The Status of Women in Poverty Using Alternative Poverty Measures: New York City’s Local Area Estimate

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The current U.S. poverty measure is flawed in that it simply balances household pre-tax income against a threshold derived from the cost of a minimal food expenditure. An alternative measure has been developed based on recommendations issued by the National Academy of Sciences. This alternative methodology better accounts for family resources including in-kind transfers and tax credits, and expenditures such as housing and medical costs. National and state-wide estimates of this new, supplemental, measure will be released by the Census Bureau in late 2011. The Center for Economic Opportunity (CEO) of the City of New York has recently generated a similar measure for New York City for the years 2005-2009 using local area Census data. The results show a different distribution of poverty among women, with more poverty existing among elderly women, while social programs are keeping younger women with children above the poverty line. An additional benefit of the new methodology is that it requires the household (defined as all co-residents residing in a dwelling) to be broken down into smaller units of analysis that provide information on the within-household distribution of resources and responsibilities. This provides new insights into how poverty and access to resources is a function of the composition of household members and the status of women within that composition. This paper examines the poverty status of women using different income measures to show the effects of wage differentials and transfer payments, including in-kind and tax-based transfers. In addition, women within the census household are differentiated by their relationship, if any, to others in the household. These relationships in turn affect access to resources and transfers. By creating a revised definition of poverty and an alternative schematic for looking at women within the household, we gain a new understanding of the sources and magnitude of poverty.