New York City Government Poverty Measure 2017

An Annual Report from the Office of the Mayor

The City of New York
April 2019

Mayor's Office for Economic Opportunity

New York City Government Poverty Measure 2017

An Annual Report from the Office of the Mayor

The City of New York
April 2019

Mayor's Office for
Economic Opportunity

Contents

Preface

The Mayor's Office for Economic Opportunity is required every year by the City Charter to release an update to its poverty measure and to survey the initiatives that reduce poverty in New York City. This year's report shows that both the poverty rate and the near poverty rate declined significantly over the period from 2013 to 2017, the latest for which U.S. Census data is available. The report also discusses a large number of City programs in housing, job creation, benefits access, and other areas that are working to combat poverty and increase opportunity.

The poverty rates contained in this report are based on the NYCgov poverty measure, a specialized metric that was developed by the Poverty Research Unit of the Mayor's Office for Economic Opportunity to capture poverty in the city more accurately than the federal poverty measure. The report shows that the NYCgov poverty rate fell from 20.7 percent in 2013 to 19 percent in 2017, a 1.7 percentage point decline which is statistically significant. In the same five-year period, the near poverty rate – the percentage of people living at 150 percent of the poverty level or below – fell from 45.9 percent to 43.1 percent, a 2.8 percentage point decline which is also statistically significant. Based on these rates and accounting for population growth, we estimate that about 236,500 fewer people were in poverty or near poverty in 2017 than would have been in 2013. This reduction puts the City on course to achieve its stated goal to move 800,000 people out of poverty or near poverty by 2025.

The reductions in poverty and near poverty in the city, the report shows, have been broadly shared, with many groups seeing declines. The groups whose poverty rates went down from 2013 to 2017 include Hispanics, non-Hispanic Asians, non-Hispanic Whites, New Yorkers under 18, people with a high school degree, and non-citizens, among others.

The report also includes some of the array of programs the City operates that work to lower the rate of poverty. The City's anti-poverty initiatives include a commitment to build or preserve 300,000 units of affordable housing, universal high-quality pre-K for all 4-year-olds, paid sick leave, and innovative, technology-focused approaches to improving social services benefits access. Increases in the minimum wage, which the City strongly lobbied the state to raise, have been one of the most important factors in driving down poverty. In 2017, the most recent year covered by this report, the minimum wage in the city reached $11, on its way to $15 in 2019.

The good news in this annual report is that poverty has steadily decreased. The data also serve as a reminder, however, that many New Yorkers continue to live in poverty and near poverty. It is critical that the City continue its work to bring opportunity to all New Yorkers, building on the strong progress of recent years.

Matthew Klein
Executive Director
Mayor's Office for Economic Opportunity

This report contains data for the years 2013 to 2017. During that time, the minimum wage increased from $7.25 to $11. This increase, combined with a strong economy, are behind this report's main finding – that the decline in poverty and near poverty was significant over the five-year period.

Pursuant to Local Law 138, poverty rates are reported for family composition, ethnic and racial groups, age, employment status, educational background, and borough. Outcomes of programs and resources allocated to reduce poverty are reported where possible. Relevant comparisons are made to national estimates of poverty. The poverty threshold specific to New York City is estimated for 2017.

Poverty data for 2016, published last year, was revised to include new housing and medical expenditure data available since that release. The result is a decline in the 2016 poverty rate in this year's report compared to last year's.

In addition to the mandated information on poverty, we continue to explore data beyond the poverty rate. The poverty gap and surplus (resources needed to reach the poverty threshold; resources available to families just above the threshold) are included. This report also contains our first analysis of inequality among the population in poverty. The distribution of resources by family type and by borough are used to estimate how inequality affects the time required to exit poverty.

At the time of the release of this report, April 2019, the minimum wage is $15 per hour. At the same time, receipt of public benefits is threatened by federal initiatives that would impose more stringent work rules to maintain eligibility and a change in "public charge" rules could have consequences for immigrant benefits recipients. Proposed changes to the Affordable Care Act will affect health expenditures. "Policy Affects Poverty" has been a key insight almost from the inception of the NYCgov poverty measure. We will continue to monitor how the changing policy landscape affects poverty in New York City.

Christine D'Onofrio, Ph.D.
Director of Poverty Research
Mayor's Office for Economic Opportunity

This report is authored by the staff of the Poverty Research Unit of the Mayor's Office for Economic Opportunity:

Debipriya Chatterjee, Ph.D.
John Krampner
Jihyun Shin, Ph.D.
Vicky Virgin

NYC Opportunity Technical Fellows:
Yaoqi Li
Martha Moreno Pérez
Ningrui Zhang

An electronic version of this report, related technical appendices, and prior year reports are available at: https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-measure.page.

Chapter 1

Key Findings

Chapter 1
Key Findings

This report is the annual release of the New York City Government (NYCgov) poverty measure from the Mayor's Office for Economic Opportunity. It is a measure of poverty adapted to the realities of New York City's economy, including housing costs higher than the national average and family resources that contain tax credits and other benefits at levels specific to the city. It was created by the Mayor's Office for Economic Opportunity to compensate for the omission of benefit programs and housing costs in the official U.S. measure of poverty. The NYCgov poverty rate and threshold are higher than those same figures in the official U.S. measure.

This report includes poverty rates, near poverty rates, and poverty thresholds for 2017 (the most recent data available), and an examination of the state of poverty in New York City with a review of relevant policy remedies.

- **Poverty Data Trends:** In this report, the 2017 data are most often presented in the context of five years of observations. Because poverty rates shift slowly over time, five years of data are useful in showing when significant changes occurred. Poverty rates have trended downward since 2014 both citywide and among most sub-populations. The majority of this decline began in 2014 as recovery from the Great Recession accelerated. The decline coincides with the span of the de Blasio administration; it is presented as a specific subset of data in Chapter 5 of this report, where we outline the administration's anti-poverty policies.

This chapter provides new citywide data for 2017, followed by poverty data for the years 2013 through 2017 by selected characteristics, boroughs, and community districts. It also surveys relevant economic factors that drive the citywide poverty rate and the effect of income supports on the poverty rate. The chapter concludes with an explanation of the NYCgov poverty rate and how it differs from other measures of poverty.

1.1 Poverty In New York City, 2017

- **The NYCgov poverty rate for 2017 is 19 percent.** This figure matches the lowest poverty rate since the Mayor's Office for Economic Opportunity began producing our local measure with 2005 data. It is equal to the 2008 poverty rate, the peak year of the previous economic expansion. It does not represent a statistically significant decline from the 2016 revised poverty rate of 19.2 percent.[1]
    - The NYCgov poverty measure generates a higher rate of poverty than the official U.S. poverty measure. The official 2017 U.S poverty rate for New York City is 16.6 percent, a full percentage point lower than 2016 and statistically significant.
- **The NYCgov Near Poverty Rate for 2017 is 43.1 percent.** "Near poverty," as used in this report, includes the share of the population living under 150 percent of the NYCgov poverty threshold. This includes all people in poverty and those above the threshold but at risk of falling into poverty. The 2017 rate is the lowest near poverty rate since 2009. It is not a statistically significant decline from the 2016 revised near poverty rate of 43.3 percent but is a statistically significant decline from the 2013 rate of 45.9 percent.
- **The NYCgov Poverty Threshold for 2017 is $33,562.** This represents an increase of $1,160 (3.6 percent) from the 2016 threshold and the largest annual rate of increase in the threshold since 2008. Thresholds stated here are for two-adult, two-child families.
    - Threshold increases are driven by growth in national consumption expenditures on food, clothing, shelter, and utilities, and by increased housing costs in New York City.[2]
- **The NYCgov Near Poverty Threshold for 2017 is $50,343.** This represents an increase of $1,740 from the 2016 near poverty threshold of $48,603. As with the poverty threshold, it is also the largest increase since 2008.

1 **Note on revision to 2016 poverty rates:** This year's report includes revised poverty rates for 2016. Data on 2016 housing and medical expenditures made available since the release of last year's report have been included in the poverty rate for 2016.

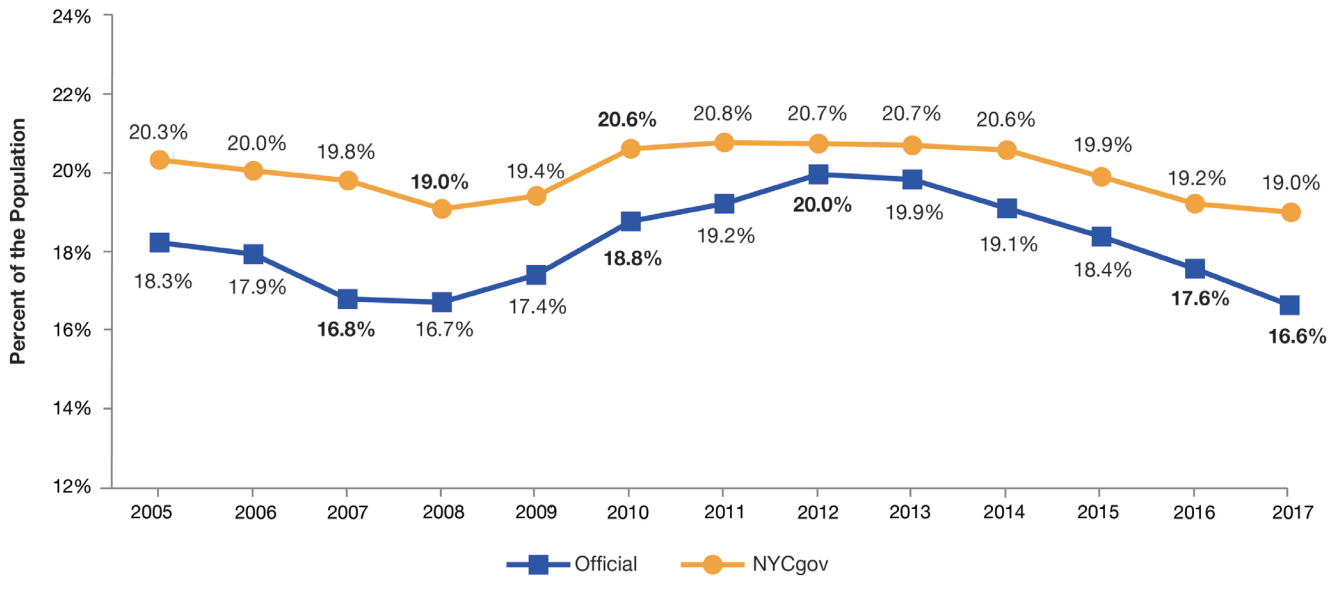
2 For more on thresholds see Section 1.5 of this chapter and Appendix B of this report, available at: https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-measure.page.

Table 1.1
NYCgov and U.S. Official Poverty Rates and Thresholds, 2016–2017

	2016	2017
Poverty Rates (%)		
NYCgov Poverty	19.2	19.0
NYCgov Near Poverty	43.3	43.1
U.S. Official Poverty	17.6	**16.6**
Thresholds ($)		
NYCgov Poverty	$32,402	$33,562
U.S. Official	$24,339	$24,858

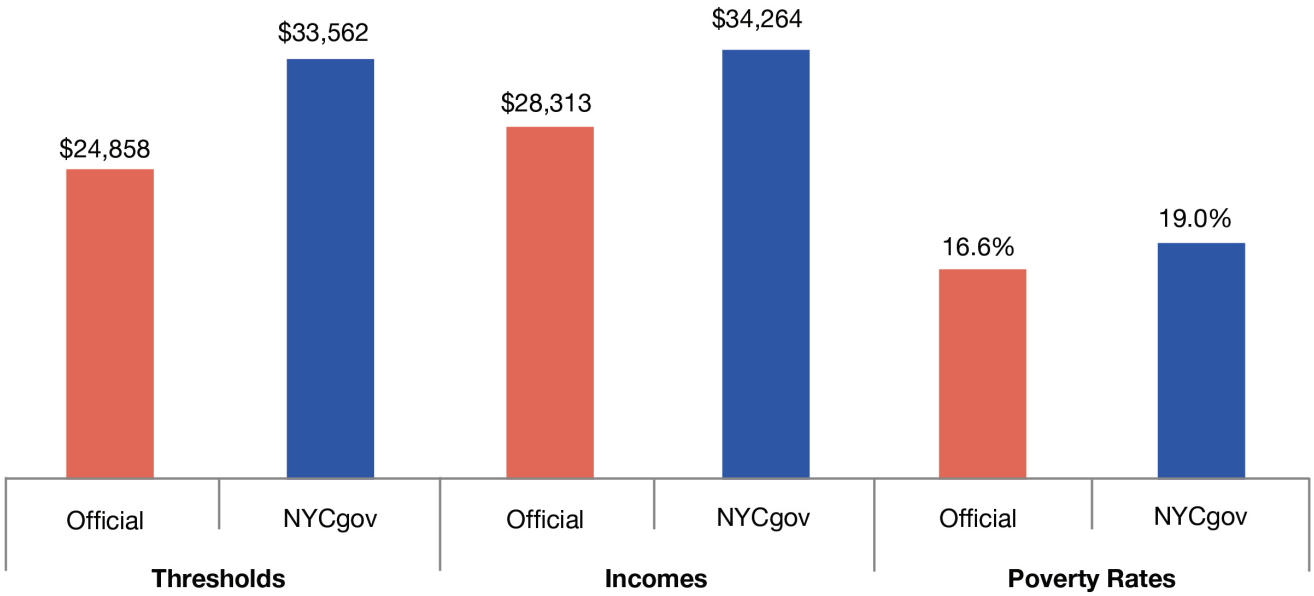
Sources: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity. U.S. official threshold from U.S. Bureau of the Census.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
U.S. official poverty rates are based on the NYC Opportunity poverty universe and unit of analysis. See Chapter 4 for details.

Figure 1.1
Official and NYCgov Poverty Rates, 2005–2017



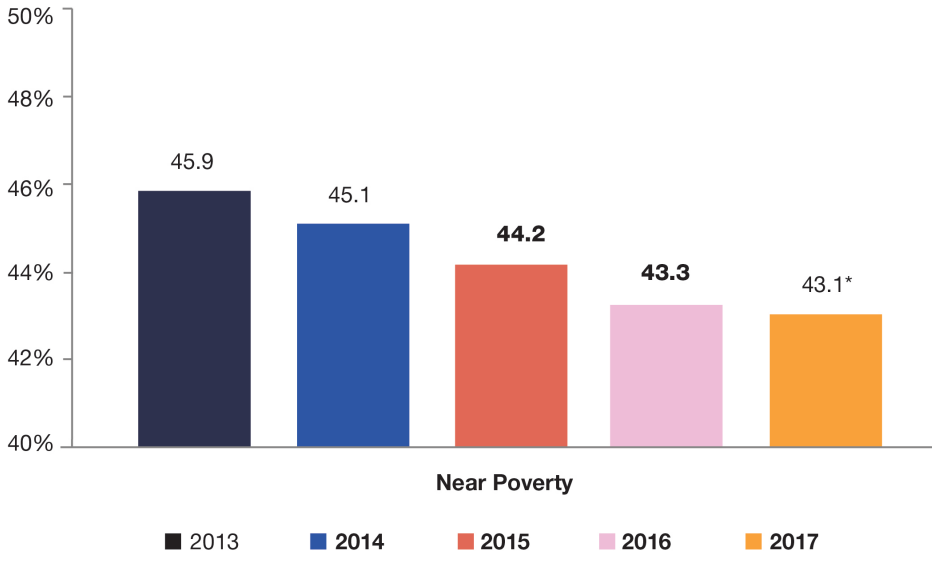
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Official poverty rates are based on the NYCgov poverty universe and unit of analysis.
Numbers in **bold** indicate statistically significant change from prior year.

Figure 1.2
Official and NYCgov Thresholds, Incomes, and Poverty Rates, 2017



Sources: U.S. Bureau of the Census and American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Incomes are measured at the 20th percentile and stated in family size and composition-adjusted dollars. Official poverty rates are based on the NYCgov poverty universe and unit of analysis.

Figure 1.3
NYCgov Near Poverty Rates, 2013–2017



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

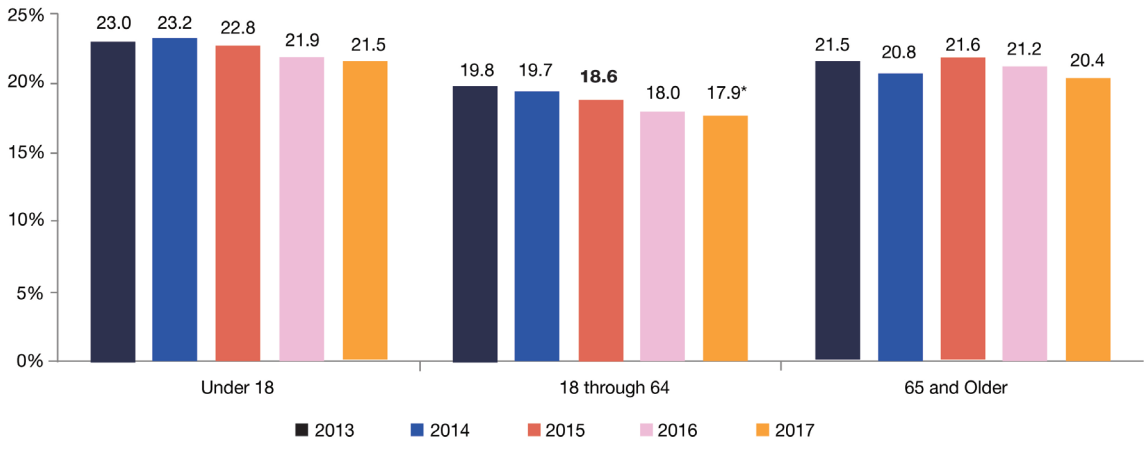
1.2 Differences in City Poverty Rates by Demographics and Geography

The data above show citywide rates of poverty. When the city population is divided into various groups or geographies, different patterns of poverty emerge. The section below shows poverty rates for New Yorkers by family type, work experience, educational attainment, race and ethnicity, borough, and community district. Poverty rates are shown for the years 2013 to 2017 to illustrate overall trends in this data. In the case of community districts where sample sizes are typically small, we average five years of data and present one poverty rate for the years 2013 to 2017. Year-over-year changes in poverty rates are occasionally significant in this period, but the more meaningful trend is that many groups have experienced significant declines in poverty rates over the 2013 to 2017 period, including:

- Working age adults
- Women and men
- Hispanics and Non-Hispanic Whites
- Citizens by birth and non-citizens
- High school graduates
- Full-time, year-round workers and less than full-time workers
- Residents of Brooklyn, Manhattan, and Queens

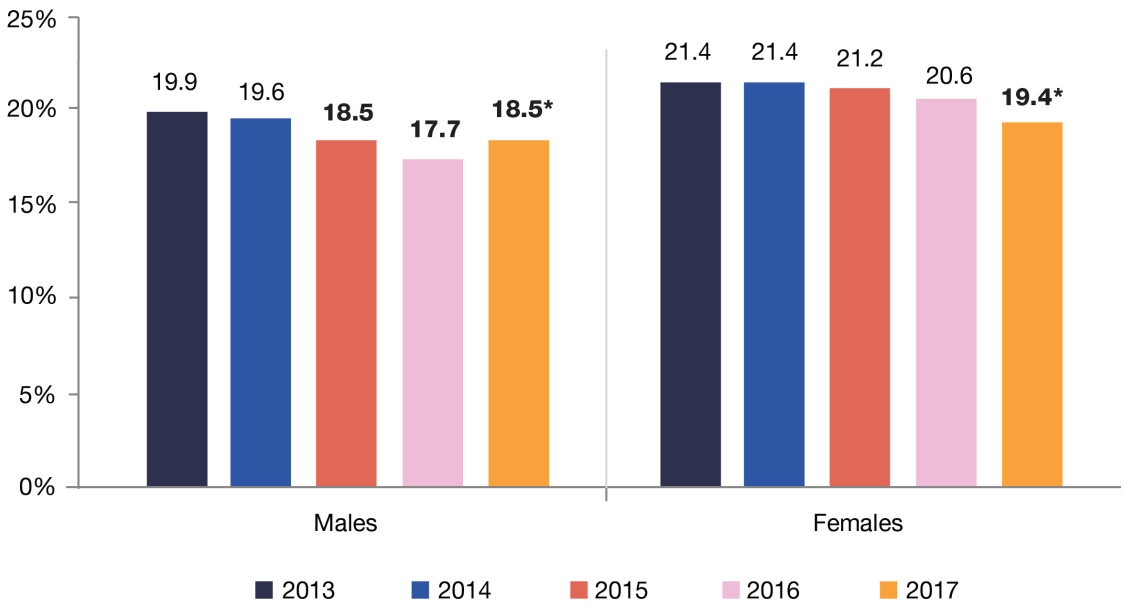
Deeper gains occurred in the shorter time frame of 2014 to 2017 as the recovery accelerated. In that period, statistically significant declines in poverty occurred among multiple cross sections of the population: children under 18 years of age, males, females, working-age adults, Hispanics, Non-Hispanic Asians and Whites, high school graduates, non-citizens, and citizens by birth. These changes are discussed in Chapter 5 in the context of policy under the current mayoral administration.

Figure 1.4
NYCgov Poverty Rates by Age, 2013–2017



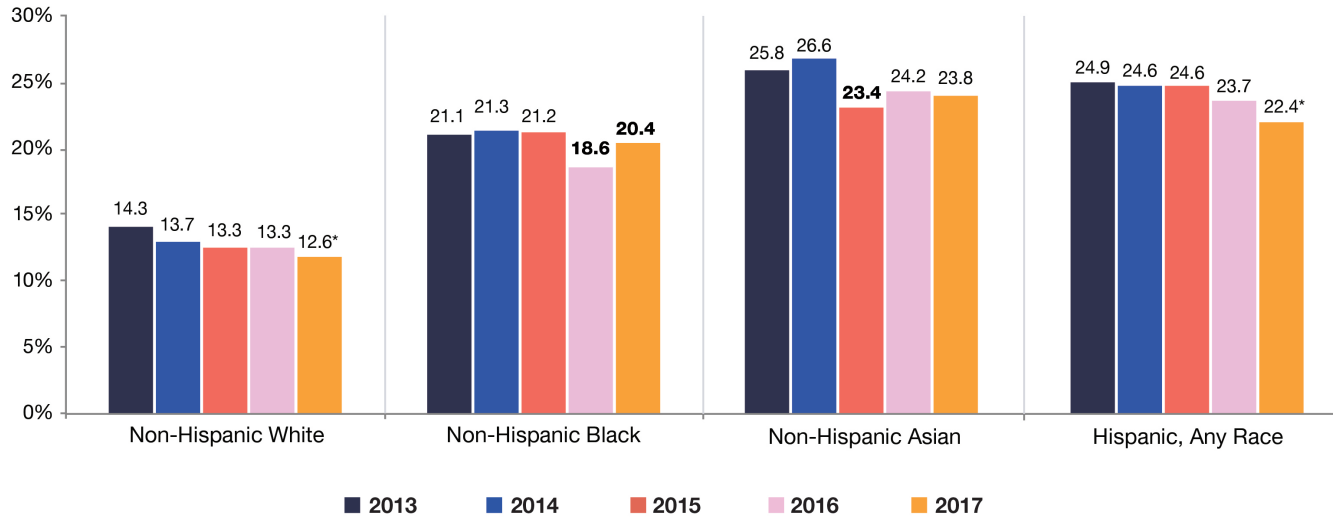
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

Figure 1.5
NYCgov Poverty Rates by Sex, 2013–2017



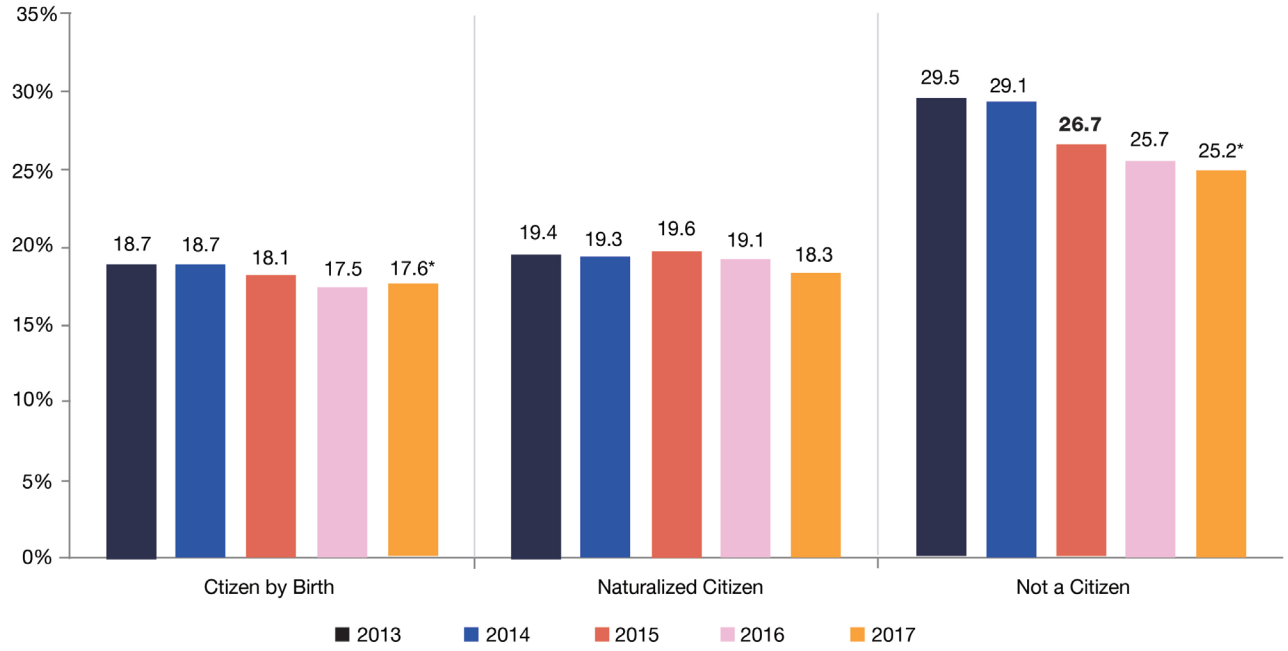
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

Figure 1.6
NYCgov Poverty Rates by Race/Ethnicity, 2013–2017



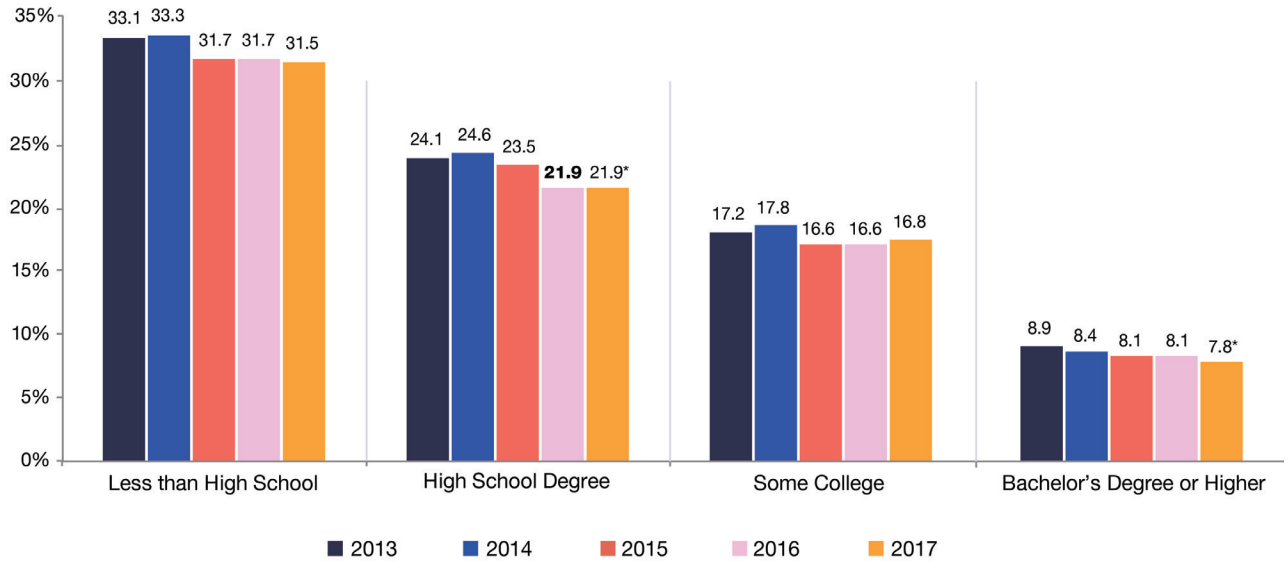
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

Figure 1.7
NYCgov Poverty Rates by Citizenship Status, 2013–2017



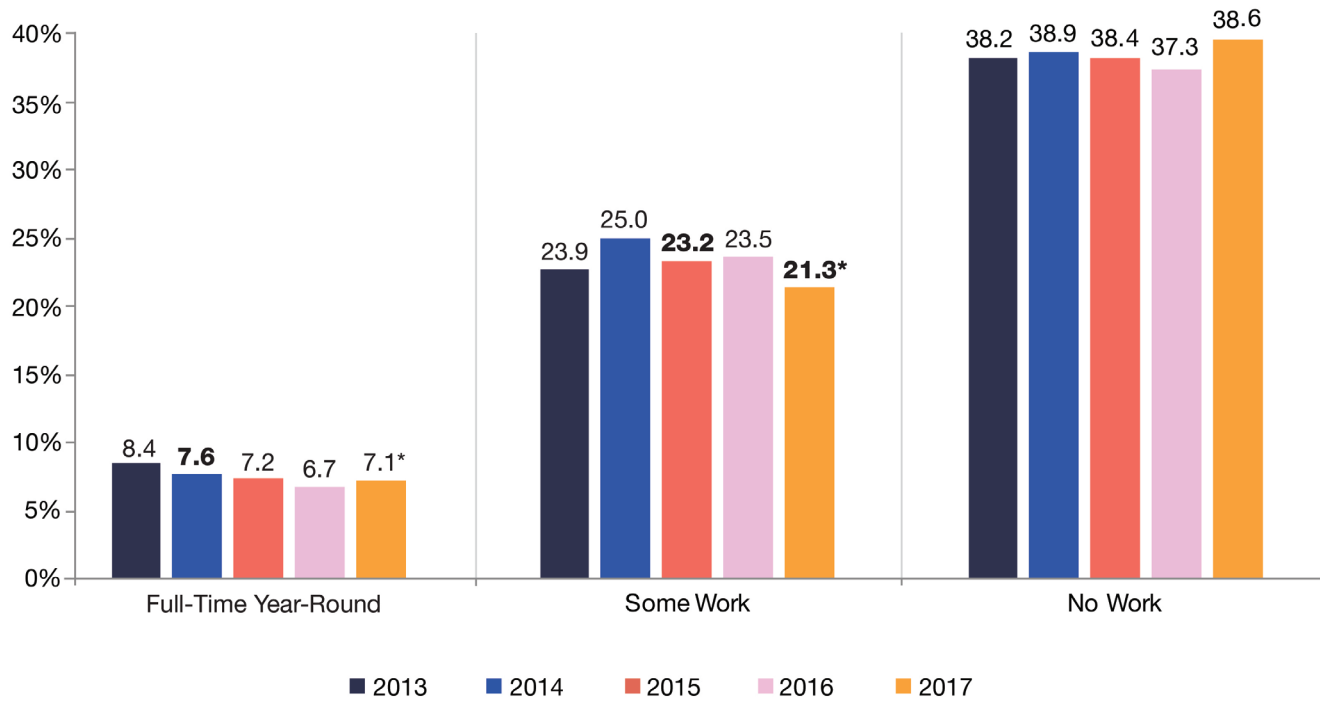
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

Figure 1.8
NYCgov Poverty Rates by Educational Attainment, 2013–2017



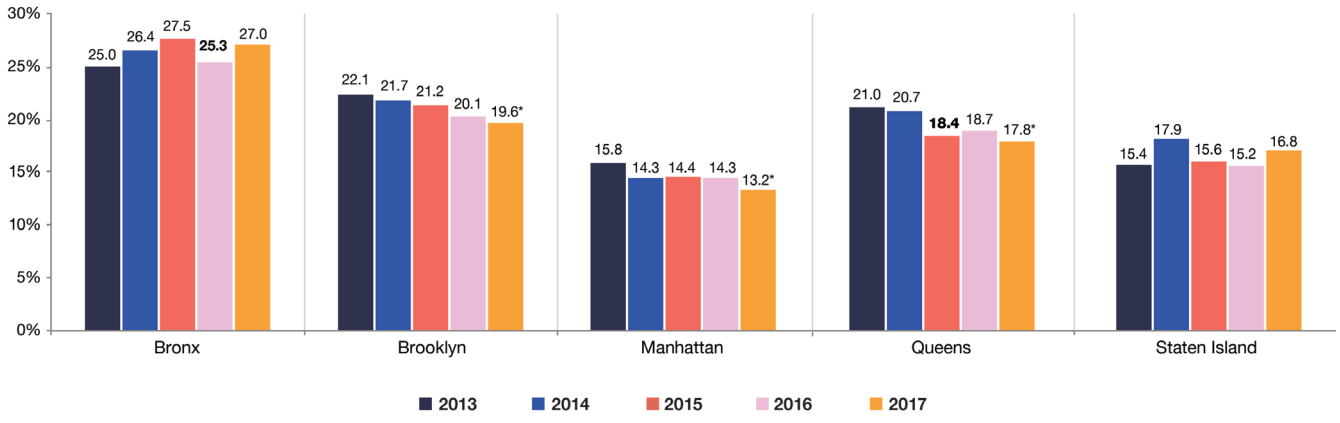
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

Figure 1.9
NYCgov Poverty Rates by Work Experience, 2013–2017



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

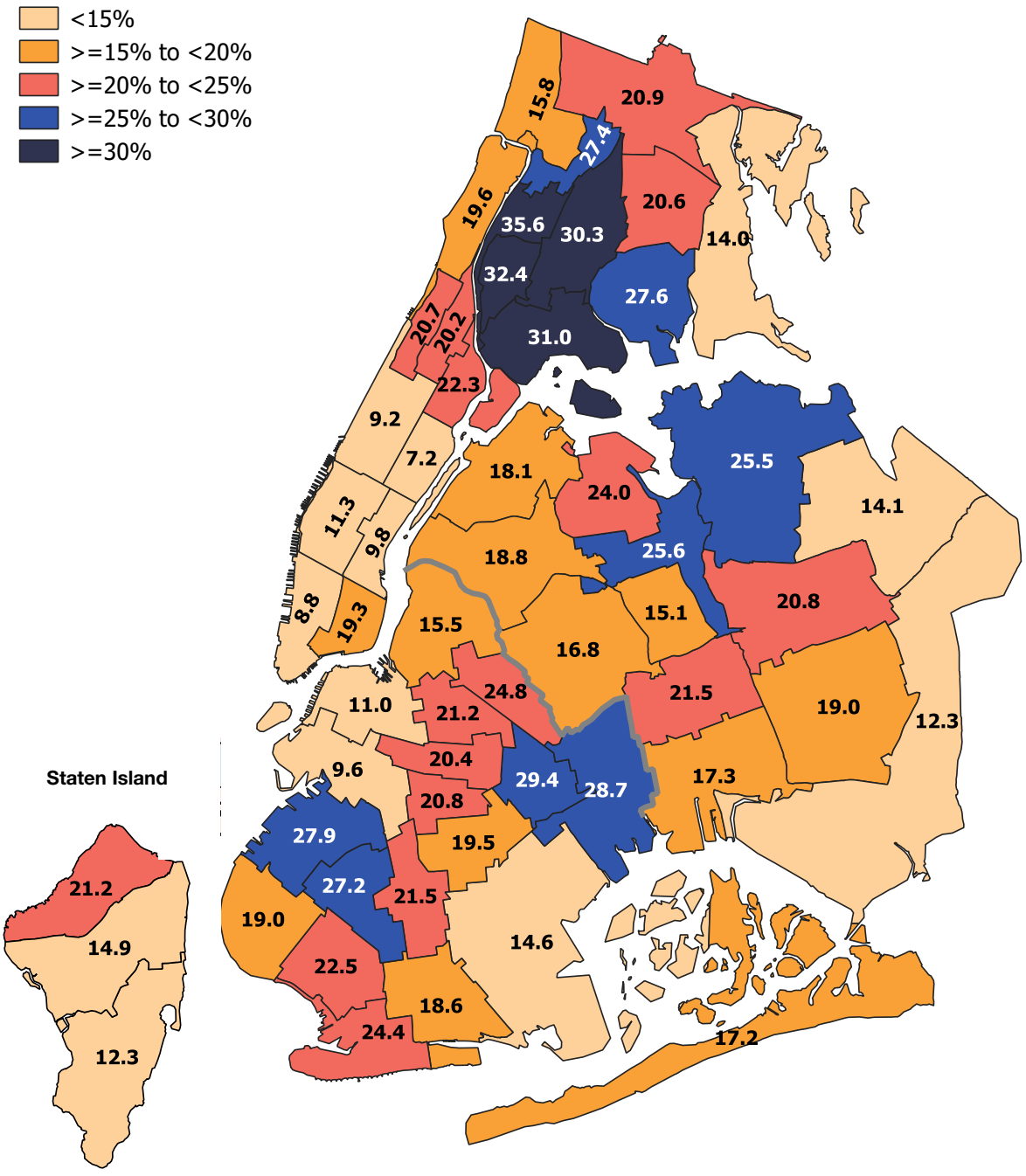
Figure 1.10
NYCgov Poverty Rates by Borough, 2013–2017



Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.

Figure 1.11
Percentage of Population Below Poverty Threshold, by Neighborhood, 2013–2017

Citywide Rate: 19.8%



Source: Five-year average of 2013-2017 American Community Survey Public Use Micro Sample files as augmented by NYC Opportunity.

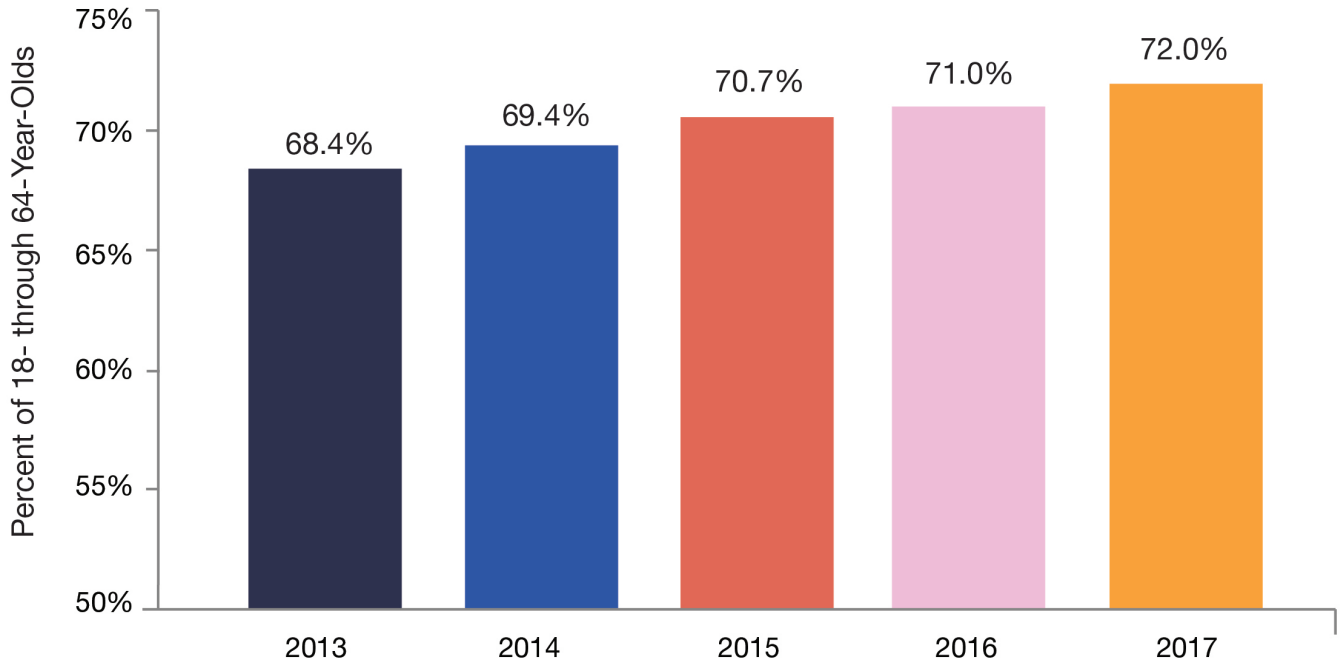
1.3 What Drives the Poverty Rate: The New York City Labor Market, Wages, and Income Supports

Poverty rates are influenced by the economic environment; the number of people working full time and the income they earn are key factors in building household resources. The most recent data show that employment and income both continue to improve. The employment/population ratio reached its pre-recession peak in 2016 and continued to grow in 2017. The share of people employed full time also surpassed pre-recession levels in 2016 and continued to grow in 2017.

Earnings growth among the lowest income households coincided with an expanding economy and increases in the minimum wage. In 2013, the minimum wage in New York City was $7.25 per hour, a rate that had not changed in five years. It increased to $8 per hour in 2014 and every year thereafter until 2019 when the minimum wage reached $15. In 2017, the minimum wage in the city was $11 per hour, a $2 increase from 2016. Table 1.2 below shows the bottom half of the wage distribution in New York City as the wage increased.

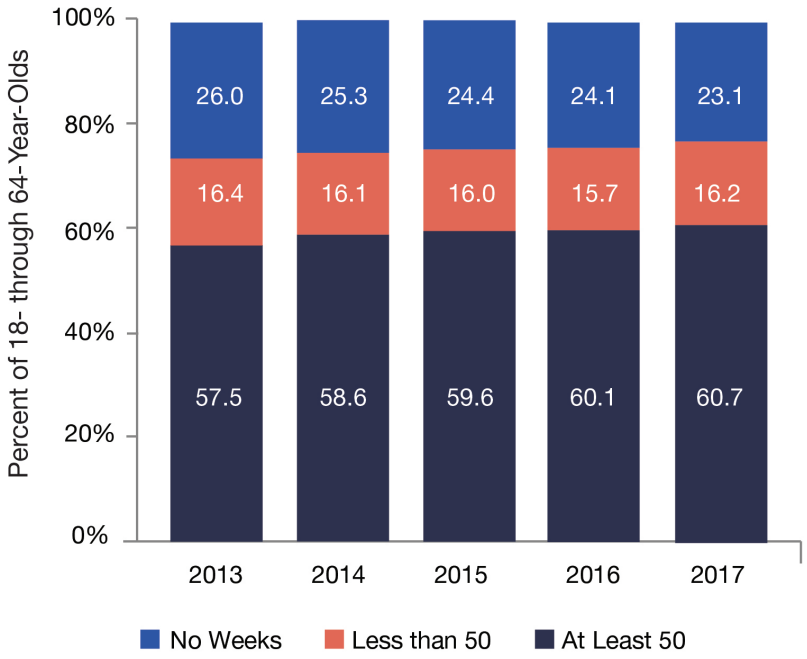
Panel A of Table 1.2 shows that the greatest increase in wage growth occurred in the bottom deciles of the wage distribution where minimum wage workers are found. But NYCgov income, the family resources that count toward the NYCgov poverty threshold, is not only wage income. Additional income supports such as tax credits and food assistance are included while other expenditures are deducted from income (see Section 1.4 below). Panel B of Table 1.2 shows this fuller resource measure, NYCgov income, over time as the minimum wage increased. NYCgov income increases at a slightly slower pace than wages, which indicates some shifts in benefit allocations as wage income changed. Some families may have reached a “benefit cliff” – an income level where they were no longer eligible for assistance. Others may have seen changes in their net tax credits. We discuss this further in Chapter 2.

Figure 1.12
Employment/Population Ratios, 2013–2017



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

Figure 1.13
Weeks Worked in Prior 12 Months, 2013–2017



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

Table 1.2
Real Wages and Incomes at Select Percentiles of Distribution, 2013–2017
(Adjusted to 2017 $)

Panel A	Real Wages [1]					
Percentiles	**2013**	**2014**	**2015**	**2016**	**2017**	**Annual Average Growth Rate: 2013–2017**
10	$6,416	$6,818	$6,971	$7,695	$8,090	6.0%
20	$12,448	$13,440	$13,554	$14,799	$15,168	5.1%
30	$19,151	$19,479	$19,363	$20,521	$22,246	3.8%
40	$25,471	$26,588	$27,109	$29,597	$30,336	4.5%
50	$33,514	$34,088	$34,854	$37,490	$40,448	4.8%
Panel B	**Real NYCgov Income [2]**					
Percentiles	**2013**	**2014**	**2015**	**2016**	**2017**	**Annual Average Growth Rate: 2013–2017**
10	$22,058	$23,337	$23,282	$24,767	$26,422	4.6%
20	$29,651	$30,646	$31,161	$32,613	$34,811	4.1%
30	$35,164	$36,496	$37,350	$38,678	$41,111	4.0%
40	$40,950	$42,333	$43,502	$45,225	$48,394	4.3%
50	$48,067	$50,029	$51,227	$53,816	$57,422	4.5%

1 Real wages are stated in 2017 dollars and reported at the individual level.
2 NYCGov income = wages+cash transfers+non-cash transfers+net taxes -childcare costs-transit costs-out-of-pocket medical spending stated in 2017 dollars and adjusted for family size.

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

1.4 Policy Affects Poverty: The Effect of Income Supports on the Poverty Rate

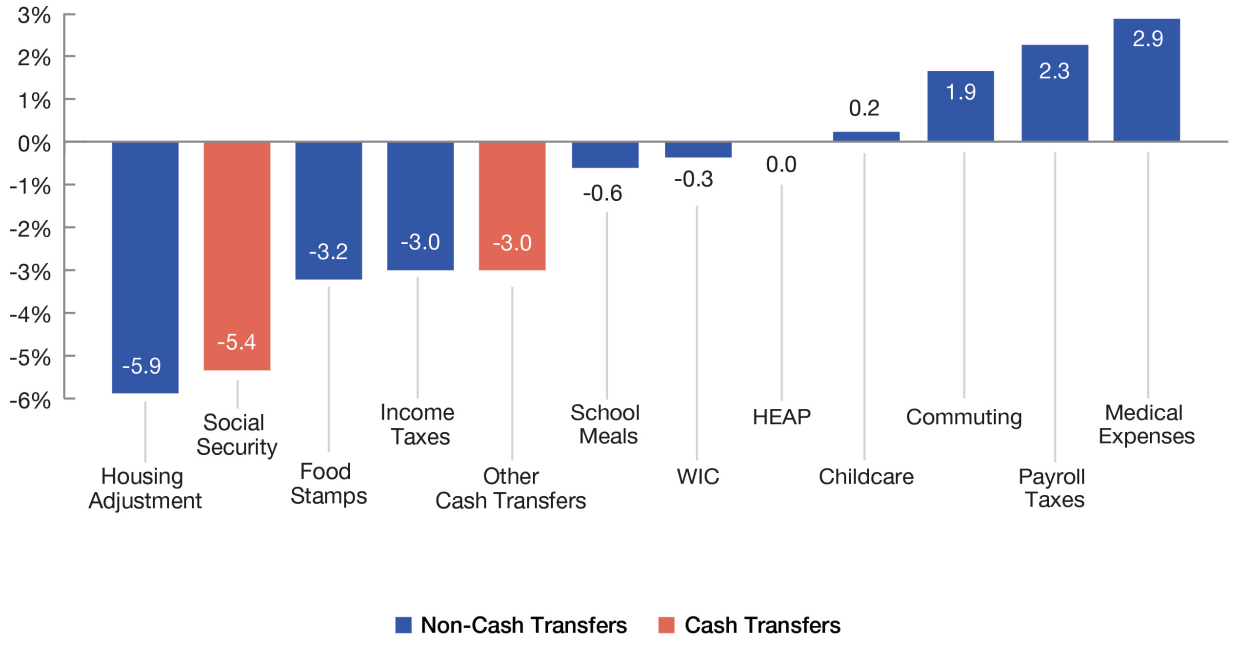
The data in Section 1.3 imply that families are slowly moving closer to self-sufficiency as wages and employment rise. But safety net benefits still play an important role in keeping families above the poverty threshold. The NYCgov poverty measure includes the value of non-cash income supports (nutritional assistance, tax credits, housing supports, and other supports as explained in Section 1.5 below). This allows us to measure the effect of each program in reducing the poverty rate. Conversely, the inclusion of nondiscretionary expenditures (medical spending and work-related costs) as subtractions from income allows us to measure the effect of these expenditures in increasing the poverty rate.

In Figure 1.14 below, those 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 on the poverty rate in the absence of that income component. For example, in the absence of housing supports the 2017 poverty rate would be 5.9 percentage points higher, or 24.9 percent. In the absence of medical expenditures the poverty rate would be 2.9 percentage points lower, or 16.1 percent.

In Chapters 2 and 3 we expand on the importance of income supports in lowering poverty and provide data on the decline in benefits as incomes rose, as well as the underlying disparity in how these supports are distributed across the population.

Figure 1.14

Marginal Effects, Selected Sources of Income on the NYCgov Poverty Rate, 2017



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

1.5 The NYCgov Poverty Measure

This section provides a brief overview of the NYCgov poverty measure and how it differs from the official U.S. poverty measure. All measures of income poverty include two components: a definition of income that represents resources available to the family[3] and a definition of a poverty threshold – the minimal socially acceptable measure of necessary resources for a family of that 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.

Comparing the U.S. and NYCgov Poverty Measures[4]

The official U.S. 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 is 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, tax credits, and in-kind benefits such as SNAP (the Supplemental Nutrition Assistance Program). Because these programs are excluded from the official resource measure, their impact on the poverty rate cannot be measured.

- 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.

The NYCgov poverty measure overcomes 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). This measure is adjusted for family size and the higher cost of housing in New York City.

---

3 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 relationship to each other, share resources and expenses. A family can be as small as one person or as large as an extended, multigenerational unit including blood relatives, unmarried partners and their children, and other unrelated children. A household may include more than one poverty unit.

4 See Chapter 4 for extended analysis of the U.S. official measure, the NYCgov measure, and the U.S. Supplemental Poverty Measure.

- The NYCgov income measure includes multiple resources that reflect current anti-poverty efforts:
    - After-tax cash income.
    - Nutrition Assistance: SNAP, reduced price or free school meals, and WIC (Special Supplemental Nutrition Program for Women, Infants and Children).
    - Housing assistance, including the differential from market rent when residing in public housing, subsidized housing, or rent regulated apartments.
    - Home heating assistance.
- Nondiscretionary spending is estimated and subtracted from income:
    - Child care and transit costs for workers.
    - Out-of-pocket medical spending.

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. Chapter 4 of this report compares the NYCgov, U.S., and U.S. Supplemental Poverty measures in detail and compares their respective components.

Table 1.3
Comparison of Poverty Measures

	U.S. Official	NYCgov
Threshold	Established in early 1960s at three times the cost of "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 the change in expenditures for the items in the threshold.
	No geographic adjustment.	Inter-area adjustment based on differences in housing costs.
Resources	Total family pre-tax 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 Food Stamps.
		Housing status adjustment.
		Subtract work-related expenses such as childcare and transportation costs.

1.6 New York City Policy and the Goal of Poverty Reduction

The City has worked to meet our commitment to lowering the poverty rate through a wide array of initiatives aimed at lifting New Yorkers out of poverty and near poverty. The minimum wage has continued to rise, and City programs implemented under this administration – ranging from expansion of pre-K and paid sick leave to expanded rental assistance – have supported New Yorkers' economic security.

The City has launched a variety of new programs and expanded existing ones, as detailed in Chapter 5 of this report. For example, the City committed to building or preserving 300,000 units of affordable housing by 2024 and launched several new programs designed to protect tenants who currently do have housing from harassment and eviction.

The data demonstrate that these programs and others help low-income New Yorkers and in many cases play an important role in lifting them out of poverty. Data-driven policy goals reflect the conviction that more New Yorkers can be helped with better targeted policy.

The remaining chapters of this report expand on the material presented above. Chapter 2 surveys poverty rates by demographics, family type, borough, and neighborhood, and introduces data showing that even among the poor, inequalities exist. Chapter 3 provides more information on these disparities and how they affect the ability to move out of poverty. Chapter 4 provides historical context for the methodology used in the NYCgov poverty measure, comparing it to the U.S. official and U.S. Supplemental Poverty measures. Chapter 5 includes a policy response to the findings contained in this report and summarizes the range of City programs designed to reduce poverty.

Chapter 2

Detailed NYCgov Poverty Rates, Degrees of Poverty, and the Rising Minimum Wage

Chapter 2
Detailed NYCgov Poverty Rates, Degrees of Poverty, and the Rising Minimum Wage

This chapter begins by expanding on the poverty data provided in Chapter 1. The focus then shifts from quantifying the poor and non-poor to quantifying the differences among the population in poverty. In particular, the data show differences in the degree of poverty – the distance above or below the poverty threshold. This concept is expanded to estimates of the poverty gap and poverty surplus. The chapter concludes by linking changes in the degree of poverty to the shifting relation between income and the social safety net.

Sections 2.1 and 2.2 below expand on the demographics and geography of poverty shown in Chapter 1. Section 2.3 introduces a basic profile of disparities in the intensities of poverty. Section 2.4 links these disparities to the increasing minimum wage in New York City and the changing impact of the safety net.

2.1 Poverty by Individual and Family Characteristics

The data in this section are more detailed than that shown in Chapter 1 but continue to follow the same broad trends: The years 2013 to 2017 are marked by small nominal declines in the annual poverty rate, but in many cases these changes result in a significant decline over the five-year period.

The data also contain trends that are consistent since the initial publication of this report, starting with data from 2005. They are highlighted below because they continue to inform our work in anti-poverty policy.

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 nearly four times more likely to be in poverty than someone with a bachelor's or more advanced degree.

Citizenship Status: The poverty rate for non-citizens is substantially higher than poverty rates for citizens by birth and naturalized citizens.[1]

Work Experience/No Work: Families with no workers have the highest poverty rate of any group, but this rate has remained nearly unchanged since 2005. The sole source of income for these families in our model 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 Section 2.1 are organized so that readers can readily track changes over time. The first set of columns in the tables provides poverty rates for each group, followed by calculations of change over time for the five-year period 2013 to 2017 and the one-year change from 2016 to 2017 (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. Boxes included in the text explain the table categories in detail.

Table 2.1 shows poverty rates by demographic characteristics. Table 2.2 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 in this report.

RACE AND ETHNICITY

Race and Ethnicity categories are constructed 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 2.9 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 2.1.

1 We expand on the non-citizen poverty rate further in "An Economic Profile of Immigrants in New York City." Mayor's Office for Economic Opportunity. March 2019. Available at: https://www1.nyc.gov/site/opportunity/reports/immigrant-economic-profile.page

Table 2.1
NYCgov Poverty Rates for Persons, by Demographic Characteristic, 2013–2017

	2013	2014	2015	2016	2017	Percentage Point Difference		Group Share of 2017 Population
						2013–2017	2016–2017	
Total New York City	20.7	20.6	19.9	19.2	19.0	**-1.7**	-0.2	100
Gender								
Males	19.9	19.6	18.5	17.7	18.5	**-1.4**	**0.8**	47.7
Females	21.4	21.4	21.2	20.6	19.4	**-2.0**	**-1.2**	52.3
Age Group								
Under 18	23.0	23.2	22.8	21.9	21.5	-1.5	-0.4	21.0
18 through 64	19.8	19.7	18.6	18.0	17.9	**-1.9**	-0.1	64.8
65 and Older	21.5	20.8	21.6	21.2	20.4	-1.0	-0.7	14.2
Children (Under 18), by Presence of Parent								
One Parent	33.6	34.6	33.3	33.7	33.4	-0.2	-0.3	35.7
Two Parents	17.0	16.7	17.1	15.9	14.8	**-2.1**	-1.1	64.3
Race/Ethnicity								
Non-Hispanic White	14.3	13.7	13.3	13.3	12.6	**-1.7**	-0.6	31.7
Non-Hispanic Black	21.1	21.3	21.2	18.6	20.4	-0.7	**1.9**	21.5
Non-Hispanic Asian	25.8	26.6	23.4	24.2	23.8	-2.0	-0.5	14.5
Hispanic, Any Race	24.9	24.6	24.6	23.7	22.4	**-2.5**	-1.3	29.3
Nativity/Citizenship								
Citizen by Birth	18.7	18.7	18.1	17.5	17.6	**-1.1**	0.1	62.8
Naturalized Citizen	19.4	19.3	19.6	19.1	18.3	-1.1	-0.8	20.9
Not a Citizen	29.5	29.1	26.7	25.7	25.2	**-4.4**	-0.5	16.3
Working Age Adults (18 through 64), by Educational Attainment[1]								
Less than High School	33.1	33.3	31.7	31.7	31.5	-1.5	-0.2	15.4
High School Degree	24.1	24.6	23.5	21.9	21.9	**-2.2**	0.0	25.2
Some College	17.2	17.8	16.6	16.6	16.8	-0.3	0.2	20.2
Bachelor's Degree or Higher	8.9	8.4	8.1	8.1	7.8	**-1.2**	-0.3	39.3
Working Age Adults (18 through 64), by Work Experience in Past 12 Months[1,2]								
Full-Time, Year-Round	8.4	7.6	7.2	6.7	7.1	**-1.3**	0.3	57.0
Some Work	23.9	25.0	23.2	23.5	21.3	**-2.6**	**-2.1**	22.1
No Work	38.2	38.9	38.4	37.3	38.6	0.4	1.3	20.9

1 Category excludes people enrolled in school.
2 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 are statistically significant. Shares may not sum to 100 percent due to rounding error.

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 that do not have family members, or unmarried partners in the household. This includes those that 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).

Table 2.2
NYCgov Poverty Rates for Persons Living in Various Family Types, 2013–2017

(Numbers are Percent of the Population)

	2013	2014	2015	2016	2017	Percentage Point Difference		Group Share of 2017 Population
						2013–2017	2016–2017	
Total New York City	20.7	20.6	19.9	19.2	19.0	**-1.7**	-0.2	100.0
A. FAMILY COMPOSITION								
Married/Unmarried Partner[1]								
No Children under 18	14.4	12.9	13.1	12.3	11.4	**-3.0**	-0.9	23.1
With Children under 18	17.2	17.3	17.6	15.1	15.1	**-2.1**	0.0	31.3
Single Head of Household								
No Children under 18	20.3	20.8	19.0	16.9	16.2	**-4.0**	-0.7	11.7
With Children under 18	29.5	31.5	29.7	30.1	30.0	0.5	-0.1	15.4
Single Mother Family with Children under 18	30.8	32.4	30.8	31.1	31.0	0.2	-0.2	13.3
All Families with Children under 18	20.7	21.5	20.9	19.8	20.0	-0.7	0.2	46.7
Unrelated Individuals	28.3	27.4	26.2	27.4	27.6	-0.7	0.2	18.5
B. WORK EXPERIENCE OF THE FAMILY[2]								
Two Full-Time, Year-Round Workers	5.9	5.5	5.0	4.5	3.9	**-2.0**	-0.6	35.1
One Full-Time, Year-Round, One Part-Time Worker	12.7	14.8	12.4	11.9	13.5	0.8	1.6	15.3
One Full-Time, Year-Round Worker	17.2	17.8	18.0	16.3	16.9	-0.3	0.7	25.0
Less than One Full-Time, Year-Round Worker	42.9	43.0	42.7	42.7	41.0	-2.0	-1.7	10.5
No Work	50.4	50.2	51.6	50.7	49.9	-0.5	-0.8	14.1

1 In the NYCgov measure, unmarried partners are treated as spouses. See text for explanation.
2 See text for explanation 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 are statistically significant. Shares may not sum to 100 percent due to rounding error.

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 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, 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."

2.2 Poverty in New York City by Geography

Poverty rates by borough are found in Table 2.3. Table 2.4 contains poverty rates by community district, (CD) as mapped in Chapter 1. The districts are close approximations to Public Use Microdata Areas (PUMAs), the smallest geographical areas identified in the American Community Survey (ACS) Public Use Micro Sample (PUMS) files. The U.S. Census Bureau sets a minimum PUMA population requirement at 100,000 people.[2] This is a relatively small sample size, making it difficult to generate meaningful one-year estimates for the city's community districts. Therefore, we pool estimates from the 2013 through 2017 NYCgov data to report the average poverty rate for neighborhoods[3] over a five-year period in Figure 2.1 and Table 2.4. The five-year citywide average poverty rate derived from the combined file is 19.8 percent.

Table 2.3
NYCgov Poverty Rates by Borough, 2013–2017

(Numbers are Percent of the Population)

	2013	2014	2015	2016	2017	Percentage Point Difference		Group Share of 2017 Population
						2013–2017	2016–2017	
Bronx	25.0	26.4	27.5	25.3	27.0	2.0	1.7	16.9
Brooklyn	22.1	21.7	21.2	20.1	19.6	**-2.5**	-0.5	30.9
Manhattan	15.8	14.3	14.4	14.3	13.2	**-2.5**	-1.0	19.0
Queens	21.0	20.7	18.4	18.7	17.8	**-3.2**	-0.9	27.6
Staten Island	15.4	17.9	15.6	15.2	16.8	1.4	1.6	5.6

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.

2 Most PUMAs are coterminous with community districts (CDs). However, in the case where a CD does meet the minimum population requirement for a PUMA, two PUMAs had to be combined.

3 Neighborhood names are adopted from the New York City PUMAs and Community Districts map published by the NYC Department of City Planning. See: https://www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/census2010/puma_cd_map.pdf

Table 2.4
NYCgov Poverty Rates by Community District (CD)/Neighborhood, 2013–2017

(Numbers are Percent of the Population)

Citywide Poverty Rate, 5-Year Average = 19.8%

CD	Neighborhood	5-Year Average Poverty Rate	Margin of Error
Bronx			
1 & 2	Hunts Point, Longwood, & Melrose	31.0	+/-1.3
3 & 6	Belmont, Crotona Park East, & East Tremont	30.3	+/-1.2
4	Concourse, Highbridge, & Mount Eden	32.4	+/-1.3
5	Morris Heights, Fordham South, & Mount Hope	35.6	+/-1.5
7	Bedford Park, Fordham North, & Norwood	27.4	+/-1.5
8	Riverdale, Fieldston, & Kingsbridge	15.8	+/-1.1
9	Castle Hill, Clason Point, & Parkchester	27.6	+/-1.1
10	Co-Op City, Pelham Bay, & Schuylerville	14.0	+/-1.4
11	Pelham Parkway, Morris Park, & Laconia	20.6	+/-1.0
12	Wakefield, Willamsbridge, & Woodlawn	20.9	+/-1.2
Brooklyn			
1	Greenpoint & Williamsburg	15.5	+/-0.9
2	Brooklyn Heights & Fort Greene	11.0	+/-0.8
3	Bedford-Stuyvesant	21.2	+/-1.1
4	Bushwick	24.8	+/-1.2
5	East New York & Starrett City	28.7	+/-1.1
6	Park Slope, Carroll Gardens, & Red Hook	9.6	+/-0.8
7	Sunset Park & Windsor Terrace	27.9	+/-1.3
8	Crown Heights North & Prospect Heights	20.4	+/-1.0
9	Crown Heights South, Prospect Lefferts, & Wingate	20.8	+/-1.1
10	Bay Ridge & Dyker Heights	19.0	+/-1.0
11	Bensonhurst & Bath Beach	22.5	+/-1.0
12	Borough Park, Kensington, & Ocean Parkway	27.2	+/-1.4
13	Brighton Beach & Coney Island	24.4	+/-1.3
14	Flatbush & Midwood	21.5	+/-0.9
15	Sheepshead Bay, Gerritsen Beach, & Homecrest	18.6	+/-1.0
16	Brownsville & Ocean Hill	29.4	+/-1.4
17	East Flatbush, Farragut, & Rugby	19.5	+/-1.1
18	Canarsie & Flatlands	14.6	+/-0.8

Table 2.4 *(continued)*
NYCgov Poverty Rates by Community District (CD)/Neighborhood, 2013–2017

(Numbers are Percent of the Population)

CD	Neighborhood	5-Year Average Poverty Rate	Margin of Error
Manhattan			
1 & 2	Battery Park City, Greenwich Village, & Soho	8.8	+/-0.7
3	Chinatown & Lower East Side	19.3	+/-1.1
4 & 5	Chelsea, Clinton, & Midtown Business District	11.3	+/-0.8
6	Murray Hill, Gramercy, & Stuyvesant Town	9.8	+/-0.9
7	Upper West Side & West Side	9.2	+/-0.8
8	Upper East Side	7.2	+/-0.6
9	Hamilton Heights, Manhattanville, & West Harlem	20.7	+/-1.4
10	Central Harlem	20.2	+/-1.2
11	East Harlem	22.3	+/-1.3
12	Washington Heights, Inwood, & Marble Hill	19.6	+/-1.0
Queens			
1	Astoria & Long Island City	18.1	+/-0.8
2	Sunnyside & Woodside	18.8	+/-1.0
3	Jackson Heights & North Corona	24.0	+/-1.0
4	Elmhurst & South Corona	25.6	+/-1.4
5	Ridgewood, Glendale, & Middle Village	16.8	+/-0.7
6	Forest Hills & Rego Park	15.1	+/-1.0
7	Flushing, Murray Hill, & Whitestone	25.5	+/-0.8
8	Briarwood, Fresh Meadows, & Hillcrest	20.8	+/-1.3
9	Richmond Hill & Woodhaven	21.5	+/-1.0
10	Howard Beach & Ozone Park	17.3	+/-1.0
11	Bayside, Douglaston, & Little Neck	14.1	+/-0.9
12	Jamaica, Hollis, & St. Albans	19.0	+/-0.8
13	Queens Village, Cambria Heights, & Rosedale	12.3	+/-0.6
14	Far Rockaway, Breezy Point, & Broad Channel	17.2	+/-1.4
Staten Island			
1	Port Richmond, Stapleton, & Mariner's Harbor	21.2	+/-1.2
2	New Springville & South Beach	14.9	+/-1.1
3	Tottenville, Great Kills, & Annadale	12.3	+/-0.7

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Note: Poverty rate is the average over the 2013–2017 period.

2.3 Differences in the Degree of Poverty

Not all poverty is alike. Sections 2.1 and 2.2 above discuss how the potential for being in poverty differs across groups and by location. Poverty rates simply mark the difference between those in poverty and those not in poverty. When we change the focus to only look at the population in poverty, other differences emerge. Some families are living quite close to their poverty threshold, with a gap from the threshold that is small or nonexistent. Other families are living far below their poverty threshold, with less than half the resources needed to move out of poverty. All these families are classified as "poor" because the poverty rate is simply a headcount of those living below their poverty threshold. But there are differences in the intensity of the challenges families face due to their distance below the threshold.

In Chapter 1, rising wage income and rising NYCgov income was shown in Table 1.2. The result of these income changes is a statistically significant decline in the poverty rate and a significant shifting of the population upward – closer to the poverty threshold and just above it. Table 2.5 shows shares of the population at selected distances above and below the threshold for the years 2013 to 2017. The light pink band denotes shares of the population in poverty; the dark pink band denotes those families up to 200 percent above the threshold. Note the significant declines in the share of the population below 150 percent of their threshold over time.

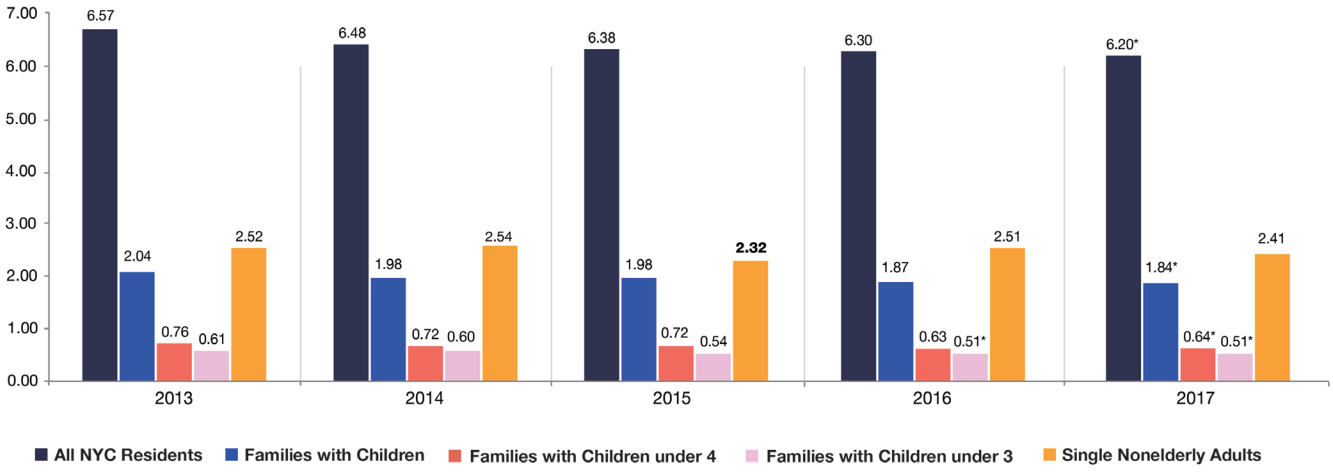
Table 2.5

		Resources as Percent of Threshold	Share of Population					Percentage Point Difference	
			2013	2014	2015	2016	2017	2013–2017	2016–2017
Below Threshold	**In Poverty**	Below 50%	5.3	5.3	5.0	5.0	4.8	**-0.6**	-0.3
		50–99%	15.4	15.3	14.9	14.2	14.2	**-1.1**	0.0
Above Threshold	**Near Poverty and Above**	100–149%	25.2	24.5	24.3	24.1	24.1	**-1.1**	0.0
		150–200%	16.1	15.9	16.2	16.4	15.8	-0.2	-0.6

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.

Degrees of poverty are defined by the distance above or below the poverty threshold. For those in poverty, this distance is known as the poverty gap. It is the amount of resources needed to move out of poverty and can be different for each family. The sum of every family's poverty gap equals the amount of dollars necessary to bring all New Yorkers over their poverty threshold if each family was given resources equal to the distance from the threshold. Figure 2.1 shows the poverty gap for all New Yorkers in poverty, for families with children, and for single, nonelderly adults. The data show that the poverty gap is not equally distributed across the population but varies by family status. We choose family status to illustrate this phenomenon because income supports are often tied to the presence of children in the family.

Figure 2.1



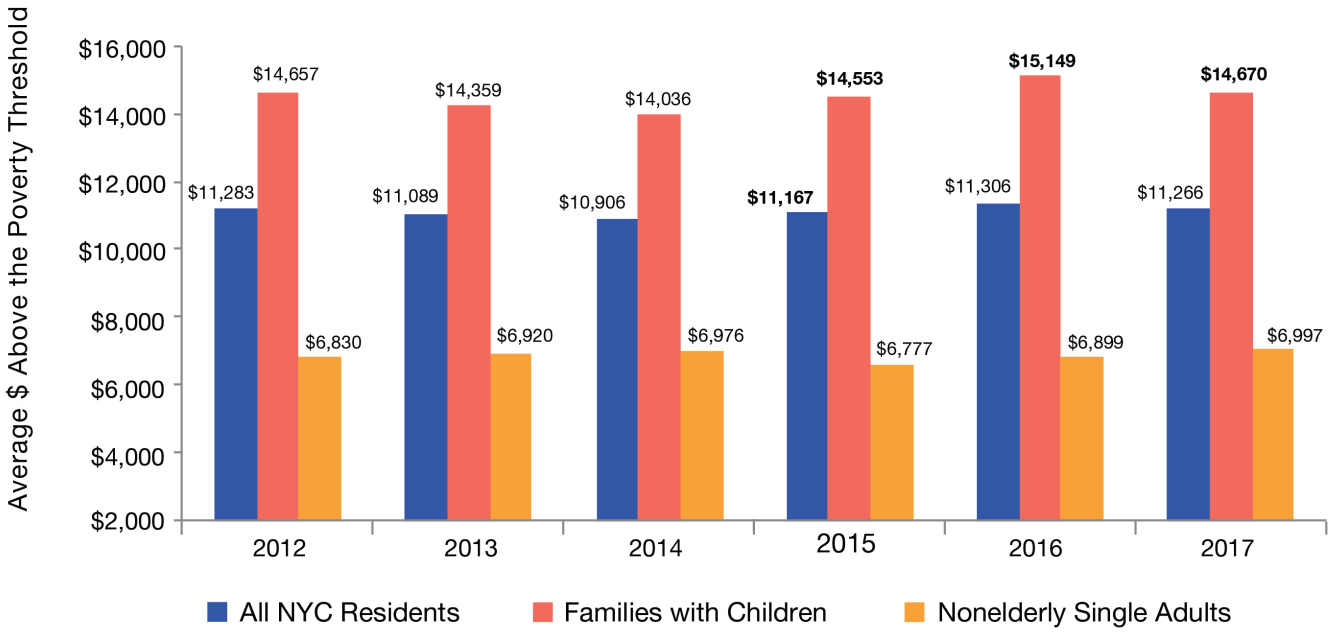
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
An * indicates statistically significant change from 2013 to 2017.
All amounts are in 2017 dollars.

In this report we include new data on the poverty surplus – the amount of resources available to a family beyond their poverty threshold – in near poverty and just beyond. The poverty surplus shown in Figure 2.2 is an average of the value of resources available to families whose resources are between 100 and 200 percent of the poverty threshold.[4] The surplus is indicative of the risk of falling into poverty: it is the cushion available to families to keep them from falling into poverty in the event of an unexpected shock.

4 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 2.2
NYC Poverty Surplus, 2013–2017

Average Resource Surplus; Families with Resources Equal to 100–200 Percent of the 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.
All amounts are in 2017 dollars.

Table 2.5 provides additional data on the gap and surplus, including the poverty gap index – a metric ideal for comparing intensity of poverty across groups.

POVERTY RATE, GAP AND SURPLUS, AND INTENSITY OF POVERTY

INCIDENCE OF POVERTY

Incidence of poverty is the proportion of the population with income below the poverty threshold. It is interchangeably used with "poverty rate" in this report when describing the likelihood of a population being in poverty. For example, the poverty rate for men (18.1 percent) is lower than for women (20.7 percent); therefore, women have a higher incidence 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 $31,562 and a poverty threshold of $33,562 has a poverty gap of $2,000. Similarly, a single-parent family with one child, annual resources of $21,472, and a poverty threshold of $23,472 has a poverty gap of $2,000. For families above the poverty threshold the gap is zero.

For the City, the poverty gap measure is the sum of poverty gaps across all families – 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 $35,562 and a poverty threshold of $33,562 has a poverty surplus of $2,000. The surplus measure reported here is the average surplus for families who 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" and can differ depending on how far away from the poverty threshold a family exists. The poverty gap index quantifies this extent, 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 described above has resources close to 94 percent of the threshold and has a poverty gap index of 6 percent, while the single-parent, one-child family has resources amounting to only 91 percent of their threshold and a poverty gap index of 9 percent. This example 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 are needs. Family-level poverty gap index values are aggregated to generate the citywide poverty gap index.

Table 2.6

	2013	2014	2015	2016	2017	Change 2013–2017	Change 2016–2017
A. All NYC Residents							
Poverty Gap ($ billions)	6.57	6.48	6.38	6.30	6.20	**-0.37**	-0.10
Average $ Below Poverty Line Among Poor Families	$8,262	$8,211	$8,295	$8,158	$8,084	($178)	($74)
Poverty Gap Index (%)	7.20	7.05	6.93	6.69	6.43	**-0.77**	-0.26
Number of Families	3,492,226	3,535,978	3,545,000	3,549,049	3,585,829	93,603	36,780
Average Surplus $, at 100–200% of Poverty Threshold	$11,089	$10,906	$11,167	$11,306	$11,266	$178	($40)
B. Families with Children							
Poverty Gap ($ billions)	2.04	1.98	1.98	1.87	1.84	**-0.20**	-0.03
Average $ Below Poverty Line Among Poor Families	$9,997	$9,495	$9,711	$9,619	$9,612	($385)	($906,179)
Poverty Gap Index (%)	6.11	6.12	6.06	5.69	5.61	**-0.49**	3.75
Number of Families	951,316	931,106	925,525	915,791	913,139	(38,177)	903,520
Average Surplus $, at 100–200% of Poverty Threshold	$14,359	$14,036	$14,553	$15,149	$14,670	$311	**($479)**
C. Unrelated Individuals Living Alone or with Others							
Poverty Gap ($ billions)	2.52	2.54	2.32	2.51	2.41	-0.11	-0.10
Average $ Below Poverty Line Among Poor Families	$7,795	$8,170	$7,903	$8,050	$7,838	$43	($212)
Poverty Gap Index (%)	14.10	14.39	13.02	13.71	13.36	-0.74	-0.35
Number of Families	1,174,657	1,163,207	1,173,522	1,194,133	1,159,835	(14,822)	(34,298)
Average Surplus $, at 100–200% of Poverty Threshold	$6,920	$6,976	$6,777	$6,899	$6,997	$77	$97

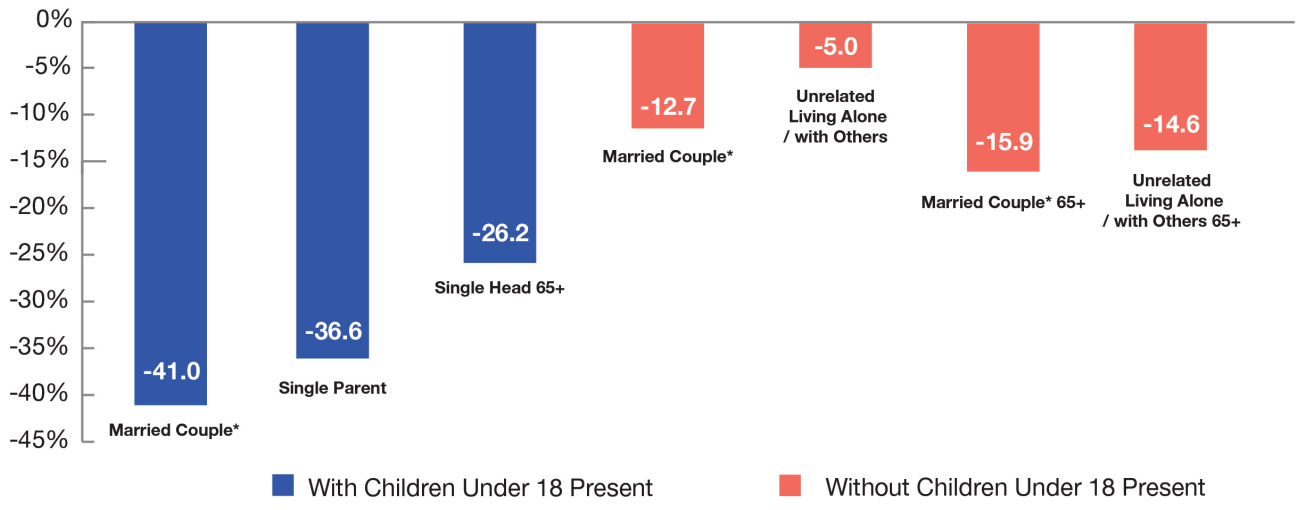
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: The poverty gap is total assistance needed to bring this group out of poverty ($ billions). The poverty gap index is the income shortfall as a percent of the poverty threshold.
Changes in **bold** are statistically significant.

2.4 Rising Income, Declining Safety Net

As explained in Chapter 1, NYCgov income is composed of multiple components: earned income and other sources of income such as Social Security, non-cash benefits, and tax credits. Costs of work and health care are deducted from total resources. Table 1.14 showed the importance of all these factors in lowering and raising the poverty rate. Although the safety net is effective at lowering poverty, these resources are not distributed equally, a major contributor to differences in the poverty gap. Figure 2.3 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; many programs are specifically designed to give the greater share of benefits to families with children and the programs succeed in this goal. 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 and scant tax credits.

Figure 2.3
Impact of Combined Government Assistance and Tax Credits by Selected Family Type, 2017

(Percent Decline in Poverty Rate)



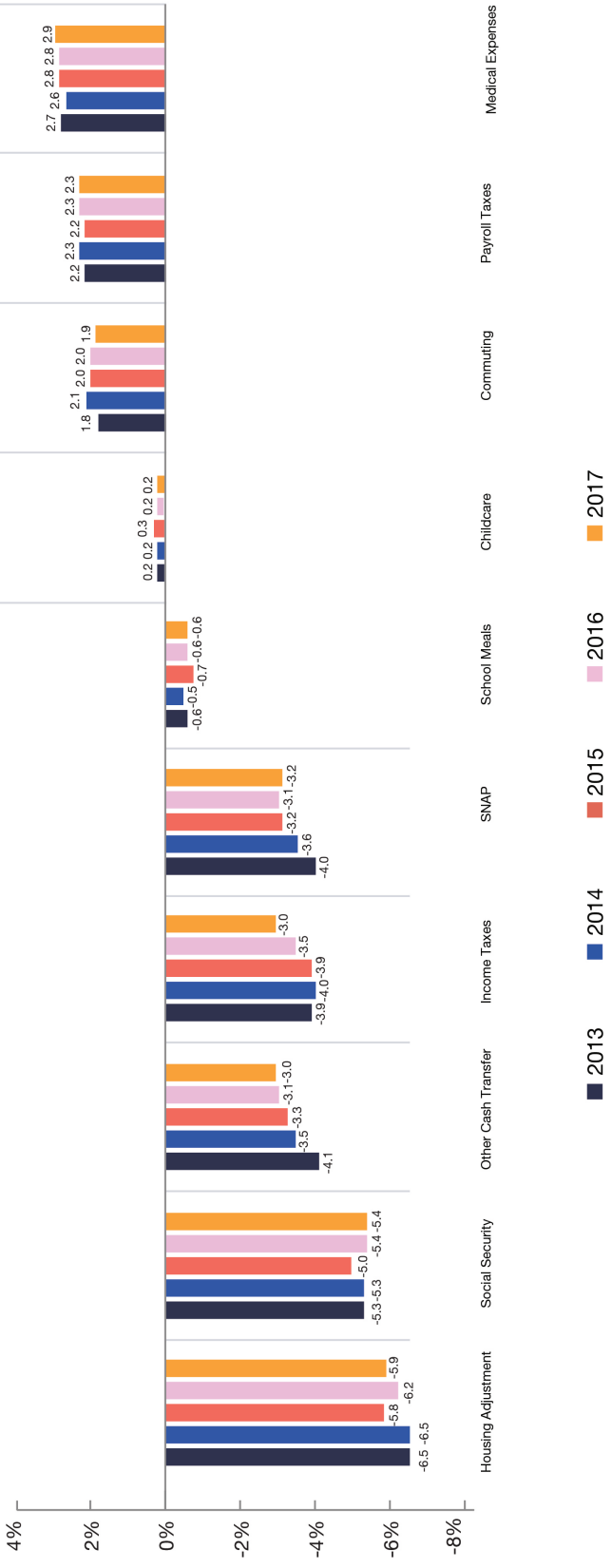
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
* Unmarried partners included.

Disparities in the intensity of poverty are a combined effect of disparities in wages and accessibility of benefits.[5] These disparities persist even as earnings rise. Panel A of Table 1.2 showed improvement at the bottom of the income distribution concurrent with slower increases in NYCgov income. The reason is that rising earnings involve a tradeoff. Eligibility for some income supports such as SNAP (the Supplemental Nutrition Assistance Program) may taper off as earnings rise. The Earned Income Tax Credit (EITC) may first increase with earnings and then phase out. The mix of income components is not a constant but often shifts with income and eligibility. Figure 2.4 presents evidence of this shift. As the minimum wage rose and the unemployment rate fell, the data show how the importance of benefits, in particular SNAP and tax credits, has concurrently declined with the rise in earnings.[6] Reliance on the safety net is slowly being replaced by earned income and the overall share of the population in poverty is declining. Chapter 3 highlights who benefits from this trend and who may be left behind.

5 Disparities in medical spending, childcare, and transit costs also play a part in this equation.

6 A caveat is needed: the marginal impact of any one income component is relative to changes in other components. For example, if the expense side of income components rises faster than resources fall, the marginal impact of resources may decline.

Figure 2.4
Marginal Effects, Selected Sources of Income on the NYCgov Poverty Rate, 2013–2017



An example of how benefits decline with income is shown in Table 2.7 below. A two-adult, two-child family with both adults employed full-time, year round at minimum wage is used as an example. EITC parameters and poverty thresholds are shown for 2013, 2017, and 2019, with the annual minimum wage income for each year. The minimum wage in 2013, $7.25 per hour, serves as the base for this comparison. It is the wage before the gradual increase to a $15 minimum wage in New York City. The minimum wage in 2017, $11 per hour, is the minimum wage behind the data in this year's report. The minimum wage in 2019, $15, is the culmination of five years of gradual wage increases. The EITC parameters and poverty thresholds for 2019 are estimated from prior year trends.

In 2013, a family with two full-time minimum wage workers is in poverty but is receiving an EITC credit large enough to pull them over the poverty threshold, holding all other income components constant. In 2017, the family is no longer in poverty but they are in near poverty (the EITC is $6). This explains the declining marginal impact of tax credits seen in Figure 2.4, above. When the minimum wage reaches $15, the family income in Table 2.7 (following) is above the near poverty threshold. The EITC equals zero, but income is now $10,469 above the near poverty threshold – far greater than the loss in EITC prior to any increase in the minimum wage.

Table 2.7

Year	Minimum Wage per Hour	Annual Earnings, 2 Income Earners	Max Allowable EITC Earnings	Value of EITC at Minimum Wage	NYCgov Poverty Threshold*	NYCgov Near Poverty Threshold*	Distance from Near Poverty Threshold
2013	$7.25	$30,160	$48,378	$3,834	$31,156	$46,733	($16,573)
2017	$11.00	$45,760	$50,597	$6	$33,562	$50,343	($4,583)
2019*	$15.00	$62,400	$52,420	$0	$34,621	$51,932	$10,469

Sources: NYCgov Poverty Thresholds, U.S. Internal Revenue Service, Publication 596.
* 2019 thresholds and EITC parameters are estimated.

Conclusion

Data that treat poverty as more than a simple headcount reveal multiple underlying disparities: who faces the most intense poverty; who is helped most and least by safety net programs; what happened over time as wages rose along with employment. The rising wage, concurrent with a high employment rate, is signaling a change in the poverty landscape and the impact of anti-poverty policy. Chapter 3 takes a deeper look at the disparity of resources among the population in poverty and how this affects the ability to escape poverty.

Chapter 3

Poverty Metrics: Inequality and Disparity

Chapter 3
Poverty Metrics: Inequality and Disparity

3.1 Poverty Metrics: What Is Missing?

The poverty rate, a measure of the proportion of the population that lives below the poverty threshold, is simple to construct and easy to understand. Comparisons of the NYCgov poverty rate, both over time and across groups, help quantify economic deprivation as laid out in the two preceding chapters. Despite its simplicity, it suffers from a major drawback as a tool for determining the impacts of anti-poverty policies: The headcount rate fails to distinguish between the poor who live far below the poverty line and those who live immediately under it.

The poverty gap – the gap between available resources and the poverty threshold presented in Chapter 2 – expanded our understanding of the nature and extent of poverty. The poverty gap index (PGI) captures the average deprivation faced by a population relative to their threshold. When the headcount ratio and PGI are viewed together, they capture the incidence and intensity of poverty, respectively, and thus provide a helpful guide for targeting resources to reduce poverty.[1]

Although the PGI does capture the extent of poverty more accurately than the headcount index, the PGI is still an imperfect indicator in that it fails to distinguish a population with a highly unequal resource distribution from one where resources might be more equally distributed. By focusing on the *average* gap in resources, the PGI ignores the distribution of resources among the poor and implies the same intensity of the poverty experience for two resource distributions that are distinctly unequal. To see this, imagine two populations, A and B, each comprised of four individuals and facing a poverty threshold of $10,000. Incomes in population A are $5,000, $7,500, $7,500, and $20,000 and incomes in population B are $0, $14,000, $15,000, and $20,000. The distribution of income and distance from the threshold clearly differs, but at 0.25 the value of the poverty gap index is the same for both

1 For instance, consider two populations of the same size with the same number of people in poverty. Suppose that in the former, the poor have almost no income whereas in the latter, incomes of the poor are marginally below the poverty line. Poverty in the former population is more acute than in the latter, but the headcount ratio will treat both groups as identically poor.

populations. This chapter shows that distribution of resources makes a difference in the ability to exit poverty, and hence justifies the need for a poverty metric that explicitly accounts for the extent of resource inequality among individuals in poverty.[2]

3.2 Time-to-Exit

In this report we introduce a metric capable of capturing both poverty and inequality among the poor: the "time-to-exit" index. Simply stated, the time-to-exit metric allows us to answer the hypothetical question, "How long would it take, at a given growth rate of income, for the average person in poverty to rise up to the poverty line?"[3]

Based on the Watts Index, this metric recalibrates the poverty gap amount in a manner that makes the metric more sensitive to changes occurring at the lower end of the resource distribution.[4] We apply it to the population in poverty. For the resource measure, we continue to use the definition outlined in Chapters 1 and 2, NYCgov income. NYCgov income includes earnings, social benefits, and retirement income, and is net of medical spending and work-related transit and childcare costs. In this way we capture the relevance of both earnings and benefits to identify where inequality in resource distribution affects the experience of being in poverty.

The main components of the time-to-exit metric, as derived from the Watts Index, can be represented as follows:

$$\textit{Exit Time} \approx \frac{\textit{[Headcount*(PGI+Inequality among the Poor)]}}{\textit{(Hypothetical Growth rate of Incomes or Resources)}}$$

The exit time metric can be disaggregated into two parts: one that captures the influence of inequality of resources and another that captures the influence of the amount (or level) of resources. When values of the time-to-exit metric for two populations are compared and disaggregated, two scenarios emerge:

1. If the populations have similar resource levels and growth rates, the population with the more equal distribution of resources will have a shorter time-to-exit.

2. If the populations have similar distributions of resources, the population with the fastest growth in resources will have a shorter time-to-exit.

---

2 In this chapter we limit our focus to inequality of resources among populations in poverty as opposed to inequality in the overall New York City population.

3 This approach was first proposed by Jonathan Murdoch in "Poverty, economic growth, and average exit time," Economics Letters, Vol 59, 1998.

4 The Watts Index is a commonly used, distribution-sensitive poverty measure first proposed by Harold Watts in 1964. It is an indicator of changes in income gains and income distribution among those in poverty. The Watts Index transforms incomes into a logarithmic scale, making it more sensitive to changes at the lower end of the income distribution. For more information on the Watts Index and the time-to-exit used in this chapter, see Chapter 4, "Measures of Poverty," in Introduction to Poverty Analysis, World Bank Institute, Washington, D.C. August 2005. Available at: http://siteresources.worldbank.org/PGLP/Resources/PovertyManual.pdf

The estimate of the hypothetical time-to-exit for the whole population is an aggregation of individual estimated times in years.

Although the time-to-exit metric is a handy tool for interpreting the Watts Index, it should *not* be interpreted as the literal time it takes to escape poverty. The actual growth rates of incomes or resources and the value of poverty thresholds would vary over time, as would a host of other factors influencing an individual's poverty status. Rather, *this metric should be understood as an intuitive indicator of the role played by inequality of resources among the population in poverty in determining the likelihood of escaping poverty.*[5]

In this report we focus exclusively on the first scenario above: We assume a constant growth rate for resources when estimating the time-to-exit metric for the city as a whole and for subgroups. Holding the average resource growth rate unchanged allows us to focus exclusively on the role played by inequality in the distribution of resources among families in poverty. We assume a constant growth rate of average NYCgov income at 6 percent (the observed annual average growth rate of wages at the tenth percentile for 2013 through 2017).

In addition to being a comprehensive metric that captures both the nature and extent of poverty, exit time enables us to decompose the citywide poverty experience into the experiences of various subgroups in the population. In this report, decompositions are limited to family type and borough as examples of how time-to-exit deepens our understanding of poverty.[6]

3.3 Citywide Poverty Metrics

Panel A of Table 3.1 provides the citywide estimates for poverty metrics introduced in previous chapters of this report. The decline in the citywide NYCgov poverty rate from 2013 (20.7 percent) to 2017 (19 percent) is accompanied by a decline in the intensity of poverty as measured by the PGI (from 7.2 percent to 6.4 percent) for the five-year period.

Panel B of Table 3.1 introduces estimates of the citywide time-to-exit poverty for the same time period. The total average exit time in 2017 was 15.9 years, statistically unchanged since 2013. Exit time is decomposed in Panel B into the effect of inequality and of average NYCgov incomes in determining the estimated time-to-exit poverty. Nine of the 15.9 years (56.6 percent of total time) are due to inequality and

5 This is determined by the ratio of their Watts Index to the assumed growth rate of resources relevant for determining poverty status.

6 Other subgroups such as age, sex, and race/ethnicity lend themselves well to this analysis.

6.9 years of the 15.9 (43.4 percent) are due to the levels of average NYCgov income. Another way to interpret this information is the following: If a perfect distribution of resources existed among the population in poverty (a hypothetical scenario where all inequality is eliminated), it would take only 6.9 years for the entire poor population to rise to the poverty threshold in 2017. The additional nine years required to bring everyone out of poverty due to unequal resources is a key insight from the time-to-exit metric. Income growth, either through the labor market or social benefits, will have unequal effects commensurate with inequality *within* the population in poverty.

Table 3.1
Selected Poverty Metrics in New York City, 2013–2017

	2013	2014	2015	2016	2017	Change 2013–2017
A. All NYC Residents						
NYCgov Poverty Rate	20.7	20.6	19.9	19.2	19.0	-1.71*
Poverty Gap Index	7.2	7.1	6.9	6.7	**6.4**	-0.77*
B. Citywide Exit Time in Years for Persons in Poverty						
Total Average Exit Time in Years	16.0	16.4	16.3	17.1	**15.9**	-0.16
Due to Average NYCgov Income	7.1	7.0	7.1	7.1	6.9	-0.24
Due to Inequality	8.9	9.4	9.2	10.0	9.0	0.08
Percent Share of Total Average Exit Time						
Due to Average NYCgov Income	44.4	42.7	43.7	41.6	43.4	
Due to Inequality	55.6	57.3	56.3	58.4	56.6	
NYCgov Income (2017$)	$21,368	$21,485	$21,395	$21,561	**$22,192**	$824*

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Changes in **bold** are statistically significant from prior year.
An * indicates statistically significant change from 2013 to 2017.

3.4 Poverty Metrics by Family Type

Differences in poverty experiences across sub-populations often mirror the differences in the design of government benefits assistance. Over the past half century, child poverty has been a focus of anti-poverty policies. The success of this focus is evident in lower child poverty rates when benefits are taken into account, as shown in Table 2.1 and Figure 2.3 in Chapter 2. On the other end of the spectrum, single working age adults are relatively underserved by the existing benefits structure. Our analysis of exit time by family type highlights how this disparity in resources affects the ability to move out of poverty.

Table 3.2 reports poverty metrics by family type (see Family Type text box below for definitions of family types used here) and, similarly to Table 3.1, disaggregates the exit time into shares due to levels of average NYCgov income and inequality of resources.

FAMILY TYPE

Family type for this analysis is defined using the poverty unit. In addition, we define family types as nonelderly or elderly. For example, a married couple family type is defined as elderly if either the spouse or the householder is 65 years of age or older.

Two-Parent: Comprised of a married couple family with children under the age of 18. Unmarried partners and their children are included in this category.

Single-Parent: Comprised of a male or female householder, no spouse present, and with children under the age of 18.

Married Couple: Comprised of a married couple family with no children under the age of 18. Unmarried partners are included in this category.

Single with Relatives: Comprised of a male or female householder living with other relatives.

Single Living Alone or with Others: Comprised of people living alone or living with other nonrelatives.

FAMILY SIZE-ADJUSTED NYCGOV INCOME

Since incomes are measured on a family basis, not a per capita basis, changing trends in family compositions over time or across the subpopulation can alter income distributions. This means that a poverty measure like the Watts Index and exit time that contain an inequality index can exaggerate income inequality and overstate the impact of income inequality on poverty. Thus, we adjust family incomes for family size and composition using an equivalence scale that assigns different weights to children and adults, and takes into account economies of scale. The result of this adjustment is that family resources of $20,000 are represented as twice as large for a single adult living alone than for a family with two adults and two children. The equivalence adjustment used in this report is based on a three-parameter scale developed by David Betson (1996) and used to adjust the poverty threshold for family composition.

The data show, as expected, considerable variation in poverty metrics across family types. Comparing the metrics between two nonelderly family types (Panel A of Table 3.2) – single parents and single adults living alone or with others – reveals the nature of this variation. These two distinct family types are both characterized by higher-than-citywide NYCgov poverty rates: 31 percent for single parents and 26.5 percent for single adults. However, the level of deprivation revealed by the poverty gap index for single adults (13.4) is almost one and a half times larger than that of single-parent families (9.5).

While it would take 10.4 years for single-parent families to exit poverty, it would take 34.7 years for single adults – a difference of 24.3 years. A majority of this difference is explained by the more unequal distribution of resources among single adults relative to single parents. For single parents, 41 percent of their exit time (4.3 years) is explained by unequal resource distribution. For single adults, it is 66 percent (23 years). Out of the 24.3-year difference in exit time, 18.7 years, or 77 percent, is due to the comparatively unequal resource distribution among single adults in poverty compared to singe parents in poverty. Single-parent families are recipients of benefits targeted toward children, giving them access to similar levels of resources and a more equal distribution of resources within the family type. The single-parent families in Table 3.2 are poor, but are somewhat equally poor. High inequality among single adults indicates substantial variation in the experience of poverty among this group.

Table 3.2 shows that for single adults, both nonelderly and elderly, inequality in distribution of resources is responsible for determining approximately two-thirds of the total time-to-exit compared to about 40 percent for single-parent families. The outsized role played by resource inequality in prolonging the time-to-exit for nonelderly single adults is also true for elderly single adults. Although there is a slight reduction in the role of resource inequality in time-to-exit for the elderly, due to presence of safety net programs like Social Security and Medicare they are still a highly unequal group.

The inequality of resources among single adults is much higher than the citywide average and is driven by the presence of individuals with extremely limited resources who are located far from the poverty threshold. In 2017, single adults had the lowest NYCgov income among all family types: $16,650 for nonelderly and $20,887 for elderly. For this population, raising average incomes alone would not improve the likelihood of exiting poverty for the majority. In order to be effective, anti-poverty policy would need to address resource inequality by targeting substantial income supports toward the bottom half of the income distribution within this group.

At the other extreme, family types in poverty with a more equal distribution of resources are nonelderly single-parent families and elderly married couple families. Consequently, these families experience relatively lower time-to-exit. Not only is

income more equal within each group, but, due to the structure of the safety net, both groups have relatively smaller poverty gaps (data partially shown in Table 2.6). Since these family types are less disparate in their economic needs, any growth in average NYCgov resources, if it does occur, is likely to benefit a larger share of people within these family types.

Table 3.2
Selected Poverty Metrics for Persons by Family Type, Nonelderly and Elderly, 2017

Panel A: Selected Poverty Metrics for Persons by Family Type, Nonelderly

	NONELDERLY				
	Two Parents[1]	Single Parents	Married Couple[1]	Single with Relatives	Single Adults Living Alone or with Others
A. Citywide Poverty Metrics					
NYCgov Poverty Rate	15.2	31.0	10.0	16.8	26.5
Poverty Gap Index	3.9	9.5	3.3	5.2	13.4
B. Citywide Exit Time in Years for Persons in Poverty					
Total Average Exit Time in Years	9.0	10.4	14.9	10.7	34.7
Due to Average NYCgov Income	4.9	6.1	6.7	6.1	11.7
Due to Inequality	4.1	4.3	8.2	4.6	23.0
Percent Share of Total Average Exit Time					
Due to Average NYCgov Income	54.9	58.7	45.0	57.3	33.7
Due to Inequality	45.1	41.3	55.0	42.7	66.3
NYCgov Income (2017$)	$24,963	$23,272	$22,447	$23,250	$16,650

Table 3.2 *(continued)*
Selected Poverty Metrics for Persons by Family Type, Nonelderly and Elderly, 2017

Panel B: Selected Poverty Metrics for Persons by Family Type, Elderly

	ELDERLY				
	Two Parents[1]	Single Parents	Married Couple[1]	Single with Relatives	Single Adults Living Alone or with Others
A. Citywide Poverty Metrics					
NYCgov Poverty Rate	14.0	20.3	14.2	14.8	30.7
Poverty Gap Index	4.2	5.3	4.4	4.2	11.6
B. Citywide Exit Time in Years for Persons in Poverty					
Total Average Exit Time in Years	7.8	11.6	11.1	11.0	20.0
Due to Average NYCgov Income	6.0	5.0	6.2	5.6	7.9
Due to Inequality	1.8	6.6	5.0	5.4	12.1
Percent Share of Total Average Exit Time					
Due to Average NYCgov Income	76.5	43.3	55.4	50.9	39.5
Due to Inequality	23.5	56.7	44.6	49.1	60.5
NYCgov Income (2017$)	$23,433	$24,822	$23,195	$23,963	$20,887

1 Unmarried partners and their children are included.
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

The citywide average exit time cited in Section 3.2 – 15.9 years in 2017 – can be decomposed into contributions from sub-populations. Figure 3.1 illustrates how the citywide average is the sum of exit times for all family types included in the analysis.[7]

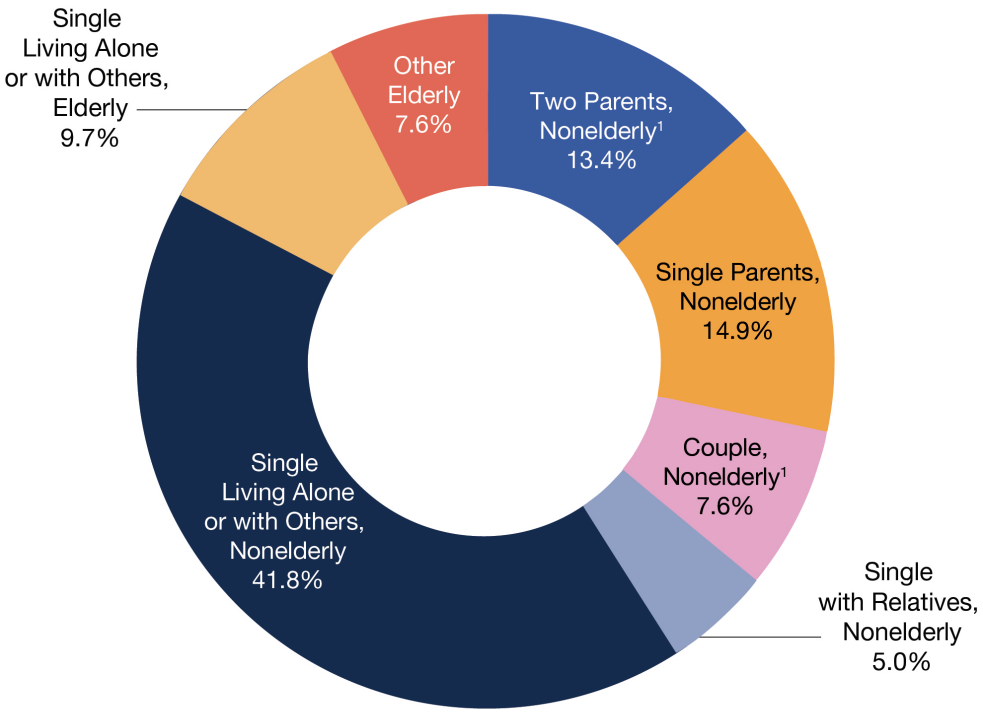
Although nonelderly single adults comprise only 19.2 percent of the city's poverty population (data not shown), their contribution to the overall citywide average exit time is the largest at 41.8 percent, a result of their high exit time of 34.7 years. In comparison, nonelderly single parents and nonelderly two-parent populations contribute 14.9 percent and 13.4 percent, respectively, to the overall citywide average exit time.

7 The contribution of each subgroup is determined as a "population in poverty" share of their own exit time and is shown as a percentage of the citywide average exit time.

From a policy perspective, information on the contribution of various family types to overall poverty is useful in devising appropriate poverty reduction strategies. It allows us to estimate the impact of changes in the resources among particular family types on overall citywide poverty metrics.

Figure 3.1
Contribution to the Citywide Exit Time by Family Type, 2017

Citywide exit time = 15.9 years



1 Unmarried partners and their children are included.
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

3.5 Poverty Metrics by Borough

As shown in Chapter 2, disparities in poverty metrics exist among the boroughs. Table 3.3 shows that in 2017 both the incidence of poverty (NYCgov poverty rate) and the intensity of poverty (poverty gap index) suggest that the Bronx experienced the greatest intensity in poverty and Manhattan experienced the least. However, further explorations using exit time reveal potential pockets of progress amid these persistent disparities.

The expected number of years for the population in poverty to reach the poverty threshold is 10 years in the Bronx and 23.8 years in Manhattan (Table 3.3). The relatively longer average exit time for Manhattan is a result of the high resource inequality among Manhattan residents in poverty. This result is driven by two factors:

1) The Bronx has a relatively equal distribution of resources compared with other boroughs, and

2) The Bronx has the highest level of average NYCgov income ($23,668 in 2017) compared to those in poverty in all other boroughs.

The first factor – incomes more equal in the Bronx – means that policies aimed at increasing average incomes are likely to benefit a larger share of the poor population in the Bronx than in the more unequal borough of Manhattan.[8]

The second factor – a higher average NYCgov income for those in poverty – reveals the role that safety net benefits play in the Bronx. There is considerable variation in incomes at the bottom tenth percentile across the boroughs – from $10,406 in the Bronx to $6,394 in Brooklyn and falling to $1,383 in Manhattan (data not shown). This variation in income corresponds with the locations of single-parent families with higher incomes and single adults with lower incomes.

For boroughs with high resource inequality (i.e., Manhattan and Queens), anti-poverty efforts need to incorporate information on how the experience of poverty for some is more severe than for others. This is a challenge for policymakers and requires identifying relevant populations and coordinating multiple programs to best target resources.

8 The more equal resource distribution in the Bronx implies that economic needs of the poor population of that borough are much more likely to be similar to those of the average person in poverty. Thus, any policy that addresses the economic needs of the average poor person in the Bronx improves the lives of a large number of similarly poor people in the Bronx.

Table 3.3
Selected Poverty Metrics by Borough, 2017

	Bronx	Brooklyn	Manhattan	Queens	Staten Island
A. Citywide Poverty Metrics					
NYCgov Poverty Rate	27.0	19.6	13.2	17.8	16.8
Poverty Gap Index	8.0	6.8	5.2	5.9	6.3
B. Citywide Exit Time in Years for Persons in Poverty					
Total Average Exit Time in Years	10.0	17.0	23.8	15.4	18.4
Due to Average NYCgov Income	5.8	7.2	8.3	6.8	7.8
Due to Inequality	4.2	9.9	15.5	8.7	10.6
Percent Share of Total Average Exit Time					
Due to Average NYCgov Income	58.2	42.1	34.8	43.8	42.3
Due to Inequality	41.8	57.9	65.2	56.2	57.7
NYCgov Income (2017$)	$23,668	$21,837	$20,425	$22,380	$21,054

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

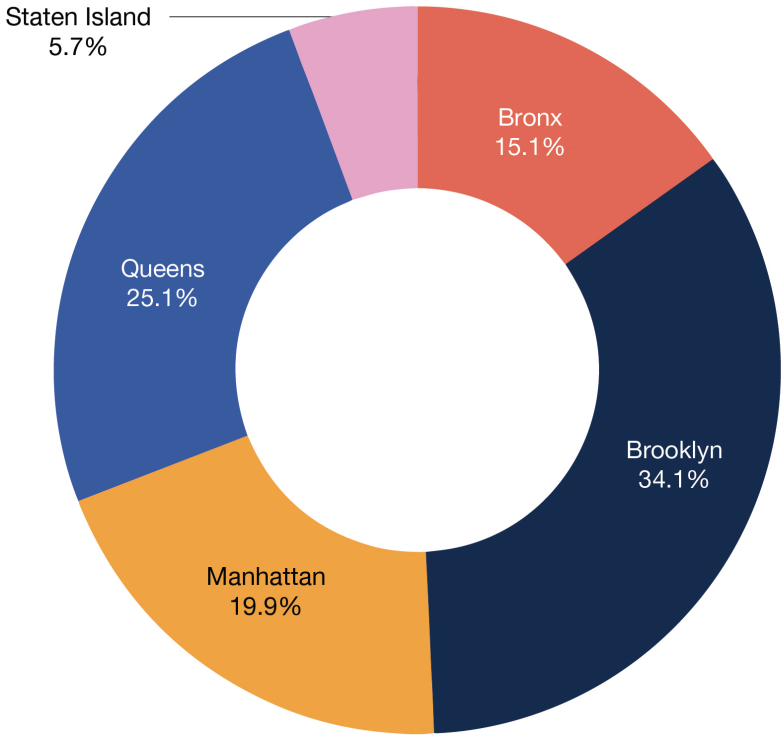
The final step in this analysis involves decomposing the overall citywide time-to-exit into contributions from each of the boroughs. Figure 3.3 presents the contribution of each of the city's boroughs to the citywide average exit time as a percentage of the total.[9]

Despite its relatively large share of the poverty population, the Bronx contributes only 15.1 percent of the citywide exit time. Brooklyn makes the largest contribution to the citywide metric (34.1 percent) despite its relatively moderate exit time, followed by Queens (25.1 percent), the next most populous borough. At 5.7 percent, Staten Island has the smallest impact on overall citywide exit time.

9 For each borough, its contribution to overall citywide exit time is the "population in poverty" share of its own exit time.

Figure 3.2
Contribution to the Citywide Exit Time By Borough, 2017

Citywide exit time = 15.9 years



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

Conclusion

The time-to-exit analysis adds another dimension to our understanding of poverty and how to target anti-poverty programs.

The discussion of inequality is often framed as the distance between the wealthiest and the poorest. But inequality also exists among those in poverty. The most obvious inequality is in the size of the poverty gap as expressed through the PGI. This chapter addresses why that gap (and high rates of poverty) may persist for some groups more than others. In particular, the ability to measure unequal resource distributions helps identify how effective any change in resources (be they benefits or income) will benefit particular groups. The outcome is not the same for all because the starting line differs for many.

Groups with high resource inequality and low average incomes such as single adults require more targeted interventions. For the majority in such groups, rising average incomes alone do not improve the likelihood of escaping poverty since many have incomes far from the average. The challenge lies in identifying specific needs and remedies. For example, people with disabilities that are unable to fully participate in the labor force require different remedies than single parents in need of a small expansion in the child tax credit.

The analysis in this chapter held the rate of income growth constant to better understand the importance of inequality. In reality, income growth also differs across groups and explains differences in exit times. Further exploration can provide even more data to identify the best targeted anti-poverty interventions. Such an analysis would involve expanding the analysis to groups beyond family type and borough while including the effect of differing growth rates for each.

Chapter 4

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

Chapter 4
Measuring Poverty: The NYCgov Poverty Measure Compared to the U.S. Official and Supplemental Poverty Measures

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

This chapter explains the origins of the NYCgov poverty measure and what it measures. It is then compared to other poverty measures – the U.S. official measure and the U.S. Supplemental Poverty Measure.

It has been over a half century since the development of the current U.S. official measure of poverty. At its inception in the early 1960s, this 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 decades, discussions about poverty increasingly included concerns about the adequacy of the poverty measure as society evolved and public policy shifted. The official U.S. Bureau of the Census poverty measure now appears to be sorely out of date based on how it defines income and the poverty threshold: Pre-tax cash income 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, a diet designed for "temporary or emergency use when funds are low." Survey data available at the time 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 threshold is also adjusted for family size. Since the threshold's 1963 base year, it has been updated annually by changes in the Consumer Price Index.[1]

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

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[2] and housing is the largest item in the typical family's budget. The official threshold also 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 U.S. The threshold also remains frozen in time. Since it only rises with the cost of living, it assumes that the standard of living that defined poverty in the early 1960s remains appropriate, despite significant advances in the nation's living standards since that time.

The official measure's definition of resources to be compared against the threshold is simply pre-tax cash. This includes wages, salaries, earnings from self-employment, income from interest, dividends, and rents, and what families receive from public programs, if they take the form of cash income. 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, this was not an unreasonable definition. But over the years an increasing share of what government does to support low-income families takes the form of tax credits (such as the Earned Income Tax Credit) 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.

4.2 Alternative Measures: The National Academy of Science's 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).[3] However, no government body had adopted the NAS approach, issued in 1995, until the New York City Center for Economic Opportunity (now the Mayor's Office for Economic Opportunity) released their initial report on poverty in New York City in August 2008.[4]

The NAS-recommended methodology is also income-based, but it is considerably different from the official U.S. 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 updated annually to account for changes in spending and living standards. The NAS-style poverty line is also adjusted to reflect geographic differences in housing costs.

2 Food expenditures in the 2016 calendar year; includes food at home and food away from home. USDA Economic Research service Food Expenditure series. See: https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=76967

3 Citro, Constance F. and Robert T. Michael (eds). Measuring Poverty: A New Approach. Washington, DC: National Academy Press. 1995. Much of the research inspired by the NAS report is available at: https://www.census.gov/topics/income-poverty/supplemental-poverty-measure/library/working-papers/topics.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/site/opportunity/poverty-in-nyc/poverty-measure.page

On the resource 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 in 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.

But families also have nondiscretionary expenses that reduce the income available to meet needs for the FCSU necessities represented by the threshold. These include the cost of commuting to work, childcare, and medical care that must be paid for out of pocket. This spending is accounted for in the NAS recommendations as deductions from income because dollars spent on those items are not considered available to purchase food or shelter.

Since November 2011, the Census Bureau has issued an annual Supplemental Poverty Measure (SPM).[5] 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.[6] The guidelines made several revisions to the 1995 NAS recommendations. The most important of these are:

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 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.

4.3 NYC Opportunity's Adoption of the NAS/SPM Method

The first estimate of the NYCgov Poverty Measure was released in 2008 and included data only for 2006.[7] Initial releases of the NYCgov poverty measure were based on the NAS recommendations. With the release of the SPM, the NYCgov measurement was adjusted for better comparability. The first two of the three SPM revisions listed above have been incorporated. We do not utilize the SPM's development of thresholds that vary by housing status. Instead, we adjust the SPM poverty threshold to account for the differential between national and New York City housing costs. In 2017, for example, the NYCgov poverty threshold of $33,562 was larger than the SPM renter threshold of $27,005 (data not shown).

5 The most recent SPM report is The Supplemental Poverty Measure: 2017 by Liana Fox, U.S. Bureau of the Census. September 2018. Available at: https://www.census.gov/library/publications/2018/demo/p60-265.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

7 Until 2017, the NYCgov Poverty Measure was released with the name CEO Poverty Measure, under the auspices of the New York City Center for Economic Opportunity, now the Mayor's Office for Economic Opportunity.

We then account for all differences in housing status 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.[8]

To measure the resources available to a family to meet the needs represented by the threshold, we employ the Public Use Micro Sample (PUMS) from the Census Bureau's American Community Survey (ACS) as our 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 (roughly 26,600 households in 2017) and contains essential information about household composition, family relationships, and cash income from a variety of sources.

As noted earlier, the NAS-recommended poverty measure greatly expands the scope of resources that must be measured in order to determine whether a family is poor. Unfortunately, the ACS 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 models developed internally 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. We reference the resulting data set as the "American Community Survey Public Use Micro Sample as augmented by NYC Opportunity," and we refer to our estimate of family resources as "NYCgov income."

Below is a brief description of how the non-pre-tax cash income items are estimated. More details on each of these procedures can be found in this report's technical appendices.[9]

Housing Adjustment: The high cost of housing makes New York City an expensive place to live. The NYCgov poverty threshold, as we 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. We make an upward adjustment to these families' incomes to reflect these advantages. For families living in rent-subsidized housing units, the adjustment equals the difference between what they would be paying for their housing if it were market rate and what they are actually paying out of pocket. The adjustment is capped so that 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

8 See Appendix C, Housing, for more on housing adjustments.

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

ACS could be participants in rental subsidy or regulation programs, we match households in the Census Bureau's New York City Housing and Vacancy Survey (HVS) with household-level records in the ACS. (See Appendix C.)

Taxation: Our 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 non-refundable and refundable credits are applied. The model takes account of federal, state, and City income tax programs, including all the credits that are 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 they receive nutritional assistance. SNAP, the National School Lunch program, the School Breakfast Program, and the Supplementary Nutrition Program for Women, Infants, and Children (WIC) are included. To estimate SNAP benefits, we make use of New York City Human Resources Administration SNAP records, and impute SNAP cases to "Food Stamp Units" that we construct within census households. We count each dollar of SNAP benefits as a dollar added to family income.

Estimates of school meals programs have changed with City policy. The earliest releases of the NYCgov 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. We follow the Census Bureau's method for valuing income from the programs by using the per meal cost of the subsidy. We identify participants in the WIC program 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 Supplemental Security Income benefits are automatically enrolled in the program. Other low-income households can apply for HEAP, but administrative data from the City's Human Resources Administration indicate that nearly all HEAP households come into the program through participation in other benefit programs. Therefore, we identify HEAP-receiving households by their participation in public assistance, SNAP, or SSI, and then add the appropriate benefit to their income. Beginning in 2011, we also make use of HEAP receipt reported in the Housing and Vacancy Survey. Since indices of HEAP receipt were removed from that survey's 2017 release, the 2016 and 2017 NYCgov HEAP imputations, which both use that survey for the imputation of housing status, must fall back on the previous method for HEAP-receipt identification. (See Appendix F.)

Work-Related Expenses (Transportation and Child Care): Workers generally travel to and from their jobs, and we treat the cost of that travel as a nondiscretionary expense. We estimate the number of trips a worker will make per week based on their usual weekly hours. We then calculate the cost per trip using information in the ACS about mode of transportation and include administrative data such as subway fares. Weekly commuting costs are computed by multiplying the 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 the 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, we have 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 only counted if they are incurred in a week in which the parents (or the single parent) are at work. They 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 for childcare, we use an imputation model to match MOOP expenditures by families in the Agency for Healthcare Research and Quality's Medical Expenditure Panel Survey to families in the ACS sample. (See Appendix H.)

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 that are surveyed in January of 2017, for example, would report their income for the 12 months of 2016; households that are surveyed in February of 2017 would report their income for February 2016 through January 2017, and so on. Consequently, estimates for poverty rates derived from the 2017 ACS do not, strictly speaking, represent a 2017 poverty rate. Rather, it is a poverty rate derived from a survey that was fielded in 2015. Readers should bear in mind this difference as they interpret the findings in this report.

MEASURES OF POVERTY
(see also Table 1.3)

Official: The current 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 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 Supplemental Poverty Measure.

4.4 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 4.1 in this section compares the thresholds and poverty rates of the NYCgov measure to the SPM and the official U.S. measure However, it should be noted that in 2013, the Census Bureau implemented redesigned survey instruments for the March Current Population Survey (CPS),[10] causing a break in data series of the SPM. For this reason, changes in poverty for the years 2014 to 2017 are most relevant.

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.

10 See the technical documentation for the 2016 CPS Annual Social and Economic Supplement (ASEC) at: https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar16.pdf

Table 4.1

Change in Poverty Rates and Thresholds: NYCgov, U.S. Official, and U.S. SPM, 2013–2017

(Numbers are Percent of the Population)

	2013	2014	2015	2016	2017	Percentage Point Change	
						2013–2017	2016–2017
A. New York City, NYCgov							
Poverty Rate	20.7	20.6	19.9	19.2	19.0	**-1.7**	-0.2
Threshold	$31,156	$31,581	$31,756	$32,402	$33,562	$2,406	$1,160
	2013	**2014**	**2015**	**2016**	**2017**	**Percentage Point Change**	
						2013–2017	**2016–2017**
B. New York City, Official							
Poverty Rate	19.9	19.1	18.4	17.6	16.6	**-3.3**	-1.0
Threshold	$23,624	$24,008	$24,036	$24,339	$24,858	$1,234	$519
	2013[1]	**2014**	**2015**	**2016**	**2017**	**Percentage Point Change**	
						2013–2017	**2016–2017**
C. U.S. Supplemental Poverty Measure[2]							
Poverty Rate	15.8	15.3	14.5	14	13.9	**-1.9**	**-0.1**
Threshold[3]	$24,931	$25,178	$25,262	$25,701	$26,612	$1,681	$911

1 SPM is not available at the city level. Thresholds are combined weighted average of shares by household tenure, found at: https://www.bls.gov/pir/spmhome.htm#threshold

2 Estimates are based on responses from a sample of the population who completed the redesigned income and health insurance questions.

3 Thresholds are combined weighted average of shares by household tenure, found at: https://www.bls.gov/pir/spmhome.htm#threshold

Sources: U.S. Bureau of the Census and U.S. Bureau of Labor Statistics published data for 2013 through 2017 and the American Community Survey Public Use Micro Sample as augmented by NYC Opportunity. Official poverty rates for New York City are based on the NYCgov poverty universe and unit of analysis (See Appendix A).

Notes: Changes are measured in percentage points. Those for New York City, NYCgov rates, are taken from unrounded numbers; those in **bold** type are statistically significant.

Table 4.2 provides 2017 poverty rates by age using the official and NAS-style measures. The poverty rates are broken out by the degrees of poverty shown in Chapter 2 – poverty, deep poverty, and near poverty. Panel A of each section reports these for the U.S.[11] and Panel B provides the data for New York City.

11 The U.S.-level SPM poverty rates cited in this chapter are taken from Fox, 2017.

Table 4.2
Poverty Rates by Degree and Age Group Using Different Measures, 2017
(Numbers are Percent of the Population)

POVERTY			
A. United States			
	Official	**SPM**	**Percentage Point Difference**
Total	12.3	13.9	**1.6**
Under 18	17.5	15.6	**-1.9**
18 through 64	11.2	13.2	**2.0**
65 and Older	9.2	14.1	**4.9**
B. New York City			
	Official	**NYCgov**	**Percentage Point Difference**
Total	16.6	19.0	**2.4**
Under 18	24.0	21.5	**-2.5**
18 through 64	14.1	17.9	**3.8**
65 and Older	17.0	20.4	**3.4**
DEEP POVERTY <50% Poverty Threshold			
A. United States			
	Official	**SPM**	**Percentage Point Difference**
Total	5.8	4.9	**-0.9**
Under 18	8	4.8	**-3.2**
18 through 64	5.6	5.0	**-0.6**
65 and Older	3.2	4.9	**1.7**
B. New York City			
	Official	**NYCgov**	**Percentage Point Difference**
Total	6.9	4.8	**-2.2**
Under 18	10.6	4.0	**-6.6**
18 through 64	6.3	5.0	**-1.3**
65 and Older	4.5	4.8	0.3
NEAR POVERTY >= 100% and <150% Poverty Threshold			
A. United States			
	Official	**SPM**	**Percentage Point Difference**
Total	8.7	15.5	**6.8**
Under 18	9.9	19.9	**10.0**
18 through 64	7.8	13.8	**6.0**
65 and Older	10.5	15.7	**5.2**
B. New York City			
	Official	**NYCgov**	**Percentage Point Difference**
Total	10.1	24.1	**14.0**
Under 18	13.9	32.4	**18.5**
18 through 64	8.4	21.7	**13.3**
65 and Older	11.8	22.5	**10.7**

Sources: U.S. Bureau of the Census and 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 NYC Opportunity poverty universe and unit of analysis.

Differences between the official and SPM measures for the nation are comparable to those between the official and NYCgov measures for the city. Poverty rates for the total population using the alternative measures exceed the poverty rates using the official measure.

Age: Given the focus of antipoverty policy on children, differences in poverty rates by age group are a particularly important set of comparisons. A distinguishing aspect between the U.S. official and alternative poverty measures is that, despite the higher poverty rate overall, the alternative measures yield poverty rates for children 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 – as discussed in Chapters 2 and 3. Note that lower child poverty rates occur despite higher thresholds and the subtraction of nondiscretionary taxes, work-related expenses, and medical out-of-pocket costs. This is further proof that government benefits not counted in the U.S. official poverty measure effectively reduce child poverty.

Elderly poverty rates, however, are higher under the 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 of the elderly.

Degrees of Poverty: Table 4.2 also compares deep poverty rates (the population living below 50 percent of their poverty threshold) for the U.S. 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. The 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 4.2 reports the share of the U.S. and New York City population that is near poor (the population 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 using the NYCgov measure is higher still. One reason for the larger between-measure difference for New York City compared to the nation is the geographic adjustment that accounts for the relatively high cost of housing in New York City. The resulting NYCgov poverty threshold is higher than the

U.S.-wide SPM poverty threshold. There is more space between the poverty threshold and the near poverty threshold 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.

Conclusion

The previous chapters in this report show how using an alternative, New York City-specific measure can provide a more accurate picture of poverty for policymakers. This is particularly important given the City's focus on equity and poverty reduction. Chapter 5 describes the wide range of current policies implemented to reach those goals.

Chapter 5

Poverty in the City, Policy Responses, and the Path Forward

Chapter 5
Poverty in the City, Policy Reponses, and the Path Forward

In his State of the City address in January 2019, Mayor de Blasio declared that New York City is committed to being "the fairest big city in America." Reducing poverty and increasing opportunity are an important part of that vision. This year's poverty report shows that the City has been making steady progress in this area through a variety of measures.

The data show that poverty has declined significantly in the years since the mayor took office. The NYCgov poverty rate fell from 20.6 percent in 2014 to 19 percent in 2017, a 1.6 percentage point decline and a statistically significant decrease. The 19 percent rate matches the lowest we have found since the launch of the NYCgov poverty measure in 2005 – equaling that of 2008 when the pre-recession economy reached its peak. In these same four years, the near poverty rate – the percentage of people living at 150 percent of the poverty level or below – fell from 45.1 percent to 43.1 percent, a 2 percentage point decline, which is also statistically significant.[1]

Based on these rates and accounting for population growth, we estimate that about 236,500 fewer people were in poverty or near poverty in 2017 than would have been in 2013. This reduction puts the City on course for the goal announced in 2015 in *One New York: The Plan for a Strong and Just City* to move 800,000 people out of poverty or near poverty by 2025.

The poverty decline from 2014 to 2017 was spread across the city, with many demographic groups reporting lower numbers. Table 5.1 lists these groups with the percentage point change in their poverty rate from 2014 to 2017.

1 As noted in Chapter 1, this report includes revised poverty rates for 2016. Data on 2016 housing and medical expenditures made available since the release of last year's report have been included in the poverty rate for 2016.

Table 5.1
Declining Poverty Rates, Statistically Significant Declines, Selected Populations, 2014–2017

Population	Poverty Rate, Percentage Point Decline
Males	-1.1
Females	-2.0
New Yorkers under 18	-1.7
New Yorkers 18 through 64	-1.8
Hispanics	-2.2
Non-Hispanic Asians	-2.9
Non-Hispanic Whites	-1.1
People with a High School Degree	-2.7
Non-citizens	-3.9
Citizens by birth	-1.1

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

In some areas the picture was particularly positive. Wages have been rising, especially for workers at the bottom of the income distribution. From 2013 to 2017, nominal median wage income in the city grew 14.7 percent.

The City continues to launch ambitious programs. In this year's State of the City, Mayor de Blasio made a number of bold new commitments. These include a guarantee of health care for every New Yorker and a requirement that all workers in the city receive two weeks of paid personal time. The mayor and the City Council have also launched a new "Fair Fares" program to provide reduced-cost mass transit to low-income New Yorkers.

This chapter highlights some of the initiatives the City has launched, expanded, or maintained in the past year, as well as some that are currently being developed. The focus is on programs with a connection to the data presented earlier in this report, as well as to programs that stand out because of their size, innovation, or potential to have a major impact on poverty and opportunity among New Yorkers.

5.1 Increasing Income

The most direct way of reducing poverty and expanding opportunity in the city is to increase income among New Yorkers. The de Blasio administration has made this a high priority through a variety of approaches.

Increasing the Minimum Wage

The New York City minimum wage has been increasing annually as part of a planned phase-in. Since 2013, the minimum wage increased from $7.25 to $11 in 2017. (In 2019, it increased to $15.) Beginning in 2015 we have simulated the effect of these wage increases on 2013 data, the most recent available at that time. We then assess the projections by incorporating U.S. Census data as they become available. Based on the actual 2017 poverty rates and accounting for population growth, we assess that there are roughly 236,500 fewer people in poverty or near poverty than there would have been in 2013 without the minimum wage and other City initiatives. This dramatic reduction continues the City's steady advance toward its goal of moving 800,000 people out of poverty or near poverty by 2025. The figure is marginally less than the 281,000 that our prior simulation projected for 2017. The rise in the poverty threshold, along with the potential of rising incomes that make some New Yorkers no longer eligible for certain benefits (like the EITC), may be slightly diminishing the anti-poverty power of these policies. The numbers moved out of poverty or near poverty have been significant nevertheless, and the data encompassing the continued increase in wages will likely show continued progress as they become available.

A Minimum Wage for For-Hire Vehicle Drivers

In December 2018 the City established the nation's first minimum pay rate for app-based drivers. The new rules, which were adopted by the Taxi and Limousine Commission (TLC), set the minimum hourly compensation at $17.22 after expenses for owning and operating a vehicle, which the TLC calculated as the contractor equivalent of a $15 minimum wage. This newly adopted pay floor will increase average driver pay by over $9,600 annually, according to TLC calculations. The new pay scale affects about 80,000 for-hire drivers and their families. As part of these reforms, the TLC also adopted other rules that benefit app-based drivers, including out-of-town pay for return trips.

Catalyzing Good Jobs

The City has made a priority of increasing New Yorkers' access to well-paying jobs. It has done so by working to expand the number of good jobs in the city and by improving job training programs for New Yorkers seeking to enter the workforce and move up to better job opportunities.

The City is working to accelerate growth through investments, tax incentives, physical space, and workforce training in key sectors including cybersecurity, life sciences and health care, industrial and manufacturing, and culture.

In June 2018 the City issued a one-year progress report detailing steps that have been taken to make City-owned land available, to invest directly in high-growth industries, and to work with the New York City Industrial Development Agency (NYCIDA) while laying groundwork for or facilitating the creation of nearly 19,000 good-paying jobs.

In the category of making City-owned property available, the update included opening a one million square foot manufacturing facility at the Brooklyn Navy Yard, opening 500,000 square feet of space at the Brooklyn Army Terminal, and completing a real estate deal to create an office building on the Staten Island Teleport campus.

In the category of investment and support, the City launched a $20 million City University of New York (CUNY) 2X Tech initiative, selected an operator for the LifeSci NYC incubator, launched an internship program, and provided grants for opening new community health centers.

15,000 Jobs for NYCHA Residents

The City announced in January 2019 that the New York City Housing Authority (NYCHA) had placed NYCHA residents in nearly 15,000 jobs since 2014 through its workforce development programs. Half of these jobs are at NYCHA or in construction projects with NYCHA contractors and affordable housing developers while the rest are with private-sector employers.

A number of partners have played an important role in these efforts. The Jobs-Plus program has provided 7,313 residents with placements since 2014. The Office of Resident Economic Empowerment and Sustainability (REES), a part of NYCHA's Department of Community Engagement and Partnership (CEP), has provided an additional 7,169 jobs through its Resident Training Academy.

Career Training

In September 2018 the City announced a partnership with City College of New York (CCNY) to prepare New Yorkers for tech jobs through the New York City Department of Small Business Services' (SBS) NYC Tech Talent Pipeline (TTP). TTP's CCNY 2X Tech initiative – a partnership with Hunter College and Lehman College – will support more than 625 CUNY students through internships, advising, and help in access courses. CCNY 2X Tech was launched in 2017 with the goal of doubling the number of graduates with bachelor's degrees in tech by 2022 and to align tech education in the city more closely with the needs of the tech industry.

Another initiative to increase pipelines to good jobs is ApprenticeNYC, launched by SBS and the New York City Economic Development Corporation (NYCEDC) in April 2018. The program is part of a $5 million investment to create 450 apprenticeships for New Yorkers in industrial, health, and tech sectors over three years.

In November 2018 the City announced that its network of Workforce1 Career Centers had marked a milestone of serving over 15,000 veterans and their spouses since the start of the de Blasio administration. Some of the centers have dedicated veteran specialists, many with military backgrounds, to assist members of the military in making the transition to civilian employment.

The Newly Expanded Department of Consumer and Worker Protection

An important part of fighting poverty and promoting opportunity is protecting workers' rights, such as ensuring that overtime is properly calculated and compensated. In many cases this directly translates into higher incomes. The City has increased its work in this area, including expanding the mandate of the Department of Consumer Affairs. In his January 2019 State of the City address, Mayor de Blasio announced the expanded mandate to include protecting workers' rights and the renaming of the agency as the Department of Consumer and Worker Protection.

This expansion comes 50 years after the Department of Consumer Affairs' establishment as the first municipal department of consumer affairs. It will now protect workers by enforcing such City laws as Paid Safe and Sick Leave and Fair Workweek; providing help to for-hire workers when their rights are violated; and intervening when a freelancer's pay is delayed. Working with newly expanded enforcement powers, the department will conduct unannounced worksite visits; impose fines for illegal business practices; and take other steps to ensure that workers are fairly treated.

Efforts are already underway. The Office of Labor Policy & Standards (OLPS) of the Department of Consumer Affairs launched a Fast Track Retaliation Project to expedite cases involving unlawful termination and threats of retaliatory termination. The office's investigators and attorneys opened 46 cases in 2018, resolved 15 cases, and recovered $36,255 for 12 unlawfully fired workers. They also secured reinstatement of three workers.

OLPS has also actively been enforcing the City's Paid Safe and Sick Leave Law, with a particular focus on the home health care industry whose workforce is predominantly women, people of color, and immigrants. It launched 42 investigations into home health care agencies that collectively employ nearly 30 percent of home health care aides in the city. OLPS identified a variety of violations and obtained consent orders with 21 health care agencies that covered about 20,000 aides, recovering more than $65,000 in employee relief and civil penalties.

Paycheck Plus

The City works to promote policies across government that fight poverty and promote opportunity. As part of this effort, NYC Opportunity conducts research to determine which initiatives would make a difference for low-income New Yorkers. To test one potential policy to increase wages for low-income workers, NYC Opportunity worked with the research and social policy firm MDRC to develop Paycheck Plus. The program simulated an expanded EITC for single working people with no dependent children – a group that gains little benefit from the current EITC program. The MDRC evaluation found that Paycheck Plus increased post-tax earnings and reduced severe poverty among this group. In addition, Paycheck Plus participants were found to be more likely to be employed and, in the case of non-custodial parents, to pay child support.

5.2 Benefits Access

As this report demonstrates, benefits such as housing subsidies and SNAP can make a considerable difference in lifting people out of poverty. However, many New Yorkers are unaware that they may be eligible for benefits – or they face obstacles in applying. The City uses a number of innovative approaches to connect New Yorkers with the help to which they are entitled, including improved technological tools and new outreach methods for informing people about eligibility and helping them with application processes. Some of these approaches are discussed below.

ACCESS NYC

ACCESS NYC is an online tool that allows New Yorkers to determine their eligibility for a variety of federal, state, and City benefits and to apply for them. It contains a wide array of features designed to make the process of accessing benefits easier, faster, and more effective. ACCESS NYC was redesigned by NYC Opportunity's Service Design Studio and Product Team in 2016 through an iterative process that engaged residents, social workers, case managers, and other stakeholders. More recently, new capabilities have been added, including the ability to receive eligibility results by text message or email.

In 2018 ACCESS NYC added four more language options for those seeking benefits using its online tool: Bengali, French, Polish, and Urdu. These additional languages will affect 122,000 New Yorkers and bring the total number of languages available to 11. As a result of the new options, an estimated 86 percent of New Yorkers can use their primary language for ACCESS NYC services, up from 79 percent.

Finally, NYC Opportunity developed an application programming interface (API). The new API makes the programming rules behind ACCESS NYC's screening available to other technology applications. This allows community-based organizations and other groups that work with low-income New Yorkers to create their own individualized tools that leverage the power of ACCESS NYC as they advise people applying for benefits.

ACCESS HRA

To help clients more easily apply for and manage their benefits, the Human Resources Administration (HRA) has developed ACCESS HRA, a mobile responsive application and website allowing New Yorkers to apply for SNAP benefits or recertify for SNAP or Cash Assistance using a mobile phone. In addition, ACCESS HRA tools now allow clients to see which documents HRA requires for applications and electronically submit them using their phone's camera; check which documents HRA has received; view SNAP and Cash Assistance balances on their Electronic Benefit Transfer (EBT) card; and receive text or email alerts when recertification deadlines are approaching, among other features.

The Public Engagement Unit and Benefits Enrollment

The Mayor's Public Engagement Unit (PEU) proactively engages and connects New Yorkers with a variety of social services such as health care and tenant support. Outreach specialists use data-driven door knocking and also reach out through neighborhood events with community partners. New Yorkers are then screened and offered help with enrolling in programs for which they are eligible.

Some PEU outreach specialists with special training in community engagement skills are equipped with iPads that allow them to use a streamlined version of ACCESS NYC in their interactions with New Yorkers in order to help residents consider a broader range of benefits for which they might qualify. Through the combination of PEU outreach and ACCESS NYC as a digital entry point, more New Yorkers who need help in accessing benefits programs and support are receiving it.

New Benefits

The City has been designing and launching new benefits programs to provide additional support for low-income New Yorkers, including:

Universal Retirement Fund/Portable Benefit

In his 2019 State of the City address, the mayor announced plans to establish a City-managed retirement fund for all New Yorkers who lack access to an employer-sponsored plan. Currently, about 24 percent of New Yorkers, or 2 million people, do not have such a plan. The new initiative, which is in the design stage, will allow

workers to set aside a small amount of their salary to be invested and managed under the City's supervision.

Guaranteed Two Weeks Paid Personal Time

In his State of the City address, Mayor de Blasio also announced his intention to make New York City the first city in the nation to require employers to provide employees with paid personal time. Currently, more than 500,000 full- and part-time employees in the city, in all sectors of the economy, have no paid leave beyond sick time. The mayor is working to enact a local law that will require all private employers with five or more employees to offer ten days of paid personal time annually. This time would be usable for vacation, religious observance, or any other purpose. Paid time off has been shown to increase productivity, strengthen families, and prevent burnout. The United States is the only industrialized nation in the world that does not mandate time off.

Paid Sick Leave

All workers in New York City have been eligible for paid sick leave since 2014 – a result of legislation developed by Mayor de Blasio and the City Council. The law applies to all employers with five or more employees and requires those with fewer employees to provide unpaid sick leave. Employees begin accruing sick days on their first day of employment at a rate of one hour for every 30 hours worked.

5.3 Increasing and Maintaining Available Affordable Housing

Affordable housing is one of the greatest unmet needs in New York City, and the cost of housing is often a major factor in pushing New Yorkers into poverty or near poverty. The City has made expanding the supply of affordable housing one of its highest priorities.

Building and Preserving Units

When Mayor de Blasio took office he announced a plan to build or repair 200,000 units of affordable housing by 2024 – the largest municipal affordable housing program in the country. In October 2017 the City reported that it would achieve that goal two years ahead of schedule. At the same time, the mayor set a new goal of 300,000 affordable units by 2026.

The affordable housing program, Housing New York, has continued to exceed its goals. In July 2018 the mayor announced that 2017 was the largest year for affordable housing production in the city's history. The City financed 32,116 affordable housing

units in 2017, surpassing the previous record of 25,243 in 1989. In 2017 the City announced that it was increasing by 10,000 the number of Housing New York units serving households that earn less than $40,000, including 5,000 dedicated to seniors and 500 dedicated to veterans.

At the same time, as part of its Turning the Tide on Homelessness in New York City program, the City announced in December 2018 that it was converting 468 shelter apartments into permanent affordable housing for the homeless. These “cluster site” apartments – 17 units scattered across private buildings in Brooklyn and the Bronx – are eventually expected to house 1,000 homeless New Yorkers.

Neighborhood Pillars Program

In December 2018 Mayor de Blasio launched the Neighborhood Pillars Program, which preserves affordable housing by helping nonprofit and mission-driven organizations acquire rent stabilized and unregulated buildings. By helping finance all stages of the process of acquiring and rehabilitating buildings, the program aims to fund acquisition and preservation of nearly 7,500 homes over eight years. Neighborhood Pillars includes a new Down Payment Assistance Fund dedicated to prequalified, nonprofit community-based organizations looking to purchase buildings, established with a $2 million commitment from Wells Fargo Foundation and $2 million from the Community Preservation Corporation.

Tenant Legal Assistance

In August 2017 Mayor de Blasio signed into effect legislation to provide low-income New Yorkers with attorneys in Housing Court to help prevent wrongful conviction. Phasing in over five years, the program is designed to serve 400,000 tenants when it reaches full strength in 2022. Before the program existed, only about 1 percent of tenants in New York City Housing Court had legal representation, according to a 2013 estimate by state court officials. In its first phase, the Universal Access to Legal Services program provided access to free legal representation to low-income New Yorkers in 15 NYC zip codes identified as having a high risk of eviction and loss of housing.

In November 2018 the City launched the second phase of implementation by adding five more zip codes. At the same time, the City released a report showing that by the end of fiscal 2018, 30 percent of the tenants appearing in eviction cases in Housing Court citywide were represented by counsel, up from only 1 percent in 2013. The City also announced that it had provided free housing legal services to nearly 250,000 New Yorkers since 2014.

These measures are having a clear impact. In February 2019 the City announced a record-breaking 37 percent decrease in evictions citywide since 2013. Evictions fell from nearly 29,000 in 2013 to 18,000 in 2018. In 2018 alone, evictions declined 14 percent.

During his 2019 State of the City address, the mayor demonstrated the importance of this work by signing an executive order creating the Mayor's Office to Protect Tenants. The office will work with multiple agencies and lead anti-harassment and outreach efforts.

New York City Housing Authority Improvements

NYCHA houses hundreds of thousands of low-income New Yorkers, making it a critical part of New York City's affordable infrastructure. The City is committed to ensuring that NYCHA housing remains safe, in good repair, and affordable.

In December 2018 the City announced a comprehensive $24 billion plan to renovate NYCHA apartments. The ten-year plan will provide top-to-bottom renovations for 175,000 residents citywide. The plan includes a Section 8 Conversion initiative which will renovate 62,000 units. Another part of the plan, Build to Preserve, will deliver about $2 billion in capital repairs through new development on NYCHA land. Transfer to Preserve, a third initiative, will provide approximately $1 billion in capital repairs through the sale of unused development rights, otherwise known as "air rights." Fix to Preserve will immediately work on health and safety issues such as heating, mold, pests, and lead, and will improve overall services and infrastructure maintenance.

In January 2019 Mayor de Blasio and Housing and Urban Development (HUD) Secretary Ben Carson met to announce an agreement on how to improve conditions at NYCHA. The mayor stated at the meeting that the City and HUD had together found a "strong path forward."

5.4 Increasing Educational Opportunity

Education is one of the most important factors in lifting people out of poverty and into the middle class. Early education has been shown to play a major role in improving life outcomes, including adult employment and earnings levels. The City has invested heavily in improving educational opportunities for all New Yorkers, from their earliest years through college.

Universal Pre-K

The City now offers free, high-quality pre-K to every 4-year-old New York City resident. In the fall of 2019, about 70,000 students were enrolled in pre-K, up from only 19,000 in 2013. In January 2019 the *New York Times* reported that about 94 percent of the City's pre-K programs met or exceeded a threshold that predicts positive student outcomes after pre-K, based on the Early Childhood Environment Rating Scale – a national evaluation system. The results are a significant increase over the first time the system was evaluated (in 2015) when just 77 percent of programs met the standard. According to the *Times*, the data showed that as the City's pre-K program "gets bigger, it is also improving."

In February 2019 Mayor de Blasio and Schools Chancellor Richard Carranza announced 47 new pre-K dual language programs spread across all five boroughs. At the start of the 2019–2020 school year, there will be 107 such programs in the city, more than triple the number in 2015. Dual language classes are 50 percent comprised of children whose home language is the target language and 50 percent comprised of English-proficient speakers. Instruction is held in both languages.

Expanded 3-K

In September 2018 the new school year began with a second year of free full-day, high-quality 3-K, which is building on the City's success with free universal pre-K. The 2018 3-K initiative served 5,000 students at 187 sites across four boroughs: Queens, Manhattan, the Bronx, and Brooklyn. Enrollment was up from 1,500 at 47 sites a year earlier. The City is planning to bring total enrollment up to 20,000 in the 2019–2020 school year.

The 3-K for All program is the nation's most ambitious initiative to provide universal free full-day, high-quality early childhood education to all 3-year-olds.

Equity and Excellence for All Initiative

Equity and Excellence for All, which began its third full school year in September 2018, works to accelerate learning and instruction, partner with communities, develop people, and advance equity. Its goals are that by 2026, 80 percent of students will graduate from high school on time with two-thirds of graduates college ready. Initiatives include Universal Literacy, Algebra for All, AP for All, Computer Science for All, and College Access for All.

At the start of the 2018–2019 school year, Richard Carranza announced that as the new Department of Education chancellor, one of his four priorities for the year would be to deepen the Equity and Excellence for All agenda to "make it even stronger,

more systematic." He emphasized the importance of advancing equity by investing more in historically underserved communities.

In October 2018 the City and the United Federation of Teachers (UFT) reached a preliminary agreement that promotes the Excellence for All agenda. The agreement includes the new Bronx Plan, so named for challenges that were addressed in the Bronx but are applicable citywide. For the next three years it will bring a comprehensive set of interventions to 180 historically underserved schools. It will also encourage staff to be a part of these schools, with hard-to-staff pay differentials for critical positions. In addition, 120 schools will participate in the Collaborative School Model which will give them additional resources for data-driven collaborative decision-making processes.

Diversity in the Public Schools

The City has been working to increase diversity in public schools in all five boroughs. In September 2018 Mayor de Blasio and Chancellor Carranza approved a plan to increase middle school diversity in District 15 in Brooklyn. They also launched a $2 million school diversity grant program for districts across the city that are developing their own community-driven diversity plans.

Integrating Academic and Social Supports

The mayor's Community Schools initiative is designed to complement the in-school academic focus by offering social supports from local organizations for children and families. The City is also extending the approach beyond specifically designated Community Schools. One example is the expansion of a program that began within Community Schools: free eyeglasses. Difficulty seeing is a barrier to learning and to literacy. The mayor announced in his State of the City address that beginning with the 2019–2020 school year, all New York City kindergarten and first grade students would receive free prescription eyeglasses if needed. (Approximately 25 percent of students in the city do need glasses and only 5 percent of those in need currently get them.) The new program will also provide free eye exams in partnership with the eyeglass company Warby Parker, which will provide glasses at no cost and lead private fundraising efforts to cover one-third of annual eye exam expenses.

College Success

College graduates are significantly less likely to be in poverty or near poverty than adults without a college diploma. The City has a variety of programs designed to help New Yorkers gain admission to and complete college.

Record Number of NYC Students Enrolling in College

New York City's 2017–2018 graduating class had a record postsecondary enrollment rate: 59 percent enrolled in a two- or four-year college, vocational program, or public service program after graduation. This new benchmark was an increase of 2 percentage points over the previous year and 8 percentage points over the Class of 2013.

CUNY Accelerated Study in Associate Programs

The CUNY Accelerated Study in Associate Programs (ASAP), which provides extra support to help CUNY students graduate on time, expanded to 25,000 students in the fall of 2018. ASAP, which launched in 2007, takes a comprehensive approach in the support it provides to students. It encompasses dedicated academic advising, career development counseling, and financial support, including summer and winter scholarships, tuition gap waivers, textbook vouchers, and MetroCards.

ASAP has been extraordinarily successful. Its graduation rate is more than three times the national three-year graduation rate of 16 percent for urban community colleges. Its current cross-cohort three-year graduation rate is 53 percent, compared to 23 percent for comparison group students. The three-year graduation rate for the fall 2009 ASAP cohort, which targeted students with developmental needs, was 56 percent compared to 22 percent for a comparison group of students.

The ASAP model has spread beyond New York City. In December 2018, three Ohio community colleges that had adopted the model reported that their programs had more than doubled graduation rates. In January 2019 the mayor of Nashville, Tennessee, announced that his city would be implementing a program modeled on ASAP.

The Accelerate, Complete, and Engage Program

In May 2018 NYC Opportunity announced that it would provide additional financial support to the Accelerate, Complete, and Engage (ACE) program at CUNY's John Jay College of Criminal Justice. ACE uses the ASAP model to promote graduation of four-year baccalaureate students. The new funding will allow an additional 275 to 300 students to participate in the program for up to five years.

ACE launched in the fall of 2015 with 250 students. With the new expansion, the total number of students served will reach 894. ACE uses the ASAP model for students who are enrolled in baccalaureate programs.

Preliminary analyses of the ACE program show that it is having a positive impact on participants' progress to graduation. Compared to other John Jay students, members of the fall 2015 ACE cohort took more credits and had higher retention rates.

In the fall of 2019 with support from the Robin Hood Foundation, ACE will expand to CUNY's Lehman College where it will serve 125 first-time, full-time freshmen and 125 full-time transfer students who enter with associate's degrees. CUNY aims to expand the program to other senior colleges in the future.

CUNY as a Leading Promoter of Social Mobility

CUNY was again recognized in 2018 for its enormous success as a force for economic mobility. Nine senior colleges and two community colleges in the CUNY system dominated the Chronicle of Higher Education's rankings of U.S. public campuses that have succeeded in lifting low-income students into the middle class. The Chronicle list is based on research undertaken by a team supervised by Raj Chetty, a Stanford University economics professor at the time. Included among the nine senior CUNY colleges in the Chronicle's top 20 were Baruch College at number one, City College at number two, and Lehman College at number three.

5.5 Increasing Access to Opportunity

In its work to promote opportunity for all New Yorkers, the City provides extra support for groups that face special burdens. It also develops new tools that can help remove obstacles to economic success.

Immigrant Assistance

Immigrants are more likely to be in poverty and near poverty than other New Yorkers, and in many cases have greater difficulty in the labor market, particularly if they are undocumented. In early 2019 NYC Opportunity released a new report on the City's immigrant population: An Economic Profile of Immigrants in New York City. This is the first release of an experimental population estimate. A new methodology applied to census data breaks down the City's 2016 immigrant population into naturalized citizens, undocumented immigrants, and other categories of legally resident immigrants. The study was developed out of a need to better understand high poverty levels among noncitizens. Data in the report includes labor force participation and earnings, and for the first time uses immigration status in the NYCgov poverty measure to decompose the noncitizen poverty rate by status. The importance of this data is underscored by the finding that 1.1 million New Yorkers live in a household with at least one undocumented immigrant.[2]

A number of programs are aimed at helping immigrants regardless of their immigration status. ActionNYC is the City's community-based immigration legal services program that provides access to immigration legal services and resources to

2 The report is available at: https://www1.nyc.gov/site/opportunity/reports/immigrant-economic-profile.page.

grow the immigration legal services field. Through its citywide hotline and accessible service locations at community-based organizations (CBOs), schools, and hospitals, ActionNYC serves as the entry point for New Yorkers seeking immigration legal services. The program partners with providers in CBOs, NYC Health + Hospitals locations, and schools. In 2018, the City recognized the heightened need for legal services in hard-to-reach and growing immigrant populations. In response, ActionNYC expanded service to high-need populations in their neighborhoods and in their languages. Contracts were awarded to six CBOs to provide increased immigration legal services to Chinese, Korean, and South Asian-serving organizations and communities.

Through Know Your Rights forums, the Mayor's Office of Immigrant Affairs connects New Yorkers with information about their rights and provides important and accurate information in the face of confusing and time-sensitive changes to federal immigration policy. These forums include participation from various City agencies and emphasize City resources, the federal government's proposed changes to the "public charge" rule, and immigration legal services.

The Mayor's Office of Immigrant Affairs launched a second season of We Speak NYC, the City's Emmy Award-winning free English language learning program to help address limited English proficiency and provide information about City services. The City invested more than $3 million in the launch of new videos and tools for the second season, which is taking on such topics as workers' rights and mental health.

IDNYC

As the IDNYC program turned four in January 2019, the City announced that it was adding a third gender designation. Transgender, non-binary, and gender non-conforming New Yorkers can affirmatively select a gender that more closely reflects how they identify or express their gender. There are now more than 1.25 million cardholders in IDNYC, the largest and most successful municipal ID program in the country.

Beginning in 2015, IDNYC partnered with NYC Health + Hospitals to serve as a health care registration card, helping to improve cardholders' experiences with the public hospital system. This feature has now expanded to over 70 NYC Health + Hospitals locations, including hospitals, community centers, and long-term care facilities. To date, 8,998 cardholders have linked their IDNYC cards to their NYC Health + Hospitals accounts.

IDNYC has more than a dozen financial institution partners, including the newly added People's United Bank, where an IDNYC card can be used as primary ID to open a bank account, along with other required documentation.

IDNYC has added a variety of new benefits partners, including major cultural institutions, that provide cardholders with a one-year free membership. These are in addition to existing partners, including the American Museum of Natural History and the Brooklyn Children's Museum.

Fair Fares Program

Transportation is a key element of opportunity. People rely on public transportation to find work, to commute to work, to access services and enrichment, and to maintain social ties with friends and family.

In January 2019 Mayor de Blasio and City Council Speaker Corey Johnson jointly announced the development of a half-price MetroCard program to reduce the financial burden of public transit on low-income New Yorkers. In the first phase, the City will provide discounted MetroCards to working New Yorkers at or below the federal poverty level who receive cash assistance or Supplemental Nutrition Assistance Program benefits from the City. The mayor and City Council announced plans in the spring of 2018 to fund the program at $106 million for the first year. The Department of Social Services has begun contacting eligible working New Yorkers who receive cash benefits to inform them of their eligibility.

The City is working to extend the benefit to even more eligible New Yorkers. In March 2019 Mayor de Blasio and Speaker Johnson announced plans to expand Fair Fares in the fall of 2019 to eligible New Yorkers in NYCHA housing, students enrolled at CUNY, and military veterans below 100 percent of the poverty line. In January 2020 the City plans to launch an open enrollment process for all New Yorkers at or below the poverty line who do not have discounted MTA transportation.

Broadband

High speed internet access is integral to succeeding in present-day New York City as a worker, student, or small business owner. In April 2018 the City released "Truth in Broadband: Access and Connectivity in New York City," a report designed to empower all New Yorkers with reliable information about the quality of their internet service and the availability of other options. The report describes the ways in which the City is promoting performance, affordability, and equity in broadband, and provides a portrait of the current state of broadband access in the city. The report also highlights areas where more needs to be done, including the fact that nearly a third of New York City households lack a home broadband subscription, and that more than two-thirds of households and nearly three-quarters of small businesses have only one or two choices of broadband providers.

5.6 Increasing Access to Health Care

Access to health care is often difficult for low-income people, and the costs associated with health care can keep people in poverty and near poverty or drive them into it. This year, the City made a major new commitment to health care for New Yorkers.

Universal Health Coverage

In his 2019 State of the City address, Mayor de Blasio announced a new universal coverage plan which will ensure access to health care for all New Yorkers, including undocumented immigrants. The City will invest in NYC Care, which will guarantee health care access for 600,000 uninsured New Yorkers. All New Yorkers will have access to NYC Health + Hospitals physicians, pharmacies, and mental health and substance abuse services through NYC Care. Call lines will allow participants to make appointments with general practitioners, specialists, and other health care services, and fees will be based on an affordable sliding scale.

The new initiative will build on the substantial progress made as a result of the Affordable Care Act. The uninsured rate today is half of what it was in 2013; some 8 million New Yorkers now have health coverage, including 130,000 who were signed up for plans through the exchanges by the City's Public Engagement Unit.

5.7 NYC Opportunity Portfolio Programs

NYC Opportunity has a portfolio of programs designed to reduce poverty and increase opportunity. The following programs have been particularly active in the past year.

Designing for Opportunity

In April 2018, NYC Opportunity's Service Design Studio – the nation's first municipal design studio dedicated to improving services for low-income residents – announced the winner of its Citywide Designing for Opportunity competition. The Studio selected the NYC Administration for Children's Services (ACS) Division of Prevention Services, and the two are now working together to give families and communities greater input into shaping the agency's prevention services. ACS staff has a year-long opportunity to work with the Studio on employing service design methodologies to strengthen the connections among ACS employees, community non-profits, and the families and children who are their clients.

Connections to Care and Mental Health First Aid

In July 2018, Connections to Care (C2C), a public-private partnership that helps bring mental health services to New Yorkers at the community level, received an additional $4 million from the City. As a result of the new funds, C2C will be able to continue its neighborhood-based work training social service organization staff to address community mental health challenges. Part of the City's ThriveNYC mental health initiative, C2C is a partnership between NYC Opportunity, the Mayor's Fund to Advance New York City, and the NYC Department of Health and Mental Hygiene.

In November 2018 C2C was awarded the NYC Employment and Training Coalition's (NYCETC) Workforce Program Innovation Award. The annual award recognizes a workforce program that has brought a new practice to the field and serves as a model of forward-thinking programming.

Arches

The City's Young Men's Initiative, in partnership with the NYC Department of Probation, conceived and implemented the Arches Transformative Mentoring Program to reduce recidivism among young adults on probation. Arches matches participants with mentors known as "credible messengers" – respected members of communities who typically come from similar neighborhoods and backgrounds as the participants. It also uses an evidence-based journaling curriculum based on behavioral principles.

In February 2018 NYC Opportunity released an evaluation of Arches, conducted by the Urban Institute with support from the Department of Probation. The report found that young adult probation clients who participate in Arches have a significantly lower rate of reconviction for felonies. The one-year felony reconviction rate of participants was reduced by 69 percent and the two-year reconviction rate was reduced by 57 percent compared to a group of similar young adult probationers who were not enrolled in Arches. Also in 2018, Arches was named a finalist in the Kennedy School of Government's Innovations in American Government awards, recognizing it as one of seven public-sector programs that make American government more efficient, creative, and effective at addressing social problems.

Advocate, Intervene, Mentor Program

The City won high marks for Advocate, Intervene, Mentor (AIM), a court-mandated mentoring program for juvenile probation clients ages 13–18 who are at high risk of reoffending. AIM uses one-on-one mentoring with paid "advocate-mentors" who are available 24 hours a day, seven days a week. As in Arches, the advocate-mentors are credible messengers who typically come from similar neighborhoods and backgrounds as participants. In October 2018 NYC Opportunity released an

evaluation of AIM, conducted by the Urban Institute, which found that over 90 percent of participants avoided felony rearrest within 12 months of enrollment – far above the program target of 60 percent. The evaluation also reported that participants, alumni, caregivers, program staff, and other stakeholders all had positive reactions to their experience with AIM.

Table 5.2 provides additional details about NYC Opportunity portfolio programs.

Table 5.2
Selected Performance Indicators from NYC Opportunity and Young Men's Initiative (YMI)

EDUCATION		
CUNY Accelerated Study in Associate Programs (ASAP) NYC Opportunity launched 9/2007 Assists students in earning associate's degrees within three years by providing a range of academic and support services.	**Fiscal Year 2018 Comparison Group**	**Fiscal Year 2018 Actual**
Enrollees Cohort 11 (entered Academic Year 2017–2018)	N/A[1]	11,790
Enrollees Cohort 10 (entered Academic Year 2016–2017)	N/A[1]	10,440
Enrollees Cohort 9 (entered Academic Year 2015–2016)	N/A[2]	5,678
Cohort 8 (Fall 2014) Graduation Rate after Three Years	27.8%	54.6%
Cohort 7 (Fall 2013) Graduation Rate after Three Years	28.4%	57.6%
Cohort 6 (Fall 2012) Graduation Rate after Three Years	29.2%	55.4%
Cohort 5 (Fall 2011) Graduation Rate after Three Years	24.8%	57.1%
Young Adult Literacy Program / Community Education Pathways to Success (DYCD/BPL/NYPL/QPL/DOP) NYC Opportunity launched 11/2007, YMI expansion began 8/2011 Tailors instruction to the needs and interests of disconnected young adults who read at pre-HSE (fourth to eighth grade) levels.	**Fiscal Year 2017**	**Fiscal Year 2018**
New Enrollees	785	731
Gained 1 or More Literacy Grade Level	61% (325 / 533)	65% (327 / 503)
Gained 1 or More Numeracy Grade Level	61% (315 / 520)	68% (333 / 492)

1 Indicators shown reflect the most recent outcomes for each cohort. Three-year graduation rates are only available for Cohorts 1 to 8. Cohorts 9, 10, and 11 do not have any graduation data as the cohort has not yet reached the three-year mark.

2 Beginning with Cohort 9, ASAP will no longer create comparison groups for analysis but will instead monitor progress against goals based on historical outcomes from the previous eight cohorts.

Table 5.2 *(continued)*

Selected Performance Indicators from NYC Opportunity and Young Men's Initiative (YMI)

Reading Rescue (DOE) YMI launched 11/2015 An evidence-based intervention that builds school capacity to deliver one-on-one tutoring services to first and second grade students who are not reading at grade level.	**Fiscal Year 2017**	**Fiscal Year 2018**
Number of Students	555	687
Number of Students Who Reached Grade Level	212	512
Average Literacy Gain of Participants	1.28	1.27
EMPLOYMENT		
Jobs-Plus (NYCHA/HRA/DCA-OFE) NYC Opportunity launched 10/2009, YMI expansion began 3/2013 Offers NYCHA residents employment and training services, community-based support for work, and financial empowerment tools including rent-based incentives.	**Fiscal Year 2017**	**Fiscal Year 2018**
New Enrollees	2,373	4,205
Placed in Jobs	1,420	1,679
3–6 Month Job Retention[4]	56% (822 /1,462)	61% (892 /1,463)
Young Adult Internship Program (DYCD) NYC Opportunity launched 11/2007, YMI expansion began 8/2011 Offers youth who are out of school and out of work the opportunity to develop essential workforce skills through a combination of educational workshops, counseling, short-term paid subsidized employment, post-program follow-up services, and post-program placement in education, advanced training, or employment.	**Fiscal Year 2017**	**Fiscal Year 2018**
Participants	1,744	1,644
Participants Who Completed Subsidized Employment	83%	88%
Percent of Participants Placed in Employment or Education	54%	58%
Work Progress Program (WPP) (HRA) NYC Opportunity launched 2/2012 Provides wage reimbursements to community-based organizations seeking to provide short-term employment opportunities to the low-income young adults they serve.	**Fiscal Year 2017**	**Fiscal Year 2018**
Program Participants	17,474	17,310
Percent of Participants Who Completed Subsidized Employment	11,245	11,458

4 Metric changed from 3 Month Job Retention to 3–6 Month Job Retention.

Table 5.2 *(continued)*
Selected Performance Indicators from NYC Opportunity and Young Men's Initiative (YMI)

HEALTH		
Shop Healthy NYC (DOHMH) NYC Opportunity launched 1/2012 A neighborhood-based approach that simultaneously addresses supply and demand to increase access to healthy foods in underserved neighborhoods by working with food retailers, community groups, food suppliers, and food distributors.	**Fiscal Year 2017**	**Fiscal Year 2018**
Number of Stores Promoting Healthy Foods	88%	73%
Number of Community Members Who Attended a Training Event	1,003	1,285

Looking Forward

The trend lines for poverty in New York City are pointing strongly in the right direction. Both poverty and near poverty have declined significantly since the beginning of the de Blasio administration – with the poverty rate declining 1.6 percentage points and the near poverty rate falling 2 percentage points from 2014 to 2017. The declines were experienced by many of the demographic groups charted in this report. These positive trends have been driven by a number of powerful economic forces, including strongly rising wages across the board and continuing increases in the minimum wage.

The declines in poverty and near poverty have come during a period when the City has put in place an array of initiatives, some very large in scale, designed to provide additional support to low-income New Yorkers. In his State of the City address, the mayor added a collection of new and ambitious commitments. These initiatives target areas that play a large role in keeping New Yorkers in poverty and near poverty, including housing, employment, health care, and education.

The City's work has provided an important counterbalance to trends at the national level. As Washington has turned against the social safety net, the City has worked to reinforce it, increasing its commitment to health care, providing additional protections for workers, and helping tenants to remain in their homes. As the federal government has become more hostile to immigrants, the City has redoubled its efforts to help immigrant New Yorkers survive and thrive.

In his State of the City address, the mayor set out a vision of New York City as the "fairest big city in America," which he described as one in which "prosperity is shared." The data on poverty and near poverty show that the City has been making steady progress on reducing poverty and increasing opportunity, and with its existing and newly announced initiatives it is well positioned to continue moving forward.

Acknowledgements

Acknowledgements

This report would not be possible without the advice and assistance of many people since its inception, and on an ongoing basis: Carson Hicks, Deputy Executive Director of NYC Opportunity, along with all of the teams at NYC Opportunity who provide valuable assistance and input; Adam Cohen, also of NYC Opportunity, responsible for describing the City's anti-poverty policy and programs in the report; and Mari Nakano, Design Director of NYC Opportunity.

Many of our colleagues in government have generously shared their expertise about public policy, the City's administration of benefits programs, and agency-level data. Dr. Joseph Salvo, Director of the Population Division at New York City Department of City Planning, has made several important contributions. Data assistance has generously been provided by Adam Hartke at the Metropolitan Transportation Authority; Thomas Marchwinski, Metro-North Railroad; Robert Deschak, NYC Department of Education's Office of School Support Services; Kevin Fellner and Karl Snyder at the Human Resources Administration; Grace Forte-Fitzgibbon, Long Island Rail Road; Robert Hickey, New York City Transit Authority; Todd Goldman, Port Authority of New York and New Jersey; Jessica Semega, Housing and Household Economic Statistics Division, U.S. Bureau of the Census; the New York State WIC Program and Mark Giddings, Research Scientist; and Jackson Sekhobo, Director, Evaluation and Analysis Unit, Division of Nutrition, New York State Department of Health.

Trudi Renwick at the U.S. Census Bureau, Thesia Garner at the U.S. Bureau of Labor Statistics, and David Johnson and Kathleen Short during their tenure at the Census Bureau – friends and advisors of the NYC Opportunity project since its inception – have been particularly helpful in this work. We are indebted to past and present NYC Opportunity colleagues, including Mark Levitan, former Director of Poverty Research, and Todd Seidel, Daniel Scheer, and Danny Silitonga, former members of the Poverty Research Unit.

Eileen Salzig has provided invaluable copyediting and proofreading almost since the first edition of this document. The report design is by Viney Group LLC.

Matthew Klein, Executive Director of NYC Opportunity and Senior Advisor in the Mayor's Office of Operations, provides valuable support and guidance as we develop the report each year. This year's report is published under the aegis of Jeff Thamkittikasem, Director of Operations.

The City of New York
April 2019

NYC
Mayor's Office for
Economic Opportunity