Poverty and the American dream: trends in New York State

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2017 Community Development Institute
“A look at 2016 poverty rates in New York's largest cities”

- **Buffalo**, Poverty rate in 2016: 30.5 percent
- **Rochester**, Poverty rate in 2016: 32.3 percent
- **Syracuse**, Poverty rate in 2016: 32.1 percent
- **Albany**, Poverty rate in 2016: 23.9 percent
- **Syracuse has nation's highest poverty concentrated among blacks, Hispanics**
  (February 8, 2016)

Source: U.S. Census Bureau, reported by mweiner@syracuse.com.
Sources


3 components of the dream:

1. freedom to choose.
2. exchange economic security for work
3. optimism about future
Funnel Model of Achieving the American Dream

Population Size and Composition

Po
Nonwhite
Lower Ability
Funnel A
Primary and Secondary Education

Affluent
White
Higher Ability
Funnel B
Higher Education and Training

Poor
Nonwhite
Lower Ability
Funnel C
Quality Jobs

American Dream

FIGURE 9.1 Funnel Model of Achieving the American Dream

Source: Chasing the American Dream, p.158
Enduring intersection of race & social class (GIS)

Source: Chasing the American Dream
Robots and jobs

- Did robots eliminate jobs in US labor markets between 1990 and 2016? (equilibrium model)
- Definition of industrial robot: “an automatically controlled, reprogrammable, and multipurpose machine”

Source: Acemoglu and Restrepo, 2017
FIGURES AND TABLES

FIGURE 1: INDUSTRIAL ROBOTS IN THE UNITED STATES AND EUROPE.

Note: Industrial robots per thousand workers in the United States and Europe. Data from the International Federation of Robotics (IFR).

Source: Acemoglu and Restrepo, 2017
A. Exogenous exposure to robots from 1993 to 2007

Source: Acemoglu and Restrepo, 2017
New class development

Two new post-industrial classes are developing:

a) An affluent class that benefits from the new economy (old money/new money)

b) An impoverished new class that reflects the possibility for labor-less production, and is dependent on political organization for survival
Implications for public policy and educational programs

• Fiscal instability throughout the public sector
• Employment crisis grows over time
• No short-term solution to poverty, however innovative policy and new ideas are critical (cf FDR and the depression)
• Long-term solution is democratic nationalization of industries/healthcare/etc.