ADVOCATES for CHILDREN OF NEW JERSEY

NEWARK KIDS COUNT

DATA SNAPSHOT 2025

Economic Well-being of Newark Children and Families

By Mary Coogan, President and CEO

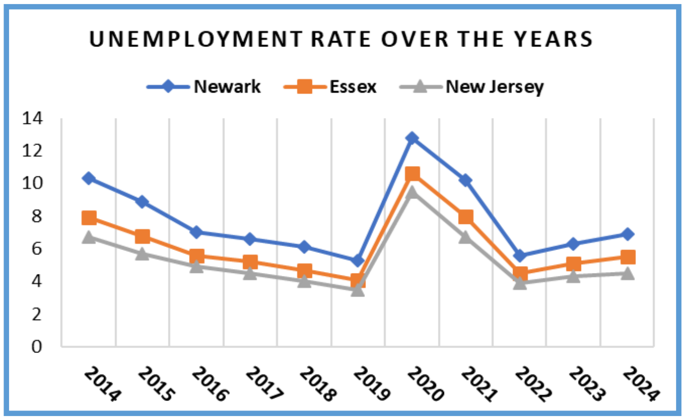
Over 75,000 children under age 18 call Newark home, with 49% identified as Black or African American, 41% identified as Hispanic or Latino, and 23% identified as some other race. The city's child population makes up 25% of its total population. The population of Newark children under 18 has been relatively consistent, increasing by 8% between 2014-2018 and 2019-2023.

The number of births to foreign-born women increased by 22% between 2020 and 2024. Roughly 61% of all births in the city were to foreign-born women, and of those births, 6 out of 10 were of Hispanic descent. About 51% of Newark's population ages five and older spoke a language other than English at home, according to 2018-2022 Census Bureau American Community Survey 5-year estimates.

According to *Newark Kids Count 2024*, fewer families are living below the poverty line, the city has experienced a decrease in unemployment, and median household income has increased.

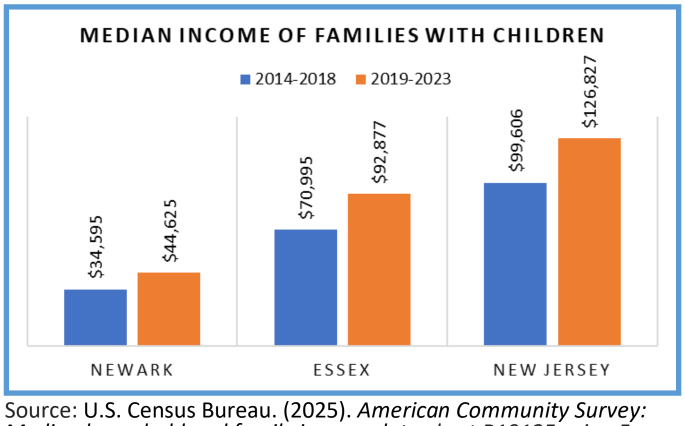
However, Newark's median family income of $44,625, is a stark difference from New Jersey's median income of $126,827. Since New Jersey is a more expensive place to live than many other states, some argue that household income equal to 200% of federal poverty - currently $61,800 for a family of four - is a more realistic income needed by a family to meet minimum

Chart 1



Source: U.S. Department of Labor, Bureau of Labor Statistics. (2024,2025). *Local Area Unemployment Statistics 2014-2025.* Rates are not seasonally adjusted and are annual averages.

Chart 2



Source: U.S. Census Bureau. (2025). *American Community Survey: Median household and family income data chart B19125 using 5-year estimates 2014-2018, 2019-2023.* U.S. Department of Commerce.

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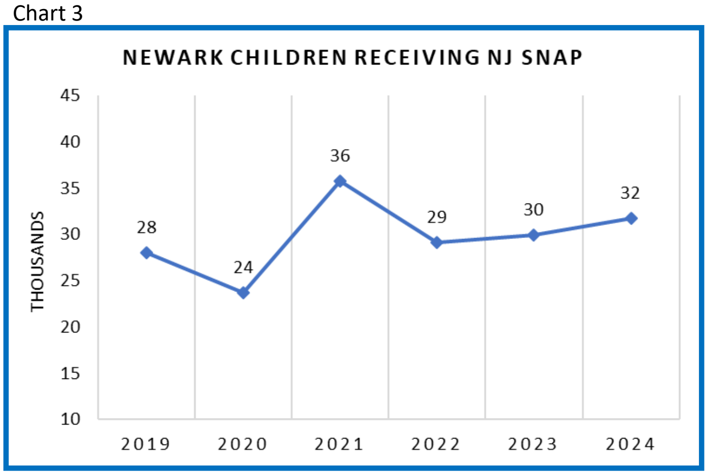
expenses. Fifty-eight percent of Newark households spend more than 30% of their income on rent and 32% spend more than 50% of household income on rent.

As a result of the high costs of basic needs, many Newark families access government programs to support their families, including NJ FamilyCare for health insurance and the Supplemental Nutrition Assistance Program (SNAP) to help purchase food. Many of these families are also eligible for both the state and federal earned income tax credits, and the child tax credit. This all may change as the state implements the "One Big Beautiful Bill Act" (hereinafter referred to as "HR1"), signed by President Trump on July 4, 2025.

Supplemental Nutrition Assistance Program (SNAP)

SNAP is the most extensive food safety net program in the United States, providing low-income families with nutritious food. Eligible New Jersey applicants have an income of no more than 185% of the federal poverty guidelines or a gross monthly income of up to $4,957 for a family of four. Over 800,000 individuals in our state currently rely on SNAP benefits to put food on the table, with over 40% of recipients being children. As of 2024, 31,774 Newark children received SNAP benefits. For more information on New Jersey SNAP, visit https://www.nj.gov/humanservices/njsnap/.

Chart 3



Source: New Jersey Department of Human Services. (2025). Division of Family Development, Current Program Statistics (2019-2024). NJ SNAP: Supplemental Nutrition Assistance Program: Special Newark Data Request. State of New Jersey. Data are from June of each year.

HR1 makes significant changes to SNAP and Medicaid, aiming to reduce federal spending by $1 trillion over the next 10 years. To achieve these savings, eligibility for these programs has been restricted. For SNAP, states will have to pay 5% of the actual benefit cost and cover an additional 25% of the administrative costs. Before July, the federal government paid the entire SNAP benefit and split the costs of implementing the program with states.

The New Jersey Department of Human Services estimates that the state budget needs to raise $100-$300 million to implement these new cost-sharing requirements, or risk eliminating the entire SNAP program in New Jersey. County governments, including Essex County, will need to raise an additional $78 million to cover their share of administrative costs. This increase in the state's financial responsibility will further reduce resources and access to SNAP benefits, placing severe strain on the program.

HR1 also made changes to household eligibility and work requirements. Current SNAP recipients between the ages of 18 and 54 who do not reside with a child under 18, and who can work, are classified as Able-Bodied Adults Without Dependents (ABAWD) and are subject to time limits and work rules requiring that they are working, volunteering, or in an allowable activity for at least 80 hours a month. While ABAWD Time Limit Rules have always existed, SNAP recipients haven't always been subject to their strict enforcement. As HR1 is implemented, prior waivers for areas with high unemployment may no longer be available.

Under HR1, work reporting requirements will be expanded to include ABAWDs up to age 65 and parents or guardians of children over 14. Additionally, veterans, the homeless, and young people aging out of foster care are no longer exempt from the work requirement. While changes to SNAP will not be felt overnight, families will begin to feel the impact as HR1 is implemented, and they, along with organizations that work with families, must remain informed.

NJ FamilyCare, Funded by Medicaid

A primary goal of HR1 is to save $800 billion in federal Medicaid spending over the next 10 years. These savings will be achieved by imposing additional requirements for enrollment or maintenance of coverage, which will likely result in recipients of health coverage through state public health insurance programs, such as NJ FamilyCare, losing their coverage. Reducing the number of people enrolled will, in turn, decrease the amount the federal government pays to states to support public health insurance programs and other Medicaid-funded services.

Every state has a public health insurance program, such as NJ FamilyCare, funded with state and federal Medicaid and Children's Health Insurance Program (CHIP) dollars. NJ FamilyCare provides free or low-cost health insurance

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that covers doctor visits, prescriptions, vision, dental care, mental health and substance use services, and hospitalization for children in families with household incomes up to 355% of the federal poverty level, and for low-income adults. For more information, visit www.njfamilycare.org. As of January 1, 2023, children under 19 years old in New Jersey may apply for NJ FamilyCare regardless of their immigration status. All other requirements for NJ FamilyCare still apply.

During the nationwide public health emergency in response to the COVID-19 pandemic, all NJ FamilyCare/ Medicaid recipients maintained their health insurance coverage without undergoing the traditional annual redetermination of eligibility. The redetermination process for eligibility which began on April 1, 2023, is just finishing. It required all members enrolled in an NJ FamilyCare program be reviewed to see if they still qualify for coverage. As expected, when people returned to jobs that provided health insurance or began to earn income beyond NJ FamilyCare eligibility, families were appropriately dropped from NJ FamilyCare. The enrollment numbers have fallen from over 2 million beneficiaries in 2021 to 1.8 million beneficiaries currently.

Table 1

Children Enrolled in NJ FamilyCare					
	2019	**2020**	**2021**	**2022**	**2023**
Newark	58,970	54,793	58,696	59,954	62,337
Essex County	103,192	96,568	105,215	109,177	115,989
New Jersey	782,866	776,976	851,417	885,881	934,905

Source: New Jersey Department of Human Services. (2024). *NJ FamilyCare enrollment data, 2019-2023: Special Newark data request*. State of New Jersey. Data are from March of each year and are point-in-time snapshots that do not reflect any retroactivity.

Currently, nearly 20% of New Jersey residents, including over 860,000 children, access healthcare through NJ FamilyCare, and almost 550,000 working-age adults are enrolled in NJ FamilyCare through the Affordable Care Act's Medicaid expansion. This Medicaid expansion population is the focus of many of the new federal requirements. While we do know that HR1 will impact certain adults currently enrolled in NJ FamilyCare, it is not yet clear what adjustments New Jersey may need to make to NJ FamilyCare or state benefits as the new requirements are implemented. Some changes are taking effect immediately, and others will take effect over the next few years.

Anyone enrolled in NJ FamilyCare should immediately respond to mail received from NJ FamilyCare/Medicaid. If you have moved or are not sure whether NJ FamilyCare has your current contact information, please call NJ FamilyCare at 1-800-701-0710 to update your address.

Medicaid Work Requirements and Eligibility Redeterminations

HR1 requires states to condition Medicaid eligibility for individuals ages 19 to 64 in the Medicaid expansion population on working or participating in qualifying activities, such as education or volunteer services, for at least 80 hours per month. Certain adults, including pregnant or postpartum members, former foster youth up to age 26, parents with children age 13 and under, and those who are "medically frail," are exempt from the requirement. If a person is denied or disenrolled from NJ FamilyCare for failing to meet their work requirements, they are also ineligible for subsidized Marketplace coverage.

Under the new law, NJ FamilyCare renewal determinations for most of the adults enrolled through Medicaid expansion scheduled on or after December 31, 2026, must be conducted every six months. Currently, renewal determinations are scheduled annually. Thus, most of these adults will need to prove they meet the work or community engagement requirement twice a year. This change will increase the workload for state and county workers who handle eligibility determinations.

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The New Jersey Department of Human Services estimates that up to 350,000 eligible residents may lose or fail to obtain NJ FamilyCare coverage due to new bureaucratic barriers, many of which stem from difficulties in producing the required documentation. Up to 50,000 adults could lose coverage because they are unable to provide the required documentation to meet the work requirement. This may result in $360 million in lost federal Medicaid funding to New Jersey.

According to reports of the Kaiser Family Foundation, "[u]ninsured adults are more likely to forgo needed care than their insured counterparts. In 2023, nearly half (46.6%) of uninsured adults ages 18 to 64 reported not seeing a doctor or health care professional in the past 12 months compared to 15.6% with private insurance and 14.2% with public coverage." With children, the uninsured are also more likely to go without care, although the numbers are not as high as adults. (9.5% compared to 0.7% and 1.0%, respectively) …. but "over a quarter (27.4%) of uninsured children had not seen a doctor in the past year, compared to 4.8% of children with public coverage and 3.7% of those with private coverage." This means "the uninsured are less likely than those with insurance to receive preventive care and services for major health conditions and chronic diseases." Id.

Out-of-Pocket Costs Imposed on All Medicaid Enrollees

All states currently have the option to impose out-of-pocket costs such as premiums and copayments on some Medicaid enrollees. As of October 2028, states must charge Medicaid enrollees with family incomes between 100% and 138% of the federal poverty level (FPL) — which is $ 1,800 a month for a single adult who qualifies for the program — $35 per healthcare service. Certain services and providers are exempt from this cost-sharing obligation, including prenatal care, pediatric care, primary care, emergency care, and care delivered by federally qualified health centers or certified community behavioral health clinics that provide mental health care or substance use disorder services. The cost-sharing will be capped at 5% of a family's household income.

Under current law, undocumented immigrants are not eligible for Medicaid coverage. Several states, including New Jersey, use state-only funds to provide health coverage to children, regardless of immigration status, as long as the household income meets the eligibility requirements. Initial budget reconciliation proposals sought to reduce the federal Medicaid match for these states. The Senate parliamentarian ruled that this provision cannot be enacted as part of the budget reconciliation process. However, as of October 1, 2026, in the adult population, only lawful residents, Cuban/Haitian entrants, and Compact of Free Association migrants from certain Pacific Island nations will qualify for Medicaid. Approximately 15,000 to 25,000 individuals in New Jersey will lose Medicaid coverage.

Updates on changes to Medicaid and NJ FamilyCare are shared at the quarterly NJ Medicaid Assistance Advisory Council (MAAC) meetings, which are virtual and open to the public. Registration is required. Materials from MAAC meetings and dates of future meetings are available on the MAAC website: https://www.nj.gov/humanservices/dmahs/boards/maac/.

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) is a significant economic boost for many low-income working families. It not only rewards work but also increases take-home pay for families by reducing the amount of taxes owed and, in some cases, providing a refund. In 2023, 21,838 families benefited from the NJ EITC, with the average credit amount received among Newark families with at least one dependent under age 19 being $1,460. This underscores the crucial role of the EITC in supporting these families. Almost 36,600 Newark families also received the federal EITC, with the average claim amount in 2022 being $2,781. HR1 did not make any changes to the EITC.

HR1 brings significant changes to the Child Tax Credit, increasing it to $2500 through 2028, then returning to $2000, with the refundable portion set to $1400. Under the new law, the tax filer, the tax filer's spouse if married, and the children must all have Social Security numbers to be eligible for the credit. This change may make some Newark families ineligible to claim this benefit, and it's important to be aware of these new eligibility criteria.

HR1 includes a temporary boost to the standard deduction — a $1,000 increase for individuals, bringing it to $16,000, and a $2,000 increase for joint filers, bringing it to $32,000. The deduction reduces the amount of income that is actually subject to income tax. Parents or guardians who open new "Trump" accounts for their children will receive $1,000 from the federal government for babies born between January 1, 2025, and December 31, 2028. Families can add $5,000 a year; however, funds cannot be withdrawn before age 18, at which time they can access up to 50% of the money to pay for higher education, training, and first-time home purchases. The funds withdrawn and used for these purposes will be subject to capital gains tax. At age 30, account holders have access to the full balance of the account for any purpose.

HR1 also increased the State and Local Tax (SALT) cap to $40,000 for incomes up to $500,000, with the cap phasing out for higher incomes. Also, the cap and income threshold will increase 1% annually over 10 years. And finally, the law creates a tax credit for school vouchers.

Pell Grant Related Sections of HR1

Changes in federal law resulting from HR1 may be a bit more problematic for today's young people who want to attend college or other postsecondary programs. Changes in federal law resulting from HR1 may pose additional challenges for today's young people who wish to attend college or other postsecondary programs. Students receiving a Pell Grant must be attending college "full-time," which is now defined as taking 12 credits per semester. HR1 has also eliminated Stafford subsidized loans and graduate student PLUS loans, while placing limitations on Parent PLUS loans.

For new borrowers starting on or after July 1, 2025, payments made while serving in a medical or dental residency no longer count toward the Public Service Loan Forgiveness Program. Additionally, federal loans are now capped at the median cost of the student's program of study. Congress has eliminated existing income-contingent repayment plans and established a single income-based repayment plan, which increases both the percentage of discretionary income and the number of payments required before a loan can be forgiven.

Conclusion

Many Newark families currently access government-funded programs to supplement their household incomes. Changes in program eligibility will impact these households. Residents must stay informed about ongoing changes through state websites and program mailings. Advocates for Children of New Jersey will continue to provide updates at www.acnj.org as information becomes available and will report on the impact of these changes through our *Newark Kids Count* data reports.

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Prudential Foundation

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