

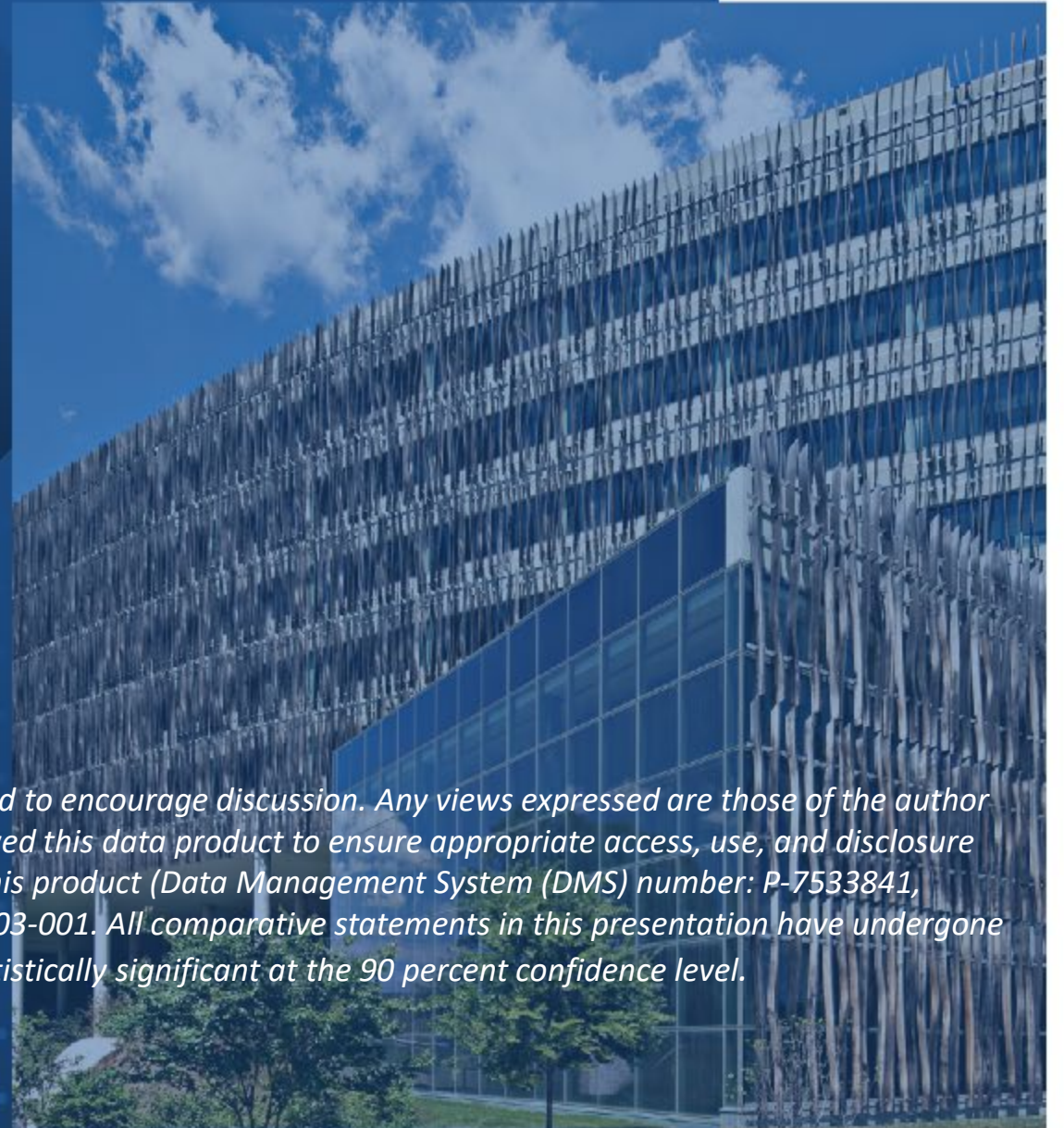
Measuring Poverty Using Census Bureau Data

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This presentation is released to inform interested parties of research and to encourage discussion. Any views expressed are those of the author and not those of the U.S. Census Bureau. The Census Bureau has reviewed this data product to ensure appropriate access, use, and disclosure avoidance protection of the confidential source data used to produce this product (Data Management System (DMS) number: P-7533841, Disclosure Review Board (DRB) approval number: CBDRB-FY25-SEHSD003-001. All comparative statements in this presentation have undergone statistical testing, and, unless otherwise noted, all comparisons are statistically significant at the 90 percent confidence level.



Outline for Today's Talk

- Define poverty
- Discussion of datasets
- Data tools

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The U.S. Census Bureau releases two poverty measures every year to identify who is poor in the United States.

For both measures, individuals are considered poor if the resources they share with others in the household are not enough to meet basic needs.



But the two measures are very different.



Official Measure



Supplemental Measure



Official Measure



Supplemental Measure

Who shares resources?

The two measures make different assumptions about who shares resources. The SPM assumes that more people in a household share resources with one another.

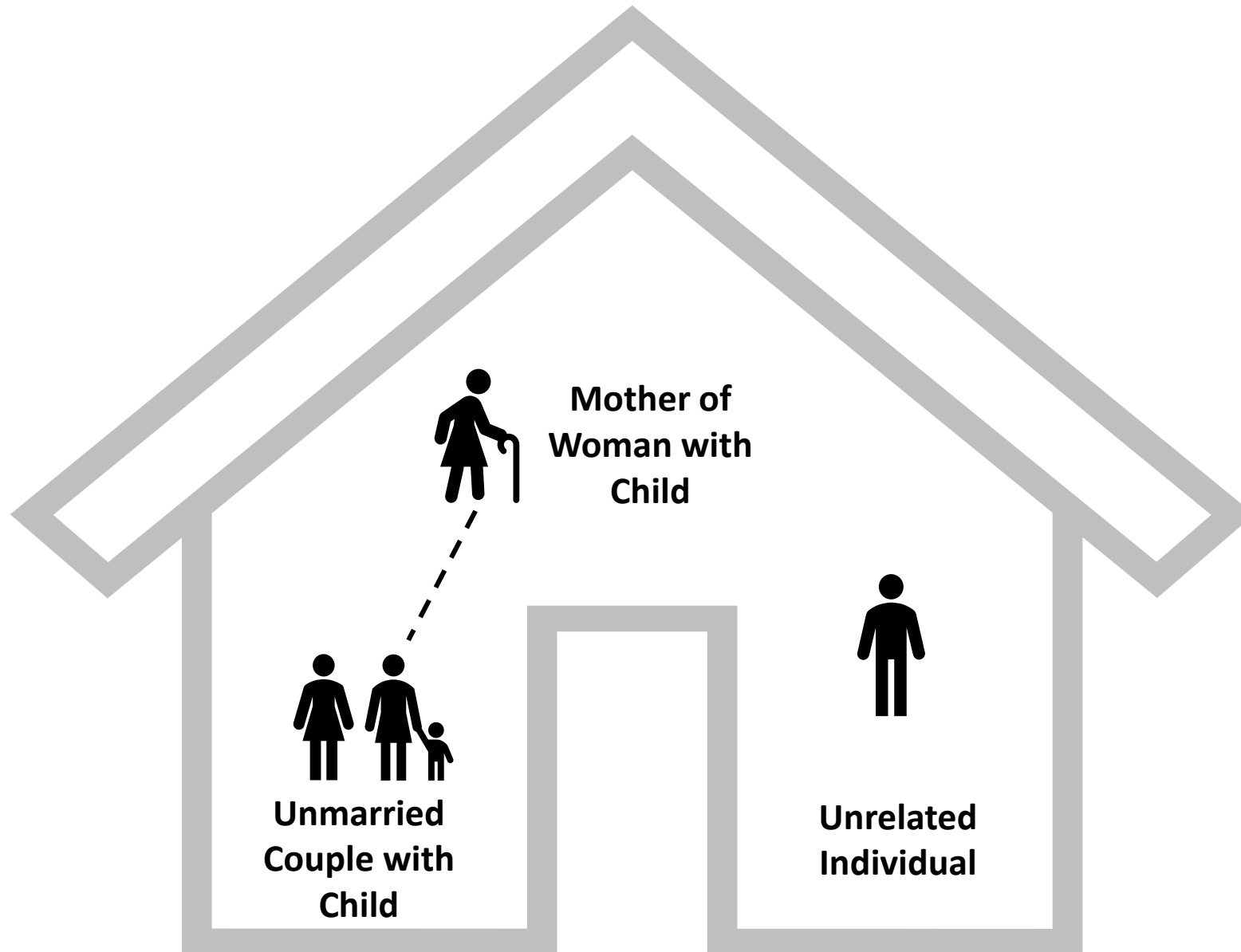
The official measure of poverty assumes that all individuals residing together who are related by birth, marriage, or adoption share income.



The SPM starts with the family and then adds some unrelated people such as foster children and unmarried partners.

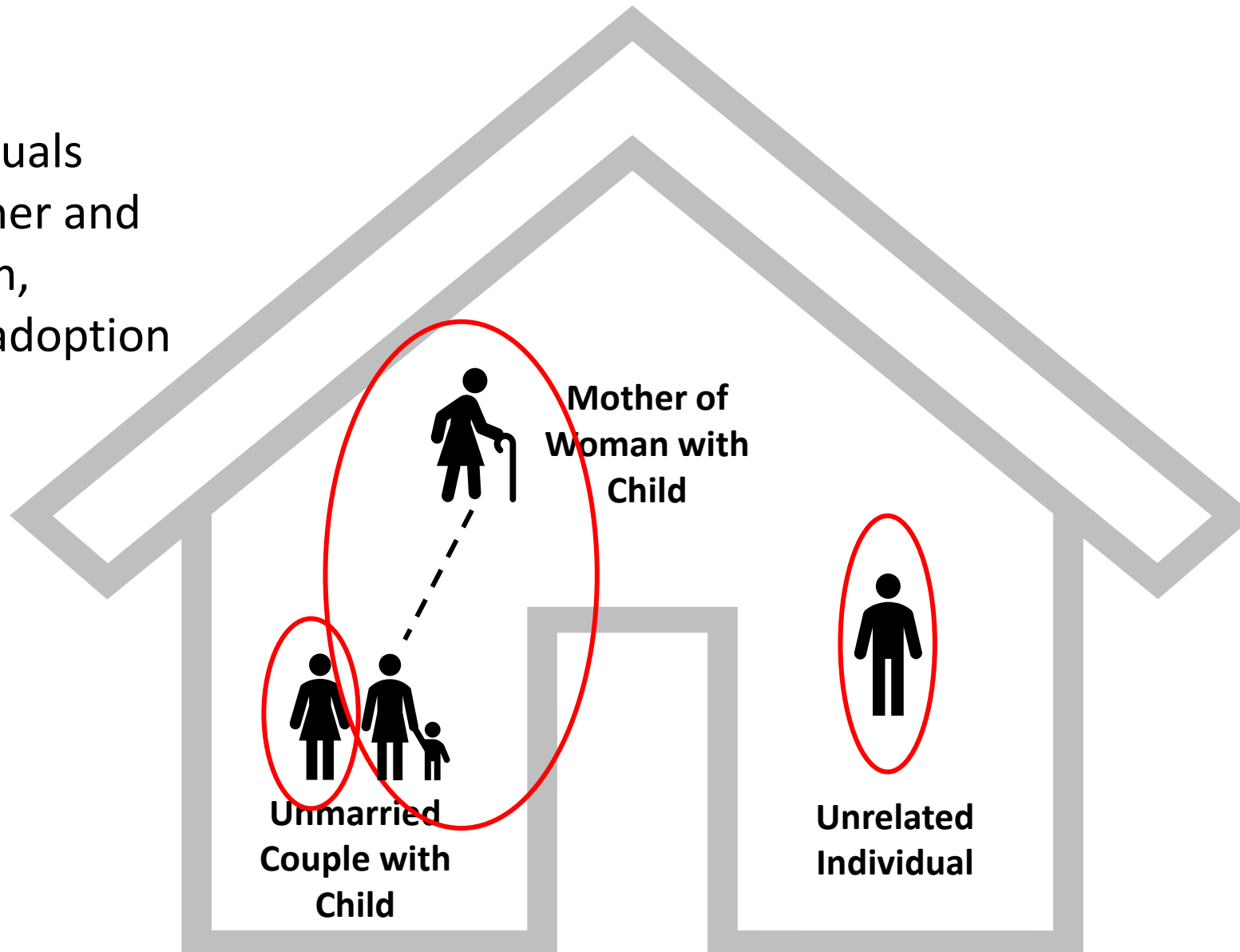


Resource Sharing Units for Poverty Measurement



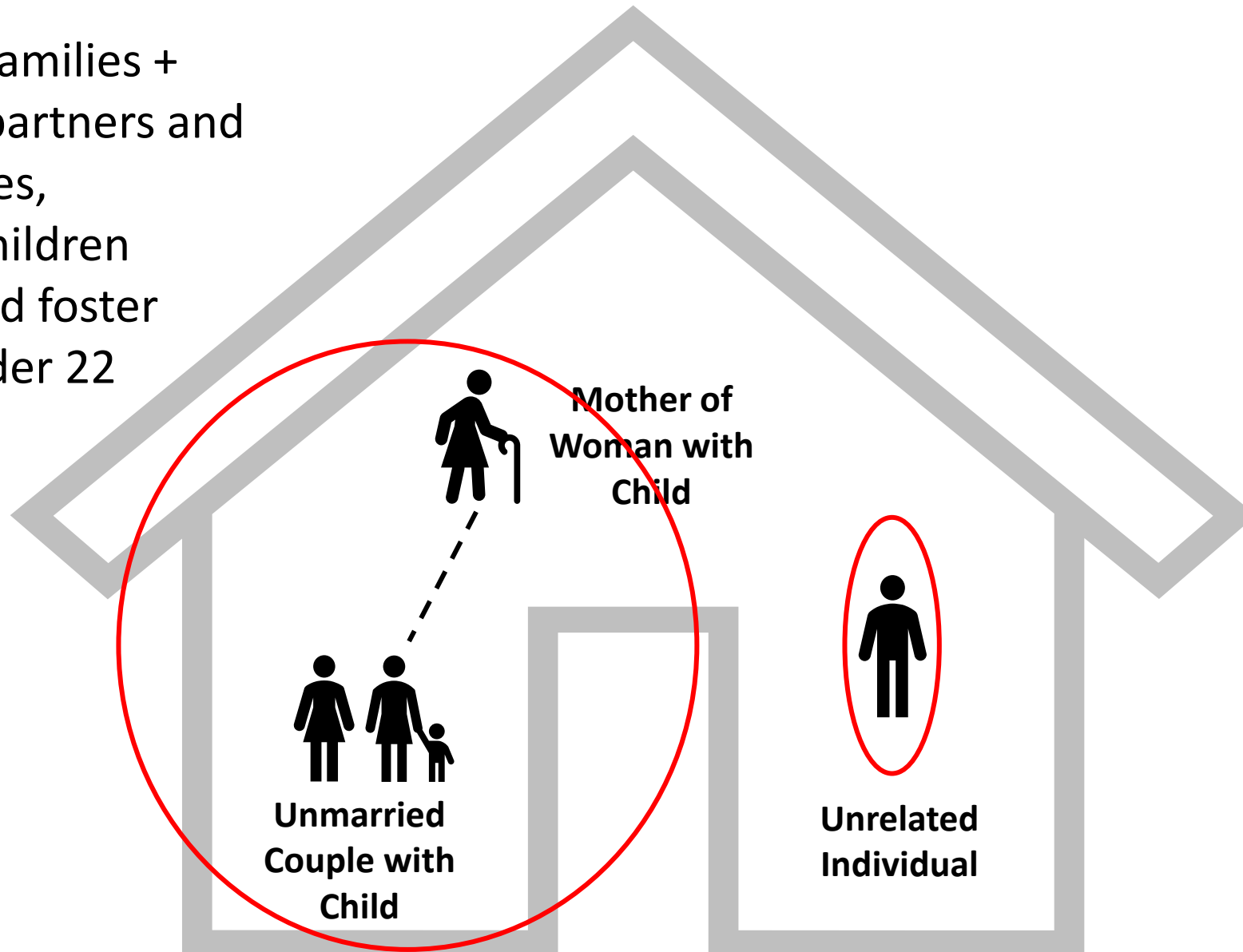
Resource Sharing Units for Poverty Measurement

Family: Individuals residing together and related by birth, marriage and adoption



Resource Sharing Units for Poverty Measurement

SPM Unit: Families +
unmarried partners and
their relatives,
unrelated children
under 15 and foster
children under 22



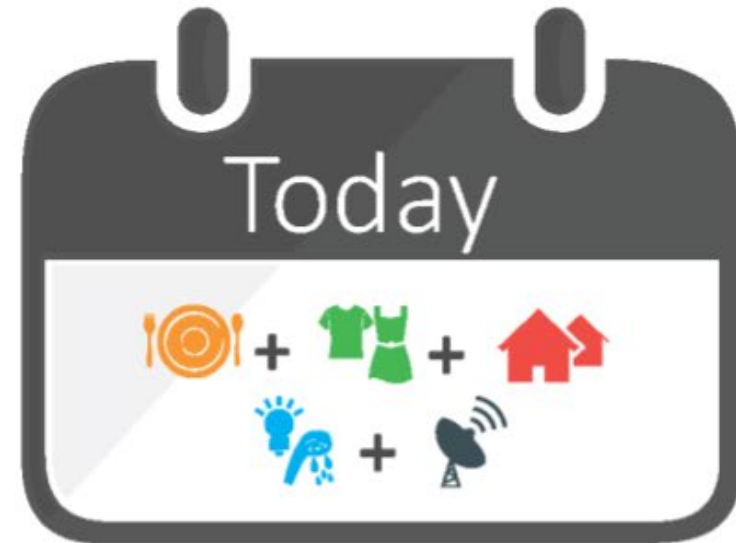
How do we measure needs?

The **poverty threshold**, or **poverty line**, is the minimum level of resources that are adequate to meet basic needs.

The official measure is three times the cost of a minimum **food** diet from 1963 (in today's prices).



The SPM uses information about what people spend today for basic needs—**food**, **clothing**, **shelter**, **utilities**, and telecommunications.



Are needs the same in New York and Mississippi?

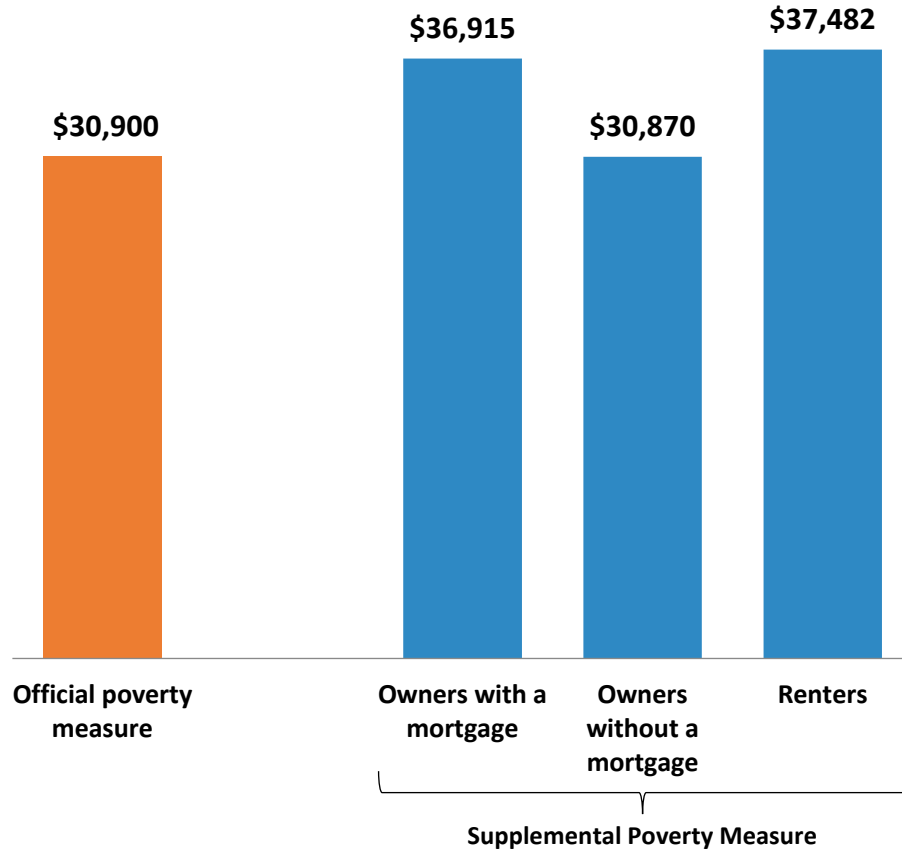
Poverty thresholds for both measures are adjusted to reflect the needs of families of different types and sizes. Only the SPM thresholds take account of geographic differences in housing costs.

Yes, the official poverty threshold is the same throughout the United States. In 2023, the poverty threshold for a family with two adults and two children was \$30,900.

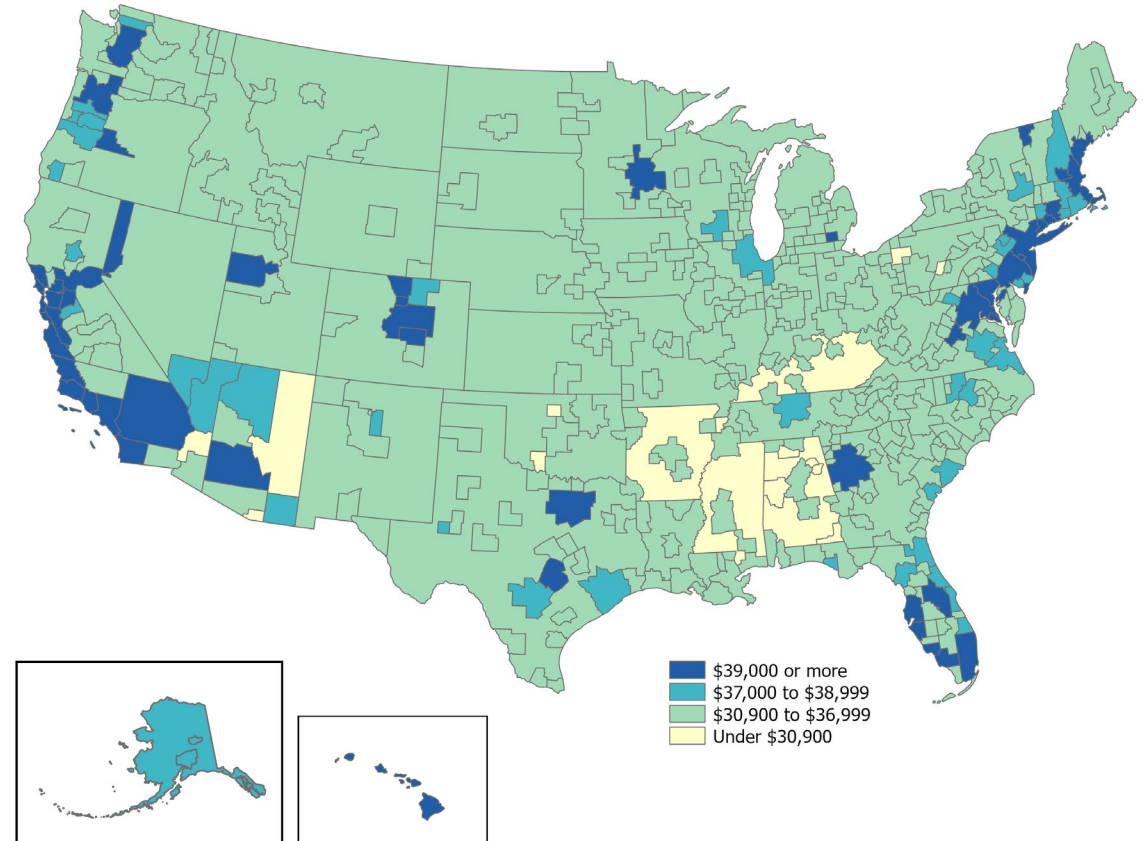
No, SPM thresholds vary based on several factors such as place of residence and whether it is a rental unit or purchased property or home with a mortgage. The map on the next slide shows SPM thresholds for renters with two adults and two children in 2023.

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

Poverty Measure Thresholds: 2023



Supplemental Poverty Measure Thresholds for Renters: 2023



How the Census Bureau Measures Poverty: Official Poverty

RESOURCES INCLUDE:

- Wages and earnings
- Social Security
- Unemployment
- Retirement
- Interest & dividends
- Public assistance

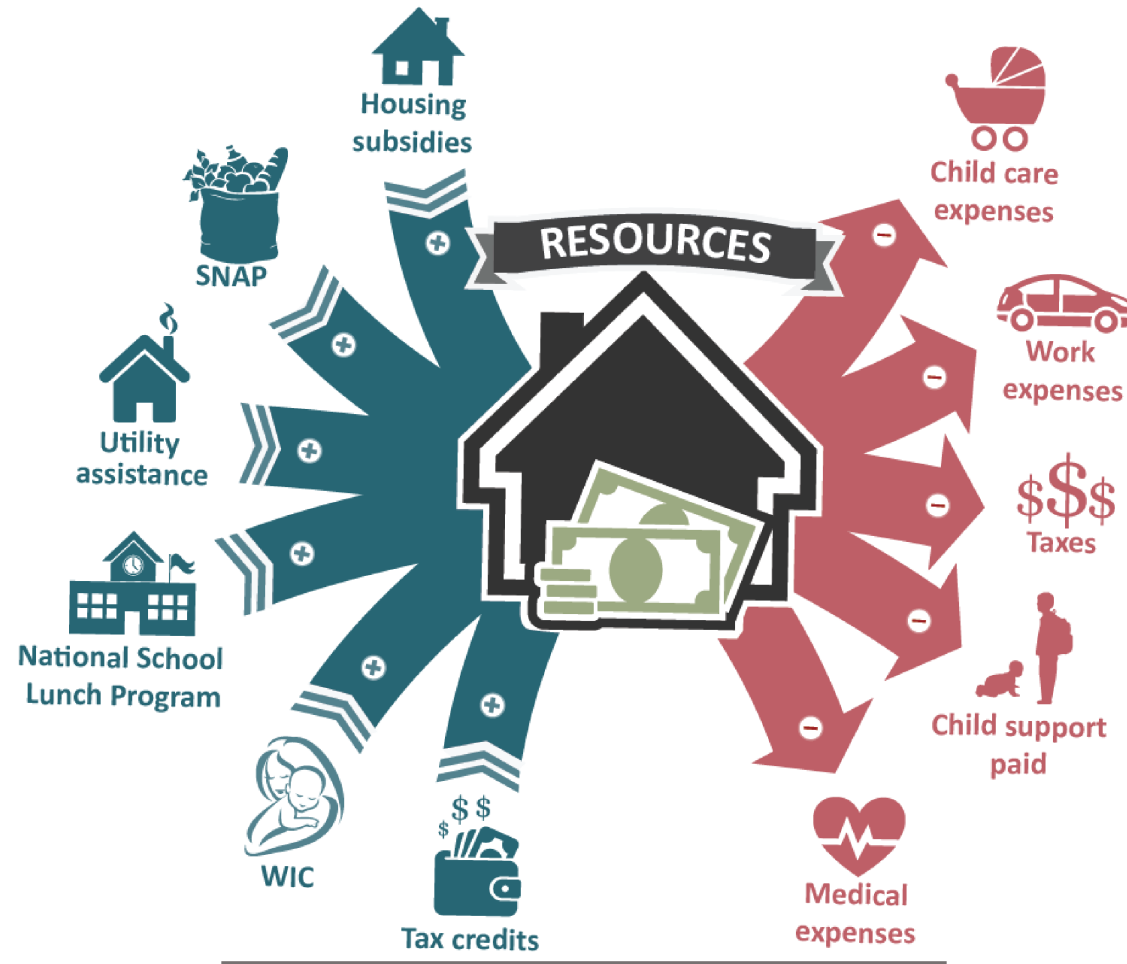


DOES NOT INCLUDE:

- Taxes paid
- Tax credits
- Stimulus payments
- Noncash assistance (SNAP, Medicaid, etc.)

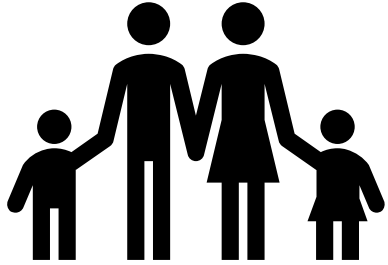
Threshold adjusted for
family composition

How the Census Bureau Measures Poverty: Supplemental Poverty Measure



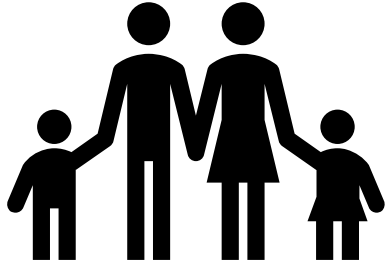
Threshold adjusted for family
composition, housing tenure, and
geographic variation

Case Study 1: Poverty Status in 2023



- Family of 4 living in Akron, OH and renting an apartment
- Pre-tax, money income of \$35,000.
 - Net taxes/EITC: \$1,700
 - SNAP: \$1,000
 - Work/Childcare Expenses: -\$12,000
- SPM Resources: \$25,700
- Official threshold is \$30,900. SPM threshold is \$33,763.
- *Official:* \$35,000 > \$30,900 so family *is not* considered poor.
- *SPM:* \$25,700 < \$33,763 so family *is* considered poor.

Case Study 2: Poverty Status in 2023

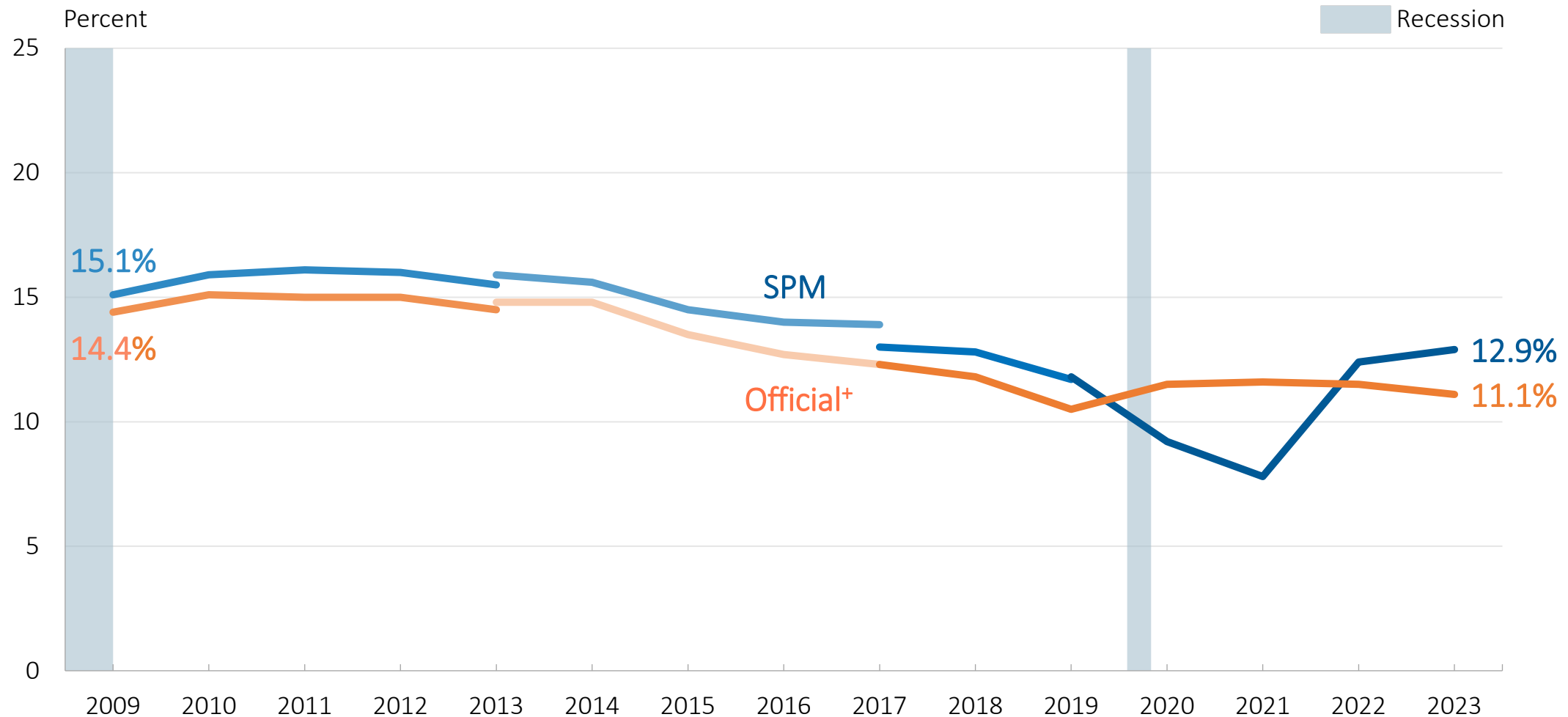


- Family of 4 living in Akron, OH and renting an apartment
- Pre-tax, money income of \$30,000.
 - Net taxes/EITC: \$3,200
 - SNAP: \$1,200
- SPM Resources: \$34,400
- Official threshold is \$30,900. SPM threshold is \$33,763.
- *Official:* $\$30,000 < \$30,900$ so family *is* considered poor.
- *SPM:* $\$34,400 > \$33,763$ so family *is not* considered poor.

When to Use Each Poverty Measure?

Official Poverty Measure	Supplemental Poverty Measure
Long term trends at national level: data available from 1959 using consistent method	More complete measure of resources: Includes tax credits, government assistance and key expenses
Program eligibility: Federal and State governments often use official poverty estimates to allocate funds to local communities.	Geographical variation in the poverty threshold.

Poverty Rates Using Official⁺ and the SPM: 2009 to 2023



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Datasets used to Measure Poverty

- CPS ASEC
- ACS
- SIPP
- SAIPE

Datasets used to Measure Poverty

- CPS ASEC
 - The Current Population Survey (CPS) is the longest running survey conducted by the Census Bureau.
 - The Annual Social and Economic Supplement (ASEC) is collected annually in February, March, and April. The 2023 sample consisted of ~90,000 addresses.
 - As a result of the sample size, 1-year estimates are representative at the national level. 3-year averages are suggested for states.
 - CPS ASEC is the official source of national poverty estimates.

Datasets used to Measure Poverty

- CPS ASEC
- ACS
 - The American Community Survey (ACS) is a nationwide household survey designed to provide communities with reliable and timely demographic, social, economic, and housing data for the nation, states, congressional districts, counties, places, and other localities every year.
 - It has an annual sample size of about 3.5 million addresses. It is a rolling survey administered throughout the year.
 - 1-year ACS: population > 65,000; estimates for 837 counties in 2022.
 - 5-year ACS: estimates for every congressional district, every metropolitan area, all 3,144 counties, all places (i.e., towns or cities), and all census tracts and block groups.

Datasets used to Measure Poverty

- CPS ASEC
- ACS
- SIPP
 - The Survey of Income and Program Participation (SIPP) is a household based survey beginning in 1983 designed as a continuous series of national panels.
 - It's a longitudinal survey, meaning it follows the same respondents over time.
 - An annual sample size of about 50,000 addresses interviewed between January and June.
 - Allows for measurement of chronic and episodic poverty.
 - Allows for information on monthly poverty and detailed program participation.

Datasets used to Measure Poverty

- CPS ASEC
- ACS
- SIPP
- SAIPE
 - The Small Area Income and Poverty Estimates (SAIPE) program provides model-based income and poverty estimates for all states, counties and school districts
 - Poverty rate models based on ACS 1-year data and administrative data.
 - 1995 to 2023
 - All ages, Under age 18, Age 5 to 17 in families, Under age 5
 - The U.S. Department of Education uses SAIPE data to aid in determining annual Title I allocations of federal funds to states and school districts.

When to use each Dataset

If you want....	Use	Released annually in	Latest	Includes SPM?
National official poverty rates and SPM rates	CPS ASEC	September	2023	Yes
State and sub-state poverty rates for areas with over 65,000 people	1-year ACS	September (SPM in winter/spring)	2023	Yes
State, county, and school district official poverty rates	SAIPE	December	2023	No
Poverty estimates for all areas regardless of size	5-year ACS	December	2019-2023	No
Monthly poverty estimates and ability to follow the same people over time	SIPP	Early summer	2022	No

Resources

- Census Poverty:
 - <https://www.census.gov/topics/income-poverty/poverty.html>
 - <https://www.census.gov/topics/income-poverty/supplemental-poverty-measure.html>
- ACS Data platform – Official poverty only
 - <https://data.census.gov/cedsci/>
 - Persistent Poverty in Counties and Census Tracts
 - <https://www.census.gov/library/publications/2023/acs/acs-51.html>
- Microdata access
 - <https://data.census.gov/mdat/#/>
 - <https://www.census.gov/programs-surveys/acs/microdata/access.html>
 - <https://www.census.gov/data/datasets/time-series/demo/supplemental-poverty-measure/acs-research-files.html>
 - <https://www.census.gov/programs-surveys/sipp/data/datasets.html>
- SAIPE estimates – Official poverty only
 - <https://www.census.gov/data-tools/demo/saipe/#/>
 - <https://www.census.gov/data/datasets/2022/demo/saipe/2022-state-and-county.html>

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Data Tools

- Poverty briefs and reports
 - CPS ASEC: [Poverty in the United States: 2023](#)
 - ACS: [Poverty in States and Metropolitan Areas: 2023](#)
 - SIPP: [Monthly and Episodic Poverty: 2022](#)
- CPS data tables
 - [Current Population Survey Detailed Tables for Poverty](#)
 - [Historical Poverty Tables: People and Families - 1959 to 2023](#)
- Data.census.gov
 - [S1701: Poverty Status in the Past ... - Census Bureau Table](#)
 - [S1703 - Census Bureau Tables](#)
- Poverty rates by survey
 - <https://www.census.gov/data/tables/time-series/demo/income-poverty/poverty-rates-by-survey.html>
- SPM poverty tool
 - <https://www.census.gov/library/visualizations/interactive/spm-elements.html>

Discussion

- We define poverty in two ways at the Census Bureau: Official and SPM
 - There are other ways to measure well-being
 - Multidimensional Deprivation Index (MDI)
 - Gini Index and Income percentile ratios (e.g. 90/10, 50/10)
 - Community Resilience Estimates (CRE)
- Best places to go for help
 - CPS ASEC report
 - SPM
 - National poverty rates by demographics
 - Data.census.gov
 - State and sub-state poverty rates
 - Only official poverty data
 - Poverty branch: Sehds.psb.list@census.gov

Thank You!

My email: brian.e.glassman@census.gov

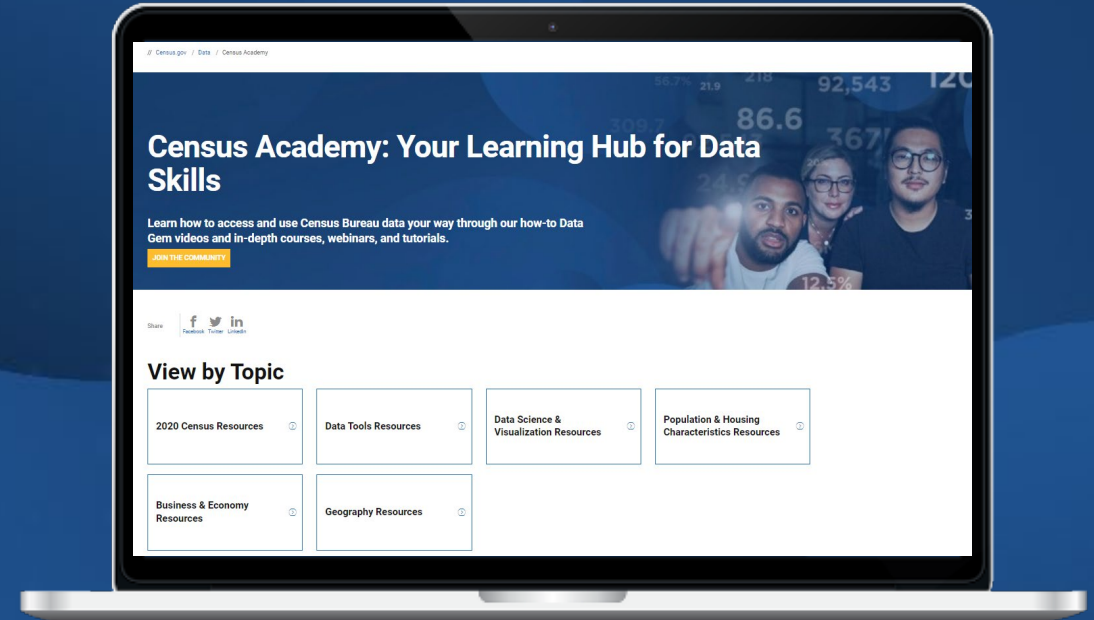
Poverty Statistics Branch Email: sehsd.psb.list@census.gov

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