

Income and Poverty: 2020

In this fact sheet, we explore the Current Population Survey Annual Social and Economic Supplement (CPS ASEC) as a source of U.S. Census Bureau income and poverty data.

Our income statistics are based on pretax money income and are adjusted to current dollars using the consumer price index research series. We measure poverty two ways every year. The official poverty measure is based on pretax cash resources. The Supplemental Poverty Measure (SPM) includes both cash resources and noncash benefits and subtracts necessary expenses (such as taxes and medical expenses).

Official poverty status is calculated by comparing a family's (or individual's) total pretax money income to their official poverty threshold, which varies by family size and composition. If a family's total pretax money income is less than their official poverty threshold, that family and every individual in it are considered to be in poverty. The SPM compares its expanded post-tax and transfer resource measure to thresholds produced by the U.S. Bureau of Labor Statistics that vary by family size and composition as well as housing tenure status and geographic location.

In response to the COVID-19 pandemic, Congress passed legislation to aid individuals and families that provided households with additional income in the form of stimulus payments and tax credits. For consistency with past reports, the income and official poverty

Key Fact

The Current Population Survey Annual Social and Economic Supplement provides national, calendar-year estimates of income and official poverty numbers and rates along with demographic and social characteristics.

estimates are based on the concept of pretax money income, which does not include these stimulus payments and tax credits. SPM estimates do reflect the impact of stimulus payments and tax credits.

The CPS ASEC:

- Provides national estimates of income, earnings, and income distributions and is the official source of U.S. poverty statistics. Also provides data on health insurance coverage and is used to estimate SPM rates.
- Samples about 95,000 addresses.
- Records income from more than 50 sources in the last calendar year.
- Includes data across a wide range of demographic and socioeconomic characteristics.
- Provides a historical time series of many decades in length at the national level, with income data back to 1947 and poverty data back to 1959.
- Statistics are released in September 2021.