

NEWS RELEASE

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New Census Data Show Recession's Impact on Poverty in 2009: Latest Poverty Data by Demographics and Geographies

EDISON – “New Census data released today show an alarming increase in New Jersey’s poverty rate between 2007 and 2009, from 8.6% to 9.4%. This data from the American Community Survey reinforces the findings from the Current Population Survey released by the U.S. Census earlier this month. Child poverty also increased during this time period, from 11.6% to 13.5%,” according to Anjali Srivastava, co-director for Legal Services of New Jersey’s Poverty Research Institute (LSNJ’s PRI). There were an estimated 799,099 New Jerseyans with incomes below the federal poverty level in 2009. “These high rates are a cause for concern,” adds Allan Lichtenstein, co-director for LSNJ’s PRI. “Although the recession has been declared officially over, New Jersey’s unemployment rate remains high.”

“The new data show that 12.6% of the state’s population lacked health insurance in 2009,” adds Srivastava, “and the poverty rate among working age adults between 18 and 64 has increased to 8.1% in 2009 from 7.5% in 2007.” “While New Jersey continues to rank high among states in median household income, second to Maryland, there have been significant nominal dollar declines during the economic recession, from \$69,368 in

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2007 to \$68,342 in 2009,” according to Shivi Prasad, LSNJ’s PRI senior researcher and policy analyst.

The federal poverty threshold for a two parent family of four was \$21,756 in 2009. Research on the cost of living has found that, in order to cover basic expenses in New Jersey, households need at least double that amount. Today’s data show an increase in the true poverty rate, which is the threshold twice the federal poverty rate. “Over one-fifth of New Jerseyans (22.5%), totaling 1,922,283 individuals, have incomes below this basic cost of living threshold,” says Lichtenstein.

The data show large racial disparities in experiences of poverty. The poverty rate for non-Hispanic white New Jerseyans was 5.4% in 2009, while the rates were 18.1% for non-Hispanic Black or African American residents and 18.3% for those identifying as Hispanic or Latino. “Racial and ethnic disparities are greater among children than among adults, with New Jersey child poverty rates of 6.4% for non-Hispanic white children, 25.8% for non-Hispanic Black or African American children, and 25.4% for Hispanic or Latino children,” says Srivastava. “There have been large increases in poverty rates among the latter two groups. The 2007 rates were 5.2%, 16.9% and 16.0 % for white non-Hispanic residents, Blacks or African Americans and Hispanic or Latino New Jerseyans, respectively.”

Eight New Jersey counties have poverty rates above the statewide percentage: Atlantic (10.8%), Camden (11.3%), Cape May (10.0%), Cumberland (16.0%), Essex (14.5%), Hudson (14.5%), Mercer (11.1%) and Passaic (17.2%). (See the 2009 Charts in

the press release page for detailed statistics.) While some New Jersey smaller area places with already high poverty rates saw decreases, others saw increases. Today's data includes poverty numbers for 12 smaller geographic areas within New Jersey. "Federal poverty rates decreased in Camden, Edison, Elizabeth, Union and Newark. However, rates in all of these areas have remained well above the U.S. rate, which was 14.3% in 2009," according to Prasad. "And, of greater importance, 11 of the 12 areas have true poverty rates above the statewide rate. Alarming, over half of the populations in Camden (at 64.1%), Passaic (64.1%) and Paterson (53.6%) are below the true poverty rate."

"Today's numbers show that New Jerseyans are suffering from the effects of decreased incomes and lack of job opportunities. It is clear that these are extraordinarily difficult times that call for extraordinary governmental steps to bring relief. The policy steps taken now will determine the extent to which New Jersey residents will be facing poverty in the future," says Melville D. Miller, president of Legal Services of New Jersey.

Legal Services of New Jersey, located in Edison, is the coordinating office for the state's system of Legal Services programs, which provide essential legal aid in civil matters to low-income people in all twenty-one counties in New Jersey. To help reduce the legal needs of those in poverty, the Poverty Research Institute conducts systemic research on the incidence, effects and other aspects of poverty in the state, and the relationships among poverty, work and public policy—and makes its findings available to the public.