

City Held Firm in Recession

By Joseph De Avila and Sumathi Reddy, Wall Street Journal
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While New York City's economy fared better than most of the rest of the country, economic conditions didn't show many signs of improvement last year, according to new census data released Tuesday that offer a snapshot of the recession's impact on the city.

The 2009 American Community Survey, which contains an array of demographic and economic data, shows that poverty levels were flat in New York City between 2009 and 2008, as was the median family-income level.

City Snapshot			
Demographic data for New York City residents			
INDICATOR	2008	2009	CHANGE
Unemployment rate	7.3%	10.2%	▲ 2.9 pct. pts.
Below poverty level*	18.4%	18.7%	▲ 0.3
Used food stamps*	14.9%	17.2%	▼ 2.3
Bachelor degree or higher	32.6%	34.0%	▲ 1.4
Born in U.S.	59.9%	60.4%	▲ 0.5
Median family income	55,159	56,054	▲ 1.6%
Median home value	537,600	517,900	▼ 3.7%
Median age	36.6	35.8	▼ 2.2%

*In the past 12 months

Source: Census Bureau

"Poverty went up in the country; it went up in the state. It stayed constant in New York City, given the recession. That's better news than it could be, but it certainly should not say that we are going to walk away from helping those who do need our help," said Mayor Michael Bloomberg.

Median family income in New York City was flat at \$56,054 in 2009, while the median value of New Yorkers' homes dropped to the lowest level since 2006, at \$517,900. (The 2006 figure was \$528,000.)

Some 17.2% of New Yorkers turned to food stamps to get by in 2009, up from 14.9% in 2008, but the poverty rate was unchanged, at 18.7%. Brooklyn had 554,182 people living in poverty, the most of any borough.

Some economists took it in stride that New York City appeared to have fared better than most of the country during the recession.

"The recession here has been milder than the recession across the country and we have not had an uptick in poverty that has been widespread across the nation as a whole," said Mark K. Levitan, poverty research director for the city's Center for Economic Opportunity.

Others expressed surprise at how the city's economy has held up. John Mollenkopf, director of the Center for Urban Research at CUNY, said the report showed that the blue-collar work force took a hit in New York City, continuing a decline of many decades, while, professional and managerial work expanded, particularly in education, health care, social services and government.

"Despite the fact that unemployment went from 7.8% in '06 to 10.2% in '09, the total number of employed people went up," he said. "People at the low end were hurt. But then the medians held up, which is a bit surprising."

Mr. Mollenkopf added: "All in all, I would say this is a surprisingly strong report given the depth of decline we seemed to be facing after the collapse of Lehman Brothers and the onset of the financial crisis."

Still, 2010 didn't bring much relief for many of the poorest New Yorkers. While median income in the city stayed relatively steady, the income gap appeared to widen among families at the bottom of the income ladder versus the highest earners.

Monsignor Kevin Sullivan of Catholic Charities of the Archdiocese of New York, which runs about 60 food pantries in Greater New York, said the group is "giving more food to more people, which means we are giving less food to each person." Many of the food pantries are strapped due to increased demand, he said.

Catholic Charities has also seen a 50% increase in calls from people who fear becoming homeless since the recession began, Monsignor Sullivan said.

James A. Parrot, deputy director and chief economist of the left-leaning Fiscal Policy Institute, said the 2009 American Communities Survey data don't reflect the impact of the recession on New York City.

"New York entered the recession later than the country in general, so this doesn't capture the first full year of the recession," he said. "Next year's numbers are likely to be worse."

Of the few counties that showed a significant change in median household income, Richmond County led the way with a 10% decline between 2008 and 2009.

New York state's poverty level rose to 14.2% in 2009 from 13.8% in the previous year. Median family income stayed at \$66,891 in 2009.

In Connecticut, the poverty rate in 2009 remained unchanged at 9.4%. "It's a little surprising to me" because Connecticut has shown increases in the poverty level in recent years, said Curtis Skinner, director of family economics security at the National Center for Children in Poverty.

Connecticut's median family income was unchanged at \$83,069 in 2009.

In New Jersey, the poverty rate climbed to 9.4% in 2009 from 8.8% in the previous year, and median family income dropped to \$83,381 from \$84,934.

In Westchester and Long Island's Suffolk and Nassau counties, median family incomes remained relatively steady but per capita incomes went down. All three counties showed no significant changes in their poverty rates but did show jumps in the percentage of households using food stamps.