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Family Needs Far Exceed The Official Poverty Line; Study Lays Out Costs of Getting By in City

By NINA BERNSTEIN

Carol Williams did not need an economic study to prove that her \$24,000-a-year job as an administrative assistant could not support three children in New York, even when squeezed into a one-bedroom, \$600-a-month apartment in the Bronx.

"By the time I paid my car payments and my car insurance and some bills, I was broke," said Ms. Williams, a widow. "Most of the time we were scrambling to buy food."

There was nothing wrong with her budgeting skills. Though the federal government says poverty in New York City officially ends at \$14,150 for a household of three -- just as it does in Brooklyn, Miss., or Manhattan, Kan. -- Ms. Williams and many residents like her have found that getting by takes tens of thousands of dollars more.

In fact, according to a study that scrutinized basic family expenses in the five boroughs, meeting bare-bones needs in the city costs two to five times more than the national poverty levels for families with children.

As a working parent in the Bronx with three children, for example, Ms. Williams would need \$38,088 to cover a no-frills budget for housing, child care, food, taxes, health care, transportation and other basic out-of-pocket costs, even after tax credits, according to the study. The study is to be released today by its local sponsors, the Women's Center for Education and Career Advancement, the New York Community Trust and the United Way of New York City.

In Queens, Robbin Davis often helps feed her family by bringing in leftovers from the lunches she prepares for the elderly for \$7 an hour at a settlement house. In that borough, an adult with a preschooler

and a school-age child needs a full-time job paying \$22.18 an hour, or \$46,836 a year, to be self-sufficient. And in the southern half of Manhattan, the same family would need \$74,232, without budgeting a dime for a movie or a restaurant meal. Given that the city's median income is \$50,600 for a household of three people, a substantial proportion of families here clearly have to scramble to make ends meet.

At a time when work is expected to serve as New York's main antipoverty program, the study highlights the gap between wages that disqualify working parents from public subsidies and the income they need to be independent, termed the "self-sufficiency standard." The study is part of a nationwide project to assess how much income is enough for families to meet their needs on their own.

The same methodology has found similar gaps in 13 other states and major metropolitan areas, but only San Francisco is more expensive than New York City for families across the board, said Diana Pearce, the University of Washington sociologist who supervises the national project.

An examination of costs in counties across New York State, also being released today, found that even in the lowest-cost jurisdiction -- Clinton County, whose major town is Plattsburgh -- income just above the poverty threshold is still less than half of what it takes to work and adequately support a typical family. And when adjusted for inflation, wages for middle-level and low-end jobs in New York actually declined during the 1990's, by 7.6 percent and 9.5 percent respectively, even as they rose modestly in the nation as a whole, according to a recent study by the Economic Policy Institute, a Washington-based research organization.

Yet the national poverty threshold remains the basis for calculating most aid here. And the minimum wage -- \$5.15 an hour, or \$16,148 a year, including tax credits -- is the same as in the rest of the nation, though much more than that salary left Ms. Williams short of money to feed her Bronx household. A closer look at some of the families struggling to bridge the gap reveals that low-income New Yorkers use many strategies to get by.

Ms. Davis, the woman in Queens, is still trying to work her way off welfare with her part-time job at the center in Queensbridge and hopes that training and a high school equivalency diploma will enable her to get a full-time job there. But each time her earnings increase, so does her rent on the public housing apartment in Astoria where she lives with her mother and her three children, sharing a bedroom with her daughter.

When the father of her 10-year-old son began paying \$300 a month in child support, all but \$50 went to the welfare department, which recently cut her remaining grant from \$71.50 to \$6.50. And because of the extra \$50, her food stamp allotment was cut to \$134 a month, from \$163, she said.

Monique Wallace, a Brooklyn woman, feels that after a rocky start, she is close to making it. When pregnancy and illness forced her to leave an out-of-state college halfway through her sophomore year, she turned to the City Human Resources Administration's job center, but was turned away without a referral. She went to her local unemployment office in search of work after the birth of her daughter, Cheyenne, in

September 1998, but was offered only minimum-wage jobs at fast-food restaurants, she said.

"They're sending me to Wendy's, and I have a daughter I've got to take care of," Ms. Wallace said. "And you know \$5 an hour is not going to cut it." Instead, she followed a sign in the public library to the Women's Center.

"When she came to us, she was in tears," Merble Reagon, the executive director, recalled. "We told her, 'You can do this, Monique -- you're bright, you're motivated, and you want to be self-sufficient.' "

After an unpaid internship at PaineWebber and help with an intensive job search, Ms. Wallace landed a position at a financial services company as a receptionist. By January she had been promoted to sales representative, making \$25,000 in base pay for selling life insurance. She expects to add \$7,000 to \$10,000 more in bonuses and commissions.

But she is still shy of the study's \$35,940 self-sufficiency standard for an adult with one preschool child in Brooklyn. That figure is based in part on allotting \$801 for renting a one-bedroom apartment, a modest fair-market rent according to housing surveys by the Census Bureau. It is also based on child care costs analyzed by the state for subsidies; on average health maintenance organization costs; and on \$63 for a monthly Metro pass, among other expenses.

For now, Ms. Wallace shares a bedroom with her 2-year-old daughter in her mother's publicly subsidized apartment in East New York, and counts on her mother for what the study characterizes as a "private subsidy": child care at \$80 a month, far below market rates.

Even so, Ms. Wallace was caught short this pay period when she resumed her college education with part-time classes. The \$250 for her books fell due at the same time that cold weather demanded that her daughter's summer sandals be replaced with sneakers. Ms. Wallace said Cheyenne's father is a student and cannot pay child support for now.

"Everything is going to feel it," Ms. Wallace said, mentally dividing up her \$735 check, received every two weeks. "I'll send less money to the phone bill. I guess it's going to affect the food. And I didn't even get her coat yet -- I'll get that maybe next week."

The compromises families make have hidden costs, Dr. Pearce said, and children often pay them. The self-sufficiency benchmark, she said, underlines the distortions of the poverty line, which was devised 40 years ago, when low-income families paid little in taxes and nothing for child care, because women were not expected to work.

"Unless these families get help with those major costs, such as child care, health care and shelter, they're not able to stabilize and become self-sufficient," she said.

For Ms. Williams of the Bronx, that struggle continues. She started her climb to higher wages with a

church maintenance job at \$15,000 a year and baby-sitting at \$7 an hour for a Manhattan family -- a couple who could hardly afford more, she said, since they were living in a Manhattan studio apartment with two toddlers. She sent her own children to her mother's home in Virginia, she said, and child-welfare authorities there took them into custody, saying they were being abused.

Striving to win back her children from foster care, she discovered that she earned too little to rent an acceptable apartment, but too much to qualify for a state job training grant that could prepare her to earn more. Meanwhile, Virginia child-welfare authorities were claiming in a court petition that since she was working, she could pay them \$12,000 in child support to cover foster-care costs.

Ms. Williams persevered with the help of the Women's Center, a 30-year-old nonprofit organization in Lower Manhattan that helps displaced homemakers prepare for employment. She completed a free computer bookkeeping course and an unpaid PaineWebber internship, passed her high school equivalency test, regained her children and landed a \$24,000 office position at a children's residential treatment center in Westchester County. A tax refund covered the down payment on the car she needed to get there.

When her salary fell far short of family needs, she said, her reluctant solution was to add a second job -- moonlighting four nights a week as a youth counselor in one of the center cottages for \$10 an hour. "I just got accustomed to not sleeping," she said.

The grueling schedule backfired badly this summer. She said her teenage son, already feeling abandoned after his stint in foster care, became involved with a gang after his older sister graduated from high school and joined the Navy. The private school where her younger daughter has a full scholarship warned that her grades were slipping. And Ms. Williams had to take off so much time to deal with these family problems that she lost her office job.

"They thought I was more effective working with the residents," said Ms. Williams, whose night shift and weekend work as a counselor pays about \$22,000 a year now with overtime, some of it mandatory and unpredictable. She has sent her 17-year-old son to join his 19-year-old sister on the naval base in Norfolk, Va., hoping he will complete high school.

"I worked two jobs so long I'm going to rest for awhile," she said, "but I'll be out for a second job soon, because \$22,000 is just not enough."

Organizations mentioned in this article:

Women's Center for Education and Career Advancement; New York Community Trust; United Way

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