



Testimony of FPWA

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We are grateful to the City Council Committee on Civil and Human Rights for holding this hearing and to Chair Sandy Nurse and members of the committee for the opportunity to provide testimony on behalf of FPWA (Federation of Protestant Welfare Agencies).

FPWA is a leading anti-poverty, social policy, and advocacy organization dedicated to strengthening human services organizations and faith institutions and advancing economic security and justice for New Yorkers with low incomes. Since 1922, FPWA has driven groundbreaking policy reforms to better serve those in need. We work to dismantle the structural and systemic barriers that impede economic security and well-being, and we strengthen the capacity of human services agencies and faith organizations so New Yorkers with lower incomes can thrive and live with dignity.

In 2024, FPWA co-founded the National True Cost of Living Coalition. In partnership with Community Service Society of New York, FPWA commissioned the Urban Institute to develop a first-in-the-nation True Cost of Economic Security (TCES) measure, which provides a comprehensive view of households' costs and resources detailed at the county level.¹ This research revealed that across the nation, 52 percent of people—and 62 percent of New York residents²—are economically insecure, meaning they do not have the resources necessary to meet this comprehensive set of regular household costs, set aside savings both for future planning and for short-term emergencies, and manage debt. In certain areas and for certain demographic groups, that number is even higher. For instance, 72 percent of families with children in New York City—and an unconscionable 91 percent of single-parent households in New York City—fall below the TCES, with New Yorkers of color disproportionately experiencing economic insecurity.³ Moreover, economic mobility has declined and wages have stagnated, leaving economic security out of reach for most New Yorkers.^{4,5}

In light of pervasive economic insecurity, this Oversight hearing on Budgeting for Equity is both timely and critical. The Preliminary Budget paints a worrying picture for the future of equity in New York City. Seeking to address a \$5.4 billion revenue gap, the budget plan proposes inequitable tax hikes and savings initiatives for already underfunded services, all while 62 percent of New Yorkers do not have the resources needed to thrive in this city.

¹ Acs, G., Dehry, I., Giannarelli, L., & Todd, M. (2024). *Measuring the True Cost of Economic Security: What does it take to thrive, not just survive, in the US today?* Urban Institute. <https://www.urban.org/sites/default/files/2024-11/Measuring-the-True-Cost-of-Economic-Security.pdf>

² Martin, B., & Launius, J. (2025). *True Cost of Economic Insecurity: Policy implications for New York City*. FPWA. https://www.fpwa.org/wp-content/uploads/2025/09/True-Cost-of-Economic-Security_Policy-Implications-for-New-York-City_9.29.25-1.pdf

³ Martin, B., & Launius, J. (2025).

⁴ Isaacs, J. B. (2016). *International comparisons of economic mobility*. The Brookings Institution. https://www.brookings.edu/wp-content/uploads/2016/07/02_economic_mobility_sawhill_ch3.pdf

⁵ DeSilver, D. (2018). *For most U.S. workers, real wages have barely budged in decades*. Pew Research Center. <https://www.pewresearch.org/short-reads/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/>

We share the Mayor's desire to avoid this budget path. The budget should not – and cannot – be balanced on the backs of low- and middle-income New Yorkers. FPWA's research shows that the City's budget gap is a symptom of a larger structural crisis, driven by years of inadequate investment in New Yorkers. Federal cuts, stagnate state contributions, and City taxes have disproportionately burdened low- and middle-income New Yorkers while failing to generate revenue that can keep pace with policy-induced economic insecurity.

Yet despite its role in driving the City's budget gap, the gap in individuals' and families' resources is not fully accounted for in a budget process oriented towards balancing the bottom line. At FPWA, we believe that this must change. To have a city where all New Yorkers not only survive but thrive, we must first see who struggles and why and have a measure that allows us to benchmark policymaking.

That is why we are asking the City to fulfil its obligation to annually calculate and report on the true cost of living for New Yorkers, and to use it to inform budgeting decisions.

A true cost of living measure, which considers not only the actual costs of living with dignity but also the resources individuals and families have to meet those needs, can help guide the City from a budget that struggles to alleviate poverty to one that ensures economic security for all.

New Yorkers' Support for a True Cost of Living Measure

A majority of New Yorkers agree that a true cost of living measure should help guide budgetary decisions. In 2022, a charter revision mandating the City annually calculate and report on the true cost of living, and to use it to inform policy and programming decisions passed with 81 percent of the vote.⁶

This charter-mandated true cost of living measure arose out of the findings of the Racial Justice Commission. Formed in 2021 by the de Blasio administration, the Racial Justice Commission convened a citywide public engagement campaign inviting New Yorkers to share how systematic inequities affect their lives. As also attested in the groundswell around affordability during the mayoral race, many members of the public and representatives of community-based organizations expressed concern over the unaffordability of housing, transportation, food and other essential needs. Testimony shared during the hearings often centered around the failure of existing poverty metrics to guide policy making based on real affordability challenges.

Out of their research, the Commission found that poverty metrics were not only insufficient, but structurally flawed. The woefully inadequate Federal Poverty Line (FPL) – which currently sets the poverty line for a family of four at \$31,250⁷ – is used to guide eligibility for a number of vital programs, from food and nutrition assistance, to health coverage, transportation assistance, cash and financial aid, childcare support, and certain housing supports. The FPL uses an outdated methodology that

⁶ Jones Austin, J. (2024, April 2). *NYC has to now measure the true cost of living* [Opinion piece]. FPWA. <https://www.fpwa.org/resource-center/in-the-news/nyc-has-to-now-measure-the-true-cost-of-living/>

⁷ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation. (2025). *2025 federal poverty guidelines* [PDF]. <https://aspe.hhs.gov/sites/default/files/documents/dd73d4f00d8a819d10b2fdb70d254f7b/detailed-guidelines-2025.pdf>

determines the poverty threshold for a family by multiplying the costs of a minimum food diet by three. This not only fails to take into account regional cost differences but does not reflect that health and housing now take up nearly half of family budgets, while food accounts for only 11.7 percent.⁸

This failure of accounting leads to a vast underestimation of the number of New Yorkers who live in precarity and makes it difficult for the City to develop targeted, data-informed policies that increase economic security. By calling for this measure, New Yorkers were demanding a change in public policy and a reframing of economic thresholds, from one of poverty and deprivation to one that centers economic security for all.

To ensure an accurate and robust accounting of the costs, resources, and economic security needs of New Yorkers, the City worked with the same team that developed the national True Cost of Economic Security measure to develop New York City's true cost of living measure.

Yet while the City's Charter established the date of March 21, 2024, for the initial release of the City's true cost of living measure and accompanying report, the past mayoral administration failed to fulfill its obligation to New Yorkers. Nearly two years later, it is past time to release the City's true cost of living measure.

Why a TCL Measure is Needed, Drawing on Findings from TCES

While the true cost of living measure and report remains unpublished by the City, we know that the measure will provide a useful tool for budget equity. Through FPWA's work with the Urban Institute on a national TCES measure, which compiles and analyzes county-level data, we already have New York City and borough-specific results, providing a much clearer and more detailed understanding of the state of economic security in our City.

The TCES methodology is an advancement beyond outdated poverty measures, creating a new threshold that takes into account the resources necessary to meet a comprehensive set of regular household costs, set aside savings both for future planning and for short-term emergencies, and manage debt.⁹

The results of the TCES data speak to the level of undercounted precarity in New York. Looking across all five boroughs, 62 percent of individuals and families, low- and middle-income, are economically

⁸ Martin, B., & Launius, J. (2025).

⁹ Using the American Community Survey, the TCES offers a robust look at the costs families face today, measuring average costs for food, clothing, housing, health care, childcare, transportation, post-secondary education, debt service, and additional miscellaneous costs. In addition, the measure calculates the resources that individuals and families have to meet these costs, including labor earnings and self-employment income, some types of passive investment income, pensions and retirement income, government social insurance and public assistance programs like Social Security, Medicare, Medicaid, and the Supplemental Nutrition Assistance Program (SNAP), as well as employer-provided healthcare contributions. Unique to this measure, the TCES includes a 10 percent savings threshold in the costs criteria that allows households to cover unexpected expenses and plan for the future. Acs, G., Dehry, I., Giannarelli, L., & Todd, M. (2024).

insecure, with the median New York City household with children facing annual costs of over \$165,000 but only having \$125,000 in resources.¹⁰

The number of New Yorkers living in economic insecurity varies drastically across our communities. For example, less than half of White New Yorkers (43 percent) are economically insecure, compared to 78 percent of Latino/a New Yorkers, 68 percent of Black New Yorkers, and 63 percent of Asian American and Pacific Islander (AAPI) New Yorkers. These racial discrepancies are also reflected in place-based disparities. In the predominately Latino/a Bronx, 78 percent of households are economically insecure, while 50 percent of households are economically insecure in Manhattan, the city's whitest and wealthiest borough.¹¹

The widespread reality of economic insecurity falls hardest on families with children. Nearly 3 out of 4 families with children (72 percent) citywide fall below the TCES threshold. For single-parent households, the vast majority of which are headed by single mothers, the economic insecurity rate is an unconscionable 91 percent.¹²

The True Cost of Economic Security measure not only gives us statistics, it helps us to understand the drivers of disparate economic security, breaking down average costs unique to New York.

For individuals and families in New York City, the largest cost bucket is housing, followed by healthcare, childcare, and then food. This differs from the reality of the rest of the nation and underscores the importance of having measures that take into account the unique characteristics of New York City. For example, housing costs for the median family with children in New York are nearly twice the national average. For New York City families falling under the threshold of economic security, housing costs consume staggering 45 percent of their annual resources.¹³

Even more striking, the TCES data upends common misconceptions, revealing that the level of economic insecurity is driven not only by an affordability crisis but also a lack of resources. While the measure recognizes that New York City has higher costs than other cities, and that costs vary by borough, it is a difference in resources more than costs that drives economic insecurity.¹⁴

Unfortunately, as our city grapples with affordability, insufficient wages are becoming more pervasive, rather than less. In New York City between 2019 and 2023, low- and medium-wage workers experienced

¹⁰ Martin, B., & Launius, J. (2025).

¹¹ Martin, B., & Launius, J. (2025).

¹² Martin, B., & Launius, J. (2025).

¹³ Martin, B., & Launius, J. (2025).

¹⁴ Acs, G., Dehry, I., Giannarelli, L., & Todd, M. (2024).

real wage loss of 2.8 percent and 2.4 percent respectively, while wage gains have been concentrated among the highest earners.^{15,16}

On January 1, New York City's minimum wage rose to \$17 an hour. At \$17 an hour, a full-time worker paid for all 52 weeks of the year will earn \$35,360, well above the FPL but just under half of what the TCES measure tells us is required for a single person living in the City to reach economic security.

Without an appropriate measure, the struggles of New Yorkers are invisible to policymakers and cannot be adequately addressed by our budget process. In short, we cannot have budget equity if we do not have a full understanding of the economic situation of New Yorkers.

How a TCL Measure Could Guide Budget Equity

In establishing a benchmark, the true cost of living measure provides an opportunity to reshape our budget priorities, ensuring they center economic security for New Yorkers and providing a pathway for policymaking. Similar to the national TCES, we are hopeful that the City's true cost of living measure will be a tool to guide equitable policymaking. By making visible the cost drivers of unaffordability, the resources available to New Yorkers, and where and among who economic precarity is concentrated, the measure can serve as a guidepost for where to target investments in shared economic opportunities.

Once we understand the variation and level of economic insecurity across New York City, it becomes clear that the City can no longer afford strategies that adjust around the edges. The scale of the resource gap is too large. New York City households with children that fall below TCES face an average resource gap of \$52,600. To ensure a city in which everyone thrives, we must fundamentally rethink the City's role in resourcing New Yorkers.

Guided by the true cost of living measure, we can budget to prioritize policies that increase access to resources and curb costs equitably. And the measure will allow policymakers to clearly see, and address, need.

Finally, a true cost of living measure which not only accounts for costs, but also resources, would reorient how the City thinks about revenue generation. The tax code is the City's largest fiscal tool, and it is through the tax code that resources are distributed. Despite this, the City's tax system currently contributes to an unequal and insufficient distribution of resources. Low- and middle-income communities, many of which are disproportionately comprised of Black and Brown New Yorkers, are subject to higher effective property tax rates and pay a notable portion of income and business taxes. At

¹⁵ Obaidy, M., Parrot, J., & Mehrotra, A. (2024). *Wage compression or wage divergence? Real wage growth comparison between New York City and the U.S., 2019–2023*. Center for New York City Affairs. <https://www.centrernyc.org/s/Wages-report-oct9.pdf>

¹⁶ Obaidy, M. (2025). *While the top three percent of wage earners get richer, New York City's low-wage workers risk greater poverty*. Center for New York City Affairs. <https://www.centrernyc.org/reports-briefs/while-the-top-three-percent-of-wage-earners-get-richer-new-york-citys-low-wage-workers-risk-greater-poverty>

the same, the growing wealth of a privileged few goes untaxed. This unequal system contributes to the budgetary challenge in which needs for public support is growing, while revenues are stagnating.

Conclusion

In short, the true cost of living measure will give us the roadmap we need to budget for equity.

We know that budgeting for equity is not just a moral imperative, but an economic necessity. Without the resources to cover both typical household costs for housing, food, transportation, healthcare and childcare, and ensure savings for emergencies and the future, New Yorkers who can will leave the city. To ensure a thriving city for all New Yorkers we must prioritize budget and policy decisions that work to build economic security for all. In order to do so, we must have a full accounting of the needs, resources, and gaps in our communities.

Given the economic and moral imperative, we look forward to working with the Council and the Mayor's Office to utilize the City's true cost of living measure to ensure budget equity and a New York in which there is economic security for all.