



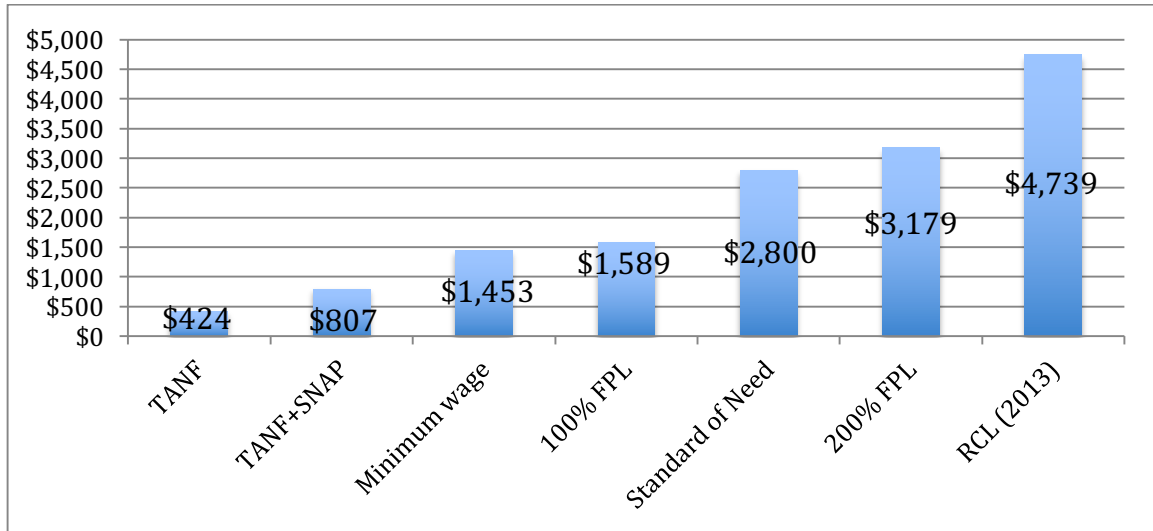
Assembly Human Services Committee, January 27, 2016
Testimony of
Serena Rice, Executive Director
Anti-Poverty Network of New Jersey

Good afternoon Chairwoman Huttle, Vice-chair Tucker, and members of the committee. My name is Serena Rice and I am the Executive Director of the Anti-Poverty Network of New Jersey, a broad-based coalition of organizations and individuals committed to the prevention, reduction and the eventual end of poverty in New Jersey. Thank you for the invitation to address you today about the far-reaching challenge of poverty in this state as it relates to the work of the Human Services committee.

Although our topic today is a sobering one, I am happy to see this new attention being paid to an on-going problem. The APN and our members appreciate the leadership of the Assembly Speaker, and the engagement of this committee in looking for real solutions.

Poverty is a pervasive problem for the state of New Jersey that impacts every person in this state, whether they personally experience economic hardships or not. Poverty is a blight on our state's economy that limits the spending needed to drive growth, and it is a stain on our social fabric, creating distrust and divides where we should be building unity and working for the common good. What is more, poverty has a direct impact on a much larger portion of the population than is commonly assumed in our high-income state, and it runs the spectrum from the desperately poor who are often facing generational barriers to opportunity, to the formerly middle class who have slipped into poverty since the Great Recession. The economic diversity of situations that our state needs to address in addressing poverty is represented in the following graph:

Monthly Income for a Family of Three (2016)



On the right side of the graph we see estimates of how much income is really needed to meet all basic needs. These estimates range from nearly \$4,800/month according to the Real Cost of Living study (which uses market-based cost estimates for all basic need expenses) to \$2,800/month according to the Department of Human Services' own Standard of Need, published just last week, which leaves out child care, health costs and taxes, but does include housing, food, transportation, and miscellaneous expenses. These numbers offer a general income range that shows us just how many people in New Jersey are struggling. Using a conservative, mid-point between the two, what APN calls *True Poverty* at twice the federal poverty income (200%fpl), we know that about 1 in 5 New Jerseyans are facing some level of economic shortage relative to the cost of living in New Jersey.¹

At the other end of the spectrum we see the incredible depths of poverty faced by some of our neighbors. The official poverty rate (100%fpl), although counting far fewer than the numbers who are really struggling, still accounts for 1 in 9 New Jersey residents (11.1%). Many of these are minimum wage workers who, even working full-time, year-round cannot earn enough to pull a three-person

¹ The most recent statewide Census poverty data estimates that 24.9% of New Jersey residents have incomes at or below twice the federal poverty level (200% fpl).

family above poverty. Moreover, our poorest families are facing the kind of intense deprivation that should be unknown in a high resource state like New Jersey. Families that depend on the Temporary Assistance to Needy Families (TANF) program, although less numerous than the other categories (an average of about 73,700 people in 2015), face an incredible gap between their monthly resources and the Standard published by the very Department that serves them. \$424 a month is barely more than 15% of the Standard of Need, and even when combined with approximated SNAP benefits the total resources are still less than 30% of the Standard. This kind of intense poverty must be part of the conversation about addressing New Jersey's poverty problem.

So far, this testimony has described the income gap that we need to understand as the background for any discussion of poverty in New Jersey, but I have faith that this committee is interested in solutions, not just descriptions. Later on today, APN will be offering testimony in two other committees about solutions that relate to housing, employment, and early education. These are all important pieces of the puzzle, but for now I will focus on three crucial anti-poverty programs that lie under the purview of this committee.

1. The **TANF program** is the lowest level of the safety net. It provides not only minimal cash income, but also access to services, case management, and work activities that are intended to provide a boost up the income ladder, allowing families to move from welfare into self-sustaining work. As it is currently functioning, however, the program faces two huge barriers to meeting this goal.
 - a. First, the grant levels are so ridiculously low that life has to be about daily survival, not building toward the future. The benefit provided to a family of three today is the same amount that was given a generation ago, because grants have not increased since 1989. In a couple of weeks, APN will be partnering with New Jersey Policy Perspective to talk about their new report that looks at the connection between the TANF program and high child poverty rates, particularly among communities of color. We hope to have the opportunity to come back to this committee after the

report is released to talk about legislative solutions to this failed section of the safety net.

- b. Secondly, the workforce training portion of the Work First New Jersey program has not lived up to the “work opportunity” part of the welfare-to-work formula.² While a lucky few can access real education or job training opportunities, the majority of WFNJ participants are shuttled into “community work experience” programs that at best provide minimal job experience, but too often involve menial activities – like folding donated clothes or even reading the newspaper for 7 hours a day. Last year one participant described the work to me as an “assault on mental health.” If we want to take a serious look at our state’s approach to remedying the scourge of poverty, we have to look at the kinds of training opportunities we provide and fund for people with limited or no job experience. We need to offer meaningful training and education opportunities to our most vulnerable adults.

2. The other essential component of our welfare safety net is **Emergency Assistance** (EA). As I shared with this committee last month in the hearing devoted to the developing EA crisis, the Department of Human Services has implemented a significant policy change in the EA program which has driven many disabled and vulnerable individuals and families into homelessness, and threatens many more. The crux of this policy change is the implementation of strict time limits on receipt of Emergency Assistance, regardless of the practical impossibility for many recipients of securing other appropriate housing within the time frames provided. The Anti-Poverty Network and other advocates have begun working on a legislative solution that could directly address these time limits by applying exemption categories that already exist in the Work First New Jersey (WFNJ) program. The exemptions apply to certain categories of people for whom arbitrary time limits on benefits do not make sense – people with long-

² The “Personal Responsibility and Work Opportunity Reconciliation Act” (PRWORA), which remade welfare in the 1990s was supposed to pair the increased client obligations with increased services and opportunities to support their families through work opportunities.

term disabilities and those deemed unemployable by the Department. By modifying the WFNJ statute to extend these time limit exemption categories to the EA program, the individuals currently being pushed into homelessness or unstable housing situations could again be eligible for EA until such time as truly permanent housing solutions can be found. This is a practical solution that we would be very interested in working with this committee to advance.

3. Finally, this committee is also very aware of the vital importance of the Supplemental Nutrition Assistance Program (SNAP) for individuals not only at the bottom of the state's income scale, but also for the working poor. Although the program has faced a number of cuts in recent years, it is still the most important source of food assistance for many hungry New Jersey families and individuals. The program's ability to fight hunger, however, has been undermined by two decisions by the current administration. The first was the decision to eliminate the Heat and Eat program in 2014, which substantially reduced federal SNAP benefits for many vulnerable residents, especially seniors and individuals with disabilities. The second was the decision, announced last month, to not apply for waivers to the 3-month time limit on benefits for Able-Bodied Adults Without Dependents. This time limit is designed to require recipients to work, but the federal government recognizes that this design only works in labor markets where people can actually find jobs. In the majority of New Jersey counties the unemployment rate remains above the threshold that allows states to request waivers from the time limit. Unfortunately, the current administration decided not to seek such waivers. As a result, adults who are seeking work but are unable to find it will soon be faced with the loss of the only monthly resource they have to feed themselves: their SNAP benefits.

The primary responsibility for reversing these policy shifts lies with the administration, however the legislature can play an important role in calling on the Department to report the impact of these cuts, and exploring options to minimizing their impact as much as possible.

In closing, there is one further element of the context for New Jersey's poverty crisis that must be addressed in any serious effort to reduce poverty statewide.

Demographic data makes it abundantly clear that poverty is not experienced in equal proportions by White residents as by their Black and Latino neighbors. This disparity is systemic, and it is intimately tied to the programs that respond to poverty, as well as to doors of opportunity that allow individuals and families to escape poverty. Last Spring APN convened a working group of committed partners who have been working to assemble research and recommendations about what New Jersey needs to do to address the serious and persistent barriers to equity and economic progress for communities of color. Later this year we will be releasing a report with the fruit of this work, and we urge this committee to engage with us in exploring the policy recommendations that will relate to human services. If we want to get serious about addressing poverty in New Jersey, that work has to involve actions to counteract the structural racism that feeds that poverty.