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**POVERTY IN NEW JERSEY IS AT LEAST THREE TIMES HIGHER
THAN THE FEDERAL GOVERNMENT CLAIMS**

EDISON — There were 3.1 million New Jerseyans living in the throes of true or real poverty in 2024 according to the latest Census, but that’s miles apart from the federal government’s official but widely-discredited calculation—the FPL—that poverty touched just 859,028 residents of the state.

In short, more than 2.2 million residents in deprivation or True Poverty did not make the federal cut for classifying who is poor enough to be poverty stricken.

Viewed more starkly against the federal FPL undercount, one in nearly every three New Jersey residents actually was in True Poverty or TPL in 2024.

The findings of the Poverty Research Institute (PRI) of Legal Services of New Jersey states, “The hard reality is that poverty remains deeply entrenched, with millions left behind—a paradox for a state considered among the wealthiest in the nation.”

The PRI study focuses on the large-scale differences between what’s considered True Poverty or TPL and the FPL, emphasizing that the federal government’s 63-year-old method of calculating poverty is outdated, and more importantly broadly ignores crucial local differences in the cost of living.

“As a result, it severely understates poverty for high-cost states like New Jersey. This essential context must be borne in mind before interpreting any data on poverty for New Jersey,” notes PRI Director Shivi Prasad.

Specifically, the federal government actually was 2,230,366 persons short of the number of residents in True Poverty who were barely getting by in 2024 without sufficient food, adequate health care, decent housing and many other day-to-day necessities available to others in the state. They effectively became 2.2 million no-shows in the way the federal government officially determines who are poor enough to be deemed impoverished.

Among the uncounted were 589,736 children.

The long-standing disparity between what is seen as True Poverty or TPL and the Federal Poverty Level or FPL is the focal point of the latest intermittent study of Legal Services of New Jersey's Poverty Research Institute. Its report today marks the launch of a new series of short briefs by PRI examining timely and emerging issues related to poverty in the state. Each issue will highlight key data developments and pressing challenges affecting individuals and communities experiencing economic hardships.

The new study is titled "2024 Poverty Data at a Glance: How the Federal Measurement Falls Short for New Jersey" and may be viewed online at <https://lsnj.pub/IssueBrief-June26>.

The differences between the FPL and TPL, as explained more fully in the study, are essential for understanding the depth of poverty in New Jersey and the ongoing confusion caused by the widescale disparities among definitions. It is no mere case of statistical tunnel vision.

Generally, the outdated FPL does not give ample consideration to differing high costs of living in states like New Jersey, where living expenses, especially housing, are the third highest in the nation. The cornerstone result, as first determined and embraced almost four years ago by PRI, is that TPL on average is three times higher than the FPL, which has remained on the books largely unchanged since its creation nearly six decades ago.

In reality, prices vary across the country, with differences in housing costs, rents, groceries, child care, transportation expenses, and other everyday goods and services, all of which can change depending on the state of residence.

In 2024, for example, a three-person family with two children was considered poor under the federal standard only if its income fell below \$25,273, regardless of where the family resided. In New Jersey, this threshold proves far unrealistic as there are many families making far more than \$25,273 and even still unable to afford basic needs.

In its new issue brief, PRI also breaks down the enormous differences or impacts under TPL when measuring various demographics in poverty, including children, the elderly, and working age-adults, among others.

- More than 3 million (3,089,095) New Jersey residents lived below True Poverty in 2024. This includes more than 800,000 children, 1.6 million working-age adults, and nearly 600,000 seniors.
- The True Poverty rate was highest for children at 40.8 percent, followed by seniors at 35 percent and working-age adults at nearly 30 percent.
- The data show significant differences in poverty by race and ethnicity. These disparities are particularly severe among children. Overall, Hispanic or Latino New Jerseyans had the highest True Poverty rate at 54 percent, followed by Black residents at 44.1 percent. The True Poverty rate for Hispanic or Latino children was at 62 percent, followed by 58.4

percent for Black children, and 25.1 percent and 20.5 percent, respectively, for non-Hispanic white and Asian children.

Legal Services of New Jersey (LSNJ), located in Edison, provides free essential legal aid in civil matters to low-income people. The Poverty Research Institute (PRI) was created in 1997.