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In NJ, 850,000 ALICE Families Struggle to Realize the American Dream

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More than a million people here, including many who have homes, earn too little to provide basic necessities. The federal poverty rate for a family of four is \$23,000. But New Jersey families find they need just over \$61,000 to survive. They are ALICE families, defined by the [United Way](#) as Asset Limited,

Income Constrained, Employed. And still “Chasing the Dream”. NJTV News Correspondent Michael Hill recently spoke with its North Jersey CEO John Franklin.

Hill: John, the country went through a tough time economically. There’s been some recovery. How has the recovery affected New Jersey families?

Franklin: If we look back to the great recession, a number of people suffered, not just because of the increase in the number of our ALICE population that we’re going to talk about, but the cost of living for them has been devastating.

Hill: How have they managed to manage all this? What do they do to get by?

Franklin: Well, I think that’s the crux of the conversation here. If you look at the ALICE population, that’s the Asset Limited Income Constrained Employed population, those people not making enough but working, they run up credit card debt, they drive a car that’s not safe, they live in substandard housing, they make a choice between do I pay the heating bill or do I feed my kids?

Hill: And what kind of money are we talking about? What kind of money do they make a year?

Franklin: For a family of four you need \$60,000 a year in New Jersey. If you look at the federal poverty guidelines, \$23,500 a year for a family of four.

Hill: So the ALICE population you’re talking about makes how much?

Franklin: Between \$25,000 and \$60,000 a year.

Hill: [The Assembly Speaker Vincent Prieto is talking about on Jan. 27 convening four legislative committees to address this specific thing that you’re talking about.](#) Your thoughts on that?

Franklin: Hallelujah. I mean, we have some data that I think

will enlighten that conversation. We hope that we'll be the standard of data for that conversation because it broadens, it gets beyond the 200 percent of the population, the 200 percent of the poverty level, to more specific data so that we can understand county by county and town by town what it costs to live and what people are making in those communities. So, there's more precise data.

Hill: What do you expect to come out of this legislative committee, this legislative effort? Four committees meeting on Jan. 27 to address this.

Franklin: I hope we'll have a good conversation and change the tone of the conversation, change the mindset of folks. On the way over here we were approached in our car by two homeless folks. That's what people think of when you think of poverty. They don't think of that family where both people are working, each making \$15 an hour and can't make it.

Hill: How many households in New Jersey are we talking about who fit the definition of ALICE?

Franklin: Eight hundred fifty thousand roughly.

Hill: How can that be?

Franklin: In a wealthy state, yes. I think the cost of living here, the cost of taxes, everything that makes it expensive to live here means that you have to earn more money. When the jobs don't pay more money you end up with 850,000 families, household that can't afford to live here.

Hill: John, when you describe the things that they do to manage this situation and improve it would put them worse off.

Franklin: Yes, and that's why this is not just an issue about ALICE. This is an issue for all of us. ALICE is trying to realize the American Dream and if she can't pay the heating bill, if she can't feed her kids, the dream is lost. If it's lost for ALICE, it's

going to be lost for all of us.

Hill: I know the Assembly speaker is holding these legislative sessions, but in general do people who set policies and make policies and make law in a place like New Jersey, do they get this?

Franklin: As long as we say that the poverty level is \$23,500 a year for a family of four I don't see how they can get it. [With the ALICE report](#) that we've done, it lays out very specific data county by county that will help people understand that indeed we have a problem. They will understand that our kids coming out of college, our parents living on Social Security, the people taking care of our families in the nursing home, our kids in childcare, all of those people are ALICE. They're people we need. Nobody understands that yet, but they're going to.

Hill: And these are the people who for the most part, the kind of money that they make every year, that they make barely enough to take care of their necessities or barely?

Franklin: Barely enough. If you look at the statistics, the way we laid them out, with the money they earn, help from Social Security or help from the hospital or other nonprofits ... if any of those help they still don't have enough. What you'll find is there's a 34 percent gap in what they need just to survive.

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