

SURVIVAL STRATEGIES: A STUDY OF WORKING FAMILIES IN NEW YORK CITY

The Honors Program
Honors Thesis
Student's Name: Kafui Gozey
Faculty Advisor: Sandra Enos
April, 2019

Table of Contents

Abstract	1
Introduction	2
Literature Review	5
Methodology	13
Results	14
Challenges	18
Conclusion	20
Appendices	21
Appendix I – Countries of Origin	21
Appendix II – Regional Price Parity	21
Appendix III – Cost of Living NYC vs. Providence.....	22
Appendix IV – Income by Quintile.....	22
Appendix V – Minimum Wage.....	23
Appendix VI – Benefits of Raising Minimum Wage.....	23
Appendix VII - Demographics.....	24
Appendix VIII – Housing and Living Arrangements	24
Appendix IX – Education.....	24
References	25

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

ABSTRACT

The main focus for this project was to find out how working families survive life in New York City which is known to be one of the most expensive places to live on earth. In effort to find answers to this, I visited the city for a period of two weeks to observe the lives of locals and also to interact with them. After days of interactions and gathering information, it was evident that there is a huge population of working families in New York who struggle to make ends meet. It was also made clear that these families do have several strategies for surviving life in the city. A common theme that run through the different strategies of survival was a communal effort to survive, especially in communities of color. Everyone looked out for each other one way or the other and that is how working families managed to survive living in New York City. I also observed that these families are facing further threats due to gentrification and a lack of public welfare policies that promote moving up the economic ladder to self-sufficiency.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

INTRODUCTION

New York City, the world's biggest financial center is one of the most fascinating cities in the world (The Global Financial Centres Index 2018). It is the most populous and most densely populated city in the United States. It has a population of about 8.6 million out the 19.8 million that live in the state. In comparison, Boston, a city in the northeast has a population of about 685 thousand (US Census Bureau). The Big Apple, as it is known, is very attractive for both business and pleasure and millions of people from all around the world visit each year for both reasons. According a report done on New York, an estimated 62.8 million people visited New York City in 2017 alone (González-Rivera, 3). That was an increase of 2.3 million people from the previous year and a new record-breaking number for the eighth year in a row. Out of all those visitors, about 49.7 million were traveling from within the United States and about 13.1 million visited New York City from other countries.

New York's unique culture, fashion, art and diversity is what makes it attractive. An article written by Paul McGinniss describes the city as the most and least American city (McGinniss 2018). This is because the city has so many different cultures in the country present as well other cultures such that, it makes it feel like a foreign place. The summation of all the cultures as the same time in the same place generates a whole new culture on its own. This is what makes New York City a truly global city.

In terms of demographics, the city's population is ~~made up of~~ 42% white, 29.1 % Hispanic or Latino, 24% black or African American, 14% Asian, 0.4% American Indian or Alaska Native, 0.1% Native Hawaiian and Other Pacific Islander, and 3.3% of the population with two or more races (United States Census Bureau). There is also a huge population of immigrants in the city. An annual report on immigrants provided on March 2018 and signed by Mayor de Blasio states that the city is home to 3.1 million immigrants who constitute about 38% of the city's population and 45% of the workforce (MOIA Annual Report, 9). The top five countries New Yorkers immigrate from are Dominican Republic, China, Mexico, Jamaica and Guyana (Appendix i). Because of the huge influx of immigrants, there is an estimate of about 200 different languages spoken in the city alone (McGinniss, Paul). This again adds to the culture and diversity of the city which makes it even more attractive for people and businesses. The

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

diversity of the population also means that where people live, that is which neighborhoods, is key to their survival if they have limited means. This can be seen in Harlem where there is a huge population of African American and in the Bronx where there is an influx of Hispanics and Latinos and families are able to survive through a communal effort as discussed in detail later in the report.

The city, however, with all its diversity and different attractions comes at a cost. There is also great economic diversity in the city where people with great wealth live in proximity with those who have much less. As the city becomes wealthier, it is also gets more expensive to live in. According to the Bureau of Economic Affairs, New York City and its suburbs is the fifth most expensive place to live in the US with a regional price parity of 122 (Appendix ii). This means that the cost of living alone is 22% more expensive than the national average. This makes the city one of the most expensive places to live in the world. The monthly cost of living for a family of four is about \$10,344, and the annual cost of living is \$124,129 (Economic Policy Institute). To put this into perspective, the cost of living for an average family of four living in Providence is \$6,487 a month and \$77,839 a year (Appendix iii).

Poverty has been one of the biggest issues facing the country and Congress has been trying to find ways to help combat it. All efforts however, do not seem to have been working because a 2017 report on “Income and Poverty in the United States” shows that about 60% of the people in the nation own only about 25.5% of the country’s income (Semega, Fontenat and Kollar). The income of the third quintile ranges from \$45,601 to \$74,869 (Appendix iv) and this as compared to the cost of living in New York mentioned earlier is very low. This imbalance in wealth distribution definitely raises a lot of concern and shows that working families in New Yorkers that fall between and first and third quintiles do not earn enough to live a comfortable life in the City. In other words, they struggle to survive.

The overall poverty rate of the city, is 19.57%, which is a fairly high number. This does not include working families who are above the poverty line and may be still struggling financially (NYC Government Poverty Measure, 2016). This then raises the concern and question about how these families are able to survive in one of the most expensive cities in the world. There is a huge segment of households who are above the poverty line but cannot live

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

a comfortable life of not worrying about their finances. This is where my research comes in. It takes a closer look at these families because, not being classified as poor according to the US standards, does not necessarily mean that you have the luxury and comfort to live like wealthier families.

Most people when they think about poverty immediately think about homelessness. This without doubt is a very big issue not only in New York city but in the nation as a whole. This research project however does not focus on homelessness but takes a look at families and households who have a roof over their heads and a place to call home but may still be struggling to make ends meet. These families are the primary focus of this research because poverty, I believe, is not only about homelessness or what the state or country defines it. It is about people's struggles day in day out and about whether such people have an easy access or are capable of affording basic necessities like good quality healthcare, education, food, transportation and other living expenses.

For families with low income, each day is a battle of trying to provide for the entire family and meet basic needs. Thus, this research takes a look into their lives and tries to find out exactly how they manage to survive in a place like New York City where everything is costly. It looks into how they manage different aspects of their lives like transportation, food, health, education, housing, and employment. One may ask "If New York is too expensive to live why not move to a less expensive city or town?" This I believe is not the right question to ask. My question to those families is "How do you manage to survive?" because I believe there is a lot to learn from that. I believe there is a lot to learn from immigrant families, single mothers and hard working families who give their all to create a better life and a future for their kids. Finding answers to this question will be just intriguing. It will be more like discovering the survival skills of low income New Yorkers, the challenges they face as well as their motivation to keep going. It will also help people understand the resilience of these families and also help policy makers know where they are lacking and how they can improve and change the social policies to positively impact these families.

This research is very important and is going to add value to the body of work already done. It will give readers a new perspective on the lives, struggles, as well as the strengths and

Survival Strategies: A Study of Working Families in New York City

Honors Thesis for Kafui Gozey

challenges of working families in New York City. It is my hope that readers find this work eye opening and as result give respect to hard working low income families and not just regard them as lazy or just taking advantage of the governmental programs.

LITERATURE REVIEW

The body of literature gathered for this project dives deeply into the subject of poverty, some specifically related to families and households with limited resources to survive in New York City and others very broad and general. The cost of living in New York as discussed in the introduction is very high and it is one of the most expensive places to live. New York City is also known for its high income tax rate and this takes out a huge chunk of an individual's income before any other expenses although some families qualify for earned income tax credit. The prices of everyday products are about twice the national average which makes the cost of living is very high. The table below breaks down the cost of living into five different categories which are housing, food, child care, transportation, health care and other necessities. It compares the cost of living in New York City (on the left) to Providence (on the right). This gives a clear estimate on how much it would cost a family to live in New York. It also helps readers understand what goes into each category of expense.

🏠 HOUSING	\$1,789	\$1,007
🍷 FOOD	\$908	\$756
👶 CHILD CARE	\$2,773	\$1,402
🚗 TRANSPORTATION	\$589	\$1,057
🏥 HEALTH CARE	\$1,238	\$786
🛒 OTHER NECESSITIES	\$1,088	\$711
🗳 TAXES	\$1,958	\$767
Monthly Total	\$10,344	\$6,487
Annual Total	<u>\$124,129</u>	<u>\$77,839</u>

Sources: Economic Policy Institute

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

Research by a coalition of advocacy groups and foundations demonstrates the financial struggles of working families in New York (United Way ALICE Project, 2018). The primary goal of their research was to create awareness about a huge but hidden group of families that struggle to afford basic necessities. The report uses a standardized set of measurements in quantifying the cost of a basic household necessities in New York to show how many households are struggling to afford life in New York. It states that, a family that has limited assets, constrained income and are employed needs to earn about \$68,808 a year in order to survive life in New York (United for ALICE). This as a result requires a household of four to earn about \$34.40 an hour. This research draws attention to these working families and sheds a light on their existence and their struggles. According to the report, the success of a community is directly related to the financial stability of the families that meet the ALICE threshold in the community. This is very true in the sense that, for example, the kind of schools and level of education provided in richer communities can be vastly different from that provided in poorer communities.

An important term used in the report to refer to families struggling to afford basic needs is ALICE, an acronym which stands for Asset Limited, Income Constrained, Employed. ALICE refers to a household that earns above the Federal Poverty Level, but barely have enough to afford some basic necessities like housing, food, transportation, child care, health care, and other necessities. This research is very important because it recognizes that many people who are struggling financially are employed, have very limited assets to get through an emergency and have limits on their income's producing power. According to the report, households that fall into the ALICE category are forced to choose between essentials. For example, they are forced to make certain choices like "Should I pay for the rent or electric bill? Food or prescription drug? Quality child care or fixing a car?" These are the kind of challenges households that fall in ALICE threshold face day in day out. According to the research, those who fit the ALICE criteria include your child care worker, the cashier at your supermarket, the gas attendant, the salesperson at your big box store, your waitress, a home health aide, an office clerk. It is important to note that economic survivability is not just a matter of individual success. The success of communities is directly tied to the financial stability and independence of ALICE (United for ALICE). For New York City specifically, there is a good

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

percentage of households that qualify for the ALICE threshold. Bronx has the highest with 46.0% of its population being an ALICE household. Queens follows with 42.6% and then Brooklyn with 31.4%, Staten Island with 30.3% and Manhattan with 19.8%. Harlem, one of the two neighborhoods I observed is part of Manhattan is known to be one of the poorest parts of the city. However, Manhattan unlike Harlem is wealthier and this offsets the percentage of ALICE household reduces it. The lower number of ALICE households in Manhattan could also be because the families in Harlem do not earn enough to meet the ALICE threshold. The 5 different boroughs and their different percentages are as follow:

<u>NYC Borough</u>	<u>% of ALICE Household</u>
<i>Queens</i>	42.6%
<i>Bronx</i>	46.0%
<i>Manhattan</i>	19.8%
<i>Brooklyn</i>	31.4%
<i>Staten Island</i>	30.3%

This shows that there is a significant population of working families who are above the federal poverty level living in the New York City and yet are barely able to get by even though they are fully employed. With this significant population, it is important to understand survivability. What techniques and strategies are used to put food on the table, get health care, be housed, get to work and so on? The research by “United for ALICE” is very relevant to my research because ALICE is the type of household my research is focused on. The reason being that these types of households are hidden and people do not know about their existence as stated in the ALICE report. However, United for Alice’s research has done a tremendous job at bringing them in the forefront to help solve some of their daily struggles.

Survival Strategies: A Study of Working Families in New York City

Honors Thesis for Kafui Gozey

Minimum wage has always been an issue and a topic of discussion for decades. Most of the ALICE households discussed in the previous paragraph earn either a minimum wage or a few dollars higher. Thus, they are subject to working multiple jobs to make ends meet and to provide the basic necessities for their household. A research done by the Economic Policy Institute in 2019 establishes that the minimum wage has failed to keep up with inflation (Appendix v). A report written for the research argues the point that the federal minimum wage should be a national wage floor and should not be adjusted state by state and that millions of workers would lose out on billions of dollars under a regionally adjusted federal minimum wage. The federal minimum wage is currently \$7.25 however, states like Massachusetts and California have a minimum wage of \$12.00. Washington D.C. tops the chart with a minimum wage of \$13.25. The federal minimum wage had not been increased since 2009 and this presents many challenges to those families who are low wage earners. The chart below shows projection of minimum wage if it had kept up with inflation. Minimum wage would have been \$22.34 in 2018 which is more than triple the current federal minimum wage. This shows that families who are currently earning a minimum wage could have been three times better off in 2018 if minimum wage had kept up with inflation and policy makers had recognized the importance of this.

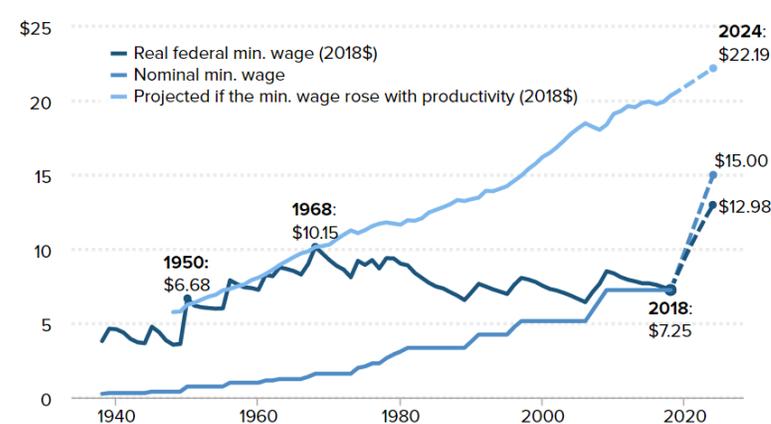


Chart Data

Notes: Inflation measured using the CPI-U-RS. Productivity is measured as total economy productivity net depreciation.

Sources: EPI analysis of the Fair Labor Standards Act and amendments and the Raise the Wage Act of 2019. Total economy productivity data from the Bureau of Labor Statistics Labor Productivity and Costs program. Average hourly wages of production nonsupervisory workers from the Bureau of Labor Statistics Current Employment Statistics.

Economic Policy Institute

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

There has been a push for an increase in minimum wage since the launch of “Fight for \$15” by striking fast-food workers in 2012. The voices of these workers had been heard and has resulted in the Wage Act of 2019, a change in the federal law with regards to minimum wage. This act seeks to gradually increase the federal minimum wage to \$15 an hour by 2024. There is going to be an initial increase in the year 2019 from \$7.25 to \$8.55 with incremental raises over subsequent years till it reaches \$15 in 2024. After 2024, adjustments will be made each year to keep up with growth in the typical worker’s wages. Another important issue the Wage Act of 2019 is the outdated subminimum wage for tipped workers which has been at the rate of \$2.13 since 1991. That is also going to be phased out. New York is one of the states that is in support of raising the federal minimum wage to \$15 per hour. This act is going to make a tremendous difference in the lives of the ALICE households living in New York City and the state as a whole. An estimated 40 million American will benefit from this. This increase may not end all the struggles of ALICE households but it is definitely a step in the right direction although, as we will see later in this report, families need to earn well above the minimum wage to survive on a basic living standard in New York City.

The report projects that 40 million workers who constitute 26.6% of the U.S. workforce will benefit from this raise and that two-thirds (67.3%) of the working but poor in America would receive a pay increase and would result in the reversal of decades of growing pay inequality between the lowest-paid workers and the middle class. The current minimum wage for New York City is \$13.50 which is \$6.25 above the federal minimum wage of \$7.25. If the federal minimum wage is pushed to \$15, the minimum wage for NYC can possibly be increased to \$19.75. This will increase the income of a fulltime worker in New York who earns a minimum wage from \$27,000 a year to \$39,500, a difference of \$12,500. This is a sign of hope for the ALICE households in New York City. However, the cost of living in New York is very different from the cost of living in Oregon. Thus, the argument by the Economic Policy Institute that regional minimum wage should be eradicated completely does not stand. This is because if the minimum rate is decided on the federal level, it will be a flat rate for all regions and will not reflect the cost of living in each region.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

An article by City Lab talks about social welfare and debunks all the myths associated with it. It specifically talks about SNAP (Supplemental Nutrition Assistance Program), a social program based on income. People above poverty level can receive it. It states that, the benefit of SNAP per person is \$1.86 per meal which can barely be used for anything (Aberg-Riger, 31 Jul. 2018). This is heartbreakingly small especially in a place like New York City where things are so expensive that the average low-income meal is \$3.96 which 113% more than the SNAP benefit received. The article then talks about the fact that even though \$1.86 can afford a slice of pizza that is worth \$1, households on SNAP cannot do that because hot foods cannot be bought with SNAP. This also makes healthy eating very difficult for families because the cost/prices of healthy foods tend to be very high. A study done on healthy food shows that it cost \$1.50 more to buy healthy food rather than unhealthy ones (Rao M, Afshin A, Singh G, et al). This is almost the amount of the SNAP benefit per person which makes it difficult for families to choose healthier options. A report done on the economic wellbeing of U.S. households emphasizes the result of the research done by the United for ALICE group that 40% of American households do not earn enough to cover their basic necessities even though they are fully employed and are above the federal poverty threshold and also that social welfare programs are just not enough to help families out (Larrimore, Durante, Kreiss, Christina Park, & Sahm 2018). When faced with an unexpected expense of \$400, these families would either not be able to cover it or resort to covering it by selling something or borrowing money. This shows that living alone is a challenging thing for such families to do and it gets more challenging when unexpected expense or expenses not planned for come along.

There is a general myth that working hard or being employed helps one fend for themselves. There are people who strongly believe that employment is the solutions to poverty. However, this is not the case. Poverty stricken families are some of the most hardworking people in the world. They work multiple jobs just to be able to provide for their households. Policy makers have adopted the idea that employment is the solutions to poverty and thus, have put a lot of efforts into reducing unemployment instead of proving other forms of income support for families (Boushey, Brocht, Gundersen, & Bernstein, 2001). If this were the case, working families would be among the richest people in the nation because they work very hard to

Survival Strategies: A Study of Working Families in New York City

Honors Thesis for Kafui Gozey

make ends meet. Wages on the other hand have not kept up with the ever increasing cost of food, rent, health and other costs (Economic Policy Institute). Thus, working harder is not enough and there are more pressing issues like minimum wage and social welfare that needs to be discussed and improved to help working families. This is a major issue for such families as shown by the research done by the Economic Policy Institute.

So far, we have examined how much income it takes an ALICE household to survive in New York City which is \$68,808 and what the cost of living is which is \$124,129 (Economic Policy Institute 2019). Finally, we will examine who these individuals and families are in terms of race, gender, household type, education, immigration status. The US Census Bureau provides some demographic and other information and overview of the city of New York. This information paints a clear picture of the city and the people in it. The information provided on the city is very beneficial for this project and helps one understand the city better. New York city is very diverse and it has a lot of different races represented. The four major racial groups include white, Hispanic/Latino, Black/African American and Asian and their percentages are 42.8%, 29.1%, 24.3% and 14% respectively (Appendix vii). The city is also made up of 52.3% females (US Census Bureau). It is also estimated that the city is home to over 3 million households with an average of 2.67 persons per household (Appendix viii). 81.1% of New Yorkers above age 25 have a high school education or higher and 36.7% have a bachelor's degree or higher. This is a huge gap as most professionals with a bachelor's degree earn more than those with just a high school degree. In terms of immigration, New York is home to 3.1 million immigrants. This definitely adds to the dynamic of the city and to its diversity. Most of these immigrant families tend to fall in the ALICE threshold because their education and degrees in their home countries cannot be used in the US and others face the challenge of a language barrier which make getting a General Education Diploma even difficult. Dominican Republic, China, Mexico, Jamaica and Guyana are the top five countries most New Yorker immigrate from (Appendix i)

From all the information gathered from these sources, it is evident that there is a huge population of working families in New York City. These families fall between the first three quintiles of wealth but manage to survive life in the City. The next section discusses the

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

methodology used in finding out some of the strategies working families use to survive in New York City.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

METHODOLOGY

The research methodology used for this project was characterized by a combinations of personal observations, interviews and site visits. Prior to that, some background information was collected through articles and reports done on New York City and also on topic related to poverty and working families. An analysis was then made on the lifestyles and survival strategies of working families in New York City. The personal observation made was in New York City specifically in Bronx and Harlem. These two cities are known to be poverty stricken and thus, were selected for the observation. The observation was done over a span of two weeks. The goal was to observe the kind of environment there was in the city and to have a feel of how people lived. There were a few interactions with local informants This helped me see their day to day lives in the city and also know about their concerns and thoughts on issues facing them in the city. It also provided the opportunity to study the lifestyles of people in the city and to get an understanding of how they lived. All the information gathered from other scholars on the topic as well as the ones gathered personally from visiting the city were merged and this helped answer the research question.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

RESULTS

After a days of interactions with local residents and walking through the city to observe the lifestyles of people specifically in Harlem and the Bronx, it was evident that there are a lot of working families in the city who fall into the ALICE threshold and they indeed did have several ways of surviving in the city. With regards to the way they survived the high cost of living in New York even with their limited income, I gathered that they did so as a communal effort. Given my observations, AIICEs cannot survive on their own without community networks. This may be especially important in communities of color. The entire community aided in the survival of every individual family. Every family and every business helped each other to survive and make it in the Big Apple.

In Harlem, survival came in the form of corner stores. New York is known for all the corner stores that are available on each block. These stores help the community a lot by providing affordable and accessible groceries. Working families with limited income thus, take advantage of this and avoid big name grocery stores and use the rest of their income saved from groceries for other important necessities. Most of the corner stores are locally owned primarily by people in the specific boroughs. The people in the community buy from them to help them stay in business while the stores provide the community with affordable food. The presence of these stores also help push away big corporations who may have highly priced groceries. Throughout the observation period, I never came across a Walmart, Shaws or Stop and Shop. None of these grocery stores existed in the parts of New York City that I observed and this I believe is because of the presence of the corner stores on each block. The stores filled the entire community that there is no room for big corporation to come in and that is very good for the community as a whole. In addition to their low prices, they are very close in proximity and this saves the families money on transportation. All they have to do is walk down the block and grab some groceries for the family.

Another strategy for survival observed in the Bronx was the presence of farmers' markets and local fruit and vegetable markets. Local farmers and vendors set up tables every day at specific locations on the streets to sell fruits and vegetables at very low prices. Not all of these sellers are farmers; some buy food from distributors and sell it on the street. They set up for

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

business on the street and usually have a truck full of more produce to replenish the ones on the tables. Locals walk by and get their produce and then head onto their day. These farmers and vendors were mostly Hispanic. This maybe be because of the huge Hispanic population in the Bronx. According to the US Census Bureau, the majority of Bronx's population is Hispanic and they constitute 56.2% of the total population (US Census Bureau). As a result, the language mostly spoken is Spanish. During my observation, I noticed a lot of Hispanic food places as well as several stores playing Hispanic music. This clearly shows their presence in the Bronx.

The farmers who sell produce on the streets do not only help the community and working families with low priced produce but, they also accept SNAP. This is a huge benefit to the community as a whole. Low income families who qualify for SNAP have the option to buy healthy food for their families and this is made possible with the help of the farmers. As discussed in the literature review, the benefit of SNAP per person is only \$1.86 (Aberg-Riger). This means that SNAP alone is not enough to feed a household and thus, each household must make the most out of the little they get. Expensive healthy meals will be immediately crossed out and families will be left with no other option than to settle for junk food which fills them up easily. The farmer's markets have bridged this gap and low income families can afford healthier options in the city. Most of the produce sold were either \$1 or \$1.50. This is why they are very crucial in the survival of ALICE household in the city. The New York City policy maker have implemented a program which enables SNAP user to get \$2 worth of farmers' market health buck coupon with every \$5 purchase at a farmers' market. This does not only help incentive SNAP benefactors to buy healthier option but also helps local farmers and vendors stay in business. These farmers and vendors however, face a huge challenge as the software company that enables them to collect SNAP stepped down because of lack of government funding and support. A non-profit stepped in however, they are only going to be able to provide their services until the August 2019 (Aberg-Riger). This as a result will cost farmers alone about \$100,000 not including the community as a whole.

Another survival strategy is the presence of locally owned businesses. In both Harlem and the Bronx, there is a flood of retail stores, hair salons, restaurants mostly owned by locals. This is

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

directly related to the communal effort for survival. These locally owned shops have a lot of things in common with the corner stores and the farmers' markets. They have low prices, their businesses are supported by their own community and they keep big Multinational Corporations away.

Housing also turned out to be one of the survival strategies of working families New York. The rent in New York City as discussed can be very high and so families double up in the same apartment and pay half the rent. This saves them some money to afford other necessities. Other families who qualify for affordable housing also use that as a tool for survival. The issue with this in New York City is that the city does not have enough affordable housing units to provide for all the families that qualify. This is why doubling up in one apartment help families out and cuts their rent in half. This goes to show that ~~yes~~ social welfare helps some working families in New York but they do the bare minimum. They only help some and not all families. The system has also made it very difficult for working families to leave poverty and overcome financial struggles. It ends up costing families more when they earn a little bit more income because benefits are scaled back, meaning that as families earn more money they begin to receive lower SNAP benefits, child care support, housing assistance, health insurance and other benefits. The little increase in income is not enough to cover the cost of an unsubsidized rent or pay for groceries in full. This then puts families back to where they started from and back in the struggle to get out of poverty.

In addition to all the strategies mentioned earlier, the underground economy forms a huge part of the survival strategy for working families in New York. Because their income is not sufficient, they find other sources of income whether it being legal or illegal. For illegal underground jobs, people may get involved in the selling of drugs or other minor crimes as a source of income. Other families also use their talents and skills in earning additional income in the underground economy. People cater for family parties, birthdays and other family functions and get paid for it. Others also provide informal child care. Some families who may not have enough funds to pay for a licensed mechanic may give their cars to neighbors who know about fixing cars for a small amount of money and this serves as a source of income.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

All the income goes untaxed which in this case benefits the family because they are able to put all that income towards the family needs and their income goes untaxed.

CHALLENGES

Even with the high cost of living in New York City, working families have managed to find ways to survive life in the city. However, they face a lot challenges day in and day out. The first challenge is gentrification. This is huge in Harlem and very prevalent. It does a lot of harm to the community than good. Gentrification in Harlem specifically is causing property owners to kick out working families who usually make late payments and they are bringing in wealthier families that can afford the rents or even more. This is not happening to just working families who live in apartment complexes in Harlem. It is also happening to store owners as well. An important indicator that shows that gentrification is actually happening is the opening of a Whole Foods right in the middle of Harlem on 125th street. Whole Foods is known to be very expensive and their prices are definitely higher than that of the corner stores. This is huge challenge for working families who fall into the ALICE category in New York City. These big name corporations are moving in because of gentrification and this as a result is going to hurt and break the communal effort of survival in the city. If corner stores lose their place to giant corporations, ALICE households will find it very difficult to come across affordable groceries and this may in turn force them out of the community into another. On the flip side, if families are kicked out of their apartments due to late payments, store owners will lose their customers because the new wealthier families will prefer to shop at Whole Foods rather than a local corner store. Gentrification may bring resources into community but this does not mean that these resources will benefit the current residents but that those residents and their networks of survival will be displaced. It is certainly doing more harm than good in Harlem and the whole community and its efforts to help each other survive may be broken forever.

Another challenge facing ALICE household in New York City is scarcity of time. ALICE households spend most of their time working multiple jobs. In addition to that, they have to spend time on the subway because traffic can be very bad in New York City. These families have no other option because they have very limited assets and they may not own a car. In addition to that, most apartments on New York City are old do not have laundry units. As a result, families spend time in the laundry mart when they could have been more productive

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

doing laundry at home and cooking alongside that for the family or for a party to get paid. Time is very limited for these families and 24 hours is just not enough for them in a day.

ALICE households also face a challenge of low pay. Most of the jobs they have either pay the minimum wage or a little higher. According to the ALICE report done on New York City, about 51% of Alice workers receive less than \$20 per hour. This is not enough for a family to live on especially in an expensive city like New York City. The Economic Policy Institute (EPI) stated in their report done about minimum that, minimum wage has not kept up with inflation at all. This very disturbing as most governmental decisions are based on the effect of inflation. This proves why the income of ALICE household are not enough. In addition to low pay, most workers have unpredictable hours. Jobs like construction may have varying hours. This makes it very difficult for ALICE families to budget because their income becomes unpredictable as well and it may vary every week.

These challenges do nothing but hinder the progress of ALICE households in New York City. It makes living more difficult and their efforts to get out of poverty almost in vain. ALICE families tend to be very resilient and hopeful and that is the only thing that keeps them going even in the midst of the struggles.

CONCLUSION

In conclusion, it is very clear that there is a huge population of working families in New York City who have very limited asset, constrained income and are employed. This group is very hidden and we as a nation are not very aware of their existence. As a result, we tend to underestimate the number of households that are actually struggling daily to make ends meet. It is time the nation paid more attention to the needs of these households. The first step in doing this is reforming the social policies. Most of the social policies set in place do not go far in helping families out. They do the bare minimum and it make it harder for families to make their way out of poverty. There is a huge gap that needs to be filled so that families can actually make it out of poverty. In addition to that, we as a nation need to be in support of the increase in minimum wage. This is going to go a long way for ALICE household as most of them earn either a minimum wage or a little above that. It is very crucial that we pay attention to the decisions being made at Congress concerning these issues. We need to support the push for minimum wage to keep up with inflation and also for better social policies. Currently, there are some legislative proposals for helping the poor and directing help to the middle class, as well. This population, according to my research, seems particularly vulnerable because one unexpected emergency, the loss of housing, or unplanned for medical expenses could send a family back into poverty.

The common goal of these working families is achieving the American dream. This is their biggest hope and it is what keep them going and striving every day. However, from this study, it was made clear that the American dream is not so easy to achieve and hard work alone does not payoff. These families know what hard work looks like. They work multiple jobs in addition to their underground economy jobs even though their time scarce and that is still not enough. There is a lot that needs to be done to support these families and it is time some light was shed on their existence and their daily struggles. It is time to step out as a country and help out struggling working families not in New York City alone but in the entire nation at large.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

APPENDICES

Appendix I – Countries of Origin

The top ten countries of origin for foreign-born City residents are:

	Country of origin for NYC immigrants	Number	% of all foreign-born
	<i>Total Foreign-born</i>	<i>3,133,808</i>	<i>-</i>
1	Dominican Republic	422,244	13.5%
2	China	318,581	10.2%
3	Mexico	183,197	5.8%
4	Jamaica	176,718	5.6%
5	Guyana	136,760	4.4%
6	Ecuador	129,693	4.1%
7	Haiti	88,383	2.8%
8	Trinidad & Tobago	83,222	2.7%
9	Bangladesh	80,448	2.6%
10	India	76,424	2.4%

Source: Mayor’s Office of Immigrant Affairs Annual Report

Appendix II – Regional Price Parity



Source: Bureau of Economic Analysis

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

Appendix III – Cost of Living NYC vs. Providence

🏠 HOUSING	\$1,789	\$1,007
🍷 FOOD	\$908	\$756
👨‍👩‍👧 CHILD CARE	\$2,773	\$1,402
🚗 TRANSPORTATION	\$589	\$1,057
🏥 HEALTH CARE	\$1,238	\$786
🛒 OTHER NECESSITIES	\$1,088	\$711
🔄 TAXES	\$1,958	\$767
Monthly Total	\$10,344	\$6,487
Annual Total	<u>\$124,129</u>	<u>\$77,839</u>

Source: Economic Policy Institute

Appendix IV – Income by Quintile

Income by Quintile

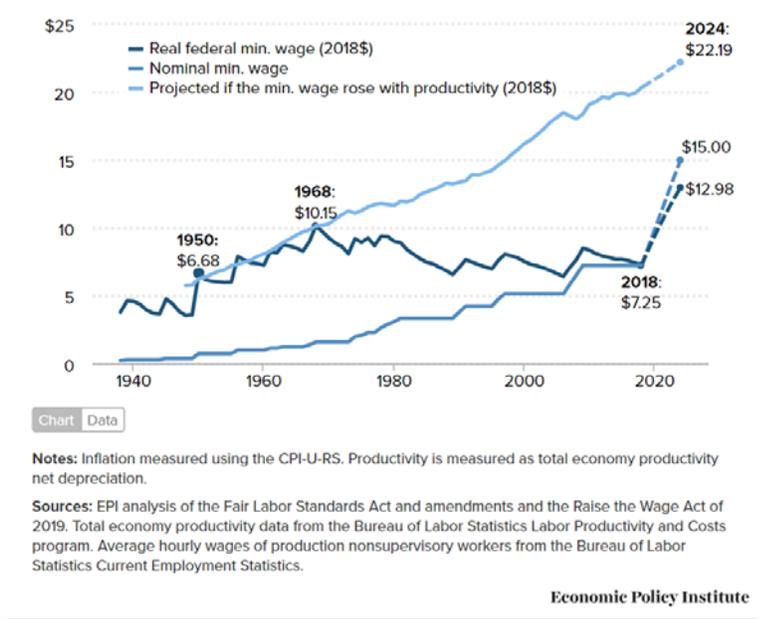
	Percent of Total U.S. Income	Median Income	Income Range
Top 5%	22.6%	\$345,539	More than \$225,252
Highest quintile	51.5	\$196,127	More than \$121,018
Fourth quintile	22.9	\$89,502	\$74,870 to \$121,018
Third quintile	14.2	\$56,904	\$45,601 to \$74,869
Second quintile	8.2	\$33,622	\$24,003 to \$45,600
Lowest quintile	3.1	\$13,095	Less than 24,002

Source: Semega, Fontenat and Kollar (2017)

Survival Strategies: A Study of Working Families in New York City

Honors Thesis for Kafui Gozey

Appendix V – Minimum Wage



Appendix VI – Benefits of Raising Minimum Wage

Who would benefit if the federal minimum wage is raised to \$15 by 2024?

A total of **39.7 million** workers would benefit, including:

- 38.6 million adults ages 18 and older
- 23.8 million full-time workers
- 23.0 million women
- 11.2 million parents
- 5.4 million single parents
- The parents of 14.4 million children

Source: Economic Policy Institute

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

Appendix VII - Demographics

Age and Sex	
Persons under 5 years, percent	△ 6.5%
Persons under 18 years, percent	△ 21.0%
Persons 65 years and over, percent	△ 13.6%
Female persons, percent	△ 52.3%
Race and Hispanic Origin	
White alone, percent	△ 42.8%
Black or African American alone, percent (a)	△ 24.3%
American Indian and Alaska Native alone, percent (a)	△ 0.4%
Asian alone, percent (a)	△ 14.0%
Native Hawaiian and Other Pacific Islander alone, percent (a)	△ 0.1%
Two or More Races, percent	△ 3.3%
Hispanic or Latino, percent (b)	△ 29.1%
White alone, not Hispanic or Latino, percent	△ 32.1%

Source: US Census Bureau

Appendix VIII – Housing and Living Arrangements

Housing	
Housing units, July 1, 2017, (V2017)	X
Owner-occupied housing unit rate, 2013-2017	32.6%
Median value of owner-occupied housing units, 2013-2017	\$538,700
Median selected monthly owner costs -with a mortgage, 2013-2017	\$2,588
Median selected monthly owner costs -without a mortgage, 2013-2017	\$836
Median gross rent, 2013-2017	\$1,340
Building permits, 2017	X
Families & Living Arrangements	
Households, 2013-2017	3,142,405
Persons per household, 2013-2017	2.67
Living in same house 1 year ago, percent of persons age 1 year+, 2013-2017	89.8%
Language other than English spoken at home, percent of persons age 5 years+, 2013-2017	48.9%

Source: US Census Bureau

Appendix IX – Education

Education	
High school graduate or higher, percent of persons age 25 years+, 2013-2017	81.1%
Bachelor's degree or higher, percent of persons age 25 years+, 2013-2017	36.7%

Source: US Census Bureau

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

REFERENCES

2019 *Compare Cities Cost of Living: New York, NY vs Providence, RI*,

www.bestplaces.net/compare-cities/new_york_ny/providence_ri/costofliving.

2019 *Compare Cities Cost of Living: New York, NY vs Boston, MA*,

www.bestplaces.net/compare-cities/new_york_ny/boston_ma/costofliving.

“ALICE Project – New York.” *Unitedforalice*, www.unitedforalice.org/new-york.

“Annual Update of the HHS Poverty Guidelines.” *Federal Register*, 18 Jan. 2018,

www.federalregister.gov/documents/2018/01/18/2018-00814/annual-update-of-the-hhs-poverty-guidelines.

Ariel Aberg-Riger Feed Ariel Aberg-Riger. “How to Survive on Food Aid.” *CityLab*, 31 July

2018, www.citylab.com/design/2018/07/how-the-other-half-eats/566411/.

Boushey, Heather, et al. *Hardships in America: The Real Story of Working Families*.

ECONOMIC POLICY INSTITUTE, 2001, *Hardships in America: The Real Story of Working Families*, files.eric.ed.gov/fulltext/ED456966.pdf.

Chatterjee, Debipriya, et al. *New York City Government Poverty Measure 2005–2016*. NYC

Department of City Planning, 2018, *New York City Government Poverty Measure 2005–2016*, www1.nyc.gov/assets/opportunity/pdf/18_poverty_measure_report.pdf.

“Family Budget Calculator.” *Economic Policy Institute*, www.epi.org/resources/budget/.

“Farmers Market Health Bucks Coupons.” *NYC 311*, [www1.nyc.gov/nyc-](http://www1.nyc.gov/nyc-resources/service/1643/farmers-market-health-bucks-coupons)

[resources/service/1643/farmers-market-health-bucks-coupons](http://www1.nyc.gov/nyc-resources/service/1643/farmers-market-health-bucks-coupons).

Fontenot, Kayla, et al. *Income and Poverty in the United States: 2017*. U.S. Census Bureau,

2018, *Income and Poverty in the United States: 2017*,

www.census.gov/content/dam/Census/library/publications/2018/demo/p60-263.pdf.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

González-Rivera, Christian. *DESTINATION NEW YORK*. Center for an Urban

Future., *DESTINATION NEW YORK*, nycfuture.org/pdf/CUF_Destination_New_York.pdf.

“Hardships in America.” *Economic Policy Institute*, www.epi.org/publication/books_hardships/.

“Home.” *Unitedforalice*, www.unitedforalice.org/home.

Hoopes, Stephanie. *ALICE: A Study of Financial* . United Way, 2018, *ALICE: A Study of*

Financial ,

www.dropbox.com/s/k3t7w19lz3rprqj/18UW_ALICE_Report_NY_Refresh_Lowres_9.6.18.pdf?dl=0.

“How Gentrification Enforces the Myth of Black Inferiority.” *New York Amsterdam News: The*

New Black View, amsterdamnews.com/news/2017/oct/12/how-gentrification-enforces-myth-black-inferiority/?page=3.

Kiersz, Andy. “The Most and Least Expensive Places to Live in America.” *Business Insider*,

Business Insider, 28 Dec. 2018, www.businessinsider.com/america-most-expensive-places-to-live-2018-5.

Kopp, Carol. “How Expensive Is New York City to Live In?” *Investopedia*, Investopedia, 12

Mar. 2019, www.investopedia.com/articles/personal-finance/012315/how-expensive-new-york-city-really.asp.

Larrimore, Jeff, et al. *Report on the Economic Well-Being of U.S. Households in 2017*. Federal

Reserve Board, 2018, *Report on the Economic Well-Being of U.S. Households in 2017*,

www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf.

McGinniss, Paul. “Profile: New York City, New York.” *GAC*, Great American Country, 8 Oct.

2018, www.greatamericancountry.com/places/local-life/profile-new-york-city-new-york.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

- McGinniss, Paul. "Cultural Diversity in New York City." *GAC, Great American Country*, 8 Oct. 2018, www.greatamericancountry.com/places/local-life/cultural-diversity-in-new-york-city.
- "Minimum Wage." *Economic Policy Institute*, www.epi.org/research/minimum-wage/.
- "New York." *World Cities Culture Forum*, www.worldcitiescultureforum.com/cities/new-york.
- "New York City, New York Population 2019." *New York City, New York Population 2019 (Demographics, Maps, Graphs)*, worldpopulationreview.com/us-cities/new-york-city-population/.
- "New York City, New York Population 2019." *New York City, New York Population 2019 (Demographics, Maps, Graphs)*, worldpopulationreview.com/us-cities/new-york-city-population/.
- "Nutrition Benefit Programs and Incentives Accepted at GrowNYC." *GrowNYC*, GrowNYC, www.grownyc.org/greenmarket/ebt/nutritionprograms.
- "Research Center – National Comparison." *Unitedforalice*, www.unitedforalice.org/national-comparison.
- "Research Guides: Organizing Your Social Sciences Research Paper: 6. The Methodology." 6. *The Methodology - Organizing Your Social Sciences Research Paper - Research Guides at University of Southern California*, libguides.usc.edu/writingguide/methodology.
- Schiller, Andrew. "Bronx, NY Demographic Data." *NeighborhoodScout*, NeighborhoodScout, 27 Mar. 2019, www.neighborhoodscout.com/ny/bronx/demographics.
- SmartAsset. "The True Cost of Living in New York City." *Business Insider*, Business Insider, 13 Apr. 2015, www.businessinsider.com/the-true-cost-of-living-in-new-york-city-2015-4.
- State of Our Immigrant City*. Mayor's Office of Immigrant Affairs, 2018, *State of Our Immigrant City*, www1.nyc.gov/assets/immigrants/downloads/pdf/moia_annual_report_2018_final.pdf.

Survival Strategies: A Study of Working Families in New York City
Honors Thesis for Kafui Gozey

Top Languages Spoken at Home. New York City Department of City Planning , 2017, *Top*

Languages Spoken at Home, www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/acs/top_lang_2015pums5yr_nyc.pdf.

“U.S. Bureau of Economic Analysis (BEA).” *U.S. Bureau of Economic Analysis (BEA)*,

www.bea.gov/.

“U.S. Census Bureau QuickFacts: Boston City, Massachusetts; New York City, New York; New York.” *Census Bureau QuickFacts*,

www.census.gov/quickfacts/fact/table/bostoncitymassachusetts,newyorkcitynewyork,ny/PST045218.

“U.S. Census Bureau QuickFacts: Bronx County (Bronx Borough), New York.” *Census Bureau QuickFacts*,

www.census.gov/quickfacts/fact/table/bronxcountybronxboroughnewyork/RHI725217#RHI725217.

Yeandle, Mark, and Mike Wardle. *The Global Financial Centres Index 24*. China Development Institute, 2018, *The Global Financial Centres Index 24*,

www.zyen.com/media/documents/GFCI_24_final_Report.pdf.