

New York's forgotten poor: Income needed to survive is nearly 3 times poverty rate

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The way the government determines poverty is outdated and inaccurate, according to a new study from the United Way.

The **study** identifies a large, forgotten section of the working poor and shows that in Syracuse, up to 60 percent of households live on less income than is needed for basic subsistence.

The report from the United Way of New York shows poverty levels are much worse than traditional numbers demonstrate, because the actual income needed to support a family here is nearly three times the federal poverty level.

The aim, according to the president of the local United Way, is to give a more accurate representation of poverty in New York.

"What we're trying to do is understand those people that are just one paycheck away from poverty," said Frank Lazarski, president of the United Way of Central New York. "The distinction is important because it's about people who are working."

The report documents the working poor using a specific metric: People who have income above the federal poverty level, but who don't make enough to provide for a basic household budget.

That metric is referred to as ALICE (asset limited, income constrained, employed). It's a population subset that is growing, but often ignored in lieu of more traditional measures of poverty.

In Syracuse, 60 percent of households are below the ALICE threshold, which is much higher than the statewide average of 44 percent. Only Schenectady, Utica and Rochester have higher ALICE rates.

A new, better way to measure poverty

Based on federal guidelines, 15 percent (1.1 million) of NY households live in poverty. However, another 29 percent (2.1 million households) qualify as ALICE.

"Traditional measures hide the reality that 44 percent of households in New York struggle to support themselves," the report says.

The federal poverty level for a family of four was \$23,850 in 2014, the last year covered in the report. That is an impossibly low figure on which to raise a family. According to the report, it takes a little more than \$60,000 for a family of four to subsist in Upstate New York.

"The Federal Poverty Level (FPL) is no longer a realistic measure of financial hardship in households across each county in the U.S.," the report says. "Developed in 1965, the FPL no longer reflects the actual cost of basic household necessities. Its methodology has not been updated since 1974 to accommodate changes in the cost of living over time, nor is it adjusted to reflect cost-of-living differences across the country."

The study uses a more realistic formula to account for expenses like health care, child care, taxes, transportation and housing costs. At a bare minimum, those expenses for an average family of four total \$60,036 per year in Upstate.

Lazarski said that number was the most surprising thing he learned from the report.

"Is this really what it is going to take in order for somebody to be beyond that level of 'just making it?' " he said.

In Central New York, Lazarski said, organizations like the anti-poverty group HOPE have spent time listening to determine the needs of the poor and working poor. He referred to a series of meetings held in struggling communities over the last year. He said transportation was one of the most critical issues for the working poor in Syracuse. Affordable housing was another area of concern.

"We don't have the best transportation system," he said. "If someone gets a job in the suburbs or East Syracuse - if you don't have good transportation you can have a really difficult time getting there on time."

Impact of recession

Between 2007 and 2014, the number of impoverished households statewide grew 18 percent. The report attributes much of that to the recent recession, which began around 2007 and technically ended in 2010. The recession also led to an 8 percent increase in households below the ALICE threshold.

New York was hit harder by the recession than many states. While the statewide economy has somewhat stabilized, most job growth has come in New York City and manufacturing Upstate has continued its decline.

Job opportunities statewide have improved since 2010, but have not yet returned to the levels they were at in 2007 and still lag significantly in much of Upstate.

That has widened the gap between the wealthiest and poorest citizens in New York - a state that already had the highest income inequality in the nation.

Getting assistance

Public and private spending to assist ALICE households totaled \$28.2 billion in New York, but still left large gaps for families trying to afford housing, health care and child care, according to the report.

Most assistance money typically goes to households below the federal poverty level. Many households near the ALICE threshold are not eligible for assistance.

The report notes that Central New York is among the leading regions in the state for affordable housing and community resources.

Lazarski urged anyone seeking help finding local resources to contact the United Way by dialing 211.

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