

Commentary

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The New York City Social Indicators Survey (SIS), directed by Marcia Meyers and Irwin Garfinkel, both of the Columbia University School of Social Work, will prove to be an invaluable tool in assessing the well-being of New York City's residents and in evaluating policy initiatives that affect that well-being. The survey complements the Current Population Survey (CPS), up to now the only annual survey of the economic and social characteristics of the resident population of New York City. Meyers and Garfinkel are to be highly commended for undertaking this project.

Although the SIS sample size is somewhat smaller than that of the CPS—1,500 households versus about 2,000—the SIS range of questions is broader. By providing more detailed information about economic and social well-being in a particular area, the survey will amplify our understanding of national trends in the well-being of the population. Although not reported in the first survey, the sample also includes about 750 households in the New York City metropolitan area living outside the city. Comparisons between city and suburban residents will be particularly useful in evaluating metropolitan and state-wide policy issues. In these comments, I focus on issues of

income measurement, perceptions of the quality of public services, and suggestions on ways in which the survey could be used to address some important policy issues.

INCOME POVERTY

Nationally, poverty has become more concentrated in central cities, with poverty rates rising relative to the rest of the country. In the 1990s, poverty rates in central cities were more than double the rates in the suburbs of metropolitan areas (18.8 percent versus 9.0 percent in 1997). Although central-city poverty rates have declined since their peak of 21.5 percent in 1993, they remain stubbornly high. The SIS finds that the national pattern of high rates of central-city income poverty is magnified in New York City, where reported income poverty rates for families are 29 percent. When we add to families below the poverty line those with incomes that are less than two times the poverty rate, we see that the survey finds an extraordinary 50 percent of the sample to be income-deprived.

The question is, how accurately do these alarming rates of poverty and near-poverty reflect the extent of material deprivation among New Yorkers? The SIS poverty rate is higher than the U.S. Census Bureau estimates, mainly because the SIS definition of the income-sharing unit is more restrictive than the Census definition. The SIS counts only the resources of nuclear family members,

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whereas the Census definition includes all those in the household who are related by blood or marriage. This choice was undoubtedly made in an effort to maximize the accuracy of income reporting in the SIS. However, due to the high cost of housing and the importance of immigration, the extent to which extended families share living quarters and resources is probably greater in New York City than elsewhere in the country. Hence, the SIS choice of income-sharing unit may overestimate the extent of material deprivation by underestimating the extent of household resources available to nuclear families. The relatively high cost of housing in New York City also means that there are probably relatively more unrelated individuals sharing living quarters. Since these households are sharing housing costs, income poverty measures may again overstate real deprivation. These conjectures on housing are supported by a comparison of the ratio of income poverty to crowded housing in New York City and the rest of the nation. While the ratio of substandard housing to poverty is similar in New York City and the nation, crowded housing conditions are much more prevalent in New York City. To address these definitional issues, I would urge the authors to make some effort to collect and report income information on a household as well as a family basis.

Discussions of urban problems frequently focus on the declining income of central-city residents relative to those in the central city's suburbs. The paper by Edwin Mills argues that the ratio of central-city to suburban income levels is primarily a function of the extent to which central-city residents have relocated to the suburbs, rather than the income-generating possibilities of the city labor market. Mills notes that if center-city residents are more likely to move to the suburbs as their income rises, then the ratio of income in the suburbs to income in the city will be highest when the proportion of the metropolitan area living in the suburbs is very low and very high. A priori, the relative level of central-city incomes should be a function both of the rate of exit from the city to the suburbs of households at different income levels, and the longitudinal pattern of income growth of those who

remain in the city. The SIS offers an opportunity to explore the relative role of the Mills hypothesis by asking people about their income and location in previous years. This type of inquiry will also help to illuminate the perennial policy question of the extent to which residents are benefiting from job creation in New York City.

PUBLIC SERVICES

By asking a wide range of questions related to well-being, the survey offers an opportunity to evaluate the quality of public services in New York City, and the extent to which the public sector compensates or offsets highly unequal private-market outcomes. For example, it is noteworthy that rates of poverty remain high in New York City, even as public assistance rolls have declined dramatically—at a rate of about 8,000 cases per month during 1997. Medicaid rolls have not declined by nearly as much as public assistance caseloads. In 1997, 23.4 percent of the New York City population was Medicaid-eligible. Nationally, some 21 percent of the population lacked health insurance, compared with 30 percent in New York City. However, the national poverty rate (using the SIS definition) was 15 percent. If the national ratio of poverty to health insurance coverage was to prevail in New York City, then more than 40 percent of the population would lack health coverage. The fact that lack of health insurance is not as great, relative to income poverty, as it is in the rest of the nation suggests that the greater rate of Medicaid availability in New York City helps to weaken the link between income poverty and access to health care.

The SIS results on the perceived quality of public schools are also interesting. Overall, only 14 percent of parents definitely agree that their children are not getting a good education. However, 47 percent of all adults rate public schools as only fair or poor. To know how well New York City is doing in education, it would be useful to compare these evaluations with similar evaluations in other school systems. As a further research suggestion, it would be extremely interesting to combine parent evaluations of the quality of education with information on spending for individual schools.

Blacks are much more likely than Hispanics or whites to feel that their children are not getting a good education. Some 28 percent of blacks disagree or somewhat disagree with the statement that their children are getting a good education, as opposed to 18 percent of (nonimmigrant) Hispanics and 5 percent of whites. The difference between Hispanics and blacks is noteworthy, given that income and poverty rates are similar between the two groups. It suggests that perceptions may differ depending on prior experiences, and that different groups may be more or less willing to criticize the level of public services received. Among native blacks, the SIS finds that 33 percent are below the poverty line. The close correspondence between the overall rates of income deprivation and

the perceived low quality of public schools suggests that in at least one crucial public service, New York City is not very effective in offsetting the adverse effects of low income.

As a last point, one suggestion for future use of the survey would be to track the relationship between city tax policies to reduce tax burdens on the poor (for example, the city's proposed Earned Income Tax Credit) and the economic conditions of low-income families.

To conclude, the SIS is a well-designed survey, providing much useful information on the social condition of New York City residents. The repeated snapshots that the SIS will provide in the future will be particularly useful for studying the effects of policy changes.