

Living with the Future in Mind

Goals and Indicators For New Jersey's Quality of Life



**First Annual Update
to the Sustainable State
Project Report 2000**

Prepared by: The Interagency Sustainability Working Group
Under the direction of Commissioner Robert C. Shinn, Jr.
New Jersey Department of Environmental Protection





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CHRISTINE TODD WHITMAN
Governor

December 2000

As Governor, my goal is to make New Jersey a better place in which to live, work, and raise a family. That is why I directed state agencies to focus on initiatives that would help New Jersey become a sustainable state: a state that uses natural, economic, and social resources without depleting them. Improving our quality of life should not degrade that of future generations.

In 1999 New Jersey Future produced its *Living with the Future in Mind* report, setting forth a vision of sustainability and identifying 11 sustainability goals and 41 indicators to measure efforts toward meeting those goals. The goals cover various sectors of the economy, society, and the environment, taking a broad-based view of our sustainability progress.

In May 1999 I signed Executive Order 96 directing state agencies to report annually on our progress toward meeting the sustainable state goals from *Living with the Future in Mind*. State agencies will update the 41 indicators and report on the initiatives that advance us toward sustainability. More important, the report will look at the linkages between economic vitality, environmental protection, and social progress and will therefore help guide our work to those areas that most need our attention.

I would like to thank all those responsible for producing this report. I am proud that New Jersey is a national leader in these efforts. I know this report will be valuable to the public, both as an information source and a tool for helping state government make New Jersey a truly sustainable state.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Christine Todd Whitman".

Christine Todd Whitman
Governor



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December 2000

Dear Fellow New Jerseyan:

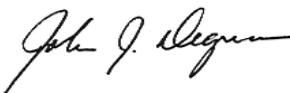
Last year, New Jersey Future released the groundbreaking report *Living With the Future in Mind*, containing the first Sustainable State goals and indicators. A special strength of this report lies in the community of purpose that exists among the business leaders, environmentalists, scientists, and citizens of every stripe who participated in creating this vision for our State.

Together, this diverse group took a great step forward in bringing about an understanding of where New Jersey is, and where we need to be in the future. But the question of how best to achieve the goals of this report remained.

The answer will come in part from State government. This report, *Living with the Future in Mind: First Annual Update to the Sustainable State Project Report 2000*, maintains the use of these goals and indicators and reports on our State's performance on these indicators over the past year. It is with great anticipation that I await the Whitman administration's forthcoming implementation report, *Governing With the Future In Mind*. This report will highlight what State agencies and departments are doing and will do in the future to bring about the vision of New Jersey we all worked so hard to create.

However, these remain only the first steps on New Jersey's journey toward sustainable development. We must also look to maintain the spirit of cooperation between government, the private sector, interest groups, and citizens on which this project was built. We must reconvene to develop benchmarks (publicly accepted targets) for each indicator. We must ensure that the Sustainable State project has a permanent home where these goals, indicators and benchmarks will be nurtured, updated and implemented in a continuing spirit of cooperation between government, industry, citizens, and scientists.

New Jersey Future is especially thankful for the efforts of all the State government employees who contributed to this report. Without their buy-in and effort, we would never have come this far.

JJ 

Introduction

What kind of New Jersey are we passing on to future generations?

This question has increasingly shaped the thinking and activities of Governor Whitman, New Jersey Future, and business, environmental, academic, and civic groups.

In 1995, we began the multi-year Sustainable State Project, which culminated in a “report card” on the long-term trends that will enhance or degrade our quality of life and that of future generations. Originally released in 1999, *Living with the Future in Mind* articulates the vision of a sustainable New Jersey with an efficient and vibrant economy, a healthy environment, and a just society. This report is the 2000 update of *Living with the Future in Mind*.

The 11 goals offered in the report are the product of a creative community dialogue about our common future, drawing on the knowledge and concerns of New Jerseyans from all walks of life: environmental and business leaders, social activists, scientists, government officials, and citizens of all ages. The goals were reviewed by citizens as part of our community dialogue.

The 41 indicators were selected – and in some cases, created – by economic, environmental, and social experts to measure specific progress toward our goals.

These are the ambitious goals the state must strive toward to achieve sustainability. The indicators gauge progress in achieving the goals.

Advancing the Sustainable State

Governor Whitman’s Executive Order 96, issued in May 1999, called for the preparation of this report and the upcoming companion report, *Governing with the Future in Mind*. In the pages that follow, the goals and indicators from the 1999 report are maintained. The 41 indicators have been updated as new data have become available. The descriptions of trends for the indicators have also been

updated.

For the first time, this report shows quantitative targets that have been adopted by state agencies through a public process. These targets serve as the point of departure for future deliberations on setting formal sustainability benchmarks for each indicator. Targets put the trends into context, providing a sense of where we think we need to be and what is reasonably achievable.

Indicator updates are the main feature of this report. Also included are brief descriptions of sample strategies that state agencies are pursuing to make sustainability a reality in New Jersey. These strategic initiatives are outlined in greater detail in *Governing with the Future in Mind*. While updating indicators of progress is very important, developing and presenting strategies and programs is essential. Together, these components form the nucleus of an action plan to attain sustainable development in New Jersey.

The Next Step

Living with the Future in Mind is the blueprint for building our sustainable “house.” This update ensures that the blueprint is as current as possible. *Governing with the Future in Mind* will assemble the boards, nails, and labor to build it. Much work remains, though, before we can move in.

We must continue filling gaps in our knowledge of trends shaping our future. Some quantitative targets have been set, but we need to establish meaningful benchmarks for each indicator, all within the context of sustainability. As we move forward, it is essential to continue the strong partnership between state, non-profit, and business entities created under the Sustainable State Project.

We have made a promising start. These reports, and the other efforts outlined here, show New Jersey’s steadily increasing momentum toward sustainability. Our ultimate success in achieving a sustainable state will require continual nurturing through our collective efforts. ■

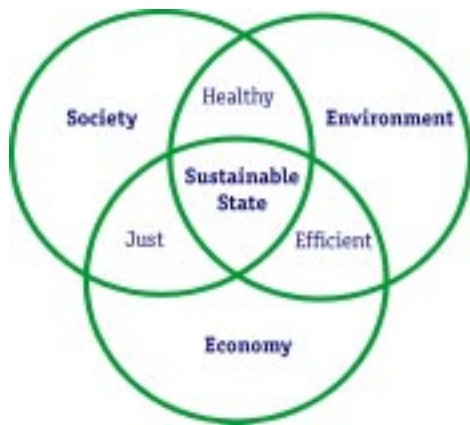
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What is Sustainable Development?

“Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

- THE UNITED NATIONS WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT
(THE BRUNDTLAND COMMISSION)



“Sustainability,” or “sustainable development,” means protecting the resources and systems that support us today so that they will be available to future generations. In short, it means preserving our civilization and the things we hold dear in perpetuity while enhancing our quality of life.

The symbol on this page represents a sustainable state. Each ring represents one of the three systems that support humanity: the economy, the environment, and our society. Each of these rings overlaps the other two. To be sustainable – that is, to have a dignified and prosperous human civilization in the future – each of these systems must be healthy and in balance. We cannot degrade any one of the systems that supports us without adversely affecting the other two.

This is the essence of sustainable living. Beautiful beaches mean little if you cannot afford to get there. A good job doesn't mean much if you have to worry about your safety on the walk home. A safe, friendly neighborhood isn't a haven if its air is not breathable.

Sacrificing the future to benefit the present is the opposite of sustainability. As shown in the

symbol to the left, when all three systems are healthy and in balance, our state and our civilization will be healthy, just, and efficient.

The terms “sustainability” and “sustainable development” were coined in the early 1980s to describe the goal of joining economic development and ecological health. In its 1987 report, *Our Common Future*, the United Nations World Commission on Environment and Development offered five key concepts that crystallized sustainability:

- The needs of the future must not be sacrificed to the demands of the present.
- Humanity's economic future is linked to the integrity of natural systems.
- The present world system is not sustainable because it is not meeting the needs of many, especially the poor.
- Protecting the environment is impossible unless we improve the economic prospects of the Earth's poorest peoples.
- We must act to preserve as many options as possible for future generations, since they have the right to determine their own needs for themselves.

The Sustainable State Project

While the concept of sustainability received significant international attention as early as the 1980s, its importance has only more recently been acknowledged in the United States. In fact, New Jersey's Sustainable State Project is the first of its kind in the United States.

Our first steps toward sustainability began with a trip to the Netherlands in 1994. There, New Jersey policy makers got their first look at sustainable development efforts in action. In particular, they saw the Netherlands' success in building consensus around goals, and involving business and private citizens in the realization of those goals.

The desire to take steps to create a Sustainable New Jersey was then articulated at the first Sustainable State Leadership Conference in 1995, co-hosted by the State of New Jersey and New Jersey Future at Princeton University. Nearly 200 leaders from business, the environmental movement, civic groups, and academia met to start the official process of bringing sustainable development to New Jersey.

That conference provided the impetus for a broad public process to create the goals and indicators outlined in *Living with the Future in Mind*. These goals and indicators received extensive public review in statewide conferences, regional workshops, and countless small working sessions before they were officially accepted.

Living with the Future in Mind outlines what is necessary to achieve sustainability and lays out a clear way to track our progress. It has created a starting point for discussions about achieving a Sustainable State.

Sustainable New Jersey: A Year of Action

Over the past year, the effort to make New Jersey a Sustainable State has steadily gained momentum. *Living with the Future in Mind* provides a conceptual basis for New Jersey to become a Sustainable State, a picture of what it will look like when we get there. Government and private partners are no longer treating sustainability as simply the “buzzword of the day,” but are developing real, implementable strategies to make it happen.

Sustainability Executive Order

On May 20, 1999, at the New Jersey Future Sustainable State Conference, Governor Whitman signed Executive Order No. 96. E.O. 96 endorsed *Living with the Future in Mind's* 11 goals and 41 indicators, noting that they “offer valuable practical guidance to the State of New Jersey in our efforts to achieve long-term sustainability for the benefit of current and future generations.” The Governor’s Executive Order directed state departments to:

a. Pursue, as appropriate, policies which comport with the 11 sustainability goals outlined in New Jersey Future’s *Living With the Future in Mind* report.

- b. Collaborate in the exchange of information among departments and agencies, and establish institutional mechanisms to encourage and facilitate achievement of these goals.
- c. Report to the Governor on June 1, 2000, and every year thereafter, on their progress toward goal attainment.

Sustainable State Working Group

To move forward with Executive Order No. 96, an Interagency Sustainable State Working Group, composed of representatives from all Cabinet departments, other commissions and agencies, and New Jersey Future, was created. Governor Whitman asked Department of Environmental Protection Commissioner Robert C. Shinn, Jr. to lead the efforts of this Interagency Group.

This updated report and the forthcoming companion report, *Governing with the Future in Mind*, are the products of the Interagency Group’s effort. The original Sustainable State Review Committee, including representatives from business, environmental, and civic groups, also contributed to this report. The Interagency Group will continue its work of coordinating policies and strategies developed to achieve sustainability.

Sustainable Business Conference

Over 300 business leaders from large and small firms attended the first annual New Jersey Sustainable Business Conference on April 18, 2000. This conference highlighted successful business efforts in the area of sustainable development and laid the groundwork for future initiatives. Many conference participants walked away with a newfound awareness that it is possible for business to be socially responsible, to go beyond strict compliance with environmental law, and to be highly profitable at the same time.

Goal-based Agency Strategic Plans

Several state agencies, acting in accordance with the concept of comprehensive goal-based planning, have adopted their own strategic plans. These plans often contain goals that are identical to or that support the Sustainable State Project goals. They also contain indicators of progress toward goals that were developed with considerable public input. Examples of comprehensive goal-based plans are the

Department of Environmental Protection's *Strategic Plan and 1999/2000 National Environmental Performance Partnership System* (NEPPS) plan; the Department of Transportation's Statewide Long-Range Transportation Plan, *Transportation Choices 2020*; and the 2000 edition of the Department of Health and Senior Services' *Healthy New Jersey 2010*. Many of the quantitative targets provided for the indicators in this Sustainable State report were made available through these agency strategic plans.

Governing with the Future in Mind

Governor Whitman's Executive Order No. 96 requires state agencies to develop and implement strategies – or in some cases refine existing strategies – to support sustainability.

The creation of a Sustainable State will not happen overnight, nor will one strategy, action, or decision be the magic elixir. Rather, it will be a long-term process involving sets of interconnected strategies and actions. The involved stakeholders will make continual corrections and adjustments. The important point is that all parties communicate and cooperate.

A number of State agencies are pursuing various strategies that specifically support New Jersey Sustainable State efforts. Through these strategies, statewide improvements in one or more of the three spheres – environment, economy, and society – will be attained. To succeed, most of these strategies will require both interagency coordination and partnerships with other levels of government and private and nonprofit entities.

These strategies will be outlined in *Governing with the Future in Mind*. This report will be the product of the State's first attempt to develop cross-agency strategies for achieving sustainability goals. A substantial interagency effort will be required for its development and publication. The report is expected to be released in March 2001.

The primary focus of *Governing with the Future in Mind* will be the initiatives undertaken by state agencies in the quest for sustainability, and it will include:

- Discussions of comprehensive sustainability efforts and projects that will affect nearly every goal and involve a number of agencies. (For example: the State Development and Redevelopment Plan.)

- Descriptions on a goal-by-goal basis of broad-based state agency strategies that will contribute to the realization of sustainability and affect other Sustainable State Project goals in the process. (For example, a particular strategy may be primarily designed to advance Economic Vitality but may also have a significant effect on Equity.)
- Recommendations on the institutionalization of the Sustainable State Goals and Indicators in New Jersey.
- Recommendations for changes and additions to the list of indicators in *Living with the Future in Mind*.

Examples of some of the broad-based strategies that are currently or projected to significantly affect sustainability follow.

Land Use Management Initiatives

In *Living with the Future in Mind*, it was noted that “a sustainable state cannot be achieved without tackling land use.” Efforts in this area over the past year include:

- Enacting the “Garden State Preservation Trust Act” to establish a stable source of funding and the procedural framework for open space preservation.
- Implementing various aspects of the State Development and Redevelopment Plan (State Plan) including:
 - Establishing State Agency Implementation Teams to coordinate agency programs and initiatives with the goals and objectives of the State Plan;
 - Awarding \$2.4 million in 21 Smart Growth Planning Grants to assist 92 municipalities and seven counties in devising strategies to curb sprawl;
 - Aligning state regulations, including the Coastal Area Facility Review Act (CAFRA), regulations, with the goals and objectives of the State Plan;
 - Establishing the Sustainable Development/Affordable Housing Pilot Program, designed

to promote affordable, energy-efficient housing;

- Introducing the Transit Village Program to create development centered around passenger rail and bus stations and to help communities to leverage more private-sector investment;
- Promoting community design strategies that incorporate compact, mixed use development, through publications such as *Designing New Jersey*.

Greenhouse Gas Sustainability Action Plan

This plan commits the State to pursue energy conservation, pollution prevention, innovative technologies, recycling, solid waste management, and natural resource protection strategies to reduce greenhouse gas emissions by 3.5 percent below 1990 levels (about 20 million tons annual reduction) by the year 2005 across all sectors. This plan, the first of its kind in the nation, was unveiled in April 2000.

Energy Deregulation

“The Electric Discount and Energy Competition Act” (EDECA) of 1999 promotes the use of energy efficiency and renewable energy technologies such as photovoltaics, wind energy, and fuel cells to reduce greenhouse gas emissions. The Act established a new Energy Efficiency and Renewable Energy Fund for energy efficiency programs and renewable energy technologies over and above the current programs.

Greening the Economy

The New Jersey Office of Sustainable Business, created in 1997, is the first such office in the country. The Office administers a multi-million dollar Sustainable Development Loan Fund to assist firms in the green sector of the economy. The Office is also developing policies to encourage state government to purchase more sustainable products and services. In April 2000, the Office released *Greening the Garden State*, which profiles 300 firms with green products and services in New Jersey’s energy, remanufacturing, agriculture, and chemical sectors.

Water Resource Protection and Smart Growth

In June 2000, the Department of Environmental Protection proposed water quality and watershed management rules linking enhanced protection of water quality and quantity to smart growth and sustainable development.

Quality Education for All Students

A number of fundamental reforms to public education in New Jersey are being implemented. These include statewide implementation of the Core Curriculum Content and Cross-Content Workplace Readiness Standards and development of an assessment system aligned to the new standards for the fourth and eighth grade tests in Language Arts Literacy and Science. In addition, Whole School Reform has been implemented in the Abbott Districts. Also, effective September 2000, all licensed teachers must obtain 100 hours of professional development over five years.

Crime Reduction Efforts

Initiatives have been implemented to improve the safety of New Jersey residents. One strategy builds upon and institutionalizes community-based anti-crime programs that invite the participation of citizens and make use of “problem solving” policing strategies. The pilot Drug Court Initiative Program enables drug and alcohol-dependent offenders to participate in treatment programs aiming to reduce recidivism.

The various initiatives described above demonstrate the momentum in New Jersey toward sustainability.

Challenges and Opportunities

It is always a challenge to ensure that strategies designed to implement a plan remain faithful to that plan’s guiding vision. This is especially true for a plan as complex and far-reaching as the Sustainable State Project, which requires the participation and coordination of many parties, including state and local governments, private businesses, and non-profit organizations. Indeed, its success demands the participation and input of all New Jersey residents.

Measuring our progress towards sustainability is

a major challenge. Proper and adequate data collection, assessment, and management are essential. In addition, each of the 41 indicators in *Living with the Future in Mind* has limitations and associated knowledge gaps. A lack of quality information can substantially inhibit the utility of this approach.

A significant number of the knowledge gaps in *Living with the Future in Mind* still remain and have been carried through to this report. As we learn more about what is required for us to be a Sustainable State, we will need to better track and assess the trends that will measure the progress of New Jersey's sustainability efforts.

Another challenge lies in maintaining the strength of the public-private partnership that this report represents. The ongoing participation of state and local government agencies, private businesses, and nonprofit organizations will be necessary. It is clear that controversial decisions will be made that will not please everyone. As we move forward, we must ensure that the goals and indicators are created and debated in an open, public, and fair process. Such a process provides the best opportunities for fostering creative ideas and finding "win-win" solutions.

Because sustainability is a constantly evolving concept, new ideas and strategies will be proposed. As we gain a better knowledge of the most effective strategies to achieve sustainability, it will often be necessary to make corrections. The challenge is to remain flexible, monitor results, change strategies as necessary, and then move forward.

Proceeding in this manner offers not only challenges and opportunities, but allows new ideas to flourish. For example, in the past, environmental protection often called for a rigid command and control regulatory structure. However, a new results-based paradigm uses the Sustainable State Goals to allow more flexibility. Known in New Jersey as the Flexible Track Regulatory Program (or the "Silver" and "Gold" Tracks), this program combines strong enforcement with flexibility for those in the regulated community who display continued evidence of compliance, and provides additional flexibility for those willing to go beyond compliance. This approach promises to be even more protective of the environment and at the same time more economically efficient.

The pursuit of sustainability, in many cases, will provide opportunities to "think outside the box."

It will offer a forum for new ideas that otherwise might not be considered. During the process, as state agencies and others pursue strategies necessary to achieve sustainability, New Jersey residents will enjoy an improved quality of life. ■

Readers interested in further understanding the subject of sustainable development may wish to refer to <http://www.eeeee.net/sd03000.htm> for an extensive list of websites.

How to use this report

This report contains 11 goals, shaped with extensive public input, which embody the highest aspirations of New Jerseyans from all walks of life.

Each goal is accompanied by indicators for measuring our progress: the critical trends that shape our future and our ability to reach these goals. Taken together, these goals and indicators enable us to clearly see these trends and how they affect our progress toward achieving sustainability in New Jersey.

The purpose of the indicators is to guide change in what we pay attention to as a community, in our personal priorities, in our collective decision-making and policy development, and in our individual and organizational behavior. For example, some of the indicator pages highlight quantitative targets that have been adopted by state agencies to guide actions in achieving the goals. In the future, we will need formal Sustainable State Project benchmarks for each indicator.

The goals and indicators also provide the basis for the upcoming companion report, *Governing with the Future in Mind*.

General knowledge about the trends that shape the future is certain to have some effect on our behavior. However, achieving the long-term prosperity toward which we aspire will require specific types of action. Where do you fit in?

Personal Lifestyle. Indicators can challenge us personally to explore how the way we live affects the world around us and how our individual decisions move these indicators in a positive or negative direction. They can help us better understand how each individual makes a difference and guide us in taking actions on our own and as a community.

Media. Newspapers and broadcasters can now be aware of and cover these long-term trends directly. Perhaps more importantly, the goals and especially the indicators provide a critical context to the reporting of news. They tell us the general conditions of our economy, environment, and society, and offer linkages among these interdependent systems. Are our economy, environment, and society getting stronger in meaningful, lasting ways? These indicators also can help answer the following important question: What is the significance of any given event to the current and future well-being of New Jerseyans?

Public Policy. For political debate to be mean-

ingful, it needs to be grounded in facts, mutual understanding of long-term goals, and a common frame of reference. Candidate A accuses Candidate B of being soft on the environment. Candidate C makes claims about improving the economy. How can an informed citizenry evaluate these claims? This report will enable all New Jerseyans to see clearly how we are doing in the areas important to us.

Business and Economic Development. These indicators will provide leading information on the long-term direction of society and the role that the market and individual companies can play within it. The indicators can be used for market analysis and to spur the development of products and services that will advance our progress toward a more sustainable society. Perhaps most importantly, they can enable business leaders to see how their decisions will affect society as a whole, for better or worse.

Education. The indicators help to educate students about sustainability and promote an understanding of the systems that support us. The indicators and the associated knowledge gaps can also serve as a basis for needed research projects, such as devising a set of institutional indicators. The indicators can provide the context for applying lessons in every subject to everyday issues and to where students live.

The Civic Sector. Nonprofit and volunteer groups can link their work to the broader cause of creating a more sustainable society, and use the indicators to evaluate their efforts in a broader context. We all do good work. How can we all work well together to meet our common goals? Foundations and philanthropic organizations can use the indicators to help set their funding priorities as we move toward a common vision.

A technical appendix containing the data for each indicator, the data sources, and methodology will be available from the Department of Environmental Protection this winter at 609-984-6071 or www.state.nj.us/dep/dsr.

How we chose and refined the indicators

Indicators chosen for the 1999 *Living with the Future in Mind* report represent the best collection of data available today for measuring our quality of life as we move toward sustainability. We particularly sought indicators that would highlight the interdependence of social, economic, and environmental systems.

In order to be included in this report, the data were required to:

- **be available on a statewide basis;**
- **measure significant trends that affect our progress toward the sustainable state goals;**
- **receive regular updates;**
- **offer historic trends; and**
- **be clearly and readily understood.**

At the bottom of each goal and indicator page, we have identified knowledge gaps in our understanding of particular issues. These gaps point to the need for additional research and, in some cases, the creation of new indicators specifically designed to measure our progress toward sustainability.

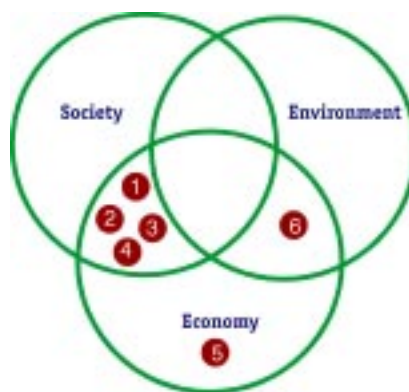
The indicators, as they are presented in this current report, have been reviewed and updated by the Interagency Sustainable State Working Group with the most recent data available. For some, the language contained in the 1999 report has been refined and clarified. In some cases, additional data have resulted in a revised description of the trend for that particular indicator (Example: a trend that may have been depicted as “Increasing” last year may have flattened out somewhat so that the description is now “Little recent change”). In addition, wherever a quantitative target with a specific time frame has been adopted through a public process by a state agency for a particular indicator, that target is reflected. Due to a variety of reasons, including availability of funding, a number of indicators’ data have not been collected at regular intervals and therefore their graphs are unchanged. For data collected at irregular intervals, the results are depicted in bar rather than line graph format. Unless otherwise noted, those years that do not have a bar should be interpreted to indicate that data were neither collected nor available, and should not be read as “zero.”

Finally, if there is any major change in a particular indicator compared with the 1999 report (such as a change in methodology on how the data are presented), that change is also highlighted at the bottom of the page.

Economic Vitality

GOAL: An economy that is competitive, diverse, and attractive to business; that maintains and expands assets and capital; that provides a variety of entry-, middle-, and high-level jobs; and that promotes the well-being of New Jersey’s communities and its workforce.

New Jersey’s economy is the “fuel” that drives almost everything else that happens in the state. It shapes our environment and enriches our social and cultural offerings. Our state’s economy underwent a major transition in the latter half of the 20th century, moving away from dependence on manufacturing and toward a more varied mix of advanced technology and service industries. While New Jersey ranks ninth among the states in population and 45th in size, we outperform those ranks in several key categories: we have the seventh largest number of Fortune 500 companies, the second highest average income in the nation, and we place fifth in the number of patents received. Amid this abundance of wealth and productivity, we also have significant disparities between our rich and poor citizens.



What we know

① Income increasing	page 14
② Unemployment cyclical.....	page 15
③ Productivity increasing.....	page 16
④ Poverty cyclical	page 17
⑤ Gross State Product (GSP) increasing	page 18
⑥ Energy efficiency increasing.....	page 19

What we don't know

- Measuring overall growth is less meaningful if we can't differentiate between the positive and negative components of that growth. We do not know the proportion of economic growth that comes from people buying things that they wish they didn't need - such as security systems for their homes, cigarettes, health care, or automobile repairs after an accident - or buying them at higher cost to cover expenses like pollution cleanup.
- Some aspects of our growing state economy are hard to measure, such as the disparity of opportunities among New Jerseyans.
- The proportion of our economic growth that comes from a drawing down of our “natural capital” - the environmental resources consumed for free that are not restored, such as woodland cleared for new houses or offices.
- The proportion of our economy that depends on the unsustainable use of fossil fuels, which cannot be replenished.

Income

INDICATOR
1

Income

Average annual disposable income per capita among New Jerseyans (personal income remaining after taxes):
Increasing



Importance

New Jersey has the second-highest per capita income in the nation. The amount of money earned by the average New Jerseyan has risen impressively for many years, even at a time when people in many other places struggle to get by. However, our rise in per capita income has not eliminated all of our economic problems. The gap between the richest and poorest of us remains significant in New Jersey, as it does nationally.

Economic

Our economy is only really strong in the long term if it is sustainable - that is, if it combines high incomes with a diminishing gap between the richest and poorest of us, and clean and environmentally sound production processes and products we want to buy.

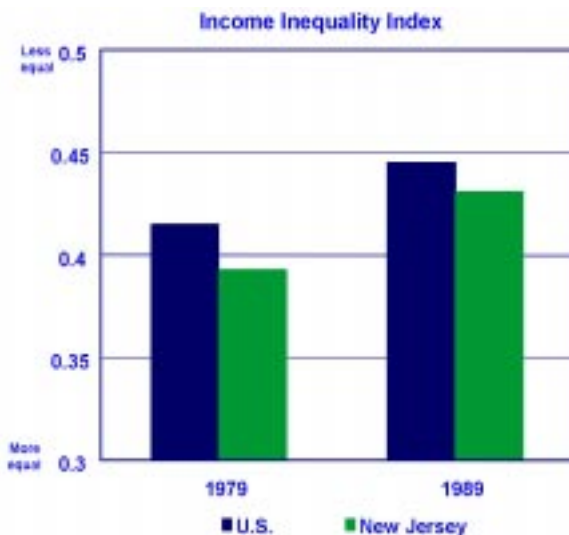
Environmental

Sometimes what we call economic growth is really the conversion of our natural wealth, such as woodlands, into cash. This is not a net creation of wealth

if it consumes non-renewable resources or consumes renewable resources faster than they can replace themselves. We may wind up missing the resources that we deplete, especially in the long term.

Social

Rising incomes are a resource. We can use this money to invest in our homes, our communities, and our children's education. However, rising income can also signify the loss of free time as we work harder. This can mean that we have less of ourselves to invest. Additionally, income is not rising equally for all New Jerseyans.



Things to think about

- Most of us want money to keep our families healthy and safe, buy a nice home, and enjoy quality recreation. However, if we work too much, we will not have time to enjoy these things.
- We often spend part of our income to remedy social and environmental problems, such as when we purchase household security systems, car alarms, and filtered water. Similarly, a portion of our taxes is spent for prisons and pollution cleanup.

Knowledge gaps

We do not have a consistently collected measure of income inequality. Also, to provide a true picture of the rewards that we get from our income, we must weigh income against such factors as the cost of living, how much free time remains after our work is done, and job satisfaction.

When the index equals 1, one person has all the income; when the index equals 0, income is shared equally by everyone.

DATA SOURCES: US DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, US BUREAU OF THE CENSUS, AND NJ DEPARTMENT OF LABOR

Unemployment

Percent of the state's total labor force unemployed:
Cyclical



Importance

This indicator measures our ability to put bread on the table and our view of self-worth. The official unemployment rate has taken on great importance with public officials because they understand that it is a fundamental measure of personal well-being. They also understand that elections can be won or lost as the rate rises or falls.

Economic

Unemployment means financial hardship for families. High unemployment is also a sign of

economic stagnation for the state. Those who lack jobs are less able to buy goods and services, which also detracts from the economy.

Environmental

Lack of a job hinders our ability to care about the environment as we become necessarily preoccupied with daily survival. People with secure jobs also pay taxes that go toward cleaning up hazardous waste sites and other environmental priorities. Some of the sectors with the most job growth are in service or “thinking” sectors with work that causes less harm to the environment.

Social

Communities with high unemployment often suffer from increased rates of crime, domestic violence, and substance abuse. Some of these problems can be reduced by the creation of more jobs – a solution that costs less and may work more effectively than other efforts by police, counselors, and professionals to fight these problems. Regional and ethnic disparities in unemployment rates in New Jersey may divide us as a society.

Things to think about

- Many European countries have unemployment rates about twice as high as ours. With financial crises in East Asia and other regions, many countries have unemployment rates higher than 20 percent. The U.S. unemployment rate averaged 4.2 percent in 1999.
- Teenagers and other young people often have a harder time finding work than people of other ages, yet it is often during our younger years that we establish our work ethic and generate opportunities for the future.
- Many economists consider 95 percent employment to be the maximum employment that our economy can sustain, or “full employment.” When unemployment is under 5 percent, some economists believe that the tight labor market and the risk of increased inflation have the potential to send the economy into recession.

Knowledge gaps

This indicator does not measure underemployment, a situation in which people have a job or jobs but are not challenged by their work and not encouraged to grow - nor situations where people hold undesirable jobs to make ends meet. The unemployment rate also does not measure the number of people who have given up on finding a job and have dropped out of the labor market, or who have chosen not to work for family or education reasons.