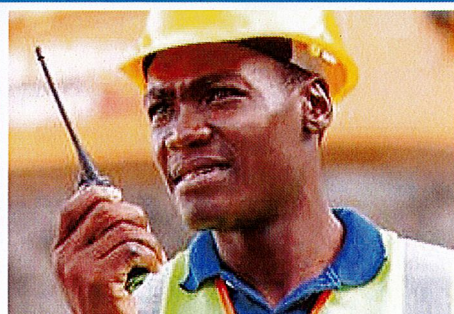


# ALICE<sup>®</sup>

ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED



## NEW YORK

ALABAMA, ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, **CONNECTICUT**,  
DELAWARE, **FLORIDA**, GEORGIA, HAWAII, **IDAHO**, ILLINOIS, **INDIANA**, **IOWA**,  
KANSAS, KENTUCKY, **LOUISIANA**, MAINE, **MARYLAND**, MASSACHUSETTS,  
**MICHIGAN**, MINNESOTA, MISSISSIPPI, MISSOURI, MONTANA, NEBRASKA,  
NEVADA, NEW HAMPSHIRE, **NEW JERSEY**, NEW MEXICO, **NEW YORK**,  
NORTH CAROLINA, NORTH DAKOTA, **OHIO**, OKLAHOMA, **OREGON**, PENNSYLVANIA,  
RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH,  
VERMONT, **VIRGINIA**, **WASHINGTON**, WEST VIRGINIA, **WISCONSIN**, WYOMING



Fall 2016

## STUDY OF FINANCIAL HARDSHIP

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United Way  
of New York State

[UnitedWayALICE.org/NewYork](http://UnitedWayALICE.org/NewYork)

LIVE UNITED





# INTRODUCTION

New York is known for a wide range of landmarks and landscapes, from Wall Street financial institutions and Broadway theater to the rural beauty of upstate New York, with its apple and dairy farms and tourist destinations. New York serves as a national and international center for a range of industries including fashion, literature, music, finance, and nanotechnology. It hosts the most Fortune 500 companies of any state – corporations including Verizon and many of the country's largest financial institutions: JPMorgan Chase & Co., MetLife Insurance and Financial Service Provider, and Citigroup Inc.

Yet despite New York's status as both a financial and cultural hub and home to vast natural resources, the state also contains sharp disparities in wealth and income. What is often overlooked is the growing number of households that earn above the Federal Poverty Level (FPL) but are unable to afford the state's cost of living.

**Traditional measures hide the reality that 44 percent of households in New York struggle to support themselves.** Because income is distributed unequally in New York, there is both great wealth and significant economic hardship. That inequality increased by 22 percent from 1979 to 2014; now, the top 20 percent of New York's population earns 54 percent of all income earned in the state, while the bottom quintile earns only 3 percent, the greatest difference of any state (see Appendix A).

In 2014, New York's poverty rate was 15 percent, the same as the U.S. average, and the median annual household income was \$58,878, above the U.S. median of \$53,657. Yet the state's overall economic situation is more complex, with large variations across New York and across industries. In many regards, New York has recovered from the Great Recession; its \$1.2 trillion GDP in 2014 was well above the 2007 level. New York had a more extreme employment trajectory – worse than the rest of the U.S. – during and after the Great Recession, but recently it has moved toward the national average, with 6.43 percent\* unemployment in 2014 (near the national rate of 6.2 percent). However, most of the job growth has occurred in New York City, while other regions of the state have experienced declines.

None of the economic measures traditionally used to calculate the financial status of New York's households, such as the FPL, consider the actual cost of living in each county in New York or the wage rate of jobs in the state. For that reason, those indices do not fully capture the number of households facing economic hardship across New York's 62 counties.

**The term “ALICE” describes a household that is Asset Limited, Income Constrained, Employed.** ALICE is a household with income above the FPL but below a basic survival threshold, defined here as the ALICE Threshold. Defying many stereotypes, ALICE households are working households, composed of women and men, young and old, of all races and ethnicities, and they live in every county in New York – urban, suburban, and rural.

This United Way ALICE Report for New York provides better measures and language to describe the sector of New York's population that struggles to afford basic household necessities. It presents a more accurate picture of the economic reality in the state, especially regarding the number of households that are severely economically challenged.

\*Note: This is the New York state average unemployment rate for 2014 from the Bureau of Labor Statistics (BLS). The Executive Summary and Appendix J, the New York County Pages, use the 2014 state average unemployment rate from the American Community Survey, which was 7.2 percent, and the national average of 7.3 percent.

*“Defying many stereotypes, ALICE households are working households, composed of women and men, young and old, of all races and ethnicities, and they live in every county in New York – urban, suburban, and rural.”*

The Report asks whether conditions have improved since the Great Recession, and whether families have been able to work their way above the ALICE Threshold. It includes a toolbox of ALICE measures that provide greater understanding of how and why so many families are still struggling financially. Some of the challenges New York faces are unique, while others are trends that have been unfolding nationally for at least three decades.

**This Report is about far more than poverty; it reveals profound changes in the structure of New York's communities and jobs.** It documents the increase in the basic cost of living, the decrease in the availability of jobs that can support household necessities, and the shortage of housing that workers in the majority of the state's jobs can afford.

The findings are stark: The impact of the Great Recession was even greater than first realized, and for many New Yorkers, conditions have not improved in the four years since the technical end of the Recession in 2010. In 2007, 41 percent of New York households had income below the ALICE Threshold; that share increased to 43 percent in 2010 and to 44 percent in 2014. In contrast, the official U.S. poverty rate in New York reports that in 2014, only 15 percent, or 1,105,653 households, were struggling. But the FPL was developed in 1965; its methodology has remained largely unchanged despite changes in the cost of living over time; and it is not adjusted to reflect cost of living differences across the country.

The ALICE measures show how many households in the state are struggling, and they provide the new language needed to discuss this segment of our community and the economic challenges that so many residents face. In New York, there are 2.1 million ALICE households that have income above the FPL but below the ALICE Threshold. **When combined with households below the poverty level, in total, 3.2 million households in New York struggled to support themselves in 2014.**

ALICE households are working households; they hold jobs, pay taxes, and provide services that are vital to the New York economy, in a variety of positions such as retail salespeople, office clerks, food preparers, customer service representatives, and home health aides. The core issue is that these jobs do not pay enough to afford the basics of housing, child care, food, transportation, and health care. Moreover, the growth of low-skilled jobs is projected to outpace that of medium- and high-skilled jobs into the next decade. At the same time, the cost of basic household necessities continues to rise. Given these projections, ALICE households will continue to make up a significant percentage of households in the state.

*"This Report is about far more than poverty; it reveals profound changes in the structure of New York's communities and jobs."*

## REPORT OVERVIEW

### Who is struggling in New York?

Section I presents the **ALICE Threshold**: a realistic measure for income inadequacy in New York that takes into account the current cost of basic necessities and geographic variation. In New York there are 3,232,792 households – 44 percent of the state's total – with income below the realistic cost of basic necessities; 1,105,653 of those households are living below the FPL, and another 2,127,139 are ALICE households.

- In NYC (3.1 million households) – which includes the five boroughs (or counties) of the Bronx, Brooklyn (Kings County), Manhattan (New York County), Queens, and Staten Island (Richmond County) – 20 percent of households are in poverty and another 31 percent are ALICE.



- In the counties surrounding NYC (1.6 million households) – Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester – 8 percent of households are in poverty and another 28 percent are ALICE.
- In the Rest of State (2.5 million households) – which includes all counties outside NYC and its surrounding counties – 14 percent of households are in poverty and another 28 percent are ALICE.

This section provides a statistical picture of ALICE household demographics, including geography, age, race/ethnicity, gender, family type, disability, education, military service, and immigrant status. Except for a few notable exceptions, ALICE households generally reflect the demographics of the overall state population.

## How costly is it to live in New York?

Section II details the average minimum costs for households in New York to simply survive – not to save or otherwise “get ahead”. It is well known that the cost of living in New York outpaces the state’s low average wages. The annual **Household Survival Budget** quantifies the costs of the five basic essentials of housing, child care, food, transportation, and health care. Using the thriftiest official standards, including those used by the U.S. Department of Agriculture (USDA) and the U.S. Department of Housing and Urban Development (HUD), the average annual Household Survival Budget for a New York family of four (two adults with one infant and one preschooler) is \$62,472, and for a single adult it is \$21,540. These numbers vary by county, but all highlight the inadequacy of the 2014 U.S. poverty designation of \$23,850 for a family and \$11,670 for a single adult as an economic survival standard in New York.

The same is true in the state’s three regions. The annual Household Survival Budget for a family of four is \$64,092 in NYC, \$78,720 in the counties surrounding NYC, and \$60,036 in the Rest of State. For a single adult, it is \$27,288 in NYC, \$25,476 in the counties surrounding NYC, and \$20,412 in the Rest of State.

The Household Survival Budget is the basis for the ALICE Threshold, which redefines the basic economic survival standard for New York households. Section II also details a **Household Stability Budget**, which reaches beyond survival to budget for savings and stability at a modest level. Even at this level, the Household Stability Budget is almost double the Household Survival Budget for a family of four in New York.

## Where does ALICE work? How much does ALICE earn and save?

Section III examines where members of ALICE households work, as well as the amount and types of assets these households have been able to accumulate. With 55 percent of jobs in New York paying less than \$20 per hour, it is not surprising that so many households fall below the ALICE Threshold. In addition, the housing and stock market crash associated with the Great Recession, as well as high unemployment, took a toll on household savings in New York. More than 33 percent of New York households are asset poor, and 45 percent do not have sufficient liquid net worth to subsist at the FPL for three months without income.

## How much income and assistance are necessary to reach the ALICE Threshold?

Section IV examines how much income is needed to enable New York households to afford the Household Survival Budget. This section also compares that level of income to how much households actually earn as well as the amount of public and private assistance they receive. The ALICE Income Assessment estimates that the income of ALICE and

*“With 55 percent of jobs in New York paying less than \$20 per hour, it is not surprising that so many households fall below the ALICE Threshold.”*



poverty-level households in New York is supplemented with \$83.2 billion in government, nonprofit, and health care resources. If distributed evenly, that assistance would be enough to bring all households to the ALICE Threshold. However, government spending is increasingly composed of health care spending, which consists of services and cannot be transferred to meet other budget needs. This leaves significant gaps in some areas, including a 34 percent gap in housing and a 47 percent gap in child care. Health care is the only budget area where spending exceeds basic needs.

## What are the economic conditions for ALICE households in New York?

Section V presents the **Economic Viability Dashboard**, a measure of the conditions that New York's ALICE households actually face. The Dashboard compares three indices – Housing Affordability, Job Opportunities, and Community Resources – across the state's 62 counties. Both housing affordability and job opportunities worsened during the Great Recession. Conditions have not improved for housing, but job opportunities started to improve in 2010 – especially in NYC and the surrounding counties – though they have not yet even returned to 2007 levels. Community resources fluctuated but ultimately improved over the period. Given this economic landscape, it remains difficult for many ALICE households in New York to find both affordable housing and job opportunities in the same county, especially in NYC and its surrounding counties.

## What are the consequences of insufficient household income?

Section VI focuses on how households survive without sufficient income and assets to meet the ALICE Threshold. It outlines the difficult choices ALICE households face, such as forgoing preventative health care, accredited child care, healthy food, or car insurance. These choices threaten their health, safety, and future, and have consequences for their wider communities as well.

## Conclusion

The Report concludes by outlining the structural issues that pose the greatest challenges to ALICE households going forward. These include changes in the age and diversity of New York's population; job prospects for New Yorkers; and ALICE's leverage at the ballot box. This section also identifies a range of general strategies that would reduce the number of New York households living below the ALICE Threshold.

*“Both housing affordability and job opportunities worsened during the Great Recession. Conditions have not improved for housing, but job opportunities started to improve in 2010 – especially in NYC and the surrounding counties – though they have not yet even returned to 2007 levels.”*



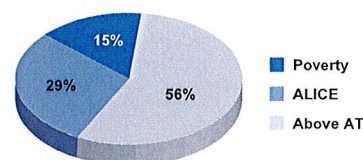
# AT-A-GLANCE: NEW YORK

2014 Point-in-Time Data

**Population:** 19,746,227 | **Number of Counties:** 62 | **Number of Households:** 7,289,792  
**Median Household Income (state average):** \$58,878 (national average: \$53,657)  
**Unemployment Rate (state average):** 7.3% (national average: 7.2%)  
**Gini Coefficient (zero = equality; one = inequality):** 0.51 (national average: 0.48)

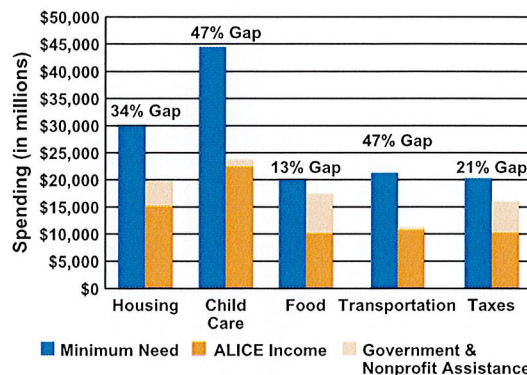
## How many households are struggling?

**ALICE**, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, are households that earn more than the U.S. poverty level but less than the basic cost of living for the state (the ALICE Threshold, or AT). Combined, the number of poverty and ALICE households (44 percent) equals the total New York population struggling to afford basic needs.



## Income Assessment for New York

The total annual income of poverty-level and ALICE households in New York in 2014 was \$85.6 billion, which includes wages and Social Security. This is only 50 percent of the amount needed just to reach the ALICE Threshold of \$169.4 billion statewide. Government and nonprofit assistance totals \$83.2 billion, but that still leaves an Unfilled Gap to achieve the most basic need in many areas, including 34 percent for housing and 47 percent for child care. Only health care spending exceeds basic needs.



## What does it cost to afford the basic necessities?

This bare-minimum Household Survival Budget does not allow for any savings, leaving a household vulnerable to unexpected expenses. Affording only a very modest living in each community, this budget is still significantly more than the U.S. poverty level of \$11,670 for a single adult and \$23,850 for a family of four.

Monthly Costs – New York Average – 2014			
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER	PERCENT CHANGE, 2007–2014
Housing	\$668	\$919	17%
Child Care	\$-	\$1,363	9%
Food	\$202	\$612	20%
Transportation	\$330	\$653	11%
Health Care	\$141	\$564	56%
Miscellaneous	\$163	\$473	19%
Taxes	\$291	\$622	35%
Monthly Total	\$1,795	\$5,206	19%
ANNUAL TOTAL	\$21,540	\$62,472	19%
Hourly Wage	\$10.77	\$31.24	19%

Note: Percent increases are an average of the increases in each category for a single-adult and a four-person family.  
Source: See Appendix C



# AT-A-GLANCE: NEW YORK

2014 Point-in-Time Data

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Unemployment Rate (state average): 7.3% (national average: 7.2%)

Gini Coefficient (zero = equality; one = inequality): 0.51 (national average: 0.48)

New York Counties, 2014		
COUNTY	TOTAL HH	% ALICE & POVERTY
Albany	124,716	38%
Allegany	18,407	47%
Bronx	492,481	71%
Broome	78,810	42%
Cattaraugus	30,735	45%
Cayuga	31,290	38%
Chautauqua	52,916	47%
Chemung	34,617	40%
Chenango	19,560	45%
Clinton	31,426	41%
Columbia	25,095	39%
Cortland	18,045	46%
Delaware	19,370	44%
Dutchess	104,190	39%
Erie	383,657	41%
Essex	15,571	38%
Franklin	19,131	44%
Fulton	22,440	45%
Genesee	23,967	35%
Greene	18,102	44%
Hamilton	1,639	47%
Herkimer	26,583	46%
Jefferson	43,516	46%
Kings (Brooklyn)	942,402	56%
Lewis	10,726	38%
Livingston	25,334	39%
Madison	25,932	43%
Monroe	298,271	42%
Montgomery	19,655	48%
Nassau	440,168	31%
New York (Manhattan)	762,228	35%

New York Counties, 2014		
COUNTY	TOTAL HH	% ALICE & POVERTY
Niagara	86,907	40%
Oneida	90,583	44%
Onondaga	185,474	39%
Ontario	43,581	37%
Orange	124,587	41%
Orleans	15,894	45%
Oswego	45,646	45%
Otsego	23,798	46%
Putnam	34,234	33%
Queens	785,985	50%
Rensselaer	63,289	38%
Richmond (Staten Island)	164,971	42%
Rockland	98,873	42%
Saratoga	90,964	28%
Schenectady	56,255	44%
Schoharie	12,739	40%
Schuyler	7,759	35%
Seneca	13,485	42%
St. Lawrence	40,286	52%
Steuben	41,046	40%
Suffolk	493,287	39%
Sullivan	27,524	46%
Tioga	20,178	36%
Tompkins	38,120	52%
Ulster	69,522	45%
Warren	26,193	41%
Washington	24,165	45%
Wayne	35,577	47%
Westchester	342,557	34%
Wyoming	15,691	38%
Yates	9,642	39%

Sources: 2014 Point-in-Time Data: American Community Survey, 2014. ALICE Demographics: American Community Survey, 2014, and the ALICE Threshold, 2014. Income Assessment: Office of Management and Budget, 2015; Department of Treasury, 2016; American Community Survey, 2014; National Association of State Budget Officers, 2015; NCCS Data Web Report Builder, 2012; see Appendix E. Budget: U.S. Department of Housing and Urban Development (HUD); U.S. Department of Agriculture (USDA); Bureau of Labor Statistics (BLS); Internal Revenue Service (IRS) and New York State Department of Taxation and Finance; New York State Office of Children & Family Services, 2014.

AT-A-GLANCE: NEW YORK



Figure 25.  
Occupations by Employment and Wage, New York, 2014

Occupation	Number of Jobs	Median Hourly Wage
Retail Salespersons	310,540	\$10.32
Office Clerks	207,560	\$14.11
Janitors and Cleaners	194,820	\$13.44
Secretaries and Administrative Assistants	193,460	\$17.94
Cashiers	191,470	\$9.16
Registered Nurses	169,560	\$36.50
Food Prep, Including Fast Food	157,570	\$8.94
Waiters and Waitresses	151,270	\$9.28
Customer Service Representatives	150,070	\$17.04
Home Health Aides	146,550	\$10.37
General and Operations Managers	146,050	\$57.27
Personal Care Aides	142,220	\$10.98
Stock Clerks and Order Fillers	122,360	\$10.51
Teacher Assistants	118,970	\$13.26
Bookkeeping and Auditing Clerks	114,770	\$19.00
First-Line Supervisors of Administrative Support Workers	114,490	\$28.38
Security Guards	105,290	\$14.42
Nursing Assistants	101,030	\$15.87
Laborers and Movers, Hand	98,770	\$12.42
Accountants and Auditors	97,620	\$37.52

*“Jobs paying less than \$20 per hour are more likely to be part time. With women working more part-time jobs, their income is correspondingly lower than that of their male counterparts.”*

Source: Bureau of Labor Statistics, Occupational Employment Statistics (OES) Wage Survey – All Industries Combined, 2014

In addition to those who were unemployed in New York in 2014 (6.4 percent), there are many residents who are underemployed – people who are employed part time for economic reasons or who have stopped looking for work but would like to work (12.4 percent) (Bureau of Labor Statistics, 2014; Bureau of Labor Statistics, 2016).

Of the working age population, 54 percent of men (3,503,801) and 42 percent of women (2,792,770) work full time (defined as more than 35 hours per week, 50 to 52 weeks per year). However, 23 percent of men and 29 percent of women work part time. In addition, 22 percent of men and 29 percent of women are not working, including both the unemployed and people not looking for work (Figure 26). Jobs paying less than \$20 per hour are more likely to be part time. With women working more part-time jobs, their income is correspondingly lower than that of their male counterparts (American Community Survey, 2014).



## Ulster County, 2014

Town	Total HH	% ALICE & Poverty
Accord CDP (P)	187	7%
Clintondale CDP (P)	540	49%
Cragmoor CDP (P)	289	31%
Denning (SD)	242	37%
Ellenville (P)	1,490	55%
Esopus (SD)	3,294	36%
Gardiner (SD)	2,124	35%
Gardiner CDP (P)	301	45%
Glasco CDP (P)	953	39%
High Falls CDP (P)	364	50%
Highland CDP (P)	2,228	47%
Hillside CDP (P)	310	12%
Hurley (SD)	2,659	38%
Hurley CDP (P)	1,370	38%
Kerhonkson CDP (P)	651	46%
Kingston (P)	9,834	61%
Kingston (SD)	435	50%
Lake Katrine CDP (P)	824	61%
Lincoln Park CDP (P)	1,075	65%
Lloyd (SD)	4,182	41%
Malden-on-Hudson CDP (P)	145	54%
Marbletown (SD)	2,466	43%
Marlboro CDP (P)	1,375	43%
Marlborough (SD)	3,383	45%
Milton CDP (P)	549	47%
Napanoch CDP (P)	465	55%
New Paltz (P)	1,994	57%
New Paltz (SD)	4,480	42%
Olive (SD)	2,147	44%
Phoenicia CDP (P)	204	69%
Pine Hill CDP (P)	105	64%
Plattekill (SD)	3,965	44%
Plattekill CDP (P)	497	53%
Port Ewen CDP (P)	1,528	44%
Rifton CDP (P)	278	57%
Rochester (SD)	2,741	33%
Rosendale (SD)	2,457	47%
Rosendale Hamlet CDP (P)	609	43%
Saugerties (P)	1,683	56%
Saugerties (SD)	7,444	44%
Saugerties South CDP (P)	777	29%
Shandaken (SD)	1,497	56%
Shawangunk (SD)	3,730	28%
Shokan CDP (P)	491	50%
Stone Ridge CDP (P)	451	31%
Tillson CDP (P)	638	38%
Ulster (SD)	4,840	54%
Walker Valley CDP (P)	260	28%
Wallkill CDP (P)	835	36%
Wawarsing (SD)	4,370	50%
West Hurley CDP (P)	913	47%
Woodstock (SD)	3,004	39%
Woodstock CDP (P)	1,104	40%
Zena CDP (P)	479	25%

Note: Municipal-level data on this page is for Census Places (P) and county subdivisions (SD). Totals will not match county-level data; municipal-level data often relies on 5-year averages and is not available for the smallest towns that do not report income.

## ALICE IN ULSTER COUNTY

## 2014 Point-in-Time Data

Population: 180,445 | Number of Households: 69,522

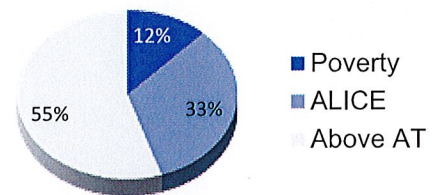
Median Household Income: \$58,093 (state average: \$58,878)

Unemployment Rate: 8.9% (state average: 7.3%)

Gini Coefficient (zero = equality; one = inequality): 0.47 (state average: 0.51)

## How many households are struggling?

ALICE, an acronym for Asset Limited, Income Constrained, Employed, are households that earn more than the U.S. poverty level, but less than the basic cost of living for the county (the ALICE Threshold, or AT). Combined, the number of poverty and ALICE households equals the total population struggling to afford basic needs.



## What are the economic conditions?

The **Economic Viability Dashboard** evaluates community conditions for ALICE in three core areas. Each is an index with a scale of 1 (worse) to 100 (better).

**Housing Affordability**  
poor (41)

**Job Opportunities**  
poor (41)

**Community Resources**  
fair (52)

## What does it cost to afford the basic necessities?

This bare-minimum budget does not allow for any savings, leaving a household vulnerable to unexpected expenses. Affording only a very modest living in each community, this budget is still significantly more than the U.S. poverty level of \$11,670 for a single adult and \$23,850 for a family of four.

## Household Survival Budget, Ulster County

	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Housing	\$659	\$1,062
Child Care	\$–	\$1,625
Food	\$202	\$612
Transportation	\$369	\$738
Health Care	\$143	\$573
Miscellaneous	\$167	\$542
Taxes	\$296	\$814
Monthly Total	\$1,836	\$5,966
ANNUAL TOTAL	\$22,032	\$71,592
Hourly Wage	\$11.02	\$35.80

Source: American Community Survey, Bureau of Labor Statistics (BLS), Internal Revenue Service (IRS), U.S. Census, U.S. Department of Agriculture (USDA), U.S. Department of Housing and Urban Development (HUD), U.S. Election Assistance Commission, New York State Department of Taxation and Finance, and New York State Office of Children & Family Services, 2014.