

# **Examining the Effect of the Supplemental Poverty Measurement Resource Unit:\* Using the American Community Survey**

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# **Interagency Technical Working Group on Developing a Supplemental Poverty Measure (SPM)**

- In 2009, the Office of Management and Budget formed an Interagency Technical Working Group (ITWG) on Developing a Supplemental Poverty Measure. The group issued suggestions for the new measure in March 2010.
- The ITWG recommended that the Census Bureau together with the Bureau of Labor Statistics develop a SPM to improve the understanding of the economic well-being of American families.
- The ITWG suggested that the measure use an expanded resource unit that consists of all related individuals who live at the same address, any co-resident unrelated children who are cared for by the family, and cohabiters and their children.
- The SPM will not replace the official poverty measure and will not be used to estimate eligibility for government programs.

# **Current Poverty Measurement Resource Unit and How Poverty Status is Determined**

- For the American Community Survey (ACS), the current poverty measurement resource unit includes all people in family households who are related to the householder and unrelated individuals who are 15 years or older.
  - In the ACS, for those who are related to the householder, poverty status is determined using the combined total family income.
  - Individual income is used for those unrelated to the householder.
- The poverty resource unit also includes all people 15 years or older in non-family households and some people 15 years or older in non-institutional group quarters.
  - For these individuals their individual income is used to determine their poverty status.
  - People residing in college dormitories and military barracks are excluded from the poverty universe.

# Definitions of Family and Household Relationships

- A family is a group of two or more people who are related by birth, marriage, or adoption and residing together.
- Family household is a household maintained by a householder who is in a family (see above), and may also include unrelated people or unrelated subfamily ( see below) who may be residing there.
- Nonfamily household is a household which consists of a householder living alone (a one-person household) or where the householder shares the home exclusively with people to whom he/she is not related.
- Unrelated subfamily, (identified as poverty measurement resource unit in the Current Population Survey, but NOT in ACS) is a family composed of a married couple with or without children, or a single parent with one or more own never-married children under 18 years old living in a household. Members of the unrelated subfamily are not related to the householder.

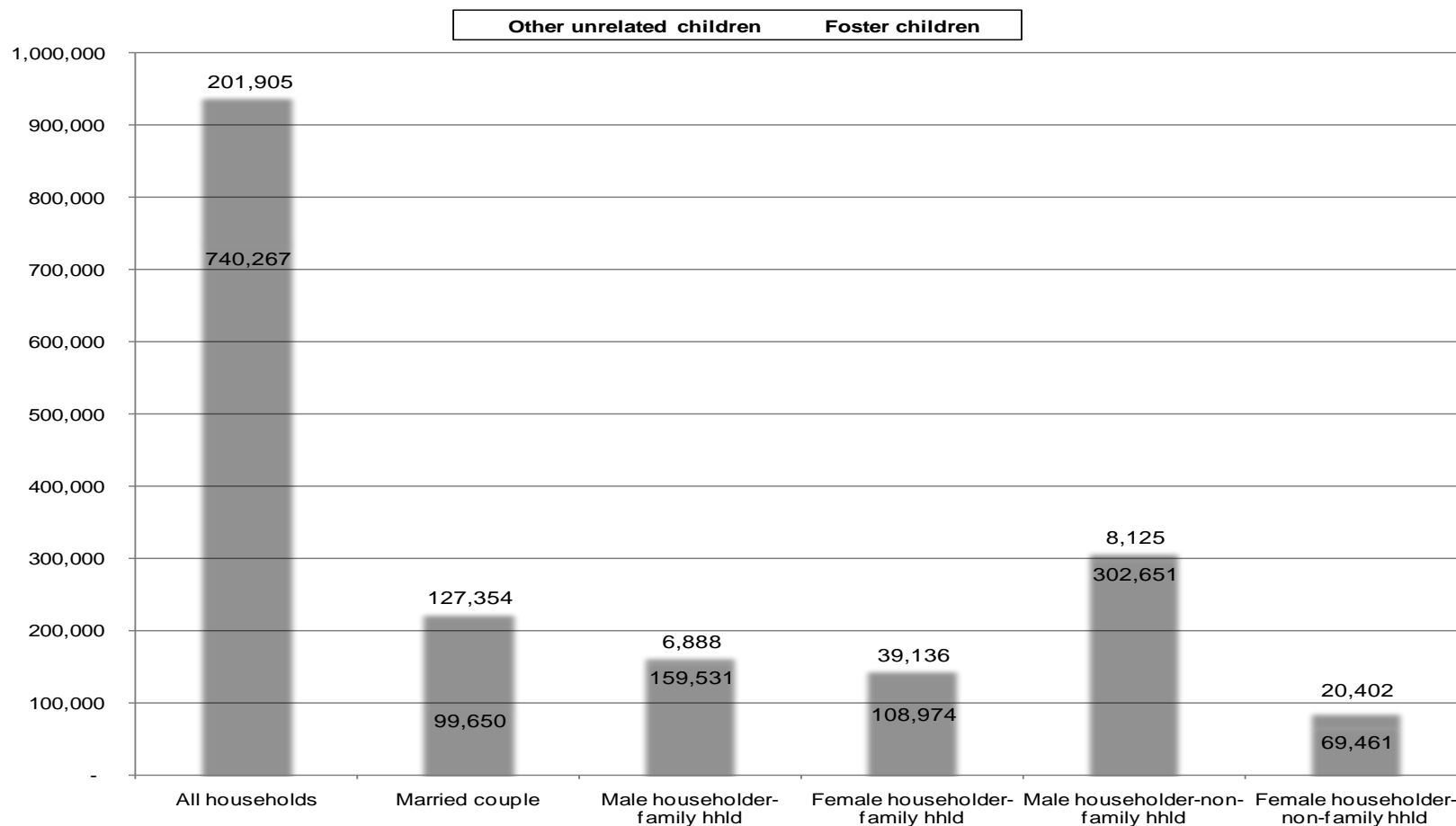
# Definitions of Family and Household Relationships (Cont'd)

- Unrelated individual is defined as a person who is a householder living alone or living with nonrelatives only; or a household member who is not related to the householder, or a person living in non institutional group quarters.
- Unmarried partner (UMP) is a person who is 15 years of age or over, not related (by birth, marriage, or adoption ) to the householder, who shares living quarters with, and identified as UMP. In the official poverty measurement resource unit, UMP are treated as unrelated individuals.

# **Exclusions and Limitations of the Current Poverty Measurement Resource Unit**

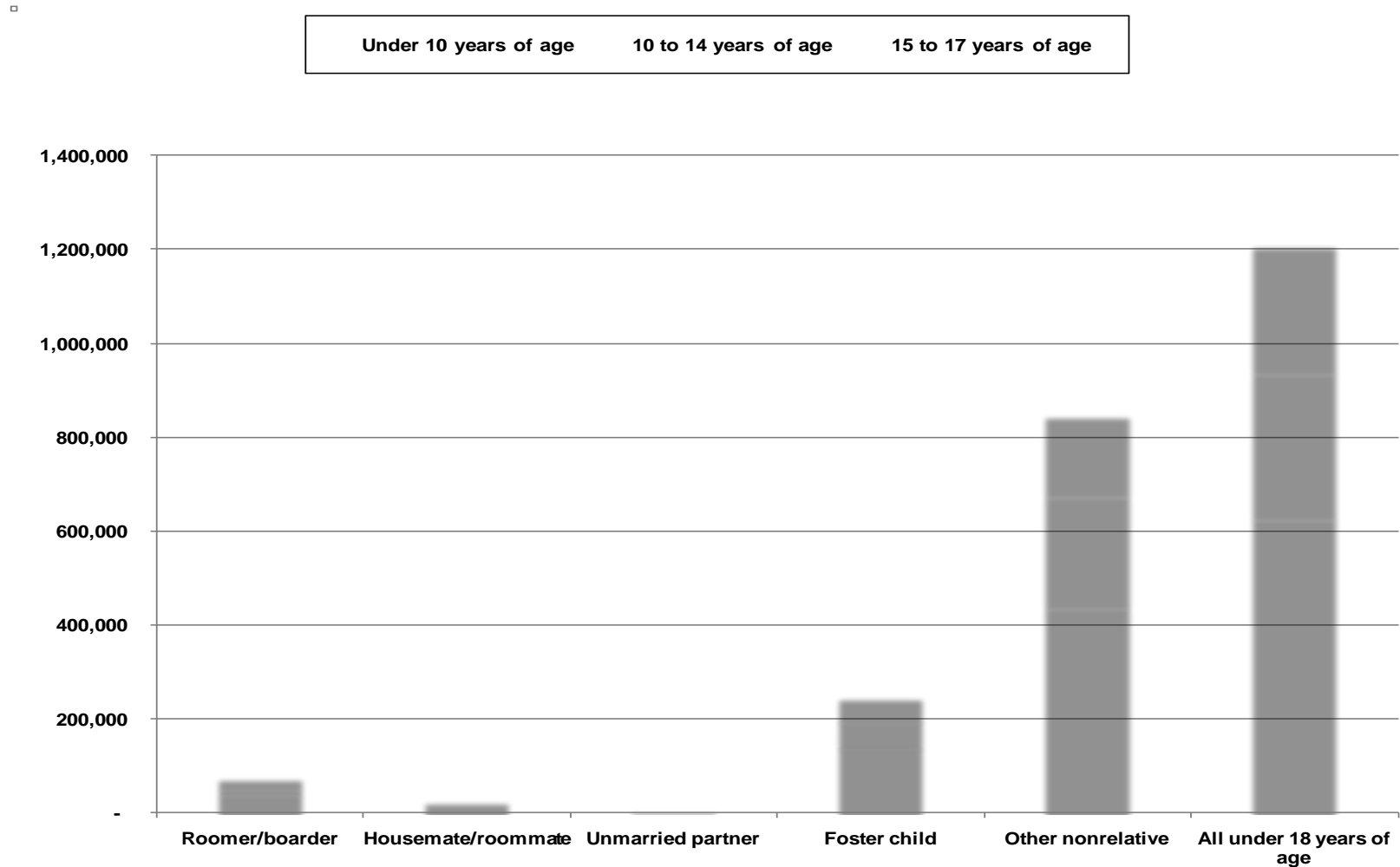
- Excludes a significant number of unrelated children under 15 years of age (including foster children).
  - The 2009 ACS estimated that the current poverty universe excluded about 942,000 children under 15 years of age who reside in households, of which about 202,000 were foster children.
- Unmarried partners are treated as unrelated individuals and personal income is used to determine their poverty status.
  - According to the 2009 ACS, about 6.5 million households or 5.7 percent of the total households had unmarried partners residing in the household.
- Even though they may be dependent on the householder, poverty status for unrelated children between 15 to 17 years of age is determined based on personal income.

# Unrelated Children Under 15 Years of Age Excluded from the Poverty Universe by Household Type



Source: 2009 American Community Survey.

# Distribution of Unrelated Children by Age and Type of Relationship to Householder



Source: 2009 American Community Survey.

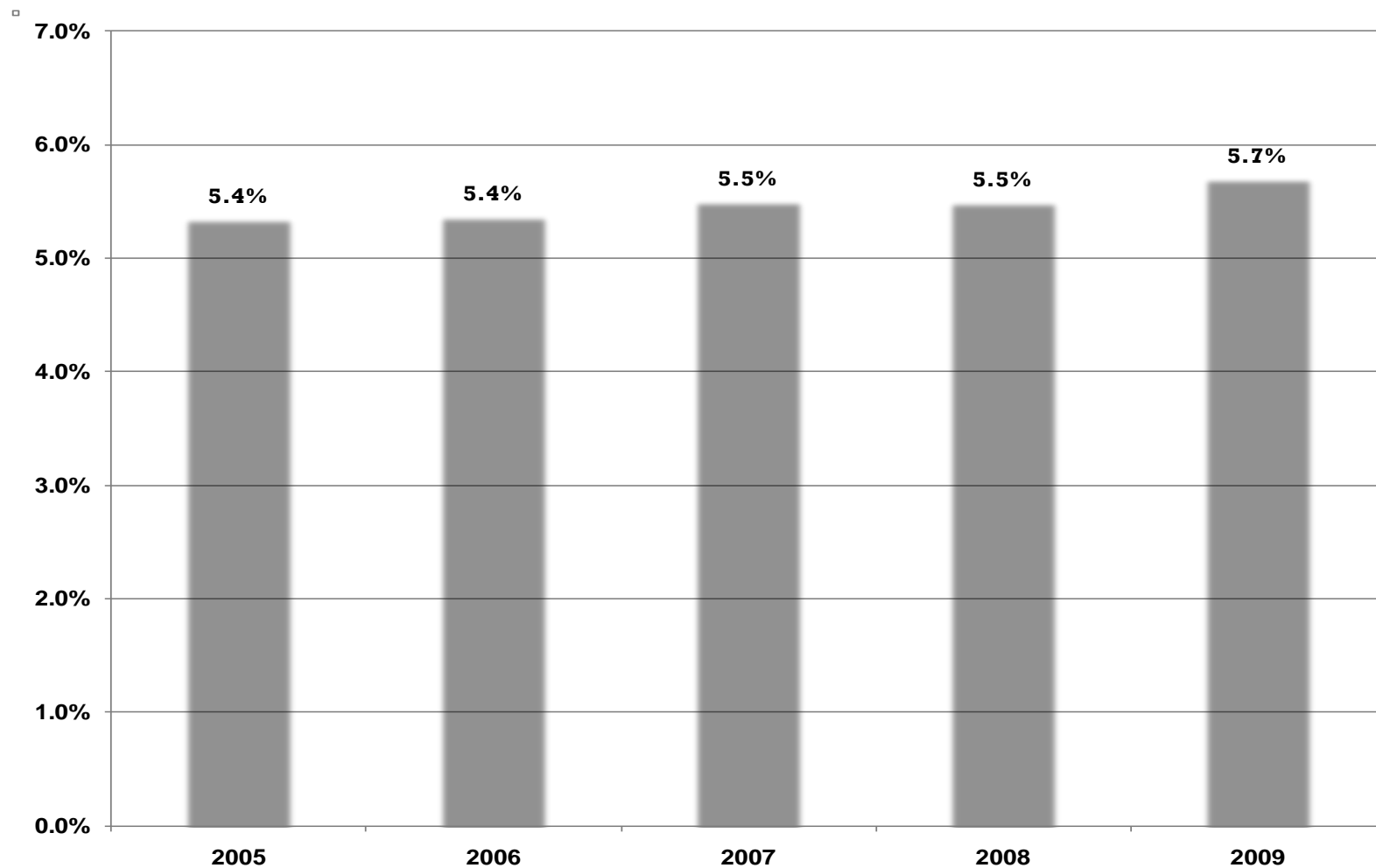


# Distribution of Households and Households with Unmarried Partners by Household Type

Type of households	Total number of households	Percentage of households	Number of households with unmarried partners	Percentage of households with unmarried partners
Married couple	55,811,477	49.1	-	
Male householder, NWP	5,247,957	4.6	1,274,615	24.3
Female householder, NHP	14,471,312	12.7	1,542,907	10.7
<b>All family households</b>	<b>75,530,746</b>	<b>66.5</b>	<b>2,817,522</b>	<b>3.7</b>
Male householder living alone	13,801,522	12.1	-	0.0
Male householder not living alone	3,893,154	3.4	2,059,085	52.9
Female householder living alone	17,416,178	15.3	-	0.0
Female householder not living alone	2,974,629	2.6	1,625,514	54.6
<b>All non-family households</b>	<b>38,085,483</b>	<b>33.5</b>	<b>3,684,599</b>	<b>9.7</b>
<b>All households</b>	<b>113,616,229</b>	<b>100.0</b>	<b>6,502,121</b>	<b>5.7</b>

Source: 2009 American Community Survey.

# Percentage of Households with Unmarried Partners: 2005-2009



Source: 2009 American Community Survey.

# DATA

## American Community Survey

- Conducted by the U. S. Census Bureau since 2000, with initial sample size of about 3 million addresses per year.
- Collects data on various housing and population characteristics of the nation.
- Serves as a source of poverty estimates for states and lower levels of geography
- Provides household relationship data only with respect to the head of household – unrelated subfamilies and unmarried partners of adults who are not householders cannot be identified
- For more on ACS data quality see section on methodology at [http://www.census.gov/acs/www/methodology/methodology\\_main/](http://www.census.gov/acs/www/methodology/methodology_main/)

# Methodology

- Identify presence of unmarried partners of householders, unrelated children and foster children in all households, using the responses to the relationship question and create a new resource unit for households with unmarried partners, unrelated children and/or foster children.
- Add income of unmarried partners to the income of the traditional family unit or nonfamily household to create new “SPM resource unit income”.
- Compute the size of new SPM resource unit and assign it appropriate poverty threshold.\*
- Determine poverty status of the new SPM resource unit using the new threshold and the SPM resource unit income.

\*Note: The ITWG also suggested changes to both the resource measure and the threshold for the SPM. This analysis uses the official poverty thresholds and pre-tax cash that does not incorporate these suggestions

# **\*Supplemental Poverty Measurement Resource Units**

**Represents a new poverty measurement resource unit that combines unmarried partners with householder, and all foster children under 18 years and all other unrelated children under 15 years with the household they reside.**

**This definition differs from the SPM Resource Unit used with the Current Population Survey Annual Social and Economic Supplement (CPS ASEC). For further information see the working paper on “Unit of Analysis of Poverty Measurement: A Comparison of the Supplemental Poverty Measure and the Official Poverty Measure” by Ashley Provencher.**

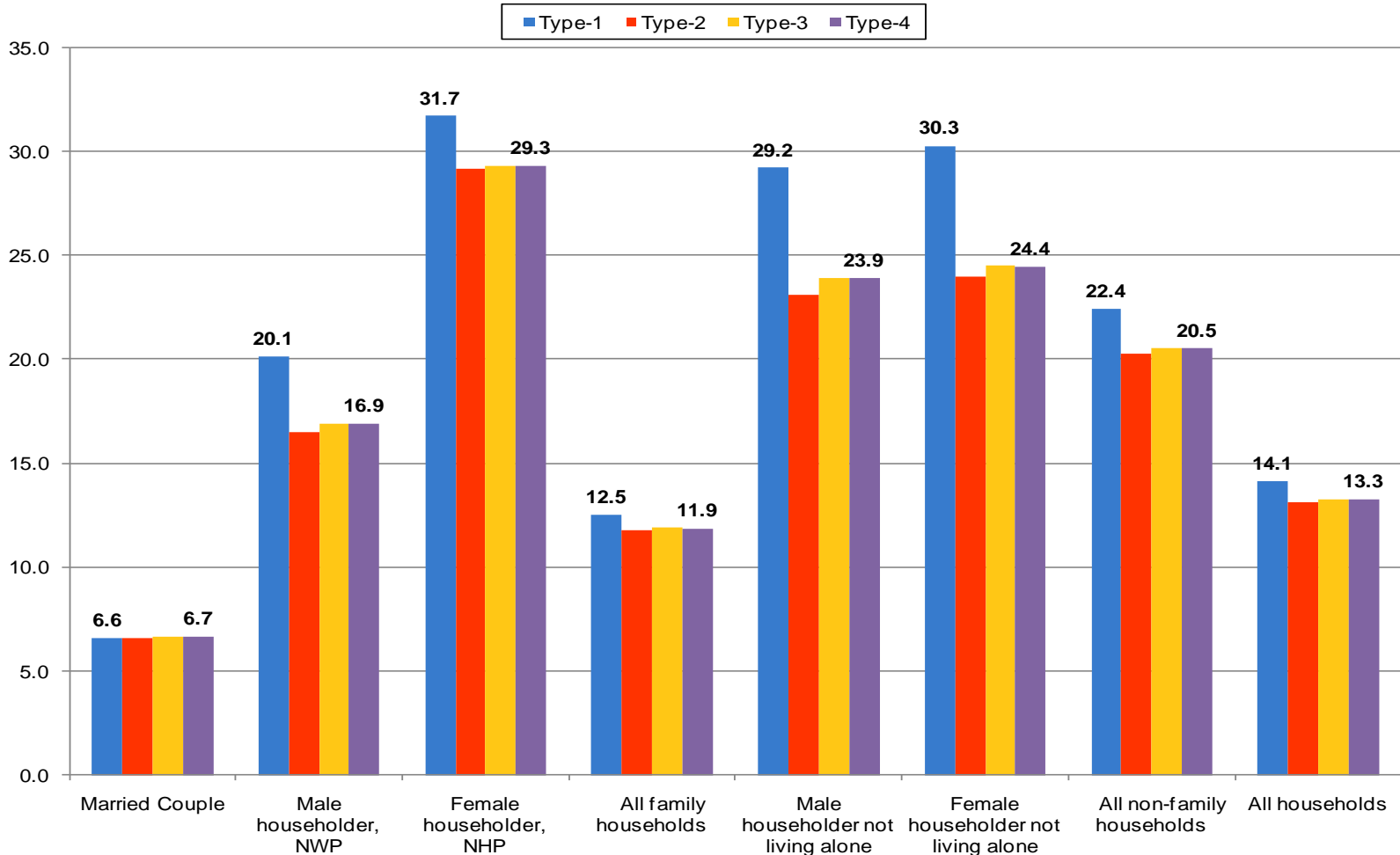
# Comparison of Effect of Change in SPM Resource Unit

Percentage of People in Poverty by SPM Resource Unit and by Household Type: 2009					
Type of households	Total number people in households	TYPE-1 (2009 ACS poverty rate)	TYPE-2 (Only unmarried partner combined)	TYPE-3 (TYPE-2 plus all unrelated children under 15 years)	TYPE-4 (TYPE-3 plus foster children ages 15 to 17 years)
Married couple	182,580,000	6.6	6.6	6.7	6.7
Male householder, NWP	17,841,540	20.1	16.5	16.9	16.9
Female householder, NHP	49,356,564	31.7	29.1	29.3	29.3
<b>All family households</b>	<b>249,778,104</b>	<b>12.5</b>	<b>11.8</b>	<b>11.9</b>	<b>11.9</b>
Male householder living alone	13,801,522	16.7	16.7	16.7	16.7
Male householder not living alone	9,627,720	29.2	23.1	23.9	23.9
Female householder living alone	17,416,178	20.0	20.0	20.0	20.0
Female householder not living alone	7,163,742	30.3	23.9	24.5	24.4
<b>All non-family households</b>	<b>48,009,162</b>	<b>22.4</b>	<b>20.2</b>	<b>20.5</b>	<b>20.5</b>
<b>All households</b>	<b>297,787,266</b>	<b>14.1</b>	<b>13.1</b>	<b>13.3</b>	<b>13.3</b>

Source: 2009 American Community Survey.

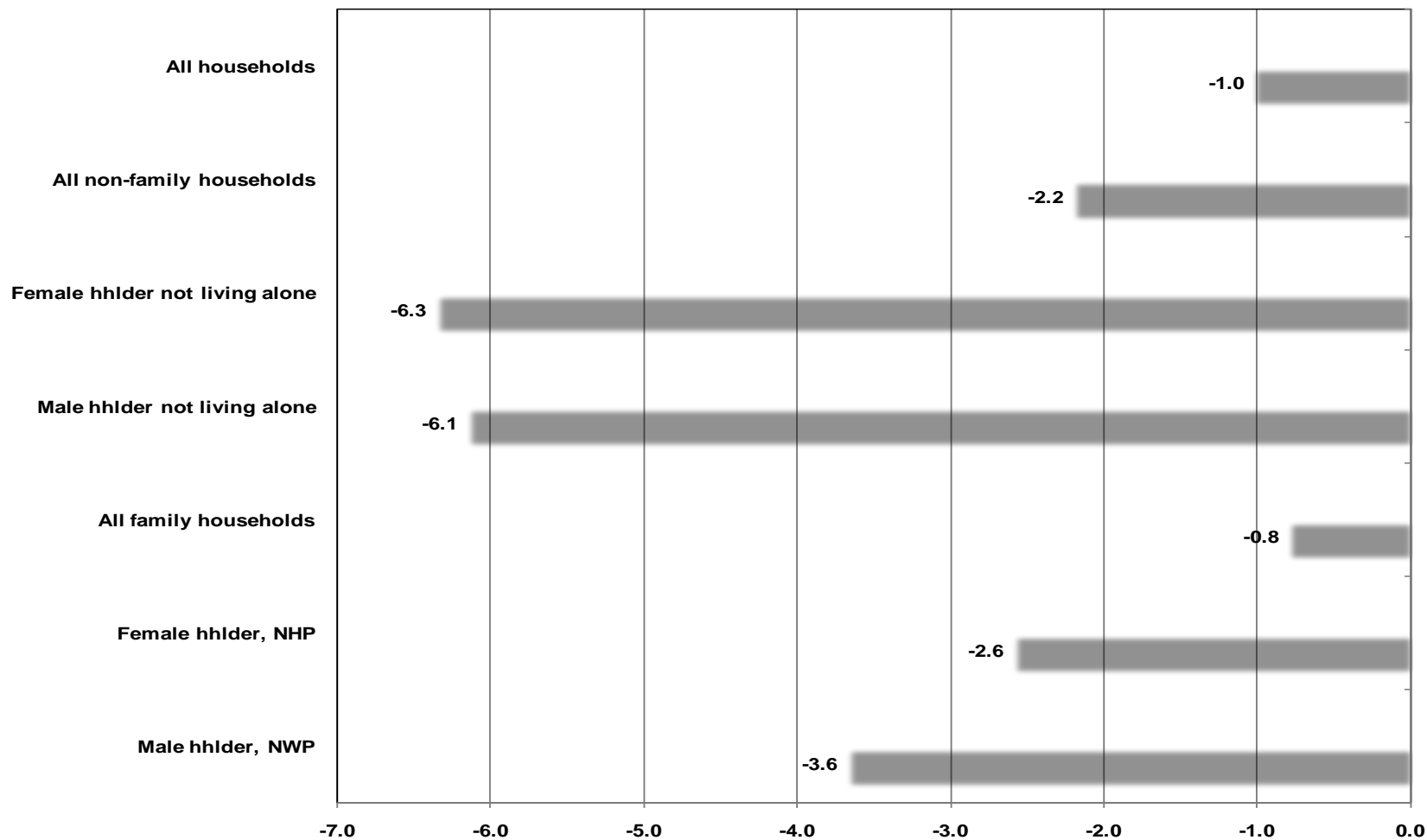
# Comparison of Effect of Change in SPM Resource Unit

Percentage of People in Poverty by SPM Resource Unit and by Household Type: 2009



Source: 2009 American Community Survey.

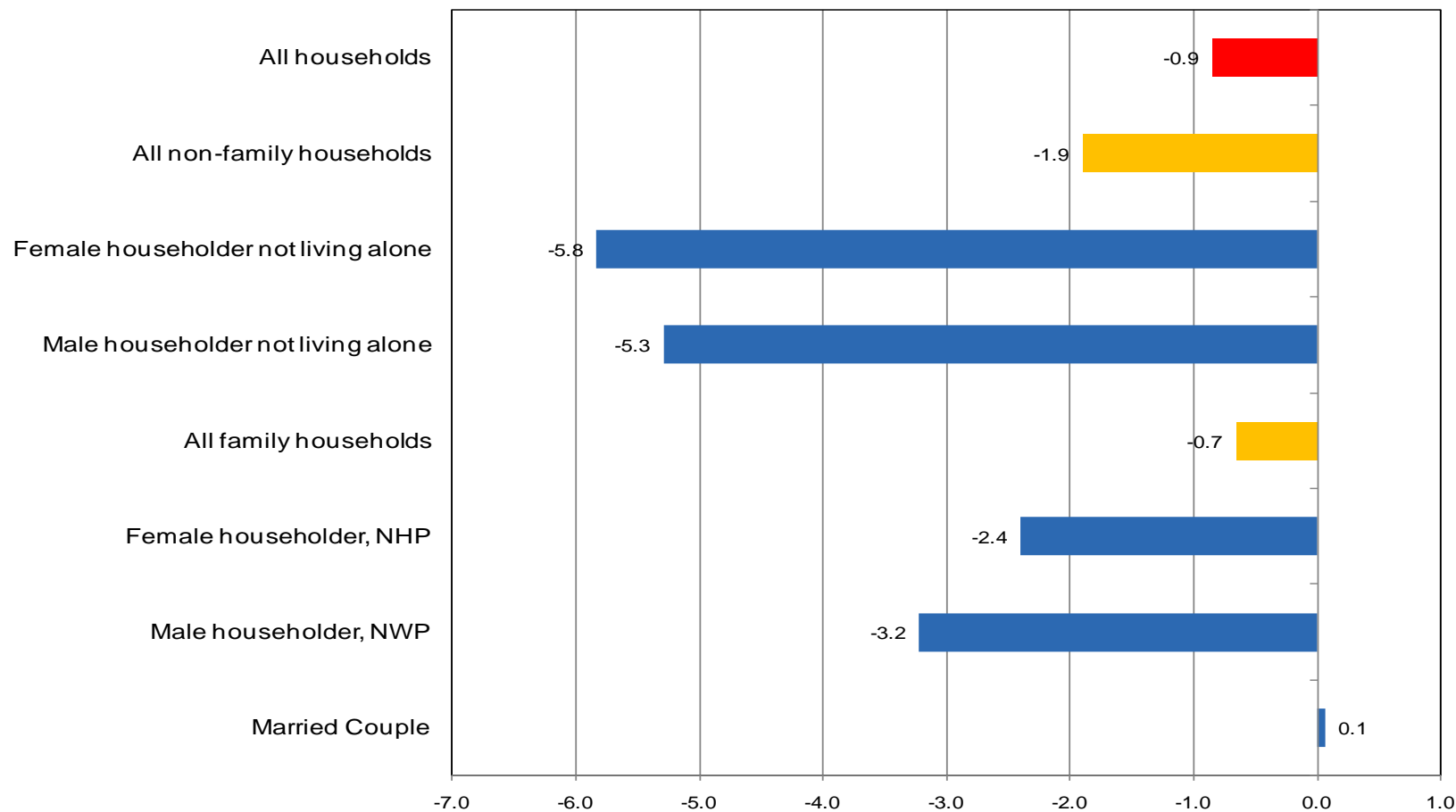
# Effect on the Poverty Rate of Including Unmarried Partners of Householders in the Resource Unit by Household Type



Source: 2009 American Community Survey.



# Effect on the Poverty Rate of Including Unmarried Partners of Householder and Unrelated Children\* in the SPM Resource Unit by Household Type



\* Children are defined as all unrelated children under age 15, plus foster children 15 to 17 years of age.

Source: 2009 American Community Survey.

# Further Information

- **How the Census Bureau Measures Poverty**  
<http://www.census.gov/hhes/www/poverty/about/overview/measure.html>
- **Unit of Analysis for Poverty Measurement**  
[http://www.census.gov/hhes/povmeas/methodology/supplemental/research/SPM\\_UnitofAnalysis\\_Provencher.pdf](http://www.census.gov/hhes/povmeas/methodology/supplemental/research/SPM_UnitofAnalysis_Provencher.pdf)
- **Observations from the Interagency Technical Working Group on Developing a Supplemental Poverty Measure**  
[http://www.census.gov/hhes/www/poverty/SPM\\_TWGObservations.pdf](http://www.census.gov/hhes/www/poverty/SPM_TWGObservations.pdf)
- **American Community Survey**  
<http://www.census.gov/acs/www/>

# Contact Information

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