Low-Wage Jobs Are On the Rise In New York, But Where Can the Poorly Paid Afford To Live?

By Kim Velsey 4/11 6:59pm

The good news is that New York City is still, in some sense, a land of opportunity. There are jobs to be had here—New York lost fewer jobs than any other city during the recession and the employment growth has been steady these last few years. The bad news is that many of those jobs are scarcely worth having—yielding less than $27,000 a year, which isn’t really enough to live in on New York.

While rents have continued their relentless climb (ever skyward!) wages for low- and middle-income New Yorkers have not followed suit. Moreover, the disparity between pay and the cost of living in our metropolis is unlikely to be resolved anytime soon given that a significant proportion of job growth has been in low-paying occupations, according to a new study from the Center for an Urban Future.

In 2012, 35 percent of New Yorkers over the age of 18 worked in a low-wage job, up from 31.7 percent in 2007, according to the study. And in Brooklyn and the Bronx, that number was significantly higher, with 46.8 percent of working adults in the Bronx and 39.6 percent in Brooklyn in low-wage jobs. The study used data from the U.S. Population Reference Bureau, which defines a low-wage job in New York as one that pays less than $12.89 an hour, or $26,818 annually.

Of course, that’s the most that a worker could earn to be considered low-wage; there are plenty of other New Yorkers putting in full work weeks at $7.25-an-hour jobs and everything in-between.

The problem, of course, is that such wages are increasingly unworkable in a city as expensive as ours, even in boroughs that New Yorkers have long turned to for more affordable options. Brooklyn, as we all know by now, is basically hopeless, with rents rising twice as fast as Manhattan and studios going for an average of $1,884 a month, according to MNS. Sure, Williamsburg—where studios rent for an average $2,731—tugs up the entire borough, but the cheapest neighborhood in the borough, Prospect/Lefferts Garden, still averaged $1,225 a month.

A quick Craigslist search for apartments in the Bronx, where nearly half the population falls into the low-wage category, turns up results that are consistently over $1,000 for studios and one-bedrooms. And the population in the Bronx is only just now beginning to stabilize after decades of flight.
Even if two low-wage workers pool their resources, they're still likely to fall below the city's median household income, which was $47,000 in 2011. That leaves few housing options. In 2011, for example, only 11 percent of the housing stock was affordable to a household earning 50 percent of AMI; households earning 80 percent of AMI had 34.2 percent, according to data from NYU’s Furman Center. Affordable here being defined by costing no more than 30 percent of income. Naturally, there's some wiggle room (a lot of New Yorkers pay more than that), but the high cost of housing, which is the biggest monthly expense in many people's budgets, is becoming an increasingly impossible hurdle to overcome. Scrimping, saving and squeezing too many people into a small space only goes so far.

The only borough where the population of low-wage workers didn't increase was Queens; it held steady at 34 percent.

The growth in low-wage jobs has been mirrored by the growth of high-wage jobs, particularly in the city's burgeoning tech sector. Which is good, of course, but for the fact that New York is in an increasingly polarized city that low-income workers really can't afford to live in at all. Given that those low-income workers make the city run for high-income workers, it would appear that New York is in an increasingly untenable position.
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