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Poverty in Buffalo-Niagara

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Poverty in Buffalo-Niagara

Poverty in Buffalo-Niagara

Percent of people living below the poverty line

	2013	2010	2009	2008	2007	2006	2005
City of Buffalo	30.1%	29.6%	28.8%	30.3%	28.7%	29.9%	26.9%
Erie County	14.5%	14.3%	13.9%	13.6%	13.8%	14.5%	13.2%
Buffalo-Niagara Falls Metro Area	14%	13.8%	14.0%	13.3%	13.5%	14.2%	12.7%
New York State	15.1%	14.9%	14.2%	13.6%	13.7%	14.2%	13.8%
United States	15%	15.3%	14.3%	13.2%	13.0%	13.3%	13.3%

Median Income (2009 Census)

	City of Buffalo	Buffalo-Niagara Falls Metro Area	National
Median Household Income	\$29,285	\$45,811	\$50,221
Households with Income below \$10,000	23,041	44,559	8,806,058
Households with income between \$10,000 and \$14,999	11,171	30,891	6,487,937
Households with income between \$15,000 and \$24,999	18,410	58,662	12,772,231
Households with income below \$25,000	52,622	134,112	28,066,226

Inequality: Geographic and Racial

- The Buffalo-Niagara metropolitan region is not unusually poor. In 2013, the metropolitan area poverty rate was 14%, compared to a national rate of 15%.
- What is unusual about Buffalo-Niagara is the concentration of poverty in urban areas.
 - In 2010, the poverty rate for Buffalo was nearly 29.6%, and for Niagara Falls it was 22.8%, while the poverty rate for the metropolitan area outside these two cities was roughly 8%.
 - The city of Buffalo's median household income was \$30,043, and unemployment rate was 12.4%, compared to figures of \$47,093 and 7.6% for the metropolitan area as a whole.
 - Of Buffalo public school children, 77.5% qualify for free or reduced price lunch.ⁱ
 - Deep poverty is even more concentrated than poverty in general. As of January 2007, of Erie County residents receiving Temporary Assistance to Needy Families (TANF), 78.4% were in the city of Buffalo.ⁱⁱ
 - Within the City of Buffalo, poverty is most concentrated on the West Side and the East Side (especially south of Best Street). Only six census tracts have a poverty rate below 10% – five in the central, northern part of the city and one in the southeastern corner. Fifteen of the city's 79 census tracts have poverty rates over 40%, of which four have rates over 50%. The poorest tract, with a poverty rate of 62.5%, is tract 71.02, which is the tract just west of City Hall.
 - In 2014, a Buffalo News analysis found that 70% of schools in the city were segregated.
- Since many more people in the metropolitan region live outside of the cities than inside of them, the number of impoverished people in the cities and outside of them is roughly equal. The most typical family living in poverty, in Buffalo-Niagara as in the nation, would probably be a divorced white mother with one or two children, living in the suburbs and working a low-wage job in the retail, health, or education sector.
- Buffalo-Niagara's poverty is highly segregated and racialized.
 - Buffalo-Niagara is now the fifteenth most racially segregated large metro in the nation.
 - Buffalo is 38.6% African-American; Erie County outside of Buffalo is only 3.5% African-American.
 - In the metro area in 2000, 81.4% of African-Americans and 58.9% of Hispanics lived in high poverty neighborhoods, compared with 10.7% of whites. That was the highest proportion of blacks living in high poverty neighborhoods of any large metro in the nation.ⁱⁱⁱ
 - As of 2010, the poverty rate in the metro area for African-Americans was 36.1%, for Hispanics 35.8%, and for whites 9.6%. For foreign-born people, the rate was 20.8%^{iv}

- New York State has the worst income inequality in the nation. This is largely because of New York City, which has the worst income inequality of any metropolitan area in the nation, but Buffalo-Niagara ranks 22nd most unequal of the 51 metropolitan areas with over one million residents. To compare some similar cities in terms of income inequality level, Cleveland, Pittsburgh and Detroit ranked higher (15, 19 and 20, respectively), while Cincinnati, Columbus and Rochester ranked lower (30, 36, and 43, respectively).^v

Work That Does Not Pay Enough

- The single biggest cause of poverty is jobs that do not pay enough. Roughly one-third of the local work force is in service jobs with a median income below \$26,000. Some of the most common low-wage jobs are listed below (figures are from 2007).

Occupation	Number Employed	Median Income
Food Preparation/Serving	55,920	\$17,300
Retail Salesperson	20,170	\$19,060
Cashier	18,780	\$16,360
Janitor/Cleaner	12,080	\$23,090
Office Clerk	11,890	\$23,390
Stock Clerk / Order Filler	9,220	\$19,220
Teacher's Assistant	8,880	\$21,790
Nursing Aide / Orderly	8,510	\$25,220
Home Health Aide	7,400	\$21,670

- Buffalo-Niagara, even more than the rest of the nation, has seen a replacement of manufacturing jobs with lower-paying, less secure service industry jobs, resulting in a large migration of people from the lower middle class to low income. Thus, despite lower than average unemployment and poverty rate in 2009, Buffalo-Niagara had a much lower median income (\$45,811) than the national average (\$50,211).

Disability and Health

- A major cause of poverty is disability, and the inadequate public assistance for people who are disabled.
 - Nationally, of people from 18 to 64 years of age, 27.9% of those with a disability were living in poverty in 2010, compared to 12.5% of those with no disability.^{vi}
 - According to 2009 Census figures, 13.31% of Buffalo-Niagara residents, and 17.42% of City of Buffalo residents, are disabled, compared to a national average of 11.99%
 - The Supplemental Security Income payment for a disabled person in 2012 is \$8,386.75 per year, or \$698 per month. For a couple who are both disabled, the SSI payment is \$12,578 per year, or \$1,048 per month.^{vii} By contrast, the poverty guideline for a single person for 2012 is \$11,170 and for two is \$15,130. Thus, it is national policy to keep permanently disabled people who have never been able to work and have no other source of income well below the poverty line.
- Health costs drive many people into poverty. In 2010, 49.9 million people, or 16.3% of the U.S. population, lacked health insurance.^{viii} For blacks, 20.3% were uninsured; for Hispanics, 31.6% were uninsured.^{ix}

Unemployment and Underemployment

- According to the 2010 Census, of people living below the poverty line in Buffalo-Niagara, 37% were unemployed, compared to a national average of 32.9%. In the City of Buffalo, 40.4% of those in poverty were unemployed.
- Unemployment varies sharply by education level and age. In Buffalo-Niagara, the unemployment rate for college graduates was 4.4%, for high school graduates 11.7%, and for less than high school 25.4%. In the City of Buffalo, the rate for less than high school was 34.7%.
- For those ages 16 to 19, the unemployment rate in Buffalo-Niagara was 26.3%, but in the City of Buffalo it was 47.9%.
- Interestingly, labor force participation rates are much more equal. For those over age 16, the rate in the city of Buffalo is 81.1%, compared to 83.3% in Buffalo-Niagara.

Food

- From 2002 to 2011, the number of Food Stamp recipients in Erie County rose 92%, from 37,213 to 76,866 (a family of four is eligible for Food Stamps with a maximum annual gross income of \$29,064). During that same period, however, the number of TANF recipients fell from 16,565 to

14,471. Seventy-eight percent of Erie County residents receiving Temporary Assistance to Needy Families were City of Buffalo residents.

Housing

- Housing is one of the biggest costs for low income households. In the City of Buffalo, where the median rent is \$646, some 58.4% of renting households are paying over 30% of their income in rent. In Buffalo-Niagara, 51.3% are paying over 30% of their income in rent.^x (In the city of Buffalo, 59% of the housing units are renter-occupied, and 41% are owner-occupied).
- Buffalo's poverty is exacerbated by its development pattern of sprawl without growth and suburbanization. The percentage of housing units vacant in the city of Buffalo has spiraled from 4.4% (1970) to 15.7% (2010),^{xi} while the number of undeliverable addresses measured by the Postal Service rose from 15,651 in 2005 to 20,692 in 2010.
- The city has the oldest housing stock in the nation, with 67.3% of units built before 1940 – leading to high levels of disrepair, lead poisoning, asthma symptoms, and high utility costs.^{xii}

Transportation

- Of households in the City of Buffalo, 30.1% have no vehicle available, and 42.6% have one vehicle available. Of households in Buffalo-Niagara, 12.9% have no vehicle available, and 37.9% have one vehicle available.^{xiii}
- In the City of Buffalo, 13.2% of workers used public transit to get to work in 2010. In Buffalo-Niagara, 3.7% used public transit to get to work.^{xiv}

Crime

- There is no simple correlation between poverty and crime. Between 1990 and 2010, poverty in the city of Buffalo rose from 25.6% to 28.8%, but burglaries fell from 8,163 to 3,954, robberies from 2,172 to 1,636, and vehicle thefts from 3,540 to 1,580.^{xv}
- However, it is true that communities with higher poverty rates have higher crime rates. The city of Buffalo has a crime index of 711, compared to a national average of 319.1 and a figure of 123.3 for the town of Amherst.^{xvi}

Education

- Buffalo-Niagara is well educated compared to the rest of the nation, with only 9.6% of those over age 25 lacking a high school diploma, compared to a national average of 13.7%. However, in the City of Buffalo the four year graduation rate has ranged from 45% to 56% over the past six years, while the New York State average has ranged from 69.3% to 77.8%.
- New York state residents tend to be overeducated, not undereducated, for the jobs available. Only one-third of jobs in New York State require more than a high school degree, whereas over half of New Yorkers have at least some college education.^{xvii} This is also true of the nation as a whole, in which, of those over age 24, 30% have at least a bachelor's degree, and 87.6% have a high school diploma or higher, but only
 - 20% of jobs require a bachelor's degree;
 - 43% of jobs require a high school diploma or equivalent; and
 - 26% of jobs do not require a high school diploma or equivalent^{xviii}
- The quality of education a child receives depends very much on the family's income, race, and location. Of the top ten local high schools ranked by Buffalo Business First, only one, City Honors, was a Buffalo public school. Of the bottom ten, all were Buffalo public schools, and all reported a majority of their student families receiving public assistance.^{xix} 77.5% of Buffalo school children qualify for free or reduced price lunch
- When solutions to poverty are discussed, education tends to come first. But while education greatly determines **which** people are poor in the United States, it has much less effect on **how many** people are poor. The rise and fall of poverty rates is determined by how many jobs exist in the economy, what those jobs pay, and what types of public assistance are available to people working low wage jobs and people unable to work.
- In other words, if everyone in Buffalo-Niagara had a doctorate, one third of our jobs would still be for retail assistants, food service workers, home health aides, security guards, landscapers, etc., and they still would not pay living wages, and the disabled and unemployed would not receive any more money from public assistance in return for their doctorates.

Three Complementary Approaches to Poverty

Fighting poverty involves three types of policies which overlap but are not identical.

- **Reducing poverty.** This can only be done by increasing income and reducing expenses.
 - Increasing income requires:
 - Improving wages and benefits for workers, through minimum wage laws, living wage laws, fair labor laws, etc.;
 - Increasing public assistance to the disabled and unemployed;
 - Adding jobs to the economy to reduce unemployment and underemployment.
 - Reducing expenses means policies that reduce the cost of necessities such as food, housing, energy, transportation, health care, child care, and education for people with low and moderate incomes. These policies include:
 - public services (public transit, county health clinics, etc.); subsidies and vouchers (i.e., Food Stamps, Low Income Housing Tax Credits); and
 - regulations that inhibit predatory pricing (i.e., rent-to-own stores, payday loans, subprime mortgage loans, etc.).
- **Equalizing opportunity.** Poverty is distributed unfairly, due mainly to present-day discrimination and the effects of past discrimination on the basis of race, disability, gender, etc. Policies that equalize opportunity include vigorous enforcement of anti-discrimination laws as well as affirmative efforts to remedy past discrimination.
- **Aiding those in poverty.** Poverty causes many problems to those who suffer it, and people in poverty often lack the money to pay for solutions to poverty-related problems as well as the problems that afflict all people. Hence there is always a need for free and low-cost services for people in poverty, even where those services do not reduce the total amount of poverty or equalize opportunity.

Addressing Concentrated Urban Poverty

- The combination of densely concentrated, racialized poverty with housing vacancy, abandonment, and blight is overwhelming many urban neighborhoods in Buffalo and Niagara Falls. Anti-poverty policies must address the fact that poverty is both widespread, with roughly half of people in poverty living outside the cities, and yet highly concentrated, with poverty rates in the cities nearly four times as high as those outside the cities.
- Urban poverty and abandonment create a vicious cycle in which cities are left with the highest needs and the least resources (i.e., the lowest property tax base) to address those needs. Thus, county, state, and federal governments need to steer more resources toward cities and enact

policies that deter sprawl and focus investment in urban cores.

- Efficient programs to address urban poverty and blight include “double-win” programs which pay disadvantaged urban workers a living wage to redress urban blight by repairing housing and cleaning and greening vacant lots in tightly targeted redevelopment zones.

ⁱ DataPlace, Data Profile for Buffalo, NY. Electronically retrieved from <http://www.dataplace.org/place> on February 23, 2011. (Type Buffalo, NY in search box.)

ⁱⁱ New York State Office of Temporary and Disability Assistance, www.otda.ny.gov.

ⁱⁱⁱ DiversityData & Harvard School of Public Health, *Share of Population Living in High Poverty Neighborhoods by Race/Ethnicity (For year: 2000)* (2007), <http://diversitydata.sph.harvard.edu/rankings.jsp?i=545>.

^{iv} Census Bureau, 2006-210 American Community Survey 5-Year Estimates

^v Daniel H. Weinberg, “U.S. Neighborhood Income Inequality in the 2005-2009 Period,” United States Census Bureau (October 2011).

^{vi} U.S. Census Bureau, “Income, Poverty, and Health Insurance Coverage in the United States: 2010”, p. 16

^{vii} <http://www.ssa.gov/oact/COLA/SSI.html>

^{viii} U.S. Census Bureau, “Income, Poverty, and Health Insurance Coverage in the United States: 2010”, p. 23

^{ix} U.S. Census Bureau, “Income, Poverty, and Health Insurance Coverage in the United States: 2010”, p. 26

^x Census Bureau, 2006-210 American Community Survey 5-Year Estimates

^{xi} Census Bureau, 2006-210 American Community Survey 5-Year Estimates

^{xii} Census Bureau, 2006-210 American Community Survey 5-Year Estimates

^{xiii} Census Bureau, 2006-210 American Community Survey 5-Year Estimates

^{xiv} Census Bureau, 2006-210 American Community Survey 5-Year Estimates

^{xv} www.city-data.com

^{xvi} www.city-data.com

^{xvii} Testimony of James Parrott, Chief Economist, Fiscal Policy Institute, before the New York State Division of Budget, Public Hearing on Economic Development, 12/18/2007.

^{xviii} Jack Metzgar, “Education, Jobs, and Wages” March 5, 2012, at workingclassstudies.wordpress.com, using Bureau of Labor Statistics Data, and US Census Bureau, “Educational Attainment of the Population 25 Years and Over, 2011,” at <http://www.census.gov/hhes/socdemo/education/data/cps/2011/tables.html>

^{xix} <https://reportcards.nysed.gov/schools.php?district=800000052968&year=2010>, and <http://www.bizjournals.com/buffalo/news/2011/06/09/2011-wny-high-school-rankings.html?page=3>

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