

HUNGER IN SOUTH JERSEY

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The Food Bank of South Jersey (FBSJ) is committed to serving the food-insecure children, adults, seniors, and families in Burlington, Camden, Gloucester and Salem Counties, as it has been for over 35 years. To this end our mission statement directs us to “provide an immediate solution to the urgent problem of hunger by providing food to people in need, teaching them to eat nutritiously, and helping them to find sustainable ways to improve their lives.” Even under normal circumstances this mission is daunting, and requires a myriad of food delivery channels and educational programs to help us reach our goal.

It is not an overstatement to say 2020 did not constitute normal circumstances. Unarguably, 2020 was a year unlike any other, bringing with it challenges that tested our families, our neighbors, our communities and our nation in ways we do not yet fully understand. FBSJ has been reviewing data and assessing the impact the COVID-19 global pandemic had on economic downturn, and the prevalence of institutional inequity that directly impacts and influences the people we serve. This document discusses these impacts on our communities, what we expect will happen in 2021, and what the future holds.

The tragedy and devastation of the past year do provide a rare opportunity for all of us to come together and work toward a fair, just and prosperous future. How we learn from and leverage this opportunity and how we address and forecast these challenges will define us for generations...



OVERVIEW



The Ongoing Impact. As a new year takes form, the COVID-19 pandemic of 2020-2021 continues to ravage the nation. Though vaccines are currently available, and hope permeates the consciousness of our communities, there remain the dreaded reality of alarmingly high levels of positive cases as the virus reveals mutations potentially positioned to compromise vaccine effectiveness. While it is very likely the nation will defeat COVID-19 as vaccine distribution efforts continue to be improved and the global medical community faces the crisis with increasingly greater acuity, it is the economic impact that will prove to be more difficult to eradicate – and will harbor a long-lasting effect on communities of all shapes and sizes.

Closing the Economy. Unlike other economic downturns, this one was the result of deliberate decisions by policy makers across the nation to stem the rise of COVID-19, to save lives and to protect the nation's healthcare system. The decision made to shut down the states in 2020 and those decisions yet to be made regarding how to open the economy and resume normal activities will be among the most difficult any public official will ever make, other than an actual declaration of war.

A Nation Galvanized. In the midst of the hardships of COVID-19's first wave there was a video circulating that showed the death of a man who was cuffed and lying face down on the street with the full weight of a police officer on the back of his neck. This video, which documented the last moments of George Floyd's life, galvanized many Americans to finally admit that inequities and institutional racism must be ended. An ensuing wave of protests occurred across the country, and the acknowledgement of existing inequity across all of aspects of life have been under scrutiny ever since. Progress has been incremental at best, but at least the issue is now at the forefront of many political and policy debates.

A Confluence of Crisis. As of December 2020, the confluence of the COVID-19 pandemic, the global economic disruptions associated with health-based shutdowns, and the awakening of the US to systemic racism and structural discrimination have touched nearly every American. Focusing on South Jersey, one can see long lines of concerned residents waiting for COVID tests, hospitals that are nearly full, a record number of unemployed workers, South Jersey residents leaving the workforce at highly elevated rates, schools trapped in a cycle of opening and closing, food insecurity continuing to rise, and more families unable to pay for their most basic needs.

Disproportionate Impact. The impact of the pandemic and the loss of jobs has been felt across South Jersey; however it has, and continues, to disproportionately impact communities of color and those with elevated poverty rates. The reasons for the greater impact in these communities are many, and some will be discussed in this document, but simply investigating the immediate impacts of the pandemic and its economic fallout will not address the longer-term impacts of poverty and discrimination that cause food insecurity, poor health and a sense of disconnect in our communities of color.

The Path Forward. History will judge us on both how we navigate this pandemic and on how we respond to the systematic racism, inequity, and the economic collapse that has impacted nearly every sector of the nation.

COVID STATUS

The COVID-19 pandemic has proven itself as an obstinate foe that has placed the regional and national healthcare systems and emergency food distribution networks under enormous stress. The initial wave of COVID-19 cases pushed the infrastructure of New Jersey in general, and South Jersey in particular, to their limits in the spring and early summer of 2020. As the early peak damage of COVID-19 began to subside locally we saw the rest of the country ravaged by the spread.

As predicted by many of the experts, the run up to Thanksgiving saw a steady growth in COVID-19 infections, and this rapid increase continues to accelerate in New Jersey. The current models indicate the peak period of hospitalizations will occur between mid-January and mid-February. The December holiday season has produced an increase in the number of positive cases and hospitalizations across the nation. The last major surge in cases were linked to New Year's parties where social distancing was not practiced. The spike has abated since early February, however concerns continue that the virus variants will cause future spikes.

That's the bad news....

The light at the end of the tunnel is the product of an unprecedented level of cooperation between pharmaceutical companies and government.

The first two vaccines were approved in 2020, for emergency use; in late February a single dose vaccine from Johnson & Johnson vaccine was approved. The vaccines are seen as the pathway out of the pandemic based on their effectiveness. The question that remains is how effective these vaccines will be in combating the variants emerging in 2021 as well as, the significant portion of the population that is skeptical about the vaccine.

These hurdles are monumental and the initial numbers projected to be reached were based upon overly optimistic assumptions, a lack of concern for weather related complications during the winter months, and over-confident expectations of initial manufacturing capacity. Slowly, these assumptions are being recalculated and projections are being revised accordingly. Capacity to vaccinate in New Jersey is increasing as more sites open and initial problems with the state's reservation system are being fixed.

The Biden Administration announced plans to acquire additional vaccines, along with a potential single injection option, improvements that will rapidly increase the pace of vaccinations. **The goal has been to get at least 70% of the population vaccinated, to create a herd immunity which will bring the pandemic under better control.** In New Jersey that 70% threshold is around 6.5 million vaccinated residents. As of early February 2021, the state reported that just over 690,000 individuals have received a vaccination, with about 145,000 of them having received both doses. The pace needs to increase greatly to achieve the goal of 70%; however there is a larger underlying issue with regard to the general public's comfort in receiving the vaccine, particularly in communities of color. A recent survey of residents of South Jersey conducted by the Camden Coalition of Healthcare Providers demonstrated the seriousness of this resistance to vaccination in both communities of color and among those experiencing poverty in general, without regard to race. The survey showed that while two-thirds of respondents were likely or very likely to get a flu shot, only about half were likely to get a COVID vaccine. The survey illustrates some of the hurdles faced in reaching the goal of 70% of the people vaccinated, as well as in doing so in a fair and equitable manner.

While the advent of the vaccine creates a path to normalcy, it remains to be seen what the new normal will look like for South Jersey and the nation.

SOCIAL AWAKENING

In late May 2020, an event occurred that made the nation nearly forget the raging pandemic. In Minneapolis, Minnesota a black man, named George Floyd, was arrested. During the arrest, a police officer was videotaped putting his knee on Mr. Floyd's neck, an act that tragically precipitated Mr. Floyd's death. The public release of the video outraged the nation and quickly galvanized public opinion that institutional racism must be addressed and eliminated.

The reaction lead to mass protests against racism, protests that included a wide range of the nation's population. In South Jersey these protests, though well attended, were overwhelmingly peaceful. Locally, Camden City Police were among the first in the nation to join with protestors in calling for systematic changes.

As will be shown, the long-term impacts of the economic downturn virulently impact communities of color disproportionately. This negative impact is especially detrimental to persons of color and to women, as these groups are likely to be the slowest to rebound from economic and unemployment downturns.

This new dynamic during the pandemic has brought both challenges and possibilities. The challenge - of undoing centuries of racism, inequity and distrust - is daunting. However, the pandemic and its resultant negative economic complications actually provide a window for both a pause and a reset of existing priorities. The question remains whether the economic reset will result in temporary or permanent changes.

The economic impact across the nation has certainly created incredible hardship, but before we can look at possible solutions the unusual dynamics of this downturn need to be discussed.

THE ECONOMIC IMPLOSION

Clearly there was economic devastation throughout the country which was a direct result of the first wave of the COVID-19 pandemic. More precisely, there was a close link between the policy decisions enacted to limit exposure and the sudden collapse of economic activity. All things considered those policy decisions likely saved lives by both limiting social contact and through a “flattening of the curve” which meant that hospital capacity was never compromised on a large scale. If that capacity had been compromised (per the contemporary models) many people would likely have perished from a lack of bed space and respirators. While there are still links between the efforts to end or control the pandemic and the effect on the economy, the proposed cures are now far different. As the vaccine rollout continues and the logistical issues are ironed out the virus will become less of a threat and social distancing rules will be relaxed. However, the economic impact will not be easily solved and the lives of many will not be the same.

Unlike any other recession, this one began from a deliberate policy, on the state level: to bring non-essential economic activity to a halt and/or to limit the contact between individuals. The goal was to “flatten the infection curve” and bring the pandemic under control and save lives. Never before have modern economies been shut down in such a dramatic way and the impact of these actions are still reverberating. Therefore, the typical policies that are used to bring economies out of recession may not be the solution in this situation.

FBSJ is deeply concerned about the loss of jobs and the ensuing long-term impact on residents in South Jersey. Moving forward, policies need to be established to address the dual impacts of the widespread effects of the pandemic recession and the amplified blow to communities of color.

Most South Jersey residents look forward to the distribution of vaccines to bring the pandemic to an end and “get back to normal”; however, the real question is what that “normal” will be? It is reasonable to assume that as the mass vaccination process proceeds there will be a loosening of the most severe restrictions; however the economic recovery will likely be uneven and will continue to impact certain sectors more than others. Recent Congressional Budget Office (CBO) estimates suggest national unemployment rates will higher than pre-pandemic levels into 2024.

While the restrictions may ease somewhat, the economic impacts will likely last well beyond the point where COVID-19 remains in the forefront of the country’s consciousness. The danger point for those impacted by the job loss and economic impacts of the pandemic will be once the news switches away from the pandemic. The hardships are real, and they will be with the country and South Jersey for an extended period.

This uneven recovery will likely impact retail and food service and the most significant rates. There have already been so many restaurants that have permanently shuttered their doors, and many small retail establishments are also at serious risk. There is high probability that many of the businesses will close and the jobs of those that work there will be lost. Our solutions must reflect the needs of the many that will be left behind in the recovery and must address the structural inequities that are often overlooked. This means we need to truly scrutinize how public benefits and programs to alleviate poverty are administered and how the long-term goals within them are designed.

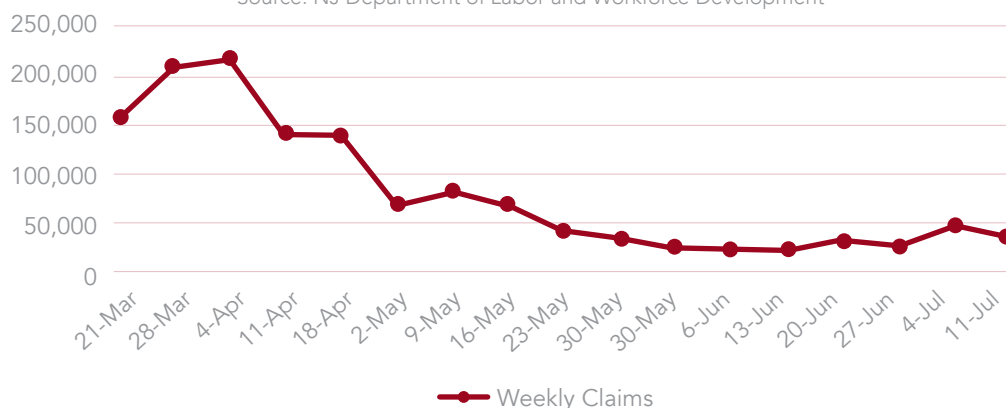


EARLY STAGES

In the early part of the pandemic downturn (April – July), unemployment claims reached sudden and historic levels. As seen in graph 1 the number of initial unemployment (UI) claims surged in late March and April. This was directly related to the Governor’s Executive Orders, part of the strategy to “flatten the curve” of infections. Nearly every business was impacted, but the effect was especially devastating to the hospitality, food service, and retail industries. Although the numbers of initial claims began to fall in mid-May, numbers were still materially greater than in pre-pandemic level.¹

GRAPH 1: INITIAL UI CLAIMS: MARCH – JULY 2020

Source: NJ Department of Labor and Workforce Development



As expected, the rising number of claims resulted in higher statewide unemployment rates (see graph 2). As summer commenced, the number of claims began to drop as businesses started to open more. Nonetheless, there was a less significant but still material increase in initial UI July. But overall the unemployment rate continued to drop at a steady rate.

GRAPH 2: NJ UNEMPLOYMENT RATE: APRIL – JULY 2020

Source: NJ Department of Labor and Workforce Development



¹ Prior to April 2020, the State typically had fewer than 10,000 initial unemployment claims per week, with some seasonal spikes.

² On February 2, 2020 the Governor signed an Executive Order allowing indoor restrictions to raise from 25% to 35% of capacity and lifted the 10:00 PM close time for bars.

There has been positive news. Unemployment, which had been as high 14.7% nationally and 16.6% in NJ, has since dropped to 6.9% and 8.2% respectivelyⁱⁱⁱ. In more traditional times these announcements and trends would signal a rebounding economy. And for many, things ARE looking brighter, with their biggest worry being when indoor dining will resume or when they can go to a stadium and watch a sports event or concert.² But the economic rebound is not bringing all the jobs back and many of our neighbors face anxiousness and uncertainty as to how and if they will ever be able to “normal”

SINCE AUGUST

The period since the initial CARES Act supplemental unemployment insurance payments ended has seen the recovery morph into a more atypical pattern.

Usually, when an economy recovers from any downturn there are some sectors that recover more quickly than others, but eventually, all or nearly all do recover.

Economists and pundits have described their predictions for the recovery in terms of letter-shaped rebounds. They include the optimistic “V” shaped rebound where there is a sudden drop in economy and equally sudden rise; a “U” shaped recovery where the economy comes back strong but has a longer bottoming out period; and a “W” shaped recovery, similar the “V” but with a double peak and trough.

While this recovery has characteristics of all of those patterns, the more accurate description is that of a “K” shaped recovery. This describes a bifurcated recovery where some sectors of the economy roar back to life while others continue to falter, and workers in these areas suffer significant long-term job losses. This scenario has been seen before in sectors of the economy, particularly manufacturing and mineral extraction, where a combination of economic conditions and long-term trends truly disenfranchised significant populations of the workforce. However, this current recovery has left behind even more sectors, hospitality and food service in particular. These industries happen to be ones that employ persons of color and women at both disproportionately high rates, and at – in general - lower wages, which makes them that much more susceptible to poverty and food insecurity.

The current period (from August to December) has seen a continuation of a lower but still steady number of UI Claims, despite a reduction in the overall unemployment rate. Normally, it would be expected that as residents left unemployment rolls many or most would return to work; however in current conditions this is not the case. A new and more troubling trend has developed, wherein though the number of unemployed people actually decreases, and the number of employed individuals ALSO goes down. When this happens, large portions of those no longer designated as unemployed are still actually considered as “seeking employment”. The determination of whether this is the case can be verified by reviewing the labor participation rate

The two dominant factors to consider for this trend is the Labor Participation Rate and its relation to unemployment.

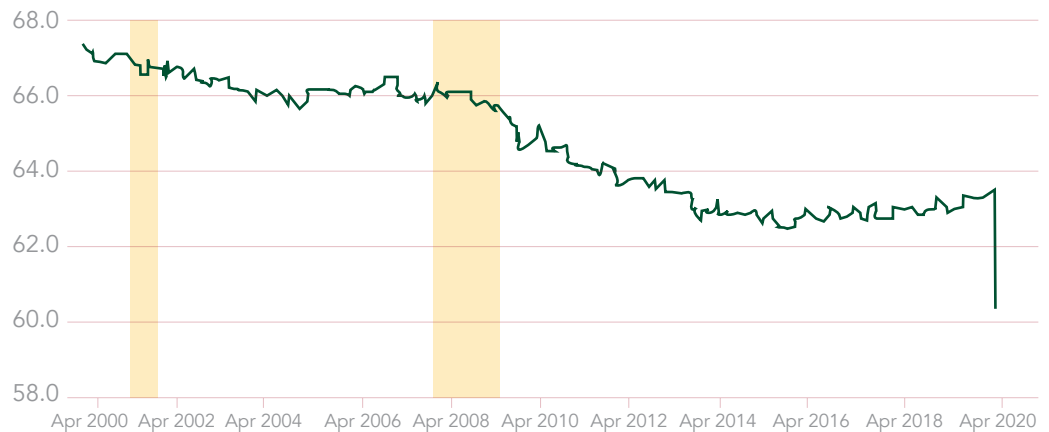
LABOR PARTICIPATION RATE

While the unemployment rate is important the Labor Participation Rate (LPR) is critical. The LPR measures all persons currently working and those actively seeking employment, meaning a lower LPR rate indicates a greater number of working age individuals have **stopped seeking employment**.

Over the last 20 years the LPR has been trending lower from about 67% in early 2020, to a pre-pandemic 63%. The national trend shown in Graph 3 demonstrates a general downward trajectory in the Labor Participation Rate. The shaded area in 2008-2009 represents the great recession; it is notable as the LPR never recovered to its pre-2008 level. The CBO now has forecasted the national Labor Participation Rate to “remain below the pre-pandemic rate for at least the next 10 years^{iv}”. The CBO forecast has the LPR hovering between 61.9% and 62.1% from now to 2025, and dropping to 61.2% by 2031. If those projections become true, the number of working-age adults not seeking employment would be staggering. This rate is also a good barometer as to who will need services, since those leaving the workforce are more likely to suffer from food insecurity.

GRAPH 3: US LABOR PARTICIPATION RATES 2020 – 2021

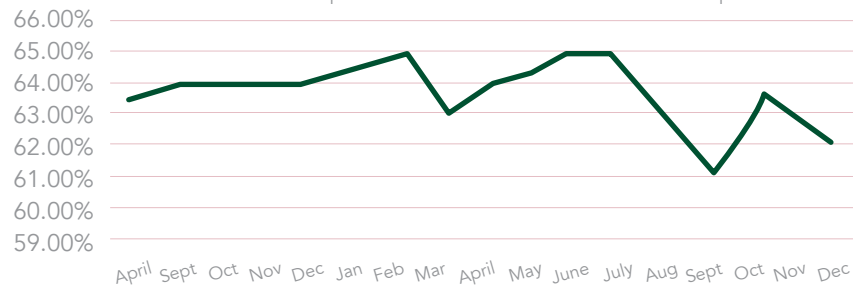
Source: Bureau of Labor Statistics



The CBO model projected the national LPR would drop to 61% at the end of 3Q 2020. The CBO model accurately follows the State of NJ on trend, where the LPR actually DID drop dramatically in September (see Graph 4). This September drop alone resulted in over 304,000 NJ residents **leaving the labor pool**. Sustained losses of this magnitude would put astronomical pressure on the social safety net.

**GRAPH 4: NJ LABOR PARTICIPATION RATE:
AUGUST 2019 – OCTOBER 2020**

Source: NJ Department of Labor and Workforce Development



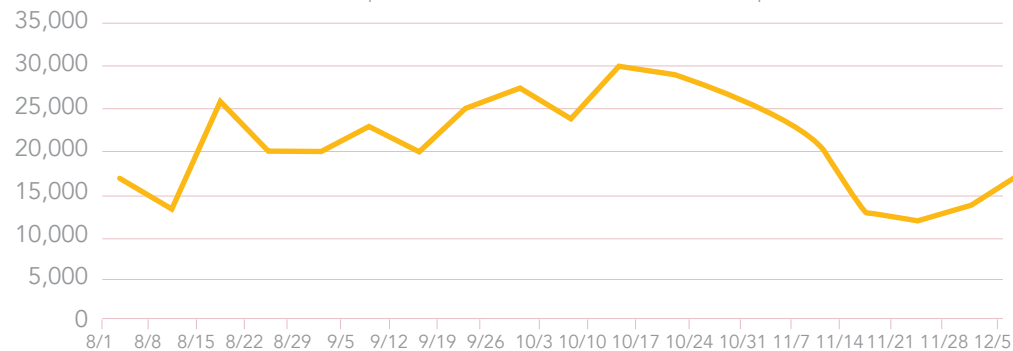
While the rate has somewhat rebounded in November, the general downward trend in NJ’s LPR continues. As stated, this downward trend leads to more individuals no longer actively seeking a job. Unless those leaving the job market are secondary wage earners in a family and/or are leaving the job market with a sound financial plan they are more likely to need public assistance. Measuring how this “hidden” population fits into the need for food and other forms of assistance will determine how rapidly there is a reduction in the volume of supplemental services.

UNEMPLOYMENT

In the period since August the number of initial UI claims had dropped dramatically, from the early peak in April to levels approaching a more normal level. Graph 5 shows the peaks and valleys of the claim totals, with the period through October at over 25,000 claims per week, with subsequent weeks (mid-November) lowering to an average of 15,000 per week^v.

**GRAPH 5: INITIAL UNEMPLOYMENT CLAIMS
AUGUST – DECEMBER 2020**

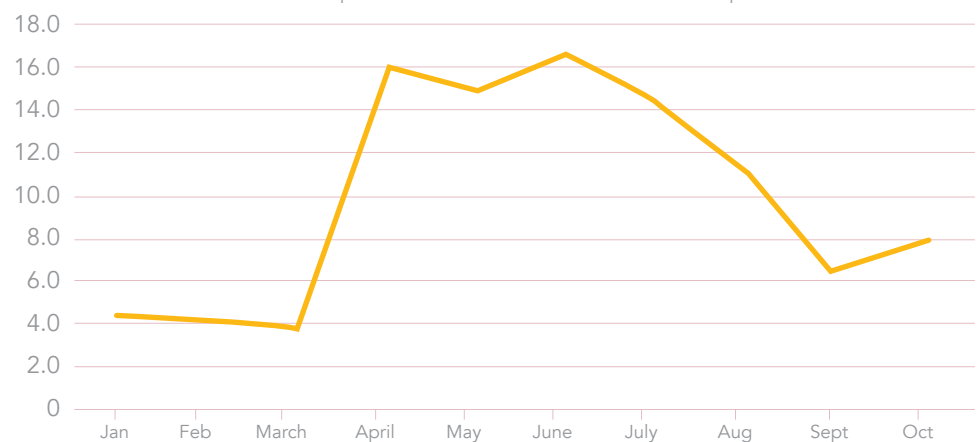
Source: NJ Department of Labor and Workforce Development



Even as the number of initial UI claims held steady in August and September, the unemployment rate itself was falling (see Graph 5). The increasing number of individuals leaving the labor force was no longer leading to higher unemployment creating a false sense of recovery, see Graph 6. This statistical anomaly is the result of individuals completely leaving the labor force at a greater rate than those filing new claims.

GRAPH 6: NJ EMPLOYMENT RATE (%) JAN. 2020 – OCT. 2020

Source: NJ Department of Labor and Workforce Development



THE SHRINKING LABOR FORCE

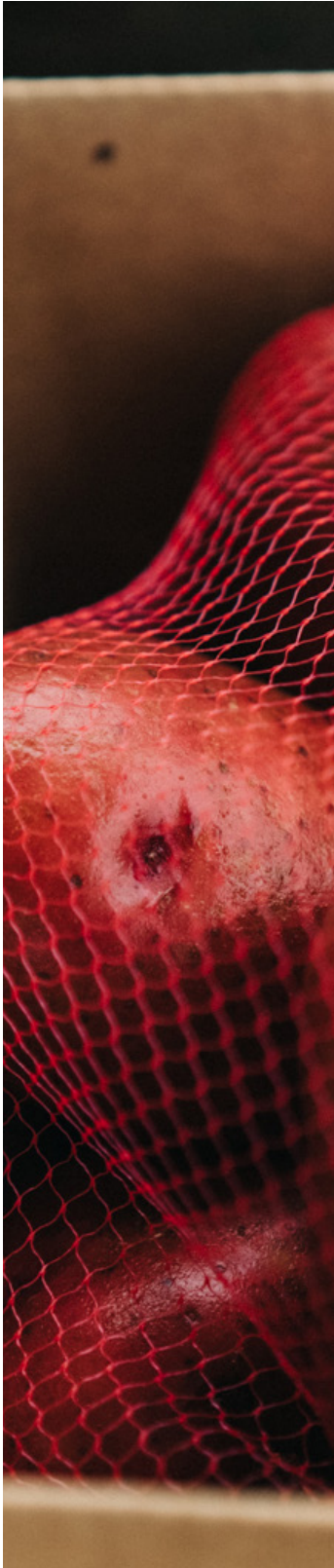
Analysis of the unemployment LPR data reveals a situation in which there were 297,300 more people in NJ collecting unemployment in November 2020 than there were in November 2019, but at the same time the total Labor Force itself also shrank by 43,350 individuals. There were 462,400 New Jersey residents unemployed in November, down from the April high of over 710,000. Taking into account the unemployed and those leaving the workforce we see the potential pool of over 350,000 additional New Jersey residents that are not working. That is as opposed to the 150,000 unemployed in February statewide^{vi}.

The drop in the LPR and its relation to unemployment is starkly revealing when compared to unemployment numbers and the number of people employed. Typically, as individuals end unemployment benefits they return to employment.

As unemployment drops the number of those employed should increase proportionally. But since September there has been a disturbing trend statewide. Between August and September there were 234,000 fewer individuals classified as unemployed but there were also 11,300 fewer New Jersey residents employed during that period.

This clearly illustrates the trend of persons leaving the workforce, and can be further demonstrated by looking at the dip in the LPR in September (see graph 3). The difference between November and December shows this trend; 115,900 fewer individuals were deemed unemployed but only 3,200 more people were employed. Over an extended period, this will increase the size of the population in the workforce yet still continue to pressure social services around the state.

When looking at the four-county FBSJ service area, there is a similar relationship vis a vis increased unemployment and a reduced workforce. The December data shows there are 47,300 unemployed individuals in the four counties, a decrease of 16,300 from November^{vii}. Yet the number of additional individuals employed only increased by 100, even taking into consideration that December typically enjoys high seasonal employment^{viii}. This means the potential pool of those needing FBSJ services increased over 60,000 from pre-pandemic levels. This number is likely to continue to grow as unemployment benefits expire, releasing potential workers into a job market that simply cannot absorb them.



WHO IS IMPACTED?

The “K” shaped recovery has created a schism among those who have suffered the most. The impact has been felt disproportionately in both low- to mid-skilled workers (particularly in the hospitality, food service and retail sectors) and women workers across the board. In general, these groups are more vulnerable for a variety of reasons, and their post-pandemic ability to recover is correspondingly more difficult.

In the initial wave of unemployment, New Jersey showed an across-the-board impact (see Table 1). However, even then there were troubling indications that the pandemic was disproportionately impacting already under-served populations. In particular, the demographic data shows that in those first six month of initial Unemployment Insurance filings, that woman, African Americans and Hispanics had elevated percentages when compared to the overall workforce.

TABLE 1: CHARACTERISTICS OF INITIAL UI CLAIMS MARCH – AUGUST 2020

Gender		Age	
Female	54%	Under 25	15%
Male	46%	25-34	22%
Race		35-44	18%
White	59%	45-54	18%
Black	16%	55-64	18%
Asian	8%	64+	14%
Other	1%	Education	
No Answer	17%	Less the HS	34%
Ethnicity		HS or Equivalent	25%
Hispanic	23%	Some College	14%
Non-Hispanic	68%	Bachelor's Degree	11%
No Answer	10%	More than Bachelor's Degree	34%

The demographics of those filing initial unemployment claims during the pandemic indicate that job loss disproportionately impacted non-white workers. Based on CBO analysis, 47% of those receiving benefits are non-white.^{xi} In this document the CB further identifies Hispanics as less likely to receive benefits than other groups. Women in the workforce are more likely to be unemployed than men. The pandemic has also impacted the lowest earners; the largest share of those collecting unemployment were earners in the bottom quartile of household income. These statistics confirm that racial, ethnic, gender and skill level are significant factors in who is unemployed. And this document further illustrates the hidden unemployed population, as Hispanics are more likely to not seek benefits, for a variety of reasons.

TABLE 2: LARGEST SECTORS OF EMPLOYMENT BY COUNTY

Burlington	Camden	Gloucester	Salem
Trade/Transportation/ Utilities	Education and Health Services	Trade/Transportation/ Utilities	Trade/Transportation/ Utilities
Education and Health Services	Trade/Transportation/ Utilities	Education and Health Services	Education and Health Services
Professional & Business Services	Professional & Business Services	Leisure and Hospitality	Manufacturing
Financial Activities	Leisure and Hospitality	Professional & Business Services	Professional & Business Services
Manufacturing	Manufacturing	Manufacturing	Leisure and Hospitality
Leisure and Hospitality	Construction	Construction	Construction

Source: NJ Department of Labor and Workforce Development

One of the population groups at most risk are women with school aged children. As schools continue to adhere to completely on-line or hybrid schedules, mothers are disproportionately finding themselves unable to go to a place of business. If they cannot work remotely, they are forced to leave the workforce. Pew Research has discovered that In September 2020, 67.4% of single mothers with children younger than 18 at home were working, compared with 76.1% one year ago. This is over twice the rate of single fathers.^{xii}

Between September 2019 and September 2020, Black and Hispanic single mothers each experienced about a 10-point decline in their share of the working, unpartnered parent segment. This was nearly double the decrease in the share of Caucasian single mothers who are working. The decrease in the shares of Black and Hispanic single working mothers is also nearly double what their partnered counterparts experienced in this yearlong period.^{xiii}

As expected, the decline in the share of all single working mothers employed is particularly pronounced among those whose youngest child is 5 years old or younger. In September 2020, 58.5% of single moms in this group were employed, down from 69.7% a year earlier. Unpartnered mothers whose youngest child is 6 to 17 years old also saw a drop, but not as steep – from 79.6% in September 2019 to 71.9% in September 2020. In this same time frame, there was about a 4-point drop among partnered moms whose youngest child is 5 years old or younger (from 60.5% to 56.9%) and a roughly 6-point drop for those partnered mothers whose youngest child is 6 to 17 years old (from 72.7% to 67.0%)^{xiv}. Regardless of their relationship status, mothers are generally more likely to be employed and at work if they have older children.^{xv}

Unpartnered mothers with young children at home also saw more of a decrease in labor force participation — that is, the percentage of the population 16 or older actively working or looking for work — from September 2019 to September 2020 than did other mothers. The labor force participation rates declined about 7 percentage points for single mothers whose youngest child is 5 years old or younger, compared with a 3-point drop for those whose youngest child is 6 to 17 years old. The labor force participation rate for partnered mothers edged down by 1 point for those whose youngest child is 5 years old or younger and dropped about 3 points for those whose youngest child is 6 to 17 years old.^{xvi}

The disproportionate impact of pandemic-related job loss on single mothers reflects, at least in part, the demographic characteristics of this group. Black women made up 31.4% of single mothers in September 2020, compared with only 12.2% of all mothers older than 16. When considering education levels, 26.9% of unpartnered mothers had at least a bachelor's degree, compared with 43.3% of all mothers 16 and older. These statistics clearly show that the pandemic-induced recession has hit particular groups, such as Black and Hispanic women and those with less education, especially hard.^{xvii}

Overall, women are more likely than men to be a single parent. In September 2020, 19.7% of mothers living with children younger than 18 at home had no partner present, a much higher share than among fathers (4.7%). Single mothers are more likely than single fathers to live with young children. Some 33.6% of single mothers live with children younger than 6, compared with 25.9% of single fathers.^{xviii}

THE INSTITUTIONAL RACISM IMPACT



The impact of COVID-19 has been disproportionately shared by women and people of color. The increased scrutiny of how policies and events impact institutional racism brings us to the question: "how can we level the playing field?" The ability of those hoping to re-enter the job market is uncertain. The Beige Book, issued by the Federal Reserve^{xix} indicated only modest increases in employment activity, with difficulties expected for lower skilled workers and women:

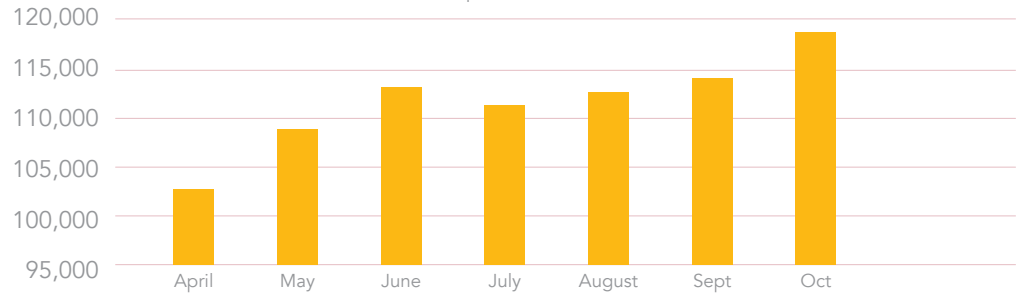
Employment continued to increase modestly overall. The share of manufacturers reporting employment increases held steady at one-third, while the share reporting declines fell. Among non-manufacturing firms, the share reporting increases has risen since the prior period, while the share reporting decreases held steady. On balance, average hours worked rose across all firms. Activity at staffing firms remained below pre-pandemic levels, with most firms noting more openings than candidates. Firms have more success at placements for those clients willing to pay competitive wages. Even in outlying areas of the District, this often means that firms seeking workers for low-skilled jobs must compete with billboard advertisements by warehouses for positions that start at \$15 an hour and higher. **Rising COVID-19 cases and sporadic school closings continue to deter workers, especially women, from reentering the labor market.** In mid-November, the percentage of non-manufacturing firms reporting higher wage and benefit costs per employee remained somewhat higher than the percentage reporting lower costs. However, two-thirds of the firms reported no change.^{xx}

While the short- and mid-term likelihood of reentering the job market for pandemic-impacted workers is uncertain the strain on benefits programs is increasing. In New Jersey standard unemployment benefits were extended 20 weeks.^{xxi} But even these extended benefits will begin to run out in early February, just as the models indicate we will be in the peak impact of the second wave. The need for Federal stimulus action takes on an added urgency under this scenario.

In analyzing benefit programs, the released data only extends through October, but this still shows an upward trend in benefit use that is expected to continue. Until the pandemic hit, SNAP benefits in the FBSJ counties had displayed a modest decrease in the numbers of children seeking benefits: in April 2019 there were a total of 46,969 cases; however in April 2020 that number had dropped to 46,559.^{xxii} In contrast to this small decrease during the previous year (April to April), by October 2020, the total number of child SNAP recipients in had risen, to 51,812^{xxiii}, completely eradicating the yearlong downward trend and adding significantly to the number of those at high risk for food insecurity. Graph 7 shows this upward growth in total recipients and Graph 8 focuses on the number of Children receiving SNAP benefits. When coupled with the previously discussed increase in number of individuals leaving the workforce and the elevation in unemployment levels, there is every indication the upward trend will continue and indeed will most likely will even accelerate. In concert with the aforementioned simultaneous decreases in unemployed and employed individuals it is reasonable to assume the upward trend in SNAP recipients will continue to increase over the majority of 2021.

GRAPH 7: TOTAL SNAP RECIPIENTS IN FOUR COUNTIES APRIL – OCTOBER 2020

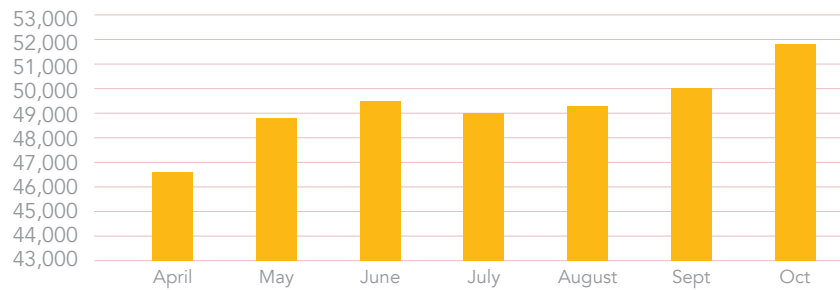
Source: NJ Department of Human Services



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GRAPH 8: TOTAL NUMBER OF CHILDREN RECEIVING SNAP BENEFITS IN FOUR COUNTIES APRIL – OCTOBER 2020

Source: NJ Department of Human Services



WHAT ARE THE SOLUTIONS?

The economic downturn has plunged families in NJ – and more particularly those in the FBSJ service area – into a worrisome vulnerability. Any strategy to cope with this sad situation must cast a wide net in order to effectively address the many issues impacting our communities. Just as the economic downturn was engineered to deal with a singularly odd event, so must any solutions be uniquely tailored to address the needs of the many people negatively affected by the pandemic. Only a coordinated effort between all levels of government and the non-profit world will enable us to help lift so many out of poverty. This cannot be a “top down process”; instead it must be a concerted, cooperative effort uniquely tailored to meet the individual needs of this growing swath of people in poverty or near poverty. It is simply not reasonable or feasible to expect that a “one size fits all” approach will work for the diverse populations that have been left behind by both the pandemic’s damage and by the institutional inequities that have placed generations of our neighbors on the fringes, unable to compete in the modern economy.

Among the many ideas that need to be explored is a reconfiguration of benefits, placing them as part of a wider package of incentives, a multi-pronged package directed to both the newly unemployed and the families that have endured multi-generational hunger and poverty.

However, an incentive package such as this, one that encourages both those that have lost jobs and those who have never had a job to enter the workforce, requires a new and holistic approach. Becoming happily and gainfully employed is much more than merely a committing time each day to go to work and earn a paycheck.

There has been some debate regarding public benefits, such as SNAP, and whether mandates requiring work or training are appropriate. This idea of putting mandates in place only makes sense if it is viewed in a vacuum. Any successful workforce training program requires the participants to be motivated and their individual needs to be evaluated.

For many unemployed, finding a job also includes overcoming some seemingly insurmountable obstacles such as obtaining affordable childcare, finding reliable transportation, and buying appropriate work clothes. Perhaps it is time to consider looking at solutions that do not reduce benefits for programs like SNAP. Instead, it may be time to create an incentivizing model wherein newly working SNAP recipients actually see a modest increase in their benefits, to offset the increase in costs that they face from going – or going back – to work.

The quick one-day or-two day training sessions that are currently so in vogue are simply not productive. Instead, there needs to be a look at each individual, a perspective that addresses their own uniqueness, what additional education do they need, what work readiness skills are required, a putting together of transferable and stackable credentials to create career pathways - not a job, but a **career**. This is not to say a job isn’t important while in training but it should not be the final goal. By creating **career pathway training** the individual will have a road map to lifetime employment and a method to support themselves and their families. In providing work readiness training, the process must be expansive and holistic, to include life skills, nutrition and healthy living options. If we are to truly alleviate poverty and ease food insecurity this model is the optimal solution.

FOOD INSECURITY PROJECTIONS

The issue of Food Insecurity continues to be a major one, and will in all likelihood remain so for at least the next three to five years. While the CBO's projections show a reduction of unemployment to near pre-pandemic levels by 2024. It also projects the Labor Participation rate to remain below 62.2% through the end of 2031.^{xxiv} As such, Food Insecurity is likely remain elevated for the long term, unless innovative strategies are employed to reduce poverty and all its attendant woes.

Much of this model was based the CBO's model, which has generally been quite reliable. These projections of additional demand are based in solid evidence; however the second wave projections (extending into late October of 2021) and the emergence of variant strains of the virus are causing additional spikes in cases and may well prolong the return to normalcy.

Feeding America has estimated there are an additional 61,000 food insecure people in FBSJ's four counties, with 26,500 of them children, than is currently reckoned.^{xxv}

While the state will likely begin lessening restrictions on businesses, consumer confidence about returning to venues with crowds and riding public transportation is less certain. In addition, the continuation of issues associated with the rollout of the vaccination effort, logistical and supply related, as well as delays caused by inclement weather, will likely push the projections in the first two quarters of 2021 higher than originally projected (see Table 3).

TABLE 3: DEMAND PROJECTIONS FOR FBSJ

	Low-Range	Mid-Range	High-Range
Q1 2021	31,082	35,990	39,391
Q2 2021	26,359	30,521	33,572
Q3 2021	24,182	25,454	28,000
Q4 2021	20,852	21,950	24,145

Based on the new CBO projections, we can also assess demand for the next three years. Assuming the unemployment rate projections and labor participation rate forecast are both accurate there will be an increase in demand deep into 2024.

TABLE 4: DEMAND PROJECTIONS FOR FBSJ: 2022-2023 YEAR END

	Low-Range	Mid-Range	High-Range
2022	21,243	23,604	25,964
2023	12,746	14,162	15,578

As we move forward, it is clear the COVID-19 crisis will require continuing effort across broad swaths of the nation: Government, business, education and non-profit sectors all must participate in the fight. As a collective in these post-pandemic days, the United States is positioned acutely to reset its approach to the management of the consequences of systemic poverty, debilitating food insecurity and inequitable economic opportunities and, with deliberate intent, reset the nation to one that provides proactive measures to frame sustainable life improvements, economic opportunities and food security for all.

History will judge us by how we move forward.



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