

What do the latest poverty and income numbers tell us?

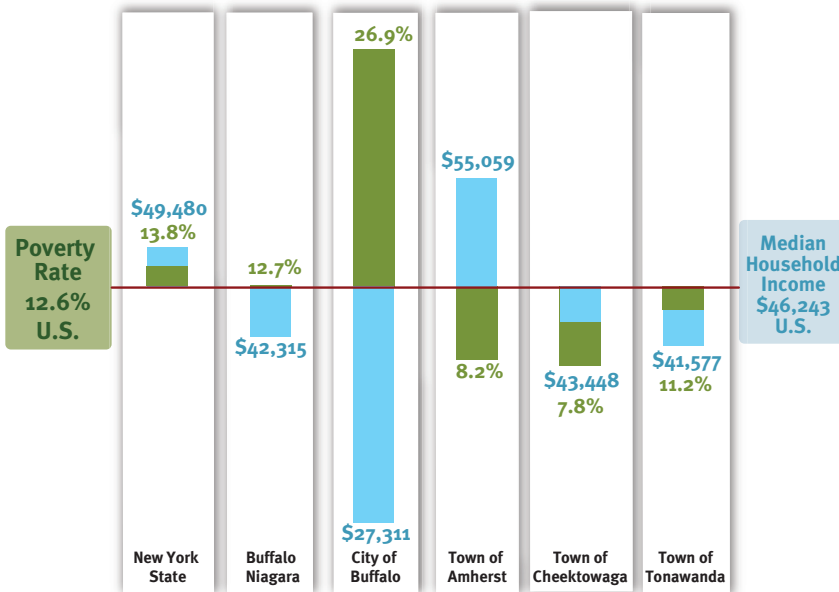
Who's poor in Buffalo-Niagara?

Does education 'pay'?

Poverty: A State of Extremes

Recently released survey data from the U.S. Census Bureau reveal that: New York State, by certain measures, is both richer and poorer than the nation as a whole; wide income and poverty disparities persist within Buffalo Niagara (Erie and Niagara counties); and education is likely the best long-term antidote to poverty's grip on individuals and communities.

Poverty Rates and Median Household Income, 2005



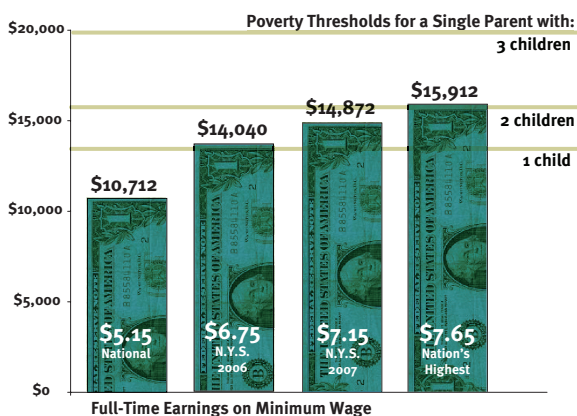
What do the latest poverty and income numbers tell us?

New York was the only state where both poverty and income exceeded national levels in 2005, with 13.8% of residents living in poverty and a median household income of \$49,480. This high poverty/high income paradox underscores a widening 'wealth gap' observed in New York and nationwide.

Buffalo Niagara differed from the state in 2005, with a poverty rate (12.7%) close to the U.S. average and a median household income that was \$4,000 below the U.S. median. Within the region, extreme disparities persisted between city and suburb. The City of Buffalo had a poverty rate nearly double the U.S. average and a much lower median income while its largest suburb, Amherst, had lower poverty and higher income than the U.S. Figures for Buffalo's working-class suburbs

of Cheektowaga and Tonawanda were the opposite of the state, with both poverty and income below U.S. levels.

Poverty and the Minimum Wage



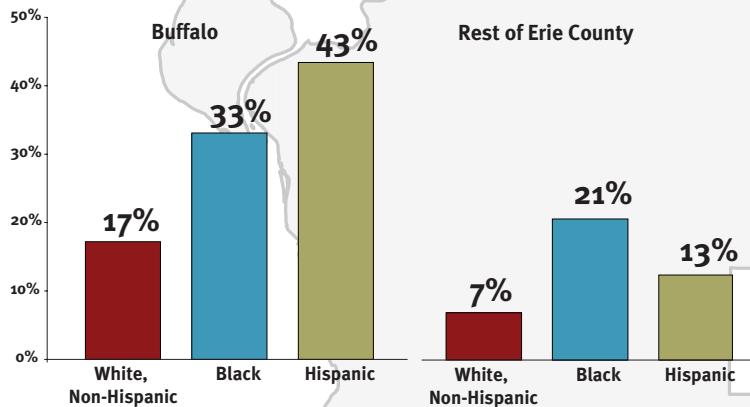
Although low-wage workers in New York will get a boost when the state's minimum wage rises from \$6.75 to \$7.15 in January 2007, many will still live in poverty. According to the Census Bureau's 2005 poverty thresholds, a single parent of two working full-time at \$7.15 lives below the poverty line. Even the highest minimum wage in the U.S.—Connecticut's \$7.65—would keep the same family hovering near the poverty line and losing ground as the minimum wage erodes with inflation.



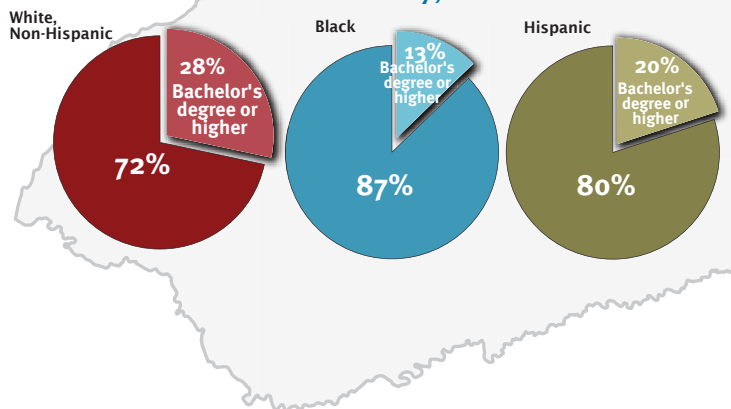
Poverty and Age in Buffalo Niagara, 2005

	U.S.	Buffalo-Niagara	Buffalo	Amherst	Cheektowaga	Tonawanda
Under 18	18%	18%	36%	11%	8%	16%
18-64	11%	12%	25%	8%	8%	9%
65+	10%	8%	12%	5%	8%	12%

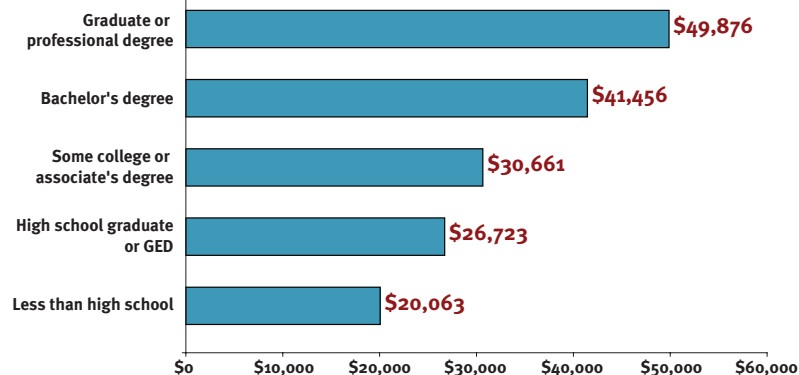
Poverty and Race in Buffalo and Erie County, 2005



Race and Education in Erie County, 2005



Income by Education Levels in Buffalo Niagara, 2005



Who's poor in Buffalo-Niagara?

A breakdown by age shows that kids are much more likely to live in poverty than adults. In Buffalo Niagara, as nationally, 18% of children lived in poverty in 2005, with rates in Buffalo and its largest suburbs ranging widely from 36% in the city to 8% in Cheektowaga. Senior citizens were less likely to live in poverty than younger groups, although rates in the City of Buffalo and Town of Tonawanda were higher than the U.S. average.

An analysis of poverty among racial and ethnic groups shows stark variations by group and location. In the City of Buffalo, 43% of Hispanics lived below poverty in 2005, followed by 33% of blacks and 17% of non-Hispanic whites. In the rest of Erie County, Hispanic poverty was 13%, with similar—though less dramatic—drop-offs among blacks and non-Hispanic whites. The poverty gap between city and suburban Hispanics, as well as the suburbanization of Erie County's Hispanics (38% living outside Buffalo in 2005, compared to 12% of blacks), suggests a rapid out-migration of Hispanic residents to the suburbs as they climb the economic ladder.

Does education 'pay'?

Education is often cited as a key to battling poverty. In Erie County, poverty generally declines among racial and ethnic groups as education rises. In 2005, 28% of non-Hispanic whites in Erie County had at least a bachelor's degree, compared to 20% of Hispanics and 13% of blacks. Outside of Buffalo, the rate climbed to 35% for Hispanics, 29% for non-Hispanic whites, and 20% for blacks. Higher-than-expected poverty levels among Hispanics—given the levels of education—are indicative of wide variations of income and education within the Hispanic community.

According to 2005 income data, education does pay. Individuals in Buffalo Niagara with only a high school diploma or GED had median earnings of \$26,723 in 2005, \$6,700 more than those who did not finish high school. More dramatic, those holding advanced degrees earned over \$23,000 more per year than those with only high school diplomas.

For more information:

2005 Current Population Survey, U.S. Census Bureau (national data), online at <http://www.census.gov/cps/>

2005 American Community Survey, U.S. Census Bureau (state and local data), online at <http://www.census.gov/acs/www/>



Institute for Local Governance and Regional Growth
 University at Buffalo, The State University of New York
 Beck Hall, 3435 Main Street
 Buffalo, NY 14214-3004
 Phone: 716 829-3777 Fax: 716 829-3776
 Web: regional-institute.buffalo.edu
 E-mail: regional-institute@buffalo.edu

Institute Policy Briefs provide key data and analysis to frame issues, inform decisions and guide policy action.

©2006 Institute for Local Governance and Regional Growth, University at Buffalo