Nearly two thirds of New Yorkers suffer severe economic hardship

Philip Guelpa
28 July 2016

Newly released research on economic hardship in New York City reveals the reality of extreme inequality and the distorted view of economic conditions in the working class provided by official poverty statistics.

The study, titled: *Dynamics of Disadvantage in New York City*, was prepared by the Robin Hood Foundation, a New York City anti-poverty non-profit, and Columbia University's Population Research Center. The latest report is the third in a series on poverty in the city.

The researchers undertook a program called Poverty Tracker, which collected data by surveying 2,300 New Yorkers encompassing the full range of income levels in multiple visits over the course of two years.

The principal finding of the study is that nearly two thirds, 63 percent, of New Yorkers experienced at least one of the three criteria of disadvantage, as defined by the researchers, at least once during the survey's two-year time span. These include poverty, material hardship, and poor health.

For a significant number of those surveyed these were not occasional occurrences, as bad as those are in themselves, but chronic conditions.

The most persistent form of disadvantage was found to be severe material hardship, defined as an acute inability to meet daily needs (e.g., running out of food or utility cut offs due to inability to pay bills). Twenty-three percent, nearly a quarter, of those surveyed were found to lack basic necessities at both the beginning and end of the survey period, indicating a more or less continuous condition.

The trend identified by the study is notably downward. During the period examined, while 10 percent of those interviewed left the material hardship category, 13 percent entered.

Poor health (limiting the kind or amount of work a person can do) was found to persist for 17 percent of those surveyed and poverty for 9 percent.

The latter figure is deceptive. Nearly one quarter (22 percent) of those surveyed reported incomes below the poverty line, either at the initial canvas or in the follow-up one year later, demonstrating that large numbers of people are living a fragile existence, hovering at the very edge of what is defined as poverty. Again, a larger number entered poverty (12 percent) than exited (10 percent) over the span of the study.

It is significant that the study's definition of poverty was broader than the city's official statistics, which are based on pre-tax income alone. The Robin Hood/Columbia University measure of poverty gauged what they refer to as Annual Resources—post-tax cash income plus in-kind benefits minus necessary expenditures for medical care and work expenses—providing a more realistic view of actual economic conditions.

Thirty-one percent of those surveyed dipped below the study's poverty line at least once during the period. This is significantly higher than the roughly 20 percent reported by the city using its own measure.

One effect of the city's unrealistic poverty assessment bears on housing. The city uses only pre-tax income as a statistic on which it bases its calculations regarding eligibility for affordable housing, excluding many who should be eligible for reduced-rate housing using a more comprehensive measure.

The picture that emerges is one of widespread, persistent economic deprivation. If the study's results are projected to the whole of the city's population, roughly 8.5 million, nearly 2 million residents (23 percent) suffer severe material hardship on a continuing basis.

Earlier studies have also criticized the official methods used to gauge poverty and found that by more accurate measures nearly half of New Yorkers are poor or near-poor.

The researchers also found that while public assistance

© World Socialist Web Site

programs and private philanthropy had some effect in keeping people from falling into poverty, an 8 percent difference between those who received assistance and those who did not, there was virtually no difference (2 percent) for those exiting poverty, as defined by the study. This finding puts the lie to those who claim that the poor get a “free ride” from such programs. Furthermore, at a time when assistance programs are being severely cut or eliminated altogether, the limited break on descent into poverty will soon evaporate altogether.

Looking at the study’s results another way, only 37 percent of those surveyed, just over a third, did not experience any episodes of disadvantage during the study period. Given the city’s high cost of living and large low-wage sector, many of these people are only scraping by.

The report offers no recommendations for addressing the conditions it identifies other than to state that official statistics are inadequate to represent the real conditions faced by city residents.

In the third year of the supposedly progressive mayoral administration of Democrat Bill de Blasio, these findings illustrate in the harshest terms the emptiness of the mayor’s campaign pledge to fight inequality and what he called the “tale of two cities.”

This is further demonstrated by the persistently high rate of homelessness in the city (approximately 60,000 individuals in shelters on a daily basis and thousands more on the streets) and the continuing acute shortage of affordable housing.

This is an indictment, not merely of de Blasio, but of the entire political establishment, both Democrat and Republican, under which these conditions have been worsening for decades. The sole purpose of these two big business parties is to defend the interests of the city’s financial and corporate elite, while the overwhelming majority of the population sinks further into misery.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site