

Testimony to the New York City Rent Guidelines Board: June 2024
The Center on Poverty & Social Policy at the Columbia University School of Social Work

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Thank you to the Rent Guidelines Board for the opportunity to submit testimony regarding recent poverty findings for New York City in 2022. The Center on Poverty & Social Policy at the Columbia University School of Social Work (CPSP) produces research to advance our understanding of poverty and the role of social policy in reducing poverty and promoting economic security and wellbeing in New York City and the United States. For more than a decade, CPSP and Robin Hood, the city's largest anti-poverty foundation, have tracked dynamics of poverty and disadvantage in New York City through a longitudinal study called the Poverty Tracker. The most recent Poverty Tracker report, [The State of Poverty and Disadvantage in New York City, Vol. 6](#), reveals a grim reality for many New York City residents. **Findings ultimately suggest that even a modest rent increase would exacerbate hardships experienced by renters in rent-stabilized units, many of whom are already struggling to make ends meet in the midst of an affordability crisis.**

In 2022, after several years of declining poverty rates, New York City saw its largest year-over-year increase in poverty in more than a decade when key pandemic-era policies that strengthened the social safety net expired. More specifically:

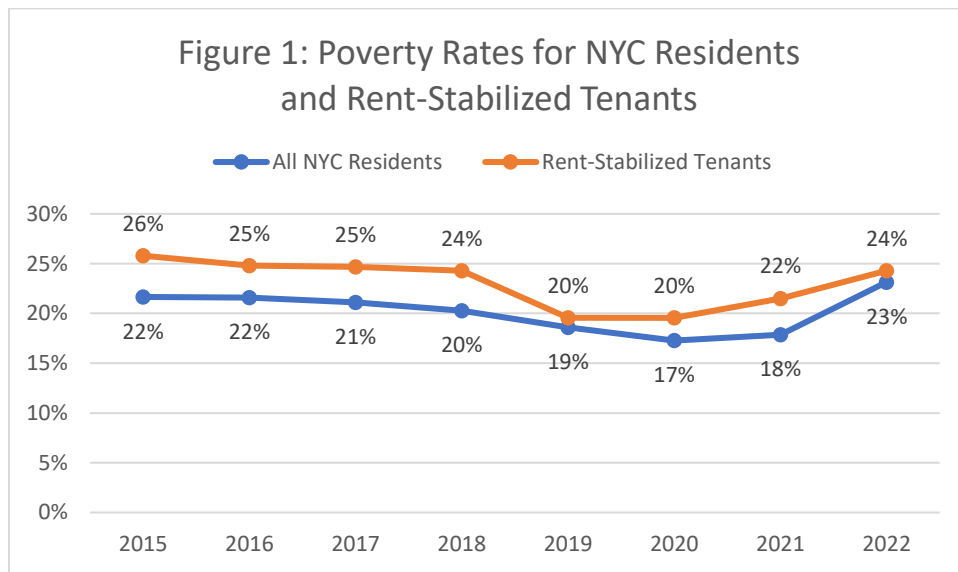
- In 2022, the poverty rate in New York City rose from 18% to 23%, with the number of New Yorkers living in poverty rising by 500,000, from 1.5 million to 2 million.
- Roughly 1 in 4 children in New York City lived in poverty in 2022, as child poverty rates rose nearly 66% from a historic low of 15% in 2021.
- In addition, more than half (52%) of adult New Yorkers either lived in poverty, experienced severe hardship, or had severe health problems in 2022, and these disadvantages were often not experienced in isolation.
- Racial inequities in the data were stark: Black, Latino, and Asian New Yorkers were about twice as likely to experience poverty compared to White New Yorkers.

The report also shows that the city is in an affordability crisis, and it is worsening. While New Yorkers in poverty endure a wide range of hardships, inflation and rising costs mean that even those above the poverty line struggle to make ends meet.

- 1 in 3 New Yorkers fell into the category of low-income but not in poverty, with incomes between 100% and 200% of the poverty line.

- Those below 200% of the poverty line were at least twice as likely to experience difficulty paying for housing, bills, and food compared to those above 200% of the line, and almost 1 in 5 low-income New Yorkers reported living paycheck-to-paycheck in the past year.
- Because low-income New Yorkers do not officially live “in poverty,” many are ineligible for government benefits like SNAP and the EITC.

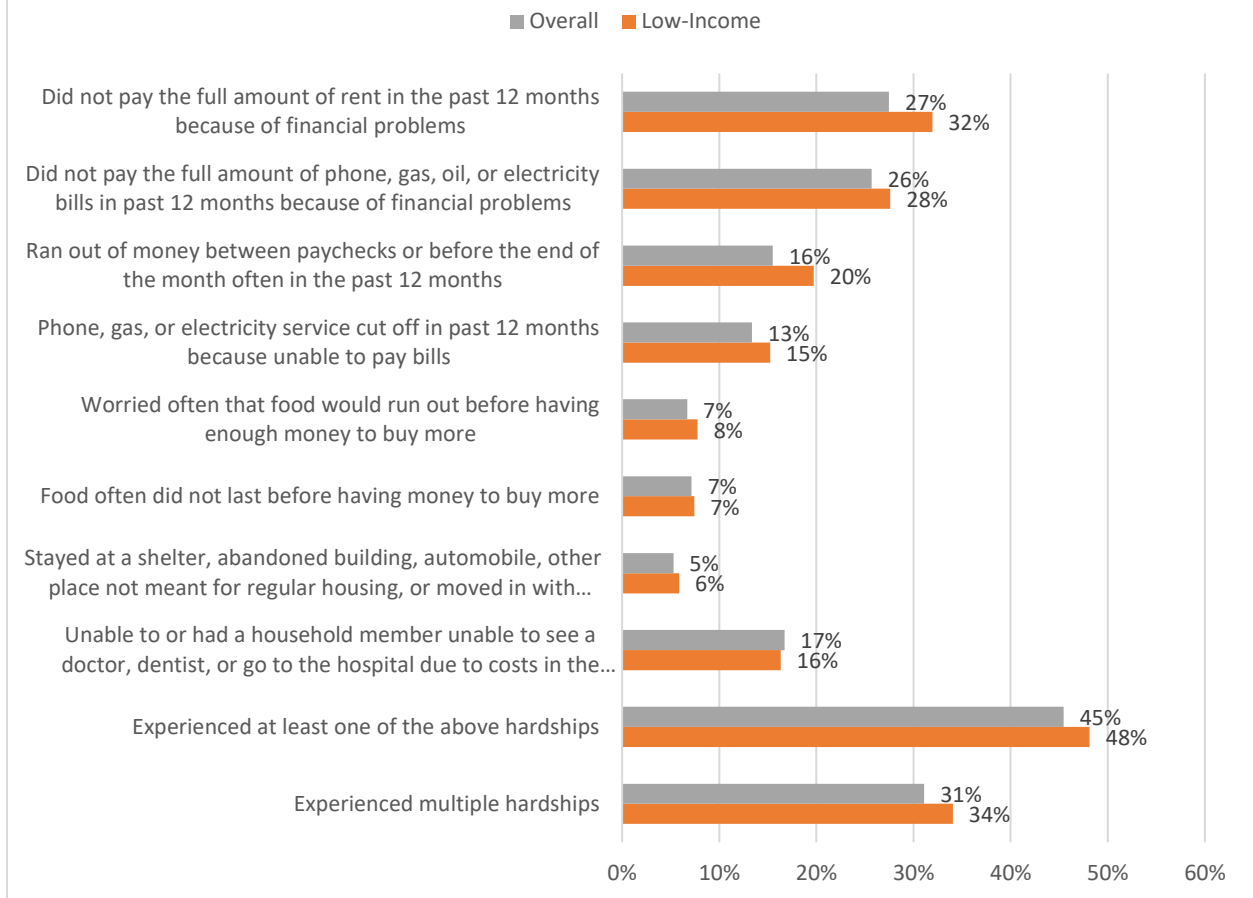
Poverty and hardship rates were even more pronounced among renters living in rent-stabilized housing.¹ As Figure 1 below illustrates, poverty rates among rent-stabilized tenants have consistently been higher than poverty rates among city residents overall. This trend held during the pandemic and through 2022, when the rate rose from 22% to 24%.



Hardship rates for New Yorkers in rent-stabilized units were also stark. Figure 2 presents hardship rates across a range of dimensions for all rent-stabilized tenants, as well as the subset of low-income tenants living below 200% of the poverty line. It illustrates that a sizeable portion of tenants struggled to make ends meet in 2022. Over 1 in 4 rent-stabilized tenants reported falling behind on rent and/or utilities payments, and a substantial share also ran out of money between paychecks or chose to forgo medical care due to cost. Strikingly, nearly half of renters experienced at least one form of hardship, and nearly one-third experienced multiple. And in nearly every dimension, low-income renters were hit hardest, reporting higher rates than the overall population.

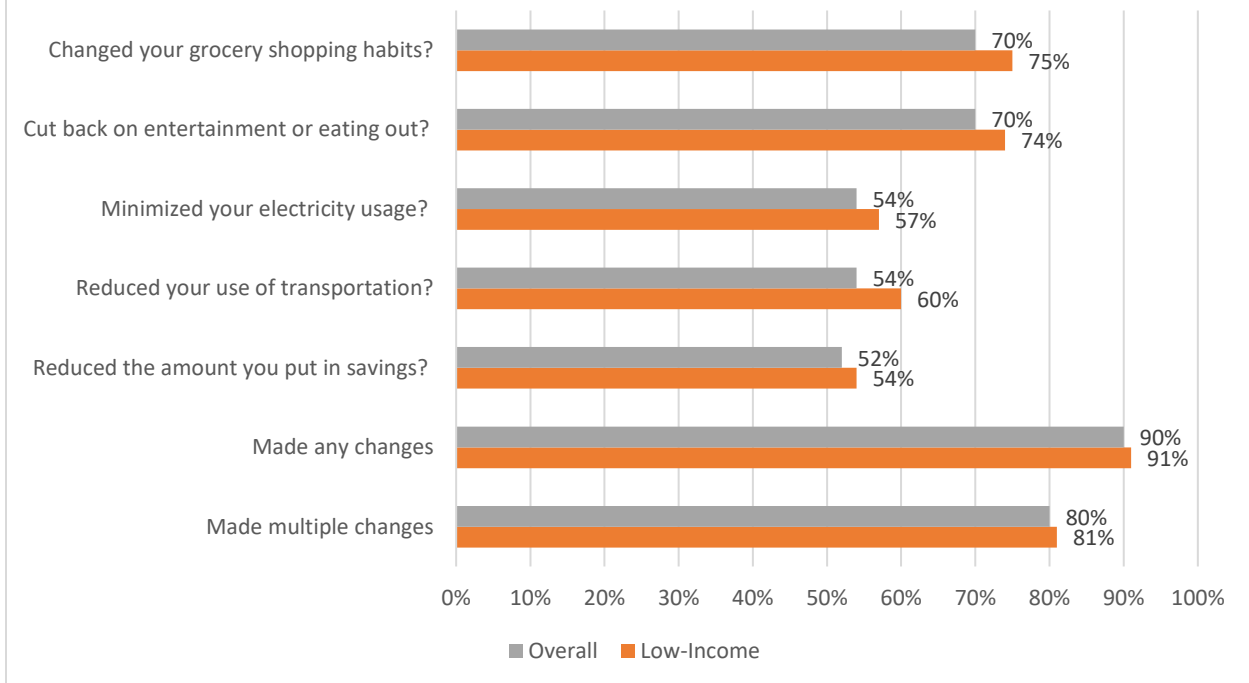
¹ Poverty Tracker data do not distinguish between renters living in rent-stabilized and rent-controlled units. However, data from the 2023 NYC Housing and Vacancy Survey suggest that individuals living in rent-controlled units account for less than 2% of this group. See Gaumer, E. The 2023 New York City Housing and Vacancy Survey: Selected Initial Findings. New York, NY: New York City Department of Housing Preservation and Development; 2024.

Figure 2: Hardship Rates Among Renters in Rent-Stabilized Housing



In a similar vein, rent-stabilized tenants (and low-income tenants in particular) have struggled to keep up with the record inflation of the post-pandemic years. As can be seen in Figure 3, 90% of renters in rent-stabilized units made changes to their consumption habits in response to inflation. Nearly a quarter changed their grocery shopping and social spending routines, while over half took more drastic measures like minimizing electricity and transportation usage.

Figure 3: Behavioral Changes due to Inflation among Renters in Rent-Stabilized Housing



The 2023 New York City Housing and Vacancy Survey report touches on another aspect of housing hardship: rent burden. **Its authors describe rent burden, defined as spending more than 30% of household income on rent, as being both ubiquitous and unequally distributed.** 43% of all NYC renters are rent burdened, with much higher rates seen among lower and middle income households.²

Poverty Tracker data confirm these troublesome trends for tenants in rent-stabilized units. In 2022, while 44% of all rent-stabilized households were rent burdened, the rate was as high as 74% among households below the poverty line. Table 1 presents rent burden rates across the full income distribution. Zeroing in on the subset of rent-burdened, rent-stabilized households, Table 2 presents median rent-to-cash ratios among various income groups. It shows that many low-income and impoverished rent-burdened households shouldered far higher rent-to-cash ratios than the 30% threshold level.

² Gaumer, E. The 2023 New York City Housing and Vacancy Survey: Selected Initial Findings. New York, NY: New York City Department of Housing Preservation and Development; 2024.

Table 1. Rent burden among households with rent stabilization, by percentage of the poverty line

| | 2022 |
|--------------------------------------|-------------|
| Under 100% (below poverty threshold) | 74% |
| 100%-200% | 52% |
| 200%-300% | 20% |
| 300% + | 16% |
| Total | 44% |

Table 2. Median rent-to-cash ratio among rent burdened households with rent stabilization, by percentage of the poverty line

| | 2022 |
|--------------------------------------|-------------|
| Under 100% (below poverty threshold) | 0.85 |
| 100%-200% | 0.42 |
| 200%-300% | 0.34 |
| 300% + | 0.41 |
| Total | 0.50 |

Taken together, the findings presented here demonstrate that renters in rent-stabilized units experience high levels of poverty and consistently struggle to afford basic needs. These disadvantages are especially pronounced for low-income renters, many of whom face elevated rates of material hardship and spend a majority of their cash income on rent. And the expiration of pandemic-era social safety net policies has only served to exacerbate hardship amidst rapidly rising costs of living. **Overall, the data suggest that even a modest rent increase would place painful burdens on a population of renters that is already struggling to make ends meet.**