

Overview of Poverty Statistics for the United States

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DRB-FY19-ROSS-B0129

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This presentation has undergone a more limited review than official Census Bureau reports. All views and any errors are solely those of the author and do not necessarily reflect any official position of the Bureau. All comparative statements in this presentation have undergone statistical testing, and, unless otherwise noted, all comparisons are statistically significant at the 10 percent significance level. Do not cite or distribute without author permission.

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DRB-FY19-ROSS-B0129.

Income and Poverty in the United States: 2017

Current Population Reports

By Kayla Fontenot, Jessica Semega, and Melissa Kollar
Issued September 2018
P60-263



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census.gov

The Supplemental Poverty Measure: 2017

Current Population Reports

Liana Fox
P60-265
September 2018

INTRODUCTION

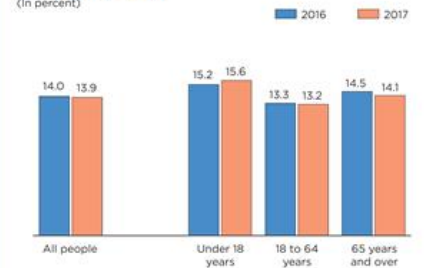
Since the publication of the first official U.S. poverty estimates, researchers and policy makers have continued to discuss the best approach to measure income and poverty in the United States. Beginning in 2011, the U.S. Census Bureau began publishing the Supplemental Poverty Measure (SPM), which extends the official poverty measure by taking account of many of the government programs designed to assist low-income families and individuals that are not included in the official poverty measure. This is the eighth report describing the SPM, released by the Census Bureau, with support from the Bureau of Labor Statistics (BLS). This report presents updated estimates of the prevalence of poverty in the United States using the official measure and the SPM based on information collected in 2018 and earlier Current Population Survey Annual Social and Economic Supplements (CPS ASEC).

HIGHLIGHTS

- In 2017, the overall SPM rate was 13.9 percent. This is not statistically different from the 2016 SPM rate of 14.0 (Figure 1).
- SPM rates were not statistically different for any of the

major age categories in 2017 compared with 2016. SPM rates for children under age 18 were 15.6 percent, which is not significantly different than 15.2 percent in 2016 (Figure 1 and Figure 2).

Figure 1.
SPM Poverty Rates for Total Population and by Age Group: 2016 and 2017
(in percent)



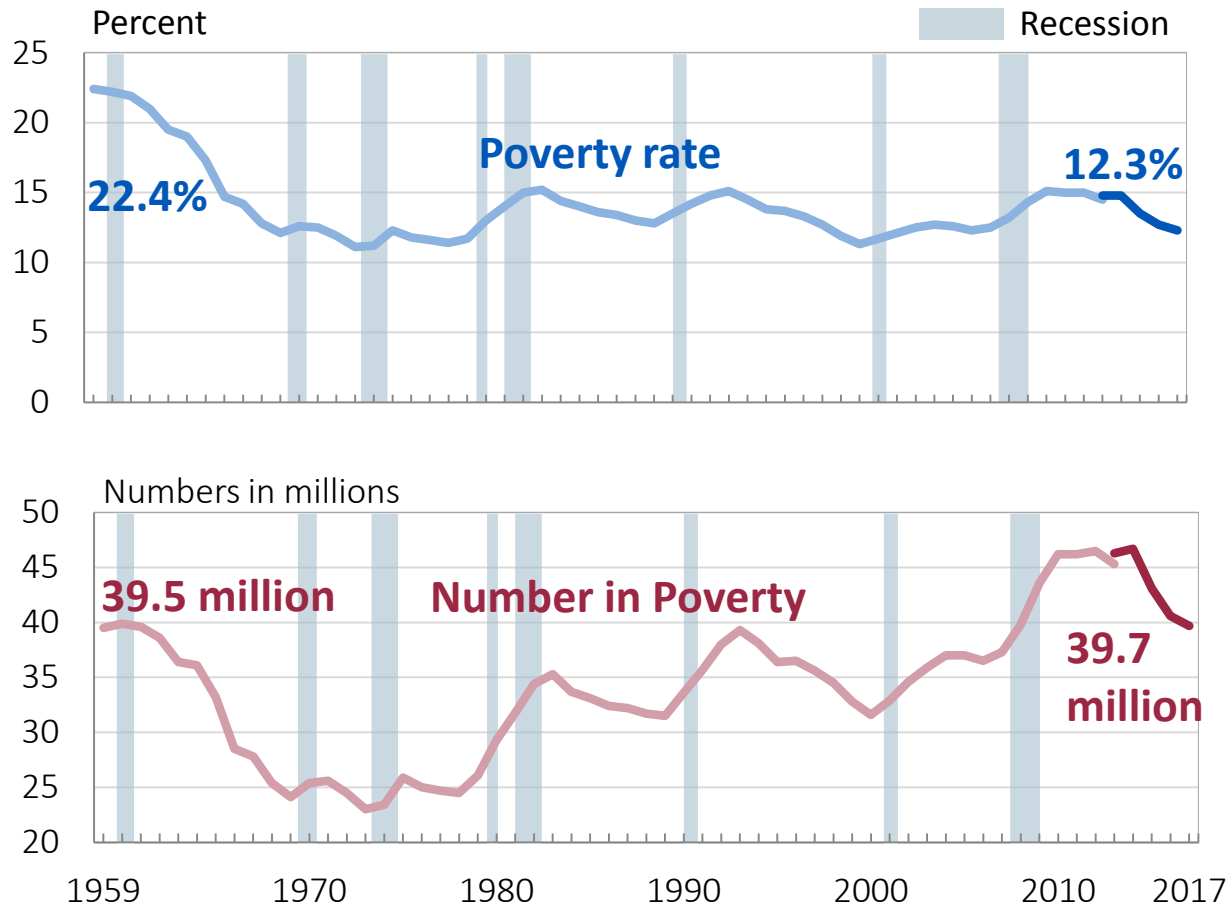
Note: For information on confidentiality protection, sampling error, nonsampling error, and definitions, see <www2.census.gov/programs-surveys/cps/techdocs/cpsmar18.pdf>. Source: U.S. Census Bureau, Current Population Survey, 2017-2018 Annual Social and Economic Supplements.

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- Data are based on the Current Population Survey's Annual Social and Economic Supplement (CPS ASEC).
- CPS ASEC is the official source of national poverty estimates.
- Official poverty estimates are calculated in accordance with OMB Statistical Policy Directive 14.

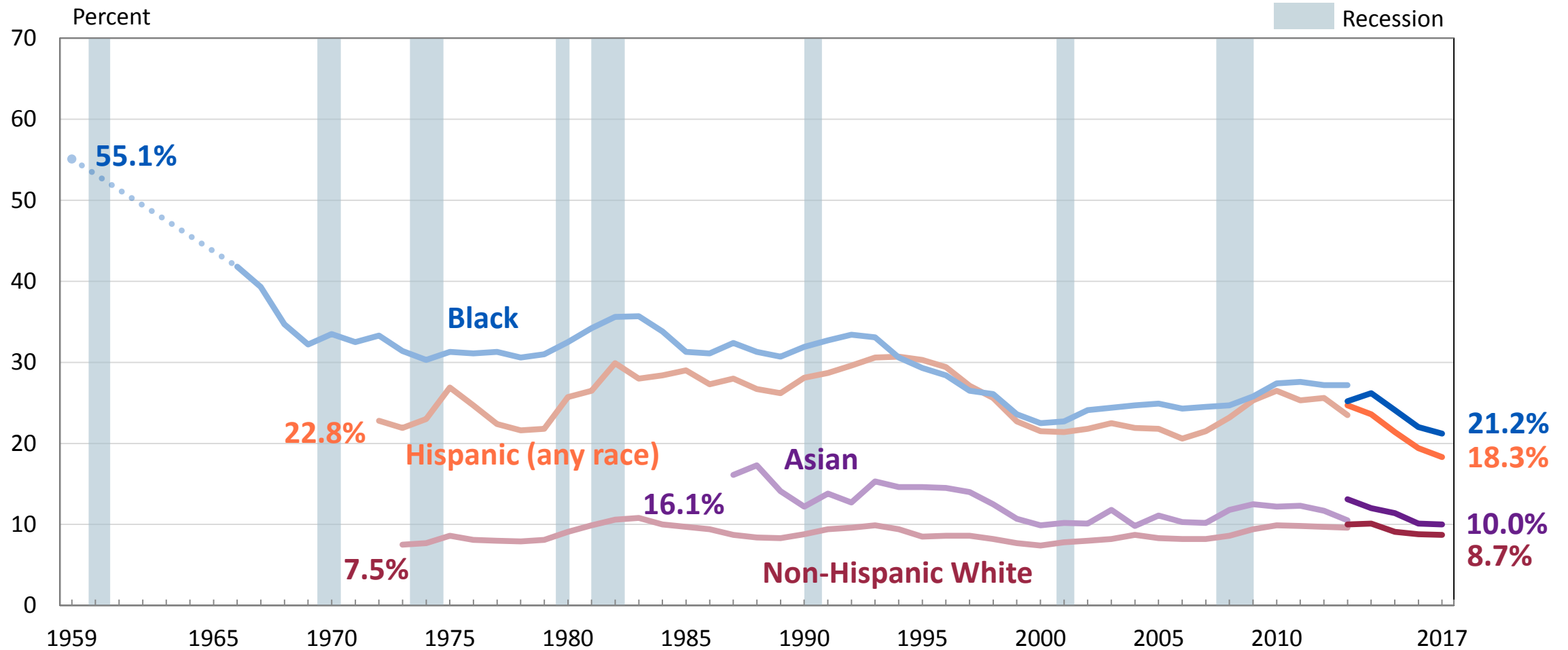
Poverty Rate and Number in Poverty: 1959 to 2017



The official poverty rate in 2017 was 12.3 percent, down 0.4 percentage points from 2016. In 2017, there were 39.7 million people in poverty, not statistically different from the number in poverty in 2016.

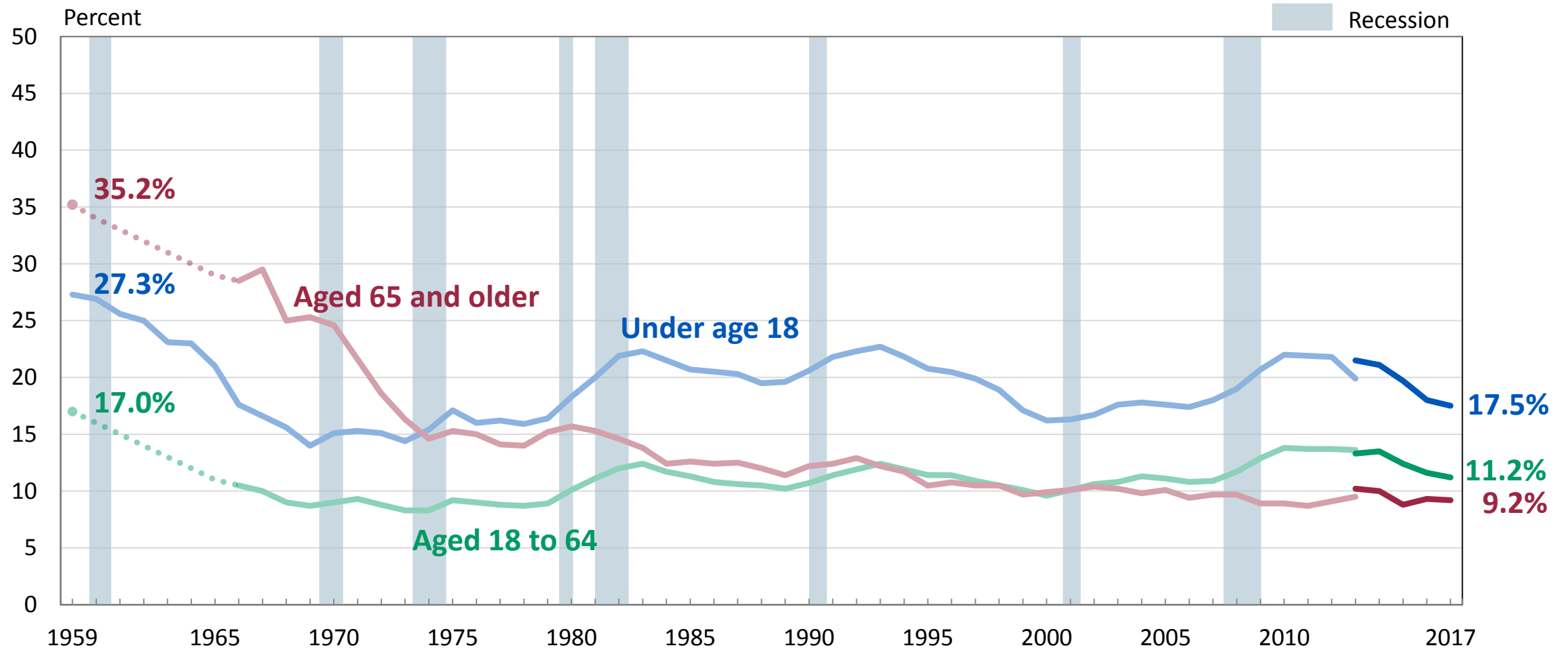
Note: The data for 2013 and beyond reflect the implementation of the redesigned income questions.
 Source: U.S. Census Bureau, Current Population Survey, 1960 to 2018 Annual Social and Economic Supplements.

Poverty Rates by Race and Hispanic Origin: 1959 to 2017



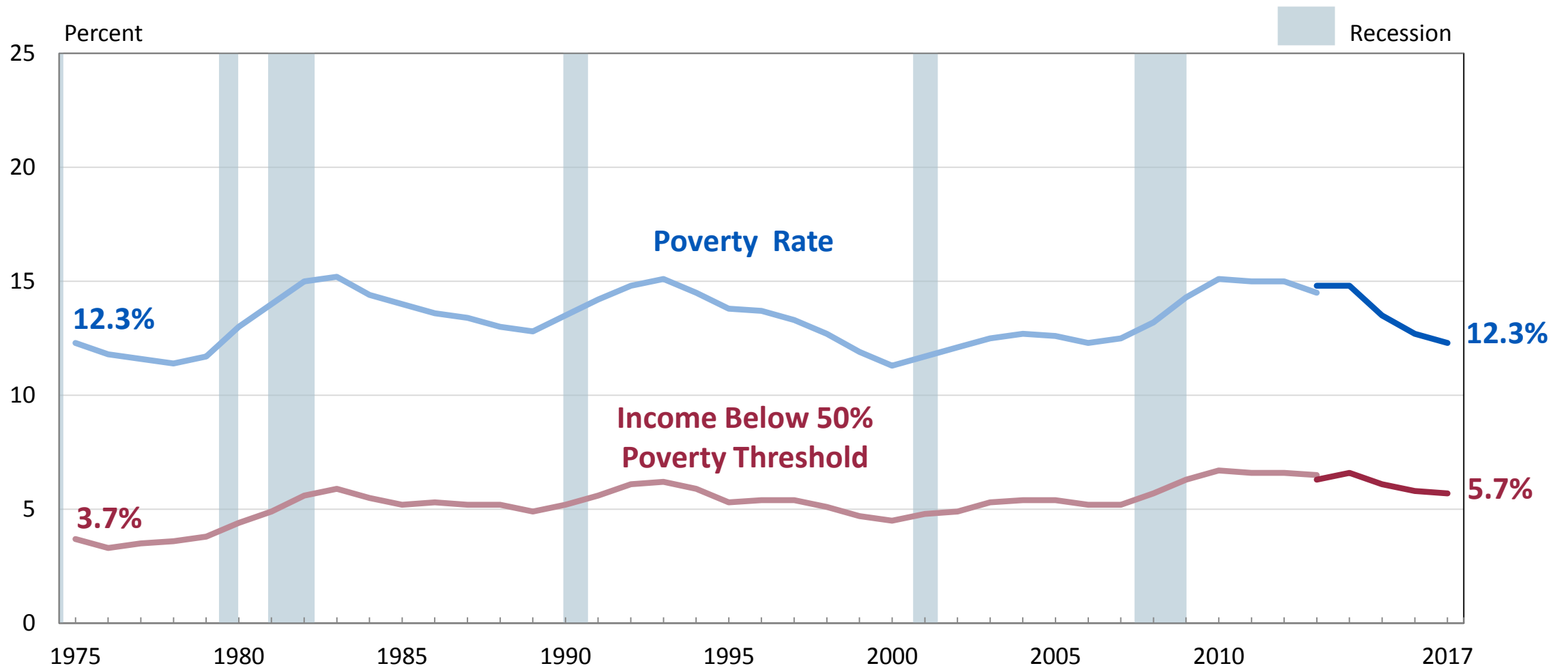
Note: The data for 2013 and beyond reflect the implementation of the redesigned income questions.
 Source: U.S. Census Bureau, Current Population Survey, 1960 to 2018 Annual Social and Economic Supplements.

Poverty Rates by Age: 1959 to 2017

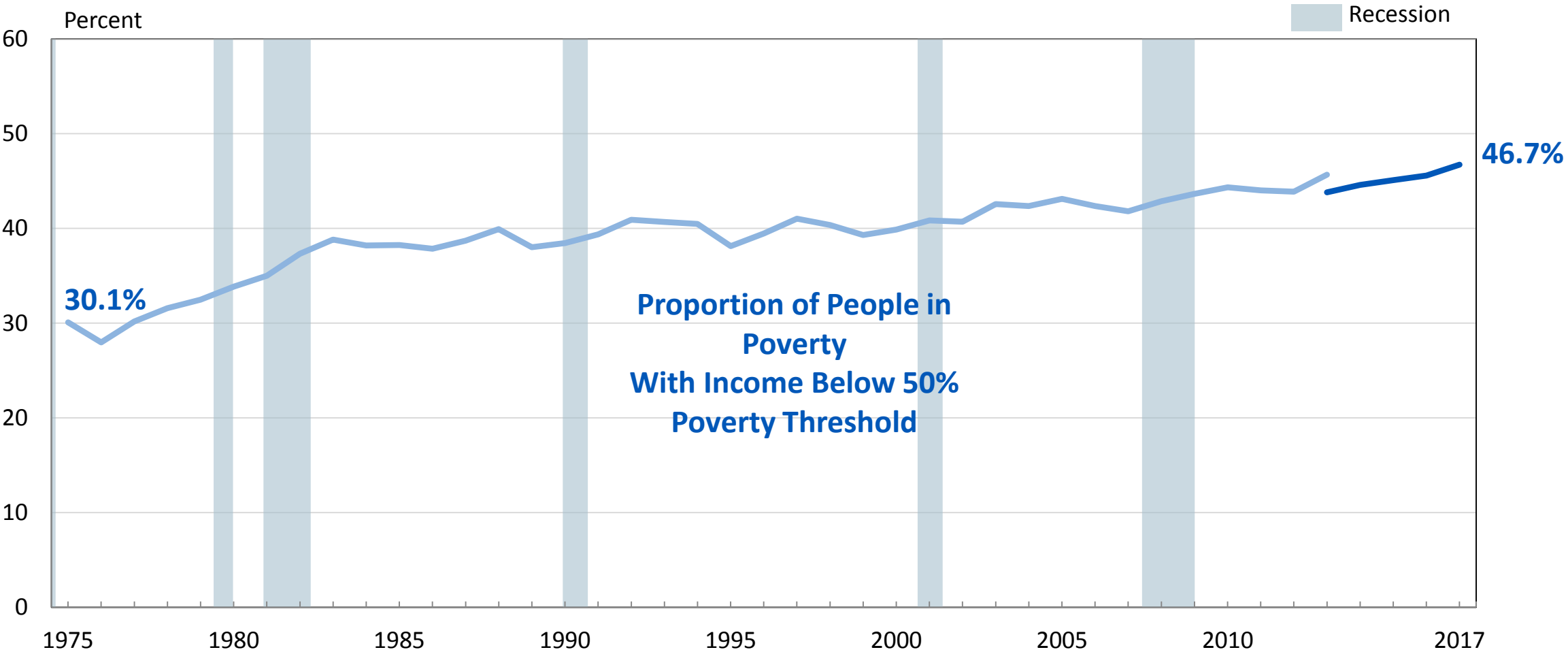


Note: The data for 2013 and beyond reflect the implementation of the redesigned income questions. Data for people aged 18 to 64 and 65 and older are not available from 1960 to 1965. Source: U.S. Census Bureau, Current Population Survey, 1960 to 2018 Annual Social and Economic Supplements.

People with Income Below 50 Percent of Their Poverty Threshold: 1975 to 2017



Individuals with Income Below 50% of the Poverty Threshold as a Share of Total Poverty Population: 1975 to 2017

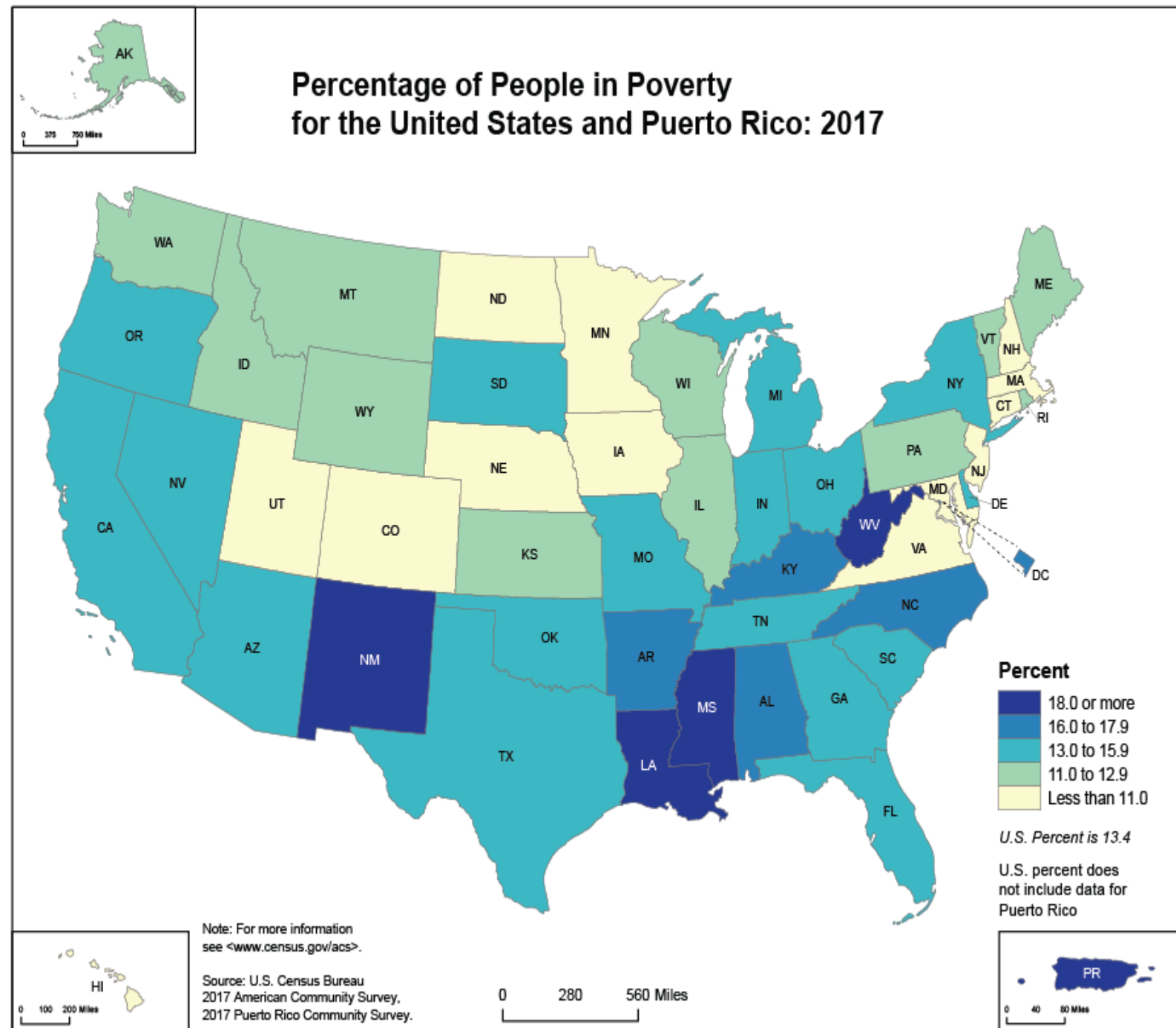


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[census.gov](https://www.census.gov)

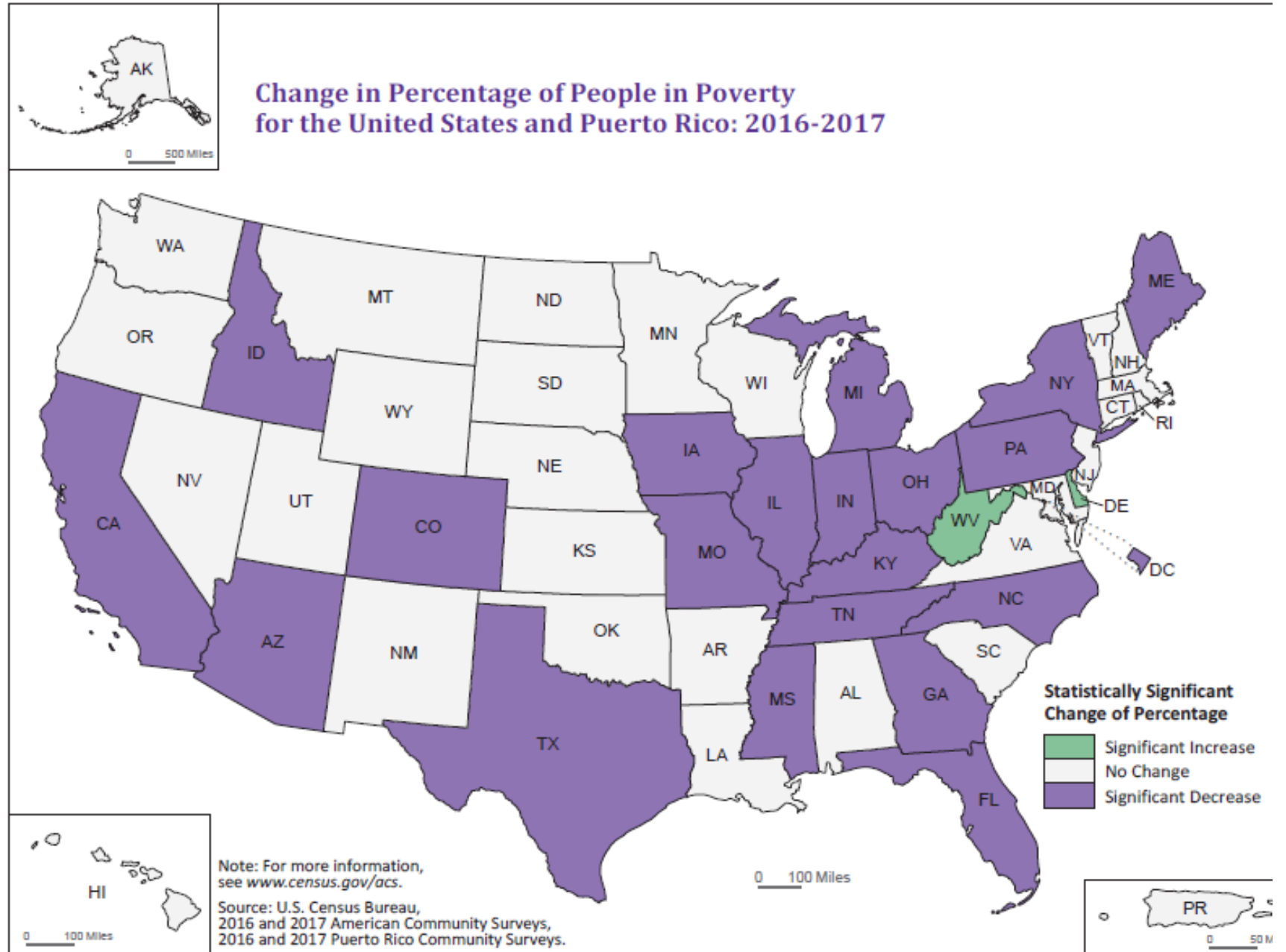
Note: The data for 2013 and beyond reflect the implementation of the redesigned income questions.
Source: U.S. Census Bureau, Current Population Survey, 1960 to 2018 Annual Social and Economic Supplements.

2017 Estimates from the American Community Survey for States

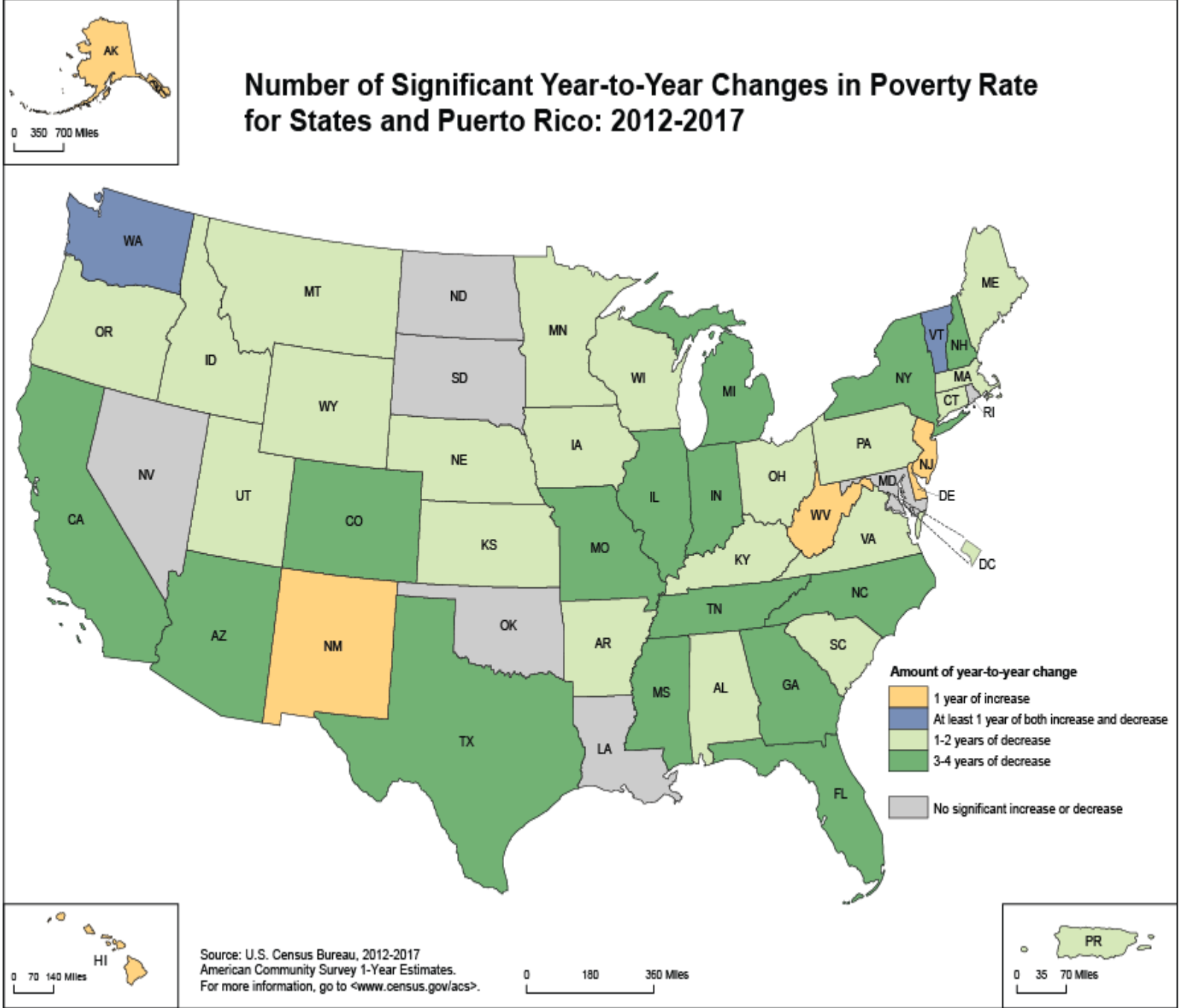
- Poverty rates over 18 percent in Mississippi, New Mexico, Louisiana and West Virginia.
- Poverty rates less than 11 percent in 13 states.



- 4th consecutive annual decline in national poverty in the ACS
- Poverty down in 20 states and District of Columbia
- Poverty up in West Virginia and Delaware



- Poverty declined in 3 of the 5 years in 16 states.
- Poverty declined in 4 of the 5 years in California, Texas, Michigan, Florida Georgia and North Carolina.
- No state saw poverty decline in all five years.

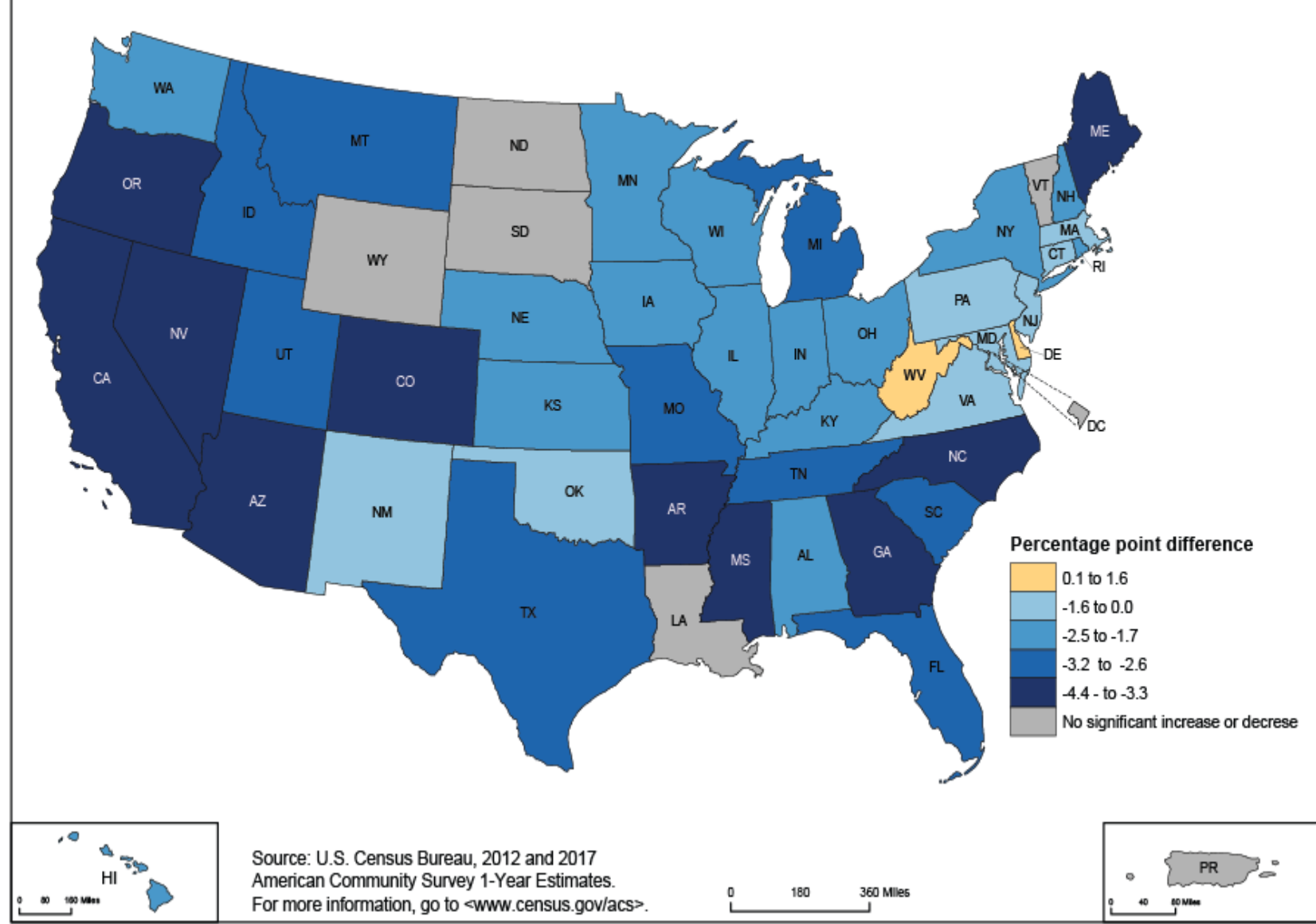


Between 2012 and 2017:

- Poverty fell in 42 states.
- Poverty increased in Delaware and West Virginia.

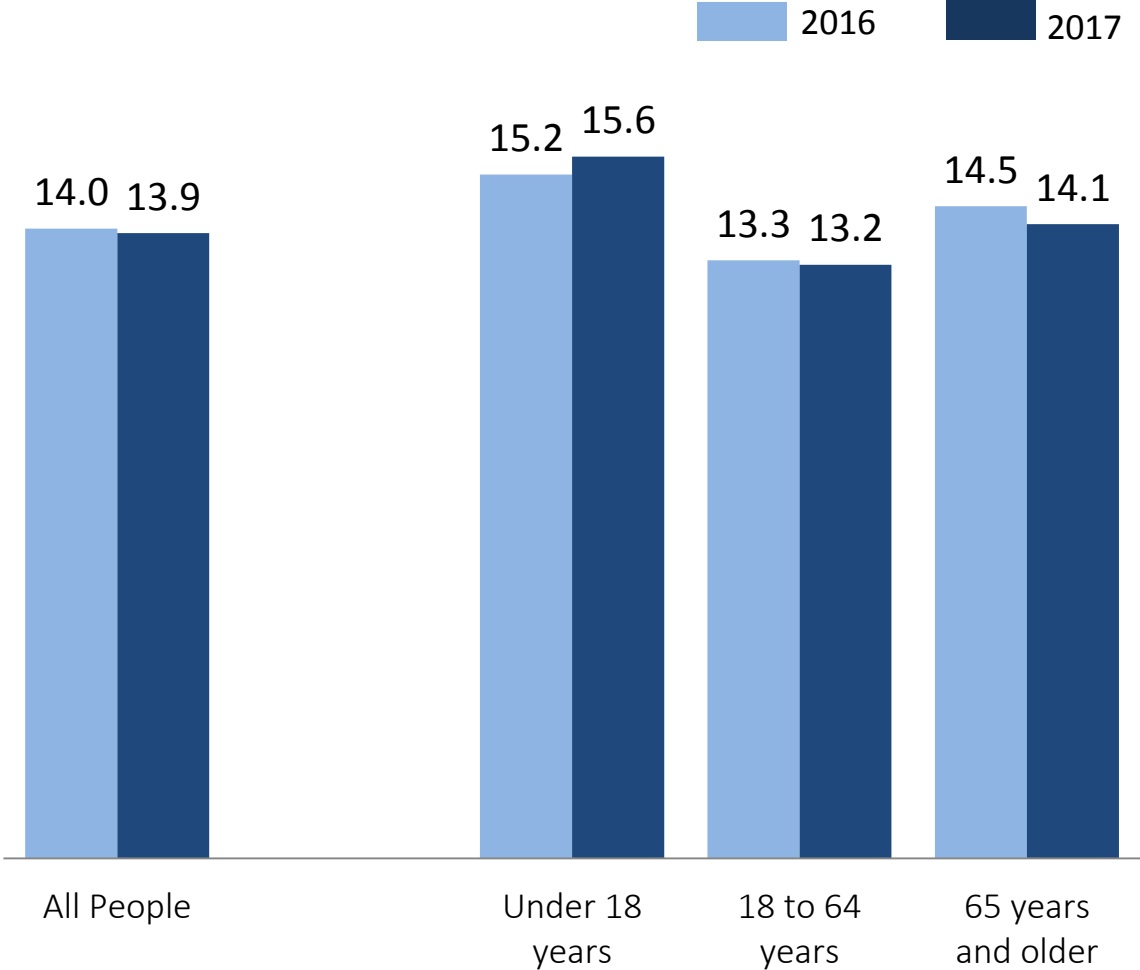


Change in Poverty Rate: 2012 and 2017 American Community Survey 1-Year Estimates



Comparison of SPM Poverty Estimates: 2016 and 2017

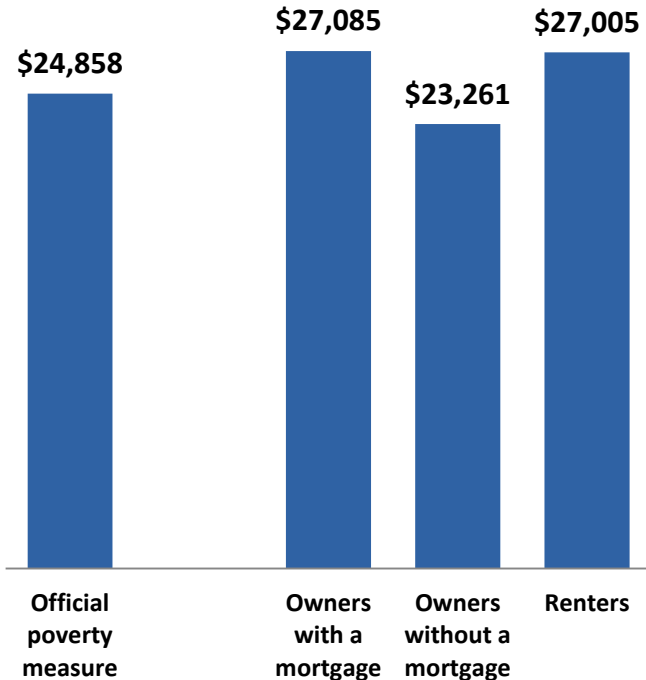
(In Percent)



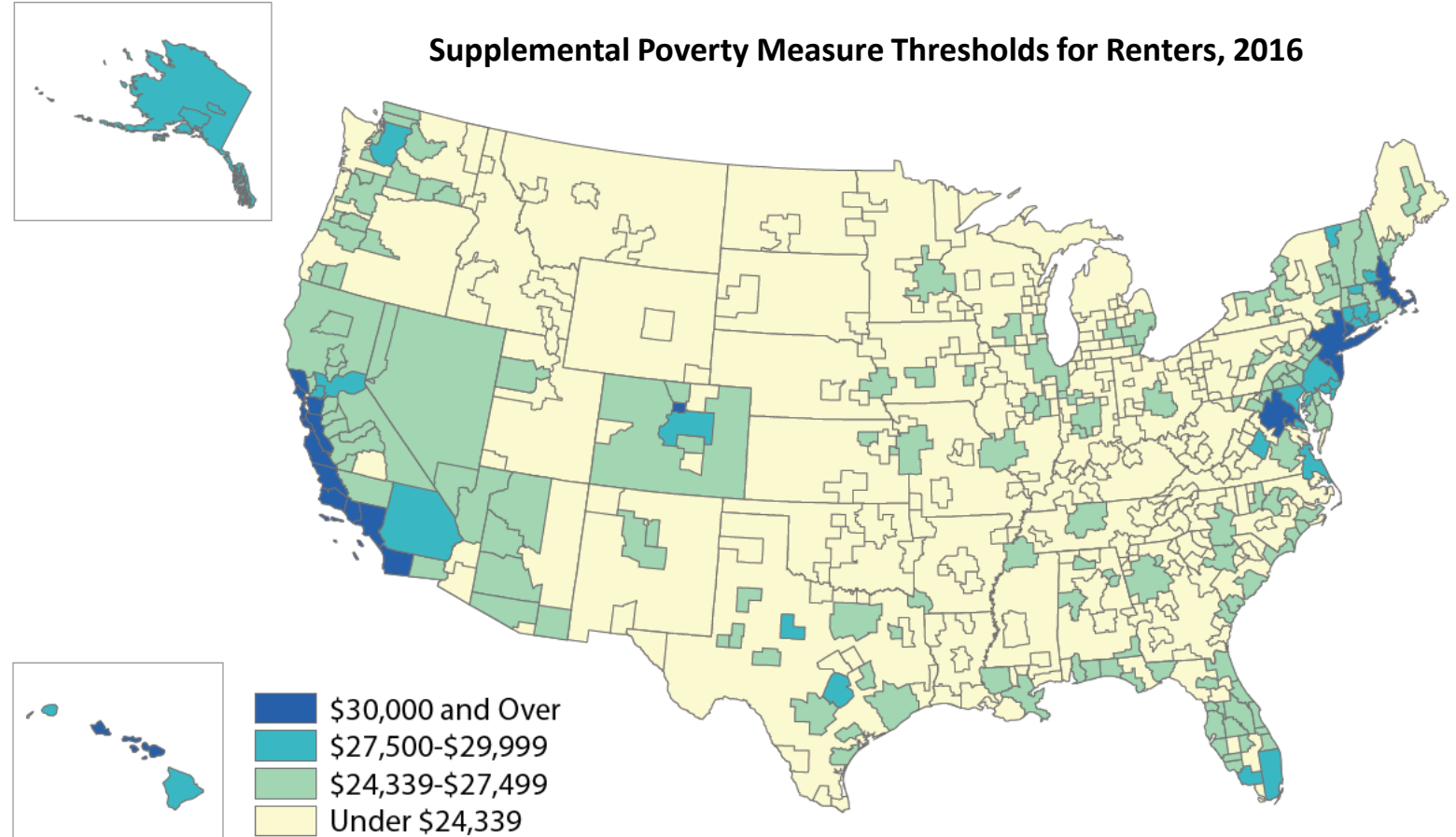
- The Supplemental Poverty Measure (SPM) rate in 2017 was 13.9 percent. This is not statistically different from the 2016 SPM rate of 14.0 percent.
- The SPM rate for 2017 was 1.6 percentage points higher than the official poverty rate of 12.3 percent.
- There were 16 states plus the District of Columbia for which SPM rates were higher than official poverty rates, 18 states with lower rates, and 16 states for which the differences were not statistically significant.

Official and SPM Thresholds for Units with Two Adults and Two Children

Supplemental Poverty Measure Thresholds, 2017

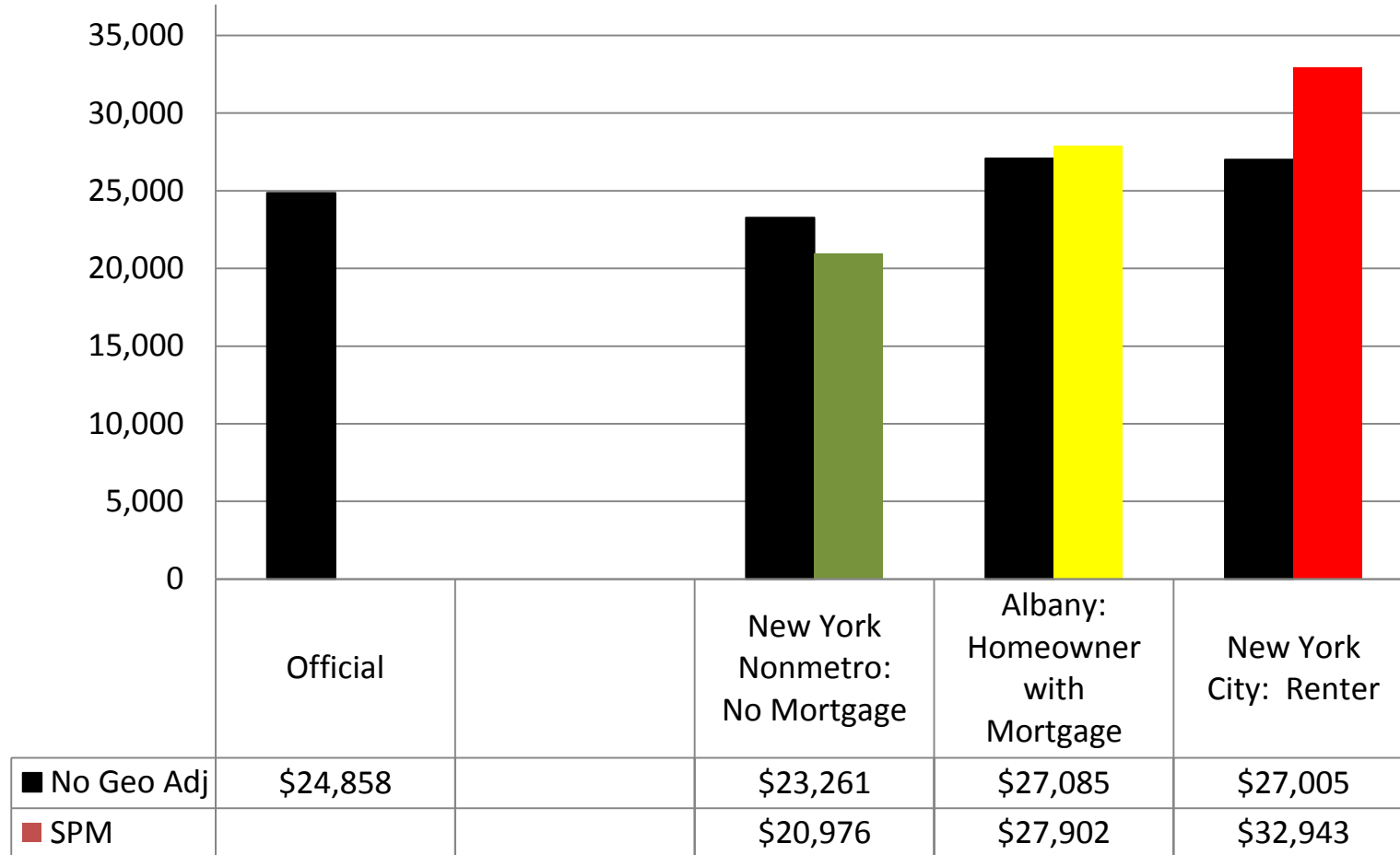


Supplemental Poverty Measure Thresholds for Renters, 2016



Official and Research SPM Thresholds for Two Adult, Two Child Units with Geographic Adjustments: 2017

Supplemental Poverty Thresholds



<https://www2.census.gov/programs-surveys/demo/tables/p60/265/pov-threshold-2017.xlsx>

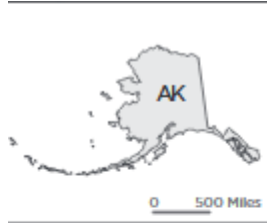
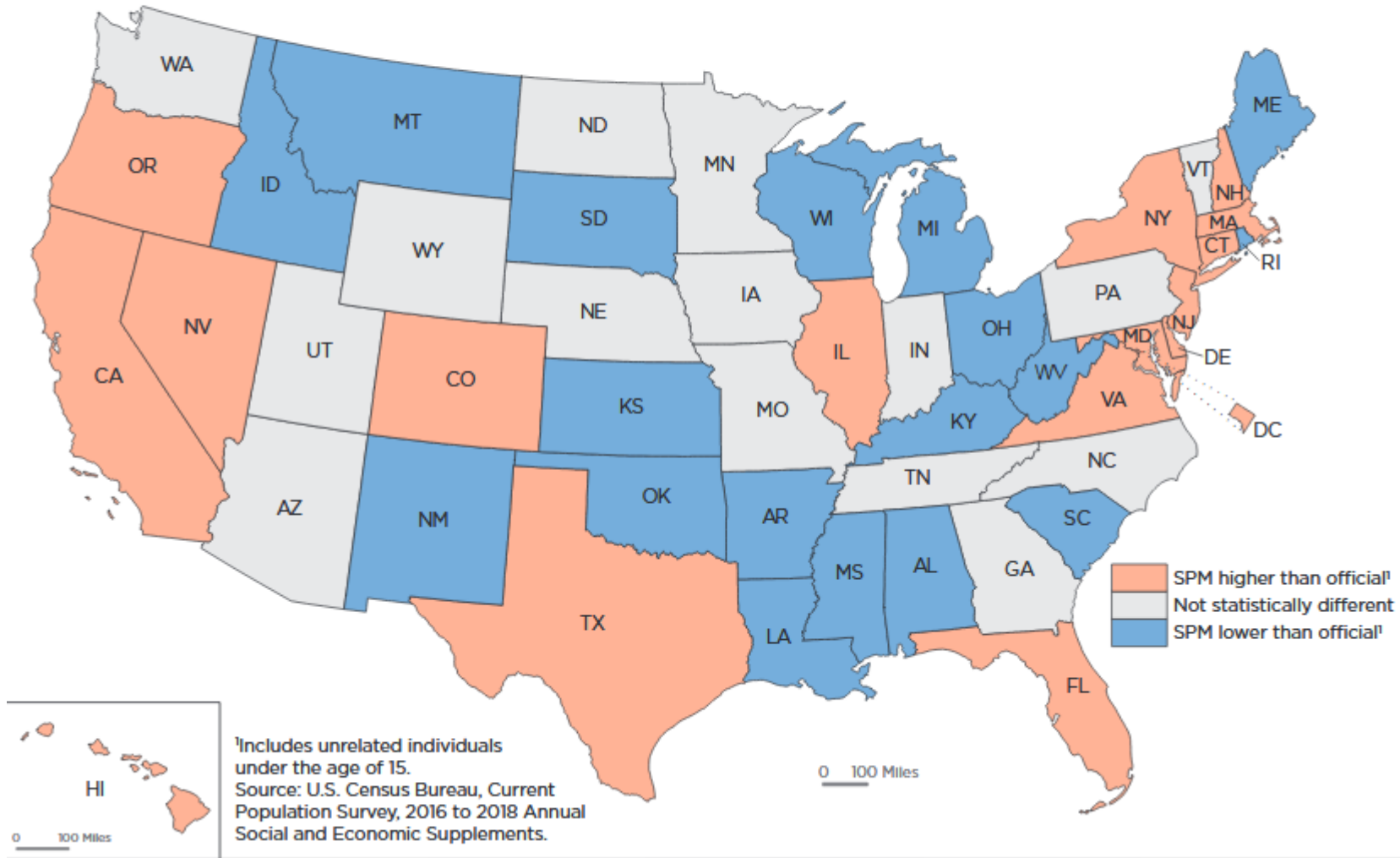
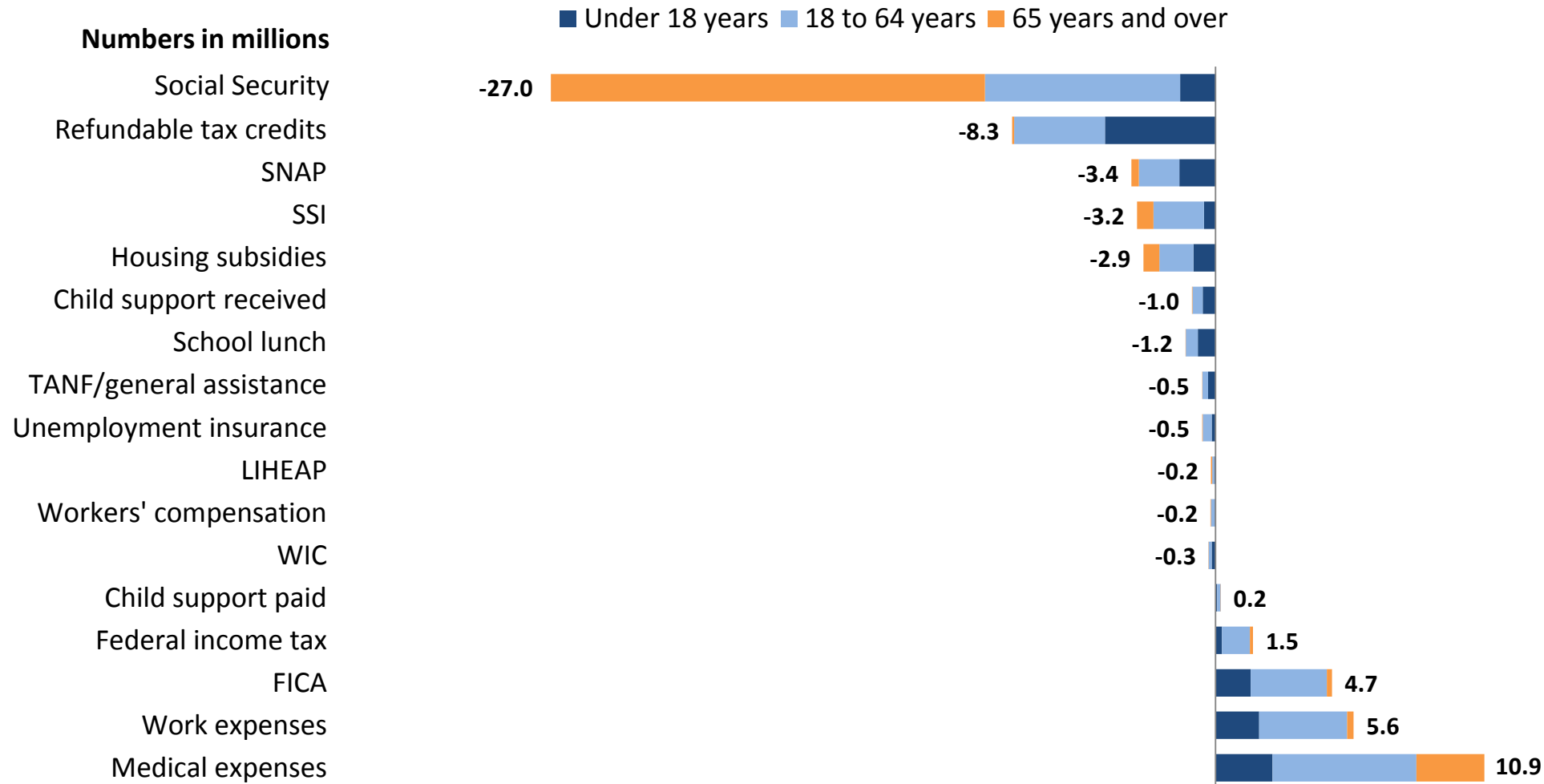


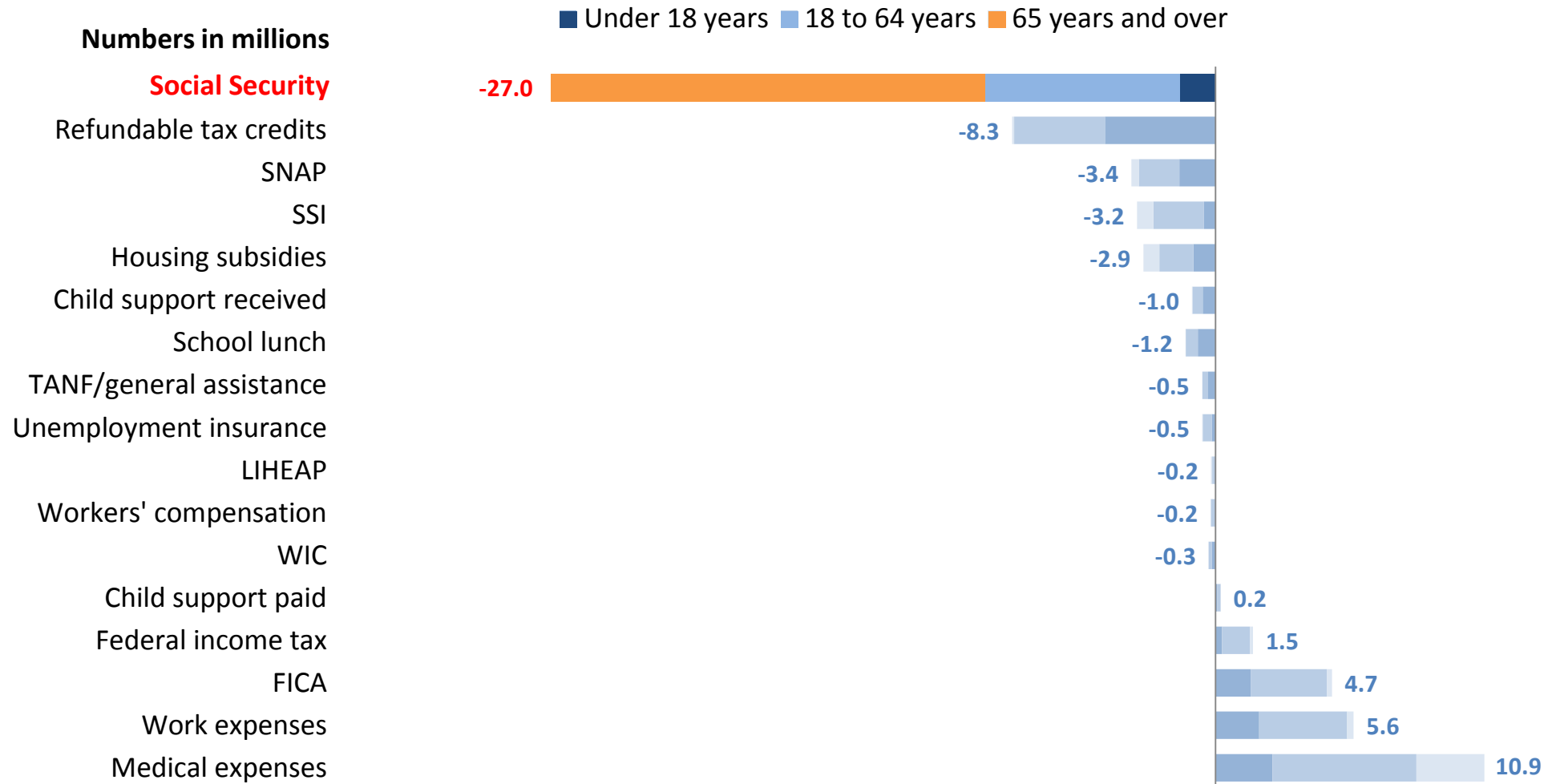
Figure 7.
**Difference in Poverty Rates by State Using the Official Measure
 and the SPM: 3-Year Average 2015 to 2017**



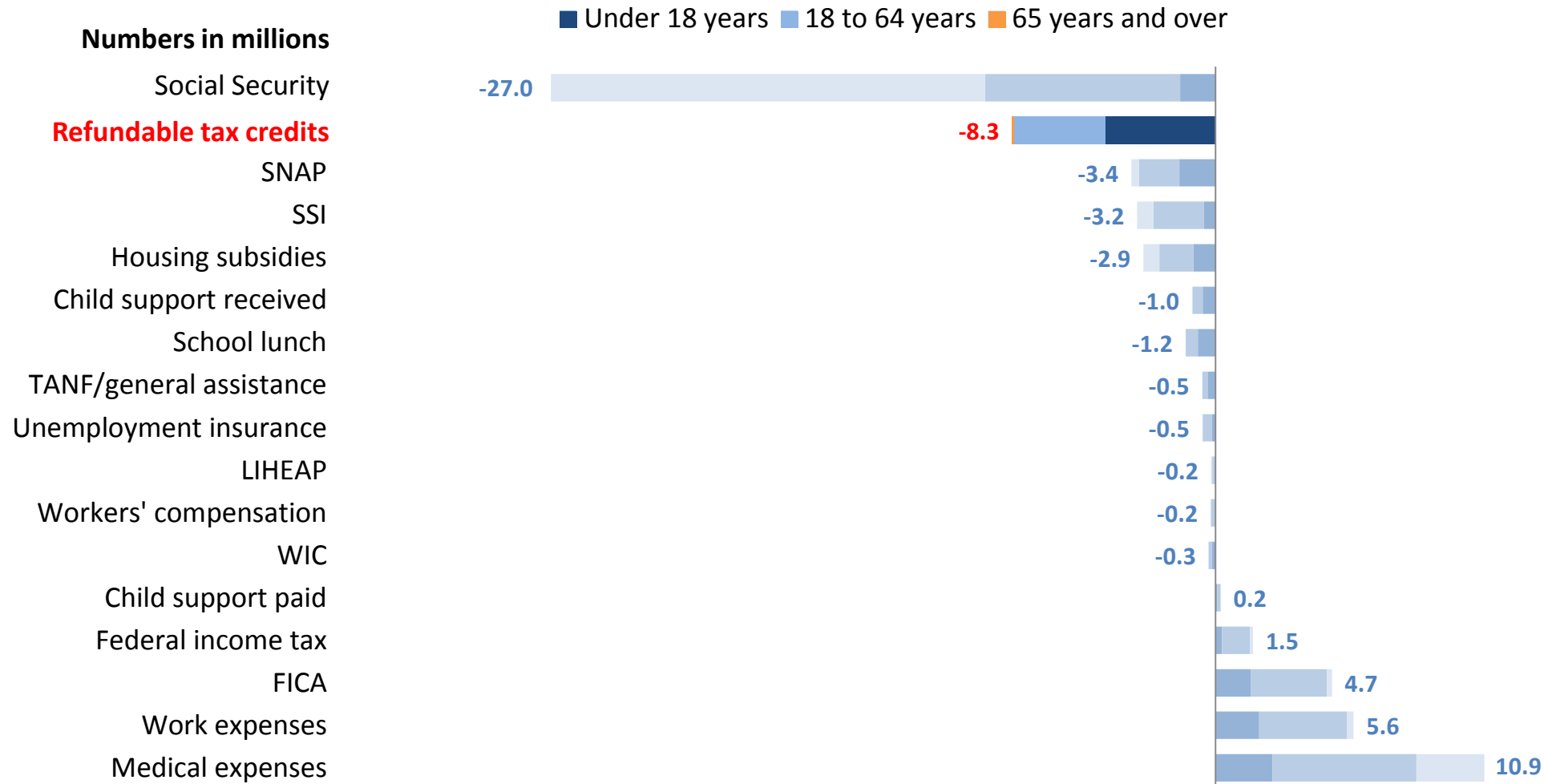
Change in Number of People in Poverty After Including Each Element: 2017



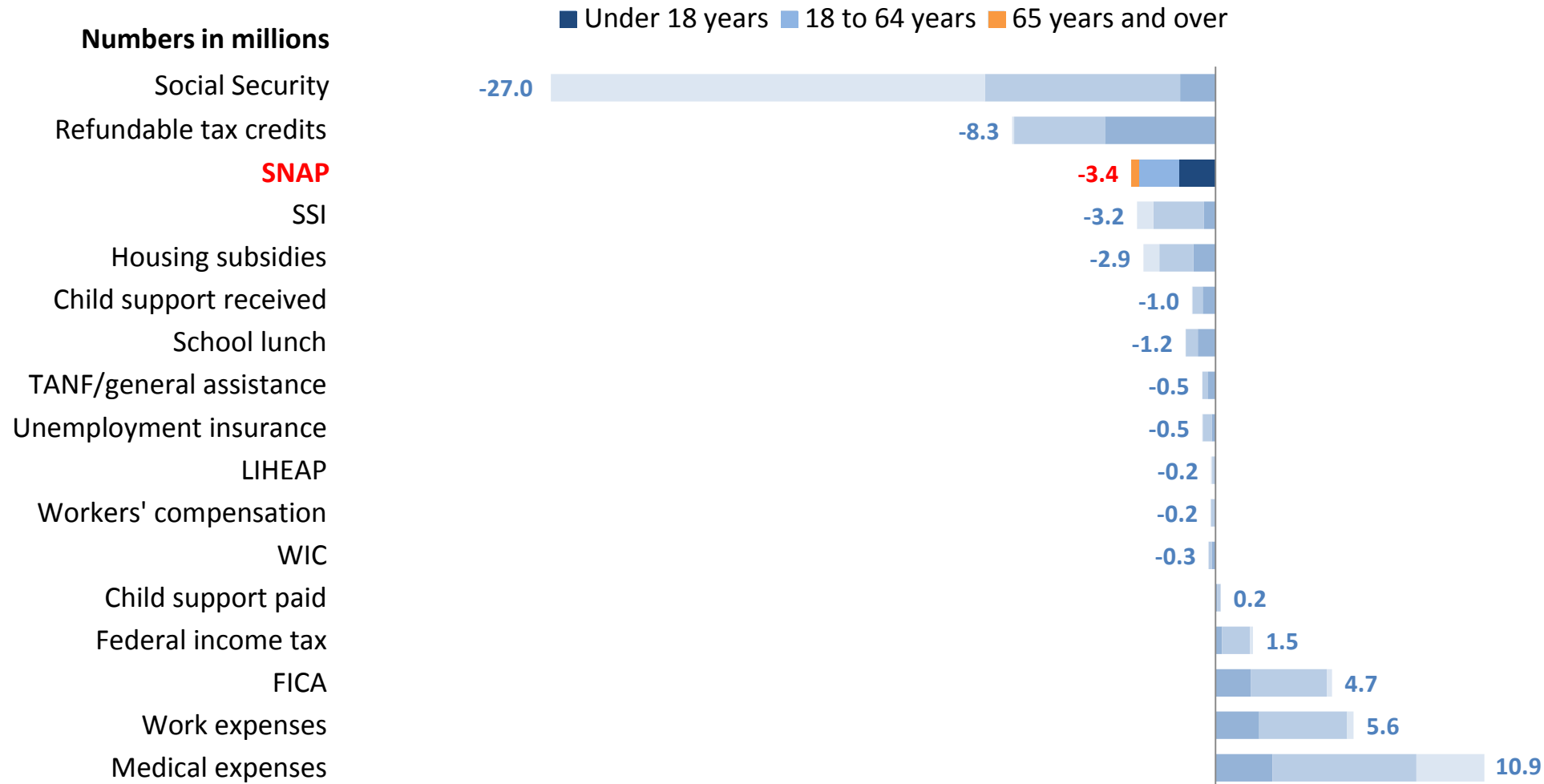
Change in Number of People in Poverty After Including Each Element: 2017



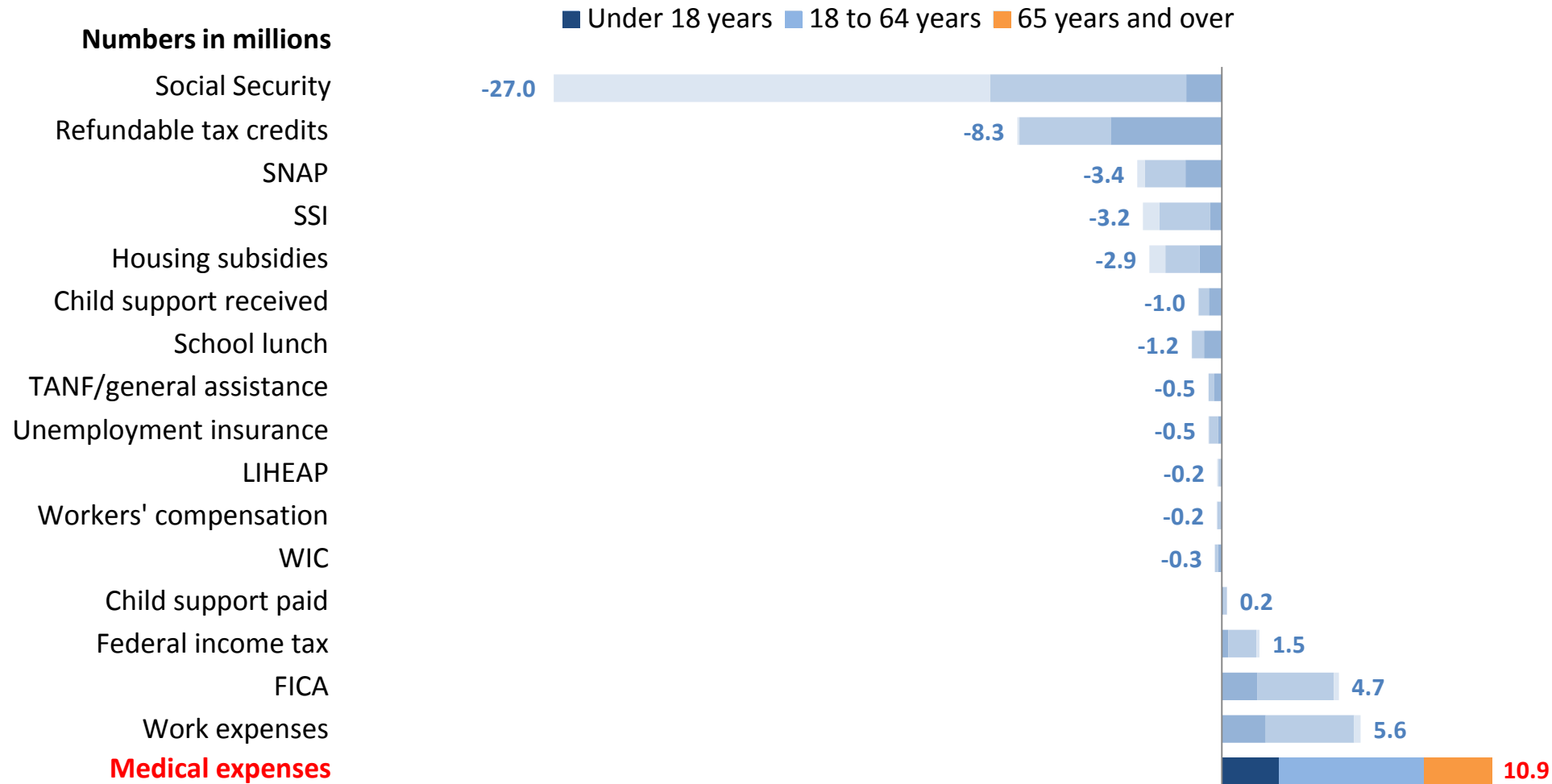
Change in Number of People in Poverty After Including Each Element: 2017



Change in Number of People in Poverty After Including Each Element: 2017



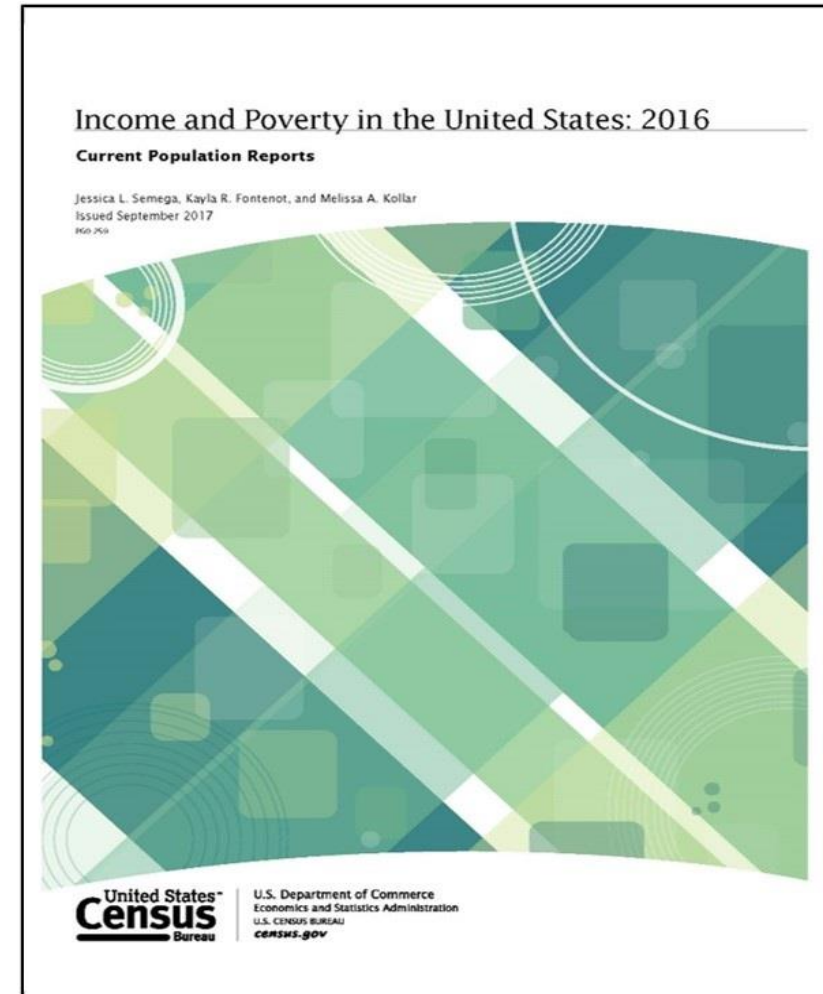
Change in Number of People in Poverty After Including Each Element: 2017



DATA SOURCES

Current Population Survey (CPS)

- Produce specific socioeconomic and demographic estimates for the United States and states for total population and selected subpopulations.
- With the Annual Social Economic Supplement (ASEC), provide timely estimates of income and health insurance, as well as official poverty estimates.
- Annual sample size is about 100,000 addresses.
- Telephone and personal-visit interviews for the 50 states and the District of Columbia. The CPS is a voluntary survey.



- CPS ASEC asks a series of 50 questions about various sources of income, including questions about the amount of several noncash benefits such as food stamps and employment-related health insurance, during the previous calendar year.
- Interviews conducted between February-April, asks about last calendar year income.
- Unrelated subfamilies are identified and poverty status is determined as a family
- Rich historical data
 - For characteristics of U.S. population – since 1959
 - For state level – since 1980

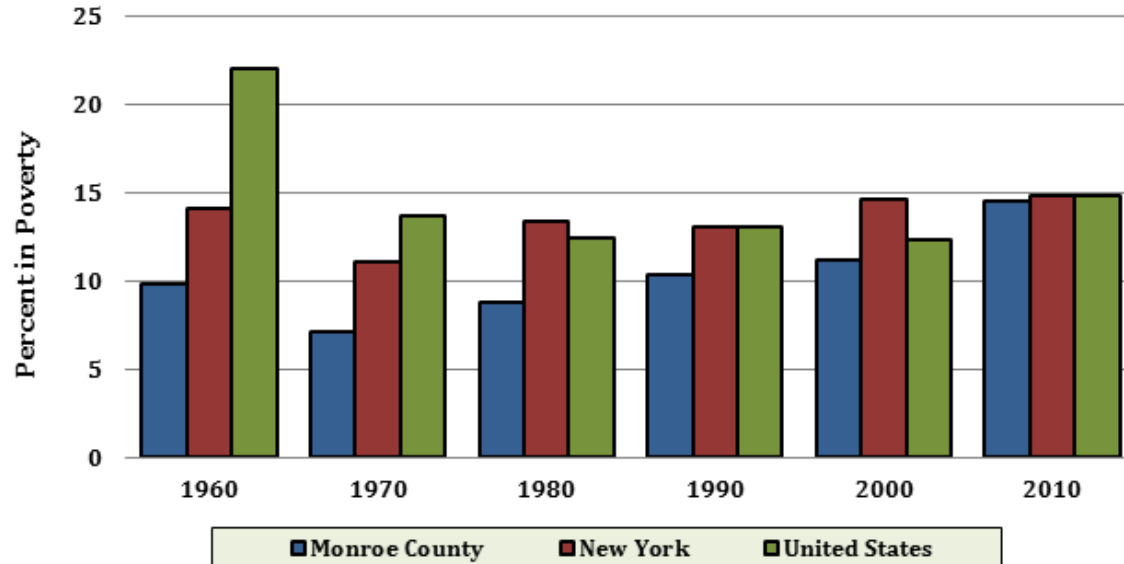
Decennial Censuses

- **Census 2000 & Prior Censuses**
 - Conducted every ten years.
 - Used a mail-out/mail-back questionnaire and only personal-visit follow-up using paper questionnaires. Internet options for 2020.
 - “Short” form basic demographic and housing information, such as age, sex, race, housing.
 - “Long” form collected the same information for selected sample as the short form but also collected more in-depth information such as income, education, and language spoken at home.
- **2010 Census and future – provide only basic short form information**
- <http://www.census.gov/library/visualizations/time-series/demo/census-poverty-tool.html>

Select either a state and county or the United States and a region from the drop-down boxes. Use the scroll bar to change the years on the map.

State	County or Region	Random	Year
New York	Monroe	Press	<input type="text"/>

Poverty in the United States, 1960-2010

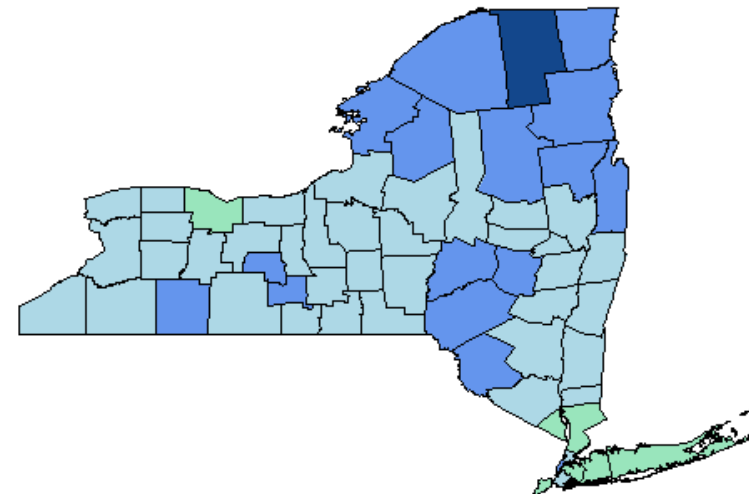


Monroe County 1960	
Total Population	570,672
Population in Poverty	56,171
Poverty Rate	9.8%

New York 1960	
Highest Estimated Poverty Rates	
Franklin County	30.6
Schoharie County	26.8
Lewis County	26.6
Essex County	25.8
Allegany County	24.4
Lowest Estimated Poverty Rates	
Nassau County	5.3
Westchester County	8.0
Queens County	8.1
Rockland County	8.6
Richmond County	9.2

	Poverty Rates					
	1960	1970	1980	1990	2000	2010
United States	22.1	13.7	12.4	13.1	12.4	14.9
New York	14.2	11.1	13.4	13.0	14.6	14.9
Monroe County	9.8	7.1	8.8	10.4	11.2	14.6

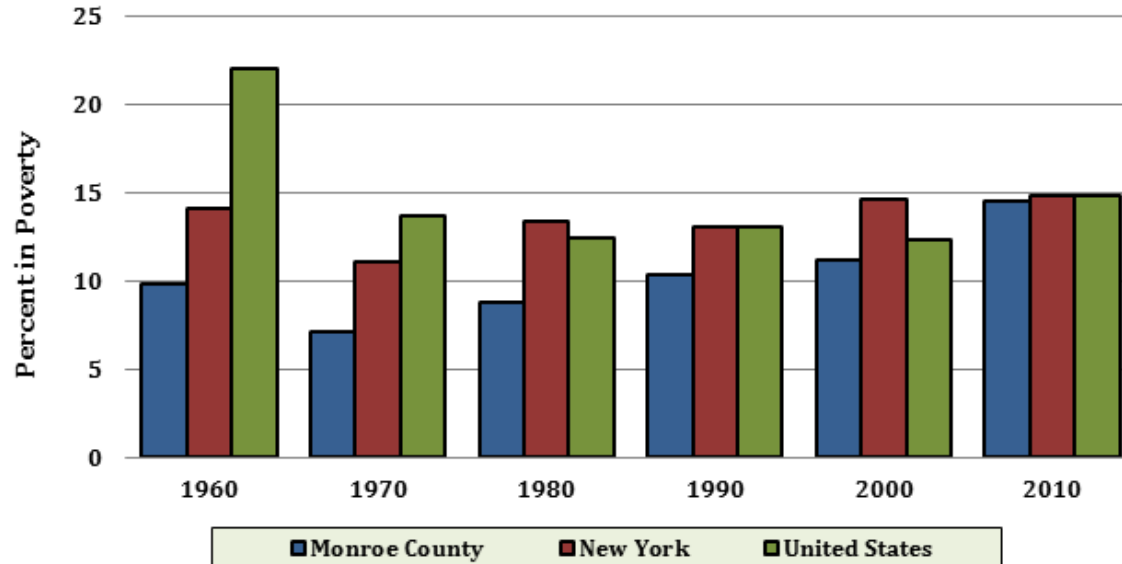
New York 1960					
Poverty Rate	Counties	%	Population	%	Legend
Less than 10%	7	11.3	5,393,206	32.9	
10% to less than 20%	38	61.3	8,640,314	52.8	
20% to less than 30%	16	25.8	2,300,632	14.0	
30% to less than 40%	1	1.6	43,696	0.3	
Total	62	100	16,377,848	100	



Select either a state and county or the United States and a region from the drop-down boxes. Use the scroll bar to change the years on the map.

State	County or Region	Random	Year
New York	Monroe	Press	◀ . ▶

Poverty in the United States, 1960-2010

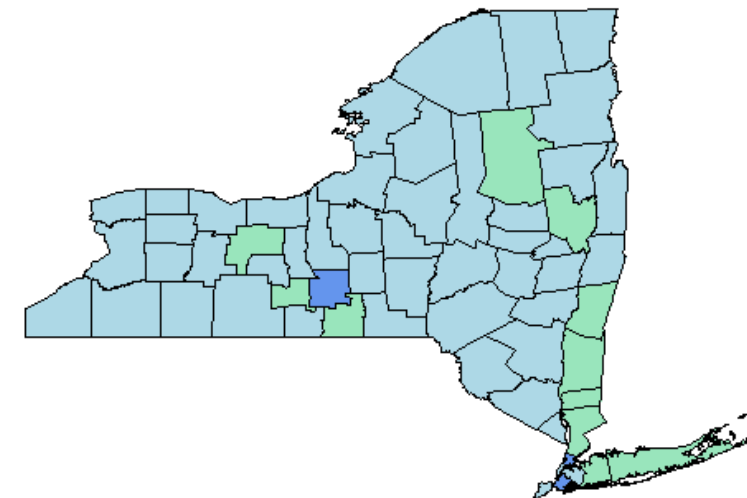


Monroe County 2010	
Total Population	719,246
Population in Poverty	104,712
Poverty Rate	14.6%

New York 2010	
Highest Estimated Poverty Rates	
Bronx County	29.3
Kings County	22.7
Tompkins County	20.0
Montgomery County	19.2
Chautauqua County	19.1
Lowest Estimated Poverty Rates	
Nassau County	5.8
Putnam County	5.8
Suffolk County	6.1
Saratoga County	6.5
Tioga County	8.8

Poverty Rates						
	1960	1970	1980	1990	2000	2010
United States	22.1	13.7	12.4	13.1	12.4	14.9
New York	14.2	11.1	13.4	13.0	14.6	14.9
Monroe County	9.8	7.1	8.8	10.4	11.2	14.6

New York 2010					
Poverty Rate	Counties	%	Population	%	Legend
Less than 10%	11	17.7	4,544,094	24.1	Light Green
10% to less than 20%	48	77.4	10,410,824	55.1	Light Blue
20% to less than 30%	3	4.8	3,931,007	20.8	Dark Blue
Total	62	100	18,885,925	100	



American Community Survey (ACS)

- The American Community Survey (ACS), is a nationwide survey that collects essentially the same information on people and housing that was collected on the short and the long-form questionnaires used in Census 2000 and earlier censuses.
- The ACS is a continuous survey,
 - Each month a sample of about 300,000 housing unit addresses receive a questionnaire.
 - Nearly, 3.5 million addresses are surveyed each year.
- Three modes of data collection methods are used
 - Online (internet)
 - Mail out/mail back
 - Personal visit (CAPI) (for those sampled non responding addresses)
- Includes resident population of the United States and Puerto Rico living in housing units and group quarters

ACS (cont'd)

- Reference period is the 12-month period prior to the interview month.
- Asks about money income using a series of eight questions during the past 12 months
- ACS estimates are period estimates, describing the average characteristics over a specified period
- 1-year and 5-year estimates released for geographic areas that meet specific population thresholds
- Using the 5-year estimates provides data for all geographic areas

For more information visit <http://www.census.gov/acs/www/>

One-year vs Five-year ACS Data

1-year estimates	5-year estimates
12 months of collected data	60 months of collected data
Data for areas with populations of 65,000+	Data for all areas
Smallest sample size	Largest sample size
Less reliable than 5-year	Most reliable
Most current data	Least current
Best used when	Best used when
Currency is more important than precision	Precision is more important than currency
Analyzing large populations	Analyzing very small populations
	Examining tracts and other smaller geographies because 1-year estimates are not available

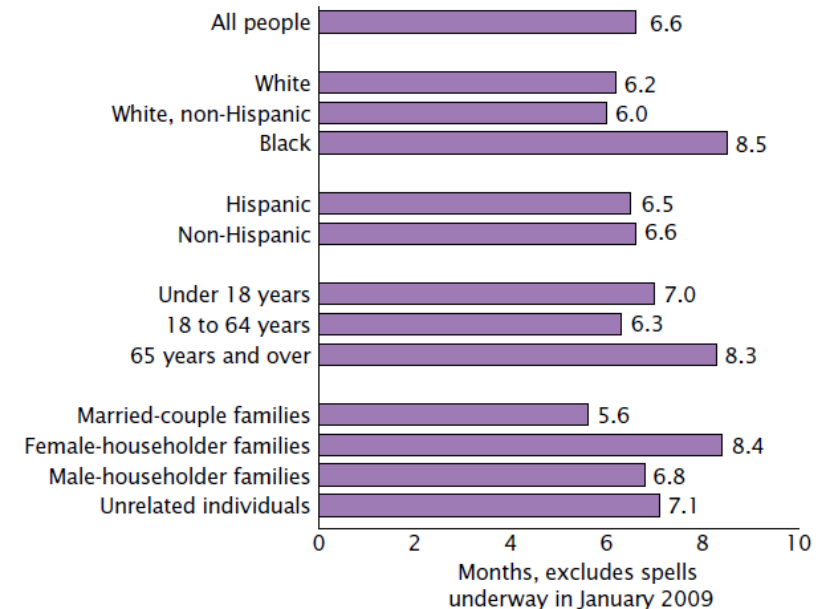
When to Use ACS- CPS Data

- In general national level estimates from both surveys are consistent and comparable, most of the differences are not statistically significant
- It is recommended to use the CPS estimates at the national level
- State level estimates in general are similar and no systematic differences observed,
- For use at state and lower geographic levels ACS estimates are recommended

Survey of Income and Program Participation (SIPP)

- A longitudinal survey designed to track changes (income) over time for the same households.
- The SIPP covers a household for 3 or 4 years.
- Interviewers return to the same household and attempt to follow people interviewed in the first wave even if they move.
- About 65,500 addresses were in the initial sample for the SIPP 2008 Panel. State estimates only for larger states.
- SIPP 2014 panel – first wave of data released last year

Figure 10.
**Median Poverty Spells by Selected Characteristics:
2009 to 2011**



Dynamics of Economic Well-Being: Participation in Government Programs, 2009–2012: Who Gets Assistance?

Household Economic Studies

By Shelley K. Irving and Tracy A. Loveless
Issued May 2015
P.0-141

This report focuses on the participation and characteristics of people who received benefits from any of the following means-tested assistance programs:¹

- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)²
- Housing Assistance
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- General Assistance (GA)

The data come from the 2008 Panel of the Survey of Income and Program Participation (SIPP) calendar years 2009 through 2012.³ The SIPP survey, which means that, unlike period

surveys, such as the Current Population Survey (CPS), the SIPP follows the same people over time.⁴ This longitudinal quality allows examination of the SIPP sample from two perspectives.

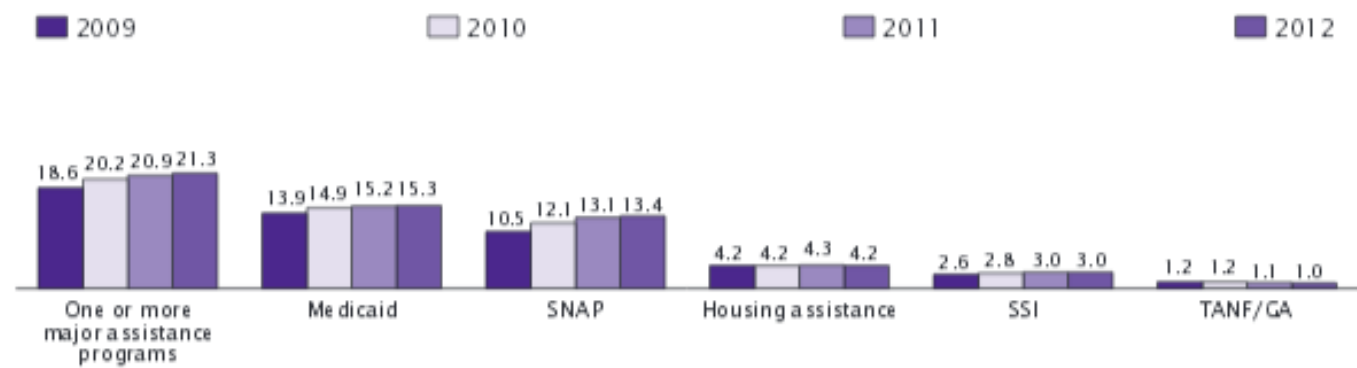
First, it is possible to observe the same people over a span of time. The number of months within a period of time when individuals received benefits from one or more means-tested assistance programs can be examined, and entry and exit activity for each program can be measured. For example, the number, timing, and duration of people moving into and out of a particular situation within a time period can be studied, such as the length of time an individual continuously receives program benefits.

¹ Means-tested programs are those that require assets of an individual or family to fall below specific levels to qualify for benefits. There may be additional criteria to receive these programs, which provide cash and eligible individuals and families.

² The Food Stamp Program was renamed the Supplemental Nutrition Assistance Program (SNAP) in 2008.

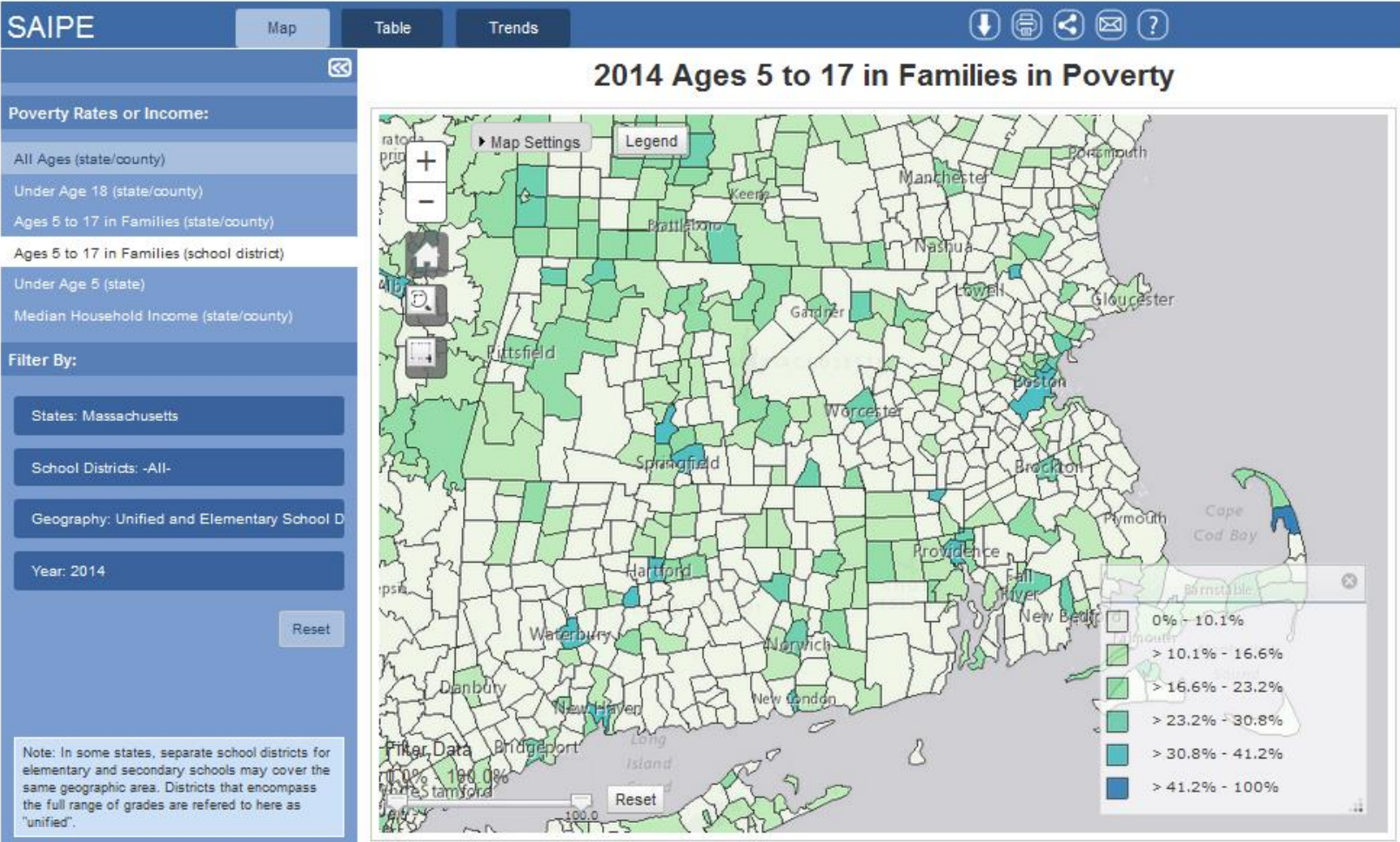
³ The 2008 Panel followed the same individuals monthly from May 2008 to November 2012. The data collected from February 2009 to April 2012 is the 2008 SIPP. The population represented (the population of noninstitutionalized civilians living in a household) in the SIPP is divided into four rotation groups. Each month, one of the four rotation groups is interviewed. The interview procedure is interview procedure, or rotation the SIPP. Use the Guide at www.census.gov/cowles/sipp for more information about the SIPP. US GPO, Washington, DC: 2014.

Figure 1.
Average Monthly Participation Rates for Major Means-Tested Programs: 2009–2012
(Percentage of noninstitutionalized civilian population)



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Small Area Income and Poverty Estimates (SAIPE)



How to Find CPS Data

From the main Census Bureau page

(www.census.gov)

- Sequentially click on - 'Topics', 'Income & Poverty' and 'Poverty' or
- Go directly to the poverty page using (<http://www.census.gov/topics/income-poverty/poverty.html>)
- From the poverty page click on 'Data' and then Poverty Data Tables

The screenshot shows the U.S. Census Bureau website. The 'Topics' menu is circled in red. The 'Income & Poverty' menu is also circled in red. The 'Poverty' page is displayed, with the 'Data' link in the left sidebar circled in red. The 'Poverty Data Tables' link in the sidebar is also circled in red. The main content area shows a 'Poverty' section with a 'Data' link circled in red. Below this, there are sections for 'Poverty Thresholds', 'Poverty Data Tools', and '2014 Official Poverty Report'. A 'Latest' section shows 'News', 'Publications', 'Data', and 'Working Papers'. At the bottom, there are filters for 'All', '2015', '2014', '2013', and '2012'.

https://thedataweb.rm.census.gov/ftp/cps_ftp.html#cpsmarch

Current Population Survey

[CPS Certification Items Extract File](#)

[Basic Monthly CPS January 1994 - Present](#)

[CPS Basic Extraction for 2000 Based Weights and Revised I & O](#)

[CPS March Supplement 1998 - Present](#)

[CPS Supplement](#)

[CPS Replicate Weight](#)

CPS Certification Items Extract Files

File	Size (in Bytes)	Compression Type (Size in Bytes)		Record Count
		DOS/Windows	GNU gzip	
2015 Data Dictionary	1,424			
2015 Data File	167,849,059	5,204,539	5,204,403	1,262,023
2016 Data Dictionary	1,995			
2016 Data File	167,549,942	5,362,461	5,362,325	1,259,774

Basic Monthly CPS⁴

File	Size (in Bytes)	Compression Type (Size in Bytes)			Record Count
		DOS/Windows	GNU gzip	Standard Unix	
Jan 2017 to Present					
Data Dictionary	104,678				
Dec 2017	146,602,456	12,707,013	12,706,888	NA ¹¹	146,456

http://nber.org/cps/

HOME PAGE

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Monday, January 29, 2018

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About

Current Population Survey (CPS) Data at the NBER

The CPS is the U.S. Government's monthly survey of unemployment and labor force participation. The BLS maintains a [CPS Home Page](#) with a great deal of information about the survey and access to downloads of [recent data](#). The NBER maintains an extensive collection of historical CPS public use tapes for its research staff. All of the data is available for download.

Five Categories:

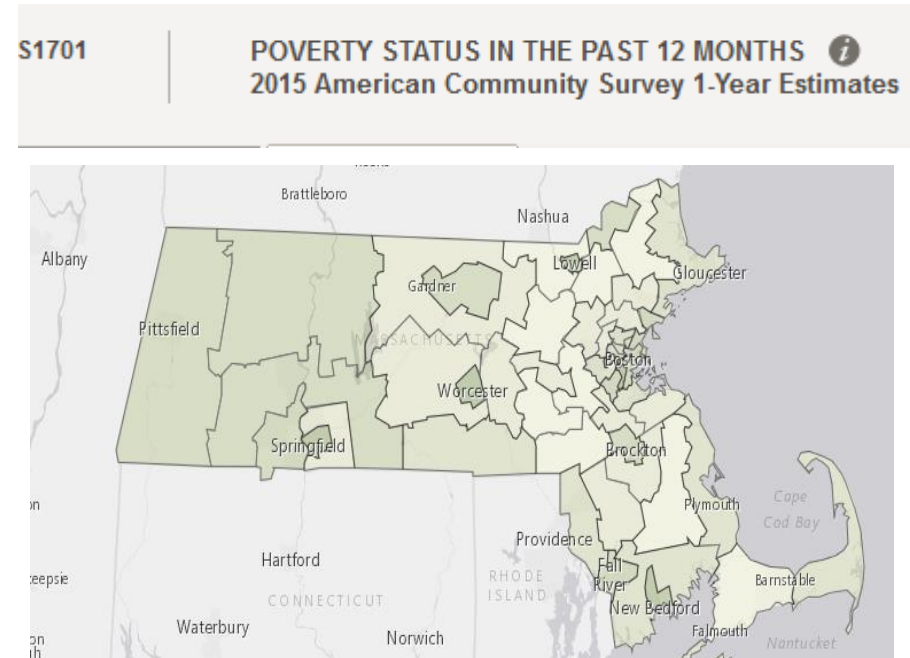
[Basic Monthly Data](#) are the primary source of labor force statistics in the U.S. Topics include employment, earnings, and demographic data. CPS Supplements, when collected, are not a part of the Basic Monthly Data files. Households are in the survey eight times: four consecutive months, eight months off, and then a final four months. Available for every month from 1976 on. [SAS, SPSS, & Stata data definition statement files](#) are available.

[CPS Supplements](#), have the same data as the Basic Monthly Files sometimes in a different order, plus supplemental information on topics such as schooling, fertility, immigration, and income. We have many of these files from 1964 to present in the original BLS formats. [SAS, SPSS, & Stata data definition statement files](#) and [CPS Replicate Weight files](#) are available.

[Merged Outgoing Rotation Groups \(MORG\)](#) are extracts of the Basic Monthly Data during the household's fourth and eighth month in the survey, when usual weekly hours/earnings are asked. [Documentation Files](#) are also available.

PUMAS- Public Use MicroData Areas

- Nest within states or equivalent entities
- Contain at least 100,000 people
- Cover the entirety of the United States, Puerto Rico, Guam, and the U.S. Virgin Islands
- Are built on census tracts and counties
- Should be geographically contiguous



HOW WE DEFINE POVERTY

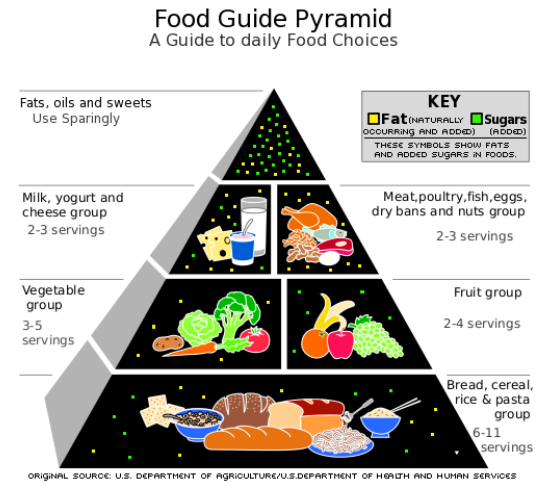
How is Poverty Defined?

Resource



Money Income

Need



Thresholds
(Orshansky)

Defining Resources: Income

- Includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.
- Noncash benefits (such as food stamps and housing subsidies) **do not** count.
- Before taxes
- Excludes capital gains or losses.
- If a person lives with a family, add up the income of all family members. (Non-relatives, such as housemates, do not count.)

Measure of Need (Poverty Thresholds)

- Poverty thresholds are the dollar amounts used to determine poverty status.
- Poverty thresholds were originally derived in 1963-1964, based on
 - U.S. Department of Agriculture food budgets designed for families under economic stress.
 - Data about what portion of their income families spent on food to estimate total income
 - Equivalence scale calculate total income for different family size and compositions
- Thresholds vary according to family size, number of related children, and age of householder
- The same thresholds are used throughout the United States (do not vary geographically).
- Updated annually for inflation using the Consumer Price Index for All Urban Consumers (CPI-U).

Poverty Thresholds for 2018 by Size of Family and Number of Related Children Under 18 Years

Size of family unit	Related children under 18 years								
	None	One	Two	Three	Four	Five	Six	Seven	Eight or more
One person (unrelated individual):									
Under age 65.....	13,064								
Aged 65 and older.....	12,043								
Two people:									
Householder under age 65.....	16,815	17,308							
Householder aged 65 and older.....	15,178	17,242							
Three people.....	19,642	20,212	20,231						
Four people.....	25,900	26,324	25,465	25,554					
Five people.....	31,234	31,689	30,718	29,967	29,509				
Six people.....	35,925	36,068	35,324	34,612	33,553	32,925			
Seven people.....	41,336	41,594	40,705	40,085	38,929	37,581	36,102		
Eight people.....	46,231	46,640	45,800	45,064	44,021	42,696	41,317	40,967	
Nine people or more.....	55,613	55,883	55,140	54,516	53,491	52,082	50,807	50,491	48,546

Source: U.S. Census Bureau.

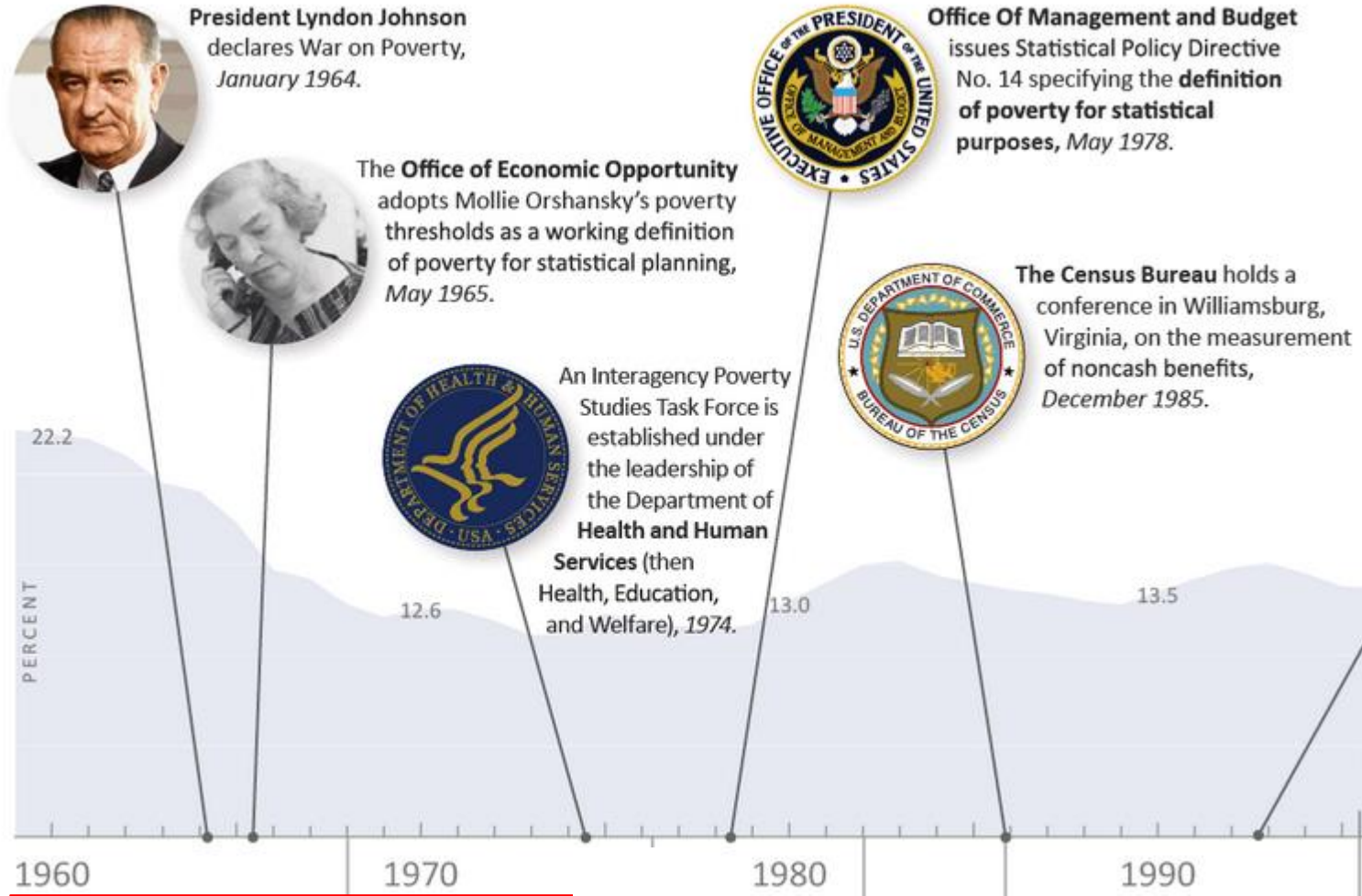
How to Determine Poverty Status

- Compare
 - total income of an individual from all sources with appropriate threshold (poverty level) or
 - total family income (total individual income from all sources for all family members) with appropriate threshold (poverty level) , then
- If total family income is less than the threshold appropriate for that family,
 - The family is in poverty.
 - All family members have the same poverty status.
 - For individuals who do not live with family members, their own income is compared with the appropriate threshold.

How the Census Bureau Determines Poverty (Cont'd)

- For example
 - A total family income for a family of three with one child under 18 years in 2016 was \$20,000
 - The appropriate threshold in 2016 for this type of families was \$19,318
 - Since the total family income is greater than the threshold, the poverty status for this family of three in 2013 was “above poverty level” (family income of \$20,000 is greater than the threshold of \$19,318)
- Also publish estimates of poverty gaps – resources required to bring a family or individual up to the poverty threshold
- Income-to-poverty ratios used to define “extreme” poverty, “near” poverty, etc

Poverty: The History of a Measure

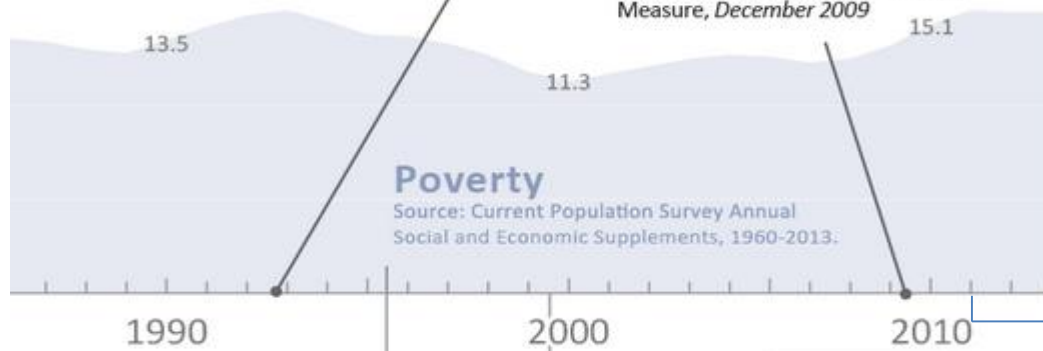


First Census Bureau Report on Poverty: 1967



National Academy of Sciences convenes a panel of experts to conduct a study of statistical issues in the measurement and understanding of poverty, June 1992.

An **Interagency Technical Working Group on Developing a Supplemental Poverty Measure** is formed by Commerce Under Secretary Rebecca Blank and Office of Management and Budget Chief Statistician Katherine Wallman and charged with developing a set of initial starting points to permit the U.S. Census Bureau, in cooperation with the Bureau of Labor Statistics, to produce a Supplemental Poverty Measure, December 2009



The Panel on Poverty and Family Assistance publishes a report proposing a new approach to measuring poverty. Constance F. Citro and Robert T. Michael (editors), Measuring Poverty: A New Approach, Washington, D.C., National Academy Press, 1995.

The Census Bureau issues the first report on experimental poverty measures responding to the NAS report.

Kathleen Short, Thesia Garner, David Johnson, and Patricia Doyle, Experimental Poverty Measures: 1990 to 1997, U.S. Census Bureau, 1999.



The Research SUPPLEMENTAL POVERTY MEASURE: 2010
Consumer Income
November 2010

The Research SUPPLEMENTAL POVERTY MEASURE: 2011
Current Population Reports
November 2011

The Research SUPPLEMENTAL POVERTY MEASURE: 2012
Current Population Reports
November 2012

The Supplemental Poverty Measure: 2013
Current Population Reports
November 2013

Criticisms of the Official Poverty Measure

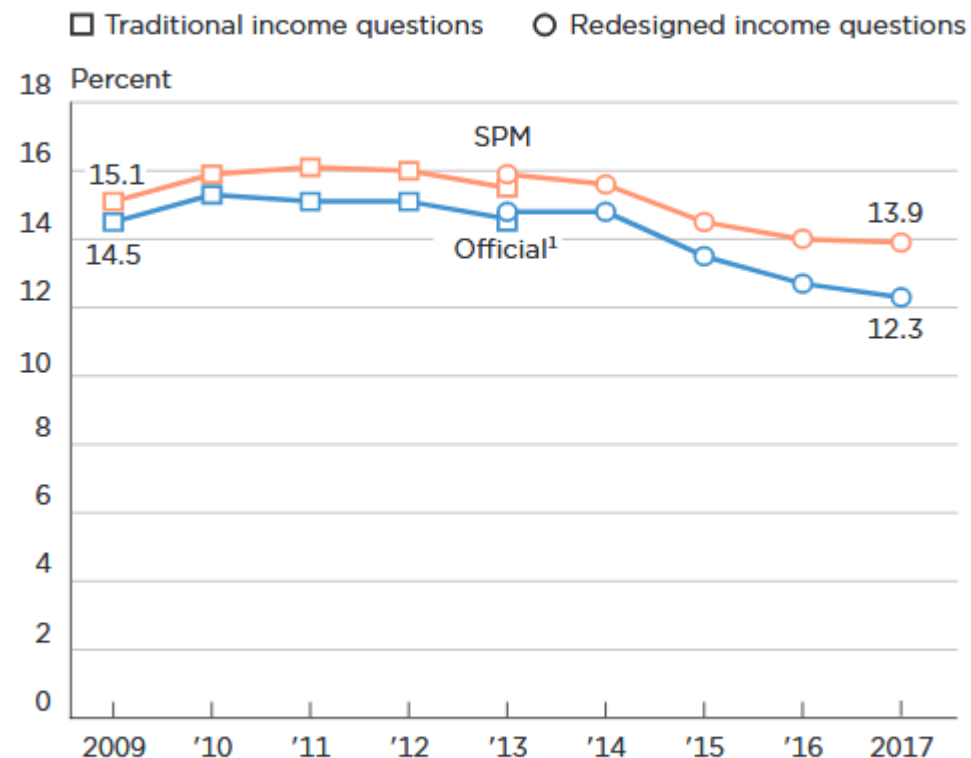
- The official measure does not account for:
 - Provision of in-kind benefits
 - Necessary expenses (taxes, health care, work)
 - Changes in family or household structure
 - Higher standards and levels of living since 1965
 - Geographic price differences among regions

Supplemental Poverty Measure (SPM)

Observations from the Interagency Technical Working Group (ITWG) - March 2, 2010

- Will not replace the official poverty measure
- Will not be used for resource allocation or program eligibility
- Census Bureau and BLS responsible for improving and updating the measure
- Continued research and improvement
- Based on National Academy of Sciences expert panel recommendations in *Measuring Poverty: A New Approach* (Citro and Michael, 1995)

Figure 4.
Poverty Rates Using the Official Measure and the SPM: 2009 to 2017



¹ Includes unrelated individuals under the age of 15.
Note: The data for 2013 and beyond reflect the implementation of the redesigned income questions.
Source: U.S. Census Bureau, Current Population Survey, 2010–2018 Annual Social and Economic Supplements.

For both measures, individuals are considered poor if the resources they share with others in the household are not enough to meet basic needs.



But the two measures are very different.



Official Measure



Supplemental Measure



Official Measure



Supplemental Measure

Who shares resources?

The two measures make different assumptions about who shares resources. The SPM assumes that more people in a household share resources with one another.

The official measure of poverty assumes that all individuals residing together who are related by birth, marriage, or adoption share income.



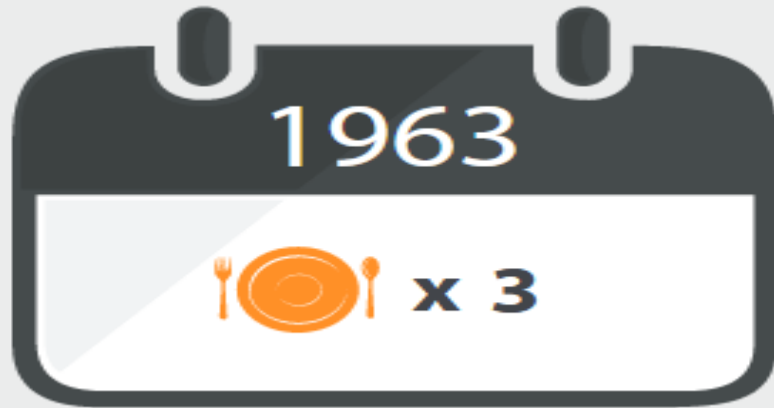
The SPM starts with the family and then adds some unrelated people such as foster children and unmarried partners.



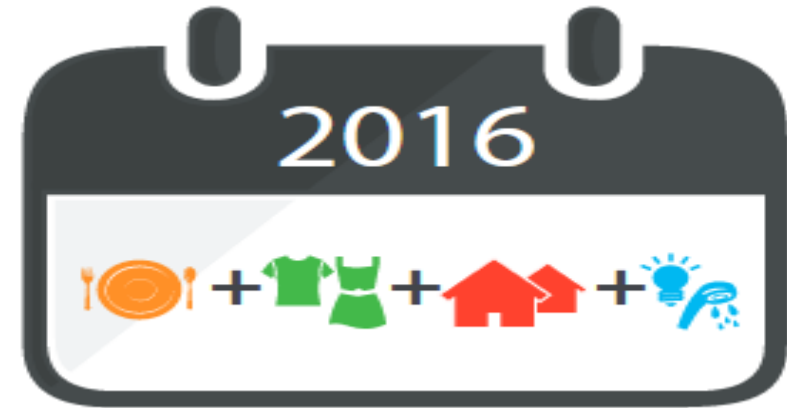
How do we measure needs?

The **poverty threshold**, or **poverty line**, is the minimum level of resources that are adequate to meet basic needs.

The official measure uses three times the cost of a minimum **food** diet in 1963 in today's prices.



The SPM uses information about what people spend today for basic needs—**food**, **clothing**, **shelter**, and **utilities**.



Official Measure



Supplemental Measure

Are needs the same in every state?

Poverty thresholds for both measures are adjusted to reflect the needs of families of different types and sizes. Only the SPM thresholds take into account geographic differences in housing costs.

Yes, the official poverty threshold is the same throughout the United States. In 2016, the poverty threshold for a family with two adults and two children was \$24,339.

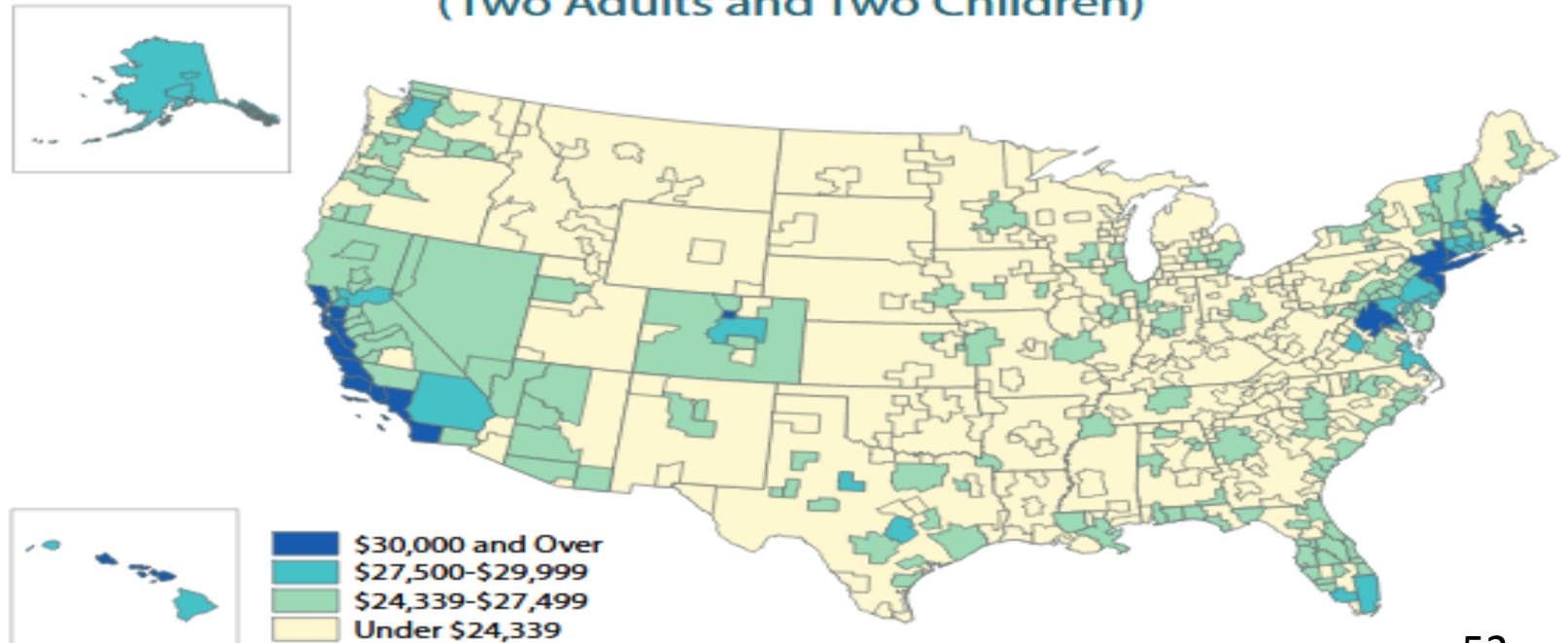
2016 Official Poverty Thresholds
(Two Adults and Two Children)



Source: U.S. Census Bureau, 2017 Current Population Reports, P60-259.

No, SPM thresholds vary based on several factors such as place of residence and whether it is a rental unit or purchased property or home with a mortgage. The map below shows the SPM thresholds for renters with two adults and two children in 2016.

2016 SPM Poverty Thresholds for Renters
(Two Adults and Two Children)



Sources: U.S. Census Bureau, Geographic adjustments based on housing costs from the American Community Survey 2011-2015. Unadjusted thresholds are from the Bureau of Labor Statistics at <<https://stats.bls.gov/pir/spmhome.htm>>.

What resources do people have to meet their needs?

What we count as available resources differs between the two poverty measures.

The official measure uses cash income, such as wages and salaries, Social Security benefits, interest, dividends, pension or other retirement income.



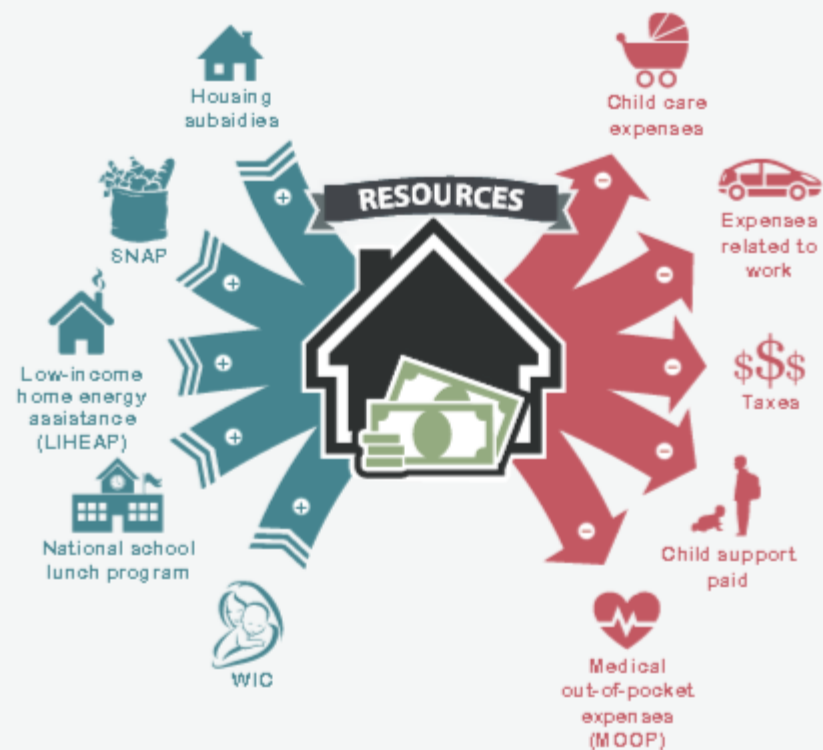
The SPM starts with cash income, then...

ADDING BENEFITS

The SPM adds benefits from the government that are not cash but help families meet their basic needs.

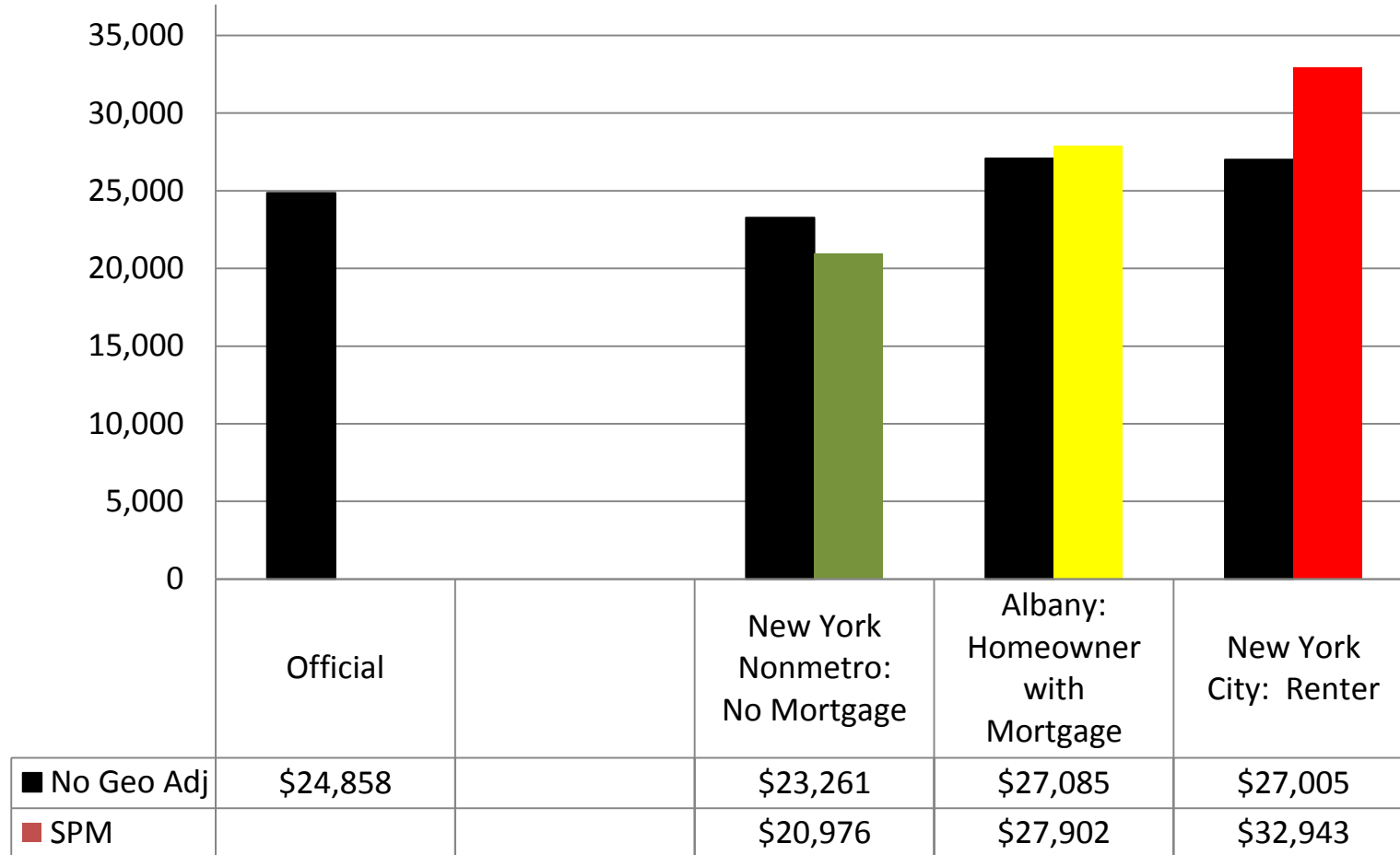
SUBTRACTING EXPENSES

The SPM subtracts necessary expenses like taxes, health care, commuting costs for all workers, and child care expenses while parents work.



Official and Research SPM Thresholds for Two Adult, Two Child Units with Geographic Adjustments: 2017

Supplemental Poverty Thresholds



<https://www2.census.gov/programs-surveys/demo/tables/p60/265/pov-threshold-2017.xlsx>

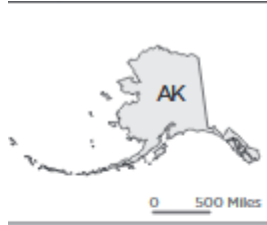
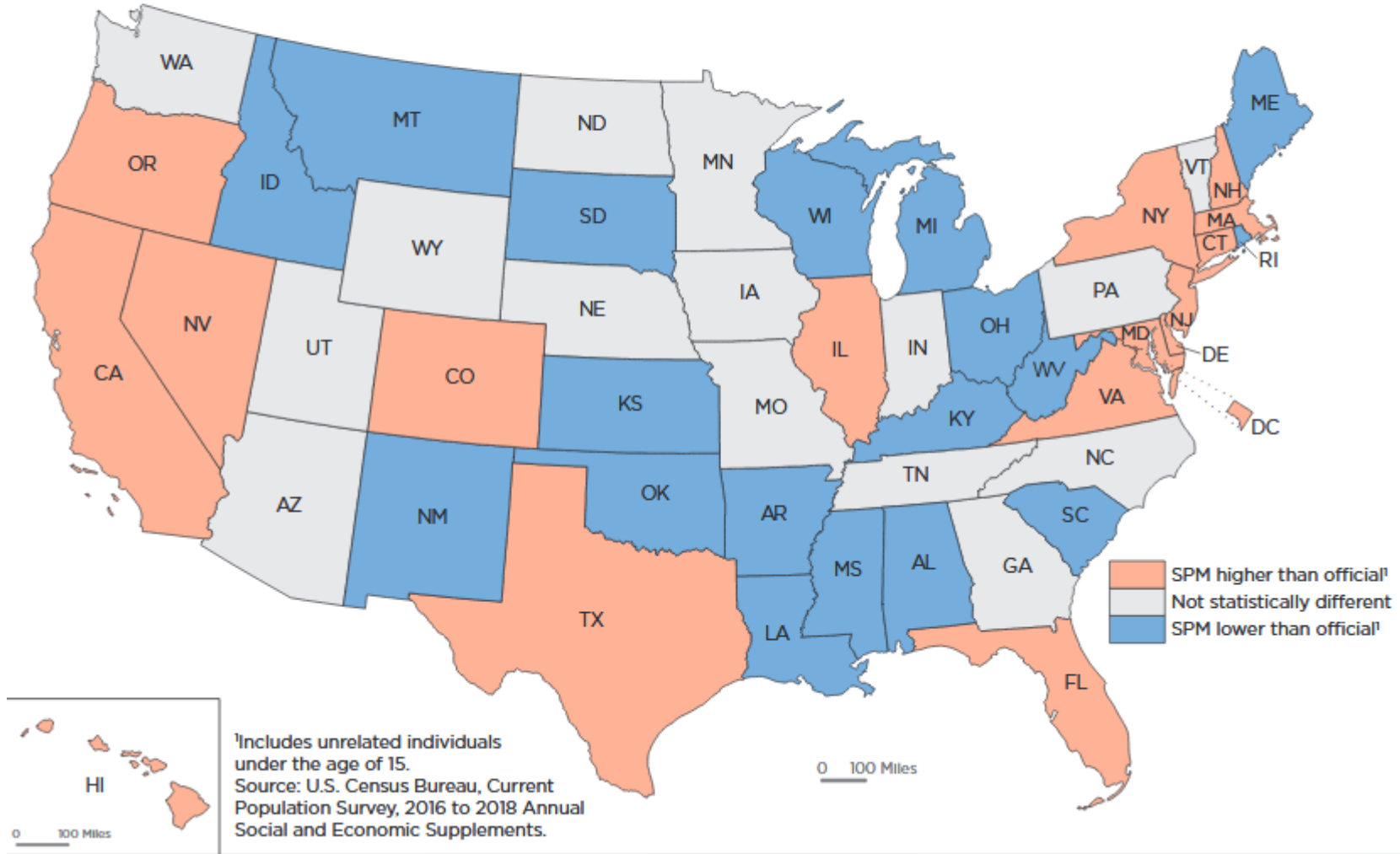


Figure 7.
**Difference in Poverty Rates by State Using the Official Measure
 and the SPM: 3-Year Average 2015 to 2017**



For more information on the SPM

Supplemental Poverty Measure

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An Interagency Technical Working Group on Developing a Supplemental Poverty Measure was formed in 2009 and charged with developing a set of initial starting points to permit the U.S. Census Bureau, in cooperation with the Bureau of Labor Statistics...

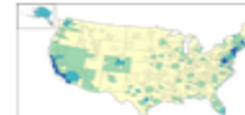
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Supplemental Poverty Measure



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The Supplemental Poverty Measure: 2016

September 21, 2017

This report describes research on the Supplemental Poverty Measure (SPM).



The Supplemental Poverty Measure: 2015

September 13, 2016

This is the sixth report describing research on the Supplemental Poverty Measure (SPM).



The Supplemental Poverty Measure: 2014

September 16, 2015

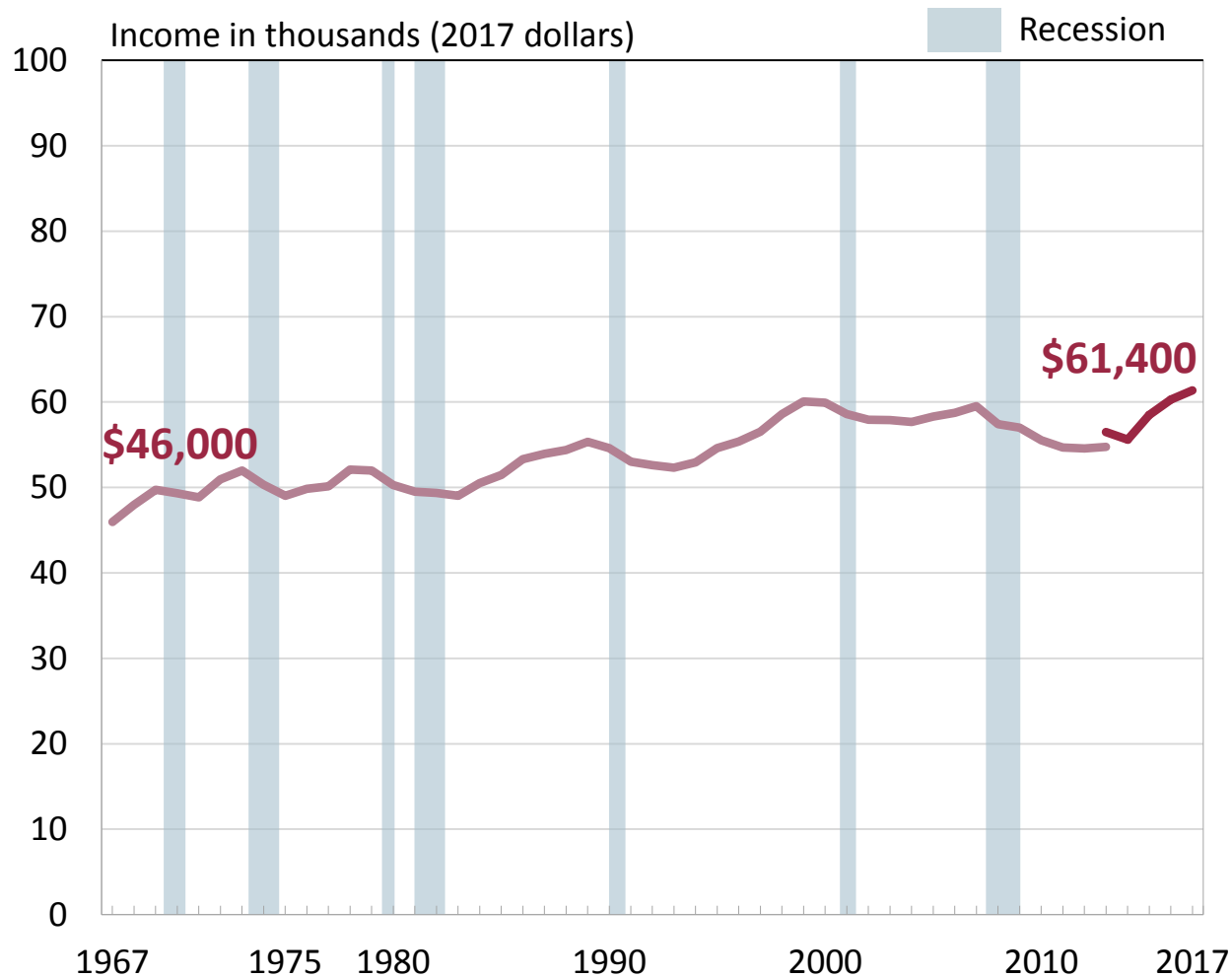
This is the fifth report describing research on the Supplemental Poverty Measure (SPM).

Contact Information

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 - 301-763-5133
 - Census.gov

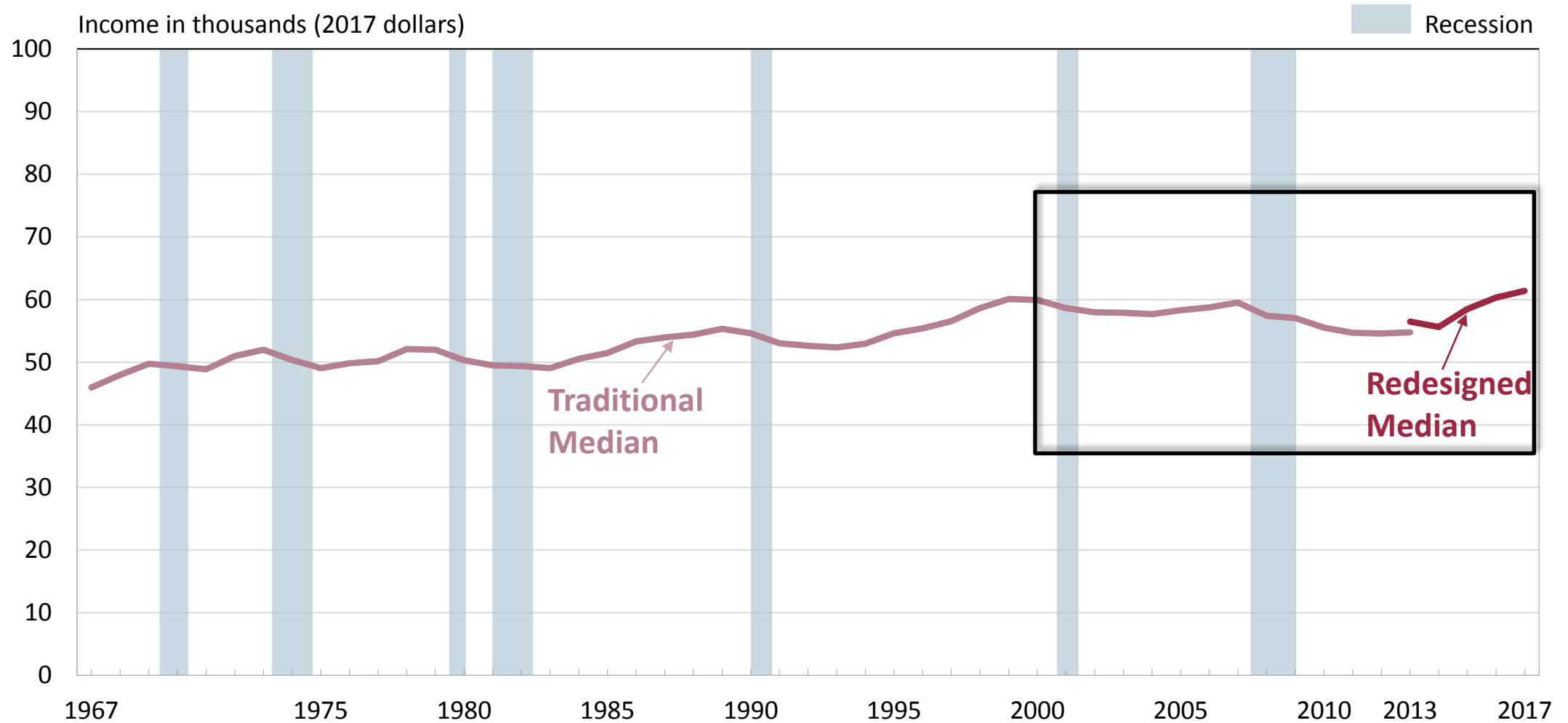
WAS MEDIAN HOUSEHOLD INCOME IN 2017 THE HIGHEST EVER?

Real Median Household Income: 1967 to 2017

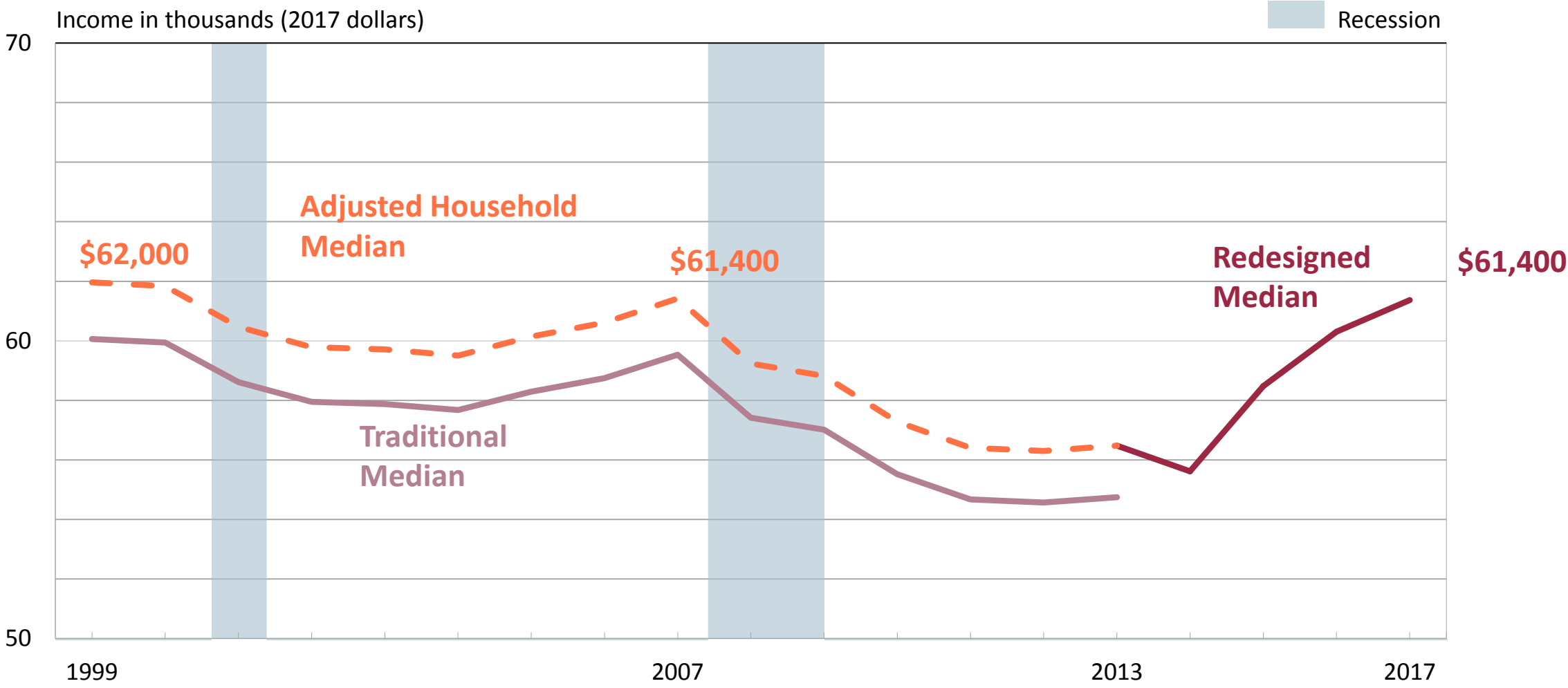


Median household income was \$61,400 in 2017, an increase in real terms of 1.8 percent from the 2016 median of \$60,300. This is the third consecutive annual increase in median household income.

Real Median Household Income: 1967 to 2017

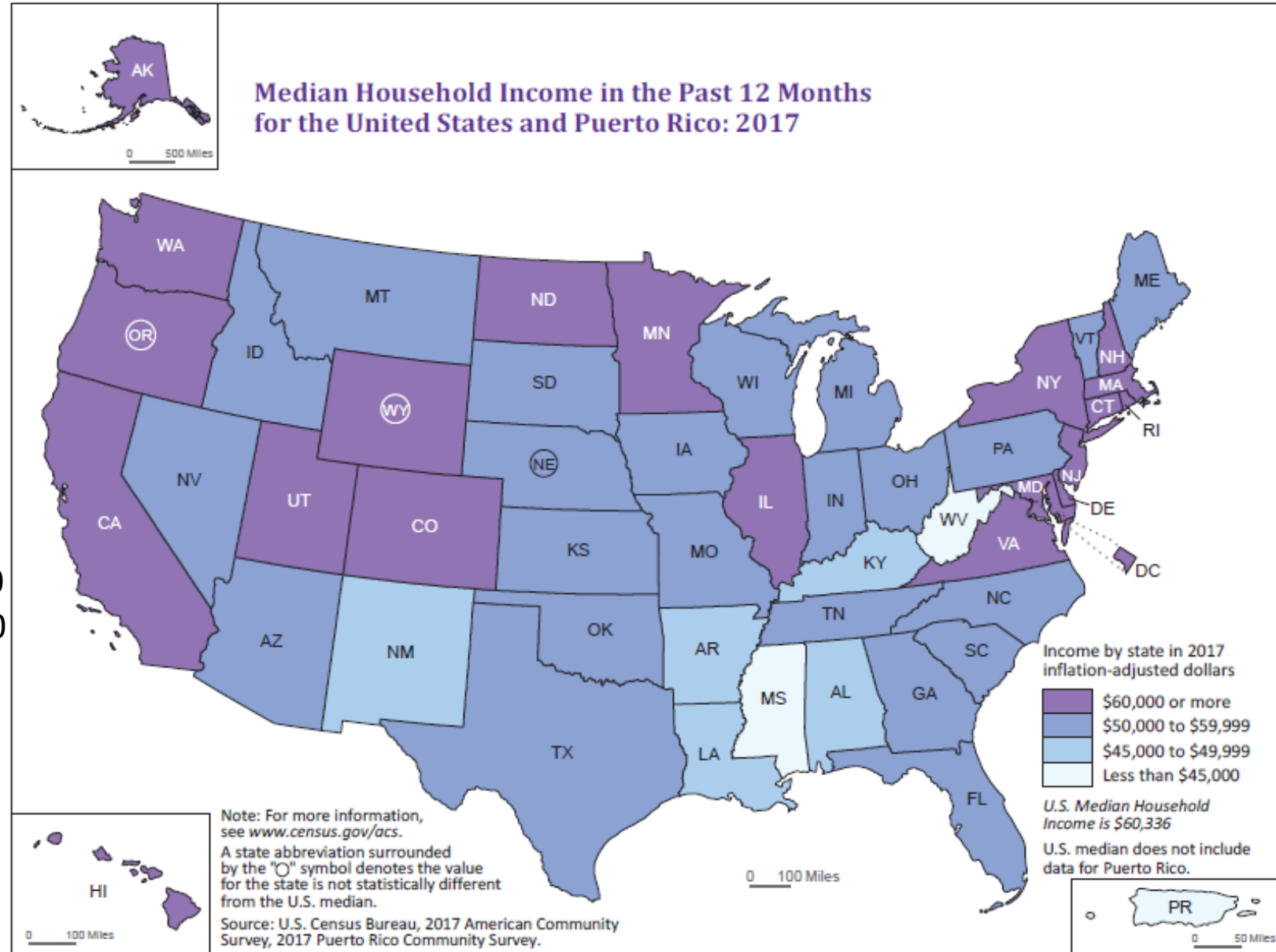


Redesigned Household Income Comparison: 1999 to 2017



2017 American Community Survey

- National median household income from the ACS was highest since full implementation of the ACS in 2005. Fifth consecutive increase.
- Median household income up in 24 states and District of Columbia; only Alaska and Puerto Rico saw declines.
- Median income ranged from about \$80,000 in DC, Maryland and New Jersey to \$43,500 in West Virginia.



- Gini index from the 2017 ACS = 0.482.
- Ranged from 0.528 for the District of Columbia to 0.423 for Utah.
- Increased (implying greater inequality) for Alaska, Delaware, Massachusetts and Pennsylvania.
- Decreased for Alabama and California.

