

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 \$48,678 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 2016, this figure equated to an annual income of \$24,339 for a family of four.

Number of Economically Disadvantaged Children, Under Age 18

	2012	2013	2014	2015	2016	% Change 12-16
Newark						
Extreme Poverty (Below 50% of FPL)	16,619	13,656	12,941	11,141	12,445	-25
Poverty (Below 100% of FPL)	31,450	30,313	28,572	26,801	23,802	-24
Low-Income (Below 200% of FPL)	51,544	48,487	49,260	47,256	43,824	-15
Essex						
Extreme Poverty (Below 50% of FPL)	24,213	21,487	18,693	19,334	16,579	-32
Poverty (Below 100% of FPL)	48,110	47,116	44,471	45,258	39,423	-18
Low-Income (Below 200% of FPL)	87,637	83,568	83,324	84,695	82,595	-6
New Jersey						
Extreme Poverty (Below 50% of FPL)	152,777	151,706	139,456	139,182	114,533	-25
Poverty (Below 100% of FPL)	310,226	333,375	315,563	308,238	285,479	-8
Low-Income (Below 200% of FPL)	645,985	654,284	640,897	632,941	616,618	-5

Percentage of Children Economically Disadvantaged, Under Age 18

Newark	2012	2013	2014	2015	2016
Extreme Poverty (Below 50% of FPL)	23	20	18	16	19
Poverty (Below 100% of FPL)	44	44	40	39	37
Low-Income (Below 200% of FPL)	71	71	69	70	68

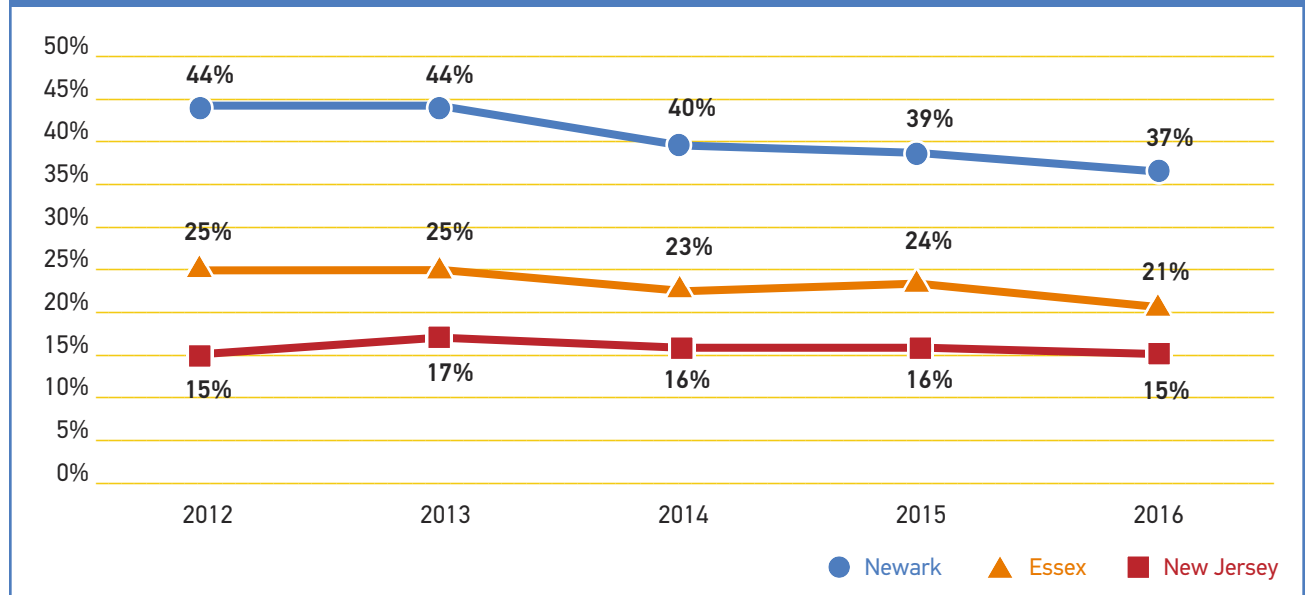
Essex	2012	2013	2014	2015	2016
Extreme Poverty (Below 50% of FPL)	13	11	10	10	9
Poverty (Below 100% of FPL)	25	25	23	24	21
Low-Income (Below 200% of FPL)	46	44	44	45	44

New Jersey	2012	2013	2014	2015	2016
Extreme Poverty (Below 50% of FPL)	8	8	7	7	6
Poverty (Below 100% of FPL)	15	17	16	16	15
Low-Income (Below 200% of FPL)	32	33	32	32	31

Federal Poverty Thresholds for a Family of Four, 2016

50%	\$12,170
100%	\$24,339
200%	\$48,678

Percentage of Children Living in Poverty, Under Age 18, 2012-2016



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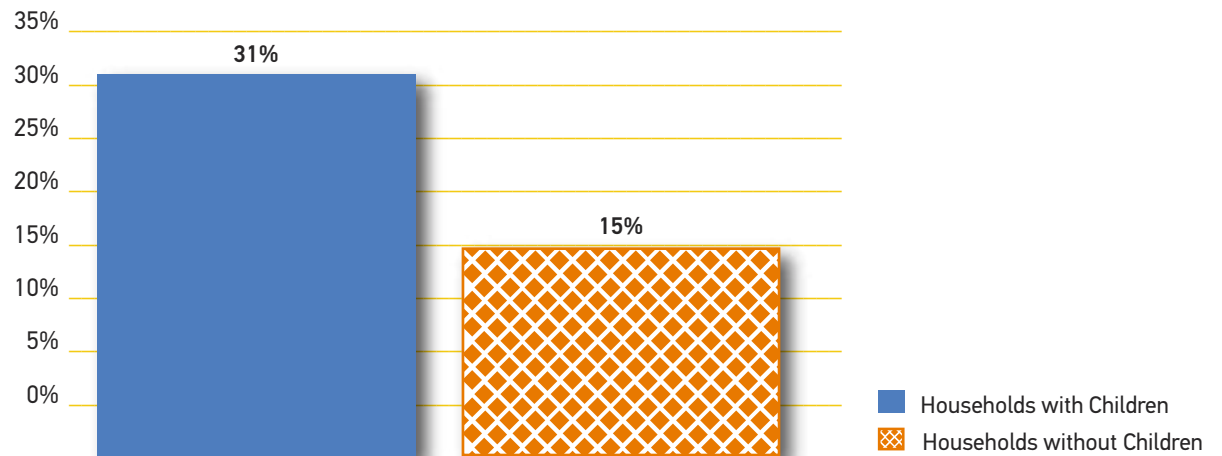
Total Population Living Below Poverty Level

	2012		2013		2014		2015		2016		% Change 12-16 Number
	Number	%	Number	%	Number	%	Number	%	Number	%	
Newark	81,038	29	81,061	29	76,086	27	78,569	28	76,005	27	-6
Essex	134,527	17	137,499	17	130,789	16	133,126	17	127,170	16	-5
New Jersey	934,943	11	998,549	11	972,903	11	946,114	11	915,913	10	-2

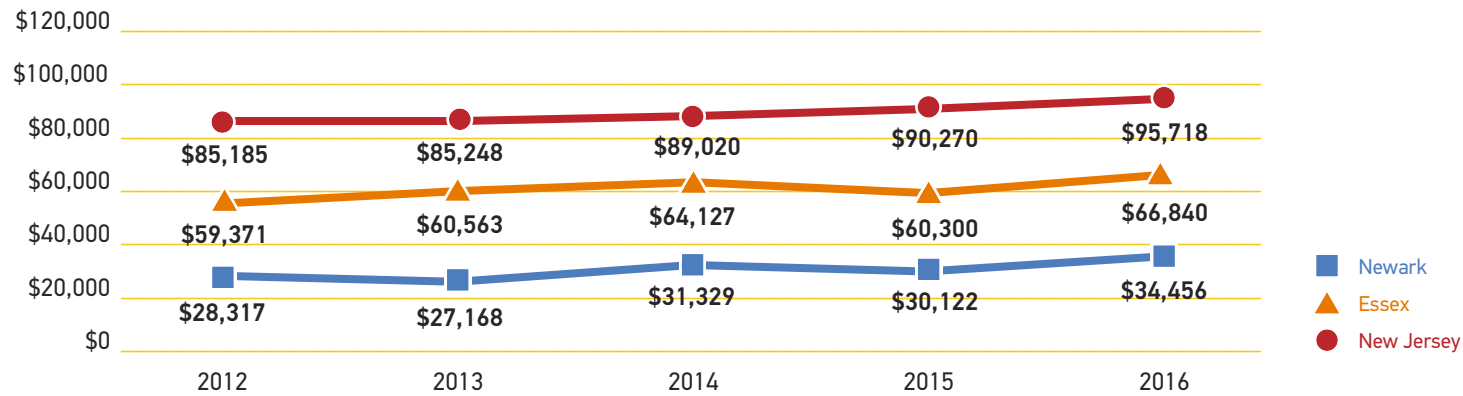
Households with Children Living Below the Poverty Level

	2012		2013		2014		2015		2016		% Change 12-16 Number
	Number	%	Number	%	Number	%	Number	%	Number	%	
Newark	13,730	37	12,851	38	11,964	33	12,994	37	9,715	31	-29
Essex	21,630	21	20,736	21	19,043	19	21,361	22	16,722	18	-23
New Jersey	140,595	13	145,619	14	134,517	13	135,485	13	121,653	12	-13

Percentage of Newark Households Living Below the Poverty Level, 2016



Median Income of Families with Children



Number Unemployed

	2013	2014	2015	2016	2017*	% Change 13-17
Newark	14,908	12,318	10,697	9,207	9,385	-37
Essex	36,616	30,048	25,957	22,334	22,120	-40
New Jersey	372,318	304,280	262,642	224,327	217,068	-42

*2017 figures preliminary as of November

Unemployment Rate

	2013	2014	2015	2016	2017*	% Change 13-17
Newark	12.4	10.4	9.0	7.9	8.2	-34
Essex	9.7	8.0	6.9	6.0	6.1	-37
New Jersey	8.2	6.7	5.8	5.0	4.8	-41

*2017 figures preliminary as of November

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Federal Earned Income Tax Credits (EITC)

	2011		2012		2013		2014		2015		% Change 11-15	
	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	39,425	\$2,534	38,638	\$4,380	39,982	\$2,689	40,325	\$2,762	40,318	\$2,772	2	9
Essex	77,447	\$2,388	76,686	\$4,291	79,791	\$2,523	79,799	\$2,585	79,146	\$2,601	2	9
New Jersey	562,894	\$2,170	563,291	\$3,195	589,026	\$2,283	594,723	\$2,318	592,377	\$2,353	5	8

NJ Earned Income Tax Credits, All Recipients

	2014		2015		2016		% Change 14-16	
	# Credits Issued	Total Amt. of Credits Issued	# Credits Issued	Total Amt. of Credits Issued	# Credits Issued	Total Amt. of Credits Issued	# Credits Issued	Total Amt. of Credits Issued
Newark	30,497	\$14,778,195	32,055	\$23,676,405	32,105	\$27,718,096	5	88
Essex	64,133	\$29,418,289	66,687	\$46,634,466	66,504	\$53,983,112	4	84
New Jersey	522,732	\$222,577,939	539,138	\$350,515,051	533,493	\$404,766,950	2	82

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

	2014		2015		2016		% Change 14-16	
	# Credits Issued	Total Amt. of Credits Issued	# Credits Issued	Total Amt. of Credits Issued	# Credits Issued	Total Amt. of Credits Issued	# Credits Issued	Total Amt. of Credits Issued
Newark	21,877	\$13,555,111	22,804	\$21,666,062	22,909	\$25,457,127	5	88
Essex	44,192	\$26,630,632	45,649	\$42,174,839	45,519	\$48,919,414	3	84
New Jersey	337,388	\$198,982,307	345,042	\$312,920,154	340,535	\$361,614,068	1	82

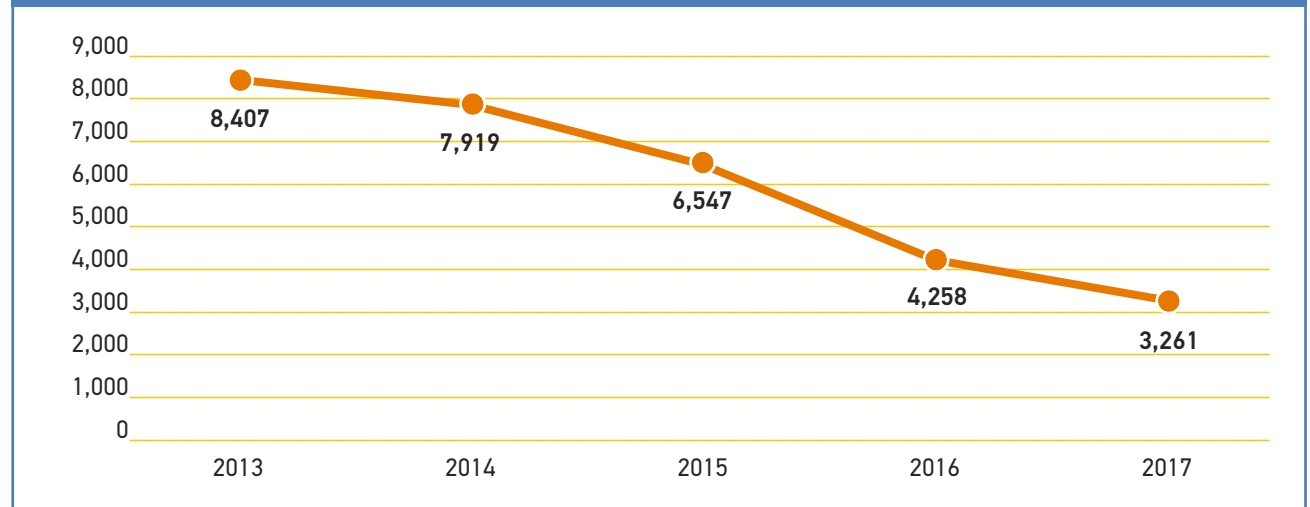
The New Jersey Earned Income Tax Credit

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 (EITC) rewards work and increases take-home pay for families by lowering the amount of taxes owed and, in some instances, providing a refund. The total dollar amount of tax credits issued during the 2016 tax year increased substantially over the amounts in the prior two years. New Jersey's EITC increased from 20 percent of the Federal Earned Income Tax Credit in 2014 to 30 percent in 2015 and 35 percent in 2016, giving the state's working poor a financial boost. 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.

Children in Families Receiving TANF (Welfare)

	2013	2014	2015	2016	2017	% Change 13-17
Newark	8,407	7,919	6,547	4,258	3,261	-61
Essex	12,738	11,949	9,668	6,442	4,650	-63
New Jersey	64,379	58,948	48,899	36,218	28,458	-56

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 <http://www.state.nj.us/humanservices/dfd/programs/workfirstnj/>.

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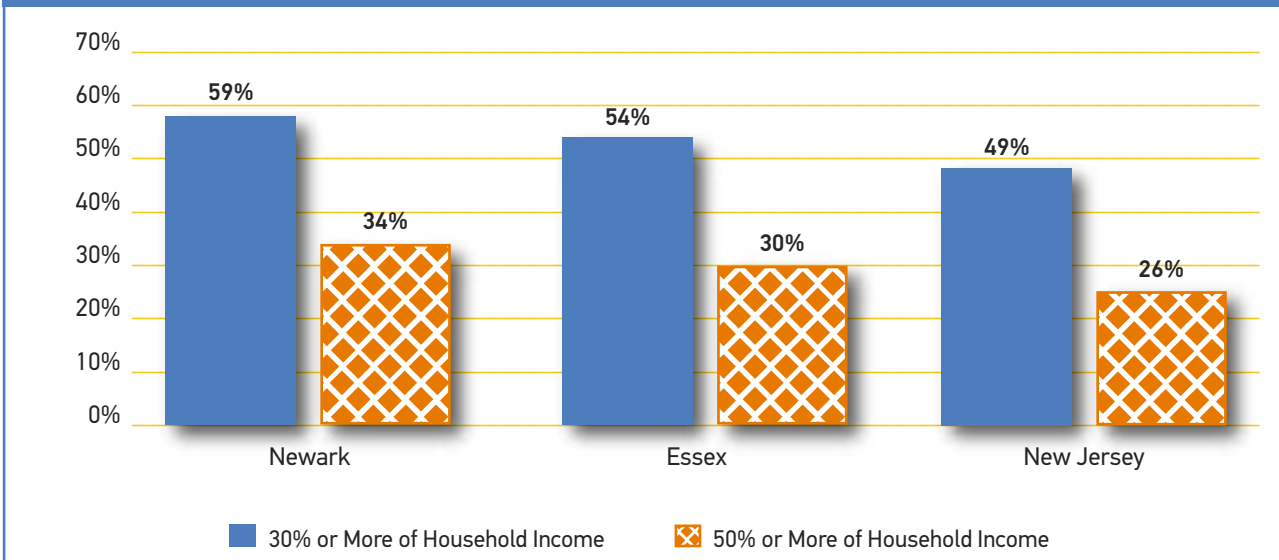
Median Rent

	2012	2013	2014	2015	2016	% Change 12-16
Newark	\$927	\$934	\$981	\$978	\$1,013	9
Essex	\$999	\$1,034	\$1,077	\$1,075	\$1,093	9
New Jersey	\$1,148	\$1,171	\$1,202	\$1,214	\$1,244	8

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

	2012	2013	2014	2015	2016	% Change 12-16
Newark	56	55	57	62	59	5
Essex	54	53	53	56	54	0
New Jersey	51	51	50	50	49	-4

Percentage of Households Spending 30% or More of Their Income on Rent, 2016



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 (Visit: https://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/). When a family spends too much money on rent, they have less to spend on other necessities, such as food or transportation. The 30 percent of income standard has been in use since the 1930s.¹ In 2016, 59 percent of Newark families spent a significant portion of their income on rent — far higher than the statewide figure of 49 percent. The 2016 median monthly rent for Newark residents was \$1,013, just \$231 less than the statewide median rent. With a median income of less than \$35,000, Newark families with children face disproportionately high housing costs.

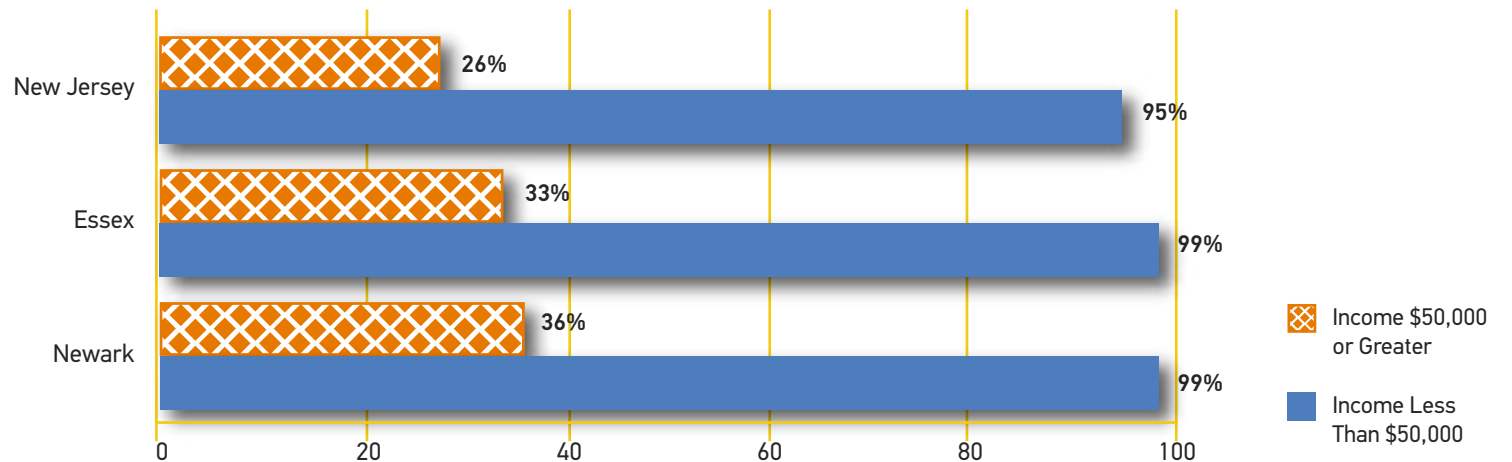
Percentage of Occupied Housing Units That Are Owner-Occupied

	2012	2013	2014	2015	2016	% Change 12-16
Newark	22	22	23	21	21	-5
Essex	45	45	44	42	43	-4
New Jersey	65	64	63	63	63	-3

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

	2012	2013	2014	2015	2016	% Change 12-16
Newark	72	65	53	62	56	-22
Essex	50	47	46	43	43	-14
New Jersey	44	41	40	39	37	-16

Percentage of Mortgage Owners Spending More than 30% of Income on Housing, by Income, 2016



■ References:

- ¹ Schwartz, M., Wilson, E. Who Can Afford to Live in a Home?: A look at data from the 2006 American Community Survey. Retrieved March 30, 2017 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, 2012-2016. As reported by the U.S. Census Bureau, American Community Survey chart B17024.

Percentage of Economically Disadvantaged Children, Under Age 18, 2012-2016. As reported by the U.S. Census Bureau, American Community Survey chart B17024.

Federal Poverty Threshold for a Family of Four, 2016. 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, 2012-2016. As reported by the U.S. Census Bureau, American Community Survey chart B17024.

Total Population Living Below the Poverty Level, 2012-2016. As reported by the U.S. Census Bureau, American Community Survey chart B17001.

Households with Children Living Below the Poverty Level, 2012-2016. 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, 2016. As reported by the U.S. Census Bureau, American Community Survey chart, B17010.

Median Income of Families with Children, 2012-2016. As reported by the U.S. Census Bureau, American Community Survey chart B19125.

Number Unemployed, 2013-2017. 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 2013-2016; 2017 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, 2012-2016. U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. Rates are not seasonally adjusted and are annual averages for 2012-2015; 2016 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), 2011-2015. 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, 2014-2016. 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, 2014-2016. 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), 2013-2017. As reported by the N.J. Department of Human Services, Division of Family Development. Data are from June of each year.

Median Rent, 2012-2016. 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, 2012-2016. As reported by the U.S. Census Bureau, American Community Survey chart, B25070.

Percentage of Occupied Housing Units that are Owner-Occupied, 2012-2016. 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, 2012-2016. 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, 2016. As reported by the U.S. Census Bureau, American Community Survey chart B25101.