

Employment, Occupations, and Wages

The Impact on Making Ends Meet in New York City

Prepared for Women's Center for Education and Career Advancement
& United Way of New York City

With Support from The New York Community Trust & City Harvest





Women's Center for Education
and Career Advancement

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OVERLOOKED & UNDERCOUNTED 2018 | BRIEF 5

Employment, Occupations, and Wages

The Impact on Making Ends Meet in New York City

By Diana M. Pearce, PhD • October 2018

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About Overlooked and Undercounted

To develop strategies to ensure New York City households reach economic security requires data that defines how much is enough and which households are struggling. This brief series reveals the “overlooked and undercounted” of New York City, describing which families are struggling to make ends meet. This analysis is based on the Self-Sufficiency Standard, a realistic, geographically specific, and family composition-specific measure of income adequacy, and thus a more accurate alternative to the official poverty measure. Over the last 22 years, calculation of the Self-Sufficiency Standard has documented the continuing increase in the real cost of living, illuminating the economic crunch experienced by so many families today.

The Self-Sufficiency Standard was first calculated in 1996 by Diana Pearce and was originally designed to measure progress of workforce program participants towards the goal of economic self-sufficiency. Since then, it has been used in a wide variety of settings, to evaluate programs, analyze policy impacts, guide clients’ career choices, provide expert testimony in court cases and legislative initiatives, and to document the nature and extent of true poverty. The Standard has now been calculated in 41 states plus the District of Columbia and is housed at the University of Washington’s Center for Women’s Welfare.

In 2000, Merble Reagon, Executive Director at the Women’s Center for Education and Career Advancement (Women’s Center), initiated the development of the first New York City Self-Sufficiency Standard report, after realizing that the thousands of women they had trained and placed in jobs, were not earning enough to sustain their families’ basic needs. To keep the issues and facts at the forefront of the public policy discussion, under Merble’s initiative, the Women’s Center arranged for the updates of The Self-Sufficiency Standard for New York City in 2004, 2010, and 2014. This series of briefs updates the 2014 report, ***Overlooked and Undercounted: The Struggle to Make Ends Meet in New York City***.

As with all Self-Sufficiency Standard reports, this one was authored by Dr. Diana M. Pearce and produced by the Center for Women’s Welfare at the University of Washington.

Explore Online. All briefs in this series are available online, along with interactive maps, dashboards, and a data file of tables by borough. Explore more at www.unitedwaynyc.org/self-sufficiency-2018.

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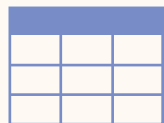
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How did we calculate this data?



STEP 1: CALCULATE THE SELF-SUFFICIENCY STANDARD

The Self-Sufficiency Standard for New York City 2018 defines the amount of income necessary to meet the basic needs of New York City families, differentiated by family type and where they live. The Standard measures income adequacy, and is based on the costs of basic needs for working families: housing, child care, food, health care, transportation, and miscellaneous items, plus taxes and tax credits. It assumes the full cost of each need, without help from public subsidies (e.g., public housing or Medicaid) or private assistance (e.g., unpaid babysitting by a relative or food from a food pantry). An emergency savings amount to cover job loss is also calculated separately. The Standard is calculated for over **700 family types** for all New York City boroughs plus sub-borough areas.



STEP 2: CREATE A DATASET OF NYC HOUSEHOLDS

To estimate the number of households below the Self-Sufficiency Standard for New York City, this study uses the 2016 American Community Survey (ACS) 1-year Public Use Microdata Sample (PUMS) by the U.S. Census Bureau. The ACS is an annual survey of the social, housing, and economic characteristics of the population.



Sample Unit. The sample unit for the study is the household, not the individual or the family. This study includes all persons residing in households, including not only the householder and his/her relatives, but also non-relatives such as unmarried partners, foster children, and boarders and takes into account their income.

The Self-Sufficiency Standard assumes that all adult household members work and includes all their **work-related costs** (e.g., transportation, taxes, child care) in the calculation of expenses. Therefore, the population sample in this report **excludes household members not expected to work and their income**. This includes: adults over 65 and adults with a work-limiting disability. A work-limiting disability exists if the adult is disabled and is not in the labor force or receives Supplemental Security Income or Social Security income.



For example, a grandmother who is over 65 and living with her adult children is not counted towards the household size or composition; nor is her income (e.g., from Social Security benefits) counted as part of household income. Households that consist of only elderly or adults with work-limiting disabilities are excluded altogether for the same reasons. Households defined as “group quarters,” such as individuals living in shelters or institutions, are also not included. In total, this study includes **2,257,674 New York City households**.

STEP 3: COMPARE HOUSEHOLD INCOME TO INCOME BENCHMARK

To determine if a household has adequate income to cover each household members’ basic needs, the 2018 Self-Sufficiency Standard for New York City is used. Earnings for each household member are summed and inflated to 2018 dollars to determine total household income. Total household income is then compared to the calculated Standard for the appropriate family composition and geographic location. Regardless of household composition, it is assumed that **all members of the household share income and expenses**. Household income is also compared to the U.S. Census Bureau’s poverty threshold to calculate whether households are above or below poverty.

Household Income



Self-Sufficiency Standard



Adequate Income

Household Income > Self-Sufficiency Standard

OR

Inadequate Income

Household Income < Self-Sufficiency Standard

Glossary of Key Terms

American Community Survey (ACS). The ACS is a sample survey of over three million addresses administered by the Census Bureau. The ACS publishes social, housing, and economic characteristics for demographic groups covering a broad spectrum of geographic areas with populations of 65,000 or more in the United States and Puerto Rico.

API. The abbreviation API is used in some of the tables and figures for Asian and Pacific Islander householders.

Official Poverty Measure (OPM). There are two versions of the OPM. When this study uses OPM to reference the number of households in poverty, we are referring to the thresholds calculated each year by the Census Bureau to determine the number of people in poverty (often referred to as poverty thresholds). When this brief uses the OPM in terms of programs or policy, we are referring to the federal poverty guidelines, developed by the Department of Health and Human Services (HHS), used by federal and state programs to determine eligibility and calculate benefits (often noted as the federal poverty guidelines, or FPG). Note that Census Bureau poverty thresholds vary by household composition, i.e., the number of adults and the number of children in a household, while the HHS poverty guidelines only vary by household size.

Household. The sample unit used in this study is the household, including any unrelated individuals living in the household. When appropriate, the characteristics of the householder are reported (e.g., race/ethnicity, citizenship, educational attainment). When a variable is reported based on the householder it may not reflect the entire household. For example, in a household with a non-citizen householder, other members of the household may be citizens.

Householder. The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees.

Income Inadequacy. The term income inadequacy refers to an income that is too low to meet basic needs as measured by the Self-Sufficiency Standard. Other terms used interchangeably in this brief that refer to inadequate income include: “below the Standard,” “lacking sufficient (or adequate) income,” and “income that is not sufficient (or adequate) to meet basic needs.”

Latinx. Latinx refers to Hispanic/Latinx ethnicity, regardless of race. Therefore, all other race/ethnic groups used in this brief are non-Hispanic/Latinx. Note that Latinx is a gender-neutral or non-binary alternative to Latino or Latina for persons of Latin American origin.

Person of Color. Due to smaller sample sizes of some racial/ethnic groups, some analyses in this brief compare White (non-Hispanic/Latinx) householders with non-White householders (including Latinx/Hispanic householders). The text uses the terms non-White and people of color interchangeably to refer to households in which the householder is not White.

Self-Sufficiency Standard (SSS). The SSS measures how much income is needed for a family of a certain composition in a given county to adequately meet their basic needs without public or private assistance.

Single Father/Single Mother. A man maintaining a household with no spouse present but with children is referred to as a single father. Likewise, a woman maintaining a household with no spouse present but with children is referred to as a single mother. Note the child may be a grandchild, niece/nephew, or unrelated child (such as a foster child).

Explore Online

Overlooked and Undercounted 2018 findings are explored through a series of briefs. The series contains six briefs plus policy recommendations, along with interactive maps, dashboards, and a data file of tables by borough. Explore more at www.unitedwaynyc.org/self-sufficiency-2018.

Introduction

Two in five New York City working-age households—over 905,000—lack enough income to cover just the necessities, such as food, housing, health care, and child care. This translates to over *2.5 million men, women, and children struggling to make ends meet in New York City*. Yet only a third of that number are poor according to the federal official poverty measure. Consequently, a large and diverse group of individuals and families experiencing economic distress are routinely *overlooked and undercounted*.

Many of these hidden poor find they earn too much income to qualify for most supports, yet are still struggling to meet their most basic needs. To make things even worse, their efforts are exacerbated by the reality that housing, health care, and other living costs are rising faster than wages in New York City.

To document these trends, we use the Self-Sufficiency Standard as a benchmark. The Standard measures how much income is needed to meet families' basic needs at a minimally adequate level, including the essential costs of working, but without any public or private assistance. Once these costs are calculated, we apply the Standard to determine how many—and which—households lack enough to cover the basics. Unlike the official poverty measure (OPM), the Self-Sufficiency Standard is varied both geographically and by family composition, reflecting the higher costs facing some families (especially child care for families with young children) and the geographic diversity of costs between New York City boroughs.

This brief discusses how work effort and occupations affect the ability of families in New York City to reach the Self-Sufficiency Standard, including how returns to work vary by occupation, race/ethnicity, and gender.

- 84% of New York City households (excluding elderly and disabled) below the Standard have at least one worker, and two-thirds of these have at least one full-time, year-round worker.
- Most families in New York City are struggling not because they lack workers or work hours, but because their low earnings are inadequate to meet basic needs. Increasing the work hours of those below the Standard to the level of those above the would only close 3% of the earnings gap. However, increasing the wage rates of those below the Standard to those above, with no change in hours worked, would close 92% of the earnings gap.
- While employment is key to income adequacy, it is not a guarantee. Women, single mothers and people of color experience lower returns for the same work effort in part because they are more likely to work in sectors, occupations and specific jobs that pay lower wages.

Work Patterns

Employment—or the lack thereof—is clearly an important factor in explaining income inadequacy. It is hardly surprising that households with more workers, or more work hours, experience less income inadequacy, but overall there is still substantial work effort among the many households who experience insufficient income. More than four out of five households (84%) with incomes below the Standard have at least one employed adult, and 66% of those have at least one full-time, year-round worker. *In other words, for those below the Standard, household earnings fall short of the costs of basic needs despite substantial work effort. In addition, controlling for the amount of work effort, income inadequacy rates differ substantially by race/ethnicity and family composition/gender.*

Overall, income inadequacy rates differ significantly by the number of workers: less than half of households with one worker, and one in four households with two or more workers, have an income that falls below the Standard. In contrast, in households with no adults working during the year, nine out of ten lack sufficient income.

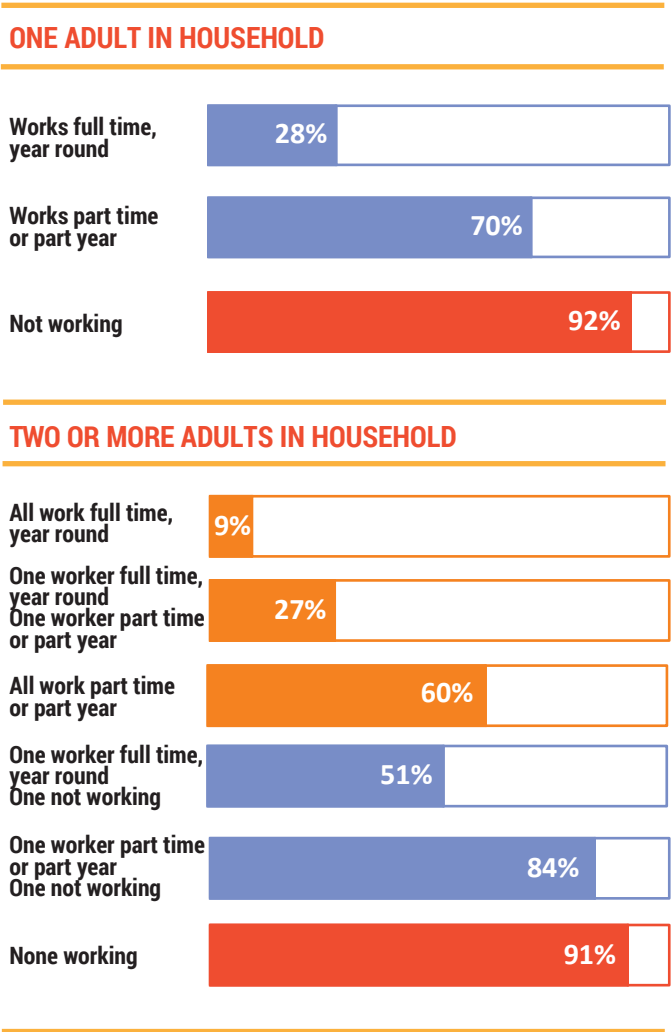
Rates of income inadequacy, however, depend not only on the number of workers but also these workers’ work schedules. Specifically, a key factor is whether workers are full time (defined as 35 hours or more per week) or part time (less than 35 hours) and whether workers are year round (defined as 50 or more weeks per year) or part year (less than 50 weeks).¹ As the number of work hours per household falls, income inadequacy levels rise (see [Figure A](#)). This trend is similar for one-adult and two-adult households.

Among one-adult households, obtaining full-time, year-round employment is key to higher levels of economic well-being:

- If the one adult works full time, year round, 28% of these households lack sufficient income.
- If the one adult works only part time or part year, the proportion lacking adequate income rises to 70%.

Among households with two or more adults (over two-thirds of households in this category have

Figure A. Income Inadequacy Rate by Number and Work Status of Adults: NYC 2016



Note: All workers over age 16 are included in the calculation of number of workers in household. A worker is defined as on who worked at least one week during the previous year.
Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

just two adults, so we refer to these as two-adult households),² it is the combinations of the number of adults working and their work schedules that are associated with varying rates of income insufficiency:

- When both adults work full time, year round, the rate of income inadequacy is only 9%.
- When both adults are working, but only one works full time, year round, 27% of these households lack sufficient income.
- If both of these employed adults work, but neither works full time, year round, then the proportion of households with income below the Standard increases quite substantially to 60%.
- If at least one adult is not employed at all, while the other adult works full time, year round, the income inadequacy rate is 51%. If the other, working adult(s) only work(s) part time or part year, 84% of these households experience income inadequacy.
- If there are no working adults, regardless of the number of adults, income inadequacy rates are over 90%.

Nevertheless, the great majority of households with incomes below the Standard have employed adults, most of whom work a substantial amount. Thus,

these data raise the question of why extensive work effort fails to yield sufficient income to meet even the minimum costs of basic needs for too many families.

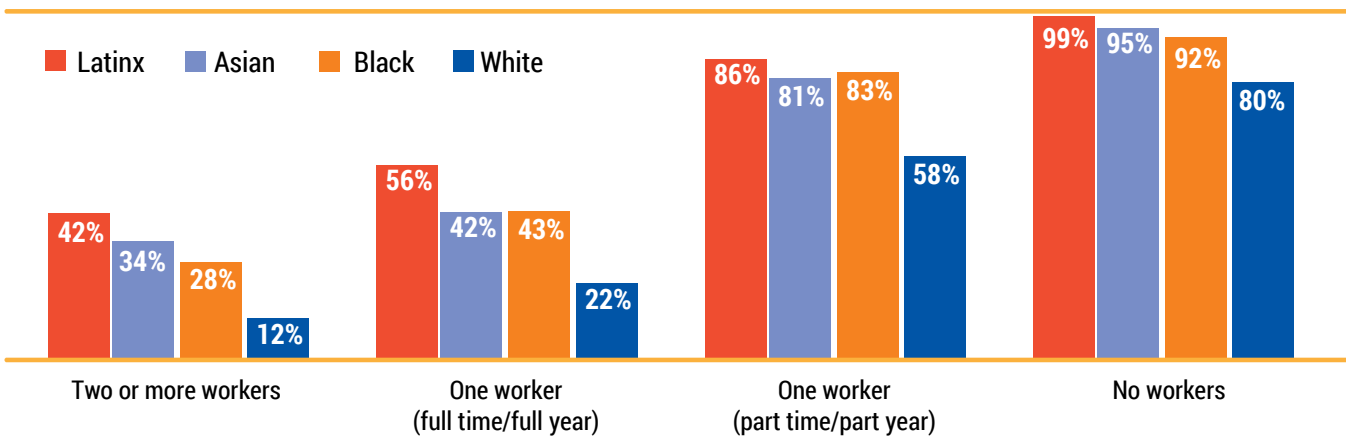
Work Patterns By Race/Ethnicity & Family Type

As seen above, the amount of work effort results in very different rates of income inadequacy for New York City households. When the data are analyzed by race/ethnicity and family type, the same patterns emerge, the same patterns emerge, but the returns on work effort are less for people of color and single mothers.

Race/Ethnicity. People of color must work more to achieve the same levels of self-sufficiency as Whites. For each level of work effort (number of workers and hours worked), income inadequacy rates range from 16 to 34 percentage points higher for people of color (see [Figure B](#)). For example, in households with one full-time worker, less than one-third of White, but two-thirds of Latinx households lack adequate income.

When there are no workers in the household all race/ethnic groups have high rates of income inadequacy (ranging from 80% to 95%). However, when there is one worker, there are larger differences by race/ethnicity:

Figure B. Income Inadequacy Rate by Number of Workers and Race/Ethnicity of Householder*: NYC 2016



* The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees.

Note: Latinx refers to Hispanic/Latinx ethnicity, regardless of race. Therefore, all other racial/ethnic groups are non-Hispanic/Latinx. All workers over age 16 are included in the calculation of number of workers in household. A worker is defined as on who worked at least one week during the previous year. Even though some are mixed in terms of race/ethnicity, households are assumed to share the same race/ethnicity as the householder.

Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

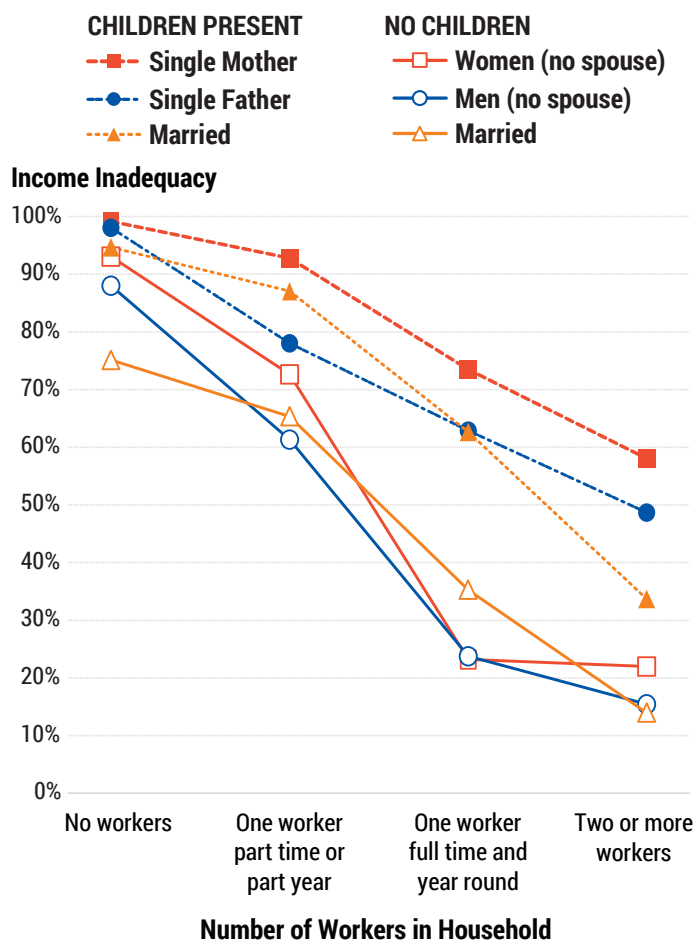
- If the only worker in the household is part time or part year, income inadequacy rates stay above 80% for households of color although the rate for White households drops substantially to 58%.
- When there is one fully employed worker in the household, income inadequacy rates vary from 22% for White households to 56% for Latinx households.
- Even more striking is the data for households with two (or more) workers: the percentage with inadequate income ranges from 12% for White households to 42% for Latinx households.

Family Type. As shown in previous *Overlooked and Undercounted* briefs, if a household is maintained by a woman alone or has children in it, levels of income inadequacy are consistently higher than those of childless or married-couple households, and often even, single father households. These higher rates of income inadequacy in part reflect the greater income requirements of families with children (such as child care), as well as possible gender discrimination and inequality in the labor market. However, since 95% of New York City households with children have at least one worker, these higher rates of income inadequacy also reflect the number of workers and their work schedules.

Examining this data on employment patterns by family type is revealing: consistently, **with the same level of work effort, single mothers have substantially higher rates of income inadequacy than married-couple and single-father households.** Figure C shows that among households with children:

- If there are two or more workers, the rate of income insufficiency is around 34% for married-couple households and 49% for single fathers compared to 58% for single mothers.
- If there is just one worker, even though they work full time, year round, income inadequacy rates are higher: among married-couple and single-father households the income inadequacy rate is 63% and among single mothers, 74% lack sufficient income.
- If the only worker is employed less than full time, year round, 78% of single-father, 87%

Figure C. Income Inadequacy Rate by Number of Workers* and Household Type: NYC 2016



* A worker is defined as one who worked at least one week during the previous year.
Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

of married-couple, and 93% of single-mother households lack adequate income.

Thus, in households with children, even when controlling for the numbers of workers/work hours at the household level, the disadvantages associated with being a single mother in the labor market result in higher levels of income inadequacy compared to married-couple and single-father households.

These different rates of income inadequacy by family type are exacerbated by the inequality in the distribution of the number of workers: among households with children, while 69% of married-couple households have two or more workers only 33% of single-mother households have more than one worker.³

Hours Versus Wage Rates

Householders above the Standard work about 5% more hours per year than those below the Standard (a median of 2,080 hours vs. 1,980 hours per year, see [Figure D](#)), but their average wages are more than two and a half times those of householders below the Standard (\$33.52 per hour vs. \$12.89 per hour).

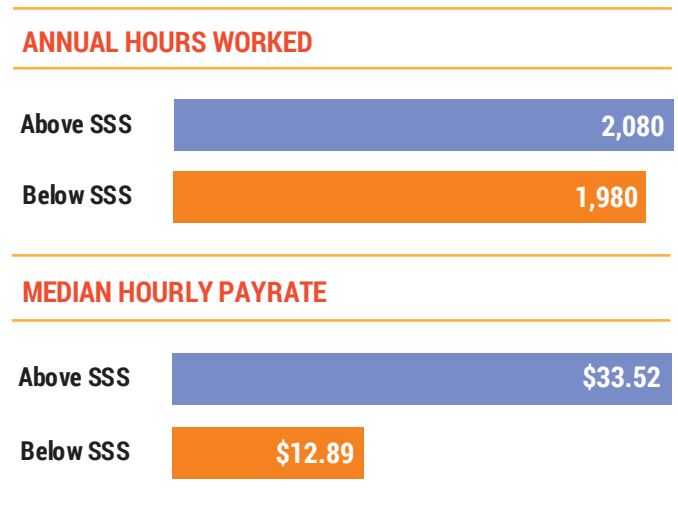
This means that increasing the work hours of those below the Standard to the level of those above (working 5% more hours) would only close 3% of the earnings gap. However, increasing the wage rates of those below the Standard to the wage rates of those above with no change in hours worked, would close 92% of the earnings gap. In short, **it is low wage rates, not lack of work effort, that results in inadequate income.**

Gender. In New York City, the median hourly wage for all employed women householders (\$23.37 per hour) is 86% of the median hourly wage for employed men householders (\$27.07 per hour). Women householders above the Standard earn 91% of the median wage of men householders above the Standard (\$31.82 per hour vs. \$34.81 per hour). However, when comparing the median wage of just those householders who are below the Standard ([Figure E](#)), the gender difference almost disappears (\$12.86 vs. \$12.93 per hour for employed women vs. employed men householders), reflecting the effect of the minimum wage.

Note that the New York City minimum wage was \$10.50 per hour in 2016; however, the minimum wage has been scheduled to increase in annual steps to \$15 per hour (by 2019 for larger employers, 2020 for smaller employers). This will raise the minimum wage floor, and will also likely increase wages for workers just above the minimum wage (the “spillover” effect).

Race/Ethnicity. There is an even larger racial wage gap in New York City, with the median wage of householders of color ranging from just 51% (for Latinx) to 70% (for Asians) of the median wage of White householders. Among those below the Standard, the wage gap is less but is still substantial with Latinx and Asian working householders earning about 80% of the median wage of White

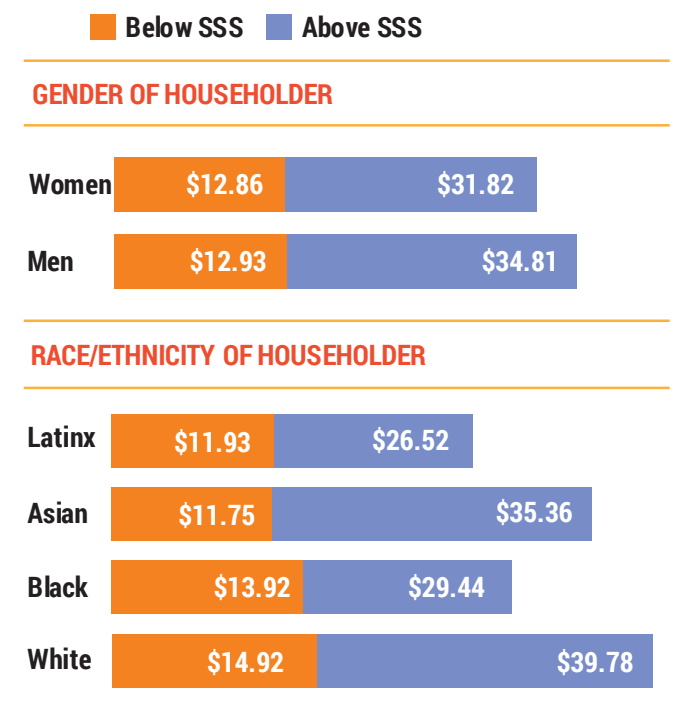
Figure D. Median Hourly Pay Rate and Hours Worked Among Working Householders*: NYC 2016



* The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees. Working householders excludes those with self-employment income or no wages in the past year.

Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

Figure E. Median Hourly Pay Rate of Working Householders* by Gender and Race/Ethnicity: NYC 2016



* The householder is the person (or one of the persons) in whose name the housing unit is owned or rented or, if there is no such person, the householder is any adult member, excluding roomers, boarders, or paid employees. Working householders excludes those with self-employment income or no wages in the past year.

Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

householders. However, as with gender, the difference in wages between those below and above the Standard, within race, is far greater: among Black householders, those above have wages that are over two times those below (\$29.44 per hour vs. \$13.92 per hour), while among Asian householders, those above have wages three times those below (\$35.36 per hour vs. \$11.75 per hour). Because there are proportionally more people of color below the Standard, their lower wages contribute to the disproportionate share of income inadequacy born by people of color.

Altogether, this data on wages and hours suggests that **addressing income adequacy through employment solutions would have a greater impact if it were focused on increased earnings rather than increased hours**. Increasing work hours to match that of households above the Standard would only make a small dent in the income gap. In addition, these lower per-hour wages also reflect gender and large racial wage gaps. In short, this analysis shows that for the great majority of New York City householders with inadequate income, the problem is not that they are working too few hours, but rather that the jobs they do hold are not paying sufficient wages.

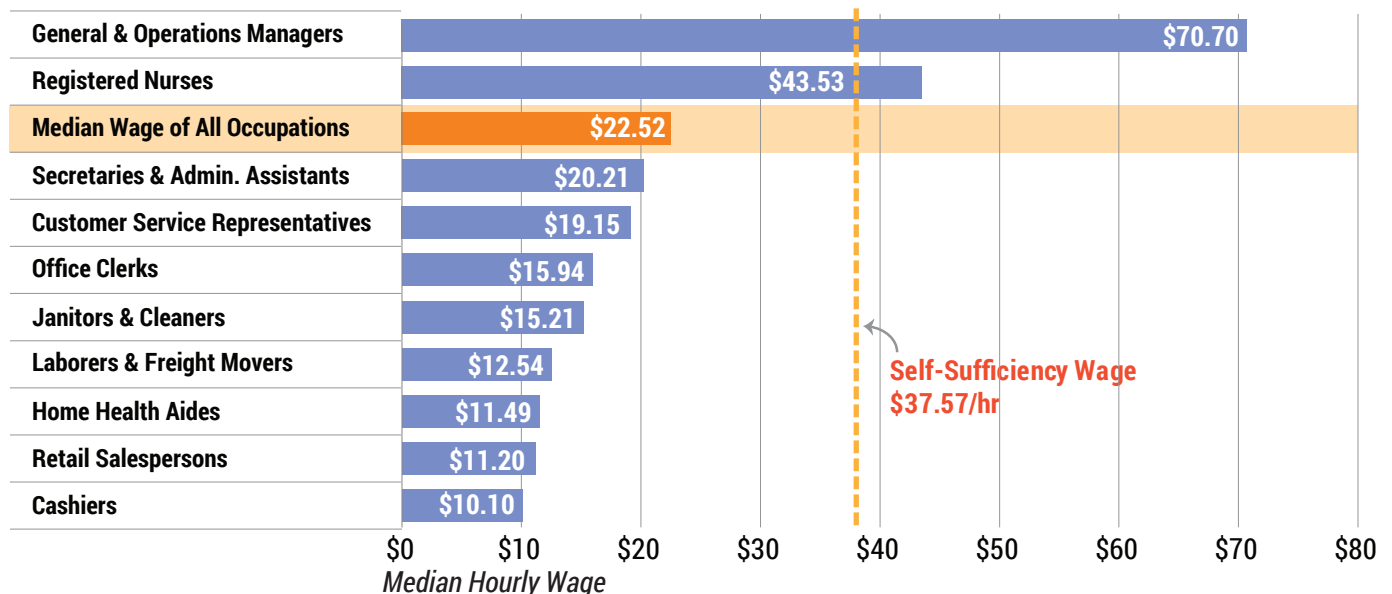
Occupations

Adults who are in households below the Standard are concentrated in relatively low-wage occupations. Furthermore, these low-wage occupations are structured by gender or race/ethnicity-based occupational concentration and/or segregation.⁴ That is, women (and/or people of color) are concentrated in fewer occupations and these occupations tend to pay less. They are also occupationally segregated, that is men and women, and Whites and people of color, are distributed differently across occupations, with differential wages by gender and race/ethnicity. At the same time, there are also some occupations that are shared by those above and below the Standard, so that the lower earnings of those below are due to being in specific jobs that pay less rather than to the general occupational category.

It should be no surprise that occupations are a factor in explaining low wages, given the trend over the last several decades of the shift from higher wage jobs and sectors, such as manufacturing to service sector jobs which are characterized by generally lower wages.⁵ **Figure F** highlights that of the top 10 jobs in the New York City metropolitan area, in terms of the number of people who hold them, the median wages for all except two—registered nurses and general and operations managers—are below the hourly Self-Sufficiency Standard for one adult and two children in Brooklyn (Excluding Northwest).

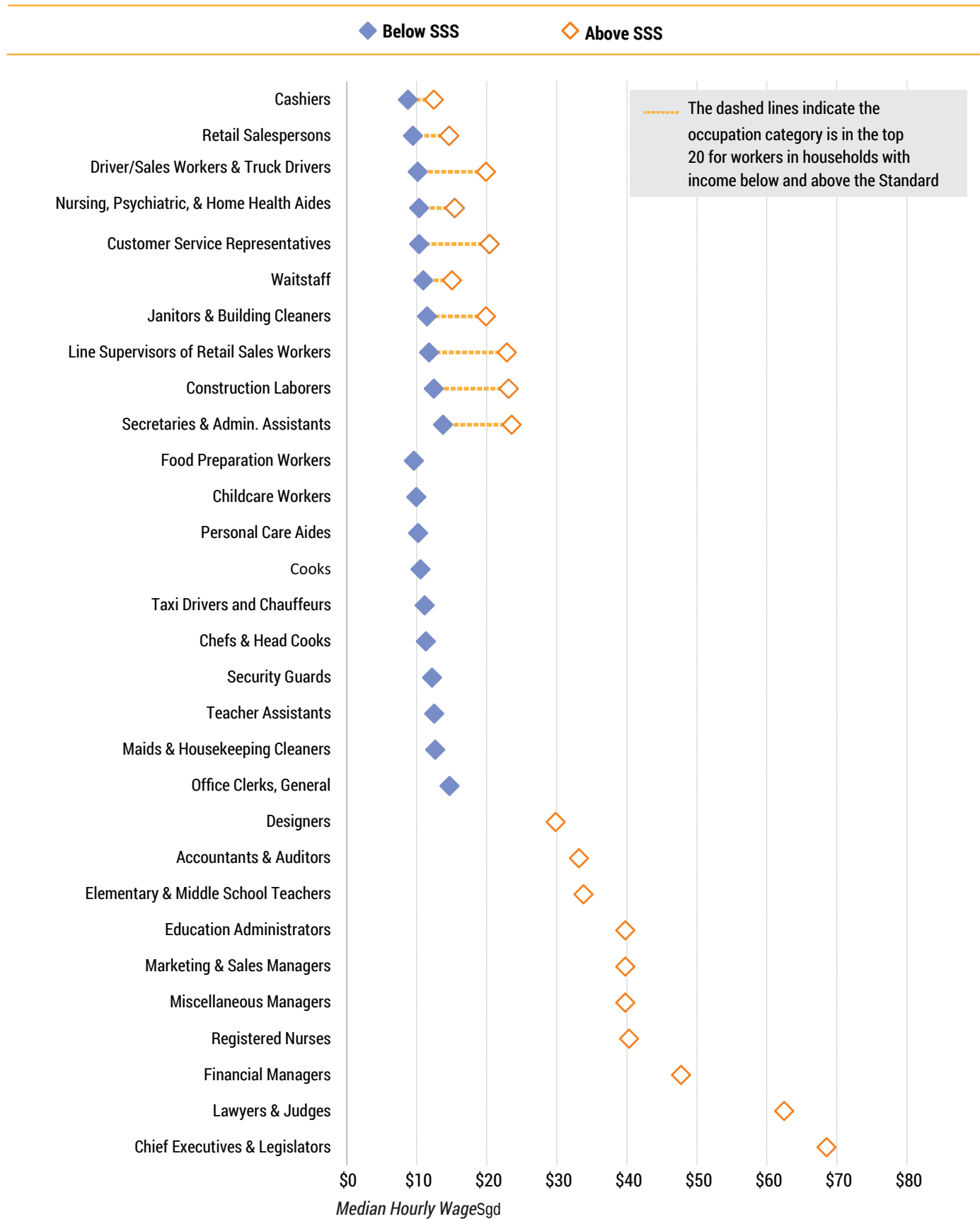
For our analysis, we extend the number of occupations to the top 20, out of 539 occupations, so they are quite specific, but still encompass a large number of workers across industries. We begin by examining and comparing the occupations and wages of the top 20 occupations among workers in households with incomes below the Self-Sufficiency Standard, compared to the top 20 occupations among workers in households with incomes above the Self-Sufficiency Standard.

Figure F. Median Wages of New York-Newark-Jersey City, NY-NJ-PA MSA Ten Largest Occupations Compared to the Self-Sufficiency Standard. One Adult, One Infant, and One School-Age Child: Brooklyn (Excluding NW), NYC 2018



Source: U.S. Department of Labor, "May 2016 State Occupational Employment and Wage Estimates," Databases and Tables, Occupational Employment Statistics, <http://www.bls.gov/oes/data.htm> (accessed April 10, 2018). Wages adjusted for inflation using the Employer Cost Index from the Bureau of Labor Statistics

Figure G. Median Hourly Wages of Top 20 Occupations of All Workers* Above and Below the Standard: NYC 2016



* Workers in this analysis of occupations includes adults who worked at least one week in the previous year and who are not self-employed.
Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

Occupational Concentration. The first finding is that workers below the Standard are somewhat more concentrated in relatively fewer occupational categories: the top 20 occupations cumulatively account for 48% of all workers below the Standard, compared to 35% for the top 20 occupations of those above the Standard. That is, almost half of workers in households with inadequate income are found in just 20 occupations (out of 539); for workers above the Standard, it is a little over one third. Nursing, psychiatric, and home health aides is the most common occupational category for workers below the Standard. Nearly 7% of workers in households below the Standard have jobs in this occupational category which is disproportionately represented by women and people of color.

Occupational Segregation. Next we compare the 20 most frequently held occupations of workers below the Standard to the 20 most frequently held occupations of those who are in households above the Standard. As can be seen in [Figure G](#), in New York City there is significant overlap between the occupations held by workers below as opposed to above the Standard: 10 of the occupations found in the top 20 of workers above the Standard are also among the top 20 held by workers below the Standard.

At the same time, the median wages of workers above the Standard (in all occupations) are more than double those below the Standard (\$27.54 per hour vs. \$11.93 per hour). Even within the same commonly held occupations, there is quite a difference in wages.

- The wage gap among the commonly held occupations above and below the Standard is the least for cashiers (\$8.73 per hour median wage for workers below the Standard, vs. \$12.43 per hour for workers above).
- The wage gap is largest for line supervisors of retail sales workers; those below the Standard have a median wage of \$11.75 per hour, compared to \$22.87 per hour for line supervisors of retail sales workers above the Standard.

Because there is so much overlap in the occupations held by workers above and below the Standard,

DEFINITIONS

Occupation/Occupational Category. The American Community Survey asks employed persons what their work activities are and codes responses into the 539 specific occupational categories based on the Standard Occupational Classification manual. This analysis examines the “top 20” occupational category, that is, out of 539 specific occupations, these are the 20 occupations in New York City with the most workers.⁶ The terms occupation and occupational category are used interchangeably.

Worker. Workers in this analysis of occupations include adults who worked at least one week in the previous year and who are not self-employed. Note that in this section we are examining the occupations of all workers, not just householders.

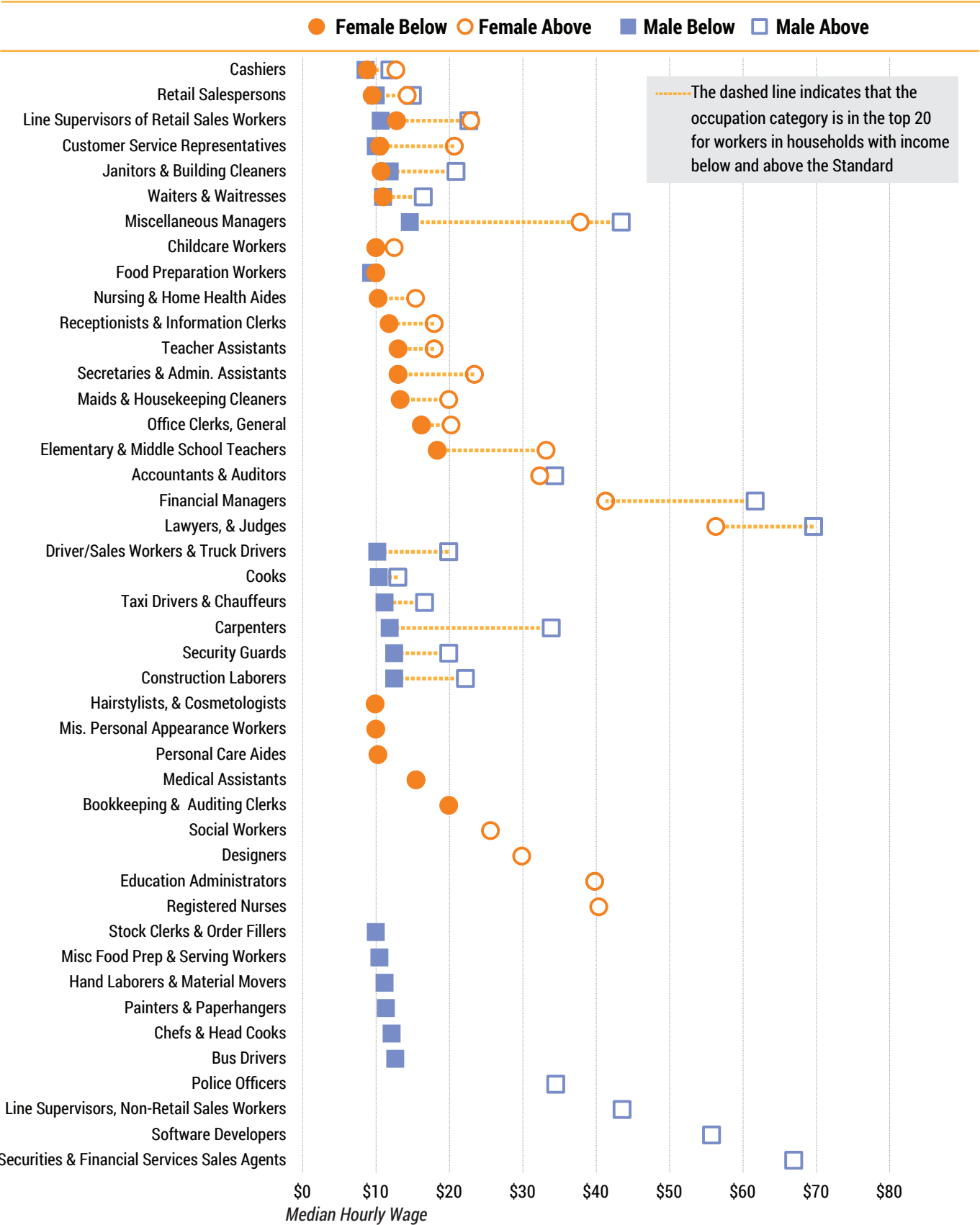
Above or Below Standard. Workers are considered “above” or “below” the Standard if the household’s total income is more or less, respectively, than their Self-Sufficiency Standard.

Wages. Hourly wages are estimated by dividing the worker’s annual earnings by usual hours and weeks worked during the year.

Specific Jobs. While occupations group together workers who have the same job titles and do similar work, specific jobs refer to the specific employer or organization in which a worker is employed. Two specific jobs may involve the same work, such as a waiter, but because they are located in different organizations, have quite different wages attached to them (e.g., a diner vs. a high-end restaurant).

even with somewhat greater concentration among those below in fewer occupations, there is not a high level of occupational segregation. Thus, for workers in the 20 largest occupations, it suggests that the lower wages experienced by workers below the Standard reflects the different specific jobs they hold (e.g., lower wage rates, fewer hours, seasonal) that results in lower wages, compared to workers above the Standard with the same occupation. **Put another way, the issue for many workers below the Standard is not that they are in low-wage occupations, so need to change occupations to raise their wages, but that their particular**

Figure H. Median Hourly Wage of Top 20 Occupations of All Workers* Above and Below the Standard by Gender: NYC 2016



* Workers in this analysis of occupations includes adults who worked at least one week in the previous year and who are not self-employed.
Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

employer pays lower wages than other employers employing workers in the same occupation.

Gender. Gender segregation of the labor force has long been asserted to contribute to the gender gap in wages and associated rewards of jobs (such as benefits and promotion opportunities).⁷ Specifically, women workers are disproportionately found in occupations that are predominantly occupied by women and those occupations tend to be lower paid. The converse is also true: men tend to be concentrated more in jobs dominated by men, but unlike women-dominated occupations, these do not have a wage penalty associated with them.⁸

We explore this pattern in [Figure H](#) which shows how occupational gender segregation may contribute to lower wages of women workers. That is, one factor behind their lower income from wages is that they are more often employed in women-dominated occupations.

- **Women workers in New York City experience more occupational concentration than men workers.** The top 20 occupations of working women below the Standard account for almost three-fifths (59%) of women workers below the Standard, while the top 20 occupations of working women above the standard account for 45% of women workers above the Standard. Both these concentration levels are well above the overall occupational concentration levels described above.
- Men workers are less concentrated than women workers, with the top 20 occupations of men below the Standard accounting for 49% of men workers below, and the top 20 occupations of men above the Standard covering 35% of men workers above the Standard, which is almost the same as the overall levels of occupational concentration described above.

In contrast to the similarity within gender across income groups, there is much less overlap **between the genders, as women workers below the Standard share only seven of the top 20 occupations of men workers below the Standard** (shared occupations are indicated with a line connecting those above and below in [Figure H](#)).

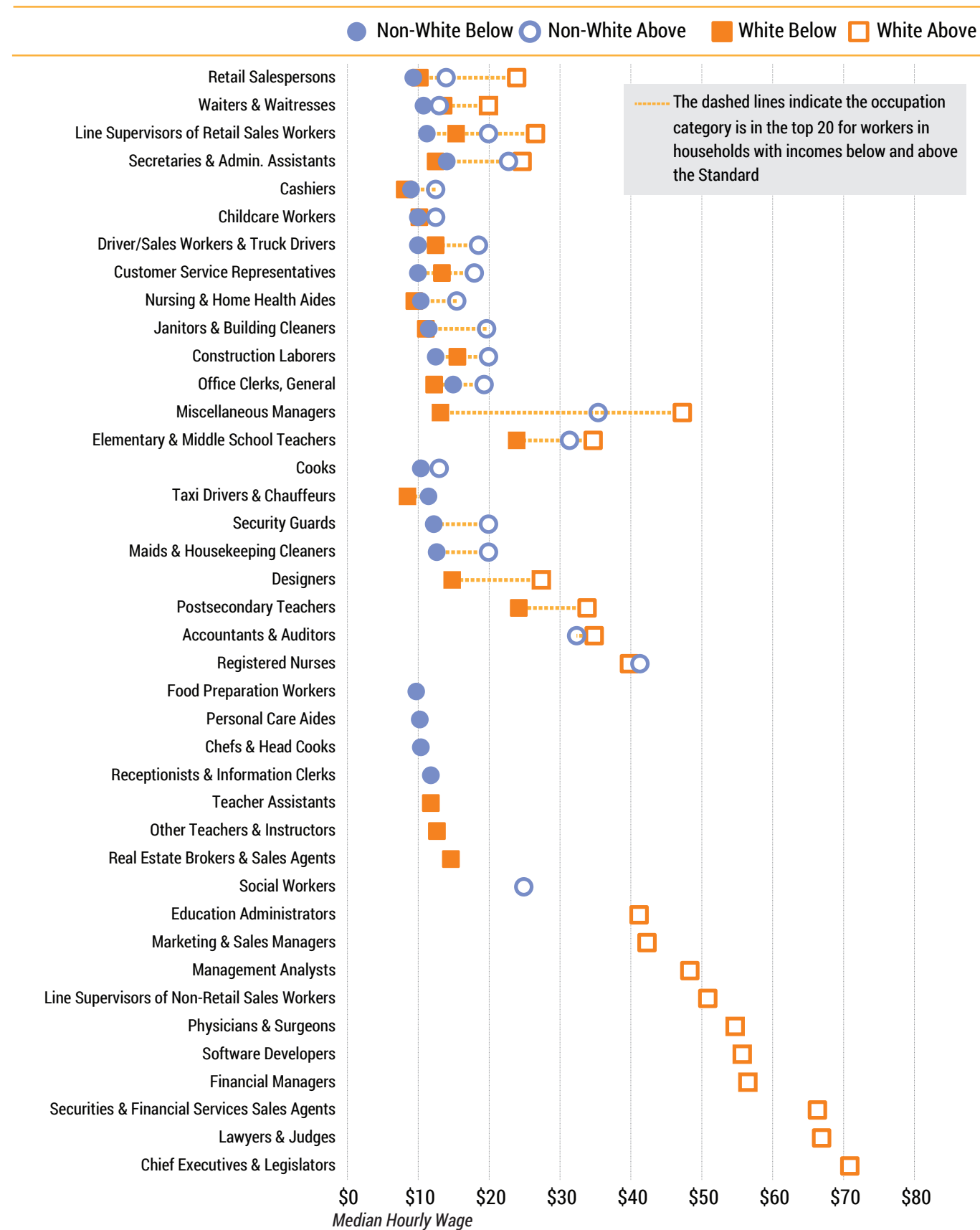
Even though there are substantial numbers of working women below the Standard working in the same occupations as women workers above the Standard, those below the Standard have wages that average 65% of women workers above the Standard in the same occupations. As with the “all workers” comparison above, there is substantial variation, however, in the above/below wage ratios:

- Women workers below the Standard who are customer service representatives earn 51% of what women customer service representatives above the Standard earn.
- At the other end of the range, women workers below the Standard who are office clerks earn 80% of what women office clerk workers above the Standard earn.

Race/Ethnicity. There is also the possibility of occupational segregation based on race/ethnicity, with White workers concentrated in higher paying occupations and workers of color in less well-paid occupations. Among workers below the Standard, 52% of non-White workers are in the top 20 occupations compared to 37% of non-White workers above the Standard. This is slightly higher than the overall level of occupational concentration (48% and 35%, respectively, see above). Among White workers, the top 20 occupations account for 43% of workers below the Standard and 40% of workers above the Standard.

In terms of occupational segregation by race/ethnicity, of the top 20 occupations among workers of color below the Standard, 15 are shared with workers of color above the Standard, accounting for about four-fifths (83%) of non-White workers below the Standard (see [Figure I](#)). This suggests a high level of racial occupational segregation, but at the same time, that the specific jobs held by people of color differ greatly in their remuneration levels. At the same time, non-White workers below the Standard share 13 occupations with White workers below the Standard. This suggests that there is as much segregation by race/ethnicity as gender-based occupational segregation among women workers. The consequences are also similar:

Figure I. Median Hourly Wage of Top 20 Occupations of All Workers* Above and Below the Standard by Race/Ethnicity: NYC 2016



* Workers in this analysis of occupations includes adults who worked at least one week in the previous year and who are not self-employed.
Source: U.S. Census Bureau, 2016 ACS 1-Year Public Use Microdata Sample.

- Wages of non-White workers below the Standard, across all occupations, on average are just under half of those of non-White workers above the Standard (\$11.63 vs. \$23.87 per hour).
- Among shared occupations, median wages for non-White workers below the Standard are on average 58% of non-White workers who are above the Standard and in the same occupations. The ratios of wages of non-White workers below to non-White workers above the Standard in the same occupations range widely from 54% for driver/sales workers and truck drivers to 83% for non-Whites who are wait staff.
- Again, we see a larger wage gap in non-shared occupations. Non-White workers below the Standard in non-shared occupations have wages that are 40% of non-Whites in non-shared occupations who are above the Standard.

Altogether, this suggests several commonalities across gender and race/ethnicity in terms of occupations.

While women are concentrated in fewer occupational categories than men below the Standard, the larger difference between men and women is that they are in separate occupational categories—regardless of income level. At the same time, there are substantial differences in wages. **In short, it is the specific jobs—and the wages they pay—not the occupations that yield the low wages that contribute to income inadequacy.**

This data analysis overall points to two conclusions, although with caveats that much more detailed research would be needed to confirm. The first is that the well-documented trend from higher-paid manufacturing jobs to lower-paid service sector

jobs, and now the gig economy as well, has not exacerbated gender or racial occupational segregation. While women and people of color are somewhat more concentrated in fewer occupations, and there is some segregation by gender and race/ethnicity, there is also considerable overlap. Put crudely, the changing occupational mix over the last several decades did not end up assigning women and people of color to a limited set of occupations or create additional occupational silos.

The second conclusion follows from the first. Given the contrast in wage rates, even among occupations shared by those above and below the Standard, it must be concluded that for many workers below the Standard, it is not the **occupations** they hold, but rather the **specific jobs** (and the associated wages) within occupations, that most accounts for their inadequate earnings. While occupational segregation and occupational concentration are important, **the strongest contrasts in wages are between those above compared to those below the Standard, even when they share the same occupations.**

These two conclusions provides very serious challenges to those seeking to raise wages among low-wage workers. For many, entering new occupations may not have the desired impact on wages, as the wages depend as much on the specific employer as they do on the occupation. For those seeking to aid workers in their efforts to secure self-sufficiency waged jobs, a focus on finding employers who provide such jobs is particularly important.

Conclusion

This analysis finds that most households with incomes below the Standard have at least one employed adult, and many of those have at least one full-time, year-round worker. Indeed, for many households, substantial work effort fails to yield sufficient income to meet even the minimum costs of basic needs. It is largely inadequate wages, not inadequate work effort, which characterizes the great majority of households below the Standard. Moreover, the “returns” to work effort are consistently lower for people of color and single mothers, resulting in higher levels of income inadequacy despite their work effort. While occupational segregation and occupational concentration are important factors, particularly for women and people of color, the strongest contrasts in wages are between those above compared to those below the Standard, even when they share the same occupations. Ultimately, wages are simply too low for many of these families to make ends meet.

Overlooked and Undercounted 2018

The *Overlooked and Undercounted 2018* findings are explored through a series of research briefs. The series contains six briefs plus key findings, recommendations, and a technical brief, along with interactive maps, dashboards, and a data file of tables by borough. The following briefs, key findings, and more can be explored online at www.unitedwaynyc.org/self-sufficiency-2018.

1. Defining Self-Sufficiency in New York City
2. A City Evolving: How Making Ends Meet has Changed in New York City
3. Race, Ethnicity, and Citizenship: The Impact on Making Ends Meet in New York City
4. Gender and Family Structure: The Impact on Making Ends Meet in New York City
5. Employment, Occupations, and Wages: The Impact on Making Ends Meet in New York City
6. Work Supports: The Impact on Making Ends Meet in New York City

Endnotes

1. This is consistent with definitions used by American Community Survey. U.S. Census Bureau, 2016 American Community Survey, 2016 Subject Definitions, http://www.census.gov/acs/www/data_documentation/documentation_main/
2. Households with more than two adults have been grouped together with two-adult households because there are relatively few households with three or more adults. Among households with more than one adult, 68% have two adults.
3. Additional workers may include teenagers, a non-married partner, roommates, or another family member other than a spouse/partner.
4. Gender-based occupational segregation was at very high levels until the 1970s. Over the next two decades, women entered the labor force in large numbers, and many occupations experienced desegregation, particularly among high-skilled occupations. However, since the mid-1990s, levels of occupational segregation overall have changed very little. Blau, F. D., Brummund, P., & Liu, A. Y. H. (2013). Trends in occupational segregation by gender 1970–2009: Adjusting for the impact of changes in the occupational coding system. *Demography*, 50(2), 471–492. <http://link.springer.com/article/10.1007/s13524-012-0151-7>. This may be due to the changing mix of occupations: on average, gender composition of occupations has not changed but occupations that are more gender-dominated rather than gender-balanced have increased. Ariane Hegewisch, Hannah Liepmann, Jeff Hayes, and Heidi Hartmann, 2010, “Separate and Not Equal? Gender Segregation in the Labor Market and the Gender Wage Gap,” Institute for Women’s Policy Research, <http://www.iwpr.org/publications/pubs/separate-and-not-equal-gender-segregation-in-the-labor-market-and-the-gender-wage-gap>.
5. James A. Parrott, February 27, 2014, “Low-Wage Workers and the High Cost of Living in New York City,” Testimony Presented to the New York City Council Committee on Civil Service and Labor, <http://fiscalpolicy.org/wp-content/uploads/2014/02/FPI-Parrott-testimony-Low-Wage-workers-and-Cost-of-iving-Feb-27-2014.pdf> (accessed April 11, 2018). Also see National Employment Law Project, “The Low-Wage Recovery: Industry Employment and Wages Four Years into the Recovery,” Data Brief, April 2014, p. 1, <http://www.nelp.org/page/-/Reports/Low-Wage-Recovery-Industry-Employment-Wages-2014-Report.pdf?nocdn=1> (accessed April 11, 2018).
6. The American Community Survey asks employed persons what their work activities are and codes responses into the specific occupational categories based on the Standard Occupational Classification manual. This analysis examines the “top 20” occupations, that is, out of 539 specific occupations, these are the occupations in New York City with the most workers.
7. Ariane Hegewisch, Hannah Liepmann, Jeff Hayes, and Heidi Hartmann, 2010, “Separate and Not Equal? Gender Segregation in the Labor Market and the Gender Wage Gap,” Institute for Women’s Policy Research, <http://www.iwpr.org/publications/pubs/separate-and-not-equal-gender-segregation-in-the-labor-market-and-the-gender-wage-gap>.
8. Ibid.

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Diana M. Pearce, PhD is on faculty at the School of Social Work, University of Washington in Seattle, Washington, and is Director of the Center for Women's Welfare. Recognized for coining the phrase "the feminization of poverty," Dr. Pearce founded and directed the Women and Poverty Project at Wider Opportunities for Women (WOW). She has written and spoken widely on women's poverty and economic inequality, including testimony before Congress and the President's Working Group on Welfare Reform. While at WOW, Dr. Pearce conceived and developed the methodology for the Self-Sufficiency Standard and first published results in 1996 for Iowa and California. Her areas of expertise include low-wage and part-time employment, unemployment insurance, homelessness, and welfare reform as they impact women. Dr. Pearce has helped found and lead several coalitions, including the Women, Work and Welfare Coalition and the Women and Job Training Coalition. She received her PhD degree in Sociology and Social Work from the University of Michigan.

About the Center for Women's Welfare

The Center for Women's Welfare at the University of Washington School of Social Work is devoted to furthering the goal of economic justice for women and their families. Under the direction of Dr. Diana Pearce, the Center focuses on the development of the Self-Sufficiency Standard and related measures, calculations, and analysis. For more information about the Center call (206) 685-5264. This brief as well as all other state reports, and all Self-Sufficiency Standard datasets, can be found at www.selfsufficiencystandard.org.



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The conclusion and opinions contained within this brief do not necessarily reflect the opinion of those listed above, WCECA, or United Way of New York City. Any mistakes are the author's responsibility.

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