WHERE ARE WE GOING?

Implications of Recent Demographic
Trends in New Jersey

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NEW JERSEY FUTURE

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INTRODUCTION

Changing demographic and economic realities, both in New Jersey and nationally, are reshuffling the deck in determining the kinds of places in which people choose to live, work, and play. In particular, people are increasingly looking for places where they can do more than one of these things in the same place, instead of having to travel to a different part of town – or to another town altogether – for each individual activity. The new demand for mixed-use, walkable downtowns is being driven largely by the preferences of those in the Millennial generation, who are rejecting in large numbers the car-dependent suburbs of their parents' generation.

Or at least this is the part of the story that most major media sources have focused on; the reality is a bit more nuanced.

By examining New Jersey's changing demographics, and the revealed locational preferences of different age groups, this report seeks to draw attention to the question of whether the state has the right types of housing in the right locations to meet the current and future demands of different generations. Results show that concentrations of younger people are indeed drawn to the state's more compact, walkable downtowns and cities, while older residents are more apt to live in car-centric suburbs. New Jersey's Millennial population is declining, even as the number of young adults is spiking nationally, indicating that the state may not be optimally equipped to take advantage of this young generation's lifestyle preferences. (This could point to either a shortage of the types of housing they are looking for, or an absence of the types of places where they want to live and work.) Efforts to address Millennial out-migration should focus on the twin questions of how we create more mixed-use centers and how we accommodate additional residents and jobs in the centers that already exist. These will be persistent questions for local and state leaders, since, if the earlier behavior of Generation X is any indication, Millennials' desire for more modestly-sized housing options in walkable neighborhoods is not likely to disappear completely, even as they grow older and begin to raise families.

Meanwhile, New Jersey is endowed with an over-supply of single-family homes on large lots, particularly in places that are dependent on driving. Our suburban sprawl may have

been attractive to the Baby Boom generation, which was the first generation to grow up there. But questions arise about what happens to these car-dependent places when many of their residents get old enough that they no longer want to maintain a large home nor have the desire or the ability to drive everywhere, and when younger generations appear uninterested in moving in to replace them.

To quantify the degree to which different age groups appear to prefer living in certain kinds of places, this report will use a methodology previously developed by New Jersey Future for assessing municipalities' development characteristics. We will then suggest a number of policy actions that New Jersey's local, state, and business leaders could take to attract and retain more Millennials and promote the types of housing and land-use characteristics that are desirable for all generations, now and in the future.
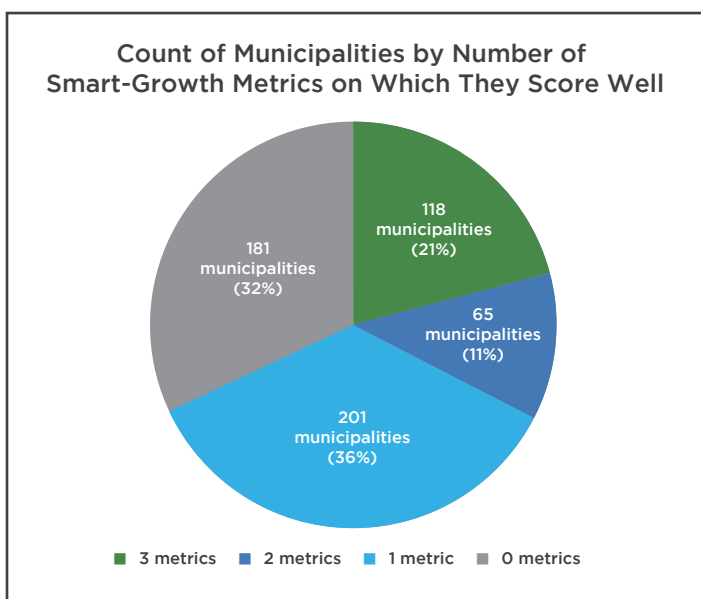
METHODOLOGY

Place Typology

To investigate whether certain age cohorts tend to concentrate in certain kinds of places, we needed a way of identifying and characterizing what those different kinds of places are – a way of assessing key characteristics of a municipality's building and development pattern. To do this, we utilized three of four smart-growth metrics originally developed for New Jersey Future's 2014 report _Creating Places to Age in New Jersey._ In attempting to describe for that report the characteristics that make a place good for older people who no longer want to drive everywhere, it became clear that these are actually the same characteristics that make a place good for people of any age who want to live in a place where they have access to multiple types of destinations and activities without having to spend all day in the car.

The first characteristic, **net activity density**, takes into account population, employment, and developed acres and gives a rough idea of what the developed parts of a municipality look like on the ground, and of the intensity of activity therein. We determined **the presence of a mixed-use center**, the second characteristic, based primarily on previous, similar efforts by New Jersey's three regional land use plans – the State Development and Redevelopment Plan (State Plan), the Pinelands Comprehensive Management Plan, and the Highlands

Regional Master Plan – and also on whether a municipality hosts a Business Improvement District (BID), Special Improvement District (SID), or a Main Street or Downtown organization. The third characteristic, a town's **walkability and street network connectivity**, is measured by local road density – that is, the number of miles of local streets per square mile. The more of these three metrics on which a municipality scores well, the more compact, walkable, and "center"-like it is likely to be. The fourth metric, access to local bus service, was not used for this analysis. Full details about the methodology for characterizing places, including descriptions of the three metrics, the categories defined for each, and what it means to "score well," can be found in the 2014 report.

How the state's 565 municipalities break down in terms of the number of these three smart-growth metrics on which they score well:

Count of Municipalities by Number of Smart-Growth Metrics on Which They Score Well

181 municipalities (32%)
118 municipalities (21%)
65 municipalities (11%)
201 municipalities (36%)

■ 3 metrics ■ 2 metrics ■ 1 metric ■ 0 metrics

Age-Group Concentrations

To quantify the degree to which any age group is disproportionately concentrated in a given municipality, or in a given class of municipalities, we will use the concept of a location quotient (LQ), defined here as the percentage of a given place's population that falls into a given age range compared to the percentage of the entire state's population that falls into that same range. (See sidebar for how LQs are computed.) An LQ value greater than 1.0 indicates that the age group is more common in a particular place than it is statewide (that is, that age group is overrepresented in this place or group of places),

A LOCATION QUOTIENT (LQ) describes the degree to which a particular characteristic or sub-population is over- or under-represented in a particular geographic sub-area, relative to a larger geographic area. (It is often used by regional economists, for example, to describe the degree to which particular cities or metropolitan areas specialize in particular industries.) It compares the frequency with which the characteristic or sub-population appears in the geographic sub-unit with the frequency with which it appears in the larger geographic area.

We can use this concept to quantify the degree to which specific age groups are concentrated in specific places (or in specific classes of places). For any municipality (or group of municipalities, or any geographic sub-unit), its location quotient for a specific age group is:

➡ the percent of the municipality's (or other geographic sub-unit's) residents that fall in that age group, divided by
➡ the percent of all New Jersey residents that fall in that age group

An LQ of greater than 1.0 indicates that the age group is overrepresented in the municipality, while an LQ of less than 1.0 indicates that the age group is underrepresented there.

As an example, consider Hoboken's concentration of young adults aged 22 to 34. Statewide, 16.4 percent of the population is aged 22 to 34, while in Hoboken, the share of the population in that age range is a much larger 45.4 percent. Hoboken's LQ for 22-to-34-year-olds in 2013 is:

$$\frac{\% \text{ of Hoboken residents aged 22-34}}{\% \text{ of New Jersey residents aged 22-34}} = \frac{45.4\%}{16.4\%} = 2.774$$

This is the largest 22-to-34 LQ for any municipality in New Jersey. Another way of saying this is that people aged 22 to 34 are 177.4 percent more common in Hoboken than they are statewide.

and an LQ of less than 1.0 means that the age group is underrepresented there.

We used standard Census Bureau-defined age ranges from the American Community Survey (ACS) to measure population by age at the municipal level. We collapsed the age range categories to create age groups that roughly correspond to how demographers and cultural critics generally define the major "generations." We looked at population data by age from the 2000 census and from the 2013 five-year ACS to see how generational preferences for different types of places may have changed. The generations are approximated by age groups as follows:
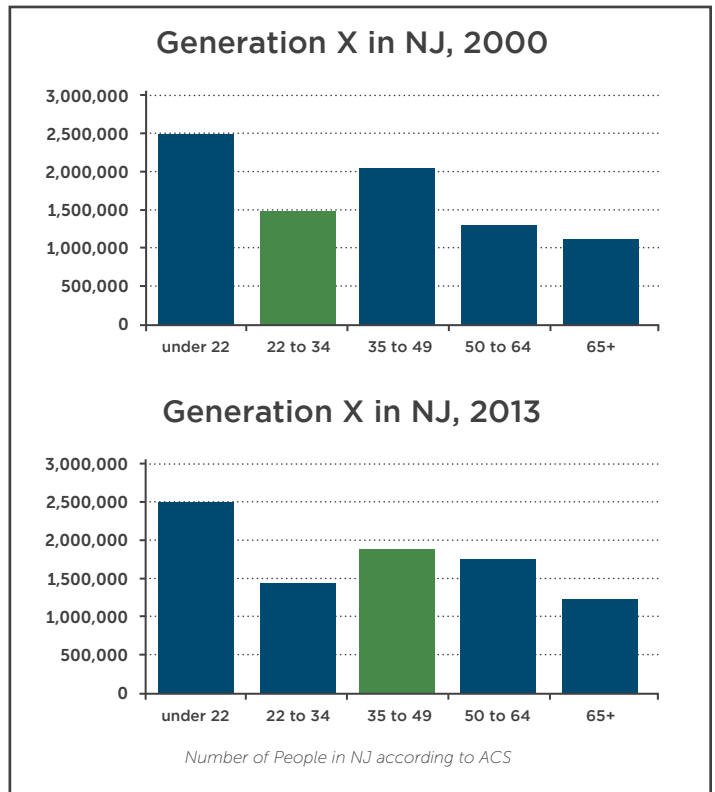
Millennials – generally defined as people born between around 1980 and around 2000. They are/were:

➡ Age 16 to 36 in 2016
➡ Age 13 to 33 in 2013 (the date of the ACS used in this analysis). The 22-to-34 Census Bureau age group thus roughly corresponds to the bulk of the Millennials, the ones who had entered young adulthood by 2013.
➡ Age 0 to 20 in 2000 (and hence too young to be relevant to our analysis of locational preferences)

Millennials in NJ, 2000

Millennials in NJ, 2013

Number of People in NJ according to ACS
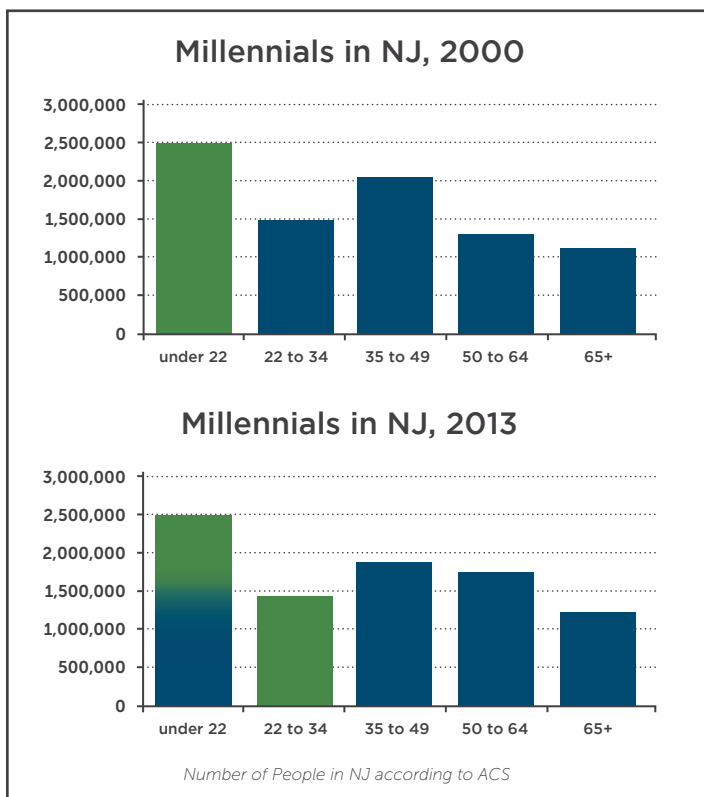
Generation X – generally defined as people born between about 1965 and about 1979. They are/were:

➡ Age 37 to 51 in 2016
➡ Age 34 to 48 in 2013. The 35-to-49 Census Bureau age group in 2013 thus roughly corresponds to Generation X in their early middle age.
➡ Age 21 to 35 in 2000, so in 2000 the 22-to-34 age group roughly corresponds to Generation X in their young-adult years.
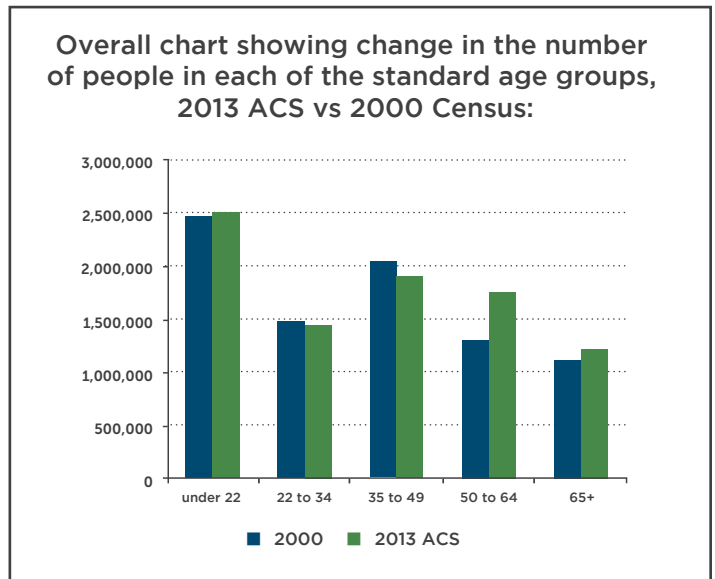
Generation X in NJ, 2000

Generation X in NJ, 2013

Number of People in NJ according to ACS

Baby Boomers – generally defined as people born between about 1946 and about 1964. They are/were:

➡ Age 52 to 70 in 2016
➡ Age 49 to 67 in 2013. The 50-to-64 age group in 2013 thus contains the bulk of the Baby Boom in late middle age. The 65+ age group contains the oldest Baby Boomers, plus older generations.
➡ Age 36 to 54 in 2000, so the 35-to-49 age group in 2000 roughly corresponds to the bulk of the Baby Boom in early middle age, with the older Boomers having entered the 50-to-64 age range at this time.

Baby Boomers in NJ, 2000

Baby Boomers in NJ, 2013

Number of People in NJ according to ACS
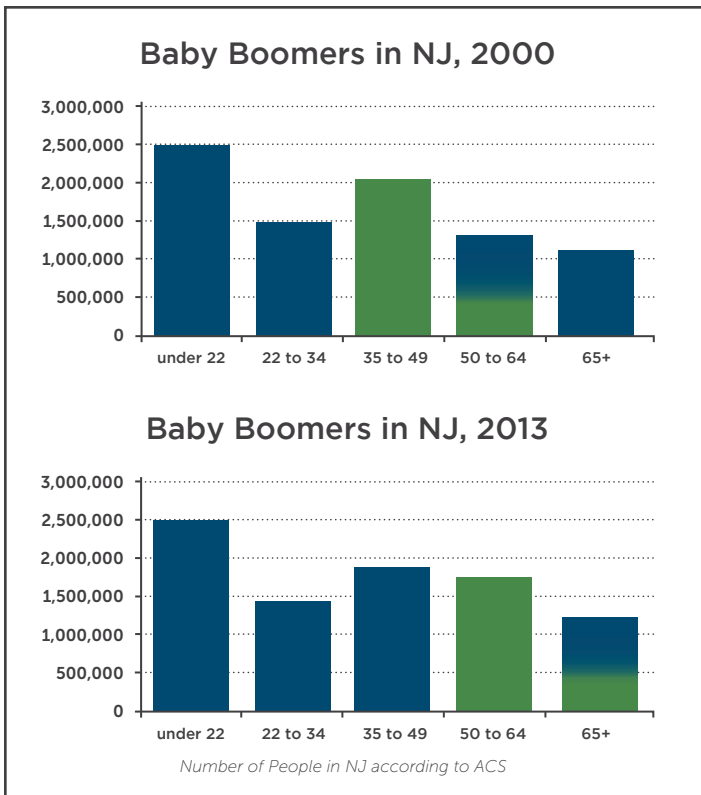
The chart below illustrates the number of New Jersey residents that fell into each of the standard age ranges in 2000 and 2013.

Overall chart showing change in the number of people in each of the standard age groups, 2013 ACS vs 2000 Census:
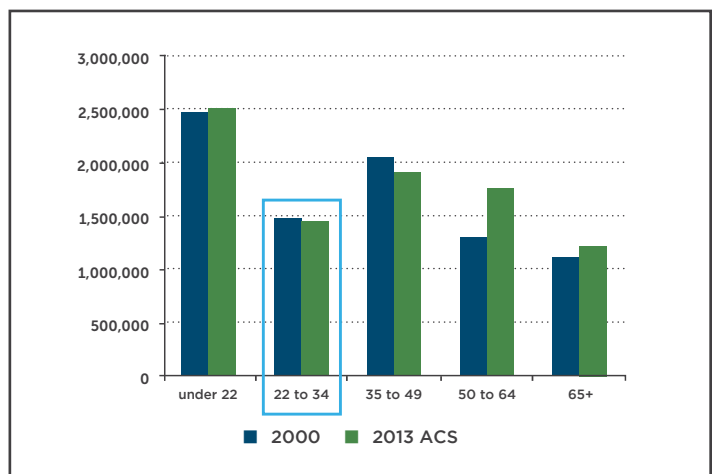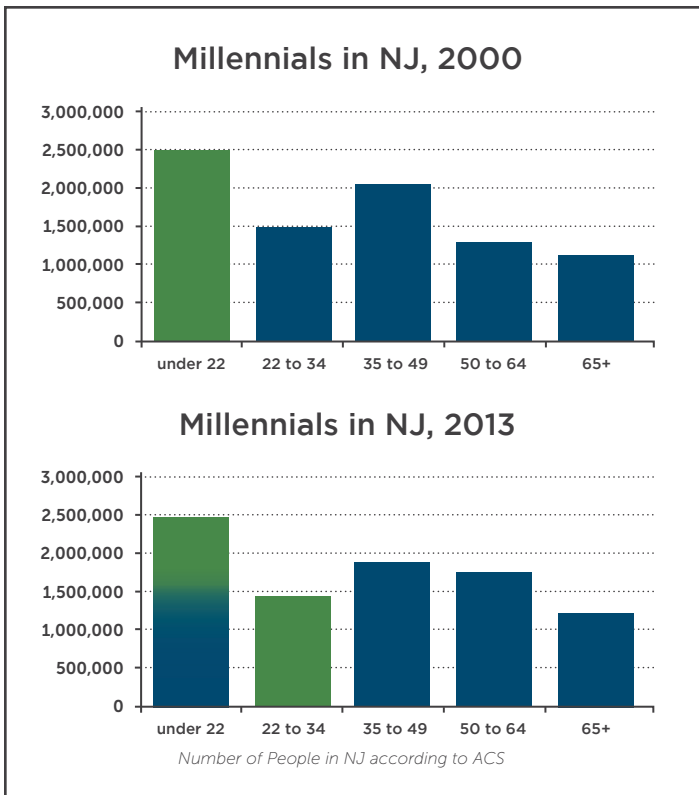

■ 2000 ■ 2013 ACS

Thus the standard age ranges roughly correspond to the demographic generations as follows:

➡ Under 22:
- In 2000, Millennials
- In 2013, the youngest Millennials and the next younger generation

➡ 22 to 34:
- In 2000, Generation X
- In 2013, the bulk of the Millennials

➡ 35 to 49:
- In 2000, the bulk of the Baby Boom
- In 2013, Generation X

➡ 50 to 64:
- In 2000, the leading edge of the Baby Boom, plus the next older generation
- In 2013, the bulk of the Baby Boom

➡ 65 and older:
- In 2000, generations older than the Baby Boomers
- In 2013, the leading edge of the Baby Boom, plus surviving members of older generations
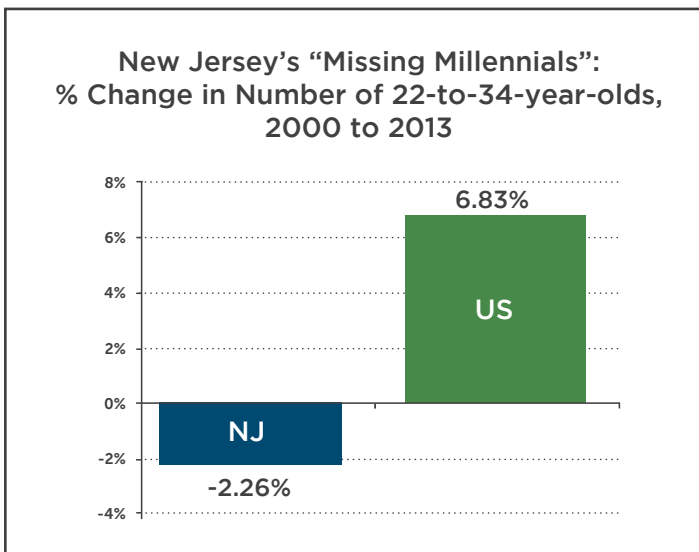
FINDINGS ABOUT MILLENNIALS

Millennials are the largest generation in American history. But in New Jersey, the number of people in the 22-to-34 age bracket actually declined from 2000 to 2013, by 2.3 percent, despite the fact that the Millennials now occupying this age range are displacing the much smaller Generation X, who occupied this range in 2000.

■ 2000 ■ 2013 ACS

Millennials in NJ, 2000

(bar chart — values in number of people)

	under 22	22 to 34	35 to 49	50 to 64	65+
	~2,500,000	~1,500,000	~2,050,000	~1,300,000	~1,100,000

Millennials in NJ, 2013

(bar chart — values in number of people)

	under 22	22 to 34	35 to 49	50 to 64	65+
	~2,450,000	~1,450,000	~1,900,000	~1,750,000	~1,200,000

Number of People in NJ according to ACS

By contrast, at the national level, consistent with expectations based on the relative sizes of the generations, the number of people in this age group increased by 6.8 percent from 2000 to 2013.

New Jersey's "Missing Millennials": % Change in Number of 22-to-34-year-olds, 2000 to 2013

(bar chart)

NJ	US
-2.26%	6.83%

So where did New Jersey's "missing Millennials" go? To Brooklyn? Across the Delaware to Pennsylvania in search of cheaper housing? (Millennials are having a hard time finding housing they can afford in New Jersey, as indicated by the fact that New Jersey has the highest rate in the country of 18-to-34-year-olds living with their parents –
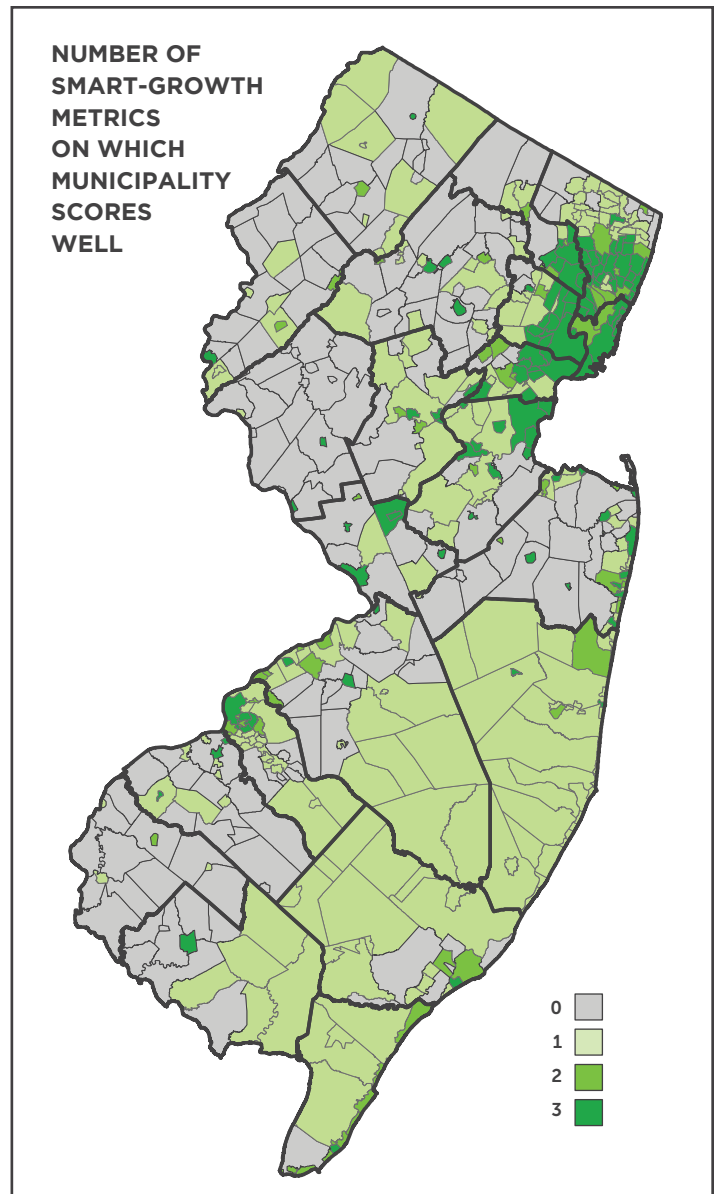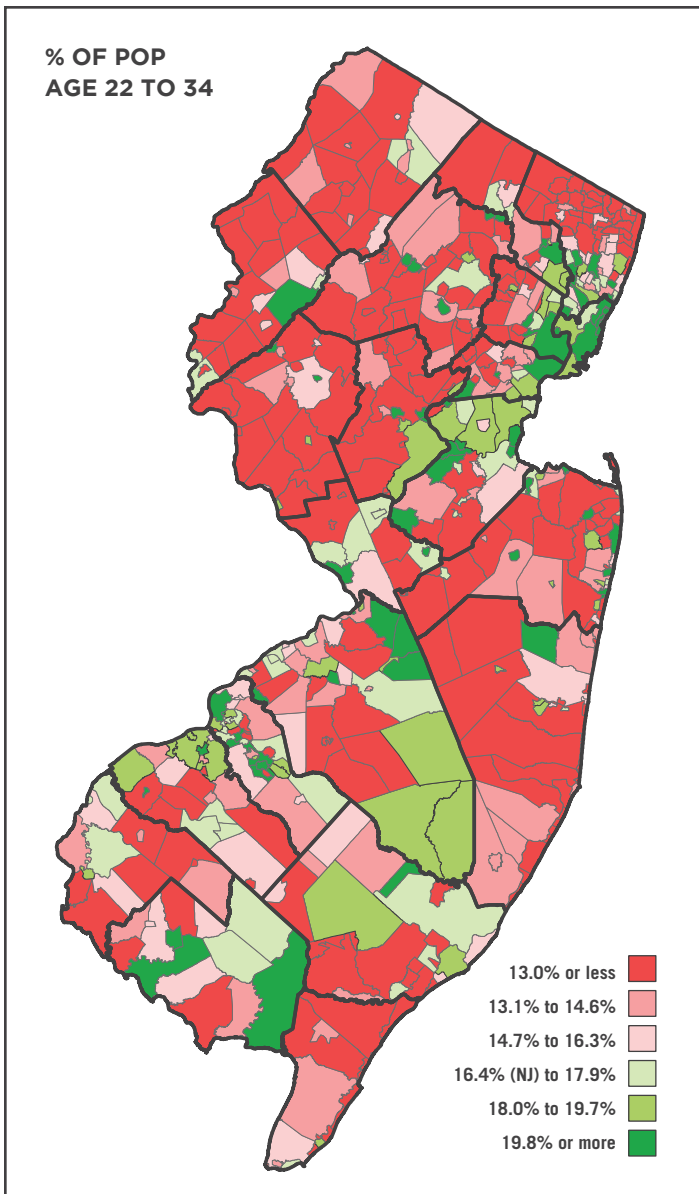
47 percent, compared to only 33 percent nationally, and 37 percent in Pennsylvania.) To smaller cities in the Midwest, where they can get the in-town experience for a lot less money?

The destinations of Millennials leaving New Jersey – and their reasons for leaving – are beyond the scope of this report. Also not uniquely identifiable here are the locational preferences, in an ideal world in which they could afford to live on their own, of those New Jersey Millennials who are still living with their parents. Nonetheless, we can still discern some information about the locational preferences of New Jersey's young adults.

It turns out that Millennials really do love cities, as the media and popular culture keep saying. Or, more specifically, they love compact, mixed-use, walkable centers, whether those occur in a city or in a smaller town or older suburb. Across the 118 New Jersey municipalities that scored well on all three smart-growth metrics, the LQ for 22-to-34-year-olds in 2013 was 1.25, meaning Millennials are 25 percent more prevalent in these municipalities than they are statewide. In contrast, in the 181 municipalities that did not score well on any of the three metrics (i.e. the most spread-out, car-dependent places), the 22-to-34 LQ was 0.81, meaning Millennials are only 81 percent as likely to be found in these places as the general population.

# of Smart Growth Metrics on Which Municipality Scores Well	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2013
3	118	1.251
2	65	0.936
1	201	0.866
0	181	0.808

Note that these results come through despite the fact that the data include young adults who are still living with their parents and are thus not necessarily free to pursue their true locational preferences. If more Millennials were able to afford to live on their own, their predilection for in-town living would likely be even more pronounced in the data, given that the rates of young adults still living with parents are highest in the most outlying, car-dependent counties and are thus skewing LQs upward in those places (and hence probably downward in more walkable places).

% OF POP AGE 22 TO 34

13.0% or less	(red)
13.1% to 14.6%	(pink)
14.7% to 16.3%	(light pink)
16.4% (NJ) to 17.9%	(pale green)
18.0% to 19.7%	(green)
19.8% or more	(dark green)

NUMBER OF SMART-GROWTH METRICS ON WHICH MUNICIPALITY SCORES WELL

0	(gray)
1	(pale green)
2	(green)
3	(dark green)

The municipalities with the highest percentages of 22-to-34-year-olds also tend to be those that score well on measures of smart growth. Conversely, Millennials are underrepresented in spread-out, car-dependent places – those that do not score well on any of the metrics.

The same pattern is clear in looking at each of the three smart-growth metrics individually: The Millennial generation prefers in-town living. The higher the net activity density is, the higher the location quotient for 22-to-34-year-olds is for municipalities in that category as a group. And the same is true for the other metrics – the more center-like a place is, and the higher its local street density, the higher the 22-to-34 location quotient.

Hoboken has the highest concentration of Millennials in the state, with a 22-to-34 LQ of 2.774. Fully 45 percent of Hoboken's population falls in the 22-to-34 year old age group – higher than Boston or its neighboring Somerville and Cambridge. In Jersey City, nearly 28 percent of the

Net Activity Density	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2013
URBAN	34	1.396
SMALL CITY/ URBAN SUBURB	46	1.145
DENSE SUBURBAN/ SMALL TOWN	75	1.061
MODERATE SUBURBAN	179	0.889
LOW-DENSITY SUBURBAN	130	0.772
LARGE-LOT	101	0.672

"Center" Category	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2013
CENTER	111	1.204
CONTAINS ≥ 1 CENTER	58	1.187
CONTAINS SINGLE CENTER	67	0.853
CONTAINS MULTIPLE CENTERS	22	0.830
NO CENTERS IDENTIFIED	307	0.839

Local Street Network Density	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2013
VERY HIGH	44	1.277
HIGH	96	1.070
GOOD	132	1.130
MEDIUM	123	0.893
LOW	123	0.802
VERY LOW	47	0.835

population is between 22 and 34 years old, a slightly higher concentration than in Denver or Seattle or even Austin, Texas. Pockets of urban New Jersey are every bit as attractive to the Millennial generation as more headline-grabbing cities elsewhere in the country.

➡️ ## THE MILLENNIAL GENERATION PREFERS IN-TOWN LIVING

There are a number of municipalities, however, that score high on the smart growth metrics and yet are not seeing high concentrations of Millennials. A lack of housing options that are affordable to people just starting their careers, or a shortage of the housing types (like apartments) that young adults are most likely to be seeking, may be keeping the younger cohort out of these towns and cities. There are 16 municipalities that scored well on all three smart-growth metrics but that nonetheless had LQs of less than 0.9 for 22-to-34-year-olds in 2013:

Municipalities Scoring Well on All Three Smart-Growth Metrics But With Low Concentrations of Millennials								
Municipality Name	County	% of Population Age 22 to 34, 2013	LQ for 22-to-34-Year-Olds, 2013	Avg Residential Value 2013	Res Val Rank (Out of 565)	% Single-Family Detached, 2010-2014 ACS	Median # of Rooms	Median Gross Rent (Dollars)
Roselle Park	Union	14.6%	0.892	251,951	359	56.6%	5.4	1,181
Union	Union	14.4%	0.878	272,252	319	65.3%	5.8	1,371
Hawthorne	Passaic	13.9%	0.852	337,019	225	54.4%	5.8	1,404
Hillside	Union	13.7%	0.838	227,914	405	63.1%	5.5	1,211
New Milford	Bergen	13.6%	0.832	354,757	206	60.7%	5.8	1,173
Cranford	Union	13.6%	0.830	417,582	151	74.1%	6.9	1,440
Montclair	Essex	13.4%	0.821	572,734	79	48.4%	5.9	1,410
Rockaway Borough	Morris	13.0%	0.792	331,533	230	64.7%	6.1	1,194
Totowa	Passaic	12.8%	0.786	344,258	215	69.4%	6.4	1,481
South Orange	Essex	12.2%	0.745	515,162	100	63.8%	7.3	1,579
Kenilworth	Union	11.7%	0.714	298,792	277	79.8%	6.4	1,466
Maplewood	Essex	11.5%	0.705	426,064	145	66.5%	6.7	1,416
Leonia	Bergen	11.4%	0.694	458,312	127	58.7%	6	1,477
River Edge	Bergen	10.4%	0.633	445,956	132	74.8%	6.4	1,404
Pennington	Mercer	9.1%	0.557	498,922	108	69.6%	6.9	1,386
Englewood Cliffs	Bergen	7.9%	0.482	1,168,412	15	94.2%	7.8	2,000+
New Jersey		**16.4%**				**53.7%**	**5.7**	**1,188**

Judging by their high home values and/or high rents compared to the rest of the state, it's hard to rule out the possibility that some of these municipalities – Hawthorne, Cranford, Montclair, Totowa, South Orange, Kenilworth, Maplewood, Leonia, River Edge, Pennington, Englewood Cliffs – may have a shortage of Millennials because young people simply can't afford to live there on their own. Most places with high housing costs also tend (and these are not unrelated) to be oversupplied with single-family detached housing and undersupplied with the alternative types of housing that are attractive to young adults. But even a healthy diversity of housing options (as in Montclair, Hawthorne, or Leonia, where single-family-detached percentages are not particularly high) is not necessarily a guarantee that the housing will be affordable to younger people just starting out. In some places, demand for compact, walkable, mixed-use centers is outstripping the supply of appropriate housing, driving prices up. Other municipalities may simply be lacking some of the hard-to-quantify urban amenities that young adults are looking for, like art and entertainment venues, coffee houses, restaurants, and other retail establishments.
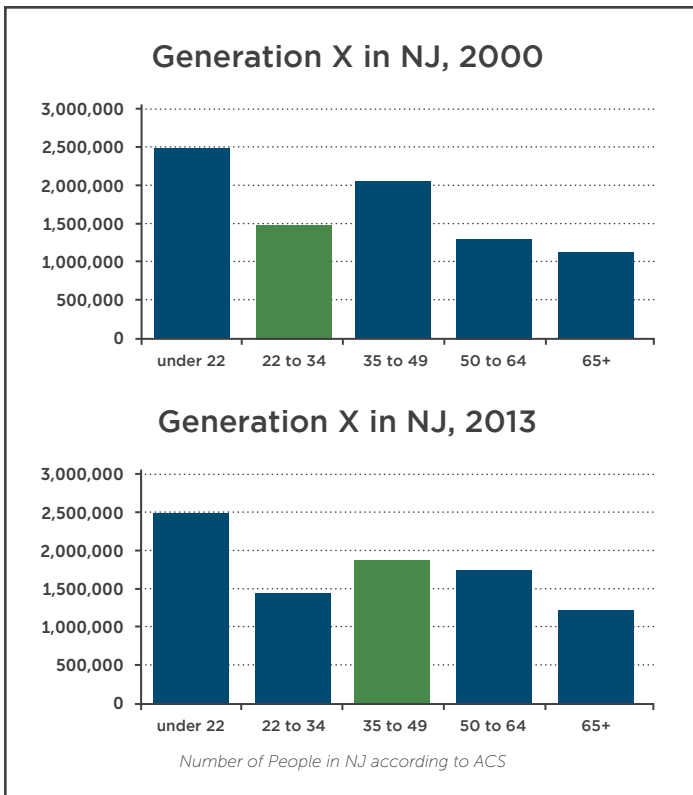
The list of high-scoring walkable places with low percentages of Millennials, together with the fact that Millennials appear to be leaving New Jersey overall, raises a number of policy questions. Is there a general lack of housing affordability, or a lack of the types of places that fulfill their lifestyle choices? What can the state do to attract this generation to locate here? What can towns do? Further research, such as a public opinion poll, could tell us why Millennials are leaving or not returning to New Jersey after college, and what their greatest issues are with finding a place to live. Research into relocation decisions on the part of older Millennials – those old enough to be starting families and buying homes – could be informative as to whether this generation's expressed preference for walkable urbanism is just a passing fancy or whether it has implications for the kinds of places they will choose to live in throughout the rest of their lives.

FINDINGS ABOUT GENERATION X

Though the press has made much of Millennials' demonstrated preference for in-town living, the attraction to walkable urban neighborhoods in young adulthood is not actually a brand-new phenomenon. Generation Xers also tended to concentrate in smart-growth communities in their younger years, and many of these communities are the same places where Millennials are now congregating at slightly higher rates. Of the 111 relatively compact, mixed-use, walkable municipalities (scoring well on either two or all three of the metrics) that had Millennial LQs greater than 1.0 in 2013, 94 of them also had an LQ greater than 1.0 for 22-to-34-year-olds in 2000 – that is, these places were attractive to Generation X as young adults before they were attractive to Millennials as young adults. Interestingly, and in contrast to New Jersey's outflow of Millennials, the number of Generation Xers in New Jersey appears to have grown slightly since 2000. The number of 35-to-49-year-olds in the state in 2013 (Generation X in early middle age) – just over 1.9 million – was 14.2 percent greater than the number of 20-to-34-year-olds[1] in the state in 2000 (Generation X as young adults) – about 1.67 million. Where are these new Generation Xers coming from? Are they international immigrants? Domestic in-migrants from Manhattan or Brooklyn for whom New Jersey represents a cheaper housing alternative? Like Millennials' reasons for leaving New Jersey, these Generation-X in-migrants' reasons for moving here are beyond the scope of this report but may warrant further research.
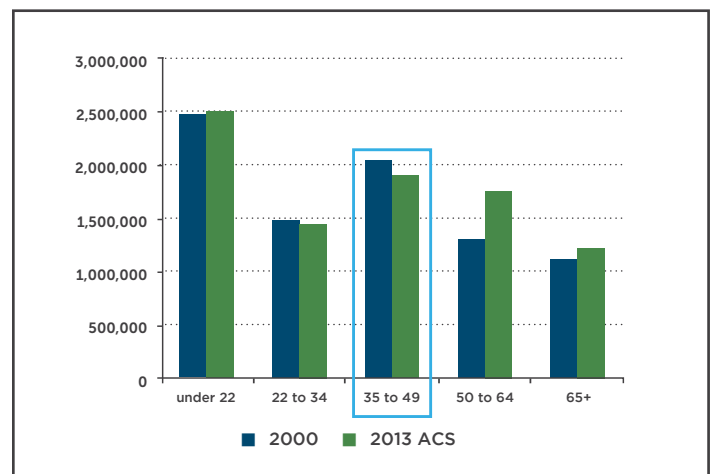
[1] Note that this age interval – 20 to 34 – differs from the 22-to-34 age range used elsewhere in this analysis but is used here because it includes the same number of years (15) as the age range (35 to 49) to which it is being compared, thereby preserving the number of years' worth of residents being compared. Also note that the comparison is not exact, because the age ranges being compared are offset by 15 years, whereas only 13 years separate the two temporal points of comparison. People aged 20 to 34 in 2000 would actually only be aged 33 to 47 in 2013, but since such an age breakdown is not available from Census Bureau data, we use the nearest available published age range, 35 to 49.

Generation X in NJ, 2000

Generation X in NJ, 2013

Number of People in NJ according to ACS

# of Smart Growth Metrics on Which Municipality Scores Well	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2000 *(Generation X)*	LQ for 22-to-34-Year-Olds, 2013 *(Millenials)*
3	118	1.193	1.251
2	65	0.955	0.936
1	201	0.876	0.866
0	181	0.860	0.808

Back in 2000 just as today, on each of the three smart-growth metrics individually, places with better scores generally had higher concentrations of young adults than places with lower scores. (See Appendix.) And across the 118 municipalities that scored well on all three smart-growth metrics, the LQ for 22-to-34-year-old Generation Xers in 2000 was 1.19 – slightly less than the 1.25 LQ for Millennials in 2013, but nonetheless well above 1.0.

All of the groups of municipalities having LQs greater than 1.0 for 22-to-34-year-olds in 2000 – which were generally those that scored better on the smart-growth metrics – saw their 22-to-34 LQs increase between 2000 and 2013. The pattern is clear and consistent: Generation X preferred compact walkable urbanism when they were young adults, and Millennials prefer it even more emphatically now.

And the reverse is true – Millennials are staying away from suburban sprawl even more so than Generation X did in

early adulthood. The groups of municipalities with 22-to-34 LQs less than 1.0 in 2000 – generally the lower-density, more car-dependent categories – saw their concentrations of 22-34 year olds decrease between 2000 and 2013. In the 181 municipalities that did not score well on any of the three smart-growth metrics, the LQ for young adults was already a low 0.86 in 2000, when Generation X occupied the 22-to-34 age range, and it fell even further, to 0.81, now that the Millennials have aged into this range.

> **➡ THE PATTERN IS CLEAR AND CONSISTENT: GENERATION X PREFERRED COMPACT WALKABLE URBANISM WHEN THEY WERE YOUNG ADULTS, AND MILLENNIALS PREFER IT EVEN MORE EMPHATICALLY NOW.**

Given that Generation X exhibited locational preferences similar to those of today's Millennials when they were the same age, it is fair to ask whether they have maintained an affinity for compact, walkable places as they have moved into early middle age. This might also provide a hint as to how the Millennials might behave as they get older.

The results are mixed. Generation X has not sustained its earlier concentration in places that score well on all three smart-growth metrics, but neither have they necessarily opted for the same types of lower-density, car-dependent suburbs favored by the previous generation at the same stage in the life cycle. Generation X is now spread across all types of municipalities at about the same level as the entire population, with LQs close to 1.0 for each category of municipalities.

# of Smart Growth Metrics on Which Municipality Scores Well	# of Municipalities in Category	LQ for 35-to-49-Year-Olds, 2013
3	118	0.995
2	65	0.999
1	201	0.976
0	181	1.033

that score well on all three metrics dropped from 1.19 when they were young adults to just below 1.0 (0.995) now that they have entered early middle age. But this is still substantially higher than the 35-to-49 LQ was in 2000 (0.935), when this age range was occupied by the Baby Boomers. Hoboken exemplifies this phenomenon in microcosm: Its LQ for 35-to-49-year-olds in 2013 is 0.988 – less than 1.0, meaning that this age range is underrepresented in Hoboken compared to the whole state. But this is still much higher than Hoboken's 35-to-49 LQ of 0.753 in 2000. Clearly, not all of the Generation Xers who were living in Hoboken in 2000 moved out.

# of Smart Growth Metrics on Which Municipality Scores Well	# of Municipalities in Category	LQ for 35-to-49-Year-Olds, 2013 (Generation X now)	LQ for 22-to-34-Year-Olds, 2000 (Generation X then)	LQ for 35-to-49-Year-Olds, 2000 (Baby Boomers then)
3	118	0.995	1.193	0.935
2	65	0.999	0.955	0.997
1	201	0.976	0.876	1.010
0	181	1.033	0.860	1.088

And although Generation X's location quotient in places that didn't score well on any of the metrics is higher in 2013 (at 1.033) than it was when this same generation were young adults (0.860) and now exceeds 1.0, it is nonetheless not as high as the corresponding LQ for the Baby Boom (1.088) when they were this same age in 2000.

A similar pattern is apparent in the smart-growth metrics individually. (See Appendix.) In 2013, 35-to-49-year-olds tend to be slightly underrepresented (LQs less than 1.0) in places that score better on each of the smart-growth metrics and slightly overrepresented (LQs greater than 1.0) in places that score not as well, the reverse of what was true when Generation X were in the 22-to-34 age group in 2000, reflecting a shift of Generation X from more compact, walkable places to more car-dependent places as they have aged. But the difference is not as dramatic for Generation X as it had been for the Baby Boom in early middle age, with LQs for 35-to-49-year-olds generally being higher in 2013 than they were in 2000 in more compact, walkable places, and lower in 2013 than they were in 2000 in more car-dependent suburban places. In a few cases, in fact, Generation X has actually reversed the direction of the LQ for 35-to-49-year-olds as it has replaced the Baby Boomers in this age range; for example, in the 111 municipalities that New Jersey Future's methodology identifies as mixed-use centers, 35-to-49-

In the municipalities that had the highest LQs for 22-to-34-year-olds in the 2000 Census (when Generation X was in that age range), the LQs for 35-to-49-year-olds in 2013 (where Generation X is today) are generally lower, meaning Generation X is less concentrated in these places now than was the case when they were young adults. In a few of these places – Hoboken, New Brunswick, Jersey City, and Red Bank, for example – Generation Xers are now less common than they are statewide (i.e., the LQ has dropped below 1.0), meaning they went from being overrepresented in these places in 2000, when they were young adults, to being underrepresented now, in early middle age. In other places, like Weehawken, Edgewater, Morristown, and Flemington, Generation Xers are less prevalent than they were in 2000 but still more prevalent than statewide – i.e., the 35-to-49 LQ is still greater than 1.0.

The broader picture indeed shows Generation X moving to "the suburbs" and away from the most densely populated places that they preferred as young adults, though not to the same degree as the generation ahead of them, and not necessarily to the same kinds of suburbs. The table below shows, by type of place (as defined by the number of smart-growth metrics on which a place scores well), location quotients for 22-to-34-year-olds in 2000 (Generation X as young adults); 35-to-49-year-olds in 2013 (Generation X in early middle age); and 35-to-49-year-olds in 2000 (the Baby Boom in early middle age, for comparison). Generation X's LQ in the places

year-olds were underrepresented in 2000 (LQ = 0.970) but were overrepresented in 2013 (LQ = 1.020).

While Generation X has moved to the suburbs as it has aged out of young adulthood, it has retained a preference for some degree of walkable urbanism that was not evident among Baby Boomers at the same stage of their life cycle. How might municipalities capitalize on this? How much of Generation X's locational decision-making has been based on factors like school quality that may be unrelated to a place's development patterns? Answers to these questions might help anticipate where Millennials are likely to relocate as they enter the same stage of the life cycle.

FINDINGS ABOUT BOOMERS AND BEYOND

The population aged 65 and over grew by 9.7 percent from 2000 to 2013. This increase is due to the leading edge of the outsized Baby Boom generation moving into this range, as well as increased life spans in recent decades.
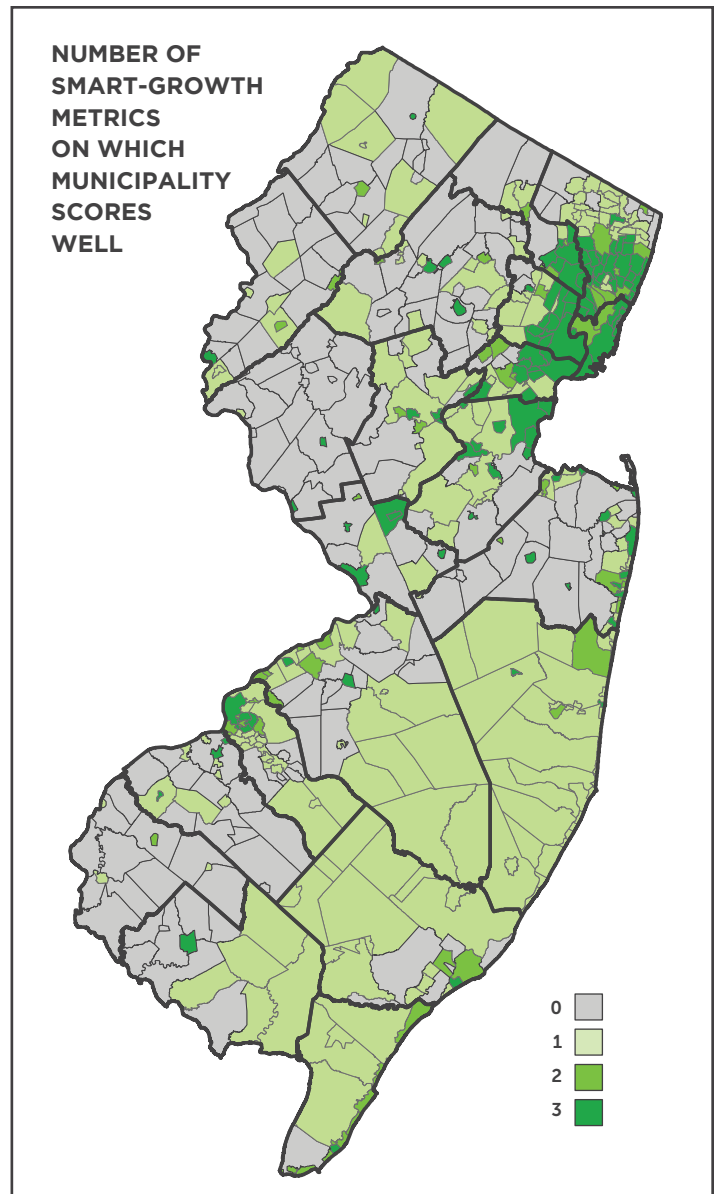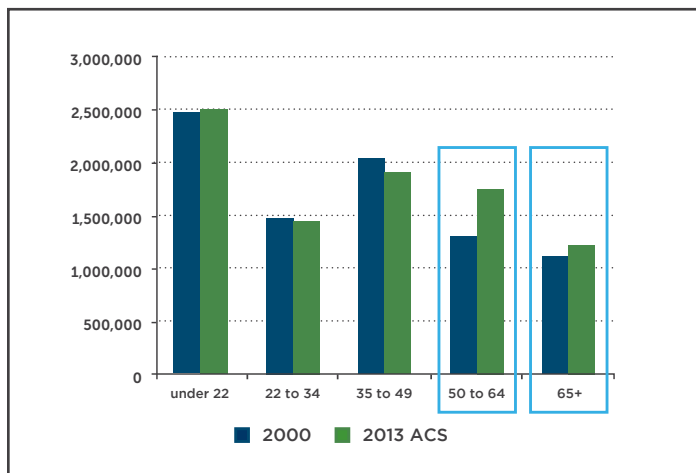

The population between the ages of 50 and 64 had the most dramatic increase among the age cohorts, growing 35.1 percent between 2000 and 2013. This is the "pig in the demographic python," the result of the bulk of Baby Boomers moving into an older age range. The locational preferences of these two age groups have important implications for land-use and transportation planners, because as the desire and ability to drive wane with age, remaining in a car-dependent environment becomes more and more problematic. (For a full analysis of the extent of this mismatch, see New Jersey Future's 2014 report *Creating Places to Age in New Jersey*.)
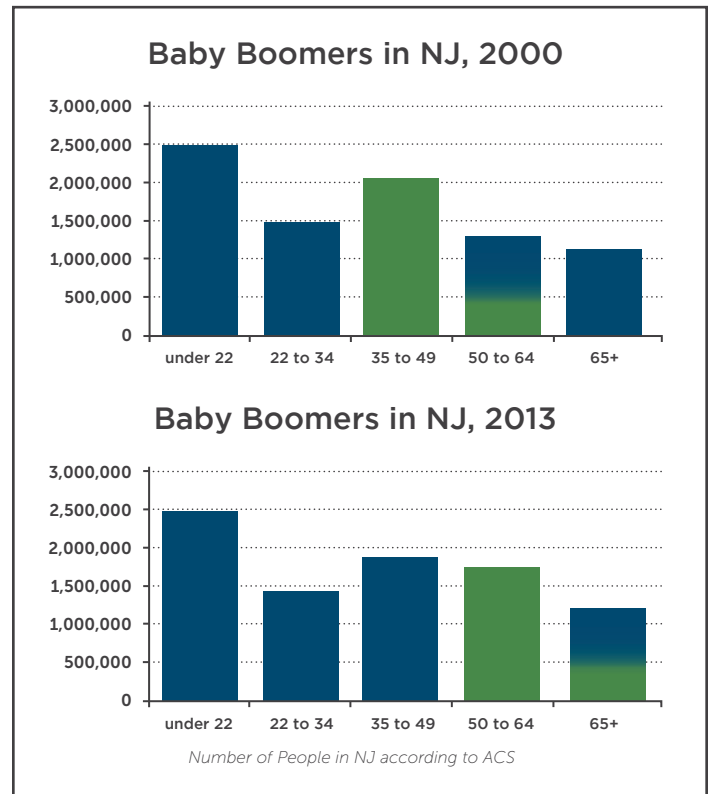
Baby Boomers in NJ, 2000

Baby Boomers in NJ, 2013

Number of People in NJ according to ACS

People currently aged 65 and older are more likely to be found in places that don't score as well on the smart-growth metrics. The 65+ LQ for the 181 municipalities not scoring well on any of the smart-growth metrics is 1.049 (meaning that retirees are 4.9 percent more prevalent in these places than they are statewide), and in the 201 municipalities that only scored well on one metric, the 65+ LQ is 1.142. Meanwhile, municipalities scoring well on all three metrics have a collective 65+ LQ of only 0.834 in 2013, meaning that older residents are only 83 percent as common in compact, walkable cities and towns as they are statewide.

Notable among the low-scoring municipalities with high concentrations of retirees are Manchester Township (65+ LQ = 3.612) and Berkeley Township (65+ LQ = 3.085) in Ocean County and Monroe Township in Middlesex County (65+ LQ = 2.578), three municipalities in which 55-and-over communities have proliferated. While ostensibly catering specifically to the specific needs of seniors, what these 55+ developments often effectively accomplish, as hinted at by their host municipalities' low scores, is to maroon older people in self-contained but isolated pods, surrounded by car-dependent suburban sprawl.
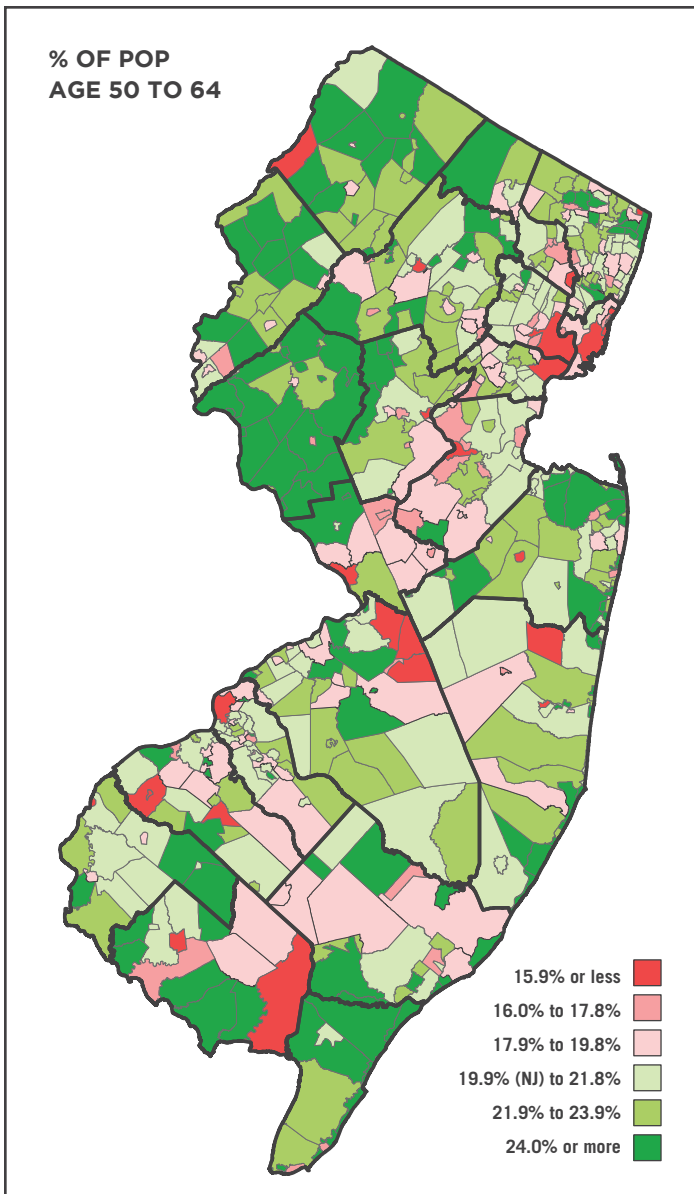
The distribution of 50-to-64-year-olds is almost the mirror image of that of 22-to-34-year-olds, with Baby Boomers appearing in higher concentrations in the most spread-out, car-dependent places (those that do not score well on any of the smart-growth metrics) while being underrepresented in more compact, walkable centers.

The story is similar when looking at the metrics individually. (See Appendix.) The three higher net-activity-density categories all have LQs less than 1.0 for the 65+ age group, while the three lower-density ones all have LQs greater than 1.0, with the LQs almost uniformly increasing as net activity density decreases. The local road density categories of "good" or better all have 65+ LQs less than 1.0, while "medium" and worse all have LQs greater than 1.0, with "very low" having the highest at 1.418. The two top center categories have LQs less than 1.0, while the others have LQs greater than 1.0.

# of Smart Growth Metrics on Which Municipality Scores Well	# of Municipalities in Category	LQ for Age 65+, 2013
3	118	0.834
2	65	1.116
1	201	1.142
0	181	1.049

Today's retirees are disproportionately living in places with land-use characteristics that aren't conducive to getting around without a car, and this situation is likely to be exacerbated as the rest of the Baby Boom ages

➡ *TODAY'S RETIREES ARE DISPROPORTIONATELY LIVING IN PLACES WITH LAND-USE CHARACTERISTICS THAT AREN'T CONDUCIVE TO GETTING AROUND WITHOUT A CAR, AND THIS SITUATION IS LIKELY TO BE EXACERBATED AS THE REST OF THE BABY BOOM AGES INTO RETIREMENT.*

into retirement. The generation that is currently in the 50-to-64 age range (the bulk of the Baby Boomers) is disproportionately located in car-dependent suburbia to an even greater extent than was the generation that preceded it at the same age. In the 181 municipalities that did not score well on any of the three smart-growth metrics, the LQ for 50-to-64-year-olds in 2013 is 1.098 – higher than for any other group of municipalities, and notably higher than it had been in 2000, at 1.069, when the next older generation occupied this age range.

# of Smart Growth Metrics on Which Municipality Scores Well	# of Municipalities in Category	LQ for 50-to-64-Year-Olds, 2013 *(Bulk of Baby Boom)*	LQ for 50-to-64-Year-Olds, 2000 *(Oldest Boomers and Older Generations)*
3	118	0.891	0.911
2	65	1.038	1.040
1	201	1.042	1.048
0	181	1.098	1.069

The 50-to-64 LQs for the smart-growth metrics individually have gotten worse as well (see Appendix) – with LQs decreasing for the better-scoring categories and increasing for the more spread-out, car-dependent ones – as the bulk of the Baby Boom now comprises this range, replacing the older Boomers and their immediate predecessors.

The LQ for 50-to-64-year olds in 2013 generally increases as the municipality gets less center-like, as its net activity density decreases, and as its local road density decreases. The net activity density category with the highest 50-to-64 LQ in 2013 (1.204) is "large-lot," and the local road density category with the highest LQ (1.107) is "very low."

The fact that Baby Boomers are disproportionately living in car-dependent environments as they begin to enter retirement, and that they largely express a desire to age in place, poses potential problems. According to the 2014 AARP report *What Is Livable? Community Preferences of Older Adults,* 71 percent of respondents aged 50 to 64, and a full 87 percent of those 65 and older, answer "yes" to the question "Do you want to live in your current community as you age?" Given what many of these "current communities" look like at the moment, this desire to age in place creates both challenges and opportunities for the state and for car-dependent municipalities that are playing host to aging populations. Can new centers be created in car-oriented suburbs that have lacked them? Can the range of housing types be expanded in these communities for Boomers who may want to downsize without having to move out of town? Can existing developments be retrofitted to make them more mixed-use and pedestrian-friendly? Some potentially good news is that nationally, about half of Baby Boomers (49 percent) have indicated they would prefer to live in a car-optional place (Urban Land Institute survey 2015), so the main obstacle may be not a lack of desire but a lack of sufficient options.

CONCLUSION AND RECOMMENDATIONS

The data on population by age group, in conjunction with New Jersey Future's method for identifying smart-growth characteristics of municipalities' development patterns, clearly illustrate that the phenomenon of Millennials gravitating toward walkable downtowns is real. The data also indicate that this trend is not brand new, but is a continuation and intensification of a preference for in-town living that was first evinced by Generation X in the 1990s and 2000s, when those in that age cohort were young adults. Generation X's affinity for walkable places has abated somewhat as they have aged, but it has persisted enough to distinguish Generation X's locational preferences from those of older generations and may additionally offer a clue as to what kinds of places the Millennials are likely to gravitate toward as they age. These two generations stand in marked contrast to the Baby Boom, which has heretofore consistently preferred lower-density, car-dependent

suburbs of the type in which many of them grew up. The fact that these car-dependent places may not be such great places in which to grow old may be beginning to dawn on their older residents, something that may in turn spark new interest in more compact, walkable development on the part of the generation that has until now been content to drive everywhere.

# of Smart Growth Metrics on Which Municipality Scores Well	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2013	LQ for 35-to-49-Year-Olds, 2013	LQ for 50-to-64-Year-Olds, 2013	LQ for 65+, 2013
3	118	1.251	0.995	0.891	0.834
2	65	0.936	0.999	1.038	1.116
1	201	0.866	0.976	1.042	1.142
0	181	0.808	1.033	1.098	1.049

What can municipalities do to accommodate the growing demand for housing and development patterns that prioritize walkable, well-connected centers and de-emphasize cars? What can they do to attract Millennials (and retain aging Generation Xers) who are looking for live-work-play environments? The answer depends on what the existing development in a municipality already looks like.

For New Jersey's cities, towns, and older suburbs that are already equipped with town centers – that is, places that already possess the development patterns for which demographic changes are generating new demand – the question is how and where to create more of the same kind of development that is already on the ground there. Some places, like Morristown, Red Bank, and Edgewater, have already capitalized on the movement toward walkable downtowns by adding infill projects and new public amenities and further diversifying their housing stocks. Others, like Rahway and Hackensack, are just beginning to tap into this movement. The state could help these towns by:
➡ Providing guidance and incentives to encourage towns to rethink their planning, zoning, and economic development, including allowing additional density, new housing types and configurations, mixed-use and mixed-income development, flexibility with parking requirements, and green infrastructure (stormwater management techniques that often double as urban green space).
➡ Promulgating development policies that include greater

resources for younger, entrepreneurial businesses that have fewer employees but are an ideal fit for mixed-use development locations in the state's smaller downtowns as well as its larger cities. In addition, the ability of these businesses to recruit a Millennial workforce will be a determinant of whether the current outmigration of that cohort can be slowed.
➡ Protecting or creating pedestrian connections to transit stations and other popular downtown destinations, and promoting "complete streets" more generally.

Car-dependent suburban municipalities that currently have no town centers and are largely made up of single-family detached housing subdivisions and highway-oriented commercial strips face greater challenges in attracting or keeping young residents (and the businesses where they work and shop). Robbinsville and Plainsboro are examples of municipalities that have created walkable "town centers" (largely from scratch, on previously undeveloped land) that combine housing with retail and office space. Other municipalities with plenty of undeveloped land could learn from their examples. For those that have already reached full build-out under the car-dependent model, targeted retrofits are a potential solution. Somerdale and Voorhees have both attempted to repurpose shopping centers (an outdoor strip center in the former case, an enclosed mall in the latter) into mixed-use centers by constructing new buildings – including housing – on surface parking lots and adding pedestrian connections and amenities. The state can help these types of suburbs become more attractive to residents and businesses seeking walkable urbanism by:
➡ Providing incentives and resources for municipalities that are willing to create new "town centers."
➡ Working with municipalities to encourage them to improve the connectivity of their local street networks, reduce curb cuts, and make local streets more pedestrian-friendly, and to discourage them from siting all of their commercial development along multi-lane state highways.
➡ Providing assistance in attracting businesses to relocate to these new centers and to support necessary infrastructure investments.
➡ Encouraging development of multi-family, mixed-income housing.
➡ Streamlining permitting and reviews of projects that meet smart growth standards.

Generation X

Back in 2000 just as today, on each of the three smart-growth metrics individually, places with better scores generally had higher concentrations of young adults than places with lower scores.

Net Activity Density	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2000 (Generation X)	LQ for 22-to-34-Year-Olds, 2013 (Millennials)
URBAN	34	1.320	1.395
SMALL CITY/ URBAN SUBURB	46	1.119	1.145
DENSE SUBURBAN/ SMALL TOWN	75	1.030	1.061
MODERATE SUBURBAN	179	0.901	0.889
LOW-DENSITY SUBURBAN	130	0.818	0.772
LARGE-LOT	101	0.748	0.672

"Center" Category	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2000 (Generation X)	LQ for 22-to-34-Year-Olds, 2013 (Millennials)
CENTER	111	1.183	1.204
CONTAINS ≥ 1 CENTER	58	1.132	1.187
CONTAINS SINGLE CENTER	67	0.873	0.853
CONTAINS MULTIPLE CENTERS	22	0.870	0.830
NO CENTERS IDENTIFIED	307	0.872	0.839

Local Street Network Density	# of Municipalities in Category	LQ for 22-to-34-Year-Olds, 2000 (Generation X)	LQ for 22-to-34-Year-Olds, 2013 (Millennials)
VERY HIGH	44	1.251	1.277
HIGH	96	1.043	1.070
GOOD	132	1.076	1.130
MEDIUM	123	0.916	0.893
LOW	123	0.859	0.802
VERY LOW	47	0.846	0.835

The pattern is clear and consistent: Generation X preferred compact walkable urbanism when they were young adults, and Millennials prefer it even more emphatically now. And the reverse is true – Millennials are staying away from suburban sprawl even more so than Generation X did in early adulthood.

In 2013, Generation X (as approximated by 35-to-49-year-olds) tends to be slightly underrepresented (LQs less than 1.0) in places that score better on each of the smart-growth metrics and slightly overrepresented (LQs greater than 1.0) in places that score not as well, the reverse of what was true when Generation X were in the 22-to-34 age group in 2000, reflecting a shift of Generation X from more compact, walkable places to more car-dependent places as they have aged. But the difference is not as dramatic for Generation X as it had been for the Baby Boom in early middle age, with LQs for 35-to-49-year-olds generally being higher in 2013 than they were in 2000 in more compact, walkable places, and lower in 2013 than they were in 2000 in more car-dependent suburban places.

Net Activity Density	# of Municipalities in Category	LQ for 35-to-49-Year-Olds, 2013 (Generation X now)	LQ for 22-to-34-Year-Olds, 2000 (Generation X then)	LQ for 35-to-49-Year-Olds, 2000 (Baby Boomers then)
URBAN	34	0.986	1.320	0.885
SMALL CITY/ URBAN SUBURB	46	1.003	1.119	0.962
DENSE SUBURBAN/ SMALL TOWN	75	0.968	1.030	0.993
MODERATE SUBURBAN	179	1.001	0.901	1.030
LOW-DENSITY SUBURBAN	130	1.018	0.818	1.061
LARGE-LOT	101	1.037	0.748	1.119

"Center" Category	# of Municipalities in Category	LQ for 35-to-49-Year-Olds, 2013 *(Generation X now)*	LQ for 22-to-34-Year-Olds, 2000 *(Generation X then)*	LQ for 35-to-49-Year-Olds, 2000 *(Baby Boomers then)*
CENTER	111	1.020	1.183	0.970
CONTAINS ≥ 1 CENTER	58	0.988	1.132	0.936
CONTAINS SINGLE CENTER	67	1.005	0.873	1.030
CONTAINS MULTIPLE CENTERS	22	0.912	0.870	0.974
NO CENTERS IDENTIFIED	307	1.009	0.872	1.056

Local Street Network Density	# of Municipalities in Category	LQ for 35-to-49-Year-Olds, 2013 *(Generation X now)*	LQ for 22-to-34-Year-Olds, 2000 *(Generation X then)*	LQ for 35-to-49-Year-Olds, 2000 *(Baby Boomers then)*
VERY HIGH	44	0.979	1.251	0.913
HIGH	96	1.009	1.043	0.973
GOOD	132	0.991	1.076	0.960
MEDIUM	123	0.990	0.916	1.027
LOW	123	1.032	0.859	1.086
VERY LOW	47	0.974	0.846	1.048

While Generation X has moved to the suburbs as it has aged out of young adulthood, it has retained a preference for some degree of walkable urbanism that was not evident among Baby Boomers at the same stage of their life cycle.

Retirees (65+)

People currently aged 65 and older are more likely to be found in places that don't score as well on the smart-growth metrics.

Net Activity Density	# of Municipalities in Category	LQ for Age 65+, 2013
URBAN	34	0.738
SMALL CITY/ URBAN SUBURB	46	0.893
DENSE SUBURBAN/ SMALL TOWN	75	0.995
MODERATE SUBURBAN	179	1.089
LOW-DENSITY SUBURBAN	130	1.143
LARGE-LOT	101	1.113

"Center" Category	# of Municipalities in Category	LQ for Age 65+, 2013
CENTER	111	0.945
CONTAINS ≥ 1 CENTER	58	0.834
CONTAINS SINGLE CENTER	67	1.150
CONTAINS MULTIPLE CENTERS	22	1.508
NO CENTERS IDENTIFIED	307	1.056

Local Street Network Density	# of Municipalities in Category	LQ for Age 65+, 2013
VERY HIGH	44	0.848
HIGH	96	0.953
GOOD	132	0.916
MEDIUM	123	1.088
LOW	123	1.043
VERY LOW	47	1.418

Baby Boomers (not yet retired)

Today's retirees are disproportionately living in places with land-use characteristics that aren't conducive to getting around without a car, and this situation is likely to be exacerbated as the rest of the Baby Boom ages into retirement. The generation that is currently in the 50-to-64 age range (the bulk of the Baby Boomers) is disproportionately located in car-dependent suburbia to an even greater extent than was the generation that preceded it at the same age. The 50-to-64 LQs for the smart-growth metrics individually have gotten worse – with LQs decreasing for the better-scoring categories and increasing for the more spread-out, car-dependent ones – as the bulk of the Baby Boom now comprises this range, replacing the older Boomers and their immediate predecessors.

Local Street Network Density	# of Municipalities in Category	LQ for 50-to-64-Year-Olds, 2013 (Bulk of Baby Boom)	LQ for 50-to-64-Year-Olds, 2000 (Oldest Boomers and Older Generations)
VERY HIGH	44	0.868	0.904
HIGH	96	0.973	0.978
GOOD	132	0.944	0.967
MEDIUM	123	1.048	1.055
LOW	123	1.079	1.038
VERY LOW	47	1.107	1.026

Net Activity Density	# of Municipalities in Category	LQ for 50-to-64-Year-Olds, 2013 (Bulk of Baby Boom)	LQ for 50-to-64-Year-Olds, 2000 (Oldest Boomers and Older Generations)
URBAN	34	0.807	0.858
SMALL CITY/ URBAN SUBURB	46	0.941	0.945
DENSE SUBURBAN/ SMALL TOWN	75	0.975	0.993
MODERATE SUBURBAN	179	1.063	1.059
LOW-DENSITY SUBURBAN	130	1.078	1.049
LARGE-LOT	101	1.204	1.138

"Center" Category	# of Municipalities in Category	LQ for 50-to-64-Year-Olds, 2013 (Bulk of Baby Boom)	LQ for 50-to-64-Year-Olds, 2000 (Oldest Boomers and Older Generations)
CENTER	111	0.947	0.961
CONTAINS ≥ 1 CENTER	58	0.902	0.920
CONTAINS SINGLE CENTER	67	1.076	1.053
CONTAINS MULTIPLE CENTERS	22	1.035	0.961
NO CENTERS IDENTIFIED	307	1.070	1.067

ABOUT THE AUTHOR

Tim Evans is responsible for the original research and data analysis that support New Jersey Future's policy development, and ensures that all of the organization's products and media communications are quantitatively accurate and defensible. He frequently provides data and advice to colleague organizations, serving as an informal research consultant to the smart growth community at large. His analysis and commentary have been featured by a wide range of state and national media outlets. He holds a B.S. in mathematics from Ursinus College, an M.S. in statistics from the University of Virginia, and a master's in city and regional planning from the Bloustein School of Planning and Public Policy at Rutgers University. Prior to joining New Jersey Future, he worked for six years as a mathematical statistician for the Bureau of the Census in Washington, D.C.