Inequality in Boston

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A recent report measuring poverty in Boston concludes that the city is in one of "the most unequal counties in the nation." The report released this month by the Boston Foundation and the Boston Indicators Project analyzes data from the US Census, the Bureau of Labor Statistics, and other sources, and examines both long-term (1990-2010) and short-term (2005-2009) trends.

The study comes at a time when both the government and the media are trumpeting the state's decreasing unemployment rate, which was 7.3 percent in September and October and has been at least one percentage point below the national rate since April of this year. In many cases, the long-term unemployed have simply given up searching for work and are no longer counted as jobless.

Much of the poverty is concentrated in the Roxbury, Dorchester, Mattapan, and South End neighborhoods of Boston. While the poor in these neighborhoods are caught in a cycle of substandard education, they live in the shadow of universities that charge $40,000 or more for tuition each year. At the same time families earning a salary at the official poverty rate can barely pay rent, and web sites of realtors routinely list condominiums at $1 million or more in the city's wealthy neighborhoods.

The City of Boston had a hand in preparing the Boston Indicators Project report, and its introduction offers a bland quote from Boston Mayor Thomas Menino, a Democrat, who says, "We won't develop all of the solutions here, but we can start here." In reality, the extreme levels of poverty have been entrenched since at least 1990, and Menino recently has spearheaded an attack on public education and other social programs.

The statistics summarized by the Boston Indicators Project are staggering: nearly 50,000 children live in families whose income is 185 percent of the Federal Poverty Standard or less; nearly 31,000 children—28 percent of all children in the city—live in poverty; 25 percent of the city's aggregate annual income went to the top 5 percent of incomes in 2009, while the bottom 20 percent earned only 2.2 percent of the total. In addition, the median annual rent for a two-bedroom apartment in the city's poorest neighborhoods—$16,800 or $1,400 per month—is only $5,250 per year less than the annual earnings of a family of four at the poverty level.

Between 2006 and 2009, the number of Boston households using food stamps increased from 25,000 to 35,000. Statistics on the Commonwealth of Massachusetts web site document that the state's food stamp caseload nearly doubled from July 2008 to July 2011—from 243,000 to 455,000. Yet the state's fiscal year 2012 budget included a Dickensian clause mandating that people convicted of "fraudulently" using $100 or more of food stamps will be subject to fines up to $25,000 and imprisonment up to five years.

The Boston Indicators Project report emphasizes race as a factor in income inequality, noting that the percentage of African Americans in poverty was 34 percent in 1990 and 35 percent in 2009 while other racial and ethnic groups saw their poverty rates decline. Boston has a long history of segregation and racism, and this factor cannot be discounted. However, a closer look, including at educational opportunities, shows that the class divide is the driving force behind social inequality.

The report notes that 74 percent of the 56,000 children enrolled in Boston Public Schools live in families making 185 percent of the Federal Poverty Standard or less. Between 20 and 40 percent of adults in the neighborhoods of Roxbury, Mattapan, and Dorchester do not have high school diplomas, and there is a direct correlation between education and income: in the period 2005-2009, 27 percent of adults without a

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high school diploma lived in poverty, while only 6 percent of those with a bachelor's degree did.

The state's government has gone out of its way to attract biotech and clean energy companies in recent years, and has given lip service to training workers for these industries. In actual practice, however, Boston passed the fiscal year 2012 budget last summer that cut $63 million in spending and eliminated 250 jobs. Its superintendent of schools and mayor waged a bitter campaign last year to close neighborhood schools and convert some to charter schools.

Despite there being more than 70 colleges and universities in the Boston area, working class children and working adults also face a lack of affordable higher education. According to the web site http://www.collegetoolkit.com, only six of the city's colleges—including the religious Boston Baptist College—have annual tuition of $10,000 or less.

A second recent report by the Boston Foundation, titled "The Case for Community Colleges: Aligning Higher Education and Workforce Needs in Massachusetts," notes that in Massachusetts the cost of community college is 59 percent higher than the national average. It goes on to state that in 2006 an average family needed to spend 16.6 percent of its income to send a member to community college in New England, compared to a national average of 12.7 percent.

Other economic factors also play a role: the Boston Indicators Project notes that "between 1990 and 2009, the cost of living in Greater Boston increased by 68 percent." This increase included jumps of 159 percent in medical costs, 70 percent in housing costs, and 110 percent for home heating and energy costs.

Increasingly, the poor have to choose between food and needed medical care, and statistics reported last summer document that extreme child malnutrition and housing insecurity in Boston can have lifelong consequences. (See "Infant malnutrition at staggering levels in Massachusetts".)

In a section documenting that the Federal Poverty Threshold is far too low in a city as expensive as Boston, the Boston Indicators Project notes that in 2009, more than 50 percent of renters earning less than $35,000 paid rent equaling more than 35 percent of their income. In addition, four times more rental units were foreclosed in 2010 than owner-occupied; as a result, workers frequently lose their homes when their landlords default on mortgages.

Finally, the report comments on the economic effects of Massachusetts' regressive tax structure: "sales and property taxes are regressive, with the poorest 20 percent paying nearly twice the rate of the wealthiest 5 percent in Massachusetts. In 2010, the poorest 20 percent of Massachusetts residents paid nearly 10 percent of their income in all state and local taxes combined, including the state's income tax, while the wealthiest 1 percent—with incomes greater than $580,000—paid less than 6 percent." With a Democratic governor who is many times a millionaire, the state wouldn't dream of increasing taxes on the rich. Instead, it voted last week to suck even more revenue out of workers through legalized casinos.

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