

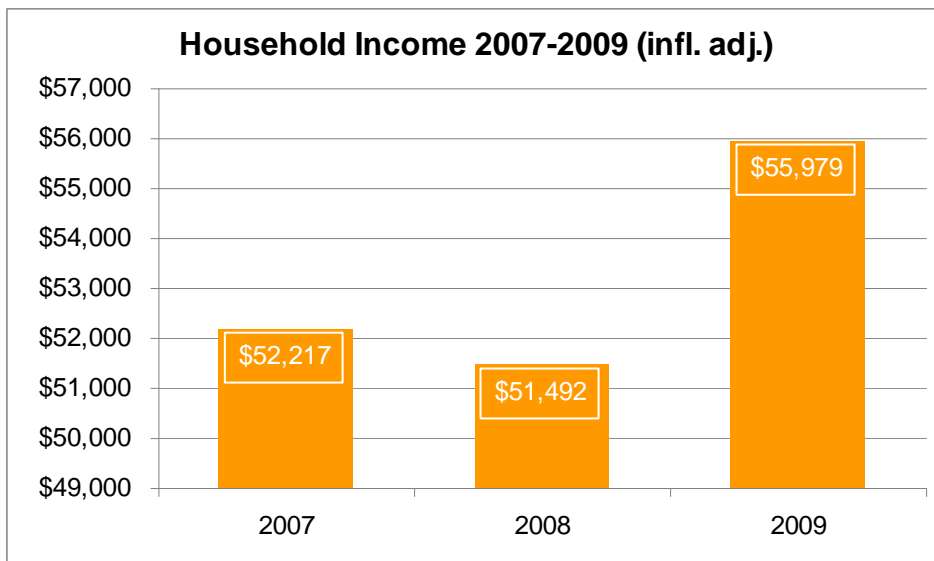
Earnings, Poverty and Income Inequality in Boston 2009

*Analysis of Regional Data from the US Census Bureau 2009 American Community Survey
Census data released and analyzed September 28, 2010¹*

By Mary Jo Connelly, Community Labor United

A. Income & Unemployment

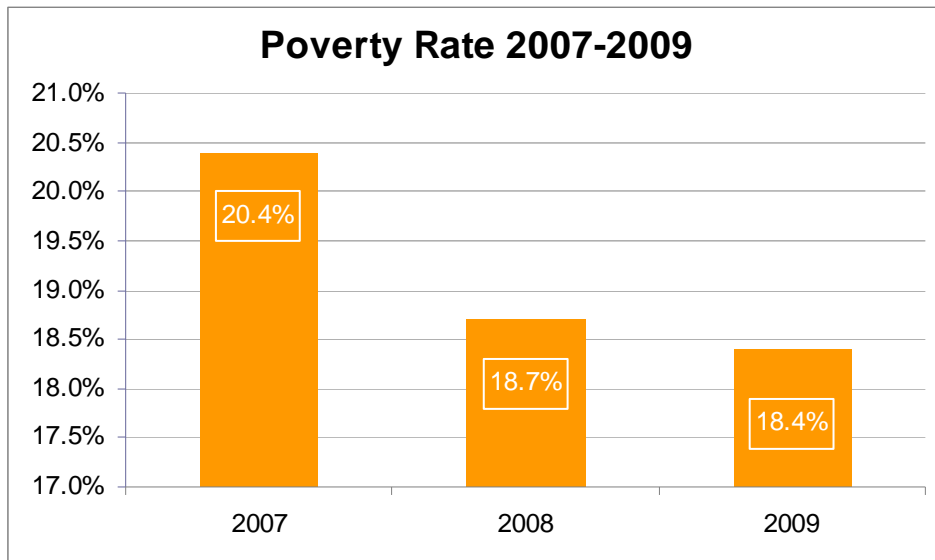
1. **Income:** overall Boston incomes rose despite higher unemployment. The median household income for Boston resident actually increased over the past two years, after decreasing in 2008. The one-year increase (from 2008) was \$4,487 (or 3%). It is important to note that Boston's median income is still significantly below Massachusetts' statewide median of \$64,081.



2. **Unemployment:** Boston's overall unemployment rate went up dramatically from 8.2% in 2007 to 11.2% in 2009.

B. Poverty & Economic Hardship

1. **Poverty:** although a significant percentage of Boston individuals and families continue to live in poverty, the 'official' poverty rate has actually decreased. 103,197 or 16.9% of individual residents live in severe poverty--below the federal poverty threshold (which is \$18,310 for a family of 3 or \$22,050 for a family of 4). This poverty rate is down from 18.7% in 2008 and 20.4% in 2007.



2. **Family and Child Poverty:** almost 12,937 Boston families in live in poverty—earn less than the Federal poverty level—with over 23,923 children in poverty.
3. **Economic Hardship:** a more realistic measure of poverty is 200% of the Federal poverty threshold. **One-third of all Boston residents live in economic hardship, defined as twice (200%) the poverty threshold.** 200% of the Federal Poverty level is \$36,620 for a family of 3 and \$44,100 for a family of 4). This is also down from 37.7% in 2007.
 - **Using real costs:** even more realistic, the Crittenden Women's Union has developed a self-sufficiency index for every city and town in Massachusetts, which is based on actual costs and prices. Using this index, the number and percentage of families in poverty or economic hardship in Boston would be even higher. The Economic Independence standard calculates the real 'bare bones' cost of living for Massachusetts families, without social subsidies or supports like food stamps, housing or child care vouchers. These real-life figures show that to survive in Boston without these supports, a 3 or 4 person family must earn more than \$60,000 a year—or even more if they have young children who need childcare. For more information, see http://www.liveworkthrive.org/research_and_tools/economic_independence_calculator

4. **Working Poverty: more poor people are working.** Among those 16 years and older and in poverty in 2009, half (49%) individuals worked full or part-time. This is up significantly from 2007, when it was 41.4%

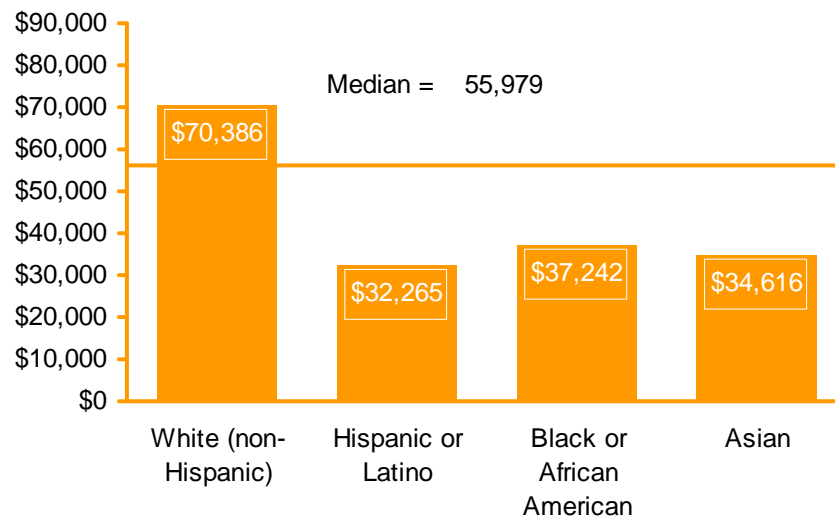
Summary of Poverty Statistics		
Indicator	Number	Percentage
People living below 100% of the poverty line	103,197	16.9%
People living below 200% of the poverty line	204,685	33.4%
Families living in poverty	12,937	13%
Children living in poverty	23,923	27%
Median Household Income	\$55,979	N/A
Percentage of those living below federal poverty level who work full or part-time	67,853	49%

C. Large and Persistent Racial/Ethnic Disparities in Income, Unemployment and Poverty

Boston is marked by significant racial/ethnic gaps in income, unemployment and poverty, as well as some important gender and age gaps.

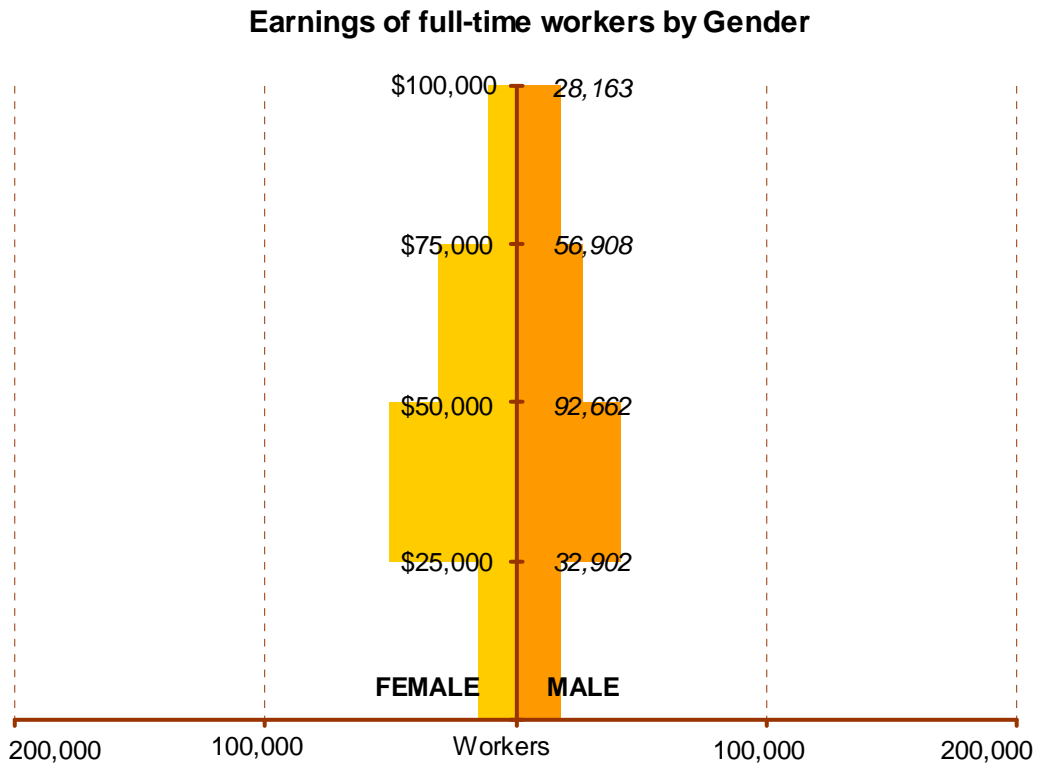
1. **Income Disparities by Race/Ethnicity:** There is a very wide racial disparity in median household income in the City of Boston. Latino/Hispanic households earned a little more than half of the overall median (58%), Asian households earned 62% of it and Black or African American households earned only 2/3 of the overall median. On the other hand, White (non-Hispanic) households earned well over the City's household median income (126%).

Household Income by Race and Origin



Race/Ethnic Origins	Median Household Income	% of Overall Median
Hispanic or Latino	\$32,265	58%
Asian	\$34,616	62%
Black or African American	\$37,242	67%
White (non-Hispanic)	\$70,386	126%
Total Population	\$55,979	100%

2. **Income Disparities by Gender:** for full-time year-round work, Boston males earned \$51,166 a year, whereas females earned \$47,622. The overall gender gap in wages across all industries is 3%.



3. **Unemployment: Race/Ethnic and Age Disparities:**

While Boston’s overall unemployment rate jumped from 8.2% to 11.2% overall, the burden of increased unemployment was not evenly shared across the population. (And it is well established that these ‘official’ unemployment rates are lower than real unemployment, since they do not count people who have been unemployed for a long time.

Young people age 16 to 19 years continued to have an unemployment rate almost three times the overall rate. Their 2009 unemployment rate was 30.4%, up from 27.3% in 2007.

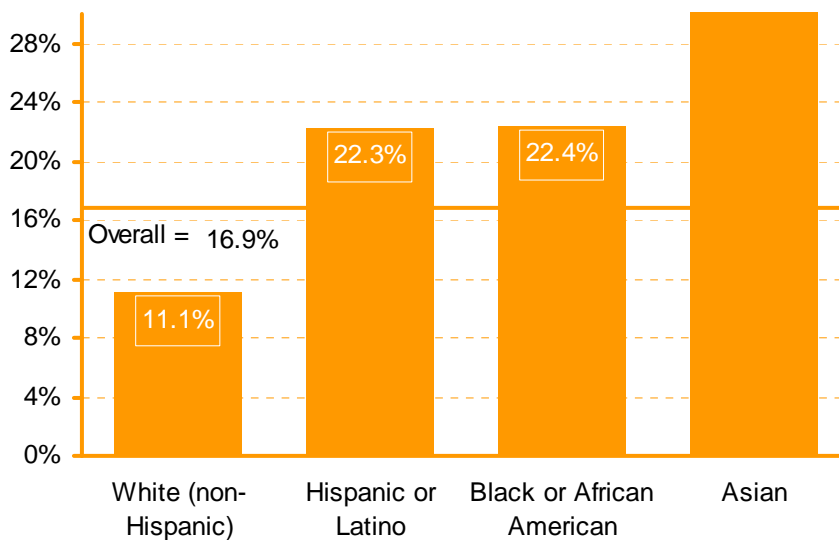
African American residents continued to experience unemployment at much higher rates than other groups: 21.4% in 2009, up from 14.6% in 2007. White residents continued to have rates much lower than the overall citywide unemployment rate.

Unemployment Rates by Ethnicity in Boston, 2007 and 2009		
	2007	2009
African Americans	14.6%	21.4%
Latinos	12.9%	14.0%
Asians	8.5%	12.5%
Whites (non-Hispanic)	4.5%	6.7%
Overall	8.2%	11.2%

4. **Poverty Disparities by Race/Ethnicity:** Asians, Latinos and African-Americans experience poverty rates significantly higher than the general population and much higher than white Bostonians. Asians are the ethnic group with the largest percentage of residents living below the federal poverty level (FPL), with a poverty rate almost twice the Boston average.

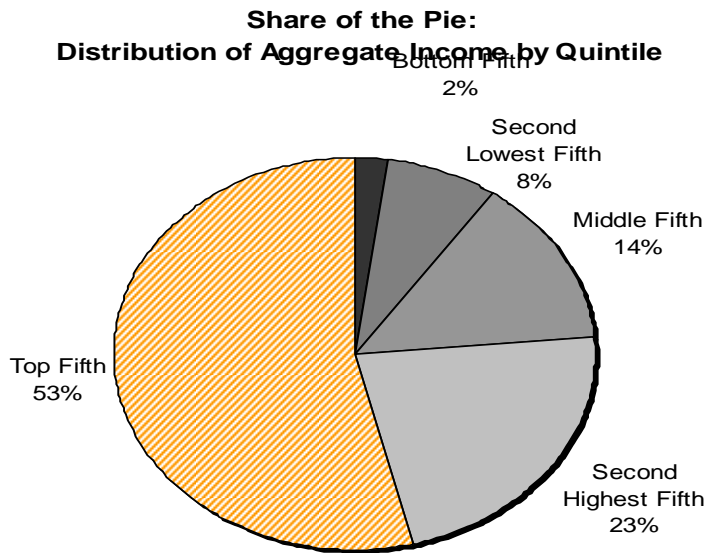
- Poverty rate for Asians = 30.1%,
- Poverty rate for African Americans = 22.4%
- Poverty rate for Hispanic/Latinos = 22.3%
- Poverty rate for general population = 16.9%
- rate for whites (non-Hispanic) = 11.1%

Poverty Rate by Race and Origin



D. Income Inequality

1. **Income Continued to Flow to the Rich:** The top fifth of all Boston households with the highest income continued to claim more than half of all income earned here (53%), while the bottom fifth of households got a measly 2.2% of the pie. Boston continues to have one of the highest levels of inequality of all US cities, as measured by the gap between the highest and lowest income households (called the 'Gini coefficient.')
- Other highly unequal cities include: Washington DC; Miami; New York; Chicago and Los Angeles.



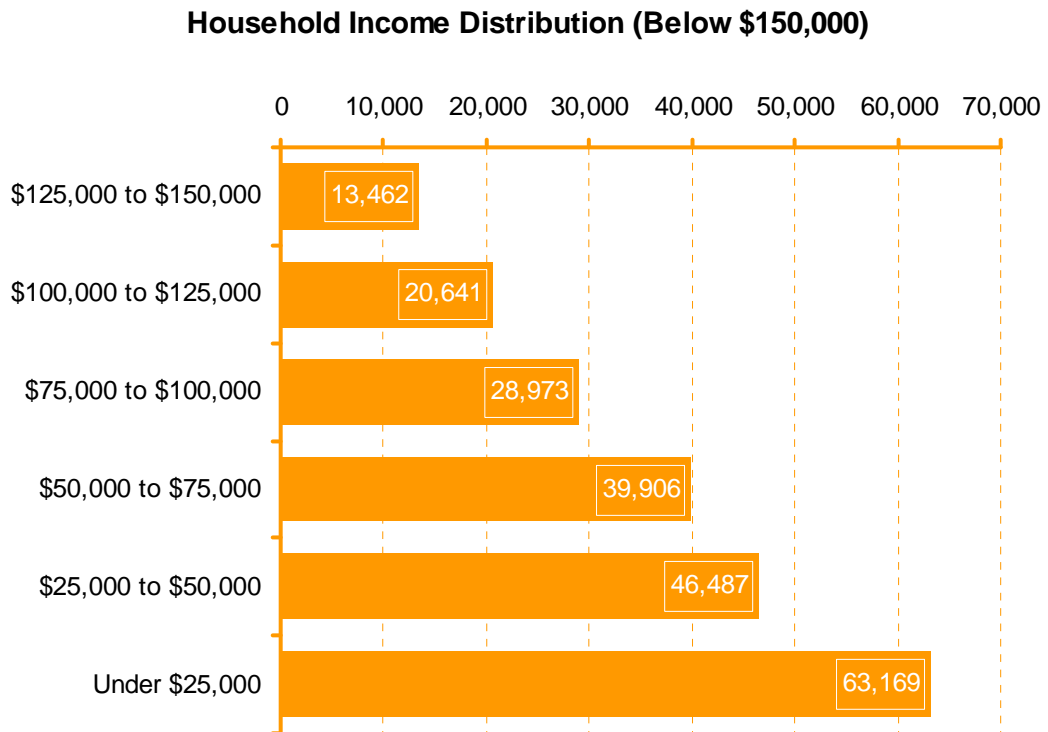
2. **Many in Boston Earn Very Low Wages:** 32,902 Boston residents who worked full-time in 2009 earned less than \$25,000 a year (or \$12.02). This represented more than ¼ of all full-time Boston residents who worked full-time. Even worse, almost one in every five Boston workers who worked full-time in 2009 earned well under the legal minimum wage of \$8.00/hour.

Earnings for Full-time Year-round Workers (over 16 years old)

Workers earning less than \$15,000 (\$7.21/hr)	43,703	18.2%
Workers earning less than \$25,000 (\$12.02/ hr)	63,169	26.3%
Workers earning less than \$35,000 (\$16.83/ hr)	80,827	33.7%
Workers earning less than \$50,000 (\$24.04/ hr)	109,656	45.7%
All workers	240,155	100%

3. **The 'Teardrop' Economy:** Income in Boston is distributed in a teardrop shape, with most residents clustered at the bottom, a phenomena that CLU first reported in 2007. More than one in four Boston households (63,169 or 26%) has an annual income less than \$25,000. Almost half of Boston households (109,656 or 46%) have an income under \$50,000. Only one in ten of the region's households have income greater than \$150,000.

The chart shows the distribution in household income up to \$150,000 for which data in comparable increments is available



E. Health Insurance: Disparities in Who Is Uninsured

1. **Higher Percentage of Uninsured than MA Average:** the total number of people without health insurance in Boston in 2009 was 39,058 or 6.1%. This is significantly more than the Massachusetts average of only 4.2% uninsured.
2. **There are significant racial disparities in health coverage.** While only 3.6% of white non-Hispanic residents are uninsured, 13.8% of Hispanics are uninsured and 6.5% of African Americans and 6.2% of Asians. Half of all uninsured residents are foreign born and almost 41% are non-citizens.
3. **More males and more adults:** The total number of Boston working aged adults (18-65) without health insurance in 2009 was 36,548 or 7.9%. Uninsured Boston residents are 2/3 male, with a median age of 30 and a median household income of \$38,700.
4. **Almost all uninsured Bostonians are in the labor force (82.5%) and most are employed (63.3%), with more than 80% having worked in the past year.**
5. **Uninsured Bostonians were most likely to work in service occupations (43.5%),** followed by sales and office occupations (18.7%) and production or transport (12.6%)
6. **Across All Educational Levels:** On the other hand, uninsured Bostonians are as likely to have high educational levels as low ones: 30.5% had less than high school or GED; while 27.3% had a bachelor's degree or higher (27.3%)

F. Housing Patterns

1. **Two-thirds of Bostonians rent:** Almost 2/3 of Boston residents rent their homes (62.8%), while only 37.2% own them. The percentage of Boston homeowners has decreased slightly since 2007 (before the economic downturn), when it was 38.5%.
2. **Big racial/ethnic disparity:** There is a huge racial/ethnic disparity in who owns and who rents their homes in Boston.
 - **Latinos have the highest percentage of renters (83.3%) and the lowest percentage of home owners (16.7%).** This ratio has stayed the same since 2007.
 - **Three of every four Asian residents are renters (73.3%), while only 26.7% own their homes.** The percentage of Asian homeowners has increased slightly since 2007 (from 24.3% to 26.7%).
 - **Almost two of every three African American residents are renters (69%), while fewer than one in three owns her or his home (31%).** This ratio has stayed the same since 2007.
 - **While a slight majority of White (non-Hispanic) residents are renters (55.7%), almost half of them (44.3%) own their homes.** The percentage of white Bostonians who own their homes has decreased during the past few years, from 48.6% in 2007 to 44.3% in 2009.

¹ **The Data:** the following data comes from the 2009 American Community Survey (ACS) which was released on September 28, 2010 by the US Census Bureau. ACS provides demographic, economic and social data for individuals and households. The data is made available for geographic areas with populations of 65,000 or more.