

NEWS ADVISORY AND RELEASE

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ADVISORY — FOR IMMEDIATE RELEASE

September 9, 2016

LEGAL SERVICES OF NEW JERSEY: CENSUS POVERTY REPORTS COMING TUESDAY AND THURSDAY EXPECTED TO DEPICT MODEST DECLINE IN NEW JERSEY POVERTY BUT TO CONTINUE TO UNDERSTATE TRUE EXTENT OF DEPRIVATION

EDISON— Legal Services of New Jersey, through its Poverty Research Institute, offers the following information and perspective on two annual federal Census reports to be released on Tuesday and Thursday of next week, September 13 and 15. The Tuesday report will provide national level poverty data. The later Thursday report, relying on a different survey, will furnish more detailed numbers for different areas of New Jersey and population groups. While two reports are expected to show a modest decline in New Jersey's poverty rate during 2015, the figures mask the real depth of poverty and deprivation in the Garden State, a key point in understanding and putting in perspective the twin annual federal reports, note Shivi Prasad and Allan Lichtenstein of the Poverty Research Institute:

“Any change away from steady increases in official federal poverty levels is welcome, but it should be understood that the official rate understates the degree of actual poverty in New Jersey.

“In calculating poverty, the Census uses a formula unchanged since the 1960s that does not account for widely differing costs of living among the states and completely fails to assess the ever-rising costs of housing and child care. New Jersey has one of the highest living costs in the nation, especially for housing.

What results is a wide gap between the true extent of real poverty and deprivation in the Garden State and the official federal measure known as the Federal Poverty Level or FPL. As a result, while next week's new Census studies are expected to indicate that there are some one million or so New Jerseyans in poverty, the actual number of impoverished residents here — after accounting for New Jersey's higher living costs — is likely to remain well over 2.5 million, including as many as 800,000 children.”

The Census reports deal with findings from 2015. Under the FPL for that year, a family of four was deemed to be in poverty if its annual income was below \$24,250. In contrast, a 2013 study by Legal Services— *“The Real Cost of Living in New Jersey”* (“RCL”) — found a family of four would need \$64,000 to \$73,000, depending upon the ages of the two children, just to avoid substantial deprivation in one or more essential areas of life.

Some key points to keep in mind:

1. Applying 100 percent of the FPL in effect excludes 65 percent of the New Jersey residents actually living in poverty. That's because, as the RCL study has determined, real poverty conservatively amounts to at least 250 percent of the FPL.
2. In assessing real poverty, other telling measures of deprivation not depicted in the Census reports should be evaluated. As an example, people going without sufficient food on the table - “food insecurity” – is far more prevalent in New Jersey than it was a decade ago. Based on just - released data, between 2013 and 2015 a total of 11.1 percent of New Jersey households faced low or very low food security. That compares to the 2003-2005 cycle, when 8.5 percent households were so affected.

3. Even if the new Census report indicates a drop in New Jersey's FPL for in 2015, it will still be some 20 percent higher than in 2007 at the onset of the Great Recession. The recent rates remain among the highest recorded in New Jersey in a half century.

The first Census report to be made public Tuesday is known as the Current Population Survey (CPS). It will announce the national poverty rate for 2015 (it was 14.8 percent in 2014), as well as national statistics for incomes and health. The Tuesday release will also include a separate report for an additional federal poverty indicator known as the "Supplemental Poverty Measure" (SPM), which uses more cost of living and other barometers than the FPL to calculate its findings.

On Thursday the Census American Community Survey (ACS) report will be released, depicting, in part, state-by-state poverty rates, as well as such statistics for counties and municipalities with at least 65,000 residents.

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