

## In NJ, More Than 1/3 Struggle to Get By: Report

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By CINDY RODRIGUEZ

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The federal poverty rate in New Jersey was officially 10 percent in 2010 but a new report commissioned by the United Way of Northern New Jersey estimates that over one-third of state's households are struggling to get by.

The report challenges the federal poverty measure and creates a higher threshold for what it takes to meet basic living expenses in each of New Jersey's 21 counties. It uses the acronym ALICE, which stands for Asset Limited, Income Constrained and Employed, to describe households who may be above the federal poverty measure but continue to struggle financially. Government data and other sources were used to determine the cost of essentials such as housing, food, childcare, and medical care. According to the report, it takes an average of \$58,500 for a family of four to live in New Jersey. The federal poverty threshold for the same size family is just over \$22,000 a year.

According to the report, seniors make up the largest portion of these households living above the federal poverty line but below what the report considers the threshold for surviving in the state. "Social Security has lowered the number of senior households in poverty, but does not enable self-sufficiency," the report said.

Stephanie Hoopes-Halpin, associate professor at Rutgers's School of Public Affairs, authored the report and says a defining feature of these households is that they have little or no savings making it difficult to get through a crisis. "In New Jersey 40 percent of households in 2009 didn't have enough cash assets to subsist at the poverty level for 3 months," Hoopes-Halpin said. That number didn't include assets such as cars, homes or retirement accounts.

Olivia Maxwell lives in Somerset County and said she had \$10,000 in savings and thought she was doing well until surgery for two brain tumors over the last several years left her unable to work. Maxwell said she accumulated doctor bills and other debt, and she's still trying to recover financially. "I no longer have a savings. I live paycheck to paycheck," Maxwell said. "There are times when I have to overdraw my account because I paid my bills but now I need gas in the car and I have to get groceries." The 36 year old has a 12-year-old son and said the family is trying to make it on her \$35,000 a year office job at Middlesex County College.

John Franklin, CEO of United Way in Northern New Jersey said for him, the report refutes the notion that people struggle because they're lazy and unmotivated to work. "We must realize that this is not about people not working," said Franklin. "This is about people who are working and falling behind." Franklin said working poor households are often forced to put their families at risk by settling for unsafe childcare or housing that's overcrowded or dilapidated.

More families are struggling to make ends meet because they aren't earning enough, according to the report. It found more than half of all jobs in New Jersey pay less than \$20 an hour and that the average wage for a new hire in New Jersey was \$2,900 a month in 2010, although there were large variations between counties. For instance in 2010 new hires in Atlantic county earned about half what those in Somerset county earned. The report also found that Passaic county was the least affordable and had the highest unemployment rate.

Data from New Jersey's Department of Labor shows that of the 36,300 jobs created in the New Jersey in roughly the last year, about 24,000 were in education and health services and 13,700 were in the leisure and hospitality industry.

TAGS: economy, new jersey, poverty



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