DISPARITIES IN ECONOMIC SECURITY FOR NEW YORKERS OF COLOR 50 AND OLDER

PREPARED BY NEW ECONOMY PROJECT
FOR AARP NEW YORK

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NEW ECONOMY PROJECT

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About the organization:
New Economy Project works with community groups in New York City to promote economic justice and to eliminate discriminatory economic practices that harm communities and perpetuate inequality and poverty.

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Throughout this report, New Economy Project uses AARP's nomenclature when referring to age groups. Reference to "50+" New Yorkers, for example, connotes people who are 50 and older.

EXECUTIVE SUMMARY

New Economy Project undertook this report, at the request of AARP, to examine barriers to economic security faced by 50+ New Yorkers of color, including immigrants. The analysis focuses on economic justice disparities statewide and in New York City, with attention also given to Long Island and Buffalo. Findings are based on extensive data analysis, along with interviews with multiple stakeholders.[1]

Any analysis of economic justice disparities based on race and ethnicity must be presented within the larger framework of long-standing, structural inequities. This report provides a summary of major income and wealth disparities and other economic security issues facing 50+ New Yorkers of color, and includes four sections: Demographics & Key Indicators of Economic Security; Barriers to Economic Security; Emerging Issues; and Recommendations.

When it comes to overall income inequality, New York State tops the list nationwide: New Yorkers with incomes in the top 1% make 45.4 times more than the bottom 99% and receive 31.0% of all income in New York. Across the board, 50+ black and Latino New Yorkers have significantly lower household incomes than 50+ white and Asian New Yorkers. For every dollar in income that 50+ white households in New York receive, the typical 50+ Latino household receives 61 cents, and the typical 50+ black household, 71 cents. For New York retirees, longstanding racial and ethnic wage gaps result in significant disparities in retirement savings levels, based on race and ethnicity. Further, people of color constitute almost half of all New Yorkers (47%) without access to a retirement plan.

New York ranks the seventh most unequal, when it comes to wealth inequality based on people's race and ethnicity. Wealth measures include assets that people own over time, and disparate rates of homeownership are a major driving factor in racial and ethnic wealth disparities. Statewide, three out of four 50+ white New Yorkers (76%) own their homes. By contrast, 30% of 50+ Latino New Yorkers, 41% of 50+ black New Yorkers, and 57% of 50+ Asian New Yorkers own their homes. Disparities in homeownership are a key example of how systemic inequality is reproduced from one generation to the next, as lower rates of homeownership, stemming largely from redlining and other forms of institutional discrimination, mean that people of color generally have fewer assets to leave to their children – and so on.

Rooted in historical and structural discrimination, these racial and ethnic disparities directly undermine New Yorkers' economic security. This paper analyzes disparities in educational opportunity and attainment, homeownership levels, and retirement savings, which effectively serve to perpetuate inequality, segregation, and poverty. The paper documents just several key areas – including access to safe and affordable banking products, foreclosure risk, debt collection, and challenges for local small businesses – to illustrate systemic economic security issues that 50+ New Yorkers of color face, and recommend needed policy changes.

Data for 50+ New Yorkers are not consistently available for every inquiry we sought to undertake, and varying demographic categories are therefore cited throughout the report and methodology appendix. Readers should keep in mind that important nuances are of course sacrificed when using the categories, black or African American, Latino or Hispanic, Asian and Pacific Islander, and white. These groups are far from monolithic, as there is frequently significant variation within and among subgroups. Also important is the fact that more than half of 50+ NYC residents are immigrants, as are more than one in four 50+ residents statewide, and any study of racial and ethnic disparities in New York must include a focus on immigrant New Yorkers.

[1] See Appendices for methodology and details about data analysis, sources, and definitions. See also Endnotes.

KEY FINDINGS

Demographics/Income & Wealth Inequality

- Looking at median retirement incomes statewide, most 50+ New Yorkers of color retire near the poverty threshold, in contrast to 50+ white New Yorkers, whose retirement incomes, although low, are almost double that of 50+ New Yorkers of color.
- More than 330,000 New Yorkers 60+ are eligible for, but not enrolled in the Supplemental Nutrition Assistance Program (SNAP), commonly known as food stamps. Closing the enrollment gap for older New Yorkers would increase income among this age group by more than $500 million annually, most of which would go to older black, Latino and Asian New Yorkers.
- Social Security benefit levels are tied to one's earnings, and because people of color on average earn less money than whites while working, there are striking racial and ethnic disparities in the amount of Social Security 50+ New York retirees receive.
- Only one out of five homeowners in New York State is a person of color, even though people of color make up one third-of the state population overall. By contrast, 80% of homeowners in New York State are white, even though white people make up 67% of the total population.
- Statewide, 50+ homeowners of color are twice as likely as 50+ white homeowners to be "severely cost burdened," i.e., paying 50% or more of their incomes to cover housing costs.

Access to Safe & Affordable Financial Services

- In NYC neighborhoods of color, there is just one bank branch, on average, for every 10,000 residents, compared to 3.24 branches for every 10,000 residents in all other NYC neighborhoods.
- The absence of bank branches is especially glaring in neighborhoods in NYC with the largest concentrations of 50+ people of color – including in middle and upper income black neighborhoods in Southeast Queens.
- More than one-third of Latino New Yorkers in the 55-64 age group (34.9%), and almost one-fourth of Latino New Yorkers 65 and older (23.3%), do not have a bank account. Only 1.6% and 1.0%, respectively, of white New Yorkers have no bank account. The push to deliver Social Security benefits by direct deposit likely accounts for the lower percentages of 65+ New Yorkers without bank accounts.
- More than half of all black New Yorkers in the 55-64 age category who have a bank account are "underbanked" (50.5%) – meaning that they turn to non-bank, often fringe,[ii] financial services providers for check-cashing, money orders, and remittances, among other typically high-cost products and services – compared to fewer than one in five white New Yorkers (17.5%).

Foreclosure Risk & Deed Theft

- Neighborhoods with the highest foreclosure risk are almost exclusively communities of color, including many middle- and upper-income black neighborhoods with large 50+ populations.
- Deed theft scams, in which fraudsters steal people's homes out from under them, are on an alarming rise. One stakeholder referred to deed theft as the most harmful type of scam perpetrated against older New Yorkers of color.

[ii] Fringe financial services outlets include, for example, check cashers, pawnshops, and rent-to-own stores. They are called "fringe" because they are typically unregulated or under-regulated, and provide higher-cost financial products and services. Fringe financial services are disproportionately located in lower-income communities and communities of color.

KEY RECOMMENDATIONS

Here are key policy recommendations for New York elected officials, at both state and local levels, to ensure greater economic security for all New Yorkers:

★ **Expand Retirement Savings Options** – New York should enact a Secure Choice Savings Program, allowing employers that do not otherwise offer retirement savings options to provide an "automatic IRA" savings option and payroll deduction so employees can begin to accumulate retirement savings.

★ **Keep High-Cost, Predatory Lending Out of New York** – The State must categorically preserve its strong usury law, as the best bulwark against predatory small-dollar loans and other exploitative consumer financial products that target seniors, as well as lower-income people, people of color, and "mom and pop" small businesses.

★ **Crack Down on Deed Theft Scams** – New York State should immediately update laws that address deed theft scams, in which people's homes are stolen out from under them. These scams target 50+ New Yorkers of color.

★ **Put an End to Abusive Debt Collection** – The New York State Department of Financial Services and Attorney General's Office, as well as the NYC Department of Consumer Affairs, need to step up enforcement of debt collection laws, including the 2008 NYS Exempt Income Protection Act.

★ **Take Steps to Strengthen Income Support** – New York should increase Supplemental Nutrition Assistance Program (SNAP) enrollment among older adults. Closing the enrollment gap in SNAP in New York would not only provide crucial income support and sustenance to eligible 50+ New Yorkers of color, but it would also have a major multiplier effect, generating an estimated $895 million in economic activity in New York.

★ **Address Lack of Access to Mainstream Banking Services by:**

Supporting Community Development Financial Institutions (CDFIs) – As a key step to addressing the lack of sound and affordable banking access for 50+ New Yorkers of color, New York should support CDFIs, which exist to meet the financial services needs of communities not adequately served by banks. For starters, New York should allocate funding to the NYS CDFI Fund, which the legislature created in 2007, but has yet to fund.

Pressing Banks to Meet Community Needs – At the same time, New York should pursue an affirmative financial justice platform, pressing banks that do business in the state to serve communities equitably, including by vigorously enforcing community reinvestment and fair lending laws.

★ **Remove Barriers Faced by Small Businesses** – To address impediments faced by 50+ small business owners of color, including immigrant New Yorkers, New York State and NYC should take action to ensure affordability of rent for locally- and family-owned enterprises. In addition, the State should vigorously defend its consumer protection laws, and crack down on illegal online and other predatory lending to small businesses.

DEMOGRAPHICS & KEY INDICATORS

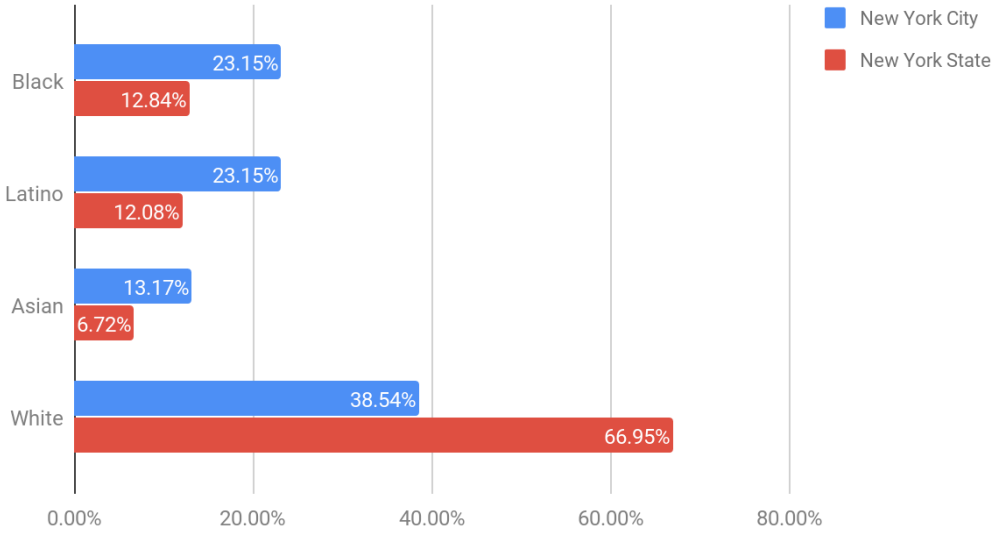
For this paper, New Economy Project examined demographic information and analyzed income and wealth disparities for 50+ black, Latino, Asian and Pacific Islander ("Asian"), and white adults in New York State and NYC.[1] New Yorkers of color make up one-third of all 50+ New Yorkers statewide, and 60% of all 50+ NYC residents. In New York State, 27.3% of 50+ New Yorkers are immigrants, and half (50.5%) of NYC 50+ residents are immigrants.

An examination of income and wealth among 50+ New Yorkers reveals glaring and deeply troubling disparities based on race and ethnicity. Starting with a brief overview of employment, retirement, and educational attainment data, this section shows patterns of profound inequality (differences stemming from uneven distribution) and inequity (differences stemming from unfair distribution).

These patterns indicate not only that 50+ New Yorkers of color are more economically insecure than 50+ white New Yorkers. They also show how wealth disparities are perpetuated, as limited educational attainment, for example, typically leads to lower wages and retirement savings, in turn affecting one's housing status, and so forth. Disparities in homeownership correspond crudely to people's relative opportunities – or lack thereof. People with equity in their homes can borrow against that equity to pay for education, start or expand a business, and pass along one's wealth inter-generationally.

Figure 1

Race/Ethnicity of New York City and New York State 50+ Populations



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Employment Status & Educational Attainment

Workforce Participation

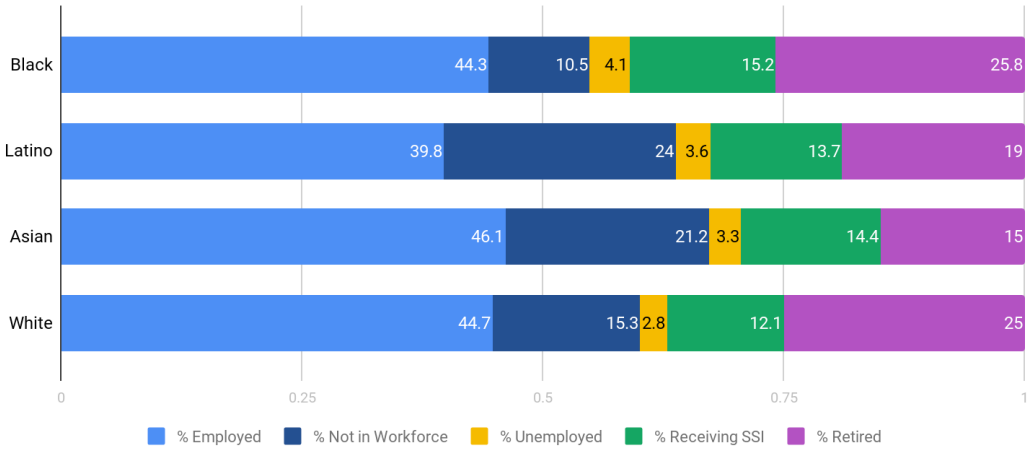
There are significant disparities in workforce participation, as well as unemployment, disability and retirement rates, between 50+ white New Yorkers and 50+ New Yorkers of color. In addition, 50+ New Yorkers of color without reliable incomes or who live on fixed incomes – consisting solely of Social Security income, including SSI or SSD, or other retirement income – face significant barriers to economic security.

Statewide, more than four in ten 50+ New Yorkers are in the workforce (43.7%), 3.4% are unemployed and looking for work, 16.9% are not in the workforce and do not receive retirement or any other type of Social Security income, 13.6% receive SSI, and 22.4% are retired.

Figure 2

Employment & Retirement Status, by Race/Ethnicity

New York State



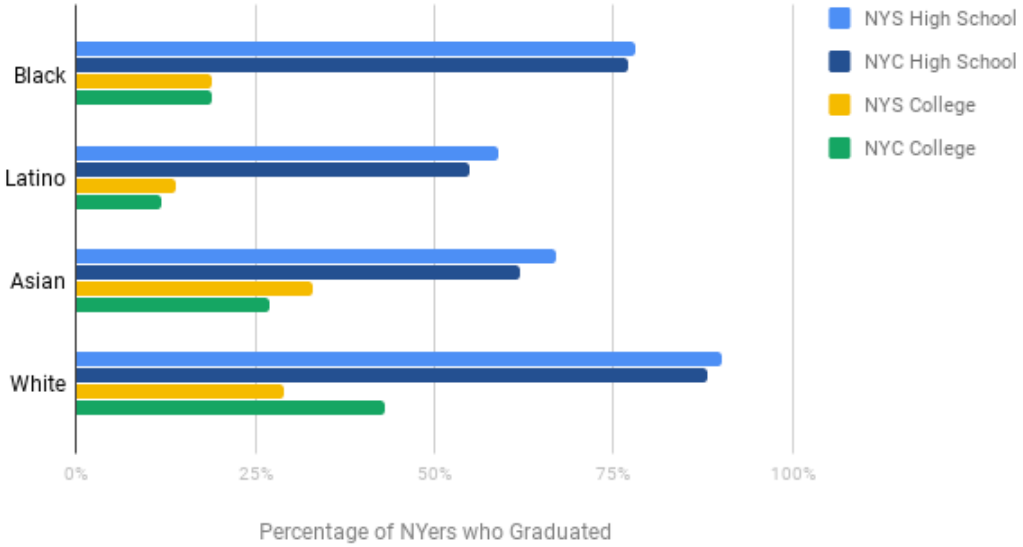
SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Educational Attainment

Disparities in educational attainment lead to disparities in access to well-paying, secure jobs and contribute to income inequality. Most 50+ New York State residents (83%) graduated from high school, and three in ten (29%) completed Bachelor's degrees. 50+ white New Yorkers, however, are more likely to have finished high school and college than 50+ New Yorkers of color.

Figure 3

Educational Attainment for 50+ New Yorkers, by Race/Ethnicity



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Statewide, four in ten 50+ Latino New Yorkers did not complete high school. 50+ Asians are less likely to have completed high school than 50+ black and 50+ white New Yorkers. Among 50+ Asians who completed high school, however, almost half also graduated from college, compared to 37% of 50+ white and 24% of 50+ black New Yorkers. 50+ Latino and Asian immigrant New Yorkers are much less likely to have graduated from high school or college than U.S.-born 50+ Latino and Asian New Yorkers.

In NYC, there are similar racial and ethnic disparities in educational attainment. 50+ white New Yorkers are more than twice as likely to have finished college as 50+ black and Latino New Yorkers. Among 50+ Asian New Yorkers, educational attainment varies widely by ethnicity. Almost half (49%) of 50+ Chinese and one in three (34%) 50+ Bangladeshi NYC residents, for example, did not complete high school. By contrast, only 8% of 50+ Filipino and 3% of 50+ Japanese NYC residents did not finish high school.[2]

Income & Wealth Inequality

50+ black, Latino and Asian New Yorkers have significantly less income and wealth than 50+ white New Yorkers. These differences are apparent in stark racial and ethnic disparities in fundamental aspects of economic security, such as access to safe and affordable banking products, foreclosure risk, and debt collection, described below. These disparities are systemic in nature and are reproduced from one generation to the next, as people of color typically inherit less wealth than white people and often have fewer assets, in turn, to leave to their children.

Income Inequality

New York State has the highest overall level of income inequality in the country. New Yorkers with incomes in the top 1% make 45.4 times more than the bottom 99% and take home 31.0% of all income in New York.[3] Against this backdrop, New York's racial and ethnic income disparities are especially stark. 50+ New Yorkers of color have less income overall, are more likely to use public benefits programs, and have less retirement savings and income than 50+ white New Yorkers.

Household Income

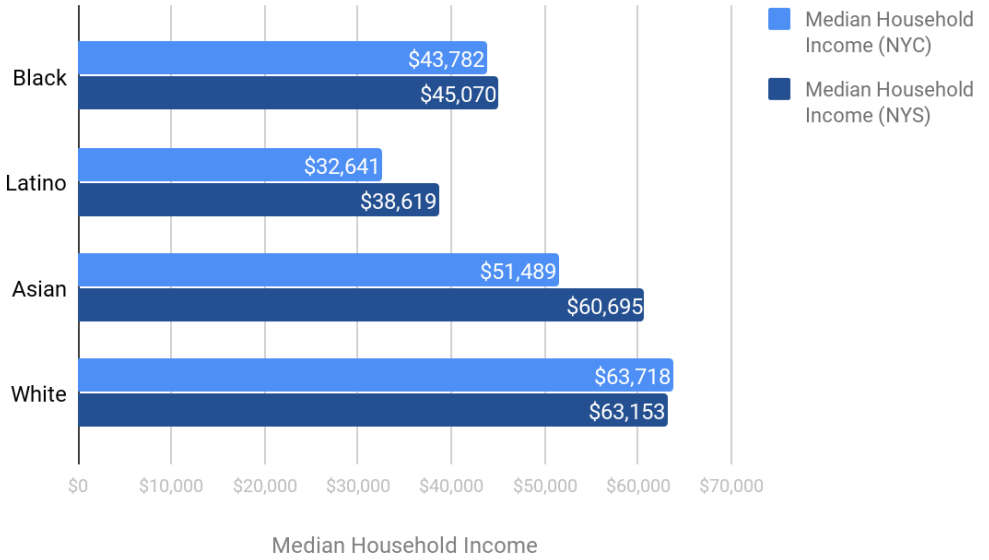
In New York State, 50+ black and Latino residents have significantly lower household incomes than 50+ white and Asian New Yorkers. For every dollar in income that 50+ white households in New York receive, the typical 50+ Latino household receives 61 cents, and the typical 50+ black household, 71 cents.

Income inequality is even more pronounced in NYC. For every dollar in income that 50+ white households in NYC receive, the typical 50+ Latino household receives 51 cents, and the typical 50+ black household, 69 cents.

In NYC, there are also significant income disparities between 50+ white and Asian households: the typical household income for 50+ Asian NYC residents is 81 cents for every dollar of household income received by 50+ white NYC residents. There are significant differences in income among Asian American subgroups in NYC. Almost half of 50+ Chinese NYC residents (47%), for example, have incomes below the poverty line or are low-income, compared to one in five 50+ Filipino NYC residents (20%).[4]

Figure 4

Median Household Income for 50+ New Yorkers, by Race/Ethnicity



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Examining median household income by gender reveals even starker disparities: The typical 50+ Latina-headed household in New York State makes just 42%, and the typical 50+ black-woman-headed household just 57%, of the income of the typical 50+ white-male-headed household.

Public Benefits

Public benefits can be crucial to economic security, particularly for older adults living on fixed incomes, as is illustrated by older New Yorkers' use of Supplemental Nutrition Assistance Program (SNAP). Although New York State has the fourth highest SNAP enrollment rate (60.3%) in the U.S. for people 60+, more than 330,000 60+ New Yorkers eligible for SNAP are not enrolled in the program, commonly known as food stamps.[5] Closing the enrollment gap for older New Yorkers would increase income among this age group by more than $500 million annually.[6] Most of these additional funds (59.4%) would go to older black, Latino and Asian New Yorkers, and have a multiplier effect, generating an estimated $895 million in economic activity in New York.[7]

There are multiple explanations for the lack of enrollment in SNAP, from barriers to language access and insufficient information about eligibility requirements to difficulty with the application process. AARP surveyed people ages 50-59 eligible to enroll in SNAP in New York and four other states. Survey respondents cited hostile service and improper benefits screening when attempting to access SNAP benefits at local SNAP offices.[8]

In New York State, households headed by 50+ people of color are at least twice as likely to use SNAP benefits as households headed by 50+ whites. 50+ Latino New Yorkers are most likely to receive SNAP (35%), followed by 50+ black (25%), 50+ Asian (20%) and 50+ white (9%) New Yorkers. 50+ New Yorkers of color also have higher usage of Temporary Assistance for Needy Families (TANF) than 50+ white New Yorkers.

In NYC, most 50+ households that receive SNAP are headed by women. Four in ten 50+ Latino New Yorkers use SNAP and a quarter of 50+ Asian and black New Yorkers use SNAP, compared to 11% of 50+ white New Yorkers.

Retirement Income

According to survey research by AARP, most New Yorkers in the 51-69 age category (55%) worry about not planning enough for retirement and are anxious about running out of money after they retire.[9] Data on retirement income for 50+ New Yorkers bear out their concerns, as most 50+ New Yorkers across the board have insufficient retirement incomes to cover their expenses.

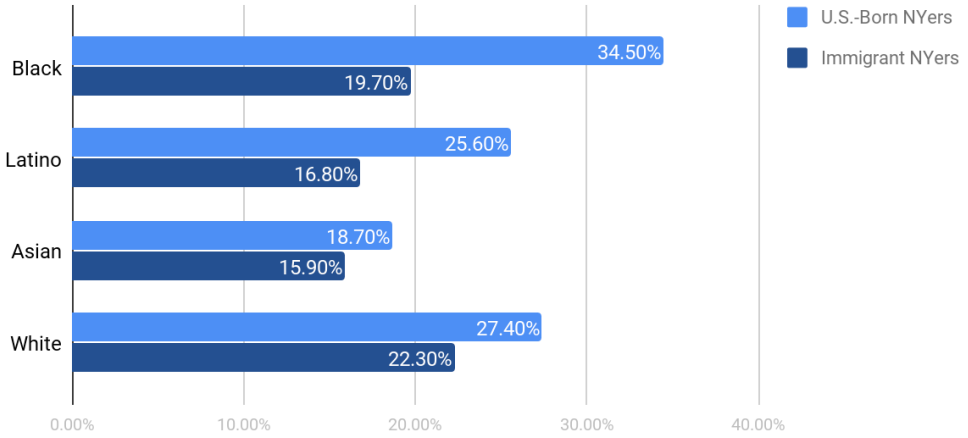
The majority of 50+ New Yorkers of color are likely to retire with incomes near the poverty threshold, with limited ability to cover basic needs, not to mention save money or build other assets. Stakeholders interviewed for this paper noted that the vast majority of 50+ New Yorkers of color who receive services from their not-for-profit organizations rely solely on Social Security retirement income. They indicated that only a few of their clients receive additional income, including from pensions paying less than $100 per month.[10]

Approximately one in four 50+ New Yorkers (23.5%) lives on a fixed income. More than one in three U.S.-born 50+ black New Yorkers live on fixed incomes. U.S.-born 50+ New Yorkers are much more likely to do so than foreign-born 50+ New Yorkers, within each race and ethnicity category.

Figure 5

Percentage of 50+ New Yorkers Living on Fixed Incomes, by Race/Ethnicity and Immigrant Status

New York State



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Social Security & Retirement Savings

Social Security is of course a major component of economic security for older New Yorkers, but is typically insufficient income on its own, especially given the high cost of living in New York. Financially-secure retirement for most people is predicated on the accumulation of retirement savings. In New York State and NYC, there are significant disparities in income from Social Security and retirement savings, between 50+ New Yorkers of color and 50+ white New Yorkers.

New York State retirees 50+ rely heavily on Social Security retirement income, which makes up at least half of the typical New York retiree's income. Because Social Security benefit levels are tied to one's earnings, and because people of color on average earn less money than whites while working, there are striking racial and ethnic disparities in the amount of Social Security 50+ New York retirees receive. The disparities are especially glaring for immigrant New Yorkers. In New York City, almost one in three (31%) foreign-born seniors does not receive Social Security benefits. By contrast, less than one in five (18%) native-born seniors does not receive Social Security benefits.[11]

One explanation for these disparities may be found in eligibility criteria for receiving Social Security retirement benefits. Among other requirements, Social Security retirement is available only to people who have paid social security taxes on employment income for 10 years or more.[12] This condition effectively means that immigrants who came to this country near or at retirement age are blocked from receiving Social Security, as are people who work in occupations, such as domestic work, in which employers do not consistently pay social security taxes.

Typically, 50+ Asian retirees received 43.4% of the Social Security income of 50+ white retirees.[13] Similarly, 50+ Latino retirees received 60.8%, and 50+ black retirees, 78.4%, of the Social Security income of 50+ white retirees.

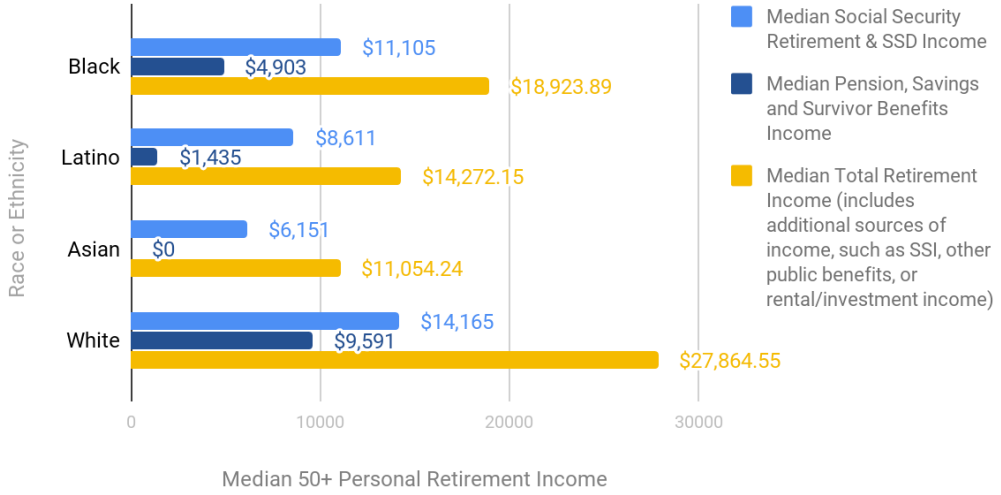
Statewide, income from retirement savings and pensions among 50+ retirees suggests significant disparities in retirement savings levels, by race and ethnicity. Income from sources other than Social Security retirement and disability payments – such as a pension, IRA, 401(k) or 403(b), SEP, KEOGH, or a survivor benefit – is limited across the board.

White retirees, however, receive substantially more income from non-Social Security sources than that received by black, Latino or Asian retirees, suggesting that white 50+ New Yorkers generally have greater resources to save for retirement. Data show that white 50+ New Yorkers typically have better access to jobs with 401(k) plans and pensions than do 50+ New Yorkers of color.[14]

Figure 6

Median 50+ Retiree Income, by Race/Ethnicity

New York State



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Not only do 50+ black, Latino and Asian retirees typically receive less Social Security retirement income than 50+ white retirees, but they also have less than half the retirement savings and pension income of 50+ white retirees. When it comes to annual income from pension and retirement savings, the typical 50+ Latino retiree has less than $1,500, and the typical 50+ black retiree, less than $5,000, compared to the typical 50+ white retiree, who has almost $10,000. The typical 50+ Asian retiree has no retirement savings or pension income whatsoever.

These discrepancies in retirement income are driven by underlying disparities in employment opportunity and related racial and ethnic wage gaps, which lead to unequal access to retirement savings plans and pensions. Research by AARP shows that in New York State two out of three Latino workers, three out of five Asian workers, and more than half of black workers do not have access to retirement savings plans, like 401(k) accounts, at work.[15] Indeed, people of color constitute almost half of all New Yorkers (47%) without access to a retirement plan.[16]

Wealth Inequality

Measures of income inequality are important, but do not measure wealth, defined as assets that people own over time. Wealth carries with it opportunities for longer-term economic security, including the ability to pass along one's assets. Wealth, in other words, is understood as a better measure of relative economic well-being, especially in retirement. Racial wealth measures provide a clearer picture of entrenched economic and social inequality than income measures.

Among New Yorkers of all ages, white households have more than 12 times the wealth of households of color. Latino households have 3.4%, black households have 6.2%, and Asian households have 21.0% of the wealth of the median white household.[17] Similarly, 50+ New Yorkers of color face tremendous wealth inequality. Although data on racial and ethnic wealth disparities are not specifically available by age, one can extrapolate wealth patterns from information about homeownership and other relevant economic factors.

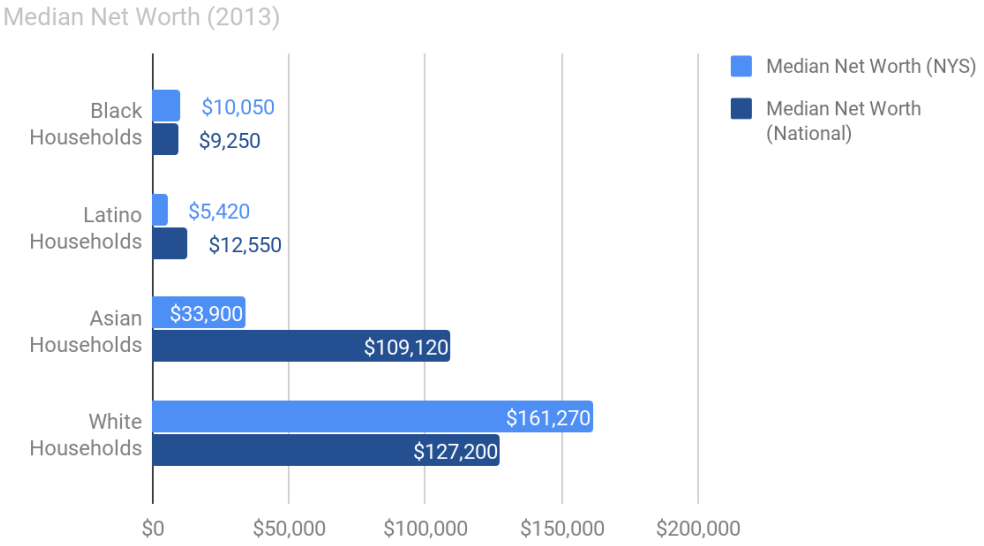
Nationwide, already-glaring disparities in wealth between households of color and white households increased even more since the mortgage meltdown and financial crisis a decade ago. Between 2010 and 2013, median white household wealth grew modestly, by 2.4%. Black median household wealth, by contrast, fell 33.7%, and median Latino household wealth dropped 14.3%.[18]

These stark declines in black and Latino wealth were due largely to the staggering loss of home equity in black and Latino communities – more than $370 billion – in the form of property depreciation stemming from foreclosures, between 2009 and 2012, alone.[19] The predatory lending and foreclosure crisis wiped out decades of accumulated wealth for millions of black and Latino homeowners.

Although the crisis certainly affected white New Yorkers, for years, predatory lenders targeted black and Latino families who then bore the brunt of the crisis.[20] Wealth disparities are further compounded and perpetuated by income inequality, unequal debt burden,[21] and the ongoing effects of segregation.[22]

Figure 7

Wealth Inequality in New York State and Nationally, by Race/Ethnicity



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Asian and Latino New Yorkers have less wealth than Asian and Latino Americans overall, and black wealth is slightly higher in New York State than in the U.S. overall.[23]

Asian New Yorkers on average have less than one-third the wealth of Asian Americans, nationwide. Among Asian Americans, wealth is distributed particularly unequally among subgroups. The wealthiest Asians hold more wealth on average than the wealthiest whites, and Asians at the bottom of the income distribution hold significantly less wealth than lowest-income whites.[24]

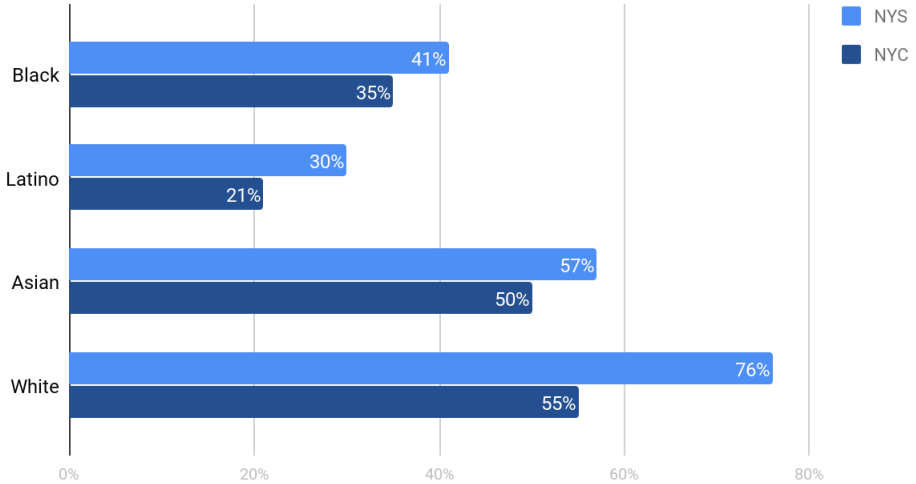
Homeownership Rates

Homeownership is a crucial source of financial stability for seniors, and a key component of building wealth. Homeowners have approximately 100 times the net worth of renters, and nationwide, homeowners have a median net worth of almost $200,000, compared to a median net worth of about $2,000 for renters.[25]

Disparate rates of homeownership are a major driving factor in racial and ethnic wealth disparities.[26] In New York State, 50+ black and Latino New Yorkers are far less likely, and 50+ Asian New Yorkers are somewhat less likely, to own homes than 50+ white New Yorkers.

Figure 8

Homeownership Rates - 50+ New Yorkers, by Race/Ethnicity



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

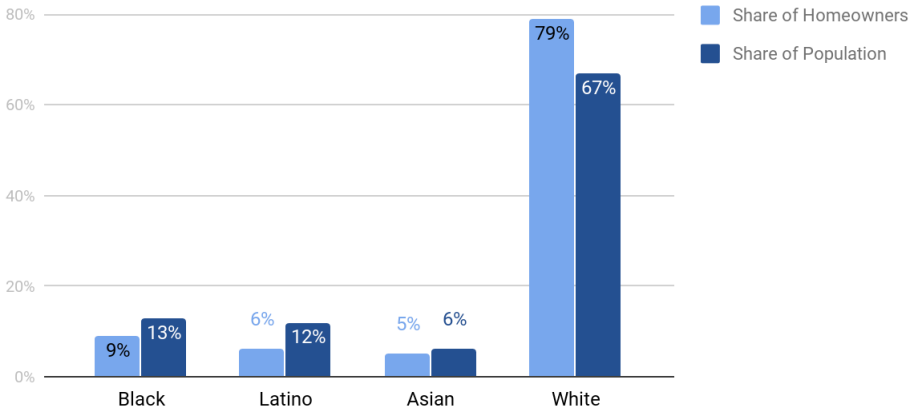
Statewide, three out of four 50+ white New Yorkers (76%) own their homes. By contrast, 57% of 50+ Asian New Yorkers, 41% of 50+ black New Yorkers, and 30% of 50+ Latino New Yorkers own their homes.

Four out of five homeowners in New York State are white (79%), even though white New Yorkers constitute 67% of the population.

Figure 9

Disparities in Homeownership Rates Among 50+ New Yorkers, by Race/Ethnicity

New York State



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

In addition, 50+ black and Latino homeowners are significantly more likely to spend 50% or more of their incomes on housing than 50+ white New Yorkers – not only making it a struggle to cover basic expenses, but also impeding one's ability to build assets (see Barriers to Economic Security section).

Student Debt Burden

Wealth inequality is also manifested, for example, in student loan debt. Black and Latino New Yorkers of all ages face significant disparities in student loan debt, compared to white New Yorkers. Black and Latino New Yorkers are more likely to have to borrow to finance their or their children's college educations,[27] and many must delay or scale back plans for homeownership, saving for retirement, and other financial priorities, as they pay off student loans.

Although data on New Yorkers' student loan debt burden are not available by age and race and ethnicity, data on student loan debt by age reveal that 9.6% of people in the 55-84 age group carry student loan debt, with a median balance of almost $19,500.[28] Survey research by AARP shows that among New Yorkers in the 51-69 age group, 20% of respondents who do not have student loan debt expect to take out a student loan in the future.[29]

These findings indicate that student debt is and will likely continue to be an obstacle to economic security for 50+ New Yorkers. Analysis of student loan delinquencies shows that, in New York and Long Island, delinquencies are clustered in zip codes that have significant middle-income black and Latino populations, suggesting that middle income people of color are likely to carry unaffordable student loan burdens.[30]

BARRIERS TO ECONOMIC SECURITY

Economic disparities between 50+ New Yorkers of color, including immigrant New Yorkers, and 50+ white New Yorkers are clearly apparent in the area of personal and family finance. This section focuses on three areas: access to sound and affordable banking services; housing and utility cost burdens; and overall cost of living.

Access to Sound and Affordable Banking Services

Access to sound and affordable banking services plays a direct role in older New Yorkers' financial security. Among other factors, New Yorkers without adequate access to mainstream banking services typically pay more for even basic financial transactions, depleting them of needed funds, when many others take free banking services for granted.[31] Indeed, having a savings or checking account is seen as a key first step to financial inclusion. Plus, holding onto cash makes many older New Yorkers more vulnerable to loss and theft.

There are stark disparities between mainstream banking access for 50+ black, Latino and Asian New Yorkers, and 50+ white New Yorkers. One sees almost identical data patterns for NYC and New York State.[32]

Disparities in Bank Account Access

High percentages of black, Latino, and Asian New Yorkers[33] ages 55-64 have no bank account, in stark contrast to white New Yorkers in the same age group:

Figure 10

Demographic Group	% age 55-64, without a bank account	% age 65+, without a bank account
Black	15.8	10.2
Latino	34.9	23.3
Asian	17.9	16.0
White	1.6	1.0

SOURCE: FDIC (2015)

The push to deliver Social Security benefits by direct deposit likely accounts for the lower percentages of 65+ New Yorkers without bank accounts.

Statewide, more than one in three New Yorkers who live in households where Spanish is the only language spoken (35.7%) have no bank account whatsoever, and one and four (25.8%) is "underbanked."[34]

Many New Yorkers of color who have bank accounts, however, are also "underbanked," meaning that they turn to non-bank, often "fringe," financial services providers for check-cashing, money orders, and remittances, among other typically high-cost products and services. Half of all black New Yorkers in the 55-64 age category who have a bank account are in fact "underbanked" (50.5%). Similarly, one out of every three Latino New Yorkers and one out of every four Asian New Yorkers in this age group are "underbanked." By contrast, 17.5% of white New Yorkers age 55-64 fall into this category.[35]

Figure 11

Demographic Group	% age 55-64, "underbanked"	% age 65+, "underbanked"
Black	50.5	47.1
Latino	34.0	16.6
Asian	24.7	[insufficient data]
White	17.5	13.1

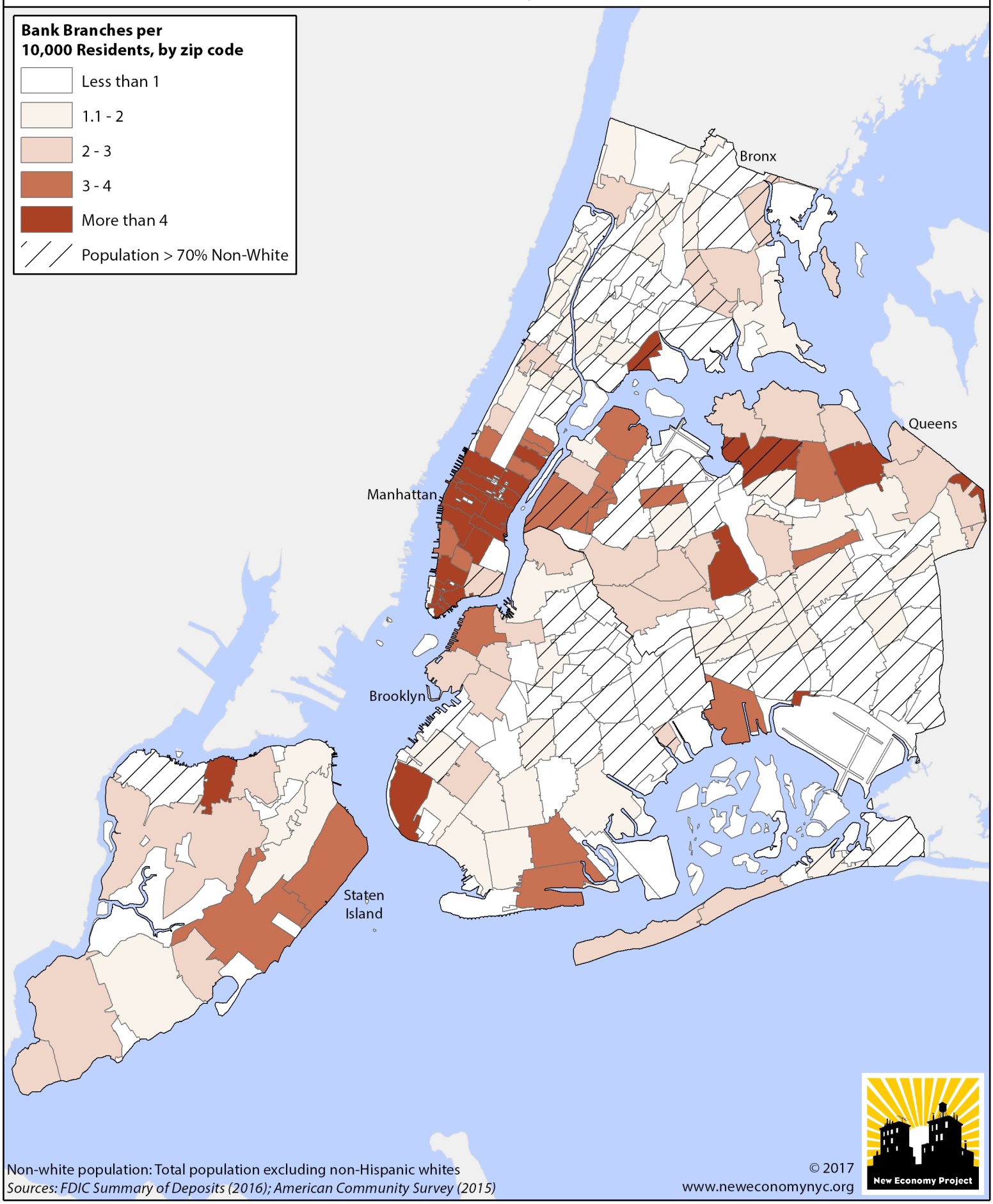
SOURCE: FDIC (2015)

Absence of Bank Branches in Communities of Color

The fact that so many older New Yorkers of color are either "unbanked" or "underbanked" should perhaps come as no surprise, given the long history of redlining and other forms of institutional discrimination. For decades, entire neighborhoods of color have been discriminatorily cut off from access to sound and affordable bank loans, services, and investments. The following map of bank branch distribution in NYC illustrates the glaring absence of branches in neighborhoods of color.

Bank branches are unevenly and inequitably distributed throughout NYC – notwithstanding state and federal laws that require depository banks to treat all communities that they serve equitably, within the bounds of safe and sound banking principles.[36]

Absence of Bank Branches in Communities of Color
New York City - 2016



In NYC neighborhoods of color,[37] there is on average just one bank branch for every 10,000 residents, compared to 3.24 branches for every 10,000 residents in all other NYC neighborhoods.[38] Check cashers and other "fringe" financial institutions predominate, filling the vacuum created by banks. The absence of bank branches is especially glaring in neighborhoods in NYC with the largest concentrations of 50+ people of color – including in middle and upper income black neighborhoods in Southeast Queens (see full list in Appendix B).

On Long Island, the percentage of people of color overall is much lower than in NYC. Nonetheless, the number of bank branches serving predominantly white neighborhoods on Long Island is almost twice that serving predominantly non-white neighborhoods, again controlling for population. There are three times more check cashers in communities of color on Long Island, per capita, than in predominantly white neighborhoods.

Bank policies and fees also contribute to disparities in bank account access. Most large national banks now require a high minimum balance to avoid monthly fees, making the cost of maintaining a checking account potentially onerous. NYC residents unable to meet banks' minimum balance requirements reportedly pay an average of $73 each year for maintenance and transaction fees, not including the exorbitant overdraft fees that most large banks charge.[39]

NYC's Department of Consumer Affairs (DCA) revealed in a 2013 report that minimum balance requirements were the most commonly-cited barrier to bank account access for immigrants in NYC; two-thirds of immigrant respondents without accounts reported not having enough money to meet minimum balance requirements or afford fees to maintain an account.[40]

A recent study found that 90% of banks with low-cost accounts have 25 or fewer branches in NYC, underscoring that large banks are failing generally to serve lower-income people affordably.[41] Finally, many banks in New York impose onerous identification requirements, beyond what the law actually requires, effectively blocking large numbers of immigrants from access to even basic account services.

New York has long had a Basic Banking law on the books, which requires banks and credit unions operating in the state to offer low-cost accounts. The state enacted the law in 1994, largely at the behest of seniors and student groups, to ensure access to affordable banking for lower-income New Yorkers. Monthly account maintenance fees are generally capped at $3, and customers may make up to eight withdrawals each month – whether checks, ATM withdrawals, or debit card purchases – without incurring additional charges.

The initial deposit may be as low as $25, and accountholders need maintain only one penny in the account thereafter.[42] The law, however, does not require banks to publicize the accounts. Few banks, if any, affirmatively market them, and one recent study found that 28% of banks in NYC failed to offer or widely advertise these accounts.[43]

In other words, Basic Banking remains a relatively obscure product for New Yorkers, and in any event falls short of meeting the banking needs of the typical older New Yorker today. Accordingly, there have been efforts in recent years to update the state's Basic Banking law, for example, by increasing the number of withdrawals permitted before fees may be triggered, and to address the proliferation of banks' high-cost overdraft products, which did not exist when the law was passed more than 20 years ago. Moreover, national banks, which dominate the retail market throughout New York State, could argue they are not subject to the state law, further diminishing its potential effectiveness.

The lack of language access and cultural competency presents additional barriers to banking access for certain groups of older immigrant New Yorkers with limited English proficiency. Six in ten 65+ immigrants in NYC are not proficient in English, and "an astounding 94 percent of Korean seniors, 92 percent of Chinese seniors and 91 percent of Russian seniors speak English less than well."[44] Two out of three Mexican seniors (67%) – and two out of three Puerto Rican seniors (who are of course not immigrants) – have limited English proficiency.[45]

According to DCA's 2013 survey report, around 60% of Spanish-speaking respondents who did not have bank accounts said they would open one if banks had Spanish-speaking staff. Although all of the banks DCA surveyed employed staff fluent in Spanish, none advertised the availability of services in Spanish, through signs or other advertising. By contrast, most mainstream bank branches in neighborhoods with Chinese-speaking residents displayed signs in Chinese that advertised their Chinese-speaking staff. This language access could help explain why almost all of the Chinese immigrants DCA surveyed (95%) had bank accounts.[46]

Thanks to New York State's strong consumer protection laws, check cashers in the state are subject to maximum fees they may charge customers. New York's strong regulation of the industry has effectively made check-cashing a rational choice – or at least a stopgap – for many people who have been either driven out of mainstream banks, or who do not have sufficient access to branch services in their neighborhoods.

Fortunately, New York does not permit check cashers to make loans, notwithstanding the industry's intense lobbying efforts to change this important policy. In every state that permits check cashers to make loans, they make predatory payday loans, typically charging triple-digit interest rates that ensnare borrowers in a long-term cycle of debt (see discussion below).

Check cashers, however, are not banks or credit unions, and access to safe and affordable accounts is critical to people's ability to save money and to community wealth-building more broadly. Check cashers, moreover, are not subject to the level of regulatory oversight applied to banks and credit unions. They are neither subject to the same level of consumer protections as banks, nor do they have banks' community reinvestment obligations, under both state and federal laws, to serve all communities equitably.

Indeed, in its recent polling of 50+ voters in NYC, AARP found that 51% of black respondents and 64% of Latino respondents had concerns about unfair, fraudulent or deceptive practices by check cashers. Asian and white respondents also reported concerns, although at lower rates of 27% and 36%, respectively.[47]

Housing Cost Burden

Housing cost burdens directly undermine economic security for millions of 50+ black, Latino and Asian New Yorkers – for renters and homeowners alike. An examination of housing cost burdens for 50+ people in New York State, NYC, Long Island, and Buffalo revealed problematic trends. The majority of all 50+ renters in each of these geographies are cost burdened, irrespective of race or ethnicity, paying more than 30% of their incomes to cover housing costs. One out of every three 50+ New Yorkers are severely cost burdened, statewide, paying more than 50% of their incomes to cover housing costs.[48]

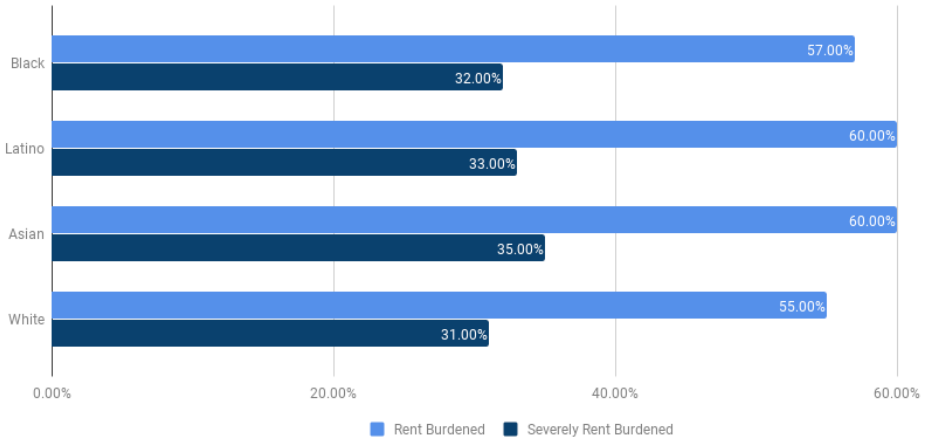
There are glaring racial disparities, however, among 50+ homeowners. Statewide, 50+ homeowners of color are twice as likely as 50+ white homeowners to be severely cost burdened, paying 50% or more of their incomes to cover housing costs. More than 40% of 50+ black, Latino, and Asian homeowners are cost burdened, compared to 29% of 50+ white homeowners.

Across all geographies, 50+ households headed by women and those headed by 50+ immigrants are more likely to be rent burdened than households headed by 50+ men and 50+ U.S.-born residents. These general patterns hold true also for NYC, Long Island and Buffalo.[49]

Figure 12

Percentage of Cost Burdened 50+ Renters, by Race/Ethnicity

New York State

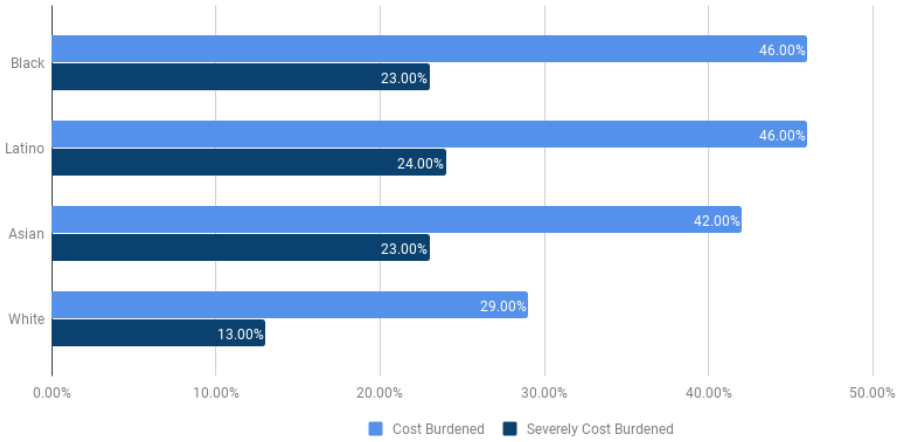


SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Figure 13

Percentage of Cost Burdened 50+ Homeowners, by Race/Ethnicity

New York State



SOURCE: U. S. Census 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Utilities are included in housing burden calculations for homeowners, and according to AARP, more than half of New Yorkers in the 51-69 age group (53%) are concerned about being able to afford utility bills in the coming years.[50] Indeed, New York State has the highest utility rates in the country, and several stakeholders interviewed for this report identified utility costs as a financial security problem for many older New Yorkers.[51]

More than 1.5 million New Yorkers, including many who are 50+, pay utility bills that are more than 6% of their income, the prevailing standard of affordability in this area.[52] Similarly, AARP has reported 62% of older New York homeowners surveyed said they worried about their ability to afford property taxes in the future.[53] New York State and NYC recently took a step towards addressing these concerns, by increasing the income eligibility threshold for NYC residents seeking to apply for tax abatements under the Disabled Homeowners' Exemption (DHE) and Senior Citizens Homeowners' Exemption (SCHE) programs.[54]

Cost of Living & Savings Barriers

The cost of living in New York is notoriously high, and incomes for many 50+ New Yorkers are inadequate to cover basic expenses – over and above the tremendous housing cost burdens described above. After housing, health insurance and medical expenses, as well as food and consumer goods, loom especially large for 50+ New Yorkers. As one stakeholder interviewed for this report stated, "If someone has trouble paying rent, it's likely they also have trouble affording food and medicine."[55] In other words, financial insecurity affects all aspects of one's material well-being and is likely to run the gamut.

Family health insurance premiums in New York State, for example, are increasing much faster than household incomes. Between 1996 and 2011, health insurance premiums more than doubled, from 16% of statewide median income to 33%.[56] Although employers have generally covered much of the price increase each year, the rising cost of health insurance has stopped many employers from hiring additional workers or raising wages.

Meanwhile, employees with employer-provided health care have had to contribute an ever-growing share of the cost to maintain their coverage. According to the New York State Health Foundation, employees' share of health insurance costs in NYS more than doubled from 1996 through 2011, from 3.3% to 7.6% of median pay.[57]

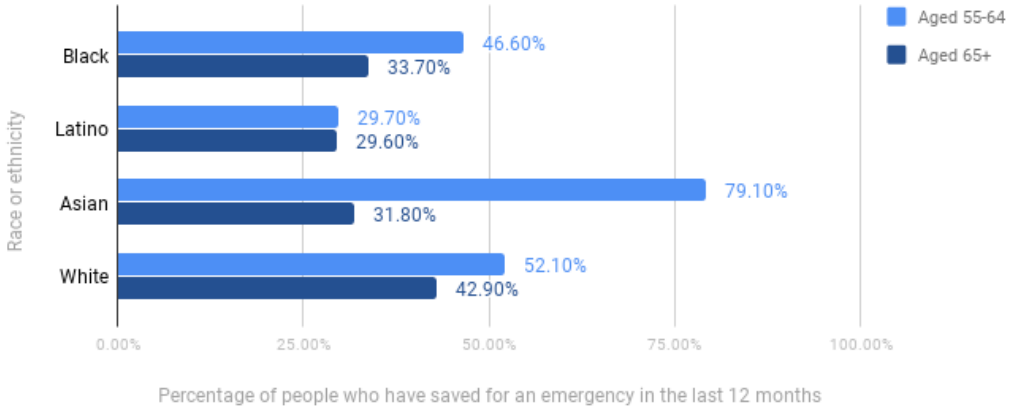
In addition, many older New Yorkers struggle to cover the cost of food. Statewide, one in five 60+ New Yorkers reports having "low food security,"[58] which means they can afford enough food to subsist, but have had to diminish the "quality, variety or desirability of diet" to make that possible.[59]

Several stakeholders interviewed for this report indicated that many 50+ New Yorkers of color struggle to establish and maintain savings, with no funds left at the end of the month after paying for housing, health care, food, and other necessary expenses. More than half (54%) of New Yorkers surveyed by AARP, ages 51-69, identified the lack of money left after covering bills as a major savings obstacle.[60]

Figure 14

Percentage of New Yorkers Who Have Saved for an Emergency in the Last 12 Months, by Race/Ethnicity and Age

New York State



SOURCE: FDIC (2015)

Looking across broad racial and ethnic categories, the FDIC examined savings rates for New Yorkers in the 55-64 and 65 and older age categories. On the low end of the spectrum are older Latino New Yorkers, only 30% of whom saved for an emergency over the previous 12 months.

At the high end are Asian New Yorkers in the 55-64 age group, almost 80% of whom have saved for an emergency. Without more detailed data, including information about how long groups have lived in the U.S., however, it is impossible to parse out likely variations in the ability to save and actual savings rates among the many subgroups that fall within these broad racial and ethnic categories.

Foreclosures, Predatory Lending & Debt Collection

An array of foreclosure, predatory lending, and debt collection practices further imperil economic security for older New Yorkers of color, including immigrant New Yorkers. If New York is serious about addressing racial wealth inequality and poverty, it must tackle these profound injustices head-on. New York must continue to vigorously defend against attempts by various sectors of the financial services industry to weaken the state's strong consumer protection laws to legalize high-cost and predatory financial services and lending – which, as described below, would disproportionately harm 50+ New Yorkers of color.

Persistence of the Foreclosure Crisis

Although mainstream media depict the foreclosure crisis as emerging in the mid-2000s, in New York, people began referring to a "foreclosure crisis" as early as the mid-1990s, in response to a dramatic spiking in foreclosures in neighborhoods of color, in NYC, Long Island, and Buffalo, and other parts of the state.

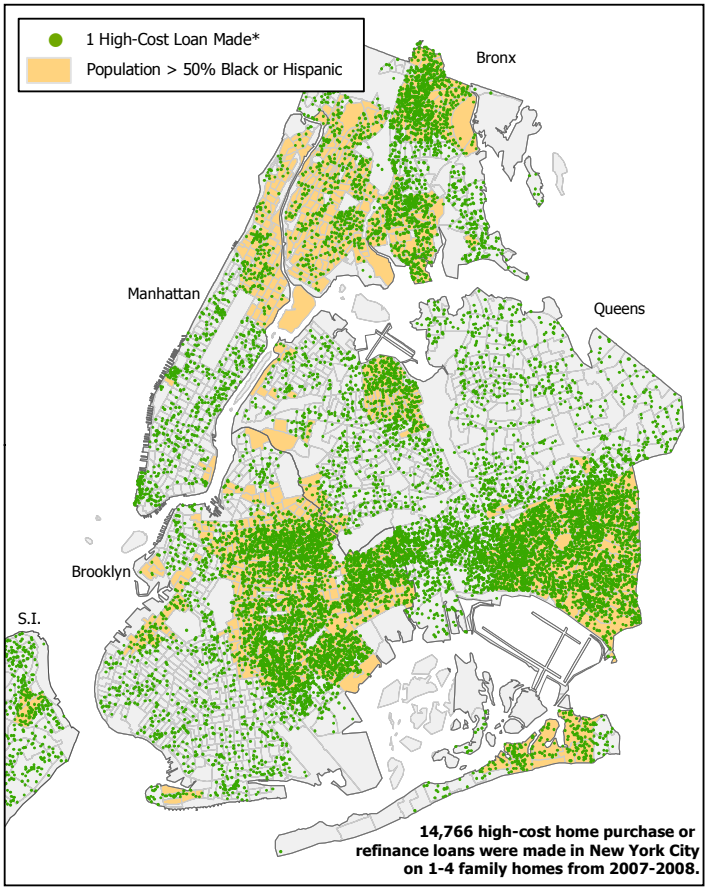
The first wave of predatory mortgages came in the form of high-cost refinancing loans made based on the value of the home, rather than the borrower's ability to repay the loan. Typically targeted were older New Yorkers, particularly women, living on limited fixed incomes. Many had raised their families there, and had all but paid off their underlying mortgages.

In Central Brooklyn and Southeast Queens, for example, older black women, including many widows, became ready targets for refinancing scams designed to steal equity from homes they had purchased for $25,000 or $30,000 in the 1960s and 1970s, which were now worth hundreds of thousands of dollars.

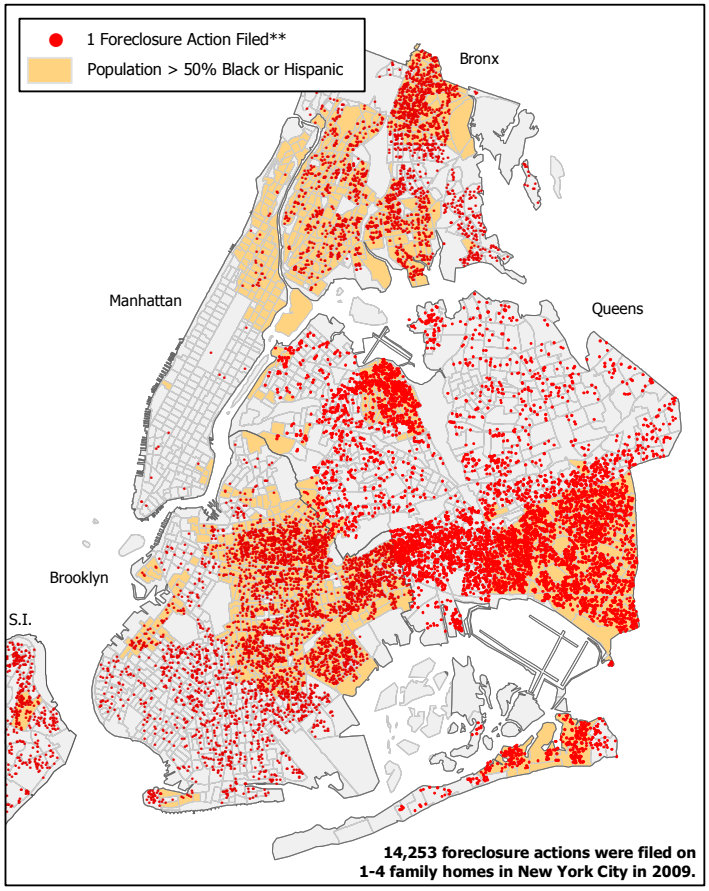
Thousands of older homeowners of color lost their homes to foreclosure as a result, creating a major crisis for them and their families, and helping to fuel displacement and gentrification, as longtime community members were forced out of their homes. It was not unusual to see high-cost refinancing loans made to seniors, which had monthly payments in excess of the homeowners' actual incomes. The same pattern emerged in communities of color on Long Island, and in Buffalo, where home values were considerably lower, older people of color were similarly targeted.

NEW YORK CITY

HIGH-COST LOANS MADE 2007 - 2008



FORECLOSURE PATTERNS - 2009



Sources: HMDA (2007-2008); First American CoreLogic (2009); U.S. Census (2000)
*High-cost loans are defined as first lien loans with APRs that are 3% or more above Treasury securities of comparable maturity.
** Based on *lis pendens* filings.

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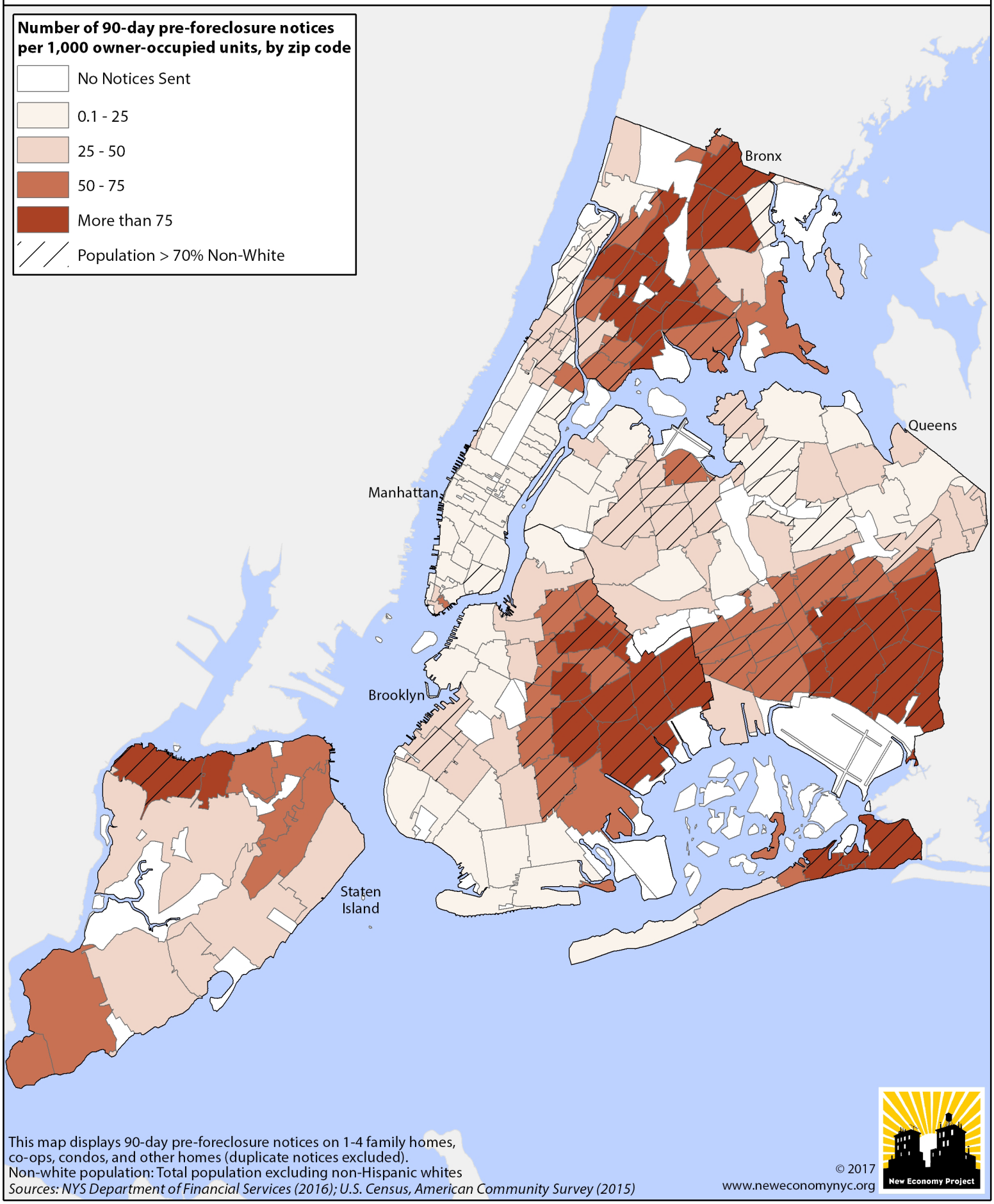
Over the next decade, as predatory mortgage lending and foreclosures continued to devastate communities of color in New York and around the country, the crisis took on ever-greater urgency.[61] By the time of financial meltdown in 2007 and 2008, families and communities had lost billions of dollars in accumulated wealth. Between 2009 and 2012, as the crisis continued, foreclosures wiped out an additional $194 billion in black wealth and $177 in Latino wealth, nationwide.[62] People's credit was ruined, and the physical and mental health tolls, profound.[63]

Unfortunately, the impact of the crisis on 50+ New Yorkers of color continues to be felt throughout the state. Numerous stakeholders interviewed for this report identified predatory lending and foreclosures as a persistent problem for older New Yorkers of color. Even a decade after the peak of the financial crisis, New York homeowners continue to experience great difficulty in securing affordable loan modifications after a mortgage default, and reverse mortgage foreclosures and deed theft scams (addressed in the next section) are on the rise.

In New York, lenders must go through the court system to foreclose on a home, and thanks to state law reforms enacted during the throes of the financial crisis, lenders must provide New York homeowners with a "pre-foreclosure notice" at least 90 days before they may commence legal action against them. Analysis of pre-foreclosure notices, which lenders must also file with the NYS Department of Financial Services (DFS), shows ongoing foreclosure risk in 2016 – again overwhelmingly concentrated in communities of color, particularly in NYC and Long Island.

Home Foreclosure Risk Patterns
New York City - 2016



This map displays 90-day pre-foreclosure notices on 1-4 family homes, co-ops, condos, and other homes (duplicate notices excluded).
Non-white population: Total population excluding non-Hispanic whites
Sources: NYS Department of Financial Services (2016); U.S. Census, American Community Survey (2015)

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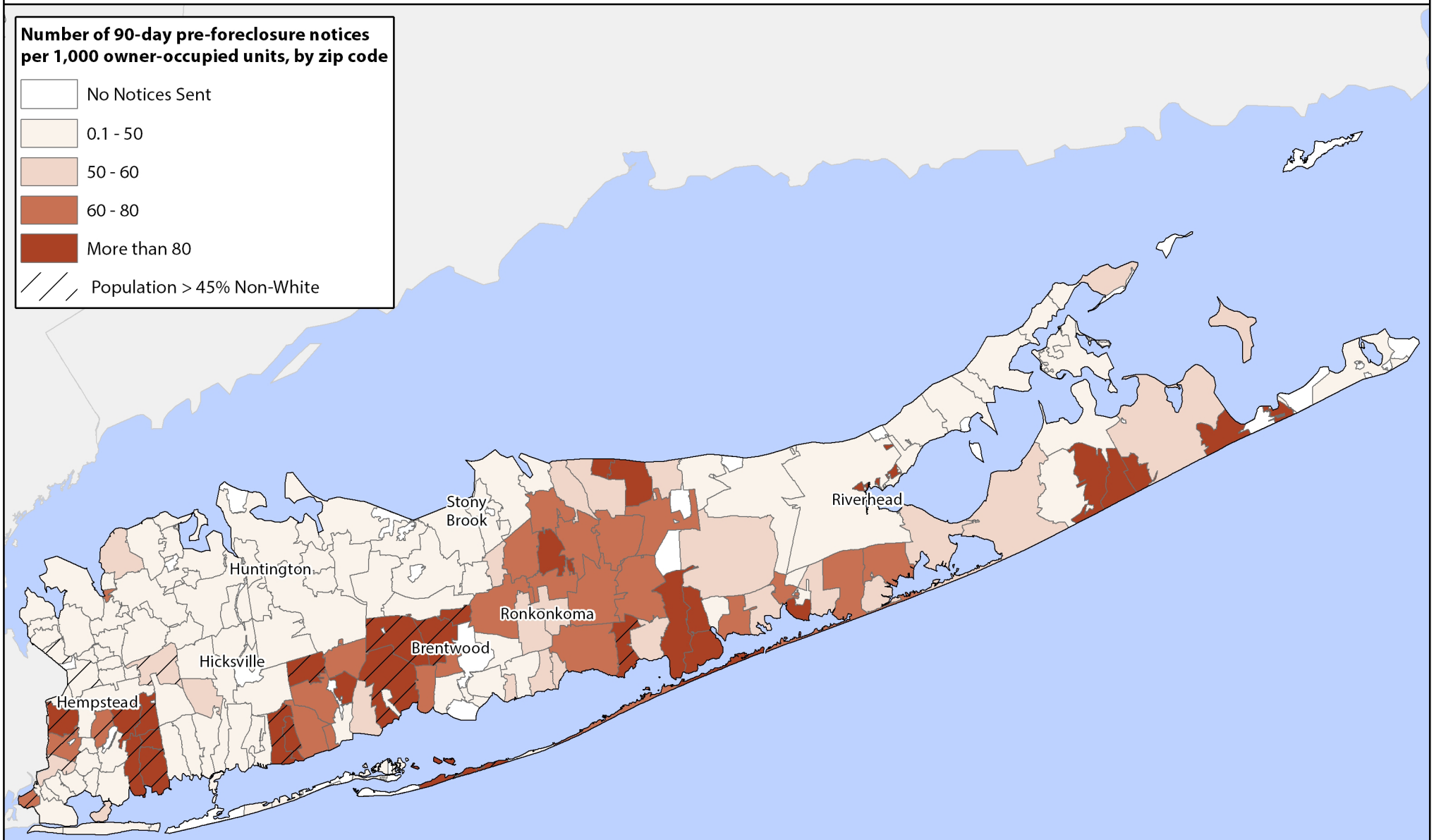
Home Foreclosure Risk Patterns
Long Island, NY - 2016



This map displays 90-day pre-foreclosure notices on 1-4 family homes, co-ops, condos, and other homes (duplicate notices excluded).
Long Island: Includes Nassau and Suffolk counties
Non-white population: Total population excluding non-Hispanic whites
Sources: NYS Department of Financial Services (2016); U.S. Census, American Community Survey (2015)

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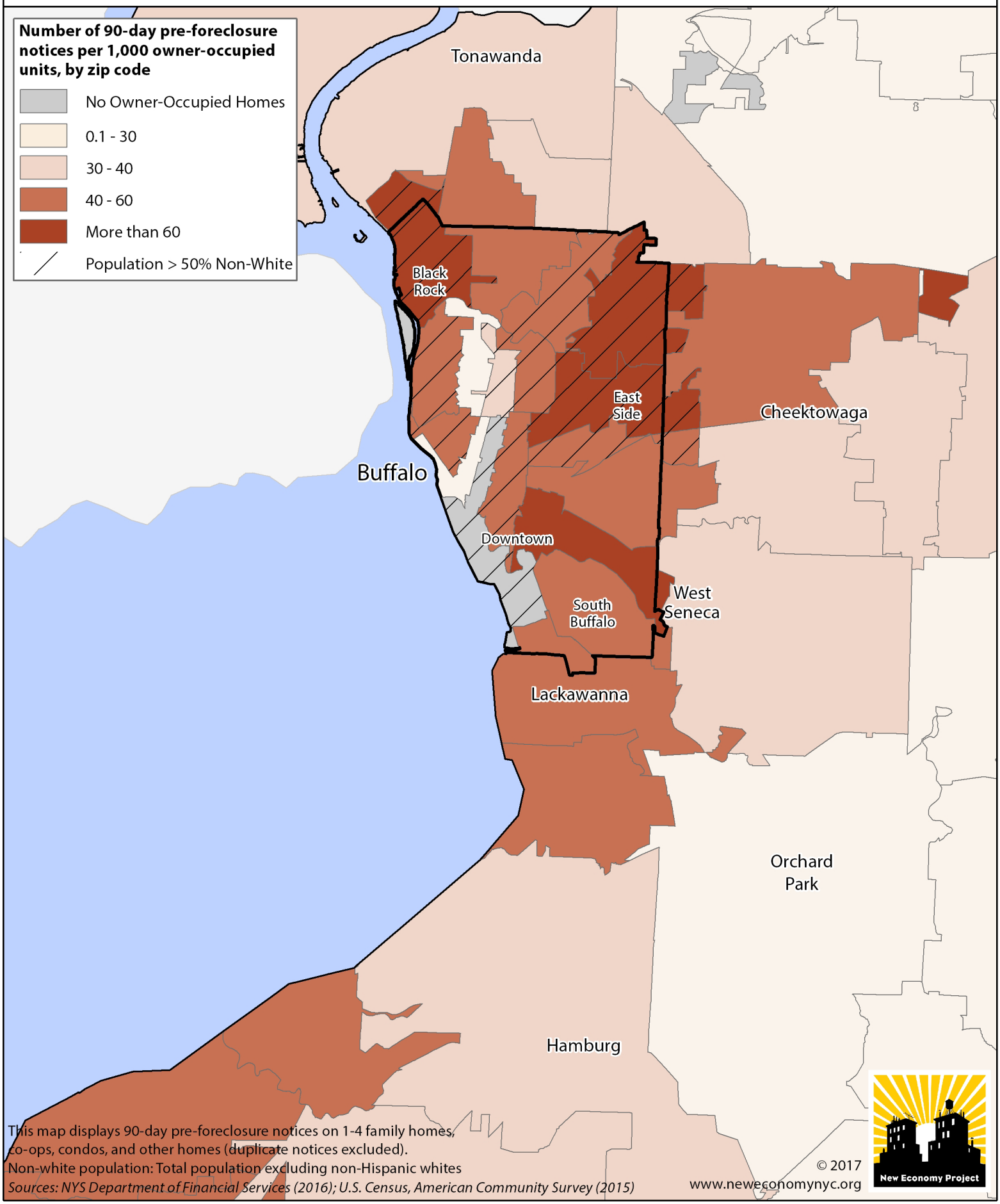
New Economy Project

Home Foreclosure Risk Patterns
Buffalo, NY - 2016



This map displays 90-day pre-foreclosure notices on 1-4 family homes, co-ops, condos, and other homes (duplicate notices excluded).
Non-white population: Total population excluding non-Hispanic whites
Sources: NYS Department of Financial Services (2016); U.S. Census, American Community Survey (2015)

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In total, lenders sent almost 170,000 notices to New York State homeowners in 2016, more than half of which went to homeowners in NYC, Long Island, and Buffalo. The notices indicate that the following neighborhoods are the hardest-hit by mortgage defaults and foreclosure risk in New York State:

Figure 15

	Zip Code	Neighborhood	# of filings	% Non-white Population
1	11236	Canarsie, Brooklyn	1,480	95.6
2	11234	Flatlands/Marine Park, Brooklyn	1,234	61.7
3	11706	Bay Shore, Long Island	1,215	63.5
4	11717	Brentwood, Long Island	1,055	83.3
5	11434	Rochdale, Queens	1,020	98.6
6	10314	Bulls Head/New Springville, Staten Island	978	33.5
7	11413	Springfield Gardens, Queens	948	98.4
8	10940	Middletown, Hudson Valley	947	53.3
9	11412	St. Albans, Queens	940	99.2
10	11550	Hempstead, Long Island	904	92.1

SOURCE: U.S. Census 2011-2015 American Community Survey; NYS Department of Financial Services

Neighborhoods with the highest foreclosure risk are also almost exclusively communities of color, including many middle- and upper-income black neighborhoods.[64] Also on the list are neighborhoods with sizeable numbers of 50+ populations of color (see Appendix B).

Other key findings:

- In NYC, where homeowners received a total of 43,120 90-day pre-foreclosure notices in 2016, 57.9% of notices were sent to homeowners living in communities of color. In Jamaica, Queens, for example, more than one in every 14 homeowners, on average, received 90-day notices. Predominantly black neighborhoods in Brooklyn and Queens continue to be especially hard hit by foreclosure and older New Yorkers in many of those neighborhoods are at particular risk for deed theft and other foreclosure-related scams. (See map.)
- Long Island homeowners received more than 41,400 90-day notices, more than a quarter of which went to homeowners in communities of color (here defined as 45% or more non-white). More than 8% of Long Island homeowners living in communities of color received a 90-day pre-foreclosure notice, on average.
- Areas of foreclosure risk in Buffalo include the East Side and Black Rock neighborhoods, both predominantly non-white communities, in which more than 6% of homeowners received 90-day notices. The inner-ring suburbs, Cheektowaga, where many Buffalo city residents displaced by gentrification now live, and Lackawanna, home to a large aging population of former Bethlehem Steel employees, have also experienced significant foreclosure risk. (See map.)

These disparities are placed in stark relief, when one considers persistently low rates of mortgage lending to New Yorkers of color. Although black and Latino borrowers are disproportionately over-represented in foreclosure actions, they are vastly under-represented among mortgage borrowers statewide.

Research by Empire Justice Center, for example, found that in Nassau County, Long Island, black and Latino borrowers received a far smaller share of mortgages than expected--just 14.5% of mortgages were made to the 25.1% of the population who are black or Latino. Similarly, in Suffolk County, Long Island, lenders made only 11.9% of mortgages to black or Latino borrowers even though black and Latino residents make up 23.2% of the population.[65]

Reverse Mortgages

Several stakeholders interviewed for this report cited disturbing new trends that further threaten the economic security of 50+ New Yorkers of color and immigrants. NYC advocates, for example, identified reverse mortgage foreclosures as a serious and growing threat to older homeowners of color in NYC.[66]

Many 62+ homeowners of color in New York have used reverse mortgages to pay off unaffordable, predatory loans and stay in their homes, while living on fixed incomes. Despite not requiring monthly payments, many reverse mortgage lenders are now foreclosing on homeowners for failure to stay current on their property taxes or insurance payments, or even for failing to return letters certifying that they are still alive and living in their homes.

Reverse mortgage servicers have become increasingly aggressive in pursuing homeowners in foreclosure, often paying people's tax or insurance payments before they are due and then hitting homeowners with huge bills for tax or insurance payments that trigger a foreclosure. These problems are compounded for seniors with competency issues, who may need assistance to make their tax and insurance payments in a timely manner and keep up with their mail. In response to this growing problem, New York State added reverse mortgage foreclosures to the list of mortgages eligible for New York State's foreclosure mediation, or settlement conferences, which may help some older New Yorkers in foreclosure secure affordable payment plans or loan modifications – in which the terms of mortgages are changed to make payments more affordable – from reverse mortgage servicers.[67]

Deed Theft Scams

Stakeholder interviews with foreclosure prevention and fair housing advocates revealed that scammers frequently target older New Yorkers of color who live on fixed incomes, for mortgage, foreclosure, and deed theft schemes, particularly in neighborhoods undergoing gentrification.

Deed theft scams are perpetrated in a variety of ways, but generally involve fraudsters stealing people's homes out from under them.[68] They trick vulnerable homeowners into permanently signing over their deeds, by promising to help them avert foreclosure, for example, or they file falsified documents in the county clerk's office, transferring the deed to a third party. Deed theft is reportedly on an alarming rise in New York, and stakeholders referred to it as the most harmful type of scam perpetrated against older New Yorkers of color. One stakeholder summed up the cycle of exploitation as follows:

> If you think about this through the line of a 15-year period, it's heartbreaking. You have the most vulnerable populations economically speaking who were absolutely targeted with predatory loans in the earlier part of the decade, when the market and Wall Street went crazy. These families

> and individuals were victimized when the market was doing great, and when the market turned these same folks got the least amount of help from the banks in terms of loss mitigation and foreclosure relief. And now that the market is improving again, they have become targets for these terrible scams. When things are good they're victimized, when things are bad they're victimized, when things improve they're victimized again. It's a cycle of victimization and it's horrible.[69]

Rising home values in these neighborhoods have made it more difficult for people who have fallen behind on their mortgage payments to secure affordable loan modifications. That's because mortgage servicers expect to recoup the full amount of the loan at a foreclosure auction, reportedly making them less willing to negotiate with struggling homeowners.

With an affordable loan modification out of reach, people who are desperate to save their homes become easy targets for deed theft scammers who promise to help people avert foreclosure but instead trick them into signing over their properties.

The ongoing foreclosure crisis in communities of color has stripped home equity from many older New Yorkers of color who were targeted for predatory loans. Those who managed to avoid foreclosure often saved their homes by entering into unaffordable or barely affordable mortgage modifications that left them with debt they will never be able to pay off and no equity in their homes.

These New Yorkers and other older adults of color struggling to keep up with their mortgage payments are now prime targets for deed theft scammers, especially in rapidly gentrifying neighborhoods, like Crown Heights, Bedford-Stuyvesant, and East New York. People who do not speak and read English well are also targeted.[70] Long Island has also experienced a recent increase in real estate values and older homeowners there are now being targeted by deed theft scammers as a result.

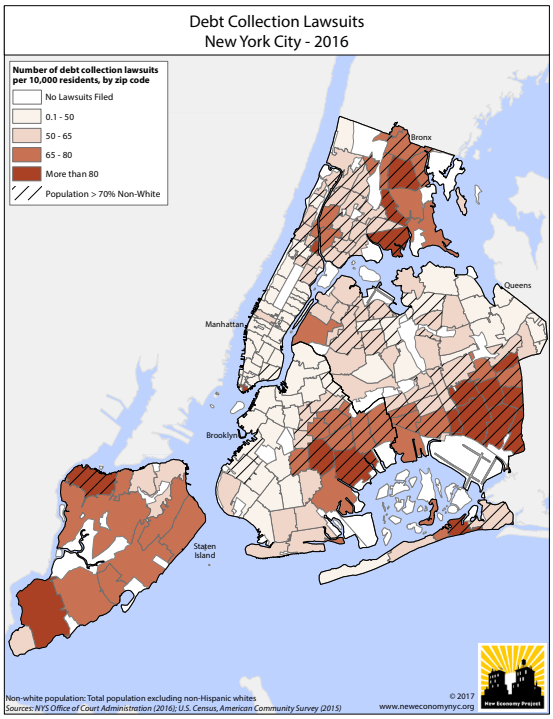
Debt Collection

A majority of 50+ voters (57%) polled by AARP reported they were concerned about fraudulent, abusive, and unfair debt collection practices, with higher percentages of 50+ black and Latino respondents expressing concern. Similarly, several stakeholders interviewed for this report identified abusive debt collection as a major, ongoing economic justice issue affecting low income seniors of color in New York, especially in NYC, Long Island, and Buffalo.

There are major racial and ethnic disparities in how debt collectors pursue alleged debtors,[71] with a disproportionately high percentage of debt collection lawsuits filed against New Yorkers of color.[72] Indeed, abusive debt collection — particularly by the debt-buying industry, which typically purchases old debts for pennies on the dollar — harms New Yorkers of color disproportionately. New Yorkers living in communities of color are also less likely to be represented by an attorney in these cases, a major justice issue, especially given that more than one-third (37%) of the cases end in automatic, default judgments for the debt collector, statewide.[73]

For years, abusive debt collection plagued older New Yorkers of color, who lived on fixed incomes but found their funds frozen by debt collectors, leaving them without access to their sorely-needed funds, and unable to pay their rent or buy food or medicine. Debt buyers, in particular, effectively used the New York courts as a collection mill, filing lawsuits *en masse*, without actual proof of alleged debts owed, and without notifying people about the lawsuits.[74] Under state and federal income law, public benefits are generally legally exempt from debt collection, but that did not stop debt collectors from using false and illegal threats and freezing older New Yorkers' bank accounts to seize exempt funds.

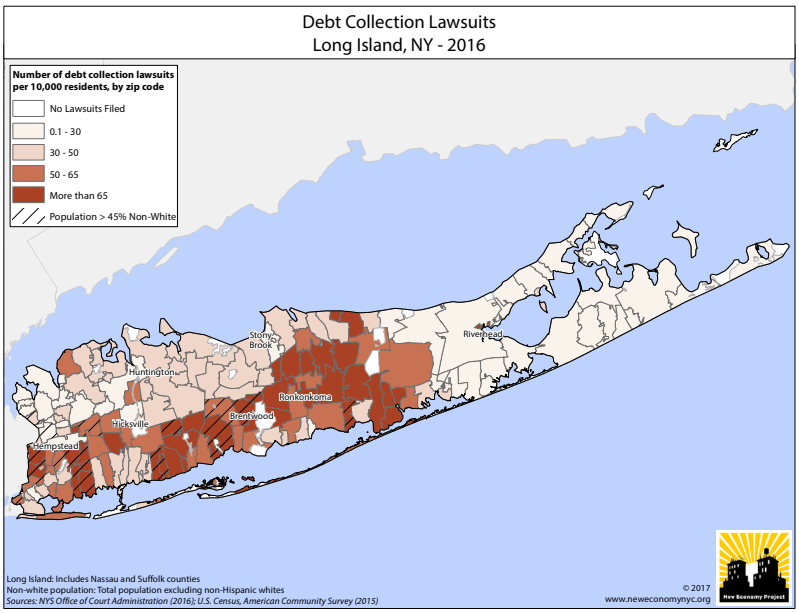
In response to this rampant injustice, New York implemented major legislative and regulatory reforms, and now has among the strongest debt collection laws in the country. The rules have dramatically curbed the due process violations and other illegal practices that had typified collections by the debt buying industry, and harmed hundreds of thousands of older New Yorkers of color and others in New York.

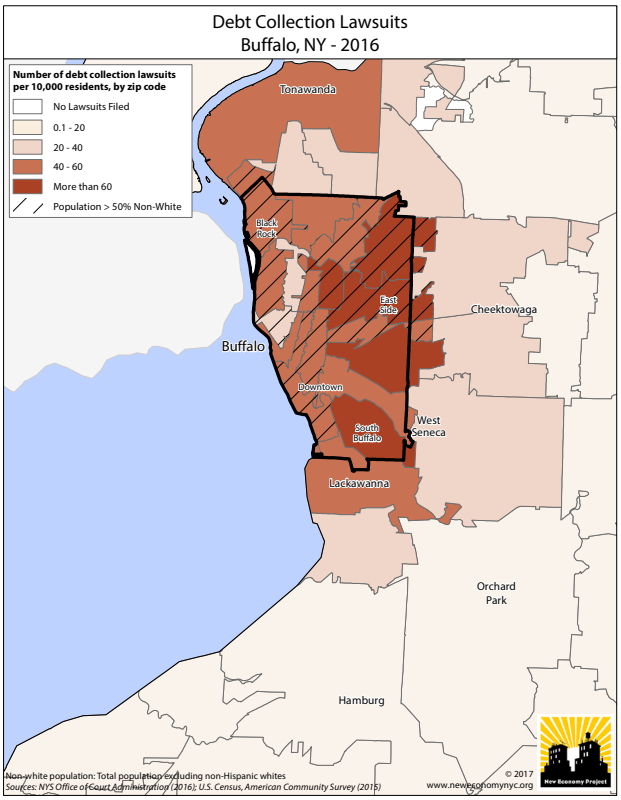


The state's debt collection rules are a testament to how strong, enforceable regulations can bring about fairness and help ensure economic security. Because debt buyers are now required to produce evidence that they have an actual right to sue, New York has seen a dramatic decrease in the number of frivolous debt collection lawsuits filed each year since the state's new rules went into effect in 2015.

Debt collectors filed almost 81,000 lawsuits in New York courts – a marked decrease from the almost 200,000 debt collection lawsuits filed in 2011, and from the even higher numbers in previous years.[75]

Although the number of debt collection lawsuits has dropped significantly, these lawsuits remain concentrated in communities of color. In NYC, six out of ten debt collection lawsuits were filed against people who live in neighborhoods of color, in which more than 70% of residents are non-white or Latino. In Erie County, 40% of all debt collection cases were filed against people living in predominantly non-white neighborhoods, with lawsuits significantly concentrated in the City of Buffalo, where most residents live in predominantly non-white neighborhoods. Debt collection cases made up 69% of all civil cases in Buffalo City Court, and default judgments in debt collection cases constituted 91% of all civil default judgments in Buffalo City Court. Debt collection cases are concentrated in Long Island's communities of color (neighborhoods where at least 45% of residents are non-white or Latino), with 27.3% of all cases filed in zip codes where 21.0% of Long Island's population lives. Residents of Long Island's communities of color were 40% more likely than residents of predominantly white neighborhoods to be sued by a debt collector, and Long Islanders living in communities of color were also significantly less likely to be represented by an attorney.[76]



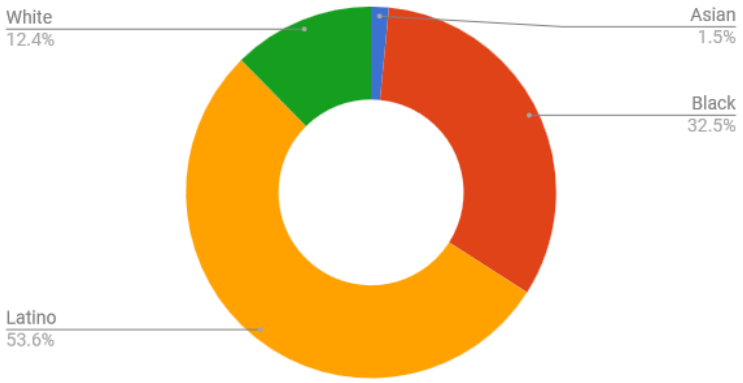


The Civil Legal Advice and Resource Office (CLARO) program runs free legal advice clinics for people sued by debt collectors in NYC and Buffalo courts. In 2016, 70% of the 50+ New Yorkers served by the Bronx and Manhattan CLARO clinics were black, Latino or Asian.[77] Similarly, older black and Latino residents were substantially over-represented at Buffalo CLARO, and were likely targets of debt collection lawsuits as well. The majority of 60+ New Yorkers served by Buffalo CLARO were people of color (59.4%).[78]

Figure 16

Race/Ethnicity of New CLARO Visitors 50 and Older

Bronx and Manhattan, 2016



SOURCE: Feerick Center for Social Justice of Fordham School of Law (2016)

Payday Lending

New York is one of 15 states, plus Washington, D.C., that effectively prohibit payday lending. Thanks to its strong, longstanding usury laws, New York fully bans payday lending and other high-cost loan products that notoriously strip wealth from lower-income people and communities. In fact, it is a felony in New York to charge more than 25% on a loan, which many see as a shockingly high interest rate in this low-interest rate climate. As a result New Yorkers preserve almost $450 million[79] – more than any other state across the country – that would otherwise go to payday lending fees.[80]

Where payday lending is legal, lower-income people of color make up a disproportionately large segment of borrowers[81] – and older adults are an especially fast-growing segment of payday loan borrowers in the U.S.[82] Seniors in California, where payday lending is permitted, are now the largest age group of payday loan borrowers.[83]

Study after study has demonstrated how payday lending functions as a debt trap, the business model predicated on making high-cost loans to people struggling to get from paycheck to paycheck – or in the case of many seniors, from government check to government check.[84] Not surprisingly, seniors who receive government benefits make a prime target for payday lenders.

Many seniors rely on Social Security benefits as the lion's share of their total income, providing payday lenders with practically guaranteed collateral, making these loans extremely low-risk for lenders, and a steady stream of funds to extract.[85] Social Security income constitutes a greater share of overall income for 50+ retired New Yorkers of color than for 50+ retired white New Yorkers, and should be protected against financial predation.

For years, various segments of the payday lending industry have pushed bills in Albany that would legalize payday and other usurious, small-dollar lending. They have clearly sought to break into New York's lucrative market, aggressively pressing the state legislature, for example, to carve out a special exemption from our state usury laws to allow New York check-cashers to make payday and other high-cost loans. Notwithstanding litigation and enforcement actions by the New State Attorney General and Department of Financial Services to crack down on illegal payday lending – and despite persistent and vehement pushback by labor unions, and civil rights, community, and consumer groups, including AARP New York – the industry, largely acting through the state check cashers' association, has managed to gain undue traction in the state legislature.

The bills have morphed over the past few years, but pressures to crack open the usury law and open the door to predatory lending remain great.[86] Social Security income constitutes a greater share of overall income for 50+ retired New Yorkers of color than for 50+ retired white New Yorkers, and older New Yorkers of color would be put in direct jeopardy if payday lending were legal.

It should be noted that the federal payday lending rule that the U.S. Consumer Financial Protection Bureau (CFPB) issued on October 5, 2017 has no legal bearing on the effectiveness, applicability, or force of New York's state and local laws. Upon issuing the new rule, CFPB Director Richard Cordray stated: "The states that do not authorize payday loans will not be affected by our rule."[87]

Small Business Snapshot

This section offers a quick snapshot drawn from a series of stakeholder interviews, and focuses on needs of and barriers faced by 50+ small business owners – particularly immigrants, who constitute almost half of all small business owners in NYC and a major segment statewide.[88] Owning a small business can be a critical source of economic security, and thriving small businesses are a key to jobs creation, community vitality and economic development, and to strong state-wide, regional, and national economies.

After homeownership, equity in businesses constituted the second greatest asset among white households in the U.S., and more than doubled over the past two decades. By contrast, and reflecting ever-widening wealth inequality, small business equity among black households decreased over the past two decades and accounted for less than 4% of black households' assets overall.[89] Businesses owned by white New Yorkers are worth four times those owned by New Yorkers of color.[90] Indeed, 50+ New Yorkers of color, including immigrants, face many barriers to starting and maintaining small businesses. Inadequate access to sound and affordable loans, exorbitant commercial rents, and the changing nature of our economy were all raised as challenges that 50+ small business owners of color face in New York. These disparities and impediments not only affect individual 50+ New Yorkers of color, but also have major implications for neighborhood and state-wide economic development, more broadly.

Small Business Lending

One stakeholder interviewed for this report, who operates a small business resource center in NYC, stressed that there is widespread age discrimination in small business lending. She observed that New Yorkers in their later 50s and older have difficulty securing access to credit to start small businesses, because lenders consider them too old to open new businesses. Older immigrants with limited English proficiency face additional challenges.

Another stakeholder interviewed for this report, a small business lender based at a community development credit union that serves low-income NYC residents, reported that three out of four (73%) of the credit union's small business borrowers this year have been 50+ New Yorkers, all people of color. Four out of five of the businesses have a principal who is 50+. He indicated that more than 80% of the credit union's small business borrowers were first turned down for loans by the big banks.

Across the board, many small business owners must rely on personal savings, credit cards and home equity loans to finance their businesses – putting their personal financial security on the line. On average, seven out of ten black and Latino business owners launched their enterprises using personal

or family savings, compared to almost six out of ten of white small business owners.[91] Black and Latino business owners use personal credit cards much more often than white business owners.[92] Research shows that people of color are denied business loans more frequently than white applicants, even after controlling for credit history and other relevant factors.[93]

Meanwhile, online lending is a fast-growing sector in the small business lending arena. Several stakeholders, however, cited serious concerns that too often online lenders are in fact predatory, and many 50+ small business owners of color have been ensnared by high-cost online loans. One community financial institution reported that it has had to refinance people out of predatory online business loans and into affordable loans. Small business technical assistance providers typically alert new business owners to avoid online loans. Groups that offer resources to established businesses reportedly tend not to address online lending, however, leaving those businesses more vulnerable to online lenders' marketing. Nationally, online business loans carry an average interest rate of 94%, with monthly payments that are, on average, almost double business owners' net income. Among Latino borrowers surveyed by Opportunity Fund, payments were more than 400% of net income.[94]

With the changing nature of our economy, minority- and/or women-owned business enterprises (MWBEs) in the manufacturing sector face new financing challenges, according to yet another stakeholder who works to retain manufacturing in NYC as older factory owners consider winding down their factories.[95] Venture capital companies historically have funded certain high-tech manufacturing businesses, but are now unwilling to fund businesses without immediate potential for large-scale growth typically associated with newer tech companies. MWBEs, whose owners tend to have fewer personal financial resources, and less access to capital from banks, families and friends, are particularly harmed by this change.

High Rents

Exorbitant commercial rents are a major challenge for many 50+ small business owners, especially in NYC. As one stakeholder stated:

> Older small business owners are more likely to have brick-and-mortar stores and restaurants than younger New Yorkers who tend to have online and service businesses. But the high rent eats away at how much room they have to pay for a loan and how much access to credit they can get from us.[96]

Stakeholders' organizations have worked with 50+ restaurant owners of color, including immigrant New Yorkers, who had to close their restaurants because of high rents.

The Changing Economy

All stakeholders interviewed underscored challenges that 50+ small business owners of color face, in light of fast-changing technology and major shifts in our economy. One stakeholder identified Uber and similar business models as a new barrier to immigrants starting their own businesses. Many immigrant men, in particular, bought used cars and worked for car services as a first business after they arrived in the U.S. Uber has rendered that business model unworkable for most people and those who have tried Uber frequently end up scraping by without being able to save enough money to switch to a better type of business. There are many other examples of how the gig economy is affecting this population.

EMERGING ISSUES & CHALLENGES

New York's Aging Population

The Cornell Center on Applied Demographics projects that the number of people 65+ in New York State will increase more than 25%, between 2015 and 2040.[97] As New York's population of older adults increases, the number of people who face significant income shortfalls and difficulty meeting basic needs is likely to grow.

New York policymakers will need to take action to ensure that seniors, and particularly older people of color at risk of displacement from gentrification, will have the income and independent living supports needed to remain in their homes.

NYC's population is projected to grow 9.5% overall, between 2010 and 2040. Dramatic growth is expected in its 65+ population: 40.7% between 2010 and 2040.[98] NYC has also experienced tremendous population growth among immigrants 65+: Between 2000 and 2010, the number of foreign-born seniors increased 60% in Staten Island, 51% in the Bronx, 36% in Queens, 25% in Manhattan, and 18% in Brooklyn.[99]

As immigrants make up a growing share of older New Yorkers and the population at large, organizations that provide services to seniors will need to ensure that they are meeting the language, health, and social services needs of an increasingly diverse group of participants.[100]

Federal Financial Deregulation & State and Local Responses

New York can expect banks and others industry actors to take advantage of the current national climate of financial deregulation. The State must step up action to protect 50+ New Yorkers of color, and all New Yorkers, from financial injustice. Under the Dodd Frank Act, New York's Attorney General and the New York State Department of Financial Services (DFS) have the authority to pursue enforcement actions against financial companies engaged in unfair, deceptive, or abusive acts or practices.

DFS was the first state regulator in the country to use this authority and both DFS and the Attorney General should continue to use it to make up for lax federal regulation and enforcement. In addition, DFS has 'gap authority' that gives the regulator the ability to create new regulations and enforce existing rules against currently unregulated financial companies in the state. With these tools, New York State can address many of the issues raised in this paper and is well situated to put a stop to new injustices as they arise.

RECOMMENDATIONS

Policymakers at all levels of government should make it a top priority to eliminate deeply-rooted racial injustices, economic inequality, and segregation that pervade our institutions and threaten our very social fabric. Recommendations set forth below focus on practical and immediate steps New York State and NYC should take to address specific practices and emerging trends that create and perpetuate disparities for 50+ New Yorkers of color. There is growing consensus that strong state and local action is especially needed. To close racial and ethnic gaps and establish financial security for 50+ New Yorkers of color, including immigrant New Yorkers, New York should take action to address the following:

Retirement Savings

To bolster retirement savings, New York should offer workers the opportunity to open individual retirement accounts that provide voluntary, low-cost, low-risk options. For starters, New York should enact a Secure Choice Savings Program, allowing employers to offer an "automatic IRA" savings option and payroll deduction to ensure that more New Yorkers who would otherwise have no way to save for retirement may do so through their workplace. Workers with access to this kind of savings plan through their workplace are reportedly 15 times more likely to save for retirement than workers without such access. New York's voluntary Secure Choice program could function similarly to the State's highly successful 529 college savings plan. Greater access could also help improve economic mobility and reduce wealth disparities. With minimal burden on employers, and vital benefits to workers, New York should strongly encourage employers to participate in the program. A handful of other states have already improved retirement security through such a program.[101]

Keeping High-Cost, Predatory Lending Out of New York

New York State must preserve its strong usury law at all costs, as the best bulwark against predatory, small-dollar loans and other predatory and exploitative consumer financial products that target lower-income people and communities of color. The Governor and state legislators should jointly broadcast to payday lenders that they are not welcome in New York, and that the State will not entertain legal carve-outs from, or legalize schemes to circumvent, its longstanding usury laws.

Policymakers who care about ensuring access to sound and affordable consumer, small business, and community development finance will actively support creation and expansion of community development financial institutions and other responsible entities that already exist to serve 50+ New Yorkers of color and others (see below). The Governor and legislative leaders should publicly declare at the outset of the legislative session that New York will not tolerate any undermining of the state's strong consumer protections, and put an end to these efforts once and for all. The U.S. Consumer Financial Protection Bureau's newly-released federal rule on payday lending explicitly states that it in no way affects states like New York that ban payday lending.

Deed Theft Scams & Foreclosures

New York State should immediately update laws that address deed theft scams, which target 50+ New Yorkers of color. Deed theft is a crime, in which people's homes are stolen out from under them, and it is a resurging problem that must be addressed immediately. New York should enact legislation along the lines of a bill passed in 2017 by the New York State Assembly (A.1408), which would go a long way toward shielding "New York homeowners from predatory deed theft schemes and exploitation by fraudulent distressed mortgage consultants."[102]

To some extent, New York State is jurisdictionally limited in its ability to address many of the core problems that 50+ New Yorkers of color experience with respect to foreclosures and reverse mortgages.[103] One action New York could take would be to create programs to ensure that distressed mortgages are sold to public and/or responsible private entities, and not to private equity companies.

Abusive Debt Collection

The New York State Department of Financial Services and Attorney General's Office, as well as the NYC Department of Consumer Affairs, need to step up enforcement of debt collection laws, including the 2008 Exempt Income Protection Act. New York's policy reforms to curb abusive debt collection practices that harm 50+ New Yorkers of color, in particular, represent a clear example of how meaningful legislation, rule-making, and enforcement can have major impact and make a significant difference in people's lives. Although the number of abusive debt collection cases filed in New York has decreased significantly, too many 50+ New Yorkers of color continue to be harmed by abusive debt collection, including persistent violations, by banks and debt collectors, of state laws that protect people's exempt income.

Judges and court personnel throughout the state would benefit greatly from training on New York's debt collection laws. In addition, the state should fund CLARO and other legal assistance programs that have a proven track record of helping 50+ New Yorkers of color and others defend themselves against abusive debt collection lawsuits – particularly given efforts to weaken the U.S. Consumer Financial Protection Bureau.

Income Support

There is much public debate on how to address gaping income inequality in New York State, from enacting a living wage and jobs guarantee to building affordable housing. In the short term, New York should increase Supplemental Nutrition Assistance Program (SNAP) enrollment among older adults. According to the National Council on Aging, even though New York has the fourth highest rate of SNAP participation by people 60 and older, nationwide, 40% of 60+ New Yorkers—or more than 330,000 people—do not use SNAP.[104] If all eligible 50+ New Yorkers enrolled in SNAP, they would receive more than $500 million in additional benefits each year.

The State should explore mechanisms for automatically enrolling eligible New Yorkers in SNAP. Also, New York should offer information about SNAP in multiple languages, beyond those already required by the State's language access policies; and simplify the process for applying for SNAP, which includes a long application form and requires significant documentation.[105] Effective outreach and comprehensive screening are needed to ensure New Yorkers understand eligibility requirements and can readily gain access to needed benefits.

Access to Fair and Affordable Banking Services

New York should support community development financial institutions (CDFIs), which are pivotal to providing sound and affordable loans and other responsible financial products and services to people and communities of color, immigrants, and small businesses. New York should allocate funding to the NYS CDFI Fund, which the legislature created in 2007, but has yet to fund. CDFIs, including community development credit unions and loan funds, have an explicit social justice mission of serving low-income people and communities – and have a long track record in New York of

serving communities of color and immigrant communities. The Trump administration's 2018 budget effectively zeroes out federal funding for CDFIs, adding to the imperative for New York to include CDFI funding in the state budget. Funding New York's CDFIs is a clear way to enhance economic security for 50+ New Yorkers of color: In addition to providing core financial services and loans, CDFIs typically offer free financial counseling, tax prep, and small business technical support, among other critical services. Investing in CDFIs provides major bang for buck: Every public dollar invested in CDFIs reportedly generates $10-$12 in additional private investments. CDFIs already cover every county in New York State, and collectively make tens of thousands of loans to New Yorkers and New York small businesses – at interest rates below our 25% criminal usury cap.

New York should also pursue an affirmative financial justice platform, pressing banks that do business in the state to serve communities equitably. The NYS Department of Financial Services (DFS) and NYS Office of the Attorney General, for example, should vigorously enforce fair lending, fair housing, and consumer protection laws. DFS should step up enforcement of the state's Community Reinvestment Act, and directly address bank redlining and the proliferation of high-cost, fringe financial services. Although it generally lacks legal jurisdiction over national banks, the State should press all banks to meet the needs of New Yorkers, locally-owned small businesses, and communities throughout the state – with sound and affordable financial products and services, and responsible community development investments. DFS should issue a report, in close consultation with community stakeholders, showing whether and to what extent banks are fulfilling their state and federal mandate to serve all communities equitably.

Small Business

New York State and NYC should take action to ensure affordability of rent for locally-owned commercial enterprises. New York State and NYC should explore the feasibility of using community land trusts (CLTs) and as a promising vehicle for ensuring access to affordable rent. In addition, New York should explore the viability of reintroducing commercial rent control, which would likely receive opposition from real estate interests, but is desperately needed to ensure that 50+ small business owners of color can open and maintain businesses. In addition, the State should vigorously defend its consumer protection laws, and crack down on illegal online and other predatory lending to small businesses.

ENDNOTES

[1] Please see methodology in Appendix A for details.

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[13] 50+ Asian NYC residents' receipt of Social Security retirement income varies significantly by ethnicity, with 63% of 50+ Japanese New Yorkers receiving Social Security retirement, compared to just 36% of 50+ Pakistani and 23% of 50+ Bangladeshi New Yorkers. Asian American Federation. (2016). Asian American Seniors in New York City: An Updated Snapshot. Retrieved from http://www.aafny.org/doc/Final_Senior_Report_3.pdf

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[15] Id.

[16] Id. Educational attainment is likely also a significant factor in disparities in retirement savings, and yet another way that racial wealth inequality is perpetuated. Nationally, seven in ten people with college educations have retirement savings, compared to four in ten high school graduates. Economic Policy Institute. (2013). Retirement Inequality Chartbook. Retrieved from http://www.epi.org/publication/retirement-inequality-chartbook/

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[32] The data for NYC and New York State are virtually identical, with one exception: The percentage of black New Yorkers in NYC without a bank account, at 10.9%, is lower than that statewide.

[33] The FDIC uses slightly different racial and ethnic categories from other data sources in this paper. See Appendix A for details.

[34] New York City numbers are virtually identical.

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[36] 12 U.S.C. § 2901 and NYS Banking Law § 28-b

[37] Defined here as zip codes in which the population is greater than 70% non-white.

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[48] Major disparities in overall renter vs. homeowner status, based on race and ethnicity, are directly linked to persistent structural inequality and economic insecurity. See above discussion.

[49] Among 50+ NYC residents who own their homes, black (48%), Latino (46%) and Asian (44%) homeowners are much more likely to be cost burdened than white homeowners (34%), and a quarter of all 50+ black, Latino, and Asian homeowners in NYC are severely cost burdened, compared to 17% of white New Yorkers.

- On Long Island, where the housing stock is primarily owner-occupied homes (85%), the cost burden for 50+ homeowners is perhaps more indicative of economic insecurity. There, 40% of 50+ homeowners are cost burdened and 19% are severely cost burdened. 50+ Black (46%), Latino (49%), and Asian (44%) homeowners are significantly more likely to be cost burdened than white homeowners (39%).
- Renters across the board in Long Island are cost burdened. Almost two-thirds of 50+ black and Latino households on Long Island are rent burdened (66% and 61%, respectively), compared to 61% for 50+ white households.
- In Buffalo, 24% of all 50+ homeowners are cost burdened, and 12% are severely cost burdened. Despite these comparatively low figures overall, 50+ black (33%), Latino (31%), and Asian (31%) homeowners are much more likely to be cost burdened than 50+ white homeowners (19%). The rates of severe cost burden vary widely between 50+ Asian homeowners (31%) and white homeowners (9%).

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[67] Rachel Geballe and Ayana Robertson, Interview, August 14, 2017; Ann Goldweber, Interview, August 14, 2017

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[102] MFY Legal Services memo in support of S. 6171/A.1408 (June 19, 2017).

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APPENDIX A METHODOLOGY

New Economy Project used both primary source data and secondary sources throughout this paper. This appendix includes detailed descriptions of each primary source data set used, information on data cleaning and variable construction when applicable, and other relevant details.

Although the paper examines economic security issues for black, Latino, Asian and Pacific Islander ("Asian"), and white New Yorkers age 50 and older, not every primary data set allows analysis of exactly those groups. The methodology subsections below describe any limitations of the data for analyzing barriers to economic security for people 50 and older and any inconsistencies in definitions among data sets.

1. U.S. Census Data

a. 2011-2015 American Community Survey 5-Year Public Use Microdata Sample

Using the U.S. Census 2011-2015 American Community Survey 5-year Public Use Microdata Sample (PUMS), New Economy Project merged the PUMS Person Record and Housing Record data sets and used the combined data set to analyze economic, demographic, educational attainment, and household data for people 50 and older and households with members 50 and older. New Economy Project also identified disparities in economic indicators and educational attainment by race and ethnicity, along with gender and immigrant status in New York State and NYC.

Analysis of individual traits, such as level of education and barriers to self-sufficiency, include people in the PUMS Person Record data set who are 50 or older and reported their race or ethnicity as black, Latino, Asian, or white. Data analysis of household-level information, such as household income and housing cost burden, include households in the PUMS Housing Record data set headed by Asian, black, Latino or white respondents that also have at least one member who is 50 or older. People living in institutional quarters were excluded from the analysis. The same data findings presented for people 50 and older and households with members 50 and older were also examined by race/ethnicity and immigrant status or gender. When indicated, the same analysis was repeated for people 65 and older and households with members 65 and older.

The analysis was performed for all of New York State, and repeated for the five boroughs of NYC, Nassau and Suffolk counties in Long Island, and the two Public Use Microdata Areas (PUMAs) in Buffalo, NY. PUMAs for each geography were identified using the 2010 Census Public Use Microdata Area (PUMA) Reference Maps (available: https://www.census.gov/geo/maps-data/maps/2010puma/st36_ny.html (Buffalo and Long Island)) and from the NYC Department of City Planning's NYC PUMAs and Community Districts (available: https://www1.nyc.gov/assets/planning/download/pdf/data-maps/nyc-population/census2010/puma_cd_map.pdf).

New Economy Project assigned people and households in the PUMS data to race and ethnicity categories, as follows:

- Individuals were categorized as Asian if they indicated that their race was Asian, Native Hawaiian or Pacific Islander and that their ethnicity was not Hispanic or Latino.
- Individuals were similarly categorized as black or white if they indicated that their race was black or white and their ethnicity was not Hispanic or Latino.

- Individuals were categorized as Latino if they reported their ethnicity was Hispanic or Latino, no matter which race category they indicated.
- People who identify as Indigenous, mixed-race or other races and did not identify as Hispanic or Latino were excluded from this analysis, except when totals including all residents of a geography are presented.
- Household race/ethnicity was categorized according to the race or ethnicity of the person listed as head of household. Households that did not fit one of the four race/ethnicity categories were excluded from the analysis, except when totals including all residents of a geography are presented.
- Race and ethnicity categories were constructed using the variables RAC1P and HISP.

Variable definitions and construction:

- People 50 and older were identified using AGEP.
- Households were classified as housing cost burdened if their gross rent as a percentage of household income (GRPIP) or monthly owner costs as a percentage of household income (OCPIP) were greater than or equal to 30%, and severely cost burdened if greater than or equal to 50%.
- Homeowners were identified using TEN. A TEN value of 1 or 2 indicates the respondent is a homeowner.
- Households were classified as SNAP recipients if they indicated that they received food stamps or SNAP (FS=1).
- Education levels were identified using the SCHL variable. High school graduates were identified using SCHL greater than or equal to 16, and college graduates were identified using SCHL greater than or equal to 21.
- Immigrant status, i.e. whether or not a respondent is an immigrant, was identified using CIT. People with CIT reported as greater than or equal to 4 (U.S. citizen by naturalization or Not a citizen of the U.S.) were identified as immigrants.
- All income measurements were adjusted for inflation using the adjustment factor, ADJINC, and are presented in 2015 dollars.
- Household income was measured using HINCP.
- Self-sufficiency was measured using DOUT and DDRS. People who reported both independent living (DOUT) and self-care (DDRS) difficulty were categorized as having significant barriers to self-sufficiency.
- Heads of household were identified using SERIALNO and SPORDER.
- Employment status was determined using ESR.
- Retirees were identified using ESR=6 and FSSP=1 and/or RETP>0
- People were defined as having fixed incomes if FSSP=1 or FSSIP=1 or RETP>0, that is, they have Social Security, SSI, or other retirement income, such as a pension or withdrawals from a 401(k) or similar account.

Cited as: U.S. Census (2015) 2011-2015 American Community Survey 5-Year Public Use Microdata Sample [Data file]. Retrieved from https://www.census.gov/programs-surveys/acs/data/pums.html

b. Neighborhood Analysis

Neighborhoods with high concentrations of people of color 50 and older were identified using PUMS data, cleaned and analyzed as described above. The tables showing neighborhoods with high concentrations of 50+ New Yorkers of color presented in Appendix B include PUMS data indicating the percentage of people of the specified race or ethnicity who are 50 or older within each PUMA, and 2010-2014 American Community Survey data accessed from data2go.nyc on neighborhood racial composition and neighborhood median household income within each PUMA.

The GIS maps in this report also include 2011-2015 American Community Survey data, downloaded from American Fact Finder. Data include information on race and ethnicity by zip code, number of owner-occupied homes, and total population. These data include information about people of all ages.

Cited as: U.S. Census (2015) 2011-2015 American Community Survey 5-Year Estimates [Data file]. Retreived from https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t

2. Foreclosure Risk Data

New Economy Project analyzed pre-foreclosure notice data provided by the NYS Department of Financial Services (DFS). Mortgage servicers are required by New York State law to send pre-foreclosure notices to homeowners at risk of foreclosure and report all notices sent to DFS. Please see http://www.dfs.ny.gov/banking/mfl2009.htm for more information about New York's pre-foreclosure notice requirements.

New Economy Project requested anonymized pre-foreclosure notice data from DFS for 2016 and received a file with data on all pre-foreclosure notices mortgage servicers submitted to DFS. The data included zip code and county of the home at risk of foreclosure, a filing code for each foreclosure case, the date the notice was mailed, the date the loan in default was made, the type of loan (e.g. home purchase or refinance), whether or not the loan had already been modified, other loan term information, and whether the filing concerned a pre-foreclosure notice or later step in the foreclosure process. The data do not contain any demographic information, such as race, ethnicity or age. The data provided by DFS are as-reported by mortgage servicers and include many data entry errors.

New Economy Project cleaned the data by correcting obviously incorrect dates, removing duplicate filings, and keeping only "step 1" or pre-foreclosure notice data. Mortgage servicers are required to send pre-foreclosure notices to homeowners 90 days before commencing a foreclosure action, so these notices are a strong measurement of future foreclosure risk.

Cited as: New York State Department of Financial Services. (2016). 90-day pre-foreclosure notices in New York State. Unpublished raw data.

3. Debt Collection Data

a. Office of Court Administration Data

New Economy Project requested data from the New York State Office of Court Administration (OCA) on the number of consumer credit, or debt collection, cases filed in New York State city and county courts, sorted by defendant zip code; the number of defendants who filed pro se, or self-represented, answers; the number of defendants represented by an attorney; and the number of default judgments that debt collectors obtained. We also requested the same data points for all civil cases filed in city and county

courts, as a point of comparison. The data do not contain any demographic information, such as race, ethnicity or age. We received data from OCA for 2014, 2015, 2016, and 2017 to date. We present data from 2016, and compare it to patterns in previous years.

OCA provided data for the city and county courts in New York State that are the usual venues for debt collection cases. In some areas, however, some debt collectors file lawsuits in courts not included in the data OCA provided. In Westchester, for example, OCA provided data from Yonkers and White Plains city courts, but attorneys working in Westchester report that many debt collectors file cases in Westchester Supreme Court and Rockland Supreme Court, which are not included in the data. As a result, the analysis using this data should be considered illustrative of general trends and patterns but may undercount actual debt collection cases in some areas.

Cited as: New York State Office of Court Administration. (2014-2017). Consumer credit and civil case filing data in New York State city and county courts. Unpublished raw data.

b. Civil Legal Advice and Resource Office Data

The Civil Legal Advice and Resource Office (CLARO) is a program that offers free, limited legal advice to lower-income New Yorkers facing debt collection lawsuits. CLARO programs are available in NYC and Buffalo City courts, and program administrators have shared basic demographic information about their participants with New Economy Project. The data are as-reported by CLARO participants and span January 1, 2016 through December 31, 2016.

Data from Buffalo CLARO were provided by Western New York Law Center. Data points include the number of unique CLARO participants ages 60 and older, the reported race and/or ethnicity of participants 60 and older, the gender of participants 60 and older, and information on disability benefits received by participants 60 and older. The data are collected in age ranges of 18-34, 35-59, and 60 or older, and it was therefore not possible to present CLARO data for Buffalo residents 50-59. Race and ethnicity are as-reported by CLARO participants and may not match the race and ethnicity categories from other data sources exactly.

Cited as: Western New York Law Center. (2016). CLARO participant demographic data. Unpublished raw data.

Data from NYC CLARO clinics in the Bronx and Manhattan were provided by the Feerick Center for Social Justice of Fordham School of Law. Data were not available for Queens, Brooklyn, and Staten Island CLARO clinics. CLARO data includes information for first-time CLARO visitors only, and includes data points such as: gender, age range, language spoken, race or ethnicity, primary source of income, and zip code. NYC CLARO collects age data in ranges of 24 and under, 25-29, 30-34, 35-39, 40-44, 45-49, 50-54, 55-59, 60-64, 65-69, 70-74, and 75 and older. NYC CLARO numbers for older adults are calculated using data for respondents 50 and older who also indicated their race or ethnicity. All data points as as-reported by CLARO participants and may not match the definitions from other data sources in this paper exactly.

Cited as: Feerick Center for Social Justice of Fordham School of Law. (2016). Bronx and Manhattan CLARO participant demographic data. Unpublished raw data.

4. Banking and Fringe Services Data

a. Data on bank account and fringe financial service use

Data on unbanked New Yorkers and New Yorkers' use of fringe financial services were obtained from the Federal Deposit Insurance Corporation's (FDIC) 2015 FDIC National Survey of Unbanked and Underbanked Households. Using the custom data tables feature, New Economy Project downloaded data on the percentage of New York State and NYC MSA residents who are "unbanked" or "underbanked" and the percentage who use check cashers.

New Economy Project also analyzed the raw 2015 FDIC National Survey of Unbanked and Underbanked Households data (available: https://economicinclusion.gov/downloads/index.html#yearly) and used the FDIC-provided R code to clean and analyze the data. New Economy Project filtered the data to include observations for New York State only and then again to include the NYC MSA only. The data were cross-tabulated by race or ethnicity and age range, and all reported statistics on unbanked New Yorkers, fringe financial services usage, and savings rates that are reported, filtering on two or more categories (such as age range and race/ethnicity), have been generated from this data set. Findings from this analysis are presented as survey means, and standard errors are not included in the tables. The standard errors for most of these figures are fairly high, usually between .03 and .08 as the sample size for data sets for New York State cross tabulating age range, race or ethnicity, and banked/unbanked status or check casher usage are small.

In 2015 FDIC National Survey of Unbanked and Underbanked Households, the FDIC classifies people as unbanked if they did not have a checking or savings account at the time the survey was taken. The FDIC describes people as "underbanked" if they had one or more bank accounts when the survey was taken but also used at least one of the following in the past twelve months: money orders, check cashing, international remittances, payday loans (illegal in New York State), refund anticipation loans, rent-to-own services, pawn shop loans, or auto title loans.

The FDIC's race and ethnicity definitions differ from others in this paper. People who identify their race as black are classified as black, whether or not they also identify as Hispanic or Latino. People of all races except black who identify as Hispanic or Latino are classified as Latino. People who report their race as Asian and not Hispanic or Latino are classified as Asian, but the FDIC presents people who identify as Pacific Islanders in a separate category rather than including them in an Asian and Pacific Islander category. The FDIC's definition of white matches the definition used throughout this paper.

The FDIC provides age data in ranges, and data are available for people ages: 15-24, 25-34, 35-44, 45-54, 55-64, and 65 or older. New Economy Project analyzed data for people 55-64 and 65 or older, matching the study age range as closely as possible given the range of ages available.

Full definitions and methodology for the FDIC Survey data are available: https://economicinclusion.gov/surveys/2015household/documents/2015_FDIC_Unbanked_HH_Technical_Notes_Survey_Revisions.pdf

Cited as: Federal Deposit Insurance Corporation. (2015). 2015 FDIC Study of Unbanked and Underbanked Households. [Data sets]. Retrieved from https://economicinclusion.gov/surveys/2015household/

b. Bank branch location data

Information on bank branch locations included in the series of maps titled, Absence of Bank Branches in Communities of Color, was obtained from the FDIC's Summary of Deposits website using the Branch Office Deposits download menu, available at https://www5.fdic.gov/sod/dynaDownload.asp?barItem=6.

Cited as: Federal Deposit Insurance Corporation (2016). Branch Office Deposits - Summary of Deposits Download. [Data set]. Retrieved from https://www5.fdic.gov/sod/dynaDownload.asp?barItem=6

5. Stakeholder Interviews

New Economy Project conducted sixteen stakeholder interviews with people whose work is related to economic security for people of color 50 and older, including immigrants, in New York.

Most stakeholder interviews were conducted as semi-structured interviews. Interviewers generally asked stakeholders to respond to the following prompts:

- In your experience, what are the major barriers to economic security for people of color who are 50 or older in New York, and please specify if there are additional challenges facing people of a particular race or ethnicity, immigrants, or women.
- In your work, have you seen New Yorkers of color 50 and older facing problems with personal or family finances? If so, please describe.
- Have you encountered scams or predatory financial services targeting New Yorkers of color 50 and older?
- Do the people you work with have sufficient ability to save for retirement?
- Do small business owners of color who are 50 or older encounter challenges securing loans, expanding businesses, or in other areas?
- Of the issues raised, are there any effective solutions you're aware of, either in New York or in other states?
- If not, what programs or interventions would help New York address these issues?
- Are there any emerging economic security issues we have not yet discussed?

Stakeholders interviewed include:

Stakeholder Name	Title	Organization	Primary Topics	Interview Date
Susanna Montezemolo	Director of Policy Development and Integration - Consumer and Livable Communities	AARP	Student Lending	9/16/2017
Rachel Geballe and Ayana Robertson	Staff Attorneys	Brooklyn Legal Services	Foreclosure, Displacement and Gentrification, Scams, Income Shortfalls	8/14/2017
Yanki Tshering	Manager of Business Development	Business Center for New Americans	Small Business Lending, Immigrant Small Business Ownership	9/12/2017
Charles Bell	Program Director	Consumers Union	Wealth Inequality, Cost of Living, Affordable Housing	8/14/2017
Robert Martin	Associate Director	DC37 Municipal Employees' Legal Services	Foreclosure, Deed Theft, Debt Collection	9/6/2017
Diana Caba	Director of Economic Empowerment	Hispanic Federation	Cost of Living, Economic Security	7/28/2017
Jacob Inwald	Director of Foreclosure Prevention	Legal Services NYC	Foreclosure and Deed Theft	9/25/2017
Ian Wilder and Michelle Santantonio	Acting Executive Director and Executive Director Emeritus	Long Island Housing Services	Fair Housing, Affordable Housing, Segregation, Limited English Proficiency	8/14/2017
Angel Garcia	Business Development Specialist	Lower East Side People's Federal Credit Union	Small Business Lending	8/11/2017
Susan Shin	Legal Director	New Economy Project	Debt Collection	9/25/2017
M. Blaise Backer	Deputy Commissioner, Neighborhood Development Division	NYC Department of Small Business Services	Small Business Lending & Ownership	9/20/2017
Jessica Yager	Executive Director	NYU Furman Center	Deed Theft and LLC Registration	9/25/2017
Diana Levy	Former Director of Community Impact and Innovation	Office of Attorney General Eric Schneiderman	Deed Theft Scams	9/6/2017
Adam Friedman	Executive Director	Pratt Center for Community Development	Business Lending, Business Displacement and Zoning	8/31/2017
Ann Goldweber	Professor and Director of Clinical Legal Education, and Director of the Consumer Justice for the Elderly Litigation Clinic	St. John's University School of Law	Debt Collection, Elder Financial Abuse, Foreclosure, Income Shortfalls	8/14/2017
Thomas Keily	Consumer Data and Research Coordinator	Western New York Law Center	Displacement and Gentrification, Affordable Housing	8/9/2017

Cited as (Stakeholder Name, Interview, Interview Date).

APPENDIX B - NYC NEIGHBORHOODS WITH HIGH CONCENTRATIONS OF NEW YORKERS OF COLOR

New Economy Project identified neighborhoods in NYC in which a substantial proportion of the residents were black, Latino, or Asian and 50 or older. Neighborhoods were selected for inclusion in the tables below if the percentage of black, Latino or Asian residents that were 50 or older was in the top ten of all neighborhoods citywide, and if black, Latino or Asian residents of all ages made up a sizeable percentage of the neighborhood population. Neighborhoods that met the first, but not the second, condition are noted beneath each table.

The tables below present neighborhoods separately for black, Latino and Asian New Yorkers 50 and older and show:

- The percentage of the black, Latino or Asian neighborhood residents who are 50 or older;
- The percentage of neighborhood residents of all ages who are non-white;
- The percentage of neighborhood residents of all ages who identify as black, Latino or Asian;
- The neighborhood median income; and
- The neighborhood income level.

Table 1 - Neighborhoods with the largest proportion of black residents who are 50 or older

Neighborhood	% of Black Population 50 or Older	Neighborhood Non-White Population (%)	Neighborhood Black Population (%)	Neighborhood Median Household Income	Neighborhood Income Level
Queens Village, Cambria Heights and Rochdale, Queens	35%	87.4%	56.2%	$77,713	Upper Income
East Flatbush, Farragut and Rugby, Brooklyn	35%	98.4%	88%	$45,842	Moderate Income
Jamaica, Hollis and St. Albans, Queens	34%	98.1%	62.3%	$52,992	Middle Income
Castle Hill, Clason Point and Park-chester, Bronx	34%	97.7%	31.3%	$36,951	Moderate Income
Howard Beach & Ozone Park, Queens	32%	76.3%	15.6%	$61,589	Middle Income

Other neighborhoods in which a large proportion of black residents are 50 or older include the Upper East Side and Upper West Side in Manhattan - where there are relatively few black residents, but more than 45% are 50 or older; and Flushing, Whitestone and Bayside in Queens - where, similarly, there are relatively few black residents, but more than 40% are 50 or older.

Table 2 - Neighborhoods with the largest proportion of Latino residents who are 50 or older

Neighborhood	% of Latino Population 50 or Older	Neighborhood Non-White Population (%)	Neighborhood Latino Population (%)	Neighborhood Median Household Income	Neighborhood Income Level
Forest Hills and Rego Park, Queens	33%	67%	15.1%	$59,128	Middle Income
Crown Heights So., Prospect-Lefferts Gardens and Wingate, Brooklyn	33%	79.9%	12.4%	$41,879	Moderate Income
Chinatown and Lower East Side, Manhattan	32%	65.6%	24.9%	$42,873	Moderate Income
Chelsea and Clinton, Manhattan	32%	39.6%	17.4%	$92,246	Upper Income
Park Slope, Carroll Gardens and Red Hook, Brooklyn	31%	37.7%	19.1%	$96,138	Upper Income

Other neighborhoods in which a large proportion of Latino residents are 50 or older include the Upper East Side and Upper West Side in Manhattan - where there are relatively few Latino residents, but more than 34% are 50 or older.

Table 3 - Neighborhoods with the largest proportion of Asian residents who are 50 or older

Neighborhood	% of Asian Population 50 or Older	Neighborhood Non-White Population (%)	Neighborhood Asian Population (%)	Neighborhood Median Household Income	Neighborhood Income Level
Chinatown and Lower East Side, Manhattan	44%	65.6%	31.7%	$42,873	Moderate Income
New Springville and South Beach, Staten Island	37%	31.7%	12.8%	$74,728	Upper Income
Far Rockaway, Breezy Point and Broad Channel, Queens	37%	64.2%	3.1%	$47,926	Moderate Income
Flushing, Murray Hill and Whitestone, Queens	36%	71.9%	50.4%	$53,946	Moderate Income
Wakefield, Williams-bridge and Wood-lawn, Bronx	36%	93.1%	2.1%	$45,889	Moderate Income

Other neighborhoods in which a large proportion of Asian residents are 50 or older include the Staten Island's North Shore - where there are relatively few Asian residents, but more than 40% are 50 or older.

Neighborhood income level was measured against the median income for the NYC MSA published by the U.S. Department of Housing and Urban Development for 2014: $62,500. Income levels were determined as follows: Low Income (< 50% of median income), Moderate Income (50 - 80% of median income), Middle Income (80% - 120% of median income), Upper Income (> 120% of median income).

Sources:

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U.S. Department of Housing and Urban Development, Office of Policy Development and Research. (2014). Income Limits [Data file]. Retrieved from https://www.huduser.gov/portal/datasets/il.html#2014