

May 2007

# Under the Radar:

## Poverty Among Older Adults in New York City

### **INTRODUCTION**

Poverty is more than a lack of financial resources; it is a serious threat to health and well-being, dignity, and the ability to participate fully in our society.<sup>1</sup> Unfortunately, in recent years the problem of poverty amongst older adults has become increasingly invisible. Many people believe that the vast majority of seniors are affluent – or at least receiving adequate assistance. The major cause behind this misconception is the success of programs such as Medicare and Social Security, which have greatly alleviated economic insecurity among older adults. In fact, poverty among Americans age 65 and older has fallen from one-in-three persons in 1960 to one-in-ten today.<sup>2</sup>

These successes cannot be denied and our country should be proud of this progress. Work remains, however, for too many seniors have been left behind. While poverty among persons age 65 and older in the United States has decreased, it has actually risen in New York City.<sup>3</sup> The following issue brief presents new data from the U.S. Census Bureau's 2005 American Community Survey in order to explore this critical issue in more detail.<sup>4</sup>

In 2005, the U.S. Census Bureau set the poverty threshold for individuals age 65 and older at \$9,367.<sup>5</sup> If a senior's annual pretax income falls below this amount then he or she is considered "poor." While updated annually, this threshold is the same throughout the contiguous United States and does not reflect regional differences in cost-of-living.

According to this measure, 9.9% of older Americans lived in poverty in 2005, which represents a continued decline of poverty among this age group nationwide. Yet, the poverty rate among older adults living in New York City was twice the national rate: 20.3%.<sup>6</sup>

This is a significant problem that is not mirrored in all urban areas. In fact, among the twenty most populous cities in the United States, New York is second only to Detroit, Michigan in the percentage of its seniors living in poverty (see Figure 1).

### **New York Citizens' Committee on Aging, Inc.**

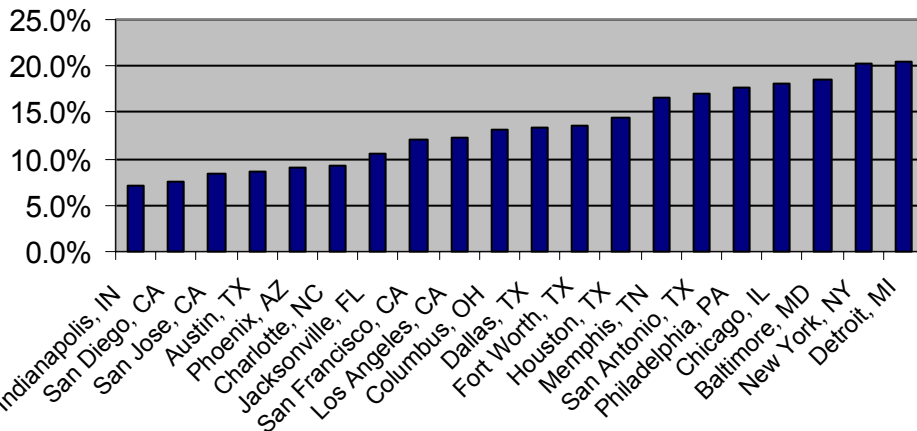
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*The New York Citizens' Committee on Aging, Inc. (NYCCoA) is a non-partisan organization that promotes interest in and disseminates information about the concerns affecting the well-being of New York's aging community.*

*Founded in 1960, it comprises a unique, broad-based group of leaders representative of the public, private and aging voluntary sectors, as well as representatives of the business, labor and civic communities.*

### Elder Poverty in 20 Most Populous U.S. Cities



**Figure 1.** Percentage of Persons Age 65 and Older Who Are Living in Poverty in the 20 Most Populous U.S. Cities, 2005. *Source: U.S. Census Bureau, 2005 American Community Survey.*

- Detroit: 20.5%
- New York City: 20.3%
- Baltimore: 18.4%
- Chicago: 18.2%
- Philadelphia: 17.7%

### ELDER POVERTY IN NEW YORK CITY

New York City is home to over 943,000 people who are age 65 or older. Approximately 191,653 of these seniors live in poverty, but what is known about them? According to the U.S. Census:

- 68.3 percent of these seniors are female; 37.3 percent are male.
- 47.9 percent are age 65 to 74; 52.1 percent are age 75 and older.
- 59.8 percent experience one or more physical, mental or emotional disability.

Among the City's impoverished households with at least one resident age 65 or older:

- 75.2 percent are in "nonfamily households" where they either live alone or with non-relatives only. Based on other Census data for the City's entire older population, however, it is very likely that the overwhelming majority of these seniors live alone.<sup>7</sup> And the majority of those who live alone are more likely to be women.
- 14.3 percent are married couples.
- 10.5 percent are households where older person(s) live with relatives other than a spouse.

Analysis of the 2005 Census Survey data also provides information about the prevalence of poverty among various groups and geographic areas within New York City.

#### • **Poverty and Gender**

Data show that poverty continues to be much greater among older women than among older men. However, the poverty rates for both men and women in New York City are double the national averages (see Figure 2).

### Poverty Rate Among Persons Age 65 and Older By Sex: New York City vs. the Entire Nation (2005)

	United States		New York City	
	Number of seniors in poverty	Percent of seniors in poverty	Number of seniors in poverty	Percent of seniors in poverty
<b>Male</b>	1,076,434	7.3%	60,731	<b>16.5%</b>
<b>Female</b>	2,374,906	11.9%	130,922	<b>22.8%</b>

**Figure 2.** Poverty Rate Among Seniors By Sex, A Comparison Between New York City and the Entire United States. *Source: U.S. Census Bureau, 2005 American Community Survey.*

**Poverty Rate Among Persons Age 65 and Older By Racial/Ethnic Group in New York City, 2005**

Racial/Ethnic Group	Number Living Below Poverty	Percentage Living Below Poverty
Asian	19,998	24.9%
Black	44,660	21.9%
Hispanic	58,331	34.4%
White	69,589	14.3%

**Figure 3.** Poverty Rate Among Seniors By Racial and Ethnic Groups in New York City. *Source: U.S Census Bureau American Community Survey, 2005.*

• **Poverty and Disability Status**

Disability can be either a cause or consequence of poverty. In New York City, the percentage of seniors who are both poor and disabled is over twice the national rate: 5.5% versus 12.1% (see Figure 4).

• **Poverty and Race/Ethnicity**

Poverty is most prevalent among racial and ethnic minorities (see Figure 3). The poverty rate among the City's Hispanic elderly population is three times the national average, while the rates for Black and Asian elderly are more than double that rate. Of those seniors living in poverty in 2005, approximately 30% were Hispanic even though Hispanic elderly only comprise about 18% of the City's entire elderly population. Similarly, while White elderly comprised nearly 52% of the City's elder population in 2005, they accounted for approximately 36% of those elders living in poverty.

• **Poverty and Geographic Area**

Although poverty among older adults is found in all sections of the City, a higher percentage of elderly live in poverty in the Bronx than in any other borough, with Brooklyn a close second. In both boroughs 1 out of every 4 seniors is poor (see Figure 5).

**Poverty Rate Among Persons Age 65 and Older By Disability Status: New York City vs. the Entire Nation (2005)**

	United States	New York City
<i>Number of seniors who have a disability AND live in poverty</i>	1,918,046	114,590
<i>Percentage of senior population having a disability AND living in poverty</i>	5.5%	12.1%

**Figure 4.** Poverty Rate Among Seniors By Disability Status, A Comparison Between New York City and the Entire United States. *Source: U.S Census Bureau, 2005 American Community Survey.*

**Poverty Rate Among Persons Age 65 and Older By Borough in New York City (2005)**

Racial/Ethnic Group	Number Living Below Poverty	Percentage Living Below Poverty
Bronx	33,521	26.4% (+/-1.6)
Brooklyn	74,049	25.7% (+/-1.7)
Manhattan	42,504	21.7% (+/-1.7)
Queens	36,496	13.0% (+/-1.3)
Staten Island	5083	10.0% (+/-2.2)

**Figure 5.** Poverty Rate Among Seniors By Borough in New York City. *Source: U.S Census Bureau American Community Survey, 2005.*

## Poverty Rates Among Persons Age 65 or Older by Racial/Ethnic Group and Borough in New York City (2005)

	Asian	Black	Hispanic	White
<b>Bronx</b>	***	24.2% (+/-3.5)	38.3% (+/-3.7)	14.7% (+/-3.1)
<b>Brooklyn</b>	26.8% (+/-7.1)	22.8% (+/-2.9)	39.3% (+/-5.6)	24% (+/-2.4)
<b>Manhattan</b>	47.3% (+/-7.3)	29.7% (+/4.5)	39.4% (+/-5.2)	6.6% (+/-1.4)
<b>Queens</b>	13.6% (+/-3.1)	12.9% (+/-2.8)	20.1% (+/-3.8)	11.2% (+/-1.9)
<b>Staten Island</b>	***	***	***	***

**Figure 6.** Poverty Rates Among Female Seniors By Racial/Ethnic Group, Age Group, and Borough in New York City. Source: U.S Census Bureau American Community Survey, 2005. \*\*\*Data unavailable/not statistically significant.

The 2005 Census data provides information on the overlap of characteristics among those living in poverty. For example, analysis shows that in three of the City's five boroughs (Bronx, Brooklyn, and Manhattan) poverty among the Hispanic population is twice the citywide average (see Figure 6).

The highest rate of poverty among all ethnic and racial groups in the City, however, is estimated to be among the Asian population in Manhattan (47.3%).

Overall, poverty seems to be most concentrated in the Bronx, Brooklyn and Manhattan. The highest rate of poverty among the Black population is in Manhattan. Paradoxically, the lowest rates of poverty can also be found in Manhattan where the rate of poverty among White older adults is lower than the national average.

### **INCOME AND EXPENSES**

In basic terms, poverty results from the discrepancy between income and expenses. A person is "poor" when his or her income is woefully inadequate to cover expenses that meet basic needs, such as food, housing and transportation. In New York City these expenses are immense. In fact, New York City is the most expensive city in which to live in all of North America.<sup>8</sup>

Yet, the income of many older residents is shockingly low. The median household income

of New Yorkers age 65 and older is well below the national average for seniors: \$23,415 versus \$28,722. It is also well below the median household income for all of New York City: \$23,415 versus \$43,434.

According to the 2005 Census data, 21.7 percent of elderly headed households in New York City earn less than \$10,000 annually; 35.3 percent earn less than \$15,000 annually; and 44.6 percent earn less than \$20,000 annually.

According to the New York City Department for the Aging, the three major sources of income for New Yorkers age 65 and older include:

- Social Security, which is received by 85 percent of City seniors, constituting 38 percent of total income;
- Income from assets, which is received by 47 percent of older persons, constituting 18.5 of total income; and,
- Public and private pension, which is received by 35 percent of older persons, constituting 14 percent of total income.<sup>9</sup>

Among the most poor – those seniors at the bottom two-fifths of the income spectrum – Social Security accounts for approximately 80 to 90 percent of their total income. Of utmost importance is that this group is aware of and receives other supplementary benefits and entitlements for which they are eligible, as the average Social Security monthly payment in

America in 2004 was just \$955, or \$11,460 annually.<sup>10</sup>

With such low incomes, many seniors have a difficult time covering even their most basic expenses. Nearly half of all renters age 65 or older in New York City spend at least 35 percent of their household income on rent.

In addition, research shows that on average older Americans spend 19 percent of their total income on “out-of-pocket” medical expenses annually, with more than half of these payments going toward prescription drugs and dental care (despite Medicaid coverage for many).<sup>11</sup> As a result, debt has increased substantially among the senior population. Debt held by families headed by a person age 75 or older increased to 40.3 percent in 2004; this is up from 29.0 percent in 2001.<sup>12</sup>

A recent study by the Food Bank of New York City has shown that nearly one-fifth (18 percent) of older people in the City are without savings and “would not be able to afford food for themselves and their families immediately after losing only one month of income.”<sup>13</sup>

Seniors disproportionately rely upon emergency food pantries and soup kitchens in New York City. While only 12 percent of the City’s total population, New Yorkers age 65 or older account for 24 percent of all emergency food participants. Three-quarters (75 percent) of all of these older participants receive Social Security.<sup>14</sup>

### **RISK FACTORS**

Generally speaking, there are three groups of seniors who descend into poverty (i.e. experience a large and ongoing discrepancy between income and expenses). These three groups include:

- 1.) those who have been economically insecure throughout their lives and thus have few resources;
- 2.) those who had limited resources for retirement (such as pensions) but experienced a diminution of them; and,
- 3.) those who undergo a crisis or other unforeseen event that rapidly plunges them into poverty (such as the death of a spouse).

For a good number of these seniors living in poverty, the prospect of a golden retirement simply does not exist. As a result of various factors, seniors most at risk of experiencing poverty brought on by one of the situations described above include:

- women
- those over age 75
- individuals with disabilities or chronic health problems
- immigrants
- ethnic and racial minorities
- those who live alone
- those less formally educated

Moreover, individuals with more than one of these characteristics are at increased risk.

### **FUTURE OUTLOOK**

New York City’s elderly population, which stood at 937,900 in 2000, is projected to increase to 1,352,000 by 2030 -- this represents a 44.2 percent increase.<sup>15</sup> If poverty were to remain at the City’s current 20.3 percent level, over 274,000 older New Yorkers will live in poverty by 2030 -- this represents a 70 percent increase from 2005. The problem of poverty among New York City’s older population must be addressed now to assure quality of life is protected and enhanced for both the current and future generation.

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## End Notes

*Note: Much of the data presented in this issue brief is original analysis culled from the publicly available 2005 American Community Survey raw data. Therefore most of this new data is not directly cited.*

<sup>1</sup> Economic and Social Council of the United Nations Commission on Population and Development. "Monitoring of population programmes, focusing on the changing age structures of populations and their implications for development, Report of the Secretary-General," December 28, 2006.

<sup>2</sup> Whitman, D. & Purcell, P. (2006). *Topics in aging: Income and poverty among older Americans in 2005*.

<sup>3</sup> New York City Department for the Aging. "Annual Plan Summary, April 1, 2007 – March 31, 2008, For Older Americans Act and New York State Community Services for the Elderly Program and Expanded In-Home Services for the Elderly Program," September 2006.

<sup>4</sup> The American Community Survey (ACS) is a new nationwide survey designed to collect and produce population and housing information every year instead of every ten years. About three million households are surveyed each year, from across every county in the nation. The ACS began in 1996 and has expanded each subsequent year. Data from the 2005 ACS are available for geographic areas with a population of 65,000 or more. This data represent informed estimates only.

<sup>5</sup> U.S. Census Bureau. "Poverty Thresholds 2005." <http://www.census.gov/hhes/www/poverty/threshld/thresh05.html>

<sup>6</sup> U.S. Census Bureau, 2005 American Community Survey.

<sup>7</sup> Of all the City's "nonfamily" households with householders age 65 and older (and of all income levels), over 95 percent lived alone in 2005 while the remaining 5 percent lived with non-relatives. *Source: U.S. Census Bureau, 2005 American Community Survey.*

<sup>8</sup> CNNMoney.com. "World's Most Expensive Cities," June 22, 2005. [http://money.cnn.com/2005/06/21/pf/costliest\\_cities/](http://money.cnn.com/2005/06/21/pf/costliest_cities/)

<sup>9</sup> New York City Department for the Aging. "Annual Plan Summary, April 1, 2007 – March 31, 2008, For Older Americans Act and New York State Community Services for the Elderly Program and Expanded In-Home Services for the Elderly Program," September 2006.

<sup>10</sup> Social Security Administration, "Social Security Bulletin: Annual Statistical Supplement," 2005.

<sup>11</sup> Crystal, S.; Harman, J.; Sambamoorthi, U.; Johnson, R.; And Kumar, R. "Out of Pocket Health Care Costs Among Older Americans." *Journal of Gerontology: Social Sciences* 55B, no. 1 (2000): S51–S62.

<sup>12</sup> Employee Benefit Research Institute. "Debt of the Elderly and Near Elderly, 1992-2004." Sept. 2006, Vol. 27, No. 9.

<sup>13</sup> The Food Bank for New York City. "Hunger: An Aging Issue," 2005.

<sup>14</sup> Ibid.

<sup>15</sup> New York City Department of City Planning. "New York City Population Projections by Age/Sex & Borough, 2000-2030." December 2006.

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