

# Research & Policy Brief Series

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## Poverty in New York State: Patterns and Prospects

By **Thomas Hirschl**, Cornell University

### What is the Issue?

Poverty remains a significant issue for millions of Americans, despite various programs and efforts to reduce it. According to the U.S. Census Bureau, in 2006 13.3% of U.S. residents and 14.2% of New Yorkers lived under the established poverty threshold. For the U.S. this represents an increase of almost a full percentage point since the 2000 Census, and for NYS a slight decrease (0.4 percentage points) in the same six year period. How is “poverty” measured? Is being poor a lifelong “condition”? How does poverty vary across New York State?

### How is “Poverty” Measured?

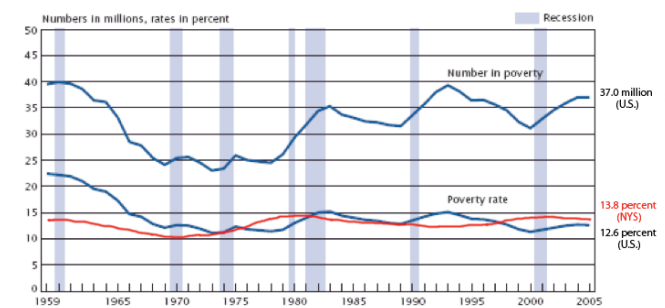
The official U.S. Census Bureau measure of poverty was designed to account for the cost of basic necessities across different sized families. Developed in 1963, the poverty measure assumes that food costs are one third of total family costs. However, this assumption has been criticized for underestimating housing costs and health care costs that have risen relative to food prices over the past 40 years (National Research Council 1995), understating the true extent that families are living without basic necessities. For a four-person family unit with two children, the 2006 poverty threshold is \$20,444. For one- or two-person family units, the poverty thresholds differ by age; the 2006 threshold for one individual under age 65 is \$10,488, whereas for an individual 65 or over it is \$9,669 (IRP - <http://www.irp.wisc.edu/faqs/faq1.htm>). Individuals under the age of 65 earning just \$12,000 a year are therefore not counted among the poor, according to this measure. Alternative measures are often used which allow for a slightly higher threshold, for example 150 percent of poverty. When 150 percent of the official poverty level is used (individuals under 65 earning approximately \$15,700 or less), 22.6% of New Yorkers were considered poor in the Census year 2000, compared to 14.6% with the standard measure. Official poverty statistics may therefore understate poverty, particularly as housing and health care costs continue to rise relative to the price of food.

### Is being poor a lifelong “condition”?

An important feature of poverty is that most Americans experience one or more years in poverty sometime during their life time, although most people are poor for periods of less than 5 years (Rank and Hirschl 1999\*). Thus poverty “spells”, while typically short in duration, affect many.

A second feature of poverty is its cyclical character with regard to the business cycle. Poverty tends to decline during business expansions, and then increase during business recessions (shaded areas in Figure 1). However, business expansions have not lowered the poverty rate (or the number of poor) since 1971, suggesting that the market economy alone cannot reduce poverty. Even the significant monetary expansion of anti-poverty programs in the 1970s were unable to reduce poverty to any significant degree. Since neither the market economy nor traditional anti-poverty programs have been effective in reducing poverty, new programs based in new principles will be required.

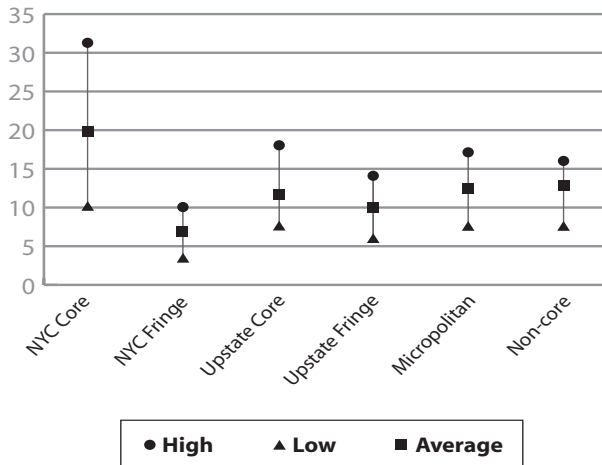
**Figure 1: The Trend in Official Poverty for the United States, 1959-2005**



Note: The data points are placed at the midpoints of the respective years.  
Source: U.S. Census Bureau, Current Population Survey, 1960 to 2006 Annual Social and Economic Supplements.

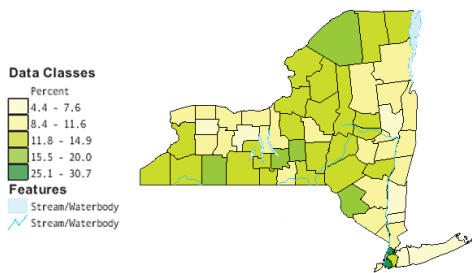
### How does poverty vary across NYS?

Another feature of poverty is its geographic distribution. Across America poverty tends to be high in central cities, low in the suburban ring, and high in rural areas (Brown and Hirschl 1995\*). Thus poverty resembles an “inverted doughnut” where clusters of poverty are found in the center, and in rural areas outside the outer ring of suburbia. In New York State this general pattern is evident in the New York City region where poverty is highest in the urban core boroughs of the Bronx and Brooklyn and lowest in Staten Island (Richmond County) (see Figure 2 and Map 1 below - Appendix Table available on the CaRDI web site). The average 2000 poverty rate for the NYC Boroughs is 20%, far higher than the 6.7% average for the NYC Suburban ring which is the lowest poverty rate of all New York State regions. This is especially the case for Putnam County where less than 5% of the population was under the poverty threshold in 2000.

**Figure 2: Poverty Across New York State Regions, 2000**

Source: U.S. Census Bureau, 2007

Severe poverty (those individuals with incomes below 50% of the poverty threshold), along with poverty in general, is highest in the Bronx and in Brooklyn. The very high level of severe poverty in the Bronx suggests that this area should be an important focus for anti-poverty efforts. Poverty is not as high in the central cities of upstate New York, and is near the state average within most nonmetropolitan counties.

**Map 1: County-level poverty in NYS, 2000.**

Source: U.S. Census Bureau, 2000

Nonmetropolitan county (includes micropolitan and non-core counties) poverty rates are not as high as rates in New York City, but higher than rates in the NYC fringe counties. The average rate for micropolitan counties that contain a small urban area is the same as the average for non-core based counties that have no urban area. Thus poverty is about as common in nonmetropolitan counties as it is throughout the rest of New York State.

### Poverty in urban and rural places

When we examine poverty in New York *places* instead of *counties*, the story is rather different. “Non-metropolitan” should not be confused for “rural”. Both rural and urban places (towns, villages, cities) can co-exist in metropolitan and non-metropolitan counties. Data for *places* allows us to examine poverty

using a smaller unit of geography, and one that may have more relevance for people experiencing poverty in their daily lives in their local communities.

Urban places in NYS have far greater rates of overall poverty than do rural places (15.4% vs. 8.7% - see Figure 3). However, comparing the NYS data with data for the U.S., we see that while urban poverty tends to be higher than rural poverty across the U.S., the difference is only slight (12.7% vs. 11%). Relative to the country as a whole, poverty in New York State tends to be concentrated in urban places, and this is especially the case for child poverty.

**Figure 3: Poverty rates for NYS and the U.S., by age group and rural/urban status, 2000.**

New York State	% poor	% urban poor	% rural poor
All ages	14.20%	15.40%	8.70%
< 18 years old	20.0%	20.9%	10.9%
65 years+	12.1%	12.0%	6.9%
United States	% poor	% urban poor	% rural poor
All ages	12.40%	12.70%	11.00%
< 18 years old	16.1%	16.8%	13.8%
65 years+	9.9%	9.5%	11.0%

Source: 2000 Census, STF 3

### Poverty among the young and old

In general, the elderly poverty rate is lower than the child poverty rate. Unlike children, the elderly have relatively greater social protection from poverty due to broad access to large, stable public entitlement programs such as Social Security and Medicare. American children are less protected from poverty, so that events such as unemployment and family disruption often lead to higher poverty.

In NYS, both the elderly and children have significantly *higher* poverty rates than the U.S. averages. However, while these rates for NYS are higher overall, in *rural* places of the state, they are significantly *lower* than in the averages for rural America. Going by these numbers alone, urban poverty appears to be a greater problem in NYS than for urban America on average, while rural poverty is a less significant issue for NYS than for rural America on the whole.

### Conclusions

The data presented in this article indicate that poverty levels in New York State vary dramatically across towns, villages, cities, and counties. Currently, the federal government’s attempts to fight poverty at a national level appear to be ineffective. Consequently, anti-poverty efforts may need to be developed at lower levels of government such as states, counties, and localities.

Poverty can be viewed as largely a crisis of economic distribution. Developing more effective methods at the state and local level for distributing goods and services (such as food, clothing, housing, healthcare, childcare, and education) may be the more appropriate focus of anti-poverty efforts. Poverty is a critical problem in the world, and solving it at home should be a first priority.

\* References and additional data available on the CaRDI website.

