Newark, New Jersey

April 2025

NEWARK FINANCIAL WELL-BEING CONTINUUM

A Financial Empowerment Blueprint

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Supported by
Cities for Financial Empowerment Fund

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“Prosperity means to thrive financially, spiritually, and mentally.”

Newark Resident

ACKNOWLEDGMENTS

The Office of Newark Philanthropic Liaison, a partnership between the Office of Mayor Ras J. Baraka and the Council of New Jersey Grantmakers, spearheaded the Newark Financial Well-Being Continuum, a financial empowerment blueprint with numerous city agencies, nonprofit and community organizations, philanthropic partners, Cities for Financial Empowerment Fund staff, and Newark residents. Thank you to all the agencies, organizations, and residents referenced in this blueprint for their contributions and expertise.

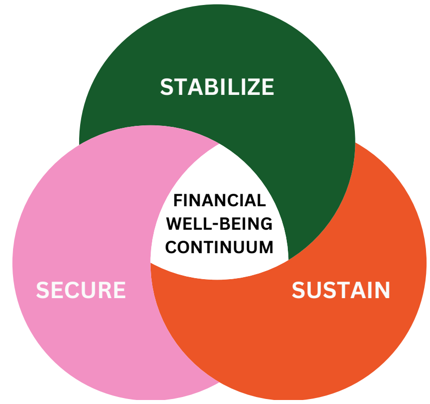
This blueprint was made possible through the generous support of the Cities for Financial Empowerment Fund (CFE Fund). Bloomberg Philanthropies' Greenwood Initiative supports the CFE Fund's CityStart initiative. The mission of the Greenwood Initiative is to accelerate the accumulation of wealth among Black individuals and families while addressing systemic underinvestment in Black communities across the U.S. The Greenwood Initiative advised the CFE Fund on the design and implementation of this iteration of the CityStart program utilizing a racial wealth equity lens.

“Prosperity is about having the abundance to not only take care of myself but also to support others from a genuine place. Prosperity can mean so many things, happiness, generosity, and clarity in life.”

Newark Resident

EXECUTIVE SUMMARY

NEWARK FINANCIAL WELL-BEING CONTIUUM

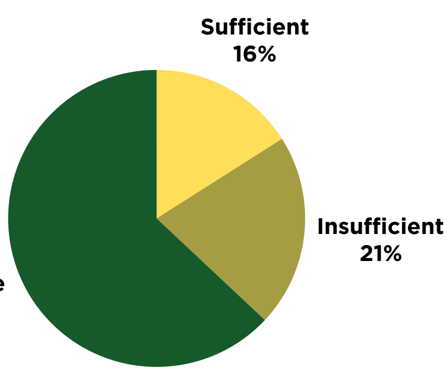


A Financial Empowerment Blueprint
By Newark, New Jersey

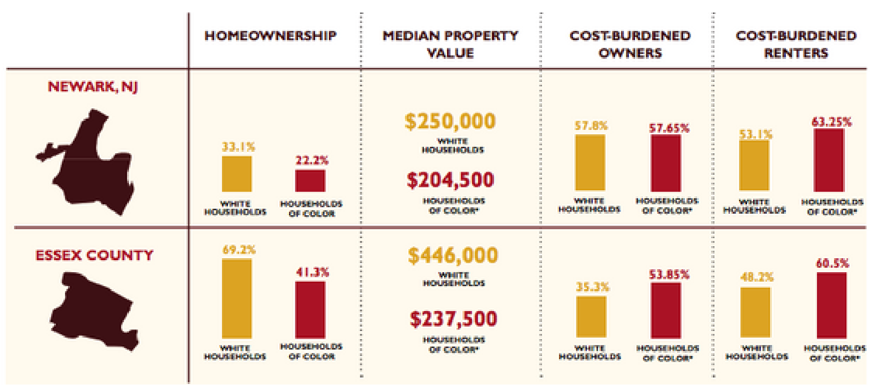
Through a year-long process with the Cities for Financial Empowerment Fund's CityStart initiative, the City of Newark developed a financial empowerment blueprint to address the various ways historical disinvestment has shaped Newark's current story of wealth. The project team created the Financial Well-being Continuum, undergirded by three financial pillars: stabilize, secure, and sustain. This framework highlights actionable strategies and tactics to assist residents on their upward journey from financial instability to financial health, resilience, and longevity. This was accomplished after research to understand the historical context that contributed to wealth extraction in Newark, an analysis of current financial stability and wealth accumulation projects and policies led by the City, and resident and stakeholder engagements through focus groups, roundtables, meetings, and the first city-wide survey aimed at understanding the financial realities of Newark residents. Resulting from intensive research, intentional engagement, and cross-sector collaboration, Newark's blueprint represents a comprehensive, intergenerational, and multi-pronged approach to combat decades of disinvestment and to advance the City's goal of building an equitable, inclusive, and prosperous city for all.

THE CITY OF NEWARK FACES A PRESSING NEED TO FOSTER FINANCIAL WELL-BEING FOR ALL RESIDENTS.

ONE MONTH EMERGENCY FUND



NEWARK AND ESSEX COUNTY'S HOMEOWNERS AND RENTERS



The legacy of systemic disinvestment has created enduring disparities, leaving many Newark residents in financial instability. To address these financial challenges, the administration of Mayor Ras J. Baraka has created programs and policies that promote economic stability, invest in economic development, and support the city's most vulnerable populations. Newark joined the Cities for Financial Empowerment Fund (CFE Fund) CityStart initiative to create a financial empowerment blueprint that enhances these efforts.

BARAKA ADMINISTRATION'S FINANCIAL EMPOWERMENT EFFORTS, 2014 -

STABILIZE — SECURE — SUSTAIN

-Rental Property Registration Ordinance

-Unconscionable Rent Increase Ordinance

-Right to Counsel Ordinance

-Newark COVID-19 Tenant-Based Rental Assistance Program

-Newark Movement for Economic Equity

-Vacant Property Ordinance

Deed Restriction Ordinance

Newark Land Bank

Section 8 Homeownership Conversion Program

Homeownership Revitalization Program

Neighborhood Development Program

The Live Newark Program

Affordable Newark Program

Municipal Employee Housing Assistance Program

Newark Inclusionary Zoning Ordinance

Office of Affordability

Office of Tenant Legal Services

Equitable Growth Advisory Commission

Neighborhood Development Program

The ongoing work of the Baraka Administration, the information from the resident and stakeholder engagements, and research have deepened and sharpened the focus areas for the Newark blueprint. From this intentional engagement, the project team learned that the needs of Newark residents are interconnected and complex. Discriminatory policies and decades of disinvestment have shaped the renter and homeownership landscape in Newark, have prevented Newark residents from accessing financial institutions and education to gain financial stability and mobility, and have extracted wealth from Newark residents. Despite these practices, Newark residents, through their own personal tenacity, still exist on a financial health spectrum. We cannot treat our residents as a monolith. A holistic approach that addresses different Newark residents' unique financial realities and aspirations is essential. Therefore, the project team created a comprehensive, intergenerational, and multi-pronged blueprint with actionable strategies that build on the work already occurring in the City and tackle the myriad of ways historical disinvestment has shaped Newark's current story of wealth.

THE PROJECT TEAM CREATED A COMPREHENSIVE, INTERGENERATIONAL, AND MULTI-PRONGED FINANCIAL EMPOWERMENT FRAMEWORK AND STRATEGIC PLAN: NEWARK FINANCIAL WELL-BEING CONTINUUM.

The Financial Well-being Continuum outlines three pillars: stabilize, secure, and sustain.

FINANCIAL WELL-BEING CONTINUUM

- **STABILIZE** — Focuses on residents' *financial health* by increasing their earnings and income to cover essential living expenses and improving their access to financial institutions, education, and services.
- **SECURE** — Focuses on residents' *financial resilience* by expanding their access to programs, resources, and services to increase their savings and net worth.
- **SUSTAIN** — Focuses on residents' *financial longevity* by increasing their access, knowledge, and usage of wealth-building and estate-planning tools and on building residents' power to accumulate and transfer wealth.

Accompanied by each pillar are three core strategies to support residents' progress from financial instability to financial abundance and longevity.

Each strategy has a series of practical, actionable tactics to implement the strategy. These tactics are commitments by the City and partners to support residents' financial empowerment.

STABILIZE STRATEGIES

- Increase residents' ease of access to financial building blocks and financial services.
- Provide services and resources to renters and vulnerable residents for affordable housing and employment.
- Advocate for policies at the state level that prioritize regular infusions of unrestricted cash into Newark households.

SECURE STRATEGIES

- Expand access to programs that support current homeowners and business owners in maintaining and maximizing their assets.
- Increase resources offered to aspiring and current Newark homeowners.
- Explore renter wealth creation strategies.

SUSTAIN STRATEGIES

- Continue to expose Newark youth to financial education.
- Increase Newark residents' knowledge and utilization of life insurance policies and Wills.
- Advocate for a Baby Bonds policy at the state level.

The current Newark story of wealth portrays a city with residents in different stages on the Financial Well-being Continuum. Many residents exist in the stabilize pillar of this continuum. It is essential to infuse direct cash into these residents' pockets, increase their access to financial coaching and resource navigation, and provide services and streamlined processes to increase their access to housing. This improves their economic situation and empowers them with the knowledge and resources to take control of their lives. Some residents exist in the secure pillar. We must expand their access to programs that allow them to build assets and gain greater access to capital, opening up new opportunities for financial growth. Other residents exist in the sustain pillar. Increasing these residents' knowledge surrounding wealth building and estate planning is essential to maintaining and transferring wealth within their communities and empowering them to secure their future and that of their loved ones. The Newark Financial Well-being Continuum provides collaborative, actionable strategies to support residents to become financially stable, build and maintain generational wealth, and increase their agency to live and thrive in Newark.

> [Prosperity means] seeing my daughter grow & have property ownership to build generational wealth.
>
> Newark Resident

> Prosperity means being able to have the freedom to spend time with others & with yourself, not just work & sleep
>
> Newark Resident

> Prosperity is being able to exist without lack or financial worry and having all your needs met.
>
> Newark Resident

"[Prosperity means] access to your own livelihood and contributing to the community I love and hold dear to my heart in a meaningful way."

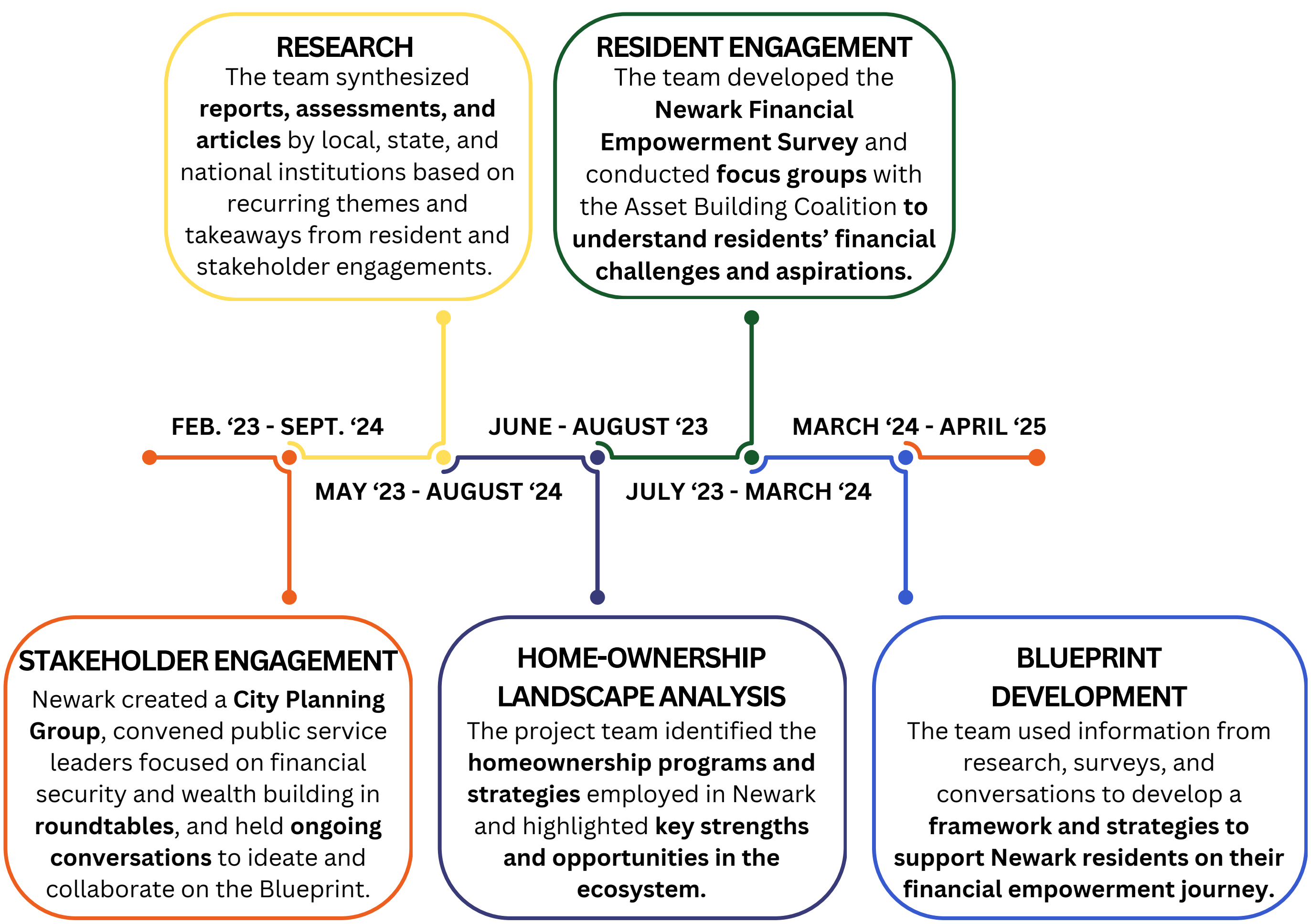
Newark Resident

BLUEPRINT DEVELOPMENT

In 2023, the City of Newark was accepted into the CFE Fund's CityStart Initiative as part of the second CityStart cohort specifically focused on racial wealth equity. The initiative is a structured approach to helping local governments develop a municipal financial empowerment blueprint, which outlines a strategic plan for financial empowerment programs and policies based on insights gained from stakeholder and community engagement. This racial wealth equity-focused iteration of CityStart addresses the financial stability needs of residents and the opportunities to meet those needs while prioritizing individual and structural efforts for residents that foster wealth accumulation and mitigate wealth extraction.

Through Newark's participation in the CFE Fund's CityStart Initiative, the project team developed the Newark Financial Well-Being Continuum. During an intensive, year-long process, the project team developed and adhered to a Newark blueprint roadmap, which enabled us to engage residents and stakeholders, gather local insights, and understand the historical context of Newark's story of wealth. These processes allowed us to develop an actionable, comprehensive, and responsive blueprint.

NEWARK BLUEPRINT ROADMAP



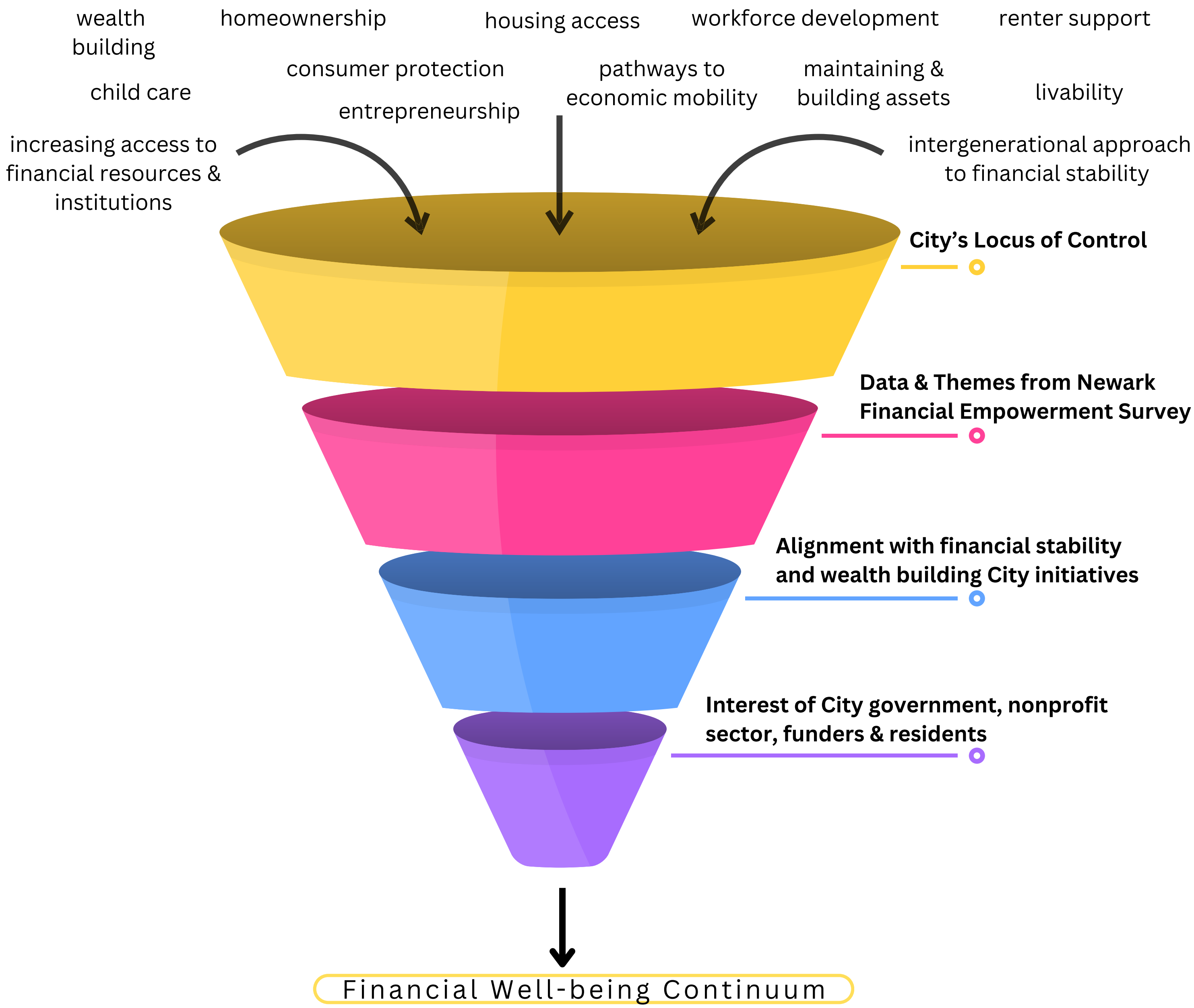
The project team gathered and synthesized financial empowerment and wealth-building information, both local and national, into strategies that will support Newark residents' financial goals. We formed an internal city government planning group composed of staff from the Workforce Development Board, the Department of Homeless Services, the Office of Affordability, and the Office of Newark Philanthropic Liaison. Over three days, we convened stakeholders in philanthropy, the nonprofit sector, and city departments in a series of roundtables and conversations related to financial stability and wealth building. The roundtables, conducted in partnership with the Newark Asset Building Coalition, the Equitable Growth Advisory Commission, the Homeless Commission, and the Newark Workforce Development Board, helped the project team understand the key challenges and opportunities.

We developed and deployed a Newark Financial Empowerment (NFE) Survey to gain insights into Newark residents' financial challenges and identify opportunities for stakeholders to increase the impact of their work in the City. Nearly 400 Newark residents completed this detailed survey due to the Ironbound Community Corporation's and GEM Project's resident outreach support. The word cloud on the cover page and the resident quotes embedded throughout this report were derived from residents' NFE survey responses to the prompt: in one sentence or word, what does prosperity mean to you? In addition, we partnered with the Newark Asset Building Coalition to conduct focus groups with residents to identify ways to support their financial goals and understand the resources needed to achieve them.

We synthesized reports and assessments conducted by local and state institutions such as the Rutgers Law School Center for Law, Inequality, and Metropolitan Equity (CLiME), the New Jersey Institute for Social Justice, and national institutions such as the Social Science Research Council and the Urban Institute. Since homeownership is the top financial goal of many residents, we conducted a landscape analysis of the Newark homeownership ecosystem. We synthesized critical reports regarding the Newark and New Jersey housing field, interviewed program staff and administrators in the Newark housing and homeownership space, and interviewed program participants of homeownership programs to identify strategies currently employed in the city and to outline their strengths and opportunities.

The research, stakeholder and resident engagements raised many areas of focus related to financial stability and wealth building. To narrow down the areas of focus, we utilized the following process.

ENGAGEMENT IDEAS TO STRATEGY FORMULATION



From this intensive process of engagement, research, and data analysis, we developed the Financial Well-being Continuum. This framework and strategic plan outline collaborative, practical strategies that build on past and current economic development efforts to support residents to become financially stable, build generational wealth, and increase their agency to live and thrive in Newark. Through the strategies in the Financial Well-Being Continuum, we hope to contribute to Newark's momentous and progressive changes to combat decades of economic disparities and wealth extraction.

"[Prosperity is] being able to pay all your living expenses, save money, have money for recreational activities, and give to charity without being stressed about it."

Newark Resident

STORY OF WEALTH

A PAST OF DIVERSITY, DISPARITIES AND DISINVESTMENT

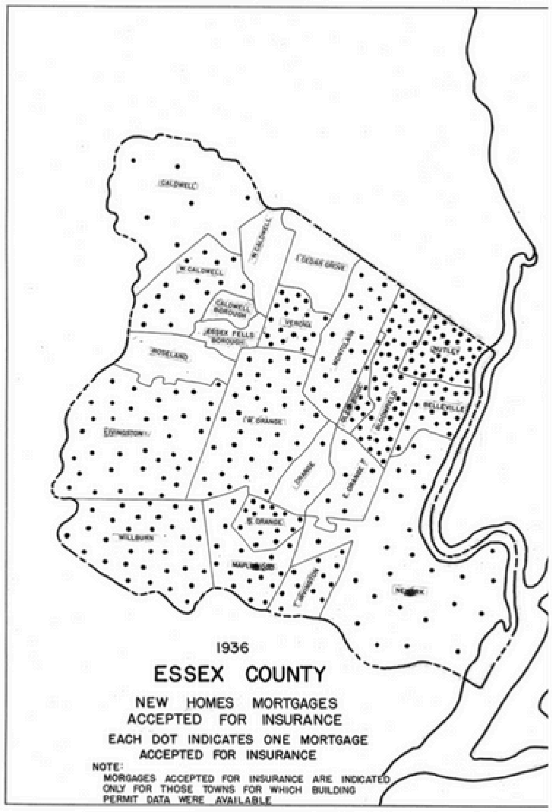
The City of Newark, New Jersey is a complex ecosystem filled with a history of wealth accumulation and extraction and a diverse tapestry of cultures. Newark's diversity and its shifts throughout Newark's history have significantly impacted its story of wealth. To understand Newark's story of wealth, the project team examined local wealth data, policies, and practices and engaged with residents and stakeholders to develop a deep understanding of how institutions, systems, and people have shaped Newark's economic landscape.

At the heart of Newark's story of wealth is its people. The catchphrase "Newark is for Immigrants" rings boisterously and pridefully in the City, signifying the immense diversity here. In the early 1900s, Newark was predominantly populated by European immigrants from Italy, Ireland, and Germany. During the American Industrial Revolution, Newark was a destination for many European immigrants seeking economic opportunity. Over the decades, Newark's population shifted as the White population began "flowing steadily out of Newark [in] the 1950s... [and] during the 1960s, 1,300 manufacturers left the city" (New Jersey Monthly, 2017). As industrialization declined and job opportunities decreased for those remaining in the city, federal policies and projects, such as redlining in the 1930s and onwards, incentivized White people to move to neighboring suburbs.

Redlining is a discriminatory practice where financial institutions intentionally target and deny predominantly Black and low-income neighborhoods financial services, loans, and mortgages. Policies such as redlining supported White people to accumulate intergenerational wealth while prohibiting Black people from accessing these benefits (New Jersey Institute for Social Justice, 2022, 3). For Newark Black residents, it prevented homeowners from accessing loans and economic opportunities and devalued their properties. For business owners, redlining hindered their access to credit to expand their business and hollowed out neighborhoods that could serve as strong customer bases.

Newark's diversity and its shifts throughout Newark's history have significantly impacted its story of wealth.

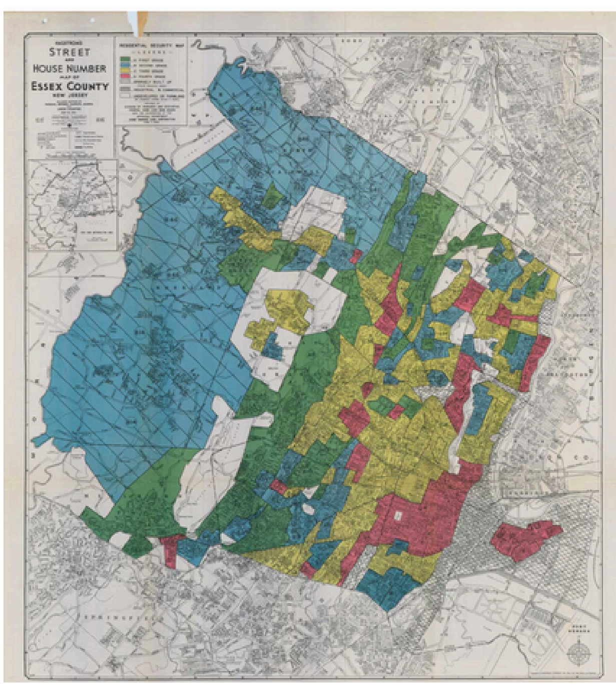
ESSEX COUNTY NEW HOMES MORTGAGES - 1936



United States National Archives

This map from the U.S. National Archive shows the number of new home mortgages accepted for insurance in 1936. Each dot indicates a mortgage accepted for insurance. As illustrated, Newark has a sparse number of new mortgages accepted for insurance compared to neighboring towns.

RESIDENTIAL SECURITY MAP OF ESSEX COUNTY, NJ - 1930S



United States National Archives

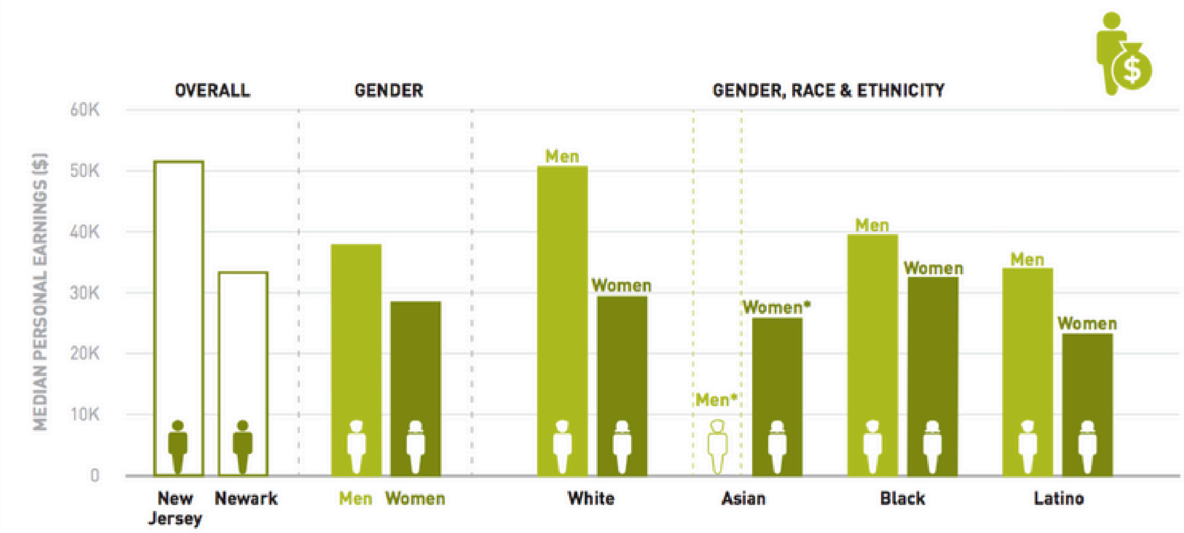
This color-coded map of Essex County, created by bankers, real estate consultants, and other stakeholders, redlined predominantly Black neighborhoods, including Newark, to signal to investors that these neighborhoods were high risk and, therefore, should not receive access to financial services, loans, and other potentially asset-building opportunities.

Redlining practices led to systematic disinvestment in Newark, contributing to concentrated poverty and economic immobility. By the 1960s, Black migrants of the Great Migration from the South, immigrants from Africa and the Caribbean, and Hispanic/ Latino immigrants from Puerto Rico, Central and South America, and beyond reshaped Newark's cultural, ethnic, and racial fabric. As Newark's population changed, the opportunities that previous immigrants and migrants had accessed were dwindling. Newark's demographics diversified; however, those with the most significant financial and socio-political power did not reflect this change. "Repressive measures by the police force (which was 90 percent [White]) and government agencies like the Board of Education and the Welfare Department increased the hunger for self-determination in the [Black] community" (New Jersey Monthly, 2017). This power imbalance and racial polarization spurred by police brutality and economic disparities led to the Newark Rebellion of 1967, when several days of community organizing, boycotts, property destruction, and white flight led to significant monetary loss and disinvestment.

Decades of institutional disinvestment has shaped the picture of prosperity in Newark today. Nearly one in four Newarkers lives in poverty, more than double the national rate (Social Science Research Council, 2024, 49). In the Newark Financial Empowerment (NFE) Survey, 63% of respondents indicated they did not have a rainy day fund, citing insufficient money after covering living expenses, fluctuations in their income, and too much debt as their main reasons. Most residents need more cash flow to cover essential expenses and to save for the future. Data from the Social Science Research Council's Measure of America report, *A Portrait of Newark*, supports what residents shared in the NFE survey. The average Newarker "earns $33,300 per year, $10,400 less than the Essex County median of $43,700 and $18,200 less than the New Jersey median of $51,500" (Social Science Research Council, 2024, 51). There is a clear pay disparity between Newark residents and other New Jersey residents. When dissected by gender and race, the data is even more staggering.

Decades of institutional disinvestment has shaped the picture of prosperity in Newark today.

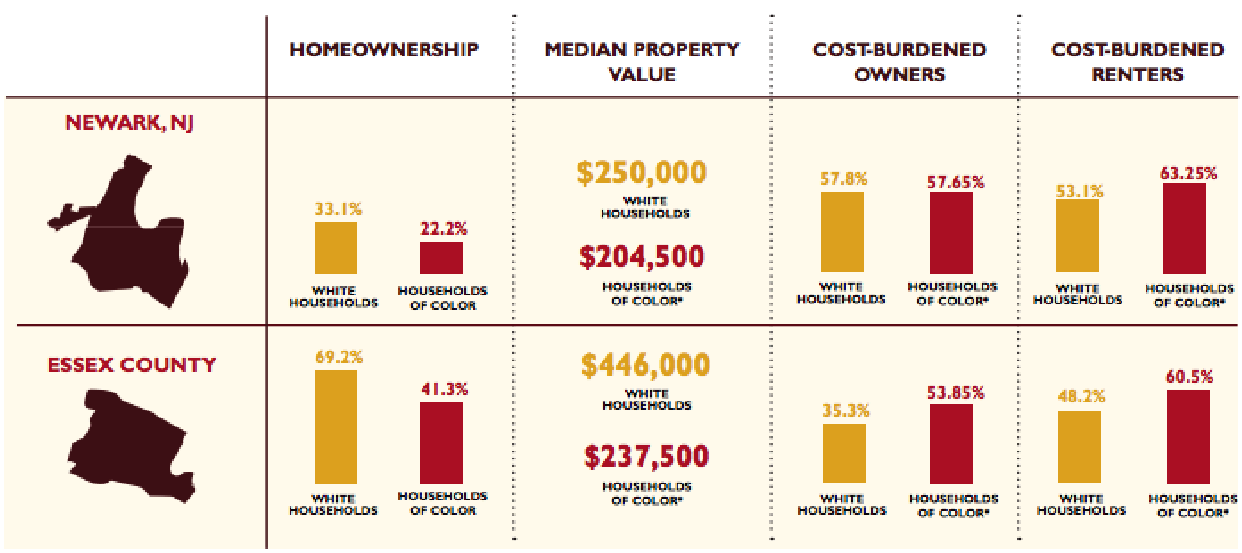
MEDIAN EARNINGS BY GENDER AND RACE IN NEWARK AND NEW JERSEY



Social Science Research Council, 2024, 51

An individual's earnings determine many facets of their lives, from the quality of their standard of living, to their ability to withstand financial hardships and own assets. The limitations that low earnings and income place on Newarker's financial mobility are illustrated through the picture of homeownership in Newark. Of the residents who completed the NFE survey, 58% reported having less than $1,000 saved towards a down payment for a house. When asked about the barriers preventing renters from homeownership, the top three challenges were the inability to afford a down payment (39%), the inability to qualify for a mortgage (25%), and the lack of homes within the respondent's price range (22%). With a homeownership rate of about 24%, most Newark residents are renters.

NEWARK AND ESSEX COUNTY'S HOMEOWNERS & RENTERS FINANCIAL SNAPSHOT



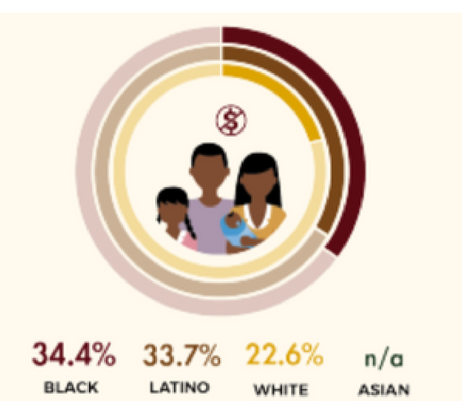
Prosperity Now, 2019, 9

In Newark, the majority of both renters and homeowners are cost-burdened. "57.6% of homeowners…spend more than 30% of their household income on their monthly mortgage and other selected owner costs. This rate is fairly consistent among White, Black, and Latino homeowners. However, it is higher for every demographic compared to Essex County and New Jersey, where rates are 43.2% and 38%, respectively" (Prosperity Now, 2019, 9). Despite these statistics, in the Newark Financial Empowerment Survey, 49% of respondents shared that homeownership is their primary financial goal.

In response to this, the project team conducted a landscape analysis to understand the Newark homeownership ecosystem and identify opportunities and resources to leverage to support Newark residents. From this research process, we created a Strengths, Weaknesses, Opportunities, and Threats (S.W.O.T) analysis of the homeownership programs provided by the City of Newark and nonprofit organizations. Some of the opportunities include the myriad programs and the increasing financial investment in Newark. A few threats to this homeownership ecosystem are Newark's low inventory of affordable homes for purchase, the state and national housing crisis, and systemic barriers that perpetuate discrimination in the home-buying process. See Appendix A for more information about the S.W.O.T Analysis of Homeownership Programs.

The landscape analysis revealed that homeownership programs directly respond to the desire of Newarkers to own homes and provide services to help them actualize this dream. Many Newark residents see homeownership as one of their financial milestones to wealth building. Though wealth is difficult to measure, one's net worth is a key indicator. For many Americans, the path to increasing their net worth has historically included homeownership. When examining the net worth of Newark households, we see how the low homeownership rate and the low median income and earnings rate compared to Essex County and New Jersey, as well as several other factors, contribute to low or zero net worth.

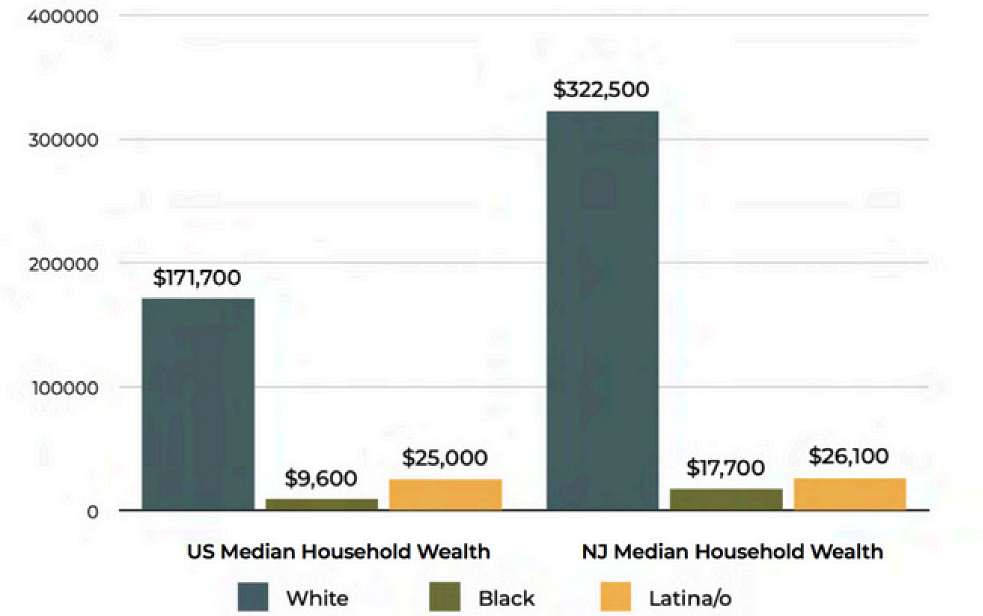
NEWARK HOUSEHOLDS WITH ZERO NET WORTH BY RACE AND ETHNICITY



Prosperity Now, 2019, 7

Newark Black and Latino residents represent the highest proportion of **Newark families with zero net worth**, which aligns with national and state trends. When we examine the overall wealth of different racial and ethnic groups nationally and on the state level, the correlation between low net worth and low overall wealth is evident.

U.S.A. AND NEW JERSEY RACIAL WEALTH GAP



New Jersey Institute for Social Justice, 2022, 8

The national median household wealth of White households is 17x that of Black households and 6x that of Latino households. On the state level, the household wealth disparities are more pronounced. When we examine the net worth not of households but of individuals, the racial and ethnic economic disparities continue.

NEW JERSEY MEDIAN NET WORTH FOR INDIVIDUALS

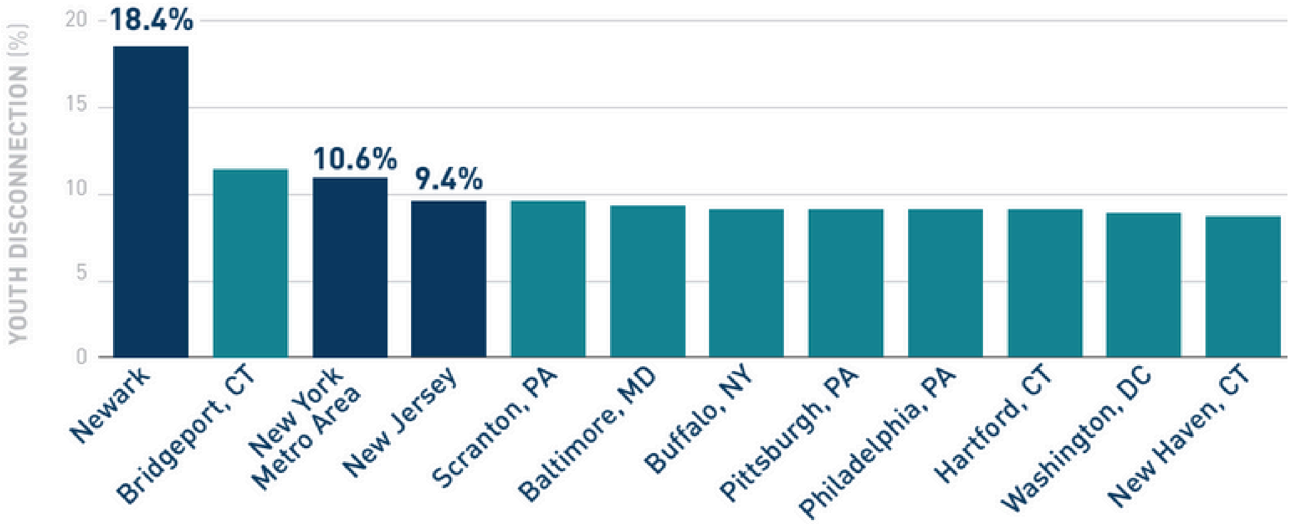
$103,500	vs.	$4,900	vs.	$2,300
White		Black		Latina/o

New Jersey Institute for Social Justice, 2022, 8

In New Jersey, the net worth of White residents is 45x greater than that of Latinx/Hispanic individuals and 21x greater than that of Black residents. However, at the local level in Newark, the percentage of Black households with zero net worth is slightly higher than that of Latinx/Hispanic households.

The impacts of low or zero net worth and overall wealth are felt across all the generations in the household. Being from a low-income and a low-wealth background increases the chances that a young person will be disconnected.

NORTHEAST CITIES YOUTH DISCONNECTION



Social Science Research Council, 2024, 59

Newark has an exceptionally high youth disconnection rate compared to other Northeast cities. “The youth disconnection rate—the share of young people ages 16 to 24 who are neither working nor in school—is a strong indicator of a community’s resources and a telling gauge of its residents’ access to opportunity” (Social Science Research Council, 2024, 56). When examining the earnings and wealth of Newark residents, the impact of this low net worth ripples to the younger population, continuing the cycle of poverty and furthering the racial wealth gap.

By situating Newark in this historical context, it’s evident that the City’s current economic landscape is a direct result of its complex history. A history marked by waves of immigration and intentional, discriminatory policies and practices. The legacy of redlining and systemic disinvestment has created enduring disparities, leaving many Newark residents financially unstable. While the city's diverse population remains a source of pride, the data reveals a stark reality: decades of institutional disinvestment have hindered wealth accumulation, particularly for Black and Latino residents, leaving many unable to secure basic financial security. Understanding this historical context is crucial for developing effective strategies to address the city's economic challenges and foster a more equitable future for all Newark residents.

The legacy of redlining and systemic disinvestment has created enduring disparities, leaving many Newark residents financially unstable.

A PRESENT OF OBSTACLES AND OPPORTUNITIES - NEWARK FINANCIAL EMPOWERMENT SURVEY RESULTS

The project team combined our learning of Newark's history of wealth with resident engagement to further understand Newark residents' daily financial realities by administering the Newark Financial Empowerment Survey. This was the first time the City has implemented a survey of this depth and magnitude to understand the financial realities of residents. Nearly 400 Newark residents completed the survey with participants from all five wards. Of the participants, 69% identified as female and 27% identified as male; 55% were between the ages of 25 and 44, 18% were between 45 and 54, and 16% were 55 and older. From this diverse range of participants, we have the following data on the financial realities of residents.

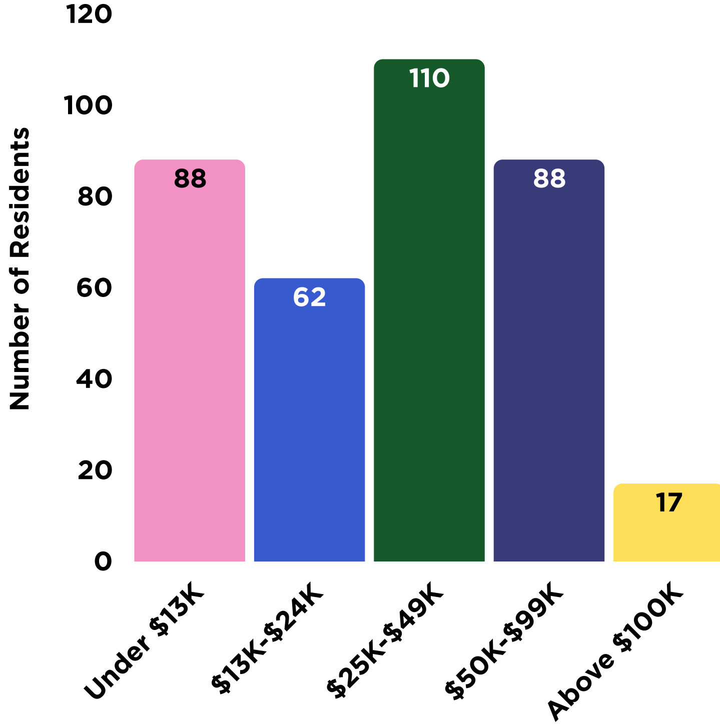
The Newark Financial Empowerment Survey revealed significant financial challenges faced by Newark residents while emphasizing opportunities for financial security and wealth-building. A significant portion of respondents reported difficulties in covering essential living expenses, highlighting a pressing need for increased access to financial resources and stability-focused policies and programs. Employment insecurity emerged as a major concern, with many residents expressing the need for better job opportunities, skill-building initiatives, and financial education. The survey also indicated that affordable housing remains a critical issue, reinforcing the importance of policies that support renters and homeownership accessibility.

Furthermore, the data underscored a gap in long-term financial planning and wealth-building education among residents. While some individuals have access to financial institutions and resources, a large percentage lack awareness of asset-building strategies, life insurance, and estate planning tools. Programs and policies focused on financial security, business and home ownership, and investment education are crucial in addressing these key challenges residents shared to support their mobility from financial insecurity to long-term wealth accumulation.

To underscore the main findings shared, the following are significant data regarding income, savings, experience with financial institutions, housing, employment challenges, and financial goals of Newark residents from the Newark Financial Empowerment Survey.

INCOME

ANNUAL INCOME BEFORE TAXES

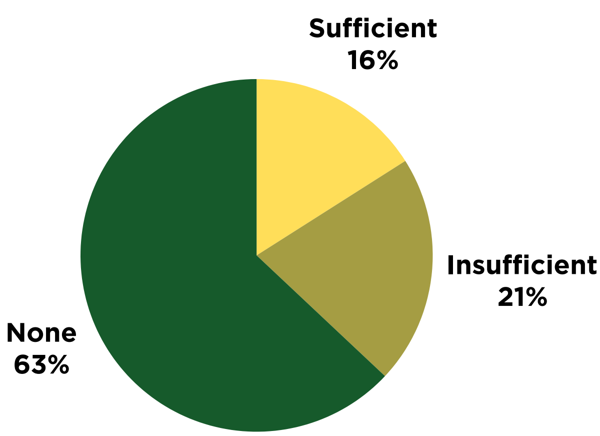


Newark Financial Empowerment Survey

The majority of respondents (54%) earn less than $50,000, and 24% earn less than $100,000 before taxes. Newark is a high cost of living city; therefore, residents require higher incomes than what's reported to achieve financial security.

SAVINGS

ONE MONTH EMERGENCY FUND

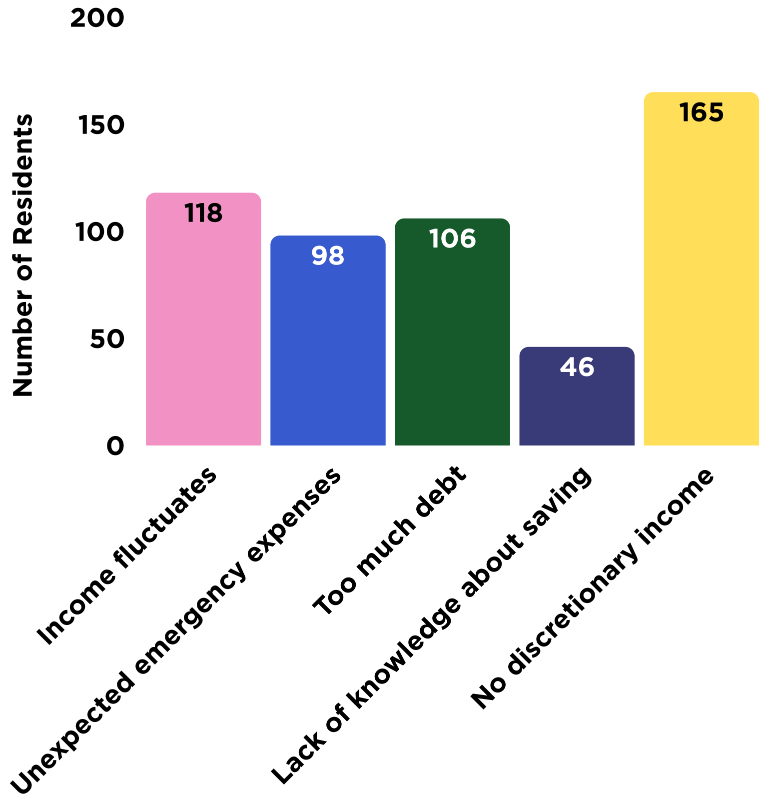


Newark Financial Empowerment Survey

A small percentage of participants (16%) have a sufficient amount of money saved to cover their expenses for one month, 21% have an emergency fund but would like to save more, and 63% do not have an emergency fund for one month. The majority of respondents (84%), either have insufficient or no emergency fund for one month, leaving them financially vulnerable when unexpected financial obligations arise.

To complement this local data, research by the Urban Institute found that 38% of Newark residents have an emergency/rainy day fund of $2000 or more. Though this percentage is higher than the local survey results, it is significantly lower than that of New Jerseyans, which is 73% (Urban Institute, 2022). Newark residents are therefore more financially vulnerable than New Jerseyans overall.

DIFFICULTIES IN ESTABLISHING/MAINTAINING AN EMERGENCY FUND

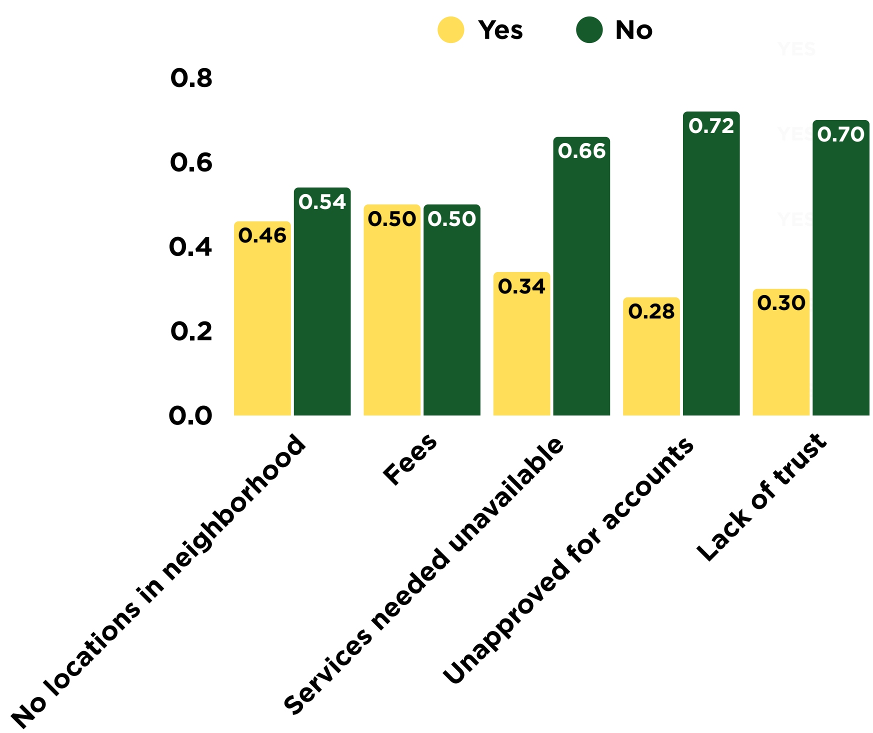


Newark Financial Empowerment Survey

Survey respondents shared that the top three factors preventing them from establishing and/or maintaining an emergency or rainy day fund are not having money after covering living expenses (43%), fluctuations in their income (31%), and too much debt (28%). An increase in consistent cash infusion will allow Newark residents to cover living expenses, pay off debt and save for emergencies and the future.

EXPERIENCE WITH FINANCIAL INSTITUTIONS

MOST PREVALENT CHALLENGES WITH FINANCIAL INSTITUTIONS

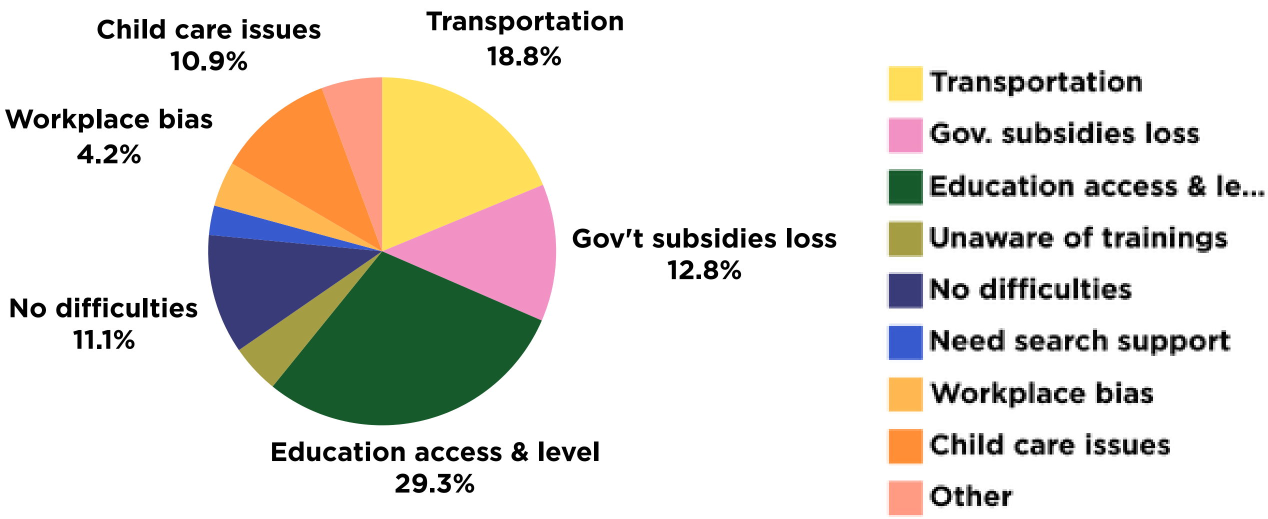


Newark Financial Empowerment Survey

Based on resident responses, the top three most prevalent challenges with financial institutions are fees associated with checking and savings accounts (50%), no locations in the neighborhood (46%), and the services they need are not offered (34%). Residents experience inaccessibility when it comes to financial institutions whether through geographic or financial barriers.

EMPLOYMENT CHALLENGES

CHALLENGES IN OBTAINING A JOB OR BETTER SALARY AND BENEFITS

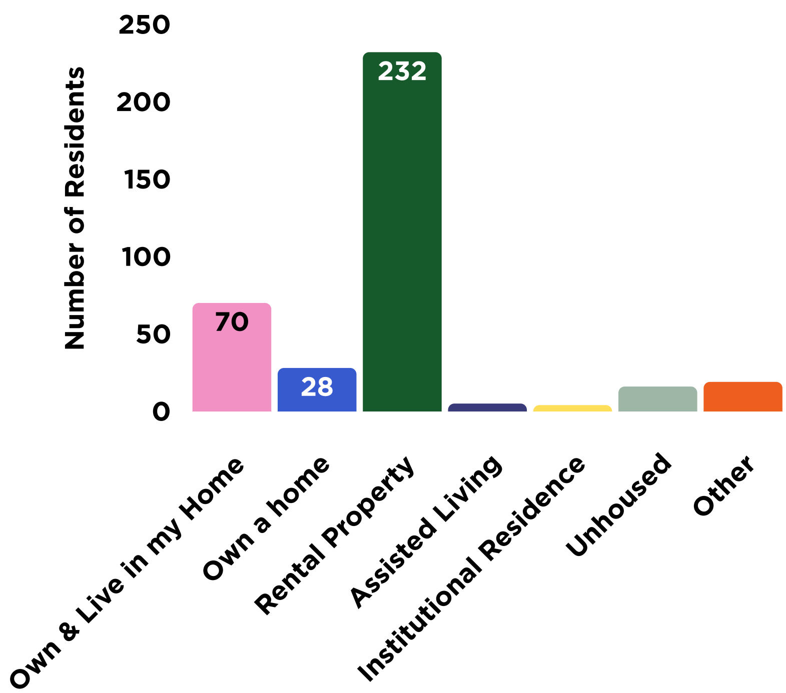


Newark Financial Empowerment Survey

The top three challenges respondents face in obtaining a job or getting a higher paying job and/ or better benefits are education access and level (29%), transportation (19%), and potential loss of government subsidies (13%). Due to a lack of living wage jobs and resources like affordable housing, residents receiving government subsidies are disincentivized from getting a higher paying job or better benefits because oftentimes, it is still less money than the government subsidies.

HOUSING

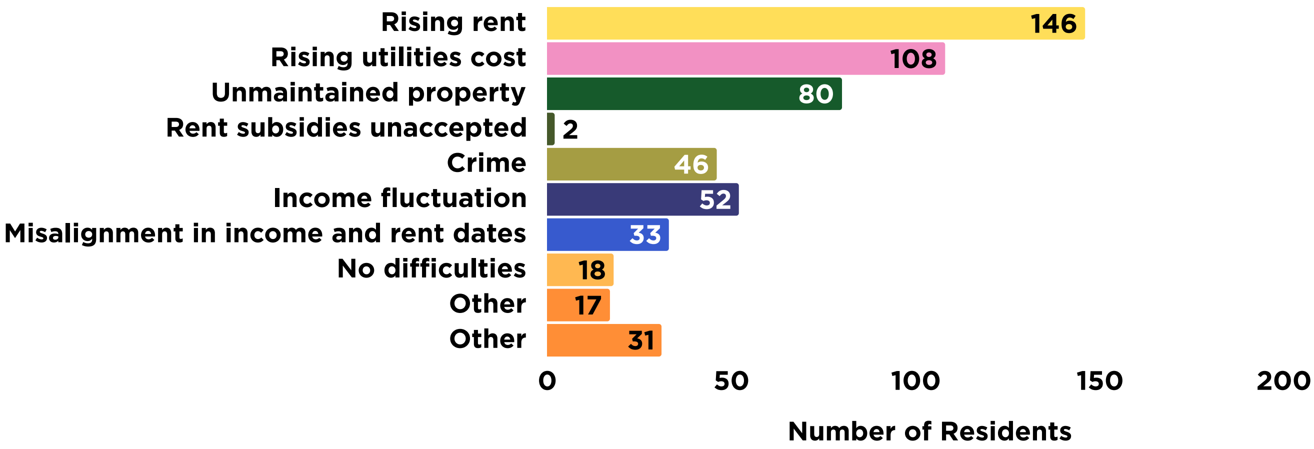
LIVING SITUATION



Newark Financial Empowerment Survey

The majority of survey respondents (62%) live in a rental property. Newark is a majority renter city; therefore housing and financial empowerment efforts must look at opportunities to support renters' stability.

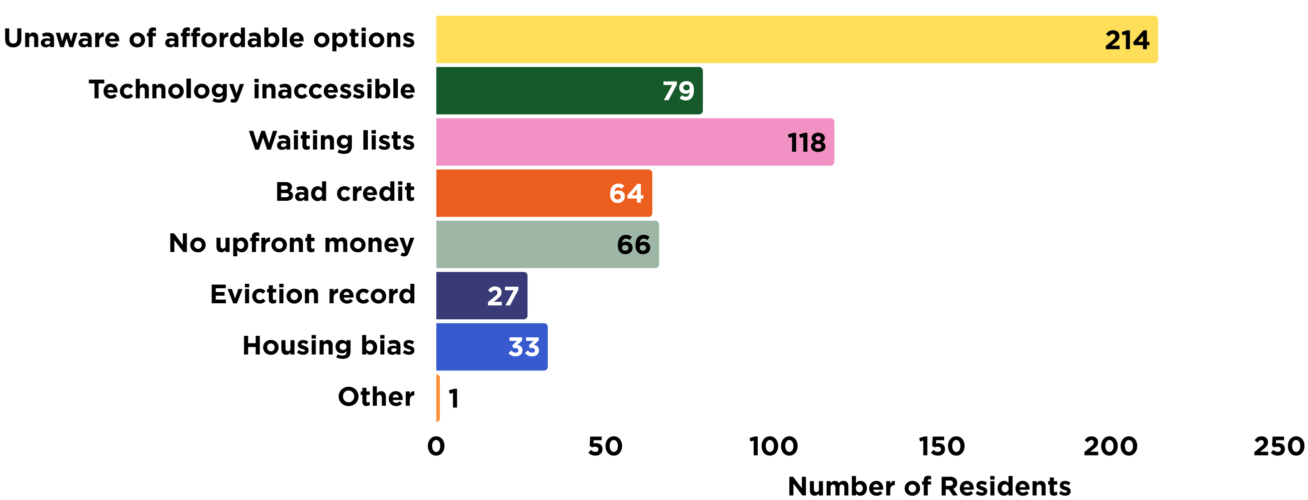
CHALLENGES RENTERS ENCOUNTER



Newark Financial Empowerment Survey

Of the 62% survey participants who reported living in rental properties, 37% shared that rising rents were their most significant challenge to staying in their home, 28% shared the rising cost of utilities, and 21% mentioned landlords not maintaining the property. Of the renters, 65% highlighted issues related to inflation as their biggest challenges.

CHALLENGES IN FINDING AFFORDABLE HOUSING



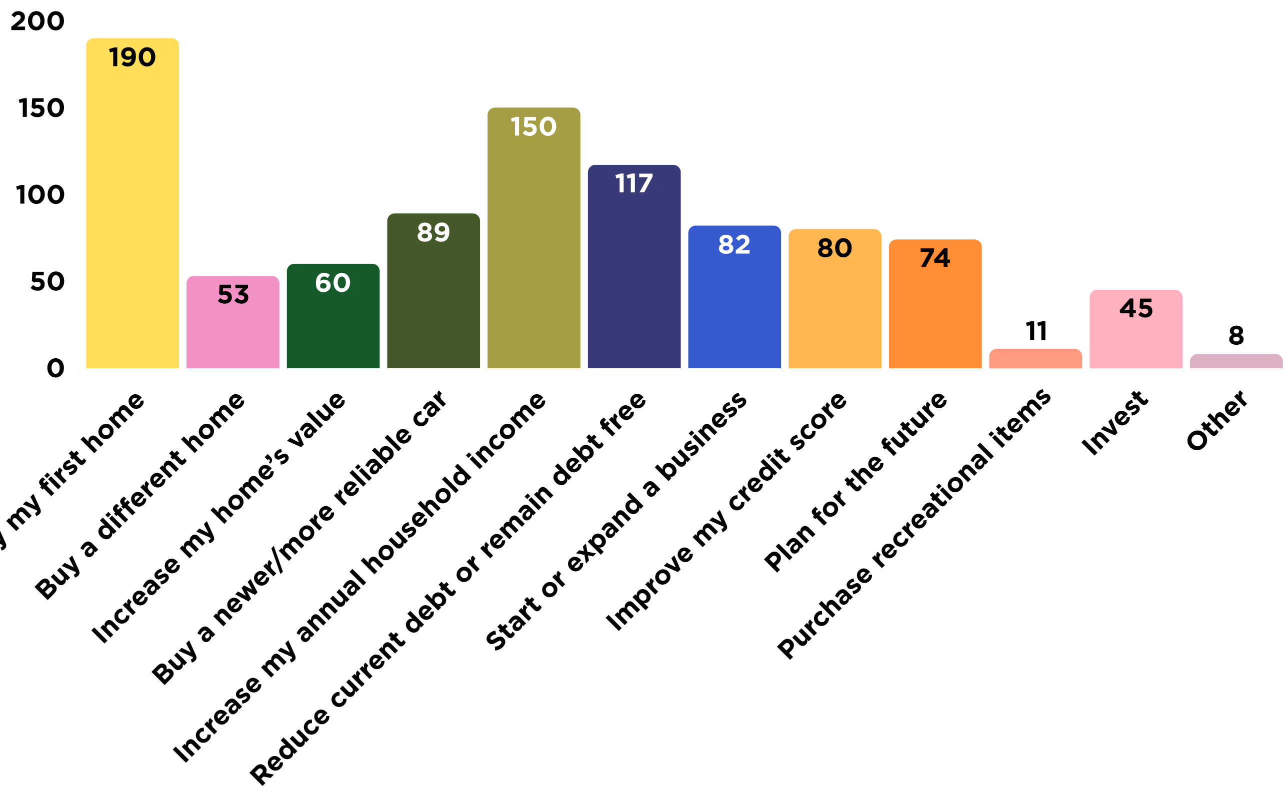
Newark Financial Empowerment Survey

Survey respondents indicated these five factors as their most significant challenges to finding affordable housing: unawareness of affordable options (55%), waiting lists (31%), lack of access or knowledge of technology (21%), denial due to credit checks (17%); and security deposit requirements (17%). These challenges highlight that various factors are preventing Newark residents from accessing affordable housing, from financial constraints to lack of knowledge and access.

The financial realities of Newark residents may appear disheartening; however, Newark residents are resilient and hopeful for a prosperous future. In the survey, Newark residents shared their top three financial goals.

FINANCIAL GOALS

TOP FINANCIAL GOALS IN THE NEXT FIVE YEARS



Newark Financial Empowerment Survey

The top three financial aspirations of Newark survey respondents in the next five years are buying their first home (49%); increasing their annual household income (39%); and reducing current debt or remaining debt-free (31%). Though the top financial goal of respondents is homeownership, the majority (70%) relate to improving their financial security.

Through these responses, the City of Newark gained significant local insights and understanding of the lived experiences of Newark residents. The findings suggest that a multi-faceted approach, incorporating immediate financial support and long-term economic development initiatives, is essential for fostering financial empowerment in Newark. The information shared by residents informed the strategies proposed in this blueprint and aligns strongly with the initiatives created by the City to solve many of the pressing challenges preventing residents from achieving financial stability and building wealth.

A FUTURE OF EQUITY, INCLUSION, AND PROSPERITY

Through an understanding of the history of Newark, the current financial realities of many of its residents are unsurprising. However, Newark is an ever-changing ecosystem, learning from its complex past and building for a thriving future for all. Numerous organizations, companies, coalitions, and departments within the City government are implementing initiatives and advocating for policies to ensure Newark becomes an equitable, inclusive, and prosperous city under the Baraka Administration. Residents are leading, organizing, and building power in their communities in partnership with these organizations, the City government, and place-based companies. In the Newark Financial Empowerment Survey, one resident wrote, “I believe financial freedom defines prosperity, simply because it eliminates the daily woes that prevent us from being present and improving the quality of life for ourselves and future generations.” Newark residents have a clear vision of prosperity for themselves, their communities, and their city.

Over the past decade, Newark has experienced unprecedented economic development, transforming the city's landscape while prioritizing the preservation of its communities. Significant investments in infrastructure, technology, and the arts have attracted new businesses and spurred job creation, positioning the city as a hub for innovation. Unlike many urban revitalization efforts, Newark's growth has been guided by an inclusive approach that actively combats the displacement of long-time residents. Mayor Ras J. Baraka, an advocate for equity and inclusion, has led this effort since taking office in 2014. In the pages ahead, we summarize the innovative initiatives of the Baraka Administration to financially stabilize Newark families and build equitable and inclusive growth.

The Baraka Administration advocated and launched the Newark Movement for Economic Equity (NMEE) to support vulnerable residents in achieving financial stability. NMEE was Newark’s first Mayor-led guaranteed income program designed to promote financial stability for Newark residents. NMEE served over 400 Newark residents, with participants receiving direct cash payments in two cohorts for two years. Participants received payments in two frequencies - twice yearly to simulate the “tax credit or stimulus effect” and bi-weekly to simulate the “paycheck effect.” NMEE gave participants the freedom and flexibility to self-determine how their funds were utilized. As the Newark Financial Empowerment survey conveyed, residents need additional cash to cover living expenses and save for the future. The NMEE data validated what other pilots have proven: when provided with additional funds, people use it to supplement their grocery budget, pay their rent and utility bills, and improve their access to transportation. This program highlighted the significance of direct financial assistance for Newark residents.

Though the pilot concluded in 2023, the advocacy for unrestricted cash assistance programs like guaranteed income continues.

In addition, the City developed the Newark Housing Tracker to transparently and accurately share the City of Newark's progress toward its housing goals, established in August 2021, to be completed by 2026. Delineated below are the housing goals and their progress as of June 2024.

MEASURING PROGRESS - HOUSING GOALS

GOALS	OUTCOMES
Add 3,000 new housing units across all five wards.	• 2,920 housing units have been completed; of this total, 17% are affordable units, and 83% are market rates. • 1,985 housing units are in construction; of these total units, 41% are affordable, and 59% are at market rate.
Fund the creation or preservation of 6,600 affordable homes.	• 5,609 affordable units have been funded; 2% are for residents making 30% of area median income.
Convey 300 vacant City-owned properties suitable for residential building to developers.	• 432 City-owned properties have been conveyed.
Support 1,500 new and 200 existing low- and moderate-income homeowners.	• The City of Newark has supported 77 new and 118 existing homeowners.
Support 10,000 vulnerable or unsheltered households annually.	• The City of Newark has supported 28,030 unsheltered or vulnerable households.

In addition to these housing initiatives, the City has spearheaded legislation to advance economic equity. For example, The Newark Inclusionary Zoning Ordinance requires all new development to set aside 20% of units for affordable housing. It was amended in 2023 to allow the City to exclusively share affordable units with Newark residents during a 90-day period. The Right to Counsel Ordinance, which mandates that tenants who earn up to 200% of the federal poverty level are provided with legal assistance to help navigate eviction proceedings, passed the Newark City Council in 2018. The ordinance aims to promote housing stability and ensure fair treatment for tenants in eviction cases by offering legal support.

The ordinance also created the Office of Tenant Legal Services, which provides free legal services to low-income renters facing eviction or unsafe living conditions, including legal advice, representation, document preparation, and support from contracted lawyers. The City has enacted these pieces of legislation and others to support Newark renters and homeowners at all income levels to secure housing and homeownership, maintain healthy living standards, and build wealth.

Under Mayor Ras J. Baraka's leadership, the Equitable Growth Advisory Commission, comprising 15 public and private sector leaders focused on increasing economic access and growth for all Newark residents, was established. Their recommendations have shaped key initiatives, including the Homeownership Revitalization Program and the Equitable Investment in Newark Communities Initiative. The City also created the Office of Affordability, which protects residents' access to affordable housing options, addresses and manages housing costs, implements affordable housing programs, and supports initiatives that prevent the displacement of low-income families.

The Baraka Administration has prioritized creating affordable rental and homeownership opportunities for Newark residents while returning long-vacant properties back on the tax rolls so that the City can improve services. Newark is the first and only city in New Jersey to create a Land Bank housed by the economic development nonprofit, Invest Newark. A Land Bank is a public or nonprofit entity with a unique purpose to put vacant, abandoned, and deteriorated properties back to productive use according to community goals. The Section 8 Homeownership Conversion Program provides Newark-based minority-owned and women-owned developers an opportunity to rehabilitate single-family homes in the Newark Land Bank, which then become available for purchase by Section 8 recipients who can use their vouchers and other city and state grants to purchase a home. Another initiative is the Equitable Investment in Newark Communities Initiative (EINC), which allows the City to partner with local nonprofit organizations and emerging, women-owned, and/ or minority-owned developers to create development projects that fulfill community needs for affordability and services. These initiatives increase Newark residents' homeownership rate, employ underrepresented contractors and developers, and ensure all Newark residents have access to the economic development occurring in the City.

Lastly, the City of Newark has invested significantly in the Summer Youth Employment Program (SYEP), a summer program that offers Newark youth ages 14-24 the opportunity to gain work experience and financial education.

SYEP employs youth and provides a curriculum that allows them to envision a future of personal and professional success through its four program components: career exposure, career exploration and workplace skills training, financial literacy, and mentorship.

There is a clear connection between youth employment and education and their future financial stability. SYEP provides opportunity youth and all of Newark youth a head start to financial stability. Cities for Financial Empowerment Fund is a longtime funder of SYEP through its Summer Jobs Connect Program. Summer Jobs Connect connects banking access and financial education to municipal Summer Youth Employment Programs. Thanks to the resources and guidance provided by Summer Jobs Connect, Newark's Summer Youth Employment Program became a national model under the leadership of the Baraka administration. The City's commitment to SYEP highlights its intergenerational approach to building a prosperous Newark.

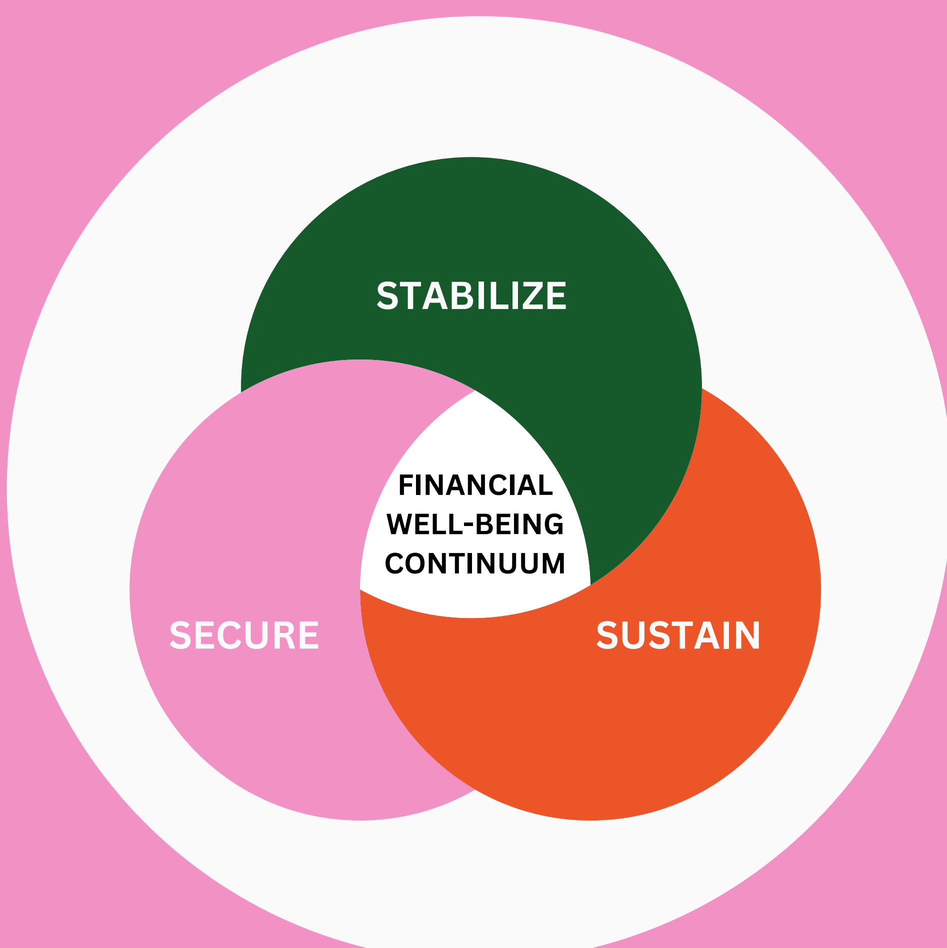
City government and partners have made significant progress in supporting Newark residents' financial stability and expanding their ability to grow and transfer wealth to achieve an equitable, inclusive, and prosperous city. Under the Baraka Administration, affordable housing initiatives, community-centric policies, and partnerships with local organizations and companies ensure that Newark's economic progress creates a shared prosperity that strengthens the fabric of the city. See Appendix B for more information about Newark's financial security and economic development initiatives in the last ten years.

The ongoing work of the Baraka Administration, the information from the resident and stakeholder engagements, and research have deepened and sharpened the focus areas for the Newark blueprint. From this intentional engagement, the project team learned that the needs of Newark residents are interconnected and complex. Discriminatory policies and decades of disinvestment have shaped the renter and homeownership landscape in Newark, have prevented Newark residents from accessing financial institutions and education to gain financial stability and mobility, and have extracted wealth from Newark residents. Despite these practices, Newark residents, through their own personal tenacity, still exist on a financial health spectrum. We cannot treat our residents as a monolith. A holistic approach that addresses different Newark residents' unique financial realities and aspirations is essential. Therefore, the project team created a comprehensive, intergenerational, and multi-pronged blueprint with actionable strategies that build on the work already occurring in the City and tackle the myriad of ways historical disinvestment has shaped Newark's current story of wealth.

"[Prosperity is] owning a home, having investments and savings for my child, and leaving a legacy helping my community."

Newark Resident

FINANCIAL WELL-BEING CONTINUUM



NEWARK'S PROGRESS TO PROSPERITY

The strategies proposed in the Financial Well-Being Continuum were inspired by the transformative work occurring in the city under the Baraka administration. The legislation, offices, commissions, and initiatives listed below have helped infuse direct cash into the hands of residents for rental assistance, living expenses, and homeownership. They have implemented laws to protect Newark residents and combat displacement. They are part of the tremendous momentum to build an equitable, inclusive, and prosperous city for all Newark residents. The visual below illustrates that Newark is already making headway on financially empowering its residents.

BARAKA ADMINISTRATION'S FINANCIAL EMPOWERMENT EFFORTS, 2014 -

STABILIZE — SECURE — SUSTAIN

-Rental Property Registration Ordinance

-Unconscionable Rent Increase Ordinance

-Right to Counsel Ordinance

-Newark COVID-19 Tenant-Based Rental Assistance Program

-Newark Movement for Economic Equity

-Vacant Property Ordinance

Deed Restriction Ordinance

Newark Land Bank

Section 8 Homeownership Conversion Program

Homeownership Revitalization Program

Neighborhood Development Program

The Live Newark Program

Affordable Newark Program

Municipal Employee Housing Assistance Program

Newark Inclusionary Zoning Ordinance

Office of Affordability

Office of Tenant Legal Services

Equitable Growth Advisory Commission

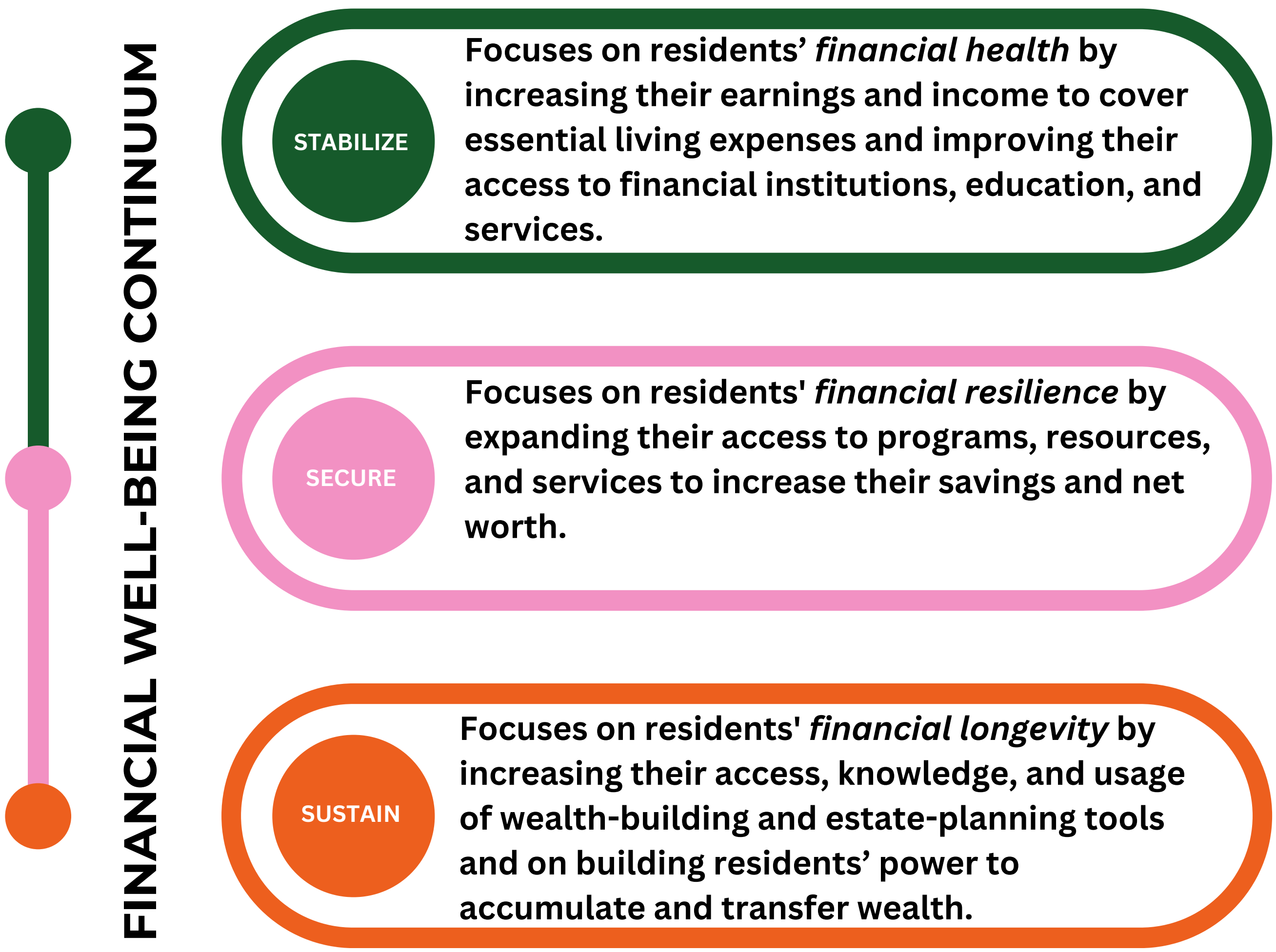
Neighborhood Development Program

The project team developed the Financial Well-being Continuum framework and strategies to expand on the economic development and financial empowerment initiatives that the City of Newark has employed or is still employing to support residents in Newark.

The City of Newark's implementation of these policies and programs outlined above and its development of additional strategies in this blueprint convey its deep commitment to resident financial stability and growth. To actualize the strategies in the blueprint, the City will leverage departments and offices, such as the Department of Economic and Housing Development and the Office of Affordability, to lead and/or support specific strategies. In addition, the City will continue to use its convening power to collaborate with Newark's nonprofit ecosystem. Through many of its current initiatives, private-public partnerships are a cornerstone, and the City will continue cross-sector collaboration to implement proposed strategies in the Financial Well-Being Continuum.

FRAMEWORK

The Newark Financial Well-being Continuum represents the varying degrees of financial security and economic power Newark residents and communities experience. Three pillars undergird this framework: stabilize, secure, and sustain.



Each pillar includes three core strategies that will aid in fulfilling the vision of financially empowered residents in Newark.

STABILIZE STRATEGIES

- Increase residents' ease of access to financial building blocks and financial services.
- Provide services and resources to renters and vulnerable residents for affordable housing and employment.
- Advocate for policies at the state level that prioritize regular infusions of unrestricted cash into households.

SECURE STRATEGIES

- Expand access to programs that support current homeowners and business owners in maintaining and maximizing their assets.
- Increase resources offered to aspiring and current Newark homeowners.
- Explore renter wealth creation strategies.

SUSTAIN STRATEGIES

- Continue to expose Newark youth to financial education.
- Increase Newark residents' knowledge and utilization of life insurance policies and Wills.
- Advocate for a Baby Bonds policy at the state level.

FINANCIAL WELL-BEING CONTINUUM - STRATEGIES

The proposed strategies complement and supplement existing programs and policies in Newark. We've recommended three core strategies under each pillar (Stabilize, Secure, and Sustain) of the Financial Well-being Continuum. Each core strategy is accompanied by specific tactics: practical, tangible action steps to achieve the core strategy. Every tactic is meticulously explained with approaches, estimated timeline, funding status, potential partners, and initial milestones.

TACTIC LABELS - EXPLAINED

The proposed **approaches** address feedback that residents and stakeholders shared about programs and policies in Newark. By developing and highlighting the approaches used in each tactic, we ensure that we use comprehensive methods when designing and implementing programs and policies to resolve residents' challenges.

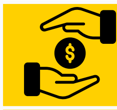
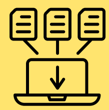
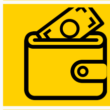
The tactics are divided into short, medium, and long-term **timelines**. A short-term tactic typically supplements an existing program and has earmarked funding and a high municipal locus of control in its implementation. Medium-term either have partial or no funding and/ or a medium municipal locus of control in their implementation. Long-term tactics require fundraising, strategic partnerships, and extensive planning.

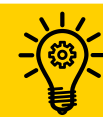
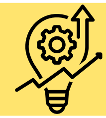
The tactics are categorized into **funding status**: secured, partial, or no funding.

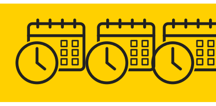
Each tactic is labeled by its **type:** a new idea or an enhancement of an existing project.

Lastly, with each tactic, we've shared **potential partners** for collaboration, **current policies and programs** that the proposed tactic complements or supplements, and **initial milestones** for implementing the tactic.

TACTIC LABELS - KEY MAP

APPROACH	SYMBOL
Increase Newark residents' financial education and access	
Improve and implement data collection of programs to assess their effectiveness and to enhance accurate data sharing.	
Infuse more cash into resident's pockets.	
Improve coordination and systems to streamline processes.	
Advocate for policies that move residents upward on the Financial Well-being Continuum.	
Leverage public-private partnerships to increase available resources and maximize the impact of initiatives.	
Improve communications strategies to increase awareness of services, & resources.	

TACTIC TYPE	SYMBOL
New	
Enhancement	

TIMELINE	SYMBOL
Short	
Medium	
Long	

FUNDING	SYMBOL
Secured	
Partial	
No Funding	

ADDITIONAL TACTIC TAGS	DESCRIPTION
POTENTIAL PARTNERS	Non-profit organizations and coalitions whose work closely align with the proposed tactic
EXISTING PROGRAMS	Current policies and programs that the proposed tactic complements or supplements
INITIAL MILESTONES	Initial action steps for the tactic

STABILIZE TACTICS

Increase residents' ease of access to financial building blocks and financial services.

The City and partners will develop a financial empowerment roadmap for residents and convene a network of organizations to support in key steps in residents' wealth-building journey.

TYPE | APPROACH | TIMELINE | FUNDING

EXISTING PROGRAMS

N/A

POTENTIAL PARTNERS

- Newark Asset Building Coalition and members
- Newark Department of Economic and Housing Development
- Newark Community Development Network members
- New Jersey Citizen Action

INITIAL MILESTONES

- Research city governments and nonprofit organizations with similar roadmap models & implement critical takeaways.
- Convene major financial institutions servicing Newark residents to strategize on improved financial inclusion and access to capital for Newark residents.
- Develop a communications strategy to ensure Newark residents are aware of the roadmap.
- Create an interactive tool for residents to gauge their place on the continuum and take steps forward.

The City will partner with nonprofit organizations that host financial coaching services to increase residents' awareness and usage of programs and collect data on existing programs to assess their impact.

TYPE | APPROACH | TIMELINE | FUNDING

EXISTING PROGRAMS

- Newark Community Development Network members' financial coaching programs and services
- Newark Asset Building Coalition VITA Tax Preparation

POTENTIAL PARTNERS

- Newark Asset Building Coalition and members
- Office of Affordability
- Newark Community Development Network members
- New Jersey Citizen Action

INITIAL MILESTONES

- Increase access to financial coaches for Newark residents.
- Partner with financial coaching providers to develop marketing materials for residents and create an outreach strategy.
- Partner with financial coaching providers to understand their data needs and opportunities.

STABILIZE TACTICS

Provide services and resources to renters and vulnerable residents for affordable housing and employment.

The City will coordinate with relevant offices and departments to pursue a housing navigation system to support aspiring renters.

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

- Newark Housing Directory
- Rental Property Registration Ordinance
- Inclusionary Zoning Ordinance
- Issue-area specific Navigators at nonprofit organizations

POTENTIAL PARTNERS

- Department of Economic and Housing Development
- Office of Affordability

INITIAL MILESTONES

- Create an online form for residents to sign up for new affordable units with a 90-day window prioritizing Newark residents.
- Partner with a community organization to help administer the online wait list.
- Identify resources for the City and partner nonprofits to hire more housing navigators to guide residents through housing options that are right for their family.

The City and partners will continue to manage and improve data collection of the Newark Housing Search, Newark Housing Tracker, and other housing and homeownership platforms.

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

- Newark Housing Directory
- Rental Property Registration Ordinance
- Inclusionary Zoning Ordinance
- First Time Homeownership Education and Foreclosure Prevention programs

POTENTIAL PARTNERS

- Office of Affordability
- Department of Economic and Housing Development
- Newark Office of Homeless Services
- Newark Land Bank
- Invest Newark
- Newark Alliance

INITIAL MILESTONES

- Identify excellent state and national models to gain insights.
- Examine the strengths and weaknesses of current housing trackers and platforms used by the City.
- Partner with coordinators of existing programs to understand data collection needs.

STABILIZE TACTICS

The City and partners will create an Emergency Housing Fund to secure a $1 million investment from philanthropic partners.

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

- Periodic rental assistance at public agencies and nonprofits

POTENTIAL PARTNERS

- Department of Economic and Housing Development
- Office of Affordability
- Newark Asset Building Coalition
- Newark Community Development Network
- Philanthropy

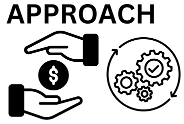
INITIAL MILESTONES

- Evaluate models of Renters' Emergency Housing Funds in the country and share findings with key stakeholders.
- Convene key stakeholders to strategize on planning and fundraising.
- Explore developing a fund for new homeowners to help furnish, move into, and maintain their new homes.
- Explore a path to ensure that a portion of this fund will be endowed to sustain the fund over time.

The City will actively pursue new businesses and work with existing companies in Newark to encourage and incentivize the upskilling of its residents.

TYPE

APPROACH



TIMELINE

FUNDING

EXISTING PROGRAMS

- Fund my Future New Jersey Program
- Hire. Buy. Live Newark
- The upskilling programs and fellowships of partner organizations

POTENTIAL PARTNERS

- Newark Workforce Development Board
- Newark Alliance
- Invest Newark
- Newark Community Development Network

INITIAL MILESTONES

- Convene organizations providing upskilling programs and fellowships to understand the opportunities within this space.
- Partner with the public and private sector to increase the number of residents receiving career advancement opportunities.

SECURE TACTICS

Expand access to programs that support current homeowners and business owners in maintaining and maximizing their assets.

The City and entrepreneurship-serving organizations will increase technical assistance programming and access to capital available to entrepreneurs.

TYPE **APPROACH** **TIMELINE** **FUNDING**

EXISTING PROGRAMS

- Urban Enterprise Zone Program and partnering Business Improvement and Special Improvement Districts
- Retail Reactivation Initiative
- Language of Capital Series
- E-ship programs

POTENTIAL PARTNERS

- Invest Newark
- Department of Economic and Housing Development
- State Agencies
- Entrepreneurship-serving organizations

INITIAL MILESTONES

- Partner with each Business Improvement District/Special Improvement District to create a robust marketing plan for their neighborhood businesses.
- Leverage loan and grant funds to support small business owners and developers with start-up and working capital.

The City and homeownership serving organizations will strengthen financial coaching components in the homeownership programs and improve coordination and data collection of the program's impact.

TYPE **APPROACH** **TIMELINE** **FUNDING**

EXISTING PROGRAMS

- Home Ownership and Maintenance Programs

POTENTIAL PARTNERS

- Home Ownership-serving organizations
- Department of Economic and Housing Development
- Office of Affordability
- Newark Community Development Network and members
- Invest Newark

INITIAL MILESTONES

- Partner with My Home Pathway, an online platform that provides free guidance and preparation for homeownership, to source and prepare residents to purchase a home.
- Partner with homeownership-serving organizations to include ongoing coaching and support during and after residents' home purchase.
- Encourage and support these organizations to collect Newark-specific data and coordinate their activities to ensure alignment and ease of access for residents.
- Explore housing navigators to support aspiring homeowners with finding houses.

SECURE TACTICS

Increase resources offered to aspiring and current Newark homeowners.

The City will increase the Live Newark - Facade program from $20,000 to $40,000, increase access to residents earning up to 120% of the Area Median Income, and increase the capacity of the Live Newark program.

TYPE | APPROACH | TIMELINE | FUNDING

EXISTING PROGRAMS

- Live Newark Program

POTENTIAL PARTNERS

- Department of Economic and Housing Development
- Philanthropy

INITIAL MILESTONES

- Partner with the funding community to increase the department's capacity to evaluate grant applications and disburse funds for the Live Newark and Home Repair Assistance programs.

The City will convene homeownership-serving organizations to develop strategies to support aspiring and current homeowners financially.

TYPE | APPROACH | TIMELINE | FUNDING

EXISTING PROGRAMS

- Live Newark Program
- First Time Homebuyer Programs
- New Jersey Homeowner-ship grants and loans

POTENTIAL PARTNERS

- Department of Economic and Housing Development
- Homeownership-serving organizations
- Philanthropy

INITIAL MILESTONES

- Improve residents' ease of access to mortgage loans and grants.
- Develop a marketing strategy to inform current homeowners about the passage of law A2280/S1311, the legislation prohibiting discrimination in real estate appraisals.

SECURE TACTICS

Explore renter wealth creation strategies.

The City will explore proactive measures for renter wealth creation.

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

- Inclusionary Zoning Ordinance
- Rental Property Registration Ordinance
- Unconscionable Rent Increase Ordinance
- Right to Counsel Ordinance

POTENTIAL PARTNERS

- Department of Economic and Housing Development
- Office of Affordability
- Newark Asset Building Coalition
- Asset Funder Network

INITIAL MILESTONES

- Explore the feasibility of expanded use of Individual Development Accounts, which match the savings of lower-income residents.
- Research existing versions of a renter wealth creation fund throughout the country.
- Partner with the Asset Funders Network to explore the implementation of a Newark Renter Wealth Creation Fund and other models of shared ownership.

SUSTAIN TACTICS

Continue to expose Newark youth to financial education.

The City will expand on the financial education courses offered in the Summer Youth Employment Program (SYEP).

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

- Summer Youth Employment Program

POTENTIAL PARTNERS

- Workforce Development Board
- Invest Newark

INITIAL MILESTONES

- Revise the current SYEP financial education curriculum to include wealth-building opportunities and resources available to Newark youth and their families.

Increase Newark residents' knowledge and utilization of life insurance policies and Wills.

The City will collaborate with the Essex County Surrogate's Office and other partners to provide resources and increase all Newark residents' awareness of life insurance policies and Wills.

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

N/A

POTENTIAL PARTNERS

- Essex County Surrogate's Office
- Invest Newark

INITIAL MILESTONE

- Convene with the Essex County Surrogate's Office to learn about current resources related to life policies and Wills.

The City will partner with homeownership and entrepreneurship-serving organizations to embed services in existing programs that enable residents to purchase affordable life insurance policies and create Wills.

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

- Homeowner-ship Programs
- Entrepreneurship-serving Programs

POTENTIAL PARTNERS

- Homeownership serving organizations
- Entrepreneurship-serving organizations
- Legal service organizations
- Essex County Surrogate's Office

INITIAL MILESTONES

- Develop a curriculum with the Essex County Surrogate's Office for learning and creating life insurance policies and Wills.
- Share the curriculum with homeownership and entrepreneurship-serving organizations for feedback and usage in their programs.

SUSTAIN TACTICS

Advocate for a Baby Bonds policy at the state level.

The City will partner with organizations and stakeholders to advance policies that increases families' ability to save for their children including Baby Bonds, 529s, and Child Savings Accounts to promote wealth building for all New Jersey families.

TYPE

APPROACH

TIMELINE

FUNDING

EXISTING PROGRAMS

- Child Credit Tax
- Earned Income Credit Tax
- New Jersey Guaranteed Income Programs

POTENTIAL PARTNERS

- Newark Asset Building Coalition
- New Jersey Policy Perspective
- New Jersey Institute for Social Justice
- New Jersey Citizen Action
- Philanthropy

INITIAL MILESTONE

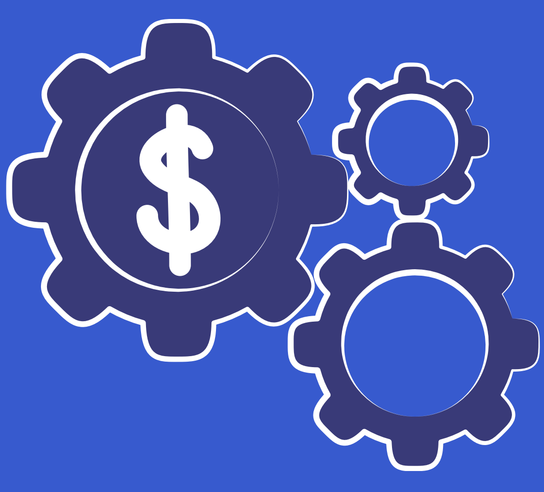
- Convene stakeholders to strategize and align on the next steps to advance the Baby Bonds state-wide policy.

Through the strategies and tactics recommended within each pillar of the Financial Well-being Continuum, residents will progress from financial instability to financial abundance and longevity. Residents will achieve security, determination, and flexibility in their finances and will build and transfer wealth to loved ones.

"[Prosperity means] financial freedom that seeds generational advancements."

Newark Resident

CONCLUSION



The City of Newark, New Jersey, faces a pressing need to foster financial well-being for all residents. This urgency is underscored by the City's efforts to increase financial stability, invest in economic development, and uplift the most vulnerable portions of the City's population through policies and programs. We offer strategies through the Financial Well-being Continuum to accelerate the momentum of prosperity for all.

The current Newark story of wealth portrays a city with residents in different stages of the Financial Well-being Continuum. Many residents exist in the stabilize pillar of this continuum. It is essential to infuse direct cash into these residents' pockets, increase their access to financial coaching and resource navigation, and provide services and streamlined processes to increase their access to housing. This improves their economic situation and empowers them with the knowledge and resources to take control of their lives. Some residents exist in the secure pillar. We must expand their access to programs that allow them to build assets and gain greater access to capital, opening up new opportunities for financial growth. Other residents exist in the sustain pillar. Increasing residents' knowledge surrounding wealth building and estate planning is essential to maintaining and transferring wealth within their communities and empowering them to secure their future and that of their loved ones.

Regardless of where a Newark resident falls on the Financial Well-being Continuum, all will benefit from the proposed strategies. These initiatives are designed to build stronger, more stable communities, improve the well-being and health of residents, and boost the local economy. By implementing these strategies, we will encourage the upward economic mobility of Newark residents and build an equitable, inclusive, and prosperous city for all.

"I look forward to living debt free and helping others."

Newark Resident

RESOURCES

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APPENDICES

APPENDIX A

S.W.O.T ANALYSIS OF HOMEBUYING PROGRAMS & SERVICES

<table>
<tr><th>Strengths</th><th>Weaknesses</th></tr>
<tr><td>
Ongoing community events held during evenings and weekends to accommodate clients working outside the 9-5 schedule
Community based organization are embedded in the communities they serve
Newark residents have options on which programs to use in their home-buying journey
There are grants available to assist Newark residents in the home buying journey
Increased collaboration amongst nonprofits and the City
The City has spearheaded equitable initiatives and solutions in Newark (e.g. Land Bank at Invest Newark)
City legislation incentivizing expeditious development (vacant property ordinance, right of first refusal for non-profits, etc.)
</td><td>
Financing challenges for nonprofits who rehabilitate and build affordable homes
Lack of wide spread awareness of programs, platforms, and events
Low attendance at community events
Capacity and resource limitations at organizations
Increased enforcement and implementation needs at the City that may exceed staffing levels
Limited grants and funds for Newark residents in the home buying journey
Fees related to home buying programs create an obstacle for clients
Competition amongst nonprofit organizations
Lack of Newark specific data on homeownership rates from nonprofits
</td></tr>
<tr><th>Opportunities</th><th>Threats</th></tr>
<tr><td>
Technology - provides opportunity to have hybrid engagements and a platform to connect with clients who may not be able to make it in person
Increasing financial investment in Newark
Technology - provides opportunity to streamline and simplify the homebuying process
City programs (Land Bank, Section 8 homeownership, $1 home program, etc.)
Strong resident desire and demand to own homes and property
Burgeoning community of local small, minority developers
</td><td>
Low inventory of affordable homes for purchase
Institutional/cash buyers
Old housing stock in need of rehabilitation, which necessitates additional capital and feeds into the entry of investor buyers
National housing crisis
Mistrust of City government and therefore City programs
Mistrust of free programs from nonprofit organizations
Fraudulent activities that target low to moderate income residents
Systemic barriers that perpetuate discrimination in the home buying process
Migration of people priced out of neighboring cities (NYC, Jersey City, Hoboken, etc)
City enforcement capacity of new and existing ordinances
</td></tr>
</table>

APPENDIX B

CITY OF NEWARK ECONOMIC DEVELOPMENT PROGRAMS AND POLICIES OVER THE LAST DECADE

Legislation

Adopted in 2017 and amended in 2023, the **Inclusionary Zoning Ordinance** requires developers to set aside 20% of all new housing over 15 units as on-site affordable and allows the City of Newark to exclusively share affordable units with Newark residents during a 90-day period. This initiative was created to ensure that residents can benefit from affordable Newark units available and not be displaced.

Approved in 2018, the **Right to Counsel Ordinance** ensures that low-income tenants facing eviction have access to free legal representation. The ordinance mandates that tenants who earn up to 200% of the federal poverty level are provided with legal assistance to help navigate eviction proceedings. This initiative is crucial because it helps prevent homelessness and displacement among the city's most vulnerable residents.

Approved in 2022, the **Vacant Property Ordinance** requires property owners to register their vacant properties with the city and imposes escalating fees for prolonged vacancies. Owners must also maintain their properties, ensuring they are secure and do not negatively impact the neighborhood's appearance. This ordinance is vital because it incentivizes property development, reduces urban blight, and improves the quality of life in Newark's communities.

Approved in 2023, the **Deed Restriction Ordinance** ensures that 50% of city-owned properties remain affordable for 30 years by placing deed restrictions on sales and also gives right of first refusal in the purchase of city-owned properties to nonprofit housing developers. The purpose of this ordinance is to combat the rampant purchases of owner-occupied homes by institutional investors, which contributes to gentrification, displacement, and a lack of resident ownership.

Approved in 2023, the **Rental Property Registration Ordinance** requires all landlords to register their rental properties with the City’s Department of Economic and Housing Development within 120 days and gives authorization to the City to inspect each rental unit at least every three years or when there is a change of tenants. This ordinance was put into place to improve the quality of rental units in Newark and ensure tenant safety.

Approved in 2023, the **Unconscionable Rent Increase Ordinance** is designed to protect tenants from excessive rent hikes. The ordinance deems any rent increase over 5% in a single year for non-rent-controlled apartments as "unconscionable" and subjects landlords to fines of up to $1,200 per violation. This ordinance addresses the affordability crisis in Newark, where rents have been rising much faster than incomes. By curbing drastic rent increases, the ordinance ensures housing stability and affordability for Newark residents, especially those not protected by rent control. This ordinance was put into place before the City lifted the COVID-19 rent increase moratorium in order to try to mitigate rent increases for vulnerable residents.

Commissions & Offices

Established in 2018, the **Equitable Growth Advisory Commission** is comprised of fifteen leaders from the public and private sector in Newark appointed by Mayor Baraka, working to ensure the economic development occurring in Newark increases economic access and growth for all Newark residents by offering strategies and recommendations. The Commission has offered recommendations that have informed existing initiatives such as the Homeownership Revitalization Program and the Equitable Investment in Newark Communities Initiative.

Established in 2019, the **Office of Tenant Legal Services** was created under the Right to Counsel Ordinance and provides free legal services to low-income renters facing eviction or unsafe living conditions, including legal advice, representation, document preparation, and support from contracted lawyers. This office helps ensure that tenants have access to fair legal representation and can assert their rights, contributing to safer and more stable housing conditions in the community.

Established in 2019, the **Office of Affordability** ensures that residents can access affordable housing options. It addresses and manages housing costs, implements affordable housing programs, and supports initiatives that prevent the displacement of low-income families. This office is important because it helps maintain housing stability for Newark's residents by ensuring affordable housing is available and accessible.

Initiatives

Established in 2016, the **Live Newark Program** includes two main components: the **Home Facade Improvement Program** and the **Home Closing Cost Program**. The Home Facade Improvement Program offers up to $40,000 in no-interest forgivable loans for exterior home repairs, helping to beautify neighborhoods and increase property values. The Home Closing Cost Program provides up to $20,000 in forgivable loans for first-time homebuyers to cover down payments and closing costs. Both programs promote homeownership and community investment in Newark by making home buying and maintenance more accessible to residents.

Established in 2019, the **Newark Land Bank** is an initiative where a Newark economic nonprofit, Invest Newark, owns and manages city-owned properties, such as abandoned homes and vacant lots dealing with tax foreclosure, to expedite their transfer to Newark residents. The primary goal of this initiative is to increase residents' property ownership in Newark.

During the COVID-19 pandemic from 2020 - 2023, the City of Newark implemented several rounds of emergency rental assistance to support residents struggling to pay rent due to economic hardships. The program, known as the **Newark COVID-19 Tenant-Based Rental Assistance Program**, provided financial aid to tenants who experienced a loss of income from reduced working hours, layoffs, or furloughs. Eligible households could receive up to $1,000 to help cover rent, prioritizing those earning less than 60% of the area median income. This initiative aimed to prevent evictions and stabilize housing for the most vulnerable populations. Newark received recognition for this successful immediate relief program: *Newark's Response to Pandemic Housing Crisis is a 'Success Story' Study Says.*

Launched in 2021, the **Section 8 Homeownership Conversion Program** is an initiative where Newark-based minority-owned and women-owned developers rehabilitate single-family homes in the Newark Land Bank, which become available for purchase by Section 8 recipients who can use their vouchers and other city and state grants to purchase a home. This initiative is important because it provides an opportunity for low-income residents to own.

Established in 2021, the **Neighborhood Development Program** focuses on converting city-owned land into residential and affordable housing. This initiative aims to address the need for more affordable housing options, which will help stabilize neighborhoods, increase homeownership, and provide affordable living spaces for residents.

Launched in 2021, the **Affordable Newark Program** is a $20 million initiative designed to create and preserve affordable housing for families earning $32,000 or less, which is about 30% of the area's median income. It also prioritizes partnering with minority and women-owned developers and contractors and aims to address the critical housing needs of the city's low-income residents. This program is crucial because it targets households severely burdened by housing costs, ensuring more Newark residents have access to safe and affordable housing.

Established in 2021, The **Municipal Employee Housing Assistance Program** in Newark, New Jersey, is designed to encourage city employees to own homes within the city. This program offers $20,000 no-interest forgivable loans to municipal employees for purchasing homes in Newark. The loans are forgiven over five years, with 20% forgiven each year the employee continues to live in the house. This program is important because it aims to increase homeownership among city employees, foster stronger community ties, and ensure that employees continue investing in Newark's well-being and development.

Launched in 2021, the **Newark Movement for Economic Equity** (NMEE) is Newark's first Mayor-led guaranteed income program designed to promote financial stability for Newark residents. NMEE served over 400 residents, with participants receiving direct cash payments in two cohorts over the course of two years. Participants received payments in two frequencies - twice yearly to simulate the "tax credit or stimulus effect" and bi-weekly to simulate the "paycheck effect." NMEE gave participants the freedom and flexibility to self-determine how their funds were utilized. The pilot data conveyed what other pilots have already proven: when provided with additional cash, people use it to supplement their grocery budget, pay their rent and utility bills, and improve their access to transportation. This program emphasized the importance of direct financial support to families. Though the pilot concluded in 2023, the advocacy for guaranteed income in Newark and New Jersey continues. The City of Newark partnered with New Jersey Policy Perspective to create a policy agenda that highlighted key actions to increase cash assistance for New Jersey residents:

- Increase the Earned Income Tax Credit.
- Increase and expand the Child Tax Credit.
- Implement Baby Bonds to support the education of the next generation.
- Implement Guaranteed Income programs like the landmark Newark Movement for Economic Equity to support vulnerable populations.
- Eliminate burdensome red tape and restore the dignity and security of hardworking New Jersey individuals and families.

- Automate tax filing for Child Tax Credit, Earned Income Tax Credit, and other tax benefits.
- Share data and integrate benefit applications
- Create a Baby Bonds program
- Fund guaranteed income pilots
- Create a statewide guaranteed income task force

By implementing these cash assistance recommendations, data has shown that families and children become healthier, more secure in housing and employment, and have improved economic mobility. Read more about the policy agenda and support this initiative at https://newjerseyequity.org.

Established in 2023, the **Equitable Investment in Newark Communities (EINC)** initiative focuses on new development of affordable and inclusive housing and community amenities in target pieces of city-owned land in Newark's inner neighborhoods with a commitment to partner with emerging, women-owned, and/ or minority-owned developers. It is an opportunity to increase opportunities for minority-owned and women-owned businesses and contractors while also increasing affordable housing and homeownership in Newark.

Launched in 2023, the **Homeownership Revitalization Program**, also known as the **$1 Home Program**, is a partnership between the City of Newark, Invest Newark, and the Neighborhood Assistance Corporations of America (NACA) to offer city-owned properties in the Land Bank to residents through a lottery system for $1. To qualify, buyers will need to renovate and in some cases, reconstruct the home and live in the property for at least ten years. Since the purchase price of the home is just $1, the resident’s mortgage will serve as a construction loan to rehab the property. The partnership with NACA ensures that the homeowners will receive counseling on homeownership and home development after they secure the home. This initiative is an effort to transfer city property into residents' hands and increase Newark’s homeownership rate.

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THANK YOU

Organizations and coalitions committed to financial stability and economic equity in Newark include: Clinton Hill Community Action, Equitable Growth Advisory Commission, Invest Newark, Ironbound Community Corporation, La Casa de Don Pedro, LISC Newark, Neighborhood Assistance Corporation of America, Newark Asset Building Coalition, Newark Community Development Network, New Community Corporation, New Jersey Citizen Action, New Jersey Policy Perspective, New Jersey Institute for Social Justice, Opportunity Youth Network, South Ward Promise Neighborhood, Unified Vailsburg Services Organization, Urban League of Essex County, and United Way of Greater Newark. The robust Newark nonprofit sector partners with long-standing, Newark-based institutions such as Audible, Inc., Prudential Financial, Rutgers University, Victoria Foundation, and offices in the City such as the Department of Economic and Housing Development, the Office of Affordability, the Office of Tenant Legal Services, the Newark Workforce Development Board, the Office of Homeless Services, and many others.

Thank you for your work.