

## NEW JERSEY

# Amid great wealth, many teeter on edge of poverty

Report paints stark picture of financial hardship in the state

**By Stephen Stirling**

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Every day, Kim Ticehurst walks a financial tightrope.

A single mother in Montclair, Ticehurst lost her job in the construction industry in January. At 50, she has decades of experience in project management, planning, organization and design, but the scores of résumés she has submitted have been met with no response. "It's a horrible feeling," she said last week. "You definitely confront times when you're like, 'How do I get through this day?'"

She has pieced together employment, working part-time in childcare while she tries to get her new home-organization business off the ground. For the first time in months, she's feeling optimistic.

But she knows the littlest of things, from a toothache to a car accident, could turn her life upside-down.

"There are things like that that are piling up and I know right now they are just going to sit in that pile," Ticehurst said, pointing to a stack of papers on her desk. "I am feeling optimistic, but it's hard when you have kids (this) young. (My daughter) wants to go to Disney. It's just not in the budget. That's a wild fantasy at this point."

A new study conducted by the United Way of Northern New Jersey shows an alarming number of New Jersey residents are in Ticehurst's position. Data compiled by the group show that 38 percent of New Jersey households are struggling to meet basic needs. These households are just scraping by, one lost job or medical emergency away from potential fiscal ruin.

The report, called ALICE (Asset Limited, Income Constrained, Employed), paints a stark picture of how wide-

spread financial hardship like Ticehurst's is in New Jersey.

### Accounting for cost of living

While 11 percent of state residents fall below the Federal Poverty Line, which stands at an annual income of \$22,811 for a family of four, the report found that when adjusted for cost of living the same family needs nearly triple that — \$61,200 — just to meet a basic survival budget.

In one of the wealthiest states in the country, 1.2 million households fall below this threshold. And while the state's economy has shown signs of recovery in the wake of the Great Recession, the number of households struggling by the United Way measure increased by about 24 percent from 2007 to 2012, the most recent data available.

"I had expected things would have improved since the recession, to be honest," said Stephanie Hoopes Halpin, the author of the report and director of the New Jersey DataBank at Rutgers University. "I think what strikes me most is how vulnerable these people are. You look at superstorm Sandy, for example. You had tons of people who didn't even take on any water during the storm, but had their savings wiped out just by not working for two weeks. You have to think about the fact that there are individual emergencies like that every day that don't get national headlines."

### Struggle continues

The United Way report shows that while New Jersey is an economically diverse state where the cost-of-living varies widely, state households have continued to struggle across the board since the recession.

Among the findings:

■ ALICE households exist in every age bracket in New Jersey, but the largest segment of the group is those who are typically in their income earning prime. Households headed by those age 25-64 represent 75 percent of those beneath the ALICE threshold.

■ The average budget needed to provide a family of four basic needs in New Jersey increased by 19 percent from 2007 to 2012.

■ High-paying jobs are scarce. Jobs paying less than \$40,000 a year now comprise 53 percent of all jobs in New Jersey, and these jobs are projected to be the primary source of labor growth in the coming years.

"I think this sort of verifies for all of us that ALICE isn't going away," said John Franklin, CEO of the United Way of Northern New Jersey. "People really begin to understand that we're not just talking about some number somewhere. We're

talking about a huge portion of our population."

### Tepid recovery

While there have been signs of economic recovery in New Jersey, they have been weaker than hoped.

The state's unemployment rate was 6.6 percent in June, down from 8.4 at the same



time in 2013. The United Way report also shows while ALICE households have continued to increase since 2007, the rate of growth slowed considerably from 2010 to 2012.

And Legal Services of New Jersey, which has published two similar reports on poverty in recent weeks, predicts that when new Census data are published Tuesday, it will show the number of poor residents in New Jersey has plateaued or declined slightly.

Legal Services of New Jersey Director Melville D. Miller was quick to note that while a potential decline in the poverty rate is good news, it still leaves the state at near record levels.

“The real question is, are we making any substantive long-term progress, and right now it’s difficult to see any real strong evidence of that,” Miller said.

### Recovery’s true nature

While the improved unemployment numbers are encouraging, Carl Van Horn, director of the John J. Heldrich Center for Workforce Development, said they don’t reveal the true nature of what has been a weak recovery.

“For people in poverty, their attempt to escape from poverty has been more difficult because of the large number of people with more education than them competing for available jobs,” Van Horn said. “And in our own research here, we found that more than half of Americans who were able to get another job, their next job was either lower-paying or paid the same.”

“So people are either staying where they were or

they’re downwardly mobile.”

Ticehurst is hopeful that her new business venture, called NEST-cessities, will take off, but she knows it’s a risk. Barring a miracle, she said, her family won’t be able to afford to stay in the apartment much longer.

“You can hang on for a little while, but six months comes up on you really quick. It’s hard,” she said of life after losing her job.

### ‘You can’t sleep’

A Newark native, Ticehurst has lived with her 8-year-old daughter in a neatly organized, one-bedroom apartment above a restaurant in Montclair for the past four years. Her daughter occupies the bedroom, while she sleeps on a single bed just outside the door — except on Fridays.

“The restaurant gets noisy on Friday nights, so we have to sleep out here,” she said, pointing at the living room. “It’s not terrible, but you can’t sleep.”

But like so many in New Jersey in her situation, Ticehurst said she will forge ahead, controlling what she can and girding for obstacles that she can’t.

Her only goal, she said, is to find a way to maintain some form of stability for her daughter.

“It’s the foundation of whether I am a success or whether I am a failure,” she said. “I never imagined I’d be in this position at this age — a mother with such a questionable job situation. I just don’t want to let her down.”



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