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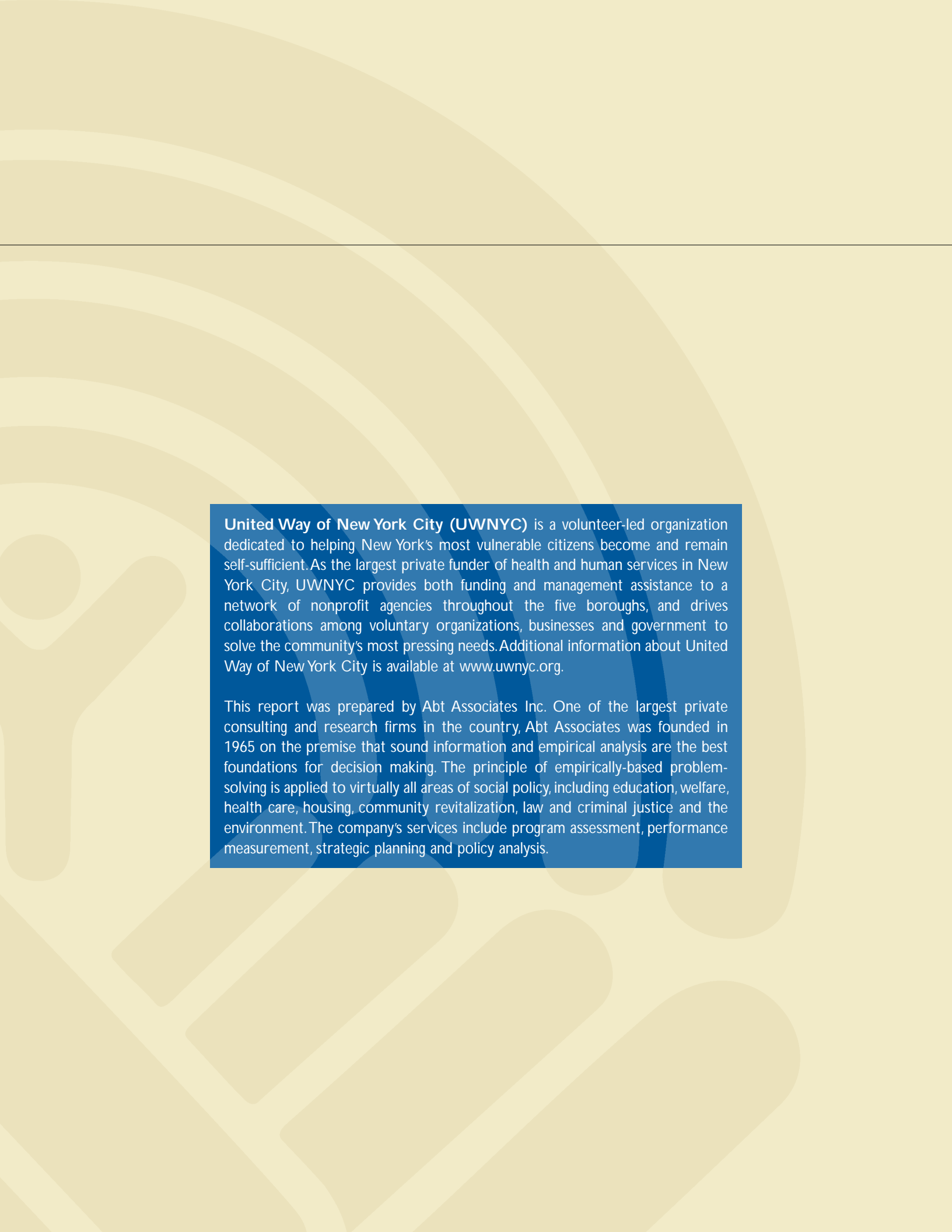
# Slicing the Apple

Need Amidst Affluence in New York City, 2002



United Way of New York City.  
The Way New York Cares.  
Community by Community.™





**United Way of New York City (UWNYC)** is a volunteer-led organization dedicated to helping New York's most vulnerable citizens become and remain self-sufficient. As the largest private funder of health and human services in New York City, UWNYC provides both funding and management assistance to a network of nonprofit agencies throughout the five boroughs, and drives collaborations among voluntary organizations, businesses and government to solve the community's most pressing needs. Additional information about United Way of New York City is available at [www.uwnyc.org](http://www.uwnyc.org).

This report was prepared by Abt Associates Inc. One of the largest private consulting and research firms in the country, Abt Associates was founded in 1965 on the premise that sound information and empirical analysis are the best foundations for decision making. The principle of empirically-based problem-solving is applied to virtually all areas of social policy, including education, welfare, health care, housing, community revitalization, law and criminal justice and the environment. The company's services include program assessment, performance measurement, strategic planning and policy analysis.

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# Introduction

In the imaginations of those from other places, New York City often looms larger than life, the embodiment of both the best and the worst that the United States has to offer. It is ironic that this least typical of cities is frequently seen as the archetypal American city. The dynamism, vibrancy and resourcefulness of New Yorkers make the city a symbol of hope and opportunity to people from all over the globe. But the problems that beset many of its residents appear larger than life as well. The extremes of affluence and poverty, power and vulnerability, exist side by side in unsettling juxtaposition.

And yet the measure of any society lies not only in the prospects for success that it can offer to some of its members, but also in its ability to extend them to even its most vulnerable ones. For New York City's social service providers, the challenges of helping the city's neediest residents are amplified by the sheer scale of the place, as well as by the enormous diversity of their needs.

How best to address them? The voices of need are so clear, so many in number and each so compelling, that together they can create an overwhelming cacophony that makes it difficult to determine priorities. Allocating resources between so many competing, legitimate needs is a combination of science and art, of impartial data and subjective interpretation. Fundamental to the exercise, however, is an understanding of the "landscape" of human needs in New York City. That is the purpose of this report. Commissioned by United Way of New York City (UWNYC) and completed by Abt Associates, "Slicing the Apple: Need Amidst Affluence in New York City, 2002" provides a broad overview of significant issues and trends affecting human services in New York City. It is written for decisionmakers, policymakers, service providers, financial supporters and all those who take an interest in the human needs of New York City.

## Six Key Trends

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This report examines New York City demographic and income trends, the economy, education, health care, housing, crime and safety and philanthropy. It provides an overview of the major trends and issues in selected aspects of each subject, with the aim of providing a basic understanding of the defining issues that can be used to inform decisions about strategic action. *This report does not strictly define the need for services, but rather illuminates the changing social conditions from which the needs arise.* It is the first step — but only the first — in helping organizations determine their priorities.

To help organize the voluminous material collected for this report, we have identified six key trends that describe the most significant changes that have occurred in the city over the last decade and that continue to shape the city's identity. These are:

- New York City is a more diverse and international city than ever.
- Amidst growing general affluence, a large share of New Yorkers lives in severe poverty.
- The city's public schools are showing some signs of improvement, but are still challenged to meet the educational needs of the city's youngsters.

- Health status has improved in many respects, but more New Yorkers than ever lack access to health and mental health care.
- With respect to housing, the most significant needs are in the areas of housing affordability and homelessness.
- The city's streets are safer, but homes are becoming more violent.

This report is a summary of a larger Technical Report that can be found on United Way of New York City's Web site ([www.uwnyc.org](http://www.uwnyc.org)). The Technical Report analyzes the subjects of demographic and income trends, the economy, education, health and mental health, housing, crime and safety and philanthropy. For each subject it provides queries that nonprofit organizations might ask themselves as they consider ways to address human needs in that area, and provides illustrative examples of activities. Analyses are conducted at the borough and local levels, with extensive supplementary data presented in Appendices. The Technical Report also suggests a framework for action — ways in which organizations may use the information in the report to help inform the process of strategic decisionmaking.

## New York City in a Time of Uncertainty

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This report was written on the cusp of two events that are likely to change New York City's human needs landscape profoundly: the September 11 attacks on the World Trade Center, and an economic downturn that followed nearly a decade of unprecedented prosperity. The effects of September 11 on New York City's human service needs related to employment and training, housing, mental health and immigration services and nonprofit organizations are the subject of a separate, companion report titled *Beyond Ground Zero: Challenges and Implications for Human Services in New York City Post September 11*, available from United Way in print form and from the UWNYC Web site.

That this report was written before the full impact of either September 11 or the economic downturn was known has two important implications for the interpretation of its findings. First, because of reporting lags, much of the data in this report reflects a time of economic expansion — one of the nation's longest. The boom years of the middle and late 1990s brought unprecedented prosperity to many people, including the city's most vulnerable residents. Thus, the human needs that *do* emerge from the data of this period are all the more compelling because they reflect a period of relative prosperity. They probably represent the lower bound of what can be expected if economic conditions decline. Just as demand for services was expected to increase because of the downturn that began in the spring of 2001, an impending city fiscal crisis, the worst in years, presented grave implications for the level of funding available for human services.

Second, we can only speculate about what will be the *enduring* effects of these two events. As this report was being written, the city — government agencies, nonprofit service agencies, philanthropic organizations, businesses and the general public — was consumed with handling the impacts of September 11. Few were able to pause to reflect about the long-term implications of this disaster for the city. Likewise, the signs of an economic downturn were there, but experts were divided about its likely duration or severity. It was yet unclear whether the tremendous outpouring of charitable giving to New York City for disaster relief would reduce giving later in the year and for other purposes; whether New Yorkers' renewed sense of community and civic pride would endure; whether the ominous clouds of economic decline would pass quickly over the horizon or their shadow linger over the city for an extended time.

But the fundamental messages of this report remain timely despite the uncertainties of the period in which it was written. The human needs that were apparent even in times of prosperity will undoubtedly persist in harder times, and likely grow. They are a compelling reminder that continual vigilance and effort are required to extend the promise of opportunity to *all* New Yorkers. And while the tragic events of September 11 reverberate through almost every facet of the city's human needs, consuming much of its energy, we must remember that the human needs that existed in the city before the attacks endure, and should not be eclipsed. This report is also a reminder that those needs are no less important today than they were on September 10.

These six trends are discussed in the following sections of this report.

## An Increasingly Diverse and International City

Perhaps the most striking characteristic of New Yorkers is the diversity of their racial, ethnic and national origin. New York is truly a global city in its population makeup, and is becoming even more so. These demographic changes have important implications for human service delivery. Information about such changes can be used in a number of ways. Determining the amount and location of human services targeted to specific groups involves considerations such as:

- The absolute size of the group in a particular geographic area
- The density or concentration of the group in the geographic area's overall population, and
- The rate of change or growth or decline of the group in the geographic area.

### Growing Population

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In 2000, New York City's population of 8.1 million people made it the largest city in the nation. The next largest city in the United States, Los Angeles, is less than *half* the size of New York City. If the five boroughs were counted as separate cities, four of them would rank among the ten largest cities in the United States. Brooklyn (2.4 million) would be ranked fourth, Queens (2.2 million) fifth, Manhattan seventh (1.5 million) and the Bronx (1.3 million) ninth.

The city is growing less quickly than the nation overall — national population growth was 13 percent compared to New York City's 9 percent. But the city grew more quickly than New York State, which grew by only 5.5 percent. New York City residents account for 42 percent of the state's population.

### A City Without A Majority

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In New York City, minorities are significantly in the majority — but no one ethnic or racial group dominates. Most New Yorkers — two out of three people — are people of color. In New York City, whites<sup>1</sup> are the largest racial group but they comprise only 35 percent of the population (compared to 69 percent for the United States overall). In fact, whites were the only racial group to *lose* population during the 1990s. New York's largest non-white populations are Hispanics and blacks, which each comprise roughly one-quarter of the city's population. Hispanics comprise 27 percent of the population of the city, compared to less than 13 percent nationally. The share of blacks and Asians in New York City (25 percent and 10 percent, respectively) is double their share of the nation's population.

Racial diversity in the city has increased substantially (Exhibit 1). In 1990, 57 percent of New Yorkers were people of color. Today, the share is 65 percent.

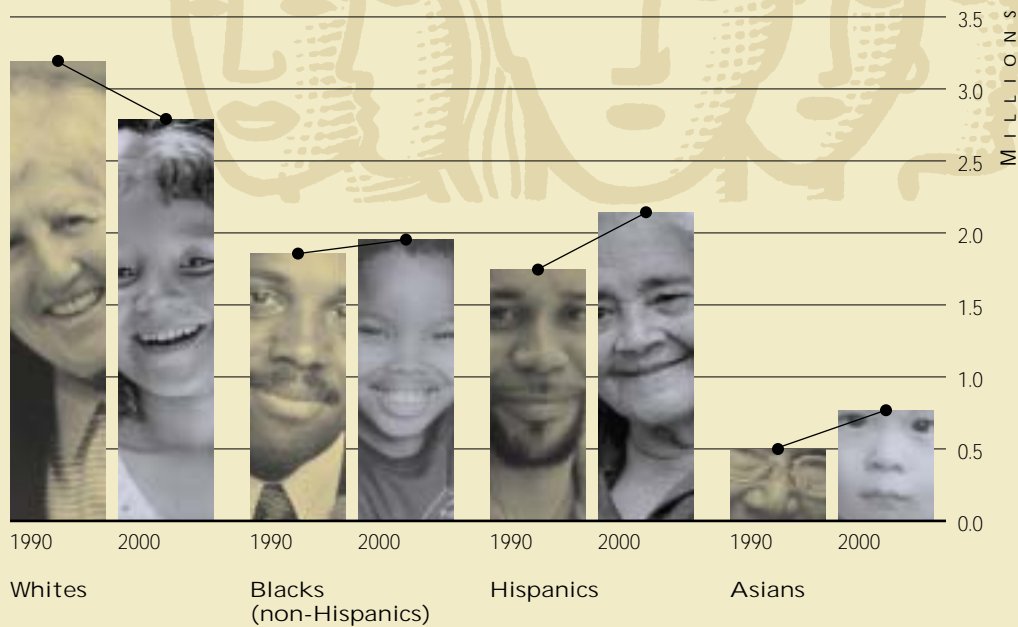
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<sup>1</sup> Throughout this chapter, to avoid cumbersome language we refer to Hispanics as a separate population group (spanning all races). We use the term "whites" and "blacks" to signify the *non-Hispanic* members of those races. However, the data oblige us to include (the relatively few) Hispanic Asians in the count of Asians.

## Exhibit 1

### Population Growth Among Racial and Ethnic Groups 1990-2000

Source: 1990 and 2000 Census



## Diverse Borough Populations

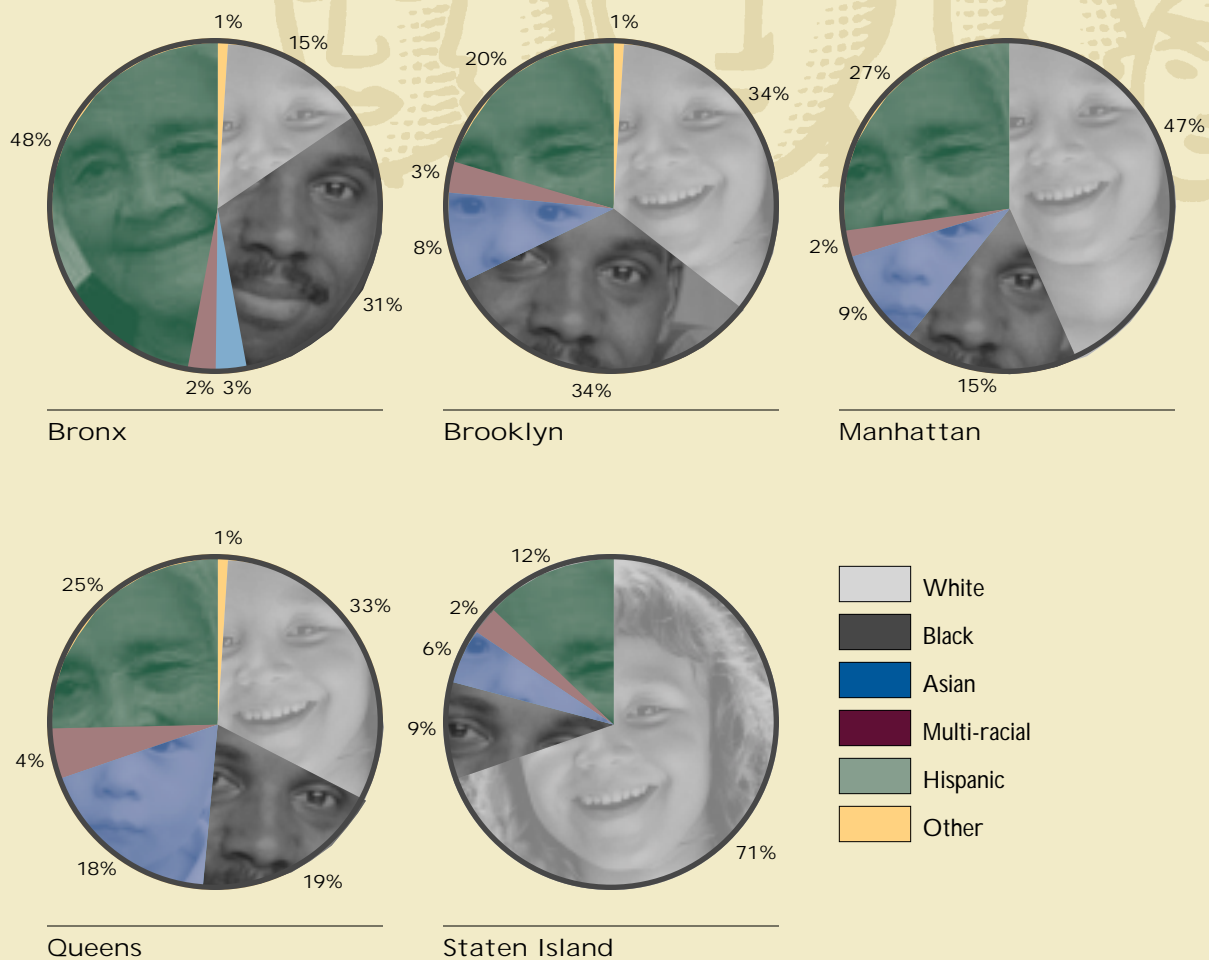
One aspect of diversity is shown by the share of the population composed of people of color (that is, non-whites). By this measure the most diverse boroughs are the Bronx, Queens and Brooklyn, where whites make up 35 percent or less of the population. In Manhattan, nearly half the population is white. Staten Island, the smallest borough, is the "most white" borough by far, with 71 percent of the population being white.

Another aspect of diversity is the *mix* of races. By this measure, Queens is the most diverse borough, with substantial representation by every racial group (Exhibit 2). Brooklyn also has a diverse mix of mostly blacks, whites and Hispanics. In comparison, the Bronx is comparatively heavily Hispanic and black. Manhattan is composed mostly of whites and Hispanics. And Staten Island, as we have seen, is predominantly white.

## Exhibit 2

### Population by Race/Hispanic Origin by Borough 2000

Source: 2000 Census



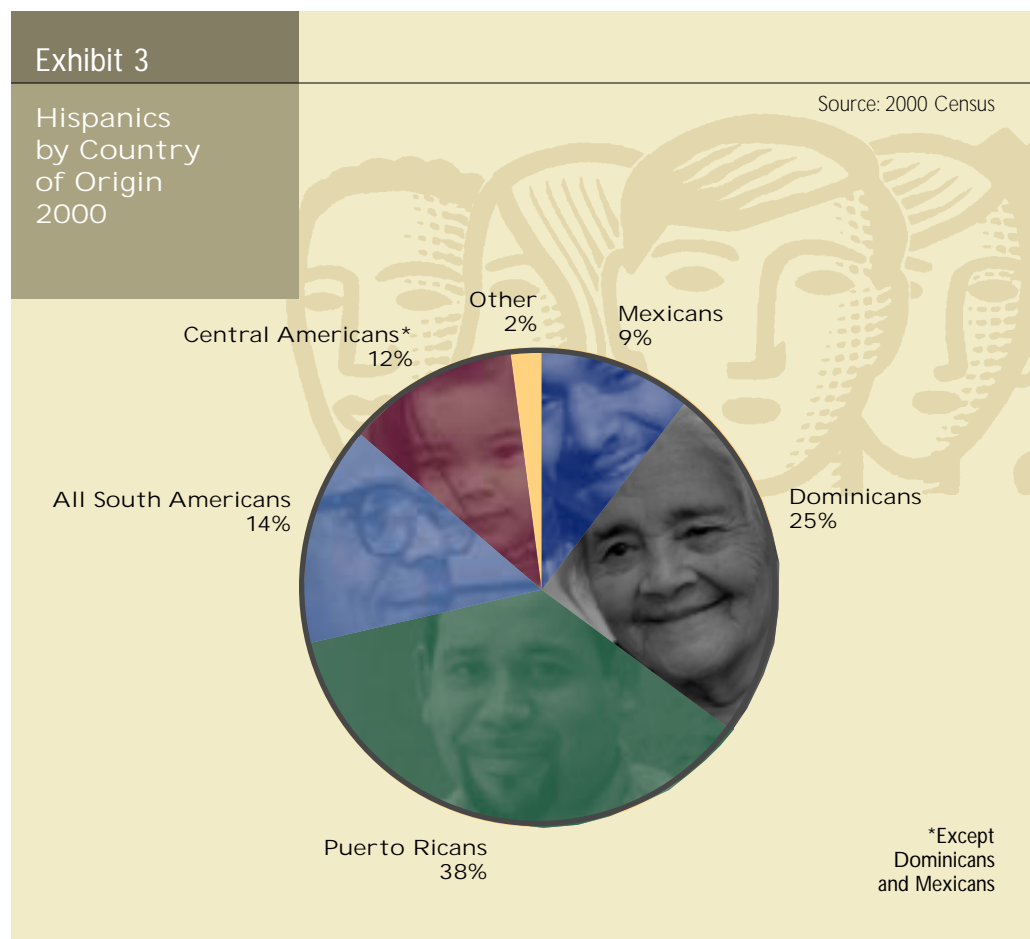
## Hispanics: The Largest “Minority”

New York City's 2.2 million Hispanics are the largest group of people of color. Hispanics represent 41 percent of its people of color.

The Hispanic population of New York City has increased significantly in the past 10 years, due to both immigration and high birthrates. In the 1990s, the traditional sources of Hispanic population growth — immigration from the Caribbean and high birthrates — have been supplemented by the movement of Hispanics from the south and

western parts of the United States to New York City. The number of Hispanics has increased by 423,000 since 1990, giving this group a growth rate of 24 percent, compared to the city's 9 percent growth rate. The most heavily Hispanic areas of the city are in the Bronx, with some local concentrations in Manhattan, Brooklyn and Queens.

Immigration in the 1960s, 1970s and 1980s has made Puerto Ricans by far the largest group of Hispanic New Yorkers. Today there are over 800,000 New Yorkers of Puerto Rican descent, accounting for 38 percent of all Hispanics in the city. A second major group is Dominicans,<sup>2</sup> which account for over 500,000 people, or 25 percent of Hispanics (see Exhibit 3). Mexicans are a distant third, with only 9 percent of the Hispanic population. The combined countries of South America and Central America (except the Dominican Republic and Mexico) account for 14 percent and 12 percent of Hispanics, respectively.



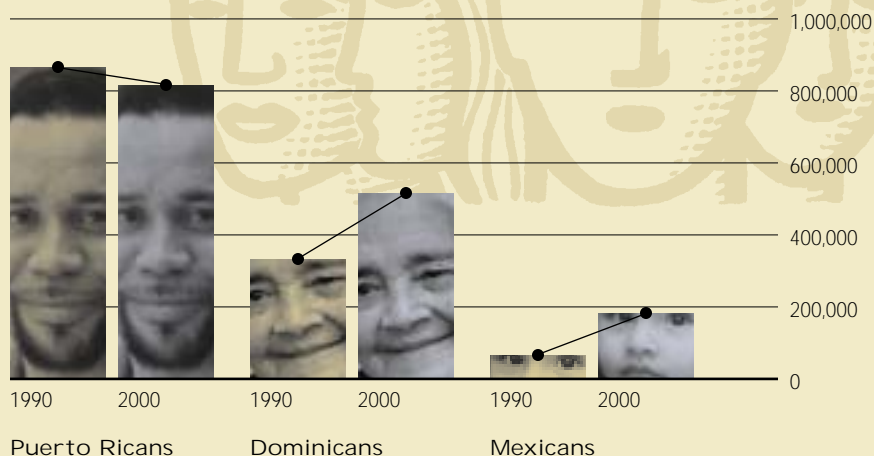
Puerto Ricans, long the dominant Hispanic group, are becoming less so. Their population actually declined in the 1990s (Exhibit 4). This decline, combined with large increases by other groups, combined to reduce their share of the Hispanic population from 50 percent in 1990 to only 38 percent ten years later. In contrast, the Dominican population grew by 60 percent, raising their share of the Hispanic population from 19 percent to 25 percent.

<sup>2</sup> The figures used in this section are adjusted to account for a likely 2000 Census undercount of certain Hispanic groups by country of origin.

## Exhibit 4

### Population Growth Among Major Hispanic Groups 1990-2000

Source: 1990 and 2000 Census (Hispanic origin)



But no major Hispanic group grew as much as Mexicans. Their numbers grew by 246 percent (from 56,000 to nearly 200,000), the highest growth rate by far of any other Hispanic group. They accounted for only 3 percent of the Hispanic population in 1990; today they account for 9 percent. Immigration data suggest that the increase stems less from immigration than from very high fertility and from internal immigration from other parts of the United States.

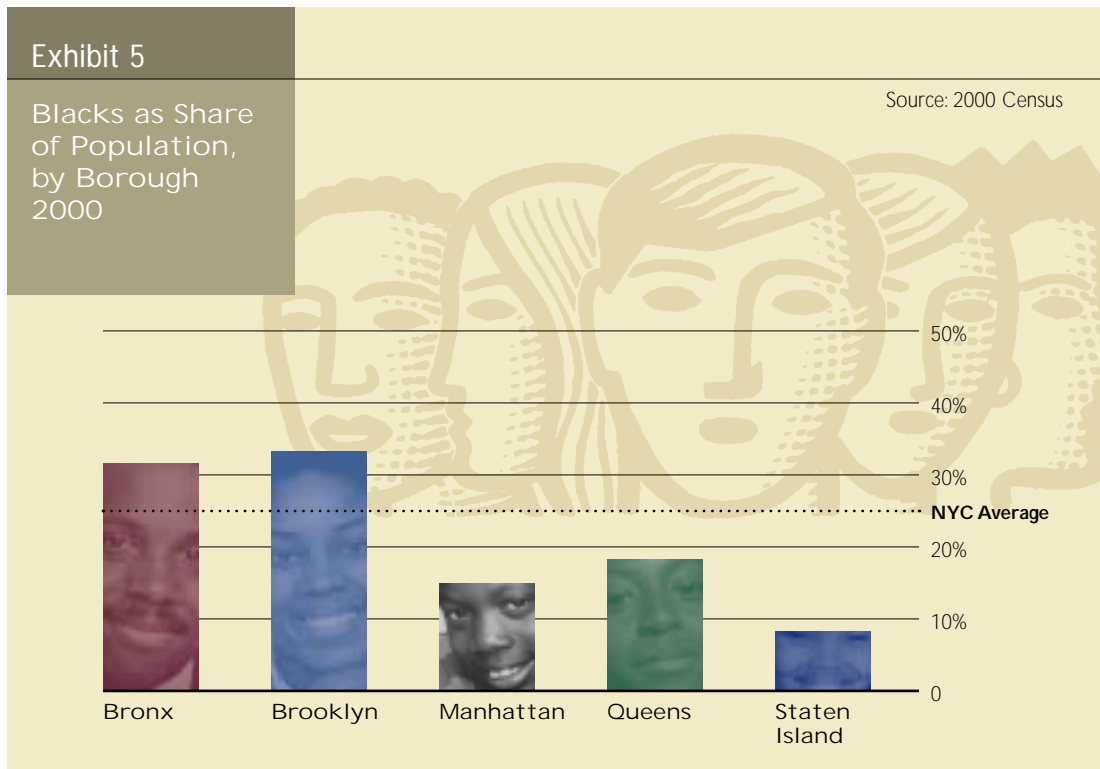
## Black New Yorkers

The Black (non-Hispanic) population of New York City accounts for nearly 25 percent of New York City's population, a share relatively unchanged from 1990. The Black population rose by 6 percent during the 1990s, a rate substantially lower than that of Hispanics and Asians.

The Black population is comprised of African-Americans as well as of foreign-born Blacks. The two groups are quite distinct, and important differences shape their social service needs. Historically foreign-born Blacks have come primarily from the Caribbean, but the newest major groups of Black New Yorkers are immigrants from sub-Saharan Africa.

Where do most Black New Yorkers live? Brooklyn has the largest Black population by far. Forty-three percent of the city's Black population lives there. The Bronx and Queens have the next largest Black populations, with about one-fifth of the city's Black population living in each borough. The remainder lives mainly in Manhattan. These patterns are largely unchanged from 1990.

Which areas have the highest concentrations of Blacks? Approximately one third of the populations of Brooklyn and the Bronx are Black (see Exhibit 5). Blacks account for about 19 percent of Queen's population and 15 percent of Manhattan's. Staten Island has relatively few Blacks (9 percent).



## Asians: The Fastest Growing Group of New Yorkers

The Asian population of New York grew by an extraordinary 75 percent between 1990 and 2000, making Asians by far the fastest growing major racial group. The Asian population grew from 511,000 to 892,000 in these ten years. Asians now account for nearly 11 percent of New Yorkers, with the increase stemming predominantly from immigration.

Where do most Asian New Yorkers live? By far, most Asians — half the city's Asian population — live in Queens. About one quarter live in Brooklyn, and nearly a fifth in Manhattan. The Bronx and Staten Island have very small populations of Asians.

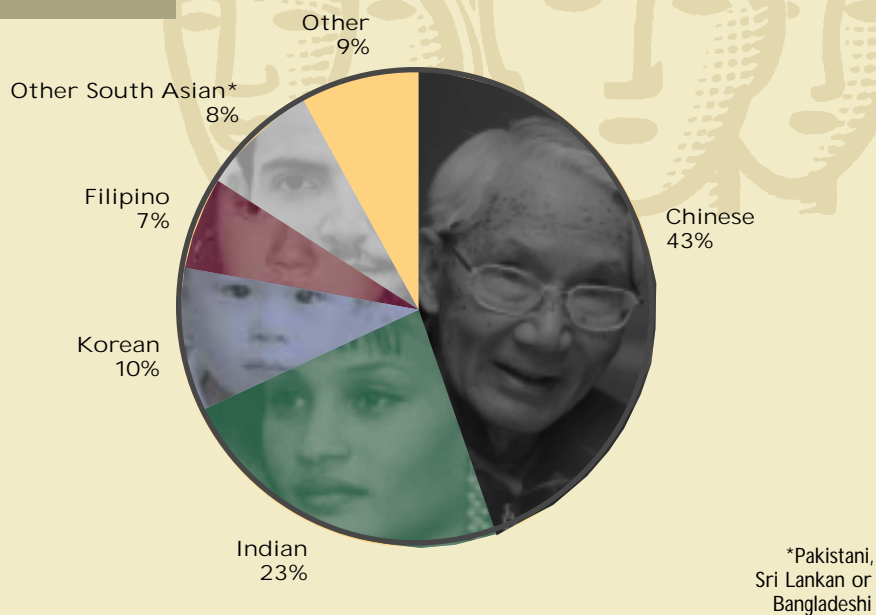
The "most Asian" borough of the city is Queens, and it is getting even more so. Queens has the highest Asian population density (20 percent) of any borough, and its Asian population grew by 84 percent in the past ten years, a rate that exceeded the overall Asian growth rate of 75 percent.

Brooklyn is notable because it has a fairly low Asian population density (9 percent), but the Asian population there increased by 92 percent, more than in any other borough. In contrast, Manhattan has a slightly higher density of Asians (10 percent), but with a relatively low growth rate of 46 percent.

## Exhibit 6

### Asians by Country of Origin 2000

Source: 2000 Census



New York City's 380,000 residents of Chinese origin make them the largest group of Asian New Yorkers. The Chinese represent about 43 percent of the city's Asian population (Exhibit 6). The next largest group is Indians, who number about 206,000 and account for 23 percent of the city's Asian population. A distant third is the Korean population, whose 90,000 members comprise 10 percent of Asian New Yorkers.

The two largest groups, Chinese and Indians, also posted the largest population gains (Exhibit 7). The Chinese population grew by 58 percent, while the Indian population grew by 134 percent, more than doubling in size. This represented the highest growth rate among Asians.

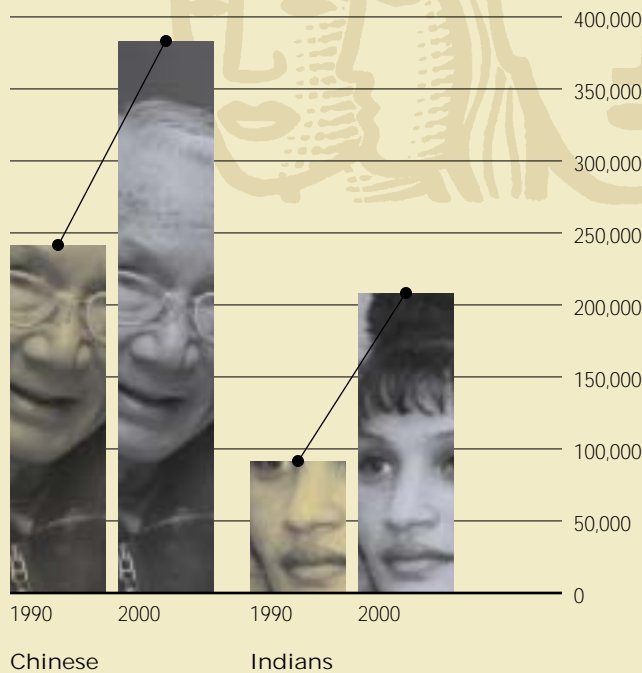
## Immigrants: A Source of Vitality

Immigrants have long been a major factor in New York City's unique vitality and dynamism, no less so today than ever. This report was written before the release of immigration-related data from the 2000 Census, and thus relies on data from the most recent systematic detailed analysis of the city's immigration patterns, a 1999 study conducted by the New York City Department of City Planning using 1995-1996 data. It found that in the mid-1990s, the city had less

## Exhibit 7

### Population Growth Among Major Asian Groups 1990-2000

Source: 1990 and 2000 Census (Asians including Hispanic)



than 3 percent of the nation's population, but received 14 percent of its immigrants. In 1996, over one-third of the city's population was foreign born. If we include the children of immigrants, we find that over one-half of the city's population is a first or second-generation immigrant. Fifty-two percent of newborns have at least one foreign-born parent.

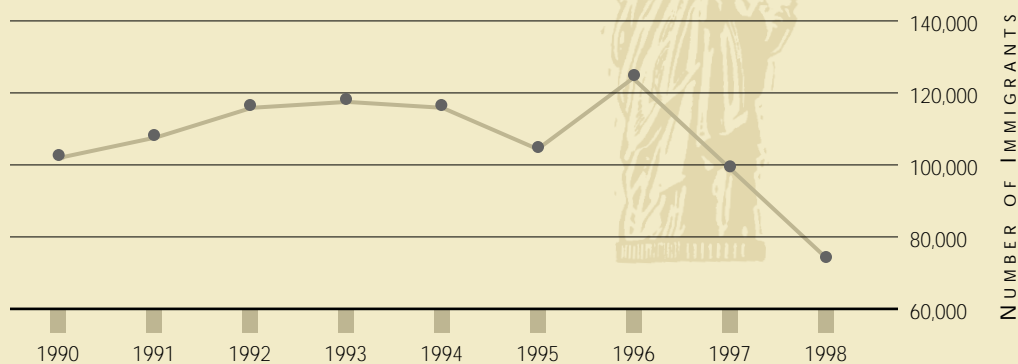
Annual immigration has fluctuated throughout most of the 1990s, ranging between 100,000 and 124,000, a peak reached in 1996. Between 1997 and 1998 (the most recent date available), immigration fell sharply, however, to a decade low of 76,000 (Exhibit 8). This dip occurred nationwide, and experts are still investigating why. One hypothesis is that it reflects lags in processing immigrants, rather than any real decline in people wanting to enter the U.S.

The top source countries for immigrants in 1998 were the Dominican Republic, China and the former Soviet Union, which all sent between 6,000 and 10,000 immigrants that year. Although their relative rankings have changed somewhat year to year, these were the big three source countries throughout the 1990s.

## Exhibit 8

### Immigration to New York City 1990-1998

Source: Immigration and Naturalization Service data



## A Snapshot of New Yorkers

The Technical Report also contains an analysis of the city's population according to other demographic characteristics, as well as their implications for social service needs. Among the subjects discussed are the trends concerning family composition, children and the elderly. Among these key demographic characteristics are:

- Between 1990 and 2000, the city's population of children increased at nearly double the rate of the general population (15 percent compared to 9 percent). Approximately 26 percent of the city's population, or nearly 2 million people are children. New York City has about 541,000 preschoolers (children aged 4 or younger) and 615,000 teenagers.
- Although their numbers are not growing quickly on average, the elderly are a large group. Approximately 938,000 New Yorkers are 65-years-old or older. The very old — those aged 80 or above — are a comparatively small group (about 250,000) but their numbers are growing quickly. This is significant because they have unique and intensive social service needs.
- The living arrangements of the elderly are significant because of what they may imply about potential access (or lack of access) to resources and about social isolation. Citywide, approximately 300,000 elders live alone and 36,000 live in nursing homes.
- With regard to family composition, about 2 out of 3 households in New York City are family households (defined as two or more people related by marriage, birth or adoption). The most "family-dense" area of the city is Staten Island (where families account for 73 percent of all households.) The least so is Manhattan, where only 41 percent of households are composed of families.
- Among the city's 1.9 million family households, about 900,000 contain children. Single parents, most often women, head 41 percent of families with children. Of all single parent families, women head about 86 percent.

The Bronx has the highest percentage of single-mother families (50 percent). Rates in the other boroughs range from 20 percent to 38 percent. The large number of single parent — and especially single mother — households is significant because these families are more likely to live in poverty, and to need social service supports, both for parents and children.

- Family size varies significantly by race and ethnicity, with Asians and Hispanics having the largest families.

## Implications for Human Services

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New York City's large immigrant population presents unique challenges to social service providers because of their large numbers, their distinctive needs and their ineligibility for some forms of public assistance. Unlike many other cities with large foreign-born populations, immigrants to New York City come not just from one or two parts of the world, but literally from everywhere and in great numbers. And because New York City is a temporary residence for many, a "transit point" en route to permanent settlement elsewhere in the U.S., the city's large immigrant population is constantly turning over, assuring that the multiple needs of immigrants for language, acculturation and other services persist.

- The growing diversity and internationalism of New York City have major implications for human service delivery. They oblige human service agencies to design flexible responses to the needs of different racial and ethnic communities — for example, to provide culturally appropriate human services. This includes recognizing cultural diversity not only across but also *within* broad racial categories. It also means moving beyond a cursory examination of the averages for any one group. For example, the treatment of Asians as a "model minority" — because on average their socioeconomic outcomes are quite high — may overlook the very real social service needs of certain segments of this population.
- With increasing population diversity, nonprofits need to develop intergroup relations and tolerance programs. These services are aimed at achieving greater levels of racial and ethnic harmony and may include work at the community level to build group dialogue and create forums where local issues may be addressed.
- Ethnic diversity indicates a need for multilingual staff at human service agencies, as well as information and referral and printed materials in many languages.
- Ethnic diversity also creates a greater need for training and career development paths that encourage people of color to enter human services fields.
- With a growing youth population and a large elderly population, there is a need for programs that serve both of these groups, including intergenerational programs that bring the young and old together.

## Economic Hardship Amidst Affluence

In a city that offers almost unimaginable luxury, many New Yorkers live in abject poverty. One of the most bedeviling aspects of the economic boom of the 1990s was that the poverty rate remained largely unchanged.

The social and emotional effects of poverty reverberate through almost all aspects of life. Although great human need can exist even in affluence — social isolation, depression and domestic violence know no socioeconomic barriers — poverty underlies many of the city's human needs.

### The 1990s: Growing Affluence, but Not in Equal Measure

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New Yorkers enjoyed particularly strong income gains during the economic boom of the middle and late 1990s. For example, their per capita personal income grew by 23 percent between 1988 and 1999 (in 1999 dollars), compared to 15 percent for the United States. Even the poorest borough, the Bronx, saw a 7 percent growth in real income between 1988 and 1999.

But the rich got *substantially* richer, while the poor were only slightly better off. Much of the income gain was fueled by growth in the wealthiest segments of the most affluent borough — the financial sector of Manhattan. Manhattan saw a 44 percent growth in income between 1988 and 1999 compared to growth rates between 5 and 23 percent in the other, lower-income boroughs. A recent analysis by Public/Private Ventures<sup>3</sup> found that between 1992 and 1999, the average income of the poorest fifth of New York City families increased by only 3 percent in real terms (from \$5,300 to \$5,400), while the average income of the richest fifth grew by 33 percent (from \$93,000 to \$123,500).<sup>4</sup>

Several factors contribute to the slow income growth among the city's poorest residents. Labor force participation is very low among poor households — on the order of 20 percent. Real average earnings in low-wage industries declined during the 1990s. And the steady influx of poor immigrants tends to depress average income figures in the bottom bracket.

### Many New Yorkers Are Still Very Poor

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Even after a period of strong economic growth, many New Yorkers are trying to get by on extremely low incomes. According to the 2000 Census Supplementary Survey, 21 percent of all households had incomes of less than \$15,000. One-third of households get by on less than \$25,000 per year. And half of households live on less than \$40,000 per year.

The Bronx and Brooklyn have the highest proportions of poor households (incomes below \$25,000). Queens and Staten Island have the highest shares of middle-income households (\$50,000-\$99,000), and the lowest percentages of poor households. And Manhattan has by far the highest share of very wealthy households (incomes over \$200,000).

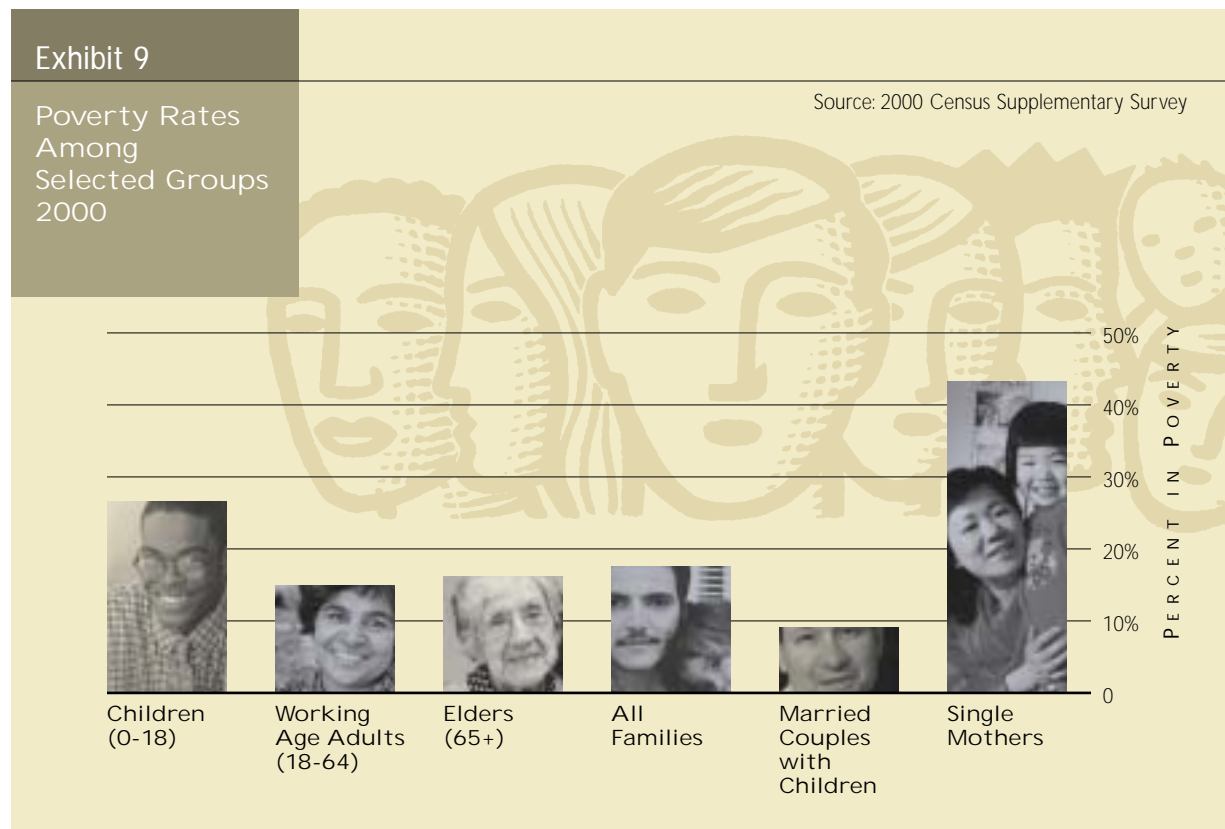
<sup>3</sup> Deepening Disparity: Income Inequality in New York City, Public/Private Ventures (September 2001).

<sup>4</sup> These figures need to be used cautiously, since they are based on data from the annual Current Population Survey, which uses a sample that is too small to be statistically reliable for New York City; but they are probably suggestive of the overall trend.

The persistence of poverty is highlighted by an examination of the share of New Yorkers living in what the federal government defines as poverty. It bears noting that the federally defined poverty threshold does not incorporate national variation in living expenses such as food and housing, and is thus felt to be unrealistic for high-cost areas such as New York City. The people living below the federal poverty line are only those at the very bottom of the economic ladder, not the entire population in poverty. Despite economic expansion that occurred in the mid and late 1990s, approximately the same number of New Yorkers was in poverty in 2000 as in 1989. According to the 2000 Census Supplementary Survey, 1.4 million people, or 18 percent of New Yorkers, reported incomes below the federal poverty level<sup>5</sup> — a figure little changed from the 19 percent reported in 1989.

However, it is important to note that changes over time in income distribution or poverty status do not take into account the movement of families and households among income brackets. Those who were poor in 1989 are not necessarily still poor; other poor families may simply have replaced them. This is a major shortcoming of the “snapshot” data that are available for analyses of trends in economic well-being.

Generally, elders are doing better than children because of the more comprehensive array of government programs aimed at the elderly, including Social Security. Children made up 26 percent of the city’s population in 2000 but 36 percent of people in poverty. Senior citizens, in contrast, comprised 12 percent of the population but only 10 percent of the poor.

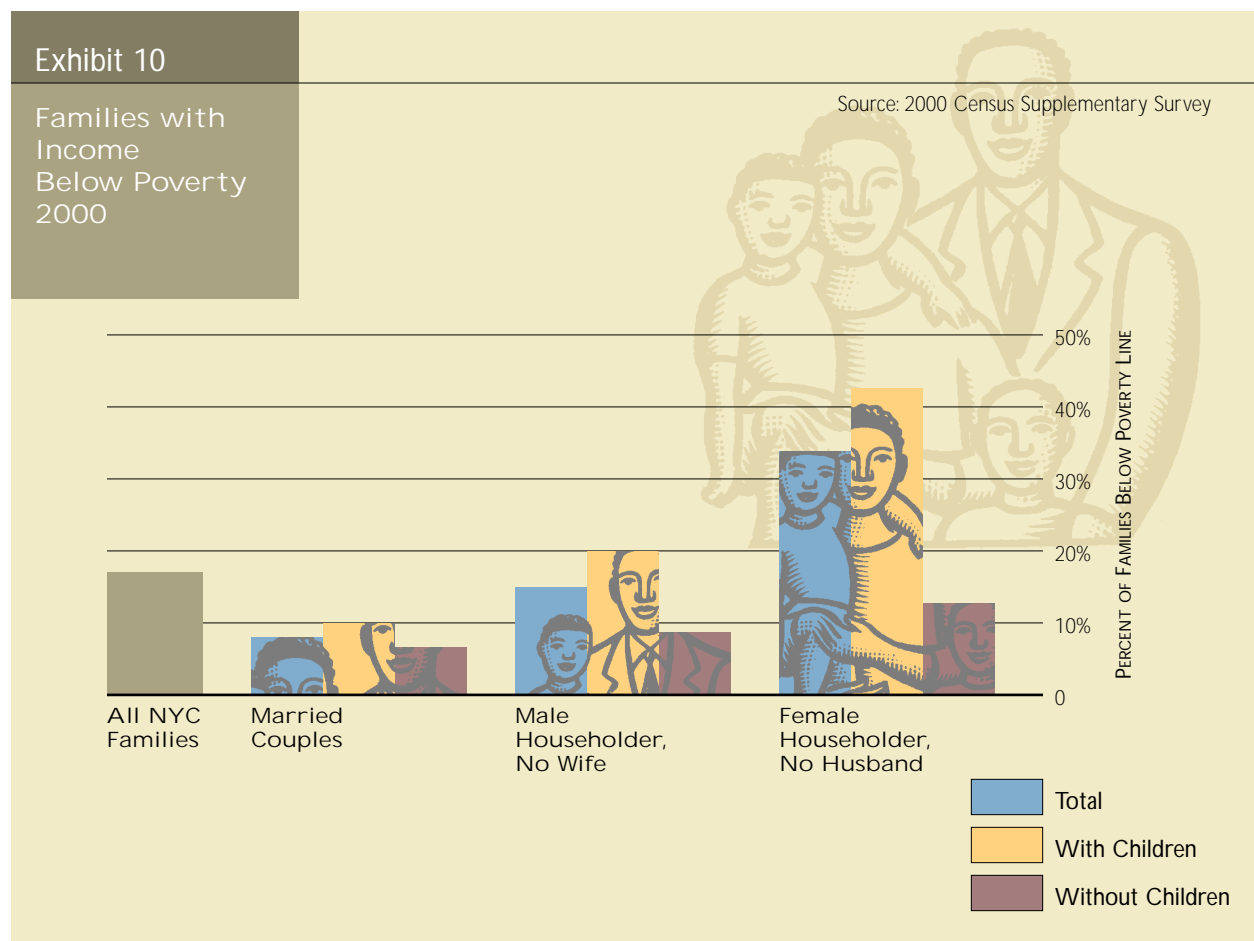


<sup>5</sup> The federal poverty threshold, defined for various household sizes for the nation as a whole, fails to incorporate the costs of childcare or geographic variations in the cost of housing (for example, it is currently defined as \$13,738 for a family of three). It is unrealistic for high-cost areas such as New York City. As such, it should be viewed as reflective of those on the very bottom of the economic ladder, rather than of the entire population in poverty.

Who is more likely to be poor? Slightly over 27 percent of children live in poverty, while nearly 16 percent of elders and 15 percent of working age people do so (Exhibit 9). The relatively better standing of elders with respect to poverty reflects the more comprehensive array of government programs available to people over age 64, including Social Security.

Among the boroughs, the Bronx had the highest rates of poverty among all age groups. Both Queens and Staten Island had significantly lower rates of poverty than the rest of the city, for all age groups.

Taking a closer look at families in poverty, it is women-headed families that are more likely to be poor than those headed by married couples or men alone (Exhibit 10). One-third of all female-headed families live in poverty, compared to only 8 percent of families headed by married couples and 15 percent of families headed by men.



Having children is more likely to place any type of household in poverty, as shown above in Exhibit 10. For all types of family configurations, more households with children live in poverty than those without children. Indeed, single mothers head most of New York City's poor families. In 2000, 63 percent (188,700 families) of poor families were headed by women. Most of them (88 percent) included children.

## An Alternative Measure of Economic Well-Being: the Self-Sufficiency Standard

In view of the limitations of the federal poverty threshold mentioned above, an alternative measure is the Self-Sufficiency Standard. The Self-Sufficiency Standard measures the costs of living in different areas of the city and the costs associated with different family types. For example, the Self-Sufficiency wage for a single person living in the Bronx is significantly lower, \$17,088, than the Self-Sufficiency wage for a two-parent family with two school-age children living in lower Manhattan, \$71,112 (Exhibit 11).

Exhibit 11		Examples of the Self-Sufficiency Standard Income Levels		
	One adult	One adult, one preschool child	Two adults, two school age children	
Bronx	\$ 17,088	\$ 34,248	\$ 37,188	
Brooklyn	\$ 18,276	\$ 35,460	\$ 45,456	
Manhattan (Lower)	\$ 28,704	\$ 59,880	\$ 71,112	
Manhattan (Upper)	\$ 17,388	\$ 38,676	\$ 48,660	
Queens	\$ 19,320	\$ 37,464	\$ 47,460	
Staten Island	\$ 18,852	\$ 37,152	\$ 47,148	

A comparison of the Self-Sufficiency Standard to the distribution of household income from the Census 2000 Supplementary Survey shows that many households in the city have incomes below the standard. For example, only 41 percent of households in the Bronx have income above the Self-Sufficiency Standard for a single adult and one preschool child. Comparable single-adult, one-child figures for other boroughs are: Brooklyn, 50 percent; Queens, 58 percent; and Staten Island, 64 percent, Upper Manhattan, 40 percent; and Lower Manhattan, 40 percent.

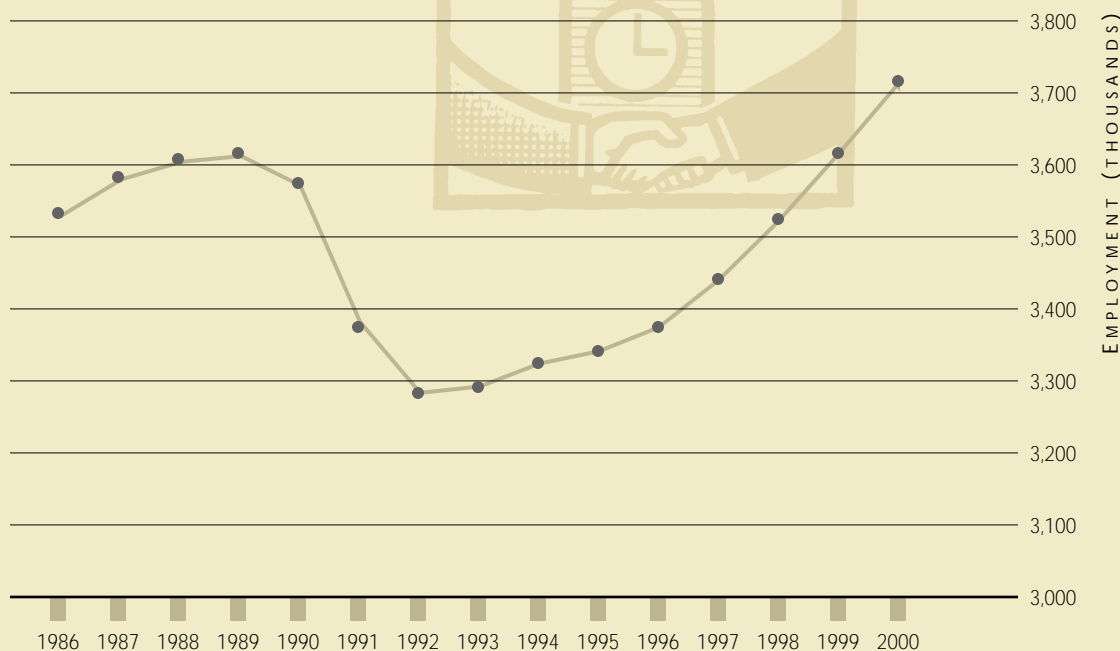
## The Safety Net

A major factor affecting the standard of living available to the very poor is the public assistance safety net. In New York City as elsewhere, the introduction of national welfare reform in 1996 profoundly altered the “social contract” between the government and the poor. Public assistance caseloads dropped dramatically in New York City in the years following welfare reform, declining by 55 percent between 1995 and 2001. At the same time, eligibility requirements became more restrictive, the pressure to find employment increased and benefit levels shrank in inflation-adjusted terms.

## Exhibit 12

### Average Annual Payroll Employment in New York City

Source: New York State Department of Labor, Current Employment Statistics



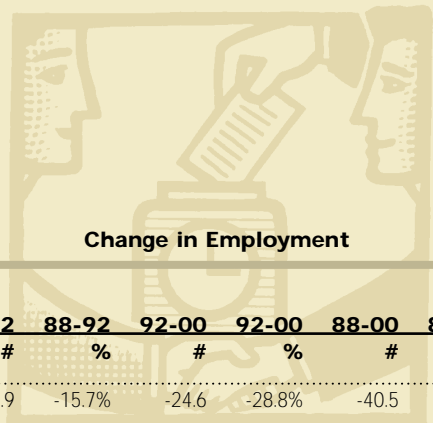
The long-term effects of welfare reform are not yet known. Little is known about the quality of jobs obtained by former welfare recipients. Have the “welfare poor” simply become the “working poor”? Likewise, as those who have been able to leave the welfare rolls have done so, the population that remains on welfare is composed of the harder to employ. Trends in New York City’s public assistance safety net, and the ways in which the city implemented welfare reform, are discussed in detail in the Technical Report.

## Employment

For most New Yorkers, the basis of economic well-being is employment. What are the significant trends shaping job opportunities for low-income New Yorkers? The economic cycle plays a significant role. The city experienced a full business cycle between 1988 and 2001. Between 1988 and 1992, the city suffered a major economic downturn, with employment losses in a wide range of industries and sectors. Between 1992 and early 2001, the economy rebounded with vigor (Exhibit 12). Employment grew by 439,000, or 13 percent, between 1992 and 2000. The expansion was broadly based across a wide range of industries and included many low-wage jobs, the mainstay of entry level and unskilled workers. This included jobs in retailing, restaurants and personal services. The Technical

## Exhibit 13

### Employment in Low-Wage Industries 1988, 1992 and 2000



	Ann. Avg Employment			Change in Employment					
	1988 #	1992 #	2000 #	88-92 #	88-92 %	92-00 #	92-00 %	88-00 #	88-00 %
Apparel & Other Textile Products (23)	101.2	85.3	60.7	-15.9	-15.7%	-24.6	-28.8%	-40.5	-4.0%
Trucking & Warehousing (42)	26.9	28.7	22.6	1.8	6.7%	-6.1	-21.3%	-4.3	-16.0%
Personal Services (72)	29.9	26.3	30.2	-3.6	-12.0%	3.9	14.8%	0.3	1.0%
Automotive & Misc. Repair Services (75-76)	33.6	26.9	32.1	-6.7	-19.9%	5.2	19.3%	-1.5	-4.5%
Social Services (83)	116.2	136.2	179.5	20	17.2%	43.3	31.8%	63.3	54.5%
Eating & Drinking Places (58)	132.3	117.3	160.2	-15	-11.3%	42.9	36.6%	27.9	21.1%
Other Retail	269.8	232.3	277.5	-37.5	-13.9%	45.2	19.5%	7.7	2.9%
<b>Total low wage</b>	<b>709.9</b>	<b>653</b>	<b>762.8</b>	<b>-56.9</b>	<b>-8.0%</b>	<b>109.8</b>	<b>16.8%</b>	<b>52.9</b>	<b>7.5%</b>
Total Nonagricultural (10-97)	3605.8	3281.7	3720.6	-324.1	-9.0%	438.9	13.4%	114.8	3.2%
Total Nonagricultural less low wage	2895.9	2628.7	2957.8	-267.2	-9.2%	329.1	12.5%	61.9	2.1%

Report contains a detailed analysis of employment and other economic trends in the city throughout the course of the 1988-2000 business cycle, as well as a discussion of the employment implications of September 11. The highlights are noted below. For a full discussion of the impact of September 11 on employment in New York City, see also the separate United Way of New York City report titled *Beyond Ground Zero: Challenges and Implications for Human Services in New York City Post September 11*.

### Low-Wage Jobs During the 1990s: More Jobs, but Declining Wages

The economic revival of the mid and late 1990s was based primarily on the growth of the city's "intellectual capital" sector — businesses that specialize in the creation, application and distribution of ideas and information, such as securities, business and information services, communications and professional services. The growth of these industries has created hundreds of thousands of opportunities for workers with higher-level skills and education.

However, knowledge-intensive industries were not the only industries that thrived during the 1990s. Industries that employ large numbers of less-skilled workers, such as retailing, restaurants and personal services, also registered strong job gains. Exhibit 13 traces changes in employment in eight low-wage industries (those in which average earnings in 2000 were less than \$31,000). Total employment in these industries rose by 17 percent between 1992 and 2000 — somewhat faster than overall employment growth in the city during this period.

The growth of these industries has been propelled by population growth as well as increases in personal income, which heightens demand for businesses such as restaurants, personal services and retailing. Increases in tourist traffic also fed the growth of restaurants and retailing.

The growth of low-wage industries has provided tens of thousands of job opportunities for people with limited skills and experience. However, while job opportunities in these industries have increased, wages generally have not. Between 1992 and 2000, average annual inflation-adjusted earnings in these industries actually *declined* by over 2 percent.

## Occupational Opportunities

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The New York City economy provides employment opportunities of every type. New York City's most common occupations — those with over 60,000 average employment — are low-paying ones such as office clerks, secretaries, janitors, retail salespersons and guards. Median hourly wages for these occupations range from \$8 to \$15 per hour. Common medium-wage occupations include registered nurses, and marketing and sales supervisors, whose median wages are \$29 and \$19 per hour respectively.

In occupational projections released in June 2001, the New York State Department of Labor estimated that total wage and salary employment in New York City would grow by approximately 13 percent between 1998 and 2008 about 1.25 percent annually. Employment in managerial, professional and technical, skilled craft and service jobs is projected to grow more rapidly than overall employment, while employment of sales and administrative support workers and less-skilled operatives and laborers is expected to grow more slowly.

According to the New York State Department of Labor's most recent occupational projections, low-wage occupations that are expected to gain over 10,000 jobs between 1998 and 2008 include home health aides, personal home care aides, nursing aides and orderlies, office clerks and guards. Medium and high-wage growth occupations include computer support specialists, registered nurses, systems analysts, engineers and managers and executives.

Employment growth is not the only factor that determines the availability of jobs; so does turnover. This is an important factor in job opportunities, especially in low-wage jobs. So, for example, even though administrative support jobs will account for less than 3 percent of all new job *growth*, the Department of Labor estimates that they will account for nearly 20 percent of average annual job *openings* through 2008. Similarly, sales jobs are expected to account for 8 percent of all job growth, but 13 percent of average annual job openings. The New York State Department of Labor projects that occupations with the highest numbers of projected job openings between 1998 and 2008 will be service occupations (195,000 projected openings), technical occupations (156,900 openings) and administrative occupations (146,900 openings). Turnover will help ensure that the city's economy continues to generate significant numbers of entry-level job openings for people with limited skills.

The city's jobs base is in Manhattan, although employment grew faster in other boroughs over the course of the business cycle (from 1988 to 2000). Still, 63 percent of the city's employment remained based in Manhattan in 2000.

## Impact of Recession and September 11 on Employment ---

The relatively mild economic downturn of 2001 was aggravated by the economic effects of the events of September 11, which are the subject of a separate United Way of New York City report titled *Beyond Ground Zero: Challenges and Implications for Human Services in New York City Post September 11*. Briefly, this report indicates that while employment in New York City had already been declining prior to September 11, the destruction and dislocation wrought by the terrorist attack caused a sharp and sudden decline in the number of people working in the city. Between early December 2000 and December 2001 approximately 132,400 jobs were lost, due to both the economic downturn and September 11. As devastating as these job losses are, especially for those directly affected, it is important to keep them in perspective. The city's economy has not yet fallen back into the massive job losses of the early 1990s, and does not seem likely to do so.

In its initial assessment of the impact of the September 11 attack on low-wage workers specifically, the Fiscal Policy Institute suggested that more than half of all job losses would be concentrated in industries that typically employ large numbers of less-skilled, low-wage workers. Even if New York City manages to avoid a recession as deep or as prolonged as that it experienced in the early 1990s, it appears that the effects on low-skilled, low-wage workers will be especially severe. The Fiscal Policy Institute has estimated that of the 81,000 jobs lost in the immediate aftermath of September 11, more than half were low-wage, low-skill jobs.

Employment figures alone, however, do not provide a full measure of the adverse impact of the post-September 11 economic environment. In a number of industries, workers who are still employed have nevertheless had their work hours cut back, and have thus suffered a significant reduction in earnings.

At the same time, it is important to recognize the employment opportunities that will be created by recovery from the September 11 attacks, although their exact nature and magnitude are not yet known. These include anticipated opportunities in construction, and security occupations.

## Employment Essentials: Job Training and Childcare ---

Job training is essential to obtain a decent job, and for parents, childcare is essential to be able to hold it. New York City has an enormous range of educational and training institutions. There are over 90 colleges, universities and degree-granting proprietary schools in the city, with more than 300,000 students. There are also hundreds of proprietary training schools and other job training programs.

Existing side-by-side with these broadly available programs is a network of publicly funded employment and training programs designed to serve low-income families, displaced workers and other New Yorkers in need. Since the early 1980s, these programs were supported primarily with federal funds authorized under the Job Training Partnership Act (JTPA). In 1998, Congress enacted the Workforce Investment Act to replace and reform JTPA. WIA mandated the creation of a network of One-Stop Centers, which are intended to provide easy access to labor market information, counseling and job search assistance and — for low-income workers and job seekers — training in basic and job-specific skills.

New York City has been very slow in implementing the new system mandated under WIA. As of January 2002, only a single One-Stop Center, located in Jamaica, Queens, was in place. The Human Resources Administration had selected several organizations to operate centers in other boroughs, but they were not operational at the writing of this report. For some of the city's economically most vulnerable residents — those lacking the skills required for college, the money for a proprietary vocational school or a union card — the city's delays in making full use of the resources provided by WIA could prove to be a significant handicap.

Adequate childcare is another essential element for workforce participation by parents. For low-wage workers, the demand far exceeds the supply. The city provides numerous forms of childcare assistance, including subsidies, Head Start programs and the Universal Pre-K program. However, some of these are not well suited to the needs of working parents because they offer only half-days of care. The Citizens Committee for Children of New York estimates that 100,000 children eligible for assistance under city rules do not receive it, due to limits on the number of vouchers or subsidized places available.

## Implications for Human Services

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As the nonprofit community considers how to help improve the well-being of the city's most economically vulnerable residents, it would do well to consider actions that might be taken in the near term (aimed primarily at mitigating the immediate effects of the economic downturn and of the events of September 11), as well as those appropriate for the longer-term.

- The September 11 attacks and the economic downturn of 2001-2002, coupled with the numbers of people who have not succeeded in moving off welfare, have led to a resurgence in demand for support for basic needs. Food and shelter are priority needs, and many human service agencies are diverted from their larger missions to attend to clients' basic living requirements. Persistent poverty in the city must be addressed by a strengthened public safety net, a goal requiring advocacy at all levels of government.
- Services must be targeted to specific groups, such as the unemployed, especially those affected by the employment losses due to the September 11 attacks, older youths preparing to enter the workforce, immigrants and the working poor.
- Nonprofits can help jobless and low-income workers to get access to new jobs that will be created in the post-September 11 recovery process.
- The nonprofit community is itself a major (and growing) employer of low-wage, less-skilled workers. It can seek to improve earnings and expand opportunities for its own employees.

## The Struggle to Educate the City's Youngsters

New York City's schools have the task of shaping both tomorrow's workers and its citizens, helping children develop into effective, compassionate, engaged members of their communities and of society. Especially for children who grow up in disadvantaged communities and fragile families, schools can offer a window to brighter possibilities, and a path to attaining them. New York City's public schools lay the foundation for most youngsters' academic skills and preparedness for further education. With over 1,100 schools, the city's public school system serves nearly one million students. How well the public schools do their job has an enormous impact on the lives of these children, as well as on the fabric of the city itself.

### Public Schools: High Educational Needs, Relatively Few Resources

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More than other public school systems in the state, the New York City school system is called upon to serve very high shares of disadvantaged children. These include children placed at risk by poverty, the inability to speak English well and recent immigration (within the last three years). For example, fully three-quarters of elementary and middle school students are eligible for free lunches. Nearly half of high school students receive free lunch (47 percent). Approximately 8 to 9 percent of public school students are recent immigrants (figures are for elementary and middle school students, and high school students respectively). Citywide, approximately 15 percent of public school students are not proficient in English. Approximately 12 percent are special needs students.

Not surprisingly, public school students are also exceptionally diverse racially and ethnically. Three out of four students are Black or Hispanic. Approximately 12 percent are Asian. "Minority" students make up the majority in every borough except Staten Island.

Yet funding resources available to NYC public schools are not commensurate with the city's high educational needs. In 1998-1999, the New York City average expenditures per pupil were only 93 percent of the state average. Compared to other large city districts in the state (Buffalo, Rochester, Syracuse and Yonkers), New York City fared even worse, with a per-pupil expenditure that was only 87 percent of that of the other large cities. Some of the highest educational needs in the state must be met with resources that are lower than the state average.

As a result of years of disinvestment in public schools, many school facilities are in poor shape. For example, over 661,000 students attend overcrowded schools citywide. Average class sizes have, fortunately, been decreasing steadily and at all levels since 1996. But they still remain high. Average classes in New York City are 20-25 percent larger than statewide or in other large cities in the state.

The space crunch has major impact on curriculum. Many schools cannot implement programs — after school programs, small classes, pre-kindergarten classes — simply because they lack the space. Thus, the significance of inadequate facilities goes far beyond the immediately visible ones of overcrowded buildings. What is not visible, but hugely significant, are the educational programs that cannot be implemented because of these constraints.

The issue of adequate facilities extends to other resources as well. On average, New York City students make do with little more than *half* the books and computers, per capita, of students in other parts of the state.

Teacher quality suffers as well. Compared to the state averages, the New York City public school system is characterized by more students per teacher, higher rates of teacher turnover and a larger share of uncertified teachers. The teacher turnover rate is 19 percent in New York City, substantially higher than at the statewide average of 13 percent. Nearly one quarter (24 percent) of New York City teachers are working outside their certification area, more than double the statewide average of 11 percent. Each school year in New York City begins with approximately 15-20 percent of the teaching force unlicensed and uncertified. A second challenge is keeping quality teachers in the system. According to the United Federation of Teachers, 55 percent of new teachers leave the system in their first five years. The difficulty of placing good teachers where they are most needed is aggravated by a seniority system that allows the most experienced teachers to choose where they want to work — typically, in the more affluent, lower-need districts.

The difficulty of attracting and retaining good teachers is likely to increase, even as the pressure to do so mounts. In 2003, the state will require that all New York City teachers be licensed and certified. But an anticipated nationwide wave of teacher retirements in the next five years is likely to intensify the teacher shortage.

## Student Performance Suffers

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The most significant feature of student performance results is their persistent and pervasive low levels. Even for boroughs that do comparatively well, performance levels are lower than anyone would wish. And while there have been some signs of improvement, the levels from which they start indicate the long road ahead. Performance results are particularly worrying in the context of school reforms that, since 1995, have raised curriculum and graduation standards across the state at both primary and secondary levels (these are described in the Technical Report).

Compared to other schools in the state, New York City elementary and middle schools are doing better than other large city districts in meeting state English and math standards (Exhibit 14A and 14B). But all large city districts are doing very poorly compared to the state average. At the elementary level, for example, 71 percent of schools statewide meet English standards, compared to 31 percent of schools in New York City and 26 percent in other large cities, respectively. The trends are similar with respect to the share of elementary schools meeting math standards, and for middle schools and high schools.<sup>6</sup>

With respect to the number of students (rather than schools, as above) that meet academic performance standards, only 34 percent of elementary and middle school students met City and State math standards in 2001. Only 41 percent met English standards. In the three-year period 1999-2001, English scores have been rising steadily. Math scores have stayed stable or slightly lowered during that time.

At the high school level, the key indicators are performance on state-required Regents exams, and graduation rates. Scores on Regents math and English exams are eloquent measures of basic competencies. Citywide, only 57 percent of the Class of 2001 passed the math exams, and only 54 percent passed the English exams.<sup>7</sup>

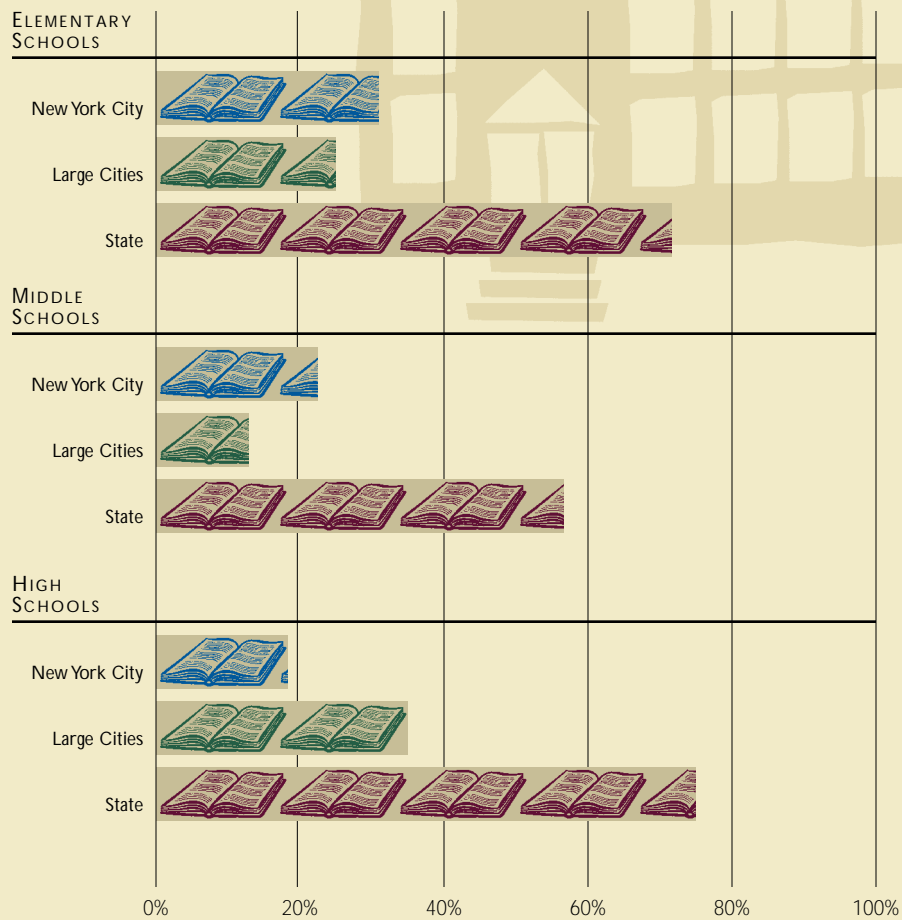
<sup>6</sup> It bears noting that New York City schools do better in comparison to national norms than to state standards, suggesting that the latter are quite high. However, the state standards are quite meaningful insofar as they represent the standards to which schools are accountable, and which govern whether students can graduate.

<sup>7</sup> These figures reflect shares of students passing with a grade of 65 or higher. If the “low-pass” option (a passing grade of 55) is eliminated, as has been proposed, this is the standard to which students would be held.

## Exhibit 14A

### Schools Meeting State English Standards

Source: New York State Department of Education, Report to the Governor 2001 (data for 1999–2000)

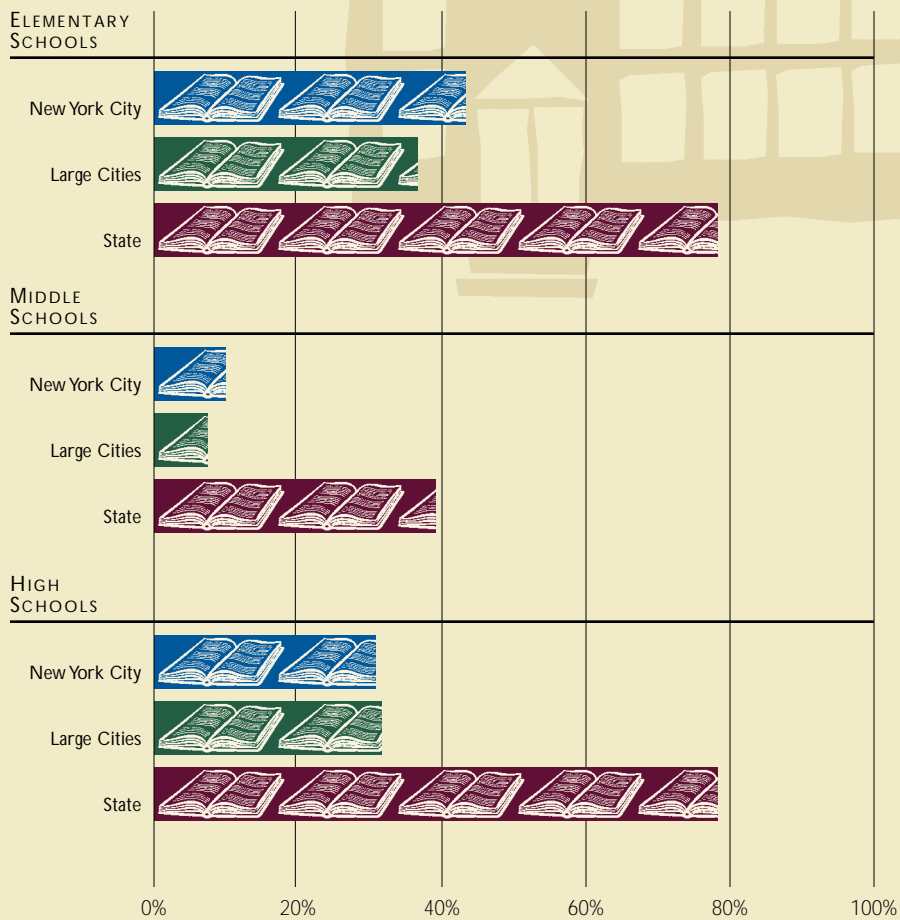


Citywide, 51 percent of students in the class of 2001 graduated on time (the graduation rate is a more meaningful indicator of successful progress through the school system than the dropout rate because many high school students in New York City — about one-third of a given cohort — do not graduate on time; thus they are not technically dropouts, but neither are they progressing satisfactorily through the school system). This rate has not varied much throughout the 1990s.

## Exhibit 14B

### Schools Meeting State Math Standards

Source: New York State Department of Education, Report to the Governor 2001 (data for 1999–2000)



Who is most at risk of not graduating? Minorities, immigrant children and English Language Learners (ELL) tend to have lower graduation rates. There are important nuances, however. With respect to immigrant children, graduation success appears to depend on when the child entered the American school system. Those who enter in middle school have graduation rates approximately equal to non-immigrants (50 percent). Those who are immigrants upon entry into the graduating class do less well — only 43 percent graduate. Lack of English proficiency can also be a serious impediment to graduation. Approximately 52 percent of English-proficient students in the class of 2000

graduated. Surprisingly, former ELL students (those who had once been classified as ELL, but tested out) did even better — 58 percent graduated. But only 30 percent of those who were still classified as ELL managed to graduate.

## Implications for Human Services

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There is an enormous role that the nonprofit community can play to supplement and complement what the public schools are doing. Nonprofit agencies can offer programs that prepare children for school, help families engage in their childrens' education, provide educational support when families are not able to provide it for their children and involve the entire community in the education of children.

- Nonprofits can help parents assist their children in school, for example through adult literacy training, parent-child reading programs, assistance obtaining low-cost computers and computer training.
- Through community-based organizations, nonprofits can develop mentoring programs that provide good role models for children; help develop recreational and social programs in school buildings outside of school hours; continue and expand academic preparation programs; and expand tutoring and mentoring programs to locations where disadvantaged students live, such as homeless shelters.
- Nonprofits can support programs that engage employers in education. Employers can help in a variety of ways. They can provide employment, internship and apprenticeship opportunities for students; make their employees available as resources; sponsor lunchtime literacy volunteer programs.
- Nonprofits can better inform their own educational programming by adapting lessons learned from other programs.
- Nonprofits can help to inform the education debate and help disseminate knowledge about what works.

## The Challenge of Providing Health and Mental Health Care

By many measures, progress was made in the 1990s with respect to the health status of New Yorkers. Access to health care, including mental health care, however, remains a major challenge.

### Improving Health During the 1990s

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In many significant respects, the health status of New Yorkers improved during the 1990s. Health status in 1987, 1992 and 1997 was compared by the City's Department of Health in its publication, *New York City Community Health Profile* (August 2001). Among the positive trends are:

- There was a major decline — nearly a halving — in infant mortality. The infant mortality rate dropped from 13.1 per 1,000 live births in 1987 to 7.1 in 1997. Subsequent data indicate that the rate dropped even further after 1997, to 6.9 in 1999.
- The overall mortality rate for children declined significantly in all age groups from 1987 to 1997.
- Homicide death rates declined by 61 percent for adolescents (aged 10–17) between 1992 and 1997.
- There was an overall decline in tuberculosis rates between 1992 and 1997, from 52 cases per 100,000 population to 23.6 cases. Subsequent data indicate that the rate dropped even further after 1997, to 19.9 by 1999.
- The incidence of sexually transmitted diseases was lower in 1997 compared to both 1987 and 1992 among adolescents (aged 10–17) as well as young adults (aged 18–24).
- HIV infection rates and the number of AIDS cases diagnosed dropped between 1992 and 1997. The rates of diagnosed AIDS cases between 1992 and 1997 declined by 39 percent for adults 25–44 and 19 percent for adults 45–64. Furthermore, the number of new AIDS cases diagnosed decreased dramatically, from 10,000 in 1992 to fewer than 4,000 in 2000. Between 1990 and 1999, HIV seroprevalence dropped significantly among all high-risk groups.
- Seniors are living longer. The overall mortality rate for adults 65 and older was 16 percent lower in 1997 than it was in 1987.
- Selected risk behaviors were lower in adolescents (aged 10–17) than their counterparts in New York State or other selected U.S. urban settings, according to the federally funded 1997 Behavioral Risk Factor Surveys.
- According to the New York City Department of Health Vital Events and Reportable Diseases and Conditions, 1980 to 1999 publication, the rates of lead poisoning among young children (aged 0–5) has also been decreasing steadily (but are still somewhat high), from 305 cases per 100,000 people in 1994, to 127 cases in 1999.

### But Serious Problems Persist

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Other health indicators highlight areas where New Yorkers are doing less well.

- New York-based adults aged 25-44 were more likely than other U.S. adults to report poor health. So were seniors.

- Hospitalization rates for diabetes for seniors in 1997 were 36 percent higher than the 1987 rate. The most common cause of hospitalization for seniors in 1997 was heart disease.
- The leading cause of hospitalization among children in 1997 was asthma. The second leading causes of hospitalization among preschool children in 1997 were pneumonia and influenza.
- Pregnancy and its complications were the leading cause of hospitalization for both adolescents (10–17) and young adults (18–24) in 1997.
- Hospitalizations for mental disorders (excluding alcohol and drug-related conditions) increased in all boroughs.
- New York City AIDS cases represented 17 percent of the national total in June 1999. In December 2000, there were 46,800 adults and adolescents and approximately 700 children living with AIDS in New York City. The majority of them are people of color.

The positive findings suggest that significant strides have been made in advancing the health of New Yorkers. But the less positive trends are an eloquent reminder that there are still gains to be made to ensure good health, and good access to care, for every New Yorker.

## Access to Health and Mental Health Care Difficult for Many \_\_\_\_\_

In New York City, the issue is not the *availability* of quality health care — the city is home to some of the world's best medical facilities and most advanced methods. The significant issue is *access*. What determines one's effective access to health and mental health care in New York City? There are many aspects of access:

- Financial access — the ability to pay for services;
- Geographic access;
- Cultural access — the ability of service providers to interact with patients of various cultures in a way that engages them in their care;
- Physical capacity — the availability of health facilities (e.g., hospital beds);
- Informational access — knowing how to exercise one's health care options.

The significant barriers to access may differ for different types of people. For example, for elders the important access issues may be isolation and lack of mobility. For immigrants, it may be cultural accessibility. We focus on financial access because it is fundamental to all aspects of health care, but we do so with the recognition that it is not the sole factor that helps determine New Yorkers' access to health care.

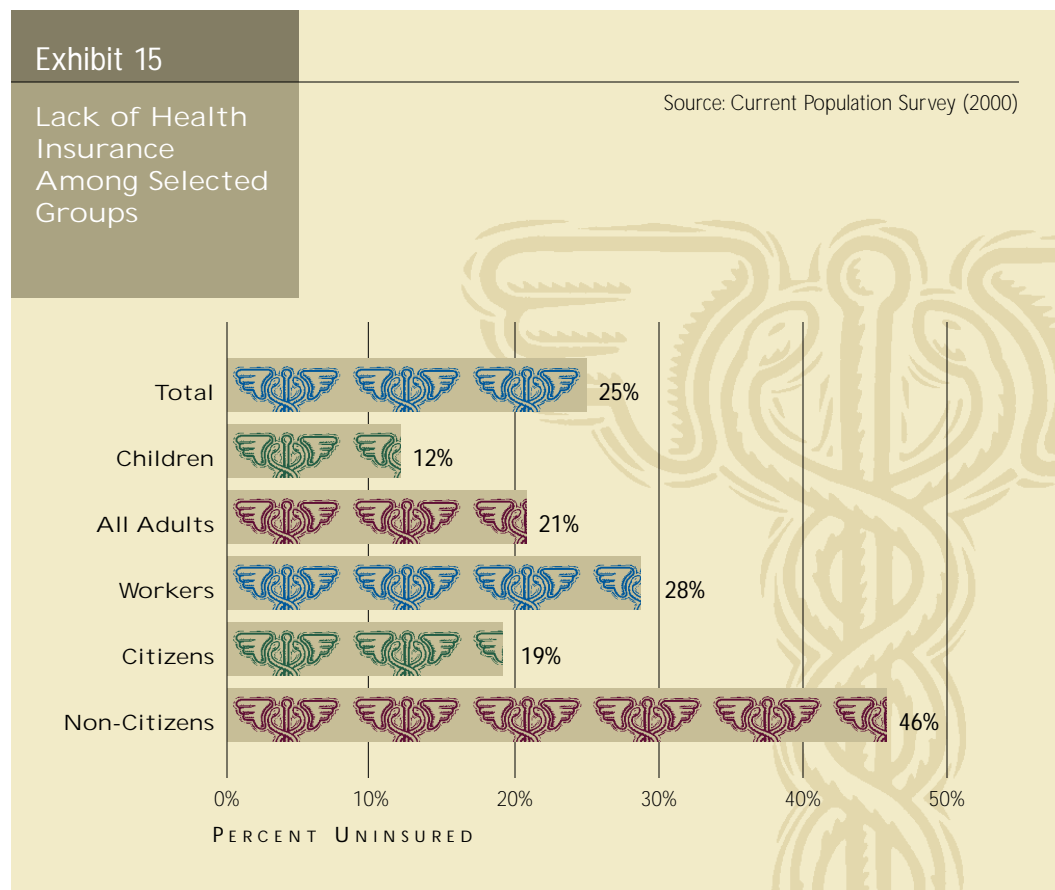
## Lack of Health Insurance a Major Barrier to Health Care \_\_\_\_\_

Lack of health insurance remains a fundamental barrier to health care for nearly 2 million people in New York City, effectively cutting them off from large portions of the health care system. The problem is worse in New York City than elsewhere. For example, a City Department of Health report, the *New York City Community Health Profile*, found that New York City adults (aged 25–64) were more likely than other U.S. adults to report lack of health insurance and not seeing a doctor in the past year because of cost.

According to the 1999 Current Population Survey, 1.7 million New Yorkers are uninsured. This represents fully 25 percent of New Yorkers under 65. The challenge facing New York City's health system is to serve the needs of an uninsured population that is the size of a major American city.

Lack of health insurance is less of an issue for the elderly, who are covered by Medicare, and — paradoxically — for those at either end of the income distribution. The affluent are covered by private insurance, and the very poor are eligible for public insurance programs such as Medicaid. Hardest hit are those whose incomes make them ineligible for public insurance yet are unable to afford private insurance. Also affected are low-income non-citizens because they are ineligible for most public insurance programs.

Who is more likely to lack insurance? Uninsured rates for specific population groups are shown in Exhibit 15.



- Lack of insurance affects **non-citizens** particularly. Nearly half of non-citizens (46 percent) are uninsured — the highest of any of the population groups commonly studied. A major factor that could help immigrants is the *Aliessa* court decision of 2001. It obliges New York State to provide coverage to documented immigrants for health and mental health services — a difficult proposition in the face of lack of federal support for this. Its effect on immigrants is yet unknown but could be significant.
- The **working poor** are also widely beset by lack of health insurance. Nearly one third (28 percent) of employed adults lacked health insurance in 1999, according to the Current Population Survey. It is startling to find that relatively few of the uninsured lack jobs (only 28 percent are unemployed). The vast majority of the uninsured are employed, most of them holding full-time jobs (63 percent of the uninsured work full-time and 9 percent work part-time). Clearly, employment is not the guarantee of health insurance benefits that it once was.

- **Children** enjoy relatively high rates of health insurance, in large part because of public insurance programs that target them. Even so, approximately 12 percent of children are uninsured, a share that fortunately has been falling over time.
- **Minority adults** are more likely to lack health insurance because they are more likely to be non-citizens or the working poor. According to a 1997 Commonwealth Fund survey, while 21 percent of whites are uninsured, the rates for minorities range from 27 percent (blacks) to 36 percent (Hispanics).

The working poor and children have been the focus of public health insurance programs. Child Health Plus and Family Health Plus are two important public insurance programs created to serve those who earn too much to be eligible for Medicaid. They are potentially important sources of coverage for the working poor, but indications are that they are underenrolled; so is Medicaid. The Mayor's Office of Health Insurance Access estimated that in 2000 525,000 New Yorkers, 325,000 of them children, were eligible for public insurance programs but were not enrolled. An additional 375,000 adult New Yorkers are eligible for Family Health Plus, which became available in New York City in February 2002. The Technical Report provides greater detail about the major public insurance programs available to New Yorkers, as well as of the city's shift to managed care for its Medicaid program, a major shift that will have significant ramifications for the way in which the city's poor obtains health care. It is too soon to know its effects on health care, but its progress and effects are being watched attentively by stakeholders throughout the city's health sector.

The availability of public health insurance programs does not itself solve the problem of access. As discussed in the Technical Report, it is still a challenge to enroll all eligible individuals into available public insurance programs. Why the underenrollment? Studies suggest that lack of knowledge and cumbersome enrollment requirements play a large role. So has the decoupling of Medicaid and welfare eligibility that came about with welfare reform in the middle 1990s.

## The Result: Inappropriate, Insufficient or No Care

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Lack of insurance can result in health care that is delivered in inappropriate settings (e.g., using emergency rooms for primary care), is insufficient (e.g., failure to obtain routine preventive care) — or simply nonexistent. According to a 1997 survey of health care in New York City by the Commonwealth Fund, the uninsured are more than twice as likely as the privately insured to use a public hospital emergency room. In the year prior to the survey (1996), one third of the uninsured used an emergency room. Of these, half reported that they did so because no other facility was available or their physician directed them there. The same study found that uninsured children are two and a half times more likely than insured children to rely on hospitals and emergency rooms for their regular care.

Would inappropriate use of emergency rooms decline if more people were insured? Not necessarily. Surprisingly, the Commonwealth Fund found that voluntary managed care in Medicaid has not resulted in substantially altered utilization patterns among enrollees, nor has it reduced reliance on emergency rooms. It found that half of Medicaid beneficiaries or their family members used an emergency room in the past year. Why? Clearly, insurance alone is not enough. If patients are not instructed how to navigate the managed care system, they are likely to continue to access care in ways that are familiar to them, such as emergency rooms. Education is an integral part of efforts to improve access to care.

The Commonwealth Fund survey also found evidence of greater likelihood of insufficient or nonexistent care among the uninsured. Nineteen percent of the uninsured reported they did not get needed medical care, compared to only 7 percent of the insured. Four times as many uninsured individuals reported difficulty getting care, as did insured

individuals — 53 percent compared to 14 percent. The study found that the uninsured have greater difficulty accessing care of all types — specialists, advice by phone and care on nights and weekends. Consider as well:

- Forty percent of uninsured children in the city have no regular doctor, compared to only 10 percent of insured children.
- Seventy percent of uninsured adults have no doctor, compared to 26 percent of the insured.
- Nineteen percent of uninsured adults had a time when they needed care but did not get it in the previous year, compared with only 7 percent of insured adults.
- Children need regular checkups, but uninsured children are about three times as likely as insured children to have had no visit to a doctor in the previous year.
- Uninsured adults are twice as likely as the insured to rate the care they receive as fair or poor (39 percent of the uninsured rate the care poorly compared to 19 percent of the insured).

## **Mental Health: Community-Based Care**

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No discussion of health care in New York City would be complete without consideration of mental health care. In this regard, access is also an issue — many insurance plans fail to provide adequate coverage for mental health services, for example — but more broadly, the significant issues have to do with the inadequacy of the mental health care system. Most mental health services in New York City are provided in the community, the result of a major shift toward community-based care that began in the 1960s. Community-based providers are the backbone of the mental health delivery system.

A major change that will affect the city's mental health system is the merger, in 2002, of the Department of Health and the Department of Mental Health. Its effects were unknown at the time this report was written. Among mental health professionals, the hope was that it would promote greater — and much-needed — integration between physical and mental health delivery systems. Ultimately, the success of this venture will depend greatly on the way in which the complex notion of “integration” is defined and operationalized.

## **Insufficient Investment in Mental Health**

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Mental health advocates note that the accumulation of years of insufficient funding has resulted in a service delivery system that is little able to meet the present demands placed on it, and that contains significant gaps in certain types of services. Factors that contribute to the situation are:

- Years of inadequate funding for mental health at the state and city levels, including low or no cost-of-living increases in community mental health budgets;
- The allocation of what funds have been available across many programs, resulting in many, but underfunded, programs;
- Lack of parity between insurance coverage for mental health services and other health services;
- Low reimbursement rates from Medicaid that are not commensurate with providers' cost of providing services;
- State-legislated “Medicaid neutrality” that obliges any expansion of outpatient mental health services to be balanced by a reduction in services elsewhere; and
- Cost-containment pressures from the shift to managed care.

In recent years there have been substantial increases in funding for mental health. But advocates point out that it does not compensate for years of inadequate funding, and that there still are not enough programs available to meet the demand.

The result of the lack of parity between mental and physical health has undermined the system of mental health service delivery. Specifically, it is characterized by:

**Fragmentation.** Mental health practitioners contend that there is no cohesive mental health “system” in New York City but rather a loose patchwork of programs focusing on narrowly defined needs, subject to different requirements, and often competing for the same scarce resources. Institutional barriers to much-needed service coordination are created by the peculiarities of bureaucratic structures, distinct funding streams and differences in “therapeutic cultures.” For example, despite the frequent co-occurrence of substance abuse and mental illness, the two treatment systems are essentially distinct. Practitioners are virtually unanimous in their concern that it is far too easy to fall through the cracks of the mental health care system.

**Service gaps.** Practitioners contend mental health policy has historically favored the seriously and persistently mentally ill, leaving too few resources to adequately serve families, children and adolescents. There are also far too few substance abuse programs.

**Deficits in workforce capacity.** Low salaries and difficult working conditions contribute to very high turnover in the community mental health field. A survey by New York’s Voluntary Coalition of Mental Health Agencies in 2000 found turnover rates between 37 and 54 percent among direct care staff, with 75 percent of departing staff having been on the job a year or more. The length of time to fill vacancies has also grown, the survey found. These factors are particularly significant in the mental health field, where the efficacy of treatment depends integrally on a trusting, stable relationship between therapist and client.

**Inadequate resources for case management.** The multi-dimensional nature of many mental conditions makes effective case management crucial to the coordination of care — yet this is an area that many practitioners consider one of the weakest in the spectrum of mental health care.

**A shortage of culturally competent care.** Anecdotal evidence suggests there is a severe shortage of mental health workers who are bilingual or adequately trained in culturally competent approaches. This is a major deficit in a city marked by such cultural diversity. It is particularly important in mental health, where stigma and a complex array of cultural issues can reduce individuals’ willingness to seek and follow through with treatment. There is great need to develop a mental health workforce that reflects the diversity of New York City, and for more cultural competency training for existing workers.

## Mental Health and Population Groups

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Certain populations are noteworthy because they are considered innately vulnerable or because they have special needs. The issues for each type of group are different and are summarized briefly below.

- Among the major issues in mental health care for *children and adolescents* are coordination of care, and provision of support services that enable families to sustain treatment plans such as childcare, respite care and transportation assistance when a child is hospitalized far from home.

- The major issues with respect to *seniors* are outreach and diagnosis. One problem is that treatable mental health conditions in elders are mistaken for a normal part of aging. Primary care physicians and caregivers need to be trained to recognize and refer mental health conditions (one study found that 70 percent of elderly suicides had visited their physician the month before). Mental health services for elders are rarely provided adequately in nursing homes. Homebound elders are at special risk because of their isolation.
- For *immigrants and members of ethnic communities*, the paramount issue is culturally appropriate care to overcome the stigma and cultural barriers that keep many from seeking care. The challenges here are outreach, and development of a culturally competent workforce.
- *Hard to serve populations* refer to individuals who are noncompliant with treatment or those who have co-occurring problems such as substance abuse, physical health problems and homelessness in addition to mental health issues. They require intensive services such as care coordination, multiple services (e.g., substance abuse treatment or day programs) and supervised housing. The main problems here are the shortage of available programs, and poor coordination of care.

## September 11 and Mental Health

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The aftermath of the September 11 attacks has placed additional strain on the mental health system, even as it has raised the profile of mental health issues in the public eye. The implications of the September 11 attacks for the city's mental health services are discussed in a separate report *Beyond Ground Zero: Challenges and Implications for Human Services in New York City Post September 11*, but it bears mentioning here that the attacks oblige New York's entire health care system to respond to threats whose nature and magnitude have never before been experienced. Even as it has placed extraordinary additional burdens on mental health providers to provide care, the tragedy has also focused attention on the importance of mental hygiene. In hopefully its most enduring effect, the tragedy has raised the profile of mental health in the public eye. The sheer scale of the disaster has helped many New Yorkers realize that mental distress can affect anyone, and that there is no shame in seeking help.

The challenge for those involved in health care in New York City will be not only to respond intelligently to the vast array of health needs created by the disaster, but also to reflect thoughtfully about New York's experience of it, so that others across the country may learn its difficult lessons.

## Implications for Human Services

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Because the health sector in New York City is almost entirely nonprofit, the opportunities for involvement by the nonprofit community span all areas of care. In terms of community-based interventions, nonprofits can mount programs to:

- Help eligible individuals obtain insurance;
- Help enrollees learn to use their insurance effectively;
- Help service providers better cope organizationally with the transition to Medicaid managed care;
- Help both the insured and uninsured navigate the complex health care system and exercise their options;
- Help fill insurance coverage gaps or gaps in public health services;
- Target services to surmount the different access barriers of specific groups;

- Help compensate for health coverage gaps by continuing support for free or low-cost health centers and programs;
- Promote better coordination of services;
- Improve the cultural competence of the health system;
- Identify and overcome barriers to access for specific populations;
- More rigorously assess the magnitude and nature of health needs;
- Catalyze new approaches to old problems through program assessment; and
- Disseminate the lessons learned about what works.

## Housing: The Quintessential New York City Challenge

Many aspects of the city's housing problems improved during the past decade, such as the physical condition of the housing stock, and the development of a large system of municipal shelters. The good news in New York City housing is that deteriorated housing, the dominant concern for housing policy decades ago, has become much less prevalent. In its Consolidated Plan submitted to the U.S. Department of Housing and Urban Development (HUD), the City estimated that the number of "physically deficient" units<sup>8</sup> decreased by 21 percent between 1996 and 1999, dropping from 265,000 to 209,600 units. Most of the deficiencies (70 percent) stem from maintenance deficiencies. More serious problems, such as building defects, dilapidation and inadequate kitchen or bathroom facilities, are far less prevalent.

Nevertheless, the city's housing needs remain enormous. Half a million households pay more than half their incomes on rent. Tens of thousands more have no housing at all.

One reason for New York's endemically tight housing market is an inadequate housing supply. High development costs, restrictive zoning and building regulations and a host of other factors contribute to very low rates of new residential construction. For a city of its size, New York City's housing stock is small and vacancy rates low.

### Dangerously High Housing Costs for Many New Yorkers

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Housing affordability is perhaps the premier problem of New York City housing. Rent payments of 30 percent of income are considered to be the threshold of housing affordability; more is considered an excessive cost burden. In 1999, more than one quarter (26 percent) of the city's 1.95 million renting households spent at least *half* their incomes on rent (the figure was 12 percent nationwide). Thus, more than half a million households were paying precariously high portions of their incomes for housing.

Not surprisingly, excessive cost burdens are especially prevalent among low-income households. On average, renters with incomes less than \$12,500 pay fully *two-thirds* of their income on rent. So do a third of those with incomes below \$24,500 (see Exhibit 16).

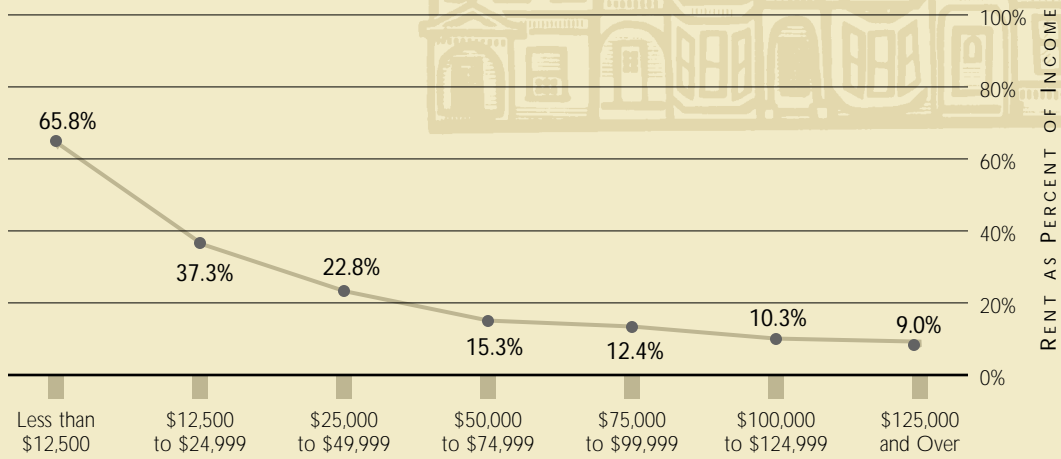
This situation worsened in the late 1990s. The city's rental housing market, always tight, became even more so. From 1996 to 1999, the number of vacant rental units available declined by more than 20 percent. The city's vacancy rate, already low at four percent, dropped further to three percent and less in some areas, making an apartment virtually impossible to find. In 1999, the vacancy rate for units renting for less than \$600 — the maximum affordable to a household earning \$24,000 — was less than three percent. Only for expensive units — those renting for more than \$1,700 — does the vacancy rate exceed the "housing emergency" level of five percent. A household would have to be earning at least \$68,000 per year to afford such an apartment. Moreover, rents are increasing faster than renters' incomes. Between 1996 and 1999, the median gross rent increased by 9 percent, while median renter income increased by less than 2 percent.

<sup>8</sup> The city defines a physically poor housing unit as one that is in a dilapidated building, lacks a complete kitchen and/or bath for exclusive use, is in a building with three or more building defects or has four or more maintenance deficiencies.

## Exhibit 16

### Rental Cost Burden by Income Group 1999

Source: 1999 NYC Housing and Vacancy Survey



Federal, state and local housing assistance policies and programs are large but still do not meet the enormous need. Occupancy at the city's 346 public housing developments exceeds 99 percent, and the waiting list for new apartments is approximately 136,000. The waiting list for tenant-based Section 8 voucher program, which provides households with rental subsidy vouchers that can be used in the private rental market, contained over 219,000 households in fiscal year 2000, and was closed in 1994 to all but a few types of households.

## Peak Homelessness Levels

Over the course of the 1980s and early 1990s, the city supported the creation of a large system of shelters, transitional housing and supportive housing facilities for homeless individuals and families. Nonprofit organizations are central to the homeless shelter system, operating the vast majority of facilities for the homeless.

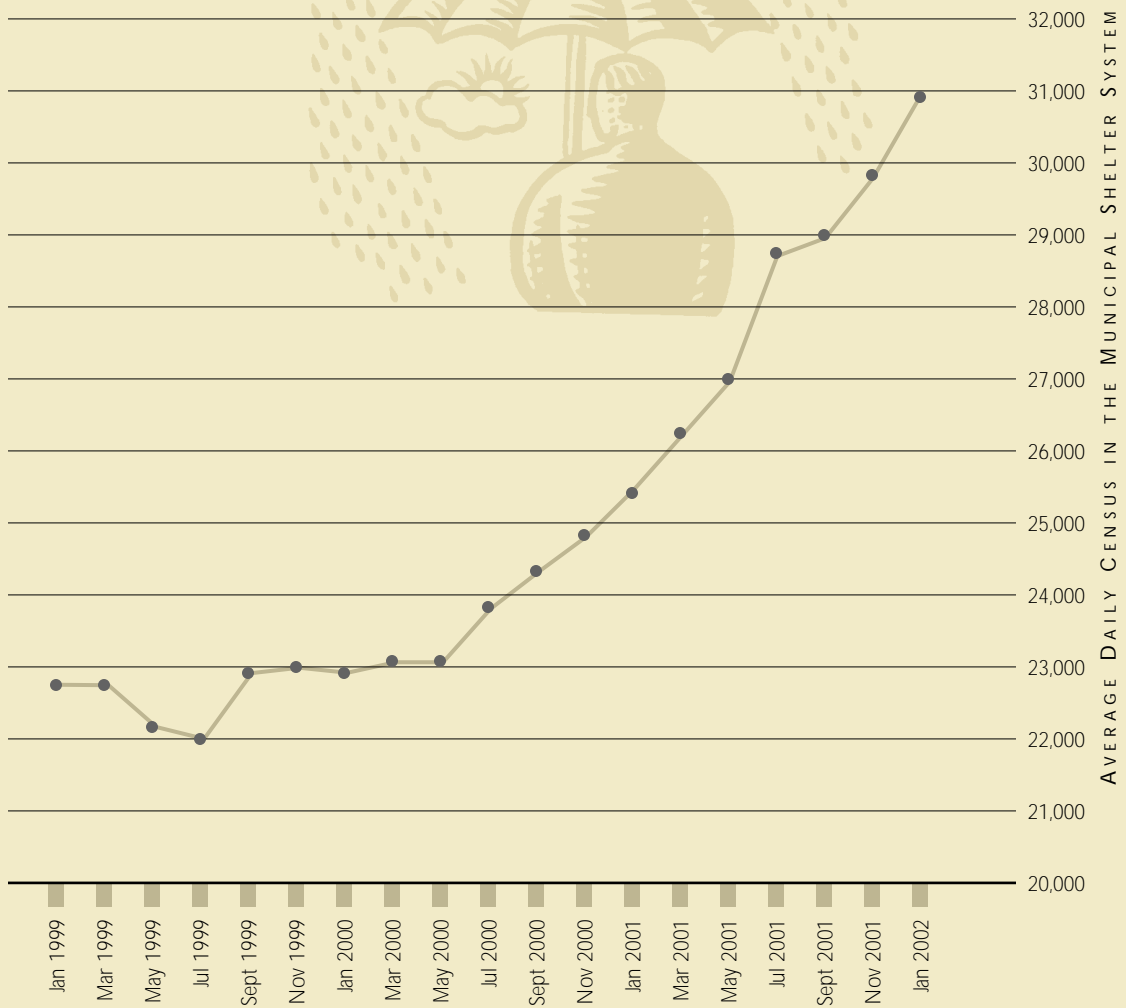
Yet the homeless population of New York City has never been larger (Exhibit 17). In January 2002, on average, 31,500 individuals a day stayed in municipal homeless shelters. It is the highest figure on record, surpassing the previous high of 28,700 a day in March 1987.

The homeless population can be distinguished as the "episodically" homeless and the chronically homeless. Each of these groups has distinct needs. The chronically homeless are often beset by so-called "co-occurring disorders" (such as substance abuse, alcoholism and mental illness) that require intensive, coordinated care and supportive housing. For the episodically homeless, the core of the problem is often economic vulnerability. When poor households have

# Exhibit 17

## Homeless Shelter Usage 1999-2002

Source: NYC Department of Homeless Services, shelter census reports, compiled by Coalition for the Homeless



to spend more than half their incomes on rent, they are often one layoff or emergency expense away from losing their housing. Their service needs are geared toward services that help them regain a social and economic foothold.

Families with children, who are more likely to be episodically homeless, are the largest and fastest growing segment of the homeless population. The number of homeless children increased by 29 percent in 2001. Of the January 2002 shelter population, three-quarters were individuals in families (42 percent were children and 32 percent were adults in families). Virtually all of these families (90 percent, according to the Department of Homeless Services) are female headed.

Because shelter facilities for families are insufficient, the city is increasingly relying on costly and often less adequate “welfare hotels” and expensive scattered-site apartments to house the overflow from shelters. In January 2002, families were being housed in 1,224 scattered-site apartments costing \$100 per night and more — up from 61 such apartments the year before. This represents a *1,907 percent* increase.

The demand for shelter beds is growing among single adults as well. In fiscal year 2001, the city sheltered an average of about 7,200 single adults a night, a number not seen since the early 1990s.

Homelessness is only the most extreme manifestation of a precarious housing situation. The exact number of people who lack a place to live is unknown, but studies suggest it is more widespread than average daily shelter counts would indicate. When families and individuals lose their housing, many stay with friends and relatives. Some stay in shelters, while others simply live on the streets. These New Yorkers, hidden from statistical view, are the “hidden” homeless.

## Implications for Human Services

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What is needed to improve housing affordability and homelessness in New York City is generally well known. The problem is a lack of funding to provide the services and housing at the necessary scale. The nonprofit community alone, without supportive government policies and funding, cannot address these problems. What is needed, therefore, are efforts that leverage resources creatively, among funders as well as among providers. There are significant ways in which the nonprofit community can improve the housing environment faced by low-income New Yorkers.

Examples include:

- Providing services to homeless families and individuals.
- Developing programs to prevent homelessness.
- Helping low-income households take advantage of the assistance for which they are eligible.
- Helping improve landlords’ receptivity to, and effectiveness in, dealing with low-income tenants.
- Selectively supporting nonprofit housing development.

## Safer Streets, More Violent Homes

The sixth major trend characterizing New York City involves safety and security concerns that have long occupied a central place in the public policy agenda (and reputation) of New York City. The pattern of the last decade has been a reduction in street crime, but an apparent increase in crimes in the home — domestic violence and child abuse.

### Violence on the Street

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The 1990s witnessed dramatic and unprecedented drops in crime in New York City. Reported crime declined by fully 57 percent between 1993 and 2000. Decreases occurred systematically in all police precincts in all boroughs. Both “person” crimes (that is, crimes against people) as well as property crime declined. The declines of the 1990s were the steepest ever recorded.

This trend is consistent with a drop in crime in many other cities in the country, including Los Angeles, Washington, D.C., Philadelphia and Chicago. But New York City's performance is remarkable even in comparison to other cities. For six years running, the FBI ranked New York City the safest large city in the country. In 2000, the latest year for which city comparisons are available, New York City was ranked as the seventh safest large city in the United States.<sup>9</sup>

Apart from increasing residents' sense of personal security, reductions in crime contributed to community and economic revitalization. From the revitalization of high-visibility commercial areas like Times Square to a greater sense of security in the city's many residential neighborhoods, lower crime has improved the quality of life for most New Yorkers. Safer residential and commercial areas help stabilize property values, encourage pedestrian traffic, promote economic activity and otherwise contribute to a healthier, more secure environment.

Some credit the crime drop to social and demographic shifts, such as a declining population of teenaged men, who are most likely to commit crimes, as well as improved economy, the ebbing of the crack-cocaine epidemic, and social policies that gave potential offenders more constructive outlets such as higher education.

Others credit the “broken windows” policy of policing, adopted in 1994. This approach is based on the premise that zero tolerance of minor offenses such as disorderly conduct, graffiti and prostitution creates a sense that deters more serious crime because it signals low tolerance for more serious offenses.

Whatever its cause, many New Yorkers, especially those in minority communities, maintain that the drop in crime came at the unacceptable cost of brutality, especially to African-Americans and other people of color. The highly publicized 1997 police station torture of a Haitian immigrant, and the police shooting deaths of two unarmed young Black men (one a West African immigrant in 1999, and the other a Haitian-American in 2000) are the most dramatic examples of this.

A 1996 Amnesty International report concluded that such instances of police brutality are not isolated occurrences but are systemic, reflecting a departmental “code of silence,” an absence of accountability and aggressive and

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<sup>9</sup> New York City ranked seventh of 31 cities with populations greater than 500,000, according to a city comparison conducted by Morgan Quintino Company.

disproportional targeting of racial minorities. Between 1994 and 1998, the last period for which these data were available, there was a 45 percent increase in complaints against police.

The heroism demonstrated by police officers during the attacks of September 11 muted criticism of the New York Police Department. However, community relations, particularly with communities of color, remain some of the Department's most significant challenges.

## Violence in the Home

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The magnitude of domestic violence and child abuse is very difficult to measure, because much of it goes unreported for reasons of fear and shame. It is not a *type* of crime (in the manner of assault, for example) so much as a *cause* of crime. There is also the question of causality: Do increases stem from “real” changes, or from better reporting or more aggressive investigation? To estimate the trends we must examine these issues from several complementary perspectives.

Indications are that domestic violence increased in the 1990s. Between 1990 and 1999, the New York City Department of Health (DOH) found that the women's intimate partners had committed 42 percent of the city's nearly 900 female homicides. The rate of such homicides appears to have increased. This is especially disturbing because the rate of other types of female homicides dropped dramatically. Between 1990 and 1997, the number of intimate partner homicides increased from 1.06 women (females aged 12 or older) in 100,000, to 1.43. In contrast, the comparable rate of “non-intimate partner” female homicides dropped dramatically over the same period — from 2.82 to .79.

Victims of domestic partner homicides are more likely to be foreign born women and women of color. In 1998, foreign-born women made up 40 percent of female New Yorkers, but 54 percent of intimate partner female homicide victims. They may be confronted by cultural and other obstacles that could increase their risk of intimate partner homicide, including language barriers and lack of access to services. Black and Hispanic women were more likely to be victims of domestic violence homicide.

Family related arrests, calls to victim hotlines and hospital surveys also suggest increases in domestic violence throughout the middle and late 1990s. According to the Mayor's 2001 Management Report, the city's domestic violence hotline received over 131,000 calls in fiscal year 2001, more than double the number received in fiscal year 1994. The New York Police Department made 24,000 family related arrests in fiscal year 2001, 60 percent more than in fiscal year 1994.

With respect to child abuse, it appears that child fatalities from maltreatment dropped substantially over the 1990s, but the number of substantiated cases of abuse increased. The total number of fatalities attributable to maltreatment<sup>10</sup> nearly halved between 1990 and 1999, from 117 to 55. In most years, most of these fatalities have occurred in Brooklyn or the Bronx. All five boroughs achieved their lowest incidence of child fatalities in 1999, however.

Nevertheless, according to data from the Administration for Children's Services, the number of “indicated” cases (that is, the number of reports that involved credible evidence to substantiate the allegations of abuse) increased by 60 percent between 1990 and 1999, rising from 12,600 to 20,100. This represented about 27,700 children in 1999, the most recent year for which data are available.

<sup>10</sup> These are children, both known and not known to the New York City Administration for Children's Services (ACS), whose deaths were reported to the New York State Central Register for Child Maltreatment.

## Implications for Human Services

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Among the ways that the nonprofit community can help foster safer homes and safer streets are:

- Help facilitate dialogue between the NYPD and communities.
- Help with the security requirements imposed by the events of September 11.
- Help prevent youngsters and others from turning to crime.
- Help communities protect themselves from crime.
- Ensure that all neighborhoods benefit fully and equitably from the police department's crime reduction efforts and resources.
- Make domestic violence services more accessible, especially to Latino, African-American and foreign-born women.
- More effectively tailor child abuse intervention and prevention services to communities or constituencies with the highest incidence of victimization.

## Conclusion

In many respects, New York City made tremendous gains during the middle and late 1990s. That they did so is testament to the resourcefulness of New Yorkers — that of individual residents, of human service providers and of their supporters. It is also a hopeful sign that the same energy can be applied to address the problems that remain. The challenges of the years ahead will be to consolidate the progress that was made in the 1990s, to extend its promise to those who did not share in it and to keep the gains from eroding in the face of an uncertain environment.

Moreover, action must be taken against the backdrop of an event that has no precedent. The city faces the enormous task of recovery — psychological as well as physical and economical — from a disaster of an unprecedented nature, the attacks of September 11. Any economic downturn could potentially reverse many of the gains made by New Yorkers during the prosperous middle and late 1990s, and to pitch those who are most vulnerable even further into need. As this report was being written, a major municipal fiscal crisis threatened funding for human services — just as demand for them was expected to increase. In this environment, an objective overview of the city's human needs landscape becomes more important than ever before, for it lays the foundation for making the difficult decisions about how to target support for the city's many human needs.

But there is opportunity as well. The city has received an enormous influx of funds for disaster relief. Reconstruction will create job opportunities, and also the chance to rebuild the affected area in ways that may more equitably benefit a greater number of people. New Yorkers are unified by an unprecedented sense of community and sense of civic purpose.

In this environment, the need is greater than ever for resource allocation decisions that are *strategic*. This report is one step — but only the first of several — in that process. New York City's human needs are too numerous and too complex to lend themselves to a simple cookbook list of priorities. This overview, and the Technical Report from which it is drawn, best serves as a foundation — and a catalyst — for the subsequent steps that are needed to determine resource allocation priorities. The Technical Report presents a framework for action — considerations that can help organizations to think about resource allocation and programmatic priorities in a *strategic* way. Among the elements of a strategic approach to decisionmaking are:

- A clearly defined sense of mission and niche;
- Consideration of how one's own funding vis a vis other resources available;
- An integrated "systems" approach to social problems;
- A focus on interventions that yield large "multiplier" effects;
- Support for capacity-building activities that boost the effectiveness of program dollars;
- A foundation in solid information about performance, impact and knowledge of what works.

While the uncertainties of the post-September 11 world are unique, in some ways they are timeless. The situation facing decisionmakers has never been, and will probably never be, different. Only the nature of the uncertainties changes, not the fact of their existence. If the challenges of the coming years are great, so are the ingenuity and commitment of the city's human services community to ensure that the voices of *all* New Yorkers, even the most vulnerable, are heard — and answered.

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## United Way of New York City

2 Park Avenue  
New York, NY 10016  
212-251-2500  
[www.uwnyc.org](http://www.uwnyc.org)