

NEWS RELEASE

Legal Services of New Jersey
100 Metroplex Drive at Plainfield Avenue
P.O. Box 1357
Edison, New Jersey 08818-1357

Contact: Harvey Fisher
Office Phone: 732-529-8430
Cell Phone: 908-616-9941
E-mail: hfisher@lsnj.org

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POVERTY IN NEW JERSEY MUSHROOMS TO FIVE-DECADE RECORD

EDISON – There are more New Jerseyans — well over 2 million — engulfed and struggling in real poverty than at any time in the last 50 years, and the number of impoverished, including hundreds of thousands of children, is likely to be just as dismal — and may be worse — when the new federal Census figures for 2012 are made public later this month.

That ominous forecast is among the findings of a new study released today by Legal Services of New Jersey (LSNJ). The full 173-page report, *Poverty Benchmarks 2013*, by LSNJ's Poverty Research Institute containing poverty figures for each of the state's 21 counties and detailing the depth and expansion of poverty in one of the richest states in the nation can be viewed at www.lsnj.org/PDFs/budget/Benchmarks2013.pdf.

In pinpointing the grip and steady expansion of poverty with numerous statistics and charts, the study documents that despite the end of the recession in 2009, poverty has continued to mount. In fact, it shows that while the state population has increased, the percentage of those in poverty has risen even faster. In short, poverty is pervasive and multiplying.

“This picture of the worse level of poverty in 50 years and the resulting unrelenting deprivation is extremely disturbing,” said Melville D. Miller, Jr., president of LSNJ. “It compels the attention and resolve of our entire state.”

The seventh annual study by LSNJ taking the pulse of poverty in New Jersey underscores the economy has continued to be crunching for many, including even those in full-time jobs, noting, for example, median incomes in 2011 were actually lower than in 2006, and, in fact, median hourly wages in 2011 even tumbled below what they were 10 years earlier. Perhaps most telling of the increasing saturation of poverty in New Jersey is that since the recession began, there are nearly 360,000 additional people, including 96,000 more children, living in true poverty.

The report states, “The percentage and numbers of people living in poverty have increased each year since 2007 (the beginning of the recession), culminating in record highs in 2011, and approaching a level last experienced in New Jersey more than 50 years ago.”

“This latest *Benchmarks* clearly continues to show increasing poverty in New Jersey”, said LSNJ’s Allan Lichtenstein, one of the two principal researchers. “Especially disturbing is the hard fact that, depending on how you define true or real poverty, there are between 630,000 to 780,000 children living in poverty-plagued households, often lacking sufficient food, clothing and other basics of life.”

He noted, “If it were not for some safety net programs like the Supplemental Nutrition Assistance Program (formerly Food Stamps) and earned income tax credits, poverty would have

been even higher in the Garden State – a reflection of why even the current record high numbers do not give a true picture of poverty’s actual meteoric growth.”

The study examines several important governmental programs created to help poor people, and is advanced as an “opportunity for advocates and lawmakers” to assess the “impact and performance” of each program.

The new study contains profiles of four individuals who relate what it’s like to live in poverty — depression, fear, abuse, mental and physical trauma, uncertainty from one day to the next. Videos of their accounts may be viewed at <http://www.lsnj.org/benchmarks2013.aspx>.

For example, Monica Hersey describes the fear she has while living in crime-infested areas of Trenton, how she still suffers from a gang attack, how in the course of her life in the capital city she has been raped five times, and how anxiety, depression and panic attacks are a daily reminder of her past troubles. “I live in fear every day,” she says. “I’m not gonna lie to you. I sleep with a knife around my bed.”

Shivi Prasad, the study’s other principal researcher, said, “One of the many startling findings in the new annual report is that for the fifth consecutive year a new record was reached for the number of poor people coping with ‘food insecurity’ — not having enough food to put on the table for themselves and their children.”

Prasad noted, “The study asserts that the federal government’s definition of poverty, known as the Federal Poverty Level or FPL, is outdated and unrealistic.” The FPL, which has been largely unchanged for five decades, set poverty for a family of four in 2011 at \$22,811. For years LSNJ had maintained that 200 percent of the FPL, or \$43,622 in 2011, is a more realistic

barometer of real poverty. Several months ago LSNJ announced that it now considers 250 percent of the FPL the most accurate indication of poverty in New Jersey because of the state's ever-rising high cost of living, which is close to tops in the nation. Those with incomes below this 250 percent FPL level will experience significant deprivation in at least one of the areas of basic human need.

At 250 percent of the FPL there are 2.7 million New Jerseyans in real poverty, or nearly one of every three residents. At 200 percent of the FPL, that breaks down to 2.1 million New Jerseyans, or nearly one of every four residents in real poverty.

An LSNJ report issued in May — *The Real Cost of Living in New Jersey* — found that on average a family of four needs from \$64,238 to \$73,371 just to barely squeak by with no extras for emergencies, repairs, savings and the like. As a result, that study reported more than a million workers, even while holding down full-time jobs, had incomes below the real cost of living here, further reflecting the slide and plight of the working poor.

“No matter how you measure poverty, the numbers in New Jersey are staggering.” said Lichtenstein and Prasad.

In addition to the stark numbers and percentages of adults and children in poverty, as well as the details of the impoverished dealing with hunger, other major findings include:

- In Camden 64.5 percent of the all the residents were in households with incomes below 200 percent of the FPL. Following closely behind were Passaic City, 59.5 percent; Lakewood, 55.9 percent; Paterson, 53.3 percent; Trenton, 51.5 percent; and

Newark, 50.4 percent. In those municipalities, as well as Union City, more than 60 percent of the children there were in poverty.

- The unemployment rate in New Jersey continued to be higher than the national average and almost twice that at the outset of the recession in 2007.
- Almost half the working adults with incomes of 100 to 200 percent of the FPL were without health insurance.
- School districts cited by authorities for not making adequate progress were most likely located in high poverty areas.
- Ethnic minorities and people of color are disproportionately clustered in counties and municipalities with high poverty levels.
- Since 2007, unemployment rates have more than doubled for those in the 25 to 34 age bracket, more than tripled for those between 34 and 54, and almost quadrupled for those 54 to 64 years old. Further, most private sector hiring has been in low-paying jobs.

Legal Services of New Jersey (LSNJ) heads the 47 year-old statewide Legal Services system of seven non-profit corporations providing free legal assistance in civil matters to low-income people in all twenty-one counties. LSNJ created the Poverty Research Institute (PRI) in 1997 to provide information to its core mission of providing legal assistance. Periodically it issues compilations of some of that information, to enhance public awareness of poverty's scope, causes, consequences and remedies. LSNJ believes greater knowledge about poverty will help alleviate some of the legal problems of those living in its grasp. PRI is the first and only entity exclusively focused on developing and updating information on poverty in the state.

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