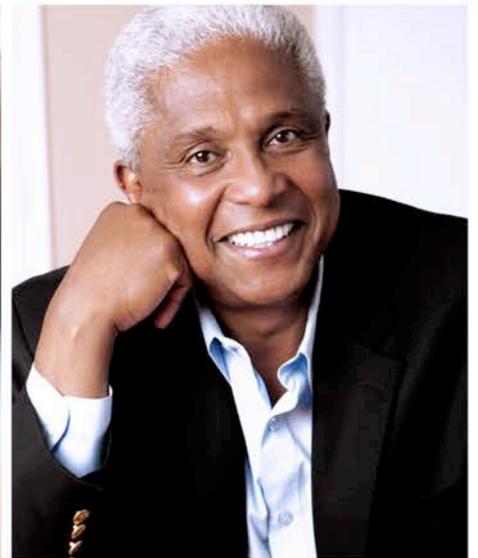


# ALICE

ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED



## STUDY OF FINANCIAL HARDSHIP IN NEW JERSEY



GIVE. ADVOCATE. VOLUNTEER.

United Way  
of Northern New Jersey

[UnitedWayNNJ.org/ALICE](http://UnitedWayNNJ.org/ALICE)

LIVE UNITED



August 2012

To the Community:

Some years ago, as the Executive Director of the Community Soup Kitchen in Morristown, I spent my days getting to know many who had hit rock-bottom. I gained great sympathy for these individuals who were homeless and destitute. The more I got to know them, the more I learned. The majority were locals, many of whom had surprising histories of good jobs, good educations, and good families. Somehow life had conspired against them. I often wondered what had brought them to this very low point in their lives. Obviously, there are many answers to that question, which are as complex and diverse as the people themselves.

When I came to United Way 15 years ago, much of our work was focused on helping those who had hit bottom. Was there a better way? Could we help these individuals regain their footing before they slipped over the edge? Could we prevent people from losing the means to survive and thrive?

We started the ALICE Project nearly 5 years ago to add greater depth to our understanding of the people in our community who live each day one crisis away from falling into poverty. These families make more than the official poverty level, but way less than an individual or family needs to sustain a reasonably healthy standard of living. What we learned has been surprising to everyone. Just two statistics from the ALICE Report capture the essence of our findings: 30 percent of the people in New Jersey live in households earning too little to provide the basic necessities, and more than half the jobs pay less than \$20 an hour – most of those far less.

ALICE is an acronym for Asset Limited, Income Constrained, Employed. It's the employed part of that acronym that I want to emphasize. ALICE represents those among us who are working yet falling behind. The conditions that keep ALICE in this downward spiral are the focus of United Way. We believe everyone deserves opportunities to have a good life: a quality education that leads to a stable job, enough income for a family to be financially stable, and good health.

As you will learn from this Report, ALICE is someone you meet everyday. She/he is someone you depend on to care for your kids, fix your car, and tend to your elderly relative. Despite working, often at more than one job, ALICE earns far too little for a sustainable lifestyle. No matter how hard these individuals work, they're not going to make it and their kids, your neighbors, and our community will pay the price in the long run.

United Way's goal is to create long-lasting changes by addressing the underlying causes of our community's problems. It takes everyone in the community working together to create a brighter future. Understanding ALICE helps us develop more successful approaches to long-lasting change and ultimately have greater impact.

I love living in New Jersey. When one drives around the state it is hard not to notice the beautiful tree-lined streets, lovely homes, nice cars, and great shopping. These are all signs of the affluence that surrounds us, but if you look a little closer, scratch the surface and get a deeper glance, you will find ALICE. Personally, I feel very committed to helping ALICE; for one reason I know that her fate and mine are intertwined, but at a more fundamental level I know how hard it is to grow up in an ALICE family. I have personally felt the pain of these struggles; I think you will too as you read this Report.

Sincerely,



John B. Franklin, CEO, United Way of Northern New Jersey

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## THE ALICE PROJECT

To ensure our communities are viable places to live and work, United Way is committed to current research as well as promoting community dialogue and data-driven policy solutions. This ALICE Report is the foundation for United Way's broader work, referred to as the ALICE project.

ALICE was coined by United Way in 2009 after a pilot research project was conducted examining the

### **ALICE: Asset Limited, Income Constrained, Employed.**

Though we have chosen a woman's name, this population is comprised of households with men and women alike, and includes children and seniors.

low-income population in Morris County. The original study focused primarily on data from 2008, largely before the effects of the Great Recession were widespread. The value of this research was immediately evident. ALICE quickly became a part of the common vernacular in Morris County, helping define a need and a focus for United Way's work. ALICE also began to appear in many grant applications, media stories, and in public forums discussing need in this "wealthy" community. It quickly became evident that the study had value beyond the borders of Morris County.

Since this first study was conducted, United Way of Northern New Jersey was founded with the merger of five neighboring United Ways. This new entity serves Morris, North Essex, Somerset, Sussex, and Warren counties. The larger United Way warranted an expansion of the ALICE research to better understand all these communities – the similarities, differences, need, and opportunities.

In 2011, United Way commissioned a second ALICE study. This time, the scope of the project was expanded to all counties in New Jersey, recognizing how northern New Jersey is interconnected with the rest of the state. This independent Report relies primarily on data collected in 2007 and 2010, in order to measure the impact of the current economic downturn, known as the Great Recession. From this baseline, we will be able to more accurately compare our progress as the country's economic conditions eventually improve.

The Report was authored by Stephanie Hoopes Halpin, an assistant professor at Rutgers University with a Ph.D. from the London School of Economics, with the support of a committee of research and marketing data professionals. An advisory committee of community and professional leaders directs the work of the wider ALICE project.

With the forecast for low-wage jobs to continue to dominate the job market, the reality is that ALICE will continue to play an integral role in our communities for the foreseeable future. That is why ALICE has become a central part of all aspects of United Way's work.

We challenge New Jersey's stakeholders to consider the ALICE Report and its measures as an opportunity for a new dialogue around how to make our communities viable places to live and work. By embracing ALICE, New Jersey – the country's most densely populated state and its seventh largest economy – can serve as a model for the nation.

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## About the Author

**Stephanie Hoopes Halpin** is assistant professor and director of the New Jersey DataBank at the School of Public Affairs, Rutgers-Newark. Prior to joining Rutgers, she taught at Columbia University in New York and the Universities of Sussex and Birmingham in the United Kingdom. She has a Ph.D. from the London School of Economics, a M.A. from the University of North Carolina at Chapel Hill and a B.A. from Wellesley College.

Her current research focuses on the political economy of the United States, and specifically low-income households. The N.J. DataBank is part of her work to make data available to citizens and policy makers to help them better understand local communities, target policy, and measure policy impact.

She currently serves on the board of the McGraw-Hill Federal Credit Union and the Morris County Community Development Committee. She was a commissioner of New Jersey's Public Broadcast Authority and treasurer from 2006-2010. She received the LIVE UNITED Income award from the former United Way of Morris County in 2009, and the Mountain Lakes 2011 Citizen of the Year award for her work as chair of the Mountain Lakes Centennial.

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**“ALICE - ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED”  
A STUDY OF FINANCIAL HARDSHIP IN NEW JERSEY**

**UNITED WAY OF NORTHERN NEW JERSEY**

**Stephanie Hoopes Halpin, Ph.D.**  
August 2012

## EXECUTIVE SUMMARY

One in three households in New Jersey struggles to afford the basic necessities of housing, child care, food, health care, and transportation. The magnitude of this financially unstable population has been obscured until now due to a lack of accurate measurements or even language to frame a discussion. For the first time, this Report presents four groundbreaking instruments that measure the size and conditions of households struggling financially and institutionalizes the term ALICE - Asset Limited, Income Constrained, Employed. This Report includes findings on ALICE households, their role in the economy, the public resources spent on households in crisis, and the implications for the wider community.

With realistic measures of the financial stability threshold for each county in New Jersey, the Report reveals a far larger problem than previously identified. There are 769,900 ALICE households in New Jersey - a household with income above the Federal Poverty Level (FPL) but below a basic cost-of-living threshold. This is more than twice the number of households counted in the official poverty rate (312,762 households). In total, there are 1.1 million households in New Jersey, 34 percent, who are struggling to support themselves. This reality challenges the conventional view of a wealthy New Jersey.

The jobs and services ALICE provides are vital to the New Jersey economy, such as health aides, security guards, and cashiers. The core of the problem is that these jobs do not pay enough to afford the basics of housing, child care, food, health care, and transportation. The growth of low-skilled jobs is projected to outpace medium- and high-skilled jobs into the next decade. At the same time, the cost of basic household necessities continues to rise.

### Glossary of terminology for new measures

- **ALICE** is an acronym that stands for Asset Limited, Income Constrained, Employed.
- The **Household Survival Budget** calculates the actual costs of basic necessities (housing, child care, food, health care, and transportation) in New Jersey, adjusted for different counties and household types.
- The Household Survival Budget is used to define the average level of income, or the **ALICE Threshold**, a household needs to afford the basics. Households with income less than the ALICE Threshold, but more than the Federal Poverty Level, qualify as ALICE. Unless noted otherwise in this Report, households earning less than the ALICE Threshold include ALICE and poverty-level.
- The **ALICE Income Assessment** is the calculation of all sources of income, resources, and assistance for ALICE and poverty-level households. The Assessment reveals a significant shortfall, or unfilled gap, from what is needed for households to attain the ALICE Threshold.
- Lastly, the **Economic Viability Index** evaluates the economic and community conditions in each New Jersey county which make it easy or difficult for a household to support themselves financially.

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There are serious consequences for ALICE and communities when households cannot afford the basic necessities. ALICE households are forced to make difficult choices such as skipping preventative health care, accredited child care, healthy food, or car insurance. These “savings” threaten their health, safety, and future – as well as reduce New Jersey’s economic productivity, and raise insurance premiums and taxes for everyone. For example, to reduce housing costs, ALICE may move farther away from work, resulting in a longer commute as well as additional travel and child care expenses for ALICE, but also more congestion and possible traffic accidents for all commuters.

## MAJOR FINDINGS

### Who is ALICE?

**More than one-third of households in New Jersey struggle to afford basic household necessities.** In New Jersey, 312,762 households were living in poverty and another 769,900 were ALICE households in 2010. Thus, 1.1 million households in New Jersey have income below the ALICE Threshold.

**ALICE households exist in all age groups.** ALICE households exist even in households headed by someone in their prime earning years, 25-64 years old. Interestingly, senior households (headed by someone 65 years or older) are the largest ALICE group. Social Security has lowered the number of senior households in poverty, but does not enable self-sufficiency.

**The largest increase in households below the ALICE Threshold were those with children.** The number of ALICE and poverty-level households with children increased by 61 percent from 2007 to 2010. Married couples with children had the largest percentage increase yet single parent households still account for the greatest number.

**ALICE and poverty-level households are spread across all counties in New Jersey.** Half of New Jersey's 566 municipalities have more than 30 percent of households with income below the ALICE Threshold. In all but six municipalities, at least 10 percent of households earn below the ALICE Threshold.

**ALICE households mirror the population in terms of race/ethnicity.** Like the total population in New Jersey, more than 70 percent of ALICE households are White (U.S. Census terms). However, wage discrepancies in earnings continue for women, Blacks, Hispanics, those living with a disability, and recent unskilled immigrants.

### What is the gap between ALICE’s household income and the cost of basic expenses?

**Most ALICE households are working or have worked.** However, ALICE and poverty-level households earn only 38 percent of the income needed to reach the ALICE Threshold for basic economic survival.

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**Public assistance is not enough to lift ALICE households to economic stability.** The income ALICE and poverty-level households earn is supplemented with \$16.7 billion in government, nonprofit, and health care resources. Despite these public resources, ALICE and poverty-level households are still 24 percent short of the income needed to reach the ALICE Threshold.

## What causes the prevalence of ALICE households?

**The cost of living in New Jersey is high.** The Household Survival Budget for the average New Jersey family of four is \$58,500 and for a single adult is \$25,368 in 2010. These numbers highlight how inadequate the U.S. poverty designation - \$22,113 for a family and \$11,344 for a single adult - is as a measure of economic viability. A Sustainable Household Budget, one that enables self-sufficiency in New Jersey, is almost double the cost of the Household Survival Budget.

**New Jersey became less affordable through the Great Recession.** The cost of basic housing, child care, transportation, food, and health care in New Jersey increased by 7 percent through the Great Recession.

**Economic conditions worsened for ALICE households through the Great Recession.** Income opportunities, affordability, and community support worsened in all counties in New Jersey, as measured by the Economic Viability Index. Scores in this Index fell by more than 11 percent in all counties and by more than 20 percent in nine counties.

**Low-income jobs dominate the economy in New Jersey now and in the future.** As a result of changes in the job market over the last decade, the New Jersey economy is now more dependent on low-paying service jobs. More than half of all jobs in New Jersey pay less than \$20/hour (\$40,000/year if full-time). These jobs, including cashiers, health care workers, bank tellers, insurance clerks, teaching assistants, and security guards, are projected to grow at double or triple the rate of medium- and high-skilled jobs over the next decade across New Jersey counties.

**Large wage variation exists between New Jersey's counties.** There is significant variation in wage levels between counties because of the very different kinds of jobs available.

## CONSEQUENCES AND CHALLENGES

### What are the consequences of the high cost of living and low-wage jobs for ALICE and communities?

**ALICE households suffer without sufficient income.** When ALICE households do not have enough income, they have to make difficult choices to reduce their expenses. For example, if a family cannot afford child care in an accredited facility, they may substitute with an overworked neighbor or an inexperienced relative, jeopardizing their child's safety and learning opportunities. Other short-term

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strategies such as skipping preventative health care, house maintenance, or a bill payment have longer term penalties, such as poor health, fines, and larger bills in the future.

**The whole community suffers when ALICE has insufficient income.** When ALICE children are not ready for school they add a burden to the education system. When ALICE households cannot afford preventative health care, they are more likely to place future burdens on the health care system, increasing insurance premiums for all. Overall, there are significant consequences for the entire community including a less productive workforce and higher taxes.

## **What would improve the economic situation for ALICE households?**

**Public and private intervention can provide short-term financial stability.** Short-term intervention by family, employers, nonprofits, and government can mitigate crises for financially unstable households and possibly avoid an economic spiral downward. For example, providing a month's worth of food for a family may enable a father to repair his car transmission and get to work. If a family's primary earner cannot get to work, he might lose wages or even his job. Without regular income the family cannot afford rent and risks becoming homeless.

**A reduction in household expenses would make New Jersey affordable.** The costs of basic necessities - housing, child care, transportation, food, and health care - are high in New Jersey. The cost of housing in New Jersey is the highest in the nation, and the cost of health care increased more than any other cost through the Great Recession. Broad improvement to financial stability is dependent upon structural changes to the housing market and health care delivery system.

**An improvement in income opportunities would enable ALICE households to afford basic necessities, build savings, and become financially independent.** Reducing the number of ALICE households would require a significant increase in the wages of current jobs or in the number of medium- and high-skilled jobs in both the public and private sector. Structural economic changes would significantly improve the prospects for ALICE and enable hardworking households to support themselves in New Jersey.

## INTRODUCTION

Popular stereotypes of New Jersey have romanticized the wealth and economic conditions in the state. The conventional view of New Jersey is that of a wealthy state with a median income well above the U.S. average (\$67,681 versus \$50,046), and a low poverty rate (4 percent in some New Jersey counties versus a national average of 15 percent). However, the Federal Poverty Level (FPL) does not take into account economic changes over time or regional variation such as the high cost of living in New Jersey.

The lack of current realistic household financial measures makes it difficult to compose an accurate picture of the full range of economic well-being in the state. In fact, the current measures hide the reality that more than one-third of households in New Jersey struggle to support themselves. Because income is distributed unequally in New Jersey, there is both great wealth and significant economic hardship. The top 20 percent of New Jersey's population earns almost half of all income earned in the state; the bottom 20 percent earns only 3 percent (see Appendix A).

The real picture of New Jersey, especially the magnitude of households who are severely economically challenged, has been difficult to gauge until now because there have not been appropriate measures or even language. This Report fills that gap with new language and four new measures.

This Report uses the term "ALICE" to describe a household that is Asset Limited, Income Constrained, Employed. As defined in the 2009 United Way Report, ALICE is a household with income above the FPL but below a basic survival threshold. In New Jersey, ALICE households are composed of women and men, young and old of all races.

### Report Overview

**Who is struggling in New Jersey?** Section I introduces the ALICE Threshold, a realistic line for income inadequacy in New Jersey - one that takes into account the current cost of basic necessities and geographic variation. This section provides a statistical picture of ALICE's demographics including race/ethnicity, age, geography, gender, family type, disability, language, and immigrant status. Generally, ALICE reflects the total population with a couple notable exceptions. According to the ALICE Threshold, there are 1.1 million households living below a realistic cost of basic necessities; 312,762 households living below the FPL and another 769,900 ALICE households.

**How much does it cost to survive in New Jersey?** Section II details the minimum actual costs for households in New Jersey to survive - not save or get ahead. It is well known that the cost of living in New Jersey is high. The annual Household Survival Budget quantifies costs of the five essentials of housing, child care, food, health care, and transportation. Using the thriftiest official standards including those by the U.S. Department of Agriculture (USDA) and the U.S. Department of Housing and Urban Development (HUD), the average budget for a family of four (two adults with one infant and one toddler) is \$58,500, and for a single adult is \$25,368. These numbers vary by county but all highlight

how inadequate the U.S. poverty designation - \$22,113 for a family and \$11,344 for a single adult - is as a true measure of economic viability in New Jersey.

**How big is the gap to economic survival in New Jersey?** Section III presents the total of the wages and other resources on which ALICE and poverty-level households rely as well as the remaining gap to reach the ALICE Threshold. The ALICE Income Assessment estimates that ALICE and poverty-level households earn 38 percent of what is required to reach the ALICE Threshold, and resources from hospitals, nonprofits, federal, state, and local government contribute another 38 percent. What remains is a gap of 24 percent for families below the ALICE Threshold to reach a basic economic survival standard.

**What are the economic conditions that ALICE households face?** Section IV explains why one-third of households are struggling in New Jersey. In addition to the cost of living detailed in the Household Survival Budget, the wages of more than half the jobs in New Jersey are too low to afford these costs. The Economic Viability Index measures the conditions – income opportunities, affordability, and community support - that make it easier or harder for households to support themselves across the 21 counties in New Jersey. These conditions worsened significantly from 2007 to 2010 in all counties.

**What are the consequences of financial instability?** Section V focuses on how households without sufficient income and assets survive, and outlines the risks and consequences of the strategies they employ, for themselves as well as for the rest of the community. The forecast for New Jersey's economy is for more low-wage jobs and continued high costs for basic necessities, thus ALICE households will continue to be a significant factor in New Jersey. The conclusion of the Report considers the changes that would be required to reduce the number of households below the ALICE Threshold.

## Data Parameters

The measures presented in this Report are calculated for each county. Because New Jersey is economically, racially, ethnically, and geographically diverse, state averages mask significant differences between municipalities and counties. For example, variation in median income ranges from \$51,619 in Cumberland County to \$97,874 in Hunterdon County.

The measures are calculated for both 2007 and 2010 in order to compare the beginning and the end of the current economic downturn known as the Great Recession. Going forward, 2010 will serve as a baseline by which to measure progress as economic conditions slowly improve.

## The New Jersey Test

With the seventh largest economy and the most densely populated area in the U.S., New Jersey provides a rigorous test for the usefulness and applicability of ALICE terminology and measures. The aim is for the findings to be helpful to New Jersey stakeholders, and the methodology to serve as a model for the nation.

## I. WHO IS STRUGGLING IN NEW JERSEY?

According to the 2010 Census, the poverty rate in New Jersey is 10 percent, or 312,762 of the state's households. However, we know from the huge rise in demand for public and private welfare services over the last five years that many times that number of households struggle to support themselves.

Until now, there has been no measure to define the actual level of financial hardship.

The official U.S. poverty rate was developed in 1965, and the methodology has not been updated since 1974. In addition, the Federal Poverty Level (FPL) is not adjusted to reflect cost of living differences across the U.S., though new variations are being explored with the Supplemental Poverty Measure (U.S. Census, 2011).

The official poverty rate is so outdated that the N.J. Department of Human Services' agencies use 200 and even 250 percent of the FPL to determine eligibility for their assistance programs. Legal Services of New Jersey (LSNJ) defines poverty in New Jersey as 200 percent of the poverty rate because it's "a better indicator of need than the Federal Poverty Level" (LSNJ, 2012).

There is clearly a need for a more relevant and accurate measure of the number of households unable to afford the basic household necessities.

### Introducing ALICE

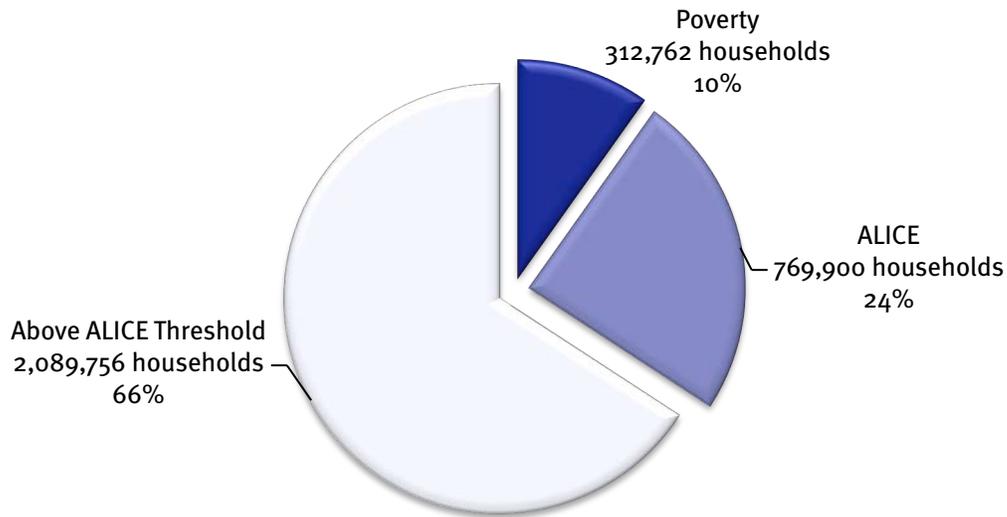
Despite being employed, many individuals and families do not earn enough to afford the five basic necessities of housing, child care, food, transportation, and health care in New Jersey. Even though they are working, their income does not cover the high cost of living in the state and they often require public assistance to survive.

Until now, this group of people has been loosely referred to as the working poor, or technically as the lowest two income quintiles. This Report uses a more precise term, "ALICE" – Asset Limited, Income Constrained, Employed. ALICE is a household with income above the official FPL but below a basic survival income. In New Jersey, ALICE households are composed of women and men, young and old of all races.

### The ALICE Threshold

In a state with a high cost of living, it is especially important to have a current standard that reflects the true cost of economic survival. The ALICE Threshold is a realistic standard, developed from the Household Survival Budget, which estimates the minimal cost of the five basic necessities - housing, child care, food, transportation, health care (discussed fully in Section II). Based on the calculations from the American Community Survey and the ALICE Threshold, 34 percent of households in New Jersey are either in poverty or qualify as ALICE, see Figure 1.

Figure 1.  
**Household Income, New Jersey, 2010**



Source: American Community Survey, 2010; and the ALICE Threshold.

The ALICE Threshold is adjusted for age by reflecting different household size, 3.0 people for households headed by someone younger than 65 years old, and 1.6 people for households headed by someone 65 years or older. Thresholds and the median income for each county are listed in Figure 2. With the ALICE Threshold much lower than the median income, it may seem surprising that there are so many ALICE households. This data reiterates the wide variation in income in the state.

The total number of households in New Jersey increased by 1 percent through the Great Recession, defined as the years from 2007 to 2010, but a much larger percent fell below the ALICE Threshold or from ALICE into poverty. Previously self-sufficient households became financially unstable as they experienced the effects of job loss, home value decline, or devaluation of other investments or resources. In percentage terms, the number of households in poverty increased by 16 percent and the number of ALICE households increased by 3 percent. At the same time, the number of financially stable households, those above the ALICE Threshold, decreased by 2 percent.

A finer breakdown of income brackets reveals how household income is diverging in New Jersey. The number of households earning \$10,000 to \$30,000 increased by 20 percent from 2007 to 2010 as did the number of households earning more than \$125,000; the number of households in between decreased by 29 percent. Though not fully captured in these statistics, it is important to note that households move above and below the ALICE Threshold over time as economic and personal circumstances change. For example, national data from a 2008 U.S. Census Report shows that 23.1 percent of the population experienced a poverty spell lasting 2 or more months during 2009, though only 7.3 percent of the population were in poverty every month in 2009 (U.S. Census, 2011).

Figure 2.  
**ALICE Threshold vs. Median Income, 2010**

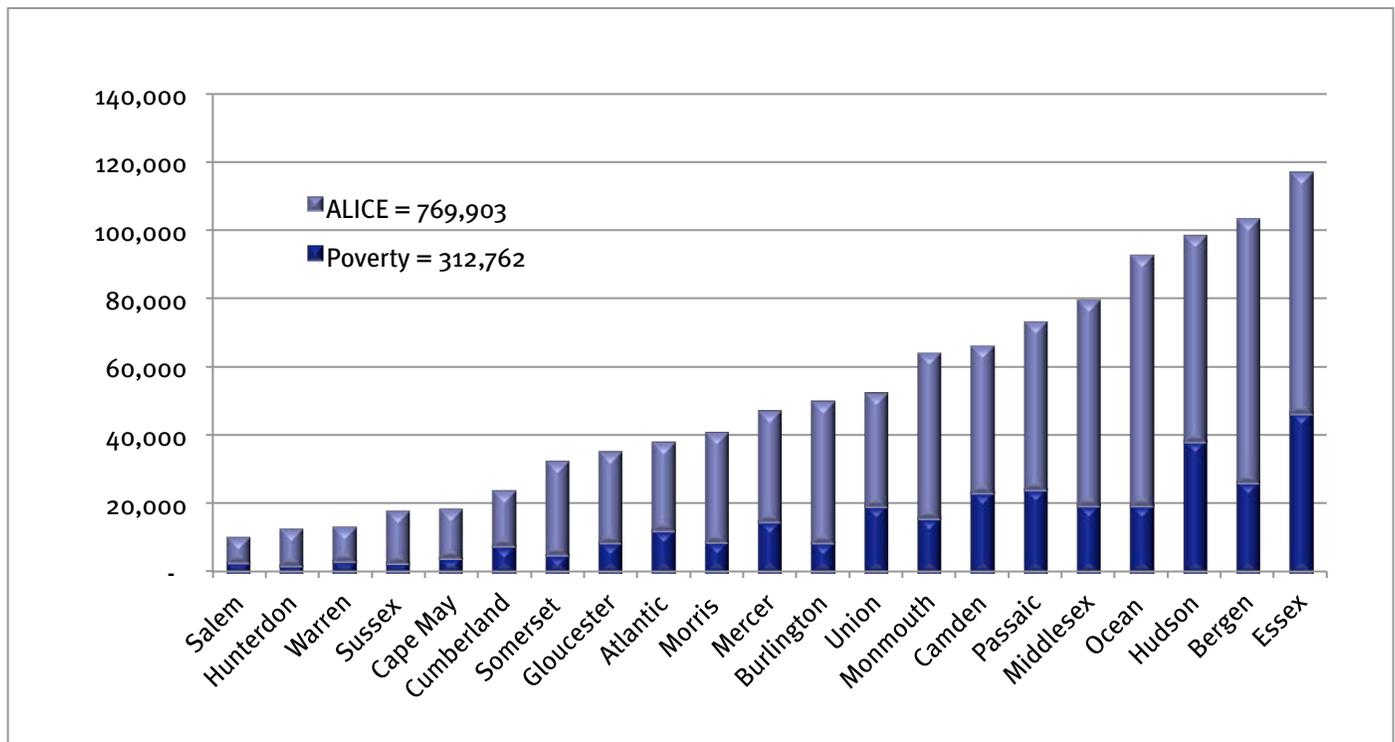
	Threshold HHs under 65 years old	Threshold HHs over 65 years old	Median HH income
Atlantic	\$40,000	\$35,000	\$52,571
Bergen	\$50,000	\$40,000	\$77,389
Burlington	\$50,000	\$45,000	\$74,329
Camden	\$40,000	\$35,000	\$57,352
Cape May	\$50,000	\$40,000	\$53,392
Cumberland	\$50,000	\$45,000	\$51,619
Essex	\$45,000	\$35,000	\$52,394
Gloucester	\$50,000	\$45,000	\$70,514
Hudson	\$45,000	\$40,000	\$54,817
Hunterdon	\$60,000	\$45,000	\$97,874
Mercer	\$50,000	\$45,000	\$70,956
Middlesex	\$50,000	\$40,000	\$76,443
Monmouth	\$45,000	\$35,000	\$80,816
Morris	\$50,000	\$40,000	\$91,469
Ocean	\$50,000	\$45,000	\$57,128
Passaic	\$50,000	\$40,000	\$53,993
Salem	\$50,000	\$40,000	\$56,357
Somerset	\$60,000	\$50,000	\$94,270
Sussex	\$60,000	\$40,000	\$84,115
Union	\$45,000	\$35,000	\$66,665
Warren	\$50,000	\$40,000	\$71,832

Source: Calculations based on the Household Survival Budget and American Community Survey, 2010.

## ALICE by County

In all counties in New Jersey there is a sizable ALICE population. The percent of ALICE households is more than twice that of those below the FPL in every county. The population size varies greatly across New Jersey counties; ranging from the smallest, Salem County with 24,898 households, to Bergen County with 333,002 households in 2010. Salem County also has the least number of households with income below the ALICE Threshold with 10,188. Population and the number of ALICE households are not perfectly correlated so that Essex County rather than Bergen County has the largest number of households below the ALICE Threshold with 116,692, see Figure 3.

Figure 3.  
**Number of Households below the ALICE Threshold, 2010**



Source: Calculations based on the Household Survival Budget and American Community Survey, 2010. Also see Appendix C.

In terms of total households below the ALICE Threshold, the percentage ranged from 23 percent in Morris County to 47 percent in Cumberland County. Breaking the population down further, Hunterdon and Somerset counties had only 4 percent of households in poverty, and Essex County had the largest percent of households in poverty in 2010 with 17 percent. In terms of ALICE households, Middlesex and Monmouth counties had the smallest with 21 percent, and Ocean County had the largest with 33 percent, see Figure 4.

Figure 4.  
**Percent of Households below the ALICE Threshold by County, 2010**

	Total Households 2010	Percent HHs in County, Poverty 2010	Percent HHs in County, ALICE 2010	Percent Change in HHs, Poverty and ALICE 2007-2010
Atlantic	100,096	12%	26%	4%
Bergen	333,002	8%	23%	25%
Burlington	163,961	5%	25%	8%
Camden	189,895	12%	22%	7%
Cape May	42,763	10%	33%	5%
Cumberland	50,237	15%	32%	2%
Essex	275,417	17%	26%	3%
Gloucester	104,782	8%	25%	21%
Hudson	238,692	16%	25%	-1%
Hunterdon	47,550	4%	23%	-9%
Mercer	131,500	11%	24%	8%
Middlesex	278,877	7%	21%	-4%
Monmouth	234,582	7%	21%	6%
Morris	177,786	5%	18%	10%
Ocean	220,972	9%	33%	1%
Passaic	161,527	15%	30%	14%
Salem	24,898	11%	29%	-1%
Somerset	115,913	4%	23%	36%
Sussex	54,881	5%	27%	29%
Union	183,882	10%	18%	-10%
Warren	41,208	8%	24%	-10%
New Jersey	3,172,421	10%	24%	6%

Source: American Community Survey, 2007 and 2010.

All but six counties saw an increase in the number of households below the ALICE Threshold from 2007 to 2010. For the counties that saw a decrease, the reasons vary. Salem and Warren had a decrease in the total number of households in the county. Middlesex and Hudson had a 3 and 4 percent growth respectively in population, the majority with incomes above the ALICE Threshold. The number of households in Union County increased by 5 percent and the population became more divided - ALICE households moved into poverty, the total number of households below the FPL increased by 19 percent, and the remainder moved above the ALICE Threshold.

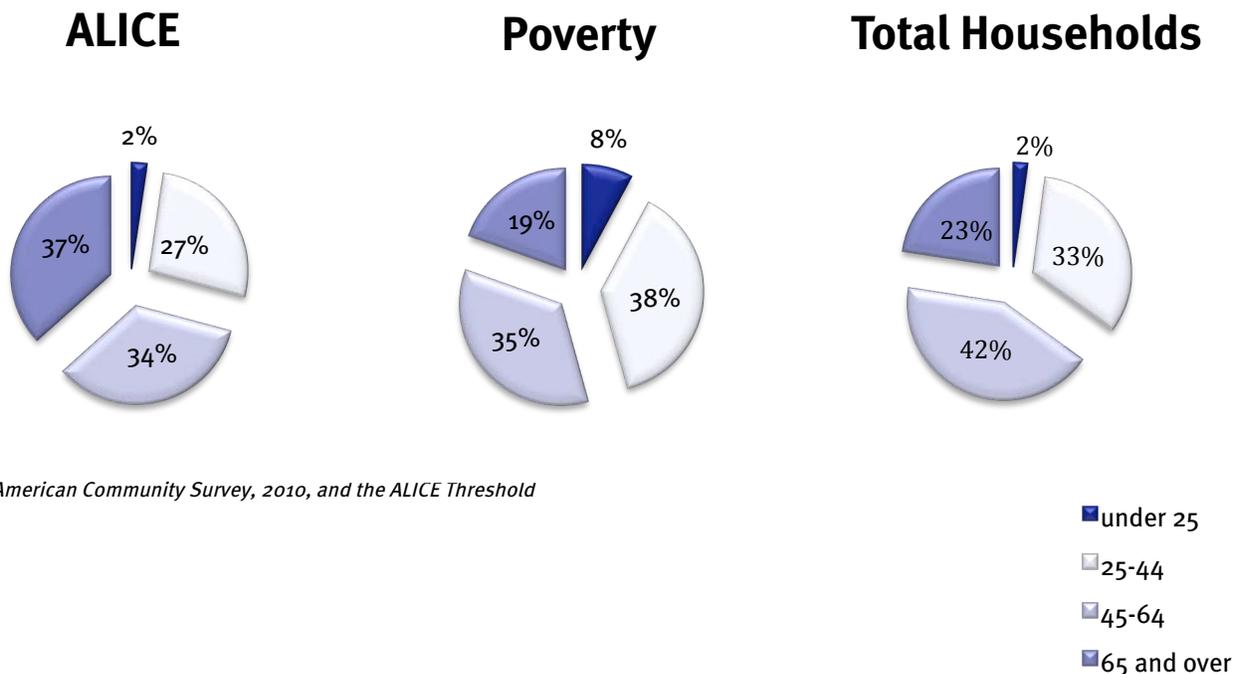
## DEMOGRAPHICS

The basic demographics of ALICE and poverty-level households - race/ethnicity, age, and geography - are similar to the total New Jersey population. Wages, and therefore income, are often lower for women, minorities, those with a disability, and recent unskilled immigrants. While characteristics of poverty are well known due to U.S. Census data collection, those for ALICE households are not. This section provides an overview of the demographics for ALICE households and compares them to households in poverty as well as the total population. Detailed numbers are presented in Appendix B.

### Age

There are ALICE households in every age bracket in New Jersey. Senior households had the largest number of ALICE households with 283,398, accounting for 37 percent of all ALICE households. The largest number of households in poverty were those headed by someone 25 to 44 years old, 118,958 households, accounting for 38 percent of all households in poverty, see Figure 5. However, the largest number of households living below the ALICE Threshold – which includes ALICE and poverty-level households – is in the age bracket with the largest number of households, those headed by someone 45 to 64 years old. With 372,321 households, they account for 34 percent of all households below the ALICE Threshold.

Figure 5.  
Income by Age, New Jersey, 2010



Source: American Community Survey, 2010, and the ALICE Threshold

Many senior households are healthy and continue to work. A total of 20 percent of those 65 years or older were in the labor force in 2010, up from 17 percent in 2007. However, almost half (49 percent) of New Jersey residents 65 years or older are living with a disability (American Community Survey, 2010). Along with reduced health comes increased costs. While some expenses are covered by Medicare, there are many out-of-pocket expenses that are not, primarily home health care and assistance with household chores.

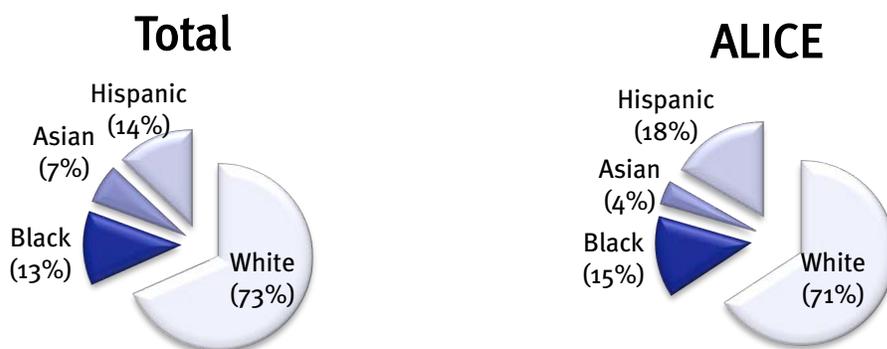
The Elder Economic Security Standard Index for New Jersey estimates that the budget for households with health-related issues can be more than double the budget of a healthy household (Wider Opportunities for Women, p.28). Since the ALICE Threshold does not include these extra health care costs, the amount of senior ALICE households in New Jersey is likely underestimated. Interestingly, the comparatively low rate of senior households in poverty (19 percent) confirms the effectiveness of government benefits in reducing the poverty rate among seniors (Haskins, p.30). But the high percentage of senior ALICE households (37 percent) highlights the fact that Social Security programs do not enable self-sufficiency.

The number of New Jersey households headed by someone under 25 years old is the smallest age bracket and got smaller over the Great Recession, decreasing by 15 percent. This was the biggest single demographic change from 2007 to 2010. These households historically have had the lowest median income, and therefore are most vulnerable to a bad economy. Anecdotal reports of young workers and recent college graduates moving in with their parents to save money can explain this and are confirmed by recent data (Rampell, 2011).

## Race/Ethnicity

The race/ethnicity composition of ALICE households closely mirrors that of the New Jersey population as a whole, see Figure 6.

Figure 6:  
Households by Race/Ethnicity, ALICE and Total, New Jersey, 2010



Source: Calculations based on the Household Survival Budget and American Community Survey, 2010.

Notes: The percentages total more than 100 because race/ethnicity are overlapping categories; because household poverty rates are not available by ethnicity, these calculations are rougher estimates than those by age.

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In New Jersey, 73 percent of households are headed by someone who is White (U.S. Census terms), and account for 71 percent of ALICE households. In fact, White households remain the majority in all income categories while minority households are overrepresented in poverty-level households and underrepresented in households above the ALICE Threshold.

In New Jersey, Hispanics or Latinos account for 14 percent of total households and 18 percent of ALICE households; Blacks or African Americans account for 13 percent of total households and 15 percent of ALICE households; and Asians account for 7 percent of total households and 4 percent of ALICE households. The percentages total more than 100 because race/ethnicity are overlapping categories.

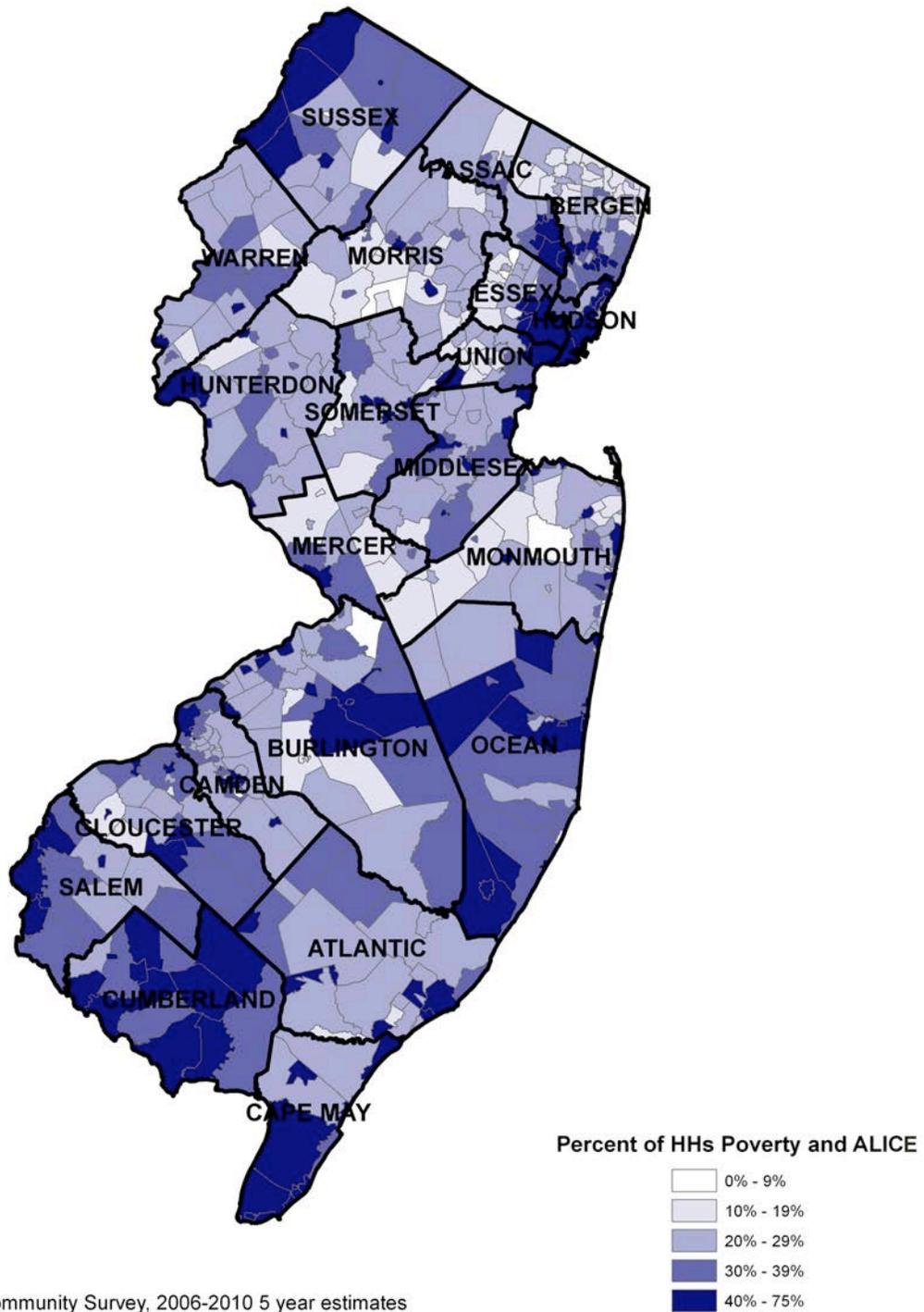
There were interesting changes in ALICE households by race/ethnicity from 2007 to 2010. For ALICE households, those headed by someone who is White increased by only 1 percent, those headed by someone who is Black decreased by 9 percent. The number of Asian ALICE households increased by 7 percent and Hispanic or Latino ALICE households increased by 8 percent.

## Geography

ALICE and poverty-level households exist in every municipality and across all counties in New Jersey. In all but six municipalities, at least 10 percent of households earn below the ALICE Threshold. The wide distribution of ALICE and poverty-level households is clear from the municipal map of New Jersey, presented in Figure 7. Municipalities with more than 40 percent of households below the ALICE Threshold are shaded darkest blue, those with less than 10 percent are in white.

Half of New Jersey's municipalities have populations where more than 30 percent of households are below the ALICE Threshold. A further breakdown shows that more than one-third of municipalities (190) contain 20 to 29 percent households below the ALICE Threshold, another quarter (147) contain 30 to 39 percent households below the ALICE Threshold, and another quarter (135) contained more than 40 percent households below the ALICE Threshold.

Figure 7.  
**Distribution of Households below the ALICE Threshold**

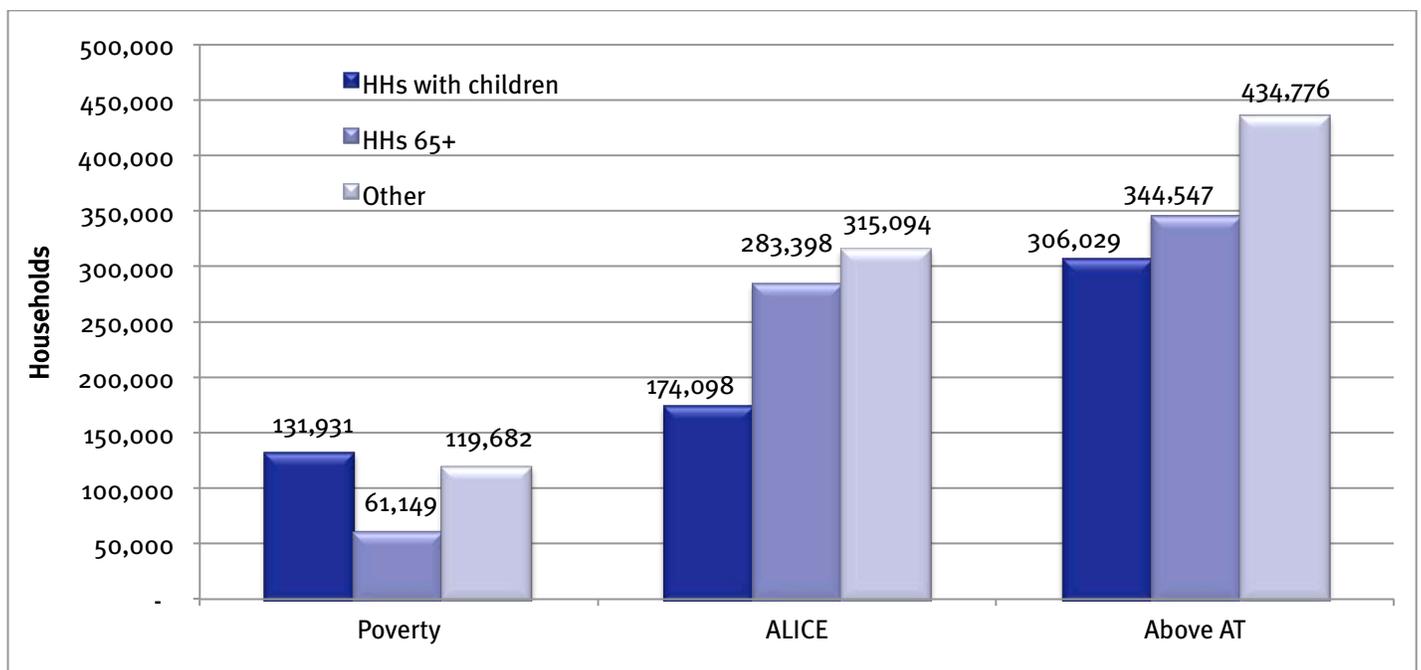


American Community Survey, 2006-2010 5 year estimates

## Household Type

During the Great Recession, families of all types were at risk of falling below the ALICE Threshold or from ALICE into poverty. Many formerly self-sufficient families began to struggle financially as they faced the risk of losing their home and savings. ALICE family types continue to mirror the population as a whole. By 2010, households with children comprised 32 percent of all households, 23 percent of ALICE households, and 28 percent of households below the ALICE Threshold. Similarly, as discussed above, households headed by someone over 65 years old accounted for 23 percent of the population and 32 percent of households below the ALICE Threshold, see Figure 8.

Figure 8.  
**Household Type Below ALICE Threshold, New Jersey, 2010**



Source: American Community Survey, 2007 and 2010.

## FAMILIES WITH CHILDREN

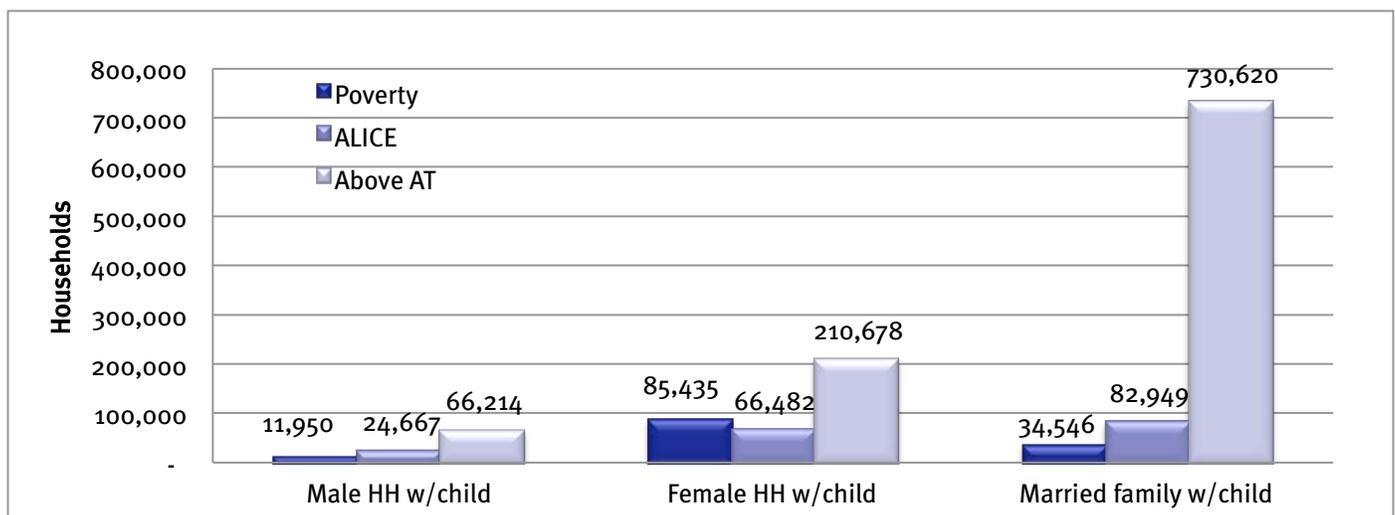
Not surprisingly, the most expensive household budget is for a household with young children, due not only to their larger size but to the cost of child care, preschool, and after-school care (discussed further in Section III). The number of total households with children declined by 4 percent through the Great Recession (1,051,006 in 2007 to 1,007,512 in 2010), while the number of households below the ALICE Threshold with children increased by 61 percent. Thus, children were the group most negatively affected by the Great Recession.

The biggest factors determining the economic stability of a household with children are the number of wage earners, the gender and the number (and cost) of children. Variations of these are discussed below. The numbers presented are New Jersey averages because income by households with children is not available for all counties.

### Married Family with Child

Most children under the age of 18 years old (73 percent) live in households with married parents. These households account for 23 percent of total households, and have the highest median household income of all household types, \$107,236 in 2010 (American Community Survey, 2010). However, the Great Recession had a big impact on these households. The total number of married couple households with children decreased by 5 percent through the Great Recession while those in poverty increased by 19 percent and those in ALICE households increased by 21 percent. Married couple households with children accounted for 11 percent of total households below the ALICE Threshold in 2010, see Figure 9.

Figure 9.  
Households with Children, New Jersey, 2010



Source: American Community Survey, 2007 and 2010.

## Female-headed Household with Child

Female-headed households with children accounted for 7 percent of total households, but 14 percent of households below the ALICE Threshold in 2010. The number of single parent, female-headed households with children decreased through the Great Recession by 2 percent in New Jersey. The number that are ALICE households decreased by 6 percent, but the number in poverty increased by 23 percent. It is well recognized that female-headed households with children are more likely to be in poverty (Advocates for Children of New Jersey, 2011).

With only one wage earner, single-parent households have an economic disadvantage. For women this is compounded by the fact that in New Jersey, they still earn less than men. In 2010, the median annual earnings for women were \$46,058 while they were \$58,522 for men. While men were as likely as women to have a part-time job, the median annual part-time earnings for women were \$19,229 compared to \$24,432 for men (American Community Survey, 2010). Women comprised 43 percent of the full-time New Jersey workforce in 2010, including 60 percent of women with children.

## Male-headed Household with Child

Single parent, male-headed households with children accounted for 2 percent of total households and 3 percent of households below the ALICE Threshold in 2010. Households with children headed by a single male have increased over the last decade and in 2010 accounted for one-quarter of single-headed households with children in New Jersey. The number below the FPL increased by 29 percent over the Great Recession and the number who were ALICE increased by 5 percent.

## OTHER HOUSEHOLDS

With much focus on households with seniors (32 percent of households below the ALICE Threshold) or those with children (28 percent), the many other kinds of households are often overlooked. These households accounted for 46 percent of the total households and 40 percent of households below the ALICE Threshold in New Jersey in 2010. These are married couple households with children older than 18 and couples with no children; they are single households younger than 65 years and non-married adult households. Some of the distinguishing features of these households are discussed below.

## Disability

Households with a member who is living with a disability often have greater health care expenses and reduced earning power. The median income for households where one adult is living with a disability is generally 60 percent less than those without disabilities (American Community Survey, 2006). A total of 10 percent of families in New Jersey include someone living with a lasting physical, mental, or emotional disability that impedes them from being independent or able to work. They account for 18 percent of households in poverty and roughly 13 percent of ALICE households (American Community

Survey, 2009). Disability is also disproportionately associated with age, almost half (49 percent) of New Jersey residents 65 years or older are living with a disability (American Community Survey, 2010).

There are many implications for these households, most notably they are more likely to have very low incomes, live in severely substandard conditions, and pay more than one-half of the household income for rent. Additionally, according to HUD, from 2007 to 2009, the number of very low-income renters with disabilities living in poor conditions increased from 38 to 41 percent across the U.S. (HUD, March 2011).

## Immigrants

Immigrant workers are an important part of the New Jersey economy, contributing at least \$47 billion to the state economy in 2006 (Immigration Policy Center, 2012; and Gang and Piehl, 2008). As a whole, immigrants are only slightly more likely to be poverty-level or ALICE households than non-immigrants. However, for some sub-sets of immigrant groups, such as non-citizens, more recent immigrants, and those who are language isolated, the likelihood increases (Suro, Wilson and Singer, 2012).

Immigrant income opportunities are linked to educational attainment. In 2009, 35.6 percent of New Jersey's foreign-born population age 25 and older had a bachelor's or higher degree while 21.5 percent lacked a high school diploma. In comparison, 34.1 percent of native-born persons had a bachelor's or higher degree in 2009, and 9.5 percent lacked a high school diploma. In New Jersey, the biggest difference comes between native-born and non-citizens: the median income for a full-time working native-born male was \$61,724, compared to \$46,482 for a foreign-born male, compared to \$34,471 for a non-citizen male. The median earnings get progressively higher the longer the foreign-born worker has been in the country. For a male immigrating before 1990, their median earning was \$54,832 in 2009 (American Community Survey, 2009).

There are more than 150 different languages spoken in New Jersey with Spanish being the most common. However, only 7 percent of households are "linguistically isolated," defined by the U.S. Census as no household member over the age of 14 who speaks English "very well." In some counties, the percent of linguistically isolated households is much higher, 16 percent of households in Hudson County in 2009, 14 percent in Passaic County, and 13 percent in Union County. These rates have remained fairly constant since 2006 (American Community Survey, 2009).

For these households, there are significant challenges to employment and use of social services. The largest group of linguistically isolated households is Spanish speaking, with 124,107 households, which is 29 percent of all Spanish-speaking households. The percent of linguistically isolated households is 19 percent for European languages and 24 percent for Asian languages (American Community Survey, 2006 and 2009).

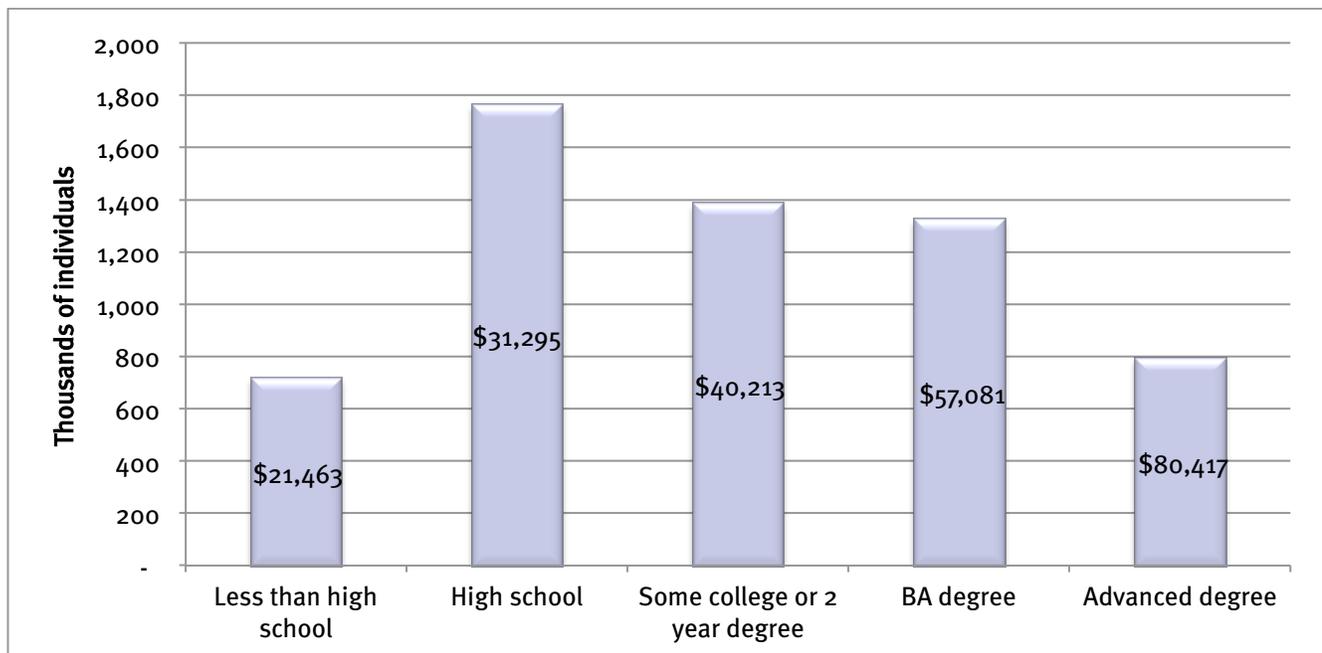
A subset of the foreign born population, day laborers, has the greatest income challenge. In a survey of New Jersey’s day laborers by Seton Hall's Immigrants’ Rights Clinic, the average day laborer in New Jersey looks for work five days a week and finds work only one to three days. Monthly income for day laborers ranges widely depending on the time of year, from \$0 in the winter months to \$1,200 in the summer (Immigrants’ Rights/International Human Rights Clinic, 2011).

## EDUCATION

Traditionally, education has been the best guarantee of higher income and the two are correlated. Short- and long-term factors, however, may be changing the equation. Tuition has increased beyond the means of many Americans and the amount of student debt rose significantly over the last decade. In addition, longer-term structural changes have limited the growth of medium- and high-skilled jobs, and thus the need for a more highly educated workforce.

In New Jersey, 88 percent of the population has a high school diploma. Far fewer (35%) of the New Jersey population 25 years and older has a bachelor’s or advanced degree, despite the fact that median income increases significantly for those with greater education, see Figure 10.

Figure 10.  
**Education Attainment and Average Earnings, New Jersey, 2010**



Source: American Community Survey, 2007 and 2010.

The median income for those with less than a high school diploma was \$21,463 in 2010. Those with a high school diploma account for 29 percent of the population and have a median income of \$31,295. Those with some college or a two-year associate's degree account for 23 percent of the population and have a median income of \$40,213. Those with a bachelor's degree account for 22 percent of the population and have a median income of \$57,081. And those with a graduate or professional degree account for only 13 percent of the population and their median income was \$80,417 in 2010 (American Community Survey, 2010). Because there is great income inequality in New Jersey, these median incomes mask the large number of households who live below these incomes and the few who live far above them.

With the increasing cost of education over the last decade, college has become unaffordable for many and a huge source of debt for others. For New Jersey students graduating with a bachelor's degree in 2010, 66 percent had student loan debt with an average debt amount of \$23,792 (Project on Student Debt, 2011). Debt from graduate school is even larger. Average indebtedness for 2010 graduates from University of Medicine and Dentistry of New Jersey (UMDNJ) was \$130,000 and for Rutgers Law School graduates was \$83,381 (U.S. News and World Report, 2010). Today, pursuing higher education can be a determining factor for being an ALICE household; however, potentially not long-lasting as debt is paid off and higher earning job opportunities are realized.

For those with college degrees, there is huge disparity in earning potential. In fact, according to the PayScale Salary Survey for 2011, salaries for college graduates in the U.S. depend heavily on their major. For example, the mid-career median salary for those with a social work degree is less than \$45,000 while those with a petroleum engineering degree earn \$155,000 (PayScale, 2011). In New Jersey, there are twice as many social workers as there are petroleum engineers. ALICE households are more likely to have less education than households above the ALICE Threshold, but higher education alone is no longer a guarantee of a self-sufficient income.

## VOTERS

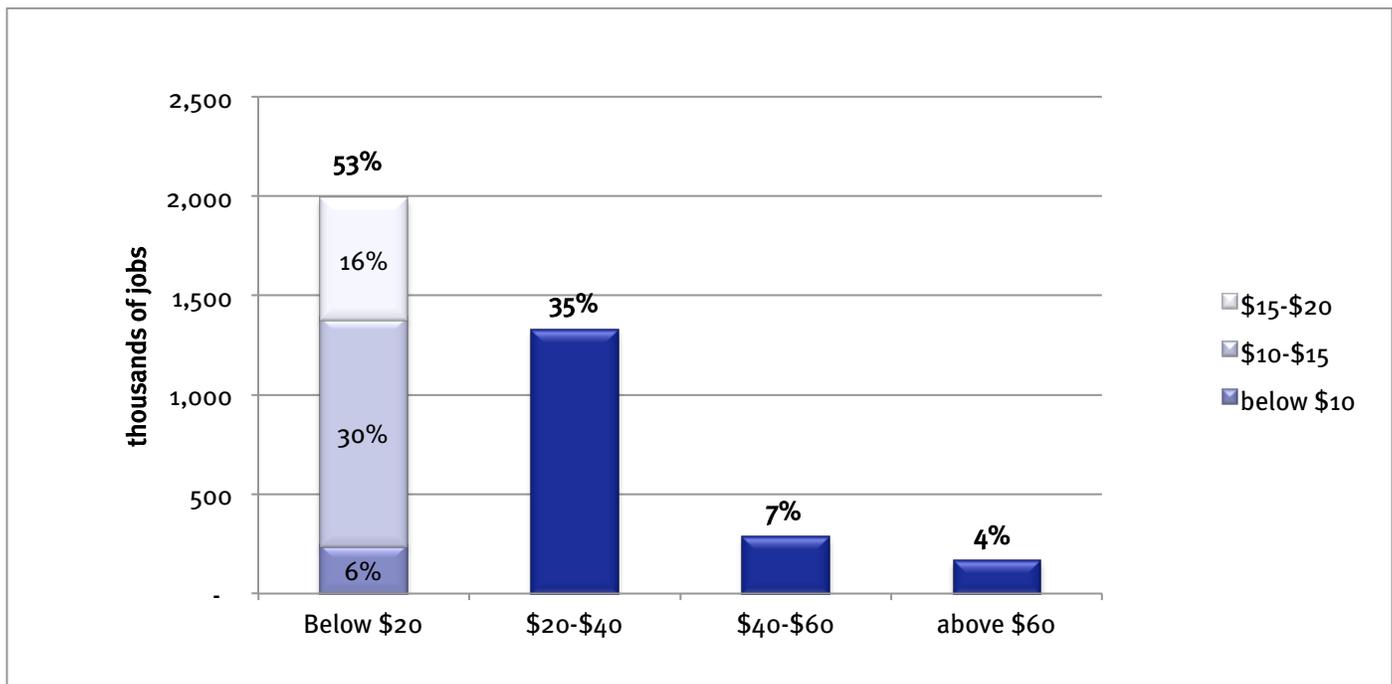
Like the broader population, ALICE households vote. While data is not available specifically for New Jersey, national data show that the majority of those living in households with income below \$50,000 per year (near the average ALICE Threshold for New Jersey) were registered to vote and reported voting in the 2008 presidential election. Of those in households earning less than \$50,000 per year, 69 percent were registered to vote compared to 73 percent of the total U.S. population. Similarly, 59 percent reported voting compared to 65 percent of the total population (U.S. Census, 2008).

## Income and Assets

More than any demographic feature, ALICE households can be defined by their jobs and their savings accounts. ALICE workers have low-paying jobs and few or no assets. Most jobs in New Jersey (53 percent) now pay less than \$20 per hour, which equates to \$40,000 per year if it is full-time and year-round, see Figure 11. The majority of these jobs pay far less at \$10-\$15 per hour.

The Great Recession had a negative impact on jobs in general; the total number of jobs in New Jersey declined by 5 percent from 2007 to 2010. But the greatest impact was on low-wage industries. The number of jobs paying less than \$20 per hour fell by 267,600; while jobs paying between \$40 and \$60 per hour fell by 44,500. The number of jobs in the pay brackets \$20-\$40 and above \$60 per hour actually increased (NJLWD, 2010).

Figure 11.  
**Number of Jobs by Hourly Wage, New Jersey, 2010**



Source: N.J. Department of Labor and Workforce Development, 2010

Over the last decade, New Jersey experienced a structural shift from relatively high-wage manufacturing jobs to the relatively low-wage industries of “retail, accommodation, and food,” and “professional and business services” industries (Jorgensen, 2011). These service sector jobs require workers to be there in person. Cashiers, nurses' aides, and security guards all need to be present to do their jobs; they cannot telecommute and are essential to the functioning of the New Jersey economy. For a list of the most common low-wage jobs in New Jersey, see Figure 12.

Figure 12.  
**Occupations by Employment and Wage, New Jersey, 2010**

	Number of Current Jobs	Average Hourly Wage
Retail Salespersons	114,890	\$12.85
Cashiers	101,790	\$9.65
Office Clerks, General	74,820	\$14.55
Laborers and Freight, Stock, and Material Movers	73,840	\$12.55
Janitors and Cleaners, except Maids and Housekeeping	69,010	\$12.95
Stock Clerks and Order Fillers	68,050	\$11.70
Secretaries, Except Legal, Medical, and Executive	64,340	\$17.90
Food Preparation and Serving Workers, including Fast Food	63,310	\$9.40
Waiters and Waitresses	57,030	\$11.20
Customer Service Representatives	55,420	\$17.10
Nursing Aides, Orderlies, and Attendants	51,070	\$12.85
Receptionists and Information Clerks	48,490	\$13.15
Bookkeeping, Accounting, and Auditing Clerks	47,870	\$18.85
Teacher Assistants	44,050	\$12.14
Security Guards	37,310	\$13.95
Packers and Packagers, Hand	30,600	\$10.35
All Other Teachers, Primary, Secondary, and Adult	29,950	\$17.48
Home Health Aides	29,550	\$10.95
Maintenance and Repair Workers, General	29,270	\$19.25
Landscaping and Groundskeeping Workers	27,050	\$13.10
Shipping, Receiving, and Traffic Clerks	23,870	\$15.50
Child Care Workers	23,040	\$10.60
Truck Drivers, Light or Delivery Services	20,530	\$17.25
First-Line Supervisors, Food Preparation and Serving Workers	20,470	\$18.70
Maids and Housekeeping Cleaners	19,970	\$10.80
Billing and Posting Clerks and Machine Operators	19,770	\$17.20
Food Preparation Workers	19,320	\$10.55
Tellers	18,290	\$12.50
Bus Drivers, School	17,760	\$14.65
Cooks, Restaurant	17,460	\$12.60
Hairdressers, Hairstylists, and Cosmetologists	17,450	\$14.00

Source: N.J. Department of Labor and Workforce Development Occupational Employment Statistics (OES) Wage Survey - All Industries Combined, 2010.

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The other defining feature of ALICE households is their lack of savings. Given the combination of the high cost of living and low-wage jobs, building assets is difficult in New Jersey. As a result, these households do not have a cushion against sudden income loss or a major emergency expense such as a health, house, or car emergency. Few assets and a weak credit record mean that families are at greater risk of predatory lending practices which in part has led to so many foreclosures in New Jersey (McKernan, Ratcliffe and Shank, 2011). Without savings, it is impossible for a household to become economically independent.

In New Jersey, 26 percent of households are considered to be "asset poor," defined by the Corporation for Enterprise Development (CED) as not having sufficient net worth to subsist at the poverty level for three months in the absence of income. In other words, an asset poor family of three has less than \$4,632 in savings. The percentage of households without sufficient "liquid" assets is even higher, 40 percent of New Jersey households in 2009. In other words, the household does not have cash or assets that can be liquidated quickly, i.e. not vehicles or homes, to subsist at the poverty level for three months (CED, 2012). The primary asset of low-income households is a non-liquid asset, a car. While essential for employment in most parts of New Jersey, vehicles are not an effective way of accumulating savings (McKernan, Ratcliffe and Shank, 2011).

Related to assets is a household's access to sound financial services. Bank accounts, credit, and even financial advice create a foundation for future income growth. The ability to borrow in an emergency does as much to reduce hardship as tripling family income (Mayer and Jencks, 1989; Barr and Blank, 2008). In New Jersey, 7 percent of households lack a bank account (FDCI, 2009), and even more are under-banked and regularly use alternative financial businesses for check cashing, money order issuance, and payday lending services. There are more than 1,500 "other" credit intermediation institutions in New Jersey; by comparison there are 406 credit union branches (U.S. Census, County Business Patterns, 2010; Credit Unions Online, 2012).

## II. HOW COSTLY IS IT TO LIVE IN NEW JERSEY?

The cost of living is high in New Jersey, even for those purchasing only the basic necessities. This section presents the Household Survival Budget, a realistic measure estimating what it costs to afford the five basic necessities - housing, child care, food, transportation, and health care - in New Jersey. The Household Survival Budget follows the original intent of the U.S. poverty rate to be a standard for temporary sustainability (Blank, 2008). This budget identifies the minimum cost option for each of the five essentials.

For each county in New Jersey, the Household Survival Budget is presented in two variations, one for a single adult and the other for a family with two adults, a toddler, and an infant. The average for New Jersey is presented in Figure 13, and the totals for each county are in Appendix C.

The Household Survival Budget for a family living in New Jersey was \$58,500 in 2010, increasing by 7 percent from the start of the Great Recession in 2007. This translates to an hourly wage of \$14.62, 40 hours a week for 50 weeks a year for both parents (or \$29.24 per hour for one parent). The Household Survival Budget for a single adult was \$25,368 in 2010, increasing by 10 percent, double the rate of inflation. The single adult budget translates to an hourly wage of \$12.68. In comparison, the U.S. poverty rate was \$22,113 for a family of four and \$11,344 for a single adult in 2010.

Figure 13.  
Household Survival Budget, New Jersey Average, 2010

Monthly Costs 2010		
	2 ADULTS, 1 INFANT & 1 TODDLER	SINGLE ADULT
Housing	\$1,217	\$923
Child care	\$1,319	\$-
Food	\$548	\$181
Transportation	\$463	\$302
Health care	\$397	\$99
Miscellaneous	\$443	\$192
Taxes	\$488	\$ 417
Monthly total	\$4,875	\$2,114
ANNUAL TOTAL	\$58,500	\$25,368
Required hourly wage	\$14.62/hour for two adults	\$12.68/hour

Source: See Appendix D.

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The increase in the cost of basic necessities from 2007 to 2010 is surprising because it was during an economic downturn and a period with low inflation, 5 percent. The largest disconnect comes in the price of housing. With the impact of the Great Recession, many at the top and even the middle of the housing market were forced to relocate, many moved into lower-end housing and the rental market, pushing up prices there.

The Household Survival Budget varies greatly across New Jersey counties. The basic essentials for a family are least expensive in Atlantic County at \$48,302 a year and most expensive in Hunterdon County at \$71,751. For a single adult, it is least expensive to live in Camden County at \$21,385 a year and most expensive to live in Somerset County at \$32,323. For each county's budget see Appendix K.

## COMPONENTS OF THE HOUSEHOLD SURVIVAL BUDGET

### Housing

The cost of housing for the Household Survival Budget is based on HUD's Fair Market Rent (FMR) for an efficiency apartment for a single adult and a two-bedroom apartment for a family. The cost includes utilities but not telephone service, a security deposit for renting, or a down payment to purchase a house.

Housing is expensive in New Jersey, but varies greatly by county. Housing is least expensive in Cape May County at \$951 for a two-bedroom apartment and \$741 for an efficiency apartment. Housing is most expensive in Hunterdon, Middlesex, and Somerset counties at \$1,409 for a two-bedroom apartment and \$1,155 for an efficiency. In all counties, there was an average increase for all rentals of 15 percent from 2007 to 2010.

In the Household Survival Budget, housing for a family accounts for 25 percent of the budget, well under HUD's affordability guidelines of 30 percent (U.S. HUD, 2012). However, for a single adult, even just an efficiency apartment accounts for 44 percent of a minimal budget and the renter would be considered "housing burdened."

### Child Care

In New Jersey, income inadequacy rates are higher for households with children at least partly because of the cost of child care. The Household Survival Budget includes the cost of care in registered home-based child care at an average rate of \$684 per month for an infant and \$588 per month for a 4 year old. The quality of in-home child care is not regulated and may vary between locations. However, licensed and accredited child care centers are significantly more expensive with an average cost of \$932 per month and \$770 per month, respectively. The cost of child care was calculated using the National Association of Child Care Resource and Referral Agencies' annual survey.

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For families with two or more children in child care, it is the most expensive part of their budget. The cost of child care increased through the Great Recession by 8 percent. While costs varied across counties, its relative cost remained high from 2007 to 2010. The least expensive in-home child care for two children, an infant and a toddler, was found in Salem County at \$955 per month, and the most expensive was in Hunterdon County at \$1,906 per month in 2010.

## Food

The original federal poverty rate was based, in part, on the 1962 Economy Food Plan, thus it has been long-recognized that food is a most basic element of economic well-being. The cost for the USDA's Thrifty Food Plan for a family of two adults and two young children is \$548 per month and for a single adult is \$181 (USDA, 2009). Like the original Economy Food Plan, the Thrifty Food Plan meets the nutritional requirements of a healthy diet but includes foods that require a considerable amount of home preparation with little waste and require skill in food shopping and preparation (Hanson, 2008).

Within the Household Survival Budget, the food category increased by 8 percent from 2007 to 2010. The original official FPL was based on the premise that food accounts for one-third of a household budget. With the large increases in the cost of other parts of the household budget, food accounts now for only 11 percent of a family budget and 9 percent of a budget for a single adult.

## Transportation

The fourth item in the Household Survival Budget is transportation cost, a prerequisite for most employment in New Jersey. The average cost of transportation by car is four times greater than by public transport. According to the Consumer Expenditure Survey, in 2010 the average monthly cost in the New York metropolitan area was \$384 for gasoline and motor oil and other vehicle expenses, while the average for public transportation was \$90. The Household Survival Budget in Figure 13 shows the average of the two, adjusted for household size. Actual county costs are shown in Appendix K.

Public transportation is typically the cheapest form of transportation, but is not an option in many counties in New Jersey. In only eight counties is there a significant percent of the population using public transportation as their primary means to work. Hudson County has the largest percent of population using public transportation with 38 percent, followed by Essex County at 20 percent and Bergen County at 13 percent. Just 8 to 10 percent of the residents in Union, Middlesex, Passaic, Monmouth, Atlantic, and Camden counties use public transportation to travel to work (American Community Survey, 2010). In the remaining counties, a car is necessary for most workers to commute to a job and is a significant additional cost to their budget.

## Health Care

The fifth item in the Household Survival Budget is health care cost. The average health care cost was \$397 per month for a family and \$99 per month for a single adult in 2010, an increase of 20 percent since 2007. This health budget includes the nominal out-of-pocket health care spending according to the Consumer Expenditure Survey. Since it does not include health insurance, such a low health budget is not realistically sustainable in New Jersey, especially if any household member has a serious illness or medical emergency.

This health budget does not begin to cover many health related costs incurred by seniors. For example, semi-private room rates in a nursing home range from \$169 to \$344 per day in New Jersey, and adult day services range in cost from \$63 to \$105 per day. Assisted living rates range from \$3,000 to \$6,995 per month (MetLife Mature Market Institute, 2011).

## Taxes

While not considered essential to survival to some, taxes are, nonetheless, a legal requirement to earning income in New Jersey, including low-income households. In the Household Survival Budget, a single adult earning \$35,000 pays slightly more than a family in taxes, \$5,842 per year (17 percent of income); while a family earning \$55,000 a year pays \$4,995 in taxes, benefitting from child tax credits (14 percent of income). Tax rates have remained constant from 2007 to 2010 (IRS and N.J. Department of the Treasury, 2007 and 2010).

## What is Missing?

This Household Survival Budget is a bare-minimum budget, not a “get-ahead” budget. The small Miscellaneous category, 10 percent of all costs, covers overflow from the five basic categories; it is not enough to provide for clothes, cell phone, cable, or automotive or appliance repairs. It does not allow for dinner at a restaurant, tickets to the movies, or travel. There is no room in the budget for a financial indulgence – holiday gifts, a new television, or bedspread – something many households take for granted.

This budget also does not allow for any savings, leaving a family vulnerable to any unexpected expense, such as a costly car repair or health issue. As such, a household on a Household Survival Budget is just surviving. The consequences are discussed in Section V.

## Sustainable Household Budget

When compared to a moderate Sustainable Household Budget, the Household Survival Budget’s minimal level is more apparent (see Figure 14). The Sustainable Household Budget highlights how much more income is needed to support, and sustain, an economically viable household in New Jersey.

Figure 14.  
**Sustainable Household Budget vs. Household Survival Budget**  
**New Jersey Average for a Family (2 adults, 1 infant, 1 toddler)**

<b>Monthly Costs 2010</b>			
	<b>SUSTAINABLE</b>	<b>SURVIVAL</b>	<b>PERCENT DIFFERENCE</b>
<b>Housing</b>			
3 bdrm house with mortgage	\$1,877		54%
Rented 2 bdrm apartment FMR		\$1,217	
<b>Child care</b>			
Accredited child care center	\$1,702		29%
Family child care homes		\$1,319	
<b>Food</b>			
Moderate Food Plan + 1 meal out	\$756		38%
Thrifty Food Plan		\$548	
<b>Transportation</b>			
Public and 1 car or 2 cars	\$1,494		222%
Public or 1 car		\$463	
<b>Health care</b>			
Employer-sponsored health plan	\$896		126%
Nominal out of pocket expense		\$397	
<b>Miscellaneous - 10 percent</b>	\$673	\$443	52%
<b>Savings - 10 percent</b>	\$673		
<b>Taxes</b>	\$1,253	\$488	157%
<b>Monthly total</b>	<b>\$9,323</b>	<b>\$4,875</b>	<b>91%</b>
<b>ANNUAL TOTAL</b>	<b>\$111,876</b>	<b>\$58,500</b>	<b>91%</b>
<b>Required hourly wage for two workers</b>	<b>\$27.97</b>	<b>\$14.62</b>	<b>91%</b>

Source: See Appendix E.

The costs for the Sustainable Household Budget are those that can be maintained over time, including median rent and housing prices, licensed and accredited child care, the USDA's Moderate Food Plan plus one meal out per month, leasing a car, and an employer-sponsored health plan. Full details and sources are listed in Appendix E, as well as the Sustainable Household Budget for a single adult.

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The Sustainable Household Budget also includes a 10 percent savings category. Savings are a crucial component to self-sufficiency. Households need to earn enough to save for emergencies and invest for financial stability as well as retirement (Wider Opportunities for Women, 2011). The savings category allows a household to provide preventative care and maintenance for their house, car, and health as needed, and to have a cushion in the event of an unforeseen accident. Savings of \$673 for a family is probably enough to invest in education and retirement, while \$271 for a single adult might be enough to cover the monthly payments on a student loan or to build towards a mortgage down payment, but not both.

The Sustainable Household Budget is moderate, not extravagant, and still totals \$111,876 for a family. This is almost double the Household Survival Budget and very close to the New Jersey average median income of \$107,236 for a family with two children. Accordingly, half of households with children earn less than the Sustainable Household Budget, and struggle to get by with a budget similar to the Household Survival Budget. To afford the Sustainable Household Budget for a family both parents must earn \$27.97 an hour or one parent must earn \$55.94 an hour.

The Sustainable Household Budget for a single adult totals \$46,753 compared to \$25,368 for the Household Survival Budget. For comparison, this is slightly higher than the New Jersey median income for a single adult of \$41,040. To afford the Sustainable Household Budget for a single adult, he/she must earn \$23.38 an hour.

### III. HOW MUCH INCOME AND ASSISTANCE IS NECESSARY TO REACH THE ALICE THRESHOLD?

One-third of New Jersey households do not have enough income to reach the ALICE Threshold for financial stability. But how far below the ALICE Threshold are their earnings? How much does the government spend in attempts to help fill the gap? And is it enough?

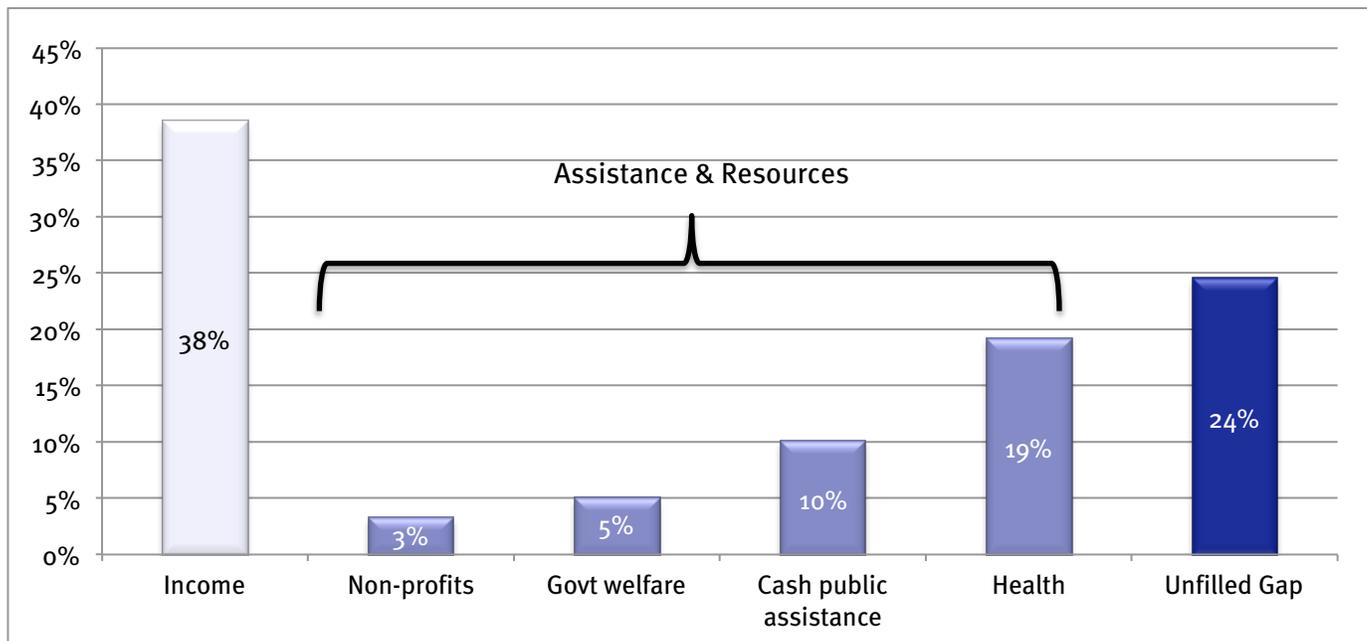
Until now, the amount spent on public and private social services has never been totaled for New Jersey. A few studies have been done in other states, focusing on how much public services cost for low-wage workers specifically at big box stores (Dube and Jacobs, 2004; WOW, 2011, p.5). Such a study has never been done in New Jersey. The ALICE Income Assessment provides the answers to these questions.

#### **ALICE Threshold - Income = Unfilled Gap**

The ALICE Income Assessment is a tool to measure how much income a household needs to reach the ALICE Threshold compared to how much they actually earn. The ALICE Income Assessment is calculated by totaling the income needed to reach the threshold, then subtracting earned income as well as government and nonprofit assistance. The remainder is the Unfilled Gap, highlighted in Figure 15. On average, the income earned by ALICE and poverty-level households account for only 38 percent of the total needed to reach the ALICE Threshold.

Though not distributed equally, there are many resources available to low-income families. Social service nonprofits provide \$1.4 billion or 3 percent of income needed, government welfare programs spend \$2.2 billion or 5 percent, and government cash assistance delivers \$4.5 billion to households below the ALICE Threshold adding another 10 percent. Health care spending is \$8.6 billion, the largest single category, and adds a surprising 19 percent. The remaining 24 percent is the Unfilled Gap (additional details in Appendix F). In other words, it would require approximately \$11 billion in additional wages or public resources for all New Jersey households to have income at the ALICE Threshold.

Figure 15.  
**Categories of Income for Households below ALICE Threshold, New Jersey, 2010**



Source: Consolidated Federal Funds Report, U.S. Census; Community benefit report, N.J. Hospital Association; N.J. county budgets; Internal Revenue Service; See Appendix F.

## Definitions

**Income** = Wages, dividends, social security

**Nonprofit** = Human services' revenue not from the government or user fees

**Cash assistance** = Food stamps, SSI and TANF

**Government welfare** = Programs for jobs and human services

**Health** = Medicaid, Children's Health Insurance Program (CHIP), charity care, hospital spending

**Unfilled gap** = Shortfall to ALICE Threshold

The total public spending on New Jersey households below the ALICE Threshold, which includes poverty families, was \$16.7 billion in 2010 (see Figure 16). This total rose 14 percent from 2007. To put this \$16.7 billion in perspective, it is less than 3 percent of New Jersey's Gross Domestic Product (NJLWD, 2011).

## Details for Spending Categories in New Jersey

Federally funded programs for households below the ALICE Threshold totaled \$5.5 billion and were the largest source of government funding. Federal programs accounted for a third of non-health spending on low-income households in New Jersey in 2010. The programs can be broken into three categories: social services is the largest category spending \$3.6 billion on Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI) and Head Start. Food programs provided \$1.5 billion in assistance, and housing programs accounted for \$371 million.

State and Local Government assistance for households below the ALICE Threshold totaled \$1.2 billion, accounting for 15 percent of non-health spending in 2010. This includes funding for a wide array of health and human services programs for child care, youth, veterans, seniors, and people with disabilities.

Nonprofit support from human services organizations was more than \$1.4 billion, or 15 percent of resources for households below the ALICE Threshold. Although many nonprofits also receive government funding to deliver programs, the \$1.4 billion does not include government revenue or income from user fees. Most of the \$1.4 billion is raised by the nonprofits from corporations, foundations, and individuals. Human service nonprofits provide a wide array of services for households below the ALICE Threshold including job training, temporary housing, and child care.

Health care accounted for the largest single amount of money spent to assist low-income households, \$8.6 billion, just over half of all spending in 2010. It includes Medicaid, the Children Health Insurance Program (CHIP), Hospital Charity Care, and community benefits provided by New Jersey hospitals.

Figure 16.

### Sources of Public Resources for Households below ALICE Threshold, New Jersey, 2010

	(MILLIONS)
Federal	\$5,493
Social Services	\$3,574
Food	\$1,548
Housing	\$371
State and Local Government	\$1,191
Nonprofits	\$1,432
Health care	\$8,580
<b>TOTAL</b>	<b>\$16,696</b>

Source: Consolidated Federal Funds Report, U.S. Census; Community benefit report, N.J. Hospital Association; N.J. county budgets; Internal Revenue Service; See Appendix F.

## Public Spending per Household

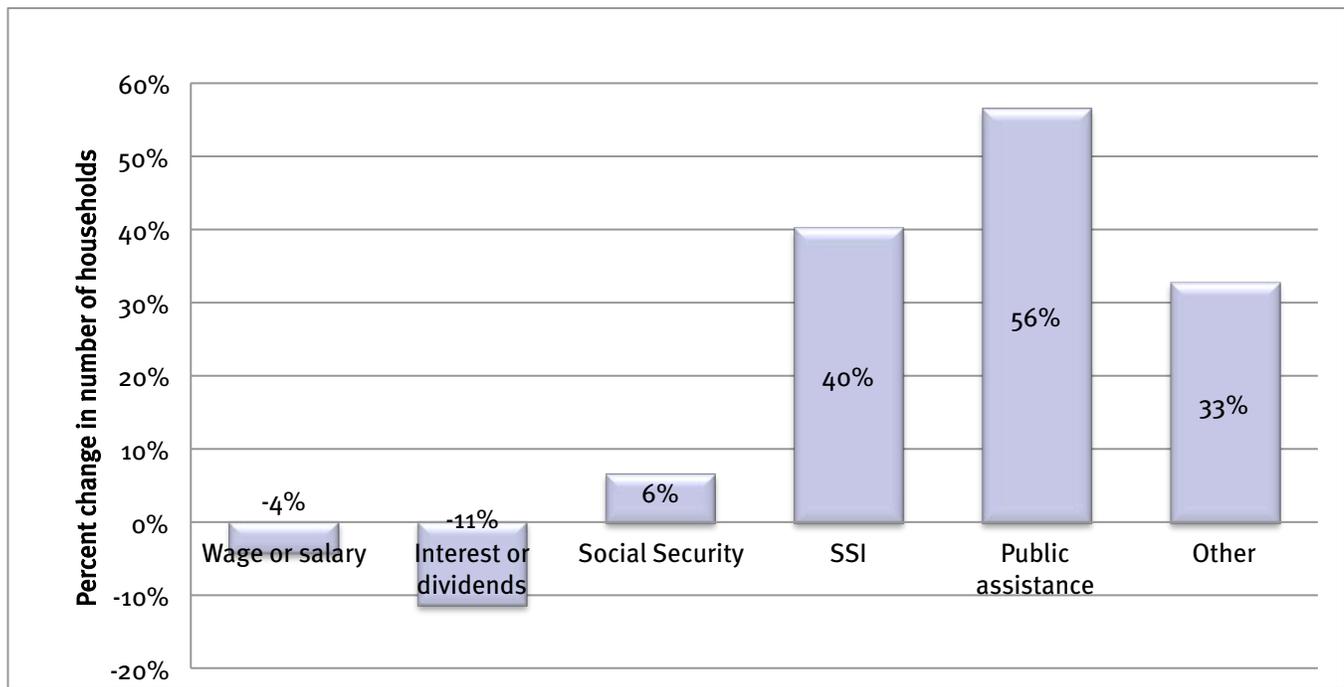
When looking at each household (not individuals) below the ALICE Threshold, the average benefit from federal, state and local government, and nonprofit sources in 2010 (excluding health care) was \$7,478, an increase of 2 percent from 2007 to 2010. However, because the number of ALICE and poverty-level households also increased, the spending per household dropped by 4 percent. On average, each household also received \$7,906 in health care resources from government and hospitals, up 20 percent from 2007. Thus, the average household below the ALICE Threshold received \$15,384 in cash and services in 2010 shared between all members of the household and spread throughout the year.

Despite the seemingly large amounts of welfare and health care spending, it is well documented that welfare benefits alone are not sufficient to provide financial stability for a family (Weaver, 2009). According to Wider Opportunities for Women (WOW), a Washington, D.C. based research organization, relying on a basic assistance package leaves a three-person family earning minimum wage 50 percent short for basic household expenses in almost every state. WOW also notes that a worker earning slightly more than minimum wage may be only just a little closer to economic security than those below as they do not qualify for many benefits (WOW, 2011). ALICE households would face great hardship without this support though; many more would be qualified as living below the FPL.

## Shifts in Public Assistance

The sources of income for households below the ALICE Threshold shifted from 2007 to 2010, while the number eligible for government assistance increased significantly. The changes included a decrease of 4 percent in wages and a 6 percent increase in households receiving Social Security income, both spurred by the poor economy and an aging population reaching retirement age. There was an 11 percent decrease in interest/dividend income, a clear impact of the stock market crash, see Figure 17. (For changes by county, see Appendix G.)

Figure 17.  
**Percent Change in Type of Income, New Jersey, 2007 to 2010**



Source: American Community Survey, 2007 and 2010

The biggest increases were in the number of households receiving government support. The number of households receiving Supplemental Security Income (SSI) increased by 40 percent. SSI includes welfare agency payments to low-income people who are 65 and older and to people of any age who are blind or disabled. The number of households receiving cash public assistance, which include temporary assistance and food stamps, increased by 56 percent. Other income, including child support as well as government unemployment compensation and payments to veterans, also increased by 33 percent.

### Health Care Assistance

The health care assistance per household requires special consideration. Many studies have found that a few people use a disproportionate share of health care while the rest use small amounts (HUD, 2010; Silletti, 2005; and Culhane, Park and Metraux, 2011). Therefore it is unlikely that many ALICE and poverty-level households received \$7,906 in health care resources. A very few probably received much larger amounts of health care assistance, while many ALICE families received much less. On average most ALICE households faced an Unfilled Gap of 24 percent, but for many their Unfilled Gap is 24 percent plus 19 percent from health care they did not receive, for a total Unfilled Gap of 43 percent.

## IV. WHAT ARE THE ECONOMIC CONDITIONS IN NEW JERSEY?

ALICE households face individual struggles, but do not live in a vacuum. Local economic conditions largely determine how many households fall below the ALICE Threshold. They also determine how difficult it is to survive without sufficient income to afford basic household necessities.

In order to understand the magnitude of the ALICE population in New Jersey, it is essential to recognize that economic conditions do not impact each socio-economic and geographically located group in the same way. For example, the state's GDP obscures great regional variation in the number of high-skilled jobs in different counties. The unemployment rate is one indicator that has been used successfully to reveal differences in the number of unemployed by county as well as job sector. But having a job is only part of the story. The full picture requires an understanding of types of jobs and their wages as well as cost of basic living expenses and community support.

### **Economic Viability Index**

For the first time, the Economic Viability Index is presented here to provide the means to better understand why so many households struggle to achieve basic economic stability throughout New Jersey, and why it is harder in some areas than others.

This new Index measures how counties perform on three dimensions: Affordability, Income Opportunities, and Community Support. It is a climate measure with scores presented on a scale from 1 (worst economic conditions for ALICE) to 100 (best economic conditions). The Index also provides the means to compare counties in New Jersey and to see changes over time.

The three dimensions of the Economic Viability Index are weighted as follows:

**Affordability (40%) + Income Opportunities (40%) + Community Support (20%)**

Affordability and Income Opportunities are the two primary economic factors that affect a household's economic survival, so each is weighted 40 percent of the total Index. Community Support can make a difference at the margins and therefore is weighted 20 percent.

The Index provides a striking picture of conditions worsening in every New Jersey county through the Great Recession. From 2007 to 2010, scores in all counties worsened by more than 11 percent; nine counties fell by more than 20 percent. Score results for each county are presented in Figure 18. (See Appendix H for sources, calculations, and comparable indexes.) In 2010, out of 100 possible points, no counties were close to economic stability. Morris County scored the highest with 61 points and Passaic County scored the lowest with 35 points.

Figure 18.  
Economic Viability Index

	2010 Score	2007 Score	% Change in Score
Atlantic	44	56	-24%
Bergen	52	60	-13%
Burlington	57	70	-20%
Camden	49	64	-25%
Cape May	46	53	-12%
Cumberland	36	51	-26%
Essex	40	54	-27%
Gloucester	49	67	-27%
Hudson	43	51	-20%
Hunterdon	59	68	-14%
Mercer	57	68	-19%
Middlesex	57	64	-11%
Monmouth	52	63	-18%
Morris	61	73	-16%
Ocean	46	58	-23%
Passaic	35	47	-29%
Salem	52	64	-19%
Somerset	58	70	-16%
Sussex	52	61	-14%
Union	47	56	-15%
Warren	57	63	-16%

Source: See Appendix H; also for comparable indices.

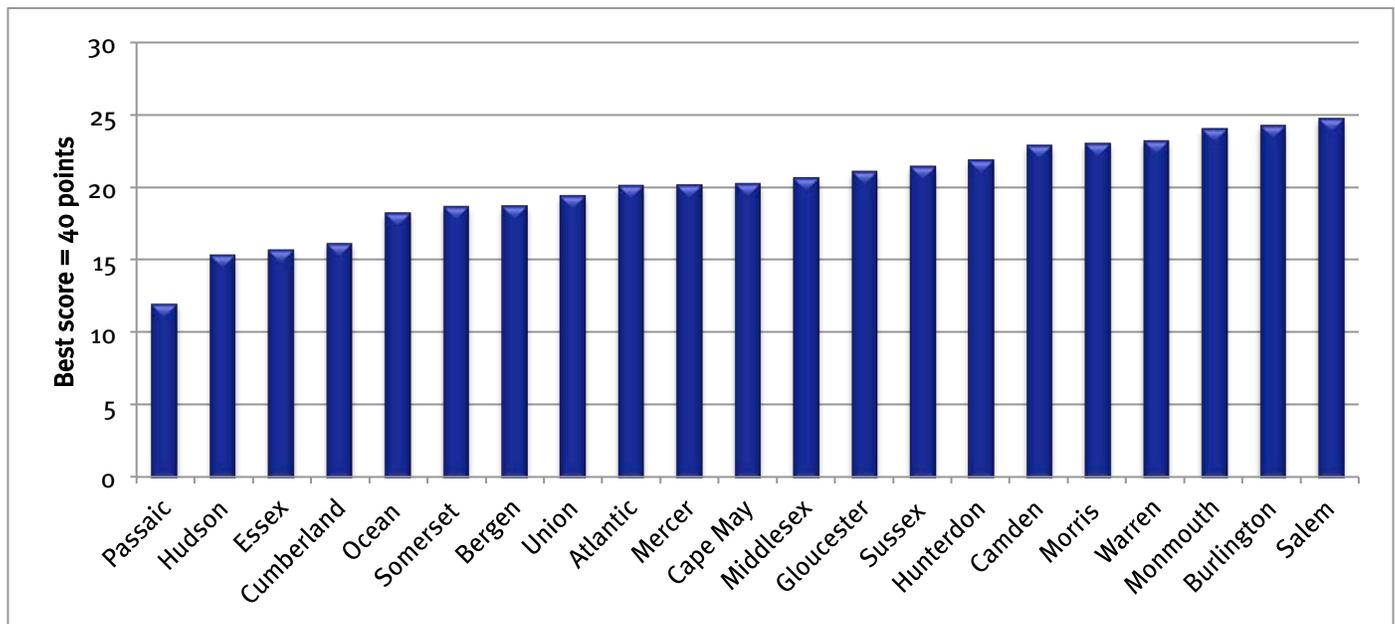
The three dimensions of the Index are now reviewed in turn. Each dimension is comprised of three indicators.

## The Affordability Dimension

### Key Indicators: Household Survival Budget + Health Insurance Coverage + Housing Burden

The three key indicators for the first dimension, Affordability, are the Household Survival Budget, health insurance coverage, and housing costs. The more affordable a county, the easier it is for a household to be financially stable. The counties ranged in Affordability scores, the least affordable was Passaic with a score of 12. While Salem was the most affordable with a score of more than double, 25, it was still well below the possible 40 points, see Figure 19.

Figure 19.  
Affordability by County, New Jersey, 2010



Source: See Appendix H.

The first key indicator, the Household Survival Budget, quantifies the cost of the essentials (housing, child care, food, health care, transportation) for those living in each county in New Jersey (see Section II). The higher the cost, the harder it is to survive, and for this Index, the lower the score. Costs range from \$19,155 for a single adult in Passaic County to \$30,488 in Somerset County, and \$45,422 for a family (two adults with one infant and one toddler) in Atlantic County to \$68,883 in Hunterdon County. While costs vary between counties, they increased in all counties from 2007 to 2010.

The second key indicator affecting a county’s Affordability dimension is health insurance. In 2010, 83 percent of the population under 65 years old had health insurance, public or private, down slightly from 84 percent in 2007 (those 65 years and older are covered under Medicare). However, county rates ranged more widely, from 77 percent in Hudson County to 92 percent in Hunterdon County (SAHIE, 2007; and American Community Survey, 2010). For the Index, the higher the rate of insurance coverage, the higher the Index score.

Health insurance is especially important for low-income households who do not have the resources to pay for a health emergency. Despite Medicaid and CHIP, low-income households are less likely to have insurance than high-income households in New Jersey. In fact, 21 percent of households with annual income under \$50,000 in New Jersey did not have health insurance compared to 12 percent of households earning \$75,000 to \$99,999 and 6 percent of households earning \$100,000 or more (American Community Survey, 2010).

The third key indicator in the Affordability dimension is the housing burden, which is especially high in New Jersey. The New York-New Jersey metro area is consistently ranked the least affordable area in the country (NAHB/Wells Fargo, 2011) and as such the housing burden is pronounced. ‘Housing burden’ is defined by HUD when housing costs exceed 30 percent of income, based on the premise established in the U.S. National Housing Act of 1937 that was the most a family could spend on housing and still afford other household necessities (Schwartz and Wilson, 2008). Almost half (45 percent) of New Jersey households paid more than 30 percent of their income on housing in 2010, up from 43 percent in 2007.

ALICE households in New Jersey are much more likely to be housing burdened than high-income households. In fact, for households with income below \$50,000, 80 percent paid more than 30 percent of their income on housing in 2010, as did 88 percent of households with income below \$35,000. In addition, 45 percent of these households face a severe housing burden – paying more than 50 percent of their income on housing (NLIHC, Housing Spotlight, 2012). Not surprisingly, the housing burden increased more for low-income households over the Great Recession than high-income households. For households with income below \$50,000, the number of owner-occupied units facing a housing burden increased by 5 percent, and for rental households by 8 percent (for breakdown by county see Appendix I).

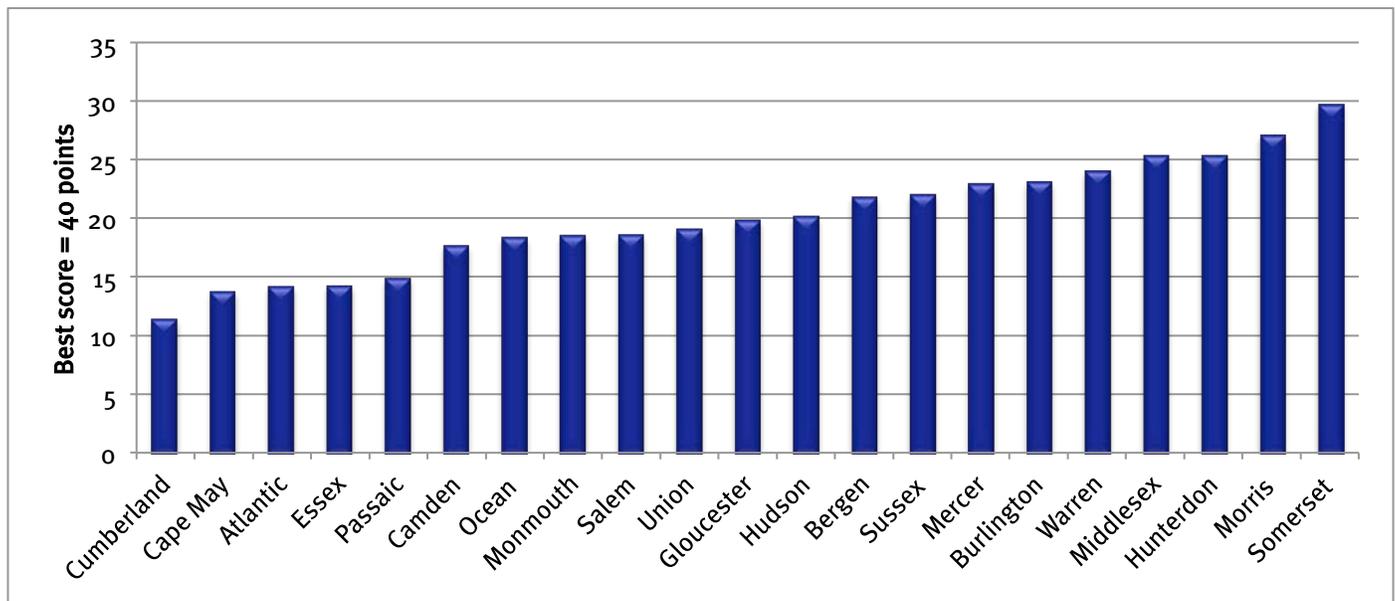
For the Index, the higher the housing burden, the harder it is to support a household and, therefore, the lower the Index score. The range in percent of households with a housing burden was 38 percent in Salem County to 54 percent in Passaic County.

## **The Income Opportunities Dimension**

### **Key Indicators: Income Distribution + Employment Rate + New Hire Wages**

This part of the Index focuses on Income Opportunities for the population in general and for low-income households in particular. The key indicators for this dimension are income distribution, the employment rate, and new hire wages. The more income opportunities in a county, the more likely it is for a household to be financially stable. The indicators are weighted so that 40 is the total possible points. The largest variation in the Index was between counties on the Income Opportunities dimension. The county with the fewest income opportunities was Cumberland County with a score of 11. Somerset County had the most income opportunities with a score almost three times higher, 30; see Figure 20.

Figure 20.  
**Income Opportunities by County, New Jersey, 2010**



Source: See Appendix H.

The first indicator in Income Opportunities is income distribution as measured by the share of income for the lowest two quintiles. The more evenly income is distributed across the quintiles, the greater the possibility low-income households have to achieve the county's median income, and therefore the higher the Index score.

Sussex County has the mostly evenly distributed income and thus its residents have the best chance of earning the county's median income of \$84,100. Essex County has the most unequal distribution of income with large numbers of households far below, and above, the median income of \$52,394, evidenced by the range of median household incomes among Essex County municipalities. The county's poorest city, Newark, has a median household income of \$35,659, while Essex Fells, 12 miles away, has a median household income of \$182,031 (American Community Survey, 2006-2010).

The second indicator in the Income Opportunities dimension is the employment rate. Having a job is obviously crucial to income and income stability. The higher the unemployment level, the fewer opportunities there are for earning income, therefore the lower the Index score.

In January 2010, New Jersey's unemployment rate hit a 33-year high of 10.1 percent (Hester, 2010). Among counties, the rate of unemployment ranged from 13.3 in Passaic and Salem counties to 7 percent in Hunterdon County. By contrast, in 2007 the highest rate of unemployment in any county in the state was 7 percent (American Community Survey, 2007 and 2010).

While having a job is essential, having a job with a salary high enough to afford the cost of living is also important. The third indicator for Income Opportunity targets the current wage environment, using the ‘average wage for new hires’ as reported by the New Jersey Department of Labor and Workforce Development. The higher the wage, the greater the contribution employment can make to household income and, therefore, the higher the Index score.

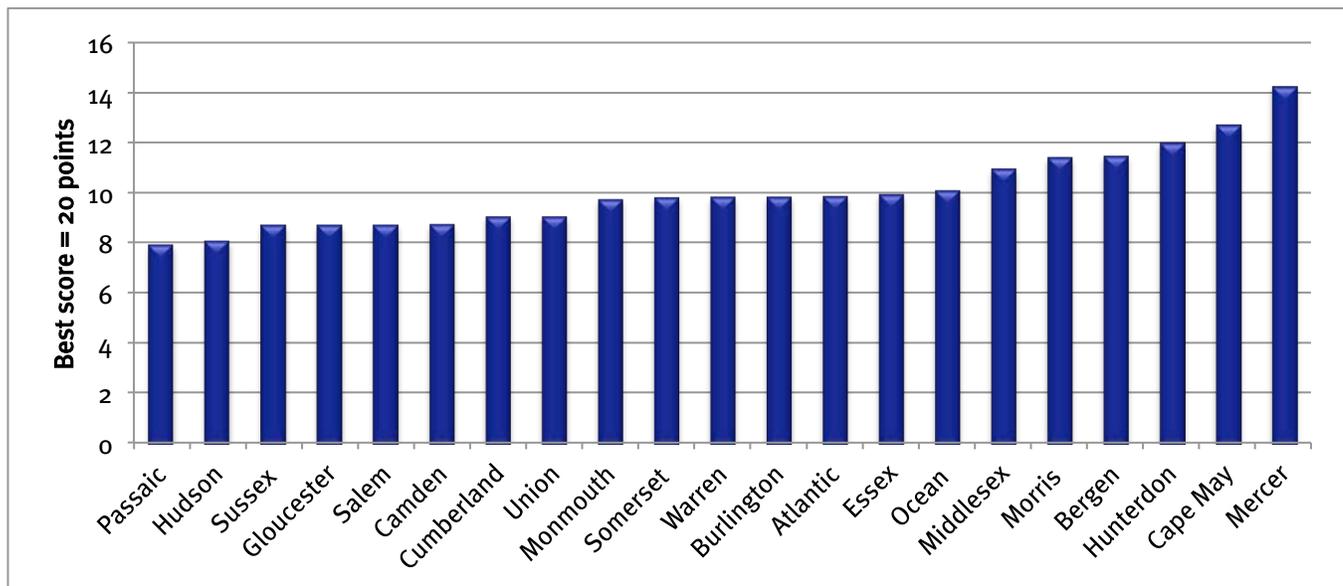
The average wage for a new hire in New Jersey was \$2,900 per month in 2010. There was huge variation between counties: new hires in Atlantic County earned \$2,058 per month while new hires in Somerset County earned more than double with \$4,221. This significant variation indicates that there are very different kinds of jobs available in different locations.

## The Community Support Dimension

### Key Indicators: Violent Crime Rate + Nonprofits + Access to Basic Health Care

The more community support in a county, the more resources a household has to draw upon to secure financial stability. The key indicators for the third dimension, Community Support, are the violent crime rate, the size of the human services nonprofit sector, and access to basic health care. The indicators are weighted so that 20 is the total possible points. County scores for Community Support ranged from a low of 8 in Passaic County to a high of 14 in Mercer County, see Figure 21.

Figure 21.  
Community Support by County, New Jersey, 2010



Source: See Appendix H.

There is nothing more basic to economic prosperity than personal safety. The first indicator of Community Support is how well the population is protected, able to live and work in safety. The indicator used to assess safety is the Violent Crime Rate per 1,000 inhabitants. Higher crime rates make it literally harder to survive; it also depresses the availability of good jobs nearby, and therefore lowers the Index score. Mercer County had the lowest rate at 0.5 violent crimes per 1,000 residents while Essex County had the highest at 6.7, a range that stayed fairly stable from 2007 to 2010 (Uniform Crime Reports, N.J. State Police, 2007 and 2010).

Not surprisingly, high crime areas are also low-rent areas (Ihlanfeldt and Mayock, 2009; Lynch and Rasmussen, 2001; Gibbons, 2004). While there is much debate on the cause and effect, it is clear that living in an area where one feels unsafe makes it difficult to meet daily living requirements easily, including working, food shopping, accessing child care, or even trying to maintain better health by walking outdoors.

The second indicator in Community Support is the impact of human service organizations, as measured by the annual payroll of human services nonprofits per capita. Nonprofits with higher payroll per capita are assumed to have more community impact, and provide more support to local low-income households; resulting in a higher Index score.

There is a wide range in nonprofit sector activity among counties. The smallest nonprofit sector was in Salem County, where the nonprofit payroll per capita was just \$652. Mercer County had the largest with \$19,802. As the home of the state capital, Mercer County is likely benefitting from nonprofits locating their head offices near Trenton. The next largest payroll per capita was \$7,684 in Morris County. Thus, the ability to provide support and services to households in Morris County was 12 times greater than in Salem County.

Another sign of the impact of the Great Recession is the fact that nonprofit revenues in 2010 were down significantly from 2007. The biggest nominal drop was in Mercer County, over \$5,200 per capita, and the largest percentage drop was in Somerset County, 36 percent (National Center for Charitable Statistics, 2007 and 2010). Unfortunately, this is the same period when demand for these services increased.

The third indicator in Community Support, and fundamental to economic opportunity, is access to basic good health care. Health insurance alone (especially Medicaid) is not a guarantee of access to basic health care in New Jersey. The health of income earners and their families impacts a worker's ability to attend work and to perform their job. To assess a community's ability to provide basic health care, rather than emergency care, this indicator measures the payroll per capita of outpatient care centers. These centers include basic health services, family planning, mental health, and substance abuse programs. They can either stand-alone or be housed within a hospital. The higher the annual payroll per capita, the more access households should have to basic health facilities and, therefore, the higher the Index score.

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The county with the least health care facilities was Sussex County, measured by outpatient centers annual payroll of \$26 per capita, while the most was in Cape May County with annual payroll of \$221 per capita. With recent changes to the nation's health care industry, combined with the Great Recession, it is not surprising that change in outpatient centers' payroll since 2007 are wide ranging. Seven counties saw increases in annual payroll per capita of more than 40 percent, while seven other counties saw declines. In total, the number of outpatient centers increased by 7 percent and the annual payroll increased by 10 percent across the state (County Business Patterns, U.S. Census, 2007 and 2010).

## **Economic Viability and Quality of Life**

Each of the indicators presented in the Economic Viability Index provides insight into the economic conditions that ALICE households face in their community. Of course, with almost half of New Jersey workers commuting to work outside their home county, the Index does not reflect the exact conditions each household faces. The large number of commuters is not surprising however when you consider the wide variation between counties in wages and affordability, and there are no counties scoring high on both.

Monmouth University's Garden State Quality of Life Index provides an opportunity to compare economic viability with quality of life. The Quality of Life Index reports on New Jersey residents' overall perceptions of the quality of life in their state, their hometowns, local schools, the environment, and crime (Murray, 2010). Interestingly, there was a general trend of agreement between the Quality of Life Index and the Economic Viability Index. In both indices, Morris County scored the highest followed by Hunterdon County. At the other end of the spectrum, Cumberland, Passaic, and Essex counties scored the lowest in both indices, though in different order. Although there is great variation in between, in general the counties with the higher median incomes scored higher on both indices. The correlation between the two indices suggests that basic economic conditions are a prerequisite to a higher overall quality of life.

## V. THE CONSEQUENCES OF INSUFFICIENT HOUSEHOLD INCOME

When households face difficult economic conditions and cannot afford basic necessities, they are forced to make difficult choices and take risks. When their situation gets worse, as it did through the Great Recession, more households are forced to make even harder trade-offs. How do these households survive? This section focuses on the specific problems that arise in the areas of housing, child care, food, health care, and transportation as well as income. These problems have consequences for ALICE households as well as the broader community, see Figure 22.

Figure 22.

### Consequences of Households Living Below the ALICE Threshold in New Jersey

	Impact on ALICE	Impact on Everyone
<b>HOUSING</b>		
Substandard	Inconvenience and safety risks	Reduce local property values
Far from job	Longer commute, higher costs, less time	More traffic on road, workers late to jobs
Homeless	Disruption to job, family, education, etc.	Cost for shelter, foster care, health care
<b>CHILD CARE</b>		
Substandard	Safety and learning risks; health risks	Future burden on education system
None	One parent cannot work - foregoing immediate income and future promotions	Future burden on education system and other social services
<b>FOOD</b>		
Less healthy	Poor health; obesity	Less productive worker, future burden on health care system
Not enough	Poor daily functioning	Even less productive worker, future burden on social services
<b>TRANSPORTATION</b>		
Old car	Unreliable transportation and risk accidents	Worker late/absent from job
No insurance	Risk of fine, accident liability, license revoked	Higher insurance premiums, unsafe vehicles on the road
No car	Limit job opportunities/access to health care	Cost for special transportation
<b>HEALTH CARE</b>		
Underinsured	Forego preventative health; more out of pocket expense; less healthy	Workers sick in the workplace, spread illness, less productive
No insurance	Forego preventative health care; use emergency room; less healthy	Higher insurance premiums; burden on health care system
<b>INCOME</b>		
Low wages	Longer work hours; pressure on other family members to work (drop out of school)	Tired or stressed worker; higher taxes to fill the gap
No wages	Frustration of looking for work and social services	Less productive society; higher taxes to fill the gap
No savings	Low credit score, bank fees, higher interest rates	Less stable financial system; more public resources need to address ALICE crises

## HOUSING

As the cornerstone of financial stability, the cost of housing plays a critical role in ALICE's household budget. Housing is challenging in New Jersey due to the general high cost and lack of available low-cost units. Homelessness is the worst possible outcome for households below the ALICE Threshold, but there are lesser consequences that still take a toll. The most common result is for households below the ALICE Threshold to spend excessive portions of income on rent and utility costs – and forgo other basics such as food, medicine, heat, or child care (NLIHC, Housing Spotlight, 2012). Other families are forced to move or live in units that are substandard; some face foreclosure.

The New York-New Jersey metro area has the least low-cost housing in the country with only 29 percent of homes considered affordable for the median income (NAHB/Wells Fargo, 2011). The availability of affordable housing is a particular problem in New Jersey. According to the National Low Income Housing Coalition, there are only 41 housing units designated as affordable per 100 low-income households in New Jersey (NLIHC, Housing Spotlight, 2012).

New Jersey's affordable housing programs reach a large number of households across the state, but fall far short of what is needed. According to the New Jersey Department of Community Affairs, New Jersey issues more than 55,000 section 8 housing vouchers and provides another 177,000 affordable housing units, reaching a total of 232,000 households (NJDCA, 2010). While this is a large undertaking, it is not enough. With 308,000 households in poverty, that means a gap of at least 76,000 units for just poverty households. When ALICE households are considered, there is an even bigger shortage. Thus, ALICE households face difficult housing choices.

### Renters

ALICE households are more likely to be renters and renters are more likely to have moved in the last few years (American Community Survey, 2010). A change in housing location has a range of costs, from financial transition costs and reduced wages due to time off work, to social start-up costs for new schools and becoming invested in the community. Of New Jersey households with income less than \$50,000, 53 percent were renters compared with 30 percent for the total population. In New Jersey, the estimated mean wage for a renter in 2011 was \$16.40 per hour. In order to afford the Fair Market Rate (FMR) for a two bedroom apartment at this wage, a renter must work 61 hours per week, 52 weeks per year (NLIHC, Out of Reach 2012, 2012).

### Foreclosures

When ALICE households are homeowners, they are more likely to have a sub-prime mortgage. Almost by definition, most sub-prime mortgages were sold to low-income households, and now these households are the majority of foreclosures. In 2010, New Jersey ranked third in the nation in the number of loans either in foreclosure or on the brink and had a delinquency rate of 11 percent, up from 8 percent in 2008, according to the Mortgage Bankers Association. For comparison, the percentage of delinquent borrowers historically has been 1.1 percent (Demarco, 2011). As a result, more than

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100,000 New Jersey homeowners are currently dealing with foreclosures (Center for Responsible Lending, 2011). For an ALICE household, a foreclosure results not only in the loss of a stable living place and their primary asset, but also reduces their credit rating, creating barriers to future home purchases and even rentals (Federal Reserve Board, 2008). With few or no other assets to cushion the impact, ALICE households recovering from foreclosure often have difficulty finding new housing.

## **Substandard Units and Homelessness**

One source of low-cost housing is those that are in need of repair or are in locations with high crime rates, run-down infrastructure, no public transportation, or far from grocery stores and other necessities. In 2010, 78,928 housing units lacked complete kitchen facilities, 43,156 lacked complete plumbing facilities, and 117,307 households were overcrowded (American Community Survey, 2010). Crowding worsened through the Great Recession, with the number of children living in crowded housing in New Jersey increasing by 11 percent from 2005 to 2009 (Advocates for Children of New Jersey, 2011).

If a household cannot pay the rent and is evicted, it starts a downward spiral with bad credit, destabilized work, school, and family life, and can ultimately result in homelessness. Some households move in with relatives, threatening their stability. Others move to public assistance housing and homeless services. For those living with a severe disability, not being able to afford rent may force them to reside in costly and medically unnecessary institutions (Legal Services of N.J., 2003).

## **CHILD CARE**

The consequences of not having child care are two-fold: the child may not gain pre-learning skills necessary for success in kindergarten and beyond, and one parent has to forego work, limiting future earning potential (Alliance for Excellent Education, 2006 and 2011). As discussed in the Household Survival Budget, child care in New Jersey is expensive, and generally the higher the quality, the higher the cost. The quality of child care is difficult to assess, but one indicator is National Association for the Education of Young Children (NAEYC) accreditation, which is certification of basic safety and staff training. Currently, 7 percent of New Jersey's 3,900 licensed child care centers are accredited and 1 percent of registered family child care centers (also known as in-home centers) are accredited (NAEYC, 2008; and NJACCRRRA, 2010).

The average cost of licensed, accredited child care centers in New Jersey in 2010 was \$932 per month for an infant and \$770 per month for a 4 year old. By comparison, family child care centers cost \$684 per month for an infant and \$588 per month for a 4-year-old (National Association of Child Care Resource and Referral Agencies NACCRRRA, 2011). To save money, parents may use unlicensed, home-based child care. Though less expensive, the safety, health, and learning quality is questionable.

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To help make child care affordable, New Jersey's Department of Human Services' subsidizes 59,400 child care slots, reducing costs on average from \$588 per month to less than \$263 per month in 2009. But there are not enough subsidies for the 273,000 children living in poverty, let alone the 300,000 or more children from ALICE families.

The value of good child care is well documented (Haskins, 2011; Childhood Trends, 2011; McCartney, 2008). Early learning experiences that help build social skills as well as pre-learning skills have social and economic benefits for children, parents, employers, and society as a whole - both now and in the future. Alternatively, poor quality child care can slow intellectual and social development, and low standards of hygiene and safety can lead to injury and illness for children. Inadequate care affects parents and employers as well, resulting in absenteeism, tardiness, and low productivity.

Some child care can be covered with publicly-funded preschools. Currently, 8 percent of the under 5 population is enrolled in publicly-funded preschools in New Jersey, however there is no breakdown of these children by income level. Preschool enrollment has remained stable from 2005 to 2010 at just less than 50,000 children. Double that number, 115,229 children, are enrolled in kindergarten. However, nearly a quarter of kindergarten programs are half-day. For working parents, this requires additional spending for after-school care (NJACCRRRA and American Community Survey, 2010).

## FOOD

Having enough food is a basic challenge for ALICE households; healthy food options are even less accessible. The number of households in New Jersey experiencing food hardship increased from an average of 7.7 percent in 2004-2006 to 11.5 percent in 2007-2009 (USDA, November 2010). As of 2010, 1.1 million people were living in food insecure households in New Jersey (Map the Meal Gap, March 2011).

From 2007 to 2010, the number of children receiving NJ SNAP (New Jersey's food stamp program) increased by 58 percent (Advocates for Children of New Jersey, 2011), and the total number of households receiving federal food stamps or NJ SNAP increased by 66 percent (American Community Survey, 2007 and 2010). The Community Food Bank of New Jersey reports a 40 percent increase in need from 2008 to 2010, forcing an increase in distribution from 23 to 37 million pounds of food during that time period (CFBNJ, 2011).

With many low-income households working long hours at low-paying jobs, and faced with higher food prices and often minimal access to fresh food, cooking at home is challenging. While fast food is more convenient, it is usually less healthy. The USDA found that there was reduced quality, variety, or desirability of diet in 12 percent of the New Jersey population in 2010. Another contributing factor is housing; affordable housing is often located away from grocery stores and healthy food options. In New Jersey, 22 percent of neighborhoods (measured in Census tracts) did not have a healthy food retailer within one-half mile of its boundary in 2008 (Kaiser Family Foundation, 2009).

As a result, 63 percent of adults in New Jersey do not consume fruit two or more times per day, and 62 percent are overweight or obese (Kaiser Family Foundation, 2010). Obesity rates have increased over time across all counties, and the state average increased from 18.5 percent in 2000 to 24.8 percent in 2010 (Centers for Disease Control and Prevention, 2010).

The USDA has long recognized the link between diet and increased risk of chronic diseases such as coronary heart disease, cancer, stroke, diabetes, hypertension, and osteoporosis. The department argues that healthier diets would prevent excessive medical costs, lost productivity, and premature deaths associated with these conditions (Frazão, 1999). Thus, not enough income to afford healthy food has consequences for ALICE's health as well as future health care costs for the community.

## TRANSPORTATION AND COMMUTING

Housing and transportation are closely linked in New Jersey. To find less expensive housing, many families have to move farther away from their employment. Long commutes add cost (car, gas, child care) and reduce time for other activities such as shopping and cooking healthy food, exercise, and community and family involvement. The scenario is unique for the NY-NJ-PA metro area, which had the longest mean commute of all metro areas in the U.S. with 34.6 minutes in 2009 (McKenzie and Rapino, 2011).

Commuting impacts most workers in New Jersey. Excluding those who work from home, more than half of New Jersey workers commuted more than 25 minutes to work in 2007 and 2010 and more than 45 percent of New Jersey residents commuted to work outside their county of residence. With a limited public transportation infrastructure in New Jersey, the number of neighborhoods where low-income households can afford housing and be close to public transportation is limited. Because cars are cheaper than rent, most low-income households move further away and are dependent on a car for transportation to work.

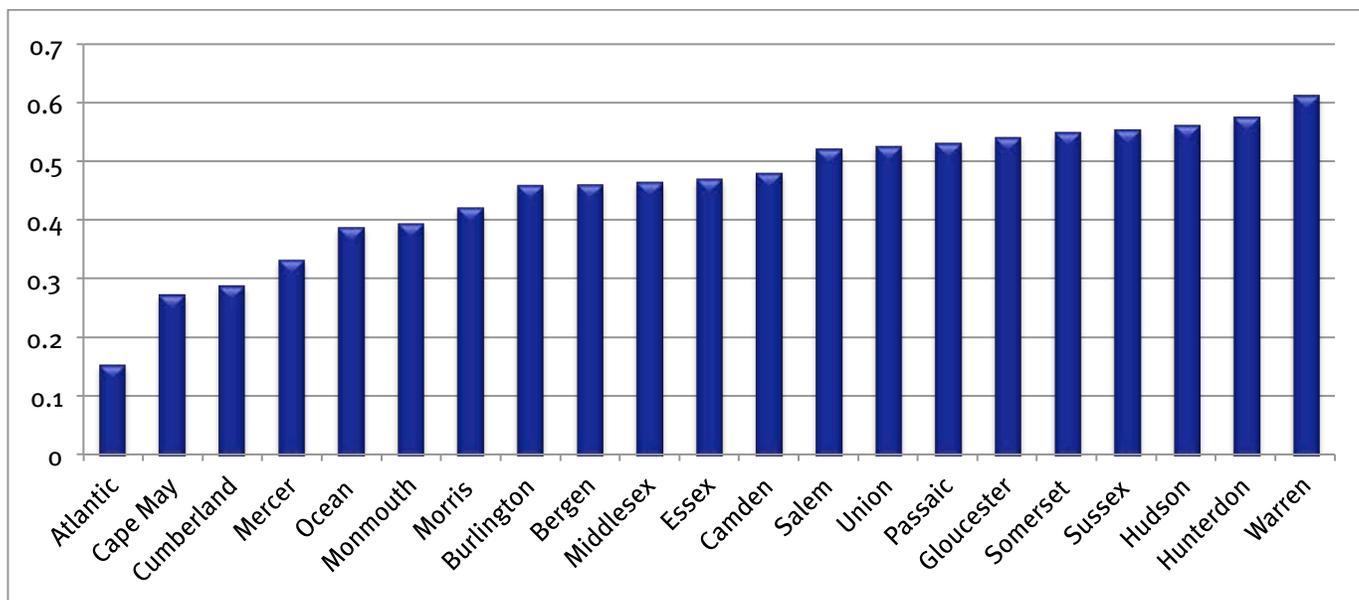
Between counties there is large variation in commuting, see Figure 23. Warren County has the largest percentage of residents commuting outside the county with 61 percent, and Atlantic County has the lowest with 15 percent. Almost half of Hunterdon County residents reported driving more than 90 minutes a day to and from work (Murray, 2010) while the average commute for Cape May and Atlantic county residents is less than 20 minutes (American Community Survey, 2010).

Another way of looking at the impact of commuters is to consider the number of housing units that would be required to house all the workers necessary for jobs in the county. According to the commuting data, 1.7 million housing units would have to change hands, as well as price, so workers could afford to live closer to their jobs.

Because ALICE households have little or no savings, they are often forced to drive inexpensive cars of low quality or high mileage. Nationally, for low-income families, the median car value is \$4,500, or about a third of the \$13,000 median value of cars owned by middle-income families. These lower value

cars are more likely to be older, less reliable, and in need of repair. In New Jersey, low-income households have, on average, only one car which causes hardship getting to work and child care when under repair (Legal Services of New Jersey, 2010.)

Figure 23.  
**Portion of Workers Commuting Outside Home County, New Jersey, 2010**



Source: American Community Survey, 2010.

One way low-income households fill the income gap is by skimping on expenses. One of those is car insurance. The percentage of uninsured motorists in New Jersey in 2009 was 11.2 percent, up from 8 percent in 2007 (Insurance Research Council, 2009 and 2011). Uninsured and under-insured motorist coverage adds roughly 8 percent to an average auto premium (McQueen, 2008). These drivers risk severe future emergency expenses if they are in an accident.

Another cost-savings strategy is not registering the vehicle, saving the annual fee and possibly repairs necessary for it to pass inspection. Vehicles without registration are impounded immediately and the owner is responsible for the towing and storage fee, as well as a fine and possible court fees (New Jersey Statute 39:3-4). As such, these strategies may provide short-term savings, but have long-term consequences.

## HEALTH

Quality of health directly correlates to income. As such, low-income households are more likely to be obese and to have poorer health in general (BRFSS, 2010; N.J. Health Index, N.J. DataBank, 2012). One factor is the high cost of health care. In fact, 872,000 adults in New Jersey, 13.1 percent, reported not seeing a doctor in 2010 because of cost (Kaiser Family Foundation, 2011).

A major contributing factor is the lack of health insurance. While 17 percent of the total New Jersey population under 65 years old did not have health insurance in 2010, 29 percent of those under the ALICE Threshold were without health insurance. In general, the national rate of health insurance coverage for low-wage workers has fallen steadily over the last three decades, by 14-22 points for the bottom two quintiles (Schmitt, 2012).

Less income also increases the use of emergency rooms. The number of hospital emergency room visits is high and increased 6 percent in New Jersey from 376 per 1,000 population in 2006 to 400 in 2009 (Kaiser Family Foundation, 2009). The result has been an increase in health insurance premiums, charity care, Medicare, and hospital community assistance (U.S. Bureau of Labor Statistics, 2010; Kaiser Family Foundation, 2011).

Another hidden health care cost is that of caring for the elderly or someone living with a disability. Caregiving for a family member is costly for families both in the time devoted to care and in the time taken away from employment. The AARP estimates that there were more than 1.7 million caregivers in New Jersey in 2009, donating 1.1 billion hours of care. At an hourly wage of a typical home health aid, \$11.59, that totals more than \$13.2 billion dollars (AARP, 2011). That is a third higher than total Medicaid spending in New Jersey. Many caregivers are forced into the role because they cannot afford outside care. However, families of all income levels may choose to care for family members themselves.

The consequences of poor health for households below the ALICE Threshold perpetuate the cycle. When health issues prevent workers from doing their job or doing it well, their wages suffer. Less income leads to less preventative health care or stabilizing medication. These can lead to additional long-term costs and potentially life-threatening consequences.

Health care is closely linked to other basic necessities. The 2011 Robert Wood Johnson Foundation survey of physicians across the United States concluded that "medical care alone cannot help people achieve and maintain good health if they do not have enough to eat, live in a dilapidated apartment without heat, or are unemployed." Physicians report that their patients frequently express health concerns caused by unmet social needs - the conditions in which people are born, grow, live, work, and age. Four in five physicians surveyed say unmet social needs are directly leading to worse health. The top social needs include: fitness program (75 percent), nutritious food (64 percent), transportation assistance (47 percent), employment assistance (52 percent), adult education (49 percent), and housing assistance (43 percent) (Robert Wood Johnson Foundation, December 2011).

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## TAXES

The conventional view may be of low-income households receiving government assistance, but from this Report it is clear that they contribute to the economy by working, buying goods and services, and paying taxes. While there is some relief for the elderly and the lowest income earners, most ALICE households pay about 15 percent of their income in taxes. Only the very low-income, earning less than \$16,400 for a couple or \$9,500 for a single individual (well below the poverty rate), are not required to file taxes (IRS, 1040 form, 2010). However, when households cannot afford to pay their taxes, they increase the cost to those who do. They also incur the risk of being audited and paying fines and interest in addition to the original amount due.

## CONCLUSION - FUTURE PROSPECTS FOR ALICE HOUSEHOLDS

As this Report has documented, despite \$16.7 billion in spending by government, nonprofits, and hospitals, there are still 1.1 million households in New Jersey struggling financially. ALICE households would face great hardship without this support, causing many more to be in poverty. However, these efforts have not solved the problem. The majority of government programs are intended to help the poor to have basic housing, food, clothing, medical care, and education (Hoskins, 2011, p. 29), not enable economic stability. This is most clear with Social Security spending; senior households are largely above the FPL, but still below the ALICE Threshold for economic stability.

To conclude, this section identifies the obstacles to economic stability in New Jersey for households below the ALICE Threshold. The most immediate impediment is the stubbornly high rate of unemployment, close to 9 percent, still far from the pre-Great Recession rate of 4.3 percent. Long-term structural changes to the job market, including underemployment and the dominance of the service sector, are also cause for concern. In addition, ALICE households face problems such as the lack of supply of low-cost housing, the uncertain future of many child care agencies, longer commutes, and declining health.

Only large-scale economic and social changes will significantly reduce the number of households below the ALICE Threshold, or ease the consequences and hardship of those struggling to achieve economic stability in New Jersey.

### Employment

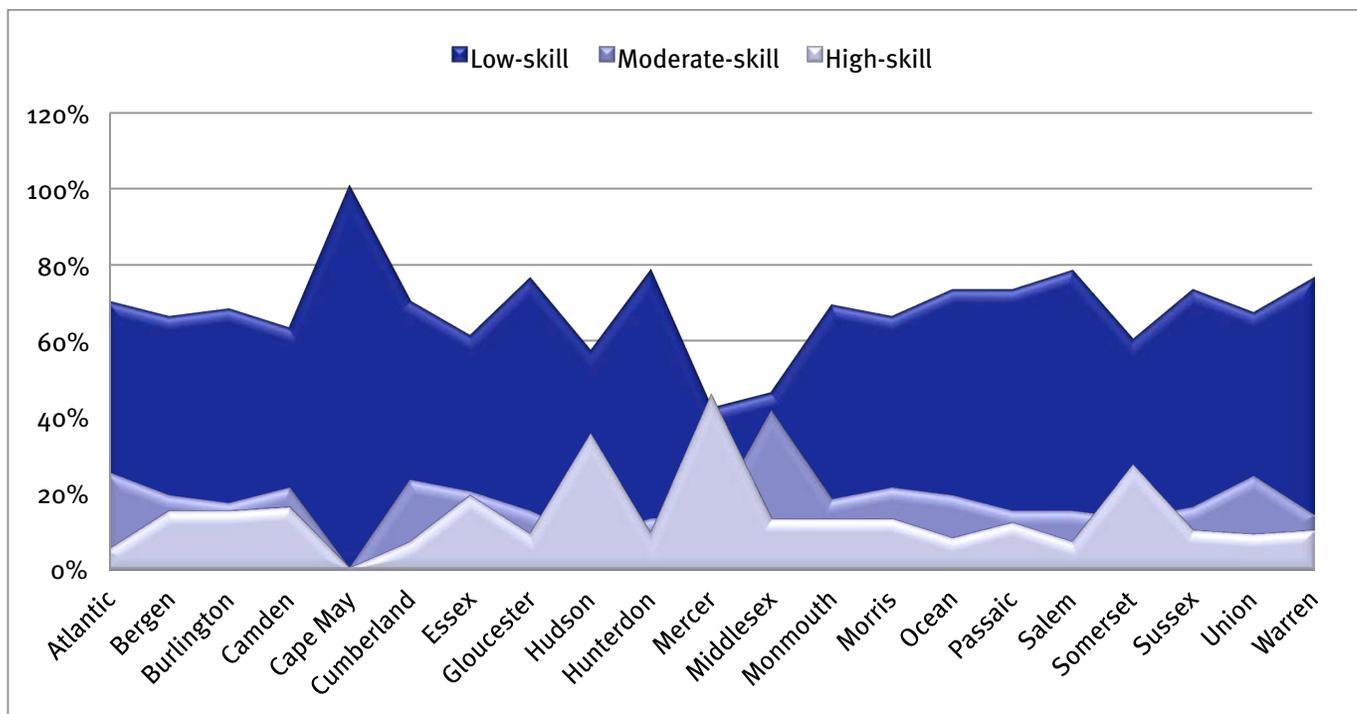
Future income opportunities will be limited for ALICE households due to high underemployment, continued dominance of low-paying jobs, and the lack of demand for jobs requiring more education.

In New Jersey, there remain a significant number of individuals who are underemployed, defined as those who are involuntarily working part-time or unemployed and have stopped looking for work. Through the Great Recession, there was a significant rise in underemployed individuals from 7.4 percent in 2007 to 15.7 percent in 2010. Reduced work translates directly to a reduction in income (Jorgensen, 2011). Long-term unemployment continues to be a problem as explained by Ben Bernanke, the Federal Reserve Chairman: "Because of its negative effects on workers' skills and attachment to the labor force, long-term unemployment may ultimately reduce the productive capacity of our economy" (Bernanke, 2012). It will take significant job growth in New Jersey to absorb the unemployed as well as the underemployed.

Looking ahead at the job market, according to the New Jersey Department of Labor and Workforce Development, the workforce in each New Jersey county will continue to be dominated by low-skilled jobs. In the occupations with the most projected job openings from 2008 to 2018, low-skilled jobs have the largest share, see Figure 24. All but three counties expect more than 60 percent of new jobs to be low-skilled. The best prospects are in Mercer with 58 percent of new jobs projected to be

median- and high-skilled occupations, Middlesex with 54 percent, and Hudson with 43 percent. On the other end of the spectrum, all of Cape May County’s job growth is expected to come from low-skilled occupations (NJLWD, 2011, and Appendix J).

Figure 24.  
**Projected Occupational Demand by Skill Level, by County, 2008-2018**



Source: New Jersey Department of Labor and Workforce Development, Community Fact Book, 2011.

Statewide numbers are more optimistic, low-skilled jobs are predicted to account for 43 percent of new jobs in the state by 2018 and 49 percent of total jobs. Moderate-skilled jobs will account for 19 percent of new jobs and 22 percent of total jobs, and high-skilled jobs will account for 38 percent of new jobs and 29 percent of total (NJLWD, 2011). Because they are not supported by the county numbers, it’s hard to determine where these medium- and high-skilled jobs will come from.

With a limited number of high-paying jobs, there is no guarantee that the newly educated will find a high-paying job, as many recent college graduates are now discovering. This is part of a national trend whereby recent college graduates are less gainfully employed. According to a recent national study, only 51 percent of college graduates from the classes of 2006 through 2011 were working full-time in 2012 (Stone, et. al., 2012). According to the Economic Policy Institute, the education and training levels necessary for the labor force of 2020 will not require a significantly greater level of education than workers currently possess (Thiess, 2012). As such, the traditional formula of more education and training to generate better and more equitable outcomes does not hold true in today’s economy.

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## Housing

The high cost of housing will continue to be the biggest demand on the Household Survival Budget. With the aging of baby boomers, there will be additional pressure on the low-end of the market as workers retire and downsize their homes. Unless the housing stock changes, there will be more households competing for the same number of small and low-cost housing units in New Jersey. Compounding the situation is the fact that current zoning laws in New Jersey limit the potential for new small or low-cost housing units to be built in economically prosperous areas. Thus, unless the price for single-family homes on large lots decreases substantially or zoning laws are changed, many low-income New Jersey households will continue to live farther away from their jobs (Hasse, et. al, 2011.)

## Child Care

Another consequence of the increase in unemployment and underemployment through the Great Recession is that many child care centers in New Jersey are facing a crisis in decreasing enrollment. Needing a critical mass of full-time paying children to operate, many are facing mergers, consolidation, or closing altogether. Such changes will make it harder for working parents to get back to work and have long-term implications for children's school readiness.

## Transportation

Traffic is a perennial problem in New Jersey that will only increase as the high cost of housing persists and road infrastructure ages. New Jersey ranked last in the U.S. Chamber of Commerce's index of transportation infrastructure. With pressure on the state budget for years, investment in public transportation and improved roads has been delayed or cancelled so that now New Jersey has the least available and accessible infrastructure, poor quality of service (reliability, predictability, and safety), and low capacity to accommodate growth (U.S. Chamber of Commerce, 2010). Better roads would reduce the time and strain of long commutes for ALICE commuters. More public transportation would reduce commuting costs and road congestion.

## Health

The trend for low-income households to have poor health will increase as health costs rise and the New Jersey population ages. Low-income households are more likely to be obese and have poor health status – long-term drivers which will increase health care needs as well as costs in the future. The situation may be reversed or at least slowed by the Affordable Health Care for America Act, but its impact is not yet clear. New research from the Harvard School of Public Health shows that health insurance coverage not only makes a difference in health outcomes, but also decreases financial strain (Baicker and Finkelstein, 2011). Expanded health insurance coverage and more efficient health care delivery would improve conditions for all households below the ALICE Threshold.

## Short, Medium and Long-term Strategies

Efforts to assist ALICE and poverty-level households in supporting themselves can be broken down into short-, medium-, and long-term actions. Short-term intervention by family, employers, nonprofits, and government can be essential to supporting a household through a crisis and preventing a downward spiral to homelessness. For example, providing food for a family for a month may enable a father to repair his car transmission and get to work. If a family's primary worker cannot get to work, he might lose wages, or even his job. Without regular income, the family cannot afford rent and risks becoming homeless. Therefore, efforts such as food pantries, TANF, and child care subsidies can prevent much larger future costs.

Minimal immediate assistance can prevent a household from becoming ALICE or sliding from ALICE to poverty as well as minimize the need and cost of future public assistance. The Office of the Inspector General of the U.S. Department of Health and Human Services has concluded that the cost of preventing a homeless episode is one-sixth the cost of responding once a family has become homeless (National Alliance to End Homelessness, 2005). According to an estimate by the National Alliance to End Homelessness, the cost to help a household recover from a homeless episode is \$11,439, including shelter, transition housing, counseling, and other services (NAEH, 2005).

To permanently reduce the number of ALICE households, larger and more strategic action is needed. For ALICE households to be able to support themselves, structural economic changes are required to make New Jersey more affordable and provide better income opportunities. The costs of basic necessities - housing, child care, transportation, food, and health care - are high in New Jersey. The cost of housing in New Jersey is the highest in the nation, and the cost of health care increased more than any other cost through the Great Recession. Broad improvement to financial stability is dependent upon changes to the housing market and health care delivery system. Investment in transportation infrastructure, child care, and healthy living would also help.

An improvement in income opportunities, either an increase in the wages of current low-wage jobs or an increase in the number of higher paying jobs, would enable ALICE households to afford to live near their work, build assets, and become financially independent. To increase the wages of low-income workers in New Jersey to afford the Household Survival Budget would mean increasing the wages of 772,600 (out of 3.8 million) jobs to reach a single adult's Household Survival Budget wage of \$12.68/hour, and 1.4 million jobs to reach a family's Household Survival Budget wage of \$14.62/hour. Note that these wages are significantly higher than New Jersey's minimum wage of \$7.25/hour. The number of jobs with wages that need to be raised is even larger when the aim is the Sustainable Household Budget wage: 2.2 million jobs for a single adult wage of \$23.38/hour and 2.5 million jobs for a family budget wage of \$27.97/hour.

The biggest impact would be made through a substantial increase in the number of medium- and high-skilled jobs in both the public and private sector. Such a shift would require an influx of new businesses and possibly new industries, as well as education and training. In addition, new means

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would be necessary to reduce the personnel needed for low-wage service jobs, perhaps through automation or self-service.

Other income opportunities, such as better access to savings vehicles and sound microloans, would also help. Ultimately, if ALICE households had more income, they would be financially stable and no longer require assistance from government and nonprofits, nor would they take risks that had negative community consequences.

## **Measuring Change**

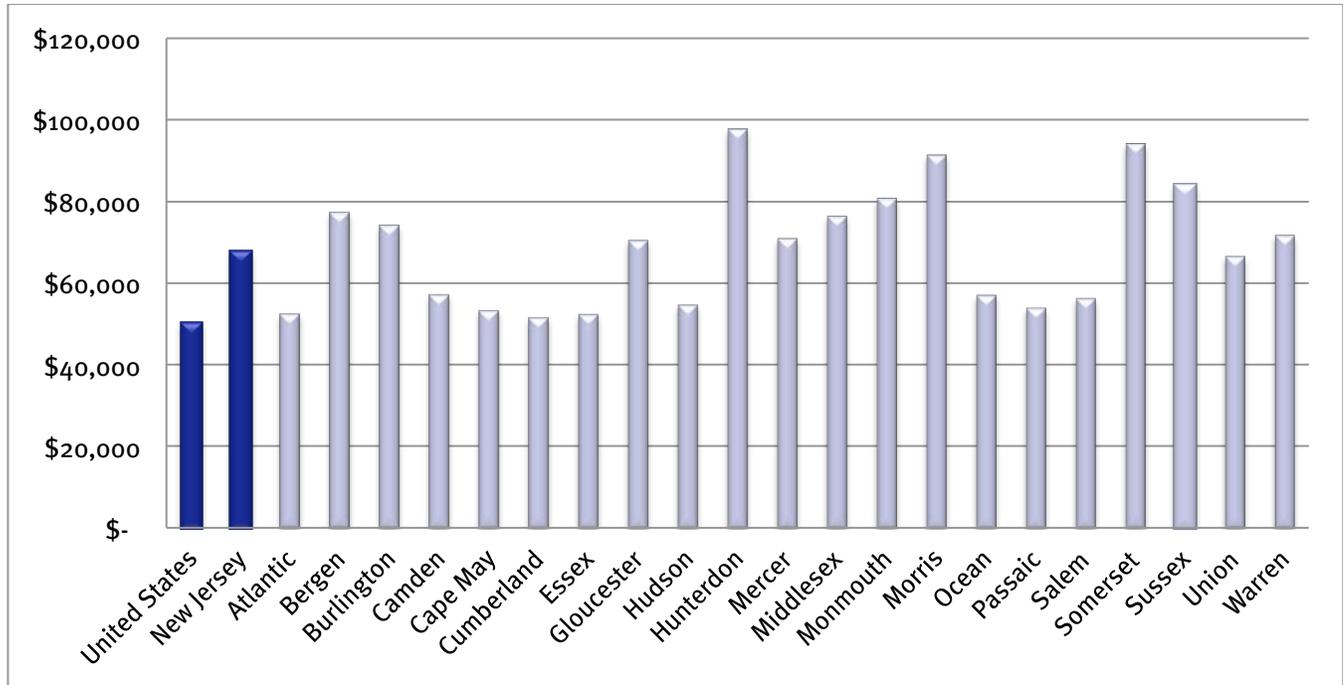
The seriousness of household income inadequacy in New Jersey is now more clearly defined with the concept and term ALICE (Asset-Limited, Income Constrained, Employed), and the four new instruments to measure the conditions these households face. These are tools that can be used by citizens and policymakers to better understand their communities and assess policy impact.

Specifically, with the Household Survival Budget social service providers can monitor cost changes and be prepared for additional demand for services when they occur. With the Economic Viability Index, policy makers can check for changes in local economic conditions and prepare appropriate policy responses.

With the ALICE Income Assessment, taxpayers can better calculate the impact of future government and nonprofit spending. Ultimately, with the ALICE Threshold, community stakeholders can better assess the success of policy initiatives by monitoring the number of households struggling to achieve financial stability.

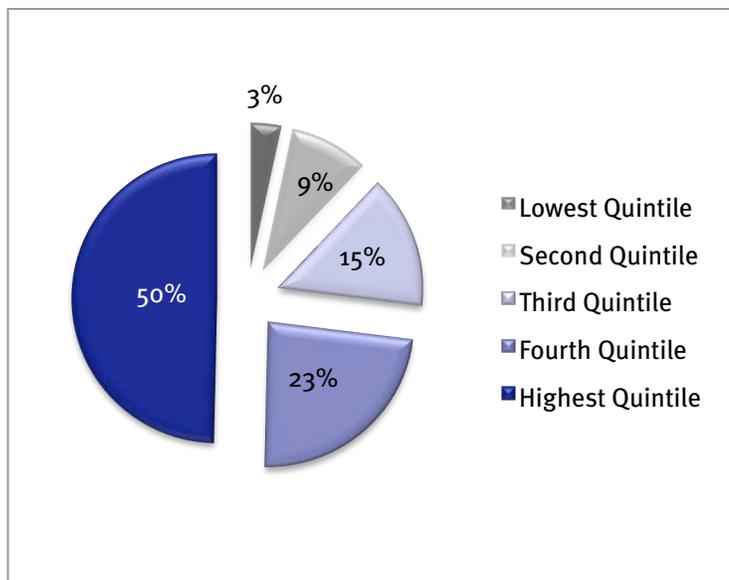
# APPENDIX A - INCOME INEQUALITY IN NEW JERSEY

## Median Household Income - New Jersey Counties Compared to the State and National Average



Source: American Community Survey, 2010.

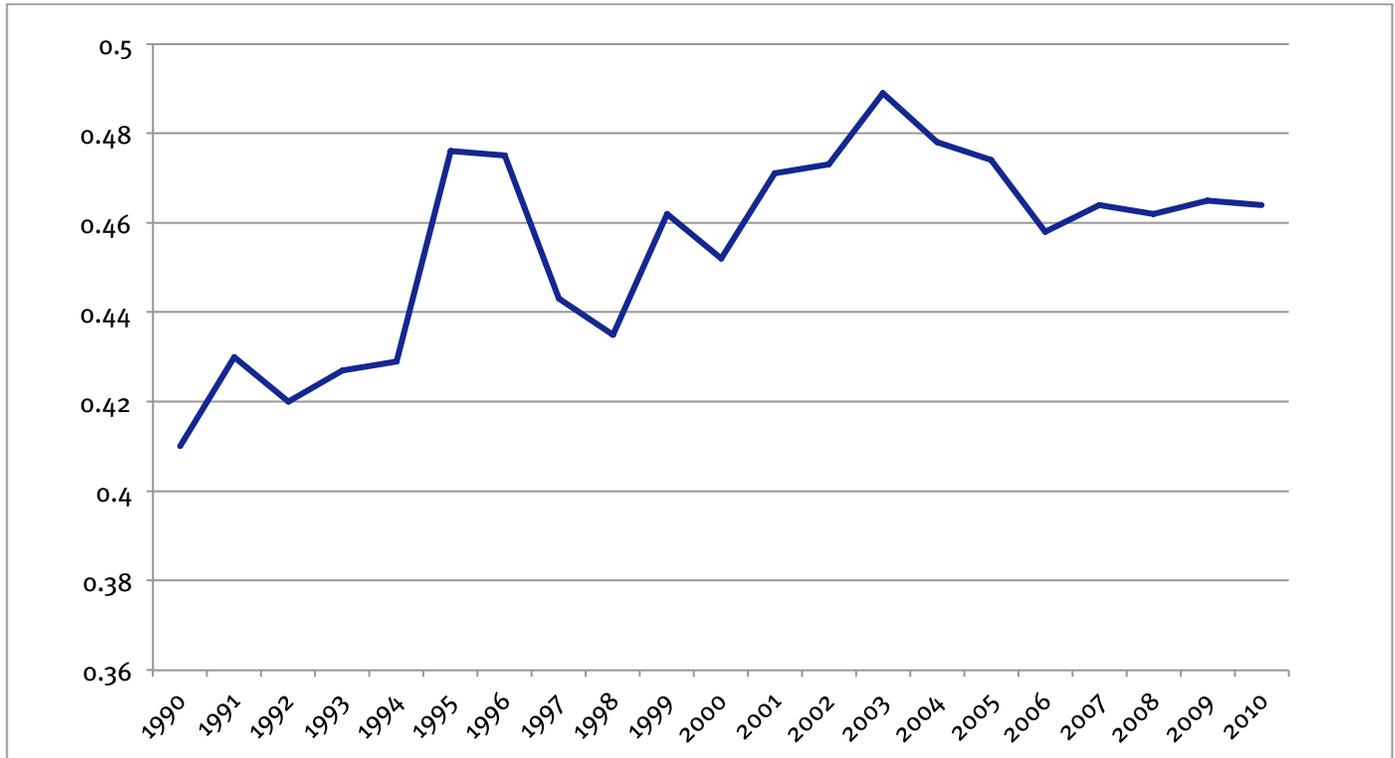
## New Jersey Income Distribution by Quintile



Source: American Community Survey, 2010.

Income distribution is a tool to measure how income is divided among a population. In this case, the population is divided into five groups or quintiles. In New Jersey, the top 20 percent of the population, the highest quintile, receives 50 percent of all income, while the bottom quintile earns only 3 percent. If five New Jersey residents divided \$100 according to the current distribution of income, the first person would receive \$50, the second would get \$23, the third, \$15, the fourth \$9, and the last \$3.

## Gini Index of Income Inequality 1990-2010, New Jersey



Source: American Community Survey, 1990-2010.

Despite many bumps, the distribution of income has grown more unequal over time in New Jersey since 1990. The Gini index is a summary measure of income inequality. It indicates how much the actual income distribution differs from a proportionate distribution (one where everyone would have the same income; for example, 20 percent of the population would hold 20 percent of the income, 40 percent of the population would hold 40 percent of the income, etc.). The Gini index varies from 0 to 1, where 0 indicates perfect equality, and 1 indicates perfect inequality (where one person has all the income and no one else has any).

## APPENDIX B - DEMOGRAPHICS OF NEW JERSEY HOUSEHOLDS

### Households below the ALICE Threshold by Age and Race/Ethnicity

	Poverty		ALICE		Above ALICE Threshold		Total HHs
2010	312,762	10%	769,900	24%	2,089,756	66%	3,172,421
2007	269,109	8%	750,619	24%	2,132,272	68%	3,149,910
<b>Age by Head of Household (2010) – Percent of Each Age Range</b>							
UNDER 25	24,130	38%	17,919	28%	21,275	34%	63,324
25 TO 44 YEARS	118,958	11%	207,477	20%	719,905	69%	1,046,340
45 TO 64 YEARS	108,525	8%	263,796	20%	975,969	72%	1,346,517
65 YEARS AND OVER	61,149	8%	283,398	40%	372,607	52%	716,240
<b>Race/Ethnicity (2010) – Percent of Each Race</b>							
WHITE	176,897	8%	597,555	26%	1,553,134	66%	2,327,586
HISPANIC	61,805	14%	152,642	35%	225,617	51%	440,064
BLACK	80,091	19%	124,375	30%	211,600	51%	416,066
ASIAN	15,114	7%	34,189	15%	171,297	78%	220,600

Source: Calculations based on the ALICE Threshold and American Community Survey, 2007 and 2010.

Note: Because American Community Survey income statistics by race/ethnicity are not as precise as those for total households, the numbers presented here for race/ethnicity for households below the ALICE Threshold are rougher estimates than those for all households below the ALICE Threshold.

## Households below ALICE Threshold by Age – by County, 2010

	Under 25	25 to 44 Years	45 to 64 Years	65 Years and Over
<b>Atlantic</b>	6%	30%	34%	30%
<b>Bergen</b>	4%	28%	33%	36%
<b>Burlington</b>	3%	27%	34%	35%
<b>Camden</b>	5%	34%	32%	30%
<b>Cape May</b>	6%	15%	37%	41%
<b>Cumberland</b>	7%	27%	34%	32%
<b>Essex</b>	5%	38%	34%	23%
<b>Gloucester</b>	5%	25%	36%	35%
<b>Hudson</b>	5%	36%	34%	25%
<b>Hunterdon</b>	3%	34%	54%	37%
<b>Mercer</b>	5%	30%	34%	31%
<b>Middlesex</b>	4%	30%	34%	31%
<b>Monmouth</b>	4%	23%	37%	36%
<b>Morris</b>	3%	25%	35%	37%
<b>Ocean</b>	2%	21%	28%	49%
<b>Passaic</b>	3%	37%	36%	24%
<b>Salem</b>	2%	28%	33%	36%
<b>Somerset</b>	3%	28%	34%	34%
<b>Sussex</b>	0%	31%	45%	23%
<b>Union</b>	3%	36%	38%	24%
<b>Warren</b>	4%	29%	33%	34%
<b>New Jersey</b>	4%	30%	34%	32%

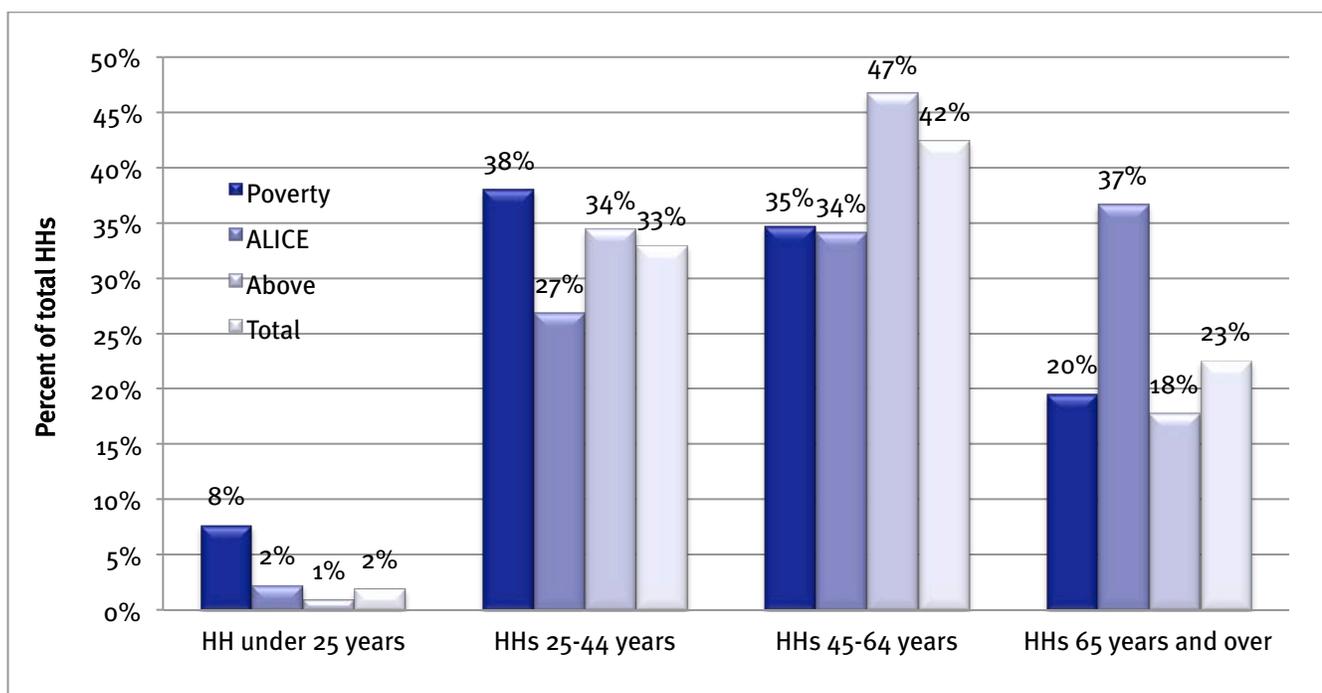
Source: Calculations based on the ALICE Threshold and American Community Survey, 2007 and 2010.

In New Jersey in 2010, the households headed by someone 65 years or older comprised 23 percent of total households, while they represent 37 percent of ALICE households. The number of elder ALICE households varies greatly between counties. Ocean County had the highest percent of 65 years or older householders who were ALICE with 49 percent and Sussex and Essex counties had the lowest with 23 percent.

Many households headed by someone over 65 years old are healthy and continue to work. In fact, 20 percent of the 65 and older were in the labor force in 2010, up from 17 percent in 2007. The highest percent were in Morris County where 26 percent of the 65 and over population was in the workforce in 2010, the lowest was 14 percent in Ocean County (American Community Survey, 2007 and 2010). However, almost half (49 percent) of New Jersey residents 65 or older are disabled (American Community Survey, 2010). Along with reduced health comes increased costs. While Medicare covers

many expenses, there are many out-of-pocket expenses that are not, primarily home health care as well as household chores. The Elder Economic Security Standard Index for New Jersey estimates that the budget for households with health care needs, such as home- and community-based health care, can be more than double the budget of a healthy household (WOW, p.28). Since the ALICE Threshold does not include these extra health care costs, the estimate of ALICE households in New Jersey is likely underestimated.

## Percent of Households by Income and Age, New Jersey, 2010



During the Great Recession, the total number of 65 years and older households increased by 7 percent in New Jersey. In this age group, the number of households below the ALICE Threshold increased by 5 percent.

In New Jersey, someone who is 45 to 64 years old heads the majority of households. They represent 42 percent of the total population and 34 percent of ALICE households. These are the prime earning years for most workers. Fortunately ALICE is underrepresented in this age group, but the number of households struggling in this age group increased through the Great Recession, and more than overall growth. From 2007 to 2010, the number of households headed by 45 to 64 year olds increased by 5 percent, while the number of households in poverty increased by 33 percent and ALICE households by 8 percent. In 2010, Hunterdon County had the highest percent of households below the ALICE Threshold who were headed by a 45 to 64 year old with 54 percent and Ocean County had the lowest with 28 percent.

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In households headed by someone ages 25 to 44 years old, the ALICE population is slightly underrepresented with 27 percent and the poverty population is over represented with 38 percent.

There was, however, variation between counties. Essex County had the highest percent of 25 to 44 year old households that were below the ALICE Threshold with 38 percent and Cape May County had the lowest with 15 percent. From 2007 to 2010, households headed by someone 25 to 44 years old decreased overall by 7 percent, those in poverty increased by 20 percent, and ALICE households decreased by 5 percent.

Households headed by someone under 25 years old are more likely to be poverty-level or ALICE. They account for 2 percent of total households, 2 percent of ALICE households, and 8 percent of poverty-level households. The number of these households decreased significantly during the Great Recession, by 15 percent. At the same time, households in poverty headed by someone under 25 years old increased by 6 percent and ALICE households decreased by 33 percent. No county had more than 4 percent of households headed by someone under 25 years old. Their biggest presence was in Cumberland County where 7 percent of ALICE households were headed by someone under 25 years old.

## APPENDIX C - ALICE THRESHOLD BY COUNTY

### Key Indicators for Economic Survival, New Jersey, 2010

	Annual Budget for a Family of 4	Annual Budget for a Single Adult	Threshold HHs under 65 Years Old	Threshold HHs over 65 Years Old	Median HH Income	Gini Coefficient of Income Inequality
Atlantic	\$48,302	\$21,847	\$40,000	\$35,000	\$52,571	0.43
Bergen	\$58,661	\$25,807	\$50,000	\$40,000	\$77,389	0.47
Burlington	\$61,040	\$27,752	\$50,000	\$45,000	\$74,329	0.42
Camden	\$48,623	\$21,385	\$40,000	\$35,000	\$57,352	0.45
Cape May	\$54,508	\$26,934	\$50,000	\$40,000	\$53,392	0.46
Cumberland	\$57,181	\$27,739	\$50,000	\$45,000	\$51,619	0.45
Essex	\$55,036	\$23,468	\$45,000	\$35,000	\$52,394	0.52
Gloucester	\$56,712	\$27,752	\$50,000	\$45,000	\$70,514	0.41
Hudson	\$51,545	\$24,434	\$45,000	\$40,000	\$54,817	0.48
Hunterdon	\$71,751	\$30,427	\$60,000	\$45,000	\$97,874	0.42
Mercer	\$58,354	\$28,676	\$50,000	\$45,000	\$70,956	0.47
Middlesex	\$58,587	\$26,546	\$50,000	\$40,000	\$76,443	0.40
Monmouth	\$53,400	\$23,194	\$45,000	\$35,000	\$80,816	0.48
Morris	\$62,290	\$27,272	\$50,000	\$40,000	\$91,469	0.45
Ocean	\$60,697	\$29,046	\$50,000	\$45,000	\$57,128	0.43
Passaic	\$53,877	\$25,807	\$50,000	\$40,000	\$53,993	0.47
Salem	\$55,059	\$25,781	\$50,000	\$40,000	\$56,357	0.42
Somerset	\$66,160	\$32,323	\$60,000	\$50,000	\$94,270	0.43
Sussex	\$65,574	\$27,272	\$60,000	\$40,000	\$84,115	0.39
Union	\$52,935	\$23,392	\$45,000	\$35,000	\$66,665	0.48
Warren	\$58,831	\$25,688	\$50,000	\$40,000	\$71,832	0.41

The ALICE Threshold for households headed by someone under 65 years old was calculated adding the Household Survival Budget for a family of four (two adults, one infant and one toddler) plus the Household Survival Budget for a single adult, dividing by 5 and then multiplying by 3, the average N.J. household size. The ALICE Threshold for households headed by someone 65 years old and over was calculated by multiplying the Household Survival Budget for a single adult by 1.6, the average senior household size. The results are rounded to the nearest Census break (\$30,000, \$35,000, \$40,000, \$45,000, \$50,000 or \$60,000).

Gini coefficient is a measure of income inequality with a scale of 0 to 1 - where zero means there is equal income distribution and 1 means one person owns all the income.

## APPENDIX D - HOUSEHOLD SURVIVAL BUDGET - METHODOLOGY AND SOURCES

The Household Survival Budget provides the foundation for a threshold for economic survival in New Jersey. The components of the budget and their sources are listed below.

### Housing

The cost of housing was calculated using HUD's Fair Market Rent (40th percentile of gross rents) for an efficiency and 2 bedroom apartment in 2007 and 2010. The rent includes the sum of the rent paid to the owner plus any utility costs incurred by the tenant. Utilities include electricity, gas, water, sewer, and trash removal services, but not telephone service. If the owner pays for all utilities, then gross rent equals the rent paid to the owner.

### Child Care

The average annual cost of care was estimated for 1 infant and 1 preschool child in registered family child care homes, the cheapest child care option. 2010 numbers were compiled by local Child Care Resource and Referral Agencies (CCR&R) from a survey that is annually reported to the National Association of Child Care Resource and Referral Agencies. Note - Morris County numbers were so obviously low that they were replaced with the state average. 2007 numbers were compiled from a ratio of the N.J. average for 2007 from 2010 actuals. <http://issuu.com/naccrra/docs/we-can-do-better-2009-update>

### Food

The cost of food was based on the USDA's Thrifty Level, the lowest of 4 levels of the official food plans, for cost of food, based on the U.S. average for 2007 and 2010, plus 8 percent to account for New Jersey's regional price variation.

<http://www.cnpp.usda.gov/USDAFoodCost-Home.htm>

<http://www.cnpp.usda.gov/Publications/FoodPlans/2007/CostofFoodJun07.pdf>

<http://www.ers.usda.gov/Publications/eib48/spreads/19/index.htm>

### Transportation

Cost for transportation is calculated using average annual expenditures for transportation by car and by public transport from the Consumer Expenditure Survey (CES) (2009-2010 and 2006-2007) in the New York and Philadelphia metropolitan areas, adjusted for household size. In the counties where 8 percent or more of the county population uses public transportation, then cost for public transportation is used for that county. In counties where less than 8 percent of the population uses public transportation, then cost for auto transportation is used. Public transport includes bus, trolley, subway, elevated train, railroad, and ferryboat. Car expenses include gas and motor oil and other vehicle maintenance expenses, but not leasing or car loan payments, or major repairs. Because CES costs are based on an average 2.5 person household, costs were adjusted for a 4 person family and a single adult. Variation by metro area (N.Y. and Pa.) are attributed to corresponding N.J. counties.

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## Health Care Costs

This health budget includes the nominal out-of-pocket health care spending on health care, medical services, prescription drugs, and medical supplies using the average annual health expenditure reported in the Consumer Expenditure Survey (CES) (2009-2010 and 2006-2007) in the New York and Philadelphia metropolitan statistical areas, adjusted for household size. It does not include cost of health insurance paid by an employer. Because CES costs are based on an average 2.5 person household, costs were adjusted for a 4 person family and a single adult. Variation by metro area (N.Y. and Pa.) are attributed to corresponding N.J. counties.

## Miscellaneous

10 percent of costs

## Taxes

The taxes for this budget include federal and N.J. state income tax and payroll taxes (including Unemployment Insurance, Disability Insurance, Workforce Development/Supplemental Workforce Funds, Family Leave Insurance), and Social Security and Medicare. The calculations are based on income of \$35,000 for one adult and \$55,000 for a family of two adults and two dependent children, and include standard deductions, exemptions, and child tax credit. Note, these households are above the threshold for the Earned Income Tax Credit (EITC).

IRS income tax tables and N.J. Department of the Treasury income tax tables, 2007 and 2010; and N.J. Department of Labor and Workforce Development, Employer rates, 2007 and 2010; and Payroll Withholding Tax Calculator, [http://www.suburbancomputer.com/tips\\_calculator.php](http://www.suburbancomputer.com/tips_calculator.php).

In 2010, the income limit to qualify for EITC in New Jersey was \$40,363 (\$45,373 married filing jointly) with two qualifying children; the maximum credit was \$5,036. For a single adult, the income limit was \$13,460, and the maximum credit was \$457. New Jersey pays 20 percent of the federal amount. The average EITC refund in New Jersey was \$2,020 federal and \$548 state in 2009 (Advocates for Children of New Jersey, 2011).

## APPENDIX E - HOUSEHOLD SUSTAINABILITY BUDGET - METHODOLOGY AND SOURCES

The Household Sustainability Budget for New Jersey totals \$46,753 for a single adult and \$111,876 for a family consisting of two adults, one toddler and one infant. The Household Sustainability Budget is not extravagant, but is 84 percent higher than the Household Survival Budget's \$25,368 for a single adult, and 91 percent higher than \$58,500 for a family of two adults with one infant and one toddler.

### Housing

In the Household Sustainability Budget, housing for a single adult is \$1,292 monthly, the median rent for a one-bedroom apartment, rather than an efficiency at the FMR of 40th percentile; and housing for a family is \$1,877 monthly, for a 3 bedroom house using the New Jersey Inferred Affordable Mortgage calculated from median household income and average monthly mortgage rates instead of the Household Survival Budget's rent for a 2 bedroom apartment at the 40th percentile.

### Child Care

The Household Sustainability Budget child care costs are \$932 per month for an infant and \$770 per month for a 4-year-old in fully licensed and accredited child care center (NACCRRRA, 2010). These costs are more than 30 percent higher than the cost of registered family child care homes used in the Household Survival Budget.

### Food

The food budget item is based on the USDA's Moderate Level Food Plans for cost of food at home (second of four levels) plus 8 percent for regional variation, plus one meal out per month at \$30 for a single adult and \$60 for a family, for a monthly total of \$756 for a family and \$322 for a single adult.

### Transportation

The Household Sustainability Budget adds a vehicle to all households, increasing transportation expense to an average \$1,494 for a family and \$797 for a single adult. Where there is public transportation, family transportation expenses include public transportation for one adult and gas and maintenance for one car, and costs for a single adult include public transportation for one, and half the cost of gas and maintenance for one car. Where there is no public transportation, family expenses include costs for leasing one car and for gas and maintenance for two cars, and single adult costs are for leasing, gas, and maintenance for one car based on the Consumer Expenditure Survey and the same methodology as in the Household Survival Budget. This increased the transportation part of the budget compared to the Household Survival Budget by more than 200 percent for a family and 100 percent for a single adult, and is much more realistic for living in New Jersey.

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## Health Care Costs

Health care costs shift from the regional average expenditure on health to the average cost per employee for an employer-sponsored health plan. The average cost per employee is \$896 per month for a family and \$299 for a single adult. This does not include other out-of-pocket health expenses, but is already 125 percent higher for a family and 200 percent higher for a single adult than the Household Survival Budget health expense.

## Miscellaneous

The Miscellaneous category includes 10 percent of the total to cover cost overruns.

## Savings

The Household Sustainability Budget also includes a 10 percent savings category that allows a household to invest in their house, car, and health as needed and to have a cushion in the event of an unforeseen accident. For a family, \$673 is probably not enough to invest in education or retirement, but \$271 for a single adult might be enough to cover the monthly payments on a student loan or to build towards a mortgage down payment, but not both.

## Taxes

Taxes are calculated as in the Household Survival Budget, but include a mortgage deduction for the family who is now a homeowner. The taxes are significantly higher as the income needed to support this new budget is higher. Taxes for a single adult increased by 55 percent (lower than the overall budget increase of 84 percent) to \$644 per month. Taxes for a family with two children with an affordable mortgage were \$1,253, an increase of 160 percent as one-time child deductions are not prorated to income.

## Sustainable Household Budget vs. Household Survival Budget Single Adult, New Jersey Average

<b>Monthly Costs 2010</b>			
	<b>SUSTAINABLE</b>	<b>SURVIVAL</b>	<b>PERCENT DIFFERENCE</b>
<b>Housing</b>			
Rented 1 bdrm apartment, median	\$1,292		40%
Rented Efficiency apartment, FMR		\$923	
<b>Food</b>			
Moderate Food Plan + 1 meal out	\$322		78%
Thrifty Food Plan		\$181	
<b>Transportation</b>			
Public and 1/2 car or 1 leased car	\$797		164%
Public or 1 car		\$302	
<b>Health care</b>			
Employer-sponsored health plan	\$299		201%
Nominal out of pocket expense		\$99	
<b>Miscellaneous - 10 percent</b>	\$271	\$192	52%
<b>Savings - 10 percent</b>	\$271		
<b>Taxes</b>	\$644	\$417	157%
<b>Monthly total</b>	<b>\$3,896</b>	<b>\$2,114</b>	<b>84%</b>
<b>ANNUAL TOTAL</b>	<b>\$46,753</b>	<b>\$25,368</b>	<b>84%</b>
<b>Required hourly wage for two workers</b>	<b>\$23.38</b>	<b>\$12.68</b>	<b>84%</b>

## APPENDIX F – ALICE INCOME ASSESSMENT – DETAILS AND SOURCES

The ALICE Income Assessment is a tool to measure how much households need to reach the ALICE Threshold compared to how much they actually receive. The gap is calculated by totaling the income needed to reach the ALICE Threshold, and then subtracting earned income and government and nonprofit spending on low-income households. The remainder is the Unfilled Gap.

**Federally funded programs** together account for a third of non-health spending on low-income households in New Jersey. The programs can be broken into three categories with social services being the largest (44 percent of federal programs). Social services include two vital programs paid in cash or equivalent; Temporary Assistance for Needy Families (TANF) and Social Security Disability Insurance, totaling \$3.5 billion, and Head Start at \$120 million. Food programs provide 19 percent of federal assistance and include New Jersey Food Stamps (cash equivalent), School Lunch and Breakfast Programs, Temporary Emergency Food Assistance, and Special Supplemental Food Program for Women, Infants and Children (WIC), totaling \$1.5 billion. Housing programs account for 5 percent of spending and include funds for public housing and vouchers and Low-Income Home Energy Assistance Program (LIHEAP), totaling \$370 million.

**State and Local Government** spending totaled \$1.2 billion and account for 15 percent of non-health spending and includes a wide array of programs. N.J. state programs include those for homeless and youth, Supplemental Social Security Insurance, mental health services, REACH, Work First, Workforce Investment, Workforce Development, and transportation for veterans, seniors, and persons living with a disability. In addition, local health and human services spending covers a wide array of programs including temporary assistance, public nursing homes, nutrition programs, and child care.

**Nonprofit** spending, in addition to government spending listed above, accounts for another 15 percent of spending. Because nonprofits also receive government funding to deliver programs from the government sources listed above, the \$1.4 billion counted here is only non-government revenue. It also excludes user fees, so that the spending is only above what low-income households could afford. Most of these funds come from corporations, foundations, and individuals.

**Health care** spending accounts for the largest amount of money spent on low-income households, \$8.6 billion, just over half of all spending. The largest program is Medicaid, costing \$6.6 billion and accounting for 64 percent of health spending on low-income households. The Children Health Insurance Program and Hospital Charity Care each account for an additional 6 percent of health spending, totaling \$1.2 billion. In addition to government spending, New Jersey hospitals provide \$1.8 billion in community benefits, which account for 24 percent of health spending. Hospital costs for low-income households include unpaid costs of patient care, community health services, and subsidized health services.

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## SOURCES

Consolidated Federal Funds Report, U.S. Census, 2007 and 2010. (2009 used when 2010 not available)

### Social Services

**Temporary Assistance for Needy Families (TANF)** - Provides cash assistance to low-income families.

**Social Security Disability Insurance** - Provides funds to offset the living costs of disabled workers who formerly contributed to Social Security but are not old enough to draw it.

**Head Start** - Provides money for agencies to promote school readiness for low-income children by providing health, education, nutritional, and social services to the children and their parents.

### Food

**New Jersey Food Stamps** - Provides money to low-income households to supplement their food budgets. Also known as the Supplemental Nutrition Assistance Program or SNAP.

**New Jersey School Lunch Program** - Subsidizes lunches for low-income children in schools or residential institutions.

**School Breakfast Program** - Provides funds to schools to offset the costs of providing a nutritious breakfast and reimburses the costs of free and reduced price meals.

**Child and Adult Care Food Program** - Provides grants to non-residential care centers, after-school programs, and emergency shelters to provide nutritious meals and snacks.

**Summer Food Service Program for Children** - Provides grants to eligible nonprofits that run meal programs during the summer to serve low-income children.

**Temporary Emergency Food Assistance** - Provides donated food commodities to states and nonprofits that distribute them to the needy.

**WIC** - Provides pregnant women and children through age 5 with money for nutritious foods and referrals to health services.

### Housing

**Public Housing** - Provides a reserve of funds for Public Housing Authorities to maintain and operate public housing for low-income families.

**Low-Income Home Energy Assistance Program (LIHEAP)** - Provides funds to nonprofits to help low-income homeowners afford heating and cooling costs. They may give homeowners money directly or to an energy supplier on the homeowner's behalf.

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## State and Local Government

Programs as reported in County Budget for each N.J. county, 2007 and 2010.

**Youth and Family Services** - Programs for low-income youths including those provided by Division of Youth and Family Services and Youth Services Shelter.

**Supplemental Social Security Insurance (SSI)** - Welfare agency payments to low-income people who are 65 and older and to people of any age who are blind or disabled.

**Mental Health** - Care for psychiatric patients and county patients in state and other psychiatric facilities.

**N.J. Department of Health and Human Services** - REACH program, social service for homeless, etc.

**N.J. Department of Labor and Workforce Development** - Work First, Workforce Investment, and Workforce Development, etc.

**Local Health and Human Services** - Temporary assistance, nursing home, nutrition program, child care, etc., coded 27-300 in municipal chart of accounts.

**Transportation** - For veterans, seniors and disabled.

## Nonprofit

Nonprofit Revenue for Human Services nonprofits as reported on Form 990. Internal Revenue Service, Exempt Organizations Business Master File (September 2007 and November 2010), The Urban Institute, National Center for Charitable Statistics. Based on three years of the former United Way of Morris County data, 70 percent of nonprofit spending comes from government or user fees; 30 percent comes from corporations, foundations, and individuals and is the estimate used here to avoid double counting.

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## Health

**Medicaid** - Provides money to states, which they must match, to offer health insurance for low-income residents. Also known as the Medical Assistance Program. Consolidated Federal Funds Report, U.S. Census, 2007 and 2010.

**Children Health Insurance Program (CHIP)** - Provides funds to states to enable them to maintain and expand child health assistance to uninsured, low-income children, and at a state option, low-income pregnant women and legal immigrants. Consolidated Federal Funds Report, U.S. Census, 2007 and 2010.

**Hospital Charity Care Distribution Amounts** - The New Jersey Hospital Care Payment Assistance Program (Charity Care) is for people who are uninsured and underinsured.

<http://www.state.nj.us/health/charitycare/subsidies.shtml>

**New Jersey Hospitals' Community Benefits** – Hospitals cover the costs for unpaid patient care, community health improvement services, and subsidized health services. Numbers only available for 2010 and 2009 so for the 2007 index, 2009 numbers are used. Community benefit report, N.J. Hospital Association, 2010 and 2011.

[http://www.njha.com/hret/Pdf/HRET\\_Community\\_Benefit\\_Report\\_2011.pdf](http://www.njha.com/hret/Pdf/HRET_Community_Benefit_Report_2011.pdf)

## APPENDIX G - HOUSEHOLD INCOME BY SOURCE, PERCENT CHANGE 2007 TO 2010

	Total	Wage or Salary Income	Interest, Dividends, or Net Rental Income	Social Security Income	Supplemental Security Income (SSI)	Public Assistance Income	Retirement Income	Other Types of Income
<b>New Jersey</b>	1%	-4%	-11%	6%	40%	56%	0%	33%
<b>Atlantic</b>	-3%	-9%	-12%	8%	43%	27%	-2%	13%
<b>Bergen</b>	0%	-5%	-10%	0%	47%	44%	-11%	36%
<b>Burlington</b>	-1%	-6%	-10%	13%	31%	16%	2%	56%
<b>Camden</b>	-2%	-8%	-18%	5%	1%	21%	2%	8%
<b>Cape May</b>	-8%	-14%	-20%	-2%	-18%	-10%	-15%	-12%
<b>Cumberland</b>	-1%	-5%	1%	19%	48%	64%	-13%	34%
<b>Essex</b>	0%	-6%	-23%	4%	13%	59%	-10%	33%
<b>Gloucester</b>	5%	0%	-14%	21%	24%	83%	6%	32%
<b>Hudson</b>	4%	1%	-20%	0%	21%	78%	-5%	45%
<b>Hunterdon</b>	0%	-7%	-16%	11%	4%	346%	-11%	77%
<b>Mercer</b>	3%	-2%	-16%	4%	25%	96%	4%	33%
<b>Middlesex</b>	3%	-1%	-8%	13%	31%	89%	24%	41%
<b>Monmouth</b>	1%	-6%	-9%	7%	-7%	18%	7%	25%
<b>Morris</b>	2%	-4%	-7%	14%	120%	107%	1%	59%
<b>Ocean</b>	-1%	-4%	-6%	4%	18%	67%	8%	24%
<b>Passaic</b>	2%	-3%	-9%	4%	119%	65%	4%	19%
<b>Salem</b>	-2%	-11%	-21%	15%	207%	81%	14%	61%
<b>Somerset</b>	3%	-3%	-11%	7%	129%	144%	-16%	15%
<b>Sussex</b>	1%	-3%	4%	11%	114%	193%	2%	52%
<b>Union</b>	1%	-1%	-6%	6%	53%	50%	-10%	45%
<b>Warren</b>	-4%	-7%	-11%	-5%	160%	-7%	-10%	58%

Source: American Community Survey, 2007 and 2010.

Note: Some percentage changes are large; in many cases this is because the populations are very small, so an increase in a small number means a large change in percent. For example, the percent change in households with public assistance income was 346 percent in Hunterdon County. The number of households increased from 387 in 2007 to 1,726 in 2010.

# APPENDIX H - ECONOMIC VIABILITY INDEX - METHODOLOGY AND SOURCES

## Index Methodology

In order to create a common scale across rates, percentages, and other scores, each indicator is measured from the average. Raw indicator scores are converted to “z-scores,” which measure how far any value falls from the mean of the set, measured in standard deviations. The formula for normalizing indicator scores is:

$$z = (x - \mu) / \sigma$$

In this formula,  $x$  is the indicator's value,  $\mu$  is the unweighted average,  $\sigma$  the standard deviation for that indicator, and  $z$  is the resulting z-score. All scores must move in a positive direction, so for variables with an inverse relationship, i.e. violent crime rate, the scores are multiplied by negative 1. In order to make the resulting scores more accessible, we translate them from a scale of -3 to 3 to 1 to 40 for Income Opportunity and Affordability and 1 to 20 for Community Support. Added together, the possible total is 100.

## Index Sources

**Income distribution** - Share of Income of the lowest two quintiles, American Community Survey 2007 and 2010.

**Average new hire earnings** – The average wage for those hired in the last year. Quarterly Workforce Indicators (QWI), U.S. Census and New Jersey Department of Labor and Workforce Development, fourth quarter 2007 and 2010.

**Employment rate** – Percent of residents 16 and over who are employed. American Community Survey, 2007 and 2010.

**Household Survival Budget** – Basic cost of housing, child care, food, health care, transportation, and taxes for a single adult. For full description see Appendix D. The 2007 budget was inflation adjusted to 2010 dollars using the Bureau of Labor Statistics' CPI Inflation Calculator.

**Health insurance** - Percent of population under 65 years old with health insurance, U.S. Bureau of the Census, Small Area Health Insurance Estimates Program 2007, July 2010 and American Community Survey, 2010.

**Housing burden** – Percent of households spending less than 30 percent income on housing, American Community Survey, 2007 and 2010.

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**Size of nonprofit sector** - Revenue of human services nonprofits per capita, Internal Revenue Service, Exempt Organizations Business Master File (September 2007 and November 2010), The Urban Institute, National Center for Charitable Statistics.

**Violent crime rate** - Number of violent crimes per 1,000 inhabitants. Since these are inversely related to Economic Viability the number is multiplied by -1. Uniform Crime Reports, N.J. State Police, 2007 and 2010.

**Outpatient care centers** – Health centers including family planning, mental health and substance abuse centers. County Business Patterns, U.S. Census, 2007 and 2010.

## Comparable Indexes

Other indices that provide insights into communities are listed below.

**The Human Development Index** measures Health (life expectancy), Education (school enrollment and the highest educational degree attained), and Income (median personal earnings). A project of the Social Science Research Council.

**The Opportunity Index** measures the amount of opportunity - now and in the future - using a range of variables including jobs and the local economy, education, community health and civic life. Be the Change, Inc.

**The Economic Security Index** does not measure conditions, but rather the American population that experiences a drop in income or a spike in medical spending. Institution for Social and Policy Studies, Yale University.

## APPENDIX I – HOUSING BURDEN

### Housing Burdened (Spending More than 30% of Income on Housing)

	% of All Households		% of Households Earning Less than \$50,000	
	2010	2007	2010	2007
<b>Atlantic</b>	51%	45%	81%	75%
<b>Bergen</b>	46%	44%	86%	83%
<b>Burlington</b>	39%	38%	76%	70%
<b>Camden</b>	46%	42%	79%	73%
<b>Cape May</b>	43%	45%	75%	69%
<b>Cumberland</b>	43%	44%	74%	70%
<b>Essex</b>	51%	47%	81%	76%
<b>Gloucester</b>	43%	39%	77%	72%
<b>Hudson</b>	46%	47%	77%	75%
<b>Hunterdon</b>	41%	40%	87%	83%
<b>Mercer</b>	40%	39%	77%	73%
<b>Middlesex</b>	41%	42%	81%	80%
<b>Monmouth</b>	44%	43%	83%	78%
<b>Morris</b>	40%	37%	84%	76%
<b>Ocean</b>	46%	44%	70%	68%
<b>Passaic</b>	54%	51%	85%	82%
<b>Salem</b>	38%	38%	72%	66%
<b>Somerset</b>	41%	38%	88%	83%
<b>Sussex</b>	44%	46%	81%	83%
<b>Union</b>	45%	47%	82%	79%
<b>Warren</b>	42%	40%	75%	69%
<b>New Jersey</b>	<b>45%</b>	<b>37%</b>	<b>80%</b>	<b>76%</b>

Source: American Community Survey, 2010.

## APPENDIX J - PROJECTED OCCUPATIONAL DEMAND, 2008 TO 2018

### Projected Occupational Demand Occupations with the MOST Projected Job Openings by Skill Level

	Low-Skill	Moderate-Skill	High-Skill
<b>Atlantic</b>	70%	25%	5%
<b>Bergen</b>	66%	19%	15%
<b>Burlington</b>	68%	17%	15%
<b>Camden</b>	63%	21%	16%
<b>Cape May</b>	100%	0%	0%
<b>Cumberland</b>	70%	23%	7%
<b>Essex</b>	61%	20%	19%
<b>Gloucester</b>	76%	15%	9%
<b>Hudson</b>	57%	8%	35%
<b>Hunterdon</b>	78%	13%	9%
<b>Mercer</b>	42%	13%	45%
<b>Middlesex</b>	46%	41%	13%
<b>Monmouth</b>	69%	18%	13%
<b>Morris</b>	66%	21%	13%
<b>Ocean</b>	73%	19%	8%
<b>Passaic</b>	73%	15%	12%
<b>Salem</b>	78%	15%	7%
<b>Somerset</b>	60%	13%	27%
<b>Sussex</b>	73%	16%	10%
<b>Union</b>	67%	24%	9%
<b>Warren</b>	76%	14%	10%

Source: New Jersey Department of Labor and Workforce Development, Community Fact Book, 2011.

Low-skill jobs require short- or moderate-term training, including up to 12 months on-the-job experience and informal training. Moderate-skill jobs require long-term on-the-job training, work experience or post-secondary/vocational/technical training. High-skill level requires an associate's degree or higher.

## APPENDIX K - ALICE DATA FOR EACH NEW JERSEY COUNTY

The following section presents a snapshot of ALICE in each of New Jersey's 21 counties. For each county there is a table of ALICE households, the Household Survival Budget, and a map that show where households below the ALICE Threshold live.

### Additional County Resources:

Annie E. Casey Foundation, Kids Count Data Center, 2011.

<http://datacenter.kidscount.org/data/bystate/StateLanding.aspx?state=NJ>

Basic Needs Budget Calculator, National Center for Children in Poverty.

<http://www.nccp.org/tools/frs/budget.php>

Legal Services of New Jersey, Real Cost of Living, 2011.

<http://www.lsnj.org/PRI.aspx>

Monmouth University Polling Institute, Garden State Quality of Life Index, 2010.

<http://www.monmouth.edu/assets/o/84/159/2147483694/282052d6-f4fo-4303-af17-8e46014693e4.pdf>

New Jersey State Atlas, Journey to Work.

<http://njstateatlas.com/jtw/>

N.J. DataBank, School of Public Affairs and Administration, Rutgers.

<http://njdatabank.newark.rutgers.edu/>

Robert Wood Johnson Foundation, County Health Rankings, 2012.

<http://www.countyhealthrankings.org/#app/new-jersey/2012/measures/outcomes/1/map>

Wider Opportunities for Women, Elder Economic Security Standard Index for New Jersey, 2009.

<http://www.wowonline.org/ourprograms/eesi/state-resources/documents/NJElderIndexReport.pdf>

# ALICE IN ATLANTIC COUNTY

## Atlantic County Facts

**Population:** 274,685 | **Number of Households:** 100,096 | **Median Household Income:** \$52,571

Source: American Community Survey, 2010

## The ALICE population in Atlantic County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Atlantic County, **37,877 households (38%)** are struggling, with 12,106 households (12%) living below the U.S. poverty line and 25,771 (26%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Atlantic County?

Based on the **Household Survival Budget** (see right), it takes \$48,302 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

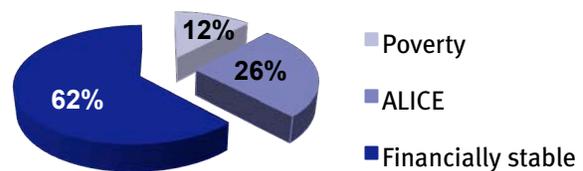
The Household Survival Budget for a single adult is \$21,847, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Atlantic County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Atlantic County scored a 44** on a scale of 1 to 100, where 1 is worst and 100 is best. Atlantic County's score dropped 24 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Atlantic County ranked 17 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

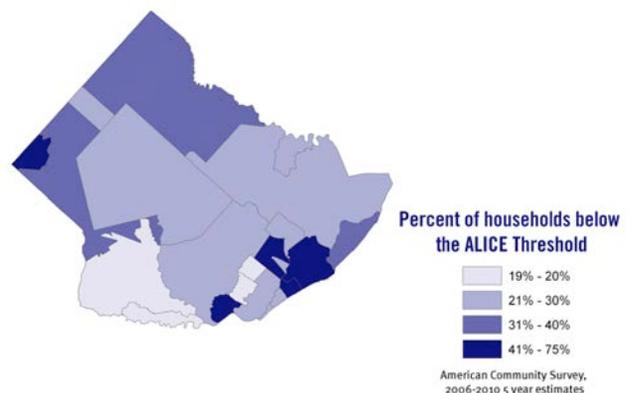
## Households in Atlantic County



Household Survival Budget, Atlantic County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,101	\$838
<b>Child care</b>	\$1,092	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$91	\$46
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$366	\$166
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$ 4,025	\$1,821
<b>Annual wage</b>	\$48,302 \$24.15/hr.	\$21,847 \$10.92/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Atlantic County



# ALICE IN BERGEN COUNTY

## Bergen County Facts

**Population:** 906,541 | **Number of Households:** 333,002 | **Median Household Income:** \$77,389

Source: American Community Survey, 2010

## The ALICE population in Bergen County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Bergen County, **102,942 households (31%)** are struggling, with 26,230 households (8%) living below the U.S. poverty line and 76,712 (23%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Bergen County?

Based on the **Household Survival Budget** (see right), it takes \$58,661 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

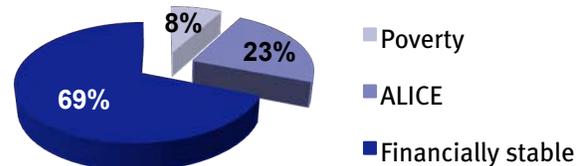
The Household Survival Budget for a single adult is \$25,807, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Bergen County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Bergen County scored a 52** on a scale of 1 to 100, where 1 is worst and 100 is best. Bergen County's score dropped 13 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Bergen County ranked 11 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

## Households in Bergen County

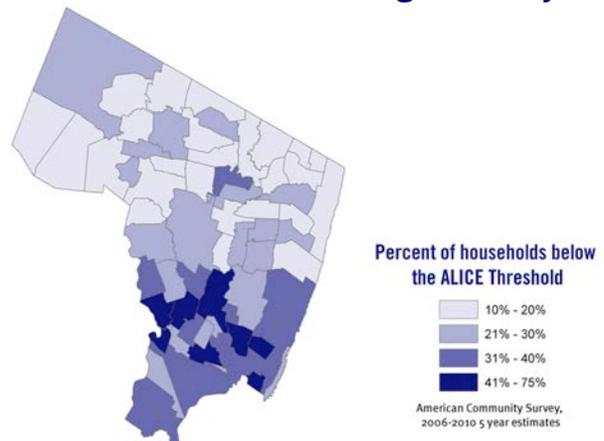


## Household Survival Budget, Bergen County Monthly Costs 2010

	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,379	\$1,099
<b>Child care</b>	\$1,532	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$181	\$90
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$444	\$196
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$ 4,888	\$2,151
<b>Annual wage</b>	\$58,661 \$29.33/hr.	\$25,807 \$12.90/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Bergen County



# ALICE IN BURLINGTON COUNTY

## Burlington County Facts

**Population:** 449,149 | **Number of Households:** 163,961 | **Median Household Income:** \$74,329

Source: American Community Survey, 2010

## The ALICE population in Burlington County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Burlington County, **49,807 households (30%)** are struggling, with 8,685 households (5%) living below the U.S. poverty line and 41,122 (25%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Burlington County?

Based on the **Household Survival Budget** (see right), it takes \$61,040 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

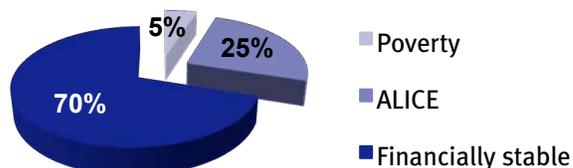
The Household Survival Budget for a single adult is \$27,752, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Burlington County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Burlington County scored a 57** on a scale of 1 to 100, where 1 is worst and 100 is best. Burlington County's score dropped 20 percent from reflecting the hardship caused by the Great Recession. With this score, Burlington County ranked 5 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

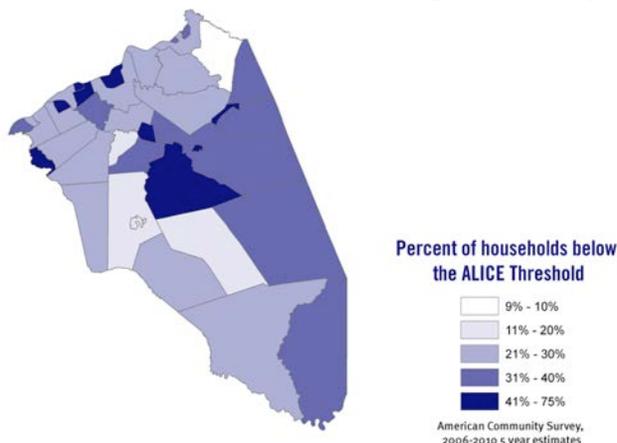
## Households in Burlington County



Household Survival Budget, Burlington County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,095	\$803
<b>Child care</b>	\$1,520	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$634	\$528
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$462	\$210
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$5,087	\$2,313
<b>Annual wage</b>	\$61,040 \$30.52/hr.	\$27,752 \$13.88/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Burlington County



# ALICE IN CAMDEN COUNTY

## Camden County Facts

**Population:** 513,607 | **Number of Households:** 189,895 | **Median Household Income:** \$57,352

Source: American Community Survey, 2010

## The ALICE population in Camden County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Camden County, **65,923 households (35%)** are struggling, with 23,248 households (12%) living below the U.S. poverty line and 42,675 (23%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Camden County?

Based on the **Household Survival Budget** (see right), it takes \$48,623 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

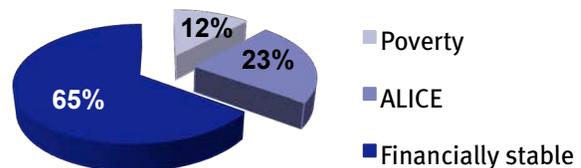
The Household Survival Budget for a single adult is \$21,385, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Camden County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Camden County scored a 49** on a scale of 1 to 100, where 1 is worst and 100 is best. Camden County's score dropped 25 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Camden County ranked 13 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

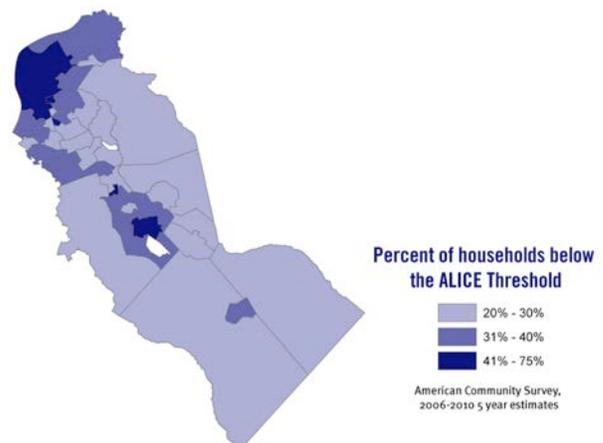
## Households in Camden County



Household Survival Budget, Camden County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,095	\$803
<b>Child care</b>	\$1,122	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$91	\$46
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$386	\$162
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,052	\$1,782
<b>Annual wage</b>	\$48,623 \$24.31/hr.	\$21,385 \$10.69/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Camden County



# ALICE IN CAPE MAY COUNTY

## Cape May County Facts

**Population:** 97,253 | **Number of Households:** 42,763 | **Median Household Income:** \$53,392

Source: American Community Survey, 2010

## The ALICE population in Cape May County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Cape May County, **18,297 households (43%)** are struggling, with 4,203 households (10%) living below the U.S. poverty line and 14,094 (33%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Cape May County?

Based on the **Household Survival Budget** (see right), it takes \$54,508 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

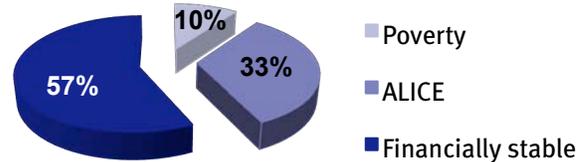
The Household Survival Budget for a single adult is \$26,934, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Cape May County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Cape May County scored a 46** on a scale of 1 to 100, where 1 is worst and 100 is best. Cape May County's score dropped 12 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Cape May County ranked 15 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

## Households in Cape May County

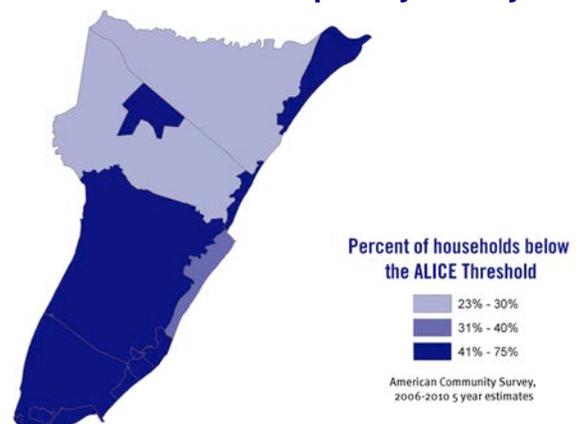


## Household Survival Budget, Cape May County Monthly Costs 2010

	FAMILY	SINGLE ADULT
<b>Housing</b>	\$951	\$741
<b>Child care</b>	\$1,169	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$634	\$528
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$413	\$204
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,542	\$2,244
<b>Annual wage</b>	\$54,508 \$27.25/hr.	\$26,934 \$13.47/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Cape May County



# ALICE IN CUMBERLAND COUNTY

## Cumberland County Facts

**Population:** 157,149 | **Number of Households:** 50,237 | **Median Household Income:** \$51,619

Source: American Community Survey, 2010

## The ALICE population in Cumberland County

ALICE is an acronym that stands for “AssLimited, Income Constrained, Employed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Cumberland County, **23,678 households (47%)** are struggling, with 7,700 households (15%) living below the U.S. poverty line and 15,978 (32%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Cumberland County?

Based on the **Household Survival Budget** (see right), it takes \$57,181 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

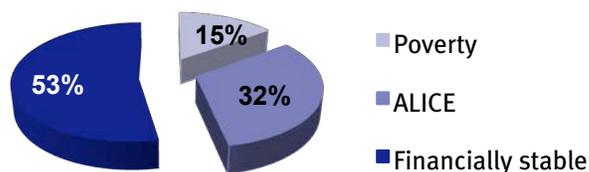
The Household Survival Budget for a single adult is \$27,739, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Cumberland County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Cumberland County scored a 36** on a scale of 1 to 100, where 1 is worst and 100 is best. Cumberland County's score dropped 26 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Cumberland County ranked 20 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

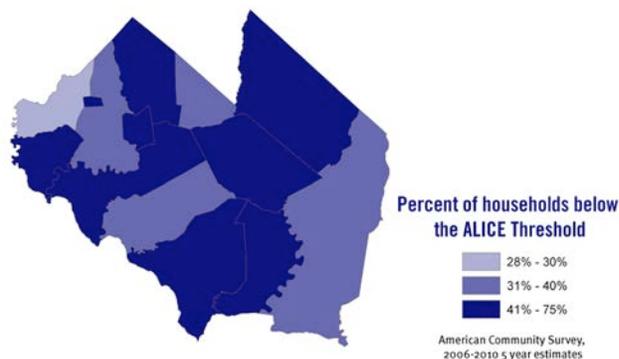
## Households in Cumberland County



Household Survival Budget, Cumberland County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,014	\$802
<b>Child care</b>	\$1,309	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$634	\$528
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$433	\$210
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,765	\$2,312
<b>Annual wage</b>	\$57,181 \$28.59/hr.	\$27,739 \$13.87/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Cumberland County



# ALICE IN ESSEX COUNTY

## Essex County Facts

**Population:** 784,228 | **Number of Households:** 275,417 | **Median Household Income:** \$52,394

Source: American Community Survey, 2010

## The ALICE population in Essex County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Essex County, **116,692 households (43%)** are struggling, with 46,386 households (17%) living below the U.S. poverty line and 70,306 (26%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Essex County?

Based on the **Household Survival Budget** (see right), it takes \$55,036 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

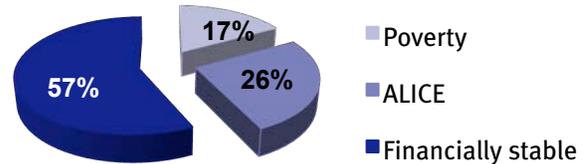
The Household Survival Budget for a single adult is \$23,468, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Essex County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Essex County scored a 40** on a scale of 1 to 100, where 1 is worst and 100 is best. Essex County's score dropped 27 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Essex County ranked 19 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

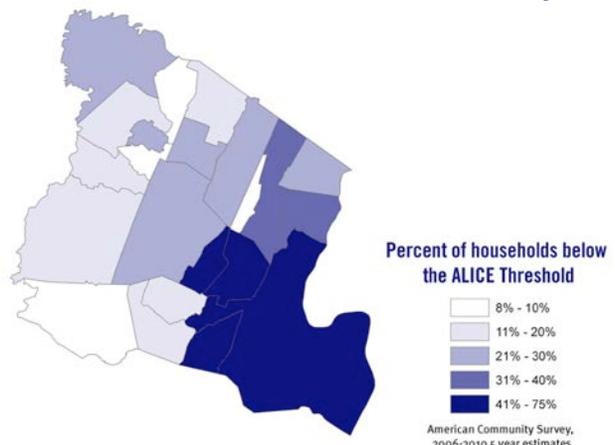
## Households in Essex County



Household Survival Budget, Essex County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,279	\$916
<b>Child care</b>	\$1,335	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$181	\$90
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$417	\$178
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,586	\$1,956
<b>Annual wage</b>	\$55,036 \$27.52/hr.	\$23,468 \$11.73/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Essex County



# ALICE IN GLOUCESTER COUNTY

## Gloucester County Facts

**Population:** 288,581 | **Number of Households:** 104,782 | **Median Household Income:** \$70,514

Source: American Community Survey, 2010

## The ALICE population in Gloucester County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Gloucester County, **35,131 households (34%)** are struggling, with 8,566 households (8%) living below the U.S. poverty line and 26,565 (26%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Gloucester County?

Based on the **Household Survival Budget** (see right), it takes \$56,712 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

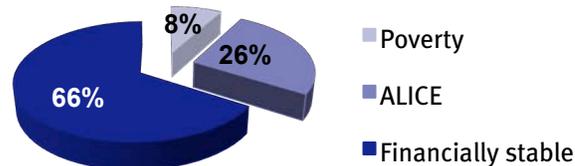
The Household Survival Budget for a single adult is \$27,752 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Gloucester County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Gloucester County scored a 49** on a scale of 1 to 100, where 1 is worst and 100 is best. Gloucester County's score dropped 27 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Gloucester County ranked 12 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

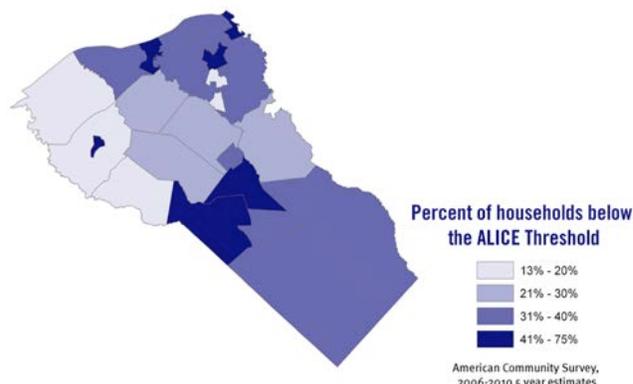
## Households in Gloucester County



Household Survival Budget, Gloucester County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,095	\$803
<b>Child care</b>	\$1,192	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$634	\$528
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$430	\$210
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,726	\$2,313
<b>Annual wage</b>	\$56,712 \$28.36/hr.	\$27,752 \$13.88/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Gloucester County



# ALICE IN HUDSON COUNTY

## Hudson County Facts

**Population:** 635,294 | **Number of Households:** 238,692 | **Median Household Income:** \$54,817

Source: American Community Survey, 2010

## The ALICE population in Hudson County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Hudson County, **98,185 households (41%)** are struggling, with 38,118 households (16%) living below the U.S. poverty line and 60,067 (25%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Hudson County?

Based on the **Household Survival Budget** (see right), it takes \$51,545 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

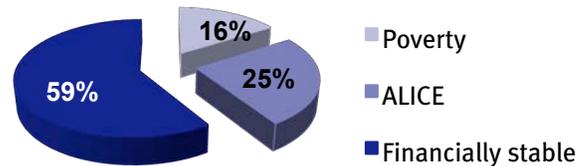
The Household Survival Budget for a single adult is \$24,434 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Hudson County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Hudson County scored a 43** on a scale of 1 to 100, where 1 is worst and 100 is best. Hudson County's score dropped 20 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Hudson County ranked 18 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

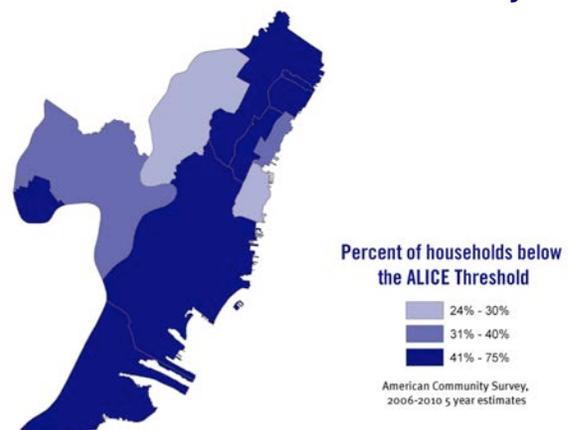
## Households in Hudson County



Household Survival Budget, Hudson County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,227	\$995
<b>Child care</b>	\$1,145	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$181	\$90
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$390	\$185
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,295	\$2,036
<b>Annual wage</b>	\$51,545 \$25.77/hr.	\$24,434 \$12.22/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Hudson County



# ALICE IN HUNTERDON COUNTY

## Hunterdon County Facts

**Population:** 128,373 | **Number of Households:** 47,550 | **Median Household Income:** \$97,874

Source: American Community Survey, 2010

## The ALICE population in Hunterdon County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Hunterdon County, **12,607 households (27%)** are struggling, with 1,905 households (4%) living below the U.S. poverty line and 10,702 (23%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Hunterdon County?

Based on the **Household Survival Budget** (see right), it takes \$71,751 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

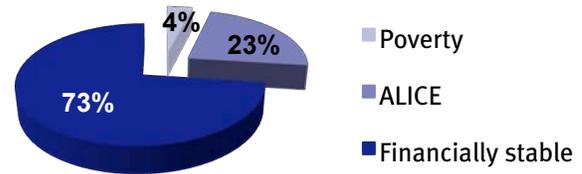
The Household Survival Budget for a single adult is \$30,427 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Hunterdon County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Hunterdon County scored a 59** on a scale of 1 to 100, where 1 is worst and 100 is best. Hunterdon County's score dropped 14 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Hunterdon County ranked 2 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

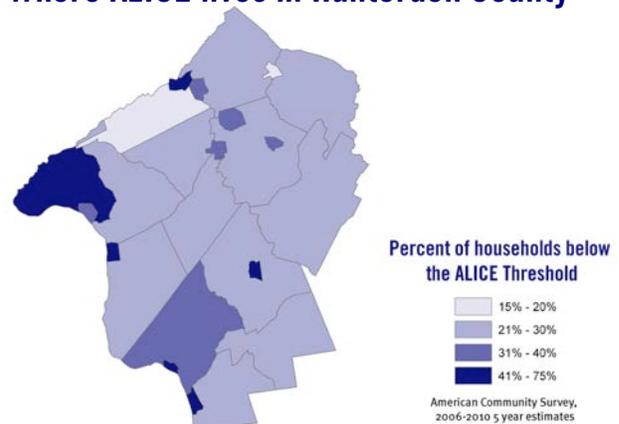
## Households in Hunterdon County



Household Survival Budget, Hunterdon County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,409	\$1,155
<b>Child care</b>	\$1,906	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$769	\$384
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$544	\$231
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$ 5,979	\$2,536
<b>Annual wage</b>	\$71,751 \$35.88/hr.	\$30,427 \$15.21/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Hunterdon County



# ALICE IN MERCER COUNTY

## Mercer County Facts

**Population:** 366,789 | **Number of Households:** 131,500 | **Median Household Income:** \$70,956

Source: American Community Survey, 2010

## The ALICE population in Mercer County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Mercer County, **46,969 households (36%)** are struggling, with 14,813 households (11%) living below the U.S. poverty line and 32,156 (25%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Mercer County?

Based on the **Household Survival Budget** (see right), it takes \$58,354 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

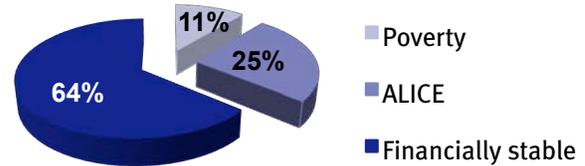
The Household Survival Budget for a single adult is \$28,676 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Mercer County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Mercer County scored a 57** on a scale of 1 to 100, where 1 is worst and 100 is best. Mercer County's score dropped 19 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Mercer County ranked 4 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

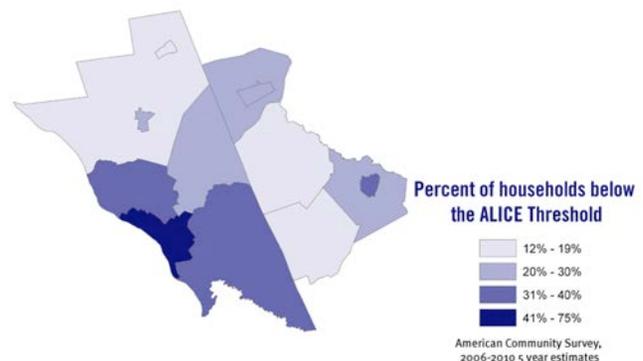
## Households in Mercer County



Household Survival Budget, Mercer County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,208	\$873
<b>Child care</b>	\$1,204	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$634	\$528
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$442	\$217
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$ 4,863	\$2,390
<b>Annual wage</b>	\$58,354 \$29.18/hr.	\$28,676 \$14.34/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Mercer County



# ALICE IN MIDDLESEX COUNTY

## Middlesex County Facts

**Population:** 810,986 | **Number of Households:** 278,877 | **Median Household Income:** \$76,443

Source: American Community Survey, 2010

## The ALICE population in Middlesex County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Middlesex County, **79,327 households (28%)** are struggling, with 19,459 households (7%) living below the U.S. poverty line and 59,868 (21%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Middlesex County?

Based on the **Household Survival Budget** (see right), it takes \$58,587 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

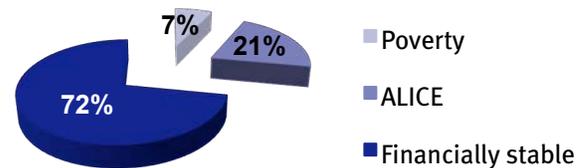
The Household Survival Budget for a single adult is \$26,546 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Middlesex County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Middlesex County scored a 57** on a scale of 1 to 100, where 1 is worst and 100 is best. Middlesex County's score dropped 11 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Middlesex County ranked 7 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

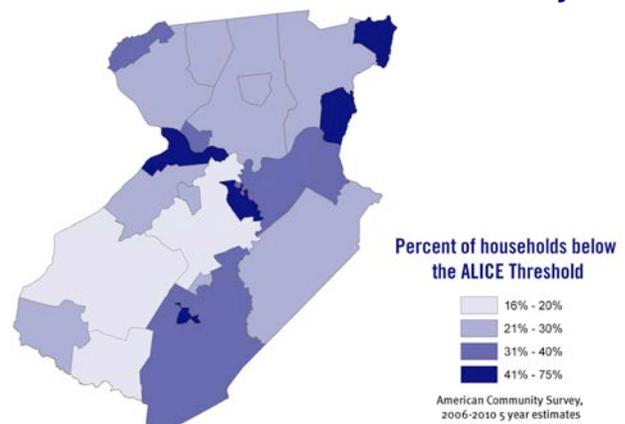
## Households in Middlesex County



Household Survival Budget, Middlesex County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,409	\$1,155
<b>Child care</b>	\$1,497	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$181	\$90
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$444	\$201
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,882	\$2,212
<b>Annual wage</b>	\$58,587 \$29.29/hr.	\$26,546 \$13.27/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Middlesex County



# ALICE IN MONMOUTH COUNTY

## Monmouth County Facts

**Population:** 630,966 | **Number of Households:** 234,582 | **Median Household Income:** \$80,816

Source: American Community Survey, 2010

## The ALICE population in Monmouth County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Monmouth County, **63,763 households (28%)** are struggling, with 15,646 households (7%) living below the U.S. poverty line and 48,763 (21%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Monmouth County?

Based on the **Household Survival Budget** (see right), it takes \$53,400 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

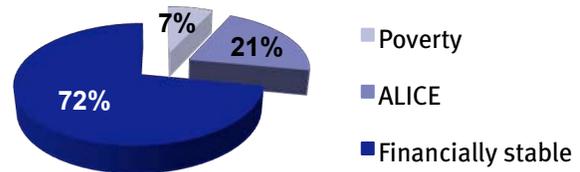
The Household Survival Budget for a single adult is \$23,194 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Monmouth County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Monmouth County scored a 52** on a scale of 1 to 100, where 1 is worst and 100 is best. Monmouth County's score dropped 18 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Monmouth County ranked 8 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

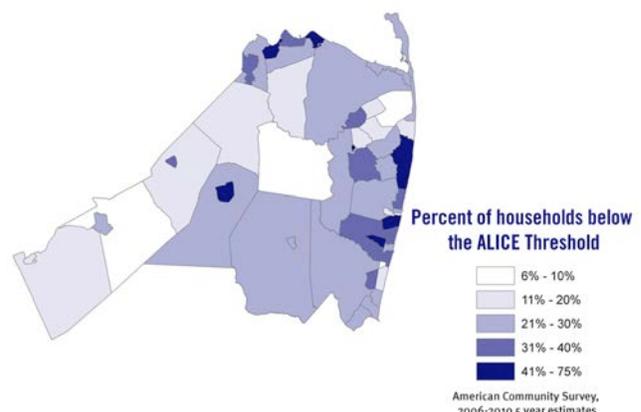
## Households in Monmouth County



Household Survival Budget, Monmouth County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,271	\$901
<b>Child care</b>	\$1,242	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$181	\$90
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$405	\$176
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,450	\$1,933
<b>Annual wage</b>	\$58,400 \$26.70/hr.	\$23,194 \$11.60/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Monmouth County



# ALICE IN MORRIS COUNTY

## Morris County Facts

**Population:** 492,694 | **Number of Households:** 177,786 | **Median Household Income:** \$91,469

Source: American Community Survey, 2010

## The ALICE population in Morris County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Morris County, **40,753 households (23%)** are struggling, with 8,837 households (5%) living below the U.S. poverty line and 31,916 (18%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Morris County?

Based on the **Household Survival Budget** (see right), it takes \$62,290 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

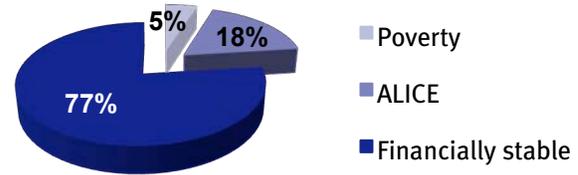
The Household Survival Budget for a single adult is \$27,272 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Morris County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Morris County scored a 61** on a scale of 1 to 100, where 1 is worst and 100 is best. Morris County's score dropped 16 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Morris County ranked 1 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

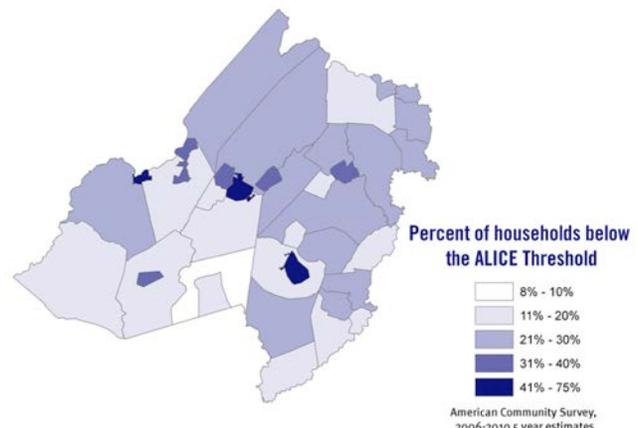
## Households in Morris County



Household Survival Budget, Morris County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,279	\$916
<b>Child care</b>	\$1,319	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$769	\$384
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$472	\$207
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$5,191	\$2,273
<b>Annual wage</b>	\$62,290 \$31.15/hr.	\$27,272 \$13.64/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Morris County



# ALICE IN OCEAN COUNTY

## Ocean County Facts

**Population:** 577,603 | **Number of Households:** 220,972 | **Median Household Income:** \$57,128

Source: American Community Survey, 2010

## The ALICE population in Ocean County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Ocean County, **92,286 households (42%)** are struggling, with 19,432 households (9%) living below the U.S. poverty line and 72,854 (33%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Ocean County?

Based on the **Household Survival Budget** (see right), it takes \$60,697 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

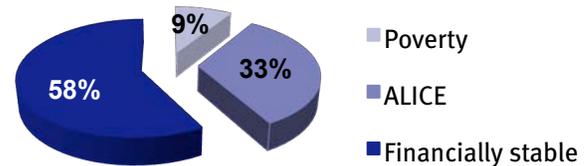
The Household Survival Budget for a single adult is \$29,046 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Ocean County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Ocean County scored a 46** on a scale of 1 to 100, where 1 is worst and 100 is best. Ocean County's score dropped 23 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Ocean County ranked 16 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

## Households in Ocean County

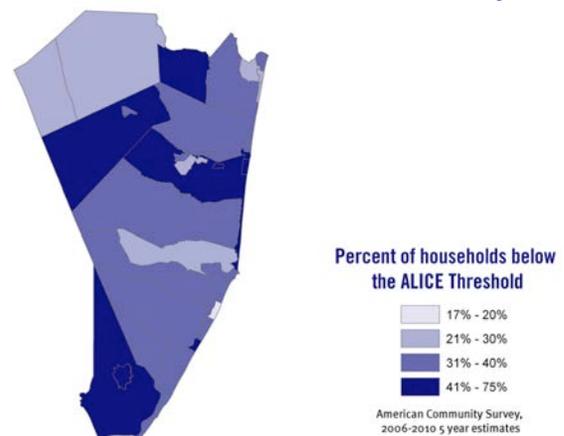


## Household Survival Budget, Ocean County Monthly Costs 2010

	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,271	\$901
<b>Child care</b>	\$1,318	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$634	\$528
<b>Health care</b>	\$410	\$102
<b>Miscellaneous</b>	\$460	\$220
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$5,058	\$2,420
<b>Annual wage</b>	\$60,697 \$30.35/hr.	\$29,046 \$14.52/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Ocean County



# ALICE IN PASSAIC COUNTY

## Passaic County Facts

**Population:** 501,860 | **Number of Households:** 161,527 | **Median Household Income:** \$53,993

Source: American Community Survey, 2010

## The ALICE population in Passaic County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Passaic County, **72,962 households (45%)** are struggling, with 24,134 households (15%) living below the U.S. poverty line and 48,828 (30%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Passaic County?

Based on the **Household Survival Budget** (see right), it takes \$53,877 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

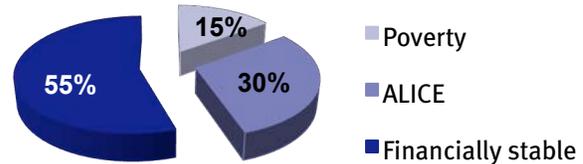
The Household Survival Budget for a single adult is \$25,807 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Passaic County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Passaic County scored a 35** on a scale of 1 to 100, where 1 is worst and 100 is best. Passaic County's score dropped 29 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Passaic County ranked 21 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

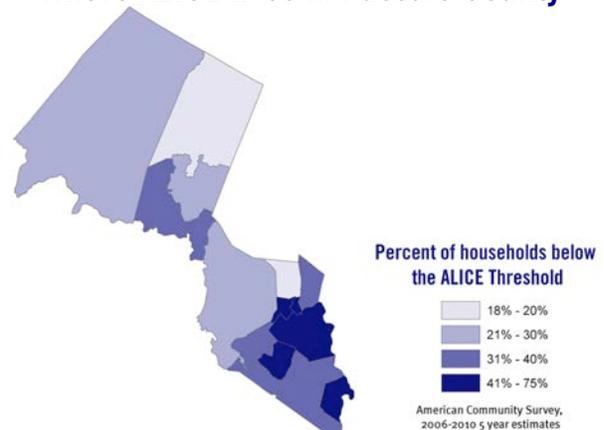
## Households in Passaic County



Household Survival Budget, Passaic County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,379	\$1,099
<b>Child care</b>	\$1,170	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$181	\$90
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$408	\$196
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$ 4,490	\$2,151
<b>Annual wage</b>	\$53,877 \$26.94/hr.	\$25,807 \$12.90/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Passaic County



# ALICE IN SALEM COUNTY

## Salem County Facts

**Population:** 66,058 | **Number of Households:** 24,898 | **Median Household Income:** \$56,357

Source: American Community Survey, 2010

## The ALICE population in Salem County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Salem County, **10,188 households (41%)** are struggling, with 2,862 households (11%) living below the U.S. poverty line and 7,326 (30%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Salem County?

Based on the **Household Survival Budget** (see right), it takes \$55,059 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

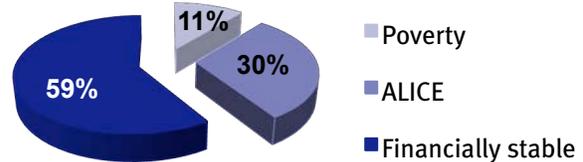
The Household Survival Budget for a single adult is \$25,781 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Salem County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Salem County scored a 52** on a scale of 1 to 100, where 1 is worst and 100 is best. Salem County's score dropped 19 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Salem County ranked 10 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

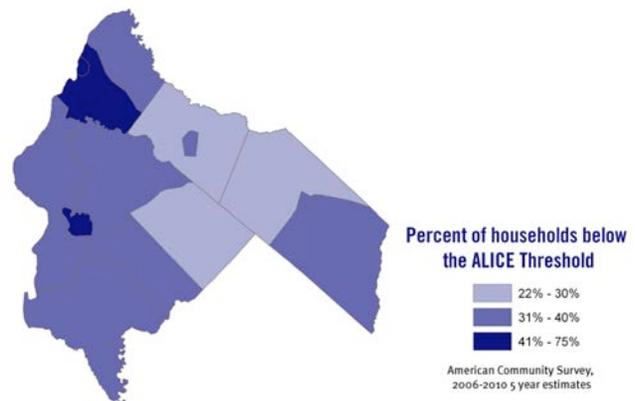
## Households in Salem County



Household Survival Budget, Salem County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,095	\$803
<b>Child care</b>	\$955	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$769	\$384
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$417	\$195
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$ 4,588	\$2,148
<b>Annual wage</b>	\$55,059 \$27.53/hr.	\$25,781 \$12.89/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Salem County



# ALICE IN SOMERSET COUNTY

## Somerset County Facts

**Population:** 324,194 | **Number of Households:** 115,913 | **Median Household Income:** \$94,270

Source: American Community Survey, 2010

## The ALICE population in Somerset County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Somerset County, **32,261 households (28%)** are struggling, with 5,169 households (4%) living below the U.S. poverty line and 27,092 (24%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Somerset County?

Based on the **Household Survival Budget** (see right), it takes \$66,160 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

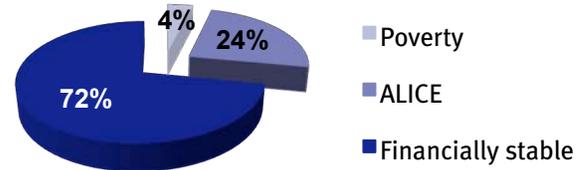
The Household Survival Budget for a single adult is \$32,323 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Somerset County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Somerset County scored a 58** on a scale of 1 to 100, where 1 is worst and 100 is best. Somerset County's score dropped 16 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Somerset County ranked 3 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

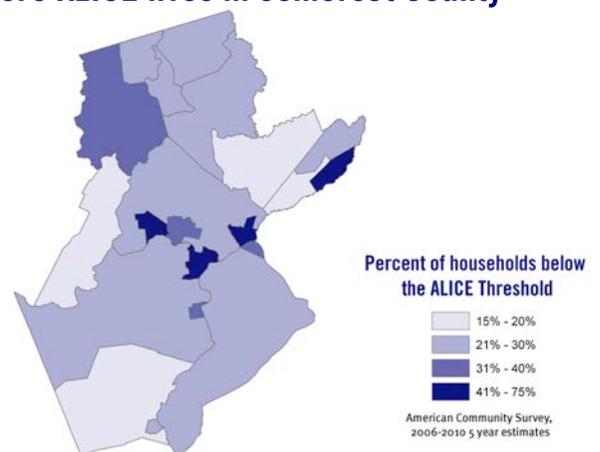
## Households in Somerset County



Household Survival Budget, Somerset County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,409	\$1,155
<b>Child care</b>	\$1,617	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$634	\$528
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$501	\$245
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$5,513	\$2,694
<b>Annual wage</b>	\$66,160 \$33.08/hr.	\$32,323 \$16.16/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Somerset County



# ALICE IN SUSSEX COUNTY

## Sussex County Facts

**Population:** 149,239 | **Number of Households:** 54,881 | **Median Household Income:** \$84,115

Source: American Community Survey, 2010

## The ALICE population in Sussex County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Sussex County, **17,711 households (32%)** are struggling, with 2,749 households (5%) living below the U.S. poverty line and 14,962 (27%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Sussex County?

Based on the **Household Survival Budget** (see right), it takes \$65,574 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

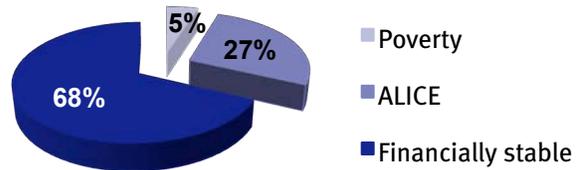
The Household Survival Budget for a single adult is \$27,272, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Sussex County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Sussex County scored a 52** on a scale of 1 to 100, where 1 is worst and 100 is best. Sussex County's score dropped 14 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Sussex County ranked 9 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

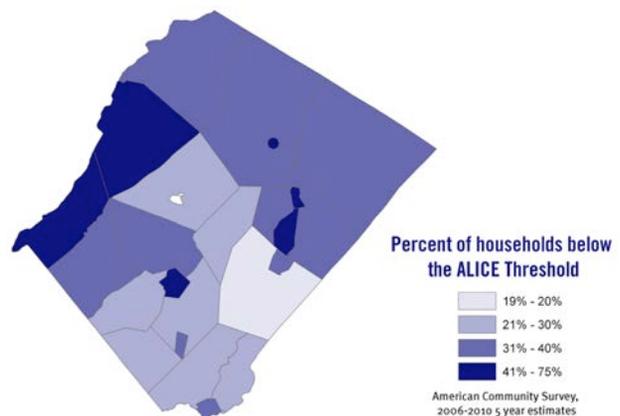
## Households in Sussex County



Household Survival Budget, Sussex County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,279	\$916
<b>Child care</b>	\$1,568	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$769	\$384
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$497	\$207
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$5,464	\$2,273
<b>Annual wage</b>	\$65,574 \$32.79/hr.	\$27,272 \$13.64/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Sussex County



# ALICE IN UNION COUNTY

## Union County Facts

**Population:** 537,661 | **Number of Households:** 183,882 | **Median Household Income:** \$66,665

Source: American Community Survey, 2010

## The ALICE population in Union County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Union County, **52,184 households (28%)** are struggling, with 19,225 households (10%) living below the U.S. poverty line and 32,959 (18%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Union County?

Based on the **Household Survival Budget** (see right), it takes \$52,935 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

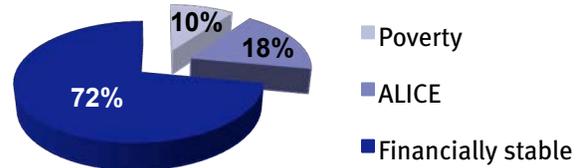
The Household Survival Budget for a single adult is \$23,392 compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Union County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Union County scored a 47** on a scale of 1 to 100, where 1 is worst and 100 is best. Union County's score dropped 15 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Union County ranked 14 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

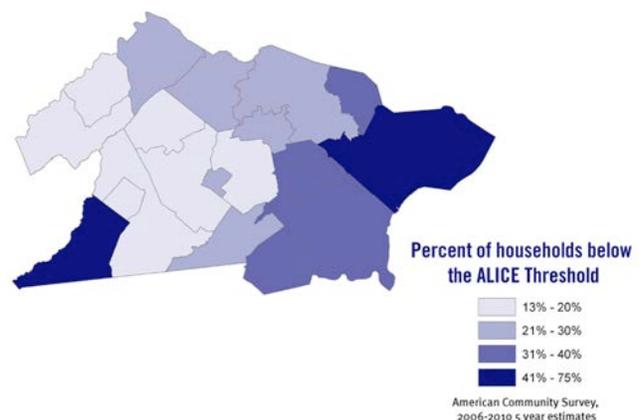
## Households in Union County



Household Survival Budget, Union County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,279	\$916
<b>Child care</b>	\$1,199	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$181	\$90
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$401	\$177
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,411	\$1,949
<b>Annual wage</b>	\$52,935 \$26.47/hr.	\$23,392 \$11.70/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables –2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Union County



# ALICE IN WARREN COUNTY

## Warren County Facts

**Population:** 108,714 | **Number of Households:** 41,208 | **Median Household Income:** \$71,832

Source: American Community Survey, 2010

## The ALICE population in Warren County

ALICE is an acronym that stands for “**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.” ALICE households earn more than the official U.S. poverty level but less than the basic cost of living.

In Warren County, **13,122 households (32%)** are struggling, with 3,289 households (8%) living below the U.S. poverty line and 9,833 (24%) falling into the ALICE population.

## What does it cost to afford the basic necessities in Warren County?

Based on the **Household Survival Budget** (see right), it takes \$58,831 for a family of two adults, an infant and a toddler to afford the basics - more than double the U.S. poverty rate of \$22,113.

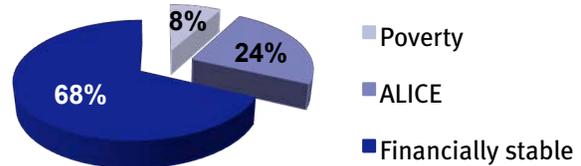
The Household Survival Budget for a single adult is \$25,688, compared to the U.S. poverty rate of \$11,344.

## What are the economic conditions in Warren County?

The **Economic Viability Index** evaluates the income opportunities, affordability, and support available to assist ALICE households in each county.

According to this new measure, **Warren County scored a 57** on a scale of 1 to 100, where 1 is worst and 100 is best. Warren County's score dropped 16 percent from 2007, reflecting the hardship caused by the Great Recession. With this score, Warren County ranked 6 out of the 21 New Jersey counties in 2010, where 1 is the best and 21 is worst.

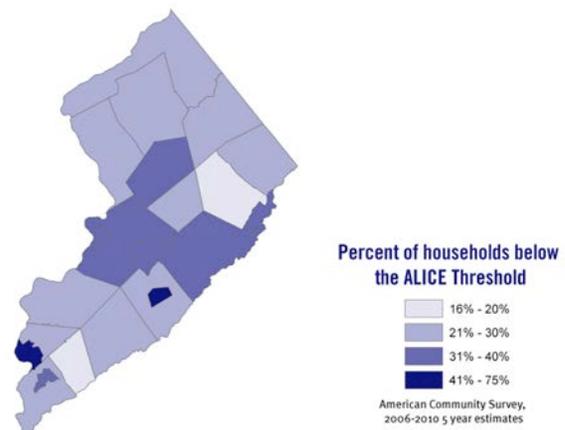
## Households in Warren County



Household Survival Budget, Warren County Monthly Costs 2010		
	FAMILY	SINGLE ADULT
<b>Housing</b>	\$1,042	\$796
<b>Child care</b>	\$1,294	\$ -
<b>Food</b>	\$548	\$181
<b>Transportation</b>	\$769	\$384
<b>Health care</b>	\$387	\$97
<b>Miscellaneous</b>	\$446	\$195
<b>Taxes</b>	\$417	\$488
<b>TOTAL</b>	\$4,903	\$2,141
<b>Annual wage</b>	\$58,831 \$29.42/hr.	\$25,688 \$12.84/hr.

Sources: Fair Market Rent, HUD; National Association of Child Care Resource and Referral Agencies; Thrifty USDA Food Plan; Consumer Expenditure Survey; Federal and N.J. state income tax tables -2007 and 2010 (wage = 40 hour week, 50 weeks/year)

## Where ALICE lives in Warren County



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