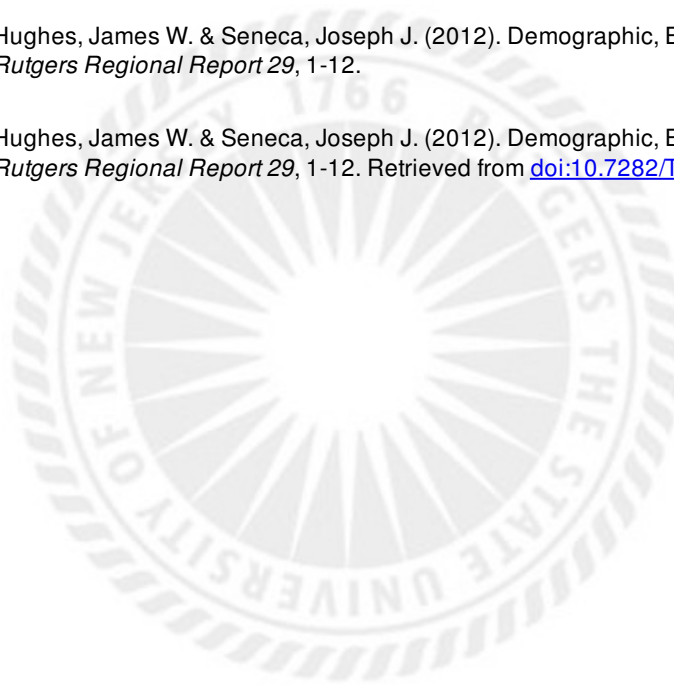


## **Demographic, Economics, and Housing Demand**

Rutgers University has made this article freely available. Please share how this access benefits you.  
Your story matters. [\[https://rucore.libraries.rutgers.edu/rutgers-lib/45474/story/\]](https://rucore.libraries.rutgers.edu/rutgers-lib/45474/story/)

**Citation to Publisher** Hughes, James W. & Seneca, Joseph J. (2012). Demographic, Economics, and Housing Demand.  
**Version:** *Rutgers Regional Report 29*, 1-12.

**Citation to *this* Version:** Hughes, James W. & Seneca, Joseph J. (2012). Demographic, Economics, and Housing Demand.  
*Rutgers Regional Report 29*, 1-12. Retrieved from [doi:10.7282/T3125V8X](https://doi.org/10.7282/T3125V8X).



**Terms of Use:** Copyright for scholarly resources published in RUcore is retained by the copyright holder. By virtue of its appearance in this open access medium, you are free to use this resource, with proper attribution, in educational and other non-commercial settings. Other uses, such as reproduction or republication, may require the permission of the copyright holder.

*Article begins on next page*

Issue Paper

Number 29

April 2012

# Demographics Economics and Housing Demand

**James W. Hughes**

*Dean*

Edward J. Bloustein School of Planning and Public Policy  
Rutgers, The State University of New Jersey

**Joseph J. Seneca**

*University Professor*

Edward J. Bloustein School of Planning and Public Policy  
Rutgers, The State University of New Jersey

Published by

**RUTGERS**

Edward J. Bloustein School  
of Planning and Public Policy

## Introduction

**D**emography is destiny! And, just as forecast, the long-anticipated demographic paradigm of the twenty-first century has unfolded almost exactly on schedule.<sup>1</sup> However, our once highly anticipated accompanying economic destiny has not! As a result, the intersection of demography and the new global economic realities has fundamental implications for residential demand and construction that differ somewhat from the prevailing forecasts of the recent past. Consequently, a new economically constrained demography has emerged, with shifting spatial ramifications.

Many market dynamics are so complex that simple description, much less prediction, becomes difficult. However, it is possible to forecast with a reasonable degree of certainty a number of key dimensions of our demographic future, particularly the age structure of the adult population to come. For example, every member of the labor force (18 years of age and over) in 2029—and every individual (18 years of age and over) that will need housing in 2029—has already been born, although perhaps not in the United States. Consequently, the core population projection is basically a cohort aging process that has only a minimum of uncertainty.<sup>2</sup>

What is less certain, and modifies the core projection, is the scale of immigration from abroad, which will impact the size of every population age group. Also uncertain is the translation of age-segmented future populations into specific household configurations.<sup>3</sup> Future household formations depend upon the economic capacity of individuals to establish independent living arrangements in a separate dwelling unit, and their desire to do so. So, while the broad contours of our demographic landscape can be foreseen with some

accuracy, economics and social preferences will be influential in determining their final morphology.

### The Broad Pattern in Effect

Thus, the undeniable conclusion is that both the age and household dynamics point to a short-term period of rental-housing resurgence, driven by the fabled baby-boom echo, which has caused an explosion in the number of 20- to 30-year-olds.<sup>4</sup> This is certainly evident on the housing-construction landscape. This market reality has been reinforced by the growth of non-married-couple families who have shelter space needs different from those of traditional family-raising households, who prefer freestanding suburban single-family dwellings. However, limiting the full market potential of leading-edge demographics is the new economic normal, which is serving to inhibit the economic capacity to transform housing need into effective housing demand. Moreover, the oldest echo boomer turns 35 years old this year. Thus, the cutting edge of this generation, with its changed housing preferences, may portend a shift in current housing protocols as the decade matures.

Demographic dynamics now in force also have led to new non-suburban-centric patterns of spatial shelter demand. This is a sharp change from the second half of the twentieth century, when baby boom-driven suburban New Jersey reigned supreme. However, this does not portend the “Death of the American Dream House,” nor the demise of suburban New Jersey, although both will never recover their once-vaunted dominant twentieth-century status.

The preceding summary is perhaps an oversimplification of the demographic and economic realities confronting the United States and New Jersey. A more in-depth analysis starts with the ever-changing age structure of the population.<sup>5</sup>

---

1. The baseline demographic forecast was detailed over a decade ago in James W. Hughes and Joseph J. Seneca, eds., *America's Demographic Tapestry: Baseline for the New Millennium* (New Brunswick, NJ: Rutgers University Press, 1999).

2. Technically, this is also known as cohort survival analysis.

3. A household is defined as an individual, or a group of individuals, sharing a dwelling unit.

---

4. The baby-boom echo was born between 1977 and 1995. Thus, it is 17 to 35 years of age this year.

5. Martha Riche, former director of the U.S. Bureau of the Census, has often pointed out that New Jersey represents the nation's demographics better than any other state. Thus, New Jersey and the United States are in demographic lockstep.

## Age Structure Fundamentals

As the second decade of the twenty-first century matures, the aftereffects of historic post–World War II age structure variations still stand as “fundamentals of duration.” They are the consequence of twentieth-century fluctuations in fertility and birth patterns. The surges and slowdowns in net natural increase (births minus deaths) yielded generations and population cohorts of varying sizes. The conventional labels for these generations are the *post–World War II baby boom*, the *great baby bust*, and the *baby-boom echo*. These generations have had, and will continue to have, significant impacts on the economy and on society simply due to their size variations. These impacts become even more potent in the context of changing values and lifestyles, as well as shifts in the nation’s economic trajectory.

### The Fabled Baby-boom Odyssey

The baby-boom generation has long been America’s demographic tidal wave. Each of its life-cycle stages profoundly influenced New Jersey’s residential and nonresidential markets. It was the primary demographic force shaping the state’s built environment and its geography during the second half of the twentieth century.

The baby boom is generally defined as that oversized population cohort born in the high-birth period between 1946 and 1964. It was the largest generation ever produced in American history: 78 million strong nationally, and 2.8 million strong in New Jersey. The baby boom was the classic pig in the demographic python. In 2012, the pig is now 48 to 66 years old. To date, there have been three distinct baby boom–driven housing eras in the Garden State.

#### **Era 1**

The birthing and child rearing of the baby boom provided the underpinnings for the first

post–World War II housing era, which lasted through about 1970. *Era 1* can be labeled the *postwar nesting generation* or the *original Levittowners*. Immediately after the war, GI Joe and Rosie the Riveter married, mated, and nine months later the baby boom erupted, commencing its historic 18-year run. The baby boom roared; tract-house suburbia emerged. Housing was largely shaped by the requirements of child rearing. The nesting generation and its baby-boom offspring transformed not only shelter configurations but housing geography as well. Suburban New Jersey emerged triumphant as baby-boomer “Hula-Hoop” brigades overwhelmed its school systems and educational plant.

The baby boom was the impetus for the greatest housing production period in the state’s history. The nesting generation moved into Levittown-style dwellings at the rate of 1,000 per week for 1,000 straight weeks: A million housing units were constructed in 20 years (1950 to 1970). Thus, the great engine of demography drove high-volume standardized family-raising housing production for more than two decades. A vast homogeneous mass middle market resulted. But, change was already in the works.

#### **Era 2**

The first law of demographics: The baby boom always moves on. It eventually became the Woodstock generation in the second half of the 1960s, inundating our colleges and universities. By the beginning of the 1970s, its critical mass began to enter New Jersey’s housing and labor markets directly as young adults and in full force, spawning *Era 2*. This can be labeled *direct baby-boom housing demand*. Thus, the second era was powered by the offspring of the first. But the market impact was far different. The mass middle market was supplanted by market segmentation. While the first generation born and raised in suburbia overwhelmingly chose to live where they came of age, new shelter partitions quickly emerged. Apartment, condominium, and townhouse developments sequentially served a

baby boom coming-of-age, rapidly pairing, forming households, and nesting. The urbanization of the suburbs commenced in full force as a new, more complex suburban reality replaced the older suburban ideal.

*Era 2* itself actually comprised three distinct stages. The *first* stage, entry-level boomer demand, was symbolized by the wave of garden apartments penetrating deep into, and changing the structure of the nation's suburbs. The Garden State seemingly became the Garden Apartment State. A *second* stage of *Era 2* emerged as the baby boom formed the “yuppie” brigades of the 1980s, and entry-level homeownership quickly followed. Condominium and town house developments then moved to the fore as the emergent shelter format.

A *third* stage quickly followed, as boomers who had become Yuppies now turned into “Grumpies”—Grown-Up Mature Professionals. As serious family raising ensued, the baby boom drove another era of single-family home production, which lasted for the balance of the century. It reached its peak in the mid- to late-1990s with a burst of “McMansion” building. Bigger has always been better in the United States, but bigger suddenly got a whole lot bigger.

Thus, maturing baby-boom households, in their peak child-rearing stage of the life cycle, continued to reshape the housing market as the new century beckoned. Trade-up, family-raising shelter was in great demand, and a huge web of trade-up markets emerged. Large-scale living and large-scale consumption were the new mantras. Suburbanization continued in New Jersey not only in full force but in full size—big houses, big vehicles, and big commutes.

This living large in New Jersey capped one-half century of suburbanization. In fact, the demographics of sprawl prevailed throughout New Jersey during the entire second half of the twentieth century. And, at its core, each housing era of this period was driven by the life-cycle stages of the baby boomers and their housing requirements: birth, childhood, and adolescence (in the suburbs), young adulthood (household

formation in the suburbs), and middle age (family raising and trading up in the suburbs). But, as a new century emerged, a third housing era unfolded, heralding a new non-suburban-centric spatial reality.

### ***Era 3***

The baby boom's national pastime had been postponing middle age. But, advanced middle age soon landed with a vengeance on leading-edge members of this generation, yielding *Era 3—Maturing Housing Demand and Empty Nesterhood*. (In a nod to being “politically correct,” boomers, objecting to the terms “maturing” and “aging,” preferred a new “demographic correctness.” Their naming preference for this era: “*Chronologically Gifted Housing Demand!*”) A graying, longer-in-the-tooth baby boom faced grandparenthood in empty nests surrounded by big, fast-growing lawns. Thus, empty nesterhood arrived in full force. Age-restricted, active-adult communities proliferated. And, as was the case several times in the past, developers overshot the mark, leaving an overbuilt market.

Until this point, with the exception of a few urban pioneers, the baby boom's lifecycle-stage-driven housing demand remained largely suburban. But many segments of the maturing baby boom, now no longer child- or time-constrained, desire residential locations with access to a wide range of activities. The resulting change in housing demand has opened up a variety of locational choices. Residences that simultaneously offer walking, social activities, cultural environments, and access to mass transit are beginning to command attention. Many locations with such attributes are found in the older, developed parts of the state.

The latest signature date for the baby-boom generation—one of epic proportions—was January 1, 2011, when the first boomers (born in 1946) hit the dreaded big “six-five”—65 years of age. This date marked the start of a vast unfolding of the yuppie elderly market. By 2020, all of the baby boom will be between 56 and 74 years of age. Nine years later—2029—every living boomer will be

65 or older. The baby boom's seven-decade-long shaping of housing, culture, and economics in New Jersey will then have reached its final stages—and the state will be facing the prospect of a “baby-boomless” demographic future. But, until that time, it will remain a potent force.

The baby boom's final shelter impact has already started to emerge: the proliferation of continuing-care facilities. Between 2010 and 2020, seniors (65 years of age and over)—encompassing about one-half of the baby-boom generation—will account for nearly one-half (47 percent) of the nation's total population growth. They will constitute 59 percent of the growth of the adult population (18 years of age and over) during this period. These percentage shares will actually increase in the subsequent decade. Between 2020 and 2030, seniors (65 years of age and over)—encompassing the entire baby boom—will account for more than one-half (54 percent) of the nation's total population growth, and for 66 percent of the growth of the adult population (18 years of age and over) during this period. Such shares of future population growth suggest that the baby boom will continue to flex its considerable size and not go out with a whimper.

## OTHER DEMOGRAPHIC DYNAMICS

As the relentless odometer of history continues, the “new” demographics suggest the evolution of a different, more concentrated, housing geography. Accompanying and reinforcing maturing baby boomers pursuing empty-nester lifestyles are two other “less sprawl”—intensive demographic forces: the baby-boom echo and foreign-born diversity. In addition, one other cohort will be influential: the baby bust. While somewhat forgotten because it is overshadowed by, and sandwiched between, two much larger generations (the baby boom and baby-boom echo), the baby bust will be a force for market shrinkage in traditional trade-up suburban shelter.

### The Baby-Boom Echo

The first cohort is the direct product of the original baby boom, which started its own family raising in full force in 1977, resulting in a very potent baby-boom echo. Before that, the baby boom seemingly totally and absolutely refused to reproduce itself. But, then childless couples—“Dinks” (double income, no kids)—were supplanted by “Dewks” (dual income, with kids). So, after a brief absence, “stroller people” once again invaded the suburbs, as a new and large generation was produced. This demographic group has been called “echo boomers” or *Generation Y*—the children of the baby boom—born between 1977 and 1995. They represent the second great population bulge of the twentieth century, and the 18-year length of its cohort matches that exactly of its parents (1946–1964).

At the end of the twentieth century, America was in the latter stages of the Great Trans-Millennial Economic Expansion.<sup>6</sup> This was a period of affluence and economic optimism, and the future looked extraordinarily bright for Generation Y. Every teenager in America was an echo boomer, and their spending power represented a potent market force.<sup>7</sup> At the time, the generation was labeled “flyers”—fun-loving youth en route to success. However, economic reality to come would soon change this destiny.

Currently (2012), every “20-something” in the United States is an echo boomer.<sup>8</sup> This is one of the demographic forces underpinning a resurgent entry-level rental-housing market. While falling just short of the size of the original baby boom, the baby-boom echo is soon (by 2014 or 2015) destined to outnumber its parents. Echo boomers will then comprise the largest living generation, and with it, the largest housing market target. At present, many echo boomers are living a new

6. This record-breaking economic expansion started in March of 1991 and lasted a full ten years—120 months. It ended with a recession that began in March 2001.

7. In the year 2000, echo boomers were between five and 23 years of age.

8. In 2012, echo boomers were between 17 and 35 years of age.

kind of extended adolescence—an extended period of pre-adulthood—in part due to the harsh aftereffects of the Great Recession. But most have been in the process of household formation and are prime consumers of rental housing. The current geographic locus of echo-boomer demand has been far less suburban-centric than that of their parents 40 years earlier. Higher-density living and working closely adjacent to activity environments have gained new market prominence.

A key question is whether this new shelter preference will have permanent long-term traction. During the current decade, the critical mass of the baby-boom echo will be moving into their 30s. Does this portend growing homeownership and family raising as 2020 approaches? By 2016, echo boomers will be between 21 and 39 years of age. Thus, every “30-something” will be an echo boomer. Looking at age-based demography alone, this would suggest a softening of the rental housing market.

### The New Foreign-Born Diversity

The second demographic cohort of emerging demand consists of the foreign-born on a scale and diversity that rivals the immigration waves of the early twentieth century. Asians have the highest rates of population growth both nationally and in New Jersey, while Latinos account for the largest absolute population-growth increments. Many of the foreign-born population are now exhibiting a preference for a wide variety of housing and location choices. During the past decade, immigrants have significantly bolstered housing markets in the state’s developed areas and will continue to do so in the years ahead. While there has been considerable suburbanization of some of the more affluent, the largest market segment may not want, or may be economically unable, to make that choice.

### The Baby Bust and the Dynamics of Shrinkage

Sandwiched between the baby boom and baby-boom echo was a period of plummeting births in the United States and New Jersey. The initial members of the baby boom seemingly refused to reproduce themselves as they came of age in the mid-1960s. The result was the *baby bust*, that undersized population cohort produced during the low-birth era from 1965 through 1976—the Sesame Street Generation. This group can also be labeled as *after-boomers* or *Generation X (Gen Xers)*. This cohort of contraction—a moving indentation on age-structure charts—was foreordained to trail in the wake of the baby-boom bulge. It has not quite been a demographic death valley, and it has not hollowed out middle-aged America. But it has been a demographic “shortfall” that has generated pains of contraction as it traversed each of its life-cycle stages. It has had the exact opposite impact of its much larger predecessor—a period of scaling back immediately following vast capacity expansion. For example, in the late 1970s and early 1980s, the baby bust depleted the school-age population, causing overcapacity problems for school systems and educational plants that had finally been sized to earlier peak baby-boom demand. School-closing issues quickly supplanted school-expansion bond issues.

Then, as the bust moved into its 20s in the 1990s, all activities and functions predicated on young adults faced contracting markets. Entry-level rental housing demand was in retreat, as the bottom of the housing market pyramid experienced shrinkage for the first time in American history. Subsequently, as the baby bust entered its family-formation years, it represented an undersized pool of homeowner aspirants. During the past decade (2000–2010), baby busters caused the 35-to-44-years-of-age sector to decline by approximately 10 percent.<sup>9</sup> They are

---

9. Had the baby bust’s age sector not been bolstered by immigration, the decline would have been on the order of 13 percent between 2000 and 2010. The same is true in the current decade (2010–2020).

now fast-forwarding into their peak housing-consumption years. They will cause an equivalent shrinkage in the 45-to-54-years-of-age sector in the current decade (2010–2020). These are the ages of peak single-family suburban homeownership. Thus, the population age cohorts that tend to be suburban family raising are now in shrinkage. And this portends a condition of market softness confronting the attempts by the original baby boomers to exit the single-family-unit market in the years ahead.

## DEMOGRAPHIC CRITICAL MASS

**B**ased on the scale and magnitude of population cohorts, there are currently four key demographic building blocks of regional residential land use in the twenty-first century:

- *Maturing 60-somethings*: Baby boomers pursuing empty-nester lifestyles.
- *20- and Young 30-somethings*: Echo boomers defining a resurgent entry-level rental housing market.
- *The new foreign-born diversity*: With a wide variety of shelter and locational preferences.
- *The baby-bust generation*: A cohort of contraction shrinking the market for trade-up suburban housing.

Thus, the demographics of today and the immediate future are quite different from those of the suburban-dominated past. They are considerably less sprawl-intensive, and they already have been instrumental in the rebirth of older developed areas. But the full shelter ramifications of age-related dynamics will also be shaped by household/lifestyle choices and economic capacities.

## Household Fragmentation

Household segmentation and life-cycle diversity crosscut all of the preceding demographic dynamics. There has been a transformation in the way in which the nation's population arranges itself into specific household configurations and the lifestyle choices inherent in these arrangements.<sup>10</sup> America has been passing through a profound and long-term household revolution that started and coincided with the coming-of-age of the baby boom. Lifestyle and socioeconomic changes have been powering a furious process of household segmentation/fragmentation/diversification across the nation. The major dynamic has been twofold. First, there has been the surging growth of single-parent families, one-person households (singles), and unmarried couples. The second has been complementary: the slow growth and contracting share of traditional married-couple families.

Most dramatic has been the increase in single-person households. At the beginning of the twentieth century, only one out of 20 (5 percent) households comprised a lone individual. At the end of the century, close to one out of four (25 percent) households consisted of a person living alone. Ten years into the twenty-first century, 25.2 percent were single-person households.<sup>11</sup> This large group of singles has become a much more diverse demographic segment, with the largest subgroup formed by senior women. It is also a market sector growing in economic potency.

---

10. The Census Bureau classifies households into two broad groups: family and nonfamily households. Families consist of two or more related individuals. Nonfamilies consist of either singles, or two or more unrelated individuals. Families are further subdivided into married-couple families (with or without children), or other families (male or female householders without spouses, with or without children).

11. In a shorter time frame, this percentage share is double that of 1960. Moreover, the 25.2 percent share in 2010 would have been higher in the absence of recession-induced "doubling-up," and/or young adults returning to, or remaining in, the parental hearth. This doubling-up will be reduced with economic recovery.



The decline in the demographic share of married couples has also been pronounced. In 1960, approximately three-quarters (75 percent) of all households were married couples. But, over the next five decades, their share steadily declined. By 2010, it just about reached half (51.1 percent) of all households. Significantly, married couples with children under the age of 18—a category representing the classic image of the American family—now account for only 23.3 percent of all households. This is significantly below the share (25.2 percent) held by single-person households. And married couples with children under the age of 18 actually declined in absolute number between 2000 and 2010.

Consequently, American household preferences point to a future of limited and constrained traditional freestanding single-family home construction. But all this does not mean unconstrained demand for alternative shelter formats. New economic realities have altered the simple translation of housing need to market-capable effective demand.

### Demography Meets the New Economy

The straightforward arithmetic described above that ages the population cohorts provides a relentless and very predictable time path for the growth and relative sizes of the various generations in both New Jersey and the nation. These future ebbs and flows in the age profile of America are known now. As noted, only the uncertainty of the future levels of international migration (determined, in part, by endogenous economic and policy factors), and the economic capacity to form households, will require that adjustments be made to them. However, while the demography is largely determined, it confronts an economic landscape that is vastly changed and challenging, and one that has profound implications for housing markets.

The analysis above made a compelling case that there are significant shelter needs that derive from the dynamics of demographic fundamentals. Moreover, these needs differ from the past suburban single-family home shelter type that so dominated New Jersey and the nation. The new relocation preferences of the baby-boom generation as it approaches its senior years, the new shelter preferences of echo boomers (linked to new lifestyle choices and new communication and work technologies), and those of a large and diverse foreign-born cohort, are all at play. However, the key complementary issue to this demography is whether the expected changes in shelter preferences can be converted into effective market demand and shelter outcomes. That is, will the prevailing economics of the next decade enable the translation of demographically influenced shelter choices into actual housing consumption power?

The Great Recession and the accompanying financial crisis, and the lingering effects of both, have created a new economic reality—a new normal.<sup>12</sup> Employment is still deeply below the level it reached in December 2007, the peak of the last economic cycle. Now, nearly four and a half years later, the United States has recovered fewer than 45 percent of the private-sector jobs lost during the recession.<sup>13</sup> New Jersey is even further behind, recovering only about 30 percent

---

12. We first used this term in the *Sitar-Rutgers Regional Report* (February 2009, Volume 12, Number 1).

13. Between December 2007 and February 2010, the United States lost 8.8 million private-sector jobs. In the ensuing 24 months, through February 2012, the nation recovered 3.9 million private-sector jobs. Thus, the nation still has an employment deficit of 4.9 million private-sector jobs, i.e., there are still 4.9 million fewer private-sector jobs than when the recession began in December 2007. It will probably take until 2014 to get back to the employment level of December 2007. Technically, the deficit is far larger since the labor force should have grown significantly during the past four years, leading to the need for at least an additional 4 million jobs to get back to the pre-recession employment rate.

**TABLE 1**  
**Median Income by Household and Family Type**  
**New Jersey, 2010**

Household/Family Type	Number	Share (%)	Median Income (\$)
<b>Total Households</b>	<b>3,214,360</b>	<b>100.0</b>	<b>67,681</b>
<b>Families</b>	2,226,606	69.3	82,427
<b>Married-couple family</b>	1,643,377	51.1	100,017
With own children under 18 years	748,765	23.3	107,236
No own children under 18 years	894,612	27.8	93,021
<b>Other Family</b>	583,229	18.1	44,747
Male householder, no wife present	154,134	4.8	53,556
With own children under 18 years	63,015	2.0	45,579
Female householder, no husband present	429,095	13.3	40,627
With own children under 18 years	213,744	6.6	27,788
<b>Non-Family Households</b>	987,754	30.7	38,506
<b>Female householder</b>	552,696	17.2	32,183
Living alone	476,611	14.8	28,934
Not living alone	76,085	2.4	73,540
<b>Male householder</b>	435,058	13.5	46,835
Living alone	334,610	10.4	41,040
Not living alone	100,448	3.1	75,589

Sources:  
Household Counts: 2010 Decennial Census  
Median Income: American Community Survey, U.S. Census Bureau (2010)

of its recessionary job losses. Income gains have been constrained during the recovery; house values are still greatly reduced from the mid-2000s, and they continue to decline in many markets; and equity markets are nearing previous highs, but with a fragility based on worrisome global economic and European fiscal conditions. While long-term interest rates certainly favor home purchase, residential lending *over-exuberance* has been replaced by residential lending *parsimony*.

Consumers continue to deleverage, many households hold mortgages that exceed the value of their homes, household mobility within and among states has been greatly reduced, and student debt levels are high and rising. This latter situation, when combined with weak entering job markets and constrained starting salaries, portends long-term financial constraints for young workers and their ability to afford shelter of whatever type.

**TABLE 2**  
**Median Income by Race/Ethnicity of Householder**  
**New Jersey, 2010**

Race/Ethnicity of Householder	Number	Share (%)	Median Income (\$)
<b>Total Households</b>	<b>3,214,360</b>	<b>100.0</b>	<b>67,681</b>
<b>One race</b>	3,153,789	98.1	not available
White	2,340,060	72.8	72,665
Black or African American	428,304	13.3	45,825
Asian	223,319	6.9	94,575
Other	162,106	5.0	not available
<b>Two or more races</b>	60,571	1.9	56,365
Hispanic or Latino origin (of any race)	436,743	13.6	47,166
White alone, not Hispanic or Latino	2,103,230	65.4	75,974
<i>Sources:</i>			
Household Counts: <i>2010 Decennial Census</i>			
Median Income: <i>American Community Survey, U.S. Census Bureau (2010)</i>			

A simple examination of income levels within the context of the emerging demography is revealing. Table 1 provides estimates of the 2010 median income for various household and family compositions in New Jersey. Statewide, the median household income was \$67,681, but this masks large variations across household types. Married-couple families are perched at the top of the income ladder, with a median income of \$100,017. This is nearly 50 percent higher than all households. A subset of married-couple families—those with children under the age of 18 years—has an even higher income: \$107,236.

The housing-consumption power of married couples stands in sharp contrast to single-person householders (male and female)—persons living alone. Their median incomes are significantly below the state average (\$28,934 for female householders living alone, and \$41,040 for male householders living alone). In terms of the broad housing market, income-constrained single-person households account for 25.2 percent of all households, and are fast growing. In contrast, income-leading married couples (with children) account for 23.3 percent of all households, and are slow growing. Also constrained by economics

are single-parent families with children under the age of 18 years. In this single-parent category, the median income of male householders is \$45,579, while the median income of female householders is just \$27,788. Both of these sectors are growing faster than married couples.

Similar disparities are evident in terms of race and ethnicity (table 2). White alone (not Hispanic or Latino) households in New Jersey have a median income of \$75,974, considerably higher than that of all households (\$67,681). This is a group that is actually contracting in number. In contrast, Hispanic or Latino households now represent 13.6 percent of all New Jersey households, and they account for the largest absolute increase in the state's population. However, they also have significantly lower incomes (\$47,166). Thus, a number of the major demographic segments in New Jersey (single-person households, single-parent families, and Hispanic/Latino households) are income-constrained as they face shelter choices going forward. In contrast, the fast-growing Asian household segment has the highest median incomes (\$94,575) among all racial and ethnic groups. It therefore represents a lucrative housing market target.

## SUMMARY

The economic certainties of the past have been painfully supplanted by the new economic uncertainties of today and tomorrow. This reality has sharply intruded on the emerging demographic landscape. Current preferences on housing tenure and spatial location have been in focus for a while. However, the economic capacity to fully achieve them is now questionable. Moreover, demographic aging relentlessly continues, and the critical mass of age-linked shelter preferences will shift. A key issue going forward is the next stage of baby boom–echo housing demand in the context of new economic “normals.” Unfortunately, short-term housing-market certainties may not have an unlimited shelf life. ■

---

The authors thank Will Irving for statistical assistance, Arlene Pashman for editorial and production support, and Marcia Hannigan for distribution assistance.

The **Edward J. Bloustein School of Planning and Public Policy** is one of the nation's key centers for the theory and practice of planning and public policy scholarship and analysis. The school was established in 1992 by the Rutgers University Board of Governors to provide a focus for all of Rutgers' initiatives and programs of instruction, research, and service in planning and public policy. The Bloustein School was ranked No. 3 in the United States in the latest survey of the nation's top graduate programs in urban planning by Planetizen, a Los Angeles-based planning and development network.

### **A Bloustein School Twentieth Anniversary Celebration**

March 2012 marked the twentieth anniversary of the establishment of the Edward J. Bloustein School of Planning and Public Policy. A series of events from fall 2011 through spring 2012 have commemorated this achievement. Festivities include presentations on Bloustein School faculty and staff research, several major lectures, and a two-day symposium on healthy cities, health policy, transportation security, and international planning. Events are highlighting the best of the school's work in urban planning, public policy, and public health. They began in September 2011 with the construction of the Rutgers and NJIT completely solar-powered ENJOY house on the Washington Mall in the District of Columbia as part of the U.S. Department of Energy's Solar Decathlon and will culminate in a two-day symposium on April 26 and 27, 2012.

For additional information about the Bloustein School, its academic programs, upcoming events, and affiliated research centers, visit the school's website: <http://www.policy.rutgers.edu>. Please also visit <http://policy.rutgers.edu/symposium2012/> to register for special Twentieth Anniversary events. ■

---

Previous issues of the *Rutgers Regional Report* include:

- Report 28**      **Employment Recession and Recovery in the 50 States** (September 2011)
- Report 27**      **Reversal of Economic Fortune: Regional and State Prosperity at Risk** (April 2008)
- Report 26**      **Where Have All the Dollars Gone? An Analysis of New Jersey Migration Patterns** (Oct. 2007)
- Report 25**      **New Jersey's New Economy Growth Challenges** (July 2006)
- Report 24**      **Anatomy of a Recovery: A New Jersey Report Card** (July 2005)
- Report 23**      **A Transportation-Driven World-Class Economy: New Jersey at Risk** (April 2005)
- Report 22**      **Tri-State Affluence: Losing By Winning** (November 2004)
- Report 21**      **The Beginning of the End of Sprawl?** (May 2004)
- Report 20**      **Then and Now: Sixty Years of Economic Change in New Jersey** (January 2004)
- Report 19**      **Housing Bubble or Shelter-Safe Haven?** (September 2003)

All issues are available for download on the Bloustein School's Web site:  
<http://www.policy.rutgers.edu/reports/rrr/>

**The RUTGERS REGIONAL REPORT is a publication of the  
Edward J. Bloustein School of Planning and Public Policy**  
Rutgers, The State University of New Jersey  
33 Livingston Avenue  
New Brunswick, New Jersey 08901-1981

[www.policy.rutgers.edu](http://www.policy.rutgers.edu)      © 2012 Rutgers, The State University of New Jersey

Edited by

**James W. Hughes, Dean**  
Edward J. Bloustein School of Planning and Public Policy  
and  
**Joseph J. Seneca, University Professor**  
Rutgers, The State University of New Jersey