A “true progressive” takes on New York’s inequality problem

After serving a maximum three terms as mayor of New York, Michael Bloomberg will be replaced by Democrat Bill de Blasio on New Year’s Day. As Peter Mares reports from New York, it will be a challenge for the new mayor to live up to his promise to reduce inequality and homelessness.

“The defining challenge of our time”: New York’s new mayor, Bill di Blasio, campaigning at a subway stop on 4 November, the day before his landslide victory.

Seth Wenig/ AP Photo

“DO you have a heart?” The question is loud and insistent, the tone almost hectoring. “Help a hungry man get something to eat!” He is big and unkempt, made larger and shabbier by layers of clothing intended to keep the cold at bay. Outside it’s a few degrees below freezing.

Supporting himself on a walking frame and lurching unsteadily in the swaying subway carriage, the interrogator repeats his question. “Do you have a heart?” he asks, more pointedly this time, trying to get an elegantly dressed New Yorker to meet his gaze. “Help a hungry man get something to eat!” People look away, stare at their phones, hide their heads in private conversations – anything to shut out the man and his need.

New York City has more homeless people today than at any time since the Great Depression. Earlier this year, according to Coalition for the Homeless, the number of people sleeping in the city’s shelter system topped 50,000 for the first time “since modern homelessness emerged three decades ago.” At least four in every ten were children, and for them and their families the average stay in a homeless shelter now exceeds a year.

The coalition says the spike is not just a result of the recession brought on by the global financial crisis. It lays a significant part of the blame squarely at the feet of outgoing mayor Michael Bloomberg. In a country where municipal authorities have much greater responsibility for social services than in Australia, the number of homeless people living in shelters has increased 61 per cent under Bloomberg, growing at a faster rate and in greater absolute numbers than under any of the three previous mayors, Edward Koch, David Dinkins and Rudolph Giuliani.

In an ambitious and compelling piece of reportage, published in five parts to coincide with Bloomberg’s last days in office, the New York Times put flesh on the statistics. Journalist Andrea Elliott documented a year in the life of an “invisible child,” eleven-year-old Dasani, whose lifespan roughly corresponds with the duration of the Bloomberg administration. With her parents and seven siblings, Dasani has spent three of those years in a city-run shelter called the Auburn Family Residence – a place, according to Elliot, “where mould creeps up walls and roaches swarm, where faeces and vomit plug communal toilets, where sexual predators have roamed and small children stand guard for their single mothers outside filthy showers.”

While the articles focus more on the daily travails of Dasani and her family than on the policies of City Hall, they touched a raw nerve in the Bloomberg administration. A few days after the final part of the series was published, Bloomberg began a five-day valedictory tour, visiting each of New York’s five boroughs to highlight his achievements in office. After he opened a new ice-skating rink in Brooklyn, a reporter asked him to comment on the Dasani articles. As National Public Radio reported it, Bloomberg’s answer took more than five minutes. He
described Dasani’s circumstances as “atypical” and suggested that the journalist who posed the question lacked international experience and did not understand what true poverty looked like. “I don’t think there’s any administration of any city that has ever done as much to help those in need as we have done in this city,” he said. “If you are poor and homeless you’d be better off in New York City than anywhere else.”

Two of Bloomberg’s deputy mayors also published a bluntly worded response, labelling the series “a serious distortion of reality.” Writing in the Wall Street Journal, they said that more than 900,000 New Yorkers had moved from welfare to work during Bloomberg’s terms, that the administration had built or renovated 175,000 affordable dwellings and that 335,000 formerly homeless people had moved to permanent housing. They dispute Elliot’s assertion that the city “has reordered itself around the whims of the wealthy,” reminding Journal readers that Bloomberg has donated “more than US$320 million of his own money” to anti-poverty programs and pointing out that City Hall now spends US$981 million annually providing services for the homeless – almost double the amount spent when Bloomberg took office.

The Coalition for the Homeless doesn’t dispute that budget figure, but rather takes it as proof of the problem. New York may have fewer homeless people sleeping on the streets and more in emergency accommodation than other American city, but this is because a legal right to shelter is entrenched in local law. As mayor, the Coalition argues, Bloomberg has repeatedly attempted to overturn court orders that oblige city authorities to provide emergency accommodation for the homeless. Record spending on sheltering the homeless is less a gauge of Bloomberg’s concern for the poor, they say, than an indication of the fact that record numbers of people in New York have nowhere else to live and the cost of providing them with emergency accommodation has skyrocketed.

Lying beneath these factors is a more fundamental and intractable issue – the widening gap between incomes and housing costs. A recent report from the Community Service Society, an organisation with a 170-year history of working to reduce poverty in New York, uses census data to show that between 2005 and 2011, while median incomes rose just 15 per cent, median city rents rose by 25 per cent.

Some New Yorkers certainly benefit from rent control or rent subsidies, but these have been weakened over time, and a growing proportion of the city’s population lives in the unregulated private rental market. “Poor” renters in the private, unassisted rental market are left “with an average of just US$4.40 per household member per day to pay for food, transport, medical and education costs, and all other necessities,” according to the report, and 49 per cent of all “low-income” households in this market spend at least half their income on rent. (“Poor” in this context refers to people living on an income below the federal poverty threshold of US$17,500 for a family of three; “low income” refers to households living on an income up to double the poverty threshold, or about US$35,000.)

The report warns that while New York’s economy generates large numbers of jobs for low-wage workers, and low-income residents make up an increasing share of the city’s population, neither the private market nor subsidised housing programs produce enough affordable places for them to live.

At the other end of the scale, the number of high-income residents in New York has been increasing, too, and a growing number of these well-heeled residents are buying their own homes. The net effect, the report concludes, is that the city’s middle class is being hollowed out. With New York shifting ever more towards a service economy, high-paying jobs are being created at the top of the income scale, especially in sectors like financial services, and in much larger numbers at the bottom, in areas like cleaning, hospitality and security.

THIS is the “tale of two cities” repeatedly referred to by Bill de Blasio during his campaign to become mayor and in his victory speech. Inequality, he says, “that feeling of a few doing very well, while so many slip further behind… is the defining challenge of our time.” Along with core promises such as his pledge to use higher taxes on high-income earners to expand early childhood education, this is the theme that rallied New Yorkers to his “true progressive” banner.

When de Blasio won November’s election in a landslide he was first Democrat to be voted in as mayor of New York in two decades. (Bloomberg is a former Republican turned independent.) He did spend US$13 million on his campaign, double the amount of his Republican rival Joe Lhota, but that was only a fraction of the US$108
million Bloomberg laid out in 2009. (We know this thanks to the timely transparency of the New York City Campaign Finance Board.)

In the last weeks before the handover, the outgoing and incoming mayors have been sparring at a distance. In a final speech in Manhattan, Bloomberg reminded his corporate audience that he is leaving New York with a balanced budget. In a simultaneous presentation at a university campus in Brooklyn, de Blasio was castigating Bloomberg for failing to negotiate new wage deals with New York’s vast army of city workers – the implication being that Bloomberg’s bottom line has been paid for by those who could least afford it. Rectifying the situation will be one of de Blasio’s first and biggest challenges. More than 150 contracts with municipal unions expired under Bloomberg; with many unions demanding back pay, the cost of negotiating new agreements could run to billions of dollars.

Just in case anyone might overlook his achievements in office, Michael Bloomberg has created a website dedicated to celebrating his legacy, and his achievements are considerable, particularly when it comes to landmark civic improvements, enhanced urban amenity, improved transport, environmental protection and public health.

Under Bloomberg, New York has gained 340 hectares of new parkland, including the remarkable and incredibly popular High Line, which stretches along a disused goods railway, the Brooklyn Bridge Park, and the transformation of what was the world’s largest landfill on Staten Island into Freshkills Park, which will be almost three times the size of Central Park. According to Bloomberg’s website, more than three-quarters of New York residents now live within a ten-minute walk of a park or playground. His administration created more than 750 kilometres of new bike lanes, converted Times Square and Herald Square into pedestrian zones and extended New York’s subway system for the first time in more than half a century.

While Bloomberg may have lost his battle to ban the sale of mega-sized soft drinks on health grounds, as mayor he flooded the city with warnings about the health dangers of sugary drinks and clamped down on smoking in public places. He was outspoken on climate change and gun control and introduced recycling into New York’s garbage system. In one of his final acts, Bloomberg instigated a ban on polystyrene takeaway food containers that will take effect in a year if manufacturers cannot find a way to divert the containers from land fill and recycle the materials.

The question is whether de Blasio can continue Bloomberg’s legacy in these areas while also tackling the problem of inequality that lies at the root of increased homelessness. As the mayor-elect acknowledged in his victory speech, inequality is a less tangible issue than urban planning, because it “has no distinct or dramatic catalyst, no insidious face, no electronic image on a radar map.” Growing inequality and the crisis of affordability, he said, is a “slow creep” that has been “decades in the making.”

And it could be that the remarkable civic improvements presided over by de Basio’s predecessor are part of the problem. Bloomberg’s redevelopment of the city has not just improved urban life; it has also lifted property values and so reduced affordability. By making New York a more attractive place to live and work in and to visit, Bloomberg drew in new investment. But in a service-based economy, as the Community Service Society points out, the process of wealth generation is also the process that generates inequality by creating select jobs at the top of the pay scale, and many jobs at the bottom, but few in the middle. A city mayor, even one as powerful as the mayor of New York, can only do so much to moderate such profound economic processes.

AS THE city awaits the inauguration of its new mayor, homeless New Yorkers continued to do what they can to keep body and soul together in the run-up to Christmas. There are a variety of ways to ask for money – rattling a can outside a grocery store while wishing every passer-by “happy holidays,” or drawing portraits, unbidden, at railway stations and then trying to sell them to their subjects, or selling candy canes for a quarter. The one thing that unites the people trying these different approaches – at least according to my observations over the past two weeks – is that they are all people of colour.

Another subway ride, another call on our compassion and our wallets. A wiry but worn looking man dressed entirely in black stands, feet astride, in the centre of the carriage, toting a bright blue sports bag. “My name is
Bill," he says loudly, struggling to have his voice heard over the rumble and screech of the F train as it tunnels under the East River en route to Brooklyn. “You all might have seen me on TV or read about my work in the local papers.”

Pulling a plastic cup stuffed with coins and notes from the side pocket of his bag, he continues talking. “Now I don’t care whether you put a dime in this can or a fifty dollar bill, but I’m trying to give homeless people a hot meal for Christmas. You will be at home for Christmas dinner, but a lot of people will be eating a cheese and boloney sandwich. Who eats cheese and boloney at Christmas?

“If you got some spare food, then put away your wallet and put your food in this bag instead. And if you got no money then you can get up and give me a hug and tell me what a great job I’m doing. I’ll settle for that.”

Bill offers no formal identification, nothing to show that he is collecting on behalf of a legitimate charity. But he looks like he could use a hot meal himself. As he moves down the carriage we reach into our pockets, digging out spare change and dollar bills. •