In 2016, Gov. Andrew Cuomo and the state Legislature agreed to increases in the minimum wage in New York City and statewide. | AP Photo

Fewer people were in poverty in New York City in 2016
The percentage of people in poverty and near poverty in New York City decreased in 2016 for the third consecutive year and is the lowest since 2009, according to an annual report released by the Mayor’s Office of Operations on Friday.

In New York City, 19.5 percent of the population was in poverty in 2016, a statistically significant decrease from the 20.6 percent rate in 2014, according to the report. And 43.5 percent were in near poverty, which measures the percentage of the population below 150 percent of the poverty rate. That is also a statistically significant decrease from the 45.1 percent rate in 2014.

These decreases mean that 141,000 fewer people were in poverty or near poverty since Mayor Bill de Blasio took office. De Blasio has promised to move 800,000 people out of poverty by 2025.

De Blasio said in 2015 that he could move that many people out of poverty if the state would increase the minimum wage to $15 an hour, which at the time looked like an unlikely prospect.
But in 2016, Gov. Andrew Cuomo and the state Legislature agreed to increases in the minimum wage in New York City and statewide. The minimum wage was $9 an hour in New York City in 2016, the most recent year of data in the report. In 2014, the minimum wage was $8 an hour.

It increased to $11 in 2017 and $13 in 2018, and will increase to $15 in 2019. Now the administration is optimistic that these increases will lift more New York City residents out of poverty and near poverty.

But they said other factors are contributing to the decreases of people in poverty and near poverty. Their analysis shows that the minimum wage alone should have lifted 80,000 people out of poverty by 2016. The extra people moved out of poverty are likely due to the improving economy and some of de Blasio’s policies, the mayor’s office claimed.

“It’s reasonable to say that some of the policy effects locally are starting to take hold and show up in the data,” said Matthew Klein, executive director of the Mayor’s Office for Economic Opportunity, in an interview with POLITICO. He cited the administration’s work around jobs, job creation, universal prekindergarten and rent freezes. “These are things that have had a meaningful impact,” he said.

Apurva Mehrotra, the director of research and data analysis at the Citizens’ Committee for Children, a child advocacy organization, said the decrease in the poverty rate across demographic groups is good news, but there is more work to be done.

“Over 40% of New Yorkers live in households earning the equivalent of less than $50,000 for a two-adult, two-child family. And disparities persist, with New Yorkers in the lowest income community districts — where residents are predominately black and Latino — being four to five times more likely to live in poverty than those in higher income community districts,” Mehrotra said in an emailed statement.

Derek Thomas, senior fiscal analyst at the FPWA, an anti-poverty advocacy organization, said the city measure is still too low and doesn’t accurately reflect what it costs to meet the most basic needs to make ends meet, saying there are other measures that better capture the higher costs. But he gave de Blasio credit for his policies.

"New York City and Mayor de Blasio deserve credit for leading the nation in both addressing the inadequacies of the federal poverty measure and implementing policies that move families out of poverty, such as a higher minimum wage and expanded pre-K," Thomas said.
The report found that the poverty rate for non-Hispanic white people was 13.4 percent in 2016, the lowest of any racial/ethnic group, but there hasn’t been a statistically significant decline since 2012. Also, the poverty rate for Hispanics was 23.9 percent, almost the highest, but also not a statistically significant decrease since 2012.

On the other hand, the poverty rate for black New Yorkers was 19.2 percent, a statistically significant decrease from 2015. And the poverty rate for Asian New Yorkers was 24.1 percent, a statistically significant decrease from 2012.

The poverty rate also varied by borough and community. The poverty rate in the Bronx was 25 percent, but it was 20.5 percent in Brooklyn, 19.2 percent in Queens, 16.9 percent in Staten Island and 13.9 percent in Manhattan.
The city uses different poverty measures than the official U.S. measures. It uses a different income threshold, below which families are considered in poverty. The official federal poverty threshold was established in the 1960s and is based on the cost of a minimum food diet at that time and updated with inflation. The city threshold is based on what families spend on necessities like food, clothing, housing and utilities.
The official federal poverty threshold is $24,339 for a family of four. The city poverty threshold is $32,402. Although the city threshold is much higher, incomes are also higher because the city’s poverty rate counts more government benefits in a household’s income than does the federal rate, including food stamps, housing assistance and the Earned Income Tax Credit.

By including more income and more programs, one can get a more accurate picture of a household’s situation as well as better evaluate which programs are more effective. And the report finds that housing assistance is the most effective at moving people out of poverty, lowering the poverty rate by 6.1 percentage points.