

The New York Times

Calculating Poverty in New York: More by City Standard, and Less by Federal One

By Sam Roberts

March 3, 2010

The number of poor people in New York rose by about 300,000, according to a new measure of poverty by the city that takes into account expenses like housing, medical costs and child care that the federal government does not include in its formulation.

The increase in poverty under the city's calculation from 2005 to 2008 contradicts the official federal poverty rate, which showed a decline in New York for the same period, and defied the efforts of Mayor [Michael R. Bloomberg](#), who had made combating poverty a priority of his second term and pioneered the new poverty measurement.

City officials said the poverty rate could show a further increase again for 2009 as a result of the [recession](#). Although the recession does not seem to have drained the city of jobs as severely as once feared, about one in five working families failed to earn enough to escape poverty, the city's analysis found.

Many blacks were bumped into lower-paying jobs during the economic slump, and older New Yorkers recorded the highest poverty rates because they were pinched by unreimbursed medical expenses.

"The recession is not equal opportunity," said David R. Jones, the president of the Community Service Society, an advocacy and research group for low-income people.

According to the city's analysis, 22 percent of New Yorkers were classified as poor in 2008, compared with 20.6 percent in 2005. The [Census Bureau](#) found a far different picture: It said the city's poverty rate fell to 17.6 percent in 2008, from 19.1 percent in 2005. The estimated 300,000 increase in the number of poor New Yorkers in 2008 represents the difference between the federal rate, announced last year, and the city rate.

Linda I. Gibbs, the city's deputy mayor for health and human services, said she was not surprised that poverty had risen, but added that the data about how specific groups had fared would enable the administration to aim its antipoverty programs better. Citing Mr. Bloomberg's dictum, Ms. Gibbs said, "If you can't measure it, you can't manage it."

A major factor driving up the city's poverty rate was the cost of housing, which has remained relatively high despite the real estate collapse. To account for the cost of shelter, city officials raised the poverty threshold for a family of four by nearly 25 percent, from an annual income of \$24,353 in 2005 to \$30,419 in 2008. The federal threshold in 2008 for a family of four was \$21,834.

When the city announced in 2008 that it was unveiling a new measure of poverty based on recommendations by the [National Academy of Sciences](#), officials said they hoped it would prompt the federal government to rethink how it calculated poverty. Two years later, the federal government has decided to follow the city's lead.

On Tuesday, the Obama administration said it would adopt a version of the city's standard, which also factors in benefits like food stamps and tax credits, as a companion to the formula first devised nearly 50 years ago. The new version would be adjusted to reflect varying living costs in metropolitan areas across the country.

"The new supplemental poverty measure will provide an alternative lens to understand poverty and measure the effects of antipoverty policies," said Rebecca Blank, the undersecretary of commerce for economic affairs.

Advocates for the poor have long argued that the federal formula originally developed during the Johnson administration's War on Poverty was sorely outdated because it continues to assume that an average family spends far more on food than on other basic necessities, like clothing, shelter and utilities.

The new federal poverty rates will be released next year. "They've shown the way," Ms. Blank said, referring to the Bloomberg administration.

Mark K. Levitan, the director of poverty research for the Center for Economic Opportunity, which issued the city's analysis, described the sharp rise in poor blacks as "the canary in the coal mine for the recession."

"People aren't necessarily losing their jobs," he continued, "but are moving down the job ladder."

Ms. Gibbs said the findings had "helped us to think differently about some of our populations, particularly the elderly."

The city's analysis cited the profound impact of public housing and rent subsidies in concluding that "access to the affordable housing provided by public programs appears to be a more-important determinant of whether working families with low earnings can make it over the poverty line."

Without such housing assistance, the poverty rate would have soared to nearly 28 percent in 2008. "If I could wave a wand and make housing assistance an entitlement, you would have a very different story," Mr. Levitan said.

Mr. Bloomberg has made the development of housing for lower-income New Yorkers one of his signature programs.

"The fact is, 480,000 more people would be living in poverty but for the investment this city makes in affordable housing," said Rafael E. Cestero, the city's housing commissioner. "The report focuses our efforts on ensuring that the housing we create is for those most in need — the working poor, who are on the verge of falling into poverty."