

A Comparison of Official Poverty Estimates in the Redesigned Current Population Survey Annual Social and Economic Supplement

Trudi Renwick, PhD

Expert Meeting on Income, Poverty, and Health
Insurance

March 20, 2015

This presentation is a summary of a paper presented at the January 2015 Allied Social Sciences Association meetings in Boston. The full paper is available at <http://www.census.gov/content/dam/Census/library/working-papers/2014/demo/SEHSD-WP2014-35.pdf>

Outline

- Compare poverty estimates between the sample with the traditional income questions and the sample with the redesigned income questions
 - Official poverty rate for the total population
 - Supplemental Poverty Rate (SPM)
 - Official poverty rates for selected demographic groups
- Explore differences found in poverty rates for children and the older population
 - Sample composition differences
 - Aggregate income by quintile

Summary of Findings

- Most differences in official poverty estimates between the sample with the traditional income questions and the sample with the redesigned income questions were not statistically significant
 - Lower poverty rate for people with a disability and those who worked at least one week in sample with the redesigned questions
 - Higher rate and higher number of people in official poverty for people aged 65 and older, for children and for Asians in the sample with the redesigned income questions

How the Census Bureau Measures Poverty

Poverty Thresholds for 2013 by Size of Family and Number of Related Children Under 18 Years

(Dollars)

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	12,119								
Aged 65 and older	11,173								
Two people:									
Householder under age 65	15,600	16,057							
Householder aged 65 and older.	14,081	15,996							
Three people	18,222	18,751	18,769						
Four people	24,028	24,421	23,624	23,707					
Five people	28,977	29,398	28,498	27,801	27,376				
Six people	33,329	33,461	32,771	32,110	31,128	30,545			
Seven people	38,349	38,588	37,763	37,187	36,115	34,865	33,493		
Eight people	42,890	43,269	42,490	41,807	40,839	39,610	38,331	38,006	
Nine people or more	51,594	51,844	51,154	50,575	49,625	48,317	47,134	46,842	45,037

Source: U.S. Census Bureau.

- Thresholds vary by size of family unit, number of children, and age of householder
- Family or unrelated individual pre-tax total money income compared to poverty threshold
- If total money income less than threshold, then all members of family categorized as in poverty

2013 Official Poverty Estimates

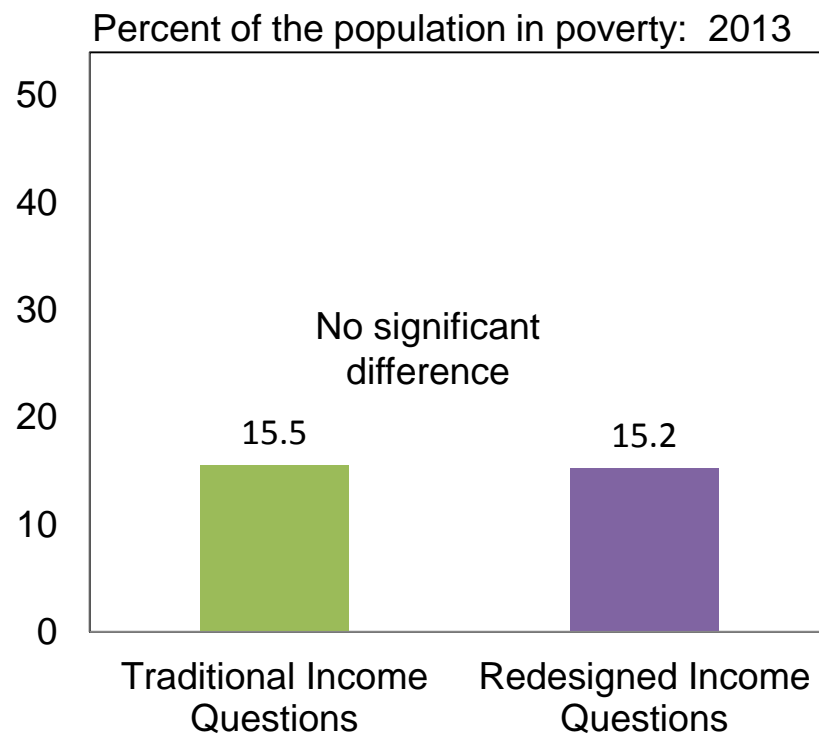
- Official poverty estimate based on traditional income questions
 - 14.5 percent (+/- 0.3)
- Sample with redesigned income questions
 - 14.7 percent (+/-0.5)

Difference between two poverty estimates not statistically significant



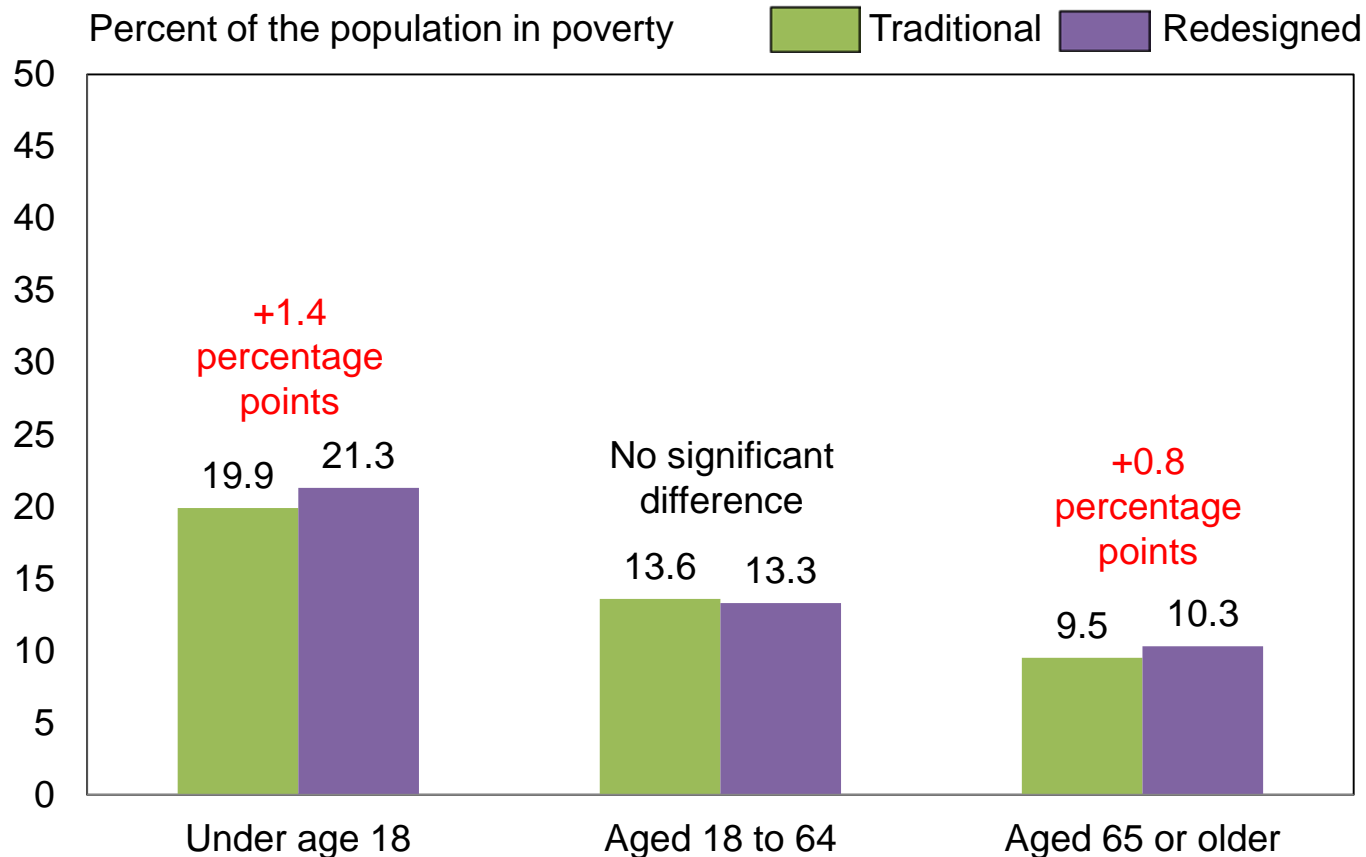
Supplemental Poverty Measure (SPM)

- Since 2011 the Census Bureau has also released poverty estimates using the Supplemental Poverty Measure (SPM)
- Overall differences in SPM poverty rates across samples for 2013 not statistically significant: 15.5 (+/-0.3) percent vs. 15.2 (+/-0.5) percent
- Few demographic groups with statistically significant differences in SPM rates – no major group in the redesigned sample had a higher poverty rate

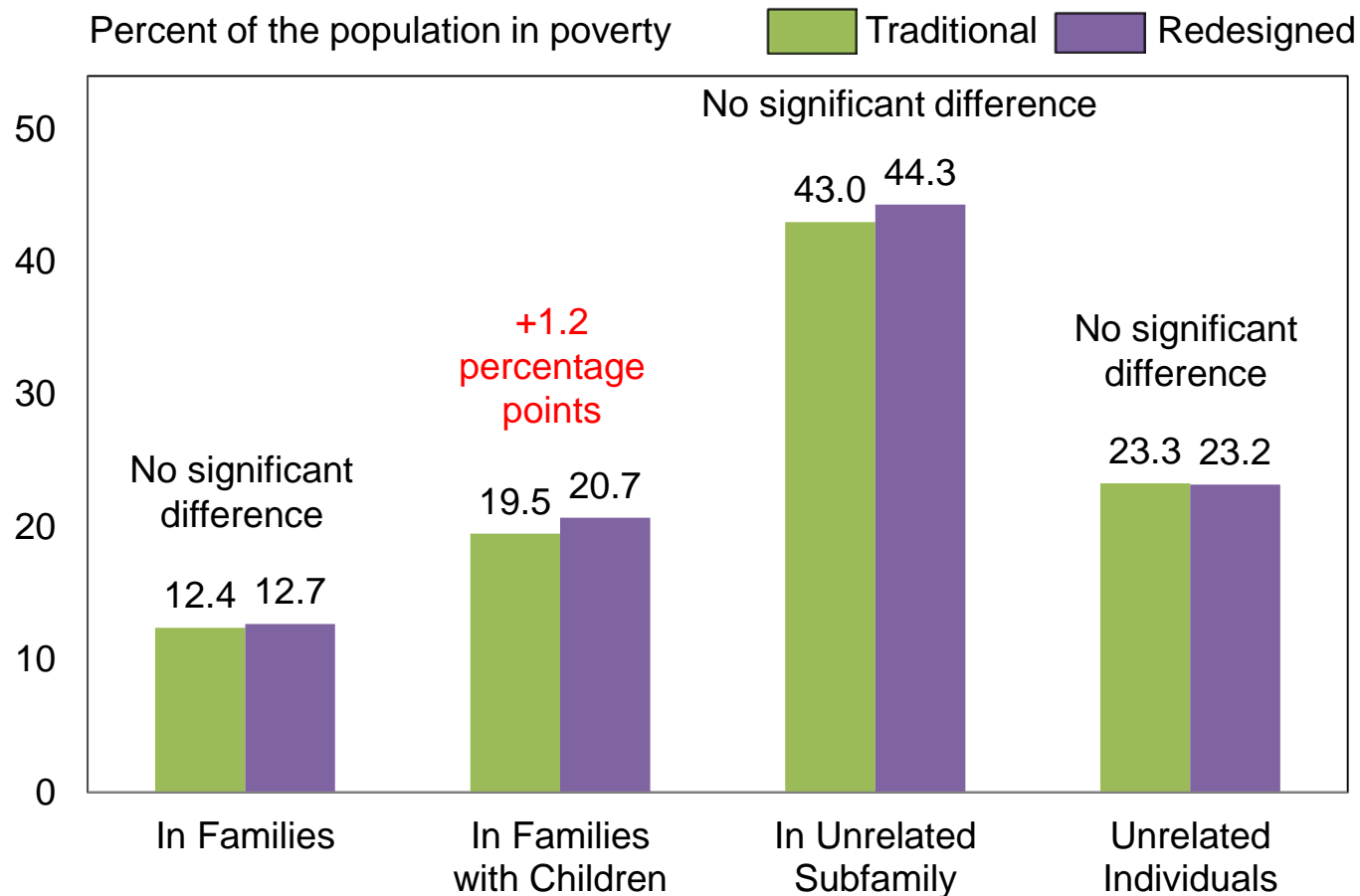


For more detail, see Kathleen Short, “The Effect of the Changes to the Current Population Survey Annual Social and Economic Supplement on Estimates of the Supplemental Poverty Measure,” January 2015.

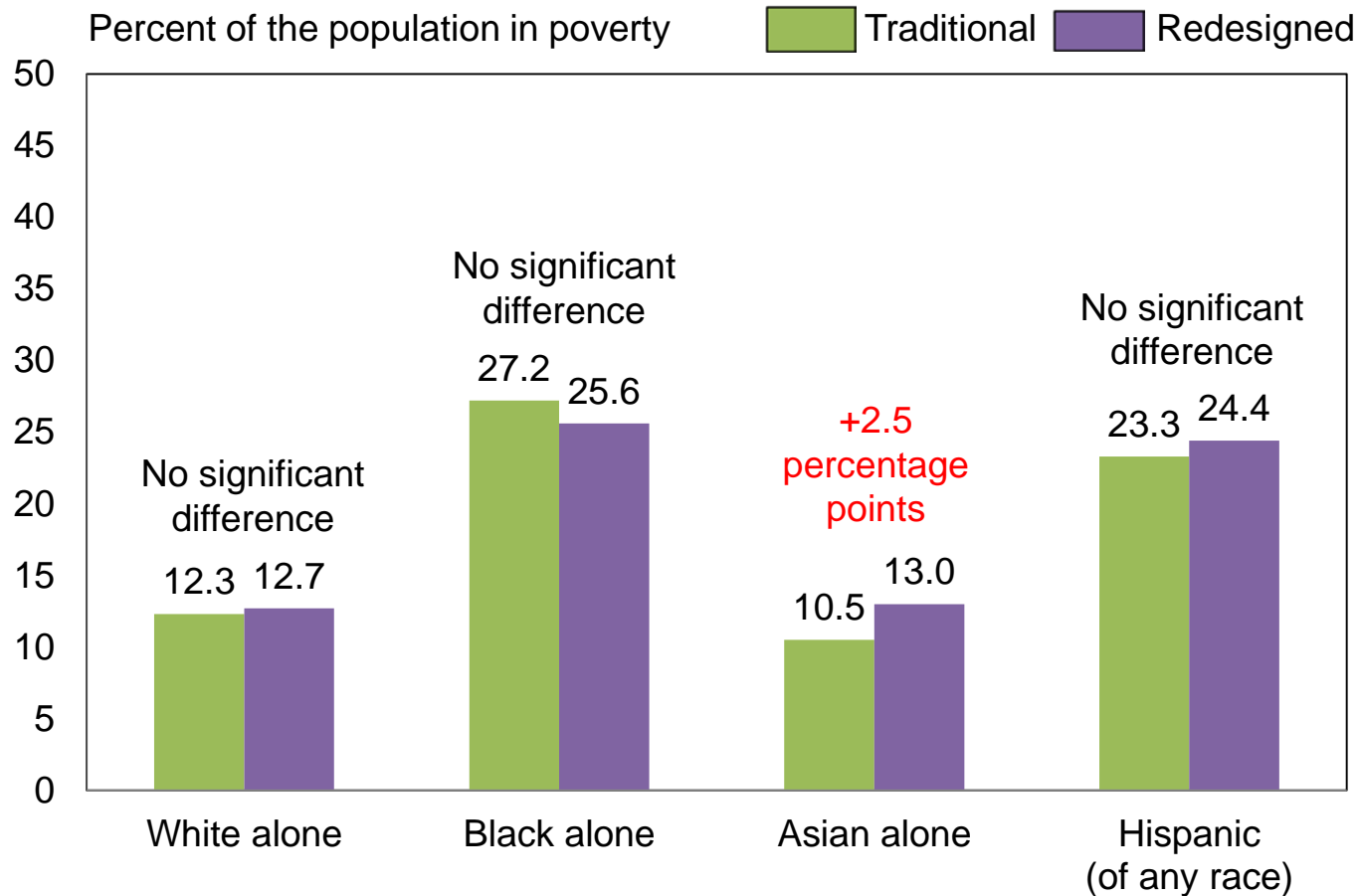
Poverty Rates by Age: 2013



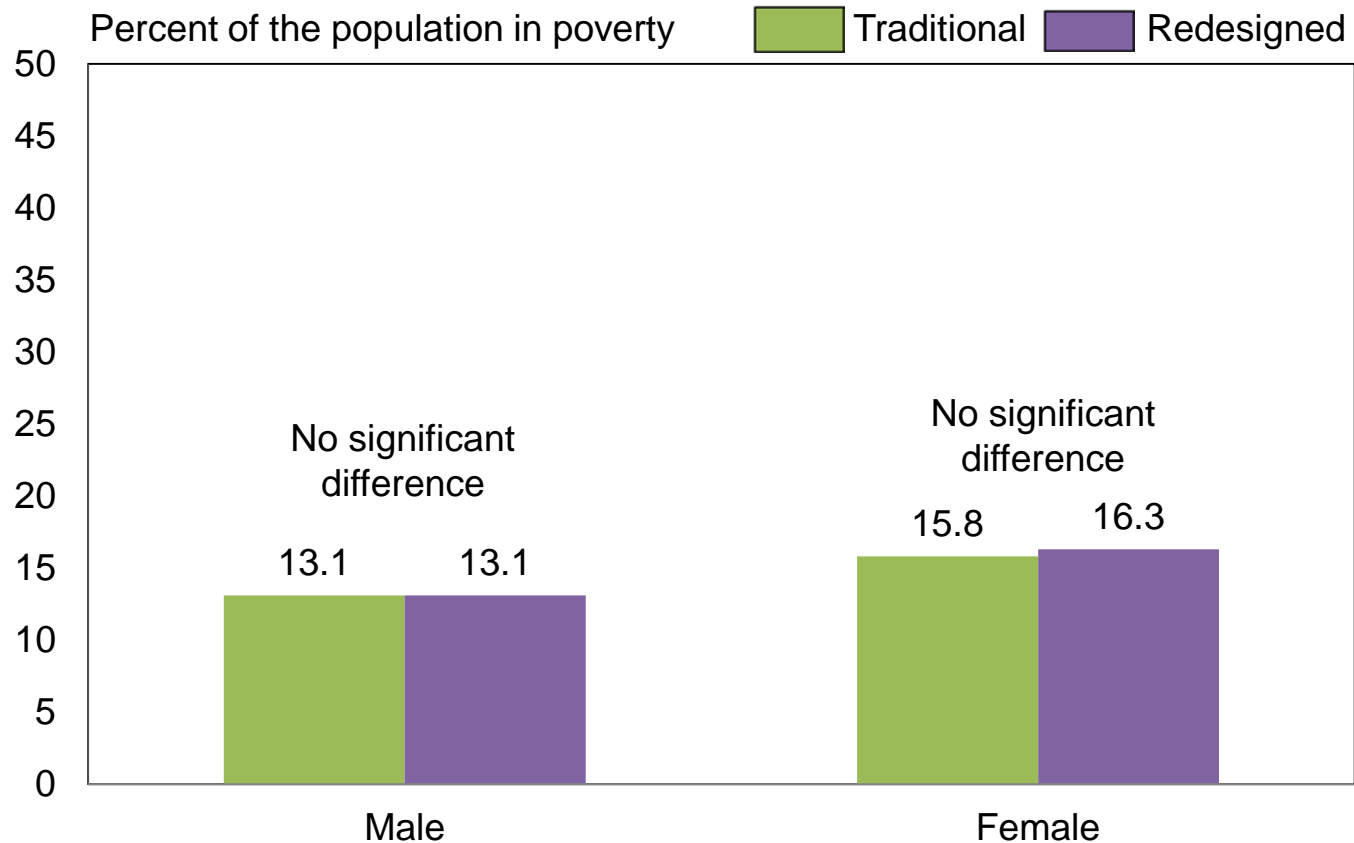
Poverty Rates by Family Type: 2013



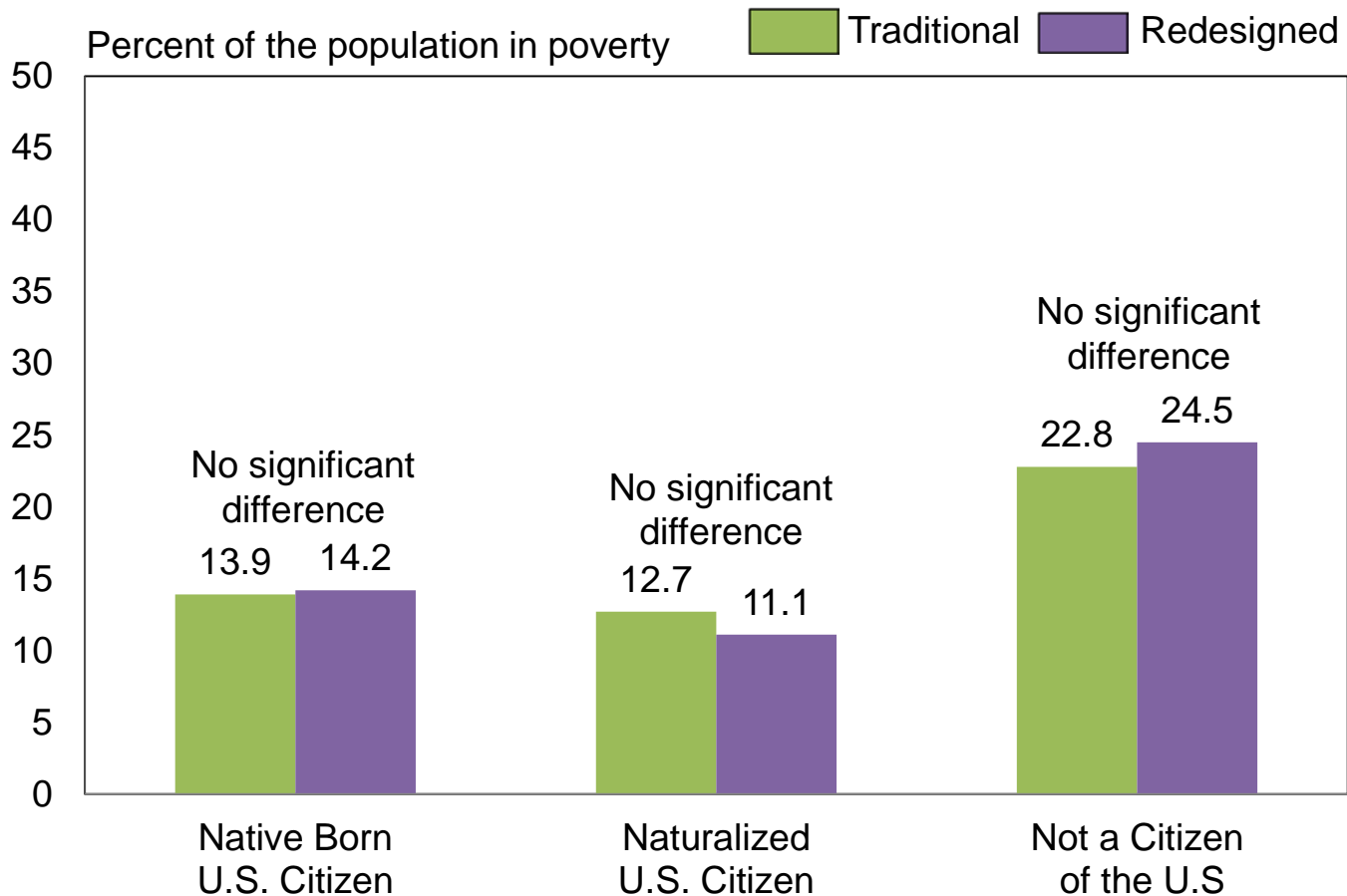
Poverty Rates by Race/Ethnicity: 2013



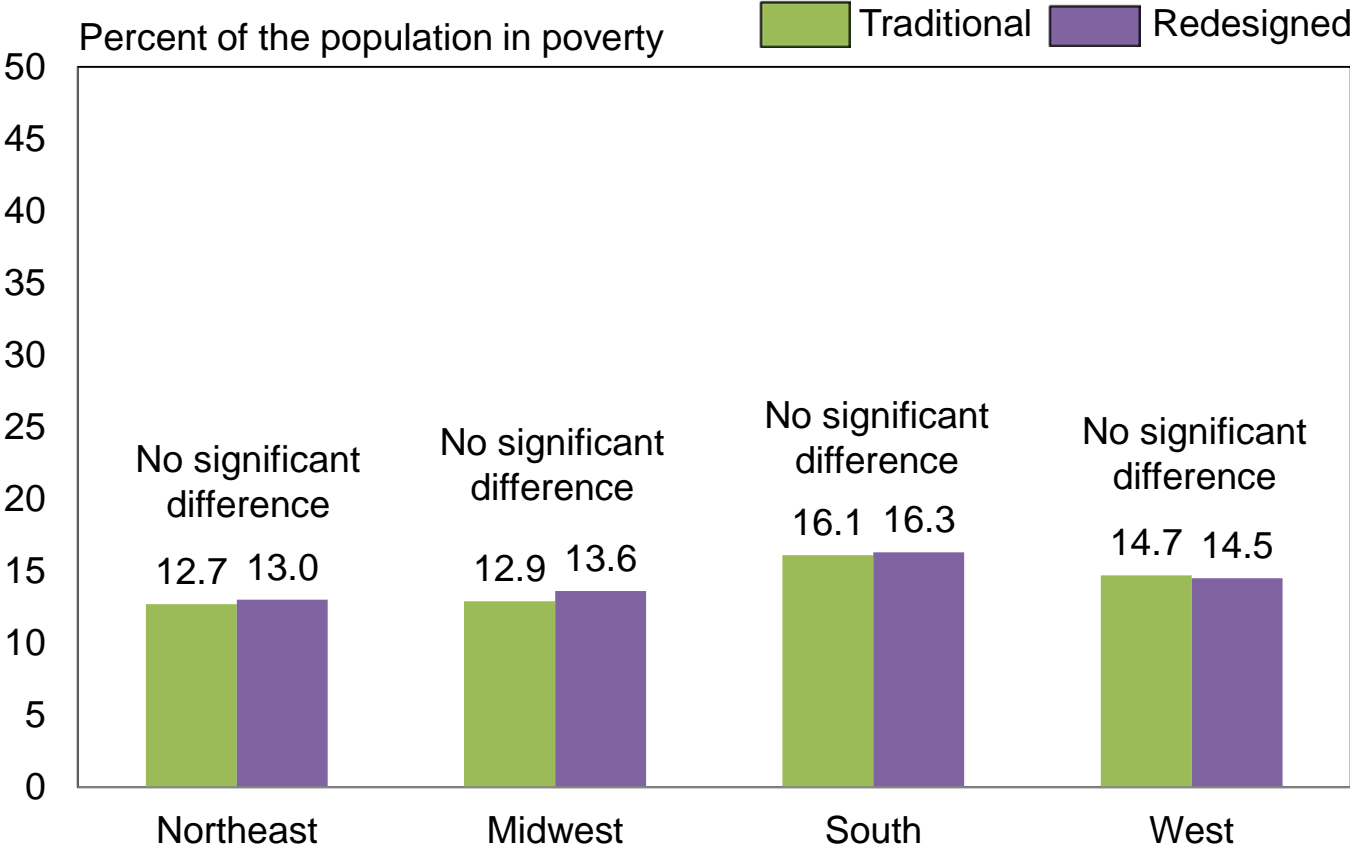
Poverty Rates by Sex: 2013



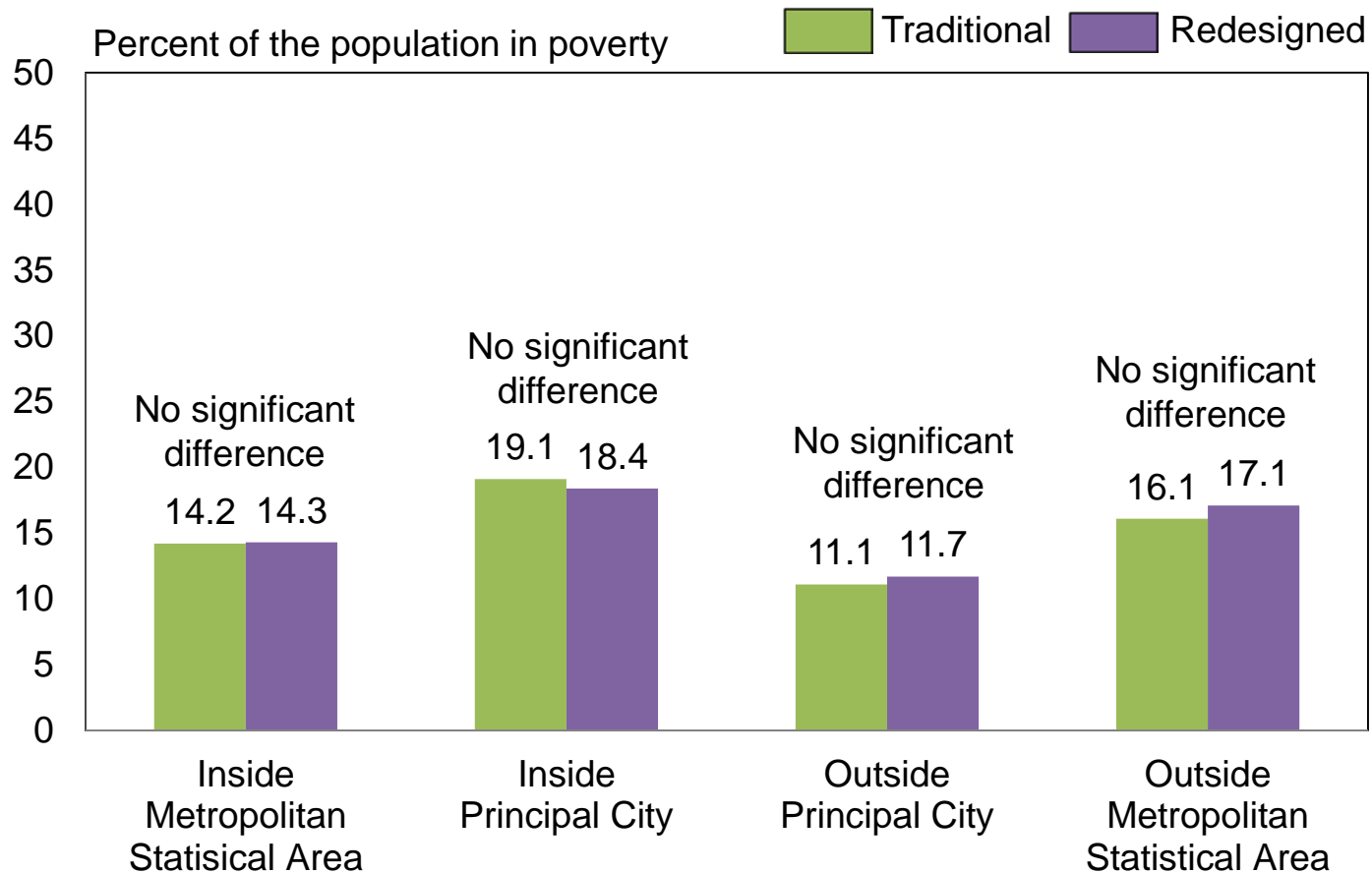
Poverty Rates by Nativity/Citizenship: 2013



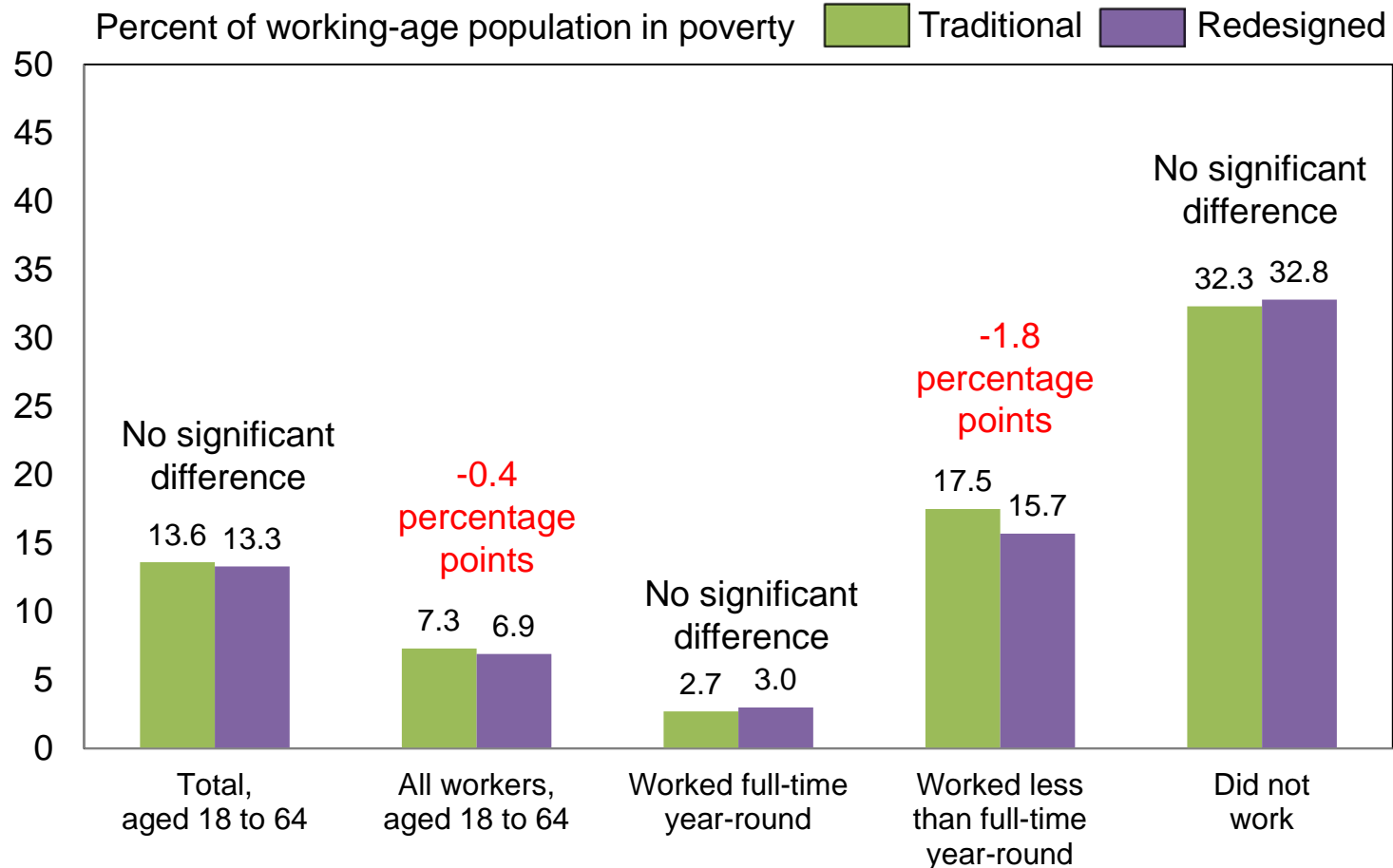
Poverty Rates by Region: 2013



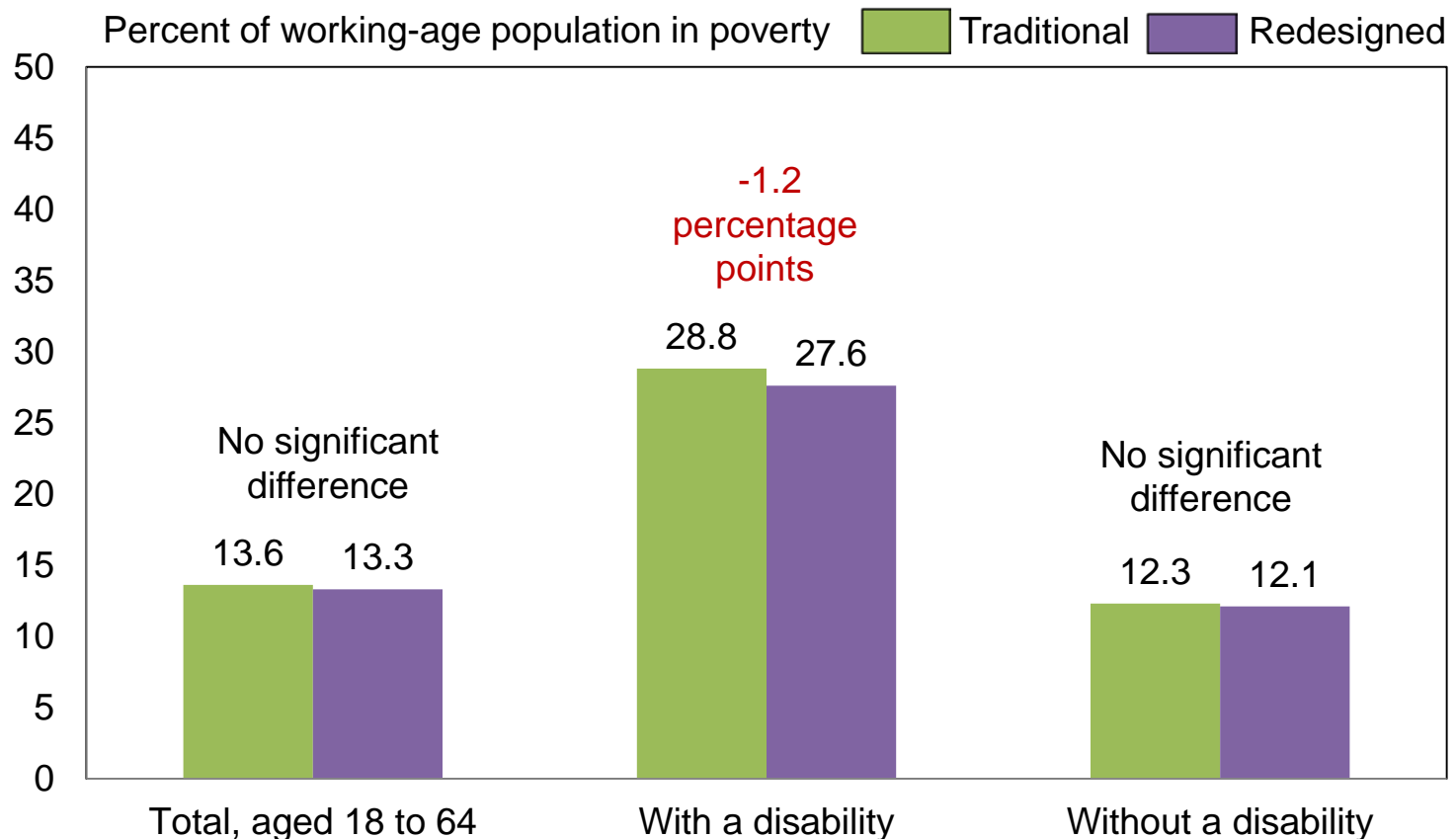
Poverty Rates by Place of Residence: 2013



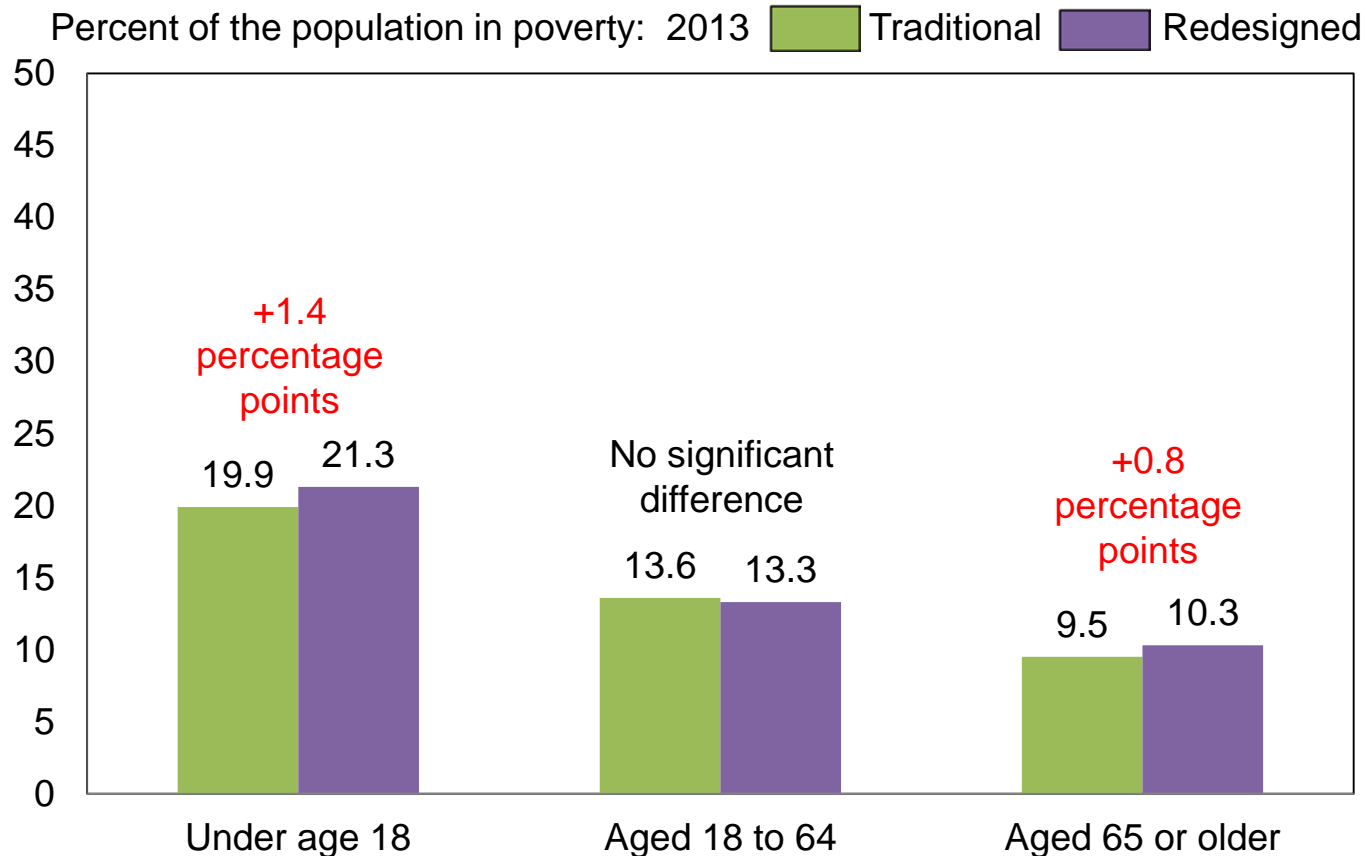
Poverty Rates by Work Experience: 2013



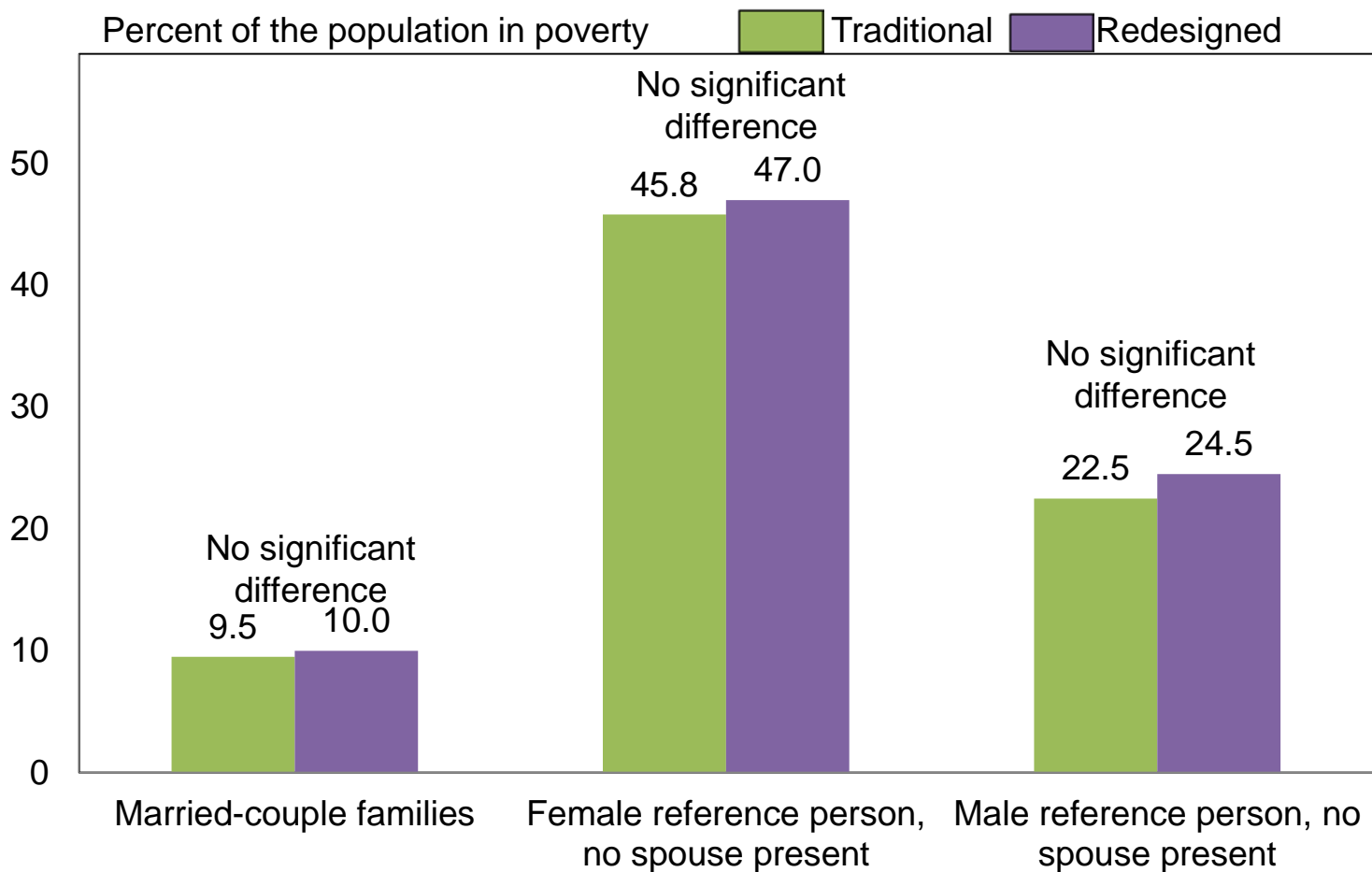
Poverty Rates by Disability Status: 2013



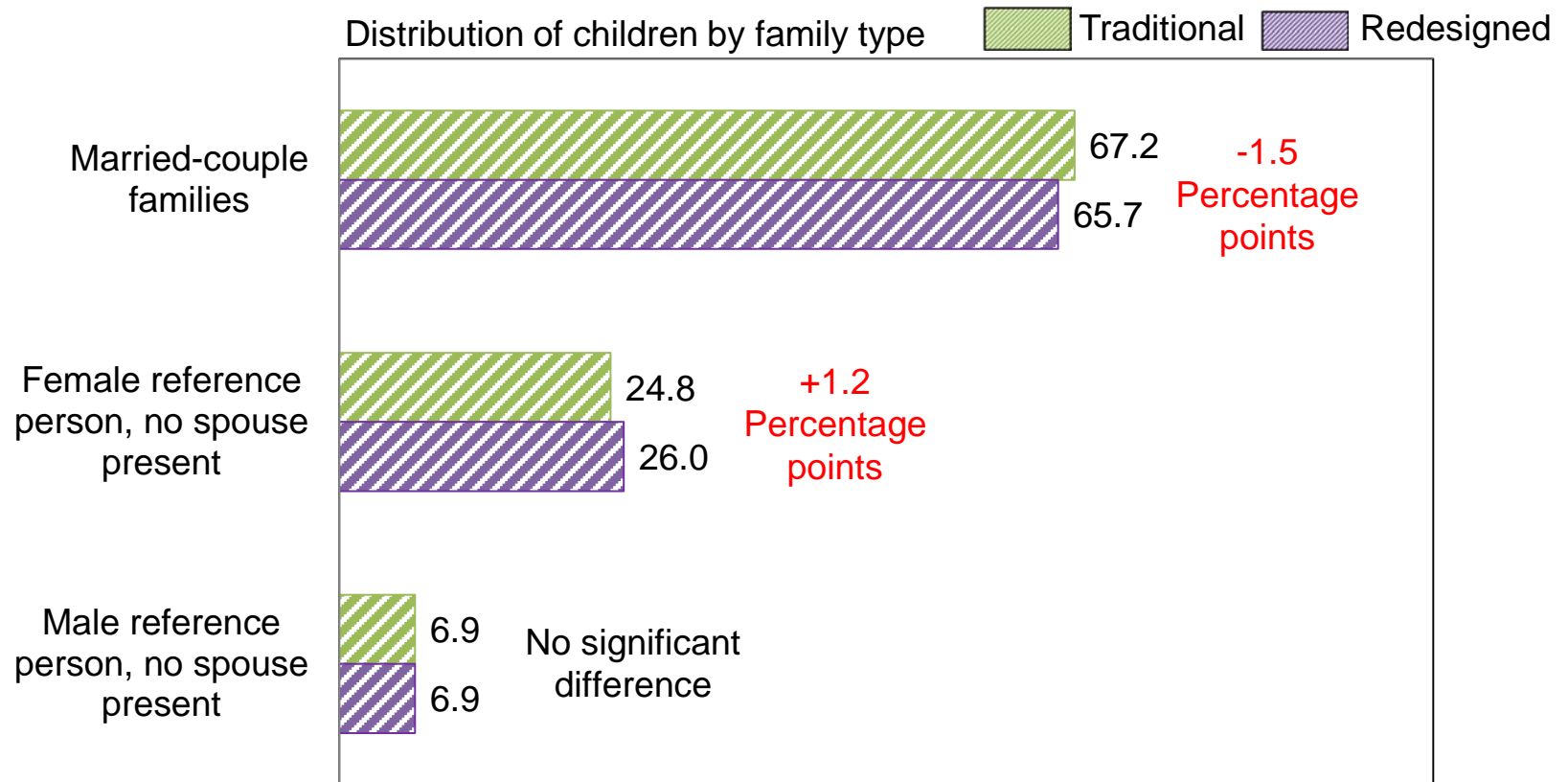
Why did poverty rates for go up for children and the older population?



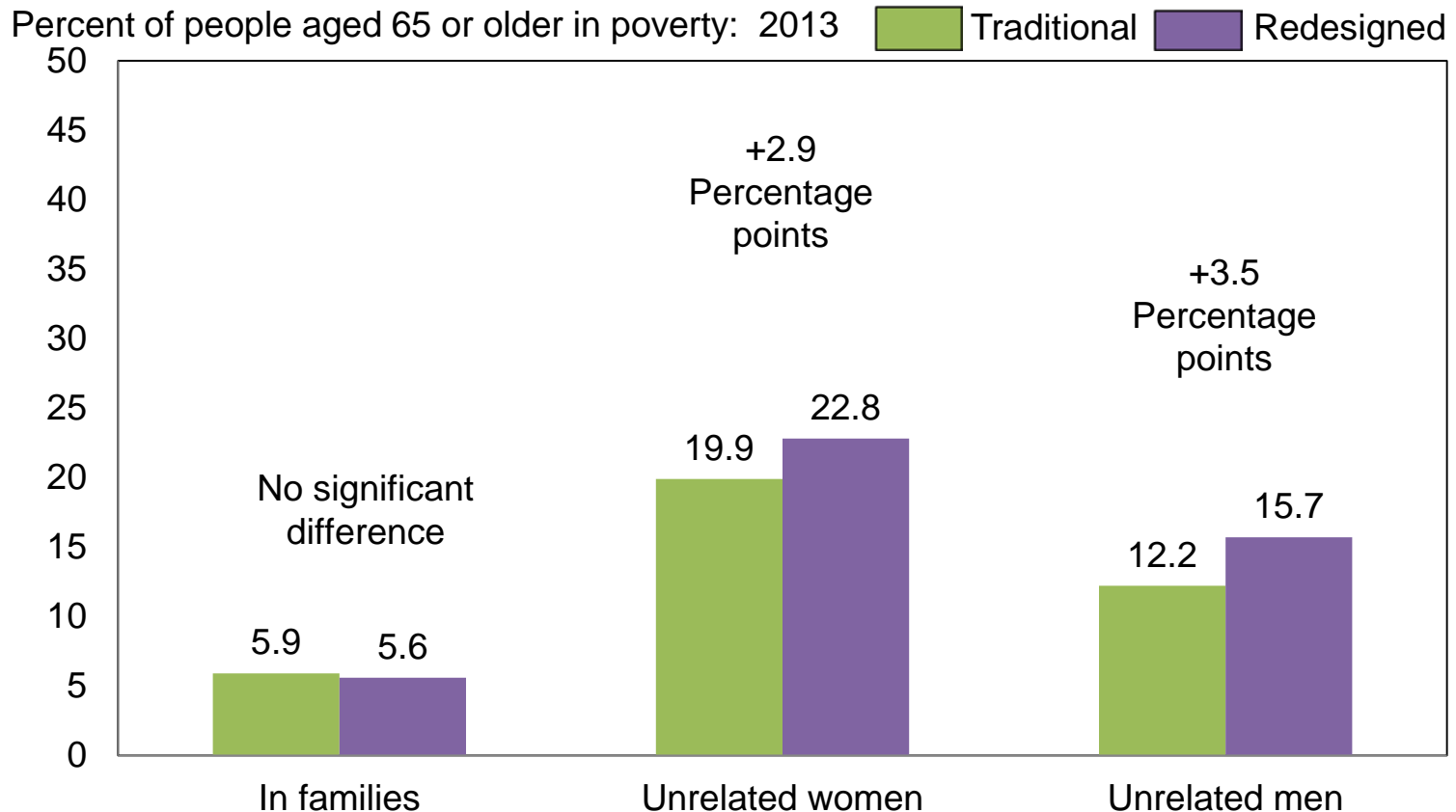
Child Poverty Rates by Family Type: 2013



Distribution of Children by Family Type: 2013



The higher poverty rates for those 65+ were driven by higher rates for those living outside families.



Increases in aggregate income were not uniform across the income distribution.

- Aggregate income for all households up 4.2 percent
- Median household income up 3.0 percent
- Change in aggregate income for households in the bottom quintile (income less than \$20,900) not statistically significant
 - Only two sources of income had statistically significant increases for households in the bottom quintile: public assistance and disability benefits
 - Changes in interest, dividends and retirement income were not statistically significant

Conclusions

- Few statistically significant differences in poverty between two samples
- Higher poverty rates for children and those aged 65 or older in the redesigned sample
 - Child poverty difference can be explained in part by difference in share of children living in married-couple families
- Despite higher aggregate income in redesigned sample for the total population, change in income in the bottom 20% not statistically significant

Thank You

Contact Information

Trudi Renwick

trudi.j.renwick@census.gov