

NEWS RELEASE

Legal Services of New Jersey
100 Metroplex Drive at Plainfield Avenue
P.O. Box 1357
Edison, New Jersey 08818-1357

Contact: Harvey Fisher
Office Phone: 732-529-8430
Cell Phone: 908-616-9941
E-mail: hfisher@lsnj.org

FOR IMMEDIATE RELEASE

LSNJ ANALYSIS OF NEW JERSEY IMPACTS FROM TODAY'S CENSUS BUREAU DATA RELEASE

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EDISON – The poverty data made public today by the Census Bureau clearly demonstrates that, contrary to the national trend, poverty is continuing to worsen in New Jersey even well after the end in 2009 of the Great Recession, according to officials of Legal Services of New Jersey.

In fact, there has been a larger surge in the ranks of the impoverished in New Jersey since the crippling recession ended than when the recession was in full force, LSNJ noted.

“The latest figures confirm that hundreds of thousands of New Jerseyans and their children remain embedded in poverty and their numbers grow larger each day,” said Melville D. Miller, Jr., president of Legal Services of New Jersey. “For the financially disadvantaged in our state, the economic recovery has meant little. They are hurting.”

LSNJ’s Poverty Research Institute (PRI) analyzed various aspects of the Census report on poverty, income and health insurance coverage, noting that the number of people in poverty in the Garden State is now at the highest level in at least the last 30 years. At the same time, the announced unemployment rate of 9.8 percent in July for New Jersey is the highest in 35 years.

Allan Lichtenstein, director of the PRI, said the rising poverty rate in New Jersey should

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come as no surprise. “With an unemployment rate remaining above 9 percent throughout 2011 and an even higher underemployment rate last year than in 2010, coupled with ever-increasing living costs in New Jersey, we can expect mounting poverty.”

The census report shows that throughout the nation the poverty rate barely changed, going from 15.1 percent in 2010 to 15 percent last year, while in New Jersey it rose from 10.7 percent to 11.4 percent last year, marking a third straight year of extremely high increases — an unprecedented result since annual figures have been reported.

Miller noted an analysis of the poverty figures in New Jersey shows that from 2007, the start of the Great Recession, to 2009, the recession’s end, the poverty rate rose from 8.7 to 9.3 percent. On the other hand, from 2009 to 2011 the change was considerably steeper, going from 9.3 to 11.4 percent. In going from 8.7 to 11.4 percent between 2007 and 2011, the level of poverty in New Jersey increased at an unprecedented rate of 31%.

Those figures are based on 100 percent of the Federal Poverty Level (FPL) for determining poverty. The FPL, often criticized for being an inadequate or low-ball measure of calculating poverty, in 2011 amounted to a maximum of \$11,702 for a single person, \$15,063 for a couple, \$18,123 for one parent with two kids, and \$22,811 for a couple with two children.

A further inspection of the latest Census numbers shows that the increase in poverty in New Jersey in 2011 at 100 percent of the FPL actually exceeded the rate of increase in most of the neighboring states, including New York, Pennsylvania, Maryland and Massachusetts, noted Lichtenstein, the PRI director.

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Between 20010 and 2011 a total of 57,000 more people entered the ranks of the impoverished in New Jersey, as the reported numbers rose from 931,000 to 988,000 for those at 100 percent of the FPL.

Legal Services and other authorities in New Jersey and across the nation believe twice or 200 percent of the FPL is a far better measure of true poverty in high costs of living states, of which New Jersey is among the highest.

Lichtenstein noted that, at 200 percent of the FPL, there are some 2 million people in true poverty in the Garden State — or one of every four New Jerseyans..

The Census report noted that nationally the number of people in poverty without health insurance remained the same at 39.1 percent. In New Jersey, though, the numbers of uninsured adults in poverty increased from 34.2 to 41.1 percent, following eligibility cutbacks in state-related programs, according to Shivi Prasad, senior researcher and policy analyst for the Poverty Research Institute.

Meanwhile, real median household income in New Jersey in inflation-adjusted dollars tumbled again last year, from \$64,954 to \$62,338. It was the fourth consecutive year for such a drop.

Legal Services of New Jersey 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 21 counties of New Jersey. The LSNJ Poverty Research Institute, established in 1997, conducts systemic research on the incidence, effect and other aspects of poverty, in an effort to increase awareness and understanding.

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