



## **Pathways out of Poverty**

**September 2, 2013**

## I. Introduction

Many of the challenges facing Boston today share a common theme: poverty. Violence, educational inequality, rising healthcare costs, and homelessness, poverty plays a fundamental role in each of these pressing issues. Despite dramatic changes in our city, the level of poverty among Bostonians has remained relatively constant over the past two decades.<sup>1</sup> It will be up to our next Mayor to lead a renewed effort to alleviate poverty and give all of Boston's residents the tools and opportunity to provide for the basic needs of themselves and their children.

Mayor Menino's Administration, non-profit organizations, private companies, and individual residents have all made efforts to address the challenge of poverty in Boston. These efforts range from linkage fees paid for downtown development, which go to fund affordable housing and job training programs, and policies requiring certain projects to employ a percentage of workers from Boston,<sup>2</sup> to non-profits that help low-income families build savings and repair credit,<sup>3</sup> and a fund co-founded by a venture capitalist that identifies successful anti-poverty charities and helps establish them in Boston.<sup>4</sup> However, despite this broad-based, concerted effort, the Boston Foundation reports that, between 2005 and 2009, an estimated 90,000 Bostonians, nearly twenty percent of all residents, were living below the federal poverty threshold. Over the same time period, more than a quarter of all children in Boston lived in poverty.<sup>5</sup>

As a son of Boston, I have seen firsthand the effects of poverty on our city and its people. Before I became a City Councilor, I worked as the political director of SEIU Local 615, organizing janitors, security guards, and building service workers. Many of them worked two or three jobs and I would meet them at the end of their last shifts in the middle of the night and into the early hours of the morning because that was the only time they had.<sup>6</sup> We did this because we knew that although they are perceived to be powerless, through organizing, we would be able to improve both the lives of the workers and their families. We were able to win a fair pay so janitors who used to earn only \$9.95 an hour have seen an increase that will rise to \$17.85 an hour by 2016, good benefits and most importantly the respect and dignity that everyone deserves.<sup>7</sup> As a City Councilor, I have been an advocate for the working people of this city, for investing in our neighborhoods, and for finding work for those who do not have it. As Mayor, I will continue to work tirelessly to bring about the real, systematic changes that will give thousands of Bostonians a way out of poverty.

## II. Current Picture

In 2012, 21.2 percent of Bostonians were living in poverty.<sup>8</sup> Each year the federal government establishes a poverty threshold based on the number of people in a household and the household's annual income; in 2012, the federal poverty threshold for a single person was \$11,170. For a family of four, the threshold was \$23,050.<sup>9</sup>

As we begin to break down the numbers, we see even more startling trends. Boston's poverty rate is currently more than twice that of the state average (10.5%),<sup>10</sup> and several percentage points above the national average. Boston is a majority-minority city, but a great majority of Bostonians of color are concentrated in the high-poverty neighborhoods of Roxbury, Dorchester,

<sup>1</sup> "The Measure of Poverty," The Boston Foundation (report), 2011

<sup>2</sup> ["Poverty must be top priority for mayoral candidates,"](#) Boston Globe (op-ed), 8-17-2013

<sup>3</sup> ["Helping families climb out of poverty,"](#) Boston Globe, 6/23/2013

<sup>4</sup> "In Boston, a fund seeks promising non-profits to tackle social ills," The Chronicle of Philanthropy, 4/15/2012

<sup>5</sup> "The Measure of Poverty," The Boston Foundation (report), 2011

<sup>6</sup> "Arroyo toils for Boston's invisible toilers," Boston Herald (column), 11/2/2011

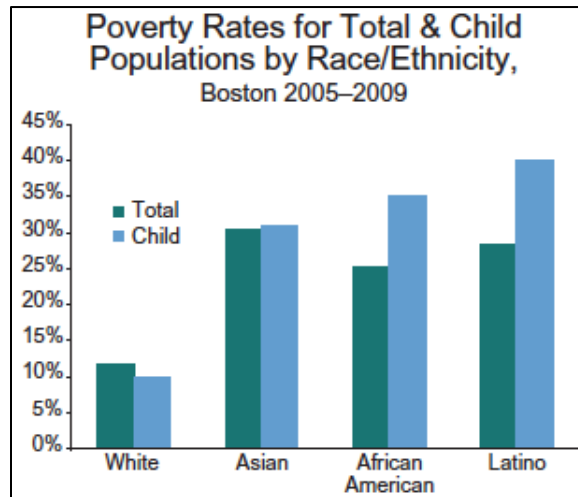
<sup>7</sup> "Janitors, contractors reach deal," Boston Globe, 10/2/2012

<sup>8</sup> ["Boston poverty levels more than double state average,"](#) Back Bay Patch, 7/27/2012

<sup>9</sup> 2012 HHS poverty guidelines, [here](#)

<sup>10</sup> ["Boston poverty levels more than double state average,"](#) Back Bay Patch, 7/27/2012

Mattapan and East Boston. Levels of poverty are sharply divided along racial lines; between 2005 and 2009, close to one in three Asians and one in five African-Americans and Latinos in Boston was living in poverty, compared to one in ten white residents.<sup>11</sup>



Source: The Measure of Poverty

Between 2005 and 2009, 28 percent of all children in Boston lived in poverty; that included 40 percent of all Latino children, 35 percent of all African American children, 31 percent of all Asian children and 10 percent of all White children. In areas of Roxbury, Mattapan and Dorchester, the percentage of children living in families below the poverty line is over 50 percent. The overall rate of children in poverty was exactly the same between 2005 and 2009 as it was in 1990, according to the Boston Foundation.<sup>12</sup>

Poverty in Boston: 1990 and 2005-2009*				
In Poverty	1990		2005-2009*	
All Boston Residents	102,092	19%	112,667	19%
Families with Children	13,980	24%	12,850	23%
All Children	30,372	28%	30,957	28%
Latino	8,375	45%	11,227	40%
African American	14,664	34%	13,842	35%
Asian	2,142	33%	2,502	31%
White **	8,213	18%	2,962	9.5%

Source: The Measure of Poverty

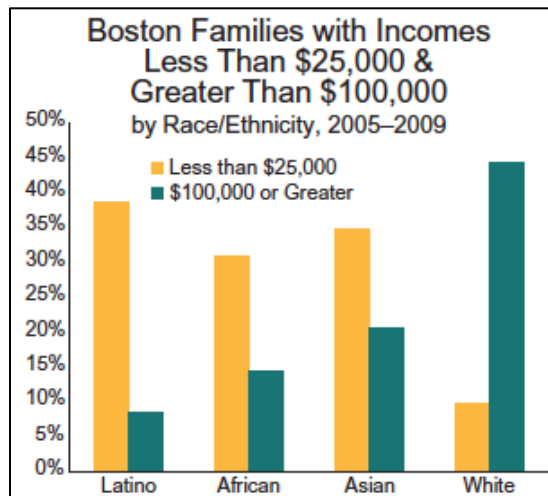
Including those living in poverty, approximately 160,000 Bostonians are living on incomes below 185 percent of the federal poverty level, the eligibility threshold for most social safety net programs, such as food stamps. Boston's high cost of living compounds the problem; the Boston

<sup>11</sup> "The Measure of Poverty," The Boston Foundation (report), 2011

<sup>12</sup> "The Measure of Poverty," The Boston Foundation (report), 2011

Foundation estimates that “when the region’s high cost of living is taken into account, as many as 340,000 Bostonians (excluding college students) may be challenged to make ends meet in post-Recession Boston—a figure that includes more than half of Boston’s population.”<sup>13</sup>

As the level of poverty in Boston has remained stubbornly constant over the past two decades, the level of income inequality in Boston has continued to grow. “In 2009, the top 5% of Boston earners accounted for 25% of total annual income while the bottom 20% earned just 2.2% of the annual total,” according to the Boston Foundation.<sup>14</sup> Like poverty itself, income inequality is divided along racial lines; between 2005 and 2009, nearly 50% of white families in Boston had incomes greater than \$100,000, compared to 7% of Latino families, 15% of African American families and 20% of Asian families. In addition to increasing inequality, the federal poverty standards have failed to keep up with Boston’s rapidly increasing cost of living, meaning that those people living around the poverty line are actually “poorer” today than they were in 1990. The federal minimum wage is only \$7.25 per hour; in Massachusetts it is only slightly higher at \$8 per hour. Even working full time, it would be nearly impossible to live in Boston while earning the current minimum wage; if we hope to keep working families in our city and address income inequality, we must support measures like the recently proposed ballot initiative that would raise the minimum wage in Massachusetts from its current level to \$11 per hour by 2015.



Source: The Measure of Poverty

The effects of this level of poverty in our city are myriad, from crime to education to health care costs. The Boston NAACP has identified poverty and low-income as one of the root causes of violent crimes in Boston.<sup>15</sup> Poverty also affects students in the classroom; the achievement gap between “rich and poor students has grown substantially during,” the past few years according to the New York Times.<sup>16</sup>

In addition to the social ills brought about by poverty, it is also costly to the economy. In 2007, a report by the Center for American progress concluded that “the costs to the U.S. associated with childhood poverty total about \$500B per year, or the equivalent of nearly 4% of GDP.”<sup>17</sup> This includes the increases costs of crime and health expenditures and the reduced productivity and economic output over an average, impoverished child’s lifetime.

<sup>13</sup> “The Measure of Poverty,” The Boston Foundation (report), 2011

<sup>14</sup> “The Measure of Poverty,” The Boston Foundation (report), 2011

<sup>15</sup> “Boston killings a game-changer?,” Boston Globe, 8/18/2012

<sup>16</sup> “Education gap grows between rich and poor,” New York Times, 2/9/2012

<sup>17</sup> “From poverty to prosperity...,” Center for American Progress, April 2007

In recent years, demands for social safety net programs such as SNAP (food stamps) and WIC have increased dramatically, but at the same time, the state budget has slashed funding for services that are essential to low-income residents in Boston and throughout the Commonwealth, including Head Start, Universal Pre-K, the Employment Services Program, and SNAP; this is an unsustainable cycle.

It is clear that we must take quick and decisive action to address the root causes of poverty and alleviate the pressure it puts on our city and its people.

### **III. Moving Forward**

There are several real and immediate steps we can take to address the issue of poverty in Boston. We can work to create new jobs, ensure existing jobs pay a living wage, improve our public schools so that every student has the skills to enter the workforce, provide better and more accessible public transportation options, and control the cost of housing. The next Mayor must make it a priority to work with civic and business leaders, community organizations, and residents to accomplish these goals and limit the destructive effects of poverty.

#### **1) Create new, quality jobs in Boston**

Boston is in a strong position relative to many other cities in terms of unemployment and job growth, but we still have too many people out of work. If we are serious about fighting poverty, it is essential that every resident of Boston have access to a good job that pays a living wage.

The unemployment rate in Boston is currently just over 6%, and this does not include those residents who have been unemployed for so long that they have stopped looking for work; taken together, this means that thousands of Bostonians are currently out of work. There are a number of steps we can take to ensure that everyone in Boston has the opportunities offered by gainful employment:

- *Use Boston's money to spur job creation and renewed investment in our community.* As a City Councilor, I introduced legislation that would invest \$1 billion of Boston's money in banks that, in turn, re-invest in our community. By using this money to incentivize banks, we can spur them to loan money to small businesses, the drivers of our economy, grow home ownership by lending to qualified home buyers, and create even more jobs by investing in new businesses and development.
- *Support small-business growth.* Nationwide, small businesses account for more than 60% of new, private sector jobs.<sup>18</sup> Small businesses are the drivers of our economy and the next Mayor must make it a priority to ensure that they are able to thrive in Boston; this includes building on Mayor Menino's foundation of pro-business programs, reducing the cost of permitting and other start-up costs, and maintaining and increasing Boston's pool of talented workers.
- *Ensure that contractors comply with the Boston Residents Job Policy.* Boston currently requires contractors working on "federally assisted, city sponsored, and privately funded developments within the City limits" to make to employ bona-fide city residents for 50% of the total employee hours related to the project; in addition contractors must employ minorities for 25% of the hours and women for 10%. However, according to a recent column in the Boston Globe, city projects have averaged only about 30% employment of city residents. Our next mayor must take concrete steps to ensure that this policy is fully

---

<sup>18</sup> "FAQ," Office of Small Business Advocacy, September 2012

enforced and we must also up the level of minority and female employment to 50% and 15%, respectively.<sup>19</sup>

## **2) Turn existing jobs from “bad” jobs into “good” jobs**

We cannot overlook the plight of the working poor; many Bostonians have consistent employment, but still struggle to make ends meet. The next Mayor must commit to ensuring that existing jobs in our city offer workers the pay and benefits that will enable them to climb out of poverty.

In 2011, the USDA reported that, nationally, 30% of the households receiving SNAP benefits had earnings, but were still living below 185% of the federal poverty threshold. Even working full time, it is still difficult for low-wage workers in our city to provide for themselves and their families, and they remain at least partially reliant on overburdened and underfunded safety net programs. To tackle this problem, we must:

- *Leverage Boston’s buying power to ensure city contractors pay employees a living wage.* The current federal minimum wage is only \$7.25 an hour; an individual working full-time for the minimum wage would earn only just over \$15,000 annually, putting them above the federal poverty level for a single person but well below the poverty line for a family. Of the more than 12,000 families with children in Boston living below the federal poverty line between 2005 and 2009, 85% were headed by a single parent.<sup>20</sup> Take into account Massachusetts’ relatively high cost of living, and it becomes extremely difficult, if not impossible, to support a family working full time for minimum wage. By leveraging Boston’s purchasing power, we can ensure that companies seeking to do business with the city pay their workers a living wage.
- *Ensure pay equality between men and women.* A recent study by the Center for Economic and Policy Research showed that women hold a higher percentage of “bad” jobs and a lower percentage of “good” jobs than men.<sup>21</sup> Mayor Menino has renewed focus on the issue of pay equality in the past couple years, and the next Mayor must build on this momentum to ensure that men and women in Boston are compensated equally.
- *Support workers rights to organize.* Throughout my career, I have supported the right of laborers to organize, and recent research has shown that increasing levels of union membership leads to more workers with health and retirement plans, higher wages, and an overall decrease in the number of “bad” jobs and an increase in the number of “good” jobs.<sup>22</sup> The next Mayor must stand firmly behind our workers as they seek to organize and negotiate fair wages and benefits.

## **3) Link Boston residents with good, existing jobs.**

Even as many Boston residents are unemployed, there are thousands of jobs that remain vacant because employers cannot find qualified applicants. As Massachusetts businesses begin to recover from the recession, we must make sure that Boston’s workers have the skills and knowledge to fill the jobs that are returning to our city and state.

---

<sup>19</sup> [“Poverty must be top priority for mayoral candidates,”](#) Boston Globe (op-ed), 8-17-2013

<sup>20</sup> “The Measure of Poverty,” The Boston Foundation (report), 2011

<sup>21</sup> [“Making jobs good,”](#) CEPR, April 2013

<sup>22</sup> [“Making jobs good,”](#) CEPR, April 2013

In 2012, the Governor's office reported that Massachusetts had nearly 120,000 vacant jobs that employers could not fill because applicants didn't have the right qualifications.<sup>23</sup> Analysts estimate that industries like education, healthcare, and biotech will add thousands of jobs in Boston over the next few years. With so many Bostonians out of work or struggling with low-wage jobs, we cannot allow these jobs to go unfilled because of a skills gap. In order to match workers with existing jobs, we must:

- *Improve the quality of and access to job training programs for adults.* Working with institutions of higher learning, community organizations, and employers, the next Mayor must take the lead on establishing accessible, high-quality job training programs that will give adult workers the necessary skills, specifically in math and science, to fill job openings in Boston's burgeoning industries.
- *Ensure that residents have access to affordable higher education.* One of the greatest indicators of future poverty is education attainment; in Boston, "27% of those without a high school diploma were living in poverty compared to 6% of those with a B.A. or higher," according to the Boston Foundation. In some areas of the Roxbury/Dorchester/Mattapan corridor, which has the highest concentration of residents of color, 50% of adults do not have a high school diploma. We must support our community college system so that prospective students have access to an affordable, high-quality education that will prepare them for good careers.
- *Align education curriculum with industry needs.* As noted in the Boston Globe magazine, "at a time when higher education and industry should be talking to each other, they speak different languages – and work at vastly different speeds."<sup>24</sup> By facilitating closer partnerships between industry and institutions of higher learning, we can ensure that every student has the skills necessary to compete in a rapidly changing workforce.

#### **4) Implement school reforms designed to give every student, regardless of income level, that ability to be successful academically and when they enter the workforce.**

Education level is one of the most important factors in predicting an individual's ability to earn a living; an individual with a high school diploma, on average, will earn more than \$400 less each week than an individual with a bachelor's degree, according to the Bureau of Labor Statistics. In addition, the unemployment rate for those with only a high school diploma (8.3%) is almost 4 percentage points higher than those with a bachelor's degree. For those who do not achieve a high school diploma, the unemployment rate jumps to over 12%.<sup>25</sup> As noted above, the rate of poverty among individuals without a high school diploma is more than four times that for individuals with a B.A. or higher.

Over the past few years, the income achievement gap has remained stubbornly wide in Boston, across the Commonwealth, and around the nation. 75% of the more than 57,000 students in the Boston Public School system are classified as "low-income" and are eligible for free or reduced price lunch, meaning that their families live on less than 185% of the federal poverty level; 69% of students are living in families earning below 133% of the poverty level.<sup>26</sup> In 2012, 10% fewer low-income students scored proficient or advanced on the 10<sup>th</sup> grade English and math MCAS, when compared to their non-low-income peers. There are several steps we can take to address these academic inequalities and give students from low-income families the tools to climb out of poverty:

---

<sup>23</sup> "Putting college degrees to work," Boston Globe Magazine, 3/4/2012

<sup>24</sup> "Putting college degrees to work," Boston Magazine, 3/4/2012

<sup>25</sup> "Earnings and Unemployment rates by educational attainment," BLS, 5/22/2013

<sup>26</sup> "The Measure of Poverty," The Boston Foundation (report), 2011

- *Ensure universal access to early childhood education.* The foundation of academic success is created early, but only 35% of eligible children in Boston are currently enrolled in early education programs. By increasing funding to the BPS system and working with private non-profits, we can ensure that every child in Boston has access to high-quality early education at no charge.
- *Expand and improve STEM education.* In 2011, the New England Economic Partnership projected that the health and education “supersector,” which relies heavily on workers with STEM skills, will add nearly 20,000 jobs by 2016.<sup>27</sup> By ensuring that every student in the Boston Public School system has access to high quality education in science, technology, engineering, and math, we can put all students, regardless of their family’s income level, on level footing to pursue jobs in this emerging industry.
- *Take a holistic approach to educating student from Boston’s poorest neighborhoods.* Mayor Menino’s Circle of Promise initiative seeks to get community-wide buy-in, from businesses, non-profits, and residents, to raise the level of academic achievement among students from some of Boston’s poorest neighborhoods. We must build on this model to ensure that every student has access to the basic resources, such as housing, food, and health care, that allow them to be successful in school.
- *Expand adult education opportunities.* The importance of education is not limited to our children. Adult education and workforce training programs have been shown to create positive returns on investment for individuals and Boston’s overall economy. The next Mayor must work with community organizations and educational leaders to design and broaden opportunities for adults that will give them the knowledge and skills to fill the thousands of high-quality jobs being created in Boston.

##### **5) Expand Boston’s public transportation infrastructure and its hours of operation**

For many in Boston, just getting to and from work proves a challenge. Currently MBTA trains and buses run only until approximately 12:45 AM on weekdays. For many of Boston’s workers, including janitors and other service employees, this makes it difficult to get home after working late night shifts. In addition to limited service times, access to public transportation is distributed unequally throughout Boston; residents of neighborhoods like Mattapan and Hyde Park don’t have the same level of access to safe and reliable public transportation as other residents. Statistics show that Black Bostonians, many of whom live in higher-poverty neighborhoods like Mattapan and Roxbury, have consistently longer commutes than white residents; this is often because affordable housing is generally located farther from desirable bus and subway stations, according to the Boston Globe.<sup>28</sup> We cannot allow a lack of feasible transportation options to prevent workers from taking available jobs. There are several steps the next Mayor can take to make Boston’s public transportation work harder for Boston’s workers:

- *Support additional investment in Boston’s public transportation infrastructure.* As Mayor, I would support increased investment in our public transportation infrastructure to ensure that public transportation is an accessible and reliable option for every Boston worker who does not have their own means of private transportation.
- *Establish a 24-hour public transportation option.* It is essential to provide workers with a safe and reliable method of transportation 24 hours a day. Our next Mayor must work

<sup>27</sup> “2013 Economic Report,” Boston Redevelopment Authority, January 2013

<sup>28</sup> “Black commuters face longer trips to work,” Boston Globe, 11/25/2012



with transportation officials and residents to design and implement a feasible public transportation option outside of the MBTA's current hours of operation.

- *Make our neighborhoods safer and more accessible so that people can walk to work.* According to a 2012 report, Boston leads the nation in the percentage of people who walk or ride bikes to work.<sup>29</sup> We must work with law enforcement and community members to make sure that workers in every Boston neighborhood feel safe walking to and from work. In addition, we must improve our infrastructure to more safely accommodate pedestrians and bicyclists.

## **6) Increase Boston's stock of affordable housing**

Finding affordable housing is an essential step in breaking the poverty cycle. Boston has one of the highest costs of living in the country, and much of that has to do with the high cost of housing. If we are serious about alleviating poverty, we must expand our housing stock so that every Bostonian has access to an affordable, clean and safe place to live.

In August 2012, the Boston Globe reported that the average monthly rent for an apartment in Boston was over \$1,800.<sup>30</sup> An individual earning the Massachusetts minimum wage of \$8/hour earns only \$16,640 every year, meaning they could not afford to live in an average Boston apartment; for a family with two adults working at minimum wage, the rent of an average apartment would consume 65% of their annual income. The Boston Foundation reported that, even with affordable housing and rental assistance programs, "more than half of Boston renters earning less than \$35,000 annually paid more than 35% of their income in rent."<sup>31</sup> There are a number of steps the next Mayor can take to make housing more affordable for Boston's low-income residents:

- *Increase funding for rental assistance programs.* The Section 8 voucher program uses grants from the federal department of Housing and Urban Development to help low-income, the elderly, and the disabled find good housing in the private market. The next Mayor must work with state and federal officials to expand this program, and others like it, which currently serve more than 12,000 Bostonians.<sup>32</sup>
- *Ensure enforcement of Boston's Inclusionary Development Policy.* Under this policy, companies building residential developments on city-owned land in Boston are required to include affordable housing units equal to 15% of the total residential units. Alternatively, companies can contribute \$200,000 to the city's Inclusionary Development Fund for each unit the development falls below the 15% threshold. However, in 2006, the Massachusetts Association of Community Development Corporations found that, in many cases, those living in inclusionary units were actually earning more than the city's median income, that the size of the units, usually one or two bedrooms, prevented families from living there, and that unclear oversight had prevented the city from turning the money in the Inclusionary Development Fund into affordable development around the city.<sup>33</sup> Our next mayor must place renewed emphasis on ensuring that developers include affordable units in residential developments, that these units actually go to low-income city residents, and that the money in the Inclusionary Development Fund is used to spur development of other affordable housing in Boston.

---

<sup>29</sup> "Share of commuters who walk and bicycle in largest US cities," Portland Afoot via the American Community Survey, 2012

<sup>30</sup> "[Boston rents spiral even higher](#)," Boston Globe, 8/13/2012

<sup>31</sup> "The Measure of Poverty," The Boston Foundation (report), 2011

<sup>32</sup> "[Rental assistance programs](#)," Boston Housing Authority

<sup>33</sup> "Building Better," MACDC, May 20006

- *Update Boston Housing Authority developments.* The Boston Housing Authority is Boston's biggest landlord and houses approximately 10% of the our city's residents through its programs. We must ensure that all BHA developments are well maintained and up to code so that low-income residents have safe, clean, and dignified housing options.
- *Take a systematic approach to increasing Boston's overall housing stock.* In March 2013, Mayor Menino announced the Housing Boston 2020 plan, which lays the groundwork for the creation of 30,000 new units of housing in Boston by 2020; in May he announced a panel of housing professionals who will work with city officials to map out the new plan.<sup>34</sup> The next mayor must build on this momentum to provide adequate levels of affordable and other kinds of housing for Boston's residents.
- *Explore innovative methods for student housing at colleges and universities in Boston.* Every year, there are hundreds of thousands of students who come to Boston to attend one of our world-class institutions of higher education. This influx of students, many of whom live in off-campus apartments, places an enormous amount of pressure on the rental market and helps propel rents to levels that are prohibitively high for some residents. The next Mayor must work with the various stakeholders to explore innovative solutions for housing Boston's students that relieve some of the strain on the private rental market.

#### **IV. Conclusion**

Poverty is clearly a pressing problem in Boston, one that has tremendous personal, societal, and economic impacts, but there are concrete steps we can take to address the problem. By growing Boston's economy, creating jobs, expanding educational opportunities, growing our transportation infrastructure, and working to lower the cost of living, we can give the thousands of Bostonians living in the poverty the opportunity to move themselves and their children into the middle class. I have the experience to tackle these issues, I have seen first-hand the effects of poverty throughout our city, and as Mayor, I will be committed to implementing the policies and initiatives that can give so many of our fellow residents a path out of economic hardship.

---

<sup>34</sup> "[Mayor Menino convenes...](#)," Office of the Mayor (press release), 5/21/2013