

# Overlooked & Undercounted in New York City 2026

## *A brief on income adequacy and the True Cost of Living*

Prepared for the Fund for the City of New York

This brief presents high-level findings on working-age household income adequacy in New York City, using the 2026 True Cost of Living benchmark. A full report with expanded analysis will follow.

### Why Income Adequacy Matters in New York City

New York City is a high-cost region where many households who are not counted as poor still lack enough income to cover basic needs. Yet much of the affordability conversation relies on anecdotes or poverty statistics that capture only part of this reality. The True Cost of Living (TCL) provides a consistent way to measure the income households need to meet basic needs—by household type and neighborhood—and to identify who is most at risk.

Using household characteristics and income from the 2024 American Community Survey (1-year PUMS), with incomes adjusted to align with 2026 cost benchmarks, this brief finds that **46% of New York City households fall below the True Cost of Living** (see methods summary at the end). This includes 15% below the Official Poverty Measure and an additional 31% who are above poverty but still lack sufficient income to meet basic needs. This broader measure helps capture the true scale of economic strain experienced by working-age New Yorkers.

New York City's affordability challenges are often discussed in terms of rent, wages, or individual cost pressures. The True Cost of Living framework brings these pieces together into a single, coherent benchmark—showing what households actually need to cover basic expenses in their local context. This brief provides a clear picture of income adequacy across New York City and highlights where affordability pressures are most acute.

# 46%

**of working-age NYC households fall below the True Cost of Living**

*Nearly half of households are unable to meet basic needs*

# What Is the True Cost of Living—and Why It Matters for New York City Policy

The True Cost of Living measures the income a working-age household needs to meet basic needs—housing, food, child care, transportation, health care, and taxes—without receiving public or private assistance. Estimates vary by household type and neighborhood, reflecting the real costs families face across New York City.

The True Cost of Living benchmark is designed to support local policy decisions. It offers:

- **Longitudinal strength:** Comparable NYC estimates produced over decades
- **Transparency and rigor:** Based on a publicly documented, replicable methodology
- **Granularity:** Allows analysis by household composition and neighborhood
- **Comparability:** Enables benchmarking across cities and states while preserving local price differences
- **Policy relevance:** The major cost drivers—especially housing and child care relative to wages—map directly to municipal affordability levers.

In November 2022, *81% of New York City voters approved Charter Amendment 3*, mandating the City to create and annually report a True Cost of Living measure. This benchmark aligns with that mandate by estimating the income required to meet basic needs at local costs. In New York City, the True Cost of Living is published using the **Self-Sufficiency Standard** methodology, which has been applied consistently in prior NYC analyses.

## What the True Cost of Living Includes

The True Cost of Living defines the income needed by working-age households to meet basic needs for a given family type in a specific place, without public or private assistance.



Housing



Child Care



Food



Transportation



Health Care



Miscellaneous



Taxes

**Universe:** Working-age households (excludes adults 65+, group quarters, and adults with work-limiting disabilities).

**Data:** 2024 ACS 1-year PUMS; incomes adjusted for comparability with 2026 cost benchmarks. Household ACS income adjusted to 2026 using the Employment Cost Index.

## Who Is Most Likely to Fall Below the True Cost of Living

Income inadequacy in New York City is not evenly distributed. Household composition, race and ethnicity, and household employment are strongly associated with whether households have sufficient income to meet basic needs.

### Household Composition

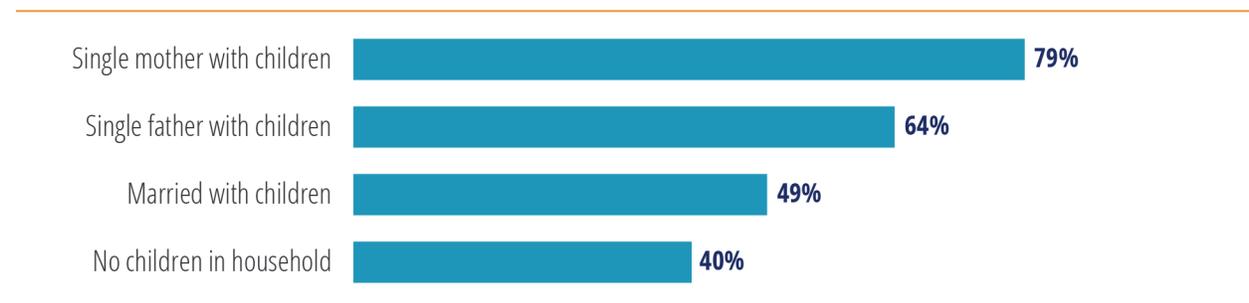
Households with children—particularly single-parent families—face the highest rates of falling below the True Cost of Living.

- Single mothers with young children face the highest risk: 86% fall below the True Cost of Living.
- Single-parent households remain highly vulnerable even when children are school-aged.
- Married-couple households with children, and adults without children, are substantially less likely to fall below the True Cost of Living, though a meaningful share still does.

These patterns reflect the combined pressure of housing costs, child-related expenses, and the number of earners available to support a household.

### Figure 1. Households with children face the highest rates of income inadequacy

*Percent of households below the True Cost of Living by household type*



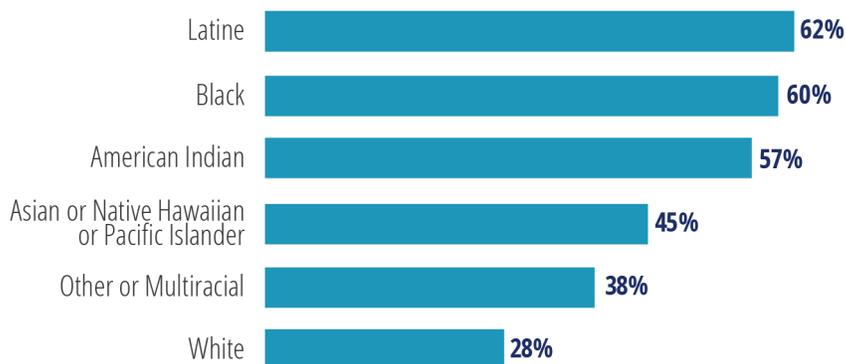
### Race and Ethnicity

Rates of households falling below the True Cost of Living differ substantially by race and ethnicity in New York City.

- Latine and Black households experience the highest rates of living below the True Cost of Living.
- Asian households fall below the True Cost of Living at rates near the citywide average.
- White households are the least likely to fall below the benchmark.

These differences are consistent with long-standing structural disparities in wages, job quality, housing access, and exposure to high-cost burdens, rather than differences in household preferences or behavior.

**Figure 2. Rates of income inadequacy vary sharply by race and ethnicity in NYC**  
*Percent of households below the True Cost of Living by race/ethnicity of householder*



**Note:** Race and ethnicity categories are mutually exclusive. Householders identifying as Hispanic/Latine/Spanish origin are classified as Latine regardless of race; all others are classified by reported race.

## Work Alone Does Not Guarantee Income Adequacy

Most households below the True Cost of Living include adults who are working. Income inadequacy in New York City is often driven less by the absence of work than by the gap between earnings and the cost of basic needs.

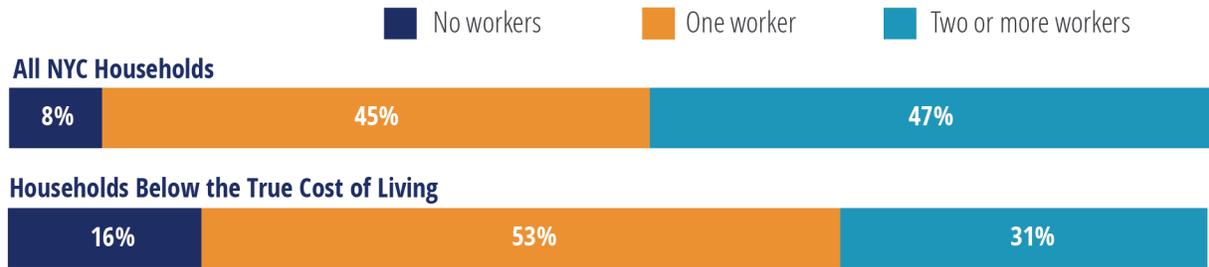
*Income inadequacy is widespread even among working households.*

- Nearly one third (**30%**) of households **with two or more workers** lack sufficient income to cover the cost of basic needs in New York City.
- Among households **with only one worker** the rate increases to **54%**—over half of households with one worker cannot afford to meet their basic needs.

These statistics show the **risk** of falling below the benchmark for each worker group.

When examining all households that fall below the True Cost of Living, most are working households. **Figure 3** shows the distribution of workers across all households in New York City, followed by how households below the benchmark are **distributed** across worker groups. Over 80% of households with income below the True Cost of Living have at least one worker.

**Figure 3. Most households with inadequate income have at least one worker**  
*Composition of households below the True Cost of Living by number of workers*



While households without workers face the highest risk of income inadequacy, the majority of households struggling to meet basic needs in New York City include one or more working adults—reflecting the high cost of housing and child care relative to wages.

*Most households struggling to meet basic needs in New York City are working—but earnings have not kept pace with housing and child care costs.*

### Median annual shortfall among households below the True Cost of Living

**\$46,791**

NYC households below the True Cost of Living need an additional \$46,791 per year (median) to meet basic needs.

## Geographic Variation Across New York City

Income inadequacy is not evenly distributed across New York City. The rates of households who fall below the True Cost of Living vary substantially by Public Use Microdata Area (PUMA), reflecting differences in housing costs, household composition, and access to employment across neighborhoods.

Across New York City, the share of households below the True Cost of Living ranges from a high of 80% in Bronx Community Districts 1 & 2 (Melrose, Mott Haven, Longwood, and Hunts Point) to a low of 14% in Manhattan Community Districts 1 & 2 (Financial District and Greenwich Village).

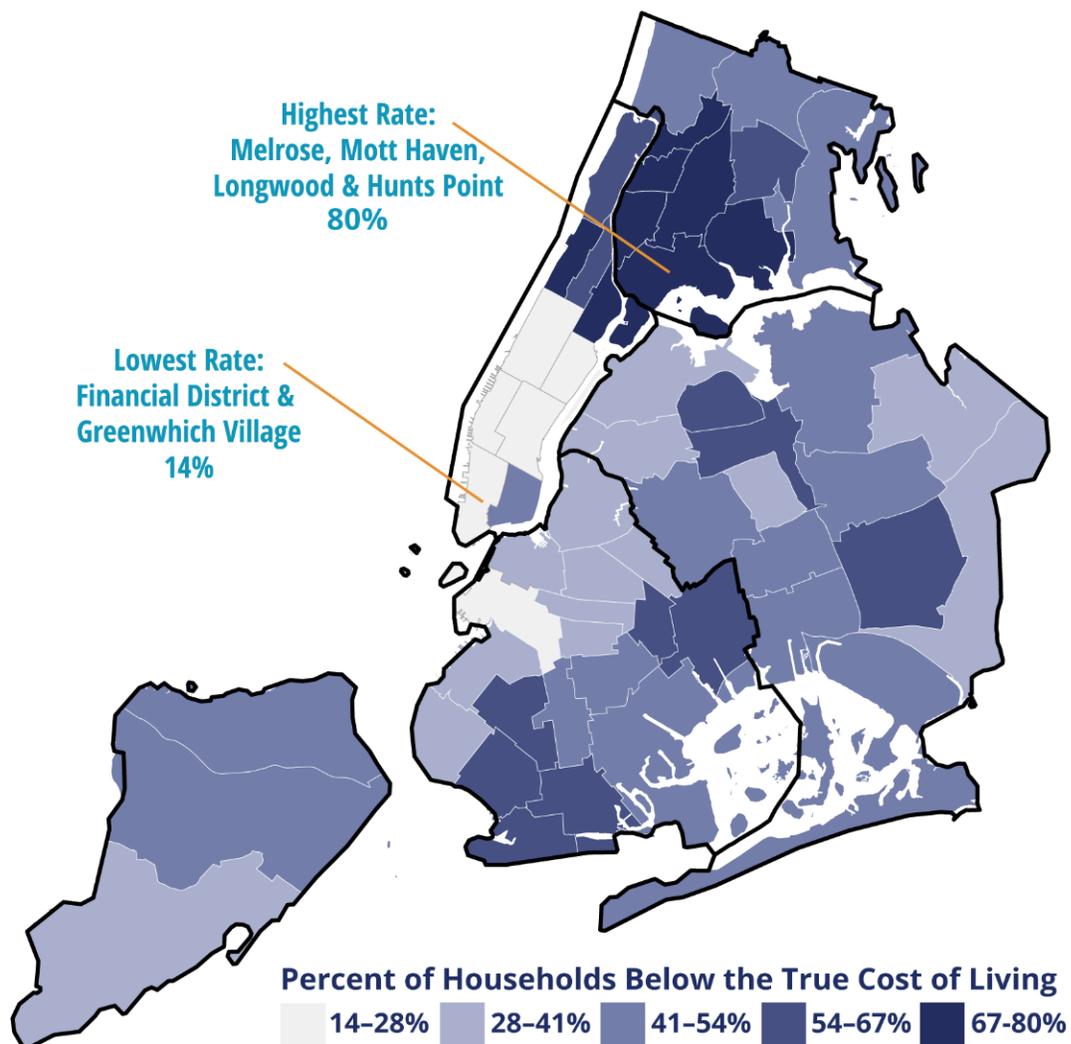
PUMAs with the highest rates of income inadequacy are concentrated in areas where housing costs absorb a large share of lower household incomes, and where families with children are more prevalent (40% of households have at least one child in Bronx Community Districts 1 & 2 versus 19% in Manhattan Community Districts 1 & 2). At the

same time, income inadequacy is present across all boroughs, including higher-income areas where a nontrivial share of households still fall below the income required to meet basic needs once local costs are taken into account.

*These geographic patterns highlight how income inadequacy reflects the interaction between local costs and household needs.*

**Figure 4. Percent of households below the True Cost of Living by PUMA**

*Note: PUMAs are statistical areas that approximate neighborhoods and allow for consistent analysis of household characteristics and costs across New York City.*



## What Drives the True Cost of Living

The share of New York City households unable to meet the cost of basic needs declined between 2012 and 2019, rose sharply in 2021, and then declined again by 2024 (American Community Survey data years). At 46%, income inadequacy in 2024 remains substantially higher than pre-pandemic levels, despite declining from the 2021 peak. This overall trend masks substantial variation across household types and neighborhoods, where high housing and child care costs continue to strain many working families.

### Interpreting the Change Since 2021

The decline in the share of New York City households falling below the True Cost of Living between 2021 and 2024 does **not** reflect a broad easing of affordability pressures. Instead, it reflects how labor market recovery and demographic shifts affect the citywide average—even as cost pressures remain severe for many working families.

Key factors contributing to the change include:

- **Fewer households with no workers.** Households without workers face the highest risk of falling below the True Cost of Living. Their share of the NYC population declined between 2021 and 2024 as the labor market recovered from the pandemic. By 2024, stronger employment conditions reduced the number of households in this highest-risk category.
- **Uneven gains among working households.** Improvements were concentrated among households with two or more workers. However, income inadequacy among households with one full-time, year-round worker *increased* (40% in 2021 versus 44% in 2024). Furthermore, among all working households, the share below the True Cost of Living also *increased*, underscoring that employment alone—particularly single-earner employment—is not guaranteed to cover basic needs in New York City.
- **Shifts in household composition.** The share of NYC households with children declined by about 1.2 percentage points. Because households with children face substantially higher True Cost of Living benchmarks—driven largely by housing and child care costs—this demographic shift mechanically lowers the citywide income inadequacy rate.

Together, these dynamics explain why the headline citywide share of households below the True Cost of Living declined while lived affordability pressures remain intense. The True Cost of Living continues to reveal widespread income inadequacy across neighborhoods and household types, particularly among working families with children, highlighting how aggregate averages obscure severe hardship in a highly unequal city.

The cost of meeting basic needs in New York City has increased substantially over time.

**Table 1** highlights the long-term growth in the True Cost of Living for a representative family—two adults with one preschooler and one school-age child. Between 2000 and 2026, the annual income required to meet basic needs more than doubled in all boroughs, reflecting sustained increases in core household costs.

Over the same period, the Federal Poverty Guidelines rose much more gradually. While poverty thresholds provide an important benchmark, they have not kept pace with the costs households face in high-cost regions such as New York City. As a result, many households that are above the poverty line still lack sufficient income to meet basic needs.

**Table 1. The cost of meeting basic needs in NYC has risen sharply across all boroughs**  
*The True Cost of Living by Year: Two adults, one preschooler, and one school-age child*

<b>Borough</b>	<b>2000</b>	<b>2026</b>	<b>Percent Change 2000 to 2026</b>
The Bronx	\$48,077	\$125,814	162%
Brooklyn (Northwest)*	\$49,282	\$154,263	213%
Brooklyn (Excluding Northwest)*	\$49,282	\$132,975	170%
North Manhattan	\$52,475	\$137,627	162%
South Manhattan	\$75,942	\$167,285	120%
Queens	\$51,281	\$132,249	158%
Staten Island	\$50,972	\$129,061	153%
<i>Federal Poverty Guidelines (Family of Four)</i>	\$17,050	\$33,000	94%

\*2014 was the first year that Brooklyn was divided into two areas for a more detailed calculation. The single Brooklyn TCL is used to calculate the percent change over time.

## Housing Costs

Housing represents the single largest component of the True Cost of Living for most New York City households. Rising rents have driven much of the increase in the income required to meet basic needs over time, particularly for families with children.

For a household with two adults and two children in Queens, the True Cost of Living estimates that annual housing costs for a two-bedroom unit is nearly \$36,000 in 2026. For comparison, the 2026 Federal Poverty Guideline for a family of four is \$33,000. In Queens, rent alone exceeds the full poverty-level income—before accounting for any other basic needs.

Housing costs remain elevated across boroughs, even where citywide affordability appears to improve. For example, average annual housing costs for a two-bedroom unit is almost \$32,000 in the Bronx and over \$48,000 in South Manhattan—levels that alone approach or exceed full-time earnings for many low-wage workers.

As housing costs continue to outpace wage growth, housing alone can push many working households close to—or beyond—the income required to meet basic needs, even where citywide affordability indicators show improvement.

## Child Care Costs

For families with young children, child care is the largest non-housing cost included in the True Cost of Living, and is required for adults to participate in the labor force.

For a household with one preschooler and one school-age child in Queens, annual child care costs exceed \$33,300 in 2026. Child care substantially raises the income families need to meet basic needs—even when household income is above the poverty line.

## Understanding the Measure

The True Cost of Living is an income-to-basic-cost benchmark. It does not capture debt, wealth, or access to emergency savings. Some households above the True Cost of Living may still be financially fragile, while others below it may be temporarily buffered by savings or informal support. The True Cost of Living should be read as a baseline measure of what it costs to meet basic needs—not a full balance-sheet assessment.

### Housing costs have risen sharply in NYC Two-bedroom rental for a family with two adults and two children in Queens



*Self-Sufficiency Standard estimates*

## Conclusion

Using a cost-based True Cost of Living benchmark, **46% of New York City households lack sufficient income to meet basic needs**. Official poverty measures capture only part of this picture; a substantially larger share of households is above the poverty line but still has inadequate income.

The True Cost of Living does not prescribe policy solutions, but it provides a clear, actionable picture of income inadequacy in New York City—clarifying the scale of need, who is most affected, and where basic costs most sharply outpace household resources, particularly for families with children.

This brief provides a high-level snapshot of household income inadequacy in New York City. A forthcoming full report will build on these findings with deeper demographic detail, geographic analysis, and methodological documentation to support policy design and planning.

### Brief Methods Summary

This brief uses household and demographic data from the 2024 American Community Survey (ACS) 1-year Public Use Microdata Sample (PUMS) for New York City. Analysis is limited to working-age households, excluding individuals in group quarters, adults 65+, and adults with work-limiting disabilities, consistent with the design of the measure. Geographic analysis is done at the level of Public Use Microdata Area (PUMA), a Census-defined geographic area.

Households are compared to the True Cost of Living benchmark, produced using the Self-Sufficiency Standard methodology, which varies by household composition and borough/geography. Because the benchmark reflects 2026 costs, reported ACS household income is inflation-adjusted for comparability using the Employment Cost Index (ECI).

**Terminology note:** In New York City, the Self-Sufficiency Standard is published as the NYC True Cost of Living benchmark. This brief uses True Cost of Living terminology while applying the same underlying methodology used in prior NYC analyses.

## **About the Center for Women’s Welfare**

The Center for Women’s Welfare at the University of Washington School of Social Work develops the Self-Sufficiency Standard and conducts applied research on income adequacy and family economic security.

This brief was prepared by Sarah Broliar and Lisa Manzer at the Center for Women’s Welfare, University of Washington School of Social Work, for the Fund for the City of New York. For more information please contact [cwss@uw.edu](mailto:cwss@uw.edu) or visit [www.selfsufficiencystandard.org](http://www.selfsufficiencystandard.org).