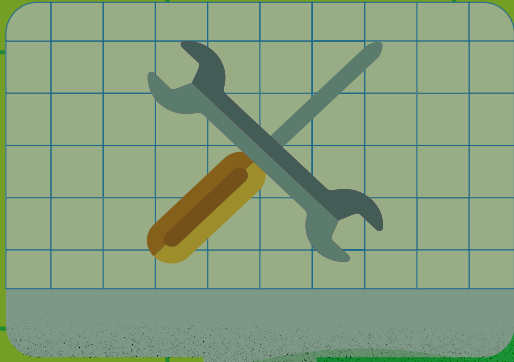




MONITORING POVERTY AND WELL-BEING IN NYC



SPOTLIGHT ON YOUNG ADULTS IN NEW YORK CITY

Economic experiences along
the transition to adulthood

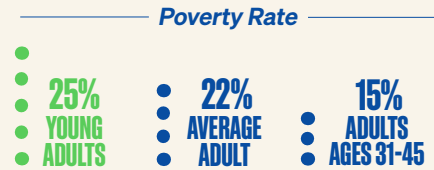
Anastasia Koutavas, Sophie Collyer,
Yajun Jia, and Christopher Wimer



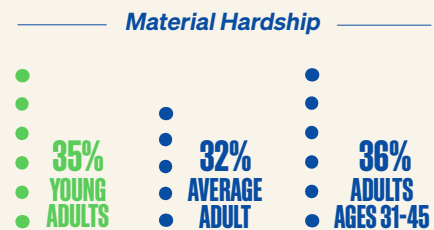
KEY FINDINGS

In our study period

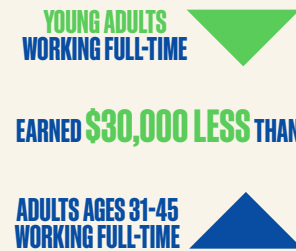
→ The poverty rate of young adult New Yorkers (ages 18-30) was higher than the average adult in the city — 25% vs. 22% — and notably higher than adults ages 31-45 (15%).



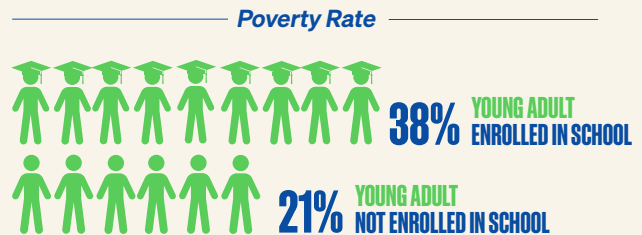
→ The material hardship rate among young adult New Yorkers was also higher than the average adult in the city — 35% vs. 32% — though the hardship rate for adults ages 31-45 (36%) was similar to that of young adults.



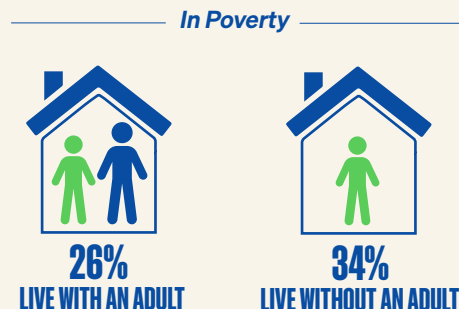
→ While a majority of young adults are employed either full- or part-time (63%), low earnings and underemployment may both contribute to the greater economic difficulty faced by young adults in the city. Young adults working full-time earned \$30,000 less than full-time working adults ages 31-45 on average, and they were more likely to want to work more hours (43% vs 32%).



→ One in five young adult New Yorkers were students (20%), and poverty rates among young adults enrolled in school were much higher than those who were not (38% vs. 21%).



→ Almost half of young adults in the city lived with adult family members (48%), and only 15% lived without any other adults in their household. Young adults that lived with adult family were 8 percentage points less likely to be in poverty (26%) than those that lived without other adults (34%).



INTRODUCTION

In recent years, the student debt crisis,¹ stagnant wage growth,² and the rising cost of living³ have drawn public attention to the economic circumstances of young adults in New York City and across the country. The defining characteristics of young adulthood have also shifted in recent decades. Young adults are less likely to marry and have children before age 30 compared to young adults of past generations.⁴ They are also less likely to live alone than they used to, opting instead to live with family members who may offer more support during this transitional period.⁵ Many also prioritize schooling and finding work, investing in their future well-being in expanded ways.⁶ These pursuits, however, are not without obstacles; as young adults navigate a particularly uncertain and transitional life-stage, they exhibit higher poverty rates than any other age group.⁷

There is much to learn about how young adults in New York City are faring, and novel Poverty Tracker data offers an opportunity to broaden our understanding. This report harnesses the Poverty Tracker to put a spotlight on New York City's young adults (defined as those ages 18-30) and their economic and family experiences while navigating the early stages of adulthood.⁸ We begin with a profile of New York City's young adults based on pooled Poverty Tracker data from 2015 to 2021, followed by detailed information on their rates of poverty and material hardship. We then dig deeper into the numbers to understand how differences in employment, educational trajectories, and household composition relate to and potentially explain the unique economic circumstances of young adults compared to their older counterparts. Finally, we identify a set of policies that are well-suited to address young adults' economic challenges and support their well-being, such as enhanced tax credits, increases in the minimum wage, strong apprenticeship programs, and student debt and tuition relief.

¹ Johnson et al., "The student debt crisis."

² Kroeger et al., "The class of 2016: the labor market is still far from ideal for young graduates."

³ Lobel and Greszler, "How rising prices are affecting young adults."

⁴ Vespa, "The changing economics and demographics of young adulthood: 1975–2016."; Bialik and Fry, "Millennial life: how young adulthood today compares with prior generations."

⁵ Fry et al., "A majority of young adults in the U.S. live with their parents for the first time since the Great Depression."

⁶ Snyder et al., "Digest of education statistics 2016."

⁷ Wimer et al., "Young adult poverty in historical perspective: the role of policy supports and early labor market experiences."

⁸ For this report, we have developed a specific set of data weights to better represent New York City's young adult population. See Appendix A for a description of the data and weights used for this analysis.

Who are New York City's young adults?

This report explores how young adults in New York City are faring, what factors may be compromising or bolstering their economic security, and the policy interventions that they could benefit from. Before turning to these results, however, it is important to understand what the city's young adult population looks like, and what, beyond their age, sets them apart from the average New York City adult.

Young adults, on many levels, reflect New York City's diversity. Members of this age group live across the city's five boroughs, with approximately half of young adults living in Brooklyn and Queens, and the rest residing in the Bronx, Manhattan, and Staten Island.⁹ Like the city's overall adult population, young adults are diverse: over two-thirds (68%) of young adult New Yorkers are Asian, Black, or Latino, and 30% were born outside of the U.S.

In many ways, however, young adults differ from the average adult New Yorker. Understandably, young adults are less likely than the average adult to have a spouse or domestic partner (27% vs 39%, respectively) or a child (16% vs 19%). This is especially true when compared to adults ages 31-45, where 60% have a spouse or domestic partner, and 44% have a child under 18 living with them. These trends follow national patterns, where young adults are less likely to have children than older age groups, and where we see declining rates of marriage and child-rearing compared to young adults in past decades.¹⁰

In the following sections, we dive more deeply into the experiences of poverty and hardship among young adults in the city, providing a detailed overview of how these indicators vary within and across age groups. We then explore young adults' work experiences, educational pursuits, and household arrangements in order to better understand and contextualize their economic circumstances.

How are young adults in the city faring economically?

A key contribution of the Poverty Tracker is that it collects necessary information for measuring poverty under the Supplemental Poverty Measure (an improved measure of poverty over the Official Poverty Measure). The Poverty Tracker also looks beyond income poverty to assess material hardships such as difficulty affording essentials like food and housing. Here, we examine young adults' exposure to poverty and hardship.

Young adults experience the highest poverty rate of any age group of adults. In our study years (2015-2021), 25% of young adults were in poverty in an average year,¹¹ compared to 22% of all adult New Yorkers. Young adults' poverty rate is notably higher than that of adults ages 31-45 (15%), those closest to them in age.

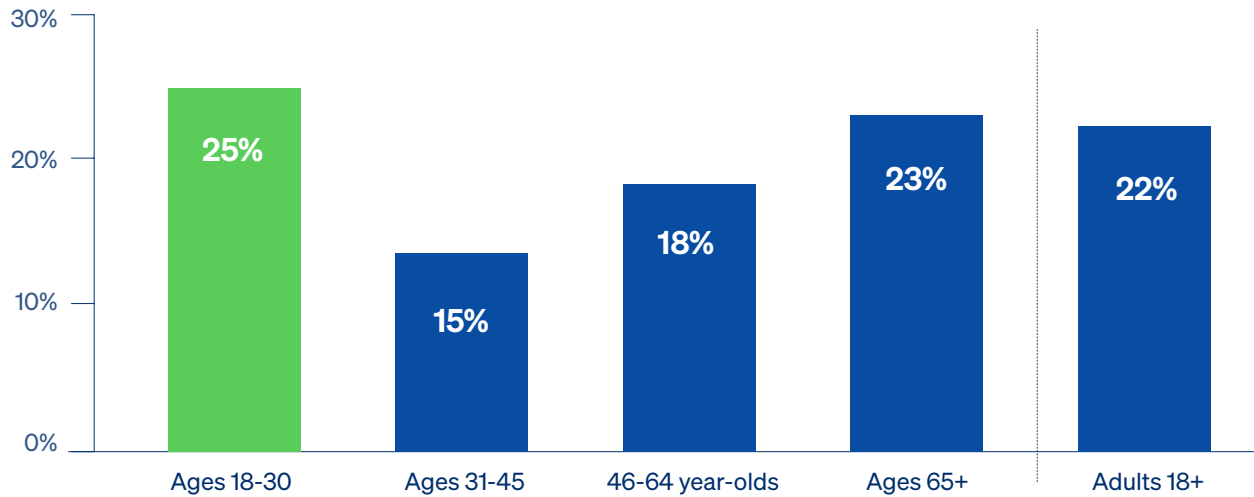
⁹ In Appendix B, Table B1, we provide a full comparison of the demographic and structural composition of young adults, compared to all of the city's adults over our survey years.

¹⁰ Vespa, "The changing economics and demographics of young adulthood: 1975-2016."

¹¹ The Poverty Tracker measures poverty using the Supplemental Poverty Measure.

Figure 1

Poverty rates among adult New Yorkers by Age



Source: Poverty Tracker annual survey data, 2015-2021. Young adult specific weights applied.

The data show that Black, Latino, and Asian young adults face even higher rates of poverty compared to the average, as do foreign-born and female young adults.¹²

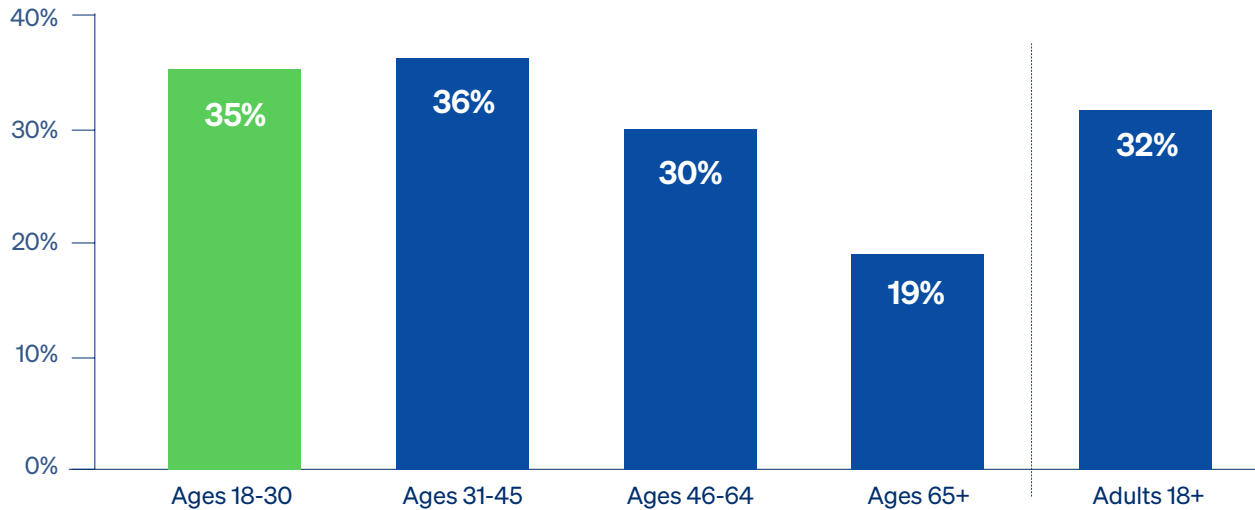
- Asian (28%), Black (28%), and Latino (29%) young adults face higher poverty rates than white young adults (16%).
- Foreign-born young adults experience poverty at higher rates than young adults born in the U.S. (32% vs 22%).
- Female young adults are more likely to live in poverty than male young adults (27% vs 23%).

¹² Additional poverty rates for various adult subgroups adults can be found in Table B2 in Appendix B.

Young adults are more likely to experience hardship than the average adult New Yorker. In our study years (2015-2021), 35% of young adults were in hardship in an average year, compared to 32% of all adult New Yorkers. However, young adults' experience hardship at a similar rate as adults ages 31-45 (36%).

Figure 2

Hardship rates among adult New Yorkers by age



Source: Poverty Tracker annual survey data, 2015-2021. Young adult specific weights applied.

As we saw with poverty, Black, Latino, and female young adults endure higher rates of material hardship.¹³

→ 39% of Black and 47% of Latino young adults face a severe hardship compared to 21% of Asian young adults and 27% of white young adults. These elevated hardship rates underscore a larger story of economic disadvantage that is unequally felt by certain racial and ethnic groups.

→ Foreign-born and U.S.-born young adults experience hardship at a similar rate of 34% and 36%, respectively.

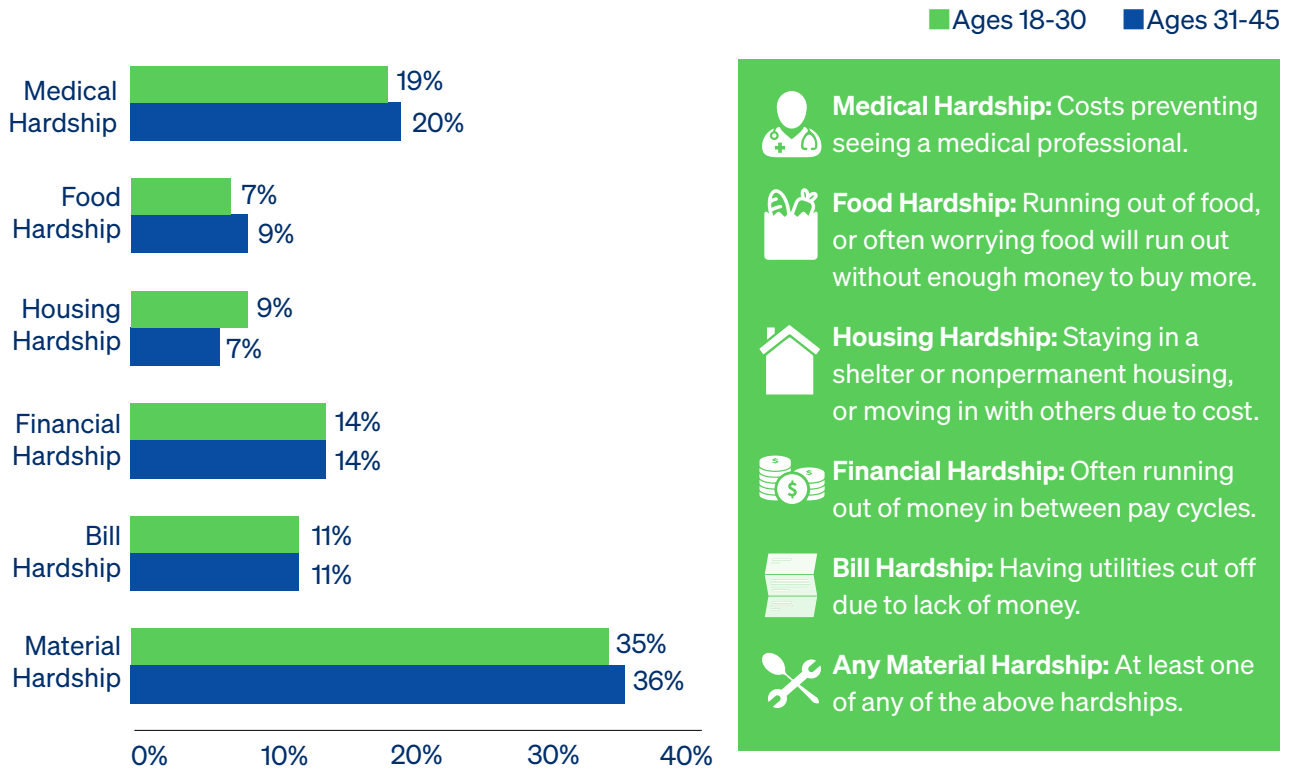
→ Female young adults are more likely to experience hardship than male young adults (42% vs 28%).

Figure 3 shows that, as with overall rates of hardship, the rates of various forms of hardship (see text box below for more detail) are similar between young adults and adults ages 31-45. In the remainder of the report, we turn to the diverging experiences of adults of these age groups in terms of education, employment, and household living arrangements to explain why young adults might be more likely to face poverty, and how these factors may also explain more comparable rates of hardship between groups.

¹³ See Appendix B Table B2 for additional young adult hardship rates.

Figure 3

Material hardship among adult New Yorkers by age and type



Source: Poverty Tracker annual survey data, 2015-2021. Young adult specific weights applied.

What factors can help explain young adult New Yorkers' levels of poverty and hardship?

High poverty and hardship rates among young adult New Yorkers prompt an exploration of the factors that may be contributing to them. When comparing young adults to adults ages 31-45, a natural comparison group given their proximity in age, we find notably different engagements in work, school, and within the home. These factors shape one's economic standing and may partially help explain some of the poverty and hardship rates that we observe for young adults.

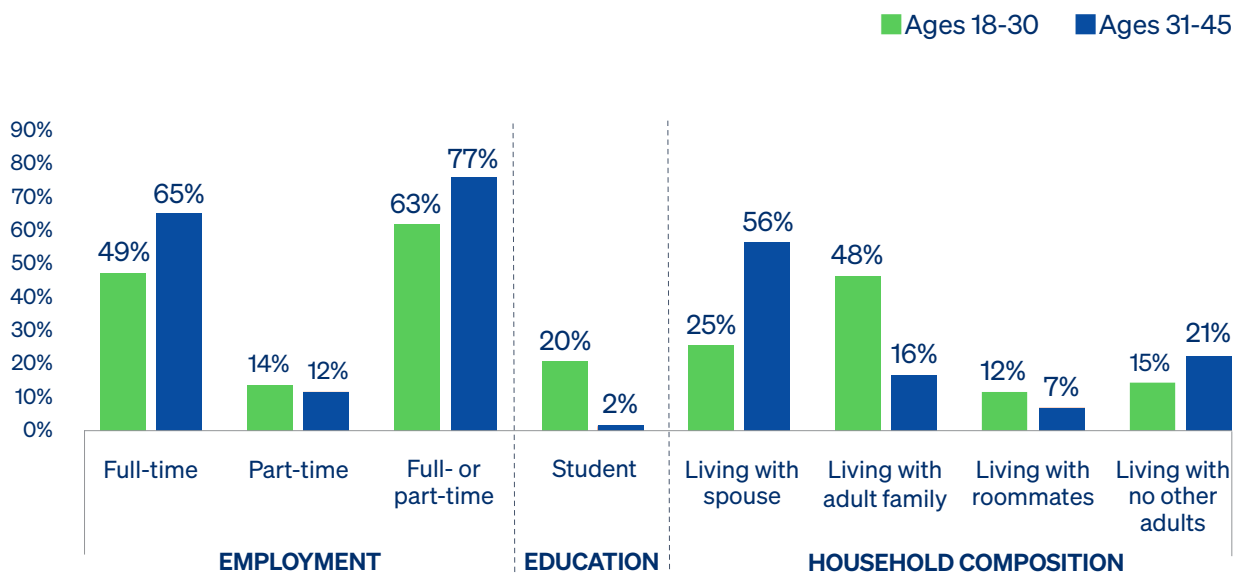
Figure 4 explores some of the key dimensions across which young adults differ from those ages 31-45: employment, education, and household composition. Poverty Tracker survey data show that, while most young adults are employed either full- or part-time, a smaller share of young adults are employed full-time than adults ages 31-45 (49% vs 65%). Young adults are also much more likely to be students than adults age 31-45 — 20% vs 2%.¹⁴ In terms of living arrangements, young adults are less likely to be living with a spouse or partner (25% vs 56%) or living with no other adults (15% vs 21%), but much more likely to be living with other adult family members (48% vs 16%).

¹⁴ This includes those who are both employed and working. Approximately 15% of young adults are in school and not working, compared to 1% of 31-45-year-olds.

All of these factors — and in some cases, their overlap — can provide a framework for which to understand young adults’ economic circumstances. In the following sections we discuss each factor — employment, education, and household composition — in turn. All results in this discussion are drawn from data collected between 2015 and 2021 unless otherwise specified.¹⁵

Figure 4

Key differences in employment, education, and household composition among 18-45-year-olds



Source: Poverty Tracker annual survey data, 2015-2021. Young adult specific weights applied.

Note: The four household composition categories depicted above are mutually exclusive. We first categorize respondents by whether they live with a spouse or domestic partner, and if not, we determine if they live with other adult family members. The remainder of respondents are then classified into living with roommates (i.e., adult non-family members) or living with no other adults.

¹⁵ See source notes below figures for information on the time of data collection.

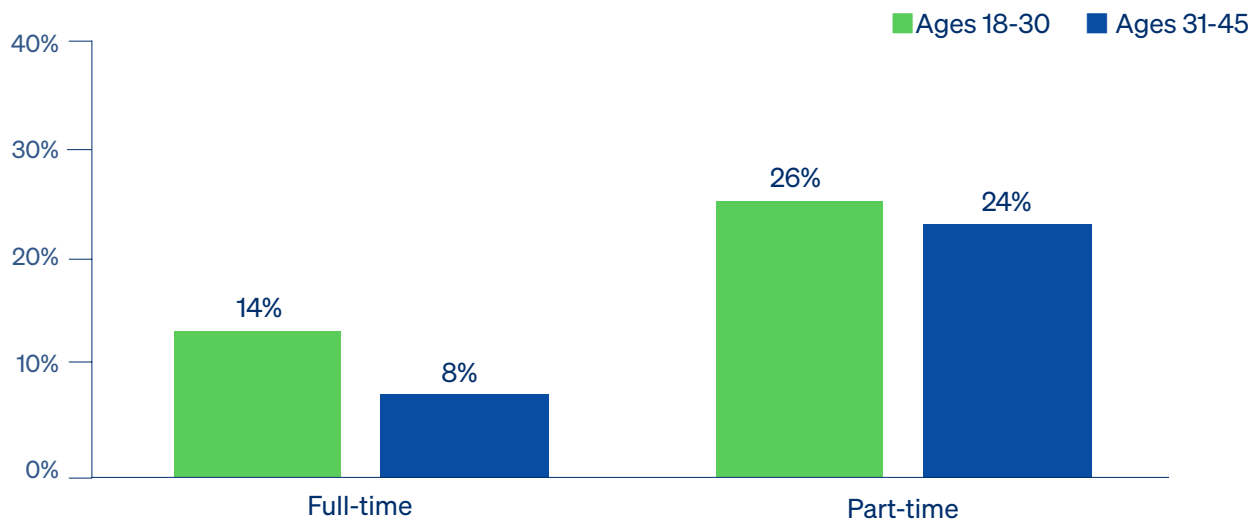
Employment

Income from employment plays a substantial role in keeping individuals out of poverty — having work, however, is not necessarily a guarantee that one will be above the poverty line.¹⁶ Differences in job characteristics, specifically salary and wage rates, job structure (full-time vs. part-time), and job-related benefits may all play a role in explaining elevated rates of poverty among young adults, and particularly among those who are working.

Young adults employed full-time have a higher poverty rate than adults ages 31-45 working full-time. The poverty rate of young adults working full-time is nearly double that of adults ages 31-45 working full-time (14% vs 8%). Young adults working part-time are slightly more likely to be in poverty than adults ages 31-45 working part-time (26% vs 24%). For both age groups, poverty rates of part-time workers are well above those of full-time workers.

Figure 5

Poverty rates by employment type and age group



Source: Poverty Tracker annual survey data, 2016-2021. Young adult specific weights applied.

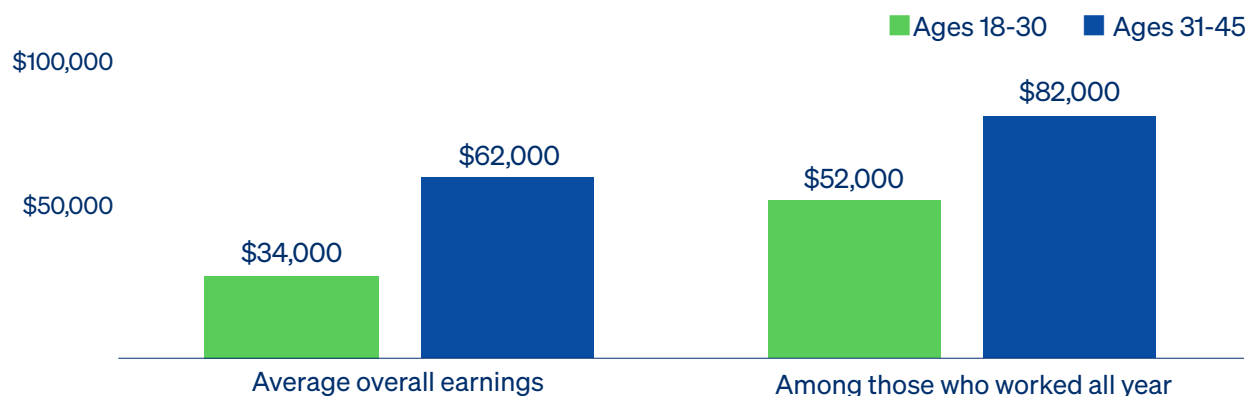
The average annual earnings of young adult New Yorkers is almost half of that of adults ages 31-45, which may contribute to increased incidences of poverty and economic difficulty. Overall (including those who were not working), young adults report annual earnings well below those of adults ages 31-45, at \$34,000 on average compared to \$62,000. The gap between these age groups' annual earnings persists even when comparing among those who worked for the full year (\$52,000 vs. \$82,000).¹⁷ Young adults' earnings are

¹⁶ Wimer et al. "The state of poverty and disadvantage in New York City, volume 1."

¹⁷ There is a similar gap in the overall median earnings of young adults and those ages 31-45 (\$20,000 and \$40,000, respectively). When looking specifically at those who worked all year, we find a slightly smaller gap in the medians, with young adults earning \$40,000, compared to adults ages 31-45 earning \$56,000. Young adults are also more likely to be paid hourly than adults ages 31-45. Additional results regarding young adults' earnings and hourly wages can be found in Appendix B Table B3.

Figure 6

Average earnings of adult New Yorkers



Source: Poverty Tracker annual survey data, 2016-2021. Young adult specific weights applied.

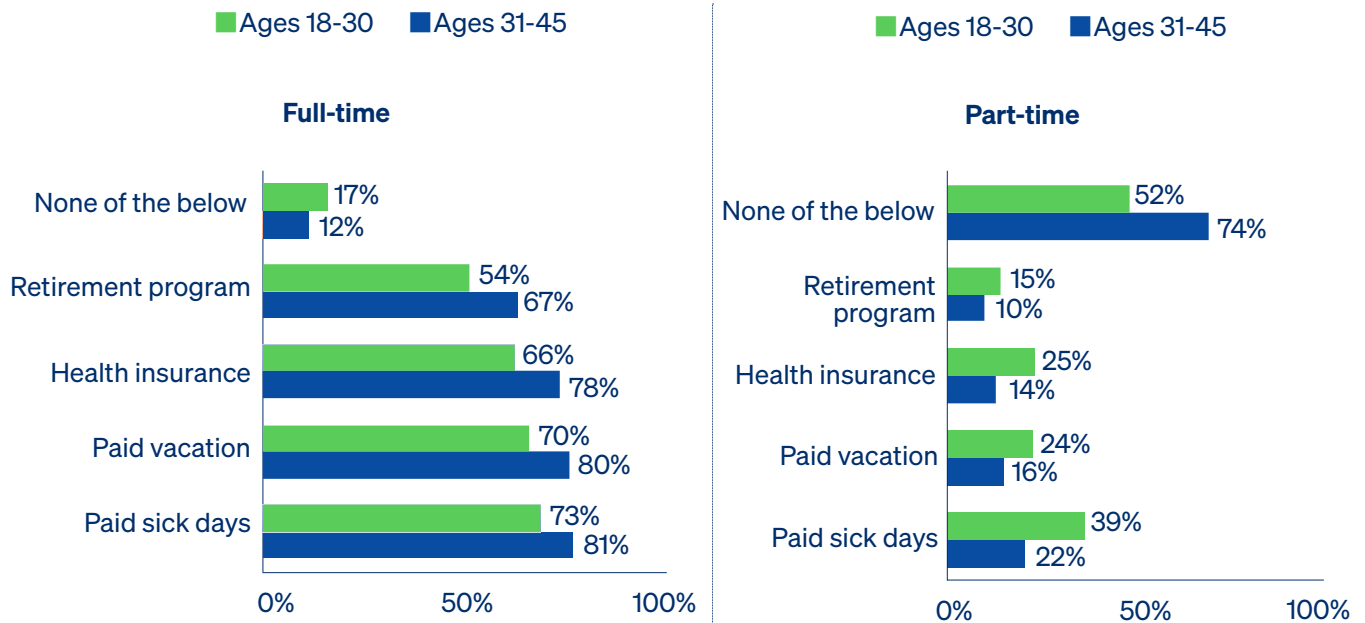
understandably lower than adults ages 31-45 who have had more time to acquire skills and gain experience in the workforce, but the gap is notable and suggests that employment may offer less economic security to young adults relative to more experienced workers. As such, policies like tax credits that help bolster incomes may be even more important for young adults, as they are less likely to be able to get by on earned income alone (despite comparable rates of labor force participation to those ages 31-45).

Compared to adults ages 31-45 working full-time, younger adults working full-time have a lower prevalence of job-related benefits, like health insurance, which can offer employees important securities against otherwise costly expenses.¹⁸ Two-thirds (66%) of young adults working full-time have health insurance, compared to 78% of full-time employed 31-45-year-olds. This pattern holds true for each of the other job-related benefits in Figure 7 (retirement, paid vacation, and paid sick days). In contrast, among part-time workers, young adults are actually more likely than adults ages 31-45 to have each of the benefits listed. However, part-time workers across age groups are always substantially less likely to receive each of the job benefits than full-time workers.

¹⁸ Young adults working full-time are also less likely to be unionized than 31-45-year-olds (15% vs 29%). While low rates of unionization may be reflective of the specific industries and occupations young adults are involved in, they demonstrate yet another layer of reduced job security that may leave members of this age group vulnerable to economic shocks.

Figure 7

Job benefits among full- and part-time employed adult New Yorkers



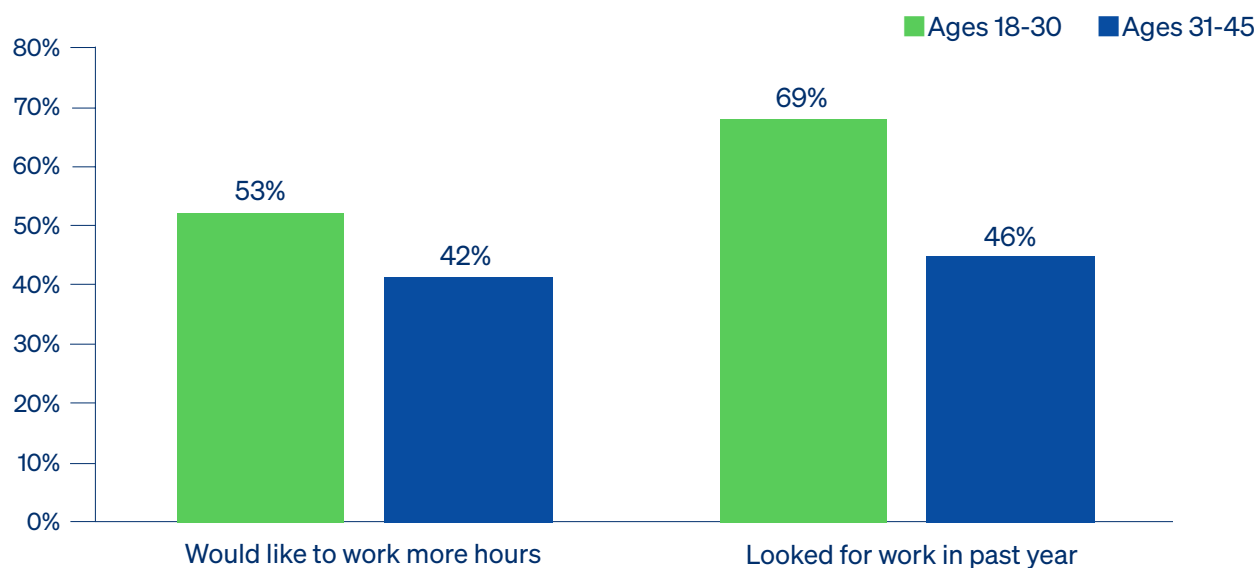
Source: Longitudinal Poverty Tracker data; 18-month surveys of cohorts 2, 3 and 4 (2017, 2019, and 2022, respectively).

Young adult workers are more likely to be underemployed than older workers, indicating that young adults in the city desire more frequent and fruitful work opportunities. More than half (53%) of employed young adults express a desire to work more hours, compared to 42% of employed 31-45-year-olds (Figure 8). Part-time workers report the greatest interest in working more hours, at 73% for young adults and 74% for those ages 31-45. Young adults are also looking for work at higher rates than 31-45-year-olds. Figure 8 shows more than two in three young adults (69%) have looked for work in the past year, compared to less than half of 31-45-year-olds (46%). Young adults working part-time (72%) are more likely than both those working full-time (66%) or not working at all (66%) to have searched for a job in the past year. The search for employment opportunities might indicate job dissatisfaction, a hunger for professional growth, or an economic need for greater compensation.¹⁹

¹⁹ Additional results by employment status can be found in Appendix B Table B4.

Figure 8

Indicators of underemployment among adult New Yorkers



Source: Longitudinal Poverty Tracker data; 18-month surveys of cohorts 2, 3 and 4 (2017, 2019, and 2022, respectively).

Young adults' employment experiences are notably different than those of 31-45-year-olds. Elevated levels of poverty among those who are employed, especially those employed full-time, may reflect young adults' position in the labor market. The lower earnings and lack of job benefits for young adults expose them to economic insecurity as they enter and navigate the labor force. Similarly, in expressing a greater desire to work more hours than adults ages 31-45, young adults exhibit an awareness that achieving economic security requires more than what they are currently receiving through the labor market. As young adults look for work more frequently — and recently — than 31-45-year-olds, they appear to be striving to alleviate the economic burdens reflected in their high poverty and hardship rates.

Education

Young adults are also still exploring new educational opportunities, as evidenced in Figure 4 by more young adults being students than 31-45-year-olds (20% vs 2%). The benefits of advancing one's education are manifold, including higher future earnings and improved well-being.²⁰ However, in many cases the pursuit of a higher degree can be accompanied with its own economic difficulties, from trade-offs between work and school to the accumulation of student debt. Below, we explore young adults' experiences with education and the differences among those who are and are not students.

²⁰ Hout, "Social and economic returns to college education in the United States."

In pursuing an education, student young adults face higher rates of poverty than non-student young adults. Table 1 shows that 38% of student young adults are in poverty, compared to 21% of non-student young adults. A similar pattern holds true for adults ages 31-45, where 26% of students are in poverty, compared to 14% of non-students.

Table 1

Job benefits among full- and part-time employed adult New Yorkers

	Rates of poverty		Rates of hardship	
	Adults 18-30	Adults 31-45	Adults 18-30	Adults 31-45
Student status				
Student	38%	26%	37%	47%
Non-student	21%	14%	35%	34%
Among those with some college experience or more:				
Has student debt	26%	8%	39%	44%
Does not have student debt	18%	9%	35%	29%

Note: We urge interpreting results regarding student 31-45-year-olds with caution, as there is a small sample size of adults in this age group enrolled in school.

Source: Poverty Tracker annual survey data, 2016-2021. Young adult specific weights applied. Results concerning student debt are from longitudinal Poverty Tracker data; 18-month surveys of cohorts 2, 3, and 4 (2017, 2019, and 2022, respectively).

In addition to elevated levels of poverty, young adults are also likely to accrue student debt while pursuing an education. Roughly a third of young adults (33%) carry student debt (similar to 30% of 31-45-year-olds). Among young adults with some or more college experience,²¹ those who have student debt are more likely than non-debt holders to experience poverty (26% vs 18%) and hardship (39% vs 35%). Student loan debt is associated with financial stress and hardships, particularly among young adults and young adults of color.²² The compounded effects of being a current student and experiencing economic hardships may render it difficult for young adults to make timely debt payments, and also to balance economic priorities and maintain financial stability in the transition to adulthood.

Samuel and Ava, two Poverty Tracker respondents, offer a closer look at what pursuing a degree in the city looks like. As students, Samuel and Ava both face economic difficulties as they struggle to find jobs that allow them to balance their course schedules and financial needs.

²¹ We focus on this population as student debt is most likely to accumulate while pursuing a post-secondary education.

²² Zhan, "Student loan debt and financial hardship among young adults."

SAMUEL'S STORY

Now 26-years-old, Samuel has worked a variety of jobs, including retail jobs and security services, while attending a public university prior to the pandemic. Times were tough, and he often experienced food insecurity: “I wasn't eatin' much. I, sometimes, would go a whole day and eat just once. . . . I would eat half plate and then save the rest for the next day.” He had made it through several semesters of school when a car accident forced him to empty his savings account to pay for repairs. He turned to “living on his credit card,” racking up debt and eventually leaving school when he could no longer afford tuition. He returned in 2020 during the start of the pandemic, when the increased availability of online classes made it easier for him to juggle school and work. He graduated in 2022 with an Associate's Degree in computer networking and technology, but with \$1,700 in tuition debt and \$3,000 in credit card debt.

Since then Samuel has been driving a taxi, a stop-gap measure until he can find his footing. His current goal is to return to school and acquire a new and different skill set in radiology to complement his work in his originally chosen field. As he explained: “My whole plan is, actually, secure a safe spot for myself. Basically, I don't put my eggs in one basket. I'm tryin' to get a little bit of everyday things just in case, if one doesn't work out, I can move to the next one.” However, his plan is halted by his outstanding tuition debt, which he must pay off before he can return to school. He has saved \$500 so far; in the meantime, he continues to drive his taxi.

AVA'S STORY

At 27-years-old, Ava's experience provides an example of the challenges that students have when making ends meet. After receiving her Associate's Degree and working “little jobs” for several years, Ava finally found her career path and set her sights on getting a Bachelor's degree in business, to be followed by a Masters, and even a Doctorate. In 2021, she enrolled at a local university with a specialized business program, taking out loans to pay a yearly tuition of \$42,000 and, as she put it, “follow her dream.” During her first year, she kept her job as a salesperson, but working full-time while managing a full slate of classes was challenging: “I was literally taking my classes while I was at work.” She left her job at the start of her second year, explaining, “I just can't work a full-time position with being in school full-time. It doesn't work, so I just became desperate, and then I started DoorDashing.” Though working deliveries gives her more flexibility with her class schedule, Ava makes “too little” — about \$20 an hour. She feels stressed about her financial situation as she is living paycheck to paycheck, noting that she “can't even remember the last time I bought myself something.” She's also receiving SNAP benefits for the first time, and is on Medicaid.

In different ways, Samuel and Ava confirm the struggles of balancing education and work, especially when accumulating student debt. For young adults, pursuing an education is a common and important step towards future economic independence; high poverty and hardship levels for students, however, indicate that this pursuit is not without its difficulties.

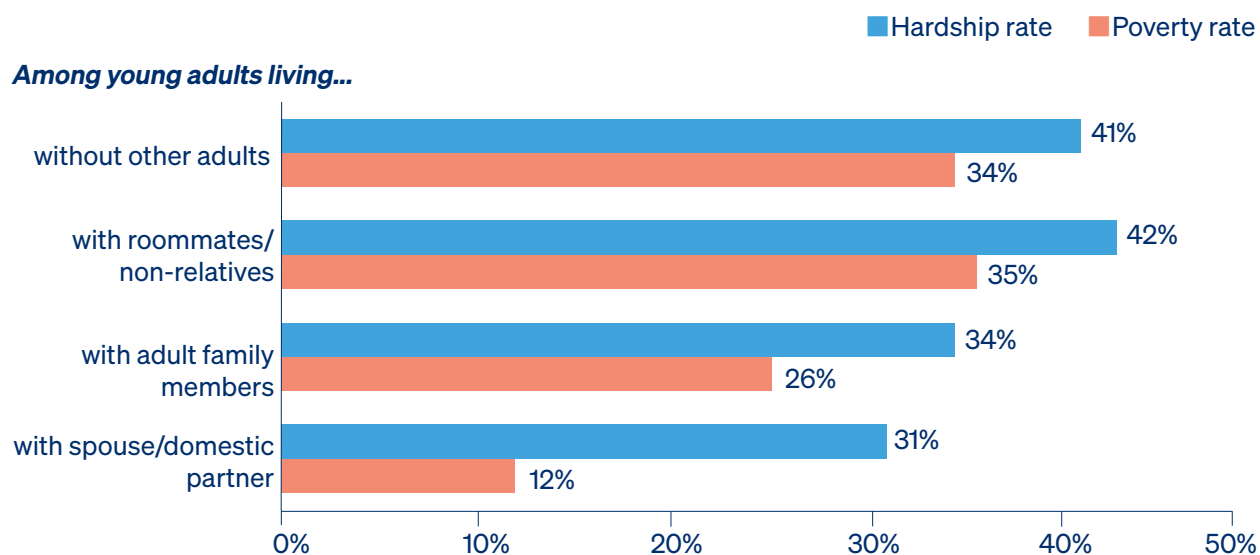
Household composition

Over the past few decades, young adults have been increasingly living with others as opposed to forming their own independent households.²³ Who young adults live with can provide insight into their patterns of family-building, their household responsibilities, and additional sources of economic support. Below, we identify four household arrangements for young adults: living with a spouse or partner, living with adult family members (but no spouse or partner), living with roommates/nonrelatives only, or living without other adults.

Poverty rates are lowest among young adults living with other adults with whom they can share resources, be it a partner/spouse or adult family. Figure 9 shows that roughly a third of young adults living without other adults or with roommates/non-relatives live below the poverty line (34% and 35%, respectively), versus roughly a quarter of young adults living with adult family members (26%) and a tenth of those living with a partner or spouse (12%).²⁴ Adult family or a spouse/domestic partner may be able to offer some young adults a layer of economic security.

Figure 9

Poverty and hardship among young adults by household composition



Source: Poverty Tracker annual survey data, 2015-2021. Young adult specific weights applied.

Note: The four household composition categories depicted above are mutually exclusive. We first categorize respondents by whether they live with a spouse or domestic partner, and if not, we determine if they live with other adult family members. The remainder of respondents are then classified into living with roommates (i.e., adult non-family members) or living with no other adults.

²³ Mather et al., "America's changing population: what to expect in the 2020 census".

²⁴ In the SPM poverty measure, roommates are not considered to be sharing resources; reduced living costs, however, are often a primary reason that people decide to live with roommates. Poverty rates for young adults with roommates should be interpreted with this qualification in mind, as the poverty measure may not fully capture the nuanced aspects of their shared living situations.

Adult family may be able to limit the cost burden of amenities like housing, bills, and food, leading to understandably **lower rates of hardship for young adults living with adult family (34%), compared to those living without other adults (41%)**. In the absence of other adults, young adults may encounter greater hardships navigating New York City’s high cost of living.

The economic buffer provided from living with others, especially adult family, seems to be unique to young adulthood. Hardship rates for young adults living with adult family are lower than the hardship rates of adults ages 31-45 who live with adult family (34% vs 46% respectively).²⁵ This may point to the different economic responsibilities within the household of adults of different ages. Among many families who live together, the sharing of resources may be complex, allowing some families to prevent hardship, while signaling hardship’s presence for others. Interviews with Poverty Tracker respondents, such as Alexis, Luna, and Mei, demonstrate the interplay between living with family and young adults’ economic experiences.

MAKING ENDS MEET WITH FAMILY: ALEXIS, LUNA, AND MEI

Interviews with young adults in the city show how, sometimes, leaving home makes no financial sense for either a young adult or their parents; they need each other to make ends meet. For example, Alexis and Luna are both in their late 20s, both work as security guards, and both live with their mother and siblings in public housing. Both contribute substantially to their family’s rent, which is lower than on the private market because they live in a subsidized housing unit: Alexis covers half the monthly cost, and Luna covers a third. Leaving home thus means leaving a hole in their family’s budgets, but also their own, as neither make enough to afford New York City rent individually.

Living at home can be about more than just affordability. Mei, a 29-year-old woman, has a college degree in business and a job in the fashion industry, her chosen field. Still, she remains at home with her parents and younger brother. She helps her family pay the rent, and a portion of her income goes to paying down her credit card debt and \$10,000 in college debt. Her decision to remain living at home is driven by a combination of both finances and familial obligations: “I would love to move out, but it’s also traditional for the older daughter not to move out, so there’s definitely some traditional, cultural reasons, but mainly financial.” In Mei’s case, living with family is partially about affordability, but also a strategic decision to help pay down her debt and enhance her long-term career prospects, and also fits within her cultural framework.

Overall, these results show that while young adults navigate the start of adulthood — a period of increased financial responsibility — living with others, specifically adult family members or their spouse/domestic partner, can ease some economic strain.

²⁵ Additional rates of hardship for 31-45-year-olds by household composition can be found in Appendix B Table B2.

What policies might be effective at improving the short- and long-term economic well-being of today's young adults?

Despite the elevated challenges that young adults in the city face, increased policy support could play a stronger role in enhancing both their economic security and mobility. Though there are many potential policies that could strengthen the economic well-being of young adults, we briefly discuss four: (1) expanding the Earned Income Tax Credit; (2) raising the minimum wage; (3) strong apprenticeship programs; and (4) tuition support and debt relief.

Expanding the Earned Income Tax Credit

The EITC is a federal tax credit available to workers of certain ages and income levels, where credit amounts are contingent upon both marital status and number of children. The EITC for childless workers is currently only available to those ages 25-64; the age and income eligibility restrictions of the standard EITC leave only 7% of childless young adults in New York City eligible for the credit, based on estimates from the Poverty Tracker data. However, in 2021, the American Rescue Plan Act (ARPA) made childless workers ages 19-24 temporarily eligible for the credit, expanding eligibility coverage to 21% of childless young adults in New York City.²⁶ ARPA also temporarily tripled the maximum value of the EITC for childless workers from \$543 to \$1,502. In full, ARPA's expanded childless EITC reduced the national poverty rate for childless young adults by 6%, compared to a 2% reduction under the policy's current design.²⁷ With young adults facing lower annual earnings than 31-45-year-olds, and being less likely to have children, the childless EITC is a powerful policy option to address this age group's economic hardships. Re-expanding this policy could benefit larger sections of the young adult population.

Raising the minimum wage

Young adults were overrepresented among workers who benefited from the New York City minimum wage increases between 2017 and 2019. In those years, young adults made up roughly 20% of the population of workers but 35% of the population of workers who benefited from the wage increases.²⁸ Recent legislation has increased the citywide minimum wage to \$16 in 2024. Raising the minimum wage further while ensuring that young adults do not face benefits cliffs or lose income from tax credits like the EITC when their wages increase has the potential to provide a consistent income boost to working young adults and to improve their economic well-being. Policies that counter any potential job losses associated with minimum wage increase, such as targeted employment and training programs discussed below, may also help ensure that young adults do not lose out from future minimum wage increases.

²⁶ These estimates are based on aggregate annual Poverty Tracker data (2016-2021) and the EITC eligibility requirements under the standard and expanded policy. EITC eligibility is contingent on respondents' earnings (adjusted for inflation), family size, age, and student status.

²⁷ Wimer and Curran, "The increased antipoverty effects of the expanded childless Earned Income Tax Credit in 2021." Results based on adults ages 18-34.

²⁸ Collyer and Garfinkel, "The effects of the New York City minimum wage increases on earnings, poverty, and material hardship: evidence from the Poverty Tracker (working paper)."

Strong apprenticeship programs

The disparities in the employment experiences of young adults and adults ages 31-45 suggest that young adults may benefit from job training and apprenticeship programs, such as Per Scholas, Npower, and Pursuit. These programs provide participants with paid opportunities to gain exposure and experience in in-demand occupations such as software development, cybersecurity, marketing, project management and development, targeting occupational skills and career development. Prominent training programs in the city create opportunities for young adults to enter a variety of local, fast-growing industries, from information technology to business services. Increasing the availability of and participation within these programs can help young adults with long-term employment outcomes, from earnings to more satisfactory work hours, by tangibly preparing them for the workforce and placing them on a stable career path.²⁹

Tuition support and debt relief

The cost of higher education has been on the rise in past decades,³⁰ making it more difficult for students to pursue and complete their educational goals. There are many strategies for helping students manage the costs of their education. In New York City, for example, CUNY's Accelerated Study in Associate Programs (ASAP) and Accelerate, Complete, and Engage (ACE) programs have been designed to provide benefits that support low-income students' educational pursuits, such as covering the remaining cost of tuition after financial aid for qualifying students.³¹ These programs have led to improved academic outcomes for students, with greater total credit accumulations and higher rates of on-time degree completion. New York State's Tuition Assistance Program (TAP) also provides tuition assistance via grants to eligible students.³²

Despite efforts to make education affordable, many young adults today hold student debt. Though higher educational pursuits are meant to have positive effects on individual's economic outcomes, carrying debt from early adulthood can make it difficult for young adults to make other essential payments, accrue savings, and achieve economic mobility.³³ Making the student debt burden easier to manage, especially for young adults, is another important policy priority. The recent enactment of the SAVE plan provides an affordable debt repayment structure for debt-holders with low incomes. Under this program, monthly payments are determined by income, where those with incomes below 225% of the federal poverty line owe \$0 in monthly payments.³⁴ This policy is an important step towards reducing the economic burden of higher education, especially among lower income students.

²⁹ Lerman, "Expanding apprenticeship — a way to enhance skills and careers."

³⁰ Ma and Pender, "Trends in college pricing and student aid, 2022."

³¹ Strumbos et al., "Accelerate, complete, engage (ACE): outcomes for three first-time freshmen cohorts."; Scrivener et al. "Doubling graduation rates: three-year effects of CUNY's Accelerated Study in Associate Programs (ASAP) for developmental education students."

³² New York State Higher Education Services Corporation. "The New York State Tuition Assistance Program."

³³ Elliot and Lewis, "Student debt effects on financial well-being: research and policy implications."

³⁴ U.S. Department of Education. "Biden-Harris Launches Most Affordable Repayment Plan Ever."

CONCLUSION

As young adult New Yorkers seek to complete school, enter the labor force, and begin moving toward economic independence, the data show that they also face economic obstacles. In our survey years (2015-2021), young adults were more likely to be in poverty than the average adult New Yorker (25% vs 22%), and had a notably higher poverty rate than 31-45-year-olds (15%). They were also more likely to experience hardship than the average adult New Yorker (35% vs 32%), though at a similar rate to adults ages 31-45 (36%).

In exploring the characteristics of young adults' households, employment, and educational arrangements, we observe certain qualities that both help and hinder young adults' economic well-being. Today's young adults have slightly deprioritized marriage and family-building; however, it appears that they continue to pursue opportunities like expanding their education and entering the labor force. And, while their returns from the workforce may be less fruitful than those of adults ages 31-45, young adults find additional support among their personal networks, including family members. Still, young adults as a group could benefit more from policy interventions tailored to their experiences, such as tax credit expansions, increases in the minimum wage, strong apprenticeship programs, and improved educational affordability.

Despite the uncertainties they face, young adults appear determined to enhance their futures by acquiring new skills and pursuing new experiences. Whether in the labor force, at school, or within the household, young adults are not only learning from the circumstances of adulthood they have inherited, but are redefining them. In the transition to a more independent lifestyle, young adults overcome obstacles in the pursuit of economic stability and act thoughtfully towards their futures.

APPENDIX A. Methodology and Data

Data used to produce this analysis

The Poverty Tracker is a longitudinal study that captures data on New Yorkers' economic, physical, and social well-being over time. For this report, we rely on the pooled responses and aggregate annual survey data of three Poverty Tracker cohorts, reflecting data from 2015 to 2021. Our aggregate, annual analysis consists of a sample of 3,729 observations of 18-30-year-olds and 5,497 observations of 31-45-year-olds. These yearly observations come from a sample of 804 unique young adults and 1,131 unique 31-45-year-olds. For some analyses, we limit this sample to data collected in particular years; in these instances, we note the years of data collection in the source descriptions.

Weights used to produce this analysis

The Poverty Tracker strives to produce data that is representative of New York City's adult population, using weights to adjust our sample based on factors such as race, education, and household structure. Our sampling design and weighting methods do not specifically make the sample representative of young adults. Thus, for this report we have adapted our traditional weighting procedure and developed a particular set of weights for our sample of young adults, which aims to more properly represent the city's young adult population.

Young adult specific weights have been applied to all estimates regarding young adults using our aggregate, annual data. In finding that our traditional weights are representative of the city's 31-45-year-olds, weights for this age group have not undergone any special adjustments for this report. The weights used for longitudinal data from specific Poverty Tracker cohorts also have not been adjusted.

Race/ethnicity			
Asian, non-Latino	14%	16%	13%
Black, non-Latino	22%	20%	22%
Latino	32%	30%	29%
Multiracial or another race/ethnicity	4%	4%	4%
White, non-Latino	28%	30%	33%
Immigration status			
Foreign born	30%	48%	37%
U.S. born	70%	52%	63%
Presence of child			
Has child	16%	44%	19%
Does not have child	84%	56%	81%
Presence of spouse/domestic partner			
Has spouse/domestic partner	27%	60%	39%
Does not have spouse/domestic partner	73%	40%	61%
Borough			
Bronx	17%	18%	17%
Brooklyn	34%	31%	32%
Manhattan	18%	22%	19%
Queens	25%	25%	26%
Staten Island	6%	5%	6%
Employment Status			
Employed full-time	49%	65%	48%
Employed part-time	14%	12%	12%
Unemployed ^a	9%	7%	7%
Not in labor force ^b	7%	11%	19%
Enrolled in school (not working)	15%	1%	9%
Other	6%	3%	5%
Education Level			
Some high school	10%	14%	13%
Completed HS/GED	19%	17%	19%
Some college	32%	20%	29%
At least one 4-year degree	39%	49%	40%
Household Composition			
Overall			
Living with spouse/domestic partner	25%	56%	37%
Living with adult family	48%	16%	35%
Living with roommates/nonrelatives	12%	7%	9%
Living without other adults	15%	21%	19%
Among those with children			

APPENDIX B: Additional Results

Table B1. Demographic composition of adult New Yorkers

	Adults Ages 18-30	Adults Ages 31-45	Adults Ages 18+
Living with spouse/domestic partner	69%	77%	75%
Living with adult family	13%	7%	10%
Living with roommates/nonrelatives	0.03%	1%	0.2%
Living without other adults	18%	15%	16%
Among those without children			
Living with spouse/domestic partner	17%	40%	28%
Living with adult family	55%	23%	41%
Living with roommates/nonrelatives	14%	12%	11%
Living without other adults	14%	26%	20%

^a Unemployed refers to adults who are on leave, temporarily laid off, looking for work, or participating in some form of job training (and not otherwise working).

^b Not in labor force refers to adults who are unable to work, keeping house, or retired.

Source: Poverty Tracker annual survey data, 2015-2021. Young adult specific weights applied. Employment data only reflective of 2016-2021.

Table B2. Poverty and hardship rates among adult New Yorkers, by demographic

	Adults Ages 18-30	Adults Ages 31-45	Adults Ages 18-30	Adults Ages 31-45
Race/ethnicity				
Asian, non-Latino	28%	12%	21%	26%
Black, non-Latino	28%	19%	39%	44%
Latino	29%	23%	47%	51%
Multiracial or another race/ethnicity	26%	10%	26%	41%
White, non-Latino	16%	6%	27%	19%
Immigration status				
Foreign born	32%	18%	34%	36%
U.S. born	22%	12%	36%	35%
Presence of child				
Has child	21%	17%	35%	36%
Does not have child	26%	14%	35%	36%

Employment Status				
Employed full-time	14%	8%	30%	28%
Employed part-time	26%	24%	40%	46%
Unemployed	37%	34%	43%	51%
Not in labor force	34%	27%	44%	44%
Enrolled in school (not working)	45%	33%*	39%	55%*
Other	28%	23%	43%	39%
Household Composition				
Living only with spouse/partner	12%	10%	31%	28%
Living with adult family	26%	23%	34%	46%
Living with roommates/nonrelatives	35%	17%	42%	55%
Living without other adults	34%	22%	41%	42%

**We urge interpreting this result with caution, as there is a small sample size of adults ages 31-45 enrolled in school.*

Source: Poverty Tracker annual survey data, 2015-2021. Young adult specific weights applied. Employment data only reflective of 2016-2021.

RATES OF HARSHIP		
RATES OF POVERTY		
	Adults Ages 18-30	Adults Ages 31-45
Average annual earnings		
Overall	\$34,000	\$62,000
Among those who worked in the past year	\$46,000	\$74,000
Among those who worked for the full year	\$52,000	\$82,000
Hourly wages		
Percent paid an hourly wage	49%	42%
Among part-time workers	72%	58%
Average hourly wage rate	\$21	\$22

Note: Average hourly wage data is adjusted for outliers.

Source: Poverty Tracker annual survey data, 2015-2021. Average hourly wage data reflective of years 2016-2021.

Table B4. Indicators of underemployment among adult New Yorkers

	Adults Ages 18-30	Adults Ages 31-45
Looked for work in the past year		
Overall	69%	46%
Full-time	66%	43%
Part-time	72%	52%
Not working ^a	66%	46%
Would like to work more hours		
Overall	53%	42%
Full-time	43%	32%
Part-time	73%	74%

^aNot working is defined as being unemployed or not in the labor force.

Source: Longitudinal Poverty Tracker data; cohorts 2, 3, and 4; 18-month surveys.

APPENDIX C.

How the Poverty Tracker identifies respondents' race and ethnicity

Throughout this report, we discuss race and ethnicity in the context of socioeconomic disparities among New Yorkers. We identify the race and ethnicity of adults in the Poverty Tracker sample using questions asked by the U.S. Census Bureau on various population-level surveys.³⁵ These questions allow us to better understand the needs of communities within New York City and to ensure that we are surveying a representative sample of New York City's racial and ethnic groups. The questions read:

Are you of Hispanic, Latino, or Spanish origin?

Yes

No

What is your race? Are you...

White

Black or African American

Asian

American Indian or Alaska Native

Native Hawaiian or Pacific Islander

Or something else

We combine responses to these questions into the following racial and ethnic groups:

Asian, non-Latino

Black, non-Latino

Hispanic, Latino, or of Spanish origin³⁶

Multiracial or another race or ethnicity, non-Hispanic

White, non-Latino

In this report we refer to New Yorkers who identified as Hispanic, Latino, or of Spanish origin as Latino New Yorkers, and to Black non-Latino and white non-Latino New Yorkers as Black and white New Yorkers, respectively. "New Yorkers" refers to adults in New York City. There are limitations to this methodology. This type of classification is one dimensional while one's identity is often much more robust and intersectional. In addition, our results present averages for groups of people, but averages do not reflect the experiences of all individuals. One's personal experiences may diverge significantly from the results we present. And while our questions are relatively specific, each person might interpret them differently, resulting in subjective answers. Our examination of poverty, hardship, and disadvantage in the context of race and ethnicity is intended to help explain how disparities across groups take shape economically, financially, and with regards to health in New York City.

³⁵ Historically, the Census asks race and origin questions to gain an understanding of the makeup of the population and to help construct civil rights protections for all. These questions have helped to reveal gaps within various social policies and to address the economic, educational, and infrastructural needs of different communities. See Brumfield, Goldvale, and Brown (2019).

³⁶ With these groupings, New Yorkers who indicate that they are of "Hispanic, Latino, or of Spanish origin" are grouped together, regardless of their response to the question about their race. The majority of New Yorkers who identify as Hispanic, Latino, or of Spanish origin (62%) do not identify with a particular racial group (i.e., they respond "something else" when asked about their race). Roughly 25% identify as white and 13% identify as Black.

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