

# 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 \$49,716 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 2017, this figure equated to an annual income of \$24,858 for a family of four.

### *Number of Economically Disadvantaged Children, Under Age 18*

	2013	2014	2015	2016	2017	% Change 13-17
<b>Newark</b>						
Extreme Poverty (Below 50% of FPL)	13,656	12,941	11,141	12,445	13,687	0
Poverty (Below 100% of FPL)	30,313	28,572	26,801	23,802	24,799	-18
Low-Income (Below 200% of FPL)	48,487	49,260	47,256	43,824	44,854	-7
<b>Essex</b>						
Extreme Poverty (Below 50% of FPL)	21,487	18,693	19,334	16,579	18,802	-12
Poverty (Below 100% of FPL)	47,116	44,471	45,258	39,423	39,770	-16
Low-Income (Below 200% of FPL)	83,568	83,324	84,695	82,595	78,932	-6
<b>New Jersey</b>						
Extreme Poverty (Below 50% of FPL)	151,706	139,456	139,182	114,533	117,191	-23
Poverty (Below 100% of FPL)	333,375	315,563	308,238	285,479	272,251	-18
Low-Income (Below 200% of FPL)	654,284	640,897	632,941	616,618	586,647	-10

*Percentage of Children Economically Disadvantaged, Under Age 18*

Newark	2013	2014	2015	2016	2017
Extreme Poverty (Below 50% of FPL)	20	18	16	19	20
Poverty (Below 100% of FPL)	44	40	39	37	36
Low-Income (Below 200% of FPL)	71	69	70	68	65

Essex	2013	2014	2015	2016	2017
Extreme Poverty (Below 50% of FPL)	11	10	10	9	10
Poverty (Below 100% of FPL)	25	23	24	21	21
Low-Income (Below 200% of FPL)	44	44	45	44	42

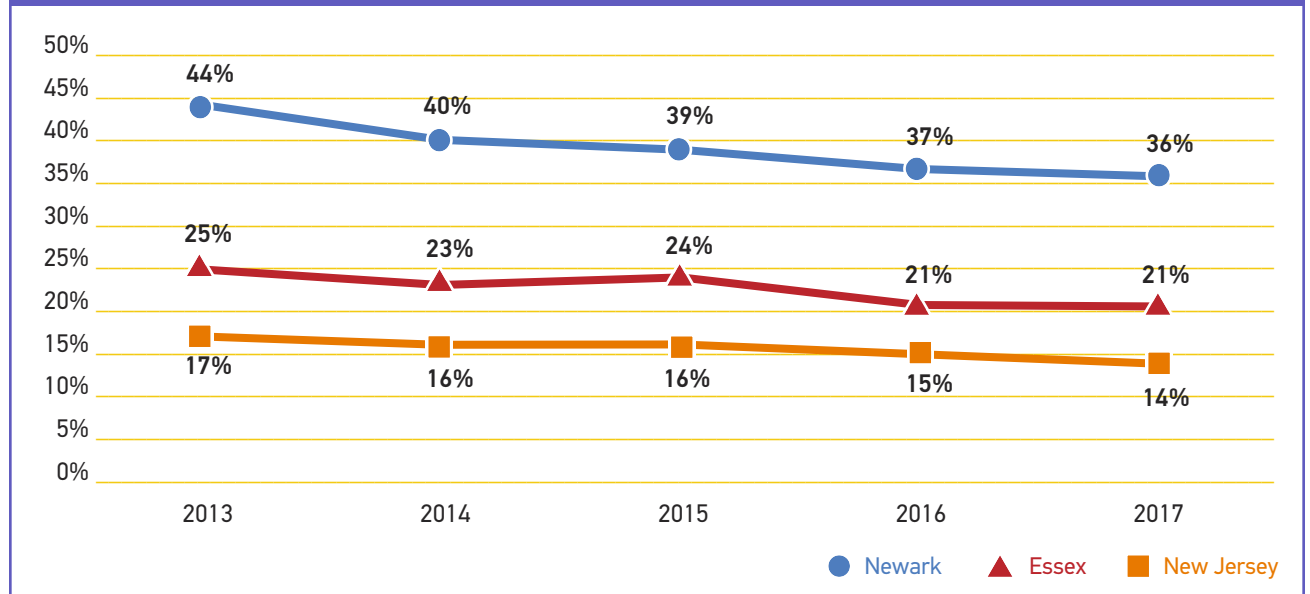
  

New Jersey	2013	2014	2015	2016	2017
Extreme Poverty (Below 50% of FPL)	8	7	7	6	6
Poverty (Below 100% of FPL)	17	16	16	15	14
Low-Income (Below 200% of FPL)	33	32	32	31	30

*2017 Federal Poverty Thresholds for a Family of Four:*

50%	\$12,429
100%	\$24,858
200%	\$49,716

*Percentage of Children Living in Poverty, Under Age 18, 2013- 2017*



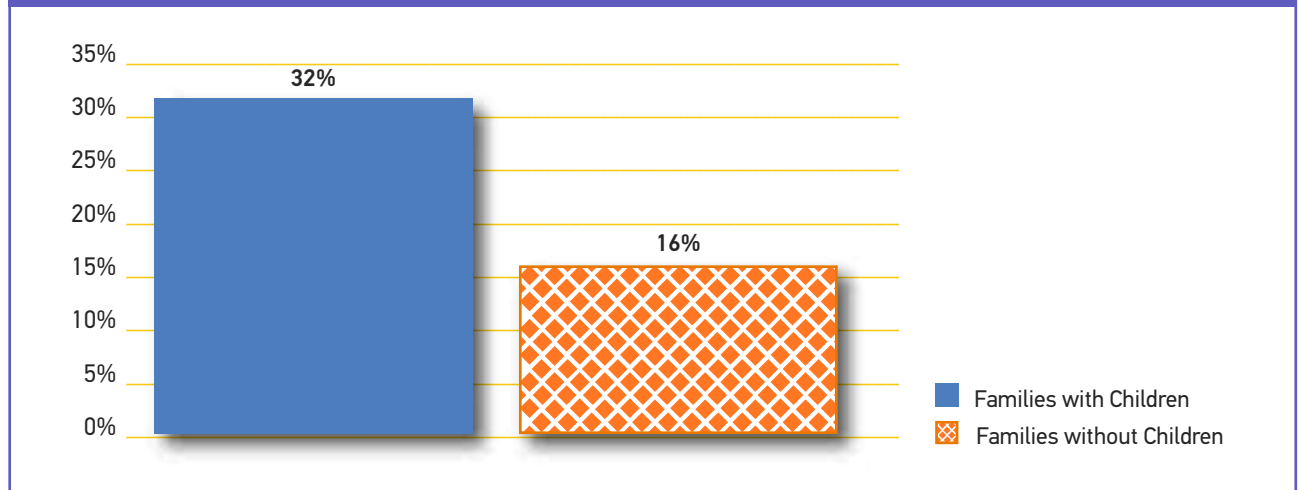
*Total Population Living Below Poverty Level*

	2013		2014		2015		2016		2017		% Change 13-17 Number
	Number	%	Number	%	Number	%	Number	%	Number	%	
Newark	81,061	29	76,086	27	78,569	28	76,005	27	76,159	27	-6
Essex	137,499	17	130,789	16	133,126	17	127,170	16	124,367	15	-10
New Jersey	998,549	11	972,903	11	946,114	11	915,913	10	882,673	10	-12

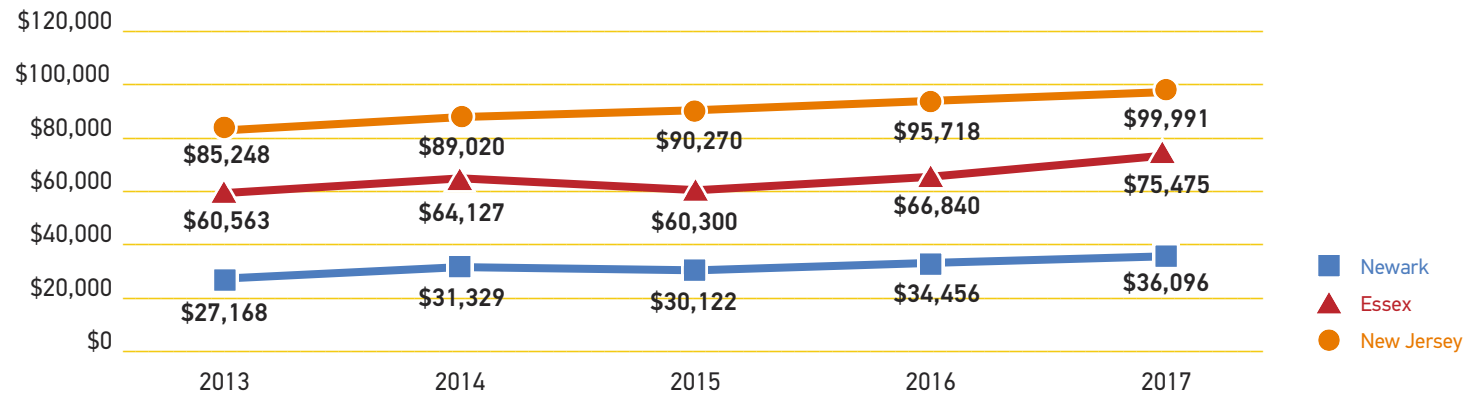
*Families with Children Living Below the Poverty Level*

	2013		2014		2015		2016		2017		% Change 13-17 Number
	Number	%	Number	%	Number	%	Number	%	Number	%	
Newark	12,851	38	11,964	33	12,994	37	9,715	31	11,322	32	-12
Essex	20,736	21	19,043	19	21,361	22	16,722	18	17,348	17	-16
New Jersey	145,619	14	134,517	13	135,485	13	121,653	12	116,491	11	-20

*Percentage of Newark Families Living Below the Poverty Level, 2017*



### Median Income of Families with Children



### Number Unemployed

	2014	2015	2016	2017	2018*	% Change 14-18
Newark	12,383	10,696	9,230	8,751	6,121	-51
Essex	30,208	25,956	22,389	21,014	14,426	-52
New Jersey	305,914	262,537	225,268	209,126	138,695	-55

\*2018 figures preliminary as of November.

### Unemployment Rate

	2014	2015	2016	2017	2018*	% Change 14-18
Newark	10.4	9.0	7.9	7.5	5.4	-48
Essex	8.0	6.9	6.0	5.7	4.0	-50
New Jersey	6.8	5.8	5.0	4.6	3.1	-54

\*2018 figures preliminary as of November.

## 2 Family Economic Security

### Federal Earned Income Tax Credits (EITC)

	Number of Claims	2012 Avg. Claim Amt.	Number of Claims	2013 Avg. Claim Amt.	Number of Claims	2014 Avg. Claim Amt.	Number of Claims	2015 Avg. Claim Amt.	Number of Claims	2016 Avg. Claim Amt.	% Change 12-16 Number of Claims Avg. Claim Amt.	
Newark	38,638	\$4,380	39,982	\$2,689	40,325	\$2,762	40,318	\$2,772	41,370	\$2,703	7	-38
Essex	76,686	\$4,291	79,791	\$2,523	79,799	\$2,585	79,146	\$2,601	81,960	\$2,521	7	-41
New Jersey	563,291	\$3,195	589,026	\$2,283	594,723	\$2,318	592,377	\$2,353	618,600	\$2,296	10	-28

### NJ Earned Income Tax Credits, All Recipients

	# Credits Issued	Total Amt. of Credits Issued	2014 Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	2015 Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	2016 Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	2017 Avg. Credit Amt.	% Change 14-17 # 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	4	87	79
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	3	83	78
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	1	81	79

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

	# Credits Issued	Total Amt. of Credits Issued	2014 Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	2015 Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	2016 Avg. Credit Amt.	# Credits Issued	Total Amt. of Credits Issued	2017 Avg. Credit Amt.	% Change 14-17 # 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	3	87	81
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	2	82	79
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	0	80	81

## The New Jersey Earned Income Tax Credit

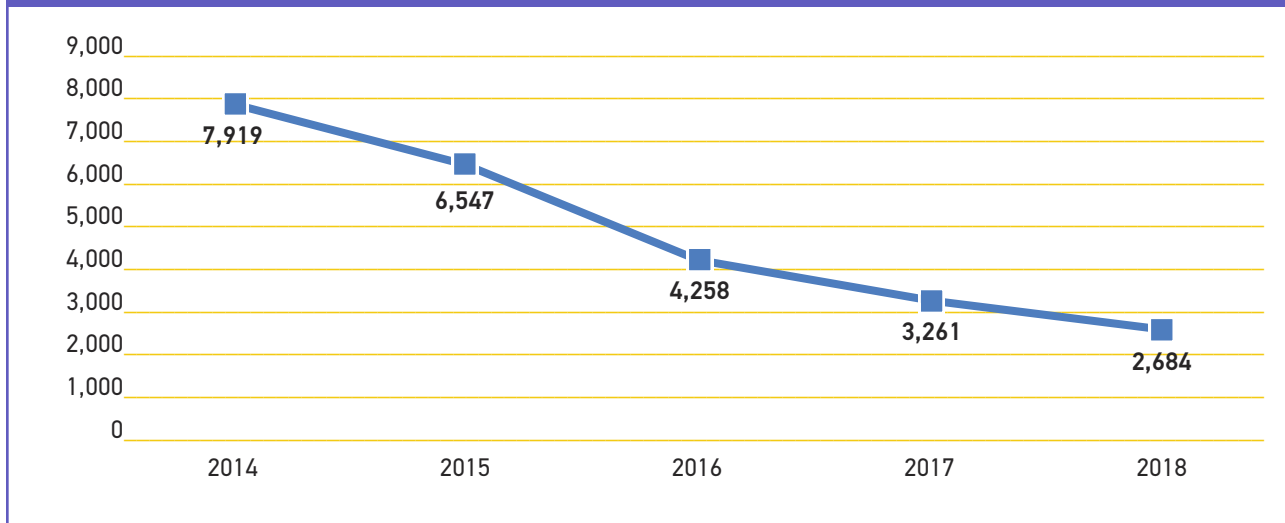
Tax credits are a vital economic support for many low-income working families and an advantage to New Jersey businesses, as many of these dollars are spent in the communities where these families live. The New Jersey State Earned Income Tax Credit (EITC) rewards work and increases take-home pay for families by lowering the amount of taxes owed and, in some instances, providing a refund. 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 2017, the average credit amount received among Newark families with at least one dependent under age 19 was \$1,121.

*Children in Families Receiving TANF (Welfare)*

	2014	2015	2016	2017	2018	% Change 14-18
Newark	7,919	6,547	4,258	3,261	2,684	-66
Essex	11,949	9,668	6,442	4,650	3,952	-67
New Jersey	58,948	48,899	36,218	28,458	23,582	-60

*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/>.

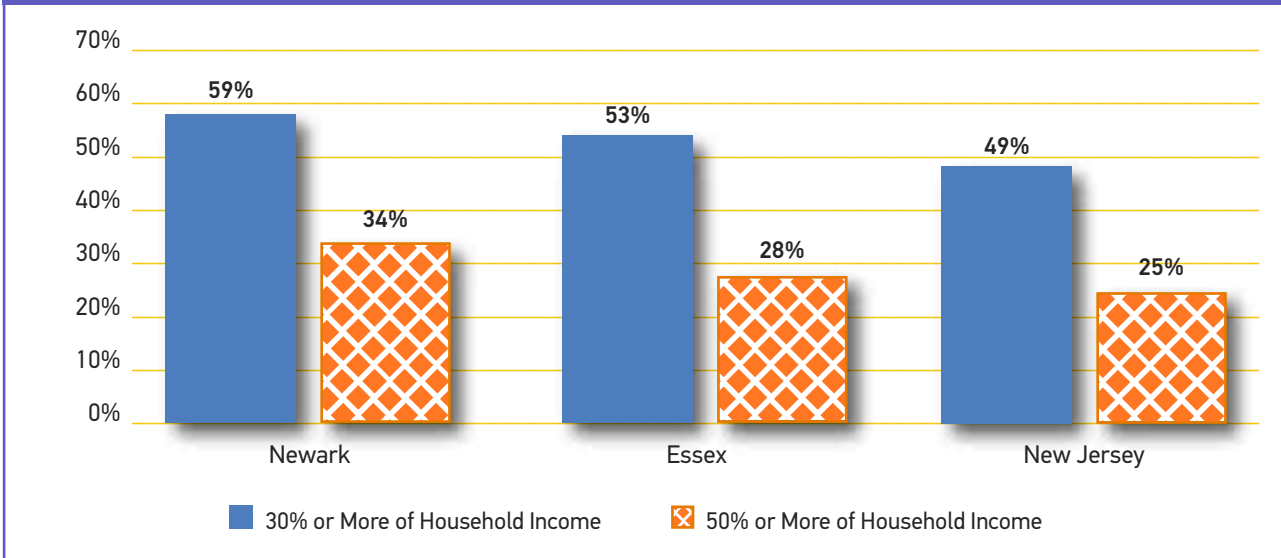
*Median Rent*

	2013	2014	2015	2016	2017	% Change 13-17
Newark	\$934	\$981	\$978	\$1,013	\$1,063	14
Essex	\$1,034	\$1,077	\$1,075	\$1,093	\$1,143	11
New Jersey	\$1,171	\$1,202	\$1,214	\$1,244	\$1,284	10

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

	2013	2014	2015	2016	2017	% Change 13-17
Newark	55	57	62	59	59	7
Essex	53	53	56	54	53	0
New Jersey	51	50	50	49	49	-4

*Percentage of Households Spending Too Much on Rent, 2017*



**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.<sup>1</sup> 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 2017, 59 percent of Newark families spent a significant portion of their income on rent—far higher than the statewide figure of 49 percent. The 2017 median monthly rent for Newark residents was \$1,063, just \$221 less than the state-wide median rent. With a median income of less than \$40,000, Newark families with children face disproportionately high housing costs.

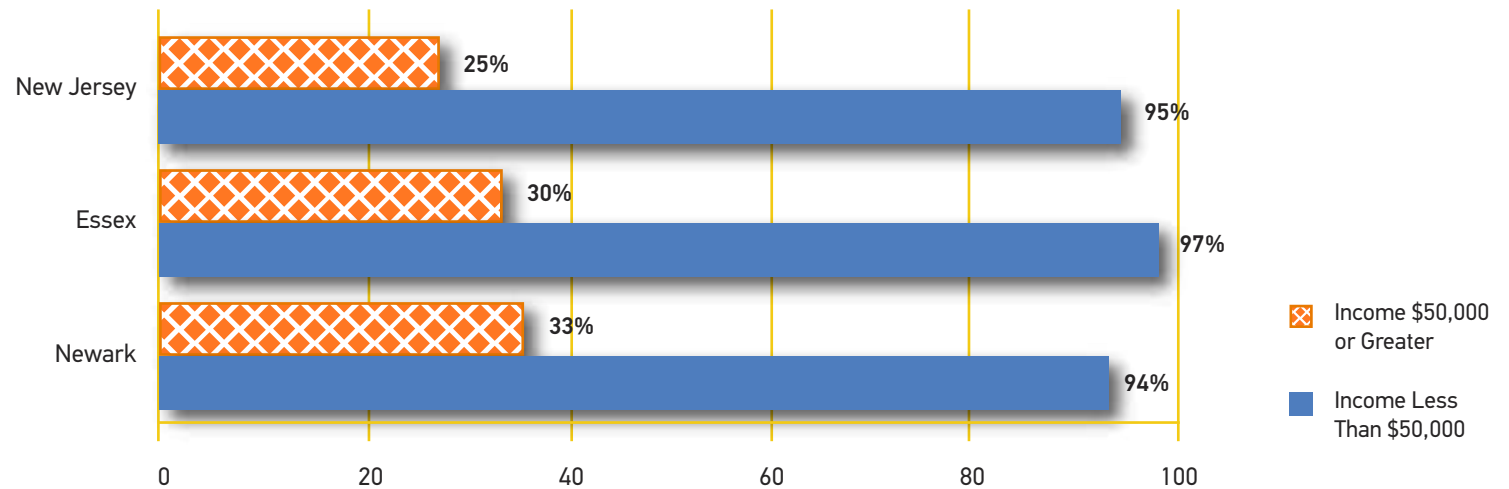
*Percentage of Occupied Housing Units That Are Owner-Occupied*

	2013	2014	2015	2016	2017	% Change 13-17
Newark	22	23	21	21	25	14
Essex	45	44	42	43	45	0
New Jersey	64	63	63	63	64	0

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

	2013	2014	2015	2016	2017	% Change 13-17
Newark	65	53	62	56	54	-17
Essex	47	46	43	43	39	-17
New Jersey	41	40	39	37	34	-17

*Percentage of Mortgage Owners Spending More than 30% of Income on Housing, by Income, 2017*





## ■ References:

- <sup>1</sup> Schwartz, M., Wilson, E. Who Can Afford to Live in a Home?: A look at data from the 2006 American Community Survey. Retrieved January 14, 2019 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, 2013-2017.** As reported by the U.S. Census Bureau, American Community Survey chart B17024.

**Percentage of Children Economically Disadvantaged, Under Age 18, 2013-2017.** As reported by the U.S. Census Bureau, American Community Survey chart B17024.

**Federal Poverty Threshold for a Family of Four, 2017.** 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, 2013-2017.** As reported by the U.S. Census Bureau, American Community Survey chart B17024.

**Total Population Living Below the Poverty Level, 2013-2017.** As reported by the U.S. Census Bureau, American Community Survey chart B17001.

**Households with Children Living Below the Poverty Level, 2013-2017.** As reported by the U.S. Census Bureau, American Community Survey chart B17010.

**Percentage of Newark Families, with and without Children, Living Below the Poverty Level, 2017.** As reported by the U.S. Census Bureau, American Community Survey chart B17010.

**Median Income of Families with Children, 2013-2017.** As reported by the U.S. Census Bureau, American Community Survey chart B19125.

**Number Unemployed, 2014-2018.** 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 2014-2017; 2018 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, 2014-2018.** U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics. Rates are not seasonally adjusted and are annual averages for 2014-2017; 2018 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), 2012-2016.** 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, 2014-2017.** 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, 2014-2017.** 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), 2014-2018.** As reported by the N.J. Department of Human Services, Division of Family Development. Data are from June of each year.

**Median Rent, 2013-2017.** 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, 2013-2017.** As reported by the U.S. Census Bureau, American Community Survey chart, B25070.

**Percentage of Households Spending Too Much on Rent, 2017.** As reported by the U.S. Census Bureau, American Community Survey chart, B25070.

**Percentage of Occupied Housing Units that are Owner-Occupied, 2013-2017.** 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, 2013-2017.** 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, 2017.** As reported by the U.S. Census Bureau, American Community Survey chart B25101.

