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WEALTHIER NEW JERSEYANS CREDIT HOMETOWNS NOT STATE FOR BETTER QUALITY OF LIFE

Wealth matters. Not just for how New Jerseyans view their own personal well-being, but in how they perceive the quality of life offered by their home state. In the third installment of a series on the Garden State's Quality of Life, the *Monmouth University Poll* focuses on how income relates to life satisfaction in New Jersey.

As may be expected, higher income earners have a better outlook on life and feel more secure. For example, 93% of those earning more than \$150,000 a year say their personal finances are good, compared to 48% of those earning less than \$25,000. And while they have higher opinions of the quality of life offered in their corner of the Garden State, they are no more likely than lower income residents to feel affection for the state as a whole.

The Monmouth University Poll's Garden State Quality of Life Index shows a wide disparity based on household income. Those earning less than \$75,000 a year tend to score lower than the statewide average of +21 (on a scale -100 to +100), while those earning more score higher. Specifically, residents with household incomes below \$25,000 score +11 on the Garden State Quality of Life Index, those earning between \$25,000 and \$75,000 score +18, those earning \$75,000 to \$100,000 score +25, those earning \$100,000 to \$150,000 score +30, and those earning \$150,000 or more score +32.

Garden State Quality of Life Index	
All New Jerseyans	+21
<i>by Income</i>	
<\$25K	+11
\$25K to \$50K	+18
\$50K to \$75K	+18
\$75K to \$100K	+25
\$100K to \$150K	+30
\$150K+	+32

The Monmouth University Poll's Garden State Quality of Life Index is comprised of two major components – ratings of the state as a whole and ratings of one's hometown and local area. It is interesting to note that the income level variations in the index are based largely on how residents view their own corner of New Jersey rather than the state as a whole.

Specifically, when asked to rate New Jersey as a place to live, between 59% and 69% of New Jerseyans give a positive rating of excellent or good, regardless of income level. However, when asked to

rate their own hometown, the disparity grows to a wider range of 57% positive among the lowest income earners (under \$25,000) to 85% positive for the highest income category in the survey (\$150,000 or more). Furthermore, when asked to rate their local area on a variety of issues ranging from safety to economic opportunities to the availability of cultural programs and health care, there is a clear income-based relationship. While nearly half of New Jerseyans earning over \$150,000 (49%) score high on the poll’s Local Area Rating index, significantly fewer of those earning less than \$25,000 (29%) have a similar positive score.

One somewhat alarming trend is that higher income earners are more likely than less well-off residents to say that they would like to leave the state someday. The break point for this opinion seems to occur at the \$75,000 mark. Nearly 6-in-10 residents earning above that amount say they would like to leave the state, compared to nearly half of those who earn less. There would be a clear impact on the state’s tax base if higher income earners follow through and leave the state while lower income earners stay. As such, this is a metric that deserves close monitoring in the coming years.

“One of the more significant findings in this study is that higher income residents appear more likely to credit their hometowns and local areas rather than the state for their overall quality of life,” said Patrick Murray, director of the Monmouth University Polling Institute. “This group is also more likely to express a desire to leave the state. If they do, it could have major policy implications for the life quality of future generations of Garden State residents.”

New Jersey Quality of Life Metrics				
	New Jersey is a good place to live	Hometown is a good place to live	High local area rating index	Would like to leave New Jersey
< \$25K	60%	57%	29%	44%
\$25K to \$50K	60%	66%	35%	50%
\$50K to \$75K	59%	69%	37%	49%
\$75K to \$100K	65%	79%	37%	58%
\$100K to \$150K	69%	83%	44%	55%
\$150K+	65%	85%	49%	59%

Income plays little role, though, when residents evaluate whether they are getting their money’s worth for their local taxes. Only about 1-in-3 New Jerseyans feel the quality of their local services is worth the taxes they pay. That number varies by only a few points – from just 29% to 36% – across income categories.

There is a significant difference, though, when residents are asked if they themselves could afford to buy a home in their neighborhood on their current salary. More than 6-in-10 residents earning six

figure salaries say they could (67% for \$150,000 or more and 62% for \$100,000 to \$150,000), dropping to 42% of those making \$75,000 to \$100,000, 28% making \$50,000 to \$75,000, 13% making \$25,000 to \$50,000, and just 5% of those earning less than \$25,000 a year.

Among New Jerseyans who currently own a home that carries a mortgage, 44% say they could afford buying a home in their neighborhood today. However, only 30% of those who own their homes outright say the same. It is important to note that more than half the people who own their houses outright are retired, which probably contributes to the lower number. Most renters will likely keep renting for the foreseeable future, as only 11% say they could afford to buy a home in their community on their current salary.

A more comprehensive description of the survey results by residents' income level can be found in the full Monmouth University Polling Institute report, available at: http://www.monmouth.edu/polling/admin/polls/NJQualityofLife_Income_July2011.pdf .

Funding for the Garden State Quality of Life project was provided by the Plangere Foundation, New Jersey Resources, First Energy Corporation, and sanofi-aventis.

Survey Methodology: The *Garden State Quality of Life* survey was conducted by the Monmouth University Polling Institute from December 1 to 15, 2010 with a statewide random sample of 2,864 adult residents. Sampling and live telephone interviewing services were provided by Braun Research, Inc. Smaller counties were oversampled so that the final survey included at least 100 survey respondents from each of New Jersey's 21 counties. Racial and ethnic minorities were also oversampled by screening for appropriate respondents in areas of minority population concentration. The survey results were then weighted to accurately reflect the New Jersey adult population for gender, age, education, race, and county.

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 1.8 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. The sampling error for the various income level sub-groups discussed in this report ranges from $\pm 4.5\%$ to $\pm 5.7\%$. 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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The Garden State's Quality of Life

A survey of New Jersey residents

New Jersey's Quality of Life Varies by Income

by Thomas Lamatsch, Assistant Director
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Introduction

New Jersey is one of the richest states in the union, but it is also a state of economic extremes. While 1-in-10 New Jerseyans have household incomes in excess of \$150,000, nearly 1-in-5 have to live on household incomes under \$25,000. Like the rest of America, employment is a major issue in the state. As of May 2011, 9.4% of the New Jersey workforce was looking for a job according to official statistics. The unemployment rates of 2010 and 2011 were the worst in the past two decades. These numbers, of course, do not include the scores of New Jerseyans who are underemployed or have simply given up looking for a new job altogether.

A key indicator for how well New Jersey is doing is the Garden State Quality of Life Index designed by the Monmouth University Polling Institute. The index is a combined evaluation of the state, residents' hometowns, local schools, the environment, and crime that ranges from -100 to +100. Income is clearly a factor in how residents view their state's quality of life. Those earning less than \$25,000 have a clearly more negative view (+11) than the state average, while those with incomes between \$25,000 and \$75,000 (+18) are very close to the state average. For those with household incomes of \$75,000 to \$100,000, the outlook is a little more positive (+25). Those earning six figure salaries have even better opinions of New Jersey, or at least their corner of it. Those making \$100,000 to \$150,000 score +30 and those making \$150,000 or more score +32 on the Garden State Quality of Life Index.

Garden State Quality of Life Index	
All New Jerseyans	+21
By Income	
<\$25K	+11
\$25K to \$50K	+18
\$50K to \$75K	+18
\$75K to \$100K	+25
\$100K to \$150K	+30
\$150K+	+32
By Occupation	
Homemaker	+33
Student	+24
Retired	+23
Employed	+21
Out-of-work	+15

There are also some differences by employment status. Homemakers (+33) are the most positive about the Garden State's Quality of Life, followed by students (+24), retired and

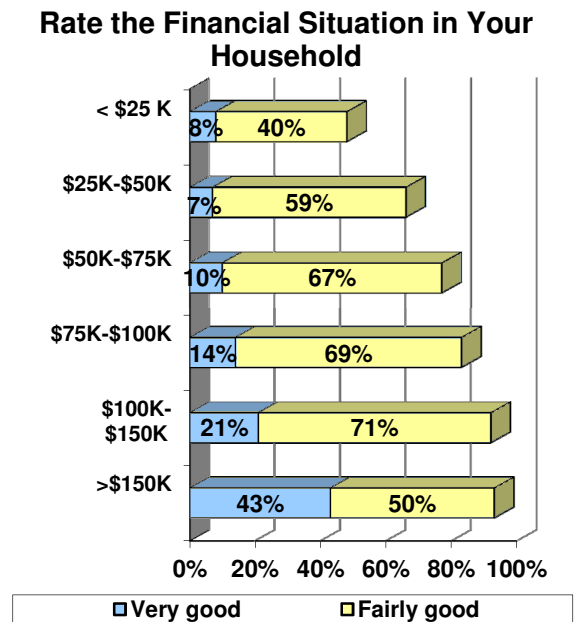
disabled New Jerseyans (+23), employed residents (+21) and finally those out of work (+15). While one may expect people currently looking for work to have a somewhat more negative outlook, it is interesting that working New Jerseyans score at the state average while homemakers score a full 12 points over the state average.

The survey noted differences among other groups related to income. For example, renters have a Garden State Quality of Life Index score of +16, several points lower than homeowners with mortgages (+23) and residents who own their homes outright (+25). However, among renters, 68% have household incomes of less than \$50,000. Among homeowners who own their home outright, that number drops to 45% and among mortgage holders it is only 21%.

Looking only at those making less than \$50,000, a different picture emerges. Lower income New Jerseyans who own their home outright (+25) are more positive. Low income renters (+13) are below the state average, but they still have a more positive opinion than low income homeowners with a mortgage (+10). It appears that the sagging housing market has an impact on views of the Garden State among those who perhaps cannot recoup their current investment.

Financial Situation of the Household

Residents were asked to rate their current financial situation. Not surprisingly, the answer depends on work status and income. About 4-in-5 retired (80%) and employed (79%) New Jerseyans rate their household financial situation as either very good or fairly good, with homemakers and students (74%) sharing this positive view. However, only a little over half (55%) of unemployed New Jerseyans feel the same. The differences are even larger when analyzing residents by income level. Just under half (48%) of those households with incomes of less than \$25,000 say their household situation is good, while almost all (93%) of those with incomes over \$150,000 feel that way.



When asked directly if they have trouble making ends meet, one-third (33%) of those currently out of work report that they do. Only 17% of homemakers and students, 13% of employed residents, and 12% of retired or disabled New Jerseyans say the same.

Lower income New Jerseyans are more likely to say that they are having trouble making ends meet, though perhaps not to as great a degree as some would expect. Among those making less than \$25,000, only 36% say they are having trouble making ends meet and only 26% of those making \$25,000 to \$50,000 state the same. The number drops to just over 1-in-10 (12%) for people making between \$50,000 and \$75,000, and less than 1-in-10 for higher income residents.

In some cases, not being able to make ends meet can mean that residents had to forego needed health care in the past 5 years because they could not afford it. About 1-in-3 residents making less than \$50,000 have been in that situation. While this happens less often as income rises, even among the top earners almost 1-in-10 have not gone for needed healthcare because they felt they were unable to afford it.

The Monmouth University Polling Institute created a Personal Life Satisfaction Index. This index brings together a number of issues ranging from perceptions of financial success to how much a person feels at home in their community to the amount of time spent with their family (*see appendix for details*). As one would expect, life satisfaction is higher among higher income groups. Among those with household incomes of more than \$150,000 a year, 41% enjoy high life satisfaction. This number then steadily declines to 18% for those making less than \$25,000 a year. While the difference by income may not be surprising, it's worth noting that financial success alone does not guarantee personal life satisfaction.

Personal Life Satisfaction Index			
	Low	Moderate	High
<\$25K	38%	44%	18%
\$25K to \$50K	36%	40%	24%
\$50K to \$75K	29%	45%	25%
\$75K to \$100K	23%	47%	30%
\$100K to \$150K	17%	48%	35%
\$150K+	14%	45%	41%

Homeowners who own their homes outright are the most likely (46%) to have high life satisfaction, followed by homeowners with a mortgage (29%), and finally renters (18%). As mentioned earlier, renters tend to have lower incomes, which needs to be taken into consideration when looking at these numbers. Clearly though, owning a house outright gives

New Jerseyans some security and they are more likely to have high life satisfaction than the group of top household income earners.

Overall Rating of the State

While income and employment status have a significant impact on one’s Garden State Quality of Life Index score, there is very little income-based difference in views of the state as a place to live. Between 59% and 69% of New Jerseyans consider the state an excellent or good place to live, regardless of income. This means that the income-based variations observed in the Garden State Quality of Life Index are due mainly to differences in local evaluations (hometown, local environment, schools and neighborhood crime) rather than the state as a whole.

Rate NJ as a Place to Live	
<i>Those saying excellent or good:</i>	
< \$25K	60%
\$25K to \$50K	60%
\$50K to \$75K	59%
\$75K to \$100K	65%
\$100K to \$150K	69%
\$150K+	65%

Therefore, one somewhat alarming trend is that higher income earners are more likely to say that they would like to leave the state someday. The cut-off seems to come at the \$75,000 mark. Nearly 6-in-10 residents earning above that amount say they would like to leave the state, compared to nearly half of those who earn less. There would be a clear impact on the state’s tax base if higher income earners follow through and leave the state while lower income earners stay.

Would Like to Move Out of NJ	
< \$25K	44%
\$25K to \$50K	50%
\$50K to \$75K	49%
\$75K to \$100K	58%
\$100K to \$150K	55%
\$150K+	59%

As such, this is a metric that deserves close monitoring in the coming years.

State versus Hometown

Unlike the state rating, there is a clear income based trend when residents evaluate their hometowns which has a greater impact on differences observed in the Garden State Quality of Life Index. Wealthier residents are significantly more likely than the lowest income earners to rate their hometown positively. Among those earning six figure incomes,

Rate your Hometown	
<i>Those saying excellent or good:</i>	
< \$25K	57%
\$25K to \$50K	66%
\$50K to \$75K	69%
\$75K to \$100K	79%
\$100K to \$150K	83%
\$150K+	85%

more than 8-in-10 rate their town as an excellent or good place to live. This number steadily decreases to bottom out at 57% among those with household incomes under \$25,000.

The Monmouth University Polling Institute created a Local Area Rating Index based on 15 different questions where residents rated their local area on a wide variety of issues ranging from safety to economic opportunities to the availability of cultural programs and health care (*see appendix for details*). There is a clear income-based relationship for this index. While nearly half of New Jerseyans earning over \$150,000 (49%) score high on this index, just over half of those earning less than \$25,000 (51%) have a low Local Area Rating Index score.

Local Area Rating Index			
	Low	Moderate	High
< \$25K	51%	20%	29%
\$25K to \$50K	46%	19%	35%
\$50K to \$75K	44%	19%	37%
\$75K to \$100K	37%	27%	37%
\$100K to \$150K	26%	30%	44%
\$150K+	26%	25%	49%

When asked specifically about the availability of good paying jobs in their part of the state, those who are currently employed are more likely to rate the availability as excellent or good, but not by much. About 4-in-10 (38%) employed New Jerseyans share that opinion compared to 20% of those who are out of work. While almost twice as many employed residents see this situation in a positive light, it is important to note that less than 4-in-10 employed New Jerseyans actually have a positive opinion on the availability of good paying jobs in their part of state.

Income plays little role, though, when residents evaluate whether they are getting their money’s worth for their local taxes. Only about 1-in-3 New Jerseyans feel the quality of their local services is worth the taxes they pay. That number varies by only a few points – from just 29% to 36% – across income categories. Since renters only pay their property taxes indirectly one could expect that homeownership status might make a difference. However, there is no clear trend here either. Among those owning their houses outright, 40% think they are getting their money’s worth, an opinion shared by 36% of renters, and 29% of homeowners with mortgages.

Interestingly, there is also no difference in opinion by income level when New Jerseyans are asked about the availability of affordable housing in their area. Across all income categories, fewer than 1-in-3 residents rate the availability of affordable housing in their area as either excellent or good.

There is a significant difference, though, when residents are asked if they themselves could afford to buy a home in their neighborhood on their current salary. More than 6-in-10 residents earning six figure salaries say they could, dropping to 42% of those making \$75,000 to \$100,000, 28% making \$50,000 to \$75,000, 13% making \$25,000 to \$50,000, and just 5% of those earning less than \$25,000 a year. Among those who own a home with a mortgage, 44% say they could afford buying a home in their neighborhood today, but only 30% of those who own their homes outright say the same. It is important to note here that more than half the people who own their houses outright are retired, which probably contributes to the lower number. Most renters will likely keep renting for the foreseeable future, as only 11% say they could afford to buy a home in their community on their current salary.

Could Afford to Purchase a Home in Your Town	
< \$25K	5%
\$25K to \$50K	13%
\$50K to \$75K	28%
\$75K to \$100K	42%
\$100K to \$150K	62%
\$150K+	67%
By Homeowner Status	
Own with a mortgage	44%
Own outright	30%
Rent	11%

Income and perceptions of neighborhood safety are closely related. When asked how safe they would feel to go out in their neighborhood at night, 81% of those with household incomes over \$150,000 say they feel very safe. The number steadily declines to just 40% of those with household incomes under \$25,000.

While household income impacts the perception of safety of a resident’s neighborhood, it has almost no impact on how they feel about their neighbors. The Monmouth University Polling Institute took six questions, including items such as being able to ask a neighbor for help and how often neighbors talk to each other to create a Neighborliness Index (*see appendix for details*). About 1-in-3 New Jerseyans have a positive opinion across all income categories. Homeownership status, however, matters. While more than 1-in-3 homeowners (35%) have a positive view, only 24% of renters do.

Cultural and Recreational Activities

About 2-in-3 New Jerseyans think the availability of cultural and recreational activities offered in their area is either excellent or good. The most popular activity across all income categories is strolling through a downtown area. About 3-in-4 lower income New Jerseyans and 9-in-10 upper income New Jerseyans have strolled through a downtown area in the past year.

Taking a drive in the country is also very popular, ranging from nearly 6-in-10 lower income New Jerseyans having done this in the past year to more than 8-in-10 higher income residents. Slightly less popular activities are attending concerts or plays, and visiting farms ranging from about 4-in-10 lower income residents participating to about 2-in-3 higher income New Jerseyans. Finally, taking vacations in the state, going to ballgames and visiting museums are enjoyed by only 1-in-4 lower income New Jerseyans to just under half of upper income New Jerseyans.

Activities Participated in New Jersey						
	<\$25K	\$25K to \$50K	\$50K to \$75K	\$75K to \$100K	\$100K to \$150K	\$150+
Strolled through a downtown	68%	74%	75%	81%	86%	88%
Took a drive in the country	54%	63%	70%	79%	82%	78%
Visited a historical site	32%	48%	61%	59%	64%	63%
Attended a concert or play	40%	44%	51%	62%	67%	65%
Visited a farm	35%	46%	52%	57%	61%	62%
Took a vacation	25%	40%	43%	43%	48%	46%
Gone to a ball game	28%	31%	33%	41%	46%	52%
Gone to an amusement park	40%	45%	47%	50%	45%	48%
Visited museum	25%	33%	41%	38%	40%	47%

New Jerseyans with higher incomes more actively participate across all cultural and recreational activities in state. For all but one of these activities, there is a 20 to 29 percentage point difference in participation rates between the highest and lowest income levels. While that may be expected for paid activities such as attending a concert or a ballgame, or taking a vacation, those with higher household incomes are also more likely to partake in low or no cost activities, such as strolling through a downtown area or visiting a historical site.

One significant exception to this relationship is visiting an amusement park. This activity seems to be similarly popular among all income groups. The survey results indicate that older residents tend to have lower incomes. They are also less likely to visit amusement parks. Among younger New Jerseyans, though, the lack of an income-related effect on this activity remains. Specifically, between 50% and 55% of those under the age of 55, regardless of their household income, have visited an amusement park in the past year.

Conclusion

Income and employment status matters, not just for how New Jerseyans view their own personal well-being, but in how they perceive the quality of life offered by their home state. As may be expected, higher income earners have a better outlook on life and feel more secure. They are also more likely to take advantage of the state's cultural and recreational activities, even those that cost little money. And while they have higher opinions of the quality of life offered by their corner of the Garden State, they are no more likely than lower income residents to feel affection for the state as a whole.

On the other hand, income does not seem to have an effect on how people feel about their neighbors. Despite feeling less safe in their neighborhoods at night, lower income New Jerseyans basically have the same view of how neighborly their community is as more affluent New Jerseyans.

In some ways, New Jersey is no different than any other place when it comes to income disparities. It is a surprise to no one that higher income New Jerseyans enjoy a better life than those with lower incomes. What is interesting from this study, though, is that higher income residents appear more likely to credit their hometowns and local areas rather than the state for their overall quality of life. This group is also more likely to express a desire to want to leave the state. If they do, it could have significant policy implications for the quality of life of future generations of Garden State residents.

This report is the third in a series of Monmouth University Polling Institute reports on state residents' perceptions of New Jersey's quality of life.

The full set of survey results and methodology for the statewide sample can be found in the initial report, "**The Garden State's Quality of Life: A survey of New Jersey residents**," available at http://www.monmouth.edu/polling/admin/polls/MonmouthU_NJQualityofLife_April2011.pdf.

Funding for the Garden State Quality of Life project was provided by the Plangere Foundation, New Jersey Resources, First Energy Corporation, and sanofi-aventis

APPENDIX

Survey Methodology: The *Garden State Quality of Life* survey was conducted by the Monmouth University Polling Institute from December 1 to 15, 2010 with a statewide random sample of 2,864 adult residents. Sampling and live telephone interviewing services were provided by Braun Research, Inc. Smaller counties were oversampled so that the final survey included at least 100 survey respondents from each of New Jersey's 21 counties. Racial and ethnic minorities were also oversampled by screening for appropriate respondents in areas of minority population concentration. The survey results were then weighted to accurately reflect the New Jersey adult population for gender, age, education, race, and county.

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 1.8 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. The sampling error for the various income level sub-groups discussed in this report ranges from $\pm 4.5\%$ to $\pm 5.7\%$. 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.

Garden State Quality of Life Index:

- Overall, how would you rate New Jersey as a place to live – excellent, good, only fair, or poor?
- How would you rate your town or city as a place to live – excellent, good, only fair, or poor?
- How would you rate the quality of the environment in your area – excellent, good, only fair, or poor?
- How would you rate the job your local schools are doing - excellent, good, only fair, or poor?
- How safe do you feel in your neighborhood at night – very safe, somewhat safe, or not at all safe?

Life Satisfaction Index:

- For this question, please think about a picture of a ladder. Suppose that the top of the ladder represents the best possible life for you, and the bottom represents the worst possible life for you. If the top step is "10" and the bottom step is "0", on which step of the ladder do you feel you personally stand at the present time?
- I'm going to read you a few statements. For each one please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.
 - I have enough time to spend with my family
 - I stay up at night worrying how to make ends meet
 - I find myself wishing I could live somewhere else
 - I feel like I belong in my community

Local Area Index:

- How would you rate your town or city as a place to live - excellent, good, only fair, or poor?
- Now, I'd like your opinion of some different aspects of life in the area where you live. For each one I read, please tell me whether you would rate it as excellent, good, only fair, or poor
 - The quality of the environment
 - The amount of building and development
 - The condition of local roads
 - Traffic
 - Access to public transportation
 - The availability of good-paying jobs
 - The availability of affordable housing
 - The availability of cultural and recreational activities
 - Personal safety and crime
 - Race relations
 - Providing programs for the needy
 - Access to health care
 - As a place to raise a family
 - The job your local schools are doing

Neighborliness Index:

- I'd like to ask you a few questions about your neighborhood. For each one please tell me if you strongly agree, somewhat agree, somewhat disagree, or strongly disagree.
 - Most of the people in my neighborhood are trustworthy
 - People in my neighborhood are always in a hurry
 - If a garbage can fell in front of my home a neighbor would pick it up for me
 - I feel comfortable going to a neighbor if I feel sad and need someone to talk to
 - I can ask a neighbor if I need someone to run an errand for me
 - I talk to my neighbors every day