

# Inequality and poverty on the rise in New Jersey

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A recent report found that poverty in the state of New Jersey continued to grow in the years following the financial crash of 2008, and has now reached levels not seen since the 1960 census.

The report, issued several months ago by Legal Services of New Jersey, uses a poverty threshold of \$37,060 for a family of three, a figure that is twice the federal poverty level because of the higher cost of living in the state. It found that 24.7 percent of New Jersey residents, 2.1 million people, are classified as poor. This is based on 2011 data, and is certain to have risen since then, especially considering the impact of Hurricane Sandy on economic statistics as well as housing and homelessness.

New Jersey is one of the wealthiest states in the US, and also one of the poorest. Six of its counties have populations that are about one-third poor or higher. More than 50 percent of the residents of six of the state's major cities—Newark, Paterson, Trenton, Passaic, Lakewood and Camden—fall below the poverty line, and this number is 65 percent for Camden, the poorest city in the entire country.

Conditions for the poor will also be worsened by the latest cuts to the federal Supplemental Nutrition Assistance Program (SNAP), otherwise known as food stamps. Over 870,000 New Jersey residents have already seen a reduction in their benefits with the lapse of the relevant legislation allowed by Congress.

According to statistics provided by the New Jersey Anti-Hunger Coalition, in 2011 the overall food insecurity level in New Jersey was 12.7 percent—defined as lack of access to enough nutritionally adequate food to maintain an active, healthy life for all members of a household. These are families that typically must choose between paying for food or other essential needs such as housing and health

care.

These statistics make a mockery of the claim that the vote on Election Day to approve a state Constitutional amendment to raise the minimum wage from \$7.25 to a still abysmal \$8.25 an hour will make much of a difference. The ballot measure was used by Democrats in the New Jersey legislature to circumvent Republican Governor Chris Christie's veto power, which he used to stop a similar bill earlier in the year. It also provides for automatic annual increases to match the official rate of inflation.

Even apart from the reality of persistent unemployment and disastrous living conditions, the \$8.25 wage is grotesquely inadequate to meet even the most basic needs. Researchers define a living wage as the hourly rate that individuals must earn to support themselves and their families, though the legal minimum is of course the same for all individuals, without regard to the number of dependents. According to a study at MIT, the living wage in New Jersey for a single adult is \$11.13; for an adult and two children, \$16.93; for two adults with two children, \$21.17.

Furthermore, these living wage estimates are conservative in the extreme. Essentials such as food, housing and medical care are included, but other real-world expenses such as clothing, telecommunications, children's school supplies, debt payments, etc., are all consolidated under a modest allotment for "other."

Other states and municipalities in the US have enacted so-called living wage ordinances. San Francisco has a minimum of \$10.55, going up to \$10.74 as of January 1. This is still less than 50 percent of the minimum required to support two adults and two children in that very expensive city. Other ordinances in other cities, already insufficient, apply only to contractors doing business with local governments.

In September 2013, Washington DC's mayor, Vincent Gray, a Democrat, vetoed a bill that would merely have required the largest of retailers, including Wal-Mart, to pay workers \$12.50 an hour. Wal-Mart executives reportedly threatened to locate their new facility in Maryland, where the minimum wage matches the federal \$7.25.

While the latest increase in New Jersey will do little to improve conditions for the underpaid and the underemployed, it will do nothing at all for the unemployed, who number 8.6 percent of the labor force. This figure does not include those who have given up looking for work.

The real purpose of the New Jersey Constitutional amendment was to provide the Democratic stooges of big business an opportunity to posture as in some way better than reactionary Republicans like Governor Christie. Christie's re-election took place on the same ballot on which voters approved the minimum wage increase the governor opposed. This outcome is not paradoxical. Most of those eligible did not bother to vote, and Christie was re-elected precisely because the Democrats could not pose any alternative. The voter turnout was a record low of just under 38 percent. Abstention became a rational choice for those millions who saw that neither of the major capitalist party candidates represented their interests.



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