


2022 Annual Report & Look-Ahead

Building a future
for NEW JERSEY
that is affordable
& prosperous



Garden State Initiative
P.O. Box 9180
Morristown, NJ 07968
gardenstateinitiative.org



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A MESSAGE FROM REGINA M. EGEE



President, Garden State Initiative

Dear Friend,

As we prepare to turn the page on 2022, I wanted to thank you for your partnership, ideas, and support of the Garden State Initiative, New Jersey's premiere think tank devoted to analysis of and solutions to our state's most pressing challenges. I am once again pleased to provide you with this update that recounts our successes over the past year and a look ahead to some of our plans for 2023.

Among the many highlights, this year GSI re-launched our website (GardenStateInitiative.org) and organized our content around four key policy areas: Economic Opportunity for All, A Government that Works, an Affordable Place to Live and Transforming our Business Climate.

After a two year absence, GSI also resumed our annual Economic Policy Forum, a must attend event for anyone interested in our state's future. We closed the year with a focus on improving our state's business climate, an effort that will continue into 2023.

Our research team has grown to include many notable experts, including analysis and research throughout the year from Dr. Charles Steindell, New Jersey's former Chief Economist and Vice President at the Federal Reserve Bank of New York and Dr. Danielle Zanzalari, a professor of Economics at Seton Hall University. Our signature research reports uncovered that the state is failing to keep its commitments to disabled veterans and how our continued collection of a "Death Tax" undermines efforts to keep our state affordable and competitive for residents and investment.

Along with our podcast, *The GSI Briefing*, we continue to successfully leverage traditional media, along with digital and social media platforms to advance our message to policymakers and the public.

While we are proud of our accomplishments, we can't wait for you to see what GSI has planned for 2023.

As always, please feel free to contact me with your comments and how you can support our efforts at: regea@gardenstateinitiative.org.

A handwritten signature in black ink that reads "Regina M. Egee". The signature is fluid and cursive.

GSI'S NEW WEBSITE OFFERS EASILY ACCESSIBLE RESOURCES

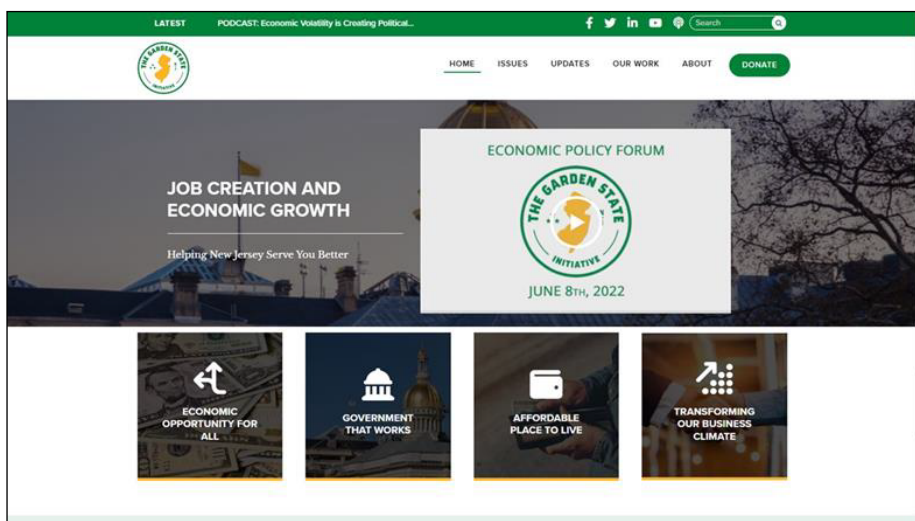
We've frequently heard from policymakers and citizens alike how difficult it is to find impartial analysis and data sources on the health of New Jersey's economy, fiscal health and public services.

As New Jersey's premiere, independent, think tank focused on restoring New Jersey's promise as a destination for families and investment alike, GSI embarked on a redesign of our website, GardenStateInitiative.org, to put the latest resources and research at your fingertips in an easy to navigate format. The redesign is organized around GSI's four policy pillars.

In redesigning the website, our goal was to build a "go to" resource to inform policymakers and journalists, but to also provide the public with the information they need to question the decisions being made in Trenton and their own Town Halls.

To that end, we'll be continually adding new features to meet that demand.

The redesign of the Garden State Initiative website was made possible through the generous support of the William E. Simon Foundation.



GARDEN STATE INITIATIVE POLICY PILLARS



In 2022, GSI refined our efforts to educate and influence through the establishment of key policy pillars that guide our independent research and analysis:



**Economic Opportunity
for All**



**Government That
Works**



**Making New Jersey
Affordable**



**Transforming Our
Business Climate**

In the coming pages we will present to you the resources utilized and efforts undertaken to bring those goals into reality for all New Jerseyans.

PUBLIC SAFETY SETS THE STAGE FOR ECONOMIC PROSPERITY

With a recognition that economic prosperity begins with public safety, in October 2021, GSI sponsored, in partnership with the NJ Urban Mayors' and Sheriffs' associations, a forum in Paterson with former NYPD Commissioner and LAPD Chief Bill Bratton to address violence from illegal guns in our cities and to recommend adjustments to New Jersey's 2017 bail reform in order to increase the authority of prosecutors and judges to keep illegal gun defendants remanded while awaiting trial.

That forum led to bipartisan legislation (A2426/S513)

that was introduced in the legislature in early February and ultimately passed both houses by overwhelming margins and was signed into law by Gov. Phil Murphy on June 30 this of this year.

In July, GSI's president Regina Egea joined Paterson Mayor Andre Sayegh and Sen. Joe Cryan and Assemblyman Benjie Wimberly, who sponsored the legislation, as well as law enforcement officials, to discuss the importance of the new law. A report on the event, with commentary from Mayor Sayegh, from PIX 11 News can be viewed [here](#).



MAKING GOVERNMENT WORK FOR OUR VETERANS



A report from GSI and New Jersey State Veterans Chamber of Commerce (NJSVCC) uncovered that the State of New Jersey is failing to meet the requirements of a 2015 state law that sets aside a percentage of state procurement contracts for veteran owned businesses. The report was featured statewide in an exclusive in the USA Today Network.

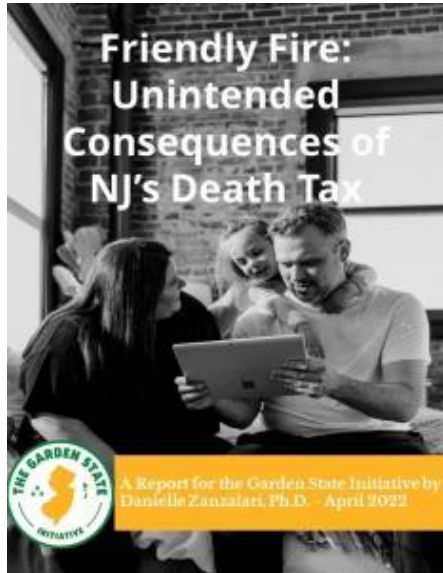
Since 2015, New Jersey has had a public law that sets aside 3% of its state contracting agencies' budgets for Disabled Veteran Owned Businesses. However, according to research by the New Jersey State Veterans Chamber of Commerce, of the 72 state agencies that have procurement power, a mere few have awarded contracts to disabled veteran owned businesses, only two of 72 are enforcing the law and none are reporting their numbers as legally required.

Beyond those revelations, the report, which was authored by Col. Jeff Cantor (*U.S. Army, Ret.*), founder and CEO of the NJSVCC and Col. Paul B. Olsen (*U.S. Army, Ret.*), former Lead Speechwriter to Gen. David Petraeus, offers a vision for New Jersey to improve its support of veteran owned businesses through a series of strategic initiatives.

The report's vision challenges our state government to ensure that New Jersey will join the top 25% of the best states for supporting veteran owned businesses as defined by the Small Business Administration and meet or exceed the requirements of its 3% state mandated Disabled Veteran Owned Business law.

You can read a copy of the report by clicking [here](#).

NJ'S DEATH TAX HINDERS AFFORDABILITY & COMPETITIVE STANDING



When New Jerseyans complete their annual tax filings, many were reminded of an unfortunate reality the Garden State remains one of just six states to collect a Death Tax, or tax on inheritances. In a research report you can read [here](#), GSI contributor Danielle Zanzalari, PhD. documents the enforcement of this tax has wide ranging implications for residents, businesses and our competitive standing.

The New Jersey law states that if one dies and wants to leave money to their sibling or niece/nephew, the beneficiary must pay an inheritance tax on the value. However, if the relationship to the decedent is different, such as a child, then no inheritance tax may be levied.

Among the key findings of the report, Dr. Zanzalari writes that the Inheritance Tax:

- > Creates economic inefficiencies for individuals
- > Incentivizes relocation for retirees to tax friendly states
- > Disproportionally impacts individuals that are not wealthy
- > Is an unreliable revenue source for the state

“Often times people think that an inheritance tax only hurts the rich, but in reality, an inheritance tax creates economic inefficiencies that hurt the young and elderly, many of whom are not wealthy at all,” noted Dr. Zanzalari.

You can read an op ed from GSI’s Regina Egea on the topic, that appeared on the Real Clear Politics network, by clicking [here](#).

INDEPENDENTS ANALYSIS FROM RECOGNIZED EXPERTS



Charles Steindel, Ph.D.

Former Chief Economist for the State of New Jersey

Regularly quoted in the media on economic issues, [Charles Steindel, Ph.D.](#), former Chief Economist for the State of New Jersey, continues to provide expert analysis for GSI on economic data; including the state's employment picture and how the state is performing relative to others in Gross Domestic Product and Personal Income Growth.

His analysis in 2022 focused on New Jersey's recovery from the pandemic and impact of a possible recession on the state's economy.

Dr. Steindel most recently served as a Resident Scholar of the Anisfield School of Business at Ramapo College and previously Senior Vice President at the Federal Reserve Bank of New York. He received his Bachelor's degree from Emory and his Ph.D. from MIT.

Dr. Steindel's latest analysis for GSI can be found on our website by clicking [here](#).



Danielle Zanzalari, Ph.D.

Professor of economics at Seton Hall University

A new addition to GSI's [team of contributors](#) in 2022 is [Danielle Zanzalari, Ph.D.](#), a professor of economics at Seton Hall University, her alma mater.

Dr. Zanzalari has written several research and analysis papers for GSI, including:

[*Friendly Fire: Unintended Consequences of NJ's Death Tax*](#)

[*Combat Inflation in New Jersey with a Balanced Growth Agenda*](#)

[*More Bang for Our Buck: Revisiting the Garden State's Clean Energy Subsidies*](#)

Formerly employed at Citigroup and the Federal Reserve Bank of Boston, Dr. Zanzalari frequently authors op eds on her research for GSI and other economic issues which are regularly published in New Jersey and national publications.

GSI POLICY FORUMS

Beginning with our first Economic Policy Forum held in May 2018, GSI has established a reputation for bringing together policymakers and thought leaders in a non partisan, independent format for a robust dialogue on the issues that matter to New Jerseyans.

Throughout the pandemic GSI pivoted to online events through our series of GSI Briefing virtual events. After a two year hiatus, GSI resumed our annual Economic Policy Forum in June 2022 and continues to host virtual events.



JOBS & AFFORDABILITY TOP AGENDA FOR POLICY FORUM

Meet Our Moderators & Panelists:

Dipal Patel

Founder & CEO Hexa Builders

Assemblyman Raj Mukherji

Deputy Assembly Speaker

Domenick A. Cama

President, COO, Investors Bank

Michele N. Siekerka, Esq.

President, NJBIA

John W. Kennedy, Ph.D.

CEO, NJMEP

James J. (Jim) Manzi

Senior Fellow, Manhattan Institute

Robert (Bob) Gordon

Commissioner, NJBPU

Dr. Krishna Singh

Founder, President & CEO, Holtec, Inc.

Ben Parvey

CEO, Blue Sky Power

Ford M. Scudder

Former New Jersey State Treasurer

Jeff Otteau

Managing Part. & Chief Economist Otteau Grp.

Sen. Steve Oroho

State Senate Minority Leader

Dr. Brigid Harrison

Professor, Montclair State University

Keeping with our commitment to expanding economic opportunity and making our state more affordable, growing jobs and maintaining access to cost effective energy sources were among the topics the audience at our 2022 William E. Simon Economic Policy Forum heard about from panels of policymakers and industry leaders on June 8th in Iselin.

Following opening remarks from Dan Clifton, Managing Director & Head of Washington Research at Strategas on the 2022 Economic and Political Landscape, the discussion

soon turned to “bread and butter” issues of opportunities for job creation and finding the optimal path to secure, affordable power sources for New Jersey’s 9 million citizens. The event was concluded with a panel discussion on the outlook for key issues in our state in 2025.



Click above to view the event

RESTORING NEW JERSEY'S BUSINESS CLIMATE

In New Jersey we've got a lot of work to do to compete for jobs, residents and investment. That was the consensus of GSI's virtual forum on October 26th with the New Jersey Society of CPAs *"Economic Earthquake Pennsylvania's Dramatic Tax Cuts & What It Means for New Jersey"* where we discussed the story of neighboring Pennsylvania's massive tax cuts and what it means for our state.

During the Summer, Pennsylvania enacted a bipartisan plan to cut its business taxes, currently 2nd highest in the U.S. behind New Jersey, by 50% over the

next decade. That reduction will place Pennsylvania among the 10 lowest in the country as well as the lowest in the Northeast.

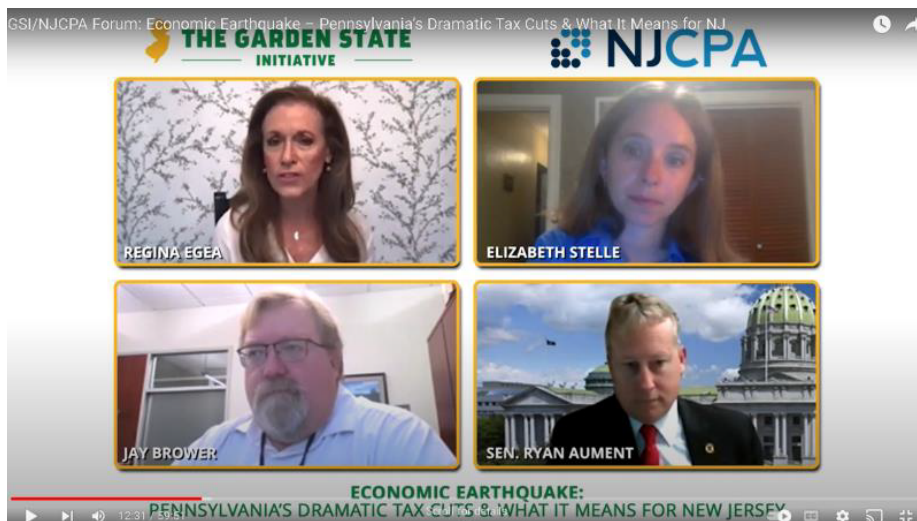
The virtual forum brought together policy leaders from Pennsylvania and New Jersey to discuss the story behind the Keystone State's plan to cut business taxes and what it means for New Jersey's economy.

In a discussion moderated by GSI's Regina Egea, attendees heard from Pennsylvania State Senator Ryan Aument, who is widely credited as the driving force behind the tax cuts and Elizabeth Stelle,

Director of Policy Analysis for the Commonwealth Foundation, who analyzed the impact on that state's economy.

Looking back at home here in New Jersey, Jason Rosenberg, CPA, a Garden State resident and Principal at Withum, discussed how our state's onerous tax burden has already caused many businesses to leave the state and for those who remain to reassess their investments here. State Senator Mike Testa, a member of the Senate Budget Committee, discussed how the state's poor business climate directly hurts businesses and the economy of his district.

In 2023, look for much more from GSI on this issue and how New Jersey can improve its business climate.



[Click above to view the event](#)

A LOOK AHEAD TO GSI IN 2023

2023 looms as a pivotal year for the state of New Jersey. With all 120 seats in the New Jersey Legislature on the ballot as a result of decennial redistricting, we expect issues of affordability, economic growth and our state's competitiveness to be on the top of the agenda. GSI will be a resource, not only for members of the public seeking independent information to make informed choices, but also for candidates who are seeking the vote of the public.

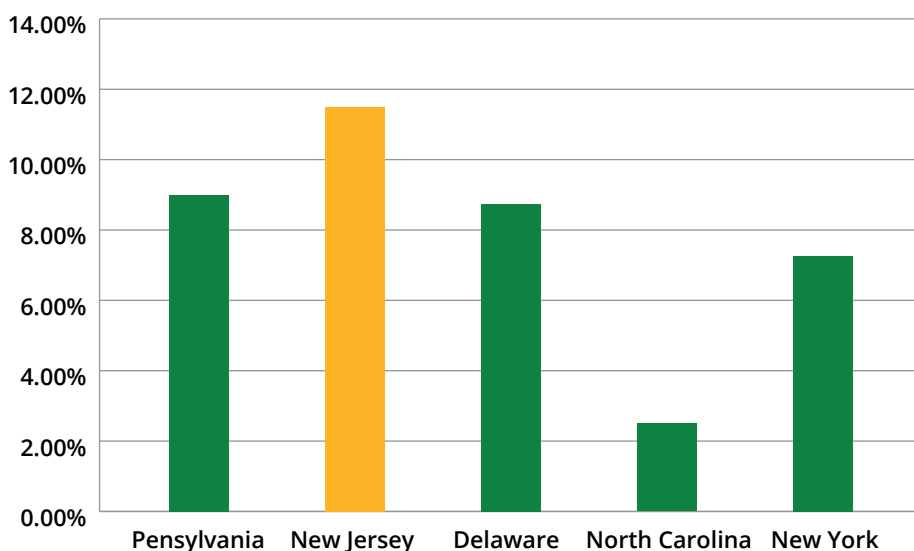
Building on our work in 2022, GSI will be advancing research demonstrating that our state is falling further behind

in the competition to lure investment and job creation to our state. We will be looking at our state's highest in the nation business taxes and worst in the nation business climate at the role that plays in limiting economic prospects for New Jersey residents and develop policy recommendations to reverse the trend. This work has become all the more urgent as our competitor states, such as North Carolina and Pennsylvania, are conducting dramatic tax reforms.

GSI will be furthering our work to make our state a more affordable place to live by continuing our work on the challenges of balancing the transition to clean energy with economic realities. We will also be working to tackle our state's affordable housing crisis and efforts to improve our infrastructure, as well as hosting our regular policy forums and educational efforts on the state budget and economic issues that should concern every citizen.

We look forward to keeping you updated on what should be a packed 2023.

2023 Business Taxes: NJ & Competitors



LEVERAGING DIGITAL & TRADITIONAL MEDIA

Recognizing the ever changing media landscape and emergence of new technologies to communicate with the public, in 2021 GSI continued to grow our brand's reputation and spread our message through various mediums.

In the past year, GSI built on our success with traditional earned media and grew our social media audience, but also expanded our reach with a new podcast and digital advertising campaigns directed towards informing New Jersey residents.



GROWING OUR INFLUENCE WITH TRADITIONAL MEDIA

In 2022, GSI continued to grow its reputation as a “go to” source for analysis in the traditional media with over 110 “press hits” including multiple TV and Radio interviews, 10 op ed placements, and dozens of news stories regarding our research and analysis in national, statewide and local publications.

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THE GSI BRIEFING PODCAST BRINGS THE ISSUES TO YOU



Launched in the Spring of 2021, The GSI Briefing podcasts, hosted by Regina Egea, provide listeners with approximately 30 minute conversations with elected officials, policymakers and thought leaders on the issues that matter to New Jerseyans.

In a media landscape too

often dominated by 15 or 30 second soundbites, podcasts offer a vehicle to have substantive conversations in a convenient format for listeners.

The podcasts are available on all major platforms. Subscribe here so you won't miss an episode!

The GSI Briefing Podcasts:

[*Keeping New Jersey Safe: Combatting Illegal Gun Violence*](#)

Guest: Paterson Mayor Andre Sayegh

[*NJ's Budget The Inside Story You Need to Know*](#)

Guests: Sen. Diane Allen & Assemblyman John Burzichelli

[*You Can't Escape Death and New Jersey's Taxes*](#)

Guests: Danielle Zanzalari, Ph.D. & Sharif Muhammad, MBA

[*Veterans Are Being Left Out in New Jersey*](#)

Guest: Col. Jeff Cantor (U.S. Army, Ret.)

[*Economic Volatility is Creating Political Volatility*](#)

Guest: Dan Clifton

[*Where the Jobs Are: NJ's Employment Outlook*](#)

Guests: GSI Policy Forum Panelists

[*New Jersey's Crystal Ball: Where Our State is Headed*](#)

Guests: GSI Policy Forum Panelists

[*Pennsylvania's Plans to Grow Prosperity Are a Lesson for NJ*](#)

Guests: PA State Senator Ryan Aument & Elizabeth Stelle

[*Offshore Wind & Long Beach Island: What You Need to Know*](#)

Guest: Dr. Bob Stern

[*New Jersey's Business Climate: Threats & Opportunities*](#)

Guests: Sen. Mike Testa & Jason Rosenberg, CPA

A FIRM BASE OF SUPPORT FOR OUR WORK

Consolidated Financial Performance

GSI is grateful for the generosity of our individual donors, a base of support that has continued to grow each year of our existence.

2020-2022 Consolidated Revenues (000s)	
Foundations	\$1,097
Individuals	1,077
Other/Interest	2
TOTAL '20-22	\$2,176

To learn how you can support our efforts, please visit us online at:
www.gardenstateinitiative.org/donate/

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