State policies that promote the economic security of our nation’s families can help offset larger economic and social conditions that make it difficult for families to get by and get ahead. This four-part profile provides data on New Jersey’s low-income children and families and highlights state policy choices regarding families’ work attachment and advancement, income adequacy, and asset development.

In New Jersey, there are 1,100,778 families, with 2,008,374 children. Among these children, 30 percent live in families that are low-income, defined as income below twice the federal poverty level (nationally, 45 percent of children live in low-income families). Young children are particularly likely to live in low-income families.

Low wages and a lack of higher education contribute to families having insufficient incomes. Nationally, 48 percent of low-income children have at least one parent who works full-time, year-round; in New Jersey, the figure is 45 percent.

Parents without a college education often struggle to earn enough to support a family, but only 33 percent of adults in New Jersey have a bachelor’s degree. A substantial portion of children in New Jersey whose parents only have a high school diploma--54 percent--are low income.

Children of foreign-born parents are also more likely to be low income than children of native-born parents.
**WORK ATTACHMENT AND ADVANCEMENT**

**State Choices to Promote Child Care Affordability and Access**

**Child Care and Development Fund (CCDF) Subsidies**

- **Earnings limit for a single-parent family of 3**: $33,200/year
- **Co-payment as percent of income for family of 3 at 150% FPL, 1 child in care**: 7%
- **Providers prohibited from charging additional fees**: No

**Provider payment rates at least 75th percentile of market rate**: No
Low-income children who have parents working full- or part-time, 2011

- New Jersey: 45% employed part-time, 32% employed full-time
- U.S.: 48% employed part-time, 32% employed full-time

State Child and Dependent Care Tax Credit

- Refundable credit available
- Benefit structure
- Max benefit for family with 2 qualifying children

State Choices to Promote Access to Health Insurance

Public Health Insurance for Parents

- Applicant earnings limit for single parent with 2 children: $35,200/year
- Parents eligible up to same limit as children, single parent with 2 children: No
- Legal immigrants eligible for state-funded benefits when barred from federal: Yes
- Legal immigrants otherwise barred from benefits eligible for prenatal care: Yes (no immigration test)

Public Health Insurance for Children

- Medicaid income eligibility limit as % of FPL for children ages 1-5 in family of 3: 133%
- Medicaid income eligibility limit as % of FPL for children ages 6-19 in family of 3: 133%
- SCHIP (separate program) income eligibility as % of FPL for children in family of 3: 350%
**State Choices to Promote Access to Benefits for the Under- and Unemployed**

**Unemployment Insurance**

- State counts most recent earnings when determining eligibility\(^{17}\)
- Yes
- Eligible if seeking part-time work\(^{19}\)
- Yes, in some cases\(^{18}\)
- No\(^{18}\)
- State has general provision recognizing "good cause" for quitting work\(^{20}\)

**Temporary Assistance for Needy Families (TANF) Cash Assistance**

- Earnings limit for a single-parent family of 3\(^{21}\)
- $7,632/year

**Official unemployment rate, 2007\(^{22}\)**

- U.S.: 4.6%
- New Jersey: 4.2%

**Part-time workers who want full-time work, 2003\(^{23}\)**

- U.S.: 13%
- New Jersey: 11%

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**INCOME ADEQUACY**

**State Choices to Increase and Supplement Wages**

**Minimum Wage Standards**

- Indexed to inflation\(^{24}\)
- Not applicable

**State Earned Income Tax Credit**

- Refundable credit available\(^{25}\)
- Yes
- Percent of federal EITC\(^{25}\)
- 25%

**State Choices to Reduce Tax Burdens**

**Income Tax Liability**

- Income tax threshold for single-parent family of 3\(^{26}\)
  - $29,100/year
- Income tax threshold for two-parent family of 4\(^{26}\)
  - $30,800/year
- Income tax burden for single-parent family of 3 at 100% FPL\(^{26}\)
  - $-895/year

**Income tax burden for two-parent family of 4 at 100% FPL\(^{26}\)**

- $-554/year
Median annual household income for family of four, 2006

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<th></th>
<th>U.S.</th>
<th>New Jersey</th>
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<tr>
<td>Income</td>
<td>$70,354</td>
<td>$94,441</td>
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Workers covered by a union, 1987 and 2007

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<tr>
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<tr>
<td>New Jersey</td>
<td>26%</td>
<td>21%</td>
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<tr>
<td>U.S.</td>
<td>19%</td>
<td>13%</td>
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State Choices to Promote Access to Paid Leave

Family and Medical Leave

State provisions for paid leave\(^{30}\) Employees who are temporarily disabled for medical reasons, including pregnancy and childbirth, can receive partial wage replacement through state temporary disability insurance.\(^{29}\)

State Choices to Promote Adequate Benefits for the Under- and Unemployed

Unemployment Insurance

Minimum weekly benefit (no dependents)\(^{31}\) $73/week

Additional dependent allowance provided\(^{31}\) Yes

Weekly benefit amount is indexed to average weekly wage\(^{32}\) Yes

Potential duration of benefits\(^{33}\) 1 - 26 weeks

Food Stamps

Legal immigrants eligible for state-funded benefits when barred from federal\(^{35}\) No

Temporary Assistance for Needy Families (TANF) Cash Assistance

Annual maximum benefit for family of 3\(^{31}\) $5,088/year

Treatment of child support income\(^{36}\) Up to $50 passed through. Amount disregarded for purposes of eligibility and benefits.
ASSET DEVELOPMENT AND PROTECTION

State Policy Choices to Promote Asset Development

Individual Development Accounts
State-supported IDA program in operation

Yes

State Choices to Promote Asset Protection

Public Health Insurance for Parents
Assets disregarded for eligibility determination

Yes

Public Health Insurance for Children
Assets disregarded for Medicaid eligibility

Yes
Assets disregarded for SCHIP (separate program) eligibility

Yes

Food Stamps
Treatment of vehicles in asset test

Aligned to TANF cash assistance rules

Temporary Assistance for Needy Families (TANF) Cash Assistance
Assets disregarded for eligibility determination

No
Treatment of vehicles in asset test

Counts fair market value in excess of $9,500

Children who are “asset poor,” 2004

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<th>U.S.</th>
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<td>Percentage</td>
<td>30%</td>
<td>25%</td>
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Homeownership rate, 2007

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<th>New Jersey</th>
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<tr>
<td>Percentage</td>
<td>68%</td>
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DATA NOTES AND SOURCES

Data were compiled from 50-state sources. Some state policy decisions may have changed since these data were collected.

1. National data were calculated from the 2011 American Community Survey, representing information from 2011. State data were calculated from the 2009-2011 American Community Survey, representing information from the years 2009 to 2011.


3. If the statement calculates co-payments based on the cost of care, figure reflects the co-payment for a 4-year-old in licensed, nonaccredited center care at the maximum state payment rate.


5. States were asked to report state reimbursement rates and the 75th percentile of market rates for their state's most populous city, country, or region. Data reflect basic provider payment rates (higher rates may be available for particular types of care). Rates are considered below the 75th percentile if they are based on an out-dated market rate survey (more than 2 years old).


7. Figure reflects limit under Medicaid plan with highest income eligibility limit for parents, taking into account the value of earnings disregards (which may be time-limited in some cases).


8. Value reflects comparison of applicant earnings limit for a single parent with 2 children to the highest Medicaid or SCHIP program eligibility limit for children ages 6-19.


9. Lawful permanent residents (LPRs) are generally barred from federal benefits during their first 5 years as LPRs, unless they entered the U.S. before 8/22/96. Exceptions include refugees and U.S. veterans (and their families). See data source for more details.


10. Limited funds for prenatal services are available to women up to 200% of the federal poverty level, regardless of immigration status.

11. States have the option of using federal State Children's Health Insurance Program (SCHIP) funds to provide prenatal care to women regardless of immigration status. They can also extend prenatal care to immigrant women using state funds.


12. Limit includes SCHIP-funded Medicaid expansions, where applicable.


14. Figures reflect the percent of children (under age 18) and adults (ages 18-64) who did not have health insurance coverage at any point during the year.


15. Figures reflect the percent of children under age 18 and the percent of adults under 65 who were covered by employer-based health insurance during at least part of the year.


16. Figures reflect the percent of children under age 18 and the percent of adults under 65 who were covered by employer-based health insurance during at least part of the year.


17. In most states, the base period consists of the first 4 of the 5 most recently completed quarters. Some states allow claimants to use an alternative base period that includes more recent earnings.


18. State extends eligibility to persons seeking part-time work only if they have a history of part-time work or meet other limited criteria.

20. A general “good cause” provision extends eligibility to persons who leave their jobs for “personal emergencies” or “compelling circumstances”, which should include—among others—child care conflicts, illness, domestic violence, and spousal relocation. Eligibility determinations, however, may vary in practice. States may also specifically recognize certain reasons as “good cause”; for more information see Appendix B in Rebecca Smith, Rick McHugh, Andrew Stettner, and Nancy Segal, Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families, National Employment Law Project, 2003.


23. Figure reflects the percent of part-time workers who are available to work full-time, but usually work less than 35 hours per week due to slack work or unfavorable business conditions, inability to find full-time work, or seasonal declines in demand. U.S. Department of Labor, Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2003, “Estimates for States, Table 16: Employed and Unemployed Persons by Full- and Part-Time Status, Sex, Age, Race, and Hispanic or Latino Ethnicity,” [http://www.bls.gov](http://www.bls.gov) (accessed March 14, 2008).


25. State EITC Online Resource Center, [http://www.stateeitc.com](http://www.stateeitc.com) (accessed June 3, 2009); with additional information from NCCP.

26. Calculations include income tax credits that are available to all low-income families in the state, such as state earned income tax credits.


29. Percent of employed workers who are covered by a collective bargaining agreement.


31. The maximum benefit period is 26 weeks. In addition to the paid medical leave benefits through its temporary disability insurance program, New Jersey recently enacted a paid family leave program that is scheduled to go into effect in 2009.

32. These reflect provisions for private sector employees; more generous rules may apply for the public sector.


34. Food Insecurity: Figure reflects the percent of households forced to reduce food intake, disrupt normal eating patterns, or go hungry because they lack the money or resources to obtain adequate food.


36. Housing Insecurity: Figure reflects the percent of families living in rental units who pay 30 percent or more of their income on housing.


38. Adult lawful permanent residents (LPRs) are generally barred from federal benefits during their first 5 years as LPRs. Exceptions include refugees and U.S. veterans (and their families). See data source for more details.


40. Rule applies to SCHIP-funded Medicaid expansions, where applicable.


42. Households in which all members receive TANF cash assistance or SSI benefits do not have to meet gross income or asset eligibility criteria. Most states also waive these criteria for recipients of certain other benefits; some states waive these criteria for
nearly all applicants.


40. Households with two adults may exempt up to $4,650 in fair market value of a second vehicle if it is essential for work, training, or used to transport a disabled person.

41. Figure reflects the percent of children in households that have insufficient net worth to subsist at the federal poverty level for three months in the absence of income.


42. Figure reflects the percent of households who are homeowners.