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Poverty in Buffalo-Niagara

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Poverty in Buffalo-Niagara

Abstract

Poverty in Buffalo-Niagara is concentrated in urban areas. It is segregated and racialized. One major cause of poverty is jobs that do not pay enough. Other major causes include disability, unaffordable housing, and lack of public transit access to quality jobs.

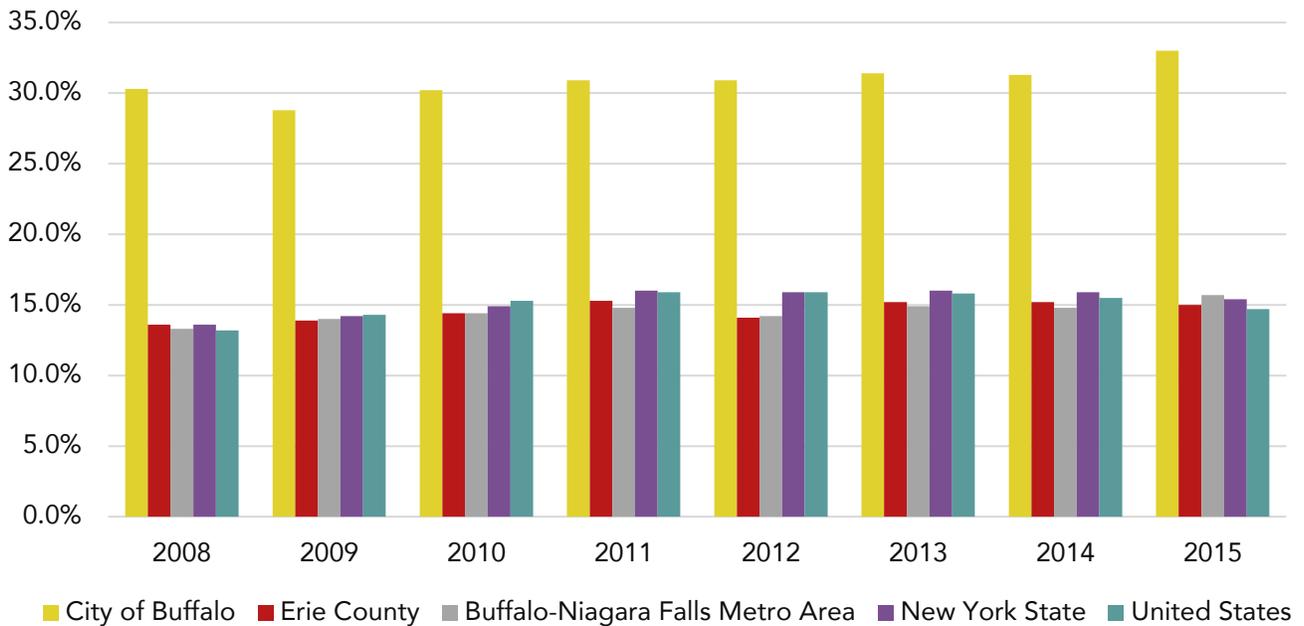
Keywords

poverty, income inequality, buffalo

Poverty in Buffalo-Niagara

Percent of People Living Below the Poverty Line

AMERICAN COMMUNITY SURVEY DATA, 1-YEAR ESTIMATES, 2008 - 2015



Poverty in Buffalo-Niagara is concentrated in urban areas. It is segregated and racialized. One major cause of poverty is jobs that do not pay enough. Other major causes include disability, unaffordable housing, and lack of public transit access to quality jobs.

BUFFALO-NIAGARA METRO AREA POVERTY RATE

The Buffalo-Niagara Falls metropolitan region is not unusually poor. In 2015, the metro area poverty rate was

15.7%,

compared to a national rate of 14.7%.

CITY OF BUFFALO POVERTY RATE

Poverty is concentrated in urban areas in the region. In 2015, the poverty rate for the city of Buffalo was

33%,

more than twice that of the metro region as a whole.



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Household Income

AMERICAN COMMUNITY SURVEY DATA, 5-YEAR ESTIMATE, 2015

	City of Buffalo ¹	Buffalo-Niagara Metro Area ²	United States ³
Median Household Income	\$31,918	\$50,962	\$53,889
Income below \$10,000	18,356	38,336	8,421,482
Income between \$10,000 and \$14,999	10,540	27,397	6,161,477
Income between \$15,000 and \$24,999	16,541	53,732	12,367,168
Income below \$25,000	45,437	119,465	26,950,127

Inequality: Geographic and Racial

Buffalo-Niagara’s poverty is highly segregated and racialized:

- Buffalo-Niagara is the sixth most segregated metropolitan region in the nation. In the region, 64% of people of color live in concentrated poverty, compared to 14% of whites.⁴
- The Buffalo-Niagara metro area ranked in the top ten for increase in income segregation in the last decade,⁵ and in 2014 was ranked 7th most segregated by income.⁶
- Even within city limits, segregation by race and income remains strong, with roughly 85% of African-Americans living east of Main Street.⁷
- As of 2015, the poverty rate in the Buffalo-Niagara metro area for African-Americans was 36.9%, for Hispanics 37.0%, and for whites 9.7%.⁸ For foreign-born people, the rate was 10.0%.⁹

MEDIAN INCOME

In 2015, the median income was less than

\$32,000

in the city, while close to

\$51,000

in the metro region.

INCOME INEQUALITY

Deep poverty is heavily concentrated in the city. Of households with **incomes below \$10,000** in the region,

48%

live in the City of Buffalo.

Of households with **incomes between \$15,000 and \$24,999**,

29%

live in the City of Buffalo.

CHILDREN IN POVERTY

From 2005 to 2015, the child poverty rate in the city rose from 37.5% to

54%.¹⁰

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 of Buffalo and Niagara Falls and outside of them is roughly equal. Similarly, since there are many more whites than people of color in Buffalo-Niagara, there are more whites living in poverty than people of color.

Work That Does Not Pay Enough

A crucial 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 in Western New York are listed below (figures are from the first quarter of 2016).¹¹

Occupation	Number Employed	Median Income
Food Preparation/Serving	61,210	\$19,960
Retail Salesperson	24,200	\$20,320
Cashier	17,160	\$19,470
Janitor/Cleaner	12,700	\$24,510
Stock Clerk/Order Filler	9,140	\$22,450
Personal Care Aides	9,090	\$23,640
Teacher’s Assistant	8,810	\$22,310
Laborers and Freight, Stock, and Material Movers, Hand	8,690	\$25,550
Home Health Aide	5,640	\$23,770

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 working poor. Thus, despite a

Poverty rates are higher among city-dwellers and people of color. But the number of whites living in poverty is higher than the number of people of color, and the number of people in poverty outside the cities is about equal to the number inside the cities.

lower than average poverty rate in 2015, Buffalo-Niagara had a lower median income (\$50,962) than the national median (\$53,889).

Disability

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, 31.2% of those with a disability were living in poverty in 2015, compared to 11.7% of those with no disability.¹²
- According to 2015 Census figures, 13.2% of Buffalo-Niagara residents, and 16.5% of City of Buffalo residents, have a disability, compared to a national average of 12.4%.¹³

Unemployment and Underemployment¹⁶

According to the 2015 American Community Survey, of people living below the poverty line in Buffalo-Niagara, 26.3% were unemployed, compared to a national average of 28.0%. In the City of Buffalo, 25.8% of those in poverty were unemployed.

In Buffalo-Niagara, the unemployment rate for college graduates was 3.4%, for high school graduates 8.0%, and for less than high school 15.3%. In the City of Buffalo, the rate for less than high school was 18.5%.

Unemployment Rates for Buffalo-Niagara	
College Graduates	3.4%
High School Graduates	8.0%
Less than High School	15.3%

In 2017, the maximum federal Supplemental Security Income annual payment for a single person is \$8,831.¹⁴ The federal poverty line for 2017 is \$12,060.¹⁵

Given these public policies, it is no surprise that so many people with disabilities live in poverty.

YOUTH UNEMPLOYMENT

In 2015, for youth ages 16 to 19, the unemployment rate in the metro area was 19.8%, but in the city of Buffalo it was

31.7%.

Interestingly, labor force participation rates have declined more than 20% since 2010. For those over age 16, the rate in the City of Buffalo shifted from 81.1% to 59.2%, and 83.3% to 62.9% in Buffalo-Niagara.

Food

From 2011 to 2015, the number of Supplemental Nutrition Assistance Program recipients (formerly known as food stamps) in Erie County rose 15,492, from 49,363 to 64,855 (a family of four is eligible with a maximum annual gross income of \$31,980). During that same period, however, the number of households in need of public assistance income fell from 12,143 to 11,259. Seventy-eight percent of Erie County residents receiving Temporary Assistance to Needy Families are City of Buffalo residents.¹⁷

Housing and Utilities

More than half of Buffalo households (55%) cannot afford their gross rent – according to the federal definition by which affordability means paying less than 30% of income toward gross rent, which includes contract rent and utilities.²⁰ By the time of the 2010 Census, 23% of the city’s households had severe housing cost burdens, paying more than 50% of their income on housing (Appendices 1-2). Among black households, over 30% faced severe burdens; among Hispanic households, over 37% did.²¹

High utility bills make Buffalo’s housing much less affordable than it may appear when looking only at rents and sales prices. Roughly three fourths of Buffalo’s renters pay their own utility bills. Given cold winters, poorly insulated and poorly repaired housing stock, and high electricity prices, these bills form a major burden. In Erie County, energy costs represent an astonishing 76.6% of household income for those who are at or below 50% of the federal poverty level.²²

RENT AFFORDABILITY

In the City of Buffalo

55%

of households cannot afford their rent. This is according to the federal definition by which affordability means paying less than 30% of income toward rent.¹⁸

HOMELESSNESS

In 2015

5,455

people in Erie County experienced homelessness.¹⁹

In 2016, that number rose to roughly

6,000.

Transportation

Many workers lack cars and cannot reach quality jobs through public transit or by walking or biking. In the Buffalo-Niagara metro area, there are 56,732 households without a vehicle.

Workers in those households can reach only 42% of the region's jobs within 90 minutes by public transit.²³ Even within the city, where access to transit is better than in the suburbs, workers can reach only 53% of the region's jobs by public transit.²⁴

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 1,580.²⁶

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.²⁷

Education

Buffalo-Niagara metro area is well educated compared to the rest of the nation, with only 9.5% of those over age 25 lacking a high school diploma in 2015, compared to a national average of 13.3%.²⁸ However, in the City of Buffalo, the four-year graduation rate has ranged from 48% to 64% over the past five years, while the New York State average has ranged from 74% to 81%.²⁹

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 59% of New Yorkers have at least some college education. This is also true of the nation as a whole, in which in 2015, of those 25

ACCESS TO VEHICLES

Within Buffalo, over

**29% of
households**

have no vehicle available.²⁵

years and over, 30% have at least a bachelor's degree, and 87% have a high school diploma or higher.³⁰

In Western New York, all the most highly ranked public high schools except City Honors are in affluent suburbs: Williamsville, East Aurora, Orchard Park, Sweet Home, Lewiston-Porter, Hamburg, etc. The twelve lowest ranked high schools are in Buffalo City School District.³¹ The main reason for this divide is the severe differences in poverty concentration in the districts.³² Four out of five Buffalo public school students are economically disadvantaged, compared to one out of three Amherst students. National research proves that income is a powerful predictor of educational success for students, schools, and school districts.³³

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, and fair labor laws;
- Increasing public assistance to the disabled and unemployed;
- Adding jobs to the economy to reduce unemployment and underemployment.

Reducing expenses means:

- Implementing 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

When solutions to poverty are discussed, education tends to come first. But while education greatly determines *which* people are poor, 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.

Even if everyone in Buffalo-Niagara earned a doctorate, one third of our jobs would still low-paying service sector jobs such as retail assistants, food service workers, home health aides, and security guards that tend not to pay living wages; and so the impact on poverty would be surprisingly small.

discrimination based on race, disability, gender, and other classifications. 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. When improving city neighborhoods, it is essential to use inclusionary zoning, land trusts, and other tools that create and preserve affordable housing and help prevent displacement due to gentrification.

Poverty and inequality are the worst problems afflicting Buffalo-Niagara, and the primary cause of most of the others. Effective poverty-fighting tools include tax relief for people with low incomes, living wage policies, and protection from predatory lending and other exploitative practices.

For more research on poverty and policies to reduce it, visit the Buffalo Commons resource library at www.ppgbuffalo.org.

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