Supplemental Poverty Measure in the United States: 2020

Live News Conference

September 14, 2021



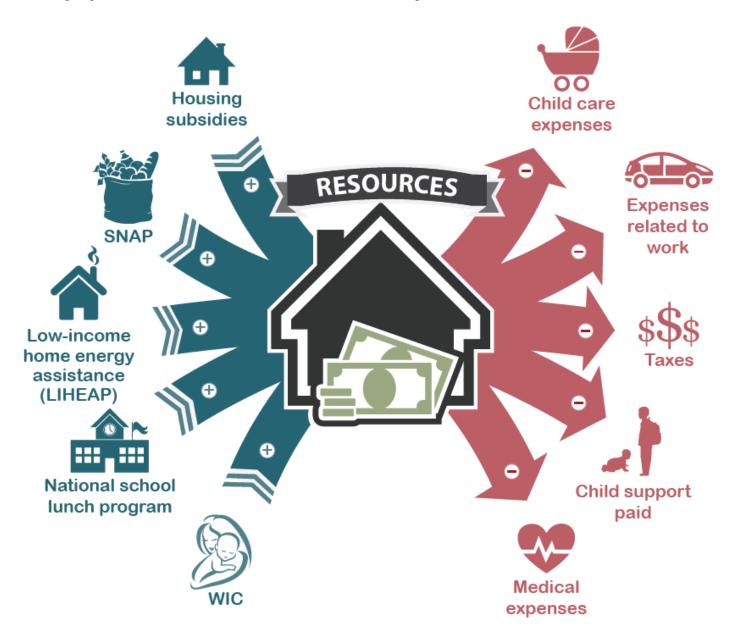
Supplemental Poverty Measure



Liana E. Fox
Branch Chief
Poverty Statistics Branch



Supplemental Poverty Measure (SPM)





The Supplemental Poverty Measure: 2020

Current Population Reports

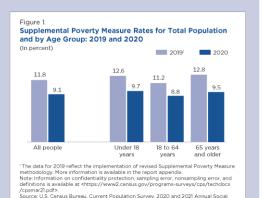
By Liana E. Fox and Kalee Burns September 2021 P60-275

INTRODUCTION

Since the publication of the first official U.S. poverty estimates in the 1960s, researchers and policymakers 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 that are not included in the official poverty measure. The SPM is produced with the support of the U.S. Bureau of Labor Statistics (BLS), and this report is the eleventh in the series. This report presents estimates of the prevalence of poverty in the United States using the official measure and the SPM based on information collected in 2021 and earlier Current Population Survey Annual Social and Economic Supplements (CPS ASEC)

HIGHLIGHTS

 In 2020, the overall SPM rate was 9.1 percent. This was



- 2.6 percentage points lower than the 2019 SPM rate of 11.8 (Figure 1).^{1, 2}
- SPM rates were down for all major age categories: children under age 18, adults aged 18
- ¹ Calculated differences here and throughout this report may differ due to
- rounding.

 ² SPM rate reflects methodological changes from published results in Fox (2020). More information is contained in the appendix of this report.
- to 64, and adults aged 65 and older between 2019 and 2020 (Figures 1 and 2).
- The SPM rate for 2020 was 2.3 percentage points lower than the official poverty rate of 11.4 percent (Figure 3). This is the first time in the history of the SPM that poverty was lower using the SPM than the official poverty rate.



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Highlights: SPM

- The Supplemental Poverty Measure (SPM) rate in 2020 was 9.1 percent. This was 2.6 percentage points lower than 2019 and the lowest rate since estimates were initially published for 2009.
- The SPM rate for 2020 was 2.3 percentage points lower than the official poverty rate of 11.4 percent.
- Stimulus payments, enacted as part of economic relief legislation related to the COVID-19 pandemic, moved 11.7 million people out of poverty.
 Unemployment insurance benefits, also expanded during 2020, prevented 5.5 million people from falling into poverty.

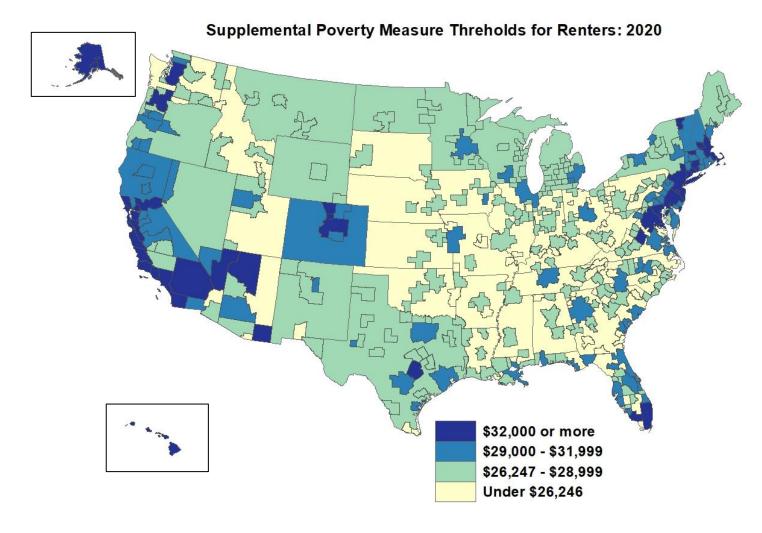


Note: Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf.

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

Supplemental Poverty Measure Thresholds, 2020







Source: Official Poverty Thresholds, <<u>www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html</u>>, Supplemental Poverty Measure Thresholds, Bureau of Labor Statistics (BLS), <<u>https://stats.bls.gov/pir/spmhome.htm</u>>, Geographic adjustments based on housing costs from the American Community Survey 2015-2019.

Thresholds for Two-Adult, Two-Child SPM Units by Geography: 2020

(In nominal dollars)

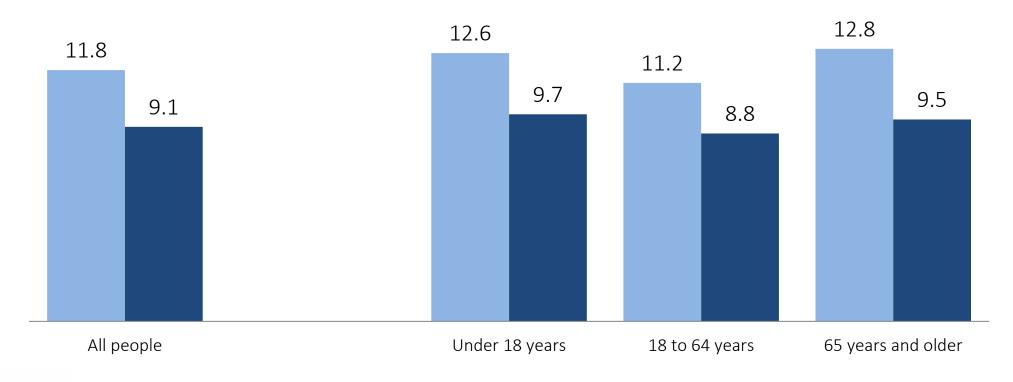
Housing Tenure	2020
Homeowners with Mortgage	29,959
Homeowners without a Mortgage	25,222
Renters	30,150

Source: Bureau of Labor Statistics (BLS), https://stats.bls.gov/pir/spmhome.htm, Geographic adjustments based on housing costs from the American Community Survey 2015-2019. Thresholds for individual geographies available at https://www2.census.gov/programs-surveys/demo/tables/p60/275/pov-threshold-2020.xlsx.



Comparison of SPM Poverty Estimates: 2019 and 2020

(In percent) 2019 2020





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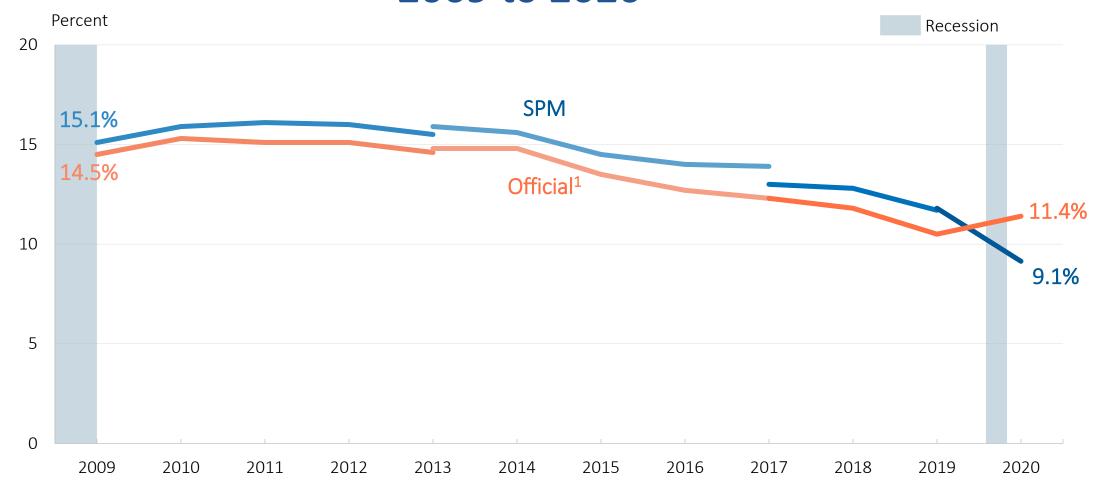
(Percent)

Characteristic	2019	2020
All People	11.8%	9.1%
Under 18 years	12.6%	9.7%
18 to 64 years	11.2%	8.8%
65 years and older	12.8%	9.5%

Source: U.S. Census Bureau, Current Population Survey, 2020 and 2021 Annual Social and Economic Supplements (CPS ASEC). Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf.



Poverty Rates Using the Official Measure and the SPM: 2009 to 2020





¹ Includes unrelated individuals under the age of 15.

Poverty Rates Using the Official Poverty Measure and the SPM: 2009 to 2020

(Rates in percent)

Year	Official Poverty Rate*	Supplemental Poverty Rate
2009	14.5	15.1
2010	15.3	15.9
2011	15.1	16.1
2012	15.1	16
2013	14.6	15.5
2013 ¹	14.8	15.9
2014	14.8	15.6
2015	13.5	14.5
2016	12.7	14.0
2017	12.3	13.9
2017 ²	12.3	13.0
2018	11.8	12.8
2019 ³	10.5	11.8
2020	11.4	9.1

Recessions

Peak month	Year	Trough month	Year
December	2007	June	2009
February	2020	April	2020

Source: National Bureau of Economic Research,

contractions>.

Source: U.S. Census Bureau, Current Population Survey, 2010 to 2021 Annual Social and Economic Supplements (CPS ASEC). Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf.



<www.nber.org/research/data/us-business-cycle-expansions-and-</p>

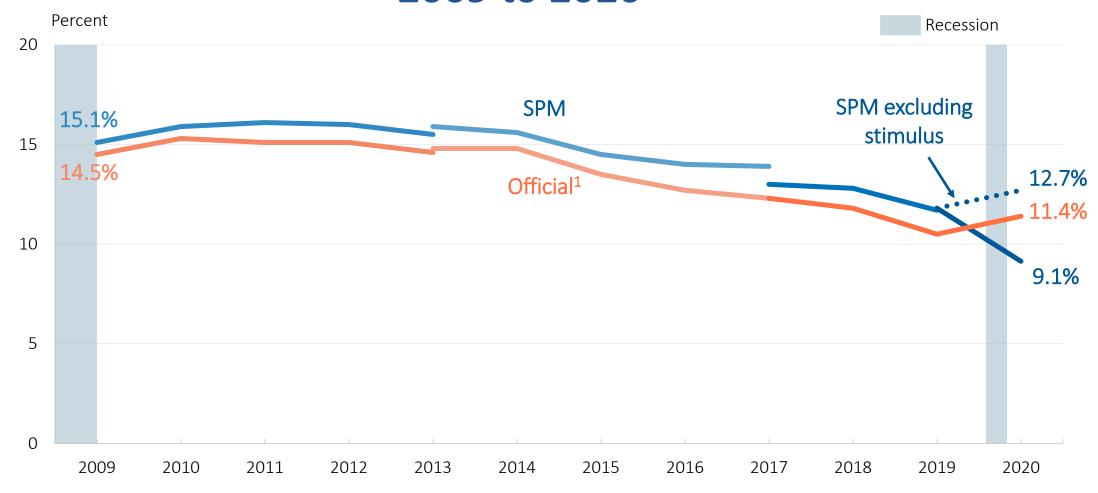
^{*}Includes unrelated individuals under age 15.

¹The data for 2013 and beyond reflect the implementation of the redesign income questions.

²The data for 2017 and beyond reflect the implementation of an updated processing system.

³The SPM estimates for 2019 and 2020 reflect the implementation of revised SPM methodology.

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2018	11.8	12.8
2019 ³	10.5	11.8
2020	11.4	9.1
2020 (excluding stimulus) ⁴	11.4	12.7

Recessions

Peak month	Year	Trough month	Year
December	2007	June	2009
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Source: National Bureau of Economic Research, <www.nber.org/research/data/us-business-cycle-expansions-and-contractions>.

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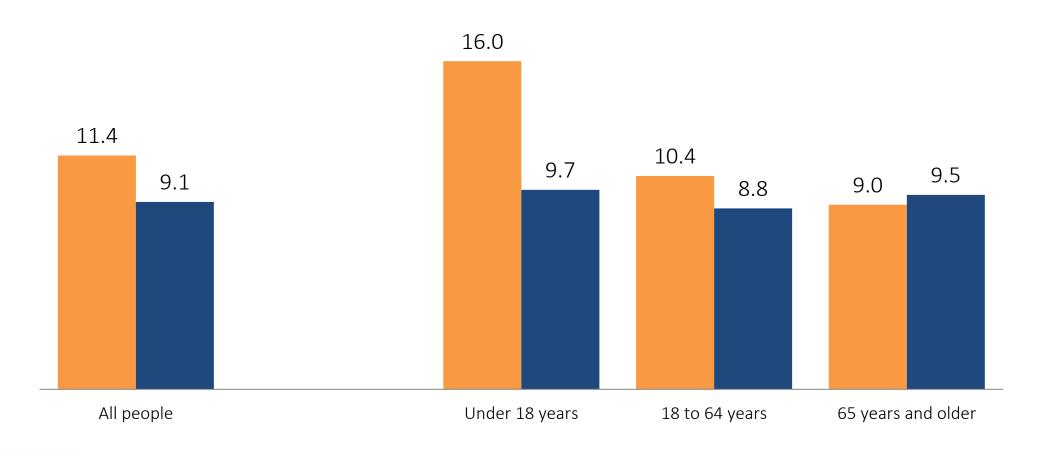
²The data for 2017 and beyond reflect the implementation of an updated processing system.

³The SPM estimates for 2019 and 2020 reflect the implementation of revised SPM methodology.

⁴The SPM estimate for 2020 does not include the first two rounds of stimulus payments. Additional details available in the report appendix.

Comparison of SPM and Official Poverty Estimates: 2020

(In percent) Official¹ SPM





Comparison of SPM and Official Poverty Estimates: 2020

(Percent)

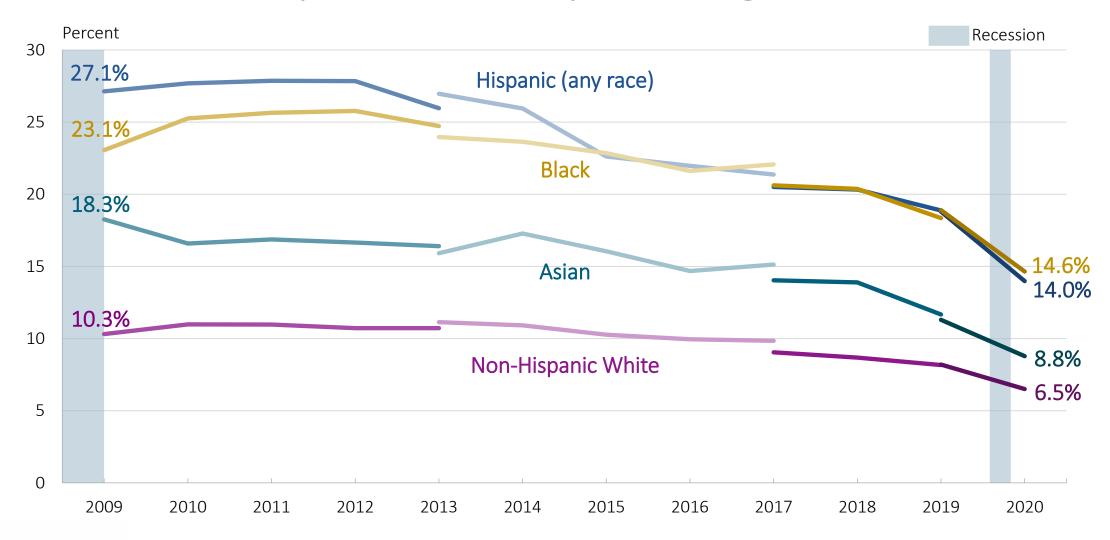
Characteristic	Official*	SPM
All People	11.4%	9.1%
Under 18 years	16.0%	9.7%
18 to 64 years	10.4%	8.8%
65 years and older	9.0%	9.5%

^{*}Includes unrelated individuals under age 15.

Source: U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement (CPS ASEC). Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf>.



SPM Rates by Race and Hispanic Origin: 2009 to 2020





Note: The data for 2019 and 2020 reflect the implementation of revised SPM methodology. The data from 2017 and beyond reflect the implementation of the updated processing system. The data for 2013 and beyond reflect the implementation of the redesigned income questions.

Source: U.S. Census Bureau, Current Population Survey, 2010 to 2021 Annual Social and Economic Supplements (CPS ASEC).

Supplemental Poverty Rates by Race¹ and Hispanic Origin: 2009 to 2020

(Percent)

Year	All races	White alone, not Hispanic	White, not Hispanic	Black alone	Black	Asian alone	Asian and Pacific Islander	Hispanic (any race)
2009	15.1	10.3	N	23.1	N	18.3	N	27.1
2010 ²	15.9	11.0	N	25.3	N	16.6	N	27.7
2011	16.1	11.0	N	25.6	N	16.9	N	27.9
2012	16	10.7	N	25.8	N	16.7	N	27.8
2013 ³	15.5	10.7	N	24.7	N	16.4	N	26.0
2013 ⁴	15.9	11.1	N	24.0	N	15.9	N	27.0
2014	15.6	10.9	N	23.6	N	17.3	N	25.9
2015	14.5	10.3	N	22.8	N	16.1	N	22.6
2016	14.0	9.9	N	21.6	N	14.7	N	22.0
2017	13.9	9.8	N	22.1	N	15.1	N	21.4
2017 ⁵	13.0	9.0	N	20.6	N	14.0	N	20.5
2018	12.8	8.7	N	20.4	N	13.9	N	20.3
2019	11.7	8.2	N	18.3	N	11.7	N	18.9
2019 ⁶	11.8	8.2	N	18.9	N	11.3	N	18.8
2020	9.1	6.5	N	14.6	N	8.8	N	14.0

Recessions

Peak month	Year	Trough month	Year
December	2007	June	2009
February	2020	April	2020

Source: National Bureau of Economic Research, <www.nber.org/research/data/us-business-cycle-expansions-and-contractions>.

N Not available.

¹Starting with the 2003 CPS, respondents were allowed to choose more than one race. This table presents the single-race population for 2002 to present. For example White alone refers to people who reported White and did not report any other race category. For 2001 and earlier years, the CPS allowed respondents to report only one race group.

²Consistent with 2011 data through implementation of Census 2010-based population controls.

³The 2014 CPS ASEC included redesigned questions for income and health insurance coverage. All of the approximately 98,000 addresses were eligible to receive the redesigned set of health insurance coverage questions. The redesigned income questions were implemented to a subsample of these 98,000 addresses using a probability split panel design. Approximately 68,000 addresses were eligible to receive a set of income questions similar to those used in the 2013 CPS ASEC and the remaining 30,000 addresses were eligible to receive the redesigned income questions. The source of these 2013 estimates is the portion of the CPS ASEC sample which received the income questions consistent with the 2013 CPS ASEC, approximately 68,000 addresses.

⁴The source of these 2013 estimates is the portion of the CPS ASEC sample which received the redesigned income questions, approximately 30,000 addresses.

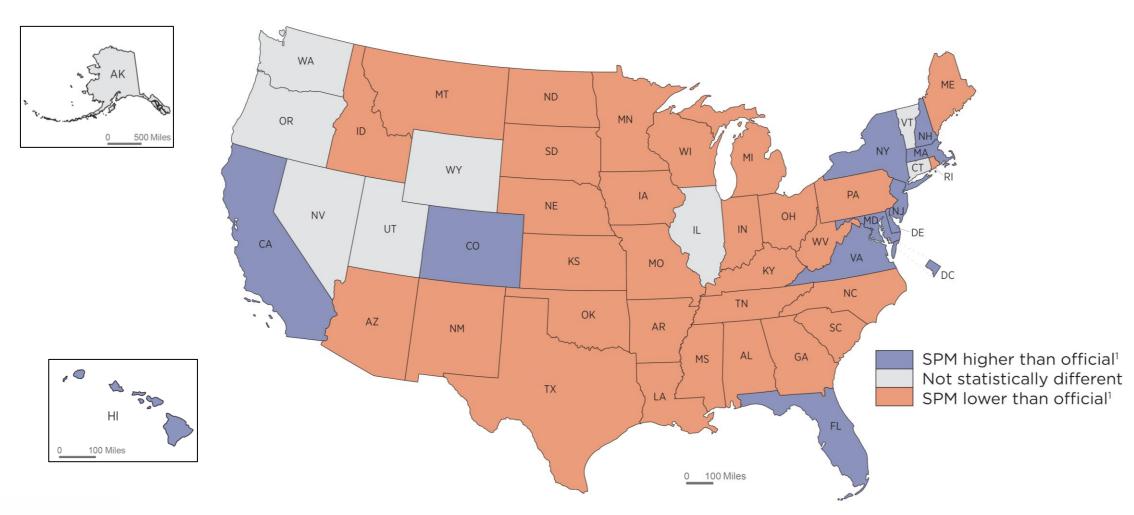
⁵ Estimates reflect the implementation of an updated processing system and should be used to make comparisons to 2018 and subsequent years.

⁶ Estimates for 2019 and 2020 reflect the implementation of revised SPM methodology.

Source: U.S. Census Bureau, Current Population Survey, 2010 to 2021 Annual Social and Economic Supplements (CPS ASEC). Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf.



Difference in Poverty Rates by State Using the Official Measure and the SPM: 3-Year Average 2018 to 2020





¹ Includes unrelated individuals under age 15.

Difference in Poverty Rates by State Using the Official Measure and the SPM: 3-Year Average 2018 to 2020

(Rates in percent)

State	Official*	SPM		Difference	State	Official*	SPM	Difference
United States	11.2	11.2	0.0	Not statistically different	Missouri	10.8	8.1	-2.7 * SPM lower than official
Alabama	14.6	12.0	-2.6 *	SPM lower than official	Montana	10.3	9.1	-1.3 * SPM lower than official
Alaska	12.2	12.0	-0.1	Not statistically different	Nebraska	9.2	8.1	-1.1 * SPM lower than official
Arizona	11.2	10.4	-0.7 *	SPM lower than official	Nevada	12.1	11.5	-0.5 Not statistically different
Arkansas	14.7	11.4	-3.3 *	SPM lower than official	New Hampshire	5.3	6.5	1.2 * SPM higher than official
California	11.0	15.4	4.4 *	SPM higher than official	New Jersey	7.6	10.0	2.4 * SPM higher than official
Colorado	9.3	11.2	1.9 *	SPM higher than official	New Mexico	16.1	12.2	-3.9 * SPM lower than official
Connecticut	9.9	10.7	0.8	Not statistically different	New York	11.8	13.3	1.6 * SPM higher than official
Delaware	8.1	9.8	1.6 *	SPM higher than official	North Carolina	13.2	11.9	-1.3 * SPM lower than official
District of Columbia	14.7	16.5	1.8 *	SPM higher than official	North Dakota	9.5	8.6	-0.9 * SPM lower than official
Florida	12.8	14.0	1.2 *	SPM higher than official	Ohio	12.4	9.3	-3.1 * SPM lower than official
Georgia	13.4	12.1	-1.3 *	SPM lower than official	Oklahoma	13.2	10.3	-2.9 * SPM lower than official
Hawaii	9.5	12.0	2.5 *	SPM higher than official	Oregon	9.1	9.4	0.2 Not statistically different
Idaho	9.2	7.5	-1.7 *	SPM lower than official	Pennsylvania	10.4	9.5	-0.9 * SPM lower than official
Illinois	9.2	9.5	0.4	Not statistically different	Rhode Island	8.8	6.2	-2.6 * SPM lower than official
Indiana	11.3	8.7	-2.6 *	SPM lower than official	South Carolina	13.7	12.1	-1.6 * SPM lower than official
Iowa	9.1	6.6	-2.5 *	SPM lower than official	South Dakota	10.9	8.5	-2.4 * SPM lower than official
Kansas	8.7	6.4	-2.2 *	SPM lower than official	Tennessee	12.7	10.8	-2.0 * SPM lower than official
Kentucky	14.4	10.9	-3.5 *	SPM lower than official	Texas	12.9	12.5	-0.5 * SPM lower than official
Louisiana	17.4	13.9	-3.5 *	SPM lower than official	Utah	7.2	7.1	 -0.1 Not statistically different
Maine	10.0	7.3	-2.6 *	SPM lower than official	Vermont	8.9	8.3	-0.7 Not statistically different
Maryland	8.1	10.8	2.7 *	SPM higher than official	Virginia	8.8	10.1	1.3 * SPM higher than official
Massachusetts	8.2	9.4	1.2 *	SPM higher than official	Washington	7.9	7.5	-0.4 Not statistically different
Michigan	10.6	8.8	-1.8 *	SPM lower than official	West Virginia	14.6	10.5	-4.1 * SPM lower than official
Minnesota	7.3	5.9	-1.5 *	SPM lower than official	Wisconsin	8.3	6.8	-1.5 * SPM lower than official
Mississippi	18.8	14.5	-4.3 *	SPM lower than official	Wyoming	9.5	8.8	-0.6 Not statistically different

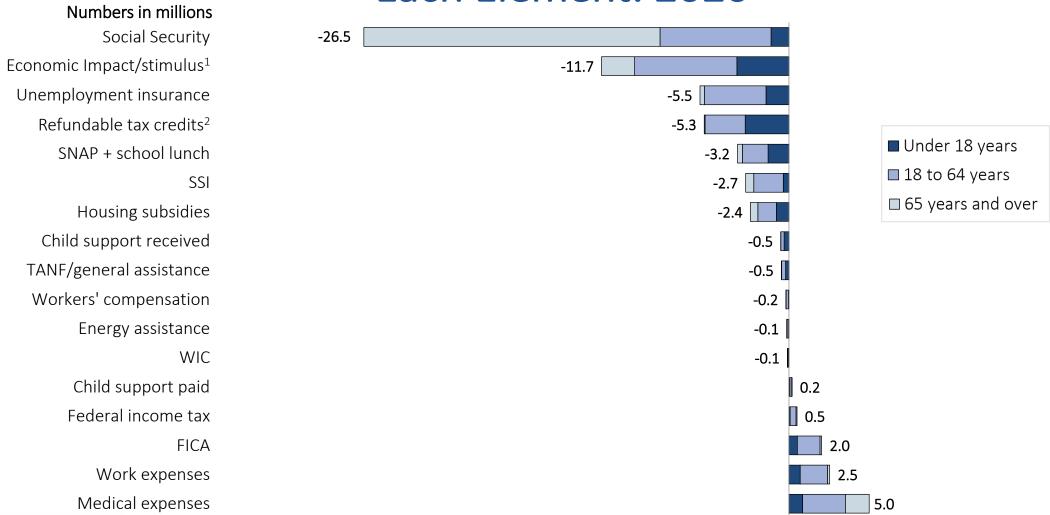
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Change in Number of People in Poverty After Including Each Element: 2020





¹ Includes the first two rounds of stimulus payments.

² Refundable tax credits do not include stimulus payments.

Change in Number of People in Poverty After Including Each Element: 2020 (in millions)

Program	Under 18 years	18 to 64 years	65 years and over	All Ages
Social Security	-1.115	-6.923	-18.464	-26.502
Stimulus ¹	-3.246	-6.373	-2.065	-11.684
Unemployment insurance	-1.430	-3.845	-0.270	-5.545
Refundable tax credits ²	-2.729	-2.505	-0.048	-5.281
SNAP/school lunch	-1.302	-1.601	-0.306	-3.209
SSI	-0.354	-1.839	-0.505	-2.698
Housing subsidies	-0.785	-1.154	-0.468	-2.407
Child support received	-0.305	-0.205	-0.004	-0.514
TANF/general assistance	-0.211	-0.243	-0.018	-0.472
Workers' compensation	-0.041	-0.142	-0.010	-0.193
Energy assistance	-0.027	-0.090	-0.026	-0.142
WIC	-0.066	-0.035	0.000	-0.102
Child support paid	0.058	0.119	0.020	0.197
Federal income tax	0.075	0.370	0.059	0.504
FICA	0.525	1.417	0.096	2.039
Work expenses	0.704	1.707	0.127	2.537
Medical expenses	0.854	2.667	1.482	5.002

¹Includes the first two rounds of stimulus payments. Additional details available in the report appendix.

Source: U.S. Census Bureau, Current Population Survey, 2021 Annual Social and Economic Supplement (CPS ASEC). Information on confidentiality protection, sampling error, nonsampling error, and definitions is available at https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar21.pdf>.



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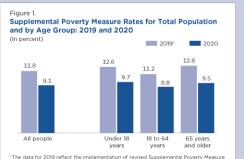
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For more information:

- The Supplemental Poverty Measure: 2020
- Random Samplings
 - What's the Difference Between the Supplemental and Official Poverty Measures?
- America Counts: Stories Behind the Numbers
 - Who was Lifted Out of Poverty by Stimulus Payments?
- Working Papers
 - Improvements to the Census Bureau's Supplemental Poverty Measure for 2021
 - Alternative School Lunch Valuation in the CPS ASEC
 During COVID-19
 - Imputing 2020 Economic Impact Payments in the 2021 CPS ASEC

