

Session: A New Supplemental Poverty Measure for the U.S.

Chair: James Ziliak (University of Kentucky)

Discussants: David Betson (University of Notre Dame) and Mark Levitan (City of New York)

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Who is Poor? A New Look with the Supplemental Poverty Measure

by

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<http://www.census.gov/hhes/povmeas/methodology/supplemental/research.html>

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The views expressed in this research, including those related to statistical, methodological, technical, or operational issues, are solely those of the authors and do not necessarily reflect the official positions or policies of the Census Bureau, or the views of other staff members. The authors accept responsibility for all errors. This paper is released to inform interested parties of ongoing research and to encourage discussion of work in progress. This paper reports the results of research and analysis undertaken by Census Bureau staff. It has undergone more limited review than official publications.

Supplemental Poverty Measure Research: 2009

Introduction

In the fall of 2009 the Office of Management and Budget's Chief Statistician formed an Interagency Technical Working Group (ITWG) on Developing a Supplemental Poverty Measure. That group included representatives from the U.S. Census Bureau, Bureau of Labor Statistics, Economics and Statistics Administration, Council of Economic Advisers, U.S. Department of Health and Human Services, and Office of Management and Budget. They issued a series of suggestions to the Census Bureau and BLS on how to begin development of a new Supplemental Poverty Measure (see Observations from the Interagency Technical Working Group on Developing a Supplemental Poverty Measure, 2010). Their suggestions drew on the recommendations of a 1995 National Academy of Sciences report and the extensive research on poverty measurement conducted over the past 15 years, at the Census Bureau, BLS, and elsewhere. The new thresholds are not intended to assess eligibility for government programs and will not replace the official poverty thresholds. If the President's budget initiative is approved, the Census Bureau will publish the first set of poverty estimates using the new approach in September 2011.

Based on practices from the 1960s, the current official poverty statistics compare before-tax cash income of families to poverty thresholds developed by Mollie Orshansky and intended to approximate the cost of basic necessities at that time. These thresholds have been updated for changes in prices since that time. Poverty rates published each year by the Census Bureau (DeNavas et al., 2010) represent the proportion of individuals whose family incomes are below these official poverty thresholds.

In 1995 the National Academy of Sciences (NAS) Panel on Poverty and Family Assistance released a report (Citro and Michael, 1995) that evaluated the current method of poverty measurement in the United States and recommended change. The NAS panel recommended changing the definition of both the poverty thresholds and the family resources that are compared with those thresholds to determine poverty status. One of the goals of the NAS panel was to produce a measure of poverty that explicitly accounted for government spending aimed at alleviating the hardship of low-income families. Thus, taking account of tax and transfer policies, such as the food stamp program and the earned income tax credit (EITC), the measure can show the effects of these policies on various targeted subgroups, for example, families with children. The current official measure, which does not explicitly take account of these benefits, yields poverty statistics that are unchanged regardless of many of these policy changes.

In 1999 and in 2001, the Census Bureau released reports that presented a set of experimental poverty measures based on recommendations of the 1995 NAS panel report (Short et al. 1999, Short, 2001). Some additional variations on that measure were included in order to shed light and generate discussion on the various dimensions included in the proposed revision. The reports also examined the effects of each part of the recommendations, plus other reasonable alternatives. Comparisons were also made across various demographic subgroups in order to illustrate how their poverty rates were affected by the different measures. That work suggested that with these new measures a somewhat different population would be identified as poor than is typically

described by the official poverty measure. This new group of poor would consist of a larger proportion of elderly people, working families, and married-couple families than are identified by the official poverty measure. These measures have been updated regularly and are available at <http://www.census.gov/hhes/www/povmeas/tables.html>.

The 2010 Interagency Technical Working Group was charged with developing a set of initial starting points to permit the U.S. Census Bureau, in cooperation with the Bureau of Labor Statistics (BLS), to produce a Supplemental Poverty Measure (SPM). Their suggestions include:

Poverty Thresholds The ITWG suggested that the poverty thresholds should represent a dollar amount for a basic set of goods that includes food, clothing, shelter and utilities (FCSU), and a small additional amount to allow for other needs (e.g., household supplies, personal care, non-work-related transportation). This threshold should be developed by the Bureau of Labor Statistics with expenditure data for families with exactly two children using Consumer Expenditure Survey data, and it should be adjusted (using a specified equivalence scale) to reflect the needs of different family types and geographic differences in housing costs. Adjustments to thresholds should be made over time to reflect real growth in expenditures on this basic bundle of goods at the 33rd percentile of the expenditure distribution.

Family Resources The ITWG suggested that family resources should be defined as the value of money income from all sources, plus the value of near-money benefits that are available to buy the basic bundle of goods, FCSU, minus necessary expenses for critical goods and services not included in the thresholds. Near-money benefits include nutritional assistance, subsidized housing, and home energy assistance. Necessary expenses that must be subtracted include income taxes, Social Security payroll taxes, childcare and other work-related expenses, child support payments to another household, and contributions toward the cost of medical care and health insurance premiums, or medical out-of-pocket costs (MOOP).

The measure presented in this study moves the calculations of an alternative measure from those presented in the two Census Bureau reports toward that described by the ITWG. This measure uses CPS 2010 ASEC income information for calendar year 2009, adds the value of non-cash benefits and subtracts necessary expenses, such as taxes, child care expenses, and medical out-of-pocket expenses. The CPS 2010 ASEC included direct questions to respondents about most of these important expenditures. Those data are used in the estimates presented here. Documentation on the quality of these data is available at <http://www.census.gov/hhes/povmeas/methodology/supplemental/research.html>. Since this is a preliminary effort to produce the SPM, the measure presented here will be referred to as the *research SPM*.

There are a series of research issues remaining to be investigated regarding the *research SPM*. Many of these issues are discussed below in more detail. Notable among these have to do with the SPM thresholds (Garner, 2011). The SPM thresholds used here are for calendar year 2008. They include imputations for many noncash benefits. These imputed values are being reviewed currently at BLS and improvements are being incorporated. Additional changes to the geographic adjustments are being examined (Renwick, 2011) as are further adjustments to the measurement of MOOP (Caswell and O'Hara, 2011). Measurement of commuting costs and work expenses is an area that the ITWG specifically singled out for improvement (Rapino et al. 2011). Refinements to

the construction of new units of analysis for the SPM measure (Provencher, 2010) and the development of appropriate unit weights are being considered. The *research SPM* presented below is to be considered as a work in progress. Nevertheless, much of the broad discussion below of the general properties of this measure are important and robust across previous estimates of experimental poverty measures (Short, 1999, 2000, and 2001).

The percent of the population that was poor using the official poverty measure for 2009 was 14.3 percent. Including unrelated individuals under 15 in the universe here raises the rate to 14.5 percent. The *research SPM* calculates the percent of people with resources below the SPM thresholds to be 15.7 percent for 2009. While poverty thresholds are slightly higher using the SPM methods, other parts of the measure also contribute to an increase in estimated poverty prevalence. To understand these changes, we examine the construction of the SPM in more detail.¹

The *research* Supplemental Poverty Measure

The measure presented in this paper draws upon the considerable research and discussion that followed publication of the 1995 NAS report, as well as the NAS report itself. A series of papers (available at <http://www.census.gov/hhes/www/povmeas/nas.html>) have discussed other methods for computing the various dimensions of the poverty measure, including changing the unit of analysis, determining the value of housing subsidies that is added to income as a non-cash transfer, modeling of medical out-of-pocket and child care spending, and the development of adjustments for geographic cost-of-living differences in the threshold and a different method for the valuation of housing subsidies. These elements, and others that make up the poverty measure, are addressed individually in this section.

Poverty Thresholds

The SPM threshold used in this study is a 2008 threshold. While an appropriate measure would use a 2009 threshold, the estimates presented here are intended to illustrate aspects of the SPM that approximate those with a contemporaneously calculated threshold. The 2008 threshold used here is based on out-of-pocket spending on food, clothing, shelter, and utilities (FCSU) and a multiplier of 1.2 to account for additional basic needs. Five years of Consumer Expenditure Survey (CE) data are used to produce thresholds for 2008. The estimation sample to determine the 33rd percentile of FCSU expenditures is composed of all consumer units that include exactly two children, related to the family or not. Unmarried partners and those who share expenses with others in the consumer unit are also included. FCSU expenditures are converted to adult equivalent values before the 33rd percentile, based on the average of expenditures in the 30th to the 36th percentile range, is estimated (Garner, 2010). A three-parameter equivalence scale (See: Betson 1996, Johnson et al. 1995, Short et al., 1999, Short 2001) is applied to the 33rd percentile value, times 1.2, to produce an overall FCSU threshold for a unit composed of two adults and two children.

¹ The data in this report are from the Annual Social and Economic Supplement (ASEC) to the 2010 Current Population Survey (CPS). The estimates in this paper (which may be shown in text, figures, and tables) are based on responses from a sample of the population and may differ from actual values because of sampling variability or other factors. As a result, apparent differences between the estimates for two or more groups may not be statistically significant. All comparative statements have undergone statistical testing and are significant at the 90 percent confidence level unless otherwise noted. Standard errors were calculated using replicate weights. Further information about the source and accuracy of the estimates is available at <www.census.gov/hhes/www/p60_236sa.pdf>.

Two Adult, Two Child Poverty Thresholds: 2008

Official	\$21,834
Research Supplemental Poverty Measure	
Not accounting for housing status	\$24,869
Owners with a mortgage	\$25,522
Owners without a mortgage	\$20,426
Renters	\$24,880

Source: Garner (November, 2010).

To account for differences in housing costs, a base threshold for all consumer units with two children was calculated, and then the overall shelter and utilities portion was replaced by what consumer units with different housing statuses spend on shelter and utilities. Three housing status groups were determined and their expenditures on shelter and utilities produced within the 30-36th percentiles of FCSU expenditures. The three groups are: owners with mortgages, owners without mortgages, and renters. New questions in the 2010 ASEC are used to ascertain the presence of a mortgage (Semega and Sarkar, 2010.). These data and housing tenure information are used to assign appropriate thresholds to each household.

For consistency in measurement with the resource measure, the thresholds include the value of non cash benefits. The Census Bureau has a long history and experience in collecting and imputing in-kind benefits to add to income (U.S. Bureau of the Census, 1982). However, this is not the case for the BLS and the Consumer Expenditure Survey. Previous NAS-based thresholds only included the value of food stamps as they are implicitly collected in food expenditures. The value of other in-kind programs of interest to the Interagency Technical Working Group, like school lunch, WIC, rent subsidies, and energy assistance are not available in the CE. Whether a consumer unit lives in subsidized housing or participates in another government program that results in reduced rent is collected in the CE. Values for all but energy assistance are imputed in the thresholds used in this study.

The 2 adult-2 child threshold for 2008 is \$24,869 with housing status not accounted for. The SPM guidelines call for adjustments to the base threshold, to take account of the fact that owners with and without mortgages and renters have different spending needs. The threshold for owners with a mortgage is \$25,522, owners without a mortgage \$20,426, and for renters \$24,880 (Garner, November, 2010).

The unit of analysis The NAS panel recommended that the definition of “family” should be broadened for the purposes of poverty measurement to include cohabiting couples and their children, and that research should be conducted on the extent of resource sharing among roommates and other household and family members to determine if the unit of analysis should be modified further. The panel noted that while cohabiting couples, roommates, and other household members benefit from economies of scale, the current measure overstates the poverty rate for such people. The panel also noted that cohabiting couples typically pool resources, and many exhibit considerable stability in their living arrangements, so that it makes sense to treat them like married-couple families for purposes of poverty measurement. A subsequent report

pursued the panel's recommendations regarding the family definition used to measure poverty by examining four different units of analysis (see Short et al., 1999).

The ITWG suggested that the "family unit" include all related individuals who live at the same address, any co-resident unrelated children who are cared for by the family (such as foster children), and any cohabitators and their children. Similar units were developed and analyzed showing that a broadening of the unit definition generally resulted in lower poverty rates (Short, 2009). Additional information on these units is documented by Kreider 2010 and Provencher 2010. This definition corresponds broadly with the unit of data collection (the consumer unit) that is employed for the CE data that are used to calculate poverty thresholds. These units are used here and will be used for the proposed SPM. They will be referred to as *SPM Resource Units*.

Table 1 shows the number of units before and after reclassifying people into new units. About 7 percent of units change, including units that added a cohabitor, an unrelated individual under 15, or an unmarried parent of a child in the family. Note that some units change for more than one of these reasons. Further, some of the weighting differs due to forming these units of analysis. For all new family units that have a set of male/female partners, the female person's weight is used as the SPM family weight. For all other new units there is no change.²

Geographic indexes for thresholds

The American Community Survey (ACS) is used to adjust the FCSU thresholds for differences in prices across geographic areas. ACS data has been used to create a simple geographic cost of living index based on 2007 gross rental costs (Bishaw, 2009). In this work, Bishaw assigned each household one of 99 locations based on the state and whether or not the household is in a metropolitan area. (The District of Columbia, New Jersey and Rhode Island have all their population in metropolitan areas.) In this paper, the geographic adjustments to the thresholds are based on five-year ACS estimates of median gross rents for two-bedroom apartments with complete kitchen and plumbing facilities (Renwick, 2009 and 2011.) Separate medians were estimated for each of the 309 metropolitan statistical areas (MSAs) large enough to be identified on the public use version of the CPS ASEC file. This increases the number of adjustment factors from the 99 used by Bishaw to 401. For each state, a median is estimated for all non-metro areas (48), for each MSA with a population above the CPS ASEC limit (309), and for a combination of all other metro areas within a state (44).

Resources: Additions

Supplemental Nutrition Assistance Programs (SNAP)

SNAP benefits (formerly known as food stamps) are designed to allow eligible low-income households to afford a nutritionally adequate diet. Households who participate in the SNAP program are assumed to devote 30 percent of their countable monthly cash income to the purchase of food, and SNAP benefits make up the remaining cost of an adequate low-cost diet. This amount is set at the level of the U.S. Department of Agriculture's Thrifty Food Plan.

² Appropriate weighting of these new units is an area of additional research at the Census Bureau.

Resource Estimates

$$\text{SPM Resources} = \text{Money Income from All Sources}$$

Plus:

Supplemental Nutritional Assistance (SNAP)

Free and reduced price school lunches

Supplementary Nutrition Program for Women
Infants and Children (WIC)

Housing subsidies

Low-Income Home Energy Assistance

Minus:

Taxes

Expenses Related to Work

Child Care Expenses*

Medical Out-of-pocket Expenses (MOOP)*

Child Support Paid*

*Items for which data from new CPS ASEC questions are used in the 2009 SPM estimates.

In the CPS, respondents report if anyone in the household ever received SNAP benefits in the previous calendar year and if so, how much. The annual household amount is prorated to SPM Resource Units within each household.

Table 2 summarizes estimates of the percent of families with each addition and subtraction and the mean amount of each addition or subtraction for all SPM Resource Units and those who are categorized as in poverty using the official measures. The table summarizes the aggregate amounts of each addition and subtraction for all SPM Resource Units, those categorized as officially poor and those who are *near poor*. Poor refers to SPM Resource Units whose head was classified as poor using the current official poverty measure, and the *near poor* are those SPM Resource Units whose head had family income between 100 and 125 percent of the official poverty threshold. Aggregate amounts represent the amount of benefits added to cash income or expenses subtracted from cash income to move from the official poverty measure of resources to the SPM.

The table shows that 9.0 percent of SPM Resource Units received SNAP benefits in 2009 and that, on average, they received \$2,947 for the year. The table shows that \$33.1 billion were included as income from SNAP benefits in the SPM poverty measure. Total SNAP expenditures, as reported by the USDA, were \$50.4 billion for 2009.³ For the 36.1 percent of those families classified as poor under the official measure and who received SNAP benefits, a total amount of \$22.3 billion was added to income, while those families with income just over the poverty line (between 100 and 125 percent) received \$3.4 billion. As with most of the survey information on income, both cash and non-cash, there is generally evidence of significant underreporting of transfer receipts in survey data when compared with administrative data (Meyer et al., 2009).

School meals

These programs offer children free discounted meals if family income is below 130 percent of Federal poverty guidelines, reduced-price meals if family income is between 130 and 185 percent of the federal poverty guidelines, and a subsidized meal for all other children. In the 2009 school year per-lunch subsidies ranged from \$2.86 and \$2.46 for free and reduced-price lunches,

³ <http://www.fns.usda.gov/pd/SNAPsummary.htm>

respectively. In the CPS the reference person is asked how many children ‘usually’ ate a complete lunch, and if it was a free or reduced priced school lunch. Since we have no further information, the value of school meals is based on the assumption that the children received the lunches every day during the last school year. Note that this method may overestimate the benefits received by each family.

To value benefits we obtain amounts on the cost per lunch from the Department of Agriculture Food and Nutrition Service that administers the school lunch program.⁴ Table 2 shows that 18.6 percent of SPM Resource Units received school lunch benefits in 2009 and that, on average, they received \$400 for the year. Program data show that, in 2007, approximately 17.9 million children in the U.S. received free or reduced price school lunches with an estimated federal cost of \$8.7 billion.⁵ School lunch aggregate benefits for the CPS are \$9.2 billion for free and reduced price lunches only. As noted earlier, our assumption that all children received school lunch all year, overestimates the total benefits received.

Supplementary Nutrition Program for Women Infants and Children (WIC)

This program is designed to provide food assistance and nutritional screening to low-income pregnant and postpartum women and their infants, and to low-income children up to age 5. Incomes must be at or below 185 percent of the poverty guidelines and must be nutritionally at-risk (having abnormal nutritional conditions, nutrition-related medical conditions, or dietary deficiencies). Benefits include supplemental foods in the form of food items or vouchers for purchases of specific food items.

There are questions on current receipt of WIC in the CPS. Lacking additional information, we assume 12 months of participation and value the benefit using program information obtained from the Department of Agriculture. In 2009, the average cost of a WIC food package was \$42.41 per month. As with school lunch above, assuming year-long participation overestimates the value of WIC benefits received by a given SPM family. Table 2 reports that 3.0 percent of SPM Resource Units participated in WIC and they received an average of \$518 per year in the form of benefits. For 2009, the national aggregate expenditure for WIC benefits was \$4.6 billion with 9.1 million beneficiaries.⁶ Our methods in the CPS yielded an aggregate amount of \$1.9 billion for 2009.

Housing subsidies

Households can receive housing assistance from a plethora of federal, state and local programs. Federal housing assistance consists of a number of programs administered primarily by the Department of Housing and Urban Development (HUD). These programs traditionally take the form of rental subsidies and mortgage-interest subsidies, targeted to very-low-income renters and are either project-based (public housing) or tenant-based (vouchers).

⁴ In the SIPP respondents report the number of breakfasts eaten by the children per week, similar to the report of school lunches. Calculating a value for this subsidy in the same way as was done for the school lunch program, yielded an amount of approximately \$2.8 billion for all families in the SIPP for the year 2004. For information on confidentiality protection, sampling error, nonsampling error, and definitions, for the 2004 Survey of Income and Program Participation see <http://www.census.gov/aprd/techdoc/sipp/sipp.html>.

⁵ Background Material and Data on the Programs within the Jurisdiction of the Committee on Ways and Means, 2008, available at <http://waysandmeans.house.gov/media/pdf/111/15school.pdf>.

⁶ <http://www.fns.usda.gov/pd/wisummary.htm>

The value of housing subsidies is estimated as the difference between the “market rent” for the housing unit and the total tenant payment. The “market rent” for the household is estimated using a statistical match with United States Housing and Urban Development (HUD) administrative data from the Public and Indian Housing Information Center (PIC) and the Tenant Rental Assistance Certification System (TRACS). For each household, an attempt was made to match on state, CBSA (Core Based Statistical Area), and household size.⁷ The total tenant payment is estimated using the total income reported by the household on the CPS ASEC and HUD program rules. Generally, participants in either public housing or tenant-based subsidy programs administered by HUD are expected to contribute towards housing costs the greater of one third of their “adjusted” income or 10 percent of their gross income.⁸ See Johnson et al., 2010 for more details on this method.

Initially subsidies are estimated at the household level. If there is more than one SPM family in a household, then the value of the subsidy is prorated based on the number of people in the SPM family relative to the total number of people in the household.

Housing subsidies help families pay their rent and as such are added to income for the SPM. However, there is general agreement that, while the value of a housing subsidy can free up a family’s income to purchase food and other basic items, it will only do so to the extent that it meets the need for shelter. Thus, the values for housing subsidies included as income are limited to the proportion of the threshold that is allocated to housing costs. From estimates based on 2008 threshold calculations from the CE, this limit is set at 49.3 percent of the calculated experimental threshold for each family. The subsidy is capped at the housing portion of the appropriate threshold MINUS the total tenant payment. Table 2 shows that 3.4 percent of SPM Resource Units reported receipt of housing subsidies and, on average, those subsidies, capped at 49.3 percent of the geographically-adjusted threshold, were valued at \$4,397 per year.⁹ Using 2008 household population statistics and data from the U.S. Department of Housing and Urban Development (HUD), less than 3.0 percent of all households received rental subsidies from the two major programs (vouchers and public housing). The average benefit for those participating in the program was \$7,208, and the aggregate expenditure was \$24.3 billion.¹⁰ Our estimates show an aggregate amount of \$18.5 billion added to SPM family income in the form of housing subsidies received.

⁷ HUD operates two major housing assistance programs: public housing and tenant-based or voucher programs. Since the HUD administrative data only include estimates of gross or contract rent for tenant-based housing assistance programs, the contract rents assigned to CPS ASEC households living in public housing are adjusted by a factor of 767/971. This adjustment factor was derived from data published in the “Picture of Subsidized Households: 2008” which estimates the average tenant payment and the average subsidy by type of assistance. The average contract rent would be the sum of these two estimates, $\$324+647=971$ for tenant-based and $\$255+512=767$ for public housing. <http://www.huduser.org/portal/picture2008/index.html>

⁸ HUD regulations define “adjusted household income” as cash income excluding income from certain sources minus numerous deductions. Three of the income exclusions can be identified from the CPS ASEC: income from the employment of children, student financial assistance, and earnings in excess of \$480 for each full-time student 18 years or older. Deductions which can be modeled from the CPS ASEC include: \$480 for each dependent, \$400 for any elderly or disabled family, child care and medical expenses.

⁹ A more detailed assessment of the new approach to estimating the value of housing subsidies will be provided in a forthcoming Census Bureau working paper (Johnson et al., 2010). Comparisons to other valuation methods, such as using 1985 American Housing Survey data and another using Fair Market Rents are made. This newer method produces average and aggregate values of housing subsidies between those two earlier methods.

¹⁰ http://www.huduser.org/portal/picture2008/form_7TOTB4.odt

Low-Income Home Energy Assistance Program (LIHEAP)

This program provides three types of energy assistance. Under this program, states may help pay heating or cooling bills, provide allotments for low-cost weatherization, or provide assistance during energy-related emergencies. States determine eligibility and can provide assistance in various ways, including cash payment, vendor payment, two-party checks, vouchers/coupons, and payments directly to landlords.

The CPS asks if, since October 1 of the previous year, the reference person received help with heating costs and, if yes, the amount received.¹¹ Many households receive both a “regular” benefit and one or more crisis or emergency benefits. Additionally, since LIHEAP payments are often made directly to a utility company or fuel oil vendor, many households may have difficulty reporting the precise amount of the LIHEAP payment made on their behalf. The CPS does not capture assistance for cooling paid in the summer months nor emergency benefits paid after the February/March/April survey date. Table 2 shows that 3.2 percent of SPM Resource Units reported receiving help with utility bills in the winter of 2009. On average they report receiving \$399 per year. The aggregate of energy assistance reported was \$1.6 billion. In 2007, total heating assistance for LIHEAP was \$1.7 billion, assisting approximately 5.3 million households.¹²

Resources: Subtractions

Taxes

The panel recommended that the calculation of family resources for poverty measurement should subtract necessary expenses that must be paid by the family. The measure subtracts federal, state, and local income taxes, and Social Security payroll taxes (FICA) before assessing the ability of a family to obtain basic necessities such as food, clothing, and shelter. Taking account of taxes allows us to account for receipt of an earned income credit (EITC) and other tax credits. The EITC is a refundable tax credit available to low-income working taxpayers. For 2009, the value of the economic recovery payments is also added to income.

The CPS does not collect information on taxes paid but relies on a tax model to simulate taxes paid. These simulations include federal and state income taxes, and social security taxes. These simulations are based on a tax calculator and statistical matches to the American Housing Survey (AHS) and Statistics of Income (SOI) microdata file of tax returns. Table 2 shows that 69.9 percent of SPM Resource Units incur an income tax liability before credits. The average amount owed was \$10,591 for 2009. About 15.9 percent of SPM Resource Units were eligible for the EITC, and they received \$2,075 on average for 2009. Modeled payroll taxes show that 76.7 percent of families paid an average of \$4,941 per year in FICA taxes.

Expenses Related to Work

Going to work and earning a wage often entails incurring expenses, such as travel to work and purchase of uniforms or tools. For work-related expenses (other than child care) the NAS panel

¹¹ Beginning in ASEC 2011, the question on energy assistance will ask for information about the entire year.

¹² <http://www.acf.hhs.gov/programs/ocs/liheap/publications/notebook2007.pdf>, pp. 30-31.

recommended subtracting a fixed amount, \$750 for 52-week work-year per earner 18 years of age or older (or about \$14.42 per week worked) in 1992. Their calculation was based on 1987 Survey of Income and Program Participation (SIPP) data that collected information on work expenses in a set of supplementary questions. Then they calculated 85% of median weekly expenses -- \$14.42 per week worked for anyone over 18 in the family in 1992. Total expenses were obtained by multiplying this fixed amount by the number of weeks respondents reported working in the year. The panel argued that, since many families make other sacrifices to minimize work expenses (e.g., move near work, work opposing shifts) and these other costs would not be reflected in reported expenses, it would be better to use a fixed dollar amount. The ITWG suggested that further research on this topic and a refinement of methods would be valuable. Also, the suggestion has been made that commuting costs may vary across geographic areas and should be considered in addition to housing costs when constructing geographic adjustments. Rapino et al. 2010 have addressed new research on this topic.

Since the 1996 panel of SIPP, the work-related expenses topical module has been repeated every year¹³. Each person in the SIPP reports their own expenditures on work-related items in a given week. For each person we then sum the number of hours reported worked by the number of weeks worked in each month. The number of weeks worked is multiplied by the weekly work-related expenses, and these are summed over the calendar year for each person. These amounts are then summed across family members as of December of a given year. For 2009, a weekly amount of \$28.05 was assigned per worker in the SPM family.¹⁴ About 76.8 percent of SPM Resource Units incurred work expenses and, on average, each SPM family spent \$2,026 for the year.

Child Care Expenses

Another important part of work-related expenses is paying someone to care for children while parents work. These expenses have become important for families with young children in which both the parents (or single parent) work. To account for child care expenses while parents worked in the CPS, parents are asked whether or not they pay for childcare and, starting in 2010, how much they spent. The amount paid for any type of child care, while parents are at work or attending school, are summed over all children. The NAS report recommended capping the amount subtracted from income, when combined with other work related expenses, so that these do not exceed reported earnings of the lowest earner in the family. The ITWG also made this recommendation. This capping procedure is applied before determining poverty status.¹⁵ For 2009, Table 2 shows that, before capping the combined amount, 5.6 percent of SPM Resource Units report paying for childcare while working. They paid an average of \$4,974 per year. (See MacCartney and Laughlin (2010) for an evaluation of these data in the 2010 ASEC.)

Medical out-of-pocket expenses (MOOP)

The ITWG recommended subtracting medical out-of-pocket expenses from income, following the NAS panel. The NAS panel was aware that expenditures for health care are a significant portion of a family budget and have become an increasingly larger budget item since the 1960s. The panel

¹³ The 2004 panel wave 9 topical modules were not collected due to budget considerations.

¹⁴ The amount was estimated from the 6th wave, 2004 panel of the SIPP.

¹⁵ Some analysts have suggested that this cap may be inappropriate in certain cases, such as if the parent is in school, looking for work, or receiving types of compensation other than earnings.

considered including health care in the thresholds with food, clothing, and shelter needs, but decided against it. They argued that medical care needs differ from the need for food or housing in that not every family requires medical care in a given year, but when they do, the associated costs may be extraordinarily large. They concluded that it would be impossible to capture the actual variation of medical needs by variations in the thresholds and that this could lead to what the panel termed “erroneous poverty classification.” Instead, they developed a method that was intended to represent “actual” MOOP spending. These expenses include the payment of health insurance premiums plus other medically necessary items such as prescription drugs and doctor co-payments that are not paid for by insurance. Subtracting these “actual” amounts from income, like taxes and work expenses, leaves the amount of income that the family had available to purchase the basic bundle of goods (food, clothing, shelter, and utilities (FCSU) and a “little bit more”).

While many individuals and families have health insurance that covers most of the very large expenses, there are the costs of health insurance premiums and other small fees that the typical family pays out of pocket. Further, there are some who are not covered by medical insurance. Expenditures on health care have increased and become a more significant portion of a family’s budgets and spending for health care should be accounted for as an important expense. Questions ascertaining medical out of pocket expenditures have also been included in the 2010 CPS ASEC (see Caswell and O’Hara, 2010, for information on the quality of these data). In these questions respondents report expenditures on health insurance premiums that do not include Medicare Part B premiums. In the estimates shown here, we add the standard premium amounts, \$96.40 per month in 2009 to the MOOP of elderly individuals who are not covered by Medicaid (Short, 2010, Garner and Short, 2010b, Short and Renwick, 2010). Table 2 shows that, using these methods, 84.1 percent of SPM Resource Units had out-of-pocket medical expenses of, on average, \$4,172 for the year 2009.

Child Support Paid

The NAS panel recommended that, since child support received from other households is counted as income, child support paid out to those households should be deducted from those households who paid. Without this, all child support is double counted in overall income statistics. New questions ascertaining amounts paid in child support have been included in the 2010 CPS ASEC, and these reported amounts are subtracted in the estimates presented here. Grall (2010) discusses the quality of these data. Table 2 shows that 1.6 percent of SPM Resource Units reported paying child support. Those families paid an average amount of \$6,614 for the year 2009.

As noted, Table 2 summarizes estimates of the percent of families with each addition and subtraction and the mean amount of each addition or subtraction for all SPM Resource Units and those who are categorized as in poverty using the official measures. The table summarizes the aggregate amounts of each addition and subtraction for all SPM Resource Units, those categorized as officially poor and those who are *near poor*. SPM Resource Units, classified as poor under the official measure, are also shown. On average they have higher percent participating for SNAP or food stamps, school lunch, WIC, energy assistance, rental housing subsidies, and earned income tax credits (EITC) than the population as a whole. Of the poor, 36.1 percent participated in SNAP, 26.0 percent in school lunches, 10.4 percent in WIC, 11.2 percent had energy assistance, and 15.0 percent had housing subsidies (the percent receiving WIC and energy assistance are not statistically different).

Subtractions from resources include work-related, including child care, and medical expenditures. Work expenses are valued following the NAS methods described above. Estimates for all units, and for those who are categorized as poor using the official measure are in Table 2. The estimates also show percentages of poor families with federal income tax liabilities, EITC, and Social Security payroll (FICA) taxes. It is clear from Table 2 that more is subtracted than added to family income when moving from the resource measure used in the official poverty estimates to the SPM resource measure. This is particularly true for taxes. Medical out-of-pocket expenses also are quite large, even for the poor and the near poor.

Poverty Estimates 2009

This paper described in some detail all of the calculations performed in order to arrive at a measure of family resources similar to that recommended by the NAS panel and the ITWG for an improved measure of poverty. Table 3 shows poverty rates for two different measures for a number of different groups. The income, official poverty thresholds, and SPM resource data refer to calendar year 2009, while the SPM thresholds are for 2008. The measures are the official poverty measure and the *research SPM*. The poverty rates for the “official measure” do not match the published official poverty rates because the estimates in this table use an expanded poverty universe which includes unrelated individuals under the age of 15. Adding these children to the poverty universe increased the overall “official” poverty rate from 14.3 percent (the poverty rate published as the official poverty rate) to 14.5 percent. The *research SPM* incorporates new thresholds, the new unit of analysis, and uses three thresholds based on housing status as described above. In this measure, subsidized renters are assigned the same threshold as renters and the subsidy that helps them meet that rent is added to income.

In general, poverty rates are higher with the new method that uses CE-based thresholds, subtracts amounts from income for MOOP and for work expenses that include childcare and add in noncash benefits. Differences for subgroups include lower poverty rates for children, individuals included in new family units, those reporting living rent free or living in non metropolitan areas, those living in the Midwest, and those in families covered by public health insurance. Most other groups have higher poverty rates using the new measure, particularly the elderly, the foreign born, Hispanics, and those living in central cities, suburbs, and the Northeast, South, and West regions.

Table 4 allows us to examine the effect that each addition and subtraction has on the SPM poverty rate, holding all else the same. Removing one item from the calculation of the family resources and re-calculating poverty rates shows that the EITC is very effective at reducing poverty rates overall; including the EITC in resources reduces the poverty rate for all people from 17.7 percent to 15.7 percent. On the other hand, subtracting MOOP from income raises the poverty rate from 12.4 percent to 15.7 percent. Other additions and subtraction are also shown, for all people and for children and the elderly. The addition of LIHEAP and subtraction of child support paid have no statistically significant effect on poverty rates of all people, children or the elderly. WIC lowers poverty rates of children slightly. The EITC, School lunch program, LIHEAP, and WIC have no statistically significant effect on poverty rates of the elderly.

Table 5 compares the distribution of people in the total population to the distribution of people classified as in poverty using the official poverty measure and the *research SPM*. Generally, for some important characteristics, using the SPM poverty measure results in a population classified as poor that has characteristics more similar to the total population. The elderly as a share of the people in poverty increases when the SPM is used. Use of the SPM also increases the share of the people in poverty living in married couple families while the share of people in poverty living in cohabiting units is reduced by almost half. The share of the people in poverty living outside metropolitan areas is smaller using the SPM than using the official measure while the share of people in poverty living in suburban areas increases. Regionally, using the SPM increases the share of the poor living in the Northeast and the West while the share living in the Midwest and the South fell.

Besides taking account of necessary expenses, the SPM includes taxes and non cash transfers. Comparing the distribution of income with that of SPM resources allows an examination of the effectiveness of taxes and transfers. Table 6 shows the distribution of the ratios of income or SPM resources to poverty threshold for various groups. Dividing by the poverty threshold controls income by family size and composition, though it does so differently across the two measures. In general the comparison suggests that there is a smaller percentage of the population in the categories at the top and the bottom of the distributions, and more have moved to the middle three categories, where income is between 0.5 and 4.0 of the respective threshold using the SPM. For most groups, targeted non cash benefits have reduced the percent of the population in extreme poverty. This is true for the groups shown here, except for the elderly. The elderly show both an increase in the percent poor and the percent below 0.5 of the poverty line. As shown earlier, many of the non cash benefits included in the SPM are not targeted to the elderly population. Transfers received by the elderly in cash, especially Social Security payments, are already captured in the official measure. Thus, the percent of the elderly with cash income below half the official poverty threshold is lower than that of other groups, 2.6 percent for the elderly compared with 6.4 of all persons.

One other way to capture the differences between the official and the SPM is to examine mean income or resource deficits. Income deficits measure the depth of poverty by showing the mean of the differences between the poverty threshold and income. If income or SPM resources are negative, the deficit is set equal to the threshold, suggesting that no deficit may exceed the measure of need represented by the basic bundle of goods. This exercise is of interest because we observe that there are many more negative SPM resources than there are negative values of cash income. This is an artifact of the subtraction of necessary expenses from income, primarily medical out of pocket spending. There are 166,000 families with negative cash income and 2.4 million with negative SPM resources. It appears that resources are likely to be negative as a result of subtracting MOOP. Examining a measure without MOOP subtracted yields about 619,000 units with negative SPM resources. That suggests about 1.7 million families with expenses that exceed income after subtracting MOOP. We might suppose that these families would meet these expenses by drawing down assets or incurring debt.

Table 7 shows calculated mean income/resource deficits for those classified as poor under each measure. Mean income deficits are not statistically different under the two measures, but breaking out SPM Resource Units by the age of head shows lower gaps for most SPM Resource Units and

higher gaps for the elderly. Note, however, that the deficits for elderly families are considerably lower than those for other families using cash income and the official thresholds. Mean income deficits for African Americans and Hispanics are higher than those for Whites using the official measure. The SPM lowers the gaps for African Americans considerably, while those for White and Hispanic families are higher using the SPM than the official measure.

Following previous work on experimental poverty measures (Short et al., 1998), we can look closer at the average poverty gaps and the distribution of income or SPM resources among those in the poverty population by using a different index. Foster et al. (1984) proposed a class of poverty measures, the Foster-Greer-Thorbecke (FGT) indexes, that examine these elements more closely. These measures take the form

$$P_{\alpha}(y, z, \alpha) = \frac{1}{n} \sum_{i=1}^q \left(\frac{z_i - y_i}{z_i} \right)^{\alpha}$$

where P is the FGT poverty measure, α is a measure of poverty aversion (a larger α gives greater emphasis to the poorest poor), Y is a vector of income in increasing order, and z_i is the poverty line for family i . The index is calculated where the poverty gap is positive, or $(z_i - y_i) > 0$.

This class of measures has several attractive features. First it collapses to the head count ratio if $\alpha=0$ and to a normalized poverty gap if $\alpha=1$. When $\alpha=2$ the index is sensitive to the distribution of incomes among the poor. As α increases, more weight is placed on those households or individuals with the lowest incomes, until in the limit it measures only the condition of the household or individual with the lowest income in the economy. Thus, the weights are based on a notion of relative deprivation experienced by the poor households.

Joliffe et al., 2003, used FGT indexes to examine the effect of SNAP benefits on child poverty. Finding that poverty rates for children were not much reduced by including food stamp benefits with cash income, they examined the resulting depth and severity of poverty using these indexes. They showed that accounting for food stamps, the average decline in the poverty gap index was 20 percent while the decline in the squared poverty gap was 28 percent. This is so because while SNAP benefits often did not bring children over the poverty line, it did bring their income closer to that line. Their study suggested that examining only poverty rates does not show the important impact of in kind benefits on poverty.

Table 8 lists these poverty statistics for the official and the SPM. As in our calculation of poverty gaps we set all negative incomes to zero¹⁶. The FGT poverty measures, computed for persons, show the poverty rates or headcount ratios we have presented earlier. The normalized poverty gap, FGT1, is lower for the SPM, and the measure of severity, FGT2, suggests a lower concentration of poor at the very bottom of the distribution using the SPM as well. This result suggests that the

¹⁶ Including negative resource amounts in FGT index calculations yield a normalized gap that is not statistically different from the official measure, but a higher FGT2.

intensity of poverty is softened considerably by the addition of in kind transfers to the income of the needy and that this effect is captured in the SPM.

Summary

This paper laid groundwork for preparing estimates of a Supplemental Poverty Measure for the U.S. at the Census Bureau. Estimates presented here are based on the CPS 2010 ASEC and refer to calendar year 2009. These estimates differ primarily from earlier estimates for 2008 (Short and Renwick, 2010) by employing new data from the 2010 ASEC that directly collected information on necessary expenses of families and presence of mortgage. Beginning in 2010, new questions were included in the CPS ASEC to collect information about child care expenses while parents work and medical out-of-pocket expenditures, child support paid to other households, and whether or not a homeowner had a mortgage. In this paper, most of the values for these items are incorporated in the estimates presented here. Questions about energy assistance will be expanded to include the entire year, rather than just heating assistance in the winter, in the 2011 survey.

Results showed poverty rates for the official poverty measure and the *research SPM*. The *research SPM* resulted in slightly higher poverty rates for most groups. In addition, the distribution of people in the total population and the distribution of people classified as in poverty using the two measures were examined. It was found that, generally, using the SPM results in a population classified as poor that has characteristics more similar to the total population than that using the official measure, with some notable exceptions.

Other findings show that the SPM allows us to examine the effects of taxes and in kind transfers on the poor and on important subgroups of the poverty population. As such, there are lower percentages of the SPM poverty populations in the very high and very low resource to poverty threshold ratio categories than we find using the official measure. Because noncash benefits help those in extreme poverty, there were lower percentages of individuals with resources below half the SPM threshold and smaller mean income deficits for some groups. FGT indexes suggested lower poverty gaps and poverty severity using the SPM. These findings are similar to those reported in earlier work using a variety of experimental poverty measures that followed recommendations of the NAS poverty panel (Short, 1999, 2000, and 2001).

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Table 1: Types of SPM Resource Units before and after new unit formation: 2009

		% of total	se
Total (000s)	127,446	100.00	
New unit head was this old family type			
Married couple	60,276	47.30	0.24
Male head nsp	28,285	22.19	0.19
Female head nsp	38,885	30.51	0.20
New 'family' type			
Unit did not change			
Married couple	59,912	47.01	0.25
Male head nsp	24,224	19.01	0.17
Female head nsp	34,938	27.41	0.20
Unit includes new relationship			
New unit	8,372	6.57	0.10
Cohabitators	8,129	6.38	0.10
Unrelated ind < 15	382	0.30	0.04
Unmarried parent	62	0.05	0.04

Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].

Table 2: Noncash Benefits and Necessary Expenses of SPM Resource Units in the CPS: 2009

	% paid/received				Mean amount (\$)				Aggregate amount (bil\$)					
	All	se	Poor*	se	All	se	Poor*	se	All	se	Poor*	se	Near Poor*	se
SNAP	9.0	0.1	36.1	0.5	2,947	34.5	3,397	46.9	33.1	0.61	22.3	0.48	3.4	0.16
School lunch	11.5	0.1	23.6	0.5	564	3.7	837	9.7	9.2	0.10	3.6	0.08	1.0	0.04
WIC	3.0	0.1	10.4	0.3	518	1.4	517	1.9	1.9	0.04	1.0	0.03	0.2	0.02
Housing subsidy/cap	3.4	0.1	15.0	0.6	4,437	86.2	5,295	113.7	18.7	0.73	14.5	0.58	2.1	0.13
LIHEAP	3.2	0.1	11.2	0.4	399	7.7	405	10.9	1.6	0.05	0.8	0.04	0.2	0.02
Taxes before credits	69.9	0.2	11.8	0.4	10,591	124.7	2,030	149.5	919.7	10.91	4.3	0.33	1.4	0.14
EITC	15.9	0.1	36.0	0.6	2,075	17.5	2,346	39.0	40.9	0.42	15.4	0.30	6.5	0.22
FICA	76.7	0.2	47.8	0.6	4,941	24.1	1,029	16.6	471.2	2.36	8.9	0.19	4.9	0.14
Work expenses	76.8	0.2	48.1	0.6	2,026	4.8	1,243	10.7	193.5	0.57	10.9	0.18	5.1	0.14
Childcare	5.6	0.1	3.5	0.2	4,974	106.9	2,109	111.4	34.9	0.91	1.3	0.12	0.7	0.13
MOOP	84.1	0.2	58.6	0.6	4,172	32.5	2,599	80.6	435.8	3.47	27.7	0.94	10.9	0.40
Child support paid	1.6	0.1	1.4	0.1	6,614	207.6	3,175	339.6	12.8	0.60	0.8	0.12	0.3	0.06

* Poverty status of SPM family head based on official measure

Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement.

For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].

Table 3: Percent of People in Poverty by Different Poverty Measures: 2009

	Number* (in thousands)	Official*	std err (percent below threshold)	Research SPM	std err
All People	304,280	14.5	0.2	15.7	0.2
Children	75,040	21.2	0.3	18.0	0.3
Nonelderly Adults	190,627	13.0	0.2	14.8	0.2
Elderly	38,613	8.9	0.3	16.1	0.4
In married couple family	183,532	7.1	0.2	9.7	0.2
In female householder family	58,949	27.4	0.5	28.4	0.5
In male householder family	31,599	17.3	0.4	22.4	0.5
In new SPM family groups	30,199	31.0	0.6	20.6	0.7
White, not Hispanic	197,436	9.5	0.2	10.7	0.2
Black, not Hispanic not	38,624	25.7	0.5	24.0	0.6
Other	23,252	16.5	0.7	19.1	0.6
Hispanic Origin	48,901	25.4	0.5	28.7	0.6
Nativity					
Native born	266,674	13.8	0.2	14.3	0.2
Foreign born	37,605	19.1	0.4	26.2	0.5
Naturalized citizen	16,024	10.8	0.4	17.7	0.6
Not a citizen	24,581	25.2	0.6	32.5	0.7
Tenure					
Owner	208,483	7.5	0.2	9.8	0.2
Renter	91,925	29.8	0.4	28.8	0.4
Rent free	3,872	28.5	1.8	23.9	1.9
Owner/Mortgage	148,818	5.8	0.2	8.5	0.2
Owner/No mortgage/rentfree	63,307	12.5	0.3	13.6	0.3
Renter	92,155	29.9	0.4	28.9	0.4
Residence					
Central city	97,856	18.8	0.4	20.3	0.4
Suburb	158,827	11.1	0.2	13.5	0.3
Not metro	47,897	16.7	0.4	13.7	0.5

Region					
Northeast	54,654	12.3	0.4	14.3	0.4
Midwest	66,096	13.4	0.3	12.5	0.3
South	112,312	15.8	0.3	16.1	0.3
West	71,218	15.0	0.3	19.2	0.4
Health Insurance coverage					
Member with private insurance	194,545	4.5	0.1	7.2	0.1
With public, no private insurance	59,061	36.1	0.4	31.1	0.4
Not insured	50,674	27.6	0.4	30.6	0.4

Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].

* Includes unrelated individuals under 15 years of age.

Table 4. SPM poverty rate deconstructed: 2009

	Removing item from calculation of poverty status:										
	Research SPM	EITC	SNAP	Hsg subsidy	School lunch	WIC	LIHEAP	Child support	FICA	Work expense	MOOP
All persons	15.7	17.7	17.2	16.5	16.1	15.8	15.8	15.7	14.3	14.1	12.4
Children	18.0	22.1	20.8	19.2	18.8	18.2	18.1	17.9	16.1	15.7	15.1
Elderly	16.1	16.2	16.6	17.1	16.1	16.1	16.1	16.1	15.8	15.7	8.7
Standard errors											
All persons	0.17	0.17	0.17	0.18	0.17	0.17	0.17	0.17	0.16	0.17	0.15
Children	0.32	0.33	0.34	0.34	0.32	0.32	0.32	0.32	0.30	0.31	0.28
Elderly	0.36	0.39	0.38	0.37	0.37	0.36	0.36	0.36	0.36	0.36	0.36

Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement.

For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].

Table 5: Distribution of People in Total and Poverty Population: 2009

	Total Population	std err	Official*	std err	Research SPM	std err
People	304,280		44,029	488.0	47,864	519.0
			(percent of column total)			
Children	24.7	0.0	36.1	0.3	28.2	0.3
Nonelderly Adults	62.6	0.0	56.1	0.3	58.8	0.3
Elderly	12.7	0.0	7.8	0.2	13.0	0.3
In married couple family	60.3	0.2	29.7	0.6	37.3	0.6
In female householder family	19.3	0.2	36.7	0.6	34.9	0.6
In male householder family	10.4	0.1	12.4	0.3	14.8	0.3
In new SPM family groups	9.9	0.1	21.2	0.5	13.0	0.5
White, not Hispanic	64.9	0.0	42.7	0.6	44.2	0.6
Black, not Hispanic	12.7	0.0	25.9	0.5	18.5	0.4
Other	7.6	0.0	8.7	0.3	9.3	0.3
Hispanic Origin	16.1	0.0	28.3	0.6	29.3	0.5
Not Hispanic	83.9	0.0	71.7	0.6	70.7	0.5
Nativity						
Native born	87.6	0.1	83.7	0.4	79.4	0.4
Foreign born	12.4	0.1	16.3	0.4	20.6	0.4
Naturalized citizen	5.3	0.1	3.9	0.2	5.9	0.2
Not a citizen	7.1	0.1	12.3	0.4	14.6	0.4
Tenure						
Owner	68.5	0.3	35.3	0.6	42.7	0.6
Renter	30.2	0.3	62.2	0.6	55.4	0.6
Rent free	1.3	0.1	2.5	0.2	1.9	0.2
Owner/Mortgage	48.9	0.3	19.5	0.5	26.4	0.5
Owner/No mortgage/rentfree	20.8	0.2	17.9	0.6	18.0	0.5
Renter	30.3	0.3	62.6	0.6	55.6	0.6
Residence						
Central city	32.2	0.4	41.8	0.9	41.5	0.7
Suburb	52.1	0.5	40.0	0.9	44.8	0.8
Not metro	15.7	0.5	18.2	0.8	13.7	0.6

Region							
Northeast	18.0	0.0	15.3	0.4	16.4	0.4	
Midwest	21.7	0.0	20.2	0.5	17.2	0.4	
South	36.9	0.1	40.3	0.6	37.8	0.5	
West	23.4	0.0	24.2	0.5	28.6	0.5	
Health Insurance coverage							
Member with private insurance	63.9	0.2	19.8	0.5	29.2	0.4	
With public, no private insurance	19.4	0.2	48.5	0.5	38.4	0.4	
Not insured	16.7	0.1	31.7	0.5	32.4	0.5	

Source: U.S. Census Bureau, Current Population Survey, 2009 Annual Social and Economic Supplement.

For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].

* Includes unrelated individuals under 15 years of age.

Table 6: Percent of People by Ratio of Income/Resources to Poverty Threshold, 2009

All persons					White, not Hispanic				
	Official	se	SPM	se		Official	se	SPM	se
less than 0.5	6.4	0.11	5.3	0.09	less than 0.5	4.2	0.10	4.1	0.10
0.5 to 0.99	8.1	0.12	10.5	0.14	0.5 to 0.99	5.3	0.12	6.7	0.13
1.0 to 1.99	18.7	0.18	31.8	0.21	1.0 to 1.99	15.4	0.20	27.1	0.26
2.0 to 3.99	30.7	0.21	35.7	0.23	2.0 to 3.99	31.6	0.23	40.8	0.28
4 or more	36.2	0.23	16.7	0.17	4 or more	43.5	0.28	21.4	0.22
Children					Black, not Hispanic				
	Official	se	SPM	se		Official	se	SPM	se
less than 0.5	9.8	0.24	5.2	0.16	less than 0.5	12.0	0.47	7.2	0.36
0.5 to 0.99	11.4	0.23	12.9	0.25	0.5 to 0.99	13.7	0.48	16.8	0.54
1.0 to 1.99	21.4	0.33	38.7	0.33	1.0 to 1.99	24.5	0.54	41.2	0.59
2.0 to 3.99	30.3	0.33	33.2	0.33	2.0 to 3.99	29.1	0.66	27.3	0.60
4 or more	27.2	0.29	10.1	0.22	4 or more	20.8	0.48	7.5	0.35
Elderly					Hispanic				
	Official	se	SPM	se		Official	se	SPM	se
less than 0.5	2.6	0.15	5.8	0.20	less than 0.5	10.6	0.38	8.2	0.33
0.5 to 0.99	6.3	0.24	10.3	0.25	0.5 to 0.99	14.9	0.42	20.5	0.53
1.0 to 1.99	24.8	0.39	31.5	0.41	1.0 to 1.99	28.3	0.56	43.2	0.58
2.0 to 3.99	35.1	0.43	33.7	0.44	2.0 to 3.99	29.6	0.47	23.0	0.52
4 or more	31.2	0.50	18.7	0.43	4 or more	16.7	0.44	5.1	0.24

Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement.

For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].

Table 7: Poverty Gaps: 2009 (dollars)

	Official*	se	Research SPM	se
SPM Families	7,419	60.1	7,439	62.0
Age of head				
18 to 64	7,934	68.2	7,722	73.4
65+	4,258	123.7	5,754	113.4
Race/ethnicity of head				
White, not hispanic	6,811	82.5	6,977	91.9
Black , not hispanic	7,825	142.8	7,034	141.1
Hispanic origin	8,287	140.3	8,417	140.1

Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].

* Gaps are calculated for SPM families, but using income and thresholds as in official poverty measure.

Table 8: FGT Indexes

	Official*	se	Research SPM	se
FGT0: Head count index	14.5	0.16	15.7	0.17
FGT1: Poverty gap normalized	7.1	0.09	6.5	0.09
FGT2: Squared poverty gap	5.1	0.08	4.3	0.07

Source: U.S. Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see http://www.census.gov/hhes/www/p60_238sa.pdf [PDF].