

# **New York City Government Poverty Measure 2019**

**An Annual Report from the  
Office of the Mayor**



**The City of New York  
2021**

**NYC**  
Mayor's Office for  
Economic Opportunity

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# Preface

This poverty report is mandated by the New York City Charter, which requires the Mayor’s Office for Economic Opportunity (NYC Opportunity) to release an update to the NYC Government poverty measure (NYCgov measure) every year, along with a survey of efforts to reduce poverty in the city. The report helps the City to monitor poverty and near poverty across the five boroughs, and to understand its impact on specific parts of the population. This edition of the report contains data through 2019, just before the onset of the COVID-19 pandemic.

The report shows poverty at a historic low: the NYCgov poverty rate of 17.9 for 2019 and near poverty rate of 40.8 are the lowest on record going back to 2005, the first year measured by our office. These rates reflect meaningful progress over recent years, and serve as an important pre-Covid baseline as New York City turns toward recovery.

Of course, the economic impact of the pandemic has been substantial, and the effects have been felt most significantly by those already financially insecure. As preliminary research by our Poverty Research Unit has shown, the inequities that existed pre-pandemic are deeply engrained and will demand ongoing and focused attention.

There are hopeful signs, however, that Federal, State, and local relief programs have had a meaningful impact in mitigating what otherwise would have been a devastating increase in poverty since 2019. While the underlying data from 2020 and 2021 required to construct our poverty measure have not yet been released, there is indication that in New York City, the 2020 poverty rate will be held in check by relief policies, and in 2021 poverty could fall below 2019 levels, driven by the extraordinary temporary relief in the American Rescue Plan Act. The specific effects of COVID-19 on New York City poverty will be reflected in future reports, starting with the edition released next year.

Despite the significant differences between the city economy reflected in this report and the city economy of today, the report’s data contain important lessons about how poverty is distributed and the policies and practices that have been effective in reducing it. As New York City moves forward to address current economic challenges, forging an equitable recovery will require close attention to the evidence about what drove 2019 poverty rates to a record low.

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This report, related technical appendices, and prior year reports are available at:

<https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-measure.page>

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<sup>1</sup> See “The COVID Economy: A Difficult and Unequal Recovery.” NYC Opportunity News Blog, March 12, 2021.  
<https://medium.com/nyc-opportunity/the-covid-economy-a-difficult-and-unequal-recovery-24cbe764fcd1>

A large, solid orange silhouette of a mountain range with several peaks, spanning the width of the page and serving as a background for the text.

# **Chapter 1**

# **Key Findings**

# Chapter 1

## Key Findings

The New York City Government (NYCgov) poverty measure is a measure of poverty adapted to the realities of the city's economy. The poverty threshold accounts for housing costs that are higher than the national average. The measure of family resources includes public benefits and tax credits, but also acknowledges spending on medical costs and work-related expenses such as childcare and commuting.

The NYCgov poverty rate, threshold, and income measure are higher than those same figures in the U.S. official measure.

### 1.1 Poverty in New York City, 2019

- The NYCgov poverty rate for 2019 is 17.9 percent.** This is a statistically significant 1.4 percentage point change from 2018 when the rate was 19.3 percent.<sup>1</sup> The 2019 rate is the lowest NYCgov poverty rate since the series began with 2005 data. The decline in the poverty rate primarily is due to increases in income and employment during the last year of the economic expansion that followed the Great Recession. The decline in poverty over the five-year period 2015 to 2019 also was statistically significant, resulting in a poverty rate that fell from 19.6 to 17.9 percent.
  - The NYCgov poverty rate is historically higher than the U.S. official poverty rate. The official rate is derived only from pre-tax cash income and a poverty threshold that is three times the nationwide cost of a minimal food budget. The NYCgov rate responds to changes in multiple sources of income (including income supplements), medical and work-related expenses, and changes in average living standards over time, including local housing costs. Table 1.1 and Figure 1.1 illustrate these differences.
- The NYCgov near poverty rate for 2019 is 40.8 percent.** This is a statistically significant decline from the 41.9 percent near poverty rate in 2018. The term “near poverty,” as utilized in this report, includes the share of the population living under 150 percent of the NYCgov poverty threshold. It includes all people in poverty and those above the threshold but at risk of falling into poverty. The decline in near poverty, from 45.4 percent in 2015 to 40.8 percent in 2019, also is statistically significant (see Figure 1.2).

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<sup>1</sup> All poverty and near poverty rates for 2018 are revised from their release in 2020. The revision includes updated medical and childcare costs to reflect more recent data.

- **The NYCgov poverty threshold for 2019 is \$36,262.** This represents an increase of 3.5 percent from 2018 when the poverty threshold was \$35,044. The near poverty threshold (150 percent of the NYCgov threshold) increased to \$52,566 (not shown). Thresholds stated are for two-adult, two-child families.
  - Threshold increases are driven by growth in national expenditures on food, clothing, shelter, and utilities, and by additional housing costs in New York City. In 2019, threshold components grew at slightly lower rates than in 2018. The NYC adjustment to the shelter and utilities component was an additional 56 percent compared to 54 percent in 2018.

Table 1.1

## NYCgov and U.S. Official Poverty Rates and Thresholds, 2018–2019

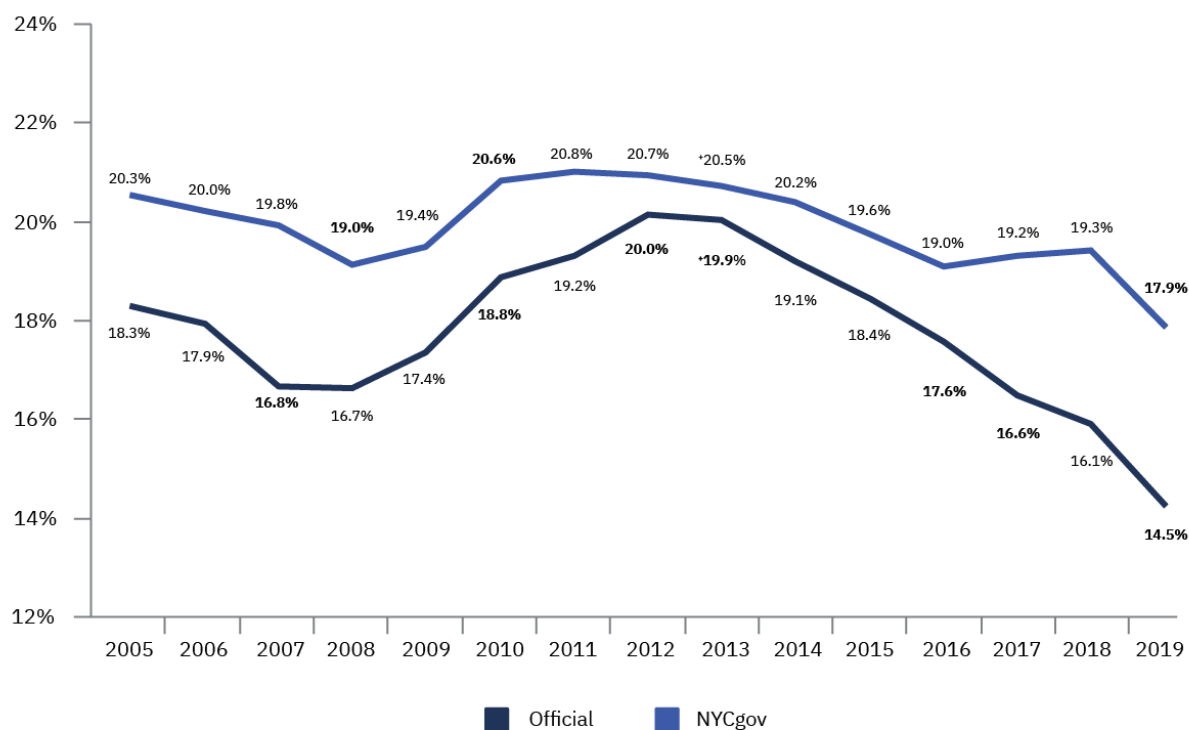
	2018	2019
Poverty Rates (%)		
NYCgov Poverty	19.3	<b>17.9</b>
NYCgov Near Poverty	<b>41.9</b>	<b>40.8</b>
U.S. Official Poverty	16.1	<b>14.5</b>
Thresholds (\$)		
NYCgov Poverty	\$35,044	\$36,262
U.S. Official Poverty	\$25,465	\$25,926

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity. U.S. official threshold from U.S. Census Bureau.

Notes: Numbers in **bold** indicate a statistically significant change from prior year. U.S. official poverty rates are based on the NYCgov poverty universe and unit of analysis. See Appendix A for details.

Figure 1.1

## Official and NYCgov Poverty Rates, 2005–2019



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

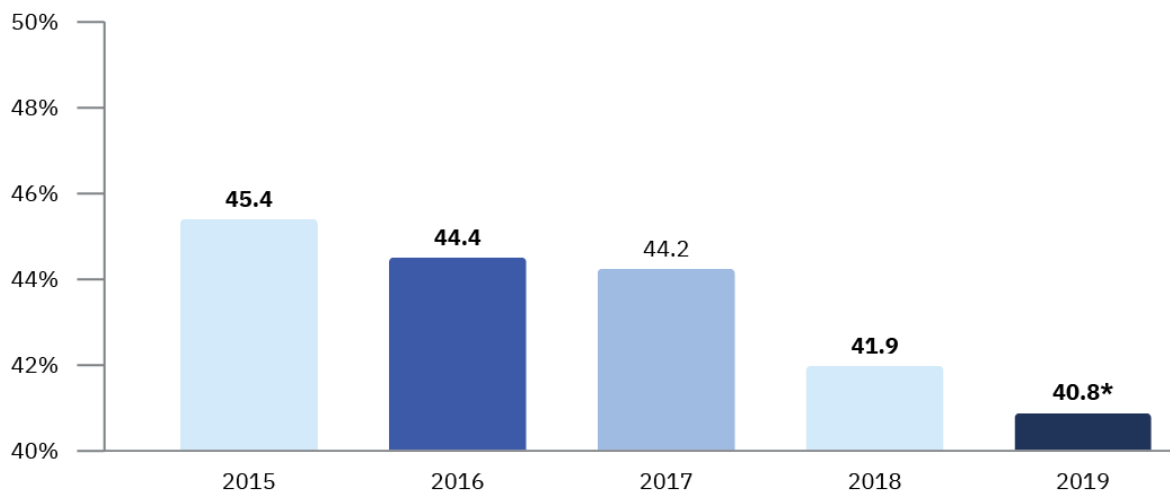
Notes: Official poverty rates are based on the NYCgov poverty universe and unit of analysis. (See Appendix B.)

\*Data prior to 2013 has not been revised.

Numbers in **bold** indicate a statistically significant change from the prior year.

Figure 1.2

## NYCgov Near Poverty Rates, 2015–2019



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

### 1.2 Differences in New York City Rates by Demographics and Geography

The data in Section 1.1 showed citywide rates of poverty. When the city population is decomposed into demographic or geographic subgroups, different patterns of poverty can emerge. This section shows poverty rates for New Yorkers in various groupings: family type; work experience; educational attainment; race, gender, and ethnicity; borough; and community district. Poverty rates are shown for the years 2015 to 2019 to illustrate trends in the data. In the case of community districts, where sample sizes typically are small, we average five years of data and present one poverty rate for the years 2015 to 2019. Year-over-year changes in poverty rates are often significant but somewhat volatile. The more meaningful five-year trend shows that many groups have experienced significant declines in poverty rates over the 2015 to 2019 period, including:

- Males and females
- Working age adults
- One- and two-parent families
- Working age adults at all levels of educational attainment
- Full time, year-round workers and less than full-time, year-round workers

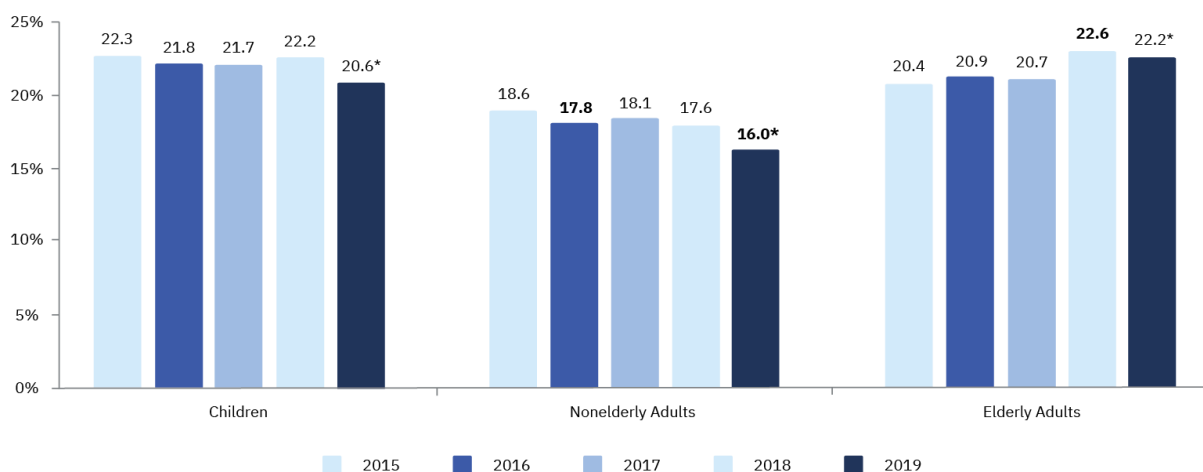


- Hispanics, Non-Hispanic Blacks, and Non-Hispanic Whites (no significant change for Non-Hispanic Asians)
- Citizens by birth, naturalized citizens, and non-citizens
- All families with children under 18
- Married or unmarried partners with and without children
- Childless single heads of households
- Among residents of all boroughs

There were no statistically significant increases in poverty or near poverty for any group from 2018 to 2019, or from 2015 to 2019. Detailed data tables for poverty rates are provided in Chapter 4.

Figure 1.3

## NYCgov Poverty Rates by Age, 2015–2019



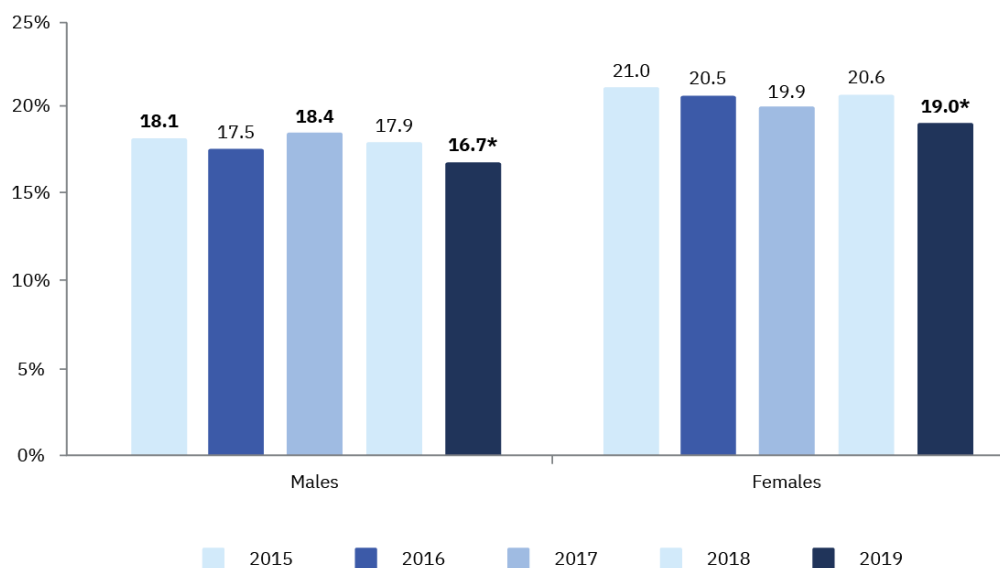
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

Figure 1.4

## NYCgov Poverty Rates by Sex, 2015–2019



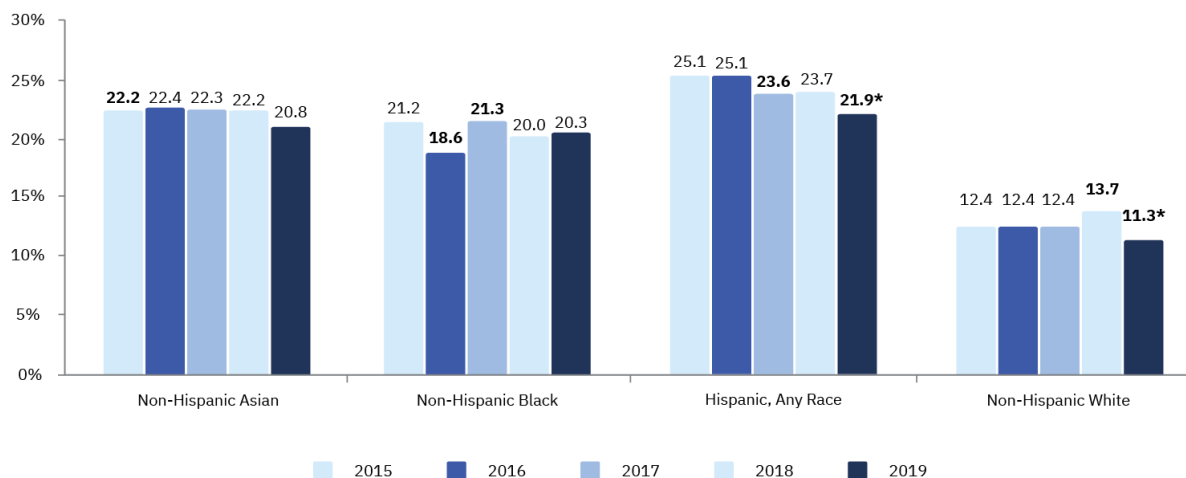
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

Figure 1.5

## NYCgov Poverty Rates by Race/Ethnicity, 2015–2019



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

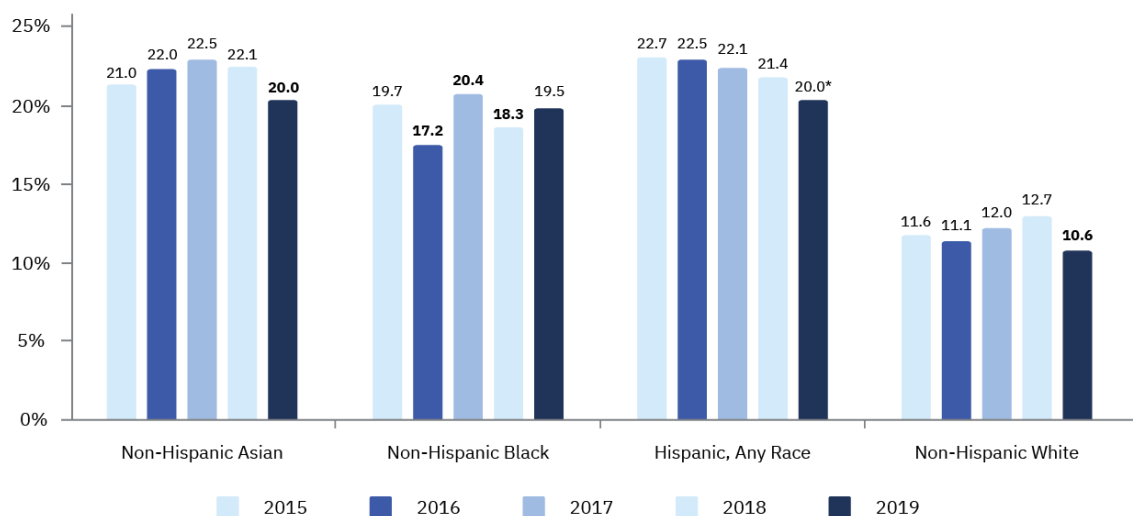
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

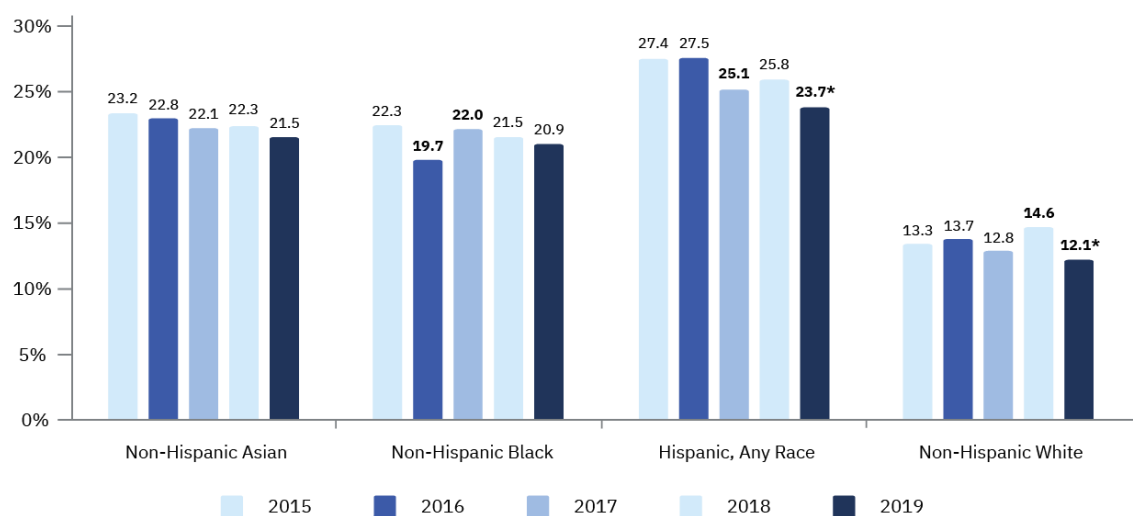
Figure 1.6

## Poverty Rates, Race and Ethnicity by Gender, 2015–2019

### Panel A. Male



### Panel B. Female



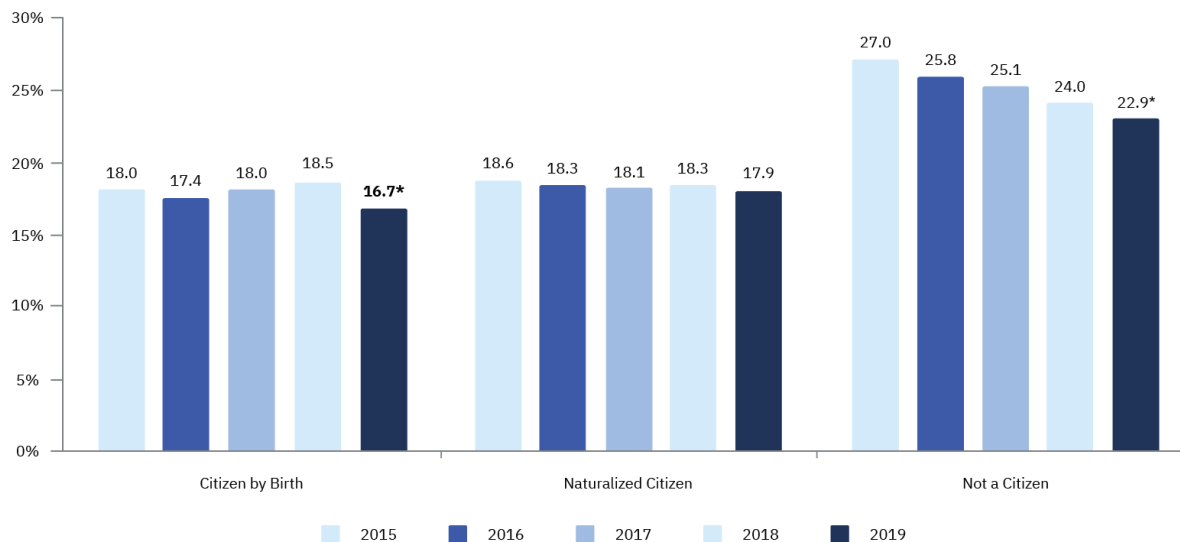
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

Figure 1.7

## NYCgov Poverty Rates by Citizenship Status, 2015–2019



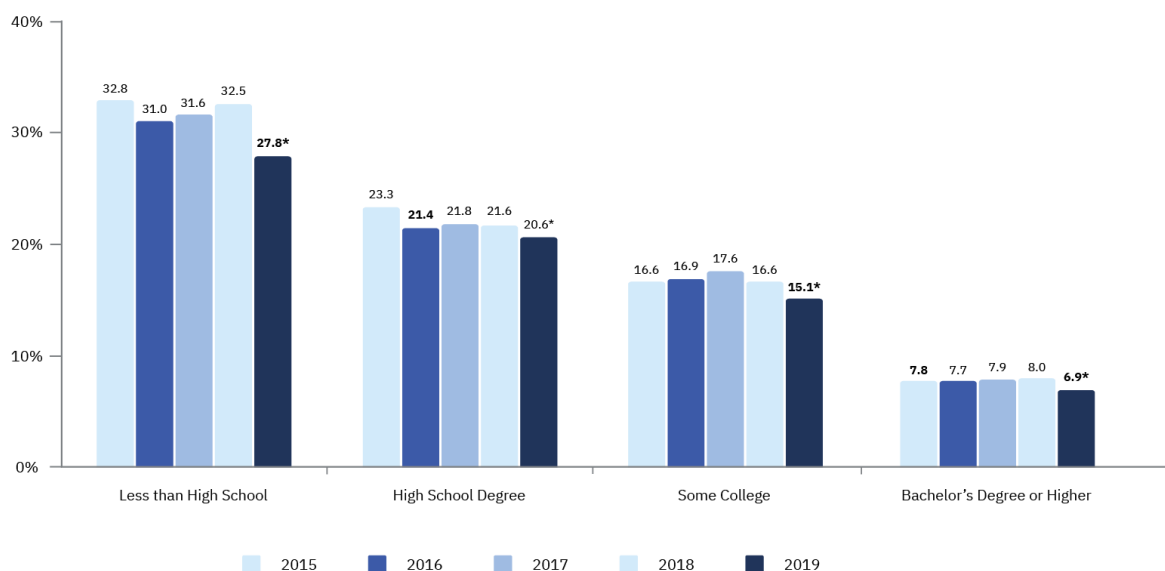
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

Figure 1.8

## NYCgov Poverty Rates by Educational Attainment, 2015–2019



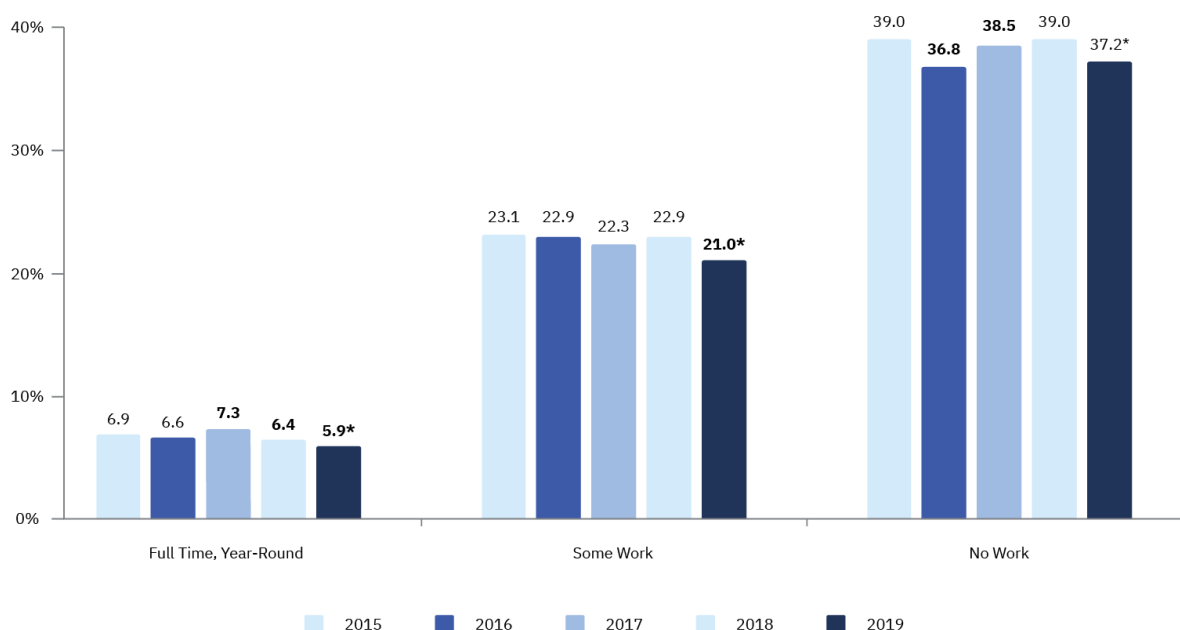
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

Figure 1.9

## NYCgov Poverty Rates by Work Experience, 2015–2019



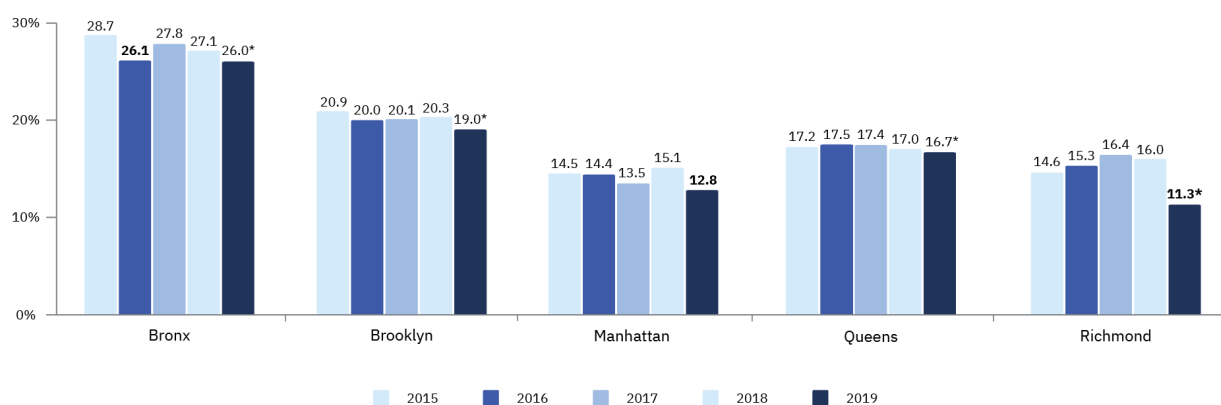
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

Figure 1.10

## NYCgov Poverty Rates by Borough, 2015–2019



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

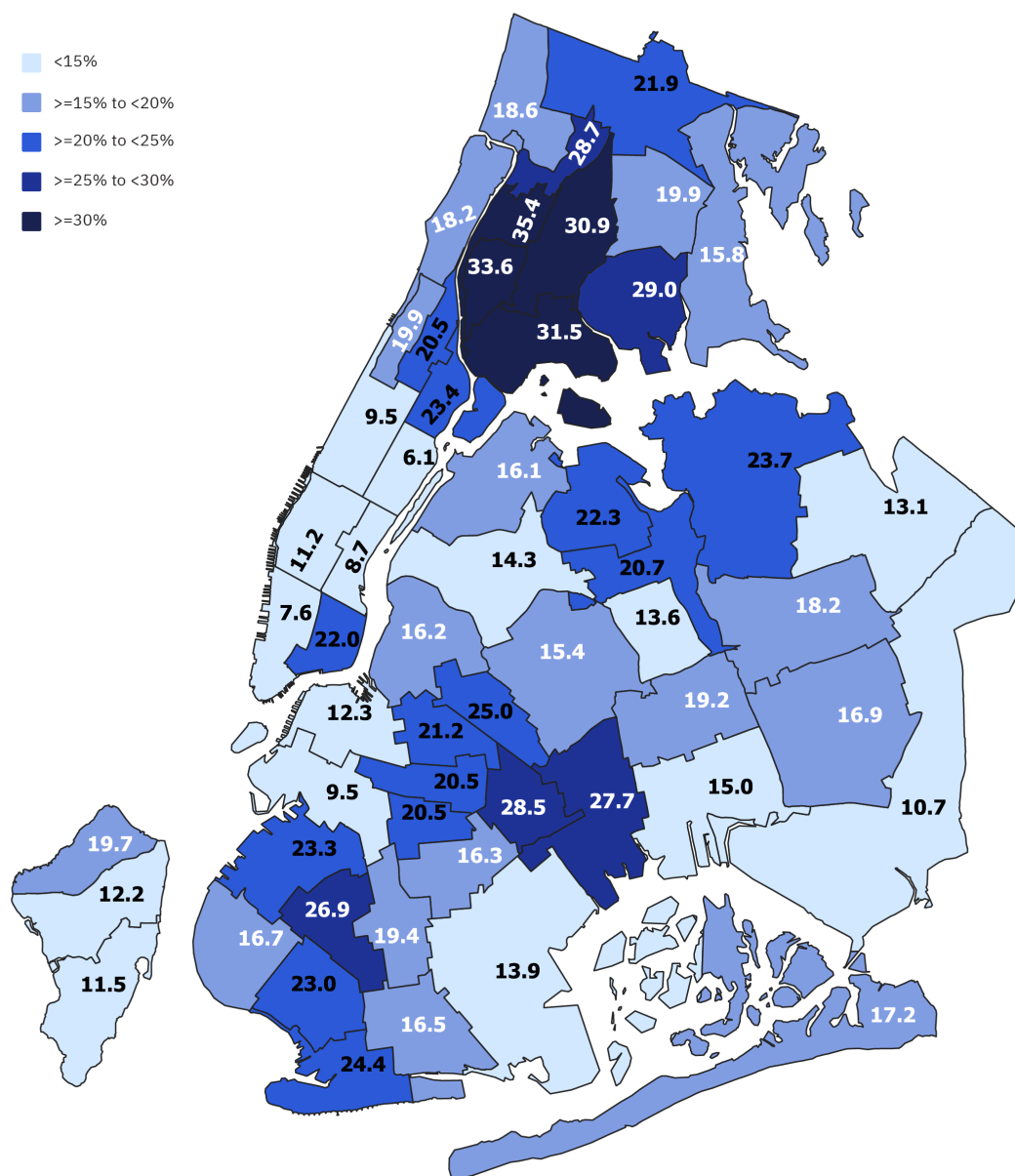
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

Figure 1.11

## Percentage of Population Below Poverty Threshold, by Neighborhood, 2015–2019

Citywide Rate: 19.2%



Source: Five-year average of 2015–2019 American Community Survey Public Use Micro Sample files as augmented by NYC Opportunity.  
 Note: Poverty rate is the average over the 2015–2019 period.

Table 1.2

## Racial and Ethnic Composition of Community Districts (CDs) with Highest and Lowest Poverty Rates, 2015–2019

Highest Poverty Community Districts				Lowest Poverty Community Districts			
Community District	5-Year Average Poverty Rate	Race/Ethnicity	% CD Population	Community District	5-Year Average Poverty Rate	Race/Ethnicity	% CD Population
<b>Bronx 5:</b> Morris Heights, Fordham South, and Mount Hope	35.4	Non-Hispanic Asian	1.5%	<b>Manhattan 8:</b> Upper East Side	6.1	Non-Hispanic Asian	10.8%
		Non-Hispanic Black	25.7%			Non-Hispanic Black	2.0%
		Hispanic	70.3%			Hispanic	9.7%
		Non-Hispanic White	1.0%			Non-Hispanic White	74.9%
<b>Bronx 4:</b> Concourse, Highbridge, and Mount Eden	33.6	Non-Hispanic Asian	1.5%	<b>Manhattan 1 and 2:</b> Battery Park City, Greenwich Village, and Soho	7.6	Non-Hispanic Asian	14.9%
		Non-Hispanic Black	28.3%			Non-Hispanic Black	1.8%
		Hispanic	66.3%			Hispanic	6.6%
		Non-Hispanic White	2.3%			Non-Hispanic White	73.1%
<b>Bronx 1 and 2:</b> Hunts Point, Longwood, and Melrose	31.5	Non-Hispanic Asian	0.6%	<b>Manhattan 6:</b> Murray Hill, Gramercy, and Stuyvesant Town	8.7	Non-Hispanic Asian	17.3%
		Non-Hispanic Black	26.3%			Non-Hispanic Black	3.3%
		Hispanic	69.9%			Hispanic	7.5%
		Non-Hispanic White	2.2%			Non-Hispanic White	69.4%
<b>Bronx 3 and 6:</b> Belmont, Crotona Park East, and East Tremont	30.9	Non-Hispanic Asian	0.9%	<b>Manhattan 7:</b> Upper West Side and West Side	9.5	Non-Hispanic Asian	9.7%
		Non-Hispanic Black	32.2%			Non-Hispanic Black	4.9%
		Hispanic	63.3%			Hispanic	14.4%
		Non-Hispanic White	2.5%			Non-Hispanic White	68.0%
<b>Bronx 9:</b> Castle Hill, Clason Point, and Parkchester	29.0	Non-Hispanic Asian	8.3%	<b>Brooklyn 6:</b> Park Slope, Carroll Gardens, and Red Hook	9.5	Non-Hispanic Asian	7.5%
		Non-Hispanic Black	28.1%			Non-Hispanic Black	7.9%
		Hispanic	57.8%			Hispanic	14.6%
		Non-Hispanic White	2.9%			Non-Hispanic White	65.0%

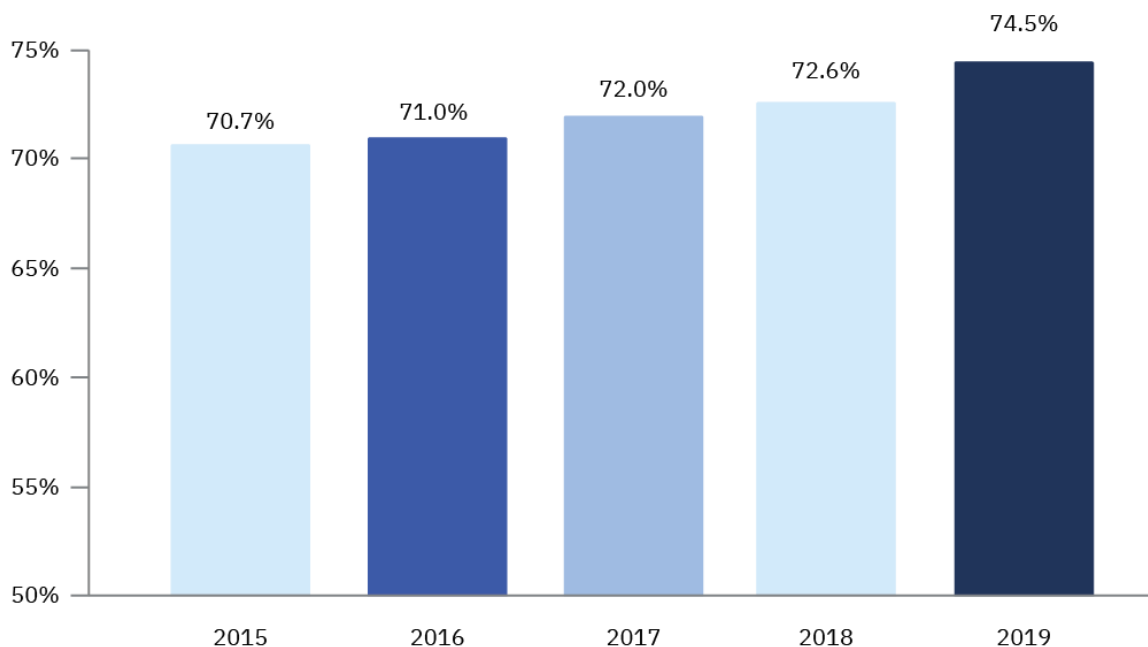
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

### 1.3 What Drives the Poverty Rate: The New York City Labor Market, Wages, and Income Supports

Poverty rates are influenced by the economic environment. The number of people working and the income they earn are key factors in building household resources. The 2019 data mark the post-recession peak in employment and income, both of which continued to improve from the prior year. The employment/population ratio steadily has increased since the end of the Great Recession, reaching pre-recession levels by 2016. By 2019, nearly three-quarters of working age adults engaged in at least some hours of employment. The share of workers employed full time also surpassed pre-recession levels, with corresponding declines in both part-time workers and those who worked no weeks in 2019 (see Figures 1.12 and 1.13).

Figure 1.12

#### Employment/Population Ratios, 2015–2019

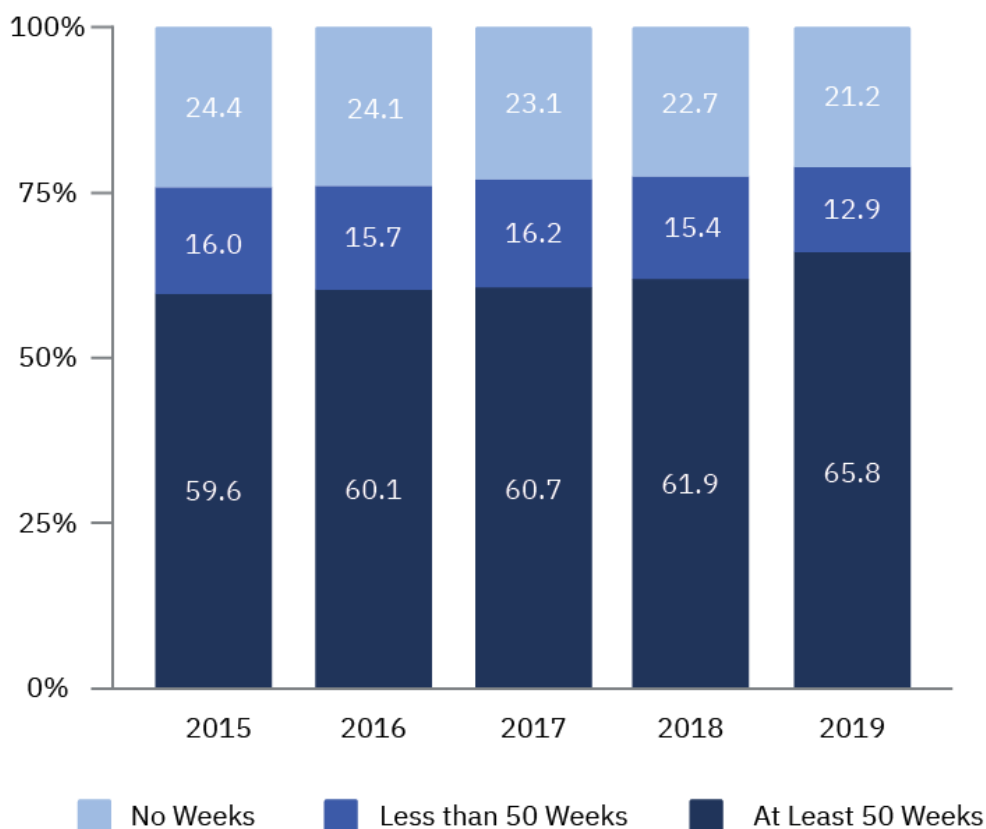


Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.



Figure 1.13

## Weeks Worked in Prior 12 Months, 2015–2019



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Strong earnings growth among the lowest income workers coincided with an expanding economy and increases in the minimum wage. In 2014, the hourly minimum wage in New York City was \$8, a 75-cents-an-hour increase from the previous year. The minimum wage increased each year after that until it reached \$15 in calendar year 2019. Panel A of Table 1.3 shows the distribution of wage increases among the lowest 50 percent of wage earners. The greatest wage growth occurred in the bottom deciles of the wage distribution where less than full-time workers and minimum wage earners make up most of the population. But wages are only one component of NYCgov Income – a measure that includes a wider range of resources. Additional income supports such as tax credits and food assistance are included in income while work-related expenditures are deducted. (See Section 1.4 for more on NYCgov Income components.)

Panel B of Table 1.3 shows growth over time of the fuller resource measure, NYCgov Income. NYCgov Income increases at a slower pace than wages. The interactions of its components are complicated. For many non-elderly families, including those in poverty, wages are the largest component of NYCgov Income. The other income components interact with wage income; for example, childcare costs may increase with work hours. For low-income families, rising earnings can involve tradeoffs or benefit cliffs. Eligibility for some income supports, such as the Supplemental Nutrition Assistance Program (SNAP), tapers off as earnings rise. The Earned Income Tax Credit (EITC) increases with earnings and then phases out. The mix of a family's income components is not constant over time, but shifts with wages and benefit eligibility standards.

Panel A of Table 1.3 shows how the economic well-being of low-income New Yorkers improved with economic expansion and rising wages. But safety net benefits still play an important role in keeping families above the poverty threshold. Figure 1.14 shows the effect of programs in reducing the poverty rate. Conversely, the inclusion of nondiscretionary expenditures in NYC Income (medical spending and work-related costs) allows for measuring the effect of these expenditures in increasing the poverty rate.

In Figure 1.14, elements that lower the poverty rate are found to the left of zero and those that raise it are found to the right. Each bar shows the effect of the absence of a specific income component on the poverty rate. For example, in the absence of an income adjustment to account for housing supports, the 2019 poverty rate would be 5.6 percentage points higher, or 23.5 percent. In the absence of medical expenditures, the poverty rate would be 3 percentage points lower, or 14.9 percent.

Table 1.3

## Nominal Wages and Incomes at Select Percentiles of Distribution, 2015–2019

Panel A. Nominal Wage						
Percentiles	2015	2016	2017	2018	2019	Average Annual Growth Rate: 2015–2019
10	\$7,209	\$7,859	\$8,090	\$9,118	\$9,899	8.3%
20	\$14,018	\$15,114	\$15,168	\$17,324	\$18,587	7.4%
30	\$20,025	\$20,958	\$22,246	\$25,327	\$26,264	7.1%
40	\$28,035	\$30,228	\$30,336	\$32,419	\$35,355	6.0%
50	\$36,046	\$38,288	\$40,448	\$40,828	\$45,457	6.0%

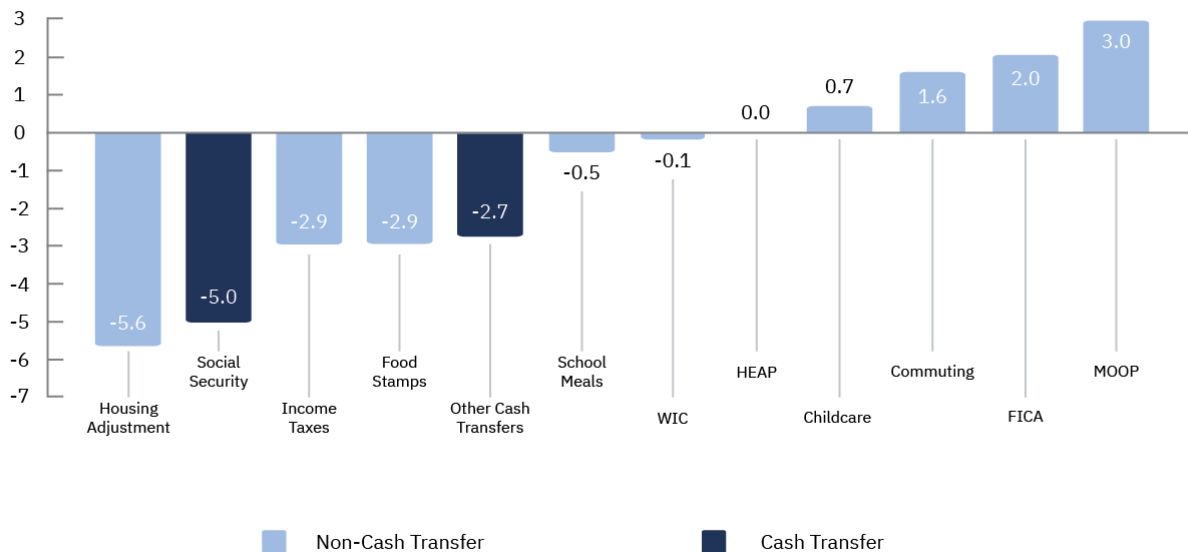
Panel B. Nominal NYCgov Income*						
Percentiles	2015	2016	2017	2018	2019	Average Annual Growth Rate: 2015–2019
10	\$23,631	\$24,431	\$25,134	\$25,748	\$27,787	4.2%
20	\$32,004	\$33,024	\$34,085	\$35,591	\$38,018	4.4%
30	\$37,775	\$39,033	\$40,282	\$42,765	\$45,268	4.6%
40	\$43,804	\$45,128	\$46,793	\$50,847	\$53,590	5.2%
50	\$51,728	\$53,252	\$55,688	\$60,698	\$64,686	5.8%

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Note: \*NYCgov Income = (wages + cash transfers + non-cash transfers + net taxes) MINUS (childcare costs + transit costs + out-of-pocket medical spending) and adjusted for family size.

Figure 1.14

## Marginal Effects of Selected Sources of Income on the NYCgov Poverty Rate, 2019



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

### 1.4 The Distribution of Poverty and the Safety Net

Poverty rates, while useful, simply mark the difference between those with resources above or below the poverty threshold. The data discussed above show that the potential for being in poverty differs across groups and by location. But not all poverty is alike. Some families are living quite close to their poverty threshold, with a small gap in the resources necessary to cross that line. Other families are living far below their poverty threshold, with less than half the resources they need to move out of poverty. All of these families are classified as “poor” because the poverty rate is simply a headcount of those living below the threshold. However, the further from the threshold the more intense the experience of poverty. Resources for basic needs are scarcer, stress levels can be higher, and it is more difficult to acquire the resources needed to escape poverty.

Table 1.4 shows shares of the population at selected distances above and below the poverty threshold for the years 2015 to 2019. The light blue band denotes shares of the population in poverty. The dark blue band denotes those families with resources from 100 to 200 percent above their threshold – not in poverty, but uncomfortably close to the threshold.

Table 1.4

## Distribution of the Population by Degrees of Poverty, 2015–2019

	Resources as % of Threshold	2015	2016	2017	2018	2019	2015–2019	2018–2019
Below Threshold In Poverty	Below 50%	4.9	5.0	5.0	5.0	4.8	-0.1	-0.2
	50% - 99%	14.7	14.1	14.2	14.3	<b>13.1</b>	<b>-1.6</b>	<b>-1.2</b>
Above Threshold Near Poverty	100% - 149%	25.7	25.4	25.0	<b>22.6</b>	22.9	<b>-2.8</b>	0.3
	150% - 200%	15.5	15.6	15.3	15.7	<b>14.9</b>	-0.6	<b>-0.8</b>

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Differences are taken from unrounded numbers; those in **bold** are statistically significant.

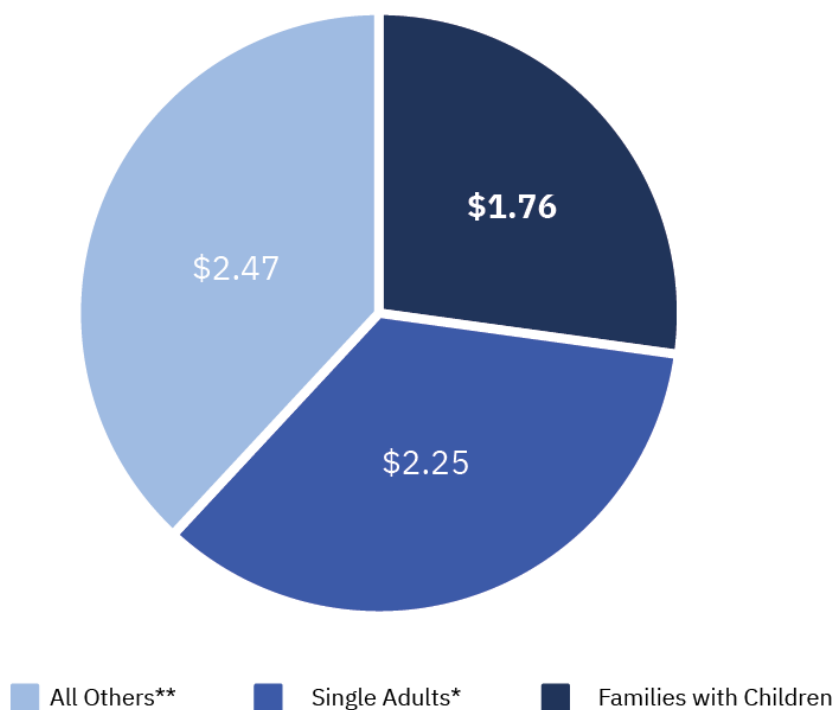
For those in poverty, the distance below the threshold is known as the poverty gap. It is the amount of resources<sup>2</sup> they need to cross the threshold and move out of poverty. The amount can differ for each family. The poverty gap for New York City in 2019 was \$6.5 billion. This figure is the sum of the poverty gap for all families in poverty and represents the total amount needed to lift all New Yorkers above their poverty threshold. Figure 1.15 shows that the poverty gap is not equally distributed across the population but varies by family status: the size and composition of the family. Breaking out the data by family status illustrates the impact of income supports that often are tied to the presence of children in the family.

<sup>2</sup> “Resources” continues to refer to the NYCgov Income measure of resources.

Figure 1.15

## NYC Poverty Gap in Billions: 2019

Total NYC Poverty Gap = \$6.5



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a significant change from the prior year. All amounts are in 2019 dollars.

\*Single adults are nonelderly adults living alone or with unrelated individuals. Excludes those who are living with unmarried partners.

\*\*All others includes childless families and elderly single adults living alone or with unrelated others.

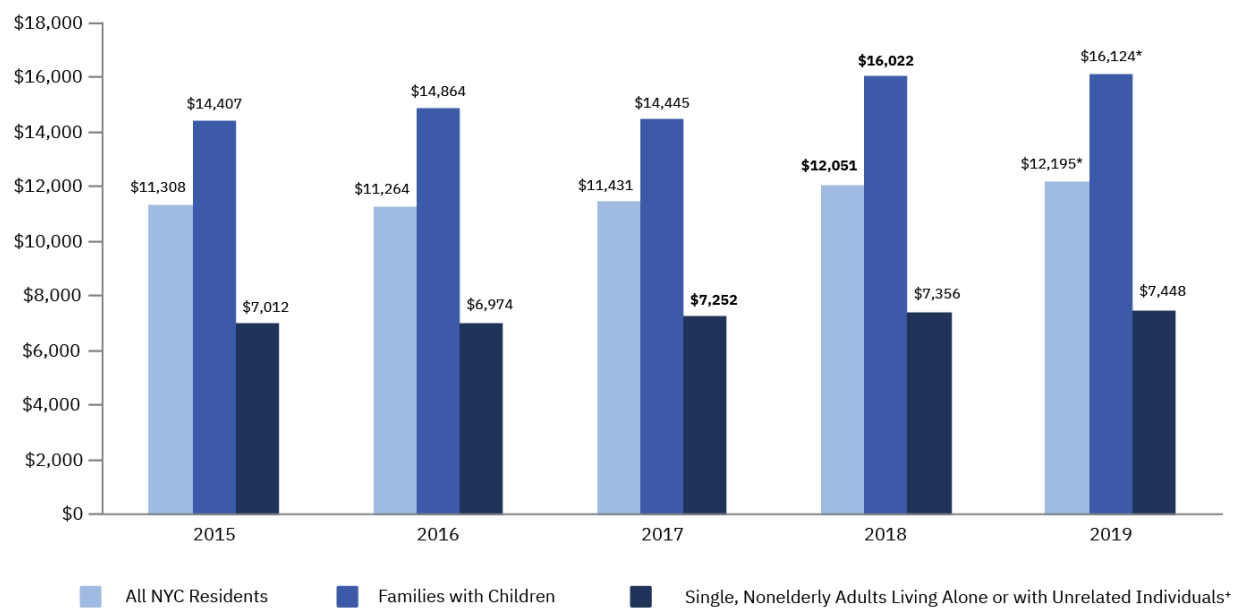
Those living above their threshold (the dark blue band in Table 1.4) have a “poverty surplus” – the amount of resources available beyond what is needed to meet the family’s poverty threshold. Figure 1.16 shows the poverty surplus for this population, and breaks out the surplus for families with children and for single adults.<sup>3</sup> The surplus is indicative of the risk of falling into poverty. It is the cushion available to keep families from falling into poverty in the event of an unexpected shock.

<sup>3</sup> The poverty gap is shown as a sum – the most intuitive metric to understand the resources needed to end poverty. The surplus is shown as an average – the most intuitive metric to understand the approximate cushion available for those living near the poverty threshold.

Figure 1.16

## Average Resource Surplus Among Low-Income Families, 2015–2019

Family Resources between 100 and 200 Percent of Poverty Threshold



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Numbers in **bold** indicate a statistically significant change from the prior year.

\*Indicates a statistically significant change from 2015 to 2019.

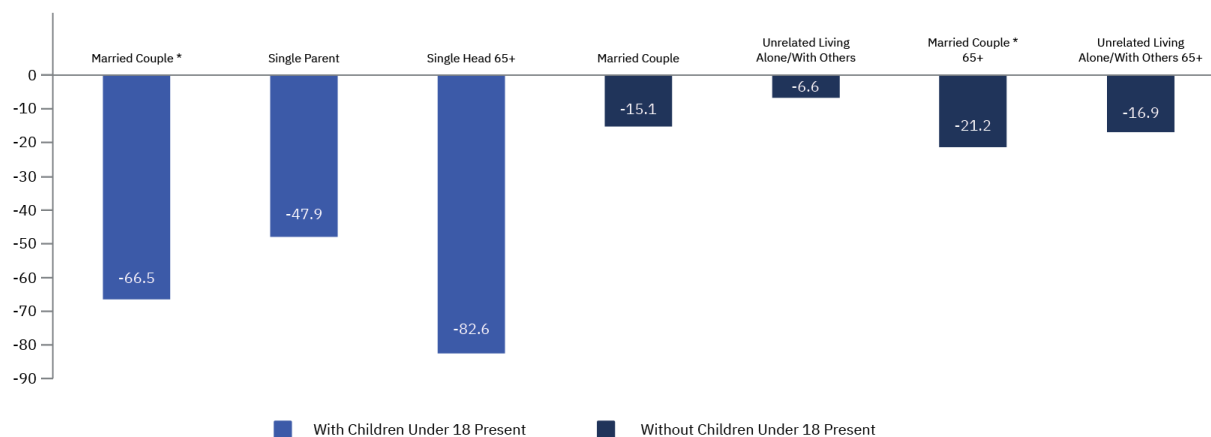
\*Single Adults are nonelderly adults living alone or with unrelated individuals. Excludes those who are living with unmarried partners.

The likelihood of falling into poverty and the intensity of that poverty is not equally distributed across the population. One potential remedy is the safety net of public benefits. Figure 1.14 shows the importance of these benefits in lowering the poverty rate among the population. The safety net is effective at lowering poverty but its resources are not equally distributed – a key source of differences in the poverty gap. Figure 1.17 shows how the combined impact of government assistance programs differs by family type. In particular, families with children receive the largest offset to their poverty rate. This is intentional, as many programs are specifically designed to give the greater share of benefits to families with children. The programs succeed in this goal. The NYCgov and other alternative poverty measures have repeatedly shown the importance of public programs in lowering the poverty rate, especially the child poverty rate.<sup>4</sup> Similar but less generous benefits exist for the elderly. Childless working-age adults receive minimal relief from benefit programs as their incomes mostly consist of earned income, scant tax credits, and minimal other benefits.

4 In addition to findings in this report, see also Liana Fox et al., “Waging War on Poverty: Historical Trends in Poverty Using the Surplus Poverty Measure.” National Bureau of Economic Research, Cambridge, MA. 2014. <https://www.nber.org/papers/w19789.pdf>

Figure 1.17

## Impact of Combined Government Assistance and Tax Credits by Selected Family Type, 2019 (Percent Decline in Poverty Rate)



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Note: \*Unmarried partners included.

### 1.5 The NYCgov Poverty Measure

This section provides a brief overview of the NYCgov poverty measure and how it differs from the U.S. official poverty measure. All measures of income poverty include two components: a definition of income that represents resources available to a family<sup>5</sup> and a definition of a poverty threshold – the minimal socially acceptable measure of resources necessary for a family of a particular size. If a family’s resource measure is less than their assigned threshold, they are in poverty. The share of people living below their assigned poverty threshold constitutes the poverty rate. The NYCgov poverty measure and the U.S. official poverty measure differ in their definitions of both income and threshold.

<sup>5</sup> See Appendix A, “The Poverty Universe and Unit of Analysis,” for a detailed definition of family. In short, we define a family as a poverty unit: those people in a household who, by virtue of their relationships to each other, share resources and expenses. A family can be as small as one person or as large as an extended, multi-generational unit including blood relatives, unmarried partners and their children, and other unrelated children. A household may include more than one poverty unit.



## Comparing the U.S. Official and NYCgov Poverty Measures<sup>6</sup>

The U.S. official poverty measure has changed little since its derivation in the 1960s. Over time it has become less useful in measuring resources and thresholds. Specifically:

- The U.S. official threshold is based on the cost of a minimal nutritional standard that is adjusted for family size. It has remained unchanged for over 50 years, save for inflation adjustments. It does not reflect changes in the standard of living that have occurred in the last half century or geographic differences in the cost of living, housing costs in particular.
- The income measure is limited to pre-tax cash. Current anti-poverty policies consist of a limited amount of cash assistance, plus tax credits and in-kind benefits such as SNAP. Because these programs are excluded from the official resource measure their impact on the official poverty rate cannot be estimated.
- There is no accounting for nondiscretionary spending on items such as health care, or the transportation and childcare costs required of many working adults. Omitting these costs overstates the amount of pre-tax cash income that is available to meet the threshold.

The NYCgov poverty measure surmounts these shortcomings by redefining resources and thresholds:

- The NYCgov threshold is based on national data on family spending for necessities (food, clothing, shelter, and utilities). The measure is adjusted for family size and the higher cost of housing in New York City.
- The NYCgov Income measure includes multiple resources that reflect current anti-poverty efforts:
  - After-tax cash income
  - Nutrition assistance: SNAP; free school meals; and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
  - Housing assistance, including the differential from market rents when residing in public, subsidized, or rent-regulated apartments
  - Home heating assistance
- Nondiscretionary spending is estimated and subtracted from income:
  - Childcare and transit costs for workers
  - Out-of-pocket medical spending, including premiums

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<sup>6</sup> See Chapter 3 for an extended analysis of the U.S. official measure, the NYCgov measure, and the U.S. Supplemental Poverty Measure.

Table 1.5 compares the components of the U.S. official poverty measure and the NYCgov measure. Since 2011, the U.S. Census Bureau has released another measure of poverty, the Supplemental Poverty Measure (SPM), that is similar to the NYCgov measure but not available at the city level. For 2019, the SPM rate for the United States was 11.7 percent, the lowest rate since the estimates began and a full percentage point lower than the 2018 SPM rate.

Table 1.5

## Comparison of U.S. Official and NYCgov Poverty Measures

	U.S. Official	NYCgov
Threshold	Established in early 1960s at three times the cost of the “Economy Food Plan.”	Equal to the 33rd percentile of family expenditures on food, clothing, shelter, and utilities, plus 20 percent more for miscellaneous needs.
	Updated by change in Consumer Price Index.	Updated by change in expenditures for items in the threshold.
	No geographic adjustment.	Inter-area adjustment based on differences in housing costs.
Resources	Total family <i>pre-tax</i> cash income. Includes earned income and transfer payments, if they take the form of cash.	Total family after-tax income.
		Includes value of near-cash, in-kind benefits such as SNAP.
		Housing status adjustment.
		Subtract work-related expenses such as childcare and transportation costs.
		Subtract medical out-of-pocket expenditures.

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

A large, solid orange silhouette of a mountain range with several peaks, spanning the width of the page and serving as a background for the text.

## **Chapter 2**

# **Poverty in the City: Policy Responses and the Path Forward**

# Chapter 2

## Poverty in the City: Policy Responses and the Path Forward

This is the final poverty report issued by the de Blasio administration. As such, it provides an opportunity to look back on the poverty policy of two mayoral terms and its impact. This year's report shows a decline in poverty and near poverty. The New York City Government (NYCgov) poverty rate fell from 20.2 percent to 17.9 percent from 2014 to 2019, a statistically significant change. The rate for 2019 is the lowest since the start of the de Blasio administration and, in fact, the lowest rate going back to 2005 – the first year captured by the poverty measure. As of 2019, there were 521,000 fewer people in poverty or near poverty than if rates had remained at their 2013 levels. The decline reflects how increases in the minimum wage, rising labor market participation, and the many policies implemented during the de Blasio administration improved the economic well-being of low-income New Yorkers.

This year's report represents a snapshot of poverty and near poverty in New York City before the COVID-19 pandemic arrived in early 2020, so it must be viewed within that context. It nevertheless contains important lessons about the current state of poverty. The report also considers how, as conditions improve and the City reopens (with an infusion of federal help from the American Rescue Plan Act of 2021 that includes significant aid to city governments), it can recover from the negative economic impact of COVID-19.

Poverty rates have declined significantly for most demographic groups during this administration's two terms, as Table 2.1 shows by comparing 2014 and 2019 rates.

Table 2.1

## NYCgov Poverty Rates for Persons, by Demographic Characteristic, 2014 and 2019

	2014	2019		2014	2019
Total New York City	20.2	<b>17.9</b>	Family Composition		
Age Group			All Families with Children under 18	20.9	<b>18.4</b>
Under 18	23.0	<b>20.6</b>	Married/Unmarried Partner <sup>1</sup>		
18 through 64	19.2	<b>16.0</b>	No Children under 18	12.7	<b>10.9</b>
65 and Older	20.6	<b>22.2</b>	With Children under 18	15.1	<b>13.2</b>
Race/Ethnicity			Single Head of Household		
Non-Hispanic White	12.9	<b>11.3</b>	No Children under 18	20.7	<b>16.6</b>
Non-Hispanic Black	22.5	<b>20.3</b>	With Children under 18	32.2	30.1
Non-Hispanic Asian	24.5	<b>20.8</b>	Single Mother Family with Children under 18	33.6	31.9
Hispanic, Any Race	24.3	<b>21.9</b>	Unrelated Individuals	27.2	26.2
Nativity/Citizenship Status			County of Residence		
Citizen by Birth	18.5	<b>16.7</b>	Bronx	27.5	26.0
Naturalized Citizen	18.8	17.9	Brooklyn	21.6	<b>19.0</b>
Not a Citizen	28.0	<b>22.9</b>	Manhattan	15.1	<b>12.8</b>
Working Age Adults (18 through 64), by Educational Attainment <sup>1</sup>			Queens	18.4	<b>16.7</b>
Less than High School	32.9	<b>27.8</b>	Staten Island	16.6	<b>11.3</b>
High School Degree	23.7	<b>20.6</b>			
Some College	17.1	<b>15.1</b>			
Bachelor's Degree or Higher	8.6	<b>6.9</b>			
Working Age Adults (18 through 64), by Work Experience in Past 12 Months <sup>1,2</sup>					
Full-Time, Year-Round	7.3	<b>5.9</b>			
Some Work	23.8	<b>21.0</b>			
No Work	38.9	37.2			

1. Category excludes people enrolled in school.

2. A change in the 2008 ACS questionnaire regarding work experience affects the comparability of estimates for 2008 and after with those for prior years. See text for definition of work experience categories.

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Differences are taken from unrounded numbers. Those in **bold** type indicate a statistically significant change from 2014.

This report includes information on the poverty gap – the amount of money needed to lift all families over the poverty threshold if the funds were perfectly targeted. The overall gap, \$6.5 billion in 2019, did not change compared to 2014. But the gap for families with children and for single, nonelderly adults living alone or with unrelated individuals showed statistically significant declines from 2014 to 2019. See Table 2.2.

Table 2.2

## NYCgov Poverty Gap, 2014–2019

(\$ billions)

	2014	2019	Change 2014–2019
All NYC Residents	6.6	6.5	-0.1
Families with Children	2.0	1.8	<b>-0.2</b>
Single, Nonelderly Adults Living Alone or with Unrelated Individuals*	2.6	2.3	<b>-0.4</b>

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: The poverty gap is total assistance needed to bring this group out of poverty (\$ billions). Changes in **bold** type are statistically significant.

\*Does not include those living with unmarried partners.

### 2.1 Jobs and Increased Wages

One of the main lessons from the poverty data going back to 2014 is, not surprisingly, that well-paying jobs play a critical role in lifting people out of poverty and keeping them out. In particular, NYCgov data in this report and reports issued during the de Blasio administration show that the minimum wage has been one of the most powerful forces in moving people above the poverty line and keeping them there.

New York State sets the minimum wage in New York City, but the City aggressively worked with the State legislature to raise it through a multi-year phase-in. An increase in the minimum wage to \$15 was a centerpiece of the City’s goal of moving 800,000 New Yorkers out of poverty or near poverty between 2013 and 2025. The minimum wage in the city, which was just \$7.25 in 2013, rose to \$15 for employers with 11 or more workers on the last day of 2018. It rose to \$15 for smaller employers on the last day of 2019. That means the data in this year’s report are the first in which all but the smallest employers in the city were paying a minimum wage of \$15. Between 2013 and 2019 the poverty threshold rose 16 percent, so New Yorkers benefiting from higher wages and a strong job market also contended with greater expenses. Even so, the actual number of people moved out of poverty or near poverty through the first year of the \$15 minimum wage is about 521,000 – a population that would constitute the 35th largest city in the United States and more than the total number of residents of Miami or Atlanta, for instance.

The minimum wage reached \$15 in a peak year for the job market. By 2019 employment had regained and surpassed jobs lost throughout the Great Recession, and it was a year before the COVID-19-related shutdown occurred. The \$15 minimum wage appeared to have no notable impact on employment demand. Labor force participation rose over 5 percent from 2014 to 2019, with more workers engaged in full-time, year-round employment. Wages defining the bottom decile of the labor force grew by over \$3,000. These two factors – wage growth and employment opportunity – were core drivers of the declining poverty rate.

The City also promoted increased wages in other ways. It has raised wages for its own workforce, nonprofit contracted vendors, and childcare workers. Although many of the workers who benefited from these wage increases were already above poverty or near poverty, in other cases the increases helped to lift families out of poverty or near poverty and into more stable, self-sufficient economic circumstances.

In April 2014 the City’s Earned Sick Time Act took effect, requiring many employers in New York City to provide employees with paid sick leave. By requiring employers to pay New Yorkers for days they take off to care for themselves or a family member, the law has increased take-home pay for many. Through the Department of Consumer and Worker Protection (DCWP), the Administration has continued to lead the nation on advocacy around the importance of workplace rights and protections. In 2017, the city passed and implemented the Freelance Isn’t Free Act and the Fair Workweek laws to support working New Yorkers. The Freelance Isn’t Free Act was a first-of-its-kind law to establish wage theft protections for independent contractors, helping to level the playing field for those not working as traditional “employees” from media and entertainment to day laborers on construction sites. The Fair Workweek laws helped some of the lowest paid workers in fast food and retail secure predictable work schedules and incomes that enable working families to create budgets, schedule child care, or pursue education or a second job. Similarly with the City’s Paid Care Division, DCWP is the only governmental office in the United States charged with raising job standards in care industries such as home health care, childcare, and house cleaning where workers often fall victim to wage theft and other violations of their rights. The City has also established a program of free, high-quality universal pre-K and greatly expanded free 3-K. In addition to providing vitally important early childhood education, these programs increase wages in working families by freeing up parents to work more hours without having to pay for childcare.

The City looks to job training as an important tool for lifting New Yorkers out of poverty. The City has invested heavily in Jobs-Plus, a proven, place-based employment program for residents of New York City Housing Authority (NYCHA) developments that focuses on providing employment-related services, creating financial incentives that “make work pay,” and promoting community support for work. The City offers other job training programs, including Advance & Earn, a training and employment program for youth between the ages of 16 and 24. The City has also cultivated the skills and experience of young New Yorkers by investing in the Summer Youth Employment Program at unprecedented levels. In 2014, the City invested about \$40 million to serve about 36,000 youth. By contrast, in the summer of 2021, the City invested \$167 million to serve 75,000 young adults, including 5,000 slots dedicated to CUNY students. In 2015, it launched the Mayor’s Office of Youth Employment, a first-of-its-kind office that serves to expand, improve, and align publicly run education and employment programs that help prepare young New Yorkers for career success.

The City has an array of other initiatives designed to help New Yorkers find well-paying employment. In 2014 Mayor de Blasio created the Mayor’s Office of Workforce Development (“WKDEV”) with a charge to transform how the City approaches workforce services. Through its 2014 release of the groundbreaking report, *Career Pathways: One City Working Together*,<sup>1</sup> the de Blasio Administration has transformed the City’s approach to workforce development over the past seven years by making significant investments in building the skills, experience, and credentials of New Yorkers and connecting them to career pathways. The concept and elements of career pathways have been widely adopted by the workforce development community in New York City among providers and City agencies alike.

Agencies across New York City have initiated new targeted efforts. The Department of Small Business Services (SBS) launched or expanded five industry partnerships, like the NYC Tech Talent Pipeline.<sup>2</sup> Through these industry partnerships, SBS has engaged hundreds of employers and invested millions of dollars to train thousands of individuals in employer-informed training, leading to career track jobs with good wages. For example, ApprenticeNYC has prepared New Yorkers to become Associate Engineers at tech firms with average annual salaries of \$70,000.

Significant investments help connect justice-involved adults and young adults to employment programs as a prevention strategy. For example, through the \$20 million in annual investment by the Mayor’s Office for Criminal Justice in the Jails to Jobs program, every person leaving a City jail has access to re-entry services, including help finding a job. Additionally, the City has invested heavily in career exploration and employment programs for youth in communities with high rates of crime and gun violence.

The City has also transformed its approach to serving public assistance recipients. By launching the CareerCompass, CareerAdvance, and YouthPathways programs, the Human Resources Administration has redesigned its approach to employment services by tailoring services to individual needs and emphasizing access to training and education, literacy programs, and community service.

The City created HireNYC, a program that leverages City contracts to require contractors either to hire low-income New Yorkers or to give a “first look” to candidates referred by the City. As a result of HireNYC: Human Services, which requires human services contractors to hire cash public assistance recipients, more than 11,000 low-income New Yorkers found a job in the human services field. Additionally, through a partnership between SBS and the Sandy Build It Back program (Mayor’s Office of Housing Recovery Operations), nearly 200 New Yorkers landed an apprenticeship in the skilled trades.

The City also negotiated an historic set of Project Labor Agreements with the building trades to ensure that people from low-income communities and NYCHA would be prioritized for the construction jobs created by City investments. This includes 30% of all construction jobs and 9% of all apprenticeships in an industry that provides a straight shot to the middle class.

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1 <https://www1.nyc.gov/assets/careerpathways/downloads/pdf/career-pathways-full-report.pdf>

2 <https://www.techtalentpipeline.nyc/>



## 2.2 Affordable Housing

The availability of affordable housing is another important factor in determining whether New Yorkers live above the poverty line. It is especially important in the city because of the high cost of housing compared to other parts of the country, and the large percentage of income New York City households spend on housing. Housing supports that range from public housing to rent regulated units consistently lower the poverty rate by freeing up family resources to meet other needs. The effect has been to lower the poverty rate in the range of approximately 5.5 to 6.6 percentage points in a given year.

The City has made a strong commitment to increasing the amount of affordable housing available to New Yorkers. When Mayor de Blasio took office in 2014, he launched Housing New York with the ambitious goal of building and preserving 200,000 affordable homes in ten years (by 2024). Currently, the City is on target to meet that goal two years early (200,000 homes by 2022). In 2017, the City launched Housing New York 2.0, with a new goal of building and preserving 300,000 homes by 2026. Housing New York 2.0 included new initiatives to help New Yorkers buy a first home, afford their rent, and stay in their neighborhoods. In January 2020, the City launched a third phase of Housing New York, YOUR Home NYC, with new initiatives to build and preserve affordable housing, protect renters, and create neighborhood wealth.

The City has also focused on helping New Yorkers who have housing to remain in it, since the loss of a home often contributes to a family or individual moving into poverty. In August 2017, the mayor signed a law creating a right to counsel in eviction cases, which has given New Yorkers an important new weapon to ward off eviction and possible homelessness. In January 2019, the mayor established the Mayor's Office to Protect Tenants by executive order, which coordinates an array of tenant-protection efforts. The City's Department of Social Services (DSS) operates a program that extends emergency rental assistance to families and individuals at risk of being evicted. In addition, the City's Public Engagement Unit and Mayor's Office to Protect Tenants launched its first-ever NYC Tenant Resource Portal, an online resource to help New Yorkers who rent their homes to access free City resources to prevent evictions, and "Tenant Helpline", a one-stop-shop to inform New York City tenants about their rights, connect them to housing-related resources and other City programs like SNAP, Cash Assistance etc.

Through the PACT program, NYCHA will convert approximately 62k units of public housing to project-based section 8, a more stable federal funding source. By the end of 2021, NYCHA will have more than 32,000 homes in some stage of renovation, which translates to approx. \$1.7B in investments to preserve low-income housing throughout New York City.

The City also ramped up efforts to address homelessness, which remains a stubborn problem. It launched the HOME-STAT program, which sends canvassing teams out to identify homeless New Yorkers and connect them with homeless outreach staff who can address their housing and social service needs. Another program, One Shot Deal, extends one-time emergency grants to help New Yorkers facing unexpected circumstances to

remain in their housing or assist them in moving into new housing. The City also operates CityFHEPS, a voucher program that helps New Yorkers experiencing homelessness to obtain permanent housing. And the City, lead by the Department of Veterans Services, developed targeted efforts focused on homeless veterans. In December 2015, NYC became the largest city in the nation to be certified by the federal government for ending chronic veteran homelessness by applying a strategy that addresses veterans' needs holistically, utilizes peers, and fills critical operational gaps in existing supportive housing subsidies.

## **2.3 Benefits and Tax Credits**

For many New Yorkers, government benefits of all kinds make the difference between living above the poverty line or below it. For example, combined tax credits such as the Earned Income Tax Credit (EITC) or the Child Tax Credit in a typical year lower poverty an average of 3 percentage points. Supplemental Nutrition Assistance Program (SNAP) benefits have a similar effect. The CTC as enhanced by the 2021 American Rescue Plan Act promises a much more dramatic impact, potentially lowering child poverty by close to half.

The City has launched an array of initiatives designed to make it easier for New Yorkers to learn which tax credits and benefits they qualify for and apply for them. NYC Opportunity updated ACCESS NYC, a digital tool that allows people to easily check their potential eligibility for over 30 federal, New York State, and New York City programs and benefits. Available in over ten languages, the site provides information on how programs work, what documentation is required, how to apply online, and how to receive help. HRA also launched ACCESS HRA, available as a website and as a mobile app, which allows New Yorkers to apply for SNAP and Cash Assistance and regularly check the status of their benefits.

In 2015, the de Blasio administration began investing more than \$3 million annually to expand the availability of free tax preparation services to New Yorkers. These services ensure that residents are able to claim income-boosting tax credits without having to pay a commercial preparer. In the first year of this unprecedented investment, the City's network of free tax preparation providers increased the number of returns completed by more than 50% from 96,000 returns to more than 150,000 returns. Since 2014, NYC Free Tax Prep has completed more than 907,000 returns in all five boroughs, saving New Yorkers an estimated \$136 million in tax preparation fees and returning approximately \$1.5 billion in tax refunds to hard-working New Yorkers, including nearly \$640 million in EITC.

During the COVID-19 pandemic the City's network of free tax preparation providers were able to mobilize to help thousands of New Yorkers claim Economic Impact Payments (stimulus payments) and advance Child Tax Credit (CTC) payments. When the American Rescue Plan expanded CTC 2021, the City made an additional investment to help 14 providers to extend its free tax preparation services—including in-person sites citywide and pop-up sites within homeless shelters—to help families claim the advance CTC's monthly payments. To raise awareness, the City marshalled 15 different agencies and over 5,000 community-based organizations

and armed them with communication tools in 10 languages. Through email campaigns to 500,000 SNAP and cash assistance clients, to 300K+ City employees, and to others; text messages to 185,000 New Yorkers with children in targeted ZIP Codes; a paid digital advertising campaign and press placements in community and ethnic media; among other strategies, the City reached more than 1 million New Yorkers about the Credit.

The Department of Veterans Services DVS also focused on helping service members access support to which they are entitled. DVS formed the VA Claims Unit to assist veterans and Veteran families with remitting service-connected disability compensation, non service-connected VA pensions, indemnity compensation for surviving dependents of deceased veterans, VA educational benefits, and other federal benefits that veterans and their families have earned by being members of the military and ex-military community. Facilitating access to these federal benefits has proven extremely impactful to the approximately 210,000 US Military Service Members—past and present—who call New York City home.

The City also introduced an array of reforms that removed obstacles to obtaining benefits. Clients previously were required to “work off” their benefits through the Work Experience Program (WEP) at City and nonprofit agencies. The City eliminated WEP and instead offers new opportunities for subsidized jobs, internships, and education and trainings oriented toward building career pathways.

The City has transformed Cash Assistance procedures to reduce unnecessary office visits. This allows clients to submit recertification questionnaires online and submit documents from a smartphone. The City has also put in place new protocols to prevent unnecessary case closings, which required clients to request a State fair hearing to reopen their case. With the new protocols, State fair hearing challenges declined by more than 47 percent. On the policy level, the City has been a strong advocate for increased benefits. In June 2020, the mayor and the City’s Corporation Counsel joined a coalition of state attorneys general in urging Congress to block Trump administration efforts to cut SNAP benefits. In January 2021, President Biden signed an executive order that increased the amount of SNAP benefits people are eligible for, which applied to very low-income households in particular.

The City also successfully advocated for a change in State law that permits clients to obtain a college degree while receiving benefits. Participation in a four-year college program was not a permissible employment activity for clients before the change – a limitation that cut many off from degrees that would greatly improve their ability to earn a living wage.

## **2.4 Education**

Education is one of the most powerful tools for moving people out of poverty. Extensive data show a strong correlation between education levels and living above the poverty line. Compared to someone with a bachelor’s degree, an individual with a high school degree is three times more likely to be poor, and four times more likely to be poor if they didn’t graduate high school.

The City has heavily invested in initiatives to increase access to education at all levels. New York City has been a national leader in universal pre-K and 3-K, expanding free, high-quality early childhood education, which is shown to be strongly associated with success later in life, including economic success. At the elementary and middle-school levels, the City's Equity and Excellence for All initiative has introduced an array of improvements and reforms. The City placed reading coaches in every elementary school and continued to expand access to bilingual and dual-language programs.

The City has also introduced high school-level programs to increase student access to higher education and their marketable technical skills. It launched the Computer Science for All initiative as part of its Equity and Excellence for All agenda to ensure that all City schools can provide equitable computer science learning experiences to their students. The City's AP for All initiative similarly brings advanced placement (AP) courses to schools that offer few or no AP courses. In 2018, the City had its highest ever number of students taking and passing AP exams.

At the college level, CUNY's Accelerated Study in Associate Programs (ASAP) has a proven record of helping low-income students remain in school and obtain associate degrees. Since the program's inception, 14 CUNY ASAP cohorts have totaled 70,000 students admitted across an array of CUNY colleges. Its current three-year graduation rate is 53 percent versus 24 percent for similar students not enrolled in the program. In 2015, NYC Opportunity provided support for Accelerate, Complete, and Engage (ACE), a program similar to CUNY ASAP that supports students pursuing baccalaureate degrees.

## **2.5 Equity**

The data in this report, and reports issued over the past two mayoral terms, show that people of color are disproportionately likely to live in poverty and have difficulty rising out of it. The disparities are stubbornly persistent. Poverty rates fell from 2014 to 2019 for all the racial and ethnic groups regularly tracked in this report. But these declines were slow, few significant year-over-year changes exist, and significant changes only appear when measured over the longer term.

Even as poverty rates fell, the differences between groups remain. In any given year Hispanic poverty rates are nearly double that of rates for Whites. The average differences in rates for Blacks (nearly 65 percent higher) and Asians (just over 75 percent higher) are also notable. For this reason, racial equity is a critical part of the City's work to reduce poverty.

In May 2019, the mayor signed Executive Order 45 (EO 45), which expanded the City's focus on equity in its own operations and across New York City. EO 45 directs City agencies to identify disparities in their work based on income, race/ethnicity, gender, and other factors. Agencies are required to develop plans to address identified disparities.

To reduce inequity, it is important to know where it exists. To this end, the City has significantly increased the amount and quality of information available on disparities of all kinds. It has published a Social Indicators Report since 2016, which provides a snapshot of social and economic conditions across the City. In 2019, the report was redesigned as the Social Indicators and Equity Report, with significantly more data on disparities by race, gender, income, and other factors. In February 2021, the City launched EquityNYC, a website that presents the data in a highly accessible online format.

The City is committed to rooting out the causes of inequity and, in January 2020, launched Where We Live NYC, the culmination of a two-year planning process led by the New York City Department of Housing Preservation and Development (HPD) and involving more than 30 City agencies, including NYCHA and the Mayors Office. Where We Live NYC is the City's five-year plan to break down barriers to opportunity and build more integrated, equitable neighborhoods. Updated to reflect the disproportionate impact the COVID-19 pandemic has had on low-income communities of color, the plan includes enhanced metrics, strategies, policy proposals, and new priorities to address a legacy of housing segregation and build a more inclusive city.

The City has also promoted equity by increasing its support for Minority and Women-Owned Businesses (M/WBEs). In OneNYC, the blueprint for New York City's future, the City set a goal of awarding \$25 billion in contracts to M/WBEs by 2025; as of mid-2020 it was running ahead of schedule. In July 2020, the mayor signed an executive order to strengthen M/WBEs. He also announced new initiatives with the Taskforce on Racial Inclusion and Equity to help Black and Latinx entrepreneurs connect with business opportunities, including government contracts.

The City has an array of specialized programs designed to promote equity in specific areas. These include NYC Men Teach, the nation's most ambitious effort to diversify the teaching pipeline. It has a goal of recruiting and retaining 1,000 additional men of color to teach in New York City schools, where less than 8 percent of teachers are men of color. As part of its COVID-19 response and to help ensure an equitable recovery, the City also created the Taskforce on Racial Inclusion & Equity to coordinate new initiatives to address the impact of structural racism.

## 2.6 Immigrant Assistance

The data in this report show that New York City’s immigrants are disproportionately likely to live in poverty. The non-citizen poverty rate fell 5 percentage points from 2014 to 2019, but remains 6 percentage points higher than the poverty rate for native-born citizens. This aligns with the wealth of evidence showing that there are strong economic benefits to obtaining citizenship status. One study sponsored by the Mayor’s Office of Immigrant Affairs (MOIA) found that with naturalization, individual annual earnings increase by an average of 8.9 percent, the employment rate rises 2.2 percentage points, and homeownership increases 6.3 percentage points.<sup>3</sup> Starting in 2018, NYC Opportunity began to issue reports specifically analyzing poverty among immigrants in the city. The unit’s “An Economic Profile of Immigrants in New York City”<sup>4</sup> provides data and analysis that can help City policymakers identify where poverty exists in immigrant communities and develop strategies for addressing it.

MOIA, the City office dedicated to supporting and empowering immigrants, offers an array of programs designed to help immigrants economically succeed. ActionNYC offers all New Yorkers free immigration legal help in their language and in their community. It works through a network of trusted community-based organizations (CBOs) and legal service providers, delivering its services in public schools, public health facilities, public libraries, and other CBOs. It also operates a toll-free hotline where immigrants can ask questions and be connected to free and safe legal help. Another program, NYCitizenship, provides free legal help with citizenship applications including targeted outreach to constituents who are clients of DSS/HRA.

IDNYC, the nation’s most robust municipal ID program, has been of particular help to immigrant New Yorkers. The free identification card, which is issued without regard to immigration status, helps New Yorkers access a wide variety of vital services, including banking; identification for employment; access to public buildings, including schools; and public benefits.

Because of the significant economic hardship and disparity faced by immigrant communities, MOIA’s work is heavily geared towards addressing poverty and its related hardships. For more information about programs, see MOIA’s annual report.<sup>5</sup>

## 2.7 Health and Well-being

Health difficulties are a significant factor that can move people into poverty and keep them there due to the costs associated with being ill, and the fact that illness can interfere with their ability to earn. Out-of-pocket medical spending consistently adds approximately 3 percentage points to the poverty rate.

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3 Urban Institute. “The Economic Impact of Naturalization on Immigrants and Cities.” December 2015. Available at: <https://www.urban.org/research/publication/economic-impact-naturalization-immigrants-and-cities>

4 <https://www1.nyc.gov/site/opportunity/reports/immigrant-economic-profile.page>

5 <https://www1.nyc.gov/assets/immigrants/downloads/pdf/MOIA-Annual-Report-for-2020.pdf>

The City has taken a bold stand for universal health care. In January 2019, the mayor announced plans to guarantee health care for all New Yorkers. The initiative was designed to serve the 600,000 New Yorkers who lacked insurance by strengthening MetroPlus, the City’s public health insurance option. The Public Engagement Unit’s GetCoveredNYC team was established in 2016 to run direct, proactive multilingual outreach to identify uninsured New Yorkers and help enroll them in health insurance by using innovative campaign-style tactics combined with in-depth case management. Per Mayor de Blasio’s Executive Order 40 signed in 2019, GetCoveredNYC has been training City agencies to provide information about health insurance and enrollment assistance to individuals who use City services. The initiative also launched NYC Care, a new program that guarantees anyone not eligible for insurance, including undocumented immigrants, direct access to NYC Health + Hospitals physicians, pharmacies, and mental health and substance abuse services.

The City has other targeted health initiatives. In July 2018, it launched a comprehensive, four-point program to reduce maternal deaths and life-threatening complications from childbirth among women of color. These maternal mortality rates and the racial disparities within them remain an ongoing challenge. The City announced it would invest \$12.8 million in the plan over the next three years, including implicit bias training for private and public health care providers, support for private and public hospitals to enhance data tracking and analysis of maternal mortality events, and other measures.

The City has also made mental health a priority through the ThriveNYC initiative. Connections to Care (C2C), a part of ThriveNYC, integrated mental health support into the work of CBOs that serve at-risk and low-income communities across the city. C2C CBOs work with mental health providers who train and coach staff to screen for mental health needs, and either offer clients direct support or connect them with local health care providers. A preliminary program evaluation found that most participants were from ethnic minority backgrounds, with over half reporting incomes of less than \$5,000 – an indication that C2C was reaching its intended target population.

## 2.8 Broadband Access

In today’s digital economy, broadband access is important to financial success. The internet is a vital tool for accessing job opportunities, pursuing education, and starting businesses. In January 2020, the City announced its NYC Internet Master Plan, a bold vision for affordable, high-speed, reliable broadband service throughout the five boroughs. The City’s approach will reverse digital redlining by leveraging city assets and investment to shift the broadband market. The City is incentivizing private companies to provide affordable internet service to the least-connected neighborhoods in the city to ensure that all communities have access to high-quality internet, regardless of their income level. The City has promoted broadband access in a variety of ways in the years leading up to the release of the Master Plan and during the pandemic with a particular focus on marginalized communities and low-income New Yorkers.

In 2015, the City launched the nationally recognized Queensbridge Connected program to provide free internet service to residents of the New York City Housing Authority (NYCHA), the largest public housing development



in the country. This demonstration proved that cost is the primary barrier to internet adoption for low-income households and that when free service is provided with digital inclusion resources, adoption rates of low-income communities will be on par with those of the wealthiest neighborhoods. The City also provided 5,000 internet-connected tablets to families with school-aged children living in NYCHA developments in the Bronx, in coordination with the U.S. Dept. of Housing and Urban Development's ConnectHome program.

In April 2020, the City began providing internet-connected tablets to 10,000 NYCHA seniors to reduce isolation among older adults and help them access services related to COVID-19. In May 2020, the City launched a pilot of the Internet Master Plan to bring connectivity to NYCHA developments, soliciting proposals to use NYCHA assets to provide affordable internet service options. The pilot successfully identified new low-cost and free internet service options for up to 30,000 residents in 13 NYCHA developments, engaged minority and women owned-businesses that were new to the New York broadband market, and provided companion digital inclusion resources.

In July 2020, the City made the largest single commitment of any city in reversing digital redlining. It announced an investment of \$157 in capital funding to build broadband infrastructure in under-connected neighborhoods and offered a coordinated process for internet service providers to access 100,000 real estate assets to create affordable networks. In October 2021, the City announced that the solicitation for these funds will build infrastructure reaching more than 1.6 million New Yorkers with new affordable internet service options, an historic accomplishment in closing the digital divide.

## **2.9 COVID-19 Response**

This year's report covers a period before the COVID-19 pandemic. It should be noted that when COVID-19 hit New York City in early 2020, the City rapidly and forcefully responded to both the health threat and the extensive economic impact. NYC Opportunity's poverty research team has analyzed U.S. Census Bureau Pulse Data to assess the financial impact of COVID-19. It has found widespread job and income losses in the city with some groups particularly hard hit, including workers with a high school education or less and Asian workers.<sup>6</sup> It also found that the COVID-19 crisis was having a disproportionately large economic impact on women.<sup>7</sup>

The City immediately implemented Get Food NYC, a free food distribution program that included grab-and-go meals at New York City schools. The program was available to all children and adults in need, and included emergency home food distribution. The City appointed a COVID-19 Food Czar to coordinate multi-agency

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6 NYC Opportunity. "Analyzing the Economic Impact of COVID-19 on New York City." NYC Opportunity News Blog, September 23, 2020. Available at: <https://medium.com/nyc-opportunity/analyzing-the-economic-impact-of-covid-19-on-new-york-city-d12bcebe65b3>

7 NYC Opportunity. "The COVID-19 Crisis by Gender: The 'Shcession' and 'Hecovery' in the NYC Metropolitan Area." NYC Opportunity News Blog, October 20, 2020. Available at: <https://medium.com/nyc-opportunity/the-covid-19-crisis-by-gender-the-shcession-and-hecovery-in-the-nyc-metropolitan-area-f42e42f53f63>



efforts. By late September 2020, the Food Czar’s operation had distributed more than 135 million meals to hungry and food-insecure New Yorkers. At the time, it delivered approximately 400,000 meals a day through its Emergency Food Delivery program, which brought meals to homebound low-income New Yorkers. It also served an additional 450,000 grab-and-go meals daily at over 400 New York City school locations.

The City also responded to the hunger needs of specific groups. For example, the COVID-19 pandemic also exacerbated food needs among veterans and military families. Starting in July 2020, DVS partnered with New York State’s Nourish New York Program to bring healthy, fresh meals to veterans and their families on a weekly basis. DVS took the lead in organizing volunteers to pack and distribute meals to 19 different Veteran Service Organizations throughout the City. Over 130,000 meals were provided to veterans and their families. Though initially started in response to the pandemic, the program still remains operational today as a source of supplemental healthy food for low-income veteran and military families.

The City launched initiatives to help small businesses and their employees affected by the pandemic, including a small business relief program that made loans available to small businesses affected by COVID-19. The Open Restaurants program allowed restaurants to establish outdoor dining on public roadways and sidewalks. The City also established a Restaurant Revitalization Program, which provides funds to restaurants to pay unemployed and under-employed workers affected by the COVID-19 crisis.

And the City has integrated employment efforts with COVID relief through an unprecedented level of investment in workforce development. The Mayor announced the City Cleanup Corps, a New Deal-inspired initiative, during his 2021 State of the City Address. The City Cleanup Corps fosters an economic recovery by hiring 10,000 New Yorkers to clean and revitalize parks, plazas, streets, and sidewalks. The program involves 15 City agency partners. By the fall of 2021, these Corps members removed more than 600,000 bags of trash, hand-swept more than 50,000 City blocks, and cleaned more than 25,000 rain gardens. Factoring in major initiatives like the full return of the Summer Youth Employment Program (\$167 million), the City Cleanup Corps (\$234 million) and other job programs (the Test & Trace Corps, Resource Navigators, and the Vaccine for All Corps), the Administration’s investments in FY2022 in preparing New Yorkers for and connecting them to jobs will likely exceed \$1 billion.

## **2.10 The Role of NYC Opportunity**

The mission of the Mayor’s Office for Economic Opportunity (NYC Opportunity) is to help the City of New York apply evidence and innovation to reduce poverty and increase equity. Working across agencies, NYC Opportunity improves the systems of government by advancing the use of research, data, and design in program and policy development; service delivery; and budget decisions. Its work includes analyzing existing anti-poverty approaches, developing new strategies, facilitating the sharing of data across City agencies, and rigorously assessing the impact of key initiatives. NYC Opportunity manages a discrete fund and collaboratively works with City agencies to design, test, and oversee new programs and digital products.

The office manages a portfolio of initiatives it has developed with its partners and directly oversees, and it offers a variety of services to City agencies to promote data-driven, evidence-based policymaking. The office's work ranges across five interrelated disciplines: research, service design, digital products, data integration, and programs and evaluations.

This poverty report, which was prepared by the NYC Opportunity Poverty Research team, is a central part of the office's research agenda. In 2013, the New York City Charter was revised to require that the mayor issue an annual report on poverty in the city. This report fulfills that mandate, employing the New York City Government Poverty Measure (NYCgov measure), created by the unit to more accurately capture poverty in the city than the federal measure.

Many of the initiatives discussed in this chapter have been launched, funded, or overseen by NYC Opportunity in partnership with other parts of City government or on its own. The office has played a significant role in CUNY ASAP, Jobs-Plus, Advance & Earn, the Restaurant Revitalization Program, and Connections to Care (C2C), among other programs, and has collaborated with a range of agencies to develop and implement many of the other outlined initiatives.

NYC Opportunity also creates and operates digital tools used by City staff and local residents to address poverty related challenges and enable more effective, accessible services. For example, Working NYC brings together discrete workforce development resources, helping New Yorkers see available jobs, as well as an array of job-related services, including job training, internships and short-term work, high school equivalency and GED prep, English skills, and adult reading, writing and math.

In addition, NYC Opportunity and the Mayor's Office of Workforce Development launched the New York City Workforce Data Portal, a public-facing source of data about City workforce programs. The Portal's interactive dashboard of aggregated data and analysis provides visual images of New Yorkers' experiences in the City's workforce system that helps to inform decision making. NYC Opportunity also conducts evaluations of employment programs, both its own and ones in other parts of City government, that can help guide policymakers on which ones merit deeper investments.

The office's Service Design Studio and Product Team also designed the ACCESS NYC digital tool to make it more accessible and continue to manage it. ACCESS NYC is a mobile-friendly front door that allows New Yorkers to identify benefits and programs they may be eligible for, and learn how to apply, gather documents, and find help in applying for them. It is designed with special attention to the needs of people who may need additional support, including people with low digital literacy, limited technology access, limited English language skills, and limited visual capabilities.

NYC Opportunity has also worked on many other anti-poverty and equity initiatives not discussed above. Its Service Design Studio created Designing for Opportunity, a program that invites City agencies to propose collaborative projects that bring Studio designers and agency staff together to use service design methods to address poverty-related challenges. The Product team, in partnership with several City agencies, launched the Social Service Location Data initiative, which released a database of verified service delivery locations for

contracted social services. It is an important tool for assessing whether the City is equitably delivering services to all communities.

NYC Opportunity is deeply involved in the City's equity work. Its office, alongside the Mayor's Office of Operations, has helped to implement EO 45, working with City agencies to identify inequities and develop plans for addressing them. It also produces the Social Indicators and Equity Report, and helped to create and maintain EquityNYC.

An important part of NYC Opportunity's mandate has always been to promote efficiency and effectiveness in government services. NYC Opportunity is committed to strong performance management to monitor how programs are functioning, both for its own projects, and others across City government, such as the Young Men's Initiative (YMI). It partners with City agencies to develop metrics and targets, and closely monitors them to determine whether the programs are meeting goals.

In addition, it conducts evaluations of key projects, such as Universal Pre-K, IDNYC, and Community Schools among other signature programs. In the case of CUNY ASAP, NYC Opportunity built the evaluation agenda, and based on the evidence of effectiveness, the City expanded the program from 4,000 students served each year to 25,000.

Interagency cooperation is central to NYC Opportunity's approach to government. Many of its projects are cross-agency partnerships, such as Jobs-Plus, which is a collaboration of the Department of Social Services, the New York City Housing Authority, the Department of Consumer and Worker Protection, and YMI. NYC Opportunity worked with the Department of Health and Mental Hygiene to design C2C, and it is currently integrating C2C into Jobs-Plus. It also created a training academy with CUNY on the mental health modalities that are utilized by C2C. NYC Opportunity evaluated C2C, and it is now applying those lessons to Jobs-Plus and bringing in new partners into the process. NYC Opportunity works to break down silos in City government, operating on the principle that when agencies combine their expertise and skills the result is more effective programs and digital products, and better results for the New Yorkers who rely on them.

### **Past Success and Future Challenges**

This report shows that in 2019, the New York City government poverty and near poverty rates were at their lowest levels since 2005 – the first year captured by the poverty measure. These rates support the idea that the anti-poverty policies and programs put in place by the de Blasio administration have been effective in moving New Yorkers out of poverty and near poverty.

The poverty and near poverty rates reflect an earlier New York City, before COVID-19 arrived and had a devastating impact on residents' health and economic well-being. Next year's poverty report will be the first to show the impact of COVID-19 on poverty in New York City. Nevertheless, this year's report offers some enduring

lessons about poverty in the city, including the significant inequities that exist. It also points to strategies for combatting poverty, which remain relevant today. Given the disproportionate impact of COVID-19, in the coming years the City will need to intently focus on communities that faced the brunt of pandemic-related job losses, and leverage the significant new resources from the federal government in order to return to the steady declines in poverty reflected in this year's report.

An orange silhouette of a mountain range with three peaks of varying heights, set against a white background.

## **Chapter 3**

# **Measuring Poverty: The NYCgov Poverty Measure Compared to U.S. Official and U.S. Supplemental Poverty Measures**

# Chapter 3

## Measuring Poverty: The NYCgov Poverty Measure Compared to U.S. Official and U.S. Supplemental Poverty Measures

### 3.1 The Need for an Alternative to the U.S. Official Poverty Measure

It has been over a half century since the development of the current U.S. official poverty measure. At its inception in the early 1960s, the income-based measure represented an important advancement and served as a focal point for the public's growing concern about poverty in America. Over the following decades, as society evolved and public policy shifted, discussions about poverty increasingly included concerns about the measure's adequacy. Still largely unchanged, the U.S. official poverty measure contains outdated definitions of resources and of the poverty threshold: Pre-tax cash income in the resource measure is compared to a threshold based only on the value of a minimal food budget. The official measure's threshold, developed in the early 1960s, was based on the cost of the U.S. Department of Agriculture's Economy Food Plan at the time, a diet designed for "temporary or emergency use when funds are low." Survey data available at that juncture indicated that families typically spent a third of their income on food, so the cost of the plan was simply multiplied by three to account for other needs. The official measure's threshold is also adjusted for family size. Since its 1963 base year, the threshold is annually updated by changes in the Consumer Price Index.<sup>1</sup>

Over a half century later this poverty line has little justification; it does not represent contemporary spending patterns or needs. Food now accounts for less than 10 percent of spending, on average,<sup>2</sup> and housing is the largest single item in a typical family's budget.

The official threshold ignores differences in the cost of living across the nation, an issue of obvious importance when measuring poverty in New York City where housing costs are among the highest in the United States. The threshold also remains frozen in time. Since it only rises with the cost of living, it assumes the standard of living that defined poverty in the early 1960s remains appropriate, despite significant advances in the nation's living standards since then.

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1 Gordon M. Fisher. "The Development and History of the Poverty Thresholds." Social Security Bulletin, Volume 55, No. 4. Winter 1992.

2 In 2019 the American budget share for food fell to an historical low of 9.5 percent. See: <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=76967>

The official measure's definition of resources to be compared against the threshold is simply comprised of pre-tax cash. This resource includes wages; salaries; earnings from self-employment; income from interest, dividends, and rents; and income families receive from public programs, if they take the form of cash. Thus, payments from Unemployment Insurance, Social Security, Supplemental Security Income (SSI), and public assistance are included in the official resource measure. Given the data available and the policies in place at the time, the definition was not unreasonable. But over the years, an increasing share of government efforts to support low-income families has taken the form of tax credits (such as the Earned Income Tax Credit or EITC) and in-kind benefits (such as housing vouchers) or SNAP (Supplemental Nutrition Assistance Program) benefits. If policymakers or the public want to know how these programs affect poverty, the U.S. official measure cannot provide an answer.

### **3.2 Alternative Measures: The National Academy of Sciences' Recommendations and the Supplemental Poverty Measure**

Dissatisfaction with the U.S. official measure prompted Congress to request a study by the National Academy of Sciences (NAS), which was issued in 1995.<sup>3</sup> However, no government body had adopted the NAS approach until the New York City Center for Economic Opportunity (now the Mayor's Office for Economic Opportunity) released its initial report on poverty in New York City in August 2008.<sup>4</sup>

Although the NAS-recommended methodology is also income-based, it is considerably different from the U.S. official poverty measure. The NAS threshold reflects the need for multiple necessities and is based on a point in the distribution of actual expenditures on food, clothing, shelter, and utilities (FCSU) incurred by a two-adult, two-child reference family. A small multiplier is applied to account for miscellaneous expenses. This threshold is annually updated to account for changes in spending and living standards. The NAS-style poverty line is also adjusted to reflect geographic differences in housing costs.

On the resources side, the NAS-based measure accounts for both income and in-kind benefits that can be used to meet the needs represented in the threshold. This is more inclusive than the official measure of pre-tax cash, and an important addition when accounting for family resources. The tax system and the cash equivalent value of in-kind benefits for food and housing are important additions to family resources.

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3 See Constance F. Citro and Robert T. Michael (eds.), *Measuring Poverty: A New Approach*. Washington, DC: National Academy Press. 1995. In addition, much of the research inspired by the NAS report is available at: <https://www.census.gov/library/publications/1995/demo/citro-01.html>

4 New York City Center for Economic Opportunity. "The CEO Poverty Measure: A Working Paper by the New York City Center for Economic Opportunity." August 2008. Available at: [https://www1.nyc.gov/assets/opportunity/pdf/08\\_poverty\\_measure\\_report.pdf](https://www1.nyc.gov/assets/opportunity/pdf/08_poverty_measure_report.pdf)

Families also have nondiscretionary expenses that reduce the income they have available to meet needs for the FCSU necessities represented by the threshold. Nondiscretionary expenses include the cost of commuting to work, childcare, and medical care that must be paid for out of pocket. The NAS recommendations account for this spending as deductions from income because dollars spent on these items are not considered available to purchase food or shelter.

Since November 2011, the Census Bureau has issued an annual Supplemental Poverty Measure (SPM).<sup>5</sup> The new federal measure is shaped by the NAS recommendations and an additional set of guidelines provided by an Interagency Technical Working Group in 2010.<sup>6</sup> The guidelines made several revisions to the 1995 NAS recommendations, the three most important being:

1. An expansion of the type of family unit whose expenditures determine the poverty threshold from two-adult families with two children to all families with two children.
2. Use of a five-year rather than a three-year moving average of expenditure data to update the poverty threshold over time.
3. Creation of separate thresholds based on housing status: whether the family owns its home with a mortgage; owns but is free and clear of a mortgage; or rents.

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5 The most recent SPM report, “The Supplemental Poverty Measure: 2019,” is authored by Liana Fox. U.S. Census Bureau. October 2020. <https://www.census.gov/library/publications/2020/demo/p60-272.html>

6 “Observations from the Interagency Technical Working Group on Developing a Supplemental Poverty Measure.” March 2010. Available at: <https://www.census.gov/content/dam/Census/topics/income/supplemental-poverty-measure/spm-twgobservations.pdf>



### Measures of Poverty

**Official:** The current U.S. official poverty measure was developed in the early 1960s. It consists of a set of thresholds that were based on the cost of a minimum diet at that time. A family's pre-tax cash income is compared against the threshold to determine whether its members are poor.

**NAS:** At the request of Congress, the National Academy of Sciences (NAS) issued a set of recommendations for an improved poverty measure in 1995. The NAS threshold represents the need for clothing, shelter, and utilities, as well as food. The NAS income measure accounts for taxation and the value of in-kind benefits.

**SPM:** In March 2010, the Obama administration announced that the U.S. Census Bureau, in cooperation with the Bureau of Labor Statistics, would create a Supplemental Poverty Measure (SPM) based on the NAS recommendations, subsequent research, and a set of guidelines proposed by an Interagency Working Group. The first report on poverty using this measure was issued by the Census Bureau in November 2011.

**NYCgov:** The Mayor's Office for Economic Opportunity released its first report on poverty in New York City in August 2008. The NYCgov poverty measure is largely based on the NAS recommendations, with modifications based on the guidelines from the Interagency Working Group and adopted in the SPM.

### 3.3 NYC Opportunity's Adoption of the NAS/SPM Method

The first estimate of the NYCgov poverty measure, released in 2008, only included data for 2006.<sup>7</sup> Initial releases of the NYCgov poverty measure were based on NAS recommendations. Upon release of the SPM, the NYCgov measure was adjusted for better comparability. The first two of the three SPM revisions noted above have been incorporated into the NYCgov measure, but NYC Opportunity does not utilize the SPM's development of thresholds that vary by housing status. Instead, the SPM poverty threshold is adjusted to account for the differential between national and New York City housing costs. In 2018, for example, the NYCgov poverty threshold of \$36,262 was greater than the SPM renter threshold of \$28,881.<sup>8</sup>

All differences in housing status are accounted for on the income side of the poverty measure, including renters at market rate, renters with means-tested housing assistance or in rent regulated units, and homeowners with and without mortgages.<sup>9</sup>

To measure the resources available to a family to meet the needs represented by the threshold, NYC Opportunity employs the Public Use Micro Sample (PUMS) from the Census Bureau's American Community Survey (ACS) as its principal data set. The advantages of this survey for local poverty measurement are numerous. The ACS is designed to provide measures of socioeconomic conditions on an annual basis in states and larger localities. It offers a robust sample for New York City (26,674 households in 2019) and contains essential information about household composition, family relationships, and cash income from a variety of sources.

As earlier noted, the NAS-recommended poverty measure greatly expands the scope of resources that must be measured in order to determine whether a family is poor.

The ACS unfortunately provides only some of the information needed to estimate the additional resources required by the NAS measures. Therefore, the NYCgov measure incorporates a variety of internally developed models that estimate the effect of taxation, nutritional and housing assistance, work-related expenses, and medical out-of-pocket expenditures on total family resources and poverty status. The resulting data set is referenced as the "American Community Survey Public Use Micro Sample as augmented by NYC Opportunity." NYC Opportunity's estimate of family resources is noted as "NYCgov Income."

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<sup>7</sup> Until 2017, the NYCgov poverty measure was released as the "CEO Poverty Measure" under the auspices of the New York City Center for Economic Opportunity, now the Mayor's Office for Economic Opportunity.

<sup>8</sup> See: [https://www.bls.gov/pir/spm/spm\\_thresholds\\_2019.htm](https://www.bls.gov/pir/spm/spm_thresholds_2019.htm)

<sup>9</sup> See Appendix C, Housing, for more on housing adjustments.

### The American Community Survey

The American Community Survey (ACS) is conducted as a rolling sample gathered over the course of a calendar year. Approximately one-twelfth of the total sample is collected in each month. Respondents are asked to provide information on work experience and income during the 12 months prior to the time they are included in the sample. Households surveyed in January of 2019, for example, reported their income for the 12 months of 2018; households surveyed in February of 2019 reported their income for February 2018 through January 2019, and so on. Consequently, estimates for poverty rates derived from the 2019 ACS do not, strictly speaking, represent a 2019 poverty rate. Rather, it is a poverty rate derived from a survey fielded in 2018. Readers should bear in mind this difference as they interpret the findings in this report.

Following is a brief description of how non-pre-tax cash income items are estimated. Additional details about each procedure can be found in the report's technical appendices.<sup>10</sup>

**Housing Adjustment:** The high cost of housing makes New York City an expensive place to live. The NYCgov poverty threshold, as noted above, is adjusted to reflect that reality. But some New Yorkers do not need to spend as much to secure adequate housing as the higher threshold implies. Many of the city's low-income families live in public housing or receive a housing subsidy such as a Section 8 housing voucher. A large proportion of New York City's renters live in rent-regulated apartments. Some homeowners have paid off their mortgages and own their homes free and clear. An upward adjustment is made to these families' incomes to reflect such advantages. For families living in rent-subsidized housing units, the adjustment equals the smaller of either: a) the difference between what they would pay for their housing if it were market rate and what they actually pay out of pocket, or b) the difference between the housing portion of the NYCgov threshold and what they pay out of pocket. The adjustment is also capped so it cannot exceed the housing portion of the NYCgov threshold. The ACS does not provide data on housing program participation. To determine which households in the ACS could be participants in rental subsidy or regulation programs, households in the Census Bureau's New York City Housing and Vacancy Survey (HVS) are matched with household-level records in the ACS. (See Appendix C.)

<sup>10</sup> See: <https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-measure.page>

**Taxation:** The NYC Opportunity tax model creates tax filing units within the ACS households; computes their adjusted gross income, taxable income, and tax liability; and then estimates net income taxes after nonrefundable and refundable credits are applied. The model takes into account federal, State, and City income tax programs, including all the credits designed to aid low-income filers. The model also includes the effect of the federal payroll tax for Social Security and Medicare (FICA). (See Appendix D.)

**Nutritional Assistance:** We estimate the value added to family resources if families receive nutritional assistance. Nutritional assistance includes SNAP; the National School Lunch program; the School Breakfast Program; and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). To estimate SNAP benefits, NYC Opportunity makes use of New York City Human Resources Administration (HRA) SNAP records and imputes SNAP cases to potential recipient units constructed within census households. Each dollar of SNAP benefits is counted as a dollar added to family income.

Estimates of school meals programs have changed with City policy. The earliest releases of the NYCgov poverty measure estimated free, reduced, and full-price school meals. School breakfasts are now universally free. School lunches were either free or full price in 2016 and universally free beginning with the 2017 school year. The Census Bureau's method for valuing income from the programs is followed by using the per-meal cost of the subsidy. WIC program participants are identified by matching enrollment in the program to population participation estimates from the New York State Department of Health. Benefits are calculated using the average benefit level per participant calculated by the U.S. Department of Agriculture. (See Appendix E.)

**Home Energy Assistance Program:** The Home Energy Assistance Program (HEAP) provides assistance to low-income households in order to offset their utility costs. In New York City, households that receive cash assistance, SNAP, or are composed of a single person receiving SSI benefits are automatically enrolled in the program. Other low-income households can apply for HEAP, but administrative data from the City's HRA indicate that nearly all HEAP households enter the program through their participation in other benefit programs. HEAP-receiving households are therefore first identified by their participation in public assistance, SNAP, or SSI, then the appropriate benefit is added to their income. Beginning with the 2018 data, HEAP reciprocity going back to 2013 was recalculated, adding homeowners and households receiving NYCgov-imputed SNAP benefits to consideration for receiving imputed HEAP benefits. (See Appendix F.)

**Work-Related Expenses (Transportation and Child Care):** Since workers generally travel to and from their jobs, the cost of that travel is treated as a nondiscretionary expense. The number of trips a worker makes per week is estimated based on their usual weekly hours. The cost per trip is calculated using information in the ACS about mode of transportation, while administrative data such as subway fares is also included. Weekly commuting costs are computed by multiplying cost per trip by the number of trips per week. Annual commuting costs equal weekly costs times the number of weeks worked over the past 12 months.

Families in which parents are working must often pay for the care of their young children. Like the cost of commuting, the NYCgov poverty measure treats these childcare expenses as a nondiscretionary reduction in income. Because the ACS provides no information on childcare spending, NYC Opportunity created an imputation model that matches the weekly childcare expenditures reported in the Census Bureau's Survey of Income and Program Participation (SIPP) to working families with children in the ACS data set. Childcare costs are consistent with the percent of the year the parents worked and are capped by the earned income of the lowest earning parent. (See Appendix G.)

**Medical Out-of-Pocket Expenditures (MOOP):** The cost of medical care is also treated as a nondiscretionary expense that limits the ability of families to attain the standard of living represented by the poverty threshold. MOOP includes health insurance premiums, co-pays, and deductibles, as well as the cost of medical services that are not covered by insurance. In a manner similar to that used for childcare, an imputation model matches MOOP expenditures by families included in the Agency for Healthcare Research and Quality's Medical Expenditure Panel Survey (MEPS) to similar families in the ACS sample. (See Appendix H.)

### 3.4 Comparing Poverty Rates

The NYCgov income measure is constructed using a method conceptually similar to the SPM. Both measures differ from the official poverty measure. Table 3.1 compares the poverty rates and thresholds of the NYCgov measure to the U.S. official measure and the SPM.

Table 3.1

## Change in Poverty Rates and Thresholds: NYCgov, U.S. Official, and SPM, 2015–2019

(Numbers Are Percent of the Population)

	2015	2016	2017	2018	2019	Percentage Point Change	
						2015–2019	2018–2019
A. New York City, NYCgov							
Poverty Rate	19.6	19.0	19.2	19.3	<b>17.9</b>	<b>-1.7</b>	<b>-1.4</b>
Threshold	\$31,756	\$32,402	\$33,562	\$35,044	\$36,262	\$4,506	\$1,218
B. New York City, U.S. Official							
Poverty Rate	18.4	17.6	16.6	16.1	<b>14.5</b>	<b>-3.9</b>	<b>-1.6</b>
Threshold	\$24,036	\$24,339	\$24,858	\$25,465	\$25,926	\$1,890	\$461
C. United States, SPM <sup>1</sup>							
Poverty Rate	14.5	14	13.9	12.8	11.7	<b>-2.8</b>	<b>-1.1</b>
Threshold	\$25,262	\$25,701	\$26,612	\$27,687	\$28,472	\$3,210	\$785

Sources: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity; U.S. Census Bureau published data for 2015 through 2019. Official poverty rates for New York City are based on the NYCgov poverty universe and unit of analysis.

Notes: Changes are measured in percentage points. Changes for NYC Opportunity rates are taken from unrounded numbers; those in **bold** type are statistically significant.

<sup>1</sup>The Supplemental Poverty Measure (SPM) is not available at the city level. SPM thresholds shown here are the combined weighted average of shares by household tenure. They can be found at: <https://www.bls.gov/pir/spmhome.htm#threshold>

The most significant differences between the official measure and the NAS-based alternatives are the outcomes in poverty rates by age and the distribution of poverty rates based on the ratio of incomes to the threshold, in particular, the portions of the population in extreme poverty and near poverty.

Table 3.2 provides 2019 poverty rates by age using the official and NAS-style measures. The poverty rates are broken out by degrees of poverty: those with resources below the poverty threshold, those with resources at no more than 50 percent of the poverty threshold, and those not in poverty but with resources at just 150 percent of the poverty threshold. In the table, these categories are labeled as poverty, deep poverty, and near poverty, respectively. Panel A of each section reports the data for the United States,<sup>11</sup> while Panel B provides the data for New York City.

<sup>11</sup> The U.S.-level SPM poverty rates cited in this chapter are taken from Fox, 2020.

Table 3.2

## Poverty Rates by Degree and Age Group Using Different Measures, 2019

(Numbers Are Percent of the Population)

Poverty			
A. United States			
	Official	SPM	Percentage Point Difference
Total	10.5	11.7	<b>1.3</b>
Under 18	14.4	12.5	<b>-1.9</b>
18 through 64	9.4	11.2	<b>1.7</b>
65 and Older	8.9	12.8	<b>3.9</b>
B. New York City			
	Official	NYCgov	Percentage Point Difference
Total	14.5	17.9	<b>3.3</b>
Under 18	20.7	20.6	<b>-0.1</b>
18 through 64	11.8	16.0	<b>4.2</b>
65 and Older	17.7	22.2	<b>4.5</b>

Near Poverty			
A. United States			
	Official	SPM	Percentage Point Difference
Total	7.7	14.0	<b>6.3</b>
Under 18	10.3	17.9	<b>7.6</b>
18 through 64	6.4	12.6	<b>6.2</b>
65 and Older	8.8	14.1	<b>5.3</b>
B. New York City			
	Official	NYCgov	Percentage Point Difference
Total	8.5	22.9	<b>14.4</b>
Under 18	11.8	31.1	<b>19.3</b>
18 through 64	6.9	20.7	<b>13.8</b>
65 and Older	10.7	20.8	<b>10.1</b>

Deep Poverty			
A. United States			
	Official	SPM	Percentage Point Difference
Total	4.7	3.9	<b>-0.8</b>
Under 18	6.2	3.4	<b>-2.8</b>
18 through 64	4.5	3.9	<b>-0.6</b>
65 and Older	3.7	4.7	<b>1.0</b>
B. New York City			
	Official	NYCgov	Percentage Point Difference
Total	6.3	4.8	<b>-1.5</b>
Under 18	10.0	4.1	<b>-5.9</b>
18 through 64	5.4	4.8	<b>-0.6</b>
65 and Older	4.9	6.0	1.1

Source: U.S. Census Bureau and the American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Differences are measured in percentage points and are taken from unrounded numbers. Those in **bold** type are statistically significant. Official poverty rates reported in Panel B are based on the NYCgov poverty universe and unit of analysis.

Differences between the official and SPM measures for the nation are comparable to differences between the official and NYCgov measures for New York City. For the total population, poverty rates that use the alternative measures exceed poverty rates that use the official measure.

**Age:** Given anti-poverty policy's focus on children, differences in poverty rates by age group are a particularly important set of comparisons. One distinguishing factor between the U.S. official measure and alternative poverty measures is that despite their overall higher poverty rate, alternative measures yield child poverty rates that are below the official poverty rates. The lower child poverty rates under the NAS-style measures shed light on the effectiveness of government benefit programs – many of which are targeted toward families with children. Note that the alternative measures find fewer children in deep poverty when accounting for greater benefits and tax credits for families with children (see Table 3.2). This is further proof that government benefits which are not counted in the U.S. official poverty measure effectively reduce child poverty.

Poverty rates for the elderly, however, are higher under NAS-style measures than under the U.S. official measure. This is primarily a result of the alternative measures' deduction of MOOP expenses from the income measure – an important factor when considering the higher medical costs encountered by the elderly.

**Degrees of Poverty:** Table 3.2 also compares deep poverty rates for the United States and New York City, by age, using the official, SPM, and NYCgov measures. A smaller fraction of the nation's population is in deep poverty using the alternative poverty measure. Differences across age groups are similar. For the nation and the city, the largest difference between the official and alternative measures of deep poverty is in the child poverty rate, which is higher using the official measure. Differences between the measures for working age adults in deep poverty are more modest. When using alternative measures, the pattern of lower rates of deep poverty is reversed for the elderly. Historically, the alternative measures have found a higher incidence of deep poverty for persons 65 and older than the official measure.

The final section of Table 3.2 reports the share of the U.S. and New York City population that is near poor (living between 100 and 150 percent of their poverty threshold) in the official and NAS-based poverty measures. The SPM places a much larger share of the population in near poverty than does the U.S. official measure. The near poverty rate estimated with the NYCgov measure is higher still. One reason for this is the geographic adjustment that accounts for the relatively high cost of housing in the city. The resulting NYCgov poverty threshold is higher than the U.S.-wide SPM poverty threshold. More space exists between the poverty and the near poverty thresholds than in other measures. The resulting NYCgov rate categorizes a much larger share of the population as near poor because the income band that defines the group is higher and wider.



A stylized orange silhouette of a mountain range with three peaks, positioned at the top of the page.

## **Chapter 4**

# **Detailed Data Tables**

# Chapter 4

## Detailed Data Tables

This chapter provides supplementary information that complements the data presented in Chapter 1. The data here follow the same broad trends: Poverty rates did not increase from 2018 to 2019, and poverty fell over the five-year period 2015 to 2019. The poverty gap showed a similar trend.

### 4.1 Poverty by Individual and Family Characteristics

There are consistent trends in the data that have been present since the initial publication of this report, starting with data from 2005. We highlight those trends below as they regularly inform our work in anti-poverty policy, including current work to create an equitable recovery from the COVID-19 pandemic.

**Educational Attainment:** For working age adults, the probability of being in poverty is inversely proportional to educational attainment. An individual with less than a high school education is over four times more likely to be in poverty than someone with a bachelor’s or more advanced degree.

**Race, Ethnicity, and Gender:** Poverty rates consistently differ by race and by gender. The poverty rate for males is, on average, several percentage points lower than the poverty rate for females. The share of Whites in poverty is markedly lower than that of other races or ethnicities.<sup>1</sup>

**Citizenship Status:** The poverty rate for non-citizens is substantially higher than the poverty rates for citizens by birth and naturalized citizens. However, the non-citizen poverty rate has steadily fallen since 2014.<sup>2</sup>

**Work Experience / No Work:** Families with no work have the highest poverty rate of any group, and this rate has remained nearly unchanged since 2005. The sole source of income in the NYCgov model for these families is public benefits – a level of resources far below the poverty threshold but consistent over time relative to the cost of necessities in the threshold.

The tables in this section are organized so that readers can readily track changes over time. The first set of columns in the tables provide poverty rates for each group, followed by calculations of change over time for the five-year period 2015 to 2019 and the one-year change from 2018 to 2019 (measured in percentage points). Statistically significant changes are identified in bold type. Each row’s final column provides context by noting the subgroup’s share of the citywide population.

<sup>1</sup> Figure 1.6 in Chapter 1 illustrates some of these differences, with poverty rates broken out by combined race and gender categories.

<sup>2</sup> More information on the non-citizen poverty rate is available in our annual report, “An Economic Profile of Immigrants in New York City,” <https://www1.nyc.gov/site/opportunity/reports/immigrant-economic-profile.page>

Table 4.1 shows poverty rates by demographic characteristics. Table 4.2 reports poverty rates by family composition and work experience. Text boxes adjacent to the tables explain how the categories of Race and Ethnicity, Family, and Work Experience are used throughout this report.

### Race and Ethnicity

**Race/Ethnicity** categories are constructed from Census data as follows: First, individuals are categorized by ethnicity into Non-Hispanic and Hispanic groups; Non-Hispanic individuals are then categorized by race. We use three racial categories: White, Black, and Asian. Each includes people who identify themselves as members of only one racial group. This sorting omits the approximately 3 percent of the New York City population that is Non-Hispanic and multiracial or Non-Hispanic and a member of another race, such as Native American. We omit this residual category from Table 4.1.

Table 4.1

# NYCgov Poverty Rates for Persons, by Demographic Characteristic, 2015–2019

(Numbers Are Percent of the Population)

	2015	2016	2017	2018	2019	Percentage Point Difference		Group Share of 2019 Population
						2015–2019	2018–2019	
Total New York City	19.6	19.0	19.2	19.3	<b>17.9</b>	<b>-1.7</b>	<b>-1.4</b>	100
Gender								
Males	18.1	17.5	<b>18.4</b>	17.9	<b>16.7</b>	<b>-1.4</b>	<b>-1.2</b>	47.8
Females	21.0	20.5	19.9	20.6	<b>19.0</b>	<b>-2.0</b>	<b>-1.6</b>	52.2
Age Group								
Under 18	22.3	21.8	21.7	22.2	20.6	<b>-1.7</b>	-1.6	20.9
18 through 64	18.6	<b>17.8</b>	18.1	17.6	<b>16.0</b>	<b>-2.7</b>	<b>-1.7</b>	63.9
65 and Older	20.4	20.9	20.7	<b>22.6</b>	22.2	<b>1.9</b>	-0.4	15.1
Children (Under 18), by Presence of Parent								
One Parent	33.7	36.2	34.6	35.2	34.0	0.4	-1.2	33.8
Two Parents	16.2	14.6	14.5	15.8	13.8	<b>-2.5</b>	-2.0	66.2
Race/Ethnicity								
Non-Hispanic Asian	22.2	22.4	22.3	22.2	20.8	-1.4	-1.4	14.5
Non-Hispanic Black	21.2	<b>18.6</b>	<b>21.3</b>	20.0	20.3	-0.9	0.2	21.4
Hispanic, Any Race	25.1	25.1	<b>23.6</b>	23.7	<b>21.9</b>	<b>-3.2</b>	<b>-1.8</b>	29.1
Non-Hispanic White	12.4	12.4	12.4	<b>13.7</b>	<b>11.3</b>	<b>-1.1</b>	<b>-2.3</b>	31.9
Nativity/Citizenship								
Citizen by Birth	18.0	17.4	18.0	18.5	<b>16.7</b>	<b>-1.3</b>	<b>-1.8</b>	63.3
Naturalized Citizen	18.6	18.3	18.1	18.3	17.9	0.7	-0.3	21.5
Not a Citizen	27.0	25.8	25.1	24.0	22.9	<b>-4.1</b>	-1.2	15.2
Working Age Adults (18 through 64), by Educational Attainment <sup>1</sup>								
Less than High School	32.8	31.0	31.6	32.5	<b>27.8</b>	<b>-5.1</b>	<b>-4.8</b>	13.9
High School Degree	23.3	<b>21.4</b>	21.8	21.6	20.6	<b>-2.8</b>	-1.0	24.9
Some College	16.6	16.9	17.6	16.6	<b>15.1</b>	<b>-1.4</b>	<b>-1.5</b>	19.6
Bachelor's Degree or Higher	7.8	7.7	7.9	8.0	<b>6.9</b>	<b>-1.0</b>	<b>-1.2</b>	41.6
Working Age Adults (18 through 64), by Work Experience in Past 12 Months <sup>1,2</sup>								
Full Time, Year-Round	6.9	6.6	<b>7.3</b>	<b>6.4</b>	<b>5.9</b>	<b>-1.0</b>	<b>-0.5</b>	60.1
Some Work	23.1	22.9	22.3	22.9	<b>21.0</b>	<b>-2.1</b>	<b>-1.8</b>	20.8
No Work	39.0	<b>36.8</b>	<b>38.5</b>	39.0	37.2	<b>-1.8</b>	-1.8	19.1

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Differences are taken from unrounded numbers; those in **bold** type are statistically significant. Shares may not sum to 100 percent due to rounding error.

<sup>1</sup> Category excludes people enrolled in school.

<sup>2</sup> A change in the aggregation of work hours starting in the 2019 ACS into a new variable (WKWN) affects the comparability of estimates of work hours between 2019 and prior years. See text box for definition of work experience categories.

Table 4.2

# NYCgov Poverty Rates for Persons Living in Various Family Types, 2015–2019

(Numbers Are Percent of the Population)

	2015	2016	2017	2018	2019	Percentage Point Difference		Group Share of 2019 Population
						2015–2019	2018–2019	
Total New York City	19.6	19.0	19.2	19.3	<b>17.9</b>	<b>-1.7</b>	<b>-1.4</b>	100
A. Family Composition								
Married/Unmarried Partner <sup>1</sup>								
No Children under 18	12.7	12.2	11.3	11.8	10.9	<b>-1.8</b>	-1.0	24.0
With Children under 18	15.7	<b>14.0</b>	14.9	15.0	<b>13.2</b>	<b>-2.6</b>	<b>-1.9</b>	31.3
Single Head of Household								
No Children under 18	19.5	17.3	16.8	<b>19.2</b>	<b>16.6</b>	<b>-2.9</b>	<b>-2.6</b>	11.5
With Children under 18	30.6	32.4	31.1	31.3	30.1	-0.4	-1.2	14.1
Single Mother Family with Children under 18	32.3	33.6	32.1	33.3	31.9	-0.5	-1.4	11.8
All Families with Children under 18	20.5	19.8	20.2	19.9	18.4	<b>-2.1</b>	-1.5	45.4
Unrelated Individuals	25.8	26.4	27.9	27.2	26.2	0.4	-1.0	19.1
B. Work Experience of the Family <sup>2</sup>								
Two Full-Time, Year-Round Workers	4.9	4.9	4.8	4.5	4.0	<b>-0.8</b>	-0.5	37.1
One Full-Time, Year-Round, One Part-Time Worker	12.2	12.5	12.6	11.7	10.5	-1.7	-1.2	14.1
One Full-Time, Year-Round Worker	16.3	15.3	<b>17.0</b>	<b>15.3</b>	14.8	<b>-1.5</b>	-0.6	23.4
Less than One Full-Time, Year-Round Worker	42.7	41.4	41.1	43.8	<b>37.9</b>	<b>-4.7</b>	<b>-5.9</b>	11.1
No Work	51.5	50.7	50.0	51.5	50.6	-0.9	-0.9	14.3

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Differences are taken from unrounded numbers; those in **bold** type are statistically significant. Shares may not sum to 100 percent due to rounding error.

<sup>1</sup> In the NYCgov measure, unmarried partners are treated as spouses. See text for explanation.

<sup>2</sup> See text for explanation of work experience categories.

### Family

**“Family,”** as used in the NYCgov poverty measure, is the “poverty unit” – people living together who share expenses and pool resources. This includes related individuals as well as unmarried partners, their children, and others who appear to be economically dependent on household members even if they are not kin.

Not everyone is in a family or poverty unit with others. Unrelated individuals are people who do not have family members or unmarried partners in the household. This includes those who live alone (the typical case) and some living with others, such as roommates or boarders, who are treated as economically independent from the people they live with. Unrelated individuals are treated as one-person poverty units (solely reliant on their own resources).

### Work Experience of the Family

**Work Experience of the Family** categories are constructed by summing the number of hours worked in the prior 12 months by people 18 years of age and older for each family. Families with over 3,500 hours of work are labeled as having the equivalent of “Two Full-Time, Year-Round Workers.” Families with 2,341 through 3,499 hours are labeled “One Full-Time, Year-Round and One Part-Time Worker.” Families with at least 1,750 through 2,340 hours are identified as “One Full-Time, Year-Round Worker.” Families with at least one hour of work, but less than 1,750 hours, are called “Less than One Full-Time, Year-Round Worker.” Finally, there are families that have “No Work.”

We use the same definition of family throughout the report: people in a household who share resources and expenses by virtue of their relationship to each other. Using this definition, a family can be one person or many people, with or without children.

## 4.2 Poverty in New York City by Geography

Poverty rates by borough can be found in Table 4.3. Poverty rates by community district (CD) and neighborhood<sup>3</sup> are reported in Table 4.4. CDs are close approximations to Public Use Microdata Areas (PUMAs), the smallest geographical areas identified in the American Community Survey.<sup>4</sup> The U.S. Census Bureau sets the minimum PUMA population requirement at 100,000 people. This is a relatively small sample size, making it difficult to generate meaningful one-year estimates for CDs. Instead, we average five years of data for a more reliable estimate and provide margins of error for the poverty rate in each CD. The five-year (2015–2019) citywide average poverty rate derived from the combined file is 19.0 percent.<sup>5</sup>

Table 4.3

### NYCgov Poverty Rates by Borough, 2015–2019

(Numbers Are Percent of the Population)

	2015	2016	2017	2018	2019	2015–2019	2018–2019	Group Share of 2019 Population
Bronx	28.7	<b>26.1</b>	27.8	27.1	26.0	<b>-2.7</b>	-1.1	16.8
Brooklyn	20.9	20.0	20.1	20.3	19.0	<b>-1.9</b>	-1.3	30.9
Manhattan	14.5	14.4	13.5	15.1	<b>12.8</b>	<b>-1.7</b>	<b>-2.3</b>	19.2
Queens	17.2	17.5	17.4	17.0	16.7	-0.5	-0.3	27.3
Staten Island	14.6	15.3	16.4	16	<b>11.3</b>	<b>-3.3</b>	<b>-4.7</b>	5.8

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: Differences are taken from unrounded numbers; those in **bold** type are statistically significant. Shares may not sum to 100 percent due to rounding error.

3 Neighborhoods are adopted from the New York City PUMAs and Community Districts map published by the New York City Department of City Planning. See: [https://www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/census2010/puma\\_cd\\_map.pdf](https://www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/census2010/puma_cd_map.pdf)

4 Most PUMAs are coterminous with community districts. In the case where a CD does not meet the minimum population requirement for a PUMA, two PUMAs had to be combined.

5 Table 1.2 in Chapter 1 expands on the differences in community poverty rates by looking at the racial and ethnic composition of the five CDs with the highest and lowest poverty rates.

Table 4.4

# NYCgov Poverty Rates by Community District (CD)/Neighborhood, 2015–2019

(Numbers Are Percent of the Population)

**Citywide Poverty Rate, 5-Year Average = 19.0%**

CD	Neighborhood	5-Year Average Poverty Rate	Margin of Error
Bronx			
1 and 2	Hunts Point, Longwood, and Melrose	31.5	+/-2.2
3 and 6	Belmont, Crotona Park East, and East Tremont	30.9	+/-2.0
4	Concourse, Highbridge, and Mount Eden	33.6	+/-2.2
5	Morris Heights, Fordham South, and Mount Hope	35.4	+/-2.2
7	Bedford Park, Fordham North, and Norwood	28.7	+/-2.2
8	Riverdale, Fieldston, and Kingsbridge	18.6	+/-2.0
9	Castle Hill, Clason Point, and Parkchester	29.0	+/-1.8
10	Co-op City, Pelham Bay, and Schuylerville	15.8	+/-1.8
11	Pelham Parkway, Morris Park, and Laconia	19.9	+/-1.8
12	Wakefield, Williamsbridge, and Woodlawn	21.9	+/-1.9
Brooklyn			
1	Greenpoint and Williamsburg	16.2	+/-1.7
2	Brooklyn Heights and Greenpoint	12.3	+/-1.5
3	Bedford-Stuyvesant	21.2	+/-1.9
4	Bushwick	25.0	+/-2.1
5	East New York and Starrett City	27.7	+/-2.0
6	Park Slope, Carroll Gardens, and Red Hook	9.5	+/-1.2
7	Sunset Park and Windsor Terrace	23.3	+/-1.8
8	Crown Heights North and Prospect Heights	20.5	+/-1.9
9	Crown Heights South, Prospect Lefferts, and Wingate	20.5	+/-2.0
10	Bay Ridge and Dyker Heights	16.7	+/-1.4
11	Bensonhurst and Bath Beach	23.0	+/-1.4
12	Borough Park, Kensington, and Ocean Parkway	26.9	+/-2.3
13	Brighton Beach and Coney Island	24.4	+/-2.0
14	Flatbush and Midwood	19.4	+/-1.6
15	Sheepshead Bay, Gerritsen Beach, and Homecrest	16.5	+/-1.3
16	Brownsville and Ocean Hill	28.5	+/-2.1
17	East Flatbush, Farraugut, and Rugby	16.3	+/-1.8
18	Canarsie and Flatlands	13.9	+/-1.1

CD	Neighborhood	5-Year Average Poverty Rate	Margin of Error
Manhattan			
1 and 2	Battery Park City, Greenwich Village, and Soho	7.6	+/-1.1
3	Chinatown and Lower East Side	22.0	+/-1.7
4 and 5	Chelsea, Clinton, and Midtown Business District	11.2	+/-1.2
6	Murray Hill, Gramercy, and Stuyvesant Town	8.7	+/-1.4
7	Upper West Side and West Side	9.5	+/-1.2
8	Upper East Side	6.1	+/-0.8
9	Hamilton Heights, Manhattanville, and West Harlem	19.9	+/-2.1
10	Central Harlem	20.5	+/-2.0
11	East Harlem	23.4	+/-2.0
12	Washington Heights, Inwood, and Marble Hill	18.2	+/-1.7
Queens			
1	Astoria and Long Island City	16.1	+/-1.3
2	Sunnyside and Woodside	14.3	+/-1.4
3	Jackson Heights and North Corona	22.3	+/-1.6
4	Elmhurst and South Corona	20.7	+/-1.9
5	Ridgewood, Glendale, and Middle Village	15.4	+/-1.1
6	Forest Hills and Rego Park	13.6	+/-1.7
7	Flushing, Murray Hill, and Whitestone	23.7	+/-1.4
8	Briarwood, Fresh Meadows, and Hillcrest	18.2	+/-1.5
9	Richmond Hill and Woodhaven	19.2	+/-1.6
10	Howard Beach and Ozone Park	15.0	+/-1.6
11	Bayside, Douglaston, and Little Neck	13.1	+/-1.5
12	Jamaica, Hollis, and St. Albans	16.9	+/-1.2
13	Queens Village, Cambria Heights, and Rosedale	10.7	+/-1.0
14	Far Rockaway, Breezy Point, and Broad Channel	17.2	+/-2.2
Staten Island			
3	Tottenville, Great Kills, and Annadale	11.5	+/-1.4
2	New Springville and South Beach	12.2	+/-1.5
1	Port Richmond, Stapleton, and Mariners Harbor	19.7	+/-1.6

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Note: Poverty rate is the average over the 2015–2019 period.



### 4.3 Differences in the Degree of Poverty, the Poverty Gap, and the Poverty Surplus

Sections 4.1 and 4.2 above demonstrate how the risk of being in poverty differs across groups and by location. Chapter 1 points out differences that exist among people in poverty: Table 1.4 looks at the distribution of poverty by its distance from the threshold – ranging from below 50 percent of the threshold up to 200 percent above it. Figure 1.15 and Figure 1.16 show the poverty gap and poverty surplus by family type – both indicators of vulnerability and economic insecurity. In this chapter, Table 4.5 provides additional information about the poverty gap and surplus, again by family type. It includes the Poverty Gap Index, a metric to compare the intensity of poverty while accounting for differences in thresholds by family size.

## Poverty Gap, Poverty Surplus, and Poverty Gap Index/Intensity of Poverty

### Poverty Gap

The **poverty gap** for families is the difference between family resources (NYCgov Income) and the poverty threshold – when resources are less than the threshold. For example, a two-adult, two-child family with annual resources of \$34,262 and a poverty threshold of \$36,262 has a poverty gap of \$2,000. Similarly, a single-parent family with one child, annual resources of \$23,360, and a poverty threshold of \$25,360 has a poverty gap of \$2,000. For families with resources above the poverty threshold, the gap is zero.

For the City, the poverty gap measure is the sum of poverty gaps across all families in poverty – the minimal cost needed to bring all those deemed poor above the poverty threshold.

### Poverty Surplus

The **poverty surplus** for families is the difference between family resources (NYCgov Income) and the poverty threshold – when resources are greater than the threshold. For example, a two-adult, two-child family with annual resources of \$38,262 and a poverty threshold of \$36,262 has a poverty surplus of \$2,000. The citywide surplus measure is the average per capita surplus for families that are between 100 and 200 percent of the poverty threshold. The surplus is most relevant as an indicator of the average economic cushion for families near the poverty line.

### Poverty Gap Index/Intensity of Poverty

The **poverty gap index** is an indicator of the intensity of the experience of being “in poverty.” It can differ depending on how far away from the poverty threshold a family exists. The poverty gap index quantifies this, accounting for differences in thresholds across family sizes. At the family level, the poverty gap index is calculated as the poverty gap divided by the poverty threshold. For instance, the two-adult, two-child family’s poverty gap described above represents resources equal to 94 percent of the threshold and a poverty gap index of 6 percent; the single-parent, one-child family in that example has resources amounting to only 92 percent of their threshold and a poverty gap index of 8 percent. The example here shows that although both families in poverty have the same poverty gap, deprivation is more intense for the single-parent family. The larger the poverty gap index value, the greater the need. Family-level poverty gap index values are aggregated to generate the citywide poverty gap index.

Table 4.5

# NYCgov Poverty Gap and Poverty Surplus, 2015–2019

(All Amounts Are in 2019 Dollars)

Panel A							
All NYC Residents	2015	2016	2017	2018	2019	Change 2015–2019	Change 2018–2019
Poverty Gap (\$ billions)	6.48	6.45	6.67	6.72	6.49	0.011	-0.23
Average \$ Below Poverty Line Among Poor Families	\$8,565	\$8,535	\$8,607	\$8,708	\$8,936	<b>\$372</b>	\$228
Poverty Gap Index (%)*	6.75	6.61	6.67	6.80	6.36	<b>-0.4</b>	-0.44
Number of Poor Families	756,690	755,999	774,877	772,004	726,462	(30,228)	(45,542)
Average Surplus \$, at 100–200% of Poverty Threshold	\$11,308	\$11,264	\$11,431	\$12,051	\$12,195	<b>\$886</b>	\$144

Panel B							
Families with Children	2015	2016	2017	2018	2019	Change 2015–2019	Change 2018–2019
Poverty Gap (\$ billions)	1.95	1.92	1.96	2.00	1.76	<b>-0.184</b>	<b>-0.24</b>
Average \$ Below Poverty Line Among Poor Families	\$9,773	\$9,905	\$10,187	\$10,714	\$10,412	\$639	\$(302)
Poverty Gap Index (%)*	5.75	5.62	5.81	6.01	5.31	-0.4	<b>-0.69</b>
Number of Poor Families	199,429	194,300	192,873	187,016	169,511	(29,918)	(17,505)
Average Surplus \$, at 100–200% of Poverty Threshold	\$14,407	\$14,864	\$14,445	\$16,022	\$16,124	<b>\$1,717</b>	\$103

Panel C							
Single, Nonelderly Adults Living Alone or with Unrelated Individuals	2015	2016	2017	2018	2019	Change 2015–2019	Change 2018–2019
Poverty Gap (\$ billions)	2.44	2.56	2.59	2.40	2.25	<b>(0.186)</b>	(0.142)
Average \$ Below Poverty Line Among Poor Families	\$8,293	\$8,517	\$8,374	\$8,191	\$8,683	<b>\$389</b>	<b>\$492</b>
Poverty Gap Index (%)*	13.17	13.48	13.85	12.65	11.93	<b>-1.2</b>	-0.7
Number of Poor Families	294,287	300,917	309,671	292,607	259,678	(34,609)	(259,678)
Average Surplus \$, at 100–200% of Poverty Threshold	\$7,012	\$6,974	\$7,252	\$7,356	\$7,448	<b>\$436</b>	\$92

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Notes: The poverty gap is total assistance needed to bring this group out of poverty (\$ billions).

\*This poverty gap index is the income shortfall as a percent of the poverty threshold. Changes in **bold** are statistically significant.

#### 4.4 Additional Data

Additional data are available on the NYC Opportunity website and at the New York City Open Data portal.

**NYC Opportunity website:** This website includes an interactive map of poverty by community district; an interactive table-maker for poverty, near poverty, and deep poverty rates for selected populations; and appendix chapters containing additional data about each of the income components, the poverty threshold, and the construction of family and poverty units. <https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-measure.page>

**NYC Open Data portal:** This portal makes available datasets and data dictionaries for research purposes. Data files contain selected American Community Survey variables and NYCgov poverty rates, thresholds, and poverty gap data for census units. (See the Data Dictionary, especially the “Read Me” page, for details.) Open data files can be accessed through the following link on the NYC Opportunity website: <https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-data.page>

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This year’s report is published under the aegis of Jeff Thamkittikasem, Director, Mayors Office of Operations.

## In Memoriam, Mark Levitan 1948–2021



**The City of New York**  
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