

THE UNHEARD THIRD 2005: BRINGING THE VOICES OF LOW-INCOME NEW YORKERS TO THE POLICY DEBATE

Presentation to New York City Council by Nancy Rankin, November 2005

Findings from the fourth annual citywide survey. Telephone interviews were conducted with 1,500 New York City residents, including 1,000 low-income and 500 moderate and higher-income New Yorkers. In the combined totals respondents in the low-income sample are weighted to reflect their actual proportion in the population.

The survey was conducted for Community Service Society of New York by Lake Snell Perry Mermin & Associates between July 20 - 28 and August 11 - 14, 2005.

DESPITE 2 YEARS OF ECONOMIC RECOVERY, SURVEY FINDS LOW-INCOME NEW YORKERS WORSE OFF

Low-income New Yorkers* make up 42% of city's population

Poor grew to 1.8 million (21.8% in 2004-03, up from 20.8% in 2003-02 Source: CPS)

Another 1.6 million hover near the poverty line

One-third of voting age citizens live in low-income household

**Findings suggest economic gains since 2003 have not reached those at the bottom;
poor New Yorkers report highest hardships since we began surveying 4 years ago**

**Divergence of views emerging along lines of income, and to some extent, race and
ethnicity, in how well people are doing, attitudes and agenda**

*Low-income defined as living at or below 200% of the federal poverty guidelines, or about \$32,000 for a family of three. Moderate and higher income are those above 200% of the poverty level.

WHAT DOES IT MEAN TO BE POOR IN NEW YORK CITY?

FINDINGS: What low-income New Yorkers – particularly the working poor – say about the challenges they face, their priorities and the city

ANALYSIS: Look at factors that could explain our findings

POLICY IMPLICATIONS: What can we do to make upward mobility a reality for more low-income New Yorkers?

POLITICIANS TALKING ABOUT THE MIDDLE CLASS, ARE NOT SPEAKING TO LOW-INCOME NEW YORKERS

Q53. How would you describe yourself and your family? (split sample)

	Upper/ Upper-mid Class	Middle Class	Working Class	Lower Class
Poor	0%	5%	35%	53%
Working poor*	1	6	38	50
Near poor	3	16	56	21

Total lower income				
Black	1	9	39	47
Hispanic	1	8	50	37
Asian	3	9	51	25
White	2	21	49	23

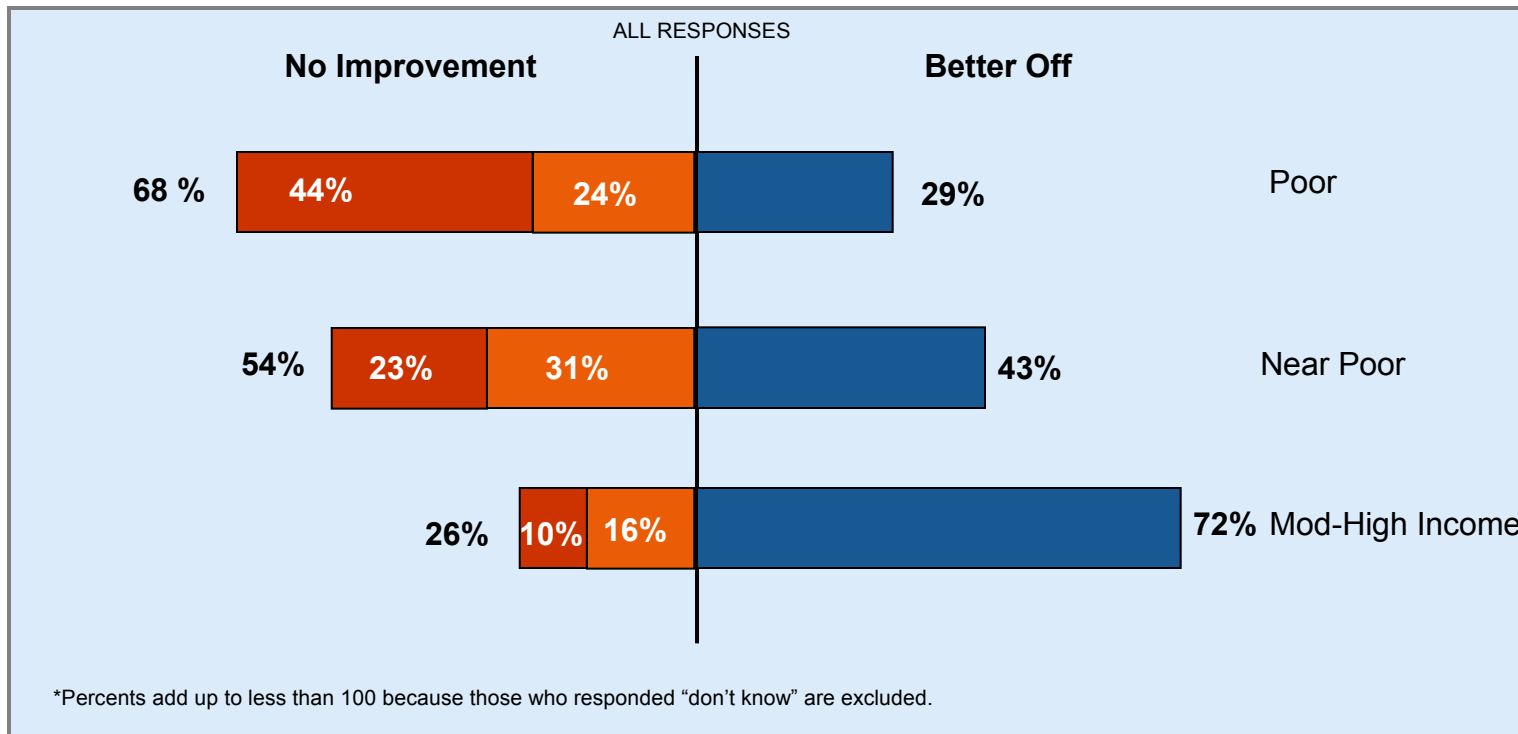
DOES ANYONE REALLY THINK OF THEMSELVES AS THE WORKING POOR?

Q54. How would you describe yourself and your family? (split sample)

	Rich/upper Income	Middle Income	Low Income	Working Poor	Poor
Poor	0%	1%	15%	47%	34%
Near poor	0	15	37	36	8
All low income	0	8	27	41	21
Mod-high Income	27	54	10	5	3

POOR SEE THEMSELVES AS STUCK OR MOVING DOWN THE ECONOMIC LADDER

Q55. Comparing your financial situation to that of your parents, when you were growing up, do you think you are better off, worse off or about the same economically as your parents?



WORSER OFF

STAYED THE SAME

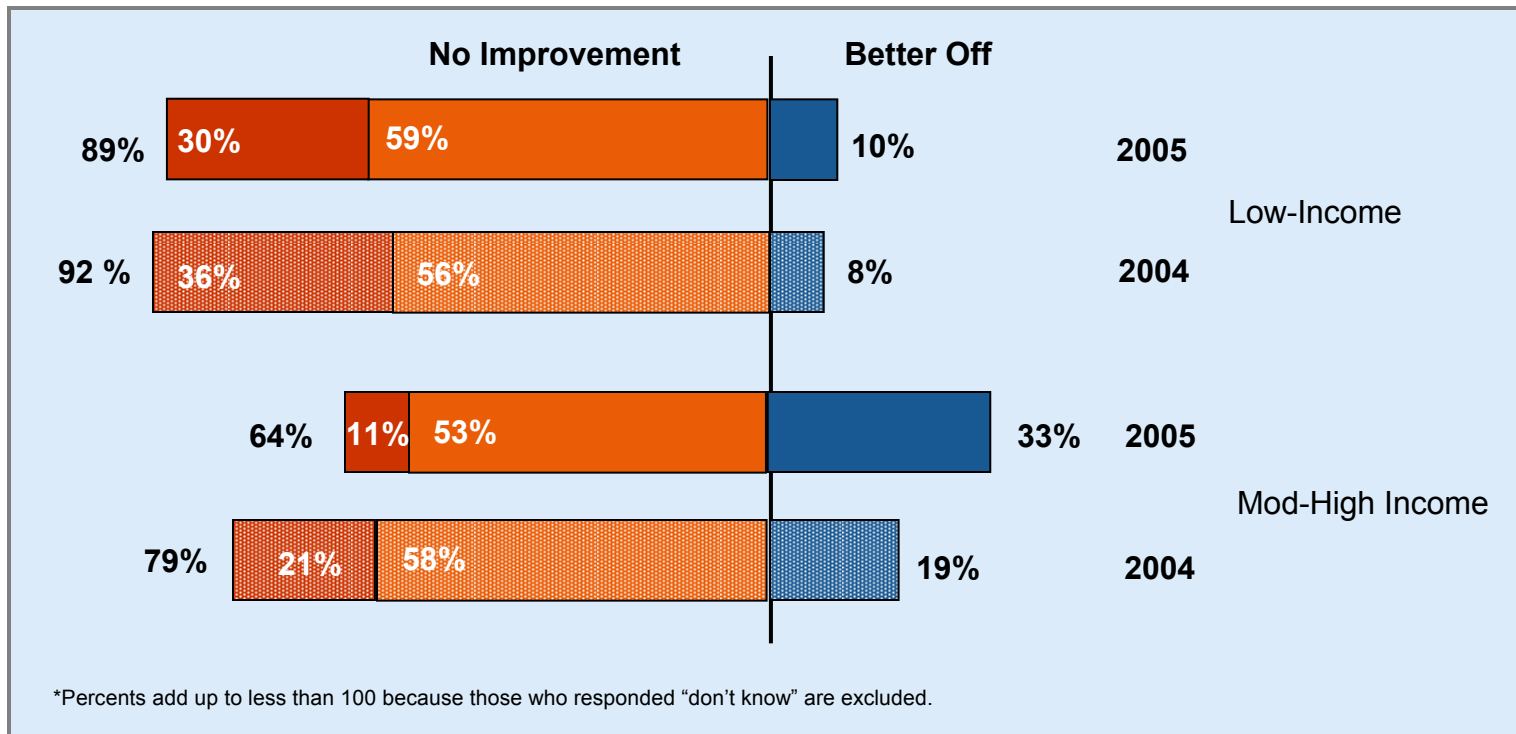
BETTER OFF

MOST LOW-INCOME NEW YORKERS WE SURVEYED ARE IN WORKING FAMILIES

Among those <age 65	% HH with worker	% HH with <u>full-time</u> worker
Poor (below poverty)	86%	62%
Near poor (100%-200% poverty)	93%	77%
Moderate-higher income	95%	93%

TEPID JOB GROWTH NOT ENOUGH TO PRODUCE GAINS AT BOTTOM, 9 OUT OF 10 ARE NO BETTER OFF

Q50. Would you say you and your family are better off financially than you were last year, worse off or about the same?



WORSE OFF
 STAYED THE SAME
 BETTER OFF

DATA SUGGEST DRAMATIC GAP IN EMPLOYEE COVERAGE FOR LOW-WAGE WORKERS

**Full-Time Min. Wage Worker (\$6hr)
Earns \$12,480/yr**

**Average Premium
\$4,147 (individual) \$11,504 (family)**

Source: Kaiser Family Foundation Employee Health Benefits 2005 Annual Survey, Premium for Northeast region. Rates for Healthy NY in NYC \$2400 (individual) and \$7188 (family)

Q127. Do you currently have the following insurance...?

	Full-time workers*		
	Poor (100% and below)	Near Poor (101- 200%)	Moderate-Higher (Above 200%)
Uninsured	51%	31%	7%
Have Health Insurance			
Employee or Other Private	21%	55%	90%
Medicaid	23%	11%	2%
Medicare	4%	2%	1%

*Coverage and employment status are “currently for respondent” not for household.

AND LOW-WAGE WORKERS GET FEW WORK-RELATED BENEFITS OF ANY KIND

Q73. Which of the following benefits, if any, do you receive from your employer?

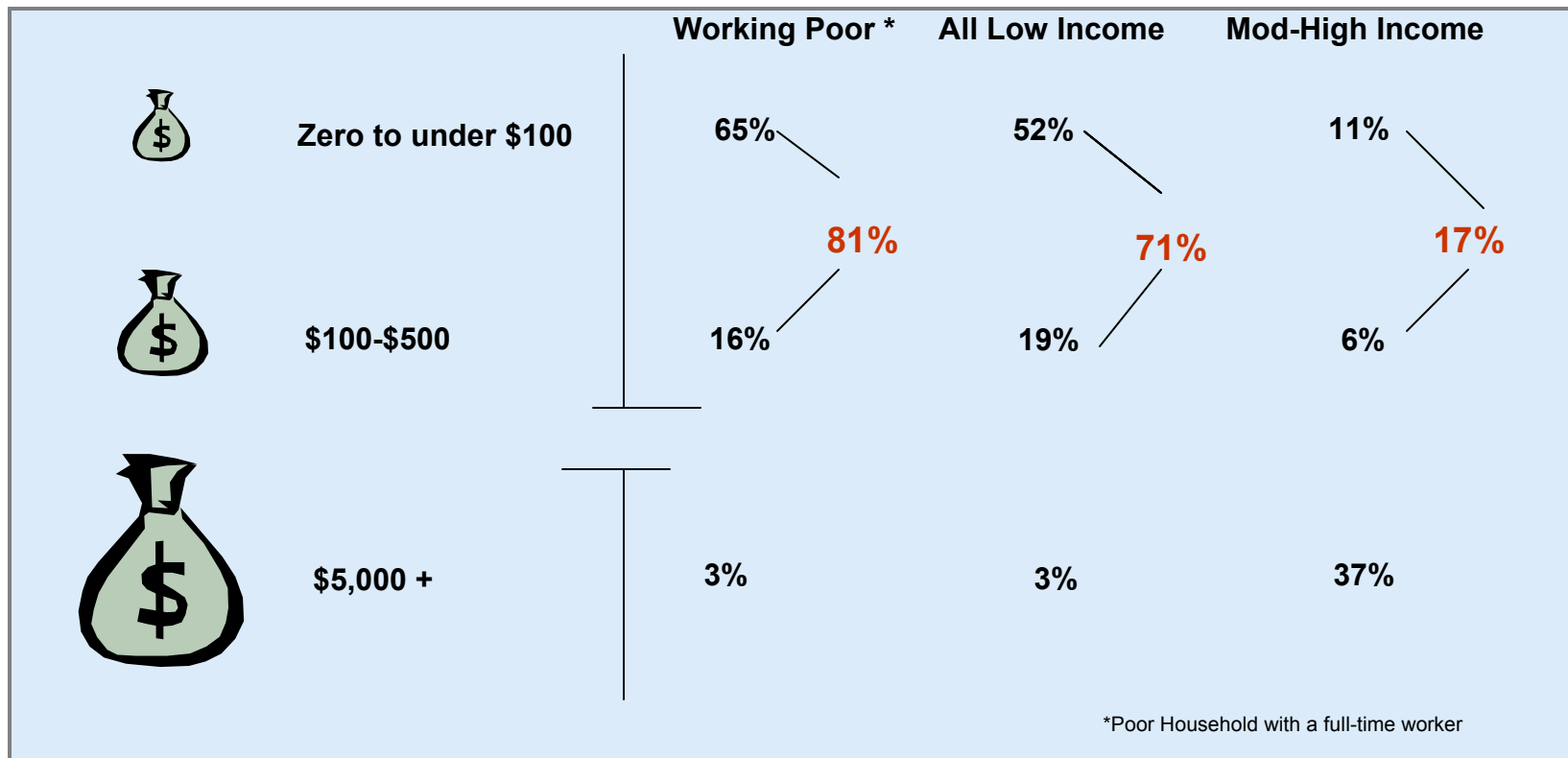
PERCENTAGE OF FULL-TIME EMPLOYEES **WITHOUT BENEFITS**

Benefits	Poor (100% and below)	Near Poor (101- 200%)	Moderate-Higher (Above 200%)
Health Insurance for Self	87%	57%	26%
Health Insurance for Family*	85	53	18
Prescription Drugs	92	84	47
Paid Sick Leave	60	33	15
Paid Vacation	71	36	14
Pension/401K Retirement Plan	89	81	27

*of those with children <19

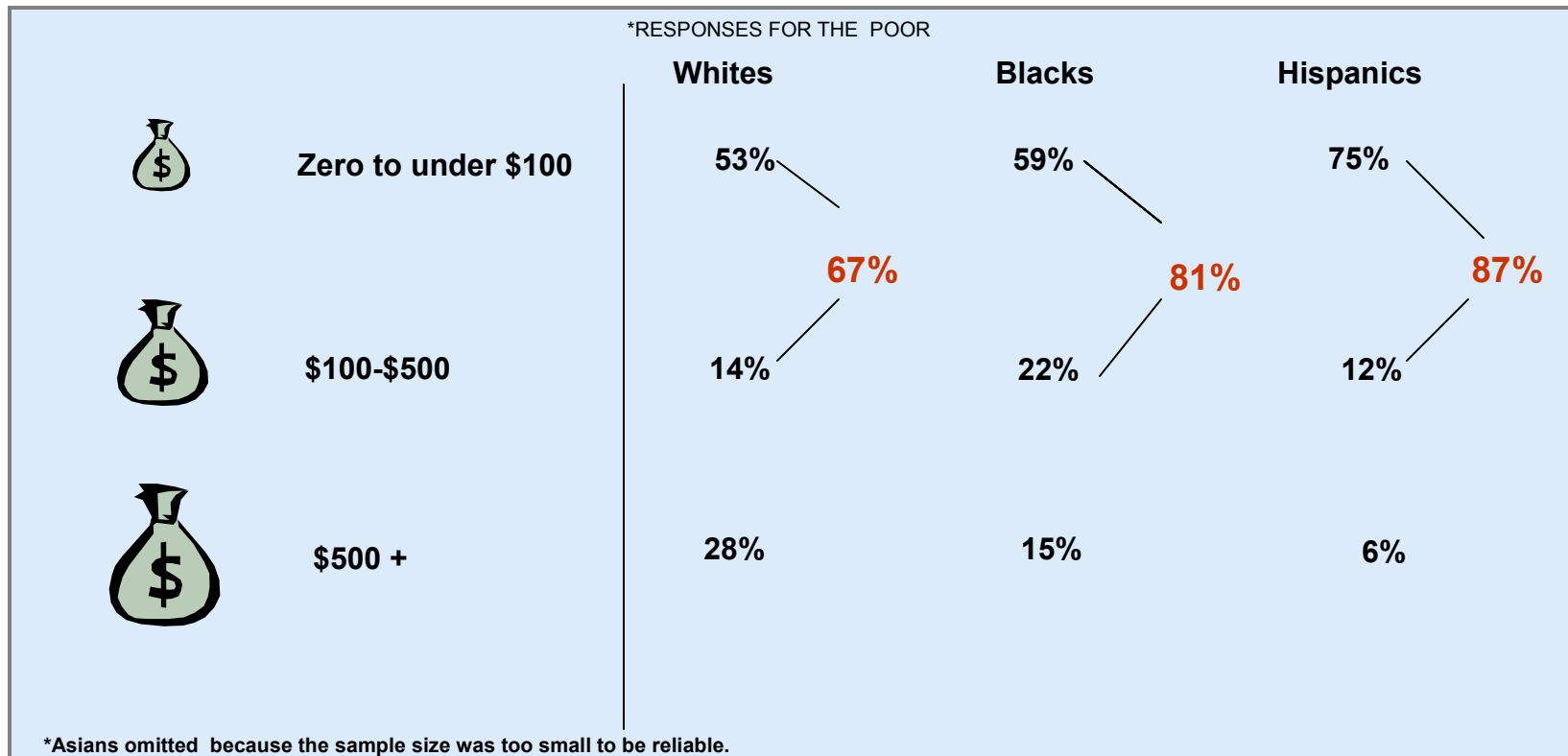
LIKE ALL AMERICA'S URBAN POOR, LOW-INCOME NEW YORKERS ARE NEVER FAR FROM DISASTER

Q113. If tough times were to hit you and your family, how much money in savings do you have to fall back on?



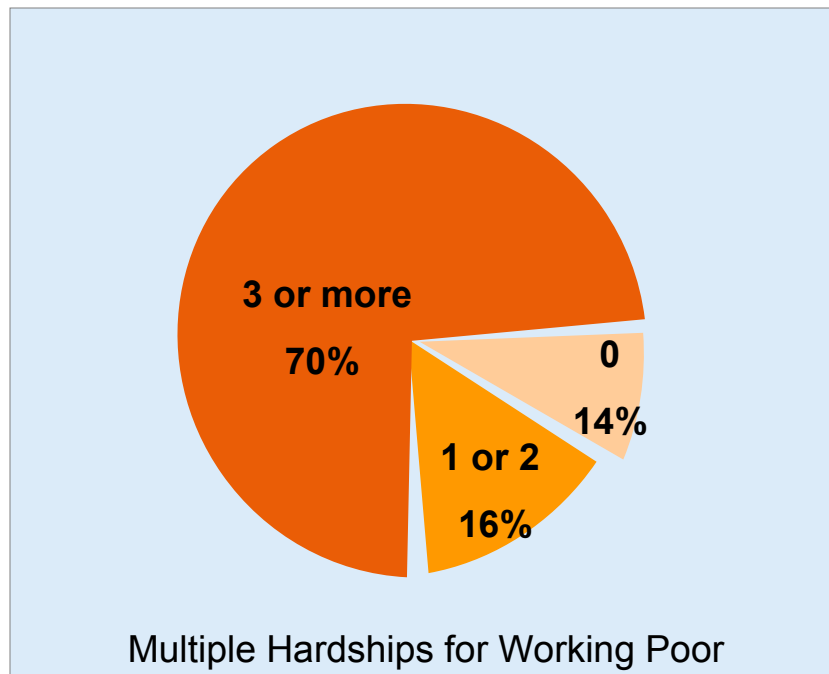
AMONG THE POOR, BLACKS AND HISPANICS ARE EVEN MORE VULNERABLE THAN WHITES

Q113. If tough times were to hit you and your family, how much money in savings do you have to fall back on?



POVERTY WAGES – EVEN FULL TIME – NOT ENOUGH FOR BASIC NECESSITIES

Q99-Q112. In the last year, have you or any member of your family experienced any of the following hardships?



HARDSHIPS AMONG POOR HOUSEHOLDS WITH A FULL-TIME WORKER

Health

- 48% Not gotten or postponed medical care/surgery
- 48% Unable to fill prescriptions

Housing

- 45% Fell behind on rent/mortgage
- 39% Utilities/phone turned off
- 14% Moved in with others
- 8% Stayed in a shelter

Food

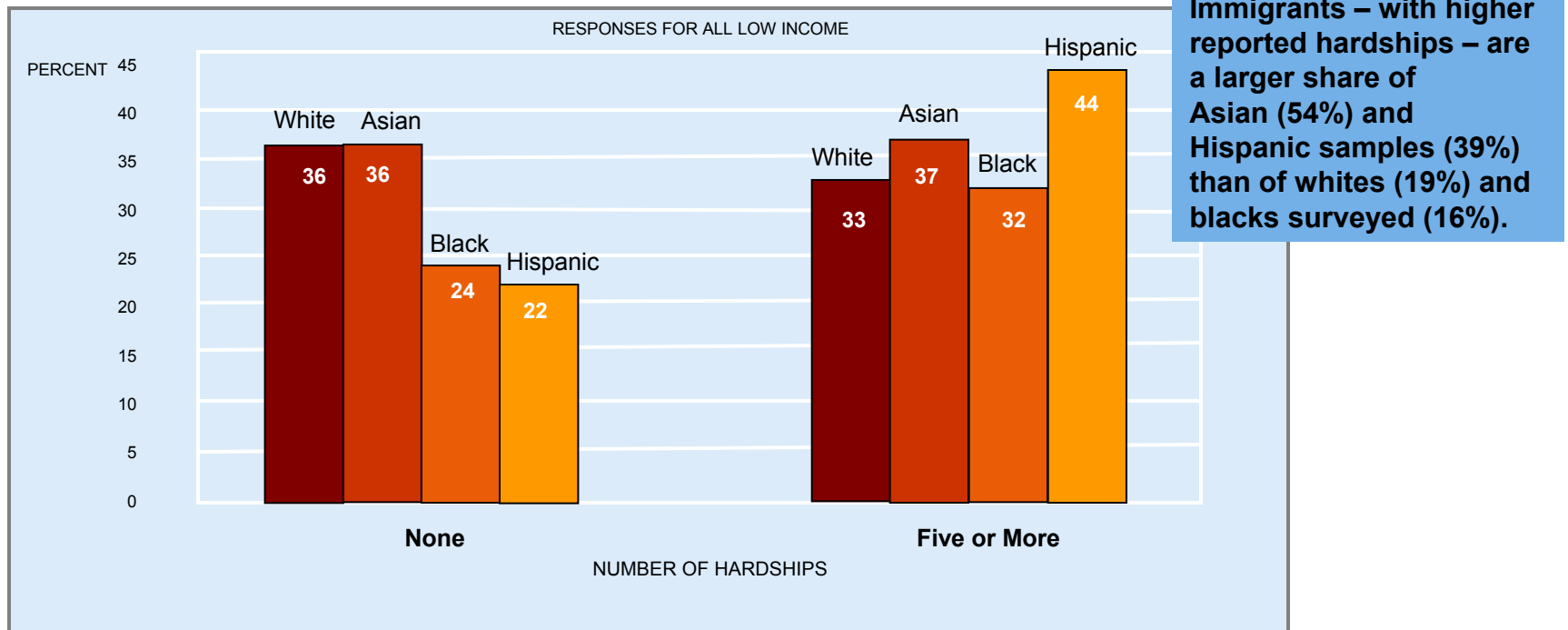
- 39% Used meal programs or food pantry
- 35% Received meals from family or friends due to lack of money
- 18% Went hungry

Income Security

- 39% Cut back on buying school supplies and clothes
- 35% Relied on charity, religious or community organization
- 34% Had hours, wages, or tips reduced
- 28% Lost job

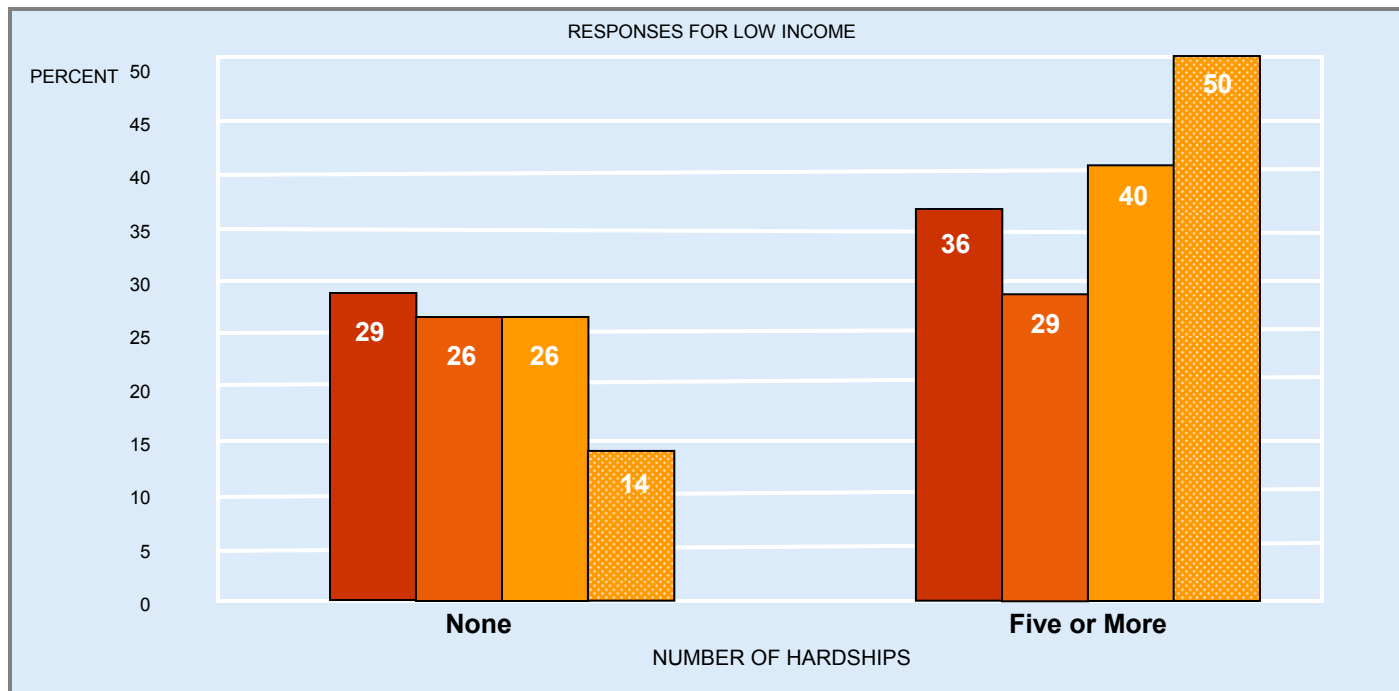
AMONG LOW-INCOME NEW YORKERS, HISPANICS ARE MOST OVERBURDEND WITH HARDSHIPS

Q99-Q112. In the last year, have you or any member of your family experienced any of the following hardships?



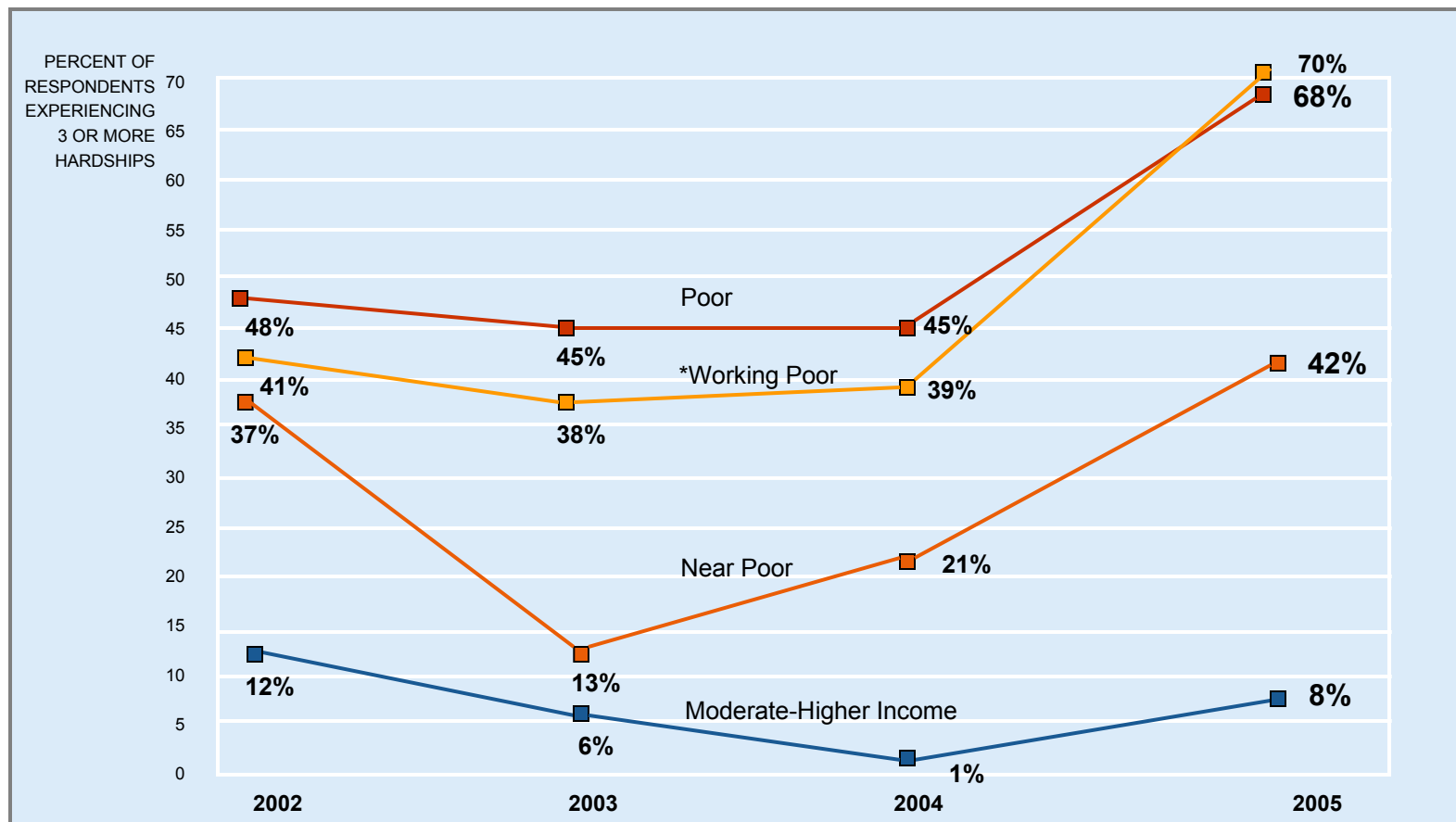
HISPANIC RATE DRIVEN UP BY LARGE SHARE OF IMMIGRANTS WITH MORE HARDSHIPS

Q99-Q112. In the last year, have you or any member of your family experienced any of the following hardships?



Native-Born White
 Native-Born Black
 Native-Born Hispanic
 Foreign-Born Hispanic

DESPITE RECOVERY, HARDSHIPS JUMPED IN PAST YEAR, ESPECIALLY FOR WORKING POOR



WHAT EXPLAINS THE SHARP RISE IN HARDSHIPS?

Falling wages

Hourly wages for New Yorkers in the bottom third of the earnings distribution ACTUALLY FELL 5.5% from 2002-03 to 2003-04 (Source: CSS calculation using CPS)

Rising rents

Most poor New Yorkers (61%) live in private rentals

With real estate values soaring, poor face staggering and rising rent burdens: 65% of poor pay half or more of their incomes in rent, up from 60% in 1999 (Source: CSS analysis by Vic Bach based on US Census NYC Housing and Vacancy Survey, 2002, 1999)

Median rents in NYC rose 6% in 2004 (Source: Census ACS); Rents in the region have risen 5.2% since July 2004 (Source: CPI); and more in some low-income areas like Mott Haven, Bushwick and Harlem

WHAT EXPLAINS THE SHARP RISE IN HARDSHIPS?

Survey suggests recent drop in employee coverage for NYC low-wage workers

Kaiser 2005 Employer Health Benefits Survey found drop in employee coverage concentrated in small businesses nationally

CPS data show decline in private coverage nationally; though not for NYC as of 2002-03

Sources: Income, Poverty, and Health Insurance Coverage in the US 2004, Aug. 2005, and Health Insurance Coverage in NY, 2002-03, United Hospital Fund and Urban Institute, Oct. 2005.

We found increase in working poor and they are less likely to get public benefits

This year 62% of HH <65 had a FT worker, up from 46% last year

As poor move from welfare to work, incomes remain low and unstable

46% of working poor* got food stamps v. 69% of poor HH without workers

31% of working poor got family Medicaid v. 58% of poor HH without workers

WE ASKED: WHICH ONE OF THESE DO YOU PERSONALLY WORRY ABOUT THE MOST?

Q11. (Read and rotate list)

Housing

Health care and prescription drugs

Finding or keeping a job

Getting gov't assistance, like food stamps or Medicaid

Child care

Schools

Crime, drugs and gangs

Fear of another terrorist attack

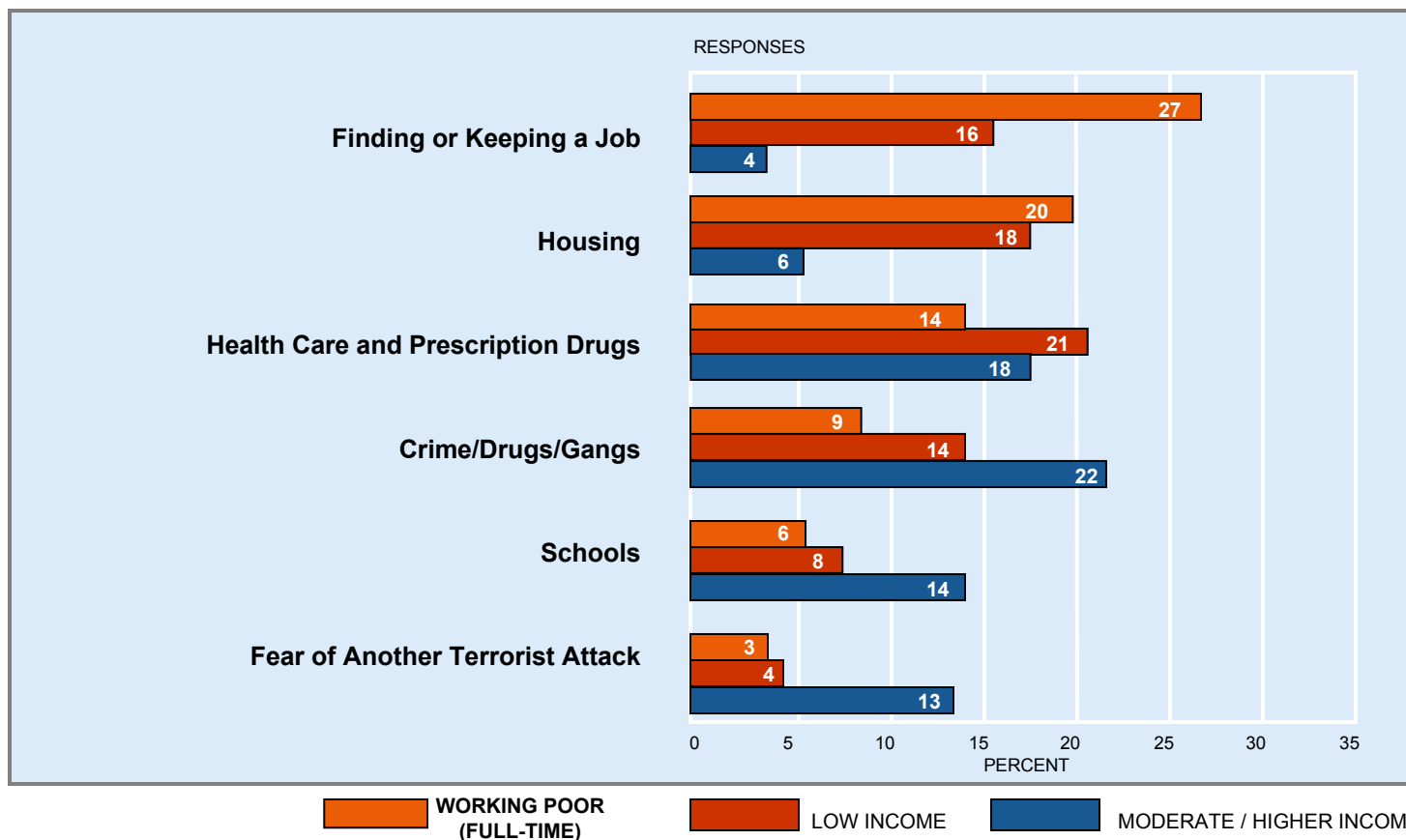
Juggling work and family

Debts and credit card debt

Police brutality

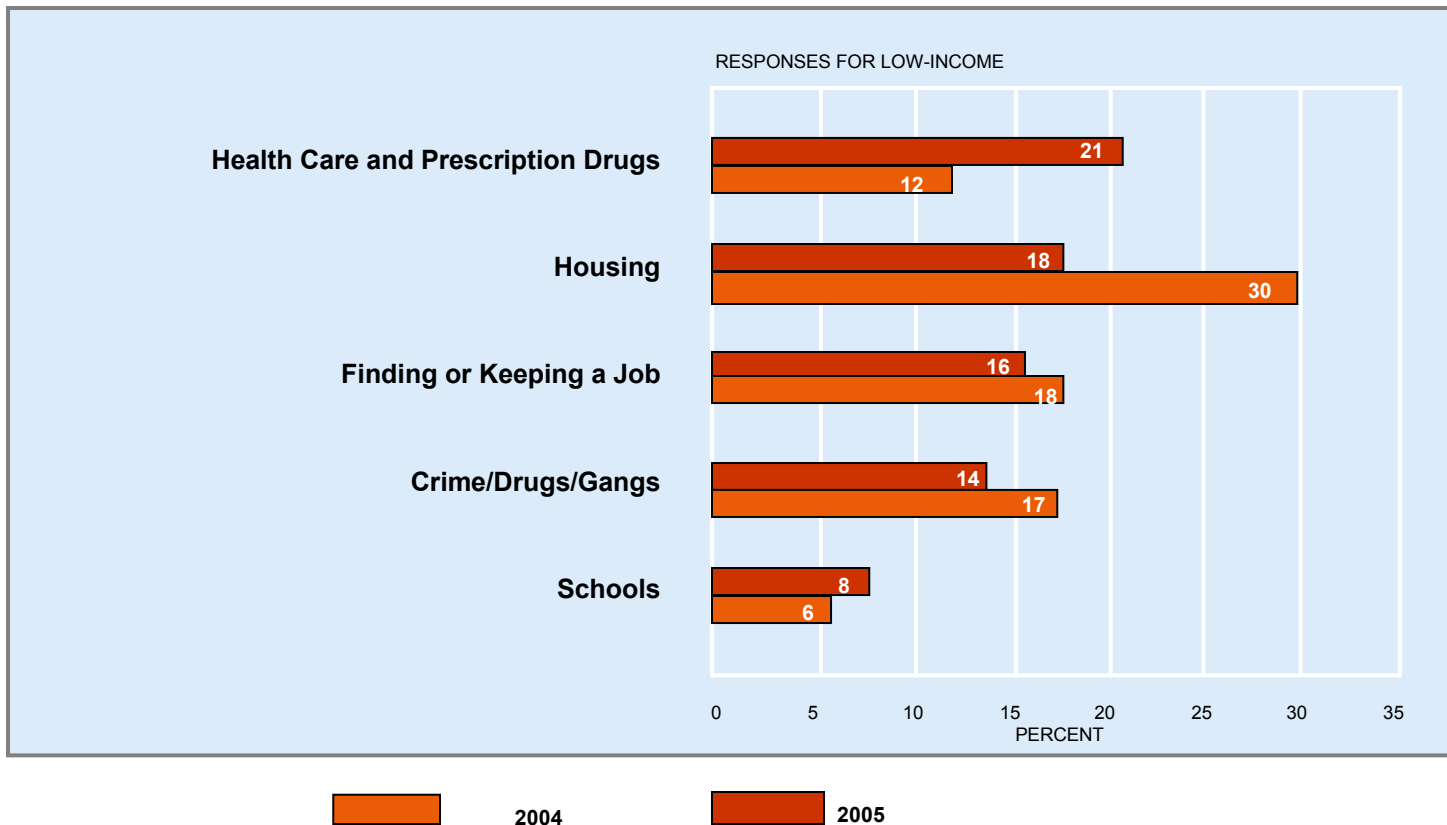
JOB SECURITY IS WHAT KEEPS THE WORKING POOR UP AT NIGHT; HOUSING, HEALTH CARE ARE ALSO WORRIES

Q11. Which one of these problems do you personally worry about the most?



HEALTH CARE HAS EMERGED AS GREATER WORRY THIS YEAR, PUSHING HOUSING FROM TOP SPOT

Q11. Which one of these problems do you personally worry about the most?



BUT HOUSING IS STILL TOP ISSUE LOW-INCOME NEW YORKERS WANT POLITICIANS TO ADDRESS

Q10. Which one of these issues should be the highest priority for New York’s elected officials?

<u>Low-income</u>		<u>Mod / High-Income</u>	
22%	Keep rent down and build more affordable housing	23%	Prevent tax increases
13%	Affordable health care	15%	Increase school funding
10%	Increase school funding	10%	Affordable health care
10%	Increase funds to fight crime		
Relatively few of either group say:			
1%	Protect moral values	4%	Protect moral values
2%	Improve public services like fire, sanitation, parks	3%	Improve public services like fire, sanitation, parks

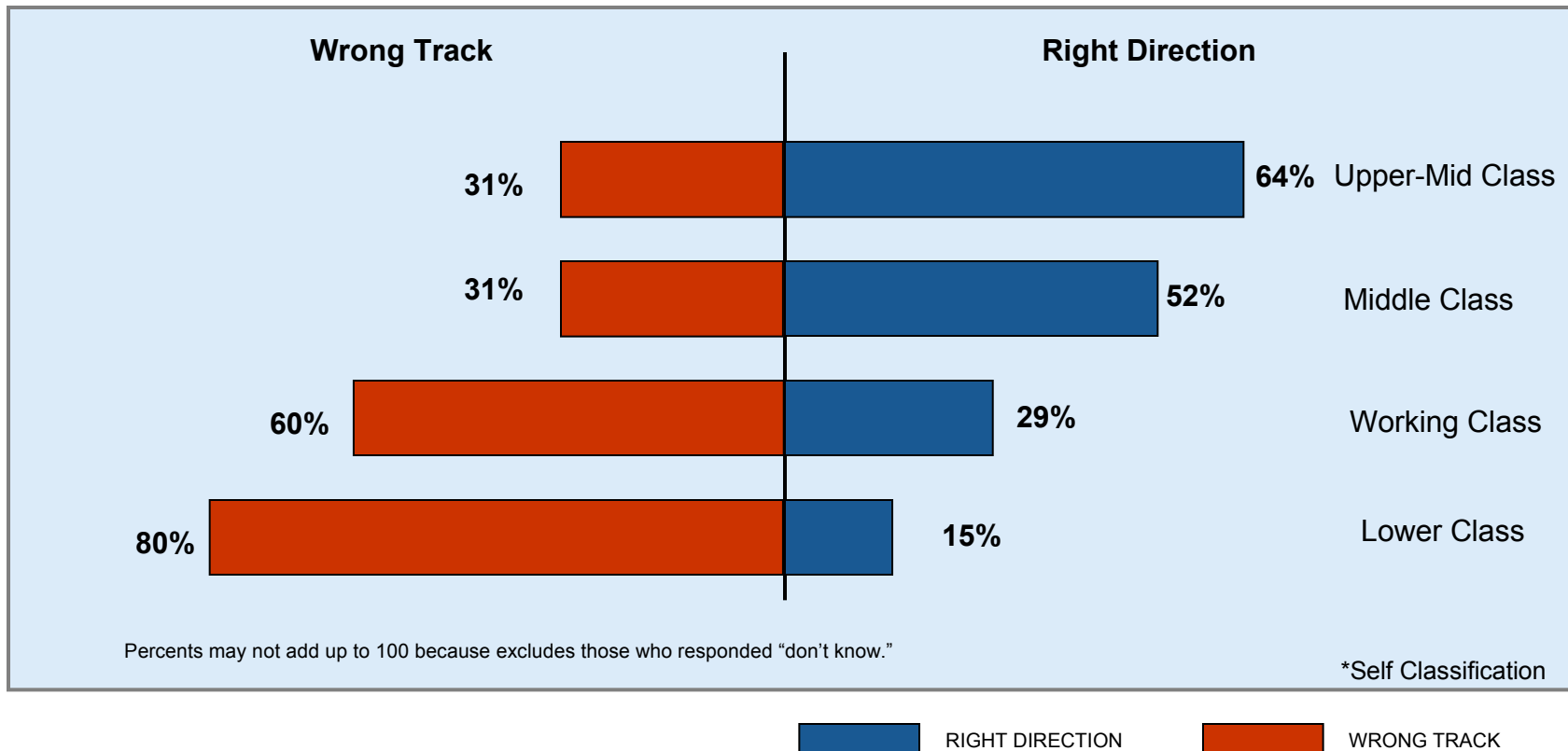
AFFORDABLE HOUSING AS TOP POLITICAL PRIORITY CUTS ACROSS RACIAL AND ETHNIC LINES

Q10. Which one of these issues should be the highest priority for New York’s elected officials?

RESPONSES for LOW INCOME			
<u>White</u>		<u>Black</u>	
19%	Affordable housing	20%	Affordable housing
17%	Prevent tax increases	12%	Affordable health care
15%	Affordable health care	12%	Fight crime
11%	Tax incentive to create jobs	12%	More funds for schools
<u>Hispanic</u>		<u>Asian</u>	
23%	Affordable housing	24%	Affordable housing
13%	Affordable health care	17%	Affordable health care
11%	Fight crime	12%	Tax incentive to create jobs
10%	More funds for schools	9%	Fight crime

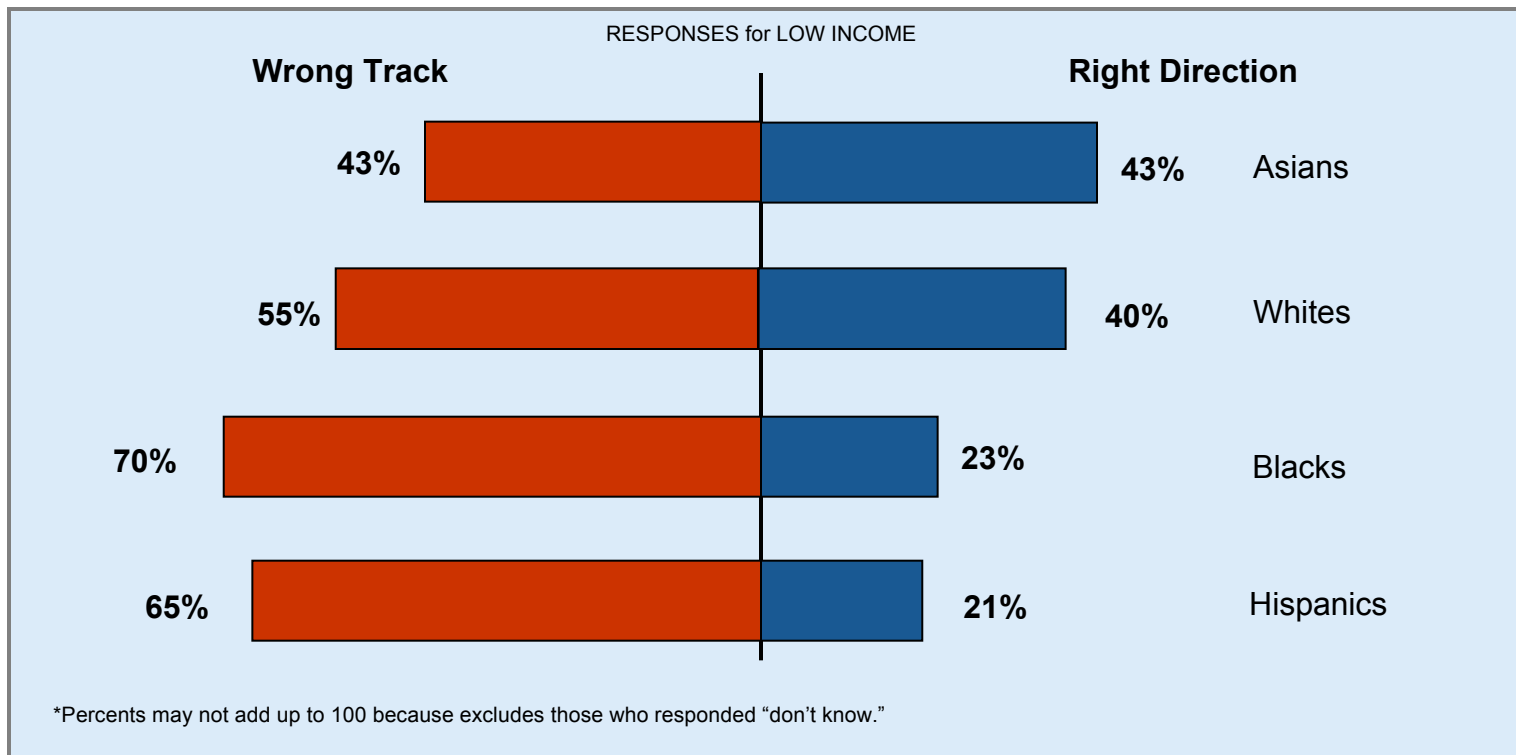
VIEWS ON THE DIRECTION THE CITY IS HEADED DIFFER SHARPLY BY CLASS PERCEPTIONS*

Q1. Generally speaking, do you think things in New York City are going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?



AMONG LOW-INCOME GROUP, BLACKS & HISPANICS MORE LIKELY TO SEE CITY ON THE WRONG TRACK

Q1. Generally speaking, do you think things in New York City are going in the right direction or do you feel things have gotten pretty seriously off on the wrong track?



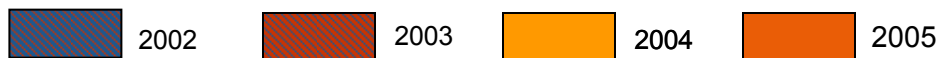
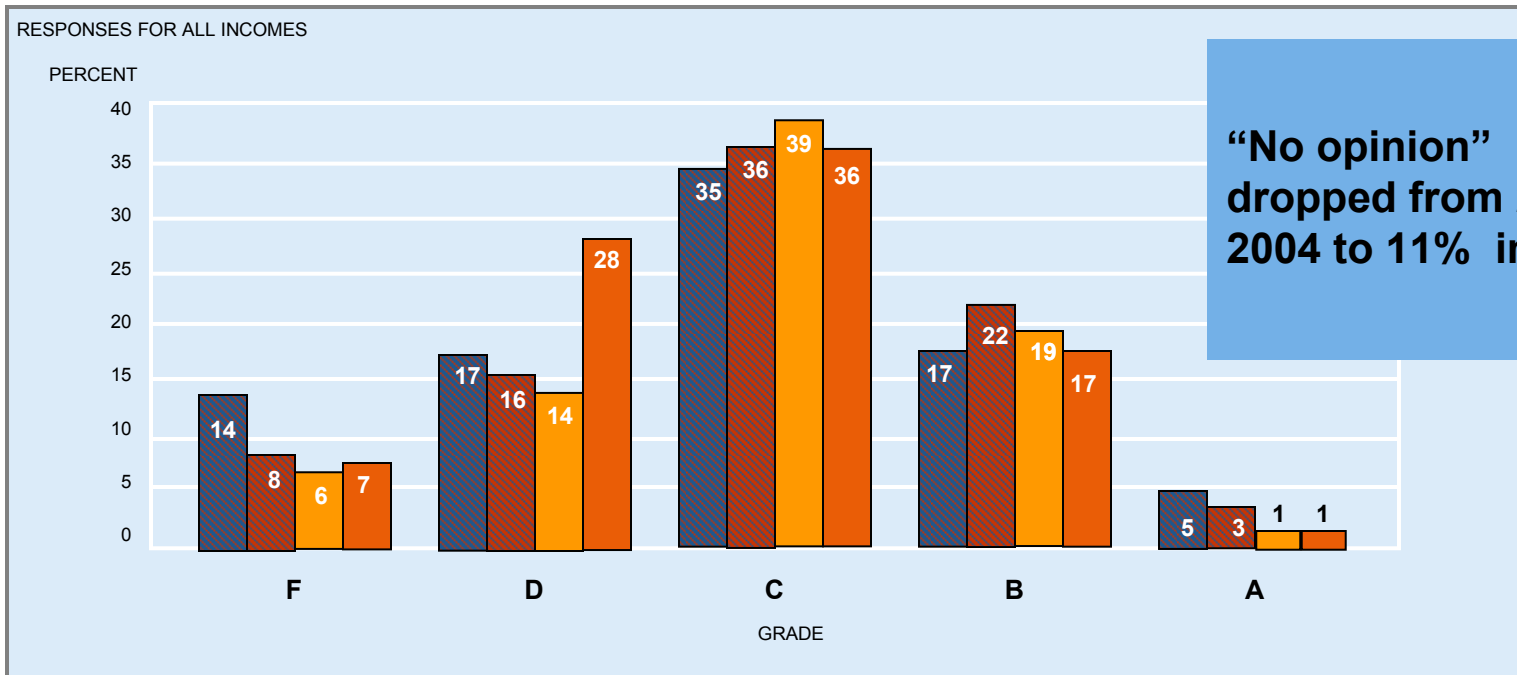
WRONG TRACK



RIGHT DIRECTION

WITH SCHOOLS IN THE SPOTLIGHT, MORE NEW YORKERS GIVE THEM GRADE “D”

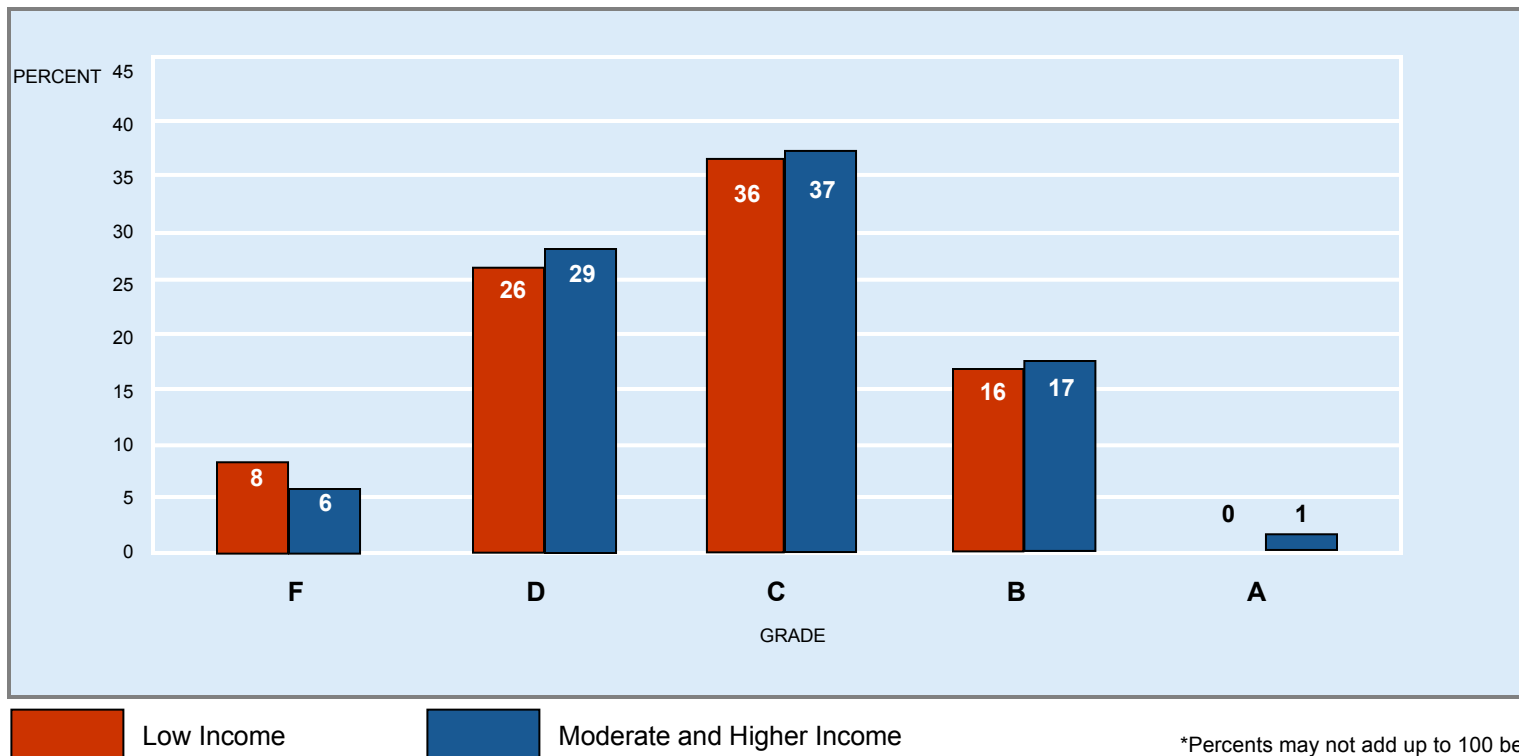
Q83. I'd like you to give me a grade for the job they are doing in education – A for excellent, B, C, D, or F for fail.*



*Percents add to less than 100 because those who responded “don't know” are excluded.

SCHOOL RATINGS SAME ACROSS INCOMES; 71% GIVE NYC PUBLIC SCHOOLS “C” OR LOWER

Q83. I'd like you to give me a grade for the job they are doing in education –
A for excellent, B, C, D, or F for fail.



*Percents may not add up to 100 because excludes those who responded “don't know.”

WE ASKED: WHAT CAN GOVERNMENT DO TO HELP POOR FAMILIES GET AHEAD?

Low-income

Q78 & Q79. Of the following government benefits, which would be the **most** important in helping **you & your family** get ahead?

Mod / High-Income

Q80 & Q81. Of the following government benefits, which would be the **most** important in helping **poor families** get ahead?

Health insurance

Basic education or GED

Lower taxes

Vocational or other higher ed

Housing assistance

Job training

Subsidized child care

English language training (ESL)



NEW YORKERS AGREE JOB SKILLS ARE KEY; LOW-INCOME GROUP ALSO CITES BASIC NEEDS

Low-income

Q78 & Q79. Of the following government benefits, which would be the **most** important in helping **you & your family** get ahead? (first and second responses combined)

68% Skills Acquisition (training & higher ed)

45% Job training

36% Health insurance

26% Housing assistance

23% Vocational/Higher education

21% Lower taxes

16% Subsidized child care

7% Basic education or GED

7% ESL

Mod / High-Income

Q80 & Q81. Of the following government benefits, which would be the **most** important in helping **poor families** get ahead? (first and second responses combined)

89% Skills Acquisition (training & higher ed)

68% Job training

24% Health insurance

22% Basic education or GED

21% Vocational/Higher education

20% Subsidized child care

15% ESL

13% Lower taxes

12% Housing assistance

POOR , ESPECIALLY BLACK MEN, SEE JOB TRAINING AS PRIME MEANS FOR GETTING AHEAD

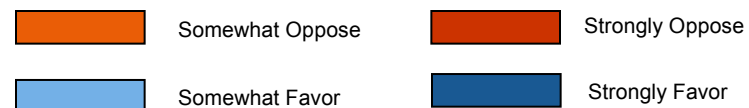
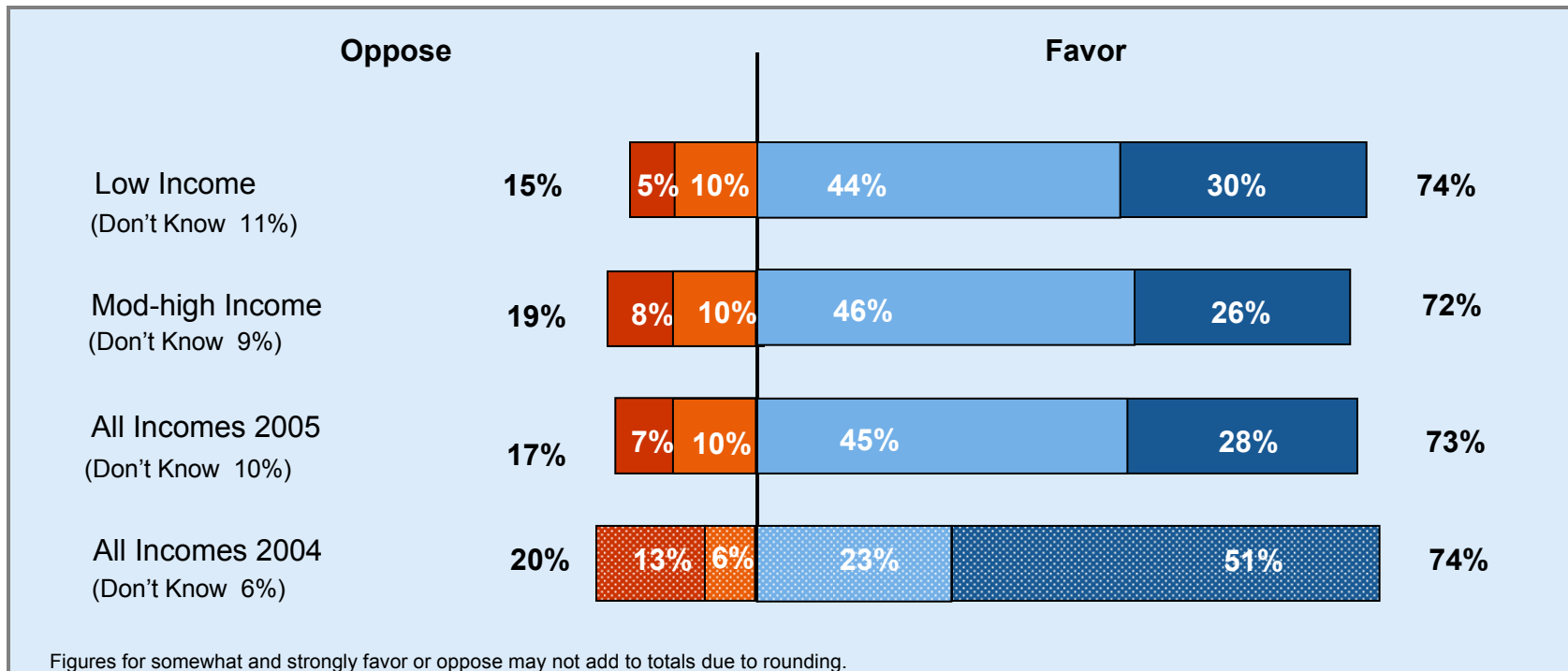
Q78 & Q79. Of the following government benefits, which would be the most important in helping you & your family get ahead? (first and second responses combined)

Responses for the Poor

	<u>Black</u>		<u>Hispanic</u>	
	Men	Women	Men	Women
Top Tier	63% Job training	56% Job training	45% Job training 41% Health Ins.	46% Job training 40% Health Ins.
Second Tier	39% Health Ins. 20% Voc/higher ed	28% Voc/higher ed 25% Health Ins. 24% Housing aid 24% Child care	31% Voc/higher ed 31% Housing aid	24% Housing aid 23% Voc/higher ed

PUBLIC STILL FAVORS MORE STATE AID TO SCHOOLS – EVEN WITH HIGHER TAXES, BUT LESS STRONGLY

Q96. Do you FAVOR or OPPOSE New York State increasing aid to New York City public schools, even if it means raising taxes?



WE ASKED: HOW SHOULD THE MONEY BE SPENT TO IMPROVE NYC PUBLIC SCHOOLS?

Q90& Q91 If the city gets additional school funding, which of the following do you think is the **MOST** important for improving the quality of education?

Reduce class size

Efforts to reduce high school dropouts

Raise salaries to attract and retain better teachers

Build and fix school buildings

Newer books, labs and computers

Establish smaller high schools

Early childhood programs

Improve career/tech programs for non-college bound



PUBLIC AGREES ON TOP SCHOOL PRIORITIES: SMALL CLASSES, PAY TEACHERS MORE, TECH ED

***Q90 & Q91** If the city gets additional school funding, which of the following do you think is most important for improving the quality of education? ...second most?

Low-income

- 37%** Reducing class size
- 30%** Higher teachers' salaries
- 29%** Career and tech programs for students not headed for college
- 24%** Efforts to reduce high-school dropouts
- 24%** New books, labs, computers
- 16%** Building/fixing school buildings
- 15%** Early childhood programs
- 13%** Establish smaller high schools

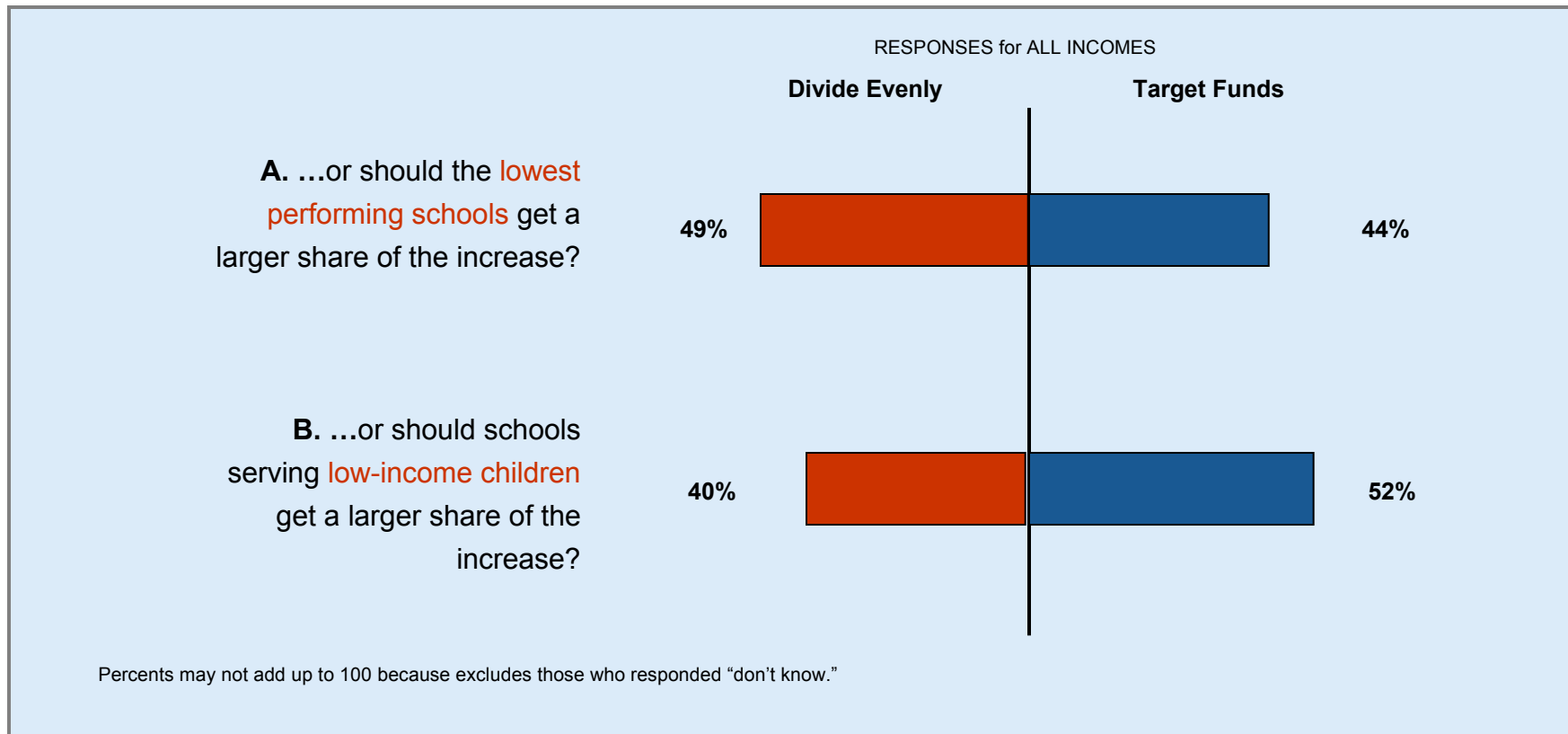
Mod / High-Income

- 38%** Reducing class size
- 32%** Career and tech programs for students not headed for college
- 31%** Higher teachers' salaries
- 28%** New books, labs, computers
- 20%** Efforts to reduce high-school dropouts
- 15%** Early childhood programs
- 14%** Building/fixing school buildings
- 14%** Establish smaller high schools

***Percents add to over 100 because responses reflect combined first and second choices**

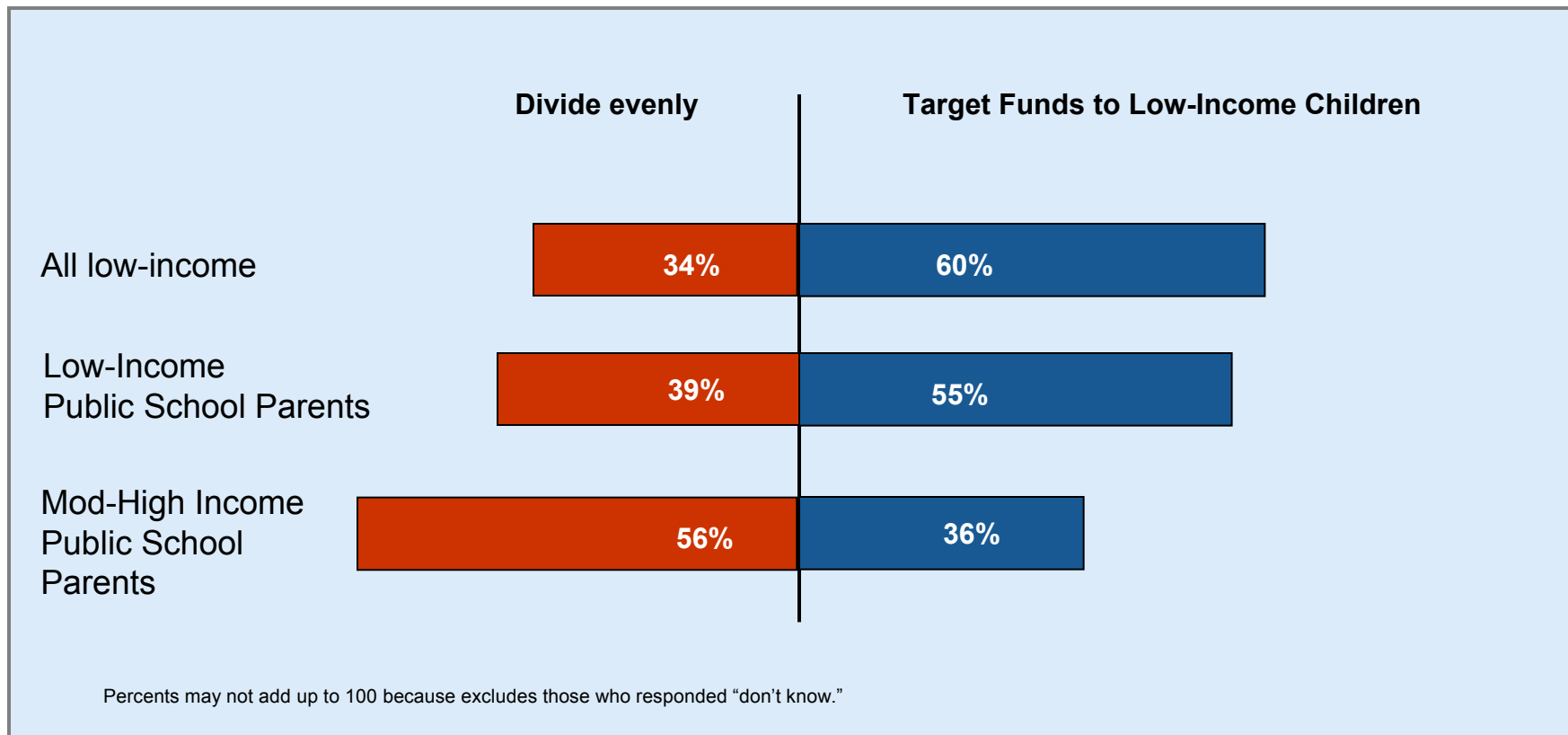
PUBLIC SPLIT ON TARGETING SCHOOL AID, BUT FRAMING AS “LOW-INCOME KIDS” BOOSTS SUPPORT

Q92. and Q93. Do you think increases in school funds should be divided evenly among all schools . . .
(Split sample question)



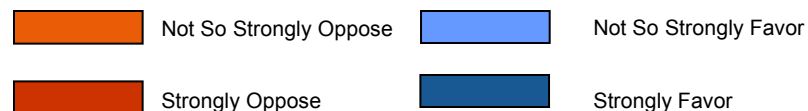
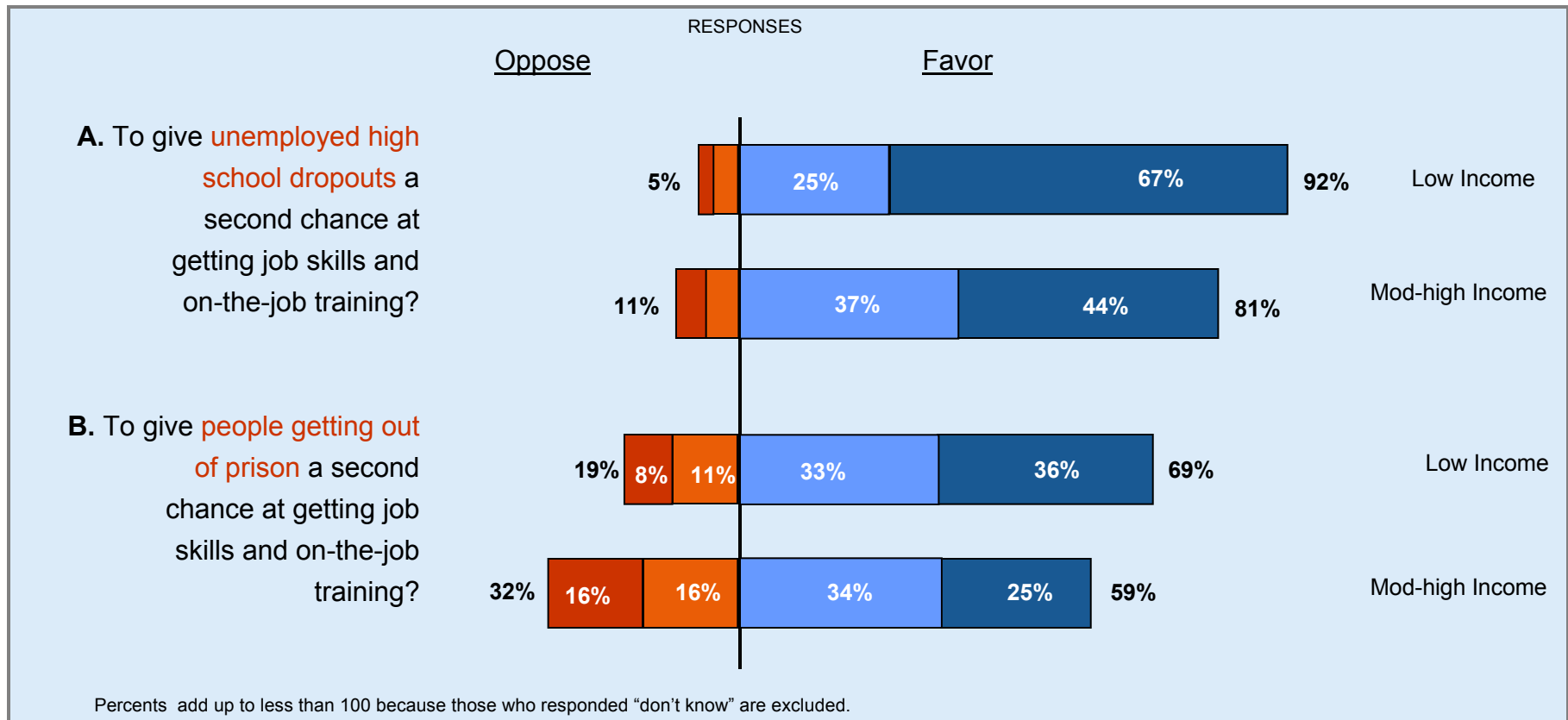
MODERATE AND HIGHER INCOME PUBLIC SCHOOL PARENTS MORE RESISTANT TO TARGETING AID

Q93. Do you think increases in school funds should be divided evenly among all schools or should schools **SERVING LOW-INCOME CHILDREN** get a larger share of the increase?



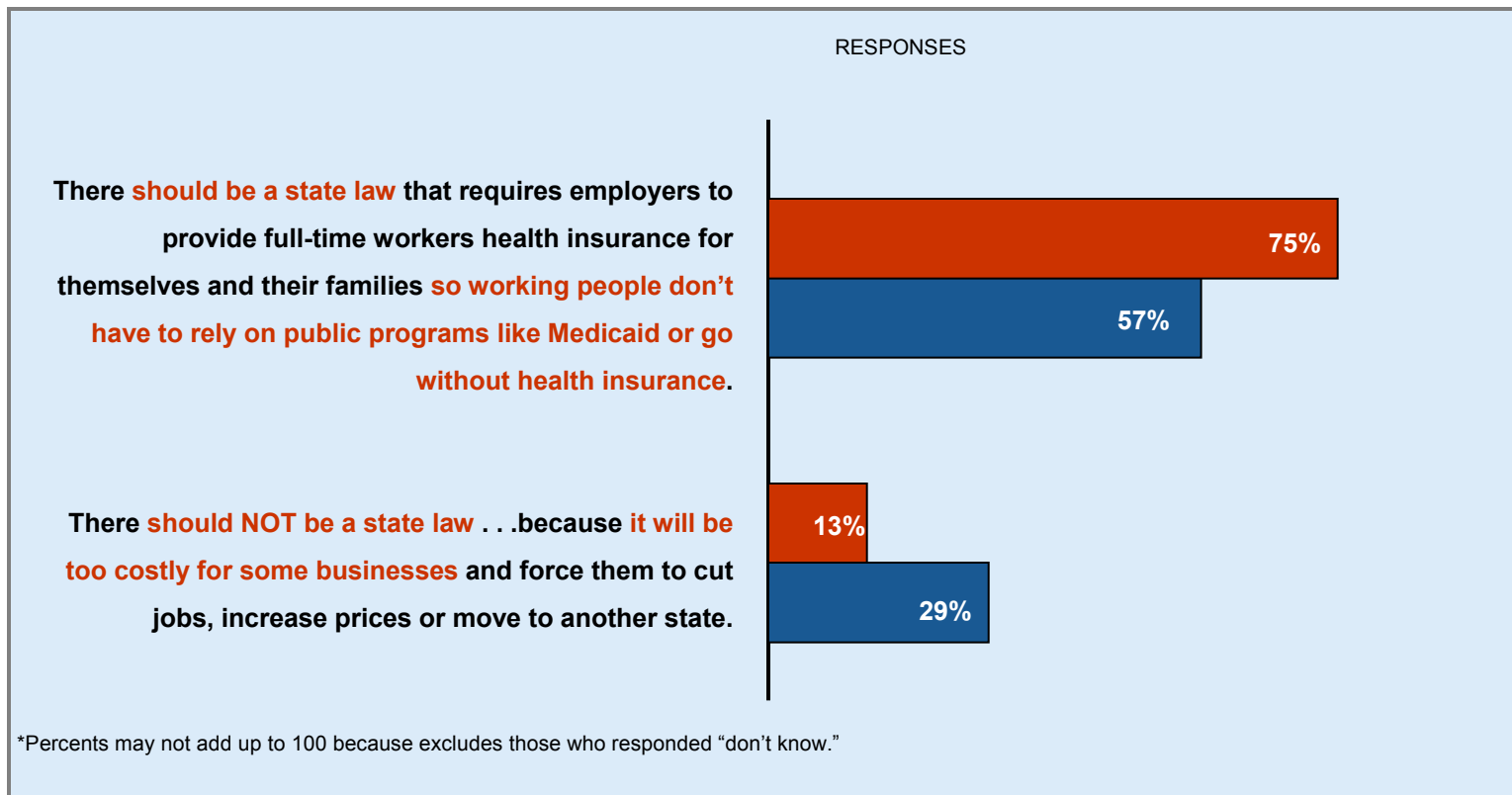
PUBLIC SUPPORTS SECOND CHANCE PROGRAMS; MORE STRONGLY FOR DROPOUTS THAN POST-PRISON

Q94. and Q95. Would you favor or oppose more public funding . . . (Split sample question)



NEW YORKERS FAVOR A LAW REQUIRING EMPLOYERS TO PROVIDE HEALTH INSURANCE

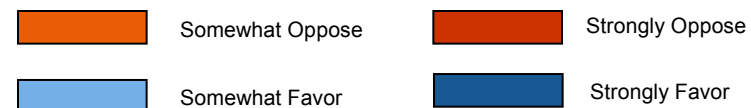
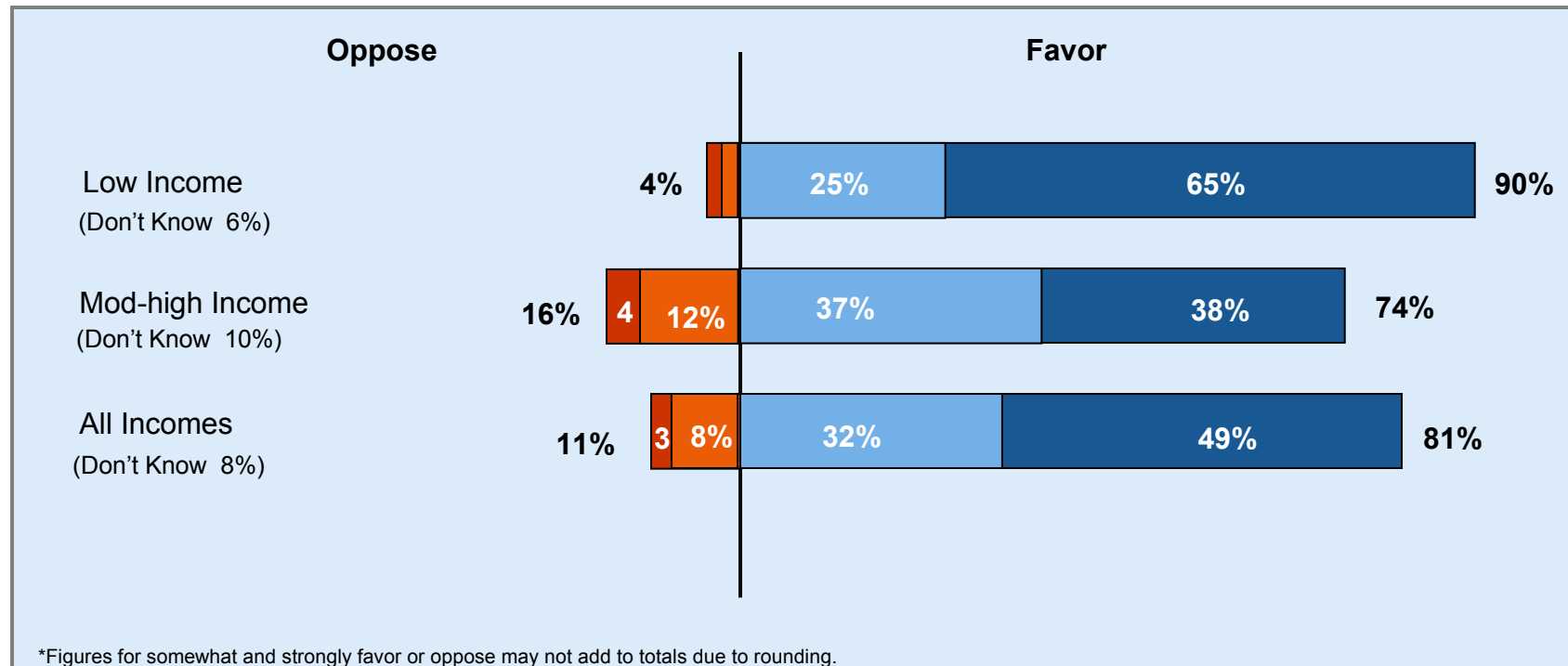
Q59. Which comes closer to your view?



LOW INCOME
 MODERATE / HIGHER INCOME

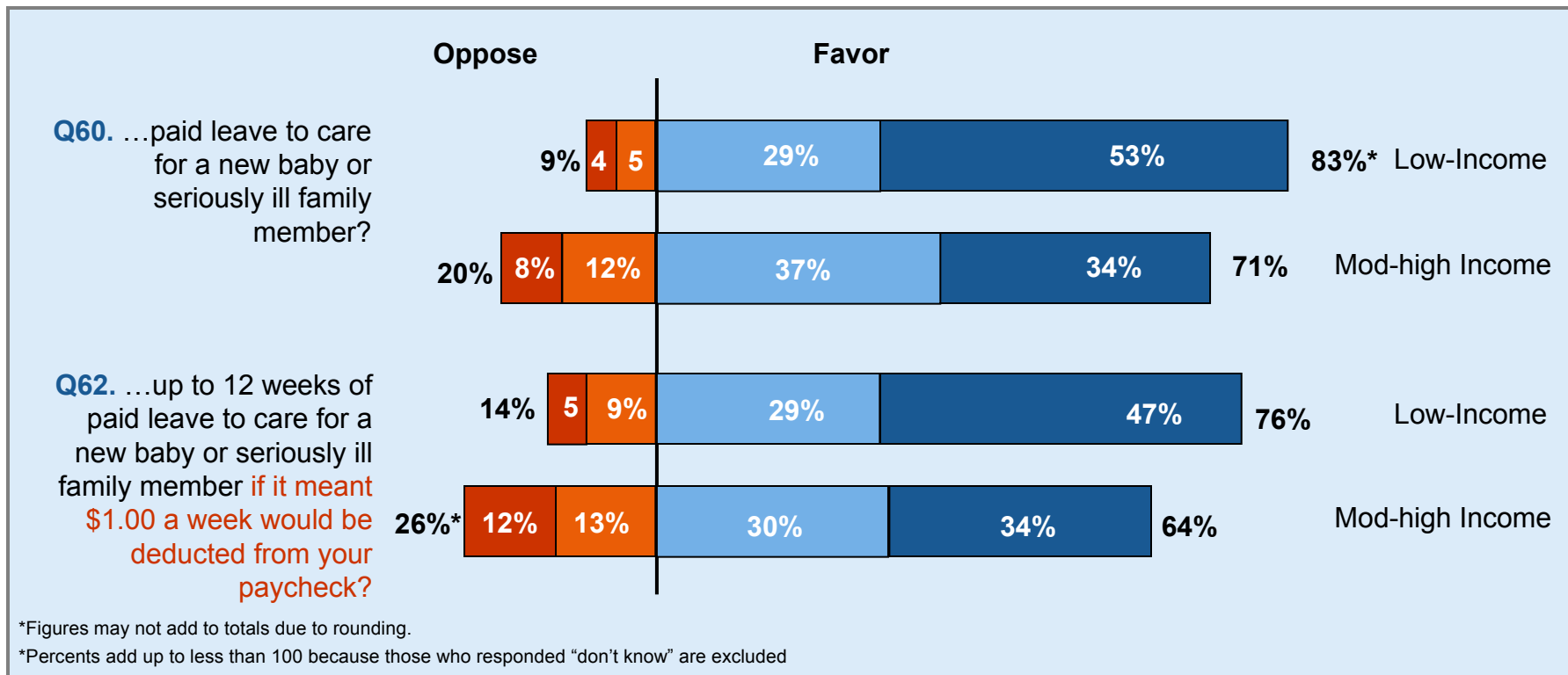
PUBLIC FAVORS COVERING THE UNINSURED VIA MEDICARE EXPANSION EVEN MORE STRONGLY

Q58. Would you FAVOR or OPPOSE a health care reform plan to expand Medicare coverage for the uninsured?



PUBLIC FAVORS EXTENDING STATE DISABILITY INSURANCE (TDI) TO PROVIDE PAID LEAVE

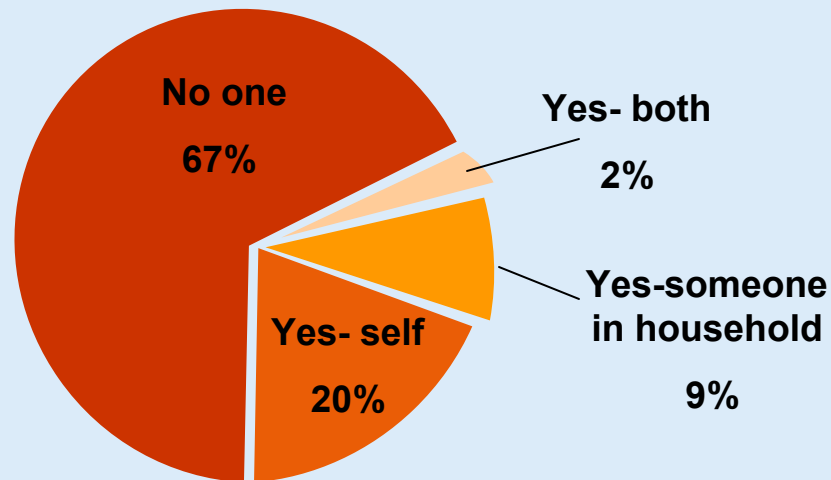
Q60 and Q62. Employees in New York State are currently covered by state disability insurance...Would you favor or oppose extending the system to provide...



FIRST STAGE IN STATE MINIMUM WAGE INCREASE STARTING TO BE FELT; BUT MOST YET TO BENEFIT

Q 51. Have you or anyone in your household seen wages go up because the state minimum wage was increased this year from \$5.15 to \$6.00 per hour?

Among low-income households with an earner making < \$7.15/hour, 31 percent say they saw a wage increase



CALL FOR AN UPWARD MOBILITY AGENDA

1. Raise the floor of earnings and benefits

Publicize and enforce state minimum wage increase (\$6.75 as of Jan '06); index to inflation

Provide tax credits to low-income renters to help offset impact of high energy bills and increased property taxes, akin to tax breaks given to homeowners

Expand federal child tax credit to cover all low-income families

Expand NYS TDI to provide paid leave

2. Attract mid-wage jobs (e.g., construction, biotech support, fiber optics)

3. Prepare New Yorkers for those jobs by investing in education and training

Strengthen “second chance system” for high school dropouts; expand on-the-job training

First class “first chance system” : Implement school funding court mandate with strategies to improve outcomes for low-income students; upgrade tech ed

4. Strengthen safety net at risk of cuts (EITC, Medicaid, Sec. 8, food stamps, TANF)

Expand outreach and access, extend Medicaid recertification to 2 years

AND SOME BIGGER IDEAS WORTH THINKING ABOUT

Major new public investments in affordable housing

Phase in expansion of Medicare to cover all Americans

Convert federal child tax credit to British-style “baby bonds” to provide assets for young adults turning 18; nest egg for higher education, business or first home

Shift Social Security payroll tax up the earnings scale; eliminate the payroll tax on the first \$15,000 of earned income and raise the taxable earnings base above \$90,000 more quickly so outcome is revenue neutral or positive

HOW THE SURVEY WAS CONDUCTED

Telephone interviews were conducted with 1,500 New York City residents between July 20th and August 14st 2005

1,000 low-income New Yorkers at or below 200% of federal poverty guidelines; (\$32,180 for a family of 3 based on 2005 HHS federal poverty guidelines) drawn by RDD among exchanges in low- income census tracts

Poor defined as 0-100% of poverty level; near-poor as 101 to 200% of poverty level

500 moderate and higher income New Yorkers (above 200% federal poverty level) drawn by RDD from remaining census tracts

In combined total, low-income sample weighted down to reflect their actual proportion of NYC population

Conducted in English, Spanish, and Chinese

Margin of error: low-income +/- 3.1%; mod-higher income +/- 4.4%; total +/-3.2%

For 160 years, the Community Service Society has promoted upward mobility for low-income New Yorkers through research, advocacy and innovation. CSS is a nonpartisan, nonprofit, organization. Funding for this research was provided by United Way of New York City, The Rockefeller Foundation and the Independence Community Foundation.



A Report from CSS POLICY RESEARCH

Director of Policy Research and Advocacy

Nancy Rankin

Labor Market

Mark Levitan, *Senior Policy Analyst*

Sabine Salandy, *Policy Analyst*

Public Benefits

Don Friedman, *Senior Policy Analyst*

Housing

Victor Bach, *Senior Policy Analyst*

Thomas Waters, *Policy Analyst*

Health

Denise Soffel, *Senior Policy Analyst*

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DEMOGRAPHIC PROFILE OF LOW-INCOME SAMPLE

Gender		Age		Education Status	
Men	40%	Under 30	25%	Less than HS	21%
Women	60%	30-39	30%	High school graduate	43%
Race / Ethnicity		40-49	19%	GED	2%
White	19%	50-64	16%	Non-college post HS	7%
Black	31%	65 and over	10%	Some college	15%
Hispanic	38%	Household Composition		Associate degree	4%
Asian	10%	With child under age of 19	54%	College graduate	6%
Other	2%	No children under age 19	45%	Post-graduate	1%
Immigrant Status		Marital Status		Party Identification	
Native born	69%	Married	54%	Democrat	57%
Immigrant	30%	Unmarried with partner	9%	Independent	15%
Don't know	1%	Single	22%	Republican	15%
Income Level		Separated/divorced	8%	Other / don't know	13%
Poor (<100 of FPL%)	49%	Widowed	7%		
Near Poor (100-199%)	51%	Work Status			
		Employed full-time	49%		
		Employed part-time	26%		
		Unemployed	7%		
		Retired	11%		
		Homemaker	6%		
		Student	1%		

Note: Survey was fielded July 20 to 28 and August 11 to 14, 2005. The terrorist attack on London's subway occurred July 7, and random bag searches on NYC subways began July 21, the same day as a second, but failed, terrorist attack in London.