

Federal Programs Lift Latinos Out of Poverty: Spotlight on New Jersey

For more than 50 years, anti-poverty programs have helped ensure that working families are lifted out of poverty when times are tough or their wages are too low for them to be able to make ends meet. This fact sheet provides evidence of the strong anti-poverty effect of selected supports in New Jersey, including the number or share of New Jersey Latinos participating and lifted out of poverty.

Latinos* represent one in six Americans and are poised to shape the nation's future as one of the fastest-growing segments of the population.¹ In New Jersey today, the Hispanic population stands at approximately two million, accounting for about one in five people in the state.² The Hispanic community's work ethic and resilience have contributed to the state's economic resurgence following the Great Recession.³ Nevertheless, a considerable portion of Latinos continue to lag behind, struggling to put food on their tables and a roof over their heads. In 2015, about 28% of Latinos in New Jersey were living under the

supplemental poverty threshold,[†] compared to 15% of New Jersey residents overall.⁴

For more than 50 years, anti-poverty programs have helped ensure that working families are lifted out of poverty when times are tough or their wages are too low for them to be able to make ends meet. These programs are collectively known as the "social safety net" and are at risk. The Congressional budget aims to undermine these programs by imposing unprecedented cuts to fund tax breaks for both corporations and the extremely wealthy on the backs of the most

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

† In this analysis, the poverty rate and number of people in poverty is based on the U.S. Census Bureau's Supplemental Poverty Measure (SPM), which extends the official poverty measure by taking into consideration many of the government programs (i.e., tax credits and noncash transfers) designed to assist low-income individuals who are not included in the current official poverty measure. While the Census SPM provides a more complete view of the anti-poverty effect of government transfers than the official measure, the SPM still understates these effects because households in Census surveys tend to underreport their income from government programs. For more information about underreporting in the SPM, see Arloc Sherman and Danilo Trisi, "Safety Net More Effective Against Poverty Than Previously Thought," Center on Budget and Policy Priorities, May 6, 2015.

vulnerable members of our communities.⁵ Proposed cuts to these programs would have a significant effect on the millions of Latinos who struggle to make ends meet, including the estimated 460,000 Hispanics in New Jersey who live under the supplemental poverty threshold.⁶ Using data from the U.S. Census Supplemental Poverty Measure, this fact sheet provides evidence of the strong anti-poverty effect of selected supports in New Jersey, including the number or share of New Jersey Latinos participating and lifted out of poverty.

Federal Refundable Tax Credits

The Earned Income Tax Credit (EITC) and Child Tax Credit (CTC) are federal tax credits for low- and moderate-income workers. The EITC encourages and rewards work—a worker's EITC grows with each additional dollar of earnings until their income qualifies for the maximum value of the credit. The CTC helps working families cover the cost of raising children.

Earned Income Tax Credit

In tax year 2016, approximately 593,000 tax filers in New Jersey received \$1.4 billion worth of tax credits through the EITC, and the latest Census data show that 31% of EITC beneficiaries were Latino.⁷

EITC lifted approximately 69,000 New Jersey Latinos out of poverty in 2015.⁸

Child Tax Credit

In tax year 2014, approximately 446,000 tax filers in New Jersey received \$570 million worth of tax credits through the refundable portion of the CTC, and the latest Census data show that 43% of CTC beneficiaries were Latino.⁹

CTC lifted approximately 32,000 New Jersey Latinos out of poverty in 2015.¹⁰

Federal Anti-Poverty Programs

Every American family needs an adequate diet, decent home, and stable living environment. Federal programs that provide nutrition assistance, create and preserve affordable

housing, and help cover utilities are critical pillars of our nation's social safety net.

Supplemental Nutrition Assistance Program (SNAP)

In February 2017, approximately 411,000 New Jersey households received food assistance through SNAP, and the latest Census data show that 38% of SNAP households were Latino.¹¹

SNAP lifted approximately 55,000 New Jersey Latinos out of poverty in 2015.¹²

Rental Assistance

Of the approximately 154,000 New Jersey households receiving federal rental assistance in 2016, approximately 42,000 (27%) were Latino households.¹³

Rental assistance lifted approximately 45,000 New Jersey Latinos out of poverty in 2015.¹⁴

Supplemental Security Income (SSI)

As of December 2016, there were approximately 182,000 New Jersey residents receiving SSI benefits, and the latest Census data show that 22% of SSI households were Latino.¹⁵

SSI benefits lifted approximately 26,000 New Jersey Latinos out of poverty in 2015.¹⁶

Temporary Assistance for Needy Families (TANF)

Of the approximately 57,000 New Jersey residents receiving TANF in fiscal year 2015, 32% were Latino.¹⁷

TANF benefits lifted approximately 7,000 New Jersey Latinos out of poverty in 2015.¹⁸

Low Income Home Energy Assistance Program (LIHEAP)

Approximately 274,000 New Jersey households received federal help to pay their energy bills in fiscal year 2016.¹⁹

LIHEAP benefits lifted approximately 4,000 New Jersey Latinos out of poverty in 2015.²⁰

Endnotes

The data in this report comes from the most complete data sets available. As such, data points and comparison years may vary throughout this report. All sources accessed November 2017.

- 1 U.S. Census Bureau, "American FactFinder: Selected Population Profile in the United States: 2016 American Community Survey 1-Year Estimates," https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_S0201&prodType=table,Table_S0201.
- 2 Ibid.
- 3 Renato Rocha, "Latinos in New Jersey: Protecting and Defending Progress in the Garden State" (Washington, DC: UnidosUS, 2017), <http://publications.unidosus.org/handle/123456789/1735>.
- 4 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files <https://www.census.gov/programs-surveys/cps.html>.
- 5 UnidosUS, "Fiscal Year 2018 Federal Budget: A Preliminary Assessment of the President's Request" (Washington, DC: UnidosUS, 2017), http://publications.unidosus.org/bitstream/handle/123456789/1724/ncir_budgetassessment.pdf?sequence=4&isAllowed=y.
- 6 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files <https://www.census.gov/programs-surveys/cps.html>.
- 7 Internal Revenue Service, "Statistics for Tax Returns with EITC" (Washington, DC: IRS, 2017) <https://www.irs.gov/eitc-central/statistics-for-tax-returns-with-eitc/statistics-for-tax-returns-with-eitc>; and UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016).
- 8 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 9 Center on Budget and Policy Priorities (CBPP) analysis of Internal Revenue Service Child Tax Credit statistics; and Center on Budget and Policy Priorities (CBPP) analysis of 2013-2015 American Community Survey 3-Year Estimates.
- 10 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 11 United States Department of Agriculture, "National and/or State Level Monthly and/or Annual Data" (Washington, DC: USDA, 2017) <https://www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap>; and Center on Budget and Policy Priorities analysis of 2013-2015 American Community Survey 3-Year Estimates.
- 12 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 13 CBPP tabulation of Department of Housing and Urban Development (HUD) 2016 administrative data, produced by arrangement with HUD.
- 14 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 15 Social Security Administration, "Research, Statistics, and Policy Analysis" (Washington, DC: SSA, 2017) https://www.ssa.gov/policy/docs/factsheets/cong_stats/; and Center on Budget and Policy Priorities analysis of 2015 American Community Survey 1-Year Estimates.
- 16 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 17 Department of Health and Human Services, "Characteristics and Financial Circumstances of TANF Recipients, FY 2015" (Washington, DC: HHS, 2016) https://www.acf.hhs.gov/sites/default/files/ofa/characteristics_and_financial_circumstances_of_tanf_recipients.pdf.
- 18 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.
- 19 National Energy Assistance Directors' Association, "LIHEAP Long Form Data Reports" (Washington, DC: NEADA, 2016); and UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files.
- 20 UnidosUS analysis of 2016 data from Census Bureau's Current Population Survey, Annual Social and Economic Supplement & Supplemental Poverty Measure public use files (Washington, DC: Census, 2016) <https://www.census.gov/programs-surveys/cps.html>.