

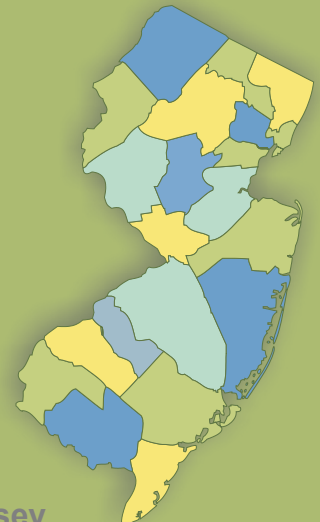
POVERTY BENCHMARKS 2008

Assessing New Jersey's Progress in
Addressing Problems of Inadequate Income



A Report from the
Legal Services of New Jersey
Poverty Research Institute

February 2008



Poverty Benchmarks 2008

Assessing New Jersey's Progress in Addressing
Problems of Inadequate Income

A Report from the
Legal Services of New Jersey
Poverty Research Institute

February 2008

Legal Services of New Jersey Poverty Research Institute

Legal Services of New Jersey heads a statewide system of seven non-profit corporations which provide free legal assistance in civil matters to low income people in all twenty-one counties of New Jersey. The Poverty Research Institute (NJPRI) was established by LSNJ in 1997 to create greater public awareness of poverty's scope, causes, consequences and remedies, in major part as a way to help alleviate some of the legal problems of those living in poverty. It is the first and only entity exclusively focused on developing and updating information on poverty in the state. The NJPRI conducts systemic research on the incidence, effects and other aspects of poverty – as well as the relationship among poverty, work and public policy – and makes its findings available to the public.

Information on NJPRI can be found at www.lsnj.org. For further questions, please email pri@lsnj.org or call 732-572-9100

Table of Contents

Introduction	1
Foreword.....	1
Organization of the Report	1
Acknowledgements	4
1. Summary of Findings	5
Trends in the Incidence and Impacts of Poverty.....	5
Trends in State Anti-Poverty Programs and Policies.....	8
2. Summary of Policy Recommendations	11
3. Understanding Poverty	16
Measuring Poverty.....	16
Levels of Poverty.....	19
Poverty Gap.....	23
Income Inequality	25
4. Characteristic of Populations in Poverty	29
An Overview of Who Lives in Poverty in New Jersey.....	29
Populations in Poverty: An In-Depth Look	31
5. Places with Poverty	39
6. Impacts of Poverty	45
Health	45
Education.....	50
Housing	58
Employment	62
Hunger	65
Transportation.....	66
Credit	68
7. State Anti-Poverty Programs	72
Addressing Severe Poverty: State Welfare Program	72
Addressing Concentration of Poverty: Mount Laurel and COAH.....	75
Addressing Child Poverty: Family Support Services	77
Addressing Health Issues: Medicaid & NJ Family Care	78

Addressing Housing Affordability: Rental Assistance and Affordable Housing Production	82
Addressing Hunger: Food Stamps, NSLP, SBP and Summer Nutrition Programs	85
Employment	88
Appendix 1: Tables	i
Table 1: Ratio of Income to Poverty Level by County (Percentage), New Jersey, 2005 & 2006.....	i
Table 2: Ratio of Income to Poverty Level by County (Number), New Jersey, 2005 & 2006.....	i
Table 3: Ratio of Income to Poverty by Place, New Jersey, 2005 & 2006 (Percentage).....	ii
Table 4: Ratio of Income to Poverty by Place, New Jersey, 2005 & 2006 (Number).....	ii
Table 5: Levels of Poverty, New Jersey, 2006	iii
Table 6: Gini Index by County, New Jersey, 2006.....	iii
Table 7: Quintile Share of Aggregate Income, New Jersey Counties, 2006.....	iv
Table 8: Related Child Poverty Rate by County, New Jersey, 2005 & 2006	iv
Table 9: Median Household Income & Poverty Rate, New Jersey & Counties, 2006	v
Table 10: Median Household Income & Poverty Rate by City, New Jersey, 2006.....	v
Table 11: Number & Percent of Uninsured Children, NJ & States, 2006 (Three Year Average)	vi
Table 12: Educational Attainment, Individuals Below Poverty, New Jersey, 2005 & 2006	vii
Table 13: Average SAT Score by District Factor Group, New Jersey, 2005 & 2006	vii
Table 14: Grade 3, NJASK, Percent Partially Proficient, New Jersey, 2005 & 2006.....	vii
Table 15: Grade 4, NJASK, Percent Partially Proficient, New Jersey, 2005 & 2006.....	viii
Table 16: GEPA, Percent Partially Proficient, New Jersey, 2005 & 2006	viii
Table 17: HSPA, Percent Partially Proficient, New Jersey, 2005 & 2006	viii
Table 18: Gross Rent as a Percentage of Household Income, New Jersey & Counties, 2005 & 2006.....	ix
Table 19: Tenure by Family Type for Below Poverty Population, New Jersey & Counties, 2006	x
Table 20: Tenure by More than One Occupant Per Room by County, New Jersey, 2005 & 2006.....	x
Table 21: Housing Tenure by County, New Jersey, 2005 & 2006	xi
Table 22: Earnings for Individuals Working Full Time & Year Round, New Jersey & Counties, 2006..	xi
Table 23: Means of Transportation to Work by Poverty Status, New Jersey & Counties, 2006.....	xii
Appendix 2: Acronyms	xiii

Table of Figures

Figure 1: Different Wage Levels for a 3-Person Family, New Jersey, 2005 & 2006	18
Figure 2: Real Cost of Living for a 3-Person Family, New Jersey, 2005 & 2006	19
Figure 3: Levels of Poverty, New Jersey, 2004 to 2006	20
Figure 4: Share of Population Below Poverty Level, Selected Counties, New Jersey, 2006	21
Figure 5: Share of Population Below Poverty, Selected Cities, New Jersey, 2006	21
Figure 6: Poverty Threshold for a Three-Person Family, New Jersey, 2006	22
Figure 7: Real Cost of Living in New Jersey, 2008	23
Figure 8: Average Family Income Deficit by Family Type, New Jersey, 2005 & 2006	24
Figure 9: Mean Family Income Deficit, New Jersey, 2002 to 2006	24
Figure 10: Mean Family Income Deficit, Northeastern States & U.S., 2006	25
Figure 11: Gini Index of Income Inequality for Households, New Jersey & Counties, 2006	26
Figure 12: Gini Index of Income Inequality, U.S. & States	27
Figure 13: Share of Aggregate Household Income by Quintile, New Jersey, 2006	27
Figure 14: Poverty Rate for Different Demographic Groups, New Jersey, 2006	30
Figure 15: Age of Persons Living in Poverty & Share in the Overall Population, New Jersey, 2006	31
Figure 16: Child Poverty Rate by Race, New Jersey, 2006	32
Figure 17: Hispanic/Latino Children in Poverty, New Jersey, 2005 & 2006	32
Figure 18: African-American Children in Poverty, New Jersey, 2005 & 2006	32
Figure 19: White Children in Poverty, New Jersey, 2005 & 2006	33
Figure 20: Related Child Poverty Rate, New Jersey Counties, 2006	34
Figure 21: Poverty by Race & Ethnicity, New Jersey, 2006	35
Figure 22: Share of Population in Poverty & Overall Population by Race/Ethnicity, New Jersey, 2006	35
Figure 23: Median Household Income by Race & Ethnicity, New Jersey, 2006	36
Figure 24: Median Household Income for Selected Counties, New Jersey, 2006	37
Figure 25: Poverty by Household Composition, New Jersey, 2006	37
Figure 26: Share of Population in Poverty & Overall Population, New Jersey, 2006	38
Figure 27: Poverty Rate for New Jersey Counties, 2006	39
Figure 28: Median Household Income, New Jersey Counties, 2006	40
Figure 29: Median Household Income, Two Townships within Camden County, New Jersey, 2006	41
Figure 30: Ratio of Income to Poverty, Camden city & Cherry Hill, New Jersey, 2006	42
Figure 31: Real Cost of Living, New Jersey, 2008	43
Figure 32: Uninsurance Rates by Level of Poverty, New Jersey, 2005 & 2006	46
Figure 33: Children's Uninsurance Rates by Level of Poverty, New Jersey, 2005 & 2006	46
Figure 34: Percent with Disability by Level of Poverty, New Jersey, 2005 & 2006	47
Figure 35: Health Status by Income Level, New Jersey, 2006	48

Figure 36: Percent with Diabetes by Income Level, New Jersey, 2006	48
Figure 37: Percent Suffering from Obesity by Income Level, New Jersey, 2006	49
Figure 38: Visit to the Dentist by Income Level, New Jersey, 2006	49
Figure 39: District Factor Groups - Calculation & Classification	50
Figure 40: Grade 3, Language Arts Literacy by Socioeconomic Status, New Jersey, 2005 & 2006.....	51
Figure 41: Grade 3 Mathematics by Socioeconomic Status, New Jersey, 2005 & 2006.....	51
Figure 42: High School Language Proficiency by Socioeconomic Status, New Jersey, 2005 & 2006	52
Figure 43: High School Mathematics Proficiency by Socioeconomic Status, New Jersey, 2005 & 2006 ...	52
Figure 44: Average SAT Score by Socioeconomic Status, New Jersey, 2005 & 2006	53
Figure 45: Grade 4 Students Below Proficiency in Reading by National School Lunch Program Eligibility, New Jersey, 2005 & 2007	54
Figure 46: Grade 8 Students Below Proficiency in Reading by NSLP Eligibility, New Jersey, 2005-07....	54
Figure 47: Districts Failing to Make AYP by Socioeconomic Status, New Jersey, 2005 & 2006	55
Figure 48: Percentage of Teachers Not Highly Qualified, New Jersey, 2007	56
Figure 49: Educational Attainment of Populations in Poverty, New Jersey, 2006.....	57
Figure 50: Median Earnings by Educational Attainment, New Jersey, 2006	57
Figure 51: Fair Market Rent for a Two Bedroom Unit, New Jersey Metropolitan Area, FY 2008.....	58
Figure 52: Gross Rent More than 50 Percent of Household Income, New Jersey, 2005 & 2006.....	59
Figure 53: Percent of Cost-Burdened Renters by Income, New Jersey, 2005 & 2006.....	60
Figure 54: Poverty Rate & Share of Population in Poverty by Tenure, New Jersey, 2006	60
Figure 55: Tenure by Family Type for Below Poverty Population, New Jersey, 2006	61
Figure 56: Tenure by Family Type for Below Poverty Population, New Jersey, 2005 & 2006	61
Figure 57: Tenure by More than One Occupant Per Room, New Jersey, 2005 & 2006.....	62
Figure 58: Income Below Poverty Level by Employment Status, New Jersey, 2006	63
Figure 59: Percent of Families with One Worker Below Poverty & Share of Total Population in Poverty by Family Type, New Jersey, 2006.....	63
Figure 60: Median Income (in 2006 Inflation Adjusted Dollars) for those Working Full Time Year Round, New Jersey, 2006	64
Figure 61: Individuals Working Full Time Year Round Earning Less than \$20,000 by Gender, Selected Counties, New Jersey, 2006	65
Figure 62: Household Food Insecurity, New Jersey, 2004 to 2006.....	65
Figure 63: Means of Transportation to Work by Poverty Status, New Jersey, 2006.....	67
Figure 64: Percent Not Owning a Car by Housing Tenure, Selected Counties, New Jersey, 2006.....	67
Figure 65: APR for 30 Year Lien Loan by FICO Scores, New Jersey, 2007	69
Figure 66: APR for Used Auto Loans (48 Months) by FICO Score, New Jersey, 2007	69
Figure 67: Non-business Bankruptcy Filings, New Jersey, 2000 to 2005	70
Figure 68: Changes in Subprime Delinquencies at State & MSA Level, New Jersey, 2005 to 2007.....	70

Figure 69: Foreclosure Rankings, Northeastern States, 2006.....	71
Figure 70: Northeast Metro Areas with Highest Foreclosures in 2006	71
Figure 71: Maximum Welfare Grants Versus Income Threshold for Severe Poverty, New Jersey	73
Figure 72: Poverty Threshold for 1-Adult, 2-Child Family Versus Annual Welfare Grant for a 3-Person Family, New Jersey, Selected Years (1969-2006).....	74
Figure 73: Individuals in Poverty Versus Individual Welfare Recipients, New Jersey, 1993 to 2006.....	74
Figure 74: COAH First and Second Round Credits	76
Figure 75: SCHIP Funds Available as a Percent of Need, New Jersey, 2008 to 2012	79
Figure 76: Percent Covered by Medicaid, New Jersey, 2005 to 2007.....	80
Figure 77: Average Medicaid, Medicare & Median Commercial Payments, New Jersey, 2004-05	80
Figure 78: Pediatric Medicaid Dental Reimbursement Rates for Selected Procedures, New Jersey, 2004..	81
Figure 79: State Rental Assistance Program Assistance Levels.....	82
Figure 80: Affordable Housing Production	84
Figure 81: Food Stamp Participation Rate of Eligible Population, New Jersey, 1994 to 2005	85
Figure 82: Percent of Households Below Poverty Receiving Food Stamps, New Jersey, 2004 to 2006.....	86
Figure 83: Students Participating in School Breakfast Program Per 100 Participating in School Lunch Program, Rankings of U.S. States, 2004 to 2006	86
Figure 84: School Participation in School Breakfast Program, Rankings of U.S. States, 2004 to 2006	87
Figure 85: Children in Summer Nutrition Per 100 in School Year National School Lunch Program, New Jersey, 2005 & 2006	88
Figure 86: Cost of Basic Needs Versus Minimum Wage (with EITC), Three-Person Family (one wage— earner), New Jersey, 2008	89
Figure 87: Annualized Minimum Wage in 2006 Dollars (without EITC), New Jersey, 1966 to 2006	90

Introduction

Foreword

No single source regularly collects and reports all New Jersey poverty-related data. To garner such data, illuminate the extent and consequences of poverty in the state and assess progress on combating such disadvantages, the Legal Services of New Jersey Poverty Research Institute inaugurated the annual Poverty Benchmarks Report in 2007. This report is the second in the series and seeks to update key trends and attendant policy implications. It also seeks to assess the state's progress in addressing poverty by reviewing state programs that address specific dynamics of poverty.

In many ways, those without significant income or assets live in a world quite distant from that of wealthier New Jerseyans. Separated in housing, employment, health care, education, and transportation, people in poverty rarely rub elbows with, or are even noticed by, those with greater means. Before there can be effective solutions to the problems of poverty, society must share a joint resolve to change the conditions and address the causes. A common understanding of these conditions and causes must precede such shared resolve. We believe broad awareness of available information concerning poverty is a precondition to lasting change, and add these Poverty Benchmarks Reports to our other studies to help build such understanding. In tracking these Benchmarks over time, we intend to gauge the state's effectiveness in addressing poverty.

We do offer one caution. Poverty derives from complex social and economic dynamics, and data that describes the manifestations of poverty should not be used to draw conclusions about the causes of poverty. Rather, in portraying poverty's effects the data presents the public – and policy makers – with information necessary to fashioning a comprehensive and effective approach to ameliorating poverty.

In order to evaluate progress it is necessary not only to examine data on the scope and effects of poverty but also to review state programs that address various facets of poverty. As a result, this edition of the report includes a new section on state anti-poverty programs and policies which explores the success of these state efforts to address and alleviate the negative impacts of poverty. The report mainly uses data from the Census Bureau and State departments and analyses done by organizations committed to the cause of addressing poverty and promoting progress and equality.

Organization of the Report

The report has seven primary sections that provide structure and context for understanding the compiled data. *Section I, Summary of Findings*, provides an articulation of the key findings from this edition of the report. This section also includes

an evaluation of how the gathered data reflects changes over time by drawing attention to developments or conditions that raise concern for the state's low income communities as well as trends that are encouraging.

Section II, Summary of Policy Recommendations, proposes a range of policy responses and potential steps to advance the state's effort in addressing poverty and its impacts. These recommendations are based on themes extracted from the data which reveals important trends and patterns in the ways that poverty impacts New Jersey.

Section III, Understanding Poverty, explores what is meant by the word poverty, including the extent to which various poverty measures actually reflect this meaning and what insights into the reality of poverty these measures can offer. This section also discusses problems with the federal poverty measure and advances an alternative measure of income adequacy, the real cost of living or self-sufficiency standard. Much poverty data is reported using multipliers of the federal poverty level (FPL), and this report highlights data on the share of the population with incomes below 50 percent, 100 percent and 200 percent FPL. Since these multipliers represent less realistic measures of poverty, they are compared to the real cost of living to help interpret the level of income inadequacy represented by these statistics. This section also explores the shortfall represented by the incomes at different poverty levels and examines statistics measuring the average gap between the actual income of families below the federal poverty level and the income at 100 percent of poverty. The analysis sets the stage for understanding what the various available poverty measures really tell us about the experience of income inadequacy in New Jersey and provides a baseline for future analysis of progress. The last segment of this section discusses Income Inequality and explains the significance of inequality in understanding the nature and experience of poverty in a high-income, high-cost state.

Section IV, Characteristics of Populations in Poverty, examines another type of disparity revealed by New Jersey's poverty data, the disproportionate incidence of poverty among certain identifiable demographic groups. While the federal poverty measure is insufficient for assessing income adequacy, it does provide a statistical yardstick for comparing the experiences of different groups, revealing those populations with higher percentages living beneath the very inadequate income represented by the federal poverty level. This section presents an overview of state and national poverty rates for a variety of groups, and then takes a closer look at a number of groups that are particularly vulnerable to poverty in New Jersey, including children, people with disabilities, some racial and ethnic minorities, and female-headed households with children. These trends are further magnified by the interactions of multiple factors, such as age and race or age and household composition. Finally, the importance of understanding the systemic disadvantage revealed by these different rates of poverty is reinforced by consideration of data concerning the working poor, which reveals that work is not a guaranteed path out of poverty. Thus, these disparities suggest that our assessment of the state's progress in addressing poverty must specifically consider progress in ameliorating the particular prevalence of poverty among identified vulnerable groups.

Section V, Places with Poverty, tells yet another story of disparity that examines the higher concentrations of poverty in some regions and places in the state, and considers related factors of income and cost to understand the significance of these differences. This section mainly focuses on county level data comparisons because the county level is the smallest geography for which several key pieces of data are consistently available. Comparison of federal poverty rates at the county level reveals significant regional differences, with the highest concentration of poverty in the northeast urban core, followed by the southern region of the state. Analysis of county median incomes shows the expected inverse pattern of higher-poverty correlating with lower average income, while lower poverty correlates with higher incomes. Concentration patterns become even more apparent in a comparison of the limited number of cities for which income and poverty data are available. Two neighboring cities at the extreme ends of the poverty and incomes scales, Camden and Cherry Hill, provide examples of concentrated poverty in some areas compared with concentrated affluence in others. Such disparities suggest of social inequities based on area of residence. Analysis of the real cost of living on the county level adds a further dimension. Counties with lower-income and higher-poverty are also those with the lower costs of living, while higher-income, lower-poverty counties are more expensive places to live. High housing costs, in particular, may relate to the absence of a higher share of the poverty population in the higher-cost areas of the state. An assessment of the state's progress in addressing poverty needs to contend with the challenge of how concentration patterns reflect on the ability of lower-income groups to access the economic and social advantages presented by higher income areas.

Section VI, Impacts of Poverty, analyzes the ways in which experiences of poverty translate into significant deprivations and hardships. The report explores data relating to basic human needs, including health care, housing, education, credit, transportation, and nutrition. This data reveals a variety of correlations between income inadequacy and challenges in meeting basic needs. These include factors such as disparate access to social resources, inadequacy of available assistance, and indicators of negative outcomes for lower-income people. The consistent theme in the data is one of income-based disparities over a range of social indicators, suggesting the human consequences of the poverty trends uncovered in the preceding sections. Thus, assessment of the state's progress in addressing poverty must include an analysis of the state's success in ameliorating or eliminating the deprivations linked to poverty.

Section VII, Anti-Poverty Programs and Policies, examines state program responses that are designed to address poverty and its impacts. This new section of the Poverty Benchmarks Report presents an overview of the state programs deemed most significant as responses to selected aspects of poverty in New Jersey, as well as noting some poverty-related problems for which significant and relevant responses are either lacking or not coordinated as such. This review is only a first step toward assessing the specific programmatic responses to key issues of poverty. It is not intended to be comprehensive in terms of poverty problems or programmatic responses and may exclude programs deemed either not large enough or not directly related to the given poverty issue to have a significant impact on the data being tracked. While the analysis does not claim to reflect all state programs and efforts that have an impact on the state's lower-income

populations, it provides the foundation for an assessment of the state's response to those aspects of New Jersey poverty being examined.

Acknowledgements

This report of the Poverty Research Institute (PRI) of Legal Services of New Jersey (LSNJ) was primarily authored by Shivi Prasad, with substantial contributions of research and writing from Allan Lichtenstein, Melissa Quaal, Serena Rice, and Miguelina Rodriguez.

Thanks to Allan Lichtenstein and Serena Rice, who served as the substantive editors, and to Sue Perger and Alyce Garver for their cover design and printing coordination. Additional input on portions of the report was provided by Linda Garibaldi, Connie Pascale and Anjali Srivastava.

All opinions are those of Legal Services of New Jersey.

Melville D. Miller, Jr.
Edison, New Jersey
February 2008

1. Summary of Findings

This section presents a brief overview of significant findings from the report. While not exhaustive, it highlights key trends that seem most worrying for the low income populations of New Jersey. Besides identifying areas where progress is disappointing, this section also includes a summary of trends that indicate progress for low income residents of the state. More detailed discussions of these findings and what they mean for poor New Jerseyans are included in the body of the report. The first part of the findings relates to specific incidence and impacts of poverty and includes recent trends. Part two describes findings from a review of state programs and policies that address specific impacts of poverty.

Trends in the Incidence and Impacts of Poverty

This report explores a wide range of data points that offer context for understanding the incidence and impacts of poverty in New Jersey. While all of these findings add to the overall analysis provided by this report, we draw attention to selected trends that indicate areas either of concern or progress. A particular finding may suggest cause for concern either due to a negative trend in the data or due to a lack of progress on a key indicator. On the other hand, findings are also highlighted if the direction of the data indicates either demonstrable or potential progress.

Stagnant or worsening poverty statistics

- One of the most disturbing stories for this year is the stagnant poverty rates in New Jersey. The child poverty rate also remains unchanged since 2005.
- The poverty gap, or mean family income deficit, which measures the amount of income needed to pull a family out of poverty, has widened. It has increased by \$147 (in 2006 dollars) since 2005, making New Jersey's poverty gap the highest among the surrounding northeast states and more than \$200 higher than the U.S. average.

Poverty increasing among some demographic groups, including some groups of children

- The percent of the white population experiencing poverty, especially children, has also increased since 2005.
- Female-headed households with children had the largest share of population in poverty in 2005, and this disproportionate representation among the poverty population is even bigger in 2006.

👉 *Race and Ethnicity: higher poverty groups showing declines in poverty rates*

- While the percentage of whites in poverty has increased, there has been a decrease in poverty rates among populations of color.

👉 *Entrenched income inequality*

- New Jersey continues to be among the top states for highest median household income. However, the distribution of this income is highly inequitable. Nearly fifty percent of the aggregate income of the state was held by 20 percent of the households in 2006. The bottom 20 percent of households, on the other hand, held less than four percent of income during the same year.
- Income inequality is also affecting New Jersey more severely than the majority of other states in the country. The Gini Index of Income Inequality ranks New Jersey at the 34th position among the fifty states and District of Columbia in 2006. [1= lowest income inequality; 51=highest income inequality]

👉 *Geographic concentration of wealth and poverty*

- Income levels vary significantly according to area of residence in the state. The difference in median household income between the richest and poorest county of New Jersey for 2006 was more than \$45,000 (between Hunterdon and Cumberland counties).
- Significant differences persist even within counties. Camden and Cherry Hill, both in Camden County, had a median household income difference of more than \$55,000 in 2006.
- Mapping poverty data shows that poverty, like income, is also not equally distributed across the state. Counties like Cumberland, Passaic, Essex and Hudson continue to have very high poverty rates in 2006.


👉 *Health Care: decreasing coverage and increasing problems*

- Even though New Jersey is among the states with high eligibility thresholds for public sponsored health insurance, the percent of uninsured have increased at almost all levels of poverty. The percent of poor children with no health coverage has also increased since 2005.
- The percent in poverty with a health problem or disability limiting work also increased in 2006.


👉 *Housing: continuing affordability crisis*

- Housing affordability continues to be a challenge for low income New Jerseyans in 2006. The proportion of cost-burdened renters, those paying more than 30 percent of income on rent, increased among all income groups earning less than \$50,000 per annum.


- More than one-quarter of New Jersey households paid more than 50 percent of income on rent in 2006. While the overall state figure remains steady compared to 2005, housing affordability is now a bigger challenge for residents of poorer counties like Passaic, Salem and Cumberland.

 *Education: High-poverty schools not achieving proficiency in some areas*

- A larger number of districts in high poverty areas failed to make adequate yearly progress (AYP) during the school year 2005-06.
- The percent of elementary students that were only partially proficient in language arts in Abbott and other lower income school districts remains very high and there has been a further increase in the percent that are not proficient since 2005.
- The percent of high school students only partially proficient in language arts and mathematics has also increased since 2005 in schools with the lowest socioeconomic status.¹
- A higher number of students eligible for free lunch under the National School Lunch Program failed to meet proficiency standards in mathematics and reading at the elementary and the middle school level in 2006 as compared to 2005.

 *Education: High-poverty schools recruiting more qualified teachers and performing better for some students*

- The disparity between the number of teachers who are not highly qualified in high poverty school districts as compared to low poverty schools and all other schools, has significantly narrowed since 2005, although the difference remains large.
- Despite the remaining large difference in mathematics achievement of elementary students studying in lower- versus higher-income districts, fewer students from low income communities are rated as achieving only partial proficiency.
- A similar trend is seen among middle school students in both language arts and mathematics, although the decline in partial proficiency rates is not as substantial.

 *Hunger: progress in measure of food need*

- The percent of households experiencing food insecurity has declined between 2004 and 2006.

¹ The District Factor Group (DFG) system has been developed by the New Jersey Department of Education for comparing student performance across demographically similar school districts. The DFGs represent an “approximate measure of a community’s relative socioeconomic status” (SES). In this report, DFGs are used as a proxy for poverty. Eight DFGs exist currently – A, B, CD, DE, FG, I and J – “A” represents districts with the highest concentration of poor students and “J” represents districts with the most affluent student population.

☞ *Credit: rise in credit crises*

- The number of non-business bankruptcy filings in New Jersey has increased by 33.3 percent since 2000.
- Three New Jersey metro areas, Camden, Newark and Edison, are among the top fifty metro areas in the country with the highest number of foreclosures in 2006.
- The percentage of subprime delinquencies in New Jersey, where payments were late by 60 days or more, approximately doubled from 2005 to 2007.

Trends in State Anti-Poverty Programs and Policies

While findings regarding the incidence and impacts of poverty are driven by the data, programmatic and policy responses to these trends are also important to analyze as they assist in the evaluation of state programs. This new section of the report provides our analysis of selected programs which we consider key in the effort to ameliorate poverty in the state. While grounded in data regarding program coverage and budgetary investment, the assessment of key trends reflects our analysis of the impacts of these state responses to poverty.

☞ *Severe Poverty: welfare not addressing income needs of those in severe poverty*

- Cash assistance levels provided to households on welfare have not been increased since 1987 and have fallen to less than one-third of the federal poverty threshold income in 2006.
- Maximum welfare grants represent between 32 percent and 63 percent of severe poverty income, depending on household size.

☞ *Child Poverty: new investments in family services through the child welfare system to serve low-income children and families*

- The child welfare reform efforts include two new family support services to assist families in accessing resources that can ameliorate the impacts of poverty: Family Support Centers and the Differential Response Initiative. While these new resources are a step forward, funding is limited and not all areas of the state are covered.

☞ *Concentration: Mt. Laurel/COAH not ameliorating concentration of affordable housing in high-poverty areas*

- The COAH system was intended to facilitate the development of affordable housing under the Mt. Laurel mandate - which was designed to reduce problems of concentration. As a practical matter, the system of Regional Contribution Agreements (RCAs), which are generally utilized by wealthier areas “selling” their obligation to poorer, frequently urban, areas undercut this deconcentration function.

- 👉 *Concentration: potential improvements to the Mt. Laurel/COAH process*

 - Pending legislation could eliminate the option of RCAs, which has the potential to foster increased development of affordable housing in areas that are currently lacking their proportional share of affordable units.
 - Proposed revised rules for the third round of COAH development would also increase municipal obligations to develop affordable housing when other development occurs, would increase incentives for the affordable housing to be built in the developing town, and would double the cost per unit to transfer obligations through RCAs (until the legislation regarding abolishing RCAs is decided).

- 👉 *Housing: progress in funding and implementing state rental assistance*

 - The State Rental Assistance Program (SRAP), created in 2004, has been fully leased up after several years of delays and problems with program implementation, so the impact of the current funding levels are now being maximized

- 👉 *Health Care: uncertain insurance coverage and access to care*

 - The percent of the population that has health insurance coverage under Medicaid has declined
 - Current issues regarding SCHIP suggest a bleak outlook for those currently eligible under the program. Federal reauthorization has already faced one veto due to conflict between the executive and legislative branches about funding and program goals and even if SCHIP is reauthorized with frozen funding, many low-income New Jerseyans will lose health coverage in 2008.
 - Health insurance is not a guarantor of health coverage. For those who have coverage under Medicaid, the low reimbursement rate creates unwillingness on the part of providers to accept new patients with Medicaid.

- 👉 *Hunger: low participation rates in available programs*

 - The percent of eligible New Jerseyans who participate in the Food Stamp Program (FSP) remains much below the national average. Comparison to other states reveals that New Jersey is faring much worse than other states and is below national average in Food Stamp Program participation. It ranks at the 41st position in overall Food Stamp participation rates; for participation among the eligible working poor population, it ranks at the 46th position.
 - New Jersey ranks among the ten states that have lowest student participation rates in the School Breakfast program (SBP).
 - New Jersey also ranks among the bottom five states for school participation rate in the School Breakfast program during 2006.

- The Summer Food Service Program (SFSP) is also underutilized and fails to serve eligible children of New Jersey, with a declining participation rate among the eligible population since 2005.

👉 *Hunger: beginning to regain lost ground in assistance to eligible population*

- The participation rate in the Food Stamp Program (FSP) has increased since last year, although the participation rate among the eligible population is more than 10 percent less than the participation rate during mid 1990s.

👉 *Employment: inadequate policies to cover low-wage workers in and out of employment*

- In 1980, the gap between an annual income at the minimum wage and the poverty line was only \$117; in 1992 it was \$682 and by 2006 it had grown to \$1,207.
- Due to the restrictions on eligibility for Unemployment Insurance related to base pay and workforce involvement in four of the five previous quarters, low-wage and entry-level workers may move in and out of the labor force without acquiring enough income to qualify for benefits during periods of unemployment.

2. Summary of Policy Recommendations

The data compiled and analyzed in this report reveals a number of important trends and patterns in the ways that poverty impacts New Jersey. While this data cannot tell us why people are poor, it does describe in detail the reality of poverty in the state. The significance of this assembled data goes beyond descriptive information. The themes articulated in this report suggest a variety of policy responses.

I. Direct assistance for the working poor

Stagnant poverty tied with growing income inequality represents a bleak outlook for the low income population of New Jersey, including families with children and single-mother households in which poverty rates remain high. Even with work, many families face significant income shortfalls due to the combination of low wage jobs and New Jersey's high cost of living. Given that a large part of population in poverty in New Jersey is employed, many full-time, one facet of the state's policy response must encompass direct assistance to raise the incomes of the working poor. A few income assistance strategies include:

- Increasing real income of low wage workers through minimum wage increases, and ensuring future increases to keep pace with the cost of living;
- Subsidizing income through increased tax credits (including a state child tax credit for lower-income families) or exemptions from tax liabilities;
- Introducing income redistribution policies such as a tax on luxury items to fund tax credits targeted to low-income populations.

II. Education and training

In order to close the gap between income and cost of living, youth and low wage workers need assistance to access the education and training needed to attain higher paying jobs. Effective policies and programs to increase access to quality education and training will also indirectly address the problem of income inequality. Examples of potential policy strategies include:

- Providing substantial tuition assistance to low income youth, low wage workers and unemployed workers to pursue higher education and complete degrees that can assist them in obtaining jobs in higher-paying, labor demand occupations;
- Ensuring that employment and training providers who contract with the state impart high-quality remedial education, training and certification programs for low wage workers;
- Expanding incentive programs and collaborations with private employers to develop advancement opportunities and training programs for low wage workers.

III. Family-friendly work policies

While active employment directly reduces income hardships, work also brings incremental expenses to household budgets, such as the cost of childcare, transportation to and from work, and lost time that could otherwise be used to access government resources or engage in money-saving activities. The reduced returns from employment can be a particular issue for single parent households with children, families with very young or old members and those with chronic illness. Promoting family-friendly policies statewide will enable more families to work without disruptions and at the same time increase the benefits of work to these working families. Some policy approaches in this direction include:

- Increasing the available subsidized child care, especially for single parent families;
- Requiring employers to provide paid family leave to take care of sick members in the family.

IV. Welfare and disability assistance

While some individuals are unable to work due to disability or other health problems, there are others who are unable to find employment due to lack of experience or relevant education or other hardships that prevent them from finding a job or succeeding at work. In order to assist these segments of New Jersey's population, a network of policies and programs are needed.

For those who are unable to work long term –

- Supplementing the payment levels of federal disability assistance programs (such as SSI and SSD) to promote more adequate income levels;
- Increasing cash assistance levels up to the state-published Standard of Need for welfare recipients who are granted long-term deferrals because of an inability to work.

For those who are unable to work in the short run –

- Strengthening the Unemployment Insurance safety net, by making a greater share of low wage workers eligible to receive benefits during periods of unemployment, and by providing extended benefits to address New Jersey's high exhaustion rate;²
- Increasing state cash public assistance levels, which have not been raised since 1987, to provide adequate incomes to meet basic needs, foster family stability, and establish a platform to enable welfare participants to move toward supporting themselves through work.

² In the third quarter of 2007, 44.3 percent of all unemployed New Jersey workers who received unemployment benefits used up their 26 weeks of benefits without finding employment, ranking New Jersey as fourth worst in the nation for exhaustion rates.

V. *Targeted assistance to populations experiencing a disproportionate incidence of poverty*

Since poverty strikes certain demographic groups at much higher rates than others, the state needs to coordinate efforts to ameliorate the prevalence of poverty where it is most evident. Potential ways to direct this assistance include:

- Increasing investment in micro-enterprise business grants and loans for low-income women and minorities to develop small businesses, with technical support;
- Promoting and enforcing policies that prevent gender bias in wages.

VI. *Implement policies that address the concentration of poverty*

The concentration of poverty in low-income and low opportunity areas creates disparate access to social resources that are concentrated in higher-income areas, thus perpetuating societal divisions and the pervasiveness of poverty. Anti-concentration policies are needed including:

- Elimination of RCAs, with replacement funding for affordable housing development and rehabilitation in municipalities currently receiving RCA funds;
- Continued reforming of the COAH process to make its calculation of affordable housing needs realistic, and to make municipal participation mandatory;
- Creating business incentives to develop higher paying jobs in high poverty areas, and ensuring that such jobs benefit local residents;
- Ensuring that redevelopment projects benefit current residents of an area to be developed, rather than displacing them.

VII. *Invest in programs that directly address areas of basic needs*

Given the clear evidence that poverty correlates with deprivation, hardship and negative outcomes for impacted individuals, the state must invest in efforts to ameliorate the common correlates of poverty. Targeted need-focused assistance programs are necessary to alleviate specific impacts of poverty, and can also address some of the negative impacts of the concentration of poverty. While instituting new policies is important, enforcement of existing policies is equally significant. Some efforts in this direction include:

- *Utilization of existing policies and programs*

Health

- Investing in outreach efforts to maximize enrollment of populations that are eligible under the current public health insurance programs.

Housing

- Increasing investment of Balanced Housing funding in the production of affordable units, leveraging federal Low-Income Housing Tax Credit funding;
- Expanding housing assistance programs such as Emergency Assistance for welfare recipients, the State Rental Assistance Program and the Homelessness Prevention Program in order to meet the housing needs of more struggling households, and ensure that the assistance is adequate to alleviate housing hardship in terms of both duration and value of subsidy.

Hunger

- Increasing outreach to enroll eligible children in income-targeted food assistance programs like school breakfast and lunch and summer food assistance;
- Increasing outreach to cover a greater share of the population eligible for Food Stamp benefits, including outreach to working poor households.

- *Introducing new policies*

Health

- Instituting policies to advance universal health coverage, including expanding availability of subsidized health insurance;
- Improving retention rates in public health insurance programs by simplifying cumbersome administrative procedures.

Housing

- Establishing a set-aside of twenty five percent of affordable housing development to units affordable to very-low income households (below thirty percent of area median income), and increasing investment in the Balanced Housing Deep Subsidy Program to provide funding for very-low income units;
- Targeting affordable housing production resources to nonprofit developers.

Hunger

- Instituting policy changes to retain vendors and increasing school participation rates in food assistance programs.

Education

- Investing in quality schools and supplementary education programs for under-achieving students in high-poverty areas, including funding for more highly qualified teachers, tutoring and after-school program
- Investing more resources to accelerate the process of reducing disparities in educational outcomes between students from different socioeconomic backgrounds, including programs in low-income school districts to provide access to books, teachers or part-time instructors before and after school

hours, and structured intervention programs for students who fail to meet initial achievement expectations;

- Providing additional educational supports to struggling students from poor households, including no-cost tutoring services and outreach intervention programs.

Transportation

- Assisting both those exiting welfare and those in low-wage jobs to access affordable transportation options through the expansion and development of transportation assistance programs including extended WorkPass benefits, discounted public transportation for low-wage workers who are not exiting welfare, and more direct coordination of vanpool programs to increase access to job-growth areas from high-poverty areas.

VIII. Implement policies to protect low-income consumers from predatory lending practices

Given the vulnerability of low-income borrowers to credit problems and their long-term impacts, and given the recent crisis of the credit market, policies are needed to ensure that low-income borrowers can have access to credit options that are least likely to result in defaults and larger problems down the road. Such policies include:

- Instituting a cap on the interest rate that credit card companies can charge in New Jersey. Currently, 21 states and the District of Columbia have interest-rate caps for credit cards according to the American Bankers Association; the other 29 states do not.
- Implementing tighter controls on the lending practices of banks and other lenders, specifically in relation to loans with low “teaser” interest rates that have the potential to increase dramatically after introductory periods.
- Monitoring lending institutions’ disclosure practices and mandating practices to ensure that borrowers are fully informed of loan terms.

3. Understanding Poverty

“We didn't starve, but we didn't eat chicken unless we were sick, or the chicken was.”

- Bernard Malamud

In order to effectively marshal data on poverty, we must first be clear about how we are using the term. The reality described by the various purported measures of poverty can vary significantly. While most definitions relate poverty to a threshold below which individuals and families are unable to make ends meet, poverty has many facets, dimensions, degrees and levels and it also varies from region to region and time to time. This report relies on a number of different measures that provide different perspectives on poverty in New Jersey, and we therefore start with an examination of what each of these measures describes.

Measuring Poverty

For the general public the term poverty generally evokes a notion of income that is too low to meet basic needs. In other words, poverty is equivalent to *income inadequacy*, or the level of income at which a family is unable to afford the cost of the basic necessities for a minimum standard of living. In contrast, poverty as defined by the federal government and calculated by the U.S. Census Bureau, is a statistical measure that does not necessarily reflect this common perception. It does, however, represent the official government assessment and measurement of poverty. There are a number of reasons that the measure of poverty by the Census Bureau is significant. Calculations based on the federal measure are used to calculate the number of persons living in poverty at a given time and are therefore important in motivating public concern and political response to the problem of poverty. It is also a significant factor in determining who is eligible for specific benefits such as Food Stamps, Low-Income Home Energy Assistance, Head Start, and other programs of significant assistance to the poor.³ If poverty measures are too low, then persons in need of this vital assistance are deemed ineligible and go without these programs.

Despite its weighty importance, the poverty rate determined by the Census Bureau is considered by many to be far from adequate to meet a family's basic needs. As a result, the current federal poverty measure has been heavily criticized as inaccurately indicating well-being among low-income families and individuals. Federal determination of poverty began in 1963 when Mollie Orshansky, an employee of the Social Security Administration, developed a simple equation. She formulated the cost of a minimum diet, as estimated by the Department of Agriculture, and multiplied it by three to account for all other expenditures. According to this calculation, poverty for a family of four in 1963 was about \$3,100. This income level was intended to represent a benchmark of *income*

³ The Census Bureau produces a statistical figure denoting the degree of poverty based on family size, called poverty thresholds. Different government benefit programs use a simplified version of the Census Bureau formula, called poverty guidelines, to determine whether an individual is eligible for certain government benefits. Many use a multiple of the 100 percent of FPL figure. For this report, we used the Census Bureau calculation as the federal poverty line.

adequacy, or the level at which a family or individual's income is sufficient to meet basic needs. This formula was eventually adopted by the Census Bureau and, except for being annually adjusted for inflation, has remained the same. Therefore, the 2006 threshold for a family of four with two children—\$20,444—theoretically represents the same level of income adequacy as did \$3,100 in 1963.

Much has changed, however, in the more than 40 years since the development of the poverty line. To start, the federal poverty thresholds do not account for medical expenses or changes in consumption patterns. Consumption of food no longer represents one third of a family's budget, but rather has been displaced by other costs, especially housing. As a result, food costs today are likely to be closer to one sixth of a family's budget rather than a third.⁴ The federal thresholds also do not include any non-cash (i.e., Food Stamps or housing assistance) or tax benefits when calculating the income of the poor, all of which affect real income. Furthermore, the federal measure neglects to consider child care cost differences for families whose adults are all working versus families with a non-working adult, despite the increase in dual-worker households in the last several decades and the substantial cost of child care.

Another omission from the federal calculation of poverty is its failure to adjust for local differences in the cost of living. The poverty line remains the same regardless of where an individual lives in the continental United States, despite the fact that some places are far more expensive than others. As a standard measure of adequate income, it is therefore incapable of comparing equivalent levels of need across areas with different costs of living.

The Real Cost of Living (RCL), as measured by the Self-Sufficiency Standard,⁵ is an alternative poverty measure that addresses the shortcomings of the federal poverty level (FPL) and tries to more realistically define an income level below which families are unable to make ends meet. It measures how much income is required for a family of a given composition to meet all basic needs without any public or private support. It takes into account the number of members in a family, ages of all children and place of residence and relies on conservative estimates of costs for basic needs, with no allowance for extras like eating out or savings. One assumption inherent in the RCL model is that all adults are working full time and therefore child care costs are incorporated in the RCL calculations. Because of the differential costs for the elderly (above 65 years) and persons with disabilities, the standard does not apply to households including these members. In general the RCL is a more realistic option than the FPL for evaluating economic self-sufficiency and Self-Sufficiency Standards have been developed for more than thirty-five states in the country and are extensively used as a public advocacy tool. Nevertheless, even though the RCL offers a more realistic measure of income adequacy it has not been adopted by the federal government. As a result, it is not tracked or measured on a national scale. Therefore, much of the data in this report uses the federal poverty line

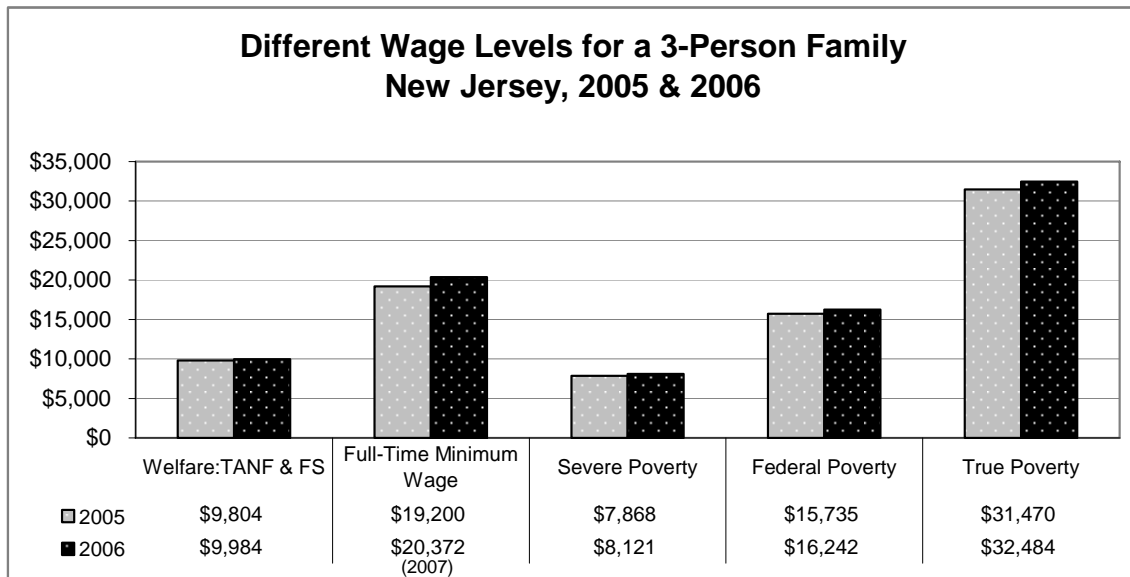
⁴ Ziliak, James P. September 2003. "Filling the Poverty Gap, Then and Now." Department of Economics and UK Center for Poverty Research, University of Kentucky.

⁵ The self-sufficiency standard measure is based on a methodology developed by Dr. Diana Pearce and is regularly updated in New Jersey in report series: *The Real Cost of Living in New Jersey*. For the purpose of this report, the terms Real Cost of Living (RCL) and Self-Sufficiency Standard (SSS) are used interchangeably to refer to this measure.

or a multiplier of the FPL, while the RCL is used wherever pertinent data is available. Additionally, the term “poverty” wherever used alone refers to the income level measured by the FPL.

Figures 1 and 2 provide a basis for comparison of the various measures of poverty income, as well as indicating the most recent year-to-year change. Figure 1 compares data on the federal poverty threshold for the two most recent years available (2005 – 2006) to other measures of poverty (50 percent and 200 percent FPL)⁶ and to the annual income available to two low-income groups (welfare recipients, who receive cash assistance and Food Stamps, and full-time minimum wage workers, including potential income from the Earned Income Tax Credit). The annual change for the measures based on the poverty threshold is minimal, reflecting only the inflation adjustment used to calculate annual poverty threshold increases. When the income levels of some of the poorest populations in New Jersey are considered, the gains are similarly modest. Welfare recipients have not received an increase in cash assistance since 1987, so the only increase is from increases in the federal Food Stamp benefit. While New Jersey’s minimum wage was increased in 2006 and again in 2007 (as reflected in the chart), the increase in annual income is still relatively small, and leaves total annual income well below the true poverty income threshold, even using 2006 levels.

Figure 1



Source: U.S. Census Bureau, Poverty Thresholds 2005 & 2006 & N.J.A.C. 10:87-12

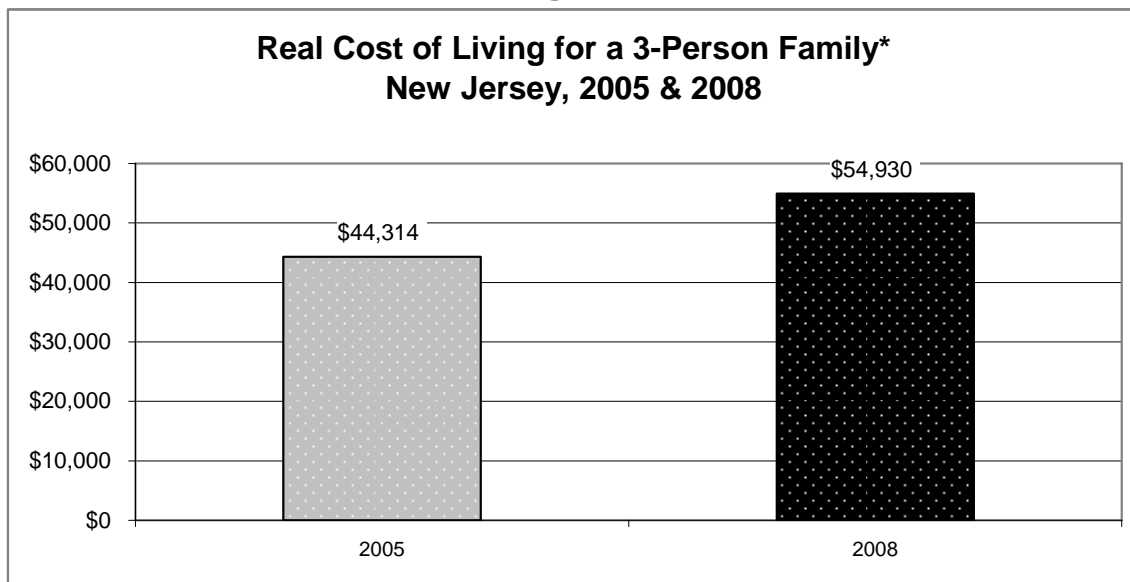
Although true poverty provides a more realistic measure of income adequacy than the FPL, the self sufficiency wage for this family type, based on the 2008 RCL, is \$54,930 (see Figure 2). A three-Person family with two children, an infant and a preschooler, needs at least \$54,930 to get by without outside support in New Jersey. Even though the RCL in Figure 2 reflects income sufficiency levels for 2008,⁷ and the poverty data in

⁶ Fifty percent of poverty is referred as severe poverty in this report. The term true poverty refers to 200 percent of FPL, a measure closer to the RCL estimate of inadequate income than lower multiples.

⁷ Data is only available for 2005 and 2008, not the intervening years.

Figure 1 reflect 2006 thresholds, a comparison of the rates of increase is telling. The increase in the self-sufficiency wage (or RCL) between 2005 and 2008 is substantial, reflecting nearly a twenty five percent increase over three years. Due to time lags in government reports of federal poverty thresholds, the same three-year comparison is not available for the poverty threshold and multipliers, but the magnitude of the one-year changes reflect a much smaller rate of growth. While the poverty threshold does not reflect true need to begin with, the comparative stagnation with this measure in comparison to the RCL suggests that the relevance of this measure is slipping even further behind the actual cost of living in New Jersey.

Figure 2



Source: The 2005 RCL (Real Cost of Living) Report & preliminary estimates based on new RCL draft report to be released in 2008.

* Three person family used in this chart includes one adult and two children (one preschooler & one school age child)

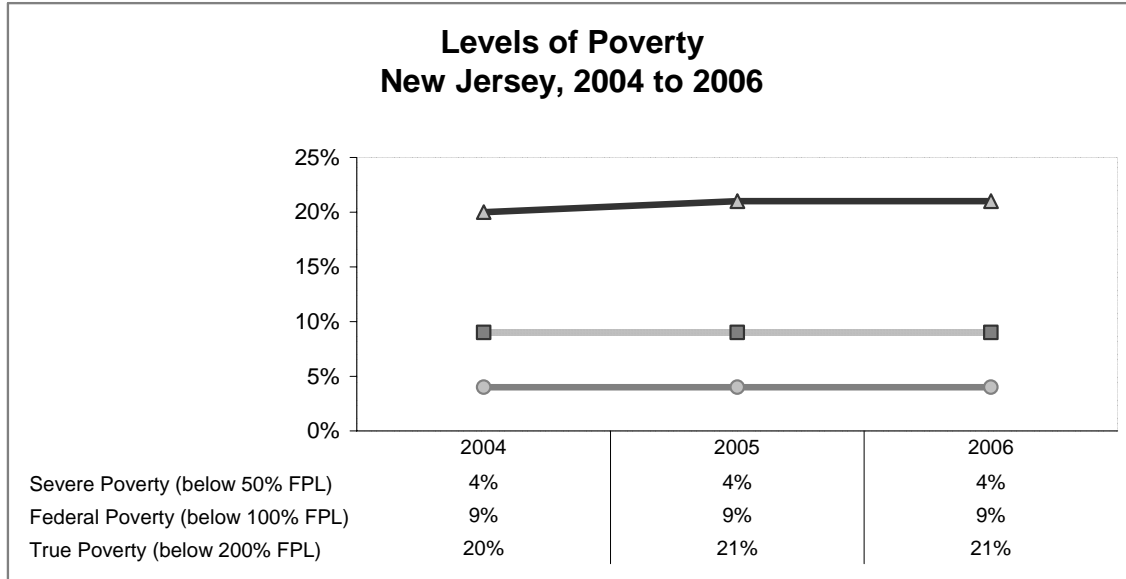
Levels of Poverty

Poverty is a very complex reality and a family’s well-being depends on the adequacy of their income rather than whether or not their income is above or below a set cutoff line that defines poverty. While the federal poverty measure is more of a statistical yardstick than an absolute indicator of need, data collected by the U.S. Census also includes groups both above and below the official measure, allowing a more multi-dimensional look at the experience of poverty. This report, in addition to using the standard FPL which is used for tracking the official poverty rate, also analyzes data at two other income standards: *severe poverty* and *true poverty*. Severe poverty is measured by Census and counts families or individuals with incomes below 50 percent of the federal poverty line, thus reflecting an even deeper level of deprivation than that tracked by the FPL. A more realistic measure of near-adequate income that is tracked by Census is 200 percent FPL, a figure we define as “true poverty” since it comes closer to the income needs calculated by the RCL. It is important to keep in mind that calculations of the number of persons below severe, official, or true poverty do not indicate individuals at that level of income but rather all persons below that income level. For example, the

federal poverty rate includes all persons living in severe poverty in its calculation as well as those between severe poverty and official poverty level incomes

One of the most disturbing trends in New Jersey's poverty story is the almost stagnant poverty rates during the last two years.⁸ *Figure 3* tracks poverty rates for populations with incomes at or below severe, official and true poverty from 2004 to 2006.

Figure 3



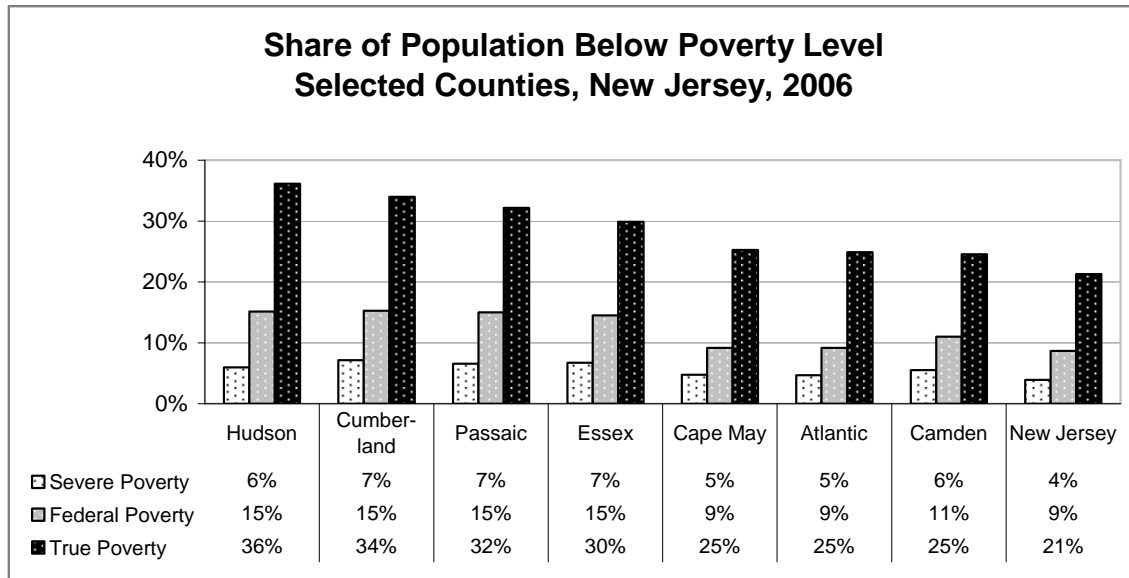
Source: Calculation from U.S. Census Bureau, 2004, 2005 & 2006 American Community Survey

The chart shows that although 9 percent of New Jersey residents lived in poverty as measured by the FPL in 2006, almost one-fifth of the state's population lived in true poverty that year. What is discouraging is that poverty rates have remained stagnant at all levels of poverty, suggesting that policies aimed at the low-income populations have failed to substantially reduce income inadequacy on a societal scale.

While New Jersey's poverty rate is much lower than many other states in the country, the overall state poverty figure often conceals significant inequities in the distribution of poverty within the state. *Figure 4* shows share of population below all three levels of poverty in some of the poorest counties of New Jersey. It reveals that although only 8.7 percent of New Jerseyans were living below the official poverty level in 2006, four counties, namely Hudson, Cumberland, Passaic and Essex, had rates closer to 15 percent in 2006. The true poverty rate in these counties reveals even greater imbalances. More than one-third of the population in Hudson and Cumberland counties lived in true poverty in 2006. The true poverty rate in Passaic and Essex County followed closely at 32 and 30 percent respectively. At the same time, approximately one-quarter of the population in Cape May, Atlantic and Camden counties lived in true poverty in 2006. Overall, 21 percent of New Jersey's population had incomes below true poverty level in 2006.

⁸ Beginning in 2006, the population in Group Quarters (GQ) is included in the ACS data tabulations. The inclusion of the GQ population may affect the distribution of characteristics in areas where a significant proportion of the population lives in group quarters and such tabulations should be read with caution. Nevertheless, stagnant poverty from 2004 to 2005 when GQ was not included in the universe strengthens this observation.

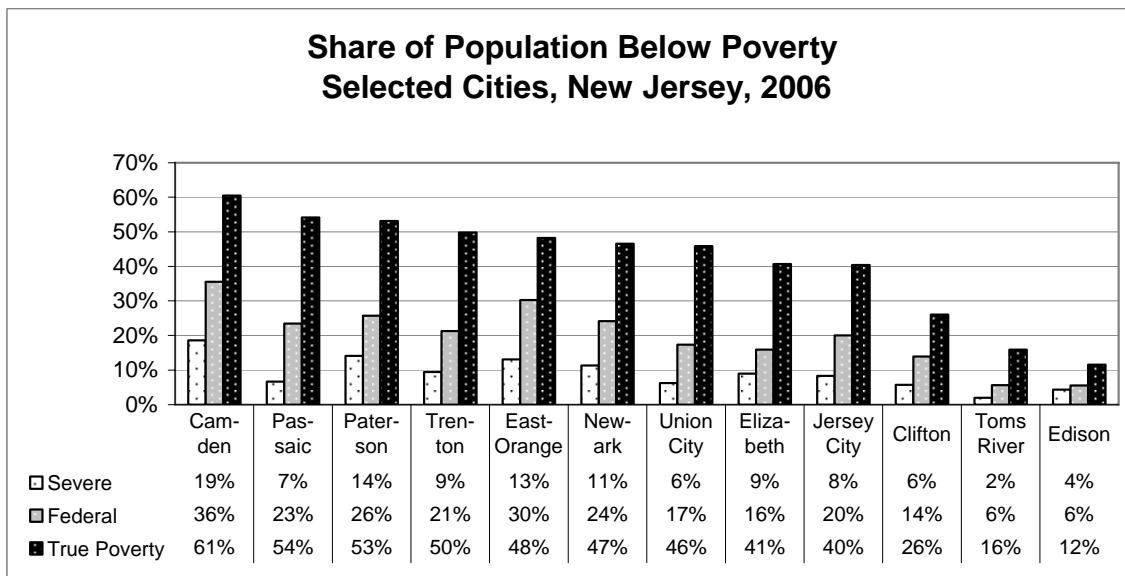
Figure 4



Source: Calculation from the U.S Census Bureau, 2006 American Community Survey

These inequities become further magnified when we examine data from smaller geographical areas. *Figure 5* depicts analysis of poverty levels in the state's largest cities in terms of population. While the federal poverty rate varies from 36 percent in Camden to 6 percent in Toms River and Edison, the true poverty rates in the same cities are almost double at 61 percent and 12 percent respectively. Additionally, nine out of the twelve cities in New Jersey for which Census data is available have true poverty rates of 40 percent or more.

Figure 5

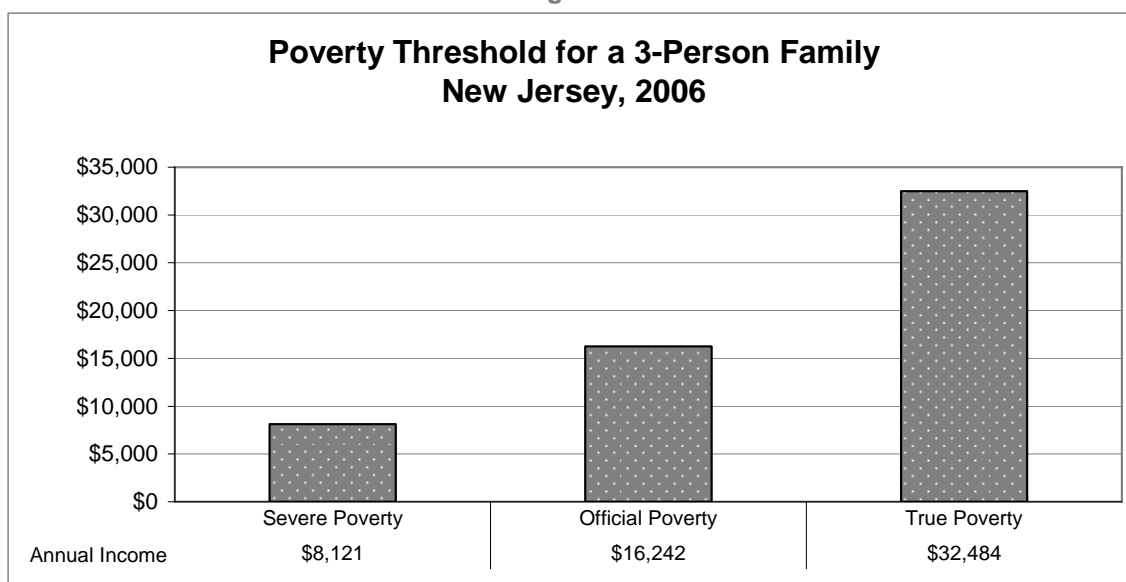


Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

Many places in New Jersey have extremely high poverty rates. In Camden almost 20 percent of the population lived below severe poverty in 2006. While these numbers are shocking even in the abstract, the daily struggles and compromises they represent are made more real in reference to the income levels they capture.

Figure 6 illustrates poverty thresholds for a three-Person family (one adult and two children) at severe, official and true poverty levels. A three-person family in severe poverty had an annual income of \$8,121 or less in 2006. The official poverty income threshold for such a family was \$16,242. The true poverty income threshold, at \$32,484, still represents a very modest income in a high cost state like New Jersey, as illustrated by the RCL which shows that such a family needs at least \$54,930 to meet basic needs without any outside support.

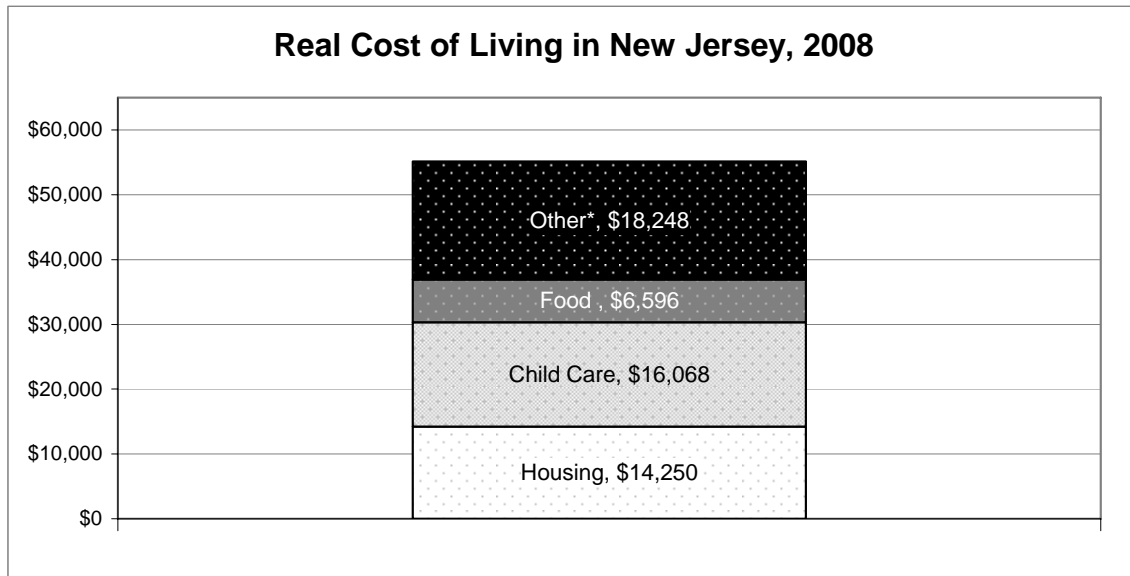
Figure 6



Source: U.S. Census Bureau, 2006 Poverty Thresholds for a Three-Person Family (One adult, Two Children)

Figure 7 breaks down average costs for a three-Person family with one preschooler and one school age child based on RCL calculations. It shows that housing consumes approximately one quarter of income and child care consumes an additional 29 percent. Housing and child care alone add up to more than \$30,000 annually, far exceeding the 2006 federal poverty level income and approaching the true poverty level. Close to one-tenth of the population in New Jersey is below the federal poverty level and more than one-fifth is below true poverty. Clearly, daily budgeting presents a nearly impossible challenge when income falls so far below costs. While many families find creative ways to survive, like working in shifts to avoid child care costs, taking help from friends and family, juggling expenses and using credit cards to finance bills they cannot cover with current income, these are only short term solutions that have long term repercussions. As discussed earlier, though the RCL and poverty thresholds in the preceding two figures do not represent parallel years, the unequal rates of growth of these two measures makes it highly unlikely that increases in the poverty thresholds for 2008 would substantially close the stated gaps.

Figure 7



Source: Preliminary estimates based on draft report to be released in 2008 on Real Cost of Living in New Jersey

** The "other" cost category includes average expenses for transportation, employee share of health care costs (assuming employer-provided health benefits), miscellaneous expenses and taxes.

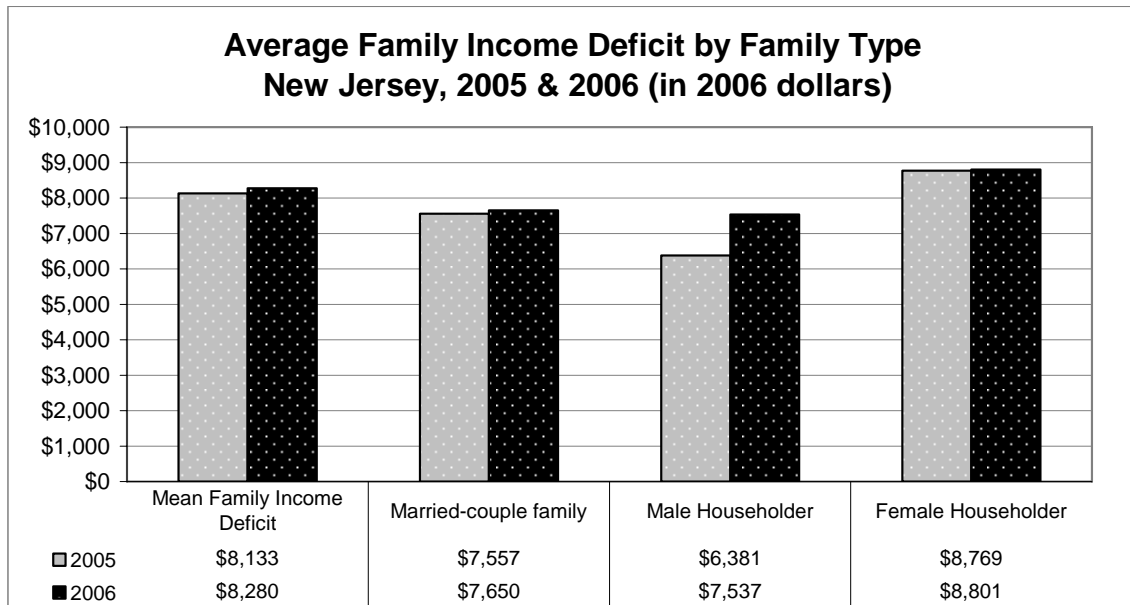
Poverty Gap

The federal poverty level calculates the number of individuals with incomes below poverty in a given year, but it does not give any indication about the depth of poverty. The Census groups all families and individuals with income levels below the federal poverty line into one category – those living in poverty. The poverty gap measures the amount of income required to bring the income of households counted as falling below the poverty level up to the poverty threshold. Although this calculation does not measure income shortfall in comparison to levels of adequacy, it does offer some insight into depth of need. This depth can be obscured by relying on poverty rates alone since their calculations are based upon maximum income levels.

Figure 8 shows the average annual deficit that each family in poverty faced in 2006. The chart divides the families on the basis of household composition and also makes comparisons to 2005. For 2006, a typical family in poverty faced an average annual income deficit of \$8,280. Female-headed households faced the toughest challenge and needed an extra \$8,801 to lift their income to the federal poverty level. Since the average federal poverty threshold for a three-Person family was \$16,079, these average family income deficits suggest the need to essentially double income just to reach the federal poverty threshold of income.⁹ Comparisons to 2005 show that the financial condition of all family types deteriorated in 2006. For male headed households, the deficit grew by nearly \$1,200. The deficits for married couple family and female-headed households increased by \$93 and \$32 respectively and the mean family income deficit grew by approximately \$150.

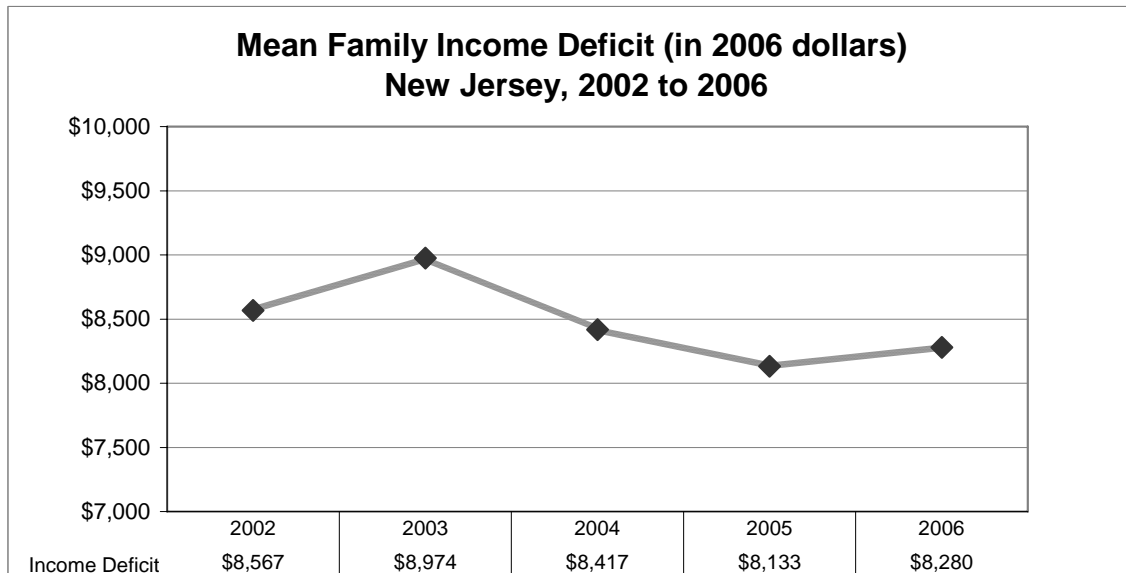
⁹ Note, the average income deficits are not broken down by household size, and thus average deficits for different household sizes may vary from the overall average.

Figure 8



Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

Figure 9



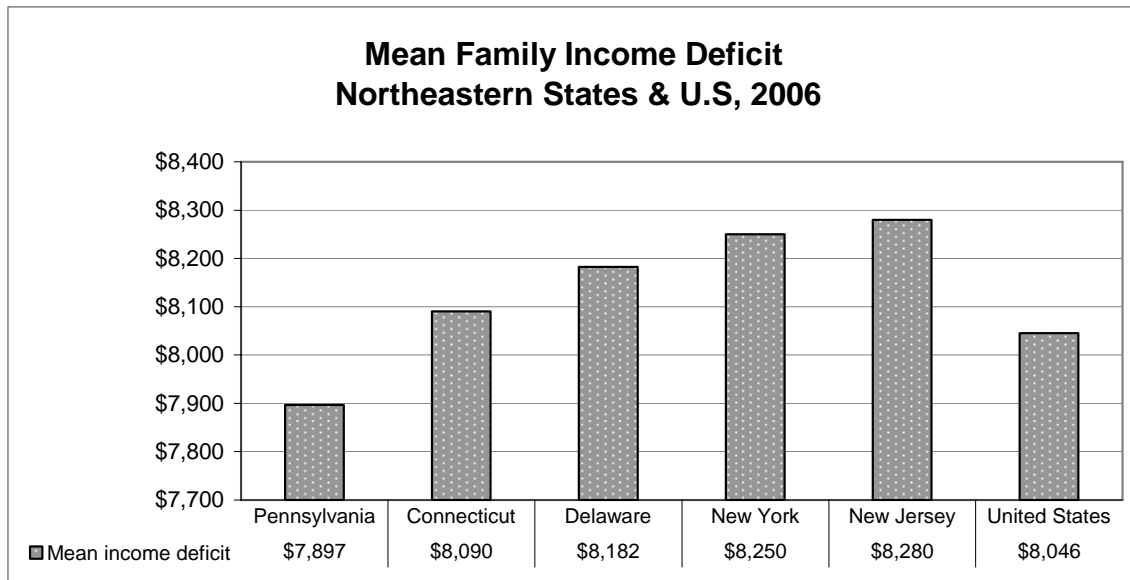
Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

Analyzing the mean family income deficit over time provides a broad overview of whether the shortages low-income New Jerseyans are facing are increasing or decreasing and thus provides one data point for assessing the impact on policies designed to impact income inadequacy. *Figure 9* charts the mean income deficit faced by an average family in poverty from 2002 to 2006 in 2006 dollars. The chart shows that after peaking in 2003, the deficit followed a positive narrowing trend till 2005. In 2006, however, this trend

reversed, and the income gap faced by families in poverty began to increase again. This information is discouraging and shows that low income residents are facing bigger challenges in meeting their basic needs and slipping further in their struggle against poverty.

The increase in deficits faced by a typical family in poverty in New Jersey makes state residents much worse off than their counterparts in other northeastern states. *Figure 10* compares New Jersey’s mean family income deficit with those of Pennsylvania,

Figure 10



Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

Connecticut, Delaware, and New York as well as the U.S. average. While the state ranked at the 4th position in 2005, it has slipped to the last position in 2006. The chart shows that income shortages faced by New Jerseyans are the highest among neighboring states and more than \$200 greater than the national average.

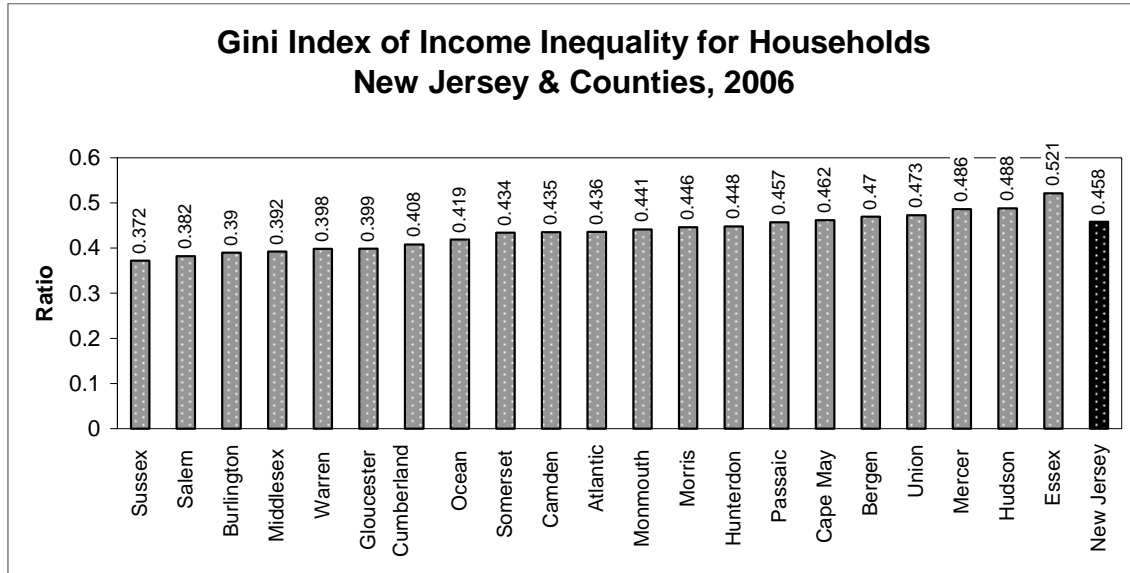
Income Inequality

The story of wealth and poverty in New Jersey presents a disturbing dichotomy that is often concealed by statistical averages showing the state’s relative affluence. On the one hand, New Jersey is known to be a prosperous state with the second highest median income in the country; on the other, because of high cost of living in the state, these incomes do not always translate into real buying power. New Jersey is home to both rich and poor, with a wide gap separating the two. For those without means, living in New Jersey means living near but yet separated from the wealth associated with the state.

One way to assess disparities in income is to look at the gini coefficient. The gini is a commonly used statistical measure which calculates the degree of income inequality within a population group. A lower coefficient indicates less inequality and a higher

figure is indicative of higher inequality, such that zero represents perfect equality when everyone in the population has the same income and one signifies perfect inequality, when all the income is held by one person.

Figure 11



Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

Figure 11 illustrates the gini index for New Jersey's counties in ascending order. The counties on the left have lower income inequality compared to counties on the right. Poorer counties in the north like Essex and Hudson have the highest inequality rates, and northern counties in general have higher income inequality than the state as a whole. These higher rates of inequality may relate to the convenient location of these areas for affluent workers from New York City in the same geographic region as many of New Jersey's historic urban industrial centers that have suffered the decline of many such areas, thus resulting in high disparity in the income range of populations living here.

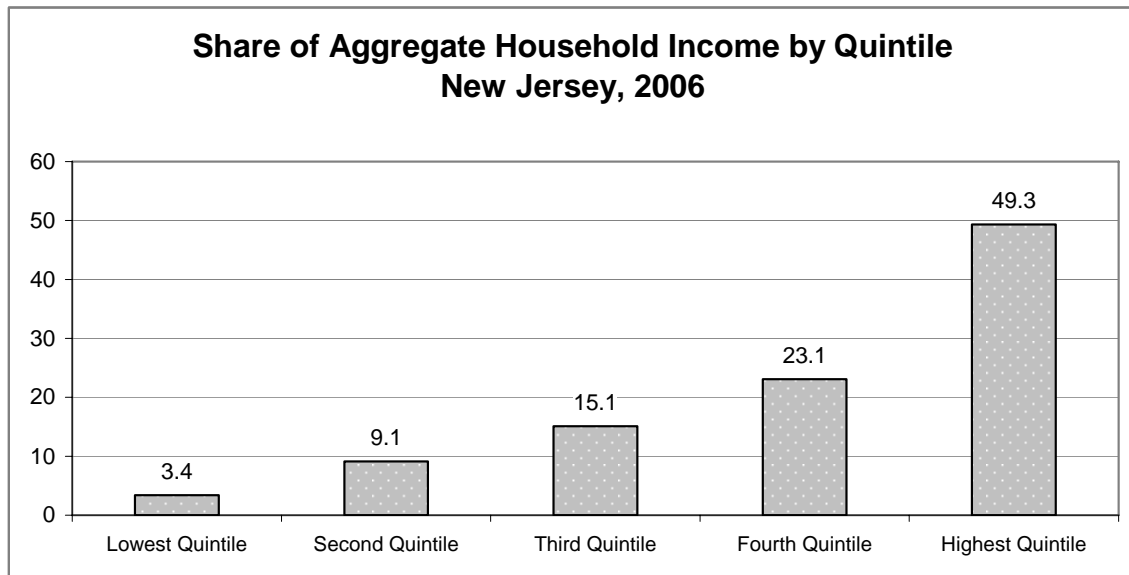
Comparing New Jersey's gini index to the nation also suggests relatively high inequities within the state. Figure 12 ranks the states on the basis of their gini scores, with the states with the least inequality (lowest gini) ranking highest. New Jersey, with a gini index of 0.458, ranks at the 34th position.

Figure 12

Gini Index of Income Inequality - U.S and States					
Rank	State	Gini Index	Rank	State	Gini Index
1	Utah	0.41	27	Missouri	0.449
2	Wyoming	0.413	28	Colorado	0.45
3	New Hampshire	0.417	29	Arizona	0.454
4	Alaska	0.417	30	Pennsylvania	0.455
5	Vermont	0.42	31	Virginia	0.456
6	Idaho	0.421	32	New Mexico	0.457
7	Wisconsin	0.424	33	North Carolina	0.458
8	Iowa	0.424	34	New Jersey	0.458
9	Montana	0.426	35	Oklahoma	0.46
10	Maine	0.428	36	Kentucky	0.46
11	Nebraska	0.43	37	Arkansas	0.46
12	Minnesota	0.43	38	Massachusetts	0.461
13	Indiana	0.432	39	Georgia	0.461
14	Maryland	0.433	40	South Carolina	0.462
15	North Dakota	0.434	41	Illinois	0.462
16	Nevada	0.434	42	California	0.466
17	Delaware	0.434	43	Florida	0.467
18	Hawaii	0.438	44	Tennessee	0.468
19	South Dakota	0.439	45	Mississippi	0.471
20	Kansas	0.441	46	Alabama	0.472
21	Rhode Island	0.442	47	Texas	0.474
22	Washington	0.443	48	Louisiana	0.475
23	Oregon	0.444	49	Connecticut	0.48
24	Michigan	0.444	50	New York	0.495
25	West Virginia	0.447	51	District of Columbia	0.537
26	Ohio	0.449			
				United States	0.464

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

Figure 13



Source: Calculation from the U.S Census Bureau, 2006 American Community Survey

The disparities in income held by New Jersey residents are also evident if we look at the distribution of aggregate income by quintiles. Analysis of the population by quintile divides the total number of households into equal groups by income, each equaling one-fifth, or 20 percent, of the households in the total population. *Figure 13* shows that in 2006, almost 50 percent of the state income was held by the highest income quintile. The bottom 20 percent of the population, on the other hand, held only 3.4 percent of the aggregate income. Those in the wealthiest fifth of the population average nearly 15 times the average income available to those in the poorest fifth.

4. Characteristics of Populations in Poverty

“I have a dream that one day this nation will rise up and live out the true meaning of its creed - we hold these truths to be self-evident that all men are created equal.”

Martin Luther King, Jr.

A fundamental reality of poverty in New Jersey is the disproportionate incidence of poverty among certain identifiable demographic groups. This section explores these variances in the incidence of poverty along the lines of age, racial and ethnic background, household composition, educational attainment, disability and employment status. Most of the analysis uses data from the U.S. Census Bureau which employs the federal poverty threshold as a marker for classifying populations in poverty. While this measure is deficient on many fronts and not broad enough to encompass all populations experiencing poverty, it works as a benchmark for identifying populations facing income challenges and studying changes in their vulnerabilities over time.

An Overview of Who Lives in Poverty in New Jersey

Figure 14 shows poverty rates for different demographic groups in New Jersey. Overall, 8.7 percent of New Jersey residents were living in poverty in 2006. The national poverty rate during the same period was substantially higher at 13.3 percent, and New Jersey’s poverty rate is much lower than those of many other states. Nevertheless, given New Jersey’s relatively high population, the state’s relatively low poverty rate translates to a large number of individuals, estimated at almost 742,000 in 2006. Echoing national trends, data on poverty rates among sub-populations in New Jersey shows that this demographic make-up, while diverse, does not mirror the overall population distribution in the state. Within the population experiencing poverty, some groups have much higher rates of representation than others.

Sorting poverty rates by demographic characteristics reveals the groups that are more likely to experience poverty. Figure 14 shows that children, by far, have the highest poverty rate of all age groups. Among adults, women are more vulnerable than men. The largest contrast is seen in poverty rates of households with children. While only 3.6 percent of married couple households with children are in poverty, 27.3 percent of female-headed households with children experience poverty. In fact, female-headed households in general face greater vulnerabilities. While married couple households have a poverty rate of 3.1 percent, almost 20 percent of female-headed households, including those with and without children, were below the federal poverty level in 2006.

Disparities are also evident when we divide the total population on the basis of race, educational attainment and disability status. Susceptibility to poverty increases twofold for those with disabilities compared to those without any disability. Additionally, the experience of poverty for Hispanics and African-Americans is three times the rate experienced by whites. Finally, those with higher poverty rates are less likely to have advanced education. Individuals with less than high school education have a poverty rate

of 18 percent. In contrast, those with graduate or professional degree have a poverty rate of less than 3 percent.

Figure 14

Poverty Rate for Different Demographic Groups, New Jersey, 2006	
Total Population	8.7%
Children	11.8%
Adults	7.6%
Seniors	8.2%
Disability Status	
Persons with no disability	7.2%
Persons with disability	16.5%
Gender (18 years & Over)	
Male	6.3%
Female	8.9%
All adults	7.7%
Race/Ethnicity	
White, not Hispanic	5.2%
Black, not Hispanic	17.3%
Hispanic or Latino	16.5%
Asian	5.7%
Household Composition	
Married couple household	3.1%
Married couple households with children under 18	3.6%
Female headed household	19.3%
Female headed households with children under 18	27.3%
Education (Ages 25 & Over)	
Less than high school	18.0%
High school graduate	8.6%
Some college/associates degree	5.4%
Bachelor's degree	3.0%
Graduate/professional degree	2.2%

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

These disparities in the rate at which different demographic groups experience poverty cannot provide explanations for why poverty is not experienced at the same rate, but they do indicate the persistence of historically disproportionate representation among the poverty population of the same vulnerable populations. This persistence indicates that existing policies have not succeeded in equalizing the prevalence of poverty across all population groups.

For targeting resources to minimize hardships within high-poverty groups, it is important to first understand who they are by exploring their characteristics in greater detail. The following discussion takes an in-depth look at each of these groups.

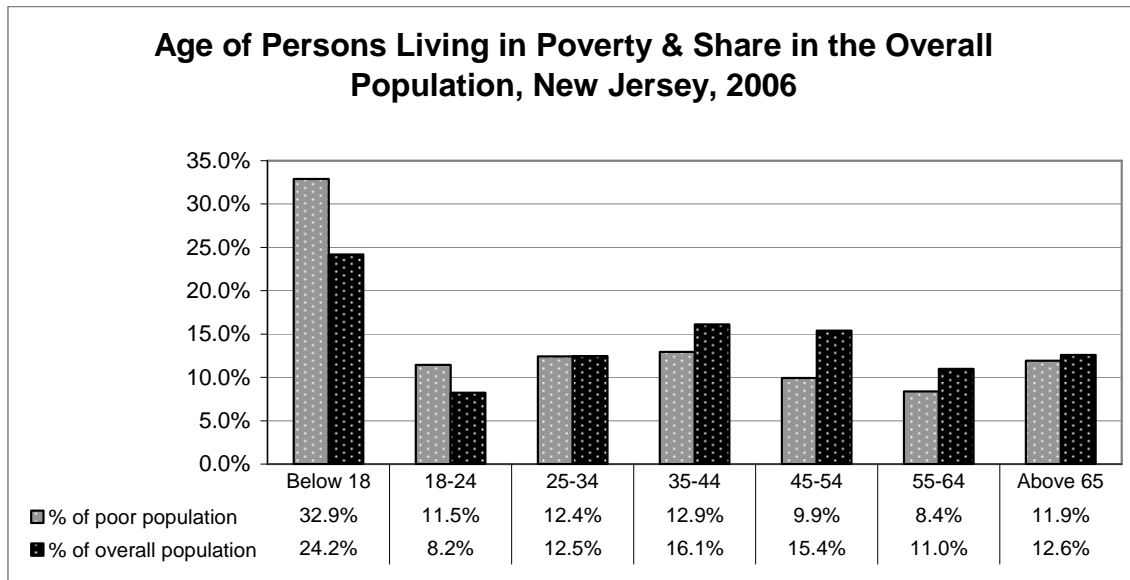
Populations in Poverty: An In-Depth Look

Assessing only broad trends can camouflage the challenges for some groups within the larger population. This section explores the overall poverty trends highlighted earlier through the added lenses of age, race, and household composition. By comparing representation of demographic groups in the total population and in the poverty population, a deeper perspective is obtained showing that trends highlighted earlier are further magnified by the interaction of multiple factors.

Age

Figure 15 divides both the total population and the population in poverty according to the same discrete age categories. This division shows that almost one-third of the population living in poverty is made up of children, although less than one in four New Jerseyans overall are children.

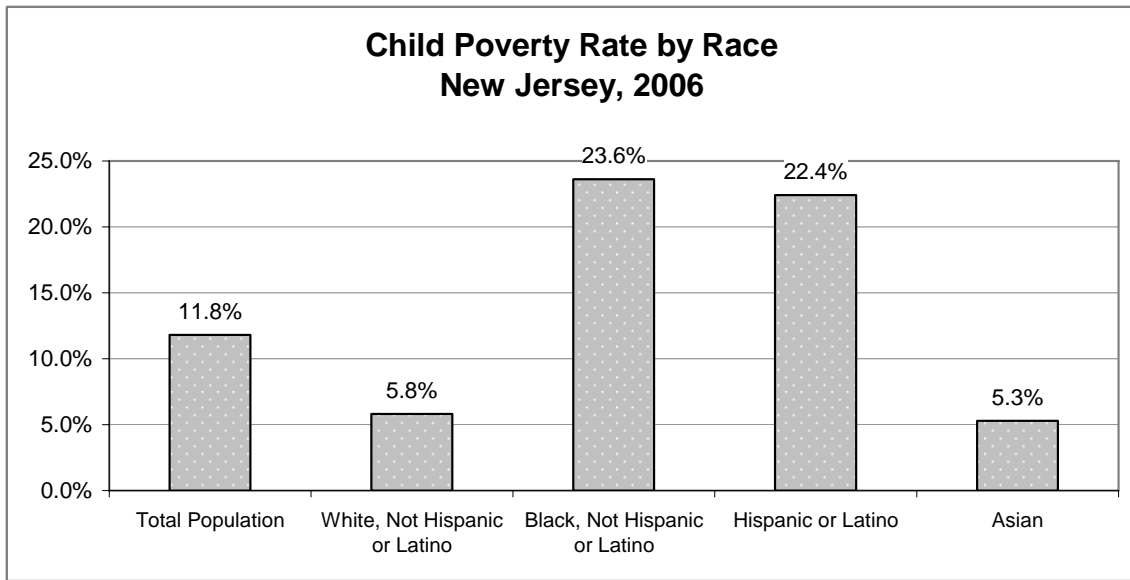
Figure 15



Source: Calculation from the U.S Census Bureau, 2006 American Community Survey

Separating the population of poor children by race and ethnic origin reveals important realities about the compounding effects of age and racial/ethnic origin. Figure 16 provides the percent of children in selected racial or ethnic populations that experience poverty. While nearly 12 percent of all New Jersey children lived in poverty in 2006, African-American and Hispanic children experienced much higher poverty rates. In fact, nearly one-quarter of all Hispanic and African-American children lived in poverty in 2006, rates approximately four times higher than the poverty rate among white children.

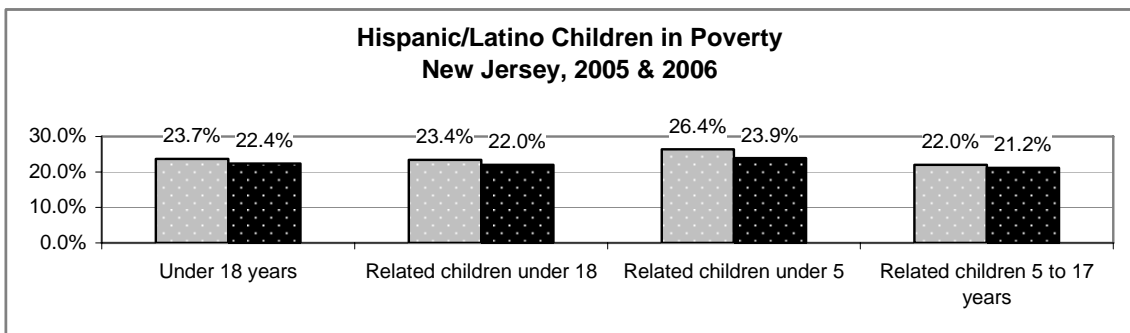
Figure 16



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

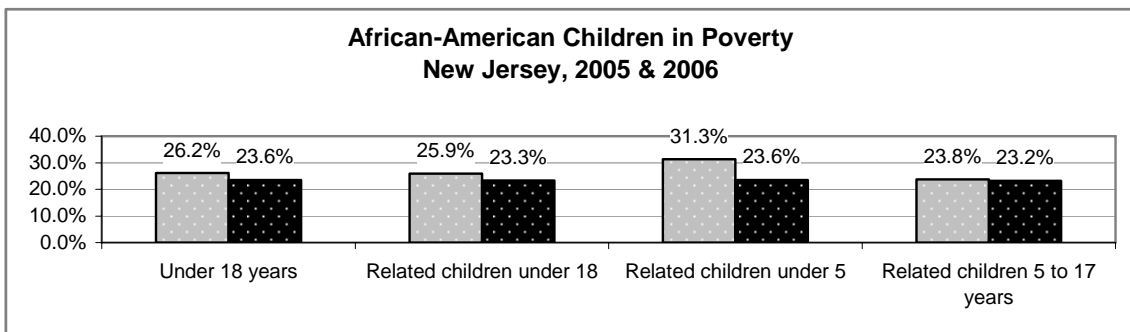
In order to understand how these groups are faring over time, *figures 17 to 19* compare poverty rates for 2005 with 2006. Since total child poverty rates for 2006, as defined by

Figure 17



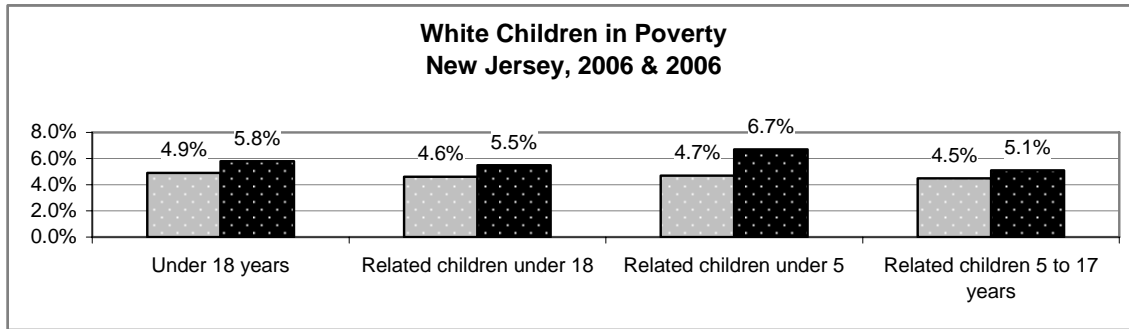
Source: Calculation from the U.S. Census Bureau, 2005 & 2006 American Community Survey

Figure 18



Source: Calculation from the U.S. Census Bureau, 2005 & 2006 American Community Survey

Figure 19



Source: Calculation from the U.S. Census Bureau, 2005 & 2006 American Community Survey

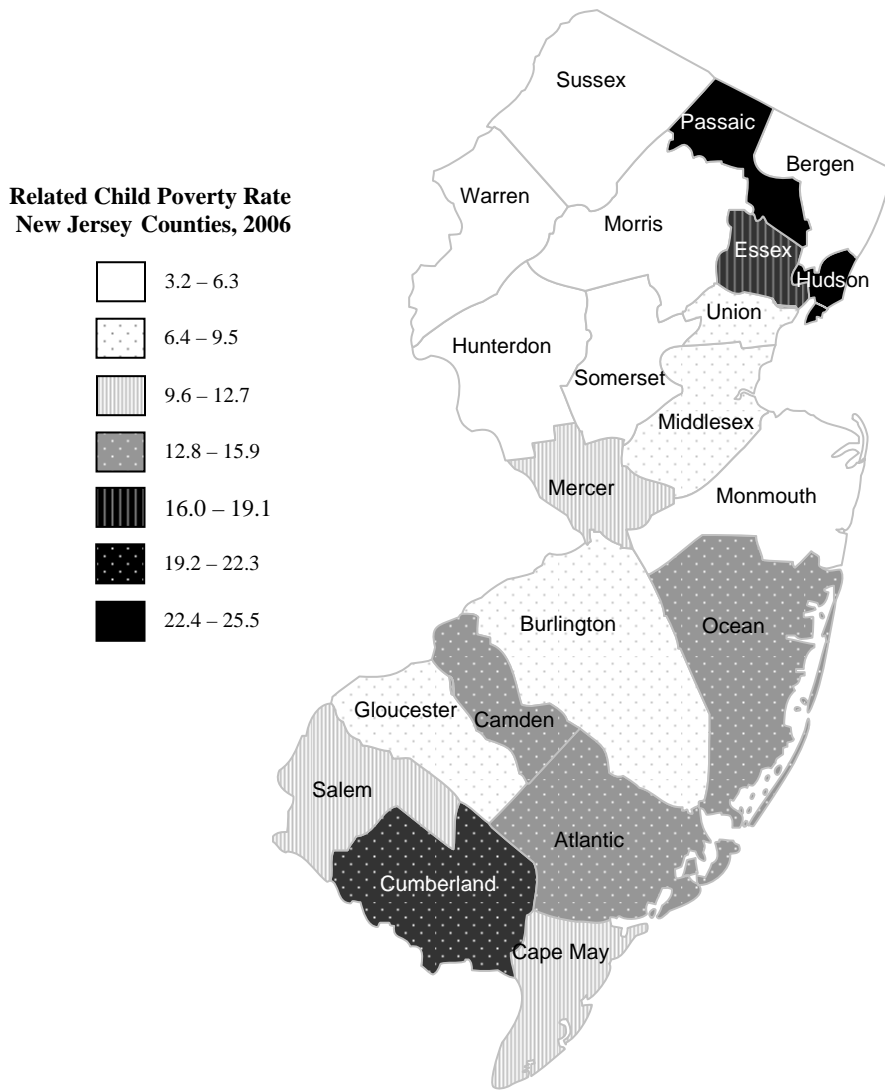
the ACS, are not comparable to 2005 due to sampling changes,¹⁰ these charts reflect related child poverty rates which include only children living in families. The overall poverty rate for related children is 11.8 percent which is very close to the child poverty rate of 11.5 percent for New Jersey in 2006. Comparison to 2005 shows noteworthy developments.

While the poverty rate for children of all ages declined among the African-American and the Hispanic groups, the percent of white children in poverty increased substantially during the same time period, as illustrated in *Figure 19*. While the percent of white children in poverty grew among all ages, the youngest children (less than five years of age) experienced the largest increases. The poverty rate within this group has increased by 2 percent in absolute terms since 2005, which represents an increase of over 40 percent from 2005 levels.

Besides varying by race and ethnicity, the incidence of child poverty also varies in different areas of the state. *Figure 20* illustrates related child poverty rate for all 21 counties of New Jersey. A striking disparity between the counties is evident from the map. Hudson County is at one extreme with a poverty rate of more than 25 percent, which means that one out of every four children living in Hudson County is poor. Counties like Hunterdon and Morris are at the other extreme with less than 5 percent of children in poverty. Other counties with poverty rates higher than the state average include Essex, Hudson, Passaic, Cumberland, Salem, Atlantic, Ocean and Camden.

¹⁰ Group Quarters (GQ) include detention centers, prisons, correctional residential facilities, military barracks, group homes for juveniles, nursing homes, college university housing, residential schools for people with disabilities, shelters, and similar living arrangements. The population living in Group Quarters was not included in the ACS tabulations till 2006. This change in universe may affect the distribution of characteristics in areas where a significant proportion of the population lives in group quarters according to U.S. Census Bureau. Additionally, this makes comparisons to prior years problematic and any such data that makes comparisons should be read with caution. Nevertheless, using families/households as the universe eliminates such concern because GQs are excluded from family tabulations.

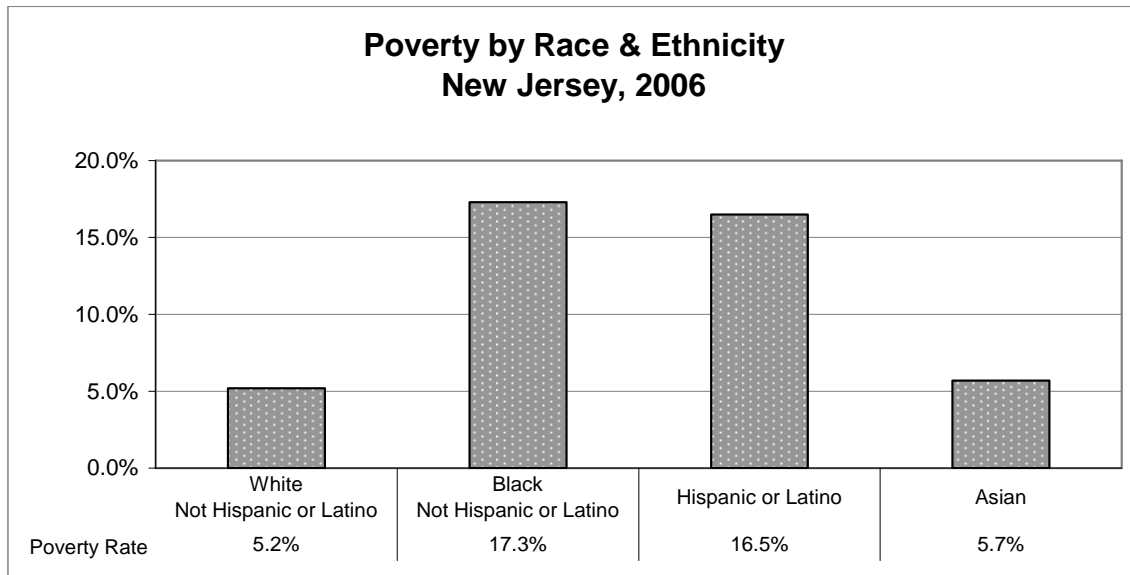
Figure 20



Race

Children are not the only age group to experience differing rates of poverty by racial and ethnic origin, as New Jersey poverty statistics reveal the significant disparity in poverty rates between racial and ethnic groups regardless of age. *Figure 21* shows the share of selected racial and ethnic populations with incomes below the poverty level in 2006.

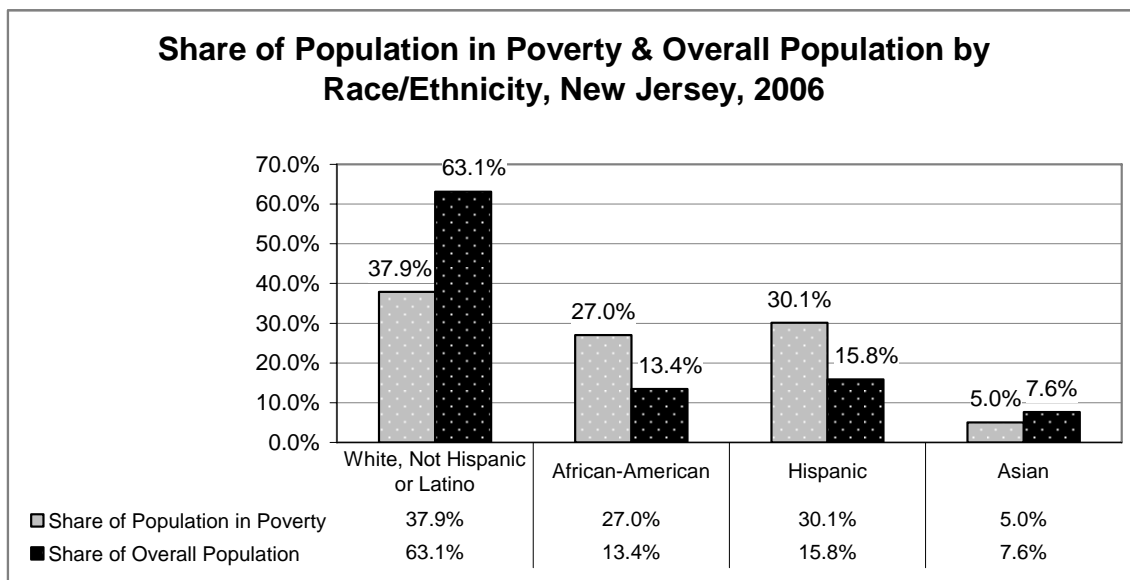
Figure 21



Source: U.S. Census Bureau, 2006 American Community Survey, Selected Population Profiles

It is clear that the odds of experiencing poverty are greater among the African-American and Hispanic groups. While 17.3 percent of African-Americans and 16.5 percent of Hispanics and Latinos lived in poverty in 2006, only 5.2 percent of the white population lived in poverty during the same year. However, a lower poverty rate for whites does not mean that they do not face income challenges. Because they make up a much larger share of the total population, in absolute numbers whites are the largest group among populations living in poverty.

Figure 22

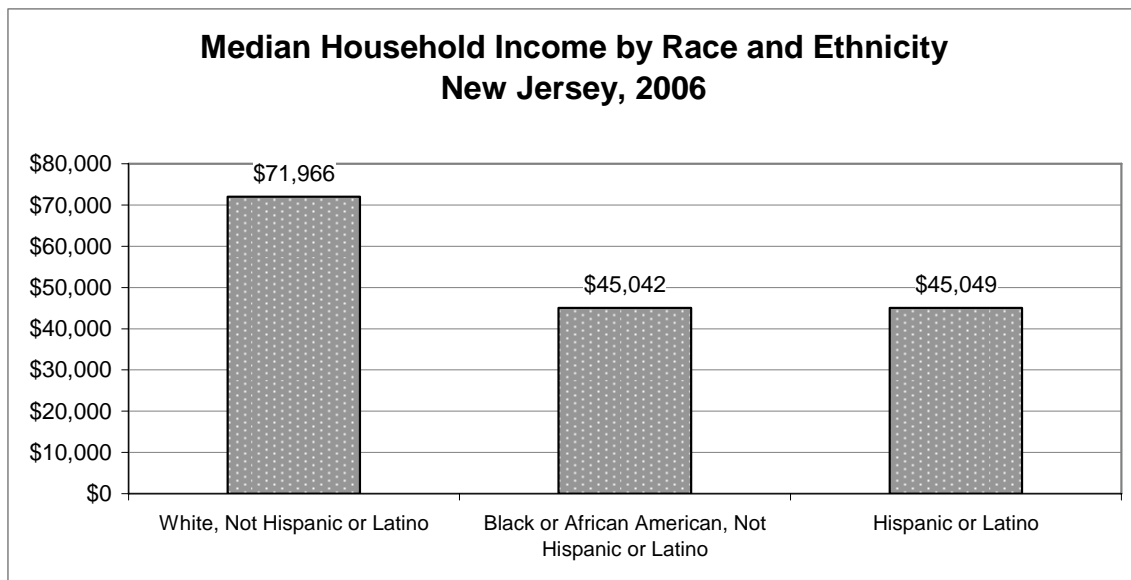


Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

While *Figure 21* looks at the percentage of people in poverty within each selected racial and ethnic group, *Figure 22* contrasts each of the primary racial and ethnic groups by their representation in New Jersey's total population and the state's population in poverty. It reveals that whites make up 38 percent of the total population in poverty which translates to 277,808 individuals out of a total of 732,810 living in poverty. Conversely, though African Americans and Hispanics experience much higher poverty rates, they make up a much smaller share of the population in poverty compared to whites. In 2006, 27 percent of the populations below the federal poverty level were African-Americans and 30 percent were Hispanics. Their share in the total population was 13.4 and 15.8 respectively.

Not only do African-Americans and Hispanics have a greater chance of experiencing poverty, average household income for these groups also lags behind that of whites. *Figure 23* examines the median household income of New Jersey residents by race and ethnicity. The chart illustrates that the median income of Hispanics and African-Americans is lower than that of whites by about \$27,000.

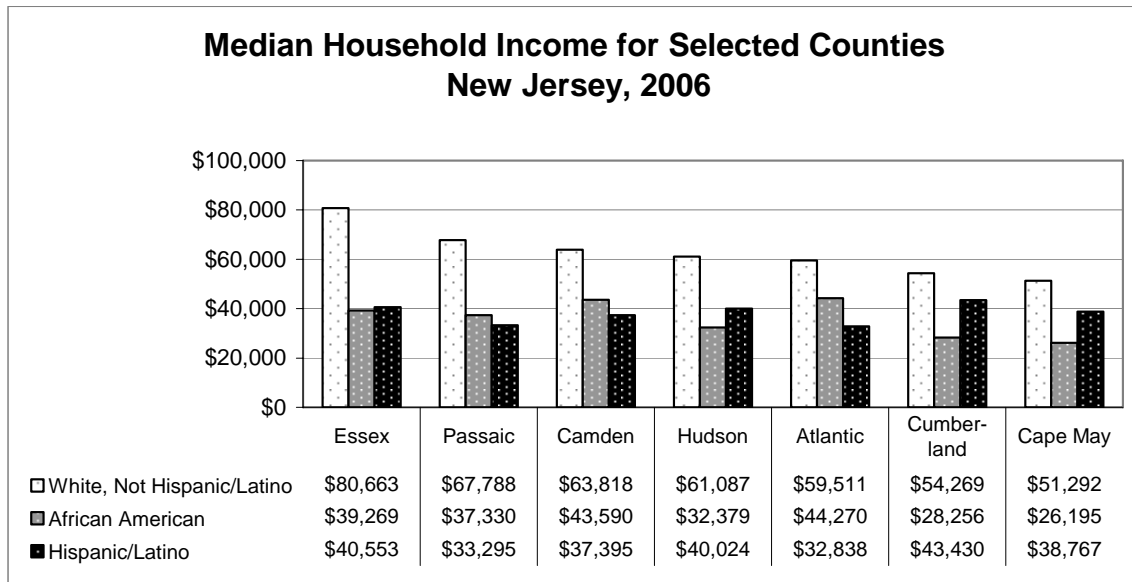
Figure 23



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

The disparity in income by race and ethnicity is evident even when we analyze income by the county of residence. *Figure 24* illustrates median household income of the primary racial and ethnic groups for some of the poorest counties of New Jersey. The highest level of inequity is evident in Essex County where there is a difference of more than \$40,000 between the incomes of whites and Hispanic and African-Americans groups. The other selected counties also reflect large disparities in income levels between the various race and ethnic groups, with whites consistently displaying lower economic vulnerability.

Figure 24

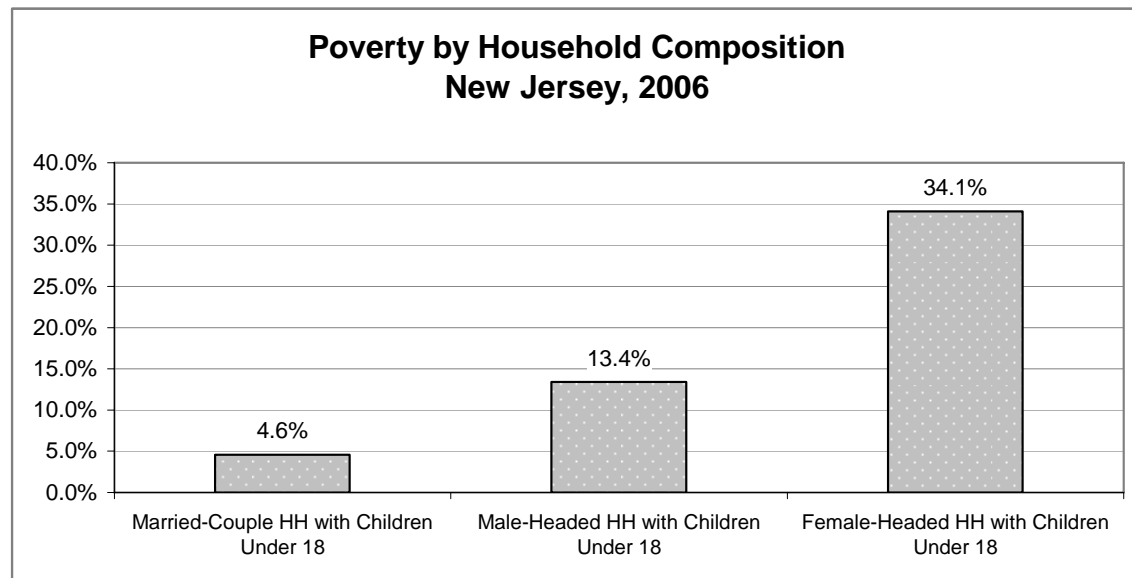


Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

Household Composition

Female-headed households are another traditionally disadvantaged group and the data on poverty rates by family types shows the most dramatic disparities of all poverty data in

Figure 25



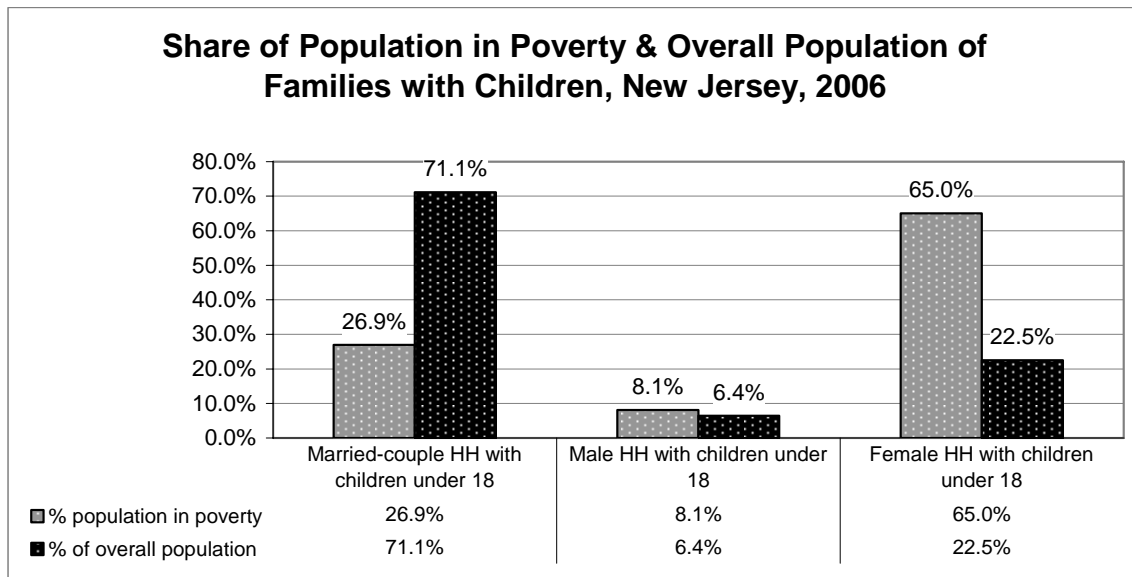
Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

New Jersey. *Figure 25* examines three types of families with children in poverty — married couple households, male-headed household and female-headed households. The higher rates of poverty among children and women combine in an even more dramatic concentration of poverty among female-headed families with children under the age of

18. *Figure 25* shows that 34 percent of all families in this group had incomes below the federal poverty line in 2006. The poverty rate for male householders with children under 18 was 13.4 percent and less than 5 percent of married couple households with children were below poverty in 2006.

Examining populations within the poverty universe reveals even higher vulnerabilities of female-headed households with children to poverty. *Figure 26* looks at the share of population in poverty and overall population of families with children. It shows that on the one hand, female-headed households represent only 22.5 percent of overall

Figure 26



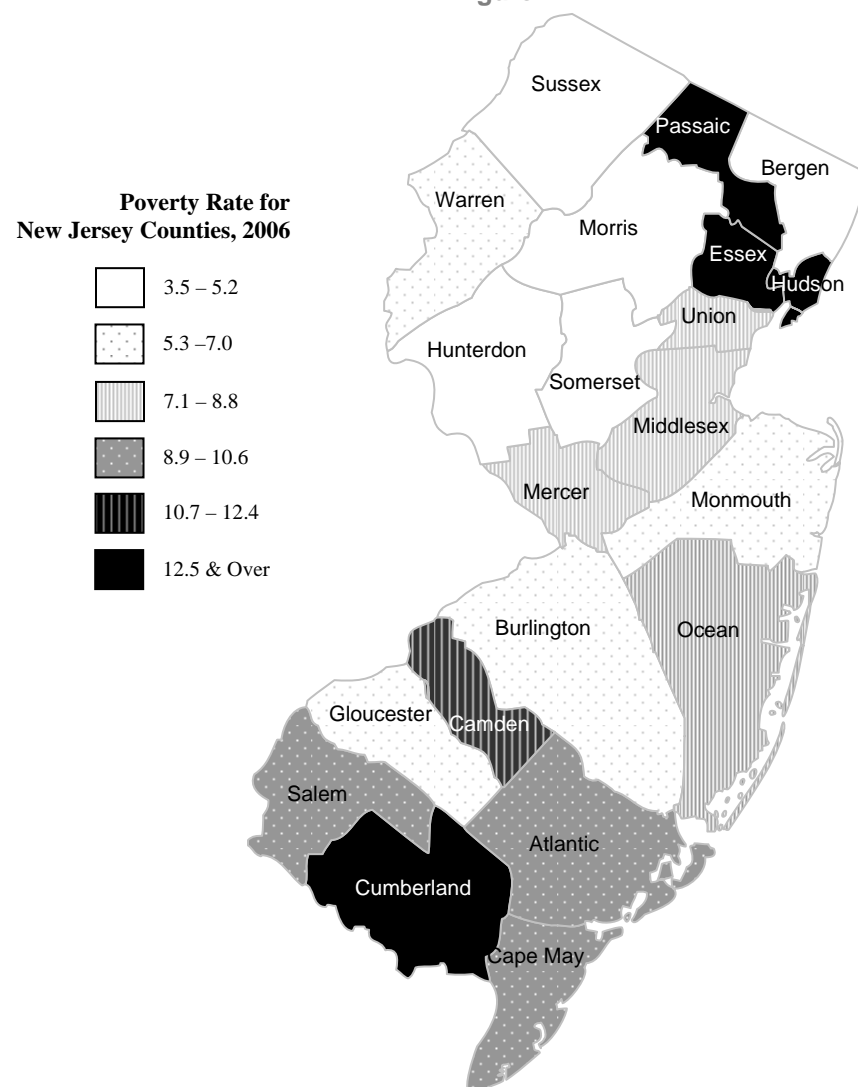
Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

population; on the other, they represent 65 percent of populations in poverty. To the contrary, married couple households represent 71.1 percent of the overall population but only 26.9 percent of those in poverty. Male headed households with children represent 6.4 percent of the overall population and 8.1 percent of the population in poverty. Comparison to 2005 indicates that the economic condition of female households has only worsened. While the increase in the share of population in poverty of female-headed households with children are minor, from 64.4 percent in 2005 to 65 percent in 2006; this suggests stagnation. Additionally, during the same period, the share of male householders in poverty declined from 8.9 percent to 8.1 percent. Married couple households with children under 18 also experienced a minor increase in the share of population in poverty from 26.7 percent in 2005 to 26.9 percent in 2006

5. Places with Poverty

This section examines regional differences in the incidence of poverty and how poverty rates break-down by county, as well as in selected cities. Following trends from section 4, which highlighted the higher incidence of poverty among certain demographic groups, this segment reveals that there is significant geographical disparity in the incidence of poverty across New Jersey. Certain regions of the state experience poverty at consistently higher rates. In addition, this section also highlights patterns depicting concentration of income and poverty in some areas of New Jersey.

Figure 27

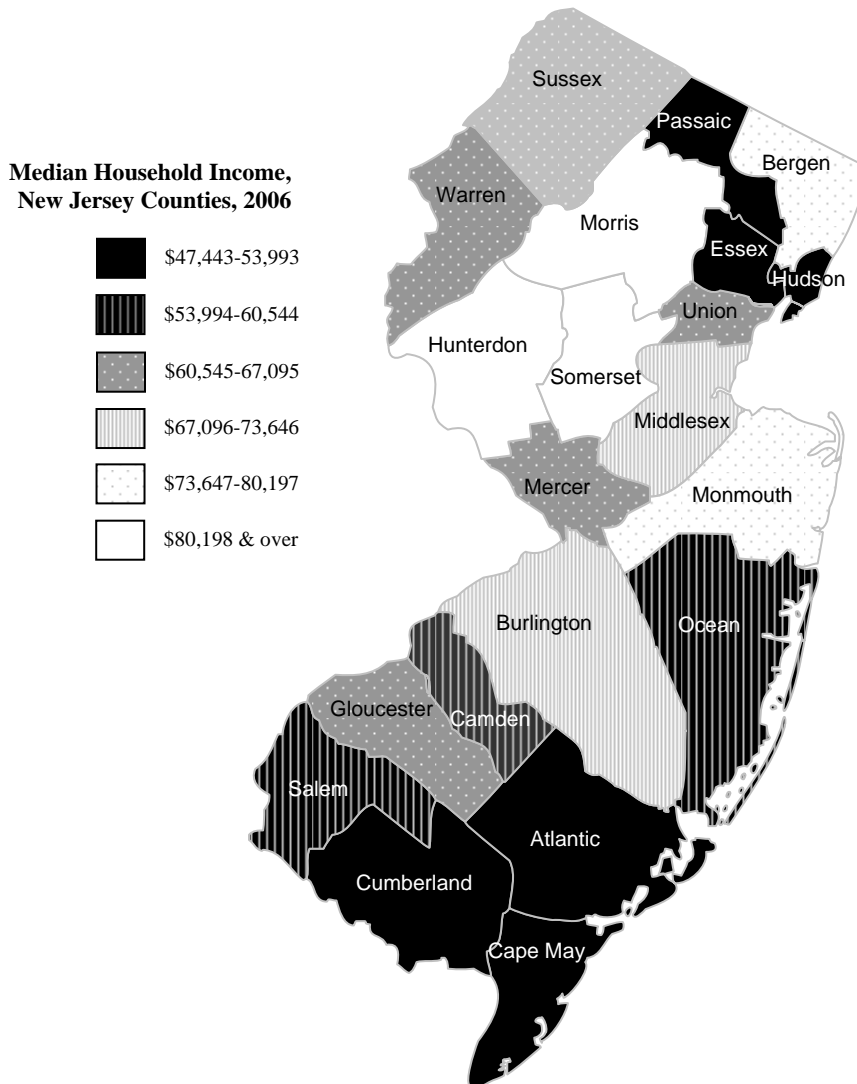


Source: Calculation from the U.S Census Bureau, 2006 American Community Survey

Figure 27 illustrates the official poverty rates for all twenty-one counties of New Jersey in 2006. It shows that there is significant disparity in the experience of poverty based on county of residence. Clearly, the north-east urban region (which includes Passaic, Essex

and Hudson counties) has the highest regional concentration of poverty in the state. At the same time Cumberland County, which is a largely rural and situated in the southern part of New Jersey, has the highest poverty rate in the state on the individual county level. Atlantic, Camden and Salem (also rural) counties also have higher poverty rates than the state average. Even on the county level, which disguises many disparities through aggregating large areas, the degree of contrast between high poverty and low poverty areas is revealed by the absolute difference in poverty rates. While poverty rates in Cumberland, Passaic, Hudson and Essex are close to twice the statewide average poverty rate of 8.7 percent, the poverty rate in Hunterdon, Morris and Somerset counties is less than 5 percent (see appendix tables for more details).

Figure 28



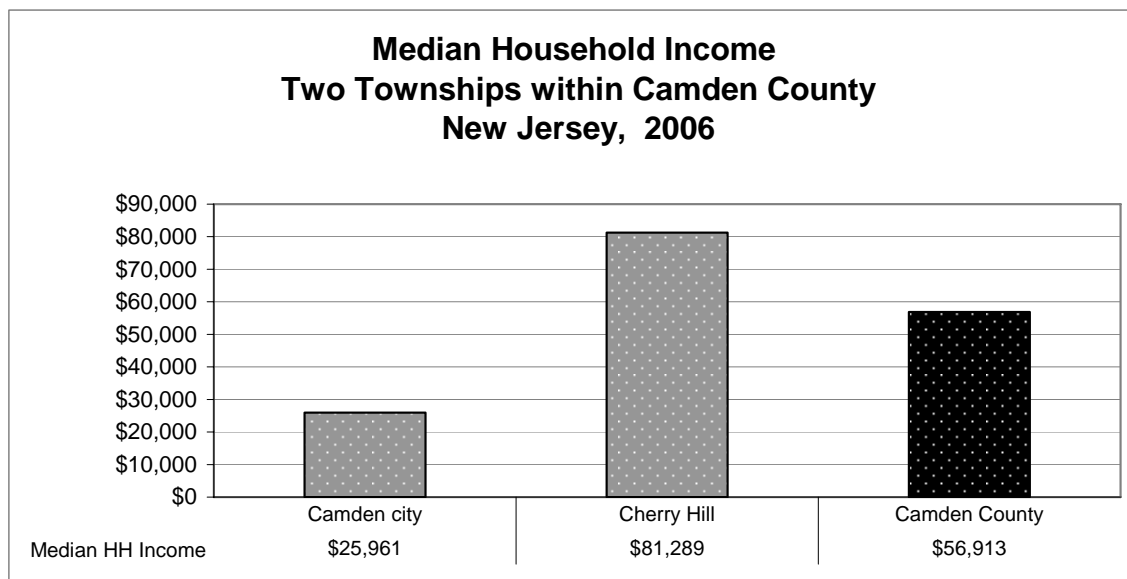
Source: U.S Census Bureau, 2006 American Community Survey

Figure 28 illustrates median household income for all New Jersey counties. The trends reflected in this map as compared to the preceding map are not surprising – low poverty

areas have the highest median household incomes in the state and high poverty areas have the lowest median household income. The northwest counties of Hunterdon, Morris and Somerset, which all have poverty rates below five percent, also, have the highest median household incomes. Hudson and Cumberland, which are among the poorest counties, also have the lowest median household incomes. Passaic, Cape May, Essex and Atlantic are other counties where median household incomes are lower than the statewide average of \$64,470. New Jersey's counties also span a very large range in median income, from Cumberland County's low of \$47,443 to the high in Hunterdon and Somerset counties, exceeding \$90,000. It is important to note that though median income provides some indication of wellbeing, this analysis is incomplete without a simultaneous evaluation of cost of living. Since, New Jersey is a high-cost state, high incomes do not translate to similar buying power as elsewhere in the country which, in turn, magnifies the challenge faced by those with the lowest incomes in the state.

While income and poverty data at the county level reveals significant disparities based on geography, these inequities get further amplified when we analyze smaller geographical units within individual counties. *Figure 29* compares the median household income of two cities within Camden County. Although they are minutes apart in terms of distance, the difference in average income between Camden and Cherry Hill is more than \$55,000, an amount nearly matching the median household income for Camden County at \$56,913. The median income for Cherry Hill, one of the wealthier suburban cities in the region, is \$81,289. Camden, on the other hand, is an area of extreme poverty, with a median household income of only \$25,961.

Figure 29



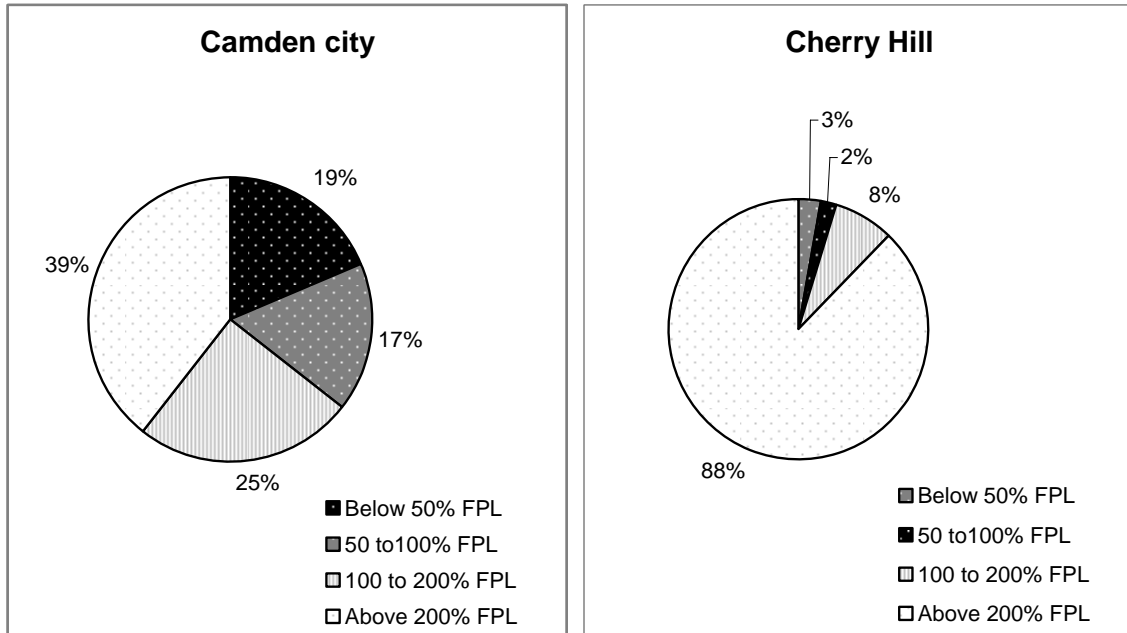
Source: U.S Census Bureau, 2006 American Community Survey

Figure 30 divides the population of these cities according to different levels of poverty. Unlike the categories of severe, official and true poverty described earlier in the report, these divisions are non-overlapping categories to allow the representation of each

location's total population by income group. Those below 50 percent of poverty had an annual income of less than \$8,121 in 2006. Those between 50 and 100 percent of poverty had annual income that ranged between \$8,121 and \$16,242. Finally, those between 100 to 200 percent of poverty had annual income that varied between \$16,242 and \$32,484.

Figure 30

Ratio of Income to Poverty, New Jersey, 2006



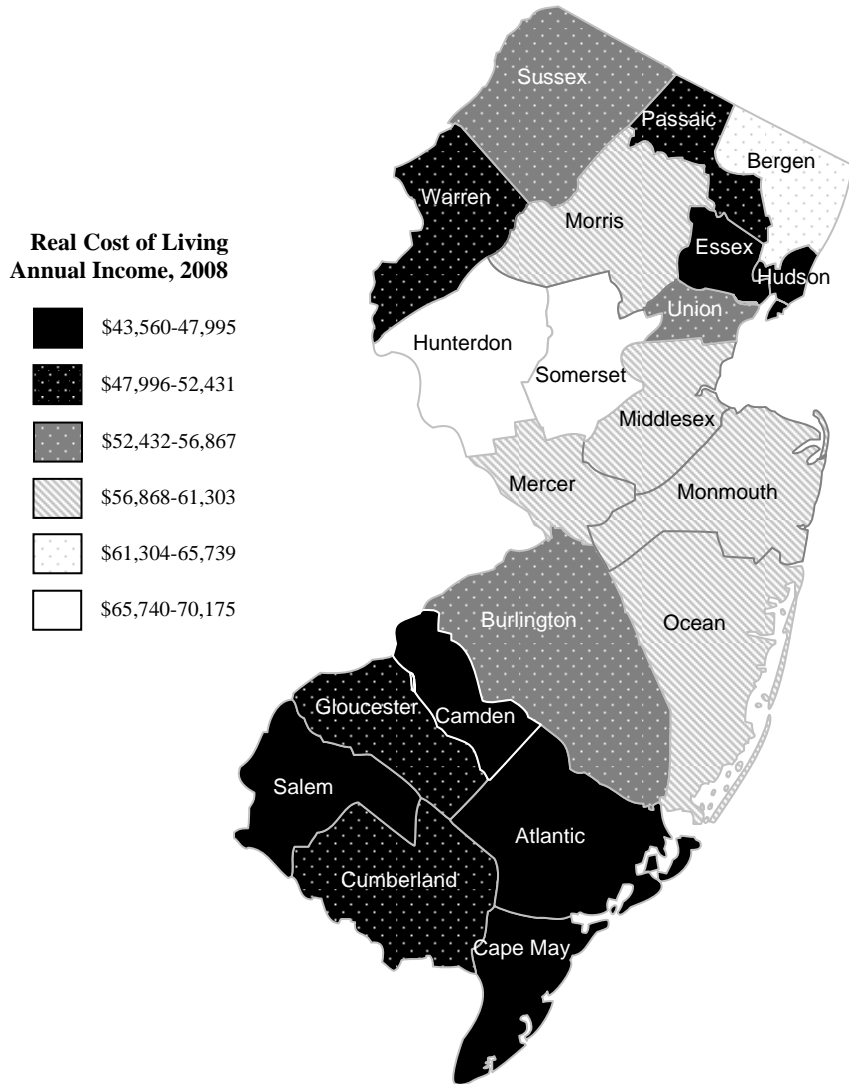
Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

Needless to say, these incomes represent much less than what it takes to get by in a high cost state like New Jersey. A closer look at these numbers shows that though a majority of residents in Cherry Hill are economically secure, six out of ten Camden residents have incomes below the true poverty level (including those below 50 percent FPL, between 50 percent and 100 percent FPL, and between 100 percent and 200 percent FPL). Only two percent of the population in Cherry Hill lived in severe poverty in 2006 compared to 20 percent in Camden. While 36 percent of Camden's population had income below the federal poverty level, only 5 percent of Cherry Hill residents lived below the federal poverty level in 2006. These numbers attain even more significance because these cities are located in such close proximity. While county-level analysis reveals concentration of income and poverty in certain areas of New Jersey, evaluation at the city level reveals that inequities get even more intensified when we step down a rung on the geographical ladder.

While it is clear that poverty, like wealth, is concentrated in some areas of New Jersey, this should not be interpreted as an indication that areas with less poverty have superior policies or are tackling issues related to poverty more successfully. As highlighted earlier, the federal poverty level is an inadequate measure of what it takes to cover the cost of living in New Jersey. Since costs of basic necessities vary by place of residence, it may cost less or more for a family of similar composition to be economically independent in

different parts of the state. *Figure 31* maps the self sufficiency income needed for a three-Person family (one adult, one preschooler and one school age child) by county based on the RCL. Comparison of this chart to county poverty rate shows that counties that have the highest cost of living also have the lowest poverty rates and counties with the lowest cost of living have the highest poverty rates.

Figure 31



Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

For example, while Somerset County has a poverty rate of 4 percent, the annual real cost of living for a three-Person family is estimated at \$70,146. Similarly, a three-Person family in Cumberland County, which has a very high poverty rate (15 percent), needs \$48,898 to make ends meet without any outside help. This is more than \$20,000 less than what is needed to be self sufficient in Somerset County. This pattern follows in other New Jersey counties as well and suggests that the concentration of low-income New

Jerseyans in certain areas of the state may relate to issues of affordability. As a result, the lower poverty rates of high cost counties like Hunterdon, Somerset, Bergen and Morris may correlate with the difficulty lower income people face in affording to live there.

6. Impacts of Poverty

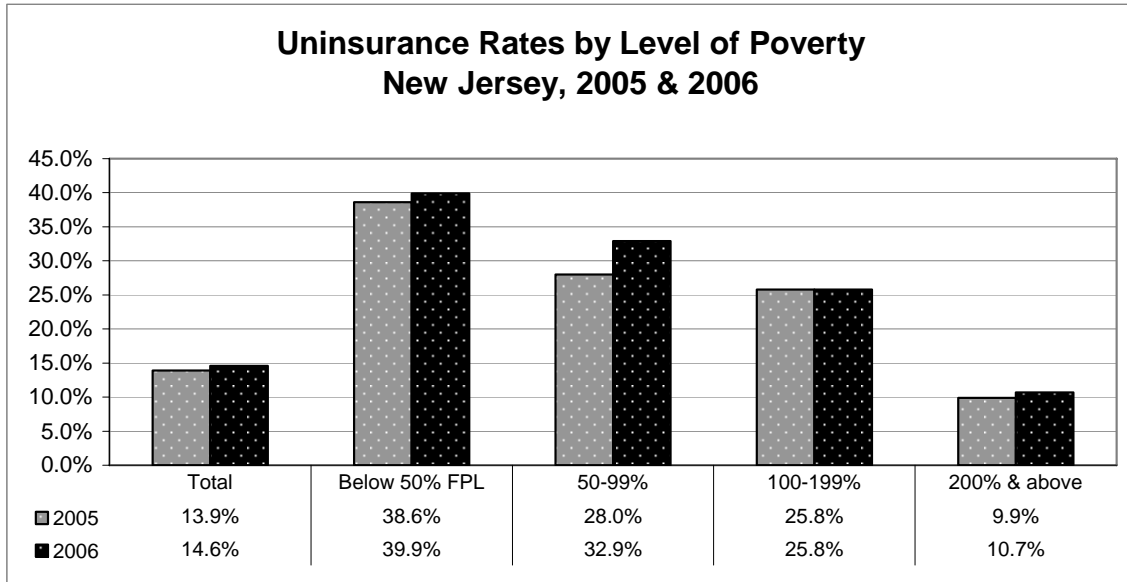
Much of the discussion in the previous sections focused on raw numbers and percent of given populations in poverty, exploring the data by variables such as demographic characteristics and place of residence, as well as considering how to interpret the data as measurements of need respective to cost of living. While these numbers are important, particularly for assessing the magnitude of the problem, the impact of these numbers on day-to-day lives of low income populations and their ability to access basic living necessities is even more significant. This section goes beyond poverty numbers to examine more closely the populations in poverty and the challenges they face in meeting their basic needs. The findings in this section reflect both the immediate and long-term toll that having inadequate income takes on various aspects of the lives of lower-income people. While impacts of poverty can be varied and widespread, this analysis addresses only those affecting essential needs like health, education, housing, employment, hunger, transportation and credit.

Health

Health impacts the basic ability of individuals to participate efficiently in work and other basic life activities, and poor health disrupts a person's ability to engage meaningfully in day to day activities, including taking care of family members and other daily household responsibilities. Many studies have highlighted the positive correlation between income and health. Since income is a predictor of a person's ability to afford health care and because income correlates with knowledge about when to seek care, populations with low-income often fail to get medical help when needed. Additionally, poverty itself often causes them to live in areas where they have a greater chance of being exposed to environmental toxins like lead, asbestos and other health risk factors. As a result, populations living in poverty not only experience a higher frequency of sickness, but also have a greater possibility of going without needed care which affects their overall state of health.

Health insurance coverage improves access to preventive as well as emergent-need medical care. *Figure 32* shows the percent of New Jerseyans who did not have health insurance coverage in 2006 by their income level and compares it to the same data for 2005. Overall, the percent of New Jersey residents lacking health insurance increased in 2006. About 13.9 percent of residents were uninsured in 2005 compared to 14.6 percent in 2006. While the percent of uninsured increased for most income groups, the nearly five percentage point increase in the uninsurance rates of those with incomes between 50 percent and 99 percent of the poverty level is the largest among the respective income groups; from 28 percent in 2005 to 32.9 percent in 2006. This increase is particularly disturbing as a large number of uninsured individuals within this group have eligibility under the New Jersey's public health insurance programs.

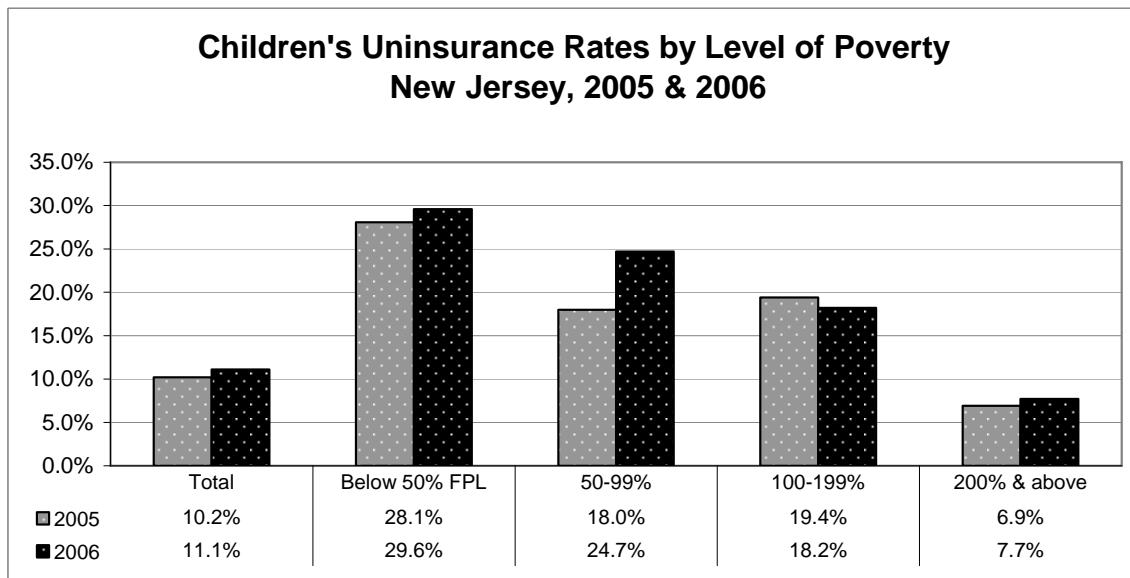
Figure 32



Source: U.S Census Bureau, Current Population Survey, Three year average ending in 2005 & 2006

While inadequate access to health care is a cause for concern for all populations, the effect on children is particularly disturbing. Younger people need greater access to health care because they are more susceptible to falling sick and the long-term impact on their developing brains and bodies can be serious. Further, preventive care helps in early identification of risks and reduces the possibility of facing preventable diseases in adult life.

Figure 33

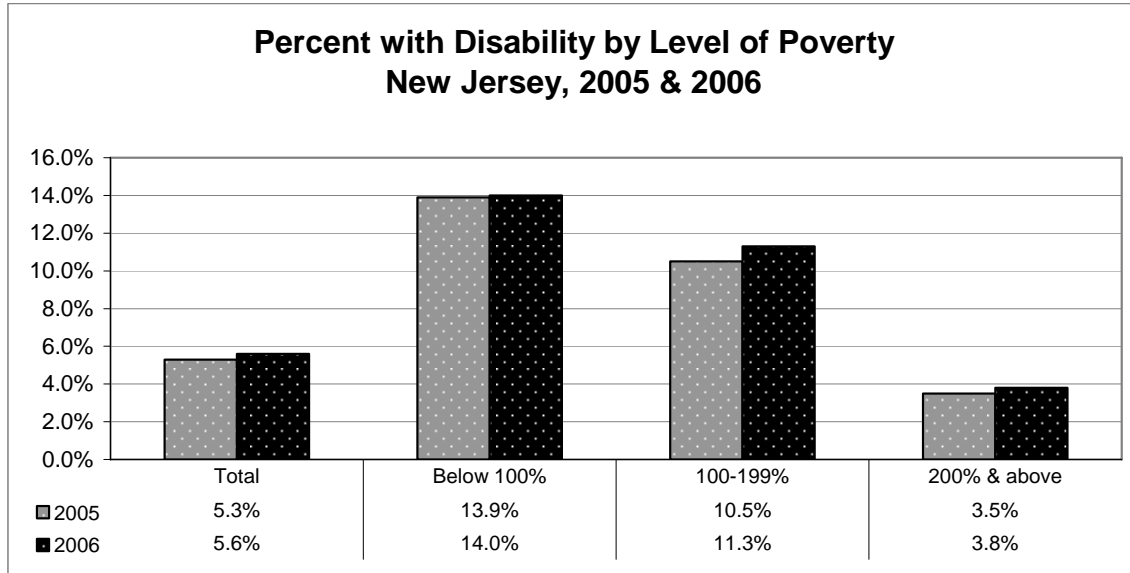


Source: U.S Census Bureau, Current Population Survey, Three year average ending in 2005 & 2006

Figure 33 looks at uninsurance rates of children at different levels of poverty in 2006 and compares them to 2005. Overall the percent of New Jersey's children without health

insurance increased between 2005 and 2006. Again, the increase is most pronounced in the 50 to 99 percent FPL income group where the percent uninsured swelled to 24.7 percent, an increase of 6.7 percentage points.

Figure 34

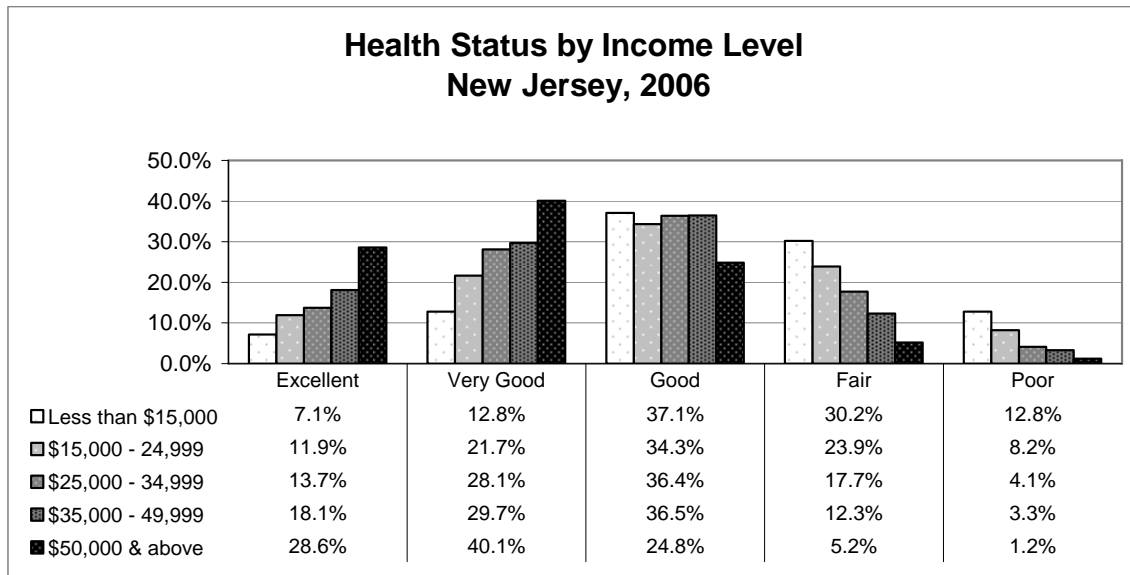


Source: U.S Census Bureau, Current Population Survey, Three year average ending in 2005 & 2006

Those in poverty with disabilities face added disadvantages over the general population in accessing health care services. *Figure 34* tracks the percent of individuals living with a disability or health problem that limited their ability to work in 2006 by income relative to poverty and compares this data to 2005. The chart shows that the percent of New Jerseyans with disabilities or health problem limiting work increased at all levels of poverty. Overall, the percent with disabilities increased from 5.3 percent in 2005 to 5.6 percent in 2006. The increase was most pronounced in the 100 to 199 percent poverty level where 10.5 percent experienced a health problem limiting work or a disability in 2005 compared to 11.3 percent in 2006.

As would be expected, poverty and lack of access to health care resources, including health insurance, correlates with health outcomes. *Figure 35* highlights the health status of New Jersey residents by their income level. The results are based on a survey on preventive and health risk behaviors conducted annually by the Center of Disease Control (CDC). *Figure 35* shows that health status is directly correlated to income level. While only 7.1 percent of those earning less than \$15,000 annually report excellent health, more than 28 percent with income above \$50,000 report excellent health. On the other hand, while 12.8 percent with incomes less than \$15,000 report poor health, only 1.2 percent with incomes at or above \$50,000 report poor health.

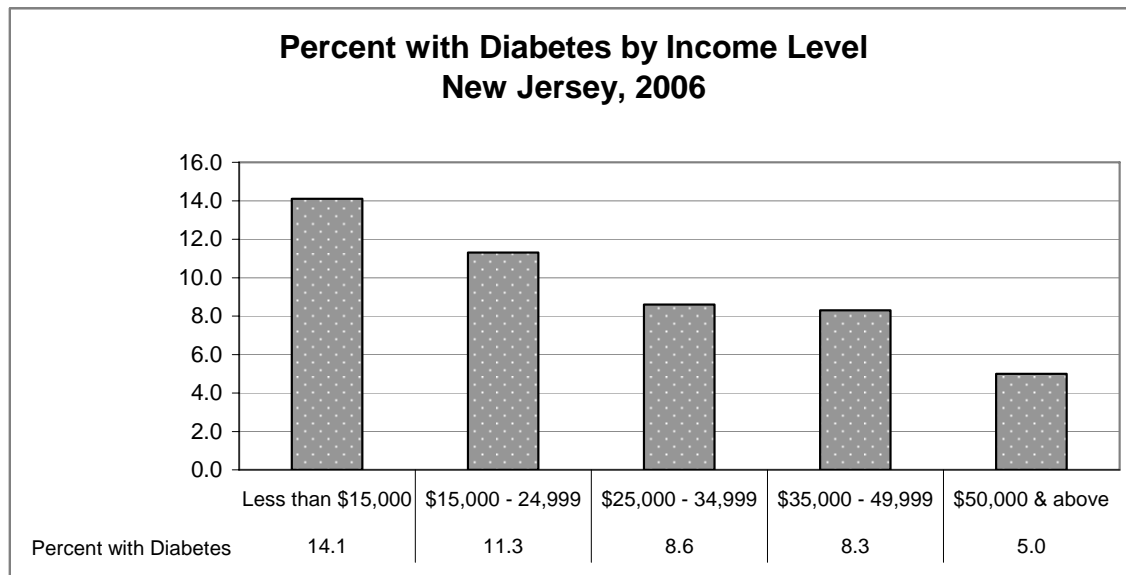
Figure 35



Source: Center for Disease Control, Behavioral Risk Factor Surveillance System (BRFSS Survey), 2006

A number of health conditions also vary in their incidence by income level. *Figure 36* shows the percent of New Jerseyans who report suffering from diabetes, broken down according to income. While 14.1 percent of those with incomes below \$15,000 reported suffering from diabetes in 2006, only 5 percent of those with incomes above \$50,000 reported this condition.

Figure 36

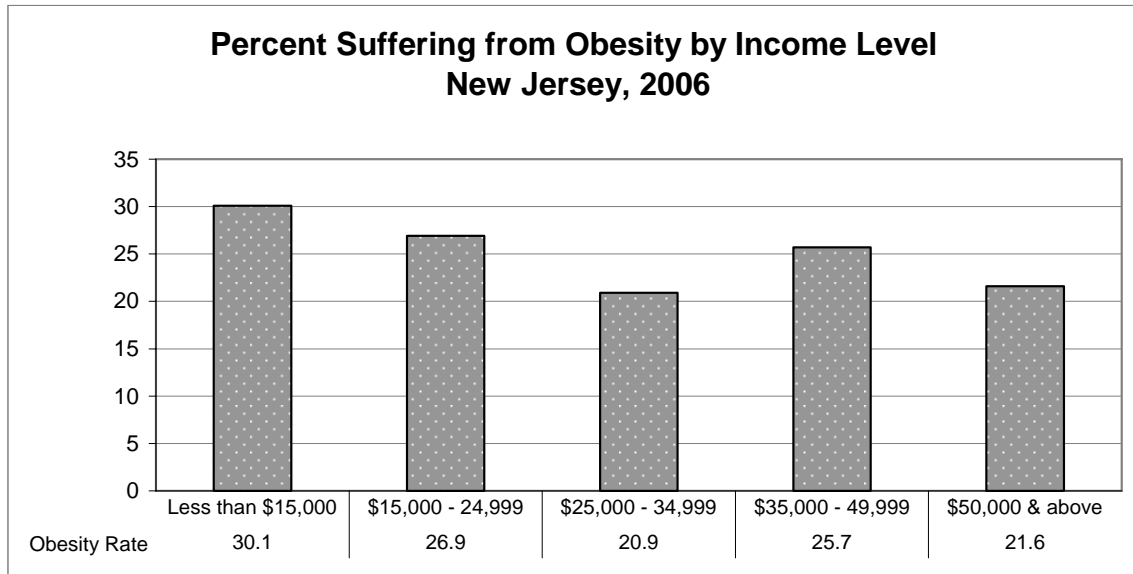


Source: Center for Disease Control, Behavioral Risk Factor Surveillance System (BRFSS Survey), 2006

Obesity is another condition which, although not a diagnosed illness, does relate to a predisposition for certain types of illnesses, including heart disease and diabetes. *Figure 37* shows New Jersey residents suffering from obesity by income level. It is clear that those with the lowest incomes have the highest probability of being obese and vice versa.

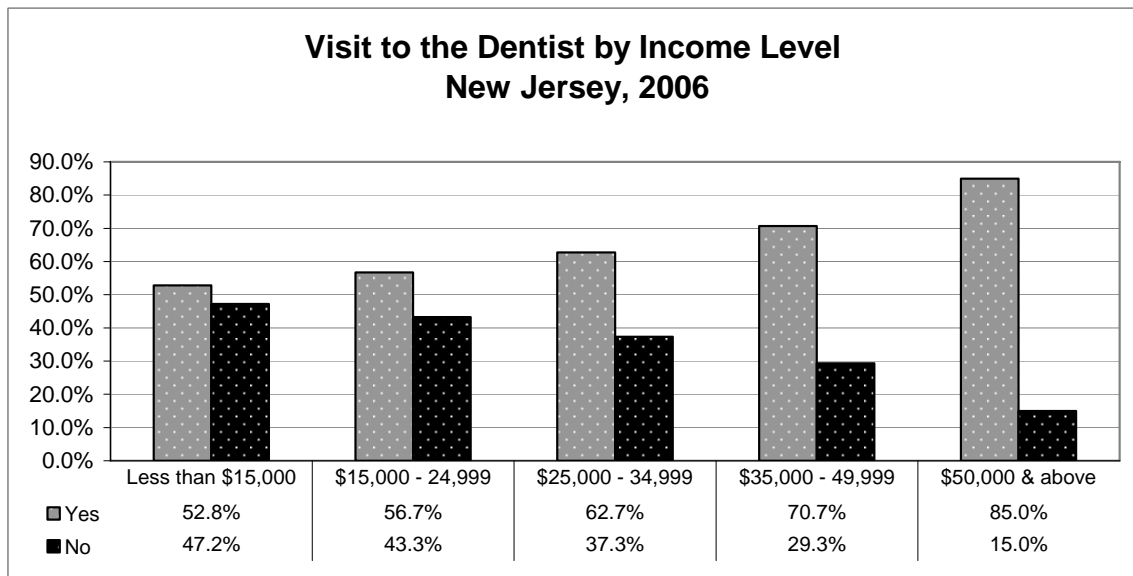
Among New Jerseyans with less than \$15,000 of income, more than 30 percent suffered from obesity in 2006 compared to only 21.6 percent in the above \$50,000 income range.

Figure 37



Source: Center for Disease Control, Behavioral Risk Factor Surveillance System (BRFSS Survey), 2006

Figure 38



Source: Center for Disease Control, Behavioral Risk Factor Surveillance System (BRFSS Survey), 2006

Dental care is another essential component of overall health and wellbeing. Since dental problems are usually non-life threatening, they are often overlooked by the low income communities especially when dental procedures involve substantial expenses or access to a dentist is complicated by other poverty impacts like lack of transportation. *Figure 38* illustrates visits to the dentist by income level. It shows that only 52.8 percent of the population in the below \$15,000 income group visited the dentist in 2006 compared to 85

percent of those with incomes at or above \$50,000. In a nutshell, income is directly correlated with the likelihood of visiting a dentist. Since New Jerseyans with lower incomes are less likely to seek dental care, they face a higher predisposition to dental problems and resultant complications.

Education

Education is one of the key ingredients for the future success and economic well-being of individuals and families. More educated populations not only have a greater ability to support themselves and their dependents but advanced education is often a resource for dealing with unexpected events and tragic family and economic losses. Having access to quality education not only empowers individuals but also lays a strong foundation for a living a life devoid of poverty. However, our data reveals disparities in access, outcomes and quality of education available to individuals from different economic backgrounds and neighborhoods within New Jersey.

Educational Outcomes

Growing up in an economically disadvantaged environment often exposes students to factors that put them at risk of educational failure. This segment discusses gaps in academic achievement of students from diverse economic backgrounds. For this analysis, we use the District Factor Group (DFG) classification created by the New Jersey Department of Education. It divides the school districts into eight categories based on their relative socioeconomic status – “A” being the lowest and “J” being the highest. *Figure 39* shows the number of New Jersey school districts within each DFG. It also shows the variables used in the calculation of DFG. The Department of Education refers to these variables as an approximate measure of a community’s relative socioeconomic status. For this report, DFGs are used to approximate relative poverty levels of communities.

Figure 39

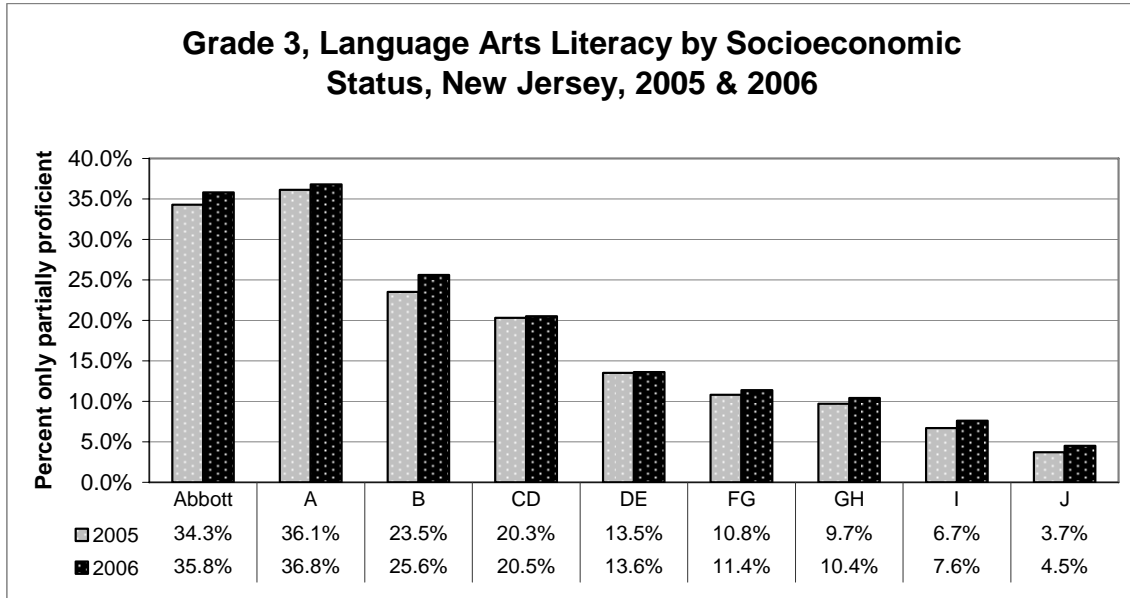
Calculation of DFG	DFG	Number of Districts
Variables used in the calculation of DFG include -	A (lowest)	39
1. Percent of Adults with no high school diploma	B	67
2. Percent of adults with some college education	CD	67
3. Occupational status	DE	83
4. Unemployment rate	FG	89
5. Percent of Individuals in poverty	GH	76
6. Median family income	I	103
	J (Highest)	25

Source: New Jersey Department of Education

Figure 40 illustrates the percentage of students that were only partially proficient in language arts in grade 3. While only 4.5 percent of students in the DFG “J” districts were partially proficient in language arts, more than one-third of students in both Abbott districts and the “A” districts failed to achieve proficiency standards. Additionally, the

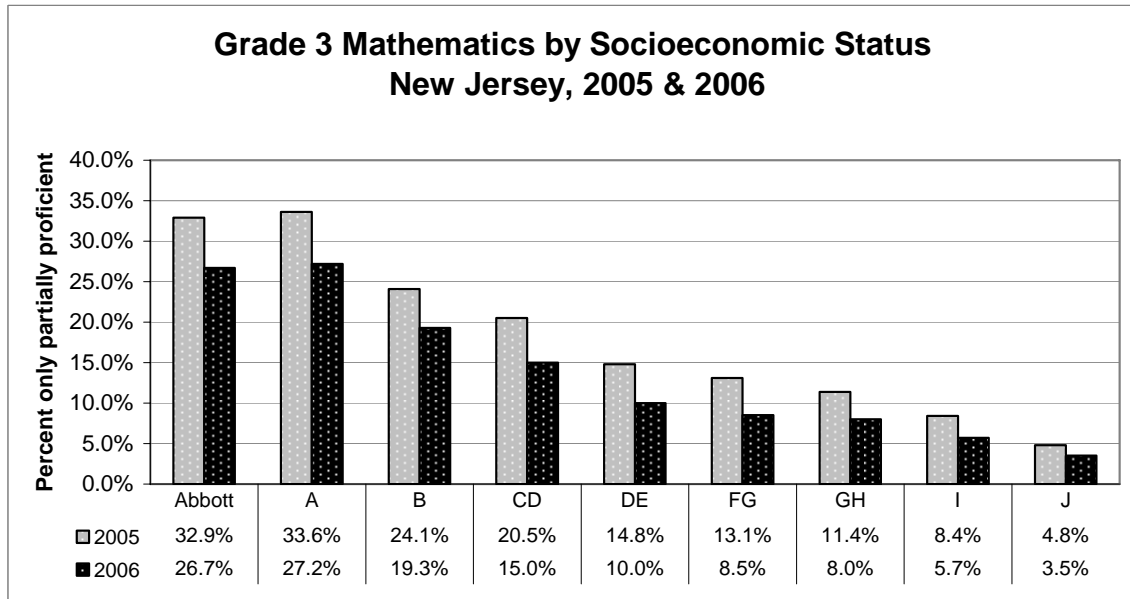
percent of students who are less than proficient has increased since 2005, most substantially in Abbott districts and those categorized in DFG “B.”

Figure 40



Source: New Jersey Department of Education

Figure 41

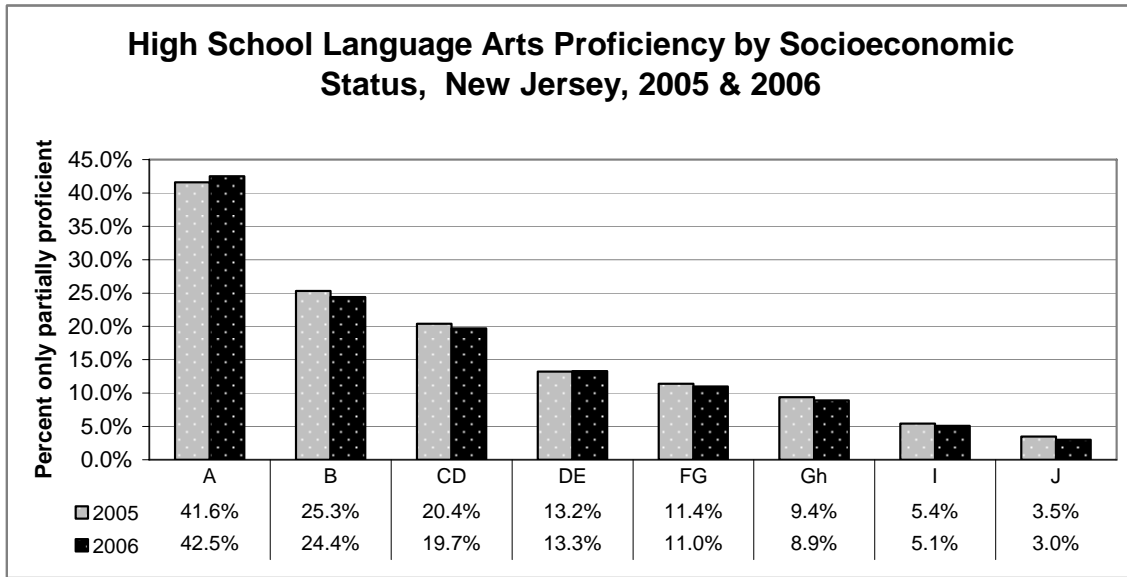


Source: New Jersey Department of Education

Figure 41 shows proficiency of New Jersey third grade students in mathematics. While the overall trend is similar to language arts proficiency, with a higher number of children from the poorer districts not reaching proficiency targets, comparisons to 2005 shows some progress. During the 2004-05 school year, approximately 33 percent of children in

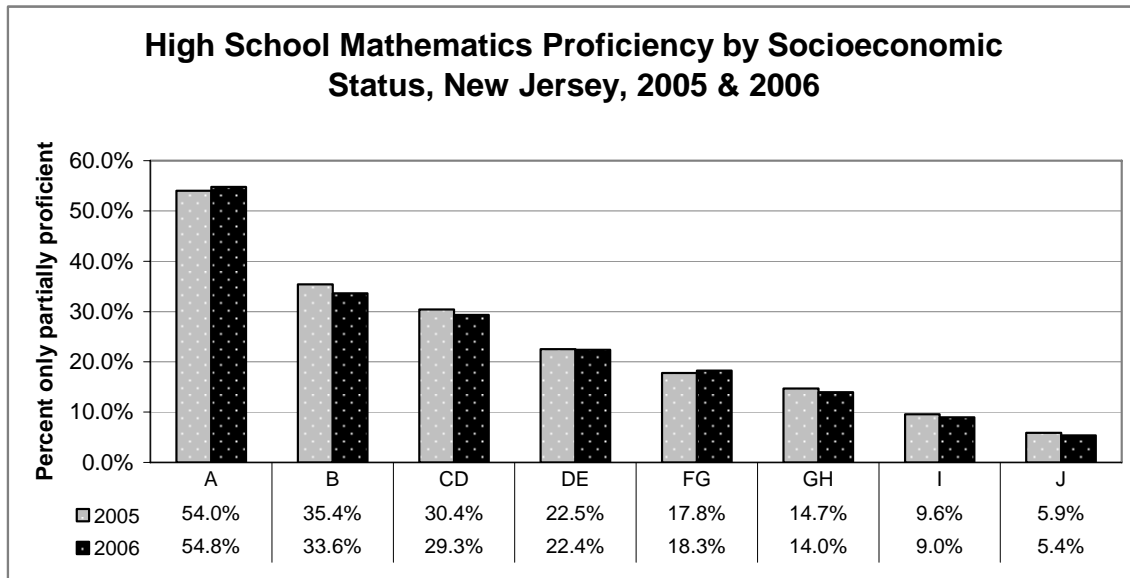
DFG A and Abbott districts were partially proficient. However, in 2005-06, this number declined by more than 5 percent. Nevertheless, a significant achievement gap still persists between students in the poorest and richest districts. In 2006, districts in DFG “A” had nearly 24 percent more students who were only partially proficient compared to DFG “J” districts. Similar trends are seen in proficiency of eighth grade students in language arts and mathematics – while achievement gaps between students from high and low income districts have narrowed compared to 2005, significant disparities still remain.

Figure 42



Source: New Jersey Department of Education

Figure 43

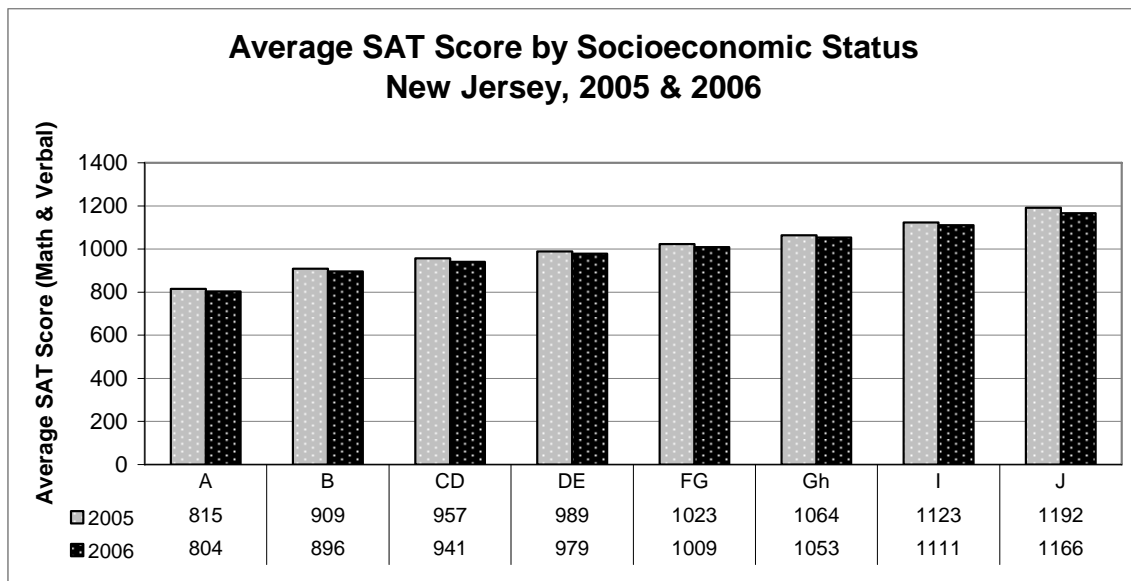


Source: New Jersey Department of Education

Figures 42 and 43 examine proficiency of high school students in language arts and mathematics by their socioeconomic status. Both figures show that achievement gaps of students from school districts with dissimilar socioeconomic backgrounds are not only very wide to begin with but have also increased for children from the poorest neighborhoods (DFG A) since 2005.

A discrepancy in outcomes is also evident in the SAT scores of students from different DFGs. Figure 44 highlights the average SAT scores by socioeconomic status. In 2006, students from “A” districts scored an average of 362 points less than students from the “J” districts. Furthermore, while scores have declined in all districts compared to 2005, this is particularly disturbing for the poor districts as their scores are already at such low levels.

Figure 44

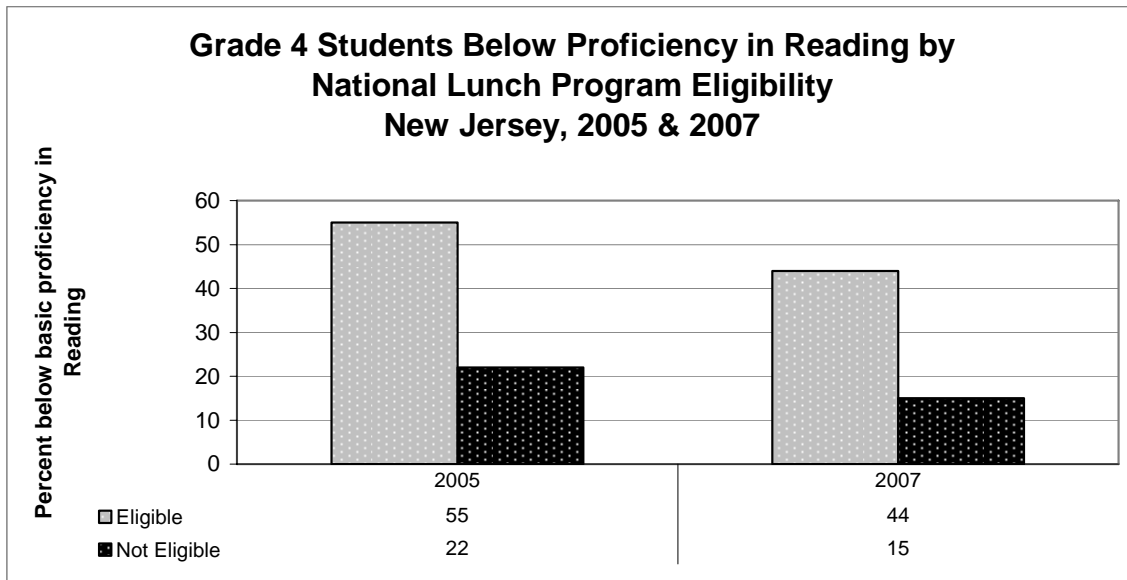


Source: New Jersey Department of Education

Another way to examine educational achievement of students from diverse economic backgrounds is to analyze proficiency scores by National School Lunch Program (NSLP) eligibility. The NSLP provides free or reduced price lunch to children from poor families in their school premises. The National Assessment of Educational Progress (NAEP) is one study that evaluates proficiency of students based on income eligibility under NSLP.

Figure 45 illustrates reading proficiency of grade 4 students based on NSLP eligibility. It shows that in 2007, 44 percent of students who were NSLP eligible scored below proficiency in reading compared to only 15 percent who were not eligible. Though the percent below proficiency among NSLP eligible participants has declined by 11 percentage points between 2005 and 2007, the gap is still very large.

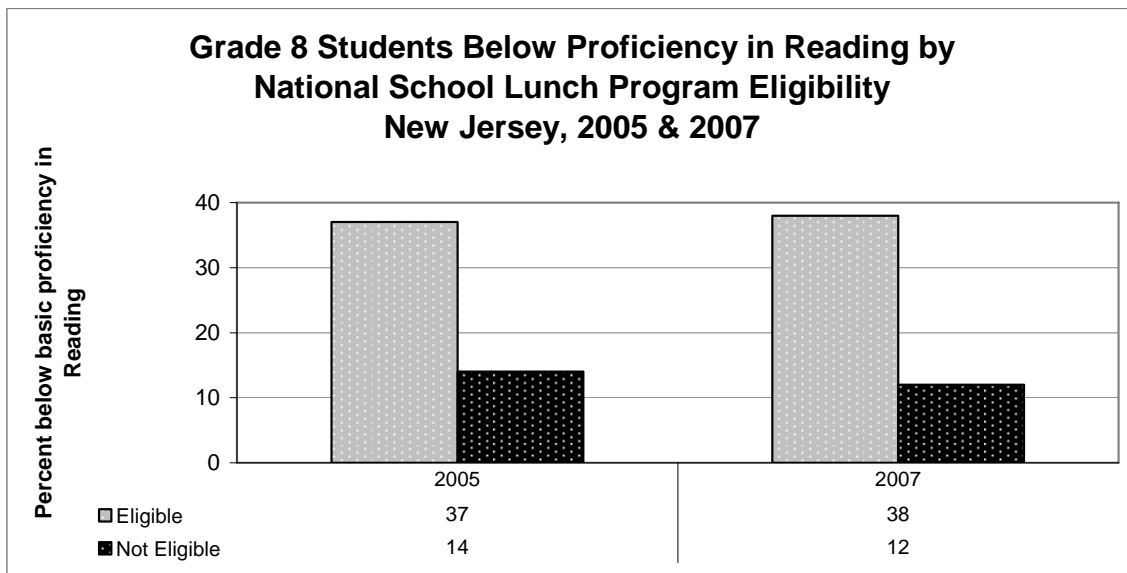
Figure 45



Source: U.S Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP)

Figure 46 illustrates reading proficiency of grade eighth students based on eligibility under the National School Lunch Program. It shows that in 2007, 38 percent of children eligible under NSLP scored below proficiency in reading compared to only 12 percent of those who were not eligible. In addition, while the percent of NSLP eligible students who are below proficiency increased since 2005; those not eligible experienced a decline in percent below proficiency.

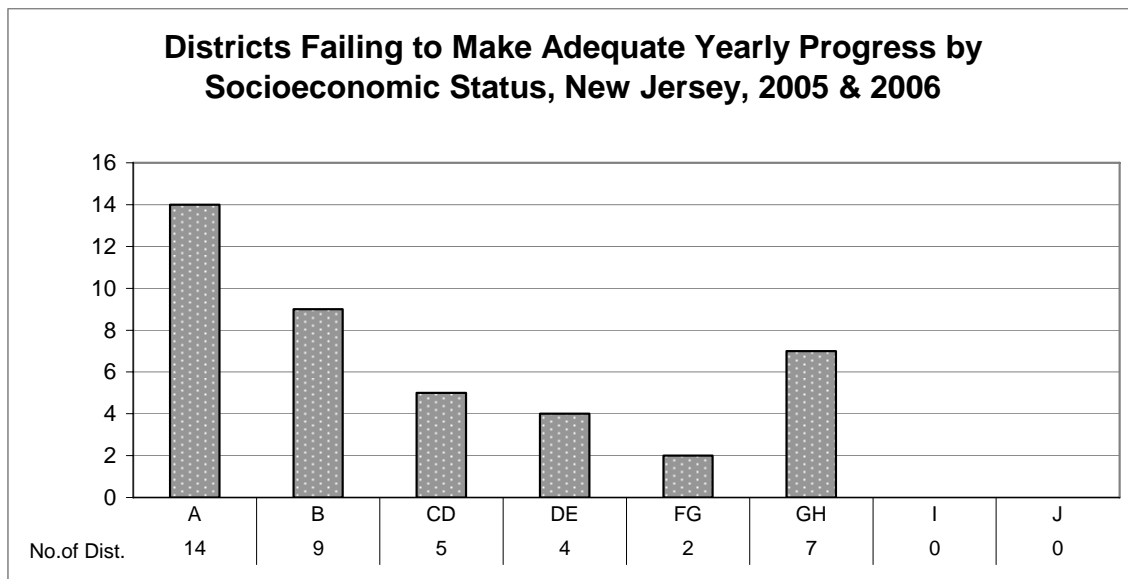
Figure 46



Source: U.S Department of Education, National Center for Education Statistics, National Assessment of Educational Progress (NAEP)

On an aggregate level, a greater number of districts with a larger percentage of population living in poverty failed to make adequate yearly progress¹¹ (AYP) in 2006. *Figure 47* illustrates that districts “A” and “B,” which are considered least affluent, had the largest number of schools that failed to make AYP. In contrast, there were no schools in the “I” and “J” districts, which have the highest socioeconomic ranking, that failed to make AYP.

Figure 47



Source: New Jersey Department of Education

School Quality

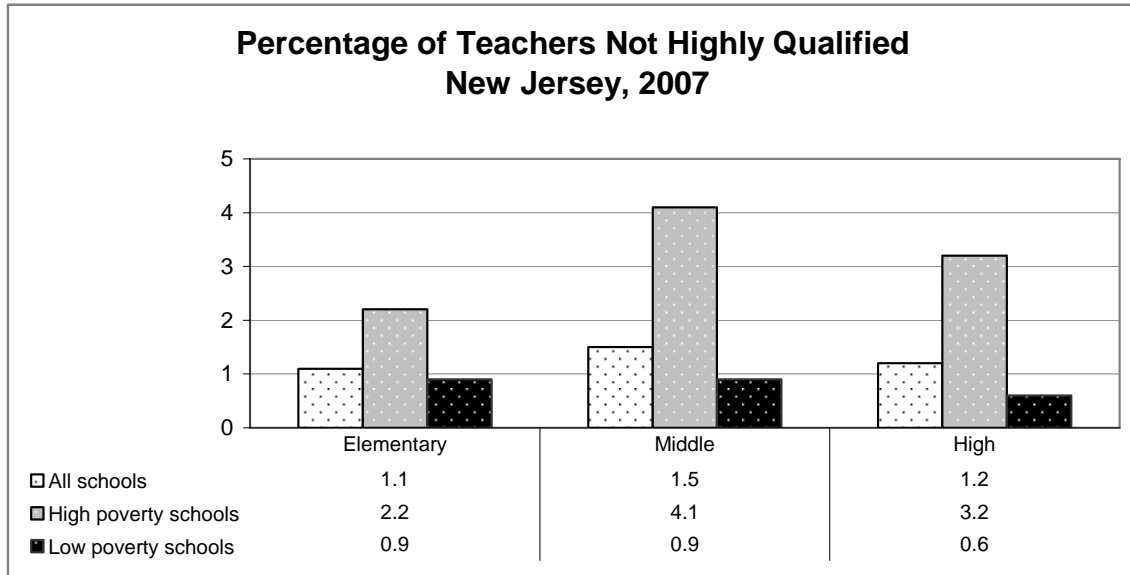
Among the most important factors in learning is the teacher. Teachers who have requisite education and training can impart knowledge to their students in the most beneficial and desirable way. Children living in poverty often need additional attention since they are more likely to be exposed to risk factors correlated to lack of success in education. As *figure 48* illustrates, however, schools in high poverty areas of New Jersey have a higher percentage of less than highly qualified teachers as compared to low poverty schools and all other schools. The New Jersey Department of Education defines a highly qualified teacher as someone who holds a bachelors degree, is fully certified or licensed and demonstrates competence in each of the core academic subjects s/he teaches. It is disturbing is that the majority of teachers who fail to reach this bar of qualification are found in districts that are classified as high poverty.¹² *Figure 48* shows that 4.1 percent of middle school teachers in high poverty districts were not highly qualified compared to only 0.9 percent teachers in low poverty schools. Likewise, 3.2 percent of high school

¹¹ Calculation of Advanced Yearly Progress (AYP) – “Under No Child Left Behind Act (NCLB), every state is required to create assessments aligned to the state’s academic standards. Every school must be evaluated annually to see if it has made AYP towards meeting the state benchmarks. If the total student population and each sub group meet or exceed the statewide performance and participation goals, the school has made AYP.” - NJ Department of Education(NJDOE)

¹² NJDOE defines high poverty schools as the 25 percent of schools in the state with the largest percentage of students eligible for free or reduced lunch. Low poverty schools are the 25 percent schools with the smallest percentage of students eligible for free or reduced lunch.

teachers in high poverty schools were less than highly qualified compared to only 0.6 percent of teachers in low poverty schools. The persistence of this discrepancy remains troubling, although there are clear signs of improvement since 2006, when rates of teachers in this category in high-poverty schools stood at 6.5 percent, 10.3 percent and 6.7 percent for elementary, middle school and secondary school respectively.

Figure 48

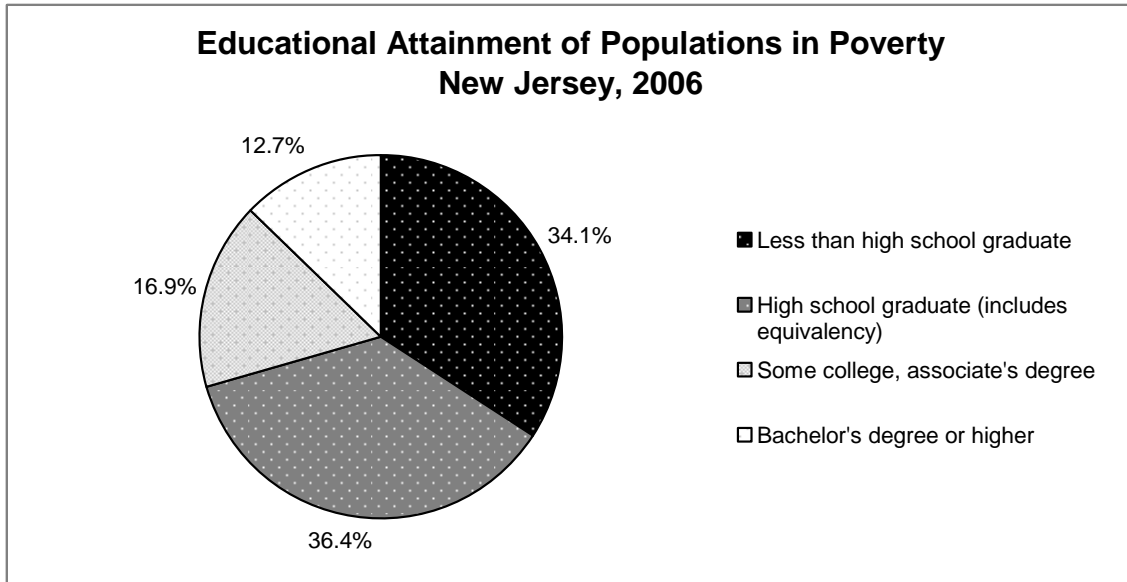


Source: New Jersey Department of Education

Impact of Disparity

The earlier discussion marked how children from weaker socioeconomic backgrounds often fail to perform on par with higher-income children, in many instances, due to factors over which they have no control. While academic progress creates a desire for higher learning, negative educational outcomes can cause a student to prematurely drop out of school. *Figure 49* highlights educational attainment for the population living in poverty in New Jersey. It shows that 34.1 percent of adults (25 and older) with below-poverty incomes in 2006 did not graduate from high school. Another 36.4 percent had no education beyond high school. Therefore, a very large percentage of adults in poverty do not have advanced education, with the associated foundation for financial stability. Another unsettling factor is that 12.7 percent of individuals with a bachelor's degree or higher were also living in poverty in the state during 2006. Thus, even if they have managed to complete the required educational training, there are other factors that need to be overcome before individuals can become self-sufficient.

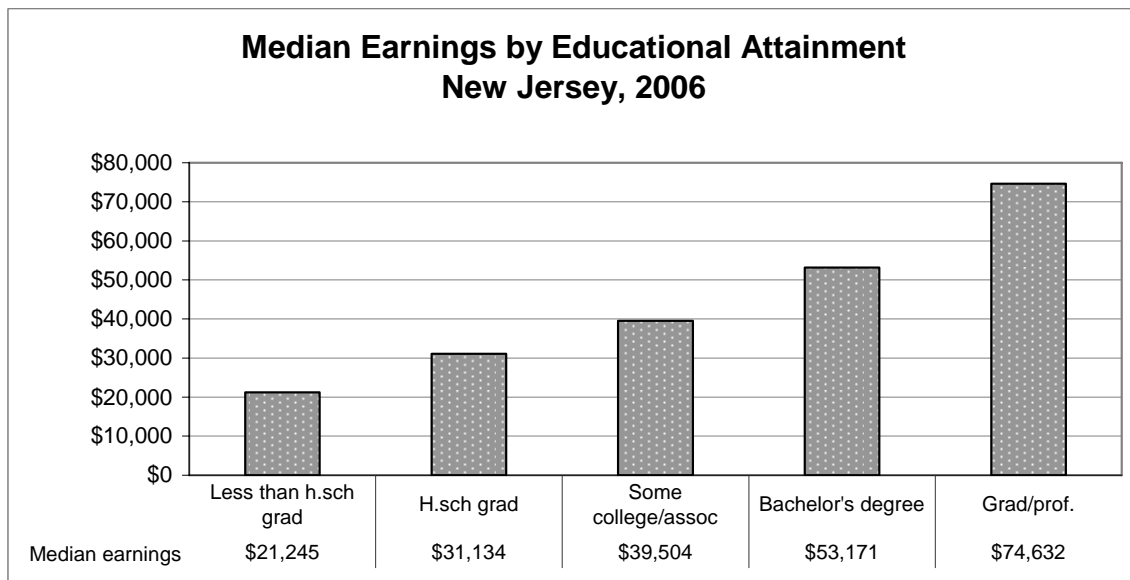
Figure 49



Source: Calculation from U.S Census Bureau, 2006 American Community Survey

Lack of education narrows job options available to individuals since many job sectors require specialized trainings or higher education. In this sense, educational attainment has a direct impact on the earnings potential of individuals. Those who have less education also earn less on average irrespective of the number of hours they work. *Figure 50* shows that in 2006 those who did not graduate high school earned \$21,245 per annum on average. Those with graduate or a professional degree, on the other hand, had a median income of nearly \$75,000 per annum.

Figure 50



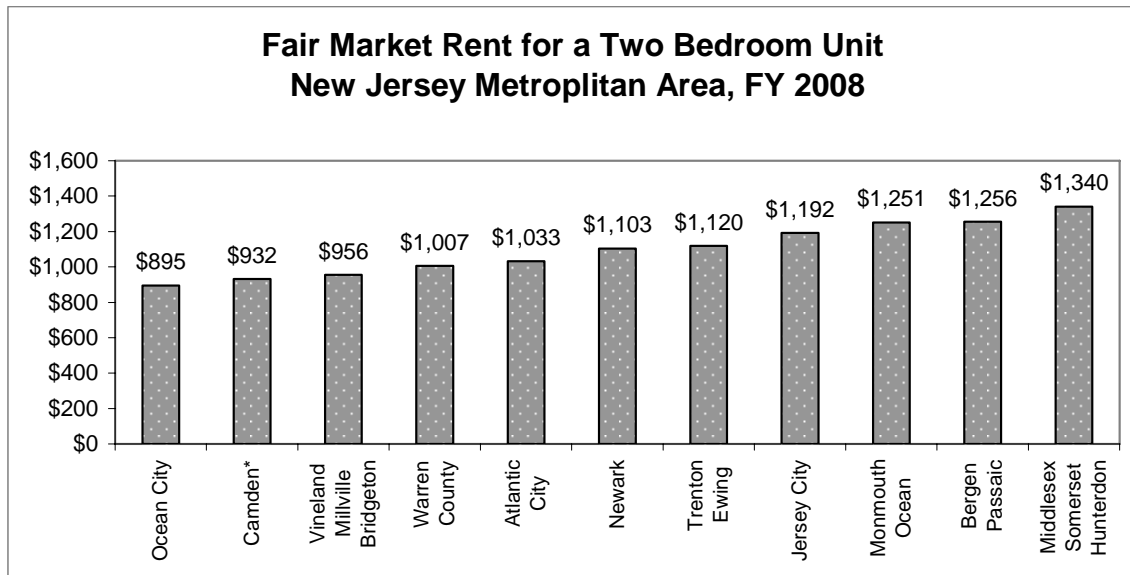
Source: U.S Census Bureau, 2006 American Community Survey

Housing

Housing is one of the most critical human needs and affects all aspects of wellbeing. A safe and affordable housing unit is not only important for healthy growth and development of children but also provides stability to families. However, the high cost of housing in New Jersey makes it out of reach for many who are either forced to forgo other essentials in order to pay for decent housing or live in substandard housing.

Figure 51 illustrates the fair market rent (FMR) for a two bedroom unit in New Jersey. The U.S Department of Housing and Urban Development annually publishes FMRs, which represent 40th percentile rents for the given metropolitan area.¹³ While rents vary from approximately \$900 in Ocean City to \$1,340 in the Middlesex-Somerset-Hunterdon metropolitan region, relative to most areas of the country rents in all New Jersey counties are high.

Figure 51



Source: U.S. Department of Housing & Urban Development, 2008 Fair Market Rents.

*Camden includes Philadelphia city & Wilmington, MD

If households use more than 30 percent of their income on rent, they are considered cost-burdened as they do not have much left to pay for other basic necessities. According to the “Out of Reach”¹⁴ report by the National Low Income Housing Coalition, in order to afford the FMR of a two bedroom unit at 30 percent of income, New Jersey minimum wage workers need to have at least three full-time jobs. The report ranks New Jersey at 48th in terms of housing affordability.

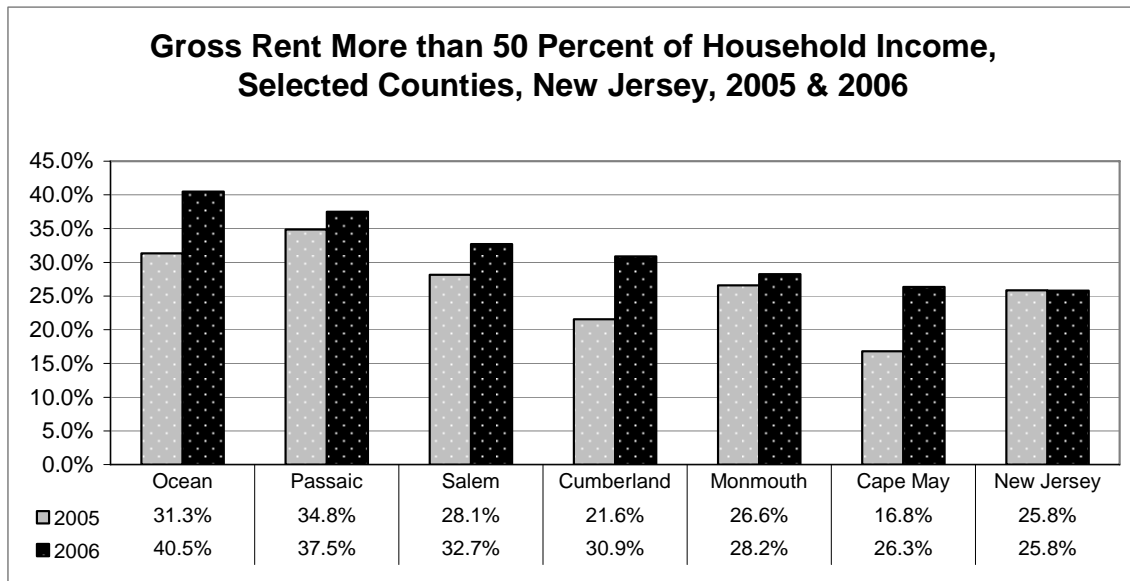
Households paying more than 50 percent of income on rent are defined as severely cost-burdened. Figure 52 shows the percent of rental households paying more than 50 percent

¹³ Note-for selected metropolitan areas, fiftieth percentile rents are used.

¹⁴ This analysis is based on FMRs for FY 2007

of income toward housing costs in selected counties of New Jersey. In Passaic and Cumberland counties, which are among the poorest in the state, more than one-third of renters are severely cost-burdened. Though overall New Jersey remains steady at 25.8 percent since 2005, for some counties the percent of households paying more than half of their income on rent has increased significantly and includes the poorest counties like Passaic, Salem and Cumberland.

Figure 52

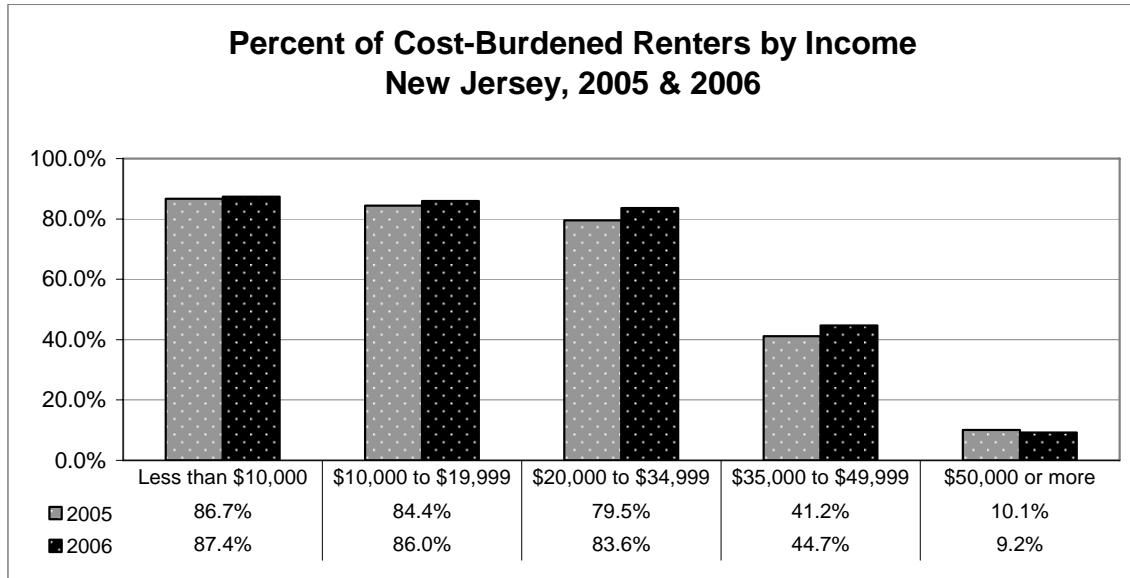


Source: Calculation from the U.S. Census Bureau, 2005 & 2006 American Community Survey

While analysis of income used on rent shows populations that are not able to reasonably afford their current housing costs, this data reveals only part of the story. For example, a household with an income of \$100,000 may spend 50 percent on housing but will still have enough left to meet all other needs, whereas even 30 percent of a \$10,000 annual household income leaves far too little to cover other essential expenses. For this reason, it is also important to look at cost-burden by income level.

Figure 53 divides cost burdened renters by their income level. This chart shows that close to 90 percent of rental households with income less than \$10,000 per annum were cost burdened. Additionally, the percent of low-income cost-burdened renters has increased since 2005. While income range \$10,000 to \$19,999 witnessed nearly two percent increase in cost-burdened renters since 2005, the income group \$35,000 to \$49,999 added nearly four percent to the cost-burdened population. On the other hand, the above \$50,000 income range saw a decline in the percent of cost-burdened renters.

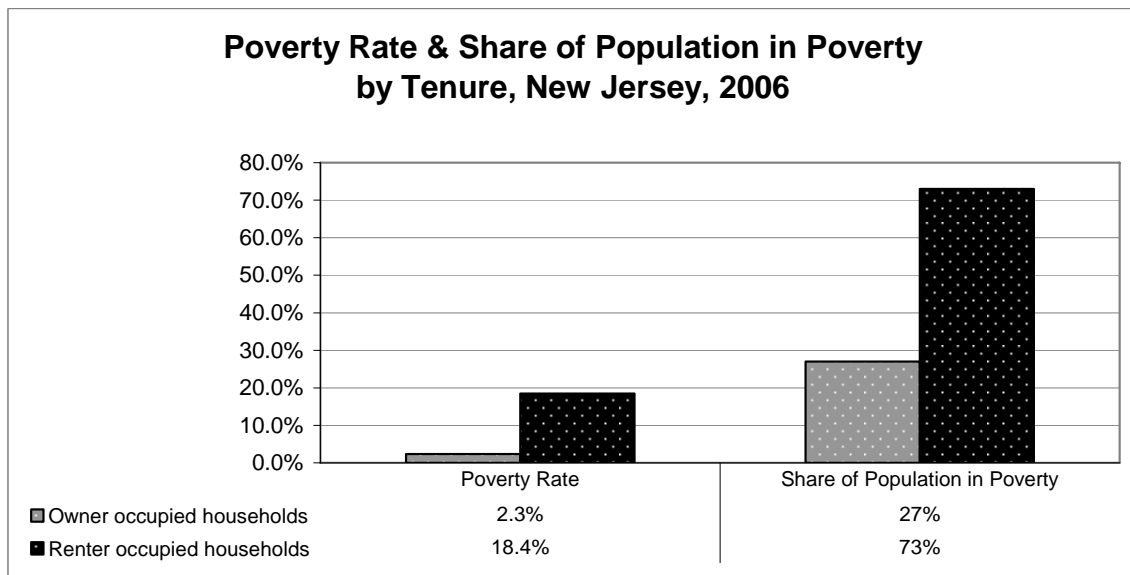
Figure 53



Source: Calculation from the U.S. Census Bureau, 2005 & 2006 American Community Survey

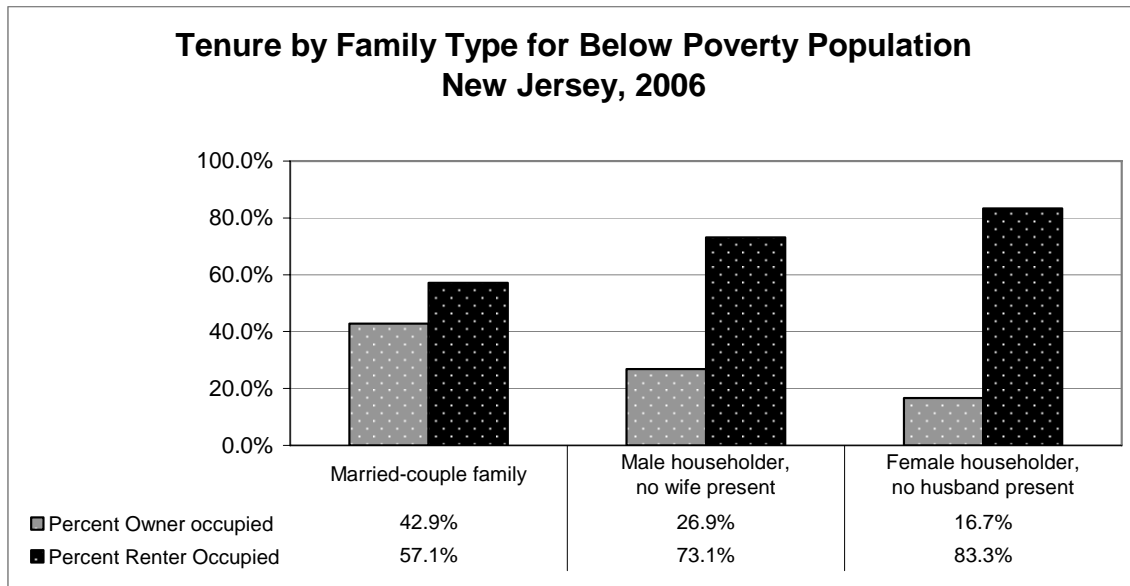
Figure 54 analyzes poverty rate by tenure and reveals the trend of populations in poverty who live in rental housing. It shows that the poverty rate for households that own their homes is only 2.3 percent compared to 18.4 percent for households that live in rented units. Within the poverty universe, 73 percent of the householders are renters and 27 percent are home owners.

Figure 54



Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

Figure 55



Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

While populations below poverty are less likely to own their homes, *Figure 55* shows that female householders are the most likely sub-population to rent, with 83.3 percent living in rented homes in 2006. Married couple families living below poverty were least likely to rent, with 57.1 percent renting their homes in 2006, followed by male householders with a rate of 73.1 percent.

The disparity in housing tenure by family types is much larger in counties that have a higher percentage of below poverty population; more than 90 percent of below-poverty female-headed households in Atlantic, Cape May, Essex, Salem, Passaic and Hudson counties rent their homes. Additionally, there has been an increase in the percent of female-headed households (below poverty) who rent their homes from 81.8 to 83.3 percent and a decrease in ownership rates by almost 2 percent since 2005. It is also significant to note that the home-ownership rates of male-headed households have increased by more than 10 percent since 2005, although due to the small sample size for male-headed households this change might in part reflect sampling error. The percent of married couples who own their homes has also increased from 40 percent in 2005 to almost 43 percent in 2006 as detailed in *Figure 56*.

Figure 56

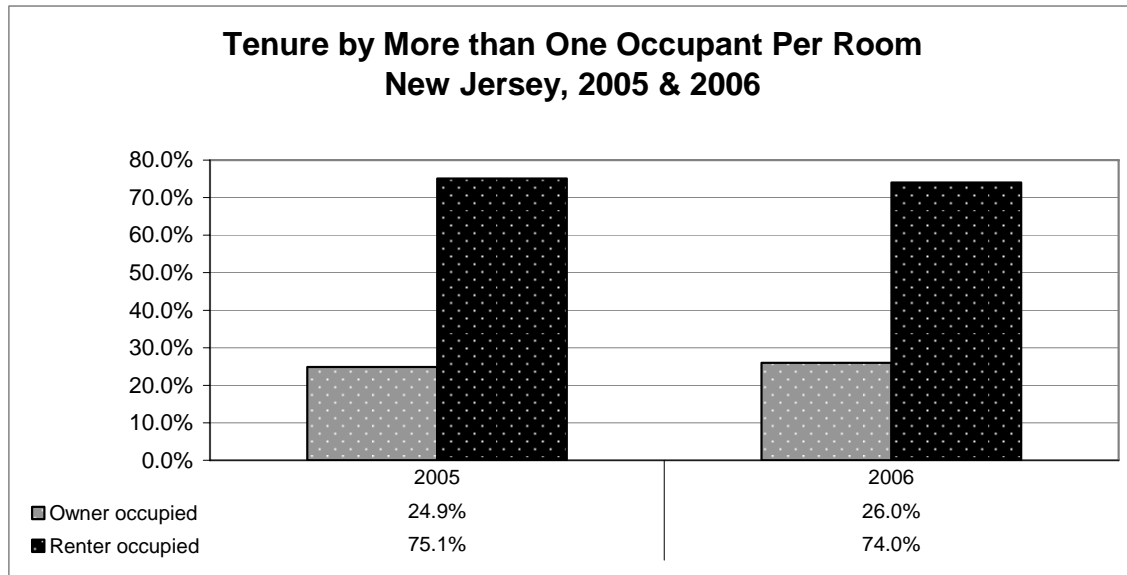
Tenure by Family Type for Below Poverty Population	Percent Owner Occupied		Percent Renter Occupied	
	2005	2006	2005	2006
Married-couple family	40.4%	42.9%	59.6%	57.1%
Male householder, no wife present	16.3%	26.9%	83.7%	73.1%
Female householder, no husband present	18.2%	16.7%	81.8%	83.3%

Source: Calculation from the U.S. Census Bureau, American Community Survey

Renters are also more likely to live in crowded housing situations. Households that have more than one occupant per room are generally considered to be crowded. *Figure 57*

shows that though the percent of renters in New Jersey living in crowded housing units has decreased slightly since 2005, nevertheless a wide gap exists between the renters and home owners living in crowded situations. In 2006, 74 percent of renters were living in crowded housing compared to only 26 percent home owners. In addition, counties that

Figure 57



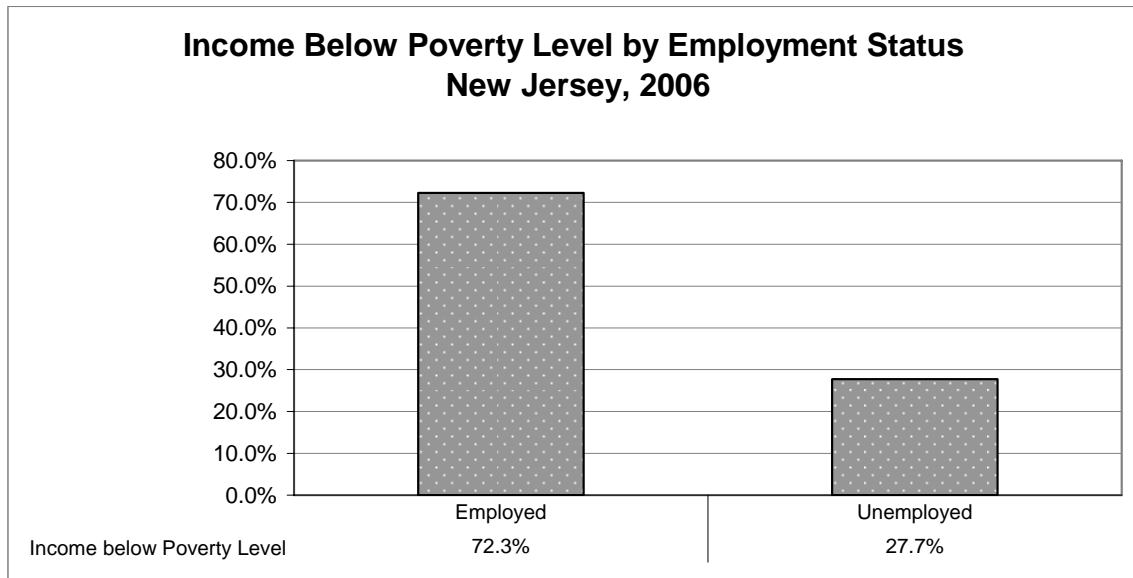
Source: Calculation from U.S Census Bureau, 2005 & 2006 American Community Survey

have a high percent of their population below poverty, like Cumberland and Passaic, experienced more than 10 percent increases in the population living in crowded rental units – Cumberland experienced an increase of almost 16 percent and Passaic’s population living in crowded rental units increased by 12.3 percent. (See appendix tables for more details)

Employment

Employment is one of the most essential conditions for economic self sufficiency and provides an important safeguard against poverty. However, employment does not lift all families out of poverty in New Jersey. The following analysis shows that many working families in the state fail to bring in enough income to meet all of their basic needs. Additionally, it shows that the benefits of employment vary even for households with similar workforce participation patterns and that full time, year round employment does not guarantee a life without poverty. *Figure 58* illustrates that of those adult with poverty level incomes who were in the labor force in 2006 – meaning that they were either working or actively looking for work in the previous four weeks – 72.3 percent were employed.

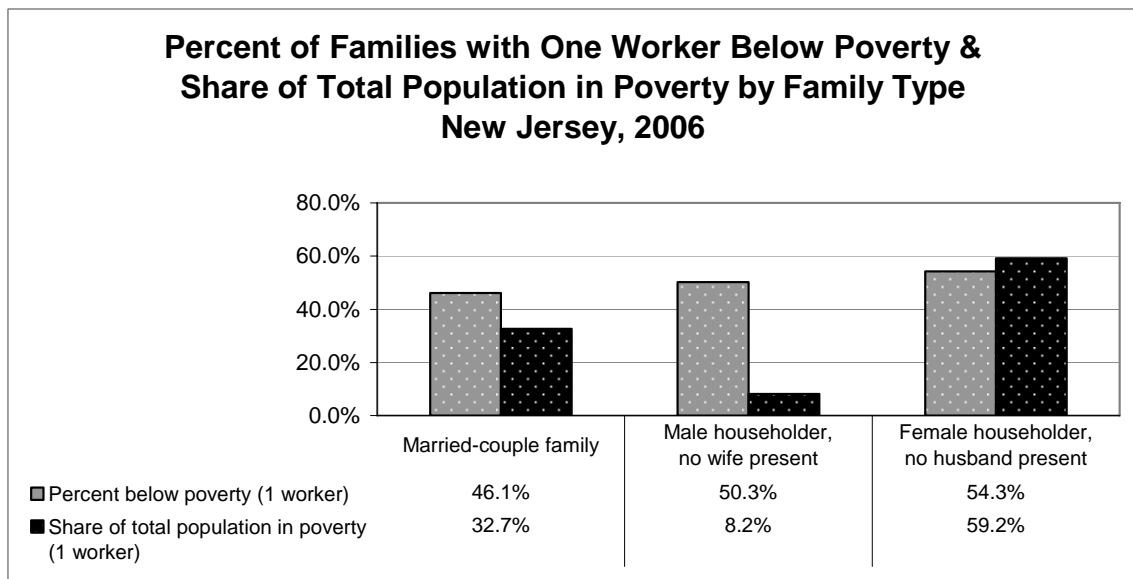
Figure 58



Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

The returns from employment vary for different household types. In fact many households with similar work participation patterns experience different economic returns when grouped by family composition. *Figure 59* divides all New Jersey households with one worker by their composition. Three family types are considered: married couple families, male headed households with no wife present, and female-

Figure 59



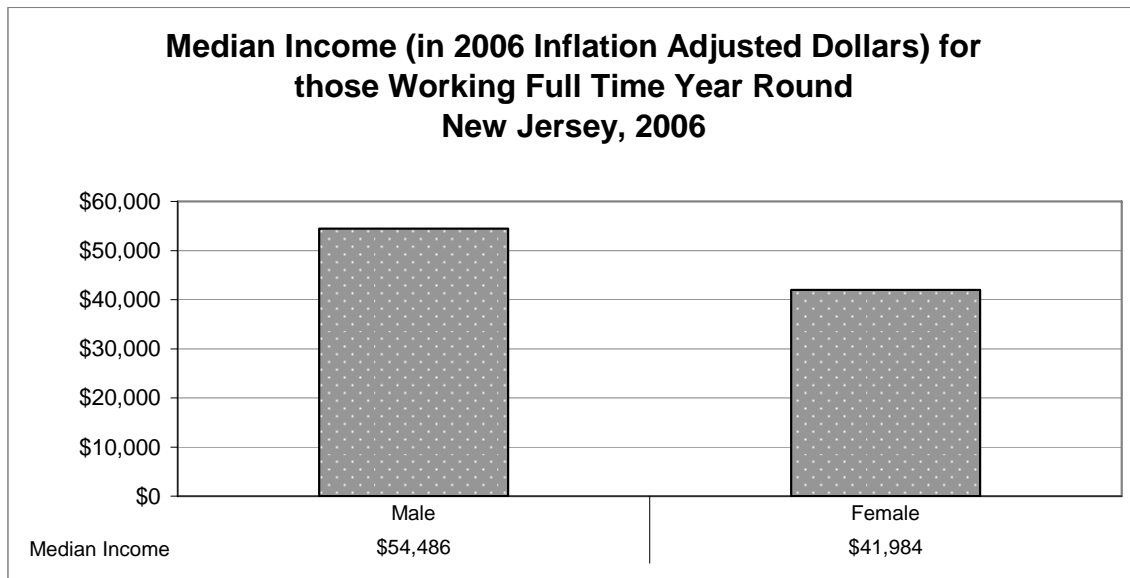
Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

headed households with no husband present. The population of female-headed households with one worker had the largest percentage living below poverty level at 54.3 percent in 2006. In comparison, 46 percent of married couple families with one worker

had incomes below the poverty level in 2006, along with 50.3 percent of male-headed households with one worker. More substantial than this difference in poverty rates, however, is the share of the total population of households in poverty with one worker. Female-headed households with one worker make up nearly 60 percent of this population, while male households with one worker constitute just 8.2 percent and married couple households represent 32.7 percent of this vulnerable population.

Although one factor in the high poverty rates among female-headed households may be their disproportionate representation in one-worker households (a category more likely to experience poverty across the board), the higher poverty rates even among the one-worker population suggests that additional factors should be considered. *Figure 60* shows median household income for those working full time and year round by gender. Women working full time and year round have a much lower median income, earning \$12,500 less annually on average than men.

Figure 60

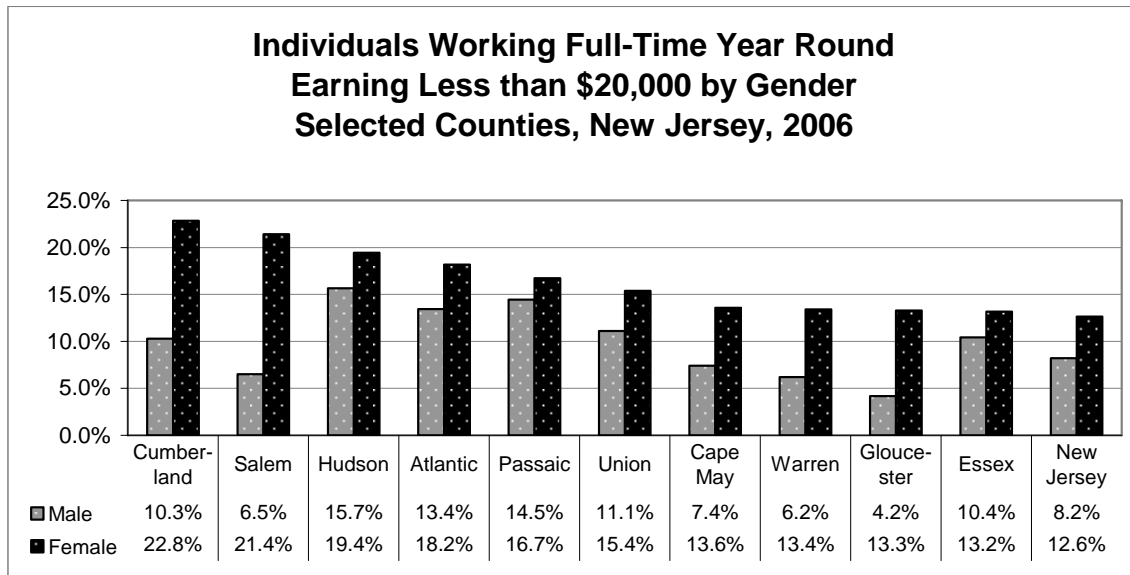


Source: U.S. Census Bureau, 2006 American Community Survey. Universe - Population 16 years & older

While full time and year round employment (FT/YR) is crucial for financial self sufficiency, many individuals working FT/YR fail to earn enough to support themselves and their families. *Figure 61* divides individuals working FT/YR earning less than \$20,000 by gender and county of residence for selected counties and the state. As highlighted earlier, an annual income of less than \$20,000 falls far below the minimum income required to cover basic needs as measured by either the true poverty standard or the Real Cost of Living.¹⁵ *Figure 61* shows that while a large percent of men working full time and year round earn less than \$20,000 annually, an even larger percent of women earn less than \$20,000. In Cumberland County 22.8 percent of women working full time and year round earned less than \$20,000 in 2006 compared to 10.3 percent of men. In Salem county 21.4 percent of women earned less than \$20,000 compared to 6.5 percent

¹⁵ This is a preliminary estimate based on draft report on Real Cost of Living to be released in early 2008.

Figure 61



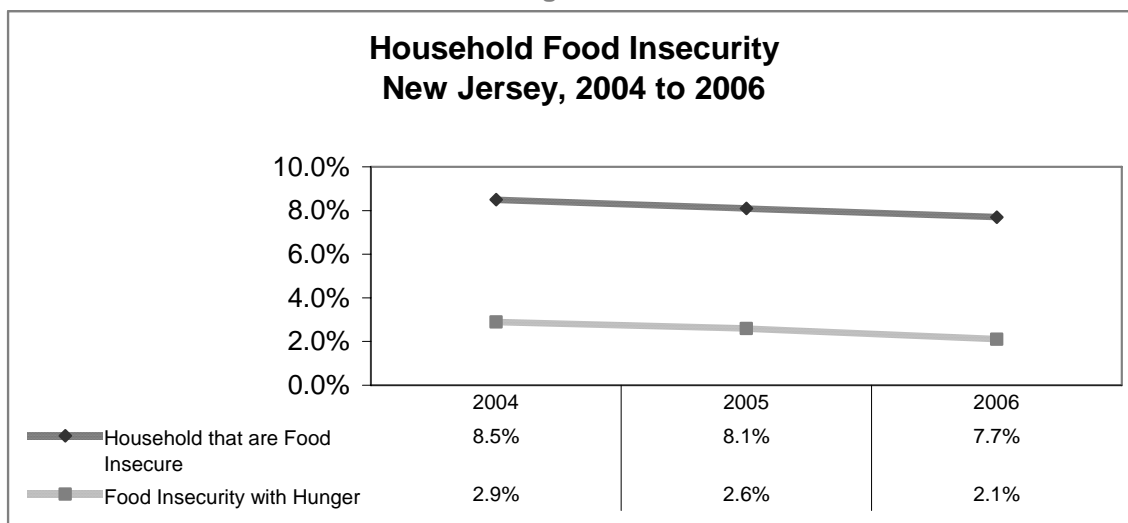
Source: Calculation from the U.S. Census Bureau, 2006 American Community Survey

of men. Additionally, even within the population of males there is a large difference in the percent earning less than \$20,000 when we compare counties with high poverty rates to more affluent counties. For example in Somerset County only 4.8 percent of males working FT/YR earned less than \$20,000 in 2006 compared to 15.7 percent in Hudson County. (See appendix tables for more details).

Hunger

Hunger is one of the most serious forms of deprivation. Shortage of food affects physical as well as mental wellbeing of individuals and hinders their ability to

Figure 62



Source: USDA, "Household Food Insecurity in the United States", Three Year Average ending in 2004, 2005 & 2006

escape from poverty. Not only does it impair concentration, which impedes progress in employment and education, malnourishment also affects short- and long-term health.

The United States department of Agriculture recognizes food insecurity as “*limited or uncertain availability of nutritionally adequate and safe food or limited or uncertain ability to acquire acceptable foods in socially acceptable ways*”¹⁶. The U.S. Department of Agriculture tracks rates of food insecurity in two categories, *food insecurity* and *food insecurity with hunger*, which indicates a higher score on the index of food insecurity indicators. *Figure 62* shows that 7.7 percent of New Jersey households were food insecure in 2006 and 2.1 percent experienced food insecurity with hunger. Recent data indicate promising declines in the rate of food insecurity of the last two years. At the same time, it is important to note that nearly one-quarter of a million households experienced food insecurity in 2006 and more than 55,000 suffered food insecurity with hunger.

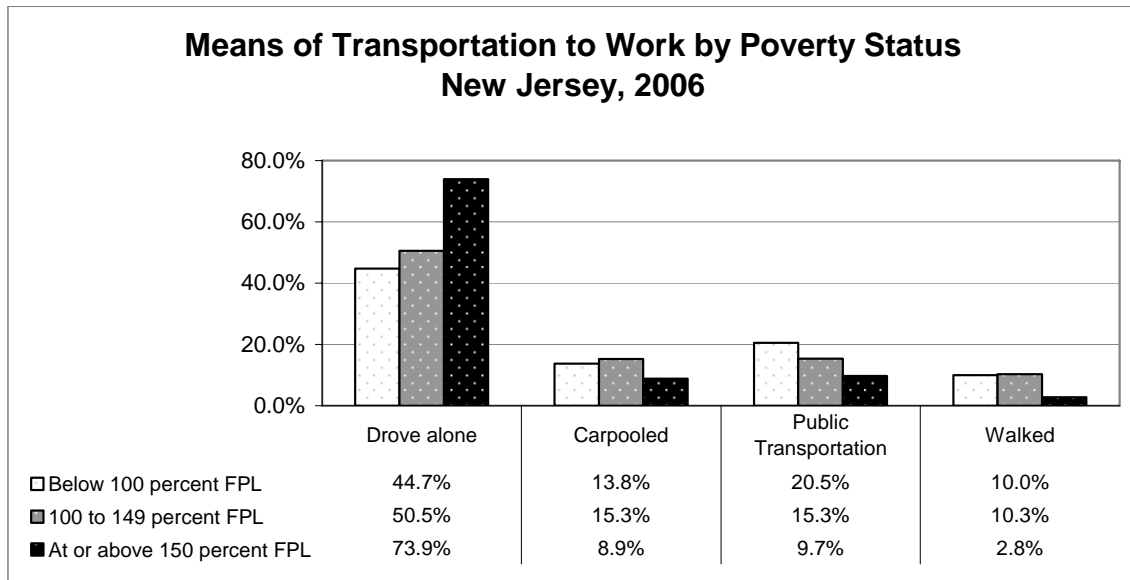
Transportation

Poverty frequently limits the ability of individuals to secure a convenient and reliable mode of transportation. This not only restricts the neighborhoods they can live in but also affects their employment prospects. At the same time, lack of dependable transportation entails additional hardships like potentially longer commute times due to reliance on public transportation, uncertainties due to unreliable vehicles and dependence on relatives and friends for day to day transportation. Such problems get exacerbated for households with children who need to be dropped at school or day care, families experiencing emergencies, especially at odd hours, and during times of adverse weather. Apart from this, even daily errands and other household tasks like going to the grocery store or pharmacy and visiting friends or the doctor for regular check-ups become burdensome tasks.

While no consistent data is available on the general means of transportation utilized by people in poverty, some estimate on transportation hardships can be made using U.S. Census data on transportation modes used specifically for travel to work. *Figure 63* illustrates means of transportation to work at different multiples of the FPL. It is clear that a higher percent of individuals who are poor share transportation or walk to work. This chart shows that approximately 45 percent of individuals below 100 percent of poverty drove alone to work, 14 percent carpooled, 21 percent used public transportation and about 10 percent walked to work. However, at the 150 percent of poverty, only 3 percent walked to work and nearly 74 percent drove alone to work. Additionally, individuals below the federal poverty level used public transportation at twice the rate compared to those above 150 percent of the federal poverty level.

¹⁶ United States Department of Agriculture, “Definitions are from the Life Sciences Research Office, S.A. Andersen, ed., “Core Indicators of Nutritional State for Difficult to Sample Populations,” *The Journal of Nutrition*, Vol. 120, 1990, 1557S-1600S”.

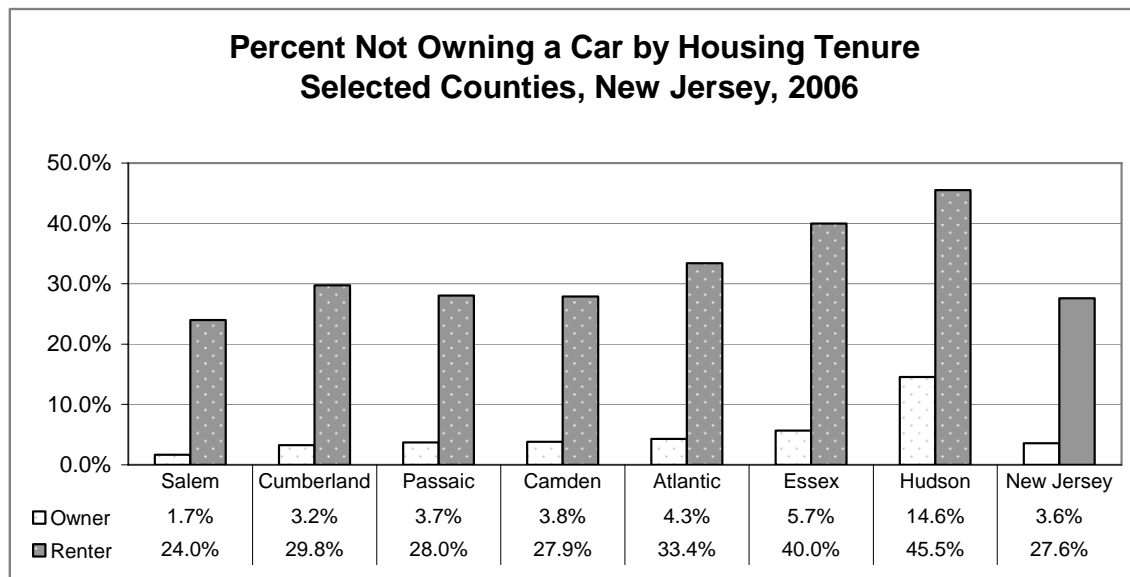
Figure 63



Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

While the Census does not publish data on vehicle ownership of individuals in poverty, housing tenure can be used as a proxy for poverty based on our findings on housing hardships, which showed that individuals in poverty are more likely to rent their homes as opposed to being homeowners. *Figure 64* illustrates populations not owning a car by their housing tenure in some of the poorer counties of New Jersey. The chart shows that

Figure 64



Source: Calculation from U.S. Census Bureau, 2006 American Community Survey

only 3.6 percent New Jersey homeowners did not own cars compared to 27.6 percent of renters who did not have their own cars. In Atlantic County, 33.4 percent renters did not have their own vehicles compared to only 4.3 percent of homeowners. The numbers are

even higher in Essex and Hudson counties where 40 percent or more of the renters did not have personal vehicles. However, these numbers should be read with caution as these counties (Essex and Hudson) are situated in close proximity to New York City and have better access to more convenient modes of public transportation. Thus a large part of the population in these counties may not own vehicles out of choice rather than due to income hardships. Nevertheless, these figures certainly indicate that populations living in poverty face challenges relating to transportation at a far greater level than those who are financially secure.

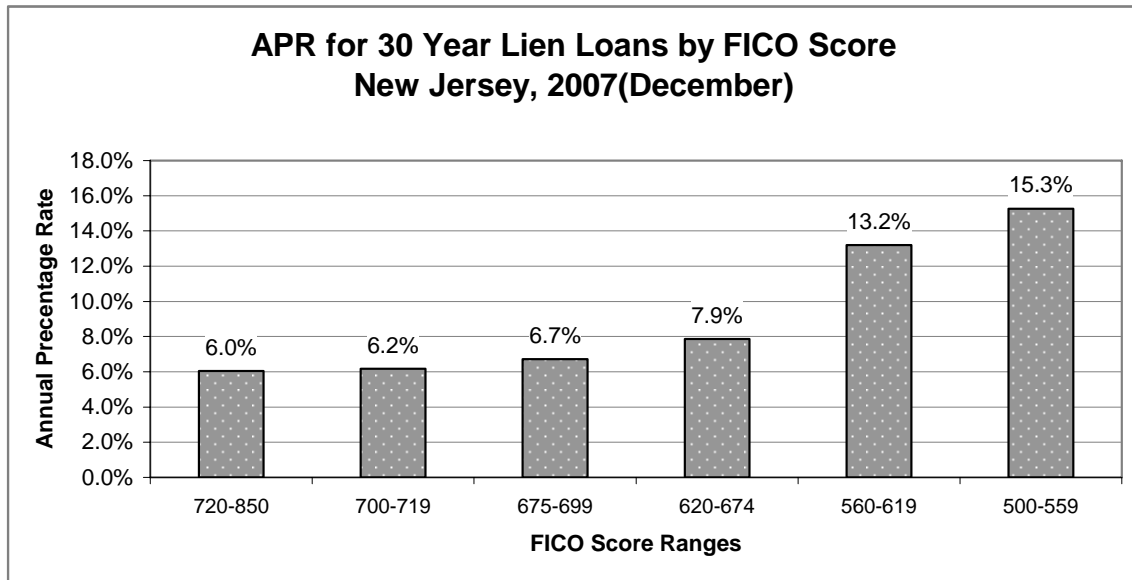
Credit

The impact of poverty on credit is perhaps the most unjust as it reflects the secondary impact of income inadequacy that can generate further problems, sometimes as a result of the fraudulent practices of unscrupulous lenders. Not only do the poor lack economic security to begin with but they also face inequitable treatment as a result of common practices related to borrowing and lending. Rather than paying equivalent prices as wealthier populations for commonly needed goods and services, people in poverty face much higher costs and interest rates. While during earlier decades people were denied credit if they did not have enough income, such individuals are now being increasingly targeted by lending companies. They frequently become victims of credit card debt when faced with economic shocks like job loss or medical emergencies. In the absence of a law that caps interest rate on credit cards, low income New Jerseyans in severe economic crisis that turn to credit cards get entangled in a maze that they find hard to break through. Not only does this impact their credit score which insurance agencies and other lending institutions use to set interest rates, but it sets off waves that hinders equitable access to loans for buying a home or a car, rental homes, automobile insurance and even influences the decision of telephone and utility companies on whether to charge a deposit fee.

Figures 65 and 66 summarize the average annual percentage rates (APRs) that may be charged by New Jersey lenders based on the borrowers FICO scores ranges.¹⁷ FICO is a credit score model used by many institutions in making decisions related to consumer credit. The chart shows that a consumer in New Jersey with a FICO score range of 720-850 pays only 6 percent interest rate on average compared to a borrower with a FICO range of 500-599 who pays more than double (15.3 percent). These figures reflect averages and in reality lenders, especially credit card companies, can go far beyond these numbers. Since income triggers the ability to pay back loans, a low income individual is also more likely to have a low credit score. As a result, the poor with limited incomes pay much more for exactly the same goods that the wealthier can get for less when purchasing something on credit.

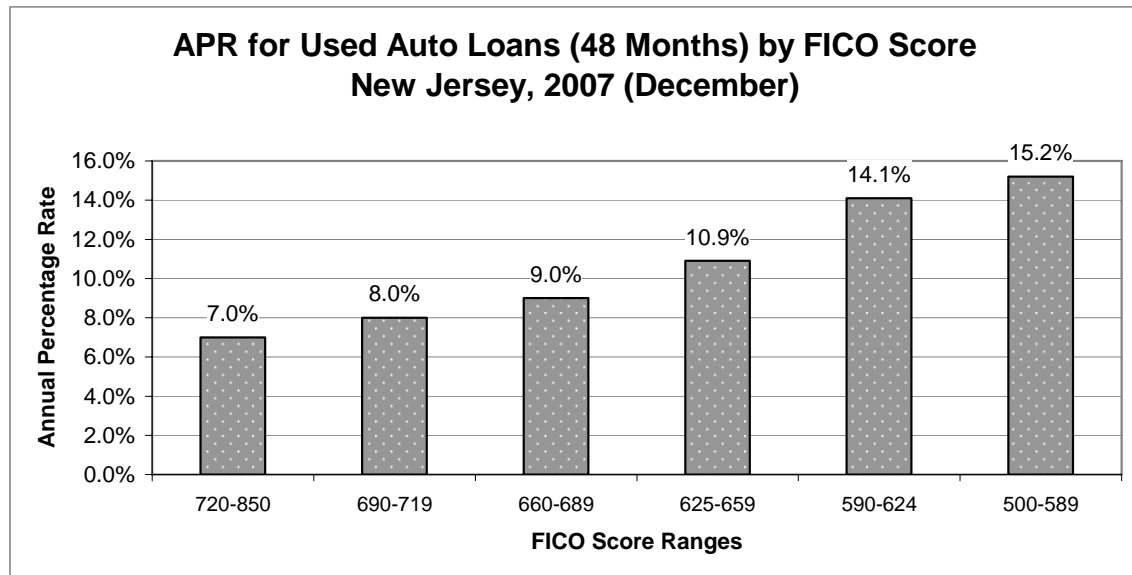
¹⁷ State of New Jersey, Department of Banking & Insurance, Division of banking, "What Interest Rate Should I Pay?". Interest rates are as of December 18, 2007

Figure 65



Source: New Jersey Department of Banking & Insurance (Mortgage rate includes points)

Figure 66

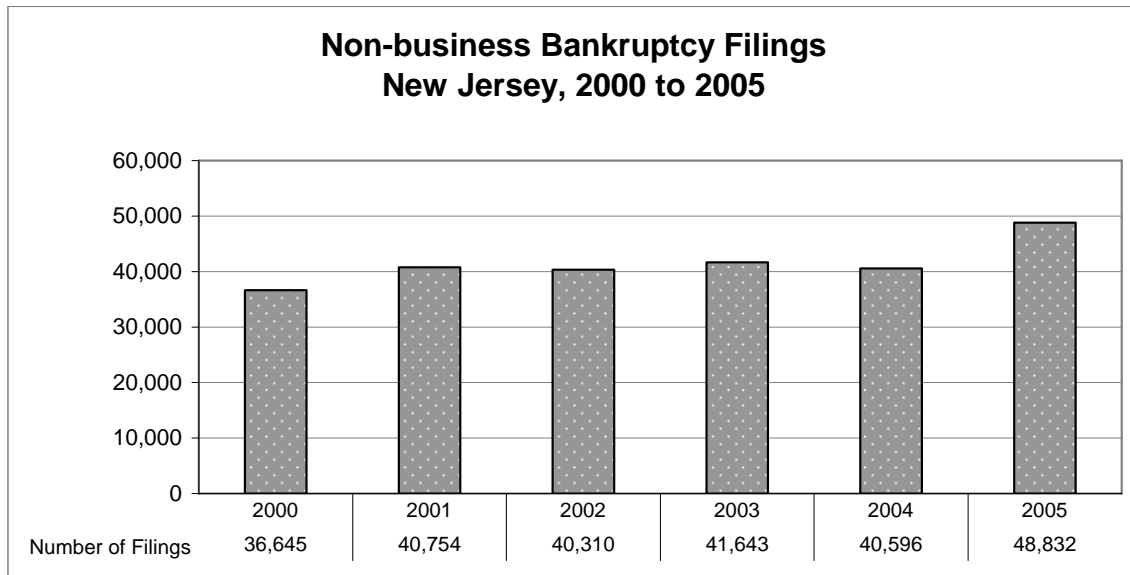


Source: New Jersey Department of Banking & Insurance

Figure 66 shows the annual percentage rate that may be charged on used automobiles loans based on the borrowers FICO score. While those with the highest credit scores (720-850) may be charged 7 percent on these loans, those with the lowest credit scores (500-589) can be charged as much as 15.2 percent for exactly the same vehicle.

The combination of high cost of living and consumer debt has increased the economic insecurities of low income New Jerseyans. Figure 67 shows that non-business bankruptcy filings have increased by approximately 34 percent since 2005. Less than 37,000 persons filed for bankruptcy in the year 2000 compared to nearly 49,000 in 2006.

Figure 67



Source: American Bankruptcy Institute

Data on loan delinquencies indicate both negative trends in the New Jersey credit market and also future challenges for those whose credit with decline further as a result of these delinquencies. *Figure 68* depicts changes in subprime delinquencies where payments were late by sixty days or more at the state and MSA level. The table shows that subprime delinquencies have increased in all metropolitan areas of New Jersey since 2005. It increased from 6.8 percent in 2005 to 12.5 percent in 2007, an increase of 5.7 absolute percentage points. The Monmouth-Ocean region and Newark witnessed the highest increases of more than 6 absolute percentage points.

Figure 68

Changes in Subprime Delinquencies at State & MSA Level				
	2005	2006	2007	Change (2005-07)
New Jersey	6.8%	7.2%	12.5%	5.7%
Atlantic-Cape May	6.1%	5.6%	11.1%	5.0%
Bergen-Passaic	5.9%	6.0%	10.9%	5.0%
Jersey City	5.2%	4.5%	9.6%	4.4%
Middlesex-Somerset-Hunterdon	6.7%	6.2%	9.7%	3.0%
Monmouth-Ocean	6.7%	7.9%	13.1%	6.4%
Newark	7.3%	7.5%	13.3%	6.0%
Philadelphia	7.4%	7.8%	12.1%	4.7%
Trenton	6.7%	7.8%	11.8%	5.1%
Vineland-Milville-Bridgeton	9.8%	7.4%	12.2%	2.4%

Source: Special Report by the Joint Economic Committee (First America Loan performance). Data pertains to February

Delinquent mortgage payments indicate economic instability and inability to afford housing costs, but can also flow from deceptive lending practices that secure business based on low teaser rates. Whatever may be the cause, such schemes disproportionately impact people in poverty. *Figure 69* shows that New Jersey had the 13th highest foreclosure rate in the country in 2006 and the highest foreclosure rate among the

northeast states. Approximately 1 per 83 homes was foreclosed in New Jersey in 2006 compared to 1 per 780 homes in Delaware.

Figure 69

State	Foreclosure Rank	Ratio of Foreclosures to Number of Households
New Jersey	13	1:83
Connecticut	17	1:118
Pennsylvania	19	1:137
New York	21	1:148
Delaware	43	1:780

Sources: Special Report by the Joint Economic Committee, RealtyTrac, U.S Department of Labor, Office of Federal Housing Enterprise Oversight. 1=highest foreclosure and 50=lowest foreclosure

Figure 70 lists northeast metro areas with the highest foreclosures in 2006 and their national foreclosure ranks. It shows that three New Jersey metro areas were among the top fifty metro areas in the country with the highest number of foreclosures in 2006. This includes Camden, Newark and Edison. Camden ranked at the 25th position with 1

Figure 70

Northeast Metro Areas with Highest Foreclosures in 2006				
	National Foreclosure Rank	Foreclosers to the Number of Households	Total Foreclosures in 2006	Foreclosures as a Percent of Households
Camden, NJ	25	1:54	4,791	1.8
Nassau-Suffolk, NY	37	1:69	14,284	1.5
Newark-Union, NJ	41	1:77	10,557	1.3
Philadelphia, PA	47	1:84	18,660	1.2
Edison, NJ	48	1:87	10,075	1.2
United States	-	1:92	-	1.1

Source: Special Report by the Joint Economic Committee (Realty Track Foreclosure Database)

foreclosure per 54 households and a total of 4,791 foreclosures in 2006. The Newark-Union region ranked 41st with 1 foreclosure per 77 homes and a total of 10,557 foreclosures. Finally, Edison ranked at 48th with 1 foreclosure per 87 homes and a total of 10,075 foreclosures in 2006. All the three metro areas fared worse than the U.S. average of 1 foreclosure per 92 homes in 2006.

7. State Anti-Poverty Programs

In addition to reviewing population, demographic, and other data that reveals the nature of poverty in New Jersey it is relevant to directly examine state program responses that are designed to address poverty and its impacts. The aspects of poverty for which it is easiest to examine state program responses are the *impacts of poverty* that relate to specific areas of need, particularly those outlined in the previous section of this report. Thus, for example, when data in the area of health care shows an increase in the rates of uninsurance among lower-income populations we can examine state efforts to increase enrollment in subsidized health insurance programs. It is more challenging to assess the state's programmatic response to broader issues revealed by the data on poverty in New Jersey, since these issues are not confined to a discreet problem requiring a specific type of intervention. Nevertheless, the following discussion will address three such themes that present special concerns for the state's anti-poverty efforts by examining those programs that most directly address the problem and thus best illustrate the state's response.

This new section of the Poverty Benchmarks Report presents an overview of the state programs deemed most significant as responses to selected aspects of poverty in New Jersey, as well as noting those aspects of poverty for which significant and relevant responses are apparently lacking. This review is not intended to be comprehensive and may exclude programs deemed either not large enough or not directly enough related to the given poverty issue to have a significant impact on the data being tracked. While the following analysis does not claim to reflect all state programs and efforts that have an impact on the state's lower-income populations, it provides the foundation for an assessment of the state's response to those aspects of poverty being examined.

Addressing Severe Poverty: State Welfare Program

Of the emergent themes from the data on poverty presented in this report, the persistence of severe poverty is among the most disturbing, considering the level of deprivation that this income level represents. As a social problem the existence and intransigence of severe poverty is not the specific focus of any program, but the state welfare program does provide direct cash assistance to some individuals and families living in extreme poverty, and therefore most directly addresses this problem.

New Jersey's state welfare program, Work First New Jersey (WFNJ) requires applicants to meet strict eligibility criteria to be approved for benefits, including initial income of less than 150 percent of the cash grant provided by the program. This eligibility ceiling caps eligible applicants' initial income at between 48 percent (for single adults) and 95 percent (for a single parent with two children) of severe poverty income. While not all households experiencing severe poverty receive assistance from welfare, most welfare

participants are, therefore, in severe poverty.¹⁸ For recipients whose only source of income is their welfare benefit, low assistance levels mean cash income levels significantly below even the very low threshold of income measured by severe poverty, as illustrated in *Figure 71*.

Figure 71

Maximum Welfare Grants by Family Size Versus Income Threshold for Severe Poverty			
Family Size	Maximum Annualized Grant	Severe Poverty Income Threshold (50% FPL, 2006)	Grant as Percent of Severe Poverty
1 (employable)	\$1,680	\$5,244	32.0%
1 (unemployable)	\$2,520	\$5,244	48.1%
2	\$3,864	\$6,785	57.0%
3	\$5,088	\$8,040	63.3%
4	\$5,856	\$10,307	56.8%
5	\$6,624	\$12,191	54.3%
6	\$7,392	\$13,780	53.6%
7	\$8,124	\$15,603	52.1%
8	\$8,736	\$17,387	50.2%

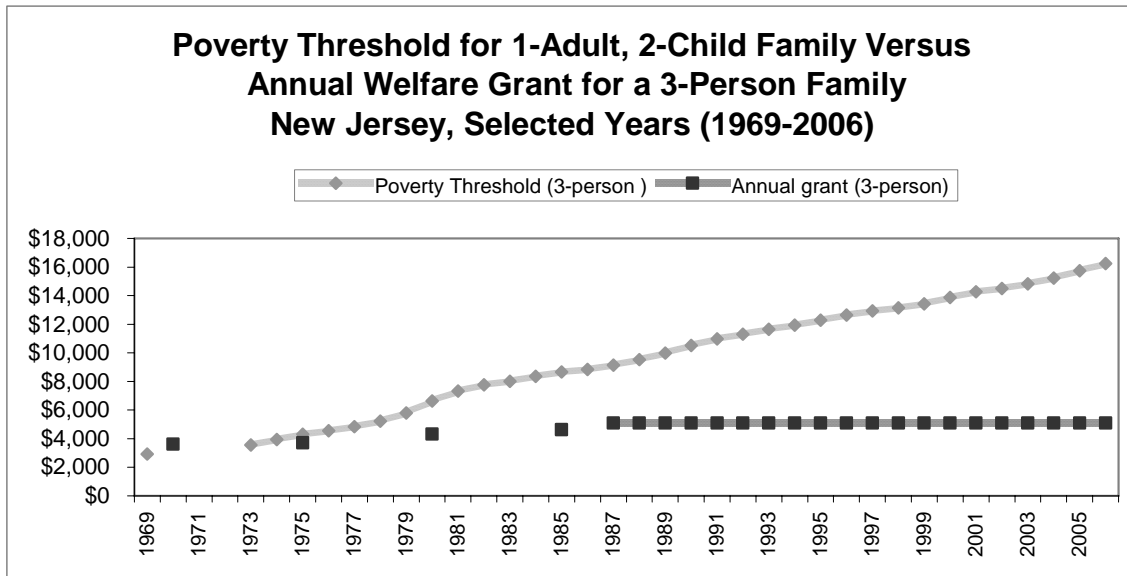
Source: N.J.A.C. W:90-3.3(b) & 3.5, WFNJ Schedules II & IV

While cash assistance is not the only benefit provided through the welfare program, it does represent the income available to spend on any basic needs not provided through in-kind assistance like Food Stamps and Medicaid. The significant gap between the level of cash assistance provided and the extremely low income represented by the severe poverty threshold reveal the inadequacy of this program response to the income shortfall experienced by those who receive the assistance.

The current gap between individuals receiving welfare grants and those in severe poverty is much more significant than has been true historically. *Figure 72* tracks the growing divergence between grant levels and the federal poverty level. In the late 60s and early 70s individuals receiving grants were actually close to, of even above, 100 percent of the federal poverty threshold, which was itself a more realistic measure of adequate income at the time. While the poverty threshold is updated every year, however, the welfare grant level has been increased only marginally and sporadically, with the last increase coming in 1987. The level of cash assistance provided through welfare is now far below the federal poverty line. Welfare grant levels have remained static since 1987 with a maximum grant award of \$424 per month for a family of three, which annualizes to just \$5,088. Thus, the gap between the income of individuals receiving cash assistance and the income standard marked by the poverty threshold has grown dramatically, despite the growing inadequacy of the poverty threshold.

¹⁸ Once a household has become eligible for welfare, their income may rise above initial eligibility caps since up to 75 percent of earned income can be disregarded to maintain eligibility, so a portion of the welfare caseload may have a combined income from work and assistance that exceeds severe poverty levels, though not poverty levels.

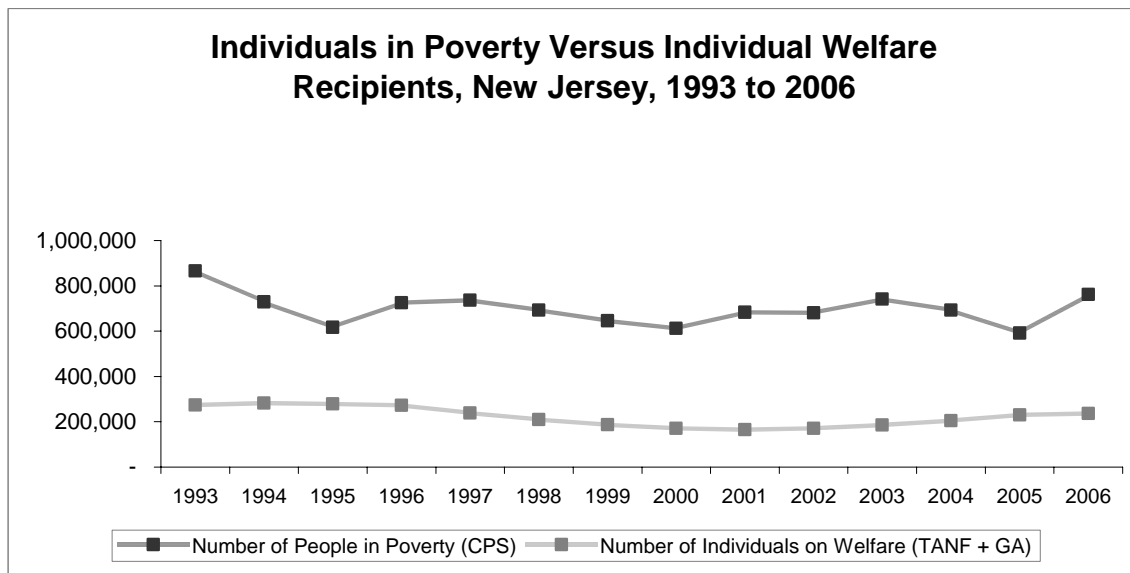
Figure 72



Source: U.S. Census Bureau, Current Population Survey Historic Poverty Tables; U.S. House Ways and Means Committee Green Book, 2004, Table B-15

While the benefit provided through the welfare program has shrunk over time relative to poverty income thresholds, the share of the population experiencing poverty that benefits from the program has also shrunk, and as of 2006 less than one third of the total poverty population received assistance from either Temporary Assistance to Needy Families or General Assistance (236,000 out of 762,000), as *Figure 73* illustrates. Over time, the portion of the poor population that has received assistance from the state welfare program has varied, but since the early 1990s, the share of those in poverty receiving this assistance has declined.

Figure 73



Source: U.S. Census Bureau, Historic Poverty Tables & NJ Dept. of Human Services, Program Statistics (1993-2006)

Part of this story is the federal legislation changed welfare from an entitlement program, which was available to all who were income eligible, to the current time-limited, work-focused program in which participants can lose assistance as a result of failure to comply with program rules and responsibilities. Even before these major program changes, however, the number of individuals on welfare had begun to drop dramatically. Both the state assistance program for individual adults (General Assistance; GA) and the federally matched assistance program for families with children (Temporary Assistance for Needy Families; TANF) saw declines through the early 2000s, although GA levels have crept back up, while TANF levels have stayed relatively low compared with earlier levels. While decreases in dependence on welfare can be a positive indicator if they correlate with greater economic well-being that reduces the need for assistance, comparison of persons in poverty with persons receiving assistance suggest that this simple relationship cannot fully explain recent caseload trends. Other than in 2004 and 2005, when Current Population Survey estimates showed a decrease in the total poverty population, increases in the state's number of people in poverty have not correlated with proportional increases in the number of people being assisted by the welfare program.

Addressing Concentration of Poverty: Mount Laurel and COAH

New Jersey is marked with a significant concentration of poverty in certain urban and rural parts of the state. In large part, this results more from a *lack* of affordable housing in the other areas within the state than it does from a choice to live within these pockets of poverty. As such, the issue of concentration of poverty strikes at broader issues of equity. Higher wages, greater public safety and better quality schools are frequently associated with lower rates of poverty. Poverty is diluted whenever steps are taken toward an equitable society. In that sense, programs aimed at raising wages, providing health insurance, increasing job opportunities, and supplying quality education among others are all efforts that de-concentrate poverty. The following policy, however, addresses the state's specific efforts to ameliorate pockets of poverty.

Starting in 1975 a series of state supreme court cases, collectively known referred to as Mt. Laurel, established an obligation on the part of New Jersey municipalities undergoing growth to incorporate their 'fair share' of affordable housing. The cases were in response to exclusionary zoning laws that acted to exclude low and moderate income would-be residents of the relatively wealthy Mt. Laurel Township. The resulting doctrine created a statewide precedent for counteracting such zoning laws and their effective concentration of affordable housing in lower income areas.

In 1985, in a follow up to the court's activity the New Jersey legislature passed the "Fair Housing Act" or FHA. FHA stated that there exists a constitutional obligation for municipalities to create affordable housing. It established the Council on Affordable Housing (COAH) to establish regulations for each municipality regarding the number of housing units required to satisfy their 'fair share'. COAH also established the nuts and bolts needed for municipalities to meet their obligation. These included the development of 'credits,' which provided the means of determining the number of housing units required and the type of housing that provided these credits (for example, some special

needs housing counts as two credits even though it provides one affordable housing unit). COAH also established the system of regional contribution agreements, which allow the transfer of a housing obligation to a municipality willing to take it on in exchange for a set financial payment. When a municipality was compliant, COAH provided ‘substantive certification,’ which protected the municipality from litigation regarding exclusionary zoning. Municipalities not participating in COAH are susceptible to litigation.

Figure 74

COAH First and Second Round Credits				
	New Construction (built/under construction)	Zoned/ Approved	Rehabilitated Units	Regional Contribution Agreements
Number of Units	34,937	9,181	13,874	8,650
Percent of Total Credits	52.4%	13.8%	20.8%	13.0%

Source: COAH Annual Report, 2002-04, Page 25

Regional contribution agreements have particularly weakened the impact of Mt. Laurel rulings. Many higher-income municipalities participate in the COAH process in part by providing funds to lower-income municipalities that take on their affordable housing obligation, thus perpetuating the concentration of affordable housing within select municipalities. As *Figure 74* demonstrates, although not the primary source of credits for affordable housing development in the first and second rounds of the COAH process, RCAs nevertheless represented 13 percent of total credits. Thus a substantial share of affordable housing obligation has been transferred through this mechanism, primarily from higher income to lower income areas. Elimination of the regional contribution agreements and full compliance by each municipality would significantly decrease the concentration of poverty within the state. It would also provide substantial opportunity for addressing the broader equity issues embedded in the issue of concentration of poverty by linking housing to jobs and higher quality education.

While not including an elimination of RCAs as a mechanism for meeting affordable housing obligations, COAH has approved revised rules for the third round of affordable housing development that make progress toward reducing the concentration of affordable housing in higher poverty areas. The new rules, issued after the courts rejected the regulations previously issued by COAH, would increase the obligation to develop affordable housing by requiring one unit of affordable housing to be built for every four market rate units. The rules also offer more incentives for developers and towns to locate the new affordable housing within the municipality, and even within the market rate developments, thus encouraging deconcentration.

New Jersey’s Assembly democratic leadership has also recognized the need for greater affordable housing. Assembly Speaker Joseph Roberts and members Bonnie Watson Coleman and Jerry Green have proposed a plan for creating more affordable housing in New Jersey. The plan suggests eliminating regional contribution agreements and providing school funding awards to towns with affordable housing. It also outlines ten other key elements: 1) a 20 percent affordable housing set aside for all state-assisted projects; 2) creation of a New Housing Trust Fund; 3) Providing federal Low Income

Housing Tax Credits to private developers; 4) expansion of eligibility for affordable housing to middle-income families and production of housing for families with very low incomes; 5) preventing eminent domain from reducing existing affordable housing; 6) requiring towns to use their local trust funds for construction of affordable housing; 7) requiring that municipalities provide density bonuses to contractors with inclusionary housing developments; 8) taking into account existing affordable housing units when calculating a town's fair share of housing; 9) assigning a task force to create a 'comprehensive housing plan'; and 10) requiring DCA to make their annual report documenting affordable housing construction available to the public. Legislation such as this will move New Jersey closer to a goal of greater mixed income housing and less-concentrated pockets of poverty within the state.

Addressing Child Poverty: Family Support Services

The problem of persistent child poverty and the disproportionate representation of children among the population of people living with incomes below poverty can not be fully addressed by any one program or even group of programs. In a way, all of the programs provided by state government that serve low-income families address child poverty to a degree, but their impact is indirect. If one type of program can be identified as most directly responding to the crisis of child poverty, it is the new branch of Family Support Services provided by the Division of Prevention and Community Partnerships within the Department of Children and Families (DCF).

While located within the child welfare system, family support programs recognize the difference between the impact of poverty on children and the incidence of abuse or neglect. The programs are based on the premises of Family Support Practice, which understand providing information, resources, services and support to families to be essential to fostering the well-being of children. As family support services, they are structured to assist low-income and other struggling families to connect to available services and resources, and thus help ameliorate the impact of poverty on the children in these families. There are two types of community programs that receive funding through DCF to serve low-income families: *Family Success Centers* and *Differential Response*.

Family Success Centers are neighborhood-based centers available to all members of the local community to access support, information and services at no charge. The centers are developed in coordination with the community in which they are located and are run by non-profit organizations that contract with the state. Core services offered by all centers are: access to health information, employment-related services, information and referral, life skills training, connection to housing services, parent education, parent-child activities, advocacy in navigating government programs, home visiting, and development of "family success" plans. Centers may also offer a variety of expanded services.

While these centers reflect an important new investment in services to families, which have the potential to ameliorate the impacts of poverty on children, they are limited by a number of factors. First, not all areas of the state are covered by the centers. The centers

are focused on serving families in the neighborhood in which they are located, and they may or may not serve families from other neighborhoods. In addition, four counties have no centers at all, and others have a very limited number. Second, the funding for the centers is very limited at on \$200,000 per center (\$4 million in total). Each contracted agency determines how to spend this state funding in meeting their contracted goals, but the limited funding limits their potential impact on fundamental problems of poverty. Finally, the ability of the centers to connect families to services and resources that address their needs is limited by the services and resources available. Thus, if a family is experiencing a housing crisis, for example, and there is no affordable housing available, the center's housing services is ineffectual. These centers reflect an important new investment that is also limited in its capacity to impact child poverty.

The Differential Response initiative is the other new investment within the child welfare system designed to assist families in connecting to available services and resources. The initiative was developed in response to the recognition that many referrals for child welfare investigations are triggered not by abuse or neglect, but by a need for social services or access to resources. Under the differential response model such referrals are routed to a contracted vendor, rather than to the child welfare investigation system, and the families are offered the option of receiving services. These services involve a differential response worker who assists the families in connecting to available community resources, including emergency housing utility assistance, domestic violence services, child care, mental health services, marital and family counseling, and employment training and placement. The goal of the service is to assist the family in developing a network of formal and informal supports which they can access going forward if difficulties arise.

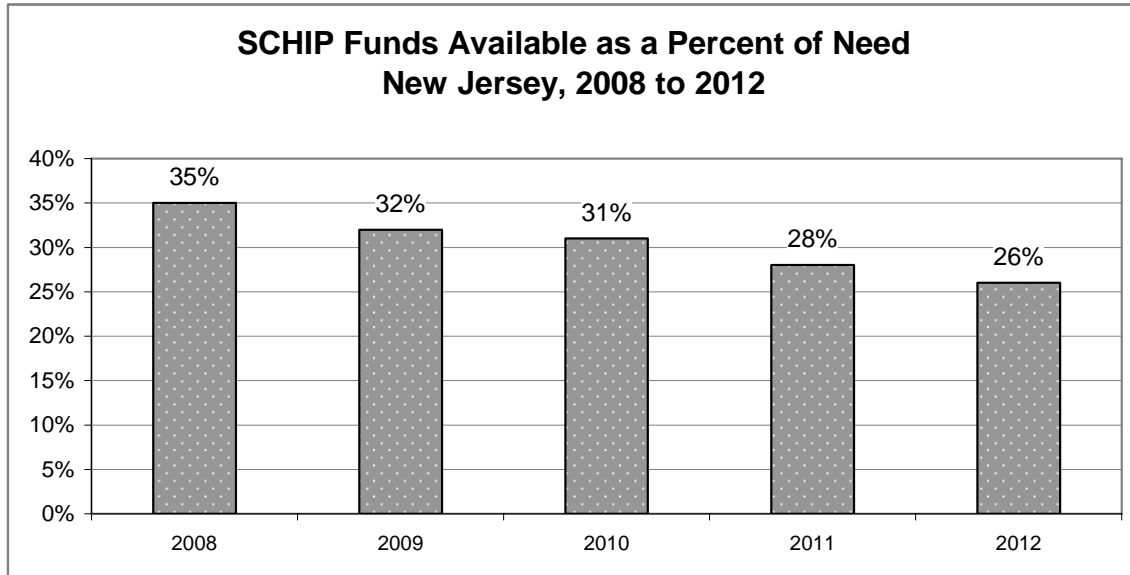
As with the Family Success Centers this initiative represents an important new investment that also faces significant limitations. The initiative is currently only operational in four counties (Camden, Cumberland, Gloucester and Salem) and under development in two more (Middlesex and Union). While the total funding is slightly more than for the Family Success Centers (\$6.55 million as of December, 2007), this funding is primarily for the coordination of the intervention services. The program does not increase the available funding to actually address resource issues that a family may be experiencing, and the networks developed with the family are therefore limited by what is already available.

Addressing Health Issues: Medicaid and NJ Family Care

The data on health presented in section 6 showed that health care continues to be a challenge for low-income New Jerseyans. Health outcomes vary significantly by income level as those with lower income report poorer health compared to with those with higher income. One factor that can be attributed to this is the high rates of uninsurance among the low income population which was also revealed by the data on health impacts. Since New Jersey has a relatively broad public health insurance program, especially for children, covering children at or below 350 percent of poverty level under SCHIP (known in New Jersey as NJ Family Care), the growing rates of uninsurance

among children from low-income families is an unexpected trend. While eligibility levels look impressive on paper, it is obvious that the state is lacking in its effort towards enrolling all eligible children. Of further concern are the recent issues regarding federal SCHIP reauthorization.

Figure 75



Source: Center on Budget & Policy Priorities, "Freezing SCHIP Funding in Coming Years Would reverse recent gains in Children's Health Coverage" (February 2007)

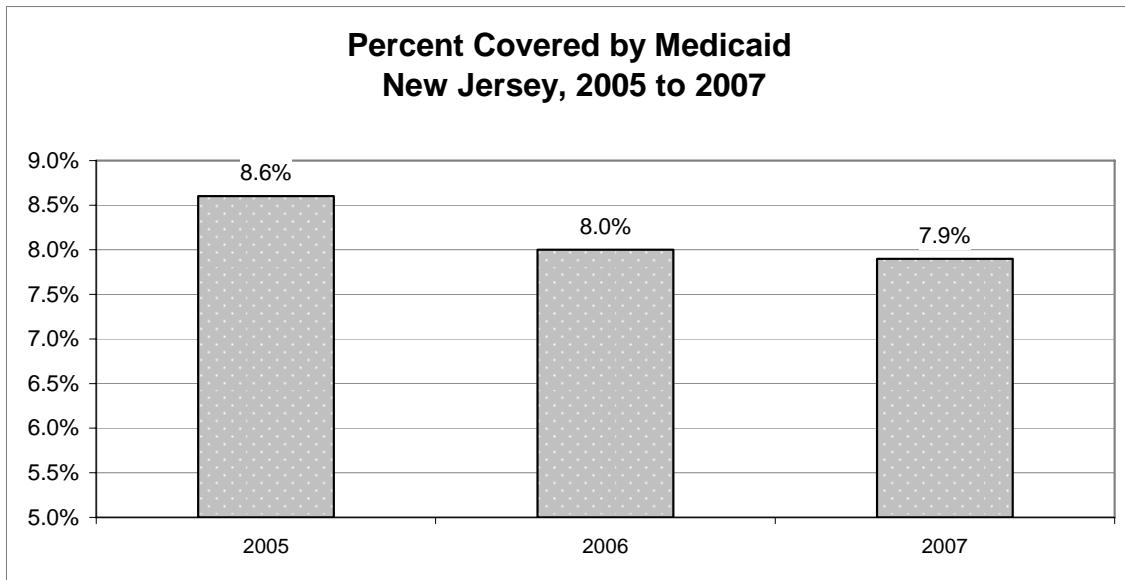
According to CBPP estimates¹⁹, if SCHIP is reauthorized but funding is frozen over the 2008-2012 period, New Jersey will face an estimated shortfall of \$214,102,000 for the year 2008. In 2012, the estimated shortfall is projected to be \$330,732,000. *Figure 75* shows expected funds available in New Jersey as a percentage of the state's projected need for such funds. It shows that New Jersey will face fund shortages in the future which may further impact health insurance coverage of low income children. According the Kaiser Family Foundation, almost 114,901 New Jerseyans will lose coverage in 2008 if federal funding remains at the current level.²⁰

While Medicaid can also provide health insurance coverage for eligible low-income New Jersey residents, the percent covered by Medicaid in New Jersey has also declined over the last few years. *Figure 76* shows that the percent covered by Medicaid declined from 8.6 percent in 2005 to 7.9 percent in 2007. Though this does not compare eligible population to enrolled population, it is still significant since poverty rate during this period remained constant and the rates of uninsurance also increased for other groups during this period.

¹⁹ Center on Budget & Policy Priorities, "Freezing SCHIP Funding in Coming Years would Reverse Recent Gains in Children's Health Coverage" (February 2007). CBPP analysis assumes moderate expenditure growth and current rules for allocating and redistributing funds across state.

²⁰ Kaiser Family Foundation, Statehealth Facts. Estimates of lost coverage include both child and adult enrollment. Estimates also assume June 2006 enrollment as average monthly enrollment in FY 2008 and that the average person losing coverage would have average costs.

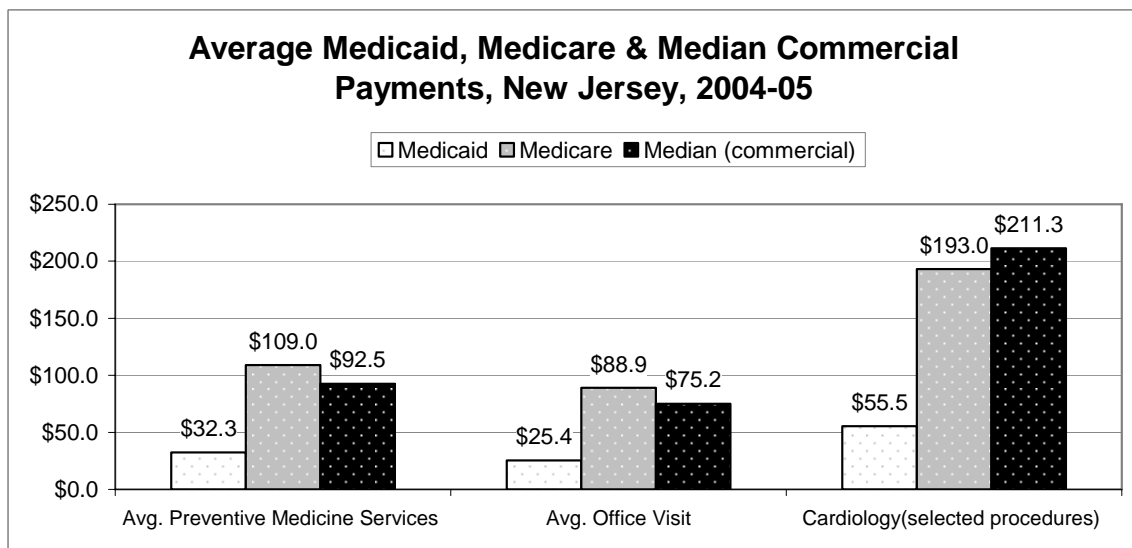
Figure 76



Source: U.S. Census Bureau, Current Population Survey, three year average ending in 2005, 2006 & 2007

While health insurance is a predictor of whether people seek health care or not, having health insurance does not guarantee access to health care. In order to effectively seek medical care, providers that accept Medicaid patients must be available. However, recent trends in New Jersey’s Medicaid reimbursement rates paint a worrisome picture. *Figure 77* shows that Medicaid payment rates in New Jersey are much lower than Medicare or median commercial rates. The Medicaid Fee Index published by Kaiser Family Foundation studies each state’s physician fee relative to the national average

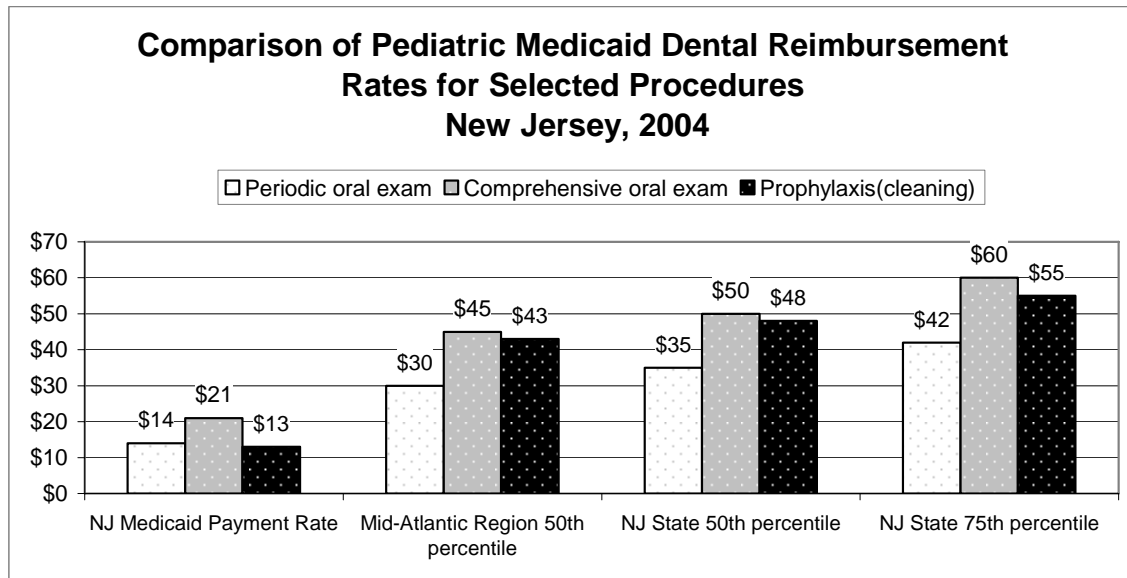
Figure 77



Source: American Academy of Pediatrics, Medicaid Reimbursement Survey (2004-05)

Medicaid fees.²¹ It is significant to note that New Jersey, with physician fees at 56 percent of the national average, ranks at the bottom among fifty states and District of Columbia. The Medicaid-to-Medicare Fee Index, also compiled by KFF, measures states physician fees relative to Medicare fees; New Jersey, with Medicaid fee equal to 35 percent of Medicare fees, ranks at the 50th position among 50 states and the District of Columbia.²²

Figure 78



Source: American Dental Association. State Innovations to Improve Access to Oral Health Care for Low Income Children: A Compendium Update. (2005)

A similar trend can be seen in Medicaid pediatric dental reimbursement rates. *Figure 78* shows that New Jersey Medicaid dental payment rates have been much lower than the mid-Atlantic region, and the state's commercial 50th and 75th percentile levels. This has serious implications for Medicaid enrollees as physicians and dentists are frequently less willing to accept new patients when their coverage provides such minimal reimbursement.

Nevertheless, a recent development in Medicaid reimbursement rate is encouraging. In December 2007, New Jersey established an increase in its fee-for-service rates for Medicaid pediatricians, pediatric dentists, obstetric and gynecological service providers for pregnant minors and pediatric mental health specialists to take effect in January 2008. The rate increase covers only stated pediatric services and is not applicable to adults, so this adjustment will not address all health care access issues related to low Medicaid reimbursement rates. Additionally, while the rates have increased, in some cases by 300 to 400 percent, these are applicable only to children enrolled in fee-for-service program, since children with Medicaid HMO coverage cannot be denied access to treatment by providers in the HMO. It is important to note that a majority of children in the Medicaid program in New Jersey are enrolled in the HMO program.

²¹ Kaiser Family Foundation, Medicaid Physician Fee Index, 2003.

²² Alaska ranks at the top with an index of 1.37 and the U.S. average 0.69

Addressing Housing Affordability: Rental Assistance and Affordable Housing Production

One of the primary housing problems encountered by low-income residents in New Jersey is affordability. As previously shown, despite the relative affordability of renting versus home-ownership, most rental households in New Jersey are cost-burdened. Problems with housing affordability are addressed on the program level in two ways, through direct rental assistance and through the production of affordable housing units.

Rental Assistance

Federal funding is the largest source of rental assistance, with the largest federally funded program, the Section 8 Housing Choice Voucher Program, subsidizing approximately 60,000 rental housing units in New Jersey. Federal assistance, however, falls far short of the need among New Jersey's lower-income populations. The N.J. Department of Community Affairs estimated that less than three out of ten households in New Jersey

Figure 79

State Rental Assistance Program Assistance Levels				
	FFY06		FFY07 (est.)	
	Funding	Vouchers (est.)	Funding	Vouchers
Tenant-Based Rental Assistance Vouchers	\$6.3 mil.	642	\$28.4 mil.	2,958
Project-Based Rental Assistance Vouchers (per-year)	\$3.6 mil.	405	\$5.8 mil.	604
Total	\$9.9 mil.	1,047	\$34.2 mil.	3,562

Source: Consolidated Plan FY 2007 Action Plan, New Jersey Department of Community Affairs, May 2007

that are eligible for federal Section 8 rental assistance are actually able to obtain it.²³ Furthermore, waiting lists for rental assistance vouchers are long, often requiring years for applicants on the waiting list to receive a voucher, and waiting lists frequently close altogether to new applicants because the demand for assistance far outstrips the supply. In recognition of the need for state resources to fill the gap between federal assistance programs and the current need, New Jersey has recently begun to commit state money in rental assistance as a programmatic response to the housing affordability problem of low-income residents. The State Rental Assistance Program (SRAP) was created by legislation in 2004, with regulations governing the program promulgated in May 2005. The program provides direct rental assistance for up to 5 years to eligible households in two forms. The majority of assistance is provided through tenant-based vouchers, which recipients use to subsidize their rent of market-rate housing units. The voucher can pay up to the difference between a set payment standard and 30 percent of the tenant's income, with any additional housing cost beyond the payment standard born by the tenant. A smaller portion of program funding is dedicated to project-based assistance, in which the subsidy is tied to an affordable housing unit, with rental costs for the tenant limited to 30 percent of the tenant's income.

²³ Department of Community Affairs 2000 Consolidated Plan.

Since the program experienced significant delays in initial implementation, only a small portion of funding was expended in the first few years. Estimated voucher levels for federal fiscal year 2007 (October 2006 to September 2007) reflect a significant improvement in administration of the program, as well as an increase in funding in the state fiscal year 2007 budget. Program funding is currently reported to be fully committed at the fiscal year 2008 level of \$37.5 million. This funding and the effective distribution of program assistance is a significant improvement over earlier years. The state's commitment to rental assistance, however, still falls short of the \$50 million proposed as a "downpayment" in the initial proposal for the program.

Affordable Housing Production

A patchwork of programming exists to encourage the development of much needed affordable housing within the state. Most state funded programs and many federally funded development programs operate through the New Jersey Department of Community Affairs and Housing and Mortgage Finance Agency. *Figure 80* presents both funding and estimated production figures for the affordable housing production programs detailed in the state's Consolidated Plan document. It is segmented by the programs that specifically aim to assist the most vulnerable populations and those aimed at low- and moderate-income households.

The relative stagnation of investment and of new affordable housing production reflected in *Figure 80* indicates that the state agencies centrally responsible for increasing the stock of affordable housing in the state are not demonstrating any significant increased investment in this goal. Of course, housing production and the affordability of existing housing units involve myriad factors that include, but are not limited to, state investment and regulation. The preceding table reflects only those housing production programs explicitly listed in the state's affordable housing plan, and therefore cannot be taken as a comprehensive description of the state's progress, or lack thereof, in affordable housing production. Nevertheless, we can consider trends in programs that provide key investment funds for housing production. Based on the state's primary planning document, no significant change is planned between fiscal years 2006 and 2007, despite the need, acknowledged by the current administration, for as many as 100,000 new and rehabilitated units of affordable housing in the next ten years.²⁴

²⁴ The State of New Jersey Housing Policy Status Report, Department of Community Affairs, August 10, 2006.

Figure 80

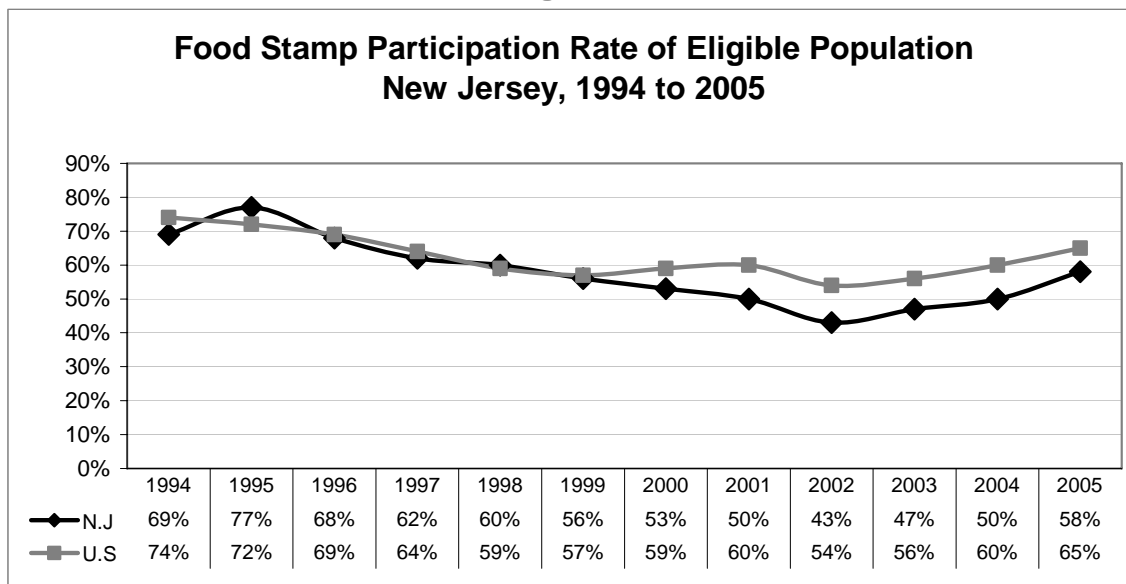
Affordable Housing Production					
		FFY 2006		FFY 2007	
		Funding Level	Estimated Activity Level	Funding Level	Estimated Activity Level
Affordable Housing production for the most vulnerable populations	Deep Subsidy	\$1,200,000	31 units	\$1,200,000	31 units
	Special Needs Housing Trust Fund	\$24,100,000 (includes a portion of the \$60,000,000 HOME Express funds)	307 units	\$24,100,000 (includes a portion of the \$65,868,123 HOME Express funds)	307 units
	Special Needs Revolving Loan	\$430,000 (includes a portion of the \$60,000,000 HOME Express funds)	15 units	\$530,000	15 units
	Balanced Housing	\$1,500,000	37 units	\$1,300,000	34 units
Affordable Housing production for low and moderate-income populations	Balanced Housing	\$20,806,759	901 units	\$24,700,000	900 units
	Choices in Homeownership Incentives Created for Everyone	\$42,000,000	500 units	\$18,400,000	500 units
	HOME-CHDO Production	\$4,691,927	25 units	\$1,060,032	9 units
	HOME-Production Investment	\$4,073,573	35 units	\$1,766,721	15 units
	Multi-family Rental Housing Program	\$250,000,000 (includes \$19,000,000 in LIHTC funds and a portion of the \$60,000,000 HOME Express funds)	3000 units	\$269,000,000 (includes \$19,255,672 in LIHTC funds and a portion of the \$65,868,123 HOME Express funds)	3242 units
	Predevelopment Loan and Acquisition for Nonprofits	\$1,750,000	439 units	\$1,750,000	439 units
	Smart Rental Project Loan Program (5-25)	\$3,400,000	56 units	\$3,400,000	56 units
Total		\$353,952,259	5,346 units	\$347,206,753	5,548 units

Source: Consolidated Plan FY 2007 Action Plan, New Jersey Department of Community Affairs, May 2007

Addressing Hunger: Food Stamps, National School Lunch, School Breakfast and Summer Nutrition Programs

Our data shows that 7.7 percent of households in New Jersey suffered from food insecurity in 2006. There are a number of government programs that seek to reduce food-related hardships of low income families and those living in poverty. The Food Stamp program (FSP) is one such safety net that assists families with income limitations. Households with gross income equal to 130 percent of poverty and net income less than 100 percent of poverty are eligible to participate in the program.²⁵

Figure 81



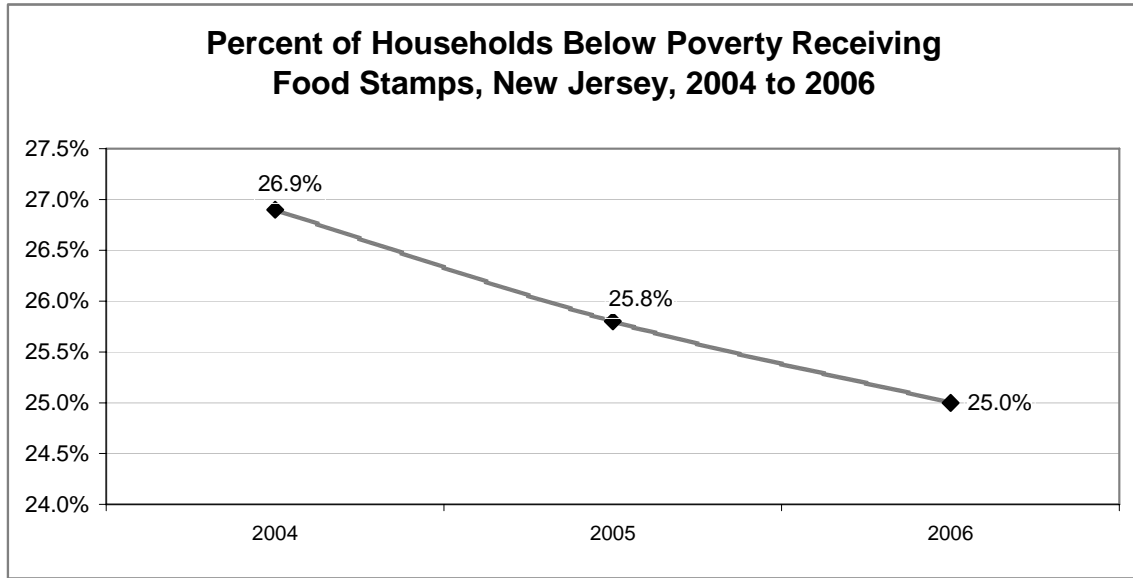
Source: USDA Food & Nutrition Service, "Reaching Those in Need" State Food Stamp Participation Rates

Tracking participation rates of eligible New Jerseyans in FSP, however, is a cause for concern. *Figure 81* illustrates that participation rates have undergone a significant decline in the last ten years (from 69 percent in 1994 to 58 percent in 2005). Additionally, New Jersey has fallen behind most other states in the U.S. It ranks at the 41st position in overall Food Stamp participation and 46th as far as participation among the eligible working poor population is concerned. Comparison to the nation overtime also reveals that New Jersey has fared much worse than the nation as a whole since 1999.

Additionally, the percent of households below poverty receiving Food Stamps in New Jersey has also declined in the last couple of years. *Figure 82* tracks percent of households living below poverty receiving Food Stamps from 2004 to 2006. It shows that of the total number of households in poverty, only 25 percent received Food Stamps in 2006. Additionally, households below poverty receiving Food Stamps have also declined by nearly 2 percent between 2004 and 2006. The median household income of households receiving Food Stamps in 2006 was \$14,446.

²⁵ United States Department of Agriculture (USDA)

Figure 82



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

The school breakfast program (SBP) is another federally sponsored program that provides nutrition assistance to low income families. All children living in households below 185 percent of poverty are eligible to participate in the program.

Figure 83

Students Participating in School Breakfast Program Per 100 Participating in School Lunch Program				
	2004-05	2005-06	Rank (2004-05)	Rank (2005-06)
Top 5 States				
West Virginia	55.7	58.5	2	1
New Mexico	53.2	57.9	8	2
South Carolina	54.1	57.2	6	3
Kentucky	55.4	56.2	3	4
Oregon	55.9	55.1	1	5
Bottom 10 States				
Pennsylvania	35.9	36.6	42	42
Nebraska	34.3	36.1	45	43
New Jersey	35.5	36.0	43	44
Colorado	34.3	35.8	44	45
Connecticut	33.0	34.0	46	46
New Hampshire	32.7	33.5	47	47
Alaska	32.0	33.2	48	48
Utah	31.0	32.8	49	49
Illinois	24.8	32.2	50	50
Wisconsin	26.5	29.3	51	51

Source: Food Research & Action Center, School Breakfast Scorecard (2006)

The benchmark goal of the program is to serve breakfast to 60 low income children per 100 receiving lunch. Far from reaching the goal, New Jersey ranks among the bottom 10 states with lowest student participation rates (see *Figure 83*). As a result, the state lost

almost \$17 million in 2006 and nearly eighty thousand poor children did not receive the nutritious breakfasts for which they were eligible. This also places New Jersey among the top ten states that lost federal funds because the states fell short of reaching the target participation rate.

Figure 84

School Participation in School Breakfast Program				
	2004-05	2005-06	Rank 2004-05	Rank (2005-06)
Top 5 States				
South Carolina	99.6	99.3	1	1
Florida	95.0	99.0	9	2
Texas	98.5	98.7	2	3
West Virginia	96.6	98.7	6	4
Rhode Island	94.0	97.9	12	5
Bottom 5 States				
Alaska	66.2	63.7	44	47
New Jersey	60.1	63.1	48	48
Ohio	58.2	61.9	49	49
Wisconsin	50.4	58.2	50	50
Connecticut	49.2	55.5	51	51

Source: Food Research & Action Center, School Breakfast Scorecard (2006)

Additionally, for children to participate in the SBP, their schools must also participate in the program. In this realm also New Jersey ranked among the bottom five states with lowest school participation rates.²⁶ Figure 84 shows that New Jersey ranked 48th in school participation in the School Breakfast Program with only a 63.1 percent participation rate.

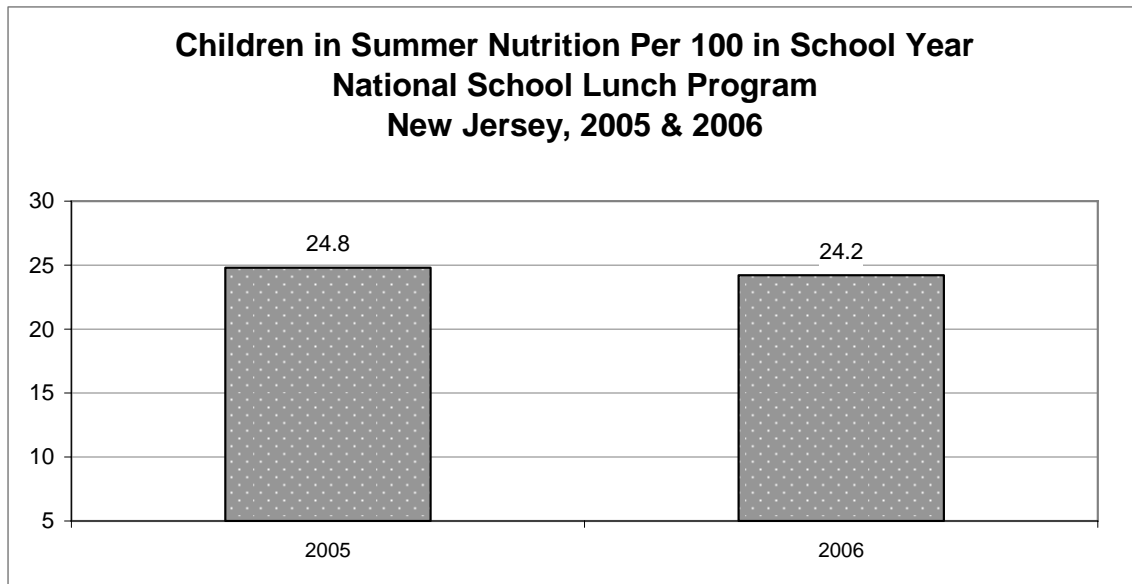
The School Breakfast Program and the National School Lunch Program serve free and reduced-price breakfast and lunch to eligible students on their school premises during the school year. However, when schools close during the summer months, the Summer Food Service Program (SFSP) fills the gap by providing healthy snacks and meals to children from low-income families. SFSP participation data shows that, similar to the school-based programs, the summer program is significantly underutilized.²⁷ The overall goal is to reach the target of serving meals to 40 children during summer for every 100 eating lunch during the regular school year. New Jersey, however, lags far behind with only a 24.2 percent participation rate in 2006. Additionally, the percent of poor children being served free summer meals has also declined since 2005. Figure 85 shows that the participation rate of eligible children in SFS program declined from 24.8 percent in 2005 to 24.2 percent in 2006. Furthermore, the number of sponsors of the program has also declined since 2005 by 6.3 percent.²⁸ State policies and a complex reimbursement process for local sponsors have often been cited as contributing to sponsors pulling out of the program.

²⁶ Food Research & Action Center: School Breakfast Scorecard (December 2006)

²⁷ Food Research & Action Center, "Hunger Doesn't Take a Vacation: Summer Nutrition Status Report 2007" (July 2007)

²⁸ *ibid*

Figure 85



Source: Food Research & Action Center, "Hunger Doesn't Take a Vacation: Summer Nutrition Status Report" (2007)

Employment

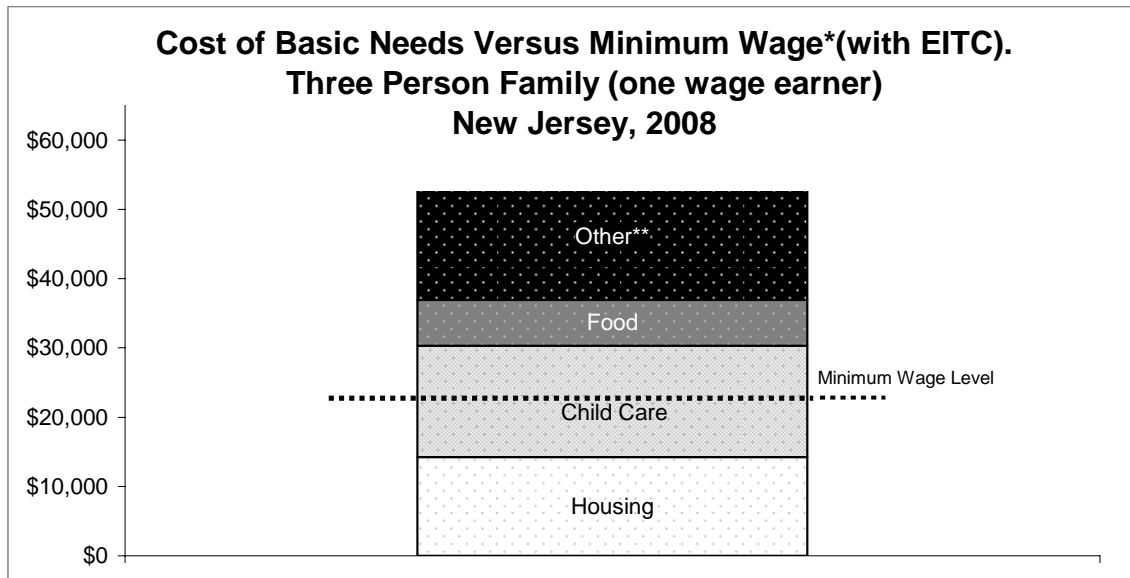
Work is central to a families' ability to get ahead. Unfortunately, many of the families living in poverty include a member that is working—their work just does not pay enough to allow them to escape poverty. While the state of New Jersey offers a number of employment and training programs and other employment-directed initiatives the two state responses to employment issues that have the broadest impact on the low-wage workforce are the state's minimum wage and the Unemployment Insurance program.

Minimum Wage

The state's minimum wage must be evaluated in light of this fact. In order to assess the adequacy of the minimum wage it is imperative to consider New Jersey's high cost of living. According to the most recent Census data, New Jersey's median household income is second-highest in the nation at \$64,470. This general affluence also translates to high priced markets that disproportionately burden lower-income residents who face higher costs for their basic necessities.

For working families, the cost of living in New Jersey includes the cost of housing, child care, food, transportation, health care, miscellaneous expenses, and taxes. Using the moderate cost estimates for each of these items compiled in the *Real Cost of Living* study, it is possible to gauge the adequacy of the minimum wage versus basic costs. *Figure 86* illustrates that a three-person family (one wage earner) working full-time at the minimum wage – even with added income from the Earned Income Tax Credit – covers only one or two basic necessities in full. A single-parent minimum wage worker with the EITC

Figure 86



Source: Preliminary estimates based on Real Cost of Living report to be released in early 2008. Three person family used in this chart includes one adult and two children (one preschooler and one school age child)

* Since EITC schedule for 2007-08 are not yet available, the 2006 schedule was used to approximate EITC benefits.

** The "other" cost category includes average expenses for transportation, employee share of health care costs (assuming employer-provided health benefits), miscellaneous expenses and taxes

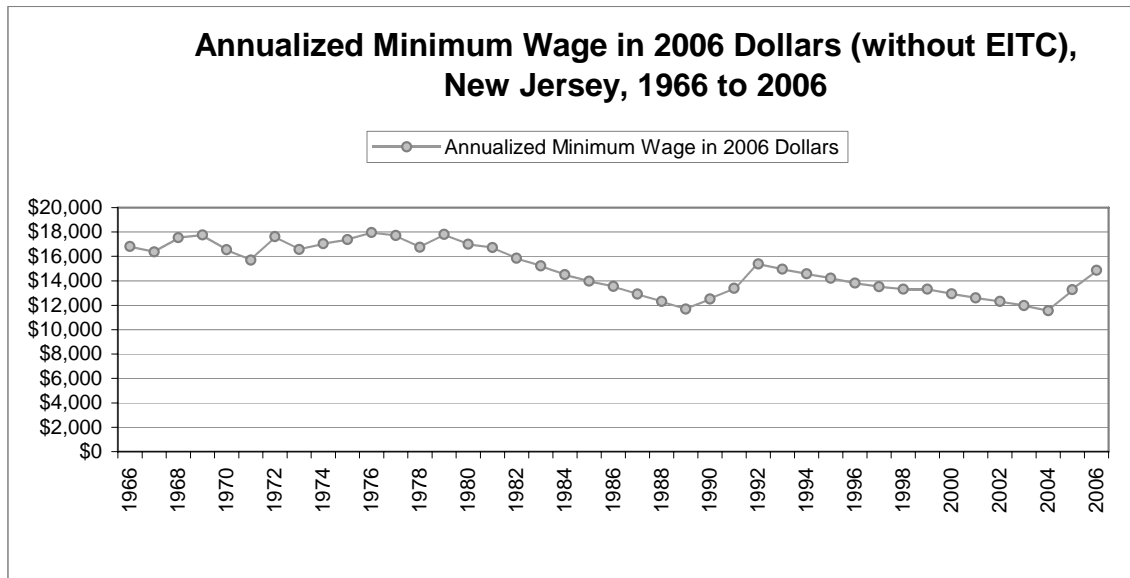
benefit has a total income of only \$20,090, which does not even equal the combined average costs of housing and childcare for a family of three.²⁹ Minimum wage earnings, as indicated by the dashed lines in the figure, do not allow these families to purchase the entire basket of goods needed to achieve self-sufficiency in the state. This means that the current minimum wage still leaves working families behind, unable to get by in New Jersey.

Between 2005 and 2007 the state's minimum wage has increased almost 40 percent. Unfortunately, these increases do not go far enough to remediate problematic trends that have developed over the last several decades. At first glance, the recent increases in the state's minimum wage appear as sizeable gains for workers. They are, however, small when compared to changes in their relative value versus the federal poverty threshold during the same period. For example, the 1992 wage increase from \$4.25 to \$5.05 brought the annualized minimum wage to just 94 percent of the federal poverty threshold, while the 2006 increase to \$7.15 brought the annualized minimum wage to only 92.5 percent of the federal poverty threshold.³⁰ Historically, a full time worker receiving the minimum wage was capable of amassing enough income to get much closer to the federal poverty line. This is no longer the case. For example, in 1980 the gap between an annual income at the minimum wage and the poverty line was only \$117; in 1992 it was \$682 and by 2006 it had grown to \$1,207.

²⁹ Because EITC schedules are not available for 2007, the minimum wage figure has been calculated using 2006 earned income tax credits, while work at minimum wage assumes all adults worked full-time, full-year in 2007.

³⁰ U.S Census Bureau, Federal poverty threshold, weighted average for a family of three.

Figure 87



Another perspective that illuminates the decreasing adequacy of the state minimum wage is the change in its relative buying power over time. When the value of the minimum wage over time is adjusted for inflation to 2006 dollar values, a significant drop in the minimum wage's true value is revealed. The \$1.25 wage in 1966 had purchasing power of \$8.08 in 2006 dollars which, when annualized, totals \$16,806. Ten years later the \$2.40 wage level had an annualized buying power of \$17,954 in 2006 dollars, quite above the current annualized minimum wage of \$14,872, as *Figure 87* illustrates.

It is apparent that the existing wage level does little to keep minimum wage workers out of poverty. In searching for a remedy, however, New Jersey must avoid the simplistic solutions of simply raising hourly wages to equal the federal poverty level or introducing an automatic inflation adjustment.³¹ Failure to legislate adequate wages during earlier years has eroded the value of the minimum wage and neither indexing this inadequate wage to inflation nor adjusting it to an increasingly irrelevant poverty measure can resolve this problem. In order to reduce the economic challenges endured by low-wage workers, we need to take into account the unique realities faced by an average resident in New Jersey. Not only is New Jersey a high cost state overall, but the costs for many basic necessities, most dramatically housing, have increased at a much faster rate here than elsewhere in the country. The *Real Cost of Living* is a more realistic measure of poverty and rationally defines an income level below which individuals and families should be considered as not having enough income to make ends meet.

³¹ The Minimum Wage Advisory Commission (established by the 2005 law that instituted the most recent increases in the state Minimum Wage) published recommendations in December 2007 that would increase the state minimum wage to \$8.25/hour in 2008 (equaling poverty level income for a family of 3 for a full-time worker) and introduce an automatic inflation index based on the Consumer Price Index for the Metropolitan Northeast region. While this increase and automatic inflation would mark a significant improvement in minimum wage policy, it would still fall short of providing for the income needs of low-wage workers. These recommended must be enacted by the legislature and signed by the Governor to take effect, and without further action New Jersey's minimum wage will remain at \$7.15/hour.

Past inattention has allowed the value of the minimum wage to stagnate and the recent increase, though laudable, was insufficient to restore the buying power of the minimum wage to an amount which meets the most basic level of subsistence in New Jersey. As time has shown, without adjustment the purchasing power of the minimum wage will continue to decline. In fact, as of April 2007 the value of the state minimum wage has already fallen to approximately \$7.02 relative to where it was in October 2006, when the wage was increased. This erosion in value will continue without regular and meaningful adjustments to the minimum wage.

Unemployment Insurance

Low-income families are also at risk of slipping through the unemployment safety net when they lose a job. Unemployment insurance—the primary mechanism for helping working individuals that lose their jobs through no fault of their own – restricts eligibility to only those individuals with earnings above a certain ‘base amount.’ UI eligibility in New Jersey requires employment in the first four of the last five calendar quarters with twenty or more weeks of work and earnings of at least twenty times the state minimum hourly wage *or* earnings at one thousand times the state minimum hourly wage.³² As such, low-wage and entry-level workers may move in and out of the labor force without acquiring enough income to qualify for benefits during periods of unemployment. Certainly, many of the jobs available to low-income workers are seasonal or part-time in nature. One study investigated whether welfare recipients in New Jersey that exited welfare and had worked in the two year period after leaving would be eligible for UI. The study simulated whether or not these welfare-leavers would have been monetarily eligible for UI if they experienced a qualifying job loss—through no fault of their own. They found that one of every four welfare-leavers that had found employment would have been ineligible for UI in 2002. As well, two-thirds of those deemed ineligible would be ineligible because their base period earnings were too low. UI weekly benefits in New Jersey, which cover 60 percent of previous earnings, are relatively generous compared to other states and offer a more substantial safety net than welfare benefits to low-wage workers.³³ These higher benefits, however, are irrelevant to workers who cannot access them when needed.

³² Department of Labor and Workforce Development. “Just the Facts 2004”

³³ Rangarajan, Anu, Carol Razafindrakoto, and Walter Corson. “Study to Examine UI Eligibility Among Former TANF recipients: Evidence from New Jersey.” November 2002. Mathematica Policy Research, Inc.

Appendix -1

Table 1

Ratio of Income to Poverty Level by County (Percentage)						
	Under 50%		Under 100%		Under 200%	
	2005	2006	2005	2006	2005	2006
New Jersey	4%	4%	9%	9%	21%	21%
Atlantic	4%	5%	9%	9%	26%	25%
Bergen	2%	2%	6%	5%	16%	15%
Burlington	3%	3%	5%	6%	12%	15%
Camden	6%	6%	12%	11%	26%	25%
Cape May	3%	5%	7%	9%	25%	25%
Cumberland	6%	7%	13%	15%	32%	34%
Essex	8%	7%	15%	15%	32%	30%
Gloucester	3%	4%	7%	7%	17%	18%
Hudson	6%	6%	16%	15%	39%	36%
Hunterdon	1%	1%	1%	3%	7%	10%
Mercer	3%	4%	9%	8%	21%	22%
Middlesex	4%	3%	8%	7%	17%	17%
Monmouth	3%	2%	6%	6%	15%	16%
Morris	1%	2%	3%	4%	11%	11%
Ocean	4%	3%	7%	9%	21%	23%
Passaic	7%	7%	15%	15%	32%	32%
Salem	5%	4%	10%	9%	22%	23%
Somerset	1%	2%	4%	4%	11%	11%
Sussex	2%	2%	4%	5%	13%	11%
Union	4%	4%	9%	8%	21%	23%
Warren	3%	3%	5%	6%	17%	18%

Source: U.S Census Bureau, American Community Survey

Table 2

Ratio of Income to Poverty Level by County (Number)						
	Under 50%		Under 100%		Under 200%	
	2005	2006	2005	2006	2005	2006
New Jersey	338,275	335,670	738,969	741,873	1,819,572	1,820,315
Atlantic	11,426	12,168	23,427	23,913	68,638	64,852
Bergen	22,109	21,083	49,345	46,367	138,496	132,696
Burlington	11,001	11,716	20,139	25,592	54,326	67,346
Camden	28,603	28,235	62,898	56,083	132,860	125,175
Cape May	3,271	4,602	7,087	8,839	24,341	24,326
Cumberland	8,436	10,394	17,565	22,210	44,947	49,390
Essex	58,876	51,554	112,648	111,249	246,223	228,767
Gloucester	9,384	10,265	18,102	18,987	45,836	49,424
Hudson	35,819	35,506	97,855	89,882	231,671	214,168
Hunterdon	693	1,578	1,803	4,416	9,340	12,899
Mercer	10,642	13,326	29,346	29,516	71,837	78,596
Middlesex	29,467	25,511	60,057	54,870	130,777	132,832
Monmouth	16,059	15,495	37,511	36,290	95,841	99,624
Morris	4,821	8,562	13,718	18,767	54,514	52,130
Ocean	19,352	18,722	40,419	48,640	115,661	126,894
Passaic	35,355	31,614	70,980	72,411	157,228	155,517
Salem	3,239	2,756	6,469	5,900	14,129	15,334
Somerset	4,470	5,973	11,198	14,137	35,194	36,076
Sussex	2,328	2,710	6,651	7,196	19,398	16,894
Union	20,113	20,918	46,670	40,491	109,839	118,078
Warren	2,811	2,982	5,081	6,117	18,476	19,297

Source: U.S Census Bureau, American Community Survey

Table 3

	Ratio of Income to Poverty Level by Place- (Percentage)					
	Under 50%		Under 100%		Under 200%	
	2005	2006	2005	2006	2005	2006
New Jersey	4%	4%	9%	9%	21%	21%
Camden	19%	19%	44%	36%	72%	61%
Clifton	7%	6%	9%	14%	23%	26%
East Orange	13%	13%	25%	30%	52%	48%
Edison	3%	4%	4%	6%	10%	12%
Elizabeth	9%	9%	20%	16%	41%	41%
Jersey City	6%	8%	18%	20%	44%	40%
Newark	13%	11%	25%	24%	49%	47%
Passaic	18%	7%	27%	23%	53%	54%
Paterson	9%	14%	24%	26%	52%	53%
Toms River	2%	2%	4%	6%	14%	16%
Trenton	7%	9%	23%	21%	44%	50%
Union City	7%	6%	23%	17%	51%	46%

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

Table 4

	Ratio of Income to Poverty Level by Place - (Number)					
	Under 50%		Under 100%		Under 200%	
	2005	2006	2005	2006	2005	2006
New Jersey	338,275	335,670	738,969	741,873	1,819,572	1,820,315
Camden	14,080	13,146	32,201	25,130	52,443	42,760
Clifton	4,859	4,478	6,427	10,919	17,062	20,424
East Orange	8,182	8,322	15,486	19,260	31,515	30,663
Edison	2,781	4,234	4,422	5,401	10,006	11,238
Elizabeth	10,793	11,233	23,728	19,989	49,840	51,096
Jersey City	15,954	20,098	45,129	48,170	108,572	97,227
Newark	33,022	29,007	62,866	61,803	124,022	119,195
Passaic	12,217	3,719	18,563	13,160	36,120	30,391
Paterson	12,669	20,503	35,532	37,416	76,675	77,368
Toms River	1,980	1,824	3,795	5,136	13,101	14,585
Trenton	5,042	7,553	17,422	17,017	34,408	39,789
Union City	4,637	4,170	15,111	11,607	32,878	30,715

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

Table 5

Levels of Poverty - 2006			
	Severe Poverty Below 50% FPL	Federal Poverty Below 100% FPL	True Poverty Below 200% FPL
New Jersey	3.9%	8.7%	21.3%
Atlantic	4.7%	9.2%	24.9%
Bergen	2.4%	5.2%	14.9%
Burlington	2.7%	5.9%	15.4%
Camden	5.5%	11.0%	24.6%
Cape May	4.8%	9.2%	25.3%
Cumberland	7.1%	15.3%	34.0%
Essex	6.7%	14.5%	29.9%
Gloucester	3.7%	6.8%	17.7%
Hudson	6.0%	15.2%	36.1%
Hunterdon	1.2%	3.5%	10.1%
Mercer	3.8%	8.4%	22.3%
Middlesex	3.4%	7.2%	17.5%
Monmouth	2.5%	5.8%	15.9%
Morris	1.8%	3.9%	10.7%
Ocean	3.4%	8.8%	22.8%
Passaic	6.5%	15.0%	32.2%
Salem	4.2%	8.9%	23.3%
Somerset	1.9%	4.4%	11.2%
Sussex	1.8%	4.8%	11.2%
Union	4.0%	7.7%	22.6%
Warren	2.7%	5.6%	17.6%

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

Table 6

Gini Index of Income Inequality - 2006		
Rank	County	Gini Index
1	Sussex	0.372
2	Salem	0.382
3	Burlington	0.39
4	Middlesex	0.392
5	Warren	0.398
6	Gloucester	0.399
7	Cumberland	0.408
8	Ocean	0.419
9	Somerset	0.434
10	Camden	0.435
11	Atlantic	0.436
12	Monmouth	0.441
13	Morris	0.446
14	Hunterdon	0.448
15	Passaic	0.457
16	Cape May	0.462
17	Bergen	0.47
18	Union	0.473
19	Mercer	0.486
20	Hudson	0.488
21	Essex	0.521
	New Jersey	0.458

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

Table 7

Quintile Share of Aggregate Income - 2006						
	Lowest	Second	Third	Fourth	Highest	Top 5 Percent
Atlantic	3.7%	9.6%	15.9%	23.6%	47.2%	19.9%
Bergen	3.4%	9.0%	14.7%	22.2%	50.8%	23.2%
Burlington	4.7%	10.8%	16.8%	24.1%	43.6%	16.9%
Camden	3.6%	9.7%	15.9%	23.7%	47.1%	19.4%
Cape May	3.6%	9.0%	14.7%	22.7%	50.0%	22.6%
Cumberland	3.8%	9.8%	17%	25.3%	44.1%	15.5%
Essex	2.4%	7.5%	13.2%	21.6%	55.3%	25.6%
Gloucester	4.1%	10.6%	16.8%	24.9%	43.7%	16.3%
Hudson	2.8%	7.9%	14.4%	23.1%	51.8%	22.4%
Hunterdon	4.0%	9.2%	15.1%	22.9%	48.8%	22.1%
Mercer	3.2%	8.5%	14.2%	22.3%	51.8%	25.0%
Middlesex	4.1%	10.8%	17.1%	24.8%	43.2%	16.0%
Monmouth	3.6%	9.5%	15.8%	23.3%	47.9%	20.1%
Morris	4.0%	9.6%	15.2%	22.1%	49.1%	22.2%
Ocean	4.0%	9.7%	16.0%	24.6%	45.7%	17.7%
Passaic	3.1%	8.7%	15.0%	24.7%	48.4%	19.2%
Salem	3.7%	10.8%	18.3%	26.1%	41.1%	14.3%
Somerset	4.1%	10.1%	15.4%	22.3%	48.1%	21.0%
Sussex	5.0%	11.6%	17.3%	23.8%	42.2%	16.3%
Union	3.5%	8.7%	14.3%	22.3%	51.2%	22.9%
Warren	4.4%	10.6%	16.7%	24.2%	44.1%	16.6%

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

Table 8

Related Child Poverty Rate - by County		
	2005	2006
New Jersey	11.5%	11.5%
Atlantic	9.1%	12.8%
Bergen	6.5%	5.6%
Burlington	4.8%	7.0%
Camden	18.0%	15.9%
Cape May*	-	9.6%
Cumberland	16.2%	20.5%
Essex	18.8%	18.5%
Gloucester	6.5%	6.8%
Hudson	24.8%	25.3%
Hunterdon*	-	3.2%
Mercer	11.5%	10.8%
Middlesex	9.1%	8.3%
Monmouth	8.4%	6.2%
Morris	2.7%	4.1%
Ocean	10.4%	13.9%
Passaic	19.7%	22.6%
Salem*	-	11.8%
Somerset*	-	5.3%
Sussex	3.7%	5.8%
Union	14.0%	7.9%
Warren*	-	5.9%

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

*Data not available due to small sample size

Table 9

Median Household Income(in 2006 Inflation Adjusted Dollars) & Poverty Rate		
	Median Household Income	Poverty Rate
New Jersey	\$64,470	8.70%
Atlantic	\$52,230	9.2%
Bergen	\$75,851	5.2%
Burlington	\$68,090	5.9%
Camden	\$56,913	11.0%
Cape May	\$50,024	9.2%
Cumberland	\$47,443	15.3%
Essex	\$51,879	14.5%
Gloucester	\$66,759	6.8%
Hudson	\$49,557	15.2%
Hunterdon	\$93,297	3.5%
Mercer	\$65,305	8.4%
Middlesex	\$72,669	7.2%
Monmouth	\$77,160	5.8%
Morris	\$89,587	3.9%
Ocean	\$54,820	8.8%
Passaic	\$49,940	15.0%
Salem	\$58,164	8.9%
Somerset	\$91,688	4.4%
Sussex	\$78,488	4.8%
Union	\$62,260	7.7%
Warren	\$62,087	5.6%

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

Table 10

Median Household Income(in 2006 Inflation Adjusted Dollars) & Poverty Rate		
	Median Household Income	Poverty Rate
New Jersey	\$64,470	8.7%
Brick	\$62,023	7.0%
Camden City	\$25,961	35.6%
Cherry Hill	\$81,289	4.7%
Clifton	\$51,756	13.9%
Edison	\$76,604	5.6%
Elizabeth	\$42,412	15.9%
Hamilton	\$66,574	4.1%
Jersey City	\$43,426	20.0%
Lakewood	\$37,944	25.1%
Middletown	\$88,873	3.1%
Newark	\$34,521	24.2%
Passaic	\$28,918	23.5%
Paterson	\$31,723	25.7%
Toms River	\$67,204	5.5%
Trenton	\$32,548	21.3%
Union	\$39,388	17.3%
Woodbridge	\$77,019	4.7%

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

Table 11

Number & Percent of Uninsured Children - 2006*								
	Total		Below 100%		100% - 199%		200% & above	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Alabama	64,864	6.0%	27,136	11.1%	13,925	6.5%	23,804	3.8%
Alaska	17,206	9.4%	4,611	21.2%	4,032	9.9%	8,563	7.1%
Arizona	253,609	15.8%	79,318	23.7%	101,256	23.7%	73,035	8.7%
Arkansas	59,125	8.7%	19,194	12.6%	18,387	9.9%	21,544	6.3%
California	1,197,211	12.5%	350,604	19.8%	403,584	17.9%	443,023	8.0%
Colorado	165,941	14.1%	57,258	36.7%	52,481	22.6%	56,202	7.1%
Connecticut	56,975	6.9%	15,125	15.6%	10,449	9.4%	31,402	5.1%
Delaware	22,490	11.4%	4,639	17.9%	8,156	20.4%	9,695	7.4%
D.C	8,255	7.3%	2,697	7.3%	2,817	11.5%	2,741	5.4%
Florida	681,643	17.0%	192,192	30.3%	220,556	23.4%	268,895	11.0%
Georgia	274,814	11.6%	87,234	18.0%	100,817	19.3%	86,763	6.4%
Hawaii	14,893	5.1%	3,502	11.8%	2,521	4.6%	8,869	4.2%
Idaho	42,910	11.0%	7,587	15.2%	16,107	14.2%	19,216	8.4%
Illinois	316,360	9.9%	109,047	21.0%	89,129	14.4%	118,184	5.7%
Indiana	138,177	8.7%	29,475	10.8%	45,845	13.2%	62,857	6.5%
Iowa	38,962	5.7%	7,230	7.6%	13,151	9.2%	18,581	4.2%
Kansas	45,810	6.7%	18,228	14.9%	11,670	8.3%	15,913	3.7%
Kentucky	81,541	8.2%	29,624	13.1%	26,712	12.8%	25,205	4.5%
Louisiana	113,127	10.4%	47,663	19.0%	29,464	11.6%	36,000	6.2%
Maine	17,316	6.2%	4,778	12.0%	4,851	8.5%	7,687	4.2%
Maryland	124,226	9.0%	38,333	23.5%	33,028	14.7%	52,864	5.3%
Massachusetts	84,277	5.7%	12,055	6.9%	26,268	11.9%	45,954	4.2%
Michigan	128,346	5.2%	47,605	10.5%	31,145	6.6%	49,597	3.2%
Minnesota	84,098	6.8%	21,782	17.6%	26,096	14.2%	36,221	3.9%
Mississippi	105,815	14.0%	44,642	20.5%	36,256	19.9%	24,917	7.0%
Missouri	110,776	8.0%	38,776	15.7%	33,604	11.5%	38,396	4.5%
Montana	29,709	14.1%	11,182	29.6%	8,866	16.6%	9,660	8.0%
Nebraska	30,878	7.1%	11,195	21.6%	8,693	8.9%	10,990	3.8%
Nevada	103,013	16.2%	26,482	31.4%	33,257	21.1%	43,275	11.0%
New Hampshire	18,517	6.2%	3,035	16.3%	4,283	9.9%	11,199	4.7%
New Jersey	236,892	11.1%	55,689	26.5%	56,237	18.2%	124,965	7.7%
New Mexico	87,782	17.5%	24,941	21.0%	33,086	26.7%	29,755	11.6%
New York	341,086	7.5%	110,863	12.1%	92,705	10.0%	137,518	5.1%
North Carolina	257,563	11.9%	75,500	18.0%	91,727	18.4%	90,336	7.2%
North Dakota	13,122	9.2%	3,210	16.2%	5,837	19.0%	4,074	4.4%
Ohio	192,980	7.0%	50,445	10.4%	65,994	12.4%	76,540	4.4%
Oklahoma	114,020	13.1%	30,063	18.6%	37,850	15.7%	46,107	9.9%
Oregon	97,396	11.3%	19,816	13.8%	40,965	20.0%	36,615	7.2%
Pennsylvania	220,602	7.9%	75,365	15.9%	70,845	13.1%	74,392	4.2%
Rhode Island	15,602	6.4%	3,814	8.9%	3,984	9.6%	7,804	4.8%
South Carolina	98,089	9.6%	18,463	9.7%	39,901	15.4%	39,725	6.9%
South Dakota	15,204	8.1%	4,641	15.4%	3,891	9.5%	6,673	5.7%
Tennessee	115,769	8.2%	37,165	12.9%	37,897	12.3%	40,707	5.0%
Texas	1,286,248	20.1%	413,332	28.8%	463,768	28.6%	409,147	12.2%
Utah	97,657	12.6%	30,512	31.3%	25,701	13.4%	41,444	8.5%
Vermont	7,885	6.0%	819	7.0%	1,741	7.2%	5,326	5.5%
Virginia	153,243	8.4%	39,033	17.2%	50,392	14.8%	63,817	5.1%
Washington	110,460	7.3%	27,218	13.1%	24,839	8.1%	58,403	5.9%
West Virginia	30,708	7.9%	7,446	9.5%	9,825	10.0%	13,437	6.4%
Wisconsin	71,259	5.5%	22,972	11.3%	18,812	7.8%	29,475	3.5%
Wyoming	10,875	9.2%	2,355	14.7%	2,197	9.8%	6,323	7.9%

Source: U.S. Census Bureau, Current Population Survey, *Three year average ending in 2006

Table 12

Educational Attainment of Individuals (25 & Over) with Income Below Poverty				
	2005		2006	
	Number	Percent	Number	Percent
Less than high school graduate	138,650	34.5%	140,616	34.1%
High school graduate (includes equivalency)	143,031	35.6%	150,096	36.4%
Some college or associate's degree	71,379	17.8%	69,714	16.9%
Bachelor's degree	34,295	8.5%	36,334	8.8%
Graduate or professional degree	14,174	3.5%	15,970	3.9%
Total with Income below Poverty level	401,529	100%	412,730	100%

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

Table 13

Average SAT Score by District Factor Group, New Jersey						
DFG	Verbal			Mathematics		
	2004-05	2005-06	Change	2004-05	2005-06	Change
A	399	395	-4	416	409	-7
B	445	438	-7	464	458	-6
CD	471	463	-8	486	478	-8
DE	487	481	-6	502	498	-4
FG	505	494	-11	518	515	-3
GH	521	513	-8	543	540	-3
I	550	542	-8	573	569	-4
J	585	569	-16	607	597	-10

Source: New Jersey Department of Education

The District Factor Group (DFG) system has been developed by the New Jersey Department of Education for comparing student performance across demographically similar school districts. The DFGs represent an "approximate measure of a community's relative socioeconomic status" (SES). In this report, DFGs are used as a proxy for poverty. Eight DFGs exist currently – A, B, CD, DE, FG, I and J – "A" represents districts with the highest concentration of poor students and "J" represents districts with the most affluent student population.

Table 14

Grade 3, NJASK - Percent Partially Proficient						
	Language Arts Literacy			Mathematics		
	2004-05	2005-06	Change	2004-05	2005-06	Change
Abbott	34.3%	35.8%	1.5%	32.9%	26.7%	-6.2%
A	36.1%	36.8%	0.7%	33.6%	27.2%	-6.4%
B	23.5%	25.6%	2.1%	24.1%	19.3%	-4.8%
CD	20.3%	20.5%	0.2%	20.5%	15.0%	-5.5%
DE	13.5%	13.6%	0.1%	14.8%	10.0%	-4.8%
FG	10.8%	11.4%	0.6%	13.1%	8.5%	-4.6%
GH	9.7%	10.4%	0.7%	11.4%	8.0%	-3.4%
I	6.7%	7.6%	0.9%	8.4%	5.7%	-2.7%
J	3.7%	4.5%	0.8%	4.8%	3.5%	-1.3%

Source: New Jersey Department of Education

Table 15

Grade 4, NJASK - Percent Partially Proficient						
	Language Arts Literacy			Mathematics		
	2004-05	2005-06	Change	2004-05	2005-06	Change
Abbott	34.0%	39.2%	5.2%	35.70%	34.2%	-1.5%
A	34.8%	39.7%	4.9%	35.9%	34.9%	-1.0%
B	27.0%	30.3%	3.3%	29.7%	25.0%	-4.7%
CD	22.2%	24.5%	2.3%	21.9%	20.4%	-1.5%
DE	15.8%	17.5%	1.7%	17.1%	15.0%	-2.1%
FG	13.4%	14.1%	0.7%	14.6%	13.3%	-1.3%
GH	11.6%	11.9%	0.3%	13.3%	11.4%	-1.9%
I	7.9%	8.6%	0.7%	9.4%	7.7%	-1.7%
J	6.1%	5.5%	-0.6%	7.5%	5.0%	-2.5%

Source: New Jersey Department of Education

Table 16

Grade Eight Proficiency Assessment - Percent Partially Proficient						
	Language Arts Literacy			Mathematics		
	2004-05	2005-06	Change	2004-05	2005-06	Change
Abbott	53.4%	52.7%	-0.7%	66.0%	65.1%	-0.9%
A	56.0%	54.3%	-1.7%	68.4%	66.4%	-2.0%
B	38.2%	37.6%	-0.6%	49.9%	48.1%	-1.8%
CD	31.6%	29.4%	-2.2%	43.0%	40.0%	-3.0%
DE	25.0%	22.7%	-2.3%	36.4%	33.5%	-2.9%
FG	20.6%	18.4%	-2.2%	29.4%	28.0%	-1.4%
GH	16.5%	14.1%	-2.4%	25.4%	22.7%	-2.7%
I	11.5%	9.8%	-1.7%	18.7%	17.3%	-1.4%
J	6.9%	6.3%	-0.6%	10.5%	10.5%	0.0%

Source: New Jersey Department of Education

Table 17

High School Proficiency Assessment - Percent Partially Proficient						
	Language Arts Literacy			Mathematics		
	2004-05	2005-06	Change	2004-05	2005-06	Change
A	41.6%	42.5%	0.9%	54.0%	54.8%	0.8%
B	25.3%	24.4%	-0.9%	35.4%	33.6%	-1.8%
CD	20.4%	19.7%	-0.7%	30.4%	29.3%	-1.1%
DE	13.2%	13.3%	0.1%	22.5%	22.4%	-0.1%
FG	11.4%	11.0%	-0.4%	17.8%	18.3%	0.5%
GH	9.4%	8.9%	-0.5%	14.7%	14.0%	-0.7%
I	5.4%	5.1%	-0.3%	9.6%	9.0%	-0.6%
J	3.5%	3.0%	-0.5%	5.9%	5.4%	-0.5%

Source: New Jersey Department of Education

Table 18

Gross Rent as a Percentage of Household Income								
	Percent spending 30 to 49.9% of Income on rent		Percent spending 50% or more of Income on rent		30 to 49.9% Share of Total Population		50% or more Share of Total Population	
	2005	2006	2005	2006	2005	2006	2005	2006
	Atlantic	23.6%	25.9%	26.3%	25.1%	3.0%	3.4%	3.1%
Bergen	25.9%	22.0%	22.6%	24.3%	11.1%	9.4%	9.2%	9.7%
Burlington	26.4%	30.5%	25.3%	21.5%	3.5%	4.2%	3.2%	2.8%
Camden	24.6%	24.7%	26.0%	25.1%	6.0%	5.6%	6.0%	5.3%
Cape May	32.1%	27.4%	16.8%	26.3%	1.0%	1.3%	0.5%	1.2%
Cumberland	32.1%	22.0%	21.6%	30.9%	2.0%	1.5%	1.3%	2.0%
Essex	25.7%	22.2%	25.4%	25.2%	15.5%	13.3%	14.5%	14.0%
Gloucester	23.5%	22.0%	24.8%	24.1%	1.6%	1.6%	1.6%	1.6%
Hudson	22.1%	22.6%	26.7%	24.5%	13.8%	13.7%	15.8%	13.7%
Hunterdon	33.6%	26.5%	23.2%	24.1%	0.7%	0.5%	0.4%	0.5%
Mercer	21.0%	24.9%	28.2%	25.3%	3.2%	4.0%	4.1%	3.8%
Middlesex	24.5%	20.6%	21.9%	21.2%	8.5%	7.5%	7.2%	7.2%
Monmouth	27.0%	27.0%	26.6%	28.2%	5.8%	5.7%	5.4%	5.6%
Morris	20.5%	25.0%	25.2%	20.9%	3.3%	4.1%	3.9%	3.2%
Ocean	29.9%	22.7%	31.3%	40.5%	4.4%	3.3%	4.4%	5.5%
Passaic	22.8%	25.5%	34.8%	37.5%	6.4%	7.4%	9.3%	10.2%
Salem	22.0%	24.8%	28.1%	32.7%	0.5%	0.7%	0.6%	0.8%
Somerset	20.4%	26.2%	25.2%	22.4%	1.6%	2.5%	1.9%	2.0%
Sussex	35.7%	26.8%	21.3%	21.3%	1.2%	0.9%	0.7%	0.7%
Union	23.3%	27.3%	25.2%	23.6%	5.9%	7.9%	6.1%	6.4%
Warren	18.7%	29.8%	19.9%	21.2%	0.9%	1.3%	0.9%	0.8%
New Jersey	24.5%	24.0%	25.8%	25.8%	100%	100%	100%	100%

Source: Calculation from U.S. Census Bureau, American Community Survey

Table 19

Tenure by Family Type for Below Poverty Population - 2006						
	Married-Couple Family		Male Householder, No Wife Present		Female Householder, No Husband Present	
	Owner	Renter	Owner	Renter	Owner	Renter
	occupied	occupied	occupied	occupied	occupied	occupied
New Jersey	42.9%	57.1%	26.9%	73.1%	16.7%	83.3%
Atlantic	54.7%	45.3%	30.6%	69.4%	8.4%	91.6%
Bergen	53.5%	46.5%	55.6%	44.4%	19.9%	80.1%
Burlington	61.9%	38.1%	*	*	40.1%	59.9%
Camden	51.9%	48.1%	35.6%	64.4%	23.1%	76.9%
Cape May	54.9%	45.1%	*	*	9.4%	90.6%
Cumberland	43.8%	56.2%	68.4%	31.6%	17.8%	82.2%
Essex	29.6%	70.4%	20.4%	79.6%	6.6%	93.4%
Gloucester	55.7%	44.3%	81.6%	18.4%	43.8%	56.2%
Hudson	13.8%	86.2%	*	*	6.6%	93.4%
Hunterdon	*	*	*	*	22.3%	77.7%
Mercer	37.0%	63.0%	73.5%	26.5%	21.8%	78.2%
Middlesex	44.1%	55.9%	22.0%	78.0%	12.2%	87.8%
Monmouth	58.7%	41.3%	51.3%	48.7%	18.9%	81.1%
Morris	69.7%	30.3%	35.9%	64.1%	28.0%	72.0%
Ocean	43.5%	56.5%	41.7%	58.3%	48.0%	52.0%
Passaic	29.9%	70.1%	8.9%	91.1%	4.4%	95.6%
Salem	*	*	*	*	6.5%	93.5%
Somerset	64.9%	35.1%	*	*	46.5%	53.5%
Sussex	83.0%	17.0%	*	*	31.7%	68.3%
Union	48.9%	51.1%	56.3%	43.7%	11.1%	88.9%
Warren	*	*	23.2%	76.8%	*	*

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

*Date not available

Table 20

Tenure by More than One Occupant Per Room				
	Percent Owner Occupied		Percent Renter Occupied	
	2005	2006	2005	2006
	New Jersey	24.9%	26.0%	75.1%
Atlantic	21.6%	46.9%	78.4%	53.1%
Bergen	32.5%	33.6%	67.5%	66.4%
Burlington	55.9%	50.2%	44.1%	49.8%
Camden	31.9%	32.8%	68.1%	67.2%
Cape May	*	25.3%	*	74.7%
Cumberland	66.1%	50.2%	33.9%	49.8%
Essex	14.0%	20.4%	86.0%	79.6%
Gloucester	31.7%	93.9%	68.3%	6.1%
Hudson	19.4%	14.1%	80.6%	85.9%
Hunterdon	*	77.7%	*	22.3%
Mercer	41.8%	45.2%	58.2%	54.8%
Middlesex	20.1%	21.9%	79.9%	78.1%
Monmouth	18.0%	22.0%	82.0%	78.0%
Morris	16.4%	34.3%	83.6%	65.7%
Ocean	34.5%	36.3%	65.5%	63.7%
Passaic	32.9%	20.5%	67.1%	79.5%
Salem	*	6.5%	*	93.5%
Somerset	39.2%	32.8%	60.8%	67.2%
Sussex	*	90.6%	*	9.4%
Union	23.1%	24.2%	76.9%	75.8%
Warren	*	*	*	*

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

Table 21

	Housing Tenure by County			
	Owner Occupied		Renter Occupied	
	2005	2006	2005	2006
Atlantic	67.9%	68.3%	32.1%	31.7%
Bergen	67.8%	68.0%	32.2%	32.0%
Burlington	78.8%	78.5%	21.2%	21.5%
Camden	68.5%	70.8%	31.5%	29.2%
Cape May	78.2%	73.4%	21.8%	26.6%
Cumberland	68.8%	66.6%	31.2%	33.4%
Essex	46.7%	48.0%	53.3%	52.0%
Gloucester	82.0%	82.0%	18.0%	18.0%
Hudson	32.8%	34.3%	67.2%	65.7%
Hunterdon	87.6%	88.0%	12.4%	12.0%
Mercer	69.5%	68.6%	30.5%	31.4%
Middlesex	67.9%	67.2%	32.1%	32.8%
Monmouth	76.3%	77.2%	23.7%	22.8%
Morris	76.7%	76.8%	23.3%	23.2%
Ocean	82.3%	83.0%	17.7%	17.0%
Passaic	56.3%	55.1%	43.7%	44.9%
Salem	76.7%	71.2%	23.3%	28.8%
Somerset	82.5%	79.2%	17.5%	20.8%
Sussex	84.8%	84.1%	15.2%	15.9%
Union	65.3%	62.0%	34.7%	38.0%
Warren	72.6%	74.3%	27.4%	25.7%
Total	67.3%	67.3%	32.7%	32.7%

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

Table 22

	Earnings in the Past 12 Months (in 2006 Inflation Adjusted Dollars) for Individuals Working Full Time Year Round - 2006							
	Less than \$20,000		\$20,000-\$35,000		\$35,000- \$50,000		Above \$50,000	
	Male	Female	Male	Female	Male	Female	Male	Female
New Jersey	8.2%	12.6%	18.3%	26.7%	18.5%	23.9%	55.0%	36.8%
Atlantic	13.4%	18.2%	21.7%	33.6%	21.7%	26.6%	43.2%	21.6%
Bergen	6.7%	9.8%	14.5%	23.7%	17.0%	23.4%	61.8%	43.2%
Burlington	6.5%	9.1%	15.5%	28.8%	20.0%	25.3%	58.1%	36.8%
Camden	8.4%	10.2%	18.8%	31.7%	23.7%	24.8%	49.1%	33.3%
Cape May	7.4%	13.6%	22.7%	23.7%	29.8%	29.0%	40.2%	33.7%
Cumberland	10.3%	22.8%	26.0%	39.5%	26.8%	21.7%	36.9%	15.9%
Essex	10.4%	13.2%	23.9%	27.0%	19.9%	27.2%	45.7%	32.6%
Gloucester	4.2%	13.3%	16.5%	30.3%	19.5%	22.7%	59.9%	33.7%
Hudson	15.7%	19.4%	24.9%	26.0%	19.4%	20.4%	40.0%	34.2%
Hunterdon	6.9%	9.1%	9.7%	19.5%	10.7%	22.4%	72.7%	49.0%
Mercer	7.6%	10.1%	18.8%	25.5%	18.4%	21.8%	55.1%	42.6%
Middlesex	6.0%	10.7%	18.2%	23.2%	19.3%	26.7%	56.5%	39.3%
Monmouth	6.4%	11.9%	16.2%	24.4%	12.8%	21.1%	64.6%	42.6%
Morris	3.8%	10.6%	12.4%	18.2%	13.6%	23.9%	70.1%	47.4%
Ocean	5.6%	11.9%	18.0%	35.0%	18.8%	22.5%	57.6%	30.6%
Passaic	14.5%	16.7%	22.5%	35.1%	20.4%	20.0%	42.6%	28.2%
Salem	6.5%	21.4%	21.3%	34.8%	17.3%	22.6%	55.0%	21.2%
Somerset	4.9%	7.4%	12.5%	15.6%	14.4%	23.3%	68.2%	53.6%
Sussex	4.9%	10.6%	12.5%	31.1%	20.2%	24.3%	62.4%	34.1%
Union	11.1%	15.4%	22.2%	25.9%	18.5%	26.0%	48.3%	32.7%
Warren	6.2%	13.4%	15.7%	23.3%	20.9%	30.2%	57.2%	33.1%

Source: Calculated from the U.S. Census Bureau, 2006 American Community Survey. Universe: Population 16 & Over

Table 23

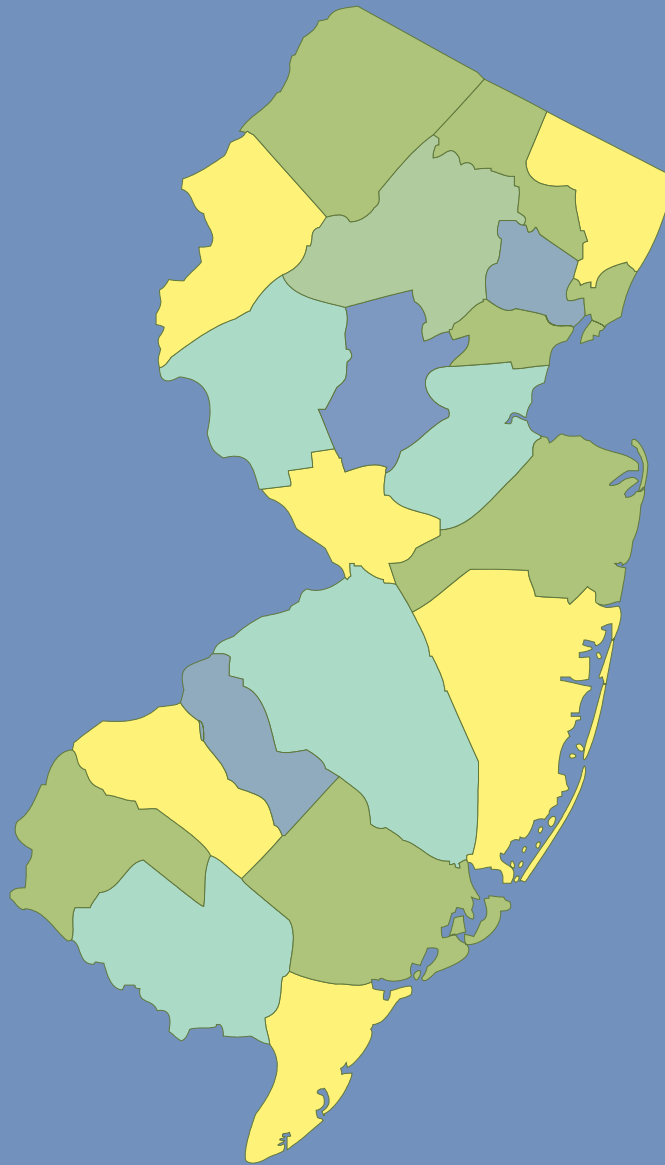
Means of Transportation to Work by Poverty Status - 2006						
	Drove alone			Carpooled		
	Below 100%	100-149%	At/above 150%	Below 100%	100-149%	At/above 150%
New Jersey	44.7%	50.5%	73.9%	13.8%	15.3%	8.9%
Atlantic	38.4%	55.2%	74.3%	27.1%	13.4%	11.1%
Bergen	50.7%	49.5%	72.6%	8.8%	9.8%	6.8%
Burlington	49.0%	65.0%	83.7%	26.3%	20.5%	7.7%
Camden	45.1%	51.0%	77.1%	26.1%	25.3%	9.6%
Cape May	44.5%	65.9%	82.6%	4.7%	18.2%	8.7%
Cumberland	62.4%	56.8%	83.7%	22.3%	25.1%	10.5%
Essex	28.5%	42.5%	61.8%	14.9%	20.3%	12.1%
Hudson	20.4%	19.5%	44.9%	6.2%	9.6%	7.6%
Mercer	46.6%	47.1%	75.8%	15.2%	19.9%	9.1%
Middlesex	55.0%	57.0%	73.5%	12.4%	23.9%	10.2%
Monmouth	48.6%	56.5%	75.5%	19.3%	24.2%	8.6%
Morris	53.2%	68.3%	81.5%	14.1%	13.4%	7.0%
Ocean	78.2%	58.9%	83.2%	7.4%	11.6%	8.7%
Passaic	36.4%	57.4%	75.4%	5.6%	4.7%	9.4%
Somerset	68.2%	43.7%	79.6%	7.3%	27.0%	8.5%
Sussex	56.5%	82.6%	83.7%	5.7%	4.6%	6.9%
Union	50.9%	55.5%	68.8%	15.8%	18.7%	11.1%
Warren	44.5%	78.4%	80.5%	28.6%	10.8%	9.4%
	Public transportation**			Walked		
	Below 100%	100-149%	At/above 150%	Below 100%	100-149%	At/above 150%
New Jersey	20.5%	15.3%	9.7%	10.0%	10.3%	2.8%
Atlantic	18.7%	16.5%	8.0%	14.4%	12.9%	3.2%
Bergen	17.9%	15.2%	12.6%	7.9%	10.9%	2.9%
Burlington	4.7%	11.1%	2.9%	17.1%	0.0%	1.7%
Camden	15.2%	10.9%	7.5%	8.0%	6.9%	1.7%
Cape May	16.1%	0.0%	1.6%	22.4%	15.9%	1.9%
Cumberland	0.7%	3.4%	1.7%	7.6%	10.0%	1.4%
Essex	38.7%	24.2%	18.1%	8.2%	6.0%	3.6%
Hudson	51.3%	40.5%	35.9%	10.1%	21.4%	7.7%
Mercer	15.4%	18.3%	6.9%	14.4%	11.1%	2.9%
Middlesex	17.7%	7.6%	9.9%	11.7%	9.9%	2.7%
Monmouth	13.9%	3.3%	9.0%	4.5%	8.9%	2.0%
Morris	0.0%	5.4%	4.1%	20.7%	12.9%	1.8%
Ocean	1.2%	0.8%	1.6%	3.5%	19.1%	1.5%
Passaic	21.7%	12.7%	7.5%	14.1%	4.5%	3.1%
Somerset	7.7%	3.0%	5.9%	0.0%	15.8%	1.9%
Sussex	0.0%	0.0%	1.7%	3.8%	7.5%	1.3%
Union	8.9%	10.8%	8.7%	14.4%	6.0%	3.7%
Warren	0.0%	2.9%	1.8%	1.2%	1.7%	1.5%

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

** Public transportation excludes taxicab

Appendix -2 - Acronyms

ACS	American Community Survey
APR	Annual Percentage Rate
AYP	Adequate Yearly Progress
BRFSS	Behavioral Risk Factor Surveillance System
CBPP	Center on Budget and Policy Priorities
CDC	Center of Disease Control
COAH	Council on Affordable Housing
CPS	Current Population Survey
DCA	Department of Community Affairs
DCF	Department of Children and Families
DFG	District Factor Group
EITC	Earned Income Tax Credit
FHA	Fair Housing Act
FICO	Fair Isaac Corporation
FMR	Fair Market Rent
FPL	Federal Poverty Level
FSP	Food Stamp Program
FT/YR	Full-Time/Year- Round
GA	General Assistance
GEPA	Grade 8 Proficiency Assessment
GQ	Group Quarters
HMO	Health Maintenance Organization
HQT	Highly Qualified Teacher
HSPA	High School Proficiency Assessment
MSA	Metropolitan Statistical Area
NAEP	National Assessment of Educational Progress
NCLB	No Child Left Behind
NJASK	New Jersey Assessment of Skills and Knowledge
NJDOE	New Jersey Department of Education
NSLP	National School Lunch Program
RCA	Regional Contribution Agreement
RCL	Real Cost of Living
SBP	School Breakfast Program
SCHIP	State Children's Health Insurance Program
SFSP	Summer Food Service Program
SRAP	State Rental Assistance Program
SSD	Social Security Disability
SSI	Supplemental Security Income
TANF	Temporary Assistance for Needy Families
UI	Unemployment Insurance
USDA	United States Department of Agriculture
WFNJ	Work First New Jersey



Legal Services of New Jersey
NJPRI
Poverty Research Institute

Copies of this report are available on Legal Services of New Jersey's Web site:

www.LSNJ.org

For printed copies of this report, please contact
Legal Services of New Jersey at 732-572-9100

Copyright © 2008 Legal Services of New Jersey