level population and household projections are relatively minor, although COAH 2018 projections show a higher level of growth than Cross Acceptance figures. Projected growth rates appear generally consistent with recent trends.
- Discrepancies among various sources of County-level employment projections are very significant. All appear overly optimistic based on recent trends and current national and state economic conditions.
- Population, household and employment projections should be updated to take into account current economic and housing conditions.

# MUNICIPAL-LEVEL FINDINGS AND RECOMMENDATIONS

- A few municipalities experienced greater than anticipated population growth since 2000 (Bedminster, Franklin, Montgomery)
- Others experienced greater than anticipated household growth (Bernardsville, Franklin, Montgomery, Raritan and South Bound Brook)
- Employment growth was lower than anticipated in some municipalities and higher than anticipated in others
- Discrepancies in projections by various sources are much more significant at the local level.
- Projected growth rates do not match current and recent growth trends, suggesting the need for comprehensive projection updates.
- Municipal evaluation, update and refinement of projections based on local land use policies, land and infrastructure availability, redevelopment and other opportunities is recommended.



# **OVERVIEW OF FINDINGS & NEXT STEPS**

Robert Bzik, PP, AICP, Director of Planning

# LESSONS LEARNED



- Comparison of projections with current year and recent trend data is helpful for evaluating the need for projection updates.
- Caution must be applied when using projections developed under previous, significantly changing sets of global, national and state socio-economic forces. Major changes should trigger projection updates.
- Projections may seem reasonable at the county level, but be very inappropriate at the municipal level. Unique municipal “trend-busting” conditions must be taken into account.
- Counties, municipalities and state agencies must work together to prepare reasonable, credible and valuable projections that can aid in planning, policy and capital investment decisions at all levels of government.

# NEXT STEPS



- Work with COAH to define an appropriate process so that projections reflect more realistic levels of, and timelines for growth – particularly within municipalities that have vacant land resources and/or significant redevelopment potential
- Actively engage in the NJTPA process for updating County and TAZ level projections
- Evaluate and provide timely feedback to NJLWD regarding updated state and county projections
- Work with municipalities to assure municipal projections utilized at all government levels are realistic, valuable planning tools.
- Successfully complete the preparation of updated interim county and municipal projections to meet immediate planning needs in coordination with municipalities and State agencies.
- Support strengthening the State Plan's role in providing a framework for guiding and coordinating projected growth throughout the State.

FOR MORE INFORMATION, PLEASE CONTACT:

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