

The New York Times

ON THE WEB

Basic Costs Beyond Reach Of Many in City, Report Says

December 30, 2004

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Nearly half of New York City households do not earn enough to pay for their basic living costs, according to a report produced by a New York nonprofit that works to make poor women financially independent.

In fact, the report estimates that the income needed to afford basic living costs in the city is more than three times the national poverty level. Researchers used government standards on housing, food, child care and medical insurance to calculate the basic costs.

The report says that a parent with two children in the Bronx needed to earn \$49,874, or nearly \$24 an hour of full-time work, to get by without government or private aid in 2004. The same family in Brooklyn needed \$51,567, and in Queens \$54,961. And if they lived in the lower half of Manhattan, \$77,957 was needed to cover the same family's minimum costs, more than any other city measured, including San Francisco.

The report, to be released in January, was produced by the Women's Center for Education and Career Advancement, which specializes in helping women move from welfare to financial independence. It is aimed at highlighting the significant gap between welfare benefits and the minimum wage and demonstrating how much money it takes to pay basic bills in the city. An advance copy of the report was given yesterday to The New York Times.

It is also part of a national project, created by **Wider Opportunities for Women**, another nonprofit group, to establish a counterweight to the federal income threshold for poverty, which is increasingly viewed by advocates for the poor as divorced from reality. For example, the poverty level for a household with one adult and two children is now set at \$14,824. Government

benefits like food stamps, welfare and rent subsidies are usually available only to families who earn less than twice the poverty level.

"There is a tacit acknowledgment by the government that earning at the federal poverty line is not adequate," said Merble Reagon, executive director of the women's center. "This standard is to help policy makers set minimum wage, access to training and education, and eligibility for work supports in such a way to make it really possible for families to stay in the work force and reach independence."

Although few New Yorkers would be shocked to learn that families must live frugally on an income near the city's median of \$56,500, they might be surprised to learn that a typical mother with two small children needs to spend more on child care than rent. Of the \$49,874 that the report estimates it takes a single parent to cover basic costs in the Bronx, 34 percent would be spent on child care and 22 percent on a two-bedroom apartment, the report said.

Taxes would be the next largest cost, consuming 15 percent of the family's monthly income, followed by food, which would take up 14 percent. Assuming health insurance is covered by an employer, health costs for co-payments and medicines would be 6 percent, and transportation, assuming there is no car, would be 2 percent. Other household expenditures accounted for the last 8 percent of the finances.

The authors of the report describe the expenses they list as basic and far from luxurious, but also not the barest minimum. There is no money in the budget for school supplies, retirement savings or restaurant food, but the report assumes that parents do not sleep in the same

room with a child or have more than two children sleeping together. A family of a mother and three children would, therefore, require a three-bedroom apartment -- not realistic in the rental market in New York City.

Mark Levitan, a senior policy analyst with the Community Service Society who acted as an adviser to the report's authors, acknowledged that the choice of some of the criteria for what was basic was "subjective." He also said that while nearly half the families in New York are not earning up to the report's **self-sufficiency standard**, many of those families are receiving some government or private aid, like a housing or child-care subsidy or food-pantry assistance, to help fill the gap.

The report's minimum recommended income level has risen substantially throughout the city since the last time it was issued, in 2000, primarily because of soaring housing costs.