



June 23, 2016

To Senate President Steve Sweeney:

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).¹ 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 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

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

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.

Please do the right thing and help the most vulnerable children in the state.

Thank you.

Organizations:

Anti-Poverty Network of New Jersey
Association of Mental Health and Addiction Agencies
Catholic Charities, Diocese of Trenton
Coastal Habitat for Humanity
Community FoodBank of New Jersey
Conference Board of Church and Society, United Methodist Church
Communications Workers of America (CWA)
CWA Local 1081
CWA Local 1088
Drug Policy Alliance
Family Voices NJ
Green Party of New Jersey
Green Party of North Jersey
Health Professionals and Allied Employees, AFT/AFL-CIO
Help Not Handcuffs
Housing & Community Development Network of New Jersey
League of Women Voters of New Jersey
Lutheran Episcopal Advocacy Ministry of New Jersey
Middlesex County Human Services Advisory Council
Monarch Housing
National Association of Social Workers, New Jersey Chapter
New Jersey Anti-Hunger Coalition
New Jersey Citizen Action
New Jersey Council of Churches
New Jersey Tenants Organization
New Jersey State Association of Jewish Federations

New Jersey Working Families Alliance
New Jersey Coalition to End Homelessness
New Jersey Education Association
New Jersey Policy Perspective
National Organization for Women, Northern New Jersey Chapter,
Office of Human Concerns, Archdiocese of Newark
RESULTS Bernardsville
St. Vincent DePaul
Statewide Parent Advocacy Network
Trenton Area Soup Kitchen
Unitarian Universalist Legislative Ministry of New Jersey
United Way of Northern New Jersey

Individuals:

Bernard J. McMullan
Catherine M Stanford
Christopher Menschner
Connie Pascale
Daniel D'Alonzo
Daniel Santo Pietro
Elzata Goodman
Fr. Timothy Graff
Gary Frazier, Jr.
Jacqueline Jones-Blake
Karen Carinha
Kevin Park
Laura A Russell
Mark Williams
Michael Chiacchio
Pam Quatse
Princess G. Hoagland
Rev. Dr. Tracy Sprowls
Richard Sroczynski
Sarah Gold
Serena Rice
Sharon McGuire
Steve Welzer
Suzan Fichtner
Theresa Pringle

Valerie Binz

Cc: Senator Joseph Vitale