New York City Government Poverty Measure 2018

An Annual Report from the Office of the Mayor

The City of New York
2020

NYC
Mayor's Office for Economic Opportunity

Contents

Preface

The poverty data in this report reflect conditions in 2018, drawing on the most recent available data from the U.S. Census Bureau's American Community Survey as augmented by the NYC Mayor's Office for Economic Opportunity (NYC Opportunity). In 2018, New York City was enjoying an extended economic expansion, with continuing job growth and rising incomes. As we release this data in the summer of 2020, the world and New York City are very different places. The COVID-19 pandemic has changed how we think about the future, the economy, and the businesses and the workers that are the engine of economic growth.

A key finding from the 2018 data for New York City is the decline in near poverty, indicating fewer people at risk of falling below their poverty threshold. But today's historically high unemployment rates due to COVID-19 now threaten this progress. It is not only the unemployed who face risk. Much of the population deemed "essential workers" are low-wage earners performing the face-to-face jobs that keep New York City running. They support families who have always lived on the slimmest of margins, yet they are excluded from the federal income supplements afforded to the unemployed and also face economic risk in the post-COVID-19 recovery.

Since the inception of this report, the data it contains have been an important tool in fighting poverty. During the Great Recession, the data helped measure the importance of public benefits. As the economy expanded, the data tracked the importance of a higher minimum wage, helped reveal the inequity in who benefited from economic growth, and identified where resources were needed to help all New Yorkers participate in a thriving city. This report and previous editions, as well as other data from NYC Opportunity, enumerate the many anti-poverty programs currently in place and what we have learned. As we move forward, we can apply this knowledge to building an equitable recovery in a city that is facing unprecedented challenges.

This report presents the most recent available baseline measure of poverty, two years prior to the effects of COVID-19. The data shown for the five-year period 2014 to 2018 are revisions of prior estimates.[1] Technical appendices, available on our website, describe these revisions, which are based on changes in underlying data and concurrent improvements in our model.[2]

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

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1   Each release of this report incorporates some revision of prior year poverty rates due to lags in release of data inputs. For example, the 2018 poverty rate contains 2017 estimates for medical spending and the Women, Infants, and Children (WIC) nutrition program – the most recent data available as we constructed the poverty measure. This will be revised next year to include 2018 data.

2   https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-measure.page
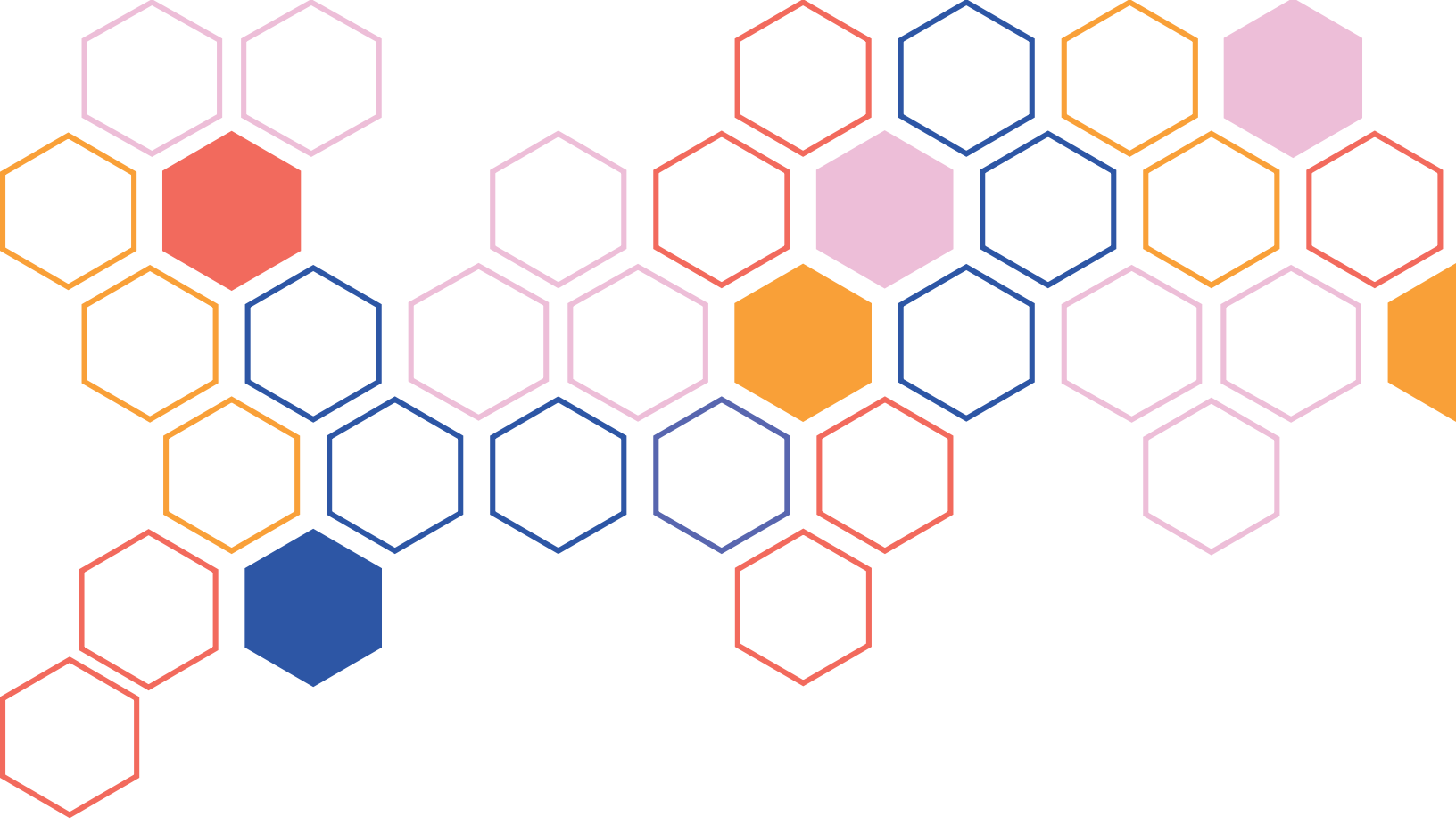
Chapter 1
Key Findings

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Key Findings

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

The poverty rate in 2018 is statistically unchanged from 2017 but shows significant declines over the five-year period beginning in 2014. The near poverty rate in 2018 shows statistically significant steep declines from both 2017 and 2014.

This report includes poverty rates, near poverty rates, and poverty thresholds for 2018; an examination of the state of poverty in New York City at that time; and a review of relevant policy.

Poverty rates slowly shift over time. We show five-year data trends to identify where significant changes occurred. This year's data also include revisions to prior years' poverty estimates to accommodate for changed data in the income components and accompanying changes in methodology.[3]

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3   Revisions are explained in the report's technical appendices, which can be found on our website: https://www1.nyc.gov/site/opportunity/poverty-in-nyc/poverty-measure.page

1.1 Poverty in New York City, 2018

- **The NYCgov poverty rate for 2018 is 19.1 percent.** This rate is not a statistically significant change from 2017. Growth in the NYCgov measure of income kept pace with growth in the poverty threshold but did not exceed it. However, the 2018 poverty rate did show a statistically significant decline over the five-year period 2014 to 2018, falling 1.1 percentage points.

  - The NYCgov poverty rate is historically higher than the official U.S. poverty rate. The official rate is derived only from changes in pre-tax cash income and the cost of a minimal food budget. The NYCgov rate responds to changes in all sources of income, medical and work-related expenses, and changes in an average living standard, including housing costs. Table 1.1 and Figure 1.1 illustrate these differences.

- **The NYCgov near poverty rate for 2018 is 41.3 percent.** This is a statistically significant 2.8 percentage point decline from 2017 (when the rate was 44.1 percent). "Near poverty," as utilized 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 decline in near poverty from 2014 is also statistically significant as it has fallen from 46.2 percent (see Figure 1.2).

- **The NYCgov Poverty Threshold for 2018 is $35,044.** This represents an increase of 4.4 percent from 2017. The near poverty threshold (150 percent of the NYCgov threshold) increased at the same rate to $52,566. Thresholds stated are for two-adult, two-child families.

  - Threshold increases are driven by growth in national expenditures on food, clothing, shelter, and utilities, and by additional housing costs in New York City. In 2018, threshold components experienced greater-than-average increases. In particular, the growth in national expenditures on food and clothing (4.9 percent) were more than double the average growth (2.29 percent). Housing costs at the national and city level were slightly above average.

Table 1.1

NYCgov and U.S. Official Poverty Rates and Thresholds, New York City, 2017-2018

|	2017	2018
Poverty Rates (%)		
NYCgov Poverty	19.3	19.1
NYCgov Near Poverty	44.1	**41.3**
U.S. Official Poverty	16.6	16.1
Thresholds ($)		
NYCgov Poverty	$33,562	$35,044
U.S. Official	$24,858	$25,465

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity. The U.S. official threshold is from the U.S. Census Bureau.
Notes: Numbers in **bold** indicate a statistically significant change from the 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
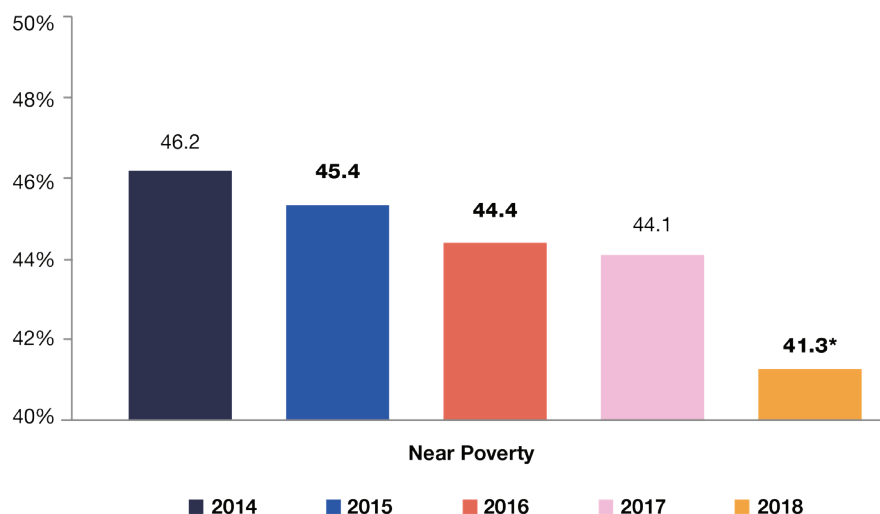
Official and NYCgov Poverty Rates, 2005-2018
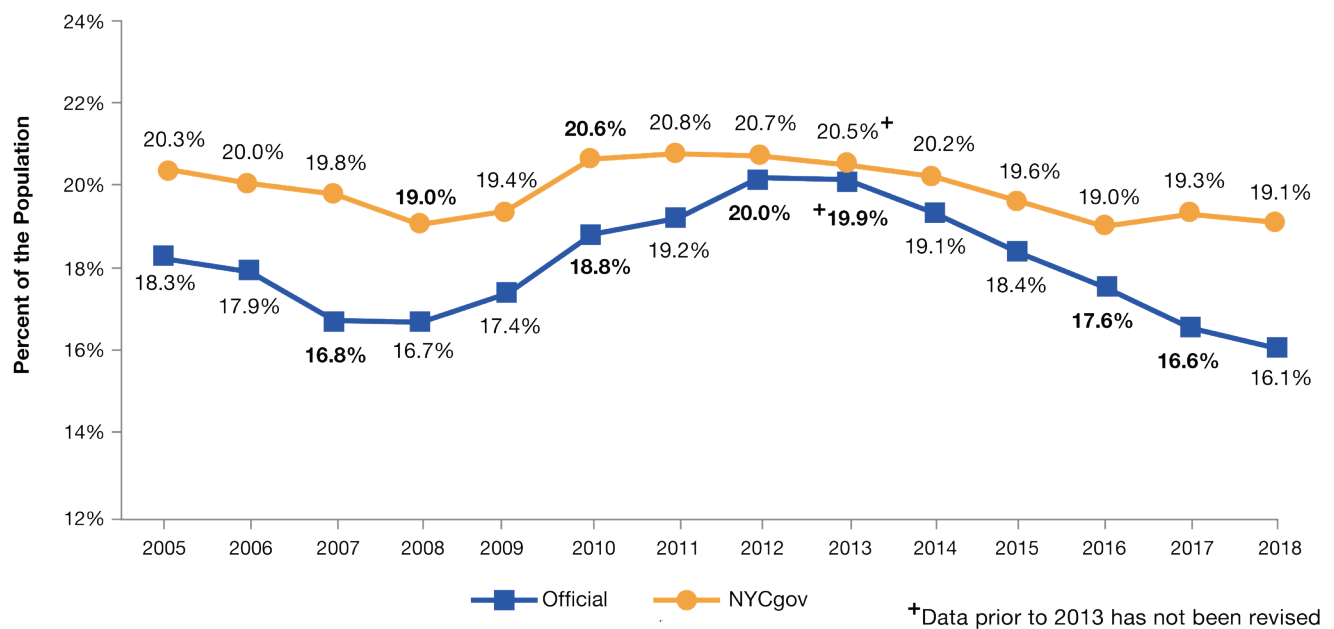
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Official poverty rates are based on the NYCgov poverty universe and unit of analysis (see Appendix B).
Numbers in **bold** indicate a statistically significant change from the prior year.

Figure 1.2
NYCgov Near Poverty Rates, 2014–2018

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant changes from 2014 to 2018.

## 1.2 Differences in City Rates by Demographics and Geography

The data in Section 1.1 show citywide rates of poverty. When the city population is decomposed into various subgroups or geographies, different patterns of poverty can emerge. Section 1.2 shows poverty rates for New Yorkers by family type; work experience; educational attainment; race, gender, and ethnicity; borough and community district; and, finally, the racial and ethnic composition of the community districts with the highest and lowest poverty rates. Poverty rates are shown for the years 2014 to 2018 to illustrate trends in the 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 2014 to 2018. Year-over-year changes in poverty rates are occasionally significant in this period, but the more meaningful trend shows that many groups have experienced significant declines in poverty rates over the 2014 to 2018 period, including:

- Working age adults
- Non-Hispanic Blacks
- Non-Hispanic Asians
- Men
- Non-Citizens
- High School graduates

- College graduates
- Brooklyn residents
- Full-time, year-round worker
- Families with one or two full-time, year-round workers
- Families with children under 18

We found only a few instances of a statistically significant increase in the poverty rate, and that only was in a year-over-year comparison (less reliable than the five-year trend). From 2017 to 2018, the poverty rate rose for Non-Hispanic Whites (1.1 percentage points); families with less than one full-time, year-round worker (3.3 percentage points); and single, childless heads of households (2.9 percentage points).

Declines in the near poverty rate were even more prevalent than declines in the poverty rate. Over the five-year period 2014 to 2018, the near poverty rate fell significantly for men, women, all age groups, all races and ethnicities, citizens and noncitizens, one and two parent families, people at all education levels, and for those with full-time or part-time work. Most of these groups also saw significant year-over-year declines in near poverty.

Figure 1.3
NYCgov Poverty Rates by Age, 2014–2018
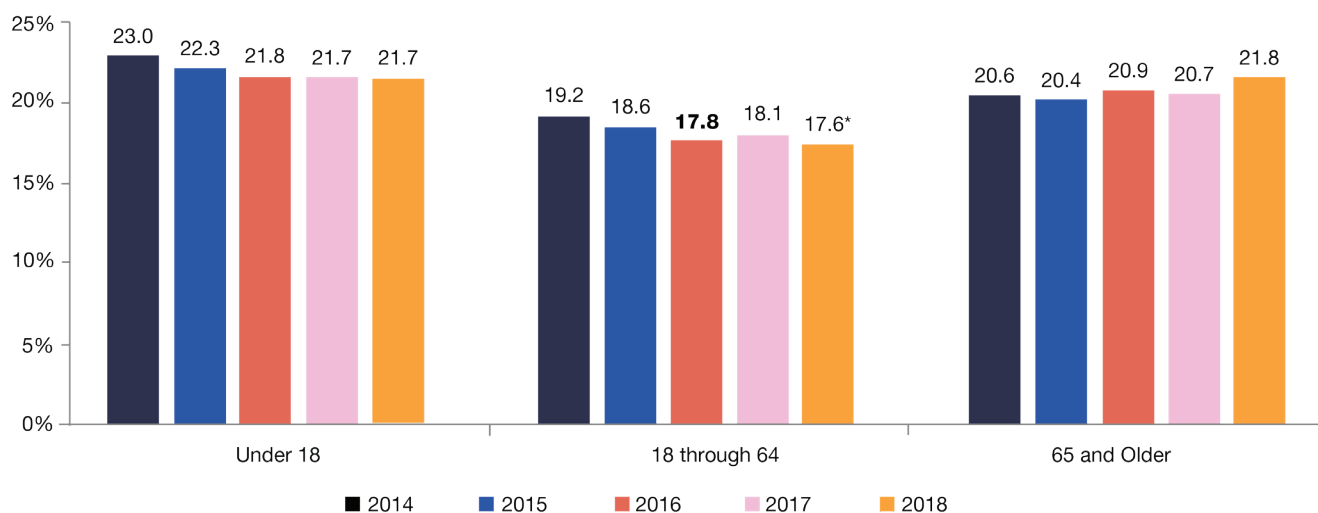
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant changes from 2014 to 2018.

Figure 1.4
NYCgov Poverty Rates by Sex, 2014–2018

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant changes from 2014 to 2018.

Figure 1.5
NYCgov Poverty Rates by Race and Ethnicity, 2014–2018
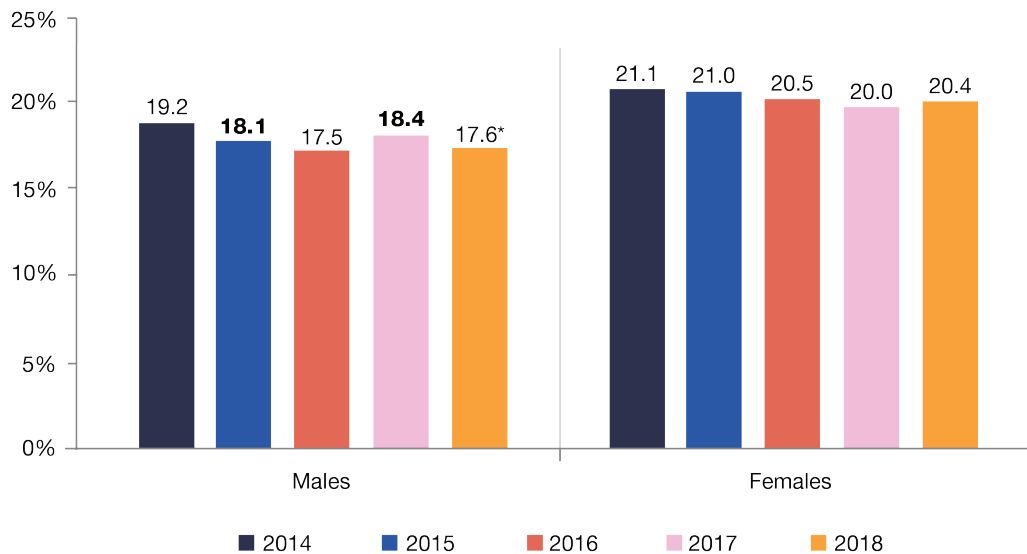

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant changes from 2014 to 2018.

Figure 1.6
NYCgov Poverty Rates, Race and Ethnicity by Gender, 2014–2018

Panel A, Males

	Non-Hispanic Asian	Non-Hispanic Black	Hispanic, Any Race	Non-Hispanic, White
2014	24.7	21.4	23.0	12.0
2015	**21.0**	19.7	22.7	11.6
2016	22.0	**17.0**	22.5	11.1
2017	22.4	**20.0**	22.8	11.7
2018	21.6*	**17.5***	22.0	12.1

Panel B, Females

	Non-Hispanic Asian	Non-Hispanic Black	Hispanic, Any Race	Non-Hispanic, White
2014	24.3	23.4	25.7	13.9
2015	23.2	22.3	27.4	13.3
2016	22.8	**19.7**	27.5	13.7
2017	22.0	21.1	26.4	**12.5**
2018	21.8*	20.6*	26.3	**14.2**

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

Figure 1.7
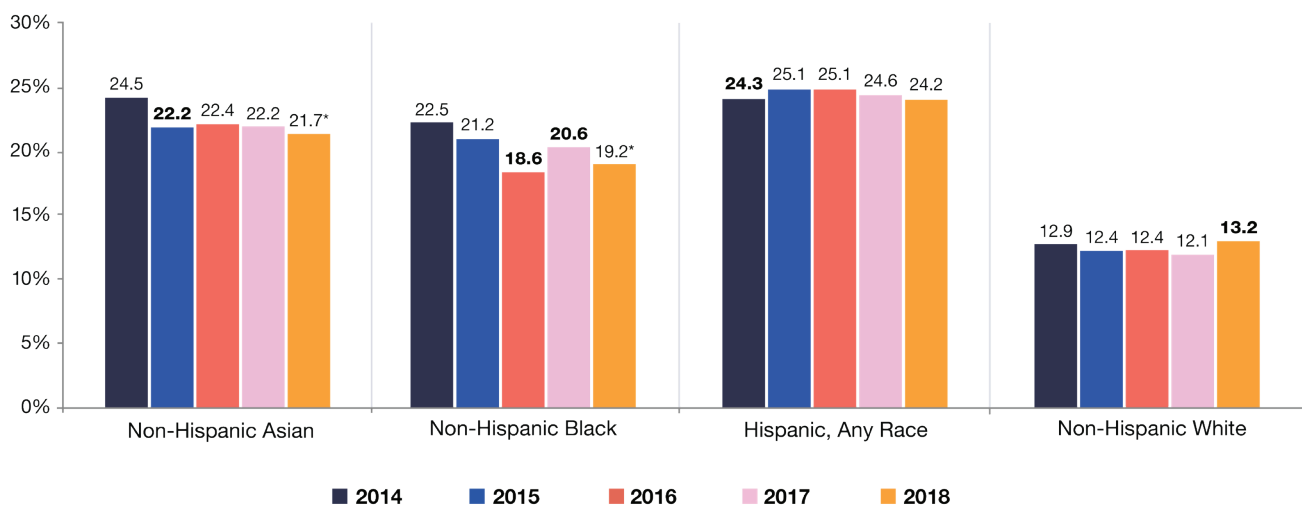# NYCgov Poverty Rates by Citizenship Status, 2014–2018

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant changes from 2014 to 2018.

Figure 1.8
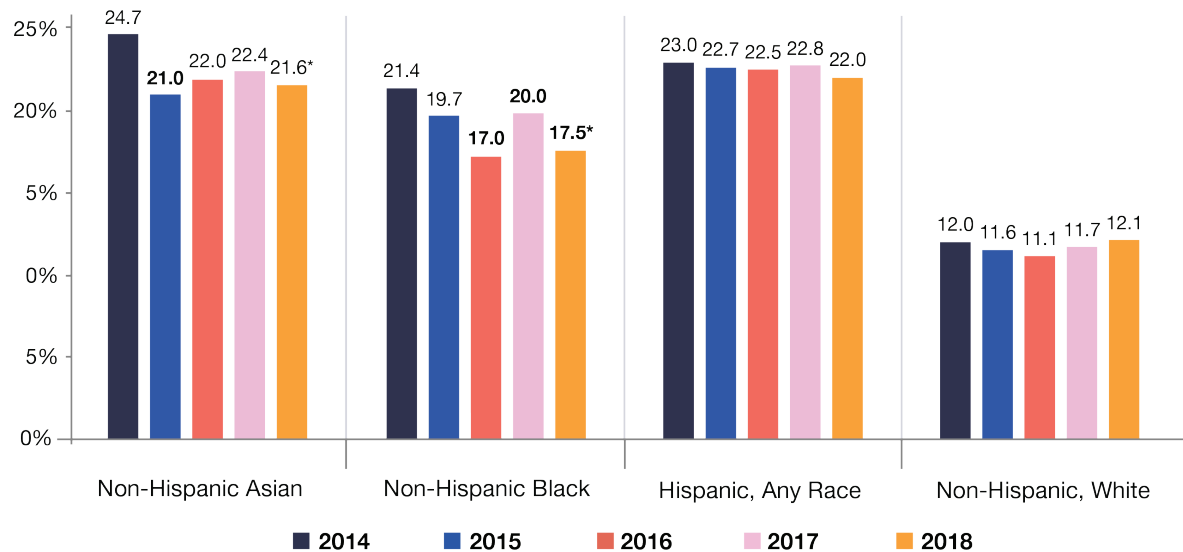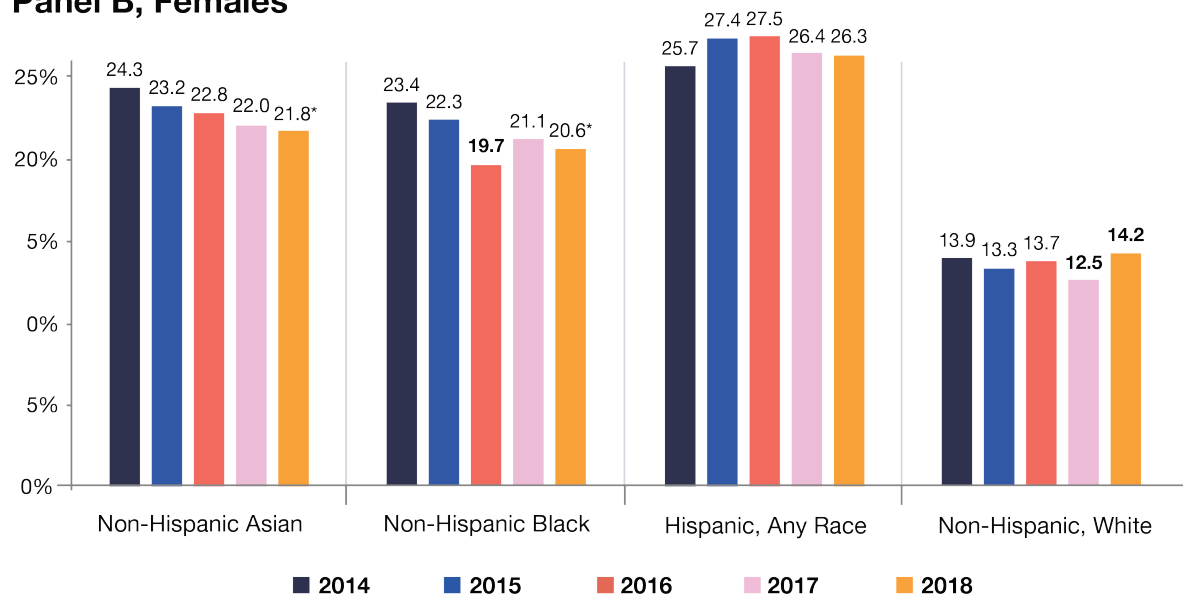# NYCgov Poverty Rates by Educational Attainment, 2014–2018

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant changes from 2014 to 2018.

Figure 1.9
NYCgov Poverty Rates by Work Experience, 2014–2018
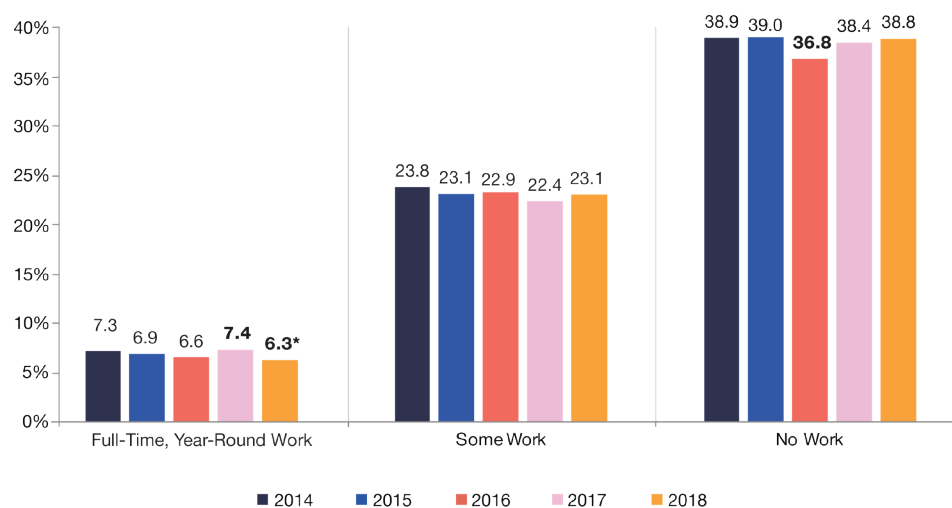
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
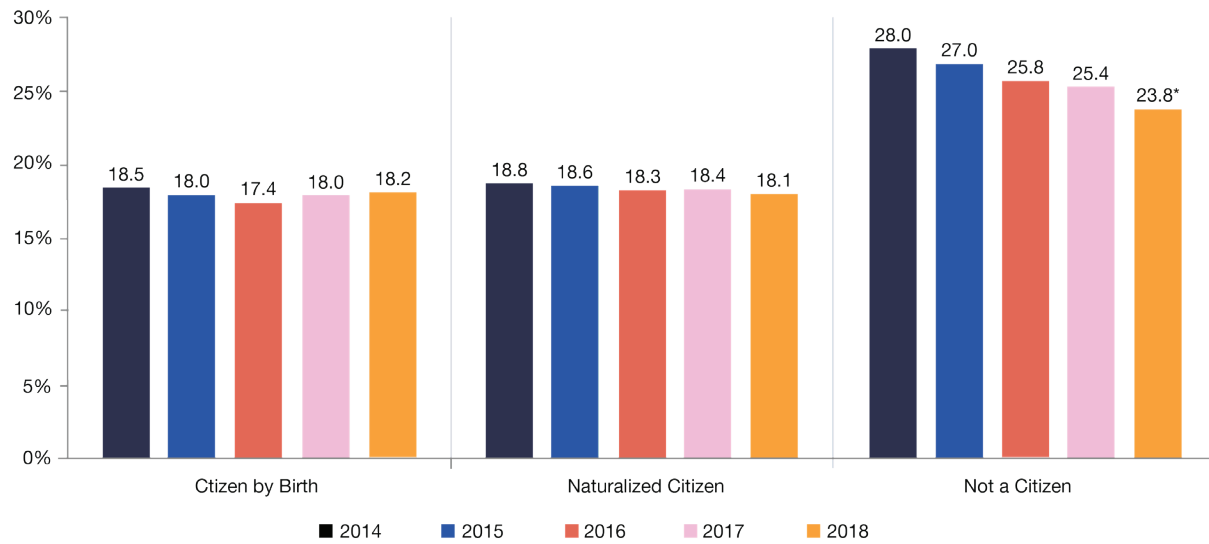* Indicates statistically significant changes from 2014 to 2018.

Figure 1.10
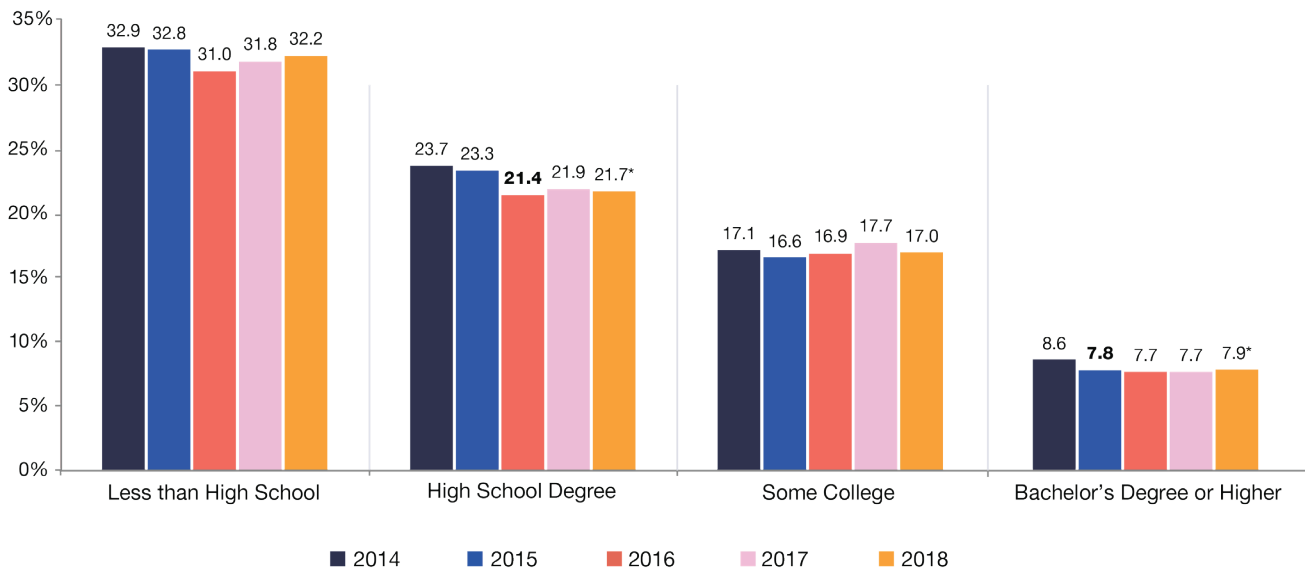**NYCgov Poverty Rates by Borough, 2014–2018**
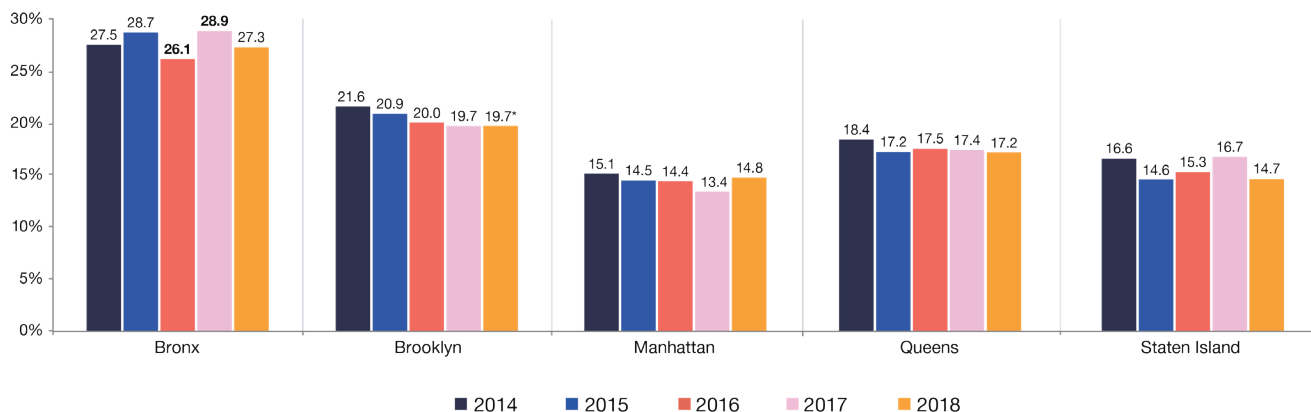
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant changes from 2014 to 2018.

Figure 1.11

Percentage of Population Below Poverty Threshold, by Neighborhood, 2014–2018

Citywide Rate: 19.4%

Legend:
- < 15%
- >=15% <20%
- >=20% to <25%
- >=25% to <30%
- >=30%
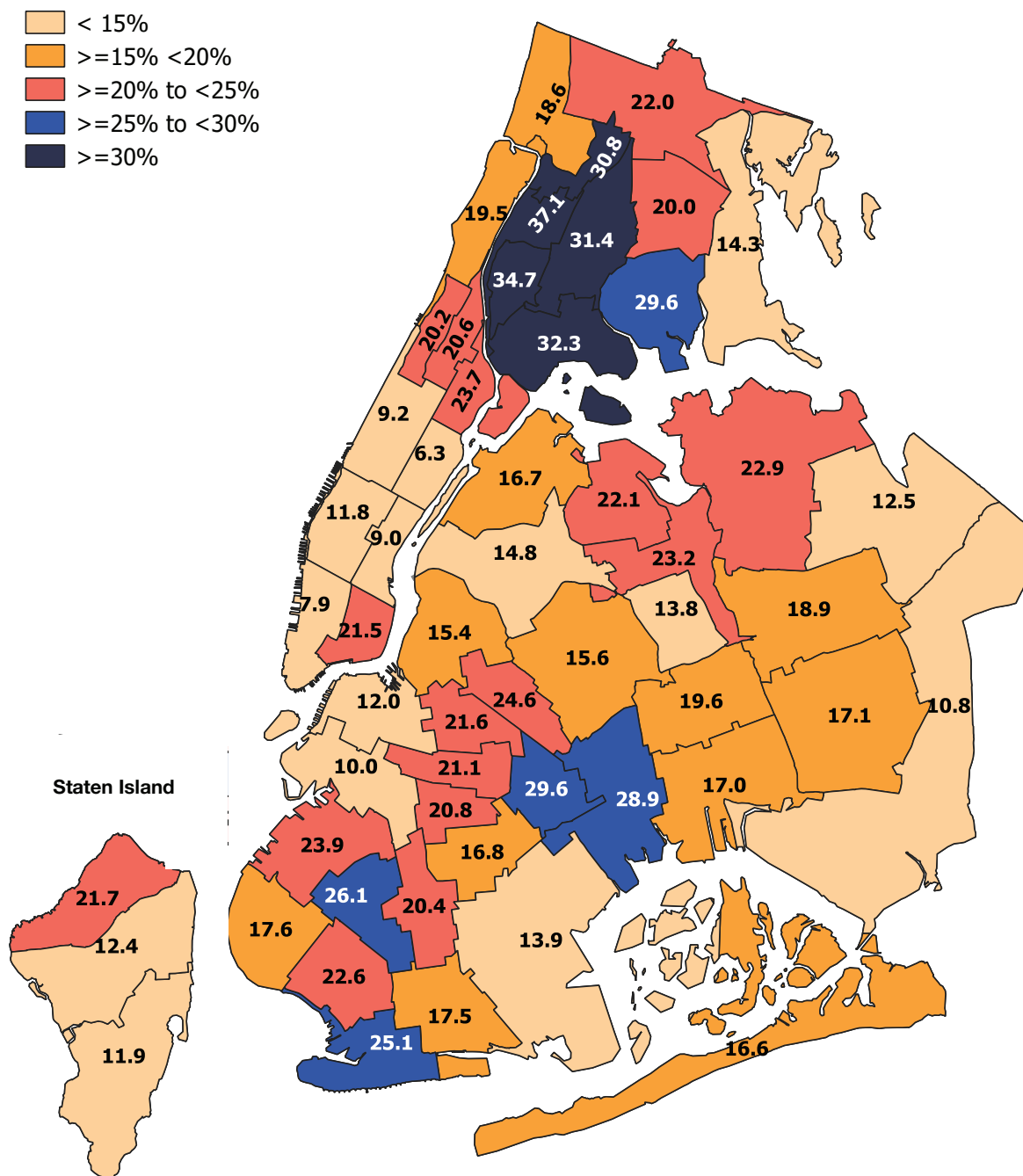
Source: Five-year average of 2014-2018 American Community Survey Public Use Micro Sample files as augmented by NYC Opportunity.

Table 1.2

Racial/Ethnic Composition, Community Districts with Highest/Lowest Poverty Rates, 2014–2018

Highest Poverty Community Districts Composition				Lowest Poverty Community Districts Composition			
Community District (CD)	5-Year Average Poverty Rate	Race/Ethnicity	% CD Population	Community District (CD)	5-Year Average Poverty Rate	Race/Ethnicity	% CD Population
Bronx 5: Morris Heights, Fordham South, & Mount Hope	37.1%	Non-Hispanic Asian	1.3%	Manhattan 8: Upper East Side	6.3%	Non-Hispanic Asian	10.2%
		Non-Hispanic Black	26.4%			Non-Hispanic Black	2.0%
		Hispanic	70.0%			Hispanic	9.5%
		Non-Hispanic White	1.0%			Non-Hispanic White	75.8%
Bronx 4: Concourse, Highbridge, & Mount Eden	34.7%	Non-Hispanic Asian	1.5%	Manhattan 1&2:* Battery Park City, Greenwich Village, & SoHo	7.9%	Non-Hispanic Asian	15.2%
		Non-Hispanic Black	28.7%			Non-Hispanic Black	1.7%
		Hispanic	66.1%			Hispanic	6.0%
		Non-Hispanic White	1.9%			Non-Hispanic White	73.2%
Bronx 1&2:* Hunts Point, Longwood, & Melrose	32.3%	Non-Hispanic Asian	0.7%	Manhattan 6: Murray Hill, Gramercy, & Stuyvesant Town	9.0%	Non-Hispanic Asian	16.9%
		Non-Hispanic Black	27.6%			Non-Hispanic Black	2.6%
		Hispanic	69.0%			Hispanic	7.0%
		Non-Hispanic White	1.7%			Non-Hispanic White	70.6%
Bronx 3&6:* Belmont, Crotona Park East, & East Tremont	31.4%	Non-Hispanic Asian	0.9%	Manhattan 7: Upper West Side & West Side	9.2%	Non-Hispanic Asian	9.0%
		Non-Hispanic Black	30.8%			Non-Hispanic Black	4.6%
		Hispanic	64.4%			Hispanic	14.5%
		Non-Hispanic White	2.7%			Non-Hispanic White	68.7%
Bronx 7: Bedford Park, Fordham North, & Norwood	30.8%	Non-Hispanic Asian	5.7%	Brooklyn 6: Park Slope, Carroll Gardens, & Red Hook	10.0%	Non-Hispanic Asian	7.2%
		Non-Hispanic Black	14.3%			Non-Hispanic Black	7.0%
		Hispanic	72.0%			Hispanic	16.3%
		Non-Hispanic White	5.6%			Non-Hispanic White	64.6%

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
* Requires combining multiple CDs for an adequate sample.

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 2018 data show that employment and income both continued to improve from the prior year. The employment/population ratio steadily increased since the end of the Great Recession, reaching pre-recession levels by 2016. The share of people employed full time also surpassed pre-recession levels, with corresponding declines in both part-time workers and those who worked no weeks in 2018 (see Figure 1.12 and Figure 1.13).

Figure 1.12
Employment/Population Ratios, 2014–2018
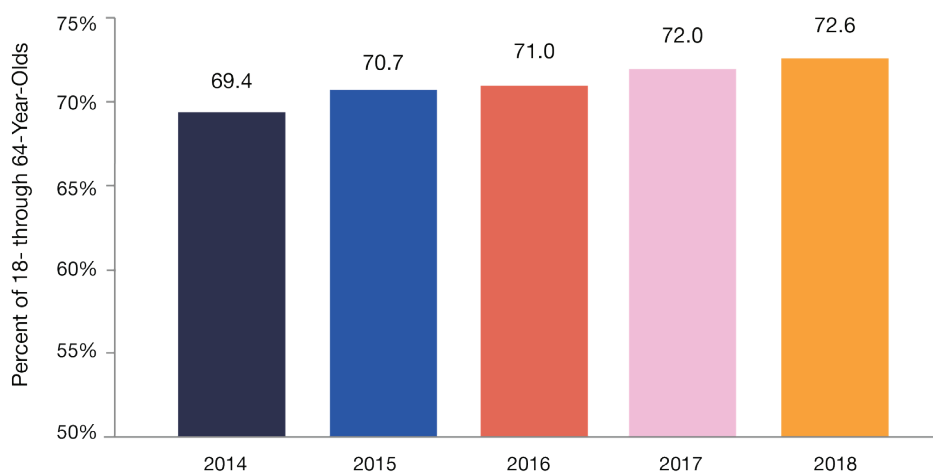
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

Figure 1.13
Weeks Worked in Prior 12 Months, 2014–2018
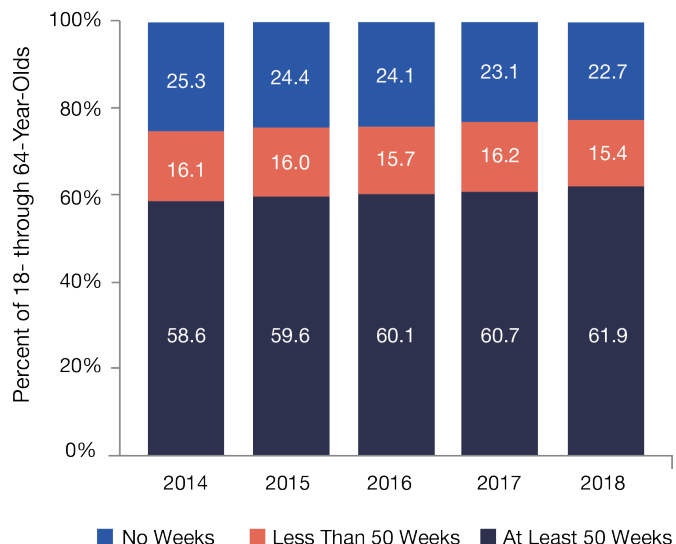
	No Weeks	Less Than 50 Weeks	At Least 50 Weeks
2014	25.3	16.1	58.6
2015	24.4	16.0	59.6
2016	24.1	15.7	60.1
2017	23.1	16.2	60.7
2018	22.7	15.4	61.9

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate a statistically significant change from the prior year.
* Indicates statistically significant change from 2014 to 2018.

Strong earnings growth among the lowest income workers 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. The minimum wage increased in 2014 and every year thereafter until 2019 when it reached $15. This report traces the trajectory from the initial 2014 increase to 2018 when minimum wage reached $13 – a $2 increase over the prior year.

Table 1.3 makes clear the difference between wages and NYCgov Income for the bottom half of the wage distribution in New York City as the minimum wage increased. Panel A of Table 1.3 shows that the greatest increase in wage growth occurred in the bottom deciles of the income distribution where minimum wage workers are found. But wages are only one component of NYCgov Income, the total measure of resources used to define poverty. Additional income supports such as tax credits and food assistance are included in income, while other expenditures are deducted. (See Section 1.4 for more on NYCgov Income components.)

Panel B of Table 1.3 shows this fuller resource measure, NYCgov Income, over time as the minimum wage increased. NYCgov Income increases at a slower pace than wages, possibly indicating a loss of benefits or an increase in expenditures as wage income changed. Some families may have reached a "benefits cliff" – an income level where they were no longer eligible for assistance or saw a decline in tax credits. In some cases, the additional income is greater than the benefits lost. We discuss this further in Chapter 2.

Table 1.3
Nominal Wages and Incomes at Select Percentiles of Distribution, 2014–2018

Panel A	Nominal Wages					
Percentiles	2014	2015	2016	2017	2018	Annual Average Growth Rate: 2014–2018
10	$7,059	$7,209	$7,859	$8,090	$9,118	6.3%
20	$13,916	$14,018	$15,114	$15,168	$17,324	5.9%
30	$20,169	$20,025	$20,958	$22,246	$25,327	4.8%
40	$27,530	$28,035	$30,228	$30,336	$32,419	3.9%
50	$35,295	$36,046	$38,288	$40,448	$40,828	3.0%
Panel B	Nominal NYCgov Income*					
Percentiles	2014	2015	2016	2017	2018	Annual Average Growth Rate: 2014–2018
10	$23,477	$23,631	$24,431	$25,105	$26,394	3.2%
20	$31,395	$32,004	$33,024	$34,050	$35,643	2.9%
30	$37,019	$37,775	$39,033	$40,324	$42,810	3.4%
40	$42,611	$43,804	$45,128	$46,937	$51,397	4.2%
50	$50,372	$51,728	$53,252	$55,808	$61,403	4.6%

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
* NYCgov Income = (wages + cash transfers + non-cash transfers + net taxes)
MINUS (childcare costs + transit costs + out-of-pocket medical spending) and adjusted for family size.

1.3.a The Economy in 2020

The 2018 employment and earnings data shown above occurred during the post-recession expansion. This trend continued into 2019 and the first few months of 2020. In the spring of 2020 as we prepared this report, the city went into quarantine and businesses shuttered due to the COVID-19 pandemic. The unemployment rate rose to over 20 percent by June. It is difficult to know the final effects of COVID-19 on the poverty and near poverty rates. Some amount of lost wages were replaced by other resources generally counted in NYCgov Income – cash assistance in the form of unemployment and stimulus bonuses, as well as non-cash assistance such as new SNAP enrollments. At the same time, payments for childcare and non-COVID-19 medical spending declined.[4]

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4   The 2020 threshold is yet to be determined. It will be based on a five-year average (2016–2020) of spending on necessities, including local housing costs.

To the extent that the employment/population ratio in Figure 1.12 represented improved economic well-being, revising that ratio to reflect current unemployment rates is sobering. In 2018, 72.6 percent of the city's working age population was employed. That falls to nearly 60 percent at the unemployment rates seen in the summer of 2020.

The data in this section highlight the importance of jobs creation and workforce development as a policy tool. Many such programs are already in place, as Section 1.6 further describes. That foundation can be built upon as part of an equitable recovery.

A second leg in building a recovery is a strong social safety net. Temporary assistance for food and housing, direct economic aid, and a generous system of refundable tax credits are proven to keep families from spiraling into deep poverty even during the best of times. Falling employment and wages due to the current economic shock will generate immense economic need. Section 1.4 provides data on the importance of the safety net in 2018. The need to expand the safety net in the present moment is clear.

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

The data in Section 1.3 imply that the economic well-being of New Yorkers had improved from 2014 to 2018. 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 (such as nutritional assistance, tax credits, housing supports, and other programs as explained in Section 1.5). 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, 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 of the absence of a particular income component on the poverty rate. For example, in the absence of housing supports, the 2018 poverty rate would be 5.4 percentage points higher, or 24.4 percent.[5] In the absence of medical expenditures, the poverty rate would be 3 percentage points lower, or 16.1 percent.

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5   Housing Adjustment = implicit benefit to anyone enjoying the advantage of non-market rent: public or subsidized housing, rent-
      regulated leases.

Figure 1.14
Marginal Effects of Selected Sources of Income on NYCgov Poverty Rate, 2018
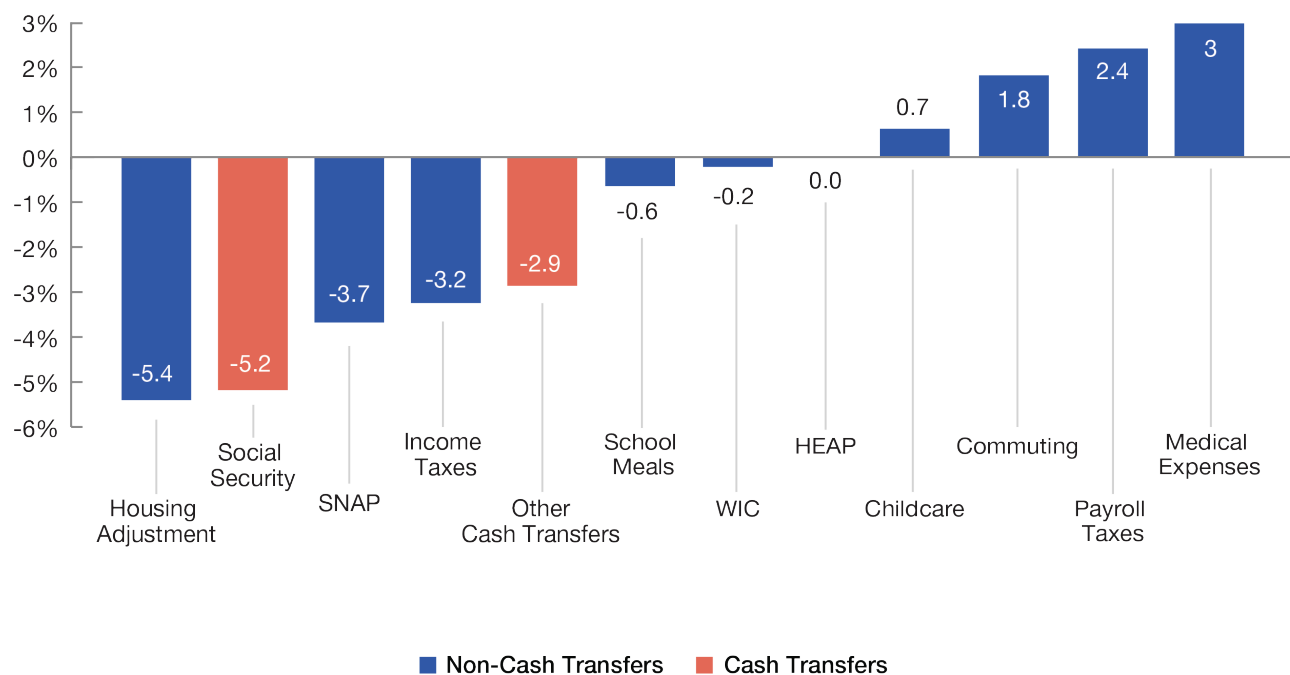
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.

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[6] and a definition of a poverty threshold – the minimal socially acceptable measure of resources necessary 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 official U.S. poverty measure differ in their definitions of both income and threshold.

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

Comparing the U.S. and NYCgov Poverty Measures[7]

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 official U.S. threshold is based on the cost of a minimal nutritional standard that is adjusted for family size. It remains unchanged for over 50 years, save for inflation adjustments. It does not reflect changes in the standard of living that have occurred in the last half century or geographic differences in the cost of living, housing costs in particular.

- The income measure is limited to pre-tax cash. Current anti-poverty policies consist of a limited amount of cash assistance plus tax credits and in-kind benefits such as the Supplemental Nutrition Assistance Program (SNAP). Because these programs are excluded from the official resource measure, their impact on the official poverty rate cannot be estimated.

- There is no accounting for nondiscretionary spending on items such as health care, or the transportation and childcare costs required of many working adults. Omitting these costs overstates the amount of pre-tax cash income that is available to meet the threshold.

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

- The NYCgov Income measure includes multiple resources that reflect current anti-poverty efforts:

  - After-tax cash income

  - Nutrition Assistance: SNAP; free school meals; and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

  - Housing assistance, including the differential from market rents when residing in public, subsidized, or rent regulated apartments

  - Home heating assistance

- Nondiscretionary spending is estimated and subtracted from income:

  - Childcare and transit costs for workers

  - Out-of-pocket medical spending, including premium costs

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

Table 1.4 compares the components of the official U.S. poverty measure and the NYCgov measure. Since 2011, the U.S. Census Bureau has released another measure of poverty, the Supplemental Poverty Measure (SPM), that is similar to the NYCgov measure but not available at the city level. For 2018, the SPM poverty rate for the United States was 12.8 percent, statistically unchanged from 2017.

Table 1.4
Comparison of U.S. Official and NYCgov Poverty Measures

	U.S. Official	NYCgov
Threshold	Established in early 1960s at three times the cost of "Economy Food Plan."	Equal to 33rd percentile of family expenditures on food, clothing, shelter, and utilities, plus 20 percent more for miscellaneous needs.
	Updated by change in Consumer Price Index.	Updated by change in expenditures for items in the threshold.
	No geographic adjustment.	Inter-area adjustment based on differences in housing costs.
Resources	Total family *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 SNAP.
		Housing status adjustment.
		Subtract work-related expenses such as childcare and transportation costs.
		Subtract medical out-of-pocket expenditures.

1.6 New York City Policy and the Goal of Poverty Reduction

This year's Poverty Measure shows clear signs of progress in the 2017 to 2018 period that predates the COVID-19 crisis. The new numbers on poverty and near poverty provide important information about what kinds of government actions help in addressing poverty, and which should be taken going forward. It also shines a light on which New Yorkers are most vulnerable. Rising wages and job growth continue to be central to the City's efforts in reducing poverty and moving toward an equitable economy in the future.

Although data that reflect the effects of COVID-19 on the NYCgov poverty rate will not be available until 2022, the impact of the crisis is highly visible today. The City is already developing and launching an array of initiatives designed to help New Yorkers with the new health, economic, and social challenges raised by the pandemic.

In the period covered by this report, the City placed strong emphasis on helping low-income New Yorkers obtain well-paying jobs and raising the quality of low-paying jobs. It made extensive investments in job-creating initiatives through tax incentives and direct funding, making physical spaces available for job-creating businesses. These efforts include opening and operating a 1 million-square-foot manufacturing facility at the Brooklyn Navy Yard, launching the City University of New York (CUNY) 2X tech initiative, and supporting the LifeSci NYC incubator.

The City also provided workforce training in key sectors such as cybersecurity, life sciences, and health care. Its partnership with City College of New York (CCNY) prepares New Yorkers for tech jobs through the City's Department of Small Business Services' (SBS) NYC Tech Talent Pipeline (TTP). The City also created industry partnerships, cooperatively working on the development and improvement of workforce programs to ensure they meet both worker and employer needs.

Workforce initiatives will be key in addressing the unemployment and underemployment resulting from COVID-19. The City is working hard to identify occupations with hiring opportunities and to help New Yorkers access mid-wage jobs that can sustain a family. In the short term it is helping put people to work by meeting new needs. In one such initiative, the City has hired unemployed Lyft workers to deliver meals to those in need due to the COVID-19 crisis.

Some of the most successful programs to-date have targeted particular populations. In January 2019 the City announced that the New York City Housing Authority (NYCHA) had placed NYCHA residents in nearly 15,000 jobs since 2014 through its workforce development programs. In September 2019 the City announced an expanded Jobs-Plus program – a highly successful NYC Opportunity initiative which expanded under the Young Men's Initiative. Jobs-Plus has provided nearly 8,500 NYCHA residents with job placements since 2013.

The City also has been working to promote higher wages – the other major factor lifting New Yorkers out of near poverty in 2017–2018. Along with advocates for low-income workers, the City lobbied the State to raise the New York City minimum wage. The State adopted phased-in increases in 2013, lifting the minimum wage from $7.25 to $13 in 2018. In 2019, minimum wage rose to $15.

The City continues to promote higher wages. In December 2018, at the end of the period covered by this report, the City established the nation's first minimum pay rate for app-based drivers. The new minimum hourly compensation rate, $17.22 after expenses for owning and operating a vehicle, was calculated to be

the contractor equivalent of a $15 minimum wage. At the time of adoption, this minimum compensation rate applied to an estimated 80,000 for-hire drivers.

The COVID-19 crisis has rapidly transformed the landscape of poverty in New York City. It has caused extraordinary losses of jobs and income. It has increased medical needs and costs, and has imposed greater burdens of care for children and older relatives. The pandemic has struck different communities in the city with greater force than others, underscoring and increasing racial, economic, and numerous other inequities.

In addressing the loss of jobs and income, the City should continue to expand the types of programs that helped lower poverty in the period prior to the pandemic. At the same time, the COVID-19 crisis presents fresh challenges that require a new set of responses, many of which the City has already begun to put in place. It is expanding benefits outreach to help New Yorkers identify and apply for all the government assistance to which they are entitled. It is making food available to any New Yorker in need, with both school-based "grab and go" food distribution and home deliveries. It is reaching out to ensure that New Yorkers are aware of the health and mental health resources available to all residents. It is launching a variety of initiatives that offer New Yorkers assistance in meeting housing costs, including rent reductions for NYCHA and Section 8 tenants who need them, and hardship exemptions for property tax payments. NYCHA has also provided COVID-19-specific support to its residents, including testing, and tablets and internet connectivity for vulnerable seniors. The Department of Consumer and Worker Protection has put in place protections to prevent price gouging in the wake of the crisis. The City has convened a Fair Recovery Taskforce to ensure that recovery addresses the deep inequities that predate the COVID-19 crisis, but in many cases have been exacerbated by it.

Even with these new initiatives and others still in development, the COVID-19 crisis will have a profound impact on poverty in the city. While many of the challenges New Yorkers now face are new, the work the City has done in the past will be an invaluable guide to combatting poverty during the recovery years.
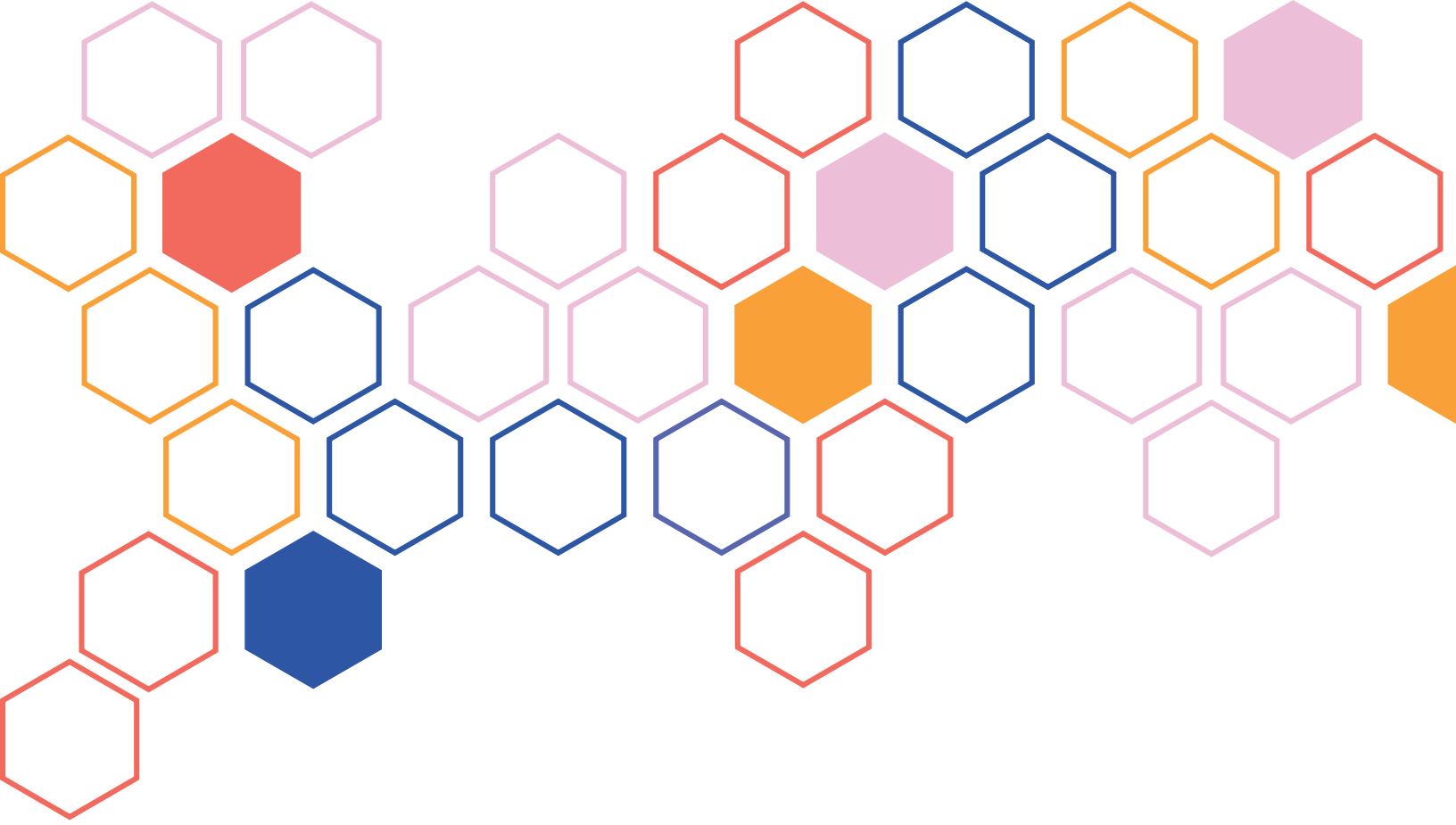
Chapter 2
Detailed NYCgov Poverty Rates and Differences among the Population in Poverty

Chapter 2
Detailed NYCgov Poverty Rates and Differences among the Population in Poverty

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 differences within the population in poverty. In particular, the data show differences in the degree of poverty – the distance above or below the poverty threshold for specific groups. This concept is used to estimate the poverty gap and poverty surplus. The chapter concludes by linking changes in the degree of poverty to differences in the distribution of government benefits, as well as to the potential for benefit cliffs in 2018 as the minimum wage approached $15.

2.1 Poverty by Individual and Family Characteristics

The data shown in this section provide more detailed categories than those shown in Chapter 1 but continue to follow the same broad trends: The years 2014 to 2018 are marked by nominal declines in the annual poverty rate from year to year, but in many cases these changes result in statistically significant declines over that five-year period.

The data also contain trends that have been consistent since the initial publication of this report, starting with data from 2005. They are highlighted below because they regularly 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 over 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 the poverty rates for citizens by birth and naturalized citizens. However, the non-citizen poverty rate has steadily fallen since 2014.[1]

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

The tables in Section 2.1 are organized so that readers can readily track changes over time. The first set of columns in the tables provide poverty rates for each group, followed by calculations of change over time for the five-year period 2014 to 2018 and the one-year change from 2017 to 2018 (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
Race/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 multi-racial or Non-Hispanic and a member of another race,such as Native American. We omit this residual category from Table 2.1.

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

Table 2.1
NYCgov Poverty Rates for Persons, by Demographic Characteristic, 2014–2018

(Numbers are Percent of the Population)

	2014	2015	2016	2017	2018	Percentage Point Difference		Group Share of 2017 Population
						2014–2018	2017–2018	
Total New York City	20.2	19.6	19.0	19.3	19.1	**-1.1**	-0.2	100
Gender								
Male	19.2	**18.1**	17.5	**18.4**	17.6	**-1.6**	-0.8	47.6
Female	21.1	21.0	20.5	20.0	20.4	-0.8	0.3	52.4
Age Group								
Under 18	23.0	22.3	21.8	21.7	21.7	-1.3	-0.1	21.0
18 through 64	19.2	18.6	**17.8**	18.1	17.6	**-1.6**	-0.6	64.4
65 and Older	20.6	20.4	20.9	20.7	21.8	1.2	1.1	14.6
Children (Under 18), by Presence of Parent								
One Parent	36.1	33.7	36.2	35.4	34.6	-1.5	-0.8	33.0
Two Parents	15.5	16.2	14.6	14.1	15.3	-0.2	1.2	67.0
Race/Ethnicity								
Non-Hispanic Asian	24.5	**22.2**	22.4	22.2	21.7	**-2.9**	-0.5	14.2
Non-Hispanic Black	22.5	21.2	**18.6**	**20.6**	19.2	**-3.3**	-1.3	21.4
Hispanic, Any Race	24.3	25.1	25.1	24.6	24.2	-0.1	-0.4	29.3
Non-Hispanic White	12.9	12.4	12.4	12.1	**13.2**	0.2	**1.1**	31.7
Race/Ethnicity and Gender								
Non-Hispanic Asian: Male	24.7	21.0	22.0	22.4	21.6	**-3.1**	-0.8	6.7
Non-Hispanic Asian: Female	24.3	23.2	22.8	22.0	21.8	**-2.6**	-0.3	7.5
Non-Hispanic Black: Male	21.4	19.7	17.2	19.8	17.5	**-3.8**	**-2.3**	9.7
Non-Hispanic Black: Female	23.4	22.3	19.7	21.1	20.6	**-2.8**	-0.5	11.7
Hispanic, Any Race: Male	23.0	22.7	22.5	22.8	22.0	-0.9	-0.8	14.2
Hispanic, Any Race: Female	25.7	27.4	27.5	26.4	26.3	0.7	-0.1	15.1
Non-Hispanic White: Male	12.0	11.6	11.1	11.7	12.1	0.1	0.4	15.5
Non-Hispanic White: Female	13.9	13.3	13.7	12.5	14.2	0.4	**1.7**	16.2

Table 2.1 *(continued)*
NYCgov Poverty Rates for Persons, by Demographic Characteristic, 2014–2018

(Numbers are Percent of the Population)

Nativity/Citizenship								
Citizen by Birth	18.5	18.0	17.4	18.0	18.2	-0.3	0.2	62.7
Naturalized Citizen	18.8	18.6	18.3	18.4	18.1	-0.7	-0.3	21.3
Not a Citizen	28.0	27.0	25.8	25.4	23.8	**-4.2**	-1.6	16.0
Working Age Adults (18 through 64), by Educational Attainment[1]								
Less than High School	32.9	32.8	31.0	31.8	32.2	-0.6	0.5	14.8
High School Degree	23.7	23.3	**21.4**	21.9	21.7	**-2.0**	-0.2	24.1
Some College	17.1	16.6	16.9	17.7	17.0	-0.2	-0.8	19.9
Bachelor's Degree or Higher	8.6	**7.8**	7.7	7.7	7.9	**-0.8**	0.1	41.2
Working Age Adults (18 through 64), by Work Experience in Past 12 Months[1,2]								
Full-Time, Year-Round	7.3	6.9	6.6	**7.4**	**6.3**	**-0.9**	**-1.0**	54.2
Some Work	23.8	23.1	22.9	22.4	23.1	-0.8	0.7	23.1
No Work	38.9	39.0	**36.8**	38.4	38.8	0.0	0.4	22.7

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

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Differences are taken from unrounded numbers; those in **bold** type 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 who do not have family members or unmarried partners in the household. This includes those who live alone (the typical case) and some living with others, such as roommates or boarders, who are treated as economically independent from the people they live with. Unrelated individuals are treated as one-person poverty units (solely reliant on their own resources).

Table 2.2
NYCgov Poverty Rates for Persons Living in Various Family Types, 2014–2018

(Numbers are Percent of the Population)

	2014	2015	2016	2017	2018	Percentage Point Difference		Group Share of 2018 Population
						2014–2018	2017–2018	
Total New York City	20.2	19.6	19.0	19.3	19.1	**-1.1**	-0.2	100.0
A. FAMILY COMPOSITION								
Married/Unmarried Partner[1]								
No Children under 18	12.7	12.7	12.2	11.4	11.7	-1.0	0.3	23.6
With Children under 18	15.1	15.7	**14.0**	14.6	14.5	-0.5	-0.1	32.4
Single Head of Household								
No Children under 18	20.7	19.5	17.3	16.9	**19.8**	-0.9	**2.9**	10.9
With Children under 18	32.2	30.6	32.4	32.0	30.7	-1.5	-1.2	14.1
Single Mother Family with Children under 18	33.6	32.3	33.6	33.0	32.3	-1.3	-0.7	12.0
All Families with Children under 18	20.9	20.5	19.8	20.3	19.4	**-1.5**	-0.9	46.5
Unrelated Individuals	27.2	**25.8**	26.4	**27.9**	26.9	-0.3	-1.0	18.9
B. WORK EXPERIENCE OF THE FAMILY[2]								
Two Full-Time, Year-Round Workers	5.9	**4.9**	4.9	4.9	4.4	**-1.4**	-0.5	36.8
One Full-Time, Year-Round, One Part-Time Worker	12.9	12.2	12.5	12.7	11.7	-1.2	-1.0	13.9
One Full-Time, Year-Round Worker	15.9	16.3	15.3	**17.0**	**14.7**	-1.2	**-2.3**	23.5
Less than One Full-Time, Year-Round Worker	41.9	42.7	41.4	41.1	**44.4**	2.4	**3.3**	11.2
No Work	51.1	51.5	50.7	50.0	50.7	-0.3	0.7	14.5

1. In the NYCgov measure, unmarried partners are treated as spouses. See text for an explanation.
2. See text for an 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 years of age and older for each family. Families with over 3,500 hours of work are labeled as having the equivalent of "Two Full-Time, Year-Round Workers." Families with 2,341 through 3,499 hours are labeled "One Full-Time, Year-Round and One Part-Time Worker." Families with at least 1,750 through 2,340 hours are identified as "One Full-Time, Year-Round Worker." Families with at least one hour of work, but less than 1,750 hours, are called "Less than One Full-Time, Year-Round Worker." Finally, there are families that have "No Work."

We use the same definition of family as in Chapter 1: people in the household who share resources and expenses by virtue of their relationship to each other. Using this definition, a family can be one person or many, with or without children.

2.2 Poverty in New York City by Geography

Poverty rates by borough are found in Table 2.3. Poverty rates by community district (CD) and neighborhood[2] are reported in Table 2.4. CDs are close approximations to Public Use Microdata Areas (PUMAs), the smallest geographical areas identified in the American Community Survey.[3] The U.S. Census Bureau sets the minimum PUMA population requirement at 100,000 people. This is a relatively small sample size, making it difficult to generate meaningful one-year estimates for CDs. Instead, we average five years of data for a more reliable estimate. The five-year citywide average poverty rate derived from the combined file is 19.4 percent. Table 1.2 in Chapter 1 expands on the differences in community poverty rates by looking at the racial and ethnic composition of the five CDs with the highest and lowest poverty rates.

Table 2.3
NYCgov Poverty Rates by Borough, 2014–2018

(Numbers are Percent of the Population)

	2014	2015	2016	2017	2018	Percentage Point Difference		Group Share of 2018 Population
						2014–2018	2017–2018	
Bronx	27.5	28.7	**26.1**	**28.9**	27.3	-0.2	-1.6	16.9
Brooklyn	21.6	20.9	20.0	19.7	19.7	**-1.9**	0.0	30.9
Manhattan	15.1	14.5	14.4	13.4	14.8	-0.3	1.4	19.1
Queens	18.4	17.2	17.5	17.4	17.2	-1.2	-0.2	27.4
Staten Island	16.6	14.6	15.3	16.7	14.7	-2.0	-2.1	5.7

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.

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2   Neighborhoods are adopted from the New York City PUMAs and Community Districts map published by the New York City Department of City Planning. See: https://www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/census2010/puma_cd_map.pdf
3   Most PUMAs are coterminous with community districts. In the case where a CD does not meet the minimum population requirement for a PUMA, two PUMAs had to be combined.

Table 2.4
NYCgov Poverty Rate by Community District (CD)/Neighborhood, 2014–2018

(Numbers are Percent of the Population)

Citywide Poverty Rate, 5-Year Average = 19.4%

CD	Neighborhood	5-Year Average Poverty Rate	Margin of Error
Bronx			
1 & 2	Hunts Point, Longwood, & Melrose	32.3	+/-2.1
3 & 6	Belmont, Crotona Park East, & East Tremont	31.4	+/-2.2
4	Concourse, Highbridge, & Mount Eden	34.7	+/-1.9
5	Morris Heights, Fordham South, & Mount Hope	37.1	+/-2.5
7	Bedford Park, Fordham North, & Norwood	30.8	+/-2.6
8	Riverdale, Fieldston, & Kingsbridge	18.6	+/-2.0
9	Castle Hill, Clason Point, & Parkchester	29.6	+/-1.7
10	Co-op City, Pelham Bay, & Schuylerville	14.3	+/-1.7
11	Pelham Parkway, Morris Park, & Laconia	20.0	+/-1.8
12	Wakefield, Willamsbridge, & Woodlawn	22.0	+/-2.0
Brooklyn			
1	Greenpoint & Williamsburg	15.4	+/-1.6
2	Brooklyn Heights & Fort Greene	12.0	+/-1.4
3	Bedford-Stuyvesant	21.6	+/-2.0
4	Bushwick	24.6	+/-2.0
5	East New York & Starrett City	28.9	+/-2.1
6	Park Slope, Carroll Gardens, & Red Hook	10.0	+/-1.3
7	Sunset Park & Windsor Terrace	23.9	+/-2.0
8	Crown Heights North & Prospect Heights	21.1	+/-1.8
9	Crown Heights South, Prospect Lefferts, & Wingate	20.8	+/-1.9
10	Bay Ridge & Dyker Heights	17.6	+/-1.5
11	Bensonhurst & Bath Beach	22.6	+/-1.7
12	Borough Park, Kensington, & Ocean Parkway	26.1	+/-2.2
13	Brighton Beach & Coney Island	25.1	+/-2.2
14	Flatbush & Midwood	20.4	+/-1.7
15	Sheepshead Bay, Gerritsen Beach, & Homecrest	17.5	+/-1.3
16	Brownsville & Ocean Hill	29.6	+/-2.5
17	East Flatbush, Farragut, & Rugby	16.8	+/-1.7
18	Canarsie & Flatlands	13.9	+/-1.3

(continued on the following page)

Table 2.4 *(continued)*

NYCgov Poverty Rates by Community District (CD)/Neighborhood, 2014–2018

(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	7.9	+/-1.0
3	Chinatown & Lower East Side	21.5	+/-1.8
4 & 5	Chelsea, Clinton, & Midtown Business District	11.8	+/-1.4
6	Murray Hill, Gramercy, & Stuyvesant Town	9.0	+/-1.2
7	Upper West Side & West Side	9.2	+/-1.3
8	Upper East Side	6.3	+/-0.8
9	Hamilton Heights, Manhattanville, & West Harlem	20.2	+/-2.2
10	Central Harlem	20.6	+/-1.8
11	East Harlem	23.7	+/-2.0
12	Washington Heights, Inwood, & Marble Hill	19.5	+/-1.7
Queens			
1	Astoria & Long Island City	16.7	+/-1.3
2	Sunnyside & Woodside	14.8	+/-1.3
3	Jackson Heights & North Corona	22.1	+/-1.7
4	Elmhurst & South Corona	23.2	+/-2.0
5	Ridgewood, Glendale, & Middle Village	15.6	+/-1.1
6	Forest Hills & Rego Park	13.8	+/-1.8
7	Flushing, Murray Hill, & Whitestone	22.9	+/-1.4
8	Briarwood, Fresh Meadows, & Hillcrest	18.9	+/-1.5
9	Richmond Hill & Woodhaven	19.6	+/-1.6
10	Howard Beach & Ozone Park	17.0	+/-1.5
11	Bayside, Douglaston, & Little Neck	12.5	+/-1.3
12	Jamaica, Hollis, & St Albans	17.1	+/-1.1
13	Queens Village, Cambria Heights, & Rosedale	10.8	+/-1.1
14	Far Rockaway, Breezy Point, & Broad Channel	16.6	+/-2.1
Staten Island			
1	Port Richmond, Stapleton, & Mariner's Harbor	11.9	+/-1.3
2	New Springville & South Beach	12.4	+/-1.6
3	Tottenville, Great Kills, & Annadale	21.7	+/-1.7

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Note: Poverty rate is the average over the 2014–2018 period.

2.3 Differences in the Degree of Poverty, Poverty Gap, and Poverty Surplus

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, while useful, 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.

Table 2.5 shows shares of the population at selected distances above and below the poverty threshold for the years 2014 to 2018. The pink band denotes shares of the population in poverty; the green band denotes those families with resources from 100 to 200 percent above their threshold. Note the significant declines in the share of the population below 150 percent of their threshold over time.

Table 2.5
Distribution of the Population by Degrees of Poverty, 2014–2018

		Resources as Percent of Poverty Threshold	Share of Population					Percentage Point Difference	
			2014	2015	2016	2017	2018	2014–2018	2017–2018
Below Threshold	In Poverty	Below 50%	5.1	4.9	5.0	4.9	4.9	0.1	0.0
		50–99%	15.1	14.7	14.1	14.3	14.1	**-0.4**	-0.2
Above Threshold	Near Poverty and Above	100–149%	26.0	25.7	25.4	24.8	22.2	**-0.7**	**-2.6**
		150–200%	15.9	15.5	15.6	15.4	16.1	0.4	0.7

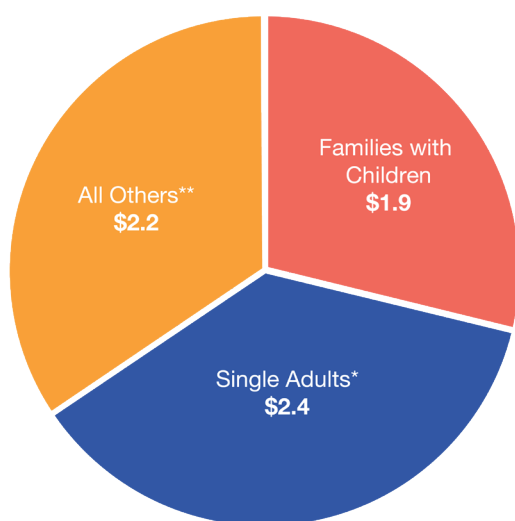Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Differences are taken from unrounded numbers; those in **bold** type are statistically significant. Shares may not sum to 100 percent due to rounding error.

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 cross the threshold and move out of poverty. The sum of every family's[4] poverty gap equals the dollar amount necessary to bring all New Yorkers over their poverty threshold. The amount differs for each family. The poverty gap for New York City in 2018 was $6.5 billion. This represents the total amount needed to lift all New Yorkers above their poverty threshold. Figure 2.1a shows that the poverty gap is not equally distributed across the population but varies by family status – size and composition. Breaking out the data by family status illustrates the impact of income supports that are often tied to the presence of children in the family.

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4   As in Chapter 1, "family" is used here as a substitute for the more technical term "poverty unit." It represents those people in a household who, by virtue of their relationships to each other, share resources and expenses. Using this definition, a family can be as small as one person or as large as an extended multi-generational unit united by blood. Unmarried partners are also included in the family unit.

Those living above their threshold have a "poverty surplus" – the amount of resources available beyond a family's poverty threshold.[5] Table 2.5 reports the share of the population with resources at 100 percent to 200 percent of their threshold. Figure 2.1b shows the poverty surplus for this population and breaks out the surplus for families with children and for single adults.[6] 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.

Figure 2.1a
NYC Poverty Gap, 2018 ($ billions)

All Others**
$2.2

Families with
Children
$1.9

Single Adults*
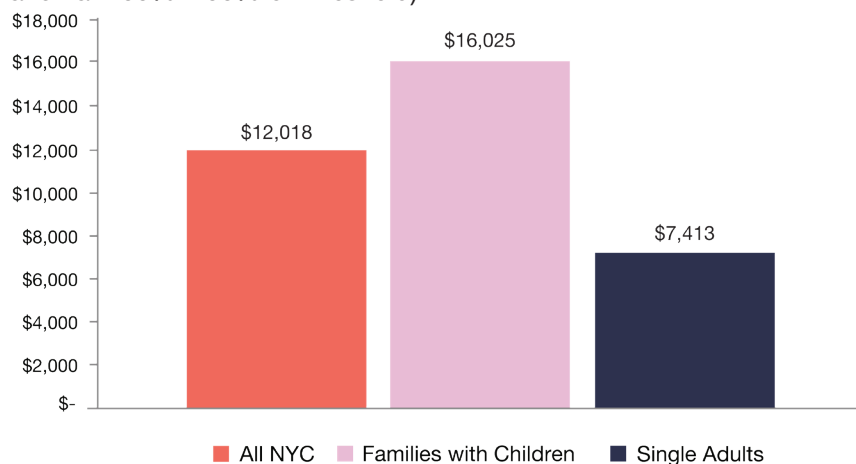$2.4

Total NYC Poverty Gap = $6.5 billion

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

** All others includes childless families as well as elderly single adults living alone or with unrelated others

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Notes: Numbers in **bold** indicate statistically significant change from prior year.
All amounts are in 2018 dollars.

Figure 2.1b
NYCgov Average Surplus of Resources Above Poverty Threshold, 2018

(population at 100%–200% of threshold)

$18,000

$16,000 $16,025

$14,000

$12,018

$12,000

$10,000

$8,000 $7,413

$6,000

$4,000

$2,000

$-

■ All NYC   ■ Families with Children   ■ Single Adults

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5   "Resources" as used here continues to refer to the NYCgov income measure of resources.

6   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.

Table 2.6 provides additional data on the gap and surplus, including the poverty gap index – a metric useful for comparing intensity of poverty across groups while accounting for thresholds of different size.

POVERTY RATE, GAP, AND SURPLUS, AND INTENSITY 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 in Table 2.6 is the average per capita surplus for families that are between 100 and 200 percent of the poverty threshold. The surplus is most relevant as an indicator of the average economic cushion for families near the poverty line.

Poverty Gap Index/Intensity of Poverty: The poverty gap index is an indicator of the intensity of the experience of being "in poverty." It can differ depending on how far away from the poverty threshold a family exists. The poverty gap index quantifies this 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 a poverty gap index of 6 percent; 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 the need. Family-level poverty gap index values are aggregated to generate the citywide poverty gap index.

Table 2.6
NYCgov Poverty Gap and Surplus, 2014–2018

	2014	2015	2016	2017	2018	Change 2014–2018	Change 2017–2018
A. All NYC Residents							
Poverty Gap ($ billions)	6.54	6.40	6.37	6.58	6.50	-0.04	-0.08
Average $ below Poverty Line among Poor Families	$8,395	$8,453	$8,423	$8,479	$8,508	$113	$113
Poverty Gap Index (%)*	6.92	6.75	6.61	6.68	6.61	-0.31	-0.31
Number of Families	779,253	756,690	755,999	776,096	763,685	(15,568)	(15,568)
Average Surplus $, at 100–200% of Poverty Threshold	$11,030	$11,161	$11,115	$11,337	**$ 12,018**	**$989**	**$682**
B. Families with Children							
Poverty Gap ($ billions)	1.98	1.92	1.90	1.94	1.87	-0.11	-0.07
Average $ below Poverty Line among Poor Families	$9,716	$9,646	$9,774	$10,011	$10,242	$526	$231
Poverty Gap Index (%)*	5.93	5.75	5.62	5.81	5.65	-0.28	3.71
Number of Families	203,711	199,429	194,300	193,617	182,230	(21,481)	(11,387)
Average Surplus $, at 100–200% of Poverty Threshold	$13,981	$14,219	$14,668	$14,394	**$16,025**	**$2,044**	**$1,631**
C. Unrelated Individuals Living Alone or with Others							
Poverty Gap ($ billions)	2.57	2.41	2.53	2.56	2.40	-0.18	-0.16
Average $ below Poverty Line among Poor Families	$8,367	**$8,185**	$8,404	$8,262	$8,232	$(135)	$(30)
Poverty Gap Index (%)*	14.25	**13.17**	13.48	13.85	**12.81**	**-1.44**	**-1.04**
Number of Families	307,741	294,287	300,917	309,764	291,118	(16,623)	(18,646)
Average Surplus $, at 100–200% of Poverty Threshold	$7,098	$6,920	$6,882	**$7,154**	$7,413	**$ 314**	$ 258

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 Distribution of the Safety Net

As explained in Chapter 1 (and expanded upon in Chapter 3), NYCgov income includes multiple components: earned income and other resources such as Social Security, non-cash benefits, and tax credits. Costs of work and health care are deducted from these resources to derive total income. Figure 1.14 showed the importance of all these components in lowering or raising the poverty rate. Although the safety net is effective at lowering poverty, these resources are not equally distributed, a key source of differences in the poverty gap. Figure 2.2 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. The NYCgov and other alternative poverty measures have repeatedly shown the importance of public programs in lowering the poverty rate, especially the child poverty rate.[7] Similar but less generous benefits exist for the elderly. Childless working-age adults receive minimal relief from benefit programs as their incomes mostly consist of earned income, scant tax credits, and minimal other benefits.

Figure 2.2
Impact of Combined Government Assistance and Tax Credits by Selected Family Type, 2018

(Percent Decline in Poverty Rate)
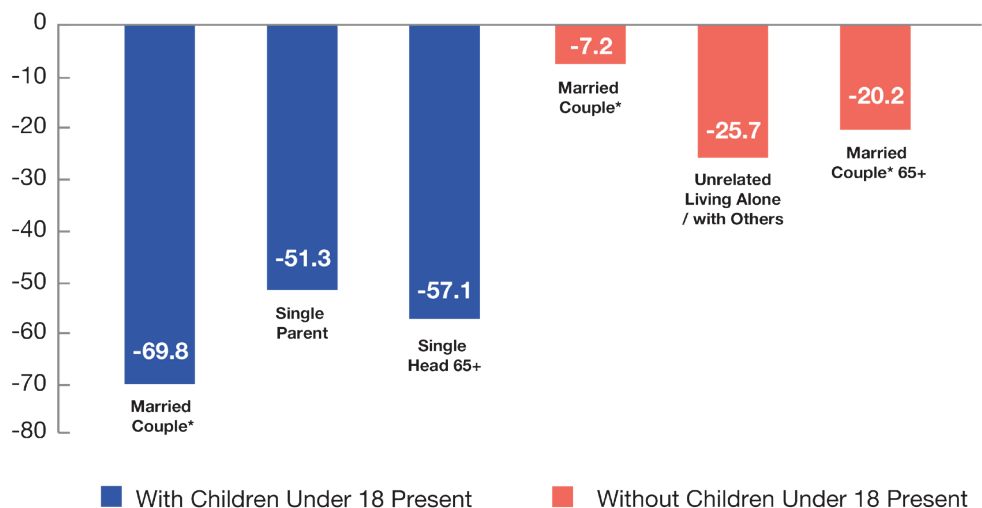
Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
* Unmarried partners included.

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7   In addition to findings in this report, see also Liana Fox et al., "Waging War on Poverty: Historical Trends in Poverty Using the Surplus Poverty Measure." National Bureau of Economic Research, Cambridge, MA. 2014. https://www.nber.org/papers/w19789.pdf
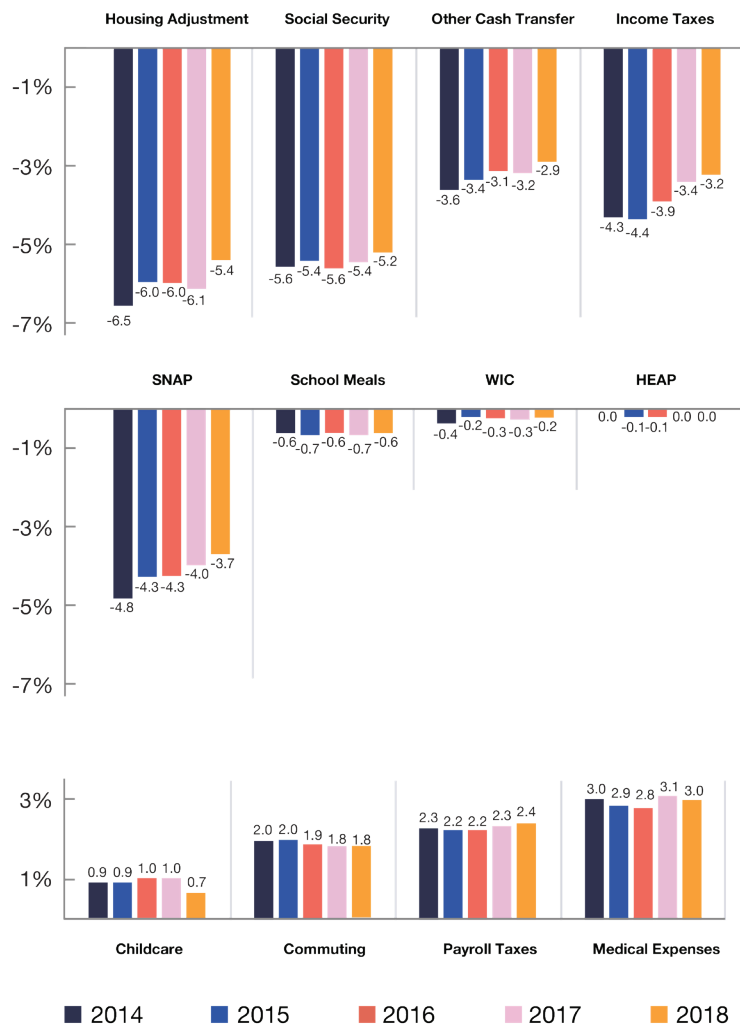
Figure 2.3
Marginal Effects, Selected Sources of Income on the NYCgov Poverty Rate, 2014-2018

Table 2.7
Earned Income Tax Credit at Minimum Wage Income with Poverty Thresholds

Year	Minimum Wage per Hour	Annual Earnings, Two 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)
2018	$13.00	$54,080	$51,492	$0	$35,044	$52,566	$1,514
2019*	$15.00	$62,400	52,493	$0	$36,215	$54,323	$8,078

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

Disparities in the intensity of poverty are a combined effect of disparities in wages and accessibility of benefits.[8] 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 for slowing NYCgov income is because this income measure includes all sources, not just wages. For low income families, rising earnings can involve tradeoffs. Eligibility for some income supports such as the Supplemental Nutrition Assistance Program (SNAP) may taper off as earnings rise. The Earned Income Tax Credit (EITC) increases with earnings and then phases out. The mix of a family's income components is not constant over time but shifts with wages and benefit eligibility standards. Figure 2.3 presents evidence of this shift. As the minimum wage rose and the unemployment rate fell (allowing more workers to avail themselves of the higher wage), the data show that the effect of benefits, in particular SNAP and tax credits, has declined with the rise in earnings.[9] The role of the safety net in 2018 in offsetting poverty was slowly being replaced by the increase in earned income.

An example of how benefits decline with income is shown in Table 2.7. A two-adult, two-child family with both adults employed full-time, year-round at minimum wage is used for the example. EITC parameters and poverty thresholds are shown for 2013, 2018, and estimated for 2019, along with annual minimum wage income. The minimum wage in 2013, $7.25 per hour, was the hourly wage before the gradual increase to a $15 minimum wage in New York City. The minimum wage in 2018, $13 per hour, is the minimum wage associated with the data in this year's report. The minimum wage in 2019, $15, is the culmination of five years of gradual wage increases. Poverty thresholds for 2019 are estimated from prior year trends; the actual poverty threshold for 2019 will be determined and reported next year when relevant U.S. Census data is available.

In 2013, a family with two full-time minimum wage workers is in poverty but is receiving an EITC large enough to pull them over the poverty threshold, holding all other income components constant. In 2018, the family's combined minimum wage earnings put them over the near poverty threshold – moving them out of near poverty – and placed them above the allowable earnings to claim an EITC. This explains the declining marginal impact of tax credits seen in Figure 2.3. When the minimum wage reaches $15, the EITC for the hypothetical family shown in Table 2.7 equals zero, but their income is now $8,078 above the near poverty threshold – far greater than their lost EITC.

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

9   A caveat is required: The marginal impact of any one income component is relative to changes in other components. For example, if expenses such as medical spending rise faster than resources fall, the marginal impact of resources may decline.

Conclusion

Data that treat poverty as more than a simple headcount provide useful information: where poverty is most intense; who is helped most and least by safety net programs; how rising wages can reduce reliance on income supports. In 2018 the rising wage, concurrent with a high employment rate, was signaling a change in the poverty landscape and the effects of anti-poverty policy across targeted populations. When unemployment rises it is important to remember the safety net's success in lowering poverty rates, as well the importance of minimum wage increases in moving families above the near poverty threshold.
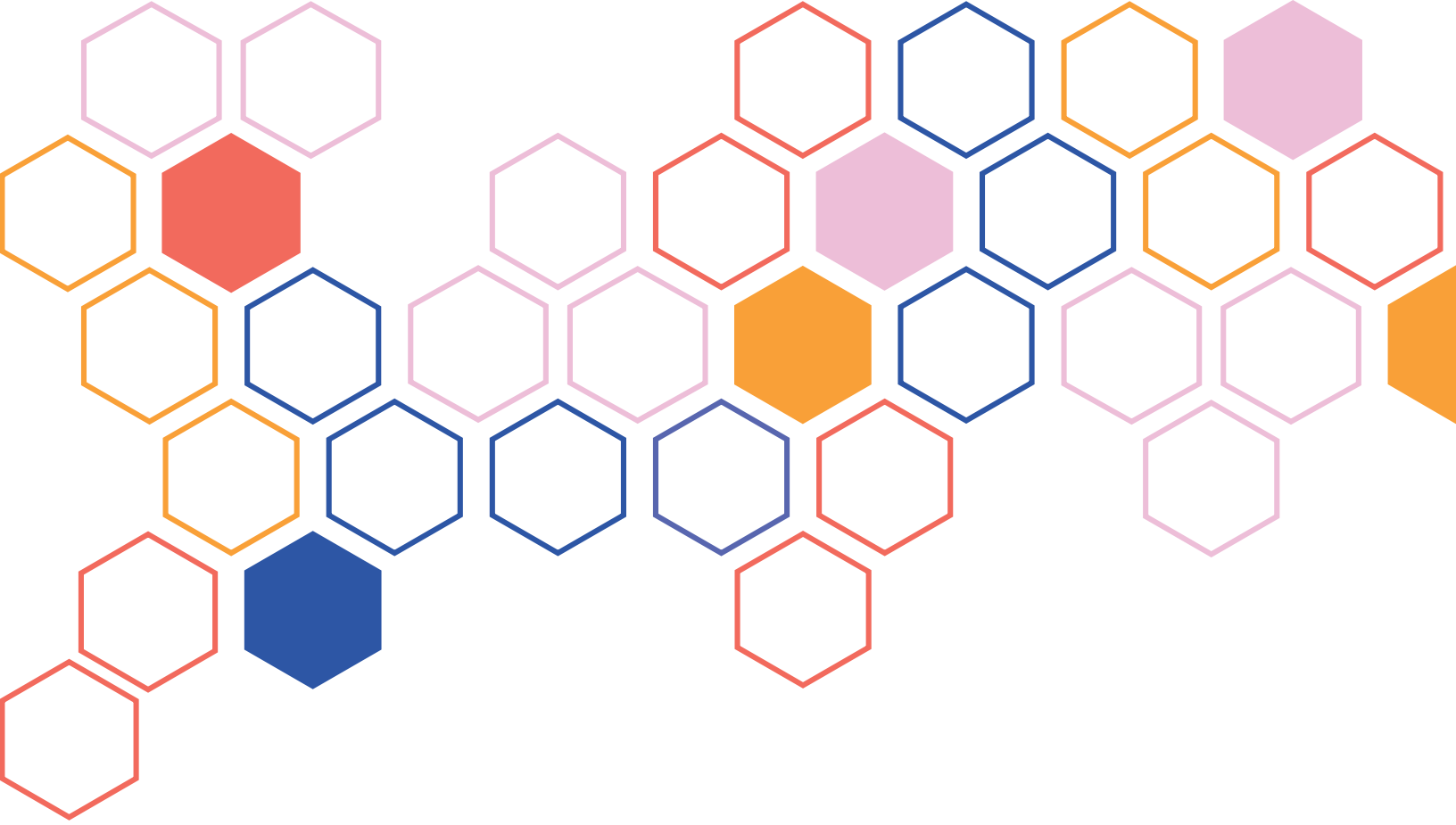
Chapter 3
Measuring Poverty: The NYCgov Poverty Measure Compared to the U.S. Official and U.S. Supplemental Poverty Measures

Chapter 3
Measuring Poverty: The NYCgov Poverty Measure Compared to the U.S. Official and U.S. Supplemental Poverty Measures

3.1 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. Census Bureau official poverty measure and the 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. 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 only based 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]

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

Over a half century later, this poverty line has little justification; it does not represent contemporary spending patterns or needs. Food now accounts for less than 10 percent of spending on average[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 government efforts 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.

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

Dissatisfaction with the U.S. official measure prompted Congress to request a study by the National Academy of Sciences (NAS).[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]

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

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2   Food expenditures in the 2018 calendar year, including 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   See Constance F. Citro and Robert T. Michael (eds), Measuring Poverty: A New Approach. Washington, DC: National Academy Press. 1995. In addition, much of the research inspired by the NAS report is available at: https://www.census.gov/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/assets/opportunity/pdf/08_poverty_measure_report.pdf

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.

spending and living standards. The NAS-style poverty line is also adjusted to reflect geographic differences in housing costs.

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.

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. The NAS recommendations account for this spending 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.

3.3 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 noted above have been incorporated but 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 2018, for example, the NYCgov poverty threshold of $35,044 was larger than the SPM renter threshold of $28,166.[8]

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.[9]

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5   The most recent SPM report is Liana Fox, "The Supplemental Poverty Measure: 2018." U.S. Bureau of the Census. October 2019. Available at: https://www.census.gov/library/publications/2019/demo/p60-268.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

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 (26,585 households in 2018) 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."

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 2018, for example, would report their income for the 12 months of 2017; households that are surveyed in February of 2018 would report their income for February 2017 through January 2018, and so on. Consequently, estimates for poverty rates derived from the 2018 ACS do not, strictly speaking, represent a 2018 poverty rate. Rather, it is a poverty rate derived from a survey that was fielded in 2018. Readers should bear in mind this difference as they interpret the findings in this report.

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

8   https://www.bls.gov/pir/spm/spm_thresholds_2018.htm

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

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.[10]

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

Taxation: Our tax model creates tax filing units within the ACS households; computes their adjusted gross income, taxable income, and tax liability; then estimates net income taxes after non-refundable and refundable credits are applied. The model takes into account 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 Special Supplemental 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 poverty measure estimated free, reduced, and full price school meals. School breakfasts are now universally free. School lunches were either free or full price in 2016 and universally free beginning with the 2017 school year. The Census Bureau's method for valuing income from the programs is followed by using the per-meal cost of the subsidy. We identify participants in the WIC program

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

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, HEAP-receiving households are identified by their participation in public assistance, SNAP, or SSI, and then the appropriate benefit is added to their income. Beginning in 2011, HEAP receipt reported in the Housing and Vacancy Survey was used. Since HEAP receipt was removed from the 2017 HVS 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. This year's report recalculated HEAP recipiency going back to 2013, adding home owners and households receiving NYCgov-imputed SNAP benefits to consideration for receiving imputed HEAP benefits. (See Appendix F.)

Work-Related Expenses (Transportation and Child Care): Workers generally travel to and from their jobs, and the cost of that travel is treated as a nondiscretionary expense. The number of trips a worker will make per week is estimated based on their usual weekly hours. The cost per trip is calculated using information in the ACS about mode of transportation, and administrative data such as subway fares is also included. 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, 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 has been created. Childcare costs are consistent with the percent of the year parents worked and are capped by the earned income of the lowest earning parent. (See Appendix G.)

Medical Out-of-Pocket Expenditures (MOOP): The cost of medical care is also treated as a nondiscretionary expense that limits the ability of families to attain the standard of living represented by the poverty threshold. MOOP includes health insurance premiums, co-pays, and deductibles, as well as the cost of medical services that are not covered by insurance. In a manner similar to that used for

childcare, an imputation model matches MOOP expenditures by families in the Agency for Healthcare Research and Quality's Medical Expenditure Panel Survey to families in the ACS sample. (See Appendix H.)

3.4 Comparing Poverty Rates

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

Table 3.1
Change in Poverty Rates and Thresholds: NYCgov, U.S. Official, and SPM, 2014–2018

(Numbers are Percent of the Population)

	2014	2015	2016	2017	2018	Percentage Point Change 2014–2018	Percentage Point Change 2017–2018
A. New York City, NYCgov							
Poverty Rate	20.2	19.6	19.0	19.3	19.1	**-1.1**	-0.2
Threshold	$31,581	$31,756	$32,402	$33,562	$35,044	$ 3,463	$ 1,482
B. New York City, Official							
Poverty Rate	19.1	18.4	17.6	16.6	16.1	**-3.0**	-0.5
Threshold	$ 24,008	$ 24,036	$ 24,339	$ 24,858	$ 25,465	$ 1,457	$607
C. United States SPM1[1]							
Poverty Rate	15.3	14.5	14	13.9	12.8	**-2.5**	-0.1
Threshold	$25,178	$25,262	$25,701	$26,612	$ 27,687	$ 2,509	$ 911

Sources: U.S. Bureau of the Census published data for 2014 through 2018, 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.
Notes: Changes are measured in percentage points. Changes for NYCgov rates are taken from unrounded numbers; those in **bold** type are statistically significant.

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

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

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11   The U.S.-level SPM poverty rates cited in this chapter are taken from Fox, 2019.

Table 3.2
Poverty Rates by Degree and Age Group Using Different Measures, 2018

(Numbers are Percent of the Population)

POVERTY	Official	SPM	Percentage Point Difference
A. United States			
Total	11.7	12.8	**1.1**
Under 18	16.2	13.7	**-2.5**
18 through 64	10.7	12.2	**1.5**
65 and Older	9.8	13.6	**3.8**
B. New York City			
Total	16.1	19.1	**3.0**
Under 18	23.4	21.7	**-1.8**
18 through 64	13.2	17.6	**4.4**
65 and Older	17.9	21.8	**3.9**
DEEP POVERTY	Official	SPM	Percentage Point Difference
A. United States			
Total	5.3	4.2	**-1.1**
Under 18	6.9	3.3	**-3.6**
18 through 64	5.1	4.2	**-0.9**
65 and Older	4.0	5.0	**1.0**
B. New York City			
Total	6.7	4.9	**-1.7**
Under 18	10.4	4.5	**-5.9**
18 through 64	5.8	4.9	**-0.9**
65 and Older	5.0	5.7	0.6

Table 3.2 *(continued)*
Poverty Rates by Degree and Age Group Using Different Measures, 2018

(Numbers are Percent of the Population)

NEAR POVERTY			
	Official	**SPM**	**Percentage Point Difference**
A. United States			
Total	8.3	15.0	**6.7**
Under 18	11.1	19.0	**7.9**
18 through 64	7.0	13.3	**6.3**
65 and Older	9.4	15.3	**5.9**
B. New York City			
Total	9.2	22.2	**-1.7**
Under 18	12.0	29.4	**-5.9**
18 through 64	8.0	20.2	**-0.9**
65 and Older	10.4	20.7	**0.6**

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

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

Table 3.2 provides 2018 poverty rates by age using the official and NAS-style measures. The poverty rates are broken out by the degrees of poverty discussed in Chapter 2: poverty, deep poverty, and near poverty. Panel A of each section reports the data for the U.S.[11] and Panel B provides the data for New York City.

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 Chapter 2. 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 3.2 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 3.2 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 and 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 4 describes the wide range of current policies implemented to reach those goals.
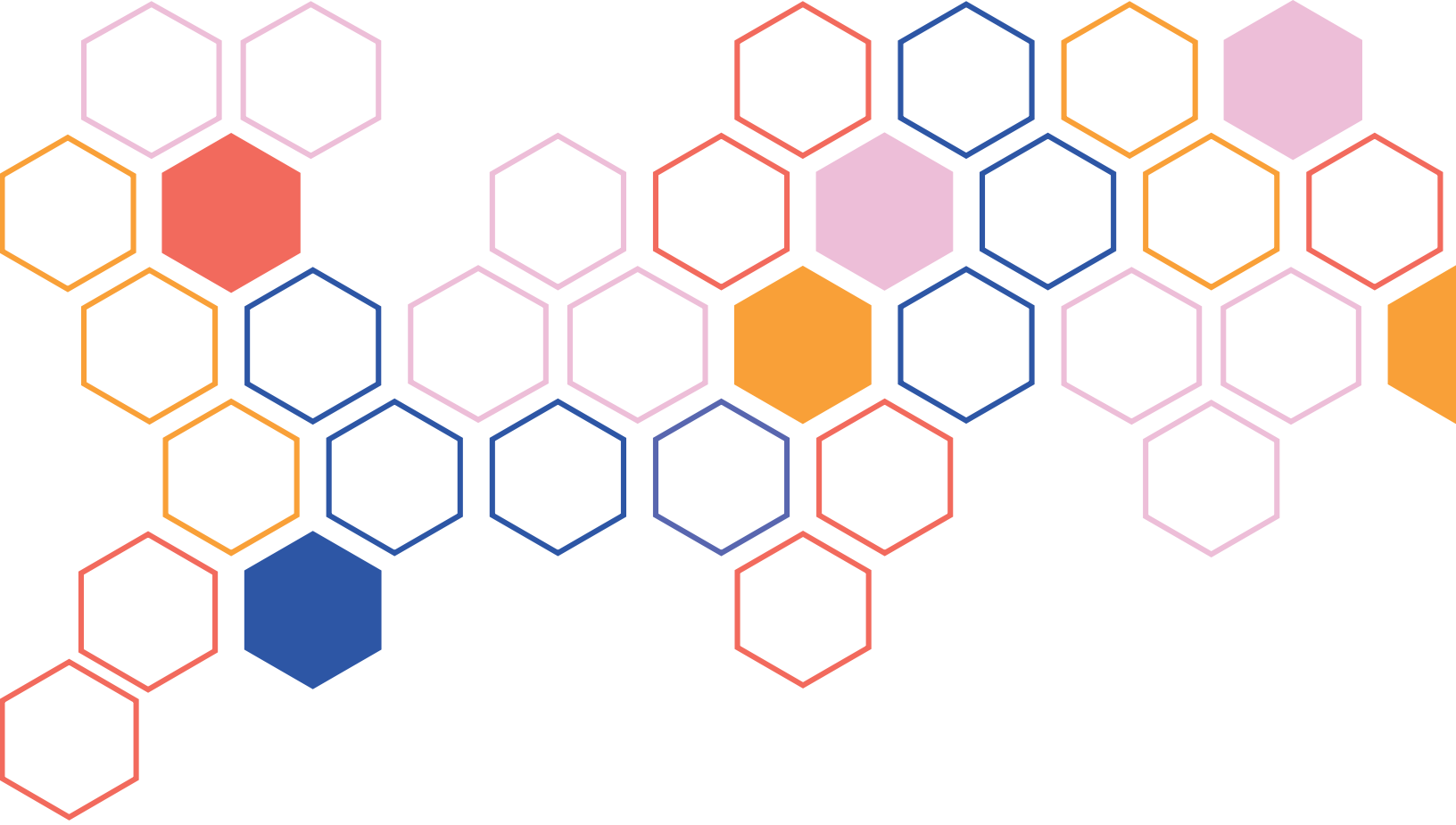
Chapter 4
Poverty in the City: Policy Responses and the Path Forward

Chapter 4
Poverty in the City: Policy Responses and the Path Forward

This year's Poverty Measure provides a snapshot of poverty in a different era: New York City before the COVID-19 crisis. The data it contains reflect conditions in 2018, a time when the city's economy was expanding, jobs were growing, and incomes were rising. Despite the significant changes in the city's economy that have since occurred, the data provide important information about which segments of the population are most vulnerable and what kinds of government policies are effective in addressing poverty.

Most notably, the data show a significant decline from 2017 to 2018 in near poverty in New York City. Rising wages and job growth were factors that notably contributed to this decline. The City has completed a great deal of work in this area, and it continues to do so. The landscape of poverty, however, has changed considerably since the city's first COVID-19 case was announced on March 1, 2020.[1]

The economic repercussions quickly began, with mass layoffs; freelance workers losing assignments; and those who remained employed being told not to come in to work, and in many cases not being paid.

It was immediately clear that the impact of the pandemic would disproportionately fall on the lowest paid workers, including janitors, home health care aides, paramedics, and bartenders.[2] Low-income New Yorkers were also particularly vulnerable to the economic fallout of the disease. As one news account noted, "In times of natural disasters and large-scale emergencies, low-income families who are already living on tight budgets with overdue bills, unstable housing, poor health care and unsteady employment often bear the brunt of the pain."[3]

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1   Joseph Goldstein and Jesse McKinley, "Coronavirus in N.Y.: Manhattan Woman Is First Confirmed Case in State." New York Times. March 1, 2020.

2   Beatrice Jin and Andrew McGill, "Who Is Most at Risk in the Coronavirus Crisis: 24 Million of the Lowest-Income Workers." Politico. March 21, 2020.

3   Manny Fernandez, "Coronavirus and Poverty: A Mother Skips Meals So Her Children Can Eat." New York Times. March 20, 2020.

The City immediately responded with an array of programs and actions designed to help New Yorkers affected by COVID-19. These responses have focused on the most vulnerable New Yorkers, with special attention to communities that have been hardest hit by the health and economic effects of the pandemic. Data reflecting the effects of COVID-19 on the poverty and near poverty rates in New York City throughout 2020 will be available in late 2021. That data, and a discussion of the initial impact on government policies aimed at addressing the impact of COVID-19, will be included in the spring 2022 Poverty Measure.

This year's report, which examines the pre-COVID-19 period in New York City, presents a broad picture of progress in 2017–2018 (as Chapter 1 notes). Although the 2018 poverty rate as measured by the NYCgov metric was statistically unchanged from 2017, it did significantly decline in the five-year period going back to 2014. The near poverty rate, as previously noted, declined in the one-year period from 2017 to 2018, as well as the five-year period from 2014 to 2018.

The data show that the declines in poverty broadly occurred across many segments of the city's population. Non-Hispanic Blacks, non-Hispanic Asians, non-citizens, families with children under 18, and high school graduates, among other groups, all had significant declines in poverty from 2014 to 2018.

Many forces contributed to these declines. A number of programs consistently play an important role in moving families out of poverty and near-poverty, including access to government benefits, higher education, and affordable housing. In this report's data, however, two factors stand out: earnings increases among the lowest income workers and job growth. The City has launched and expanded programs in all of these areas that play a clear role in reducing poverty and near poverty.

4.1 Jobs and Increased Wages

The City has prioritized expanding the availability of jobs and increasing wages, including:

Increases in the Minimum Wage

One of the main factors that decreased poverty in the period covered by this report was increases in earnings. A major driver of increased earnings for low-income New Yorkers is the minimum wage. The City does not set the minimum wage that applies to working New Yorkers, but it lobbied the New York State Legislature to increase it. The minimum wage has been increasing as part of a legislatively mandated phase-in: Since 2013, it has increased from $7.25 to its current 2020 rate of $15. In 2018, the minimum wage was $13.

Minimum Pay for App-Based Drivers

In December 2018, the City instituted the nation's first minimum pay rate for app-based drivers. The Taxi and Limousine Commission (TLC) set a minimum hourly compensation of $17.22, after the cost of owning and operating a vehicle is deducted, which was calculated to be the contractor equivalent of a $15 minimum wage. When it was adopted, the new wage standard affected about 80,000 for-hire drivers and their families.[4] The TLC also adopted other rules that increased the income of app-based drivers, including requiring out-of-town pay for return trips. The increased income of app-based drivers as a result of these new standards increased earnings among low-income New Yorkers.

Paid Sick Leave

The City's paid sick leave law requires employers with five or more employees to provide each worker with up to 40 hours of paid sick leave per year. The right to sick leave has a particularly strong impact on workers at the lowest levels of the job market, where paid sick leave was previously rare. The additional hours of paid work and the right to this benefit can keep workers from falling below the poverty threshold, as they are no longer forced to face the choice of working while sick or losing a paycheck – or even losing their job.

4.2 Career Training and Job Placement

The City has an array of programs designed to move low-income New Yorkers into good-paying jobs, including ApprenticeNYC, launched by the Department of Small Business Services (SBS) and the New York City Economic Development Corporation (NYCEDC). The program is part of a $5 million investment to create apprenticeships in the industrial, health, and tech sectors. Among the City's other work-focused programs are:

Jobs for NYCHA Residents

The City has prioritized placing New York City Housing Authority (NYCHA) residents in jobs. One initiative that has shown great success is Jobs-Plus, which NYC Opportunity helped launch and now co-manages with the City's Young Men's Initiative (YMI). Jobs-Plus is a place-based program that provides employment services at or near NYCHA developments, helping participants build skills and connect to the labor market. At the start of 2019, the City announced that NYCHA had placed residents in nearly 15,000 jobs since 2014 through its employment development programs. An independent evaluation of Jobs-Plus in the fall of 2019 found that the program significantly increased participants' employment rates and earnings.

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4   "Driver Pay for Drivers, Frequently Asked Questions: Which Drivers Will Earn More Based on these Rules?" NYC Taxi and Limousine Commission, available at https://www1.nyc.gov/site/tlc/about/driver-pay-drivers.page; Clayton Guse, "Ride Sharing Apps Raise Prices in NYC to Cover Driver Minimum Wage, Congestion Fee." New York Daily News. January 31, 2019.

Advance & Earn

NYC Opportunity, the Department of Youth and Community Development, and YMI together launched Advance & Earn, a program that offers comprehensive education, training, and employment services to "opportunity youth" – young people ages 16 to 24 who are not working or in school. The program was designed to offer robust services and seamless transitions, from education to advanced training and job placement, in areas such as culinary arts, masonry, and landscaping and roles such as certified nurse's aide and EKG/phlebotomy technician.

Expanded Worker Protections

The City has vigilantly protected the rights of workers, particularly those who work in low-wage jobs and are often taken advantage of. In 2017, the City enacted the Freelance Isn't Free Act, which provided new protections to New York City's estimated 400,000 freelancers. In 2019, the City announced the renaming of the Department of Consumer Affairs to the Department of Consumer and Worker Protection (DCWP). The City expanded DCWP's mission, launching new programs to protect some of the city's most vulnerable workers, including paid caregivers and domestic workers. These new worker protections, and heightened enforcement of existing protections, have helped increase the income of some of the city's lowest paid workers.

4.3 Other Initiatives to Reduce Poverty and Increase Opportunity

Year in and year out, there are certain government programs and actions that play an important role in reducing poverty and lifting people into the middle class. The U.S. Census Bureau's Decennial Census takes place every ten years and is a count of every person in the United States. It is an important tool for calculating the amount of federal funds flowing to states and localities to support many government programs. It is imperative that every New Yorker be counted in the 2020 Census to ensure that there is appropriate federal support for programs that help alleviate poverty, especially during the current economic crisis. Further, there is substantial research showing that government interventions are effective, including a Columbia University study conducted during the COVID-19 crisis that affirmed the effectiveness of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.[5] The City also supports an array of major initiatives that have a demonstrable impact on poverty, including affordable housing programs, enhanced educational opportunities, and immigrant assistance.

Benefits Access

Benefits from the federal, state, and local governments play a critical role in reducing poverty and near poverty. These include programs such as the Earned Income Tax

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5   Zachary Parolin, Megan Curran, and Christopher Wimer, "The CARES Act and Poverty in the COVID-19 Crisis." Poverty and Social Policy Brief, Vol. 4 No. 8. June 21, 2020.

Credit (EITC), which is targeted to the working poor; Supplemental Nutrition Assistance Program (SNAP) benefits; and cash assistance. In many cases, however, families and individuals are not aware of the benefits they are entitled to receive, or they have difficulty applying for and receiving them.

To help New Yorkers identify and apply for the benefits they are eligible to receive, the City created ACCESS NYC — an initiative launched and managed by NYC Opportunity. This online tool allows people to review eligibility requirements and submit applications for a wide array of programs from all levels of government. NYC Opportunity continues to improve ACCESS NYC, including by allowing benefits applicants to receive eligibility results by text message or email. It also added four language options in 2018, for a total of 11 languages, which means that an estimated 86 percent of New Yorkers can now use ACCESS NYC in their primary language.

Universal Pre-K and 3-K

Early childhood education is a powerful tool for improving the upward mobility and life outcomes of poor children. It is also an important support for working families because it provides a free place for young children to be during school hours. As a result, a parent who would otherwise have to stay home with a child can work more hours, or the family can save the money it otherwise would have spent on childcare.

New York City is a national leader in free universal pre-K. In the 2019–2020 school year, nearly 70,000 4-year-olds participated in Pre-K for All, the program that makes high-quality free pre-K available to all 4-year-olds in New York City. That is a large increase from about 19,000 participants in 2014. NYC Opportunity led an evaluation of universal pre-K with the Department of Education, which found that even in its earliest days, Pre-K for All delivered high quality services. Following up on the success of universal pre-K, the City introduced 3-K for All, which is now being offered in all five boroughs. In the 2019–2020 school year, nearly 20,000 3-year-olds attended free, full-day, high-quality 3-K programs.

CUNY ASAP and ACE

The City has placed strong emphasis on helping low-income students graduate from college, since a college diploma is one of the most effective ways of moving into the middle class. The City University of New York's CUNY ASAP program, of which NYC Opportunity was a founding partner, helps students earn an associate degree in three years by providing financial, academic, and personal support. The model has been proven to significantly increase graduation rates, and in 2020 CUNY ASAP was awarded the Innovations in Government Award from the Harvard Kennedy School of Government's Ash Center for Democratic Governance and Innovation. The program currently serves approximately 25,000 students at nine partner colleges, the majority of whom are low-income and Black or Latinx. In its first 13 years of existence, CUNY ASAP has helped more than 58,000 students earn degrees.

In the fall of 2015, CUNY launched the CUNY Accelerate, Complete, Engage (ACE) program, modeled on CUNY ASAP, to increase four-year graduation rates. The program began at John Jay College of Criminal Justice, with the goal of achieving at least a 50 percent completion rate for four-year baccalaureate students. In May 2019

ACE more than met that goal, and in the fall of 2019 the program was extended to Lehman College in the Bronx through private funding.

Affordable Housing

In New York City, where housing is far more expensive than the national average, affordable housing is particularly crucial in keeping individuals and families out of poverty. Chapter 1 of this report shows that housing supports of all kinds lowered the 2018 poverty rate by 5.4 percentage points. The City has made increasing the supply of affordable housing one of its highest priorities. In May 2014, the City launched Housing New York: A Five-Borough, Ten-Year Plan to create or preserve 200,000 high-quality, affordable homes over ten years.

The City exceeded its initial goals and raised its target. In Housing New York 2.0, it set out a roadmap for building or preserving 300,000 units by 2026. The expanded program includes an array of initiatives aimed at helping families and seniors afford their rent, buy a first home, and complete other actions that are critical to keeping New Yorkers in affordable housing.

In January 2020, the City launched a new phase of its affordable housing program, *YOUR Home NYC*. This new initiative prioritizes building new homes for the lowest income New Yorkers. Under the program, half of all City-financed newly built homes will be for families making under $50,000 a year, and at least half of those will be for families earning less than $30,000 per year.

Eviction Protection

In addition to creating new affordable housing, the City has in place an array of programs designed to keep New Yorkers who are struggling with housing costs in their current homes. It is easier, less expensive, and less disruptive to the lives of individuals and families to help them stay in their homes than to help them look for new ones.

One of the main ways the City is helping to keep low-income New Yorkers in their homes is through a pioneering right-to-counsel program, which provides lawyers to New Yorkers facing eviction in housing court. In December 2019, the City announced that more than 350,000 New Yorkers had received free legal representation, advice, or assistance on eviction and other housing-related matters since 2014, with evictions in 2018 some 30 percent lower than in 2014. The program, which is being phased in on a zip-code-by-zip-code basis, is greatly expanding access to housing lawyers in communities in need across the city.

Immigrant Assistance

The City has invested heavily in helping immigrants to obtain legal status and citizenship, which can play an important role in lifting them out of poverty. In fiscal year 2018 alone, the City spent more than $30 million, an unprecedented amount of public dollars, to provide immigrant New Yorkers with free legal services through programs such as ActionNYC, which NYC Opportunity has helped fund. The City's NYCitizenship program, which NYC Opportunity also supported with funding for

services and evaluation, offers free citizenship application assistance, including eligibility screening and legal representation.

IDNYC

IDNYC, the nation's largest municipal ID program that marked its fifth anniversary earlier this year, has provided more than 1.3 million New Yorkers with ID that can be used for a wide variety of purposes, including accessing financial services and proving their identity when applying for employment. NYC Opportunity has also led an evaluation of the program. IDNYC is available to all New Yorkers, regardless of immigration status.

Broadband Access

Affordable access to high-speed internet is critical to economic well-being. It plays a vital role in employment, job searches, education, access to government benefits, and health. The City has launched an array of initiatives since 2014 to expand broadband access to low-income New Yorkers, including LinkNYC, which replaced pay phones around the city with kiosks offering free Wi-Fi.

In January 2020, the City announced a New York City Internet Master Plan – a bold vision for affordable, high-speed, reliable broadband service. The plan is anchored in five principles: equity, performance, affordability, privacy, and choice. The City will initiate the plan by issuing a Universal Solicitation for Broadband to direct the relationship between the City and the private sector toward universal service, focusing on covering areas that now lack connectivity.

4.4 NYC Opportunity Cross-Agency Work

NYC Opportunity oversees a portfolio of programs designed to reduce poverty and increase opportunity for New Yorkers. Some of the unit's work also focuses on enhancing the City's existing approach to social services. That work includes:

Designing for Opportunity

NYC Opportunity's Service Design Studio, the nation's first municipal design studio dedicated to improving services for low-income residents, works to spread valuable methodologies that are often underused in government. It collaborates with the people who use and deliver public services, and partners with City agencies to make these services more accessible, effective, and client friendly.

In 2018, the Service Design Studio selected the New York City Administration for Children's Services (ACS) Division of Prevention Services as the first winner of its "Designing for Opportunity" initiative. The studio worked with ACS for a 12-month period, deploying its designers to develop stronger ties among agency employees, community-based service-providing organizations, and families receiving services.

The project is changing how the Division of Prevention Services involves families and front-line staff to promote safety, permanency, and wellbeing for children in their own homes and communities.

Mental Health Services in Workforce Programming

NYC Opportunity helps manage the Jobs-Plus program, which provides employment and financial services to residents of NYCHA, along with the Department of Social Services, the Department of Consumer and Worker Protection, and NYCHA. In 2019, the City announced plans to incorporate into ten Jobs-Plus sites Connections to Care – another NYC Opportunity initiative overseen in partnership with ThriveNYC, the Department of Health and Mental Hygiene, and the Mayor's Fund. Connections to Care provides mental health support at the community level, services that many NYCHA residents cannot adequately access. In addition to meeting critical mental health needs, Jobs-Plus's integration of mental health services is a recognition that issues of poverty are interrelated and require a holistic response.

Mapping Delivery of City-Funded Social Services

The City contracts with a wide variety of community-based organizations to deliver social services. While contracts are publicly released, there has been no single source to show where these services are actually delivered. NYC Opportunity launched the Social Service Location Data Project, which has created a database of verified service delivery locations for contracted social services. In addition to helping identify where particular services are being offered, the database can be used to identify geographic disparities in the provision of social services, making it easier for the City to increase equity and fill gaps in services.

Table 4.1 provides additional details about NYC Opportunity portfolio programs.

Table 4.1

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 degrees within three years by providing a range of academic and support services.	**Fiscal Year 2020 Comparison Group**	**Fiscal Year 2020 Actual**
Enrollees Cohort 13 (entered Academic Year 2019–2020)	N/A[1]	12,191
Enrollees Cohort 12 (entered Academic Year 2018–2019)	N/A[1]	12,950
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%
CUNY Accelerate, Complete, Engage (ACE) (CUNY) NYC Opportunity launched 9/2017 Assists students at CUNY John Jay School of Criminal Justice in earning bachelor's degrees within four years by providing a range of academic and support services. ACE is based on the successful CUNY ASAP model.	**Fiscal Year 2020 Comparison Group**	**Fiscal Year 2020 Actual**
Fall 2018 Cohort Retention	74.4% (233 / 285)	81.8% (233 / 285)
Fall 2017 Cohort Retention	62.4% (221 / 354)	75.1% (268 / 357)
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 2018**	**Fiscal Year 2019**
New Enrollees	731	595
Gained 1 or More Literacy Grade Level	65% (327 / 503)	63% (289 / 453)
Gained 1 or More Numeracy Grade Level	68% (333 / 492)	61% (262 / 425)

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 be creating comparison groups for analysis, but will instead monitor progress against goals based on historical outcomes from the previous eight cohorts.

Table 4.1 *(continued)*

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

EDUCATION *(continued)*		
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 2018**	**Fiscal Year 2019**
Number of Students	687	**239**[3]
Number of Students Who Reached Grade Level	512	**75**
Average Literacy Gain of Participants	1.27	**10**[4]
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 2018**	**Fiscal Year 2019**
New Enrollees	4,205	3,774
Placed in Jobs	1,679	1,678
3–6 Month Job Retention	61% (892 /1,463)	54% (942 / 1,751)
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 2018**	**Fiscal Year 2019**
Participants	1,644	1,639
Participants Who Completed Subsidized Employment	82%[5]	79%
Percent of Participants Placed in Employment or Education	58%	52%

3. In Fiscal Year 2019, the Reading Rescue program private foundation grant ended, reducing the number of schools from 70 to 40 and reducing the number of students who actively participated in the program.

4. In Fiscal Year 2019, the program shifted to a norms-based assessment, DIBELS (Dynamic Indicators of Basic Early Literacy Skills), to better assess students' literacy. DIBLES assessment led to a shift in how many students graduated from the program in Fiscal Year 2019.

5. The value for the indicator for Fiscal Year 2018 has been revised to reflect updated data.

Table 4.1 *(continued)*

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

EMPLOYMENT *(continued)*		
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 2018**	**Fiscal Year 2019**
Program Participants	1,962[6]	1,821
Percent of Participants Who Completed Subsidized Employment	62%[7]	77%
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 2018**	**Fiscal Year 2019**
Number of Neighborhood Retail Food Stores	328	262
Number of Stores Promoting Healthy Foods	73%	77%
Number of Community Members Who Attended a Training Event	1,285	710

6   The value for the indicator for Fiscal Year 2018 has been corrected to only include the number of program participants who worked in a WPP-subsidized job during the reporting period.

7   The indicator has been changed to reflect the percentage of program participants attaining the outcome, instead of the count of program participants attaining the outcome.

4.5 COVID-19-related Programs

When the pandemic hit New York City in March 2020, the City quickly acted to launch programs and take actions to help New Yorkers affected by COVID-19 and its severe economic fallout. Every part of City government has been part of the response. The initiatives that emerged have built on knowledge gained from existing programs that support employment and secure family resources for low-income New Yorkers, as defined in the NYCgov income measure. Areas of focus for this work include food security, medical and housing assistance, and job protection and development. The City has placed particular emphasis on providing help to the communities that are the most vulnerable and have been the hardest hit – low-income, Black, and Latinx New Yorkers.

When the crisis began, the City immediately reached out to New Yorkers to publicize the availability of health resources, including mental health and telehealth services and free COVID-19 testing. It launched an array of public health initiatives designed to control the spread of the disease, including contact tracing isolation hotels for people with COVID-19 who need to be separated from their households, and cooling assistance.

Other programs have focused on getting food and funds to New Yorkers. The City has responded to the crisis by making "grab and go" meals available in school buildings, even when schools are closed. It has also organized meal deliveries to vulnerable New Yorkers who face particular risks and challenges in shopping for their own food. NYC Opportunity has provided data integration and analytics support to the citywide COVID-19 emergency response initiative.

On public benefits, the City announced at the start of the crisis that it would not take negative case actions against individuals who were unable or unwilling to come into DSS offices for scheduled appointments. It also notified New Yorkers of the availability of Special Grants for cash assistance clients.

Before the COVID-19 crisis, the City was already focused on helping low-income New Yorkers remain in their homes. When the crisis hit, New York State imposed a moratorium on evictions. The City has worked to ensure that landlords comply with the moratorium, and has added new protections, including notifying tenants that they can apply for emergency rental assistance if they need it. The City has also provided free legal assistance to tenants facing eviction, an important protection for those affected by COVID-19 and its economic fallout. The City has publicized the fact that landlords cannot harass or discriminate against tenants because of fears or stigma around COVID-19, a prohibition enforced by the NYC Commission on Human Rights.

NYCHA announced its own halt to residential evictions. NYCHA has also notified residents who have experienced a recent loss of income that they may qualify for a rent reduction. In the case of households that experienced a complete loss of income, tenants have been encouraged to apply for NYCHA's Zero Income Policy, which in some cases allows tenants to pay zero rent. The City also announced suspended terminations in the Section 8 rent subsidy program during the crisis.

The City's anti-poverty efforts were already focused on job creation and preservation before the COVID-19 crisis, and its response has continued this focus on jobs. One example is the Restaurant Revitalization Program (RRP), launched in 2020 to provide relief to restaurant workers affected by the pandemic and to advance equity in the recovery process. NYC Opportunity co-created RRP and helps to manage and fund it. The program allows restaurants to apply for up to $30,000 to pay the wages of workers for up to 12 weeks. To be eligible to participate, restaurants must agree to pay all employees the non-tipped minimum wage of $15/hour, with tips on top, within five years of the restaurant returning to regular practices. They must also agree to serve at least 500 free meals to community members affected by COVID-19, including those who are food insecure, essential workers, or others facing challenges.

The City has made racial equity central to all of its anti-poverty and opportunity work and continues this practice with its COVID-19 response. In April 2020, the Mayor announced the creation of a Taskforce on Racial Inclusion and Equity to ensure that racial equity issues are central to COVID-19 recovery efforts. The taskforce, which NYC Opportunity has helped to support, is comprised of officials from across City government. It has been charged with engaging the hardest-hit communities and monitoring recovery within them; identifying needs associated with Minority and Women-Owned Business Enterprises and community health care providers; and working with City officials and agencies to reduce racial and economic disparities.

4.6 Conclusion

The positive trends through 2018 reflected in this report's data have been displaced by the enormous economic shock of the COVID-19 crisis. The main lesson of the 2018 data – that job growth and income expansion are important tools in combatting poverty – remains as valid as ever. As the City adapts to address the special health, economic, and social challenges posed by the pandemic, evidence from prior successes in reducing poverty and broadening opportunity can continue to shape the work ahead.
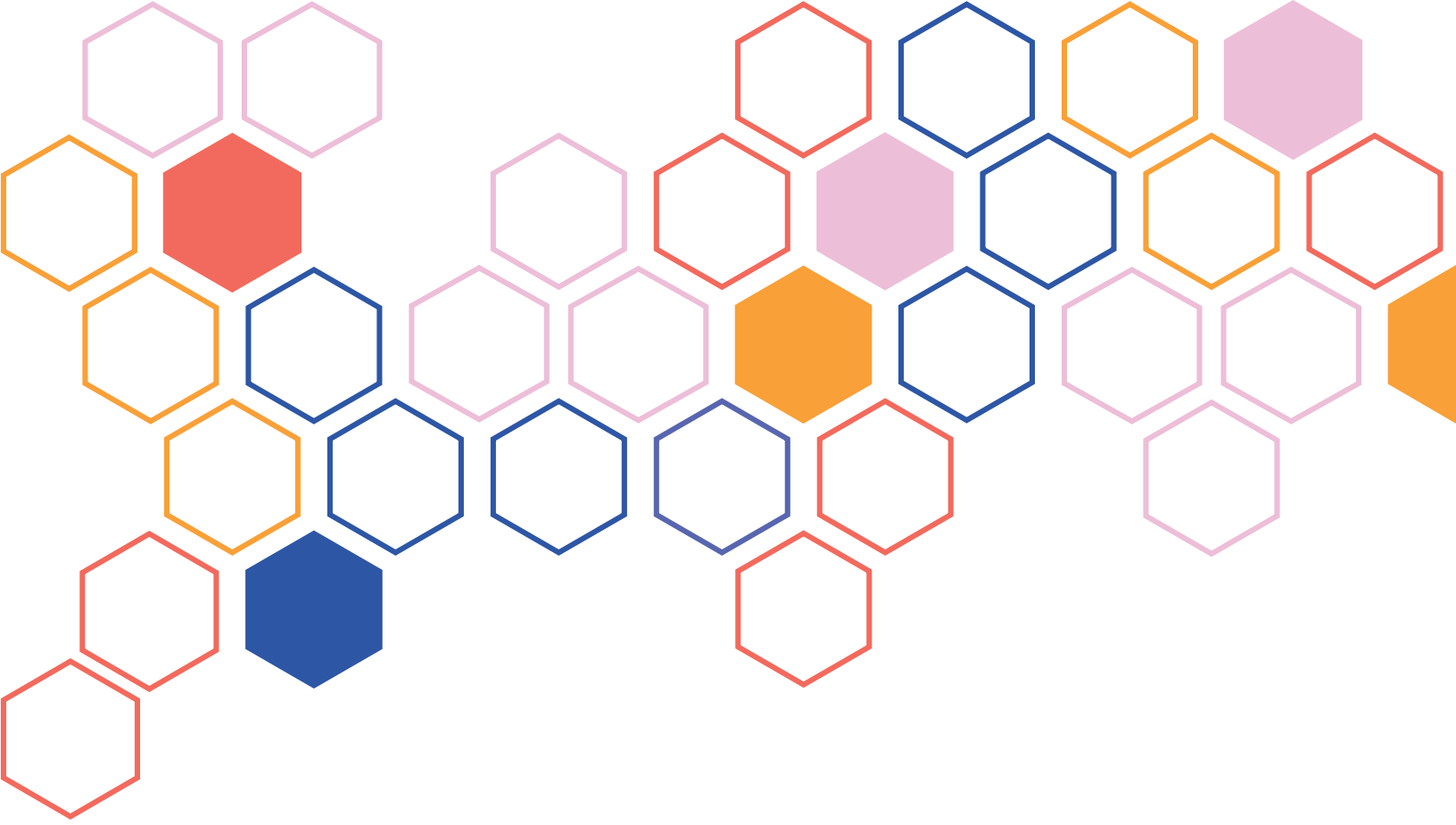
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