

We are requesting your assistance to support children; reduce racial, ethnic and income disparities; and reduce poverty. These problems have been exacerbated in our state, in part, because there has not been any cost-of-living increases in WorkFirst NJ (WFNJ) assistance in nearly 3 decades. A family of three only receives a maximum of \$424 a month today – the same amount as 29 years ago. Due to inflation, the purchasing power of this assistance has been reduced by over half.

We therefore urge that you support pending legislation, A-30/S-1829, to increase WFNJ assistance and most importantly assure that the funds are included in the budget for a ten percent increase in Fiscal Year 2017. A-30/S-1829 would increase TANF assistance by 30 percent over three years and mandate cost-of-living increases each year thereafter. Providing a sufficient amount of assistance will help some of New Jersey's poorest families climb the ladder of self-sufficiency and economic opportunity.

Since eligibility is based on this assistance, far fewer poor children are eligible for *any* help. Whereas in the past *most* poor children received help from WFNJ, today eight out of ten children do not received *any* assistance. Unless something is done soon, WFNJ will cease to be a viable safety net for children.

Most TANF families struggle to find affordable, stable housing as they must rely *entirely* on their \$424 a month cash assistance to pay for housing (in addition to clothes, school supplies, and some other necessities).<sup>1</sup> Despite its very high housing costs, New Jersey does not provide a housing allowance as part of its basic assistance, as New York and some other states do. In New Jersey, only 2,937 families and individuals that relied on WorkFirst NJ as their main source of income received public housing and Section 8 last year, according to data from HUD. **That's just 6 percent of all WorkFirst NJ households.**

By any standard WFNJ assistance in New Jersey is far too low. It has dropped from 61 percent of the federal poverty level in 1981 to only 25 percent of the poverty level today. We also know that this greatly underestimates the

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<sup>1</sup> Rental Assistance to Families with Children at Lowest Point in Decade, May 24, 2016, Center on Budget and Policy Priorities

problem because the federal poverty level is not adjusted for New Jersey's high cost of living. For that reason, the legislature requires the Department of Human Services to establish a standard for decency that takes into account real needs, including the cost of housing. That standard, which is now about \$2,800 for a family of three, is seven times higher than the current WFNJ benefit level.

New Jersey now has the lowest benefit by far in the Northeast and the 10th lowest in the nation when the cost of housing is considered. New Jersey is even ranked lower than many poorer states like West Virginia, Oklahoma and Kentucky.

Last year alone nine states increased their TANF levels. Since 2000 all Northeast states increased their grant except Rhode Island and New Jersey. During that period, New York increased their assistance by 30 percent over three years. Their level is now almost twice New Jersey's.

This unprecedented reduction in assistance has also made WFNJ totally unresponsive to real needs in our state. When unemployment and the child poverty rate went up, the WFNJ enrollment rate barely budged or went down substantially – exactly the opposite of what you would expect.

State funding for this help has fallen dramatically, from about a half a billion dollars in 1997 to about \$100 million a year today. That's a \$400 million reduction every year which increases extreme child poverty and hurts local economies to boot. While we fully support your decision to increase the EITC to 30 percent of the federal credit, and support efforts to raise the EITC even further, action on the EITC does not eliminate the need for action on WorkFirst NJ, because EITC does not help some of the poorest families in our state, those who cannot find a job and are unemployed.

New Jersey has done plenty in recent years for corporations and the wealthy, but the poorest children in our state have been completely ignored. That is more than unfair, it is immoral. Please do the right thing and help the most vulnerable children in the state.

Thank you.

