

UNITED WAY ALICE REPORT

Yes, even here: Struggling to make ends meet

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Thirty-eight percent of New Jersey households struggle to afford basic necessities, according to a report published Sunday by the United Way of Northern New Jersey.

The statistics include 336,351 state households [10.5 percent] that fall under the federal poverty line and 887,644 households [27.5 percent] that make up the UWN-NJ-defined Assets Limited, Income Constrained, Employed, or ALICE, population, up from approximately 270,000 and 720,000, respectively, in 2007.

ALICE refers to households that, while earning enough to hover over the federal poverty line, struggle to make ends meet. In the most recent study, based off of 2012 American Community Survey data, each county in the state has a combined ALICE and poverty rate of 26 percent or greater. Eighty-five percent of municipalities in the state have a ratio of 20 percent or greater.

In Essex County, the rate stands at 47 percent, according to the study. West Essex municipalities such as Montclair and Verona rank 11th and 10th highest in the county with 22 percent and 24 percent, respectively, of households falling below the ALICE threshold. Neighboring Cedar Grove sits tied at 13th highest at 18 percent.

Essex and Passaic counties are the only two counties in the study to fall into the bottom-third in the state in affordable housing, job opportunity and community support, the study reported.

"We know that ALICE is real and she's here to stay," UWN NJ CEO John B. Franklin told reporters during a recent conference call.

During this call, Franklin and researcher Stephanie Hoopes Halpin, of Rutgers University-Newark, detailed the challenges

facing ALICE households. Franklin described the struggles of ALICE as "systemic," as most jobs in New Jersey – 53 percent – pay \$20 an hour or less. Roughly two-thirds of those jobs, according to the study, pay between \$10 and \$15 per hour.

Meanwhile, the study shows, that the cost of basic housing, child care, transportation, food and health care increased by 19 percent from 2007 to 2012. In Essex County, the average household survival budget for a single adult is estimated at \$23,209. For a family with two small children, the budget is \$49,038.

Halpin told reporters that while there are 680,000 renting ALICE households in New Jersey, only 470,000 homes exist that ALICE individuals and families can afford. In Montclair, Cedar Grove and Verona, 41 percent, 47 percent and 52 percent of renters, respectively, spend more than 30 percent of their budgets on housing. For homeowners in these same three townships, the figures are 43 percent, 39 percent and 41 percent.

ALICE households, in turn, have the option of staying in the municipalities in which they live and paying more, or moving away. While housing costs may be saved in such a move, Halpin said that travel costs would inflate.

Even prior to last year's cuts in government spending, a \$21 billion gap existed in New Jersey between what ALICE households have and what they need to survive, according to Halpin. With decreases in government spending and a freeze on ALICE earnings, Halpin predicted that the gap has increased since 2012.

Franklin added that ALICE is also more susceptible to prolonged issues stemming from short-term issues. An emergency such as Super Storm Sandy, for instance, may have cost an ALICE family a week or two of work or the food in their refrigerator – occurrences

that can have long-term impacts for the ALICE population.

"We've gone across the country with this issue," Franklin said. "We're not talking about numbers, some statistics. We're talking about a huge population."

LOCAL SOLUTIONS

Montclair Mayor Robert Jack-

ALICE = A4

son described Montclair's percentage of residents under the ALICE threshold as "sobering." Addressing the number of Montclairites spending more than 30 percent of their budget on the mortgage or rent, Jackson said that he believed the most direct way Montclair officials can help the cause is by operating as efficiently as possible.

"The best thing we can do is keep the costs of government to the taxpayer flat, make sure people aren't spending this much money to live," Jackson said.

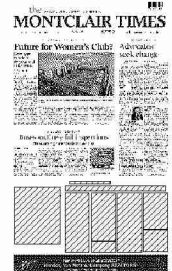
In addition, Jackson said the township may be able to make residents aware of opportunities for employment.

"The report is obviously praiseworthy in intent, and reflects, obviously, thousands of hours of staff effort," Verona Township Manager Joseph Martin told The Times. "It warrants careful reading and I've benefitted from looking at it ... I think we have a robust social service program. If we can partner with the United Way to provide better services, I'm all for it."

Martin added that despite the detailed statistics, the data, in his opinion, becomes less meaningful at the municipal level than at the county level as it is more susceptible to shifts. Martin reiterated that he was looking forward to working with the UWN NJ, neighboring municipalities and the county to come up with potential local solutions.

FROM TRENTON TO WASHINGTON

District 34 N.J. Sen. Nia Gill, who resides in and represents



Montclair, stated to The Montclair Times that the report illustrated that many New Jerseyans are an illness or unforeseen expense away from financial disaster. Gill stated that Democrats in Trenton have worked to establish initiatives such as the state health exchange and preservation of Supplemental Nutrition Assistance Program [SNAP] benefits to New Jersey, but have been thwarted by vetos by Gov. Chris Christie.

“I hope this report serves as a wakeup call to those who have ignored these challenges. These are not just statistics, they tell the stories of our neighbors, friends and family members who are working hard to stay afloat and who need policies that will help to revitalize the economy and to protect their well being,” stated Gill.

At the federal level, District 11 Rep. Rodney Frelinghuysen, representing Verona, Cedar Grove and the northern portion of Montclair, responded to the report by stating to The Times that working families are having trouble making ends meet due to the nation’s slowest recovery from recession since World War II. Frelinghuysen noted that many formerly two-income households are struggling on one income as there aren’t enough jobs to go around.

According to Frelinghuysen, the House of Representatives has approved in excess of 40 pieces of legislation for job creation, additional compensation to workers and skills training for those seeking work. None have advanced past

the Senate, however, according to Frelinghuysen.

District 10 U.S. Rep. Donald Payne Jr., representing the southern portion of Montclair, stated that Essex County is an expensive place to live, with costs rising. Payne said that he has been a proponent of raising the federal minimum wage to \$10.10 per hour, believing that workers should not need to rely on government assistance to get by.

As many individuals fall through the cracks and do not qualify for programs such as SNAP, Payne stated, it is important to support community organizations and faith-based groups as well as keep government subsidy programs running.

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Household Survival Budget, Essex County

Expense	Single Adult	Family [Infant & Pre-K children]
Housing	\$923	\$1,289
Childcare	\$0	\$1,032
Food	\$196	\$592
Transportation	\$95	\$146
Health Care	\$106	\$422
Miscellaneous	\$176	\$371
Taxes	\$439	\$233
Monthly Total	\$1,934	\$4,086
Annual Total	\$23,209	\$49,038
Hourly Wage	\$11.60	\$24.52

Budget produced by United Way of Northern New Jersey based on data from U.S. Department of Housing and Urban Development, U.S. Department of Agriculture, Bureau of Labor Statistics, Internal Revenue Service, New Jersey Treasury, ChildCare Aware and American Community Survey.