



Wednesday, August 27, 2008

City, So Far, Bucks Trend on Poverty

Analysts Caution That an Economic Downturn Could Reverse the Gains

By E.B. SOLOMONT

New York's local economy is defying a depressing trend felt throughout the country, as the percentage of those living in poverty fell last year even as the number of impoverished Americans grew.

Although analysts cautioned that an economic downturn could reverse the gains, the percentage of New York City residents living below the federal poverty line fell to 18.5% in 2007 from 19.2% in the previous year, the Census Bureau reported yesterday in its annual snapshot of the nation's economy. The median household income in New York increased to \$48,681 from \$46,480 in 2006.

By contrast, the overall number of people living below the federal poverty line increased to 12.5% in 2007, from 12.3% in 2006. The median household income also rose, to \$50,740 from \$48,451, the third consecutive annual increase.

Meanwhile, the Census Bureau said the number of Americans who lacked health insurance dropped by more than 1 million in 2007. The number of uninsured individuals fell to 45.7 million, or 15.3% of the population, compared to 47 million, or 15.8%, in 2006. In New York, a smaller percentage of state residents lacked insurance: Based on a two-year average of the number of uninsured individuals in 2006 and 2007, Census data found that 13.6% of the state's population lacked insurance, compared with 12.8% in 2004 and 2005.

While the Census data reflected favorably on New York, analysts and lawmakers cautioned that the numbers did not account for the current economic downturn.

Even as Mayor Bloomberg praised the data as "good news for New Yorkers," he called the federal poverty formula "outdated and broken," and renewed calls for a new poverty measurement. "If we are serious about fighting poverty, we first have to measure the problem accurately," he said in a statement.

Groups that provide services to low-income and poor New Yorkers said the Census data distorted the strain on some city residents, who have a higher cost of living than their counterparts around the country.

"We're seeing more people needing to turn to emergency food programs like soup kitchens and food pantries in order to feed everyone in their household, which speaks to why the federal poverty level is no longer a reliable lens on the poverty problem," the vice president of research, policy, and education at the Food Bank of New York, Aine Duggan, said. According to research conducted by the Food Bank, the average cost of food purchased in the metropolitan area increased by 9% between 2004 and 2007.

Those experiencing financial strain are cutting back on health care needs, some said. In a survey of 1,500 New Yorkers this summer, the Community Service Society of New York found that 30% of those living below the federal poverty level did not fill prescriptions because they could not afford to do so. "They can claim that poverty is going away, but when you call people in a statistically valid sample, what's happening this summer is completely different than what the Census is reporting for last year," the group's director of health care, Elisabeth Benjamin, said.

Analysts from the Fiscal Policy Institute said poverty rates in upstate cities far exceeded the poverty rate in New York City. In Syracuse, 31% of the population — or 40,000 people — lived below the federal poverty line.

In fact, the national decline in the number of uninsured Americans was attributed to increased enrollment in government plans. While the number of individuals with private insurance held steady between 2006 and 2007, the percentage of those enrolled in Medicaid increased to 13.2%, or 39.6 million, from 12.9%, or 38.3 million, according to Census data.

In New York, lawmakers have sought to increase enrollment in public health insurance programs, and starting September 1 the state will expand the income eligibility for the State Children's Health Insurance Program to four times the federal poverty level, about \$82,600 for a family of four.

Yesterday, the president of the United Hospital Fund, James Tallon, cautioned through a spokesman that state revenues "will be down, so states will increasingly look to federal support."