THE NYCGOV POVERTY MEASURE

Key differences from SPM methodology

Threshold Side

- Housing portion of threshold adjusted for additional cost of housing in NYC

- Only one threshold for all housing tenures (no renter/owner distinction)

Income Side

- Use ACS not CPS with additional imputed income data

- Adjust for differences in housing costs
  - Large quantity of below market rate housing (public housing, rent regulated, etc.)
  - Availability of NYC Housing & Vacancy Survey to impute housing statuses
  - For below market residents: Difference between out-of-pocket housing costs and estimated market rate for unit = Positive adjustment to income

REFERENCE FAMILY POVERTY THRESHOLDS 2017

	Nycgov	U.S.	SPM *
Threshold	$33,562	$24,858	$26,612

NYCGov Local Threshold:
- **Adjusted by HUD Fair Market Rent for 2-bedroom units (NYC/US)**
  - **1.53048 of SPM housing and shelter: Adds $6,950 to SPM threshold (2017)**

*SPM threshold is combined weighted average of shares of household by tenure

https://www.bls.gov/pir/spmhome.htm#threshold

AUGMENTING THE AMERICAN COMMUNITY SURVEY

Statistical matching to impute income component information not available in ACS. Emphasis is on preserving distribution of recipients and benefit dollars in donor file.

Local Data, Adminstrative and Survey

SNAP: Recipient characteristics and benefit amounts, NYC Dept. of Social Services.
WIC: Recipients by county and mean benefit amounts, New York State Dept. of Health.
School Meals: Number of meals served and value of each meal, NYC Dept. of Education.
HEAP: Geographic Distribution of home energy assistance and amount of benefit, NYC Dept. of Social Services
Housing: Characteristics of housing units and residents, NYC Housing and Vacancy Survey
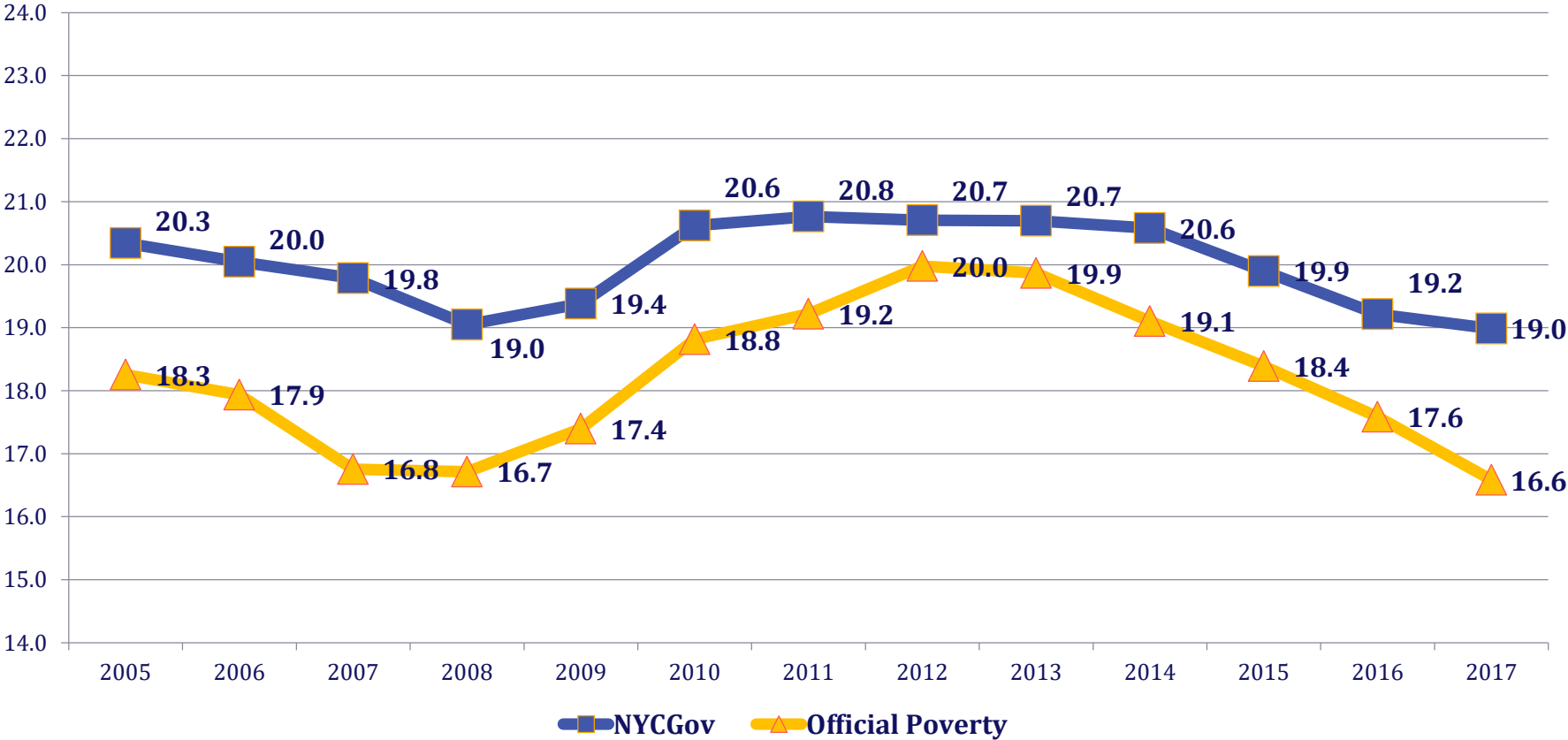
Federal Survey Data

Medical Spending: Medical Expenditure Panel Survey (MEPS)
Childcare Costs: Survey of Income and Program Participation (SIPP)
WIC & School Meals: CPS ASEC (recipient characteristics)

POVERTY RATES IN NYC:
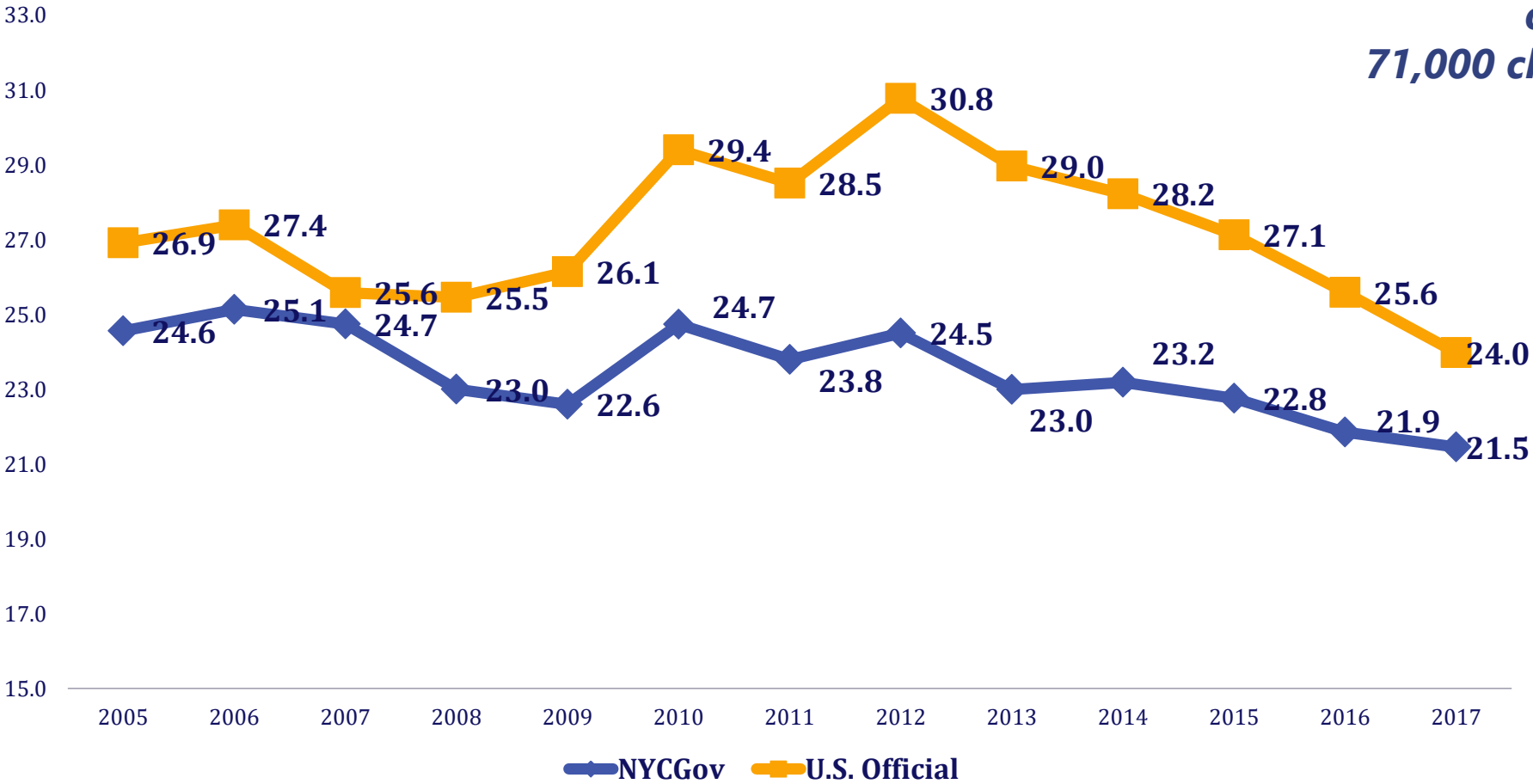# NYCGov and U.S. Official, 2005-2017
(% of Population)

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Note: Official poverty rates are based on the NYCgov poverty universe and unit of analysis.

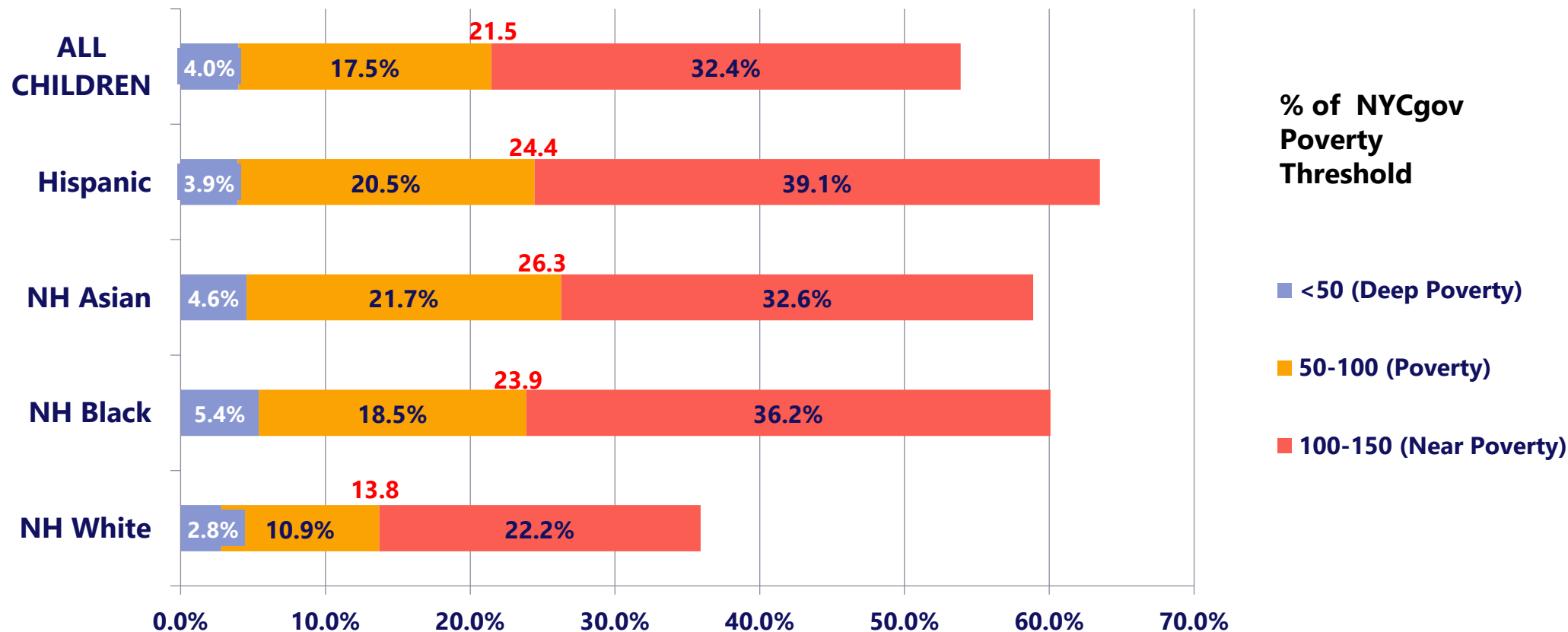**CHILD POVERTY RATES IN NYC: NYCGov and U.S. Official, 2005-2017**
(% of population age 0-17)

ROADMAP TARGETS:

50% decline in child poverty in 10 years = 381,600 NYC children out of poverty; 71,000 children out of deep poverty

U.S. Official: 26.9, 27.4, 25.6, 25.5, 26.1, 29.4, 28.5, 30.8, 29.0, 28.2, 27.1, 25.6, 24.0

NYCGov: 24.6, 25.1, 24.7, 23.0, 22.6, 24.7, 23.8, 24.5, 23.0, 23.2, 22.8, 21.9, 21.5

Years: 2005–2017

Legend: NYCGov | U.S. Official

Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity.
Note: Official poverty rates are based on the NYCgov poverty universe and unit of analysis.
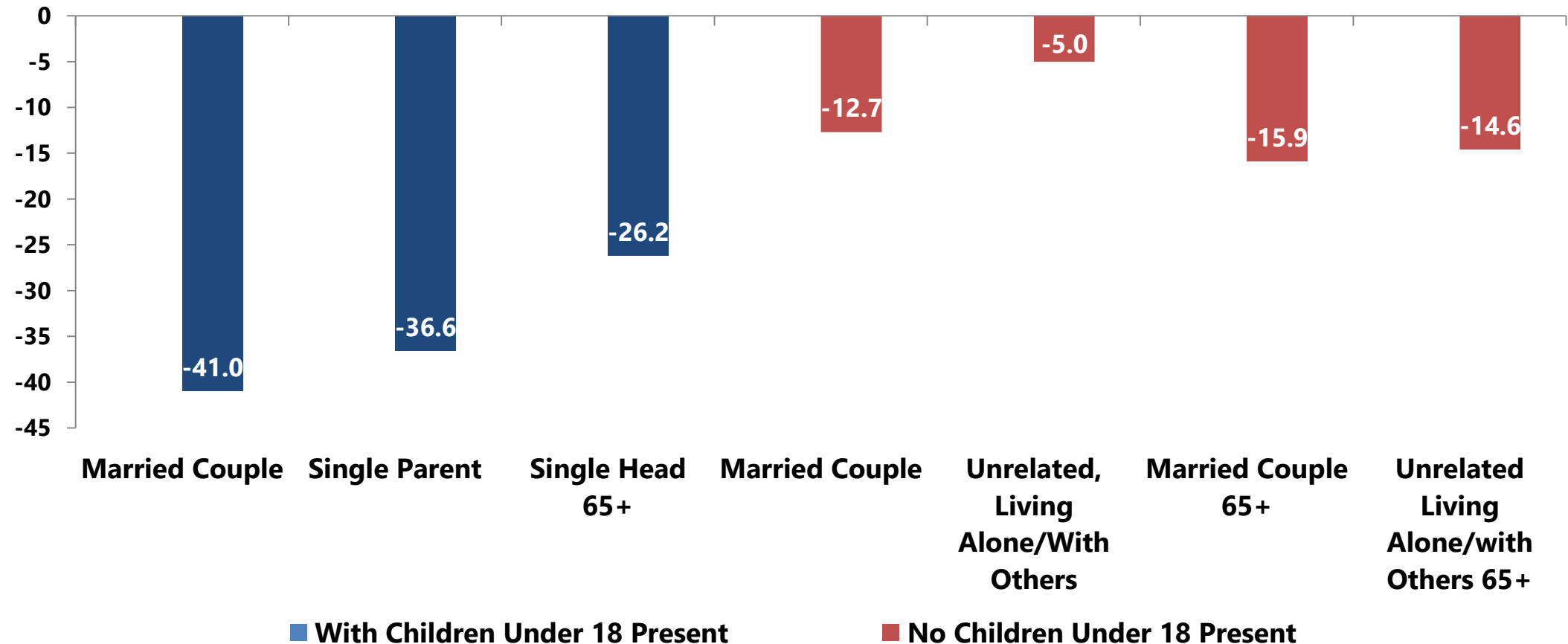
CHILD POVERTY AT VARIOUS THRESHOLDS BY RACE & ETHNICITY

Depth of poverty is less severe using SPM measure due to inclusion of benefits as resources to meet threshold. Most antipoverty programs are targeted at relieving child poverty.

% of NYCgov Poverty Threshold

ALL CHILDREN	4.0%	17.5%	21.5	32.4%
Hispanic	3.9%	20.5%	24.4	39.1%
NH Asian	4.6%	21.7%	26.3	32.6%
NH Black	5.4%	18.5%	23.9	36.2%
NH White	2.8%	10.9%	13.8	22.2%

- <50 (Deep Poverty)
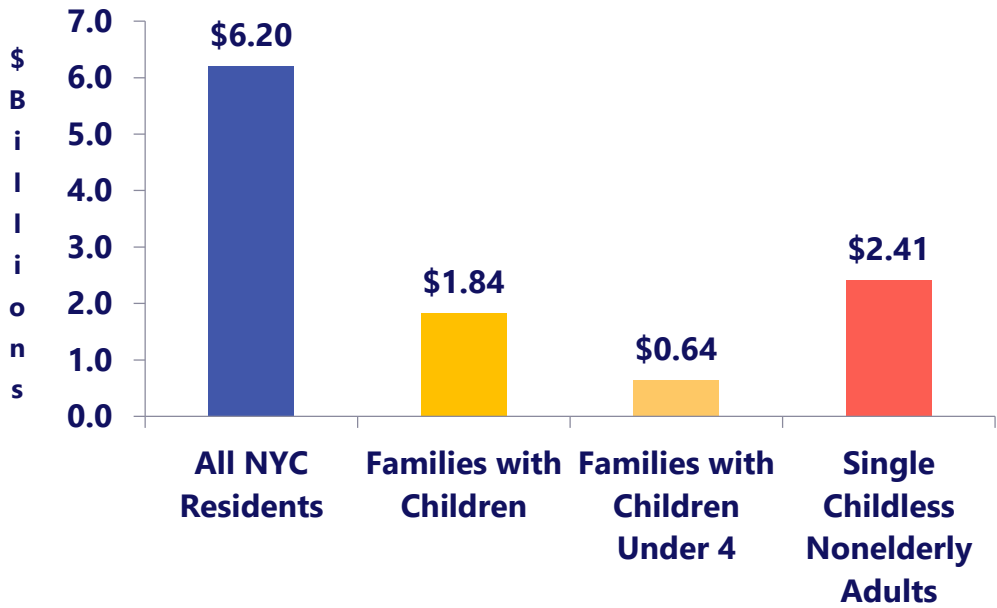- 50-100 (Poverty)
- 100-150 (Near Poverty)

IMPACT OF COMBINED GOVT. ASSISTANCE & TAX CREDITS BY SELECTED FAMILY TYPE

(Percent Decline in Poverty Rate)
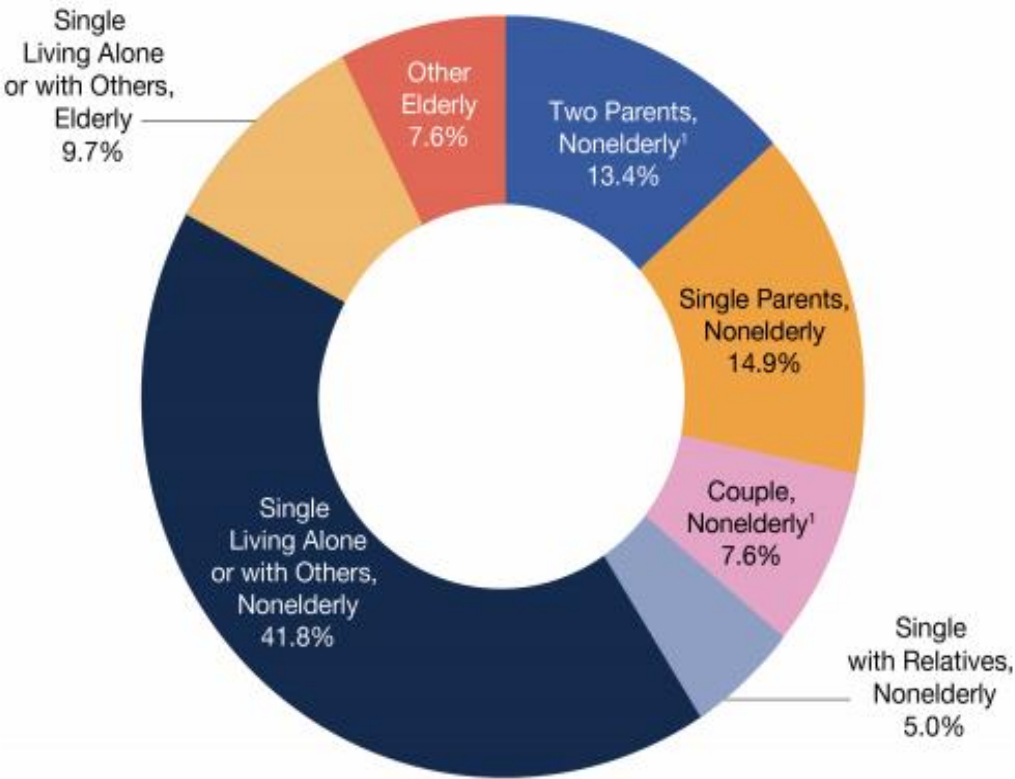*(does not include housing assistance)*

Chart data:

Family Type	Value
Married Couple (With Children Under 18 Present)	-41.0
Single Parent (With Children Under 18 Present)	-36.6
Single Head 65+ (With Children Under 18 Present)	-26.2
Married Couple (No Children Under 18 Present)	-12.7
Unrelated, Living Alone/With Others (No Children Under 18 Present)	-5.0
Married Couple 65+ (No Children Under 18 Present)	-15.9
Unrelated Living Alone/with Others 65+ (No Children Under 18 Present)	-14.6

Legend:
■ With Children Under 18 Present
■ No Children Under 18 Present

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Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity, 2017. Married Couple includes unmarried partners

POVERTY GAP & EXIT TIME BY FAMILY TYPE

$Billions

Category	Value
All NYC Residents	$6.20
Families with Children	$1.84
Families with Children Under 4	$0.64
Single Childless Nonelderly Adults	$2.41

Contribution to the Citywide Exit Time by Family Type, 2017

Citywide exit time = 15.9 years

Single Living Alone or with Others, Elderly 9.7%

Other Elderly 7.6%

Two Parents, Nonelderly[1] 13.4%

Single Parents, Nonelderly 14.9%

Couple, Nonelderly[1] 7.6%

Single with Relatives, Nonelderly 5.0%

Single Living Alone or with Others, Nonelderly 41.8%

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

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Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity, 2017

IMMIGRATION STATUS AND THE NYCGOV POVERTY RATE

- 1.03 million New Yorkers live in mixed status households (defined as at least one undocumented immigrant resident)

- 276,000 children live in mixed status households, 87.5% are lawfully resident

- Alternative version of NYCgov poverty rate includes estimated immigration status in determining benefit eligibility:
  - Citywide Poverty Rate increases 0.5 percentage points in 2017 to 19.5%

CHILD POVERTY RATES ACCOUNTING FOR IMMIGRATION STATUS

% of Poverty Threshold		Poverty Rate Imm Status Included	Poverty Rate NYCGov Standard Rate
Deep Poverty	< 50%	4.2	4.0
Poverty	0-100%	22.6	21.5
Near Poverty	100-150%	54.3	53.9

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Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity, 2017

USING THE POVERTY MEASURE AS A POLICY TOOL

The poverty measure data along with the wealth of detail in the American Community Survey has multiple uses in program design and policy initiatives.

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- **Simulate** program proposals

- **Identify populations: Geography of Poverty and Demographic Characteristics and the intersection of the two**

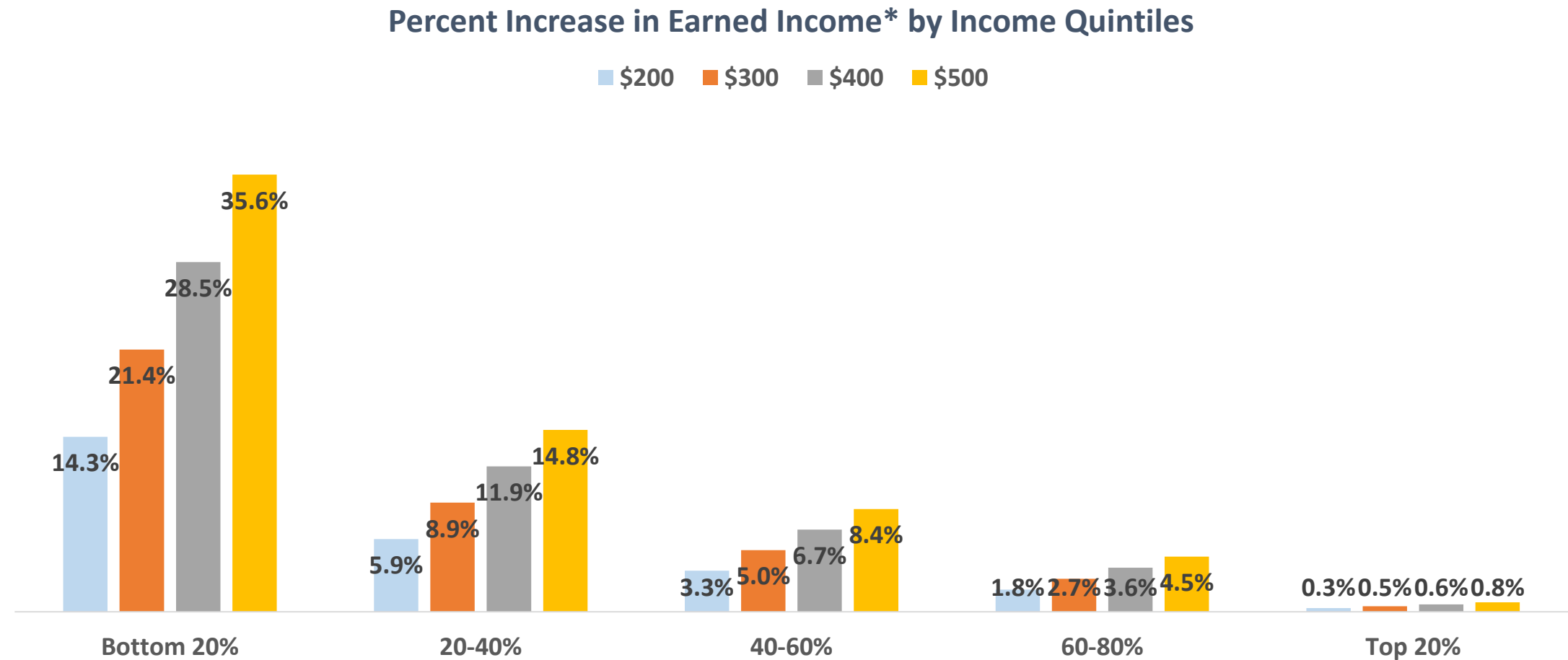- **Using poverty measure findings as supportive data for other policies/Identifying where programs have potential to lower poverty rate**

SIMULATION: UNIVERSAL CHILD ALLOWANCE

Poverty Impact and Total Cost (in millions) of Universal Child Allowance
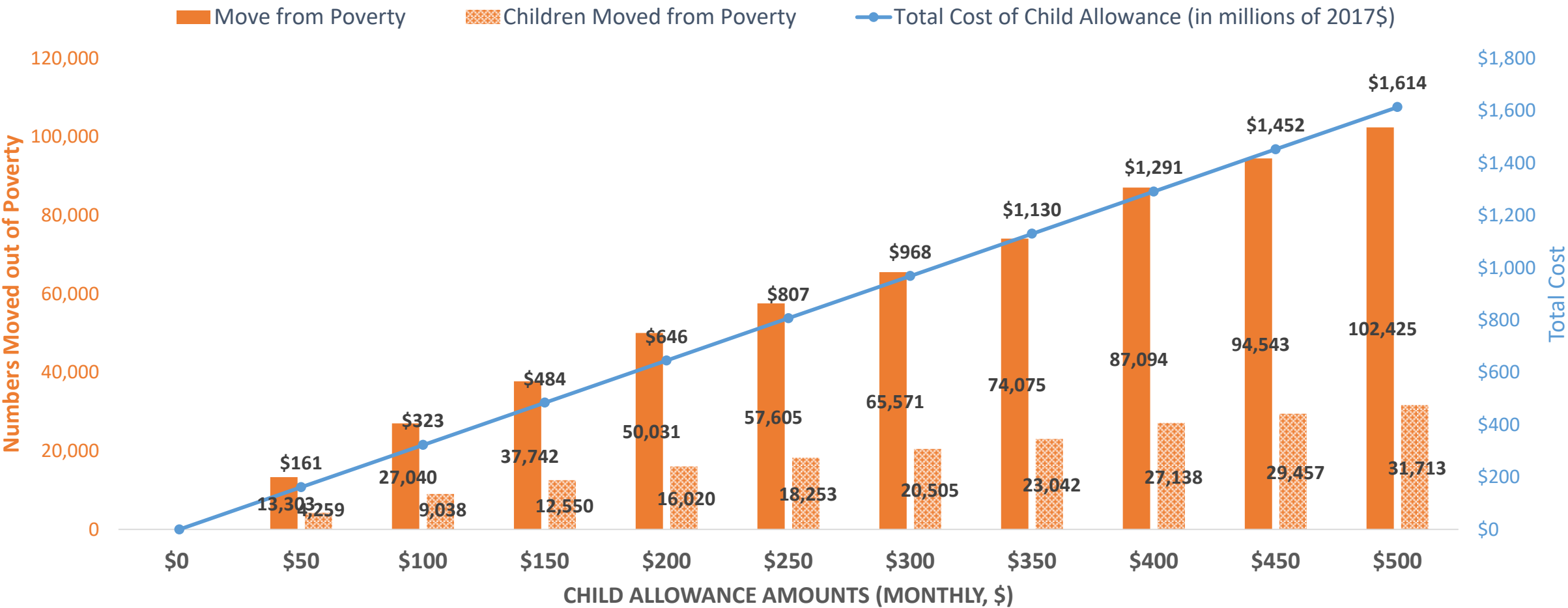
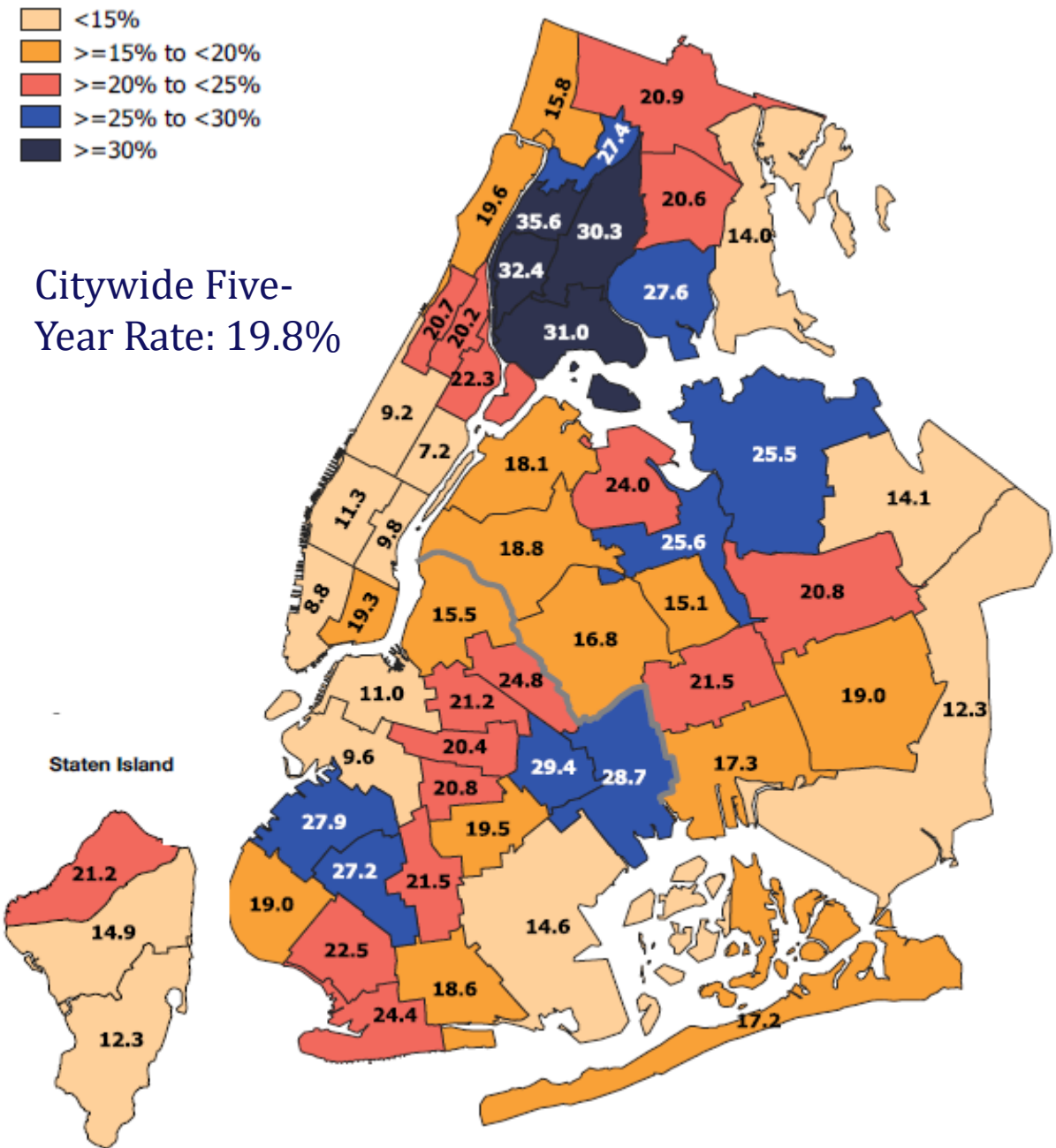# SIMULATION: UNIVERSAL CHILD ALLOWANCE

DISTRIBUTIONAL EFFECTS OF CHILD ALLOWANCE

Percent Increase in Earned Income* by Income Quintiles

■ $200 ■ $300 ■ $400 ■ $500

Bottom 20%
14.3% | 21.4% | 28.5% | 35.6%

20-40%
5.9% | 8.9% | 11.9% | 14.8%

40-60%
3.3% | 5.0% | 6.7% | 8.4%

60-80%
1.8% | 2.7% | 3.6% | 4.5%

Top 20%
0.3% | 0.5% | 0.6% | 0.8%

*__Earned Income:__ includes wages and self-employment earnings. Increase in Earned Income is post receipt of child allowance amounts and counted as an increase to earned income, although the allowance would not be part of earnings per se.

IDENTIFYING GEOGRAPHIES

- **NYC Community Districts are nearly all coterminous with Census PUMAs.**
  - **5-year data often provides adequate descriptors and poverty rates at that level.**

- **Sample of agency programs incorporating poverty data:**
  - **Borough and Community District profiles for multiple use**
  - **Broadband access equity**
  - **Matching populations in need with service provider locations (ex: youth centers, workforce training)**
  - **Targeting outreach for benefits access, health care**
  - **Potential analysis of flood insurance costs for low income coastal homeowners.**

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Citywide Five-Year Rate: 19.8%

Legend:
- <15%
- >=15% to <20%
- >=20% to <25%
- >=25% to <30%
- >=30%

Staten Island

IDENTIFYING POPULATIONS

- Disconnected Youth, Young Men's Initiative (precursor to My Brother's Keeper)

- Immigration related programs – identifying needs, outreach, health care, paths to citizenship, Municipal ID

- Fair Fare transit discounts to low income riders

- Utility Cost Burden

- Unpaid caregiver subsidies

- Income support due to regulated rent protections

- Gig economy/precarious workers research

- Mayor's Commission on Gender Equity

- Women aging into poverty

- Low income worker profiles for economic development programs

- Health care: targeting uninsured populations eligible for coverage

- **Commitment To Move 800,000 People Out Of Poverty Or Near Poverty In 10 Years.**

- **Development of Workadvance**

- **Service Design and Digital Products**
  - *Growing Up NYC*
  - *Generation NYC*
  - *Access NYC*

- **Community Schools**

- **NYC Kids Rise** *Automatic College Savings Accounts for Kindergarten Classes (Current Pilot)*

- **Universal Pre-K and Three-K For All**

- **Universal Newborn Home Visiting Program**

- **Mailing Pre-filled EITC Tax Forms to Eligible Non-claimers → ~ 85% Participation in EITC.**

- **Child Support and Fatherhood Initiatives**

- **Universal Free School Breakfast and Lunch**

- **Advance and Earn** *Youth Workforce Training*

- **CUNY ASAP** *Accelerated College Graduation*

- **Worker Protections**
  - **Paid Sick Leave**
  - **Fair Workweek Law**

- **Renter Protections**
  - *Slowing Regulated Rent Increases*
  - *Free Legal Help In Eviction Proceedings*

- **Create and Preserve 200,000 Units Affordable Housing**

- **NYC Opportunity Enterprise Data Solutions** *Integrating Client Data Across Agencies*

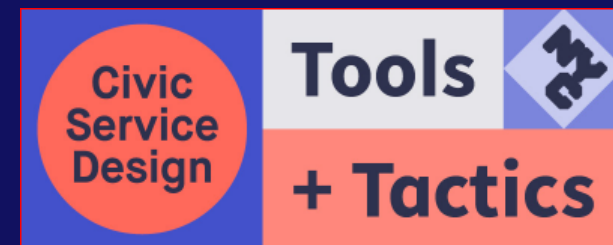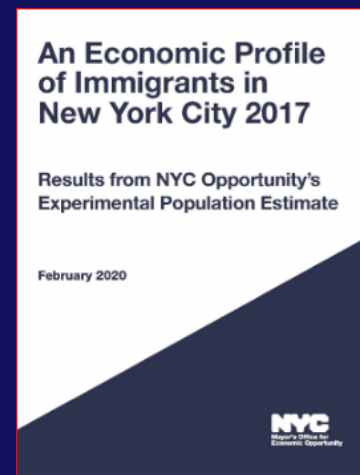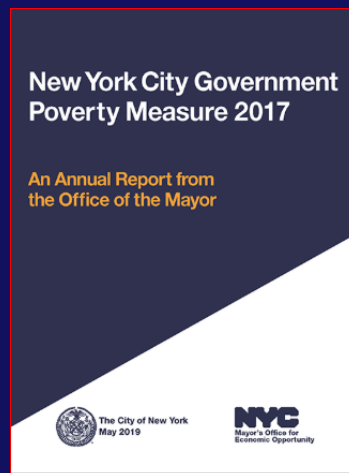- **Support for Multiple Program Evaluation RFPs**

Looking forward

- **Beyond Poverty as a Binary Metric/Bringing equity into the discussion: Distributions, exit times, differences among families and across populations including risks of falling into poverty**

- **Research Partnership with Opportunity Insights: using linked data to track multigenerational effects of program participation and resulting poverty rates**

- **Integrating NYCgov and longitudinal workforce development outcomes.**

- **Expanded Housing and Vacancy Survey**

- **Understand Benefit Cliffs at the $15 minimum wage**

- **Developing Better Data on Childcare Costs and Needs**

- **Increased integration of immigration status into poverty analysis**

- **Incorporating upcoming SPM changes at the city level where possible**
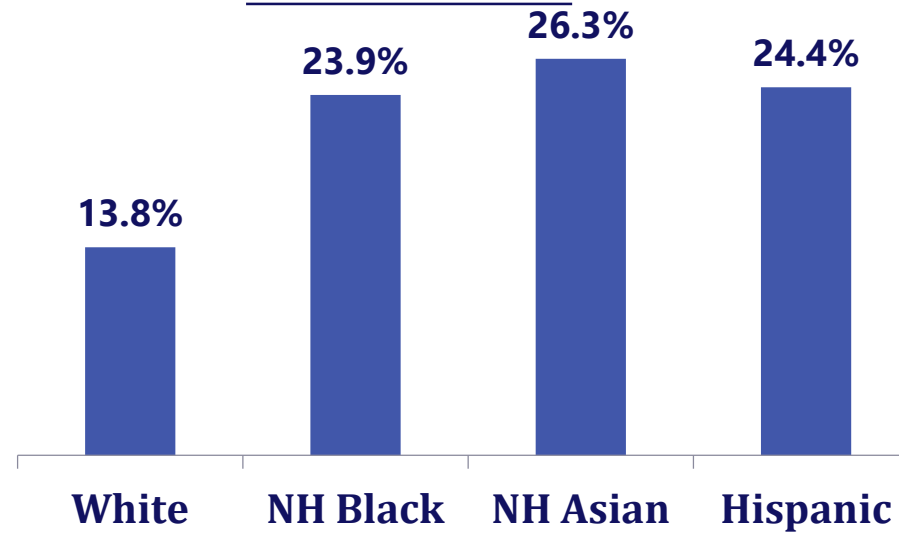
Mayor's Office for Economic Opportunity

ADDITIONAL SLIDES

POVERTY RATES NYC BY AGE & ETHNICITY, 2017

CHILD POVERTY

White	NH Black	NH Asian	Hispanic
13.8%	23.9%	26.3%	24.4%

WORKING AGE ADULTS, 18-64

White	NH Black	NH Asian	Hispanic
11.6%	19.2%	22.4%	21.0%

65 AND OVER

White	NH Black	NH Asian	Hispanic
15.1%	20.4%	27.8%	26.0%

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Source: American Community Survey Public Use Micro Sample as augmented by NYC Opportunity, 2017
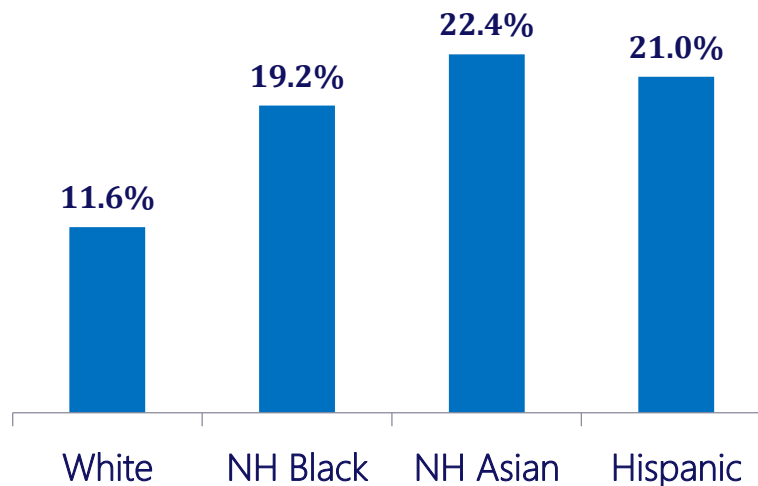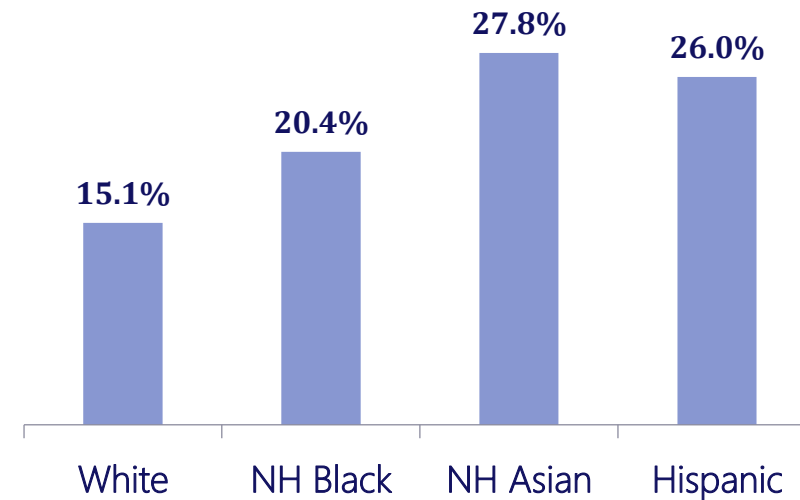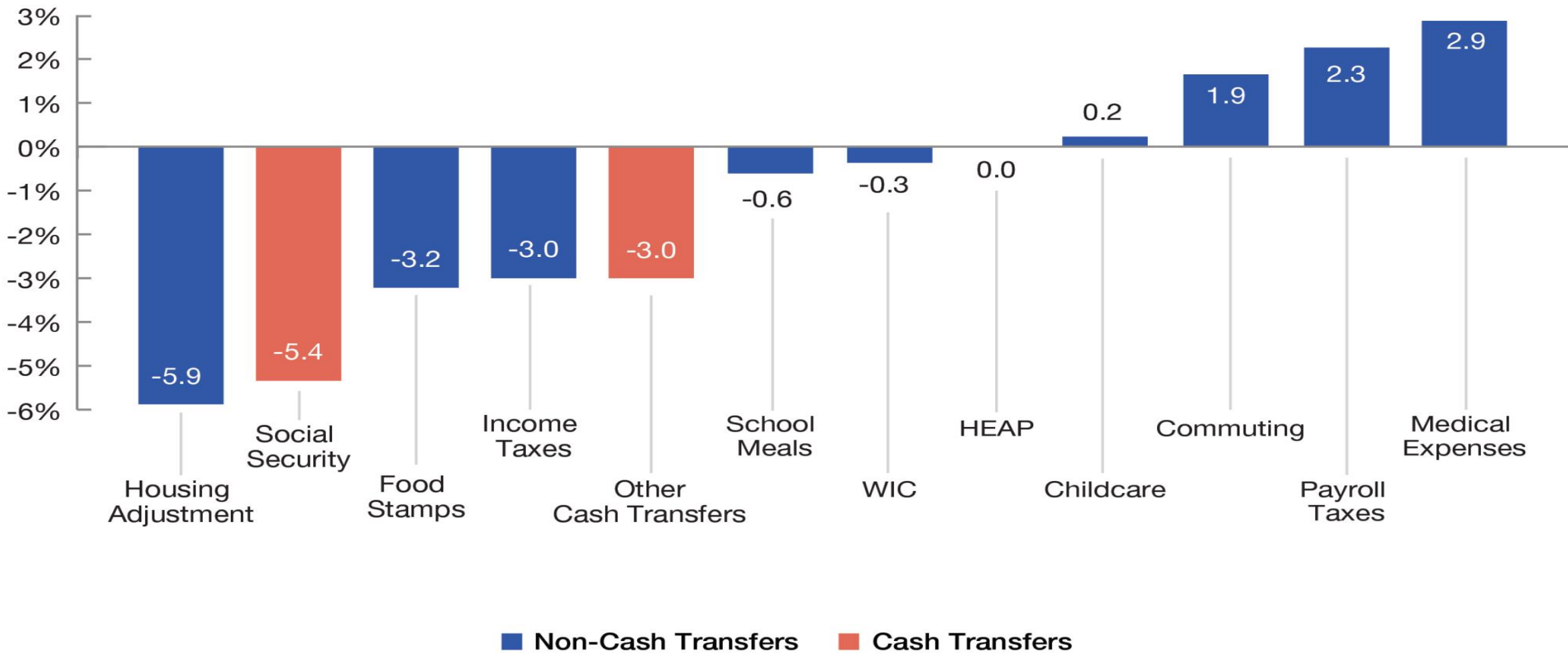
Administration Policies Reduced Poverty

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

Legend: ■ Non-Cash Transfers ■ Cash Transfers

Housing Adjustment: -5.9
Social Security: -5.4
Food Stamps: -3.2
Income Taxes: -3.0
Other Cash Transfers: -3.0
School Meals: -0.6
WIC: -0.3
HEAP: 0.0
Childcare: 0.2
Commuting: 1.9
Payroll Taxes: 2.3
Medical Expenses: 2.9

SIMULATION: $15 MINIMUM WAGE

- Based on 2013 data, raising wage from $7.25 to $15 meant:

    - 1.2 million workers receive wage increase.

    - 3 million people living in families where someone received wage increase.

    - 3.8 percentage point decline in 2013 poverty rate.

    - 750,000 people out of poverty or near poverty.

- In NYC, Minimum wage did reach $15 in 2019, after several years of increases.

- As of 2017, when wage reached $11:
    - Estimated 236,500 fewer in poverty or near poverty compared to 2013 (minimum wage + job market effects)

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Assumptions: No job loss; adjusted SNAP, WIC, school meals; tax credits and payments adjusted to new income. No short run change in housing or medical coverage. Scaled wage increases for all earners just below $7.25 and up to $16.

SIMULATION: EXPANDED NYC EARNED INCOME TAX CREDIT

Current EITC_NYC = 5% of Federal Credit; New York State EITC = 30% of Federal Credit.
Simulations shown here assume status quo in federal and state credits.

Target lowest earners

- Single or married parents, earning up to $20,000: receive 11% or 7.5% of Federal credit respectively as EITC-NYC.

- RESULT:

- 10,600 out of poverty, including 6,000 children. Nearly 2,000 out of deep poverty.

- Poverty rate falls 0.1 percentage point. Cost =$169 million

Target children

- Increase EITC-NYC an additional 5% of Federal for each child up to 3 children .

- RESULT:

- 32,300 out of poverty including 17,000 children. Nearly 3,000 out of deep Poverty.

- Poverty Rate falls 0.4 percentage points. Cost = $185 million