



Regional Plan Association

Regional Plan Association is a research and planning organization supported by voluntary membership to coordinate conservation and development in the Tri-State Urban Region.

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NEWS RELEASE

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Highlights of Regional Plan Association's Forecasts for the Tri-State Region to 2015:

- ** CONTINUED GROWTH IN JOBS, OUTPUT AND PERSONAL INCOME **
- ** STRONG POPULATION GROWTH DUE TO RESUMED IN-MIGRATION **
- ** A MUCH OLDER, MORE DIVERSE POPULATION **
- ** RISING LABOR FORCE PARTICIPATION, SOME LABOR SHORTAGES **
- ** MORE CARS, TRAFFIC, POLLUTION, ESPECIALLY IN SUBURBS **
- ** NEW JERSEY TO ATTRACT MOST GROWTH, FOLLOWED BY NYC **

The Tri-State Region can expect strong growth in jobs and population over the next two decades, according to economic and demographic projections published today by Regional Plan Association.

"In spite of some indications that the phenomenal economic growth of the last decade may be starting to slow down, the long-term outlook for the Tri-State Region remains strong," said William S. Woodside, Chairman of Regional Plan

Association. "This Region specializes in most of the industries that are creating jobs nationwide, so we expect it to compete successfully for a share of the nation's new jobs.

"At the same time, there are significant constraints to further growth, including a tight labor market, deteriorating traffic conditions, serious environmental problems, a severe housing shortage and the high cost of doing business here.

"As a result, RPA expects a slowdown from an average of about 200,000 to about 100,000 new jobs a year. This means the Region would be attracting only about 6 percent of the new jobs in the nation, compared to more than 9 percent over the past decade. Nonetheless, that is a considerable amount of economic growth."

The recent shift in the composition of the new jobs to white collar and service industries is expected to continue, with most of the growth occurring in such industries as business and professional services, finance, nonprofit institutions and the self-employed, who are mostly engaged in business services and retailing, the Association said.

Other key economic indicators are also expected to rise, including the Gross Regional Product (a measure of all finished goods and services produced in the Region) and average personal income.

While job growth is slowing down after the extraordinary rates of the 1980s, population growth is expected to accelerate, mostly due to a resumption of net in-migration after the losses of the 1970s and the "zero net migration" of the 1980s, according to RPA.

The age and ethnic composition of the population is expected to change dramatically. By 2005, there will be 3.5 million more people above age 35 and 1.5 million fewer people below age 35. The number of people over age 85 is

expected to double. And a much larger percentage of the population will have been born abroad--up from 34 percent in 1987 to 53 percent in 2000 in New York City alone.

Motor vehicle registrations are expected to increase by 38 percent from 1987 to 2005 and by 50 percent to 2015. "The increase in highway traffic is likely to be even greater than the increase in motor vehicle registrations," continued Mr. Woodside, "since highway trips are generally longer than average."

Location of Job and Population Growth

New Jersey

"About 40 percent of the projected growth would occur in northern New Jersey," said Thomas J. Stanton, Jr., Chairman of National Westminster Bancorp NJ and Chairman of the Association's New Jersey Committee.

"The New Jersey sector is expected to increase its share of the Region's new jobs and population from 1987 to 2005, attracting nearly 39 percent of the jobs (compared to 35 percent between 1977 and 1987) and over 41 percent of the added population (compared to 36 percent from 1980 to 1987).

"In actual numbers, the forecast for growth in the New Jersey sector of the Region is 702,000 new jobs and 775,000 more people from 1987 to 2005.

"In other words, the formidable economic, social and environmental issues that have accompanied New Jersey's growth in the recent past are likely to intensify in the years ahead."

New York

"New York City is expected to attract roughly a quarter of the Region's job and population growth," said William T. Knowles, Chairman and CEO of National Westminster Bancorp Inc. and Vice Chairman of the Association. "New York City can expect about 450,000 new jobs from 1987 to

2005, with about 278,000 of them in Manhattan. This continues a striking trend which emerged in the 1980s, whereby New York City is attracting nearly twice as much of the Region's job growth as it did in the 1950s and 60s.

"Population growth in New York City, which was over 40 percent of the Region's total from 1980 to 1987, is expected to slow to about 23 percent from 1987 to 2005. That still would mean a hefty increase of 423,000 people in New York City.

"Meanwhile," continued Mr. Knowles, "the Mid-Hudson is the fastest-growing sector of the Region. It is expected to add about 263,000 jobs and 278,000 people from 1987 to 2005. That is nearly 15 percent of the Region's growth in both categories.

"On Long Island, job growth is expected to slip from nearly 20 percent of the Region's total between 1977 and 1987 to less than 11 percent between 1987 and 2005. Population growth, on the other hand, will pick up from barely 4 percent of the Region's total in the early 1980s to about 12 percent from 1987 to 2005."

Connecticut

"Southwestern Connecticut is projected to add about 200,000 new jobs from 1987-2005, maintaining its 11 percent share of the Region's job growth," said Robert N. Rich, President of the F.D. Rich Company and Chairman of the Association's Connecticut Committee. "Its share of the population growth is expected to rise from just over 7 percent between 1980 and 1987 to about 9 percent between 1987 and 2005."

Emerging Challenges

"Growth on this scale will bring with it a host of formidable issues for the Region's leadership," said Dr. John P. Keith, the Association's President.

"Among the most daunting challenges will be to educate workers for tomorrow's jobs, confront the housing shortage, relieve traffic congestion, manage waste disposal, clean up the environment, protect wetlands and drinking water and provide social services for an aging and changing population--while still maintaining the Region's economic competitiveness.

"In the final analysis, how much of the growth and prosperity we are projecting actually occurs in coming decades will depend on our success in meeting these challenges--because projections are neither predictions nor recommendations. They are the most likely result of recent trends and policies. New policies could change the results."

RPA and The New Century Series

The Association's latest forecasts were prepared under contract to the Metropolitan Transportation Authority, which is using the information in its strategic planning. Today's report, called "The Region Tomorrow: A Summary of Regional Plan Association's Economic and Demographic Projections to 2015," is the first issue of a new series of publications containing these forecasts. This series, entitled The New Century: Forecasts for the Tri-State Region, is being published with the assistance of National Westminster Bancorp Inc. A copy of the full report published today is attached. The technical report as submitted to the MTA will be made available upon request.

Regional Plan Association is a private, nonprofit research and planning organization for the Tri-State Region. Its first set of comprehensive economic and demographic forecasts, prepared in the 1920s, formed the basis for The Regional Plan of New York and Its Environs (1929). It foresaw the increasing importance of the automobile and designed the regional network of highways, bridges and parkways.

In the 1950s, the Association commissioned another comprehensive set of forecasts in The New York Metropolitan Region Study, which foresaw the shift from manufacturing to service industries and the rapid suburbanization of development. It led to the preparation of The Second Regional Plan (1968), which argued for the centralization of major new developments in the Region's city centers, which could be served by mass transit.

The new projections are expected to form the basis for a third round of comprehensive planning by RPA in the 1990s.

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