2016

The Cost of Poverty: The Perpetuating Cycle of Concentrated Poverty in New Jersey Cities • A Comprehensive Budgetary Analysis of Four Urban New Jersey Municipalities

John S. Watson Institute for Public Policy of Thomas Edison State University

New Jersey Urban Mayors Association

The Anti-Poverty Network of New Jersey

Fund for New Jersey

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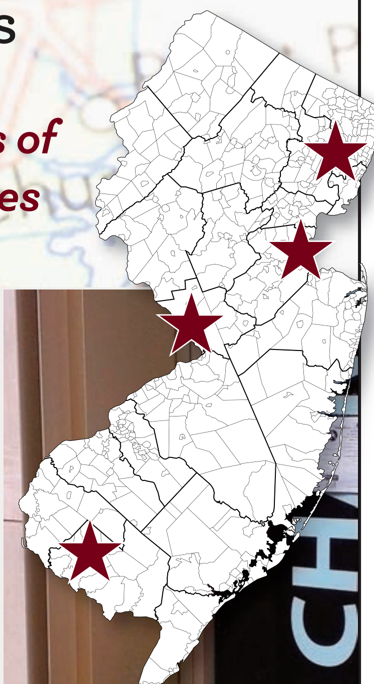

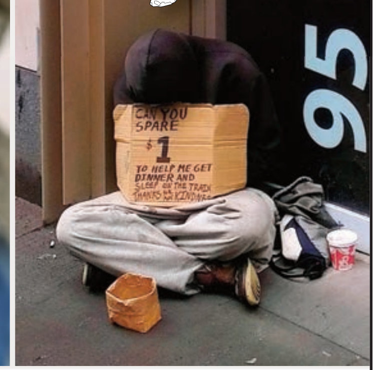

CONDUCTED BY

THOMAS EDISON STATE UNIVERSITY

THE JOHN S. WATSON INSTITUTE FOR PUBLIC POLICY

in partnership with NJUMA (New Jersey Urban Mayors Association)

FOR THE ANTI-POVERTY NETWORK OF NEW JERSEY

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ACKNOWLEDGEMENTS

We would like to thank the following mayors, The Honorable Albert Kelly, City of Bridgeton, The Honorable Alex Blanco, City of Passaic, The Honorable Wilda Diaz, City of Perth Amboy, and The Honorable Eric Jackson, City of Trenton and the respective staff of each of the four aforementioned New Jersey Urban Mayors Association (NJUMA) cities involved in this study, for contributing to this report, by aiding with data collection and participating in interviews. We would also like to thank Ishiya A. Hayes, Associate Fellow at the John S. Watson Institute for Public Policy of Thomas Edison State University and Evan Weiss, Senior Analyst at HJA Strategies for their major contributions as the principal researchers in data analysis and writing of the report. Additionally we acknowledge Jenny Ludmer and Briana Gilchrist as supplemental researchers for the report, as well as technical research advisors, Barbara George Johnson, JD, MPH, Executive Director of the John S. Watson Institute for Public Policy of Thomas Edison State University, and Serena Rice, MSW, Executive Director of the Anti-Poverty Network of New Jersey. Finally, we would like to thank the Fund for New Jersey, for their generous support of this important new research.

The Anti-Poverty Network of New Jersey

APN is a statewide, non-profit, membership organization that seeks the prevention, reduction, and end of poverty in New Jersey through a mission of *educating the community, empowering partners, and advocating for solutions.* The network and its members seek to impact community awareness and public policy through disseminating information and engaging in advocacy. These efforts focus on strengthening both proven and innovative initiatives that support people living in poverty and providing increased opportunities to achieve self-sufficiency. APN was co-founded in 1999 by three strong anti-poverty advocates who invited any individual or organization passionate about reducing poverty to join them. From this beginning the network has evolved into one of the premier anti-poverty coordinating organizations in the state. With the release of this report, APN has expanded its role in promoting high-quality research to inform public policy and increase public awareness about poverty's causes and solutions.

The John S. Watson Institute for Public Policy

The John S. Watson Institute for Public Policy of Thomas Edison State University is dedicated to deepening the analysis around critical public policy challenges and broadening the range of policy ideas, perspectives and options. The Institute meets the practical needs of decision makers across New Jersey, who are charged with enacting public policy in the interest of New Jersey's residents. Named in honor of the late N.J. Assemblyman John S. Watson, the nation's first African American chairman of an appropriations committee, the Institute serves as a vital resource for New Jersey decision-makers through a practical, nonpartisan, hands-on approach that supports informed public policy that links people to policy.

The New Jersey Urban Mayors Association

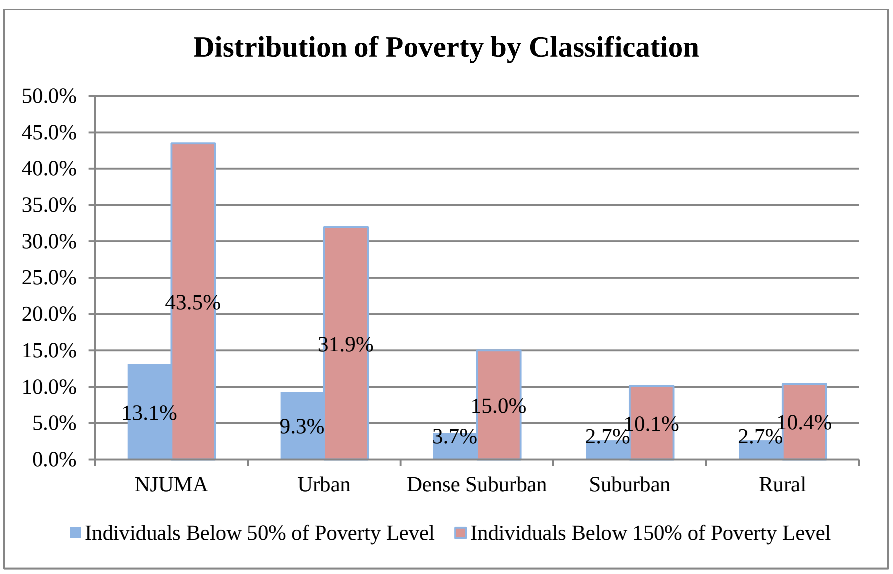
The New Jersey Urban Mayors Association is comprised of 32 urban municipalities across New Jersey, and works collectively on policy, legislative analysis, and capacity building for their membership.

TABLE OF CONTENTS

EXECUTIVE SUMMARY

This report examines the problem of concentrated poverty in the State of New Jersey. Both the individual and the long-term economic consequences of concentrated poverty are well-documented in social science research. The report adds to that knowledge by examining the practical, budgetary consequences faced by urban centers that are characterized by high poverty levels. The report focuses on four cities, which are represented in the New Jersey Urban Mayors Association (NJUMA) — Bridgeton, Passaic, Perth Amboy, and Trenton. While these regions vary considerably, they all share one important fact: their poverty rates are double or triple the New Jersey average. Clearly, these cities know all too well the struggles that come with concentrated poverty.

Poverty in New Jersey is often highly concentrated, particularly in urban areas.
New Jersey is ranked as one of the wealthiest states in the country, yet this average wealth ignores two important realities. First, poverty tends to be concentrated, so that a large portion of the State's population lives in areas with poverty rates above 20%. Second, the official poverty threshold bears no relation to the basic cost of living in New Jersey, so that households with incomes up to two and a half times the poverty level still struggle just to make ends meet. By this measure, in 2014 a remarkable 2.8 million New Jersey residents lived under this true measure of poverty, including 800,000 children. Both the breadth and the concentration of poverty create serious challenges, particularly in urban areas.



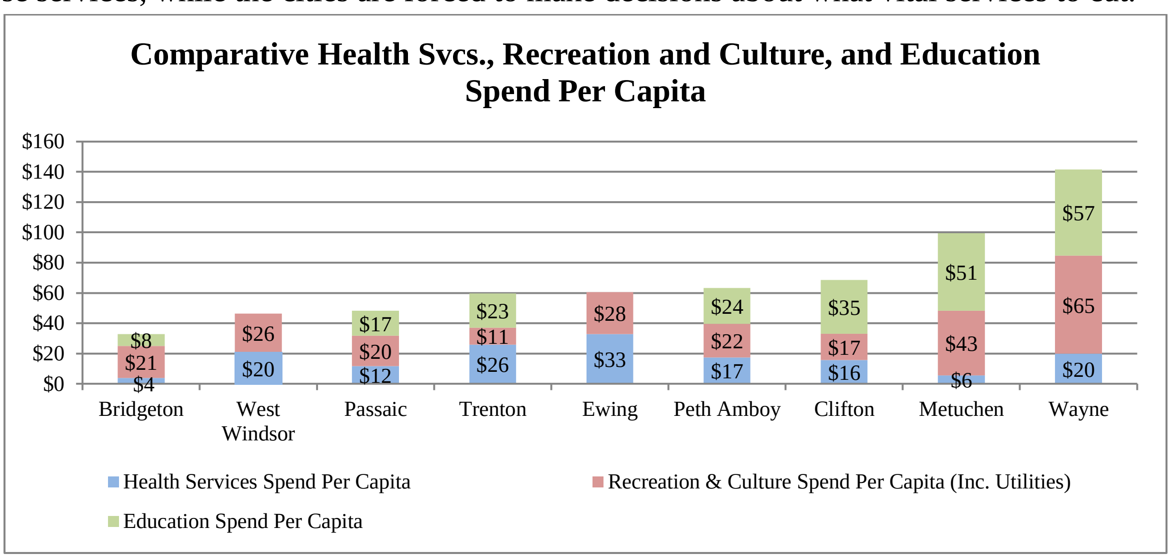
Residents in poor urban areas present significant service needs.
Due to the limits of public and affordable housing even in low-income areas, citizens of NJUMA cities must spend over half their income on rent, leaving little else for other basic needs. The constraints produced by low incomes are exacerbated by multiple systemic barriers, including poor access to health care, reliance on inadequate transportation, poor quality education, and substandard or overcrowded housing. Personal barriers like limited English proficiency, large families, and lack of two wage earners can also act as barriers to economic empowerment.

The deck is stacked against impoverished municipalities.
In recent years, funding from the State to individual municipalities has dwindled markedly. In response, local property taxes have soared, generating an ever-increasing burden on nearly all New Jersey residents. But, in impoverished cities, the burden is even greater. Because an ever-increasing reliance on property taxes is layered over a diminishing tax base, a counterintuitive scenario has resulted, whereby the most impoverished municipalities shoulder an unmanageable municipal tax burden — a greater burden than even their wealthy neighbors.

Figure 1: Percent of Median Household Income Devoted to Municipal Property Taxes in Example Cities (*Higher rank means higher burden*)

Municipality (County)	2014	Rank (of 565)
Passaic City (Passaic)	**17%**	**1**
Perth Amboy City (Middlesex)	**9%**	**12**
Trenton City (Mercer)	**7%**	**30**
Bridgeton City (Cumberland)	**5%**	**53**
Clifton City (Passaic)	4%	117
Wayne Township (Passaic)	3%	244
Ewing Township (Mercer)	2%	356
Metuchen Borough (Middlesex)	2%	393
West Windsor Township (Mercer)	1%	473

These budget pressures limit essential functions in NJUMA Cities.
Given the dire circumstances presented by concentrated poverty, one might expect that the NJUMA cities would allocate more of their budget to vital services that can alleviate poverty — programming in healthcare, libraries, housing, mental health services, social wrap-around services, economic development, and youth programs. And yet, the converse is true: wealthier cities, without such concentrations of poverty and need, are spending the same *or even more* on these services, while the cities are forced to make decisions about what vital services to cut.[1]



[1] "Education," here, does not refer to schools but essentially to the library. West Windsor and Ewing have County libraries, but one might expect proportional costs.

As the budget analysis in this report reveals, services other than public safety and public works make up an all too negligible portion of municipal budgets in the examined cities, despite the significant need for public services created by the dynamics of concentrated poverty.

Urgent strategies are needed to alleviate concentrated poverty in New Jersey.
We need to strengthen the safety-net for poverty-stricken families and their children, while at the same time addressing the budgetary system that unfairly burdens both income-strapped families and impoverished municipalities. If New Jersey is to make real progress on reducing the systemic poverty that traps far too many of our residents, the entire state must recognize and respond to this crisis. This means promoting family financial success through supportive work/family policies, adjusting the allocation of municipal budget State aid and support programming so that it prioritizes areas of concentrated need, and reimagining the fundamental structure of New Jersey's property tax system.

INTRODUCTION

This report offers a new lens for examining the challenges of concentrated poverty; it seeks to explore the concentration of poverty at the local level and examine how its compounding costs are trapping citizens and municipalities in a cycle of perpetual economic struggle. Through micro-examination of budgetary expenses in select New Jersey municipalities, the consequences of concentrated poverty in urban municipalities will be explored, revealing the growing scarcity in resources available to fight poverty at the local level.

This report comes at an opportune time in the State of New Jersey given the recent proclaimed legislative focus on poverty. Through hearings and legislative proposals, leaders in Trenton have declared the priority of responding to New Jersey's poverty epidemic. This strong commitment to implementing real solutions creates a new opportunity to advance positive systemic change based on careful analysis of the current problem. Ultimately, this report will show the correlation between concentrated poverty and budget distress — and how imbalanced property tax policy, declining — municipal State aid, and deep cuts to State and federal grant programming leaves poverty-stricken communities without the necessary resources to properly sustain their own operations or to break the hold of persistent poverty on their residents.

This report is organized into two research sections, followed by recommendations for action. The first research section reviews related literary resources that provide a historical, sociological, and policy background for what is already known about the broad-reaching negative consequences of concentrated poverty. We will highlight both historical and more recent poverty alleviation efforts and the lasting effects that living in poverty has on individuals and families, with a special focus on children. This review will serve as a context for examining the specific challenges being faced by four of New Jersey's impacted cities.

The second section presents new primary research focused on the local costs of poverty on the municipal level, with a primary concentration on four select New Jersey municipalities: Bridgeton, Passaic, Perth Amboy, and Trenton. Each municipality has significant issues with concentrated poverty and will be compared to a representative of sample of other New Jersey municipalities. Through this review, we will supplement existing research with a new perspective on the way that concentrated poverty is perpetuated by a self-reinforcing system of inadequate resources.

Lastly, the final sections of this report will offer poverty alleviation recommendations, considering policy changes that can positively impact low-income residents, and stop the self-perpetuating cycle of persistent poverty that currently creates a drag on the well-being of our entire State.

SECTION ONE:
LITERATURE REVIEW: A HISTORY OF POVERTY POLICY AND IMPACT

The examination of the social and economic consequences of concentrated poverty in this report grows from a broad and informative body of research about the dynamics, sources, and solutions for poverty in the United States. While this project endeavors to present a new mechanism of analysis that can help to focus attention on specific steps that New Jersey and its localities can take toward reducing the harmful effects of poverty, we must first examine what is already known.

Existing research provides a foundation for understanding the full scope of poverty and the limitations of existing measures to encompass that scope. It provides sobering evidence of the long-term consequences of concentrated and persistent poverty, not only for children who suffer deprivation but for adults as well. Historical analysis also allows us to consider the policies and investments that have been attempted, to examine their success or failure, and to consider how these lessons can inform our efforts to affect change.

POVERTY DEFINITION, POVERTY MEASUREMENTS: CALCULATIONS AND PROBLEMS

A comprehensive definition of poverty must recognize the role that financial resources play in determining life outcomes. Common usage generally relates to some level of material deprivation, but a full description of the costs of poverty encompasses much more. The United Nations definition of poverty offers such a description:

> Poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or clinic to go to, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation (Gordon, 2005).

This definition applies just as clearly to areas of concentrated poverty in New Jersey as it does to global poverty because it draws the vital connection between having the resources to meet basic needs and access to security and opportunity.

In contrast, the technical definition of poverty that is used to calculate official poverty estimates is much further removed from the human significance of poverty. The United States' original poverty thresholds were developed between 1963 and 1964 by Mollie Orshansky, an economist working for the Social Security Administration (Fisher, 1992). This formula used data on spending patterns of low-income families in the 1960's, an era during which food costs typically made up about one third of poor household budgets. While the relative cost of food is now nowhere near this ratio, the old formula has only been updated for inflation, and as a result the federal poverty threshold no longer provides an accurate measure of economic deprivation, especially in high-cost New Jersey. Increases particularly in the cost of housing, healthcare, and childcare as a share of low-income household budgets have made the historic formula inadequate to measure true need.

In response to the concerns of the poverty threshold's accuracy the U.S. Census Bureau and Bureau of Labor Statistics recently introduced the Supplemental Poverty Measure (SPM), based on suggestions from the Interagency Technical Working Group (Kimberlin, 2013). The SPM thresholds are more reflective of economic realities for poor families. They include all individuals living in a household including foster children, apply adjustments based upon geographical determinants such as housing costs, and consider the sum of cash and noncash income. These modifications allow the SPM to address some of the disparities of the initial thresholds, and both higher real poverty, as well as the positive impact of safety net programs. Because the SPM is not used to calculate official poverty thresholds (Kimberlin, 2013), this more accurate reflection of the truth of poverty in not widely understood.

POVERTY IN THE STATE OF NEW JERSEY

Understanding the way poverty is calculated is important to understanding the breadth of true poverty in New Jersey. While the State's official poverty rate leveled off at just above 11% in 2014, this threshold only captures those facing the most severe economic deprivations. Using a more accurate measure of true poverty (250% of the federal poverty level, or an income of about $50,000/year for a family of three) in 2014 there were 2.8 million New Jerseyans living in true poverty; 800,000 were children (Legal Services of New Jersey, 2015).

New Jersey's high costs relative to the poverty threshold are not merely an academic matter; those costs have consequences for families' abilities to support themselves. According to the National Low Income Housing Coalition, in 2015 a NJ resident who earned minimum wage would have to work 100 hours per week to afford a one-bedroom apartment at fair market rent (National Low Income Housing Coalition, 2015). Clearly, the cost of living within the State is too high for low-income families to afford to reside here without any assistance.

In 2015, a NJ resident who earned minimum wage would have to work 100 hours per week to afford a one-bedroom apartment at fair market rent.

The mismatch between New Jersey's cost of living and the realities of poverty is particularly critical for children. According to the Children's Defense Fund, in 2014 "15.9% of New Jersey's children lived in poverty placing New Jersey 15th in child poverty among [all] states." (Children's Defense Fund, 2015). Although this ranking means that more than two thirds of U.S. states have higher rates of child poverty, the data must be read in reference to New Jersey's high costs, which exclude the majority of the 800,000 children that fall within the more accurate true poverty measure. Moreover, considering that, during the same year New Jersey tied with Washington, DC in first place for the nation's richest states/territory (Forbes, 2014), child poverty is also out of balance with the resources in our State. These statistics show the intersecting problems of poverty and inequality. There are numerous resources within the State that must be used to address these issues so a more equitable State can be created for all New Jersey residents. The urgency of a new course of action can be understood by turning to research on the costs of poverty.

LONG-TERM EFFECTS OF CHILDHOOD EXPERIENCES OF POVERTY

There are lasting consequences for those who encounter poverty in childhood. When families experience limited financial resources and greater stress, young children spend less time engaged in important developmental activities, like reading and speaking with adults (The Future of Children, 2014). In fact, income-related gaps in cognitive skills can be observed in babies as early as 9 months old and often widen with age (Halle et al., 2009).

Such early differences create disadvantages for impoverished children that are often hard to overcome. When children experience frequent and prolonged adversity – by living in poverty, with chronic hunger and possibly exposure to violence – the cognitive effects can be profound, frequently leading to social incompetency and decreased educational achievement. As adults, these children of poverty are more likely to have unstable employment, live in poverty and be involved with the criminal justice system (Brooks-Gunn & Duncan, 1997).

In general, the experience of childhood poverty correlates strongly with poverty in adulthood. For children who were never poor, only 1 percent spend half their adult years living in poverty, while 32 percent of persistently poor children spend half their adult years living in poverty. Furthermore, only one third of persistently poor boys and half of poor girls have consistent employment in adulthood (McKernan & Katcliffe, 2010).

Poverty has real costs to society, both socially and economically. Simply put, children who live in poverty are prone to become less productive adults. This loss of productivity, as well as the accompanying increased costs of crime, unstable housing, and healthcare, carries a high price tag. Researchers have estimated that the cumulative effects of child poverty add up to approximately half a trillion dollars a year in the United States (Holzer et al., 2007). Moreover, these costs reflect only financial losses and expenses. They do not calculate the numerous societal gifts that were lost due to poverty's constraints on the fulfillment of childhood potential (Children's Defense Fund, 2015).

Simply put, children who live in poverty are prone to become less productive adults.

And that has a real cost for society – about half a trillion dollars a year in the United States are lost.

CONCENTRATED POVERTY AND BARRIERS TO ESCAPING POVERTY

The long-term consequences of individual and family poverty are amplified by the experience of concentrated poverty. Concentrated poverty consists of poor populations clustered together in very poor communities, rather than living dispersed throughout the larger population in mixed-income neighborhoods. These areas of "concentrated poverty place additional burdens on poor families that live within them beyond what the families' own individual circumstances would dictate" (The Federal Reserve System & The Brookings Institute, 2008). In the U.S. "the number of people living in high-poverty ghettos, barrios, and slums has nearly doubled since 2000, rising from 7.2 million to 15.8 million" (Jargowsky, 2015). This shift in poverty also affects New Jersey which currently has an increasing number of citizens who experience poverty (Legal Services of New Jersey, 2015).

Given the strong negative impacts of poverty on life chances, there are clear societal benefits for families, and particularly for children, to have the opportunity to move out of poverty. However, structural factors often restrict the options available to families with low-incomes.

The common American ideology of pulling one's self up by his/her bootstraps is not the reality of many residents. Working hard is no guarantee of even making ends meet, much less making economic progress. Only 4 percent of those raised in the bottom quintile (the poorest 20 percent of the population) make it all the way to the top quintile as adults (The Pew Charitable Trusts, 2012). In fact, forty-three percent of Americans raised in the bottom quintile remain stuck in the bottom as adults; 66 percent of those raised at the bottom of the wealth ladder remain on the bottom two rungs throughout their lives, and 66 percent of those raised at the top of the wealth ladder remain on the top two rungs, confirming that there are significant barriers to economic mobility.

A remarkable 66 percent of those raised at the bottom of the wealth ladder remain on the bottom two rungs throughout their lives.

It is critical to note here that there are racial differences in financial mobility that are especially concerning. Race does affect one's ability to transcend upward mobility limitations. An astounding 53 percent of Blacks raised in the bottom family income group remain stuck there throughout their lifetime, whereas only 33 percent of Whites remain stuck in the bottom family income group like their parents. For family income, a majority of all Americans exceed their parents; however, Blacks have lower absolute mobility gains than Whites (The Pew Charitable Trusts, 2012).

Looking past the basic trends to the barriers that prevent income mobility, the cost of housing emerges as a clear systemic barrier. Housing is the leading contributor to childhood poverty rates. The number of children living in low-income families who spent an unsustainable amount of their wages on housing costs increased 11 percent between 2009 and 2013. In 2013, 82 percent of low-income New Jersey families with children spent more than the federally-recommended 30 percent of income on housing. This leaves less for other-necessities, such as food, healthcare, clothing or transportation (Advocates for Children of New Jersey, 2015).

Highly priced housing markets make it difficult for low-income families to find good housing within their budget. This economic reality forces those with the fewest resources into the areas with the most affordable housing, which is often located in low-opportunity neighborhoods of concentrated poverty. These neighborhoods are characterized by high crime rates, poor physical infrastructure and services, and environmental hazards (Nilsen, 2007). These conditions have serious consequences for the children and families who live in these communities and such consequences affect child development and stability in adulthood.

In the Moving to Opportunity (MTO) experiment, sponsored by the U.S. Department of Housing and Urban Development, a randomized experiment provided families with housing vouchers to move out of concentrated poverty areas. Researchers found that children who moved to low-poverty communities and were exposed to these neighborhoods at a younger age were more-likely to have positive outcomes such as attending college, earning more as adults, and having stable families compared to children who remained in concentrated poverty areas (Chetty, Hendren, & Katz, 2015).

Just as the limitations of concentrated poverty have lifelong consequences for children, the opportunity to escape concentrated poverty also impacts life chances. This opportunity, however, is limited by additional factors beyond poverty and high housing costs. Other basic necessities like transportation and healthcare are also unreachable for many citizens (Center for the Study of Social Policy, 2014). In particular, a lack of reliable transportation appears to be a vital factor in social mobility. Studies have shown that sufficient access to public transportation, as well as limited commute times, are key factors in the odds of a person escaping poverty (Chetty et al., 2014; Kaufman et al., 2014). Furthermore, in spite of numerous gains in healthcare, approximately 1 in 4 poor or near-poor persons still lack health insurance (Martinez 2015). This lack of coverage affects the ability to seek preventive care and treatment and to maintain good health, which has consequences for employability.

Basic necessities – like housing, transportation, quality education and healthcare – are simply unreachable for many citizens.

POVERTY IN RURAL AREAS

Rural poverty has become geographically concentrated in the same way that urban poverty is confined by neighborhoods (Nadel & Sagawa, 2002). For this reason Bridgeton, NJ is included as a case study city in this report. With an industrial and agrarian history, Bridgeton is characterized by about 4,000 persons per square mile, making it the most rural municipality included in this study (US Census, 2010).

According to one estimate, there are more than 6 million rural Americans living in poverty, including approximately 1.5 million children (O’Brien, (2015), and they face the same adverse reality of living in communities that lack the adequate resources to provide them with their basic needs.

The strong economy of the 1990s helped produce more jobs in these rural communities, but the wages from these jobs were simply not enough to pull families out of poverty. Since 1995, the average income of the wealthier rural families has increased greatly while the income of the poorest rural families has stagnated (Nadel & Sagawa, 2002).

In fact, child poverty has become a greater issue in rural America than in urban communities. Throughout the nation there are 200 persistently poor counties, 195 of these counties are rural with poverty rates often exceeding 35 percent. The dynamics of poverty are different in rural and urban areas; however, the effects look similar. Notably, rural poverty disproportionately affects children of color and children of single parents (Nadel & Sagawa, 2002).

POLICY RESPONSES: THE IMPACT OF PROVEN INVESTMENTS

THE WAR ON POVERTY

In 1964 former President Lyndon B. Johnson declared the war on poverty via a series of legislative efforts designed to create social programs that would support the United States' substantial number of families in need. During this time, 17.3 percent of the nation's population lived in poverty. The 1964 *Economic Report of the President* outlined the goals of the effort, including not only direct assistance programs, but also development programs aimed at increasing opportunity:

> maintaining high employment, accelerating economic growth, fighting discrimination, improving regional economies, rehabilitating urban and rural communities, improving labor markets, expanding educational opportunities, enlarging job opportunities for youth, improving the Nation's health, promoting adult education and training, and assisting the aged and disabled (Council of Economic Advisers, 2014).

Among the programs that were created or made permanent under this initiative, and which remain intact today, are Medicaid, Food Stamps, Head Start, Job Corps, Volunteers in Service to America, Legal Services, and Child-nutrition programs (House Budget Committee Majority Staff, 2014).

Today, many of the previously established programs have been expanded, and currently there are 92 federal anti-poverty programs that address citizens' basic needs ranging from food assistance, to Medicaid, education and housing costs (House Budget Committee Majority Staff, 2014). However, in fiscal year 2016 federal budgetary aid dropped significantly for low-income programs, healthcare aside, and is projected to drop to its lowest level in over 40 years (Center on Budget and Policy Priorities, 2016). Without the continuous support of social programs from our policymakers on the national level, as well as in the State of New Jersey, the resources that have provided aid to numerous families will continue to lose capacity relative to need. The scarcity in resources will deter meeting the needs for citizens' survival especially in urban municipalities where poverty's prevalence has a negative effect on residents. Continued investment in these programs is key, not only in meeting basic human needs but also in increasing the productivity of society.

Although poverty alleviation efforts have not eradicated poverty in the nation, these programs have substantially reduced the epidemic. Not only is this assistance to families and individuals in need essential to their wellbeing and livelihood, it also decreases the number of individuals living in abject poverty. According to the Center on Budget and Policy Priorities "without any government income assistance, either from safety net programs or other income supports like Social Security, the [nation's] poverty rate would have been 28.1 percent in 2013, nearly double the actual 15.5 percent" (House Budget Majority Staff, 2014).

Furthermore, there is ample evidence that these anti-poverty efforts work. For example, early childhood education programs appear to yield higher rates of high school graduation and college attendance among low-income children (Campbell et al, 2002), as well as higher adult earnings and fewer crimes (Schweinhart et al 2005). Additionally, the EITC has been credited with promoting employment among single mothers (Meyer & Rosenbaum, 2000) and lifting nearly 2.6 million children from poverty in a single year (Sherman 2009). Medicaid in childhood has also been linked with fewer hospitalization or emergency room visits in adulthood (Wherry et al 2015).

> ***There is ample evidence that anti-poverty efforts work.***

CHILD POVERTY AND THE SOCIAL SAFETY NET

Perhaps the most effective policy tools for reducing the cumulative negative effects of poverty are programs specifically targeted to reducing child poverty. There are currently a number of support systems and safety net programs in place that help millions of children every year. These programs provide vital assistance, although they are not sufficient in isolation to remediate all of the disadvantages of concentrated poverty. Childcare assistance and the Earned Income Tax Credit (EITC) are beneficial to working parents; programs like nutrition and housing assistance help to ensure children have food to eat and a place to live even when families face income constraints.

Overall, children from families receiving income boosts from the EITC or similar programs have been found to have better birth outcomes, higher test scores, higher graduation rates and higher college attendance (Children's Defense Fund, 2015). Such outcomes translate into increased economic security later in life. For example, one study found that by eliminating child poverty amongst our youngest citizens would increase lifetime earnings between $53,000 and $100,000 per child, for a total lifetime benefit of $20 to $36 billion for this population (Duncan et al, 2008).

Similarly, another study found that young children in low-income families that received an additional $3,000 dollars a year went on to earn about17 percent more as adults, as compared to similar children whose families did not receive the added income (Duncan et al, 2010). Additional studies of the federal nutrition programs found that children in poverty who received food assistance before age 5 were in better health as adults and were more likely to complete more schooling, earn more money, and not rely on a safety net programs as adults (Sherman et al, 2014). Furthermore, one study demonstrated that expansion of Medicaid and the State Children's Health Insurance Program, not only lessened the EITC payments to families, but also yielded higher wages and greater tax contributions later in life (Brown et al, 2015. Thus, assistance to families with young children, not only provides children with a great foundation, it alters their course of life, and increases their earnings over their lifetimes. This ultimately puts less strain on public resources and breaks the cycle of potential inter-generational poverty.

Yet, the number of individuals and families who can benefit from safety net programs has been affected by the Personal Responsibility and Work Opportunity Act (PRWORA) of 1996, which created the Temporary Assistance to Needy Families (TANF) program under the banner of welfare reform. Among the changes created to the nation's welfare program were new program elements that combined financial incentives and sanction policies designed to emphasize work, mandatory work-related activities, time limits on cash-assistance benefits, and increased availability of childcare subsidies (Loprest, Schmidt, and Witte, 2000). Under the regulations of PRWORA the number of families who could receive some form of public service assistance increased, however the amount of families who qualified for direct cash assistance decreased (Center on Budget and Policy Priorities, 2006).

Since poverty continues to persist within in the State, funding for programs to aid families in meeting their needs is essential. According to the Center on Budget and Policy Priorities aid has decreased: "Under TANF the cash assistance safety net has weakened." Between December 2006 and December 2014 the number of NJ families with children living in poverty that received (TANF) decreased by 13%, although the need for this assistance persists. The decreases of TANF have provided fewer resources for children of all races; however 8 out of 10 children who live in families that receive this assistance are Black or Hispanic (Castro, 2016), demonstrating the disproportionate impact of disinvestment in the TANF program. The decrease in participation is not a reflection of declining need, however, the number of families receiving Supplemental Nutritional Assistance Program (SNAP) increased by 132%, during the same timeframe. This correlation shows that when poverty is not addressed at the level of basic income, the State is forced to deal with the consequences of poverty (such as hunger) which leads to spending in other areas (Center on Budget and Policy Priorities, 2015).

Considering the financial strain that is placed upon resources when poverty is addressed retroactively at the diverse points of need created by low-incomes, it is important to note that "investing significant resources in poverty reduction might be more cost-effective over time" Duncan, Holzer, Ludwig, Schanzenbach, & Whitemore, (2007).

THE CHALLENGE IN THE CURRENT CONTEXT: BREAKING THE CYCLE OF PERSISTENT POVERTY

In 2016 the poverty guideline for a family of four is just $24,300 in total annual income. The most recent Census data (2014) estimates that about 316,000 New Jersey children lived below the official poverty line, of whom about 44 percent (139,000 children) lived in extreme poverty, meaning their families were earning less than half the posted poverty threshold. Child poverty in New Jersey remains 34 percent higher than the prerecession levels in 2017, despite several years of recovery in the broader economy (Castro, 2016).

This persistent, ever growing trend of child poverty raises the question of what needs to be done beyond or within the existing safety net system. In answering that question, we need to consider both causes and consequences of poverty. Childhood poverty derives most directly from the financial status of parents. Poor parents have fewer financial resources and often experience more stress than their non-poor counterparts. Parental stress and limited financial resources directly affects the development of children (Children's Defense Fund, 2015). In addition, children who live in homes where food is limited also struggle. In 2013, more than 45 percent of poor children lived in homes with a food shortage, meaning not everyone had enough food to eat (Coleman-Jensen et al, 2013). Food insecurity is associated with lower reading and math scores, greater incidence of emotional and behavioral problems, more health problems, and a higher chance of obesity (Cook and Jeng, 2009).

TRANSIENT V.S. CHRONIC/PERSISTENT POVERTY

People who experience poverty consistently over a period of time (cumulative or chronic poverty) are more susceptible to experiencing the negative effects of being poor. Chronic poverty has more adverse effects on children than transient poverty in regards to physical health, mental health, educational outcomes, and cognitive and developmental deficits (Kimberlin, 2013).

Most children in the US, approximately 63 percent, enter adulthood without ever experiencing poverty. This means that an average of 37 percent of children live in poverty at some point in their lives; these children either cycle into and out of poverty one or more times, or they live in persistent poverty. A child is considered to live in persistent poverty if they have been poor for more than 9 years of their childhood. This is most likely for children who are born poor. Thirteen percent of all children (8 percent of White children, and 40 percent of Black children are poor at birth). Status at birth strongly predicts future poverty status; children who are born into poverty have substantially higher poverty rates at all ages than children who are not born into poverty. Among children who are poor at birth, roughly 40 to 60 percent are poor each year of their childhood (McKernan & Ratcliffe, 2010).

Children who are poor at birth are significantly more likely to be poor as an adult, drop out of high school, and have a teen non-marital birth than those who are not poor at birth. While 4 percent of individuals in non-poor families at birth go on to spend at least half their early adult years living in poverty that proportion rises to 21 percent for those born in poor families. Similarly, 7 percent of individuals who are not poor at birth lack high school diplomas, whereas 22 percent of individuals who are poor at birth lack high school diplomas. In addition, the likelihood of having a teen non-marital birth is three times as likely for women who are poor versus not poor at birth (McKernan & Ratcliffe, 2010).

The challenge that these facts pose for social policy is the challenge of a self-reinforcing cycle. We know the tremendous costs – both individual and societal – of growing up poor. We know that these costly consequences are reinforced by persistent poverty, as opposed to an episode of poverty with limited duration. We know that concentrated poverty reinforces persistent poverty because of the barriers present in low-opportunity, high-poverty neighborhoods. We also know that investments in proven safety net programs can make a difference in reducing poverty, but also that these impacts tend to be limited to raising families above the low federal poverty threshold rather than into self-sufficiency, and that many families cycle in and out of poverty.

The challenge that these facts pose for social policy is the challenge of a self-reinforcing cycle.

As New Jersey grapples with how to best direct our efforts to alleviate poverty, we need to seriously address the dynamics of concentrated poverty. Poverty at the individual level cannot be separated from the larger social environment, and the perpetuating influences that operate in areas with high rates of poverty and multiple barriers cannot be ignored. As the State moves to address poverty with a concerted legislative agenda, that effort must be informed by the lessons we can learn from New Jersey's challenged cities – the places where decades of limited resource have led to concentrated poverty. This research offers a new rich data set from budgetary analysis of our four NJUMA cities. We turn now to an examination of this information to guide the discussion and ultimately explore policy options that have the potential to eradicate poverty in New Jersey.

Poverty at the individual level cannot be separated from the larger social environment, and the perpetuating influences that operate in areas with high rates of poverty and multiple barriers cannot be ignored.

SECTION TWO:
THE COMPOUNDING COST OF POVERTY:
EXAMINING THE SPIRALING CYCLE OF CONCENTRATED POVERTY THROUGH MUNICIPAL CASE STUDIES

SECTION INTRODUCTION

For decades, the deck has been stacked against New Jersey's cities in many significant ways.

The suite of issues is predominantly structural and does not reflect a deliberate ideology or partisan interest. Put simply, the types of revenue available to urban areas in New Jersey have either declined markedly (State and federal aid) or are derived in a way that may have worked well for the cities of the early and mid-20th century, but not today (local property taxes). In the same way that concentrated poverty contributes to multi-generational structural poverty for individuals and families, that same concentrated poverty creates structural conditions for municipalities that practically guarantees year after year of budget deficits, fiscal distress, and, perhaps most surprisingly, an outsized property tax burden for residents. While poverty levels and other relevant socioeconomic indicators would argue for significantly enhanced levels of municipal spending in what may be broadly called social services, there is no budgetary foundation for a correlation between the two. In fact, in several municipalities with low poverty rates reviewed in this report, the proportion of municipal spending on social services is *greater* than those with high poverty rates. In short, concentrations of need within a given municipality do not translate into a concentration of municipal services, because high need tends to correlate with budget constraints.

Methodological Note

A few major methodological decisions are worth stating at the outset. All figures are inflation adjusted to be in 2015 dollars, unless otherwise noted. For historical comparisons, an approximate equalized value was *calculated* based on the common level ratio. The urban, dense suburban, suburban, and rural classifications are derived from American Community Survey population data from the 2010-2014 5-year Estimates data and the land area of each municipality—i.e., population density. American Community Survey statistics cited come from the 2010-2014 5-year Estimates data set in order to correct for annual fluctuations as much as possible and to provide the most complete dataset (corresponding data from 1-year and 3-year Estimates are often not available).

This report reviews the “cost of poverty” in four New Jersey cities: Bridgeton, Passaic, Perth Amboy, and Trenton, located in the Counties of Cumberland, Passaic, Middlesex, and Mercer, respectively. With the exception of Cumberland County, which is among the most rural counties in a highly urbanized state, each of these counties possesses highly diversified land use, landscape, industrial, commercial, and residential development.[2] To complement our study of these four cities, we have chosen a handful of “peer communities” and several other New Jersey communities along a spectrum of urban typologies developed according to population density and wealth:

Figure 1: Table of NJUMA cities and Comparison Municipalities[3]

County	NJUMA Cities	Peer Cities	Suburb – Tier 1	Suburb – Tier 2
Cumberland	Bridgeton*	Vineland	Upper Deerfield	
Essex	Not part of study	Newark	Bloomfield	Essex Fells
Mercer	Trenton*		Hamilton & Ewing*	West Windsor*
Middlesex	Perth Amboy*	New Brunswick	Woodbridge & E. Brunswick	Metuchen*
Passaic	Passaic*	Paterson	Clifton*	Wayne*

The original research question of this study was to examine what ***poverty costs*** these cities had to bear in comparison to those that have a less impoverished population; i.e., what poverty alleviation services must be provided in these cities—and to what degree—that more affluent communities do not need to provide? The sad reality is that poverty does not generate clear proportional costs in municipal budgets. For the most part, the ***direct cost of poverty*** is not factored into municipal budgets simply because it cannot be. While the indirect costs of poverty are certainly significant, as discussed below, the actual amount of revenue that goes towards fighting the effects of systemic poverty is remarkably low as a proportion of a municipal budget. In each NJUMA city, between 34 and 49 percent of the cost of government relates to budget lines *not* directly related to service delivery (e.g., debt, pension, healthcare, and reserves[4] -

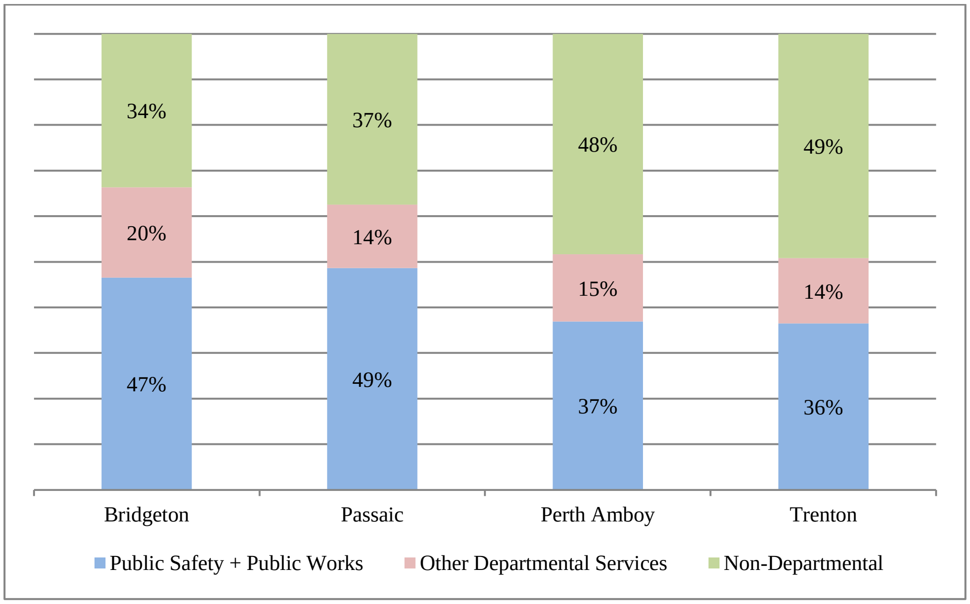
[2] Cumberland County, however, possesses three urbanized subdivisions: Bridgeton, Vineland, and Millville.

[3] Starred municipalities (“*”) indicate their use for budget comparison, while unstarred municipalities were added to the focused analysis of socioeconomic and demographic indicators. Tier 2 indicates a wealthier and less urbanized suburb. It is helpful to think of a geographic progression from the central city outward. In Passaic County for example, it is very common for a family to be able to trace its roots to Paterson or Passaic in the early 20th Century, Clifton in the mid-20th Century, and Wayne at the end of it.

[4] It is oversimplifying to entirely divorce pensions and healthcare costs from service delivery because these costs are a valid element of the cost of having any workforce. Debt, too, often stems from a capital investment (though there are ever more debt issues for non-capital items, such as meeting budget deficits or funding pensions). However, from the lens of examining extra services required by a high-poverty community, these expenses do not translate to additional poverty alleviation services.

reflected below as "Non-Departmental" spending). And, in each case, public safety and public works account for between 70 and 78 percent of budgeted service-related costs:

Figure 2: Share of Budget Appropriation by Major Category (2014)[5]



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Once again, the higher need for services necessitated by the generally lower socioeconomic profile of city residents does not materially translate into more municipal services to meet that need. That is, if we tried to quantify this correlation by calculating a ratio of need to service expenditures, the service cost will not correlate closely to the amount of need. Quite the opposite: those cities whose poverty profile suggests a high level of need would have a relatively low ratio of need to expenditure.

A useful analogue that we will return to throughout this study is the State's school funding formula defined by the School Funding Reform Act ("SFRA"), which can help us understand this relationship conceptually. After approximately three decades of litigation commonly identified by the *Abbott v. Burke* cases, SFRA was enacted in 2008 as a mechanism to ensure that the State could fulfill its *constitutional* requirement to "provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years."[6] While two of SFRA's

[5] Unless otherwise noted, all budget figures represent the actual amount paid out, not the amount budgeted. In basic terms, "Departmental" spending includes spending related to the delivery of services (police, fire, sanitation, recreation, etc.) and "Non-Departmental" includes items such as debt, pension, and healthcare benefits. For a breakdown of what lines lie within each category, see Appendix II, "Departmental v. Non-Departmental Spending Per Capita in NJUMA cities." Grants are excluded from this calculation as they are always, according to State regulations, entirely offset by revenues and thus are not paid for by property taxes, general State aid, or other local revenues. However, as will be discussed below, the loss of grant funding often translates to programming now needing support from non-grant revenues and, at that time, causing a negative budget impact.

[6] New Jersey State Constitution of 1947. Article VIII, Section IV, paragraph 2 amended effective December 4, 1958.

primary variables attempt to correct for discrepancies in a local school district's revenue potential by calculating a "local share," essentially represented by equalized assessed property values and income, significant added weight is given to students with special needs, those learning English, and those students eligible for free and reduced price lunch. That is, SFRA does not just attempt to correct for disparities in a school district's *ability* to fund education, but also seeks to mitigate the adverse circumstances that students in those districts might find themselves in. This is expressed in an "adequacy budget."

Municipalities do receive two major categories of formula-derived State-aid payments, Consolidated Municipal Property Tax Relief Aid ("CMPTRA") and disbursements from the Energy Receipts tax. Like SFRA, funding has essentially flat-lined or diminished over the past several years; but, unlike SFRA, the formula does not derive from a specific constitutional—and, later, judicial—mandate; accordingly, there is no clear analogue to an "adequacy budget" for municipalities.

Following the example of the SFRA's adequacy budgeting, the best way to approach the challenge that poverty poses for municipal budgets is through revenue, as opposed to expenses. So, we ask: "how much and what kind of revenue is allocated for poverty alleviation services?" The "what kind of" revenue question is particularly important in this instance. Municipal healthcare services, which for the most part are a good proxy for the municipally-sponsored programs that deal with poverty alleviation, are often funded by County, State, and federal grants. These are, as we shall see, on the decline. Moreover, the other major pool of funds, local property taxes and municipal State aid, are increasingly locked up by other needs—primarily, public safety, public works, insurance, debt service, and legacy costs.

Of course, the decline in the revenue share allocated for these services is not due to a corresponding decline in need; in many cases, poverty has remained stagnant in urban centers for decades and, in some cases, grew after the Great Recession and never quite recovered.

As a result of this imbalance between need and expenditure on responsive services, the fundamental question that this study will probe is not so much the cost of poverty, but *why* these four cities cannot meet that cost.

> ***The fundamental question that this study will probe is not so much the cost of poverty, but why these four cities cannot meet that cost.***

To simplify the answer that will be demonstrated in full below, a combination of declining State and federal aid revenues paired with an otherwise property tax-dependent revenue cycle makes keeping up with the fundamental costs of government an incredible challenge. This relationship "crowds out" available funds for the programs that tend to do the most to alleviate poverty: social services, healthcare, recreation, and, economic development.[7] And, because the local revenue system in New Jersey is almost entirely dependent on the

[7] Education is also clearly one of the single most important poverty alleviation programs, but school spending in New Jersey is funded through a separate budget process and, therefore, falls outside of the scope of this research and analysis.

taxation of real property—which concentrated poverty, by definition, significantly curtails—*revenue* cannot be raised to meet expenses.[8]

While this phenomenon is not restricted to New Jersey's cities and the four NJUMA cities, it is certainly most acute in urban areas — particularly the most impoverished. Indeed, almost every municipality is dealing with the same "crowding out" of revenues, to a greater or lesser extent. However, over the decades, the cities' reliance on a generally increasing pot of State and federal aid, and their declining ability to rely on revenue generated from local property taxes, made the effect of this phenomenon much different—and worse—than in suburban areas.[9]

Understanding the relative decline in value of the property tax base in New Jersey cities is a key part of understanding this more global phenomenon. In cities, the proportion of residential to non-residential property has declined drastically since the end of World War II and even more so in the last several decades (i.e., there are more residential properties and fewer industrial and commercial ones).[10] On the other side, however, the commercial and industrial functions once almost exclusively contained in cities have moved on to the suburbs—and, increasingly even further out into rural areas (think of the giant pharmaceutical complexes in Hunterdon County, for example or the telecommunications hubs in Monmouth and Somerset Counties, an impossibility 100 years ago). Moreover, several of New Jersey's urban centers have declined in population since the mid-20th Century and, even in cities that have not experienced significant population decline (e.g., Paterson), the remaining population possesses far less wealth both personally and as expressed in real estate, further diminishing their ability raise property tax revenue.[11] This relocation of commercial and industrial interests, as well as household wealth, has upset the fiscal balance on which New Jersey's cities were originally built.

Cities, as will be discussed in detail below, have a unique set of costs. One of the most important of these, and useful for illustrative purposes, are paid fire departments and their associated legacy costs (pension, healthcare, and other post-employment benefits).[12] These municipal services are absolutely essential to public health and safety in urban areas, with their large buildings and dense populations that create greater fire risk and require professional firefighters to fight more complicated fires and prevent spread between closely packed buildings.

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[8] There is a basic distinction in taxation between real and personal property. When "property taxes" are referenced in New Jersey, we almost exclusively mean the taxation of real property—i.e., homes, stores, factories, and so forth. Except in a few very limited circumstances that only apply to certain large businesses (e.g., oil refineries), personal property, which, in the most basic terms, is movable property, is not taxed in New Jersey.

[9] In New Jersey, the classification of "rural" areas is complicated and, certainly, even an expansive definition of rural would still be limited in its application when compared to other states. Many of the communities in New Jersey that New Jerseyans might call rural do not meet the federal definition or what people in other parts of the country would understand as rural. For example, the most rural county in Pennsylvania, Cameron, has a population density about 15-times less than New Jersey's most rural county, Salem. In addition, almost all communities in New Jersey are within an hour and a half drive to two of the largest cities in the United States, unlike most rural areas in other states. Cameron County, by contrast, is about a 3-hour drive from the nearest major metropolitan area, Pittsburgh.

[10] See Figure 46, "Residential Property as % of Total Property Value."

[11] See Figure 47, "Change in Property Value (1968-2014)."

[12] It is also worth noting that the existence of these professional jobs, and the retirement security they offer, can represent stable middle class job opportunities, which are often scarce in struggling cities. Thus, the cost they represent must be balanced with the boost they also provide to the local economy. However, there is an increasing trend for the better paying municipal public sector jobs—particularly in police and fire—to be held by non-city residents, mitigating this impact.

The problem comes from the erosion of the funding base to support this legitimate need. With current and legacy costs considered, a paid fire department can cost a city 15-25 percent of its budget. This is a cost that is simply not incurred by the majority of suburban and exurban communities. The nature of the urban landscape inevitably creates more service-intensive need. Not only the fire department, but also large public works and inspections department are needed to manage the proliferation of tall and large buildings (often former industrial or commercial spaces), particularly when they become shelters for the homeless population, which is itself highly concentrated in these same communities.

Why this is such a useful example is that it demonstrates a key relationship: the need remains, but the funding source has not. In the middle of the 20th century, the fire department was “paid” by a property tax, which was buttressed by the many industrial and commercial enterprises in their host cities that demanded a professional fire department to keep their businesses viable. But as these enterprises left, taking their assessed values with them, the cost of the *need* for professional fire protection, did not follow the businesses out proportionally. In cities, the majority of the buildings that once held large businesses remain, often becoming more hazardous over time, and so the need remains. Moreover, as abandoned buildings become places of shelter for the homeless as conventional facilities are shuttered or “centralized” in a location some distance away from the municipality, police officers and firefighters are exposed to hazardous building conditions, such as decaying roofs and floors, when they need to enter these buildings.

Of course, the residents left holding the bag, have, over time, become the ones least capable of paying. From the chart below, we can see that each NJUMA city has a *municipal* property tax bill that ranks in the top 15 percent of the State, when ranked according to the amount of median household income that residents pay towards property taxes.[13]

Figure 3: Municipal Property Tax as Percent of Median Household Income[14]

Municipality (County)	2014	Rank (of 565)
Passaic City (Passaic)	**17%**	**1**
Perth Amboy City (Middlesex)	**9%**	**12**
Trenton City (Mercer)	**7%**	**30**
Bridgeton City (Cumberland)	**5%**	**53**
Clifton City (Passaic)	4%	117
Wayne Township (Passaic)	3%	244
Ewing Township (Mercer)	2%	356
Metuchen Borough (Middlesex)	2%	393
West Windsor Township (Mercer)	1%	473

[13] The municipal property tax bill excludes property taxes for the school district, the county government, and, special/fire districts; it includes municipal library and municipal open space taxes. “Rank” refers to the relative position of an average household’s municipal tax burden when compared to the 564 other cities and towns in New Jersey. For example, Passaic, which is ranked 1, has the highest burden in New Jersey, whereas West Windsor has among the lowest.

[14] Due to the unavailability of data and an attempt at uniformity, this analysis does not include the Homestead Rebate, which is discussed below in greater detail.

In addition, as cities developed to be the centers of the surrounding communities — and continue to be today — many of the government, educational, media, and religious functions for a given area are concentrated in cities. For the most part, these institutions do not pay property taxes. When compared to their suburban peers, New Jersey cities far and away have more exempt property (averaging around 27 percent). Recognizing that so many people from *outside* the cities use these institutions, other states have instituted various other forms of taxation (such as "commuter" or "local services" taxes). These do not exist in New Jersey and, once again, the difference has to be made up by the local, and, often residential, taxpayer. Naturally the situation is particularly acute in Trenton, New Jersey's capital, which is 49 percent exempt. Neighboring Ewing and nearby West Windsor, by contrast, are 24 percent and 6 percent exempt, respectively.[15] It is worth noting that only 1 percent of median household income in West Windsor and 2 percent in Ewing go towards municipal property taxes, whereas 7 percent does in Trenton.

As a final counterexample, the New Jersey school funding system provides an instructive guide. In 31 districts, a series of policies[16] has attempted to socialize the costs of a "thorough and efficient system of public schools" across New Jersey's broader tax base. As a result the property tax burden for *education* in those 31 districts (including all four of the NJUMA cities) is quite low; this is especially true when compared to municipal services, which, on a dollar for dollar basis, are funded far less than the schools. An interesting counterfactual would be to ask: "what if the New Jersey Constitution *also* guaranteed a 'thorough and efficient' system of public safety, public works, and public health?"

Figure 4: Comparison of Rank of Property Tax as % of Median Household Income (of 565)[17]

Municipality (County)	School Rank	Municipal Rank
Clifton City (Passaic)	138	117
Wayne Township (Passaic)	184	244
Metuchen Borough (Middlesex)	203	393
Passaic City (Passaic)	**287**	**1**
Ewing Township (Mercer)	353	356
West Windsor Township (Mercer)	355	473
Perth Amboy City (Middlesex)	**440**	**12**
Trenton City (Mercer)	**541**	**30**
Bridgeton City (Cumberland)	**550**	**53**

15 Ewing hosts the College of New Jersey.

16 Once again, consider the State Supreme Court decisions in the various *Abbott v. Burke* cases and their legislative descendent the School Funding Reform Act of 2008. The *Abbott* cases established 31 "Abbott Districts," which had higher needs and lesser financial ability to meet them. While there are no longer Abbott Districts, those Districts that were remain, by far, the Districts with the most State school aid and separated as a class into "School Development Authority Districts." The basic purpose of a School Development Authority District is to identify school districts that are able to receive 100% of the costs of eligible school facilities construction and capital investment paid for by the State and to have those projects undertaken by the State or its agents.

17 The definition of rank follows the definition above. Each rank is separate (i.e., the School Rank does not take into account municipal spending and vice-versa). Here, school taxes include the District School Tax, the Regional and Consolidated School Tax, and the Local School Tax.

THE "POVERTY PRESSURES" ON NJUMA CITIES

AN HISTORICAL VIEW OF NJUMA CITIES: BRIDGETON, PASSAIC, PERTH AMBOY, AND TRENTON

The New Jersey cities selected for this study have complex, powerful, illustrious, and unique histories. At the same time, they share several key qualities among themselves and with all New Jersey cities. It is worth offering a brief narrative account of some of these qualities and a very cursory history of these cities and their context before jumping headlong into a complex analysis of socioeconomic data and a series of useful indicators. We must understand enough about how each city developed and *why* it developed in order to better grasp how it arrived at its current position, including the historical forces (and policy decisions) that contributed to that position.

The most fundamental consideration that we should keep in mind during this discussion is that the way cities are organized is often reflective of a political reality, business influence, or policy directive of 100, 200, or even 300+ years ago. Moreover, the funding mechanisms for cities are often based on the historically more even distribution of wealth among residents and the presence of prosperous commercial and industrial concerns. Finally, the government funding mechanism has become increasingly central to a city's financial health, given the growing role of government in providing the majority of social services to those in need — and the corresponding decline in various charity services provided, primarily, by religiously-affiliated medical, social, and recreational facilities.

Perhaps the first point to underscore is that all of these cities are, by American standards, almost ancient. Perth Amboy, founded in 1683, was one of the most important cities in America during the Colonial period and was a rival to New York City for several decades to claim the title of America's premiere commercial city; it was also capital of East Jersey, when New Jersey was split into two colonial provinces, until 1702. Trenton famously played a key part in the American Revolution and was temporarily the capital of a young United States; it was also considered as a temporary and even a potential permanent capital city by the likes of Thomas Jefferson and Alexander Hamilton. Bridgeton was at the center of Southern New Jersey's early economy, serving as a trading post for the region's natural resource deposits (lumber and bog iron) and early manufactured goods. Passaic was an early Dutch settlement, benefiting from its position on a wide segment of the Passaic River after the Great Falls and the meeting of the Saddle River.

Moving forward in time to the 19th Century, each city began to build upon these foundations to transform themselves into industrial powerhouses at the cutting edge of the contemporary economy. Some of the qualities noted above—particularly *location*—were key contributors to each city's rapid industrial growth. In part because of each of these cities' presence on vital transportation networks, both natural and manmade, with access to two of America's largest markets (Philadelphia and New York) and international markets through well-developed ports, they quickly started accumulating industries themselves. In addition, each city had ready access to the most important natural resources in this era of industry: iron from Northern, Northwest, and Southern New Jersey (Passaic benefited especially from the first two and Bridgeton the latter) and coal from Northeastern Pennsylvania (which benefited Trenton especially).

Trenton, for example, was a central stop on one of the largest and most advanced transportation projects in early American industrial history, the Delaware and Raritan Canal, which allowed goods to move with unprecedented ease between New York City and Philadelphia. Not incidentally, the Delaware and Raritan Canal terminated in New Brunswick at a navigable point of the Raritan River allowing goods to be moved by river to Perth Amboy to be processed and shipped through the Raritan Bay to New York or other ports. Perth Amboy also holds the distinction of being involved with the first major railroad project in the United States in the 1830s, which, in some ways, made obsolete the Delaware and Raritan Canal by offering a faster and cheaper way to get goods to and from the New York and Philadelphia markets.[18] Passaic and Bridgeton also benefited from having access to train lines very early in their history, with Passaic benefiting from Paterson's early industrial preeminence and Bridgeton being on a line to move both iron, lumber, and agricultural products to the Delaware River. Bridgeton also offered regular steamboat service to Philadelphia and was uniquely connected to other cities and towns in its region by the pioneering Bridgeton-Millville interurban system that emerged in the 1890s.

Trenton was an early national center in iron and steel (notably the Roebling family companies) and grew in several aspects of heavy industry until the mid-20th century, including in iron, rubber, steel products, machine tools, and, porcelain products. Perth Amboy, too, became a center of heavy industry in steel, cars, and chemicals. Passaic, in part due to proximity to early America's premier industrial city, Paterson, grew into an industrial juggernaut in its own right. While Paterson had silk, Passaic became a center of woolens in the late 19th Century, particularly after an act of Congress made foreign imports far more costly. In fact, Passaic became the site of one of the first foreign companies to open up operations in America: the German company Botany opened a plant in 1890 that grew to 60 acres. Bridgeton emerged as a leader in iron production, and, most notably, glass as the 19th Century wore on. It also came to be an educational center in South Jersey with its West Jersey Academy, Ivy Hall Seminary, and South Jersey Institute.

With this commercial and industrial preeminence, each city grew wealthy—often with particularly tony enclaves (Berkley Square/Parkside in Trenton and around what is now Veteran's Memorial Park in Passaic). Great institutions were founded — theaters, museums, music halls — which were, in turn, often supported by each city's own set of leading citizens. However, much of the wealth of each city was built on the backs of the sometimes-exploited labor of European immigrants, members of the Great Migration, and immigrants from Mexico, Central America, and South America. As the 20th Century continued, and especially after successful initiatives by organized labor to raise wages and better working conditions, the middle class grew — with the caveat that Whites saw a deeply disproportionate share of the gains.

The Deindustrialization that followed this era of prosperity is, perhaps, all too familiar, but it is unfortunately the case in each city. Indeed, in some ways, New Jersey's *urban* deindustrialization was earlier and more acute than some of the well-known cases in places like Pittsburgh, Detroit, and Chicago. First, as noted at the start of this section, each of these cities is *old*. New Jersey, as will be discussed in greater detail below, in some ways suffered from a "first mover" problem. Each city's transportation systems, spatial organization, and the age of the structures themselves often significantly exceed those of their Western and even Midwestern peers. Moreover, the *types* of industry prevalent in each city often preceded Fordism and the

[18] Though the line terminated in South Amboy, much of the processing occurred in Perth Amboy.

incredible scale of 20th Century industry. Iron and steel offer a very useful example. As mentioned above, the Roebling family companies in Trenton benefited from easy access to New Jersey's two iron fields and easy access to coal in Northeastern, Pennsylvania. However, coke came to largely replace coal for steel making, with the bituminous coal of Southwestern, Pennsylvania, West Virginia, Illinois, and Ohio emerging as the major resource centers. The Mesabi Range of the Northern United States eclipsed the fast-depleting fields in New Jersey and were made highly accessible to the Midwest through rail investments and Great Lakes shipping (often backed by companies associated with Andrew Carnegie and John D. Rockefeller). Until its own decline later in the 20th Century, steel production in the Monongahela Valley, Youngstown, Cleveland, and Chicago far outpaced production in New Jersey (though large steel operations persisted for decades, with Perth Amboy only recently losing a major plant and Sayreville maintaining one). The difference in scale is clear, with the former Trenton Roebling site roughly .1 square miles while what is now the US Steel and ArcelorMittal complex just outside of Chicago in Northwestern Indiana is 3.34 square miles.

In many instances around the United States, the decline of heavy industry did not lead to a one-way loss in a given city's economy. In fact, many American cities successfully realigned themselves in other sectors, broadly defined as the service sector. However, in New Jersey both residents and businesses left at a greater scale and moved to the suburbs in greater numbers for a host of reasons ranging from real estate prices, to the federal subsidy of the highway system (which often cut through the heart of city neighborhoods); this will be explored in greater detail below, particularly as it relates to government tax policy. Indeed, New Jersey may be the national poster child for suburbanization—both for business and residents. The industries and downtown department stores of Trenton and Passaic gave way to the office parks and shopping malls of West Windsor and Wayne. Perhaps most unfortunately, as William Julius Wilson has identified, the rollback of the most overtly discriminatory and racist practices such as redlining, unfair lending practices, exclusion from labor unions, and exclusion from the better positions at industrial/commercial concerns, corresponded with the flight of business and industry from the cities, resulting in acute and debilitating spatial mismatch (i.e., the concentration of people who need jobs the most primarily in places distant from commercial centers).

As will be seen below, these cities, which used to be relatively diverse according to income, race, and ethnicity (or at least more in line with national trends), are much more homogeneous today. For the most part, middle and higher income individuals, who were far more likely to be White, left the cities. Poverty is now highly concentrated in cities — a phenomenon that is reinforced by spatial mismatch. Because of the flight of higher wealth families and commercial/industrial enterprises, the need to provide social services is more acute for those who remain, while, at the same time, the ability to fund those services *locally* has diminished profoundly because of this very same exodus.

SOCIOECONOMIC PROFILES OF NJUMA CITIES WITHIN THE CONTEXT OF NEW JERSEY'S MUNICIPALITIES

In the context of broader history and trends, we now turn to a more in depth look at the *contemporary* socioeconomic profile of each of the NJUMA cities, as well as some municipalities that are helpful for comparison purposes.[19] The importance of this section lies in defining two key variables that will underlie the subsequent budget analysis: *the profile of available local resources* and *the profile of local need*. As we shall see, in the NJUMA cities need far exceeds local resources, whereas the opposite case exists for the majority of suburban communities in New Jersey. As the introduction illustrates, municipal budgets do not reflect an ability to tackle these disproportionate service needs, as municipal funding for these services has declined markedly. However, the following provides strong evidence that, regardless of current spending patterns, the need exists in the NJUMA cities and their peers and that there are not sufficient local resources to meet those needs (particularly within the structure of New Jersey budget and tax law, as will be illustrated below). While some of the declining municipal funding phenomenon can be accounted for by shifting the service provision to various higher levels of government (County, State, and federal), as well as not-for-profit organizations, there are too often declines in the quality of service and the true availability of the service even if a transfer is successful.

To aid in our analysis, because a major theme of this report revolves around the distinction between cities and suburbs, we have created four groupings of municipalities for comparative purposes (in addition to the NJUMA cities): Urban, Dense Suburban, Suburban, and Rural.[20]

[19] Unless otherwise noted, the data cited below comes from American Community Survey 2010-2014 5-year Estimates.

[20] These determinations were made according to population density figures from the 2010-2014 American Community Survey. Municipalities with over 8,000 people per square mile are classified as "Urban." Municipalities with population densities between 7,999 and 5,000 people per square mile are classified as "Dense Suburban." Municipalities with population densities between 4,999 and 1,000 people per square mile are classified as "Suburban." Finally, municipalities with population densities under 999 are classified as "Rural." Some examples: Urban: Garfield, Jersey City, Camden, and Asbury Park. Dense Suburban: Montclair, Haledon, Hasbrouck Heights, Mount Ephraim, and South River. Suburban: Toms River, Bridgewater, West Deptford, Livingston, and Pompton Lakes. Rural: Sparta, Readington, Robbinsville, and Buena. Given New Jersey's unique demographic and spatial makeup (especially its first in the nation population density), sticking to the federal definition of urban and rural is less helpful in this context, which goes as follows: "The Census Bureau identifies two types of urban areas: (1) Urbanized Areas (UAs) of 50,000 or more people; (2) Urban Clusters (UCs) of at least 2,500 and less than 50,000 people. "Rural" encompasses all population, housing, and territory not included within an urban area." Finally, all members of the New Jersey Urban Mayors Association are grouped in the "Urban" classification, if not one of the four cities closely examined under this study (the "NJUMA" category); in addition, all municipalities that have had "Urban Enterprise Zones" in recent years are classified as "Urban." This is essentially to correct for those municipalities that have urban characteristics but have low population densities due to large geographic size, such as Pemberton and Vineland.

Figure 5: Population by Density Classification

Classification	Population	% of Total
NJUMA	**231,352**	**2%**
Bridgeton City (Cumberland)	25,271	
Passaic City (Passaic)	70,172	
Perth Amboy City (Middlesex)	51,300	
Trenton City (Mercer)	84,609	
Urban	**2,411,853**	**20%**
Dense Suburban	**892,279**	**10%**
Suburban	**3,605,397**	**47%**
Rural	**1,691,525**	**21%**
New Jersey Total	**8,832,406**	**100%**

In considering the comparison of data for municipalities in these categories perhaps the place to begin is with poverty itself. The Anti-Poverty Network of New Jersey defines poverty along a spectrum:

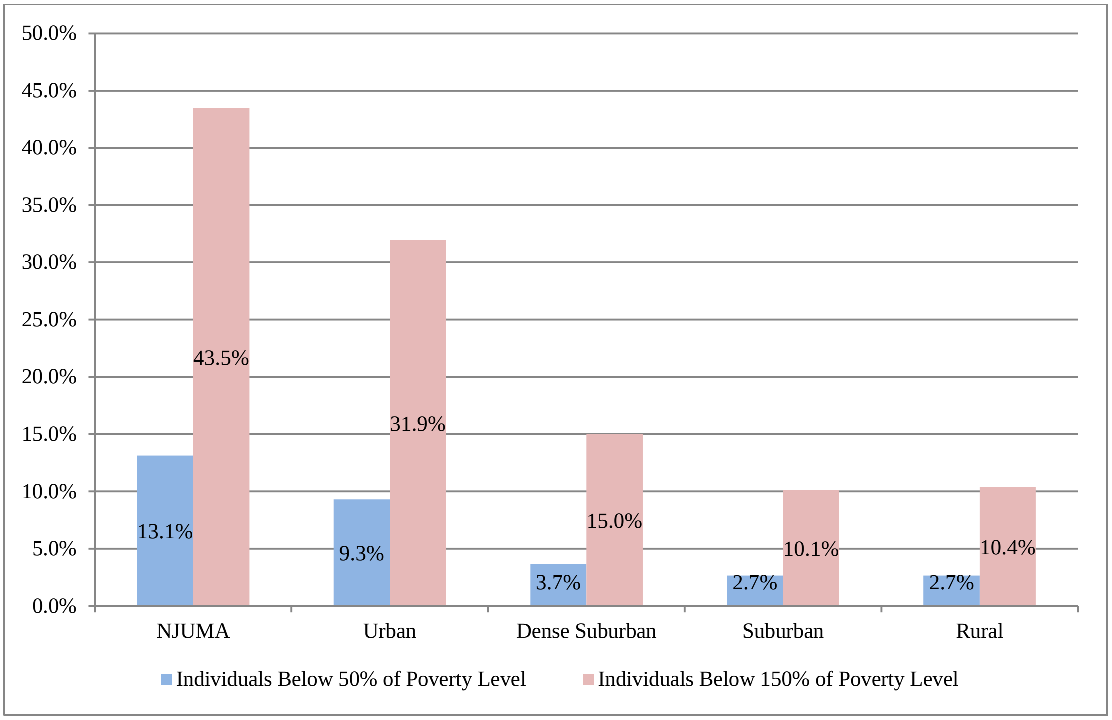
> *The experience of poverty in New Jersey encompasses a broad spectrum of individuals and families facing economic struggle. The spectrum includes people with very low incomes facing dire deprivation and daily sacrifices. It also includes many among the working poor, who are often ignored by official poverty statistics but who nevertheless experience real and harmful economic challenges.*

While we will certainly examine official poverty statistics based on the federal guidelines, we will also try to paint a detailed picture of the *experience* of poverty in each of the NJUMA cities, which we will see expressed through some of the data that captures features of everyday life: do you have access to a car? How old is your home? How much of your income goes towards paying your mortgage or your rent? Do you have private or public health insurance? And so forth.

Like most of the United States, poverty in New Jersey is highly concentrated; and, because New Jersey is almost entirely urban according to the federal definition, it is unsurprising that poverty is mostly concentrated in the cities.[21] What may be surprising is the extent of that concentration.

[21] Around the country, poverty tends to also be concentrated in rural and remote areas, which do not fully exist in New Jersey in the same way, as discussed above.

Figure 6: Distribution of Poverty by Classification[22]

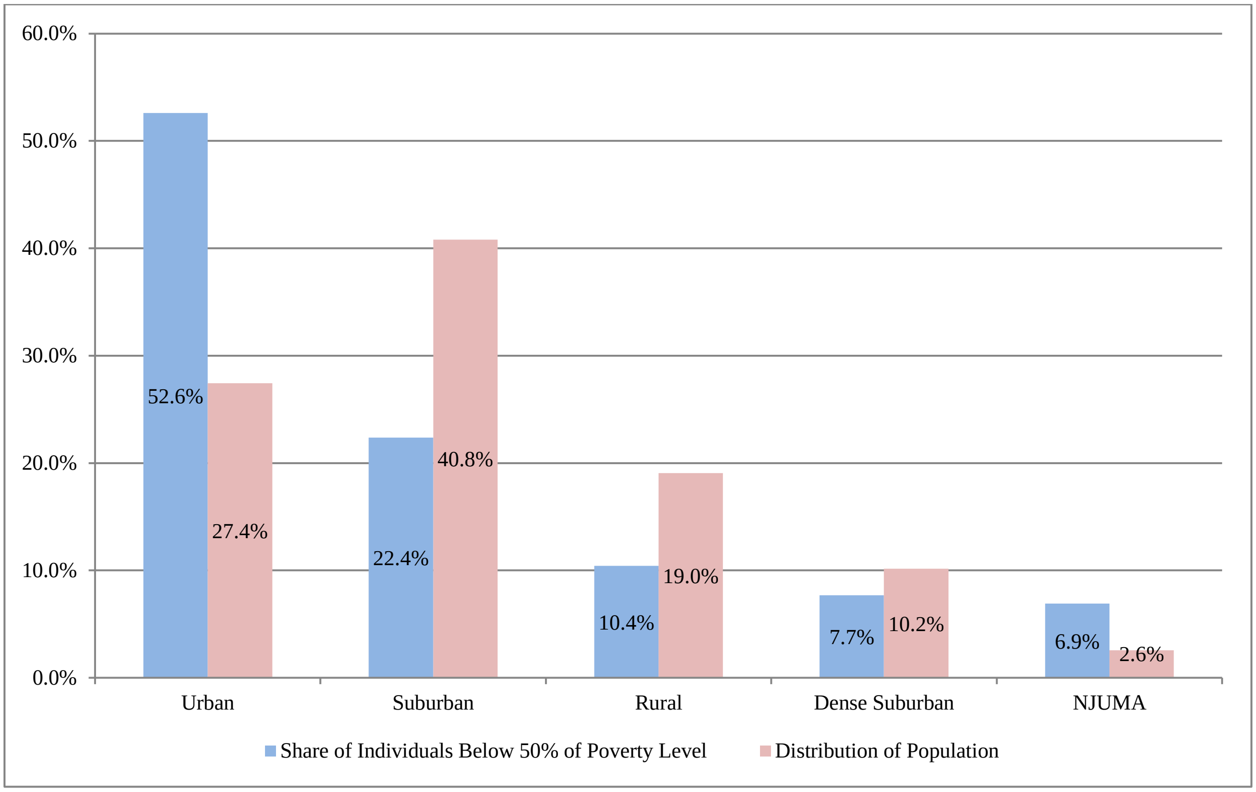


While cities in New Jersey as a whole are home to over 3-times more people who are in deep poverty (i.e., they are making only 50 percent of the income threshold the federal government uses to calculate poverty) than the average suburb, the NJUMA cities are even more impoverished on average than even their urban peers. For individuals making 50 percent *over* the poverty threshold, the proportions remain similar.

The high concentration of official poverty in the case study cities also reveals the disproportionate share of the population from across the poverty spectrum that is concentrated in these cities. At both the extreme poverty end (income below 50 percent of the poverty level), and among the working poor whose incomes exceed official poverty thresholds but still leave gaps relative to the costs of living, a disproportionate share of the state's poor live in urban cities, with very high rates the NJUMA cities. The analysis below compares the total share of individuals in deep poverty in each municipal category to the category's share of the total state population. This analysis demonstrates how large a share of the poverty population resides in the cities, concentrating the needs associated with poverty in these areas as well.

[22] See Appendix II, "Distribution of Poverty by Classification."

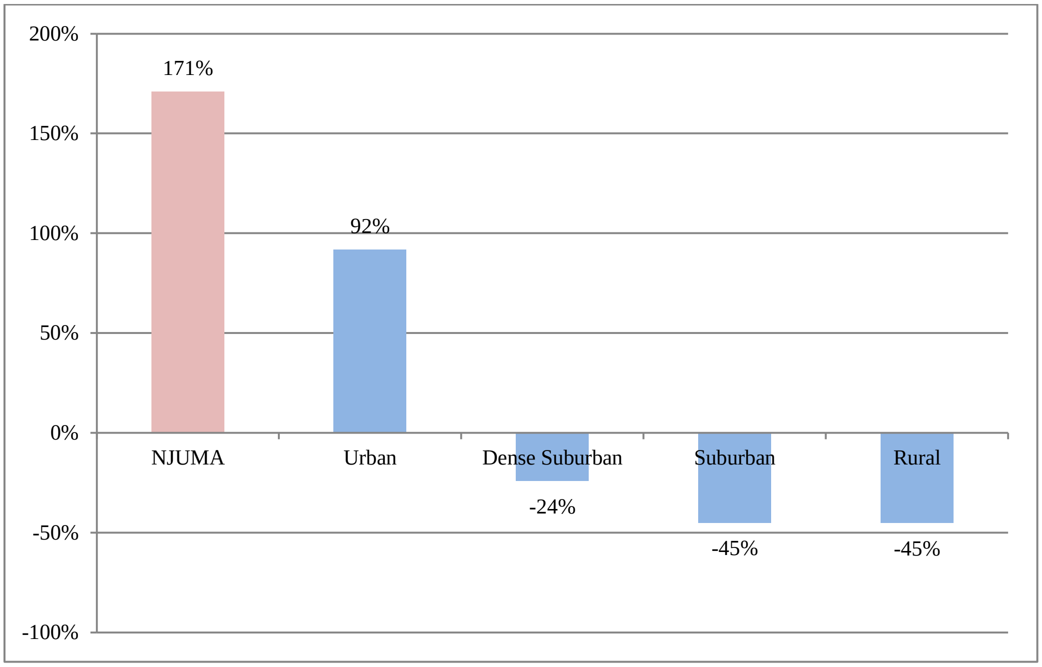
Figure 7: Relative Share of Population v. Relative Share of Deep Poverty[23]



Most notably, the concentration of poverty is incredibly evident by looking at the chart below, which asks how much the deep poverty rate would have to shift if they were evenly distributed by population across New Jersey. For example, for those individuals with incomes below 50 percent of the poverty level, urban areas are over-represented, in relative terms, by 92 percent whereas suburbs are *underrepresented* by 45 percent. In addition, the NJUMA cities are significantly over-represented, with 171 percent of what their share should be if poverty were not so highly concentrated in urban areas.

[23] In this instance, the aggregate population numbers comes from the ACS 2010-2014 dataset "Population for whom poverty status is determined."

Figure 8: Percent Over/Under Representation of Individuals in Deep Poverty



Unsurprisingly, given income levels, *structural* unemployment[24] is also quite high and also corresponds closely to poverty concentrations:

Figure 9: Comparison of Unemployment Rates in 2009 and 2015[25]

Row Labels	2007	2009	2015
NJUMA	**7.9%**	**14.4%**	**8.8%**
Bridgeton City (Cumberland)	9.5%	17.1%	10.0%
Passaic City (Passaic)	7.0%	12.7%	8.0%
Perth Amboy City (Middlesex)	7.9%	15.4%	9.3%
Trenton City (Mercer)	7.2%	12.5%	8.0%
Urban	**6.0%**	**12.1%**	**6.9%**
Dense Suburban	**4.2%**	**9.2%**	**5.3%**
Suburban	**3.6%**	**7.9%**	**5.1%**
Rural	**3.7%**	**7.8%**	**5.8%**
Statewide Average	**4.0%**	**8.5%**	**5.6%**

[24] Structural unemployment refers to persistently high unemployment rates due to longstanding underlying economic fundamentals, rather than unemployment driven by a particular passing event. For example, the loss of automobile manufacturing jobs has led to high structural unemployment in Detroit, whereas most of the unemployment caused by the impact of the Great Recession has not generated lasting unemployment in most parts of the country (i.e., most jobs have been restored). The data range above is meant to show the impact of the Great Recession and the subsequent uneven recovery.

[25] From State of New Jersey, Department of Labor and Workforce Development, Annual Municipal Labor Force Estimates, 2007, 2009, and 2015.

Shifting to a consideration of resources, median household income, and especially per capita income (income per person), is also significantly less in urban areas and NJUMA cities:

Figure 10: Review of Median Household and Per Capita Income by Classification[26]

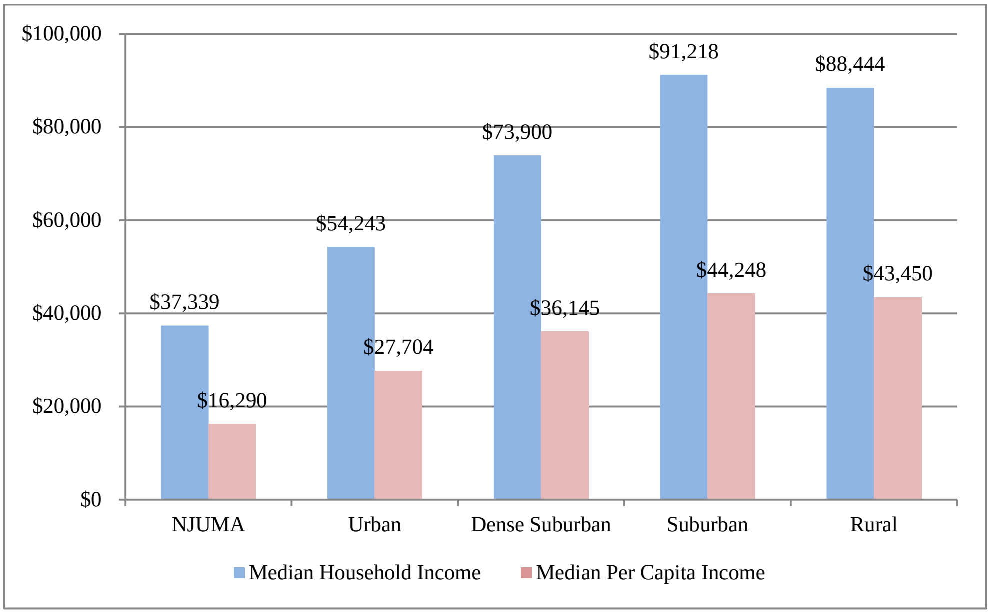
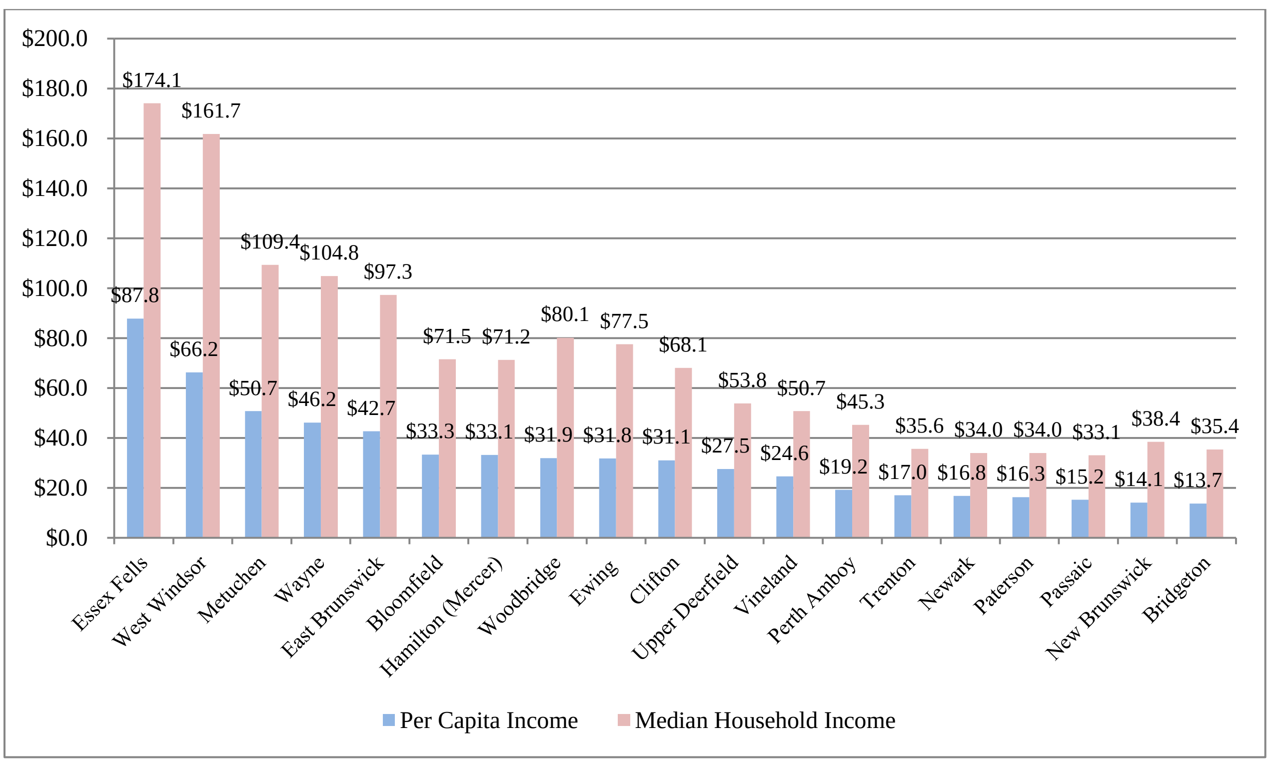


Figure 11: Median and Per Capita Income in Select Municipalities ('000s)



[26] See Appendix II "Median Household Income and Per Capita Income" and "Distribution of Household Income."

Median household income and per capita income are important indicators of need because they reflect a capacity to meet basic needs without relying on social services. As is discussed above, the official poverty threshold is not an accurate measure of real income needs. New Jersey is, as is widely known, one of the most expensive states in the country to simply lead an ordinary life, leading us to the concept of the *living wage*. The Massachusetts Institute of Technology provides a living wage calculator at the state level, which further breaks the data down according to household size and the most common annual expenses. Among the available household types beyond a single adult, the two with the lowest income needs are households with two adults (with either one or both adults working). Of the NJUMA cities, only Perth Amboy's Median Household Income of $45,276 exceeds the "living wage" even for these lowest-cost household types. If we look at any of the other household types, *no* NJUMA city's Median Household Income exceeds the "living wage" calculation:

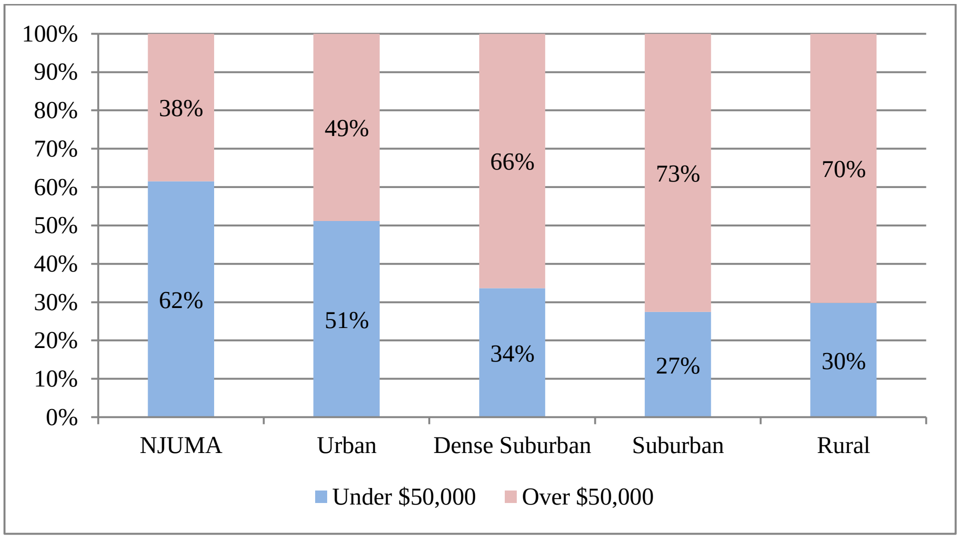
Figure 12: New Jersey Living Wage Schedule by Household Type[27]

Expenses	1 Adult	1 Adult 1 Child	1 Adult 2 Kids	2 Adults 1 Working	2 Adults 1 Working; 1 Child	2 Adults 1 Working; 2 Kids	2 Adults	2 Adults 1 Child	2 Adults 2 Kids
Food	$3,509	$5,176	$7,786	$6,434	$8,011	$10,339	$6,434	$8,011	$10,339
Child Care	$0	$7,977	$11,301	$0	$0	$0	$0	$7,977	$11,301
Medical	$2,266	$6,330	$6,118	$4,558	$6,118	$6,182	$4,558	$6,118	$6,182
Housing	$11,334	$15,541	$15,541	$12,846	$15,541	$15,541	$12,846	$15,541	$15,541
Transport	$3,764	$6,855	$7,901	$6,855	$7,901	$9,258	$6,855	$7,901	$9,258
Other	$2,096	$3,644	$3,987	$3,644	$3,987	$4,819	$3,644	$3,987	$4,819
Taxes	$3,048	$6,041	$6,985	$4,557	$5,515	$6,123	$4,557	$6,573	$7,622
Required annual income	$26,018	$51,564	$59,619	$38,894	$47,073	$52,263	$38,894	$56,109	$65,063

While this analysis tells a concerning story about the average household, it is also important to move beyond median income figures to determine what share of families have a realistic opportunity to meet the high cost of living in New Jersey.

[27] Massachusetts Institute of Technology Living Wage Calculator, http://livingwage.mit.edu/pages/about

Figure 13: Household Income Over and Under $50,000[28]



If we read the above chart in contra-position to the MIT "Living Wage" study, we see the importance of the household earnings above $50,000, which, depending on the makeup of the individual family, is a relatively good stand in for the genuine cost of living. We see, therefore, that a full 62 percent of households in our NJUMA cities *do not* meet that threshold. As we turn to a closer examination of the individual characteristics of each city, in some ways the prospect become even more dire.

One key fact, as we begin to look at other social indicators, is the limit of available income after meeting the most basic of needs (namely, shelter). Public housing availability is incredibly limited in each of the NJUMA cities — as it is across all New Jersey urban areas — and affordable housing and Section 8 are also inadequate to meet the need. It is not rare for waiting lists for public housing to stretch years and even beyond a decade. Thus, for a significant portion of the population the share of income allocated towards rent in the NJUMA cities, is well-over the recommended 30 percent expenditure[29] for housing costs:

[28] See Appendix II "Distribution of Household Income."
[29] The U.S. Department of Housing and Urban Development defines a household as *housing cost burdened* if they spend more than 30 percent of gross income on housing, indicating the instability of this budget imbalance and the strain it creates on meeting other non-housing needs.

Figure 14: Percent of Households with Rent Greater than 30% of Median Household Income[30]

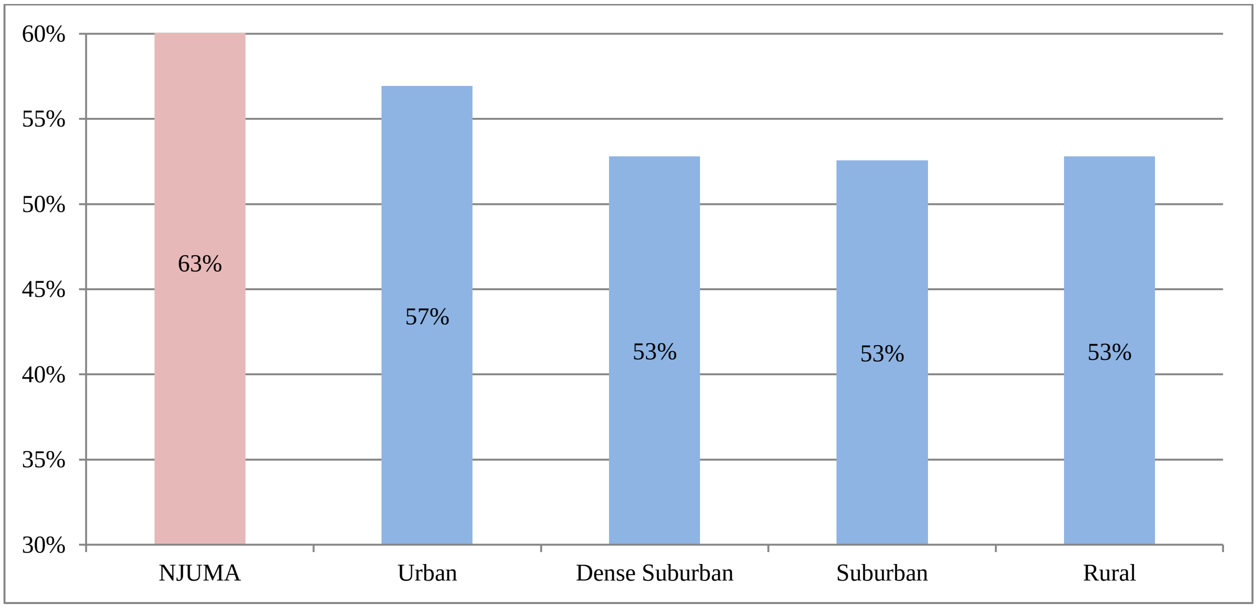
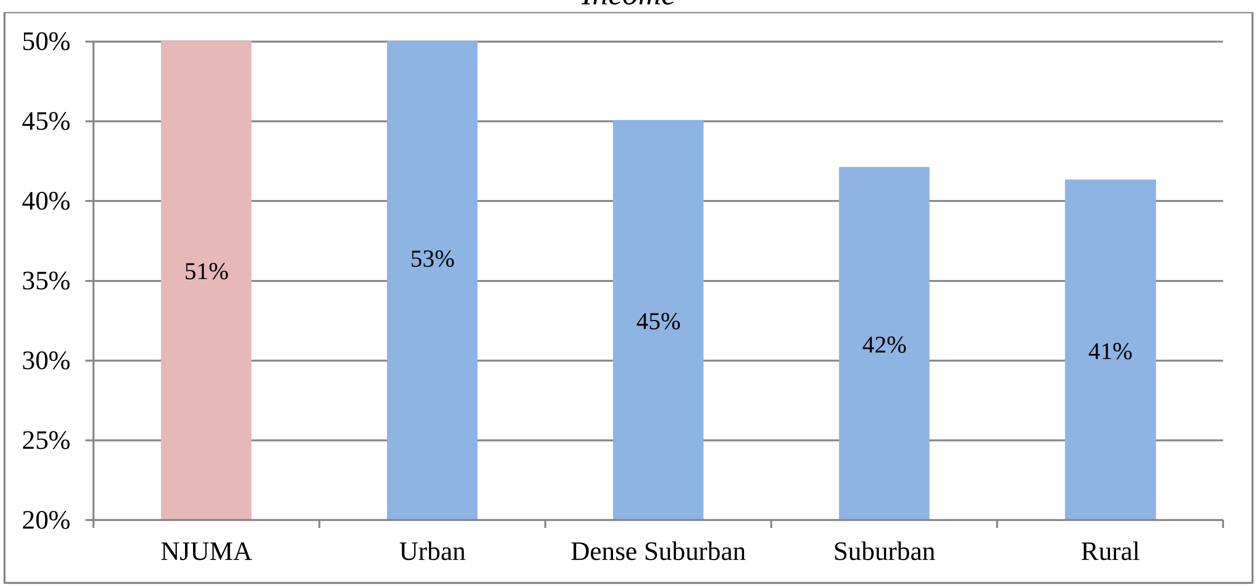


Figure 15: Percent of Households with Homeowner Costs Over 30% of Median Household Income



The basic point to be gleaned from this analysis is that housing costs, even in the markedly less expensive urban areas of concentrated poverty, create significant strains on discretionary spending for individuals and families. The definition of what is discretionary must be expanded, too, as we shall see below.

[30] See Appendix II, "Gross Rent as % of Median Income" and "Gross Rent as % of Median Income in NJUMA Cities" and following tables.

While access to something like a car, and the ability to pay for its associated expenses, might be considered discretionary under the strictest definition, it can be necessary to overcome the problems posed by spatial mismatch and actually move out of poverty. Therefore, it is worth looking at several other indicators beyond income that demonstrate elevated need on the one hand, and the difficulty in meeting those needs on the other. First, rates of health insurance coverage are comparatively low in the NJUMA Cities and other urban communities:

Figure 16: Percent of Population without Health Insurance[31]

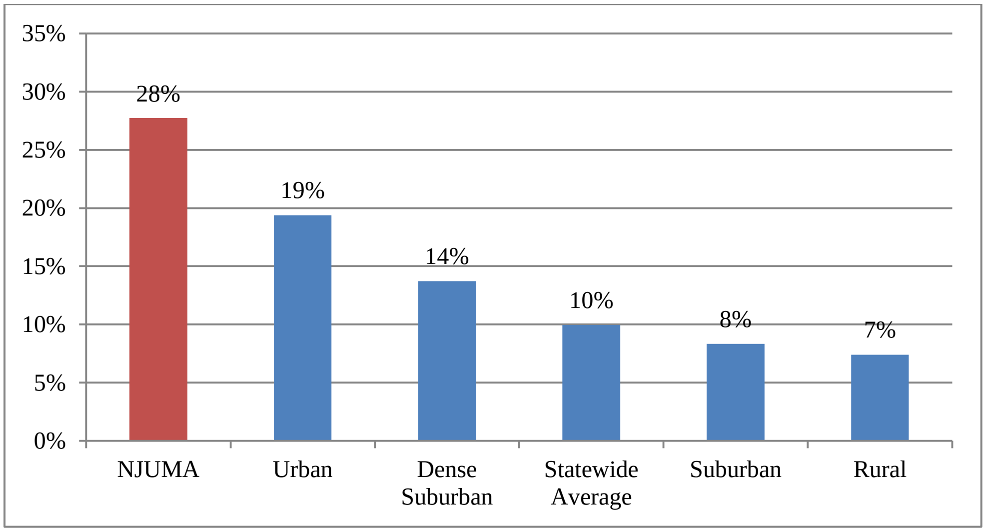
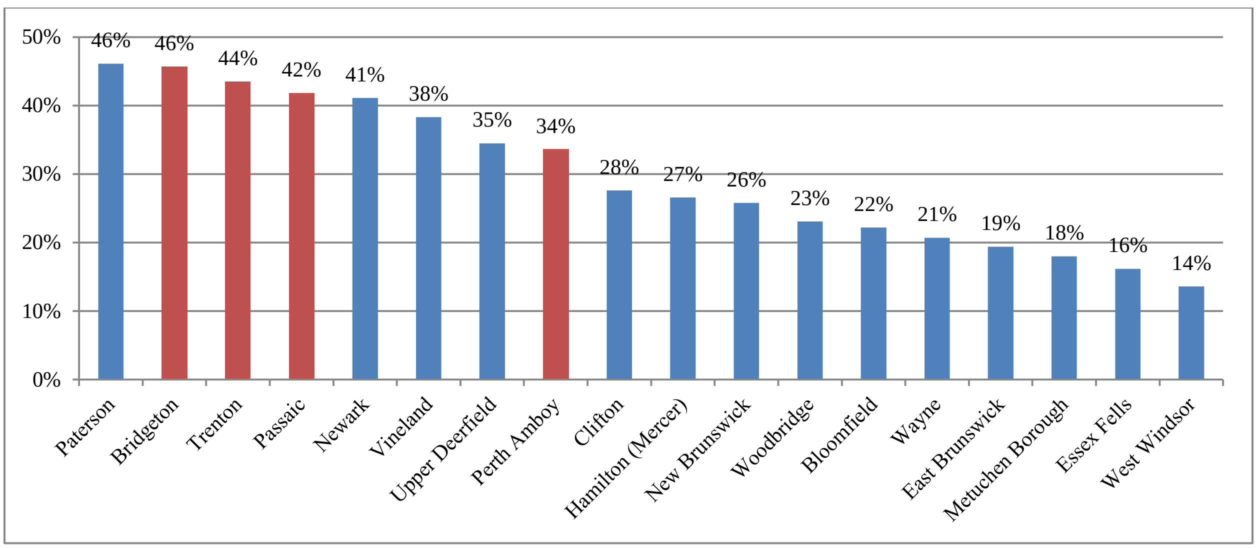


Figure 17: % of Population with Public Health Insurance Coverage



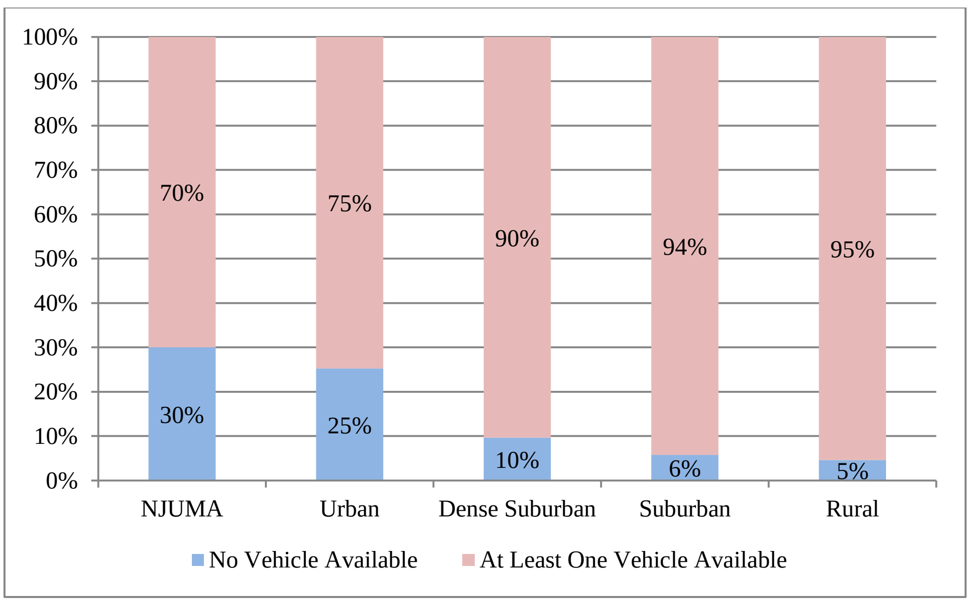
Lack of health insurance coverage leaves fewer options for residents seeking care from traditional medical practices, driving them to charity care, government-sponsored facilities, and, increasingly, emergency rooms for primary care. We can also see that those with coverage in the

[31] See Appendix II, "Those with No Health Insurance."

urban municipalities are disproportionately reliant on public coverage. In recent years, as more and more hospitals are leaving cities or reducing staffing there (e.g., Capital Health's new central campus is in Hopewell, not Trenton, and the closures and consolidations of hospitals in Passaic, which reduced the city's hospital facilities from three to one, St. Mary's), added importance is placed on municipal healthcare service provision.[32] However, as we will see below, municipal funds available for these services are low and have diminished over time. Though, in many cases, coverage and programming might exist at a centralized location at the County or a regional medical center, getting to that programming is a great challenge. For example, the Capital Health Campus in Hopewell is a challenge to get to for Trenton residents. If one visits the Capital Health website to get directions on how to get to the Hopewell Campus via mass transit, it provides bus directions to the Trenton Transit Center and then the names and phone numbers for taxi cab companies that provide service to the Hopewell Campus.

Health care needs thus intersect with transportation needs. Vehicle ownership statistics are doubly concerning in the context of transportation needs to access health care.

Figure 18: Household Vehicle Availability[33]



First, the amount of households *without* access to *any* vehicle is far higher in the NJUMA cities than the comparison cities (roughly *5-times* the suburbs*)*. Moreover, the limited number of households with access to more than one vehicle illustrates the difficulty of driving to services for a child or another person if it interferes with work. Two and three vehicle households make

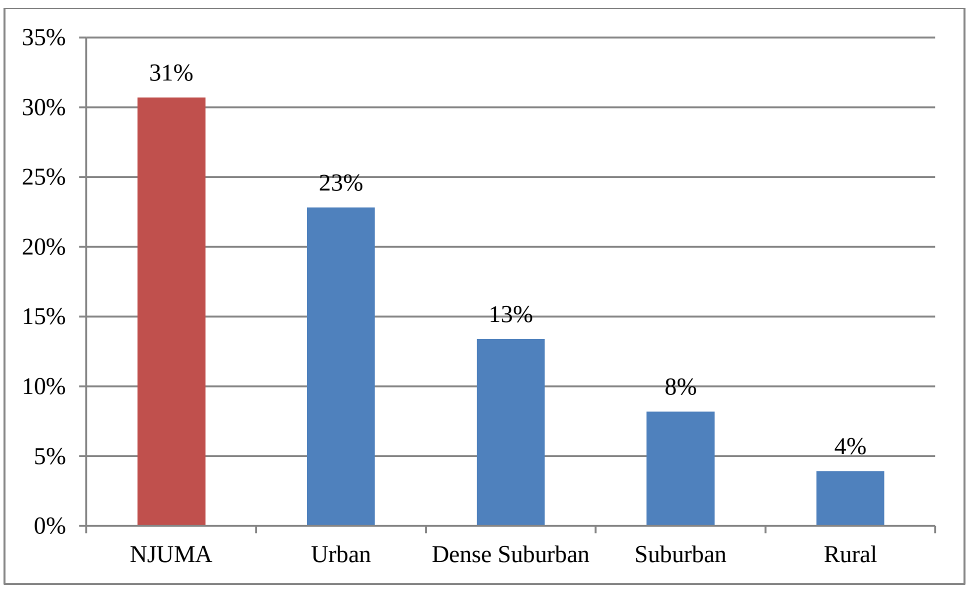
[32] Some measure of a caveat must be introduced to this analysis, given New Jersey's recent expansion of Medicaid and the expanded availability and access to non-employer-based health insurance through the Patient Protection and Affordable Care Act of 2010. Since the dataset uses what amounts to a 5-year average between 2010 and 2014, it is hard to capture the full effect of its introduction. However, the ACA has also provided reasoning, the effects of which have not yet been fully analyzed, for the State to significantly cut its contribution to hospitals for charity care ($148 million in State Fiscal Year 2016, from $750 million to $502 million).

[33] This further underscores the importance of mass transit, particularly due to the spatial mismatch phenomenon. Once again, those in most need of good paying jobs have the hardest time getting to them. See Appendix II, "Vehicle Availability."

up about 63 percent of suburban households, while they constitute only 29 percent and 32 percent of the NJUMA cities and urban areas respectively. Thus, the oft-cited premise that cities attract people in poverty because various social services can be accessed easily by residents at a centralized location must be called into question, particularly given the decentralization of social services and the decline in mass transit funding, which, in turn, has led to fewer routes, less frequent routes, and higher fares.

The question of "navigation" is also worth examining. First, a larger share of individuals in the NJUMA cities and urban areas more broadly face potential barriers to navigating the systems and institutions that are the gatekeepers of social services and economic opportunity. Once again, the impact of this is compounded by cuts to municipal services. Typically, these services were more oriented towards case management and the provision of assistance to navigate the larger social service delivery systems at higher levels of government. While individual barriers are always uniquely personal, three factors with demonstrable impacts on opportunity are limited English proficiency, citizenship status, and lower educational attainment. Populations facing these barriers can face greater challenges in navigating the complex bureaucracies behind social services:

Figure 19: Speak English Less Than "Very Well"[34]



[34] See Appendix II, "Language Facility Profile."

Figure 20: Percent Non-US Citizen[35]

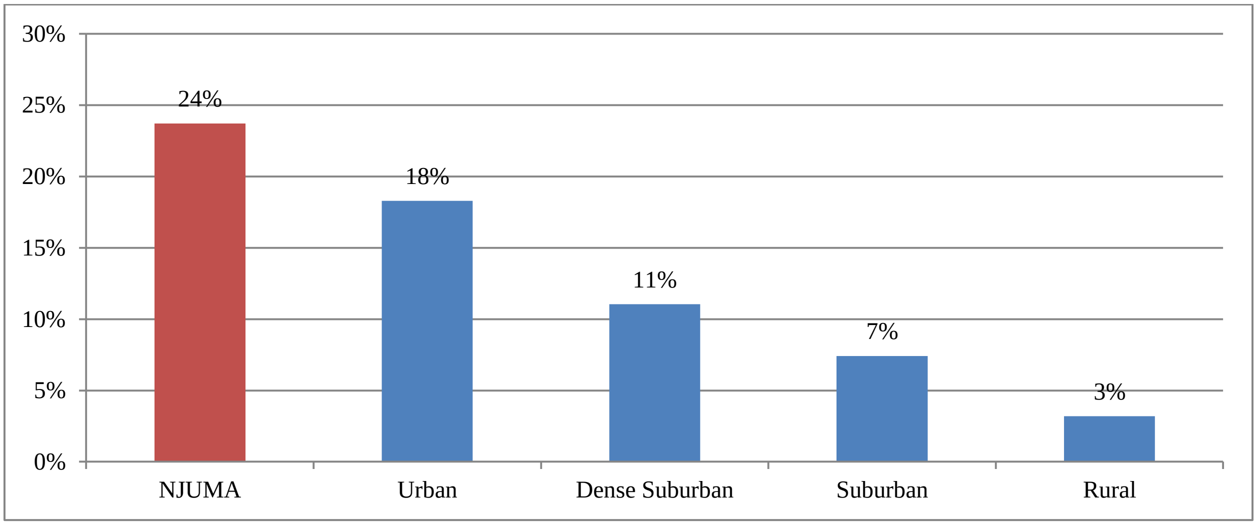
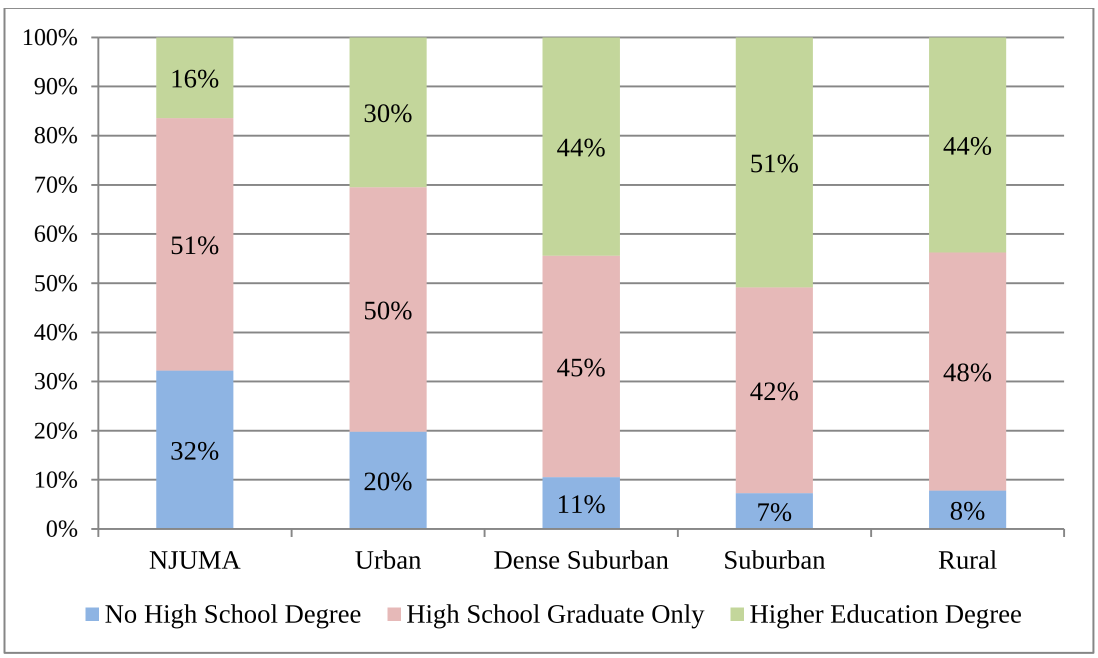


Figure 21: Educational Attainment[36]

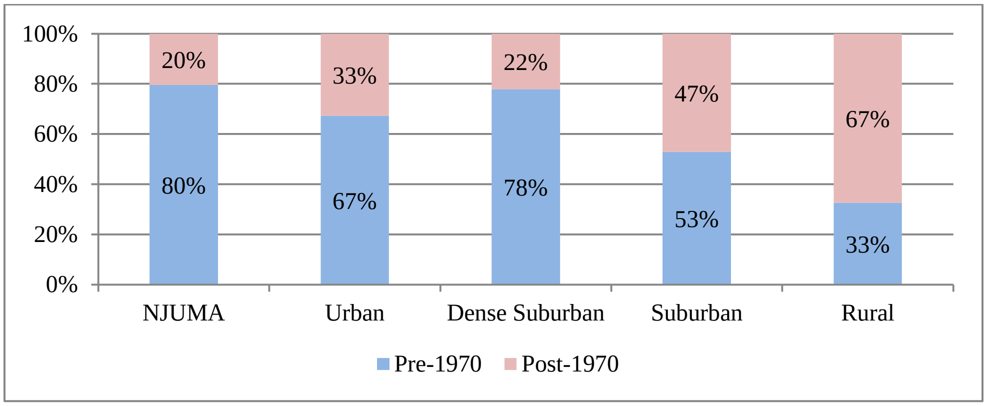


Finally, it is important to note some of the relevant conditions with additional direct impacts on municipal service delivery. First, the share that older homes constitute in NJUMA cities and urban municipalities far and away exceeds the suburbs:

35 See Appendix II, "Citizenship Status."

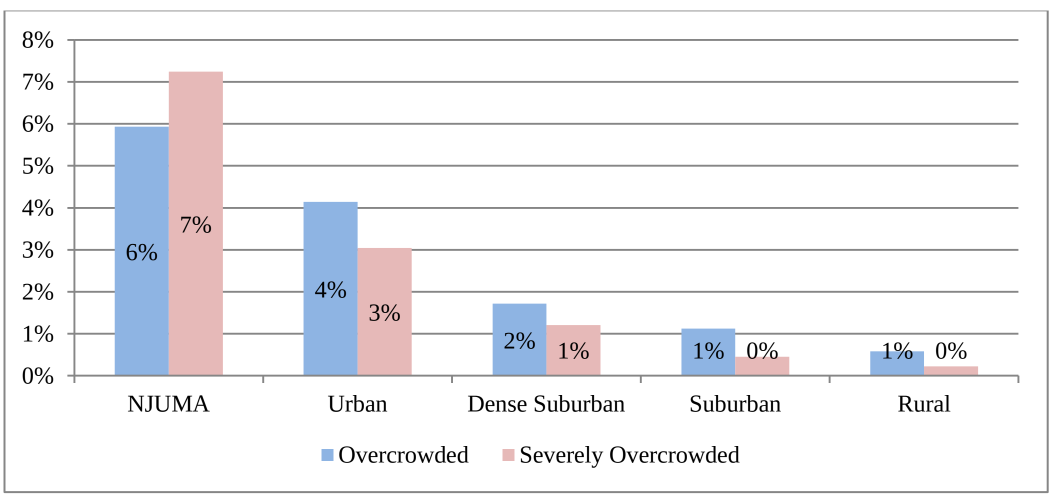
36 This marks one of the leading indicators for the experience of poverty. The disparity is a relatively new phenomenon when speaking in terms of decades and represents and outsize contribution to the concentration of poverty. See Appendix II, "Educational Attainment by Classification" and following.

Figure 22: Age of Housing Stock[37]



This data is critical insofar as it demonstrates a lack of new construction—i.e., a lack of investment, with a correlated decline in ratables (defined as the taxable value of property), as will be shown below. In addition, although older housing does not *in itself* create additional liabilities for firefighters and building inspectors as some older building materials were better suited for fire suppression than modern ones, there is a strong correlation in older cities between the age of housing and a reduction in investment and upkeep, which contributes to public safety issues and especially the need for a larger professional fire department and building/health inspection apparatus. Older housing with low upkeep means more fraying electrical wiring, lead paint, primitive water heaters, primitive heating systems, and lack of central air. An added safety challenge is posed by overcrowding, which is significantly higher in urban areas and, particularly, the NJUMA cities than in area of less concentrated poverty. The US Department of Housing and Urban Development defines overcrowding at more than 1 person per room in a dwelling unit, where all rooms other than bathrooms are included in the room count. By this same methodology, more than 1.5 people per room is considered severe over-crowding.

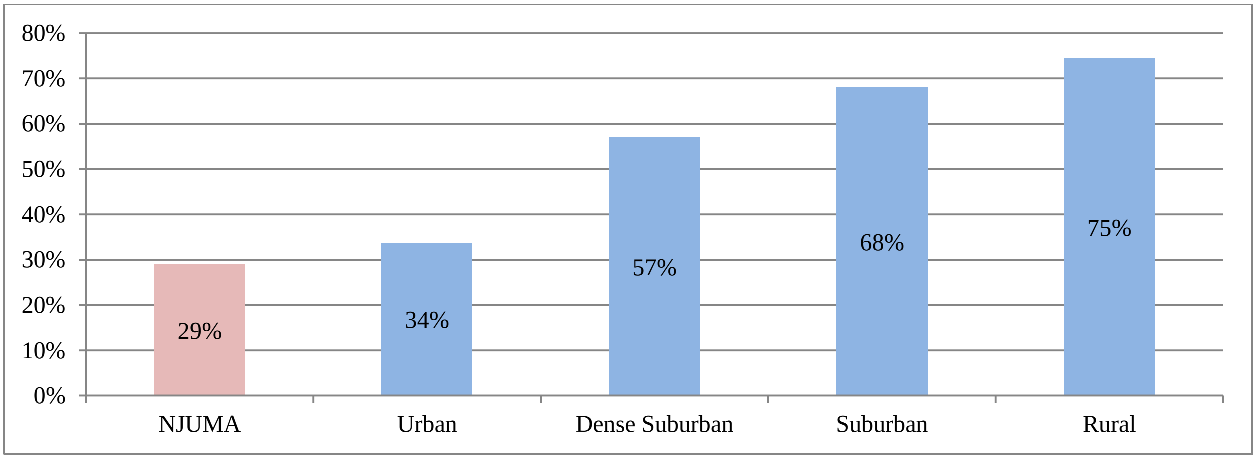
Figure 23: Percent Overcrowded Housing[38]



[37] See Appendix II, "Age of Housing Stock by Classification."
[38] See Appendix II, "Room Occupancy."

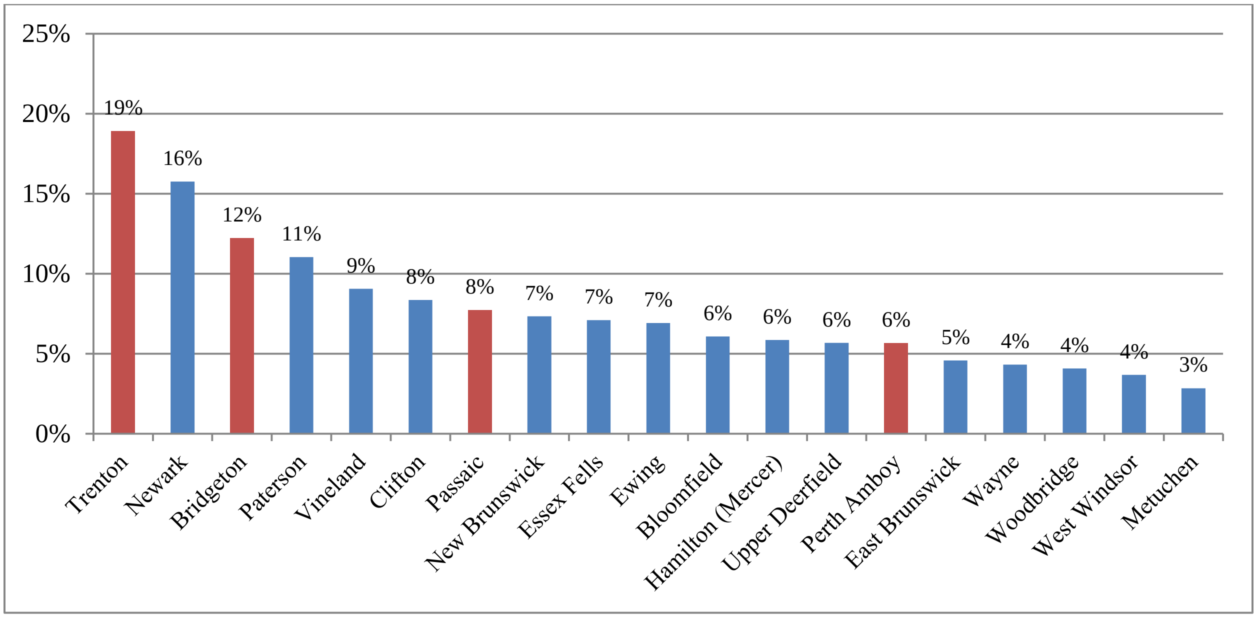
Owner occupied housing is another important consideration, insofar as non-owner occupied housing is likely to place far more of the burden of upkeep on non-residents, which increases the likelihood of the proliferation of outstanding maintenance issues.

Figure 24: Percent Owner Occupied Housing[39]



Finally, the challenges presented by vacant housing are significant - as already discussed above with respect to the added challenges for police, fire, and public works personnel - but also presents a fiscal challenge insofar as vacant housing generally does not generate much, if anything, in tax revenue:

Figure 25: Percent Vacant Housing[40]



[39] See Appendix II, "Owner Occupation and Mortgage Status."
[40] See Appendix II, "Home Occupation and Mortgage Status."

It is worth noting that the number of disabled residents, is more concentrated in NJUMA cities and urban areas generally, with the ratio of disabled to non-disabled residents in Trenton particularly high (a little over 1 in 7); high ratios of disability within a city's population create an array of service needs, which can often be complicated to meet:

Figure 26: Number of Non-Disabled Residents for Every Resident with a Disability[41]

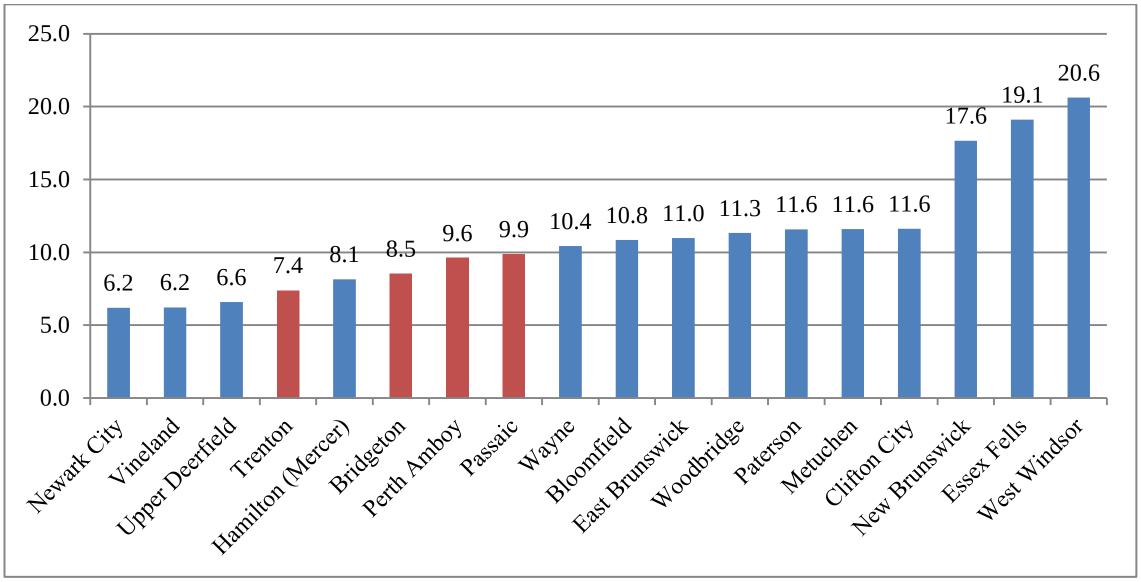
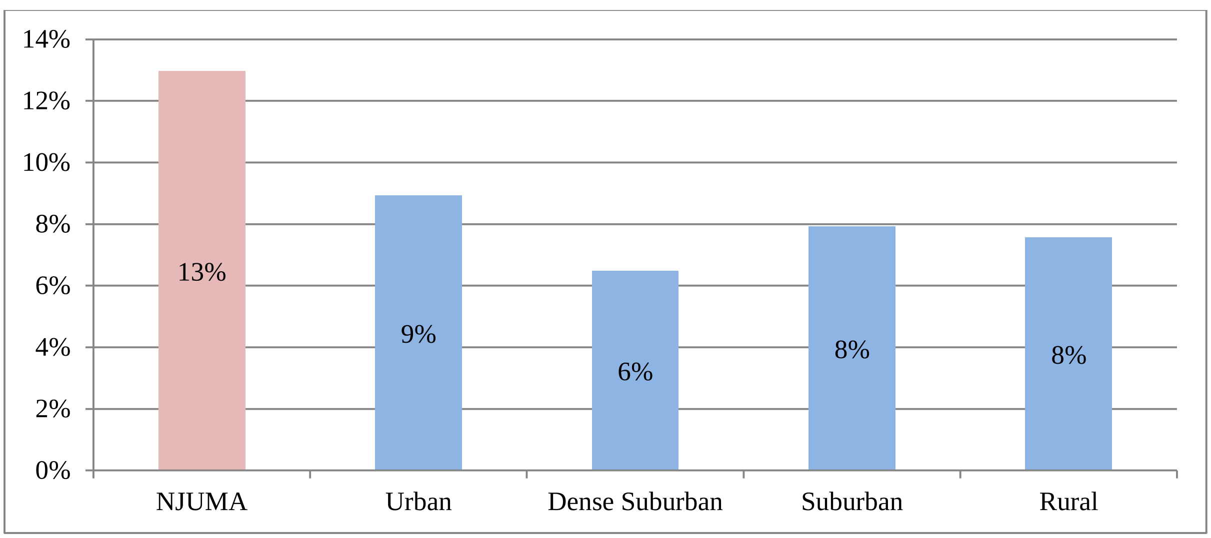


Figure 27: Percent of Disabled Population Under 18



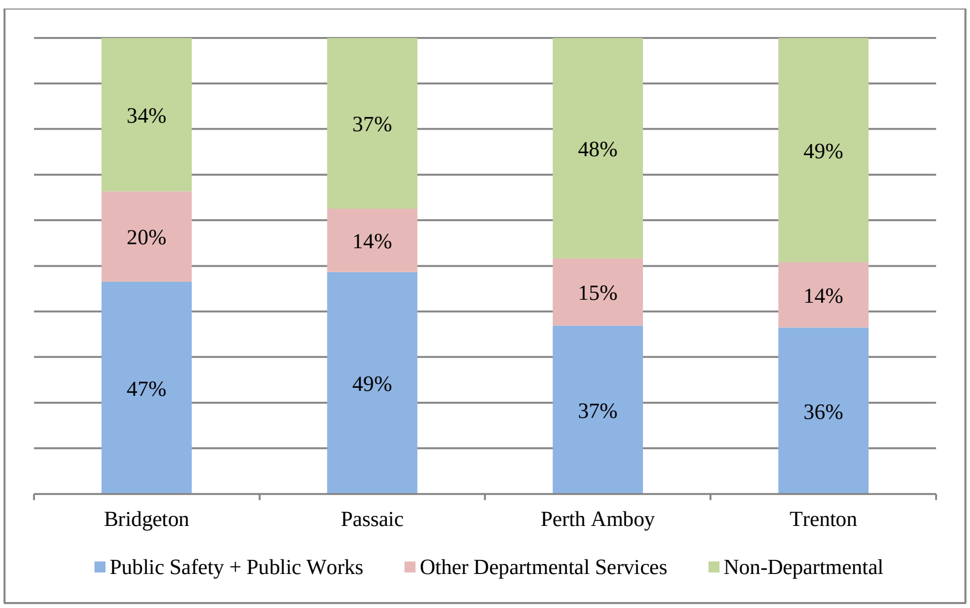
The essential and evident conclusion of this section is a demonstrated concentration of need in nearly every relevant category in the NJUMA cities and urban municipalities more broadly. Now we shall explore how municipal government is able – or not able – to meet these needs.

41 See Appendix II, "Occurrence of Disability" and "Schedule of Disability Determinations."

Among all states, New Jersey has a unique municipal budget process that emphasizes fiscal discipline, often expressed through a comprehensive regime of State oversight. Accordingly, the degree of emphasis that certain priorities have or don't have must be understood for the findings of the study to be comprehensible.

When we think of what a government does, we often think of services — police and fire protection, garbage pickup, social services, parks and recreation, healthcare, snow plowing, street paving, and so forth. What is less visible, but no less real a consideration for municipal budgets, are obligations that fall outside these direct service categories. In the case of each of our NJUMA cities, between 34 and 49 percent of the cost of government relates to budget lines *not* related to current service delivery (e.g., debt, pension, healthcare, and reserves). While these expenditures may reflect important resources for the local workforce and retirees, they are not easily redirected to respond to the direct needs created by concentrated poverty and are often paid to non-residents; unfortunately, the highest paying municipal jobs in the police and fire departments are often held by non-residents. The lion's share of the remaining funds supports public safety and public works ("essential services"). And, in each case, public safety and public works account for between 70 and 78 percent of budgeted service-related costs and 36 and 49 percent of overall costs. This leaves very few resources to be divided among diverse important departmental service categories, including Recreation and Culture, Public Defender and Courts, Economic Development, and Health.

Figure 28: Budget Allocations among NJUMA Cities (2014)[42]



[42] See Appendix II, "Detailed Budget Allocations Among NJUMA Cities (2014)."

This structure and set of demands for municipal budgeting leaves little space for considering the mismatch between poverty-related needs and available services. The reality is that most conversations on budgeting at the local and State-oversight level revolve around three factors: limiting property tax growth, managing legacy costs, and providing essential services. Only in very extreme circumstances will the State allow a municipality to significantly cut police and fire budgets. Pension and debt costs can essentially only be reduced in even more limited circumstances; the leading example is if a municipality enters into federal Chapter 9 bankruptcy protection, which the State must permit a municipality to enter in any event. Instead, all other "non-essential" areas of spending are usually the first to be cut. Cutting the economic development budget means less economic development, and thus less revenue. Cutting the recreation budget lowers quality of life and thus limits the inflow of residents, also undercutting revenue. That means less money to pay police and fire…and so forth.

Too often, budgetary pressures only allow a municipality to run in place, keeping up essential service functions, making debt and pension payments, and too little else. The fundamental point is clear as well: as long as this basic relationship remains true it will be incredibly difficult for municipalities to escape structural budget distress and, thus, to deliver services that meet the needs of residents, which extend beyond police protection, fire suppression, and sanitation.

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There are three foundational points that must be made clear before moving forward. First, with only a few minor exceptions, municipal and school budgets are separate. That is, they have their own property tax levies, sources of external aid, and budget governing structures at the local, state, and county levels. Municipal budgets are the focus of this report.[43]

Second, by far the primary mechanism for service delivery in New Jersey is the municipality. In many other states, particularly in the South and the West, county governments deliver many of the cost-intensive services that municipalities deliver here, such as policing. New Jersey is often faulted for having too many municipalities, but the real issue may be that New Jersey has too many entities delivering what could very easily be redundant services. A good comparison is Maryland, which has a general socioeconomic profile similar to New Jersey, but is far more heavily oriented towards county service delivery.

Third, New Jersey has one of the most intensive local government budgeting oversight frameworks in the United States. Indeed, New Jersey is often paired with North Carolina as the state that takes the most active role in local budgeting and, to a lesser but corresponding extent, in governance. While New Jersey's system of oversight cannot forestall macro-budget pressures very easily, it routinely prevents the budget stresses that can emerge through faulty budget practices that are more common in other states, such as failing to make a debt or pension payment or anticipating too much speculative revenue.

While we will go into greater depth with each of these issues below, understanding the oversight function and budgeting process in New Jersey is a good first step. While each of the NJUMA cities is unique, they must operate according to the framework delineated in State statute,

[43] Municipal budgets do contain the public library budget (if not a county-based system), though it has its own dedicated tax levy.

overseen by the Local Finance Board ("LFB"), and managed operationally by the Department of Community Affairs' Division of Local Government Services ("DLGS").

Unique among states, New Jersey has historically maintained a relatively strict and intensive degree of oversight on municipal budgets, which is designed to increase as a municipality becomes more financially distressed. The Department of Community Affairs' Division of Local Government Services administers procedures for annual reviews of municipal budgets, offers technical support, and oversees a rigorous licensing system for municipal financial officers, tax collectors, purchasing agents, and other public employees. The Local Finance Board, made up of gubernatorial appointees (and approved by the State Senate) and chaired by the Director of Local Government Services, must approve exceptions to a range of New Jersey laws that regulate local government fiscal practices. Importantly, the process from considering the issuance of municipal bonds to actually selling them on the market has many more steps in New Jersey, not least of which is the required approval of several types of local municipal debt issues by the Local Finance Board. This oversight may be one the State's most important safeguards against local government actions that lead to financial distress, as so many municipalities around the country have fallen deep into distress due to imprudent debt strategies.

SHIFTING REVENUE RESOURCES

The New Jersey State Budget annually makes appropriations for formula aid that supports municipal budgets. This State aid, today, predominantly takes the form of Consolidated Municipal Property Tax Relief Act aid and disbursements from the Energy Tax Receipts program that is delivered to municipalities every year based on formulas frozen in place over a decade ago. Aid has fallen significantly—between a quarter and a third in ten years. It is also important to note that much of what is now known as "State aid" might be more accurately called a "State distribution," as many of the funding sources for the State aid budget line come from taxes and fees that the State now assesses and collects when it was formerly done by the municipality. For example, municipalities used to collect taxes on utilities whereas the State does so today, which is the approximate derivation of the Energy Receipts Tax aid program.

Below, we can see how falling State aid has affected the NJUMA cities:

Figure 29: *10-Year Municipal State Aid Trends in NJUMA Cities (Millions)*[44]

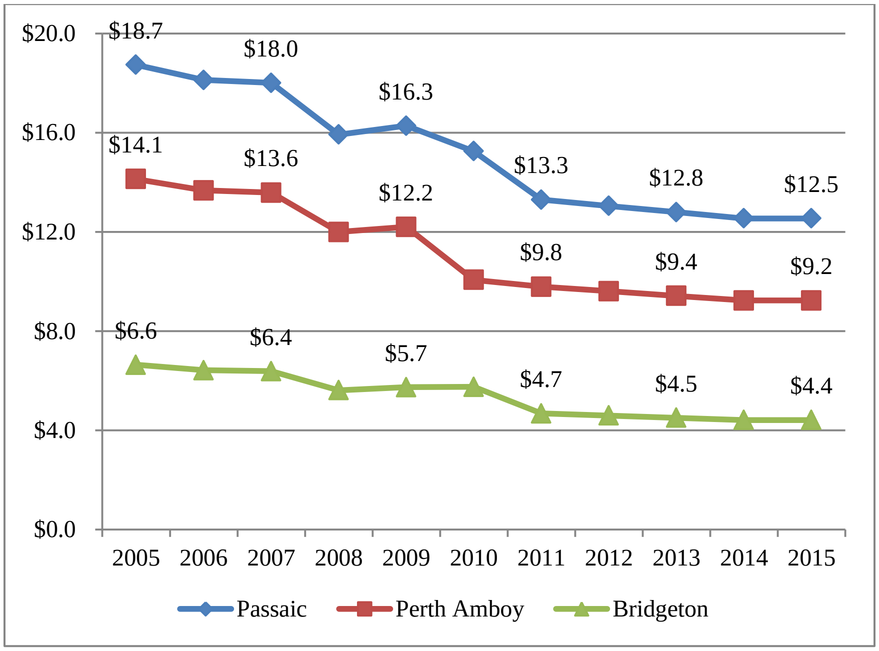
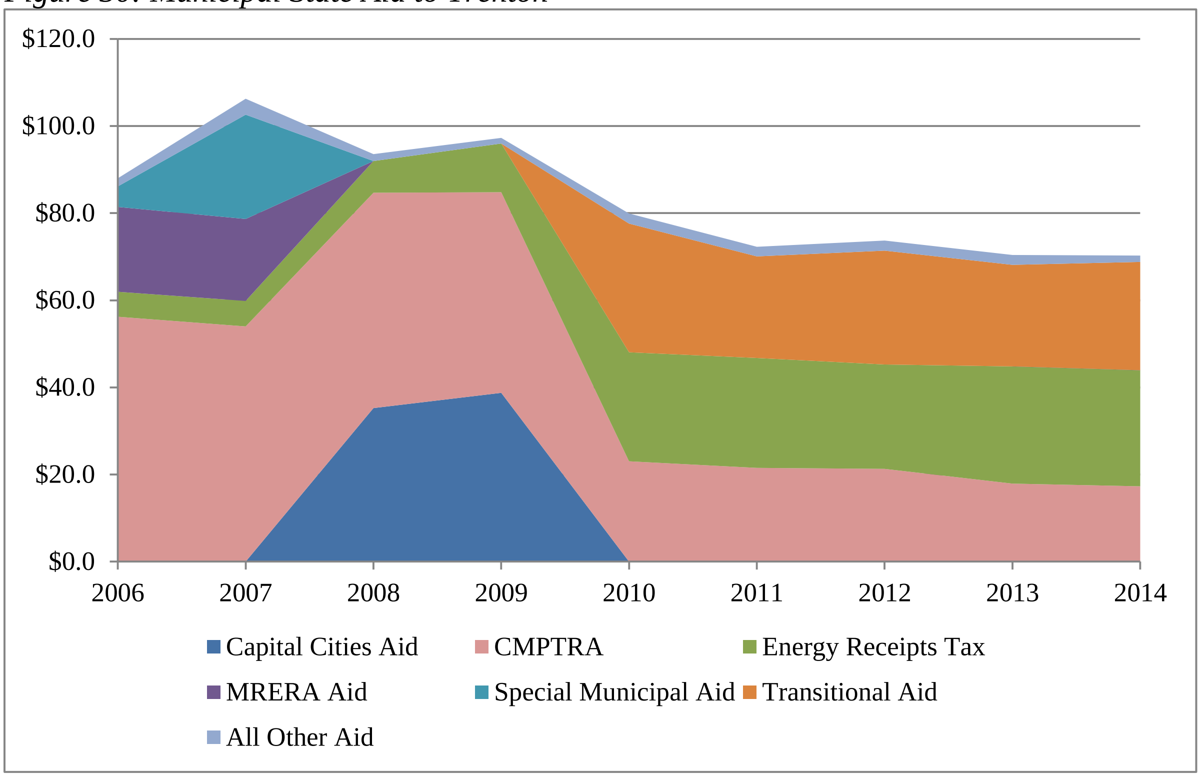


Figure 30: Municipal State Aid to Trenton[45]



[44] Includes Transitional Aid in 2010 for both Bridgeton and Passaic. See Appendix II, "10-Year Municipal State Aid Trends in NJUMA Cities (Millions)" for detail. Adjusted to 2016 dollars.

[45] See Appendix II, "Municipal State Aid to Trenton (Millions)."

In each instance, State aid has declined markedly for the NJUMA cities, with 33 percent declines for Bridgeton and Passaic, as well as a 35 percent decline for Perth Amboy between 2005 and 2015. Trenton, meanwhile, has seen all forms of its State aid decline 20 percent between 2006 and 2014; if taken from the height of Trenton's aid allocation of $106 million in 2007, the decline would be 34 percent.

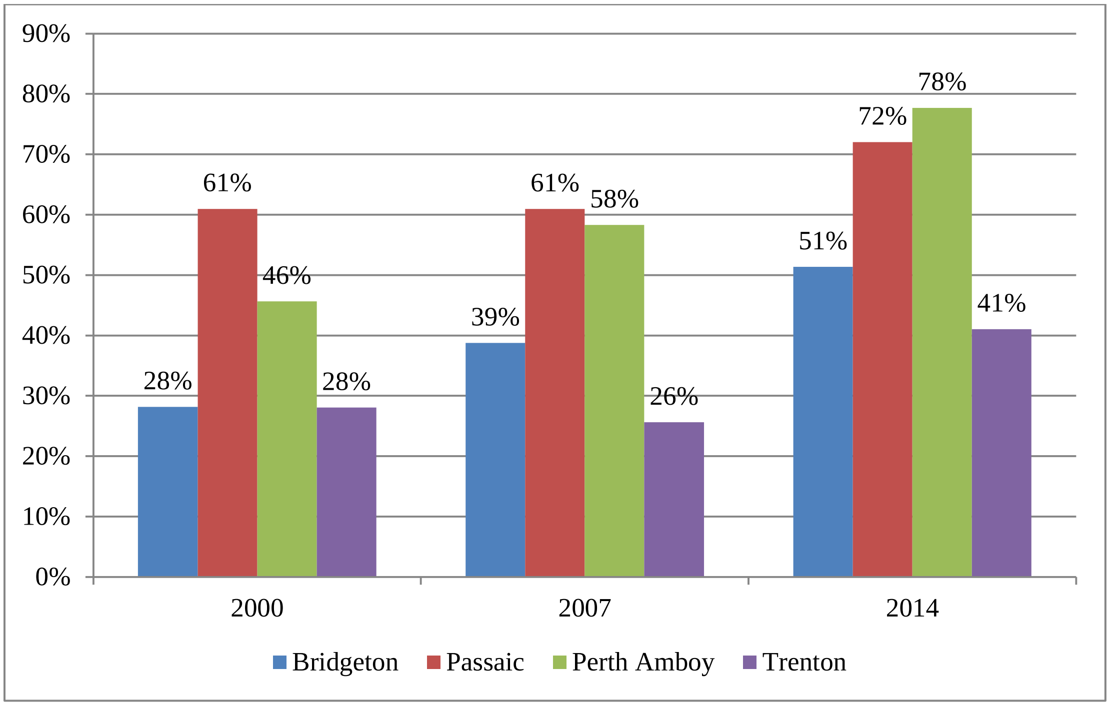
Economically and financially distressed cities typically receive more formula aid than others, which, in the majority of cases, helps them stay out of acute financial distress, but does not ensure what we might call, borrowing some language from the school funding formula, the maintenance of an "adequacy budget."

A somewhat more complex, though very important feature of State aid, is the Qualified Bond Act ("QBA"), which allows bonds, issued by municipalities to be "backed" by the State of New Jersey. Theoretically and in basic terms, in the case of a default — when a municipality fails to make a bond payment to a creditor — the bondholders will, nonetheless, be paid out of State aid funds that would have otherwise flowed to the City's general budget fund. This Act is of critical importance for distressed cities, as it allows them to borrow at a far lower rate than their overall fiscal health would suggest. Therefore, the proportion of budgets allocated to State aid in the NJUMA cities — particularly in Trenton — is far lower than it would need to be in an environment in which the QBA did not exist.

From a legal perspective, budgets in New Jersey must be balanced; if they are not they will not work and much more easily lead to insolvency. And, even more simply, they will not be approved by the State's oversight bodies. In budget terms, "balance" means that appropriations must match revenues, broadly speaking. Unlike a business, with very few exceptions—e.g., some licenses and inspections functions—the revenues associated with a given activity do not generate nearly enough revenue to support that activity. Therefore, funding for municipal services and marbleized costs[46] must come out of general revenues, made up of taxes, state aid, grants, fines and fees, delinquent taxes, and other miscellaneous revenues. In most cases, taxes followed by state aid make up the lion's share of budgeted revenues.

[46] "Marbleized" costs refer to costs that are set in stone, costs over which the city has little to discretion to reduce expenses based on revenues.

Figure 31: Share of Municipal Revenues from Property Taxes[47]



The above chart demonstrates the increasing reliance on local property taxes in NJUMA cities over time to support municipal budgets. A significant reason for this shift toward greater reliance on property taxes is a corresponding decline "Misc. Revenues," which is basically the decline in State aid, federal aid (mostly expressed through grants) and, to a lesser extent, grants from federal, state, and county sources. While this pattern repeats itself in most municipalities across the State — i.e., rising property taxes — there does not seem to be any correction for "ability to pay." The statewide average municipal property tax levy increase between 2000 and 2014 was 58 percent, while municipal miscellaneous revenues declined by 19 percent. In the below charts, we can see, for example, that Perth Amboy and Bridgeton have faced particularly intense property tax increases. Once again, it is clear that this pattern, in absolute terms, is relatively constant among municipalities and the evenness of the distribution of our sample indicates as much. Of course, the *impact* is felt much more profoundly in poorer urban areas, which, as demonstrated above, have the concentration of need.

[47] See Appendix II, "Source of Municipal Revenues among Select Municipalities" for greater detail or revenue allocation.

Figure 32: Growth in Municipal Property Tax Levy by Classification (2000-2014)[48]

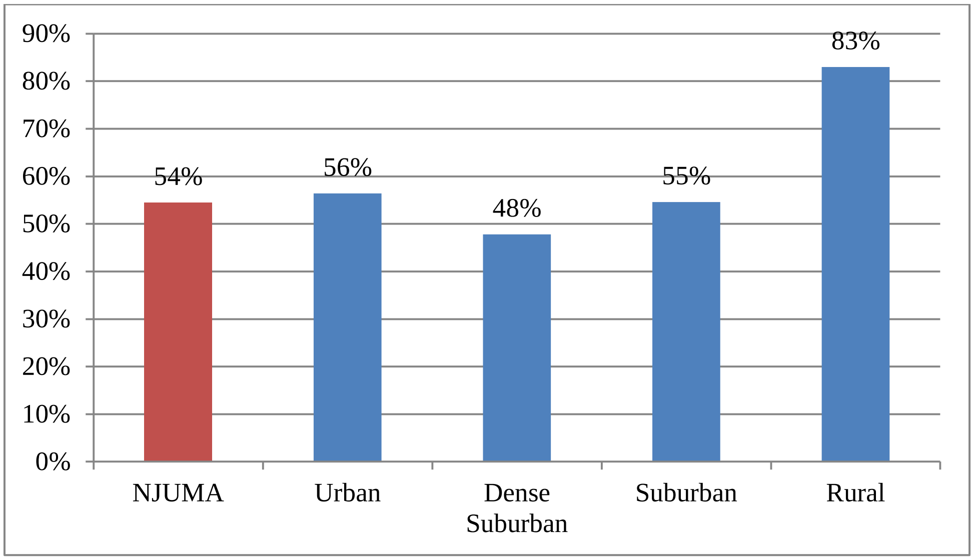
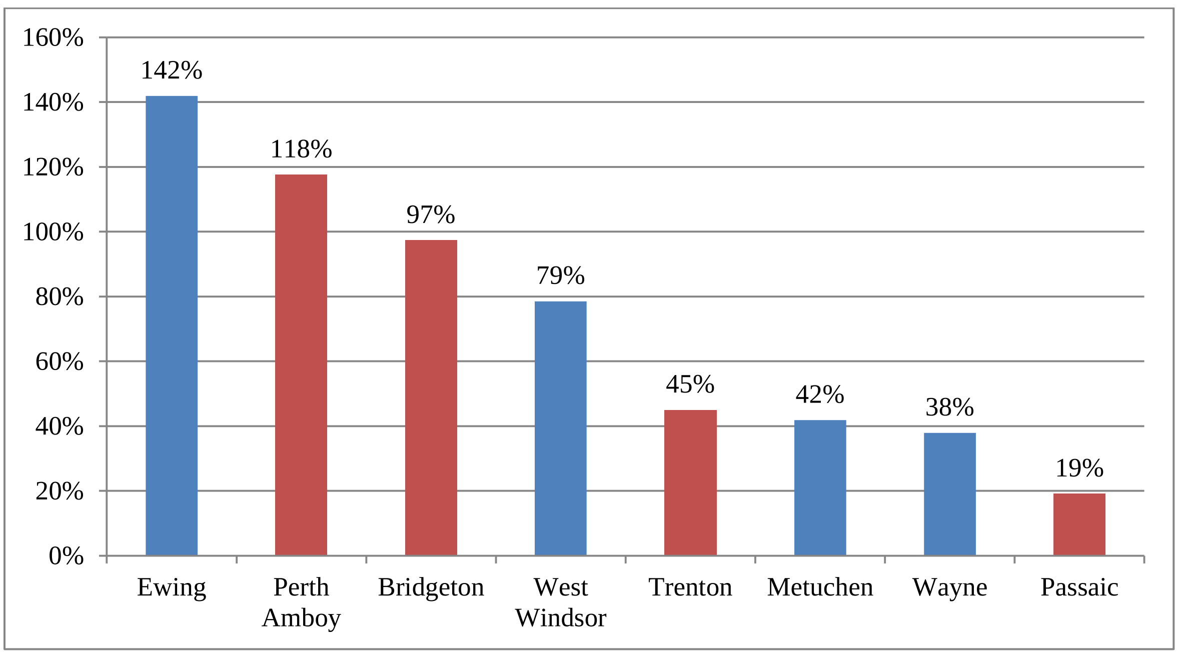


Figure 33: Municipal Property Tax Levy Growth in Select Municipalities (2000-2014)[49]



[48] Includes municipal open space levy and municipal library levy in appropriate years and for those towns with them. See Appendix II, "Municipal Property Tax Trends."

[49] See Appendix II, "Source of Municipal Revenues among Select Municipalities."

Figure 34: Municipal Property Tax Trends (2000-2014, Millions)

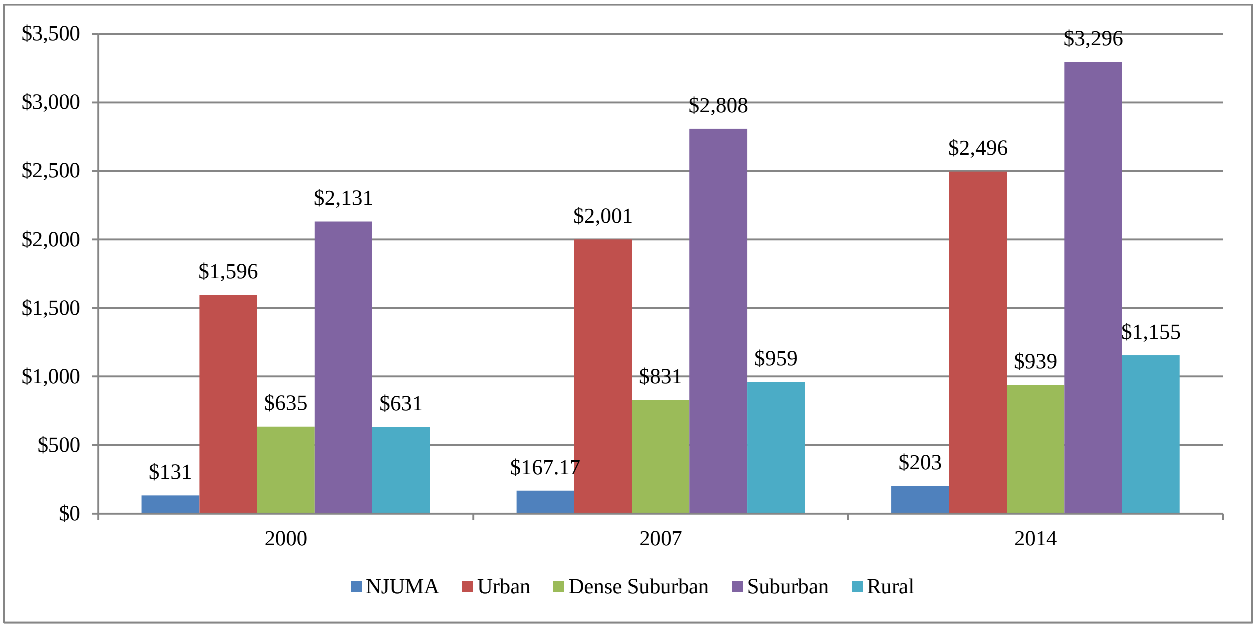


Figure 35: Misc. Municipal Revenue Trends (2000-2014, Millions)

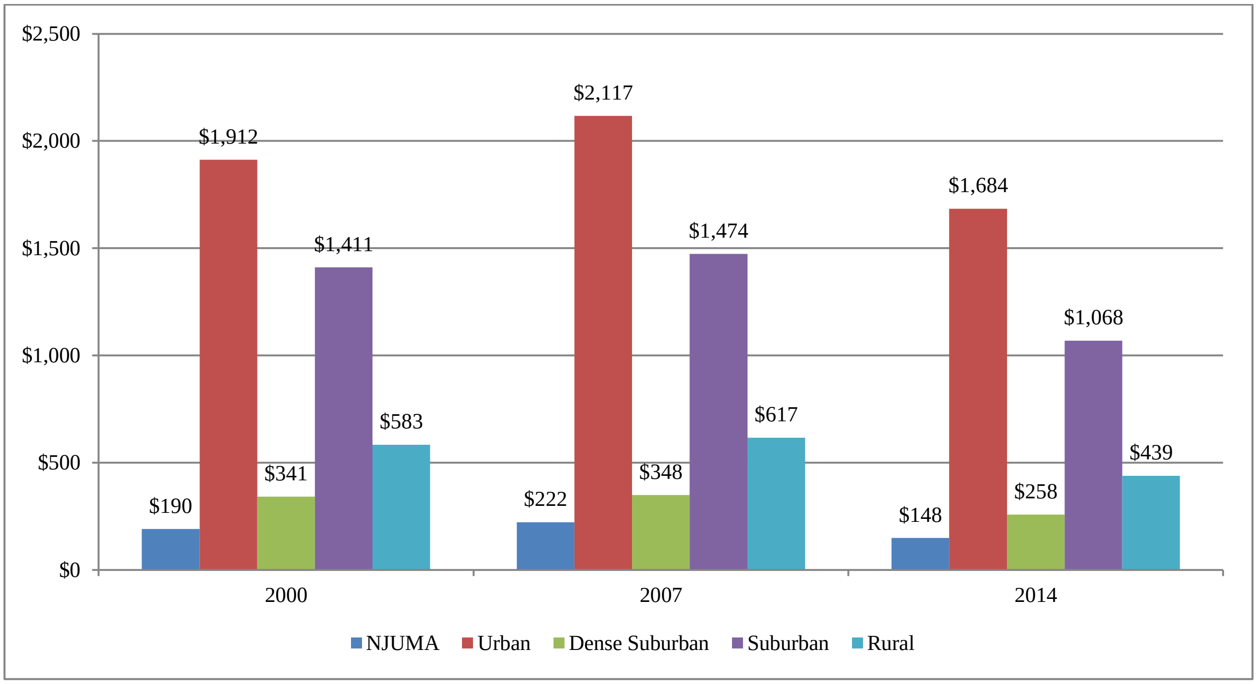
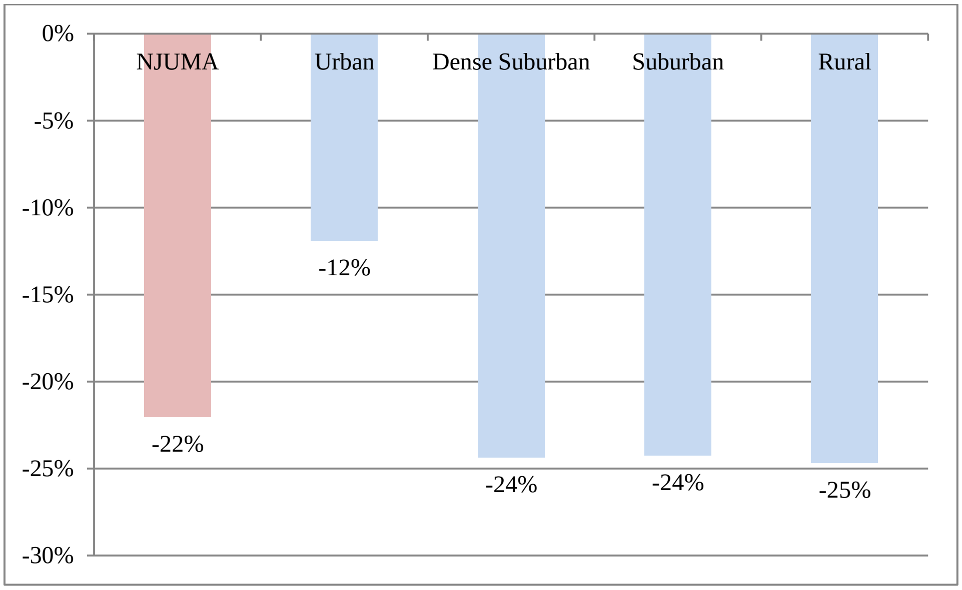


Figure 36: Reduction in Misc. Revenues (2000-2014)[50]



Generally speaking, urban communities have fared better than other classes of municipalities with respect to miscellaneous revenue loss and slightly worse than other classes with respect to municipal property tax levy growth when compared to the statewide average. Still, the basic point is that the variance in decline/growth reflects no statistically meaningful correction for NJUMA cities or other urban communities. The 54 percent average municipal property tax levy growth in cities is just a touch under the 55 percent growth in suburban communities, but, given the marked variance in ability to pay this tiny discount means little. Similarly, a 12 percent decline of miscellaneous revenues in urban communities versus a 24 percent decline in the suburbs is an inadequate advantage, given the variance in municipal property tax growth and the demonstrated higher need in urban communities.

It is also very useful to compare this trend of insufficient adjustment to need in municipal aid with reference to the chart immediately below, which shows the increasing proportion of the overall tax levy devoted to municipal budgets and how this shift is more pronounced in the NJUMA cities and peer municipalities:

[50] See Appendix II, "Reduction in Misc. Revenues (2000-2014)."

Figure 37: Municipal Share of Property Tax Levy (2000-2014)[51]

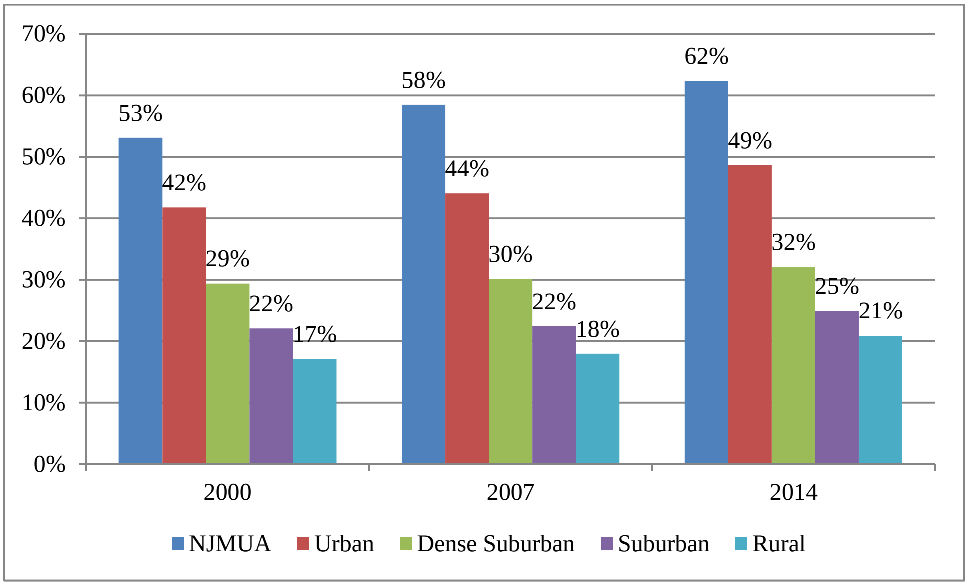
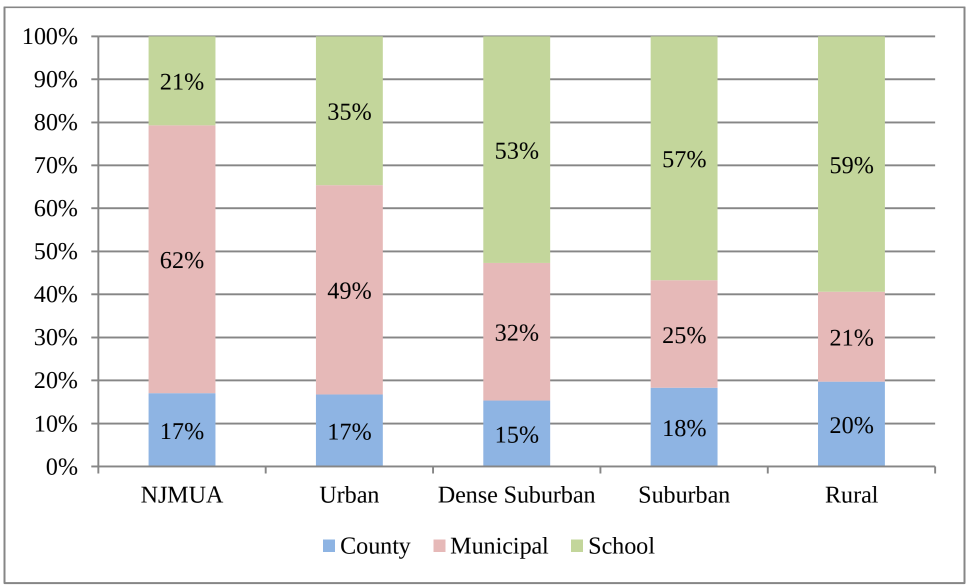


Figure 38: Distribution of Property Tax Levy (2014)



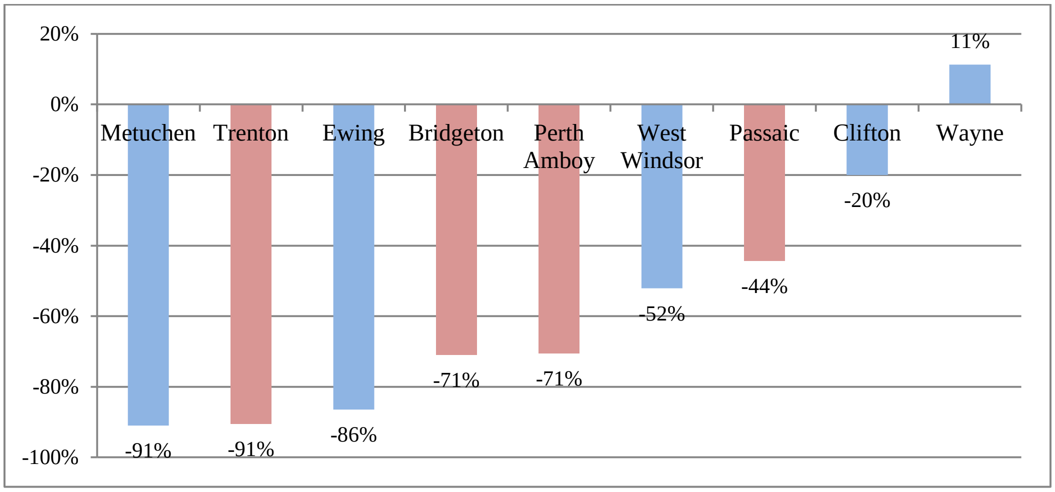
Note that while the proportion of property taxes accounted for by the municipal tax levy has increased in absolute terms by 3 and 4 percent in each non-urban classification, it has increased by 7 and 9 percent in urban communities and NJUMA cities, respectively. The proportion of school taxes collected in the NJUMA cities and urban communities, by contrast, has *decreased* significantly since 2000. While the *amount* of tax revenues collected in urban communities, not the NJUMA cities, has increased slightly, it is far lower than other classes of municipalities and the rate of municipal tax levy growth. The basic reason for this is the essential maintenance of "Abbott" aid and its successor, SFRA. Notwithstanding critiques of the application and funding

[51] See Appendix II, "Distribution of Property Tax Levy (2000-2014)."

of the SFRA formula, the effect of keeping the relevant tax levy stable is clear and begs the question of a similar application of aid for distressed municipal budgets beyond what exists in CMPTRA.

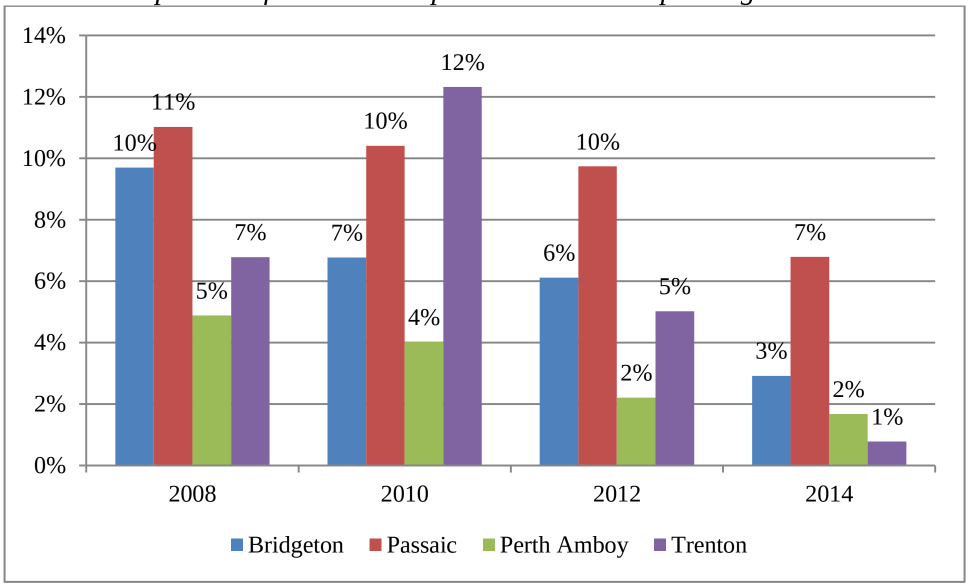
Finally, before delving too deeply into property taxes, the pattern of decline in State aid discussed above is mirrored in the decline in grant funding, which, for the most part, comes from the State of New Jersey's budget appropriation directly or federal funds passing through the State:

Figure 39: Grants Funding Levels 2008-2014[52]



Further, the proportion of municipal government programming funded by grants has fallen similarly drastically:

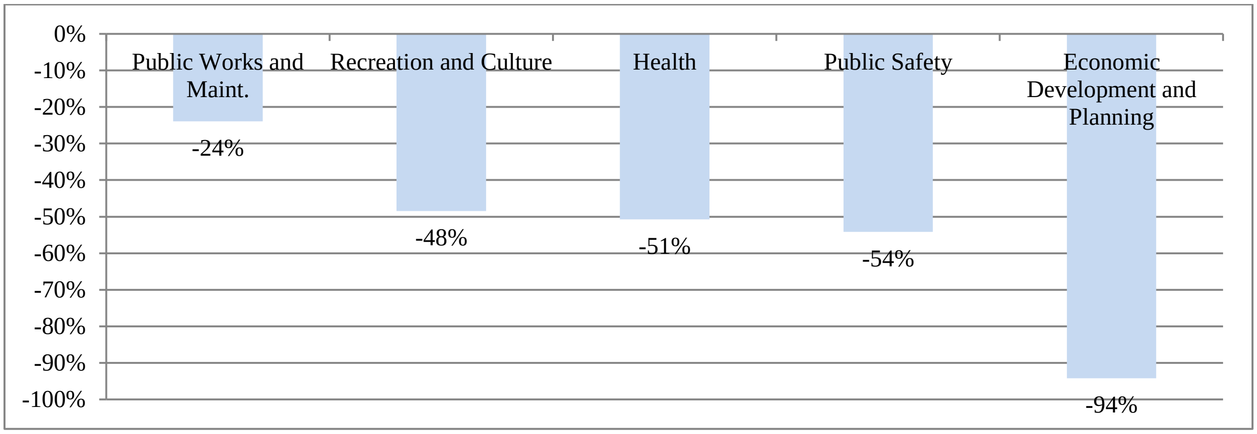
Figure 40: Grants as Proportion of Total Municipal Current Fund Spending[53]



52 See Appendix II, "Variance in Grant Funding (2008-2014)."
53 Does not include local matching funds for specific grants, when applicable.

If we breakdown the grants further, we see that no category has been exempted from significant cuts.

Figure 41: Comparison of Grants by Category in NJUMA and Comparison Cities (2008-2014)[54]



Taken in the aggregate, this equals a remarkable 70 percent decline in grant funding, which is in part accounted for by the steep decline in volatile Economic Development and Planning grants; were we to exclude the Economic Development and Planning category, the decline would still be 43 percent.

The loss of grant funding to a municipal government does not all necessarily mean funding is redirected to another grantee within the municipality that will meet the same needs; in general, aggregate funding is down for all sectors (government, business, and not-for-profit). For example, CDBG and HOME funding to Perth Amboy used to be approximately $1 million, with a significant portion provided to not-for-profits for their operational costs. Due to declining grant funding, almost by half, the City can no longer forward funds to the not-for-profits, which have had to reduce their operations or close entirely. Two effected not-for-profits had to lay off employees with only approximately $70,000 left available for non-City uses in 2016.

Another troubling trend for federal grants is a movement away from providing funding to providing technical assistance. The theory is that independent funding can be found and that the technical assistance can help coordinate participation among all sectors. In reality, there is general agreement among municipalities that this form of federal assistance has limited utility and that the most beneficial aspect of the technical assistance is, almost ironically, that it offers a venue for municipalities to talk to each other and exchange ideas. Moreover, strong emphasis was placed on the importance of access to State bureaucrats, since State bureaucrats are typically the ones making allocation decisions even if the funding itself originated with the federal government. One example in Perth Amboy is a Department of Environmental Protection pilot program whereby a DEP representative is assigned to three challenged cities in order to develop a sustainability plan collaboratively and help guide the process through the State.

Perhaps an important, though unfortunate, reality is the bearing that political alignments can have on a given municipality's ability to get funding — even if more standard "pork" is

[54] See Appendix II, Variance in Grant Funding (2008-2014).

excluded. As a general rule, larger cities in New Jersey have an easier time getting grants simply by virtue of the fact that a larger staff can be supported. In order to somewhat offset this structure a County government or County/regional public authority can assist a municipality's application or guide the process through the State. However, there is certainly known precedent for cases wherein the political alignment between a City and its home County are not amenable and so assistance that had been available in the past was reduced. It goes without saying that such dynamics should have no place in providing assistance to revenue-poor municipalities.

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If we synthesize the above analysis on grants, property taxes, and State aid, what we see is an ever-increasing burden on nearly all New Jersey municipalities, with the rate and depth of the increase often greater in absolute terms in urban municipalities. What this creates is a counterintuitive scenario in which the most impoverished municipalities are becoming ever more reliant on property taxes for which there is a patently insufficient ratables base. Moreover, perhaps the most important point is that the relative burden for taxpayers in these municipalities is significantly higher than wealthier suburban municipalities:

> ***The most impoverished municipalities are becoming ever more reliant on property taxes for which there is a patently insufficient ratables base.***

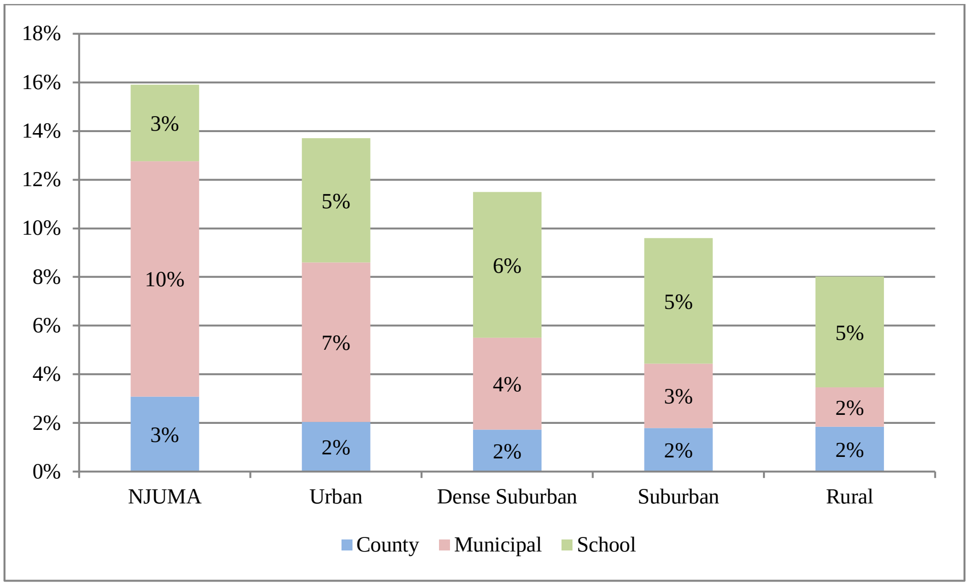
Figure 42: Property Tax as % of Median Household and State Ranking (2014)[55]

Municipality	School Rank	Municipal Rank	Overall Rank	% of Median Household Income
Passaic	**287**	**1**	**1**	**29%**
Perth Amboy	**440**	**12**	**27**	**16%**
Clifton	138	117	67	13%
Wayne	184	244	135	11%
Trenton	**541**	**30**	**206**	**10%**
Bridgeton	**550**	**53**	**322**	**9%**
Metuchen	203	393	330	9%
Ewing	353	356	365	8%
West Windsor	355	473	379	8%

[55] County taxes are included in the calculation for the "Overall" rank, though not shown in the table. There are 565 municipalities in New Jersey.

Indeed, on average, the relative tax burden is *higher* in low income municipalities than in wealthy ones. The chart below breaks down, by classification, the average percentage of median household income devoted to property taxes, by taxing district (i.e., municipal, school, and county). In the NJUMA cities and urban areas, 16 percent of median household income is devoted to paying local property taxes while it is roughly half that in rural municipalities.

Figure 43: Percent of Median Household Income Devoted to Property Taxes (2014)



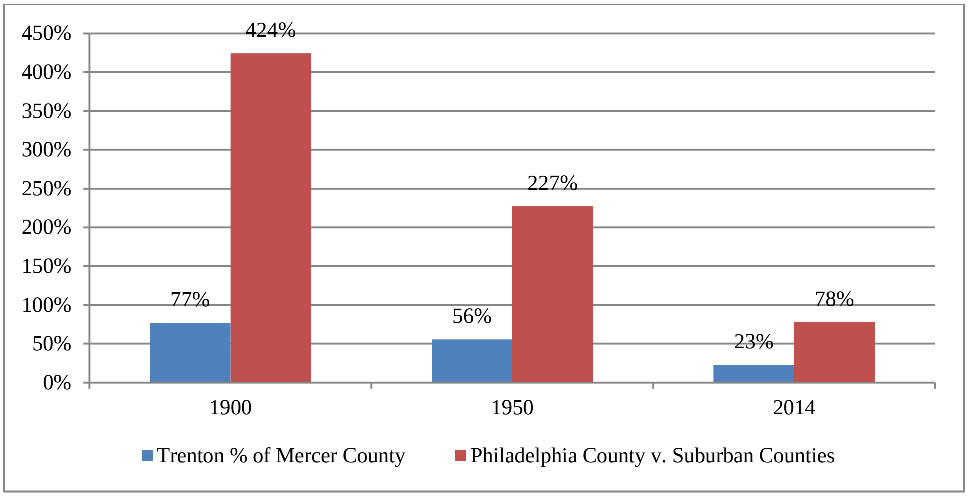
The critical question, naturally, is how did this happen? To what extent is this to be accounted for by "discretion"? Is this trend reflective of bad governance or a more structural and systemic concern? The following analysis will demonstrate that even if we were to grant blame for bad decision-making and install a perfectly good government tomorrow, the standing *structural limits of revenue raising* in New Jersey make reducing the burden almost impossible.

New Jersey is famous for its property taxes. The fundamental reason for this is, unsurprisingly, that property taxes are the primary form of revenue available for local municipal governments, school districts, and county governments. In fact, property taxes are far and away the most significant revenue lines in nearly every New Jersey municipality. Naturally, this is not by choice. Unlike many other states, property taxes in New Jersey essentially present *the only* legal option for a major revenue raising tax.[56] In neighboring Pennsylvania, for example, municipalities—and particularly distressed ones—have access to a far greater number of *significant* revenue streams, which drastically drives down the municipal property tax burden (although not necessarily the *tax* burden overall). Many cities in Pennsylvania are given the ability to levy the following taxes: a resident-based earned income tax, a non-resident based earned income tax, a specialized resident or non-resident earned income tax to pay pension costs, a business privilege tax, a mercantile tax (both forms of gross receipts taxes), an amusement tax, and a local services tax (collected as a $1-$3 fee on each week of pay depending on certain statutory guidelines). Philadelphia and Pittsburgh have even more options (and can often charge higher rates, too). In addition, one key element of this model is the ability for municipalities to levy various kinds of taxes on *non-residents*. That means the people who work in the municipality also pay for some share of the services they use (or depend on) while there. As will be seen in more depth below, this, in some ways, corrects for the concentration of not-for-profits in cities, as well as the flight of commercial, industrial, and higher value residential properties and higher wealth individuals from urban centers, which, at the most basic level, was caused by cheap land, low cost of services, various homeownership incentives, and subsidized highway and interstate construction.

The incredible rate of suburbanization as expressed through the shift in population over the course of the last 110 or so years is, perhaps, the simplest expression of the eroding revenue base for cities; even irrespective of the flight of personal and real property *wealth* from the cities, put simply, fewer people means fewer taxpayers. We can see this trend at work by looking at Trenton's share of the total population of Mercer County, as well as a comparison of Philadelphia and its suburbs:

[56] Of course there are exceptions, which will be discussed in greater detail below. One is the employer-based payroll tax that is only available to the City of Newark. The City's municipal property tax levy is roughly $213 million; the payroll tax generates roughly $40 million. Hotel and parking taxes are also available in some municipalities, though the revenue is far less than property taxes. There are several taxes and fees in Atlantic City, but most of them flow to the State directly or through the Casino Reinvestment Development Authority.

Figure 44: Suburbanization in Mercer County and Philadelphia Metropolitan Area[57]



While Trenton's population represented 77 percent of the Mercer County total, it represents only 23 percent today. Similarly, Philadelphia has only 78 percent of the population in a grouping of three of its major suburban counties, whereas, at the beginning of the 20th Century, it had 424 percent of the population of those same counties.

New Jersey's property tax-driven revenue model has many consequences. These consequences are felt most significantly in cities. Property taxes are driven by three major considerations: the amount needed to be raised by taxes (called the tax levy), the assessed value of property (the taxable value or "ratables" base), and the rate that is calculated from the first two considerations, which is then applied to a given property to calculate its owner's tax payment.[58] In a perfect world, the need to raise taxes would be mitigated by the increase in the assessed value — this would leave the rate, and the homeowner's burden, essentially constant. However, in most cases, the amount of increased assessed value cannot nearly keep pace with the amount of increased tax need. This necessitates an increase in the tax rate.[59]

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[57] The suburban Philadelphia counties used in this analysis are Bucks, Delaware, and Montgomery. Adding Chester County would make the effect even more pronounced. See Appendix II, "Suburbanization in Mercer County and Philadelphia Metropolitan Area."

[58] A fourth factor, which has added importance in New Jersey, is the amount of taxes that can be expected to be collected, often called the collection rate. While a municipality might budget for a certain amount of taxes needed to support its budget, the State requires that it make a realistic assumption for what proportion of those taxes can actually be collected in that budget year. For example, Camden's SFY 2016 budget assumes an 88 percent collection rate, while Cherry Hill's SFY 2016 budget assumes a 99.5% collection rate. Ewing's CY2015 budget assumes 99.8%, while Trenton's SFY 2016 budget assumes 94%. The basic discrepancy arises from the nature of the tax base; more vacant or under-managed properties and an impoverished population are an indicator for lower collections. In order to better ensure that the municipality avoids cash issues, as well as an inability to pay the taxes it collects on behalf of the County and the School District, the State requires that a Reserve for Uncollected taxes be appropriated annually in the budget. Thus, once again, an extra budget pressure is added to the municipalities that are least able to meet it, as the Reserve, essentially, gets higher the lower the collection rate.

[59] In addition, more and more development in New Jersey accesses a form of tax abatement called a "Payment in Lieu of Taxes" or "PILOT," wherein an eligible property pays a formula-derived amount for a fixed period of years as opposed to real property taxes. Notably, PILOT revenue is not apportioned — i.e., divided among taxing districts — in the manner of conventional real property taxes. Under a common form of PILOT, 95 percent of revenue

What does that mean? Imagine that you own a home valued at $300,000 and the municipality you live in needs to raise $50 million in property taxes to run its budget. The city has an overall assessed value of $2 billion. This means the required tax rate is 2.5 percent, which makes your individual tax bill $7,500. Imagine, however, that the assessed value in your city is only $1 billion. That same $300,000 home would be subject to a 5 percent tax rate (a tax bill of $15,000) in order to meet the city's revenue needs. Finally, what happens if the municipal budget needed a tax levy of $75 million, divided over only $1 billion is assessed value. This would further increase your tax bill to $22,500.

This is a simplified example, of course, but an important one. This is a microcosm of what has happened to cities in New Jersey after the Second World War. We will explain why below.

There are three distinct — and, unfortunately, unique — ways that cities suffer under the current property tax regime. First, cities have lost a disproportionate amount of commercial and industrial ratables, placing a deeper burden on a population of homeowners that has grown poorer over the decades. Second, aggregate assessed values have risen far less rapidly in cities than in suburban municipalities, mostly due to the flight of higher wealth household from cities and the loss of commercial and industrial ratables noted above. And, third, the amount of tax exempt real property in cities far exceeds that of suburban municipalities due to the historic and continuing centrality of many of New Jersey's cities.

collected goes to the host municipality, while 5 percent goes to the host county. This has consequences for school districts, particularly the former Abbott Districts, whose aid is falling. In Newark, for example, revenues from strong property development are aiding the municipality, but not the school district.

In order to understand trends in assessed value, it is necessary to understand the classifications applied to various types of property:

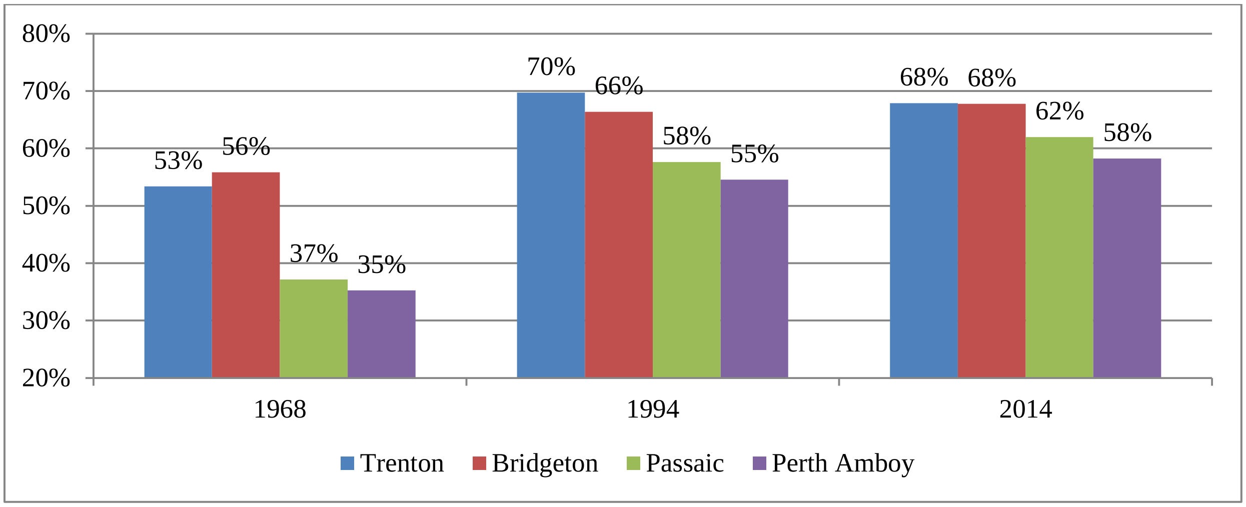
Figure 45: *Table of Classifications and Value in New Jersey*[60]

Classification No.	Name	Classification No.	Name
1	Vacant Land	4A	Commercial
2	Residential Property	4B	Industrial
3A	Farm Residential (Farm Homestead)	4C	Apartment
3B	Farmland	6A	Telephone Equipment

While the classifications, for taxation purposes, are meaningless — i.e., one class is not (nor could it) be taxed more or less than another — they nevertheless tell us something incredibly important. By tracking how the distribution of classifications changes vis-a-vis the total amount of assessed value overtime, we can see one of the most damaging patterns that has unfolded in New Jersey's cities over the past several decades. If we compare residential property (Class 2) to all other classifications, we can see how the share of property values accounted for by non-residential property has fallen substantially since the late 1960s.

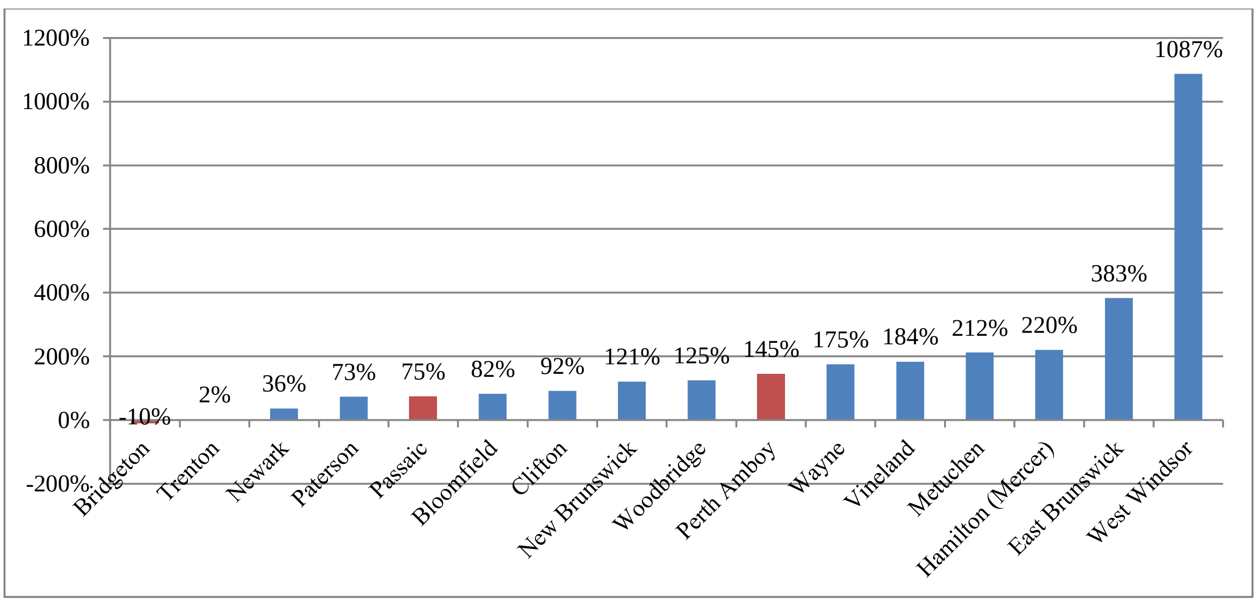
[60] There are additional classifications, e.g., for railroad property and petroleum refinery equipment. Those listed in the table are the most important for the vast majority of New Jersey municipalities.

Figure 46: Residential Property as % of Total Property Value (1968-2014)[61]



The basic point is that there has been a clear and remarkable shift in older New Jersey cities — particularly those identified with industry — away from the commercial tax base and on to residential property. Moreover, there has been a general shift in value away from cities and to the suburbs, where growth in property values has generally outpaced those of the cities:

Figure 47: Change in Property Value (1968-2014)[62]



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[61] This data, as other historic tax assessment data, represents *calculated* equalized value based on the application of the Real Property Ratio of Aggregate Assessed to Aggregate True Value to Class 1, 2, 3a, 3b, 4a, 4b, and 4c properties. This calculation and calculated equalization excludes Class 6 properties, as well as the Equalization of Replacement Revenues. Thus, the number is not the same as the equalized value as prepared by each County Tax Board, but is used as a methodological tool to compare approximate values in decades past when complete equalization data is unavailable.

[62] See Appendix II, "Historic Study of Property Values in Select Municipalities." This dataset uses the calculation and calculated equalized value described above.

Finally, it is worth noting that "assessed value" is often used interchangeably with "taxable value." This implies that some value is non-taxable. In New Jersey, nearly all personal property is exempt from taxation, while only certain real property is. Today, the State exempts six classifications of real property from taxation: public property, public school property, other school property, church and charitable property, cemeteries and graveyards, and other. As will be seen below, tax exempt real property is highly concentrated in NJUMA cities and urban municipalities more broadly:

Figure 48: Taxable v. Tax Exempt Property (2014)

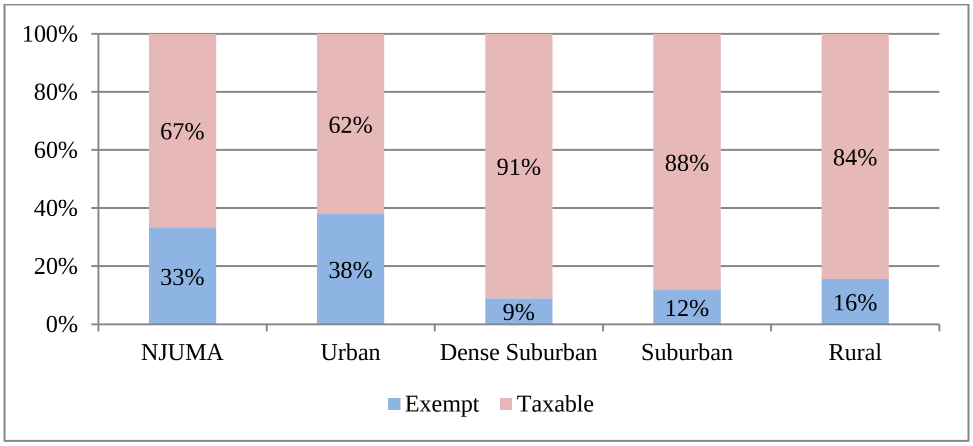
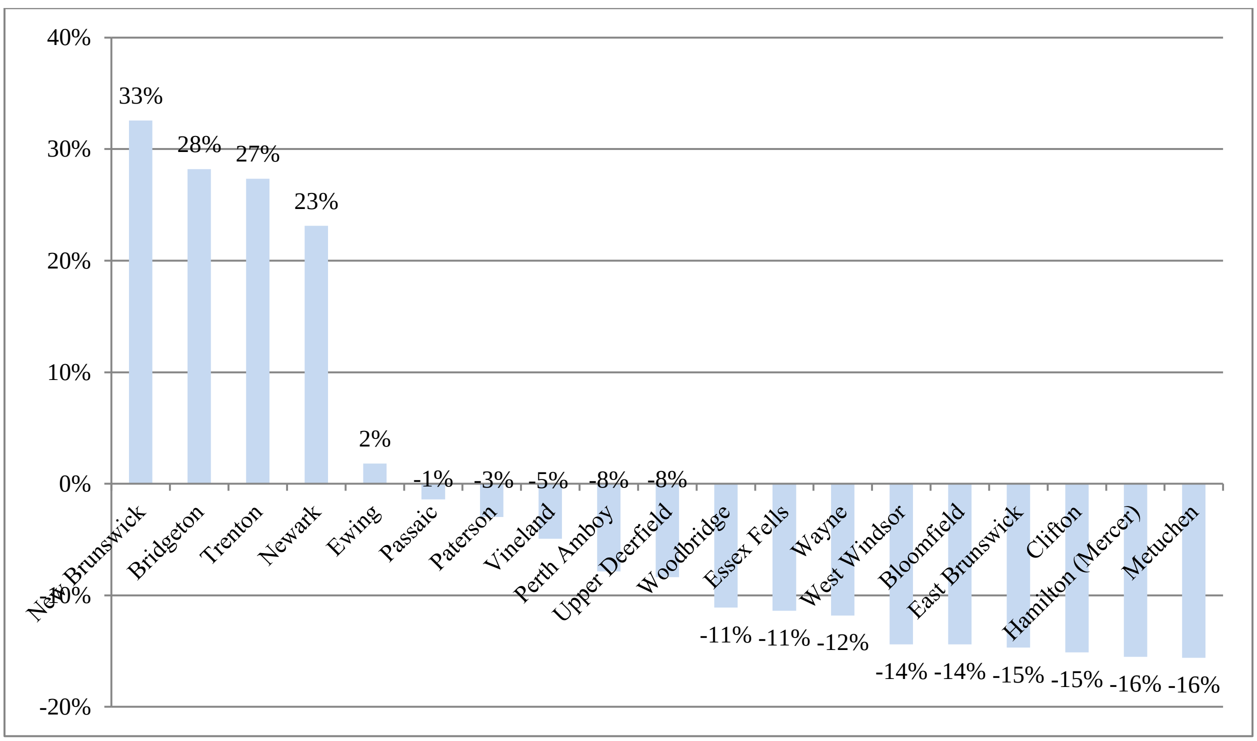


Figure 49: Over or Under Representation of Exempt Property[63]



[63] This calculation is based on a state average exempt property share of 24 percent.

To fully understand the impact of this variance on urban areas it is helpful to consider how much taxable property would be added to their tax base if exempt properties were evenly distributed across the state.

Figure 50: Even Distribution of Tax Exempt Property Hypothetical Effect on Muni. Tax Levy[64]

Bridgeton	**Muni. Tax Levy**	**Perth Amboy**	**Muni. Tax Levy**
Even Distribution	$18,794,087	Even Distribution	$49,904,561
Actual	$11,871,970	Actual	$55,105,391
Variance	$6,922,116	Variance	-$5,200,831
Passaic	**Muni. Tax Levy**	**Trenton**	**Muni. Tax Levy**
Even Distribution	$57,034,918	Even Distribution	$116,239,900
Actual	$58,150,340	Actual	$74,680,173
Variance	-$1,115,422	Variance	$41,559,727

While it is abundantly clear that not-for-profits and other exempt entities (e.g., governments) are highly concentrated in New Jersey cities (as is true around the country) and that such concentration presents significant negative *property tax* revenue raising consequences for those municipalities, it is less clear what ought to be done about this — though some sort of correction is in order. Adding financial burdens to certain not-for-profits, particularly smaller ones not tied to larger institutions, would perhaps speed their departure from cities or cause them to shut their doors altogether — just when various levels of government are becoming more reliant on not-for-profits as they cut their own level of services and funding. Larger not-for-profits, such as hospitals that are part of larger healthcare systems, have also moved out of cities or narrowed their operations there (e.g., the recent construction of the Capital Health Campus at Hopewell, as opposed to Trenton) and adding to their financial burden might contribute to speeding their exit from urban center as well. Indeed, as many of New Jersey's urban centers have become increasingly reliant on not-for-profits as their economic engines (i.e., "Eeds and Meds"), cities could lose out on critical jobs that have well-known multiplier effects. Finally, large not-for-profits positively drive up property values for many types of properties, such as businesses that supply the not-for-profits themselves or their employees and visitors.

However, there is no doubt that the question of what qualifies for a real property tax exemption has emerged in a way that it has not in decades — perhaps since the 1947 drafting of New Jersey's current constitution. The recent *Morristown Memorial Hospital v. Town of Morristown* lit a fire under this discussion, with Judge Bianco ruling that the hospital's tax exempt status should be eliminated (retroactively as well) given that the nature of medical care provided at hospitals today is, for all intents and purposes, a for-profit exercise with little resemblance to the hospitals' charity care origins in the late 19th and early 20th centuries. This ruling triggered a series of tax appeals by other municipalities hosting hospitals and a flurry of proposed legislation to attempt to find a solution amenable to both municipalities and the hospitals. A piece of

[64] Given that the actual 2014 tax rate is applied to run this calculation, assessed value, as opposed to equalized value, is used.

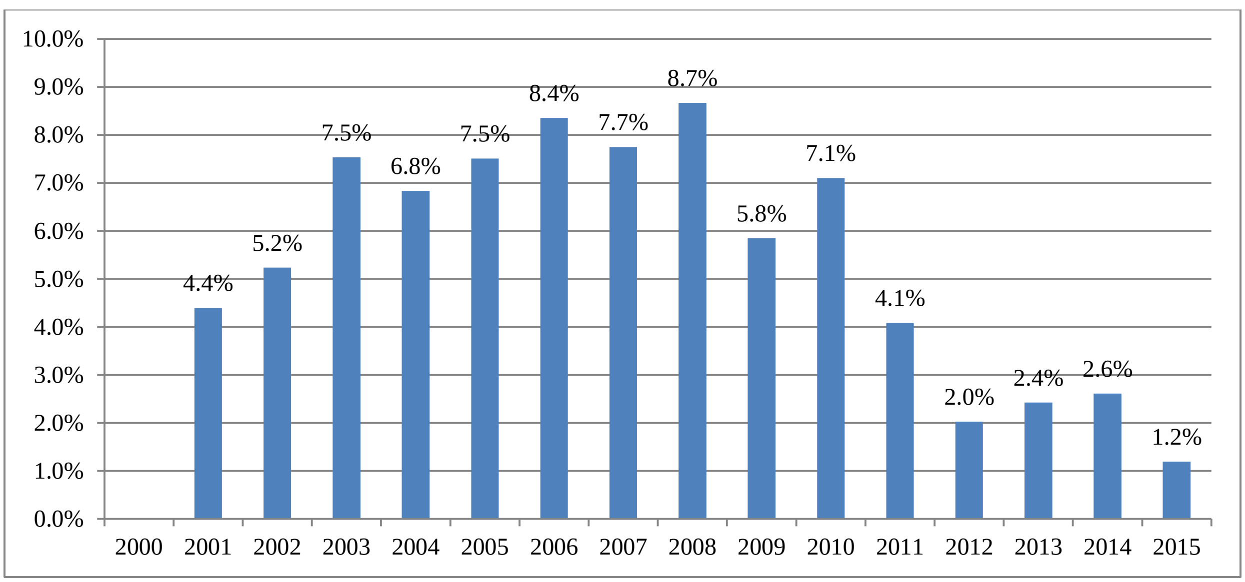
legislation, ultimately vetoed by Governor Christie, would have required hospitals to pay a $2.50 per-bed fee, as well as a fee for each satellite emergency care facility. The most recent development is a call for a "moratorium" on tax appeals filed by municipalities against now-tax exempt hospitals. In addition, this conversation is not just limited to hospitals, as Princeton University is currently battling to maintain its tax exempt status in a case that is working its way through the courts. While Princeton is a much different institution than other universities and colleges in New Jersey (for example, Seton Hall University's endowment is about 1 percent of Princeton's) the outcome of that case could have similar implications as *Morristown* for private tax exempt higher education institutions more broadly.

Like most new governors of New Jersey, Governor Christie took office naming a reduction in the property tax burden as one of his major initiatives. In the broadest of terms, there have been two philosophies on how to lessen this burden over the past several decades, which often come together in practice: "spread" the cost of local government over the state, allowing some degree of subsidy to localities by *state* taxpayers, or put in place more stringent limits on local spending and tax increases.

On the municipal level, two key initiatives mark Governor Christie's effort: the tightening of the property tax levy cap and the introduction of the Transitional Aid program. New Jersey has long had in place several "cap" laws for municipalities and school districts that restrict the annual amount available for a tax increase, unless certain "outside the cap" costs go up or the voters approve, by referendum, a greater tax increase.[65] Before Governor Christie's administration, the criticism was often that the "cap" was not really a cap at all, as too many expenses were "excluded" from the cap and the cap itself was 4 percent. Today, the cap baseline has been lowered to 2 percent and only certain costs, beyond certain amounts, are excluded: costs incurred from a declared emergency, health insurance, pensions, debt service, and other capital.

The tax levy cap has accomplished what it set out to do. Tax levy increases for each municipal tax are far lower than they were under the prior regime, averaging 2.5 percent since 2011, as opposed to 6.9 percent between 2001 and 2010. No municipal tax levy increase since 2011 has exceeded any from 2000-2010.

Figure 51: Statewide Municipal Tax Levy Increase (2000-2015)[66]



[65] Some school districts, which are classified as Type I Districts, do not need a referendum for an extraordinary tax increase, but rather approval from a body called the Board of School Estimate.
[66] Not inflation adjusted.

However, as discussed above, the tax levy is only one part of the tax burden — i.e., the amount actually paid by individual taxpayers. Including the tax levy there are three variables that must be accounted for when calculating property taxes, with the others being the assessed value and the tax rate, which is the amount applied to the assessed value to raise the amount required by the levy. What this means is that a suppressed tax levy increase does not necessarily mean a suppressed tax burden because the tax *rate* is not similarly capped by statute and could not be practically speaking. An easy, if extreme, example to illustrate this point is Atlantic City. Between 2013 and 2014, the tax levy of Atlantic City decreased slightly, while the actual tax payment for the average homeowner went up:

Figure 52: Municipal Tax Burden Assessment in Atlantic City

Field	2013	2014	Variance (%)
Atlantic City Municipal Budget Levy	$198,232,346	$197,124,665	-1%
Tax Rate	$1.349	$1.749	30%
Avg. Home Value	$211,653	$191,788	-9%
Tax Payment	$2,856	$3,354	17%

The reason for this contrast is that, due to casino closings, the total assessed value of Atlantic City decreased at a rate far more rapid than the levy or the assessed value of the average home. Again, this is an extreme example, but it demonstrates the critical need to look at the tax burden holistically, accounting for all of the variables. Though not nearly at the same scale and rapidity of Atlantic City, we can see this at work in the NJUMA Cities as well, as the total assessed value has dropped, in each case, by between 23 and 27 percent.[67] As the tax levy has also grown in each instance, this amounts to a significant tax *burden* increase.

Figure 53: Drop in Total Assessed Value in NJUMA Cities

Municipality	2000	2007	2014	Change Since 2000
Bridgeton	**$496,120,959**	**$411,519,719**	**$368,624,503**	**-26%**
Passaic	**$1,815,641,712**	**$1,566,429,605**	**$1,331,213,900**	**-27%**
Trenton	**$2,565,816,123**	**$2,257,633,012**	**$1,979,405,344**	**-23%**

Another major factor in reviewing the tax *burden* is the decline and delay in payment of the Homestead Rebate. Traditionally, the Homestead Rebate has provided significant tax relief to New Jersey taxpayers. However, in recent years, the availability and amount of the Homestead Rebate has declined markedly. The overall New Jersey State Budget allocation has also declined significantly in the past several years and the eligibility criteria has narrowed. In 2008, a little under $2 billion was budgeted for the program, while only $341 million was budgeted for Fiscal Year 2015-2016. Moreover, the baseline variable for the calculation of the rebate benefit remains the eligible taxpayer's 2006 property tax payment, and eligibility is approximately 50 percent of what it was in 2007. In addition, a new eligibility limitation excluding renters from the program

[67] Since assessed values are used here, Perth Amboy was excluded in order to avoid having to adjust for its reassessment of property.

has an outsized effect on urban municipalities given the concentration of rental properties in cities. Finally, the most recent round of the credit was released in May of 2015, but the credit was tied to the *2012* benefit. The last credit was awarded in 2013.[68]

The second key initiative of the Christie Administration, which was deployed in the first full year of his Administration, was the development of the Transitional Aid program. When a municipality does not feel it can meet its obligations without an extraordinary tax increase or a series of layoffs that would jeopardize municipal service delivery, it can apply for Transitional Aid.[69] When a municipality receives Transitional Aid, it must sign a Memorandum of Understanding ("MOU") that establishes certain policies and procedures that the municipality must follow. For example, many hiring and firing decisions must be reviewed and approved by the Division of Local Government Services, as well as the soliciting and awarding of government contracts. A municipality must also draft a basic plan that identifies how it will reduce and eventually eliminate its reliance on Transitional Aid through new revenues, economic development, expense and personnel reductions, healthcare savings, and so forth. If the municipality believes that structural balance can only be achieved through more recurring ordinary aid, it can petition Local Government Services to convert a portion of Transitional Aid to ordinary/formula aid.[70]

Figure 54: Transitional Aid Awarded Since Program Inception (Millions)[71]

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68 The data for the Homestead Rebate is no longer available on the State's various websites that used to host that data along with other property tax data. The most recent data set available dates to 2007. As such, the rebate was not included in the calculations for this report, in much the same way the State no longer uses it in their calculations of the average property tax payment. While this presents some difficult methodological choices, the unavailability of data makes the calculation of the rebate with available data prone to inaccuracy.

69 Transitional Aid is the most recent incarnation of "discretionary" aid programs that are based on administrative determinations rather than legislative direction. The first program of this type dates back to 1986.

70 $18.23 million was converted in 2015. The City of Trenton received $4.86 million in this way.

71 City of Newark Transitional Aid award data is incomplete. See Appendix II, "Transitional Aid Awards since Program Inception (Millions)."

It is important to note the steep decline in both the amount of Transitional Aid since 2010 (about $67.5 million) and the number of municipalities in the program (from 22 to 11). In many ways, this reduction in the number of municipalities in the Transitional Aid program underscores the program's success, but, at the same time, supports the proposition that it is perhaps not the right tool to handle some of the most financially distressed cities (Trenton being one). For example, 16 municipalities received under $2 million in aid in 2010 while only 5 did in 2015. Transitional Aid then remains in place almost perpetually in these select communities, which causes continued intensive State oversight and limits the ability to investigate a more permanent solution. One way the State has chosen to address this problem is by making a certain amount of Transitional Aid permanent as CMPTRA, if the City demonstrates that the structural balance cannot be closed without it (or a tax increase/RIF that is considered to be too severe). However, thus far, the scope of this conversion has been limited to five municipalities, with, notably, $10 million awarded to Atlantic City in 2015 and $4.86 million to Trenton.[72]

As noted previously in the discussion of budget priorities, the tightened tax levy cap and Transitional Aid program have raised the stakes of budgeting. In Transitional Aid municipalities, non-essential services have often been cut deeply. In some cases, this allows for an exit from the program. But, in the case of severely distressed municipalities, it requires not only an increase in the tax levy *beyond the cap* (which the Local Finance Board may approve), but also significant cuts to *essential* services (as was the case in Trenton). In a way, the analysis of the Transitional Aid program is telling, insofar as the most distressed municipalities either need an amount of aid far in excess of what the program can and should be able to afford or a new way to raise revenues.

In Transitional Aid municipalities, non-essential services have often been cut deeply.

It must be said, before this analysis concludes, that the decline in formula aid, Transitional Aid, and the Homestead Rebate must be viewed in the context of the State's own budget difficulties. Naturally, some discretion through the policy making process has been involved in this shift, but much of it relates to growing costs and declining revenues elsewhere in the State budget. On the revenue side, the current Administration has made a policy decision to not increase tax *rates* or introduce significant new taxes. In addition, existing tax revenues have been suppressed for much of the Administration's term given worse than expected economic performance (compared with both the Administration and Legislature's forecasts).

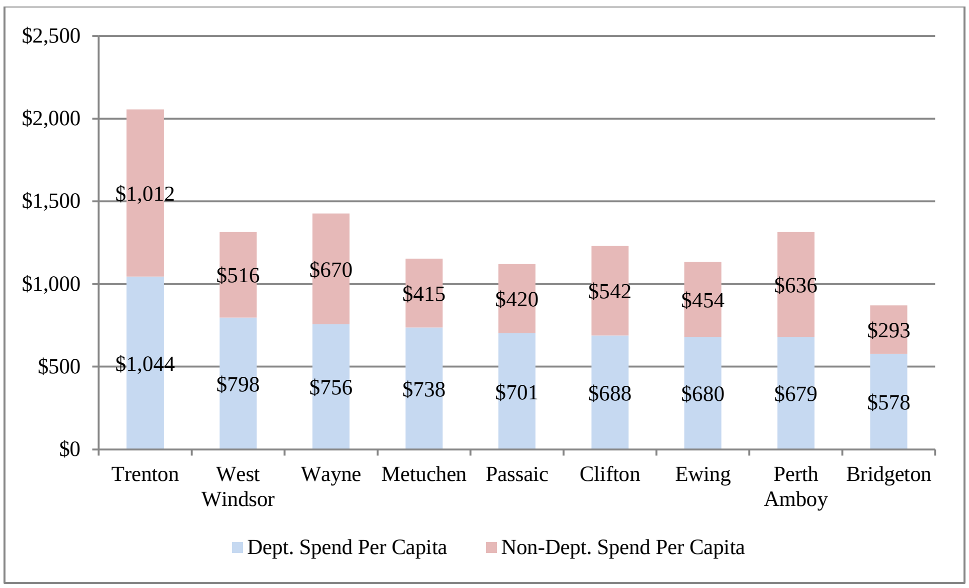
The expense side, however, is far more dire and accounts for a great deal more of the decline in revenues made available to municipalities and school districts. Like the budgets of municipalities, State general fund revenues are being crowded out by previously deferred benefit costs and debt, lessening the ability of the State to fund discretionary programs — including even formula-derived, constitutionally-backed programs like SFRA. Much of this can simply be traced back to the failure of gubernatorial administrations since the early 1990s to make the actuarially required contribution to the pension funds. Had these contributions been made, far more revenue would be available today.

[72] See Appendix II, "Transitional Aid to CMPTRA (2015)."

Creating a budget is, perhaps, one of the most important exercises a municipality engages in each year. While a budget may appear like just a collection of numbers, it is also a relatively objective window into the priorities of a given municipality, within the bounds of available discretion. The idea of priority is one that we have already explored in a limited way above, insofar as the ability for a Mayor or Council to *set* priorities is increasingly limited by escalating non-discretionary costs on the one hand and state and federal policy directives on the other — both of which are set in an environment of declining federal, state, and local revenue. In a way, a municipality's budget tells us what *has* to be a priority. One of the easiest ways to see this is the relative uniformity among budgets for similar municipal types, and, indeed, municipalities in New Jersey overall when taken in aggregate.

For some of our analysis below, we will use a per capita calculation in order to regularize spending data among the municipalities, as well as a means to account for absolute variances in population. In essence, this powerful calculation allows us to see how much a municipality spends on providing a given service for the average person living in it.

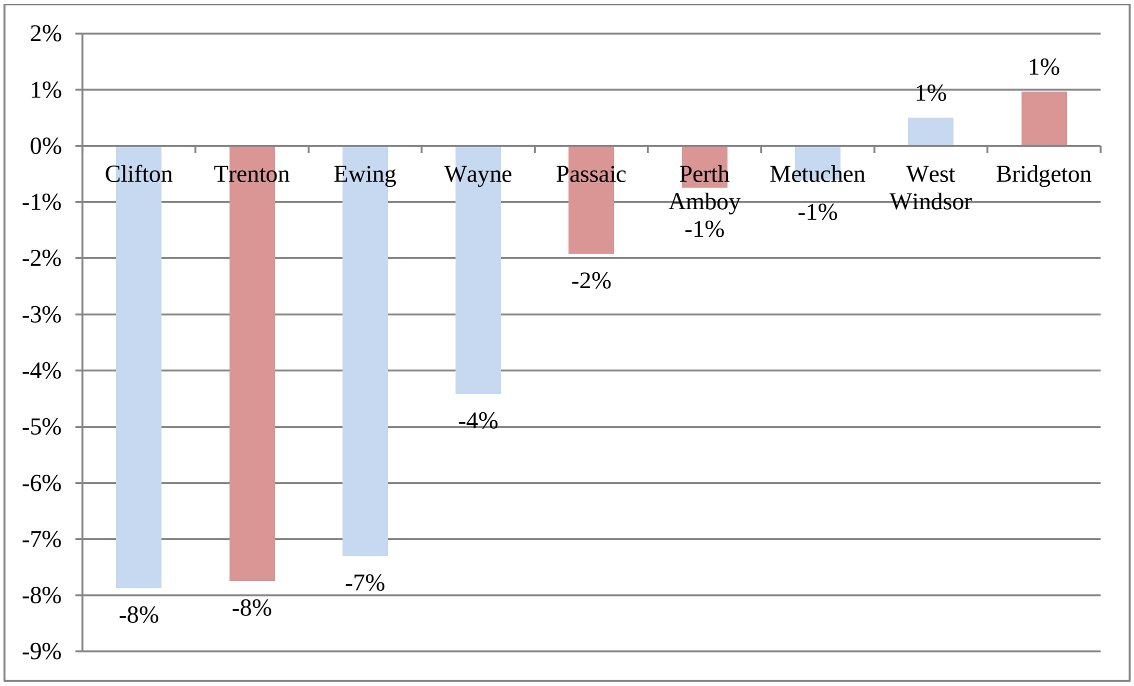
Figure 55: Departmental v. Non-Departmental Spending Per Capita (2014)



First, the "departmental" versus "non-departmental" distinction is not a convention of New Jersey budgeting, but presented for interpretive purposes here. Essentially, the idea is that Departmental spending attempts to capture that spending associated with the delivery of services, whereas Non-Departmental spending captures things like debt, insurance, pension, and other items that do not directly relate to service delivery.[73] This distinction is helpful for those unfamiliar with municipal budgets in expressing just how much of the cost of government does not directly relate to government services. In fact, between 2008 and 2014, the percentage of the budget for each of the NJUMA and Comparison cities allocated towards departmental spending has dropped, or remained flat in just one case:

[73] See Appendix II, "Departmental v. Non-Departmental Spending Per Capita in NJUMA cities (2014)."

Figure 56: Change in Share of Total Municipal Budget Accounted for by Departmental Spending (2008-2014, absolute)[74]



Non-Departmental spending, to put it simply, consists of fixed obligations, often derived by contract, and it *must* be paid. For a municipality to default on a bond payment, for example, would have incredibly dire consequences for that municipality's ability to borrow in the future and would likely trigger a financial disaster that could spread beyond that municipality's borders to other municipalities across New Jersey.[75] Similarly, municipal pension obligations, as well as employee and retiree health insurance obligations must be paid according to annually calculated actuarial liabilities and insurance premiums. Moreover, a budget that consciously excluded any of these items outside of a truly exceptional situation would never be approved by the Division of Local Government Services.

In a way, departmental spending costs are fixed too, insofar as they are usually subject to labor or vendor contracts that cannot be abridged. However, a municipality can conduct a layoff in a time of budget distress while a municipality cannot decide to reduce its debt or pension obligation as a "management prerogative." Thus, for departmental spending, there is not really an analogue to the more legal consequences relevant for reductions in non-departmental spending; i.e., reducing a municipality's police force does not put the municipality in contempt of a legally-binding formula for the number of officers required per square mile, or something along those lines. But, construed broadly, there is not necessarily any less financial consequence for being forced to conduct a deep lay off of police officers due to budget pressure than missing a bond payment. The same might be said of cutting economic development, recreation, or social

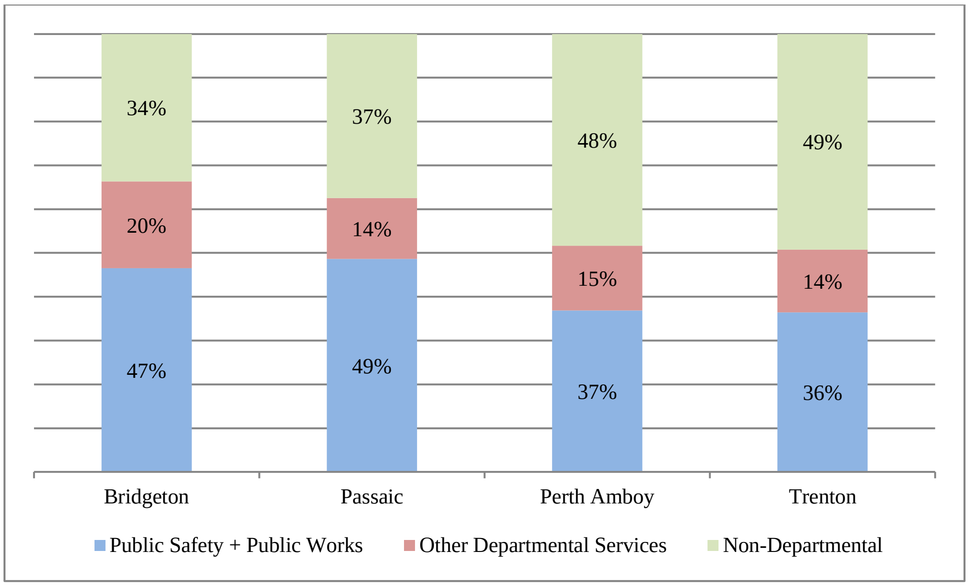
[74] See Appendix II, "Departmental v. Non-Departmental Spending (2008-2014)."

[75] Though serious in every state, a municipal bond default in New Jersey would likely have expanded consequences due to the level of State oversight. Rating agencies have regularly indicated that a default in one municipality would effect the credit of others, as it would represent a departure from the State's traditional commitment to maintaining local budget discipline.

programming. The consequences for a deliberative reduction in a municipality's non-departmental spending budget simply have much more immediate, apparent, and calculable consequences.

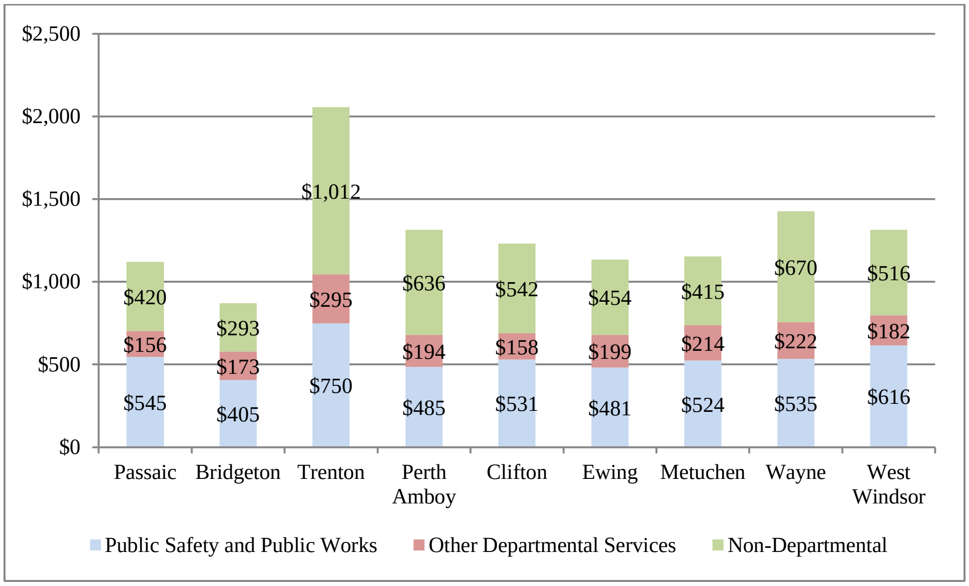
Despite the serious constraints that are operative in municipal budgeting, it is important to understand just how most municipalities do spend the money they have essential discretion over by examining departmental spending paradigms in our NJUMA Cities budgets:

Figure 57: Share of Budget Appropriation by Major Category (2014)[76]



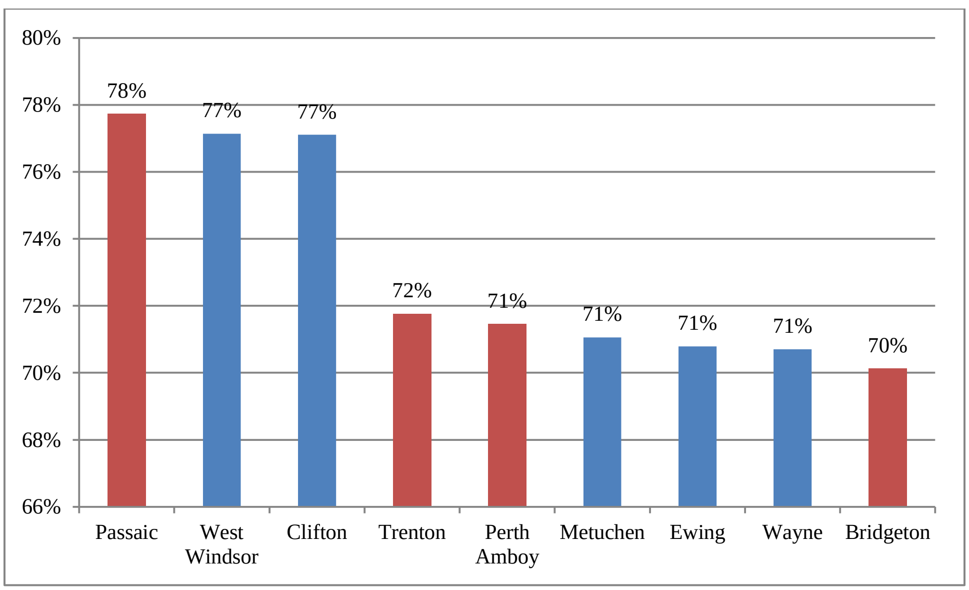
[76] See Appendix II, "Detail of 2014 Budget Spending (Actual)."

Figure 58: Per Capita Spend by Major Category (2014)



There is no instance in which public safety and public works functions are not the first and second item of spending, respectively (this arrangement would be even further compounded if the associated pension and benefit costs particular to those entities were added). As a rule, public safety and public works spending account for roughly 70 percent of each departmental spending budget, leaving 30 percent for all other services and administration. Taken alone, public safety accounts for 57 percent of spend in the NJUMA cities and 46 percent in the comparison municipalities.

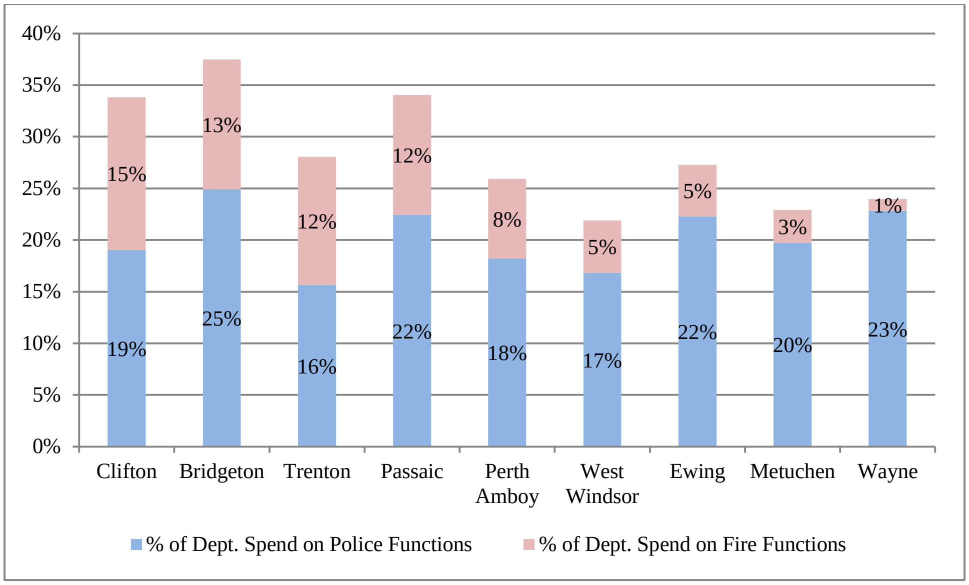
Figure 59: Public Safety and Public Works as Percent of Dept. Spend (2014)[77]



[77] See Appendix II, "Detail of 2014 Budget Spending (Actual)" and "Select Services as % of Dept. Spend."

If we further breakdown public safety into the two major categories of police and fire functions, we can see just how little variance there is among the examined municipalities with respect to police functions and the added budgetary cost that a professional fire department presents:

Figure 60: Police and Fire Function Spend as Percent of Total Dept. Spend Budget (2014)[78]



Remarkably, the *average* proportion of departmental spend devoted to police functions is *identical* between the NJUMA cities and the other examined municipalities (20 percent). Perhaps even more surprisingly, when the individual cities are considered, Trenton is at the bottom of the list, with its per capita police function spend having fallen by about a third since 2008—despite the fact that the need is greatest there among the municipalities, with a violent crime rate higher than the other NJUMA cities except Bridgeton and far higher than the others in absolute terms.[79]

The impact that poverty has on fire department personnel (and budgets) relates most specifically to the quality of the housing stock, the number of inhabitants per room, the presence of vacant properties, the presence of large industrial properties, and the presence of homeless in all types of vacant properties. Fires in vacant industrial properties are a telling microcosm into poverty's effect on the fire department, which also encapsulates some of the broader themes of this report. For working industrial property, fire suppression mechanisms are current and, as an operating entity, the amount of taxes the property pays indirectly subsidizes fire suppression operations.

However, vacant industrial property — particularly large "Fordist" era buildings — are concentrated in cities. In normal circumstances, fires should be less of a threat in vacant industrial properties, given the sort of activity that can cause fires has ceased. However, because such properties are attractive to the homeless population, with ever-fewer options for quality shelter, fires start in these buildings due to smoking, cooking, or simply from using fire to keep warm. The same goes for other types of vacant buildings, though at a smaller scale. Putting out a fire in a large industrial building, particularly when it may go undetected or unreported for some

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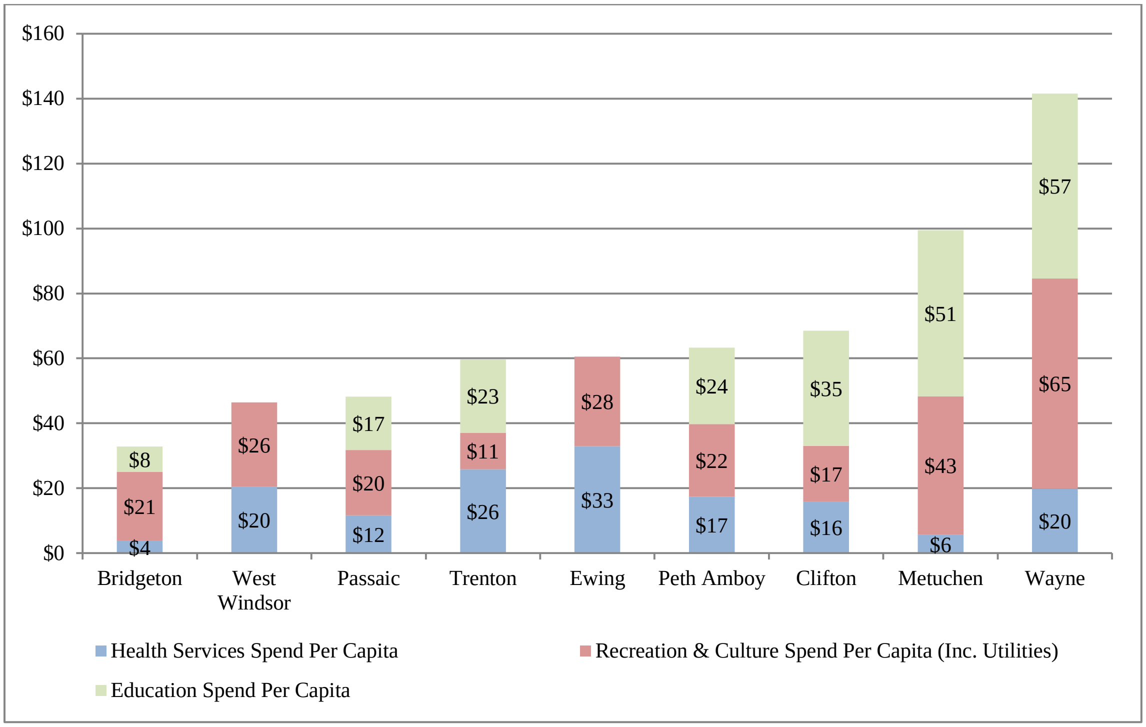
[78] See Appendix II, "Detail of 2014 Budget Spending (Actual)" and "Select Services as % of Dept. Spend."

[79] From the Federal Bureau of Investigation's "Table 8: Offenses Known to Law Enforcement in New Jersey Cities, 2013."

time, is immensely difficult. It can also be particularly difficult to find all those in the building who might be endangered by the fire. Due to the aforementioned issue and due to the lack of structural integrity in many of the buildings, it is far more dangerous for fire personnel as well. There are similar dangers for police officers, who often respond to even more vacant property related calls than the fire department.

When we begin to look at other major function areas, such as education (basically the library), recreation and culture, and health, we see how marginal these services are, despite the significant poverty-related needs we have already demonstrated through analysis of municipal characteristics:

Figure 61: Comparative Health Services, Recreation and Culture, and Education Spend Per Capita (2014)[80]



While the NJUMA cities trended toward the bottom for per capita spending on these service areas, the same is not always true when we examine the loss of services in recent years, with Trenton in particular showing steep cuts in all service areas since 2008:

[80] See Appendix II, Departmental v. Non-Departmental Spending Per Capita in NJUMA and Comparison cities (2014).

Figure 62: Average Per Capita Spend on Select Services (2014)[81]

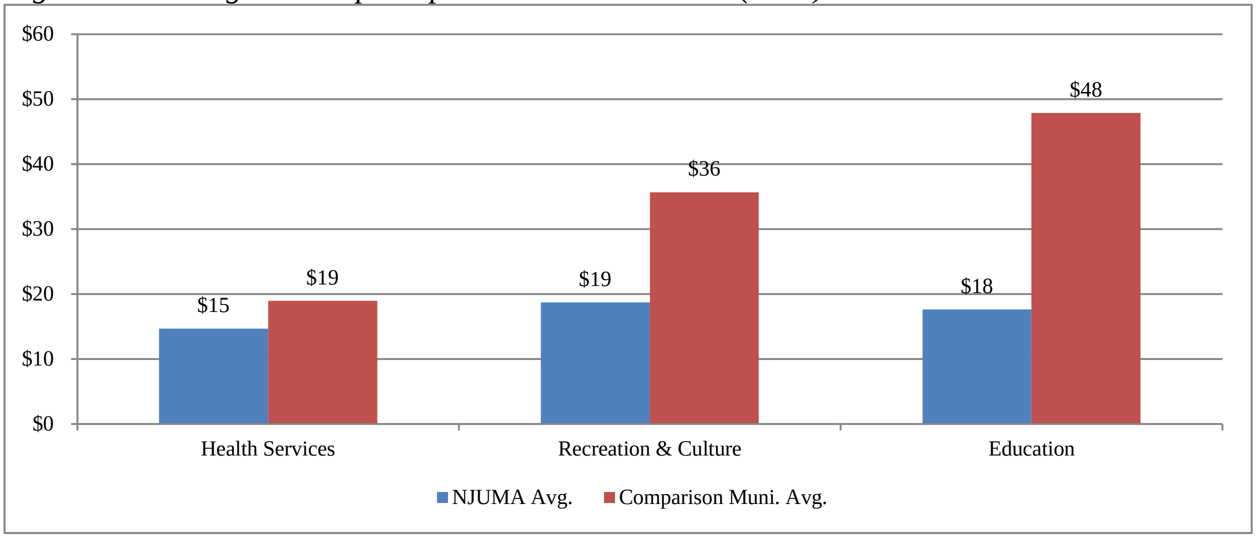
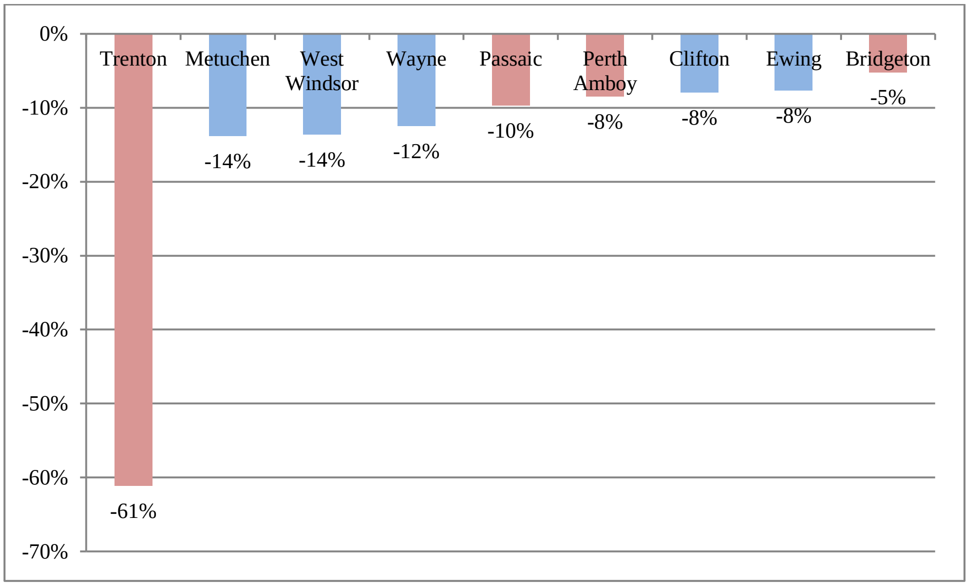


Figure 63: Decline in Education, Recreation, and Health Services Funding Since (2008-2014)

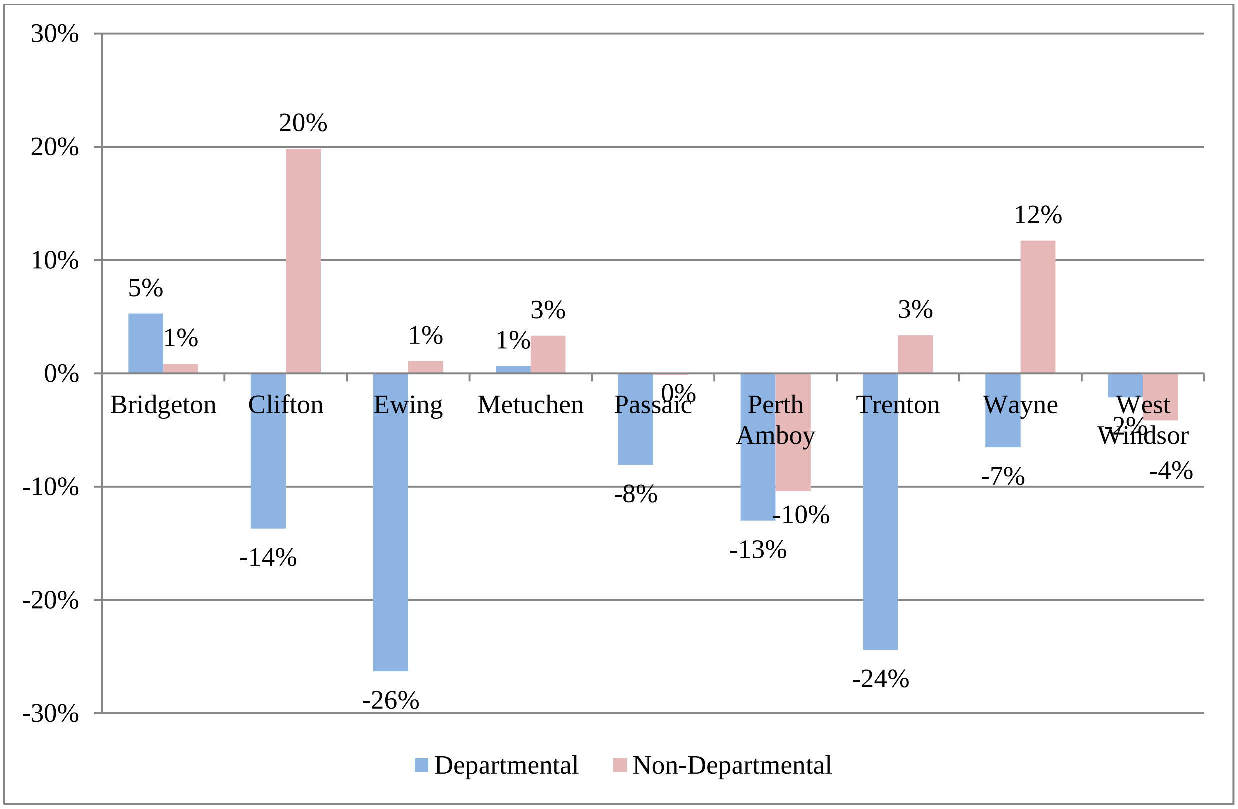


In each instance, the average spend of the NJUMA city is *lower* than the comparison municipalities. It has also lowered over time.

The other major factor, as has already been discussed, is that non-departmental costs are crowding out departmental costs, with each municipality (with the marginal exception of Bridgeton) seeing departmental spending fall or stagnate while non-departmental spending rises:

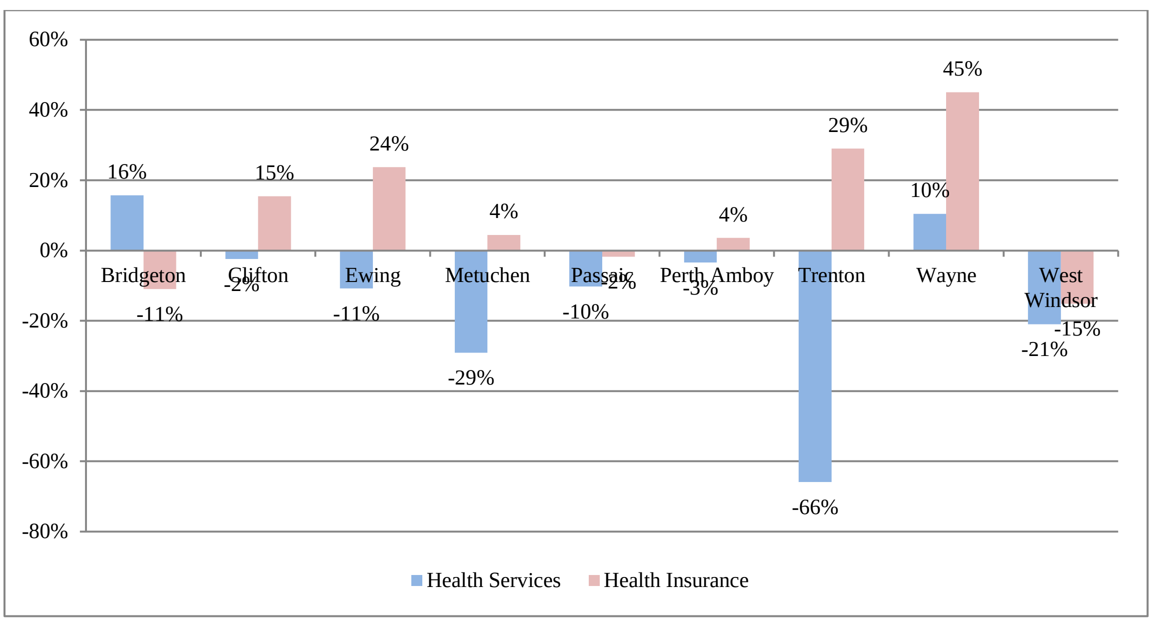
81 See Appendix II, "Detail of 2014 Budget Spending (Actual)" and "Select Services as % of Dept. Spend."

Figure 64: Trends in Dept. v. Non-Dept. Spend (2008-2014)



To put a point on it, one can look at the rate of health services spend *decline* compared to the rate of health insurance spend *growth*:

Figure 65: Trends in Employee Health Insurance v. Health Services Spend (2008-2014)



With respect to health insurance specifically, and non-departmental spend more broadly, the effect of rising costs has been somewhat mitigated by the Chapter 78 reforms enacted in 2010. These reforms required a phase in of employee healthcare contributions that are just now reaching their maximum. While health insurance premiums have continued to rise at a rapid clip since 2010, rising employee contributions helped to mitigate this effect. Beginning in earnest in calendar year 2017 budgets, we will see healthcare premiums rise while employee contributions plateau, adding even more strain to municipal budgets.

MUNICIPAL CASE STUDIES CONCLUSION

The challenges facing New Jersey's economically distressed urban municipalities are both complicated and profound. The preceding analysis has examined various intersecting trends that involve historical socio-economic shifts, technical legal structures related to revenue collection and budgeting authority, comparisons of the components of property tax structures, and questions of limited discretion in departmental versus non-departmental spending. Within this complicated examination of the current municipal budgeting challenge one fundamental reality must be elevated. New Jersey's cities are caught in a self-perpetuating cycle of concentrated poverty: higher levels of need confront structurally-depressed capacity to fund services, a mismatch that functionally impairs the capacity of these cities to solve their own problem. Although budget crises are certainly not unique to urban cities, and the state as a whole also faces significant structural budget problems, the challenge in our cities is unique. Given the long-term costs for our entire society posed by persistent, concentrated poverty, the state as a whole must engage in solving the problem of concentrated urban poverty.

SECTION THREE: SOCIAL POLICY RECOMMENDATIONS

This report explores two powerful trends that are combining to create a self-reinforcing crisis within New Jersey's high-poverty cities. The well-researched and documented impacts of concentrated poverty generate significant service needs in order to interrupt the cycle of poverty for city residents. Given that clear finding, one might except that the NJUMA cities would spend more on various services to help alleviate poverty and, overall, use public money to improve the quality of life. In fact, the converse is true. Given their far greater local resources and the corresponding decline in federal and state aid, municipalities *without* concentrations of poverty are spending more on these same types of services (or, at the very least, about the same), for residents who, on average, need them far less. Under the current tax regime, there is no way to fix this locally. There are undoubtedly improvements that could be made to the costs of municipal services, but the only "game-changing" savings that could be realized stem from benefit adjustments, which, with the notable exception of health insurance, may practically be impossible. In any scenario, without a comprehensive, even constitutional, retooling of the tax revenue structure, more federal and state aid is the only solution; this, in turn, means higher taxes for those municipalities more able to afford it.

Considering the negative effects experienced by New Jersey citizens who reside in concentrated poverty areas, as well as the various concentrated poverty municipalities within the State, both urban and rural, there is a significant need for a strong statewide anti-poverty initiative. This approach must be statewide not only because the impacted areas have the least financial capacity, but also because concentrated poverty is a problem for the whole state. Although the manifestation of the problem may be localized, the result is a tremendous drain on New Jersey's greatest natural resource: its people.

This initiative must take a systems approach to effectively tackle the challenges that are faced by the State's urban centers. This statewide initiative should not only aid in transforming the lives of individuals and families, but it will also shift the burden from municipalities that lack the resources to provide residents with the necessary services. The approach must be one that also interrupts the self-perpetuating loop of service access being tied to areas of concentrated poverty, thus requiring the poor to stay in these areas. The following recommendations will highlight various initiatives that can be utilized to tackle New Jersey's issue with concentrated poverty.

Strategy #1 - Improve Supports for Families and Their Children by Strengthening the Safety-Net

The safety net is a vital lifeline for poor families – as well as those who are near poverty. Tax incentives, housing vouchers and food and nutrition supplements are just a few programs that provide families with supports in times of need. State policies that support families through difficult times not only help to mitigate hardship but can also provide access to future opportunities and increase positive outcomes for families and their children. Important policies and investments include:

- Strengthening the State EITC and creating a refundable State Child Care Tax Credit. Tax credits supplement the cash income available to families to meet household expenses and also support local economic growth. The State's recent investments in expanding the State EITC can be further strengthened by adding a refundable State Child Care Tax Credit and further increasing the EITC benefit.

- Improving access to Supplemental Nutrition Assistance Program benefits by funding adequate staffing levels and making administrative changes to increase the participation rate among eligible families.
- Strengthening the Work First New Jersey cash welfare program to better respond to the income needs of those in extreme poverty, including implementing grant increases and removing the family cap policy.
- Addressing the crisis of homelessness and extreme housing cost burden by increasing investment and removing zoning and other barriers to the development of homes people can afford. These efforts must also resist the reinstatement of any form of Regional Contribution Agreements, which would further the concentration of low-income residents in areas of concentrated poverty.

Strategy #2 – Promote Family Financial Success through Supportive Work/Family Policies

Supportive work policies are essential to ensuring the economic security of families living in, and near, poverty. In addition to the safety net, supportive workplace policies help to expand opportunities and allow families to grow toward independence by supporting parents in their efforts to both successfully raise a family and maintain stable work. Work is an important aspect of a family's ability to meet their financial needs and develop assets and social support systems - which positively impact their children's future. Important work/family policies include:

- Implementing meaningful and on-going increases in the State minimum wage with a structured increase to $15/hour over 4 years, followed by annual adjustments for inflation to prevent future deflation of the real wage floor. Also phase-in an elimination of a separate tipped worker minimum wage.
- Implementing strengthened pay equity rights and enforcement mechanisms to redress the significant gender pay gap for similar work, particularly among working women of color.
- Establishing protection for pregnant workers.
- Increasing awareness and enforcement of State Paid Family Leave benefits for all employees, including targeted outreach to low-wage workers.
- Developing and implementing stronger wage theft protections to ensure that low-wage workers are not exploited by unethical employers.

Strategy #3 – Provide Supports for Families with Multiple Barriers

Child and youth well-being is dependent on the well-being of parents and caregivers, which is strongly tied to parental capacity, concrete supports, and social connections. Families with multiple barriers, such as a history of mental health issues, substance abuse, or domestic violence are often more susceptible to falling behind and becoming even less financially secure. Additionally, parents or family members that are reintegrating ex-offenders and adults with low levels of literacy have significant obstacles to overcome related to finding meaningful employment. In order to ensure that children avoid the difficulties experienced by their parents whenever possible, it is critical for policy to support parents experiencing overlapping barriers. The most effective way to alleviate the struggles these families may face is by providing personalized supports and services and by strengthening policies and programs that improve access to comprehensive work supports. Respect, compassion, peer support and mentoring are essential to the success and independence of these families. Important policies and investments include:

- Ensuring that families with a history of mental health, substance abuse, or domestic violence receive the proper supports and services to allow for successful integration into work

- Promoting policies that reduce barriers for reintegrating ex-offenders.

- Promoting opportunities to advance adult literacy.

Strategy #4 — Invest in Young Children

Children growing up in low-income families tend to fall behind in educational settings significantly faster than their more economically secure peers. It is crucial to invest in early education, since gaps begin to grow starting in infancy and only continue to expand into adulthood when left unaddressed. Increasing investments in multi-generational strategies that support both parents and their children can help to alleviate poverty twofold and can lead to better outcomes for these children as they transition into adulthood. Quality child care, early learning programs and subsidized child care opportunities can help to minimize the achievement gaps caused by poverty and reduce the likelihood that children continue to be poor as adults. Research shows that high-quality early care and education programs provide enormous societal benefits. For every one dollar invested in quality early child care, the State saves $11 — five dollars of which are savings in crime and corrections costs over time. Important policies and investments include:

- Increasing the number of quality child care and early learning programs available to low-income families through targeted investment in high-poverty areas not currently served.

- Increasing subsidized child care opportunities, including both the number and value of vouchers for low-income families.

- Integrating early learning program standards in child care and Head Start.

SECTION FOUR: MUNICIPAL BUDGETARY RECOMMENDATIONS

Municipalities with concentrated poverty currently face a Catch-22. They are caught in an inevitable cycle of decreased revenue capacity, forcing decreased services and an increased tax burden, which only serves to further reinforce existing patterns of concentrated poverty, with the high associated service needs and a lack of resources that only perpetuates or even deepens the problem. Our cities need new solutions, and it is clear that they cannot solve this entrenched problem on their own. The state as a whole must engage in the process of reversing the cycle of concentrated poverty.

The following recommendations will highlight various initiatives that can be utilized to address the budget and poverty crisis in New Jersey's poorest cities.

Strategy #1: Address structural limitations on municipal revenue-raising capacity

a. Establish a task force to create and develop, with the input of a diverse group of stakeholders, a system of taxation that accounts for the multitude of discrepancies and differences between cities, suburbs, and rural areas lost in the current tax regime and that have accumulated over time. This group should be limited in membership and should function somewhat like a commission, but should conduct itself more in the manner of an academic study. Points of focus in this discussion ought to be targeted to the relative ability to pay, the relative tax burden among homeowners and commercial property, as well as an equitable adjustment for large non-profit institutions, most commonly found in concentrated poverty cities. An adjustment would not be limited to a discussion of a tax or fee *on* local non-profits, as is currently begin contemplated in the Legislature in regard to hospitals, but include mechanisms for charging for the services they provide when used by non-residents (such as a local services tax or non-resident earned income tax, which are found in Pennsylvania). The relative ability to pay is, at its simplest, a measure of the tax burden relative to income (as opposed to just taking into account real property value). The basic issue that this effort would seek to correct is that poorer residents tend to have higher tax burdens than wealthier ones, simply due to the proportion of a lower income that *must* be allocated for tax payments.

b. Carefully consider, via an academically-based study entity, the introduction of other forms of taxation to be made available to cities, which, for example, have been available in neighboring Pennsylvania for decades, and which can be more equitably distributed among all those who use the resources of the city, rather than just the residents. Pennsylvania municipalities — and particularly those with financial difficulty and concentrated poverty — are able to access a variety of taxation powers, often based on income and usually targeted towards particular functions. For example, general resident and non-resident income taxes are available (those who live and work in the city and those who just work in the city) with a version of the latter allocated towards funding pension-related costs. In addition, local services taxes (up to a $3 a week fee deducted from employee paychecks beyond a certain income threshold) limit payments to funding particular services that commuters make use of. As money is fungible, such revenue gathered from that tax could then replace general revenues currently funding those programs and shift it to other functions. As major municipal taxes of this form only exist in New Jersey for Newark, the enabling statute could and should be written to require revenues to go towards particular municipal functions and services. Not only would the aggregate tax revenues be raised, but, more importantly, redistributed; i.e., we would seek to generate more revenue from this redistribution of the *burden* but limit exposure to those least capable of paying more.

Strategy #2 Assess and adjust State Aid to Municipalities to prioritize areas of concentrated need.

a. Ensure more stable and predictable budgeting by allowing for greater municipal participation in the grants process with appropriate State agencies, perhaps with the creation of a municipal ombudsman position to monitor the allocation of grant funding *within* the State budget. As significant amounts of municipal revenues and programming comes from grants, and since grant revenues can sometimes be moved in a fungible State general fund budget, their sources and uses must be carefully monitored in order to ensure provision to needy municipalities. The same recommendation applies, to the extent possible, to municipal state aid for municipal budget purposes. Short of a constitutional amendment, it would seem that the statutory framework is there presently and that there needs to be an entity pushing this argument forward and ensuring, from *outside* the Administration, that the law is complied with, to the extent feasible in the State budget. CMPTRA takes into account some of what is discussed herein, but could be subject to a readjustment based on the "Adequacy Budget" principle created under SFRA.

b. Empower a diverse group of stakeholders with an academic lead, to rework the formula and variables weighed in the allocation of municipal state aid, in order to more substantially account for the service requirements concentrated in cities, such as professional fire protection, the maintenance of large infrastructure systems, the upkeep of vacant homes, factories, and commercial structures, and the service needs associated with concentrated poverty. Such a stakeholder group would have representatives from "effected parties" − the business, not-for-profit, and political communities (namely Mayors and Councilpersons), who would have ready access to both bureaucrats in the Division of Local Government Services and the Division of Taxation, along with academic experts at higher education institutions, such as the John S. Watson Institute for Public Policy of Thomas Edison State University and Rutgers' Local Government Research Center. Once again, this formula exercise should seek inspiration from the Adequacy Budget, insofar as a certain amount of spending on poverty alleviation should be *required*.

Strategy #3 - For those cities that have been in the Transitional Aid program since its inception, create a new instrument of aid that allows for the structural gap to truly be closed, rather than continually relying on a fluctuating Transitional Aid allotment, which, as the name suggests, is supposed to be truly temporary.

Strategy #4 - Develop a methodology for more accurately assessing the full cost (both fiscal and service costs) of cost-saving and cost-shifting changes at the municipal level.

a. A methodology should be developed and widely implemented to fully cost out the impact of service reductions, particularly in areas outside of public safety and public works (broadly, social services). That is, when a "service" is cut through eliminating a *department or position*, is the service actually an absolute cut or *must* there be someone to take up the burden (e.g., a police officer now does the work of a caseworker in bringing a homeless person with behavioral health issues to a healthcare services site)? If the latter is the case, we must understand the true budgetary and service impact, as apparent immediate budget savings may actually result in near-immediate budget losses *and* a decline in service quality. If cuts are due to a need to keep under the property tax levy cap, there might still be incentive to perform the cut in order to demonstrate "budget" savings and there would be a need to correct for this. State aid should be made available if the municipality were able to prove the negative budget impact of the service reduction. If under Transitional Aid or a similar program, the municipality could demonstrate to the State that by keeping this service intact it will save money in the long term; the State, in that case, should maintain that level of aid. The central problem here must be to diminish the focus on short term impacts and to limit "hiding" costs in the public safety or other large budgets, which are often much harder to trim.

Strategy #5 - To establish, by formula, minimum funding requirements for libraries rather than a minimum tax levy based on equalized values.

a. Under the current system, some poor, high population municipalities and some rich, low population municipalities collect roughly the same amount of money for library purposes from the carved out tax. The difficulty here is obvious, given that low income, high population communities have a far greater and higher need population to serve than a smaller wealthier community. The funding requirement could be the current tax levy system with a "gap" filled by State aid. This suggestion is limited to libraries, given that they have already been "carved out" by statute. Such thinking could apply to most other municipal functions, but too many carve outs, short of the "Adequacy Budget" approach discussed above, could present difficulties.

APPENDIX I:
DETAILS OF SOCIAL POLICY RECOMMENDATIONS

Strategy #1 — Improve Supports for Families and Their Children by Strengthening the Safety-Net

Tax Credits: Policies such as the State Earned Income Tax Credit (EITC) or the federal Child Tax Credit have helped families increase their wages by providing both income support and incentivizing work. The EITC assists low-income families that work through a refundable tax credit. EITC reduces poverty by supplementing the wages of low-income families thereby providing extra financial assistance to use toward other important costs that can enhance family well-being. In addition to the financial benefits of the EITC, the credit has also been shown to significantly increase other positive outcomes for children. Research shows that the EITC improves the school performance of children on a variety of measures including test scores, which could lead to alleviating poverty among parents, as well as their children in the future. While New Jersey already has a strong EITC, families could further benefit from increases in this benefit, as well as institution of a parallel Child Care Tax Credit, to provide an additional refundable credit that working parents can use to offset the high cost of child care for the hours they are working.

Nutrition Programs: With over a million people in New Jersey are still affirming that they do not always have adequate access to nutritious food on a daily basis, it is critical that various forms of in-kind assistance for low-income families such as SNAP (food stamps) and school meals be available to the widest possible number of New Jerseyans. Unfortunately, New Jersey has lagged behind other states in its use of federal nutrition programs and therefore available federal funds are not being allocated. Although New Jersey has taken steps to expand eligibility for SNAP and streamline the application process, only about 77% of those eligible actually participate in the program. New Jersey lags considerably behind the National average of 83% of eligible people accessing SNAP benefits. If the participation rate rose just five percentage points, 57,000 more people would have $22.4 million more per year to purchase nutritious food. Federal waivers are available to states that would allow expansion of income eligibility to 200% of the federal poverty level and also allow easier documentation of household expenses that would boost benefits. In addition, an investment in adequate staffing at the county level would ensure the timely processing of applications as well as increase the time available to clients thereby increasing the likelihood that all available expenses are documented. Similarly school meals play a crucial role in feeding low-income children. Sadly not all federally funded school meal programs enjoy the participation rate of the school lunch program. For example, only 44% of New Jersey's eligible children receive school breakfast leaving almost 300,000 children unserved. If New Jersey school districts served breakfast to just 70% of the students who receive free or reduced-priced lunch, districts would collect an additional $21.9 million in federal funding. Supporting the expansion of school breakfast at the state level by investing as small amount of incentive funds to districts to adopt a "breakfast after the bell" approach to school breakfast would increase participation.

Work First New Jersey: The Work First New Jersey (WFNJ) program, including both Temporary Assistance for Needy Families (TANF) for very low-income families and General Assistance (GA) for adults without children, provides cash assistance for those at the very bottom of the economic ladder. Any household that is eligible for benefits under WFNJ can receive a small monthly cash grant and may also receive other services including emergency housing payments, child care assistance, substance abuse and mental health services, and job training or job placement. Both eligibility and cash grants, however, have declined significantly since grant levels were last increased in 1987. A three-person family still receives only $424 per month, and a single adult with a disability receives only $210. Benefits are also artificially reduced through a policy known as the family cap, which prohibits providing benefits for a child conceived while the mother is on TANF, meaning that a family of four may still only receive $424 per month if one of the children is “capped.” As a result of the nearly 30 year gap since grant levels were increased, approximately 80 percent of poor children now receive no cash assistance in New Jersey. New Jersey’s TANF grants are the lowest among all North Eastern states, and when housing prices are considered, New Jersey grants are the 10th lowest in the nation.

Homelessness and Affordable Housing: Homelessness and high rates of housing cost-burden are challenges that characterize areas of concentrated poverty, with significant relevance for the long-term costs of concentrated poverty at both the individual and societal level. The solutions to both of these problems are, moreover, related. Increasingly the supply and distribution of affordable housing across the state will directly impact homelessness and housing cost burdens for those households that are able to move into such units, and by ensuring access to housing outside of high-poverty areas for low-income families, the service costs related to concentrated poverty can be reduced. In order to achieve these goals, action is needed on many levels, both through funding for the development of new and rehabilitated housing that can be rented or sold at affordable costs, and through the dismantling of zoning restrictions and other blocks to development.

Strategy #2 — Promote Family Financial Success through Supportive Work/Family Policies

Minimum Wage: One way policies can change to better support families is to raise the minimum wage. Raising the minimum wage for low-wage workers can prevent millions of families from living in poverty. An increase in wages can often help provide families with just enough to provide the essentials to meet their basic needs. Minimum wage earners have seen wages stalled at an all-time low, while the cost of living continues to rise. However, 14 states and municipalities have agreed to incrementally or more expediently increase their minimum wage to $15 with full implementation ranging from 2018-2021 these include the State of New York, the cities of Seattle, WA, San Francisco, Los Angeles, Emeryville, Sunnyvale, Palo Alto, Mountain View, and the County of Los Angeles, CA. (National Employment Law Project, 2015). New Jersey however has yet to make the decision to increase minimum wage to $15, currently the minimum wage for the State is $8.38/hour.

Another way to better support families is to support equal pay for women. Women are still experiencing a significant wage gap in comparison to their male counterparts. In the nation overall women who work full time earn approximately 79 cents on the dollar, compared to their male counterparts. This gap equates to hundreds of thousands of dollars in lost wages over the course of a lifetime. The pay gap becomes larger among minority women; African American women earn 60 cents and Latino women earn 55 cents for every dollar that a White non-Hispanic man earns (National Partnership for Women and Families, 2015).

Pay Equity: Women working full-time in New Jersey make only about 80 cents on the dollar compared to full-time male workers, and this gap is even more significant for women of color, who make only 58 cents or 43 cents (for Black and Hispanic women, respectively) compared with White, Non-Hispanic men. Given the high rates of poverty among female-headed households, this pay gap translates to significantly reduced resources available to New Jersey's neediest households. Legislation that would have made it easier to remediate instances of pay inequity based on gender (particularly by allowing pay inequity claims for substantially similar work even when job titles are different) was recently conditionally vetoed by Governor Christie. Much remains to be done to strengthen pay equity rights as a direct poverty reduction tool.

Protections for Expectant Mothers: Expecting mothers are also a vulnerable demographic that greatly affects the amount of families living in poverty. Pregnant workers are often penalized for requiring certain accommodations on the job, and often times, these women are forced out or fired. When possible, working during pregnancy can allow women to earn additional income and permit women to take a longer period of leave following childbirth. Low-income women in the workforce are often more affected by the demands of job duties during pregnancy than are their more affluent peers, since they are more susceptible to work in jobs with limited flexibility. However, women with slightly higher paying jobs in fields that have traditionally been dominated by men, such as policing and trucking, face multiple obstacles in keeping their employment during and after pregnancy. The physical conflict between work and childbearing can lead some mothers to lose their jobs, which disconnects their families from needed income during a crucial time.

Paid Family Leave and Earned Sick Leave: Paid family and medical leave provides income replacement to workers on leave for family caregiving, bonding with a new child, or personal leave taken to recover from a serious health condition. It is essential to provide new parents with the opportunity to request time off without being penalized or forced to incur the economic burden of unpaid leave or the possible threat of losing their jobs. In 2014 New Jersey residents filed 160,000 leave claims since the State's implementation of the program in 2009; of those 120,000 were new parents. This provides opportunities to families with newborns. Inflexible work schedule and insufficient time off makes it difficult for parents to have an engaged and meaningful presence in their children's lives, which is especially impactful on newborns. This support is important to ensure financial security by maintaining job stability and is critical for both parents (National Partnership for Women & Families, 2014). While New Jersey has a strong Paid Family Leave Law, implementation is slow and more effort needs to be devoted to public education. In addition, about ten percent of workers facing temporary sickness (their own or a family member's) currently have no access to Earned Sick Time. This inability to take paid time off when they are ill means that these workers must choose to forgo their day's pay (or potentially lose their jobs) in order to take care or their health or see a doctor. For low-wage workers, this lost income is often highly disruptive and they chose instead to come to work sick, raising the risk of infecting their coworkers and the public.

Strategy #3 – Provide Supports for Families with Multiple Barriers

Supports and Services: It is important to prioritize the safety and well-being of children in families with multiple barriers by providing comprehensive services that include treatment and support for issues that can interfere with parenting. Families that have come in contact with issues related to mental health, substance abuse or domestic violence will need a targeted, rather than universal approach to effectively meet their needs. When left untreated, mental health and substance abuse issues can be detrimental to both the parent and the child's well-being. Access to mental and behavioral supports and services can increase a parent's capacity to provide a safe and stable home and decrease the risk of childhood trauma. Increasing access to treatment can have positive impacts on child well-being—both in childhood and as children grow into adults. Quality, evidence-based home-visiting programs help to create better outcomes for babies and families with multiple barriers. These programs also promote family self-sufficiency and provide a link to social support services.

Re-entry Services: One in every 28 children in the United States has a parent behind bars, which means that policies that reduce barriers for reintegrating ex-offenders have the potential to positively impact numerous children and multiple generations. Without the proper support, ex-offenders have high rates of recidivism, and having a parent who is incarcerated can impede the well-being and economic success of a child. Ex-offenders face multiple barriers to employment that make it nearly impossible to reintegrate into society successfully without support. Workforce strategies for reintegrating ex-offenders should include increasing the opportunities offered to further education, employment and asset development.

Literacy: 30 million adults in the United States, 14 percent of the population, cannot read beyond that of the average 3rd grader; however, only 3 million will have access to education services. Without basic reading skills, these adults will face significant obstacles in finding work and supporting their families. Adults with low literacy skills also find difficulty in financial literacy and are more likely to fall victim of predatory lenders and financial scams that would further jeopardize their family's economic stability. Without the ability to read, these adults will be unable to keep pace with technological advances and, as a result, will be left out of opportunities that are accessible only through the Internet. Family literacy programs create an opportunity for low-income parents to keep pace with technological advances, as well as increase social supports for parents through activities that foster healthy educational activities that build relationships with educators and community members.

Strategy #4 — Invest in Young Children

Quality Child Care: Quality childcare and early learning programs have proven to increase the likelihood of educational attainment. Data from early grades have been powerful predictors of achievement and outcomes; therefore, strong foundational skills in reading, math and writing are fundamental for successes in high school, college and in the workplace. Along with an array of other factors, early learning programs targeted at low-income children can help to increase future success; however, unfortunately, high-quality early opportunities are often cost-prohibitive, and access is limited for many low-income families. Only 42 percent of eligible children are served in Head Start preschool and less than 4 percent of eligible children are served in early Head Start.

Child Care Subsidies: The average fee for full-time child care in the State of New Jersey ranges from approximately $3,475 to $12,638 a year, depending on where the family lives, the type of care provided and the age of the child. This cost is a substantial financial burden for low-income families. Child care subsidies help to assist families to offset the cost (New Jersey Association of Child Care Resources and Referral Agencies, 2014). Unfortunately in 2012 in the United States, child care assistance spending fell to a 10-year low, while the number of children receiving Child Care and Development Block Grant (CCDBG) funding for child care fell to a 14-year low; about 263,000 fewer children received CCDBG-funded child care in 2012 than in 2006. Reduced funding for these subsidies will seriously impact low-income families working to support their children. Many low-wage jobs would actually make work a financial burden for low-income and poor families – with child care costing more than the families earning potential through work. Requiring parents to choose between child care and work is restrictive to the financial success and independence of low-income families. Increasing subsidies for child care can provide an increased number of families with the opportunity to work toward success.

Early Learning Program Standards: Not only is access to child care and early learning programs necessary, but quality is also an important aspect to consider. Unfortunately, limited access to high quality programs has been restrictive for many low-income families. Children who attend high quality early learning programs often demonstrate better results compared to their peers in a number of developmental domains. Research demonstrates that high-quality child care with warm, responsive and skilled caregivers; healthy and safe environments; and linkages to community supports help promote healthy development for infants and toddlers and create better outcomes for the child's future. In addition to early learning opportunities, Early Head Start's comprehensive early childhood development programs provide children and families with access to a variety of services such as health screenings, referrals and follow-up support, as well as parenting resources, which helps to positively impact the overall well-being of children and families. Programs that integrate high-quality care standards and address the holistic needs of families help to foster family stability and promote positive outcomes for low income children and families.

APPENDIX II:
MUNICIPAL DATA DETAIL

Distribution of Poverty by Classification begun

NJUMA

All Individuals below X% of Poverty Level:		% of Total Population
50 percent	29,161	13%
125 percent	82,087	37%
150 percent	96,462	43%
185 percent	115,672	52%
200 percent	123,016	55%

Suburban

All Individuals below X% of Poverty Level:		% of Total Population
50 percent	94,362	3%
125 percent	278,080	8%
150 percent	359,498	10%
185 percent	490,253	14%
200 percent	546,607	15%

Urban

All Individuals below X% of Poverty Level:		% of Total Population
50 percent	221,953	9%
125 percent	628,894	26%
150 percent	761,992	32%
185 percent	938,068	39%
200 percent	1,006,589	42%

Rural

All Individuals below X% of Poverty Level:		% of Total Population
50 percent	43,947	3%
125 percent	132,731	8%
150 percent	172,265	10%
185 percent	236,202	14%
200 percent	264,321	16%

Dense Suburban

All Individuals below X% of Poverty Level:		% of Total Population
50 percent	32,475	4%
125 percent	103,655	12%
150 percent	132,983	15%
185 percent	178,335	20%
200 percent	195,293	22%

Median Household Income and Per Capita Income

Median Household Income	
NJUMA	**$37,339**
Perth Amboy City (Middlesex)	$45,276
Trenton City (Mercer)	$35,647
Bridgeton City (Cumberland)	$35,352
Passaic City (Passaic)	$33,081
Urban	**$54,243**
Dense Suburban	**$73,900**
Suburban	**$91,218**
Rural	**$88,444**

Per Capita Income	
NJUMA	**$16,290**
Perth Amboy City (Middlesex)	$19,217
Trenton City (Mercer)	$17,021
Passaic City (Passaic)	$15,193
Bridgeton City (Cumberland)	$13,730
Urban	**$27,704**
Dense Suburban	**$36,145**
Suburban	**$44,248**
Rural	**$43,450**

Distribution of Household Income

NJUMA	#	% Of	Suburban	#	% Of
Total Households	**70,285**	**100%**	**Total Households**	**1,313,042**	**100%**
Less Than $10,000	10,013	14%	Less Than $10,000	42,588	3%
$10,000 To $14,999	5,545	8%	$10,000 To $14,999	34,281	3%
$15,000 To $24,999	10,208	15%	$15,000 To $24,999	82,542	6%
$25,000 To $34,999	8,255	12%	$25,000 To $34,999	81,285	6%
$35,000 To $49,999	9,224	13%	$35,000 To $49,999	120,120	9%
$50,000 To $74,999	12,052	17%	$50,000 To $74,999	201,174	15%
$75,000 To $99,999	6,451	9%	$75,000 To $99,999	175,243	13%
$100,000 To $149,999	5,762	8%	$100,000 To $149,999	261,016	20%
$150,000 To $199,999	1,841	3%	$150,000 To $199,999	140,405	11%
$200,000 Or More	934	1%	$200,000 Or More	174,388	13%

Urban	#	% Of	Rural	#	% Of
Total Households	**855,517**	**100%**	**Total Households**	**620,145**	**100%**
Less Than $10,000	84,622	10%	Less Than $10,000	19,817	3%
$10,000 To $14,999	53,649	6%	$10,000 To $14,999	16,924	3%
$15,000 To $24,999	97,832	11%	$15,000 To $24,999	42,581	7%
$25,000 To $34,999	90,805	11%	$25,000 To $34,999	43,569	7%
$35,000 To $49,999	110,632	13%	$35,000 To $49,999	62,124	10%
$50,000 To $74,999	142,213	17%	$50,000 To $74,999	98,441	16%
$75,000 To $99,999	97,516	11%	$75,000 To $99,999	82,316	13%
$100,000 To $149,999	100,434	12%	$100,000 To $149,999	120,794	19%
$150,000 To $199,999	41,089	5%	$150,000 To $199,999	62,939	10%
$200,000 Or More	36,725	4%	$200,000 Or More	70,640	11%

Dense Suburban	#	% Of
Total Households	**329,509**	**100%**
Less Than $10,000	15,583	5%
$10,000 To $14,999	11,196	3%
$15,000 To $24,999	25,282	8%
$25,000 To $34,999	24,764	8%
$35,000 To $49,999	34,037	10%
$50,000 To $74,999	55,719	17%
$75,000 To $99,999	44,611	14%
$100,000 To $149,999	58,527	18%
$150,000 To $199,999	30,249	9%
$200,000 Or More	29,541	9%

Gross Rent as % of Median Income

Classification	(%)	Classification	(%)
NJUMA		**Suburban**	
Less Than 15.0 Percent	8	Less Than 15.0 Percent	11
15.0 To 19.9 Percent	8	15.0 To 19.9 Percent	12
20.0 To 24.9 Percent	11	20.0 To 24.9 Percent	13
25.0 To 29.9 Percent	10	25.0 To 29.9 Percent	11
30.0 To 34.9 Percent	9	30.0 To 34.9 Percent	9
35.0 Percent Or More	54	35.0 Percent Or More	44
Urban		**Rural**	
Less Than 15.0 Percent	10	Less Than 15.0 Percent	12
15.0 To 19.9 Percent	11	15.0 To 19.9 Percent	12
20.0 To 24.9 Percent	11	20.0 To 24.9 Percent	13
25.0 To 29.9 Percent	11	25.0 To 29.9 Percent	11
30.0 To 34.9 Percent	9	30.0 To 34.9 Percent	8
35.0 Percent Or More	48	35.0 Percent Or More	44
Dense Suburban			
15.0 To 19.9 Percent	12		
20.0 To 24.9 Percent	13		
25.0 To 29.9 Percent	12		
30.0 To 34.9 Percent	9		
35.0 Percent Or More	43		

Gross Rent as % of Median Income in NJUMA Cities

Municipality (County)	(%)	Municipality (County)	(%)
Bridgeton City (Cumberland)		**Perth Amboy City (Middlesex)**	
Occupied Units Paying Rent	**17**	**Occupied Units Paying Rent**	**17**
Less Than 15.0 Percent	9	Less Than 15.0 Percent	8
15.0 To 19.9 Percent	8	15.0 To 19.9 Percent	9
20.0 To 24.9 Percent	12	20.0 To 24.9 Percent	14
25.0 To 29.9 Percent	7	25.0 To 29.9 Percent	10
30.0 To 34.9 Percent	10	30.0 To 34.9 Percent	9
35.0 Percent Or More	54	35.0 Percent Or More	50
Passaic City (Passaic)		**Trenton City (Mercer)**	
Occupied Units Paying Rent	**17**	**Occupied Units Paying Rent**	**17**
Less Than 15.0 Percent	7	Less Than 15.0 Percent	8
15.0 To 19.9 Percent	7	15.0 To 19.9 Percent	7
20.0 To 24.9 Percent	10	20.0 To 24.9 Percent	9
25.0 To 29.9 Percent	11	25.0 To 29.9 Percent	14
30.0 To 34.9 Percent	8	30.0 To 34.9 Percent	10
35.0 Percent Or More	58	35.0 Percent Or More	53

Selected Monthly Owner Costs As A Percentage Of Household Income (SMOCAPI) for Housing with a Mortgage

Classification	(%)	Classification	(%)
NJUMA		**Suburban**	
Less Than 20.0 Percent	24	Less Than 20.0 Percent	29
20.0 To 24.9 Percent	13	20.0 To 24.9 Percent	16
25.0 To 29.9 Percent	11	25.0 To 29.9 Percent	13
30.0 To 34.9 Percent	11	30.0 To 34.9 Percent	10
35.0 Percent Or More	40	35.0 Percent Or More	32
Urban		**Rural**	
Less Than 20.0 Percent	24	Less Than 20.0 Percent	30
20.0 To 24.9 Percent	13	20.0 To 24.9 Percent	16
25.0 To 29.9 Percent	11	25.0 To 29.9 Percent	13
30.0 To 34.9 Percent	9	30.0 To 34.9 Percent	10
35.0 Percent Or More	44	35.0 Percent Or More	32
Dense Suburban			
Less Than 20.0 Percent	27		
20.0 To 24.9 Percent	15		
25.0 To 29.9 Percent	13		
30.0 To 34.9 Percent	10		
35.0 Percent Or More	35		

Selected Monthly Owner Costs as a Percentage Of Household Income (SMOCAPI) for Housing with a Mortgage Among NJUMA Cities

Municipality (County)	
Bridgeton City (Cumberland)	30%
Passaic City (Passaic)	55%
Perth Amboy City (Middlesex)	39%
Trenton City (Mercer)	36%

Those with No Health Insurance

% of Population Without Health Insurance	
Passaic	30%
New Brunswick	30%
Perth Amboy	29%
Bridgeton	29%
Newark	26%
Paterson	25%
Trenton	23%
Clifton	16%
Vineland	14%
Bloomfield	11%
Upper Deerfield	11%
Woodbridge	11%
East Brunswick	10%
Hamilton (Mercer)	10%
Metuchen Borough	7%
Wayne	7%
West Windsor	4%
Essex Fells	2%

% of Population Without Health Insurance	
NJUMA	28%
Urban	19%
Dense Suburban	14%
Statewide Average	10%
Suburban	8%
Rural	7%

Vehicle Availability

NJUMA	
Occupied Housing Units	**70,285**
No Vehicles Available	21,097
1 Vehicle Available	28,769
2 Vehicles Available	15,257
3 Or More Vehicles Available	5,162

Urban	
Occupied Housing Units	**855,517**
No Vehicles Available	216,367
1 Vehicle Available	369,045
2 Vehicles Available	198,530
3 Or More Vehicles Available	71,575

Dense Suburban	
Occupied Housing Units	**329,509**
No Vehicles Available	31,772
1 Vehicle Available	124,961
2 Vehicles Available	123,959
3 Or More Vehicles Available	48,817

Suburban	
Occupied Housing Units	**1,312,323**
No Vehicles Available	75,424
1 Vehicle Available	410,329
2 Vehicles Available	553,218
3 Or More Vehicles Available	273,352

Rural	
Occupied Housing Units	**620,864**
No Vehicles Available	28,476
1 Vehicle Available	173,521
2 Vehicles Available	261,979
3 Or More Vehicles Available	156,888

Bridgeton	
Occupied Housing Units	**5,937**
No Vehicles Available	1,122
1 Vehicle Available	2,487
2 Vehicles Available	1,583
3 Or More Vehicles Available	745

Passaic	
Occupied Housing Units	**20,044**
No Vehicles Available	7,667
1 Vehicle Available	8,339
2 Vehicles Available	3,239
3 Or More Vehicles Available	799

Perth Amboy	
Occupied Housing Units	**16,306**
No Vehicles Available	3,786
1 Vehicle Available	6,463
2 Vehicles Available	4,423
3 Or More Vehicles Available	1,634

Trenton	
Occupied Housing Units	**27,998**
No Vehicles Available	8,522
1 Vehicle Available	11,480
2 Vehicles Available	6,012
3 Or More Vehicles Available	1,984

Language Facility Profile

NJUMA		Suburban	
Speak English Less Than "Very Well"	**64,990**	**Speak English Less Than "Very Well"**	**280,733**
Asian & Pacific Islander	765	Asian & Pacific Islander	82,157
Other Indo-European	3,651	Other Indo-European	97,565
Other	520	Other	11,685
Spanish	60,054	Spanish	89,326
Total	**211,826**	**Total**	**3,425,260**
Asian & Pacific Islander	1,709	Asian & Pacific Islander	212,918
English	89,149	English	2,611,082
Other Indo-European	8,475	Other Indo-European	319,372
Other	1,889	Other	43,239
Spanish	110,604	Spanish	238,649

Urban		Rural	
Speak English Less Than "Very Well"	**512,696**	**Speak English Less Than "Very Well"**	**63,176**
Asian & Pacific Islander	45,543	Asian & Pacific Islander	13,719
Other Indo-European	92,308	Other Indo-European	21,331
Other	16,727	Other	1,945
Spanish	358,118	Spanish	26,181
Total	**2,246,938**	**Total**	**1,611,741**
Asian & Pacific Islander	103,369	Asian & Pacific Islander	38,654
English	1,153,645	English	1,399,390
Other Indo-European	218,477	Other Indo-European	82,660
Other	48,434	Other	9,422
Spanish	723,013	Spanish	81,615

Dense Suburban	
Speak English Less Than "Very Well"	**112,833**
Asian & Pacific Islander	15,038
Other Indo-European	28,232
Other	5,087
Spanish	64,476
Total	**842,738**
Asian & Pacific Islander	38,498
English	556,584
Other Indo-European	79,330
Other	18,854
Spanish	149,472

Citizenship Status

Classification	Amount	% Non- Citizen
NJUMA	54,846	24%
Urban	441,053	18%
Dense Suburban	98,474	11%
Suburban	266,896	7%
Rural	53,970	3%
Municipality	**Amount**	**% Non- Citizen**
Bloomfield	5,021	11%
Bridgeton	5,525	22%
Clifton	13,326	16%
East Brunswick	5,629	12%
Essex Fells	30	1%
Ewing	1,736	5%
Hamilton (Mercer)	6,660	8%
Metuchen	803	6%
New Brunswick	17,866	32%
Newark	50,939	18%
Passaic	20,542	29%
Paterson	26,629	18%
Perth Amboy	13,203	26%
Trenton	15,576	18%
Upper Deerfield	323	4%
Vineland	4,936	8%
Wayne	3,394	6%
West Windsor	4,411	16%
Woodbridge	14,261	14%

Educational Attainment by Classification

NJUMA

Population 25 Years And Over	**141,791**	**% of**
Less Than 9th Grade	25,743	18%
9th To 12th Grade, No Diploma	19,952	14%
High School Graduate (Includes Equivalency)	51,725	36%
Some College, No Degree	21,120	15%
Associate's Degree	6,052	4%
Bachelor's Degree	11,647	8%
Graduate Or Professional Degree	5,552	4%

Suburban

Population 25 Years And Over	**2,510,691**	**% of**
Less Than 9th Grade	75,043	3%
9th To 12th Grade, No Diploma	108,256	4%
High School Graduate (Includes Equivalency)	642,657	26%
Some College, No Degree	407,559	16%
Associate's Degree	165,080	7%
Bachelor's Degree	669,754	27%
Graduate Or Professional Degree	442,342	18%

Urban

Population 25 Years And Over	**1,596,362**	**% of**
Less Than 9th Grade	162,721	10%
9th To 12th Grade, No Diploma	152,793	10%
High School Graduate (Includes Equivalency)	516,906	32%
Some College, No Degree	277,446	17%
Associate's Degree	83,167	5%
Bachelor's Degree	267,839	17%
Graduate Or Professional Degree	135,490	8%

Rural

Population 25 Years And Over	**1,184,369**	**% of**
Less Than 9th Grade	30,517	3%
9th To 12th Grade, No Diploma	62,301	5%
High School Graduate (Includes Equivalency)	358,190	30%
Some College, No Degree	215,307	18%
Associate's Degree	87,970	7%
Bachelor's Degree	268,073	23%
Graduate Or Professional Degree	162,011	14%

Dense Suburban

Population 25 Years And Over	**619,408**	**% of**
Less Than 9th Grade	31,665	5%
9th To 12th Grade, No Diploma	33,507	5%
High School Graduate (Includes Equivalency)	173,789	28%
Some College, No Degree	105,324	17%
Associate's Degree	37,693	6%
Bachelor's Degree	144,700	23%
Graduate Or Professional Degree	92,730	15%

Educational Attainment in NJUMA Cities

Bridgeton City (Cumberland)	**15,256**	
Population 25 Years And Over	**15,256**	**% of**
Less Than 9th Grade	2,953	19%
9th To 12th Grade, No Diploma	3,154	21%
High School Graduate (Includes Equivalency)	5,585	37%
Some College, No Degree	2,067	14%
Associate's Degree	590	4%
Bachelor's Degree	645	4%
Graduate Or Professional Degree	262	2%

Passaic City (Passaic)	**40,220**	
Population 25 Years And Over	**40,220**	**% of**
Less Than 9th Grade	9,263	23%
9th To 12th Grade, No Diploma	4,701	12%
High School Graduate (Includes Equivalency)	14,102	35%
Some College, No Degree	4,987	12%
Associate's Degree	1,432	4%
Bachelor's Degree	3,600	9%
Graduate Or Professional Degree	2,135	5%

Perth Amboy City (Middlesex)	**32,574**	
Population 25 Years And Over	**32,574**	**% of**
Less Than 9th Grade	6,377	20%
9th To 12th Grade, No Diploma	3,848	12%
High School Graduate (Includes Equivalency)	11,086	34%
Some College, No Degree	4,697	14%
Associate's Degree	1,757	5%
Bachelor's Degree	3,730	11%
Graduate Or Professional Degree	1,079	3%

Trenton City (Mercer)	**53,741**	
Population 25 Years And Over	**53,741**	**% of**
Less Than 9th Grade	7,150	13%
9th To 12th Grade, No Diploma	8,249	15%
High School Graduate (Includes Equivalency)	20,952	39%
Some College, No Degree	9,369	17%
Associate's Degree	2,273	4%
Bachelor's Degree	3,672	7%
Graduate Or Professional Degree	2,076	4%

Age of Housing Stock by Classification

NJUMA

Total Housing Units	**80,304**	**100%**
Built 1939 Or Earlier	29,722	37%
Built 1940 To 1949	13,520	17%
Built 1950 To 1959	12,644	16%
Built 1960 To 1969	7,983	10%
Built 1970 To 1979	4,584	6%
Built 1980 To 1989	3,496	4%
Built 1990 To 1999	2,848	4%
Built 2000 To 2009	4,951	6%
Built 2010 Or Later	556	1%

Suburban

Total Housing Units	**1,450,251**	**100%**
Built 1939 Or Earlier	184,018	13%
Built 1940 To 1949	89,489	6%
Built 1950 To 1959	260,964	18%
Built 1960 To 1969	232,863	16%
Built 1970 To 1979	201,554	14%
Built 1980 To 1989	200,668	14%
Built 1990 To 1999	150,442	10%
Built 2000 To 2009	122,342	8%
Built 2010 Or Later	7,911	1%

Urban

Total Housing Units	**972,514**	**100%**
Built 1939 Or Earlier	264,850	27%
Built 1940 To 1949	114,039	12%
Built 1950 To 1959	146,839	15%
Built 1960 To 1969	128,401	13%
Built 1970 To 1979	98,419	10%
Built 1980 To 1989	64,701	7%
Built 1990 To 1999	53,636	6%
Built 2000 To 2009	94,956	10%
Built 2010 Or Later	6,673	1%

Rural

Total Housing Units	**708,767**	**100%**
Built 1939 Or Earlier	60,101	8%
Built 1940 To 1949	25,942	4%
Built 1950 To 1959	64,127	9%
Built 1960 To 1969	80,779	11%
Built 1970 To 1979	126,736	18%
Built 1980 To 1989	132,650	19%
Built 1990 To 1999	104,909	15%
Built 2000 To 2009	107,440	15%
Built 2010 Or Later	6,083	1%

Dense Suburban

Total Housing Units	**360,302**	**100%**
Built 1939 Or Earlier	105,643	29%
Built 1940 To 1949	53,537	15%
Built 1950 To 1959	76,356	21%
Built 1960 To 1969	45,268	13%
Built 1970 To 1979	29,642	8%
Built 1980 To 1989	19,306	5%
Built 1990 To 1999	13,715	4%
Built 2000 To 2009	15,564	4%
Built 2010 Or Later	1,271	0%

Age of Housing Stock in NJUMA Cities

Bridgeton City (Cumberland)			Perth Amboy City (Middlesex)		
Total Housing Units	**6,765**	**100%**	**Total Housing Units**	**17,284**	**100%**
Built 1939 Or Earlier	1,684	25%	Built 1939 Or Earlier	4,970	29%
Built 1940 To 1949	748	11%	Built 1940 To 1949	1,712	10%
Built 1950 To 1959	1,557	23%	Built 1950 To 1959	2,740	16%
Built 1960 To 1969	1,008	15%	Built 1960 To 1969	1,785	10%
Built 1970 To 1979	559	8%	Built 1970 To 1979	1,037	6%
Built 1980 To 1989	191	3%	Built 1980 To 1989	1,163	7%
Built 1990 To 1999	185	3%	Built 1990 To 1999	1,112	6%
Built 2000 To 2009	833	12%	Built 2000 To 2009	2,386	14%
Built 2010 Or Later	0	0%	Built 2010 Or Later	379	2%
Passaic City (Passaic)			**Trenton City (Mercer)**		
Total Housing Units	**21,724**	**100%**	**Total Housing Units**	**34,531**	**100%**
Built 1939 Or Earlier	6,700	31%	Built 1939 Or Earlier	16,368	47%
Built 1940 To 1949	5,955	27%	Built 1940 To 1949	5,105	15%
Built 1950 To 1959	3,202	15%	Built 1950 To 1959	5,145	15%
Built 1960 To 1969	2,488	11%	Built 1960 To 1969	2,702	8%
Built 1970 To 1979	1,392	6%	Built 1970 To 1979	1,596	5%
Built 1980 To 1989	964	4%	Built 1980 To 1989	1,178	3%
Built 1990 To 1999	471	2%	Built 1990 To 1999	1,080	3%
Built 2000 To 2009	552	3%	Built 2000 To 2009	1,180	3%
Built 2010 Or Later	0	0%	Built 2010 Or Later	177	1%

Room Occupancy

NJUMA		
Occupied Housing Units	**70,285**	**100%**
1.00 Or Less	61,024	87%
1.01 To 1.50	4,170	6%
1.51 Or More	5,091	7%
Urban		
Occupied Housing Units	**855,517**	**100%**
1.00 Or Less	794,036	93%
1.01 To 1.50	35,441	4%
1.51 Or More	26,040	3%
Dense Suburban		
Occupied Housing Units	**329,509**	**100%**
1.00 Or Less	319,858	97%
1.01 To 1.50	5,660	2%
1.51 Or More	3,991	1%
Suburban		
Occupied Housing Units	**1,312,323**	**100%**
1.00 Or Less	1,291,625	98%
1.01 To 1.50	14,781	1%
1.51 Or More	5,917	0%
Rural		
Occupied Housing Units	**620,864**	**100%**
1.00 Or Less	615,846	99%
1.01 To 1.50	3,608	1%
1.51 Or More	1,410	0%

Owner Occupation and Mortgage Status

Classification	Amount
NJUMA	
Total Housing Units	**80,304**
Occupied Housing Units	70,285
Vacant Housing Units	10,019
Urban	
Total Housing Units	**972,514**
Occupied Housing Units	855,517
Vacant Housing Units	116,997
Dense Suburban	
Total Housing Units	**360,302**
Occupied Housing Units	329,509
Vacant Housing Units	30,793
Suburban	
Total Housing Units	**1,450,251**
Occupied Housing Units	1,312,323
Vacant Housing Units	137,928
Rural	
Total Housing Units	**708,767**
Occupied Housing Units	620,864
Vacant Housing Units	87,903

Classification	Amount
NJUMA	
Owner Occupied Units	**23,321**
Housing Units With A Mortgage	16,703
Housing Units Without A Mortgage	6,618
Urban	
Owner Occupied Units	**328,785**
Housing Units With A Mortgage	228,515
Housing Units Without A Mortgage	100,270
Dense Suburban	
Owner Occupied Units	**205,356**
Housing Units With A Mortgage	144,679
Housing Units Without A Mortgage	60,677
Suburban	
Owner Occupied Units	**988,305**
Housing Units With A Mortgage	694,425
Housing Units Without A Mortgage	293,880
Rural	
Owner Occupied Units	**528,148**
Housing Units With A Mortgage	363,928
Housing Units Without A Mortgage	164,220

Home Occupation and Mortgage Status

Municipality	Counts
Bloomfield	
Owner Occupied Units	**9,647**
Housing Units With A Mortgage	7,095
Housing Units Without A Mortgage	2,552
Bridgeton	
Owner Occupied Units	**2,387**
Housing Units With A Mortgage	1,534
Housing Units Without A Mortgage	853
Clifton	
Owner Occupied Units	**17,701**
Housing Units With A Mortgage	12,054
Housing Units Without A Mortgage	5,647
East Brunswick	
Owner Occupied Units	**14,014**
Housing Units With A Mortgage	9,517
Housing Units Without A Mortgage	4,497
Essex Fells	
Owner Occupied Units	**676**
Housing Units With A Mortgage	473
Housing Units Without A Mortgage	203
Ewing	
Owner Occupied Units	**8,944**
Housing Units With A Mortgage	6,410
Housing Units Without A Mortgage	2,534
Hamilton (Mercer)	
Owner Occupied Units	**25,019**
Housing Units With A Mortgage	17,345
Housing Units Without A Mortgage	7,674
Metuchen	
Owner Occupied Units	**4,109**
Housing Units With A Mortgage	2,778
Housing Units Without A Mortgage	1,331
New Brunswick	
Owner Occupied Units	**2,906**
Housing Units With A Mortgage	2,100
Housing Units Without A Mortgage	806

Municipality	Counts	% of
Bloomfield		
Total Housing Units	**18,359**	
Occupied Housing Units	17,243	94%
Vacant Housing Units	1,116	6%
Bridgeton		
Total Housing Units	**6,765**	
Occupied Housing Units	5,937	88%
Vacant Housing Units	828	12%
Clifton		
Total Housing Units	**31,263**	
Occupied Housing Units	28,652	92%
Vacant Housing Units	2,611	8%
East Brunswick		
Total Housing Units	**17,553**	
Occupied Housing Units	16,750	95%
Vacant Housing Units	803	5%
Essex Fells		
Total Housing Units	**774**	
Occupied Housing Units	719	93%
Vacant Housing Units	55	7%
Ewing		
Total Housing Units	**13,604**	
Occupied Housing Units	12,661	93%
Vacant Housing Units	943	7%
Hamilton (Mercer)		
Total Housing Units	**35,837**	
Occupied Housing Units	33,734	94%
Vacant Housing Units	2,103	6%
Metuchen		
Total Housing Units	**5,300**	
Occupied Housing Units	5,149	97%
Vacant Housing Units	151	3%
New Brunswick		
Total Housing Units	**14,964**	
Occupied Housing Units	13,866	93%
Vacant Housing Units	1,098	7%

Municipality	Counts	Municipality	Counts	% of
Newark		**Newark**		
Owner Occupied Units	**20,420**	**Total Housing Units**	**108,936**	
Housing Units With A Mortgage	15,176	Occupied Housing Units	91,771	84%
Housing Units Without A Mortgage	5,244	Vacant Housing Units	17,165	16%
Passaic		**Passaic**		
Owner Occupied Units	**4,821**	**Total Housing Units**	**21,724**	
Housing Units With A Mortgage	3,538	Occupied Housing Units	20,044	92%
Housing Units Without A Mortgage	1,283	Vacant Housing Units	1,680	8%
Paterson		**Paterson**		
Owner Occupied Units	**11,864**	**Total Housing Units**	**48,855**	
Housing Units With A Mortgage	8,817	Occupied Housing Units	43,462	89%
Housing Units Without A Mortgage	3,047	Vacant Housing Units	5,393	11%
Perth Amboy		**Perth Amboy**		
Owner Occupied Units	**5,478**	**Total Housing Units**	**17,284**	
Housing Units With A Mortgage	4,158	Occupied Housing Units	16,306	94%
Housing Units Without A Mortgage	1,320	Vacant Housing Units	978	6%
Trenton		**Trenton**		
Owner Occupied Units	**10,635**	**Total Housing Units**	**34,531**	
Housing Units With A Mortgage	7,473	Occupied Housing Units	27,998	81%
Housing Units Without A Mortgage	3,162	Vacant Housing Units	6,533	19%
Upper Deerfield		**Upper Deerfield**		
Owner Occupied Units	**2,216**	**Total Housing Units**	**3,048**	
Housing Units With A Mortgage	1,451	Occupied Housing Units	2,875	94%
Housing Units Without A Mortgage	765	Vacant Housing Units	173	6%
Vineland		**Vineland**		
Owner Occupied Units	**14,033**	**Total Housing Units**	**23,054**	
Housing Units With A Mortgage	9,127	Occupied Housing Units	20,966	91%
Housing Units Without A Mortgage	4,906	Vacant Housing Units	2,088	9%
Wayne		**Wayne**		
Owner Occupied Units	**14,690**	**Total Housing Units**	**19,072**	
Housing Units With A Mortgage	9,979	Occupied Housing Units	18,247	96%
Housing Units Without A Mortgage	4,711	Vacant Housing Units	825	4%
West Windsor		**West Windsor**		
Owner Occupied Units	**7,235**	**Total Housing Units**	**10,033**	
Housing Units With A Mortgage	5,242	Occupied Housing Units	9,664	96%
Housing Units Without A Mortgage	1,993	Vacant Housing Units	369	4%
Woodbridge		**Woodbridge**		
Owner Occupied Units	**22,598**	**Total Housing Units**	**34,985**	
Housing Units With A Mortgage	15,572	Occupied Housing Units	33,557	96%
Housing Units Without A Mortgage	7,026	Vacant Housing Units	1,428	4%

Occurrence of Disability

NJUMA	
With A Disability	**25,823**
Under 18 Years	3,348
18 To 64 Years	15,280
65 Years And Over	7,195
Urban	
With A Disability	**267,157**
Under 18 Years	23,870
18 To 64 Years	145,146
65 Years And Over	98,141
Dense Suburban	
With A Disability	**83,971**
Under 18 Years	5,454
18 To 64 Years	38,287
65 Years And Over	40,230
Suburban	
With A Disability	**337,599**
Under 18 Years	26,768
18 To 64 Years	145,773
65 Years And Over	165,058
Rural	
With A Disability	**179,122**
Under 18 Years	13,557
18 To 64 Years	77,232
65 Years And Over	88,333
Grand Total	**893,672**

Schedule of Disability Determinations

Municipality (County)	#	Municipality (County)	#
Bloomfield Township (Essex)	**4,389**	**Ewing Township (Mercer)**	**3,436**
With A Disability	**4,389**	**With A Disability**	**3,436**
Under 18 Years	161	Under 18 Years	137
18 To 64 Years	2,166	18 To 64 Years	1,653
65 Years And Over	2,062	65 Years And Over	1,646
Bridgeton City (Cumberland)	**2,483**	**Hamilton Township (Mercer)**	**10,838**
With A Disability	**2,483**	**With A Disability**	**10,838**
Under 18 Years	397	Under 18 Years	810
18 To 64 Years	1,450	18 To 64 Years	4,936
65 Years And Over	636	65 Years And Over	5,092
Clifton City (Passaic)	**7,314**	**Metuchen Borough (Middlesex)**	**1,182**
With A Disability	**7,314**	**With A Disability**	**1,182**
Under 18 Years	427	Under 18 Years	81
18 To 64 Years	2,798	18 To 64 Years	577
65 Years And Over	4,089	65 Years And Over	524
East Brunswick Township (Middlesex)	**4,361**	**New Brunswick City (Middlesex)**	**3,151**
With A Disability	**4,361**	**With A Disability**	**3,151**
Under 18 Years	379	Under 18 Years	403
18 To 64 Years	1,540	18 To 64 Years	1,689
65 Years And Over	2,442	65 Years And Over	1,059
Essex Fells Borough (Essex)	**112**	**Newark City (Essex)**	**43,797**
With A Disability	**112**	**With A Disability**	**43,797**
Under 18 Years	22	Under 18 Years	5,189
18 To 64 Years	32	18 To 64 Years	27,168
65 Years And Over	58	65 Years And Over	11,440

Municipality (County)	#	Municipality (County)	#
Passaic City (Passaic)	**7,146**	**Vineland City (Cumberland)**	**9,662**
With A Disability	**7,146**	**With A Disability**	**9,662**
Under 18 Years	1,324	Under 18 Years	837
18 To 64 Years	3,685	18 To 64 Years	5,278
65 Years And Over	2,137	65 Years And Over	3,547
Paterson City (Passaic)	**12,522**	**Wayne Township (Passaic)**	**5,194**
With A Disability	**12,522**	**With A Disability**	**5,194**
Under 18 Years	675	Under 18 Years	348
18 To 64 Years	6,706	18 To 64 Years	1,776
65 Years And Over	5,141	65 Years And Over	3,070
Perth Amboy City (Middlesex)	**5,335**	**West Windsor Township (Mercer)**	**1,356**
With A Disability	**5,335**	**With A Disability**	**1,356**
Under 18 Years	517	Under 18 Years	308
18 To 64 Years	2,994	18 To 64 Years	469
65 Years And Over	1,824	65 Years And Over	579
Trenton City (Mercer)	**10,859**	**Woodbridge Township (Middlesex)**	**8,515**
With A Disability	**10,859**	**With A Disability**	**8,515**
Under 18 Years	1,110	Under 18 Years	637
18 To 64 Years	7,151	18 To 64 Years	3,871
65 Years And Over	2,598	65 Years And Over	4,007
Upper Deerfield Township (Cumberland)	**1,160**		
With A Disability	**1,160**		
Under 18 Years	148		
18 To 64 Years	618		
65 Years And Over	394		

Detailed Budget Allocations Among NJUMA Cities (2014)

Municipality	Spend	% of Total
Bridgeton City	**$22,012,608**	
Departmental	**$14,605,549**	**66%**
Public Safety	$8,517,359	58%
Public Works and Maint.	$1,724,767	12%
Finance and Tax	$1,087,891	7%
Unclassified	$1,081,933	7%
Administration	$629,824	4%
Recreation and Culture	$536,134	4%
Public Defender and Courts	$413,690	3%
Economic Development and Planning	$213,370	1%
Education	$196,928	1%
Shared Services	$107,342	1%
Health	$96,310	1%
Non-Departmental	**$7,407,059**	**34%**

Municipality	Spend	% of Total
Passaic City	**$78,695,082**	
Departmental	**$49,212,829**	**63%**
Public Safety	$30,308,506	62%
Public Works and Maint.	$7,944,900	16%
Finance and Tax	$2,594,057	5%
Administration	$1,837,028	4%
Unclassified	$1,778,340	4%
Recreation and Culture	$1,410,466	3%
Education	$1,159,551	2%
Public Defender and Courts	$990,337	2%
Health	$816,169	2%
Economic Development and Planning	$373,475	1%
Non-Departmental	**$29,482,253**	**37%**

Municipality	Spend	% of Total
Perth Amboy City	**$67,417,731**	
Departmental	**$34,811,575**	**52%**
Public Safety	$18,430,058	53%
Public Works and Maint.	$6,444,747	19%
Unclassified	$2,468,132	7%
Administration	$2,205,106	6%
Education	$1,210,671	3%
Recreation and Culture	$1,143,387	3%
Finance and Tax	$1,075,162	3%
Health	$893,635	3%
Public Defender and Courts	$794,080	2%
Economic Development and Planning	$146,598	0%
Non-Departmental	**$32,606,156**	**48%**

Municipality	Spend	% of Total
Trenton City	**$173,969,718**	
Departmental	**$88,366,538**	**51%**
Public Safety	$49,713,758	56%
Public Works and Maint.	$13,704,663	16%
Administration	$7,384,046	8%
Finance and Tax	$4,714,773	5%
Unclassified	$4,631,050	5%
Health	$2,191,268	2%
Public Defender and Courts	$2,101,025	2%
Education	$1,909,828	2%
Recreation and Culture	$949,453	1%
Shared Services	$815,900	1%
Economic Development and Planning	$250,772	0%
Non-Departmental	**$85,603,181**	**49%**

10-Year Municipal State Aid Trends in NJUMA Cities (Millions)

	2005	2006	2007	2008	2009	2010
Passaic	$18.7	$18.1	$18.0	$15.9	$16.3	$15.3
Perth Amboy	$14.1	$13.7	$13.6	$12.0	$12.2	$10.1
Bridgeton	$6.6	$6.4	$6.4	$5.6	$5.7	$5.7
	2011	**2012**	**2013**	**2014**	**2015**	**10-Yr Trend**
Passaic	$13.3	$13.0	$12.8	$12.5	$12.5	-33%
Perth Amboy	$9.8	$9.6	$9.4	$9.2	$9.2	-35%
Bridgeton	$4.7	$4.6	$4.5	$4.4	$4.4	-33%

Municipal State Aid to Trenton (Millions)

Type of Aid	2006	2007	2008	2009	2010	2011	2012	2013	2014
Capital Cities Aid	$0.0	$0.0	$35.2	$38.8	$0.0	$0.0	$0.0	$0.0	$0.0
CMPTRA	$56.2	$54.0	$49.4	$46.0	$23.0	$21.5	$21.3	$17.9	$17.3
Energy Receipts Tax	$5.7	$5.9	$7.3	$11.2	$25.0	$25.2	$24.0	$26.9	$26.6
MRERA Aid	$19.5	$18.8	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Special Municipal Aid	$4.7	$23.9	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Transitional Aid	$0.0	$0.0	$0.0	$0.0	$29.5	$23.3	$26.1	$23.3	$24.9
All Other Aid	$1.9	$3.7	$1.6	$1.3	$2.3	$2.2	$2.3	$2.3	$1.5

Source of Municipal Revenues among Select Municipalities

Municipality (County)	2000	% Of	2007	% Of	2014	% Of	% V. 2000
Bloomfield Township (Essex)	**$58,096,295**		**$68,265,458**		**$74,843,652**		**29%**
Miscellaneous Revenues Anticipated	$16,667,538	29%	$18,155,892	27%	$9,836,542	13%	-41%
Municipal Budget	$34,390,757	59%	$46,528,172	68%	$58,066,398	78%	69%
Municipal Library	$0	0%	$0	0%	$1,436,639	2%	N/A
Municipal Open Space Budget	$0	0%	$239,494	0%	$204,073	0%	N/A
Receipts From Delinquent Tax	$2,208,000	4%	$2,035,500	3%	$2,300,000	3%	4%
Surplus Revenue	$4,830,000	8%	$1,306,400	2%	$3,000,000	4%	-38%
Bridgeton City (Cumberland)	**$21,311,054**		**$22,797,200**		**$23,434,780**		**10%**
Miscellaneous Revenues Anticipated	$13,321,072	63%	$13,651,282	60%	$9,079,866	39%	-32%
Municipal Budget	$6,003,064	28%	$8,831,968	39%	$11,871,970	51%	98%
Municipal Library	$0	0%	$0	0%	$159,936	1%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$1,380,000	6%	$57,500	0%	$50,000	0%	-96%
Surplus Revenue	$606,918	3%	$256,450	1%	$2,273,008	10%	275%
Clifton City (Passaic)	**$85,811,616**		**$105,967,365**		**$106,891,017**		**25%**
Miscellaneous Revenues Anticipated	$27,323,404	32%	$29,022,093	27%	$21,026,865	20%	-23%
Municipal Budget	$50,277,212	59%	$67,871,772	64%	$74,908,306	70%	49%
Municipal Library	$0	0%	$0	0%	$3,230,846	3%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$3,174,000	4%	$3,438,500	3%	$3,000,000	3%	-5%
Surplus Revenue	$5,037,000	6%	$5,635,000	5%	$4,725,000	4%	-6%
East Brunswick Township (Middlesex)	**$59,911,661**		**$72,741,554**		**$58,553,106**		**-2%**
Miscellaneous Revenues Anticipated	$27,196,945	45%	$33,850,734	47%	$17,247,687	29%	-37%
Municipal Budget	$26,338,056	44%	$32,562,264	45%	$34,452,136	59%	31%
Municipal Library	$0	0%	$0	0%	$2,419,793	4%	N/A
Municipal Open Space Budget	$537,648	1%	$463,556	1%	$378,490	1%	-30%
Receipts From Delinquent Tax	$1,242,000	2%	$1,265,000	2%	$1,555,000	3%	25%
Surplus Revenue	$4,597,012	8%	$4,600,000	6%	$2,500,000	4%	-46%

Municipality (County)	2000	% Of	2007	% Of	2014	% Of	% V. 2000
Essex Fells Borough (Essex)	**$4,628,175**		**$5,767,608**		**$4,802,533**		**4%**
Miscellaneous Revenues Anticipated	$1,333,080	29%	$1,737,997	30%	$942,432	20%	-29%
Municipal Budget	$2,286,315	49%	$3,006,112	52%	$3,506,970	73%	53%
Municipal Library	$0	0%	$0	0%	$0	0%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$42,780	1%	$103,500	2%	$138,131	3%	223%
Surplus Revenue	$966,000	21%	$920,000	16%	$215,000	4%	-78%
Hamilton Township (Mercer)	**$95,026,244**		**$92,693,354**		**$96,144,245**		**1%**
Miscellaneous Revenues Anticipated	$43,556,523	46%	$40,180,389	43%	$27,351,135	28%	-37%
Municipal Budget	$40,296,000	42%	$47,601,516	51%	$63,147,753	66%	57%
Municipal Library	$0	0%	$0	0%	$2,807,616	3%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$4,278,000	5%	$470,251	1%	$437,741	0%	-90%
Surplus Revenue	$6,895,721	7%	$4,441,198	5%	$2,400,000	2%	-65%
Metuchen Borough (Middlesex)	**$14,671,330**		**$16,524,151**		**$16,011,836**		**9%**
Miscellaneous Revenues Anticipated	$5,513,595	38%	$5,510,263	33%	$3,358,395	21%	-39%
Municipal Budget	$7,430,869	51%	$9,267,528	56%	$10,538,497	66%	42%
Municipal Library	$0	0%	$0	0%	$698,943	4%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$835,386	6%	$596,360	4%	$640,000	4%	-23%
Surplus Revenue	$891,480	6%	$1,150,000	7%	$776,000	5%	-13%
New Brunswick City (Middlesex)	**$63,353,965**		**$78,855,951**		**$79,463,355**		**25%**
Miscellaneous Revenues Anticipated	$41,607,486	66%	$51,062,057	65%	$48,590,487	61%	17%
Municipal Budget	$19,988,359	32%	$26,850,894	34%	$27,777,647	35%	39%
Municipal Library	$0	0%	$0	0%	$1,045,220	1%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$619,620	1%	$0	0%	$0	0%	-100%
Surplus Revenue	$1,138,500	2%	$943,000	1%	$2,050,000	3%	80%

Municipality (County)	2000	% Of	2007	% Of	2014	% Of	% V. 2000
Newark City (Essex)	**$625,774,369**		**$722,516,506**		**$625,545,573**		**0%**
Miscellaneous Revenues Anticipated	$445,852,361	71%	$530,044,249	73%	$410,550,159	66%	-8%
Municipal Budget	$105,298,508	17%	$133,707,257	19%	$196,588,808	31%	87%
Municipal Library	$0	0%	$0	0%	$4,645,089	1%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$32,982,000	5%	$28,750,000	4%	$13,761,516	2%	-58%
Surplus Revenue	$41,641,500	7%	$30,015,000	4%	$0	0%	-100%
Passaic City (Passaic)	**$79,774,754**		**$86,027,252**		**$82,231,062**		**3%**
Miscellaneous Revenues Anticipated	$29,180,689	37%	$29,975,133	35%	$21,641,746	26%	-26%
Municipal Budget	$48,641,365	61%	$52,439,900	61%	$58,150,340	71%	20%
Municipal Library	$0	0%	$0	0%	$1,068,976	1%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$572,700	1%	$47,219	0%	$40,000	0%	-93%
Surplus Revenue	$1,380,000	2%	$3,565,000	4%	$1,330,000	2%	-4%
Paterson City (Passaic)	**$210,183,151**		**$228,461,018**		**$254,277,766**		**21%**
Miscellaneous Revenues Anticipated	$106,877,495	51%	$119,736,190	52%	$98,058,485	39%	-8%
Municipal Budget	$95,316,600	45%	$104,844,728	46%	$151,526,876	60%	59%
Municipal Library	$0	0%	$0	0%	$2,327,405	1%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$2,484,000	1%	$696,900	0%	$2,365,000	1%	-5%
Surplus Revenue	$5,505,056	3%	$3,183,200	1%	$0	0%	-100%
Perth Amboy City (Middlesex)	**$55,494,605**		**$90,350,591**		**$72,286,756**		**30%**
Miscellaneous Revenues Anticipated	$29,738,623	54%	$32,751,247	36%	$13,858,753	19%	-53%
Municipal Budget	$25,326,802	46%	$52,664,017	58%	$55,105,391	76%	118%
Municipal Library	$0	0%	$0	0%	$1,072,611	1%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$429,180	1%	$4,796,277	5%	$250,000	0%	-42%
Surplus Revenue	$0	0%	$139,050	0%	$2,000,000	3%	N/A

Municipality (County)	2000	% Of	2007	% Of	2014	% Of	% V. 2000
Trenton City (Mercer)	**$183,101,665**		**$207,920,565**		**$183,796,807**		**0%**
Miscellaneous Revenues Anticipated	$118,050,801	64%	$145,612,923	70%	$103,767,638	56%	-12%
Municipal Budget	$51,350,409	28%	$53,233,303	26%	$74,680,173	41%	45%
Municipal Library	$0	0%	$0	0%	$767,134	0%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$9,632,339	5%	$2,174,338	1%	$1,250,000	1%	-87%
Surplus Revenue	$4,068,116	2%	$6,900,000	3%	$3,331,862	2%	-18%
Upper Deerfield Township (Cumberland)	**$3,994,780**		**$5,099,778**		**$4,620,933**		**16%**
Miscellaneous Revenues Anticipated	$2,765,965	69%	$3,013,616	59%	$1,890,118	41%	-32%
Municipal Budget	$0	0%	$0	0%	$381,800	8%	N/A
Municipal Library	$0	0%	$0	0%	$0	0%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$328,440	8%	$431,250	8%	$530,000	11%	61%
Surplus Revenue	$900,375	23%	$1,654,912	32%	$1,819,015	39%	102%
Vineland City (Cumberland)	**$53,142,229**		**$67,715,821**		**$59,560,880**		**12%**
Miscellaneous Revenues Anticipated	$27,847,602	52%	$34,648,218	51%	$23,727,254	40%	-15%
Municipal Budget	$18,570,292	35%	$25,650,103	38%	$30,822,218	52%	66%
Municipal Library	$0	0%	$0	0%	$1,352,948	2%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$2,326,650	4%	$1,092,500	2%	$2,000,000	3%	-14%
Surplus Revenue	$4,397,685	8%	$6,325,000	9%	$1,658,460	3%	-62%
Wayne Township (Passaic)	**$67,726,929**		**$82,079,945**		**$80,549,649**		**19%**
Miscellaneous Revenues Anticipated	$16,172,521	24%	$15,884,261	19%	$11,439,739	14%	-29%
Municipal Budget	$41,840,588	62%	$52,290,116	64%	$57,881,794	72%	38%
Municipal Library	$0	0%	$0	0%	$3,166,425	4%	N/A
Municipal Open Space Budget	$0	0%	$1,229,118	1%	$1,065,000	1%	N/A
Receipts From Delinquent Tax	$1,380,000	2%	$2,096,450	3%	$3,138,691	4%	127%
Surplus Revenue	$8,333,820	12%	$10,580,000	13%	$3,858,000	5%	-54%

Municipality (County)	2000	% Of	2007	% Of	2014	% Of	% V. 2000
West Windsor Township (Mercer)	**$33,882,145**		**$39,929,206**		**$38,947,300**		
Miscellaneous Revenues Anticipated	$12,117,040	36%	$12,238,357	31%	$9,852,907	25%	-19%
Municipal Budget	$12,673,001	37%	$20,299,743	51%	$22,681,414	58%	79%
Municipal Library	$0	0%	$0	0%	$0	0%	N/A
Municipal Open Space Budget	$2,274,904	7%	$2,174,706	5%	$1,192,450	3%	-48%
Receipts From Delinquent Tax	$745,200	2%	$379,500	1%	$600,000	2%	-19%
Surplus Revenue	$6,072,000	18%	$4,836,900	12%	$4,620,529	12%	-24%
Woodbridge Township (Middlesex)	**$103,983,497**		**$113,832,100**		**$138,907,892**		
Miscellaneous Revenues Anticipated	$52,923,230	51%	$50,678,667	45%	$44,553,318	32%	-16%
Municipal Budget	$45,745,287	44%	$55,879,469	49%	$84,264,112	61%	84%
Municipal Library	$0	0%	$0	0%	$3,534,211	3%	N/A
Municipal Open Space Budget	$0	0%	$0	0%	$0	0%	N/A
Receipts From Delinquent Tax	$138,000	0%	$17,464	0%	$0	0%	-100%
Surplus Revenue	$5,176,980	5%	$7,256,500	6%	$6,556,251	5%	27%

Reduction in Misc. Revenues (2000-2014)

Classification	2000	2007	2014	Reduction in Misc. Revenues
NJUMA	$190,291,186	$221,990,586	$148,348,004	-22%
Urban	$1,912,085,959	$2,117,220,675	$1,684,188,221	-12%
Dense Suburban	$341,199,114	$348,390,605	$258,038,192	-24%
Suburban	$1,410,716,764	$1,473,926,382	$1,068,290,044	-24%
Rural	$582,901,221	$616,864,018	$438,922,209	-25%
Grand Total	$4,437,194,244	$4,778,392,265	$3,597,786,670	-19%

Municipal Property Tax Trends

Classification	2000	2007	2014	Growth in Municipal Property Tax Levy
NJUMA	$131,321,639	$167,169,188	$202,876,531	54%
Urban	$1,595,757,268	$2,000,535,477	$2,495,936,097	56%
Dense Suburban	$634,861,193	$830,610,548	$938,507,347	48%
Suburban	$2,131,460,471	$2,807,677,050	$3,295,667,086	55%
Rural	$631,330,444	$959,282,808	$1,155,387,675	83%

Distribution of Property Tax Levy (2000-2014)

Classification	2000	% Of	2007	% Of	2014	% Of
NJUMA	**$247,302,861**		**$285,985,971**		**$325,557,411**	
County	$38,523,829	16%	$52,011,437	18%	$55,381,799	17%
Municipal	$131,321,639	53%	$167,169,188	58%	$202,876,531	62%
School	$77,457,393	31%	$66,805,347	23%	$67,299,080	21%
Urban	**$3,822,083,188**		**$4,542,269,168**		**$5,131,393,216**	
County	$670,733,942	18%	$834,768,603	18%	$860,001,505	17%
Municipal	$1,595,757,268	42%	$2,000,535,477	44%	$2,495,936,097	49%
School	$1,555,591,977	41%	$1,706,965,088	38%	$1,775,455,614	35%
Dense Suburban	**$2,160,827,283**		**$2,758,039,142**		**$2,928,670,925**	
County	$331,825,024	15%	$424,631,552	15%	$448,154,964	15%
Municipal	$634,861,193	29%	$830,610,548	30%	$938,507,347	32%
School	$1,194,141,066	55%	$1,502,797,042	54%	$1,542,008,614	53%
Suburban	**$9,663,583,195**		**$12,517,408,730**		**$13,202,575,043**	
County	$1,894,420,105	20%	$2,354,984,236	19%	$2,417,075,819	18%
Municipal	$2,131,460,471	22%	$2,807,677,050	22%	$3,295,667,086	25%
School	$5,637,702,619	58%	$7,354,747,444	59%	$7,489,832,139	57%
Rural	**$3,695,399,702**		**$5,346,834,351**		**$5,526,556,803**	
County	$858,040,630	23%	$1,139,819,359	21%	$1,091,073,639	20%
Municipal	$631,330,444	17%	$959,282,808	18%	$1,155,387,675	21%
School	$2,206,028,628	60%	$3,247,732,184	61%	$3,280,095,489	59%

Variance in Grant Funding (2008-2014)

Municipality	2008	2010	2012	2014	Variance 2008
Bridgeton	$2,282,745	$1,576,592	$1,353,494	$663,856	-71%
Clifton	$1,389,611	$958,461	$3,089,943	$1,111,137	-20%
Ewing	$3,337,219		$1,531,570	$451,483	-86%
Metuchen	$807,210	$622,245	$125,264	$73,059	-91%
Passaic	$10,293,001	$10,142,854	$8,866,023	$5,731,711	-44%
Perth Amboy	$3,924,350	$1,621,486	$1,600,454	$1,153,427	-71%
Trenton	$14,538,125	$27,613,348	$9,357,480	$1,371,339	-91%
Wayne	$465,518	$432,609	$256,569	$517,918	11%
West Windsor	$215,405	$186,179	$126,118	$103,099	-52%

Comparison of Grants by Category in NJUMA and Comparison Cities (2008-2014)

Grants	2008	2014	% Variance 2008
Category	**$37,253,184**	**$11,177,028**	**-70%**
Public Works and Maint.	$6,019,549	$4,578,532	-24%
Recreation and Culture	$1,195,179	$616,329	-48%
Health	$5,732,071	$2,821,057	-51%
Public Safety	$4,387,207	$2,011,175	-54%
Economic Development and Planning	$19,661,338	$1,149,935	-94%
Administrative	$257,840		

Suburbanization in Mercer County and Philadelphia Metropolitan Area

Year	Delaware County	Montgomery County	Bucks County	Suburban Total	Philadelphia County	Phl. County v. Suburban Counties
1900	94,762	138,995	71,190	304,947	1,293,697	424%
1950	414,234	353,068	144,620	911,922	2,071,605	227%
2014	562,960	816,857	626,685	2,006,502	1,560,297	78%

Year	Suburban/Rural Municipalities	Trenton	Mercer County	Trenton % of Mercer County
1900	22,058	73,307	95,365	77%
1950	101,772	128,009	229,781	56%
2014	287,364	84,034	371,398	23%

Historic Study of Property Values in Select Municipalities

Municipality	1968	1994	2014	% Change
Bridgeton	$506,029,601	$608,419,758	$457,593,691	-10%
Trenton	$2,312,547,282	$3,093,895,172	$2,353,671,425	2%
Newark	$9,850,574,030	$9,189,923,404	$13,433,383,650	36%
Paterson	$3,761,149,939	$4,513,330,786	$6,513,703,155	73%
Passaic	$1,727,439,907	$2,116,267,256	$3,016,384,615	75%
Bloomfield	$2,346,462,699	$3,559,894,427	$4,279,495,272	82%
Clifton	$4,927,599,331	$8,053,133,033	$9,448,405,229	92%
New Brunswick	$1,409,932,462	$1,881,249,307	$3,120,100,465	121%
Woodbridge	$4,769,545,347	$9,695,379,029	$10,708,015,780	125%
Perth Amboy	$1,268,938,953	$2,355,462,548	$3,109,245,998	145%
Wayne	$3,375,698,101	$7,875,001,211	$9,283,196,499	175%
Vineland	$1,422,375,204	$2,571,543,592	$4,035,971,064	184%
Metuchen	$693,627,767	$1,452,683,633	$2,163,884,692	212%
Hamilton (Mercer)	$2,704,611,839	$6,690,348,005	$8,661,186,874	220%
East Brunswick	$1,476,912,502	$5,337,742,203	$7,136,331,823	383%
West Windsor	$540,263,766	$3,398,647,271	$6,410,995,855	1087%

Transitional Aid Awards since Program Inception (Millions)

Municipality	2010	2011	2012	2013	2014	2015	Grand Total
Camden	$75	$65	$16	$15	$15	$12	**$198**
Trenton	$30	$23	$26	$23	$25	$20	**$147**
Paterson	$24	$22	$23	$23	$25	$25	**$144**
Union City	$14	$13	$12	$18	$18	$18	**$93**
Asbury Park	$13	$11	$4	$4	$2	$2	**$35**
Atlantic City	$0	$0	$0	$0	$13	$13	**$26**
Newark	$0	$0	$0	$10	$0	$10	**$20**
Harrison	$2	$2	$2	$2	$2	$2	**$11**
Kearny	$0	$0	$0	$0	$3	$2	**$4**
Penns Grove	$1	$1	$1	$1	$1	$0	**$4**
East Orange	$3	$0	$0	$0	$0	$0	**$3**
Lawnside	$2	$1	$0	$0	$0	$0	**$2**
Passaic	$2	$0	$0	$0	$0	$0	**$2**
Irvington	$1	$0	$0	$0	$0	$0	**$1**
Bound Brook	$1	$0	$0	$0	$0	$0	**$1**
Bridgeton	$1	$0	$0	$0	$0	$0	**$1**
Maurice River	$0	$0	$0	$0	$0	$0	**$1**
Beverly	$0	$0	$0	$0	$0	$0	**$1**
Salem	$0	$0	$0	$0	$0	$0	**$1**
Mount Arlington	$1	$0	$0	$0	$0	$0	**$1**
Prospect Park	$0	$0	$0	$0	$0	$0	**$1**
Plumsted	$0	$0	$0	$0	$0	$0	**$0**
Washington	$0	$0	$0	$0	$0	$0	**$0**
North Arlington	$0	$0	$0	$0	$0	$0	**$0**
Chesilhurst	$0	$0	$0	$0	$0	$0	**$0**
Haledon	$0	$0	$0	$0	$0	$0	**$0**
Sussex	$0	$0	$0	$0	$0	$0	**$0**
Grand Total	**$171**	**$138**	**$85**	**$97**	**$103**	**$103**	**$697**

Transitional Aid to CMPTRA (2015)

Transitional Aid to CMPTRA (2015)	$18,230,000
Atlantic City	$10,000,000
Beverly City	$280,000
Camden City	$2,500,000
Penns Grove Borough	$590,000
Trenton City	$4,860,000
Grand Total	**$18,230,000**

Departmental v. Non-Departmental Spending Per Capita in NJUMA and Comparison cities (2014)

Municipality	Spend Per Capita
Passaic City	**$1,121**
Departmental	**$701**
Public Safety	$432
Public Works and Maint.	$113
Finance and Tax	$37
Administration	$26
Unclassified	$25
Recreation and Culture	$20
Education	$17
Public Defender and Courts	$14
Health	$12
Economic Development and Planning	$5
Non-Departmental	**$420**
Capital	$1
Debt	$32
Deferred Charges	$9
Insurance	$236
Reserve for Uncollected Taxes	$13
Reserves	$5
Statutory Expenditures	$124

Municipality	Spend Per Capita
Bridgeton City	**$871**
Departmental	**$578**
Public Safety	$337
Public Works and Maint.	$68
Finance and Tax	$43
Unclassified	$43
Administration	$25
Recreation and Culture	$21
Public Defender and Courts	$16
Economic Development and Planning	$8
Education	$8
Shared Services	$4
Health	$4
Non-Departmental	**$293**
Capital	$4
Debt	$49
Insurance	$133
Reserve for Uncollected Taxes	$10
Statutory Expenditures	$94
Transferred to Board of Education	$1
Unclassified	$2

Municipality	Spend Per Capita
Trenton City	**$2,056**
Departmental	**$1,044**
Public Safety	$588
Public Works and Maint.	$162
Administration	$87
Finance and Tax	$56
Unclassified	$55
Health	$26
Public Defender and Courts	$25
Education	$23
Recreation and Culture	$11
Shared Services	$10
Economic Development and Planning	$3
Non-Departmental	**$1,012**
Capital	$0
Debt	$263
Deferred Charges	$1
Insurance	$389
Reserve for Uncollected Taxes	$52
Statutory Expenditures	$190
Type I School	$68
Unclassified	$50

Municipality	Spend Per Capita
Perth Amboy City	**$1,314**
Departmental	**$679**
Public Safety	$359
Public Works and Maint.	$126
Unclassified	$48
Administration	$43
Education	$24
Recreation and Culture	$22
Finance and Tax	$21
Health	$17
Public Defender and Courts	$15
Economic Development and Planning	$3
Non-Departmental	**$636**
Capital	$13
Debt	$228
Insurance	$243
Reserve for Uncollected Taxes	$22
Statutory Expenditures	$112
Unclassified	$18

Municipality	Spend Per Capita
Clifton City	**$1,230**
Departmental	**$688**
Public Safety	$419
Public Works and Maint.	$112
Education	$35
Unclassified	$31
Administration	$20
Finance and Tax	$19
Recreation and Culture	$17
Health	$16
Public Defender and Courts	$12
Economic Development and Planning	$4
Additional Appropriations Offset	$2
Shared Services	$2
Non-Departmental	**$542**

Municipality	Spend Per Capita
Metuchen Borough	**$1,153**
Departmental	**$738**
Public Safety	$268
Public Works and Maint.	$256
Unclassified	$52
Education	$51
Administration	$43
Finance and Tax	$22
Recreation and Culture	$17
Public Defender and Courts	$9
Shared Services	$7
Health	$6
Economic Development and Planning	$5
Non-Departmental	**$415**

Municipality	Spend Per Capita
Ewing Township	**$1,134**
Departmental	**$680**
Public Safety	$331
Public Works and Maint.	$150
Administration	$44
Unclassified	$38
Health	$33
Recreation and Culture	$28
Finance and Tax	$27
Public Defender and Courts	$13
Shared Services	$10
Economic Development and Planning	$7
Non-Departmental	**$454**

Municipality	Spend Per Capita
Wayne Township	**$1,426**
Departmental	**$756**
Public Safety	$346
Public Works and Maint.	$189
Education	$57
Recreation and Culture	$51
Administration	$33
Unclassified	$21
Health	$20
Finance and Tax	$20
Public Defender and Courts	$8
Economic Development and Planning	$7
Shared Services	$4
Non-Departmental	**$670**

Municipality	Spend Per Capita
West Windsor Township	**$1,314**
Departmental	**$798**
Public Works and Maint.	$323
Public Safety	$293
Unclassified	$48
Administration	$47
Finance and Tax	$29
Health	$20
Economic Development and Planning	$16
Public Defender and Courts	$10
Shared Services	$9
Recreation and Culture	$3
Non-Departmental	**$516**

Departmental v. Non-Departmental Spending (2008-2014)

Municipality	2008	% Of	2010	% Of	2012	% Of	2014	% Of
Bridgeton	**$21,219,104**		**$21,608,463**		**$20,757,880**		**$22,012,608**	
Departmental	$13,875,051	65%	$14,649,951	68%	$13,315,626	64%	$14,605,549	66%
Non-Departmental	$7,344,053	35%	$6,958,512	32%	$7,442,254	36%	$7,407,059	34%
Clifton	**$105,729,898**		**$113,319,242**		**$107,838,405**		**$104,075,059**	
Departmental	$67,481,352	64%	$70,767,970	62%	$64,753,987	60%	$58,239,464	56%
Non-Departmental	$38,248,546	36%	$42,551,272	38%	$43,084,418	40%	$45,835,595	44%
Ewing	**$49,547,625**				**$40,460,121**		**$40,954,258**	
Departmental	$33,324,899	67%			$24,902,856	62%	$24,557,374	60%
Non-Departmental	$16,222,726	33%			$15,557,266	38%	$16,396,884	40%
Metuchen	**$15,481,572**		**$15,318,146**		**$15,061,783**		**$15,728,767**	
Departmental	$10,000,814	65%	$10,122,461	66%	$9,609,132	64%	$10,065,926	64%
Non-Departmental	$5,480,758	35%	$5,195,685	34%	$5,452,651	36%	$5,662,841	36%
Passaic	**$83,072,234**		**$87,249,283**		**$82,228,423**		**$78,695,082**	
Departmental	$53,543,975	64%	$56,791,873	65%	$50,315,592	61%	$49,212,829	63%
Non-Departmental	$29,528,259	36%	$30,457,410	35%	$31,912,831	39%	$29,482,253	37%
Perth Amboy	**$76,406,775**				**$70,951,081**		**$67,417,731**	
Departmental	$40,015,160	52%			$36,242,983	51%	$34,811,575	52%
Non-Departmental	$36,391,615	48%			$34,708,098	49%	$32,606,156	48%
Trenton	**$199,715,358**		**$196,246,386**		**$176,867,387**		**$173,969,718**	
Departmental	$116,901,165	59%	$116,746,528	59%	$90,799,282	51%	$88,366,538	51%
Non-Departmental	$82,814,193	41%	$79,499,858	41%	$86,068,105	49%	$85,603,181	49%
Wayne	**$77,289,025**		**$78,986,442**		**$77,971,059**		**$78,238,419**	
Departmental	$44,391,046	57%	$46,230,496	59%	$42,613,492	55%	$41,487,852	53%
Non-Departmental	$32,897,979	43%	$32,755,946	41%	$35,357,567	45%	$36,750,567	47%
West Windsor	**$37,501,644**		**$39,201,066**		**$37,416,529**		**$36,403,242**	
Departmental	$22,592,334	60%	$23,484,808	60%	$22,413,513	60%	$22,112,663	61%
Non-Departmental	$14,909,310	40%	$15,716,257	40%	$15,003,016	40%	$14,290,579	39%

Detail of 2014 Budget Spending (Actual)

Municipality	Spend	% of Total
Bridgeton City	**$22,012,608**	
Departmental	**$14,605,549**	**66%**
Public Safety	$8,517,359	58%
Public Works and Maint.	$1,724,767	12%
Finance and Tax	$1,087,891	7%
Unclassified	$1,081,933	7%
Administration	$629,824	4%
Recreation and Culture	$536,134	4%
Public Defender and Courts	$413,690	3%
Economic Development and Planning	$213,370	1%
Education	$196,928	1%
Shared Services	$107,342	1%
Health	$96,310	1%
Non-Departmental	**$7,407,059**	**34%**

Municipality	Spend	% of Total
Passaic City	**$78,695,082**	
Departmental	**$49,212,829**	**63%**
Public Safety	$30,308,506	62%
Public Works and Maint.	$7,944,900	16%
Finance and Tax	$2,594,057	5%
Administration	$1,837,028	4%
Unclassified	$1,778,340	4%
Recreation and Culture	$1,410,466	3%
Education	$1,159,551	2%
Public Defender and Courts	$990,337	2%
Health	$816,169	2%
Economic Development and Planning	$373,475	1%
Non-Departmental	**$29,482,253**	**37%**

Municipality	Spend	% of Total
Perth Amboy City	**$67,417,731**	
Departmental	**$34,811,575**	**52%**
Public Safety	$18,430,058	53%
Public Works and Maint.	$6,444,747	19%
Unclassified	$2,468,132	7%
Administration	$2,205,106	6%
Education	$1,210,671	3%
Recreation and Culture	$1,143,387	3%
Finance and Tax	$1,075,162	3%
Health	$893,635	3%
Public Defender and Courts	$794,080	2%
Economic Development and Planning	$146,598	0%
Non-Departmental	**$32,606,156**	**48%**

Municipality	Spend	% of Total
Trenton City	**$173,969,718**	
Departmental	**$88,366,538**	**51%**
Public Safety	$49,713,758	56%
Public Works and Maint.	$13,704,663	16%
Administration	$7,384,046	8%
Finance and Tax	$4,714,773	5%
Unclassified	$4,631,050	5%
Health	$2,191,268	2%
Public Defender and Courts	$2,101,025	2%
Education	$1,909,828	2%
Recreation and Culture	$949,453	1%
Shared Services	$815,900	1%
Economic Development and Planning	$250,772	0%
Non-Departmental	**$85,603,181**	**49%**

Select Services as % of Dept. Spend

Municipality	Public Safety + DPW as % of Dept. Spend
Passaic	78%
West Windsor	77%
Clifton	77%
Trenton	72%
Perth Amboy	71%
Metuchen	71%
Ewing	71%
Wayne	71%
Bridgeton	70%
Partner City Avg.	73%
Comparison City Avg.	73%

Municipality	Public Safety as % of Dept. Spend
Passaic	62%
Clifton	61%
Bridgeton	58%
Trenton	56%
Perth Amboy	53%
Ewing	49%
Wayne	46%
West Windsor	37%
Metuchen	36%
Partner City Avg.	57%
Comparison City Avg.	46%

Municipality	% of Dept. Spend on Police Functions
Bridgeton	25%
Wayne	23%
Passaic	22%
Ewing	22%
Metuchen	20%
Clifton	19%
Perth Amboy	18%
West Windsor	17%
Trenton	16%
Partner City Avg.	20%
Comparison City Avg.	20%

Municipality	% of Dept. Spend on Fire Functions
Clifton	15%
Bridgeton	13%
Trenton	12%
Passaic	12%
Perth Amboy	8%
West Windsor	5%
Ewing	5%
Metuchen	3%
Wayne	1%
Partner City Avg.	11%
Comparison City Avg.	6%

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