

Section 2

Family Economic Security

What Does Poverty Mean?

Since the late 1950s, the federal government has used the poverty threshold to determine the number of individuals living in poverty within the United States. The measure is based on the cost of a basic food diet and adjusted for inflation and family size. The same poverty threshold is used for the entire nation and does not account for the higher cost of living in certain states like New Jersey, where 200 percent of the poverty threshold, or an annual income of \$50,930 for a family of four, is more reflective of the families struggling to make ends meet in our state. While the

poverty threshold is produced by the U.S. Census Bureau, federal poverty guidelines—used to determine eligibility for certain federal programs—are released by the U.S. Department of Health and Human Services and are based on the census’s thresholds. Individuals or families living below 100 percent of the federal poverty level (FPL) are considered to be living in poverty. In 2018, this figure equated to an annual income of \$25,465 for a family of four.

Number of Economically Disadvantaged Children, Under Age 18

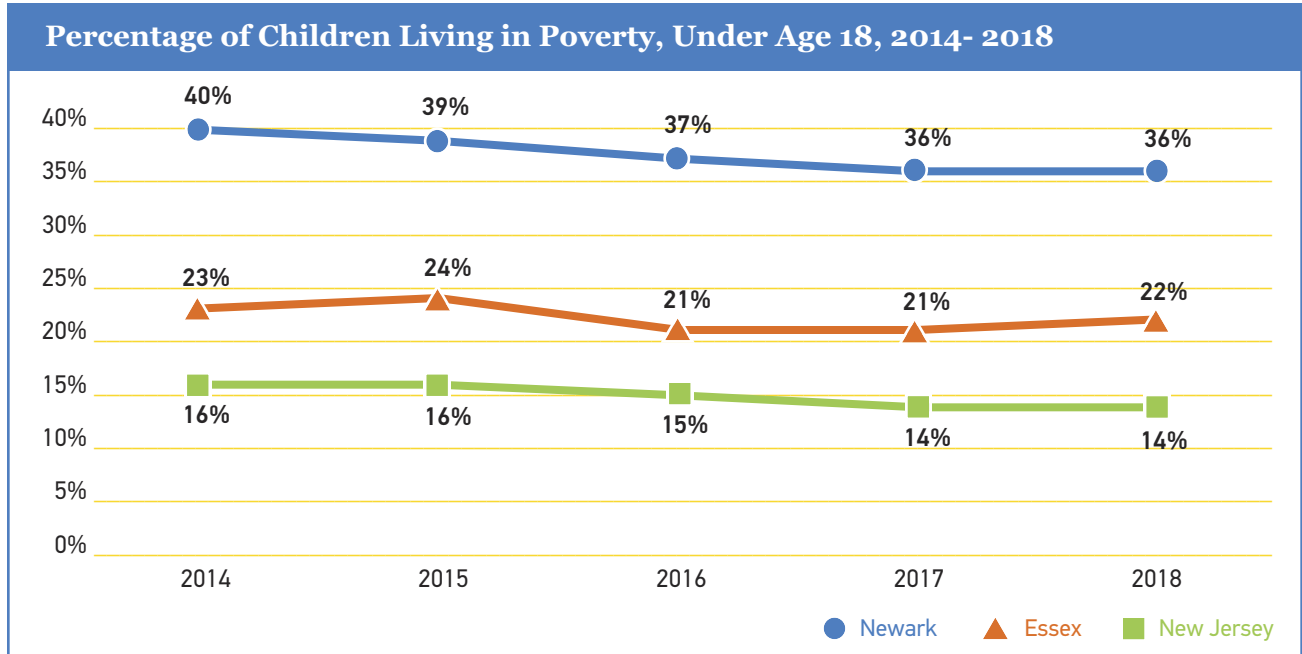
	2014	2015	2016	2017	2018	% Change 14-18
Newark						
Extreme Poverty (Below 50% of FPL)	12,941	11,141	12,445	13,687	10,590	-18
Poverty (Below 100% of FPL)	28,572	26,801	23,802	24,799	24,661	-14
Low-Income (Below 200% of FPL)	49,260	47,256	43,824	44,854	43,400	-12
Essex						
Extreme Poverty (Below 50% of FPL)	18,693	19,334	16,579	18,802	18,452	-1
Poverty (Below 100% of FPL)	44,471	45,258	39,423	39,770	40,393	-9
Low-Income (Below 200% of FPL)	83,324	84,695	82,595	78,932	75,112	-10
New Jersey						
Extreme Poverty (Below 50% of FPL)	139,456	139,182	114,533	117,191	113,607	-19
Poverty (Below 100% of FPL)	315,563	308,238	285,479	272,251	264,253	-16
Low-Income (Below 200% of FPL)	640,897	632,941	616,618	586,647	562,853	-12

Percentage of Children Economically Disadvantaged, Under Age 18

Newark		2014	2015	2016	2017	2018
Extreme Poverty (Below 50% of FPL)		18	16	19	20	15
Poverty (Below 100% of FPL)		40	39	37	36	36
Low-Income (Below 200% of FPL)		69	70	68	65	63
Essex		2014	2015	2016	2017	2018
Extreme Poverty (Below 50% of FPL)		10	10	9	10	10
Poverty (Below 100% of FPL)		23	24	21	21	22
Low-Income (Below 200% of FPL)		44	45	44	42	40
New Jersey		2014	2015	2016	2017	2018
Extreme Poverty (Below 50% of FPL)		7	7	6	6	6
Poverty (Below 100% of FPL)		16	16	15	14	14
Low-Income (Below 200% of FPL)		32	32	31	30	29

2018 Federal Poverty Thresholds for a Family of Four:

50%	\$12,733
100%	\$25,465
200%	\$50,930



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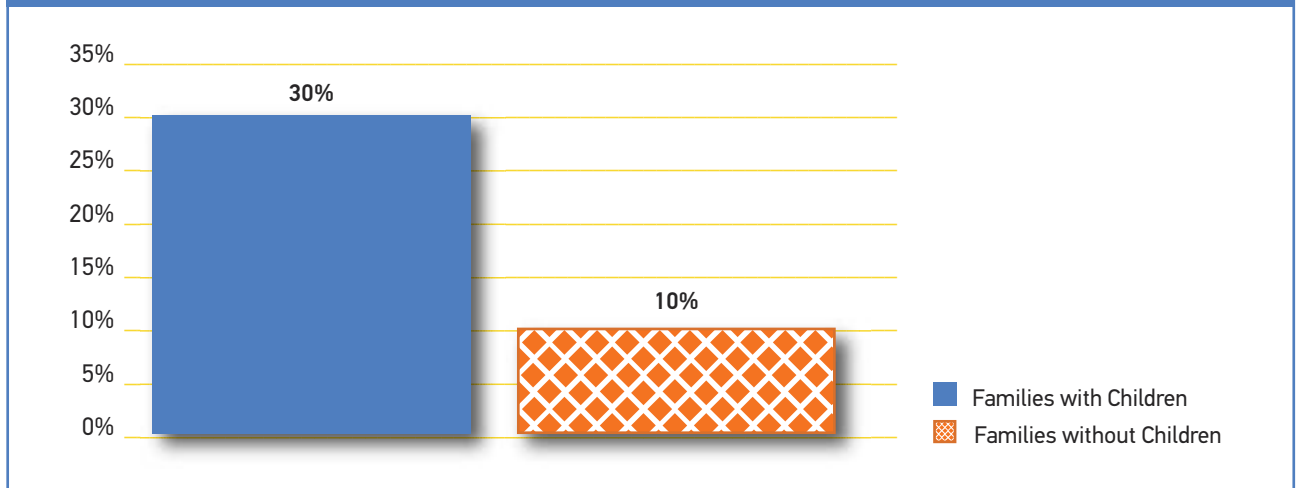
Total Population Living Below Poverty Level

	2014		2015		2016		2017		2018		% Change 14-18 Number
	Number	%	Number	%	Number	%	Number	%	Number	%	
Newark	76,086	28	78,569	29	76,005	28	76,159	28	66,255	25	-13
Essex	130,789	17	133,126	17	127,170	16	124,367	16	118,156	15	-10
New Jersey	972,903	11	946,114	11	915,913	10	882,673	10	832,133	10	-14

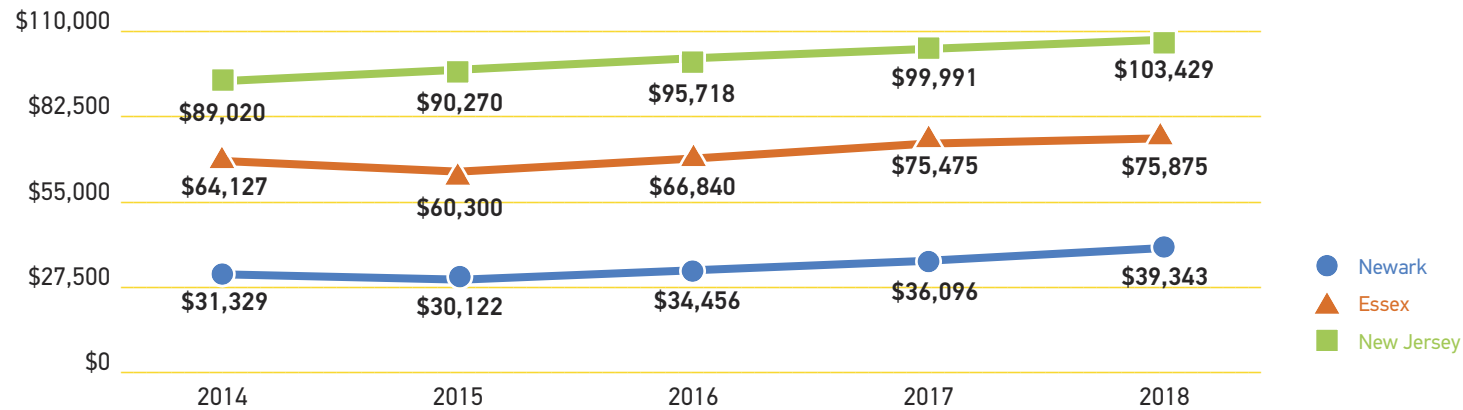
Families with Children Living Below the Poverty Level

	2014		2015		2016		2017		2018		% Change 14-18 Number
	Number	%	Number	%	Number	%	Number	%	Number	%	
Newark	11,964	33	12,994	37	9,715	31	11,322	32	10,164	30	-15
Essex	19,043	19	21,361	22	16,722	18	17,348	17	17,445	18	-8
New Jersey	134,517	13	135,485	13	121,653	12	116,491	11	111,523	11	-17

Percentage of Newark Families Living Below the Poverty Level, 2018



Median Income of Families with Children



Unemployment Rate

	2015	2016	2017	2018	2019*	% Change 15-19
Newark	9.0	7.9	7.5	7.0	5.6	-38
Essex	6.9	6.0	5.7	5.2	4.2	-39
New Jersey	5.8	5.0	4.6	4.1	3.3	-43

*2019 figures preliminary as of November.

Number Unemployed

	2015	2016	2017	2018	2019*	% Change 15-19
Newark	10,591	9,123	8,654	8,014	6,648	-37
Essex	25,701	22,129	20,786	18,851	15,649	-39
New Jersey	259,843	222,627	205,990	183,375	150,539	-42

*2019 figures preliminary as of November.

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NJ Earned Income Tax Credits, All Recipients

	2014			2015			2016			2017			2018			% Change 14-18		
	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.
Newark	30,497	\$14,778,195	\$485	32,055	\$23,676,405	\$739	32,105	\$27,718,096	\$863	31,744	\$27,591,202	\$869	32,578	\$30,512,096	\$937	7	106	93
Essex	64,133	\$29,418,289	\$459	66,687	\$46,634,466	\$699	66,504	\$53,983,112	\$812	65,930	\$53,720,122	\$815	67,855	\$59,259,435	\$873	6	101	90
New Jersey	522,732	\$222,577,939	\$426	539,138	\$350,515,051	\$650	533,493	\$404,766,950	\$759	527,918	\$401,994,016	\$761	535,604	\$437,879,738	\$818	2	97	92

NJ Earned Income Tax Credits, Recipients with at Least 1 Dependent Under Age 19

	2014			2015			2016			2017			2018			% Change 14-18		
	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	Avg. Credit Amt.
Newark	21,877	\$13,555,111	\$620	22,804	\$21,666,062	\$950	22,909	\$25,457,127	\$1,111	22,564	\$25,293,721	\$1,121	23,574	\$28,019,301	\$1,189	8	107	92
Essex	44,192	\$26,630,632	\$603	45,649	\$42,174,839	\$924	45,519	\$48,919,414	\$1,075	44,912	\$48,544,685	\$1,081	47,139	\$53,733,285	\$1,140	7	102	89
New Jersey	337,388	\$198,982,307	\$590	345,042	\$312,920,154	\$907	340,535	\$361,614,068	\$1,062	335,848	\$358,780,285	\$1,068	345,869	\$391,301,464	\$1,131	3	97	92

The New Jersey Earned Income Tax Credit

Tax credits are a vital economic support for many low-income working families and an advantage to New Jersey businesses, as many of these dollars are spent in the communities where these families live. The New Jersey State Earned Income Tax Credit (NJEITC) rewards work and increases take-home pay for families by lowering the amount of taxes owed and, in some instances, providing a refund. New Jersey's EITC increased from 20 percent of the Federal EITC in 2014 to 30 percent

in 2015 and 35 percent in 2016, giving the state's working poor a financial boost. Former Governor Chris Christie signed this increase into law in 2015, after cutting the state EITC from 25 to 20 percent of the federal EITC in 2010. In 2018, the NJEITC increased to 37 percent of the federal EITC.¹ For the same year, the average credit amount received among Newark families with at least one dependent under age 19 was \$1,189.

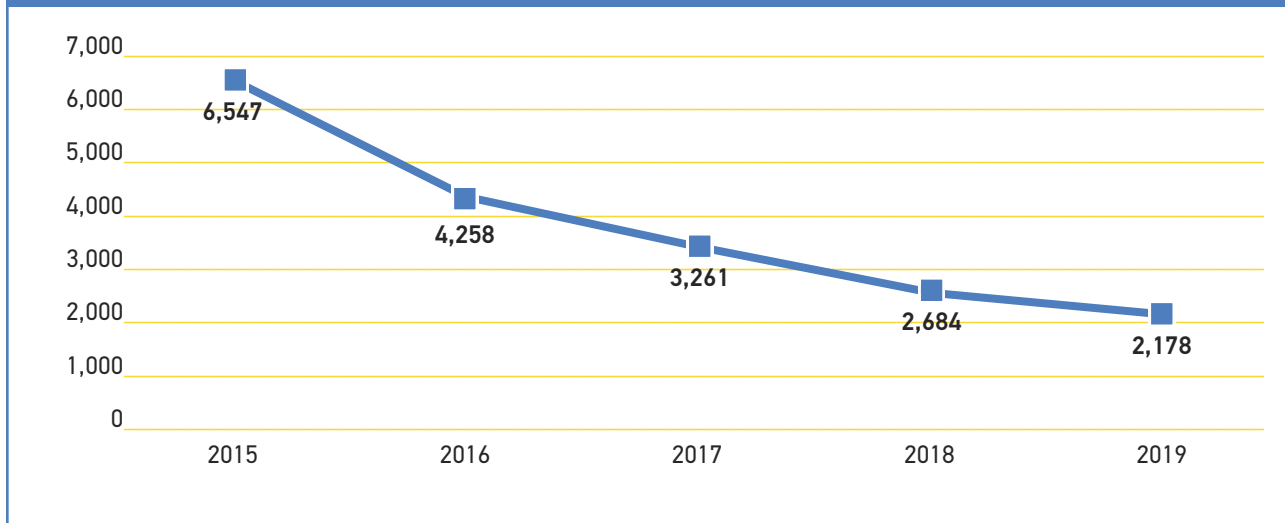
Federal Earned Income Tax Credits (EITC)

	2013		2014		2015		2016		2017		% Change 13-17	
	Number of Claims	Avg. Claim Amt.	Number of Claims	Avg. Claim Amt.	Number of Claims	Avg. Claim Amt.	Number of Claims	Avg. Claim Amt.	Number of Claims	Avg. Claim Amt.	Number of Claims	Avg. Claim Amt.
Newark	39,982	\$2,689	40,325	\$2,762	40,318	\$2,772	41,370	\$2,703	41,350	\$2,713	3	1
Essex	79,791	\$2,523	79,799	\$2,585	79,146	\$2,601	81,960	\$2,521	81,580	\$2,535	2	0
New Jersey	589,026	\$2,283	594,723	\$2,318	592,377	\$2,353	618,500	\$2,296	613,480	\$2,313	4	1

Children in Families Receiving TANF (Welfare)

	2015	2016	2017	2018	2019	% Change 15-19
Newark	6,547	4,258	3,261	2,684	2,178	-67
Essex	9,668	6,442	4,650	3,952	3,086	-68
New Jersey	48,899	36,218	28,458	23,582	19,113	-61

Newark Children in Families Receiving TANF (Welfare)



What is TANF?

The Temporary Assistance for Needy Families (TANF) program, more commonly referred to as welfare, provides cash assistance to needy families through a federally funded block grant given to individual states. The State of New Jersey operates the welfare reform program known as WorkFirst NJ using TANF funds. WorkFirst NJ participants are eligible for the program for a maximum of five years. For more information on WorkFirst NJ, visit <https://www.state.nj.us/humanservices/dfd/programs/workfirstnj/>.

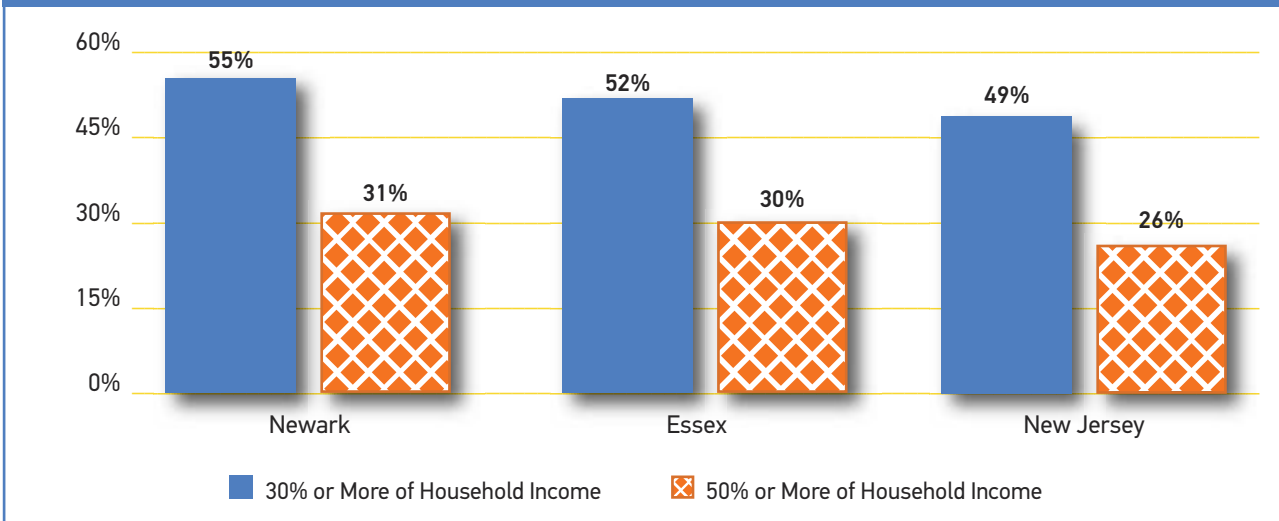
Median Rent

	2014	2015	2016	2017	2018	% Change 14-18
Newark	\$981	\$978	\$1,013	\$1,063	\$1,093	11
Essex	\$1,077	\$1,075	\$1,093	\$1,143	\$1,187	10
New Jersey	\$1,202	\$1,214	\$1,244	\$1,284	\$1,336	11

Percentage of Households Spending 30% or More of Their Income on Rent

	2014	2015	2016	2017	2018	% Change 14-18
Newark	57	62	59	59	55	-4
Essex	53	56	54	53	52	-2
New Jersey	50	50	49	49	49	-2

Percentage of Households Spending Too Much on Rent, 2018



When Are Housing Costs Too High?

According to the U.S. Department of Housing and Urban Development (HUD), a family paying more than 30 percent of their earnings on housing costs is spending too much on their rent or mortgage.² When a family spends too much money on rent, they have less to spend on other necessities, such as food or transportation. This standard has been in use since the 1930s. In 2018, 55 percent of Newark families spent a significant portion of their income on rent—far higher than the statewide figure of 49 percent. The 2018 median monthly rent for Newark residents was \$1,093, just \$243 less than the statewide median rent. With a median income of less than \$40,000, Newark families with children face disproportionately high housing costs.

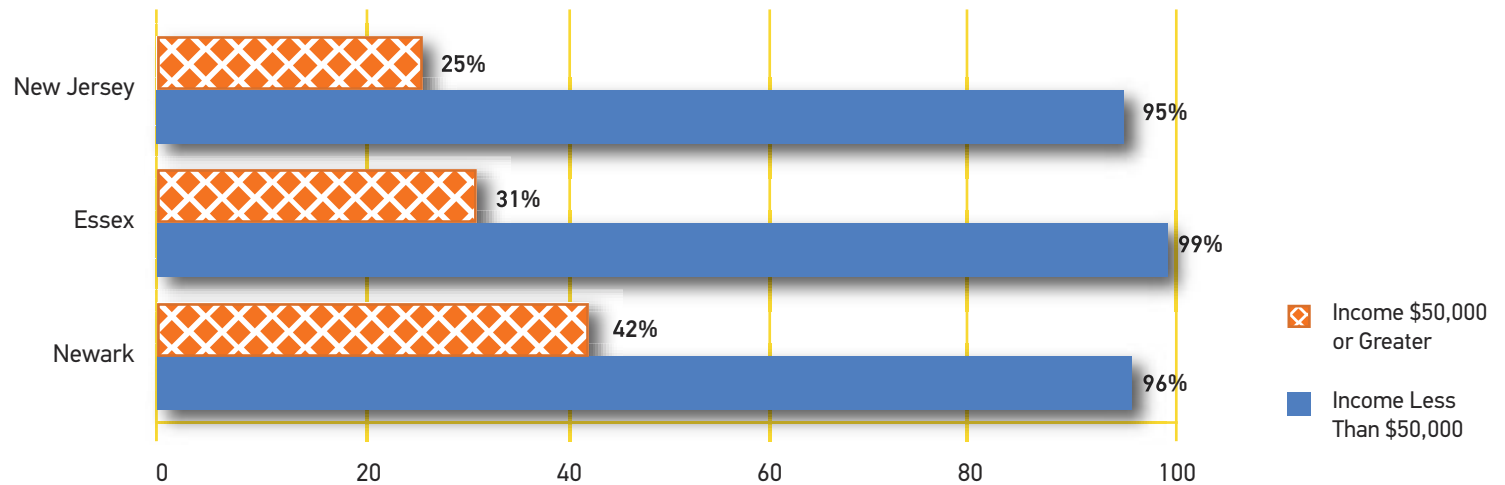
Percentage of Occupied Housing Units That Are Owner-Occupied

	2014	2015	2016	2017	2018	% Change 14-18
Newark	23	21	21	25	22	-4
Essex	44	42	43	45	45	2
New Jersey	63	63	63	64	64	2

Percentage of Mortgage Owners Spending More Than 30% of Income on Housing Costs

	2014	2015	2016	2017	2018	% Change 14-18
Newark	53	62	56	54	55	4
Essex	46	43	43	39	40	-13
New Jersey	40	39	37	34	34	-15

Percentage of Mortgage Owners Spending More than 30% of Income on Housing, by Income, 2018



● References:

- ¹ N.J. Department of the Treasury, Division of Taxation. Prior Year NJEITC Information. Retrieved February 2, 2020 from <https://www.state.nj.us/treasury/taxation/eitc/prioreitc.shtml>
- ² Schwartz, M., Wilson, E. Who Can Afford to Live in a Home?: A look at data from the 2006 American Community Survey. Retrieved January 3, 2020 from <https://www.census.gov/housing/census/publications/who-can-afford.pdf>.

● Data Sources and Technical Notes:

Number of Economically Disadvantaged Children, Under Age 18, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B17024.

Percentage of Economically Disadvantaged Children, Under Age 18, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B17024.

Federal Poverty Threshold for a Family of Four, 2018. Threshold for a family of four, with two adults and two children living in poverty. As reported by the U.S. Census Bureau.

Percentage of Children Living in Poverty, Under Age 18, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B17024.

Total Population Living Below the Poverty Level, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B17001.

Households with Children Living Below the Poverty Level, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B17010.

Percentage of Newark Households, with and without Children, Living Below the Poverty Level, 2018. As reported by the U.S. Census Bureau, American Community Survey chart B17010.

Median Income of Families with Children, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B19125.

Number Unemployed, 2015–2019. U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. The Bureau of Labor Statistics defines an unemployed person as someone who does not have a job, has actively looked for work in the prior 4 weeks, and is currently available for work. Numbers are not seasonally adjusted and are annual averages for 2015–2018; 2019 data are preliminary as of November. Please note that data reported in previous Newark Kids Count reports have been updated to reflect revised inputs, re-estimation and new statewide controls, per the Bureau of Labor Statistics.

Unemployment Rate, 2015–2019. U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. Rates are not seasonally adjusted and are annual averages for 2015–2018; 2019 data are preliminary as of November. Please note that data reported in previous Newark Kids Count reports have been updated to reflect revised inputs, re-estimation and new statewide controls, per the Bureau of Labor Statistics.

Federal Earned Income Tax Credits (EITC), 2013–2017. Number of New Jersey Taxpayers claiming a federal EITC and average claim, as reported by the U.S. Internal Revenue Service.

N.J. Earned Income Tax Credits (EITC), All Recipients, 2014–2018. Number of New Jersey Taxpayers receiving a state EITC credit, total amount of EITC credits issued and average credit amount, as reported by the N.J. Department of Treasury.

N.J. Earned Income Tax Credits (EITC), Recipients with at Least 1 Dependent Under Age 19, 2014–2018. Number of New Jersey taxpayers with at least one dependent under age 19 receiving a state EITC credit, total amount of EITC credits issued and average credit amount, as reported by the N.J. Department of Treasury.

Children in Families Receiving TANF (Welfare), 2015–2019. As reported by the N.J. Department of Human Services, Division of Family Development. Data are from June of each year.

Median Rent, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B25064.

Percentage of Households Spending More than 30% of Their Income on Rent, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart B25070.

Percentage of Occupied Housing Units that are Owner-Occupied, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart DP-04: Selected Housing Characteristics.

Percentage of Mortgage Owners Spending More than 30 Percent of Income on Housing Costs, 2014–2018. As reported by the U.S. Census Bureau, American Community Survey chart DP-04: Selected Housing Characteristics.

Percentage of Mortgage Owners Spending More than 30 Percent of Income on Housing, by Income, 2018. As reported by the U.S. Census Bureau, American Community Survey chart B25101.

