

RESEARCH REPORT

Assessing the Impact of Invest Newark's Programs

Michael Neal
August 2024

Daniel Pang



ABOUT THE URBAN INSTITUTE

The Urban Institute is a nonprofit research organization that provides data and evidence to help advance upward mobility and equity. We are a trusted source for changemakers who seek to strengthen decisionmaking, create inclusive economic growth, and improve the well-being of families and communities. For more than 50 years, Urban has delivered facts that inspire solutions—and this remains our charge today.

Contents

Acknowledgments	iv
Executive Summary	v
Assessing the Impact of Invest Newark's Programs	1
Programmatic Intervention	5
Data	6
Quantifying the Impacts of Invest Newark Programs	8
Looking Forward	22
Conclusion	23
Appendix	24
Land Bank	24
Grants and Lending	26
Business Development	27
Newark Fiber	29
Notes	31
References	32
About the Authors	33
Statement of Independence	34

Acknowledgments

This report was funded by Invest Newark. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the authors and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute's funding principles is available at urban.org/fundingprinciples.

The Urban Institute's Housing Finance Policy Center is producing a report that analyzes programs conducted by Invest Newark to measure the impact of how these programs, individually and cumulatively, boost upward mobility and equitable economic growth for citizens of Newark. This work requires in-depth analysis of these programs, informed by both quantitative and qualitative data collection, to provide insights into Newark's economic challenges.

The authors want to thank the important stakeholders participating in Invest Newark's development programs, many of whom generously took the time to interview with us and filled key gaps in the data and information needed to comprehensively assess the impact of these programs. The overall analyses of these programs benefited tremendously from the collective input provided by the following stakeholders and program participants:

- Sam Adjangba, Utility Consultant and Real Estate Developer, Advisors Energy Group LLC
- Florence Dennis, Owner, Flows Tasty Treats
- Chanice Fish, Owner, Taste of the Caribbean Food Market
- Abdul Roberson, Owner, Abby's Deli LLC
- Elizabeth Reynoso, Director of Research, Evaluation, and Impact, Interise
- Nicole Quallis, Owner, J & A Real Estate Management, NQ Management Real Estate Services
- Vandrick Robinson, Managing Member, Algorithm Real Estate Holdings LLC
- Eric Royce, Owner, Get It All Delivery App
- Michael Weiss, Vice President for Multifamily Housing, Andrena

Executive Summary

Newark is New Jersey's largest city and is a part of the New York-Newark-Jersey City metropolitan statistical area, a geographic region of sizeable economic and financial importance. But evidence indicates that key indicators of a robust economy are lacking. Family incomes are low, the homeownership rate is low, a small proportion of individuals own businesses, and a large share of households do not have internet access.

Invest Newark, the city's economic development corporation, is tasked with propelling a strong and vibrant economy that creates opportunities for residents. Invest Newark achieves these goals through four key programmatic areas: land bank programs, business development programs, grants and lending, and Newark Fiber. Through these programs, Invest Newark supports women- and minority-owned small businesses; invests in world-class internet service; spurs real estate development; and executes economic development activities to produce and sustain economic growth, generate jobs, and create wealth.

Our calculations do include some overlap, as constituents could participate in multiple programs. But together, we found that Invest Newark's programs, while small, had a positive impact on the city's economy and labor market. Invest Newark's activities helped boost economic output and create jobs, and this impact reduced unemployment. The hope is that the successful programs can be expanded going forward, both in Newark and elsewhere.

Specifically, we found the following:

- From 2021 to 2023, the combined impact of Invest Newark's four core programmatic areas generated a total economic effect of \$178.3 million in Newark, increasing gross domestic product (GDP) growth from 34.42 percent to 37.61 percent.
- These programs also created 982 jobs, decreasing the 2022 unemployment rate from 10.83 percent to 10.09 percent.
- The Newark Fiber internet connectivity program provided 36,636 high-speed internet connection setups for the city's residents, businesses, and public buildings.
- The land bank program provided 35 residential and commercial developments for the city's first-time homebuyers and low- and moderate-income families.
- The business development program provided educational courses in business finance and principles to 1,285 small business owners.

- The grants and lending program provided \$7.9 million in grants and loans to 29 small businesses and projects promoting workforce development and economic growth.

Assessing the Impact of Invest Newark's Programs

Background

Newark is the largest and one of the most diverse cities in New Jersey.¹ Despite population declines, Newark is still largely considered a key economic hub of New York City and surrounding areas.

Newark's economic base began to wane in the postwar period. The interstate highway system made it possible to live in the suburbs and commute into Newark.² This transportation shift, in combination with the uprising of 1967,³ served as a key pivot, accelerating the city's population decline, where many white households, as well as affluent Black and Hispanic households, moved out of the city. This large exodus of white and upper-income households left the city heavily composed of lower-income households and less affluent Black and Hispanic households (Neal and Pang 2021a).

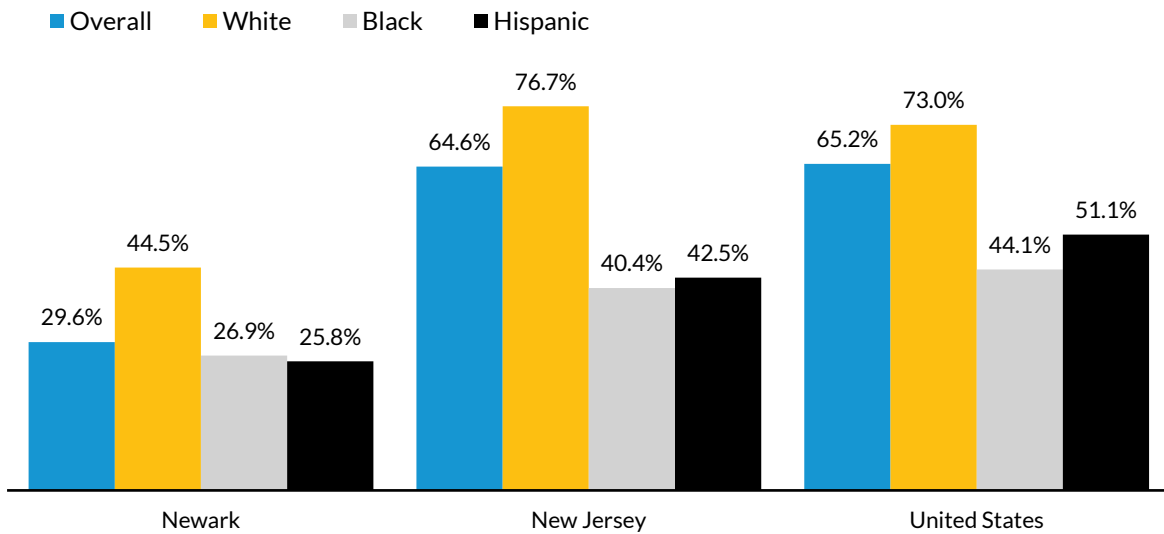
The racial and ethnic landscape holds true today, as 81 percent of the city's households were either Black or Hispanic in 2022. The median household income was \$48,688 in 2022, compared with \$93,346 in New Jersey and \$74,755 nationally.

Homeownership

Homeownership rates in the US are far lower for Black and Hispanic households than those for white households. Because of the major postwar population shift in Newark, we find the total homeownership rate in Newark is significantly lower than in New Jersey and the nation overall (Neal and Pang 2021a).

In 2022, the white homeownership rate in Newark was 45 percent, compared with just 27 percent for Black households and 26 percent for Hispanic households (figure 1). Newark's overall homeownership rate was around 30 percent, compared with 65 percent in both New Jersey and the nation overall. Additionally, a large proportion of corporate investors own the city's housing stock, providing rental access to homes for larger families but limiting equity accumulation through homeownership.⁴ These homeownership rate gaps can cause considerable disparities in financial stability for Newark residents, as homeownership can provide a key path for building wealth.

FIGURE 1
2022 Homeownership Rates, Overall and by Race or Ethnicity



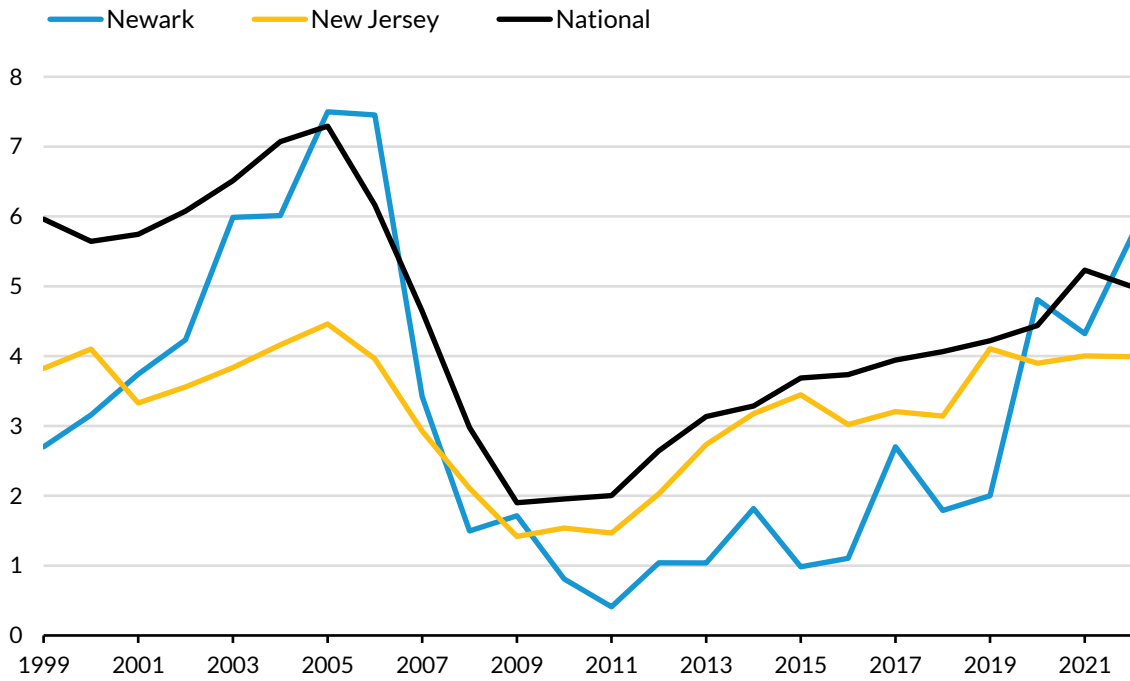
URBAN INSTITUTE

Source: 2022 American Community Survey, one-year data.

Following the Great Recession, Newark experienced detrimentally higher rates of delinquency, foreclosure, unemployment, and home price depreciation, causing homeowners to have negative equity in their homes compared with other homeowners across the state and nation (Neal and Pang 2021b). The economic downturn following the Great Recession led to a steep decline in residential permits and new construction nationally (figure 2). But compared with the nation and New Jersey, the declines in Newark were steeper and more pronounced.

FIGURE 2

Single-Family and Multifamily Residential Permits per 1,000 Residents



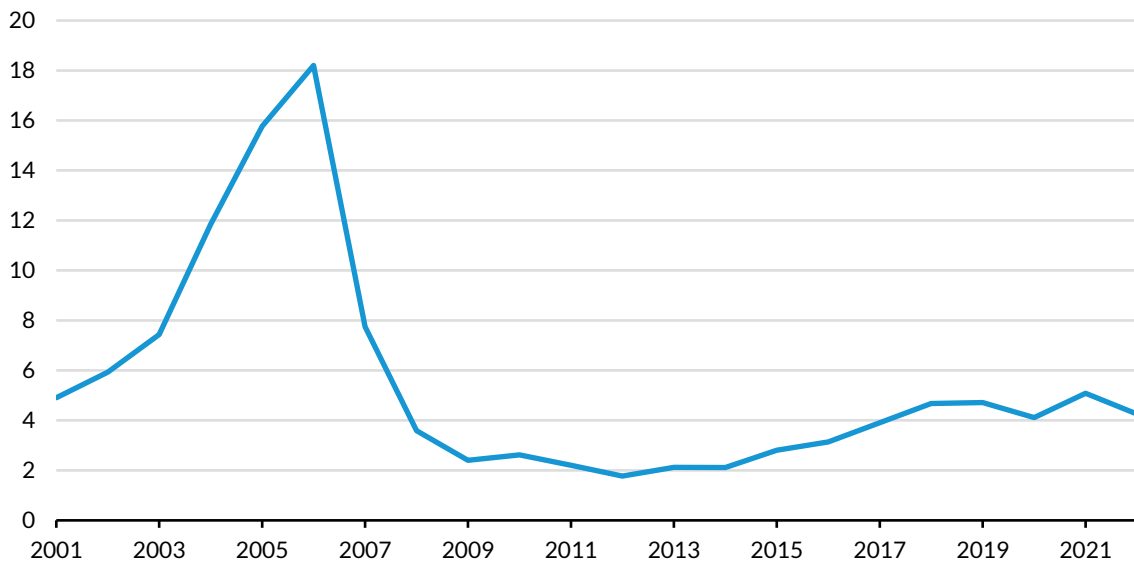
URBAN INSTITUTE

Source: US Census Bureau.

The Great Recession’s impacts can also be seen in the decline of capital flows across Newark. The number of purchase mortgages originated in the city, adjusted for population, peaked in 2006 before sharply decreasing until 2012, and it has remained steadily below prerecession levels since (figure 3). In 2022, purchase mortgage origination volumes were less than a third of their prerecession peak in 2006. Along with the lack of capital flows into the city, which provide investment into critical resources, this stagnant purchase mortgage origination volume reflects the lag in Newark’s homeownership growth since the Great Recession (Neal and Pang 2022).

FIGURE 3

Purchase Mortgage Originations per 1,000 Residents in Newark, New Jersey



URBAN INSTITUTE

Source: Home Mortgage Disclosure Act data.

High poverty rates and low incomes also limit opportunities for homeownership, wealth building, and inclusion (Neal and Pang 2021b). Twenty-four percent of all households in Newark had incomes below the federal poverty level in 2022, more than twice the statewide average of 10 percent in New Jersey and nearly twice the national rate (13 percent). Median household income in Newark is low (\$48,488), which affects housing affordability. This median compares with \$93,346 in New Jersey and \$74,755 nationally.

Small Businesses

Small businesses are another vital element of Newark’s economy and have contributed significantly to the city’s growth.⁵ In the American Business Survey, small businesses are defined as firms with fewer than 500 employees. Data on the share of small businesses per population from the survey are not available at the city level, but we can see that both New York and New Jersey metropolitan statistical areas have a higher rate of small businesses as a share of the population at 2.0 percent, compared with 1.7 percent nationally (table 1).

TABLE 1

Share of Small Businesses per Population

	Small businesses as share of the population
National	1.7%
New Jersey MSA	2.0%
New York MSA	2.0%

Source: 2020 American Business Survey data.

Notes: MSA = metropolitan statistical area. Small businesses have up to 500 employees.

Internet Access

As the internet increasingly facilitates communication, learning, and wealth building, Newark residents have historically had significantly limited access to this crucial resource, which created a severe digital equity gap (Neal and Pang 2021a). According to a recent study conducted by the Newark Trust for Education and Project Ready,⁶ the largest barrier to internet access was affordability rather than lack of infrastructure.⁷ Because the City of Newark owns its broadband network, the main problem was figuring out how to bring free and low-cost internet access to its residents, businesses, and communities.

Programmatic Intervention

Given the arduous challenges Newark has faced, Invest Newark seeks to advance the city’s global competitiveness by growing a strong economy, building vibrant communities, and increasing economic prosperity.⁸ Founded in 2007, Invest Newark operates as a development agency to support small businesses, invest in world-class internet service, and focus on equity and sustainability. These operations are conducted by a team of professionals and a robust network of partner organizations that share Invest Newark’s vision. Invest Newark often works with the city’s major leaders and stakeholders.

FIGURE 4
Invest Newark Programmatic Areas



BUSINESS
DEVELOPMENT



NEWARK FIBER



GRANTS & LENDING



LAND BANK

Invest Newark’s target programs fall into four programmatic areas. The land bank programs use land parcels Invest Newark owns and focuses on providing affordable homeownership access, with an emphasis on first-time homebuyers. The grants and lending programs provide valuable financing opportunities to promote the development of the city’s residential neighborhoods, small businesses, and infrastructure. The Newark Fiber programs focus on providing low-cost high-speed internet access to residents, businesses, and schools across all parts of the city, including its most traditionally disenfranchised communities. The business development programs provide both in-person and online training courses, ranging from one-day workshops to intensive programs lasting several months, for the city’s aspiring and existing small business entrepreneurs.

Data

Quantitative Data

In our background section above, we quantify the key challenges Newark faces today and historically by analyzing both administrative and survey datasets, including the American Community Survey, Home Mortgage Disclosure Act, and the American Business Survey.

In our analyses of Invest Newark’s programmatic interventions to address these challenges, we use data collected by Invest Newark, which vary by program depending on their inputs and outputs. For example, data collected for the Newark Fiber Affordable Connectivity Program (ACP) include extensive information on Newark’s number of new, existing, and potential broadband enrollments; amount of actualized and potential savings; and number of events held to spread awareness of the program along

with the costs to run these events. Similarly, Invest Newark's grants and lending programs provide information on the number of grants and loans made and their amount.

Although the data Invest Newark provided are thorough, we recognize there will be significant gaps where these data alone will not be enough to explain each element of our program evaluations using cause-and-effect logic models. A combination of data tools, including qualitative data collection, will be a critical part of this work and will allow us to enrich our understanding of Invest Newark's programmatic impact where quantitative data alone cannot.

Qualitative Data

A considerable portion of the data we used in our analyses will be informed by qualitative data, including comprehensive literature reviews and interviews with Invest Newark program leaders, partners, and participants. In addition to filling in data gaps where one qualitative tool is insufficient on its own, we will use both literature searches and interviews in conjunction with quantitative data provided by Invest Newark to construct a comprehensive evaluation of each program. These qualitative tools will help us fill gaps in the quantitative data to describe each program's inputs and outputs, as well as the outcomes for each program's participants and Newark's overall economy. For example, an interview may tell us that low-cost internet service reduced costs for a household, and that household could then save more or purchase goods and services, which contributes to local economic growth. Data collected from existing literature and interviews will allow us to estimate and quantify these benefits to measure the program's direct impact.

Economic Literature

This report relies on critical relationships established in economic literature. But even with these links, we made some assumptions. For example, we assume that beneficiaries save a portion of their income equal to the personal savings rate reported by the Bureau of Economic Analysis.⁹ In addition, we systematically assume that the broader economic impact is a multiplier based on a popular workhorse model suggesting that the government multiplier is around 3.7 for stimulative fiscal policy (Haltom and Sarte 2011).

Economic growth is typically measured by changes in the gross domestic product. Because no systematic information on the Newark GDP is available, we use total household income as a proxy. City-

level American Community Survey data for 2020 were impaired by the pandemic, so we use 2019 through 2022 as the three-year time horizon.¹⁰

In addition, the foundational relationship between GDP and the unemployment rate finds that a 2 percentage-point change in output is associated with a 1 percentage-point decline in the unemployment rate (Okun 1962). We use this relationship to describe the impact on the labor market and assume the change in the unemployment rate reflects changes in unemployment, not in the size of the labor force.

Analysis also indicates that productivity gains from technology are 1.1 percent over the medium term (Gordon and Sayed 2023). And although productivity has increased 64.7 percent over the long run, earnings have risen only 14.8 percent.¹¹ Using this ratio of productivity to earnings, this report routinely translates a 1.1 percent increase in productivity to raise income by 0.25 percent over the medium term.

This robust combination of quantitative and qualitative data, along with rigorous estimation analyses, will provide the key information required to describe the inputs, outputs, and outcomes of the logic models detailed throughout the rest of our report. Although our logic models describe several outcomes affected by each program, we quantify the impact on the local economy, total per capita income as a proxy for GDP, and the unemployment rate. These indicators could be consistently estimated across each program both overall and per beneficiary.

Quantifying the Impacts of Invest Newark Programs

Cause-and-effect logic models display an organization's programmatic investments in relationship to the results of that investment (Savaya and Waysman 2005). Using a flow chart, logic models make it easy to track the relationships between a program's input costs, output results, and the impact of these results. Although the scale of these early-stage programs is sometimes small because of limited resources, successful programs may be a template or inspire ideas for policymakers and decisionmakers to conduct similar programs at a larger scale.

Land Bank Programs

The Section 8 Homeownership Conversion Program increases homeownership opportunities for low- and moderate-income families. A partnership of public- and private-sector stakeholders is involved. Current Section 8 rental voucher recipients apply to the Newark Housing Authority to participate in the

program. Qualified applicants must complete a homeownership training course administered by the Neighborhood Assistance Corporation of America.

Move-In Ready program sales are designed for first-time homebuyers looking to purchase a home that has already been renovated.

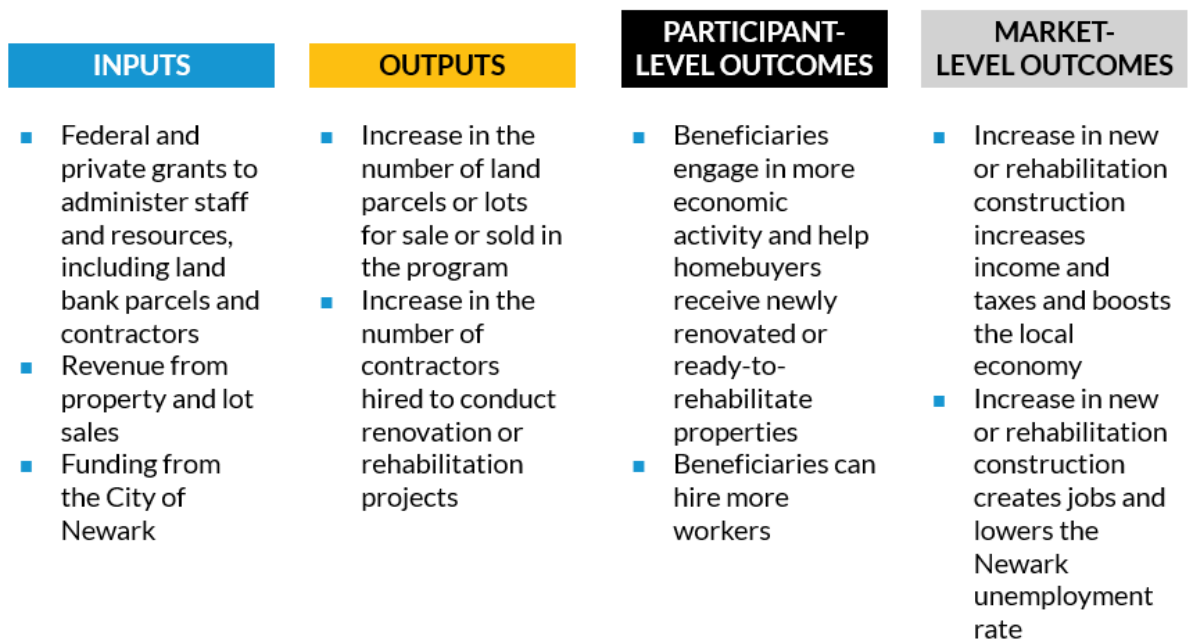
PRO Newark helps first-time, owner-occupied homebuyers purchase homes to rehabilitate and live in. Eligible properties owned by the Newark Land Bank are sold to qualified applicants who can demonstrate a clear intent and ability to undertake the appropriate rehabilitation and reside in the property as their principal residence for five consecutive years after the buyer receives a certificate of occupancy or a certificate of continued occupancy.

Resident Advantage is designed exclusively for Newark residents who are looking to become first-time, owner-occupied homebuyers. Properties offered for purchase in this sale may be fixer-uppers or move-in ready. Applicants who are Newark residents seeking a property to renovate at their sole expense, by themselves or via a hired contractor, must qualify and follow the same sales process as PRO Newark homeownership sales. Likewise, applicants who are Newark residents seeking a fully renovated property must qualify and follow the same sale process as move-in-ready sales. Buyers are required to reside in the property as their principal residence for five consecutive years.

The vacant lots and side lots program is designed to reduce the number of vacant, abandoned, and unproductive lots in the city and to provide a pipeline of properties for residential, commercial, or industrial development. Prospective purchasers of vacant or side lots apply via the Newark Land Bank website. For side lots, owners of directly contiguous lots are given first preference.

FIGURE 5

Logic Model for Land Bank Programs



URBAN INSTITUTE

Figure 5 outlines the inputs, outputs, and outcomes of Invest Newark’s five primary land bank programs. These programs vary by applicant requirements. The Section 8, Move-In Ready, PRO Newark, and Resident Advantage programs are all focused on rehabilitating dilapidated properties in the land bank, but the vacant lots program is more focused on new single-family construction on empty lots. For the Section 8 and Move-In Ready programs, Invest Newark is responsible for hiring a contractor and vendor to administer the rehabilitation or renovation process before offering the property to a first-time homebuyer. For the PRO Newark and Resident Advantage programs, the applicant is responsible for taking on the rehabilitation construction process themselves or finding a contractor or third-party vendor to conduct the work. The main differences in these rehabilitation and renovation programs are seen in their applicant requirements.

Federal and private appropriations, along with funding from the Newark city government, was the primary funding source for inputs across all the land bank programs, as well as revenue generated from property and lot sales. Between 2020 and 2023, the total funding made available for all the programs was \$9.9 million. These funds were used to purchase, maintain, and renovate or construct land parcels and administer the program (e.g., processing applications).

These programs resulted in meaningful output, including increases in economic output and employment, as the increased construction increased income, taxes, and job creation. Within the land

bank program, 10 Section 8 properties, 1 PRO Newark property, 1 Resident Advantage property, and 23 vacant lot properties were sold during this period (35 total properties). No Move-In Ready properties have been sold yet, but several are currently under construction. The cumulative result of these programs provided a significant contribution to economic output in the local Newark economy and contributed to job and employment opportunities that lowered the city's unemployment rate.

Local Economic Impacts of the Land Bank Programs

From 2020 through 2022, Invest Newark's land bank programs were estimated to have lowered the number of unemployed workers by 62. Thirty-five properties were either constructed or renovated on Invest Newark's land bank lots, creating 1.7 jobs per property project. In 2022, the city's unemployment rate was 10.09 percent. Absent the land bank programs, the unemployment rate would have been 10.14 percent.

The land bank programs support homeownership by providing housing for first-time homebuyers. These results are achieved through renovation, rehabilitation, and construction activity supported by Invest Newark. This construction activity represents money spent in the local economy. And this spending activity has downstream effects, through additional income generated, taxes paid, and jobs created. This cycle results in a multiplier effect on the local economy, increasing economic activity and reducing the unemployment rate.

We estimate the land bank programs increased total income by \$10.8 million over these same three years. With a 3.6 percent savings rate, the total consumption of this income stood at nearly \$10.4 million, generating a total economic effect of around \$38.5 million, or around \$1.0 million in economic impact per property project, assuming a government spending economic multiplier of 3.7. Over this period, the city's GDP rose 37.6 percent. Excluding estimates of the economic impact of the land bank programs, the local economy would have expanded just 36.9 percent.

In addition, the firms used to engage in this construction activity are typically minority- and women-owned business enterprises (MWBES). By choosing MWBEs and providing them the capital for this construction activity, the likelihood that these firms will fail is significantly reduced. Presuming that a proportion of these firms would have failed in the next three years absent these construction projects, Invest Newark's impact is modestly heightened. Using business failure statistics from the Small Business Administration (SBA), we observe that 18.4 percent of small businesses fail within the first year, 49.7 percent fail within the first 5 years, and 65.6 percent fail within the first 10 years.¹² Because the firms hired for these projects have been established for more than a year while operating at a profit,

we assume the lower bound of an 18.4 percent failure rate for these contractors absent the Invest Newark projects and programs.

Failure of a business or contractor is costly to the economy. Absent such failure, costs can be averted. Had 18.4 percent of these firms failed, it would have increased unemployment by 30 jobs from 2020 to 2022 and decreased total income by around \$505,478, with a total economic loss of around \$1.8 million, assuming a 96.4 percent consumption-of-income rate and a 3.7 economic effect multiplier. In 2022, the city's unemployment rate could have been 10.11 percent instead of 10.09 percent. And the local economy would have grown 37.58 percent instead of 37.61 percent.

Grants and Lending Programs

Invest Newark loan products reflect a commitment to elevating the city's global economic position by redeveloping vibrant neighborhoods, elevating the local economy, and providing access to wealth-building opportunities. Interested applicants apply via outreach to the Invest Newark chief investment officer, by direct contact, referral from business development staff members, referral from city administration, or website contact.

Grants Program: Community Revitalization helps community organizations execute activities that advance economic or commercial development elements of community revitalization plans or strategies to strengthen neighborhood connectivity. Interested community organizations apply via the Invest Newark grant application.

Grants Program: Economic Development Activities is earmarked for implementing projects, programs, or activities that promote or strengthen existing (been around at least one year) workforce development, entrepreneurial development or education, education growth, or any emerging economic activity to enhance Newark's overall economic vitality. Interested community organizations apply via the Invest Newark grant application.

FIGURE 6

Logic Model for Grants and Lending Programs

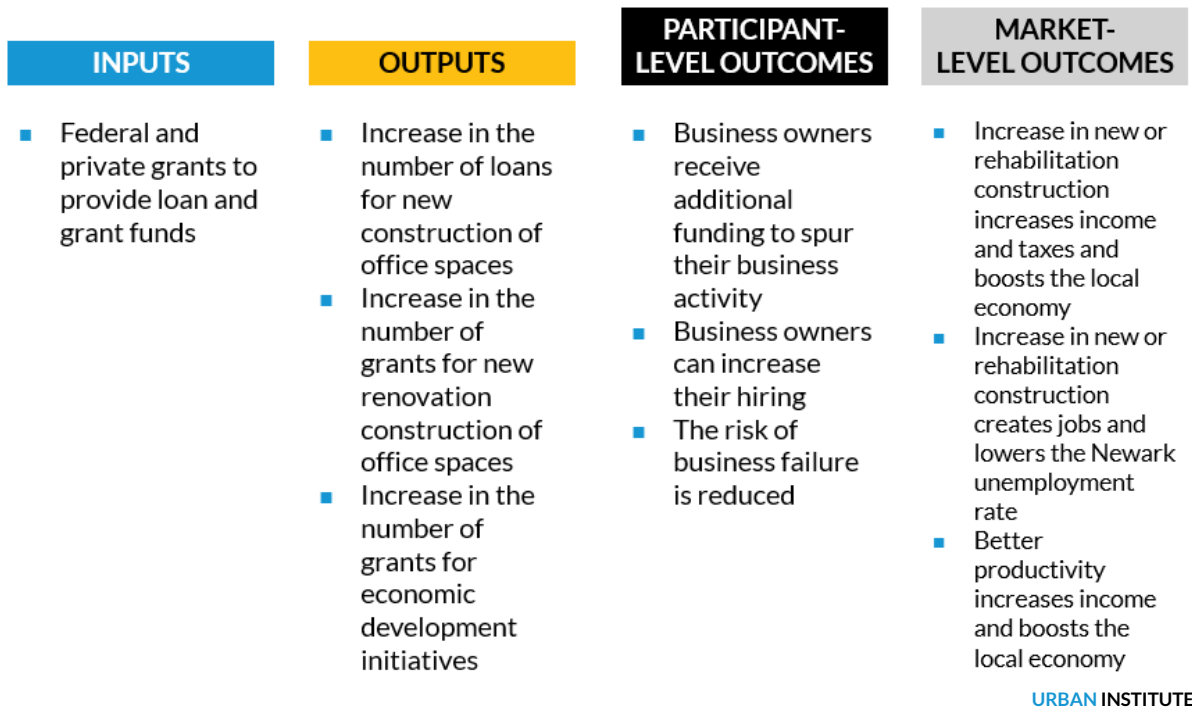


Figure 6 outlines the inputs, outputs, and outcomes of Invest Newark’s three grants and lending programs. These programs vary by loan and grant amount and by purpose. The loan program is the largest, with 18 loans made for \$7.9 million. The loans fund new office space construction for established businesses and retail space build-outs, especially for restaurants.

The community revitalization–focused grants program has seven grants for a total balance of just \$17,000. These grants are primarily for existing office renovation projects. The economic development grants program has four grants for a total balance of \$40,000. The main intent is to support workforce development and boost small business productivity.

Federal and private appropriations awarded through grants were the primary funding source for these loans and grants. Between 2020 and 2023, the total funding made available for all the loans and grants in the programs was \$7.9 million. The money was used to fund the new construction, renovation, and economic development initiatives for small businesses across the city.

These programs resulted in meaningful output, including increases in economic output and employment, as the increased construction increased income, taxes, and job creation. The programs’ cumulative result significantly contributed to economic output in the local Newark economy and to job and employment opportunities that lowered the city’s unemployment rate.

Local Economic Impacts of the Grants and Lending Programs

From 2021 through 2023, Invest Newark's grants and lending programs were estimated to have lowered the number of unemployed workers by 38. Twenty-nine projects received a grant or a loan from Invest Newark, creating 1.3 full-time equivalent jobs per project. In 2022, the city's unemployment rate was 10.09 percent. Absent the grants and lending programs, the unemployment rate would have been 10.12 percent.

The grants and lending programs support innovation, business development or expansion, façade improvement, and job creation by providing loans or grants to small businesses engaged in these activities. These results are achieved through renovation, increased productivity through innovation, and financial investment into small firms. The economic activity produced by these activities represents money spent in the local economy. And this spending activity results in measurable outcomes of income growth and job creation across each project. And this cycle produces a multiplier effect on the local economy, increasing economic activity and reducing the unemployment rate.

As a result, the grants and lending programs were estimated to have increased total income by \$13.8 million over these three years. The total consumption of this additional income was \$13.3 million, generating an economic effect of around \$49.2 million, assuming a consumption spending share of 96.4 percent, or the residual of the 3.6 percent saving rate and a government spending multiplier of 3.7. Over this period, the city's economic output rose 37.6 percent. Excluding estimates of the economic impact of the grants and lending programs, the local economy would have expanded just 36.7 percent.

In addition, the firms used to engage in this construction activity are typically MWBEs. By choosing MWBEs and providing them the capital for this construction activity, the likelihood that these firms will fail is significantly reduced. Presuming that a proportion of these firms would have failed in the next three years absent these construction projects, Invest Newark's impact is modestly heightened.

Business failure is costly to the economy. Absent such failure, costs can be averted. Given that the firms receiving these grants and loans were primarily newly established businesses, we assume a 34.1 percent failure rate absent the program, based on SBA statistics on small business failures. Had 34.1 percent of these 29 firms failed, it would have increased unemployment by nine jobs from 2021 to 2023 and decreased total income by around \$832,418, resulting in a consumption loss of \$802,451 and a total economic impact loss of around \$3 million. In 2022, the city's unemployment rate could have been 10.10 percent instead of 10.09 percent. And the local economy would have grown 37.56 percent instead of 37.61 percent.

Business Development Programs

As Invest Newark is committed to equitable economic growth, developing programs that help businesses access resources to build and grow is critical. Small businesses are the backbone of Newark's economy, employing thousands of residents while providing crucial resources that families and other businesses depend on. By offering numerous resources and training programs to support the innovative ideas that drive the city's economy, Invest Newark hopes to bolster new and existing businesses facing challenges, especially MWBEs, who are often underrepresented. Invest Newark operates three training programs that range in length and rigor:

The Executive Business Accelerator provides an in-depth, accelerated education for business leaders in Newark. The program, provided by Interise, is offered twice a year. The seven-month in-person series requires a competitive application process and minimum annual revenue of \$100,000. The program is valued at \$15,000 per participant, but Invest Newark offers the program free of charge. Topics covered include financial decisionmaking, identifying and securing key talent, and developing a growth plan.

Language of Capital provides entrepreneurs an introduction to personal and business finance, accounting principles, marketing, equipment financing, business plans, and more. Several times a year, Invest Newark teams up with local lending institutions. The lending partners provide the moderators and instructors to deliver the course curriculum.

Business development one-day workshops and seminars provide free, small business-related information and training sessions to community members. Invest Newark uses its own staff members and outside consultants to provide content on various topics. The programs are offered virtually and in person. Program duration ranges from two hours to a full day.

FIGURE 7

Logic Model for Business Development

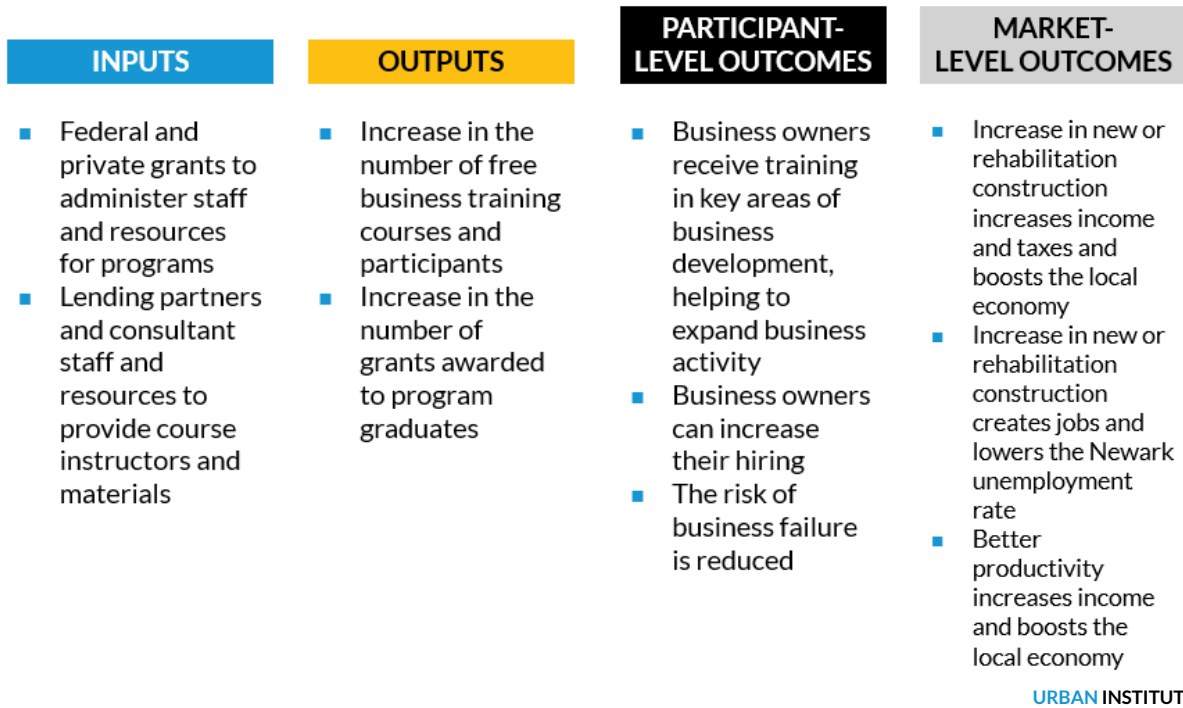


Figure 7 outlines the inputs, outputs, and outcomes of Invest Newark’s three business development programs. These programs vary significantly by intensity and requirements, with the Executive Business Accelerator being the most rigorous, requiring seven months of coursework and \$100,000 minimum annual revenue. The Language of Capital program falls in the middle, running for nine weeks and with no revenue requirement. The one-day workshop programs are open to everyone and provide more specific topic area lessons on a class-by-class basis.

Federal and private appropriations awarded through grants were the primary funding source for inputs across all three business development programs. In 2022 and 2023, the total grant amount for these programs was \$711,362. These funds were used to support the programs, including staffing and resources for the coursework.

These programs resulted in meaningful output, including increased revenue and employment for established businesses and increases in the number of small business starts for firms in their earlier stages. Around 89 participants enrolled in the Executive Business Accelerator, 315 enrolled in the Language of Capital program, and 612 enrolled in the one-day workshops from 2021 to 2023. The cumulative results significantly contributed to economic output in the local Newark economy and contributed to job and employment opportunities that lowered the city’s unemployment rate.

Local Economic Impacts of Business Development Programs

The business development programs support small business formation, development, and growth by providing education that targets improved understanding of business operations and awareness of market factors. These courses provide foundational knowledge for long-term sustainable growth. The expansion in economic activity can support capital spending and additional payroll.

From 2021 through 2023, the Executive Business Accelerator was estimated to have lowered the number of unemployed workers by 94. In total, 113 firms participated in the course, creating 0.8 full-time equivalent jobs per project. In 2022, the city's unemployment rate was 10.09 percent. Absent the business development program, the unemployment rate would have been 10.16 percent.

In addition, the business development programs were estimated to have increased total income by \$6.9 million over these three years. This additional income resulted in an additional consumption of \$6.7 million and a total economic impact of \$24.7 million, or around \$218,818 per course attendee. Over this period, the city's economic output increased 37.6 percent. Excluding estimates of the economic impact of the grants and lending programs, the local economy would have expanded 37.2 percent.

Many attendees were people of color who could form or grow MWBEs. Minority-owned firms face disproportionately greater pressures that increase their risk of failing. But through greater education and awareness, the likelihood of failing or starting a business that could fail in the future is significantly reduced.

Business failure is costly to the economy. Absent such failure, costs can be averted. Because the composition of firms participating in each business development program varies by program requirements, we assume the failure rate for each is dependent on their program, based on SBA data showing failure rates for small businesses. According to the SBA, 18.4 percent of small businesses fail within the first year, 49.7 percent fail within the first 5 years, and 65.6 percent fail within the first 10 years.¹³

Because the Executive Business Accelerator requires at least \$100,000 in annual revenue to participate, we assume that only 18.4 percent of firms participating in this program would have failed had the program not existed, because they have been operating for several years and generating significant revenue. Among the cohort sample of six businesses we interviewed and collected data on, all six were operating at a profit as of 2023.

Because participants in the Language of Capital and one-day programs are often in the early stages of their business development, including some who have not publicly opened or started their businesses yet, we assume different start and failure rates for these firms. In the nine-week Language of Capital course, we assume 25 percent of participants do not end up starting their businesses, and among those who do start their businesses, 30 percent would fail had the program not existed. For the one-day workshop courses, we assume 40 percent of participants do not start their businesses, and among those who do start, 40 percent would fail absent the program.

Given these start and failure rate assumptions, the total average expected value of economic loss would have increased unemployment by 124 jobs from 2021 to 2023 and decreased total income by around \$8 million, with a total economic loss of around \$28.4 million. In 2022, the city's unemployment rate could have been 10.18 percent instead of 10.09 percent. And the local economy would have grown 37.1 percent instead of 37.6 percent.

Newark Fiber

Fast and reliable internet is crucial to empowering economic opportunities, and the Newark Fiber programs provide high-speed and low-cost internet connections across the city's residential and commercial buildings, parks, streets, and schools. In addition, Invest Newark promoted the Federal Communications Commission (FCC) Affordable Connectivity Program, established the collaboration pilot program, and managed the Newark Fiber operations program.

The **FCC Affordable Connectivity Program** educated Newark residents about and promoted their application to the federal ACP, which expired in April 2024. The ACP was not a Newark Fiber-specific program but the result of federal funding obtained by Invest Newark for a program aligned with its priorities.¹⁴ The ACP offered low-income households a \$30 monthly subsidy to offset the cost of internet connectivity. Newark residents were made aware of the benefit through outreach events, educational programs and sponsorships, and marketing and availability of strategically located volunteer ambassadors to increase awareness. Around 50 percent of Newark's 113,000 residents were eligible to enroll in the ACP. As of the end of 2023, more than 34,800 of these eligible residents were enrolled.¹⁵ The total savings from the program was \$24 million.

The **collaboration pilot program** expands Newark Fiber's reach through joint ventures with third-party service providers. The pilot program focuses on residential housing the Newark Housing Authority owns. Invest Newark and Newark Fiber provide a fiber connection "hand-off" of the city's existing fiber backbone and access to city (Newark Housing Authority) assets at a below-market cost.

The joint venture partner then invests the capital required to provide a connection to each unit in the pilot property. The program’s aims include increasing access without city investment; increasing internet service provider competition, which supports price competition; and creating economic opportunities for Newark residents.

The **Newark Fiber operations** program leverages the city’s fiber infrastructure to provide connectivity services for government operations and private businesses and buildings at a below-market rate, saving the City of Newark \$840,000 a year. The City of Newark leases a portion of the city’s fiber infrastructure to Invest Newark to operate Newark Fiber, which in turn provides services to private businesses and buildings. Revenues from Newark Fiber are used to maintain and operate the full city network. The city’s Office of Information and Technology and Invest Newark partner to manage the full network through contracts with engineering companies, an internet service provider, and other contractors.

FIGURE 8
Logic Model for Newark Fiber Programs

INPUTS	OUTPUTS	PARTICIPANT-LEVEL OUTCOMES	MARKET-LEVEL OUTCOMES
<ul style="list-style-type: none"> ■ Financial investment through federal appropriations ■ Portion of revenue from Newark Fiber programs ■ Staff, equipment, and infrastructure to facilitate programs and set up internet connections 	<ul style="list-style-type: none"> ■ Increase in low-cost private or free public internet connections made ■ Increase in the number of jobs created to administer programs and set up internet connections ■ Increased revenue for program partners and the city 	<ul style="list-style-type: none"> ■ Beneficiaries faced reduced internet costs, which provides more money to spend or invest ■ Beneficiaries can increase productivity, which increases income and, in turn, spending or investment 	<ul style="list-style-type: none"> ■ Higher earnings increase consumption and boosts the local economy ■ Better productivity increases income and boosts the local economy

URBAN INSTITUTE

Figure 8 outlines the inputs, outputs, and outcomes of Invest Newark’s three Newark Fiber programs. For simplicity, we use a single outline to describe all three programs, as each individual program shares similar elements and relationships with one another. By displaying the collectively

shared elements of the programs in the logic model while describing each program individually in the text, we hope to highlight similarities while eliminating confusion and redundancy when detailing each program's components.

Federal appropriations awarded through the ACP grant program and American Rescue Plan Act were the primary funding source for this program. One of four ACP grant recipients in the state, Invest Newark received a \$400,000 federal grant to be used for outreach events and educational programs to increase awareness of the ACP. These funds supported event staffing and city personnel staffing for information desks and helped with application equipment and labor required to set up the internet connections. Thirty-six outreach events were held between July 2023 and January 2024, costing \$89,910. These events resulted in program information exposure to thousands of Newark residents.

Funds allocated through the American Rescue Plan were used in the collaboration pilot and operations programs to support administrative staff time and the training, equipment, and labor to set up internet connections at below-market costs. The Office of Workforce Development provided apprenticeship training programs to support the pilot program's labor portion. In addition to these inputs, Invest Newark leases a portion of the city's existing fiber backbone to operate Newark Fiber and maintain the network. All revenue Newark Fiber generated in the operations program is reallocated into the program's resource funding.

The outreach efforts for the ACP and joint ventures through the collaboration pilot program resulted in meaningful residential output, substantially increasing the number of low-cost internet connections provided to Newark residents. Between January 2022 and November 2023, 34,800 internet subscribers across Newark were enrolled into the ACP, which included 1,600 eligible low-income residents in the collaboration pilot program. Joint venture program partner Andrena, an internet service provider, worked with Invest Newark to set up these internet connections in residential properties. With each new internet subscriber in Newark receiving a \$30 monthly subsidy, this results in \$993,240 of monthly savings for the newly enrolled Newark residents, totaling \$24.1 million over two years.

In addition to the connectivity savings to the City of Newark, efforts from the operations program resulted in substantial additional connectivity for the city's private businesses and public spaces. Between January 2021 and December 2023, 236 private and public buildings, serving an estimated 27,000 people, received service from Newark Fiber at below-market rates or at no cost (public Wi-Fi). Of the 26,780 workers living in downtown Newark, we estimate that 3,749 residents now have access to internet service who did not have access before these installments. The buildings receiving new

connections to the city's fiber network include small businesses, city halls, recreation centers, libraries, and commercial corridors. While business owners, customers, and local residents receive a valuable resource for their individual needs, Newark Fiber can expand its network while generating employment and revenue growth, all of which is reallocated into the operations program.

In terms of participant-level outcomes, the increase in the number of internet connections set up through all three programs provides a critical resource for both residents and businesses, as they can change their consumption behavior as a result of immediate cost savings. Better internet access in public spaces similarly creates more productivity and opportunities for Newark residents to increase their individual earnings and employment outcomes. Additional work and employment opportunities were also created through the programs themselves, which required staff members with proper training requirements to administer and with a focus on those who identify as people of color or women.

The culmination of these participant-level outcomes in terms of higher household earnings, business revenues, and employment opportunities leads to substantial growth at the market level regarding the local Newark economy.

Local Economic Impacts of Newark Fiber

Broadly, Newark Fiber boosts local economic impact across two important dimensions. The first channel is reduced costs. By reducing internet service costs, the economic surplus attributable to consumers expands. Consumers, including businesses consuming internet service, can use these additional savings to spend or invest elsewhere. This activity multiplies the local economic impact of the initial cost savings. And in turn, the unemployment rate declines.

Newark Fiber also enhances productivity, particularly for users who otherwise would not have internet service. In general, greater productivity should boost economic activity. Again, a portion of the higher income will be used to spend or invest, creating a virtuous cycle throughout the local economy. Greater local economic activity would reduce unemployment.

From 2021 through 2023, Newark Fiber was estimated to have lowered the number of unemployed workers by 608 through 26,968 internet connection setups. Per internet connection setup, Newark Fiber is estimated to have reduced the number of unemployed persons by 0.02 full-time equivalent workers. In 2022, the unemployment rate was 10.09 percent. Absent Newark Fiber—including the ACP, joint ventures, and operations programs—the unemployment rate would have been 10.55 percent.

Newark Fiber was estimated to have increased total income by \$14.3 million, increasing consumption in the city by \$138 million. The total economic impact of this consumption is around \$50.9 million over these same three years. Per internet connection, local economic output increased by \$1,889. Over this period, the city's economic output rose 37.6 percent. Excluding estimates of the economic impact of Newark Fiber, the local economy would have expanded just 36.7 percent.

Looking Forward

Invest Newark's programmatic offerings will change modestly. Because of a lack of additional funding from Congress, the ACP has ended, and households will no longer receive a discount. The program's end was outside Invest Newark's control. But the loss of the ACP would reduce the economic impact across the city.

At the same time, Invest Newark will receive a \$3.6 million grant for its Newark UEZ (urban enterprise zone) Small Business Incentive Program.¹⁶ The program seeks to assist UEZ-certified businesses seeking to establish or expand their companies, redevelop, or otherwise improve their retail, commercial, professional services, or industrial businesses.

To achieve these results, the program will support the growth and success of Newark's small business retailers on UEZ corridors by paying for a portion of costs associated with making interior or exterior building improvements or purchasing and installing new furniture, fixtures, and equipment. Eligible costs may include interior or exterior renovations (e.g., carpentry, paint, plumbing, pointing, and awnings) or the purchase and installation of new furniture, fixtures, and equipment.

The program offers qualified UEZ member businesses that sign a new lease of at least two years for currently vacant spaces of at least 1,000 square feet the opportunity to apply for an incentive of \$35 per square foot with a \$300,000 maximum for businesses occupying up to 10,000 square feet. Businesses occupying more than 10,000 square feet will be eligible for an incentive of \$50 per square foot with a \$650,000 maximum.

This incentive will help UEZ businesses expand their businesses and increase employment. Newark UEZ will record the number of jobs at the firm at the time of the incentive and track the number of jobs created in the period after receipt. Sizing the program's impact is not possible until the grants are disbursed and activity occurs. But data collection and analysis will be critical to understanding the program's impact.

Conclusion

Invest Newark provides an important benefit to the city. Estimates suggest that Newark's economy has likely grown from expanded activity and a lower unemployment rate. From 2021 to 2023, the combined impact of Invest Newark's four core programmatic areas generated a total economic effect of \$178.3 million in the city, increasing GDP growth from 34.38 percent to 37.61 percent. These programs also created 985 jobs, decreasing the 2022 unemployment rate from 10.83 percent to 10.09 percent.

Invest Newark has likely also helped sustain small businesses, which has important implications for wealth building. But our results should be interpreted with caution. More rigorous modeling is needed to increase the certainty of our results. Nevertheless, these estimates should motivate additional conversation, both in Newark and in cities around the country, over these programs' costs and benefits.

Appendix

The appendix describes our calculations for each component of the four programmatic areas. The companion Excel workbook contains our calculations.

Land Bank

TABLE A.1
Land Bank Program Results, 2021–23

	All programs	Section 8	PRO Newark	Resident Advantage	Vacant lots
Total development projects	35	10	1	1	23
Income generated	\$10,781,603	\$2,766,570	\$258,942	\$258,942	\$7,497,148
Consumption generated	\$10,393,465	\$2,666,974	\$249,620	\$249,620	\$7,227,251
Economic effect generated	\$38,455,820	\$9,867,803	\$923,594	\$923,594	\$26,740,828
Number of jobs created	62	14	2	2	45
MWBE economic loss	\$1,802,938	\$394,393	\$56,342	\$56,342	\$1,295,862

Note: MWBE = minority- and women-owned business enterprise.

Assumptions

1. We use calculations from the National Association of Home Builders finding that every \$1 million in remodeling spending generates \$891,000 in income, \$152,000 in taxes, and 12.3 full-time equivalent jobs.
2. We use additional calculations by the National Association of Home Builders finding that every 100 single-family homes built generates \$28.7 million in income, \$3.6 million in taxes, and 394 full-time equivalent jobs.
3. We calculate the average number of employees at construction firms using statewide figures from the Census Bureau’s Annual Business Survey for both firms with no employees and firms with employees. The weighted average number of employees for both employer and nonemployer firms was around 1.9.
4. We use statistics from the Small Business Administration finding that 18.4 percent of businesses fail in the first year.

Key Results

1. Not including potential savings from MWBE failures avoided, the land bank programs boosted Newark's economy by \$40.6 million and reduced unemployment by 65 jobs. Over 37 projects, this reflected \$1.1 million in economic output per project and 1.9 fewer unemployed persons.
2. Section 8 expanded Newark's economy by \$9.9 million and reduced unemployment by 14 jobs. Over 10 total projects, this reflected \$1.0 million in economic output per project and 1.4 fewer unemployed persons.
3. Move-In Ready boosted Newark's economy by \$2.1 million and reduced unemployment by 3 jobs. Over 2 total projects, this reflected \$1.1 million in economic output per project and 1.7 fewer unemployed persons.
4. PRO Newark grew Newark's economy by \$923,500 and reduced unemployment by 1.5 jobs. There was only 1 PRO Newark property.
5. Resident Advantage improved Newark's economy by \$923,500 and reduced unemployment by 1.5 jobs. There was only 1 Resident Advantage property.
6. Vacant lots improved Newark's economy by \$26.7 million and reduced unemployment by 45 jobs. Over 23 total projects, this reflected \$1.2 million in economic output per project and 2.0 fewer unemployed persons.
7. We also estimate that \$1.9 million in economic loss was avoided, which would have resulted in 32 lost jobs.

Grants and Lending

TABLE A.2

Grants and Lending Program Results, 2021–23

	All programs	Loan program	Community Revitalization Grant Program	Economic Development Grant Program
Total grants and loans	29	18	7	4
Income generated	\$13,802,863	\$13,705,619	\$34,731	\$62,513
Consumption generated	\$13,305,960	\$13,212,216	\$33,481	\$60,263
Economic effect generated	\$49,232,051	\$48,885,201	\$123,879	\$222,972
Number of jobs created	38	35	0	3
MWBE economic loss	\$2,969,068	\$1,842,870	\$716,672	\$409,527

Note: MWBE = minority- and women-owned business enterprise.

Assumptions

1. We use calculations by the National Association of Home Builders finding that every 100 single-family homes built generates \$28.7 million in income, \$3.6 million in taxes, and 394 full-time equivalent jobs.
2. We use research calculations indicating that, over the long run, a 64.7 percent productivity increase coincided with a 14.8 percent pay increase.
3. In the medium term, productivity has increased 1.1 percent from technological innovation. Using the ratio of 64.7 percent to 14.8 percent, a productivity-enhancing activity that boosts productivity 1.1 percent in the short term would proportionally increase income by 0.25 percent.
4. The median income across Newark households without internet, a proxy for a household less exposed to innovation, was \$49,813.
5. The Bureau of Economic Analysis indicates that the personal saving rate was 3.6 percent. We assume the rest of income was consumed (96.4 percent).
6. We assume 34.1 percent of small businesses would have failed. This is larger than 18.4 percent and reflects the possibility that some of these firms are smaller.
7. We assume each grant affected 500 people.

Key Results

1. Not including potential savings from MWBE failures avoided, the grants and lending programs boosted Newark's economy by \$49.2 million and reduced unemployment by 38 jobs. Over 29 total projects, this reflected \$1.7 million in economic output per project and 1.3 fewer unemployed persons.
2. The loan program expanded Newark's economy by \$48.9 million and reduced unemployment by 35 jobs. Over 18 units built, this reflected \$2.7 million in economic output per project and 2.0 fewer unemployed persons.
3. The Grants: Community Revitalization program increased Newark's economy by \$123,900 and reduced unemployment by 0.1 jobs. Over 7 grants, this reflected \$17,700 in economic output per project and 0.01 fewer unemployed persons.
4. The Grants: Community Revitalization program boosted Newark's economy by \$223,000 and reduced unemployment by 2.7 jobs. Over 4 grants, this reflected \$55,743 in economic output per grant and 0.7 fewer unemployed persons.
5. We also estimate that \$3.0 million in economic loss was avoided, which would have resulted in 9 lost jobs.

Business Development

TABLE A.3

Business Development Program Results, 2021–23

	All programs	Executive Business Accelerator	Language of Capital	One-day workshops
Total program participants	1,285	113	398	774
Income generated	\$6,932,387	\$6,932,387	-	-
Consumption generated	\$6,682,821	\$6,682,821	-	-
Economic effect generated	\$24,726,437	\$24,726,437	-	-
Number of jobs created	94	94	-	-
MWBE economic loss	\$28,435,785	\$4,936,781	\$7,643,514	\$15,855,490

Note: MWBE = minority- and women-owned business enterprise.

Assumptions

1. We do not provide economic and labor market estimates for the Language of Capital course, the business development one-day workshops, or the real estate and land bank one-day workshops because of their lack of size.
2. For the Executive Business Accelerator, we use firm balance sheet data from three interviews (with two business owners and one program administrator) to estimate the program's impact.
3. We assume total labor costs for a business are equal to income paid to workers.
4. The Bureau of Economic Analysis indicates that the personal saving rate was 3.6 percent. We assume the rest of income was consumed (96.4 percent).
5. We use statistics from the Small Business Administration finding that 18.4 percent of businesses fail in the first year.

Key Results

1. Not including potential savings from MWBE failures avoided, the business development program boosted Newark's economy by \$24.7 million and reduced unemployment by 94 jobs. Over 113 total projects, this reflected \$218,800 in economic output per project and 0.8 fewer unemployed persons. The results reflect estimates of the Executive Business Accelerator program.
2. We also estimate that \$28.4 million in economic loss was avoided, which would have resulted in 124 lost jobs.

Newark Fiber

TABLE A.4

Newark Fiber Program Results, 2021–23

	All programs	ACP	Joint Venture program	Operations program
Total internet connections set up	36,636	34,800	1,600	236
Income generated	\$18,484,721	\$15,126,425	\$1,294,507	\$2,063,789
Consumption generated	\$17,819,271	\$14,581,873	\$1,247,905	\$1,989,493
Economic effect generated	\$65,931,304	\$53,952,932	\$4,617,248	\$7,361,124
Number of jobs created	787	644	55	88

Note: ACP = Affordable Connectivity Program; MWBE = minority- and women-owned business enterprise.

Assumptions

1. We assume Newark Fiber programs have two effects. The first is cost savings, and the second is greater productivity.
2. We use research calculations indicating that, over the long run, a 64.7 percent productivity increase coincided with a 14.8 percent pay increase.
3. In the medium term, productivity has increased 1.1 percent from technological innovation. Using the ratio of 64.7 percent to 14.8 percent, a productivity-enhancing activity that boosts productivity by 1.1 percent in the short term would proportionally increase income 0.25 percent.
4. The median income across Newark households without internet, a proxy for a household less exposed to innovation, was \$35,486.
5. The Bureau of Economic Analysis indicates that the personal saving rate was 3.6 percent. We assume the rest of income was consumed (96.4 percent).
6. We assume that every 1 percentage-point increase in the local economy results in a 0.5 percentage-point decrease in the unemployment rate.
7. Based on an interview with a local government employee, we assume the market-rate internet cost was double the subsidized cost of \$125.

Key Results

1. The Newark Fiber program boosted Newark's economy by \$50.9 million and reduced unemployment by 787 jobs. Over 36,000 beneficiaries, this reflected \$1,800 in economic output per beneficiary and 0.021 fewer unemployed persons.
2. The ACP expanded Newark's economy by \$39.0 million and reduced unemployment by 644 jobs. For nearly 35,000 beneficiaries, this reflected \$1,550 in economic output per project and 0.01 fewer unemployed persons.
3. The joint venture program expanded Newark's economy by \$4.6 million and reduced unemployment by 44 jobs. Over 1,600 beneficiaries, this reflected \$2,886 in economic output per project and 0.03 fewer unemployed persons.
4. The operations program expanded Newark's economy by \$7.4 million and reduced unemployment by 88 jobs. Over 236 beneficiaries, this reflected \$31,191 in economic output per project and 0.37 fewer unemployed persons.

Notes

- ¹ “Mayor Ras J. Baraka Presents 10th State of the City Address at New Jersey Performing Arts Center,” City of Newark, accessed July 15, 2024, <https://www.newarknj.gov/news/mayor-ras-j-baraka-presents-10th-state-of-the-city-address-at-new-jersey-performing-arts-center>.
- ² Colleen O’Dea, “Newark before the Comeback: A City Marked by White Flight, Poor Policy,” NJ Spotlight News, September 4, 2019, <https://www.njspotlightnews.org/2019/09/19-09-02-newark-before-the-comeback-a-city-marked-by-white-flight-and-poor-policy/>.
- ³ Farrell Evans, “The 1967 Riots: When Outrage over Racial Injustice Boiled Over,” History.com, October 6, 2023, <https://www.history.com/news/1967-summer-riots-detroit-newark-kenner-commission>.
- ⁴ David D. Troutt and Katharine Nelson, “Who Owns Newark? Transferring Wealth from Newark Homeowners to Corporate Buyers,” Rutgers University Center on Law, Inequality, and Metropolitan Equity, May 2, 2022, <https://www.clime.rutgers.edu/publications-filtered/who-owns-newark>.
- ⁵ “Small Businesses Power Newark’s Economic Success,” interview by Raven Santana, NJ Biz Beat with Raven Santana, September 16, 2023, <https://www.thirteen.org/programs/nj-business-beat/small-businesses-power-newarks-economic-success-rivr2v/>.
- ⁶ See the websites at <https://www.newarktrust.org/> and <https://www.projectreadynj.org/>.
- ⁷ Dana Defilippo, “Poverty, Income Biggest Predictors of Internet Quality in N.J., Study Finds,” New Jersey Monitor, January 9, 2023, <https://newjerseymonitor.com/briefs/poverty-income-biggest-predictors-of-internet-quality-in-n-j-study-finds/>.
- ⁸ “Small Businesses Power Newark’s Economic Success,” interview by Raven Santana; and Defilippo, “Poverty, Income Biggest Predictors of Internet Quality.”
- ⁹ “Personal Saving Rate,” Bureau of Economic Analysis, May 31, 2024, <https://www.bea.gov/data/income-saving/personal-saving-rate>.
- ¹⁰ Ceci A. Villa Ross, Hyon B. Shin, and Matthew C. Marlay, “Pandemic Impact on 2020 American Community Survey 1-Year Data,” US Census Bureau blog, October 27, 2021, <https://www.census.gov/newsroom/blogs/random-samplings/2021/10/pandemic-impact-on-2020-acs-1-year-data.html>.
- ¹¹ “The Productivity-Pay Gap,” Economic Policy Institute, accessed July 15, 2024, <https://www.epi.org/productivity-pay-gap/>.
- ¹² Luisa Zhou, “The Percentage of Businesses That Fail (Statistics & Failure Rates),” Luisa Zhou blog, April 13, 2024, <https://luisazhou.com/blog/businesses-that-fail/#>.
- ¹³ Zhou, “The Percentage of Businesses That Fail.”
- ¹⁴ “Affordable Connectivity Program,” Federal Communications Commission, accessed July 15, 2024, <https://www.fcc.gov/acp>.
- ¹⁵ “Table B07012: Geographic Mobility in the Past Year by Tenure for Current Residents in the United States,” US Census Bureau, accessed July 19, 2024, [https://data.census.gov/table?q=Owner/Renter%20\(Tenure\)&g=160XX00US3451000&d=ACS%201-Year%20Estimates%20Detailed%20Tables](https://data.census.gov/table?q=Owner/Renter%20(Tenure)&g=160XX00US3451000&d=ACS%201-Year%20Estimates%20Detailed%20Tables).
- ¹⁶ Linda Moss, “Newark Launches Program to Draw Tenants to Vacant Retail Space,” CoStar, September 7, 2023, <https://www.costar.com/article/1300966966/newark-launches-program-to-draw-tenants-to-vacant-retail-space>.

References

- Gordon, Robert J., and Hassan Sayed. 2022. *A New Interpretation of Productivity Growth Dynamics in the Pre-Pandemic and Pandemic Era U.S. Economy, 1950-2022*. Working Paper 30267. Cambridge, MA: National Bureau of Economic Research.
- Haltom, Renee, and Pierre-Daniel G. Sarte. 2011. "Is Stimulative Fiscal Policy More Effective at the Zero Lower Bound?" Richmond, VA: Federal Reserve Bank of Richmond.
- Neal, Michael, and Daniel Pang. 2021a. "Newark Housing Pulse: March 2021." Washington, DC: Urban Institute.
- . 2021b. *How Newark, New Jersey, Provides a Template for Targeting the Homeowner Assistance Fund*. Washington, DC: Urban Institute.
- . 2022. *How Higher Mortgage Interest Rates Can Widen Racial Gaps in Housing Wealth: The Case of Newark, New Jersey*. Washington, DC: Urban Institute.
- Okun, Arthur M. 1962. "Potential GNP: Its Measurement and Significance." In *Proceedings of the Business and Economics Statistics Section*, 98–103. Alexandria, VA: American Statistical Association.
- Savaya, Riki, and Mark Waysman. 2005. "The Logic Model: A Tool for Incorporating Theory in Development and Evaluation of Programs." *Administration in Social Work* 29 (2): 85–103. https://doi.org/10.1300/J147v29n02_06.

About the Authors

Michael Neal is a senior fellow in the Housing Finance Policy Center and a former equity scholar at the Urban Institute. Previously, he worked at Fannie Mae, where he was director of economics in the Economic and Strategic Research Group. Before his service at Fannie Mae, Neal was assistant vice president at the National Association of Home Builders' Economic and Housing Policy department. As a housing economist, Neal has an in-depth knowledge of housing market trends and has provided expert analysis and commentary on housing to media outlets around the country. Previously, he worked at Congress's Joint Economic Committee, the Federal Reserve System, the Congressional Budget Office, and Goldman Sachs. Neal has a bachelor's degree in economics from Morehouse College and a master's degree in public administration from the University of Pennsylvania. Neal is a member of the Homeownership Working Group for Project REACH, serves on the advisory board for the Ashoka-Brookings Challenge, and works as an independent consultant for AlphaSights.

Daniel Pang is a research analyst in the Housing Finance Policy Center. Before joining Urban, he interned in the US Senate and the ACLU of Missouri. Pang graduated magna cum laude from Washington University in Saint Louis with BAs in economics and political science, where his research focused on a hedonic price comparison of manufactured and site-built homes in the US.

STATEMENT OF INDEPENDENCE

The Urban Institute strives to meet the highest standards of integrity and quality in its research and analyses and in the evidence-based policy recommendations offered by its researchers and experts. We believe that operating consistent with the values of independence, rigor, and transparency is essential to maintaining those standards. As an organization, the Urban Institute does not take positions on issues, but it does empower and support its experts in sharing their own evidence-based views and policy recommendations that have been shaped by scholarship. Funders do not determine our research findings or the insights and recommendations of our experts. Urban scholars and experts are expected to be objective and follow the evidence wherever it may lead.



500 L'Enfant Plaza SW
Washington, DC 20024

www.urban.org