

# 535 Insights

## New Jersey 3rd District



Our mission is to bridge the gap between policymakers and investors to create economic security for workers and families.

We equip policymakers with data-driven insights to mobilize **private capital** to generate prosperity across the country. Our **535 Insights** series provides analytics specific to the constituencies of all 535 Members of Congress.

**18%**

chance to become high-income with low-income parents<sup>1</sup>

**RANK 54 OUT OF 435**

**35%**

of state residents have difficulty paying for usual expenses<sup>2</sup>

**RANK 25 OUT OF 50**

**50%**

of renters are burdened by housing costs<sup>3</sup>

**RANK 242 OUT OF 435**

**52%**

of businesses are at risk of succession<sup>4</sup>

**RANK 101 OUT OF 435**

The opportunity to build wealth and economic security is the foundation of the American Dream. This is how **the New Jersey 3rd District** is performing (ranked by desirability).

To revive the American Dream, the 3rd District needs a strategy to promote economic opportunity.

### HERE'S WHERE WE'RE STARTING:

#### Affordable Housing

By making it easier to finance **affordable housing** and the expansion of **home ownership** we can help build strong communities where families will thrive.

#### Employee Ownership

By expanding **employee ownership** through **Employee Stock Ownership Plans (ESOPs)**, we can create generational wealth for American workers while enhancing U.S. competitiveness.

Turn the page to see how **the 3rd District** is doing on affordable housing and employee ownership.



# Affordable Housing & Homeownership

**The New Jersey 3rd District is facing housing supply and affordability challenges.**

This is contributing to unsustainable financial burdens for families and creates barriers to economic opportunity.

## 38x

is what a typical family owning a home has in net worth compared to a family renting<sup>5</sup>

**NATIONWIDE**

## 50%

of renters are burdened by housing costs<sup>6</sup>

**RANK 242 OUT OF 435**

## 37%

of state residents are facing eviction or foreclosure<sup>7</sup>

**RANK 38 OUT OF 50**

## 4%

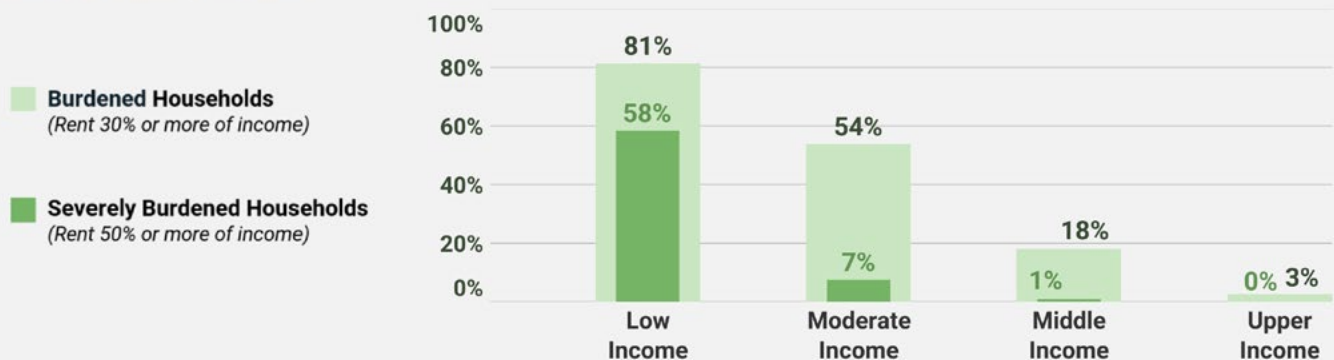
of residents live in high poverty areas<sup>8</sup>

**RANK 49 OUT OF 435**

The United States is 4 million homes short of meeting national demand, a shortfall that has almost doubled over the past decade.<sup>10</sup> **New Jersey** has a shortfall of 143,701 units.<sup>11</sup> This undersupply contributes to rising housing costs which force working-class families to spend an unsustainable portion of their income on rent and pushes many households into neighborhoods with high poverty rates.<sup>12</sup> Research demonstrates that living in areas of concentrated poverty makes it harder for kids to rise up the income ladder.<sup>13</sup> Housing cost-burdens are also rising for middle- and higher-income families, while rising housing costs have led to the American Dream of homeownership becoming increasingly unattainable—narrowing pathways for families to build wealth.<sup>14</sup>

Of the over \$200 billion that has been invested annually in housing in recent years, only a fraction supports projects affordable for working-class families.<sup>15</sup> Innovative models capable of significantly boosting the supply of affordable housing exist but struggle to attract capital to scale. New policies, programs and financing tools are needed that redirect private capital into projects that promote financial stability and homeownership, and help build strong, resilient communities.

### Rent Burden by Income<sup>9</sup>



## \$1,629

median rent<sup>16</sup>

**RANK 344 OUT OF 435**

## \$355.8K

median home value<sup>17</sup>

**RANK 295 OUT OF 435**

## 78%

home ownership rate<sup>18</sup>

**RANK 18 OUT OF 435**



Learn more about  
[affordable housing](#)

# Employee Ownership

The United States is confronting a “silver tsunami” of retiring business owners that are likely to sell their businesses over the next decade. Meanwhile, too many American workers and families are financially unprepared for retirement.

## 52%

of businesses have an owner aged 55 or older<sup>19</sup>

**RANK 101 OUT OF 435**

## 14%

of businesses operate in critical industries and have an owner aged 55 or older<sup>20</sup>

**RANKED BY NUMBER OF CRITICAL FIRMS  
137 OUT OF 435**

## 54%

of all Americans aged 15 to 64 have no retirement account<sup>21</sup>

**NATIONWIDE**

## -17%

reduction of retirement savings of working-class Americans 2022 vs. 2016<sup>22</sup>

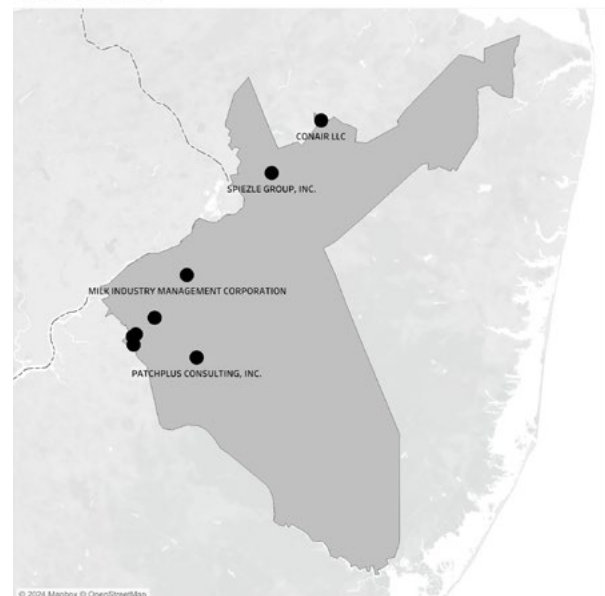
**NATIONWIDE**

**Without a policy strategy to address business succession, we risk the loss of American businesses and their local jobs.** Too often, the sale of a business to an out-of-state or foreign buyer results in the loss of local jobs and investment. With many businesses in critical industries—e.g., those with implications for national and economic security—facing the challenges of business succession, promoting employee ownership can be part of a broader competition framework to maintain our leadership in strategic sectors while investing in American workers.

**What is an ESOP?** The Employee Stock Ownership Plan (ESOP) is both a retirement plan and corporate finance vehicle that allows retiring business owners to sell their business to employees. Employees do not pay for their shares—employee ownership is instead an incremental benefit on top of wages and benefits. ESOPs have been demonstrated to create over 2.5 times more retirement wealth for workers—in addition to superior pay and benefits—compared to traditional companies.<sup>23</sup> Employee-owned businesses have also been shown to innovate more frequently and exhibit greater resilience during an economic downturn.<sup>24</sup>

As baby boomers prepare to retire and sell their businesses, ESOPs can play an important role in maintaining domestic ownership and productive capacity across manufacturing and other strategic sectors—a win-win for U.S. economic security and for American workers across the country.

### Privately Held ESOP Companies in 3rd District



## 9

privately held ESOP companies<sup>25</sup>

**RANK 262 OUT OF 435**

## 2,863

total employee owners in local ESOP companies<sup>26</sup>

**RANK 185 OUT OF 435**

## \$119.1K

average ESOP balance per employee<sup>27</sup>

**RANK 177 OUT OF 435**



Learn more about  
[employee ownership](#)

# Let's talk.

✉ Connect with us at [535@lafayettesquareinstitute.org](mailto:535@lafayettesquareinstitute.org)



Want to learn more?  
[Visit our website!](https://www.lafayettesquareinstitute.org)

1. Chetty, R. et al. Opportunity Insights, Harvard University, 2018, *The Opportunity Atlas: Mapping the Childhood Roots of Social Mobility: All Outcomes by Census Tract, Race, Gender and Parental Income Percentile: Averaged chance of children born 1978-1983 in the 1st and 25th income percentile to reach the 80th or higher income percentile as adults 2014-2015.*
2. U.S. Census Bureau, 2024, *Household Pulse Survey, Phase 4.2, Cycle 09: Percentage of adults in households where it has been somewhat or very difficult to pay for usual household expenses in the last 7 days.*
3. Potomac X Lafayette Square; U.S. Census Bureau, 2022, *American Community Survey (ACS), 5-Year Estimates: Household Income by Gross Rent as a Percentage of Household Income in the Past 12 Months: 30% or more.*
4. LSI based on Project Equity, 2023, *Silver Tsunami*; U.S. Census Bureau, 2021, *Annual Business Survey: Characteristics of Business Owners (Employer Businesses)* and U.S. Census Bureau, 2021, *Statistics of U.S. Businesses Annual Data Tables by Establishment Industry: State by congressional district, NAICS sectors.*
5. Federal Reserve Board, 2023, *2022 Survey of Consumer Finances: Median Net Worth by Family Characteristics.*
6. See (3).
7. U.S. Census Bureau, 2024, *Household Pulse Survey, Phase 4.2, Cycle 09: Percentage of adults in households not current on rent or mortgage where eviction or foreclosure in the next two months is either very likely or somewhat likely.*
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9. LSI with Potomac X Lafayette Square; U.S. Department of Housing & Urban Development, 2024, *Comprehensive Housing Affordability Strategy 2021 5-Year Estimates.* Income Groups: Low = <50% of area median income (AMI), Moderate = 50-80% AMI, Middle = 80-120% AMI, Upper = >120% of AMI. National Averages for comparison: Burdened (76%, 45%, 16%, 3%), Severely Burdened (50%, 7%, 1%, 0%).
10. Up for Growth, 2023, *2023 Housing Underproduction in the United States.*
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15. CBRE, 2022, *U.S. Real Estate Market Outlook 2022: Multifamily.*
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18. Potomac X Lafayette Square; U.S. Census Bureau, 2022, *ACS, 5-Year Estimates: Household and Families.*
19. See (4).
20. See (4) for owner ages per industry. LSI; identifying critical industries using the U.S. Department of Commerce, 2024, *Critical Sectors and Key Goods for Potential Cooperation under the IPEF Supply Chain Agreement* and the Department of Defense, 2024, *National Critical and Emerging Technologies.*
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