

November 2015

Poverty Benchmarks 2015

*The Annual Overview
of New Jersey's Progress Against Poverty*



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Just Justice

Poverty Benchmarks 2015

The Annual Overview of New Jersey's Progress Against Poverty

**The Ninth Annual Report On
Poverty In New Jersey From
The Legal Services Of New Jersey
Poverty Research Institute**

November 2015

Major Support Provided By the Fund for New Jersey

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Legal Services of New Jersey and Its Poverty Research Institute

Legal Services of New Jersey (LSNJ) heads the state's Legal Services system, a network of six independent nonprofit corporations beginning its 50th year of providing free essential legal aid in civil matters to low-income people through offices in all 21 counties.

Having provided representation in 2.36 million cases since its inception in 1966, Legal Services has accumulated extensive information and broad perspective on the causes, extent and responses to poverty. LSNJ constantly searches for insights concerning actions that reduce and ameliorate poverty, and thereby reduce the legal and other problems of those who live within poverty's grasp.

Mindful of its unique experience and access to information, LSNJ created the Poverty Research Institute (PRI) in 1997 as a public service, intending to marshal its experience and other pertinent poverty data in order to further its mission of providing civil legal aid and help fashion more effective and efficient legal solutions. Consistent with this mission, LSNJ publishes periodic reports and information gleaned from its experience and accumulated data to enhance public and policymaker awareness of poverty's scope, causes, consequences, and remedies. PRI is New Jersey's first and only project exclusively focused on developing and updating information on poverty in the state.

To offer comments or ideas in response to this report, please email pri@lsnj.org. For information on LSNJ itself, go to www.lsnj.org. To donate and support LSNJ's work, go to <https://www.lsnj.org/SupportOurWork.aspx>. To volunteer your time to assist LSNJ, go to <http://www.lsnj.org/Volunteer.aspx>.

Initial Observations

Why Pay Attention To Poverty?

Regardless of one's political perspective, poverty compels public attention. Human suffering and deprivation of basic needs and opportunity offend universal values, triggering concern and compassion in society as a whole. Ample evidence confirms poverty's destabilizing effects on the social order and communal well-being. Significant costs attend the inevitable remedial efforts that must be taken in poverty's wake, to address circumstances such as thwarted child development, persistent malnutrition, deteriorated health, broken families, heightened crime and violence – the list continues, and is daunting. Longer term, prevalent poverty thwarts economic development, diminishing the labor supply and hindering future growth. Poverty cannot be ignored.

Why This Report?

Through the annual *Poverty Benchmarks* reports, a consistent body of data has been gathered that enables identification of major trends in the extent and effects of poverty, reveals progress or the lack thereof in effective public responses, and points to new strategies and approaches. Such perspective provides a more informed basis for thinking about poverty, and enhances accountability of governmental anti-poverty programs.

What We Mean By Poverty: Actual Deprivation In New Jersey

At bottom, defining poverty in practical terms is not deep science. We need only to be able to measure and articulate the point at which people suffer *significant deprivation in critical life areas*: safety, housing, food, health care, education, transportation, child care to enable employment, and other life essentials, such as clothing. In sum, these constitute the core elements of a decent, productive life. Each key area of need must be described in measureable terms, and the costs of meeting those needs must be assessed at the greatest possible level of detail, taking into account how particular factors such as family size, age, place of residence, and other variables may cause important variations in costs.

Widespread national opinion attests to the complete inadequacy of the federal poverty level (FPL) as a measure of poverty. LSNJ succinctly describes the inadequacies of the FPL's "three times food costs" approach in *What Is Poverty? Measuring Deprivation In New Jersey*, LSNJ PRI (September 2014). See the report at

<http://poverty.lsnj.org/sites/PovertyReports/Pages/WhatisPoverty2014.pdf>

The methodology of LSNJ's Real Cost of Living (RCL) study series, found at <http://poverty.lsnj.org/sites/PovertyReports/Pages/RCL2013.pdf>, addresses the shortcomings of the FPL and serves as an excellent guide to what families need to make ends meet in various parts of New Jersey. Below the RCL marker, set conservatively at 250% of the FPL, a person is facing deprivation in New Jersey in at least one critical life area, thereby experiencing *actual poverty*.

Poverty Benchmarks and other PRI reports incorporate data at the 250% RCL level whenever it is available. As the Census does not include 250% data in its published reports, it must be extracted from the separate, later Census PUMS tabulations. Because of this timing delay, *Poverty Benchmarks* uses both 2014 published Census data and earlier 2013 PUMS extrapolations.

Looking At And Thinking About Poverty Data — The Organization Of This Report

To facilitate better understanding of poverty and reflection on possible solutions, *Poverty Benchmarks* presents its information in four sections: *contributing causes*, *extent*, *effects*, and *governmental responses*. Each has subsidiary components, as explained in the introduction to each section. This framework counteracts what otherwise can be an overwhelming, at times seemingly endless, barrage of individual data points.

A preliminary overview, “This Year’s Principal Lessons,” presents the broad themes that emerge from the underlying data. The report resists the temptation to focus exclusively or even primarily on “year-over-year” comparisons: did poverty go “up or down” this year, was it better or worse than last year for particular demographic groups, and so on. Such juxtapositions certainly can be helpful in instances of rapid change, but equally and often more important than such short-term trends are the longer-term side-by-sides: multi-year and multi-decade views that allow us to think about poverty in more systemic terms, provide proportion and perspective, and afford a sense of whether there has been more enduring change.

Practical constraints necessitate that the print version of *Benchmarks* be selective; more extensive tables and information can be found in the web edition available on www.lsnj.org. In addition, the New Jersey Poverty Data Center available on LSNJ’s website provides an even wider array of information, much of it with helpful interactive features, to provide poverty data right down to the local level.

Responsibility

People talking about poverty typically use the term “responsibility” in one of two ways. Some seek to affix blame upon those who live in poverty, suggesting they should have done

— and must do — more to escape. Others may be looking to ascribe *political* blame, pointing to particular governmental actions or omissions, frequently doing so in a partisan manner.

Both do an injustice to those who live in poverty. Countless economic and qualitative social science studies substantiate that most do not *choose* to be poor, nor do many who are have the ability to lift themselves out on their own. Equally important, poverty's persistent plague accompanies the entire history of human society. Poverty is not the exclusive, nor primary, fault of any particular generation or governmental administration. A far better viewpoint casts poverty as the collective responsibility of all of us, of society, to see that those who in fact cannot protect themselves, let alone make it on their own economically, are not left by the side of the road.

The poor cannot afford to have poverty be a partisan political issue. Society's response to poverty must be, ultimately, *non-partisan*.

Acknowledgements

LSNJ is especially grateful to the Fund for New Jersey, which provided grant assistance for this report and has provided funding to LSNJ's Poverty Research Institute since its inception in 1997.

As always, *Poverty Benchmarks* is a composite result of the labors of many in the LSNJ "village." Special recognition goes to PRI co-directors Shivi Prasad and Allan Lichtenstein, who were the primary researchers for this study. Key information and perspective was provided by current LSNJ Chief Counsel Kevin Liebkemann, Maura Sanders, Rosendo Socarras, and Joshua Spielberg, and by former LSNJ attorney Connie Pascale. From LSNJ's staff, Maria Gomez typed the entire manuscript; Susan Perger oversaw the editing and entire production, with editing assistance from Harvey Fisher, Tricia Simpson-Curtin, and Anisa Rahim; and cover design was provided by Laurel Ives of New York.

All perspectives are those of Legal Services of New Jersey.

Melville D. Miller, Jr., President
Legal Services of New Jersey
Edison, New Jersey
November 2015

This Year's Principal Lessons from the Data

A. Causes Contributing to Poverty.

1. New Jersey's current and long-term employment outlooks are ominous, and raise the possibility that we are witnessing profound and long-term shifts in employment opportunity, potentially requiring corresponding paradigm shifts in government economic development and anti-poverty strategies. Key indicators are:
 - A *long-term unemployment* (those out of work more than 26 weeks) rate that currently is third highest in the nation.
 - Very high *underemployment* (those working less than full time, not by their own choice).
 - New Jersey's *labor participation rate* (the percentage of the work force *actually working*, thereby also taking account of those long-term unemployed no longer eligible for unemployment insurance) in 2014 was at its lowest point in the last 30 years.
 - Continuing diminution in those employment sectors that historically have provided decent-paying jobs.
2. Growing evidence points to a strong correlation between poverty and lower educational attainment, suggesting unaddressed poverty will limit employment prospects for the coming generations, and effectively improving educational outcomes will require anti-poverty strategies far beyond mere equalization of educational expenditure.
3. Persistent, growing inequality threatens to further increase the cost of essentials in New Jersey, particularly housing, pushing even more middle income residents into significant deprivation and actual poverty.
4. Continuing wage decline over time increases the number of people sliding from a middle income existence into poverty.

B. The Extent Of Poverty.

1. While poverty leveled off in 2014, at least temporarily, ending an unprecedented series of annual increases launched by the Great Recession, it still remains at 50-year record high levels, nearly 40% higher than before the 2008 economic collapse.

2. Increasing numbers of middle income people in fact now live in actual poverty in New Jersey, a significant downward shift in the middle class.
3. Traditional disproportionate overrepresentation of certain groups — single women, Blacks, Latinos, children — among those in poverty continued in 2014 and, in most cases, worsened.
4. In measuring the extent of poverty, place of residence still matters greatly; wide differences in poverty rate and numbers remain among counties and municipalities.

C. Effects of Poverty.

Still-growing numbers of children in poverty exacerbate concern about the likely well-being of future generations, especially given the ever more demonstrable link between childhood poverty and educational attainment.

D. Government Responses To Poverty.

Programs to protect the vulnerable:

1. The safety net was further weakened in 2014. At mid-year the state announced the termination of its extension to the emergency rental assistance program, principally impacting people with disabilities, and bringing back into the spotlight the absence of any other long-term, last resort housing program for New Jersey residents in or facing homelessness.
2. Further limitations on welfare eligibility during the past two years have made the state's Work First welfare program even less accessible to those with the greatest need.
3. The welfare program was made even less effective because another year passed without a grant increase. The last increase was over a quarter of a century ago, in 1987 — a span of 28 years. Welfare grants now represent only 10.7% of the amount needed to escape actual poverty for TANF (one-parent family with two children), 5.6% for GA single individuals who are employable, and 8.4% for single adults who are unemployable.
4. Despite persistent food insecurity, and notwithstanding improvement in recent years, New Jersey continues to underperform three-quarters of other states in the utilization of SNAP benefits (formerly known as Food Stamps). Its current utilization rate is 77%.

Longer-term anti-poverty strategies:

The year's most positive news was the substantial reduction in the number of New Jersey residents without health care coverage. Under the federal Affordable Care Act (ACA), the number covered through either expansion of Medicaid or private health insurance increased by record amounts in 2014. Embedded in this good news, however, are two considerable uncertainties:

- Data reveals some are already dropping out of ACA-enabled coverage because of inability to pay premiums combined with difficulties in obtaining subsidies and the subsidies being inadequate in amount, raising the possibility such attrition will continue.
- Predicted decline in end-of-year reenrollment, likely for the same reasons.

Six For Sixteen: Immediate and Essential State Anti-Poverty Actions That Should Be Pursued In 2016

The data and program assessments marshalled in this report point to many steps to combat poverty that government could take. Not everything can be done at once, or to maximum extent, however; resource and practical constraints require prioritization. This summary presents six urgent steps that should be initiated during 2016. Four are immediate in effect, measures to repair holes in the safety net. Two more are essential longer-range activities.

Addressing Immediate Needs — Repairs To The Safety Net

1. Institute a new emergency assistance (EA) demonstration program that protects those welfare (“Work First”) and SSI recipients who cannot secure decent affordable housing on their own and are reaching or past the current time limit for EA. At the same time, move to design a more permanent comprehensive statewide approach to ensure that vulnerable people will be protected from homelessness. To the same end, initiate an emergency housing assistance program for Department of Children and Families clients, to preserve and reunify families.
2. Begin what inevitably must be a multi-year effort to restore Work First cash grants to levels commensurate with a realistic “Standard of Need” and the real cost of living in New Jersey.
3. Continue and build upon the state’s excellent efforts to maximize utilization of New Jersey FamilyCare programs, as well as New Jersey resident receipt of available Affordable Care Act premium subsidies.
4. Significantly improve eligible New Jersey resident utilization of SNAP food assistance, and continue important gains in the implementation of the School Breakfast program.

Looking To The Future — Long-Term Planning

5. Inaugurate a state government-wide inter-departmental effort, under the coordination of policy staff in the Governor's office, to develop and coordinate a comprehensive long-term affordable housing creation strategy and plan, involving public and private partners, in the wake of the demise of the Council on Affordable Housing.

6. Commence a public and private effort to analyze and develop long-term employment strategies to provide adequate employment opportunity paying compensation at the real cost of living in New Jersey.

Part One – Causes Of Poverty

Theories concerning poverty's causes abound. Some regularly collected data exists concerning the extent or magnitude of potential causative factor, but almost no data — outside of one-time studies — directly addresses the validity of the causative connections themselves.

This first section of *Benchmarks* provides information on five particular causative factors — diminished employment opportunity, low wages, inequality, disability, and educational attainment. The data reflects trends and status for each.

1. Diminished Employment Opportunity

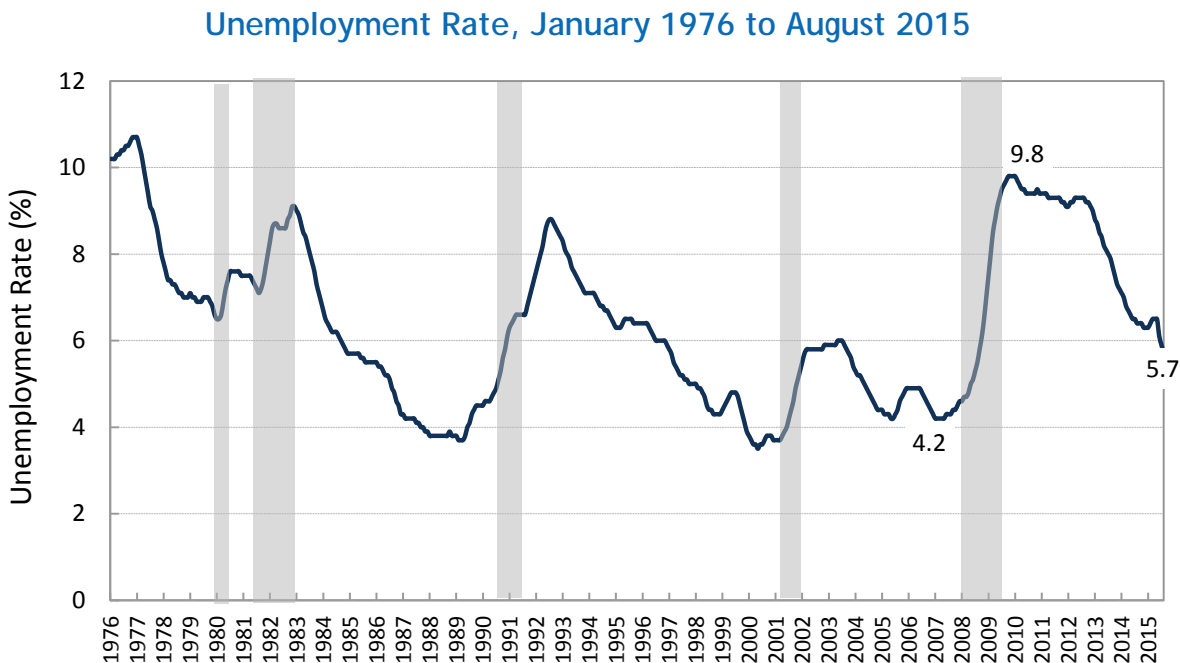
At bottom, a fundamental thesis of American society is that all who are able should work, and that their earnings should be enough to keep them out of poverty. Evidence concerning employment opportunity thus becomes immediately pertinent to poverty analysis.

This section presents data establishing several principal points:

1. Official unemployment has declined considerably since the Great Recession, although it is still more than 1.5 percentage points higher than the lowest unemployment levels reached after the previous three recessions (1989, 2000-01, 2007).
2. Long-term unemployment in New Jersey is persistent; the state has one of the highest long-term rates in the entire nation, suggesting more permanent, and very challenging, shifts in the economy and employment opportunity.

Figure 1

Official unemployment has declined considerably since 2010



Source: U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development

Note: Shaded areas denote recessions

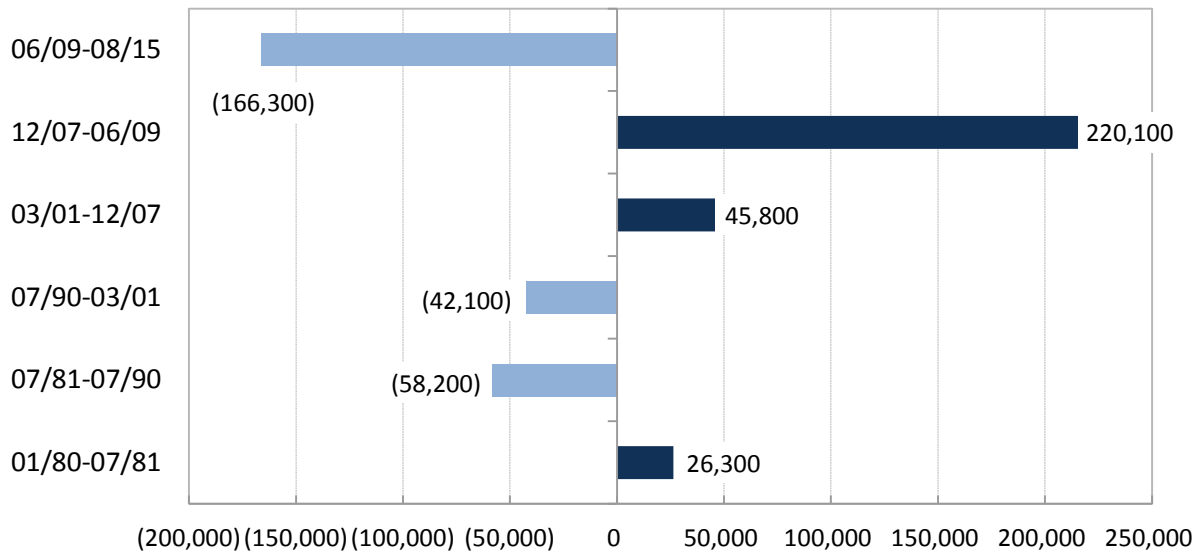
Notes

- The official unemployment rate in New Jersey, after failing to drop below 9.0 percent until early 2013, declined steadily thereafter, reaching a low of 5.7 percent as of August 2015.

Figure 2

The number of unemployed workers has decreased since 2009, but is still much higher than pre-recession levels

Change in Number of Unemployed Workers, New Jersey,
January 1980 to August 2015



Source: U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development

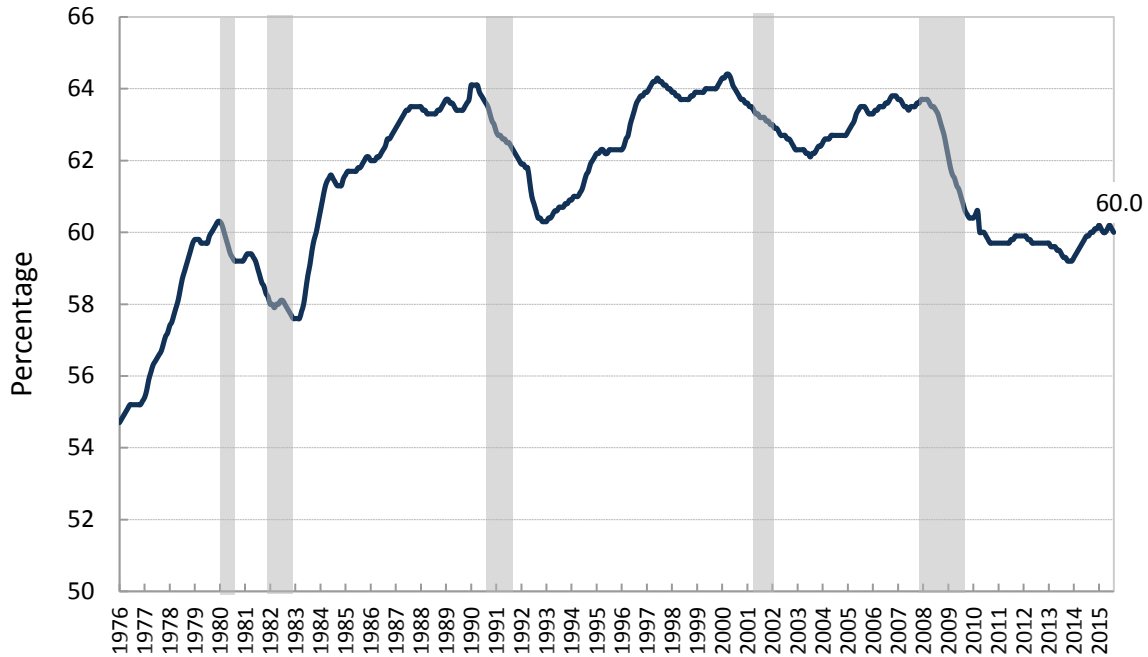
Notes

- New Jersey has regained about 75 percent of the unemployed workers lost during the recession, when the number of unemployed workers increased by 220,100.
- During 2014 the unemployment number decreased by 37,700 people, falling from a level of 322,400 in December 2013 to 284,700 people in December 2014.
- The number of unemployed workers, however, was still 53,800 more than at the onset of the recession in December 2007. Unemployment stood at 204,000 workers in December 2007 compared to 257,800 in August 2015.

Figure 3

The employment-population rate (the percentage of working-age people actually working) since the recession has not been at a lower level than at any time in the last three decades

Employment-Population Ratio, January 1976 to August 2015



Source: U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development

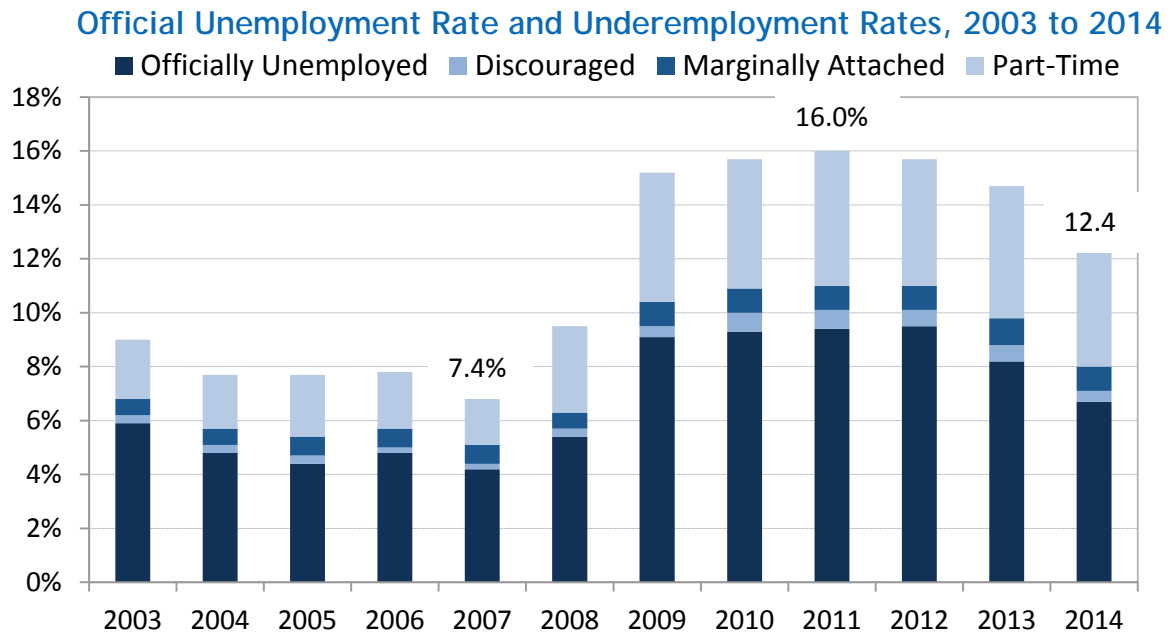
Note: Shaded areas denote recessions

Notes

- The official unemployment rate and changes in the number of unemployed workers do not capture the full extent of distress in the New Jersey economy. The employment participation rate, which measures the percentage of the 16-year-old and older non-institutional population that is employed, declined steadily after the onset of the recession. Despite slight increases in 2014, it has yet to rise above the levels of 30 years ago.

Figure 4

Underemployment is still well above pre-recession levels



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics Data

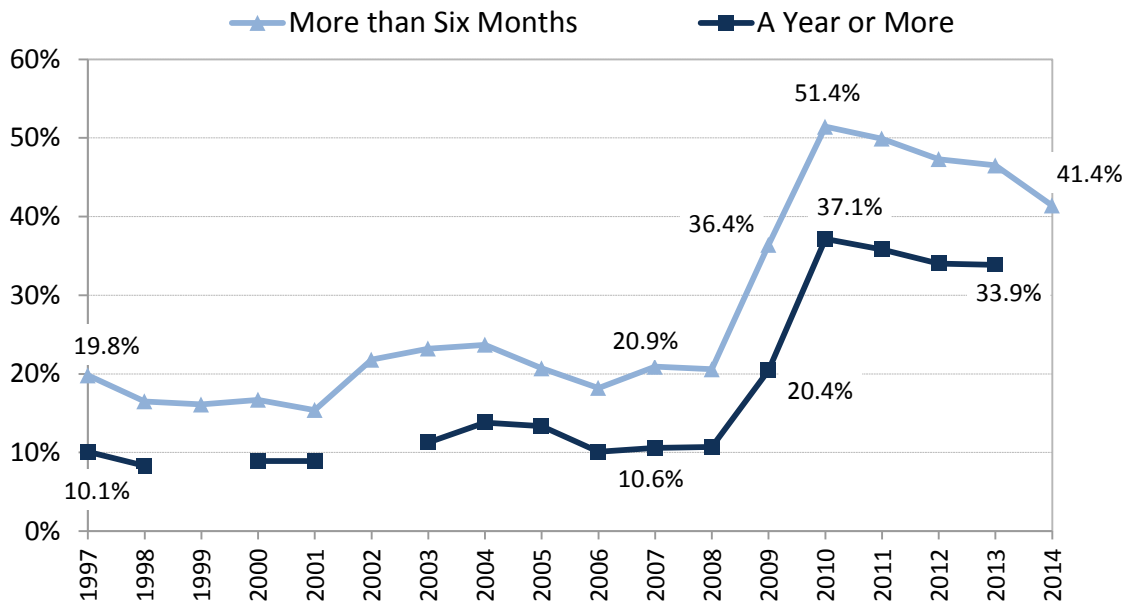
Notes

- The underemployment rate captures both persons included in the official unemployment rate as well as others who are not working and not receiving unemployment insurance.¹ In addition to the officially unemployed, the underemployment rate includes discouraged workers, marginally attached workers, and part-time workers.²
- Although the underemployment rate declined to 12.4 percent in 2014, it is still five percentage points higher than in 2007 at the onset of the recession.
- Most of the decline has come from the drop in the official unemployment rate, which has decreased 2.7 percentage points since 2011.

Figure 5

Forty-one percent of unemployed workers were out of work for more than six months in 2014

Duration of Unemployment, 1997 to 2014



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics Data

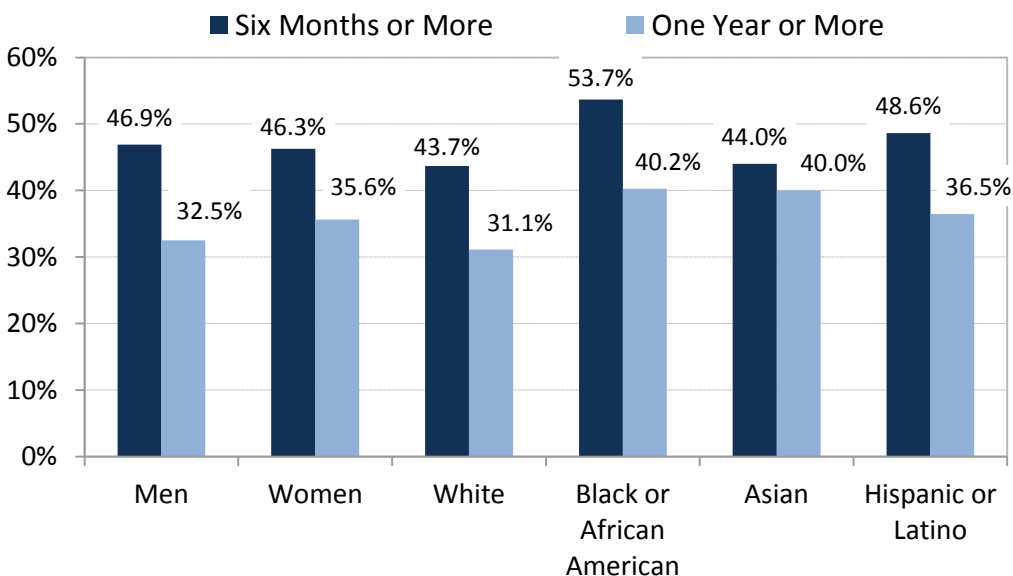
Notes

- In 2014, the percentage of workers unemployed for six months or more stood at 41.4 percent, double the 20.6 percent level in 2007.
- Similarly, the percentage of workers unemployed for a year or more was 33.9 percent in 2013, more than three times the 2007 level of 10.6 percent.
- In 2014, New Jersey ranged third nationally in long-term unemployment. Only New Mexico and Washington D.C. had a larger percentage of unemployed workers who were out of work for six months or longer.

Figure 6

Long-term unemployment has a disproportionately large effect on the Black population – 54 percent of unemployed Blacks were out of work for six months or longer in 2013

Duration of Unemployment by Gender, Race & Ethnicity, 2013



Source: U.S. Bureau of Labor Force Statistics

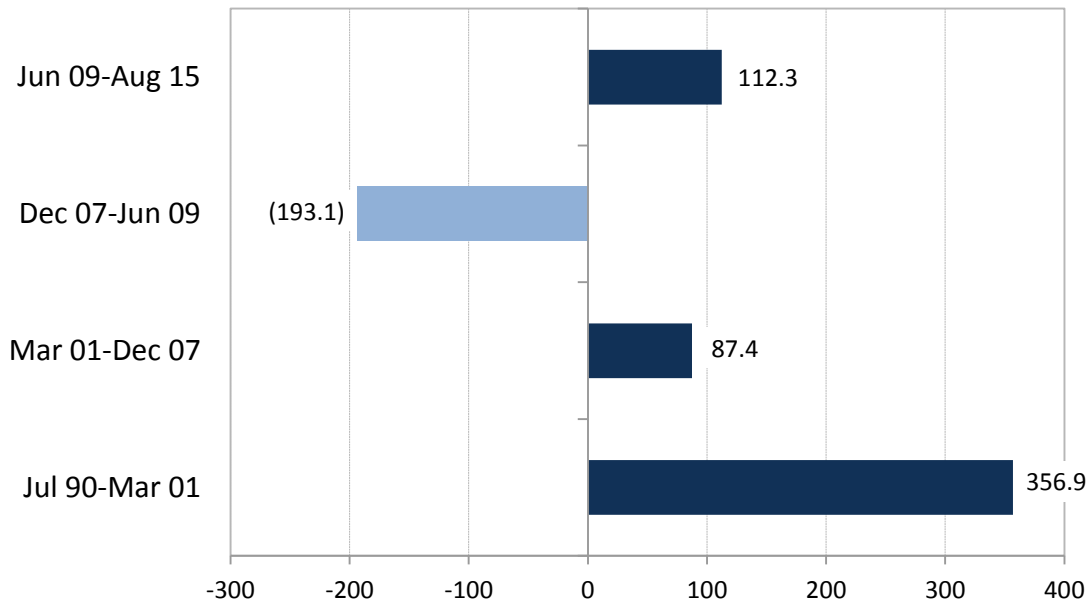
Notes

- The percentages of Blacks who have been unemployed for six months and for a year or more is much higher than that of any other racial or ethnic group.

Figure 7

Employment, and therefore employment opportunity, is still well below pre-recession level

Change in Number of Non-Agricultural Wage and Salary Employed Workers, July 1990 to August 2015



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development Data

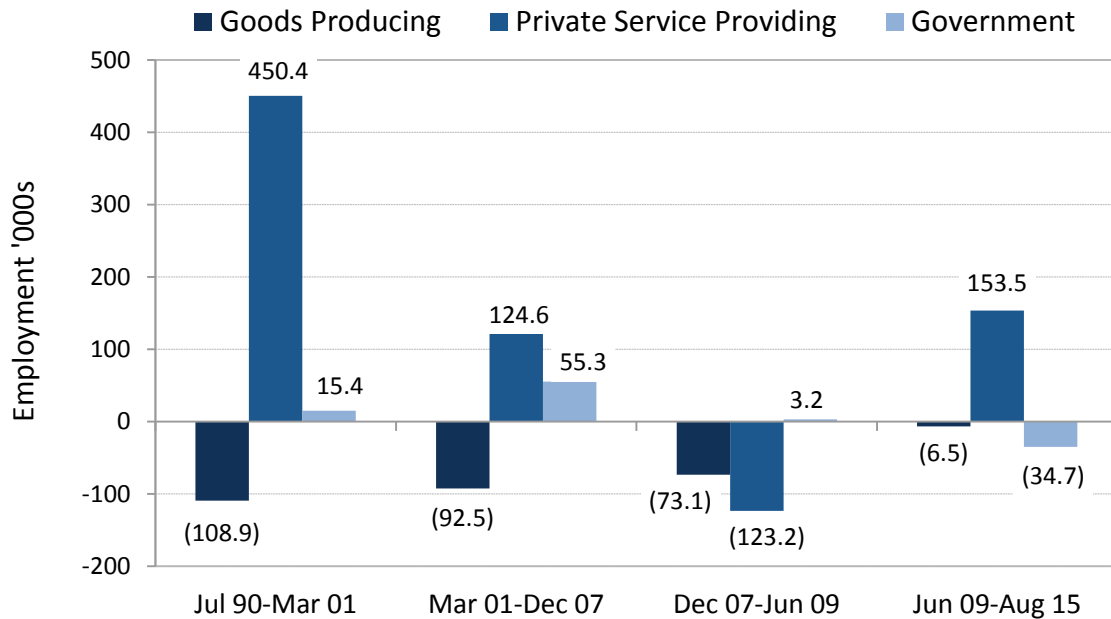
Notes

- Since September 2010, when non-agricultural wage and salary employment in New Jersey reached a low of 3.833 million workers, employment growth has rebounded slowly. As of August 2015, employment was still 80,800 jobs below the level of June 2009; 193,100 jobs were lost during the 18 month recession, while in the 75 months of economic expansion thereafter, a total of 112,300 jobs have been regained.
- During 2014, the New Jersey economy added a total of 35,300 jobs, the bulk of which was in the service providing sectors of the economy. The major subsectors to benefit from the limited job expansion were trade, transportation and utilities, which added 13,000 jobs and the health care and social assistance subsector, which added 8,000 jobs.

Figure 8

Private service-producing employment is growing while goods-producing – “manufacturing” – employment is disappearing

Change in Number of Non-Agricultural Wage and Salary Employed Workers by Sector, January 1990 to August 2015



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development Data

Notes

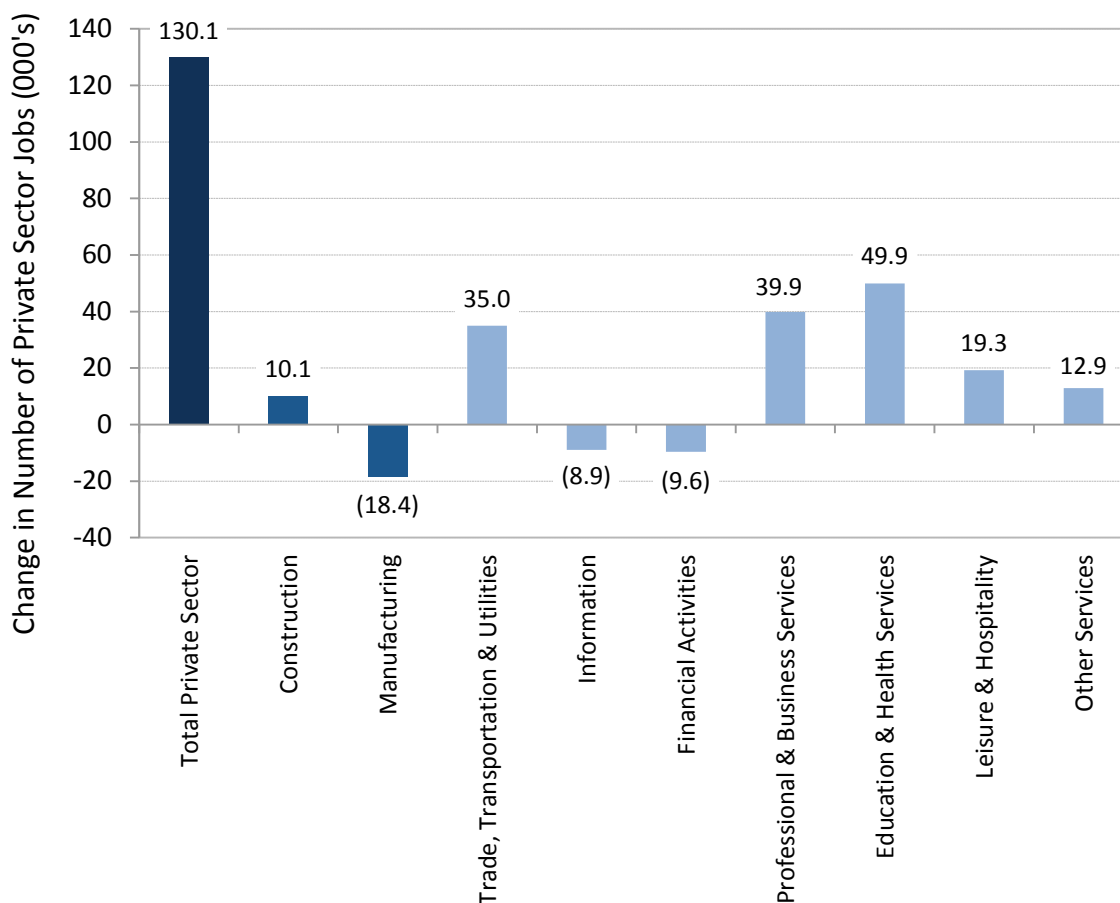
- The New Jersey economy has been losing goods-producing jobs, even when the economy was expanding. As of August 2015, manufacturing employment was less than half the level it was in July 1990. In contrast, private service-providing employment has grown by 25 percent over the same period, making up for the loss in goods-producing employment, and then adding some.
- During the Great Recession, the New Jersey economy contracted substantially, losing 73,100 goods-producing jobs and 123,200 private service-providing jobs. It did gain 3,200 government jobs.

- Over the 75 months since the conclusion of the recession, goods-producing employment declined by another 6,500 jobs and government employment by 34,700 jobs, while private service-providing employment increased by 153,500 jobs.

Figure 9

Most of the private sector employment growth since the recession has been in the low-wage service sector

Change in Number of Non-Agricultural Wage and Salary Private Sector Employed Workers, June 2009 to August 2015



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development Data

Notes

- Most of the private sector employment growth in New Jersey since June 2009, when the Great Recession ended, has been concentrated in four sectors — 32,800 jobs in trade, transportation, and utilities; 45,500 jobs in professional and business

services; 51,200 jobs in education and health services; and 26,400 jobs in leisure and hospitality.

- Within the three sectors, the bulk of the additional employment has been concentrated in three sub-sectors that tend to pay low wages — 17,100 jobs in retail trade; 31,000 jobs in administration, support, waste management, and remedial services; and 46,500 jobs in health care and social assistance.
- In contrast, manufacturing, a traditionally high wage sector, has shed 17,200 jobs, although there has been a revival in construction, where employment has grown by 10,700 jobs. In addition, employment has declined by 9,000 jobs in the information sector and by 7,700 jobs in financial activities.

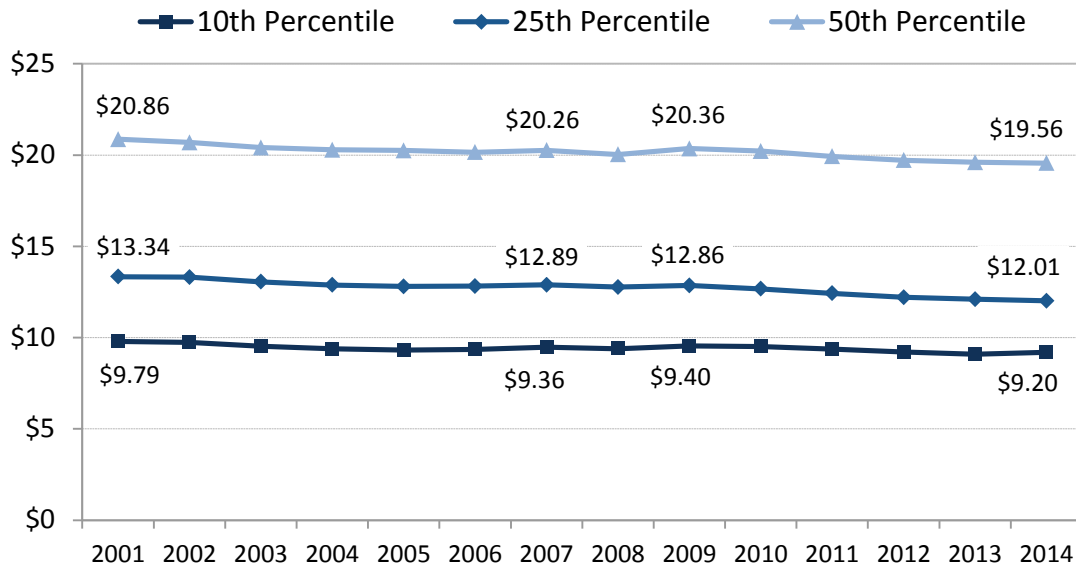
2. Low Wages

Work does not guarantee a life free of poverty. Eroding wages, especially for those workers at the low end of the wage scale, have contributed to an increase in the incidence of poverty. See Economic Policy Institute (Elise Gould, Alyssa David and Will Kimball), May 2015: “Broad-Based Wage Growth Is a Key Tool in the Fight Against Poverty.” Although Gross Domestic Product (GDP) and productivity have been growing, the economic gains have been captured by the very high income earners, bypassing the vast majority of the population Economic Policy Institute, February 2015; Federal Reserve Bank of Cleveland, April 2015. Since 2001, median wages have declined steadily for wage earners at the lowest end of the income scale, although the bottom 10 percent experienced a slight increase in 2014, probably a consequence of the increase in New Jersey’s minimum wage. In addition, low wages prevail in the two-thirds of the occupations that employ the largest numbers of workers, and in the service-providing occupations.

Figure 10

Median hourly wages have declined steadily for more than a decade

Median Hourly Wage at the 10th, 25th, and 50th Percentiles for All Occupations in New Jersey, 2001 to 2014



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development Data

Note: 2014 Dollars

Notes

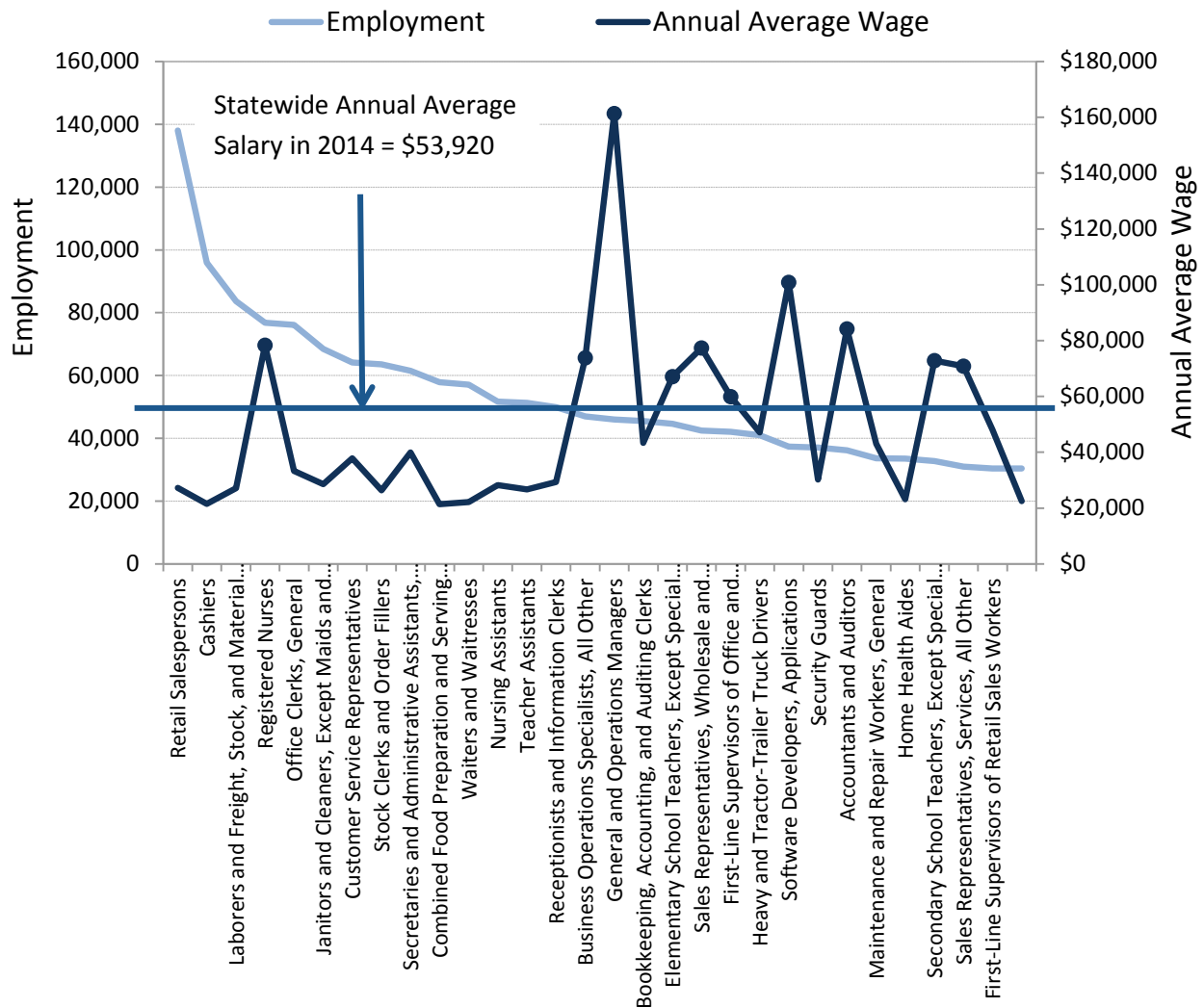
- Wage-earning workers at the lower end of the wage scale in New Jersey have endured a steady decline in hourly wage rates for more than a decade, with the exception of a slight increase for the bottom 10 percent in 2014. The median hourly wage for the 10th and 25th percentiles in 2014 was considerably below \$14.41, the hourly real cost of living for a single adult in 2014 dollars.
- Although the median hourly wage of the bottom 10 percent of wage earners was lower in 2014 than in 2001 — \$9.20 in 2014 compared to \$9.79 in 2001 (in 2014 dollars) — there was an increase of \$0.10 between 2013 and 2014, probably a consequence of the increase in the minimum wage in New Jersey in 2014 to \$8.38 an hour.

- The median hourly wage for the 25th percentile declined from \$13.34 in 2001 to \$12.01 in 2014. Since the conclusion of the recession in 2009, this group of wage earners has experienced a further decline in hourly wages each year.
- Similarly, the median hourly wage for all wage earners (the 50th percentile) declined from \$20.86 in 2001 to \$19.56 in 2014, a drop of \$1.30. Since 2009, the median hourly wage for all wage earners has fallen by \$0.80.
- The equivalent decreases in annual wages in 2014 dollars were from \$20,355 in 2001 to \$19,150 in 2014 for the 10th percentile, from \$27,745 in 2001 to \$24,990 in 2014 at the 25th percentile, and from \$43,393 in 2001 to \$40,680 in 2014 for the 50th percentile.

Figure 11

In only 10 of the 30 occupations employing more than 30,000 workers is the average wage above the statewide average

Occupational Wage and Employment Estimates for All Occupations Employing More than 30,000 Workers in New Jersey in 2014



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development Data

Notes

- Of the 30 occupations employing more than 30,000 workers, representing 42 percent of total employment, the annual average wage of only ten was above the statewide annual average of \$53,920 in 2014.

- In 2014, 30 occupations employed more than 30,000 workers, a total of 1.607 million workers.
- Of these 30 occupations, only 10 occupations paid more than \$53,920 — the statewide average annual wage — registered nurses, business operations specialists, general and operations managers, elementary school teachers, wholesale and retail sales representatives, first-line supervisors of office and administrative support workers, software developers, accountants and auditors, secondary school teachers, and service sales representatives.

Figure 12

The 109 occupations employing 30 percent of the total workforce pay an average wage that is less than the statewide real cost of living for a single adult

Occupational Wage and Employment Estimates for New Jersey's
Lowest Paid Occupations, 2014

Occupation	Estimated Employment	Mean Hourly Wage	Mean Annual Wage	Median Hourly Wage
Shampooers	N/A	\$9.40	\$19,550	\$9.02
Counter Attendants, Cafeteria, Food Concession & Coffee Shop	N/A	\$9.43	\$19,610	\$8.98
Automotive & Watercraft Service Attendants	10,170	\$9.63	\$20,030	\$9.17
Dining Room & Cafeteria Attendees & Bartender Helpers	9,700	\$9.88	\$20,560	\$9.18
Dishwashers	9,400	\$9.89	\$20,570	\$9.22
Amusement & Recreation Attendees	6,990	\$10.01	\$20,830	\$9.07
Combined Food Preparation & Serving Workers, incl. Fast Food	57,890	\$10.26	\$21,350	\$9.22
Cashiers	95,910	\$10.35	\$21,530	\$9.30
Hosts & Hostesses, Restaurant, Lounge & Coffee Shop	9,220	\$10.45	\$21,740	\$9.68
Pressers, Textile, Garment & Related Materials	1,390	\$10.59	\$22,020	\$9.63
Graders and Sorters, Agricultural Products	510	\$10.62	\$22,100	\$9.54
Waiters and Waitresses	57,040	\$10.67	\$22,200	\$9.41
Cooks, Fast Food	7,600	\$10.71	\$22,280	\$9.47
Lifeguards, Ski Patrol, Other Recreational Protective Service Workers	3,450	\$10.71	\$22,280	\$9.50
Locker Room, Coatroom, and Dressing Room Attendants	600	\$10.74	\$22,350	\$9.41
Ushers, Lobby Attendants, & Ticket Takers	2,080	\$10.78	\$22,420	\$9.41
Parking Lot Attendants	4,370	\$10.82	\$22,510	\$9.52
Packers and Packers, Hand	30,370	\$10.84	\$22,550	\$9.45
Food Preparation Workers	27,420	\$11.01	\$22,910	\$10.01
Tire Builders	N/A	\$11.05	\$22,990	\$10.84
Food Servers, Non-restaurant	11,570	\$11.07	\$23,020	\$10.58
Home Health Aides	33,540	\$11.11	\$23,120	\$10.77
Cooks, Short Order	5,860	\$11.13	\$23,150	\$10.48
Cleaners of Vehicles and Equipment	7,900	\$11.29	\$23,470	\$9.54
Food Processing Workers, All Other	900	\$11.30	\$23,510	\$10.28

Source: PRI Analysis of U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development Data

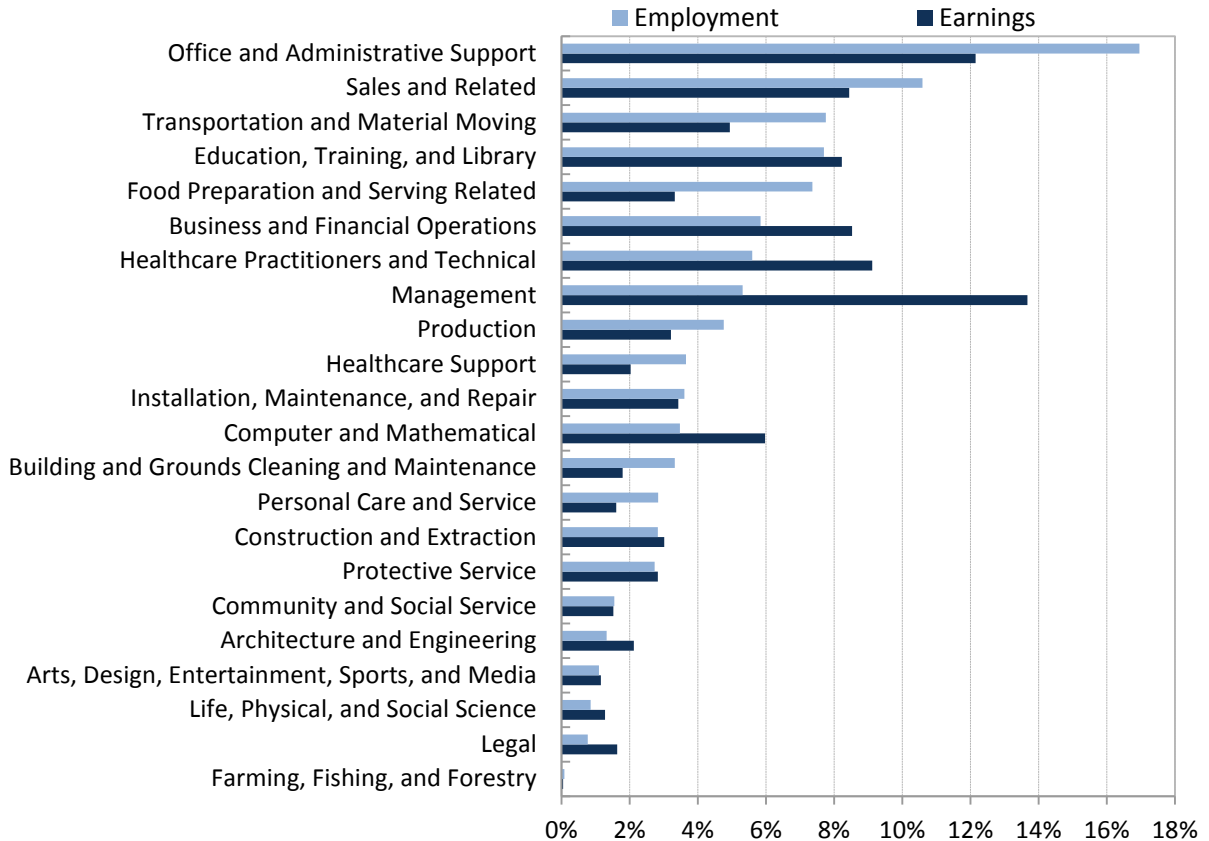
Notes

- In 2014, there were 109 occupations employing at least 1.147 million workers, representing about 30 percent of total employment, that paid an average hourly wage that was less than \$14.41, the hourly real cost of living for a single adult in New Jersey.

Figure 13

Lower wage occupations employ proportionately far more workers but bring home a proportionately much lower share of the state’s total earnings

Total Occupational Employment and Earning Estimates for the Twenty-Two Major Occupational Groupings in New Jersey in 2014



Source: PRI Analysis of U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development Data

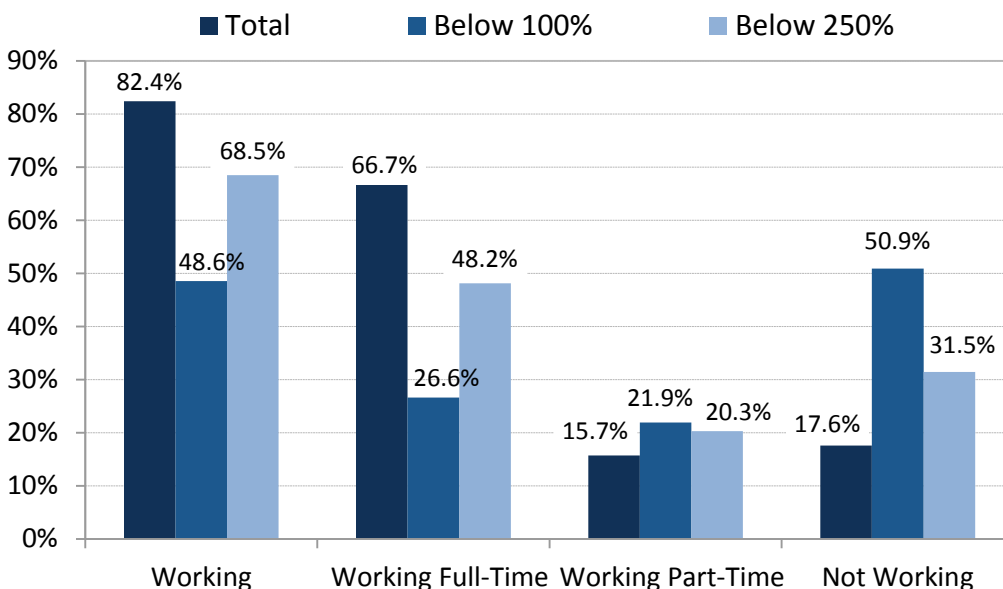
Notes

- Dividing the total employed population by the 22 major occupational groupings reveals the disproportionate distribution of wages.

Figure 14

While work can be a path out of poverty, it in no way guarantees such an escape

Breakdown of New Jersey's Adult Population by Work Status and Poverty Share, 2011-2013



Source: PRI Analysis of U.S. Census Bureau's, Current Population Survey 2011 to 2013

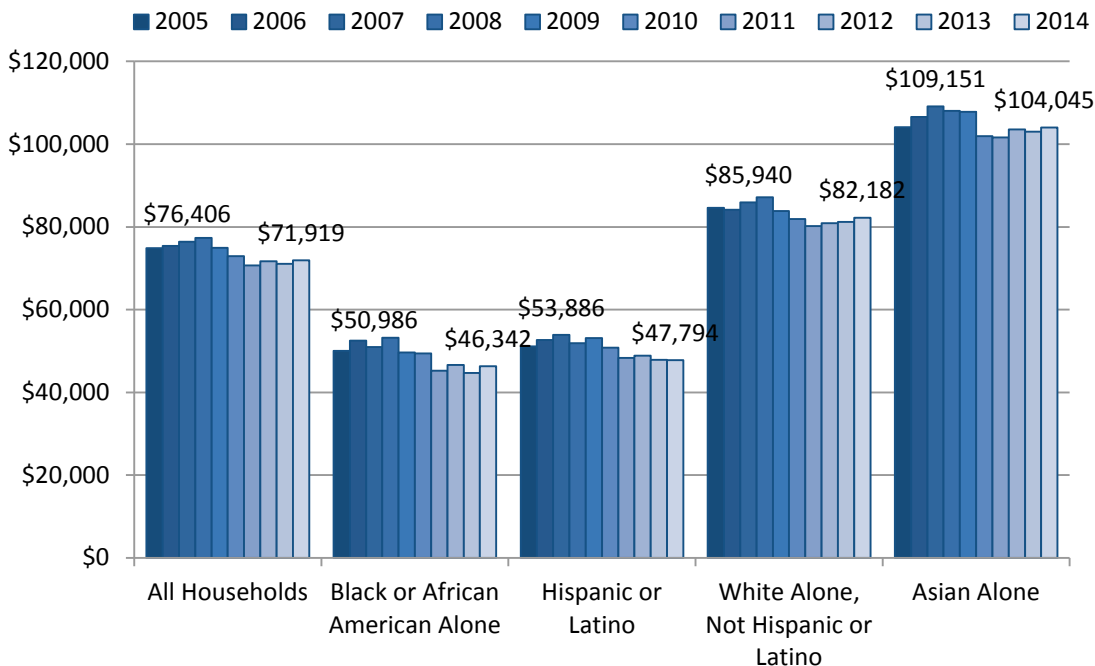
Notes

- Among the working-age adult population living in households with incomes below the official poverty level (100% FPL), just under one-half were working either full time or part time in 2011-2013. Among the working-age adult population living in households with incomes below 250% FPL, just over two-thirds were working either full time or part time in 2011-2013.
- Of the non-disabled working-age adult population who were living below 100% FPL, just over one-quarter were working full time and just over one-fifth were working part time. Of the non-disabled working-age adult population who were living below 250% FPL, almost one-half were working full time and about one-fifth were working part time.

Figure 15

Median household income has yet to return to pre-recession levels for all race and ethnic groups

Median Household Income by Race & Ethnicity, 2005 to 2014



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

Note: 2014 Inflation Adjusted Dollars

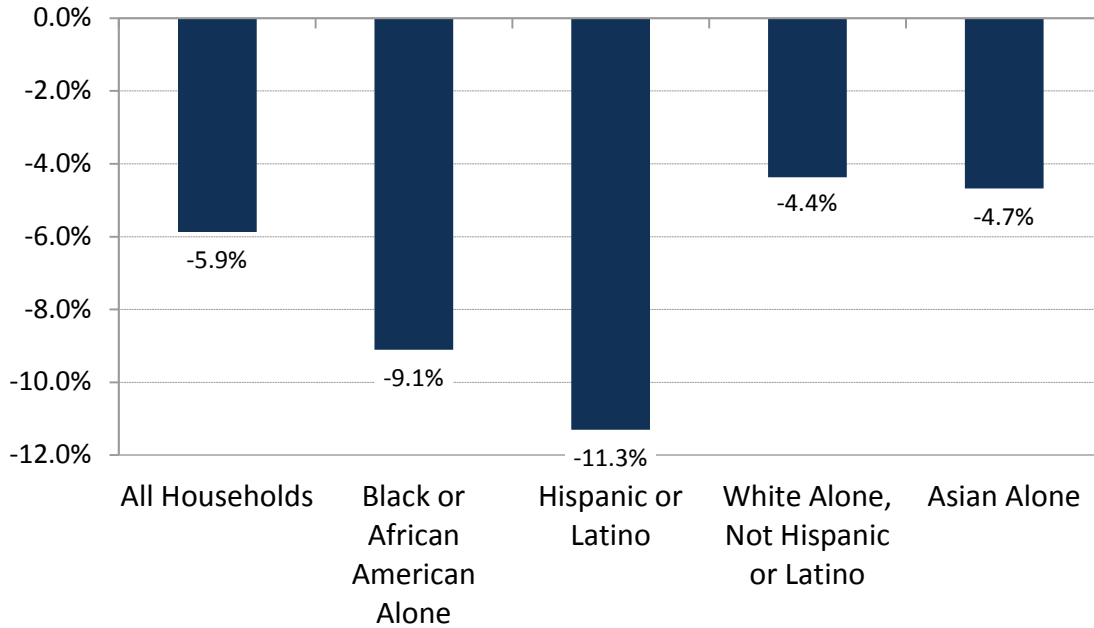
Notes

- Median household income, which declined during the recession, has yet to return to pre-recession levels for all race and ethnic groups, although it did increase slightly in 2014 for all groups except Hispanics and Latinos.

Figure 16

Median household income for Hispanics and Blacks has declined the most since the onset of the recession

Change in Median Household Income by Race & Ethnicity, 2007 to 2014



Source: U.S. Census Bureau, American Community Survey, 2007 & 2014

Note: 2014 Inflation Adjusted Dollars

Notes

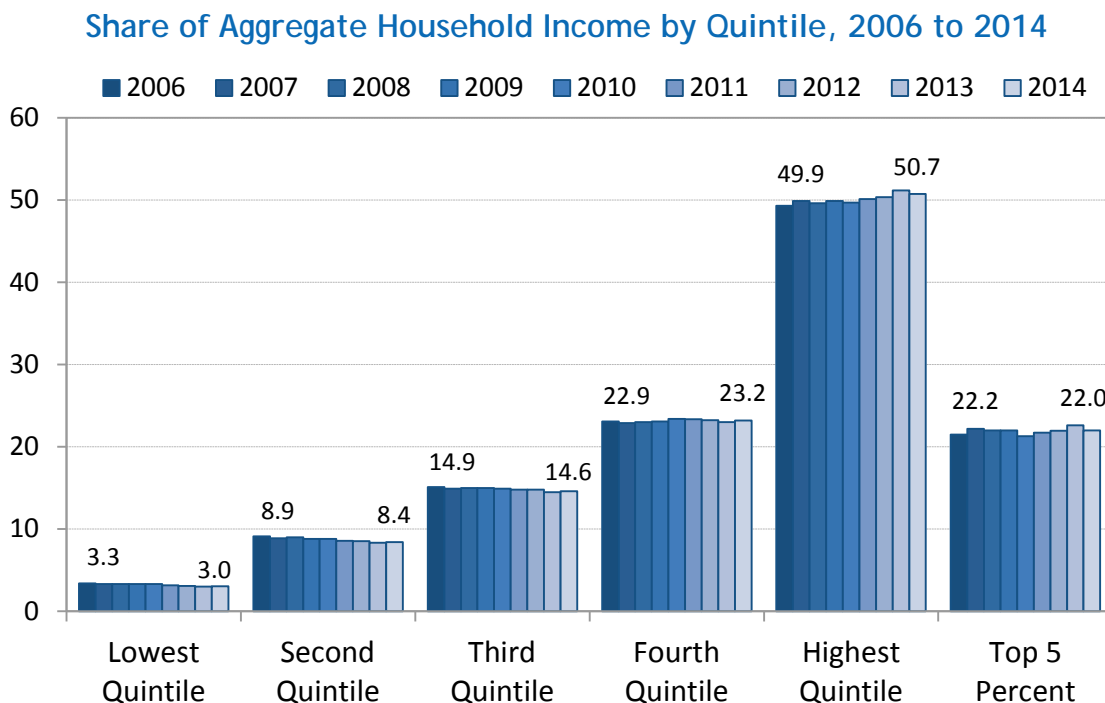
- Although median household income has declined for all racial and ethnic groups, the declines have been largest for Hispanics and Blacks since the onset of the recession.
- Since 2007, the median income of all households has declined almost 6.0 percent.
- The declines in median household income for Hispanic and Black households have been 11.3 percent and 9.1 percent, respectively.
- On the other hand, median income has decreased for White non-Hispanic and Asian households by 4.4 percent and 4.7 percent, respectively.

3. Inequality

Increased income inequality tends to push essential living costs such as housing higher, putting them more out of reach for lower income New Jersey residents, and over time thereby contributing significantly to poverty.

Figure 17

Income inequality worsened during and after the recession



Source: U.S. Census Bureau, American Community Survey, 2006 to 2014

Notes

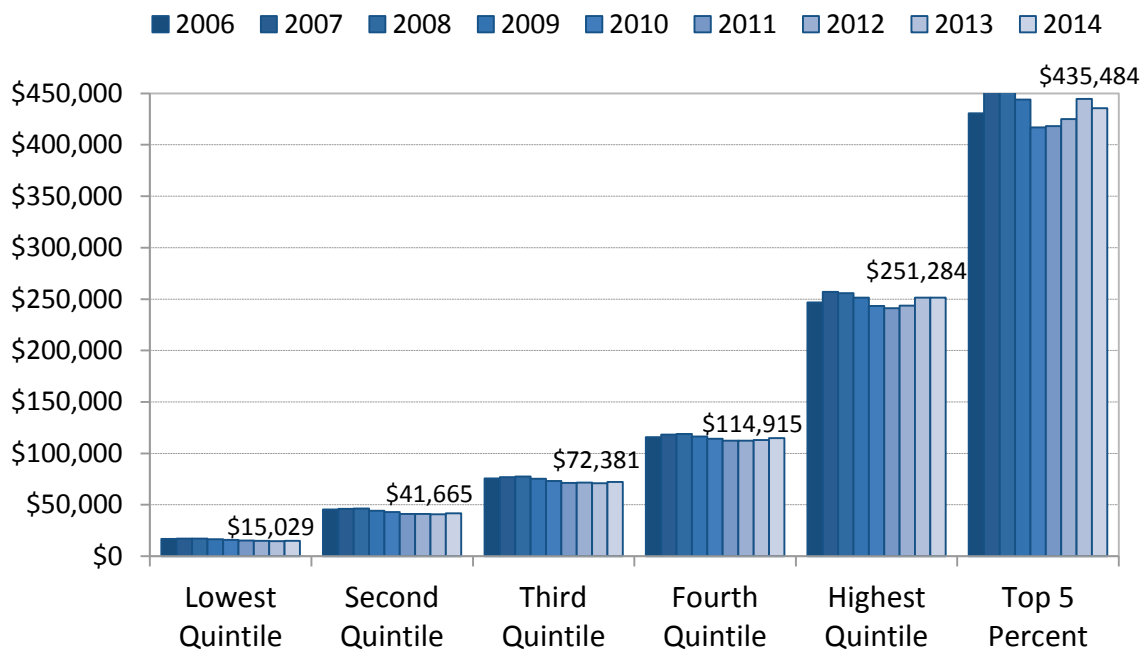
- Income inequality has worsened in New Jersey over recent decades, and continued through and after the recession. Since 2006, each of the lowest three-fifths of the population have had a decline in their shares of income, while the top two-fifths have had their shares increase.
- The share of the top fifth increased to just over half of all income during this period.
- The top 5 percent have consistently held a little more than one-fifth of all income. In 2014, their share was 22 percent, down slightly from a high of 26 percent in 2013.

- In contrast, the bottom 20 percent held just 3.0 percent of all the income, the next 20 percent 8.4 percent, and the middle 20 percent 14.6 percent of all income in 2014.

Figure 18

The average income of the highest fifth of the population (\$251,284) was nearly 17 times greater than that of the lowest fifth (\$15,029), an enormous gap which has remained relatively constant over the last decade

Average Household Income by Income Group and Top 5 Percent, 2006 to 2014



Source: U.S. Census Bureau, American Community Survey, 2006 to 2014

Note: 2014 Inflation Adjusted Dollars

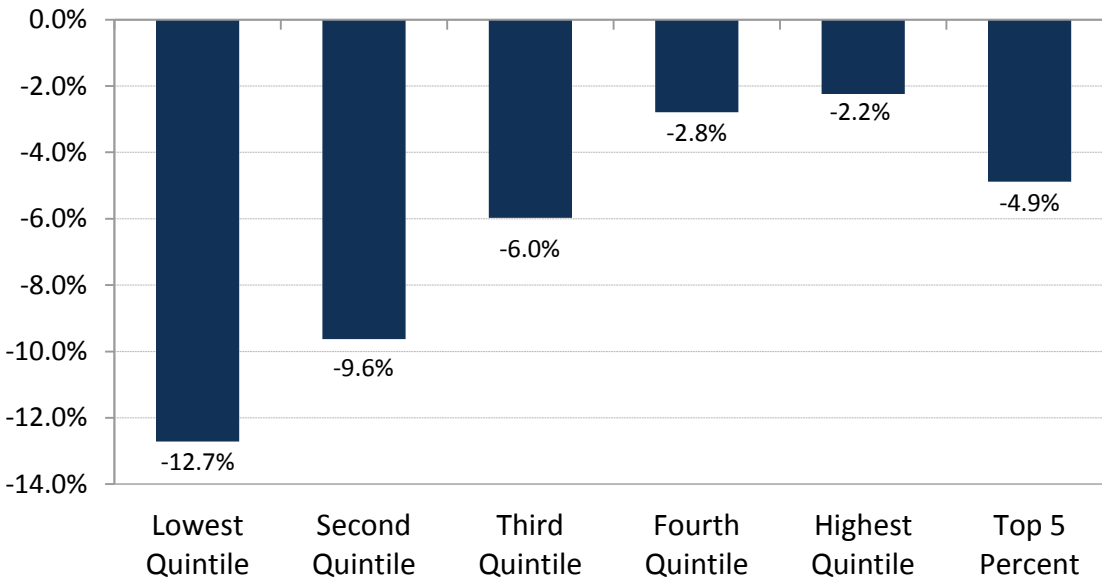
Notes

The average household income of the top 5 percent was about 29 times that of the bottom 20 percent in 2014.

Figure 19

Average household income has declined by more for the lower income groups than the higher income groups since the recession

Change in Average Household Income by Income Group, 2007 to 2014



Source: U.S. Census Bureau, American Community Survey, 2007 & 2014

Notes

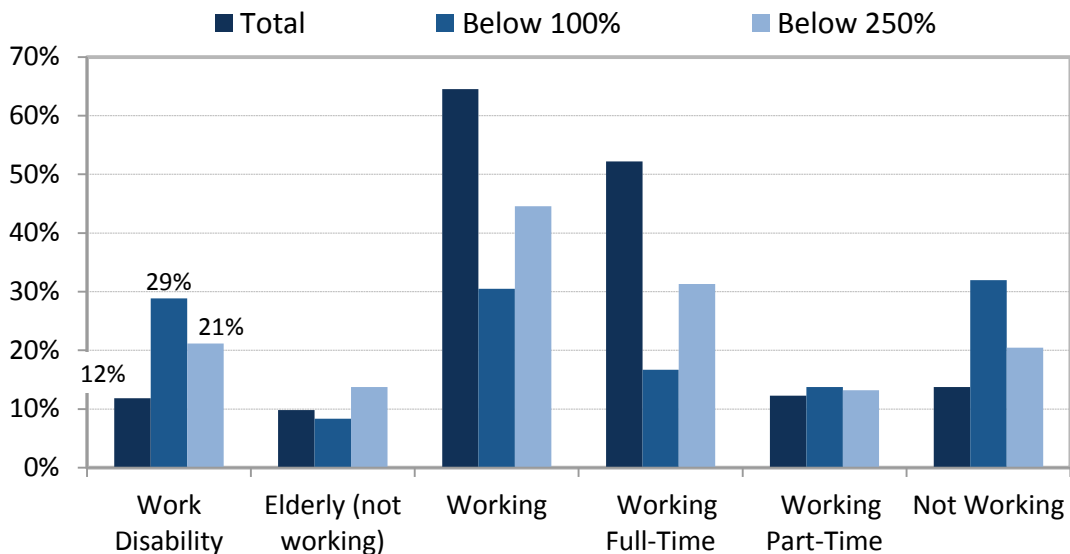
- Although average household income has declined across all income groups since the onset of the recession, the decreases have been substantially larger for the bottom two groups. Since 2007 the bottom twenty percent and the second bottom group have experienced a 12.7 percent and 9.6 decline in average household income, respectively.
- In contrast, average income has dropped by only 2.2 percent for the top 20 percent of households.

4. The Disabled

Figure 20

A work disability makes it much more likely that a person will live in poverty

Breakdown of New Jersey's Adult Population by Work Disability, Work Status, and Poverty Share, 2011-2013



Source: PRI Analysis of U.S. Census Bureau's Current Population Survey 2011 to 2013

Notes

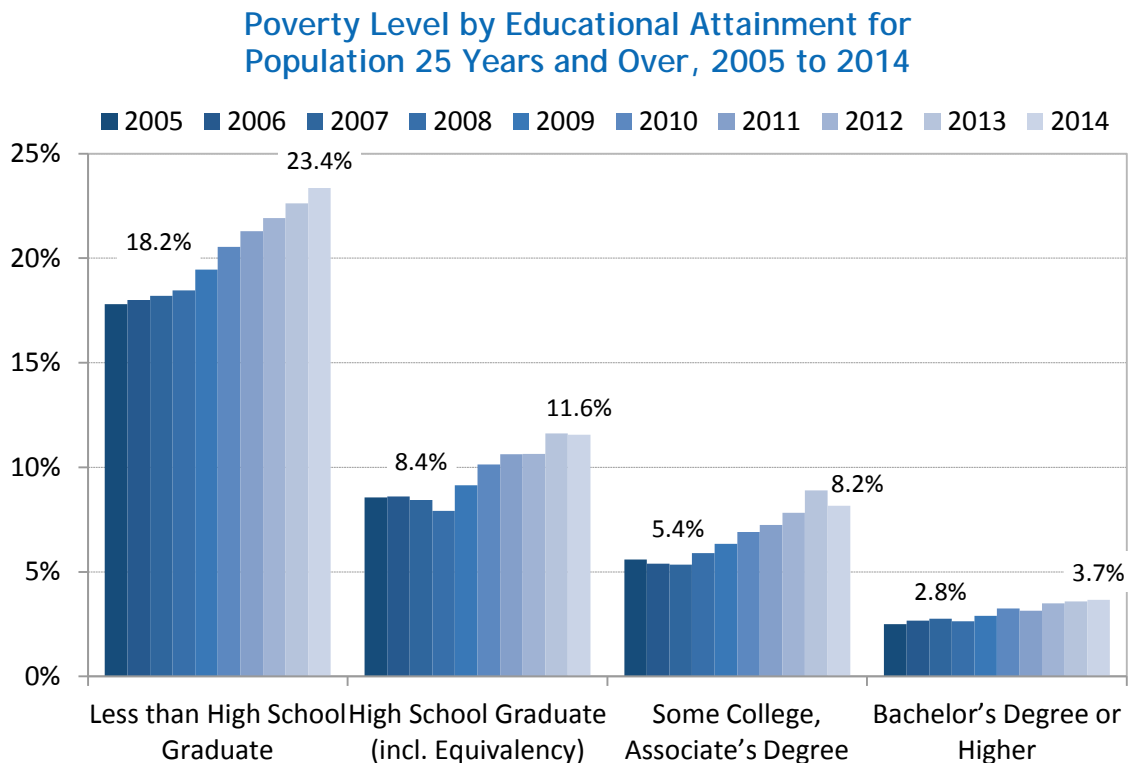
- While adults with a work disability made up 12 percent of the total New Jersey adult population in 2011-2013, they represented 29 percent of the adult population living in official poverty (100% FPL).
- More than 20% of the adult population living in households with incomes less than 250% FPL had a work disability.

5. Educational Attainment

People with less educational attainment are more likely to fall into poverty. Poverty rates decline as educational attainment increases. The less educated are disproportionately represented among the population living in poverty. Although poverty rates have been increasing at all educational levels, since the onset of the recession rates are much higher and have increased by more for adults 25 years and over with less than a high school education.

Figure 21

Poverty rates have increased by more for people with less education



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

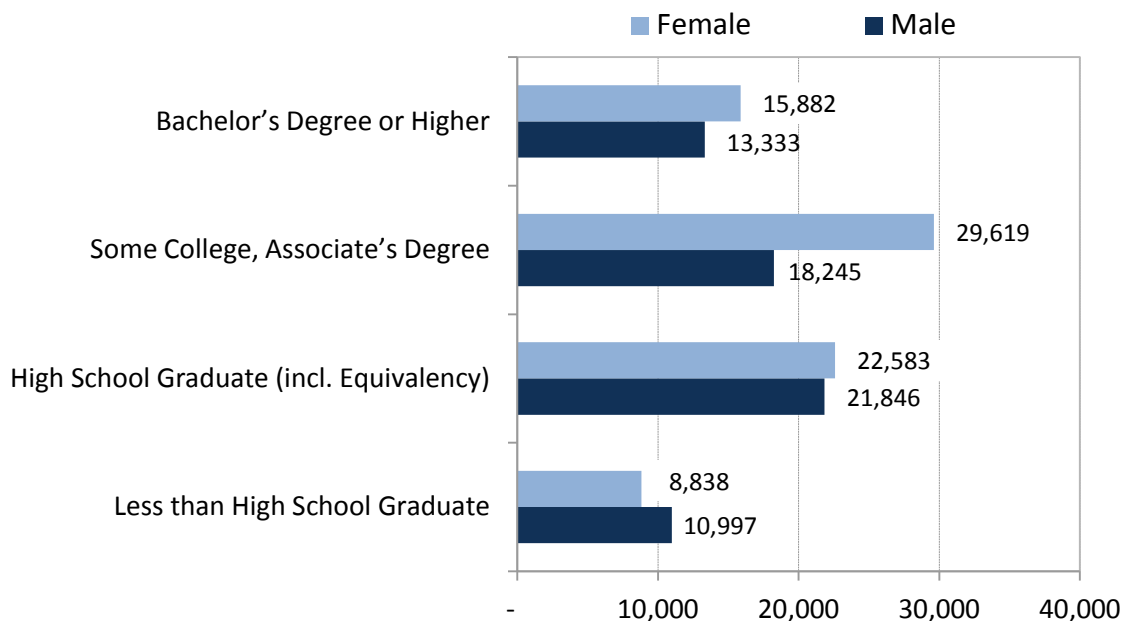
Notes

- The official poverty rate for the population 25 years and over with less than a high school education has been rising steadily; by 2014, almost one-quarter of this group was living in poverty.

Figure 22

More males than females with less than a high school diploma have fallen into poverty since the onset of the recession

Increase in the Number in Poverty by Educational Attainment for Population 25 Years and Over, 2007 to 2014



Source: U.S. Census Bureau, American Community Survey, 2007 to 2014

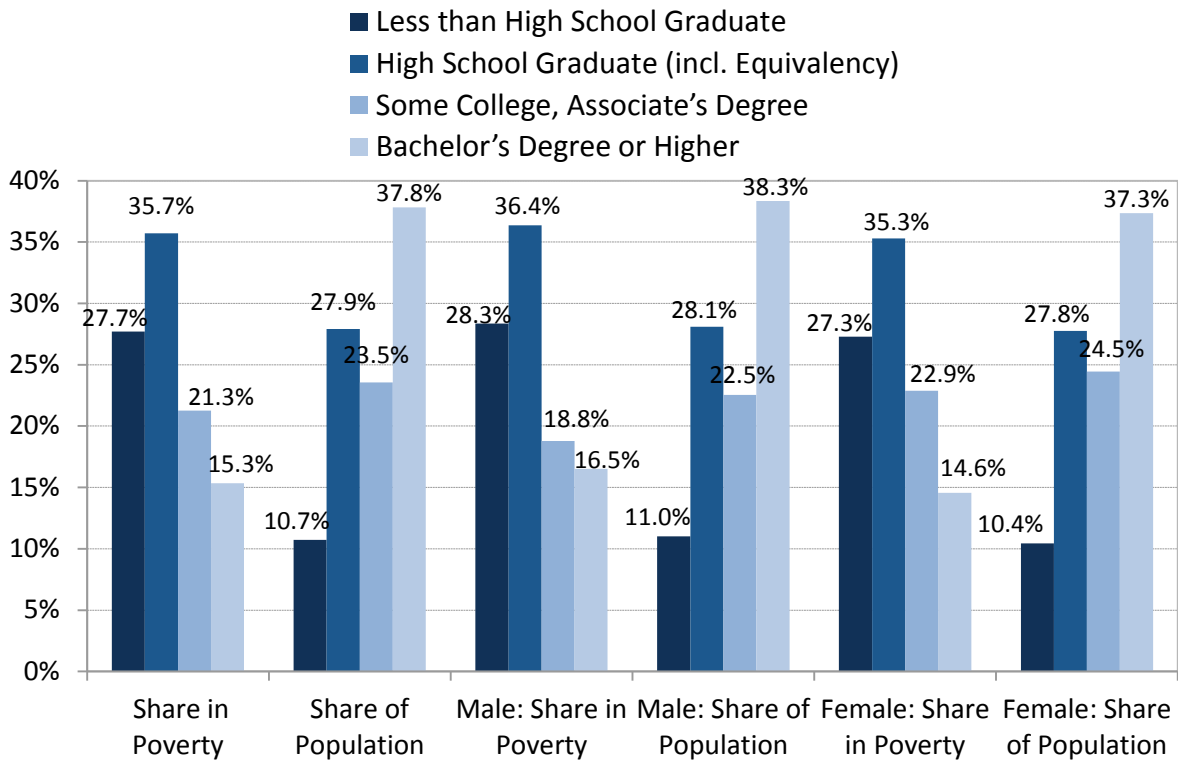
Notes

- Among the less educated, more males than females 25 years and older have fallen into official poverty since 2007; the opposite was true for those with more than a high school education.

Figure 23

The less educated are disproportionately represented among the population 25 years and over living in poverty

Share in Poverty and Share of Population by Educational Attainment for Population 25 Years and Over, 2014



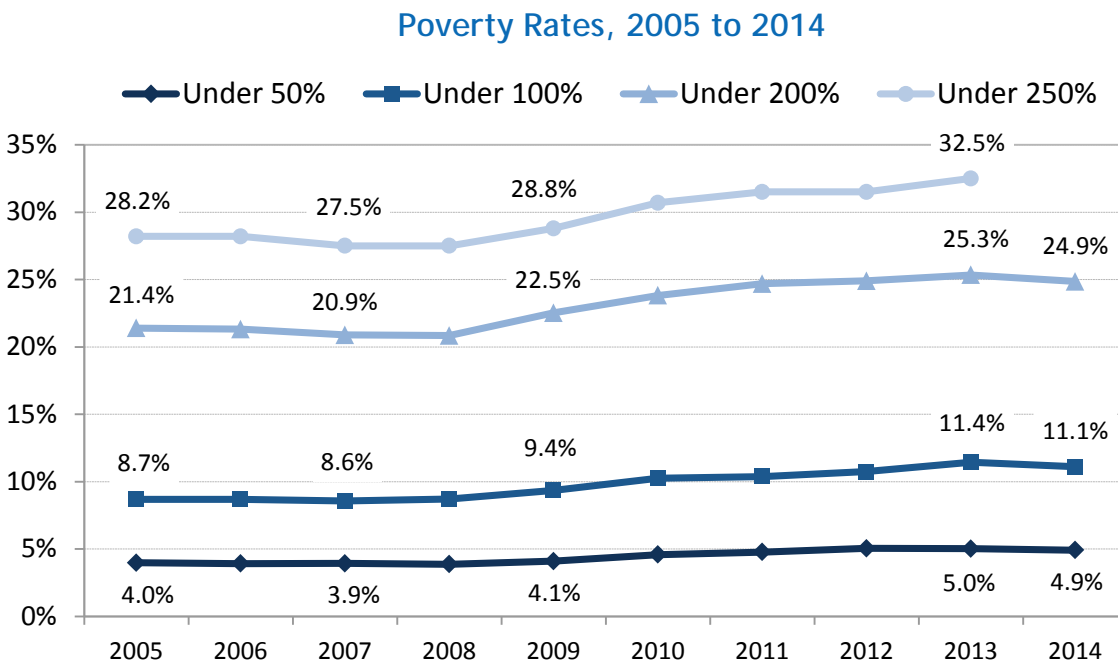
Source: U.S. Census Bureau, American Community Survey, 2014

- People either without a high school education or with a high school education comprised a much higher share of the population 25 years and older living in official poverty than their comparable share of the total population; the opposite was true for people with either some college education or a bachelor's degree or higher.
- In 2014, the population without a high school education made up 10.7 percent of the total population 25 years and older, yet was 27.7 percent of the total poor population. Similar percentages existed for both females and males.

- Similarly, the population that has graduated high school only made up 27.9 percent of the total population, but 35.7 percent of the population living in poverty. Likewise, the proportions were similar for females and males.
- In contrast, among the population with some college education, the share living in poverty was smaller than the comparable share of the total population. While they made up 23.5 percent of the total population, they comprised only 21.3 percent of the people living in poverty. Slight differences existed between females and males, with a bigger disparity between the male share in poverty and its comparable share of the population.
- The population with a bachelor's degree or higher comprise 37.8 percent of the total population, but only 15.3 percent of the population living in poverty. For females, the percentages were 37.3 percent and 14.6 percent, respectively, while for males they were 38.3 percent and 16.5 percent, respectively.

Figure 24

The official poverty rate leveled off in 2014, but remained at a record high



Source: PRI Analysis of U.S. Census Bureau's, American Community Survey & PUMS data, 2005 to 2014

Notes

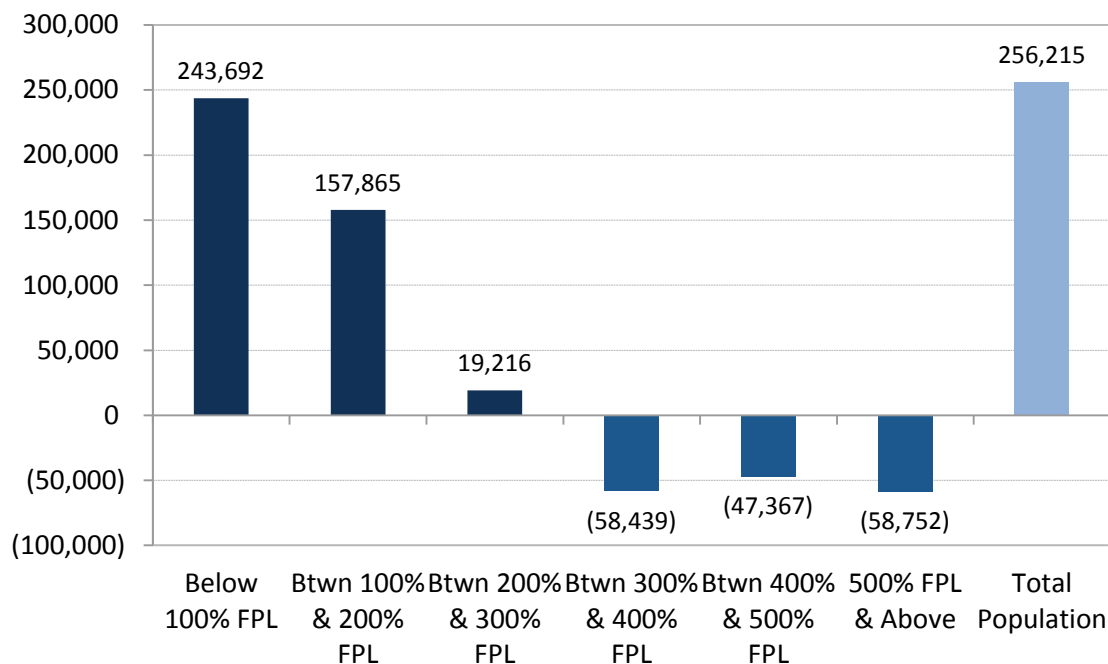
- In 2014, the poverty rate levelled off in New Jersey, the first time since 2007 that there was not an increase in the official poverty rate (100% of FPL). Nevertheless, the poverty rate and population remain at or near the 50-year record highs reached in the wake of the Great Recession, despite the ensuing period of improved employment.
- The official poverty rate (100% FPL) was 11.1 percent in 2014, statistically unchanged from the 11.4 percent of the previous year, and 29 percent higher than it was at the outset of the recession in 2007.

- The percentage of the population living in severe poverty (below 50% FPL, and one-fifth of New Jersey's actual poverty level (APL) essentially remained at the same level as in 2013.
- The severe poverty level stood at 4.9 percent in 2013. The severe poverty rate remains one percentage point above the 3.9 percent level of 2007.
- The percentage of New Jersey's population living in households with an income below 200 percent of the official poverty rate (200% FPL) tapered off slightly in 2014 at 24.9 percent, one-quarter of the total population; the percentage of residents living in households with an income below 200% FPL is still 4.0 percentage points higher than it was in 2007 at the outset of the recession.

Figure 25

Since the onset of the recession, there has been a significant downward shift of people along the income scale

Change in Number of People Living at Various Multiples of Poverty, 2007 to 2014



Source: PRI Analysis of U.S. Census Bureau's, American Community Survey data, 2005 to 2014

Notes

- Since the Great Recession, the downward shift along the income scale remains especially high, as the number of people living in official poverty and in households with an income below 300% FPL has increased substantially.

Part Two – Extent of Poverty in New Jersey

1. Very Young Children, Young Children, Young Adults, & Very Elderly in 2014

Particular population groups and populations living in certain places are much more likely to be living in poverty than others. In 2014 in New Jersey, poverty rates were especially high among:

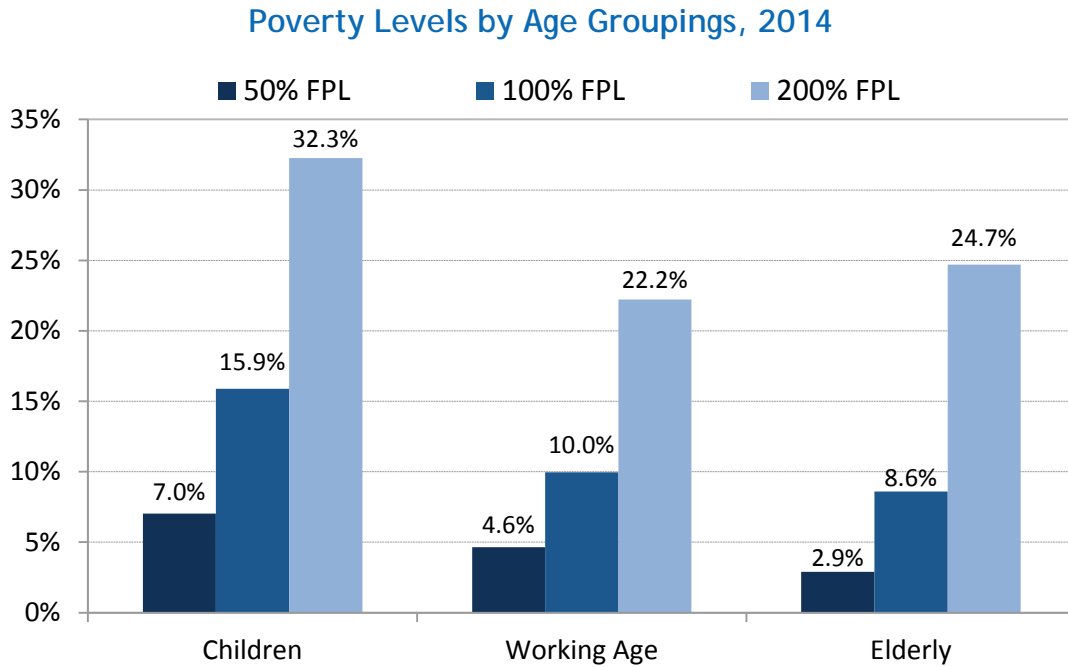
1. Very young and young children, young adults, the very elderly;
2. Female-headed households;
3. Females;
4. Blacks or African Americans and Hispanics or Latinos;
5. Southern and historic urban counties; and
6. Particular municipalities (2013 data).

The poverty rate for all these population groups was still higher in 2014 than it was in 2007 at the outset of the recession, except for the very elderly, which has remained steady.

Breaking down the population by age group shows especially higher levels of poverty at the two ends of the age range — the very young and the very old. Children are more likely to be living in households with an income below the official poverty level than either the working age or the elderly. The poverty rate is also especially high for young adults, many of whom have faced a tough labor market since the onset of the recession.

Figure 26

Child poverty rates are very much higher than the poverty rates for working-age adults and the elderly

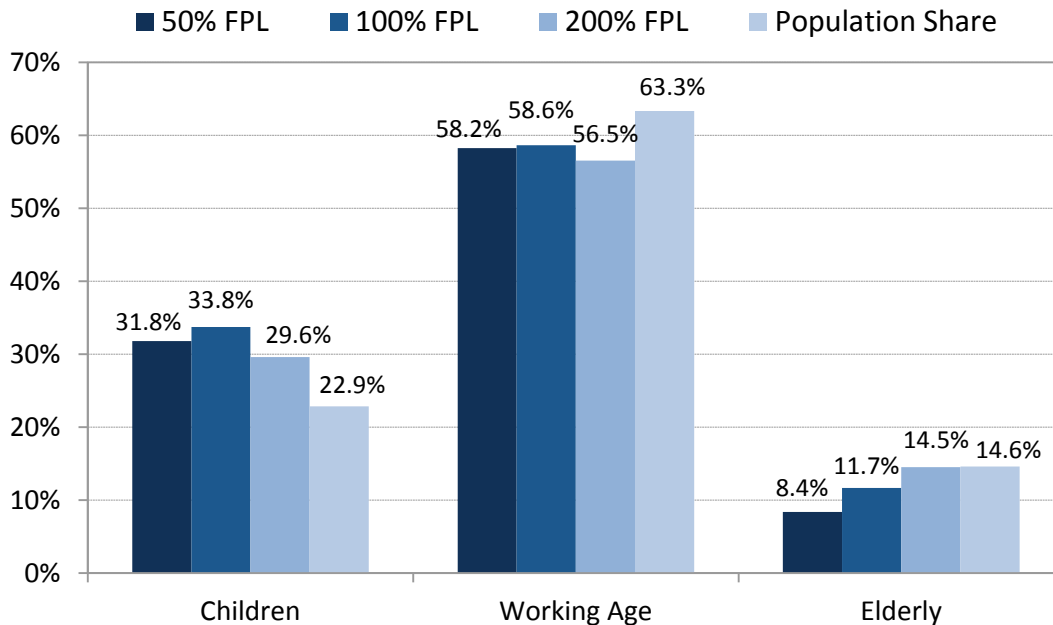


Source: U.S. Census Bureau, American Community Survey, 2014

Figure 27

Children are disproportionately represented among people living in poverty

Share in Poverty and Share of Population by Age Groupings, 2014



Source: U.S. Census Bureau, American Community Survey, 2014

Notes

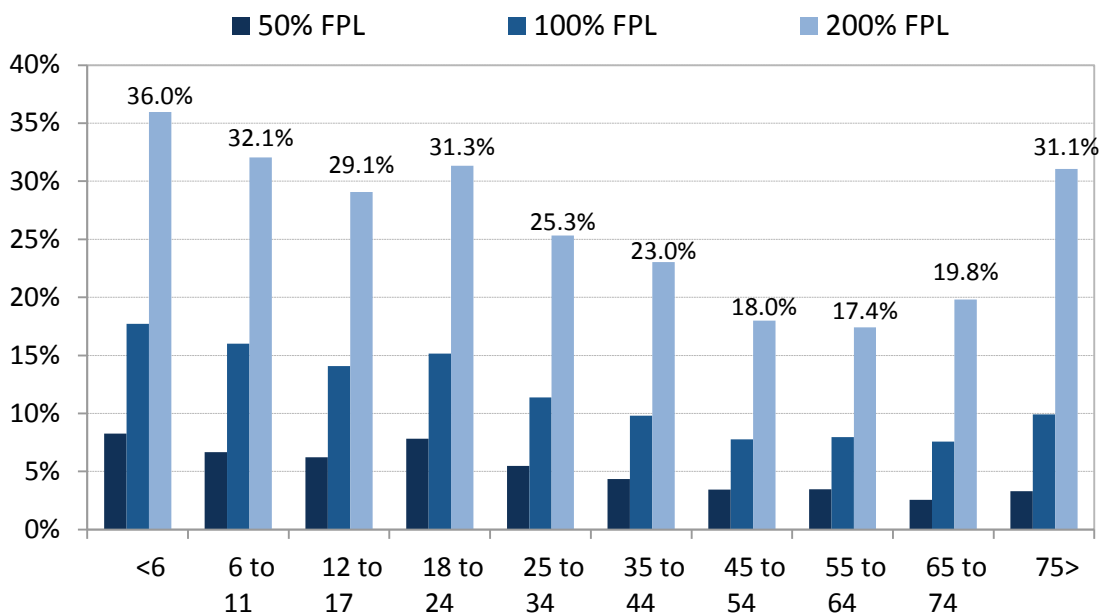
- In 2014, children made up a higher percentage at each level of poverty than their share of the total population.
- While children made up 22.9 percent of the total population, they comprised 29.6 percent of people living in households with an income below 200% FPL, 33.8 percent of all people living in official poverty, and 31.8 percent of all people living in severe poverty.
- In comparison, working-age adults were 63.3 percent of the total population, but only 56.5 percent of those living in households with an income below 200% FPL, 58.6 percent of those living in official poverty, and 58.2 percent of those in severe poverty.
- The elderly comprised 14.6 percent of the population but were 11.7 percent of the population living in official poverty and only 8.4 percent of those living in severe

poverty. The percentage of elderly living in households with an income below 200% FPL was 14.5, slightly less than their share of the total population.

Figure 28

Poverty rates are especially high for very young children, young children, young adults, and the very elderly

Poverty Level by Age Group, 2014



Source: U.S. Census Bureau, American Community Survey, 2014

Notes

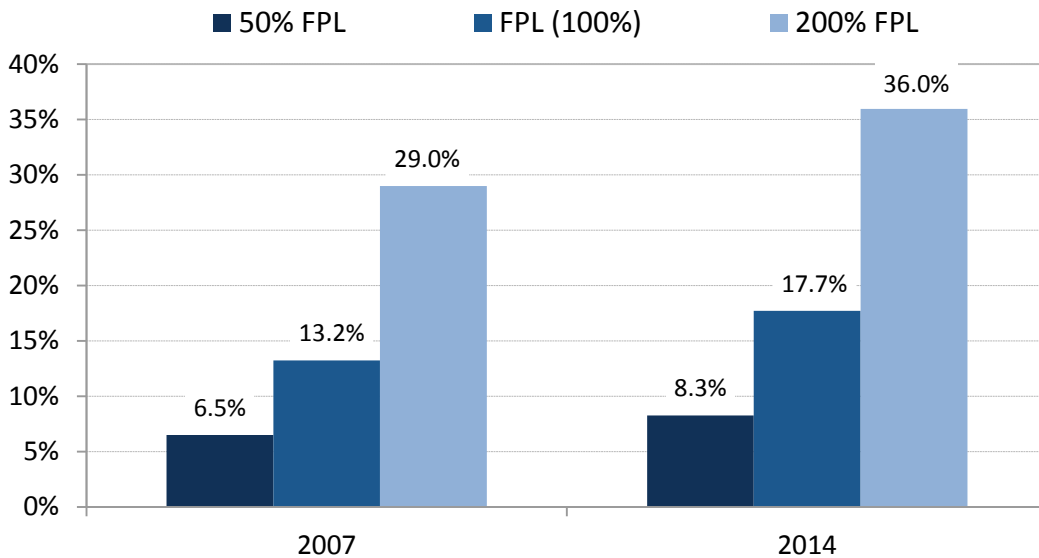
- In 2014, the percentage of people below 200% FPL was 30 percent or greater for four age groups — very young children below six years of age, young children between the ages of six and eleven, young adults between the ages of 18 and 24, and the very elderly above the age of 75.
- About 36 percent of children under the age of six were living in households with an income below 200% FPL in 2014, the equivalent of 226,956 children. The official poverty rate for this age group was 17.7percent.

- With the six- to eleven-year-old age group, 32.1 percent the children were living in households with an income below 200% FPL, the equivalent of 212,937 children. The official poverty rate for this age group was 16.0 percent.
- Among young adults between 18 and 24 years of age, 31.3 percent were living in households with an income below 200% FPL, the equivalent of 230,426 young adults. For this group, the official poverty rate was 15.1 percent.
- Among the elderly who were 75 years and over, 31.1 percent were living in households with an income below 200% FPL, or 171,233 elderly. Their official poverty rate was 9.9 percent.

Figure 29

Poverty rates for very young and young children have risen sharply

Poverty Rates for Very Young Children (under 6), 2007 and 2014



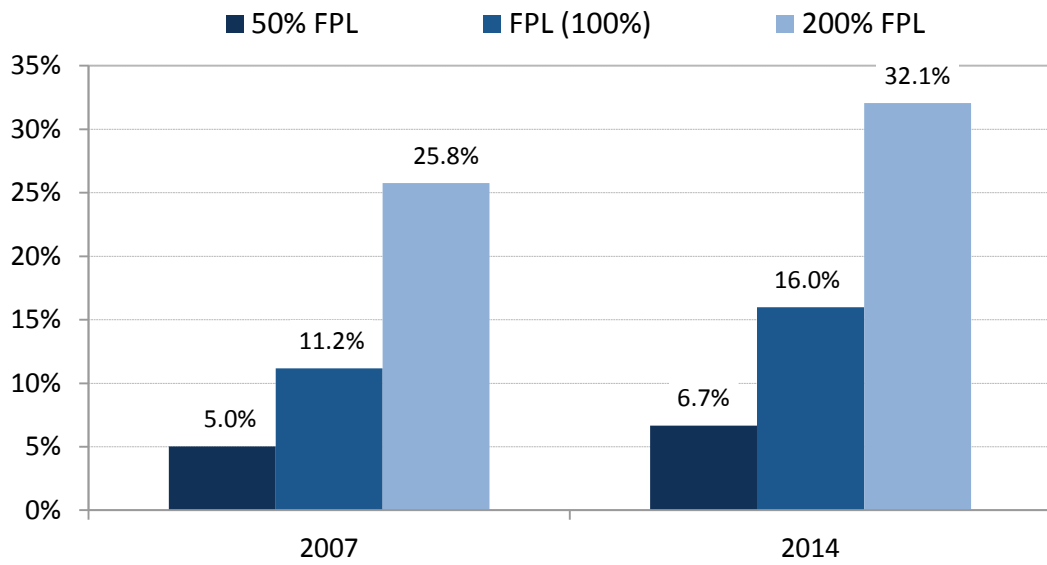
Source: U.S. Census Bureau, American Community Survey, 2007 & 2014

Notes

- Since the onset of the recession, the percentage and number of children living in poverty has risen steadily. For very young and young children, in particular, the magnitude of the poverty rate is substantial and was much higher in 2014 than it was in 2007, at the onset of the recession (see figures 29 and 30).

Figure 30

Poverty Rates for Young Children (6 to 11), 2007 and 2014

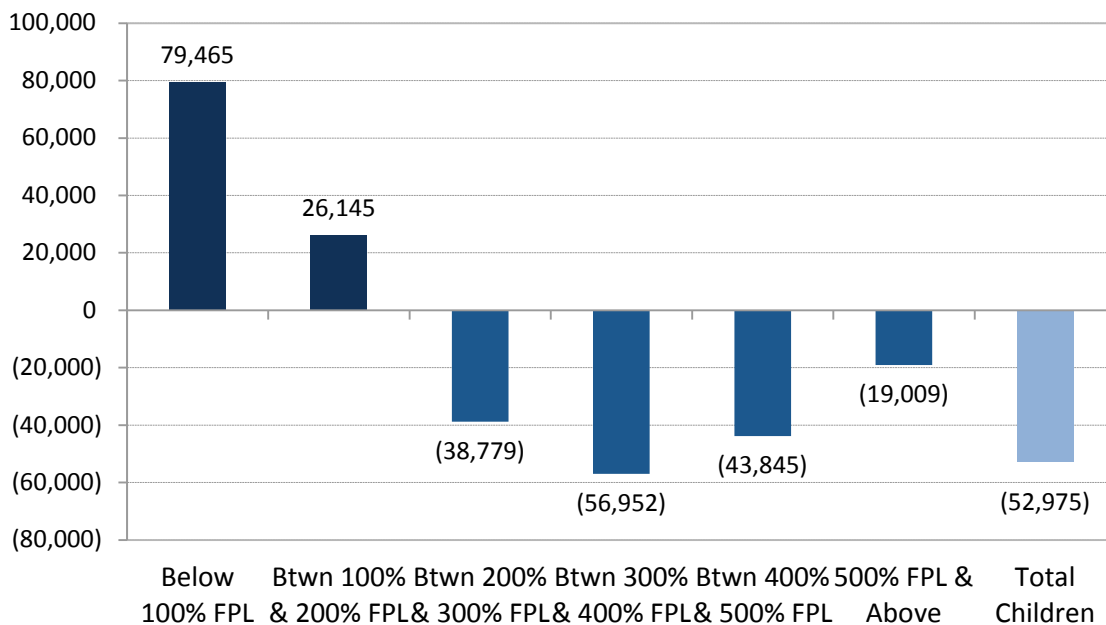


Source: U.S. Census Bureau, American Community Survey, 2006 to 2014

Figure 31

In 2014, the number of children living in households with incomes below 200% FPL was almost 106,000 children higher than it was at the onset of the recession

Change in Number of Children Living at Various Multiples of Poverty, 2007 to 2014



Source: U.S. Census Bureau, 2007 & 2014

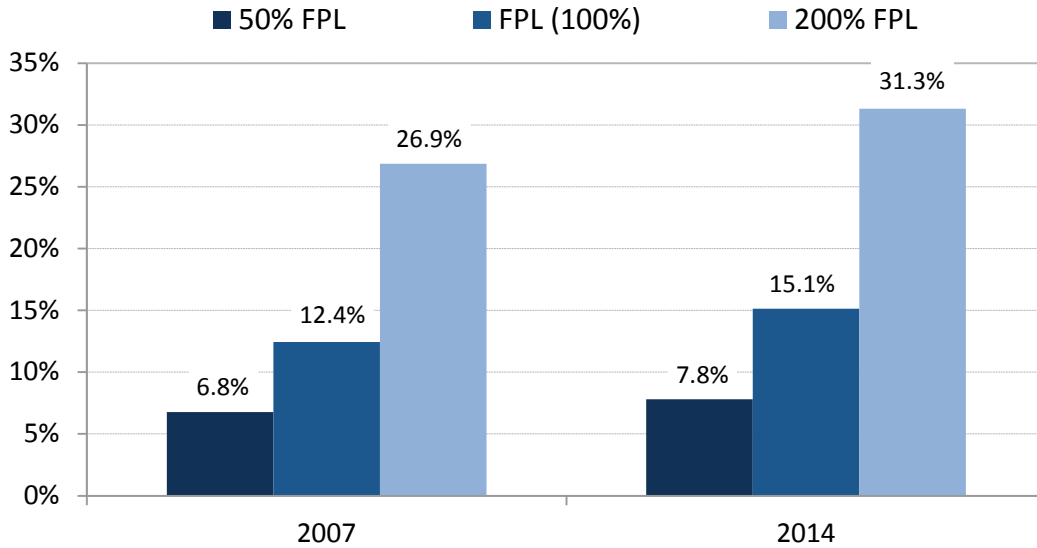
Notes

- Although the child population has declined since 2007, the number of children living in poverty has increased as more households with children have fallen into poverty.

Figure 32

Poverty rates for young adults have risen steeply

Poverty Rates for Young Adults (18 to 24), 2007 and 2014



Source: U.S. Census Bureau, American Community Survey, 2007 & 2014

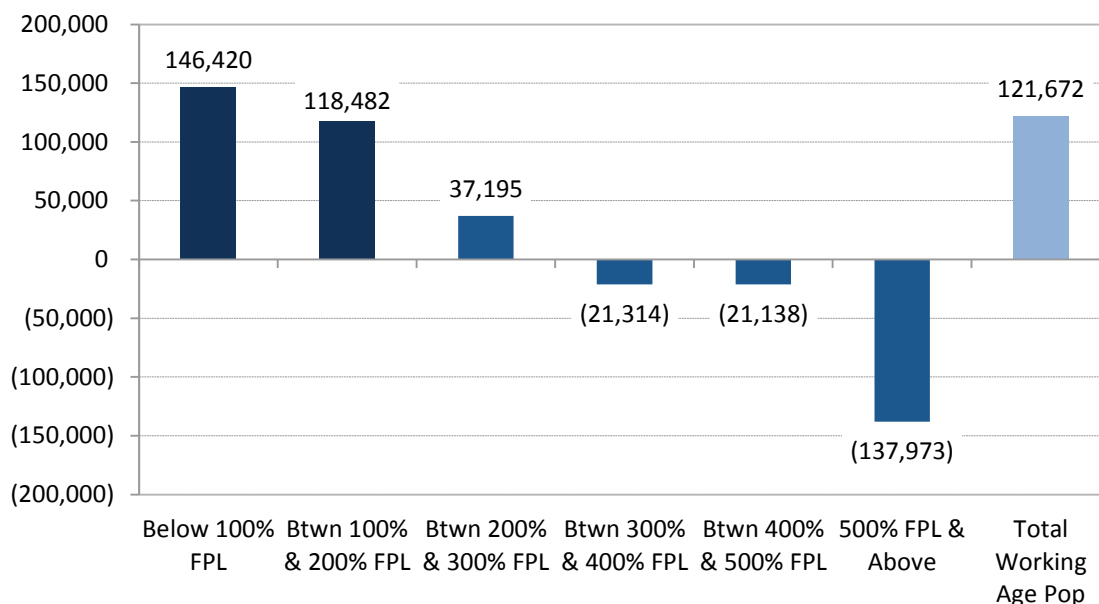
Notes

- The incidence of poverty among the working-age population increased substantially after the onset of the recession. The high unemployment rate, especially of young adults, between the ages of 18 and 24, contributed to the sharp rise in poverty of this group.
- Since the recession, the percentage of young adults between the ages of 18 and 24 living in households with an income below 200% FPL increased by 4.4 percentage points (see figure 10).
- The official poverty rate for the 18- to 24-year-olds increased from 12.4 percent in 2007 to 15.1 percent in 2014, while the severe poverty rate increased from 6.8 percent to 7.8 percent.

Figure 33

Since the beginning of the recession, almost 265,000 additional working-age residents are living in households with incomes below 200% FPL

Change in Number of Working-age Population Living at Various Multiples of Poverty, 2007 to 2014



Source: U.S. Census Bureau, 2007 & 2014

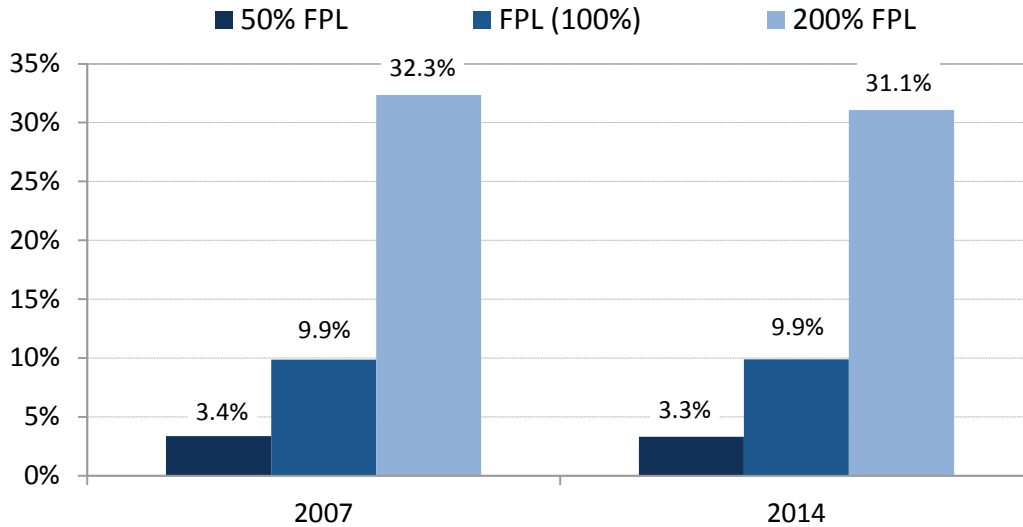
Notes

- Since the beginning of the recession, there has been a downward shift in the working-age population along the income scale.

Figure 34

Poverty rates for elderly above 75 years were high but stable

Poverty Rates for Very Elderly (over 75), 2007 and 2014



Source: U.S. Census Bureau, American Community Survey, 2007 & 2014

Notes

- The elderly seem to have weathered the recession somewhat better than other major age groupings. Their Social Security payments, which are linked to the cost of living index, provide a stable income stream that is above the official poverty level for many elderly. Social Security income, however, is well below the 200% FPL level, and the percentage of very elderly (over 75) living in households with an income below 200% FPL is particularly high.
- The percentage of the very elderly living in households with an income below 200% FPL has been consistently more than 30 percent, and reached a new high of 171,233 people in 2014.
- In contrast, the official poverty rate for the very elderly was at the same level in 2014 as it was at the outset of the recession — 9.9 percent (see figure 2.9).

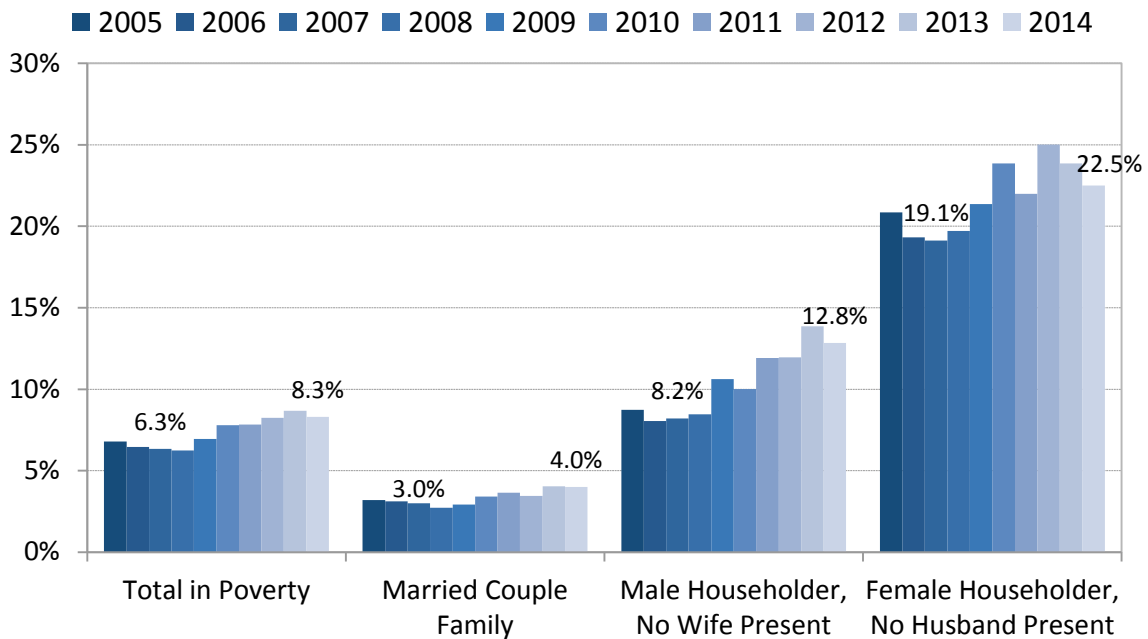
2. Female-Headed Households

Wide variations in poverty rates exist between household or family type. Although the number of female-headed families living in poverty declined for the second consecutive year in 2014 and their share of all families living in poverty dropped below the level of 2007, female-headed families are still overrepresented among families living in poverty. Almost one-quarter of all female-headed families live in official poverty. This rate rises to more than 30 percent for female-headed families with related children under the age of 18. With such high poverty rates, female-headed families are about 54 percent of all families living in poverty. Since the onset of the recession, female-headed families were about half of all additional families falling into poverty.

Figure 35

The poverty rate among female-headed families continues to be considerably higher than it is for married- or male-headed families

Poverty Rates by Household Composition, 2005 to 2014



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

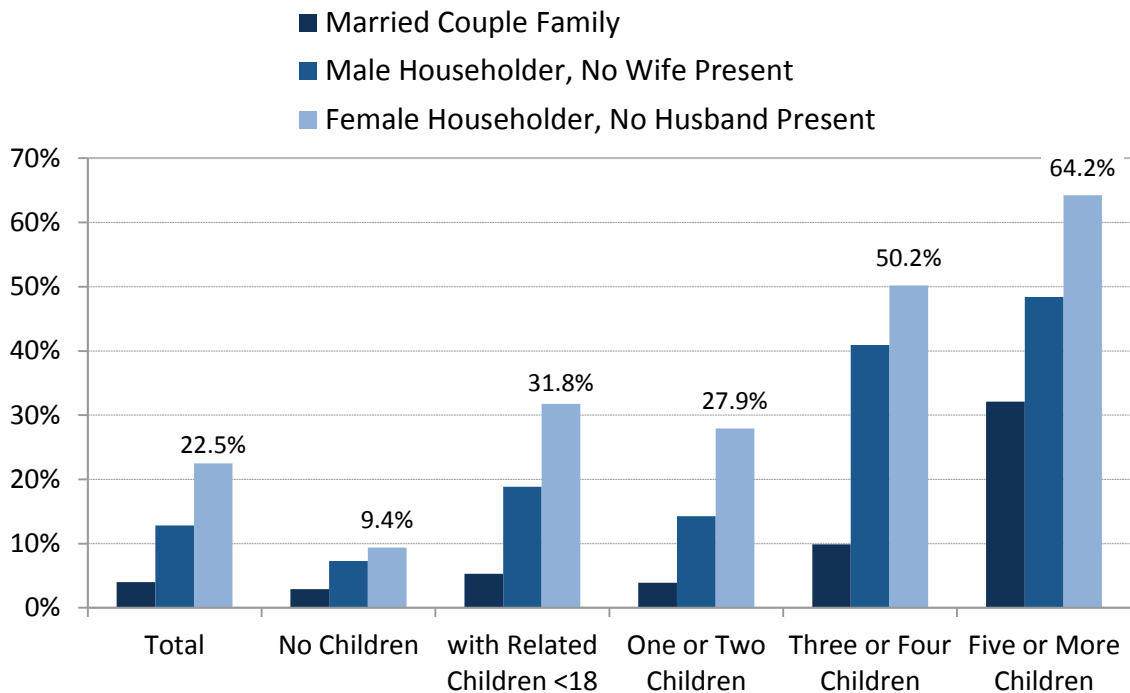
Notes

- Although the official poverty rate for female-headed families (where no husband is present) declined for the second consecutive year, 22.5 percent of all female-headed families were living in poverty in 2014. The poverty rate for female-headed families is substantially higher than it is for either married-couple families or male householders with no wife present.
- Female-headed families were almost six times as likely as married-couple families to be living in poverty and a little less than twice as likely as male-headed families where no wife is present.

Figure 36

Almost one-third of all female-headed families with related children were living in poverty in 2014

Poverty Rates by Household Type and Number of Related Children under 18, 2014



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

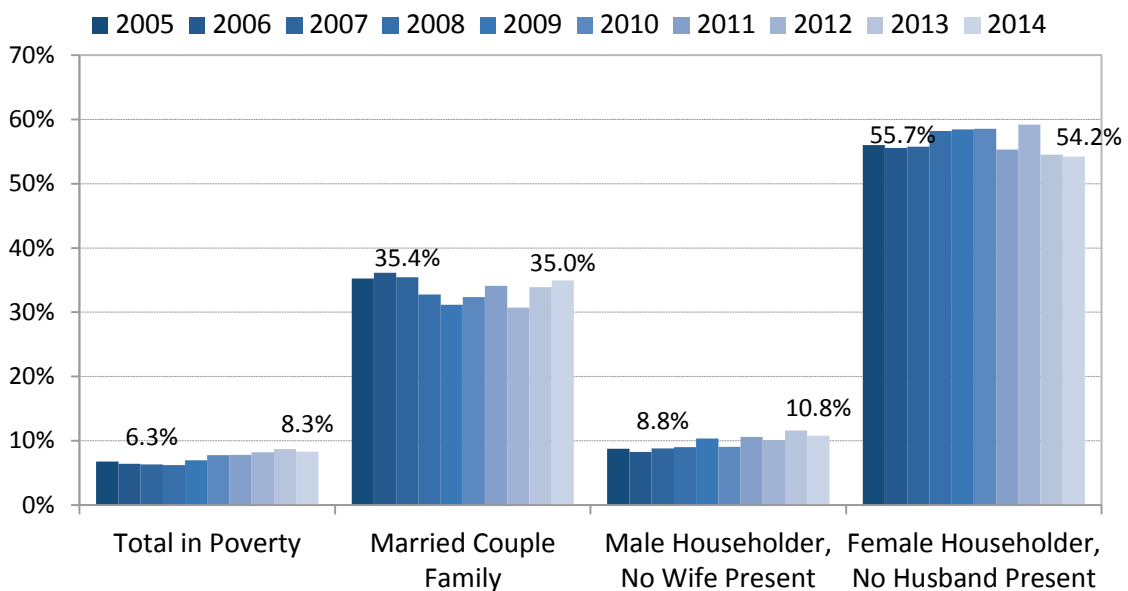
Notes

- Poverty rates are higher for families with children—the more children in the family, the higher the poverty rate. For female-headed families with related children, in particular, the poverty rate increases substantially as the number of children increases (see figure 14).
- The official poverty rate for female-headed families with children was 31.8 percent in 2014, while the poverty rate was only 9.4 percent where no related children were present.
- For female-headed families with one or two related children, the poverty rate was 27.9 percent; this grew to 50.2 percent where three or four children were present and to 64.2 percent for five or more children.
- In contrast, the poverty rate for married-couple families with related children was 5.3 percent, while for male-headed families it was 18.8 percent

Figure 37

Female-headed families made up almost 55 percent of all families living in poverty in 2014

Share of Families in Poverty by Household Composition, 2005 to 2014

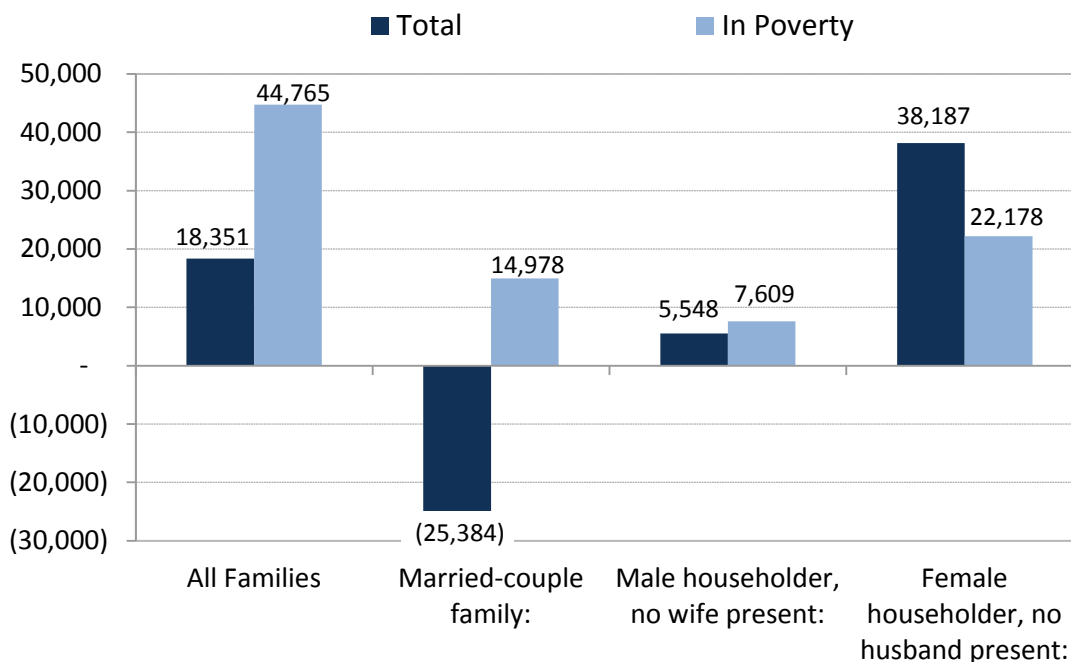


Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

Figure 38

Female-headed families were half of all families that have fallen into poverty since the onset of the recession

Change in the Number of Families Living in Poverty by Household Composition, 2007 to 2014



Source: U.S. Census Bureau, American Community Survey, 2007 and 2014

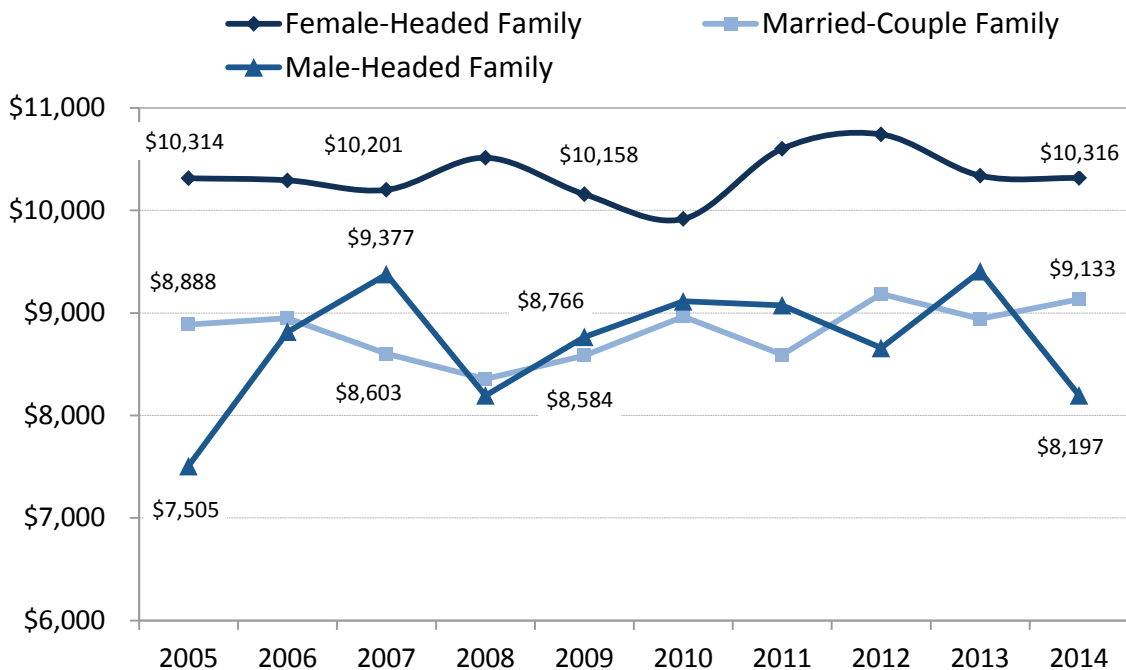
Notes

- Although the number of female-headed families in poverty declined in 2014, they still form the predominant share of additional families that have fallen into poverty since the onset of the recession.
- Between 2007 and 2014, an additional 22,178 female-headed families fell into poverty, about 50 percent of all families falling into poverty in this period.
- During the same period, the number of male-headed families living in poverty increased by 7,609, while the number of married-couples families rose by 14,978.

Figure 39

The average income deficit for female-headed families remains higher than for either married-couple families or male-headed families

Average Income Deficit for Families Living in Poverty, 2005 to 2014



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

Note: 2014 Inflation-Adjusted Dollars

Notes

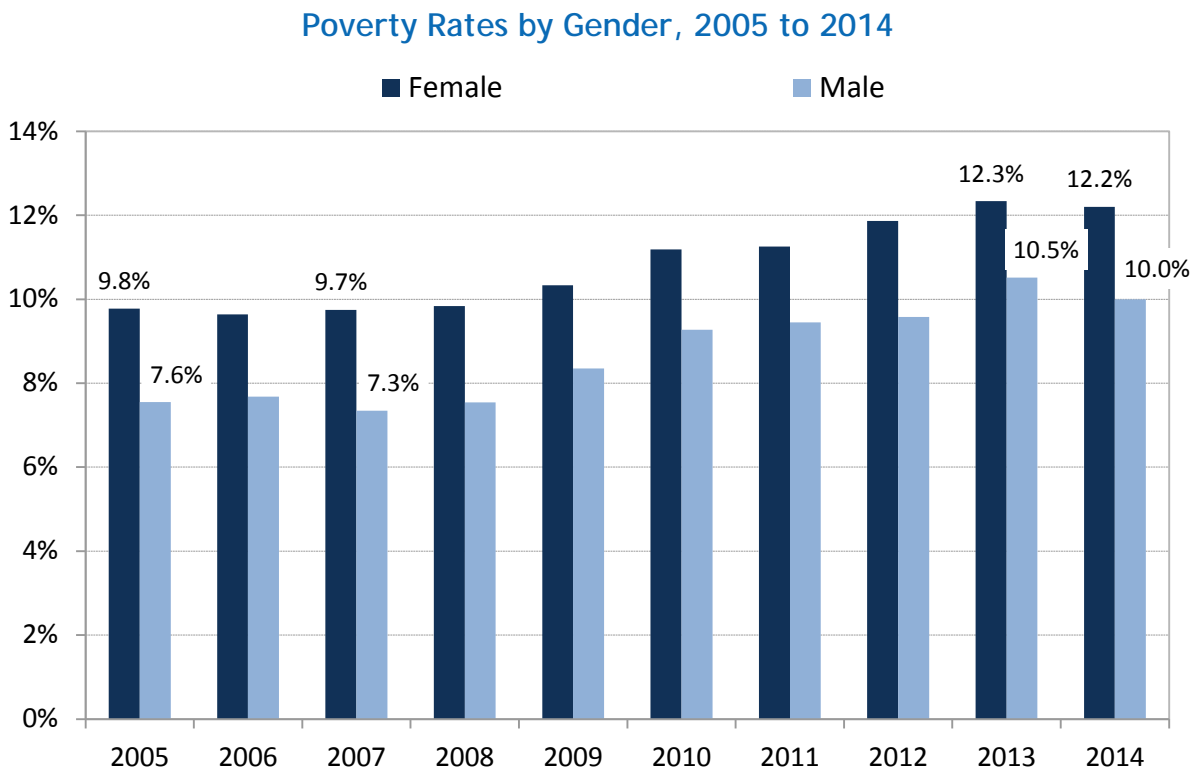
The average income deficit for female-headed families remained higher than that for either married-couple families or male-headed families in 2014.

3. Females

Females are more likely than males to be living in poverty. In 2014, however, the increase in the number of males living in poverty was greater than the increase in the number of females. As a result, the gap in the poverty rates narrowed. Similarly, among working adults the gap in the poverty rate between males and females narrowed. Furthermore, since the onset of the recession, more males than females have fallen into poverty, while among the working age the increases in the number in poverty are more or less the same.

Figure 40

Female poverty is consistently more prevalent than male poverty, but male poverty has increased by slightly more since the onset of the recession

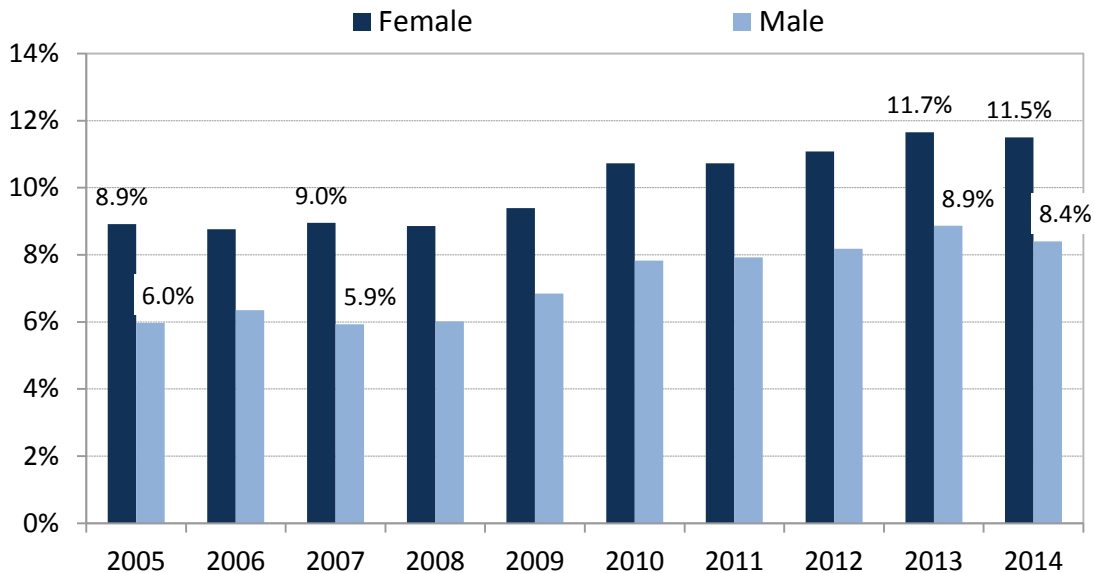


Source: U.S. Census Bureau, American Community Survey & PUMS, 2005 to 2014

Figure 41

Working-age poverty rates are lower for both females and males than for the population as a whole, but the differences between male and females are larger

Working-age Poverty Rate and Number in Poverty by Gender, 2005 to 2014



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

Notes

The difference in working age poverty rates between females and males is larger than for the overall population.

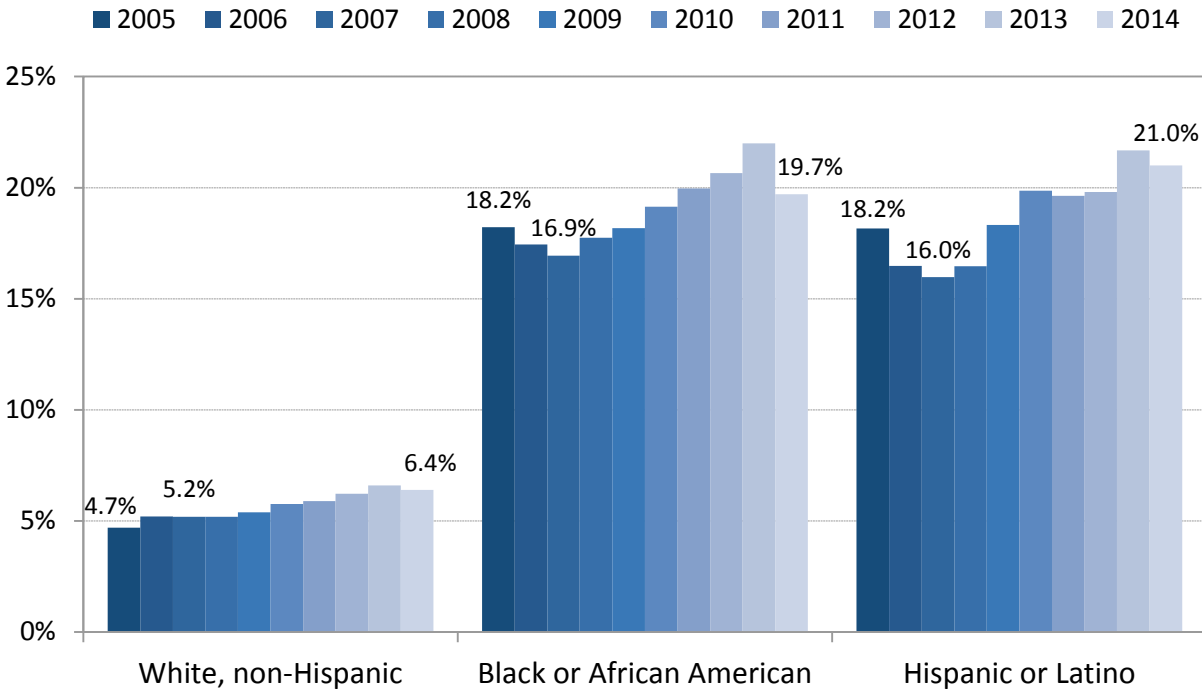
4. Blacks and Hispanics

Poverty rates remain disproportionately higher for Blacks and Hispanics. With their poverty rates at least three times those of White non-Hispanics, the share of Blacks and Hispanics in official poverty is larger than their share of the overall population. The differential is even greater for Black and Hispanic children. In 2014, both the overall Hispanic poverty rate as well as the Hispanic child poverty rate was higher than the corresponding poverty rates for White non-Hispanics and Blacks. In addition, the number of Hispanics living in poverty was larger than for any other racial or ethnic group.

Figure 42

About one-fifth of all Hispanic and Black New Jerseyans were living in poverty in 2014

Poverty Level by Race and Ethnicity, 2005 to 2014



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

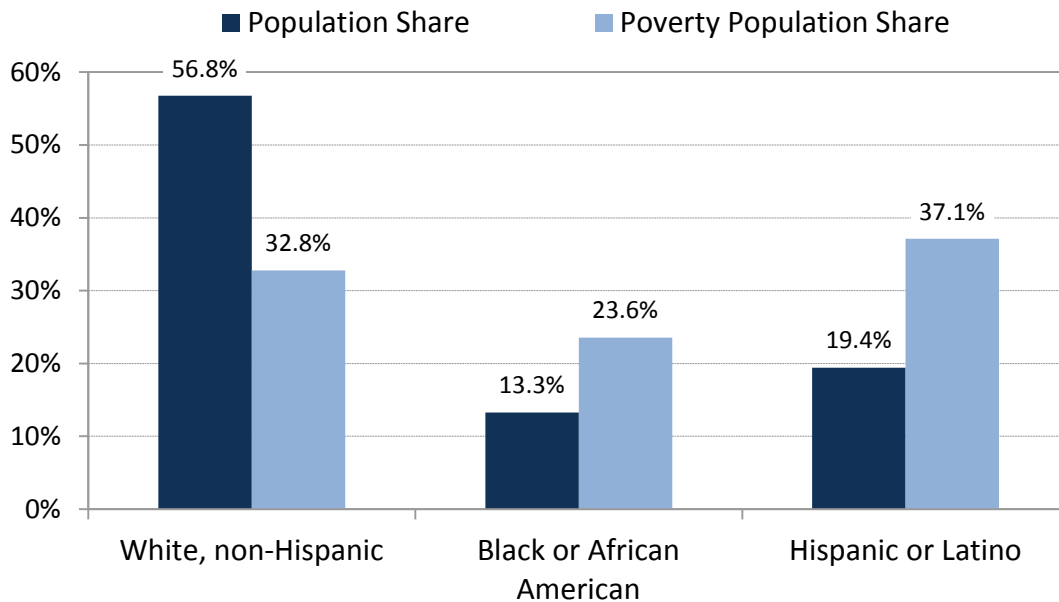
Notes

- In 2014, the official poverty rate for Hispanics stood at 21.0 percent, five percentage points above the 2007 low mark. The official poverty rate for Blacks was slightly lower, standing at 19.7 percent — 2.8 percentage points above the 2007 low rate of 16.9 percent.
- In contrast, the official poverty rate for White non-Hispanics was a much lower 6.4 percent in 2014 — only 1.2 percentage point above the 2007 level of 5.2 percent.
- Although fewer in total number, more Hispanics were living in poverty in 2014 than any other racial or ethnic group.

Figure 43

Blacks and Hispanics are disproportionately represented among the population in poverty

Population Share and Poverty Population Share by Race and Ethnicity, 2014



Source: U.S. Census Bureau, American Community Survey, 2014

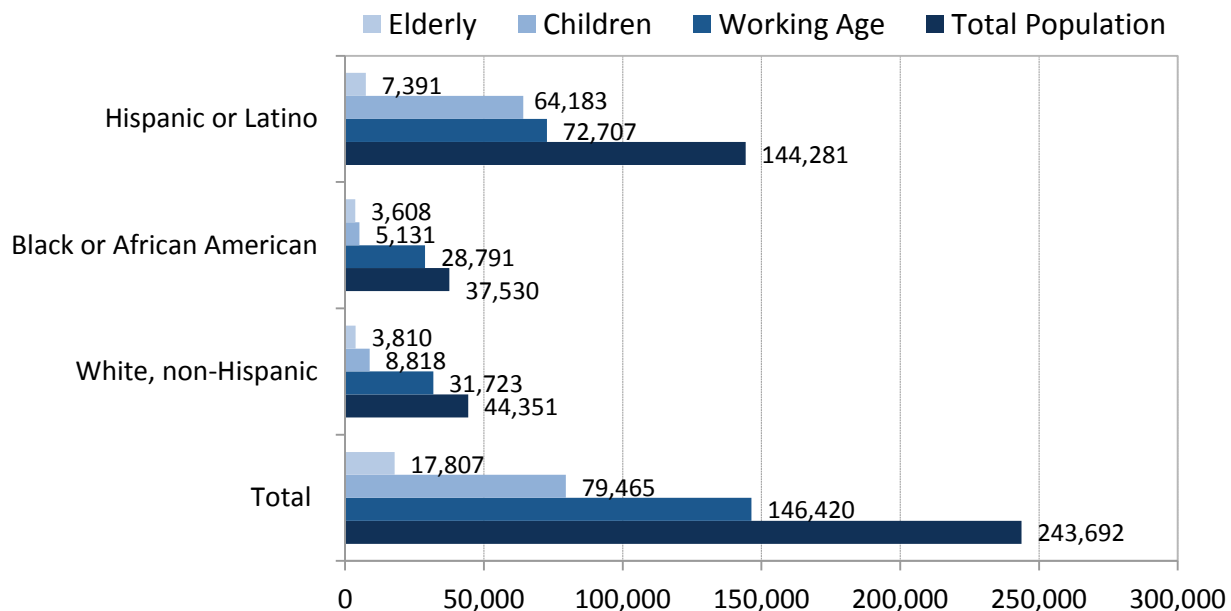
Notes

- The share of Blacks and Hispanics living in official poverty was almost twice their share of the overall population in 2014.
- Although Blacks made up 23.6 percent of the population living in poverty while Hispanics were 37.1 percent, their shares of the total population were about one-half of their poverty population share — 13.3 percent and 19.4 percent, respectively.
- In contrast, White non-Hispanics were 56.8 percent of the total population, but only 32.8 of the population living in poverty.

Figure 44

Poverty among the Hispanic population is growing in larger numbers than it is for either the Black or White non-Hispanic population

Change in the Number of People Living in Poverty by Race and Ethnicity, 2007 to 2014



Source: U.S. Census Bureau, American Community Survey, 2007 & 2014

Notes

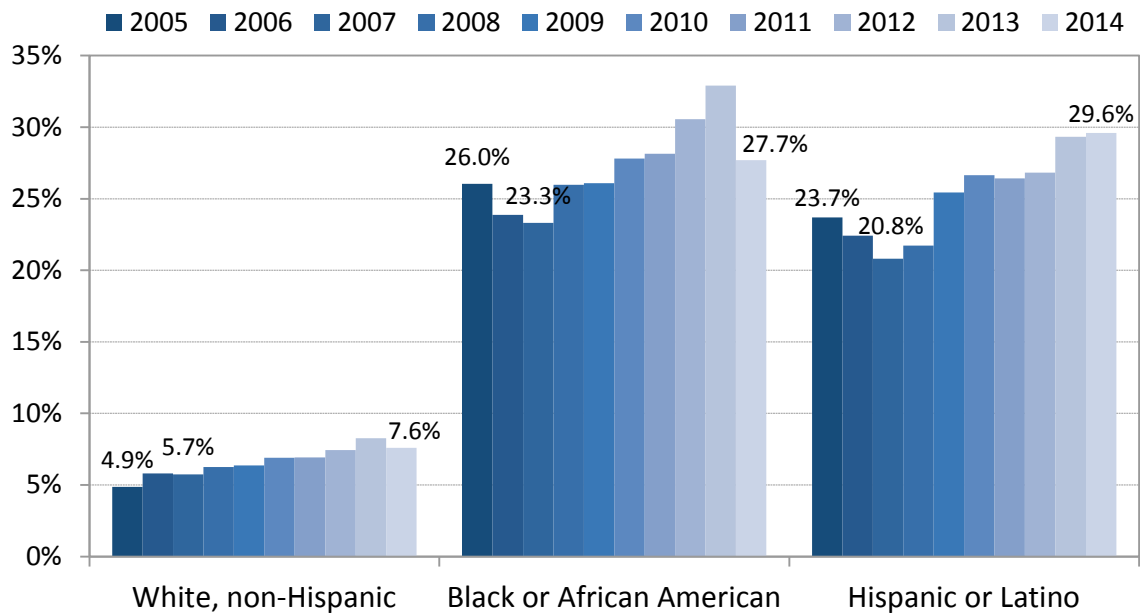
- Since the onset of the recession, the increase in the number of Hispanics of all major age groups falling into official poverty has far surpassed that for Blacks or White non-Hispanics.
- An additional 144,281 Hispanics have fallen into poverty since 2007 — almost four times the number for Blacks (37,530), and more than three times that for white non-Hispanics (44,351).
- The number of Hispanic children living in official poverty far exceeds that for either Black or White non-Hispanic children; moreover, the gap has widened substantially over time. In 2014, there were 147,176 Hispanic children living in poverty, compared to 80,881 Black children and 73,460 White non-Hispanic children.

- Since 2007, the growth in the number of Hispanic children living in poverty has outpaced that for both Black and White non-Hispanic children — the number of Hispanic children in poverty grew by 64,183, compared to an additional 5,131 Black children and an additional 8,818 White non-Hispanic children.

Figure 45

Hispanic and Black child poverty rates are almost four times the rate for White non-Hispanic children

Poverty Level by Race and Ethnicity for Child Population, 2005 to 2014



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

Notes

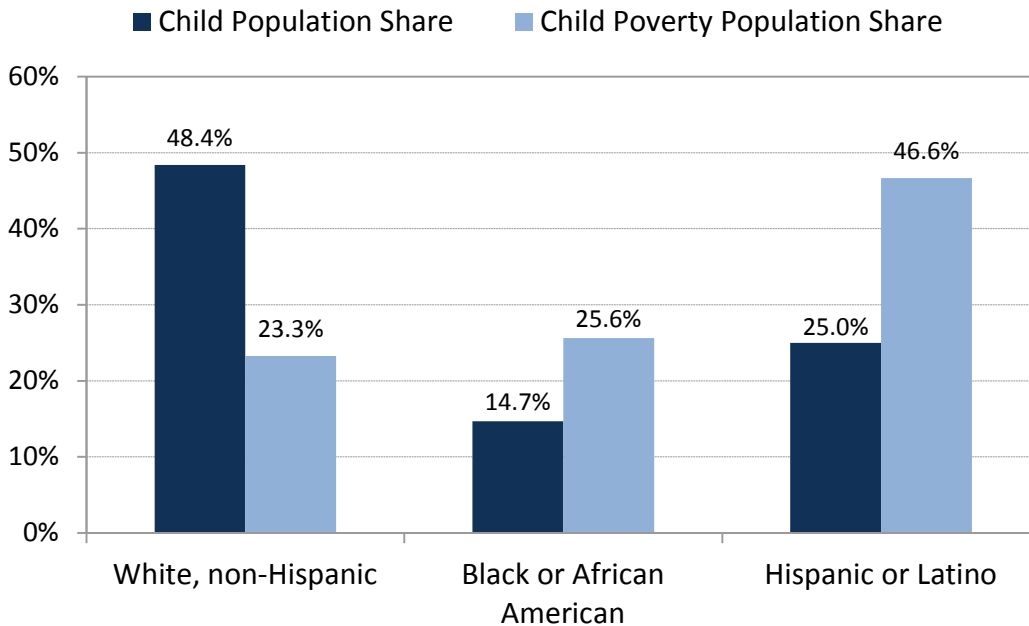
- In 2014, while Hispanic child poverty reached a new high at 29.6 percent, Black child poverty declined, falling back to 27.7 percent, after reaching a high of 32.9 percent in 2013.
- Since 2007, Hispanic child poverty has increased 8.8 percentage points, while Black child poverty is still 4.4 percentage points higher than it was in 2007.

- White non-Hispanic child poverty was 7.6 percent in 2014 — the Hispanic child poverty rate was 3.9 times that of the White non-Hispanic child poverty rate, while the Black child poverty was 3.6 times that of the White non-Hispanic child poverty rate

Figure 46

The share of Black and Hispanic children in poverty is almost twice their share of the total child population

Child Population Share and Child Poverty Population Share by Race and Ethnicity, 2014



Source: U.S. Census Bureau, American Community Survey, 2014

Notes

- While the share of Black and Hispanic children living in official poverty was almost twice their share in the overall population in 2014, the share of White non-Hispanic children in poverty was less than half their share of the overall child population. In 2014, Hispanic children made up 46.6 percent and black children 25.6 percent of the children living in poverty, while they were only 25.0 percent and 14.7 percent of the overall child population, respectively.
- In contrast, White non-Hispanic children comprised almost half the total child population, but only 23.3 percent of the children living in poverty.

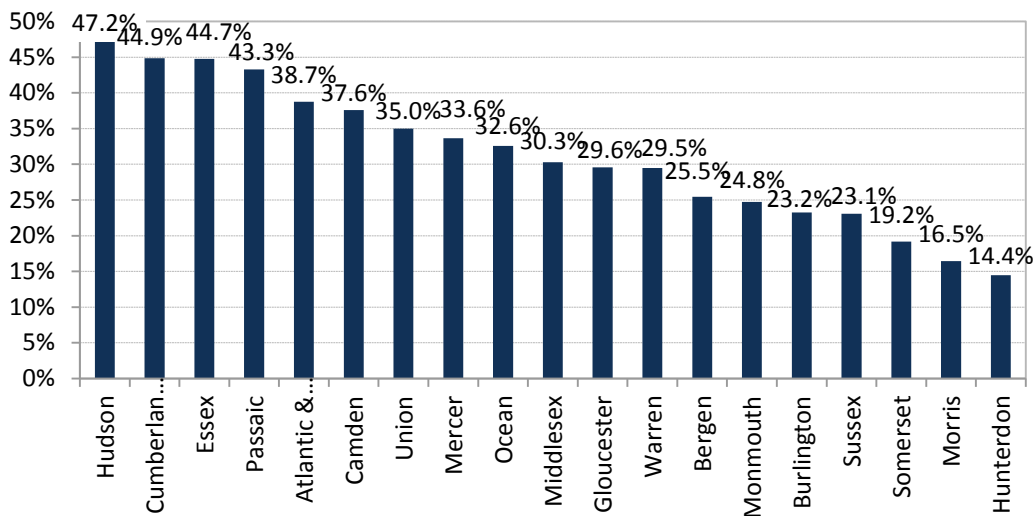
5. Counties and Municipalities

Geographically, poverty is distributed quite unevenly across New Jersey. Poverty tends to be highest in the south and in the historic urban counties along the Route 1 corridor.

Figure 47

Poverty tends to concentrate along the Route 1 corridor in the north and in the agricultural counties in the south

Percentage of Total Population Living in Households with an Income below 250% FPL by County, 2013



Source: U.S. Census Bureau, American Community Survey, PUMS, 2013

Notes

- Over 40% of residents in Hudson, Essex, and Passaic counties, historic urban counties along the Route 1 corridor, and in the southern counties of Cumberland and Salem, had an income below 250% FPL in 2013.
- The official poverty level was highest in 2014 in Cumberland County — 19.8 percent, while 8.6 percent of the population lived in severe poverty (below 50% FPL).
- In contrast, the official poverty rate was lowest in Somerset County — 4.1 percent, while 1.4 percent of the population lived in households with an income below 50% FPL.

Figure 48

**Percentage of Total Population Living in Households with Incomes below
50%, 100%, & 200% % by County, 2014**

County	Below 50% FPL	Below 100% FPL	Below 200% FPL
Atlantic	6.8%	15.5%	34.7%
Bergen	3.6%	7.7%	18.4%
Burlington	3.4%	7.1%	17.2%
Camden	6.8%	13.1%	29.2%
Cape May	6.6%	13.5%	29.7%
Cumberland	8.6%	19.8%	43.7%
Essex	6.8%	16.8%	34.6%
Gloucester	3.8%	8.0%	18.5%
Hudson	7.7%	17.8%	37.3%
Hunterdon	1.5%	4.7%	11.4%
Mercer	5.5%	11.9%	25.5%
Middlesex	3.6%	8.2%	21.2%
Monmouth	3.3%	8.2%	17.9%
Morris	2.4%	4.7%	12.3%
Ocean	5.0%	12.0%	25.8%
Passaic	8.5%	18.5%	34.4%
Salem	5.9%	13.9%	29.9%
Somerset	1.4%	4.1%	13.4%
Sussex	3.7%	6.1%	18.6%
Union	4.8%	11.1%	28.2%
Warren	3.1%	8.3%	17.6%
New Jersey	4.9%	11.1%	24.9%

Source: U.S. Census Bureau, American Community Survey, 2014

Notes

See the PRI website for a full listing of poverty rates by county for the years 2006 to 2012 as well as the poverty rates by county for children, the working age and the elderly — www.lsnj.org/NewJerseyPovertyData.aspx.

Figure 49

Municipal poverty tends to concentrate in the urban centers along the Route 1 corridor in the north and in the urban centers serving the agricultural counties in the south, and poverty tends to concentrate in municipalities with majority minority populations

Municipalities with an Official Poverty Rate of more than 15 Percent and a Population of 20,000 or more in 2013

Municipality	2007	2009	2013
Camden	40.5%	36.7%	41.2%
New Brunswick	24.2%	24.7%	37.5%
Atlantic City	22.5%	26.1%	36.6%
Bridgeton	24.9%	25.2%	31.9%
Lakewood	23.5%	26.9%	32.8%
Newark	24.1%	24.2%	30.6%
Passaic	26.9%	29.6%	30.4%
Paterson	24.5%	26.7%	28.6%
Trenton	22.1%	24.1%	26.8%
Pleasantville	N/A	N/A	26.1%
Union City	19.3%	19.7%	25.9%
Orange	16.7%	15.2%	25.6%
Perth Amboy	17.4%	19.3%	25.4%
Plainfield	17.1%	15.5%	23.6%
Irvington	14.8%	17.7%	22.4%
East Orange	26.9%	20.8%	22.4%
West New York	17.1%	17.5%	22.4%
Long Branch	15.5%	13.4%	19.2%
Jersey City	17.4%	16.1%	18.8%
Millville	21.1%	22.1%	18.7%
Elizabeth	17.6%	16.8%	18.3%
Vineland	13.3%	13.5%	17.9%
Hackensack	10.5%	8.8%	17.8%
North Bergen	12.4%	9.7%	16.6%
Cliffside Park	10.6%	10.6%	15.4%
Carteret	15.6%	15.9%	15.4%
Bayonne	12.2%	12.0%	15.4%
Garfield	12.4%	12.5%	15.0%

Source: U.S. Census Bureau, American Community Survey, 3-Year Averages

Notes

- 28 municipalities had a population of more than 20,000 and an official poverty rate of 15% FPL or more in 2013. Poverty was highest in Camden, where 41.2 percent of the population lived in households with an income below the official poverty rate.
- In all, but three of these 28 municipalities, the poverty rate has increased substantially since the onset of the recession in 2007.

Figure 50

Demographic Composition of Municipalities with an Official Poverty Rate of more than 15 Percent and a Population of 20,000 or more in 2013

Municipality	White non-Hispanic	Black non-Hispanic	Asian non-Hispanic	Hispanic or Latino
Camden	4.5%	43.1%	2.1%	48.0%
New Brunswick	20.6%	14.1%	7.9%	55.9%
Atlantic City	22.2%	33.9%	14.8%	26.9%
Bridgeton	16.5%	32.7%	0.4%	48.0%
Lakewood	77.7%	4.1%	0.6%	16.8%
Newark	11.0%	49.0%	1.5%	34.7%
Passaic	15.1%	8.2%	2.5%	73.0%
Paterson	8.0%	28.3%	3.9%	59.1%
Trenton	12.8%	51.6%	1.1%	33.3%
Pleasantville	19.6%	35.6%	3.0%	37.9%
Union City	9.4%	1.2%	2.1%	87.0%
Orange	3.0%	72.3%	1.7%	21.1%
Perth Amboy	11.7%	5.1%	1.5%	80.6%
Plainfield	7.8%	43.4%	2.2%	37.8%
Irvington	2.4%	84.4%	1.1%	10.3%
East Orange	2.5%	88.2%	0.9%	6.0%
West New York	12.8%	1.0%	3.9%	80.4%
Long Branch	52.6%	13.0%	2.3%	28.2%
Jersey City	21.7%	23.4%	24.8%	27.3%
Millville	61.3%	17.6%	0.7%	18.3%
Elizabeth	15.3%	16.7%	1.8%	63.2%
Vineland	47.0%	12.3%	1.4%	36.5%
Hackensack	30.7%	22.8%	11.6%	33.2%
North Bergen	17.4%	1.5%	6.3%	73.5%
Cliffside Park	50.9%	2.2%	14.9%	30.3%
Carteret	N/A	N/A	N/A	29.6%
Bayonne	59.4%	9.0%	9.3%	19.7%
Garfield	56.7%	5.7%	1.1%	35.9%

Source: U.S. Census Bureau, American Community Survey, 3-Year Averages 2011-2013

Notes

- In 21 of the 28 municipalities with an official poverty rate that was greater than 15 percent in 2013, Blacks or Hispanics comprised the majority share of the population.
- Hispanics were the largest population group in 14 of the 28 municipalities, their majority share ranging from a high of 87.0 percent in Union City to a low of 27.3 percent in Jersey City.
- Blacks made up the largest population group in seven of the municipalities, ranging from a high of 88.2 percent in East Orange to a low of 33.9 percent in Atlantic City.
- Whites were the largest population group in seven municipalities, ranging from a high of 77.7 percent in Lakewood to a low of 47.0 percent in Vineland.

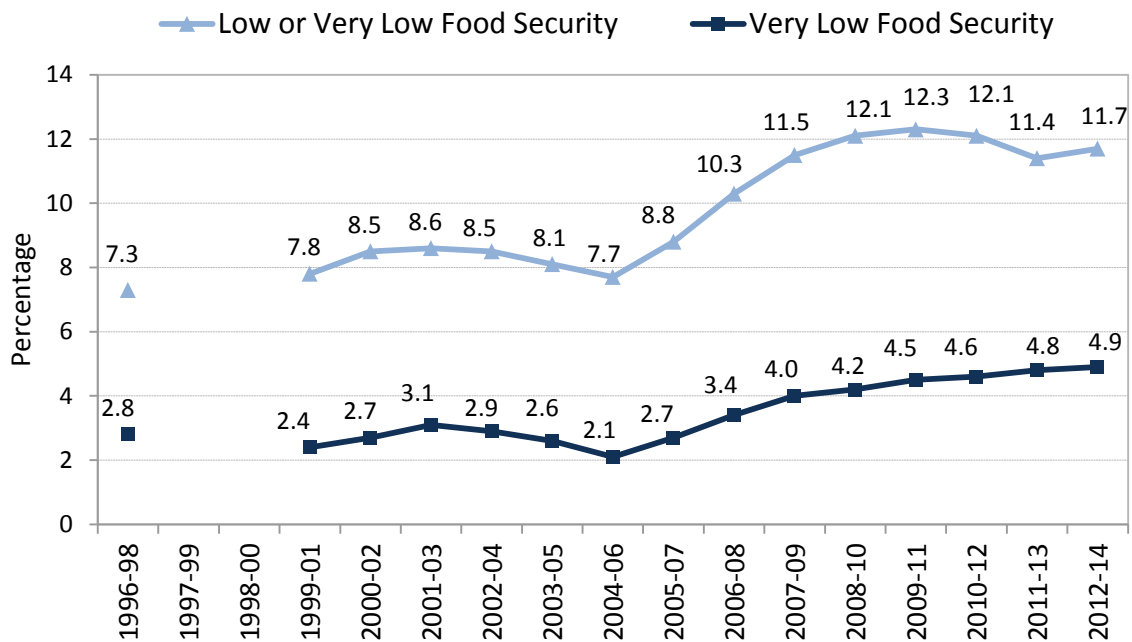
Part Three—Effects of Poverty

1. Food Insecurity

Figure 51

Both low and very low food security have increased

Household Food Insecurity Indices, New Jersey, 1996 to 2014



Source: PRI Analysis of US Department of Agriculture, Household Food Insecurity in the United States

Notes: Published data not available for years 1997-99 and 1998-2000

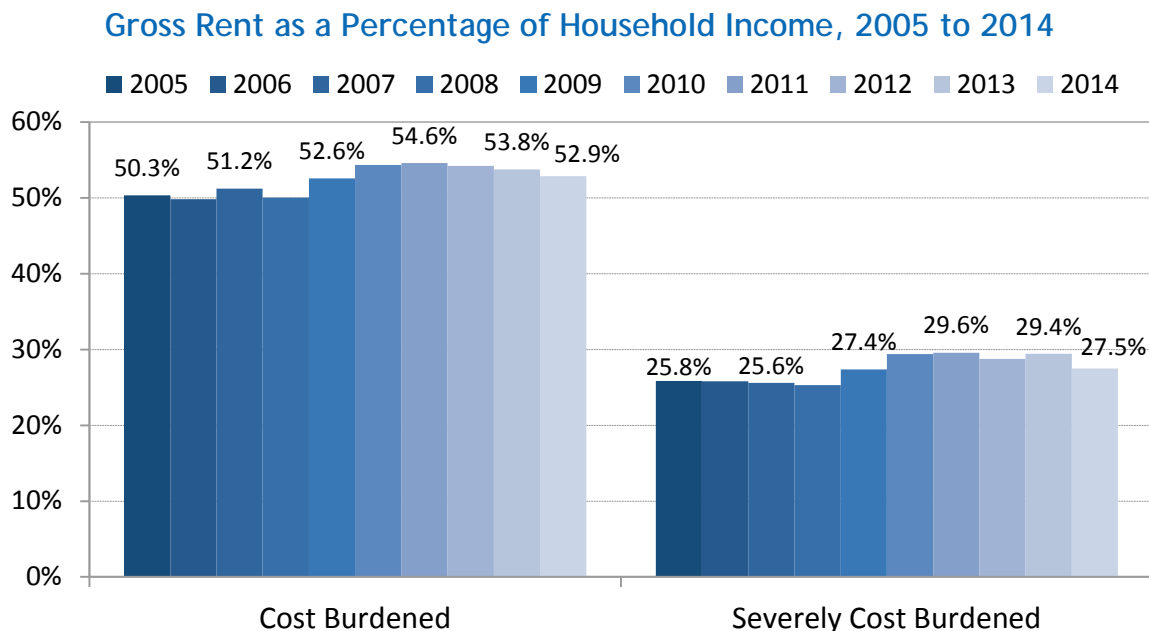
Notes

- The percentage of New Jersey households without enough food for all its members intensified as the recession progressed. Very low food³ security continued its upward trajectory.
- The level of food insecurity rose sharply after the onset of the recession, reaching a high of 12.3 percent in 2009-11, the highest rate since USDA began monitoring food insecurity in 1996.
- The percentage of households with very low food insecurity climbed to a new high of 4.9 percent in 2012-14.

2. Housing Costs

Figure 52

More than half of all renter households experience onerous housing costs



Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

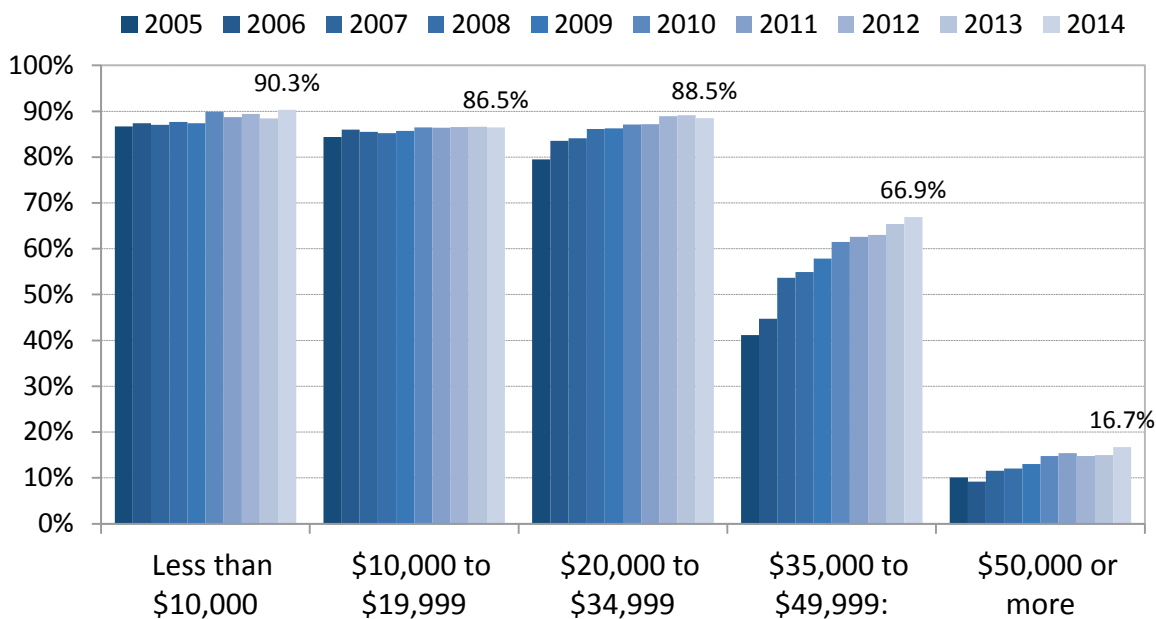
Notes

- Housing costs in New Jersey remain among the most expensive in the country. Calculations made by the National Low Income Housing Coalition (NLIHC) show only three states (Hawaii, California, and Maryland) and the District of Columbia have higher housing costs. NLIHC estimates that the HUD Fair Market Rent (FMR) for a two-bedroom apartment in New Jersey was \$1,296 in 2014.
- Although the percentage of cost-burdened (more than 30% of income) renter households continued to decline in 2014 and the percentage of severely cost-burdened renter households (more than 50% of income) declined slightly in 2014 after rising in 2013, they both remained higher than the levels at the onset of the recession in 2007.

Figure 53

Almost 90 percent of renter households with incomes below \$35,000 experience burdensome housing costs

Percentage of Cost-Burdened Renters by Income Level, 2005 to 2014



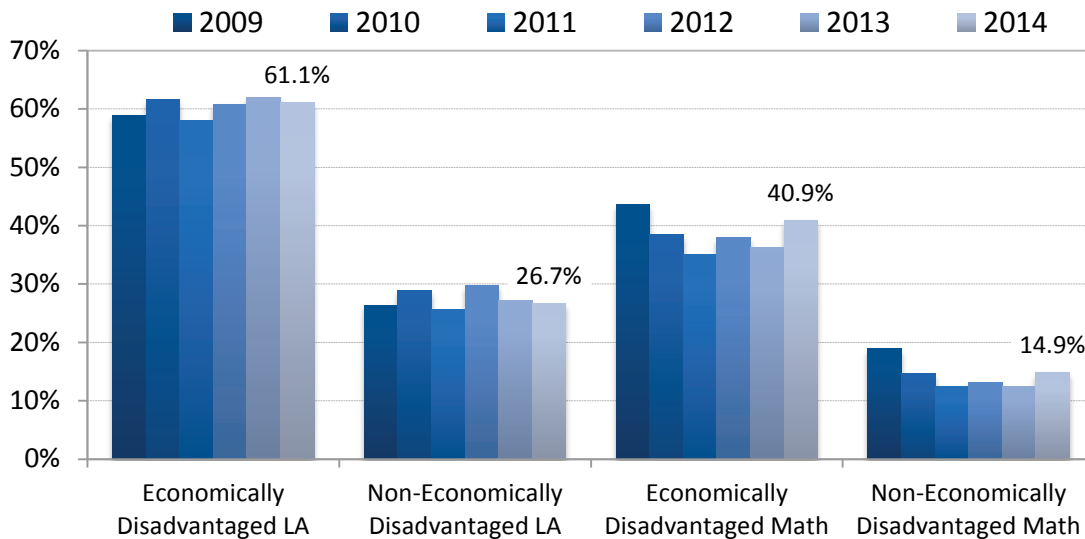
Source: U.S. Census Bureau, American Community Survey, 2005 to 2014

3. Educational Attainment

Figure 54

“Economically disadvantaged” students are consistently less proficient in language arts and mathematics than students from “economically advantaged” backgrounds

Grade 5 Students Partially Proficient in Language Arts and Mathematics, 2009 to 2014



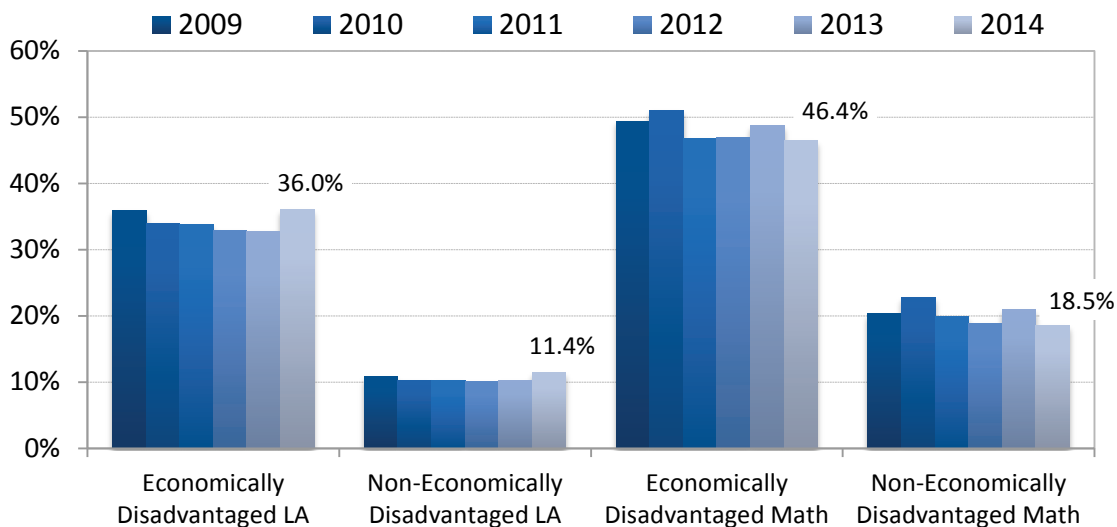
Source: PRI Analysis of New Jersey Department of Education Data

Notes

- Living in a low-income household increases the likelihood of a student performing less proficiently at school. In turn, extending the cross-generational cycle of poverty, lower educational attainment increases the probability of living in poverty.
- Consistently, across grades 5, 8, and 11, language arts and mathematics students from economically disadvantaged households were less proficient than their peers from economically advantaged households.

Figure 55

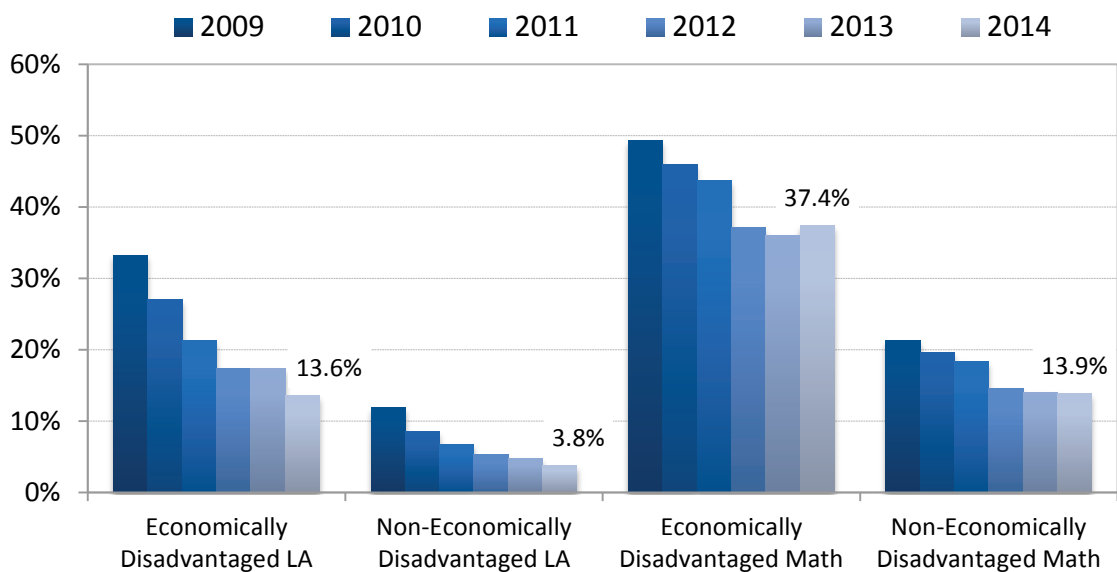
Grade 8 Students Partially Proficient in Language Arts and Mathematics, 2009 to 2014



Source: PRI Analysis of New Jersey Department of Education Data

Figure 56

Grade 11 Students Partially Proficient in Language Arts and Mathematics, 2009 to 2014



Source: PRI Analysis of New Jersey Department of Education Data

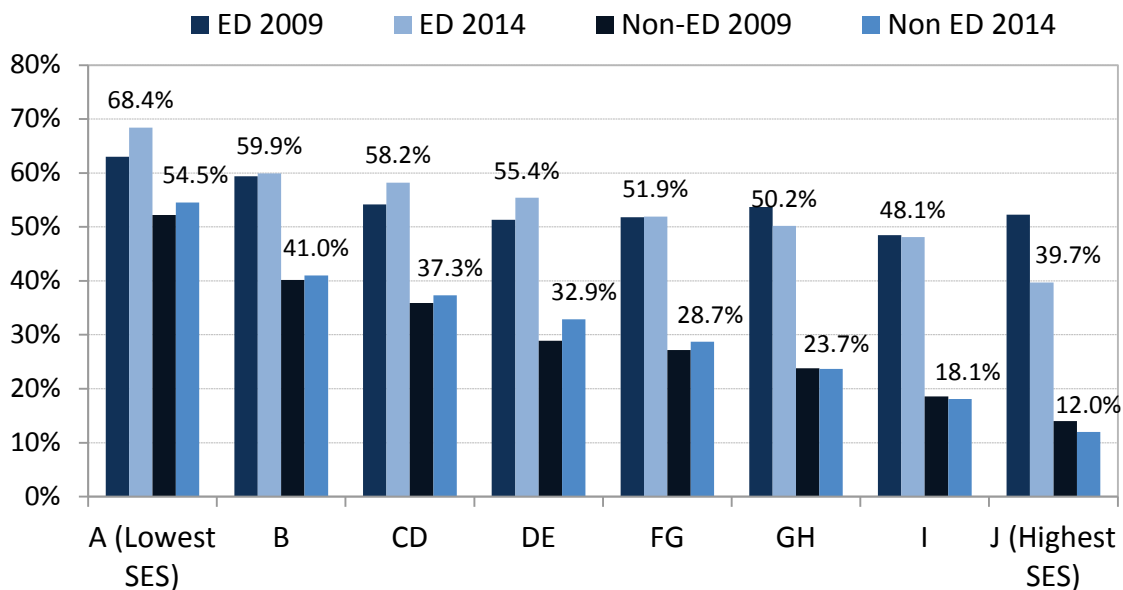
Notes

- In grade 11 there was further improvement in proficiency levels for language arts, but the disparity between economically disadvantaged and economically advantaged students remained glaring. In mathematics, 37.4 percent of the economically disadvantaged students were less proficient, compared to 13.9 percent of the economically advantaged students. In language arts, the relationship was 13.6 percent compared to 3.8 percent, respectively.

Figure 57

Within every school district, students from economically disadvantaged households perform less proficiently than their peers from economically advantaged households

Grade 4 Students Partially Proficient in Language Arts by Socioeconomic Status (SES) of School District, 2009 & 2014



Source: PRI Analysis of New Jersey Department of Education Data

Note: ED = Economically Disadvantaged; Non-ED = Non-Economically Disadvantaged

School District Classification

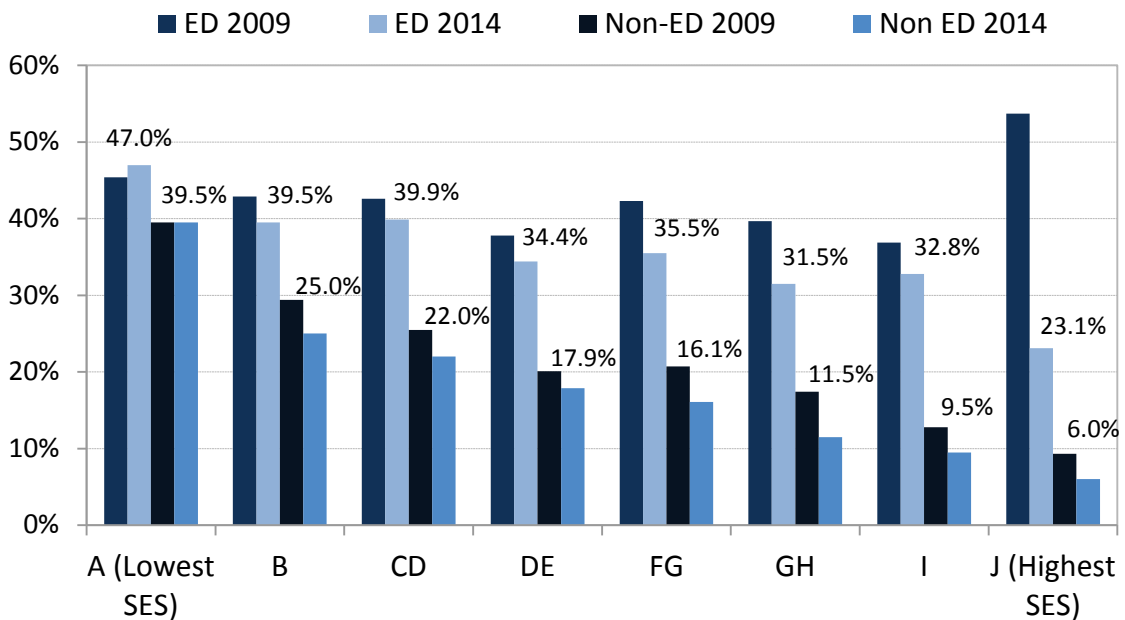
Public schools in New Jersey are divided into 10 sub-groups or District Factor Groups (DFGs). Eight (A, B, CD, DE, FG, GH, I, and J) are based on the socio-economic status of the district. “A” Districts are considered to have the lowest socio-economic status, while “J” Districts are considered to have the highest socio-economic status. Vocational schools and charter schools are two separate classifications, not related to socio-economic status.

Notes

As the socioeconomic status of a school district rises, the performance of students from economically disadvantaged households improves, although the gap between students from economically disadvantaged and non-economically disadvantaged households widens.

Figure 58

Grade 4 Students Partially Proficient in Mathematics by Socioeconomic Status (SES) of School District, 2009 & 2014

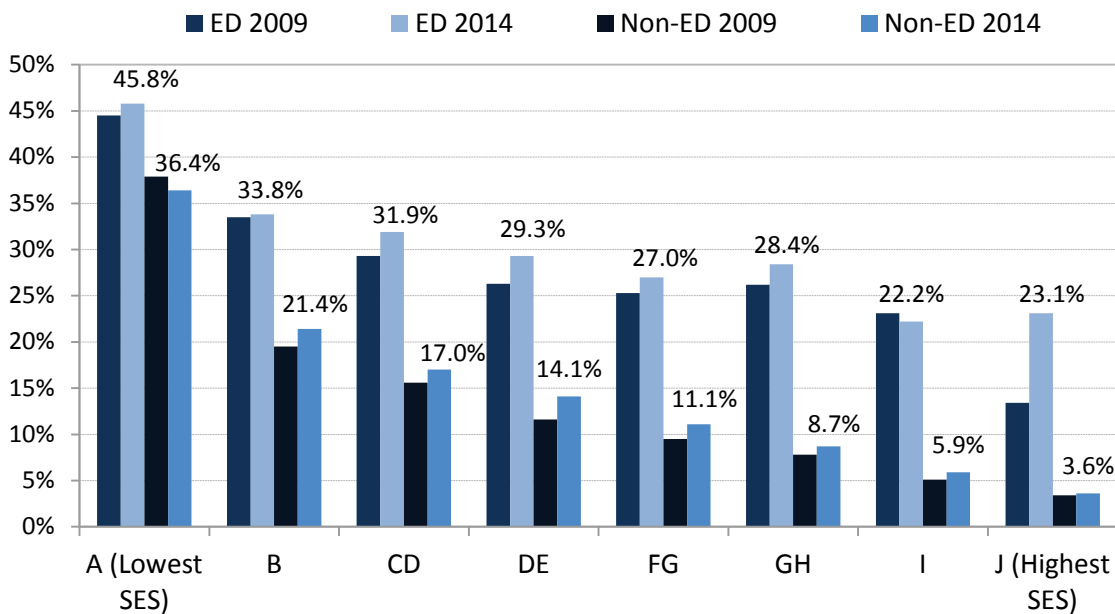


Source: PRI Analysis of New Jersey Department of Education Data

Note: ED = Economically Disadvantaged; Non-ED = Non-Economically Disadvantaged

Figure 59

Grade 8 Students Partially Proficient in Language Arts by Socioeconomic Status (SES) of School District, 2009 & 2014

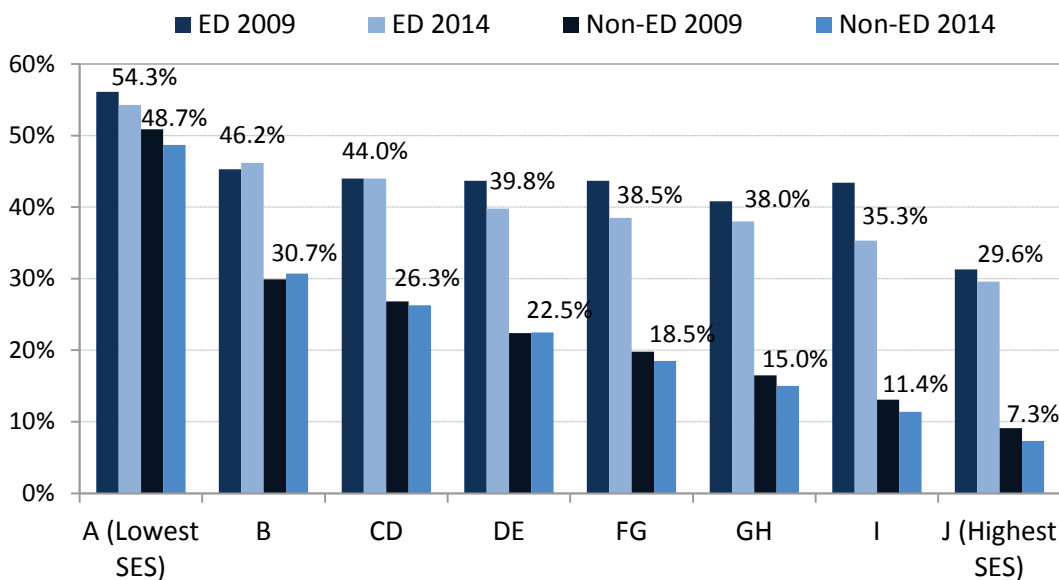


Source: PRI Analysis of New Jersey Department of Education Data

Note: ED = Economically Disadvantaged; Non-ED = Non-Economically Disadvantaged

Figure 60

Grade 8 Students Partially Proficient in Mathematics by Socioeconomic Status (SES) of School District, 2009 & 2014

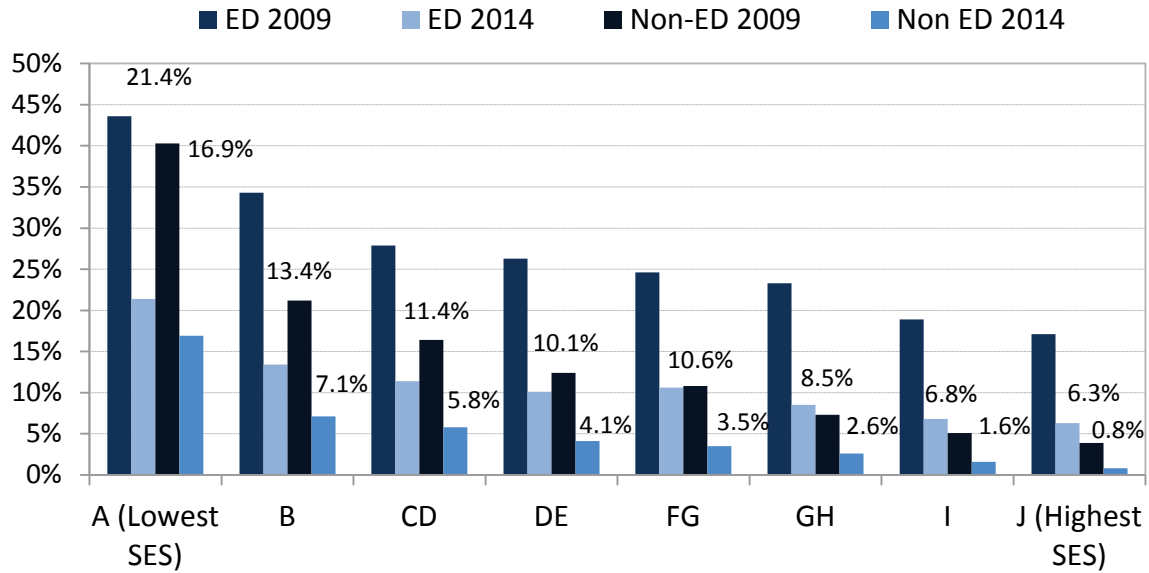


Source: PRI Analysis of New Jersey Department of Education Data

Note: ED = Economically Disadvantaged; Non-ED = Non-Economically Disadvantaged

Figure 61

Grade 11 Students Partially Proficient in Language Arts by Socioeconomic Status (SES) of School District, 2009 & 2014



Source: PRI Analysis of New Jersey Department of Education Data

Note: ED = Economically Disadvantaged; Non-ED = Non-Economically Disadvantaged

Notes

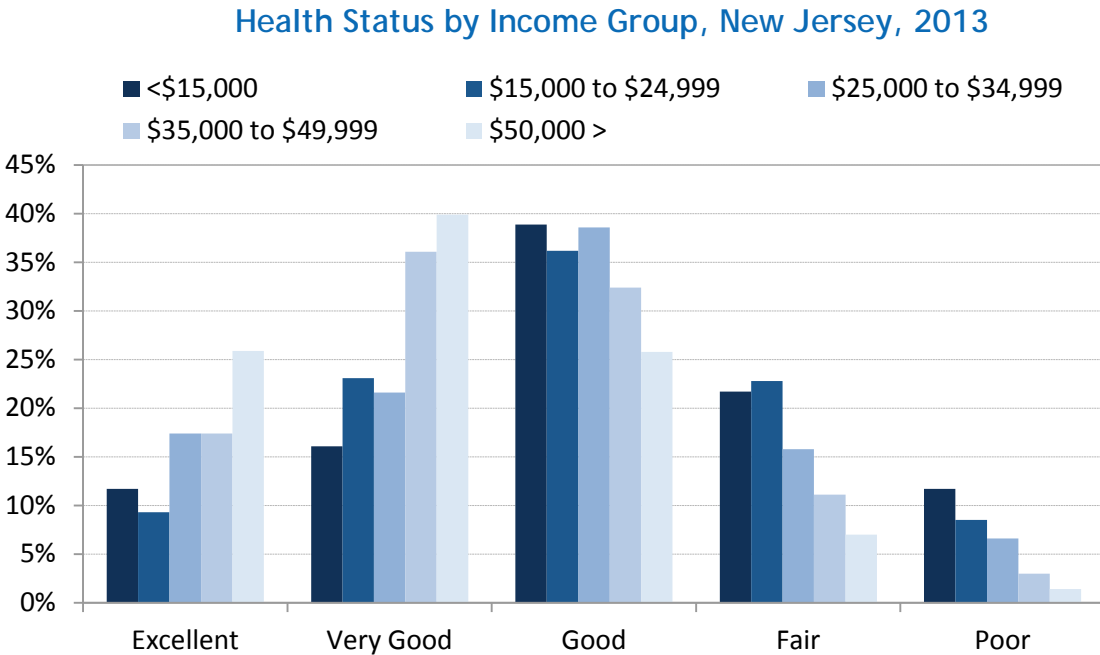
- In 2014, in all school districts, irrespective of the socioeconomic status of the school district or the grade, students from economically disadvantaged families were consistently less proficient in both language arts and mathematics than their peers from economically advantaged households.
- The achievement gap between economically advantaged and disadvantaged students, however, is much larger in high socio-economic school districts than it is in low socio-economic districts, despite the better academic performance of economically disadvantaged students in high socio-economic school districts. While the difference in the partial proficiency rate was about 14 percentage points in “A” school districts for grade 4 language arts students, the gap increased to almost 28 percentage points in the “J” districts.

- As the socioeconomic status of a school district rises, the percentage of students from economically disadvantaged households who are partially proficient in language arts and mathematics in grades 4, 8, and 11 declines, for the most part. For example, the percentage of grade 4 students who were partially proficient in language arts declined from 68.4 percent for those living in “A” school districts to 39.7 percent in “J” school districts, while the decline for students from economically advantaged households was from 54.5 percent to 12.0 percent.
- The gap between students from economically disadvantaged and advantaged households, however, widens, because the academic performance of students from economically advantaged households consistently improves by more than for students from economically disadvantaged households, with the rise in the socioeconomic status of the school district. In the above example, while there is almost a 30-percentage point reduction in the partial proficiency rate for students from economically disadvantaged households as the socio-economic status of the school district rises, the reduction for students from non-economically disadvantaged households was substantially larger — almost 43 percentage points. Similar disparities in academic achievement existed in mathematics for grade 4 students and in language arts and mathematics for grade 8 and grade 11 students as the socio-economic status of the school district improves.

4. Health Status

Figure 62

High-income groups are more likely to report excellent health status; low-income groups are more likely to report poor health status



Source: PRI Analysis of CDC Data

Notes

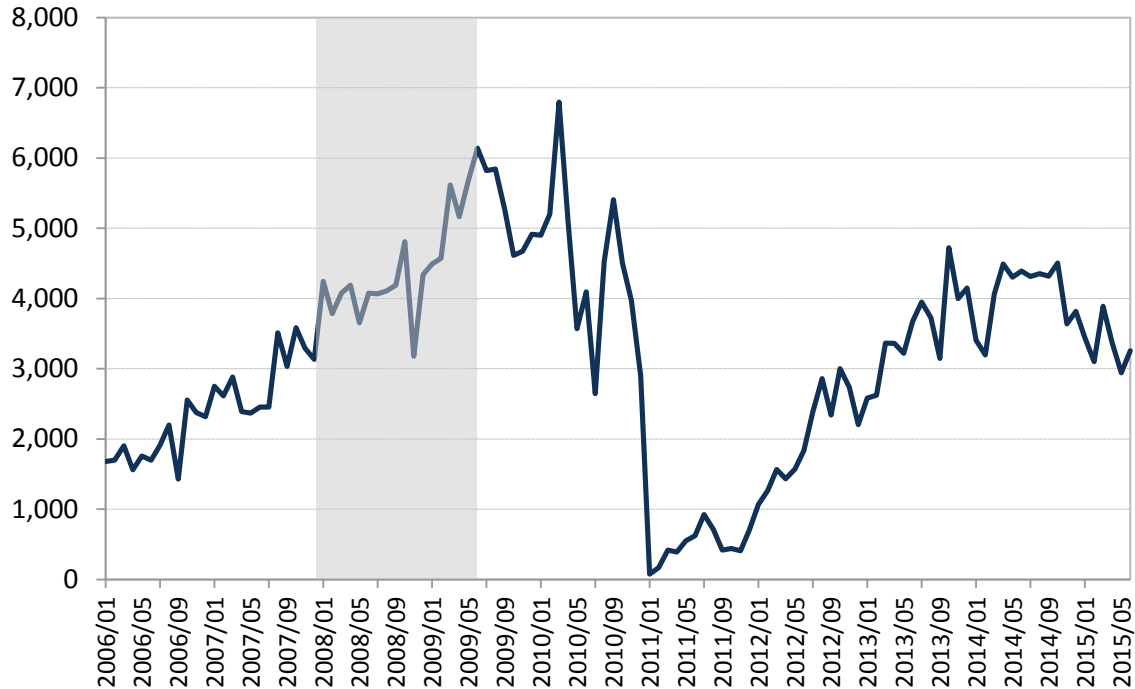
- While high-income respondents were more likely than low-income groups to report excellent and very good health status, the converse was true for fair and poor health status in 2013 (see figure 14).
- More than one-quarter of respondents with incomes of \$50,000 or more reported excellent health in 2013, while about 40 percent reported very good health.
- In contrast, only 14.3 percent of respondents with incomes below \$15,000 reported excellent health in 2013 and another 15.3 percent reported very good health.
- About one-tenth of respondents with incomes below \$15,000 reported poor health in 2013 and another 26.4 percent reported fair health.
- In comparison, only 1.0 percent of respondents with incomes of \$50,000 or more reported poor health, while only 6.1 percent reported fair health in 2013.

5. Residential Foreclosures

Figure 63

Residential foreclosure filings, although lower than their post-recession peak, are still high

Number of Residential Foreclosures Filed, New Jersey, January 2006 to June 2015



Source: PRI Analysis of Data received from Superior Court Clerk's Office

Note: Shaded Area denotes Great Recession

Notes

The number of residential foreclosure filings surged during the recession. After the recession, because a moratorium was placed on foreclosure, the number of foreclosures filed dropped substantially. Since foreclosure filings were resumed, the number has grown and stands at levels higher than the pre-recessionary period.

Part Four - Major Governmental Programs That Address Poverty

Each year, *Poverty Benchmarks* takes stock of major federal and state government efforts to address aspects of poverty, highlighting significant changes, developments, and overall effects. Of necessity given limited time and space, not every program seeking to address poverty is examined, but all key elements of the safety net are included. The list of programs covered appears in the table below. Three programs were added this year, Social Security (SS), Social Security Disability Insurance (DI) and the Women, Infants, and Children (WIC) supplemental nutrition program.

Health Care	Food and Nutrition
New Jersey FamilyCare	Supplemental Nutrition Assistance Program (SNAP) School Breakfast Program (SBP)
Work Support	Summer Food Service Program (SFSP) Women, Infants, and Children Program (WIC)
Minimum Wage Earned Income Tax Credit (EITC) Unemployment Insurance (UI) Family leave Insurance (FLI)	Housing
Income Support	<i>Federal Housing Programs</i> Housing Choice Voucher (Section 8) National Housing Trust Fund
Temporary Assistance to Needy Families (TANF) General Assistance (GA) Emergency Assistance (EA) Supplement Security Income (SSI) Social Security (SS) Social Security Disability Insurance (DI)	<i>State Housing Programs</i> State Rental Assistance Program (SRAP) Sandy Tenant-based Rental Assistance Program

These programs play an important role in reducing poverty and its effects, although their effectiveness and adequacy vary widely, sometimes from year to year. As with other poverty data, both long-term trends and year-over-year variations can yield important information, and are considered here.

A. Health Care

1. A huge step forward: expansion of Medicaid and subsidized private health insurance under the Affordable Care Act

The landscape of health care in the country changed entirely with the implementation of the Affordable Care Act (ACA) in 2014. The sheer number of uninsured low-income New Jerseyans who became eligible and enrolled in health care provided through ACA confirms the impact of the program. Besides access to health insurance, ACA also improved quality of care through the implementation of the Medicaid Alternate Benefit Plan (ABP) plan that includes 10 Essential Health Benefits (EHB), all core Medicaid benefits, and additional mental health and substance abuse services. Aside from a few bumps and hurdles, the state continues to make progress. Key remaining issues include the affordability of out-of-pocket costs and adequacy of subsidies for those qualifying for subsidized insurance through the ACA “marketplace,” the adequacy of current networks of doctors, and the acceptance rate of Medicaid patients by physicians.

All New Jersey Medicaid programs, for children, adults, pregnant women, the disabled, the elderly, and New Jersey’s CHIP insurance program for children, are part of New Jersey FamilyCare (NJFC). NJFC now encompasses “all individuals receiving public medical assistance through the Division of Medical Assistance and Health Services and includes those eligible for federal reimbursement through the Medicaid program and Children’s Health Insurance Program established in the federal Social Security Act and those eligible for other public medical assistance programs established through various state laws.”⁴

ACA implementation began in January 2014. During the pre-ACA period, the only New Jersey adults eligible for Medicaid were parents (or caretaker relatives) with unearned income below 29% FPL or total income below 133% FPL, and childless adults eligible for General Assistance. With the implementation of ACA, Medicaid is now available to parents (or caretaker relatives), single adults, and childless couples. All of these adults less than 65 years can now receive health care through Medicaid expansion if their incomes are below 138% FPL. They are not required to share costs in the form of premiums or copayments. Subsidized coverage is also available to individuals with incomes between 100 and 400% FPL who are not eligible for Medicaid. They can purchase subsidized coverage from the new health care Marketplace, also known as the Exchange. Once they purchase coverage,

they become eligible for subsidies, in the form of tax credits. The amount of tax credits is based on an individual’s income, and is only available to those who are citizens or lawfully present immigrants. Those with income above 400% FPL can purchase unsubsidized insurance from the Marketplace.⁵

The table below shows differences in health insurance eligibility before and after the implementation of the Affordable Care Act:

Figure 64
Changes in subsidized health care before and after the implementation of the Affordable Care Act

	PRE-ACA	POST- ACA
*+Adults (less than 65)	Adults without dependent children covered only if they qualified for General Assistance (23% FPL). Parents were covered up to 29% FPL with “unearned income” (income that is not from active employment such as unemployment insurance, child support, Social Security Disability). Parents with income from work were covered up to 133% FPL. Parents who did not fit these categories with income up to 200% FPL were grandfathered, but any change in income could result in being cut off from the program.	All covered up to 138% of poverty under Medicaid expansion (unless have Medicare).
Children	Covered up to 100 or 133% FPL under Medicaid (depending on age), and 350% FPL under CHIP	Covered up to 147% FPL under Medicaid expansion, and 355% FPL under CHIP.
Pregnant Women	Covered up to 200% FPL	Covered up to 205%
Seniors (65 years & over)+	Covered up to 100% FPL	No change.
Aged, blind, disabled, or long-term care+	Dependent on degree of disability, covers individuals with limited resources at income levels ranging from 100-250% FPL	No change
*Individuals with incomes up to 400% FPL (not eligible for Medicaid, CHIP, Medicare, or adequate employer coverage)	Not covered	Can purchase subsidized health insurance from the new Marketplace (premium subsidies and reduced cost-sharing).

**coverage expanded for these groups*
+ For these groups, permanent residents who have held this status for less than five years are not eligible for Medicaid.

New Jersey is one of 26 states that decided to adopt Medicaid expansion in 2014. For the years 2014-16, 100% of the cost for providing subsidized health care will be borne by the federal government. From 2017, the federal government will bear 95% of the total cost,

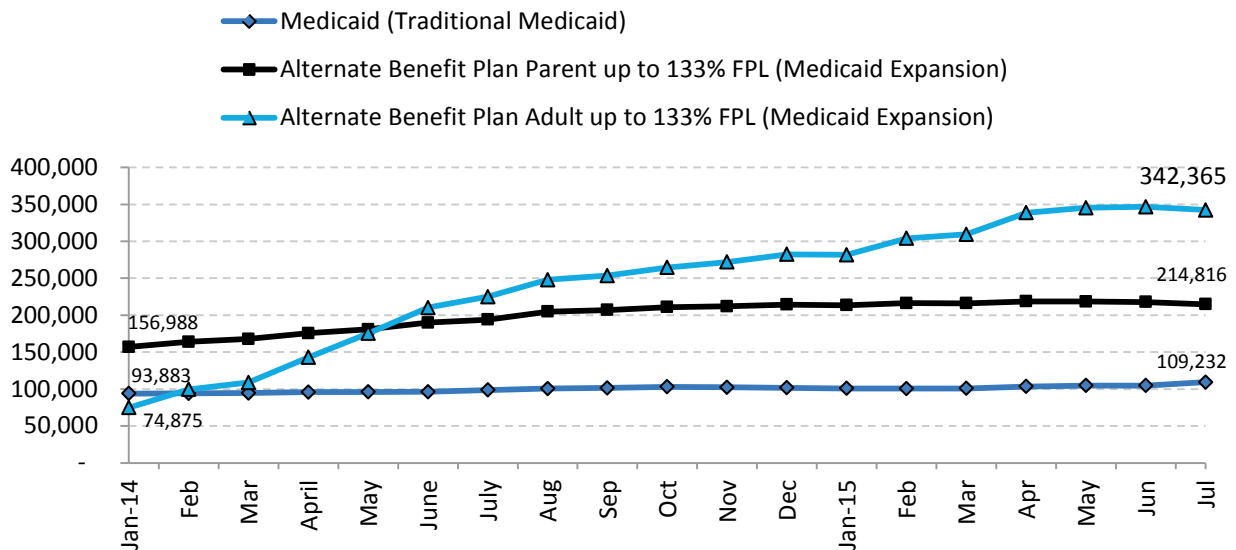
which will be gradually reduced to 90% for 2020 and forward. The federal government covers these costs only for enrollees who become newly eligible because of the Medicaid expansion. For New Jersey enrollees eligible under traditional Medicaid programs, the federal government covers 50% of costs, and it covers 65% for CHIP. According to the Congressional Budget Office, states will spend only 1.6% more on Medicaid and CHIP due to health reform than they would have spent without the reform. This figure does not include the significant savings that Medicaid expansion will produce.⁶

Under ACA, there is no resource test for eligibility for most Medicaid programs and CHIP. Only income is taken into account, not assets. Financial eligibility for both premium subsidies and most Medicaid programs and CHIP is now based on “Modified Adjusted Gross Income” (MAGI), using essentially the same income definitions as the federal income tax return. Using one set of income eligibility rules across programs enables people to apply for health coverage through a single application. Prior to MAGI implementation, the process for calculating Medicaid eligibility used income deductions known as “disregards” that were not only different in each state but also differed by eligibility group.⁷

The implementation of ACA has vastly improved access to affordable care in the state. As of July 2015, a total of 666,413 adults were enrolled in Medicaid, a nearly 105 percent increase from a total caseload of 325,746 individuals in January 2014. During this period, those enrolled in traditional Medicaid increased by 16.3 percent (from 93,883 to 109,232 individuals), parent enrollment increased by 36.8 percent (from 156,988 to 214,816 individuals), and adult enrollment increased by 357 percent (from 74,875 in January 2014 to 342,365 in July 2015).

Figure 65

New Jersey Adult FamilyCare Enrollment, January 2014 to July 2015



Source: New Jersey Division of Medical Assistance and Health Services

Note: The Alternate Benefit Plan (ABP) is a very comprehensive plan that New Jersey has chosen to provide to the state’s Medicaid expansion population. It includes 10 Essential Health Benefits (EHB), all original Medicaid benefits, and additional mental health and substance abuse services. The NJ FamilyCare expansion under the new federal law required that adults below 65 years with incomes below 138% FPL or what is called the “newly eligible” receive an Alternate Benefit Plan (ABP). While federal guidelines provide a framework on what must be included in ABP, states are allowed to make it more comprehensive than what is required. New Jersey’s plan is more comprehensive than the required federal guidelines.

2. Remaining challenges

a. Individuals with subsidized private insurance still may face significant out-of-pocket expenses.

Even though adults ineligible for Medicaid can now purchase subsidized coverage on the Marketplace, for individuals with low incomes even subsidized premiums and reduced-cost sharing can be unaffordable. For instance, in 2014, a one parent-one child family with an annual income of \$30,000 had to pay an out-of-pocket maximum of \$1,500 to \$6,600, depending on the plan they choose (see table below). The monthly premium ranged between \$112 and \$464, very challenging or even prohibitive for a family with an annual income of \$30,000.

Figure 66

**Insurance Plans and Cost-sharing Amounts for a One Adult, One Child Family at
191% FPL (Annual Income \$30,000)**

Type of Plan	Premium	Deductible	Out of Pocket maximum	Specialist	Generic drug
Bronze	\$112 (\$267 without subsidy)	\$2,500	\$6,600	40% after deductible	50% after deductible
Silver	\$147 (\$302 without subsidy)	\$500	\$1,500	10% after deductible	10% after deductible
Platinum	\$464 (\$619 without subsidy)	\$0	\$4,000	\$25 co-pay	\$10 co-pay

- b. Low reimbursement rates still limit participation of doctors in the New Jersey Medicaid program. As part of the ACA, Medicaid payments rates for primary care providers were temporarily increased to 100% of the Medicare rates for the years 2013 and 2014 to encourage participation.**

In 2013, only 38.7% of New Jersey physicians accepted new Medicaid patients, the lowest rate in the country, and substantially lower than the national average of 68.7%.⁸ This low rate may be explained by several factors: the rate increase was only for primary care providers; the ACA-provided rate increase was not actually implemented until December 2013; the rate increase was not publicized in an effort to recruit more doctors; and, perhaps most importantly, the rate increase was only temporary. It is important to note that in 2013, 87.5% of physicians in New Jersey accepted new *privately insured* patients, higher than the national average of 84.7%. During the same year, 82.6% of physicians accepted new Medicare patients in the state, about one point below the national average of 82.6%.⁹

Governor Christie's FY2016 budget included \$45 million for increasing Medicaid reimbursement rates in the state, a much-needed boost. Adding permanence to the program is intended to boost the physician participation rate. If physicians refuse to accept individuals newly eligible for Medicaid under ACA as patients because of low Medicaid reimbursement rates, their "insured" status will not improve their health or wellbeing. The state's FY2016 increase in funding for Medicaid reimbursement rates may be the catalyst that will ultimately enable Medicaid enrollees to have real access to quality health care.

B. Work Support Programs

One of the hard truths about poverty is that employment does not always cover the cost of what is needed for basic sustenance. Some people work full time and yet fail to bring in enough income to meet their family's core needs. Many government programs help to reduce some of these insufficiencies for those engaged in work. Two such programs, the state Earned Income Tax Credit and the state minimum wage, had significant recent improvements, putting more cash in the pockets of low-wage workers. On the other hand, the unemployment insurance program suffered a setback with the reduction in the *duration* of benefits, as well as new limitations on eligibility.

1. Minimum Wage

The federal minimum wage was created 1938, when President Roosevelt signed the Fair Labor Standards Act (FLSA), creating a mandatory minimum wage of 25 cents per hour for covered workers. The federal minimum wage currently stands at \$7.25. Many states augment the federal minimum wage law with their own state minimum wage requirements. A state minimum wage was first established in New Jersey in the 1960s, and has been increased 20 times since then (including increases in 2013 and 2014). Until recently, the minimum wage in New Jersey mirrored the federal rate. After increasing twice — to \$6.15 in 2005 and \$7.15 in 2007 — it was raised again in 2009 when the federal minimum wage rate was increased to \$7.25. New Jersey saw a major development in its minimum wage law in 2013, when voters in the state supported the constitutional amendment to increase minimum wage.

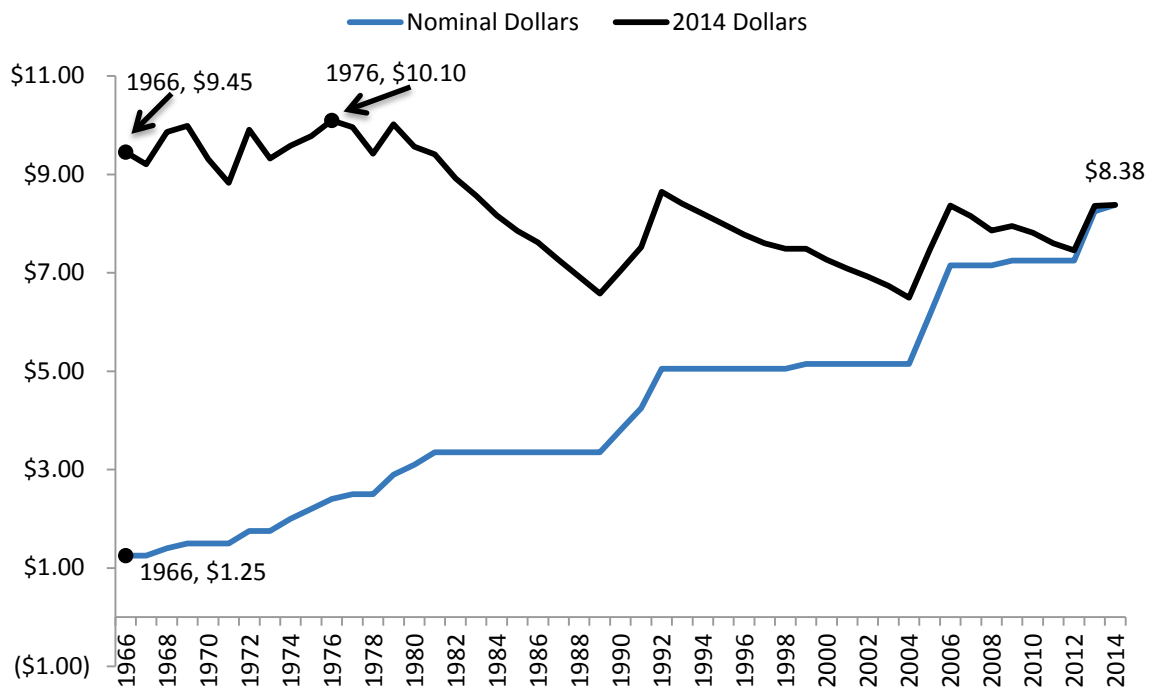
As a result of the automatic adjustment to inflation embedded in the 2013 minimum wage constitutional amendment, the state minimum wage increased to \$8.38 in September 2014, the second increase in two years. It is not slated to increase in 2016, because of zero inflation under the federal methodology.

In September 2014, the minimum wage in New Jersey increased for the second successive year — from \$7.25 to \$8.25 in 2013, and then to \$8.38 in 2014, as per a state constitutional amendment in 2013. Annual increases will be based on the annual cost of living adjustments.¹⁰ For 2016, minimum wage will remain flat at \$8.38 because the Consumer Price Index showed zero inflation. While this adjustment should help avoid most further wage erosion in future years, it does not make up for erosion in prior years. The real value of the minimum wage has diminished over time, so that even after the 2014 increase, its

purchasing power is lower than in 1966, when it was the equivalent of \$9.45 in 2014 dollars. The high water mark of the state minimum wage was in 1976, when it had a purchasing power of \$10.10 in 2014 dollars. The 13-cent increase (from \$8.25 in 2013 to \$8.38 in 2014) directly affected 212,000 workers in the state and indirectly affected another 231,000, for a total of 443,000. The directly affected workers will see their wages increase, as the new minimum wage will be higher than their hourly pay. The indirectly affected workers have wages just above the new minimum wage. It is expected that most will receive a raise as employer pay scales are adjusted upward to reflect the new minimum.¹¹

Figure 67

The Purchasing Power of the Minimum Wage in New Jersey, 1966 to 2014



Source: Calculations by PRI

Figure 68

In 2014, New Jersey had one of the lowest minimum wages in the northeast region

States with Minimum Wage higher than New Jersey		
1	Alaska	\$8.75
2	California	\$9.00
3	Connecticut	\$9.15
4	District of Columbia	\$9.50
5	Massachusetts	\$9.00
6	New York	\$8.75
7	Oregon	\$9.25
8	Rhode Island	\$9.00
9	South Dakota	\$8.50
10	Vermont	\$9.15
11	Washington	\$9.47

Notes

While the increase to \$8.38 is a much needed change, 11 states in the country continue to have a higher minimum wage than New Jersey, including several in the northeast.

Figure 69

The earnings of individuals working full time and year round on minimum wage frequently fall far short of what is needed to meet the real cost of living in the state and avoid actual poverty. In most household sizes, the state minimum wage does not even lift a family above 100% FPL, let alone the RCL.

Federal Poverty Level, Real Cost of Living & Minimum Wage for Different Household Compositions

2014 Dollars	FPL	RCL	Minimum Wage
Single Adult	\$12,316	\$29,975	\$17,430
Two Adults	\$15,853	\$42,070	\$34,861
One Adult & Two Children	\$19,073	\$59,615	\$17,430
Two Adults & Two Children	\$24,008	\$67,345	\$34,861

Note: Children in the RCL amounts denote those of school age (5 to 12 years). RCL amounts are different when children are younger or older.

Note

A single adult working full time all year round on minimum wage received an annual income of \$17,430 in 2014. This is not only below the Real Cost of Living (RCL) for a three-person family with two children (\$42,070), but is even below the federal poverty level for that family type (\$19,073). The minimum wage is able to lift a single person household above poverty, although it still does not bring an individual anywhere close to the RCL (\$29,975).

Figure 70

Minimum Wage versus other Benchmarks of Income:
One Adult and Two Children, New Jersey 2014

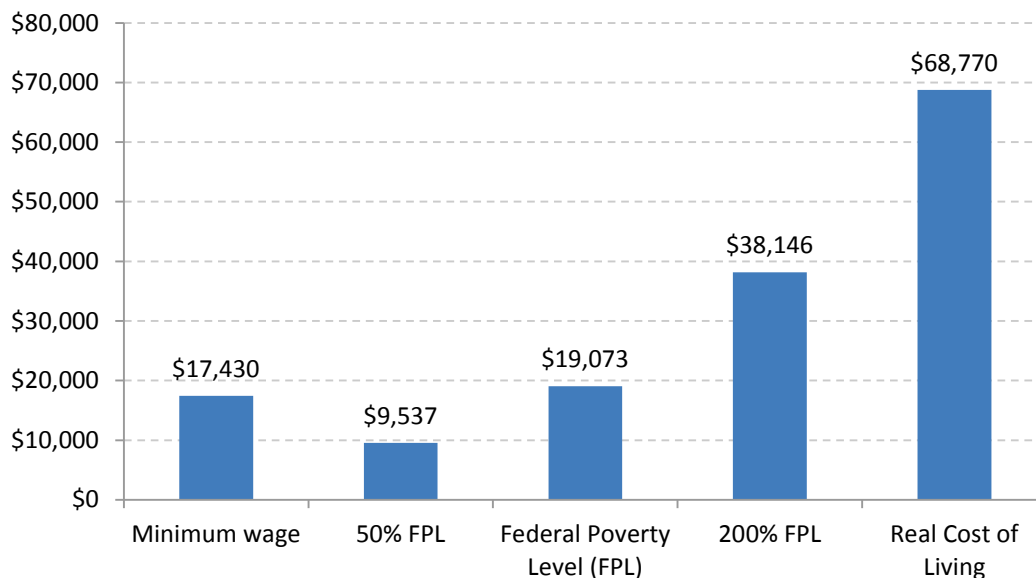
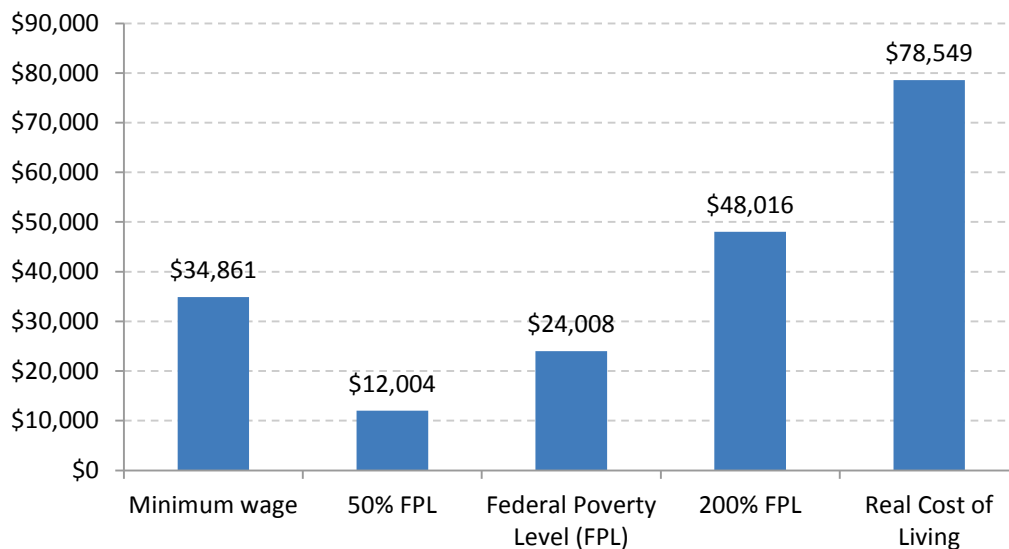


Figure 71

Minimum Wage versus other Benchmarks of Income:
Two Adults and Two Children, New Jersey 2014



2. Earned Income Tax Credit (EITC)

The EITC is a work support program that benefits low- to moderate-income working adults and their families. It reduces the amount of taxes owed, and may provide a refund if taxes owed are less than the EITC amount. To qualify for EITC, individuals need to have earned income such as wages and salaries or income from self-employment. Income that is not earned from work, such as interest, capital gains, or welfare, cannot be used to obtain EITC. Individuals seeking EITC are also required to meet some other criteria including filing a tax return even if they do not owe taxes. New Jersey residents benefit from both a federal and a state EITC. New Jersey's EITC piggybacks on the federal EITC, meaning that eligibility requirements are mostly the same and the amount of the credit is calculated as a percentage of the total federal EITC.

To claim EITC in 2015, an individual or family had to meet the following income limits.¹²

- Less than \$47,747 (\$53,267, if married and filing jointly) with three or more qualifying children
- Less than \$44,454 (\$49,974, if married and filing jointly) with two qualifying children
- Less than \$39,131 (\$44,651, if married and filing jointly) with one qualifying child
- Less than \$14,820 (\$20,330, if married and filing jointly) with no qualifying children

Figure 72

EITC provides greater income support to working families and children
EITC Maximum Credit, New Jersey & U.S.

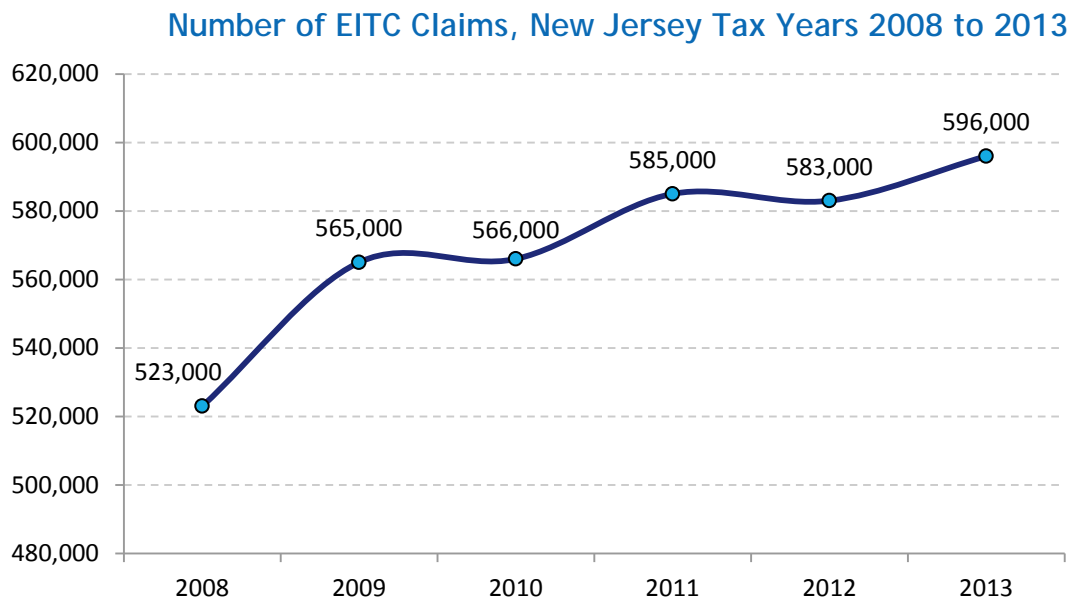
FEDERAL EITC (2015)	STATE EITC (2015)
\$6,242 with three or more qualifying children	\$1,248 with three or more qualifying children
\$5,548 with two qualifying children	\$1,110 with two qualifying children
\$3,359 with one qualifying child	\$672 with one qualifying child
\$503 with no qualifying children	\$101 with no qualifying children

Notes

The table above notes maximum EITC benefits at the federal and state levels. In 2015, a family with three or more qualifying children could get a maximum benefit of \$6,242 from the federal credit and an additional \$1,248 from the state. Those with no qualifying children have the lowest benefit amount. Such a family could get a maximum benefit of \$503 from the federal credit and \$101 from the state credit. These amounts are of substantial assistance to individuals with low incomes.

Figure 73

In 2013, the federal EITC supported close to 600,000 low- to moderate-income working New Jerseyans



Source: Internal Revenue Service data

Notes

During tax year 2008, 523,000 EITC claims were filed. The filings increased gradually in the subsequent tax years from 565,000 in 2009 to 596,000 in 2013.

Figure 74

In June 2015, the state EITC was increased to 30% of the federal credit

Selected States' EITC Levels

State	Percent of Federal EITC	Refundable (2013)
Connecticut	25%	Yes (formerly 30%, it was reduced to 25% in 2013 and 27.5% in 2014. It will revert to 30% of the federal EITC in 2015).
District of Columbia	40%	Yes
Maryland	50%	Partially (refundable portion is 25% of the federal EITC. In 2015, this will increase to 25.5%, 26% in tax year 2016, 27% in 2017 and 28% in 2018)
New York	30%	Yes
Rhode Island	25%	Partially (beginning tax year 2015, EITC will be fully refundable at 10% of the federal EITC)
Vermont	32%	Yes
New Jersey	20%***	Yes

***Increased to 30% of the Federal Earned Income Tax Credit in June 2015

Source: www.nccp.org

Notes

New Jersey's state EITC was reduced from 25% of the federal credit to 20% in January 2011. As a result of the cut, most of the states in the northeast region had a higher state EITC than New Jersey, including Connecticut, District of Columbia, Maryland, New York, Rhode Island, and Vermont. In June 2015, however, the state component of the EITC was increased to 30% of the Federal EITC, a 50% increase.

Two key federal EITC provisions introduced in 2009, which reduced the "marriage penalty" and made larger families eligible for EITC, are set to expire in 2017. Unless steps are taken to make them permanent, many working families will be pushed deeper into poverty.

In 2009, two key federal EITC provisions were expanded to allow more working families to receive a needed boost to their incomes. First, families with more than two children could receive credit for additional children (earlier the credit did not increase when there were more than two children in the household). Second, in order to reduce the marriage penalty, the income at which phase out began was set \$5,000 higher for married couples than for single filers.¹³ Both these provisions will expire at the end of 2017. Unless they are made permanent, many needy working families will lose all or part of their credits.

3. Unemployment Insurance (UI)

The unemployment insurance program is designed to temporarily replace a portion of the wages of workers who lose a job through no fault of their own and meet certain eligibility criteria. Its primary purpose is to relieve the financial distress of jobless workers and their families. It is a combined federal-state program, meaning that federal rules determine broad eligibility requirements and the types of employment that are covered. Federal officials also oversee the state's adherence to federal guidelines. States have discretion when setting specific eligibility criteria and benefit levels. While UI is funded primarily through taxes imposed on employers, a part of state UI taxes is deducted from an employee's pay in New Jersey.¹⁴

To be eligible for unemployment benefits, a person must have worked for at least 20 weeks, earning \$165 per week in covered employment, or have earned a total of \$8,300. For the year 2014, the amount of earnings required in cases where a claimant has not worked 20 base weeks, was \$7,300.¹⁵ These wages must be earned during a 52-week period, which is called a base year.¹⁶ Eligible workers can get up to 26 weeks of UI benefits through the state unemployment compensation program, which replaces 60% of a worker's previous wage. Eligible unemployed workers in the state received up to a maximum of \$624 per week in 2013 and \$636 in 2014. For the year 2015, the maximum weekly benefit for eligible unemployed workers is \$646. Assistance for additional weeks is available during periods of economic downturn when the unemployment rate is high. In addition to regular unemployment compensation, eligible jobless workers may also receive benefits for an extended period under two broad programs.

1. **Extended Benefits program (EB):** It provides 13 to 20 weeks of additional benefits to jobless workers who have exhausted their regular benefits in states where unemployment has worsened substantially, regardless of whether the national economy is in recession.¹⁷ It is a permanent program, meaning that it is permanently authorized and can be triggered when certain economic conditions specified in the law are met. Generally, the federal and state governments share the cost of the EB program. During the most recent recession, however, the federal government temporarily provided 100% of funding for the program.¹⁸
2. **Emergency Unemployment Compensation (EUC):** The federal government can also temporarily fund additional weeks of benefits during periods of high unemployment for workers who have exhausted their basic UI benefits. Following

the recent recession, the federal government introduced the EUC program in June 2008. This program provided workers 14 additional weeks of benefits and, in states with particularly high unemployment rates, up to 47 weeks of additional benefits if certain other triggers were met. The program was fully funded by the federal government and expired at the end of 2013. Historically, the Congress has established similar temporary programs seven times — in 1958, 1961, 1971, 1974, 1982, 1991, and 2002.¹⁹

Additional state programs: States can also use their own funds to provide additional weeks of benefits to jobless workers who have exhausted all other forms of UI benefits.²⁰

Unemployed workers in New Jersey can now get only 26 weeks of unemployment compensation. Under the EUC program, employment benefits could be extended up to 53 weeks, and an additional 13 to 20 weeks under the EB program. Both programs have now expired – the EB program expired in June 2012 and the EUC program expired in December 2013.

Before February 2012, 53 weeks were available under the EUC program and 26 under the regular EB for a total of 79 weeks (with EB, it amounted to a total of 99 weeks).²¹ Federal legislation enacted in February 2012 decreased the number of additional weeks from 53 to 47. The EB program, which provided jobless workers an additional 13 to 20 weeks of unemployment insurance, also ended in New Jersey in June 2012. The EUC program expired in December 2013. As a result, jobless workers in the state can only get 26 weeks of unemployment compensation in the state.

During 2014, New Jersey had an annual average long-term unemployment rate of 41.4%, the third highest rate among the 50 states and D.C.²² Given the expiry of UI benefits for long-term unemployed individuals, the terminations of extended EUC and EB benefits have a disproportionately harsh effect on out-of-work New Jerseyans, in contrast to unemployed workers in other states.

The shares of the individuals in the labor force unable to secure employment for more than six months are considered “long-term unemployed.” When the EUC program providing relief to long-term unemployed expired in December 2013, 46.59 % of the unemployed had

been without a job for six months or more. As of March 2014, the number remained nearly constant at 46.25%.²³ The average long-term unemployment rate for 2014 was 41.4% for New Jersey, which is the third highest in the country after D.C. and New Mexico. Thus, while close to half of the long-term unemployed in New Jersey had been without a job for more than six months in 2014, programs that could have provided relief to these individuals have expired.

4. Family Leave Insurance (FLI)

New Jersey's Family Leave Insurance program provides workers with up to six weeks of partial wage replacement to care for newborns, newly adopted children, and seriously ill family members. New Jersey was the third state in the country to adopt a law that allows workers paid leave that is not for self-care. The program was implemented in July 2009, and is an extension of the state's Temporary Disability Insurance program. It is funded through an employee payroll deduction. Employers do not contribute to the program. Each year, workers are required to contribute a certain percentage of the taxable wage base, which changes annually. While employers do not contribute to the program, they are required to post and distribute notices about the program.

C. Housing Assistance

In New Jersey, housing assistance for low-income families is provided through a variety of federal and state programs. The majority of these programs are not “entitlement” programs,²⁴ meaning that once the funds run out, people are not able to get assistance even though they may qualify for these programs. Generally, only a fraction of individuals eligible for housing assistance in New Jersey can actually secure this support. The gap between those needing assistance and those actually helped has increased in the aftermath of the Great Recession, the ensuing budget shortfalls, and the slow recovery from the lingering effects of Superstorm Sandy.

Eligibility for many housing assistance programs is set at a certain percentage of the *area median income* (AMI). The following table provides broad guidelines on income requirements for a three-person family. It is important to note that while the thresholds remain the same at the federal and state levels, the terms used federally are different from those used at the state level. Thus, 30% of AMI is known as *extremely low income* at the federal level but *very low income* in New Jersey. Fifty percent of AMI is referred to as *very low income* federally but *low income* in New Jersey. Similarly, 80% of AMI is referred to as *low income* federally but *moderate income* in New Jersey. For this report, we use the federal definitions of income.

Figure 75

Statewide Income Limits for Housing Assistance for a Three-person Family New Jersey FY 2010 to FY 2015

	30% of Area Median Income (Federal Extremely Low Income or ELI or State Very Low Income)	50% of Area Median Income (Federal Very Low Income or VLI or State Low Income)	80% of Area Median Income (Federal Low Income or LIL or State Moderate Income)
FY 2010	\$23,300	\$38,850	\$57,950
FY 2011	\$23,800	\$39,700	\$57,800
FY 2012	\$24,150	\$40,250	\$58,500
FY 2013	\$23,650	\$39,400	\$57,950
FY 2014	\$23,100	\$38,500	\$57,500
FY 2015	\$24,000	\$40,000	\$59,200

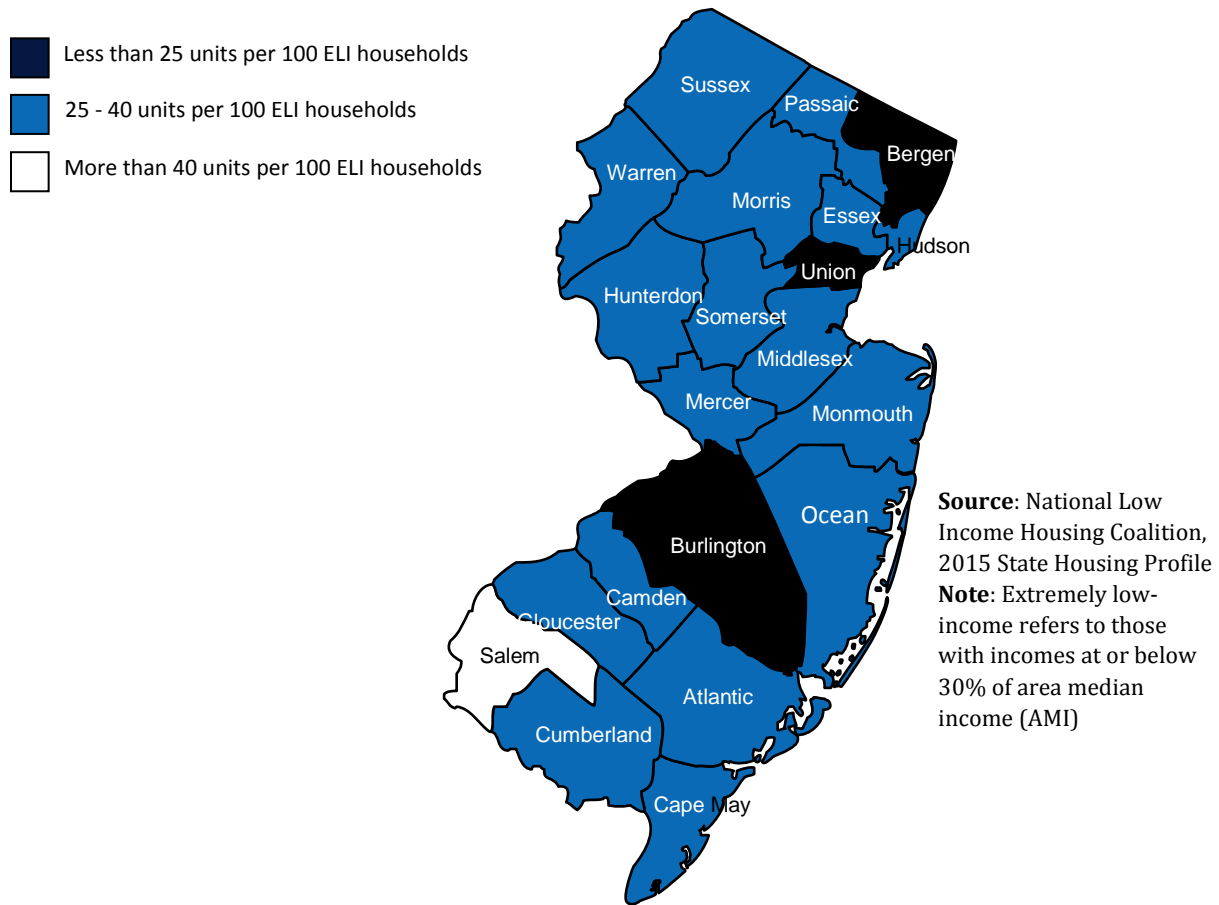
Source: U.S Department of Housing & Urban Development

Note: Federal definitions of income are noted in this table

Figure 76

In 2015, there were just 30 affordable units available for every 100 extremely low-income (ELI) renters (those with incomes below 30% of the Area Median Income (AMI)), and just 40 units for every 100 very low-income renters (below 50% AMI), representing housing deficits of 70% and 60%, respectively.

Affordable and Available Housing Units for Extremely Low-Income Renters



Notes

According to a report by the National Low Income Housing Coalition, in 2013, the deficit of units that are both affordable and available to extremely low-income renter²⁵ households in New Jersey was about 188,974 units.²⁶ This increased to 201,286 units in 2014.²⁷ Based on the latest update, there is now a deficit of 210,481 affordable units at the state level.

Overall, at the state level, for every 100 ELI (extremely low-income) renters in the state, there were only 30 units that are both affordable and available. For individuals with very low incomes (VLI) — incomes below 50% of the AMI — only 40 units were both affordable and available.

At the county level, less than 25 affordable units were available for every 100 ELI renters in Bergen, Union, and Burlington counties. Between 25 and 40 affordable units per 100 ELI renters were available in the rest of the counties, with the exception of Salem where more than 40 affordable units per 100 ELI renters were available.²⁸

1. Federal Housing Programs

The federal government funds several housing programs to assist individuals with low incomes. A majority of federal rental assistance falls under three broad programs — Public Housing, Project-based Section 8 Rental Assistance, and Rental Assistance Voucher or Housing Choice Voucher. The eligibility criteria for these programs are typically a certain percentage of the area median income (AMI).

a. Public Housing

Public housing was the first major housing assistance program in the country designed to serve individuals with low incomes.²⁹ The Department of Housing and Urban Development (HUD) oversees it at the federal level. At the local level, it is administered by local public housing agencies (PHAs). New Jersey has approximately 100 PHAs, and one of their primary functions is to establish the eligibility of applicants. Once eligibility is established, the applicants are placed on a waiting list. Since the demand for assistance often exceeds the resources available, many local PHAs have long waiting lists and waiting periods. Many PHAs close a waiting list when there are more families on the list than can be assisted in the foreseeable future.³⁰ To be eligible for this program, a family's income must not exceed 80% of the AMI. Additionally, 40% of new families admitted into the program must be extremely low income (ELI), meaning that their incomes must be below 30% of the area median income. Public housing recipients are required to pay no more than 30% of their total income towards rent. In 2011, a total of 37,964 units were provided through the federal public housing assistance.

Nationally more than 10,000 public housing units are lost each year because of lack of funding. The recently enacted Rental Assistance

Demonstration (RAD) program will preserve some public housing units which would otherwise be lost to disrepair or demolition.

The Public Housing program is severely underfunded. A report prepared for the U.S. Department of Housing and Urban Development estimated that at least \$26 billion is needed to make repairs to the existing public housing stock.³¹ Regrettably, funding for the program has been far less than the demonstrated need, and many public housing units have fallen into disrepair. Without sufficient funding, many of these units will reach a point where they will need to be demolished or sold. According to HUD estimates, about 10,000 to 15,000 public housing units are lost each year.³² Since the mid-1990s, about 200,000 public housing units have been lost.³³

Given the dearth of affordable housing, any further loss of existing affordable units is worrying. The enactment of “Rental Assistance Demonstration (RAD)” offers some hope. The program empowers PHAs to preserve public housing, which would otherwise be lost to disrepair, by converting them to Project-based Rental Assistance (PBRA) or Project-based Vouchers (PVBs). Funds can be raised in the private market to convert units that have aged and need renovations. Funds can also be raised through the Low-Income Housing Tax Credit (LIHTC) program, which provides tax credits to affordable housing developers. Initially, Congress has allowed the conversion of 60,000 public housing units into project-based units. The FY15 Appropriations Act expanded the number of public housing units that may be converted to 185,000. PHAs have until September 2015 to apply for conversion, unless the cap is reached earlier, in which case application will be closed. The RAD program has built-in safeguards to prevent displacement or hardship related to dislocation during the housing rehabilitation phase (which cannot exceed 12 months). Eligibility for the RAD program is capped at 50% of the AMI, although current public housing residents are grandfathered.

b. Project-based Rental Subsidies

Project-based units refer to privately owned subsidized housing. The federal government enters into a contract with private owners, who agree to rent their housing units to eligible low-income residents at affordable rates for the term of the contract. The government makes up for the difference between the tenant’s contribution and the actual rent. Tenants are required to pay 30% of their income or a minimum of \$25.³⁴ Families are eligible for this assistance if their income is at or below 80% of the area median income, although 40% of units made available each year are reserved for ELIs or those whose incomes are at or

below 30% of the area median income.³⁵ In 2011, there were 45,916 units in New Jersey available through this program.³⁶

Over the next five years, over 24,000 project-based Section 8 contracts are set to expire. Expiring contracts coupled with disrepair and deteriorating housing conditions have led to a net loss of affordable units in the state.

No new Section 8 project-based vouchers have been issued since the mid-1980s. While existing contracts can be renewed when they expire, not all contracts are renewed. In fact, many of the existing contracts between the government and the private owners are expiring or set to expire. If the contracts are not renewed, the home owners are free to either exit the program or convert the property into a non-affordable unit.³⁷ Over the next five years, over 24,000 project-based Section 8 contracts are set to expire.³⁸

Another factor that may lead to net loss of affordable project-based units is the failure to follow existing housing codes resulting in deteriorating conditions within the unit. Project-based Rental Assistance requires homeowners to follow certain guidelines regarding maintenance of their property to ensure that it is up to the current code. During periods of weak economy or weak housing market when vacancy rates are high, some homeowners may not have sufficient funds to maintain their property. Failure to follow regulations could cause these homes to be lost and unavailable to low-income renters. As a result, over time, due either to expiring contracts or because of disrepair, there has been a net loss of project-based Section 8 units in the state.³⁹

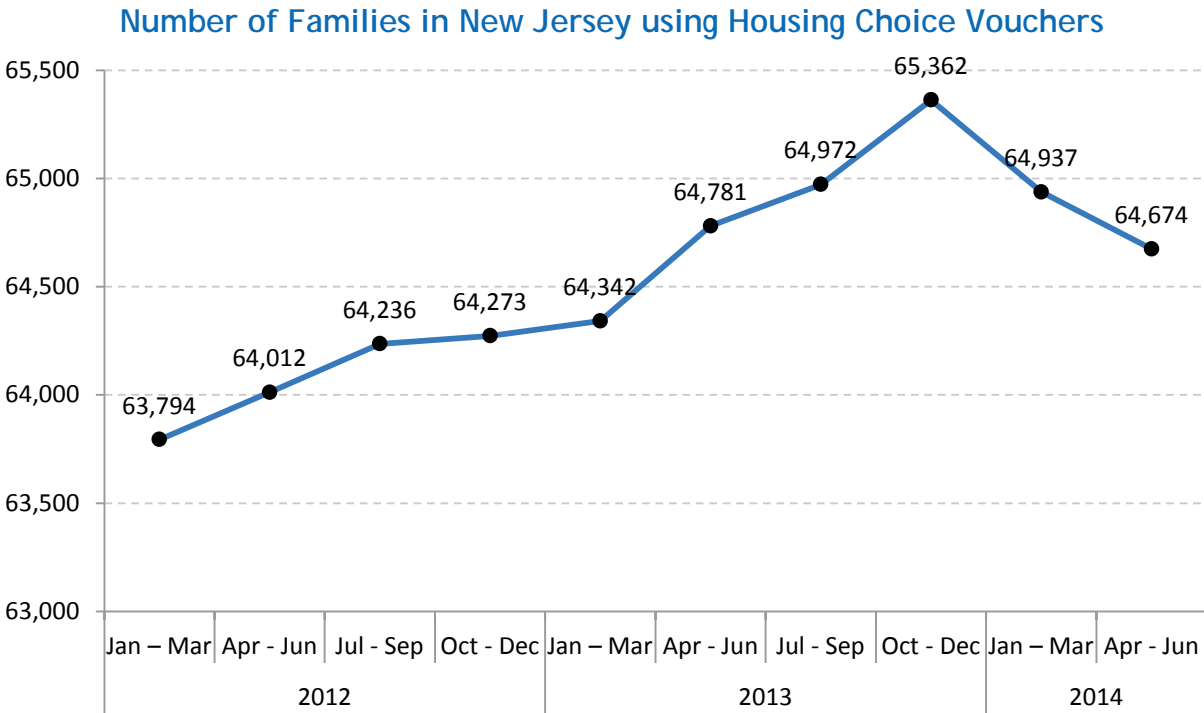
c. Tenant-based Housing Choice Voucher (formerly Section 8 Rental Assistance)

Housing Choice Voucher is a “tenant-based” federally-funded program. It is managed by state and local housing agencies.⁴⁰ The program allows low-income residents to use vouchers to find affordable homes in the private market. Funding is tied to the tenant and not to particular housing units. The voucher pays the difference between the family’s contribution towards rent and the actual rent of the unit.⁴¹ A family pays up to 30% of its adjusted income towards rent, although they can chose to pay more.⁴² As in the Public Housing program, to be eligible for this program a family’s income must not exceed 80% of the area median income. At least 75% of all vouchers are reserved for those who are extremely low income (incomes below 30% of the AMI). Once the voucher is awarded,

families typically have 60 days to find housing, with the possibility of one extension. Housing units rented under this program must meet all federal quality standards and be affordable, in comparison to other units available in the neighborhood at market rate.

Figure 77

1,900 fewer households were using Housing Choice Vouchers at the end of 2014 because of sequestration cuts implemented in March 2013



Source: Center for Budget and Policy Priorities (CBPP)

Notes

- The Budget Control Act of 2011 caused approximately 100,000 families to lose access to housing vouchers.⁴³ While some of this funding was restored by the Congress, this was not close to the original funding level. According to an analysis by CBPP, 1,900 fewer households were using Housing Choice Vouchers at the end of 2014 because of sequestration cuts implemented in March 2013. Even during two years of expansion, the vouchers helped only a fraction of those needing assistance. The diminishing supply signals worsening hardships.
- During the first quarter of 2012, 63,794 New Jersey families were using Housing Choice Vouchers. It reached a peak during the last quarter of 2013 when 65,362 New Jersey families were using Housing Choice Vouchers. Since then, the number of

families using Housing Choice Vouchers has declined. The number of families using the voucher stood at 64,674 during the April-June quarter of 2014.⁴⁴

d. The National Housing Trust Fund

The National Housing Trust Fund (NHTF) was signed into law in 2008 but was never funded. The main purpose of the program was to increase and preserve the supply of rental housing for ELI households.

Federal funding of the National Housing Trust Fund, for the first time since its inception in 2008, is a promising development that will help low-income households secure affordable housing.

In December 2014, a decision was taken to finally set aside resources to fund this program. The funds will begin to be available to state agencies by March 2016.⁴⁵ NHTF will operate as a block grant, which means not everyone qualifying will get assistance. The statute requires that at least 75% of the funds for rental housing benefit ELI households (income below 30% of the AMI). Additionally, all funds must benefit Very Low-Income (VLI) households (VLI households have incomes below 50% of the AMI).⁴⁶

2. State Housing Programs

The federal housing assistance program satisfies only a fraction of the need of low-income state residents, making additional state funding critical. The major state programs discussed in this section include State Rental Assistance Program (SRAP), Homelessness Prevention Program, and Sandy Tenant-Based Assistance.

a. State Rental Assistance Program (SRAP)

SRAP was enacted into law in 2004. It is a state-funded program, administered by the New Jersey Department of Community Affairs (DCA), and provides rental assistance to individuals with low incomes. SRAP also provides rental assistance to some other groups, such as seniors, homeless families with children, graduates of transitional housing programs, and households currently participating in temporary housing assistance programs and facing homelessness due to termination of funding.

Rental assistance is provided in two categories — tenant-based and project-based. Tenant-based assistance is given without regard to where the applicant is living. It is allocated by

“lottery” from the current pool of applicants on the waiting list. Project-based assistance is directed to a specific housing rental project. It is allocated to new or rehabilitated housing for a period of 15 years, and paid when qualified tenants occupy the units.⁴⁷ If the tenant moves out of the project, they lose the right to rental assistance.

SRAP assistance is limited to five years for all participants, except for the elderly or disabled. The total assistance amount is set to a level where the recipient’s portion of the rent does not exceed 30% of his annual household income.⁴⁸

A large portion of the SRAP assistance is in the form of rental assistance vouchers, and is comparable to the Federal Housing Choice Voucher program (formerly known as Section 8 Housing Assistance program). SRAP rental assistance is only available to families who also meet the federal program requirements, but for lack of funding or other reasons are not recipients of Section 8 vouchers. As a result, SRAP assistance is terminated if an individual or family is awarded Section 8 federal rental assistance.

SRAP vouchers have been declining in recent years

After reaching approximately 5,000 fully funded vouchers in FY 2011, the number has been declining in the recent years. The total SRAP funded vouchers in FY 2013 declined to 4,048, remained flat in FY 2014 and decreased to 3,867 in FY 2015. One reason for the decline in vouchers is rising housing costs. Because the funding has remained static, the state is now spending more per voucher. In addition, the lagging income recovery after the recent economic downturn means that SRAP recipients can contribute a smaller share towards the total housing cost (renters are required to pay 30% of their income on housing irrespective of the total cost of the rental unit. If their income goes down or housing cost goes up, that 30% will form a much smaller share of the total housing cost).

Figure 78

Number of SRAP Vouchers, New Jersey FY13 to FY15

SRAP VOUCHERS	FY 13	FY 14	FY 15
SRAP Tenant-based Rental Assistance	3,111	3,111	2,925
SRAP Project-based Rental Assistance	937	937	942
Total SRAP	4,048	4,048	3,867

Source: Information extracted from DCA email dated 3/25/15

Note: The waiting list has been closed since 2007.

Figure 79

While those unable to get SRAP assistance can be placed on a waiting list, SRAP tenant-based assistance is no longer accepting new cases and SRAP project-based assistance has grown only marginally. If the waiting list was open, there would be thousands of people on that list.

State Rental Assistance Program: Waiting List

	March 2012	June 2013	April 2014	June 2014
SRAP Family	1,204	61	59	59
SRAP Homeless	222	154	160	160
SRAP Elderly	1,578	1,059	1,058	1058
SRAP Project Based Assistance (PBA)	333	289	301	301
Total	3,337	1,563	1,578	1,578

Source: New Jersey Department of Community Affairs (updated 3/18/15)

Note: The numbers on the waiting list would have been a lot more if the program was accepting new cases. Since no new cases are being accepted, the numbers on the waiting list has been static for many years now.

Since SRAP is not an entitlement program, not everyone who is eligible actually gets assistance. In fact, the demand for the program far exceeds the resources available. Initially, those unable to secure assistance were placed on a waiting list, but the waiting list for tenant-based cases has been closed since 2007. The caseload has been virtually static during the last two periods for which data is available, April 2014 and June 2014. During both periods, there were 301 cases on the waiting list for project-based assistance. The SRAP family caseload remained at 59. The SRAP homeless category remained flat at 160.⁴⁹

b. Homelessness Prevention Program

The Homelessness Prevention program was designed to provide short-term assistance to individuals who are homeless or in imminent danger of eviction or foreclosure due to temporary financial problems beyond their control, such as unemployment or hospitalization. It is available to homeowners as well as renters. The program is funded by the state and usually administered by a county nonprofit organization, pursuant to contracts with the New Jersey Department of Community Affairs. From the outset, it has met only a fraction of the need annually.

For renters who face eviction because they have fallen behind in rent payments, the program offers a chance to keep their housing unit by providing a security deposit and a few months' rent. HPP can pay at least three months of back or future rent and up to six months total, in certain cases. In order to receive assistance, however, applicants must

show that they got behind in payments because of a temporary crisis. They must also be able to demonstrate that they can pay the full rent after the assistance period is over. To be eligible for assistance, the applicant must meet certain other criteria, such as strict income limits. Funds are disbursed in the form of grants or loans to landlords and mortgage companies on behalf of eligible households in danger of homelessness.

Since its creation, the program has steadily declined in impact, due to stagnant funding.

In FY 2012, only 500 households received assistance through the HPP program. This decreased to 419 households in FY 2013. While the number of households served increased to 490 in FY 2014,⁵⁰ it still represents only a small fraction of households needing assistance. It is important to note that the Homelessness Prevention Program is designed to serve working families who are not eligible for assistance from any other sources, or are receiving unemployment or disability benefits. Since it is not an entitlement program, once the funds get expended a needy working family will not get assistance, even in dire circumstances.

c. Sandy Tenant-Based Rental Assistance Program

Sandy Tenant-Based Rental Assistance Program for low- to moderate-income residents affected by the storm will be very helpful in stabilizing their housing situation.

This is a temporary program designed to assist residents in nine Sandy-impacted counties meet their rental housing needs. These nine counties are Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union. As part of this program, eligible low- to moderate-income residents can get rental assistance vouchers for a period of 12 months, with an option to renew for an additional 12 months. No additional extensions beyond two years are available. To qualify for the program, the applicant's income must be below 80% of the area median income. Tenants who are extremely low income (incomes below 30% of the area median income for their county) are given priority. Those who were directly displaced by Superstorm Sandy and who continue to need rental housing assistance are also given priority under the program.⁵¹ Tenants approved for assistance are required to pay about 30% of their monthly household gross income for rent and tenant-paid utilities.

D. Food and Nutrition

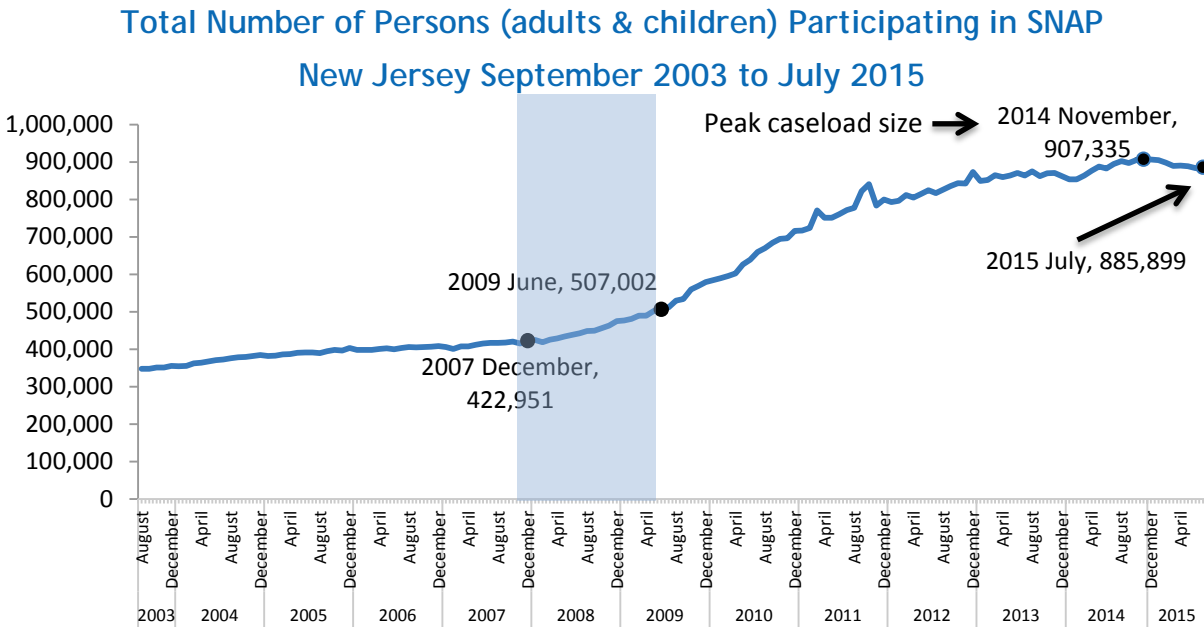
Many nutrition programs are geared towards provide assistance to individuals who are unable to afford adequate food by themselves. In the aftermath of the Great Recession, the caseload burgeoned in entitlement programs such as SNAP (formerly Food Stamps) because of rising need. Several issues continue to plague the program, notably a comparatively low participation rate, excessive time taken to process applications, and antiquated computer systems. While participation improved in other nutrition programs, namely the School Breakfast Program and the Summer Food Service Program, the number of participants in the WIC, which is not an entitlement program, decreased.

1. Supplemental Nutrition Assistance Program

SNAP is a federal entitlement program designed to provide food assistance to eligible individuals and families with low incomes. All residents with incomes below 130% FPL are eligible to participate in the program. In addition, some other residents with incomes up to 185% FPL are eligible if they meet certain criteria. For FY 2015, households are required to have no more than \$2,250 in countable resources to qualify for SNAP. In households where at least one person is age 60 or older or someone suffers from a disability, the countable resource limit is increased to \$3,250. In New Jersey, there is no asset test for SNAP, which means that the value of a personal vehicle or other such assets is not counted in determining eligibility. The SNAP program has a very wide reach. It is available to many people besides those on welfare. It provides assistance to many low-income working families and individuals, including unemployed or part-time workers, those who recently lost their unemployment benefits, and seniors and people with disabilities.

Figure 80

New Jersey is one of eight states that experienced an increase in SNAP caseload between FY 2013 and FY 2014. However, after peaking in November 2014, the caseload has been declining.



Source: New Jersey Department of Human Services, Division of Family Development, Current Program Statistics

Note: Shaded portion of the chart represents the period of Great Recession

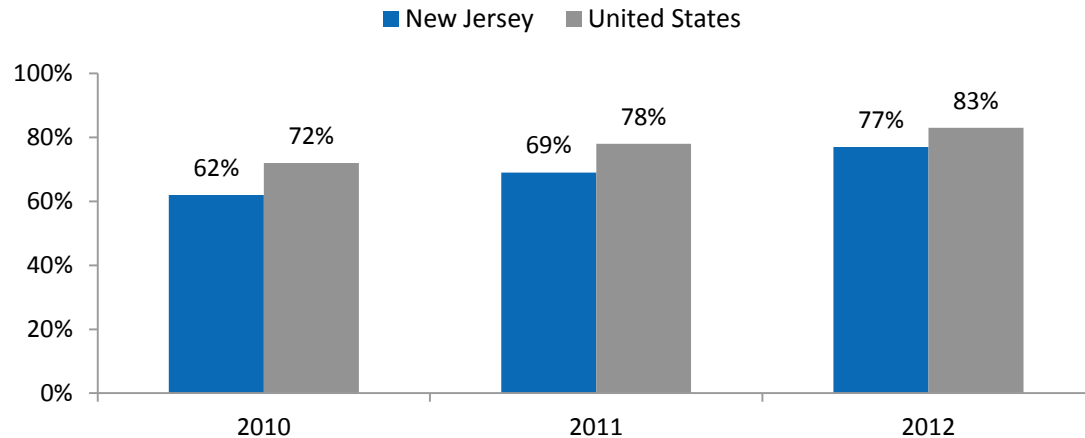
Notes

During the period of the Great Recession, SNAP caseload increased in virtually every state in the country. This is not surprising because SNAP is the second most effective program, after unemployment insurance, for reducing income hardships.⁵² The economic downturn caused many to lose their jobs and the unemployment rate soared to new highs. As a result many residents sought relief through assistance programs such as SNAP. In New Jersey, the caseload increased from 422,951 persons in December 2007 to 507,002 persons in June 2009 — approximately 20%. New Jersey’s SNAP caseload continued to spike in the period after the Great Recession. In November 2014, the caseload climbed to 907,335 persons, a 115% increase since the beginning of the Great Recession. It then levelled off, and stood at 885,899 in July 2015.

Figure 81

Many eligible New Jersey residents still do participate in the program

Percent of Eligible People Participating in SNAP, New Jersey & U.S.



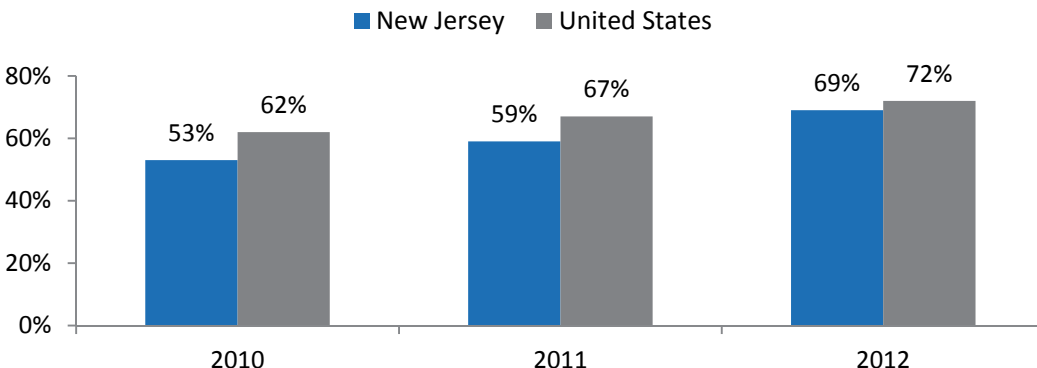
Notes

Compared to other states, historically, New Jersey has had low participation rates in its SNAP program, although the rate has improved notably in recent years. Between 2010 and 2012, the percent of eligible New Jerseyans participating in SNAP increased from 62% to 77%. Despite the increase, New Jersey still lags behind the national average. In 2012, 83% of eligible individuals participated in SNAP at the national level. New Jersey's relative national standing has fluctuated over the past decade.

The percent of eligible working poor participating in SNAP in New Jersey increased by more than ten percentage points between 2010 and 2012 — from 53% to 69%. The national rate, however, was higher — 62% in 2010 and 72% in 2012.

Figure 82

Percent of Eligible Working Poor Participating in SNAP, New Jersey & U.S



Source: Reaching Those in Need, State Supplemental Nutrition Assistance Program (February 2015)
Karen E. Cunnyngham, Mathematica Policy Research

New Jersey continues to be among the worst in the country in terms of time taken to process SNAP applications. Failure to improve processing times can lead to suspension or disallowance of federal administrative funds.⁵³

During FY 2013⁵⁴, New Jersey ranked third worst (after Nebraska and Connecticut) for SNAP application processing timeliness.⁵⁵ Federal law requires that SNAP applications be processed within 30 days after the application is submitted, or within seven days if the application is classified as an expedited case. More than 30% of the New Jersey SNAP applications in 2013 were not processed within the required time limit. As a result of processing delays, New Jersey lost federal performance bonuses reserved for states meeting the target. More importantly, many needy state residents were denied this vital nutrition for a longer time than provided by law. The federal government has set up two corrective benchmark goals for the state, an 85% average statewide timeliness rate for the six-month period (October 2014 and March 2015), and a 95 percent average statewide timeliness rate for the six-month period from April 2015 through September 2015.⁵⁶ In FY 2014, New Jersey's timeliness rate was 76.57%.⁵⁷

One reason for the backlog in processing applications is the antiquated computer systems used for determining eligibility. The state took steps to transition to a new modern computerized system as early as 2009. After more than five years, it has not been able to implement the new system. The recent cancelling of the contract of the entity

tasked with modernization means further delays in moving to an efficient system, ultimately impeding timely access to SNAP assistance.

The New Jersey Department of Family Development entered into a contract with Hewlett-Packard (HP) for moving to a new modern system termed “Consolidated Assistance Support System” (CASS) in 2009. The new system would have replaced the antiquated systems that did not allow the computer systems to communicate with 21 county welfare agencies (CWAs) responsible for eligibility and enrollment. As a result, the CWAs were working with the data manually or entering the same data into multiple systems. CASS would have allowed information to be entered only once to determine eligibility for all Medicaid and DFD programs.⁵⁸ The program was to be completed by July 2014, but after persistent delays, the state finally cancelled the contract with Hewlett-Packard in late 2014. At this point, it is unclear when a new program will be initiated.

2. School Breakfast Program (SBP)

The School Breakfast Program (SBP) is a federally funded school-based nutrition program designed to provide free or reduced-price breakfast to children living in households with low incomes. Children living in households with income below 130% of the FPL qualify for free meals. Those with a household income between 130% and 185% of the FPL are eligible for reduced-price meals and can be charged up to 30 cents per breakfast. Children from families with incomes above 185% FPL pay for the meals. The actual meal charges are set by individual schools, although schools do receive federal reimbursement per meal served. The amount of reimbursement depends on the type of meal a student qualifies for. For the 2013-14 school year, schools received \$1.58 per free breakfast, \$1.28 per reduced-price breakfast, and \$0.28 per paid breakfast from the federal government.⁵⁹

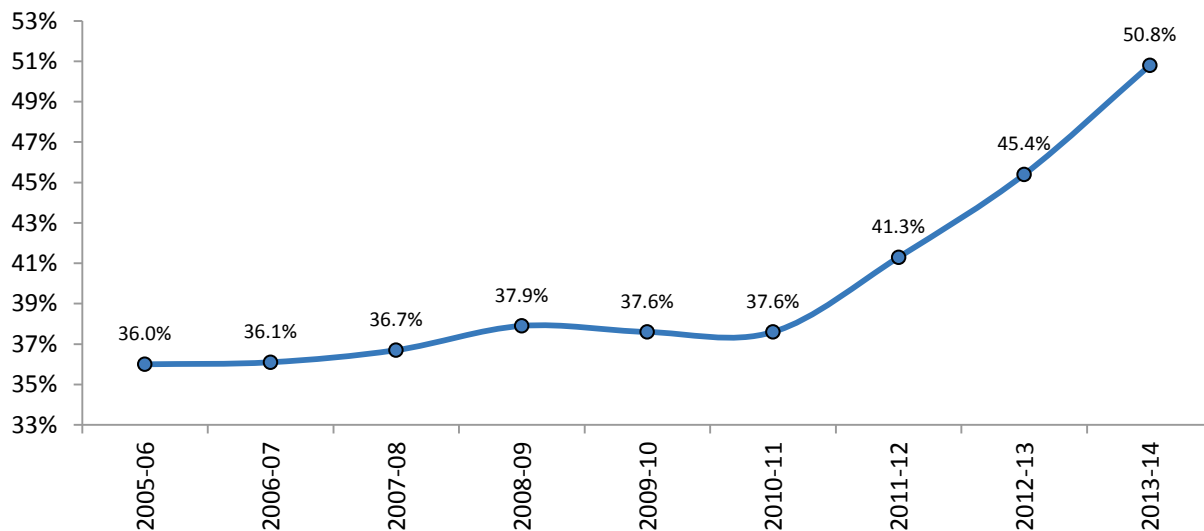
School Breakfast Program expansion is a rapidly growing success story: the participation of New Jersey students in the program grew for the third successive school year during 2013-14.

During the 2010-11 school year, for every hundred students that participated in the National School Lunch Program (NSLP), only 37.6% participated in the School Breakfast program. By the 2013-14 school year, 50.8 New Jersey students participated. In fact, New Jersey was among the two states in the nation with the greatest rise in the percentage of low-income children participating in school breakfast for last year, with a 12.9 point

increase compared to 2012-2013.⁶⁰ The average number of students participating in free and reduced price breakfast has increased every year since 2005-06.

Figure 83

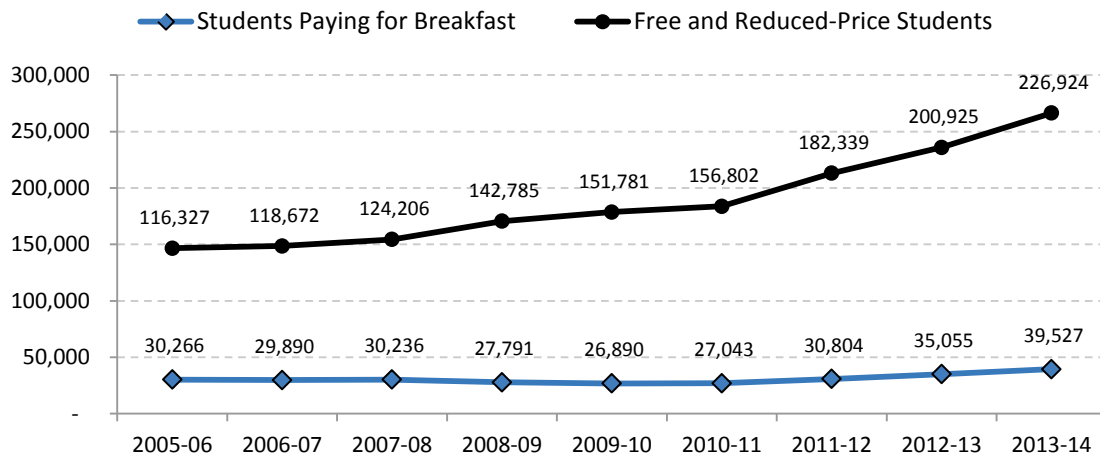
**Student Participation Rate in the School Breakfast Program
School Years 2005-06 to 2013-14**



Source: Food Research and Action Center

Figure 84

Average Number of Students Participating in Free and Reduced-Price Breakfast & Paid Breakfast, School Year 2005-06 to 2013-14



Source: Food Research and Action Center

As a result of increased participation, New Jersey’s position improved from the top five worst performing states (ranked 48th and 46th in 2010-11 and 2011-12) to the 37th position in 2012-13, and 28th position in the 2013-14 school year.

Figure 85

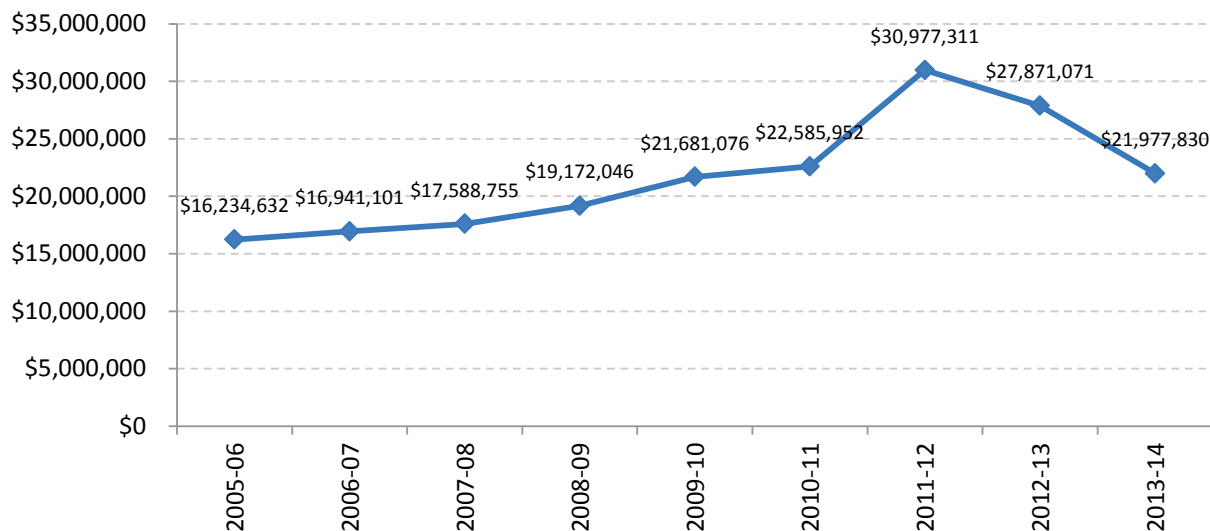
New Jersey’s Participation rate rating in the School Breakfast Program

Year	New Jersey’s Rank (1=Best; 51=Worst)
2005-06	44
2006-07	44
2007-08	46
2008-09	45
2009-10	46
2010-11	48
2011-12	46
2012-13	37
2013-14	28

Source: Food Research and Action Center

Figure 86

Annual Federal Funds Lost Because of Failure to Reach Benchmark Goal*



Source: Food Research and Action Center

Note: *Benchmark goal denotes enrollment of 60 SBP students per 100 NSLP students from 2005-06 to 1010-11 and 70 SBP students per 100 NSLP students from 2011-12 onwards

3. Summer Food Service Program (SFSP)

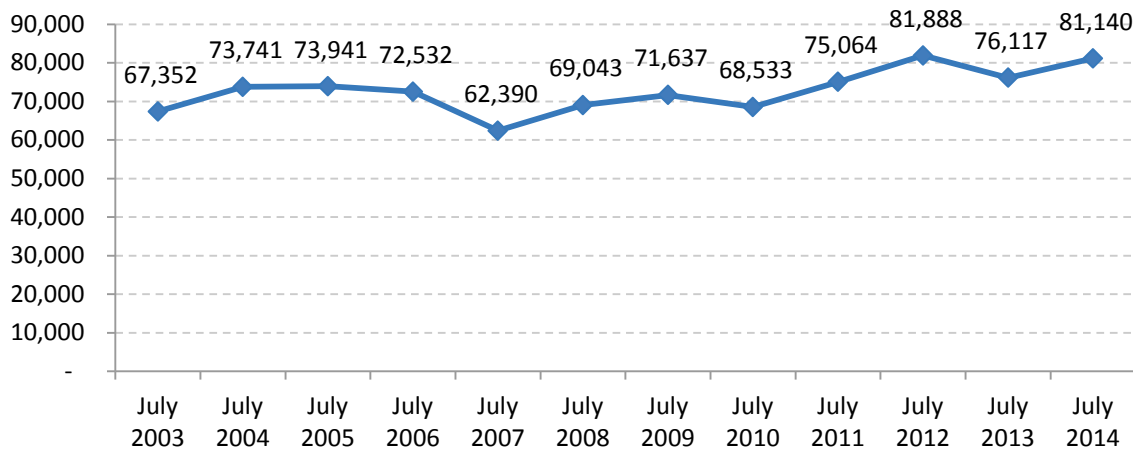
All children who receive subsidized meals during the school year are also eligible to receive comparable nutrition during the summer. The Summer Food Service Program (SFSP) provides federal funding to states to serve subsidized meals and snacks to children during the summer months at eligible sites throughout the state. A key goal of the Summer Food Service Program is to provide meals to as many children during the summer months as during the school year. Unfortunately, a very small percentage of students from families with low incomes receive nutritious meals during the summer months in New Jersey. During the school year access to children is much easier because they regularly gather in schools every day. Taking care of nutritional needs of children from families with low incomes becomes very challenging during the summer months when school is not in session.

The number of children receiving subsidized summer meals increased by 6.5% between July 2013 and 2014.

New Jersey has historically had very low participation of students in the subsidized summer meals program. In 2014, the number of children participating in SFSP increased to the second highest level more than ten years, 81,140 children received subsidized summer meals in July 2014, 6.5 percent higher than the number during the previous year and more than 30 percent higher than the number of children participating in 2007.

Figure 87

Number of Children Receiving Subsidized Summer Meals, New Jersey 2003 to 2014

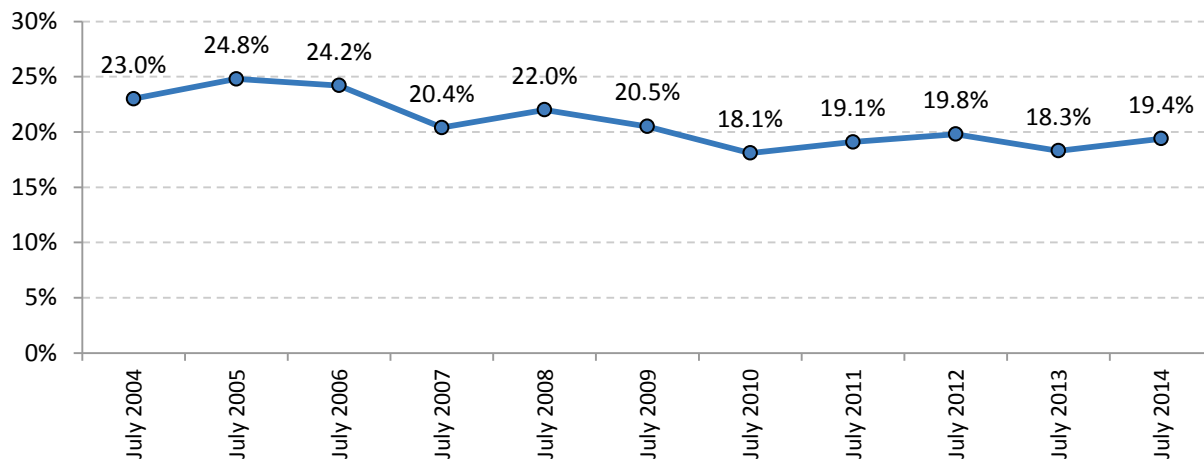


Source: "Hunger Doesn't Take a Summer Vacation: Summer Nutrition Status Report." Food Research & Action Center

Comparing summer nutrition to school lunch, only about one in five children participated in the subsidized summer meals program.

Figure 88

Percent of Children enrolled in Summer Nutrition per 100 enrolled in National School Lunch Program, New Jersey 2004 to 2014



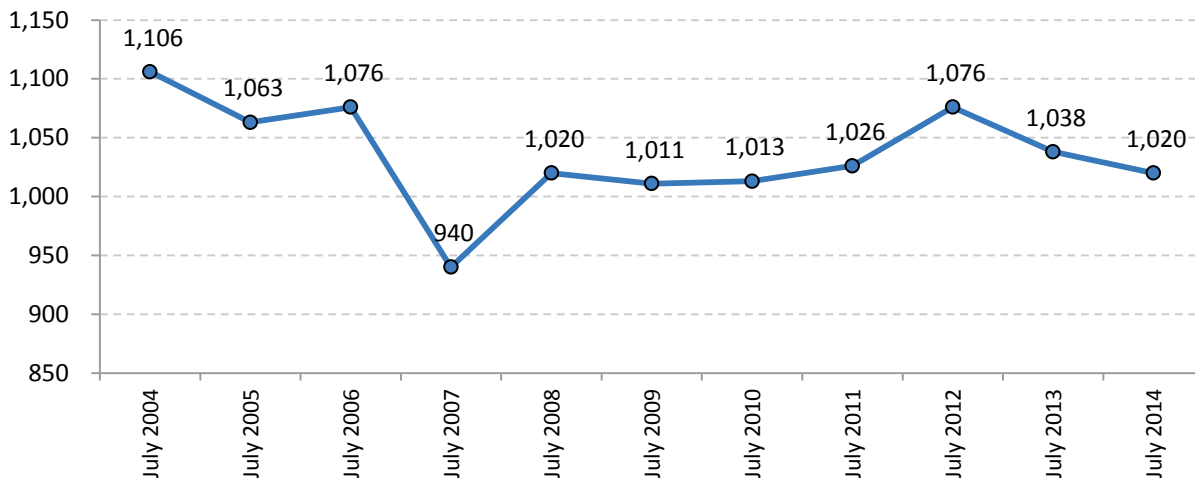
Source: "Hunger Doesn't Take a Summer Vacation: Summer Nutrition Status Report." Food Research & Action Center

The number of sites in the state serving subsidized summer meals decreased slightly between 2013 and 2014.

A site is the physical location, approved by the State agency, where SFSP meals are served during a supervised time period. States classify and approve sites as open, closed, camp, migrant, and NYSP (National Youth Sports Program).⁶¹ Open sites operate in low income areas where at least 50 percent of the children residing in the area are eligible for free or reduced-price school meals based on school or census data. Closed sites are established for a specific group of children who enroll in an organized activity program and may not reside in an eligible low income area. The site becomes eligible for SFSP if at least half of the enrolled children qualify for free and reduced-price meals. Because the site is not open to the community, meals are served free only to enrolled children.⁶² Migrant sites serve primarily migrant children. Once these sites are determined eligible, all of the children can eat for free. Another category is summer camp — the camps receive reimbursement only for meals served to enrolled children who qualify for free and reduced-price meals.⁶³ The number of sites in the state serving subsidized summer meals in the state decreased slightly from 1,038 in 2013 to 1,020 in 2014.

Figure 89

Number of Sites, New Jersey July 2004 to 2014



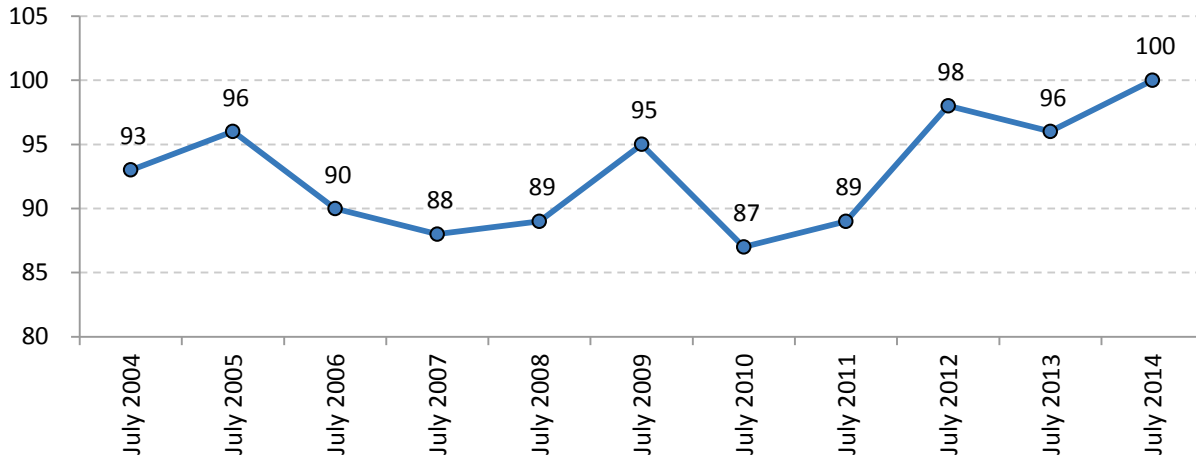
Source: "Hunger Doesn't Take a Summer Vacation: Summer Nutrition Status Report." Food Research & Action Center

Between 2013 and 2014, the number of organizations sponsoring the SFSP increased from 96 to 100.

Sponsors are organizations that manage summer nutrition sites. Any public or private nonprofit Public or private nonprofit schools, units of local, municipal, county, tribal, or State government, private nonprofit organizations, public or private nonprofit camps or public or private nonprofit universities or colleges can become sponsors of the summer meal program.⁶⁴ Between 2013 and 2014, the number of organizations sponsoring the SFSP increased from 96 to 100.

Figure 90

Number of SFSP Sponsors, New Jersey July 2004 to 2014



Source: "Hunger Doesn't Take a Summer Vacation: Summer Nutrition Status Report." Food Research & Action Center

While the participation rate in the summer meal program increased between 2013 and 2014, the state has a long way to go before the federal benchmark goal of 40 children participating in summer nutrition for every 100 receiving free and reduced-price lunch during the school year can be reached.

During July 2014, only 19.4 children participated in subsidized summer nutrition per 100 receiving free and reduced-price lunch during the school year. As a result of the failure to meet the benchmark goal of 40 children participating in summer nutrition for every 100 receiving free and reduced-price lunch during the school year, New Jersey lost more than \$6.6 million in federal dollars. More importantly, about 86,500 low-income children missed out on this critical nutritional resource during the summer.

4. Women, Infants, and Children Program (WIC)

Under the WIC program, the federal government gives financial assistance to the states for providing nutritional supplements to women, infants, and children up to the age of 5, who belong to low-income families and who are at risk of inadequate nutrition. Besides nutrition, the WIC program also provides access to other resources such as health and immunization screening, nutrition and breastfeeding counselling and substance abuse referral.⁶⁵ The definition of “nutritionally at-risk” includes two categories — medical risks and dietary risks. The former includes medical conditions such as anemia, low or high body weight, and history of pregnancy complications. The latter includes risks such as inappropriate nutrition intake, feeding practices, and failure to meet current dietary guidelines.

WIC is not an entitlement program and only a specified amount of funds are allocated each year for providing assistance. As a result, not all eligible people can be served all the time. In New Jersey, a waiting list is maintained when the program runs out of resources. A system of priorities is used to determine who will get assistance first. The main idea is to ensure that those with the most severe need are served first. ⁶⁶ During FY 2015, each participating individual received an average benefit of \$53.30. Participants in the program typically receive vouchers that can be used in authorized local food stores.

In order to qualify for WIC, applicants must meet certain income criteria. Effective July 2014 to June 2015, a family’s gross income must not exceed the following thresholds to qualify for WIC assistance:

Figure 91

WIC Income Eligibility Guidelines (Effective from July 1, 2014, to June 30, 2015)

Family Size	Annual Income	Monthly Income	Weekly Income
1	\$21,590	\$1,800	\$416
2	\$29,101	\$2,426	\$560
3	\$36,612	\$3,051	\$705
4	\$44,123	\$3,677	\$849
5	\$51,634	\$4,303	\$993
6	\$59,145	\$4,929	\$1,138
7	\$66,656	\$5,555	\$1,282
8	\$74,167	\$6,181	\$1,427
For each additional member add	+ \$7,511	+ \$626	+\$145

Source: New Jersey Department of Health

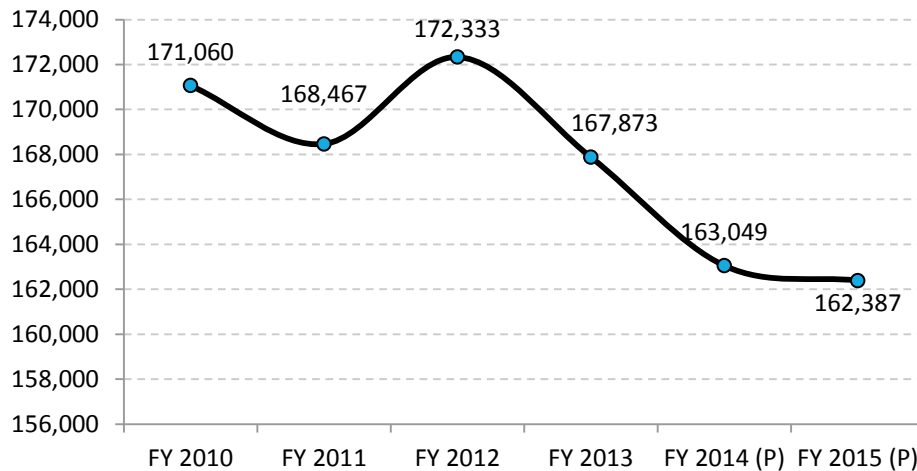
The WIC program also provides categorical assistance to recipients of SNAP, Medicaid and TANF. These individuals are considered eligible even if their income exceeds the program’s income limit.

The number of participants in the WIC program decreased by nearly 6% between FY 2012 and FY 2015.

A total of 163,049 persons participated in the WIC program during FY 2014 according to preliminary estimates. About 162,387 persons participated during FY 2015. This is a decrease of nearly 6% from a high point of 172,333 participants during FY 2010. Children have a higher participation rate in the WIC program than women or infants. During FY 2015, of the total 162,387 participants, 87,770 were children, 36,669 were infants and the rest (36,948) were women.

Figure 92

WIC Participation, New Jersey FY 2010 to FY 2014



Note: Prefers to preliminary data, and is subject to change

E. Income Support

1. WorkFirst New Jersey (WFNJ)

Originally launched pursuant to federal welfare reform in the mid-90s, the state WFNJ program provides cash assistance and selected support services to eligible families and individuals with low incomes. The program is designed to be “temporary,” is time-limited for most recipients, and focuses on moving participants into employment through mandatory participation in designated “work activities.” The program provides cash assistance and supportive services. It may also refer enrollees to other assistance programs such as SSI if the barrier to work is disability and long-term. WFNJ is also designed to provide other work support services, such as child care and transportation. Participants with identified barriers to work can receive certain barrier removal services, including mental health and substance abuse case management and treatment, family violence services, and disability services.

WFNJ encompasses two distinct programs:

1. **Temporary Assistance to Needy Families (TANF)** provides cash and employment assistance to families with children, including single- and two-parent households, and those who have legal custody of children, including legal guardians. It is funded in significant part by the federal government and is administered by the state, primarily through county welfare offices.
2. **The General Assistance program (GA)** serves individuals and couples without children, or without the custodial care of children, who are in need of income and work supports. It is funded by the state, and is administered through the county welfare agencies.

Potential GA recipients are classified into two categories — *employable* and *unemployable*.

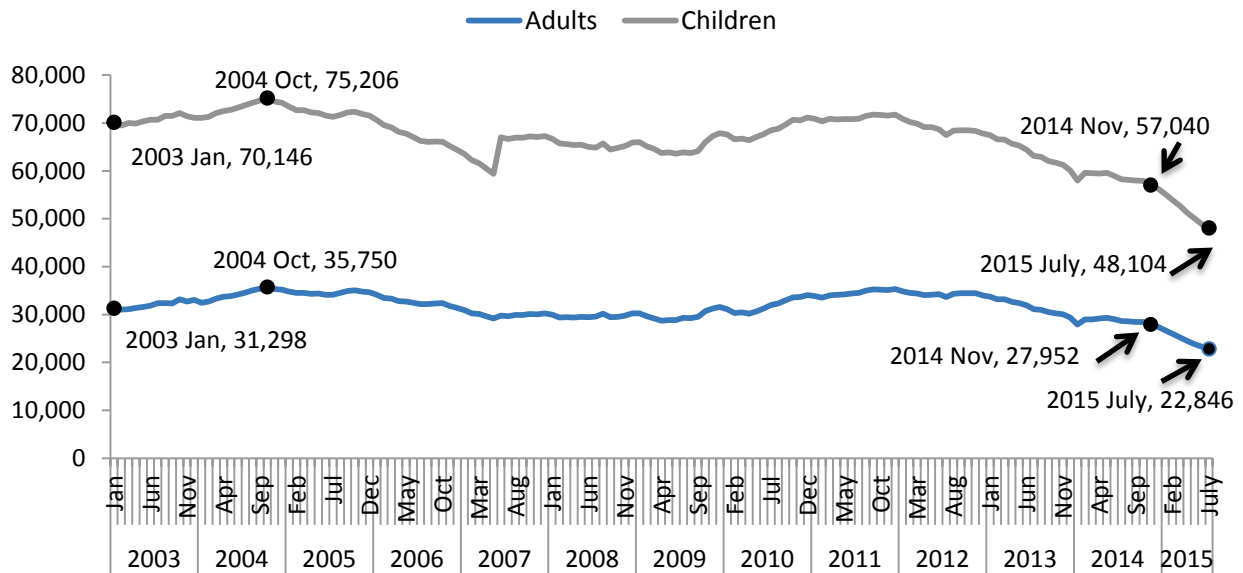
- The employable category includes individuals who are healthy and do not have any physical or mental barriers to work.
- The unemployable category includes individuals who cannot work because of a disability or medical condition.

GA cash assistance varies by category — potential individual recipients deemed “employable” receive up to \$140 per month. A childless “employable” couple receives up to \$193 per month. An individual who is unable to work or is unemployable receives up to \$210 per month. New Jersey is the only state that offers different benefit levels for employable and unemployable individuals.

a. Temporary Assistance to Needy Families

Figure 93

Temporary Assistance to Needy Families (TANF), Number of Adults & Children Receiving TANF, August 2003 to July 2015



Source: State of New Jersey, Department of Human Services, Division of Family Development

The number of persons on TANF (adults and children) reached one of the lowest levels in more than 10 years in April 2015.

A total of 70,950 persons (22,846 adults and 48,104 children) were on TANF assistance as of July 2015, the latest period for which data is available. This is a major decline from a peak of 100,956 persons (35,750 adults and 75,206 children) during October 2004.

The TANF case grant amount has not been increased since 1987 — 28 years.

The TANF grant amounts have not been increased since 1987. Currently, TANF does not raise a family above the severe poverty level (50% FPL), and is less than one-fifth of the actual New Jersey poverty level (APL) of 250% of FPL. For a three-person family, the maximum grant amount is just \$424 per month or \$5,088 per year. Given ever-increasing regulatory requirements, a fair inference is that low grant levels have discouraged program participation.

b. General Assistance

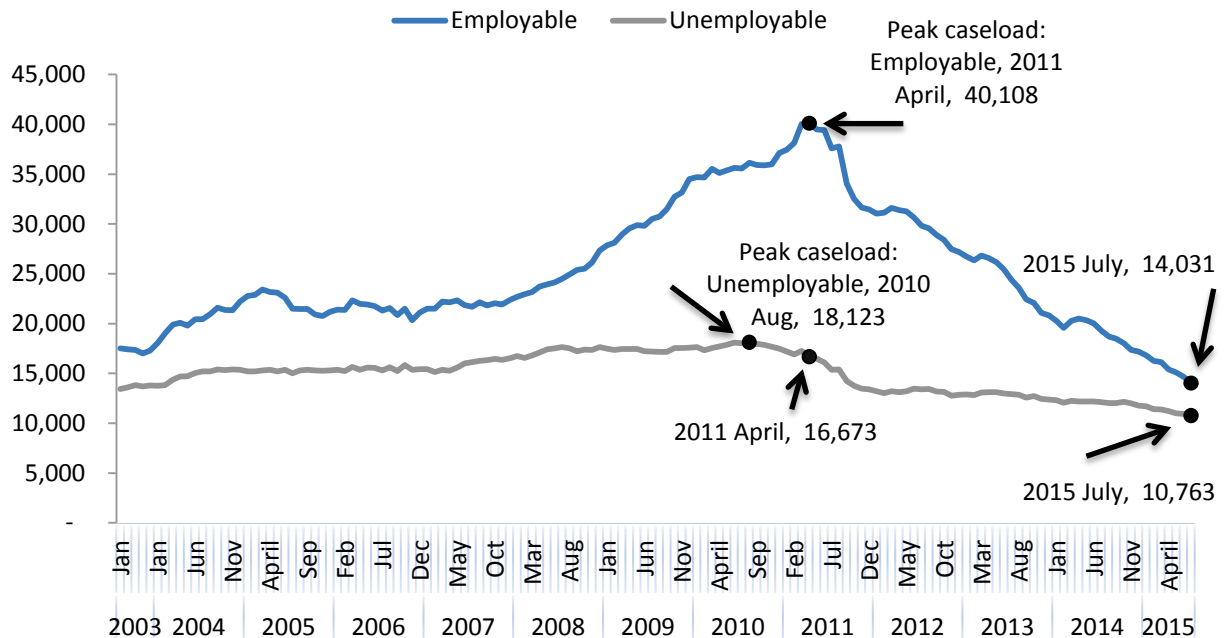
The GA caseload continued its precipitous decline in 2014 and 2015, a large part of which can be attributed to policy changes during the past couple of years. The “employable” caseload was at its lowest since 2003 at 14,031 as of July 2015. The “unemployable” caseload was also at its lowest since 2003 (10,763) as of July 2015.

The GA caseload reached a 10-year peak of 40,108 in April 2011, but policies introduced in 2011 have made it harder for people to get GA benefits. Since then, the GA caseload has declined precipitously. The employable caseload declined by 65 percent — from 40,108 in April 2011 to 14,031 in July 2015. The unemployable caseload reached a peak in August 2010 and then declined to 10,763 in July 2015 — a 68 percent drop.

Policies introduced in 2011 require new applicants to participate in work activities for 30 days continuously with no GA payment before they can become eligible for grants. Previously, applicants received cash assistance during the qualifying period. Additionally, grants are now received only from the date when application is approved, not from the date of application, of great significance when there are delays in approval or lengthy, excessive verification requirements. Finally, some previously covered groups, such as individuals living with family members and full-time students, are now excluded from GA assistance.

Figure 94

General Assistance, Number of Employable & Unemployable GA Recipients, August 2003 to July 2015



Source: State of New Jersey, Department of Human Services, and Division of Family Development

The “unemployable” category was also subjected to certain regulatory changes. A change in the definition of “unemployable” has made it virtually impossible for individuals with serious but not long-lasting health issues to enroll in the GA “unemployable” category. Previously, a person was considered “unemployable” if the medical issue lasted for at least 30 days or more. After the policy change, a potential recipient must be incapacitated for a minimum of seven months. As a result, individuals with serious but less than seven-month health issues are not able to access the GA “unemployable” grant, even though they may be completely unable to work during that period. At the same time, they are not able to access the GA “employable” grant because they are not healthy enough to engage in the required work activities.

Expansion of GA compliance teams to TANF cases means further declines in both GA and TANF caseloads.

The primary purpose of compliance review teams is to recommend cases for closure or denial when client information in a file does not appear to support eligibility.⁶⁷ During FY 14, such monitoring was initiated on GA cases. This monitoring has now been extended to

TANF cases. Missing information, however, does not necessarily signify lack of eligibility. Cases should not be denied because of missing information, especially given the lack of a modern intake system where paperwork could be lost or misplaced, or clients may not be aware of missing documentation. The FY 2016 budget estimate notes 15,373 employable recipients and 11,767 unemployable recipients — both significantly lower than current and all-time low levels.

c. Emergency Assistance (EA)

The primary purpose of the Emergency Assistance (EA) program is to prevent or alleviate homelessness and, where applicable, maintain necessary utility service. It is important to note that EA can only be provided to individuals who are homeless or in imminent danger of losing their homes. In order to qualify for EA, households must be receiving Supplemental Security Income (SSI) or be enrolled with or eligible for WorkFirst New Jersey (WFNJ).

EA provides up to three months' past-due rent or utility payments for eligible households that fall behind on payments. It can also provide emergency shelter, security deposits, payments to hotels, motels, or homeless facilities; utility deposits for a new apartment; and an allowance for furniture, if needed. EA eligibility is limited to 12 months over a recipient's lifetime. Families with children may be able to receive an additional 12 months of assistance with a hardship extension. EA recipients and SSI recipients without children may be eligible for a six-month hardship extension.

Typically, EA recipients need to find housing within 60 days. They are allowed a one-time extension of another 60 days if they need it for a total of 120 days. If they are still not able to find a unit in the private market during that time, they forego their assistance and it is passed on to someone else on the list. Some of the common reasons for not being able to find an accommodation include poor credit or a criminal background.

The expiration of two critical emergency EA housing programs (HAP and HHE) in July 2015 means that many formerly eligible EA recipients will not be able to access this critical resource.

Because many WFNJ and SSI recipients are in need of additional assistance beyond these time limits, the Division of Family Development has, since 1998, implemented a series of at least seven "pilot" programs, to provide additional safety net emergency assistance to vulnerable homeless or imminently homeless households after the statutory time limits

had been reached. In 2012, DFD implemented the Housing Assistance Program (HAP) program and the Housing Hardship Extension (HHE) pilot program. The HAP program provided an additional 24 months of emergency assistance to SSI recipients, and to WFNJ recipients with documented long-term disabilities. The HHE program provided a shorter, 12-month extension to “employable” TANF families. Both of these pilots expired as of July 1, 2015.

Since July 2, 2015, no additional EA extension programs exist. WFNJ and SSI recipients reaching the 24- or 18-month time limits since July 6, 2015 have been terminated from the EA program.

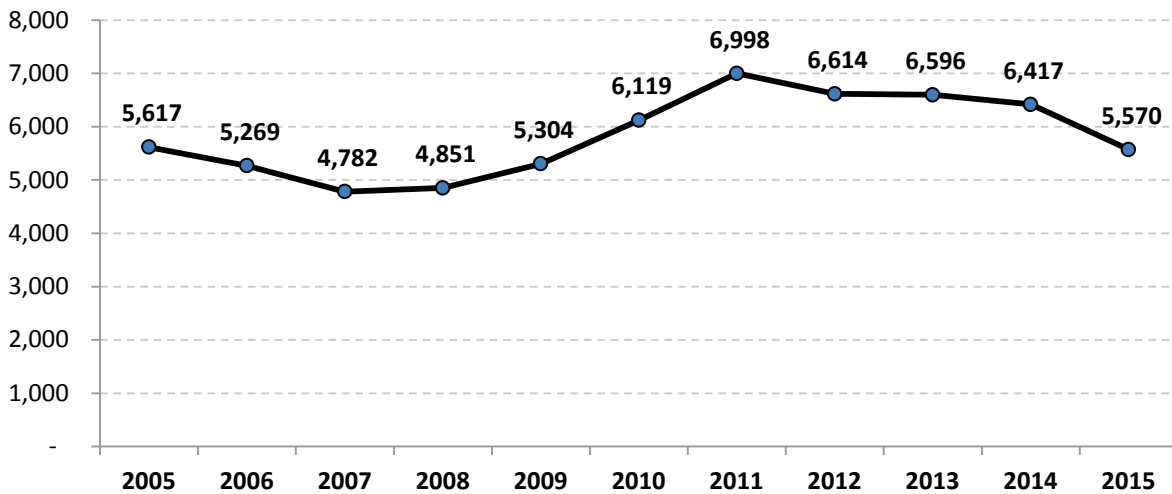
A DFD program instruction in July indicated that a new more limited pilot program is expected, which will no longer provide extended assistance to SSI recipients, or to households with an “employable” adult. The program as described will be limited to WFNJ recipients with substantial, long-term disabilities who have pending applications for Social Security or SSI disability benefits.

The average number of families receiving Emergency Assistance continues to decline in the state.

The average number of families receiving EA assistance was at its lowest in 2007, just before the beginning of the Great Recession. The caseload began to grow after that, reaching its peak in 2011, two years after the end of the Great Recession. Since 2011, there has been a gradual decline in the caseload. In 2015, the caseload was at its lowest since the recession (5,719). Data on the caseload since the expiration of the HAP and HHE supplemental programs is not yet available.

Figure 95

Average Number of Families Receiving Emergency Assistance, 2005-2015*



Source: Department of Human Services, Division of Family Development. Program Statistics

*Months from January to July 2015 are included in the average for 2015

2. Supplemental Security Income

Supplemental Security Income (SSI) is a last resort safety net program designed to provide financial support to impoverished individuals who are at least 65 years of age. It also provides cash assistance to individuals of all ages who are blind or disabled. Since it is an entitlement program, all individuals meeting the eligibility criteria are guaranteed assistance. To qualify for this assistance, however, applicants must meet a resource test. Single adults must not have more than \$2,000 in their bank account, and couples must have less than \$3,000. There are also strict income limits. The Social Security Administration (SSA) administers the program at the federal level. In New Jersey, the SSA contracts with the Department of Labor and Workforce Development’s Division of Disability Determination Services (DDS) to determine eligibility. SSA performs the initial eligibility determination and sends the case to DDS to process medical eligibility. New Jersey, like many other states, provides additional funds to the program through an optional state supplement.

SSI payment levels are based on the composition of a recipient’s household. The table below gives the maximum monthly payment amounts for different household compositions for the years 2013, 2014, and 2015. The total amount includes federal as well as state payments. It is important to note that not all SSI recipients receive the maximum amount.

Figure 96

SSI Maximum Monthly Payment by Category, New Jersey: 2013, 2014 & 2015

	2013	2014	2015
Person living alone or with others in own household	\$741.25	\$752.25	\$764.25
Person living with spouse who is not eligible for SSI	\$863.00	\$847.00	\$886.00
Person living in someone else's household and receiving support & maintenance	\$517.65	\$524.98	\$532.98
Person living in licensed residential health care facility	\$920.05	\$931.05	\$943.05
Person living in public general hospital or Medicaid-approved long-term health facility	\$40.00	\$40.00	\$40.00
Couple living alone or with others in own household	\$1,091.36	\$1,107.36	\$1,125.36
Couple living in someone else's household and receiving support & maintenance	\$803.76	\$814.43	\$826.43
Couple living in licensed residential health care facility	\$1,804.36	\$1,820.36	\$1,838.36

Source: Social Security Administration

In 2013, 180,354 New Jerseyans received SSI assistance, a slight increase from 177,344 persons in 2012.

The table below shows the total number of persons receiving SSI supplement in the state and by county. In 2013, 180,354 New Jerseyans received SSI, an increase from 177,344 persons in 2012. Essex County had the highest number of cases. Essex and Camden counties had the highest number of SSI recipients in 2013.

Figure 97

Number of Recipients in State (by Eligibility Category, Age, and Receipt of OASDI Benefits) and Amount of Payments, by County, December 2013

County	Total	Category		Age			SSI recipients also receiving OASDI	Amount of payments (thousands of dollars)
		Aged	Blind and disabled	Under 18	18–64	65 or older		
<i>Total, New Jersey</i>	180,354	35,237	145,117	26,353	97,792	56,209	56,680	98,142
Atlantic	6,818	928	5,890	1,123	4,054	1,641	2,401	3,844
Bergen	11,835	5,017	6,818	929	4,456	6,450	3,655	5,966
Burlington	5,821	603	5,218	894	3,854	1,073	1,841	3,238
Camden	16,279	1,576	14,703	2,792	10,126	3,361	4,967	9,299
Cape May	1,806	113	1,693	237	1,316	253	689	944
Cumberland	5,570	420	5,150	1,022	3,531	1,017	1,822	3,168
Essex	28,839	3,961	24,878	4,870	16,414	7,555	8,217	16,599
Gloucester	4,639	330	4,309	752	3,193	694	1,508	2,642
Hudson	22,047	5,692	16,355	2,765	10,041	9,241	7,846	11,649
Hunterdon	848	127	721	55	595	198	267	468
Mercer	9,992	1,217	8,775	2,067	5,852	2,073	2,937	5,880
Middlesex	12,971	4,627	8,344	1,318	5,581	6,072	3,784	6,592
Monmouth	7,933	1,358	6,575	898	4,838	2,197	2,626	4,210
Morris	4,428	1,600	2,828	318	2,054	2,056	1,249	2,196
Ocean	7,065	775	6,290	1,094	4,515	1,456	2,415	3,706
Passaic	14,899	3,132	11,767	2,598	7,156	5,145	4,774	7,994
Salem	1,642	86	1,556	263	1,137	242	558	930
Somerset	3,130	996	2,134	354	1,529	1,247	799	1,540
Sussex	1,658	150	1,508	206	1,161	291	549	811
Union	10,744	2,374	8,370	1,605	5,471	3,668	3,307	5,705
Warren	1,390	155	1,235	193	918	279	469	761

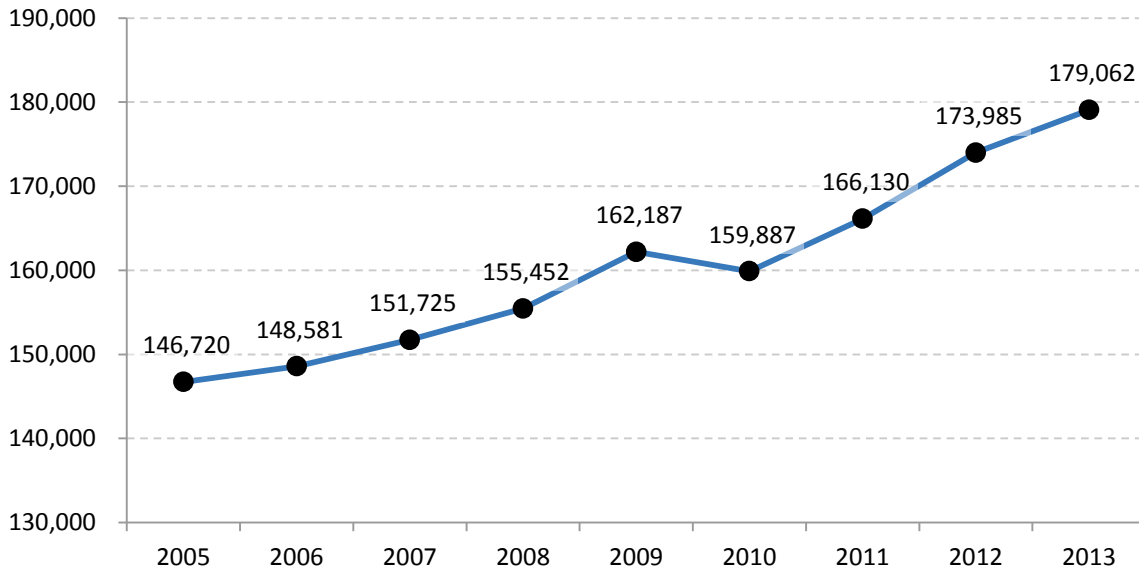
Source: Social Security Administration

The number of persons receiving the optional state supplement also increased in 2013.

The number of persons receiving the optional state supplement has increased every year since 2005 (except 2010 when it decreased). Between 2012 and 2013, the number of persons receiving the state supplement increased from 173,985 to 179,062 residents.

Figure 98

Number of Persons Receiving the Optional State Supplement, 2005 to 2013



Source: Social Security Administration Data

Figure 99

Number of Persons Receiving Optional State Supplement by Category

2005	146,720	32,732	883	85,540	27,564
2006	148,581	32,752	850	86,061	28,918
2007	151,725	33,115	830	87,387	30,393
2008	155,452	33,686	805	89,372	31,589
2009	162,187	34,632	1,607	93,072	32,876
2010	159,887	33,439	750	91,972	33,726
2011	166,130	33,495	731	96,535	35,369
2012	173,985	34,225	777	113,294	25,689
2013	179,062	34,894	764	117,248	26,156
Change (2005-13)	32,342	2,162	-119	31,708	-1,408
Percent Change (2005-13)	22.0%	6.6%	-13.5%	37.1%	-5.1%

Source: Social Security Administration Data

Like cash WorkFirst (welfare) grants, state SSI supplement payments have not been increased since 1986, making New Jersey supplements the lowest among the high-cost states.

The federal portion of the SSI payment is adjusted annually for inflation, but the monthly state supplement has not been increased since 1986. It has remained unchanged, at \$31.25

for individuals and \$25.36 for couples. New Jersey's supplement is relatively meager in comparison with many other high-cost states (such as California, Connecticut, Massachusetts, New York, and Rhode Island). New Jersey is also one of only seven states where the state supplement for couples is lower than the supplement for individuals. Additionally, effective January 2011, the state supplements decreased for SSI recipients living with ineligible spouses, from \$362.36 to \$153, escalating hardships for many recipients.

One recent development that may reduce the number of New Jerseyans on the SSI program is the funding of the "disability reviews" by the Congress.

The main purpose of the disability reviews is to re-assess cases with an intention to decrease caseload size and improve efficiency. The SSA conducts an assessment to examine whether an individual continues to experience disability. If medical improvement is found, assistance is terminated. The program recently received funding from the Congress. As a result, on average, 9,000 cases are being reviewed in the state instead of 2,000 cases during the earlier period. These re-determinations are leading to more terminations of assistance, not necessarily because of an improvement in medical condition. Many are being terminated not because they cannot qualify for assistance but because a valid address or contact cannot be found for them because they changed residence.

The ABLE Act passed by the Congress in December 2014, allowing SSI recipients to hold up to \$100,000 in their ABLE bank account, is a positive development that will allow SSI recipients to maintain their health, independence, and quality of life.

In December 2014, the U.S. Congress passed the ABLE Act (Achieving a Better Life Experience), which allows SSI recipients to hold up to \$100,000 in their ABLE bank account, which will operate just like a 529 education-savings account. This is a major victory for SSI recipients, who currently can have no more than \$2,000 in cash savings to qualify for assistance. The ABLE Act will allow SSI recipients to have greater independence and live a life with dignity. The Act, however, limits this provision to individuals who experienced disability before they turned 26 years. A person is not required to be under the age of 26 years to qualify for assistance although they need to have documentation that disability occurred before they turned 26 years. Any family member, relative or any other unrelated person can deposit cash on behalf of the SSI recipients in their account. The total

amount deposited, however, cannot exceed \$14,000 in any given year. The \$14,000 threshold may pose a problem for many SSI recipients. In typical cases, SSI recipients receive a lump-sum settlement or inheritance exceeding \$14,000 in one year but less than \$100,000 overall. For this program to be available to New Jersey residents, the state must follow through and promulgate rules allowing ABLE account in New Jersey.

While the Affordable Care Act improved health care access of low-income New Jerseyans, glitches remain, particularly for SSI applicants.

Based on existing rules, prior to terminating a beneficiary from any NJ FamilyCare program, an individual must be screened for eligibility for all other Medicaid programs. For instance, if an individual receiving welfare loses eligibility because she has received an increase in income, before the person is sent a notice, he must be first screened for eligibility for other programs like Medicaid Expansion. In reality, however, instead of getting uninterrupted Medicaid services, they are sometimes terminated and have to find their way back into getting enrolled. For those just terminated from welfare and at the stage of applying for SSI benefits, it becomes harder to document disability because of lack of health care. Continued efforts to require screening prior to loss of Medicaid benefits will help alleviate this concern.

3. Social Security

The Social Security program was created when President Franklin Roosevelt signed the Social Security Act in 1935. It has been the most effective program for reducing poverty among seniors. Without this program, hundreds of thousands of seniors across the country would fall into destitution during their retirement years.

To be eligible for Social Security, a person must have at least 40 earnings credit or quarters, which are equivalent to 10 years of Social Security covered employment.⁶⁸ Individuals can begin to claim benefits when they turn 62 although benefits are reduced when they claim it so early. The full retirement age is 66 years and rises to 67 for those born in 1960 or later.⁶⁹ For those claiming benefits before reaching the full retirement age, payments are reduced to account for the longer expected period of receipt. The amount of benefits available through Social Security also depends on the earnings during employed years. Higher earnings yield higher benefits at retirement. For workers with lower earnings, the benefits still form a higher proportion of their average income during their working years

compared to those with higher incomes. The benefits are adjusted to inflation and increase each year to account for the changes in the cost of living.

The funds for Social Security payments are collected through two primary means: payroll taxes are applied to those who are working and to interest accrued on funds left over after all Social Security payments have been made. The tax rate for Social Security is 12.4 percent — half of which is borne by the employees and half by the employer. In case of self-employed individuals, the entire 12.4 percent is borne by them alone, although they are allowed to deduct one-half of their Social Security payroll taxes for federal income tax purposes.⁷⁰ Based on the current law, individuals were taxed only on the first \$117,000 (in 2014) in earnings.

Overall, about 90 percent of all seniors in New Jersey received Social Security benefits in 2013.

In total, there were 1,157,103 beneficiaries aged 65 years or older during 2013, of which 490,468 were men and 666,545 were women. Taking into account all retired workers, survivors of beneficiaries, and those with disabilities, there were a total of 1,548,525 recipients during 2013.⁷¹ Social Security beneficiaries received about \$1,450 monthly on average.⁷²

Figure 100

Number of Social Security Beneficiaries, New Jersey, December 2013

Total	Retirement			Survivors		Disability			Aged 65 or older	
	Retired Workers	Spouses	Children	Widow(er)s & Parents	Children	Disabled Workers	Spouses	Children	Men	Women
1,548,525	1,081,314	52,681	17,271	103,508	45,454	201,536	3,028	43,733	490,468	666,545

Source: Social Security Administration Data, OASDI Beneficiaries by State & County, 2013

The Census Bureau’s report on the Supplemental Poverty Measure shows that Social Security benefits lowered poverty rates by 38 percent for the 65 years and over age group.

In the absence of Social Security, poverty rates for seniors would be significantly higher. The receipt of Social Security lowers poverty by at least 8 percentage points. Data from the Census Bureau shows that poverty rates are much higher for families that did not receive Social Security benefits. Among the families below poverty, 86 percent did not receive any benefits.

2010 was the first year since 1983 when the total expenses of the Social Security program exceeded the funds collected through taxes. It is expected that 2020 will be the first year when the program's expenses will exceed the total funds collected from payroll tax and income accrued through investment.

As noted, the Social Security program is funded by payroll tax contributions that retirees make when they are gainfully employed. These funds are kept in a trust and distributed to eligible individuals when they reach retirement age. The excess funds, which are left over after the distribution, are invested in Treasury bonds. It is projected that 2020 will be the first year when the programs expenses will exceed its total income.⁷³

The total annual cost of Social Security benefits was about 11.3 percent of taxable earnings in 2007. Based on current projections, this will grow to 17.1 percent in 2037. Thereafter, it is expected to decline slightly before increasing again after 2050.⁷⁴ The program cost was 4.1 percent of the GDP in 2007. It is expected to increase to 6.2 percent of the GDP for 2037. Thereafter, it is estimated to decline to about 6 percent of the GDP by 2050, and then rise gradually.⁷⁵

According to current estimates, in the absence of new legislation the Social Security program will be able to pay full benefits to eligible individuals until 2033, and only 79% of the total benefits thereafter.

The impending funding shortage is due to demographics – the baby boomer generation reaching retirement age and the resultant rise in the total number of beneficiaries, as well as relatively low fertility since the baby-boom period. As more people become eligible, the cost of the program increases correspondingly.⁷⁶

Current law prohibits making payments on time if accumulated assets are not sufficient to pay the benefits.

According to a report by the Congressional Research Service, while benefits would be paid in some form even after depletion, it is unclear how the necessary reductions would be implemented because the Social Security Act does not specify what would happen to benefits if a trust fund became exhausted.⁷⁷ The Social Security Act stipulates that payments can only be made from the trust fund. Another statute, the Antideficiency Act, prohibits the government spending in excess of available funds. As a result, if Social

Security funds get depleted, the law as it exists now prevents full benefits from being paid on time.⁷⁸

Social Security is a critical program that keeps thousands of seniors above the official poverty level each year.

It is important to address the challenges facing Social Security now. If changes are made sooner rather than later, the burden of those changes could be spread over a longer period and over a wider population group. According to a Congressional Research Service report, prompt action would allow Congress to gradually phase in changes, rather than abruptly cutting benefits or raising taxes — allowing workers to plan in advance for their retirements.⁷⁹

4. Social Security Disability Insurance (DI)

The Social Security Disability Insurance program (DI) provides financial assistance for workers *below* 65 years who become disabled or can no longer work because of severe or long-lasting illness as well. The program also provides protection for family members if the primary wage earner dies. After a five-month waiting period, the family of a worker who becomes disabled can start receiving monthly cash benefits. The worker and eligible family members continue to receive benefits as long as the worker remains disabled or reaches full retirement age, at which point he starts receiving retired-worker benefits rather than disabled-worker benefits.⁸⁰ The program is financed by a portion of the Social Security payroll tax. Both employers and employees pay a tax rate of 0.9% up to a specified amount of earnings; currently this stands at \$118,500 for employees.⁸¹ The revenues collected from the tax are held in a trust fund, from which benefits are paid.

Individuals are eligible for the DI program if they have worked for at least one-fourth of their adult life. Thus, a worker may qualify for Social Security disabled worker benefits with fewer quarters of coverage, depending on the age at which the worker became disabled. A minimum of six quarters of coverage are needed,⁸² and the individual must also have worked for at least five of the last 10 years immediately before the onset of the disability. In addition, the person must experience severe physical or mental impairment that is medically verifiable. This illness should have lasted five months and be expected to last 12 months or result in death. The impairment should be severe enough that it prevents the applicant to not only engage in past work but to engage in any kind of substantial work considering age, education, and work experience.⁸³ In 2015, substantial work meant

earning no more than \$1,090 per month. Thus, disability insurance beneficiaries can supplement their benefits with work for a short period as long as earnings do not exceed the stipulated amount.⁸⁴

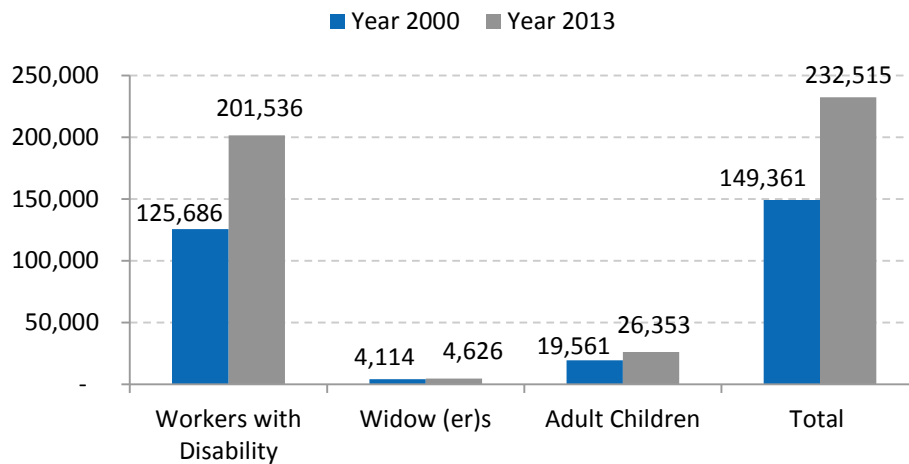
The Social Security Administration is tasked with reviewing beneficiaries periodically to discontinue benefits for those who have recovered from their illness through a process called Continuing Disability Review (CDR). The frequency of the review is based on the type of disability and can range between six months and seven years.⁸⁵ Due to funding cuts, there has been a lag in reviewing cases.

The number of workers on disability insurance increased by 60 percent between 2000 & 2013.

During 2000, there were 125,686 workers with a disability in New Jersey. By 2013, this increased to 210,536 workers. The number of spouses on disability increased by 12.4 percent, from 4,114 individuals in 2000 to 4,626 in 2013. Adult children on disability increased by 34.7 percent, from 19,561 in 2000 to 26,353 in 2013.

Figure 101

**Number of Workers (including families) on Disability Insurance
New Jersey 2000 & 2013**



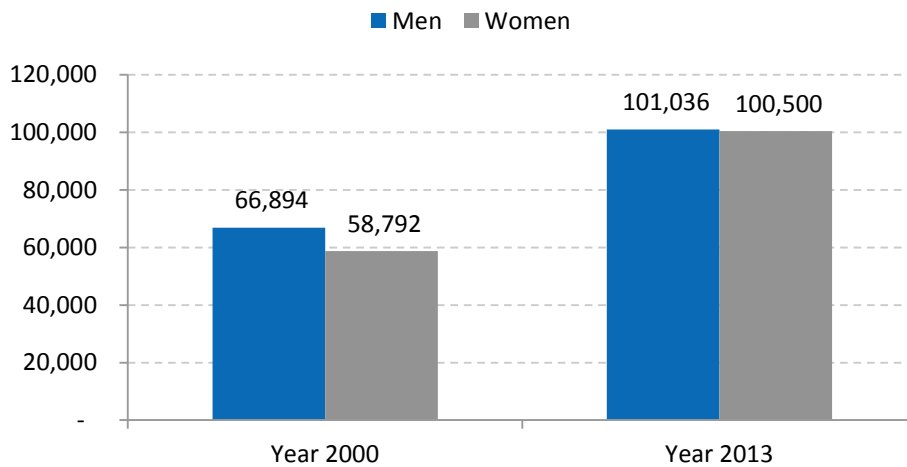
Source: Social Security Administration. Annual Statistical report on the Social Security Disability Insurance Program

A number of factors can be attributed to the rise in disability rolls, including the growth in labor force participation of women. Between 2000 and 2013, the number of women on disability increased by nearly 71 percent in New Jersey.

During 2000, there were 58,792 women on disability insurance in New Jersey. This increased to 100,500 in 2013 — a nearly 71 percent increase. With this increase, the number of women on disability matches the number of men on disability.

Figure 81

Workers on Disability by Gender, New Jersey 2000 & 2013



Source: Social Security Administration. Annual Statistical report on the Social Security Disability Insurance Program

A Congressional Research Report⁸⁶ attributes several other factors to the rise in the number of persons on disability insurance. These include overall growth in the working-age population, reduced opportunities for work, and legislative changes to the DI program that increased the number of beneficiaries. The Social Security Amendments of 1983 increased the full retirement age for Social Security retirement benefits, DI benefits (as noted, DI benefits cease once a beneficiary reaches retirement age).

Endnotes

¹ The official unemployment rate includes all jobless persons who are available to take a job and have actively sought work in the past four weeks.

² Discouraged workers are not in the labor force but want and are available for work and looked for a job sometime during the prior twelve months but not in the prior four weeks because they believed there were no jobs available for them. Marginally attached workers are similar to discouraged workers but cited any other reason for not looking for work during the prior four weeks. Part-time or involuntary part-time, workers are those working less than 35 hours a week but want full-time work, are available to work full time and gave an economic reason for not working full time.

³ Very low food security means, “the food intake of one or more household members was reduced and normal eating patterns were disrupted due to limited resources.”

⁴ New Jersey Department of Human Services, Division of Medical Assistance & Health Services.
http://www.nj.gov/humanservices/dmahs/news/reports/Enrollment_2014.pdf

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⁵⁸ Department of Human Services, Division of Family Development, Administration and SNAP and TANF EBT Controls by Stephen M. Eells (State Auditor). New Jersey Legislature, Office of Legislative Services, Office of the State Auditor. (July 1, 2010 to April 30, 2014)

⁵⁹ Food Research & Action Center, School Breakfast Scorecard: 2013-2014 School Year

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⁶⁵ *“The Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program),”* United States Department of Agriculture

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