

Bureau of the Census **Statistical Brief**

Poverty — Long and Short Term

Poverty is a temporary situation for some persons, a persistent condition for others.

Thanks to the Census Bureau's Survey of Income and Program Participation (SIPP), we can examine not only how many are poor at a point in time, but also how common poverty is on a long-term basis. We can also see how many move into and out of poverty over a period of time. Using a variety of measures, this Brief does each of these things.

In a typical month, 1 in 8 of us live in poverty.

Monthly poverty status was determined by comparing one's monthly family income to the appropriate monthly poverty threshold; the thresholds differ based on family size and composition.

According to this measure, 32 million Americans — 13 percent — were poor in an *average* month of 1990; both the number (34 million) and proportion (14 percent) increased in 1991. Even more persons were poor for *2 or more* months (46 million, or 19 percent, in 1990 and 49 million, or 20 percent, in 1991). The difference between these rates indicates considerable movement in and out of poverty over the period. A smaller,

though still imposing, number were poor during *every* month of 1990 and 1991 (11 million, or 5 percent).

Among those who became poor after October 1989, stays in poverty lasted a median of 4 months. The median was longer for Blacks (5.8 months) and Hispanics (4.9 months) than for Whites (3.9 months). (The Hispanic/Black difference was not statistically significant.)

Who is most likely to be poor?

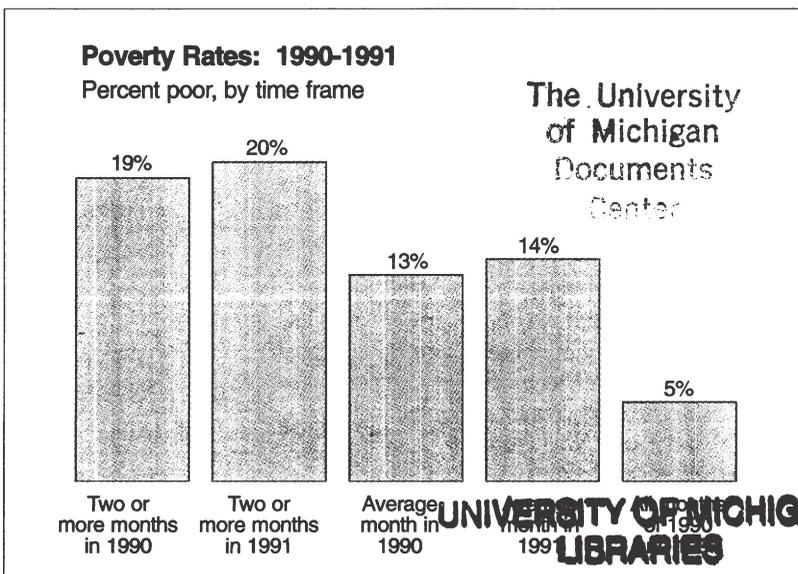
The graph on the back shows both monthly and long-term poverty rates for various demographic and socioeconomic groups. As you can see, the groups with higher monthly rates generally had higher long-term rates as well.

Poverty is a revolving door.

Annual, rather than monthly, poverty estimates provide another

perspective. They show that many more people change poverty status from year-to-year than are shown simply by the net change in the poverty rate. We calculated these annual estimates by summing monthly family income over the year, then comparing it to the sum of the 12 corresponding monthly poverty thresholds, based on family size and composition in each month.

Using this measure, we see that poverty was a persistent situation for 19 million persons; that is, they were poor during both 1990 and 1991. Another 5 million escaped poverty — they were poor in 1990, but not the next year. Unfortunately, they were more than replaced by the 6 million who were not poor in 1990, but slipped below the poverty line in 1991. In other words, 21 percent of persons who were poor in 1990 were not poor in



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1991, while 3 percent of those above the poverty line in 1990 were poor the following year.

If you were poor in 1990, you had a better chance of escaping poverty in 1991 if you were in a married-couple family both years. Nearly 3 in 10 such persons who were poor in 1990 were no longer poor the next year. The corresponding figure for those in other types of families both years was only 12 percent. Likewise —

- Twenty-three percent of Whites, but only 17 percent of Blacks and 14 percent of Hispanics who were poor in 1990 were no longer poor the next year.

- Non-elderly adults (25 percent) fared better than either children (19 percent) or the elderly (14 percent). The figures for children and the elderly were not significantly different from one another.

More information:

Dynamics of Economic Well-Being: Poverty, 1990-1992. Current Population Reports, Series P70-42. Contact Customer Services (301-457-4100) for ordering information.

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