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*This poll was conducted by the
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NEW JERSEY FAMILIES ON KNIFE'S EDGE

Many households need two incomes to make ends meet

New Jersey income levels may be among the highest in the country, but most families say that their earnings can't keep up with the rising cost of living in the Garden State. According to the latest *Monmouth University/New Jersey Monthly Poll*, many of the state's households require multiple incomes to keep afloat and fewer than half have saved enough money to cover their living expenses in an emergency.

Overall, 6-in-10 New Jerseyans (59%) say that their family's income is falling behind the cost of living. Only 30% say they are keeping pace with the cost of living and just 6% say their incomes are rising faster than the cost of living. In a national poll conducted by the Pew Research Center last fall, only 40% of Americans felt they were falling behind, while 44% said they were keeping pace with the cost of living and 12% were getting ahead.

As may be expected, those in the lower income tiers are more likely to feel they are falling behind. Fully 72% of New Jersey households earning below \$50,000 a year and 64% of those earning between \$50,000 and \$100,000 say their incomes are not able to keep pace with the cost of living. This compares to 44% of those earning more than \$100,000 who say the same.

While upper income residents are less likely to feel their earnings are falling behind, a comparison to national poll results indicates that New Jersey's wealthier residents do not feel nearly as comfortable as other Americans in the same income bracket. In New Jersey, only 13% of those earning more than \$100,000 say their income stays ahead of the cost of living. This is less than half the number (29%) of Americans with similar incomes who say their family's income is going up faster than the cost of living. In New Jersey, 40% of \$100,000+ earners say they are at least keeping pace with the cost of living, compared to a majority (53%) of Americans in the same income tier. And while 44% of upper

income New Jerseyans say they are falling behind the cost of living, only 17% of Americans with a similar earning level feel the same.

“The rising cost of living in New Jersey is a major problem for families at every income level,” commented Patrick Murray, director of the Monmouth University Polling Institute. “In fact, the large number of upper income families in the Garden State who feel they can’t make ends meet is something you just don’t see in the country as a whole.”

The survey found that most households earning more than \$100,000 require a second income to reach that level. Overall, 46% of New Jersey households have two or more incomes. This includes 29% of those earning below \$50,000 a year, 48% of those earning \$50,000 to \$100,000, and 72% of those earning more than \$100,000.

When asked why they have more than one earner, fully two-thirds (67%) respond that they need the money to meet their monthly living expenses. This far surpasses other reasons, such as putting money into savings (8%), paying for educational costs (7%), paying for child care (3%), or to obtain health care coverage (5%). Few multiple income households report reasons other than financial need – just 11% say the extra income or job is to pay for luxuries and 8% report that career interest is the driving force behind having two income earners in their household.

Many financial advisors recommend that families maintain a savings account to be used for living expenses if an emergency should arise. However, only 43% of New Jerseyans report that they have saved enough money to pay their household expenses for six months in case they lost their job. This finding is the same whether a household has multiple income earners (41%) or not (46%). Those in the lower income tiers below \$50,000 (31%) or \$50,000 to \$100,000 (41%) are less likely than those earning over \$100,000 (65%) to have put enough money aside for a rainy day.

This poll was conducted by the Monmouth University Polling Institute by telephone with 804 New Jersey adults April 12-16, 2007. This sample has a margin of error of ± 3.5 percent. These poll results are featured in the July 2007 issue of *New Jersey Monthly* magazine.

DATA TABLES

1. Do you think your family’s income is going up faster than the cost of living, staying about even with the cost of living, or falling behind the cost of living?

	TOTAL	INCOME			National Comparison Pew Research Center Oct. 18-Nov. 9, 2006
		< \$50K	\$50 to \$100K	>\$100K	
Income going up faster	6%	4%	4%	13%	12%
Staying about even	30%	21%	30%	40%	44%
Falling behind	59%	72%	64%	44%	40%
Don't know	5%	3%	2%	3%	4%
Unwtd N	804	190	247	245	2,000

2. Do you have more than one-income earner in your household, or someone has more than one job?

	TOTAL	INCOME		
		< \$50K	\$50 to \$100K	>\$100K
YES, more than one income earner	32%	15%	34%	55%
YES, someone has multiple jobs	7%	11%	6%	4%
YES, both	7%	3%	8%	13%
No, neither	54%	71%	52%	27%
<i>Unwtd N</i>	804	190	247	245

3. What are the main reasons your family has that extra income or job? [ASKED OF THOSE WITH MULTIPLE INCOMES. MORE THAN ONE RESPONSE ACCEPTED]

	TOTAL	INCOME	
		\$100K or less	>\$100K
Pay monthly living expenses	67%	79%	52%
Extra income for luxuries, trips	11%	6%	18%
Career-oriented, keep busy	8%	4%	13%
Save money	8%	7%	13%
College, education costs	7%	7%	10%
Health care coverage	5%	8%	3%
Pay child care	3%	3%	3%
No answer	5%	4%	5%
<i>Unwtd N</i>	398	170	178

4. Do you have enough money saved so that you could pay your household expenses for at least six months in case you lost your job or income, or do you not have enough saved for this at this time?

	TOTAL	INCOME			TWO-INCOME HOUSEHOLD	
		< \$50K	\$50 to \$100K	>\$100K	Yes	No
Have enough saved	43%	31%	41%	65%	41%	46%
Not enough	52%	68%	57%	32%	56%	49%
Don't know	5%	2%	2%	2%	3%	5%
<i>Unwtd N</i>	804	190	247	245	398	400

Results for this poll are based on telephone interviews conducted by the Monmouth University Polling Institute on April 12-16, 2007 with a statewide random sample of 804 adult residents. For results based on the total sample, one can say with 95% confidence that the error attributable to sampling has a maximum margin of plus or minus 3.5 percentage points. Sampling error increases as the sample size decreases, so statements based on various population subgroups, such as separate figures reported by gender or party identification, are subject to more error than are statements based on the total sample. In addition to sampling error, one should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls.

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