

POVERTY TRACKER

MONITORING POVERTY AND WELL-BEING IN NYC



INCOME, HARDSHIP & HEALTH IN NYC

POVERTYTRACKER.ROBINHOOD.ORG

REPORT 1 | RELEASED SPRING 2014

The official poverty estimate for New York City, at about 21%, is well-known. It's also wrong. In fact, we have found that 23% of New Yorkers were in poverty in 2012, meaning they lacked money to cover their food, clothing and housing needs; 37% were affected by severe material hardship; and 23% were in poor health. Our survey suggests that more than half of New York City residents struggled in at least one of these areas at some point during 2012. These findings come from the Poverty Tracker, a first-of-its-kind survey designed by Columbia University's Population Research Center in partnership with Robin Hood to take a deeper look at disadvantage among New Yorkers.

The federal government uses income thresholds to define poverty: the official poverty measure is 21% for New York City. But experts have long known that flaws in the way the government calculates poverty distort our view of the bottom of

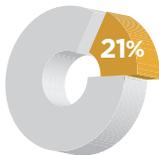
the economy. Using a revised measure, the Poverty Tracker found that 23% of New Yorkers lived in poverty in 2012. While this 2 percentage point increase might seem small, it means that approximately 170,000 more people in New York City lack income sufficient to cover their basic needs. (See FIG. 1)

To get a clearer picture of how New Yorkers are faring, it is necessary to move beyond income and look at material hardship and health, as well as the interplay among all three of these factors.

Accordingly, in December 2012, we began surveying households on a quarterly basis and will continue for two years, after which we will recruit new households for another two-year cycle of quarterly surveys. The goal is to capture details on household expenditures, income and — unique to this survey — information about material hardships and well-being that existing surveys simply overlook. Also, by

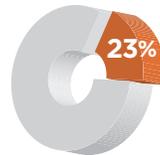
FIG. 1 NYC HOUSEHOLDS IN POVERTY

USING THE SUPPLEMENTAL POVERTY MEASURE, OUR SURVEY IDENTIFIED **ANOTHER 170,000 NEW YORKERS WHO WERE NOT PREVIOUSLY COUNTED AS POOR.**



OFFICIAL POVERTY MEASURE
 BASED EXCLUSIVELY ON FOOD
 NATIONAL AVERAGE
 PRE-TAX CASH INCOME
 DEVELOPED IN 1960'S

POVERTY LINE FOR FAMILY OF 4
 NATIONWIDE
 \$23,497



SUPPLEMENTAL POVERTY MEASURE
 INCLUDES FOOD, CLOTHING,
 SHELTER, UTILITIES
 VARIES GEOGRAPHICALLY
 POST-TAX INCOME AND CAPTURES
 CERTAIN ADDITIONAL SOURCES OF
 INCOME AND CERTAIN EXPENSES

POVERTY LINE FOR FAMILY OF 4
 IN NYC
 \$32,516*

Figures from 2012.

* Please see Appendix A of the full report for more information on poverty threshold construction.

tracking households for two years, the Poverty Tracker captures the *dynamics* of poverty: how residents respond to difficult circumstances over time.

The full depth of the survey will be realized after it has been in use for a year or two, but important findings have already emerged: we found that an astonishing 53% of New Yorkers suffer from poverty, severe material hardship or a severe, work-limiting health issue. The Poverty Tracker found that 37% of New Yorkers experienced a severe material hardship and 23% suffered from poor health. These numbers exceed official statistics and represent more individuals and families who struggle on a regular basis than previously calculated. (See FIG. 2)

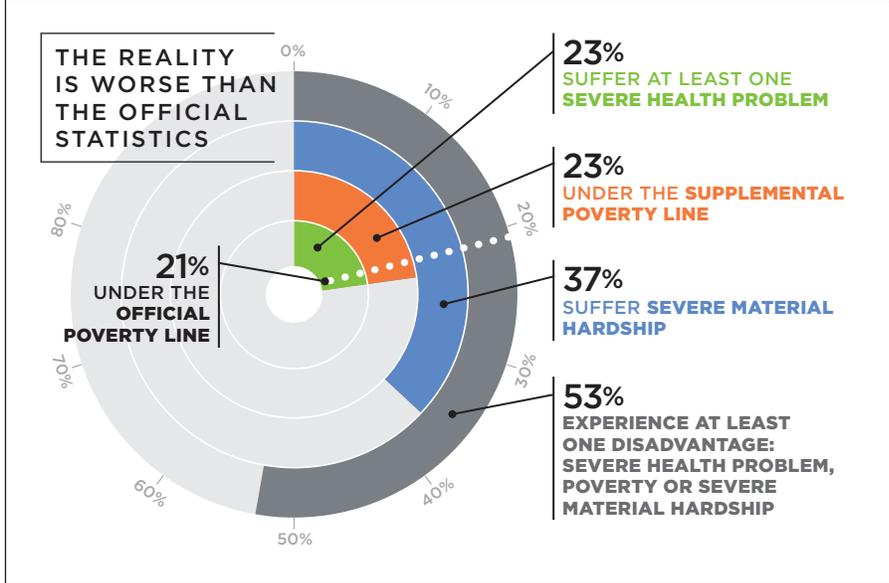
To understand the reality of material hardship, we asked New Yorkers to share their experiences throughout the 2012 calendar year in five categories of hardship:

- Did you run out of money for an adequate amount of food?
- Did you have enough money to pay your rent or mortgage?
- Were you forced for financial reasons to stay in shelters or move in with family or friends?
- Could you afford your gas, electric and phone bills, or have these services been shut off?
- Did you forego necessary medical or dental care because of cost?

We constructed two levels of material hardship: moderate, indicating that family members at times cannot fulfill basic needs; and severe, meaning that families face a persistent shortage of critical resources or have undergone an episode of acute deprivation.

FIG. 3 illustrates the prevalence of material hardship in each category and clearly shows that residents of New York

FIG. 2 NYC HOUSEHOLDS EXPERIENCING SOME DISADVANTAGE



City frequently find their resources are no match for their expenses.

While it is predictable that our survey found that poor households suffer from material hardship, it is surprising that so many New Yorkers who are not in poverty also report severe hardships. The survey thus reveals that the poverty line is an

arbitrary threshold: the circumstances of households just above the poverty line are not much different from those just below it.

FIG. 4 shows the presence of severe material hardships according to income distribution. The fact that that 23% of higher-income New Yorkers (those with incomes greater than three times the

FIG. 3 NYC HOUSEHOLDS EXPERIENCING TYPES OF MATERIAL HARDSHIP

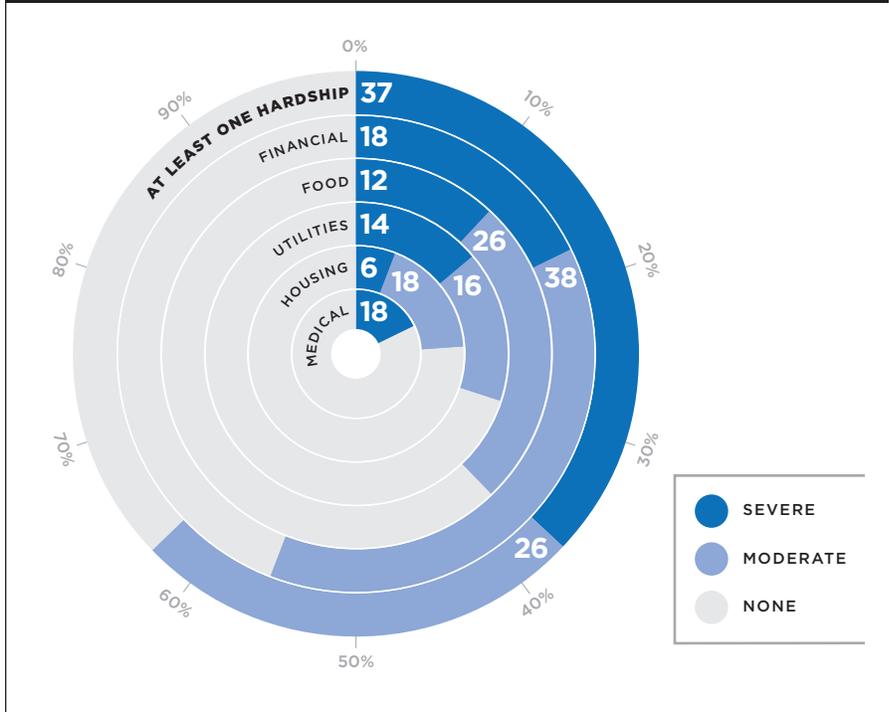
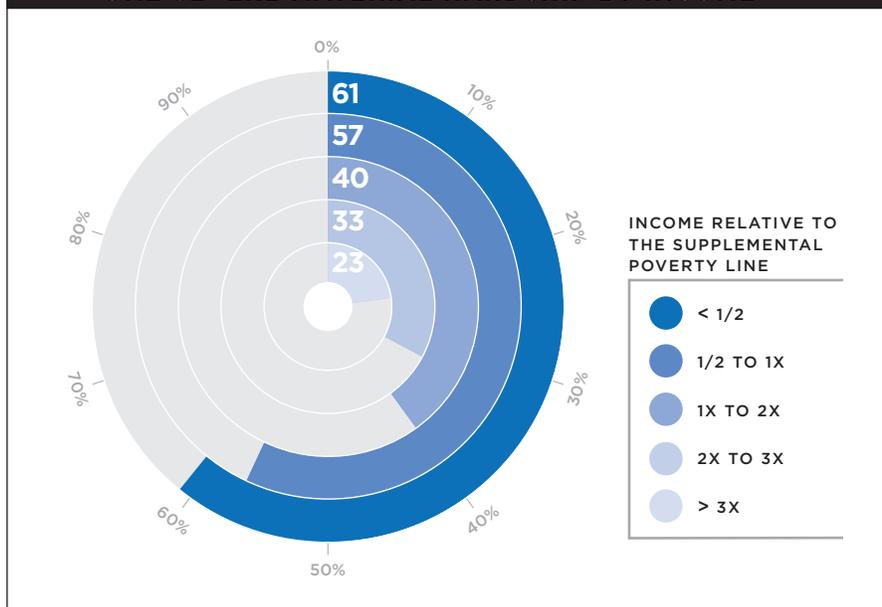


FIG. 4 NYC HOUSEHOLDS EXPERIENCING AT LEAST ONE SEVERE MATERIAL HARDSHIP BY INCOME



Supplemental poverty line) experience a severe hardship is surprising and reveals that a low level of income is not the only source of hardship. Other factors, including excessive debt, poor financial management, depression or other mental illness, contribute to residents running out of money before their next paycheck.

In a future report we will explore how debt plays a role in the material hardship of New Yorkers who appear to have relatively high incomes. We will also

explore the role of assets and savings in buffering lower-income New Yorkers from experiencing such difficulties.

The data regarding health is similarly stark. Of those in poverty, 29% reported having a severe health problem, compared with 21% of those above the poverty line. The poorer you are, the worse your health is likely to be.

PUTTING IT ALL TOGETHER

By studying how many New Yorkers suffer

across multiple categories, we found that 53% of New York City residents report that they suffer in at least one of the following areas: income poverty, severe hardship or severe health problems.

It was most common — 30% of New Yorkers — to have only one problem. About 19% experienced two forms of disadvantage. And 4% of New Yorkers reported suffering from all three types of disadvantage.

IN CONCLUSION

This report takes a broad look at poverty and disadvantage in New York City. We have found that:

23% of New Yorkers were in poverty in 2012 (slightly higher than the official measure of 21%).

Severe material hardship affected 37% of the City's residents, while 23% were in poor health.

A slim majority of New Yorkers (53%) were challenged in at least one of three areas of disadvantage: income, material hardship or poor health.

This report is a beginning. In subsequent surveys, we will gather more detailed information on the health and well-being of respondents and their children, as well as reports of various setbacks and improvements to their home and family lives. We will also inquire about assets and debts, experiences with New York City's government and social services, and other related topics.

We're confident that our in-depth tracking of New York City residents will be a positive step in addressing both the underlying causes of poverty and ways to devise more effective programs to help New Yorkers in need.

POVERTY TRACKER BASICS

Examines levels of income poverty in New York City in 2012, using both the *Official Poverty Measure* definition, as well as a revised, more nuanced measure developed by the U.S. Census Bureau, the *Supplemental Poverty Measure*.

Illustrates material deprivation in the City as evidenced by New Yorkers' ability to purchase food, pay rent, mortgage and utilities, and generally make ends meet.

Examines how families fare regarding general health and well-being.

Considers how many New Yorkers suffer distress across multiple dimensions: income, material hardship and health.

Tracks how low-income residents respond to difficult circumstances over time.

FOR MORE INFORMATION OR TO SPEAK WITH THE RESEARCHERS FROM THE COLUMBIA POPULATION RESEARCH CENTER OR WITH REPRESENTATIVES OF ROBIN HOOD, PLEASE CONTACT POVERTYTRACKER@ROBINHOOD.ORG.