

2004 Income and Affordability Study

April 20, 2004

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2004 Income and Affordability Study

what's new

- ✓ New York City's economy shrunk by 2.2% in 2003, compared to 3.8% in 2002.
- ✓ The City lost 55,000 jobs in 2003, representing a 1.5% decline from 2002 in the number employed.
- ✓ The unemployment rate increased to 8.4% last year, up from 7.9% in 2002.
- ✓ Staten Island saw the largest jump of the boroughs in its unemployment rate, increasing from 6.5% to 7.4% between 2002 and 2003, a 13.8% jump.
- ✓ Inflation averaged 3.1% in the metro area in 2003, up from 2.6% in the prior year.
- ✓ Inflation-adjusted wages decreased 5.0% in 2002, compared to .7% increase in 2001.
- ✓ In calendar year 2003, 38,310 homeless people were staying in municipal shelters, up 10.8% from 2002.
- ✓ The average number of families temporarily sheltered each night increased 14.0%, to 9,203 in 2003, compared to a year earlier. This figure is 50% higher than 2001 levels.
- ✓ The number of non-payment filings in Housing Court decreased 4.0% in 2003, to 318,077.

Introduction

Section 26-510(b) of the Rent Stabilization Law requires the Rent Guidelines Board (RGB) to consider “relevant data from the current and projected cost of living indices” and permits consideration of other measures of housing affordability in its deliberations. To assist the Board in meeting this obligation, the RGB research staff produces an annual *Income and Affordability Study*, which reports on housing affordability and tenant income in New York City's rental market. The study highlights year-to-year changes in many of the major economic factors affecting New York City's tenant population and takes into consideration a broad range of market forces and public policies affecting housing affordability. Such factors include New York City's overall economic condition — unemployment rate, wages, Consumer Price Index and Gross City Product — as well as the number of eviction proceedings and the impact of welfare reform and federal housing policies on rents and incomes.

Summary

For the third consecutive year, New York City's economy still struggled to recover from recession, rising unemployment rates, falling employment levels, and stagnant to declining real wages. The City's Gross City Product declined by 2.2% in 2003, despite growth of 2.2% in the fourth quarter. Unemployment rates also increased for the third year in a row, climbing .5 percentage points to 8.4%. Total employment levels in the City fell to 1998 levels, and both real and nominal wages fell to levels not seen in this decade. In addition, Housing and Vacancy Survey data published last year reveals that the vacancy rate remains well below the 5% threshold, at 2.94% citywide. But despite the poor economy, the number of persons receiving public assistance fell during Fiscal Year 2003, and rose again during the first four months of FY 2004. In addition, the number of homeless in City shelters grew to record numbers, especially among families, while non-payment filings in Housing Court decreased by 4.0%.

Economic Conditions

The City's economy remained mired in a recession for a third straight year in 2003. New York City's Gross City Product (GCP), which measures the total value of goods and services produced, contracted by 2.2% in 2003, after falling 3.8% in 2002, and 1.4% in 2001.¹ Prior to the current recession, the last time yearly GCP declined was in 1991. In contrast, GCP increased at an annualized rate of 6.0% from 1994 through 2000. Although GCP was down for the year, the last quarter of 2003 was the first in 11 in which the City had an upward change in GCP, with an increase of 2.2%.² Comparatively, the analogous national number, United States Gross Domestic Product (GDP), has annually increased every year

since 1991, including a 3.1% increase in 2003, and a 2.2% increase in the prior year.

The Consumer Price Index (CPI), which measures the change in the cost of typical household goods, increased at a higher rate in 2003 (3.1%) than in 2002 (2.6%) in the NYC metropolitan area, signifying a more rapid rate of inflation. U.S. CPI for urban consumers also increased at a higher rate this year, up 2.3% in 2003 versus an increase of 1.6% in 2002. This is the second year in a row, and only the second time since 1992, that the NYC CPI increase exceeded the U.S. CPI increase.³

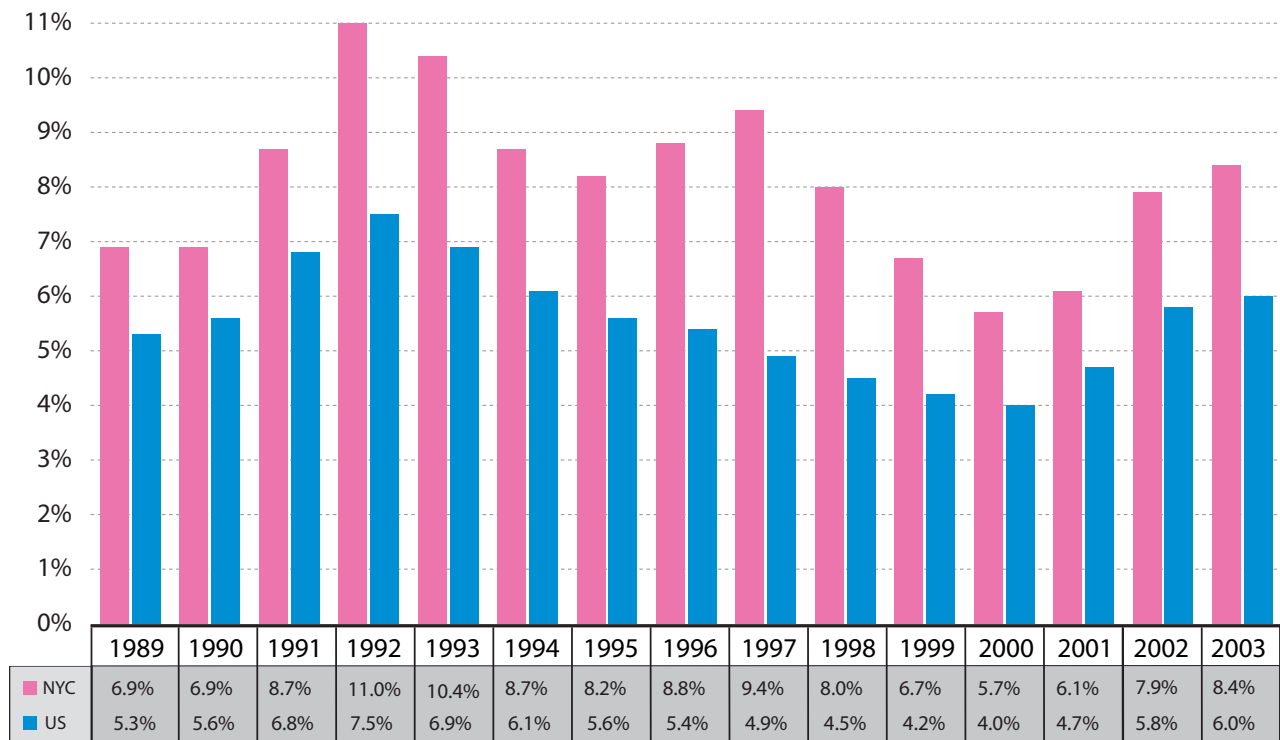
For the third year in a row, NYC's unemployment rate increased, to its highest level since 1997, increasing by half a percentage point, from 7.9% in 2002 to 8.4% in 2003. The U.S. unemployment rate also increased over the past year, but at a slower rate, up .2 percentage points to 6.0% in 2003. The discrepancy between the NYC and nationwide rates began to grow again in 2002, after falling the prior year to its smallest difference since 1990. (See graph below and Appendix 1.)

During the early months of 2004, unemployment rates continued to increase marginally over average 2003 levels. The City jobless rate stood at 8.9% in January 2004 and 8.5% in February, slightly higher than the City's 2003 average rate of 8.4%, while the national unemployment rate stood at 5.6% in both January and February of this year, .4 percentage points lower than the U.S. 2003 average.

While Staten Island generally has the lowest unemployment rate of all the boroughs, the rate jumped almost 14% between 2002 and 2003, from 6.5% to 7.4% over the year. The lowest borough unemployment rate now belongs to Queens, where 6.9% of people looking for jobs were without one. Manhattan's unemployment rate remained stable at 8.2% for the second year in a row, but still stands at almost double its 2000 rate of 4.9%. Brooklyn's unemployment rate also rose sharply this year, up .6 percentage points to 9.2%, its highest level since 1998 (and the second highest rate of the boroughs). Once again the highest rate of

NYC and U.S. Unemployment Rates, 1989-2003

NYC and U.S. Unemployment Rates Continue to Rise in 2003



Source: U.S. Bureau of Labor Statistics.

unemployment was in the Bronx, where 10.4% of workers are unemployed, an increase of 1.1 percentage points and almost 12% from last year's rate of 9.3%. Over the past two years, unemployment rates have increased 54.2% in Staten Island, 40.5% in the Bronx, and approximately 35-37% in Brooklyn, Manhattan, and Queens.

Two other employment indices fell in 2003. The NYC labor force participation rate — which measures the proportion of all non-institutionalized people, aged 16 and over, who are employed or actively looking for work — decreased in 2003, to 58.4%, down from 59.4% in 2002.⁴ This remained lower than the U.S. rate, which also decreased slightly over the past year, to 66.2% in 2003, from 66.6% in the prior year, the third consecutive decrease.

In addition, the NYC employment/population ratio, which measures the proportion of those who are actually employed as a ratio of all non-institutionalized people age 16 or over, also decreased, to 53.5% in 2003, down 1.2 percentage points from 2002. The U.S. employment/population ratio decreased as well, but by

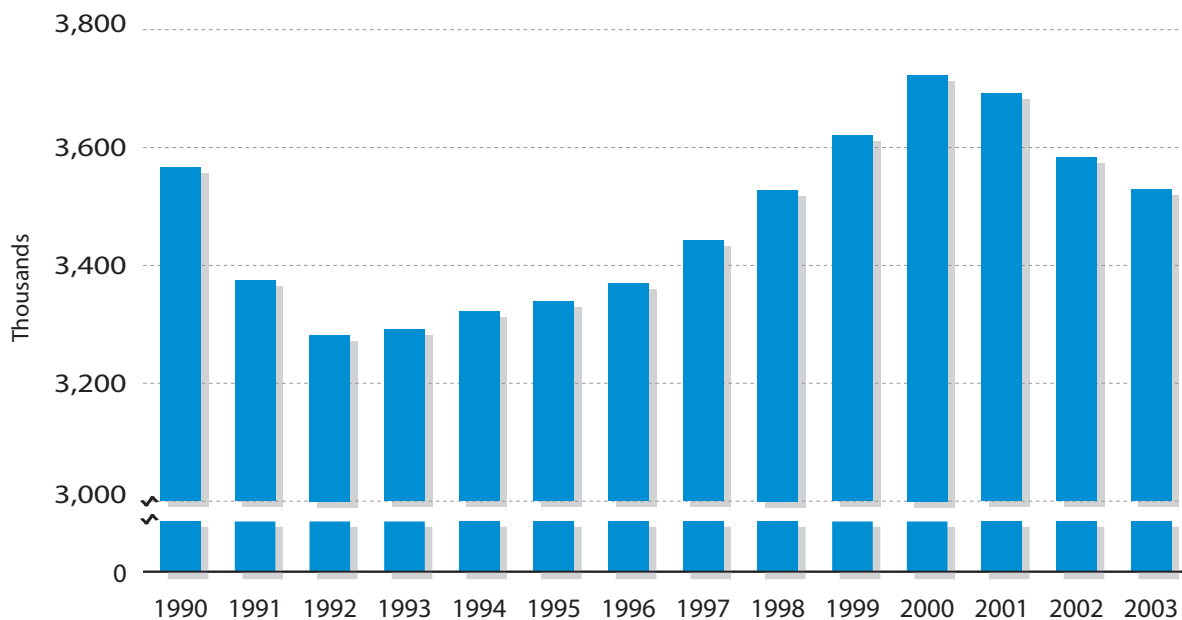
a lesser amount, down .4 percentage points to 62.3% in 2003. The decrease in both the City's labor force participation rate as well as the City's employment/population ratio, simultaneous to the increase in the unemployment rate, suggests although less people are now actively seeking work, the remaining workers are still having trouble finding employment.

The increasing rate of unemployment is also reflected in the decline in the number of those employed in New York City (see graph below). Overall, among both city residents as well as those commuting into the city, NYC lost 55,000 jobs in 2003, a 1.5% decrease from 2002. These job losses follow a 108,500 decline in 2002 and a 31,100 loss in 2001.

Job losses occurred in almost all job sectors.⁵ The manufacturing sector lost the highest proportion of jobs in 2003, down 9.5%, or 13,200 jobs, while the information industry (publishing, broadcasting, telecommunications, etc.) dropped 7.2%, or 12,800 positions. Other sectors saw more moderate job losses, including the professional and business sector, which lost 14,800 jobs (a 2.7% decline); financial activities,

Average Annual Payroll Employment, NYC, 1990-2003

NYC Employment Levels Drop For Third Year in a Row



Source: U.S. Bureau of Labor Statistics.

losing 2.5%, or 11,000 jobs; construction, falling 2.9%, or 3,300 jobs; and trade, transport & utilities, declining 0.6%, or 3,100 jobs. The number of government jobs also fell between 2002 and 2003, with a more than 2% drop in workers at the federal, state, and local levels (including a 1.9% drop in local government positions).

The only three sectors to see job increases in 2003 were the educational/health services, management of companies, and leisure/hospitality sectors. The educational and health services sector has been growing steadily since at least 1990 (the first year data is available for), and grew again this year to a new high of 659,100 jobs, a 2.0% increase. Management of companies (a sector newly added in 2000) grew by 1.2% to a record 59,100 positions. Leisure and hospitality grew by 1.1% this year, adding 2,700 new jobs to reach a total of 258,000 (See Appendix 2.)

This report also examines wage data of employees working in New York City (regardless of where they live), though the analysis is limited by the fact that there is a one-year lag in the reporting of income data. The most recent numbers, which cover the 2002 calendar year, reveal a substantial decrease in wages, both real and nominal. Following a 6.0% increase in real wages in 2000, and a more modest 0.7% increase in 2001,⁶ real wages, which are wages adjusted for inflation, decreased 5.0% in 2002, the first real wage decrease since 1994. In 1996 dollars this amounts to a fall from \$54,455 in 2001 to \$51,715 in 2002. Similarly, nominal wages (wages in current dollars) atypically fell 2.6% in 2002, versus an increase of 3.3% the prior year, and more than 9% the year before. In 2002, the average annual nominal wage was \$59,461, a decrease from \$61,046 in 2001.

Management of companies and manufacturing were two of the only sectors to see an increase in real wages during 2002, increasing by 3.9% and 3.2% respectively. Transportation, trade, and government sectors saw little to no change in real wages, and the construction and services sectors saw decreases of between one and two percent. The information sector decreased by 2.9% to come in at slightly below real 2000 wages. By far the largest decrease in real wages was in the FIRE (finance, insurance and real estate) sector, where real wages decreased by 11.2%, but still topped more than \$117,000.

Poverty remains a problem in a City faced with recurring recession. A recent report indicates that, after

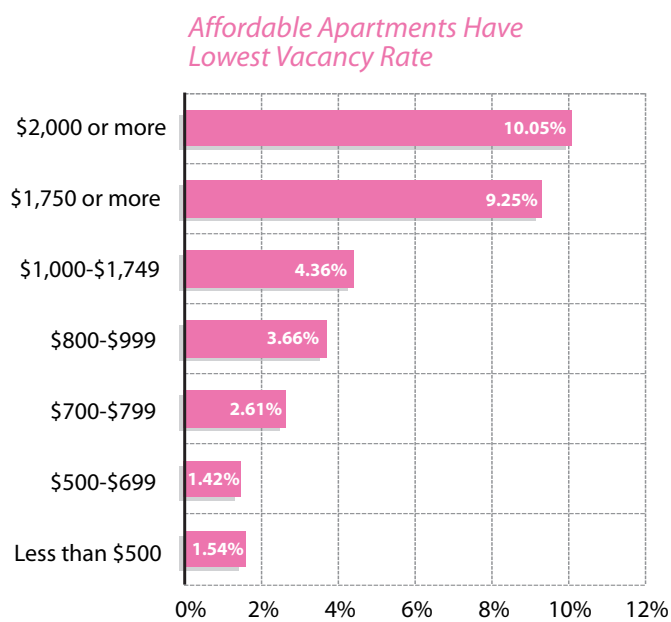
declining for five years, the poverty rate is beginning to increase. After declining from 26.4% in the mid-nineties to 19.8% in 1999-2000, the poverty rate has begun rising again, up 0.3 percentage points in 2001-2002 (the most recent period data is available for) from the previous year's rate, to 20.5%.⁷

New York City Renters

Results from the 2002 Housing and Vacancy Survey (HVS) were released last year, and they reveal the continuation of a very tight New York City housing market.⁸ This triennial survey of the housing and demographic characteristics of the City's residents found that the citywide vacancy rate was 2.94% in 2002, well below the 5% threshold required for rent regulation to continue under state law. Queens continued to have the lowest vacancy rate in the city, at 1.78%, translating into the availability of just 7,700 rentals in a borough with 431,000 rental apartments. Manhattan, by contrast, had the highest vacancy rate in 2002, at 3.86%. Of the remaining boroughs, Staten Island's rate stood at 2.43%, the Bronx at 3.29%, and Brooklyn's at 2.73%.⁹

The HVS found vacancy rates varying significantly among different asking rents. As might be expected,

Vacancy Rate by Monthly Rent Level, 2002



Source: 2002 NYC Housing and Vacancy Survey

apartments renting for the least had the lowest vacancy rates, while those apartment renting at the high end had substantially higher vacancy rates. Apartments with an asking rent of less than \$500 had a vacancy rate of just 1.54%, while those renting for at least \$2,000 had a vacancy rate of 10.05%. (See graph on previous page for a further breakdown.)

Income

According to the 2002 HVS, which reflects household income for 2001, the median income for rental households was \$31,000 in 2001.¹⁰ By contrast, owner households maintain substantially higher incomes, which in 2001 were \$60,000, almost double the average income of renters.

The 2002 HVS again found different income levels among those living in units that were rent controlled, pre-war stabilized and post-war stabilized. Rent controlled tenants continued to maintain the lowest average household income, earning a median of \$20,120 in 2001. Tenants living in stabilized buildings built prior to 1947 (“pre-war”) had a median income of \$31,000¹¹, and post-46 (“post-war”) tenants earned a median income level of \$35,650. Stabilized tenants on the whole had median incomes of \$32,000. But poverty remains a problem for a large share of apartment dwellers in NYC, with 22.5% of renter households earning poverty-level incomes in 2001.

Rent

The HVS also examines rent levels, and it revealed that in 2002, the median monthly contract rent, which excludes any additional tenant payments for fuel and utilities, for all rental units was \$706, and that median gross rent, which includes fuel and utility payments, was \$788. By contrast, rent stabilized tenants paid, on average, slightly less than the typical rental tenant, with a median contract rent of \$700 in 2002. However, the median contract rent differs depending on whether the tenant lives in a pre-47 or post-46 building. Pre-47 stabilized tenants paid a median rent of \$700, while post-46 stabilized tenants paid a contract rent median of \$750. Rent controlled tenants paid the least in contract rent, a median of \$500, and tenants living in

private nonregulated rentals paid \$850¹².

The HVS also breaks down the distribution of renter occupied housing by gross rent level. Of the 2.02 million rental units in NYC, 12.9% rent for less than \$400, while 22.6% rent for over \$1,000. Almost half (45.9%) of all rental units rent for between \$600-\$999 and the remaining 18.6% rent for between \$400-\$599.¹³ (See graph on this page for a further breakdown.)

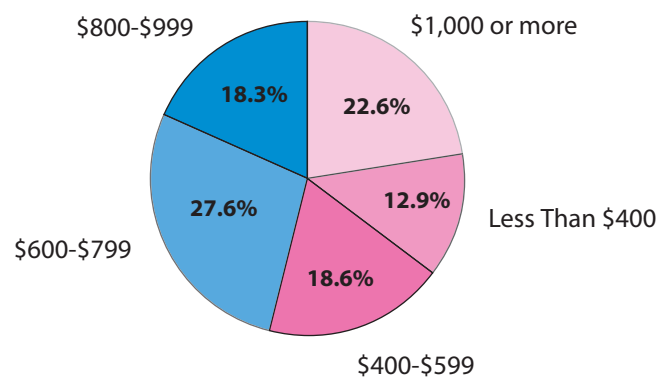
Affordability of Rental Housing

Examining affordability of rental housing, the 2002 HVS reported that the median gross rent-to-income ratio was 28.6%, meaning that half of all households residing in rental housing pay more than 28.6% of their income in gross rent, and half pay less. Furthermore, a quarter (25.5%) of rental households pay more than 50% of their household income in gross rent. Generally, housing is considered affordable when a household pays no more than 30% of their income in rent.¹⁴

Rent controlled tenants, on average, are the tenants facing the highest median gross rent-to-income ratio, with an average of 33.4%, meaning a majority of rent controlled tenants are not able to afford their apartments, based on the HUD benchmark for housing affordability. Rent stabilized tenants fare slightly better, on average, than households living in private,

Gross Rent Levels of Apartments, 2002

Wide Range of Apartment Rents in NYC



Source: 2002 NYC Housing and Vacancy Survey

nonregulated units. The median gross rent-to-income ratio of a stabilized household is 28.4%, while it is 28.6% for those in nonregulated rentals (see Endnote 12). Of stabilized tenants, post-46 tenants find their apartments more affordable, with a median gross rent-to-income ratio of 27.2%, compared to 29.0% for pre-47 buildings tenants.

A recent report by the Citizens Housing and Planning Council analyzed housing affordability data from the 1993, 1996 and 1999 HVS's and found that many more households than commonly believed face housing costs that make up a majority of their incomes. However, they also found that for many of these households, the situation is a result of short-term income reductions, though many elderly and single women with children also face long periods where their rent is disproportionate to what they can afford.¹⁵

Another recent study found NYC housing to be unaffordable to the poorest working New Yorkers. In order to afford a two-bedroom apartment at the City's Fair Market Rent (FMR), as determined by the U.S. Department of Housing and Urban Development (HUD), a full-time worker must earn \$20.63 per hour, or \$42,920 a year. Alternately, those who earn minimum wage would have to work the equivalent of 160 hours a week (or two people residing together would each have to work 80 hours a week) to be able to afford a two-bedroom unit priced at FMR.¹⁶

A May 2003 report studied housing affordability nationwide for people with disabilities who receive federal Supplemental Security Income (SSI) benefits. The report examined income from SSI benefits as compared to HUD Fair Market Rents in metropolitan areas nationwide. The report found that 132 metropolitan areas had one-bedroom fair market rents that were higher than monthly SSI payments. Of these 132 areas, New York City ranked 23rd, with rents for one-bedroom apartments exceeding SSI payments by more than 43%. Rents for studio apartments ran 29% higher than monthly SSI payments.¹⁷

Due to affect New Yorkers sharply in the next few years is a proposal by the Bush administration to cut federal funding to the Section 8 program. The program allows recipients to rent apartments in the

private marketplace, generally paying 30% of their income towards rent while the program makes up the difference. Under the proposed plan, New York City may lose \$104 million in 2005 and \$277 million in 2009. The Center on Budget and Policy Priorities projects that with these budget cuts 13,000 families will be dropped from the program next year, and an additional 31,700 families could be dropped in 2009. Alternatively, in order to keep the same number of recipients, the share of rent that Section 8 recipients pay could be increased, by \$73 to \$95 per month next year, and \$248 in 2009. The plan will also expand the eligibility for Section 8, removing the requirement that 75% of vouchers go to people earning 30% or less of the local area median income.¹⁸

Welfare Reform

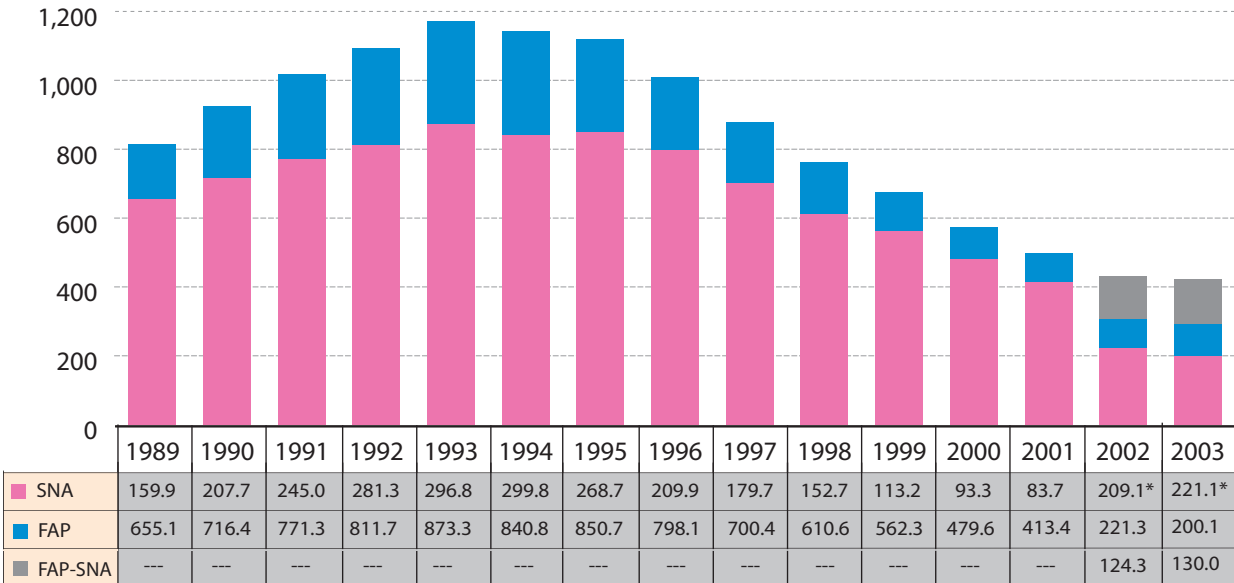
After falling significantly for many years, public assistance caseloads have started to level out, dropping only slightly over the last fiscal year. The most recent edition of the *Mayor's Management Report* indicates that during Fiscal Year (FY) 2003, 421,500 persons were receiving public assistance, a decrease of 2.1% (8,900 persons), from a year earlier. Over the last eight years the number of public assistance recipients has dropped significantly, falling 63.7% since March 1995, when the City's welfare reform initiative began and 1,161,000 recipients were on the rolls.¹⁹

However, during the first four months of FY 2004, the most recent period for which data is available, public assistance caseloads are up 1.7%, or 7,100 cases from the same period the previous year.

Public assistance rolls are made up of two main programs: the Family Assistance Program (FAP) and the Safety Net Assistance (SNA) program. In FY 2002, the City began shifting a large number of FAP recipients (federally funded by the Temporary Assistance to Needy Families (TANF) program) over to the SNA program after their federal benefits expired. During the first four months of FY 2004, 133,000 recipients shifted into the SNA program, while 205,100 remained in FAP. In addition, 8,000 more persons also began receiving SNA during the first four months of FY 2004, compared to the same

Family Assistance Program (FAP) and Safety Net Assistance (SNA), FY 1989-FY 2003

Public Assistance Caseloads Decline Slightly



Note: FAP-SNA refers to welfare recipients who were converted from the Family Assistance Program to the Safety Net Assistance Program

Source: Mayor's Management Reports, FY's 1989 - FY 2003

four-month period in FY 2003. Overall, there was a 5.5% increase in the number of new public assistance applications during the first four months of FY 2004, following an increase of almost 23% during the same period in FY 2003, reflective of the City's declining economy. (See graph above.)

The Mayor's Management Report also indicates that during the first four months of FY 2004, 35.0% of FAP families participated in work activities, down from 49.3% two years ago and 36.8% last year. This sharp decrease may be tied in part to rising unemployment rates and a tight labor market.

After declining for two consecutive years, the number of food stamps recipients began increasing again in FY 2003, rising 6.2%. And the number of people receiving food stamps increased by 9.8% in the first four months of FY 2004, following an increase of 3.4% in the same period the preceding year. The number of food stamp recipients now tops 918,000, up from 871,300 at the end of FY 2003. The increase in demand for food stamps is another sign of the deteriorating local economy.

Housing Policy

New York City receives funding for a variety of housing programs from the U.S. Department of Housing and Urban Development (HUD). In the 2003 calendar year, NYC received \$942.4 million from federally funded programs. These programs included \$267.5 million in a Community Development Block Grant (CDBG), which funds housing and community development programs; \$129.1 million for the HOME Investment Partnership Program, which helps preserve existing housing stock; \$7.5 million for the Emergency Shelter Grant (ESG) program, which is used for homeless programs; and \$60.3 million for Housing Opportunities for Persons with AIDS (HOPWA). In 2004, the City expects to receive \$904.3 million for these programs, which represents a 4.0% nominal decrease, and a 6.4% decline in inflation-adjusted dollars.²⁰

However, the entire \$900 million may not be available for originally intended purposes — housing. With the City facing significant budget problems, it has

received permission from the federal government to use more of its CDBG dollars for a variety of public services in FY 2003 and 2004 that normally would not be funded in this way, thus cutting the amount of money actually allocated for housing. The Department of City Planning expects the City to receive similar permission in FY 2005. As the City continues to face increases in homelessness, any cutback in housing programs may have a detrimental effect.

Evictions & Homelessness

Homelessness & Emergency Assistance

NYC's recession continues to take its toll on those least able to afford it, as the number of homeless staying in shelters continues to grow to record numbers, most notably for families. During calendar year 2003, an average of 38,310 persons were staying in city shelters, up by 3,734, or 10.8%, from a year earlier. However, the increase in the number of families staying in city shelters was even greater, with an average of 9,203 families staying in shelters in 2003, 14.0% higher than during 2002, and almost 50% higher than in 2001. By contrast, the number of single adults staying in shelters rose much less, up 5.8% from a year earlier to an average of 8,199 per night during 2003.²¹

More encouragingly, a larger number of families have been relocated to permanent housing during the first third of FY 2004, with 2,319 relocated between July and October 2003, up 46.8% compared to the same period in FY 2003, and following a 22.0% increase in the preceding year. However, the Department of Homeless Services also reported in the *Mayor's Management Report* that there are an average of 470 more single adults and 736 more families housed in temporary housing each night compared to the same period last year, and the average number of days families spend in temporary housing is now 42 days longer, a 14.4% increase. Reported job placements are also down almost 42% from this period last year. In addition, after declining significantly last year, the number of families found ineligible for temporary housing almost doubled during the first four months of FY 2004, increasing to 5,057 families, an increase of 2,392 or 89.8%.²²

Housing Court

Another useful way to assess the impact of economic conditions on New York City's renters is to examine housing court data. Specifically, Housing Court actions are reviewed to determine the proportion of tenants who are unable to meet their rental payments. Similarly, to measure the number of households experiencing the most severe affordability problems, evictions are also tracked.

The number of non-payment filings in Housing Court decreased by 4.0% in 2003, to 318,077. Because filings increased so sharply during 2002 (19.4%), filings are still well above preceding years (filings remained below 300,000 for all but one year of the 1990s).²³

While court filings decreased slightly in 2003, the proportion of cases resulting in an actual court appointment ("calendared") increased slightly, up to 41.8% from 39.9% last year. During the mid-to-late 1980s, an average of 27.1% of non-payment filings were calendared. That figure has climbed steadily, since then, reaching a high of 47.2% in 2001.

The proportion of non-payment proceedings that resulted in an eviction/possession ruling in 2002 (the most recent year that data is currently available), increased from 16.3% in 2001 to 17.9% in 2002. This translates to 23,697 court decisions ruled in favor of landlords and for the tenant's eviction from a total of 132,148 non-payment proceedings.²⁴ This proportion remains a great deal lower than that found in the mid to late-1980s, when typically a quarter to a third of cases reaching court resulted in an order of eviction or possession. (See Appendix 7.)

Conclusion

New York City faced economic troubles in 2003 that impacted virtually every sector of the economy and residents of all boroughs. The City remained in a recession for a third year, with its Gross City Product declining 2.2%. Unemployment grew, most notably in the Bronx and Staten Island, where the rate rose 1.1 and .9 percentage points respectively, while the citywide average increased .5 percentage points, to 8.4%. Virtually every industry lost jobs, including the manufacturing sector, which declined by 9.5% and the highly paid information sector, which declined by more

than 7%. The most highly paid sector, financial activities, lost 11,000 jobs and saw real wages decline by almost 9%. Across all industries, both real and nominal wages declined, falling 2.6% in current dollars and 5.0% in inflation adjusted dollars.

Housing availability remained tight, with a citywide vacancy rate of 2.94% in 2002. And the number of individuals receiving public assistance declined in Fiscal Year 2003, but increased again in the first four months of FY 2004. However, increases in homelessness, poverty and evictions through housing court, as well as the City budget crisis, may portend continuing economic problems well into 2004.

Endnotes

1. GCP figures are adjusted annually by the New York City Comptroller's Office. The figures reported in this report are the latest available estimate from that office, based on inflation adjusted 2000 chained dollars.
2. "4Q03 is Best Quarter in 3 1/2 Years," *Economic Notes*, NYC Comptroller's Office, March 2004.
3. While 2002 was the first time in 10 years that the NYC metro area CPI increase exceeded that of the U.S. rate for urban consumers, there were three years in which NYC and the U.S. had equal increases in the CPI.
4. The NYC labor force participation rate and employment/population ratio are derived from unpublished data from the U.S. Bureau of Labor Statistics. Note that prior years' data were recently revised, and differ from figures reported in prior years' *Income and Affordability Studies*.
5. The NYS Dept. of Labor and U.S. Bureau of Labor Statistics recently updated their employment classification system. The new system, called NAICS (North American Industry Classification System), is designed to more accurately reflect the nation's services-centered economy. NAICS replaces the prior system, called SIC (Standard Industrial Classification), which was developed in the 1930s, when the U.S. economy was manufacturing-dominated. Two new categories, which are discussed in this report, include "information" and "management of companies." Further information on the transition is available on the NYS Dept. of Labor website at http://www.labor.state.ny.us/labor_market/lmi_business/employ/naicsfaqs.htm.
6. Due to a formulary error, real wages for 2001 were reported incorrectly as increasing by 3% in last year's *Income & Affordability Study*.
7. "Poverty in New York, 2002: One-fifth of the City Lives Below the Federal Poverty Line." Community Service Society (CSS) of New York, September 30, 2003. Based on study of U.S. Census Bureau data. Study averaged two consecutive years of census data in calculating poverty rates.
8. The New York City Housing and Vacancy survey (HVS) is sponsored by the NYC Department of Housing Preservation and Development (HPD) and conducted by the U.S. Census Bureau.
9. Data from the 2002 HVS cannot be compared in a reliable manner with data from previous HVS's, principally because the HVS is a sample survey and the samples for the 2002 and previous HVS's were drawn from different sample frames. To make the data from previous HVS's comparable with the data from the 2002 HVS, data from previous HVS's should be reweighed applying the weight that was used for the 2002 HVS. Reweighed data from previous HVS's is not available at this time. Also, Staten Island vacancy rate data should be interpreted with caution, as the sampling error is large due to a limited number of vacant units resulting from a small survey sample.
10. Total household income in the HVS includes wages, salaries, and tips; self-employment-income; interest dividends; pensions; and other transfers and in-kind payments.
11. Some of the data reported in the *2003 Income and Affordability Study* was based on preliminary HVS data that was reported in, "Select Findings of the 2002 New York City Housing and Vacancy Survey," by Moon Wha Lee, NYC Department of Housing Preservation and Development, February 7, 2003. Except where noted, data has been updated with final, revised HVS figures obtained directly from the U.S. Census Bureau.
12. Private non-regulated consists of units which were never rent controlled or rent stabilized, units which were decontrolled and unregulated rentals in cooperative or condominium buildings. All figures reported for non-regulated units are based on preliminary HVS data as reported in, "Select Findings of the 2002 New York City Housing and Vacancy Survey," by Moon Wha Lee, NYC Department of Housing Preservation and Development, February 7, 2003.
13. The remaining 44,984 rental units did not report a cash rent.
14. The HUD benchmark for housing affordability is a 30% rent-to-income ratio. Source: Basic Laws on Housing and Community Development, Subcommittee on Housing and Community Development of the Committee on Banking Finance and Urban Affairs, revised through December 31, 1994, Section 3.(a)(2).
15. "Heavy Burdens," by Frank Braconi, *The Urban Prospect*, March/April 2003, Citizens Housing and Planning Council.
16. National Low Income Housing Coalition report, "Out of Reach 2003: America's Housing Wage Climbs," September, 2003.
17. "Section 8 Debate: How Will Voucher Cuts Affect NYC?," *City Limits Weekly*, Number 426. March 22, 2004.
18. "Priced Out in 2002," Technical Assistance Collaborative, Inc. and Consortium for Citizens with Disabilities Housing Task Force. May, 2003.
19. *Mayor's Management Reports*, Fiscal Year 1995 - Preliminary Fiscal Year 2004.
20. *Consolidated Plan 2003 and Proposed Consolidated Plan 2004*, NYC Dept. of City Planning.
21. Source: NYC Department of Homeless Services, shelter census reports.
22. *Mayor's Management Report*, Preliminary Fiscal Year 2004.
23. Civil Court of the City of New York data.
24. NYC Department of Investigation, Bureau of Auditors data. Note that 2001 Evictions and Possessions data is incomplete as it excludes the work of one city marshal who died in May 2001 and whose statistics are unavailable.

Appendix: Income and Affordability Study

1. Average Annual Employment Statistics by Area, 1992-2003

Unemployment Rate	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Bronx	12.5%	11.9%	10.0%	9.6%	10.6%	11.6%	10.0%	8.1%	7.3%	7.4%	9.3%	10.4%
Brooklyn	12.0%	11.2%	9.7%	9.2%	10.0%	10.7%	9.4%	7.8%	6.8%	6.7%	8.6%	9.2%
Manhattan	9.0%	8.8%	7.6%	7.0%	7.4%	7.8%	6.8%	5.7%	4.9%	6.0%	8.2%	8.2%
Queens	10.5%	9.5%	8.2%	7.6%	8.1%	8.5%	7.0%	5.9%	4.8%	5.1%	6.5%	6.9%
Staten Island	10.4%	9.2%	7.8%	7.4%	7.8%	8.4%	6.9%	5.8%	4.8%	4.8%	6.5%	7.4%
NYC	11.0%	10.4%	8.7%	8.2%	8.8%	9.4%	8.0%	6.7%	5.7%	6.1%	7.9%	8.4%
U.S.	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%
Labor Force Participation Rate												
NYC Δ	56.4%	56.0%	55.5%	55.2%	56.7%	58.5%	58.9%	59.3%	59.9%	58.4%	59.4%	58.4%
U.S.	66.4%	66.3%	66.6%	66.6%	66.8%	67.1%	67.1%	67.1%	67.1%	66.8%	66.6%	66.2%
Employment-Population Ratio												
NYC Δ	50.2%	50.2%	50.7%	50.7%	51.7%	53.0%	54.1%	55.3%	56.5%	54.9%	54.7%	53.5%
U.S.	61.5%	61.7%	62.5%	62.9%	63.2%	63.8%	64.1%	64.3%	64.4%	63.7%	62.7%	62.3%
Gross City Product (NYC)												
(billions, in 2000 \$)	310.5	314.6	322.1	334.5	351.5	370.3	394.7	415.3	437.8	431.8	415.4	406.3
% Change	2.68%	1.32%	2.38%	3.85%	5.08%	5.35%	6.59%	5.22%	5.42%	-1.37%	-3.80%	-2.19%
Gross Domestic Product (U.S.)												
(billions, in 2000 \$)	7,336.6	7,532.7	7,835.5	8,031.7	8,328.9	8,703.5	9,066.9	9,470.3	9,817.0	9,866.6	10,083.0	10,397.7
% Change	3.33%	2.67%	4.02%	2.50%	3.70%	4.50%	4.17%	4.45%	3.66%	0.51%	2.19%	3.12%

Notes: The New York City Comptroller's Office revises the Gross City Product periodically. The GCP & GDP figures presented here may not be the same as those reported in prior years. Note that GCP and GDP figures are preliminary.

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis, U.S. Department of Commerce; NYS Department of Labor; NYC Comptroller's Office. Δ Unpublished data from the Bureau of Labor Statistics.

2. Average Payroll Employment by Industry for NYC, 1994-2003 (in thousands)

Industry Employment	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2002-2003 Change
Manufacturing	211.8	207.8	200.5	201.2	195.9	186.8	176.8	155.5	139.4	126.2	-9.5%
Construction	87.9	89.6	90.7	93.3	101.1	112.3	120.4	122.0	115.7	112.4	-2.85%
Natural Resources & Mining	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0%
Trade, Transport & Utilities	525.5	532.5	533.0	538.3	542.0	556.3	569.6	557.3	536.5	533.4	-0.6%
Leisure & Hospitality	200.8	208.5	216.6	227.9	235.8	243.7	256.7	260.1	255.3	258.0	1.1%
Financial Activities	471.8	467.2	464.2	467.7	477.3	481.0	488.8	473.6	445.1	434.1	-2.5%
Information	152.4	154.4	158.9	162.6	166.5	172.8	187.3	200.4	176.9	164.1	-7.2%
Management of Companies	52.6	53.7	56.4	56.2	58.5	57.3	52.6	54.7	58.4	59.1	1.2%
Professional & Business Svcs.	436.8	444.8	468.4	493.7	525.2	552.9	586.5	581.9	550.4	535.6	-2.7%
Educational & Health Svcs.	536.2	551.6	565.5	576.2	588.7	605.7	620.1	627.1	646.0	659.1	2.0%
Other Services	120.7	122.6	125.2	129.3	133.9	141.5	147.4	148.7	149.7	148.9	-0.5%
Total Private Sector	2,744.0	2,779.2	2,823.2	2,890.4	2,966.5	3,053.2	3,153.6	3,126.7	3,015.0	2,971.8	-1.4%
Government	578.3	560.1	546.0	551.5	561.5	567.5	569.5	565.4	568.6	556.7	-2.1%
New York City	455.0	439.0	429.9	438.4	448.1	453.3	451.8	450.8	456.2	447.6	-1.9%
Total	3,322.3	3,339.3	3,369.2	3,441.9	3,528.0	3,620.7	3,723.1	3,692.0	3,583.5	3,528.5	-1.5%

Notes: Totals may not add up due to rounding. Categories and figures have been revised from prior years due to new classification system used by the U.S. Bureau of Labor Statistics and the NYS Department of Labor. Total excludes farm employment but includes unclassified jobs. Local government figures have been revised from prior years to include those employed by the City of New York as well as city-based public corporations such as the HHC (Health and Hospitals Corporation) and the MTA.

Source: NYS Department of Labor

3. Average Real Wage Rates by Industry for NYC, 1996-2002 (1996 dollars)

Industry	SIC CLASSIFICATION SYSTEM						NAICS CLASSIFICATION SYSTEM				2001-02 % Change
	1996	1997	1998	1999	2000	2001	2000	2001	2002		
Construction	\$43,663	\$42,871	\$44,423	\$45,388	\$47,214	\$48,940	\$47,701	\$49,382	\$48,778	-1.2%	
Manufacturing	\$44,317	\$45,370	\$49,874	\$49,837	\$53,289	\$54,837	\$32,661	\$34,042	\$35,130	3.2%	
Transportation	\$46,806	\$46,688	\$48,736	\$48,861	\$49,338	\$49,892	\$35,369	\$36,376	\$36,551	0.5%	
Trade	\$30,480	\$31,130	\$31,973	\$32,351	\$31,795	\$31,612	\$35,332	\$35,493	\$35,351	-0.4%	
FIRE	\$94,898	\$103,642	\$111,230	\$115,153	\$134,178	\$136,176	\$130,580	\$132,617	\$117,758	-11.2%	
Services	\$37,495	\$38,176	\$39,964	\$41,018	\$42,415	\$42,189	\$39,237	\$39,016	\$38,280	-1.9%	
Information	Ω	Ω	Ω	Ω	Ω	Ω	\$68,747	\$70,168	\$68,101	-2.9%	
Management of Cos.	Ω	Ω	Ω	Ω	Ω	Ω	\$135,967	\$131,768	\$136,868	3.9%	
Private Sector	\$47,078	\$48,987	\$51,733	\$52,708	\$56,294	\$56,791	\$56,294	\$56,791	\$53,685	-5.5%	
Government	\$41,078	\$41,680	\$40,667	\$41,689	\$41,560	\$41,547	\$41,559	\$41,547	\$41,382	-0.4%	
Total Industries	\$46,253	\$47,877	\$49,999	\$50,997	\$54,051	\$54,455	\$54,051	\$54,455	\$51,715	-5.0%	

Note: The New York State Department of Labor revises the statistics annually. Real wages reflect 1996 dollars and differ from those found in this table in prior years.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

Source: New York State Department of Labor, Research and Statistics Division.

4. Average Nominal Wage Rates by Industry for NYC, 1996-2002

Industry	SIC CLASSIFICATION SYSTEM						NAICS CLASSIFICATION SYSTEM				2001-02 % Change
	1996	1997	1998	1999	2000	2001	2000	2001	2002		
Construction	\$43,663	\$43,873	\$46,207	\$48,134	\$51,627	\$54,863	\$52,160	\$55,359	\$56,085	1.3%	
Manufacturing	\$44,317	\$46,430	\$51,876	\$52,853	\$58,270	\$61,474	\$35,714	\$38,162	\$40,392	5.8%	
Transportation	\$46,806	\$47,779	\$50,693	\$51,817	\$53,949	\$55,930	\$38,675	\$40,779	\$42,026	3.1%	
Trade	\$30,480	\$31,857	\$33,256	\$34,309	\$34,767	\$35,438	\$38,635	\$39,789	\$40,646	2.2%	
FIRE	\$94,898	\$106,064	\$115,695	\$122,121	\$146,720	\$152,658	\$142,785	\$148,668	\$135,397	-8.9%	
Services	\$37,495	\$39,068	\$41,569	\$43,500	\$46,380	\$47,295	\$42,904	\$43,738	\$44,014	0.6%	
Information	Ω	Ω	Ω	Ω	Ω	Ω	\$75,173	\$78,660	\$78,302	-0.5%	
Management of Cos.	Ω	Ω	Ω	Ω	Ω	Ω	\$148,676	\$147,716	\$157,370	6.5%	
Private Sector	\$47,078	\$50,132	\$53,810	\$55,898	\$61,556	\$63,665	\$61,556	\$63,665	\$61,726	-3.0%	
Government	\$41,078	\$42,654	\$42,300	\$44,212	\$45,444	\$46,576	\$45,444	\$46,576	\$47,581	2.2%	
Total Industries	\$46,253	\$48,996	\$52,006	\$54,083	\$59,103	\$61,046	\$59,103	\$61,046	\$59,461	-2.6%	

Note: The New York State Department of Labor revises the statistics annually.

Ω Statistic not available. These categories were created when the NYS Dept. of Labor began tracking wages with the NAICS Classification System in 2000.

Source: New York State Department of Labor, Research and Statistics Division.

5. New York City Population Statistics, 1900-2002

Year	Bronx	Brooklyn	Manhattan	Queens	Staten Island	Citywide	Citywide Change from Prior Decade/Year
1900	200,507	1,166,582	1,850,093	152,999	67,021	3,437,202	--
1910	430,980	1,634,351	2,331,542	284,041	85,969	4,766,883	38.7%
1920	732,016	2,018,356	2,284,103	469,042	116,531	5,620,048	17.9%
1930	1,265,258	2,560,401	1,867,312	1,079,129	158,346	6,930,446	23.3%
1940	1,394,711	2,698,285	1,889,924	1,297,634	174,441	7,454,995	7.6%
1950	1,451,277	2,738,175	1,960,101	1,550,849	191,555	7,891,957	5.9%
1960	1,424,815	2,627,319	1,698,281	1,809,578	221,991	7,781,984	-1.4%
1970	1,471,701	2,602,012	1,539,233	1,986,473	295,443	7,894,862	1.5%
1980	1,168,972	2,230,936	1,428,285	1,891,325	352,121	7,071,639	-10.4%
1990	1,203,789	2,300,664	1,487,536	1,951,598	378,977	7,322,564	3.5%
2000	1,332,650	2,465,326	1,537,195	2,229,379	443,728	8,008,278	9.4%
2002	1,354,068	2,488,194	1,546,856	2,237,815	457,383	8,084,316	0.3%

Note: 1900-2000 figures as of April 1 of each year. 2001-2002 figures as of July 1 of each year. Percent population change between 1990 and 2000 has not been adjusted to take into account the increased number of households surveyed for the 2000 Census.

Source: U.S. Census Bureau, Population Division

6. Consumer Price Index for All Urban Consumers, NY-Northeastern NJ, 1993-2003

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
March	154.1	157.9	160.9	166.5	170.7	173.0	175.5	181.5	186.4	191.1	197.1
June	154.2	157.8	162.2	166.5	170.3	173.1	176.8	182.0	188.3	191.5	196.9
September	155.3	159.0	163.2	168.2	171.7	174.4	178.2	184.4	188.0	193.3	199.6
December	155.6	158.9	163.7	168.5	171.9	174.7	178.6	184.2	187.3	193.1	199.3
Quarterly Average	154.8	158.4	162.5	167.4	171.2	173.8	177.3	183.0	187.5	192.3	198.2
Yearly Average	154.5	158.2	162.2	166.9	170.8	173.6	177.0	182.5	187.1	191.9	197.8

12-month percentage change in the CPI

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
March	3.35%	2.47%	1.90%	3.48%	2.52%	1.35%	1.45%	3.42%	2.70%	2.52%	3.14%
June	3.14%	2.33%	2.79%	2.70%	2.28%	1.64%	2.14%	2.94%	3.46%	1.70%	2.82%
September	2.58%	2.38%	2.64%	3.06%	2.08%	1.57%	2.18%	3.48%	1.95%	2.82%	3.26%
December	2.44%	2.12%	3.02%	2.90%	2.02%	1.63%	2.23%	3.14%	1.68%	3.10%	3.21%
Quarterly Average	2.87%	2.33%	2.59%	3.03%	2.22%	1.55%	2.00%	3.24%	2.45%	2.53%	3.11%
Yearly Average	3.00%	2.39%	2.53%	2.90%	2.34%	1.64%	1.96%	3.11%	2.52%	2.57%	3.07%

Source: U.S. Bureau of Labor Statistics; Base Period: 1982-1984=100

7. Housing Court Actions, 1984-2003

Year	Filings	Calendared	Evictions & Possessions	Year	Filings	Calendared	Evictions & Possessions
1984	343,000	85,000	23,058	1994	294,000	123,000	23,970
1985	335,000	82,000	20,283	1995	266,000	112,000	22,806
1986	312,000	81,000	23,318	1996	278,000	113,000	24,370
1987	301,000	77,000	25,761	1997	274,000	111,000	24,995
1988	299,000	92,000	24,230	1998	278,156	127,851	23,454
1989	299,000	99,000	25,188	1999	276,142	123,399	22,676
1990	297,000	101,000	23,578	2000	276,159	125,787	23,830
1991	302,000	114,000	20,432	2001	277,440	130,897	21,369*
1992	289,000	122,000	22,098	2002	331,309	132,148	23,697
1993	295,000	124,000	21,937	2003	318,077	133,074	Ω

Note: "Filings" reflect non-payment proceedings initiated by rental property owners, while "Calendared" reflect those non-payment proceedings resulting in a court appearance. "Filings" and "Calendared" figures prior to 1998 were rounded to the nearest thousand. *Note: 2001 Evictions and Possessions data is incomplete as it excludes the work of one city marshal who died in May 2001 and whose statistics are unavailable.

Ω Statistic not yet available

Sources: NYC Civil Court, First Deputy Chief Clerk for Housing; NYC Department of Investigations, Bureau of City Marshals.