

Testimony before the Assembly Budget Committee
Wednesday, March 18, 2015

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Thank you, Chairman Schaer and members of the committee for the opportunity to speak this morning. My name is Serena Rice and I am the Executive Director of the Anti-Poverty Network of New Jersey, or APN. The APN is a broad network of both organizations and individuals, including people who have personal, lived experience of poverty, non-profit and community-based organizations, faith-based communities, government officials, labor unions, students, and anyone else who is concerned with the persistence and scope of poverty in New Jersey. This diverse coalition is united by a common goal: to prevent, reduce, and end poverty in New Jersey.

Unfortunately, we have a long way to go, and in some ways it is getting longer. In fact, while most of the nation has been making progress in reducing poverty after the devastating impact of the Great Recession on those at the bottom of the income scale, New Jersey's most vulnerable residents are not seeing that recovery. According to the most recent Census data, New Jersey is one of only three states in which poverty was still increasing in 2013. What is more, because of New Jersey's high cost of living, actual economic struggle extends far above the official poverty line. Even according to modest estimates,¹ one in four New Jerseyans now has an income below the cost of meeting just basic needs - things like housing, and transportation, and nutritious food. Poverty is not a fringe issue - it impacts our entire economic structure and society.

The state budget has a huge impact on poverty - both in terms of the daily struggles of individuals and families who can't cover costs on their own, and in terms of the conditions that perpetuate or ameliorate that struggle. State investments are by no means the only relevant factor in the prevention, reduction, and elimination of poverty - but they play a crucial role. Perhaps even more importantly, they present the clearest statement we have of our state's priorities.

¹ Research studies of actual market costs place New Jersey's cost of living between about 250% and 400% of the federal poverty level (depending on family type and county), but the modest measure of 200%fpl across all household types includes more than 25% of the state's population.

With that understanding, I want to challenge you to consider whether any priorities are more central to your governing responsibility than making sure every resident of this state has the chance to meet their basic human needs.

Our coalition has summarized our budget message to one simple phrase. “Put the money where it should be.”

This statement assumes at least two things. First it assumes that there is money. This is obviously a fact – we have a \$33.8 billion proposal from the Governor so, yes, there is money. There are many competing demands on that money, but we are not dealing with a situation of absolute lack. We are dealing with priorities – and while that is a challenge, it is one you are obligated to face. What is more, it is a challenge that you have some capacity to address on the resource side. You can make choices to increase revenues, and to limit the drains on current revenues presented by corporate tax subsidies and fixable loopholes. So much for the first assumption – there IS money.

The second assumption is that there is a clear “should” regarding expenditures. In this regard APN has a consistent position that there are three essential areas for state policy and investment to address the crisis of poverty: these three areas are housing, hunger, and economic empowerment. Proven programs in each of these three areas provide essential resources in the fight against poverty – both on the level of near term effects and on the level of prevention. I have included with my written testimony copies of our network’s budget statement detailing two or three programs in each of these areas: programs like the State Rental Assistance Program, school breakfast after the bell, and the Earned Income Tax Credit. These programs have been shown to be effective and they need investment. They are clear “shoulds” for investment of state resources.

Out of respect for time, I will not detail each of these programs in my verbal testimony, but I do want to reiterate one thing that I said at the beginning of my testimony. Poverty is not a fringe issue. It affects all of us. One in four of our neighbors are struggling to meet just basic needs. That is a crisis, and we cannot afford to say there is no money in the budget to deal with it. We need to put the money where it should be.

Thank you for your time and attention.