

**Board Doc.: What is the scope of Rochester’s poverty reality?**

***Question:***

At a recent board meeting, we had educational items focused on poverty in our community. While the data is compelling, it often can be confusing. What is the scope of our poverty reality?

***Answer:***

The federal poverty level, developed in 1963, is based on a subjective assumption of the relationship between the cost of food and other basic needs. It is updated annually for general inflation, but it bears no relationship to the actual needs of individuals or families. Unfortunately, the federal poverty level is the only indicator of financial stress that is systematically updated in a consistent manner throughout the nation. So, while it is a good indicator for comparison (among communities, and over time), it is not so helpful in understanding individual and family well-being.

Financial self-sufficiency is generally defined as the level of income needed by individuals or families to meet basic needs without external subsidy. This income level is not regularly measured, though useful periodic studies have been performed. One notable effort was “The Self-Sufficiency Standard for New York, 2010.”<sup>1</sup> This analysis developed a self-sufficiency standard for each county, using the actual costs of food, housing, transportation, health care, child care, and several other items of basic need.

Table 1 below compares the self-sufficiency standard for Monroe County (adjusted for inflation) with the most recent federal poverty level.<sup>2</sup> As shown, the income needed to be self-sufficient is dramatically higher than the federal poverty level. It is nearly twice as high (185%) for an individual, and approaches three times as high (279%) for a family of three.

<b>Table 1: Comparison of the Self-Sufficiency Standard and Federal Poverty Level</b>			
Family Size <sup>3</sup>	Self-Sufficiency Standard (2016 Dollars)	Federal Poverty Level (2016)	Self-Sufficiency as a Percent of Federal Poverty Level
1	\$21,990	\$11,880	185 %
2	\$40,762	\$16,020	254 %
3	\$56,196	\$20,161	279 %
4	\$63,949	\$24,300	263 %

The self-sufficiency standard is also a good measure of community well-being. The most recent U.S. Census data<sup>4</sup> reveals that there are 111,713 Monroe County residents living below the federal poverty

level, while an estimate developed for this report<sup>5</sup> indicates that about 320,000 Monroe County residents do not meet the self-sufficiency standard.

<b>Table 2: Monroe County residents living below the Federal Poverty Level and Self-Sufficiency Standard</b>				
	Number: Below Poverty Level	Poverty Rate	Number: Below Self-Sufficiency Standard	Percent Below Self-Sufficiency Standard
Monroe County - Total	111,713	15.4%	299,400	40.0%
City of Rochester	68,222	33.8%	136,300	64.8%
Suburban Monroe County	43,491	8.3%	163,100	30.3%

Table 2 above reveals the rather alarming reality that nearly two-thirds of all City of Rochester residents are not financially self-sufficient. It also shows that our relatively low suburban poverty rate (8.3%) obscures the fact that nearly one-third of all suburban residents are not financially self-sufficient.

1. Diana M. Pearce, PhD, Center for Women’s Welfare, University of Washington, “The Self-Sufficiency Standard for New York State 2010,” prepared for the New York State Self-Sufficiency Standard Steering Committee. <http://www.fiscalpolicy.org/SelfSufficiencyStandardForNewYorkState2010.pdf>
2. Source: U.S. Department of Health and Human Services <https://aspe.hhs.gov/basic-report/computations-2016-poverty-guidelines>
3. The self-sufficiency standard is based on both size and family types. For this analysis the selected types are: 1 adult; 1 adult + 1 infant; 1 adult + 1 infant + 1 preschooler; and 2 adults + 1 infant + 1 preschooler. The federal poverty level is calculated for family size only.
4. U.S. Census, American Community Survey for 2009-14.
5. This estimate is not precise. It was developed using U.S. Census data for incomes at different ratios of the federal poverty level and U.S. Census data for family sizes and structures.