

Poverty Benchmarks 2012

Assessing New Jersey's Progress in Combating Poverty



Poverty Benchmarks 2012

Assessing New Jersey's Progress in Combating Poverty

The Sixth Annual Report from the
Legal Services of New Jersey
Poverty Research Institute

May 2012

Copyright 2012 Legal Services of New Jersey

LEGAL SERVICES OF NEW JERSEY POVERTY RESEARCH INSTITUTE

Legal Services of New Jersey heads a statewide system of seven non-profit corporations that provide free legal assistance in civil matters to low-income people in all twenty-one counties. The Poverty Research Institute (PRI) was established by LSNJ in 1997 to create greater public awareness of poverty's scope, causes, consequences and remedies, as a way to help alleviate some of the legal problems of those living in poverty, and thereby help meet LSNJ's core mission of addressing those legal problems. It is the first and only entity exclusively focused on developing and updating information on poverty in the state. LSNJ's PRI 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/PRI. For further questions, please email pri@lsnj.org or call 732-572-9100. To submit comments or ideas in response to this report, please email pri@lsnj.org.

Contents

Introduction	5
Overview.....	7
The Great Recession and its Aftermath	14
Characteristics of Poverty in New Jersey.....	23
Vulnerable Populations	23
Working and Poor	37
Income.....	41
Places with Poverty	43
Aspects of Poverty	50
Major State Responses to Poverty	66
Income Support.....	67
Employment	72
Food and Nutrition	74
Housing.....	80
Health Care.....	84
Policy Recommendations	90

Acknowledgements

This report of the Poverty Research Institute (PRI) of Legal Services of New Jersey (LSNJ) was written by Shivi Prasad and Allan Lichtenstein.

Sarah Hymowitz, Kevin Liebkemann, Connie Pascale, Maura Sanders, and Joshua Spielberg of LSNJ provided important additional input on portions of the report. Thanks to Sue Perger of LSNJ for printing coordination and to Laurel Ives for her cover design,

We are especially grateful to the Fund for New Jersey, which provided grant assistance to help support this project, and which has provided funding to the Poverty Research Institute since its beginnings in 1997.

All opinions are those of Legal Services of New Jersey.

Melville D. Miller, Jr., President
Legal Services of New Jersey
Edison, New Jersey
May 2012

Introduction

The Poverty Benchmarks Report is an ongoing project of the Poverty Research Institute. Inaugurated in 2007, and published on an annual basis, its purpose is to provide a single source for New Jersey poverty-related data. This 2012 Poverty Benchmarks report is the sixth in the series. This report is organized broadly along three major dimensions. The first provides a broad depiction of the current state of the New Jersey economy in the wake of the Great Recession. The second tracks changes in the occurrence and extent of poverty over time, while the third evaluates selected state programs that address issues of poverty and inadequate income.

The report draws from a variety of data sources, including the U.S. Census Bureau's American Community Survey (ACS), which are used to depict the state of poverty in New Jersey in 2010, the most recent year for which poverty data are available. Last year we stated that because of the slow economic recovery and high unemployment rates following the Great Recession, we expected that the ACS poverty data for 2009 and benchmarked in our report of last year would understate the severity of prevailing socio-economic conditions in 2010. The 2010 data confirms this supposition. The Great Recession may be over, but poverty rates in New Jersey have risen steadily since the beginning of the recession, reaching record highs in 2010. Moreover, numerous other data show that many New Jersey residents continued to face enduring hardships in 2011. As in previous reports, Benchmarks 2012 includes other data sources in order to portray as currently as possible the ongoing economic crisis and hardships facing many residents in their efforts to make ends meet.

This report puts greater emphasis than previous reports on presenting poverty data at 200 percent of the official poverty measure, where available, because it is a better indicator of need than the Federal Poverty Level (FPL). Data at 50 percent and 100 percent of the Federal Poverty Level can be found in the Appendix. As our various Real Cost of Living studies show, 200 percent of the poverty measure is a closer approximation, although still inadequate, of the actual income needed to meet basic necessities in New Jersey.

By making a broad array of poverty data readily available, this report is intended to stimulate awareness of the plight of people with low incomes who are not able to make ends meet. The information also challenges persistent and widespread preconceptions about the nature of poverty and the people who live in poverty in New Jersey.

New Jersey's current anti-poverty approach is a patchwork in which the diverse departments and programs that address elements of poverty exist and operate within their own domains—their silos—without significant interaction. Furthermore, in this period of severe economic circumstances, state agencies tasked with serving citizens in need have seen their budgets tightened, and service organizations have watched government grants and private contributions decline. In this difficult time of increased need and decreased resources, a strong state response is more than ever vital to the safety and well-being of those people living in poverty. Until New Jersey takes on a more coordinated approach to poverty, and organizes government programs and responses to address poverty comprehensively, taking into account the full needs of individuals and families in poverty, evaluation of the state's anti-poverty strategy is confined to assessing individual programs. This report tracks these program developments from year to year, and each program

“snapshot” provides an opportunity for advocates and lawmakers to assess its impact and performance. As recent Census Bureau analyses show, programs such as the Earned Income Tax Credit and Food Stamps, now SNAP, make a substantive contribution in reducing the poverty level and without these programs, particularly in these times of economic hardship, the poverty rate would have been much higher than it already is.

Overview

A. The Great Recession and its Aftermath

Two and a half years have passed since the end of the Great Recession, yet the New Jersey economy remains mired in lackluster economic growth. The high and disparate unemployment rates that persisted through 2011 suggest that the poverty rates for 2011 that will be released in September this year will once again be notably high.

1. Persistent high unemployment

Unemployment in New Jersey remains mired at the 9.0 percent level, higher than at any time since January 1980. As of March 2012, unemployment numbered 412,700 people, a decline of only 4,600 workers since the conclusion of the Great Recession in June 2009.

2. Extended periods of unemployment

More than half the unemployed population in New Jersey had been out of work for more than six months in 2010.

3. High rates of unemployment among the recent entries to the workforce

Since the conclusion of the Great Recession, the unemployment rate for the 20 to 24 age group rose from 8.8 percent in 2008 to 14.8 percent in 2011.

4. Disparate impacts of unemployment

While the unemployment rates since the onset of the Great Recession have grown for the three largest ethnic and racial groups, it has increased disproportionately more for Blacks.

5. Uneven geographical distribution of unemployment

While the unemployment rate increased for all New Jersey counties between 2007 and 2011, there was significant variation in the unemployment rate across counties—unemployment was highest in some of the southern counties and lowest in some of the northern counties in 2011.

6. Limited job recovery

As of March 2012, the employment level in New Jersey was a little more than 200,000 jobs below the December 2007 level at the outset of the Great Recession and almost 10,000 less than it was at the conclusion of the recession in June 2009.

7. Manufacturing jobs disappearing

Prior to the onset of the Great Recession, New Jersey hemorrhaged manufacturing jobs; since the conclusion of recession, this process has continued. Almost all the job growth has been in

the private service-providing sector, primarily the low wage paying education and health services sector.

8. The ranks of the middle class continued to shrink in 2010

Between 2005 and 2010, the two lowest income groups—those with household incomes below 100 percent and those between 100 percent and 200 percent of the FPL— were the only income groups to increase in number. The former increased by almost 146,000 people and the later by almost 90,000 people. In contrast, the population of the middle-income and top-income groups declined.

B. Characteristics of Poverty in New Jersey

Vulnerable Populations

Although the official conclusion of the Great Recession was June 2009, its consequences have continued to affect a large segment of New Jersey's population and, especially, more vulnerable groups. Its impacts have been particularly severe for young adults, Hispanics, and female-headed families with children, many of whom became unemployed during the recession. In addition, high poverty rates for Blacks, children, the disabled, the elderly, and those with the least educational attainment continue to be an issue of concern, while the ranks of the middle class continued to shrink.

1. Record high number of people living in poverty in 2010

The relentless growth of poverty continued in 2010. The number of people living in households with incomes below 200 percent of the FPL (Federal Poverty Level) crossed the two million mark (2,054,938) for the first time in the last six years in 2010—the equivalent of almost one-quarter of the population. A record high 884,789 people were living in households with incomes below the official poverty level (FPL), and 395,509 people were living in severe poverty (below 50 percent of the FPL).

2. Large increase in number of children living in households with low incomes since the beginning of the recession

Since the beginning of the Great Recession, the number of children living in households with incomes below 200 percent of the FPL has increased by more than 75,000. Overall, 30.4 percent of all children (619,003 in number) were living in such households, while 14.5 percent (295,346 in number) were living in households with incomes below the official poverty level.

3. Young adults (18-24 years) especially likely to be living in households with low incomes

The increase in the number of young adults (between the ages 18-24 years) living in households with incomes below 200 percent of the FPL was larger than for any other age group—39.1 percent since 2006. Approximately one-third of this age group was living in households with incomes below 200 percent of the FPL in 2010.

4. Hispanic population experienced the largest increase in poverty rates

The poverty rate increased sharply for the Hispanic population, reaching 19.9 percent in 2010—an increase of 3.9 percentage points since 2007 and 1.5 percentage points higher than 2009. For the first time, in 2010, the number of Hispanics in poverty exceeded the number of non-Hispanic whites. In addition, it surpassed the Black poverty rate as it also did in 2009.

5. Poverty rate highest for Black children in 2010, but Hispanic child poverty rising more rapidly

Although the poverty rate was highest for Black children—27.4 percent in 2010—the poverty rates for Hispanic children has increased more rapidly since the conclusion of the recession. It increased from 20.8 percent in 2007 to 26.6 percent in 2010.

6. Sharp increase in the poverty rate of female-headed minority families with children

The poverty rate for Hispanic female-headed families with children increased sharply, reaching 47 percent in 2010. This figure is 8.5 percentage points higher than it was in 2007, before the onset of the recession, and 9.7 percentage points greater than it was in 2005. The increase in the poverty rate for female-headed Black families was also substantial, rising from 29.8 percent in 2007 to 37.8 percent in 2010, an increase of eight percentage points.

7. Poverty rose more sharply during the recession for those residents with the least educational attainment

While the poverty rate has increased at all levels of educational attainment since the onset of the Great Recession, it is substantially higher for those residents with the least educational attainment. Among residents with less than a high school diploma, one-fifth was living in poverty, an increase of 2.3 percentage points since 2007.

Working and Poor

1. The poverty rate for working female-headed families continued to rise from 2009 to 2010, as it did during the recession

The poverty rate for one-worker female families increased from 19.4 percent in 2008 to 21.4 percent in 2009 and, then, to 22.5 percent in 2010, the year after the Great Recession ended. Moreover, the percentage of one-worker female families living below the official poverty level was double that of one-worker male families, and almost four times that of one-worker married-couple families.

2. Hispanics were more likely to be working full-time and year-round than either whites or Blacks; however, they were much more likely to be earning less than \$30,000.

Overall, 47.0 percent of Hispanics working full-time and year-round earned less than \$30,000 in 2010, compared to 27.5 percent of Blacks, and 14.1 percent of white non-Hispanics.

Income

1. Median household income for all households in New Jersey fell for the second straight year in 2010, reaching its lowest point in six years

After peaking at \$71,764 in 2008, median household income fell to \$69,571 in 2009, and then to \$67,681 in 2010, all measured in 2010 inflation-adjusted dollars.

Places with Poverty

1. Large disparities between counties in percentage of people living in households with low incomes

In Passaic, Hudson, and Cumberland counties, more than 35 percent of the population was living in households with incomes below 200 percent of the FPL in 2010.

In eight counties, the percentage of children living in households with incomes below 200 percent of the FPL exceeded 35 percent; in six of those, it was above 40 percent.

2. Large disparities between municipalities in percentage of people living in households with low incomes

In nine municipalities, at least 50 percent of the residents were living in households with incomes below 200 percent of the FPL in 2010; the highest being Camden at 63 percent.

Aspects of Poverty

Poverty affects the daily lives of people with low incomes and their ability to make ends meet. It limits their access to opportunities and distorts their long-term life outcomes. The surge in poverty rates as the Great Recession proceeded and their continuing upward trend even after the official conclusion of the recession have made meeting basic needs—in the areas of food, housing, health, education, and transportation—a challenge for a greater share of the population.

1. Food—Food insecurity level reached new high in 2008-10

About 380,000 New Jersey households (approximately one-eighth of all households) had difficulty at some time during 2008-10 providing enough food for all their members due to a lack of resources—more than in any of the prior 12 years. While the food insecurity index declined between 2003 and the beginning of the Great Recession, it rose rapidly thereafter, and has continued to increase even after the Great Recession's official ending.

2. Housing—Affordable housing a challenge for a growing share of households

A larger share of renter households than in any of the previous five years was severely cost-burdened, that is, they paid more than 50 percent of household income on rent and utilities in 2010. Nearly 300,000 New Jersey renter households, about 30 percent of all renter households, spent more than 50 percent of their household income on rent in 2010. Since the beginning of the Great Recession in 2007, an additional 46,000 households have become severely cost-burdened.

While the proportion of renter households paying more than 30 percent of household income on rent and utilities has been increasing for all income groups, it has increased the most for middle-class households with incomes approximately twice to three-times the FPL. Between 2007 and 2010, the percentage of renter households in this group increased by 7.9 percentage points.

3. Housing—Overcrowding in renter-occupied housing increased strikingly

Since 2007, the number and percentage of overcrowded renter-occupied households has increased substantially. While in 2007 there were approximately 56,000 overcrowded renter households, by 2010 the number had jumped to almost 89,000, an increase of 33,000 households, or 58 percent.

4. Health Insurance—Coverage improved for children but deteriorated for adults

Health insurance coverage for children living in households with incomes below 200 percent of the FPL improved for the third consecutive year in 2010-11, reaching its lowest level in seven years. In 2010-11, 14.2 percent of children living in such households had no health insurance coverage—11.3 percentage points below the 2007-08 level of 25.5 percent.

In contrast, the rate of medically uninsured adults living in households with incomes below 200 percent of the FPL reached its highest level in seven years in 2010-11. A little more than 34 percent had no medical insurance coverage—an increase of 6.2 percentage points since 2003-04.

5. Health—The correlation between poor health and low household income remains consistent

The percentage of residents reporting poor health increases as household income declines. The highest percentage of residents reporting poor health has consistently been those living in households with less than \$15,000 in household income.

6. Education—Socioeconomic status of school district still matters

Grade 4 students living in low socioeconomic status school districts, as shown in this report, (although also grade 8 and grade 11 students) are more likely to be partially proficient in language arts than their peers living in high socioeconomic status school districts. Moreover,

Grade 4 students from economically advantaged households living in the same low socioeconomic status school districts are more likely to be partially proficient in language arts than their peers from economically advantaged households living in high socioeconomic status school districts.

7. Education—Economic status of household still matters

Grade 4 students from economically disadvantaged households, as shown in this report, (although also grade 8 and grade 11 students) residing in high socioeconomic status districts are more likely to be partially proficient in language arts than their economically advantaged peers residing in the same districts.

C. Changes (or lack thereof) in Anti-poverty Programs

1. The erosion of the Temporary Assistance for Needy Families (TANF) grant continued in 2010; the value of the grant has dropped by 52 percent in the past twenty-five years

Under the TANF program, the maximum grant for a family with one adult and two children is \$424 per month. The grant level has remained unchanged in the past 25 years. As a result, the value of the grant has fallen by nearly 52 percent since 1987. If the assistance amount had kept pace with inflation, it would have increased to \$876 by 2011.

2. Eighteen states, plus the District of Columbia, have minimum wages levels set above the federal minimum. The minimum wage in New Jersey, however, remains at the federal minimum, \$7.25 an hour

Ten states annually increase the minimum wage to keep up with the rise in the cost of living. New Jersey, however, is among the states that do not index their minimum wage.

3. New Jersey enacted an Earned income Tax Credit (EITC) credit reduction that increases financial hardship for families with low incomes

The state EITC reduced its credit to 20 percent, down from the 25 percent of the federal credit beginning in January 1, 2011, where it remains since.

4. The number of households enrolled in the Supplemental Nutrition Assistance Program (SNAP; formerly Food Stamp Program) has increased by 92 percent since the beginning of the Great Recession

Participation in the Food Stamp program jumped sharply at the outset of the Great Recession in December 2007. Even after the recession officially ended in June 2009, the upward trend in the food stamp caseload remained steep. As of December 2011, enrollment stood at 393,739

households, an increase of 188,940 households since the beginning of the Great Recession, or 92 percent.

5. Between 2009-10 and 2010-11, New Jersey's rank in student participation in the School Breakfast Program dropped from the 46th worst to 48th worst in the country. New Jersey schools' participation in the School Breakfast Program is now the worst in the nation

In 2010-11, only 37.6 percent of National School Lunch Program (NSLP) student participants received free or subsidized breakfasts, unchanged from the previous year. Between 2009-10 and 2010-11, New Jersey's national student participation ranking in the School Breakfast Program dropped from the 46th worst to 48th worst in the country.

In order for a child to participate in the School Breakfast Program, the child's school must be participating in the program. New Jersey's ranking for school participation significantly lags other states in the nation. Since 2005-06, New Jersey school ranking has been among the lowest in the nation. In 2010-11, its rank dropped to number 50, the lowest school participation rate in the nation.

6. Resources for major state rental assistance and housing production programs lag far behind the need.

Despite continued funding for the State Rental Assistance Program, which supplements federal rental assistance, the need for rental assistance outgrows program resources.

There is currently no available funding for the Affordable Housing Trust Fund to build or rehabilitate new affordable homes.

7. Because of cuts to New Jersey FamilyCare (NJFC) implemented in March 2010, parent enrollment has plummeted and reached a new low in February 2012

In March 2010, NJ FamilyCare (NJFC) was cut by closing the Child Health Insurance Plan (CHIP Only) category to parents and caretakers filing new applications. The practical effect was that the eligibility for new applicant parents declined sharply. As a result, parent enrollment in the CHIP Only component of NJFC dropped precipitously. At its peak, in May 2010, 64,717 parents were enrolled; by February 2012 enrollment stood at a low of 23,714, a decline of 64 percent.

The eligibility cut off at 29 percent of the FPL for parents with unearned income is one of the lowest in the nation. Currently, only 14 states have stricter income eligibility criteria for parents with unearned income.

The Great Recession and its Aftermath

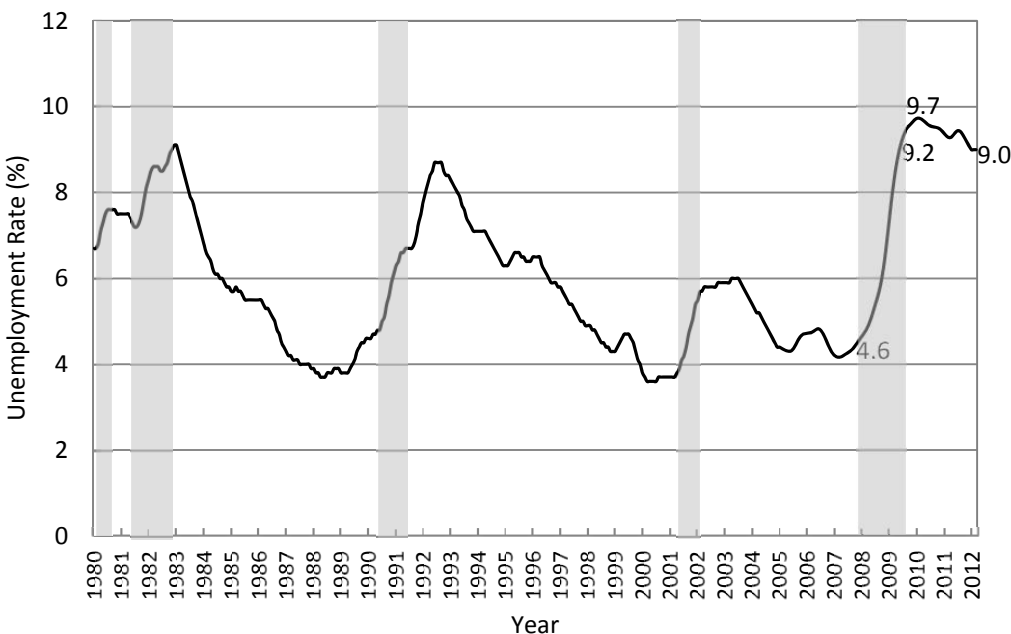
Two and a half years have passed since the end of the Great Recession, yet the New Jersey economy remains mired in lackluster economic growth. This section briefly examines the current state of employment in New Jersey—unemployment rates, lengthening periods of unemployment, high rates of unemployment among younger age groups, the disparate impacts of unemployment for Blacks and Hispanics in contrast to whites, and the uneven geographical distribution of unemployment. In addition, it shows that job growth has been slight at best and, to the extent that it has taken place, it has all been in the lower wage paying private services-providing sector, while manufacturing jobs continue to leave the state.

The high rates of unemployment that persisted through 2011, suggest that the poverty rates for 2011 that will be released in September this year will once again be high.

Persistent High Unemployment

During the Great Recession the unemployment rate in New Jersey doubled, climbing from 4.6 percent in December 2007 to 9.2 percent in June 2009 (see figure 1.1). After the recession's conclusion, it continued to rise, reaching a peak of 9.7 percent in April 2010. Although it declined somewhat thereafter, as of March 2012 it was 9.0 percent—still higher than at any time since January 1980.

Figure 1.1: Unemployment Rate in New Jersey, January 1980 to March 2012



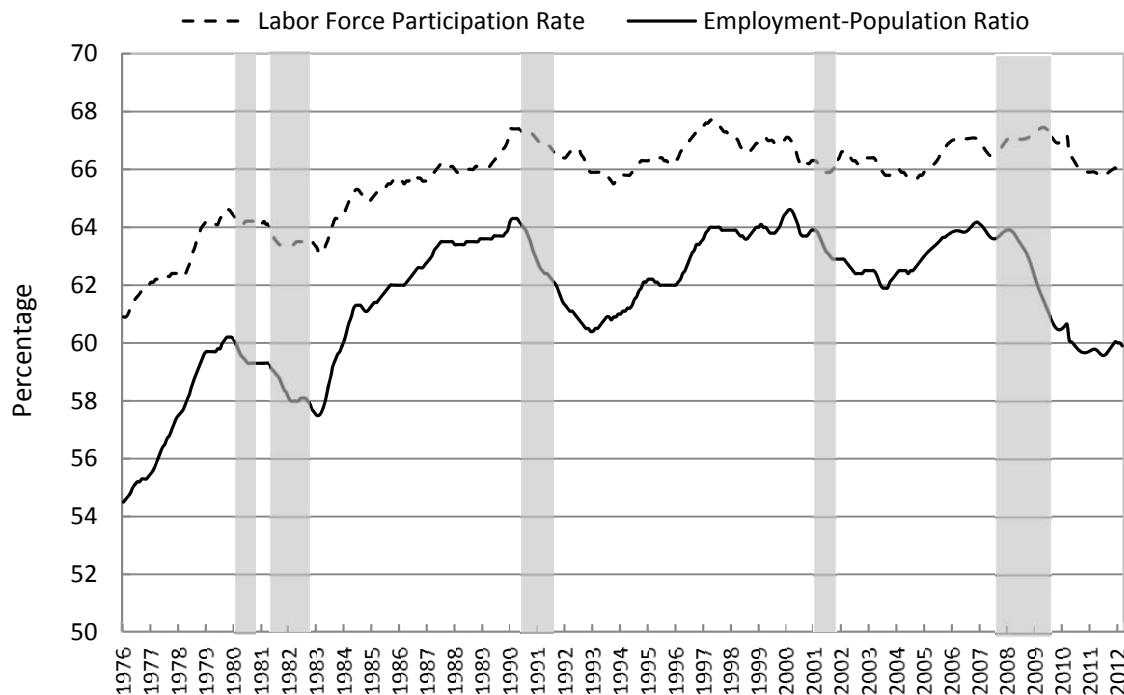
Source: U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development

Note: Shaded areas denote recessions.

The corresponding unemployment numbers show that the number of unemployed persons rose from 205,100 people in December 2007 to 417,300 in June 2009, an increase of 212,200 people, or 103.5 percent. At the April 2010 peak unemployment rate, 443,700 people were unemployed. Since then the number has declined, dropping to 412,700 in March 2012. Overall, the number of unemployed people has declined by only 4,600 since the end of the Great Recession. On average for 2011, about 424,400 people were unemployed each month.

While the official unemployment rate is the most widely cited unemployment statistic, in times of recession it does not do a good job depicting the full extent of unemployment. It accounts for the share of the labor force that was not employed during a given week, was available for work during that time, and was actively seeking employment during the previous four-week period. In the period following the Great Recession, when the economy remained mired in lackluster growth and high unemployment, many workers became so discouraged that they stopped actively seeking employment. Two ratios—the employment-to-population ratio and the labor force participation rate—are better in describing the extent of the actual unemployment in the economy.

Figure 1.2: Employment-to-Population Ratio & Labor Force Participation Rate in New Jersey, January 1980 to March 2012



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

Note: Shaded areas denote recessions.

The employment-to-population ratio, which is the percentage of the total working-age population that is currently employed, was 59.9 percent in March 2012 (see figure 1.2). Prior to the Great Recession, this number has not been so low for 28 years—in December 1983, it last stood at 59.9

percent. During the Great Recession, it declined from 63.9 percent in December 2008 to 61.2 percent in June 2009. It continued to decline thereafter, reaching a low of 59.6 percent in August 2011.

In periods of economic expansion, as the working-age population grows, the number of employed people grows. In a recession, however, there are not sufficient jobs available to employ new entrants to the workforce. Since the onset of the Great Recession, the total working-age population increased by 241,100 people, while the number of employed people declined by 120,600 people.

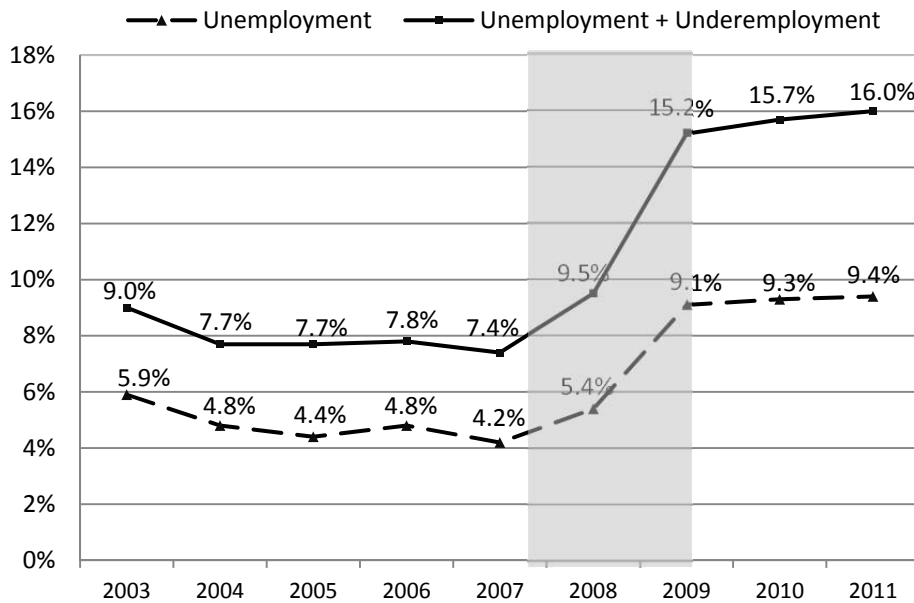
The labor force is the sum of the number of employed and officially unemployed people in the economy. The labor force participation rate is the ratio of the number of people in the labor force to the total working-age population. While the labor force participation rate rose slightly during the recession, it declined subsequently as discouraged workers ceased to actively seek employment. Since the beginning of the recession through to March 2012, the labor force has increased by only 87,100 people, while the working-age population has grown by 241,100 people. Consequently, throughout 2011 the labor force participation rate remained stuck between 65.8 percent and 66.0 percent (see figure 1.2).

Enduring Underemployment

The Bureau of Labor Statistics publishes various alternative measures of underemployment to account for workers who have become so discouraged that they are no longer actively seeking employment. The most comprehensive includes, in addition to the official unemployed number, workers who are working part-time, although they would prefer to work full-time, as well as workers who face substantial barriers to actively participating in the labor force, because of factors such as a lack of transportation or no childcare. These workers are available for work and would take a job if offered, or would increase to full-time work if there was an opportunity to do so.

Figure 1.3 shows that the underemployment rate has continued to rise in New Jersey, even as the recession has ended. The gap between the official unemployment rate (the lower line) and the unemployment rate plus the underemployment rate (the top line) increased in 2011. While the average unemployment rate for 2011 was 9.4 percent, the underemployment rate was 6.6 percent, giving a combined rate of 16.0 percent on average for 2011, the highest level since 2003. The 6.6 percent underemployment differential points to a considerable amount of underutilized potential labor resources in the New Jersey economy. In 2011, a significant share of the labor force was working either part-time when they would have preferred full-time or had given up searching for work entirely, but would readily have taken a job, if one were available.

Figure 1.3: Official and Alternative Measure of Labor Utilization in New Jersey, 2003 to 2011

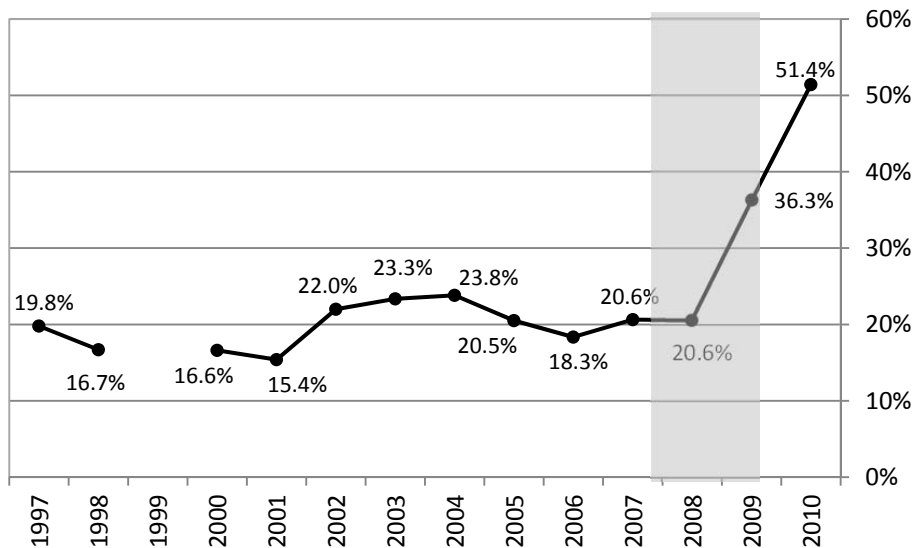


Source: U.S. Bureau of Labor Force Statistics

Note: Shaded area denotes recession.

Extended Periods of Unemployment

Figure 1.4: Share of Job Seekers who have been Unemployed for More than Six Months in New Jersey, 1997 to 2010



Source: U.S. Bureau of Labor Force Statistics

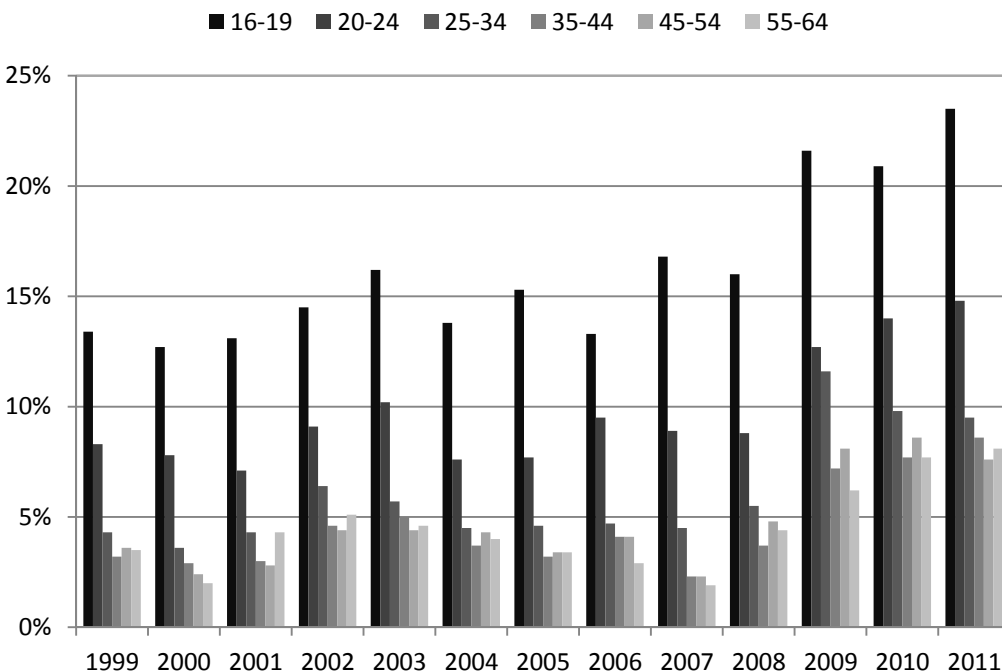
Note: Shaded area denotes recession. Data missing between 1998 and 2000.

The protracted period of lethargic growth and the high unemployment and underemployment rates facing the New Jersey economy since the end of the Great Recession has meant that the average period of unemployment has grown over time. As figure 1.4 shows, while the share of job seekers who have been unemployed for more than six months trended around the 20.0 percent mark between 1997 and 2008, just prior to the Great Recession, it increased sharply thereafter. In 2009, it jumped to 36.3 percent and then to 51.4 percent in 2010. More than half the unemployed population had been out of work for more than six months in 2010.

High Rates of Unemployment among the Under 25-Age Group

The enduring and extended periods of unemployment have not been distributed evenly across the working-age population (see figure 1.5). While unemployment increased for all age groups during the Great Recession and continued to grow thereafter, it has been especially high in the post-recession period for the under-25 age group. Since the conclusion of the Great Recession, the unemployment rate for the 16 to 19 age group surpassed the 20 percent level and reached a high of 23.5 percent in 2011. Similarly, for the 20 to 24 age group the rate rose from 8.8 percent in 2008 to 14.8 percent in 2011.

Figure 1.5: Unemployment Rate by Age in New Jersey, 1999 to 2011

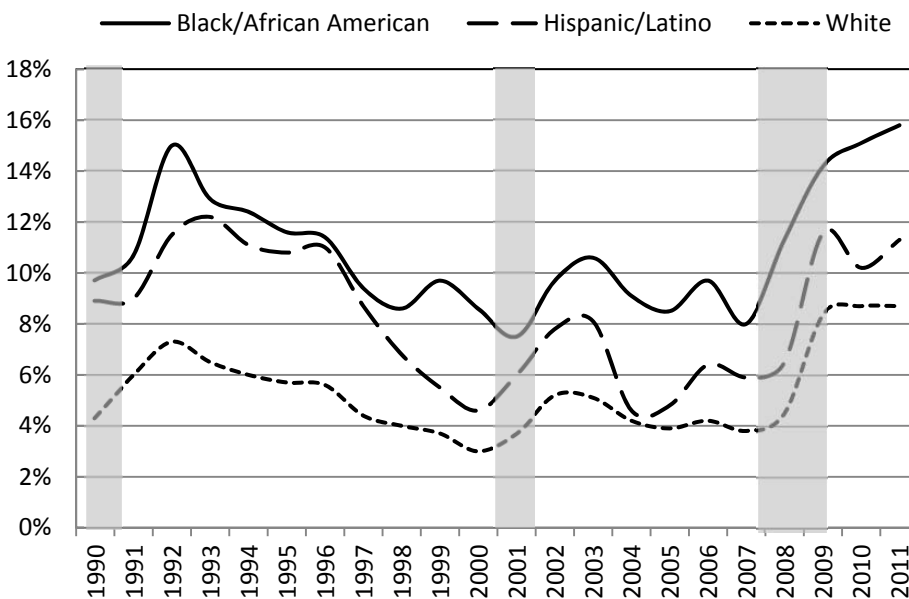


Source: U.S. Bureau of Labor Force Statistics

Disparate Impacts of Unemployment

The high unemployment rates that have persisted since the conclusion of the Great Recession have been disproportionately distributed among the major racial and ethnic groups. While the unemployment rate for Blacks has consistently been higher than that for either Hispanics or whites, since 2009 the gap has grown considerably larger (see figure 1.6). The unemployment rate for Blacks rose from 14.2 percent in 2009 to 15.5 percent in 2010, and then to 15.8 percent in 2011. On the other hand, the unemployment rate peaked for Hispanics at 11.6 percent in 2009, dropped to 10.2 percent in 2010, and then rose to 11.3 percent in 2011. For whites, the unemployment rate rose from 8.4 percent in 2009 to 8.7 percent in 2010. In 2011, it remained at 8.7 percent.

Figure 1.6: Unemployment by Race and Ethnicity in New Jersey, 1990 to 2011



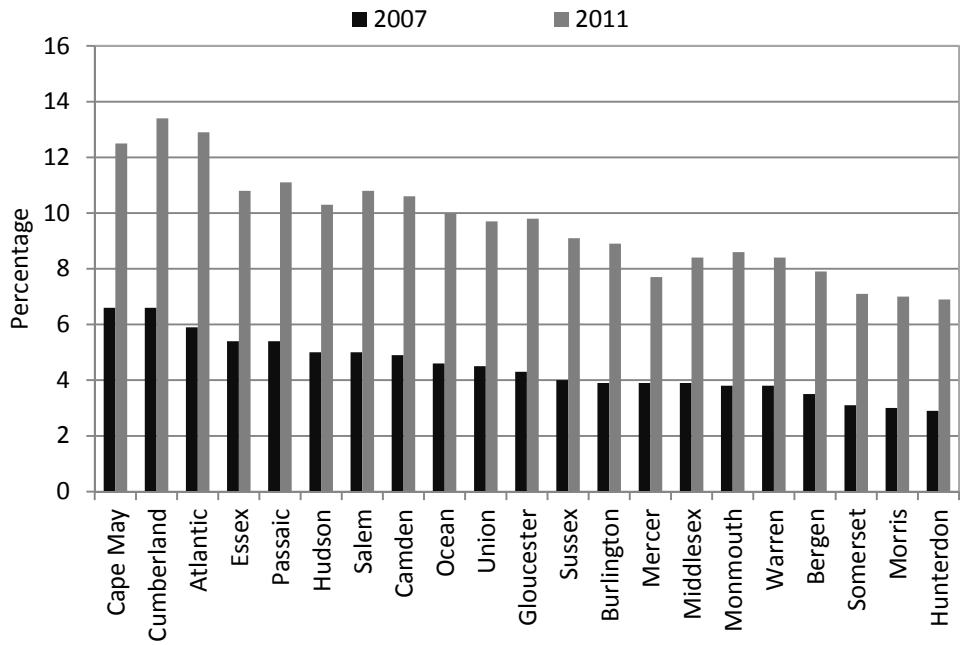
Source: U.S. Bureau of Labor Force Statistics

Note: Shaded area denotes recession.

Unequal Geographical Distribution of Unemployment

The effects of the Great Recession were felt differently across the counties of New Jersey (see figure 1.7). While the unemployment rate increased for all counties between 2007 and 2011, there was significant variation in the unemployment rate across counties. In a number of the southern counties with higher poverty rates, the already high unemployment rates grew even higher, reaching as much as 13.4 percent in Cumberland, 12.9 percent in Atlantic, and 12.5 percent in Cape May. On the other hand, three of the northern counties—Hunterdon, Morris, and Somerset—had the lowest unemployment rates in 2011—6.9 percent, 7.0 percent, and 7.1 percent, respectively.

Figure 1.7: Unemployment Rate by County in New Jersey, 2007 and 2011

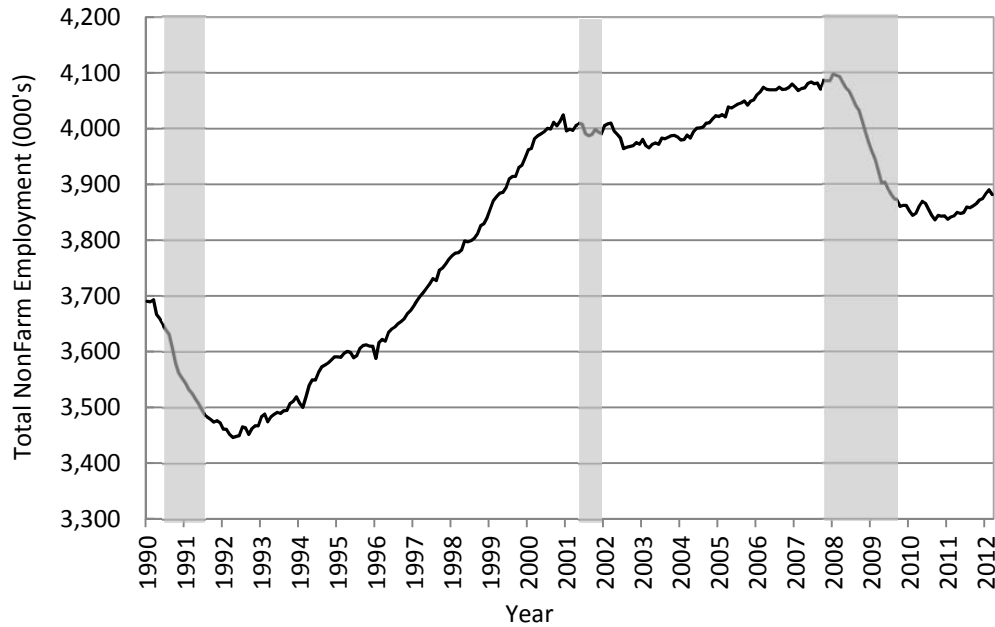


Source: U.S. Bureau of Labor Force Statistics and the New Jersey Department of Labor and Workforce Development

Limited Job Recovery

By the time the Great Recession was over, the employment level in New Jersey had retreated to approximately 3.89 million, a level last recorded ten years earlier in mid-1999 (see figure 1.8). Although the recession officially ended in June 2009, employment continued to contract in New Jersey, reaching a low of a little under 3.84 million in January 2011. Since then employment has increased slightly. By March 2012, the employment level had climbed to almost 3.88 million, although still 9,700 short of the June 2009 level. Moreover, as of March 2012, New Jersey was still 203,500 jobs below the December 2007 employment level at the outset of the Great Recession.

Figure 1.8: Nonagricultural and Wage Employment in New Jersey, Jan. 1990 to Mar. 2012



Source: The New Jersey Department of Labor and Workforce Development, Labor Market & Demographic Research

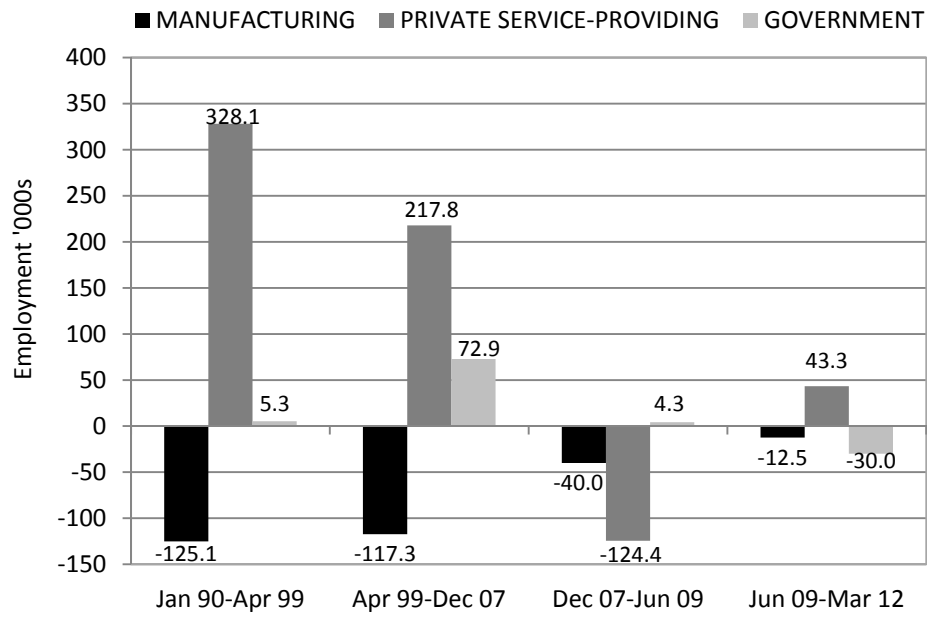
Note: Shaded areas denote recessions.

Manufacturing Jobs Disappearing

Although New Jersey has begun to regain some of the jobs lost during the Great Recession, these jobs have all been in the service-providing sector, continuing a trend that has been going on for some time already. Figure 1.9 shows the broad changes in the makeup of the New Jersey economy across four time periods. Between January 1990 and April 1999, when the employment number was last at approximately the same level as in March 2012, New Jersey gained 194.1 thousand jobs. However, it lost 125.1 manufacturing jobs, while gaining 328.1 thousand private service-providing jobs. In the next period leading up to the Great Recession, the New Jersey economy produced another 201.0 thousand jobs. Again, 117.3 thousand manufacturing jobs were lost, while the private service-providing sector contributed 217.8 thousand jobs and the government sector another 72.9 thousand. During the Great Recession, both manufacturing and private service providing jobs were lost—40.0 thousand and 124.4 thousand, respectively. Since June 2009, the manufacturing sector has continued to decline, losing a further 12.5 thousand jobs, while the private service-providing sector gained 43.3 thousand jobs. The government sector also contracted, losing 30.0 thousand jobs.

Overall, of the 464.8 thousand private service providing jobs that have been produced in the 22 years between January 1990 and March 2012, more than half (58 percent) have been in the generally low wage paying education and health services sector. Another one-third has been in the professional and business services sector. In contrast, 294.9 thousand manufacturing jobs have been lost.

Figure 1.9: Changes in Nonagricultural and Wage Employment in New Jersey, January 1990 to March 2012



Source: The New Jersey Department of Labor and Workforce Development, Labor Market & Demographic Research

Characteristics of Poverty in New Jersey

Vulnerable Populations

Although the official conclusion of the Great Recession was June 2009, its consequences have continued to affect a large segment of New Jersey's population and, especially, more vulnerable groups. Its impacts have been particularly severe for young adults, Latinos and Hispanics, and female-headed families with children, many of whom became unemployed during the recession. The higher numbers of people from these groups living in poverty attest to this. In addition, high poverty rates for Black residents, children, the disabled, the elderly, and those with the least educational attainment continue to be an issue of concern, while the ranks of the middle class continued to shrink.

This chapter depicts the state of poverty in New Jersey in 2010 and shows how poverty rates have changed since 2005, when the Census Bureau first introduced full implementation of its annual American Community Survey. This annual survey produces regular data across a wide variety of variables that allow researchers to describe in detail the parameters of poverty in New Jersey.

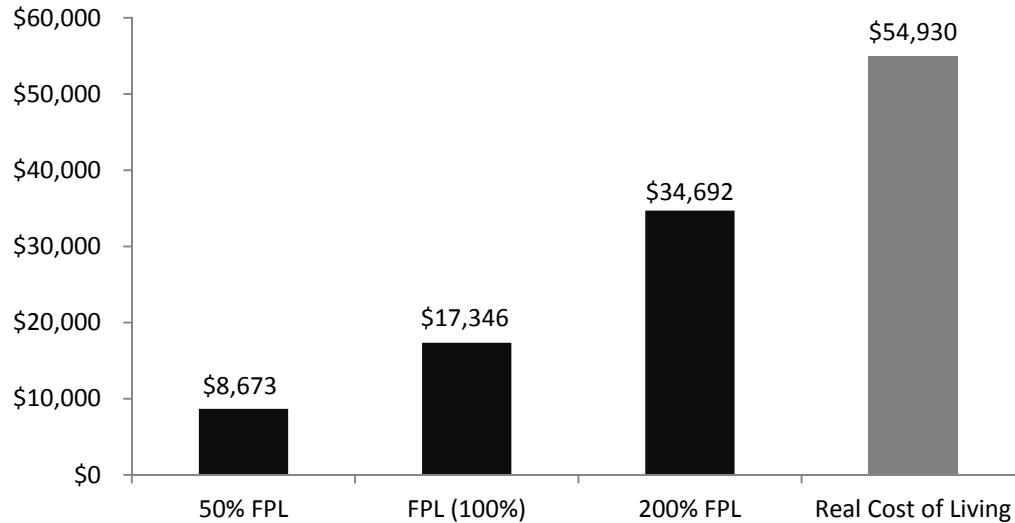
The Real Cost of Living is three times the Federal Poverty Level in New Jersey

Figure 2.1 depicts four different household income levels that are used to portray the extent of poverty. The most common measure is the official federal poverty measure (FPL), which was \$17,346 for a family of three in the United States in 2008. The FPL, which has been the official poverty measure in the United States for more than 40 years, is adjusted annually to account for changes in the cost of living index. It does not vary by state. The US Census Bureau produces annual data for a range of variables showing the number of people, families, and households living in households below the FPL. In addition, the Census Bureau produces data at 50 percent of the FPL, \$8,673 for a family of three in 2008. This level is known as severe poverty. Finally, it also produces data at 200 percent of the FPL (double the FPL), \$34,692 for a family of three in 2008.

The FPL, however, is an inadequate measure of poverty. It was developed in a period when the United States society was structured very differently. Consequently, the Poverty Research Institute, together with Dr. Diana Pearce, has produced a measure called the Real Cost of Living (RCL). This measure includes only those costs that a family needs in order to meet basic needs. The advantage of the RCL is that it varies by county and household composition to account for cost variation across geographies and for the differing needs of children, depending on their age.

In 2008, the most recent year for which data was produced for the RCL in New Jersey, the RCL was about three times the FPL. Consequently, much data in this report are shown at the 200 percent of the FPL, because it is a closer approximation, but still insufficient, of the real cost of living in New Jersey.¹

Figure 2.1: Household Income Levels for a 3-Person Family in New Jersey in 2008



Source: U.S. Census Bureau and the Poverty Research Institute

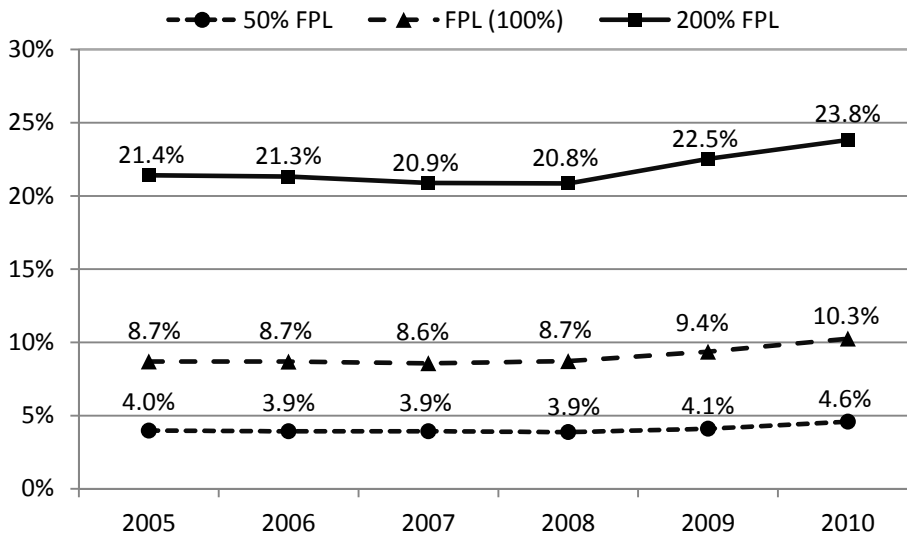
Record high number of people living in poverty in 2010

The official poverty rate reached a new high in 2010. While the official poverty rate remained stable between 2005 and 2008, it jumped from 8.7 percent to 9.4 percent between 2008 and 2009 and then to 10.3 percent in 2010 (see figure 2.2). Almost 885,000 New Jersey residents were living in households with incomes below the official poverty level—\$17,346 for a family of three in 2010. The household income of an additional 58,000 residents dropped below the official poverty level in 2009, and then another 86,000, approximately, in 2010.

Similarly, the number of residents living in households with incomes below 200 percent of the FPL, a more adequate approximation of the income necessary to make ends meet, reached a new high. For the first time in the last six years, the two million mark was crossed in 2010—the equivalent of almost one-quarter (2,054,938 people) of New Jersey’s population. While the percentage of the population below 200 percent of the FPL population declined between 2005 and 2007, it grew steadily once the Great Recession started. Moreover, the percentage and number continued to increase even after the official conclusion of the recession in June 2009. In 2010, nearly 280,000 more people were living in such households with low incomes than in 2007.

The number of people living in severe poverty also rose to a six year high in 2010. About 396,000 people were living in households with incomes that were only half the official poverty measure—\$8,673 for a family of three. This was the equivalent of 4.6 percent of the overall population.

Figure 2.2: Share of Population Living in Households with Incomes below 50, 100 and 200 Percent of the Federal Poverty Level in New Jersey, 2005 to 2010

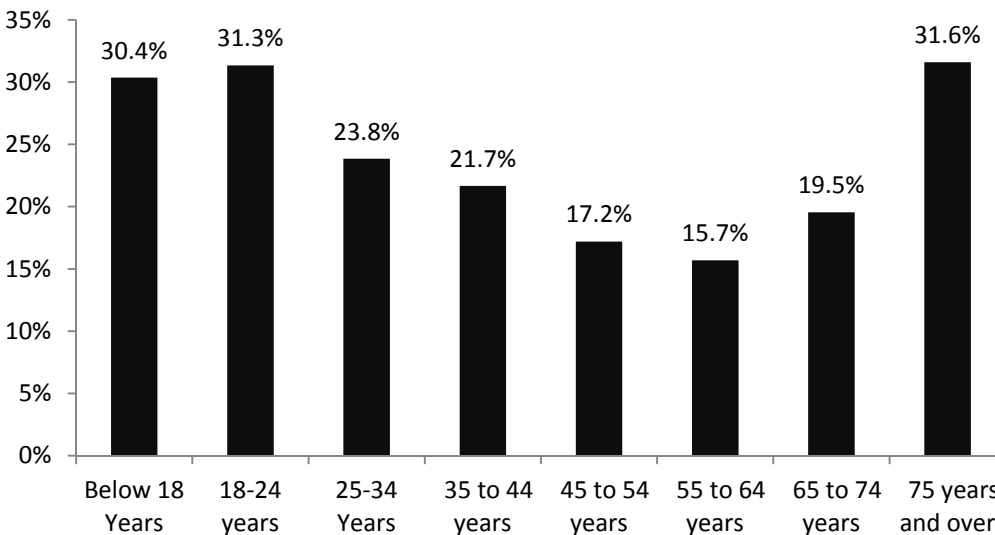


Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Poverty by Age

Percentage of the above 75-year elderly, young adults (18-24 years), and children highest among population age groups living in households with incomes below 200 percent of the Federal Poverty Level

Figure 2.3: Percentage of Population by Age Group Living in Households with Incomes Below 200 Percent of the Federal Poverty Level in New Jersey, 2010

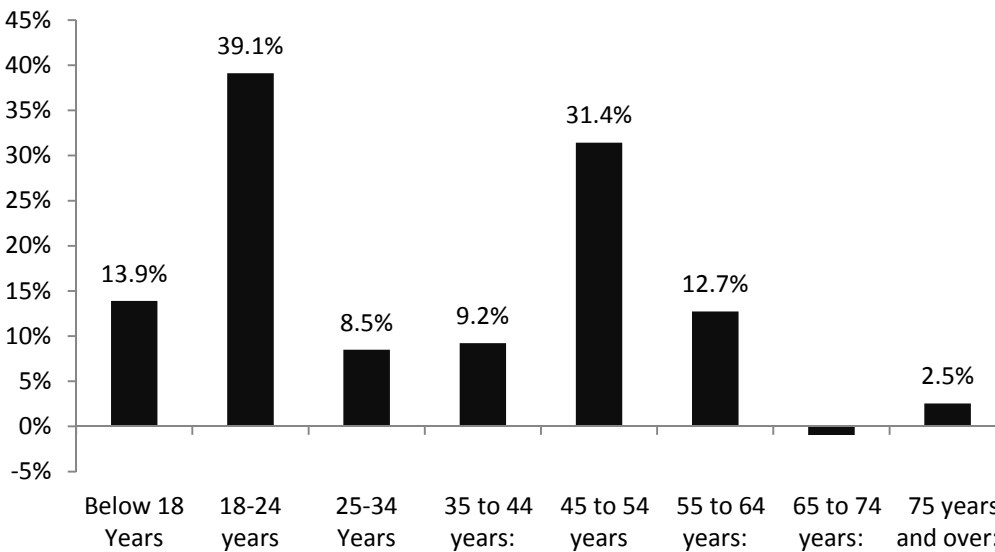


Source: U.S. Census Bureau, American Community Survey, 2010

In 2010, a larger proportion of the young and very old were living in households with incomes below 200 percent of the FPL than the middle age groups (see figure 2.3). Almost one-third of the above 75 elderly, those just entering the workforce (18 to 24 years), and children were living in these households—31.6 percent, 31.3 percent, and 30.4 percent, respectively—or in numbers, 171,134 of the above 75 elderly, 220,188 of the 18 to 24 year old age group, and 619,003 children under 18. In contrast, almost 16 percent of the 55 to 64 age group were living in households with incomes below 200 percent of the FPL, the lowest level among the different age groups. The percentage of an age group living in these households with low incomes declined with age over the course of an adult’s working life and then climbed again with age.

Young adults especially likely to be living in households with low incomes

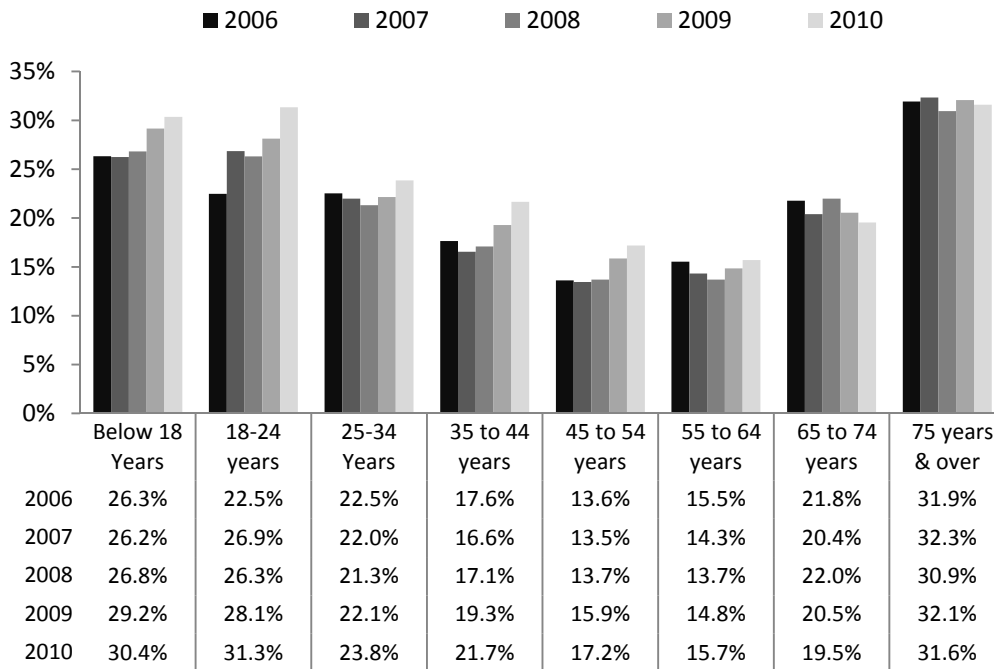
Figure 2.4: Percentage Change in Population by Age Group Living in Households with Incomes Below 200 Percent of the Federal Poverty Level in New Jersey, 2006 to 2010



Source: U.S. Census Bureau, American Community Survey, 2006 to 2010

While all age groups, except the 65-74 age group, experienced an increase in the number living below 200 percent of the poverty rate in 2010, the increase was highest for the young adult group (18 to 24 years) (see figure 2.4). Between 2006 and 2010, the number of young adults living in such households increased by 39.1 percent; no doubt a consequence of the declining employment opportunities for new entrants to the workforce as the recession progressed (see figure 2.5).

Figure 2.5: Percentage of Population by Age Group Living in Households with Incomes Below 200 Percent of the Federal Poverty Level in New Jersey, 2006 to 2010



Source: U.S. Census Bureau, American Community Survey, 2006 to 2010

Note: Data at 200% FPL not available for 2005

Poverty by Race and Ethnicity

Hispanic population experienced the largest increase in poverty rates

Figure 2.6: Poverty Rate by Race and Ethnicity in New Jersey, 2005 to 2010

	2005	2006	2007	2008	2009	2010
White Non-Hispanic	4.7%	5.2%	5.2%	5.2%	5.4%	5.8%
Black Non-Hispanic	18.3%	17.3%	16.9%	17.5%	18.1%	18.9%
Hispanic or Latino	18.2%	16.5%	16.0%	16.5%	18.3%	19.9%

Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Among the larger ethnic and racial groups, the increase in the poverty rate was largest for the Hispanic population. The Hispanic poverty rate stood at 19.9 percent in 2010, an increase of 3.9 percentage points since 2007, and 1.5 percentage points higher than 2009 (see figure 2.6).

Historically, the poverty rate for Hispanics had been lower than that for Blacks. In 2010, however, the Hispanic poverty rate surpassed the black poverty rate, as it also did in 2009.

Since the onset of the recession, the poverty rate has also risen for both Blacks and white-Non-Hispanics, although by smaller amounts than it did for Hispanics.

In 2010, the number of Hispanics in poverty exceeded the number of white non-Hispanics for the first time

Although minorities experience higher rates of poverty, a larger number of white non-Hispanics have historically lived in households with incomes below the poverty level than either Blacks or Hispanics. In 2010, however, the number of Hispanics living in poverty surpassed that for white non-Hispanics for the first time (see figures 2.7). Between 2005 and 2010, the number of Hispanics living in poverty increased by 29.3 percent. In contrast, the percentage increase in the number of white non-Hispanics living in poverty was much smaller—17.2 percent. In 2010, there were nearly 10,000 more Hispanics living in poverty than non-Hispanic whites. This is a dramatic change from 2005 when there were almost 16,000 more white non-Hispanics in poverty than Hispanics.

Consequently, 34.5 percent of the population living in poverty was Hispanic, up from 32 percent in 2005 (see figure 2.8). In contrast, white non-Hispanics made up 33.4 percent of the population living in poverty, down from 34.1 percent in 2005.

The large increase in the number of Hispanics living in poverty since 2007—about 88,600 people—compared to an approximately 21,300 increase in the number of white non-Hispanics points to the differential impact of the Great Recession. The consequences of the recession were much more severe for Hispanics than for white non-Hispanics.

Figure 2.7: Number of People Living in Poverty by Race and Ethnicity in New Jersey, 2005 to 2010

	2005	2006	2007	2008	2009	2010	Percent increase in number in poverty 2005-10
White Non-Hispanic	252,209	277,808	274,306	271,335	280,397	295,484	17.2%
Black Non-Hispanic	199,909	198,563	193,525	197,443	203,852	214,056	2.0%
Hispanic or Latino	236,216	220,426	216,804	229,915	261,864	305,367	29.3%

Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Figure 2.8: Share of Poverty Population by Race and Ethnicity in New Jersey, 2005-10

	2005	2006	2007	2008	2009	2010
White Non-Hispanic	34.1%	37.4%	37.6%	36.6%	35.1%	33.4%
Black Non-Hispanic	27.1%	26.8%	26.5%	26.6%	25.5%	23.0%
Hispanic or Latino	32.0%	29.7%	29.7%	31.0%	32.8%	34.5%

Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

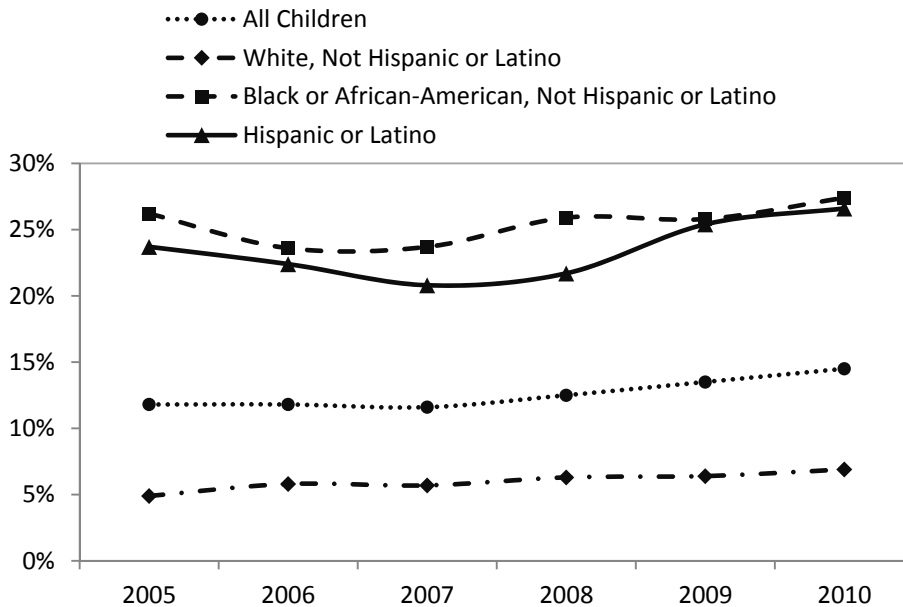
Poverty by Age and Race

Poverty rate highest for Black children in 2010, but Hispanic child poverty rising more rapidly

The poverty rates for Black and Hispanic children remain considerably higher than that for white non-Hispanics (see figures 2.9 and 2.12). Moreover, the differences in the poverty rates have been growing since the recession.

Although the poverty rate was highest for Black children—27.4 percent in 2010—the poverty rates for Hispanic children has increased more rapidly since the conclusion of the recession. The poverty rate for Hispanic children has been steadily closing in on the rate for Black children, rising from 20.8 percent in 2007 to 26.6 percent in 2010. The white non-Hispanic child poverty has also risen, but by much less—from 4.9 percent in 2005 to 6.9 percent in 2010.

Figure 2.9: Child Poverty Rate by Race and Ethnicity in New Jersey, 2005 to 2010

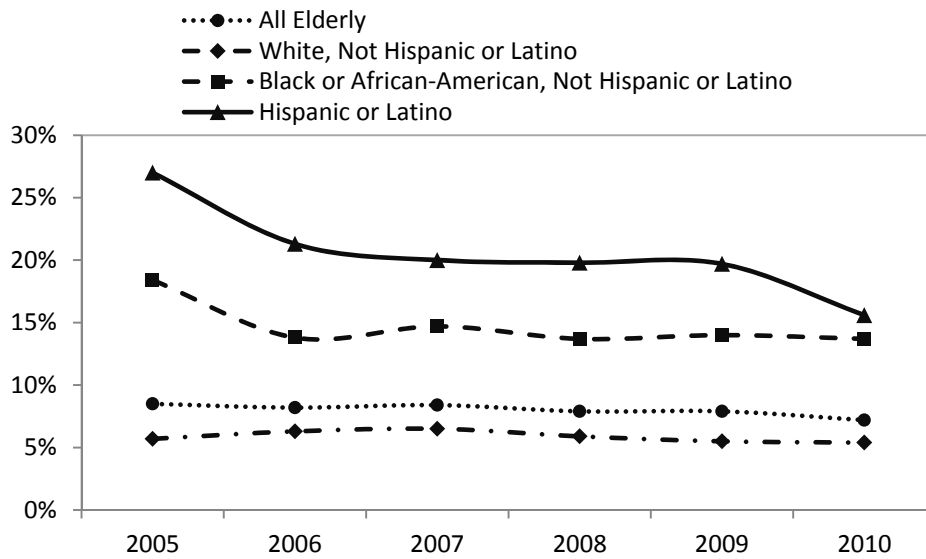


Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Poverty rate for minority elders remains high, although it has declined in the past six years

The poverty rate for the Hispanic elderly has declined by 11.4 percentage points since 2005 (see figures 2.10 and 2.12). While it stood at 27 percent in 2005, by 2010 it had declined to 15.6 percent. Similarly, the poverty rate for the Black elderly decreased from 18.4 percent in 2005 to 13.7 percent in 2010. Nevertheless, the poverty rates for both groups were still well above the elderly average of 7.2 percent in 2010. The white non-Hispanic elderly poverty rate, which is considerably lower than the rate for the Black or Hispanic elderly, was 5.4 percent in 2010.

Figure 2.10: Elderly Poverty Rate by Race and Ethnicity in New Jersey, 2005 to 2010

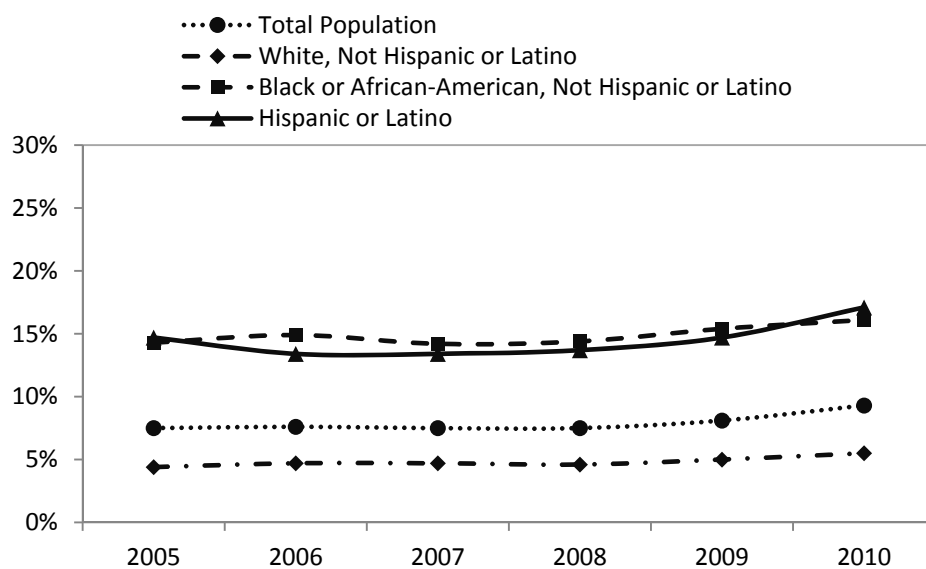


Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Poverty rose for all working age racial and ethnic groups

The poverty rate for working age (18-64 years) Hispanics surpassed that of Blacks for the first time since 2005 (see figures 2.11 and 2.12). It stood at 17.1 percent in 2010, compared to 16.1 percent for Blacks. In contrast, the poverty rate for the working age white non-Hispanic population has been approximately one-third of that for either Hispanics or Blacks. In 2010, it was 5.5 percent.

Figure 2.11: Working Age Poverty Rate by Race and Ethnicity in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Figure 2.12: Poverty Rates by Race and Ethnicity in New Jersey, 2005 to 2010

Poverty by Race: Total Population						
	2005	2006	2007	2008	2009	2010
Total Population	8.7%	8.7%	8.6%	8.7%	9.4%	10.3%
White, Non-Hispanic	4.7%	5.2%	5.2%	5.2%	5.4%	5.8%
Black or African-American, Non-Hispanic	18.3%	17.3%	16.9%	17.5%	18.1%	18.9%
Hispanic or Latino	18.2%	16.5%	16.0%	16.5%	18.3%	19.9%
Children						
	2005	2006	2007	2008	2009	2010
All Children	11.8%	11.8%	11.6%	12.5%	13.5%	14.5%
White, Non-Hispanic	4.9%	5.8%	5.7%	6.3%	6.4%	6.9%
Black or African-American, Non-Hispanic	26.2%	23.6%	23.7%	25.9%	25.8%	27.4%
Hispanic or Latino	23.7%	22.4%	20.8%	21.7%	25.4%	26.6%
Elderly (65 Years & over)						
	2005	2006	2007	2008	2009	2010
All Elderly	8.5%	8.2%	8.4%	7.9%	7.9%	7.2%
White, Non-Hispanic	5.7%	6.3%	6.5%	5.9%	5.5%	5.4%
Black or African-American, Non-Hispanic	18.4%	13.8%	14.7%	13.7%	14.0%	13.7%
Hispanic or Latino	27.0%	21.3%	20.0%	19.8%	19.7%	15.6%
Working Age (18-64 Years)						
	2005	2006	2007	2008	2009	2010
Total Population	7.5%	7.6%	7.5%	7.5%	8.1%	9.3%
White, Non-Hispanic	4.4%	4.7%	4.7%	4.6%	5.0%	5.5%
Black or African-American, Non-Hispanic	14.3%	14.9%	14.2%	14.4%	15.4%	16.1%
Hispanic or Latino	14.7%	13.4%	13.4%	13.7%	14.7%	17.1%

Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

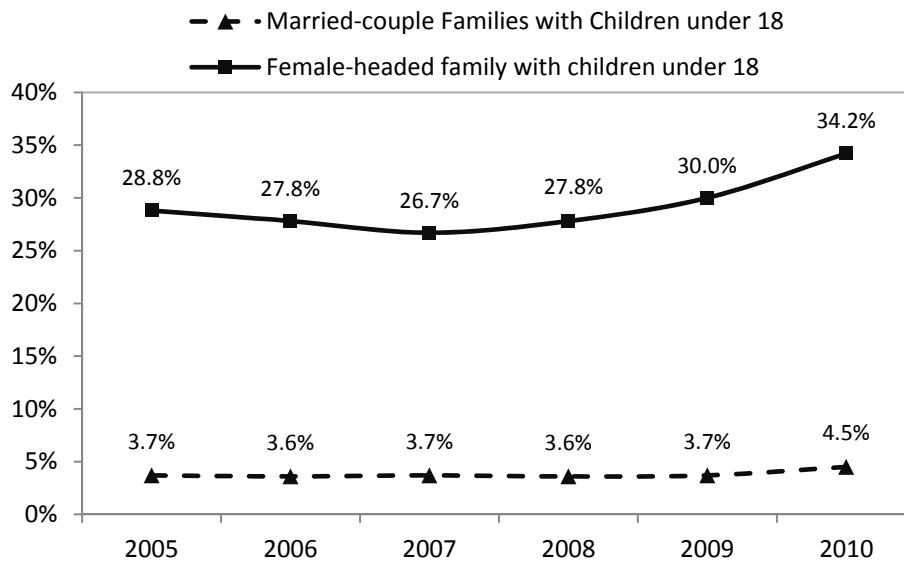
Poverty by Family Composition

Sharp increase in the poverty rate of female-headed minority families with children

Female-headed families with children under 18 years of age are particularly vulnerable to poverty. In 2010, a little more than one-third (34.2 percent) of all female-headed families with children under 18 years of age lived in households with incomes below the poverty level (see figure 2.13). While the poverty rate for female-headed families with children fell between 2005 and 2007, it rose once the Great Recession began, and has continued to grow even after the recession ended. Since 2007, the poverty rate for this group has increased 7.5 percentage points.

In contrast, the poverty rate for married-couple families with children is about one-eighth that for female-headed families with children. Although their poverty rate rose slightly since the beginning of the recession, it was only 4.5 percent in 2010.

Figure 2.13: Poverty Rate by Family Type and Presence of Children in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Female-headed minority families with children are especially vulnerable to falling into poverty.

The poverty rate for Hispanic female-headed families with children, in particular, has increased sharply; reaching 47 percent in 2010 (see figures 2.14 and 2.15). This figure is 8.5 percentage points higher than it was in 2007, before the onset of the recession, and 9.7 percentage points greater than it was in 2005. The increase in the poverty rate for female-headed Black families was also substantial, rising from 29.8 percent in 2007 to 37.8 percent in 2010, an increase of eight percentage points.

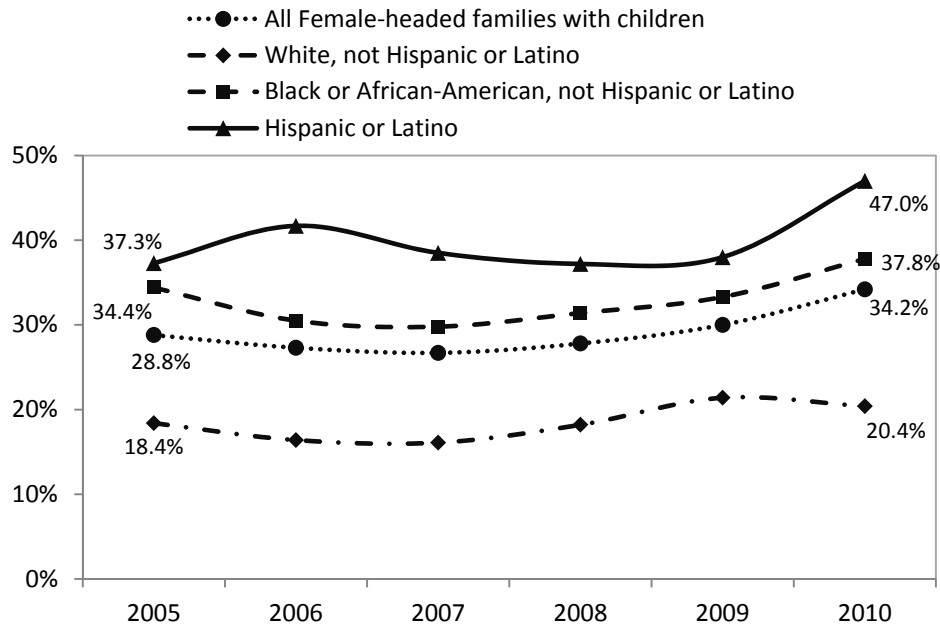
In contrast, the poverty rate for female-headed white non-Hispanic families is both considerably lower and has not increased by the same proportion. Their poverty rate rose from 16.1 percent in 2007 to 20.4 percent in 2010, an increase of 4.3 percentage points. Moreover, between 2009 and 2010, their poverty rate decreased.

Figure 2.14: Poverty Rate for Female-headed Families with Children by Race and Ethnicity in New Jersey, 2005 to 2010

	All Female-headed families with children	White, not Hispanic or Latino	Black or African-American, not Hispanic or Latino	Hispanic or Latino
2005	28.8%	18.4%	34.4%	37.3%
2006	27.3%	16.4%	30.5%	41.7%
2007	26.7%	16.1%	29.8%	38.5%
2008	27.8%	18.2%	31.4%	37.2%
2009	30.0%	21.4%	33.3%	38.0%
2010	34.2%	20.4%	37.8%	47.0%

Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

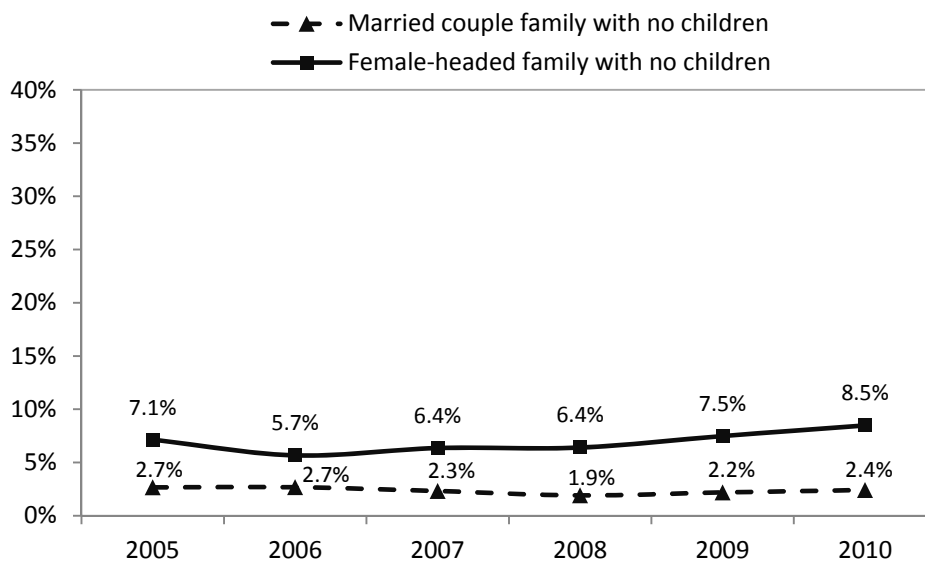
Figure 2.15: Poverty Rate for Female-headed Families with Children by Race and Ethnicity in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

While the poverty rate also increased for female-headed households without children, such households are less likely to fall into poverty

Figure 2.16: Poverty Rate by Family Type for Households without Children in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

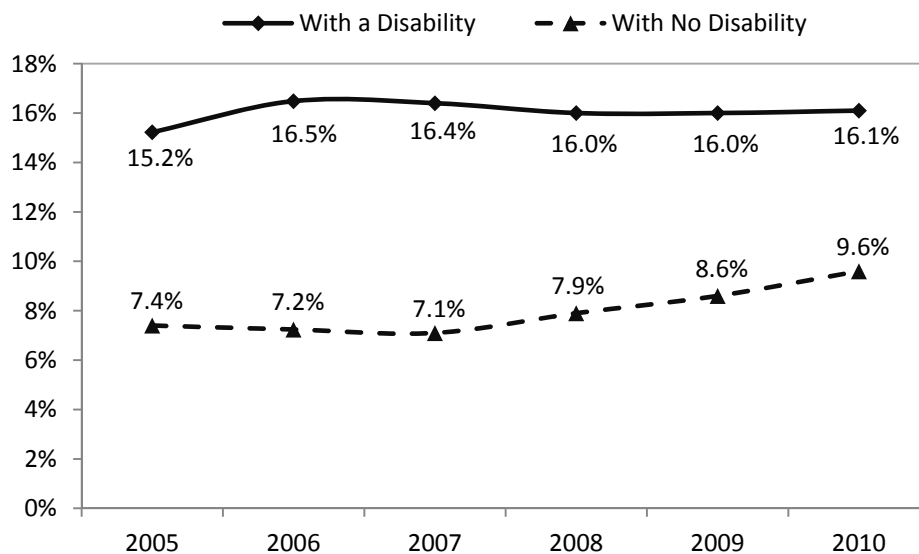
The poverty rate for female-headed households without children was 8.5 percent in 2010, about one-quarter the rate for female-headed families with children (see figure 2.16). Since 2007, it has increased by 2.1 percentage points. The poverty rate for married-couple households stood at 2.4 percent in 2010, more or less the same level as in 2007 and lower than it was in 2005.

Poverty by Disability Status

The poverty rate for the disabled has oscillated around 16 percent for five years

Although the poverty rate for the disabled has oscillated around the 16 percent mark for the past five years, it is substantially higher than the rate for people with no disability (see figure 2.17). The effects of the Great Recession, however, seem to have been more muted for the disabled population than the population as a whole.

Figure 2.17: Poverty Rate by Disability Status in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Note: Civilian Non-institutionalized Population

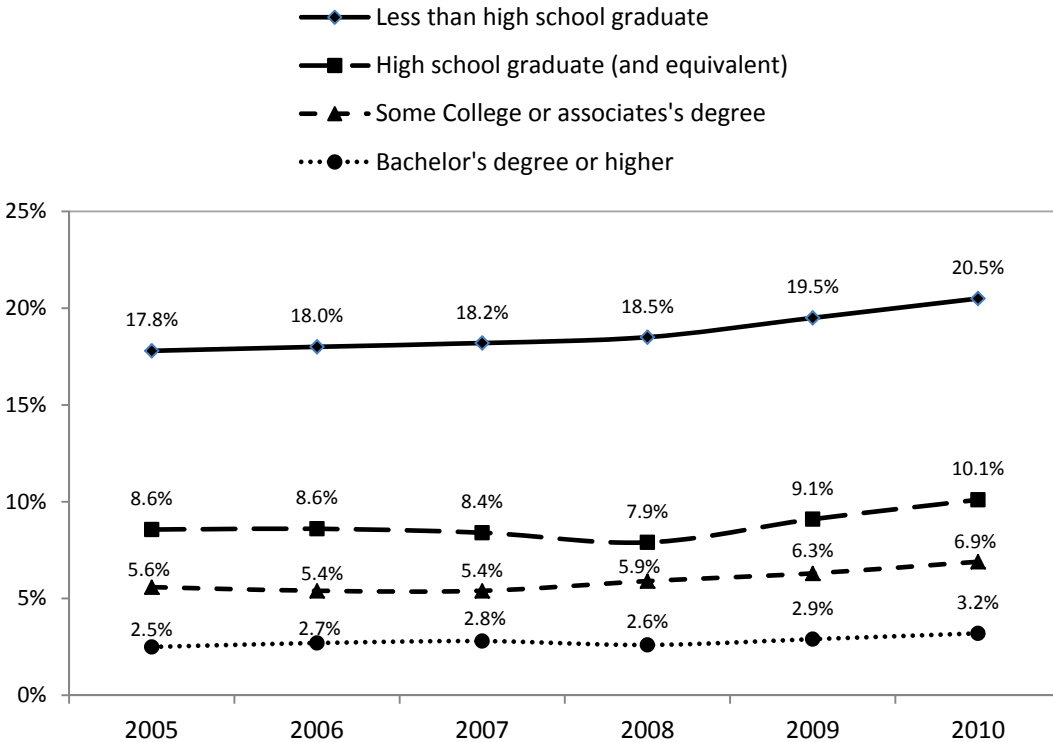
Poverty by Educational Attainment

Poverty rose more sharply during the recession for those residents with the least educational attainment

While the poverty rate has increased at all levels of educational attainment since the onset of the Great Recession, it is substantially higher for those residents with the least educational attainment (see figure 2.18). Among residents with less than a high school diploma, one-fifth was living in poverty, an increase of 2.3 percentage points since 2007. High school graduates were less likely to be in living poverty, although a sizeable 10.1 percent were classified as living in poverty in 2010. In

contrast, only 3.2 percent of residents with Bachelor’s degree or higher were below 100 percent of the FPL in 2010.

Figure 2.18: Poverty Rate by Educational Attainment in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

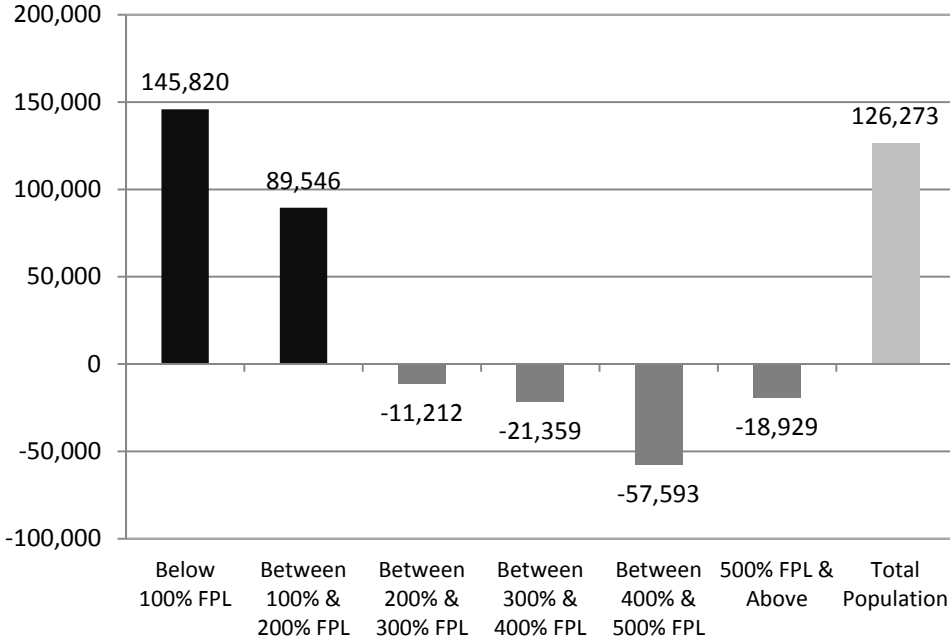
Middle Income Groups

The ranks of the middle class continued to shrink in 2010

The impact of the Great Recession is readily apparent in the continuing downward shift of the population from higher to lower incomes categories. In particular, the number of people below the official poverty level and between 100 percent and 200 percent of the poverty level increased substantially.

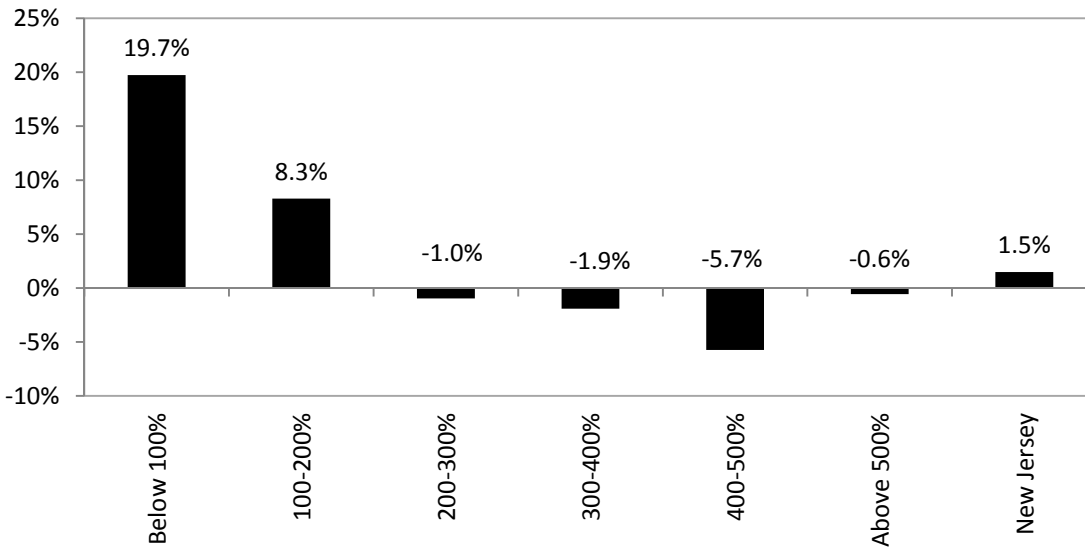
Between 2005 and 2010, the population below 100 percent of the FPL increased by 19.7 percent, an additional 145,820 people (see figures 2.19 and 2.20). In the between 100 and 200 percent of the FPL range, the increase was 8.3 percent. In contrast, there was a decline in the number of people in each of the income ranges above 200 percent of the FPL. The largest decrease was in the middle income 400 to 500 percent of the FPL group—5.7 percent. The above 500 percent of the FPL group also decreased in size. The major part of this decrease occurred in the post-recession period.

Figure 2.19: Change in Number of People within Various Multiples of the Poverty Level in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Figure 2.20: Percentage Change in Number of People within Various Multiples of the Poverty Level in New Jersey, 2005 to 2010



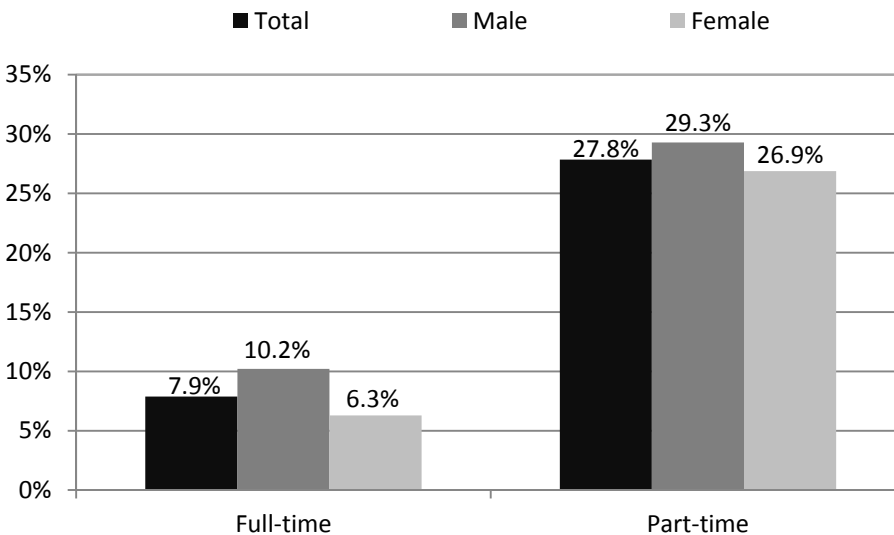
Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

Working and Poor

Working and Living in Poverty

In 2010, as in previous years, working did not guarantee a path out of poverty. Almost 36 percent of New Jersey residents 16 years and over who had incomes below the official poverty level worked either full-time or part-time (see figure 2.21). This amounted to 222,009 people. In the case of males, the proportion was higher, with almost 40 percent working either full-time or part-time. Among females, it was about one-third.

Figure 2.21: Share of People 16 Years and Over by Gender with Incomes below the Poverty Level Who Worked either Full-time and Year-round or Part-time and Part-year, New Jersey 2010



Source: U.S. Census Bureau, American Community Survey, 2010

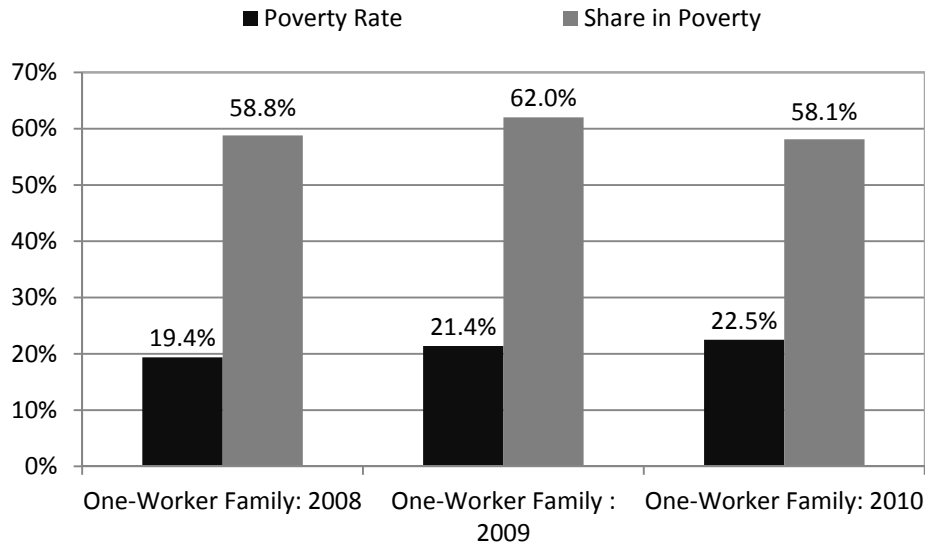
Families Working and Living in Poverty

The number and share of single-headed female families with no husband present has been slowly increasing, while the number and share of married-couple families have been declining. Concurrent with this increase, has been a rising share of female families with no husband present living in poverty, despite the fact that the female is working. The poverty rate for one-worker female families increased from 19.4 percent in 2008 to 21.4 percent in 2009 and, then, to 22.5 percent in 2010, the year after the Great Recession ended (see figure 2.22). Moreover, the percentage of one-worker female families living below the official poverty level was double that of one-worker male families, and almost four times that of one-worker married-couple families.

In contrast, the overall share of one-worker female families among all one-worker families living below the poverty level declined in 2010. This was a consequence of the increase in one-worker married-couple families living in poverty. They increased from 27.6 percent in 2009 to 31.5 percent of all the one-worker families living in poverty in 2010, compared to the 58.1 percent of female

families. Almost 16,800 more one-worker married-couple families were living in poverty in 2010 than in 2009.

Figure 2.22: Poverty Rate and Share in Poverty in the Past 12 Months of One-Worker Female Family with No Husband Present, New Jersey 2008 to 2010



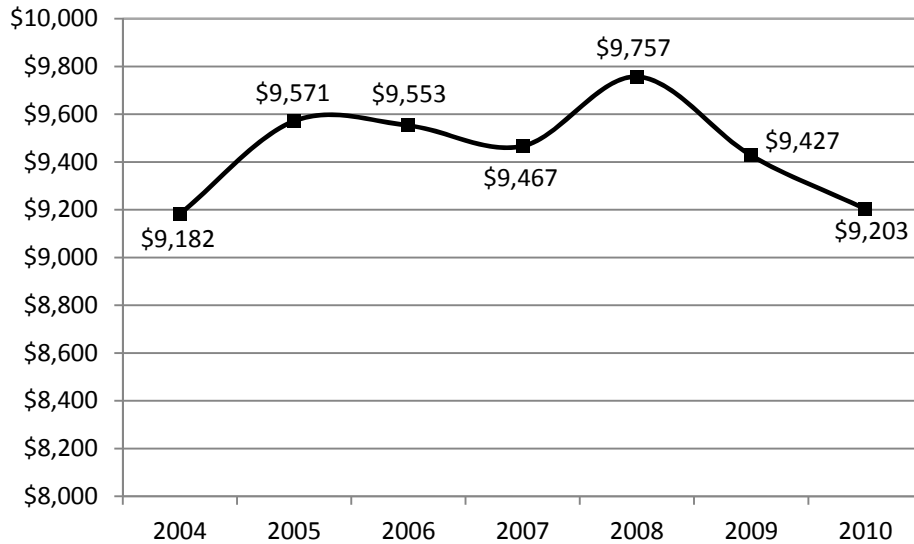
Source: U.S. Census Bureau, American Community Survey, 2010

Average Income Deficit Remains High

Although the high poverty rate for one-worker female families indicates that the incomes of these families were below the official poverty level, it does not reveal by how much in dollar terms their actual incomes fell short of the official poverty level. The average income deficit for all female-headed families with no husband present is the amount of income, on average, required to bring such a family up to the poverty level. In 2010, the average income deficit for a female-headed family with no husband was \$9,203 in 2010 inflation adjusted dollars (see figure 2.23). This number includes both females who worked and did not work.

Although this number has declined since a peak of \$9,757 in 2008, the decline is a consequence of the large increase in the number of female-headed families who have fallen below the poverty level since the onset of the recession. The number increased from 78,720 in 2008 to 88,292 in 2009, and then to 99,641 in 2010. In contrast, the aggregate income deficit grew at a slower pace. The \$9,757 amounts to about half the federal poverty threshold for a family of three in 2010.

Figure 2.23: Average Income Deficit for Female-headed Families Living below the Poverty Level, New Jersey 2004 to 2010



Source: U.S. Census Bureau, American Community Survey, 2010

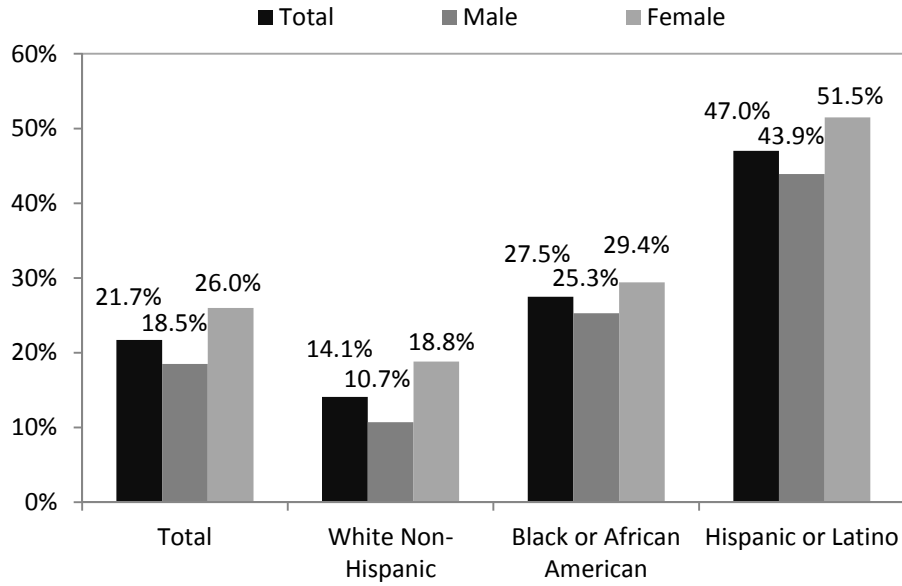
Note: 2010 Inflation-Adjusted Dollars

Disparities in Work Participation by Gender, Race, and Ethnicity

In 2010, as has been the case in the past, Hispanics were more likely to be working full-time and year-round than either whites or Blacks. Moreover, they were much more likely to be earning less than \$30,000. Overall, 47.0 percent of Hispanics working full-time and year-round earned less than \$30,000, compared to 27.5 percent of Blacks, and 14.1 percent of white non-Hispanics (see figure 2.24).

Similarly, among male full-time and year-round workers, a substantially larger share of Hispanic males than either white or Black males earned less than \$30,000. For Hispanics, the percentage was 43.9 percent, compared to 25.3 percent for Blacks and 10.7 percent for white non-Hispanic males. Likewise, a larger percentage of Hispanic females working full-time and year-round earned less than \$30,000 than either Blacks or white non-Hispanic females—51.5 percent, compared to 29.4 percent and 18.8 percent, respectively.

Figure 2.24: Work Experience by Gender and Ethnicity for the Population 16+ Years Who Worked Full-time and Year-round and Earned Less than \$30,000, New Jersey 2010



Source: U.S. Census Bureau, American Community Survey, 2010

Note: 2010 Inflation-Adjusted Dollars

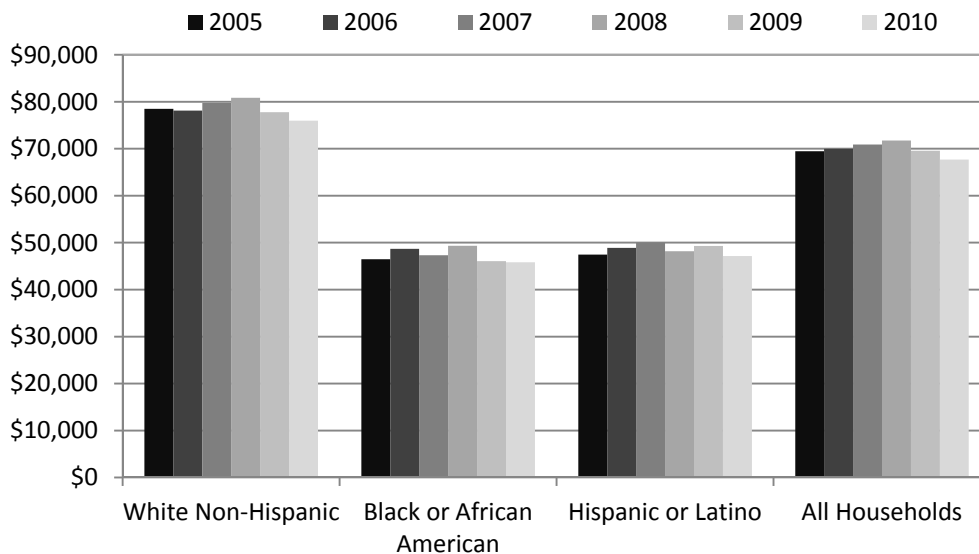
Income

Median Household Income Fell Again in 2010

Median household income for all households in New Jersey fell for the second straight year in 2010, reaching its lowest point in six years (see figure 2.25). After peaking at \$71,764 in 2008, it fell to \$69,571 in 2009, and then to \$67,681 in 2010, all measured in 2010 inflation-adjusted dollars. Between 2005 and 2008, median household income increased slightly each year.

Large disparities, however, exist between racial and ethnic groups. White non-Hispanics have the highest median income, although it dropped from a high of \$80,863 in 2008 to its lowest level in six years at \$75,974 in 2010. The median household income for Hispanics is considerably lower than that for white non-Hispanics, but has been slightly higher than that for Blacks for all six years, with the exception of 2008. Their median household income reached \$50,009 in 2007, but decreased to \$47,166 in 2010, also the lowest level in six years. The median household income for Blacks was slightly lower—\$45,825 in 2010. It peaked at \$49,340 in 2008, before falling to its lowest level in six years in 2010.

Figure 2.25: Median Household Income in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey, 2010

Note: 2010 Inflation-Adjusted Dollars

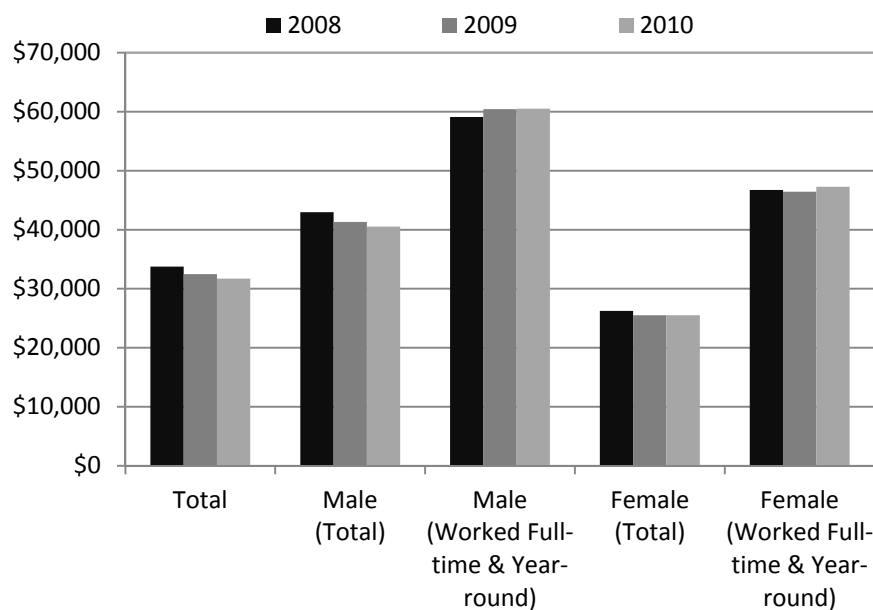
Income Gains for Full-Time Workers but Disparities Remain

While median income for the 15-year and over population in New Jersey fell between 2008 and 2010, for those workers who worked full-time and year-round the median income increased slightly during this period (see figure 2.26). Overall, median income for the total population in 2010 inflation adjusted dollars declined from \$33,755 in 2008 to \$32,464 in 2009 and then to \$31,709 in

2010. Likewise, median income declined overall for both males and females—from \$42,976 in 2008 to \$40,536 in 2010 and from \$26,250 to \$25,507, respectively. For male and female workers who worked full-time and year-round, however, the median income rose from \$59,103 in 2008 to \$60,516 in 2010 and from \$46,746 to \$47,271, respectively.

Despite the increase in median income for both full-time, year-round male and female workers, as the above data show there were substantial disparities between male and female workers and between males and females, overall. In 2010, the median income for females working full-time and year-round was 78 percent that for males, while the overall median income for females was 63 percent that for males.

Figure 2.26: Median Income by Gender and Work Experience for the Population 15+ Years in New Jersey, 2008 to 2010



Source: U.S. Census Bureau, American Community Survey, 2010

Note: 2010 Inflation-Adjusted Dollars

Places with Poverty

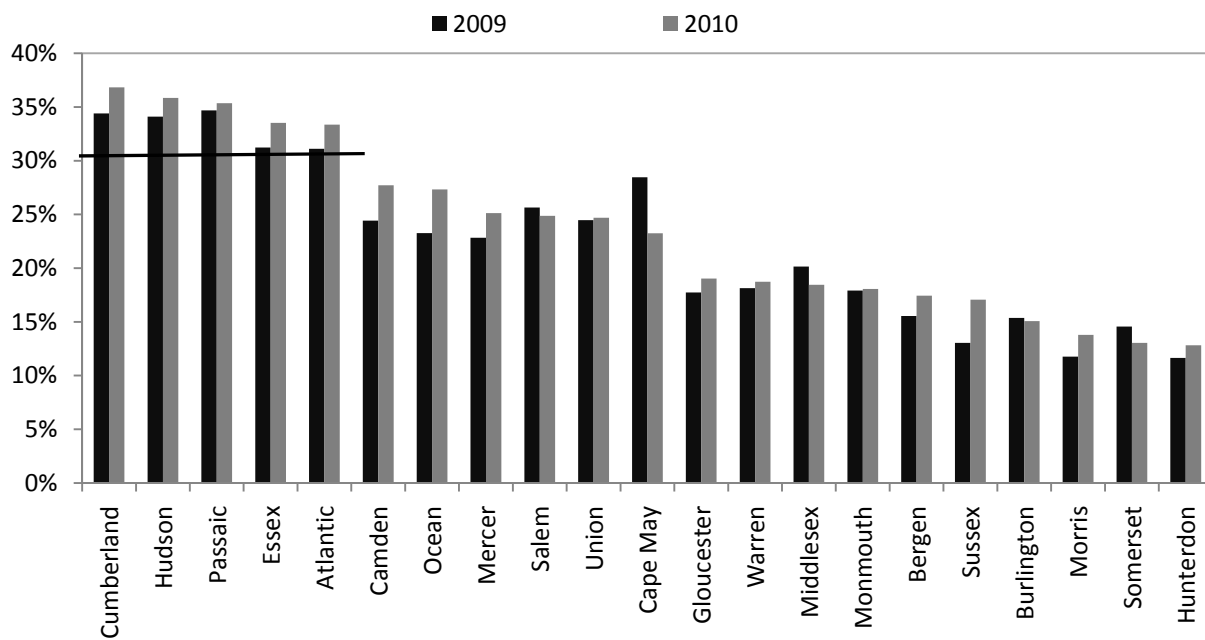
New Jersey is a diverse state with glaring geographical disparities in the incidences of poverty. While many places are particularly affluent, others endure extreme economic hardships. This chapter highlights specific places with a very high prevalence of residents living in households with incomes below 200 percent of the FPL. The first part focuses on the county level and, thereafter, the municipal level. The US Census' American Community Survey three-year estimates provide poverty data for 80 municipalities statewide.

Poverty at the County Level

In five of New Jersey's 21 counties, at least 30 percent of residents were living in households with incomes below 200 percent of the FPL in 2010

In two rural southern counties—Cumberland and Atlantic—and three urban northern counties—Hudson, Passaic, and Essex—more than 30 percent of the residents were living in households with incomes below 200 percent of the poverty level in 2010 (see figure 2.27). The rate was highest in Cumberland County—36.8 percent. Essex and Hudson counties, however, had the highest number of residents living in such households with low incomes—at least 225,000 residents in both cases.

Figure 2.27: Percentage of Population Living in Households with Incomes below 200 Percent of the Federal Poverty Level by County in New Jersey, 2009 and 2010



Source: U.S. Census Bureau, American Community Survey, 2009 and 2010

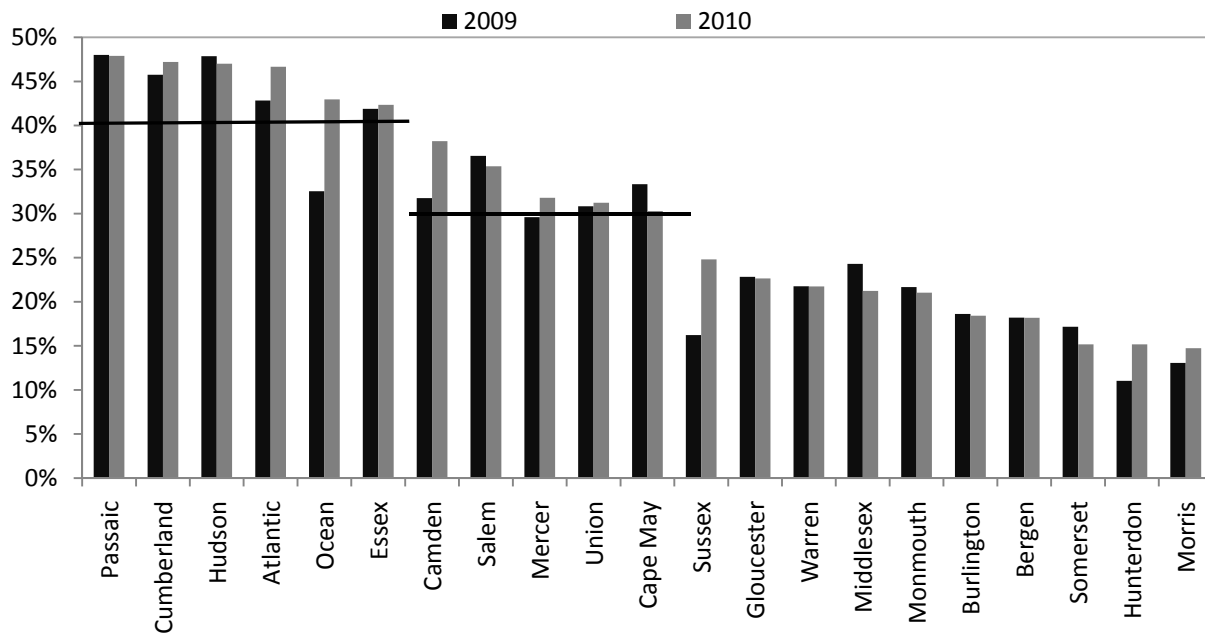
More than 40 percent of children in six counties and 30 percent of children in five other counties were living in households with incomes below 200 percent of the FPL in 2010

More than 40 percent of children in six counties—Passaic, Cumberland, Hudson, Atlantic, Ocean, and Essex —were living in households with incomes below 200 percent of the poverty level in 2010 (see figure 2.28). The highest number, however, was in Essex County (80,259), followed by Hudson County (60,929).

In five other counties more than 30 percent of the children, but less than 40 percent, were also living in households with incomes below 200 percent of the FPL.

More than 40,000 children were living in households with incomes below 200 percent of the FPL in Passaic, Ocean, Camden, and Union counties.

Figure 2.28: Percentage of Children Living in Households with Incomes below 200 Percent of the Federal Poverty Level by County in New Jersey, 2009 and 2010

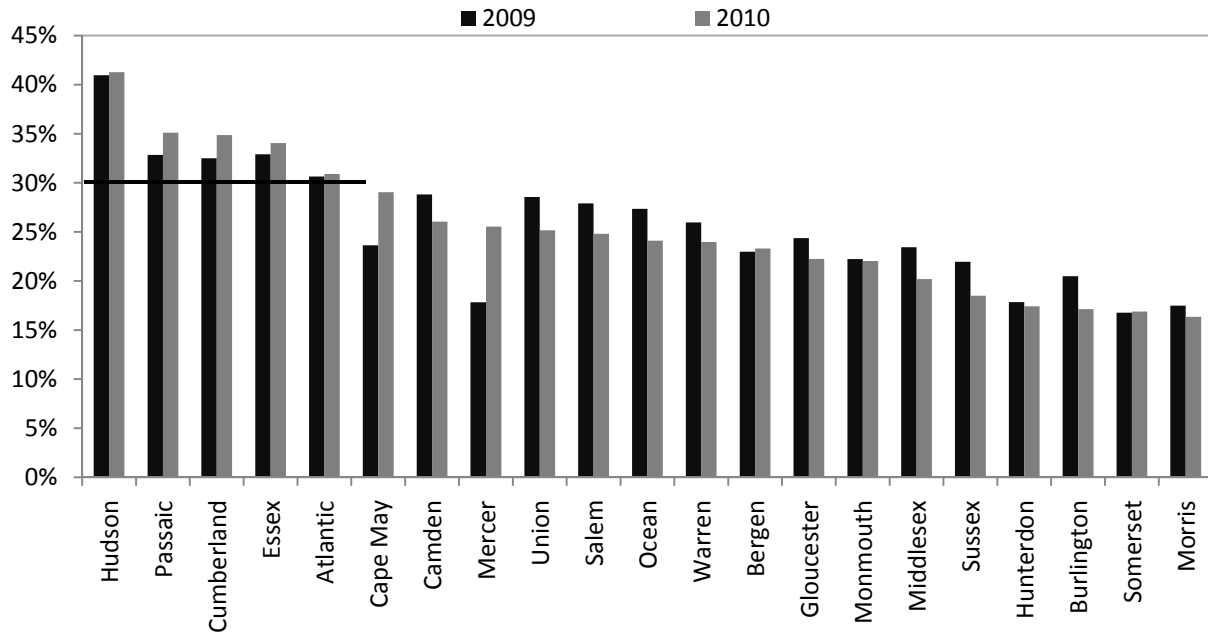


Source: U.S. Census Bureau, American Community Survey, 2010

In five counties, the percentage of elderly living in households with incomes below 200 percent of the FPL exceeded 30 percent in 2010

In Hudson, Passaic, Cumberland, Essex, and Atlantic counties, the percentage of elderly living in households with incomes below 200 percent of the FPL exceeded 30 percent in 2010 (see figure 2.29). Mercer County had the highest increase in elderly living in such households—from 17.8 percent in 2009 to 25.5 percent in 2010. Overall, however, the percentage declined in 12 counties between 2009 and 2010, reflecting the declining trend in the elderly poverty rate.

Figure 2.29: Percentage of Elderly Living in Households with Incomes below 200 Percent of the Federal Poverty Level by County in New Jersey, 2009 and 2010



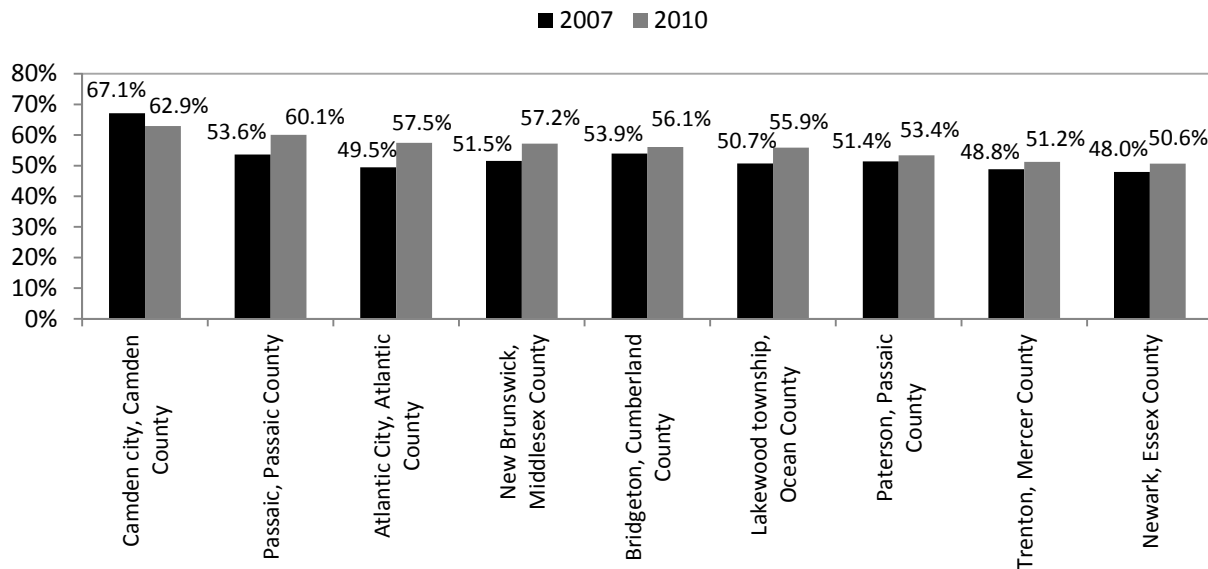
Source: U.S. Census Bureau, American Community Survey, 2009 and 2010

Poverty at the Municipal Level

In nine municipalities, at least 50 percent of the residents were living in households with incomes below 200 percent of the FPL in 2010; the highest being Camden at 63 percent

In 2010, 62.9 percent of Camden’s residents were living in households with incomes below 200 percent of the FPL; the highest for all municipalities in New Jersey (see figure 2.30). In addition, in another eight municipalities at least 50 percent of the residents were living in such households—Lakewood, Passaic, Atlantic City, New Brunswick, Bridgeton, Paterson, Trenton, and Newark.

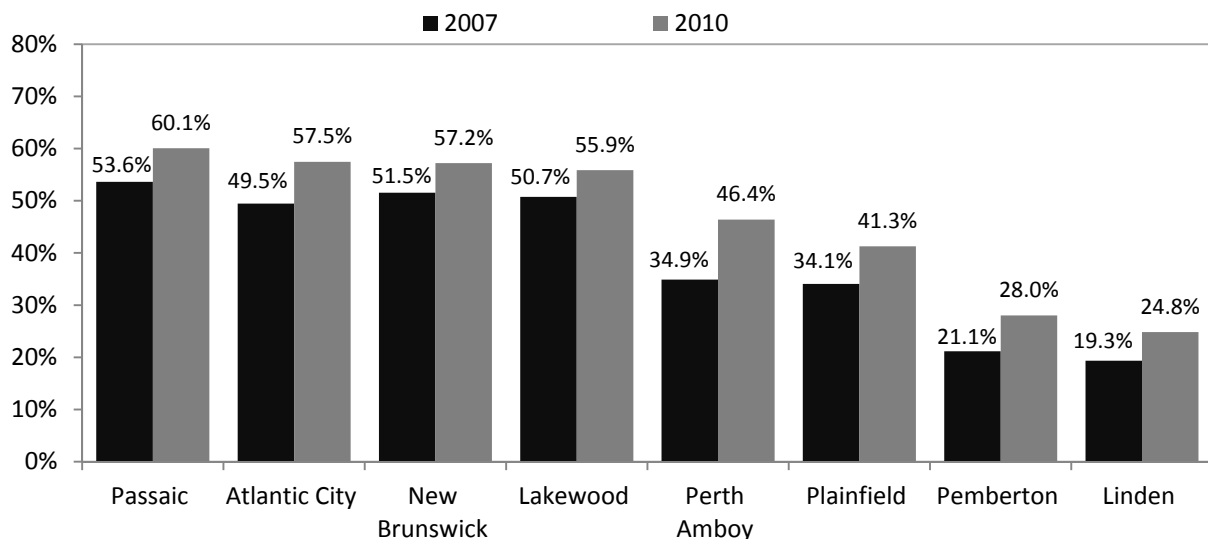
Figure 2.30: Percentage of Population Living in Households with Incomes below 200 Percent of the Federal Poverty Level by Selected Municipality in New Jersey, 2007 and 2010



Source: U.S. Census Bureau, American Community Survey, Three-Year Estimates: 2007 and 2010

A number of municipalities experienced a considerable increase in the percentage of residents living in households below 200 percent of the FPL

Figure 2.31 Percentage Increase in Population Living in Households with Incomes below 200 Percent of the Federal Poverty Level by Selected Municipality in New Jersey, 2007 and 2010



Source: U.S. Census Bureau, American Community Survey, Three-Year Estimates: 2007 and 2010

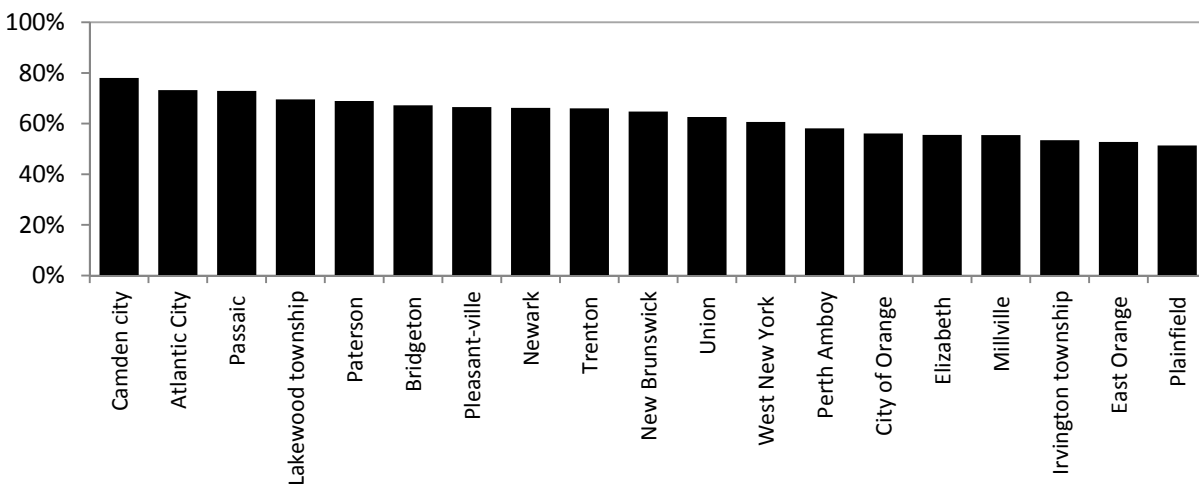
In 46 municipalities, more than 20 percent of the residents were living in households with incomes below 200 percent of the FPL. Eight of these places experienced more than a five percentage point

increase in the number of people living in such households since 2007—Perth Amboy, Atlantic City, Plainfield, Pemberton, Passaic, New Brunswick, Linden, and Lakewood Township (see figure 2.31).

In twenty municipalities, more than half the children were living in households below 200 percent of the FPL in 2010

The percentage of children living in households with incomes below 200 percent of the FPL was highest in Camden—78 percent of all children in 2010 (see figure 2.32). In Atlantic City and Passaic, the percentage exceeded 70 percent. It exceeded 50 percent in Lakewood, Paterson, Bridgeton, Pleasantville, Newark, Trenton, New Brunswick, Union City, West New York, Perth Amboy, Elizabeth, Millville, Irvington, East Orange, and Plainfield. Overall, in 67 municipalities more than 20 percent of children were living in households with incomes below 200 percent of the FPL in 2010.

Figure 2.32: Municipalities where Percentage of Children Living in Households with Incomes below 200 Percent of the Federal Poverty Level Exceeded 50 Percent in New Jersey, 2010

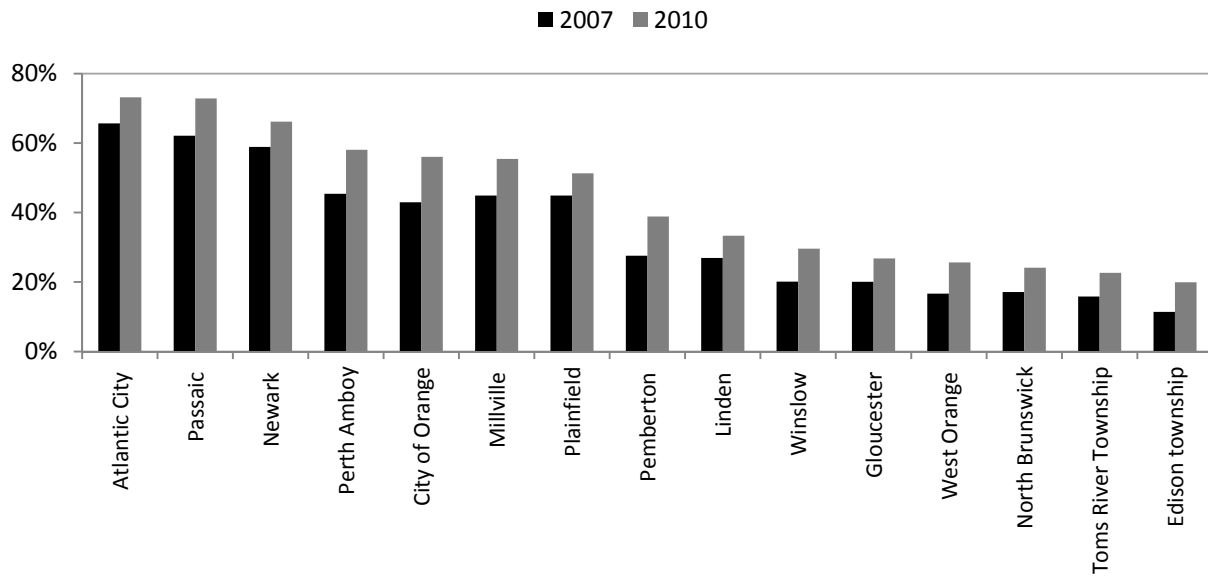


Source: U.S. Census Bureau, American Community Survey, Three-Year Estimates: 2010

In five municipalities, the percent of children living in households with incomes below 200 percent of the FPL increased by more than ten percentage points

In five municipalities, the percentage of children living in households with incomes below 200 percent of the FPL increased by at least 10 percentage points between 2007 and 2010—Orange, Perth Amboy, Pemberton, Millville, and Passaic (see figure 2.33). In fifteen municipalities it increased by 6 percentage points or more. The highest increased was 13.1 percentage points in Orange.

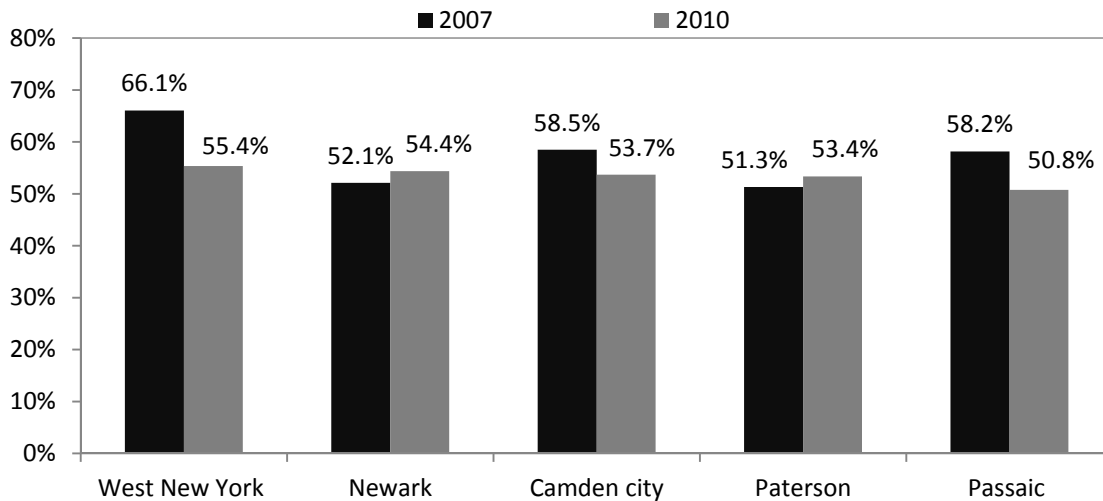
Figure 2.33: Municipalities with the Highest Increase in the Percentage of Children Living in Households with Incomes below 200 Percent of the Federal Poverty Level in New Jersey, 2007 and 2010



Source: U.S. Census Bureau, American Community Survey, Three-Year Estimates: 2007 and 2010

Percentage of elderly living in households with incomes below 200 percent of the FPL was highest in West New York, Newark, Camden, Paterson, and Passaic

Figure 2.34: Municipalities where Percentage of Elderly Living in Households with Incomes below 200 Percent of the Federal Poverty Level Exceeded 50 Percent in New Jersey, 2010

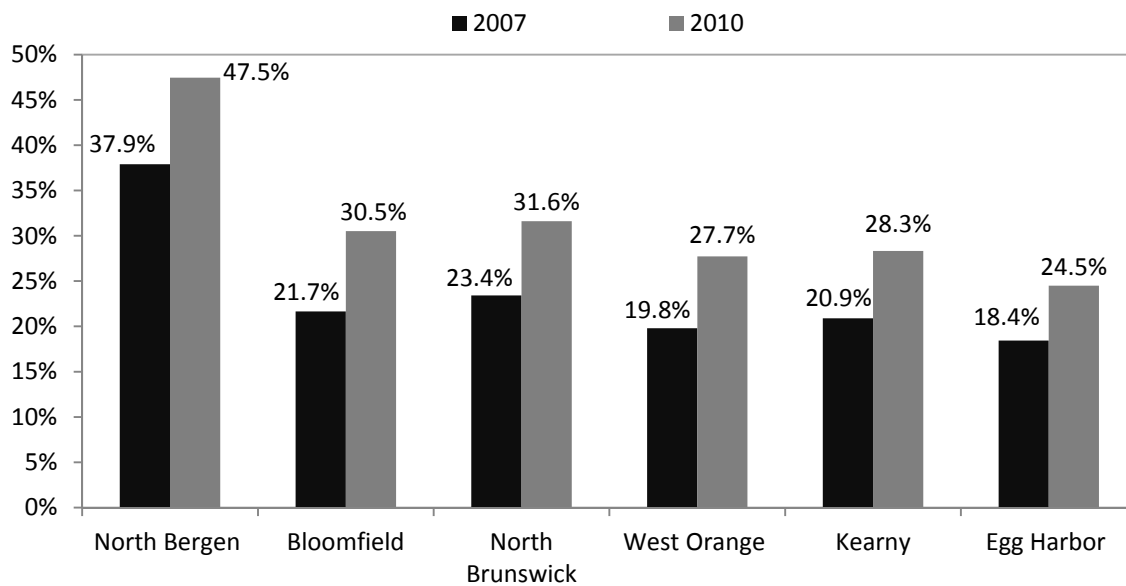


Source: U.S. Census Bureau, American Community Survey, Three-Year Estimates: 2007 and 2010

The percentage of elderly living in households with incomes below 200 percent of the FPL exceeded 50 percent in five municipalities in 2010 (see figure 2.35). In 61 municipalities, it was more than 20 percent.

Six municipalities experienced more than a five percentage point increase in the rate of elderly living in households below 200 percent of the FPL between 2007 and 2010—North Bergen, Bloomfield, North Brunswick, Kearny and Egg Harbor (see figure 2.35). In 40 municipalities, however, the rate declined between 2007 and 2010.

Figure 2.35: Municipalities with the Highest Increase in the Percentage of Elderly Living in Households with Incomes below 200 Percent of the Federal Poverty Level in New Jersey, 2007 and 2010



Source: U.S. Census Bureau, American Community Survey, Three-Year Estimates: 2007 and 2010

Aspects of Poverty

The previous sections described the magnitude and extent of poverty in New Jersey, as well as the variations in poverty rates according to age, race, household composition, disability status, education attainment, and working status. In addition, they showed that the distribution of poverty is not uniform across the state, but varies by county and municipality. Poverty affects the daily lives of people with low incomes and their ability to make ends meet. It limits their access to opportunities and distorts their long-term life outcomes. The surge in poverty rates as the Great Recession proceeded and its continuing upward trend even after the official conclusion of the recession have made meeting basic needs a challenge for a greater share of the population. This chapter examines five areas of need—food, housing, health, education, and transportation—and provides details on how poverty has impacted people with low incomes in each of these areas.

Hunger and Food Security

Access to food is perhaps the most basic of human needs; yet in New Jersey an important percentage of households did not have enough food for all household members. Moreover, for a smaller, but also important percentage, their food intake was reduced and their eating habits were disrupted due to limited resources. Noticeably, these percentages rose as the Great Recession progressed and have continued to rise even as the recession has ended officially.

A larger percentage of New Jersey households had difficulty at some time during 2008-10 providing enough food for all their members than in any of the prior 12 years

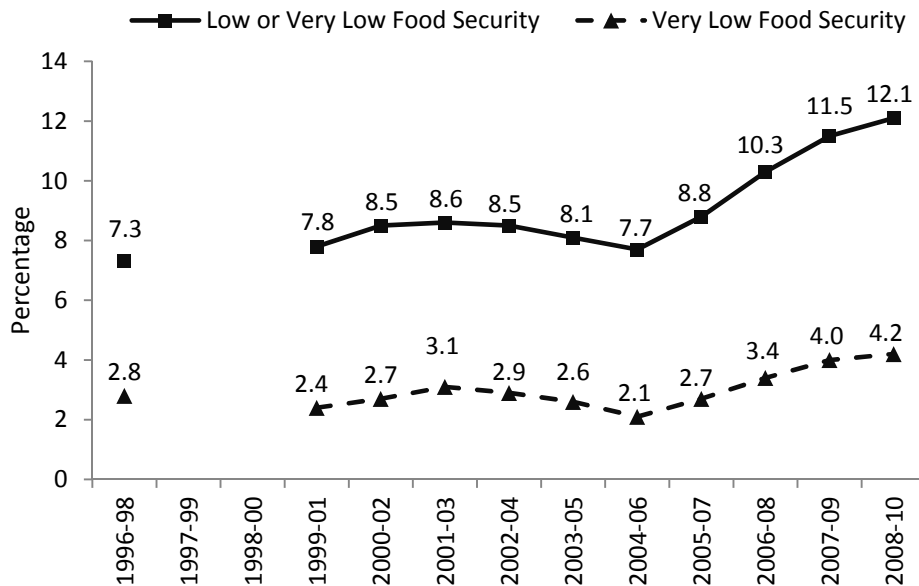
About one-eighth of New Jersey households had difficulty at some time during the 3-year 2008-10 period providing enough food for all their members due to a lack of resources (see figure 2.36). According to state level surveys conducted by USDA since the mid-1990s, the 12.1 percent food insecurity rate for the most recent 3-year period is the highest recorded. While the percentage of food insecure households decreased in the early 2000's, since 2004-06 the trend has reversed and the percentage of food insecure households has increased steadily. The effects of the Great Recession and the ensuing pressure on households with low incomes who lack adequate resources to make ends meet is strongly evident in this upward trend and continued even after the official ending of the recession.

The percentage of households with very low food security also grew steadily as the recession progressed and continued to grow after its official conclusion (see figure 2.36). USDA's "very low food security" index estimates the percentage of households where "the food intake of some members was reduced and normal eating patterns were disrupted due to limited resources." For the 3-year 2008-10 period, 4.2 percent of New Jersey households had very low food security, double the 2004-06 level.

A separate survey conducted by the Food Research and Action Center (FRAC) found that in New Jersey, the "food hardship" rate was 13.0 percent for households without children and 19.2 percent for households with children. FRAC's food hardship rate is the percentage of households that answered "yes" to the question "whether there were times over the past year when you did not

have enough money to buy food that you or your family needed.” Although the “food hardship” measure distinguishes between households with and without children, the question asked is similar to those used by USDA to measure food insecurity.

Figure 2.36: Household Food Insecurity Indices for New Jersey, 1996 to 2010



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

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

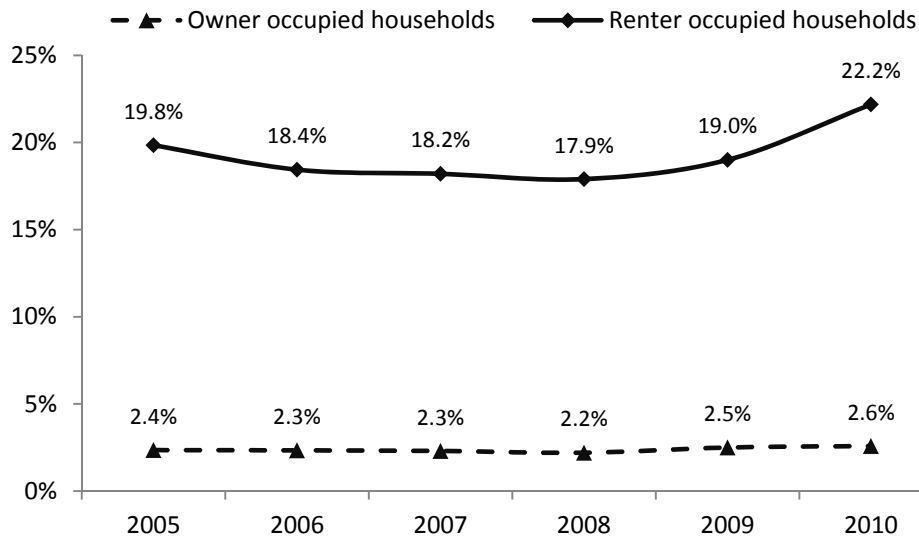
Housing

Affording housing in New Jersey remains a challenge because of the high cost of housing. The challenge is especially overwhelming for those residents with low incomes who must devote sizeable proportions of their income to meet their housing needs, leaving limited resources to cover their other essential needs. This section shows how the cost of housing became even more challenging for a larger share of households, especially renter households, as the Great Recession proceeded. Moreover, despite the official ending of the Great Recession in 2009, its enduring impact on people with low incomes continued—renter poverty rates rose, a larger share of households were cost-burdened and severely cost-burdened, and renter overcrowding increased.

The renter household poverty rate has been steadily increasing since the Great Recession

In 2010, the poverty rate for renter households reached a new high—22.2 percent (see figure 2.37). After declining between 2005 and 2008, renter poverty rate grew as the Great Recession progressed and continued to rise thereafter. In 2010, it was 4.3 percentage points greater than its six-year low in 2008. In contrast, the poverty rate for owner-occupied households has remained relatively stable throughout the six-year period.

Figure 2.37: Poverty Rate by Tenure in New Jersey, 2005 to 2010

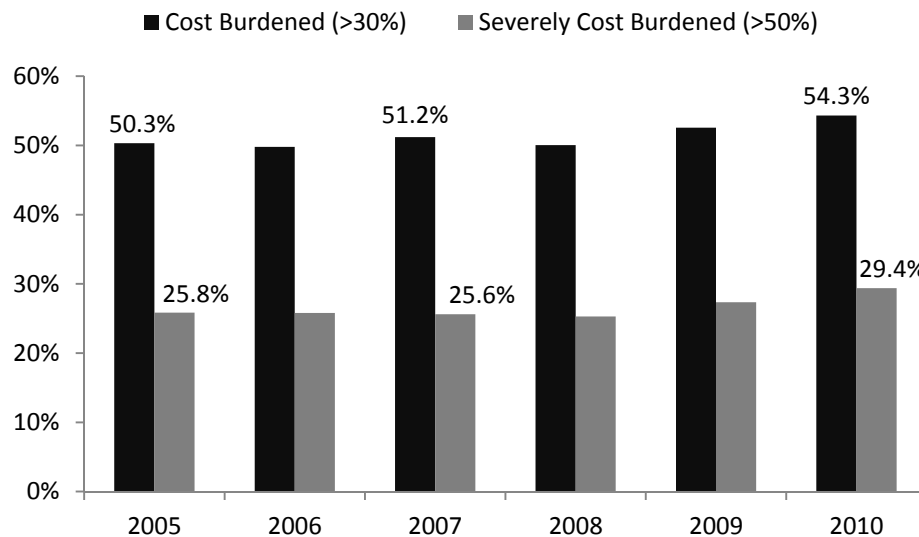


Source: U.S. Census Bureau, American Community Survey, 2005 to 2010

The proportion of cost-burdened and severely cost-burdened renter households has continued to grow.

Almost 550,000 renter households in New Jersey paid more than 30 percent of their household income on rent in 2010. This number, which is considered a measure of cost-burden, represents 54.3 percent of all renter households (see figure 2.38). It is 3.1 percent greater than the 2007 level at the outset of the Great Recession, when about 500,000 renter households were cost-burdened.

Figure 2.38: Gross Rent as a Percentage of Household Income in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey: 2005 to 2010

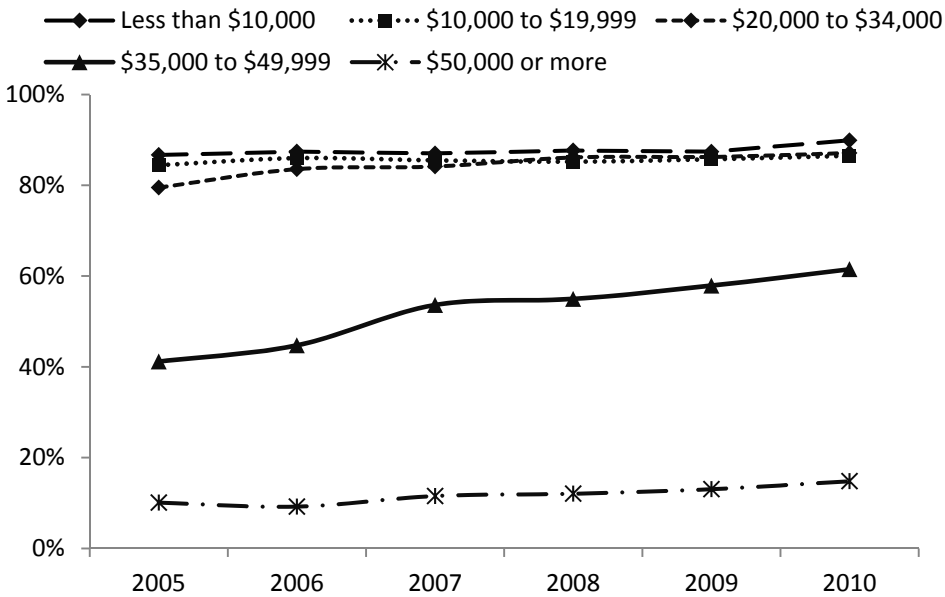
Almost 297,000 renter households were considered severely cost-burdened in 2010; that is they paid more than 50 percent of their household income on rent. This was the equivalent of 29.4 percent of all households, an increase of 3.8 percent over the 2007 rate of 25.6 percent, or about 46,000 households more than in 2007 (see figure 2.38).

The share of cost-burdened middle class renter households has been growing steadily

While the proportion of cost-burdened renter households has been increasing for all income groups, the share of middle-class households with incomes approximately twice to three-times the FPL has increased the most (see figure 2.39). The percentage of renter households with incomes between \$35,000 and \$49,999, increased by 7.9 percentage points between 2007 and 2010—from 53.6 percent to 61.5 percent. Since 2005, the proportion of cost-burdened households in this income group has increased by more than 20 percentage points—from 41.2 percent in 2005.

Nevertheless, the percentage of cost-burdened renter households with low incomes remains substantially higher than the level for the middle-class households (see figure 2.39). At least 86 percent of renter households in the lowest three income groups were cost-burdened in 2010 and this rate has grown over the six-year period for all three groups. For the lowest income group, those with household incomes less than \$10,000, nearly 90 percent were cost-burdened in 2010, an increase of 5.5 percent since 2005.

Figure 2.39: Percentage of Cost-Burdened Renters by Income Level in New Jersey, 2005 to 2010



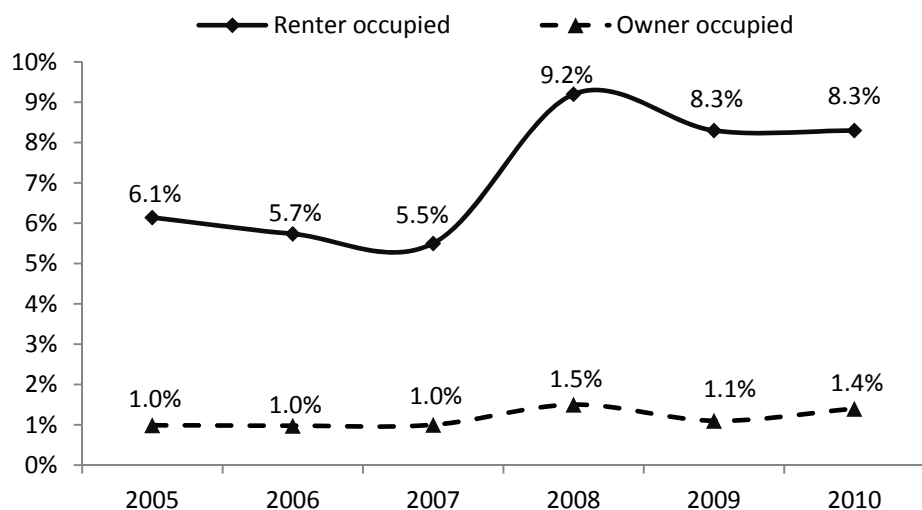
Source: U.S. Census Bureau, American Community Survey: 2005 to 2010

In the immediate aftermath of the Great Recession, overcrowding in renter-occupied housing increased strikingly

Overcrowding in renter households increased strikingly in the aftermath of the Great Recession (see figure 2.40). Between 2007, the year before the onset of the recession, and 2008, the first year of the recession, the percentage of overcrowded renter-occupied households increased from 5.5 percent to 9.2 percent. While in 2007 there were approximately 56,000 overcrowded renter households, in 2008 the number had jumped to almost 96,000, an increase of 40,000. Although both the proportion and number of overcrowded renter households declined the subsequent two years, they have remained very much higher than in the period immediately prior to the recession. In 2010, the percentage stood at 8.3 percent, the equivalent of about 88,600 households.

The level of overcrowding in owner-occupied households has been substantially lower (see figure 2.40). The rate peaked in 2008 at 1.5 percent when about 31,500 households were overcrowded. By 2010, it had declined to almost 29,000 households, the equivalent of 1.4 percent.

Figure 2.40: Percentage of Overcrowded Housing Units in New Jersey, 2005 to 2010

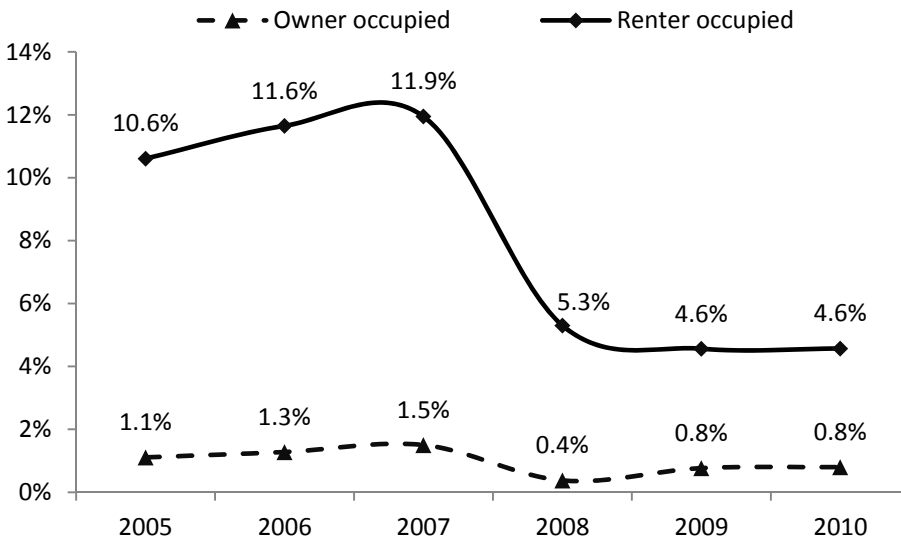


Source: U.S. Census Bureau, American Community Survey: 2005 to 2010

Access to telephones continues to improve

Access to telephones (including cellphones) has improved significantly for both renter- and owner-occupied households, despite the effects of the Great Recession (see figure 2.41). While the percentage of renter households with no telephone service rose to 11.9 percent in 2007 from 10.6 percent in 2005, it decreased sharply to less than half in 2008 and declined further thereafter, reaching a low of 4.6 percent in 2010. In the case of owner-occupied households, more than 99 percent had access to a telephone in 2010.

Figure 2.41: Percentage of Housing Units with No Telephone Service in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey: 2005 to 2010

Health

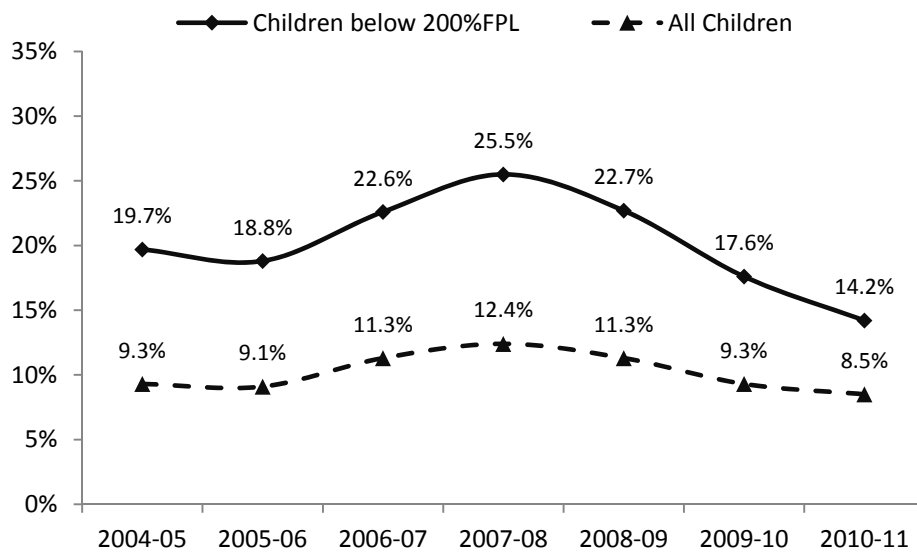
Access to affordable health care is especially critical for people with low incomes. The data show a clear correlation between income level and the percentage of people reporting poor health—the lower the household income, the greater the likelihood of reporting poor health. Moreover, the data also show that a higher proportion of people living in households with low incomes reported suffering from obesity and diabetes. Broad health insurance coverage will allow people with low incomes to take advantage of medical services they might otherwise not be able to afford. The increase in the percentage of children with health insurance coverage, and especially children living in households with low incomes, is a positive trend. In contrast, the increase in the percentage of adults without health insurance coverage, and especially adults living in households with low incomes, is a cause for concern. This section lays out the data for these trends.

Health insurance coverage for children living in households with low incomes improved for the third consecutive year in 2010-11; their uninsurance rate was at the lowest level in seven years

The proportion of children with no health insurance coverage living in households with incomes below 200 percent of the FPL has been declining steadily from its 2007-08 peak of 25.5 percent (see figure 2.42). In 2010-11, 14.2 percent of children living in such households had no health insurance coverage—an 11.3 percentage point decline since 2007-08.

Similarly, the uninsurance rate for all children has declined since 2007-08—8.5 percent in 2010-11 compared to 12.4 percent in 2007-08 (see figure 2.42).

Figure 2.42: Percentage of Children with No Health Insurance Coverage in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, Current Population Survey, 2004 to 2011

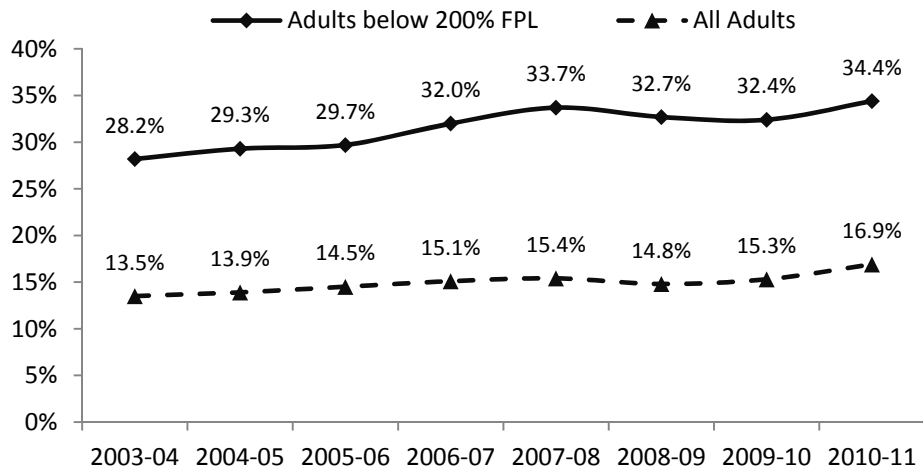
Note: The health insurance numbers in this report are different from previous Benchmarks reports. This is because the Census Bureau changed its imputation methodology in 2011 and retroactively applied the new routine for the 2000 to 2010 data. See “Modifications to the Imputation Routine for Health Insurance in the CPS ASEC: Description & Evaluation”, Revised December 2011.

Conversely, the adult uninsurance rate for those living in households with low incomes reached its highest level in seven years in 2010-11

In contrast, the adult uninsurance rate for those living in households below 200 percent of the FPL reached its highest level in 2010-11 (see figure 2.43). A little more than 34 percent had no health insurance coverage—an increase of 6.2 percentage points since 2003-04.

Although the uninsurance rate for the overall adult population has also risen steadily, it has not been as steep as that for the adult population with low incomes (see figure 2.43). Between 2003-04 and 2010-11, the overall adult uninsurance rate has increased 3.4 percentage points, going from 13.5 percent to 16.9 percent.

Figure 2.43: Percentage of Adults with No Health Insurance Coverage in New Jersey, 2005 to 2010

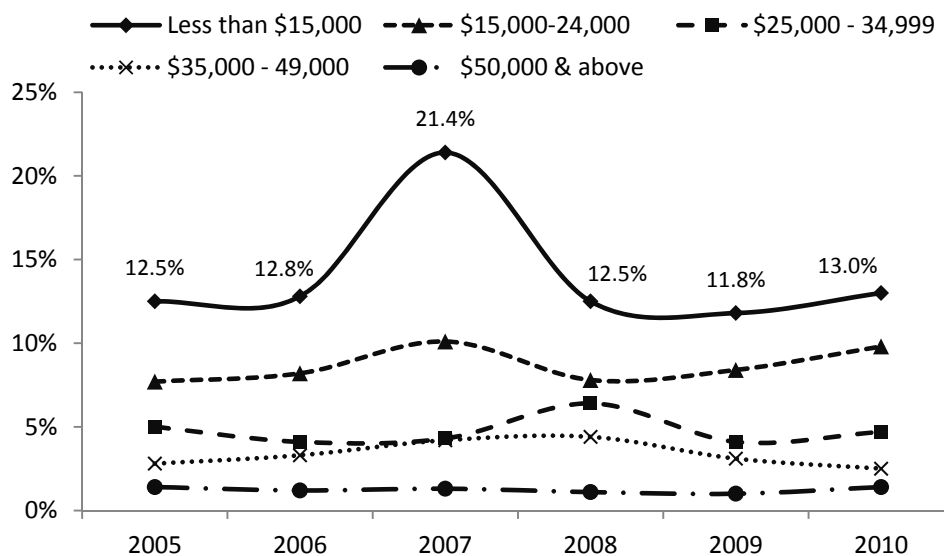


Source: U.S. Census Bureau, Current Population Survey, 2004 to 2011

The correlation between poor health and low household income remains consistent

The percentage of residents reporting poor health increases as household income declines. The highest percentage of residents reporting poor health has consistently been those living in households with incomes less than \$15,000 (see figure 2.44). Similarly, the next highest percentage reporting poor health has consistently been the \$15,000 to \$24,000 income group, the second lowest group. Conversely, the lowest percentage of residents reporting poor health has consistently been the \$50,000 and above group, the highest income group.

Figure 2.44: Percentage of People Reporting Poor Health by Income Level in New Jersey, 2005 to 2010

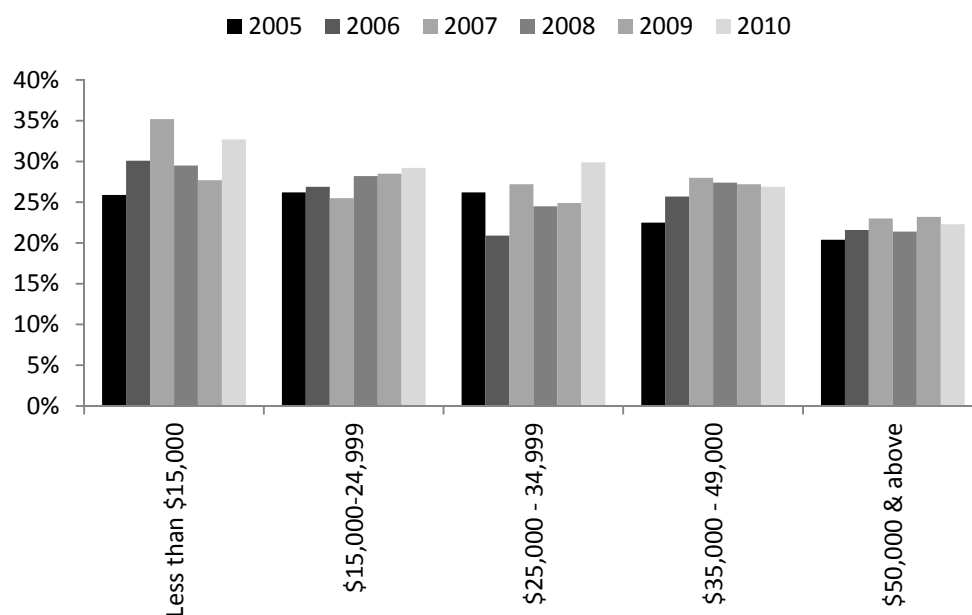


Source: Center for Disease Control, Behavioral Risk Factor System, Prevalence and Trends Data

Obesity increased for people living in households with the lowest incomes

The proportion of people reporting obesity increased in households in the lowest three income categories between 2009 and 2010, while it decreased for those in households with incomes above \$35,000 (see figure 2.45). As a result, the disparity between the bottom three income groups and the top two income groups grew—the likelihood of reporting obesity has increased for people with low incomes and decreased for those with higher incomes.

Figure 2.45: Percentage of People Reporting Obesity by Income Level in New Jersey, 2005 to 2010



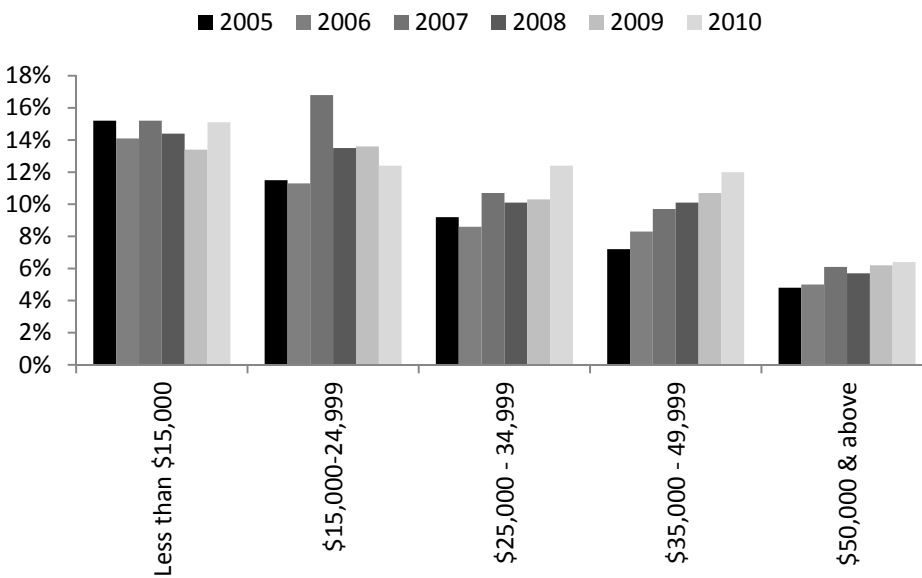
Source: Center for Disease Control, Behavioral Risk Factor System, Prevalence and Trends Data

The incidence of diabetes remains highest for people living in households with the lowest incomes

The prevalence of people reporting diabetes remained highest among people living in households with the lowest income in 2010; the less than \$15,000 category (see figure 2.46). Moreover, after declining for two years, the percentage increased in 2010 to reach 15.1 percent, about the same level as in 2007 and 2005. In contrast, the proportion reporting diabetes decreased in the \$15,000 to \$24,999 income category between 2009 and 2010.

Interestingly, however, there has been a steady increase in the percentage reporting diabetes for the three higher income categories. For both the \$25,000 to \$34,999 and \$35,000 to \$49,999 categories, the percentage was at least 12.0 percent, about the same level as the \$15,000 to \$24,000 category, while it was a little more than half for the highest income category—6.4 percent.

Figure 2.46: Percentage of People Reporting Diabetes by Income Level in New Jersey, 2005 to 2010



Source: Center for Disease Control, Behavioral Risk Factor System, Prevalence and Trends Data

Education

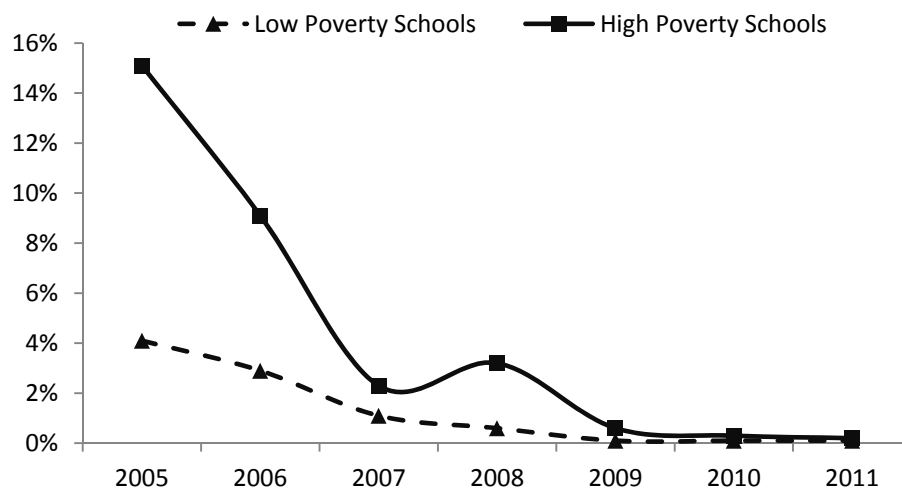
The earlier part of this report showed that the likelihood of being poor increases with lower educational attainment. A larger percentage of residents with low educational attainment than higher educational attainment were living in households with incomes below the FPL. This section expands on this general statistic to show that not only household income, but also the socioeconomic status of the school district in which a student resides and the economic status of the household affects educational attainment. While this report presents data for grade 4 students only, the same trends can be observed for grades 8 and 11, other critical benchmark points in child development.

In the case of the socioeconomic status of the school district, Grade 4 students living in low socioeconomic status school districts are more likely to be partially proficient in language arts than their peers living in high socioeconomic school districts. Moreover, the Grade 4 students from economically advantaged households living in the same low socioeconomic districts are more likely to be partially proficient in language arts than are their economically advantaged peers living in high socioeconomic school districts. In the case of the economic status of the household, Grade 4 students from economically disadvantaged households residing in high socioeconomic status school districts are more likely to be partially proficient in language arts than are their economically advantaged peers residing in the same districts.

The gap between high and low poverty school districts in elementary level teacher qualification continued to narrow

The gap between high and low poverty districts in elementary level teacher qualification continued to narrow in 2010 (see figure 2.47). The percentage of elementary school teachers in high poverty districts who were not highly qualified shrunk from 15.1 percent in 2005 to 0.2 percent in 2011, a level comparable to that in low poverty school districts. In low poverty school districts, the decline was less steep—4.1 percent of elementary school teachers were not highly qualified in 2005 compared to 0.1 percent in 2011.

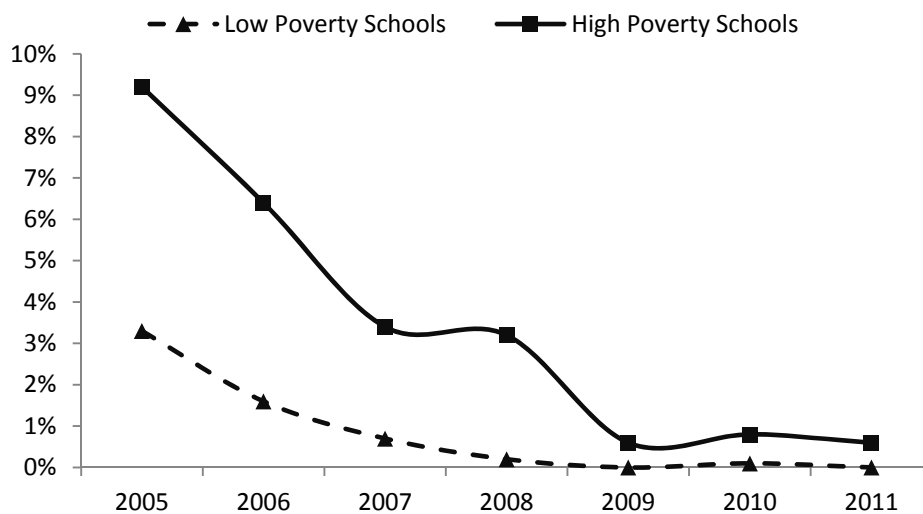
Figure 2.47: Percentage of K-8 Teachers Who Have Not Met the Proficiency Standard (Not Highly Qualified) in New Jersey, 2005 to 2011



Source: New Jersey Department of Education

The gap between high and low poverty school districts in high school teacher qualification has also narrowed

Figure 2.48: Percentage of High School Teachers Who Have Not Met the Proficiency Standard (Not Highly Qualified) in New Jersey, 2005 to 2011



Source: New Jersey Department of Education

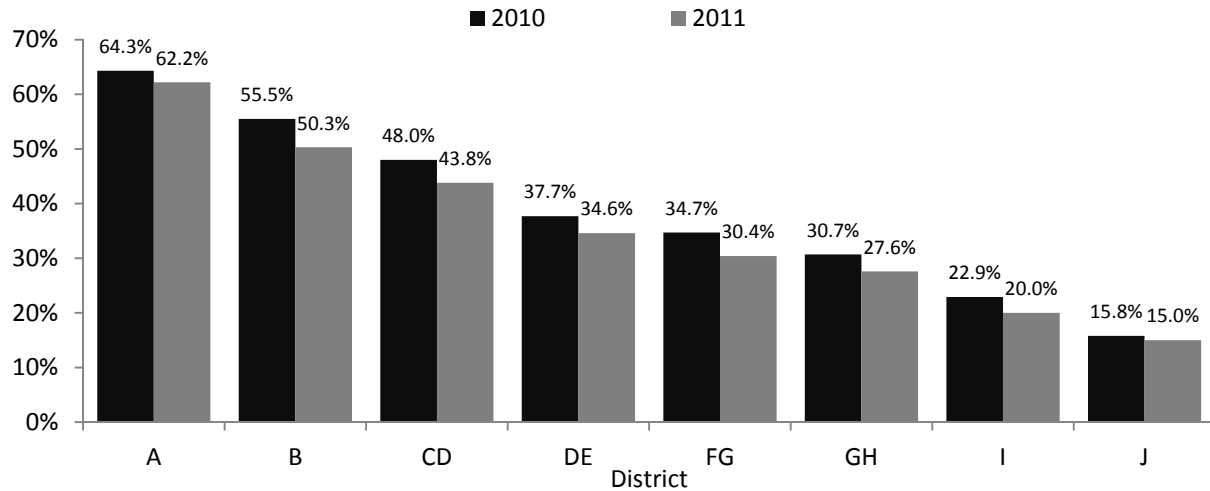
The gap between high and low poverty school districts in high school teacher qualification has also narrowed, but not by as much as at the elementary school level (see figure 2.48). In 2005, 9.2 percent of high school teachers in high poverty school districts were not highly qualified, compared to 0.6 percent in 2011. In the low poverty school districts 3.3 percent were not highly qualified in 2005; however, in 2011 all the teachers were highly qualified.

The New Jersey Department of Education divides the state's school districts into eight separate groups or DFGs (District Factor Groups) based on the socioeconomic status of the district.² DFG A is made up of those school districts with the lowest factor score, while the factor score is the highest in DFG J. The following analysis focuses on elementary school student performance only; however, it should be noted that educational performance at higher grades are comparable.

School districts matter: Grade 4 students living in low socioeconomic status school districts are more likely to be only partially proficient in language arts than their peers living in high socioeconomic status school districts

Proficiency in language arts for grade 4 students varies by the socioeconomic status of the school district; the lower the socioeconomic status of the school district the more likely the students will be less proficient in language arts (see figure 2.49). While 62.2 percent of children from the DFG A districts were partially proficient in language arts in 2011, only 15.0 percent were partially proficient in DFG J districts. On the other hand, between 2010 and 2011 there was improvement in all the school districts. A smaller percentage were less proficient in 2011 than in 2010. For DFG A school districts, the decline was from 64.3 per cent in 2010 to 62.3 percent in 2011.

Figure 2.49: Percentage of Grade 4 Students who are Partially Proficient in Language Arts in New Jersey, 2010 and 2011



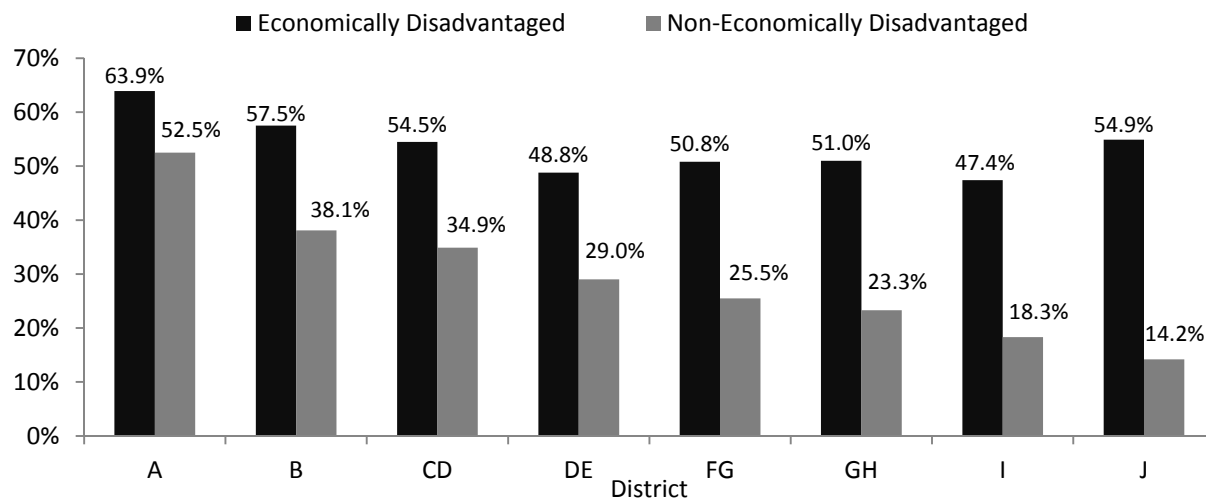
Source: New Jersey Department of Education

Socioeconomic status of school district matters: Grade 4 students from economically advantaged households residing in low socioeconomic status school districts are more likely to be partially proficient in language arts than their peers from economically advantaged households living in high socioeconomic status school districts

The importance of the socioeconomic status of the neighborhood in which a student resides is shown in figure 2.50—grade 4 students living in low socioeconomic status school districts are more likely to be partially proficient in language arts than their peers in high socioeconomic status school districts, irrespective of whether the student is living in an economically advantaged or disadvantaged household. In DFG A school districts, 52.5 percent of economically advantaged students were partially proficient in language arts, compared to only 14.2 percent in DFG J districts. Moreover, the disparity in the percentage of students who were partially proficient in language arts between school districts was much smaller in the low socioeconomic status school districts than in the high socioeconomic status districts. In DFG A, 63.9 percent of students from economically disadvantaged households and 52.5 percent of those from economically advantaged households were partially proficient in language arts, in contrast to 54.9 percent and 14.2 percent, respectively, in DFG J.

Economic status of household matters: Grade 4 students from economically disadvantaged households residing in high socioeconomic status districts are more likely to be only partially proficient in language arts than are their economically advantaged peers residing in the same districts

Figure 2.50: Percent of Grade 4 Students who are Partially Proficient in Language Arts by Economic Status of School District in New Jersey, 2011



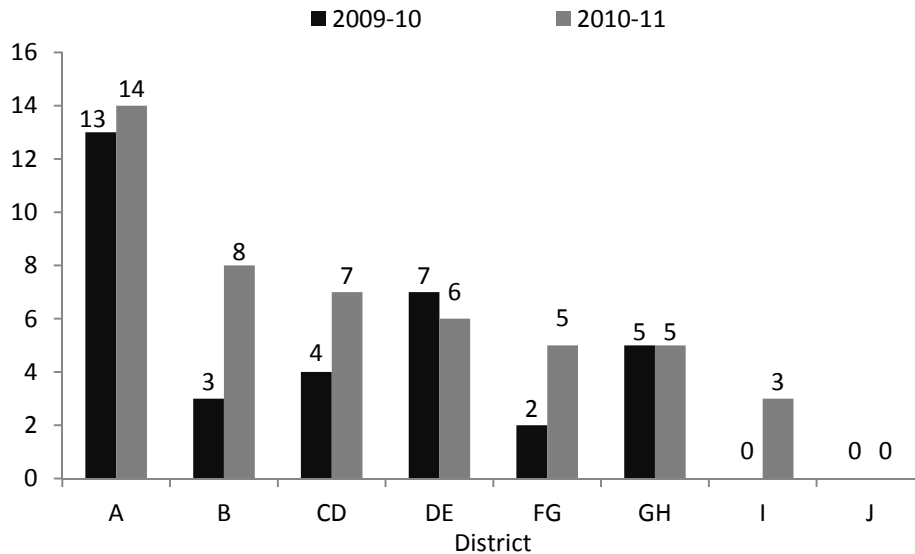
Source: New Jersey Department of Education

While the socioeconomic status of the neighborhood matters, the extent to which a household is economically disadvantaged is also a contributing factor to a student’s performance (see figure 2.50). In DFG J districts, while 54.9 percent of grade 4 students from economically disadvantaged households were partially proficient in language arts, only 14.2 percent of their peers from economically advantaged households were partially proficient. Moreover, there is only a slight improvement in the proficiency rate for students from economically disadvantaged households between the low socioeconomic status DFG A school districts and the high socioeconomic status DFG J school districts—a decline from 63.9 percent to 54.9 percent in the partially proficiency rate. In contrast, the improvement in the proficiency rate is substantial for students from economically advantaged households—a reduction in partial proficiency from 52.5 percent to 14.2 percent.

School districts not making adequate progress concentrated in low socioeconomic status districts.

The number of districts that failed to make adequate yearly progress increased from 34 schools in 2009-10 to 48 schools in 2010-11 (see figure 2.51). This number excludes charter and vocational schools as well as schools for which DFG assignments are unavailable. Of the 2010-11 total, 22 districts were in low socioeconomic status DFG A and B districts, an increase of six from the previous year.

Figure 2.51: Number of School Districts that Failed to Make Adequate Yearly Progress by Economic Status of School District in New Jersey, 2009 to 2011



Source: New Jersey Department of Education

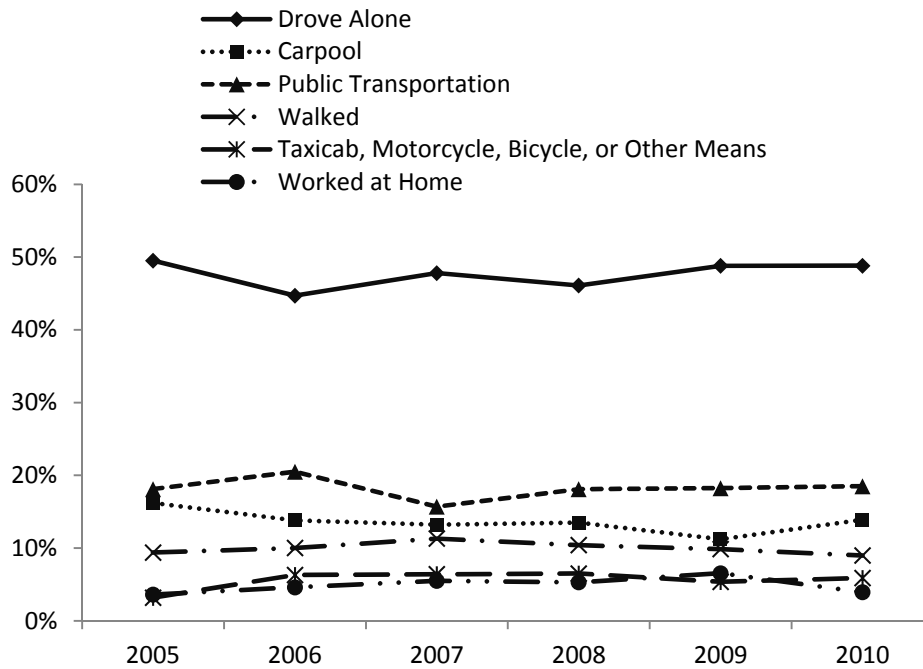
Transportation

For residents of New Jersey who do not have access to a car, commuting to work can be very difficult given the sprawled distribution of workplaces and the limited range of the public transportation system. Moreover, relying on public transportation or taxicabs to undertake various activities, such as taking children to school, traveling to a doctor, or doing food shopping, can be time-consuming and cumbersome. Working residents who are living in households with incomes below the FPL are least able to afford the costs involved in purchasing and owning a car. The data shows that they make less use of a car to travel to work and rely more on other means of transportation than residents living in households with incomes greater than the FPL. As a result, they are more likely to spend time commuting and undertaking their various other activities than residents with higher incomes.

Despite limited resources people living in poverty rely primarily on access to a car to travel to work.

In 2010, 48.8 percent of residents with incomes below 100 percent of the FPL drove alone to work (see figure 2.52). Considerably smaller numbers relied on other means of transportation—18.5 percent on public transportation and 13.9 percent carpooled, the next two larger groups. In contrast, 74.3 percent of residents with higher incomes drove alone.

Figure 2.52: Means of Transportation to Work for People Living in Poverty in New Jersey, 2005 to 2010

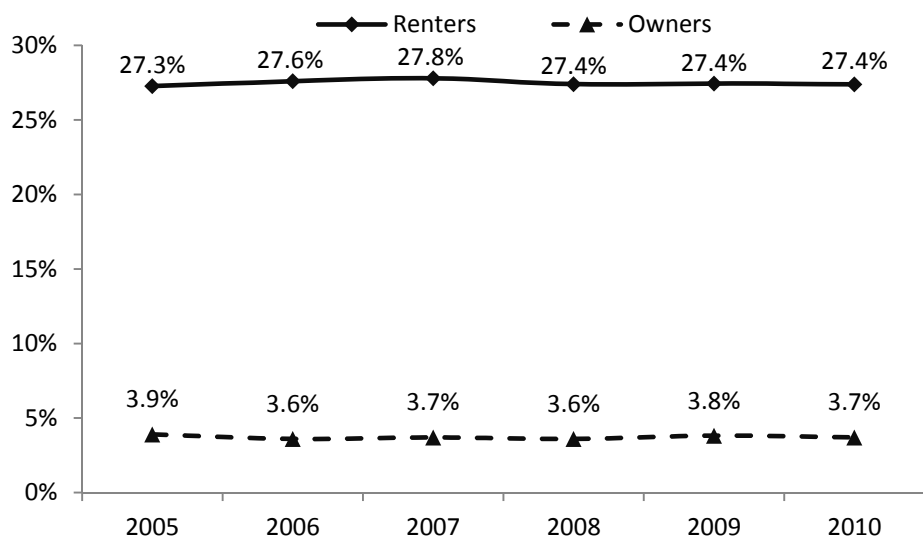


Source: U.S. Census Bureau, American Community Survey: 2005 to 2010

A sizeable percentage of renters do not own a car

As shown earlier, renters are more likely to be living in poverty than homeowners. Moreover, renters in 2010, as in previous years, were much more likely not to own a car than homeowners—27.4 percent compared to 3.7 percent (see figure 2.53).

Figure 2.53: Percentage of Households with No Car by Tenure in New Jersey, 2005 to 2010



Source: U.S. Census Bureau, American Community Survey: 2005 to 2010

Major State Responses to Poverty

Part B of this report analyzes major state programs that address elements of poverty. In particular, we assess the performance of programs in relation to income support, employment, food and nutrition, housing, and health care. We have not examined every state program or expenditure, but a number of the major current efforts of the state government.³ These programs are critical to the lives of those in poverty, yet it is also important to keep in mind that New Jersey's current anti-poverty efforts are a patchwork approach in which diverse departments and programs that address elements of poverty exist and operate within their own domains—their silos—without significant interaction. A more effective model is required to harness the resources of state government to make real progress in reducing and ameliorating the effects of poverty.

Income Support

Income support programs mark the cornerstone of support for residents with low incomes. As poor economic conditions continue to linger for the most vulnerable populations, income support programs become increasingly vital. Income support programs discussed in this section are Work First New Jersey and Supplemental Security Income, both of which provide income and support to those in need. For many of the families and individuals behind the data, these programs are both the key to survival and a lifeline to a more sustainable future.

Work First New Jersey (WFNJ)

The WFNJ program provides cash assistance and selected support services to eligible families and individuals with low incomes. The program is designed as a temporary support and focuses on moving participants into employment, for those individuals deemed able to work, through mandatory work participation in designated work activities. WFNJ provides assistance under two separate programs: Temporary Assistance to Needy Families (TANF) program and the General Assistance (GA).

Temporary Assistance to Needy Families (TANF)

The TANF program provides cash assistance and employment assistance to families with children. It is funded by the federal government and is administered by the state.

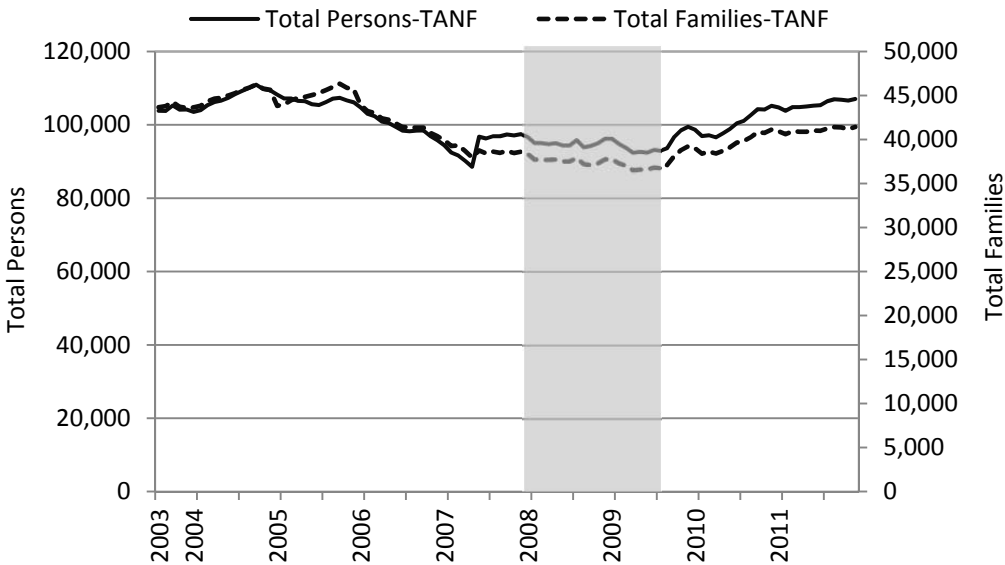
The 2011 benchmarks report described an apparent underutilization of the TANF program during the recession; the caseload failed to rise as would be expected in an economic downturn. Analysis of caseload data during the months since the recession, however, shows a steady upward trend in the participation rate.

While declining slightly during the Great Recession, the total number of persons receiving TANF has increased by almost 16 percent since the end of the Great Recession

The total number of persons participating in the TANF program peaked in October 2004 at 110,956 persons; thereafter, participation declined steadily to a low of 88,570 in May 2007 (see figure 3.1). At the outset of the Great Recession in December 2007, participation stood at 97,469 persons. Surprisingly during the recession, participation declined to a low of 92,422 in June 2009. From the end of the recession on, however, it has grown steadily and as of December 2011 had reached 107,054. Overall, the person caseload has increased by 15.8 percent since the end of the Great Recession in June 2009.

The total number of families participating in the TANF program follows a similar pattern (see figure 3.1).

Figure 3.1: Number of Eligible Persons and Families Receiving WFNJ/TANF in New Jersey, August 2003 to December 2011



Source: State of New Jersey, Department of Human Services, Division of Family Development, Current Program Statistics; Table 1

Note: Shaded area denotes recession.

The erosion of the value of the TANF grant continued in 2010

Under the TANF program, the maximum grant for a family with one adult and two children is \$424 per month. The grant level has remained unchanged for the past 25 years, with no adjustments for inflation. As a result, the value of the grant is about 48 percent of the value it would have been, if it had been adjusted for inflation alone over this period. The inflation-adjusted amount would have been \$876 in 2011.

The General Assistance Program

The General Assistance (GA) program serves individuals or couples without children in need of income and work supports. It is state funded.

The GA program classifies potential recipients into two categories—employable and unemployable. An individual who is unable to work due to a disability or medical condition is deemed unemployable and can receive up to \$210 per month. All individuals with no medical condition and with no other income are categorized as employable. They can receive up to \$140 per month. New Jersey is the only state that offers different benefit levels for employable and unemployable individuals. As of December 2011, 44,864 residents were enrolled in the GA program of whom 31,467 were employable and 13,397 were unemployable.

While the number of GA recipients has dropped, this is not indicative of reduced need for assistance

The GA caseload reached a high point in March 2011, with 57,921 individuals enrolled in the program. The caseload, however, has declined progressively since then. As of December 2011, the total number of GA recipients had declined to 44,864; down 22 percent compared to March 2011. The employable caseload declined by 21.4 percent and the unemployable caseload by 22.3 percent (see figure 3.2). The decline in enrollment, however, is not a consequence of a decreasing need for assistance. On the contrary, the Great Recession and the ensuing high unemployment created a higher need for assistance. The decline in enrollment is principally attributable to changes made at the policy level, mostly related to tightening eligibility criteria.

Figure 3.2: Number of Employable and Unemployable GA Recipients in New Jersey, August 2003 to December 2011



Source: State of New Jersey, Department of Human Services, Division of Family Development, Current Program Statistics; Table 1

Note: Shaded area denotes recession.

The recent change in definition of “unemployable” has restricted access to only to those individuals who can prove inability to work for 7 months or more. Previously, a person was deemed unemployable if incapacity spanned 30 days or more. As a result, many individuals have been moved from the unemployable category to the employable category, even though their health may not permit them to work. The decline in the unemployable trend line in figure 3.2 shows the recent decline in enrollment.

With the transfer of many GA recipients from the unemployable to employable category, the employable caseload should have increased. This has not occurred, however, and the number of employable GAs has also decreased (see figure 3.2). A number of factors could explain this trend. First, new applicants have an upfront 30-day work requirement. While, previously applicants received cash assistance during the qualifying period, they are now required to work without grant

support. Second, grants are received only when the application is approved, not from the date of application, as previously. Finally, the program no longer assists some groups that were previously eligible; for instance, individuals living with family members and students enrolled in school full-time.

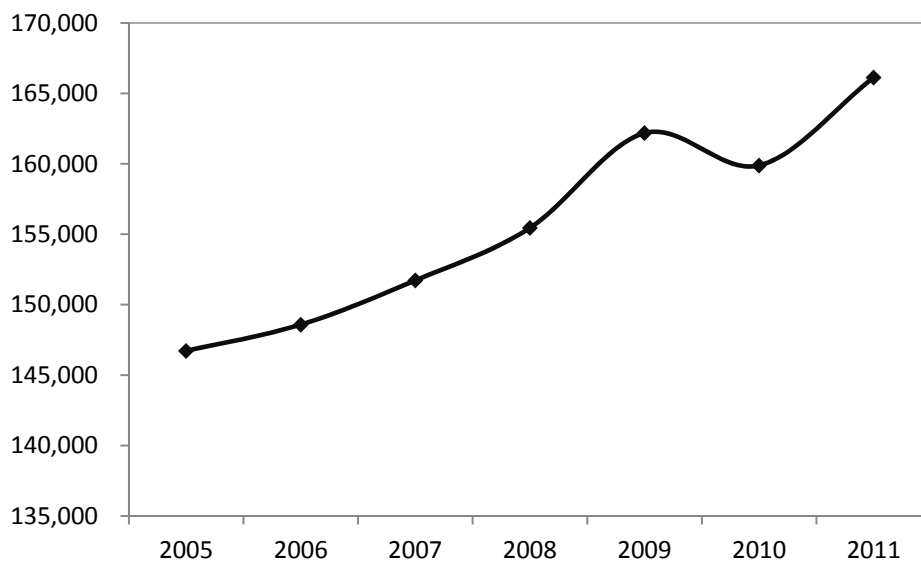
Supplemental Security Income (SSI)

SSI is a cash assistance program designed to help people with little or no income who are disabled, blind, or age 65 or older. Recipients use SSI funds to meet their most basic needs, such as food and shelter. Although SSI is administered by the federal Social Security Administration (SSA), in New Jersey SSA contracts with the New Jersey Department of Labor and Workforce Development's Division of Disability Determination Services (DDS) to adjudicate applicants for benefits in both Social Security Disability Insurance (SSDA) and SSI programs. SSI is an entitlement program; hence, all individuals who meet the eligibility criteria can access the benefits. SSA performs the initial eligibility determination on technical grounds, and then sends the case to DDS to process medical eligibility, based on SSA guidelines.

New Jersey, like many other states, provides additional funds to the program through an optional state supplement. Based on the nature of living arrangement, state supplements in New Jersey vary according to six categories (see Appendix for more detail).

The number of persons receiving the optional state supplement has steadily increased since 2005

Figure 3.3: Number of Persons Receiving the Optional State Supplement, in New Jersey, 2005 to 2011



Source: Social Security Administration Data

Between 2005 and 2011, the total numbers of persons receiving the optional state supplement increased by 13.2 percent—from 146,720 recipients in 2005 to 166,130 recipients in 2011 (see figures 3.3 and 3.4). The increase was largest for adults with disabilities—28.3 percent. The

number of children receiving the optional state supplement increased by 12.9 percent, while the numbers receiving the optional state supplement who suffered from blindness decreased by 17.2 percent.

Figure 3.4: Number of Persons Receiving Optional State Supplement by Category in New Jersey, 2005 to 2011

	Total	Aged	Blind	Children	Adults
2005	146,720	32,732	883	85,540	27,564
2006	148,581	32,752	850	86,061	28,918
2007	151,725	33,115	830	87,387	30,393
2008	155,452	33,686	805	89,372	31,589
2009	162,187	34,632	1,607	93,072	32,876
2010	159,887	33,439	750	91,972	33,726
2011	166,130	33,495	731	96,535	35,369
Change (2005-11)	19,410	763	(152)	10,995	7,805
Percent Change (2005-11)	13.2%	2.3%	-17.2%	12.9%	28.3%

Source: Social Security Administration Data

State SSI supplements have not increased in 25 years.

The federal portion of the SSI payment is adjusted annually for inflation, but the monthly state supplement has not been increased since 1986. The optional monthly state supplement of \$31.25 for individuals and \$25.36 for couples has remained unchanged in 25 years. New Jersey's supplement is relatively meager in comparison with many other high-cost states (such as California, Connecticut, Massachusetts, New York and Rhode Island), which all provide state supplements of more than \$100 per month for an individual. New Jersey is also one of only seven states where the state supplement for couples is lower than the supplement for individuals.

In 2011, state supplements decreased for SSI recipients living with ineligible spouses

Effective January 1, 2011, the optional state supplement payment of \$362.36 for individuals living with an ineligible spouse under category C was reduced to \$153.00. The state reduction will cause additional hardship for many recipients.

The increase in numbers receiving assistance is not a true indicator of need; many SSI applicants have a long wait before their cases can even be heard, which can have devastating consequences particularly for those with severe disabilities

As the economy has struggled in the wake of the recession and baby boomers have begun to reach their most disability-prone years, more Americans have turned to SSA for financial assistance. Besides the substantial increase in enrollment, there has also been a marked increase in SSI claims. During calendar year 2010, 2.4 million individuals applied for the SSI benefits based on blindness

or disability at the federal level, a 3 percent increase over 2009. Nationally, another 148,000 applied for benefits based on age.⁴

The surge in claims has led to dramatic increase in hearing backlogs. As of May 2011, the number of pending disability claims was 785,624, a 39 percent increase since the end of FY 2008. Despite the increase in the number of claims, processing times and the number of pending hearings have decreased slightly. In May 2011, the average processing time for a hearing was 354 days—the lowest level since Fiscal Year 2003.⁵ Given past trends and future projections, however, it is expected that the situation will worsen if appropriate preventive steps are not taken. For instance, between 2000 and 2010, the number of individuals receiving SSI increased by 21 percent nationwide—from 6,320,000 in 2000 to 7,665,000 in 2010.⁶

Processing delays for other SSA programs, such as SSDI⁷, can cause backlog in processing SSI cases

Applicants seeking SSI benefits can apply at any of the approximately 1,300 SSA field offices around the country, or through the SSA teleservice centers.⁸ Because this arrangement entails sharing staff with other Federal programs, processing delays or staff reductions in other SSA programs, such as SSDI, can affect the processing of SSI cases. It is anticipated that the FY 2011 hiring freeze and limitations placed on hiring in FY 2012 will result in another year with a high level of initial disability claims in FY 2013. Pending initial disability claims are anticipated to rise to nearly 861,000 in FY 2012 and to over 1.1 million in FY 2013.⁹ This will undoubtedly cause unnecessary delays and financial hardships for the SSI clients. The effect will be even direr because “SSI applications have no retroactivity and become effective in the month of filing or the month after all eligibility requirements are met, whichever is later”.¹⁰

Employment

In this post-recessionary period in which unemployment remains especially high, temporary support for those unemployed workers, trying to find work is critical. Just as important, however, are the supports necessary to ensure that once working, employees make a fair, living wage and have the supports necessary to be reliable, productive employees. This section discusses program developments that affect three broad and often overlapping working populations. First, for those already working the minimum wage is designed to ensure that workers receive adequate compensation. Second, for employees who lose their jobs through no fault of their own, the unemployment insurance system is the largest safety net available. Finally, programs that support working families, with lower wages through subsidized childcare and paid family leave include New Jersey Cares for Kids and the Family Leave Insurance Program.

Minimum Wage

The basic premise of the minimum wage is to ensure that work is rewarded and that a full-time worker has adequate income to meet basic needs. The state is responsible for setting requirements for employers to provide adequate compensation to their employees.

Currently the minimum wage in New Jersey is \$7.25 an hour, the equivalent of \$15,080 a year—less than the official poverty level (FPL) for a family of three. The \$7.25 amount matches the federal

minimum, as it does in 22 other states in the United States. Eighteen states, plus the District of Columbia, however, have minimum wages levels set above the federal minimum. In addition, the tipped minimum wage is \$2.13. It also matches the federal tipped minimum wage level.

Ten states annually increase the minimum wage to keep up with the rise in the cost of living. New Jersey, however, is among the states that do not index their minimum wage. The federal minimum wage, which is not indexed to the cost of living, would today be \$10.55 if it had kept up with inflation over the past 40 years.

While proposals at the legislative level have been made to increase the minimum wage in New Jersey to \$8.50 and require future annual adjustments based on changes in the Consumer Price Index, no legislation has been enacted.

Earned Income Tax Credit (EITC)

The state Earned Income Tax Credit is intended to offset the financial impact that families with low incomes experience through payroll taxes by providing a tax credit for workers. In New Jersey, workers with low incomes are eligible for both the federal EITC and the state EITC. The state EITC program ‘piggybacks’ on the federal EITC, meaning that eligibility requirements are mostly the same and the amount of the tax credit is calculated as a percentage of the federal EITC.

Over half a million New Jersey residents benefit from the state EITC and receive, on average, a benefit amount of over \$500 annually. This payment represents immediate financial assistance to workers with low and moderate incomes, meaning it is likely to return to the local economy soon after receipt.

As a part of New Jersey’s aggressive approach to reducing budget expenses, the state EITC reduced its credit to 20 percent down from 25 percent of the federal credit beginning in January 1, 2011. As a result, the state saved \$45 million. The impact on families with low incomes, however, is significant. One report calculated that a single parent with two kids and minimum wage job would lose \$300—an amount equal to a week of pay.¹¹

The Governor has proposed restoring the EITC to 25 percent, but this is subject to the outcome of the budget discussions currently taking place. Under this proposal, however, half the cutback would be restored in 2014, followed by the second half in 2015.

Unemployment Insurance (UI)

The unemployment insurance system is designed to temporarily replace a portion of the wages lost by workers who lose a job through no fault of their own. Its primary function is to relieve the financial distress of jobless workers and their families, serving as a stimulus to continue consumer spending during economic downturns.

UI is a combined federal-state program, meaning that federal rules determine the types of employment that are covered by unemployment insurance and establish broad eligibility requirements. Federal officials also oversee state performance under the federal guidelines. States have discretion when setting specific eligibility criteria and benefit levels, and they provide the funding and pay for the actual benefits provided to workers. Federal and state taxes fund the UI

system. New Jersey is unique in that, while the UI system is funded mostly through taxes imposed on employers, a small portion of the program is also paid for through taxes on employees.

The basic UI benefit provided to jobless workers consists of up to 26 weeks of benefits, which replaces 60 percent of a worker's previous wage, up to a maximum of \$611 per week in 2012. In addition, the state runs the Extended Benefits program (EB) which provides a maximum of 20 additional weeks of compensation to unemployed workers in New Jersey when certain criteria are met. This program is scheduled to end by the end of June 2012. Because of the severity of the recent economic downturn, the federal government offers an additional program to extend benefits for unemployed workers. The Emergency Unemployment Compensation program, created in June of 2008, provides between 53 and 57 additional weeks of benefits to workers who exhaust the regular state benefits, depending on the date of unemployment. This program is funded entirely through the federal government.

The large increase in the number of workers who have been unemployed for more than six months as indicated above suggests that many of these unemployed workers have utilized the unemployment benefit extensions.

Eligibility issues present a hardship for unemployed workers

Eligibility for UI requires that a worker who lost a job through no fault of their own or for minor offenses; worked at a job covered by the unemployment compensation law; earned at least \$7,300 or worked 20 weeks in a 52-week period; and is actively seeking employment.

There are, however, significant areas of concern within the state UI program. One of the more troubling components of the program for unemployed workers surrounds eligibility issues. As mentioned above, workers who lost their jobs due to minor offenses remain eligible for UI. At the same time, if the worker is fired for what is considered simple misconduct they face a waiting period of eight weeks before they can collect benefits. The law is intended to protect employers but for many families, the eight-week delay can present a serious financial hardship. If, on the other hand, a worker is fired for an offense considered criminal—defined in the law as gross misconduct—that worker faces a complete ban on receipt of benefits. In June of 2010, the categories of workers barred from benefits was expanded to include a third category—severe misconduct. This is also a complete disqualification; however, because it is not defined in statute, its interpretation is very problematic.

While it is possible that all three categories of misconduct—simple, gross, and severe—could provide a useful guide for employers and workers regarding eligibility for UI, the concern is that the current law is not specific enough to ensure that the program will operate in a uniform manner for all workers. Advocates are concerned that the uncertainty in the law could leave it open to abuse by employers. While proposals have been made to define severe misconduct so that workers who have been fired are provided an objective eligibility process when they apply for UI, no legislation has been enacted.

Food and Nutrition

Access to sufficient, healthy food is one of the most basic of human needs, yet scarce financial resources make it difficult, or in some cases impossible, for many families to meet this need. Food

insecurity in New Jersey has been steadily growing, and in 2010, grew to the highest level since the USDA began recording data in 1995. This section examines two programs: The Supplemental Nutrition Assistance Program (SNAP)—formerly, known as the Food Stamp Program—and the School Breakfast and School Lunch programs.

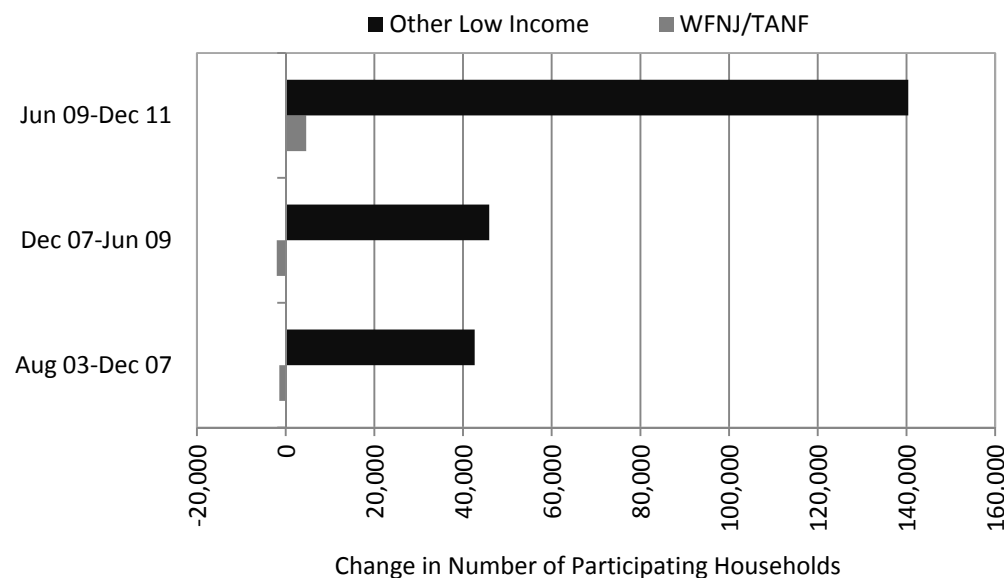
Supplemental Nutrition Assistance Program (SNAP)

The Food Stamp program is the first line of defense against hunger. It is a federal entitlement program designed to provide in-kind food assistance to eligible individuals and families with low incomes for the purchase of designated food items. While the program is federally funded, the state is responsible for administering the program locally. This includes incurring all costs related to the administration of the program, including conducting outreach, determining eligibility, and issuing monthly benefits.

Residents below 130 percent of the official poverty level are eligible to participate in the program. In some instances, residents with incomes up to 185 percent of the poverty level can also be eligible if they meet certain specific criteria.

Number of households enrolled in the Food Stamp program (SNAP) has increased by 92 percent since the beginning of the Great Recession.

Figure 3.5: Change in Number of Households Participating in the Food Stamp Program (SNAP) in New Jersey, August 2003 to December 2011



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

Participation in the Food Stamp program (SNAP) jumped sharply at the outset of the Great Recession in December 2007. Even after the recession officially ended in June 2009, the upward trend in the food stamp caseload remained steep. As of December 2011, enrollment stood at

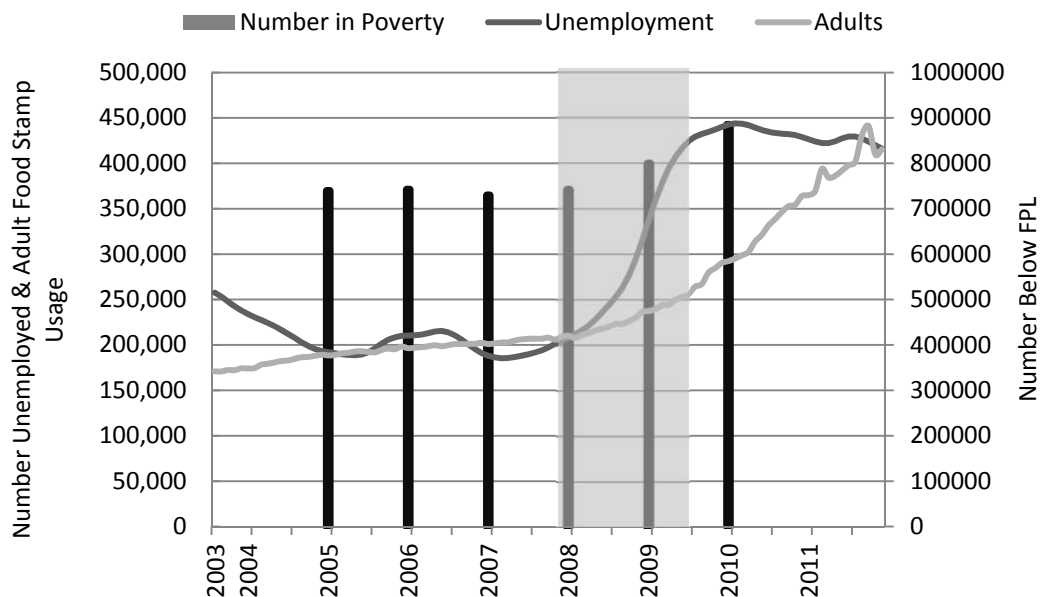
393,739 households, an increase of 188,940 households since the beginning of the Great Recession, or 92 percent.

Breaking down participation in the Food Stamp program (SNAP) into three separate periods highlights the substantial increase in household enrollment that occurred after the official conclusion of the Great Recession in June 2009 (see figure 3.5). From August 2003 (the earliest date for which comparable data is available) until December 2007, at the outset of the Great Recession, food stamp enrollment of households with low incomes who were not receiving TANF increased by 41,220. During the 18-month period of the recession the caseload increased by another 43,912 households. In the 30 months since the end of the recession, however, enrollment has increased by 145,028 households.

Rise in food stamp usage and high unemployment levels indicate poverty rates likely to be high in 2011.

As the Great Recession progressed, the number of adults enrolled in the Food Stamp program (SNAP) grew (see figure 3.6). While, initially, the number of unemployed grew much more rapidly over the period of recession, the increase in adult food stamp usage proceeded at a slower pace. Although the unemployment level plateaued, after peaking in February 2010, and even declined slightly thereafter, adult food stamp usage continued to rise steeply. Finally, by December 2011, both numbers were at about the same level.

Figure 3.6: Adult Food Stamp Usage, Total Unemployment, and the Number of People Living in Households with Incomes below the FPL in New Jersey, August 2003 to December 2011



Source: State of New Jersey, Department of Human Services, Division of Family Development, Current Program Statistics, US Bureau of Labor Statistics and the New Jersey Department of Labor and Workforce Development, and U.S. Census Bureau, American Community Survey: 2005 to 2010

Note: Shaded area denotes recession.

The parallel increases in the unemployment numbers and adult food stamp usage suggests that unemployment numbers are a reasonable predictor of food stamp usage. It also demonstrates the valuable role food stamps play in helping people meet their basic needs in periods of financial stress. The coincidence of the two numbers at the end of 2011 suggests that food stamp usage may have peaked. To the extent, the decline in unemployment numbers continues, participation in the Food Stamp program may begin to level off.

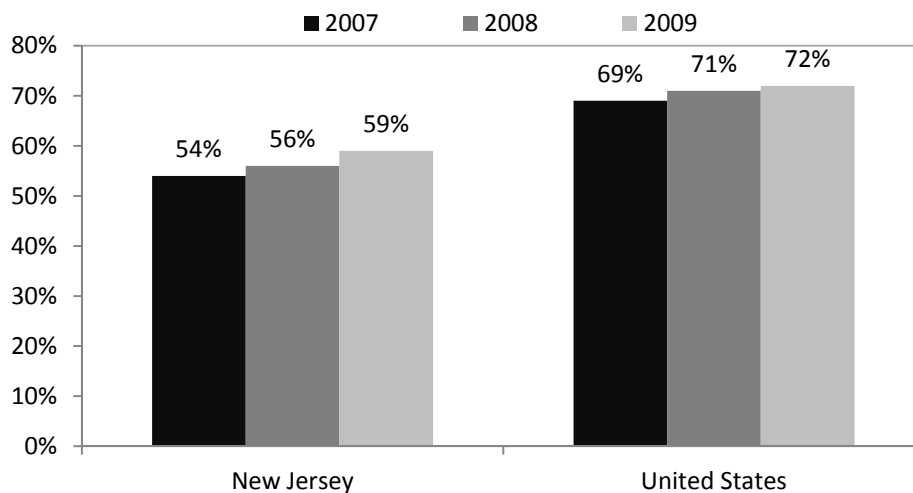
Figure 3.6 also shows the correlation between the adult food stamp caseload and the number of people living in households with incomes below the official poverty measure. Although poverty data for 2011 is not yet available, the continued steep rise in participation in the Food Stamp program through 2011 suggests that the poverty rate in 2011 will be close to the level it was in 2010.

The recent increase in the food stamp (SNAP) caseload underestimates true need—a significant percentage of eligible residents are not enrolled in the program.

In 2009, the most recent date for which data is available, only 59 percent of total eligible New Jersey residents participated in the Food Stamp program; nationally, the participation rate was 72 percent the same year (see figure 3.7). While the food stamp participation rate improved slightly over the three-year period between 2007 and 2009, New Jersey’s participation rates were substantially below the national averages.

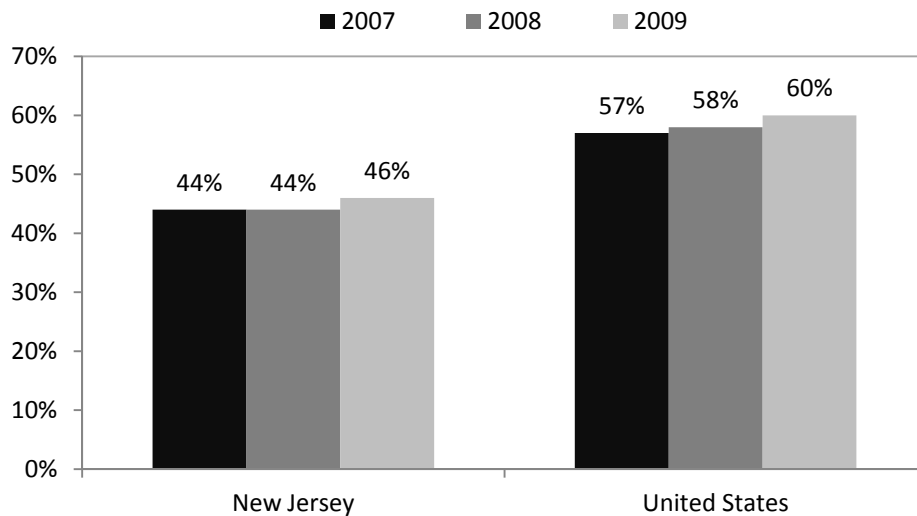
New Jersey’s eligible working poor participation rate, in fact, was ranked at the third to last position among all states in the United States in 2009. The participation rate of the eligible working poor lagged the national average by 14 percentage points in 2009 (see figure 3.8). While the national participation rate of the eligible working poor averaged 60 percent in 2009, New Jersey’s participation rate was 46 percent.

Figure 3.7: Percentage of Eligible Participants in the Food Stamp Program (SNAP) in New Jersey and the United States, 2007 to 2009



Source: USDA, Reaching Those in Need: State Supplemental Nutrition Assistance Participation Rates in 2009

Figure 3.8: Percentage of Eligible Working Poor Participants in the Food Stamp Program in New Jersey and the United States, 2007 to 2009



Source: USDA, Reaching Those in Need: State Supplemental Nutrition Assistance Participation Rates in 2009

While the food stamp (SNAP) caseload has increased dramatically, so has the backlog.

One reason for the low participation rate may be the backlog that counties face in processing cases. Although many additional residents have enrolled in the program, there are also many who have not succeeded to enroll because of this backlog.

The School Breakfast Program (SBP)

The School Breakfast Program (SBP) is essential to ensuring that New Jersey’s children are able to thrive. It is a federally funded school-based nutrition program designed to provide free or reduced price breakfast to children with low incomes. The purpose is to provide nutritious breakfast to promote good health and academic achievement. The program’s benchmark goal is to reach a 60 percent participation rate of those students participating in the National School Lunch Program. Unfortunately, while participation at the national level has grown, New Jersey’s participation rate has remained among the bottom ten states for five consecutive years.

Between 2009-10 and 2010-11, New Jersey’s student participation ranking in the School Breakfast Program dropped from the 46th worst to 48th worst in the country.

In 2010-11, only 37.6 percent of National School Lunch Program (NSLP) student participants received free or subsidized breakfasts, unchanged from the previous year. Between 2009-10 and 2010-11, however, New Jersey’s national student participation ranking in the School Breakfast Program dropped from the 46th worst to 48th worst.

New Jersey schools participation in the School Breakfast Program is now the lowest in the nation.

In order for a child to participate in the School Breakfast Program, the child's schools must be participating in the program. New Jersey's ranking for school participation significantly lags other states in the nation. Since 2005-06, New Jersey school ranking has been among the lowest in the nation. In 2010-11, its rank dropped to number 50, the lowest school participation rate in the nation.

New Jersey lost more than 22.5 million dollars in federal funds in the 2010-11 school year because of the failure to enroll all eligible students in the School Breakfast Program

The failure to enroll eligible students and reach the benchmark goal has not only meant that eligible children forwent nutritious breakfasts, but also resulted in the loss of millions of dollars in federal funds. In 2010-11, New Jersey lost at least \$1.48 for every child who could have received a free breakfast, \$1.18 for every child who could have received a reduced price breakfast, and an additional \$0.28 per meal in severe need schools where at least 40 percent of lunches served were free or reduced price. Cumulatively, this amounted to more than \$22.5 million for the 2010-11 school year.

Housing

For people with low incomes, the importance of finding and keeping decent, safe, affordable housing cannot be overestimated. Recent research has again confirmed that enabling households with low incomes to live in "communities of opportunity", which frequently are affluent suburban municipalities where many good jobs are located, dramatically improves the lives of residents with low incomes, and greatly improves the mobility prospects of their children.¹²

For decade, however, New Jersey has been in the throes of a severe, critical shortage of housing affordable by people with low incomes. The bursting of the "housing bubble", which sparked the Great Recession and the subsequent surge in unemployed workers, greatly exacerbated that crisis for a large segment of New Jersey's population. Thousands of New Jersey households who previously either owned or rented their homes, suddenly found themselves facing foreclosure or eviction because they were no longer able to make their monthly mortgage payments or afford their monthly rent. This section focuses on rental housing. It presents data on the extent of the need for rental housing assistance in New Jersey and, thereafter, examines some of the programs available to meet that need.

Research published annually by the National Low Income Housing Coalition has consistently shown that New Jersey is one of the most expensive states in the nation to rent a home. Their 2012 Out of Reach Report, based on 2010 data, showed that, among working households, New Jersey ranked fourth in terms of cost burden. The 2012 fair market rent for a two-bedroom apartment in New Jersey was \$1,302 a month—only Hawaii, Washington DC, and California have higher fair market rents (FMR). A working family would need an annual income of \$52,081 to cover this rent, on the assumption that their rent would not be more than 30 percent of annual income. In New Jersey, at the current level of the minimum wage, a household would need 3.5 minimum wage earners

working 40 hours per week year-round in order to afford a two-bedroom apartment at the FMR. Alternatively, a household would need 1.5 workers earning the mean renter wage. The median renter household income in 2010, however, was only \$38,725, considerably less than the income needed to cover the FMR.

A substantial proportion of New Jersey's renter population already pays rent at a level that is considered burdensome. In 2010, there were approximately 1,066,000 renter households in New Jersey, the equivalent 33.6 percent of all households. Almost 30 percent of these households were paying more than 50 percent of their household income to cover the rent and utilities, a level considered to impose a severe cost burden on the household. More than half of all the renter households (54.3 percent) were paying more than 30 percent of their income towards rent and utilities, a level considered a cost burden.

Affordable rental housing, thus, is a major challenge facing the residents of New Jersey. While the state has a number of programs and agencies charged with overseeing affordable housing procedures, it lacks a coherent, statewide affordable housing policy. An adequate rental housing policy would address at least three areas of need: the emergency housing needs of the most financially vulnerable households, the longer-term solutions to current and future affordable housing needs through rental assistance and housing production programs, and the elimination of long-standing racial and economic segregation in housing patterns.

Responding to Immediate Needs: Emergency Assistance and Homelessness Prevention

Renter households, with lower median incomes and higher poverty rates, are much more likely to face eviction than homeowners are foreclosure. In FY 2011, 171,934 eviction cases were filed with the New Jersey court system, an increase of four percent over the previous year.¹³ For the nine months since June 2011, the high rate of eviction filings has continued; there have been 131,242 new filings as of March 2012.

Existing state programs are not sufficiently broad to assist the full-range of households who need short-term assistance, such as back rent to prevent eviction or security deposit and first month's rent payment to secure stable housing. Two state emergency programs—Work First New Jersey's Emergency Assistance and the Homelessness Prevention Program—do provide assistance to some New Jersey families in need, but many others are not able to get assistance under these programs.

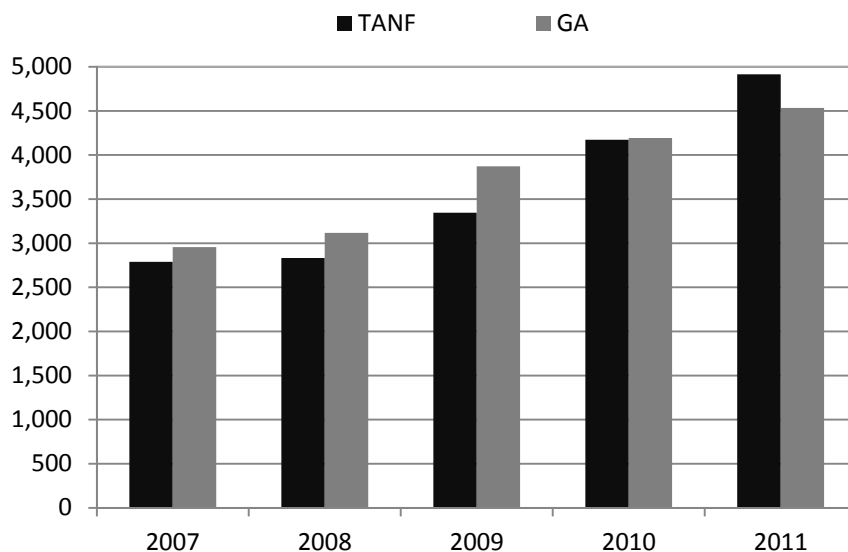
Emergency Assistance (EA)

Emergency Assistance (EA) provides funding to prevent or alleviate homelessness, primarily through placements in hotels or motels, or via temporary rent subsidies in permanent apartments. Only three categories of households can obtain EA. The three categories are families with children eligible to receive Temporary Assistance for Needy Families (TANF), adults without children eligible for General Assistance (GA), and disabled people or seniors receiving Supplemental Social Security Income (SSI). (Eligible clients in crises are also able to receive funds for essentials such as food, clothing, utility payments, transportation, aid in the search for housing, moving expenses, and rent or mortgage payments.) Eligibility for EA is limited to people who are homeless or about to become homeless.

In the housing context, all other homeless or imminently homeless households are not entitled to emergency assistance. Households not entitled to emergency assistance included lower-wage workers, most people receiving Social Security Disability or retirement benefits, those on unemployment, and others struggling to keep a roof over their heads. For example, a mother with two children applying for TANF and earning \$250 per week, or receiving \$400 every other week in unemployment benefits, does not qualify because she earns too much. This amount would be more than the \$424 monthly TANF grant for a family of three plus Food Stamps and Medicaid. Alternatively, for example, a homeless person receiving \$800 in Social Security Disability benefits is not entitled to emergency assistance because it would be greater than the SSI maximum of \$705.

With the onset of the Great Recession, there has been a steady increase in both the number of TANF and GA recipients receiving temporary Emergency Assistance (see figure 3.9). Notwithstanding the conclusion of the recession, the demand for Emergency Assistance has continued to grow. In 2011, the monthly average of the number of recipients receiving Emergency Assistance was greater than in any year since 2007. While in 2007, the monthly average for TANF recipients was 2,788 and for GA recipients 2,957, by 2011 these numbers has grown to 4,914 and 4,533, respectively—increases of 76 percent and 53 percent, respectively.

Figure 3.9: Average Monthly Number of Number of TANF and GA Recipients Receiving WFNJ Emergency Assistance in New Jersey, 2007 to 2010



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

Homelessness Prevention Program (HPP)

The Homelessness Prevention Program provides limited financial assistance to tenants and homeowners with low and moderate incomes in order to prevent homelessness. In order to receive assistance, the household must be in imminent danger of eviction or foreclosure due to temporary financial problems beyond the applicant’s control, such as a temporary loss of income due to unemployment or a hospitalization. The short-term assistance must also be adequate to resolve the

specific housing crisis, and applicants must be able to demonstrate their financial ability to maintain their housing after receiving assistance. Funds may be approved as either loans or grants and are dispersed in the form of payments to landlords and mortgage companies on behalf of eligible households in danger of homelessness. Program rules allow up to six months of rental assistance payments.

Although 1,600 households were assisted through HPP in FY11, and the same number is projected for FY12, it is insufficient to meet the growing need for emergency housing assistance.¹⁴ Unlike the EA program, HPP is not an entitlement program and is subject to funding limitations. Anecdotal evidence suggest that once funds are exhausted at the beginning of each year—or when rationed over the course of a year, at the beginning of each month—the program is unable to serve clients in need.

Building towards Long-Term Solutions: Rental Assistance and Housing Production Programs

Beyond the need to address the immediate needs of renters at-risk of homelessness through eviction, New Jersey needs to develop a long-term solution for addressing the state’s current and future affordable housing needs. Preparing for these needs now, through the provision of rental assistance and the adequate production of new affordable housing stock, will reduce future dependence on emergency housing services. For many years, the federal government has played a primary role in the production of affordable housing. In recent decades, however, the federal role has waned, making the state’s responsibility in affordable housing production and assistance all the more important.

Rental Assistance Programs

The existing rental assistance system is inadequate to address the gap between market-rate rental prices and the housing affordability ceiling for a large portion of the population. Given the high rental costs, large portions of the working poor, as well as many senior, disabled, and other vulnerable households, cannot pay market-rate rents, while also meeting other basic living costs. For these households, rental assistance fills the gap. It allows them to participate in the rental housing market, maintain a balanced budget and, eventually, to transition to more permanent housing solutions.

The various Federal housing subsidy programs, including public housing, privately owned subsidized housing, and tenant-based vouchers, enable about 156,500 households with low incomes to rent modest housing at an affordable cost.¹⁵ With about 549,000 renter households paying more than 30 percent of household income on rent and utilities and about 297,000 paying more than 50 percent, federal assistance covers only a limited number of renter households in need. Of the federally assisted households, approximately 60,000 are recipients of tenant-based Housing Choice Vouchers

The State Rental Assistance Program (SRAP) is intended to serve as a supplement to the federal “Section 8” Housing Choice Voucher Program, in order to help meet the need for deep housing subsidies. It is a state-funded program administered by the Department of Community Affairs (DCA). The greater part of SRAP assistance is in the form of tenant-based rental assistance (TBRA)

vouchers for individuals and households with low incomes that rent market-rate housing. They are limited to five years. In addition, SRAP provides project-based assistance (PBA), whereby rental payments are allocated to new or rehabilitated housing units for ten years and paid when qualified tenants occupy those units.

Despite continued funding for SRAP, the need for rental assistance outgrows program resources. In FY 2011, SRAP assisted 4,426 households. These numbers indicate a gradual increase since FY 2008, when 3,561 households were assisted. Nevertheless, waiting lists for rental assistance are several years and thousands of persons long. The waiting list, which was closed in December 2008, totals 3,334 names. It includes the names of 1,578 elderly residents seeking assistance. The list does not include the waiting list for the disabled, a separate statewide list, which closed in March 2007 and currently has 2,309 names.¹⁶

Affordable Housing Production Programs

A patchwork of state programs exists to encourage the development of much-needed affordable housing. Most state-funded programs and many federally funded development programs operate through the New Jersey Department of Community Affairs (DCA) and the Housing and Mortgage Finance Agency (HMFA).

The New Jersey Affordable Housing Trust Fund (AHTF), previously known as the Neighborhood Preservation Balanced Housing Program, is funded through a portion of state collections of Realty Transfer Fees. The significant reduction in units and funds for the AHTF from FY 2009 to FY 2011 is a direct result of the poor condition of the real estate market. Even these programs may be affected adversely by the cuts to the AHTF, since all production programs need multiple sources of funding to work.

The FY11 and FY12 budgets have had a drastic effect on the AHTF. As part of the balancing efforts of these budgets, unspent trust fund balances were “recaptured” into the state’s General Fund, and appropriations, based on certain realty transfer fee collections, were not funded at the full amount required by law. As such, AHTF has no funds available to build or rehabilitate new affordable homes. DCA will rely on HMFA to provide funds to support affordable housing production, primarily through CHOICE, Special Needs Housing Trust Fund (which has exhausted its current funding, but may be replenished), Low-Income Housing Tax Credit Program, and the Multi-Family Rental Housing Program.

Combating Racial and Economic Segregation: Mt. Laurel, COAH, and Fair Housing

New Jersey has been cited as a leader in state housing policy, centered on the state’s Mt. Laurel doctrine. Responding to complaints that local land use policies contributed to the racial and economic segregation of New Jersey suburbs through “exclusionary zoning” practices, the New Jersey Supreme Court established unprecedented rulings in Mt. Laurel I (1975) and Mt. Laurel II (1983). According to Mt. Laurel, municipal land use regulations that prevent affordable housing opportunities for the poor are unconstitutional and all New Jersey municipalities are to plan, zone for, and take affirmative steps to provide realistic opportunities for their “fair share” of the region’s need for affordable housing for people with low and moderate incomes—a practice known as

“inclusionary zoning”. In response to these decisions, the Fair Housing Act of 1985 (FHA) created the Council on Affordable Housing (COAH), a state-level decision-making entity charged with overseeing municipal fair share housing obligations.

As research has shown, moving to “communities of opportunities” yields tremendous benefits for households with low incomes, especially children. These communities, however, are often among the least-integrated, most exclusionary communities in the state. This is the reason Mt. Laurel and COAH are so important: opening the doors to these communities is one of the most effective ways to improve the lives of people with low incomes.

As of 2008, the Mt. Laurel decision is estimated to have produced over 40,000 new units of low- and moderate-income housing, the rehabilitation of 15,000 substandard units, the creation of \$210 million from the suburbs to go towards urban housing needs, and the establishment of \$350 million in state trust fund money to go towards affordable housing projects.¹⁷ Because of the Mt. Laurel legal obligations, and an additional positive impact of the decision, New Jersey has expanded its expertise to build affordable housing among both private developers and the nonprofit housing community.

Unfortunately, the COAH process, and to some degree even Mt. Laurel litigation, have been in limbo for several years. Key cases await ruling by the Supreme Court. In the interim, gridlock exists between the Administration and the Legislature regarding the future of COAH and affordable housing policy in New Jersey. Until the impasse is resolved, production of much-needed affordable housing will be seriously impeded.

Health Care

The high cost of health care makes it extremely difficult for New Jersey residents with low incomes who do not have health insurance to access preventive or critical care without assistance.

Government health insurance programs, supplemented by community clinics, exist to provide health care to many residents with low incomes; however, gaps in access and coverage remain. In 2010, nearly 1.3 million residents did not have health insurance coverage; about 615,000 of whom were living in households with incomes below 200 percent of the FPL.

NJ FamilyCare (NJFC) is a broad assistance program in New Jersey that provides health insurance to eligible children and parents with low incomes through both the federal Medicaid and CHIP programs. In addition to providing health insurance to children and parents within NJ FamilyCare, the Medicaid program also provides health insurance coverage to New Jersey’s elderly and disabled.

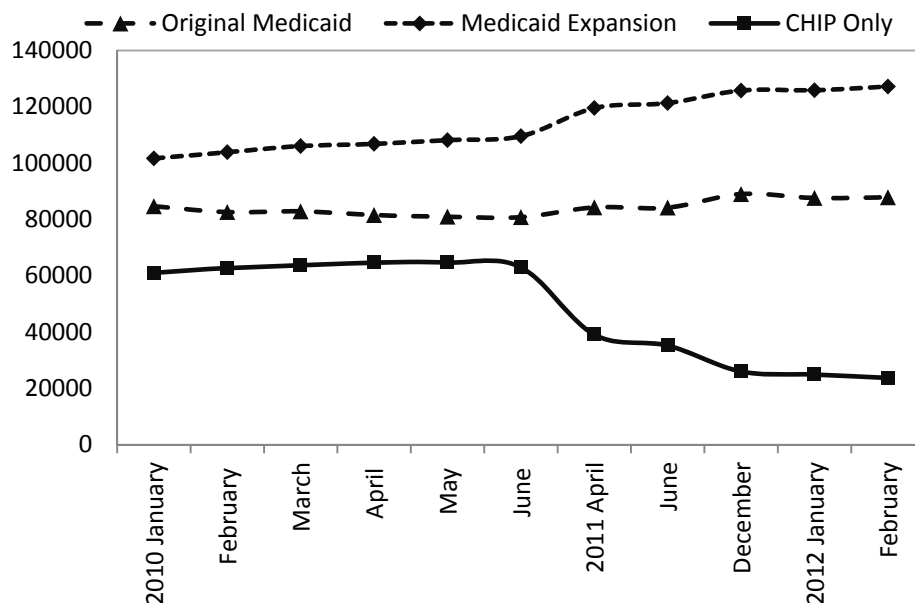
Because of cuts to New Jersey FamilyCare (NJFC) implemented in March 2010, parent enrollment has plummeted and reached a new low in February 2012

Although NJFC, since 2000, has consistently provided health insurance coverage to uninsured children living in families with incomes up to 350 percent of the FPL, coverage for parents and caretakers has been reduced substantially. Prior to March 2010, parent eligibility for NJFC was defined by three categories:

1. Original Medicaid—total income must not exceed 29 percent of the FPL (based on a family of three);
2. Medicaid Expansion—unearned income (e.g. unemployment insurance) must not exceed 29 percent of the FPL and total income must not exceed 133 percent of the FPL; and
3. Children’s Health Insurance Program (CHIP) Only—total income must not exceed 200 percent of the FPL.

In March 2010, NJFC was cut by closing the CHIP Only category to parents and caretakers filing new applications. The practical effect was that overall eligibility for new applicant parents was reduced from 200 percent of the FPL to unearned income not exceeding 29 percent of the FPL and total income not exceeding 133 percent of the FPL. As a result, parent enrollment in the CHIP Only component of NJFC dropped precipitously. At its peak, in May 2010, 64,717 parents were enrolled; however, by February 2012 enrollment stood at a low of 23,714 (see figure 3.10).

Figure 3.10: Number of Adults Enrolled in NJ Family by Category in New Jersey, January 2010 to February 2012



Source: NJ DMAHS (New Jersey Division of Medical Assistance and Health Services)

The current NJ FamilyCare eligibility level for parents/caretakers with unearned income is one of the lowest in the nation

Prior to March 2010, parents with any earnings up to 200 percent of the FPL were eligible for the program. In March, the eligibility threshold not only was reduced to 133 percent of the FPL but also was made applicable only to parents with earned income or work income. This meant that parents receiving unemployment insurance, child support or other government benefits, such as Social Security Disability Income (SSDI), were no longer eligible for the program. The eligibility cut off at 29 percent of the FPL for parents with unearned income is one of the lowest in the nation.

Currently, only 14 states have stricter income eligibility criteria. All of these states have a lower cost of living than New Jersey, and most are in the south.¹⁸

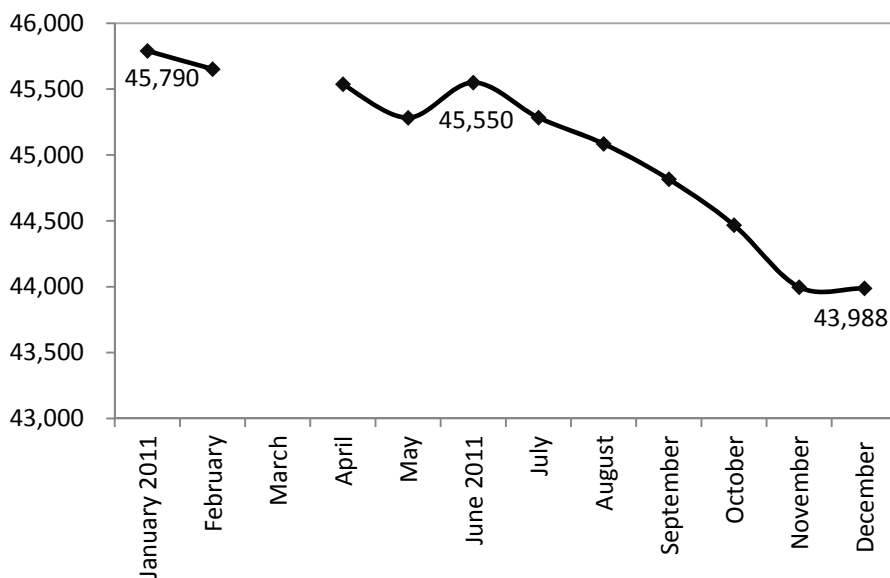
Approximately 70,000 parents/caretakers have lost health insurance coverage because of the NJ FamilyCare cuts implemented in March 2010

In addition to the cuts in the NJFC program resulting from income eligibility level changes, eligibility for legal immigrant parents who have been in this country for less than five years was also subject to major cuts. A recent analysis estimated that 70,000 parents, in total, because of these various cuts have been terminated or denied NJFC, since the beginning of FY 2011.¹⁹

Research shows that child enrollment is likely to decline when parent enrollment declines; although child eligibility thresholds remain in place, recent New Jersey data has confirmed a decline in enrollment

Analysis of recent administrative data on child enrollment under various NJFC plans shows enrollment increased only when the parent's eligibility was maintained. In instances where a parent's eligibility was cut, child enrollment also declined. Child enrollment, which peaked in June 2011, declined by 3.4 percent as of December 2011 for children living in households with incomes between 151 and 200 percent of the FPL and by 4 percent for those living in households between 134 and 150 percent of the FPL (see figures 3.11 and 3.12).

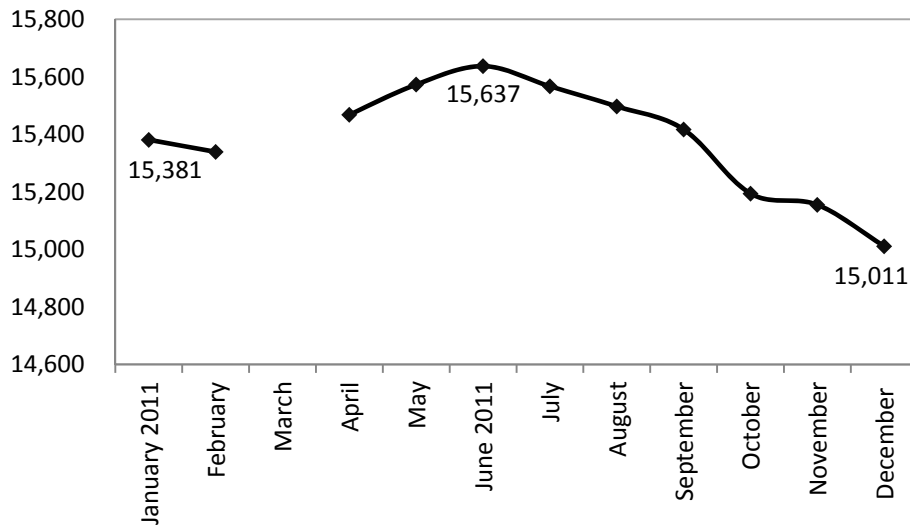
Figure 3.11: Number of Children Enrolled in NJ FamilyCare Living in Households with Incomes between 151 and 200 Percent of the FPL in New Jersey, 2011



Source: NJ DMAHS (New Jersey Division of Medical Assistance and Health Services)

Note: There data for February and March are missing

Figure 3.12: Number of Children Enrolled in NJ FamilyCare Living in Households with Incomes between 134 and 150 Percent of the FPL in New Jersey, 2011

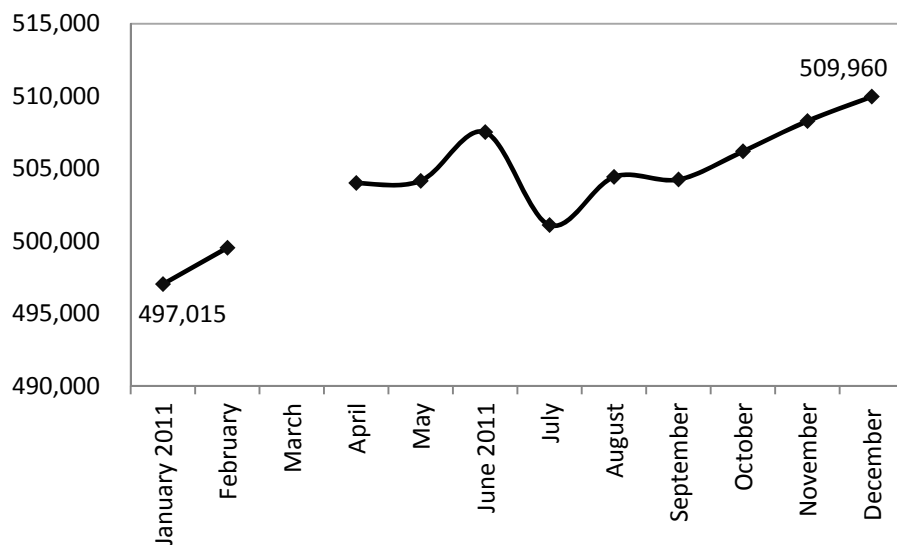


Source: NJ DMAHS (New Jersey Division of Medical Assistance and Health Services)

Note: There data for February and March are missing

In contrast, child enrollment in S-CHIP programs has increased

Figure 3.13: Number of Children Enrolled in Title XIX Medicaid Program Living in Households with Incomes below 133 Percent of the FPL in New Jersey, 2011

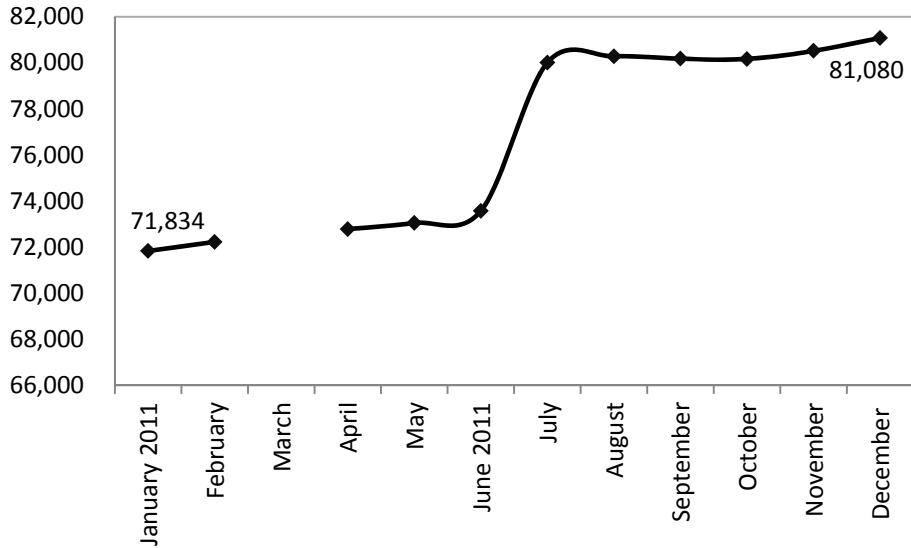


Source: NJ DMAHS (New Jersey Division of Medical Assistance and Health Services)

Note: There data for February and March are missing

In contrast, in 2011, child enrollment in the Medicaid Title XIX and the Title XXI Medicaid Expansion programs increased. In the former case, enrollment increased by almost 13,000 children and by almost 9,300 children, in the latter case (sees figures 3.13 and 3.14).

Figure 3.14: Number of Children Enrolled in Title XXI-A Medicaid Program Living in Households with Incomes between 100 and 133 Percent of the FPL in New Jersey, 2011



Source: NJ DMAHS (New Jersey Division of Medical Assistance and Health Services)

Note: There data for February and March are missing

New Jersey has now moved almost all NJ FamilyCare and Medicaid recipients into Medicaid HMO’s, but there is little evidence that these HMOs are improving care or cutting costs

By April 2011, 75 percent of NJ Family/Care Medicaid recipients were receiving care through Medicaid HMOs. In the summer of 2011, New Jersey made Medicaid HMOs mandatory for all disabled recipients (not receiving long-term care); by October 2011, 92 percent of NJ Medicaid recipients were enrolled in Medicaid HMOs. The state also plans to move all long-term care recipients to Medicaid HMOs by January 1, 2013.

The best way to improve care is to provide a robust provider network and the best way to do that is to provide adequate reimbursements to providers. A 2009 national survey of trends in Medicaid physician fees from 2003 until 2008 found that New Jersey’s fee for service (FFS) physician reimbursement rates were the lowest in the country.²⁰ New Jersey has provided Medicaid HMOs with substantial increases in reimbursements, yet the rates these HMOs pay physicians is not much better than the FFS rates. Because rates are so low, very few physicians participate as Medicaid providers. This means that, while many Medicaid recipients theoretically have health care coverage, they practically have no health care access.

The federal Affordable Care Act will have a significant impact for New Jerseyans with low incomes; however, major provisions will not be implemented until 2014

The Affordable Care Act (national health care reform) was signed into law in March of 2010. The new law includes an individual mandate to obtain health insurance, a Medicaid coverage expansion to 133 percent of the FPL (abolishing categorical eligibility), and the creation of state-based insurance exchanges with subsidies for individuals whose income falls between 133 and 400 percent of the FPL.

These major health care reform provisions in the Affordable Care Act will have a tremendous impact on New Jerseyans; however, they will not be enacted until 2014 (assuming the law survives the current legal and political challenges). Until this time, many New Jersey parents and caretakers with low incomes will not be able to afford health insurance.

Policy Recommendations

Provide Supports to Make Work Accessible

1. Ensure that those who are in need are able to access the TANF program, including assessing the adequacy of the TANF grant.
 - The recession demonstrated that the TANF program failed to provide a safety net during a period of greatest need. While the TANF caseload increased somewhat since the end of the recession, the number of persons needing TANF assistance is still well below the need generated by the recession. Re-examination of the program is required; it should include examining the adequacy of the grant level (which is identical to the eligibility), which has remained unchanged in a quarter century.
2. Value education by not prohibiting college students from receiving GA.
 - The recent shift towards closing the GA grants to students pursuing college level courses is a regressive step and implies that education is not desirable. Both federal and state policies have always encouraged education by allowing clients to seek higher learning while on public assistance. In order to ensure that recent policy changes do not deter learning, the state must seek sources of support for single adults interested in pursuing higher education. If it is determined that they have an inadequate support structure, suitable grants must be made available to allow them to pursue college education and, thereby, enable them to become self-sufficient.

Ensure that Those Engaged in Work are able to be Self-sufficient

1. Increase the minimum wage and set a wage requirement for tipped employees.
 - Increase the minimum wage to at least \$8.50 per hour and establish an automatic annual increase each year based on the increase in the consumer price index. In addition, the state should establish a minimum cash wage requirement for tipped employees..
2. Ensure adequate compensation for all workers by 1) enforcing the full and complete payment of wages; 2) ensuring all collected unpaid wages owed to workers and 3) instituting financial penalties for wage violations.
 - Sufficiently increase the piece rate paid to farm workers such that workers are paid minimum wage at all times.
 - Hold employers accountable for payment to all workers including payments made to workers hired by contractors and subcontractors, particularly among seasonal, migrant farm workers, landscapers, and construction workers.
 - Strengthen the registration process for crew leaders, including requiring an investigation of prior workplace violation and instituting substantial financial penalties for nonpayment of wages.

- Complaint investigations must be thorough and include worker interviews (using a translator when necessary and in an off-worksites location) in addition to records reviews.
3. Reinforce the benefit of work by reinstating the state EITC to 25 percent of the federal EITC, up from its current level of 20 percent.

Ensure Adequate Supports for Those Unable to Work

1. Some of the new policies introduced by the General Assistance (GA) program recently will harm the most vulnerable residents of the state; the state needs to re-assess the eligibility criteria and institute upfront screening and deferral process to ensure that the most needy clients are not turned away.
 - As noted earlier, the unemployable GA grant is now available only to those applicants who demonstrate an inability to work for at least six months or more. This policy excludes people who face a short-term health crisis or other circumstances that are intermittent in nature, but make a person incapable of working. The state needs to reassess the eligibility criteria to ensure that the program again serves those applicants who cannot demonstrate inability to work for at least six months or more, but are unable to work over the short-term.
 - In light of the 30-day work requirement before getting access to benefits, the state must institute an upfront screening and deferral process so that an unemployable person is not accidentally required to engage in work. Screening, identification, and making sure people have all the supports in place if they have immediate needs is an absolute necessity. In addition, a process is already in place that allows people to get immediate help when they face a crisis. It is important that adequate efforts are made to familiarize people with the availability of such resources.

Ensure that all New Jersey Residents have Access to Sufficient, Healthy Food

1. Continue to improve the participation rate by instituting procedures that will narrow the gap between those who are eligible for the program and those who enroll in the Food Stamp Program.
2. Improve case processing, eliminate backlog, and continue staff realignments to improve efficiency of the Food Stamp Program (SNAP).
 - Simplify the application process by ensuring that applications align. For example, incorporating a document imaging, shared file system would reduce the onus on clients to produce documents multiple times and allow caseworkers to more easily access these documents. The state initiated this process since the previous Benchmarks report. Its reengineering demonstration project introduces specialization. Instead of a staff person following the applicant through various stages of the process, an applicant meets a specialist who has access to all case documents at every stage. The expectation is that the process will get smoother and quicker. In order to ensure this transition, the department

should continue to monitor and evaluate the new procedures, and strive to find new ways of improving efficiency.

- The department should streamline the process by eliminating multiple inquiries. In addition, applicants should be required to come back into the office only if the problem cannot be solved remotely.

Ensure that All New Jersey Residents have Access to Adequate and Affordable Housing

1. Address the immediate needs of the state's most vulnerable households—those who are facing the threat of homelessness through eviction or foreclosure.
 - Improve response to families and individuals seeking assistance with immediate needs by expanding the Emergency Assistance program. Families and individuals turning to the WFNJ program for assistance are in crisis, often facing an eviction, foreclosure or other housing emergency. Many of these incoming clients need up-front assistance to stabilize their situation. The existing Emergency Assistance program should be expanded, by making it available to WFNJ clients transitioning to work or to the Unemployment Insurance program. As it stands now, once a client leaves TANF or GA, they immediately lose eligibility for Emergency Assistance.
 - Respond to the increasing need for short-term assistance to prevent homelessness by increasing funding for assistance grants through the Homelessness Prevention Program (HPP). By ensuring HPP as an entitlement program, services could be targeted to clients who are not eligible to receive housing assistance through the EA program, thus closing the service gap in unmet emergency housing needs.
2. Plan for long-term solutions to the state's current and future housing needs and ensure the necessary resources to reach these goals.
 - Provide housing stability to a greater share of struggling households with low incomes by increasing funding for SRAP assistance and ensuring its own dedicated funding source going forward. A substantial infusion of new funding into SRAP represents the surest and fastest way to help struggling households obtain or retain housing and avoid homelessness. If this program is not fully funded, many people who now have homes may become homeless. This will result in even greater expense to the state, as emergency shelters are a more costly option than investing in SRAP.
 - Restore full appropriations to the Affordable Housing Trust Fund and ensure that unspent fund balances are not siphoned into the state's General Fund to fill budget gaps. As it currently stands, the trust fund is not able to contribute to the production of affordable housing with its current funds already earmarked for rental assistance (SRAP) and non-production programs. Without a strong and productive state housing trust fund, the current and future needs of affordable housing will continue to grow.

- Complete a new State Plan that represents a balance of development and conservation objectives best suited to meet the needs of the state, specifically concerning housing needs of households with low and moderate incomes.
3. Continue to oversee the process begun by Mt. Laurel thirty-years ago, by ensuring that state housing policy provides a realistic opportunity for municipalities to reduce economic and racial concentration, and *de facto* segregation, in the housing market.
- Include affirmative deconcentration policies in affordable housing creation programs. The magnitude of the need for affordable housing dwarfs the resources currently committed to this goal, but the problem of concentrated poverty presents a different type of challenge in designing development programs. The differences in development costs between areas of low income and higher income also produce a built-in incentive for affordable housing development projects to be located in less expensive, more highly concentrated areas. In order to counteract this tendency and ensure options for residents with low incomes to live in areas of higher income, housing development programs need to incorporate affirmative de-concentration goals.
 - Tie state subsidies for municipalities to the development of affordable housing. The state could promote inclusionary policies and practices by linking municipal efforts to develop affordable housing with incentive funding, and restrict state funding for municipalities that refuse to promote affordable housing. Recent changes to the school funding formula that will allow state funding to follow students in families with low incomes opens this door, but more direct triggers could be built into school funding allocations to encourage housing for families with low incomes. Other municipal aid and subsidies could also be linked with participation in efforts to develop adequate supplies of affordable housing at the municipal level.

Ensure that all New Jerseyans have Access to Affordable, Quality Health Care.

1. Ensure that all parents and caretakers with low incomes have access to health care coverage through NJ FamilyCare.
 - Reverse the March 2010 cuts so that income eligibility for all parents is again 200 percent of the FPL. The eligibility reduction from 200 percent to 133 percent of the FPL for families with earned income and to 29 percent FPL for families with unearned income has caused a substantial loss of coverage for New Jersey's parents with low incomes. It is estimated that restoration of eligibility to 200 percent of the FPL for all parents would only cost the state \$25 million, a small fraction of the Medicaid budget.
 - Alternatively, New Jersey should at least lessen the damage of the March 2010 NJ FamilyCare cuts, so that all New Jersey parents who are new applicants for NJ FamilyCare are eligible if their income is at or below 133 percent FPL, regardless of whether that income is classified as earned or unearned.

- Eligibility criteria should also be administered so that parents who were receiving NJ FamilyCare continuously prior to March 2010 are grandfathered into the program (i.e., remain eligible for NJ FamilyCare), as long as their income does not increase above 200 percent of the FPL.
2. Expand NJ FamilyCare eligibility for children under age 21.
 - Currently, once a child reaches 19, s/he loses coverage unless family unearned income is less than 29 percent of the FPL and earned income is less than 133 percent of the FPL (i.e., the same as the current reduced eligibility levels for parents). This should be increased so that it is the same as the restored eligibility level for parents (i.e., 200 percent of the FPL, or 133 percent of the FPL regardless of whether income is earned or unearned).
 3. Cover the gaps in coverage left by the federal health care legislation, even after major provisions are enacted. Individuals who cannot afford the premiums and cost-sharing provisions will not be covered (and will be subject to the penalty), and undocumented New Jerseyans will remain ineligible.
 - Assist individuals who cannot afford the premiums and cost-sharing provisions through additional subsidies to the extent necessary.
 - Ensure coverage of all children, including undocumented children. Undocumented children are currently ineligible for NJ FamilyCare and will be ineligible for coverage under the federal law. Undocumented children are also unlikely to have access to coverage through a parent's employer or private insurance. Similar to other states, such as New York and Illinois, which have enacted insurance provisions for undocumented children, New Jersey should ensure that all children in the state are eligible for health care coverage.
 4. Monitor NJ FamilyCare/Medicaid HMOs to ensure they provide quality health care coverage to all recipients.
 - Ensure that Medicaid HMOs immediately pay adequate reimbursement rates to primary care providers and specialists.
 - Investigate to determine whether NJ FamilyCare/Medicaid recipients have access to adequate provider networks.
 - Require public production of HMO service denials and service reduction rates, to ensure that HMOs are not cutting costs by depriving or limiting necessary treatment or care.

Appendix

Table 1: Total Population Below Poverty (3-year avg. for NJ places with 20,000 or more people)

		Below 50%			Below 100%			Below 200%		
		2007	2009	2010	2007	2009	2010	2007	2009	2010
1	Atlantic City, Atlantic County	12.3%	13.7%	15.1%	22.5%	26.1%	27.7%	49.5%	55.0%	57.5%
2	Bayonne, Hudson County	4.1%	5.2%	4.6%	12.2%	12.0%	12.4%	31.1%	27.7%	26.2%
3	Belleville township, Essex County	5.9%	4.0%	2.1%	8.2%	7.4%	5.8%	24.0%	24.4%	21.1%
4	Berkeley township, Ocean County	2.8%	3.2%	3.1%	6.1%	8.2%	7.4%	24.2%	25.1%	23.3%
5	Bloomfield township, Essex County	4.0%	4.7%	3.7%	6.7%	8.1%	7.9%	19.9%	19.1%	21.5%
6	Brick township, Ocean County	2.3%	2.1%	3.1%	5.1%	4.8%	5.6%	16.1%	16.4%	17.0%
7	Bridgeton, Cumberland County	13.8%	15.4%	17.8%	24.9%	25.2%	30.1%	53.9%	55.3%	56.1%
8	Camden city, Camden County	19.7%	18.1%	17.9%	40.5%	36.7%	36.4%	67.1%	64.7%	62.9%
9	Cherry Hill township, Camden County	1.8%	1.8%	2.6%	4.5%	3.9%	4.8%	11.6%	10.9%	12.3%
10	City of Orange township, Essex County	6.6%	5.1%	8.1%	16.7%	15.2%	19.2%	38.8%	37.7%	41.6%
11	Clifton, Passaic County	5.5%	3.7%	3.4%	10.0%	8.0%	9.0%	23.6%	20.9%	24.1%
12	Deptford township, Gloucester County	3.4%	2.8%	2.7%	6.6%	9.6%	9.1%	18.6%	19.8%	17.3%
13	East Orange city, Essex County	11.8%	8.9%	8.2%	26.9%	20.8%	18.3%	47.9%	38.5%	38.1%
14	Edison township, Middlesex County	4.6%	5.5%	4.9%	6.4%	8.8%	8.2%	12.7%	16.4%	16.0%
15	Egg Harbor township, Atlantic County	1.2%	2.1%	2.2%	5.4%	7.3%	7.0%	15.8%	18.0%	19.8%
16	Elizabeth city, Union County	8.1%	6.4%	7.5%	17.6%	16.8%	18.5%	39.6%	41.4%	43.3%
17	Evesham township, Burlington County	-	-	1.4%	-	-	2.5%	-	-	10.0%
18	Fort Lee borough, Bergen County	-	-	3.3%	-	-	8.6%	-	-	19.8%
19	Franklin township, Somerset County	1.6%	2.5%	2.6%	4.7%	5.1%	5.0%	13.4%	13.3%	13.9%
20	Galloway township, Atlantic County	3.3%	1.9%	3.5%	6.9%	5.5%	6.4%	20.1%	18.0%	23.2%
21	Garfield, Bergen County	3.2%	3.4%	4.2%	12.4%	12.5%	12.5%	32.5%	29.8%	29.7%
22	Gloucester township, Camden County	3.1%	2.9%	3.3%	5.1%	5.6%	5.7%	16.0%	17.6%	19.0%
23	Hackensack, Bergen County	4.0%	4.5%	4.7%	10.5%	8.8%	11.2%	29.4%	23.6%	28.8%
24	Hamilton township, Atlantic County	-	-	4.0%	-	-	7.3%	-	-	29.4%
25	Hamilton township, Mercer County	1.0%	2.8%	2.7%	3.4%	5.4%	6.6%	16.0%	15.2%	17.2%
26	Hoboken, Hudson County	-	4.0%	5.5%	-	9.9%	11.1%	-	18.0%	20.8%
27	Howell township, Monmouth County	3.3%	2.1%	2.3%	5.6%	4.0%	4.4%	11.7%	12.7%	14.0%
28	Irvington township, Essex County	8.3%	8.5%	9.4%	14.8%	17.7%	20.4%	37.8%	37.9%	39.2%
29	Jackson township, Ocean County	1.8%	1.3%	2.3%	6.1%	3.0%	4.0%	15.1%	13.7%	12.4%
30	Jersey City, Hudson County	6.5%	7.1%	7.6%	17.4%	16.1%	17.4%	39.0%	33.8%	34.8%
31	Kearny town, Hudson County	3.4%	4.4%	3.7%	7.0%	13.3%	10.8%	24.6%	28.6%	28.0%
32	Lakewood township, Ocean County	8.8%	8.3%	10.4%	23.5%	26.9%	27.7%	50.7%	51.0%	55.9%
33	Linden, Union County	2.6%	3.1%	4.5%	6.5%	7.9%	9.0%	19.3%	22.1%	24.8%
34	Lodi borough, Bergen County	-	4.9%	2.3%	-	16.2%	10.2%	-	31.8%	27.5%
35	Long Branch, Monmouth County	6.8%	4.9%	4.3%	15.5%	13.4%	12.7%	36.0%	31.3%	34.7%
36	Lower township, Cape May County	-	2.5%	3.7%	-	6.6%	10.1%	-	26.2%	26.9%
37	Manchester township, Ocean County	2.3%	2.1%	2.4%	7.2%	6.3%	6.3%	23.9%	24.4%	24.7%
38	Middletown township, Monmouth County	1.4%	1.9%	1.0%	4.0%	4.1%	2.6%	10.2%	9.3%	8.6%
39	Millville, Cumberland County	9.7%	6.7%	7.4%	21.1%	22.1%	17.2%	34.8%	42.4%	37.2%
40	Monroe township, Gloucester County	4.1%	-	2.5%	8.3%	-	8.2%	20.3%	-	19.0%
41	Montclair township, Essex County	2.2%	2.4%	3.8%	5.8%	6.5%	7.1%	14.9%	13.7%	14.9%
42	Mount Laurel township, Burlington County	-	-	1.4%	-	-	3.5%	-	-	10.0%
43	Neptune township, Monmouth County	4.0%	3.4%	2.8%	11.6%	8.6%	8.1%	25.0%	24.1%	23.7%

Table 1: Total Population Below Poverty (3-year avg. for NJ places with 20,000 or more people)

		Below 50%			Below 100%			Below 200%		
		2007	2009	2010	2007	2009	2010	2007	2009	2010
44	New Brunswick, Middlesex County	11.9%	13.3%	15.8%	24.2%	24.7%	28.8%	51.5%	56.6%	57.2%
45	Newark, Essex County	12.8%	12.0%	11.9%	24.1%	24.2%	26.6%	48.0%	48.7%	50.6%
46	North Bergen township, Hudson County	5.9%	3.0%	2.9%	12.4%	9.7%	10.7%	31.0%	33.1%	34.0%
47	North Brunswick township, Middlesex County	3.0%	2.6%	2.4%	8.4%	7.1%	5.4%	17.0%	20.9%	18.9%
48	Old Bridge township, Middlesex County	1.9%	1.8%	1.5%	3.4%	4.4%	4.2%	12.2%	13.5%	13.4%
49	Parsippany-Troy Hills township, Morris County	-	0.9%	1.1%	-	3.0%	3.3%	-	11.2%	12.1%
50	Passaic city, Passaic County	13.5%	11.5%	10.8%	26.9%	29.6%	28.5%	53.6%	58.2%	60.1%
51	Paterson, Passaic County	11.4%	11.3%	12.2%	24.5%	26.7%	27.6%	51.4%	51.5%	53.4%
52	Pemberton township, Burlington County	4.2%	6.1%	7.1%	8.3%	10.6%	11.5%	21.1%	26.8%	28.0%
53	Pennsauken township, Camden County	3.2%	2.6%	3.1%	8.1%	8.7%	8.8%	25.2%	23.9%	27.1%
54	Perth Amboy, Middlesex County	7.0%	8.7%	9.4%	17.4%	19.3%	21.0%	34.9%	41.2%	46.4%
55	Plainfield, Union County	10.4%	8.5%	8.9%	17.1%	15.5%	17.4%	34.1%	35.1%	41.3%
56	Pleasantville, Atlantic County	-	-	8.8%	-	-	19.1%	-	-	46.4%
57	Rahway, Union County	-	5.0%	6.4%	-	8.5%	10.2%	-	25.2%	24.2%
58	Sayreville borough, Middlesex County	4.0%	2.7%	2.3%	7.9%	4.5%	3.9%	17.0%	16.8%	17.4%
59	Toms River township, Ocean County	2.1%	1.8%	2.5%	4.7%	4.7%	6.8%	15.1%	15.6%	17.4%
60	Trenton, Mercer County	8.3%	10.4%	11.8%	22.1%	24.1%	27.4%	48.8%	50.2%	51.2%
61	Union City, Hudson County	6.6%	7.4%	7.1%	19.3%	19.7%	20.7%	47.9%	47.1%	47.7%
62	Union township, Union County	1.2%	1.5%	1.9%	4.6%	4.7%	4.3%	15.1%	15.8%	15.6%
63	Vineland, Cumberland County	4.9%	5.1%	4.7%	13.3%	13.5%	12.7%	32.2%	29.6%	30.2%
64	Washington township, Gloucester County	2.2%	1.6%	1.3%	3.8%	3.8%	3.5%	10.4%	12.5%	12.6%
65	Wayne township, Passaic County	1.4%	1.4%	1.6%	3.7%	3.7%	3.3%	10.1%	9.3%	8.9%
66	West New York town, Hudson County	6.7%	8.4%	9.8%	17.1%	17.5%	19.4%	47.8%	45.5%	46.8%
67	West Orange township, Essex County	1.5%	1.6%	2.3%	5.2%	5.5%	7.6%	15.8%	18.7%	20.1%
68	Willingboro township, Burlington County	4.8%	7.0%	5.0%	8.6%	10.2%	8.0%	24.3%	27.3%	20.7%
69	Winslow township, Camden County	4.2%	3.3%	3.7%	8.7%	5.4%	6.1%	19.2%	19.4%	21.6%
70	Woodbridge township, Middlesex County	1.7%	2.3%	2.6%	4.9%	5.0%	5.9%	13.1%	15.0%	15.2%

Source: American Community Survey (3-year estimates)

NOTE: Poverty rates in the table represent three-year averages. For instance, poverty rate for 2010 is an average of the following years - 2008, 2009, and 2010. These averages are not simple averages and Census Bureau uses a specific formula to determine a combined number for each year.

Table 2: Total Children in Poverty (3-year avg. for NJ places with 20,000 or more people)

		Below 50%			Below 100%			Below 200%		
		2007	2009	2010	2007	2009	2010	2007	2009	2010
1	Atlantic City, Atlantic County	20.4%	21.6%	23.7%	31.4%	37.2%	37.9%	65.7%	70.8%	73.2%
2	Bayonne, Hudson County	6.6%	8.8%	6.8%	20.0%	20.1%	19.8%	44.6%	40.4%	36.1%
3	Belleville township, Essex County	6.7%	4.8%	1.9%	9.5%	9.3%	6.5%	31.4%	31.4%	27.0%
4	Berkeley township, Ocean County	6.2%	1.7%	1.5%	6.2%	11.9%	10.6%	23.0%	25.2%	20.0%
5	Bloomfield township, Essex County	5.3%	5.4%	5.6%	8.2%	9.1%	9.6%	25.1%	22.6%	24.7%
6	Brick township, Ocean County	4.0%	3.5%	5.0%	6.3%	7.8%	9.2%	18.6%	21.8%	21.2%
7	Bridgeton, Cumberland County	22.1%	21.8%	23.0%	37.1%	32.4%	36.4%	69.1%	69.1%	67.2%
8	Camden city, Camden County	29.3%	28.5%	28.6%	55.2%	50.5%	50.5%	81.0%	77.6%	78.0%
9	Cherry Hill township, Camden County	1.9%	1.3%	2.3%	5.0%	3.2%	4.6%	11.2%	9.8%	12.4%
10	City of Orange township, Essex County	6.9%	7.2%	11.4%	20.8%	22.8%	27.7%	43.0%	49.7%	56.1%
11	Clifton, Passaic County	7.6%	5.1%	4.4%	15.4%	12.3%	13.6%	32.5%	27.5%	33.5%
12	Deptford township, Gloucester County	3.4%	4.2%	3.0%	7.2%	15.6%	14.7%	23.6%	31.5%	27.4%
13	East Orange, Essex County	15.8%	15.7%	12.7%	36.7%	35.4%	29.0%	60.4%	55.7%	52.7%
14	Edison township, Middlesex County	3.2%	8.5%	7.7%	4.4%	11.6%	11.3%	11.4%	20.8%	19.9%
15	Egg Harbor township, Atlantic County	0.3%	2.0%	1.5%	9.3%	12.2%	8.9%	21.9%	23.9%	25.1%
16	Elizabeth, Union County	14.2%	9.1%	10.5%	27.7%	25.0%	27.1%	53.1%	54.0%	55.5%
17	Evesham township, Burlington County	-	-	1.5%	-	-	2.3%	-	-	10.9%
18	Fort Lee borough, Bergen County	-	-	3.6%	-	-	8.8%	-	-	24.1%
19	Franklin township, Somerset County	1.0%	3.8%	4.6%	5.4%	8.8%	8.2%	16.5%	19.6%	20.2%
20	Galloway township, Atlantic County	2.0%	2.2%	3.9%	7.3%	8.6%	8.1%	29.5%	20.9%	26.9%
21	Garfield, Bergen County	5.3%	6.6%	9.5%	20.5%	22.2%	23.0%	44.8%	45.7%	46.3%
22	Gloucester township, Camden County	4.2%	5.3%	6.1%	5.6%	7.3%	8.1%	20.1%	23.9%	26.8%
23	Hackensack, Bergen County	2.8%	3.7%	6.1%	11.0%	9.9%	14.7%	39.6%	29.8%	38.8%
24	Hamilton township, Atlantic County	-	-	9.0%	-	-	12.3%	-	-	45.1%
25	Hamilton township, Mercer County	0.5%	5.9%	5.1%	5.2%	9.5%	12.1%	21.3%	23.4%	24.5%
26	Hoboken, Hudson County	-	8.7%	12.0%	-	23.8%	20.1%	-	35.8%	36.1%
27	Howell township, Monmouth County	2.9%	0.9%	1.8%	5.3%	3.2%	4.0%	11.6%	9.4%	12.0%
28	Irvington township, Essex County	12.9%	13.4%	14.8%	21.2%	25.3%	30.3%	52.1%	52.8%	53.4%
29	Jackson township, Ocean County	2.1%	1.0%	2.7%	7.9%	2.7%	5.0%	17.3%	14.4%	14.4%
30	Jersey City, Hudson County	10.5%	11.1%	10.7%	27.3%	24.4%	26.7%	54.9%	46.8%	47.4%
31	Kearny town, Hudson County	5.5%	4.9%	4.2%	10.1%	20.9%	17.4%	37.9%	42.1%	39.0%
32	Lakewood township, Ocean County	11.5%	11.0%	13.8%	31.5%	37.6%	38.0%	65.0%	63.6%	69.6%
33	Linden, Union County	3.3%	4.2%	6.9%	9.3%	11.7%	14.8%	26.9%	28.5%	33.3%
34	Lodi borough, Bergen County	-	6.0%	2.7%	-	24.8%	16.3%	-	43.3%	32.4%
35	Long Branch, Monmouth County	10.4%	4.0%	5.2%	27.1%	23.6%	22.6%	53.0%	43.3%	49.1%
36	Lower township, Cape May County	-	3.4%	4.9%	-	11.1%	20.1%	-	30.9%	39.6%
37	Manchester township, Ocean County	2.2%	1.9%	3.0%	9.8%	6.1%	6.4%	21.5%	18.5%	21.8%
38	Middletown township, Monmouth County	0.9%	1.8%	1.5%	3.9%	4.3%	2.7%	10.5%	8.9%	7.2%
39	Millville, Cumberland County	17.6%	11.9%	15.6%	33.2%	37.3%	31.3%	44.9%	61.7%	55.4%
40	Monroe township, Gloucester County	1.8%	-	2.2%	5.3%	-	11.3%	17.8%	-	19.6%
41	Montclair township, Essex County	1.1%	1.8%	3.1%	7.1%	7.1%	6.5%	17.1%	14.5%	14.5%
42	Mount Laurel township, Burlington County	-	-	1.1%	-	-	5.0%	-	-	10.0%
43	Neptune township, Monmouth County	5.8%	3.5%	3.2%	16.2%	11.7%	9.8%	32.2%	34.5%	34.5%
44	New Brunswick, Middlesex County	8.7%	8.0%	7.9%	28.2%	25.2%	26.7%	64.4%	68.2%	64.8%
45	Newark, Essex County	18.7%	18.6%	18.7%	32.0%	33.4%	37.4%	58.9%	62.9%	66.2%

Table 2: Total Children in Poverty (3-year avg. for NJ places with 20,000 or more people)

		Below 50%			Below 100%			Below 200%		
		2007	2009	2010	2007	2009	2010	2007	2009	2010
46	North Bergen township, Hudson County	11.5%	3.9%	4.4%	18.1%	13.0%	14.4%	37.2%	40.5%	41.7%
47	North Brunswick township, Middlesex County	2.0%	2.4%	1.6%	9.1%	10.3%	5.5%	17.1%	27.6%	24.1%
48	Old Bridge township, Middlesex County	2.0%	1.7%	0.8%	2.9%	5.3%	4.5%	14.3%	15.7%	12.8%
49	Parsippany-Troy Hills township, Morris County	-	1.0%	0.9%	-	4.1%	4.7%	-	15.0%	16.4%
50	Passaic city, Passaic County	17.7%	16.2%	16.6%	33.7%	39.6%	40.3%	62.1%	70.5%	72.9%
51	Paterson, Passaic County	16.0%	16.8%	19.8%	34.1%	37.1%	39.9%	67.2%	64.4%	68.9%
52	Pemberton township, Burlington County	5.5%	9.7%	10.0%	8.5%	17.0%	16.9%	27.6%	41.4%	38.9%
53	Pennsauken township, Camden County	4.2%	3.7%	4.0%	11.7%	12.3%	11.3%	33.3%	30.9%	37.6%
54	Perth Amboy city, Middlesex County	10.9%	12.8%	14.2%	26.3%	26.3%	31.3%	45.4%	51.5%	58.1%
55	Plainfield, Union County	12.3%	14.1%	13.5%	19.6%	23.3%	25.1%	44.9%	46.2%	51.3%
56	Pleasantville, Atlantic County	-	-	14.6%	-	-	31.9%	-	-	66.5%
57	Rahway, Union County	-	7.4%	10.0%	-	8.6%	13.1%	-	31.0%	28.8%
58	Sayreville borough, Middlesex County	5.8%	4.7%	5.5%	11.3%	6.4%	7.8%	22.6%	22.7%	27.0%
59	Toms River township, Ocean County	3.1%	1.7%	3.0%	4.7%	4.8%	9.8%	15.8%	18.9%	22.6%
60	Trenton, Mercer County	12.5%	17.9%	19.8%	33.3%	35.5%	39.7%	62.5%	64.7%	66.0%
61	Union City, Hudson County	10.1%	9.4%	8.1%	29.0%	29.9%	29.5%	61.4%	63.7%	62.6%
62	Union township, Union County	0.1%	1.9%	3.3%	4.9%	4.7%	5.1%	14.8%	15.1%	18.6%
63	Vineland, Cumberland County	8.1%	9.2%	7.1%	20.7%	22.3%	18.1%	43.0%	38.4%	35.4%
64	Washington township, Gloucester County	2.2%	1.9%	0.3%	4.8%	5.8%	3.5%	12.6%	17.6%	15.3%
65	Wayne township, Passaic County	1.2%	1.6%	1.6%	3.0%	3.5%	2.4%	9.5%	6.6%	6.0%
66	West New York town, Hudson County	9.4%	9.1%	14.6%	22.5%	21.4%	26.7%	62.8%	58.5%	60.6%
67	West Orange township, Essex County	1.8%	1.1%	2.8%	6.7%	6.6%	10.3%	16.6%	21.5%	25.6%
68	Willingboro township, Burlington County	7.1%	14.9%	12.1%	13.8%	18.4%	16.5%	36.7%	42.0%	32.2%
69	Winslow township, Camden County	5.4%	3.6%	5.3%	7.9%	4.9%	7.3%	20.1%	24.0%	29.6%
70	Woodbridge township, Middlesex County	1.7%	3.8%	4.1%	5.4%	7.1%	9.4%	14.7%	17.2%	18.8%

Source: American Community Survey (3-year estimates)

NOTE: Poverty rates in the table represent three-year averages. For instance, poverty rate for 2010 is an average of the following years - 2008, 2009, and 2010. These averages are not simple averages and census uses a specific formula to determine a combined number for each year.

Table 3: Population below 50% FPL, New Jersey & Counties

	2006	2007	2008	2009	2010
New Jersey	3.9%	3.9%	3.9%	4.1%	4.6%
Atlantic	4.7%	6.7%	6.0%	4.8%	7.2%
Bergen	2.4%	2.8%	1.7%	3.0%	3.1%
Burlington	2.7%	1.9%	2.6%	3.0%	2.4%
Camden	5.5%	4.9%	5.2%	5.6%	6.1%
Cape May	4.8%	3.7%	2.9%	4.0%	4.5%
Cumberland	7.1%	7.4%	5.2%	7.2%	7.9%
Essex	6.7%	7.5%	6.3%	6.3%	7.8%
Gloucester	3.7%	4.1%	2.9%	3.9%	1.8%
Hudson	6.0%	5.5%	6.6%	5.9%	6.4%
Hunterdon	1.2%	2.1%	1.9%	2.2%	2.4%
Mercer	3.8%	4.1%	4.2%	5.3%	5.2%
Middlesex	3.4%	3.1%	4.2%	4.2%	3.2%
Monmouth	2.5%	2.5%	2.5%	2.6%	2.9%
Morris	1.8%	1.4%	1.7%	1.5%	2.2%
Ocean	3.4%	3.3%	3.6%	2.9%	5.4%
Passaic	6.5%	6.5%	5.8%	6.9%	7.2%
Salem	4.2%	5.7%	6.5%	3.7%	5.5%
Somerset	1.9%	1.3%	1.0%	1.7%	2.1%
Sussex	1.8%	2.3%	1.4%	1.8%	2.7%
Union	4.0%	3.2%	4.3%	3.9%	5.3%
Warren	2.7%	3.0%	3.0%	2.7%	2.6%

Source: American Community Survey (one-year estimates)

Table 4: Population below 100% FPL, New Jersey & Counties

	2006	2007	2008	2009	2010
New Jersey	8.7%	8.6%	8.7%	9.4%	10.3%
Atlantic	9.2%	12.8%	11.8%	10.8%	14.3%
Bergen	5.2%	5.9%	5.2%	6.6%	6.8%
Burlington	5.9%	4.7%	5.3%	5.8%	5.1%
Camden	11.0%	10.7%	11.5%	11.3%	12.4%
Cape May	9.2%	8.6%	6.4%	10.0%	10.5%
Cumberland	15.3%	18.5%	12.5%	16.0%	16.9%
Essex	14.5%	13.3%	14.8%	14.5%	16.7%
Gloucester	6.8%	8.1%	6.9%	8.0%	6.3%
Hudson	15.2%	13.7%	15.2%	14.5%	16.5%
Hunterdon	3.5%	4.1%	4.2%	4.8%	3.8%
Mercer	8.4%	9.3%	8.8%	11.1%	12.1%
Middlesex	7.2%	6.7%	7.3%	8.1%	7.7%
Monmouth	5.8%	6.1%	5.8%	6.9%	6.6%
Morris	3.9%	3.9%	3.6%	3.3%	6.0%
Ocean	8.8%	8.7%	8.9%	7.9%	11.2%
Passaic	15.0%	13.7%	14.4%	17.2%	15.7%
Salem	8.9%	10.9%	11.7%	9.7%	11.3%
Somerset	4.4%	2.6%	2.3%	4.0%	4.9%
Sussex	4.8%	4.6%	4.1%	5.7%	5.9%
Union	7.7%	7.8%	8.8%	9.5%	11.1%
Warren	5.6%	6.3%	6.9%	6.8%	7.1%

Source: American Community Survey (one-year estimates)

Table 5: Population below 200% FPL, New Jersey & Counties

	2006	2007	2008	2009	2010
New Jersey	21.3%	20.9%	20.8%	22.5%	23.8%
Atlantic	24.9%	28.1%	28.1%	31.1%	33.4%
Bergen	14.9%	14.4%	12.9%	15.5%	17.4%
Burlington	15.4%	15.3%	14.9%	15.4%	15.1%
Camden	24.6%	24.6%	25.3%	24.4%	27.7%
Cape May	25.3%	25.5%	23.1%	28.5%	23.2%
Cumberland	34.0%	35.4%	32.4%	34.4%	36.8%
Essex	29.9%	30.2%	30.3%	31.2%	33.5%
Gloucester	17.7%	18.5%	17.2%	17.7%	19.0%
Hudson	36.1%	34.5%	33.0%	34.1%	35.9%
Hunterdon	10.1%	8.2%	9.3%	11.6%	12.8%
Mercer	22.3%	21.1%	19.3%	22.8%	25.1%
Middlesex	17.5%	17.0%	18.7%	20.2%	18.5%
Monmouth	15.9%	16.0%	15.1%	17.9%	18.1%
Morris	10.7%	9.6%	10.9%	11.8%	13.8%
Ocean	22.8%	23.1%	22.2%	23.3%	27.3%
Passaic	32.2%	29.9%	31.8%	34.7%	35.4%
Salem	23.3%	22.2%	25.9%	25.6%	24.9%
Somerset	11.2%	9.0%	9.2%	14.6%	13.0%
Sussex	11.2%	13.9%	14.7%	13.0%	17.1%
Union	22.6%	20.9%	23.1%	24.5%	24.7%
Warren	17.6%	17.3%	16.1%	18.1%	18.7%

Source: American Community Survey (one-year estimates)

Table 6: Children below 50% FPL, New Jersey & Counties

	2006	2007	2008	2009	2010
New Jersey	5.4%	5.4%	5.7%	6.0%	6.4%
Atlantic	5.5%	8.9%	10.9%	7.8%	11.0%
Bergen	2.3%	2.3%	1.4%	3.9%	2.9%
Burlington	3.6%	2.0%	2.5%	3.9%	3.1%
Camden	9.0%	7.9%	8.3%	10.5%	9.9%
Cape May	6.4%	3.9%	3.2%	3.1%	6.5%
Cumberland	11.8%	14.0%	7.8%	11.2%	14.4%
Essex	9.5%	11.5%	9.1%	9.6%	11.6%
Gloucester	3.6%	5.9%	3.0%	7.2%	1.2%
Hudson	10.3%	8.1%	10.6%	8.2%	8.3%
Hunterdon	1.1%	1.4%	2.2%	1.8%	3.7%
Mercer	3.7%	6.4%	6.5%	7.9%	6.8%
Middlesex	3.6%	3.1%	6.1%	5.2%	2.4%
Monmouth	2.1%	2.8%	3.7%	3.1%	3.8%
Morris	2.1%	1.2%	1.4%	1.9%	1.5%
Ocean	5.9%	5.1%	6.2%	3.8%	10.3%
Passaic	10.5%	9.0%	9.5%	10.4%	11.6%
Salem	6.1%	7.7%	10.1%	6.8%	10.1%
Somerset	1.7%	1.0%	0.7%	1.7%	2.7%
Sussex	2.1%	4.1%	1.2%	3.2%	3.8%
Union	4.4%	4.3%	6.1%	5.7%	8.1%
Warren	3.2%	5.2%	6.4%	3.5%	3.3%

Source: American Community Survey (one-year estimates)

Table 7: Children below 100% FPL, New Jersey & Counties

	2006	2007	2008	2009	2010
New Jersey	11.8%	11.6%	12.5%	13.5%	14.5%
Atlantic	13.2%	17.7%	19.0%	17.1%	20.1%
Bergen	5.9%	5.8%	4.8%	8.4%	7.2%
Burlington	7.5%	5.1%	6.4%	7.5%	7.1%
Camden	16.3%	15.1%	16.6%	17.5%	19.0%
Cape May	11.8%	9.7%	7.2%	12.4%	18.7%
Cumberland	20.9%	33.7%	19.4%	23.1%	26.3%
Essex	18.6%	18.8%	20.2%	21.0%	23.5%
Gloucester	7.2%	10.4%	8.4%	11.5%	6.7%
Hudson	25.7%	20.4%	23.5%	22.6%	23.3%
Hunterdon	3.2%	2.4%	3.5%	5.0%	5.3%
Mercer	11.0%	14.3%	11.9%	15.5%	17.3%
Middlesex	8.5%	7.6%	10.3%	10.4%	9.7%
Monmouth	6.3%	7.5%	8.3%	9.0%	8.3%
Morris	4.3%	4.0%	4.4%	3.2%	6.1%
Ocean	14.0%	13.2%	16.5%	12.8%	20.9%
Passaic	22.9%	17.8%	22.1%	26.1%	23.5%
Salem	12.2%	15.8%	18.4%	17.5%	18.3%
Somerset	5.5%	2.1%	2.4%	4.3%	6.6%
Sussex	5.9%	6.9%	3.3%	9.2%	8.8%
Union	8.5%	11.0%	12.3%	13.9%	16.9%
Warren	6.5%	8.3%	12.1%	9.8%	7.7%

Source: American Community Survey (one-year estimates)

Table 8: Children below 200% FPL, New Jersey & Counties

	2006	2007	2008	2009	2010
New Jersey	26.3%	26.2%	26.8%	29.2%	30.4%
Atlantic	30.8%	34.8%	37.9%	42.8%	46.7%
Bergen	17.0%	14.9%	12.3%	18.2%	18.2%
Burlington	17.8%	21.2%	17.8%	18.6%	18.4%
Camden	32.0%	32.0%	33.5%	31.8%	38.2%
Cape May	35.3%	29.5%	30.7%	33.3%	30.3%
Cumberland	44.1%	49.5%	43.9%	45.8%	47.2%
Essex	35.7%	38.2%	39.3%	41.9%	42.3%
Gloucester	19.8%	21.1%	20.9%	22.8%	22.6%
Hudson	50.2%	49.6%	45.1%	47.9%	47.0%
Hunterdon	8.6%	7.5%	8.4%	11.0%	15.2%
Mercer	26.8%	27.5%	24.4%	29.6%	31.8%
Middlesex	20.5%	20.0%	23.4%	24.3%	21.2%
Monmouth	17.6%	18.5%	18.3%	21.7%	21.0%
Morris	11.4%	8.9%	13.0%	13.1%	14.7%
Ocean	30.7%	31.1%	30.4%	32.5%	43.0%
Passaic	41.8%	37.0%	42.4%	48.0%	47.9%
Salem	27.3%	29.4%	39.7%	36.6%	35.4%
Somerset	12.8%	9.8%	9.9%	17.2%	15.2%
Sussex	13.5%	17.3%	17.7%	16.2%	24.8%
Union	27.1%	27.1%	30.3%	30.8%	31.2%
Warren	21.1%	18.1%	22.0%	21.8%	21.7%

Source: American Community Survey (one-year estimates)

Endnotes

1 The Poverty Research Institute is current in the process of updating the real cost of living data. An updated report for 2011 will be released shortly.

2 The New Jersey Department of Education uses the following information in deciding DFG status of districts:
a. Percent of individuals in poverty b. Median family income c. Unemployment rate d. Occupational status e. Percent of adults with no high school diploma f. Percent of adults with some college education

3 This report focuses specifically on providing a framework for holding the state government accountable for the effectiveness of its response to poverty in New Jersey. We recognize that this analysis excludes many players with a role in addressing poverty, including non-governmental organizations and federal programs not mediated by the state. This is not to devalue the importance of these efforts or to propose that fighting poverty is solely the province of state government. On the contrary, these state efforts cannot be effective in isolation.

4 Annual Report of the Supplemental Security Income Program, Social Security Administration, 2011

5 Oversight hearing on Social Security Administration's payment accuracy. United States House of Representatives, Joint hearing, Subcommittee on Oversight of the Committee on Ways and Means and Subcommittee on Social Security of the Committee of Ways and Means. Testimony of Joe Dirago, President National Council of Social Security Management Associations, Inc. (June 14, 2011)

6 TRAC Report, September 2011 sees SSA disability backlog climb higher ever. Retrieved from the web on 3.13.12 at <http://trac.syr.edu/whatsnew/email.111103.html>

7 Social Security Disability Insurance (SSDI)

8 Annual Report of the Supplementary Security Program, Social Security Administration 2011

9 <http://222.ssa.gov/budget/2013Budgetoverview.pdf>

10 Annual Report of the Supplemental Security Income Program, Social Security Administration 2011

11 NJ EITC: Governor's No Tax Pledge Ignores Poor Working Families. New Jersey Policy Perspective, January 10, 2011.

12 Albright, Len, Derickson, Elizabeth S. & Massey, Douglas S., "Do Affordable Housing Projects Harm Suburban Communities? Crime, Property Values, and Property Taxes in Mt. Laurel, New Jersey", June 15, 2011. Available at SSRN: <http://ssrn.com/abstract=1865231>

13 New Jersey Courts, Administrative Office of the Court, Court Management Statistics. <http://www.judiciary.state.nj.us/quant/cman1106.pdf>

14 The numbers were provided by DCA via email on 05/14/2012

15 New Jersey, Federal Rental Assistance Facts. Center for Budget and Policy Priorities. April 15, 2011.

16 The numbers for SRAP elderly and disabled waiting lists were provided by DCA via email on 05/14/2012.

17 "The Unfinished Business of Mount Laurel II." John M. Payne. Mount Laurel at 25: The Unfinished Agenda of Fair Share Housing. Policy Research Institute for the Region, Woodrow Wilson School of Public and International Affairs, Princeton University, 2008.

18 These states include Alabama, Arkansas, Florida, Georgia, Idaho, Kansas, Louisiana, Mississippi, Missouri, Nevada, Pennsylvania, Texas, Virginia, and West Virginia.

19 Statement of Senior Policy Analyst Raymond Castro on Restoring EITC and Reversing FamilyCare Cuts, March 2012.

20 "Trends in Medicaid Physician Fees, 2003-2008," Stephen Zuckerman, Aimee F. Williams, Karen E. Stockley, Urban Institute, April 2009.